

# *H*OUSING NEEDS ASSESSMENT

Huron, South Dakota

Prepared for:

James Valley Housing, Inc.  
Greater Huron Development Corporation  
Huron Housing & Redevelopment Authority

Prepared by:

Prior & Associates  
4500 Cherry Creek Drive South, Suite 1140  
Denver, Colorado 80246  
(303) 861-2728  
[info@priorandassociates.com](mailto:info@priorandassociates.com)

August 13, 2012

## TABLE OF CONTENTS

CERTIFICATION .....	v
I. EXECUTIVE SUMMARY .....	1
A. Report Objective .....	1
B. Market Area and Study Area .....	1
C. Economic and Demographic Profile .....	1
D. Housing Profile .....	2
E. Development for New Units .....	3
II. STUDY AREA .....	4
III. ECONOMIC TRENDS .....	5
A. Economic Profile .....	5
B. Wages .....	6
C. Resident Employment and Labor Force Trends .....	7
D. Impact of Recent Employment Growth .....	10
IV. HOUSING TRENDS .....	11
A. Housing Inventory .....	11
1. Number of Units .....	11
2. Pipeline .....	12
B. Unit Characteristics .....	13
1. Unit Types .....	13
2. Age and Condition of Residential Units .....	14
3. Bedroom Distribution .....	14
C. Housing Sales Market .....	15
1. Overview .....	15
2. Sales Prices .....	16
3. Conclusions .....	16
D. RENTAL MARKET TRENDS .....	17
1. Vacancy Rates .....	17
2. Current Rents .....	17
3. Rental Assistance .....	18
4. Rental Market Conclusions .....	19
V. HOUSING NEEDS OF FUTURE EMPLOYMENT .....	20
A. Future Employment Trends .....	20
1. Planned Business Expansions .....	20
2. Projected Employment Growth .....	20
B. Household Incomes and Housing Costs .....	23
1. Site-Built Single-Family Home Ownership Costs .....	23
2. Mobile/Manufactured Home Ownership Costs .....	24
3. Rental Costs .....	25
4. Affordability Levels of New Households .....	28
5. Rental Units .....	29

6. Demand for Subsidized Units .....	30
7. Demand for LIHTC Units.....	31
8. Demand for HOME Units.....	31
9. Demand for Replacement Units.....	32
VI. CONCLUSIONS AND RECOMMENDATIONS .....	33
A. Market Conditions .....	33


## CERTIFICATION

Prior & Associates, Inc. is an independent market analyst. No principal or employee of Prior & Associates, Inc. has any financial interest whatsoever in the development of which this analysis has been undertaken. The relationship of the market analyst is limited to that of an independent market analyst. The fee assessed for the study was not contingent on the outcome of the analysis.

To the best of our knowledge, all data contained in this report is correct to the extent that the local, state and federal recording agencies, and demographic suppliers accurately record and publish this data. All projections were based on current professionally accepted methodology.

The market analyst made a physical inspection of the market area, reviewed all relevant data, conducted personal interviews with local apartment managers, government officials, local real estate professionals, and service providers, and independently established the conclusions for this report.

By: Prior & Associates, Inc.

By:   
Principal

## **I. EXECUTIVE SUMMARY**

### **A. Report Objective**

- The purpose of this housing market analysis is to provide information about the overall demand for housing units in the Huron and Beadle County rental and ownership markets, analyze the single-family and multifamily housing markets, and identify the most critical unmet housing needs.

### **B. Market Area and Study Area**

- For the purpose of the analysis, the primary market area (PMA) is the city of Huron. Since Huron is the economic and government center of Beadle County, new housing development in Huron also would attract persons from other areas in Beadle County, which is the study's secondary, or extended, market area (EMA). Consequently, the study area covered by this report is Beadle County.

### **C. Economic and Demographic Profile**

- Beadle County has a regional economy based on manufacturing, education and health services, retail trade and government.
- Since 2005, Beadle County's annual employment growth rate has been 3.5%.
- Beadle County's economy began to experience rapid growth starting in 2006, when large employers, such as Dakota Provisions and Walmart, opened and started to hire workers.
- From the end of 2005 through the end of 2011, the county added 1,527 jobs that are covered by unemployment insurance. Approximately two-thirds of the job growth was in the manufacturing sector.
- Between 2005 and 2011, the county's number of employed residents increased an average of 2.1% per year.
- From 2005 through 2011, the county added 1,527 covered employment jobs. However, its number of resident workers increased by 937. The county added slightly over 400 more jobs than its local residents filled.
- Non-county residents filled the surplus jobs. As a result, a declining percentage of the county workforce lives in Beadle County. According to the U.S. Census the percentage of Beadle County employees who reside in the county declined from 79% in 2005 to 70% in 2010. The decrease was in large measure due to the shortage of housing to accommodate the increased work force.
- The city of Huron expects over the next two years to add at least 200 jobs that will primarily be service and manufacturing positions, with annual wages between \$24,960 and \$40,000.

## D. Housing Profile

- Housing production has not kept pace with the county's recent employment growth.
- From 2005 to 2011, permit-issuing jurisdictions in Beadle County authorized the construction of 323 new housing units, which was 904 less than the amount needed to accommodate the new household growth. Consequently, there has been growing imbalance between jobs, households and available housing, and an increasing percentage of local workers who live outside the city.
- From the start of the year through May 2012, no multifamily residential building permits were issued in the city of Huron or Beadle County.
- Most of Huron's residential units were built before World War II and are in average to below average condition. Its rental housing inventory contains Class C apartment projects and small multiple dwellings that are generally between 20 and over 50 years old.
- Huron's single-family housing stock consists mainly of two- to three-bedroom homes that are generally in average condition. Most owner-occupied units were built before 1970.
- No apartment projects are planned or under construction in Huron. However, one recently completed project, Pheasant Run, has 22 of its 38 units in lease-up and two existing projects have 15 apartments that are being renovated and are not yet available for rent.
- There are four single-family residential subdivisions, as well as a mobile home park, that have 222 potential building lots or mobile home pads.
- There is a decreasing supply of available units for sale or rent. From 2006 through 2011, the number of homes for sale and homes sold decreased. Listings fell from 205 units to 139 units, while sales dropped from 218 to 178.
- Between March 2009 and May 2012, the surveyed rental vacancy rate in Huron fell from 8.3% to 2.3%.
- Rent discounts and incentives have not been standard practice. In June 2012, no surveyed comparables were offering concessions.
- Since 2009, rents have increased at an average annual rate of 1.0% at surveyed Class B projects and 2.5% at Class C properties.
- Surveyed Class B apartment projects were constructed between 1999 and 2009 and are in above average condition, but do not offer any owner-paid utilities. They had average two- and three-bedroom rents of \$728 and \$782, respectively.
- The surveyed Class C apartment is an older product is in average condition that has owner-paid utilities. The average rent for a one-bedroom unit at the Class C apartment complex was \$437.

RENTS OF SURVEYED APARTMENT PROJECTS						
Unit Type	Class B Market-Rate			Class C Market-Rate		
	Range		Average	Range		Average
One Bedroom	---	---	---	\$437	\$437	\$437
Two Bedroom	\$690	\$770	\$728	---	---	---
Three Bedroom	\$760	\$820	\$782	---	---	---

Source: Survey by Prior & Associates, July 2012

- The median single-family home price in the area has increased 4.5% annually since 2002. Most of the increase occurred between 2007 and 2009, when the average sale price rose from \$60,000 to \$81,000. Since 2009, the average sale price has increased 3.2% per year. The reduced rate of increase is consistent with the increasing ratio of workers who are living outside the city.

## E. Development for New Units

- Beadle County will need 114 units new ownership units over the next two years. The 221 existing or planned single-family home lots, if built out, could absorb the existing demand for ownership units.
- Most new workers will have annual wages between \$25,000 and \$40,000. Households with one wage earner will have incomes from \$25,000 to \$40,000 and households with multiple wage earners will have incomes between \$50,000 and \$80,000.
- There will be a demand for as many as 30 new mobile homes in the study area in 2014.
- The study area needs 54 additional rental units.
- Although most of the new workers have incomes that will enable them to lease market-rate rentals, but many existing renters have lower incomes and can afford housing that receives rent subsidies.
- In 2014, there will be 819 income- and size-qualified renter households for LIHTC units and 586 income- and size-qualified renter households for HOME units.

## II. STUDY AREA

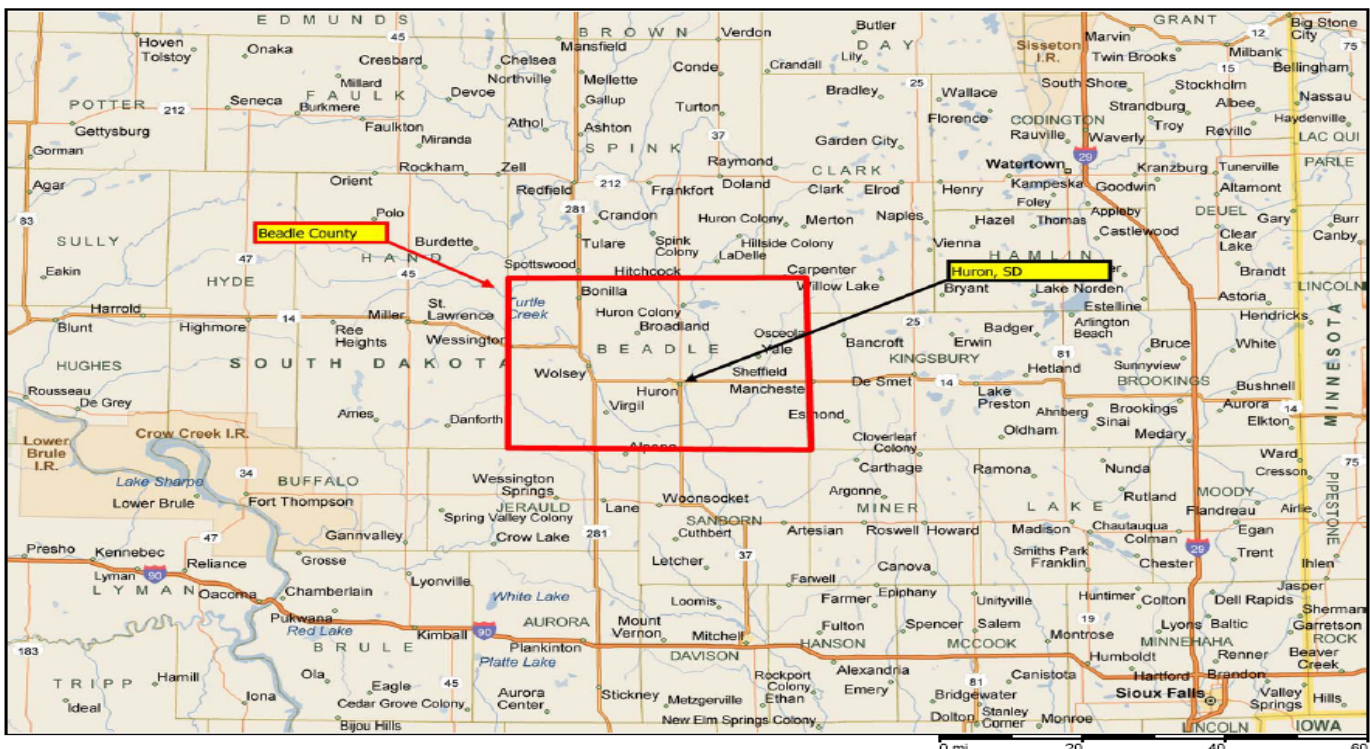
This report analyzes the housing demand in Huron, South Dakota. Huron is a growing rural community.

Huron, the seat of Beadle County, offers basic municipal services to residents of the city. Public school students attend classes in the Huron School District, which serves the city of Huron and surrounding areas. The primary circulation area of the Huron Plainsman includes Beadle County, as well as the adjacent counties of Spink, Clark, Hand, Jerauld and Sanborn.

Local rental properties in the city appeal to tenants from Huron, or other areas within the region. Tenants typically work in Huron at manufacturing, government, service and retail occupations, and have annual incomes between \$10,000 and \$60,000. Fifty-seven percent (57%) of the residents of Huron work in Huron and 13% work in other areas within Beadle County. The remaining 30% work outside the county. New ownership units generally appeal to residents with management, manufacturing and service jobs that have annual incomes above \$40,000.

These factors suggest that the primary market area (PMA) for housing in Huron is the city of Huron. Since Huron is the economic and government center of Beadle County, the city also attracts persons from other areas in the county, which will therefore serve as the study's secondary, or extended, market area (EMA). Huron has 12,732 inhabitants and Beadle County has 17,473 residents. Thus, this report will analyze the demand for housing within both Huron and Beadle County and will use Beadle County as its study area.

### STUDY AREA MAP





### III. ECONOMIC TRENDS

#### A. Economic Profile

Beadle County has a regional economy based on manufacturing, education and health services, retail trade and government. As the county seat and regional economic and service center, Huron's economy is supported by healthcare and government jobs. The major private and public sector employers in Huron are in the manufacturing, government, education, healthcare and retail industries. Of the ten largest employers in the county, five are in the manufacturing and government sectors. Most primary market area residents work in service, retail, government and manufacturing jobs in Huron. Because Huron is the county's seat and largest city, most of the county's largest employers are in Huron.

TOP 10 EMPLOYERS, HURON		
<i>Employer</i>	<i>Industry</i>	<i>Employees</i>
Dakota Provisions	Manufacturing	925
United States Government	Government	385
Huron Public Schools	Education	314
Huron Regional Medical Center	Healthcare	255
Center for Human Independence	Government	254
Sunquest Healthcare Center	Healthcare	245
Walmart	Retail	220
Terex Incorporated	Manufacturing	174
Trussbilt Incorporated	Manufacturing	140
Canadian Pacific Railroad	Railroad	132

Source: Greater Huron Development Corporation

As shown in the table on the following page, between 2002 and 2005, total covered employment in Beadle County decreased by 522 jobs. During this period, total government employment decreased by 190, while total private employment decreased by 332. The bulk of employment loss in the private sector was accounted for by service-providing occupations, which decreased by 282. Of these, the largest decrease was in the financial activities sector, which lost 147 jobs between 2002 and 2005. The only two sectors to experience employment growth over this period were manufacturing (28 new jobs) and education and health services (54).

However, Beadle County's economy began to experience rapid growth starting in 2006, when large employers, such as Dakota Provisions and Walmart, opened and started to hire workers. From the end of 2005 through the end of 2011, the county added 1,527 jobs that are covered by unemployment insurance. Approximately two-thirds of the job growth was in the manufacturing sector.

Existing employers that expanded their workforces in Huron include Trussbilt, a producer of metal products specializing in security products for correctional facilities, and Banner Engineering, a sensor manufacturer. Between 2005 and 2010, the county's total covered employment increased by a total of 1,527 jobs, or an average of 255 per year. The fastest growing sectors over this period were manufacturing (849 new jobs added), trade, transportation and utilities (174), professional and business services (72), and financial activities (97). Most new manufacturing jobs were at Dakota Provisions turkey processing plant, while most new jobs in trade, transportation and utilities are retail positions at Walmart, which hired most of its employees in 2006.

Since our original housing needs assessment was completed in April 2009, Dakota Provisions has added approximately 268 jobs and has approximately 925 full-time employees. Walmart cut 98 jobs

since 2009 and now has 220 employees, while Premier Bank Card added approximately 100 jobs, but has since eliminated around 50 of those positions, for a net addition of 50 jobs since 2009. Banner Engineering added 24 jobs between 2009 and 2012, and now has 122 employees. Trussbilt has cut 33 jobs since 2009, and now has around 140 full-time employees.

Other recent economic expansions include the construction of a city-owned Aquatic Center, which will be complete by fall 2012. The project added 100 temporary construction jobs to the city's employment base. Daypro, an animal byproduct processing facility that works with Dakota Provisions, opened in early 2012, adding approximately 25 jobs. Butler Machinery, an equipment dealer and service-provider for Caterpillar heavy machinery products, opened in spring 2012, and brought between 20 and 25 jobs to Huron.

INDUSTRY EMPLOYMENT - BEADLE COUNTY								
	2002	2005	2006	2007	2008	2009	2010	2011
<b>Total Covered Employment</b>	7,369	6,847	7,463	7,857	8,164	8,121	8,177	8,374
Federal Government	395	368	341	340	338	329	323	315
State Government	152	123	154	153	129	130	130	125
Local Government	918	784	738	751	766	799	795	799
<b>Total Private Employment</b>	5,904	5,572	6,230	6,613	6,931	6,863	6,929	7,135
<b>Goods-Producing</b>	1,137	1,087	1,569	1,714	1,970	1,962	2,092	2,292
Natural Resources & Mining	117	87	91	105	123	130	143	163
Construction	317	268	346	340	351	361	369	331
<b>Manufacturing</b>	<b>703</b>	<b>731</b>	<b>1,132</b>	<b>1,269</b>	<b>1,496</b>	<b>1,471</b>	<b>1,580</b>	<b>1,791</b>
<b>Service-Providing</b>	4,767	4,485	4,661	4,899	4,961	4,901	4,837	4,843
<b>Trade, Transportation &amp; Utilities</b>	<b>1,726</b>	<b>1,673</b>	<b>1,785</b>	<b>1,863</b>	<b>1,855</b>	<b>1,858</b>	<b>1,847</b>	<b>1,860</b>
Information	123	105	100	102	100	94	98	101
<b>Financial Activities</b>	<b>484</b>	<b>337</b>	<b>367</b>	<b>401</b>	<b>459</b>	<b>455</b>	<b>434</b>	<b>427</b>
<b>Professional &amp; Business Services</b>	<b>258</b>	<b>238</b>	<b>273</b>	<b>354</b>	<b>372</b>	<b>328</b>	<b>310</b>	<b>301</b>
Education & Health Services	1,166	1,220	1,164	1,201	1,187	1,199	1,224	1,239
Leisure & Hospitality	771	688	742	744	758	761	730	8
Other Services	239	223	230	234	230	206	194	-6

Source: Bureau of Labor Statistics, South Dakota Department of Labor

## B. Wages

The average annual wage of employees who work in Beadle County and are covered by unemployment insurance was \$31,938 in 2010. The industries highlighted in italics are those that comprise the largest percentage of the county's covered employment. Average yearly wages in these sectors (manufacturing, trade, transportation and utilities, and education and health services) range from \$30,904 to \$34,258.

COVERED ANNUAL EARNINGS - BEADLE COUNTY					
	2002	% Diff. Total Avg.	2010	% Diff. Total Avg.	Annual Change
<b>Total Covered Employment</b>	\$24,680	---	\$31,938	---	3.3%
Federal Government	\$50,572	104.9%	\$66,237	107.4%	3.4%
State Government	\$25,767	4.4%	\$35,633	11.6%	4.1%
Local Government	\$22,372	-9.4%	\$28,001	-12.3%	2.8%
<b>Total Private Employment</b>	\$23,281	-5.7%	\$30,723	-3.8%	3.5%
<b>Goods-Producing</b>	\$29,476	19.4%	\$35,687	11.7%	2.4%
Natural Resources and Mining	\$25,961	5.2%	\$39,388	23.3%	5.3%
Construction	\$29,778	20.7%	\$40,371	26.4%	3.9%
<b>Manufacturing</b>	<b>\$29,922</b>	<b>21.2%</b>	<b>\$34,258</b>	<b>7.3%</b>	<b>1.7%</b>
<b>Service-Providing</b>	\$21,803	-11.7%	\$28,576	-10.5%	3.4%
<b>Trade, Transportation, and Utilities</b>	<b>\$24,110</b>	<b>-2.3%</b>	<b>\$30,904</b>	<b>-3.2%</b>	<b>3.2%</b>
Information	\$17,893	-27.5%	\$24,834	-22.2%	4.2%
Financial Activities	\$29,691	20.3%	\$39,022	22.2%	3.5%
Professional and Business Services	\$24,071	-2.5%	\$35,307	10.5%	4.9%
<b>Education and Health Services</b>	<b>\$25,270</b>	<b>2.4%</b>	<b>\$31,497</b>	<b>-1.4%</b>	<b>2.8%</b>
Leisure and Hospitality	\$7,953	-67.8%	\$10,183	-68.1%	3.1%
Other Services	\$16,509	-33.1%	\$24,891	-22.1%	5.3%

Source: Bureau of Labor Statistics

The following table includes jobs advertised by the South Dakota Department of Labor. Although these jobs are attributed to typical unemployment in Huron and are not included in the projected employment growth, it shows that the average annual wage for positions available in Huron in May 2012 was \$21,869 per year.

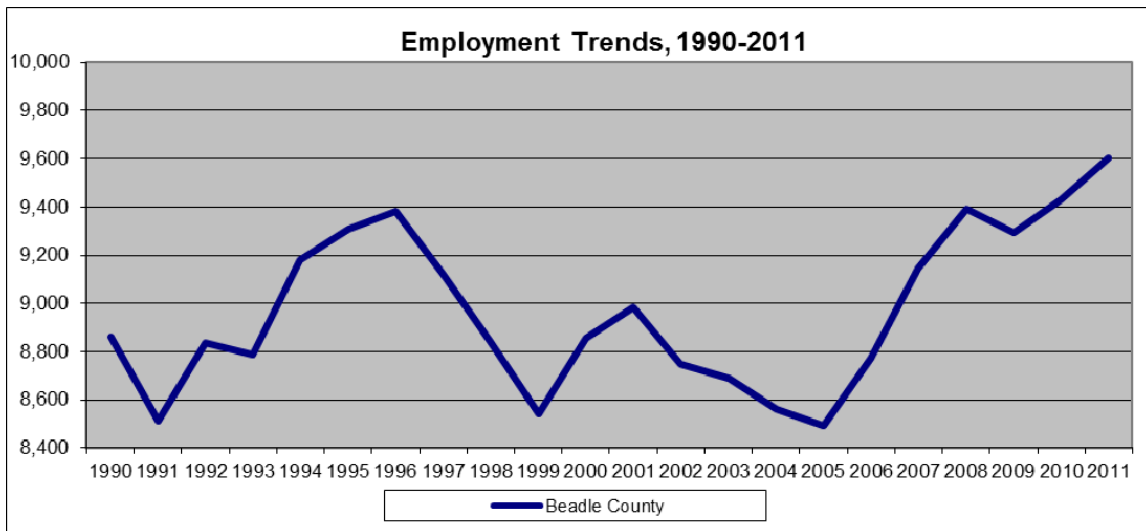
EXISTING JOB OPENINGS – MAY 2012				
Position	Number of New Jobs	Wages/Hr	Annual Wages	Average Annual Wages
Professional	10	\$7.25 - \$18.00	\$15,080 - \$37,440	\$23,456
Leisure and Hospitality	38	\$4.00 - \$11.00	\$8,320 - \$22,880	\$15,661
Construction	5	\$8.50 - \$19.31	\$17,680 - \$40,165	\$29,977
Agriculture	4	\$9.00 - \$14.00	\$18,720 - \$45,000	\$30,880
Truck Driver	4	\$10.00 - \$18.00	\$20,800 - \$37,440	\$30,550
Healthcare	6	\$7.25 - \$20.00	\$15,080 - \$41,600	\$22,547
Education	1	\$11.22	\$23,338	\$23,338
Retail	28	\$7.25 - \$11.00	\$15,080 - \$29,276	\$17,287
Manufacturing	16	\$8.50 - \$18.00	\$17,680 - \$37,440	\$27,095
Government	6	\$10.76	\$15,600 - \$74,628	\$25,204
Other	34	\$7.25 - \$18.00	\$15,080 - \$63,400	\$24,119
Information	2	\$25.00 - \$28.00	\$40,000 - \$58,240	\$47,560
Part-Time	19	\$7.50 - \$17.90	N/A	N/A
Total/Average	173	\$4.00 - \$28.00	\$8,320 - \$74,628	\$21,869

Source: South Dakota Department of Labor

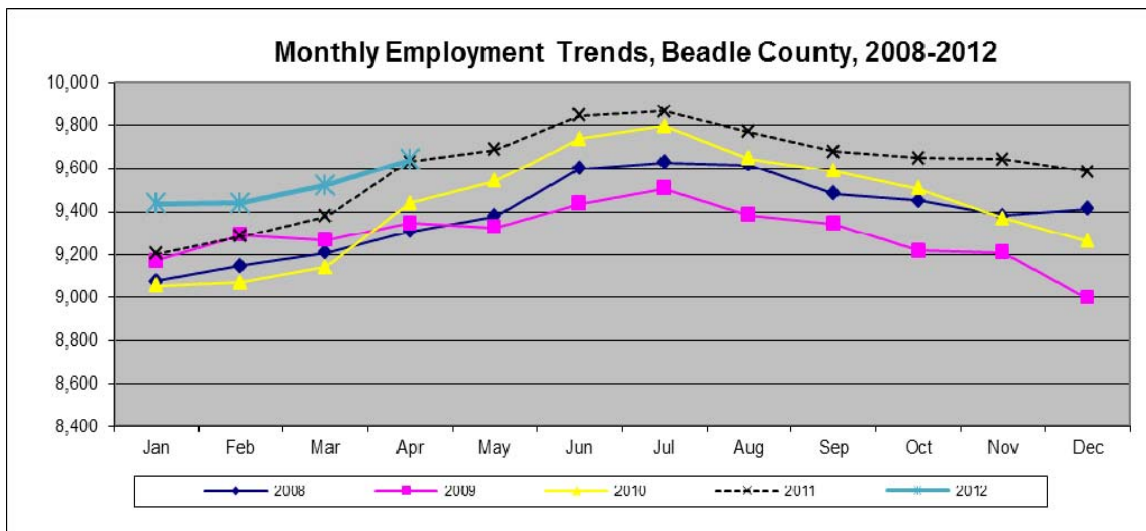
### C. Resident Employment and Labor Force Trends

The Bureau of Labor Statistics (BLS) monitors the numbers of Huron County residents who are employed or actively seeking work. The BLS tabulations cover self employed persons, workers who are not covered by unemployment insurance, as well as workers who are covered by unemployment insurance. It does not cover persons who work in Huron County, but live outside the city.

According to the Bureau of Labor Statistics, the county's resident work force is expanding less rapidly than its wage and salary job base. From 2005 through 2011, its wage and salary job base increased at an average of 1.0% per year. From 2002 through 2005, employment in the county decreased 1.0% per year, as total employment in county dropped from 8,746 to 8,493. Between 2005 and 2011, the county's number of employed residents increased an average of 2.1% per year.

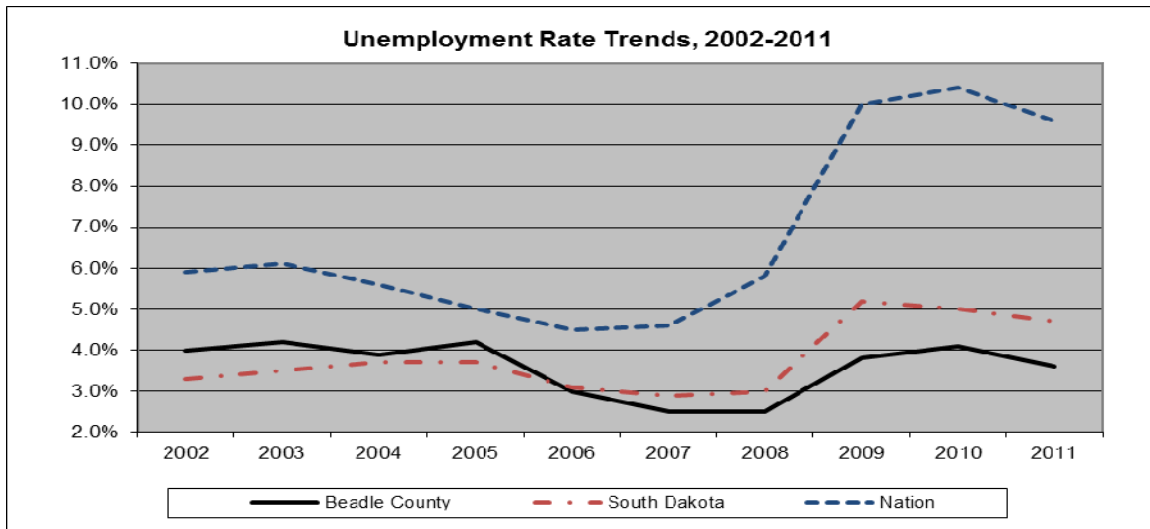


Employment in Beadle County fluctuates due to changes in seasonal employment at Dakota Provisions. Employment levels are highest from June through September, when there is an increase in production volume. For example, in the summer of 2008, employment peaked at 725 employees, while in February 2009, the company had 657 employees. However, these seasonal employment variations do not affect the year round housing market because most workers who fill the seasonal positions live in Huron throughout the year.



The unemployment rate in Beadle County fluctuated between 3.9% and 4.2% from 2002 through 2005, but, in response to the expanding job base, fell to 2.5% in 2007, where it remained in 2008. Historically, unemployment rates in the county have generally followed trends similar to those of the state and nation, but at lower levels. However, between 2006 and 2007, when deteriorating economic conditions began to cause the national unemployment rate to rise, the county's unemployment rate continued to decrease, from 3.0% to 2.5%. The state's unemployment rate also fell, from 3.1% in 2006 to 2.9% in 2007. As the downturn began to build momentum, the county continued to outperform the state and nation. In 2008, the county's unemployment rate stayed stable at 2.5%, while the state's rose slightly, to 3.0%, and the national rate increased at a faster pace, to 5.8%. The national economic downturn finally impacted the county in 2009 and 2010, causing the unemployment rate to rise to 3.8%

and 4.1%, respectively. The increase in the county's 2009 unemployment rate was less severe than the state's, which had an increase to 5.2% that year, while the national unemployment rate increased much faster than both the county and state, to 10.0%. Nationwide economic conditions began to stabilize in 2010 and 2011, causing the state's unemployment rate to decrease to 5.0% and 4.7%, respectively, while the county's unemployment rate rose slightly in 2010, to 4.1%, then fell to 3.6% in 2011. The national unemployment rate increased to 10.4% in 2010, then decreased to 9.6% in 2011. In April 2012, the unemployment rate was 3.3% in the county, 4.3% in the state and 8.2% in the country.



The following table shows Beadle County's labor force, employment, unemployment and unemployment rate from 2000 through 2011. From the end of 2000 through 2005, the county's labor force decreased by a total of 237, while its employment decreased 365 and its overall unemployment rate increased from 2.7% to 4.2%, because the number of persons in the labor force decreased at a slower rate than employment. However, in 2006 and 2007, employment increased at a faster rate than the labor force. From the start of 2006 through 2007, the county's labor force increased by a total of 515, while its employment level increased by 654, resulting in a decrease in the unemployment rate from 4.2% in 2005 to 2.5% in 2007. In 2008, labor force and employment rose at a similar rate, and the unemployment rate remained unchanged at 2.5%. In 2009 and 2010, the national recession caused employment to fall by 101, while labor force continued to grow, by a lower number of 34. Labor force growth again outpaced employment growth in 2010, causing a slight increase in the unemployment rate. The trend experienced between 2008 and 2010 reversed, however, in 2011, when job growth outpaced labor force growth by 43, resulting in a lower unemployment rate that year.

Overall from the end of 2005 through 2011, the county added 12 more jobs than the total increase in labor force over the same period. This decrease in the county's unemployment rate is largely the result of Dakota Provisions and Walmart adding jobs to the county's employment base starting in 2005. With the exception of 2010, when the unemployment rate rose to 4.1% because of the recession, the county's unemployment rate has remained below 4.0% since 2005.

LABOR FORCE AND EMPLOYMENT TRENDS, BEADLE COUNTY, 2005-2012							
Year	Labor Force	Chg.	Employed	Chg	Emp. vs. Labor Force	Unemployed	Unemployment Rate
2000	9,102	---	8,858	---		244	2.7%
2001	9,298	196	8,984	126	-70	314	3.4%
2002	9,110	-188	8,746	-238	-50	364	4.0%
2003	9,073	-37	8,689	-57	-20	384	4.2%
2004	8,908	-165	8,564	-125	40	344	3.9%
2005	8,865	-43	8,493	-71	-28	372	4.2%
Total 2000-05	---	-237	---	-365	-128	---	---
2006	9,041	<b>176</b>	8,772	279	<b>103</b>	269	3.0%
2007	9,380	<b>339</b>	9,147	375	<b>36</b>	233	2.5%
2008	9,628	<b>248</b>	9,392	245	<b>-3</b>	236	2.5%
2009	9,662	<b>34</b>	9,291	-101	<b>-135</b>	371	3.8%
2010	9,833	<b>171</b>	9,430	139	<b>-32</b>	403	4.1%
2011	9,962	<b>129</b>	9,602	172	<b>43</b>	360	3.6%
Total 2006-11	---	<b>1,097</b>	---	1,109	<b>12</b>	---	---

Source: Bureau of Labor Statistics

## D. Impact of Recent Employment Growth

Increased job opportunities can allow unemployed local residents to find jobs. They also can provide employed local residents with promotional opportunities. However, if the number of new jobs exceeds the available supply of local labor, the jobs will be filled by non-county residents.

From 2005 through 2011, the county added 1,527 covered employment jobs. However, its number of resident workers increased by 1,109. The county slightly over 400 more jobs than its local residents filled. The disparity suggests that non-county residents are filling greater percentages of available jobs within the county.

EMPLOYMENT CHANGE - BEADLE COUNTY		
	Resident Work Force	Covered Employment
2005	8,493	6,847
2011	9,602	8,374
Change	1,109	1,527

Source: Bureau of Labor Statistics

Non-county residents filled the surplus jobs. As a result, a declining percentage of the county workforce lives in Beadle County. According to the U.S. the percentage of Beadle County employees who are Beadle County residents declined from 79% in 2005 to 70% in 2010. The decrease was in large measure due to the shortage of housing to accommodate the increased work force. If adequate housing became available, over time it is likely the county's ratio of employees who are county residents would return to its pre-expansion percentage.

WHERE WORKERS EMPLOYED IN HURON LIVE			
Year	Huron	Rest of County	Beadle County
2005	57.2%	21.1%	78.9%
2006	54.1%	20.7%	79.3%
2007	65.8%	25.7%	74.3%
2008	64.7%	26.1%	73.9%
2009	59.6%	28.9%	71.1%
2010	59.9%	29.6%	70.4%

Source: 2010 U.S. Census

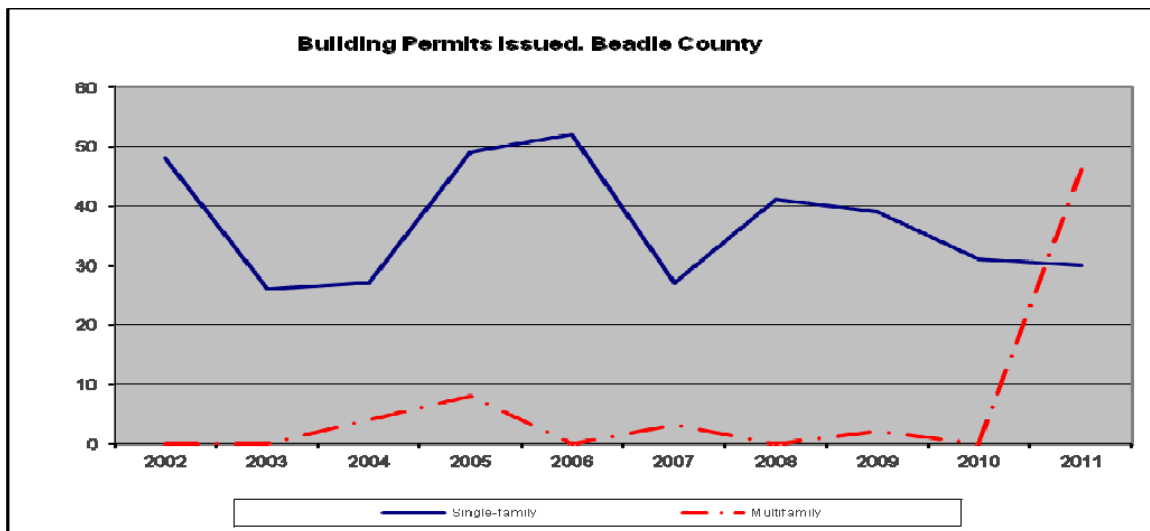
## IV. HOUSING TRENDS

### A. Housing Inventory

#### 1. Number of Units

From 2002 to 2011, permit-issuing jurisdictions in Beadle County authorized the construction of 433 new residential dwellings. Multifamily permits averaged six units per year and accounted for 15% of the development activity. In 2011, when 46 multifamily permits were issued, 73% of the construction occurred. Huron had 52 multifamily housing starts since 2002, or 83% of the county total. Between January 2012 and March 2012, zero multiple dwellings received building permits in the county and or in Huron.

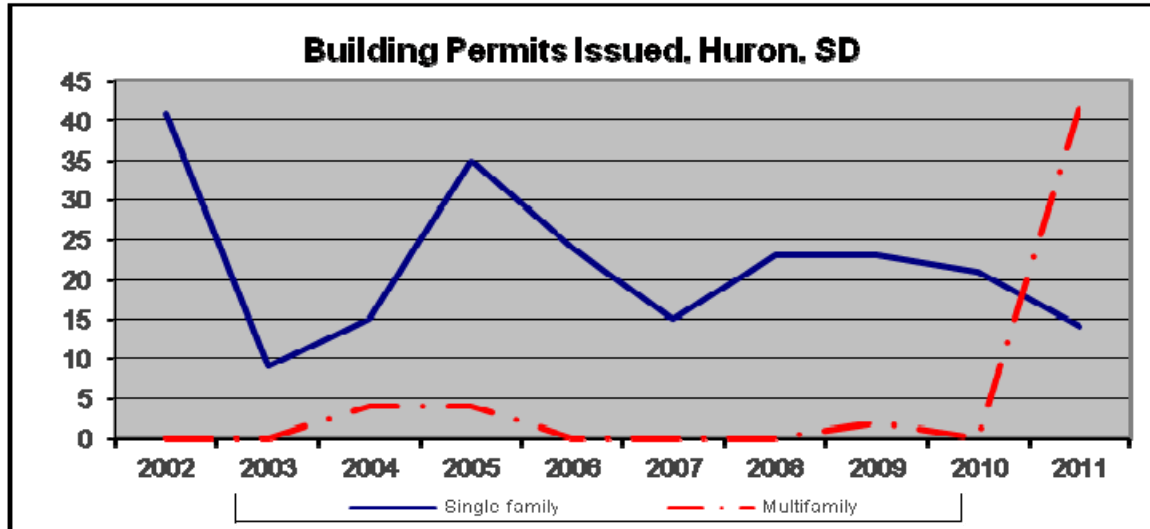
Single-family residential construction declined in the county after 2005. Single-family permits issued in the county dropped from 52 in 2005 to 30 in 2011. From 2008 through 2011, the county had an average of 35 single-family housing starts per year.



From 2002 through 2011, a total of 370 single-family permits and 63 multifamily permits were issued in Huron. In 1999, 44 multifamily permits were issued in the city, which accounted for 44% of the city's total permitting activity in that year, while multifamily permits accounted for 63% of activity in 2008. However, over the past ten years, single-family permits accounted for 81% of the city's total permitting activity, while multifamily permits have only accounted for 19%. Single-family permit activity has fluctuated over the past ten years, with peaks of 41 permits issued in 2002 and 35 permits in 2005. Both single-family and multifamily permit activity in Huron followed similar trends prior to and after 2005, when the area began to experience a large increase in employment levels. From the start of the year through May 2012, no multifamily residential building permits have been issued in the city of Huron or Beadle County.

However, in mid-June 2012, Pheasant Run, a 38-unit income-restricted project opened in the PMA. By August 1<sup>st</sup>, the property had leased 16 of its 38 units within the six-week period, for an absorption rate of 11 units per month.

The rates of single-family and multifamily construction in the city of Huron (and subsequently Beadle County) remained within their historic ranges between 2007 and 2011. The stable production level illustrates that the county's housing supply has not increased to accommodate its recent job growth. As a result, the percentage of Huron County workers who live in the county had decreased.



The county's recent construction activity has not kept pace with employment and household growth. Between 2006 and 2011, the county's available wage and salary positions increased by 1,527. At the average rate of 1.3 jobs per household reported by the 1990 and 2000 Census, the county required 1,175 new units to accommodate its growth. During this period, the county authorized the construction of 323 new units, or 904 less than the amount needed to accommodate the new household growth. Consequently, the county has a growing imbalance between jobs and available housing units.

UNITS REQUIRED TO ABSORB GROWTH AND PERMITS ISSUED					
Year	Job Growth	Jobs/ Household	Units Needed	Permits Issued	Difference
2006	616	1.3	474	52	-422
2007	394	1.3	303	30	-273
2008	307	1.3	236	41	-195
2009	-43	1.3	-33	41	74
2010	56	1.3	43	31	-12
2011	197	1.3	152	76	-76
Total	1,527	1.3	1,175	323	-904

Source: SOS Database, Bureau of Labor Statistics, Analysis by Prior & Associates

## 2. Pipeline

According to the Huron Planning Department, there are no apartment projects planned or under construction in Huron. However, Pheasant Run still has 22 of its 38 units in lease-up. However, there are four single-family residential subdivisions, as well as a mobile home park that have 222 potential building lots or mobile home pads.

The Prairie Green subdivision contains 59 total lots that are approximately 14,000 square feet in size. Of those 59 lots, approximately 22 have been sold. Lots may be purchased vacant or with homes already constructed. Twenty-two (22) lots have homes on them, which sold for between \$140,000 and \$180,000, while vacant lots sell for approximately \$25,000.



The South Town addition contains approximately 100 lots, which have had six homes constructed on them. Lots are only available in South Town with homes that have already been constructed. Two of the six homes that have been constructed sold for \$143,900.

Broadland Creek is a golf course community located in the northern portion of Huron, just to the east of Huron Municipal Airport. The community has been parceled into lots, and road, storm drain and utility improvements have been made to all of the lots, which are ready for single-family home development. In total, the community contains 28 lots, 21 of which are still available for sale and development. The community has certain design covenants for the homes that are built, which will sell for approximately \$200,000.

The Lake Heights subdivision is an existing, higher-end single-family subdivision with a total of ten existing lots, all of which are built out. According to Mr. Ralph Brobowski, the subdivision plans to add up to 20 more lots. Similar to Broadland Creek, the homes in Lake Heights are subject to design covenants. These homes typically sell for between \$300,000 and \$400,000.

There is also space available at Prairie Villa mobile home park, which has a total of 100 sites. In July 2012, mobile homes occupied approximately 50 of the 100 sites. By July 2012, an unspecified number of sites remained vacant, suggesting that up to 50 additional homes can be added to the park as needed. The homes are typically three-bedroom/two-bath single-family dwellings with 1,120 square feet of living space.

As detailed in the table below, the existing and planned single-family subdivisions and mobile home parks have 222 lots that can be available for future development.

AVAILABLE SINGLE-FAMILY AND MOBILE HOME LOTS					
Name	Type	Typical Price Range	Total Lots	Built-Out Lots	Available Lots
Prairie Villa	Mobile Home	\$45,000-\$53,000	100	50	50
Prairie Green	SFH	\$140,000-\$150,000	59	22	37
South Town	SFH	\$140,000-\$180,000	100	6	94
Broadland Creek	SFH	\$200,000 and up	28	7	21
Lake Heights	SFH (Existing)	\$300,000-\$400,000	10	10	0
Lake Heights	SFH (Planned)	\$300,000-\$400,000	20	0	20
Total			317	95	222

Source: Ralph Browbowski, Analysis by Prior & Associates

## B. Unit Characteristics

### 1. Unit Types

According to the 2010 Five-Year American Community Survey (ACS) from the U.S. Census, single-family units comprised 93% of Huron's for-sale units. Of the remaining owner-occupied units, 1% were multifamily homes and 6% mobile homes and other structural types. Single-family rentals comprised 36% of the total renter-occupied units in Huron, while 64% were in multifamily structures and less than 1% were mobile homes or other unit types.

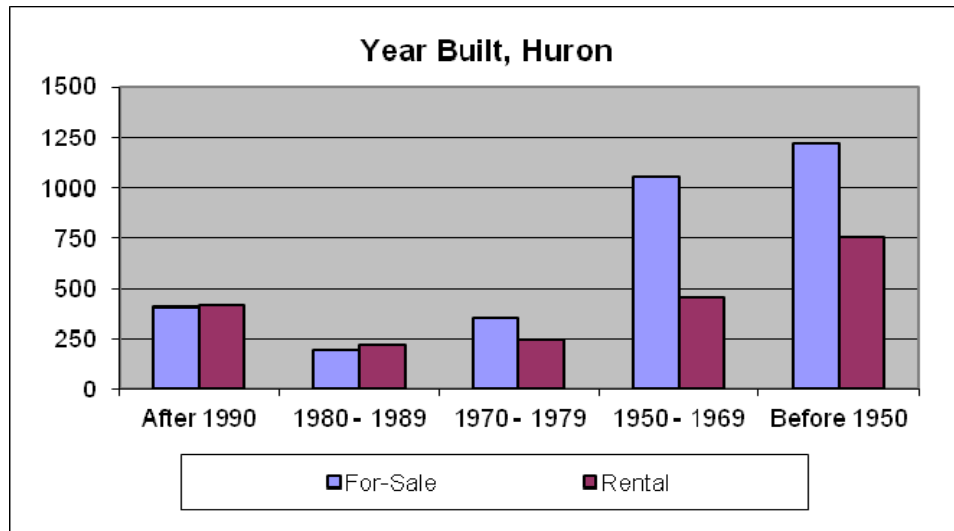
UNIT TYPES, HURON		
	<i>For-Sale</i>	<i>Rental</i>
Single-Family	92.5%	36.2%
Multifamily	1.9%	63.5%
Mobile Home and Other	5.6%	0.3%
Total	100.0%	100.0%

Source: U.S. 2010 ACS Census

## 2. Age and Condition of Residential Units

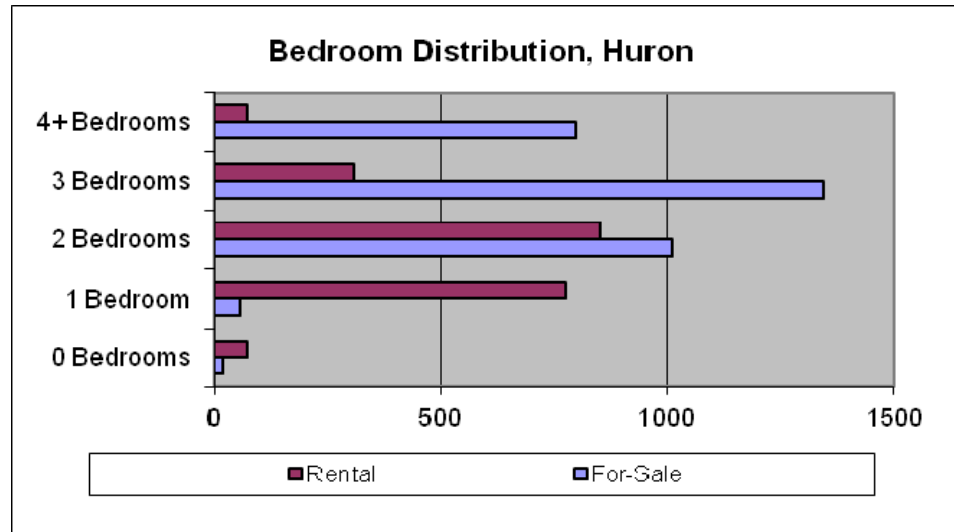
Most of Huron's residential units were built before World War II and are in average to below average condition. Its rental housing inventory contains Class C apartment projects and small multiple dwellings that are generally between 20 and over 50 years old. The apartments are in moderate-density, Class C, garden complexes that were built in the 1970s and 1980s and are in average condition. The single-family rentals are primarily in low-density, pre-World War II bungalow dwellings in average to below average condition. The rental inventory also includes small multifamily projects, primarily in poorly-maintained, average quality, duplex structures that are over 50 years old.

Most owner-occupied units in Huron were built prior to 1970, with a large percentage constructed before 1950. Huron's single-family housing stock consists mainly of two- to three-bedroom homes that are generally in average condition.



## 3. Bedroom Distribution

According to the 2010 ACS, 2% of the owner-occupied units in Huron were studio or one-bedroom units, 31% were two-bedroom dwellings, 42% were three-bedroom units and 25% had four or more bedrooms. Of the total renter-occupied units in Huron, 4% were studio units, 37% were one-bedroom dwellings, and 41% were two-bedroom units. Dwellings with three or more bedrooms accounted for 18% of Huron's rental housing inventory.



## C. Housing Sales Market

### 1. Overview

Persons seeking to purchase a home in Huron have the option of acquiring an existing home, purchasing a new home or buying a mobile home. Since 2002, an average of 179 homes have been sold through the area's Multiple Listing Service (MLS) each year in the Huron area. Between 2002 and 2004, sales activity increased an average of 23.2% per year, decreased 3.7% in 2005, increased 19.8% in 2006, and decreased 8.2% annually through 2008. In 2009, sales increased 2.8%, before falling 4.8% in 2010 and increasing 0.6% in 2011.

SOLD LISTINGS, 2002-2011, HURON		
Year	Units Sold	% Chg
2002	129	---
2003	155	20.2%
2004	189	21.9%
2005	182	-3.7%
2006	218	19.8%
2007	195	-10.6%
2008	181	-7.2%
2009	186	2.8%
2010	177	-4.8%
2011	178	0.6%

Source: Huron Area MLS

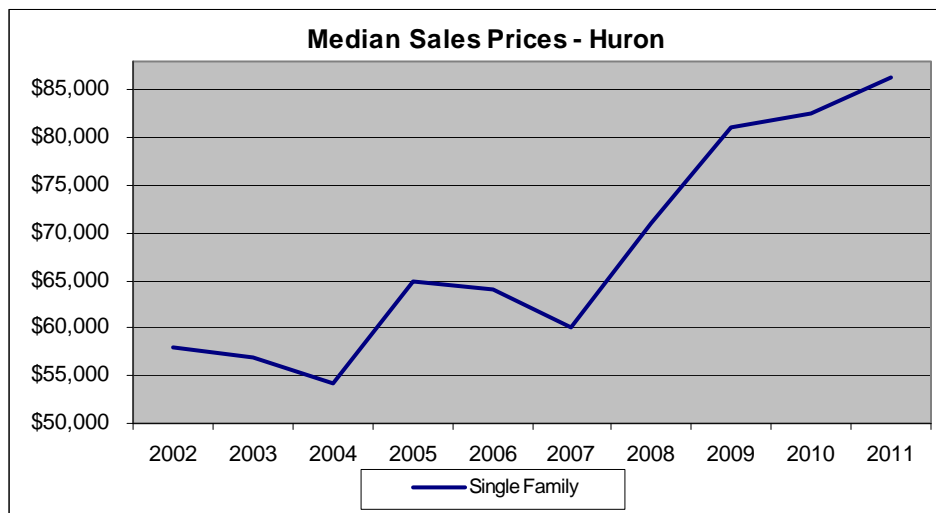
According to local MLS data, there is a declining number of homes available for purchase in the Huron area. From 2006 through 2011, the number of homes for sale and homes sold decreased. Listings fell from 205 units to 139 units, which sales dropped from 218 to 178. In July 2012, there are 70 homes listed for sale in Huron. At the current sales rate of approximately 180 units per year, or 15 per month, Huron's has a four-month supply of single-family homes.

<b>LISTINGS AND SALES, 2002-2012, HURON</b>			
<b>Year</b>	<b>Listings</b>	<b>Unit Sales</b>	<b>Difference</b>
2002	134	129	5
2003	165	155	10
2004	169	189	-20
2005	201	182	19
2006	205	218	-13
2007	171	195	-24
2008	157	181	-24
2009	188	186	2
2010	187	177	10
2011	139	178	-39

Source: Huron Area MLS

## 2. Sales Prices

The study area's owner occupied housing stock includes single-family homes, duplexes and mobile homes. According to the America Community Survey, single-family detached housing comprise 92% of the owner-occupied inventory. In 2011, the average price of homes sold in the Huron area was \$86,250. The median single-family home price in the area has increased 4.5% annually since 2002. Most of the increase occurred between 2007 and 2009, when the mean price rose 16.0% annually, from \$60,000 to \$81,000. Since 2009, the average sale price increase dropped to 3.2% per year.



Homes under \$65,000 are typically two-bedroom/one-bath homes that were constructed in the early 1900s. Homes with sale prices ranging from \$60,000 to \$160,000 were typically built between the early 1900s and the 1970s and contain three bedrooms and one or two baths. Homes in the \$160,000 to \$200,000 range were typically constructed in the last five years and have two or three bedrooms, and about 2,100 square feet of living space. Homes over \$200,000 are usually over 2,500 square feet and often on larger than average lots.

## 3. Conclusions

From 2002 to 2005, the Huron area had limited household growth rates, and as a result, the home sales market remained in balance. New sales listings outnumbered homes sold by an annual average of approximately four over that period. However, starting in 2006, as employment levels grew substantially, the study area's housing market did not add sufficient units to respond to the job growth.

The number of new listings began to decrease as the available inventory of homes was no longer able to absorb new demand. Although prices rose 16.0% annually from 2007 to 2009, the average prices have since increased 3.2% per year. The lower rate of price increases suggest that the increased work force is not bidding up the price of homes, but is obtaining housing outside the county.

## D. RENTAL MARKET TRENDS

### 1. Vacancy Rates

#### a. Historic Vacancy Rates

According to surveys conducted by the James Valley Housing, Inc., the average vacancy rate at apartments dropped from 4.4% in 2007 to 3.4% in May 2012. Prior & Associates completed a market survey of a similar group of comparables in March 2009 and May 2012. During that period, surveyed vacancy rate fell from 8.3% to 2.3%.

#### b. Current Vacancy Rates

In May 2012, the average vacancy rate at 11 surveyed LIHTC, deeply-subsidized and market-rate units in the PMA were 2.6%. Vacancy rates were highest in one and two-bedroom units, and lowest in studios, three- and four-bedroom units, although the three- and four-bedroom units had a vacancy rate of 3.0% or lower.

VACANCY RATES OF SURVEYED RENTAL UNITS			
Unit Type	Number	Vacant	Vacancy Rate
Studio	24	2	8.3%
One Bedroom	164	5	3.0%
Two Bedroom	135	1	0.7%
Three-Bedroom	73	1	1.4%
Total	396	9	2.3%

Source: Survey by Prior & Associates,

The empty units were concentrated in the older non-income restricted projects, which had an 8.3% vacancy rate. In contrast, market-rate apartments that were constructed in the last 15 years were 0.0% vacant. Deeply-subsidized projects had a 1.6% vacancy rate.

VACANCY RATES OF SURVEYED RENTAL UNITS				
Unit Type	Total	Newer Market-Rate	Older Market-Rate	Deeply Subsidized
Studio	8.3%	--	8.3%	--
One Bedroom	3.0%	--	8.3%	2.2%
Two Bedroom	0.7%	0.0%	--	1.2%
Three-Bedroom	1.4%	0.0%	--	0.0%
Total	2.3%	0.0%	8.3%	1.6%

Source: Survey by Prior & Associates, May 2012

### 2. Current Rents

Between March 2009 and May 2012, the average rents at surveyed Class B apartments increased at yearly rates of approximately 1%. The average two-bedroom rent climbed from \$705 to \$728 and the average three-bedroom rent increased from \$761 to \$782. The median rent for two-bedroom Class C apartments was \$407 in 2009 and the average one-bedroom Class C rent was \$437 in 2012.

Rent discounts and incentives were not standard practice in Huron in May 2012. Of the surveyed apartment projects, none were offering concessions.

Surveyed Class B apartment projects were constructed between 1999 and 2009 and are in above average condition, but do not offer any owner-paid utilities. They had average two- and three-bedroom rents of \$728 and \$782 respectively. The Class C apartment is an older product that is in average condition and has all owner-paid utilities. The rent for a one-bedroom unit at a Class C apartment complex is \$437.

RENTS OF SURVEYED APARTMENT PROJECTS						
Unit Type	Class B Market-Rate			Class C Market-Rate		
	Range		Average	Range		Average
One Bedroom	---	---	---	\$437	\$437	\$437
Two Bedroom	\$690	\$770	\$728	---	---	---
Three Bedroom	\$760	\$820	\$782	---	---	---

Source: Survey by Prior & Associates, July 2012

### 3. Rental Assistance

The study area is covered by the service area of the James Valley Housing, Inc., which has 251 Housing Choice Vouchers. As of May 2012, the Housing Authority maintained a waitlist with 55 applicants for a voucher. Section 8 recipients typically can find rental units that meet HUD's Fair Market Rents and Housing Quality Standards. The following table shows Beadle County's 2012 Fair Market Rents, assumed utility allowance values, and maximum net Fair Market Rents for SRO, studio, one-, two-, three-, four- and five-bedroom units.

FAIR MARKET RENTS AND UTILITY ALLOWANCES			
Unit Type	Fair Market Rent	Utility Allowance	Maximum Net Rent
Studio	\$450	\$63	\$387
One Bedroom	\$451	\$73	\$378
Two Bedroom	\$541	\$81	\$460
Three Bedroom	\$787	\$97	\$690
Four Bedroom	\$893	\$113	\$780
Five-Bedroom	\$1,027	\$177	\$850

Source: Huron Housing & Redevelopment Authority, HUD

From 2000 through 2008, the average Fair Market Rent in Beadle County increased an average of 2.9% per year, including an average annual increase of 2.2% between 2000 and 2004, followed by average increases of 3.8% per year through 2011. In 2012, the average Fair Market Rent in the county fell 0.8%.

FAIR MARKET RENTS, BEADLE COUNTY, 2000-2012						
Year	Unit Type					Average
	Efficiency	1BR	2BR	3BR	4BR	
2000	\$254	\$337	\$423	\$560	\$648	\$444
2001	\$256	\$340	\$427	\$565	\$654	\$448
2002	\$265	\$352	\$442	\$584	\$676	\$464
2003	\$273	\$363	\$455	\$602	\$698	\$478
2004	\$276	\$367	\$460	\$609	\$706	\$484
2005	\$380	\$381	\$457	\$665	\$754	\$527
2006	\$389	\$389	\$467	\$679	\$771	\$539
2007	\$415	\$416	\$499	\$726	\$824	\$576
2008	\$427	\$428	\$513	\$746	\$846	\$592
2009	\$440	\$441	\$529	\$770	\$873	\$611
2010	\$446	\$447	\$536	\$780	\$884	\$619
2011	\$453	\$455	\$545	\$793	\$899	\$629
2012	\$450	\$451	\$541	\$787	\$893	\$624

Source: HUD

#### 4. Rental Market Conclusions

Like the ownership housing market, the market for rental housing units is tightening, but rent appreciation has been limited. Between 2009 and 2012, the overall vacancy rate at a large sample of rental units decreased from 8.3% to 2.3%. Rents increased at a rate of 1% per year in Class B units and 2.5% in Class C units.

## V. HOUSING NEEDS OF FUTURE EMPLOYMENT

### A. Future Employment Trends

#### 1. *Planned Business Expansions*

The city of Huron expects to add at least 200 jobs over the next two years. These positions will primarily be service and manufacturing positions with annual wages between \$24,960 and \$40,000. A small portion will be supervisory jobs with annual wages ranging from \$35,000 to \$70,000, while less than 5% will be higher level management positions with annual salaries between \$70,000 and \$150,000. The weighted average annual salary for all of the new jobs to be added is approximately \$35,938.

- Dakota Provisions is expecting to add 200 new jobs in 2012 and 2013. These positions will include approximately 90% production jobs and 10% supervisory/management positions. Production jobs include positions responsible for producing turkey parts (bone in or boneless) and ground turkey. Annual incomes for these positions are between \$25,000 and \$40,000, while supervisory incomes range from \$35,000 to \$70,000, and management incomes are between \$70,000 and \$150,000 per year.
- Premier Bankcard plans to slowly add new positions at its call center in Huron, but the approximate number of jobs to be added, as well as a projected timeline for the expansion, was not available. The hourly wage for these positions will start at \$12.00 per hour, which is equivalent to a full-time wage of about \$25,000 per year.

PLANNED JOB GROWTH, STARTING IN 2012					
Company	Position	New Jobs	Wages/Hr	Annual Wages	Average Annual Wages
Dakota Provisions	Production	180	N/A	\$25,000 - \$40,000	\$32,500
Dakota Provisions	Supervisor	15	N/A	\$35,000 - \$70,000	\$52,500
Dakota Provisions	Management	5	N/A	\$70,000-\$150,000	\$110,000
Premier Bankcard	Collection Representative	N/A	\$12.00	\$24,960	\$24,960
Total		200+	\$12.00	\$24,960 - \$150,000	\$35,938

Source: Survey by Prior & Associates, May 2012

#### 2. *Projected Employment Growth*

##### a. *Projected Core Employment Growth*

As previously noted, the city of Huron should add at least 200 new jobs over the next two years. In order to project employment growth between 2011 and 2013, we assumed that two-thirds (133) of the 200 new jobs would be added in 2012, and that the remaining one-third (67) will be added in 2013. Based on these projections, the county's total wage and salary employment will reach approximately 8,574 in 2013.

Due to the recent downturn in the national economy, employment projections for Huron and Beadle County have been revised to be more conservative. According to the Greater Huron Development Corporation, many local employers have taken more of a 'one step at a time' approach to expanding operations, hoping to avoid over hiring workers in the event that the local economy slows significantly.



Therefore, the projected employment growth below includes only jobs that are considered very likely to be added in 2012 and 2013.

<b>PROJECTED EMPLOYMENT GROWTH, BEADLE COUNTY</b>		
<i>Year</i>	<i>Projected Growth</i>	<i>Total Employment</i>
2011	---	8,374
2012	133	8,507
2013	67	8,574
Total	200	---
Source: Bureau of Labor Statistics		

**b. *Projected Indirect Employment Growth***

Because Huron added a new Walmart Supercenter in 2008, which significantly expanded the area's retail and service base, it is unlikely that the projected core job growth between 2012 and 2014 will increase demand for ancillary services and retail shopping sufficiently to warrant the addition of more indirect service and retail jobs to serve the growing population in the short-term. Therefore, no indirect employment growth projections are included in this analysis.

**c. *Projected Job Growth by Wage Level***

Based on the existing job openings posted by the South Dakota Department of Labor for the city of Huron, as well as the wage ranges of the planned job growth as reported by Dakota Provisions and Premier Bankcard, we are able to estimate the number of jobs that will be added to the county's employment base by wage level. As shown below, approximately 30% (or 60 total) of projected new jobs will have annual wages between \$25,000 and \$29,999, 62% (123) between \$30,000 and \$39,999, 4% between \$40,000 and \$49,000, and 6% (11) over \$50,000.

<b>PROJECTED JOB GROWTH BY WAGE LEVEL, 2012-2014</b>		
<i>Wage Range</i>	<i>Number</i>	<i>Percent</i>
Under \$20,000	0	0%
\$25,000-\$29,999	60	30%
\$30,000-\$34,999	60	30%
\$35,000-\$39,999	63	32%
\$40,000-\$44,999	3	2%
\$45,000-\$49,999	3	2%
\$50,000 or more	11	6%
Total	200	100%

Nearly all of the new workers are likely to live in Huron, assuming suitable housing is available. According to the U.S. Census, in 2010, 60% of the city's employed residents worked in Huron and 70% worked in Beadle County. It is likely that similar portions of the new work force will live in Huron and Beadle County. Consequently, approximately 70% of the new workers, about 140 employees, will reside in the county.

According to the 2010 U.S. Census, 24.9% of households in Beadle County had no workers, 36.1% had one, and 39.0% had two or more workers. Of the households with at least one worker, 48% had a single wage earner and 52% had multiple wage earners. Those households with multiple wage earners will have annual incomes that are equal to the annual wages of each working household member. By applying these ratios, we can estimate the number of workers living in single wage and multiple wage earning households. We expect that one wage earner households will have yearly incomes that are equal to their annual wage, while multiple wage earning households will have yearly earnings that are

twice their annual wages. These ratios suggest that of the 200 anticipated new workers in May 2012, 67 will live in a household where they are the sole worker, and 73 will live in households with two or more workers.

PROJECTED GROWTH BY WAGES AND NUMBER OF WORKERS IN HOUSEHOLD			
Wage Range	One Worker	2 or More Workers	Total
Under \$20,000	0	0	0
\$25,000-\$29,999	20	22	42
\$30,000-\$34,999	20	22	42
\$35,000-\$39,999	21	23	44
\$40,000-\$44,999	1	1	2
\$45,000-\$49,999	1	1	2
\$50,000 or more	4	4	8
Total	67	73	140

Source: Analysis by Prior & Associates

Since all new jobs will have wages of \$25,000 or more, each multiple wage earner household will have incomes above \$50,000 per year. The following table shows the estimated distribution of single wage earning and multiple wage earner households. It assumes that each multiple wage earner household will have two workers. The 73 workers in multiple wage earner households will comprise 37 households. The total number of new households will be 104.

DISTRIBUTION OF HOUSEHOLD GROWTH BY INCOME			
Wage Range	One Worker	2 or More Workers	Total
Under \$20,000	0	0	0
\$25,000-\$29,999	20	0	20
\$30,000-\$34,999	20	0	20
\$35,000-\$39,999	21	0	21
\$40,000-\$44,999	1	0	1
\$45,000-\$49,999	1	0	1
\$50,000 or more	4	37	41
Total	67	37	104

Source: Analysis by Prior & Associates

The following table lists Beadle County's household income distribution in 2012. The median household incomes are \$38,247 for all households, \$49,344 for owners and \$33,725 for renters. Sixty-three percent (63%) of the renter households had yearly incomes below \$30,000, while 61% of the owners had incomes between \$30,000 and \$100,000.

BEADLE COUNTY HOUSEHOLD INCOME BY TENURE, 2012						
Annual Household Income	Owner		Renter		All Households	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	229	4.7%	582	24.0%	811	11.1%
\$10,000-\$20,000	422	8.7%	501	20.6%	923	12.7%
\$20,000-\$30,000	681	14.1%	456	18.8%	1,137	15.6%
\$30,000-\$40,000	567	11.7%	368	15.1%	935	12.9%
\$40,000-\$50,000	561	11.6%	165	6.8%	725	10.0%
\$50,000-\$60,000	551	11.4%	130	5.4%	681	9.4%
\$60,000-\$75,000	630	13.0%	86	3.6%	716	9.8%
\$75,000-\$100,000	663	13.7%	84	3.5%	748	10.3%
\$100,000-\$125,000	318	6.6%	42	1.7%	360	4.9%
\$125,000-\$150,000	58	1.2%	2	0.1%	60	0.8%
\$150,000-\$200,000	65	1.3%	9	0.4%	74	1.0%
\$200,000 or more	99	2.0%	5	0.2%	104	1.4%
Total	4,842	100.0%	2,430	100.0%	7,273	100.0%
Median	\$49,340		\$33,725		\$38,247	

Source: Claritas, Ribbon Demographics

The following table includes the new households that will be generated by the County's anticipated job growth. The incomes of the new worker households match the amounts described on the preceding page. Most new workers will have annual wages between \$25,000 and \$40,000. Households with one wage earner will have incomes from \$25,000 to \$40,000 and households with income with multiple wage earners will have incomes between \$50,000 and \$80,000.

HOUSEHOLD INCOME, BEADLE COUNTY, 2012						
Household Income	2012		New Households		2014	
	Number	% of Total	Number	% of Total	Number	% of Total
under \$10,000	811	11.1%	0	0.0%	811	11.0%
\$10,000-\$14,999	461	6.3%	0	6.4%	461	6.3%
\$15,000-\$19,999	461	6.3%	0	0.0%	461	6.3%
\$20,000-\$24,999	568	7.8%	0	0.0%	568	7.7%
\$25,000-\$29,999	568	7.8%	20	19.2%	588	8.0%
\$30,000-\$34,999	467	6.4%	20	19.2%	487	6.6%
\$35,000-\$39,999	467	6.4%	21	20.2%	488	6.6%
\$40,000-\$44,999	363	5.0%	1	1.0%	364	4.9%
\$45,000-\$49,999	363	5.0%	1	1.0%	364	4.9%
\$50,000-\$54,999	340	4.7%	7	6.7%	347	4.7%
\$55,000-\$59,999	341	4.7%	7	6.7%	348	4.7%
\$60,000 or More	2,062	28.3%	27	26.0%	2,089	28.3%
Total	7,273	100.00%	104	106.4%	7,377	100.0%

Source: Claritas, Ribbon Demographics, Estimates by Prior & Associates

## B. Household Incomes and Housing Costs

### 1. Site-Built Single-Family Home Ownership Costs

The Federal National Mortgage Association (FNMAE) underwriting standards require that homebuyers should not spend more than 28% of their incomes on housing. The following table assumes that a borrower will pay 20% of the full sales price of the home as a down payment, and that, in addition to the mortgage payment, the ownership costs will include annual property taxes equal to 2.252% of the value of the home, in accordance with the Beadle County property tax rate for owner-occupied units as provided by the Beadle County tax assessor. Additionally, the costs include homeowner insurance, which is equal to 0.4% of the home's value, and mortgage insurance, which is equal to 0.5% of the amount of the loan.

According to Mr. Roger Chase, a local Realtor with Coldwell Banker, the prevailing local mortgage rates for a 30-year fixed term loan range from 3.0% to 3.5%. As noted in the following table, these guidelines suggest that at a 3.5% interest rate for a 30-year fixed-term loan, the total monthly expense (including mortgage payments, property taxes, insurance premiums) needed to support a \$86,200 home is \$1,897 and that the required annual income to purchase the home is \$22,682. Thus, under the current market conditions, a potential home buyer could qualify for a house that has a sale price that is equal to 3.8 times its household income.

<b>COST OF HOMEOWNERSHIP</b>		
	<b>Median</b>	
Sale Price	\$86,250	
Down Payment	\$17,250	
Mortgage Amount	\$69,000	
<b>Housing Costs</b>	<b>Monthly</b>	<b>Annual</b>
Mortgage Payment	\$339	\$4,064
Property Taxes	\$162	\$1,942
Homeowner Insurance	\$29	\$345
Total Costs	\$529	\$6,351
Required Income	\$1,890	\$22,682
Price to Income Ratio	3.80	
Source: Roger Chase (Coldwell Banker), Beadle County Assessor		

The table below shows an estimated range of home price affordability based on the assumptions described above. Households with annual incomes below \$20,000 can afford up to a \$76,000 home, households with incomes between \$20,000 and \$40,000 can afford homes ranging from \$76,000 to \$114,000 in price, while a household would have to have an income greater than \$40,000 in order to afford a home costing more than \$152,000.

<b>HOMEOWNERSHIP AFFORDABILITY LEVELS, BEADLE COUNTY, 2012</b>				
<b>Household Income</b>		<b>Price to Income Ratio</b>	<b>Home Price</b>	
<b>Range</b>			<b>Range</b>	
<b>Low</b>	<b>High</b>		<b>Low</b>	<b>High</b>
Less than \$10,000		3.80	Less than \$38,000	
\$10,000	\$20,000	3.80	\$38,000	\$76,000
\$20,000	\$30,000	3.80	\$76,000	\$114,000
\$30,000	\$40,000	3.80	\$114,000	\$152,000
\$40,000	\$50,000	3.80	\$152,000	\$190,000
\$50,000	\$60,000	3.80	\$190,000	\$228,000
\$60,000 or More		3.80	\$228,000 or more	
Source: Analysis by Prior & Associates				

## 2. Mobile/Manufactured Home Ownership Costs

Mobile or manufactured homes represent a viable alternative for households who wish to own a home, but cannot afford the costs of a typical site-built single-family dwelling. Similar to the estimated cost calculation for site-built homes, the following table assumes that a homeowner will pay no more than 28% of their gross income for housing. The table assumes that a borrower will pay 10% of the full sales price of the home as a down payment and have a 20-year loan and a 8.25% yearly interest rate. In addition to the mortgage payment, the ownership costs will include property taxes equal to 2.252% of the value of the home, homeowner insurance, which is equal to 0.4% of the home's value, and mortgage insurance.

Mortgage interest rates for lower-cost manufactured or mobile homes depend on a buyer's credit rating, down payment, and required loan term. According to the JCF Lending Group, which specializes in loans for mobile homes in mobile home parks or on leased lots, a person with a credit rating between 660 and 679 could obtain 15-, 20- or 25-year loans at rates of 8.25% with a 15% down payment, 8.5% for a 10% down payment, and 8.99% with a 5% down payment. The monthly expense (including mortgage payments, property taxes, insurance premiums) needed to support a \$47,900 mobile home is \$713, and that the required annual income to purchase the home is \$28,496. Thus, under the current market conditions, a potential homebuyer could qualify for a mobile home that has a sale price that is equal to 1.68 times their household income.

<b>COST OF MOBILE/MANUFACTURED HOMEOWNERSHIP</b>		
Sale Price	\$47,900	
Down Payment	\$4,790	
Mortgage Amount	\$43,110	
<b>Housing Costs</b>		
	Monthly	Annual
Mortgage Payment	\$375	\$4,489
Property Taxes	\$90	\$1,078
Homeowner Insurance	\$16	\$192
Land Rental	\$185	\$2,220
Total Costs	\$666	\$7,979
Required Income	\$2,378	\$28,496
Price to Income Ratio	1.68	
Source: Realtor.com		

The table below shows an estimated range of home price affordability based on the above criteria. Households with annual incomes below \$20,000 could afford to pay no more than \$34,000 and would not have sufficient income to buy a mobile home. Households with incomes between \$20,000 and \$40,000 can afford homes ranging from \$34,000 to \$68,000 in price, while a households with incomes greater than \$40,000 could afford a mobile home costing over \$68,000.

<b>MOBILE HOME OWNERSHIP AFFORDABILITY LEVELS, BEADLE COUNTY, 2012</b>				
<b>Household Income</b>		<b>Price to Income Ratio</b>	<b>Housing Price</b>	
<b>Range</b>			<b>Range</b>	
<b>Low</b>	<b>High</b>		<b>Low</b>	<b>High</b>
Less than \$10,000		1.70	Less than \$17,000	
\$10,000	\$20,000	1.70	\$17,000	\$34,000
\$20,000	\$30,000	1.70	\$34,000	\$51,000
\$30,000	\$40,000	1.70	\$51,000	\$68,000
\$40,000	\$50,000	1.70	\$68,000	\$85,000
\$50,000	\$60,000	1.70	\$85,000	\$102,000
\$60,000 or More		1.70	\$102,000 or More	
Source: Analysis by Prior & Associates				

### 3. Rental Costs

#### a. Non-Income-Restricted Units

In 2010, 34.0% of renter households in Beadle County paid less than 20% of their income toward gross rent, 28.1% paid between 20% and 30%, while 27.0% paid over 30%, which represents rent overburden. Approximately 11.0% of the sample was not calculated. Excluding the uncalculated portion of the sample, the median percentage of income that renters in Beadle County paid toward gross rent in 2010 was approximately 24.0%. Federal guidelines suggest that a household's rental housing costs should not exceed 30% of its income.

<b>GROSS RENT AS PERCENTAGE OF INCOME, BEADLE COUNTY, 2000</b>		
	<b>Number</b>	<b>Percent</b>
Less than 10 percent	265	10.6%
10 to 14 percent	212	8.4%
15 to 19 percent	375	14.9%
20 to 24 percent	316	12.6%
25 to 29 percent	388	15.5%
30 to 34 percent	115	4.6%
35 to 39 percent	87	3.5%
40 to 49 percent	129	5.1%
50 percent or more	346	13.8%
Not computed	276	11.0%
Total	2,509	100.0%
Source: 2010 U.S. Census		

The following table shows the range of rent affordability based on household income. The rent ranges assume that households will pay 30% of their gross incomes for gross monthly rent (rent plus tenant utility costs).

RENT AFFORDABILITY LEVELS, BEADLE COUNTY, 2012				
Household Income		Rent to Income Ratio	Monthly Rent	
Range			Low	High
Less than \$10,000		30.0%	Less than \$231	
\$10,000	\$20,000	30.0%	\$250	\$500
\$20,000	\$30,000	30.0%	\$500	\$750
\$30,000	\$40,000	30.0%	\$750	\$1,000
\$40,000	\$50,000	30.0%	\$1,000	\$1,250
\$50,000	\$60,000	30.0%	\$1,250	\$1,500
\$60,000 or More		30.0%	\$1,385 or More	

Source: Analysis by Prior & Associates

### b. *Income-Restricted Units*

The Federal Low-Income Housing Tax Credit (LIHTC) and HUD's HOME Investment Partnerships Program (HOME) are two of the most prevalent nationwide affordable housing funding programs used by developers to finance low-income housing developments. The LIHTC program allocates federal tax credits to developers who sell the credits to investors to raise the required equity to finance the development of their projects, while the HOME program allocates grants for the development of qualified projects targeted to low-income households. Both programs base local area income limits on HUD's published median family income for that particular area. The following table illustrates both the LIHTC and HOME income limits for households with between one and eight persons and total household incomes less than or equal to 30%, 40%, 50% and 60% of Beadle County's 2008 area median income (AMI).

2012 LIHTC & HOME INCOME LIMITS – BEADLE COUNTY				
Persons	30%	40%	50%	60%
1	\$12,800	\$17,080	\$21,350	\$25,620
2	\$14,600	\$19,520	\$24,400	\$29,200
3	\$16,450	\$21,960	\$27,450	\$32,900
4	\$18,250	\$24,360	\$30,450	\$36,500
5	\$19,750	\$26,320	\$32,900	\$39,500
6	\$21,200	\$28,280	\$35,350	\$42,400
7	\$22,650	\$30,240	\$37,800	\$45,300
8	\$24,100	\$32,160	\$40,200	\$48,200

Source: HUD

HUD sets maximum allowable gross rents by unit type, which are based on the above income limits. The following table contains the rent limits for Beadle County.

2012 LIHTC & HOME GROSS RENT LIMITS – BEADLE COUNTY					
AMI Level	Bedroom Type				
	Studio	1BR	2BR	3BR	4BR
30%	\$320	\$342	\$411	\$475	\$530
40%	\$427	\$457	\$549	\$633	\$707
50%	\$533	\$549	\$686	\$791	\$883
60%	\$640	\$633	\$822	\$950	\$1,060

Source: HUD

Commercial underwriters and owners of conventional market-rate projects generally require that the monthly contract rent should not exceed one-third of a tenant's income. They increase the ratio to 40%

for income-restricted projects and occasionally 50% for developments targeted to low-income elderly households.

According to surveyed rental property managers, typical tenant utility costs in Huron included electric space heating, water heating and cooking, as well as general electricity costs. Approximately half of surveyed projects had tenant-paid water, sewer and trash collection costs, while the owner paid for these costs at the remaining half. For the purpose of the following analysis, water, sewer and trash collection costs were assumed to be paid by the owner. As shown below, based on this utility arrangement, typical tenant utility costs range from \$63 per month for a studio unit to \$177 per month for a five-bedroom dwelling.

TYPICAL TENANT UTILITY COSTS								
Utility	Type	Who Pays	Unit Type					
			Studio	1BR	2BR	3BR	4BR	5BR
Heat	Electric	Tenant	\$30	\$35	\$38	\$43	\$50	\$77
Electricity	N/A	Tenant	\$13	\$15	\$17	\$22	\$26	\$49
Hot Water	Electric	Tenant	\$14	\$16	\$18	\$23	\$27	\$36
Cooking	Electric	Tenant	\$6	\$7	\$8	\$9	\$10	\$15
Water	N/A	Owner	---	---	---	---	---	---
Sewer	N/A	Owner	---	---	---	---	---	---
Trash Collection	N/A	Owner	---	---	---	---	---	---
<b>TOTAL</b>			<b>\$63</b>	<b>\$73</b>	<b>\$81</b>	<b>\$97</b>	<b>\$113</b>	<b>\$177</b>

Source: Huron Housing & Redevelopment Authority, Survey by Prior & Associates, July 2012

The following table shows the maximum allowable 40%, 50% and 60% AMI gross LIHTC and HOME rents for Beadle County, the estimated total tenant-paid utility costs by unit type, and the maximum allowable net LIHTC and HOME rents for each unit type at each AMI level. While HUD publishes 60% AMI rent and income limits for the HOME program, HOME units are typically restricted to households earning less than 50% AMI.

UNIT TYPES, MAXIMUM GROSS AND MAXIMUM NET LIHTC & HOME RENTS				
Unit Type	% of Median Income	Maximum Gross Monthly Rent	Utility Allowance	Maximum Net LIHTC Rent
One Bedroom	40%	\$457	\$73	\$384
	50%	\$571	\$73	\$498
	60%	\$685	\$73	\$612
Two Bedroom	40%	\$549	\$81	\$468
	50%	\$686	\$81	\$605
	60%	\$822	\$81	\$741
Three Bedroom	40%	\$633	\$97	\$536
	50%	\$791	\$97	\$694
	60%	\$950	\$97	\$853

Source: Project Sponsor; HUD

The highest net rent in Beadle County for a one-bedroom unit restricted to households earning 40% AMI or lower is \$384. A household would need an annual income of at least \$11,520 to occupy one of these units without spending more than 40% of its income for rent. Households with incomes between \$11,520 and \$42,400, which is the highest possible income for a six-person household at the 60% AMI threshold, constitute a new LIHTC project's potential target income group, assuming the project had a unit mix of one-, two- and three-bedroom units restricted at the 40%, 50% and 60% AMI thresholds. A project with the same unit mix but targeted to households earning less than 50% of the area median would have a target income range of \$11,520 to \$35,350.

PROJECTED LOW-INCOME RENTS AND TARGET INCOME RANGES						
Income Threshold	One Bedroom		Two Bedroom		Three Bedroom	
	Max Net LIHTC/HOME Rent	Target Income Range	Max Net LIHTC/HOME Rent	Target Income Range	Max Net LIHTC/HOME Rent	Target Income Range
40%	\$384	\$11,520-\$19,520	\$468	\$14,040-\$24,360	\$536	\$16,080-\$28,280
50%	\$498	\$14,940-\$24,400	\$605	\$18,150-\$30,450	\$694	\$20,820-\$35,350
60%	\$612	\$18,360-\$29,200	\$741	\$22,230-\$36,500	\$853	\$25,590-\$42,400

Source: Analysis by Prior & Associates

#### 4. Affordability Levels of New Households

The following table shows projected household growth in Beadle County between 2010 and 2014 by income level, as well as the affordability levels of these households in terms of for-sale and rental units. The majority of demand will be for site-built ownership units priced between \$128,000 and \$152,000, and mobile homes priced between \$34,000 and \$51,000, while demand for non-income-restricted rental units will be strongest for dwellings with monthly rents ranging from \$750 to \$1,000. Income-restricted units can target one- and two-person households with incomes below \$30,000 and three- or four-person households with yearly incomes that are in the \$30,000 to \$40,000 range.

AFFORDABILITY LEVELS OF NEW HOUSEHOLDS, BEADLE COUNTY										
Household Income Range		New Households in Range	Site Built Homes Range		Mobile Homes Range		Market Renters Range		Low Income Range Range	
Low	High		Low	High	Low	High	Low	High	Low	High
Less than \$10,000		0	Less than \$38,000		Less than \$17,000		Less than \$231		30% of Income	
\$10,000	\$20,000	0	\$38,000	\$76,000	\$17,000	\$34,000	\$250	\$500	\$250	\$468
\$20,000	\$30,000	20	\$76,000	\$114,000	\$34,000	\$51,000	\$500	\$750	\$427	\$741
\$30,000	\$40,000	41	\$114,000	\$152,000	\$51,000	\$68,000	\$750	\$1,000	\$677	\$853
\$40,000	\$50,000	2	\$152,000	\$190,000	\$68,000	\$85,000	\$1,000	\$1,250	\$853	\$853
\$50,000	\$60,000	14	\$190,000	\$228,000	\$85,000	\$102,000	\$1,250	\$1,500	Do Not Qualify	
\$60,000 or More		27	\$228,000 or More		\$102,000 or More		\$1,385 or More			
Total		104								

Source: Analysis by Prior & Associates

Beadle County will add 104 new households over the next two years. Households who have yearly incomes above \$36,842 and can afford to buy new site-built homes, will comprise 62% of the new growth. The remaining units will be rentals or mobile homes. The most recently completed non-income restricted units have four-bedroom units that start at \$690 per month. The minimum income needed to qualify for the units is \$24,840. Households with incomes below \$24,840 would likely require income-restricted rentals.

HOUSEHOLDS QUALIFIED DIFFERENT UNIT TYPES								
Unit Type	Income Range		Existing Households		New Workers		2014	
	Low	High	Number	% of Total	Number	% of Total	Number	% of Total
New Site Built Homes	\$36,842	or more	3,601	49.5%	64	61.5%	3,665	49.7%
Mobile Homes	\$28,240	\$36,842	791	10.9%	30	28.8%	821	11.1%
Market Rate Rentals	\$24,280	\$28,240	621	8.5%	10	9.6%	631	8.6%
LIHTC/HOME Rentals	\$10,000	\$24,280	1,449	19.9%	0	0.0%	1,449	19.6%
Subsidized Rentals	Under	\$10,000	811	11.2%	0	0.0%	811	11.0%
Total	--	--	7,273	100.00%	104	0.0%	7,377	100.0%

Source: Claritas, Ribbon Demographics, Estimates by Prior & Associates

The county is likely to add 64 new owner households through 2011. Although the increase in owners is likely to occur in all income brackets, the development costs for new homes, which typically start at a price of \$140,000, prohibit households with incomes less than \$36,842 from purchasing a new home.



Of the new households to be gained, approximately 62%, or 64, will have incomes high enough to purchase a new, site-built single-family home. Those with incomes below this amount are potential buyers of the county's existing lower-priced units. Therefore, some of the existing owners of these lower-priced units are likely to sell their homes and 'move-up' to a newer, more expensive unit. In addition, over the last two years, the number of new listings (available units on the market) has dropped 50 units, which suggests that over the next two years, 50 additional units will be necessary to bring the number of homes for sale into balance with the number sold. Consequently, the county will need 114 units to accommodate its growth over the next two years. However, as noted in the Pipeline section of this report, there are a total of 221 single-family home lots either existing or planned that, if built out, would absorb the existing demand for 114 ownership units.

<b>DEMAND FOR NEW OWNERSHIP UNITS</b>	
Growth (2012-2014)	64
Pent-Up Demand	50
Units Built	0
Units Needed	114
Units Planned	0
Net Demand	114
Source: Analysis by Prior & Associates	

Mobile homes could accommodate some of the required new ownership units. Of the total projected household growth, approximately 28% will have incomes within the range of affordability to purchase a new mobile or manufactured home. However, for the purpose of completely segmenting the projected household growth by affordability level, the following table assumes that all households earning between \$28,240, which is the minimum required income to purchase a \$47,900 mobile home, and \$36,842, the lowest possible income for a new, site-built single-family home, will qualify for the purchase of a mobile home. This income group, which comprises 28.8% of the total projected household growth in Beadle County, will increase by a total of 30 between 2012 and 2014. There are no mobile homes that are planned to be added to the study area's housing inventory over the next two years though space is available at the existing mobile home park. Overall, this data suggests that there will be demand for as many as 30 new mobile homes in the study area in 2014.

<b>DEMAND FOR MOBILE/MANUFACTURED HOMES</b>	
Growth (2008-2011)	30
Pent-Up Demand	0
Units Built	(15)
Units Needed	25
Units Planned	0
Net Demand	25
Source: Analysis by Prior & Associates	

However, most new households who can qualify for a new mobile home also can purchase an existing, lower-priced single-family home or rent a market-rate unit. Because of this income overlap, it is likely that the actual number of new mobile home needed is lower than the 30 shown above.

## **5. Rental Units**

Since renters comprise about 33% of the county's households, Beadle County will add 34 renter households by 2014. The county has an overall vacancy rate of 2.3% and a total of 2,430 renter households in 2012. It can add 52 new rental units before reaching a vacancy rate of 5.0%, which is generally considered a balanced rental market. The county's pent-up demand of 66 rental units and its anticipated gain of 34 renter households suggest that the county can absorb 100 new rental units over

the next two years. This level of demand is sufficient to absorb the 46 new rental units that are now in lease-up or offline for renovation. As a result, the study area needs 54 additional rental units.

<b>IMPACT ON RENTAL VACANCY RATES</b>			
<i>Units Needed for Market Balance</i>			
Renter Household Increase			34
Existing Renters		2,430	
Vacancies in Balanced Market	5.0%	122	
Current Vacancy Rate	2.9%	(56)	
Pent Up Demand		66	66
Total Demand			100
Units In Pipeline			(46)
Net Demand			54
Source: Analysis by Prior & Associates			

Households with incomes below the required amounts to purchase a mobile home or existing single-family dwelling will most likely choose to occupy a rental unit, while a portion of those with sufficient incomes may do so as well. Within the study area, the existing rental housing inventory consists of older, non-income-restricted units, while the newer stock is represented mainly by deeply-subsidized dwellings requiring that a tenant earn less than 50% of the area median income (AMI) to qualify for a unit.

## 6. Demand for Subsidized Units

Although most of the new workers have incomes that will enable them to lease market-rate rentals, but many existing renters have lower incomes and can only afford housing that receives rent subsidies. The following table, which applies Nielson Claritas' estimated household sizes by income level to the concluded households by income distributions for 2012 and 2014, illustrates demand by household size and income for deeply-subsidized units in 2012, projected demand growth between 2012 and 2014, and overall demand in 2012. Based on these estimates, there are 1,256 income- and size-qualified renter households for subsidized units in Beadle County in 2012. In 2014, there will be 1,248 qualified renter households, who account for slightly more than 50% of all renters.

<b>TARGET INCOME RANGE BY HOUSEHOLD SIZE, SUBSIDIZED UNITS</b>						
	Minimum Rent	Minimum Income	Maximum Income			
1 Person	\$0	\$0	\$21,350			
2 Person	\$0	\$0	\$24,400			
3 Person	\$0	\$0	\$27,450			
4 Person	\$0	\$0	\$30,450			
5+ Person	\$0	\$0	\$35,350			
<b>RENTER HOUSEHOLD DEMAND BY INCOME AND SIZE, BEADLE COUNTY, 2012</b>						
	1 Person	2 Person	3 Person	4 Person	5+ Person	Total
Less than \$10,000	458	83	18	13	9	581
\$10,000-\$20,000	354	103	34	4	5	500
\$20,000-\$30,000	38	42	30	28	13	151
\$30,000-\$40,000	0	0	0	2	22	24
Total	850	228	82	47	49	1,256
<b>RENTER HOUSEHOLD DEMAND FROM GROWTH, BEADLE COUNTY, 2012-2014</b>						
	1 Person	2 Person	3 Person	4 Person	5+ Person	Total
Less than \$10,000	-1	-1	0	0	0	-2
\$10,000-\$20,000	-2	0	-2	0	0	-4
\$20,000-\$30,000	0	0	-1	0	-1	-2
\$30,000-\$40,000	0	0	0	0	0	0
Total	-3	-1	-3	0	-1	-8
<b>Sum of Income and Size Qualified Households from Growth &amp; Existing</b>						1,248
<b>Other Demand</b>						0
<b>Total Income and Size Qualified Households</b>						1,248

## 7. Demand for LIHTC Units

The following table illustrates demand for a proposed LIHTC project with one-, two- and three-bedroom units restricted at the 40%, 50% and 60% AMI thresholds. There are 824 income- and size-qualified renter households in the county for LIHTC units in 2012, which will decrease slightly, to 819 in 2014. While there are fewer qualified renters for LIHTC units than subsidized dwellings, the decrease through 2014 is slightly lower for LIHTC units.

TARGET INCOME RANGE BY HOUSEHOLD SIZE, LIHTC UNITS						
	Minimum Rent	Minimum Income	Maximum Income			
1 Person	\$384	\$11,520	\$25,620			
2 Person	\$384	\$11,520	\$29,200			
3 Person	\$468	\$14,040	\$32,900			
4 Person	\$468	\$14,040	\$36,500			
5+ Person	\$536	\$16,080	\$42,400			
RENTER HOUSEHOLD DEMAND BY INCOME AND SIZE, BEADLE COUNTY, 2012						
	1 Person	2 Person	3 Person	4 Person	5+ Person	Total
\$10,000-\$20,000	300	87	20	3	2	412
\$20,000-\$30,000	157	88	40	28	13	326
\$30,000-\$40,000	0	0	15	25	41	81
\$40,000-\$50,000	0	0	0	0	4	4
Total	457	175	75	56	60	824
RENTER HOUSEHOLD DEMAND FROM GROWTH, BEADLE COUNTY, 2012-2014						
	1 Person	2 Person	3 Person	4 Person	5+ Person	Total
\$10,000-\$20,000	-2	0	-1	0	0	-3
\$20,000-\$30,000	1	-1	-1	0	0	-1
\$30,000-\$40,000	0	0	0	-1	0	-1
\$40,000-\$50,000	0	0	0	0	0	0
Total	-1	-1	-2	-1	0	-5
<b>Sum of Income and Size Qualified Households from Growth &amp; Existing</b>						819
<b>Other Demand</b>						0
<b>Total Income and Size Qualified Households</b>						819

## 8. Demand for HOME Units

The following table calculates demand for a HOME project with one-, two- and three-bedroom units restricted at 40% and 50% AMI. There are 586 income- and size-qualified renter households for most units in the county, which will decrease by four, to 582 in 2014.

TARGET INCOME RANGE BY HOUSEHOLD SIZE, HOME UNITS						
	Minimum Rent	Minimum Income	Maximum Income			
1 Person	\$384	\$11,520	\$21,350			
2 Person	\$384	\$11,520	\$24,400			
3 Person	\$468	\$14,040	\$27,450			
4 Person	\$468	\$14,040	\$30,450			
5+ Person	\$536	\$16,080	\$35,350			
RENTER HOUSEHOLD DEMAND BY INCOME AND SIZE, BEADLE COUNTY, 2012						
	1 Person	2 Person	3 Person	4 Person	5+ Person	Total
\$10,000-\$20,000	300	87	20	3	2	412
\$20,000-\$30,000	38	42	30	28	13	151
\$30,000-\$40,000	0	0	0	2	22	24
Total	338	129	50	33	37	586
RENTER HOUSEHOLD DEMAND FROM GROWTH, BEADLE COUNTY, 2012-2014						
	1 Person	2 Person	3 Person	4 Person	5+ Person	Total
\$10,000-\$20,000	-2	0	0	0	0	-2
\$20,000-\$30,000	0	0	-1	0	-1	-2
\$30,000-\$40,000	0	0	0	0	0	0
Total	-2	0	-1	0	-1	-4
<b>Sum of Income and Size Qualified Households from Growth &amp; Existing</b>						582
<b>Other Demand</b>						0
<b>Total Income and Size Qualified Households</b>						582

**9. Demand for Replacement Units**

New housing units are also necessary to replace existing units that have become obsolete or are in substandard condition. Between 2000 and 2010, although the county gained 56 households, 715 new dwellings units were constructed. As noted in the following table, both the county replaced an average of 8% of its housing inventory between April 2000 and April 2010. It is likely that the county, which has a large supply of units constructed before 1950, will continue to require replacement housing units at an annual rate of approximately 0.8%.

<b>ANNUAL HOUSING REPLACEMENT RATES</b>	
Housing Units, 200	8,304
Units Built, 2000-2010	715
Household Growth	56
Replacement Units	679
Replacement Units/Year	68
Annual Replacement Rate	0.8%
Source: U.S. Census, Analysis by Prior & Associates	

Although there will be a continued need for replacement units over the longer term, these additional units are not factored into the overall number of units needed in the short-term because most of the existing stock will likely continue to be viable over the next three to five years. Home renovations and other types of residential rehabilitation will decrease the need for new replacement units as renovations would effectively extend the aggregate operational life of the existing ownership housing stock.

## **VI. CONCLUSIONS AND RECOMMENDATIONS**

### **A. Market Conditions**

- Housing production has not kept pace with the county's recent employment growth. The housing market has not kept pace with the County's employment growth. From 2005 through 2011, the county added slightly over 400 more jobs than its local residents filled.
- Consequently, there has been growing imbalance between jobs, households and available housing, and an increasing percentage of local workers who live outside the city.
- Non-county residents filled the surplus jobs. As a result, a declining percentage of the county workforce that lives in Beadle County declined from 79% in 2005 to 70% in 2010.
- There is a decreasing supply of available units for sale or rent. From 2006 through 2011, the number of homes for sale and homes sold decreased. Listings fell from 205 units to 139 units, while sales dropped from 218 to 178. Between March 2009 and May 2012, the surveyed rental vacancy rate in Huron fell from 8.3% to 2.3%.
- The city of Huron expects over the next two years to add at least 200 jobs that will primarily be service and manufacturing positions, with annual wages between \$24,960 and \$40,000.

### **B. Conclusions**

- Beadle County will need 114 units new ownership units over the next two years. The 221 existing or planned single-family home lots, if built out, could absorb the existing demand for ownership units.
- There will be a demand for as many as 30 new mobile homes in the study area in 2014.
- The study area needs 54 additional rental units.
- Although most of the new workers have incomes that will enable them to lease market-rate rentals, but many existing renters have lower incomes and can afford housing that receives rent subsidies.
- In 2014, there will be 819 income- and size-qualified renter households for LIHTC units and 586 income- and size-qualified renter households for HOME units.

## QUALIFICATIONS

### A. Company Profile

Prior & Associates was founded in Albuquerque, New Mexico in 1987 to provide land planning, market analysis, and development assistance to public agencies and private developers. Since moving to Colorado in 1991, the firm has expanded its services to include the design, preparation, and implementation of community needs assessments, strategic plans, housing programs, zoning guidelines, market analyses, feasibility studies, and program evaluations.

In 1997, the firm started to focus its activities on housing market research. Our previous experiences, which ranged from preparing community-wide assessments to implementing individual projects on specific sites, allow us to understand project design, development, and management issues from the perspective of designers, architects, developers, underwriters, lenders, and property managers. As a result, we have developed a diverse list of clients, which includes lenders, investors, syndicators, developers, non-profit organizations and government agencies.

We have completed over 2,500 housing market studies, appraisals, needs assessments and rent comparability studies for housing developers, investors, lenders and government agencies throughout the United States, including over 200 in Colorado. These projects included elderly, family and special needs housing developments funded through the Low Income Housing Tax Credit (LIHTC), Section 515, FHA Insurance, and conventional loan programs. Our market studies have been conducted in rural, urban, and resort communities.

We use the most current technological tools to provide high quality reports with efficient turnaround time. We maintain a proprietary database program, which compiles our collective experience in conducting market research throughout the country into a knowledge base. We then apply what we have learned to each specific assignment and individual market by asking questions that cover every contingency and nuance that we have encountered. The knowledge base helps each report to reflect the collective expertise of our entire firm rather than the individual analyst writing the report. Our practice of the principal reviewing each report ensures that it will be of the highest quality.

And, most importantly, we provide recommendations that will guarantee the success of your project. Our suggestions cover project design, unit mix, amenities, pricing and marketing.

### B. Assignments Completed

#### **ALABAMA**

Anniston  
Birmingham  
Cullman  
Gardendale  
Hartselle  
Huntsville  
Irontdale  
Mobile  
Moulton

Prichard  
Rainsville  
Scottsboro  
Tuscaloosa

#### **ALASKA**

Anchorage  
Craig  
Dillingham  
Juneau  
Ketichan

Kotzebue  
Naknek  
New Stuyahok  
Palmer  
Prince of Wales Island  
Seward  
Sitka  
Soldotna  
Unalaksa  
Valdez

**ARIZONA**

Apache Junction  
Avondale  
Benson  
Bisbee  
Buckeye  
Bullhead City  
Cameron  
Casa Grande  
Cibecue  
Clarkdale  
Cottonwood  
Douglas  
East Mesa  
Forest City  
Fort Mojave  
Gila Bend  
Gilbert  
Glendale  
Grand Canyon  
Gray Mountain  
Holbrook  
Lake Havasu  
Marana  
Mesa  
Nogales  
Oracle  
Page  
Parker  
Payson  
Peoria  
Phoenix  
Pinetop  
Prescott  
Prescott Valley  
San Luis  
Show Low  
Sierra Vista  
Snowflake  
Summerton  
Surprise  
Tolleson  
Tucson  
White River  
Winslow  
Yuma

**ARKANSAS**

Arkadelphia  
Bentonville  
Clarksville  
Conway

Fayetteville  
Forest City  
Ft. Smith  
Gassville  
Helena  
Hot Springs  
Jonesboro  
Little Rock  
Maumelle  
Mayflower  
North Little Rock  
Pine Bluff  
Rogers  
Sherwood  
Springdale  
West Memphis

**CALIFORNIA**

Adelanto  
Alhambra  
Aliso Viejo  
Alturas  
Anaheim  
Antelope  
Arvin  
Antioch  
Armona  
Atascadero  
Auburn  
Bakersfield  
Baldwin Park  
Banning  
Barstow  
Bay Point  
Beaumont  
Belle Gardens  
Benson  
Berkeley  
Bermuda Dunes  
Big Bear  
Bloomington  
Blythe  
Brawley  
Brea  
Brentwood  
Buena Park  
Calabasas  
Calexico  
Carlsbad  
Carson  
Cathedral City  
Chico

Chowchilla  
Chula Vista  
Claremont  
Clear Lake  
Coachella  
Colton  
Compton  
Concord  
Corcoran  
Corona  
Crescent City  
Cudahy  
Cypress  
Daly City  
Delano  
Desert Hot Springs  
Dinuba  
Dublin  
East Palo Alto  
El Cajon  
El Centro  
Elk Grove  
Emeryville  
Escondido  
Fairfield  
Fallbrook  
Farmersville  
Firebaugh  
Fontana  
Foothills Farm  
Fresno  
Fullerton  
Galt  
Garden Grove  
Glendale  
Glendora  
Goshen  
Grand Terrace  
Grass Valley  
Greenfield  
Hanford  
Hayward  
Herber  
Hesperia  
Hollister  
Huntington Beach  
Huron  
Indio  
Kingsburg  
La Habra  
La Quinta  
Lake Elsinore

---

Laguna Beach	Pittsburg	South San Francisco
Lamont	Pixley	Spring Valley
Lancaster	Placerville	Stockton
Lemoore	Planada	Suisin City
Linda	Portales	Sunland
Lindsay	Portersville	Sunset Park
Live Oak	Poway	Sun Valley
Livingston	Quincy	Susanville
Loma Linda	Rancho Cordova	Tehachapi
Long Beach	Rancho Cucamonga	Templeton
Los Angeles	Red Bluff	Thousand Oaks
Lynwood	Redding	Tracy
Madera	Redwood City	Tulare
Manteca	Reseda	Turlock
Marina	Rialto	Twentynine Palms
Mariposa	Richmond	Van Nuys
Marysville	Ridgecrest	Venice
McFarland	Riverbank	Ventura
Mecca	Riverside	Victorville
Mendota	Rocklin	Wasco
Merced	Rohnert Park	Watsonville
Milipitas	Roseville	Weed
Mojave	Rubidoux	Westminster
Moreno Valley	Sacramento	West Sacramento
Morgan Hill	Salinas	Whittier
Napa	San Bernardino	Windsor
National City	San Clemente	Williams
Needles	San Diego	Winnetka
Nipoma	San Fernando	Winters
North Hills	San Francisco	Woodlake
Oakdale	San Jacinto	Yreka
Oakland	San Jose	Yuba City
Oakley	San Juan Capistrano	<b><u>COLORADO</u></b>
Olivehurst	San Leandro	Akron
Ontario	San Marcos	Alamosa
Orange	San Pablo	Arvada
Orange Cove	San Rafael	Aspen
Orland	San Ramon	Aurora
Oroville	San Ysidro	Boone
Oxnard	Sanger	Boulder
Pablo Robles	Santa Ana	Brighton
Palm Desert	Santa Maria	Broomfield
Palm Springs	Santa Monica	Burlington
Palmdale	Santa Paula	Canon City
Panorama City	Santa Rosa	Castle Rock
Parlier	Selma	Center
Pasadena	Shingle Springs	Colorado Springs
Paso Robles	Simi Valley	Commerce City
Perris	Soledad	Cortez
Petaluma	Sonoma	Crested Butte
Pinole	Southgate	Cripple Creek
Piru	South El Monte	

---



Dacono  
 Delta  
 Denver  
 Divide  
 Douglas  
 Durango  
 Eagle  
 Edgewater  
 Edwards  
 Ellicott Springs  
 Englewood  
 Federal Heights  
 Fort Collins  
 Fort Lupton  
 Fort Morgan  
 Fountain  
 Fruita  
 Glendale  
 Glenwood Springs  
 Golden  
 Grand Junction  
 Greeley  
 Greenwood Village  
 Gunnison  
 Hayden  
 Holyoke  
 Hudson  
 Idaho Springs  
 Idalia  
 Ignacio  
 La Jara  
 La Junta  
 Lakewood  
 Lamar  
 Las Animas  
 Littleton  
 Longmont  
 Loveland  
 Mancos  
 Mesa  
 Mesa Verde National Park  
 Monte Vista  
 Montrose  
 Morgan County  
 Northglenn  
 Norwood  
 Omaha  
 Otero County  
 Pagosa Springs  
 Paonia  
 Parachute  
 Pueblo

Rangely  
 Ridgway  
 Rifle  
 Rocky Ford  
 Salida  
 Silt  
 Silver Cliff  
 Silverthorne  
 South Fork  
 Steamboat Springs  
 Sterling  
 Summit County  
 Thornton  
 Vail  
 Walsenburg  
 Westminster  
 Windsor  
 Woodland Park  
 Wray

**CONNECTICUT**

Bridgeport  
 East Windsor  
 Manchester  
 New Haven  
 Newington  
 Southington  
 South Windsor  
 Stamford  
 Torrington

**DISTRICT OF COLUMBIA**

Washington, D.C.

**FLORIDA**

Avon Park  
 Bartow  
 Bradenton  
 Daytona Beach  
 Ellenton  
 Fort Lauderdale  
 Fort Walton Beach  
 Gainesville  
 Homestead  
 Jacksonville  
 Key West  
 Lake Worth  
 Leesburg  
 Lynnhaven  
 Miami  
 Naples  
 Ocala

Oviedo  
 Pompano Beach  
 Punta Gorda  
 Sebastian  
 Sunrise  
 Tallahassee  
 Tampa  
 Tarpon Springs  
 Titusville  
 West Palm Beach  
 Winter Haven

**GEORGIA**

Achton  
 Albany  
 Athens  
 Atlanta  
 Clarkston  
 Columbus  
 Covington  
 Evans  
 Forest Park  
 Fort Oglethorpe  
 Gainesville  
 Jonesboro  
 Kennesaw  
 Lyon  
 Marietta  
 McDonough  
 Sanderson  
 Stockbridge

**HAWAII**

Hilo  
 Kailua-Kona  
 Koloa  
 Makakilo  
 Wiahia  
 Wilikina

**IDAHO**

Aberdeen  
 American Falls  
 Ammon  
 Blackfoot  
 Boise  
 Buhl  
 Caldwell  
 Coeur d'Alene  
 Driggs  
 Filer  
 Hailey

Idaho Falls  
 Jerome  
 Ketchum  
 Lapwai  
 Lewiston  
 Middleton  
 Nampa  
 Post Falls  
 Preston  
 Rexburg  
 Sandpoint  
 Shelly  
 Soda Springs  
 Twin Falls  
 Weiser

### **ILLINOIS**

Alton  
 Belvedere  
 Bloomington  
 Carbondale  
 Carol Stream  
 Centralia  
 Chicago  
 Clinton  
 Decatur  
 Glenwood  
 Herrin  
 Matteson  
 Menard County  
 Moline  
 Nipomo  
 North Chicago  
 Palos Hills  
 Quincy  
 Richton Park  
 Rock Falls  
 Rockford  
 Waukegan  
 West Chicago

### **INDIANA**

Anderson  
 Clarksville  
 Ellettsville  
 Gary  
 Greenpointe  
 Hartford City  
 Huntington  
 Indianapolis  
 Lake Station  
 Muncie

New Albany  
 Newburgh  
 Newcastle  
 Shellyville  
 Washington

### **IOWA**

Akron  
 Ames  
 Atlantic  
 Burlington  
 Cedar Falls  
 Cedar Rapids  
 Cherokee  
 Clear Lake  
 Clinton  
 Columbus Junction  
 Coralville  
 Council Bluffs  
 Davenport  
 Des Moines  
 Dubuque  
 Evansdale  
 Fairfield  
 Fort Dodge  
 Fort Madison  
 Garner  
 Grimes  
 Holstein  
 Iowa City  
 Junction City  
 Le Claire  
 Manchester  
 Marion  
 Marshalltown  
 Mason City  
 Mt. Pleasant  
 Muscatine  
 Newton  
 North Liberty  
 Norwalk  
 Osage  
 Osceola  
 Pella  
 Shellyville  
 Sioux City  
 St. Ansgar  
 Stuart  
 Toledo  
 Waterloo  
 Waverly  
 West Des Moines

Woodbine

### **KANSAS**

Arkansas City  
 Atkinson  
 Auburn  
 Baldwin City  
 Coffeerville  
 Fort Scott  
 Harper  
 Haysville  
 Hiawatha  
 Holton  
 Hutchinson  
 Iola  
 Junction City  
 Kansas City  
 Lansing  
 Lawrence  
 Lenexa  
 Leavenworth  
 Maize  
 Manhattan  
 Marquette  
 Merriam  
 Mulvane  
 Newton  
 Olathe  
 Ottawa  
 Overland Park  
 Potawatomie  
 Shawnee  
 Topeka  
 Wamego  
 Wichita  
 Winfield

### **KENTUCKY**

Albany  
 Covington  
 Danville  
 Elizabethtown  
 Florence  
 Henderson  
 Lexington  
 Louisville  
 Maysville  
 Morehead  
 Somerset  
 Warsaw

**LOUISIANA**

Alexandria  
Amite  
Baton Rouge  
Bastroph  
Bossier City  
Hammond  
Marrero  
Monroe  
New Orleans  
Ruston  
Shreveport  
Spring Hill

**MAINE**

Berwick  
Cumberland  
Portland

**MARYLAND**

Annapolis  
Baltimore  
Clinton  
Dundalk  
Landover  
North Beach  
Olney  
Silver Spring  
Washington DC  
Wheaton

**MASSACHUSETTS**

Amherst  
Boston  
Worcester

**MICHIGAN**

Allendale  
Ann Arbor  
Benton Harbor  
Canton  
Clinton  
Detroit  
Douglas  
East Lansing  
Grand Rapids  
Holt  
Jackson  
Mount Pleasant  
Muskegon  
Pittsfield  
Romulus

Troy  
West Branch  
Ypsilanti

**MINNESOTA**

Albert Lea  
Big Lake  
Buffalo  
Champlain  
Cloquet  
Duluth  
Elk River  
Fairmont  
Forest Oak  
Hinckley  
Mankato  
Minneapolis  
Moorhead  
Northfield  
Owatonna  
Rochester  
Savage  
St. Cloud  
St. Paul  
Stillwater  
Vadnais Heights

**MISSISSIPPI**

Canton  
Clarksdale  
Gulfport  
Hattiesburg  
Holly Springs  
Jackson  
Koskiouko  
Macon  
Pascagoula  
Pass Christian  
Richland  
Southaven  
Tupelo  
Vicksburg  
Waveland

**MISSOURI**

Anaconda  
Battlefield  
Booneville  
Carl Junction  
Columbia  
Columbus  
De Soto

Excelsior Springs  
Farmington  
Harrisonville  
Independence  
Jefferson City  
Jennings  
Kansas City  
Lees' Summit  
Lexington  
Liberty  
Maryville  
Nixa  
Ozark  
Pine Lawn  
St. Joseph  
St. Louis

**MONTANA**

Anaconda  
Billings  
Bozeman  
Butte  
Harve  
Kalispell  
Laurel  
Malta  
Missoula  
Mutte

**NEBRASKA**

Bellevue  
Fremont  
Gering  
Grand Island  
Grand Rapids  
La Vista  
Lincoln  
North Platte  
Omaha  
Ralston  
Scotts Bluff  
South Sioux City  
Winnebago

**NEVADA**

Carson City  
Fernley  
Elko  
Henderson  
Jackpot  
Las Vegas  
North Las Vegas

Pahrump  
Reno  
Sparks

**NEW JERSEY**

Asbury Park  
Barnegat  
Camden  
East Orange  
Ewing  
Hamilton  
Jackson  
Lindencroft  
Lyons  
Manalapan  
Millville  
Monroe Township  
Newark  
Pennsville  
Stafford  
Trenton

**NEW MEXICO**

Alamogordo  
Albuquerque  
Anthony  
Belen  
Chaparral  
Clayton  
Clovis  
Deming  
Española  
Farmington  
Gallup  
Hatch  
Hobbs  
Las Cruces  
Las Vegas  
Los Alamos  
Los Lunas  
Phoenix  
Placitas  
Portales  
Red River  
Rio Rancho  
Roswell  
San Pablo  
Santa Fe  
Santa Rosa  
Silver City  
Socorro  
Sunland Park

Taos

**NEW YORK**

Albany  
Binghamton  
Bronx  
Brooklyn  
Clay  
Elmira  
Far Rockaway  
Flushing  
Fredonia  
Green Island  
Harlem  
Highland Falls  
Honoyoe Falls  
Hornellsville  
Houston-York  
Hudson  
Ithaca  
Jordan  
Long Island  
Minetto  
Mt. Vernon  
New York  
Newburgh  
North Syracuse  
Palatine Bridge  
Palmyra  
Peekskill  
Port Jervis  
Queens  
Red Hook  
Riverhead  
Rotterdam  
Schnectady  
Shodack  
Spring Valley  
Staten Island  
Waterloo  
Webster  
Yonkers

**NORTH CAROLINA**

Charlotte  
Davidson  
Durham  
Fayetteville  
Gastonia  
Greenville  
Kings Mountain  
North Wilkesboro

Raleigh  
Southern Pines  
Wilmington  
Wilson  
Winston-Salem

**NORTH DAKOTA**

Bismarck  
Dickinson  
Fargo  
Grafton  
Grand Forks  
Jamestown  
Stroudsburg  
Mandan  
Minot  
Trenton  
Williston

**OHIO**

Akron  
Ashtabula  
Bethel  
Cincinnati  
Cleveland  
Columbus  
Dayton  
East Cleveland  
Euclid  
Fairborn  
Findlay  
Kettering  
Lorain  
Mayfield Heights  
Springfield  
Stonelick  
Stuebenville  
Tiffin  
Toledo  
University Heights  
Warren  
Warrensville  
Wintersville  
Youngstown

**OKLAHOMA**

Ardmore  
Arkoma  
Bartlesville  
Choctaw  
Cherokee Nation  
Chickasha

Claremore  
 Commerce  
 Coweta  
 Durant  
 Edmond  
 Guthrie  
 McAlester  
 Midwest City  
 Muldrow  
 Norman  
 Oklahoma City  
 Okmulgee  
 Shawnee  
 Stillwater  
 Tahlequah  
 Tulsa

**OREGON**

Bend  
 Brookings  
 Cascade Locks  
 Corvallis  
 Eugene  
 Florence  
 Gresham  
 Hillsboro  
 Hood River  
 Lake Oswego  
 Lebanon  
 Medford  
 Milwaukie  
 Newport  
 Nyssa  
 Portland  
 Roseburg  
 Umatilla  
 Wilsonville

**PENNSYLVANIA**

Bensalem  
 Bethlehem  
 Bridgewater  
 Chambersburg  
 Chester  
 Easton  
 Erie  
 Exton  
 Harrisburg  
 Mt. Pocono  
 Philadelphia  
 Scranton  
 Sharon

Somerset  
 Steelton  
 Stroud Township  
 Stroudsburg  
 Uniontown  
 West York  
 Wilkes Barre  
 Wilkinsboro  
 York

**PUERTO RICO**

Coamo  
 Isabel  
 Santa Isabel

**RHODE ISLAND**

Pawtucket

**SOUTH CAROLINA**

Anderson  
 Bennettsville  
 Bluffton  
 Cayce  
 Clinton  
 Columbia  
 Darlington  
 Greenville  
 Hartsville  
 Manning  
 Rock Hill  
 Spartanburg

**SOUTH DAKOTA**

Custer  
 Hartford  
 Huron  
 Mitchell  
 Pine Ridge  
 Rapid City  
 Rosebud  
 Sioux Falls  
 Sturgis  
 Tioga  
 Yankton

**TENNESSEE**

Alamo  
 Brownsville  
 Chattanooga  
 Clarksville  
 Cleveland  
 Covington  
 Gallatin

Hermitage  
 Jackson  
 Knoxville  
 LaFollette  
 Lebanon  
 Lewisburg  
 Lyle  
 McMinnville  
 Memphis  
 Munford  
 Nashville  
 Pulaski  
 Ripley  
 Tazewell  
 Wartburg  
 White House

**TEXAS**

Abilene  
 Alamo  
 Alice  
 Alton  
 Amarillo  
 Amarillo Spring  
 Anthony  
 Arlington  
 Atascocita  
 Austin  
 Balch Springs  
 Baytown  
 Beaumont  
 Bluffton  
 Brenham  
 Brownsville  
 Bryan  
 Buda  
 Cleburne  
 Clute  
 Conroe  
 Copperas Cove  
 Corinth  
 Corpus Christi  
 Dallas  
 Dennison  
 Edinburg  
 El Paso  
 Ennis  
 Fort Smith  
 Fort Stockton  
 Fort Worth  
 Garland  
 Georgetown

Grand Prairie  
 Hereford  
 Horizon City  
 Houston  
 Irving  
 Johnson City  
 Katy  
 Kerrville  
 Kileen  
 Kingsville  
 La Porte  
 Lampasas  
 Lancaster  
 Leander  
 Lewisville  
 Lubbock-Garden  
 Lyle  
 Madisonville  
 Mansfield  
 Marshall  
 Mayflower  
 McKinney  
 Midland  
 Missouri City  
 Navasota  
 New Braunfels  
 Normangee  
 Odessa  
 Orange  
 Palestine  
 Pecos  
 Pflugerville  
 Port Arthur  
 Raymond  
 Reno  
 Richardson  
 Ripley  
 Rockwall  
 Round Rock  
 San Antonio  
 San Elizario  
 Selma  
 Socorro  
 Temple  
 Terrell  
 Texarkana  
 Texas City  
 Tyler  
 Vernon  
 Victoria  
 Vidor  
 Waco

Waxahachie  
 White Settlement

**UTAH**

Beaver  
 Blanding  
 Brigham City  
 Cedar City  
 Draper  
 Ephraim  
 Heber city  
 Hurricane  
 La Verkin  
 Logan  
 Nephi  
 Ogden  
 Orem  
 Payson  
 Pleasant Grove  
 Price  
 Richfield  
 Salt Lake City  
 St. George  
 West Jordan  
 Woodcross  
 Zion National Park

**VERMONT**

Burlington

**VIRGIN ISLANDS**

St. Croix  
 St. John

**VIRGINIA**

Chesapeake  
 Danville  
 Falls Church  
 Fredericksburg  
 Hampton  
 Harrisonburg  
 Madison Heights  
 Manassas  
 Mechanicsville  
 Midlothian  
 Newport News  
 Norfolk  
 Petersburg  
 Portsmouth  
 Richmond  
 Roanoke  
 Virginia Beach

Williamsburg  
 Woodbridge

**WASHINGTON**

Auburn  
 Battleground  
 Bellingham  
 Bremerton  
 Burien  
 Centralia  
 Chehalis  
 Clarkston  
 Dayton  
 Edmonds  
 Ellensburg  
 Elma  
 Euphrata  
 Everett  
 Federal Way  
 Kennewick  
 Kent  
 Lacey  
 Lakewood  
 Manata  
 Mattawa  
 Mill Creek  
 Moses Lake  
 Olympia  
 Omak  
 Pasco  
 Paulsboro  
 Philadelphia  
 Pullman  
 Puyallup  
 Quincy  
 Renton  
 Seattle  
 Sequim  
 Shelton  
 Shoreline  
 Silverdale  
 Spokane  
 Sunnyside  
 Tacoma  
 Vancouver  
 Wanatchee  
 Yakima

**WEST VIRGINIA**

Buckhannon  
 Huntington  
 Philippe

Princeton  
Sissonville  
Summerville

**WISCONSIN**

Adams  
Avoca  
Baldwin  
Baraboo  
Beaver Dam  
Beloit  
Berlin  
Brodhead  
Chilton  
Clear Lake  
Clintonville  
Columbus  
Dodgeville  
Durand  
Eau Claire  
Fond du Lac  
Fountain City  
Gay Mills  
Green Bay  
Greendale  
Horicon  
Hudson

Janesville  
La Cross  
Madison  
Markesan  
Menomonie  
Merrill  
Milwaukee  
Mineral Point  
Mt. Horeb  
New Holstein  
New Richmond  
Oconomowoc  
Onalaska  
Oshkosh  
Owen  
Platteville  
Racine  
Red Granite  
Rice Lake  
Ridgeway  
Ripon  
Sheboygan Falls  
Soldiers Grove  
Sparta  
Stouton  
Sturgeon Bay

Sun Prairie  
Waupaca  
Wausau  
Wautoma  
Wauwatosa

**WYOMING**

Cheyenne  
Douglas  
Evanston  
Gillette  
Jackson  
Kemmerer  
Laramie  
Lovell  
Mountain View  
New Castle  
Powell  
Rawlins  
Riverton  
Sheridan  
Torrington  
Wheatland  
Worland  
Wright

---

## **C. Project Staff**

### ***John Prior, Principal***

The founder and principal of Prior & Associates has over 25 years experience in the private, public and nonprofit sectors. He oversees all company projects. John has directed over 2,000 market studies for affordable housing projects for real estate developers, investors, housing authorities and government agencies in urban, suburban and rural areas throughout the United States. Before establishing the company, John was a principal with Community Sciences Corporation, a full service planning, civil engineering and surveying company in Corrales, New Mexico, and a program manager for the New York State Division of Housing and Community Renewal. John has a master's degree in Urban Planning from Rutgers University. He is a founding member of the National Council of Affordable Market Analysts, a Certified General Appraiser, and an associate member of the Appraisal Institute.

### ***Thad Rahn, Senior Project Manager***

Thad directs the preparation of housing market studies. Thad has conducted field research, prepared or directed the completion of over 1,000 market analyses. Before joining the firm in 2002, he was a financial analyst with the Janus Corporation. Thad has a bachelor's degree in Economics and History from Coe College.

### ***John Harmon, Project Manager***

John conducts field research and analyzes economic, demographic and housing market data and conditions. Since joining the firm in 2004, he has participated in the preparation of approximately over 500 market studies. Before joining the firm, he worked for the Sheraton Hotels. He has a bachelor's degree in Economics from the University of Colorado.

### ***Brandon Davis, Project Manager***

Brandon conducts field research and analyzes housing market factors and conditions. In the last three years, while employed at Prior & Associates, Brandon has participated in the preparation of approximately 350 studies. Before joining the firm in 2007, Brandon owned his own business. He has a bachelor's degree in Finance from the University of Arkansas.

### ***Dan Arrowood, Field Analyst***

Dan Arrowood has conducted field research with Prior & Associates since 2002. Dan has worked in institutional real estate for more than 20 years and has a broker's license in Colorado and California. Dan is fluent in Spanish and volunteers as a substitute ESL teacher with Intercambio de Comunidades, a non-profit organization that teaches English to recent immigrants. Dan has completed field research in more than 30 states and Puerto Rico and conducts many assignments in markets with large Hispanic populations. Dan has an MBA in Real Estate from the University of Pennsylvania.

---



***Aric Wallen, Research/Field Analyst***

Aric has conducted market research for new construction and rehabilitation projects for Prior and Associates Inc. since 2001. He has worked in over 200 urban and rural markets throughout the United States. He has 17 years of experience in the real estate industry, and is the owner of a real estate investment and consulting company. Aric holds a Colorado employing real estate broker's license, is a licensed Class C construction contractor, holds an IRC building certificate, and is a registered appraiser. Aric has a master's degree in Real Estate and Construction Management from the University of Denver, Daniels College of Business.

***Kallan Stithem, Field Analyst***

Kallan is a field analyst who has completed 15 research assignments. Before joining the firm, Kallan work in several real estate positions where he conducted appraisal work, market studies and financial analysis. He has a bachelor's degree in Business Administration, with a concentration in Real Estate and Finance, from Colorado State University in Fort Collins.

***Travis Cunningham, Field Analyst***

Travis was recently hired as a field analyst. Before joining the firm, Travis operated his own real estate consulting firm where he consulted with clients on financing, marketing, and construction. He has a bachelor's degree from the University of Colorado in Boulder.

***Andrew Rydell, Research Analyst***

Andrew conducts field research and analyzes housing market factors and conditions. He has completed nearly 200 market research assignments in urban, suburban and rural markets. Andy worked for two years with Town & Country Appraisal, a residential appraisal company, as a licensed registered appraiser in Colorado and Arizona. He has a bachelor's degree in Real Estate and Urban Land Economics from the University of Wisconsin.

***Megan McCall, Research Analyst***

Megan conducts field research and analyzes housing market factors and conditions. During her tenure with the firm, Megan has been involved in the preparation of approximately 100 reports. Before joining the firm in 2009, Megan worked as a project assistant for Dewberry & Davis, a national civil engineering company. She has a master's degree in International Human Rights from the University of Denver.

***Elyse Wiechnicki, Research Analyst***

Elyse was promoted in 2010 to a research analyst after working with the firm for one year as a research assistant responsible for organizing and compiling data. She has assisted in the preparation of 50 reports. Before joining the firm, Elyse worked as an assistant manager for a coffee shop and earned a bachelor's degree from Bates College in Lewiston, Maine.

---

**Colleen Farr, Research Analyst**

Colleen was recently promoted to a research analyst after working with the firm for one year as a research assistant responsible for organizing and compiling data. She has a bachelor's degree in International Affairs from the University of Colorado in Boulder, and a master's degree in Global Economics from the University of Denver.

---

## D. Our Customers

We have developed a diverse list of customers, which includes lenders, investors, syndicators, developers, non-profit organizations and government agencies.

- Alliant Capital
  - Ambac Assurance Corporation
  - AMCAL Enterprises
  - AMG Development
  - Apollo Capital
  - Archdiocesan Housing
  - Artspace Projects, Inc.
  - Boston Capital Partners
  - Barker Management
  - Centerline Capital Corporation
  - Colorado Coalition for the Homeless
  - Colorado Rural Housing Dev. Corp.
  - Community Development, Inc.
  - Communities West, LLC
  - Cordes Development
  - Corporation for Better Housing
  - Coughlin & Company
  - DAVCO Development, LLC
  - Enterprise Mortgage Investments
  - Enterprise Social Investment Corp.
  - GMAC Commercial Mortgage
  - Global Premier Development
  - Gough Property Management
  - Great Lakes Financial
  - Idaho Migrant Counsel
  - Iowa Finance Authority
  - John Hancock Realty Advisors
  - LINC Housing Corporation
  - Luckenbill-Drayton & Associates, LLC
  - MBR Development
  - MMA Financial
  - MacFarlane Costa Housing Partners
  - Meta Housing
  - Michel & Associates
  - Mid-Columbia Housing Authority
  - National Church Residences
  - National Housing Corporation
  - Northwest Associates
  - Paragon Mortgage Company
  - Pricewaterhouse Coopers
  - PNC Multifamily Capital
  - Prudential Huntoon Paige
  - Realty Resources
  - Red Capital Mortgage
  - Richman Group
  - RREEF Funds
  - Rural Missouri, Inc.
  - SSR Realty Advisors
  - Sterling Financial
  - SunAmerica Affordable Housing Partners
  - Thomas Development Company
  - Tierra Del Sol
  - TMDC
  - Volunteers of America
  - Wachovia Securities
-