



REAL PROPERTY **RESEARCH** GROUP

WASHINGTON/BALTIMORE ■ ATLANTA

Housing Market Assessment

City of Marshalltown
Marshall County, Iowa



Marshall County Courthouse, Downtown Marshalltown

Prepared for:

Marshall Economic Development Impact Committee

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EXECUTIVE SUMMARY

The Marshall Economic Development Impact Committee has retained Real Property Research Group, Inc. to conduct a Housing Market Assessment for the City of Marshalltown. The purpose of this Housing Market Assessment is to evaluate current housing market conditions, assess the balance of supply and demand in the rental and for-sale markets, and identify housing gaps, if any. Based on these findings, RPRG will make conclusions regarding Marshalltown's current and future housing needs and recommendations for future development.

RPRG expects this Housing Market Assessment to be utilized for internal assessment, helping to guide programs and policies. The report will also serve as a resource to other Intended Users, including potential investors, developers, and lenders, by documenting current/future housing needs in Marshalltown and the suitability of various housing products. Based on our research, including a site visit from July 15-17, 2014, we have arrived at the following findings:

Site and Neighborhood Analysis:

Marshalltown is a modest-sized community in east central Iowa that serves as both the population center and economic hub of rural Marshall County. The city is easily accessible from multiple major thoroughfares and contains all the necessary infrastructure, community amenities, and residential supportive services to be attractive to a wide variety of household types living and working throughout the region. Several sites in Marshalltown are suitable for future for-sale and/or rental housing development and would support a variety of housing types, target markets, and income segments.

Economic Context:

Marshall County's economy has been cyclical over the past thirteen years with a modest overall trend of decline in both the Civilian Labor Force and At-Place Employment. Like most areas of the country, Marshall County suffered notable job loss and higher unemployment during the course of the most recent national recession (2008 to 2009), but has shown signs of stabilization over the past three years with the net addition of 264 jobs. As home to several major employers, Marshall County serves as a regional employment node and attracts a significant percentage of commuters. Over the next three years, the county is expected to add a net total of at least 50 jobs based on recently announced economic expansions and contractions and will also benefit from 500 to 600 regional jobs added in the nearby city of Tama.

- Marshall County's unemployment rate has fallen in each of the past three years, reaching 5.9 percent in 2013. In comparison, 2013 unemployment rates in the state of Iowa and the nation were 4.6 percent and 7.4 percent, respectively. Marshall County's unemployment rate has consistently fallen below national figures while being comparable to or above the state over the past thirteen years.
- Based on 2011 LED On the Map data, approximately one-third of workers in Marshalltown commuted more than 25 miles to work including 21.2 percent more than 50 miles. Just over half (52.5 percent) of all workers in Marshalltown lived less than ten miles from their place of employment.
- Marshall County's At-Place Employment followed a cyclical downward trend and lost 1,194 jobs from 2000 to 2013 (6.6 percent). Following job losses suffered during the most recent national recession, Marshall County has shown signs of stabilization with job growth in two of the last three years; however, only 23.5 percent of the jobs lost from 2007 to 2010 have been recouped.
- Manufacturing is the largest employment sector in Marshall County, accounting for 26.7 percent of all jobs in the county. In comparison, Manufacturing comprises just 9.0 percent of jobs



nationally. As would be expected, manufacturers dominate the 25 largest major employers in Marshall County including the single largest employer JBS Swift. With a total employment of 2,300 workers, JBS Swift is nearly twice as large as the next largest employer.

- Marshall County is expected to add 150 to 200 new jobs over the next 18 to 24 months while losing 100 jobs through recently announced economic expansions and contractions. Iowa Premium Beef will also add an initial 500 to 600 jobs to the region (Tama).

Growth Trends:

The Marshalltown Market Area's population and household bases are projected to grow at a modest pace over the next five years, consistent with trends between the 2000 and 2010 Census counts. Older adult and senior households are expected to increase at a faster rate than total households in the Marshalltown Market Area on a percentage basis, based largely on the existing population aging in place.

- Between 2000 and 2010 Census counts, the population of the Marshalltown Market Area grew from 26,434 to 27,970 people, an increase of 1,536 people or 5.8 percent. During the same period, the number of households in the Marshalltown Market Area grew from 10,348 to 10,498, a gain of 150 households or 1.4 percent. Annual population and household growth rates were 0.6 percent (154 people) and 0.1 percent (15 household), respectively.
- Applying annual census growth rates, the Marshalltown Market Area's population is expected to increase by 768 people (2.7 percent) over the next five years while the household base grows by 75 (0.7 percent).
- Older adult and senior households are projected to increase at annual rates of 1.3 percent (55+) and 1.8 percent (62+) through 2019, bringing total households with a householder age 55+ and 62+ to 5,239 and 3,863, respectively. During this period, most (20.1 percent) of the projected older adult/senior household growth is expected to occur in the 65-74 age group.

Demographic Trends:

The Marshalltown Market Area has a diverse household composition with a relatively even mixture of families with young children, young adults, and seniors. While a sizable portion of the Marshalltown Market Area's households have lower incomes, a notable moderate income household segment also exists among both renters and owners. Though the Marshalltown Market Area continues to be an owner dominated market, the recent trend toward rental housing is expected to continue over the next five years.

- Adults (age 35 to 61) comprise the largest percentage of the Marshalltown Market Area population at 31.5 percent, followed closely by children under the age of 20 (28.0 percent). Among the remaining age cohorts, young adults age 20 to 34 account for 18.9 percent of the Marshalltown Market Area's population while seniors age 65 and older comprise 21.6 percent of the population.
- Approximately 38 percent of all households in the Marshalltown Market Area consist of at least two adults and no children. Roughly one-third of households in the Marshalltown Market Area contain children and 29.5 percent are single persons.
- The Marshalltown Market Area is predominately an owner market with a 2010 homeownership rate of 68.5 percent; however, between the 2000 and 2010 Census counts, the Marshalltown Market Area gained 228 renter households and lost 78 owner households. Esri estimates the Marshalltown Market Area's renter percentage will increase to 32.8 percent over the next five years. Household age 55 and older are more likely to own than younger households as roughly 80 percent of these older households own their home.



- Older adults and seniors age 55 or older comprise over half (approximately 54 percent) of all owner householders in the Marshalltown Market Area followed by working-age adults (35-54 years) at 32.2 percent.
- Renter householders are notably younger than owner householders in the Marshalltown Market Area, though renters are nearly evenly distributed among age cohorts. Among all renter householders, 37.3 are children/young adults (age 15-34), 32.2 percent are working age adults (age 35-54), and 30.5 percent are older adults/seniors (age 55+).
- Nearly two-thirds of all owner and renter households in the Marshalltown Market Area contain one or two persons; however, owners contain a significantly higher percentage of two person households while renters have a higher percentage of single persons. Three and four person households account for 24.2 percent of Marshalltown Market Area owners while large households (those with five or more persons) comprise 13.3 percent of owner households. Roughly 23 percent of Marshalltown Market Area renter households have three or four persons while 11.5 percent of renters contain 5+ persons.
- Esri estimates the 2014 median household income in the Marshalltown Market Area is \$43,286, which is \$8,128 or 15.8 percent below the \$51,414 median income in the Secondary Market Area. Approximately 38 percent of households have moderate annual incomes (\$35,000 to \$74,999) and 28.3 percent have low annual incomes (\$15,000 to \$34,999). Combined, low and moderate income households comprise nearly two-thirds (65.8 percent) of all households in the Marshalltown Market Area. Of the remaining households in the Marshalltown Market Area, 14.2 percent have very low annual incomes (less than \$15,000) and 20.1 percent have high annual incomes (\$75,000 or more).
- The Marshalltown Market Area's owner median household income of \$54,263 is more than twice the renter median income of \$25,653. Approximately 41 percent of all owner households have moderate annual incomes (\$35,000 - \$74,999) compared to 30.1 percent of renter households. A significantly higher percentage of owner households also reported high incomes (\$75,000+) relative to renter households (28 percent versus 3.8 percent). In contrast, renter households are dominated by low income (35.4 percent) and very low income (30.1 percent) households earning \$15,000 to \$34,999 per year and less than \$15,000, respectively.

General Occupancy Rental Market Conditions:

RPRG surveyed seventeen multi-family rental communities located in the Marshalltown Market Area. Of these seventeen rental communities, three are deeply subsidized through the HUD Section 8 program, five are income restricted through the Low Income Housing Tax Credit (LIHTC) program, and nine are market rate. As a significant portion of Marshalltown's existing rental stock is comprised of scattered site rental units, RPRG also surveyed four property management companies to supplement the multi-family rental analysis.

- The multi-family rental market is tight with only seven of 504 stabilized LIHTC and market rate units reported vacant, a rate of 1.4 percent. Among the four stabilized LIHTC communities, four of 112 units were available at the time of our survey, a vacancy rate of 3.6 percent. All 98 units offered at deeply subsidized communities were fully occupied with waiting lists.
- Among market rate/LIHTC communities, effective rents, unit sizes, and rents/square foot are as follows:
 - **Efficiency** units offered at Southern Hills reported an effective rent of \$485. The unit size was not provided. This is the only community to offer efficiency units.
 - **One-bedroom** effective rents averaged \$500 per month. The average one-bedroom square footage was 588 square feet, resulting in a net rent per square foot of \$0.85. The range for one-bedroom effective rents was \$285 to \$700.



- **Two-bedroom** effective rents averaged \$628 per month. The average two-bedroom square footage was 795 square feet, resulting in a net rent per square foot of \$0.79. The range for two-bedroom effective rents was \$350 to \$1,035.
- **Three-bedroom** effective rents averaged \$630 per month. The average three-bedroom square footage was 1,175 square feet, resulting in a net rent per square foot of \$0.54. The range for three-bedroom effective rents was \$550 to \$725.
- Scattered site rentals include a variety of unit types which include smaller multi-family apartment buildings, townhomes, duplexes, and single-family detached homes. In general, the surveyed scattered site rental units contained similar characteristics to the multi-family rental stock with no community amenities (except a community laundry area in some instances), and limited unit features. Dishwashers are included in roughly half of surveyed units and washer/dryer connections were not provided at most.
- The four property management companies offer a combined 315 scattered site units, of which 10 or 3.2 percent were reported vacant. Vacancy rates ranged from zero to 6.7 percent, though the 6.7 percent vacancy rate was based on just two actual units at JBI Cooperative Housing.
- Among scattered site units, rent ranges and average rents were as follows:
 - **Efficiency rents** ranged from \$410 to \$415 with an overall average of \$413.
 - **One bedroom rents** ranged from \$350 to \$465 with an overall average of \$439.
 - **Two bedroom rents** ranged from \$535 to \$600 with an overall average of \$578.
 - **Three bedroom rents** ranged from \$600 to \$1,100 with an overall average of \$767.
- The only general occupancy rental units currently in the pipeline in Marshalltown Market Area are eight scattered site rentals under construction by Superior Rentals. Upon completion in early 2015, all of these units will be offered at market rates.

Senior Rental Market Conditions:

As part of the Marshalltown Housing Market Assessment, RPRG also examined the senior rental market in Marshalltown. In total, three senior rental communities were surveyed for this analysis including one deeply subsidized property, one LIHTC community, and one assisted living community. Two additional senior rental communities, The Embers (service-enriched independent living) and Glenwood Place (independent/assisted living) were also identified in the Marshalltown Market Area; however, both communities refused/were not able to participate in our survey.

- The LIHTC (Westown) and deeply subsidy (Odd Fellow) senior communities consist of three to five-story mid-rise buildings with elevator access, interior hallways, and senior-oriented features and amenities. Westown is the newest of the two communities (built in 2004) and is located in downtown Marshalltown while Odd Fellow is much older (built in 1984) and is located in the southern portion of the city.
- Westown and Odd Fellow offer 101 combined units all of which were occupied at the time of our survey. Both properties reported waiting lists of unspecified lengths.
- Westown offers 24 one bedroom units and 12 two bedroom units reserved for households earning at or below 60 percent of the Area Median Income (AMI). One bedroom units reported an effective rent of \$400 with a unit size of 650 square feet and a rent per square foot of \$0.62. Two bedroom units at Westown had an effective rent of \$605 with a unit size of 900 square feet and a rent per square foot of \$0.67. As Odd Fellow is deeply subsidized, its contract rents do not necessarily reflect current market conditions and are not included in this analysis.
- Bickford of Marshalltown is an assisted living community and contains 38 total units/beds among one and two bedroom floor plans. Base rates, including a minimum level of care,



three meals per day, and all utilities, range from \$2,600 for one bedroom units to \$3,450 for two bedroom units. Unit sizes were not provided. At the time of our survey, all 38 units at Bickford at Marshalltown were occupied at the time of our survey with a waiting list of 10 people.

For-Sale Market Conditions:

RPRG evaluated MLS data for the city of Marshalltown, including overall trends and recent sales. RPRG also compiled housing data on the four active for-sale communities in the city from the Marshall County Tax Assessor.

- The Marshalltown annual median home price steadily rose from \$67,000 in 2000 to \$95,000 in 2007, before falling in four straight years during the course of the national housing market downturn and recession. In 2012 and 2013, the annual median home price rebounded reaching a new high of \$97,500 in 2013; however, the median home price through the second quarter of 2014 fell back down to levels experienced between the first and second quarter of 2013.
- Marshalltown's annual percentage of sales to listings ranged from 46.8 percent to 67.7 percent from 2000 to 2013. Given a sales to listings ratio of 55 percent or greater is generally considered a "sellers market" and a sales to listings ratio from 35 percent to 54 percent is considered a balanced market, home sales in Marshalltown have been consistently strong throughout the past thirteen years.
- From 2010 to 2014 Q2, an average of 75 homes was sold per quarter in Marshalltown with an average median sales price of \$89,922. The quarterly average Days on Market (DOM) was 62. Quarterly trends in units sold, median sales price, and DOM are as follows:
 - The number of units sold peaked in the second and third quarters of 2013 and has followed a modest upward trend since 2010.
 - Since 2010, the median sales price has been relatively flat in Marshalltown with some moderate seasonal fluctuations.
 - The median Days on Market (DOM) in Marshalltown has gradually declined since 2010 and fell below the overall average DOM for the period (4.5 years) in seven of the last nine quarters.
- Based on monthly sales data over the most recent 12 month period available (July 2013 – June 2014), an average of 40 sales and 213 listings were recorded in Marshalltown. The average Days on Market (DOM) was 72 and the average months of inventory was 5.8. Notable findings/trends by price point are as follows:
 - Noticeably higher sales and listing activity was evident at the lowest (less than \$40,000) and middle (\$100,000 to 199,999) home prices while three of the four highest home price points had fewer sales and listings.
 - The months of inventory for homes listed/sold in Marshalltown over the past year ranged from 2.8 to 9.9 months across all price points. All moderate home price points from \$90,000 to \$199,999 had 0 to 4 months of inventory (sellers market) or 5-7 months of inventory (balanced market) while the weakest segments of the market occurred among the three highest price points and six lowest price points (8+ months of inventory)
 - Three middle price points (\$80,000 to 99,999 and \$120,000 to \$139,999) and three high price points (\$180,000 to \$259,999 and \$300,000+) had the lowest DOM's, ranging from 35 to 66 days. The two highest DOM's occurred at the \$70,000 to \$79,999 and the \$140,000 to \$169,999 price points, both of which exceeded 100 days on average.



- Moderately priced homes generally had a greater number of sales and listings, lower months of inventory, and lower Days on Market over the past year. As such, it appears this segment of the market had the most activity and a greater level demand than homes at the top and bottom of the market over the past year.
- Recent sales/construction prices for single-family home communities with available lots are as follows:
 - **Cross Country Estates** recent sales/construction prices for fully built homes ranged from \$188,720 to \$400,000 with a median of \$246,375.
 - **Sugar Creek Estates** recent sales/construction prices ranged from \$120,972 to \$224,125 with a median of \$161,396.
 - **Glenwood Park** recent sales/construction prices ranged from \$145,000 to \$289,875 with a median of \$188,500.
 - **South Pointe** recent sales/construction prices ranged from \$170,000 to \$229,000 with a median of \$198,000.
- Cross Country Estates and Glenwood Park are the only two active single-family communities with lots listed for sale. Cross Creek has nine lots listed from \$33,000 to \$43,000 while Glenwood Park has lots listed for \$28,500.
- Cross Country Estates offers the largest median lot size of all the active for-sale communities with a median acreage of 0.34. Glenwood Park and Sugar Creek Estates offer the next largest lots with median sizes of 0.32 acre and 0.22 acre, respectively. South Pointe has the smallest median lot size of at just 0.15 acre.
- Combined, the four active for-sale communities had an average median lot size of 0.26 acres, an average median lot price of \$29,238, and an average median lot price per acre of \$113,544.

Rental Housing Demand:

Total Rental Housing Demand:

Based on projected household growth, functional housing unit replacement, and a structural vacancy rate of five percent, a net demand for 111 rental units will exist in the Marshalltown Market Area through January 2018. With expected local and regional job growth over the next 18 to 24 months and possible in-commuter relocation, additional demand of 69 to 96 rental units may exist in the Marshalltown Market Area over the next three years.

Senior Rental Housing Demand:

Demand for an additional 25 to 30 independent senior rental units will exist over the next three years in the Marshalltown Market Area, driven primarily from existing residents aging in place. Upcoming job growth and the potential relocation of in-commuting workers is unlikely to have a significant impact on the Marshalltown Market Area's senior household base. While a demand for both affordable and market rate senior rental units is evident in the market, the LIHTC community Marshalltown Senior Residences will address the affordable senior rental demand upon its completion in early 2015. As such, we recommend any additional senior rental development over the next three years focus on market rate rental units. Due to wide range in senior housing types, target markets, pricing, and services offered as well as the limited information available from senior housing communities in the Marshalltown Market Area, we have not made any specific recommendations regarding unit types or pricing; however, senior market rate units could include a variety senior housing options including general apartments, service-enriched independent living units, and assisted living units.



Rental Market Conclusions and Recommendations:

Affordable Rental Housing:

Low income households (earning from \$25,000 to \$49,999) and very low income households (less than \$15,000) will be the two largest segments of renters in the Marshalltown Market Area as of 2016, accounting for 33.7 percent and 31.4 percent of all renter households, respectively. Based on expected job growth in Marshalltown and the region over the next two years, which will include hundreds of lower-wage manufacturing jobs, these numbers are likely to increase beyond those already projected. At the time of this report, the five stabilized general occupancy Low Income Housing Tax Credit communities surveyed reported an aggregate vacancy rate of just 3.6 percent based on only four vacant units. This occurred while the Tallcorn, which opened in April 2014, leased-up at an average rate of eight units per month without negatively impacting existing LIHTC properties. Both HUD Section 8 communities surveyed were also fully occupied with extensive waiting lists. Taking projected household trends, job growth, and current market conditions into account, the demand for affordable rental housing, targeting both low and very low income households, will remain strong in the Marshalltown Market Area over the next three to five years.

Market Rate Rental Housing:

The next largest segment of renters in the Marshalltown Market Area are moderate income renters (earning from \$35,000 to \$74,999), which will account for 30.6 percent of all renter households as of 2016. Combined with the small percentage of upper income renters (4.3 percent as of 2016) earning more than \$75,000 annually, these renter households comprise the market rate segment of the market. Among multi-family market rate rental communities surveyed, just three of 392 rental units were reported vacant, a rate of 0.8 percent. The 315 scattered site rentals surveyed also reported a low vacancy rate of 3.2 percent. Overall, these households are among the most underserved by the existing rental stock in Marshalltown, as quality market rate rental options are very limited. The average year built among the multi-family market rate properties surveyed was 1972 compared to 2002 among LIHTC communities. Many of these rental units are in average to below average condition and lack modern features and amenities including a portion of units without dishwashers in the kitchen and most without washer/dryer connections. Given moderate and upper income renter households have more flexibility, these households are more likely to consider alternative housing options in other communities and commute if sufficient housing options are not available in Marshalltown. This current need for additional market rate rental housing is also likely to increase over the next three to five years, as job growth is likely to add some additional moderate to income households, and current tenure trends indicate a greater percentage of households are deciding to rent rather than own.

Rental Product Recommendations:

- **Townhomes/Attached Homes** - Townhome units or attached homes (duplexes, tri-plexes, etc.) would be an ideal product type for market rate rental housing in Marshalltown. They would fit well with the existing housing stock and overall character of development within the city, while providing additional space generally required by moderate and upper income households and the potential for an attached garage. We would recommend offering a combination of two and three bedroom floor plans, skewed more heavily towards two bedroom units to accommodate the higher number of smaller renter households in the Marshalltown Market Area. Each unit should offer roughly 1,000 to 1,400 square feet, standard kitchen appliances (refrigerator, range/oven, dishwasher, and, garbage disposal), and washer/dryer connections. The inclusion of an attached garage would also be highly desirable, but not mandatory. The inclusion of extensive community amenities would not be essential to community success; however, providing an outdoor amenity such as a picnic/barbeque area and/or playground for families would be beneficial. The target market of this product type would include couples, roommates, and small families.



- **Garden-style Apartments** – The existing multi-family rental stock in the Marshalltown Market Area, including both LIHTC and market rate communities, is performing well despite its older age and average to below average condition. As such, we believe a newly constructed garden-style apartment community with modern finishes, larger unit-sizes, and minimal community amenities would be attractive to renter households of all income levels living in or moving to the Marshalltown Market Area. We would recommend a garden-style community consisting of two to three story buildings with modern exteriors. The community should offer one, two, and three bedroom floor plans with approximate unit sizes of 650-750 square feet, 850-1,150 square feet, and 1,100-1,300 square feet, respectively; however, if the community is designed to serve lower income households, we would recommend a much higher proportion of larger units including some four bedroom units to accommodate very large households (11.5 percent of renter households as of 2010) in the Marshalltown Market Area. Overall, garden-style apartments will appeal to a wide variety of households including single persons, couples, roommates, and small to large families.
- **Mixed-Use/Adaptive Reuse** – In addition to the housing options described above, Marshalltown offers some opportunities for adaptive reuse and mixed-use housing in downtown including the current site of the Marshalltown Medical and Surgical Center and upper floors of commercial buildings along Main Street. Given the proximity to retail and unique architecture, upper floors of commercial buildings in downtown are ideally suited for loft-style apartments appealing to young professionals. We would recommend these units primarily consist of one bedroom units with a small number of two bedroom units to accommodate couples and include modern unit features, appliances, and high ceilings if possible. Adaptive reuse communities in downtown Marshalltown could potentially accommodate a wide range of housing types, including both LIHTC (similar to Tallcorn, Westown, and Marshalltown Senior Residences) and market rate communities. Like our previous recommendations, LIHTC communities should contain higher proportions of two and three bedroom units though not quite to the degree of a garden-style community. Conversely, market rate units should primarily target smaller households including young professionals and single person working age adults. Given its size and prominent frontage along Main Street, the Marshalltown Medical and Surgical Center would be ideally suited for mixed-use development with residential and commercial components. Given the unique nature of the buildings and the redevelopment process, a unit mix and rents for an adaptive reuse community would vary widely depending upon the design and target market of the property.
- **Pricing** – Assuming an appropriate product based on the recommendations above, RPRG judges a new market rental community in Marshalltown can be priced at or near the top of the rental market. Regardless of product type and location, a newly constructed rental community will be attractive to prospective renters in and around the Marshalltown Market Area and will be among the best in the market upon construction. Achievable rents will heavily depend on the exact site and design of the community. As such, we have included general recommended rents not specific to a particular housing type.

For an affordable housing community, the price position for 60 percent LIHTC units could be close to those for a market rate community as 2014 maximum allowable rents (net of utilities) for Marshall County is high relative to prevailing market rents; however, to effectively target low to moderate income households and improve income qualification we would recommend rents approximately ten percent below maximum thresholds for 60 percent units (comparable to Marshalltown Sundance and Hillcrest) and 50 percent units. Any LIHTC units offered below 50 AMI percent can be at maximum levels. Given the large number of low and very low income households, we would recommend an LIHTC unit mix including some units targeting households at lower AMI levels such as those at 30 percent, 40, percent and 50 percent of AMI, if possible.



Below are RPRG’s recommended rents for a sample 48-unit community of each product type, assuming that residents are responsible for all utilities except the cost of water/sewer and trash removal.

RPRG Recommended LIHTC Rents, Marshalltown Market Area:

Unit Type	AMI Level	Units	Bed	Bath	Square Feet	Net	
						Rent	Rent/Sq Ft
LIHTC	30%	1	1	1	700	\$251	\$0.36
LIHTC	50%	2	1	1	700	\$425	\$0.61
LIHTC	60%	9	1	1	700	\$530	\$0.76
LIHTC	30%	2	2	2	850	\$294	\$0.35
LIHTC	50%	3	2	2	850	\$500	\$0.59
LIHTC	60%	12	2	2	850	\$630	\$0.74
LIHTC	30%	1	3	2	1,150	\$331	\$0.29
LIHTC	50%	3	3	2	1,150	\$575	\$0.50
LIHTC	60%	10	3	2	1,150	\$715	\$0.62
LIHTC	30%	1	4	2	1,300	\$370	\$0.28
LIHTC	50%	1	4	2	1,300	\$645	\$0.50
LIHTC	60%	3	4	2	1,300	\$800	\$0.62
Total/Avg.		48			947	\$586	\$0.62

Rents include: water/sewer and trash removal

RPRG Recommended Market Rate Rents, Marshalltown Market Area:

Unit Type	Units	Bed	Bath	Square Feet	Rent	Rent	Avg.
					Low	High	Rent/Sq. Ft.
Market	19	1	1	800	\$650	\$750	\$0.88
Market	22	2	2	1,050	\$850	\$1,000	\$0.88
Market	7	3	2	1,200	\$950	\$1,050	\$0.83
48							

Rents include: water/sewer and trash removal

For-Sale Housing Conclusions and Recommendations:

The majority of the existing for-sale housing stock in the Marshalltown Market Area is of a significantly older vintage, as 86.9 percent of all owner occupied housing units were built prior to 1970 and 57.3 percent were built prior to 1950. The quality of these units varies significantly, though many are in what would be considered below average to poor condition. Over the past decade, the Marshalltown Market Area experienced limited for-sale housing growth with an average of 21 units permitted per year (2000 to 2013). Most of the newly constructed (since 2000) for-sale units have targeted the highest income households, as evidenced by the newest for-sale communities in the city. Taking all of these factors into account, the Marshalltown Market Area will have modest demand for quality housing units targeting moderate to upper income households over the next three to five years. Over the next three years, housing demand from moderate and upper income households is also likely to increase as new workers from planned job growth and current in-commuters consider a move to Marshalltown.

For-Sale Product Recommendations:

- **Single-Family Detached Homes** – Single-family detached homes are the most common owner occupied housing units in the Marshalltown Market Area and would be the most desirable product type for new for-sale housing units. Given the relatively high land and



construction costs in Marshalltown, however, single-family detached homes would need to be somewhat smaller in size to be priced reasonably for moderate income households. We would recommend building three bedroom homes offering roughly 1,800 to 2,200 of finished square feet. At a minimum, the homes should include attractive exterior features (brick/stone accents), attached garages, standard kitchen appliances (refrigerator, range/oven, dishwasher, and, garbage disposal), washer/dryer connections, a patio/deck, and an unfinished basement. The target market of this product type would primarily be couples and small to large families.

- Townhomes/Attached Homes** - Townhome units or attached homes (duplexes, tri-plexes, etc.) are best suited for moderate income households, offering a semi-detached product with a partial yard and more privacy but a smaller more affordable housing unit overall. Attached homes and townhomes would be well received in the community and could target middle income price points. These unit types also require less land for development and can work as both a separate community or as an infill development, if necessary. We would recommend two-story units for townhomes and one to two-story units for attached homes with attractive exterior features (brick/stone accents), attached garages, standard in-unit kitchen appliances (refrigerator, range/oven, dishwasher, and, garbage disposal), washer/dryer connections, and patios. Units should include both two and three bedroom floor plans with approximate sizes ranging from 1,000 to 1,200 square feet and 1,400 to 1,600 square feet, respectively. The target market of this product type would include couples, roommates, and small to large families.
- Condominiums/Cooperatives** – A handful of condominium communities exist in Marshalltown, including one mid-rise community constructed in the 1980’s and one senior housing cooperative built within the last five years. While condominiums offer another avenue for moderate income households to enter into home ownership, this product type is not as common and does not fit as well with the lower density housing that dominates Marshalltown. While some demand may exist for condominium units in the Marshalltown Market Area, we believe the product types previously discussed are a better fit for the market at this time. The risk associated with condominium development is greater than a low density product given the smaller pool of potential buyers.
- Pricing** - Assuming an appropriate product based on the recommendations above, RPRG’s recommended prices for each product type are as follows:

For-Sale Units - Recommended Pricing						
Product Type	Bed	Bath	Square Feet	Base Price	*Sales Price	Sales Price/Sq. Ft.
Townhome	2	1.5	1,000	\$80,000	\$92,000	\$92.00
Townhome	2	1.5	1,200	\$95,000	\$109,250	\$91.04
Townhome	3	2.5	1,400	\$110,000	\$126,500	\$90.36
Attached Home	3	2.5	1,400	\$120,000	\$138,000	\$98.57
Attached Home	3	2.5	1,600	\$135,000	\$155,250	\$97.03
Detached Home	3	2.5	1,800	\$165,000	\$189,750	\$105.42
Detached Home	3	2.5	2,200	\$195,000	\$224,250	\$101.93
Average				\$128,571	\$147,857	\$96.62

*Increased by 15 percent for options

Affordability:

Affordability estimates and capture rates are reasonable and achievable in the market for recommended rental and for-sale housing options. As such, sufficient income qualified households will exist to support the projected rental and for-sale demand over the next three years. Affordability estimates for the Marshalltown Market Area are also conservative, as they do not account for potential renter and owner households willing to relocate from other parts of the region or state due to job growth or in-commuter migration.



Final Conclusion / Recommendation

Marshalltown is home to several major employers, making it a regional economic hub for workers living throughout the surrounding counties, nearby cities, and major metropolitan areas of Des Moines and Ames. Despite the cyclical nature of the county's economy, due largely to its substantial manufacturing base, Marshalltown experienced modest population and household growth over the past decade with just over half of its workforce commuting from outside the city. This decision is due in part to the quality and condition of Marshalltown's existing housing stock, most of which is at least 40 years old and not attractive to or suitable for its sizable skilled labor force. Higher development costs have also raised prices for the newest and most attractive housing options (both rental and for-sale), making quality and affordable housing options scarce. As many moderate income households have the means to obtain suitable housing at more affordable prices in Marshalltown's immediately surrounding area, they have a greater deal of flexibility on where they choose to live and work.

The Marshalltown Market Area's existing rental stock is performing very well with an overall average vacancy rate of less than two percent. The demand for high quality rental units is evident, as market rate rental communities, including many scattered site units, are at or near full occupancy. Overall, the lack of quality rental units in the Marshalltown Market Area has led to pent up demand for new affordable and market rate rental units. On the for-sale housing side, the construction of new housing units has been somewhat limited over the past ten years. While four newly constructed single-family detached home communities have lots available for purchase, high land and development costs appear to be an impediment to new home construction for most households. In general, the for-sale market is healthy and stable, with relatively flat home price trends, modestly declining Days on Market, and a recent uptick in sales.

Based solely on projected household growth, functional unit replacement, and the required fluidity in the market, a net rental demand of 111 units will exist in the Marshalltown Market Area through January of 2018. Based on affordability estimates and current market conditions, this rental demand includes affordable and market rate housing. While the demand for for-sale housing over the next three to five years will not be as strong as rental housing, due largely to a trend away from ownership, the need for additional moderately priced for-sale units is expected to remain steady. Over the next three years, Marshalltown is expected to add 150 to 250 new jobs and 500 to 600 new jobs will be added in the region. This new job growth will attract households with a wide range of incomes to the area, many of whom would consider establishing a residence in Marshalltown if suitable housing options were available. This would create additional housing demand beyond that already estimated/projected.

We recommend that new rental housing units initially target moderate to upper income households, which are the most underserved market segment, while also continuing to explore affordable housing opportunities to serve low and very low income households. An assortment of product types are suitable for development within the Marshalltown Market Area, including single-family detached homes, townhomes/attached homes, multi-family housing, and adaptive reuse communities. Based on all of the factors discussed above, we believe a variety of opportunities exist for housing development in Marshalltown and would be well received in the community. Given the projected job growth and pent-up demand in the rental market, we do not expect new housing communities to have an adverse long-term impact on the existing housing stock.



1. INTRODUCTION

A. Purpose of Report

The Marshall Economic Development Impact Committee has retained Real Property Research Group, Inc. to conduct a Housing Market Assessment for the City of Marshalltown. The purpose of this Housing Market Assessment is to evaluate current housing market conditions, assess the balance of supply and demand in the rental and for-sale markets, and identify housing gaps, if any. Based on these findings, RPRG will make conclusions regarding Marshalltown's current and future housing needs and recommendations for future development.

B. Format of Report

The report format is a Housing Market Assessment, a comprehensive city-wide analysis that does not focus on a specific product or site. If we were to prepare a comprehensive feasibility study for a specific development, there would be changes, additions and deletions to the material presented here. Moreover, the findings, conclusions and/or recommendations yielded as a result of a product specific study may differ from those presented here.

C. Client, Intended User, and Intended Use

The Client is the Marshall Economic Development Impact Committee. RPRG's expects this Housing Market Assessment to be utilized for internal assessment, helping to guide programs and policies. The report will also serve as a resource to other Intended Users, including potential investors, developers, and lenders, by documenting current/future housing needs in Marshalltown and the suitability of various housing products.

D. Scope of Work

The Housing Market Assessment includes an area analysis, a demographic analysis, an economic analysis, a competitive housing analysis (rental and for-sale), and an overall supply/demand analysis. Subsequently, we include product, pricing, and other recommendations as well as affordability analyses based on the recommended product(s).

- Michael Riley (Analyst) conducted a visit to Marshalltown on July 15-17th, 2014.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers; Tom Deimerly, President of the Marshall County Economic Development Impact Committee; Michelle Spohnheimer, Marshalltown Housing and Community Development Director; Stephen Troskey, Marshalltown Planning and Zoning Administrator; Jodi Faustlin, Executive Director of McFarland Clinic; Jim Lowrance, Mayor of Marshalltown and Treasurer of Great Western Bank; David Barajas, CEO of Marshalltown Regional Partnership; Paul Gregorie, Vice President of Human Resources – Emerson Process Management; Jeff Badger, Community Market President of U.S. Bank; Mary Wertzberger, Controller at RACOM Corporation; Sharon Soorholtz Greer, Attorney at Cartright, Druker, and Ryden and Marshalltown Planning and Zoning Committee Member; Paul Beals, President of Independent Insurance Services; Michelle Burgess, Senior Human Resources Generalist at Lennox; Pete Charboneau, Human Resources Director of JBS Swift – Pork Division; Conrad Dejardin, President of the Iowa Valley Community College District Board; Mike Judge, Builder/Developer – Superior Rentals; Wendy Soltero, Business Manager at Marshalltown YMCA-YWCA; real estate brokers/realtors Chris Brodin, Fauna Nord, and Dean Delver with Caldwell Banker; real estate brokers/realtors Jamie Bland and Ashley Kelper with First Rate



Real Estate; and real estate brokers/realtors Kurt Polley, Kristen Polley, and Jane Chizek with Five Star Real Estate.

- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

E. Report Limitations

The conclusions reached in a market assessment are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix I of this report.



2. NEIGHBORHOOD AND SITE ANALYSIS

A. City Overview

1. Introduction and Background

Marshalltown is a modest-sized city in east-central Iowa, approximately 40 miles northeast of the Des Moines Metropolitan Area (Map 1). Situated between the southern banks of the Iowa River and Linn Creek, Marshalltown has a population of roughly 28,000 people and a job base of just over 18,000 (as of 2013). As the largest city and economic center of rural Marshall County, Marshalltown is home to several major employers that attract workers from throughout the region. As such, Marshalltown is a diverse community that has slowly but steadily grown over the past ten years.

The socio-economic and demographic characteristics of Marshalltown are heavily influenced by its economic base, which includes several large manufacturers (JBS Swift, Emerson-Fisher, and Lennox), two regional/state healthcare providers (Marshalltown Medical and Surgical Center and The Iowa Veterans Home), and a handful of telecommunications/technology companies (RACOM and Mechdyne). While the hourly/shift worker demands of manufacturers in Marshalltown has led to a large lower-wage household base, the highly technical nature of many manufacturing processes also requires workers with highly specialized skills. This, along with the demand for healthcare workers and telecommunications/technology specialists, has attracted a number of moderate to high income earners to Marshalltown, including doctors, nurses, accountants, engineers, and other skilled professionals.

Given Marshalltown's varied household composition, residents have a wide range of housing needs. This analysis will examine whether or not Marshalltown's existing housing stock is sufficient to meet these needs, both now and in the future, and what housing development opportunities should be pursued (if any) to best suit the community.

2. Geographic Layout and Land Use Composition

Marshalltown encompasses an area of roughly fifteen square miles between the Iowa River (to the north) and U.S. Highway 30 (to the south). The city is divided into northern and southern halves by Linn Creek, a tributary of the Iowa River, and is connected to U.S. Highway 30 by one main north/south thoroughfare (State Highway 14). The northern half of Marshalltown contains the city's downtown district, which stretches eight blocks east to west along Main Street and contains the largest concentration of commercial development in the city. The areas surrounding downtown consist of residential neighborhoods with additional commercial development located along State Highway 14 moving south toward U.S. Highway 30. Marshalltown also contains several large manufacturing facilities, most of which are located on the outskirts of the city.

3. Housing Stock Characteristics

Marshalltown's existing housing stock includes a wide range of property types with varying ages, architectural styles, and design characteristics. As most housing units in the city are of an older vintage, including some dating as far back as the 1890s, property conditions vary substantially depending on age, level of upkeep, and renovation. Given new development has primarily occurred in the southern half of the city, housing in north Marshalltown is generally older and less affluent, particularly to the northeast; however, housing ages, conditions, and values often vary significantly from block to block and even unit to unit throughout both sections of the city. Examples of existing single and multi-family housing types in Marshalltown are provided in Figure 1 and Figure 2 below.



Map 1 Site Location

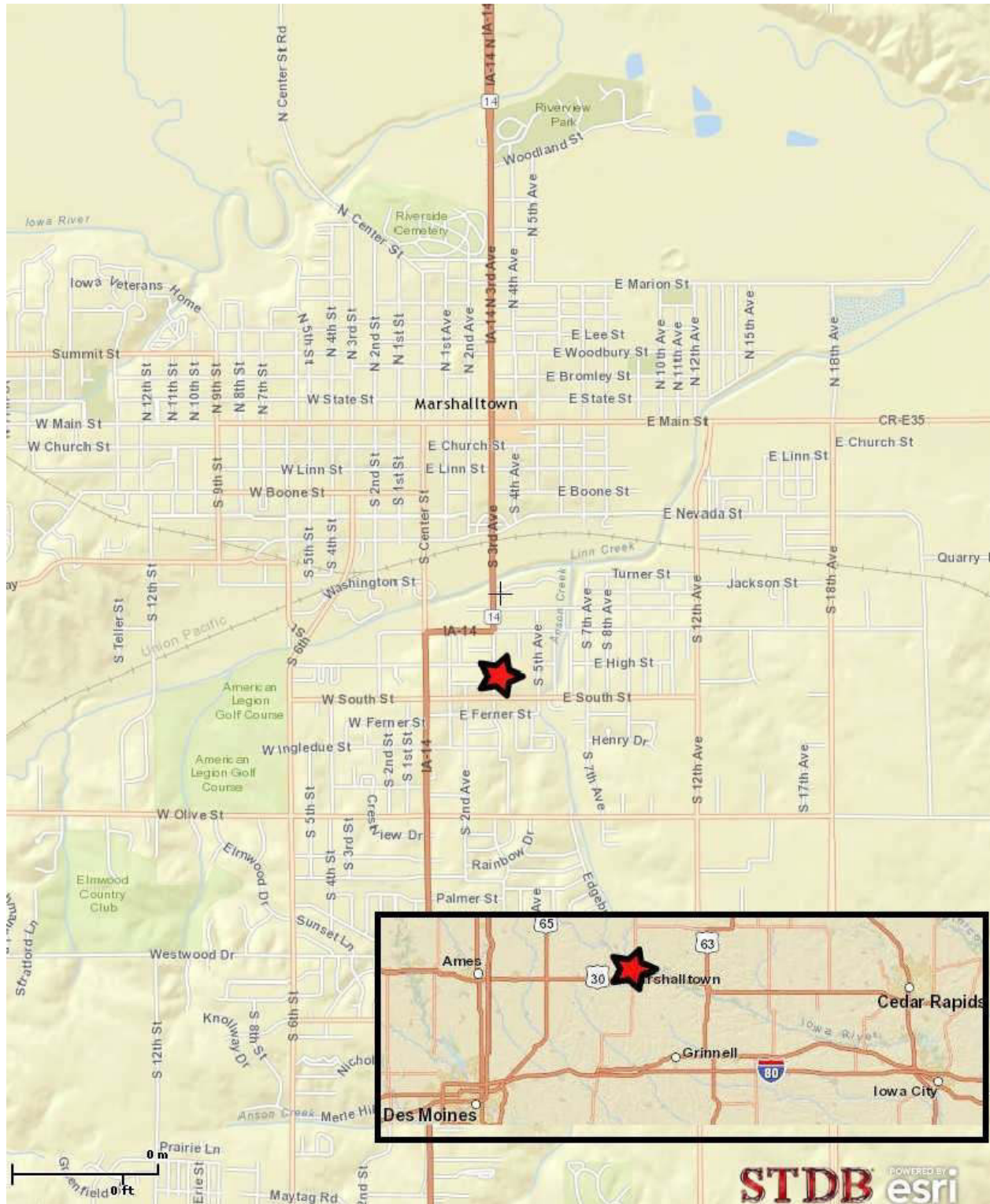


Figure 1 Views of Single-Family Housing Types in Marshalltown



Newer single-story attached homes (south side)



Newer two-story attached homes (south side)



Older modular homes (north side)



Older single-family detached homes (north side)



Older single-family detached home (north side)



Newer single-family detached home (south side)

Figure 2 Views of Multi-Family Housing Types in Marshalltown



Newer high-rise apartments in downtown (Tallcorn)



Newer garden apartments on south side (Southern Hills)



Older mid-rise senior apartments on north side (The Embers)



Newer mid-rise senior apartments in downtown (Westtown)



Older garden apartments on south side (Olive Terrace)



Older garden apartments on south side (Hillcrest)



B. City Investment, Safety, and Connectivity

1. Recent Investment and Development Activity

Significant investment has taken place in Marshalltown over the past five to eight years, much of which occurred in downtown through the city's implementation of its City Center Plan (Figure 3). Originally developed in 2006, the City Center Plan outlined a strategy for downtown revitalization; a goal that has led to a direct investment of over 80 million dollars in capital improvements to date. Completed projects from the City Center Plan include the renovation of the historic Carnegie building, the construction of a new public library, the development of the Emerson/Fisher Controls Technology Development Center, the addition of a cardio catheterization lab at the Marshalltown Medical and Surgical Center, the renovation of the historic Orpheum Theater, the rehabilitation of Tallcorn Apartments, the adaptive re-use of the former Iowa Wholesale building for affordable senior apartments (currently under construction), infrastructure improvements along Main Street and Center Street (State Highway 14), and façade improvements for buildings along Main Street.

Notable investment and development activities outside of downtown, several of which are part of Marshalltown's Imagine community planning initiative, include the expansion of the Linn Creek Greenbelt Recreational Trail (in progress), infrastructure and façade improvements to commercial buildings along North 13th Street, improvements to Riverview Park, the renovation of the Roundhouse and Miller Auditorium (in progress), multiple city beautification projects, and the construction of The Village senior housing cooperative. Two additional development projects, which recently broke ground this year, are the multi-phase relocation of the Marshalltown Medical and Surgical Center and Alliant Energy's construction of a new natural-gas power plant. Both of these projects are expected to be completed over the next three years. Conceptual plans have also been created for the Linn Creek Riverwalk project, a proposed mixed-use development along Linn Creek just east of State Highway 14.

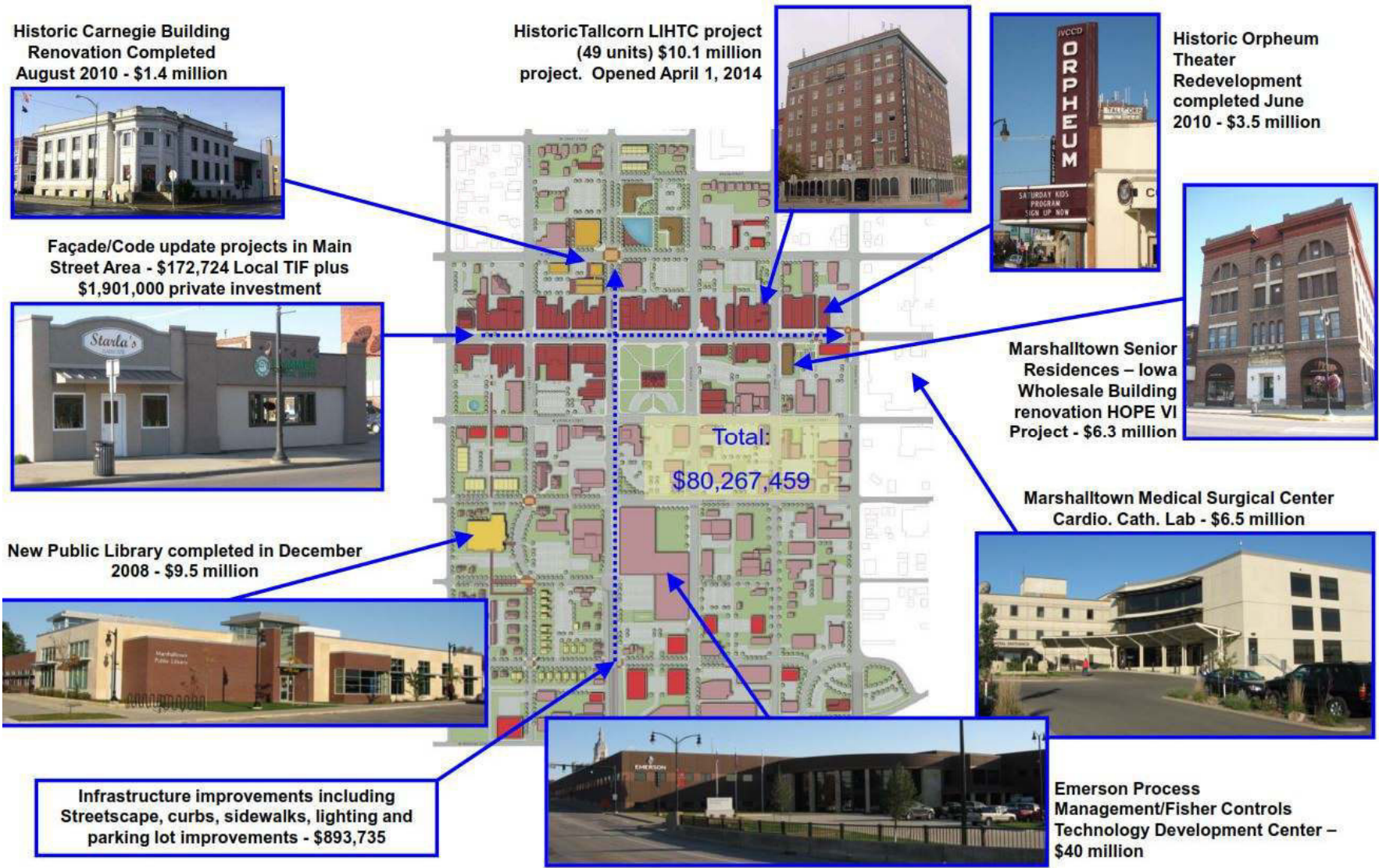
2. Public Safety

CrimeRisk data is an analysis tool for crime provided by Applied Geographic Solutions (AGS). CrimeRisk is a block-group level index that measures the relative risk of crime compared to a national average. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. Based on detailed modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the block group level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However it must be recognized that these are un-weighted indexes, in that a murder is weighted no more heavily than purse snatching in this computation. The analysis provides a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

Map 3 displays the 2013 CrimeRisk Index for the census tracts in Marshalltown and the immediately surrounding municipalities and counties in the region. The relative risk of crime is displayed in gradations from yellow (least risk) to red (most risk). All six census tracts that contain at least a portion of Marshalltown are yellow or light orange, indicating a CrimeRisk just above or below the national average (100). This CrimeRisk is comparable to cities of similar or greater size within the region, including Newton, Ames, and suburban portions of northeast Des Moines, and slightly higher than smaller nearby municipalities and rural areas with much lower population densities. Based on this data and field observations, we do not expect crime or the perception of crime in Marshalltown will have a significant impact on future housing development.

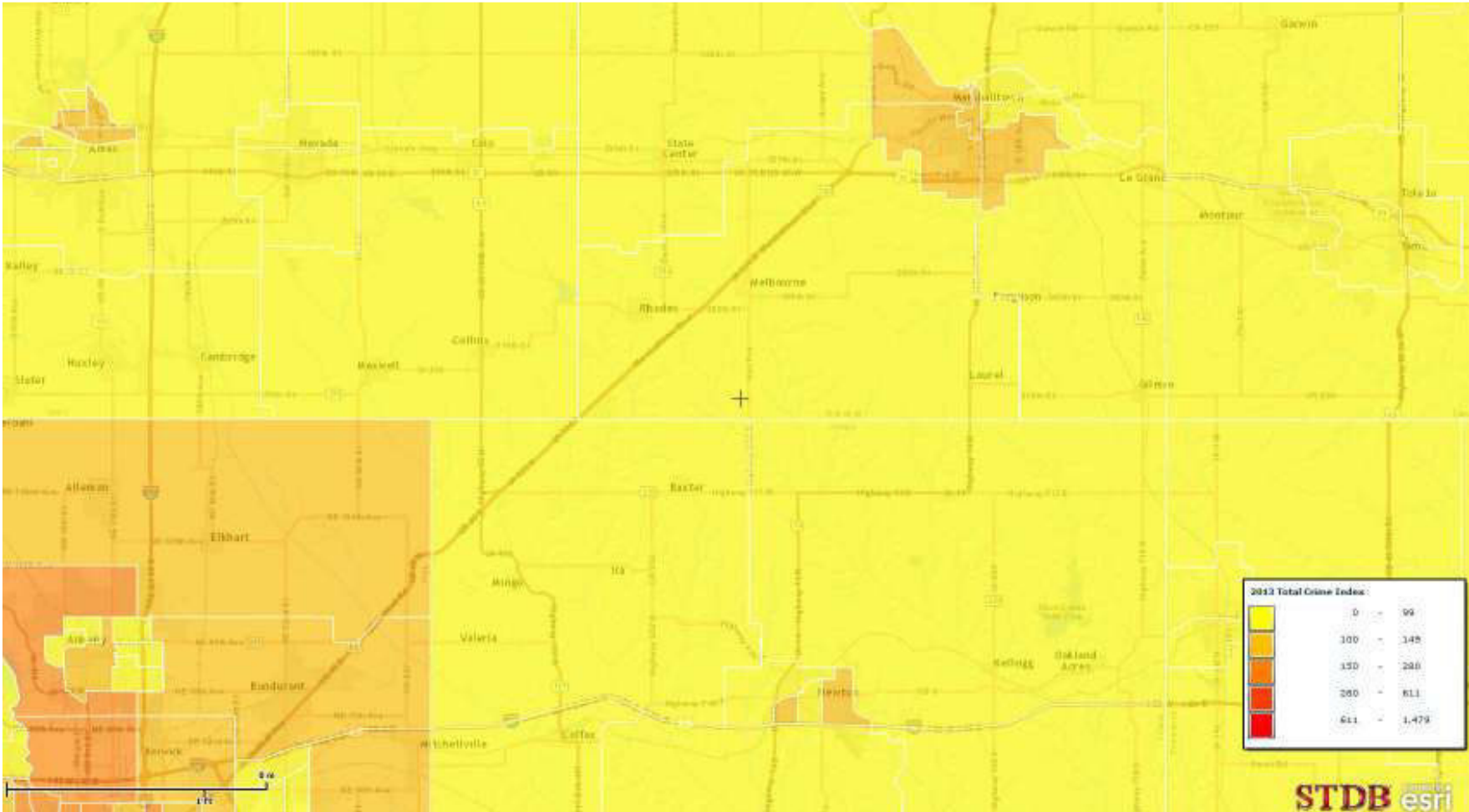


Figure 3 Marshalltown Recent Investment, City Center Plan





Map 2 2013 CrimeRisk, Marshalltown and Local Region





3. Vehicular Access

Marshalltown is bisected by State Highway 14 (runs north to south), which connects to U.S. Highway 30 approximately three miles south of the city center. Outside of these two major roadways, the vast majority of roads in Marshalltown are residential surface streets with light to moderate traffic. While traffic lights exist at major intersections, stop signs are the primary mode of traffic flow throughout the city including portions of downtown Marshalltown. Overall, no impediments to ingress or egress to/from Marshalltown were observed at the time of the site visit.

4. Availability of Public and Inter-Regional Transit

Public transportation in Marshalltown is provided by Marshalltown Municipal Transit (MMT), a fixed-route bus system offering five permanent routes and seven seasonal routes traveling throughout the city. MMT also offers para-transit and premium para-transit services for residents who are unable access fixed-route transportation.

Marshalltown is located approximately three miles north of U.S. Highway 30 (city center), a major east/west thoroughfare providing connections to the major metropolitan areas of Ames (35 miles) and Cedar Rapids (70 miles) to the west and east, respectively. State Highway 330 (via U.S. Highway 30) also provides convenient access from Marshalltown to Des Moines within 40 miles. The closest major airport to Marshalltown is Des Moines International Airport, located on the south side of Des Moines approximately 55 miles to the southwest. Marshalltown also contains a regional airport, utilized for corporate and recreational aviation activities.

5. Pedestrian/Bicycle Access

Given its relatively modest size, most areas of Marshalltown are accessible by foot from sidewalks prevalent along most roadways. Downtown Marshalltown is particularly pedestrian and bicycle friendly, as it contains wide sidewalks, attractive intersections, crosswalks with pedestrian traffic signs, and bicycle lanes. Most neighborhoods have community amenities and services within a walking distance of one mile.

6. Accessibility Improvements Planned or Under Construction

Roadway Improvements under Construction and Planned

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access are currently underway. Observations made during the site visit contributed to this process. Through this research, RPRG did not identify any projects that would have a direct impact on the City of Marshalltown.

Transit and Other Improvements Planned or Under Construction

None identified.



C. Residential Support Network

1. Location of Key Facilities and Services in Marshalltown

The appeal of any given community is often based in part on its proximity to those facilities and services required on a daily basis. Key facilities and services and their driving distances from the center of Marshalltown are listed in Table 1. The location of those facilities is plotted on Map 3.

Table 1 Key Facilities and Services

Establishment	Type	Address	Driving Distance
Anson Elementary School	Public School	1016 S. 3rd Ave.	0.1 mile
Anson Park	Park	301 E. Anson St.	0.1 mile
Marshalltown Municipal Transit	Public Transit	S. 3rd Ave. & E. Anson St.	0.1 mile
Walgreens	Pharmacy	5 E. Anson St.	0.1 mile
Marshall County Senior Center	Senior Services	20 E State St.	0.2 mile
Kwik Star	Convenience Store	810 S. 3rd Ave.	0.2 mile
Fareway Grocery	Grocery Store	102 W. Anson St.	0.5 mile
Senior High School	Public School	1602 S. 2nd Ave.	0.6 mile
Family Dollar	General Retail	327 S. 3rd Ave.	0.6 mile
US Post Office	Post Office	309 E. Linn St.	0.7 mile
Marshalltown Medical & Surgical Center	Hospital	3 S. 4th Ave.	0.9 mile
Lenihan Intermediate School	Public School	212 W. Ingledue St.	0.9 mile
Primary Health Care	Doctor/Medical	412 E. Church St.	1 mile
Marshalltown Fire Station	Fire Station	107 S. 1st Ave.	1 mile
Marshalltown Public Library	Library	105 W. Boone St.	1 mile
Kmart	General Retail	1720 S. Center St.	1.1 miles
United Bank & Trust	Bank	29 S. Center St.	1.1 miles
Marshalltown Police Dept.	Police Station	22 N. Center St.	1.2 miles
Miller Middle School	Public School	1255 S. 11th St.	1.9 miles
Marshall Town Center	Mall	2500 S. Center St.	2 miles

Source: Field and Internet Survey, RPRG, Inc.

2. Essential Services

Health Care

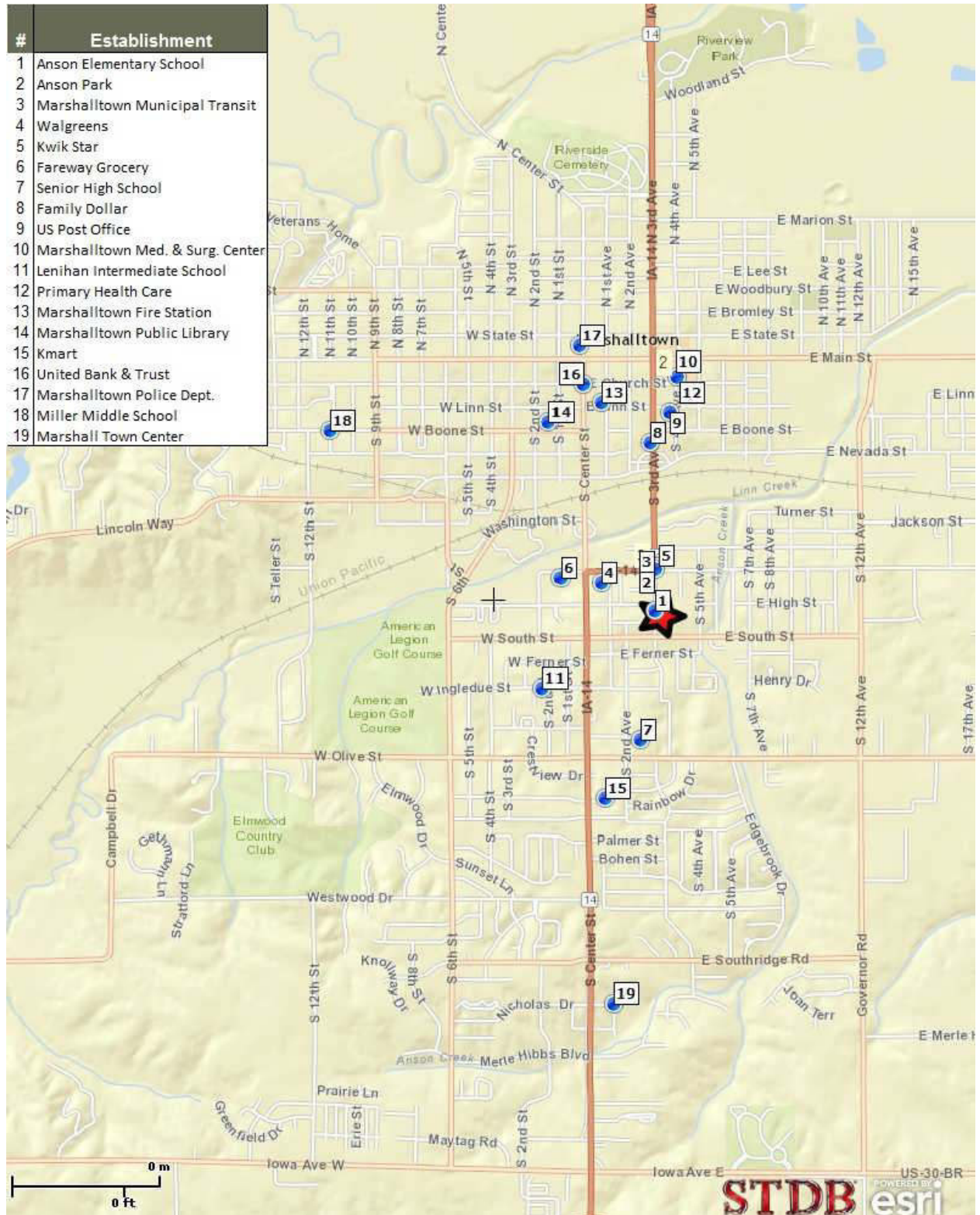
The primary healthcare provider in Marshalltown is the Marshalltown Medical and Surgical Center (MMSC), a 125 bed acute-care facility located at the intersection of South 3rd Avenue and East Main Street in downtown Marshalltown. The MMSC employs over 700 medical professionals and offers wide range medical services, including both general and 24-hour emergency care. As the only full-service medical center in the region, the MMSC serves approximately 60,000 residents and operates primary-care clinics in Marshalltown and the cities of State Center, Conrad, and Tama-Toledo.

In November of 2013, the MMSC announced plans for the construction of a new 75,000 foot facility, which is phase I of a three-phase hospital replacement plan. The new hospital will be located on a 30 acre site at the southwest corner of the State Highway 14 and U.S. Highway 30 intersection across from Marshalltown Community College. Construction on phase I began earlier this year and will include outpatient surgical services, imaging, wound care, therapy/rehabilitation services, urgent care, and laboratory services upon completion in mid 2015. All three phases of the hospital relocation are expected to be complete by the end of 2017. Following relocation, the current hospital building will be available for redevelopment in downtown Marshalltown.

In addition to the MMSC and its primary-care clinic, McFarland Clinic is the largest multi-specialty clinic in Marshalltown with offices at three locations including the MMSC.



Map 3 Location of Key Facilities and Services





Education

The Marshalltown Community School District is the primary provider of public education to students living in Marshalltown. The district is comprised of one preschool, six elementary schools, one intermediate school, one middle school, one high school, and one alternative school (learning academy) with an estimated 2013-2014 enrollment of approximately 5,500 students.

Iowa public school systems administer the Iowa Test of Basic Skills (ITBS) to students in grades three through eight to assess progress. High school students are also tested with an assessment program called the Iowa Test of Educational Development (ITED). To determine relative performance within the region, Marshalltown Community School District 2013 ITBS and ITED scores (grades 3, 8, and 11) were compared to those of neighboring districts in Marshall County, Poweshiek County, Hardin County, Story County, Grundy County, Tama County, and Jasper County. Among districts in the region, Marshalltown ranked 24th out of 30 among elementary schools (Table 2), 27th out of 28 among middle schools, and 25th out of 28 among high schools. While Marshalltown’s Community School District scores are among the lowest in the region, these scores are impacted in part by the high number of students who speak English as a second language. The state of Iowa also allows for open enrollment in any school system as long as space is available and transportation is provided. In this instance, public school buses from the nearest districts (East and West Marshall) have stops in Marshalltown for Marshalltown students electing to attend these districts. Both East and West Marshalltown District test scores are among the top half of district scores in the region for all grade levels. In addition to public schools, Marshalltown is home to the private schools Marshalltown Christian School (PK-8), Marshalltown Area Catholic School (PK-6), and Central Iowa Christian Academy (2-12).

The only post-secondary educational institution in Marshalltown is Marshalltown Community College, which offers one and two year career technical programs as well as Associates in Arts and Associates in Science transfer degrees.

Table 2 2013 Regional School District ITBS and ITED Test Scores

Elementary Schools					Middle Schools					High Schools				
ITBS - 2013		Grade 3			ITBS - 2013		Grade 8			ITED - 2013		Grade 11		
Rank	District	Math	Reading	Avg.	Rank	District	Math	Reading	Avg.	Rank	District	Math	Reading	Avg.
1	Gilbert	96.4%	90.5%	93.5%	1	Lynnville-Sully	91.7%	88.9%	90.3%	1	Lynnville-Sully	100.0%	94.9%	97.4%
2	BCLUW	88.1%	90.5%	89.3%	2	Gilbert	93.1%	87.1%	90.1%	2	Gilbert	92.4%	93.7%	93.0%
3	West Marshall	92.7%	85.3%	89.0%	3	Ames	91.4%	82.8%	87.1%	3	Ames	91.2%	92.1%	91.6%
4	Lynnville-Sully	92.6%	85.2%	88.9%	4	West Marshall	89.8%	78.0%	83.9%	4	Roland-Story	91.0%	88.1%	89.6%
5	Roland-Story	88.9%	87.3%	88.1%	5	North Tama County	81.8%	84.9%	83.3%	5	Brooklyn-Guernsey-Mal.	89.5%	89.5%	89.5%
6	Nevada	83.7%	91.3%	87.5%	6	BCLUW	89.1%	76.1%	82.6%	6	PCM	86.9%	91.8%	89.3%
7	Dike-New Hartford	86.3%	88.2%	87.3%	7	Grinnell-Newburg	88.0%	75.9%	81.9%	7	Grinnell-Newburg	85.9%	91.9%	88.9%
8	East Marshall	89.9%	84.1%	87.0%	8	Grundy-Center	87.2%	76.6%	81.9%	8	East Marshall	90.5%	86.5%	88.5%
9	North Tama County	90.0%	83.3%	86.7%	9	Colfax-Mingo	88.2%	67.7%	77.9%	9	GMG	92.9%	83.3%	88.1%
10	Ames	86.5%	85.6%	86.1%	10	Hubbard-Radcliffe	79.4%	73.5%	76.5%	10	Grundy-Center	90.2%	85.4%	87.8%
11	Grinnell-Newburg	86.9%	85.1%	86.0%	11	Gladbrook-Reinbeck	80.7%	71.0%	75.8%	11	AGWSR	87.8%	85.7%	86.7%
12	PCM	86.2%	84.5%	85.3%	12	Dike-New Hartford	87.9%	63.6%	75.8%	12	Nevada	93.9%	79.4%	86.7%
13	Brooklyn-Guernsey-Mal.	90.3%	77.4%	83.9%	13	East Marshall	84.6%	66.2%	75.4%	13	Ballard	84.3%	88.9%	86.6%
14	Grundy-Center	80.4%	85.7%	83.0%	14	Iowa Falls	74.3%	75.3%	74.8%	14	Iowa Falls	83.0%	89.4%	86.2%
15	Newtown	85.6%	78.2%	81.9%	15	AGWSR	85.3%	61.7%	73.5%	15	BCLUW	88.0%	84.0%	86.0%
16	Gladbrook-Reinbeck	69.0%	93.1%	81.0%	16	Roland-Story	74.2%	72.7%	73.5%	16	West Marshall	80.3%	88.5%	84.4%
17	Collins-Maxwell	84.4%	75.0%	79.7%	17	Colo-NESCO	79.0%	65.8%	72.4%	17	Montezuma	89.5%	79.0%	84.2%
18	Montezuma	81.5%	77.8%	79.6%	18	Brooklyn-Guernsey-Mal.	80.6%	63.9%	72.2%	18	Eldora	80.7%	86.0%	83.3%
19	Colfax-Mingo	78.4%	80.4%	79.4%	19	Ballard	73.4%	65.6%	69.5%	19	Newtown	79.4%	83.5%	81.5%
20	Eldora	79.4%	73.5%	76.5%	20	Nevada	70.4%	66.7%	68.5%	20	Baxter	78.6%	82.1%	80.4%
21	GMG	71.1%	81.6%	76.3%	21	PCM	70.8%	66.2%	68.5%	21	Dike-New Hartford	82.0%	78.7%	80.3%
22	South Tama County	78.2%	70.3%	74.3%	22	Montezuma	80.9%	53.2%	67.0%	22	North Tama County	79.4%	79.4%	79.4%
23	Iowa Falls	65.6%	82.0%	73.8%	23	Newtown	65.0%	67.0%	66.0%	23	Colfax-Mingo	78.4%	76.5%	77.5%
24	Marshalltown	76.8%	70.4%	73.6%	24	Collins-Maxwell	61.8%	64.7%	63.2%	24	Gladbrook-Reinbeck	82.1%	71.8%	76.9%
25	Hubbard-Radcliffe	76.5%	70.6%	73.5%	25	GMG	76.5%	47.1%	61.8%	25	Marshalltown	76.0%	74.7%	75.3%
26	AGWSR	68.6%	77.1%	72.9%	26	Baxter	64.7%	52.9%	58.8%	26	Colo-NESCO	66.7%	81.8%	74.2%
27	Baxter	72.7%	72.7%	72.7%	27	Marshalltown	67.4%	46.2%	56.8%	27	Collins-Maxwell	85.2%	63.0%	74.1%
28	Ballard	62.4%	78.2%	70.3%	28	South Tama County	57.5%	49.4%	53.5%	28	South Tama County	71.9%	75.3%	73.6%
29	Colo-NESCO	73.7%	65.8%	69.7%		Region Average	79.1%	68.2%	73.7%		Region Average	84.9%	83.7%	84.3%
30	Alden	65.0%	70.0%	67.5%										
	Region Average	80.9%	80.7%	80.8%										

Source: IA Department of Education

Primary Public School District
Alternative Public School Districts



Senior Services

The primary senior service facility in Marshalltown is the Marshall County Senior Center, located at 20 East State Street in downtown. Open to persons age 55 and older, the Marshall County Senior Center contains pool tables, shuffleboard courts, computers with internet access, and meeting/activity space as well as a kitchen that provides coffee and other refreshments. The senior center also hosts a variety of programs, activities, and social events including card games and bingo. Additional senior services are available to residents of Marshalltown through the Hawkeye Valley Area Agency on Aging and the Northeast Iowa Area Agency on Aging, two regional senior services providers serving northeast Iowa.

3. Commercial Goods and Services

Convenience Goods

The term “convenience goods” refers to inexpensive, nondurable items that households purchase on a frequent basis and for which they generally do not comparison shop. Examples of convenience goods are groceries, fast food, health and beauty aids, household cleaning products, newspapers, and gasoline.

The largest concentration of retail and commercial development in Marshalltown is located in its downtown district, centered on Main Street between 4th Street and 5th Avenue. Downtown Marshalltown contains a wide variety of shops, restaurants, and specialty service providers including The Orpheum Movie Theater. Outside of downtown, numerous national chains can be found on State Highway 14 within two to three miles of the city center. Commercial development along this major thoroughfare includes multiple fast food restaurants, convenience stores, service stations, and larger-scale facilities such as Hy-Vee (grocery) and Wal-Mart (grocery/general retail).

Shoppers Goods

The term “shoppers goods” refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop. The category is sometimes called “comparison goods.” Examples of shoppers’ goods are apparel and accessories, furniture and home furnishings, appliances, jewelry, and sporting goods.

The single-largest provider of commercial goods in Marshalltown is Wal-Mart, located on the west side of State Highway 14 between downtown and U.S. Highway 30. As a “Supercenter” location, the Wal-Mart has both a general retail section (comparison goods) and a full-service grocery store. Other notable shopping opportunities along State Highway 14 include Kmart and Marshall Town Center, a small indoor shopping mall with 30 retail outlets/service providers and anchor tenants JCPenney, Younkers, and eventually Hobby Lobby (recently announced).

4. Recreational Amenities

Marshalltown offers a vast array of recreational amenities, appealing to a wide range of interests and age groups. The most notable is the Marshalltown Community Y campus, which is located at the Washington Street / South 2nd Street intersection and consists of three facilities (Marshalltown YMCA-YWCA, the Cultural Center, and the Marshalltown Aquatic Center). The Marshalltown YMCA-YWCA contains two swimming pools, fitness areas, and a gym while the Marshalltown Aquatic Center contains multiple water slides, a lap pool, wading pool, and diving area. The Cultural Center is home to city/county offices as well as an art gallery and auditorium/theater. Other recreational amenities within the city include Morris Park, Anson Park, Jaycees Park, Timber Creek Park, Kiwanis Park, Riverview Park, Arnold Park, Tankersly Park, the Marshalltown Area Soccer Club, the Linn Creek Greenbelt Recreation Trail, Grimes Farm and Conservation Center, Legion Memorial Park (municipal golf course), the Marshalltown Public Library, and the Orpheum Theater, among others.



D. Active and Future Development Site Overview

Based on input from local government and community officials, as well as the Marshalltown Comprehensive Plan, we identified sites that are actively under development or that could potentially support housing development in the future. While housing development will not necessarily be limited to these areas, each site and its suitability for development is briefly discussed below. Pictures of active and future development sites, along with an aerial map of each site location, are also included.

Active Housing Development Sites:

1. **Cross Country Estates** – Cross Country Estates is the newest for-sale single-family home community in Marshalltown and is still being actively developed with lots available for purchase. The new home community allows buyers who purchase a lot to choose from floor plans provided by the developer or to use their own builder to construct a custom home. Cross Country Estates began development on its initial phase in 1999 with 24 lots and has since constructed five subsequent phases for a total of 68 lots. Nine of the 68 lots are currently available for sale with prices ranging from \$33,000 to \$43,000. Prices for fully built spec and re-sale homes range from approximately \$200,000 to \$400,000. At full build out, Cross Country Estates is expected to have 108 homes.
2. **Marshalltown Senior Residences** (fka. Iowa Wholesale) – Marshalltown Senior Residences is an age restricted (age 55+) Low Income Tax Credit Community currently under construction in downtown Marshalltown. Upon completion, Marshalltown Senior Residences will contain 28 total units in the former Iowa Wholesale building, all of which will be reserved for households earning at or below 50 percent and 60 percent of the Area Median Income (AMI). Construction is expected to be complete in January of 2015.
3. **Superior Rentals** – Superior Rentals is building eight rental units on a site in southeastern Marshalltown adjacent to Hillcrest Apartments. Construction is expected to be complete by early 2015 and will include both duplexes and single-family homes.

Potential Housing Development Sites:

4. **Downtown Marshalltown Upper Floor Units** – Through conversations with community members and field observations, Marshalltown's downtown corridor was identified as one area suitable for future housing development. While some commercial buildings in downtown have utilized upper floor space for residential uses, many buildings upper floors are vacant and underutilized. Given the proximity to retailers, service providers, and restaurants, downtown residential units over retail would be ideally suited for single persons and couples, particularly young professionals who are highly sought after by several major employers in the city. Based on community input, the largest impediment to downtown renovation/redevelopment is the high cost to bring the much older buildings up to code.
5. **Marshalltown Medical and Surgical Center Building** – By 2017, the Marshalltown Medical and Surgical Center will have completed its relocation from its current building in downtown to its new facility on the south side of the city. Following this transition, the current hospital and clinic buildings will be vacant. The current building's location, at the eastern end of downtown, is an attractive for a variety of uses including potential housing units. Given the large size of the hospital and clinic buildings and their frontage along Main Street in downtown, this site is likely best suited for mixed-use development with commercial and residential components. It could also be adaptively reused as a commercial office or headquarters building, among other uses.
6. **Greenfield Development in Southeast Marshalltown** – A tract of agricultural land, directly north of Cross Country Estates on East Southridge Road, was identified as a potential site for



new for-sale housing. This use would fit with the current land use patterns in the immediate area, as the site borders two of the newest single-family home communities in Marshalltown. While this site is best suited for additional for-sale homes, it could also support additional housing types including attached home/townhomes or a multi-family apartment community, if so desired.

7. **Multi-Family Greenfield Development Sites** – Eleven potential sites for future multi-family housing were identified in Marshalltown’s Comprehensive Plan. All of these sites are undeveloped or contain agricultural uses and are located throughout the city. Details on each site are as follows:
 - a. An approximate 29 acre tract of land, located at the southwest corner of the East Marion Street and North 18th Avenue intersection, surrounds the Low Income Housing Tax Credit communities River Oaks and River Birch. This site is also in close proximity to several major manufacturing facilities including JBS Swift and Lennox. As such, this site would be ideal for additional affordable rental housing.
 - b. Two sites are located along South 12th Avenue and Governor Road, just north and south of East Olive Street, in southern Marshalltown. As both multi-family rental communities and for-sale single-family detached homes are common in the immediate area, these sites could support a variety of housing and development types.
 - c. Four sites are located in southeast Marshalltown, between U.S. Highway 30 and East Merle Hibbs Boulevard. Based on their proximity to commercial development on State Highway 14, the three western most sites would be better suited for rental housing while the eastern-most site, which borders Cross Country Estates, would be best suited for for-sale housing.
 - d. Three sites are located in southwest Marshalltown, in an area roughly bounded by U.S. Highway 30, South 12th Street, and Nicholas Drive. This area of Marshalltown contains several of the city’s senior housing options including The Village Cooperative, Glenwood Place Assisted Living, the HUD Section 202 community Odd Fellow (deeply subsidized housing), as well as the Southridge Nursing and Rehabilitation Center. Taking this into account, along with the eventual relocation of the Marshalltown Medical and Surgical Center just south of U.S. Highway 30, any of these sites would be suitable for additional senior housing. Other types of rental housing and potentially multi-family for-sale options, such as The Village Cooperative, would also be reasonable.
 - e. One site is located at the end of Lincoln Tower Drive in northwestern Marshalltown, adjacent to Lincoln Tower Apartments and Condominiums. This site could support both rental or for-sale housing and a variety of structure types.

Figure 4 Aerial Images of Potential Housing Development Sites

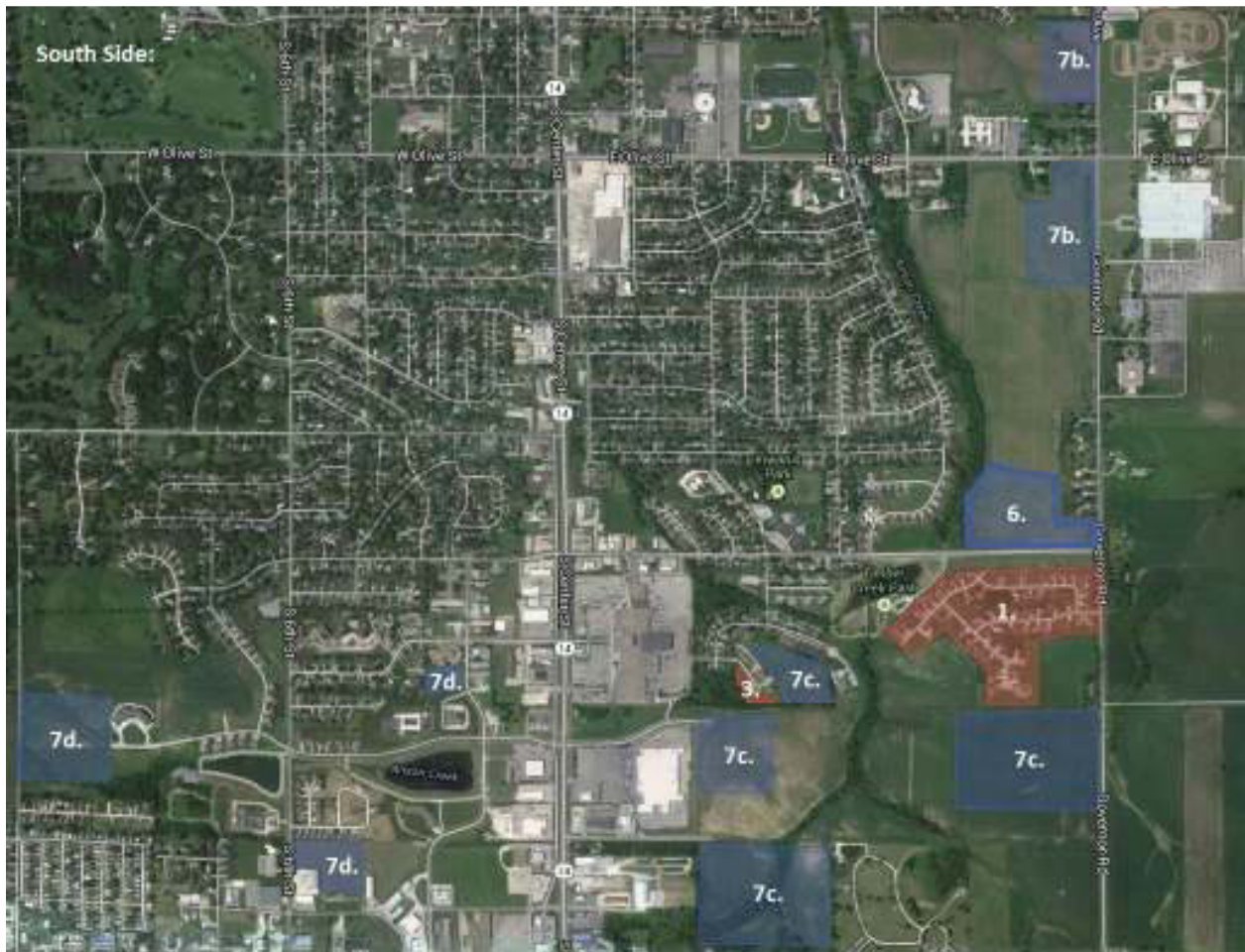
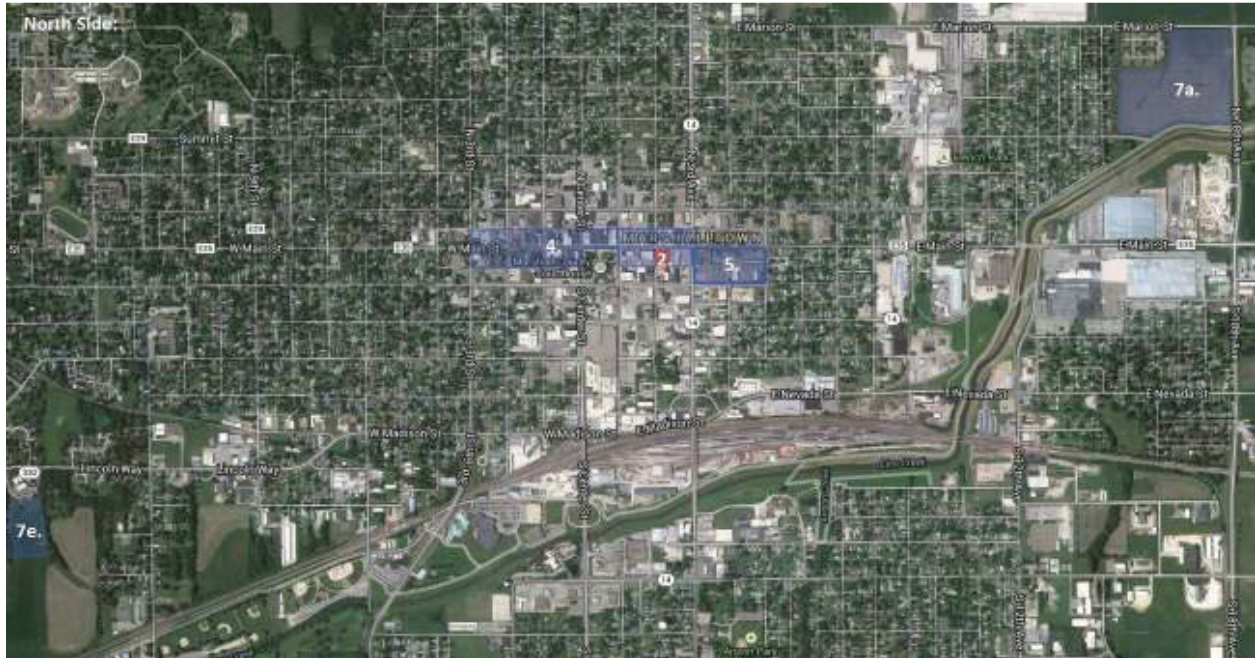


Figure 5 Views of Active and Potential Development Sites



4. Potential housing opportunities above ground floor retail (downtown)



4. Potential housing opportunities above ground floor retail (downtown)



5. Existing Marshalltown Medical and Surgical Center building, which will be vacated within the next three years (downtown)



2. Senior LIHTC units under construction in former Iowa Wholesale building (downtown)



1. Lots for-sale in current and future phases of Cross Country Estates (south side)



6. Vacant agricultural land that would be appropriate for future for-sale development (south side)



3. ECONOMIC ANALYSIS

A. Introduction

This section of the report focuses primarily on economic trends and conditions in Marshall County, the jurisdiction in which Marshalltown is located. For purposes of comparison, economic trends in Iowa and the nation are also discussed.

B. Labor Force, Resident Employment, and Unemployment

1. Trends in County Labor Force and Resident Employment

Marshall County's labor force gradually declined from 20,705 in 2000 to 19,897 in 2013, a net loss of 808 workers or 3.9 percent (Table 3). During this period, year-to-year declines in the labor force were generally modest (less than one percent) but consistent (ten of thirteen years). Over the past four years, the county's labor force lost 364 workers, a decline of 1.8 percent. While Marshall County added 151 workers through the first half of 2014, these figures are traditionally less accurate than annual totals and do not account for seasonality.

2. Trends in County Unemployment Rate

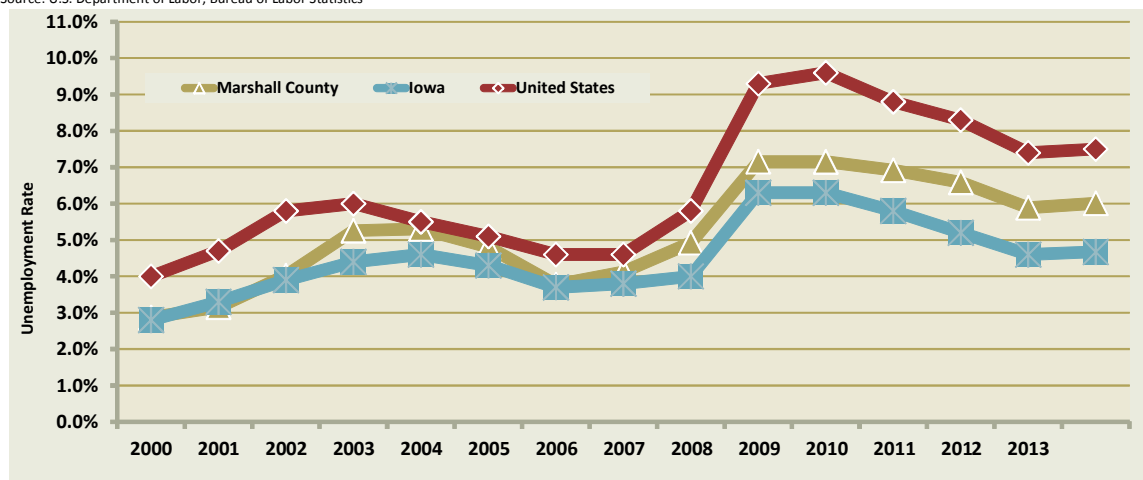
Since 2000, Marshall County's unemployment rate has consistently fallen below national figures while being comparable to or above the state. Following a low of 2.9 percent in 2000, Marshall County's unemployment rate ranged from 3.2 percent to 5.3 percent from 2001 to 2008. During the course of the most recent national recession, Marshall County's unemployment rate reached as high as 7.2 percent in 2009 and 2010 before receding to 5.9 percent by 2013. In comparison, 2013 unemployment rates in the state of Iowa and the nation were 4.6 percent and 7.4 percent, respectively. Through the first half of 2014, Marshall County's unemployment rate increased slightly to 6.0 percent but remained between state and national figures.

Table 3 Labor Force and Unemployment Rates

Annual Unemployment Rates - Not Seasonally Adjusted

Annual	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 Q2
Labor Force	20,705	21,009	20,854	20,638	20,498	20,455	20,808	20,544	20,458	20,474	20,261	20,246	20,083	19,897	20,049
Employment	20,111	20,346	20,015	19,553	19,410	19,472	20,023	19,697	19,450	19,009	18,812	18,845	18,760	18,725	18,843
Unemployment	594	663	839	1,085	1,088	983	785	847	1,008	1,465	1,449	1,401	1,323	1,172	1,205
Unemployment Rate															
Marshall County	2.9%	3.2%	4.0%	5.3%	5.3%	4.8%	3.8%	4.1%	4.9%	7.2%	7.2%	6.9%	6.6%	5.9%	6.0%
Iowa	2.8%	3.3%	3.9%	4.4%	4.6%	4.3%	3.7%	3.8%	4.0%	6.3%	6.3%	5.8%	5.2%	4.6%	4.7%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	7.5%

Source: U.S. Department of Labor, Bureau of Labor Statistics





C. Commuting Patterns

As a major employment node within the region, Marshalltown attracts a notable proportion of workers from smaller nearby municipalities, neighboring counties, and larger metropolitan areas including Des Moines and Ames. We examined the U.S. Census Bureau's Longitudinal Employment-Household Dynamics (LED) On the Map data to determine the place of residence of workers commuting into Marshalltown. The geography tested for this analysis is the Marshalltown city limits.

In 2011, the most recent year LED data was available, just over half (52.5 percent) of all workers in Marshalltown lived less than ten miles from their place of employment and approximately two thirds of workers lived within 25 miles (Table 4). Just over 12 percent of Marshalltown workers commuted 25 to 50 miles to work while 21.2 percent traveled greater than 50 miles.

Approximately 44 percent of workers employed in Marshalltown (as of 2011) also lived in Marshalltown. Outside of Marshalltown, workers' places of residence vary greatly as Des Moines had the highest number of Marshalltown commuters at just 3.4 percent. Other top locations for commuters included Le Grand (1.1 percent), State Center (1.0 percent), Tama (1.0 percent), Newton (1.0 percent), Waterloo (0.9 percent), Toledo (0.9 percent), Ames (0.9 percent), and Albion (0.8 percent).

Table 4 2011 Job Counts by Place and Distance, Workers in Marshalltown City Limits

2011 Job Counts by Distance Where Workers Live			2011 Jobs Counts by Place Where Workers Live		
Distance	Count	Share	Place	Count	Share
Less than 10 miles	9,122	52.5%	Marshalltown city	7,626	43.9%
10 to 24 miles	2,393	13.8%	Des Moines city	597	3.4%
25 to 50 miles	2,187	12.6%	Le Grand city	193	1.1%
Greater than 50 miles	3,682	21.2%	State Center city	182	1.0%
Total	17,384	100.0%	Tama city	169	1.0%
			Newton city	166	1.0%
			Waterloo city	161	0.9%
			Toledo city	158	0.9%
			Ames city	150	0.9%
			Albion city	137	0.8%
			All Other Locations	7,845	45.1%
			Total	17,384	100.0%

Source: LED On the Map Data



D. At-Place Employment

1. Trends in Total At-Place Employment

Marshall County's At-Place Employment followed a cyclical trend from 2000 to 2013, experiencing five years of job growth, six years of job loss, and one year in which employment was unchanged (Figure 6). During these boom and bust cycles, job losses primarily occurred during two national recessionary periods from 2002 to 2003 and 2008 to 2009; however, with the exception of 2009, job loss in the county was more pronounced (on a percentage basis) than the nation. The overall trend in At-Place Employment within the county was one of decline, as the county experienced a net loss of 1,194 jobs or 6.6 percent over this thirteen year period. Following job losses suffered during the most recent national recession, Marshall County has shown signs of stabilization with job growth in two of the last three years; however, only 23.5 percent of the jobs lost from 2007 to 2010 have been recouped.

2. At-Place Employment by Industry Sector

Manufacturing and Government are the two largest employment sectors in Marshall County, accounting for a combined 46.1 percent of total jobs (Figure 7). By comparison, these two sectors comprise just 24.7 percent of jobs nationally. The stark contrast in the Manufacturing sector is particularly notable, as Marshall County has approximately three times as many manufacturing jobs (26.7 percent versus 9.0 percent) than the nation as a whole. Other industry sectors with a significant share of total employment within the county include Trade-Transportation-Utilities at 15.7 percent and Education-Health at 12.0 percent; however, Marshall County contains a lower percentage share of employment in these two sectors relative to national figures.

Seven of eleven industry sectors in Marshall County lost jobs between 2001 and 2013. On a percentage basis, Trade-Transportation-Utilities suffered the largest annual decline at 2.3 percent. An annual loss of 1.0 percent in Manufacturing was also significant, as this sector accounts for more than one-quarter of all jobs within the county. The four employment sectors adding jobs during this period were Professional Business at 2.2 percent, Education-Health at 1.0 percent, "Other" at 0.8 percent, and Government at 0.4 percent annual growth.

3. Major Employers

Manufacturers dominate the 25 largest major employers in Marshall County including the single largest employer JBS Swift (Table 5). With a total employment of 2,300 workers, JBS Swift is nearly twice as large as the next largest employer. In addition to JBS Swift, the top five largest major employers in the county include two additional manufacturers (Emerson Process Management – Fisher Division and Lennox) and two government institutions (The Marshall County Public School System and the federally funded Iowa Veterans Home). Other notable major employers in the county include two national retailers (Hy-Vee and Wal-Mart), two major healthcare providers in the region (Marshalltown Medical and Surgery Center and the McFarland Clinic), Marshalltown Community College, and two technology/telecommunications companies (Mechdyne Corporation and RACOM). All of these major employers are located in Marshalltown (Map 4).



Figure 6 At-Place Employment, Marshall County

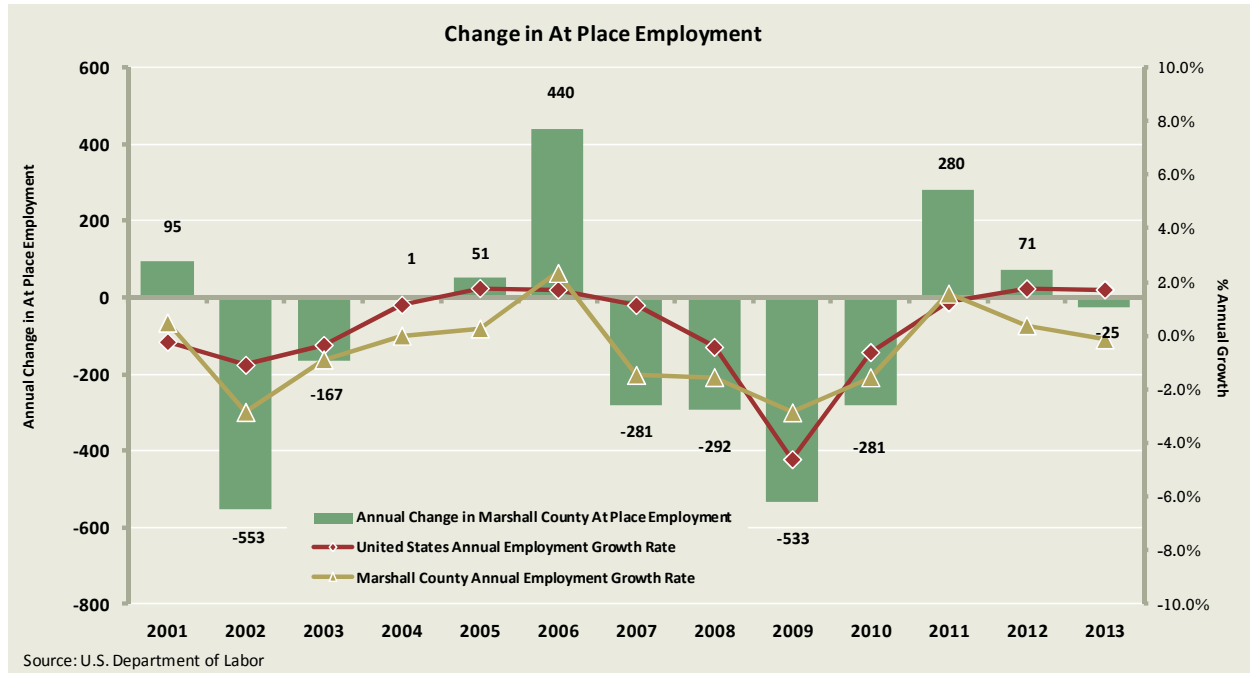
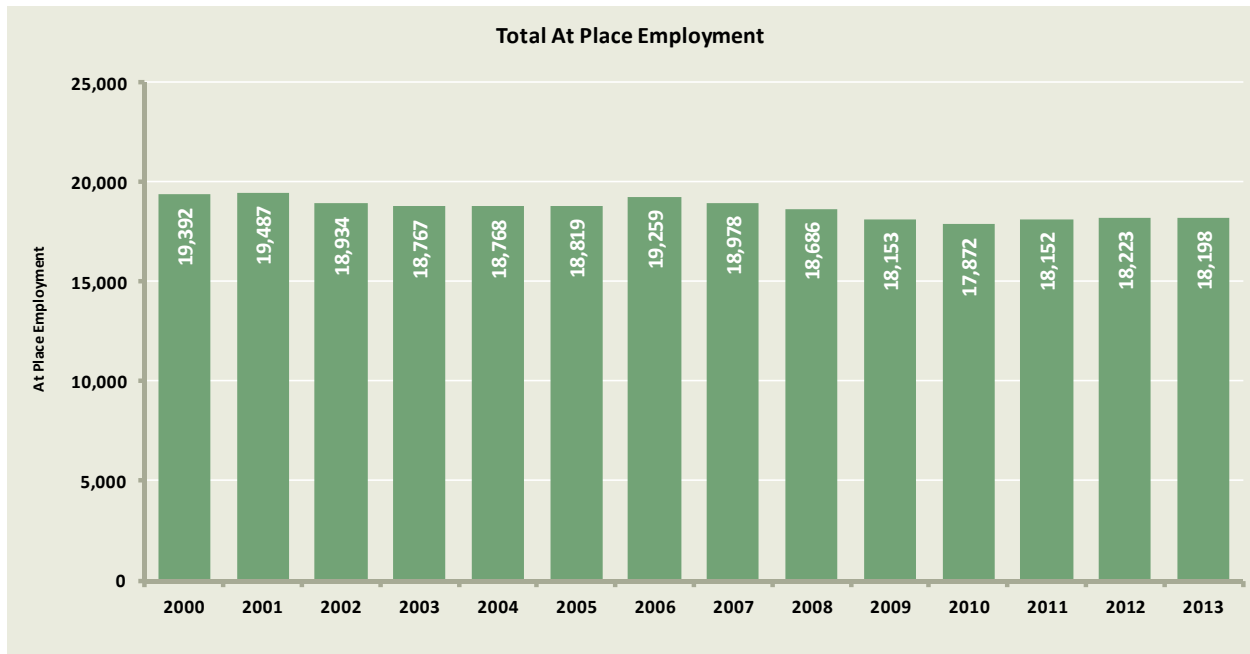
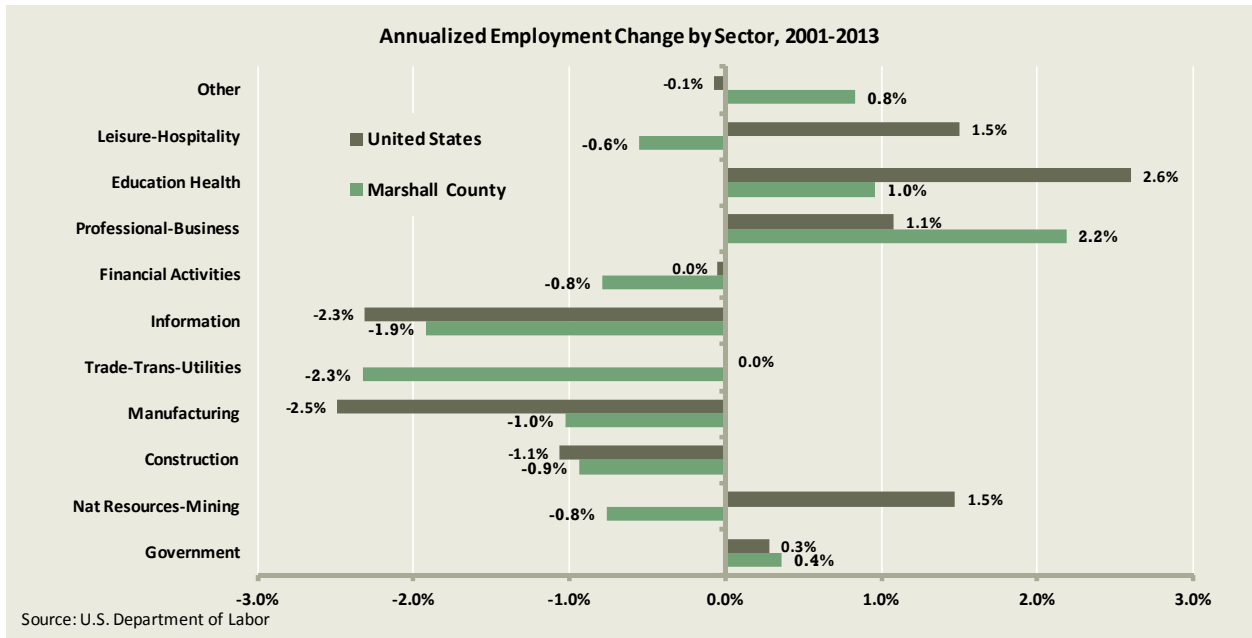
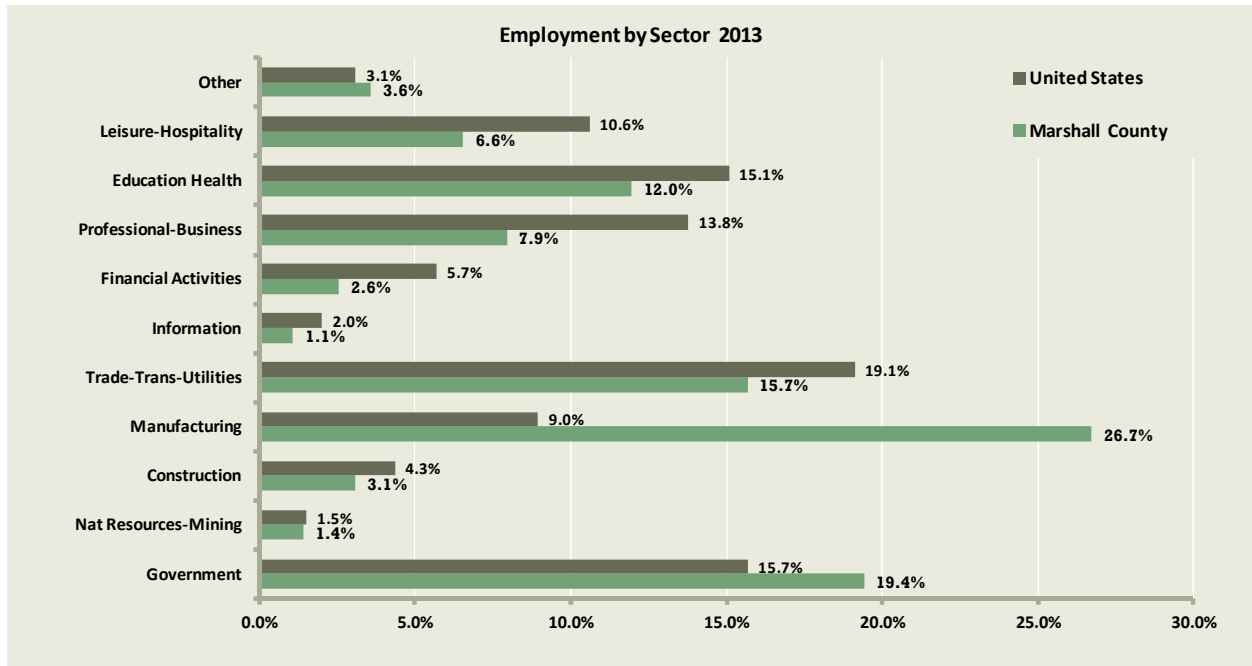




Figure 7 Total Employment and Employment Change by Sector 2001 to 2013



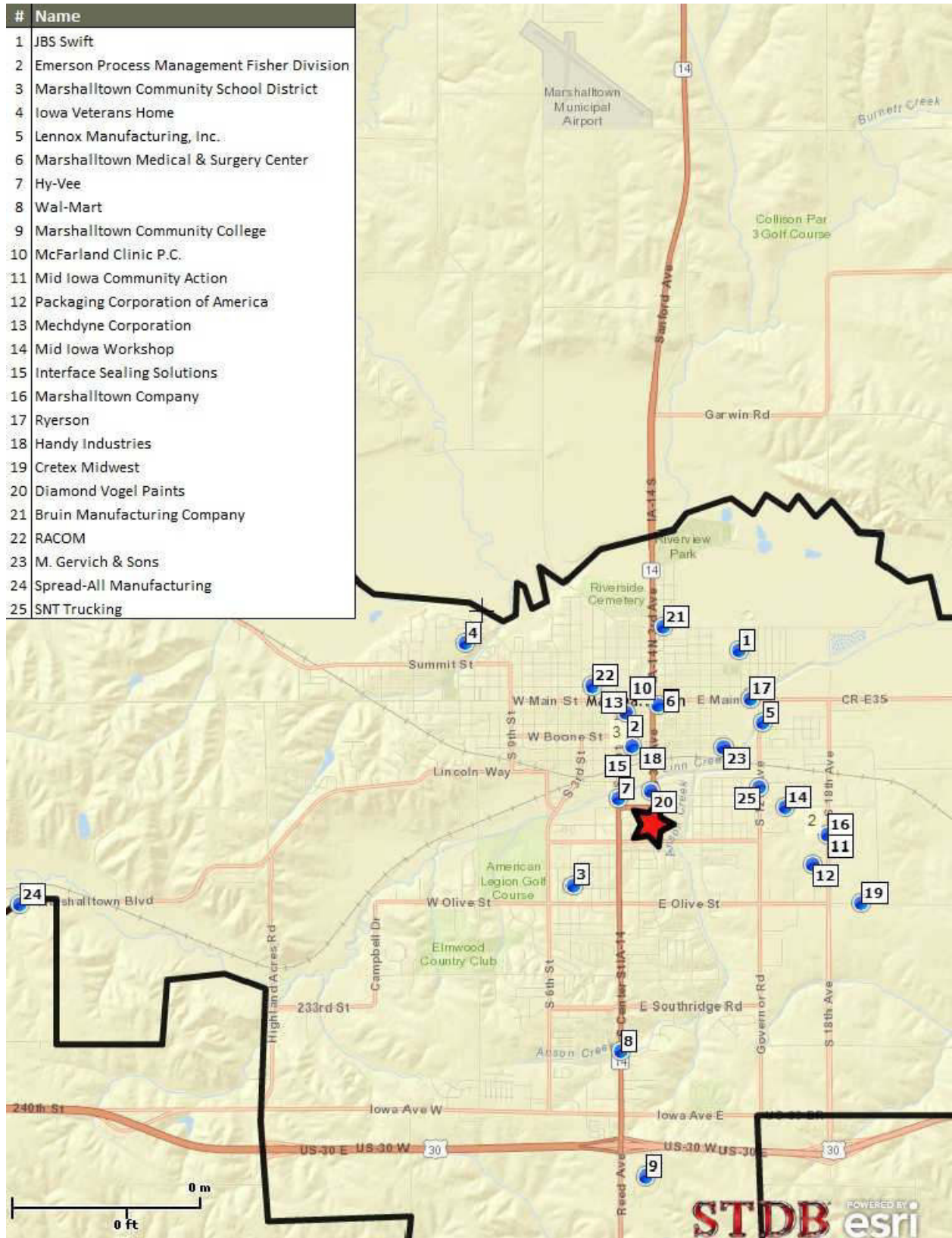
**Table 5 2014 Major Employers, Marshall County**

Rank	Name	Industry	Employment
1	JBS Swift	Manufacturing	2,300
2	Emerson Process Management Fisher Division	Manufacturing	1,200
3	Marshalltown Community School District	Government	1,002
4	Iowa Veterans Home	Government	1,000
5	Lennox Manufacturing, Inc.	Manufacturing	800
6	Marshalltown Medical & Surgery Center	Education-Health	715
7	Hy-Vee	Trade-Transportation-Utilities	340
8	Wal-Mart	Trade-Transportation-Utilities	325
9	Marshalltown Community College	Education-Health	245
10	McFarland Clinic P.C.	Education-Health	223
11	Mid Iowa Community Action	Other	180
12	Packaging Corporation of America	Manufacturing	110
13	Mechdyne Corporation	Professional Business	100
14	Mid Iowa Workshop	Manufacturing	100
15	Interface Sealing Solutions	Manufacturing	88
16	Marshalltown Company	Manufacturing	85
17	Ryerson	Manufacturing	65
18	Handy Industries	Manufacturing	52
19	Cretex Midwest	Manufacturing	42
20	Diamond Vogel Paints	Manufacturing	40
21	Bruin Manufacturing Company	Manufacturing	37
22	RACOM	Professional Business	35
23	M. Gervich & Sons	Manufacturing	25
24	Spread-All Manufacturing	Manufacturing	20
25	SNT Trucking	Transportation	17

Source: Marshalltown Economic Development Impact Committee



Map 4 Major Employers, Marshall County





4. Recent/Planned Economic Expansions and Contractions

Several upcoming economic expansions and one contraction are expected in or near Marshalltown over the next two years. Details on these expansions are provided below.

Expansions:

- Over the next 18 to 24 months, three companies have privately announced plans for the addition of 150 to 200 permanent jobs in Marshalltown. While specifics on these job additions have not yet been made public, all of these companies have cemented plans to move forward.
- Iowa Premium Beef will open a new processing plant in the nearby city of Tama in October 2014. The plant will initially bring 500 to 600 new jobs to the region and as many as 1,000 jobs within two years of opening. Given Marshalltown's proximity to Tama (within 20 miles) and both Tama and its adjacent city of Toledo's small size (populations of less than 3,000 as of the 2010 Census), new workers at the new Iowa Premium Beef plant are likely to consider potential housing options in Marshalltown.
- Alliant Energy broke ground on a new natural-gas power plant in Marshalltown in July 2014, which when completed over the next 30 months will replace Marshalltown's coal power plant. While the net change in jobs between the old and new power plants will be neutral, the construction of the power plant will require an estimated 300 temporary construction jobs.

Contractions:

- Lennox Manufacturing recently announced the relocation of one manufacturing line from its Marshalltown town facilities, resulting in the loss of 100 jobs.



4. MARKET AREA

A. Introduction

As a comprehensive city-wide analysis, the primary market area for the Marshalltown Housing Market Assessment, defined as the “Marshalltown Market Area”, consists of 2010 Census tracts most closely approximating city boundaries.

B. Delineation of Market Area

The Marshalltown Market Area consists of eight 2010 Census tracts in Marshall County. The boundaries of the Marshalltown Market Area and their approximate distance from the center of the city are:

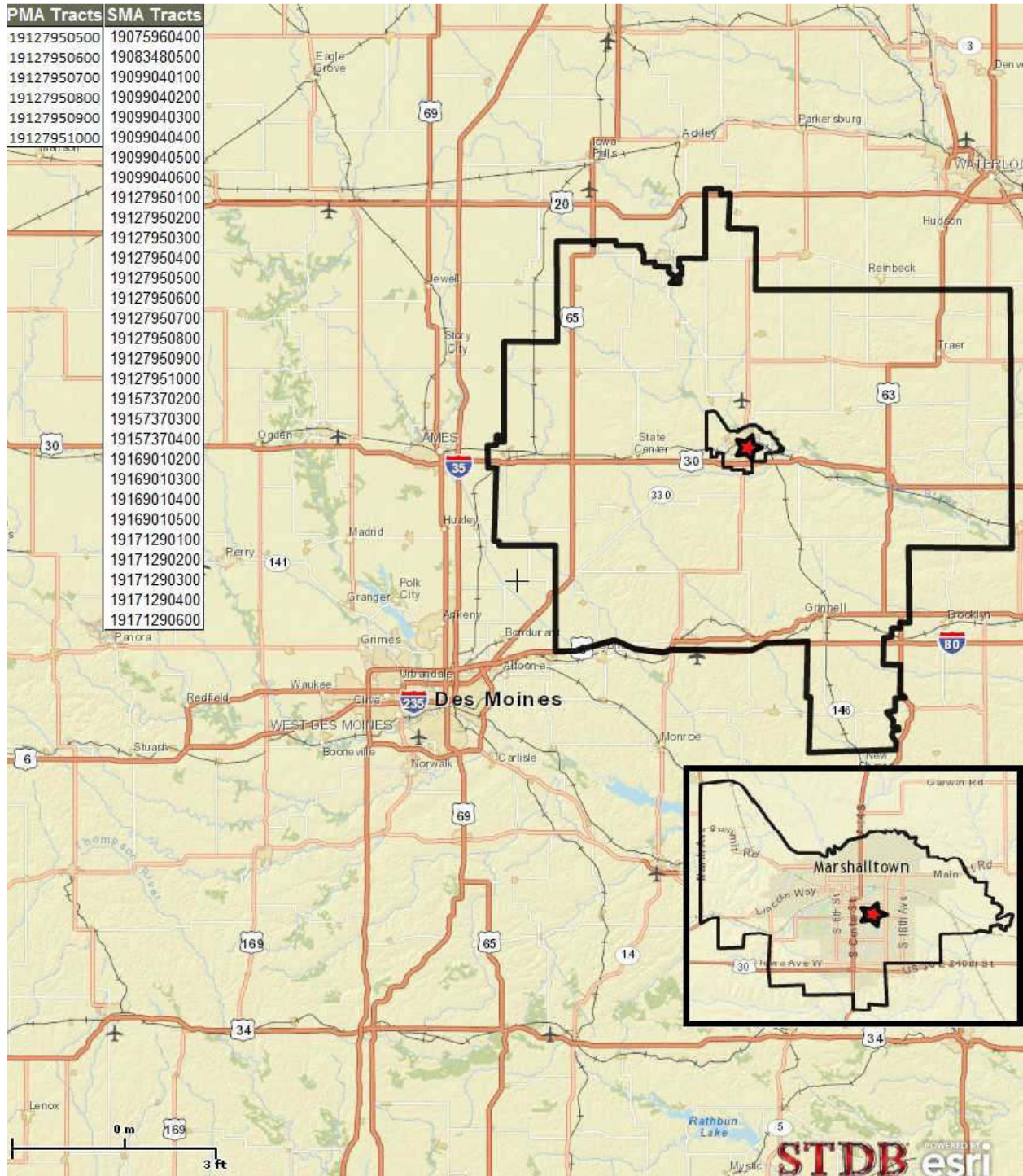
- North:** Iowa River (1.4 miles)
- East:** Iowa River / Shady Oaks Road (3.2 miles)
- South:** Iowa Avenue E / 255th Street (4.1 miles)
- West:** Marsh Avenue (4.5 miles)

The Marshalltown Market Area largely follows the Marshalltown city limits outside of the northeastern and northwestern most census tracts, which include small portions of unincorporated Marshall County. These unincorporated areas are rural in nature, contain few households, and do not impact the findings of this assessment.

The Marshalltown Market Area and a Secondary Market Area are depicted in Map 5 and the 2010 Census tracts that comprise each market area are listed on the edge of the map. As appropriate for this analysis, the Marshalltown Market Area is compared to the Secondary Market Area, which includes all of Marshall County and portions of six adjacent counties (Story, Jasper, Poweshiek, Tama, Grundy, and Hardin). The Secondary Market Area is loosely based on commuting patterns within the region and is the most likely area from which Marshalltown would draw additional households; however, the Secondary Market Area does not include the more densely developed metropolitan areas of Ames or Des Moines, as these cities have their own unique economic and demographic characteristics and would not serve as a useful comparison.



Map 5 Marshalltown Market Area and Secondary Market Area





5. COMMUNITY DEMOGRAPHIC DATA

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Marshalltown Market Area and the Secondary Market Area using several sources. Projections of population and households are based on estimates and projections prepared by Esri, a national data vendor. The estimates and projections were examined, compared, and evaluated in the context of decennial U.S. Census data (from 2000 and 2010) as well as building permit trend information. Local area projections for the Marshalltown Market Area were not available.

Esri projections indicate the Marshalltown Market Area's population and household base will remain stable over the next five years while census trends from 2000 to 2010 show modest population and household growth. Given the expected economic expansions in/near Marshalltown over the next two years, we believe recent census trends are a more reasonable expectation of growth over the next five years. As such, we have utilized census population and household growth rates for projections through 2019. For consistency, we have also continued census growth trends forward for the Secondary Market Area.

B. Trends in Population and Households

1. Recent Past Trends

Between 2000 and 2010 Census counts, the population of the Marshalltown Market Area increased by 5.8 percent, growing from 26,434 to 27,970 people (Table 6). Annual growth was 0.6 percent or 154 people. During the same period, the number of households in the Marshalltown Market Area grew from 10,348 to 10,498, a gain of 150 households or 1.4 percent.

By comparison, the population of the Secondary Market Area expanded by just 0.4 percent from 2000 to 2010 (less than 0.1 percent annually), while the number of households in the Secondary Market Area increased by 0.5 percent (0.1 percent annually).

2. Projected Trends

Applying census growth rates, the Marshalltown Market Area's population increased by 614 people from 2010 to 2014 while the number of households grew by 60. Over the next five years, the Marshalltown Market Area's population will increase by 768 people between 2014 and 2019, bringing the total population to 29,352 people in 2019. The household base is projected to gain 75 new households resulting in 10,633 households in 2019.

In the Secondary Market Area, census trends indicate the population will increase by 218 people (0.2 percent) to 112,799 in 2019 while the household base grows to 44,846, an increase of 122 households or 0.3 percent.

3. Building Permit Trends

Marshalltown permitted an average of 54 housing units per year from 2000 to 2009 compared to annual household growth of 15 in the Marshalltown Market Area; however, it is likely given the age of the existing housing stock, many of these permitted units replaced functionally obsolete or substandard housing (Table 7). It is also important to note building permit activity in Marshalltown was much higher in the early and middle portions of the decade, prior to the national economic downturn and housing market collapse. Over the past five years (2009 to 2013), Marshalltown has averaged just eight permitted units per year and no units (as of preliminary figures) yet in 2014.



Since 2000, 50 percent of all permit activity has been for single-family detached homes, 17 percent has been for duplexes, 11 percent has been for three to four unit dwellings, and 22 percent has been for units contained within multi-family structures (5+ units).

Table 6 Population and Household Projections

		Secondary Market Area				Marshalltown Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	111,972					26,434				
2010	112,407	435	0.4%	44	0.0%	27,970	1,536	5.8%	154	0.6%
2014	112,581	174	0.2%	44	0.0%	28,584	614	2.2%	154	0.5%
2019	112,799	218	0.2%	44	0.0%	29,352	768	2.7%	154	0.5%
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	44,382					10,348				
2010	44,626	244	0.5%	24	0.1%	10,498	150	1.4%	15	0.1%
2014	44,724	98	0.2%	24	0.1%	10,558	60	0.6%	15	0.1%
2019	44,846	122	0.3%	24	0.1%	10,633	75	0.7%	15	0.1%

Source: 2000 Census; 2010 Census; Esri; and Real Property Research Group, Inc.

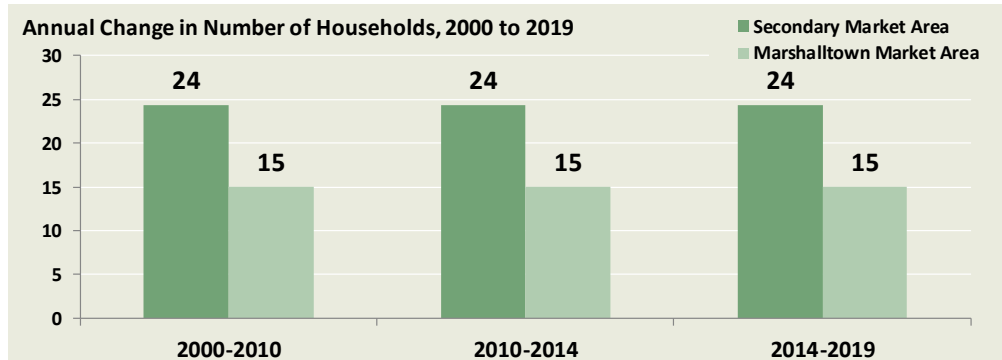
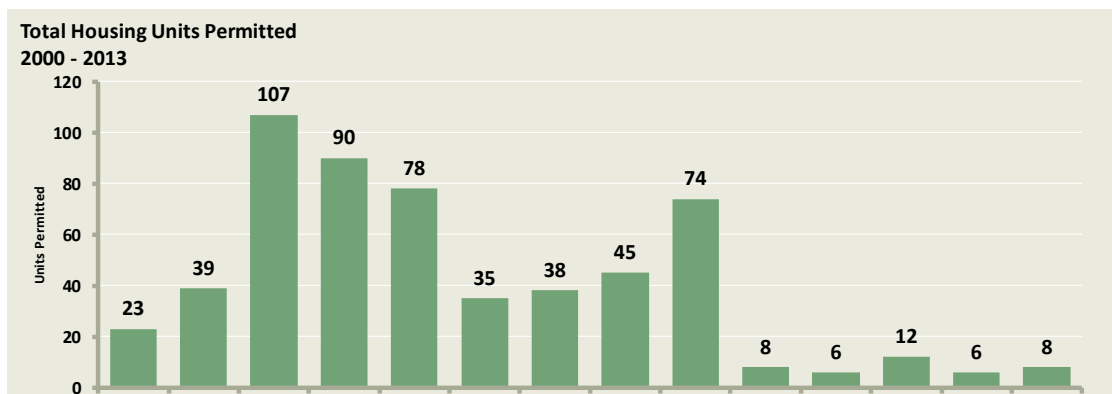


Table 7 Building Permits by Structure Type

Marshalltown Market Area																		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	*2014	2000-2013	2000-2009 Ann. Avg.	2000-2013 Ann. Avg.
Single Family	11	31	29	64	25	24	28	31	18	6	4	10	4	2	0	287	27	21
Two Family	12	8	12	14	12	6	10	4	2	2	2	2	2	6	0	94	8	7
3 - 4 Family	0	0	52	0	0	0	0	4	0	0	0	0	0	0	0	60	6	4
5+ Family	0	0	14	12	41	5	0	6	50	0	0	0	0	0	0	128	13	9
Total	23	39	107	90	78	35	38	45	74	8	6	12	6	8	0	569	54	41

Source: U.S. Census Bureau, C-40 Building Permit Reports.

*Preliminary Figures





4. Trends in Older Adult and Senior Households

Growth among older adult (age 55 to 62) and senior (age 62 or older) households outpaced total household growth in the Marshalltown Market Area from 2010 to 2014, a trend projected to continue over the next five years. In 2010, the Marshalltown Market Area contained 4,688 households with a householder age 55+ and 3,301 households with a householder age 62+ (Table 8). From 2010 and 2014, households with a householder 55+ increased at an annual rate of 1.2 percent (59 households) while households with a householder 62+ increased by 1.7 percent per year (58 households). Older adult and senior households are projected to increase at annual rates of 1.3 percent (55+) and 1.8 percent (62+) through 2019, bringing total households with a householder 55+ and 62+ to 5,239 and 3,863, respectively.

From 2010 to 2014, nearly all of the older adult/senior household growth occurred among the 62-64 (10.5 percent) and 65 to 74 (14.1 percent) age cohorts. Over the next five years, most of the projected older adult/senior household growth is expected to occur in the 65-74 age group (20.1 percent). Taking these trends into consideration along with the Marshalltown Market Area’s modest overall household growth estimates/projections, growth of older adult/senior households in the Marshalltown Market Area will likely be driven by existing households aging in place rather than an in-migration of older adult/senior households.

Table 8 Senior Household Projections

Marshalltown Market Area						Change 2010 to 2014				Change 2014 to 2019				
						Total		Annual		Total		Annual		
Age of	2010		2014		2019		#	%	#	%	#	%	#	%
55 to 61	1,387	29.6%	1,390	28.2%	1,376	26.3%	2	0.2%	1	0.0%	-14	-1.0%	-3	-0.2%
62-64	539	11.5%	596	12.1%	590	11.3%	57	10.5%	14	2.5%	-6	-1.0%	-1	-0.2%
65 to 74	1,237	26.4%	1,412	28.7%	1,695	32.4%	175	14.1%	44	3.4%	284	20.1%	57	3.7%
75 and older	1,525	32.5%	1,526	31.0%	1,578	30.1%	1	0.1%	0	0.0%	52	3.4%	10	0.7%
Householders 55+	4,688	100.0%	4,923	100.0%	5,239	100.0%	235	5.0%	59	1.2%	316	6.4%	63	1.3%
Householders 62+	3,301		3,533		3,863		232	7.0%	58	1.7%	330	9.3%	66	1.8%

Source: 2010 Census; Esri; RPRG





C. Demographic Characteristics

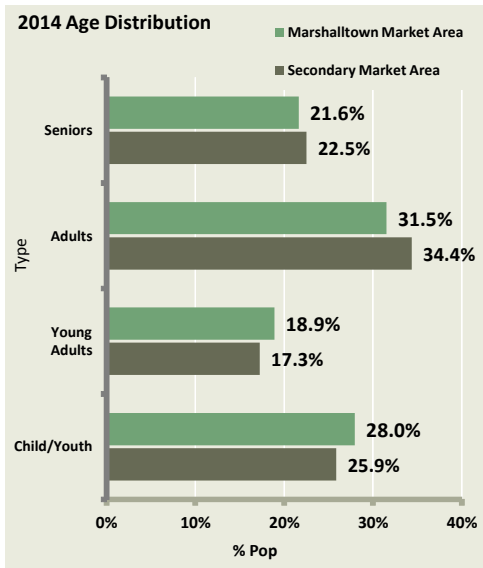
1. Age Distribution and Household Type

Based on Esri estimates, the Marshalltown Market Area is younger than the Secondary Market Area with median population ages of 37 and 40, respectively (Table 9). Adults (age 35 to 61) comprise the largest percentage of the Marshalltown Market Area population at 31.5 percent, followed closely by children under the age of 20 (28.0 percent). In comparison, the Secondary Market Area contains a notably higher proportion of adults (34.4 percent) and a lower proportion of children (25.9 percent). Among the remaining age cohorts, the Marshalltown Market Area has a slightly higher percentage of young adults age 20 to 34 (18.9 percent versus 17.3 percent) and a lower percentage of seniors age 65 and older (21.6 percent to 22.5 percent) relative to the Secondary Market Area.

Table 9 2014 Age Distribution

	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
Children/Youth	29,135	25.9%	7,852	28.0%
Under 5 years	7,008	6.2%	2,133	7.6%
5-9 years	7,210	6.4%	1,965	7.0%
10-14 years	7,423	6.6%	1,913	6.8%
15-19 years	7,493	6.7%	1,841	6.6%
Young Adults	19,444	17.3%	5,307	18.9%
20-24 years	7,000	6.2%	1,800	6.4%
25-34 years	12,444	11.0%	3,507	12.5%
Adults	38,703	34.4%	8,856	31.5%
35-44 years	12,458	11.1%	3,016	10.7%
45-54 years	15,235	13.5%	3,361	12.0%
55-61 years	11,009	9.8%	2,479	8.8%
Seniors	25,383	22.5%	6,074	21.6%
62-64 years	4,718	4.2%	1,063	3.8%
65-74 years	10,563	9.4%	2,413	8.6%
75-84 years	6,530	5.8%	1,620	5.8%
85 and older	3,572	3.2%	978	3.5%
TOTAL	112,665	100%	28,089	100%
Median Age	40		37	

Source: Esri; RPRG, Inc.

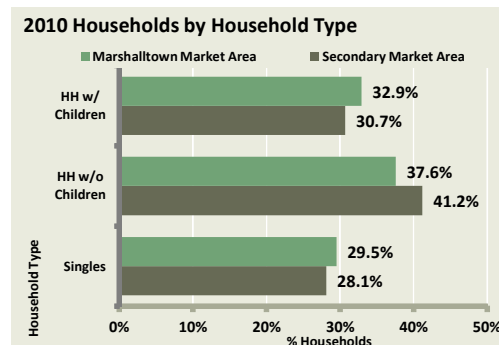


Approximately 38 percent of all households in the Marshalltown Market Area consist of at least two adults and no children compared to 41.2 percent of households in the Secondary Market Area (Table 10). Approximately one-third of households in the Marshalltown Market Area and 31 percent of households in the Secondary Market Area contain children. The Marshalltown Market Area contains a slightly higher percentage of single person households (29.5 percent) relative to the Secondary Market Area (28.1 percent).

Table 10 2010 Households by Household Type

Households by Household Type	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
Married w/Children	9,238	20.7%	2,141	20.4%
Other w/ Children	4,464	10.0%	1,316	12.5%
Households w/ Children	13,702	30.7%	3,457	32.9%
Married w/o Children	14,482	32.5%	2,844	27.1%
Other Family w/o Children	1,811	4.1%	509	4.8%
Non-Family w/o Children	2,085	4.7%	590	5.6%
Households w/o Children	18,378	41.2%	3,943	37.6%
Singles	12,545	28.1%	3,098	29.5%
Total	44,625	100%	10,498	100%

Source: 2010 Census; RPRG, Inc.





2. Renter Household Characteristics

Both the Marshalltown Market Area and Secondary Market Area are predominately owner markets with 2000 homeownership rates of 70.3 percent and 74.2 percent, respectively (Table 11). Between the 2000 and 2010 Census counts, the Marshalltown Market Area gained 228 renter households and lost 78 owner households. As a result, the 2010 renter percentage in the Marshalltown Market Area increased to 31.5 percent. In comparison, owner-occupied households accounted for 71.7 percent of net household growth in the Secondary Market Area from 2000 to 2010. Esri estimates renter percentages will increase in both areas over the next five years with 2019 renter percentages of 32.8 percent in the Marshalltown Market Area and 27.1 percent in the Secondary Market Area.

Householders age 55 and older are more likely to own than younger households as roughly 80 percent of these older households own their home (Table 12).

Table 11 Households by Tenure

Secondary Market Area Housing Units	2000		2010		Change 2000-2010		2014		2019	
	#	%	#	%	#	%	#	%	#	%
Owner Occupied	32,919	74.2%	33,094	74.2%	175	71.7%	32,894	73.5%	32,778	72.9%
Renter Occupied	11,463	25.8%	11,532	25.8%	69	28.3%	11,879	26.5%	12,177	27.1%
Total Occupied	44,382	100%	44,626	100%	244	100%	44,773	100%	44,956	100%
Total Vacant	3,436		4,549				4,564		4,583	
TOTAL UNITS	47,818		49,175				49,336		49,538	

Marshalltown Market Area Housing Units	2000		2010		Change 2000-2010		2014		2019	
	#	%	#	%	#	%	#	%	#	%
Owner Occupied	7,272	70.3%	7,194	68.5%	-78	-52.0%	7,113	67.8%	7,068	67.2%
Renter Occupied	3,076	29.7%	3,304	31.5%	228	152.0%	3,383	32.2%	3,455	32.8%
Total Occupied	10,348	100%	10,498	100%	150	100%	10,496	100%	10,523	100%
Total Vacant	691		849				849		851	
TOTAL UNITS	11,039		11,347				11,345		11,374	

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

Table 12 Senior Households by Tenure, 55+

Senior Households 55+	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
2014 Households				
Owner Occupied	17,827	81.5%	3,886	78.9%
Renter Occupied	4,060	18.5%	1,037	21.1%
Total Occupied	21,886	100.0%	4,923	100.0%

Source: 2000 Census; 2010 Census; ESRI; RPRG

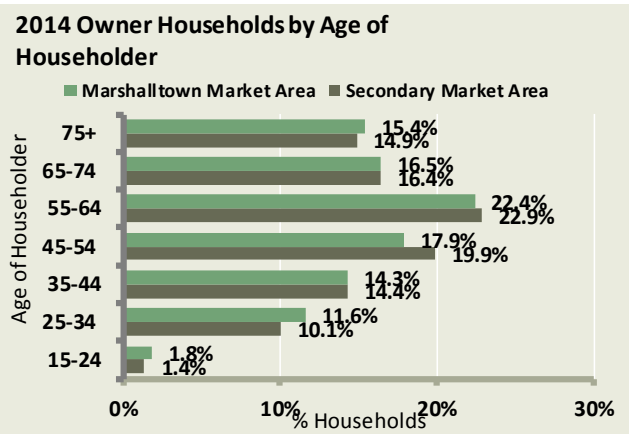


Older adults and seniors age 55 or older comprise over half (approximately 54 percent) of all owner householders in both the Marshalltown Market Area and the Secondary Market Area. Working-age adults (35-54 years) account for the next larger percentage of owner householders at 32.2 percent in the Marshalltown Market Area and 34.3 percent in the Secondary Market Area.

Renter householders are notably younger than owner householders in the Marshalltown Market Area, though renters are nearly evenly distributed among age cohorts. Among all renter householders, 37.3 are children/young adults (age 15-34), 32.2 percent are working age adults (age 35-54), and 30.5 percent are older adults/seniors (age 55+).

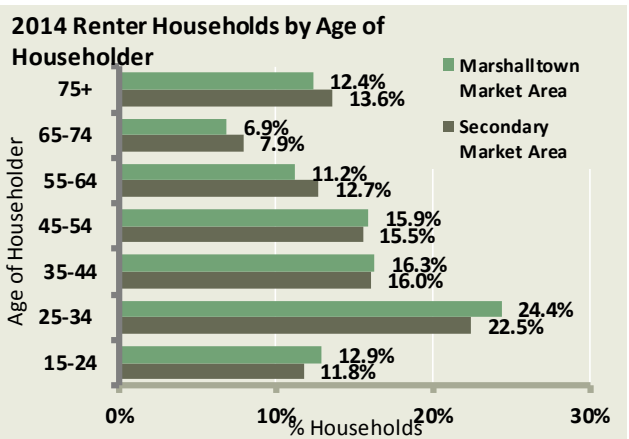
Table 13 Households by Tenure and Age of Householder

Owner Households	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	453	1.4%	131	1.8%
25-34 years	3,314	10.1%	833	11.6%
35-44 years	4,715	14.4%	1,024	14.3%
45-54 years	6,548	19.9%	1,282	17.9%
55-64 years	7,522	22.9%	1,604	22.4%
65-74 years	5,405	16.4%	1,177	16.5%
75+ years	4,900	14.9%	1,105	15.4%
Total	32,858	100%	7,155	100%



Source: Esri, Real Property Research Group, Inc.

Renter Households	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	1,395	11.8%	440	12.9%
25-34 years	2,665	22.5%	829	24.4%
35-44 years	1,904	16.0%	555	16.3%
45-54 years	1,843	15.5%	541	15.9%
55-64 years	1,510	12.7%	382	11.2%
65-74 years	936	7.9%	234	6.9%
75+ years	1,613	13.6%	421	12.4%
Total	11,866	100%	3,403	100%



Source: Esri, Real Property Research Group, Inc.

Approximately 63 percent of all owner households in the Marshalltown Market Area contain one or two persons, though two person households outweigh single person households by nearly two to one (39.0 percent versus 23.5 percent) (Table 14). Three and four person households account for 24.2 percent of Marshalltown Market Area owners while large households (those with five or more persons) comprise 13.3 percent of owner households. In comparison, the Secondary Market Area has slightly higher percentages of small to moderate size households (containing 2 to 4 persons) and a slightly lower percentage of single person and 5+ person households.

Similar to owner households, approximately two-thirds of all renter households in the Marshalltown Market Area contain one or two persons; however, single persons comprise the majority of smaller renter households (42.6 percent versus 23.1 percent). Roughly 23 percent of Marshalltown Market Area renter households have three or four persons while 11.5 percent of renters contain 5+ persons.



The Secondary Market Area’s renter households skew slightly smaller than the Marshalltown Market Area’s with higher percentages of households containing one to three persons.

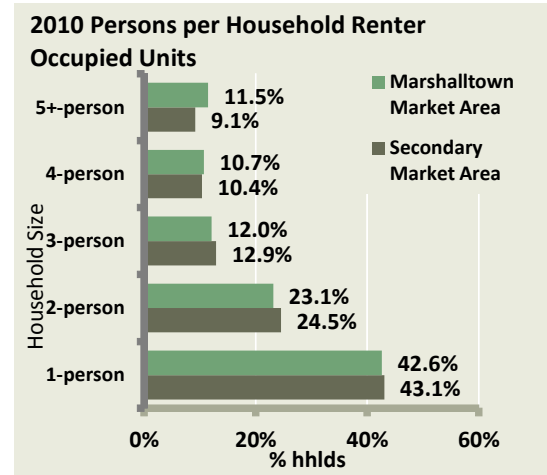
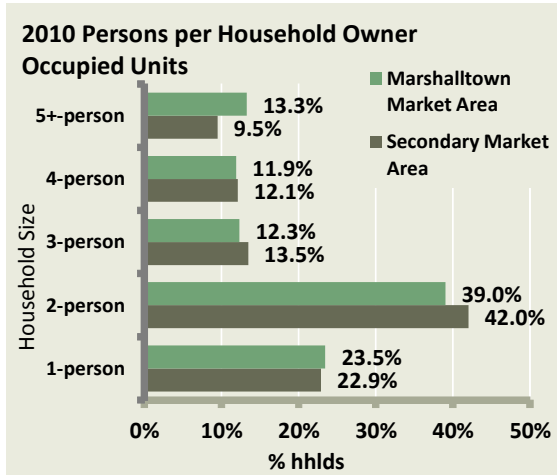
Table 14 2010 Renter Households by Household Size

Owner Occupied	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
1-person hhld	7,578	22.9%	1,689	23.5%
2-person hhld	13,912	42.0%	2,808	39.0%
3-person hhld	4,452	13.5%	886	12.3%
4-person hhld	4,011	12.1%	857	11.9%
5+-person hhld	3,140	9.5%	954	13.3%
TOTAL	33,093	100%	7,194	100%

Renter Occupied	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
1-person hhld	4,967	43.1%	1,409	42.6%
2-person hhld	2,826	24.5%	764	23.1%
3-person hhld	1,488	12.9%	398	12.0%
4-person hhld	1,196	10.4%	354	10.7%
5+-person hhld	1,055	9.1%	379	11.5%
TOTAL	11,532	100%	3,304	100%

Source: 2010 Census

Source: 2010 Census



3. Income Characteristics

Based on Esri estimates, the 2014 median household income in the Marshalltown Market Area is \$43,286, which is \$8,128 or 15.8 percent below the \$51,414 median income in the Secondary Market Area (Table 15). Looking at households by income cohort in the Marshalltown Market Area, approximately 38 percent have moderate annual incomes (\$35,000 to \$74,999) and 28.3 percent have low annual incomes (\$15,000 to \$34,999). Combined, low and moderate income households comprise nearly two-thirds (65.8 percent) of all households in the Marshalltown Market Area. Of the remaining households in the Marshalltown Market Area, 14.2 percent have very low annual incomes (less than \$15,000) and 20.1 percent have high annual incomes (\$75,000 or more). As shown in Table 16, median incomes are highest among older adults and seniors (age 45-64) and lowest among young households under the age of 25 and senior households age 75 and older.



Table 15 2014 Household Income

Estimated 2014 Household Income	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
less than \$15,000	5,427	12.1%	1,490	14.1%
\$15,000 \$24,999	4,591	10.3%	1,273	12.1%
\$25,000 \$34,999	5,435	12.2%	1,713	16.2%
\$35,000 \$49,999	6,352	14.2%	1,453	13.8%
\$50,000 \$74,999	9,850	22.0%	2,501	23.7%
\$75,000 \$99,999	5,578	12.5%	891	8.4%
\$100,000 \$149,999	5,020	11.2%	843	8.0%
\$150,000 Over	2,471	5.5%	395	3.7%
Total	44,724	100%	10,558	100%
Median Income	\$51,414		\$43,286	

Source: Esri; Real Property Research Group, Inc.

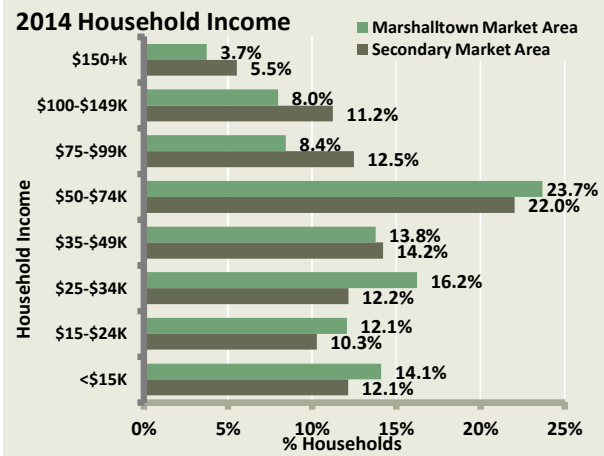
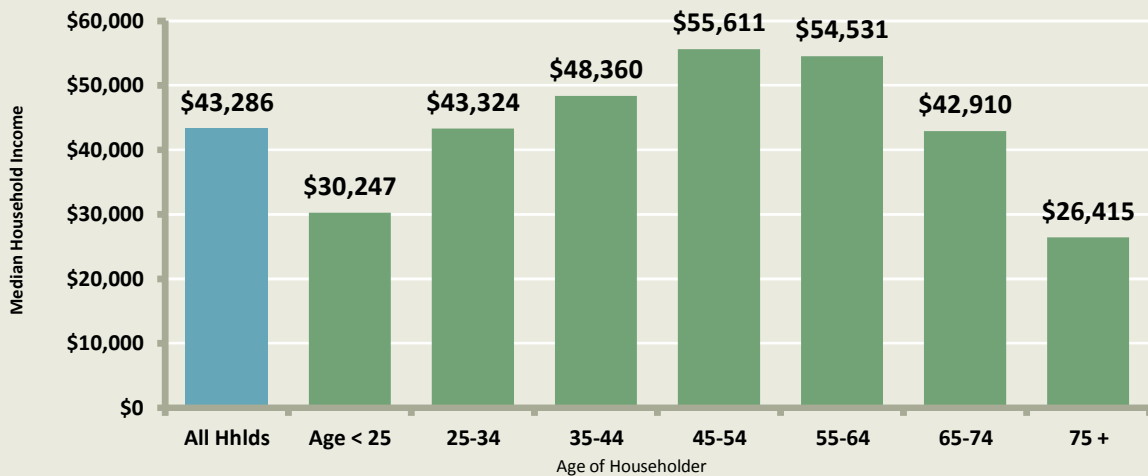


Table 16 2014 Income by Age of Householder

Householder Age	All Hhlds	Age < 25	25-34	35-44	45-54	55-64	65-74	75 +
Household Income	10,558	571	1,662	1,579	1,823	1,985	1,412	1,526
less than \$15,000	1,490	121	216	197	210	231	194	320
\$15,000 \$24,999	1,273	72	161	156	150	175	167	393
\$25,000 \$34,999	1,713	177	281	230	196	242	236	350
\$35,000 \$49,999	1,453	65	311	232	230	249	205	161
\$50,000 \$74,999	2,501	78	409	429	559	528	336	163
\$75,000 \$99,999	891	25	146	137	200	209	89	86
\$100,000 \$149,999	843	33	91	148	201	212	116	42
\$150,000 \$199,999	186	0	31	26	30	78	18	2
\$200,000 over	209	1	16	24	47	62	51	9
Median Income	\$43,286	\$30,247	\$43,324	\$48,360	\$55,611	\$54,531	\$42,910	\$26,415

Source: Esri; RPRG, Inc.

2014 Median Household Income by Age of Householder

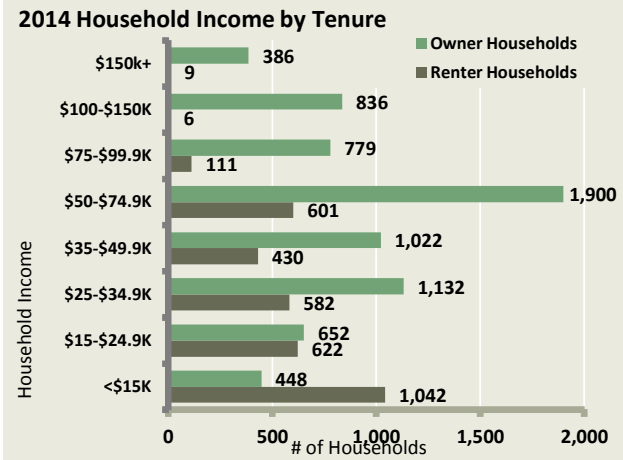




The Marshalltown Market Area’s owner median household income of \$54,263 is more than twice the renter median income of \$25,653 (Table 17). Approximately 41 percent of all owner households have moderate annual incomes (\$35,000 - \$74,999) compared to 30.1 percent of renter households. A significantly higher percentage of owner households also reported high incomes (\$75,000+) relative to renter households (28 percent versus 3.8 percent). In contrast, renter households are dominated by low income (35.4 percent) and very low income (30.1 percent) households earning \$15,000 to \$34,999 and less than \$15,000 per year, respectively.

Table 17 2014 Household Income by Tenure

Marshalltown Market Area		Renter Households		Owner Households	
		#	%	#	%
less than	\$15,000	1,042	30.6%	448	6.3%
	\$15,000 - \$24,999	622	18.3%	652	9.1%
	\$25,000 - \$34,999	582	17.1%	1,132	15.8%
	\$35,000 - \$49,999	430	12.6%	1,022	14.3%
	\$50,000 - \$74,999	601	17.7%	1,900	26.6%
	\$75,000 - \$99,999	111	3.3%	779	10.9%
	\$100,000 - \$149,999	6	0.2%	836	11.7%
	\$150,000 over	9	0.3%	386	5.4%
Total		3,403	100%	7,155	100%
Median Income		\$25,653		\$54,263	

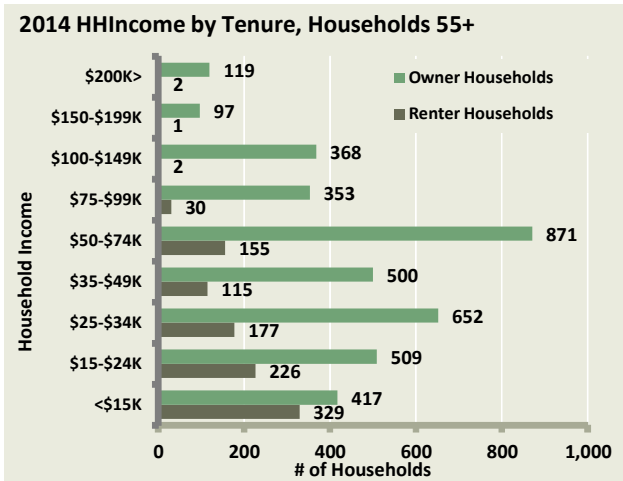


Source: American Community Survey 2008-2012 Estimates, RPRG, Inc.

Based on the U.S. Census Bureau’s American Community Survey (ACS) data and breakdown of tenure and household estimates, the 2014 median incomes for senior households (age 55 and older) in the Marshalltown Market Area are \$45,955 among owners and \$23,402 among renters (Table 18). Roughly two-thirds of all senior owner households have moderate or low annual incomes while the majority of senior renter households have low (38.9 percent) to very low (31.7 percent) annual incomes. Nearly one-quarter of senior owner households have high annual incomes compared to just 3.4 percent of senior renter households.

Table 18 2014 Senior Household Income by Tenure, Householders 55+

Marshalltown Market Area		Renter Households		Owner Households	
		#	%	#	%
less than	\$15,000	329	31.7%	417	10.7%
	\$15,000 - \$24,999	226	21.8%	509	13.1%
	\$25,000 - \$34,999	177	17.1%	652	16.8%
	\$35,000 - \$49,999	115	11.1%	500	12.9%
	\$50,000 - \$74,999	155	15.0%	871	22.4%
	\$75,000 - \$99,999	30	2.9%	353	9.1%
	\$100,000 - \$149,999	2	0.2%	368	9.5%
	\$150,000 - \$199,999	1	0.1%	97	2.5%
	\$200,000 over	2	0.2%	119	3.1%
Total		1,037	100%	3,886	100%
Median Income		\$23,402		\$45,955	



Source: American Community Survey 2008-2012 Estimates, RPRG, Inc.

6. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the Marshalltown Market Area. We pursued several avenues of research in an attempt to identify existing residential communities and any actively being planned or are under construction in the Marshalltown Market Area. Field observations also informed this process. The rental survey of competitive projects was conducted in July and August of 2014.

B. Overview of Market Area Housing Stock

Based on the 2008-2012 ACS survey, low density structures comprise the majority of housing in both the Marshalltown Market Area and the Secondary Market Area. Approximately 93 percent of all owner occupied units in both the Marshalltown Market Area and the Secondary Market Area are single-family detached homes. The remaining owner occupied units are generally duplexes, townhomes, and mobile homes. Less than one percent of owner occupied units in both areas are contained in multi-family structures with five or more units. Rental housing in the Marshalltown Market Area is diverse with 30.9 percent in single-family detached homes, 30.8 percent in structures with 2-4 units, and 35.8 percent in multi-family structures with five or more units.

Table 19 Dwelling Units by Structure and Tenure

Owner Occupied	Secondary Market Area		Marshalltown Market Area		Renter Occupied	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%		#	%	#	%
1, detached	30,313	93.1%	6,782	93.6%	1, detached	4,801	39.4%	982	30.9%
1, attached	461	1.4%	158	2.2%	1, attached	280	2.3%	56	1.8%
2	169	0.5%	113	1.6%	2	1,045	8.6%	378	11.9%
3-4	45	0.1%	0	0.0%	3-4	2,005	16.4%	601	18.9%
5-9	24	0.1%	0	0.0%	5-9	1,242	10.2%	370	11.6%
10-19	50	0.2%	19	0.3%	10-19	1,077	8.8%	210	6.6%
20+ units	127	0.4%	35	0.5%	20+ units	1,322	10.8%	543	17.1%
Mobile home	1,360	4.2%	130	1.8%	Mobile home	420	3.4%	36	1.1%
Boat, RV, Van	10	0.0%	10	0.1%	Boat, RV, Van	1	0.0%	0	0.0%
TOTAL	32,559	100%	7,247	100%	TOTAL	12,193	100%	3,176	100%

Source: American Community Survey 2008-2012

Source: American Community Survey 2008-2012

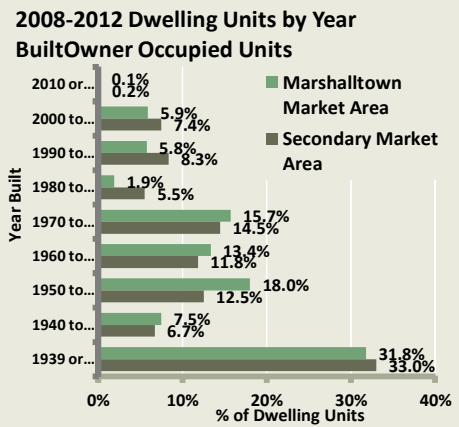
The housing stocks in both the Marshalltown Market Area and the Secondary Market Area are generally old. Among owner-occupied units, the Marshalltown Market Area has a median year built of 1955 compared to 1957 in the Secondary Market Area (Table 20). The median year built of the Marshalltown Market Area's rental housing stock is 1957, notably older than the median year built of 1966 for rental units in the Secondary Market Area. Over half of all rental and owner-occupied housing units in the Marshalltown Market Area were built prior to 1960 including 38.1 percent of rental units and 31.8 percent of owner-occupied units prior to 1940. Approximately 27 to 29 percent of rental and owner-occupied units in the Marshalltown Market Area were constructed in the 1960s and 1970s. Only six percent of the Marshalltown Market Area's rental stock and 6.9 percent of its owner-occupied stock have been built since 2000.



Table 20 Dwelling Units by Year Built and Tenure

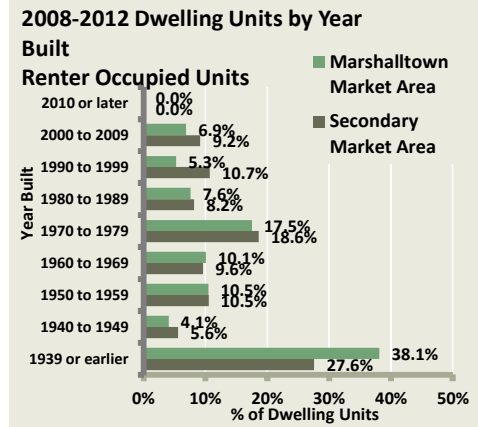
Owner Occupied	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
2010 or later	55	0.2%	10	0.1%
2000 to 2009	2,425	7.4%	427	5.9%
1990 to 1999	2,709	8.3%	417	5.8%
1980 to 1989	1,793	5.5%	136	1.9%
1970 to 1979	4,717	14.5%	1,138	15.7%
1960 to 1969	3,851	11.8%	968	13.4%
1950 to 1959	4,079	12.5%	1,306	18.0%
1940 to 1949	2,185	6.7%	540	7.5%
1939 or earlier	10,745	33.0%	2,305	31.8%
TOTAL	32,559	100%	7,247	100%
MEDIAN YEAR BUILT	1957		1955	

Source: American Community Survey 2008-2012



Renter Occupied	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
2010 or later	0	0.0%	0	0.0%
2000 to 2009	1,121	9.2%	218	6.9%
1990 to 1999	1,306	10.7%	168	5.3%
1980 to 1989	994	8.2%	241	7.6%
1970 to 1979	2,269	18.6%	556	17.5%
1960 to 1969	1,171	9.6%	320	10.1%
1950 to 1959	1,283	10.5%	333	10.5%
1940 to 1949	682	5.6%	129	4.1%
1939 or earlier	3,367	27.6%	1,211	38.1%
TOTAL	12,193	100%	3,176	100%
MEDIAN YEAR BUILT	1966		1957	

Source: American Community Survey 2008-2012

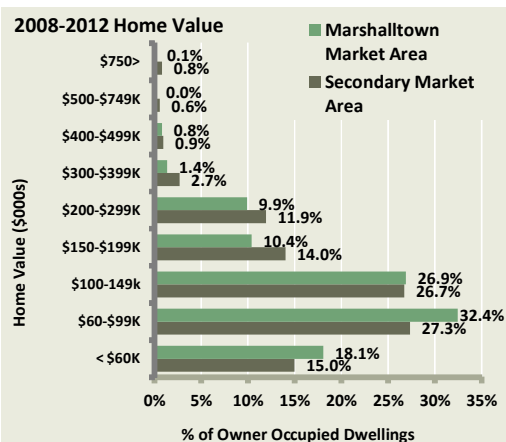


According to ACS data, the median value among owner-occupied housing units in the Marshalltown Market Area as of 2010 was \$99,410, which is \$11,789 or 10.6 percent lower than the Secondary Market Area median of \$111,200 (Table 21). ACS estimates home values based upon values from the 2008-2012 surveys and homeowners' assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices in an area than actual sales data, but offers insight of relative housing values among two or more areas.

Table 21 Home Value, 2008-2012

2008 - 2012 Home Value	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
less than \$60,000	4,819	15.0%	1,300	18.1%
\$60,000 \$99,999	8,781	27.3%	2,333	32.4%
\$100,000 \$149,999	8,584	26.7%	1,937	26.9%
\$150,000 \$199,999	4,506	14.0%	748	10.4%
\$200,000 \$299,999	3,832	11.9%	713	9.9%
\$300,000 \$399,999	858	2.7%	99	1.4%
\$400,000 \$499,999	301	0.9%	59	0.8%
\$500,000 \$749,999	183	0.6%	0	0.0%
\$750,000 over	258	0.8%	7	0.1%
Total	32,122	100%	7,196	100%
Median Value	\$111,200		\$99,410	

Source: 2008-2012 American Community Survey





C. Survey of General Occupancy Multi-Family Rental Communities

1. Introduction to the Rental Housing Survey

As part of this analysis, RPRG surveyed seventeen multi-family rental communities in the Marshalltown Market Area. Among these seventeen properties, three are deeply subsidized through the HUD Section 8 program, five are income restricted through the Low Income Housing Tax Credit (LIHTC) program, and nine are market rate. The multi-family rental communities Crestview (LIHTC property) and Linn Valley were also identified in the Marshalltown Market Area but could not be reached for inclusion in this assessment. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 8.

At LIHTC communities, all tenants pay a set rent which must remain below a maximum threshold depending upon an established percentage of the gross Area Median Income (AMI) for each unit, adjusted for household size. Tenants of deeply subsidized communities pay a percentage of income toward rent and are not subject to minimum income limits. As such, deeply subsidized rental communities are discussed and shown separately from LIHTC and market communities as they have different target markets and do not necessarily reflect market conditions for market rate housing.

2. Location

Marshalltown is roughly divided into northern and southern sections by Linn Creek, a tributary of the Iowa River. On average, the housing stock in the southern section of the city is newer, in better condition, and is of higher value than the northern section though the age, condition, and value of housing can vary significantly in both sections of the city. As a result of these differences, the southern section of Marshalltown has a more favorable perception than the northern section all else being equal; however, the specific qualities of the housing units are still the most important factor in achievable rents. Of the seventeen rental communities surveyed, seven are located in the northern section and ten are located in the southern section (Map 6). The seven communities in the north include three LIHTC properties, two deep subsidy properties, and two market rate properties. The southern section includes the majority of market rate housing (seven of nine communities), two LIHTC communities, and one deep subsidy community.

3. Age of Communities

The majority of surveyed rental communities in the Marshalltown Market Area are of an older vintage with nine communities constructed in the 1960s or 1970s. Combined, the fourteen LIHTC and market rate communities reported an average year built of 1983 with one community (Grant Park) rehabilitated in 2007. The LIHTC communities are newer on average than the surveyed rental stock as a whole with an average year built of 2002. Three LIHTC communities have been constructed since 2002 and two communities were built in the mid 1990s. The ages of the three deeply subsidized property's span five decades (1969 to 2007) with an overall average year built of 1991.

4. Structure Type

Twelve of the fourteen LIHTC and market rate rental communities surveyed consist of two to three-story garden apartments, two-story townhomes, or a combination of the two styles. Two rental communities, Grant Park and Lincoln Towers, are both four to five-story mid-rise buildings with elevator access and interior hallways. The exteriors of the surveyed rental stock include wide range of building materials including brick, wood, and/or vinyl siding. While roughly half of the surveyed rental communities offer patios/balconies, they generally have a more basic/dated design due in large part to age.



5. Size of Communities

The surveyed rental communities range in size from 10 units (Associates Supported Housing) to 135 units (Southern Hills) with overall averages of 40 units among all communities, 32 units among LIHTC communities, and 33 units among deeply subsidized properties.

6. Vacancy Rates

The 14 market rate and LIHTC rental communities offer 553 rental units. Excluding the 49 units at The Tallcorn, which is currently in initial lease-up, seven of 504 stabilized units were reported vacant for a rate of 1.4 percent. Among the four stabilized LIHTC communities, four of 112 units were available at the time of our survey, a vacancy rate of 3.6 percent. All surveyed market rate and LIHTC communities, with the exception of Lincoln Towers, reported vacancy rates of five percent or less. In the instance of Lincoln Towers, the 9.5 percent vacancy rate is also based on just two units. All 98 units offered at deeply subsidized communities were fully occupied with waiting lists.

Table 22 Rental Summary, Surveyed LIHTC and Market Rate Rental Communities

Map #	Community	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
1	Lincoln Tower	1969		Mid Rise	21	2	9.5%	\$700	\$1,035	None
2	Southern Hills	1975		Gar/TH	135	0	0.0%	\$530	\$770	None
3	Marshalltown Sundance*	1994		Gar	32	1	3.1%		\$627	None
4	611 E South St.	1965		Gar	36	0	0.0%	\$540	\$625	None
5	East Olive	1967		Gar	24	0	0.0%		\$600	None
6	Pharoh's Valley	1972		Gar	24	0	0.0%	\$505	\$600	None
7	Santa Barbara	1971		Gar	24	0	0.0%	\$505	\$600	None
8	Hillcrest Heights*	1995		Gar	32	1	3.1%		\$588	None
9	Tallcorn, The*	2014		Adaptive Reuse	49	17	34.7%	\$482	\$564	None
10	Brookview Terrace	1976		Gar	24	0	0.0%	\$505	\$550	None
11	Olive Terrace	1976		Gar	48	0	0.0%	\$505	\$550	None
12	Grant Park	1978	2007	Mid Rise	56	1	1.8%	\$485		None
13	River Birch*	2003		TH	20	1	5.0%			None
14	River Oaks*	2002		TH	28	1	3.6%			None
Total					553					
Stabilized Total					504	7	1.4%			
Average					1983	2007		\$529	\$646	
LIHTC Total					161					
Stabilized LIHTC Total					112	4	3.6%			
LIHTC Average					2002			\$482	\$593	

Tax Credit Communities*

Community is in lease up.

(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. July & August 2014.

Table 23 Rental Summary, Surveyed Deep Subsidy Rental Communities

Map #	Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Waiting List
15	Edgebrook Park**	1969	Gar	72	0	0.0%	\$611	\$751	Yes
16	Associates Supported Housing**	2007	Gar	10	0	0.0%	\$574		Yes
17	Marshall CMI**	1996	Gar	16	0	0.0%	\$571		Yes
Total				98	0	0.0%			
Average				1991			\$585	\$751	

Deep Subsidy Communities**

(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. July & August 2014.



Map 6 Surveyed Rental Communities





7. Rent Concessions

None of the surveyed rental communities were offering rent concessions or incentives at the time of our survey.

8. Absorption History

The Tallcorn is the most recently constructed rental community in the Marshalltown Market Area and the only rental community constructed within the last five years. The Tallcorn opened in April of this year and has leased 32 units within an approximate four month period. This equates to an average absorption rate of eight units per month.

D. Analysis of Rental Pricing and Product

1. Payment of Utility Costs

Eight of the seventeen surveyed rental communities include the cost of water/sewer and trash collection in rent (Table 24). Of the remaining nine communities, one includes all utilities; one includes heat, electricity, water/sewer, and trash; one includes hot water, cooking, water/sewer, and trash; one includes heat, water/sewer, and trash; three include the cost of just trash removal; and two do not include the cost of any utilities.

2. Unit Features

Dishwashers are provided as standard unit features in eleven of the seventeen surveyed rental communities while microwaves are included in all or select units at seven properties. Only four of the surveyed rental communities offer washer/dryer connections in each unit while two properties include washer/dryer connections in select units; nearly all rental communities contain community laundry facilities. The Tallcorn is the only surveyed rental community to offer resident storage closets, located in a common area of the building.

3. Parking

All communities include free surface parking as their standard parking option and four rental communities offer garages (Table 24). River Birch and River Oaks provide attached garages for each unit, the price of which is included in rent. 611 E South Street and Southern Hills offer detached garages for additional monthly fees ranging from \$41 to \$45. Southern Hills townhouse units also contain attached garages that are included in rent.

4. Community Amenities

Given the small average size and older age of the surveyed rental stock, most properties contain few if any community amenities (Table 25). The most common community amenity offered among the surveyed rental stock is a playground (eight communities). Other community amenities offered include a clubhouse/community room at Grant Park, a fitness center at The Tallcorn, and tennis courts at Southern Hills. None of the surveyed rental communities offered gated entries.

5. Distribution of Units by Bedroom Type

Unit distributions were provided for roughly half (48.1 percent) of the surveyed rental stock (Table 26). Among those communities providing units distributions, 46.2 percent of units contain one bedroom, 41.7 percent contain two bedrooms, and 12.0 percent contain three bedrooms.



Table 24 Utilities, Unit Features– Surveyed Rental Communities

Community	Heat Type	Utilities Included in Rent					Dish-washer	Micro-wave	Parking	In-Unit Laundry	Storage
		Heat	Hot Water	Cooking	Electric	Water					
Market/LIHTC Communities											
Lincoln Tower	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Stc. Garage	
Southern Hills	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	Select	Surface	Sel. - Hook Ups
Marshalltown Sundance	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups
611 E South St.	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Select	Surface	
East Olive	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	
Pharoh's Valley	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD		Surface	
Santa Barbara	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD		Surface	
Hillcrest Heights	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Sel. - Hook Ups
Tallcorn, The	Elec	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	In Bldg.
Brookview Terrace	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	Select	Surface	
Olive Terrace	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	Select	Surface	
Grant Park	Elec	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	
River Birch	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Att. Garage	Hook Ups
River Oaks	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Att. Garage	Hook Ups
Deeply Subsidized Communities											
Edgebrook Park	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	
Associates Supported Housing	Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	
Marshall CMI	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Hook Ups

Source: Field Survey, Real Property Research Group, Inc. July & August 2014.

Table 25 Community Amenities – Surveyed Rental Communities

Community	Fitness				Tennis	Business	Gated
	Clubhouse	Room	Pool	Playground	Court	Center	Entry
Market/LIHTC Communities							
Lincoln Tower	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Southern Hills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marshalltown Sundance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
611 E South St.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
East Olive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pharoh's Valley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Santa Barbara	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hillcrest Heights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tallcorn, The	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brookview Terrace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Olive Terrace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grant Park	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
River Birch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
River Oaks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deeply Subsidized Communities							
Edgebrook Park	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Associates Supported Housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marshall CMI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Field Survey, Real Property Research Group, Inc. July & August 2014.



6. Effective Rents

Unit rents presented in Table 26 are net or effective rents, as opposed to street or advertised rents. To arrive at effective rents, we apply adjustments to street rents in order to account for any rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. For the purposes of this analysis, the net rents represent the hypothetical situation where water/sewer and trash removal utility costs are included in monthly rents at all communities, as this is the most common utility configuration offered among the surveyed rental communities. The lowest rents in the market area are among LIHTC communities with units restricted to households earning at or below 30 percent and 40 percent of the Area Median Income.

Among market rate/LIHTC communities, effective rents, unit sizes, and rents/square foot are:

- **Efficiency** units offered at Southern Hills reported an effective rent of \$485. The unit size was not provided. This is the only community to offer efficiency units.
- **One-bedroom** effective rents averaged \$500 per month. The average one-bedroom square footage was 588 square feet, resulting in a net rent per square foot of \$0.85. The range for one-bedroom effective rents was \$285 to \$700.
- **Two-bedroom** effective rents averaged \$628 per month. The average two-bedroom square footage was 795 square feet, resulting in a net rent per square foot of \$0.79. The range for two-bedroom effective rents was \$350 to \$1,035.
- **Three-bedroom** effective rents averaged \$630 per month. The average three-bedroom square footage was 1,175 square feet, resulting in a net rent per square foot of \$0.54. The range for three-bedroom effective rents was \$550 to \$725.

Table 26 Salient Characteristics, Surveyed Rental Communities

Community	Type	Total Units	Efficiency Units			One Bedroom Units			Two Bedroom Units			Three Bedroom Units					
			Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF			
Lincoln Tower	Mid Rise	21				1	\$700	N/A	N/A	20	\$1,035	N/A	N/A				
Southern Hills	Gar/TH	135	\$485	N/A	N/A		\$530	N/A	N/A		\$770	N/A	N/A				
611 E South St.	Gar	36				24	\$555	690	\$0.80	12	\$645	780	\$0.83				
Pharoh's Valley	Gar	24					\$530	N/A	N/A		\$630	825	\$0.76				
Santa Barbara	Gar	24					\$530	N/A	N/A		\$630	N/A	N/A				
Marshalltown Sundance* 60% AMI	Gar	32								24	\$627	860	\$0.73	8	\$695	860	\$0.81
East Olive	Gar	24								24	\$600	825	\$0.73				
Hillcrest Heights* 60% AMI	Gar	32								24	\$588	825	\$0.71	8	\$725	988	\$0.73
Tallcorn, The* 60% AMI	Adaptive Reuse	23				23	\$495	559	\$0.89	6	\$565	725	\$0.78				
Brookview	Gar	24					\$505	N/A	N/A		\$550	N/A	N/A				
Olive Terrace	Gar	48					\$505	N/A	N/A		\$550	N/A	N/A				
Tallcorn, The* 30% AMI	Adaptive Reuse	3				2	\$285	559	\$0.51	1	\$350	725	\$0.48				
Tallcorn, The River Birch* 60% AMI	Adaptive Reuse	10				4	\$525	559	\$0.94								
River Birch* 60% AMI	TH	20												16	\$630	1,300	\$0.48
River Oaks* 60% AMI	TH	28													\$630	1,300	\$0.48
River Birch* 40% AMI	TH														\$550	1,300	\$0.42
River Oaks* 40% AMI	TH														\$550	1,300	\$0.42
Grant Park	Mid Rise	56				56	\$440	600	\$0.73								
Tallcorn, The* 40% AMI	Adaptive Reuse	13				13	\$395	559	\$0.71								
Total/Average		553	\$485	N/A	N/A		\$500	588	\$0.85		\$628	795	\$0.79		\$630	1175	\$0.54
Unit Distribution		266				123				111				32			
% of Total		48.1%				46.2%				41.7%				12.0%			

Tax Credit Communities*

(1) Rent is adjusted to include only Water/Sewer and Trash and incentives

Source: Field Survey, Real Property Research Group, Inc. July & August 2014.



E. Survey of Scattered Site Rental Communities

As a significant portion of Marshalltown's existing rental stock is comprised of scattered site rental units, RPRG surveyed four of the largest property management companies operating in Marshalltown to supplement the multi-family rental analysis. These include Ames Rental Properties, Superior Rentals, S & E Cooperative Housing, and JBI Cooperative Housing. As rental information varied significantly on a unit by unit basis in most instances, the data collected was aggregated for each management company's units to determine overall occupancy and average rent levels. To the best of our knowledge, the majority of these scattered site rentals do not include more than the cost of basic utilities (water/sewer and trash collection); however, utility costs included in rent vary by property. As exact utility information was not available, none of the rents shown for scattered site rentals are adjusted. While the rents of scattered site rentals may not be directly comparable to effective rents at multi-family communities, they still provide a frame of reference for achievable rent levels in the market. Details on scattered site rentals for each management company are provided below.

- Each property management company offers a variety of unit types, most of which are two-story garden-style units in varying configurations of duplex, four-plex, eight-plex, and sixteen-plex buildings. Three of the four property management companies also offer single-family detached homes for rent, many of which have attached garages and vary significantly in terms of size, age, and unit features. In general, the surveyed scattered site rental units contained similar characteristics to the multi-family rental stock with no community amenities (except a community laundry area in some instances), and limited unit features. Dishwashers are included in roughly half of surveyed units and washer/dryer connections were not provided at most.
- The four property management companies offer a combined 315 scattered site units, of which 10 or 3.2 percent were reported vacant. Vacancy rates ranged from zero to 6.7 percent, though the 6.7 percent vacancy rate was based on just two actual units at JBI Cooperative Housing.
- One and two bedroom units are offered at all four property management companies while efficiency and three bedroom units are offered at one company and two companies, respectively.
- Among scattered site units, rent ranges and average rents were as follows:
 - **Efficiency rents** ranged from \$410 to \$415 with an overall average of \$413.
 - **One bedroom rents** ranged from \$350 to \$465 with an overall average of \$439.
 - **Two bedroom rents** ranged from \$535 to \$600 with an overall average of \$578.
 - **Three bedroom rents** ranged from \$600 to \$1,100 with an overall average of \$767.

Table 27 Rental Summary and Effective Rents, Scattered Site Rentals

Property Management Company	Structure Types Offered	Total Units	Vacant Units	Vacancy Rate	Eff. Rent		1 BR Rent		2 BR Rent		3 BR Rent	
					Low	High	Low	High	Low	High	Low	High
S & E Cooperative Housing	Garden, SFH	75	0	0.0%			\$530	-	\$630	-		
Ames Rental Properties	Garden, SFH	100	4	4.0%	\$410	\$415	\$450	\$465	\$550	\$600	\$600	-
Superior Rentals	Garden, SFH	110	4	3.6%			\$350	-	\$550	\$600	\$600	\$1,100
JBI Cooperative Housing	Garden	30	2	6.7%			\$400	-	\$535	-		
Total/Range		315	10	3.2%	\$410	\$415	\$350	\$465	\$535	\$600	\$600	\$1,100
Average					\$413		\$439		\$578		\$767	

Source: Real Property Research Group Field Surveys, July/August 2014



F. Survey of Senior Rental Housing Communities

As part of the Marshalltown Housing Market Assessment, RPRG also examined the senior rental market in Marshalltown. In total, three senior rental communities were surveyed in the Marshalltown Market Area including one HUD Section 8 community (Odd Fellow), one LIHTC community (Westtown), and one assisted living community (Bickford of Marshalltown). Two additional senior rental communities, The Embers (service-enriched independent living) and Glenwood Place (independent/assisted living) were identified in the Marshalltown Market Area; however, both communities could not be reached or refused to participate in our survey. A senior cooperative housing community (The Village) also exists in the Marshalltown Market Area, but requires a purchase of equity shares for each unit and is considered a for-sale housing community. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 8. The location of each community is shown on Map 7.

1. Affordable Independent Senior Rental Housing

Odd Fellow and Westtown each consist of three to five-story mid-rise buildings with elevator access, interior hallways, and senior-oriented features and amenities. Westtown is the newest of the two communities (built in 2004) and is located in downtown Marshalltown while Odd Fellow is much older (built in 1984) and is located in the southern portion of the city.

Westtown and Odd Fellow offer 101 combined units all of which were occupied at the time of our survey. Both properties reported waiting lists of unspecified lengths.

Westtown offers 24 one bedroom units and 12 two bedroom units reserved for households earning at or below 60 percent of the Area Median Income (AMI). One bedroom units had an effective rent of \$400 with a unit size of 650 square feet and a rent per square foot of \$0.62. Two bedroom units had an effective rent of \$605 with a unit size of 900 square feet and a rent per square foot of \$0.67. As Odd Fellow is deeply subsidized, its contract rents do not necessarily reflect current market conditions and are not included in this analysis.

Table 28 Rental Summary, LIHTC and Deep Subsidy Senior Communities

Community	Type	Total Vacant Vacancy			One Bedroom Units			Two Bedroom Units				
		Units	Units	Rate	Units	Rent (1)	SF	Rent/SF	Units	Rent (1)	SF	Rent/SF
1. *Odd Fellow	Mid Rise	65	0	0.0%	49	N/A	600	N/A				
Year Built: 1984	Section 8	65	0	0%	49	N/A	600	N/A				
2. Westtown	Mid Rise	36	0	0.0%	24	\$400	650	\$0.62	12	\$605	900	\$0.67
Year Built: 2005	60% units	36	0	0%	24	\$400	650	\$0.62	12	\$605	900	\$0.67
Overall Total		101	0	0.0%								
Unsubsidized Total/Average		36			24	\$400	650	\$0.62	12	\$605	900	\$0.67
% of Total Unsubsidized		35.6%			66.7%				33.3%			

*Deeply subsidized Community.

(1) Rent is adjusted to include only Water/Sewer and Trash and incentives

Both senior communities include the cost of water/sewer, trash removal, and natural gas in the price of rent.

As the newer of the two communities, Westtown provides dishwashers, garbage disposals, and ceiling fans in each unit while Odd Fellow does not offer these features. In terms of community amenities, Westtown offers a library and theater room while Odd Fellow contains a community room, library, and arts and crafts room.



Table 29 Features and Amenities, LIHTC and Deep Subsidy Senior Communities

Community	Type	Heat Type	Utilities included in Rent					Dish-washer	Grab Bar	Emergency Pull	Van
			Heat	Cooking	Electric	Water	Trash				
Odd Fellow	Deep Subsidy-Elderly	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		STD	STD	
Westown	LIHTC - Elderly	Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD		STD

Source: Field Survey, Real Property Research Group, Inc. July & August 2014.

Community	Multipurpose Room	Gardening	Walking Paths	Library	Arts & Crafts	Theatre	Health Room	Conv. Store	Barber Shop	Bank
Odd Fellow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Westown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Field Survey, Real Property Research Group, Inc. July & August 2014.

2. Assisted Living Senior Rental Housing

Bickford of Marshalltown contains 38 total units/beds among one and two bedroom floor plans. Base rates, including a minimum level of care, three meals per day, and all utilities, range from \$2,600 for one bedroom units to \$3,450 for two bedroom units. Unit sizes were not provided. At the time of our survey, all 38 units at Bickford at Marshalltown were occupied at the time of our survey with a waiting list of 10 people.

Each unit at Bickford of Marshalltown contains a kitchenette with a sink, refrigerator, and microwave. Community amenities include a dining room, community room, and courtyard.

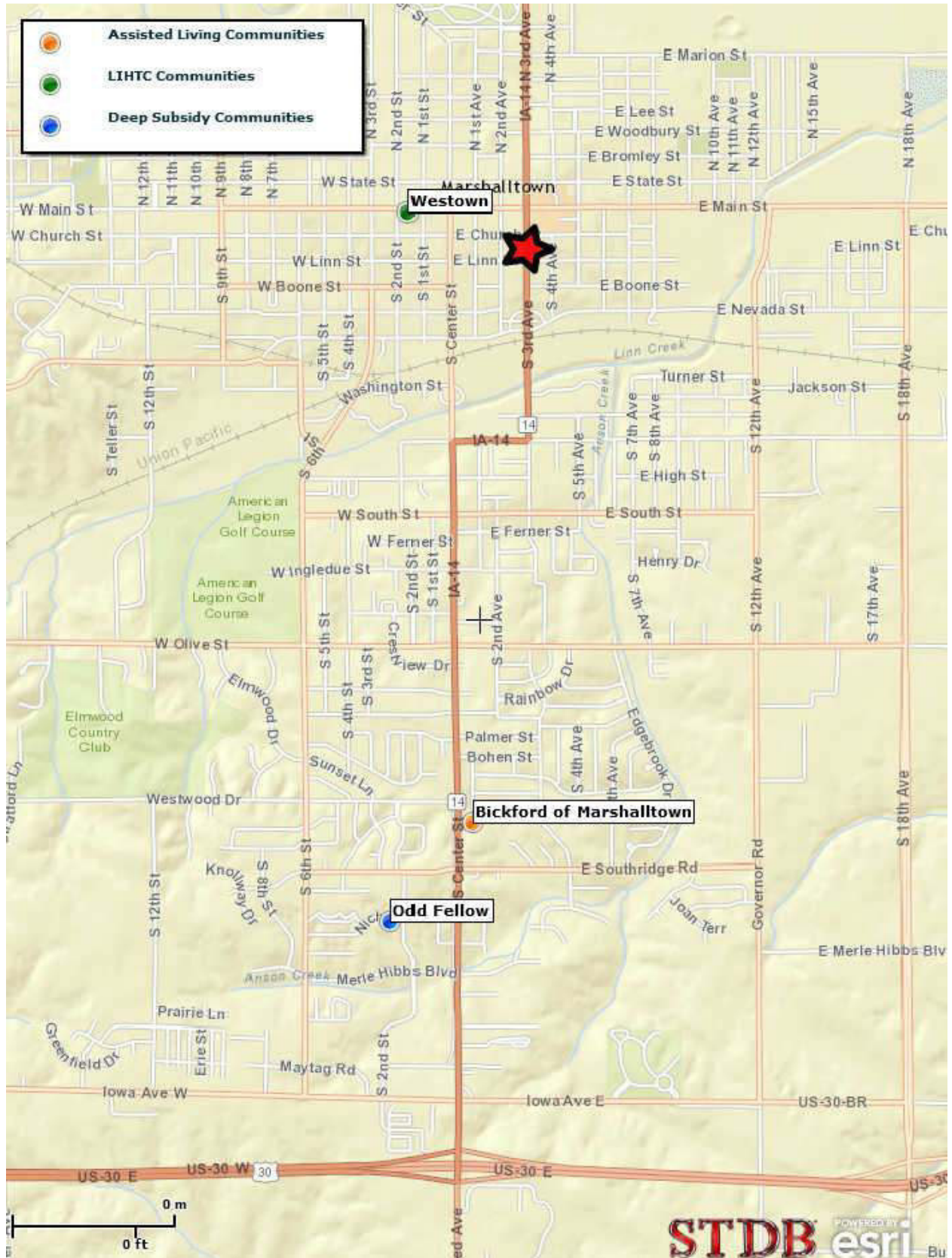
Table 30 Rental Summary, Assisted Living Community

Community	Type	Total Units	Vacant Units	Vacancy Rate	One Bedroom Units			Two Bedroom Units		
					Units	Rent (1)	SF	Rent/SF	Units	Rent (1)
3. Bickford of Marshalltown	Low-Rise	38	0	0.0%	\$2,600	N/A	N/A	\$3,450	N/A	N/A

(1) Rent includes the cost of all utilities



Map 7 Surveyed Senior Rental Communities





G. For-Sale Housing Analysis

1. Introduction and Data Sources

To evaluate the for-sale housing market in Marshalltown, RPRG analyzed Multiple Listing Service (MLS) data provided by the Marshalltown Board of Realtors. This analysis includes annual trends from 2000 to 2014 (Q2), quarterly trends from 2010 to 2014 (Q2), and recent sales (within the past year). RPRG also compiled and analyzed recent sales and lot pricing of active for-sale communities in the Marshalltown Market Area.

2. Annual MLS Trends

The Marshalltown annual median home price steadily rose from \$67,000 in 2000 to \$95,000 in 2007, an increase of \$28,000 or 41.8 percent (Figure 8). Following this high point, the annual median home price fell in four straight years during the course of the national housing market downturn and recession. In 2012 and 2013, the annual median home price rebounded reaching a new high of \$97,500 in 2013; however, the median home price through the second quarter of 2014 fell back down to levels experienced in 2012.

Marshalltown’s annual percentage of sales to listings ranged from 46.8 percent to 67.7 percent from 2000 to 2013 (Figure 9). Given a sales to listings ratio of 55 percent or greater is generally considered a “sellers market” and a sales to listings ratio from 35 percent to 54 percent is considered a balanced market, home sales in Marshalltown have been consistently strong throughout the past thirteen years. During this period, Marshalltown’s annual sales to listings ratio exceeded 55 percent in every year outside a five year window from 2007 to 2011 when the market was balanced.

Figure 8 Annual Median Sales Price, 2000 to 2014 YTD

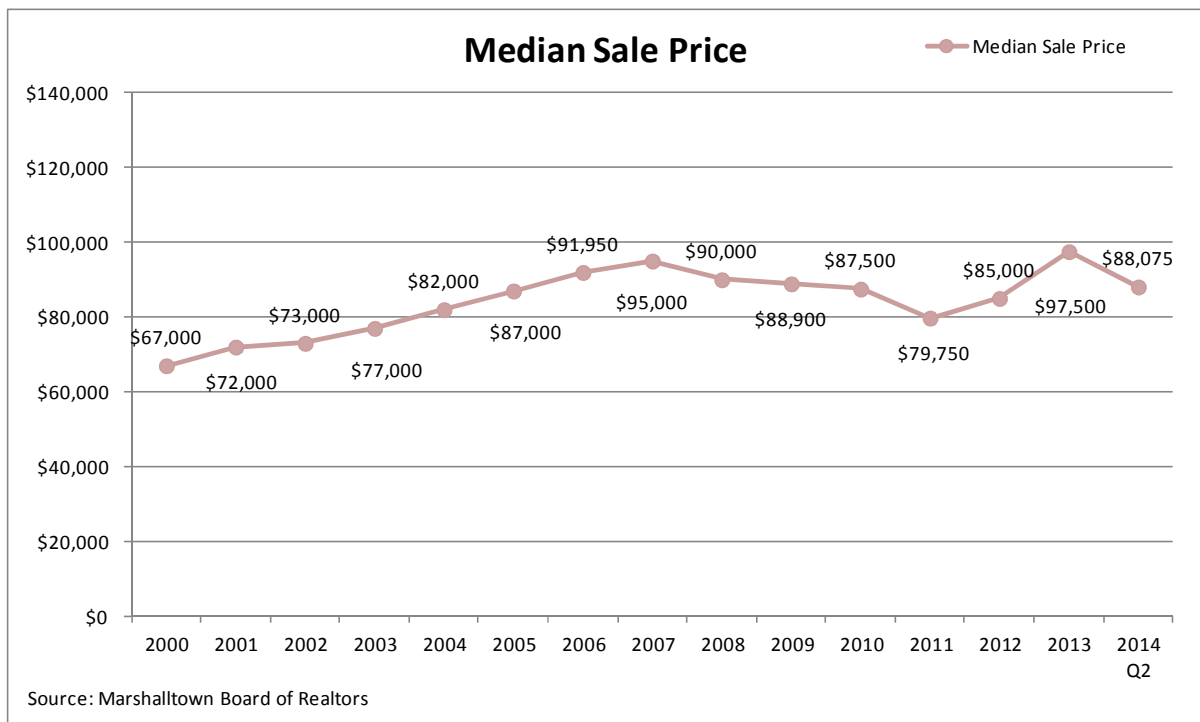
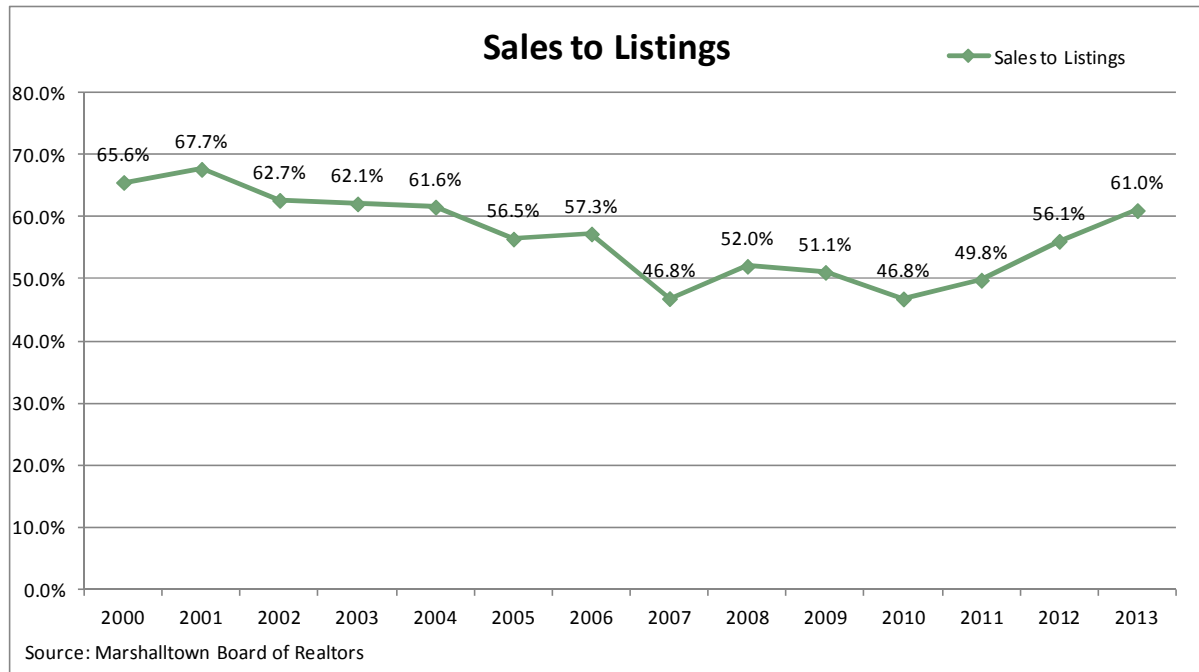




Figure 9 Annual Sales to Listings Ratio, 2000 to 2013



3. Quarterly MLS Trends

From 2010 to 2014 Q2, an average of 75 homes was sold per quarter in Marshalltown with an average median sales price of \$89,922 (Table 31). The quarterly average Days on Market (DOM) was 62. Quarterly trends in units sold, median sales price, and DOM are as follows:

- The number of units sold peaked in the second and third quarters of 2013 and has followed a modest upward trend since 2010 (Figure 10). Based on typical seasonal fluctuations, home sales were lowest in quarter 1, highest in quarter 2, and roughly even in quarters 3 and 4 during the period.
- Since 2010, the median sales price has been relatively flat in Marshalltown with some moderate seasonal fluctuations. The median sales price peaked in the last three quarters of 2013 before falling back down just below the average for the period (Figure 11).
- The median Days on Market (DOM) in Marshalltown has gradually declined since 2010 with similar seasonal fluctuations as the other metrics. The median DOM fell below the overall average DOM for the period in seven of the last nine quarters.



Table 31 MLS Data – Quarterly Sales Data, Marshalltown

Marshalltown			
Year / Quarter	Units Sold	Median Sales Price	Median DOM
10-Q1	51	\$95,500	82
10-Q2	92	\$95,000	56
10-Q3	76	\$94,500	55
10-Q4	65	\$88,000	90
11-Q1	38	\$86,000	88
11-Q2	81	\$82,500	49
11-Q3	64	\$89,000	55
11-Q4	78	\$72,250	66
12-Q1	56	\$81,500	95
12-Q2	97	\$97,000	51
12-Q3	73	\$76,500	53
12-Q4	87	\$100,000	67
13-Q1	54	\$75,950	52
13-Q2	103	\$104,500	48
13-Q3	102	\$101,750	28
13-Q4	86	\$102,500	51
14-Q1	48	\$86,950	79
14-Q2	94	\$89,200	43
Average	75	\$89,922	62

Source: Marshalltown Board of Realtors

Figure 10 Quarterly Units Sold, 2010 to 2014 Q2

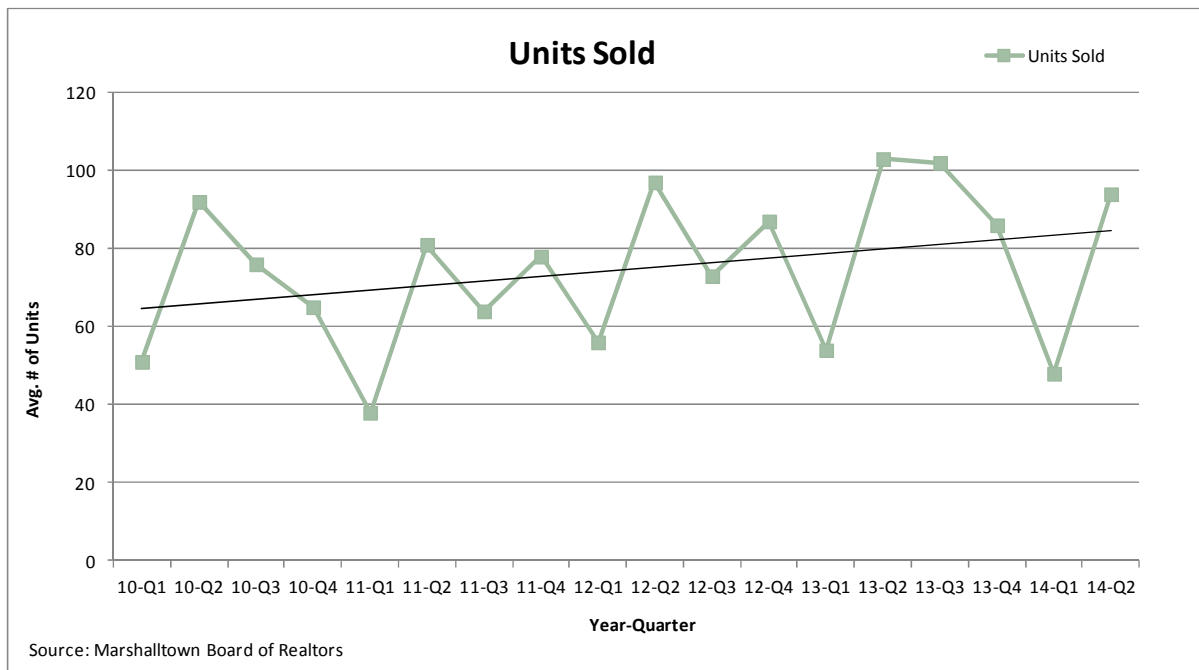




Figure 11 Quarterly Median Sales Price, 2010 to 2014 Q2

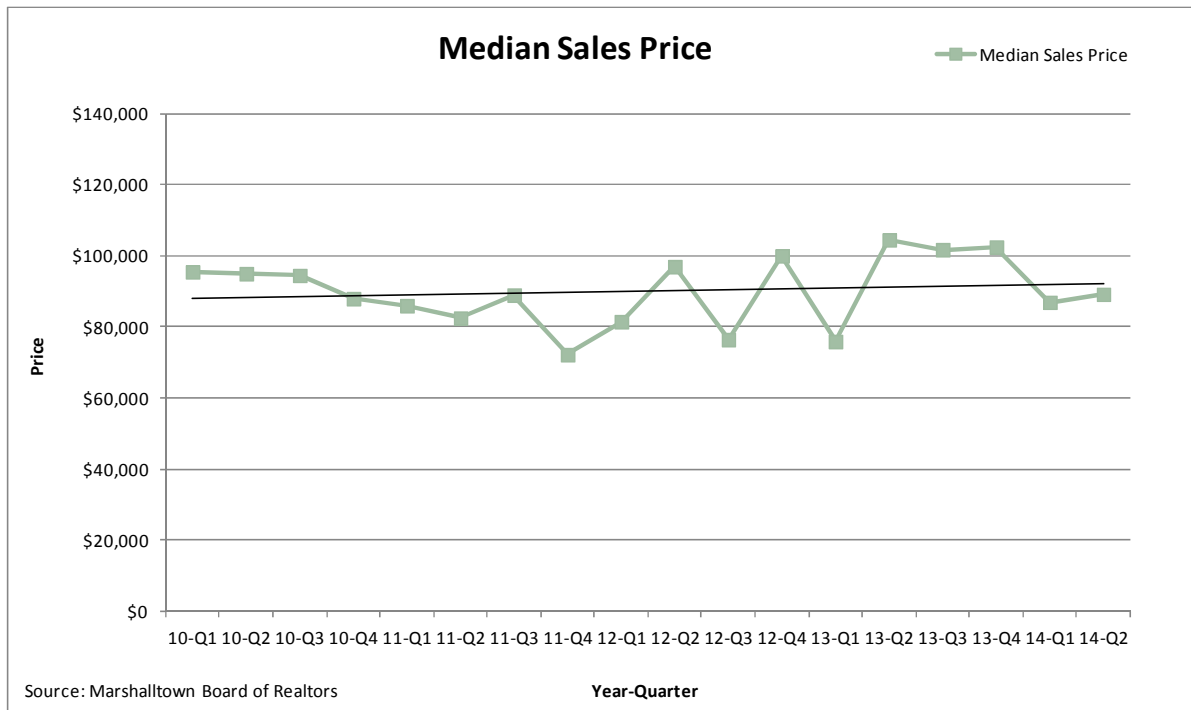
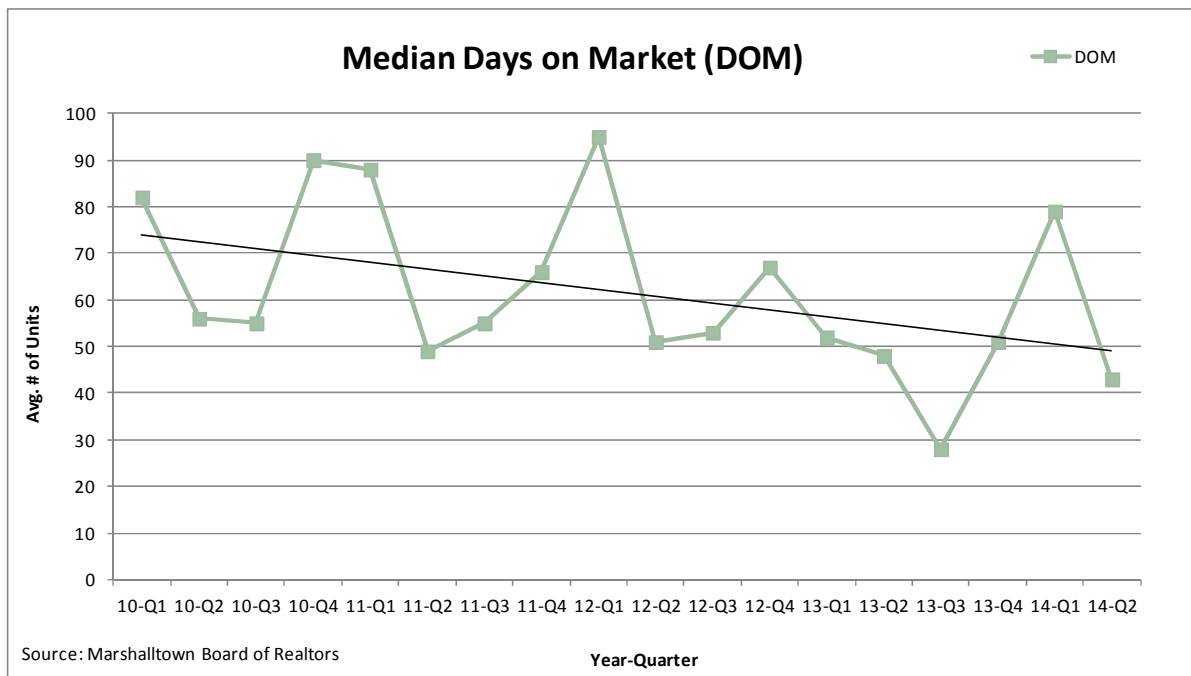


Figure Quarterly Median Days on Market, 2010 to 2014 Q2





4. Recent MLS Trends

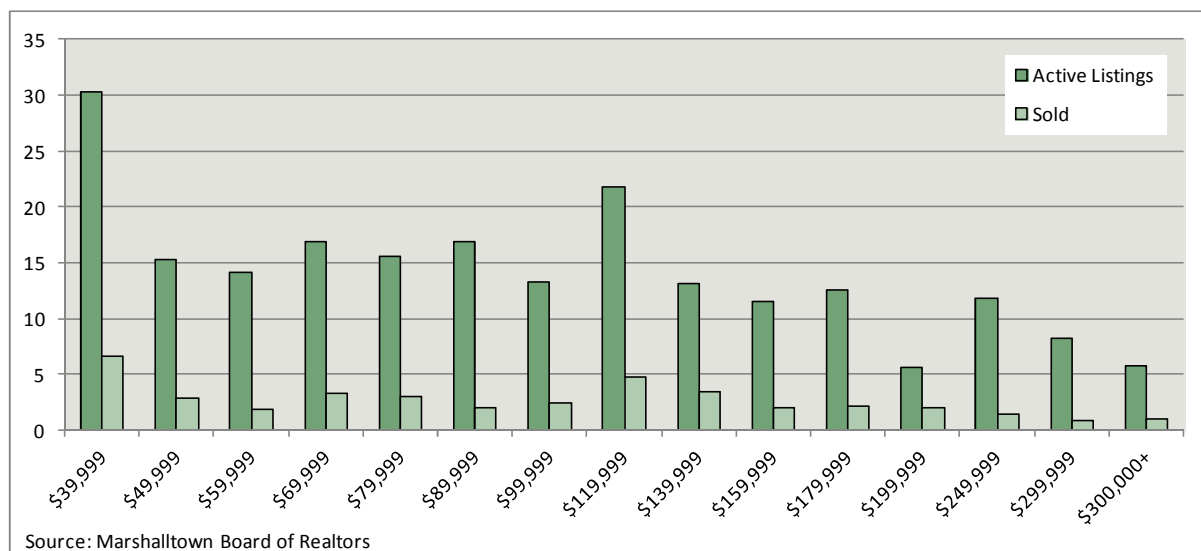
Based on monthly sales data over the most recent 12 month period available (July 2013 – June 2014), an average of 40 sales and 213 listings were recorded in Marshalltown. The average Days on Market (DOM) was 72 and the average months of inventory was 5.8. Notable findings/trends by price point are as follows:

- Noticeably higher sales and listing activity was evident at the lowest (less than \$40,000) and middle (\$100,000 to 199,999) home prices while three of the four highest home price points had fewer sales and listings.
- The months of inventory, which measures how long current listings would take to sell based on the average sales pace, ranged from 2.8 to 9.9 across all price points. In general, 0 to 4 months of inventory would indicate a “sellers” or strong market, 5 to 7 would indicate a balanced market, and 8 to 12 would indicate a “buyers” or weak market. Overall, nine of the fifteen price segments were balanced. All moderate home price points from \$90,000 to \$199,999 were balanced or strong while the weakest segments of the market occurred among the three highest price points and six lowest price points.
- The average DOM of sold units fluctuated somewhat across all price points. Three middle price points (\$80,000 to 99,999 and \$120,000 to \$139,999) and three high price points (\$180,000 to \$259,999 and \$300,000+) had the lowest DOM’s, ranging from 35 to 66 days. The two highest DOM’s occurred at the \$70,000 to \$79,999 and the \$140,000 to \$169,999 price points, both of which exceeded 100 days on average.

While no definitive trends are apparent among recent sales data by price point, moderately priced homes generally had a greater number of sales and listings, lower months of inventory, and lower Days on Market over the past year. As such, it appears this segment of the market had the most activity and a greater level demand than homes at the top and bottom of the market over the past year. Among the somewhat weaker segments of the market, the highest priced homes were likely affected by the relatively limited buyer pool at those price ranges while some lower priced homes, given the older age of the housing stock in the Marshalltown Market Area, may have suffered due to their condition/lack of modernization.

Table 32 12 Month Sales Activity and DOM by Sale Price (July 2013 – June 2014)

To From	\$0 \$39,999	\$40,000 \$49,999	\$50,000 \$59,999	\$60,000 \$69,999	\$70,000 \$79,999	\$80,000 \$89,999	\$90,000 \$99,999	\$100,000 \$119,999	\$120,000 \$139,999	\$140,000 \$159,999	\$160,000 \$179,999	\$180,000 \$199,999	\$200,000 \$249,999	\$250,000 \$299,999	\$300,000 +	Total / Average
Active Listings	30	15	14	17	16	17	13	22	13	12	13	6	12	8	6	213
Sold	7	3	2	3	3	2	3	5	4	2	2	2	2	1	1	40
Avg Sold DOM	89	79	82	68	107	43	61	79	66	107	68	53	56	83	35	72
Months Inventory	4.5	5.3	7.7	5.2	5.1	8.4	5.3	4.6	3.7	5.8	5.8	2.8	7.9	9.9	5.8	5.8





5. Active For-Sale Communities

Overview, Sales, and Pricing

RPRG identified four single-family detached home communities with lots available for sale in Marshalltown. These communities were subdivided by a developer and sold to multiple builders or individuals to construct custom homes. Overall, lots were gradually developed and sold over a long period of time going as far back as 1999. Given the protracted period of land/home sales and unique floor plans for each home, standardized pricing and absorption of new homes in these communities was not available. A brief description of each active for-sale community, along with assorted housing data compiled from the Marshall County Tax Assessor, builder interviews, field observations, and listing data, is provided below and in Table 33. The locations of each for-sale community are depicted in Map 8. For purposes of this analysis, recent sales were limited to a five year period from 2009 to 2014 and only include original prices of newly built homes (no re-sales).

- **Cross Country Estates** is a 68-lot single-family home community located at the southwest corner of Governor Road and East Southridge Road in southeast Marshalltown. Situated in an attractive area of the city, in close proximity to retail development and U.S. Highway 30, Cross Country Estates has the highest priced homes of the four active for-sale communities in Marshalltown. Since 1999, Cross Country Estates has sold 59 of its 68 lots (86.8 percent). Recent sales/construction prices for fully built homes ranged from \$188,720 to \$400,000 with a median of \$246,375.
- **Sugar Creek Estates** contains 40 lots in southeast Marshalltown and is located immediately to the northwest of Cross Country Estates. Sugar Creek Estates contains both single-family detached and attached homes (duplex units), which are the most affordable of the active for-sale communities. Since 1999, Sugar Creek Estates has sold 26 of its 40 lots or 65 percent. Recent sales/construction prices ranged from \$120,972 to \$224,125 with a median of \$161,396.
- **Glenwood Park** is a 43-lot single-family home community located on the south-central side of Marshalltown less than one mile north of U.S. Highway 30. From 2001 to 2014, Glenwood Park sold 28 of its 43 lots or 65.1 percent. Recent sales/construction prices ranged from \$145,000 to \$289,875 with a median of \$188,500.
- **South Pointe** contains 21 single-family home lots in south-central Marshalltown and is located one-quarter mile southeast of Glenwood Park. From 2006 to 2014, nine of the 21 home lots in South Pointe were sold (46.7 percent). Recent sales/construction prices ranged from \$170,000 to \$229,000 with a median of \$198,000.

Lot Pricing

In an effort to determine the current pricing of finished lots in the Marshalltown Market Area, RPRG compiled active listings and recent sales data through the Marshall County Tax Assessor.

Cross Country Estates offers the largest median lot size of all the active for-sale communities with a median acreage of 0.34 (Table 34). Glenwood Park and Sugar Creek Estates offer the next largest lots with median sizes of 0.32 acre and 0.22 acre, respectively. South Pointe has the smallest median lot size of at just 0.15 acre. Current/recent lot pricing for each active for-sale community is as follows:

- **Cross Country Estates** is currently offering nine lots for-sale at prices ranging from \$33,000 to \$43,000. Among recent sales, lots had a median price of \$34,000. Based on a median lot size of 0.34 acre, Cross Country Estates had a median lot price per acre of \$100,000.



- **Sugar Creek Estates** had a median lot price of \$19,450 among recent sales. Based on a median lot size of 0.22 acre, Sugar Creek Estates had a median lot price per acre of \$88,409.
- **Glenwood Park** currently has two lots listed for sale at \$28,500 each. Among recent sales, lots had a median price of \$28,500. Based on a median lot size of 0.32 acre, Glenwood Park had a median lot price per acre of \$89,063.
- **South Pointe** had a median lot price of 35,000 among recent sales. Based on a median lot size of 0.15 acre, South Pointe had a median lot price per acre of \$233,333.

Combined, the four active for-sale communities had an average median lot size of 0.26 acres, an average median lot price of \$29,238, and an average median lot price per acre of \$113,544.

Table 33 Active For-Sale Communities, Sales and Pricing

Neighborhood	Total Lots	Sold Lots	% of Sold Lots	First Sale / Construction Date		First Sale / Construction Price		
				First	Last	Low	High	Median
Cross Country Estates	68	59	86.8%	11/1/1999	6/6/2014	\$188,720	\$400,000	\$246,375
South Pointe	45	21	46.7%	8/7/2006	7/10/2014	\$170,000	\$229,000	\$198,000
Glenwood Park	43	28	65.1%	11/30/2001	4/11/2014	\$145,000	\$289,875	\$188,500
Sugar Creek Estates	40	26	65.0%	8/27/1999	9/4/2013	\$120,972	\$224,145	\$161,396
Total/Average	196	134	68.4%	8/7/2006	4/11/2014	\$120,972	\$400,000	\$198,568

Source: Marshall County Tax Assessor

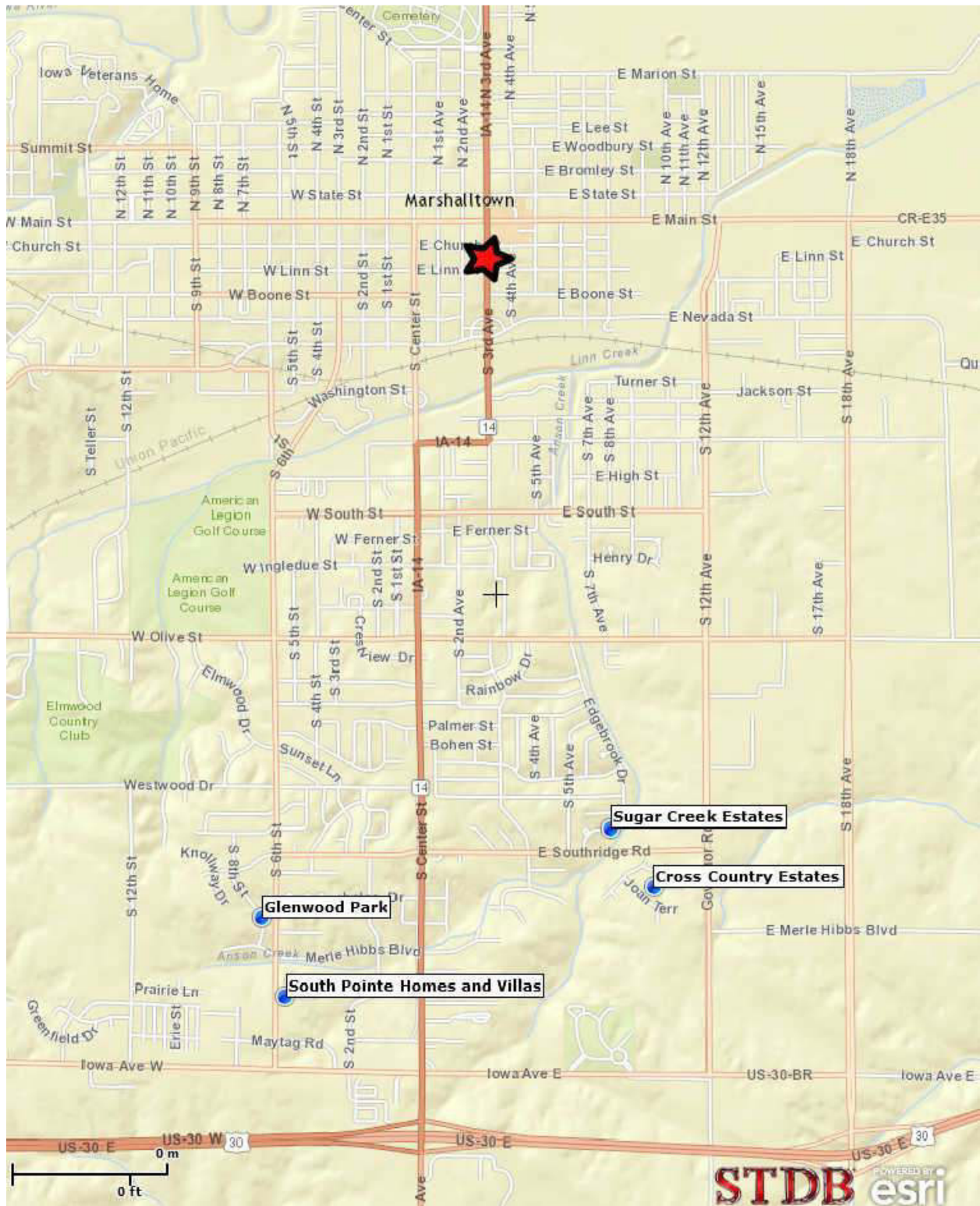
Table 34 Active For-Sale Communities, Lot Pricing

Neighborhood	Lot Size			Lot Price			Median Lot Price Per Acre
	Low	High	Median	Low	High	Median	
South Pointe	0.15	0.53	0.15	\$35,000	\$44,000	\$35,000	\$233,333
Cross Country Estates	0.33	0.48	0.34	\$23,000	\$45,000	\$34,000	\$100,000
Glenwood Park	0.23	0.39	0.32	\$18,500	\$55,000	\$28,500	\$89,063
Sugar Creek Estates	0.22	0.33	0.22	\$15,000	\$25,300	\$19,450	\$88,409
Total/Average	0.15	0.53	0.26	\$15,000	\$55,000	\$29,238	\$113,544

Source: Marshall County Tax Assessor



Map 8 Active For-Sale Communities





H. Recent Sales, Marshalltown Market Area

Based on data provided by the Marshall County Tax Assessor, 37 homes were sold from May 1, 2014 to August 1, 2014 in the Marshalltown Market Area with a year built of 1950 or newer. Details on these recent sales by number of bedrooms are as follows:

- 2 two bedroom homes were sold for an average price of \$100,500 with an average size of 1,106 square feet and an average price per square foot of \$90.87. The average year built of the homes was 1966.
- 27 three bedroom homes were sold for an average price of \$149,121 with an average size of 1,527 square feet and an average price per square foot of \$97.67. The average year built of the homes was 1973.
- 6 four bedroom homes were sold for an average price of \$145,682 with an average size of 1,958 and an average price per square foot of \$74.39. The average year built of the homes was 1978.
- 2 five bedroom homes were sold for an average price of \$149,930 with an average size of 1,808 square feet and an average price per square foot of \$82.93.
- Among all 36 homes, the average sale price was \$145,979 with an average size of 1,589 square feet and an average price per square foot of \$91.85. The average year built of all homes was 1973.

Table 35 Recent Home Sales, Marshalltown Market Area

Bedrooms	Bathrooms	Square Feet	Year Built	Style	Basement	Finished Attic	Sales Price	Price / Sq. Ft.	Address	Sale Date
2	1	1,092	1975	1 Story Frame	Full	None	110,000	\$100.73	2103 VERMILLION LN	7/23/2014
2	1	1,120	1957	1 Story Frame	Full	None	91,000	\$81.25	1212 W ANSON ST	7/14/2014
2 BR Average		1,106	1966				100,500	\$90.87		
3	2	2,060	2005	1 Story Frame	Full	None	249,900	\$121.31	3503 MERRITT RD	5/22/2014
3	1.5	2,193	2003	1 Story Frame	Full	None	273,000	\$124.49	2409 S 7TH AVE	6/6/2014
3	2	1,501	1998	1 Story Frame	Full	None	205,500	\$136.91	617 THUNDERBIRD DR	7/28/2014
3	2	1,687	1993	1 1/2 Story Frame	Full	None	184,900	\$109.60	301 RICHARD LN	7/16/2014
3	2.5	1,400	1993	1 Story Frame	Full	1/2	177,000	\$126.43	2011 EDGEBROOK DR	7/11/2014
3	2.5	2,940	1979	1 Story Brick	3/4	None	300,000	\$102.04	1600 W LINCOLN WAY	6/6/2014
3	2	1,080	1977	Split Foyer Frame	Full	None	83,897	\$77.68	402 W SOUTHRIDGE RD	6/30/2014
3	2.5	2,320	1977	1 1/2 Story Frame	Full	None	227,000	\$97.84	504 SPRINGFIELD DR	6/4/2014
3	2.5	2,300	1977	Split Level Frame	Full	None	184,000	\$80.00	1515 BRENTWOOD TER	5/1/2014
3	2.5	1,132	1975	Split Foyer Frame	Full	None	141,500	\$125.00	304 W SOUTHRIDGE RD	6/3/2014
3	2	1,186	1973	Split Foyer Frame	Full	None	107,000	\$90.22	212 W FERNER ST	7/12/2014
3	2.5	1,326	1973	Split Foyer Frame	Full	None	124,900	\$94.19	507 NEWCASTLE RD	7/10/2014
3	1.5	1,554	1971	1 Story Frame	Full	None	115,250	\$74.16	2010 S 6TH ST	7/18/2014
3	1	1,130	1971	Split Foyer Frame	Full	None	40,800	\$36.11	306 THUNDERBIRD DR	5/5/2014
3	1	1,032	1967	1 Story Frame	Full	None	118,500	\$114.83	1307 GLENWOOD TER	5/15/2014
3	2	1,652	1967	1 Story Brick	Full	None	135,000	\$81.72	407 NEW SALEM RD	5/13/2014
3	1.5	1,028	1965	Split Level Frame	1/2	None	122,500	\$119.16	102 THUNDERBIRD DR	5/6/2014
3	2	1,092	1963	Split Level Frame	Full	None	85,500	\$78.30	1708 FREMONT ST	8/1/2014
3	1	1,120	1963	1 Story Frame	Full	None	125,000	\$111.61	2101 GOVERNOR RD	7/10/2014
3	2	1,028	1963	1 Story Frame	Full	None	77,000	\$74.90	1708 S 6TH ST	5/30/2014
3	2.5	1,950	1961	1 Story Brick	Full	None	220,000	\$112.82	306 ORCHARD DR	6/6/2014
3	1	1,284	1961	1 Story Frame	Full	None	87,000	\$67.76	1409 BRENTWOOD TER	5/14/2014
3	2.5	1,409	1960	1 Story Frame	Full	None	132,500	\$94.04	204 KOEPER DR	7/14/2014
3	2	1,865	1959	1 Story Frame	3/4	None	190,000	\$101.88	2501 W LINCOLN WAY	5/2/2014
3	1.5	1,100	1958	Split Level Frame	Full	None	83,000	\$75.45	1408 S 1ST ST	5/15/2014
3	2.5	1,820	1956	1 Story Frame	Full	None	147,500	\$81.04	2004 BRYNGELSON DR	6/16/2014
3	2.5	1,036	1956	1 Story Frame	Full	None	88,108	\$85.05	1810 W STATE ST	5/5/2014
3 BR Average		1,527	1973				149,121	\$97.67		
4	2.5	2,504	2002	2 Story Frame	Full	None	205,250	\$81.97	2012 S 5TH AVE	5/2/2014
4	3	1,244	1996	1 Story Frame	Full	None	91,428	\$73.50	3007 S 14TH ST	5/5/2014
4	2	1,210	1977	Split Foyer Frame	Full	None	154,000	\$127.27	504 NICHOLAS DR	5/22/2014
4	2.5	2,996	1972	2 Story Frame	1/2	None	169,900	\$56.71	1506 BRENTWOOD TER	6/2/2014
4	2.5	2,196	1967	2 Story Frame	Full	None	165,000	\$75.14	503 NEW SALEM RD	5/16/2014
4	1	1,600	1955	1 Story Frame	1/4	None	88,514	\$55.32	1710 S 4TH ST	6/10/2014
4 BR Average		1,958	1978				145,682	\$74.39		
5	2	1,008	1972	1 Story Frame	Full	None	107,360	\$106.51	313 THUNDERBIRD DR	7/18/2014
5	3	2,608	1970	2 Story Frame	Full	None	192,500	\$73.81	406 SUNSET LN	6/13/2014
5 BR Average		1,808	1971				149,930	\$82.93		
Overall Average		1,589	1973				145,979	\$91.85		

Source: Marshall County Tax Assessor



I. Foreclosures

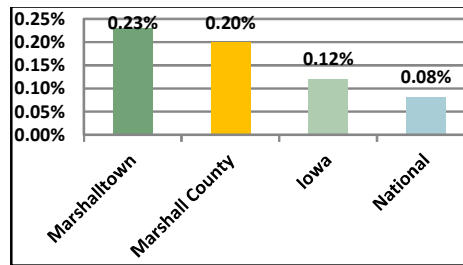
To understand the state of foreclosures in Marshalltown, we analyzed data available through RealtyTrac, a web site that assists interested parties in the process of locating and purchasing properties in foreclosure and/or at risk of foreclosure. RealtyTrac classifies properties in its database into several different categories, three of which are relevant to our analysis: 1.) pre-foreclosure property – a property with loans in default and in danger of being repossessed or auctioned, 2.) auction property – a property that lien holders decide to sell at public auctions, once the homeowner’s grace period has expired, in order to dispose of the property as quickly as possible, and 3.) bank-owned property – a unit that has been repossessed by lenders. We included properties within these three foreclosure categories in our analysis. We queried the RealtyTrac database for Marshalltown and the broader areas of Marshall County, Iowa, and the U.S. for comparison purposes.

Our RealtyTrac search revealed 30 of housing units were in some state of foreclosure in Marshalltown in June of 2014, the most recent month data was available. This results in a foreclosure rate of 0.23 percent, higher than Marshall County (0.20 percent), Iowa (0.12 percent), and the nation (0.08 percent) (Table 36). While the June foreclosure rate was somewhat high, the number of foreclosures was much lower over the previous ten months ranging from 7 to 21 units.

Table 36 Foreclosure Data, ZIP CODE 50158, June 2014

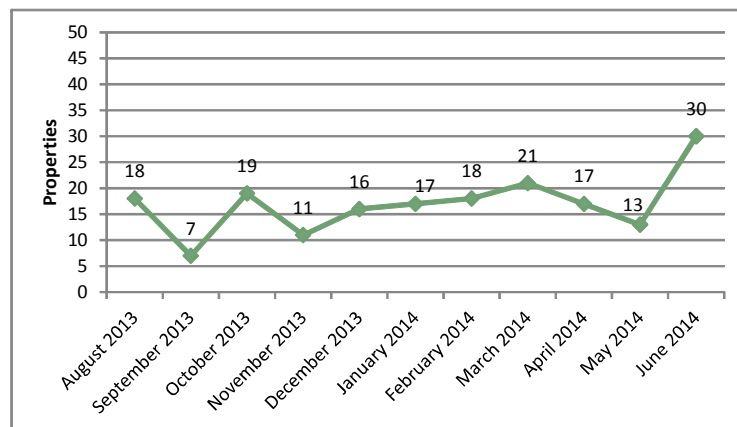
Geography	June 2014 Foreclosure Rate
Marshalltown	0.23%
Marshall County	0.20%
Iowa	0.12%
National	0.08%

Source: Realtytrac.com



Marshalltown	
Month	# of Foreclosures
July 2013	N/A
August 2013	18
September 2013	7
October 2013	19
November 2013	11
December 2013	16
January 2014	17
February 2014	18
March 2014	21
April 2014	17
May 2014	13
June 2014	30

Source: Realtytrac.com





J. Housing Pipeline

In order to determine if any new housing communities were planned or under construction in the Marshalltown Market Area, we interviewed Michelle Spohnheimer – Marshalltown Housing and Community Development Director and Stephen Troskey – Marshalltown Planning and Zoning Administrator. Through these efforts, we indentified two housing communities in various stages of development in the Marshalltown Market Area. Information on each project is provided below.

For-Sale Communities:

- None.

Rental Communities:

- **Marshalltown Senior Residences** – Marshalltown senior residences is a 28 unit Low Income Tax Credit Community that is currently under construction in downtown Marshalltown. As an adaptive reuse project, Marshalltown Senior Residences will be housed in the former Iowa Wholesale building and will be restricted to households with a householder age 55 and older.
- **Superior Rentals** – Superior Rentals is constructing eight rental units adjacent to the existing LIHTC community Hillcrest Apartments in southern Marshalltown. Upon completion later this year, the eight rental units will consist of three duplexes and two single-family detached homes. All of the units will be offered at market rates.

K. Housing Authority Data

Marshalltown administers 464 Housing Choice Vouchers (HCV), 358 of which are in use. The unused vouchers are not in use, due to funding cuts by HUD, and the waiting list for vouchers is 9 to 12 months for applicants within the service area and three to four years for applicants outside the service area. Marshalltown does not have any public housing units.



7. FINDINGS AND CONCLUSIONS

A. Key Findings

Based on the preceding review of economic, demographic and competitive housing trends in the Marshalltown Market Area, RPRG offers the following key findings:

1. Site and Neighborhood Analysis

Marshalltown is a modest-sized community in east central Iowa that serves as both the population center and economic hub of rural Marshall County. The city is easily accessible from multiple major thoroughfares and contains all the necessary infrastructure, community amenities, and residential supportive services to be attractive to a wide variety of household types living and working throughout the region. Several sites in Marshalltown are suitable for future for-sale and/or rental housing development and would support a variety of housing types, target markets, and income segments.

2. Economic Context

Marshall County's economy has been cyclical over the past thirteen years with a modest overall trend of decline in both the Civilian Labor Force and At-Place Employment. Like most areas of the country, Marshall County suffered notable job loss and higher unemployment during the course of the most recent national recession (2008 to 2009), but has shown signs of stabilization over the past three years with the net addition of 264 jobs. As home to several major employers, Marshall County serves as a regional employment node and attracts a significant percentage of commuters. Over the next three years, the county is expected to add a net total of at least 50 jobs based on recently announced economic expansions and contractions and will also benefit from 500 to 600 regional jobs added in the nearby city of Tama.

- Marshall County's unemployment rate has fallen in each of the past three years, reaching 5.9 percent in 2013. In comparison, 2013 unemployment rates in the state of Iowa and the nation were 4.6 percent and 7.4 percent, respectively. Marshall County's unemployment rate has consistently fallen below national figures while being comparable to or above the state over the past thirteen years.
- Based on 2011 LED On the Map data, approximately one-third of workers in Marshalltown commuted more than 25 miles to work including 21.2 percent more than 50 miles. Just over half (52.5 percent) of all workers in Marshalltown lived less than ten miles from their place of employment.
- Marshall County's At-Place Employment followed a cyclical downward trend and lost 1,194 jobs from 2000 to 2013 (6.6 percent). Following job losses suffered during the most recent national recession, Marshall County has shown signs of stabilization with job growth in two of the last three years; however, only 23.5 percent of the jobs lost from 2007 to 2010 have been recouped.
- Manufacturing is the largest employment sector in Marshall County, accounting for 26.7 percent of all jobs in the county. In comparison, Manufacturing comprises just 9.0 percent of jobs nationally. As would be expected, manufacturers dominate the 25 largest major employers in Marshall County including the single largest employer JBS Swift. With a total employment of 2,300 workers, JBS Swift is nearly twice as large as the next largest employer.



- Marshall County is expected to add 150 to 200 new jobs over the next 18 to 24 months while losing 100 jobs through recently announced economic expansions and contractions. Iowa Premium Beef will also add an initial 500 to 600 jobs to the region (Tama).

3. Growth Trends

The Marshalltown Market Area's population and household bases are projected to grow at a modest pace over the next five years, consistent with trends between the 2000 and 2010 census counts. Older adult and senior households are expected to increase at a faster rate than total households in the Marshalltown Market Area on a percentage basis, based largely on the existing population aging in place.

- Between 2000 and 2010 Census counts, the population of the Marshalltown Market Area grew from 26,434 to 27,970 people, an increase of 1,536 people or 5.8 percent. During the same period, the number of households in the Marshalltown Market Area grew from 10,348 to 10,498, a gain of 150 households or 1.4 percent. Annual population and household growth rates were 0.6 percent (154 people) and 0.1 percent (15 household), respectively.
- Applying annual census growth rates, the Marshalltown Market Area's population is expected to increase by 768 people (2.7 percent) over the next five years while the household base grows by 75 (0.7 percent).
- Older adult and senior households are projected to increase at annual rates of 1.3 percent (55+) and 1.8 percent (62+) through 2019, bringing total households with a householder age 55+ and 62+ to 5,239 and 3,863, respectively. During this period, most (20.1 percent) of the projected older adult/senior household growth is expected to occur in the 65-74 age group.

4. Demographic Trends

The Marshalltown Market Area has a diverse household composition with a relatively even mixture of families with young children, young adults, and seniors. While a sizable portion of the Marshalltown Market Area's households have lower incomes, a notable moderate income household segment also exists among both renters and owners. Though the Marshalltown Market Area continues to be an owner dominated market, the recent trend toward rental housing is expected to continue over the next five years.

- Adults (age 35 to 61) comprise the largest percentage of the Marshalltown Market Area population at 31.5 percent, followed closely by children under the age of 20 (28.0 percent). Among the remaining age cohorts, young adults age 20 to 34 account for 18.9 percent of the Marshalltown Market Area's population while seniors age 65 and older comprise 21.6 percent of the population.
- Approximately 38 percent of all households in the Marshalltown Market Area consist of at least two adults and no children. Roughly one-third of households in the Marshalltown Market Area contain children and 29.5 percent are single persons.
- The Marshalltown Market Area is predominately an owner market with a 2010 homeownership rate of 68.5 percent; however, between the 2000 and 2010 Census counts, the Marshalltown Market Area gained 228 renter households and lost 78 owner households. Esri estimates the Marshalltown Market Area's renter percentage will increase to 32.8 percent over the next five years. Householders age 55 and older are more likely to own than younger households as roughly 80 percent of these older households own their home.



- Older adults and seniors age 55 or older comprise over half (approximately 54 percent) of all owner householders in the Marshalltown Market Area followed by working-age adults (35-54 years) at 32.2 percent.
- Renter householders are notably younger than owner householders in the Marshalltown Market Area, though renters are nearly evenly distributed among age cohorts. Among all renter householders, 37.3 are children/young adults (age 15-34), 32.2 percent are working age adults (age 35-54), and 30.5 percent are older adults/seniors (age 55+).
- Nearly two-thirds of all owner and renter households in the Marshalltown Market Area contain one or two persons; however, owners contain a significantly higher percentage of two person households while renters have a higher percentage of single persons. Three and four person households account for 24.2 percent of Marshalltown Market Area owners while large households (those with five or more persons) comprise 13.3 percent of owner households. Roughly 23 percent of Marshalltown Market Area renter households have three or four persons while 11.5 percent of renters contain 5+ persons.
- Esri estimates the 2014 median household income in the Marshalltown Market Area is \$43,286, which is \$8,128 or 15.8 percent below the \$51,414 median income in the Secondary Market Area. Approximately 38 percent of households have moderate annual incomes (\$35,000 to \$74,999) and 28.3 percent have low annual incomes (\$15,000 to \$34,999). Combined, low and moderate income households comprise nearly two-thirds (65.8 percent) of all households in the Marshalltown Market Area. Of the remaining households in the Marshalltown Market Area, 14.2 percent have very low annual incomes (less than \$15,000) and 20.1 percent have high annual incomes (\$75,000 or more).
- The Marshalltown Market Area's owner median household income of \$54,263 is more than twice the renter median income of \$25,653. Approximately 41 percent of all owner households have moderate annual incomes (\$35,000 - \$74,999) compared to 30.1 percent of renter households. A significantly higher percentage of owner households also reported high incomes (\$75,000+) relative to renter households (28 percent versus 3.8 percent). In contrast, renter households are dominated by low income (35.4 percent) and very low income (30.1 percent) households earning \$15,000 to \$34,999 per year and less than \$15,000, respectively.

5. General Occupancy Rental Analysis

RPRG surveyed seventeen multi-family rental communities located in the Marshalltown Market Area. Of these seventeen rental communities, three are deeply subsidized through the HUD Section 8 program, five are income restricted through the Low Income Housing Tax Credit (LIHTC) program, and nine are market rate. As a significant portion of Marshalltown's existing rental stock is comprised of scattered site rental units, RPRG also surveyed four property management companies to supplement the multi-family rental analysis.

- The multi-family rental market is tight with only seven of 504 stabilized LIHTC and market rate units reported vacant, a rate of 1.4 percent. Among the four stabilized LIHTC communities, four of 112 units were available at the time of our survey, a vacancy rate of 3.6 percent. All 98 units offered at deeply subsidized communities were fully occupied with waiting lists.
- Among market rate/LIHTC communities, effective rents, unit sizes, and rents/square foot are as follows:
 - **Efficiency** units offered at Southern Hills reported an effective rent of \$485. The unit size was not provided. This is the only community to offer efficiency units.



- **One-bedroom** effective rents averaged \$500 per month. The average one-bedroom square footage was 588 square feet, resulting in a net rent per square foot of \$0.85. The range for one-bedroom effective rents was \$285 to \$700.
- **Two-bedroom** effective rents averaged \$628 per month. The average two-bedroom square footage was 795 square feet, resulting in a net rent per square foot of \$0.79. The range for two-bedroom effective rents was \$350 to \$1,035.
- **Three-bedroom** effective rents averaged \$630 per month. The average three-bedroom square footage was 1,175 square feet, resulting in a net rent per square foot of \$0.54. The range for three-bedroom effective rents was \$550 to \$725.
- Scattered site rentals include a variety of unit types which include smaller multi-family apartment buildings, townhomes, duplexes, and single-family detached homes. In general, the surveyed scattered site rental units contained similar characteristics to the multi-family rental stock with no community amenities (except a community laundry area in some instances), and limited unit features. Dishwashers are included in roughly half of surveyed units and washer/dryer connections were not provided at most.
- The four property management companies offer a combined 315 scattered site units, of which 10 or 3.2 percent were reported vacant. Vacancy rates ranged from zero to 6.7 percent, though the 6.7 percent vacancy rate was based on just two actual units at JBI Cooperative Housing.
- Among scattered site units, rent ranges and average rents were as follows:
 - **Efficiency rents** ranged from \$410 to \$415 with an overall average of \$413.
 - **One bedroom rents** ranged from \$350 to \$465 with an overall average of \$439.
 - **Two bedroom rents** ranged from \$535 to \$600 with an overall average of \$578.
 - **Three bedroom rents** ranged from \$600 to \$1,100 with an overall average of \$767.
- The only general occupancy rental units currently in the pipeline in Marshalltown Market Area are eight scattered site rentals under construction by Superior Rentals. Upon completion in early 2015, all of these units will be offered at market rates.

6. Senior Rental Analysis

As part of the Marshalltown Housing Market Assessment, RPRG also examined the senior rental market in Marshalltown. In total, three senior rental communities were surveyed for this analysis including one deeply subsidized property, one LIHTC community, and one assisted living community. Two additional senior rental communities, The Embers (service-enriched independent living) and Glenwood Place (independent/assisted living) were also identified in the Marshalltown Market Area; however, both communities refused/were not able to participate in our survey.

- The LIHTC (Westown) and deeply subsidy (Odd Fellow) senior communities consist of three to five-story mid-rise buildings with elevator access, interior hallways, and senior-oriented features and amenities. Westown is the newest of the two communities (built in 2004) and is located in downtown Marshalltown while Odd Fellow is much older (built in 1984) and is located in the southern portion of the city.
- Westown and Odd Fellow offer 101 combined units all of which were occupied at the time of our survey. Both properties reported waiting lists of unspecified lengths.
- Westown offers 24 one bedroom units and 12 two bedroom units reserved for households earning at or below 60 percent of the Area Median Income (AMI). One bedroom units



reported an effective rent of \$400 with a unit size of 650 square feet and a rent per square foot of \$0.62. Two bedroom units at Westtown had an effective rent of \$605 with a unit size of 900 square feet and a rent per square foot of \$0.67. As Odd Fellow is deeply subsidized, its contract rents do not necessarily reflect current market conditions and are not included in this analysis.

- Bickford of Marshalltown is an assisted living community and contains 38 total units/beds among one and two bedroom floor plans. Base rates, including a minimum level of care, three meals per day, and all utilities, range from \$2,600 for one bedroom units to \$3,450 for two bedroom units. Unit sizes were not provided. At the time of our survey, all 38 units at Bickford at Marshalltown were occupied at the time of our survey with a waiting list of 10 people.

7. For-Sale Analysis

RPRG evaluated MLS data for the city of Marshalltown, including overall trends and recent sales. RPRG also compiled housing data on the four active for-sale communities in the city from the Marshall County Tax Assessor.

- The Marshalltown annual median home price steadily rose from \$67,000 in 2000 to \$95,000 in 2007, before falling in four straight years during the course of the national housing market downturn and recession. In 2012 and 2013, the annual median home price rebounded reaching a new high of \$97,500 in 2013; however, the median home price through the second quarter of 2014 fell back down to levels between the first and second quarter of 2013.
- Marshalltown's annual percentage of sales to listings ranged from 46.8 percent to 67.7 percent from 2000 to 2013. Given a sales to listings ratio of 55 percent or greater is generally considered a "sellers market" and a sales to listings ratio from 35 percent to 54 percent is considered a balanced market, home sales in Marshalltown have been consistently strong throughout the past thirteen years.
- From 2010 to 2014 Q2, an average of 75 homes was sold per quarter in Marshalltown with an average median sales price of \$89,922. The quarterly average Days on Market (DOM) was 62. Quarterly trends in units sold, median sales price, and DOM are as follows:
 - The number of units sold peaked in the second and third quarters of 2013 and has followed a modest upward trend since 2010.
 - Since 2010, the median sales price has been relatively flat in Marshalltown with some moderate seasonal fluctuations.
 - The median Days on Market (DOM) in Marshalltown has gradually declined since 2010 and fell below the overall average DOM for the period (4.5 years) in seven of the last nine quarters.
- Based on monthly sales data over the most recent 12 month period available (July 2013 – June 2014), an average of 40 sales and 213 listings were recorded in Marshalltown. The average Days on Market (DOM) was 72 and the average months of inventory was 5.8. Notable findings/trends by price point are as follows:
 - Noticeably higher sales and listing activity was evident at the lowest (less than \$40,000) and middle (\$100,000 to 199,999) home prices while three of the four highest home price points had fewer sales and listings.
 - The months of inventory for homes listed/sold in Marshalltown over the past year ranged from 2.8 to 9.9 months across all price points. All moderate home price points from \$90,000 to \$199,999 had 0 to 4 months of inventory (sellers market) or



- 5-7 months of inventory (balanced market) while the weakest segments of the market occurred among the three highest price points and six lowest price points (8+ months of inventory)
- Three middle price points (\$80,000 to 99,999 and \$120,000 to \$139,999) and three high price points (\$180,000 to \$259,999 and \$300,000+) had the lowest DOM's, ranging from 35 to 66 days. The two highest DOM's occurred at the \$70,000 to \$79,999 and the \$140,000 to \$169,999 price points, both of which exceeded 100 days on average.
 - Moderately priced homes generally had a greater number of sales and listings, lower months of inventory, and lower Days on Market over the past year. As such, it appears this segment of the market had the most activity and a greater level demand than homes at the top and bottom of the market over the past year.
 - Recent sales/construction prices for single-family home communities with available lots are as follows:
 - **Cross Country Estates** recent sales/construction prices for fully built homes ranged from \$188,720 to \$400,000 with a median of \$246,375.
 - **Sugar Creek Estates** recent sales/construction prices ranged from \$120,972 to \$224,125 with a median of \$161,396.
 - **Glenwood Park** recent sales/construction prices ranged from \$145,000 to \$289,875 with a median of \$188,500.
 - **South Pointe** recent sales/construction prices ranged from \$170,000 to \$229,000 with a median of \$198,000.
 - Cross Country Estates and Glenwood Park are the only two active single-family communities with lots listed for sale. Cross Creek has nine lots listed from \$33,000 to \$43,000 while Glenwood Park has lots listed for \$28,500.
 - Cross Country Estates offers the largest median lot size of all the active for-sale communities with a median acreage of 0.34. Glenwood Park and Sugar Creek Estates offer the next largest lots with median sizes of 0.32 acre and 0.22 acre, respectively. South Pointe has the smallest median lot size of at just 0.15 acre.
 - Combined, the four active for-sale communities had an average median lot size of 0.26 acres, an average median lot price of \$29,238, and an average median lot price per acre of \$113,544.



B. Derivation of Total Rental Demand

1. Methodology

In this section, RPRG presents a Derivation of Demand calculation which is intended to gauge whether sufficient demand from renter households would be available to absorb a proposed rental community and any pipeline rental communities expected to be brought on-line over a coming three-year period.

The three-year period in question for this analysis is January 2015 through January 2018. We restrict the analysis to a three-year period in part to avoid artificially inflating demand by incorporating demand that would not be created until well after the subject project was introduced to the market and in part due to the difficulty in accurately predicting the likely supply of competing rental units beyond the three-year period.

RPRG's Derivation of Demand calculation is a gross analysis, meaning that the calculation balances the demand for new rental housing units of all types (i.e. luxury market-rate, more affordable market-rate, tax credit, and rent-subsidized) versus the upcoming supply of rental housing units of all types. Considerations such as household incomes and the floor plan types and proposed rents for the subject and other pipeline projects are not factored into the Derivation of Demand.

RPRG sums demand generated from three broad sources in order to arrive at 'Total Demand for New Rental Units' over the January 2015 through January 2018 period:

- **Projected Change in the Household Base.** Projections of household change were calculated over the 2014 to 2019 period. From these projections, we then factor in three years of the household change by the annual rate of household growth or decline for the demand analysis period (2015 to 2016, 2016 to 2017, and 2017 to 2018).
- **Need for Housing Stock Upgrades.** Demand for new housing units within the primary market area is generated when the stock of available housing units ceases to meet the housing needs of households that wish to remain residents of that primary market. In such instances, the housing stock needs to be upgraded – either through the renovation of existing units or the construction of new units. That a particular housing unit has ceased to meet the housing needs of a market area's households becomes evident in any number of ways, including physical removal or demolition, permanent abandonment and overcrowding.¹ (Table 39)
- **Competitive Multifamily Vacancy Rates.** The final source of demand that factors into RPRG's calculation of demand for rental units is the observed vacancy rate in the primary market area's competitive rental market. RPRG assumes that a 5.0 percent vacancy rate is required to keep a rental market relatively elastic. Elasticity in this context means that an adequate number of quality housing units are vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units.

¹ American Housing Survey, Components of Inventory Change 2007-2009; Prepared by Econometrica, Inc. for the U.S. Department of Housing & Urban Development's Office of Policy Development & Research; May 2011.



Table 37 CINCH Data

A. Characteristics	C. Present in 2007	D. 2007 units present in 2009	E. Change in characteristics	F. '07 units lost due to conversion /merger	G. '07 house or mobile home moved out	H. '07 units changed to non residential use	I. '07 units lost through demolition or disaster	J. '07 units badly damaged or condemned	K. '07 units lost in other ways	TOTAL Lost to Stock	Total exclude MH	Annual
Total Housing Stock	128,203	126,119		193	411	288	491	302	400	2,085	1,674	837
				0.15%	0.32%	0.22%	0.38%	0.24%	0.31%	1.63%	1.31%	0.65%
Occupancy												
Occupied units	110,692	100,730	8,880	124	263	125	227	130	212	1,081	818	409
				0.11%	0.24%	0.11%	0.21%	0.12%	0.19%	0.98%	0.74%	0.37%
Vacant	13,109	5,072	7,299	60	110	91	204	151	122	738	628	314
				0.46%	0.84%	0.69%	1.56%	1.15%	0.93%	5.63%	4.79%	2.40%
Seasonal	4,402	2,362	1,775	8	38	72	59	21	66	264	226	113
				0.18%	0.86%	1.64%	1.34%	0.48%	1.50%	6.00%	5.13%	2.57%
Region (All Units)												
Northeast	23,505	23,213	49	29	61	33	51	69	292	263	132	
				0.21%	0.12%	0.26%	0.14%	0.22%	0.29%	1.24%	1.12%	0.56%
Midwest	29,602	29,202	58	51	34	110	76	71	400	349	175	
				0.20%	0.17%	0.11%	0.37%	0.26%	0.24%	1.35%	1.18%	0.59%
South	48,881	47,783	48	280	156	287	155	171	1,097	817	409	
				0.10%	0.57%	0.32%	0.59%	0.32%	0.35%	2.24%	1.67%	0.84%
West	26,214	25,920	38	50	37	60	20	88	293	243	122	
				0.14%	0.19%	0.14%	0.23%	0.08%	0.34%	1.12%	0.93%	0.46%
Owner occupied												
Owner occupied	75,647	68,551	6,642	48	124	57	96	40	90	455	331	166
				0.06%	0.16%	0.08%	0.13%	0.05%	0.12%	0.60%	0.44%	0.22%
Renter occupied												
Renter occupied	35,045	27,331	7,086	76	139	68	132	91	122	628	489	245
				0.22%	0.40%	0.19%	0.38%	0.26%	0.35%	1.79%	1.40%	0.70%
Metro Status												
In Central Cities	36,122	35,494	77	48	88	135	139	140	627	579	290	
				0.21%	0.13%	0.24%	0.37%	0.38%	0.39%	1.74%	1.60%	0.80%
In Suburbs	59,794	59,005	80	182	133	187	80	128	790	608	304	
				0.13%	0.30%	0.22%	0.31%	0.13%	0.21%	1.32%	1.02%	0.51%
Outside Metro Area	32,287	31,619	35	180	67	169	83	132	666	486	243	
				0.11%	0.56%	0.21%	0.52%	0.26%	0.41%	2.06%	1.51%	0.75%

Source: American Housing Survey, Components of Inventory Change 2007-2009; Prepared by Ecometrica, Inc. for U.S. Department of Housing & Urban Development Office of Policy Development & Research; May 2011

2. Demand Analysis

In Table 38, we apply the discussion of sources of demand for new rental units to the Marshalltown Market Area. The steps in our Derivation of Rental Demand analysis are as follows:

- An estimate of demand for the subject’s proposed new units is calculated based in part on census projections of household growth in the Marshalltown Market Area. RPRG estimates that there will be 10,558 households in the Marshalltown Market Area as of 2014, a number that is projected to increase to 10,633 households by 2019. Based on this estimate and projection, RPRG calculates that the Marshalltown Market Area will consist of 10,573 households in January 2015 and 10,618 households as of January 2018; thus, the Marshalltown Market Area would gain 45 net households during the three-year study period.
- The second broad source of demand in our analysis is the need for housing stock upgrade. Based on national statistical observations from 2007-2009 Components of Inventory Change (CINCH) data, the average loss of occupied housing units due to all factors except the moving of mobile homes was determined to be 0.37 percent annually. Applying the removal rate to the dwelling unit base over the three years in question, we estimate that a total of 127 units are likely to be lost.
- Adding units removed from the market to net household growth, the net demand for new housing units between August 2014 and 2017 is expected to total 172 units.

**Table 38 Derivation of Demand**

Demand			
<i>Projected Change in Household Base</i>			Units
January 2015 Households			10,573
January 2018 Households			10,618
Net Change in Households			45
Add: Units Removed from Housing Stock	Housing Stock	Removal Rate	Units Removed
2015 Housing Stock	11,428	0.37%	42
2016 Housing Stock	11,444	0.37%	42
2017 Housing Stock	11,460	0.37%	42
Total Units Removed from Housing Stock			127
New Housing Demand			172
Average Percent Renter Households over Analysis Period			66.2%
New Rental Housing Demand			114
Add: Multifamily Competitive Vacancy	Inventory		Vacant
Stabilized Multifamily Communities	819		17
Deep-Subsidy Multifamily Communities	98		0
Subtotal Stabilized Communities	917		17
		currently vacant	Vacant as of Jan 1, 2015
Communities Under Lease Up	49	17	0
Total Competitive Inventory	966		17
Market Vacancy at 5%			48
Less: Current Vacant Units			-17
Vacant Units Required to Reach 5% Market Vacancy			31
Total Demand for New Rental Units			145
Planned Additions to the Supply			
		Total Units	95% Occupancy
Iowa Wholesale		28	27
Superior Rentals		8	8
Total New Rental Supply			36
Excess Demand for Rental Housing			111

Source: RPRG, Inc.



- Between the 2000 and 2010 Census counts, the Marshalltown Market Area gained 228 renter households and lost 78 owner households. This indicates 100 percent of the Marshalltown Market Area's net household growth consisted of renters. Esri also projects this trend to continue through 2019 with 100 percent of net household growth expected to be renters. While trends toward rental housing are evident in both demographic projections and current market conditions, the assumption of a 100 percent rental rate over the next three years appears aggressive given the Marshalltown Market Area as a whole is still largely an owner dominated market (approximately 68 percent in 2014). As such, we have averaged the 100 percent rental rate projected from 2014 to 2019 with the total percentage of renters in the Marshalltown Market Area as of 2016 (32.5 percent). The result of 66.2 percent is the projected rental rate for the demand analysis period from 2015 to 2018. Applying this tenure proportion, the gross demand for rental housing over the three-year period is estimated at 114 units.
- The current competitive supply of stabilized rental units in the Marshalltown Market Area includes a total of 917 units of which 17 or 1.8 percent were vacant. The seventeen vacancies at The Tallcorn, which is currently in lease-up, are also expected to be filled by January of 2015 assuming the property maintains its current lease-up pace of eight units per month. As result, the total competitive inventory will include 966 units and 17 vacancies.
- Typically, it is assumed that a 5.0 percent vacancy rate is required to keep a rental market relatively fluid. There must be some number of quality units vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. Given the market of 966 units, 48 vacancies would be required to arrive at a 5.0 percent vacancy rate. Subtracting the 17 existing vacant units from this number reveals the market could support 31 additional rental units before reaching 5.0 percent vacancy.
- Adding these 31 units to the net demand for rental units, there will be a total demand for 145 additional rental units in the Marshalltown Market Area considering household growth trends, necessary unit replacement, and the preferred structural vacancy rate.
- Total rental demand must be balanced against new rental stock likely to be added between January 2015 and January 2018. Two pipeline communities were identified in the Marshalltown Market Area, which will contain 36 rental units.
- Upon subtracting 95 percent of the expected additions to the supply (34 units) from total demand for new rental units (145 units), we arrive at an excess demand for 111 rental units in the Marshalltown Market Area as of January 2018.
- To avoid overestimating demand, this net demand analysis only factors in vacancies reported at surveyed rental communities; however, if the average vacancy rate among the surveyed rental stock (1.8 percent) was applied to the Marshalltown Market Area's total rental (approximately 3,000) units, the multi-family competitive vacancy component of demand would increase to 96. Consequently, this would result in a total net demand of 176 units. As we were unable to confirm this low vacancy among all scattered sites, we did not include this additional demand in our base demand estimate.

3. Conclusions on Demand

Based on the analysis above, a net demand for 111 rental units will exist in the Marshalltown Market Area through January 2018. With this methodology, a market with a net demand of plus or minus 50 units would be considered to be in relative balance. As such, the Marshalltown Market Area could potentially support as many as 161 rental units over the next three years, which would



be roughly the net demand if the surveyed vacancy rate in the Marshalltown Market Area was applied to the total rental stock.

C. Derivation of Independent Senior Rental Demand

1. Senior Demand Methodology

This section examines potential demand for rental senior housing in the Marshalltown Market Area over a three-year period. Similar to a derivation of demand for general occupancy rental housing, this methodology examines need for rental housing product such as a senior market rate rental community or elderly tax credit community. It does not address demand for retirement housing products that serve frail elderly, including service-enriched independent living, assisted living, continuing care retirement facilities and the like. (In fact, “unhealthy” seniors are factored out of the demand.) Also, as is the case in the general occupancy rental demand, the senior rental demand methodology is not income specific; the impact of pricing and qualified target market is examined within our affordability and penetration analyses.

Demand for new senior rental housing in the market is based on two components: growth in older adult households and removal of housing stock occupied by older adults. Demand from these two components is then adjusted for vacancies at existing senior housing properties in the market. Again, this considers only rental products that address healthy and independent older adults. Older adult households that require assistance with activities of daily living (ADLs) and/or instrumental activities of daily living (IADLs) are then factored out of the demand pool. The overall demand over the three year period is then reconciled against new/planned product serving this market that is projected to come on line over the next three years. The result is a net demand for “independent” senior rental housing in the market.

We note that the underlying dynamics of the supply and demand equation for seniors housing are not the same as for general occupancy rental housing. Whereas the concept in the general occupancy market is that the projected new growth and demand is indicative of true “need” to build additional housing and units to address this demand, this is not necessarily the case with seniors housing. Many older adult households already have a place of residence in the market (as opposed to new households created that need housing) and/or have multiple housing options, which include for-sale arrangements. Furthermore, not all older adult households will elect to relocate into an age-qualified community; in fact, the majority will not. Therefore, there is still an element of choice and a discretionary decision factor to move into such a community that cannot be accounted for in this analysis. Consequently, in our experience it is common via this methodology for a market to exhibit a significant surplus of demand for senior rental housing. For the reasons previously enumerated, this should not be interpreted to mean that this surplus demand for new units can or need to be built in order to meet demand.

2. Senior Demand Analysis

The steps in the derivation of demand for senior rental housing are detailed below (Table 40):

- Per the household trend information discussed previously, Esri estimates that 4,923 households with a householder age 55 or older reside in the Marshalltown Market Area as of 2014. By 2019, Esri projects households with a householder age 55 or older will increase to 5,239. Based on this estimate and projection, RPRG derived the number of households in the market area as of 2014 and 2017 via interpolation. RPRG then computed an estimate of demand for seniors’ rental housing in the Marshalltown Market Area.
- RPRG projects that the number of senior households in the Marshalltown Market Area will increase from 4,923 householders in 2014 to 5,114 householders by 2017. Thus the market area will gain 192 senior households (55+) during this three-year period.



- A number of factors contribute to the removal of housing units. Disasters, such as fires and hurricanes, occur somewhat randomly. However, the decision whether to repair or demolish a unit is based on the economic value of the property. Thus, a unit being permanently lost in a disaster should be correlated with factors such as its age, structure type, and physical condition. Demolitions can also be instigated through the loss of economic value or in response to a situation where vacant land has become more valuable than the land plus its existing structure.
- Based on American Housing Survey data, researchers have analyzed Components of Inventory Change (CINCH). CINCH data indicated that renter-occupied or vacant units were far more likely to be demolished than owner-occupied units (Table 39). Based on two recent years of statistical observations (2007-2009), the average loss was computed at 0.37 percent of the total occupied housing stock per year.
- We determined the size of the elderly-occupied housing stock in 2014, 2015, and 2016 via interpolation of housing stock estimates for 2014 and 2019. Applying the removal rate of 0.37 percent over the three years in question, RPRG estimates that approximately 59 housing units occupied by senior householders (55+) are likely to be lost. Combining this figure with household changes, there will be a total demand for 251 new senior housing units in the market between January 2014 and January 2017.

Table 39 Components of Inventory Change (CINCH) Data

A. Characteristics	C. Present in 2007	D. 2007 units present in 2009	E. Change in characteristics	F. '07 units lost due to conversion /merger	G. '07 house or mobile home moved out	H. '07 units changed to non residential use	I. '07 units lost through demolition or disaster	J. '07 units badly damaged or condemned	K. '07 units lost in other ways	TOTAL Lost to Stock	Total exclude MH	Annual
Total Housing Stock	128,203	126,119		193	411	288	491	302	400	2,085	1,674	837
				0.15%	0.32%	0.22%	0.38%	0.24%	0.31%	1.63%	1.31%	0.65%
Occupancy												
Occupied units	110,692	100,730	8,880	124	263	125	227	130	212	1,081	818	409
				0.11%	0.24%	0.11%	0.21%	0.12%	0.19%	0.98%	0.74%	0.37%
Vacant	13,109	5,072	7,299	60	110	91	204	151	122	738	628	314
				0.46%	0.84%	0.69%	1.56%	1.15%	0.93%	5.63%	4.79%	2.40%
Seasonal	4,402	2,362	1,775	8	38	72	59	21	66	264	226	113
				0.18%	0.86%	1.64%	1.34%	0.48%	1.50%	6.00%	5.13%	2.57%
Region (All Units)												
Northeast	23,505	23,213		49	29	61	33	51	69	292	263	132
				0.21%	0.12%	0.26%	0.14%	0.22%	0.29%	1.24%	1.12%	0.56%
Midwest	29,602	29,202		58	51	34	110	76	71	400	349	175
				0.20%	0.17%	0.11%	0.37%	0.26%	0.24%	1.35%	1.18%	0.59%
South	48,881	47,783		48	280	156	287	155	171	1,097	817	409
				0.10%	0.57%	0.32%	0.59%	0.32%	0.35%	2.24%	1.67%	0.84%
West	26,214	25,920		38	50	37	60	20	88	293	243	122
				0.14%	0.19%	0.14%	0.23%	0.08%	0.34%	1.12%	0.93%	0.46%
Owner occupied	75,647	68,551	6,642	48	124	57	96	40	90	455	331	166
				0.06%	0.16%	0.08%	0.13%	0.05%	0.12%	0.60%	0.44%	0.22%
Renter occupied	35,045	27,331	7,086	76	139	68	132	91	122	628	489	245
				0.22%	0.40%	0.19%	0.38%	0.26%	0.35%	1.79%	1.40%	0.70%
Metro Status												
In Central Cities	36,122	35,494		77	48	88	135	139	140	627	579	290
				0.21%	0.13%	0.24%	0.37%	0.38%	0.39%	1.74%	1.60%	0.80%
In Suburbs	59,794	59,005		80	182	133	187	80	128	790	608	304
				0.13%	0.30%	0.22%	0.31%	0.13%	0.21%	1.32%	1.02%	0.51%
Outside Metro Area	32,287	31,619		35	180	67	169	83	132	666	486	243
				0.11%	0.56%	0.21%	0.52%	0.26%	0.41%	2.06%	1.51%	0.75%

Source: American Housing Survey, Components of Inventory Change 2007-2009; Prepared by Ecometrica, Inc. for U.S. Department of Housing & Urban Development Office of Policy Development & Research; May 2011

- Based on Esri projections, we estimate and apply a renter percentage for households age 55+ and older of 21.3 percent for 2016, with a resulting estimated demand for 53 units of senior rental housing in the market area over the next three years.
- Typically, it is assumed that a 5.0 percent vacancy rate is required to keep a rental market relatively fluid as there must be some number of quality units vacant and available at any given time so that households seeking rental units can be accommodated and can have



some choice among units. Given the market of 139 senior-oriented units, seven vacancies would be required to arrive at a 5.0 percent vacancy rate. As none of surveyed senior rental units are vacant, the market could absorb an additional seven rental units and still have a 5.0 percent vacancy rate.

- Adding these seven units to the demand for senior rental units in the Marshalltown Market Area, there will be a total demand for 60 additional senior rental units in the Marshalltown Market Area considering household growth trends, necessary unit replacement, and the preferred structural vacancy rate.
- To ensure that only “independent” households are considered in demand, we screen out for households that would be dealing with frailty issues. Based upon the National Health Interview Survey data from 2003 - 2007², an estimated 4.2 percent of individuals between the ages of 55 and 64 are limited in terms of IADLs (Instrumental Activities of Daily Living) IADL’s include everyday household chores such as grocery shopping. Additionally, 6.2 percent of individuals 65 to 74 are limited in terms of IADLs, 13.8 percent of individuals 75 to 84 are limited in terms of IADLs, and 35.3 percent of individuals 85 and older are limited in terms of IADLs. Applying these percentages to the 2014 age distribution of the Marshalltown Market Area, we estimate independent living rental units would not be suitable for 10.3 percent of the age 55+ households in the market area. Thus we apply to the Senior Rental Demand screen of 89.7 percent to factor out for frailty and the population that would be seeking housing that addresses these frailty issues. This yields a total “independent” Senior Rental Demand of 54 units.
- One senior rental community (Marshalltown Senior Residences) was identified in the pipeline within the Marshalltown Market Area. As such, 95 percent of its proposed 28 units (27 units) was subtracted from demand estimates. The end result is an excess demand for 28 units of rental housing for independent seniors in the Marshalltown Market Area.

3. Conclusions on Senior Demand

The independent senior rental market for households with a householder age 55 or older is in relative balance with an excess demand for 28 senior rental units.

² Centers for Disease Control and Prevention, Limitations in Activities of Daily Living and Instrumental Activities of Daily Living, 2003-2007.



Table 40 Derivation of Senior Demand

Senior Rental Demand					
I. 55+ Household Growth					Units
2014 Households					4,923
2017 Households					5,114
Net Change in Households					192
II. Add: Elderly Units Removed from Market					
	55+ Hsg Stock	Annual Removal Rate	Annual Units Removed	Analysis Period (Years)	
Assumed Housing Stock (2014)					59
5,321					
0.370%					
20					
3					
Net New Demand for Elderly Units					251
Percent 55+ Renter Households in 2016					21.3%
Net New Demand for Elderly Renter Units					53
III. Add: Senior Apartment Vacancy					
		Inventory		Vacant	
Stabilized Senior Rental Communities (Market and LIHTC)		74		0	
Stabilized Elderly Deep Subsidy Communities		65		0	
Subtotal Stabilized Communities		139		0	
Market Vacancy at 5%				7	
Less: Current Vacant Units				0	
Vacant units required to reach 5% Market Vacancy					7
Total Senior Rental Demand					60
Adjustment for Frailty (55+ No Limitation with IADL or ADL)				89.7%	
Total "Independent" Senior Rental Demand					54
Planned Competitive Additions to the Supply					
			Total Units	95% Occupancy	
Marshalltown Senior Residences			28	27	
Total New "Independent" Senior Rental Supply				28	27
Excess Demand for "Independent" Senior Rental Housing					28

Source: Real Property Research Group, Inc.



D. Additional Sources of Demand

1. Demand Methodology

In this section, RPRG presents a Derivation of Demand calculation intended to quantify additional sources of potential housing demand over a projected three year period. The demand model is based on two components – Planned job growth in the region (50 to 150 new jobs in Marshalltown and 500 to 600 new jobs in Tama) and the potential relocation of existing in-commuting workers to the Marshalltown Market Area. The three-year period in question for this analysis is from January 2015 through January 2018. We restrict the analysis to a three-year period in part to avoid artificially inflating demand by incorporating demand that would not be created until well after new housing was introduced to the market and in part due to the difficulty in accurately predicting the likely supply of housing units beyond the three-year period. For the purposes of the in-commuter demand component, we utilized LED on the Map Data from 2007 to 2011, U.S. Census Bureau figures, and Esri estimates and projections.

2. Demand Analysis

In Table 41, we apply the sources of demand for new housing units (discussed above) to the Marshalltown Market Area. The first major component of demand is Planned Job Growth. The steps for deriving demand from planned job growth are as follows:

- Three companies in Marshalltown have privately announced plans to add between 150 and 250 new jobs within the next 18 to 24 months. One manufacturer (Lennox) also announced the closure of a manufacturing line, which will result in the loss of 100 jobs in Marshalltown during the same period. The net expected gain is 50 to 150 jobs in Marshalltown over the three year analysis period.
- To account for the significant percentage of workers in Marshalltown who live elsewhere, we apply the percentage of workers that both live and work in Marshalltown to net local job growth. As of 2011 LED On the Map data, this percentage was 43.9 percent. The resulting housing demand from local job growth is 22 to 66 housing units.
- Iowa Premium Beef also is expected to add 500 to 600 new jobs at a new processing plant in the nearby city of Tama, approximately 20 miles east of Marshalltown. Given Tama and its sister city Toledo only have populations of roughly 3,000 residents (as of the 2010 Census), it is likely a significant portion of the new plant's workforce will need to come from the region. As the closest and largest city to Tama, Marshalltown is likely to see additional housing demand as a result.
- Similar to local job growth demand, we apply the percentage of workers who live in Marshalltown and commute distances between 10 and 24 miles to work (thee approximate distance of the plant from Marshalltown). In 2011, this was 5.5 percent. The resulting housing demand from regional job growth is 43 to 85 housing units.
- Combining local and regional projected job growth demand over the three year analysis period, we arrive at total job growth demand for 49 to 99 housing units. To be conservative, we then apply the average number of workers per household of 1.16 in the state of Iowa (as of the 2010 Census) to account for members of the same household accounting for multiple jobs in our demand estimate. The total adjusted demand from projected job growth is 43 to 85.

The second major component of housing demand is in-commuting workers that would consider relocating to the Marshalltown Market Area if suitable housing options were available. The steps for deriving demand from in-commuters are as follows:



- From 2007 to 2011, the percentage of workers who lived and worked in Marshalltown increased by 0.6 percent from 2007 to 2008, decreased by 0.8 to 3.0 percent from 2008 to 2010, and increased again by 0.3 percent from 2010 to 2011 (Table 42). The significant decrease in workers living and working in Marshalltown from 2008 to 2010 was due largely to jobs lost during the recent national recession. Given Marshall County's recent economic stabilization over the past three years, we believe the 0.3 percent increase in workers living and working in Marshalltown from 2010 to 2011 is a reasonable expectation over the three year analysis period.
- If 0.3 percent of in-commuters relocated to Marshalltown each year, a total of 0.9 percent of in-commuters would relocate over the three year analysis period. Applying this percentage to the 8,262 workers who commuted more than ten miles to the Marshalltown Market Area for work results in a total in-commuter demand for 74 housing units.
- As with job growth demand, we conservatively divide the total in-commuter demand by 1.16 workers per household to get a total in-commuter demand of 64.

Combining demand from each major component over the analysis period, housing demand is as follows:

- Adding the demand from planned job growth (43 to 85 households) with the demand from in-commuting workers willing to relocate to the Marshalltown Market Area (64 households), the total projected housing demand in the Marshalltown Market Area through January of 2018 is 107 to 149 units.

Table 41 Derivation of Demand

Additional Sources of Housing Demand (Marshalltown Market Area)			
1. Demand from Projected Job Growth			
Local Job Growth:		Low	High
Private Job Announcements	+	150	250
Lennox Announced Closure	-	100	100
Net Local Job Growth	=	50	150
Percentage of Workers Residing in Marshalltown	*	43.9%	43.9%
Adjusted Local Growth	=	22	66
Regional Job Growth:		Low	High
Iowa Premium Beef Opening		500	600
Out-Commute Percentage	*	5.5%	5.5%
Adjusted Regional Job Growth	=	28	33
Gross Job Growth Demand		49	99
Avg. Workers Per HH in IA	*	1.16	1.16
Total Job Growth Demand	=	43	85
2. Demand from Commuter Relocation			
In-Commuting Workers		8,262	8,262
Commute Percentage - 3 years	*	0.9%	0.9%
Total In-Commuter Pool	=	74	74
Avg. Workers Per HH in IA (2010)	*	1.16	1.16
Total In-Commuter Demand	=	64	64
Total Demand		107	149

Source: RPRG, U.S. Census Bureau, Esri

Table 42 Live/Work Percentages in Marshalltown, 2007 to 2011

Live/Work Percentages in Marshalltown, 2007 to 2011						
	2007	2008	2009	2010	2011	Average
Worker Percentage	46.80%	47.40%	44.40%	43.60%	43.90%	45.22%
Change in Percentage	-	0.60%	-3.00%	-0.80%	0.30%	-0.73%

Source: U.S. Census Bureau, LED On the Map Data

3. Distribution of Demand by Tenure

To determine how much of the projected housing demand in the Marshalltown Market Area will be for rental and owner-occupied units, RPRG utilized projected rental and ownership rates (as of the 2010 Census) in the Marshalltown Market Area and the Secondary Market Area (Table 43).

To estimate the tenure distribution of projected demand, we averaged the renter percentage of the Marshalltown Market Area (100 percent) and the Secondary Market Area (28.3 percent) between the 2000 and 2010 Census counts. The reason for this is twofold – the Secondary Market Area is the most likely area from which households relocating to Marshalltown will originate and we wanted to balance the recent trends toward rental housing in the Marshalltown Market Area with the heavier instance of homeownership found in the Secondary Market Area. The result is a projected rental to ownership rate of 64.15 percent to 35.85 percent, respectively.

Based on these tenure proportions, potential demand from expected job growth and in-commuter relocation in the Marshalltown Market Area is 69 to 96 rental units and 38 to 53 owner units through January of 2018.

Table 43 Projected Demand Distribution by Tenure

Additional Housing Demand Distribution by Tenure			
Renter Demand:		Low	High
Total Demand		107	149
Renter Percentage	*	64.15%	64.15%
Average renter percentage (MMA and SMA)	=	69	96
Owner Demand:		Low	High
Total Demand		107	149
Owner Percentage	*	35.85%	35.85%
Average owner percentage (MMA and SMA)	=	38	53
Total Rental Demand		69	96
Total Owner Demand		38	53

Source: RPRG, U.S. Census Bureau, Esri

4. Conclusions on Demand

Based on expected job growth over the next 18 to 24 months and possible in-commuter relocation, additional demand of 107 to 149 housing units may exist in the Marshalltown Market Area over the next three years. It is important to note, however, these sources of demand are subject to variety of market factors and assumptions, which are a traditionally less accurate measure than the previously detailed demand methodologies for general occupancy and senior rental housing.



E. Product Recommendations

Based on projected household growth, the existing housing stock, demographics of the region, planned job growth, and current market conditions, demand exists for both rental and for-sale housing in Marshalltown over the next three years. General product recommendations and pricing for rental and for-sale housing opportunities are presented below.

1. Affordable Rental Housing

Low income households (earning from \$25,000 to \$49,999) and very low income households (less than \$15,000) will be the two largest segments of renters in the Marshalltown Market Area as of 2016, accounting for 33.7 percent and 31.4 percent of all renter households, respectively. Based on expected job growth in Marshalltown and the region over the next two years, which will include hundreds of lower-wage manufacturing jobs, these numbers are likely to increase beyond those already projected. At the time of this report, the five stabilized general occupancy Low Income Housing Tax Credit communities surveyed reported an aggregate vacancy rate of just 3.6 percent based on only four vacant units. This occurred while the Tallcorn, which opened in April 2014, leased-up at an average rate of eight units per month without negatively impacting existing LIHTC properties. Both HUD Section 8 communities surveyed were also fully occupied with extensive waiting lists. Taking projected household trends, job growth, and current market conditions into account, the demand for affordable rental housing, targeting both low and very low income households, will remain strong in the Marshalltown Market Area over the next three to five years.

2. Market Rate Rental Housing

The next largest segment of renters in the Marshalltown Market Area are moderate income renters (earning from \$35,000 to \$74,999), which will account for 30.6 percent of all renter households as of 2016. Combined with the small percentage of upper income renters (4.3 percent as of 2016) earning more than \$75,000 annually, these renter households comprise the market rate segment of the market. Among multi-family market rate rental communities surveyed, just three of 392 rental units were reported vacant, a rate of 0.8 percent. The 315 scattered site rentals surveyed also reported a low vacancy rate of 3.2 percent. Overall, these households are among the most underserved by the existing rental stock in Marshalltown, as quality market rate rental options are very limited. The average year built among the multi-family market rate properties surveyed was 1972 compared to 2002 among LIHTC communities. Many of these rental units are in average to below average condition and lack modern features and amenities including a portion of units without dishwashers in the kitchen and most without washer/dryer connections. Given moderate and upper income renter households have more flexibility, these households are more likely to consider alternative housing options in other communities and commute if sufficient housing options are not available in Marshalltown. This current need for additional market rate rental housing is also likely to increase over the next three to five years, as job growth is likely to add some additional moderate to income households, and current tenure trends indicate a greater percentage of households are deciding to rent rather than own.

3. Rental Product Recommendations:

- **Townhomes/Attached Homes** - Townhome units or attached homes (duplexes, tri-plexes, etc.) would be an ideal product type for market rate rental housing in Marshalltown. They would fit well with the existing housing stock and overall character of development within the city, while providing additional space generally required by moderate and upper income households and the potential for an attached garage. We would recommend offering a combination of two and three bedroom floor plans, skewed somewhat more heavily towards two bedroom units to accommodate the higher number of smaller renter households in the Marshalltown Market Area. Each unit should offer roughly 1,000 to 1,400



- square feet, standard kitchen appliances (refrigerator, range/oven, dishwasher, and, garbage disposal), and washer/dryer connections. The inclusion of an attached garage would also be highly desirable, but not mandatory. The inclusion of extensive community amenities would not be essential to community to success; however, providing an outdoor amenity such as a picnic/barbeque area and/or playground for families would be beneficial. The target market of this product type would include couples, roommates, and small families.
- **Garden-style Apartments** – The existing multi-family rental stock in the Marshalltown Market Area, including both LIHTC and market rate communities, is performing well despite its older age and average condition. As such, we believe a newly constructed garden-style apartment community with modern finishes, larger unit-sizes, and minimal community amenities would be attractive to renter households of all income levels living in or moving to the Marshalltown Market Area. We would recommend a garden-style community consisting of two to three story buildings with modern exteriors. The community should offer one, two, and three bedroom floor plans with approximate unit sizes of 650-750 square feet, 850-1,150 square feet, and 1,100-1,300 square feet, respectively; however, if the community is designed to serve lower income households, we would recommend a much higher proportion of larger units including some four bedroom units to accommodate very large households (11.5 percent of renter households as of 2010) in the Marshalltown Market Area. Overall, garden-style apartments will appeal to a wide variety of households including single persons, couples, roommates, and small to large families.
 - **Mixed-Use/Adaptive Reuse** – In addition to the housing options described above, Marshalltown offers some opportunities for adaptive reuse and mixed-use housing in downtown including the current site of the Marshalltown Medical and Surgical Center and upper floors of commercial buildings along Main Street. Given the proximity to retail and unique architecture, upper floors of commercial buildings in downtown are ideally suited for loft-style apartments appealing to young professionals. We would recommend these units primarily consist of one bedroom units with a small number of two bedroom units to accommodate couples and include modern unit features, appliances, and high ceilings if possible. Adaptive reuse communities in downtown Marshalltown could potentially accommodate a wide range of housing types, including both LIHTC (similar to Tallcorn, Westown, and Marshalltown Senior Residences) and market rate communities. Like our previous recommendations, LIHTC communities should contain higher proportions of two and three bedroom units though not quite to the degree of garden-style community. Conversely, market rate units should primarily target smaller households including young professionals and single person working age adults. Given its size and prominent frontage along Main Street, the Marshalltown Medical and Surgical Center would be ideally suited for mixed-use development with residential and commercial components. Given the unique nature of the buildings and the redevelopment process, a unit mix and rents for an adaptive reuse community would vary widely depending upon the design and target market of the property.

4. Rental Pricing Recommendations:

Assuming an appropriate product based on the recommendations above, RPRG judges a new market rental community in Marshalltown can be priced at or near the top of the rental market. Regardless of product type and location, a newly constructed rental community will be attractive to prospective renters in and around the Marshalltown Market Area and will be among the best in the market upon construction. The pent up demand for new rental housing in and around the Marshalltown Market Area along with upcoming job growth will also help support the community's price position. Among the product types recommended, townhome/attached homes may have the highest achievable rents due to the increased levels of privacy, larger unit sizes, access to a yard, and potentially an



attached garage; however, achievable rents would heavily depend on the exact site and design of the community. As such, we have included general recommended rents not specific to particular housing type.

For an affordable housing community, the price position for 60 percent LIHTC units could be close to those for a market rate community as 2014 maximum allowable rents (net of utilities) for Marshall County is high relative to prevailing market rents; however, to effectively target low to moderate income households and improve income qualification we would recommend rents approximately ten percent below maximum thresholds for 60 percent units (comparable to Marshalltown Sundance and Hillcrest) and 50 percent units. Any LIHTC units offered below 50 AMI percent can be at maximum levels. Given the large number of low and very low income households, we would recommend an LIHTC unit mix including some units targeting households at lower AMI levels such as those at 30 percent, 40, percent and 50 percent of AMI, if possible.

Below are RPRG’s recommended rents for a sample 48-unit community of each product type, assuming that residents are responsible for all utilities except the cost of water/sewer and trash removal. For the purposes of the LIHTC recommendations, we have shown a unit mix targeting multiple household sizes and income levels to demonstrate the affordability of various units; however, this is just one example of multiple LIHTC unit mixes and income targeting combinations that would be feasible in the Marshalltown Market Area.

Table 44 RPRG Recommended LIHTC Rents, Marshalltown Market Area

Unit Type	AMI Level	Units	Bed	Bath	Square Feet	Net	
						Rent	Rent/Sq Ft
LIHTC	30%	1	1	1	700	\$251	\$0.36
LIHTC	50%	2	1	1	700	\$425	\$0.61
LIHTC	60%	9	1	1	700	\$530	\$0.76
LIHTC	30%	2	2	2	850	\$294	\$0.35
LIHTC	50%	3	2	2	850	\$500	\$0.59
LIHTC	60%	12	2	2	850	\$630	\$0.74
LIHTC	30%	1	3	2	1,150	\$331	\$0.29
LIHTC	50%	3	3	2	1,150	\$575	\$0.50
LIHTC	60%	10	3	2	1,150	\$715	\$0.62
LIHTC	30%	1	4	2	1,300	\$370	\$0.28
LIHTC	50%	1	4	2	1,300	\$645	\$0.50
LIHTC	60%	3	4	2	1,300	\$800	\$0.62
Total/Avg.		48			947	\$586	\$0.62

Rents include: water/sewer and trash removal

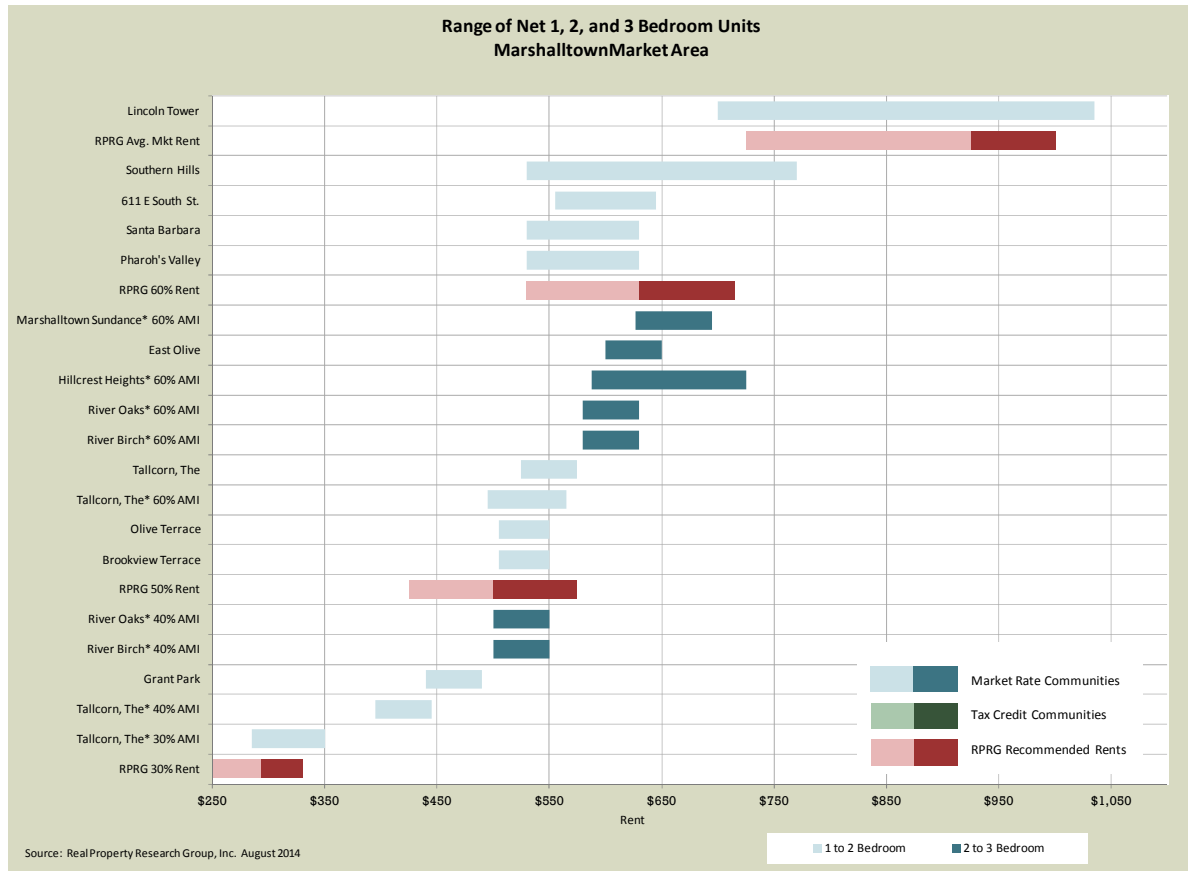
Table 45 RPRG Recommended Market Rate Rents, Marshalltown Market Area

Unit Type	Units	Bed	Bath	Square Feet	Rent		Avg.
					Low	High	Rent/Sq. Ft.
Market	19	1	1	800	\$650	\$750	\$0.88
Market	22	2	2	1,050	\$850	\$1,000	\$0.88
Market	7	3	2	1,200	\$950	\$1,050	\$0.83
48							

Rents include: water/sewer and trash removal



Table 46 Price Position of Recommended Rents





5. For-Sale Housing

The majority of the existing for-sale housing stock in the Marshalltown Market Area is of a significantly older vintage, as 86.9 percent of all owner occupied housing units were built prior to 1970 and 57.3 percent were built prior to 1950. The quality of these units varies significantly, though many are in what would be considered below average to poor condition. Over the past decade, the Marshalltown Market Area experienced limited for-sale housing growth with an average of 21 units permitted per year (2000 to 2013). Most of the newly constructed (since 2000) for-sale units have targeted the highest income households, as evidenced by the newest for-sale communities in the city. Taking all of these factors into account, the Marshalltown Market Area will have modest demand for quality housing units targeting moderate to upper income households over the next three to five years. Over the next three years, housing demand from moderate and upper income households is also likely to increase as new workers from planned job growth and current in-commuters consider a move to Marshalltown.

6. For-Sale Housing Recommendations:

- **Single-Family Detached Homes** – Single-family detached homes are the most common owner occupied housing units in the Marshalltown Market Area and would be the most desirable product type for new for-sale housing units. Given the relatively high land and construction costs in Marshalltown, however, single-family detached homes would need to be somewhat smaller in size to be priced reasonably for moderate income households. We would recommend building three bedroom homes offering roughly 1,800 to 2,200 of finished square feet. At a minimum, the homes should include attractive exterior features (brick/stone accents), attached garages, standard kitchen appliances (refrigerator, range/oven, dishwasher, and, garbage disposal), washer/dryer connections, a patio/deck, and an unfinished basement. The target market of this product type would primarily be couples and small to large families.
- **Townhomes/Attached Homes** - Townhome units or attached homes (duplexes, tri-plexes, etc.) are best suited for moderate income households, offering a semi-detached product with a partial yard and more privacy but a smaller more affordable housing unit overall. Attached homes and townhomes would be well received in the community and could target middle income price points. These unit types also require less land for development and can work as both a separate community or as an infill development, if necessary. We would recommend two-story units for townhomes and one to two-story units for attached homes with attractive exterior features (brick/stone accents), attached garages, standard in-unit kitchen appliances (refrigerator, range/oven, dishwasher, and, garbage disposal), washer/dryer connections, and patios. Units should include both two and three bedroom floor plans with approximate sizes ranging from 1,000 to 1,200 square feet and 1,400 to 1,600 square feet, respectively. The target market of this product type would include couples, roommates, and small to large families.
- **Condominiums/Cooperatives** – A handful of condominium communities exist in Marshalltown, including one mid-rise community constructed in the 1980's and one senior housing cooperative built within the last five years. While condominiums offer another avenue for moderate income households to enter into home ownership, this product type is not as common and does not fit as well with the lower density housing that dominates Marshalltown. While some demand may exist for condominium units in the Marshalltown Market Area, we believe the product types previously discussed are a better fit for the market at this time. The risk associated with condominium development is greater than a low density product given the larger pool of potential buyers.



7. For-Sale Housing Price Projections:

Assuming an appropriate product based on the recommendations above, RPRG's recommended prices for each product type are as follows:

Table 47 RPRG Recommended Sales Prices, Marshalltown Market Area

For-Sale Units - Recommended Pricing						
Product Type	Bed	Bath	Square Feet	Base Price	*Sales Price	Sales Price/Sq. Ft.
Townhome	2	1.5	1,000	\$80,000	\$92,000	\$92.00
Townhome	2	1.5	1,200	\$95,000	\$109,250	\$91.04
Townhome	3	2.5	1,400	\$110,000	\$126,500	\$90.36
Attached Home	3	2.5	1,400	\$120,000	\$138,000	\$98.57
Attached Home	3	2.5	1,600	\$135,000	\$155,250	\$97.03
Detached Home	3	2.5	1,800	\$165,000	\$189,750	\$105.42
Detached Home	3	2.5	2,200	\$195,000	\$224,250	\$101.93
Average				\$128,571	\$147,857	\$96.62

*Increased by 15 percent for options

The pricing and unit sizes of each product type are based on recent sales data (May to August of 2014) and the pricing of newly constructed homes from the past five years (2009-2014), with an average sales price of \$96.62 per square foot. These newly constructed for-sale units will be competitive in the market place and attractive to prospective moderate and upper income owner households living in and around the Marshalltown Market Area.

8. Senior Rental Housing

Based on net demand estimates, household growth projections, and the demographic characteristics of the Marshalltown Market Area, demand for an additional 25 to 30 independent senior rental units will exist over the next three years driven primarily from existing residents aging in place. Upcoming job growth and the potential relocation of in-commuting workers is also unlikely to have a significant impact on the Marshalltown Market Area's senior household base. While a demand for both affordable and market rate senior rental units is evident in the market, the LIHTC community Marshalltown Senior Residences will address the affordable side of senior rental upon its completion in early 2015. As such, we recommend any additional senior rental development over the next three years focus on market rate rental units. Due to wide range in senior housing types, target markets, pricing, and services offered as well as the limited information available from senior housing communities in the Marshalltown Market Area, we have not made any specific recommendations regarding unit types or pricing; however, senior market rate units could include a variety senior housing options including general apartments, service-enriched independent living units, and assisted living units.

F. Affordability Analysis

1. Methodology

To understand the depth of the market for rental and for-sale units at their proposed price positions, RPRG has conducted a series of affordability analyses reflecting the potential demand from the Marshalltown Market Area and the Secondary Market Area. For rental housing, the affordability analysis reflects the number of income qualified households and income qualified renter households who could afford to rent a unit at each of three product types recommended.



The first component of the affordability analyses involves looking at total income and renter income among Marshalltown Market Area for the target year. We anticipate that the earliest potential rental or for-sale units could be placed in service is in 2016.

Using 2016 as our target year for this analysis, RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2008-2012 American Community Survey with estimates and projected income growth since the Census (Table 48).

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household’s ‘gross rent burden’. For the rental analysis, RPRG employs a 35 percent gross rent burden; however, the for-sale affordability analysis uses a 25 percent rent burden to account for tighter lending restrictions and homeowners’ unwillingness to take on a higher percentage of debt relative to their income.

For the purposes of the rental analysis, we have artificially capped market rate units at 120 percent of the AMI. LIHTC units are limited to 60 percent of the AMI. Utility allowances are estimated at \$85 for one bedroom units, \$110 for two bedroom units, \$135 for three bedroom units, and \$150 for four bedroom units.

Table 48 2016 Income Distribution, Marshalltown Market Area

Marshalltown Market Area		Total Households		Owner Households		Renter Households	
		#	%	#	%	#	%
less than	\$15,000	1,486	14.0%	407	5.7%	1,079	31.4%
	\$15,000 \$24,999	1,167	11.0%	575	8.0%	591	17.2%
	\$25,000 \$34,999	1,605	15.2%	1,039	14.5%	566	16.5%
	\$35,000 \$49,999	1,416	13.4%	980	13.7%	435	12.7%
	\$50,000 \$74,999	2,472	23.3%	1,855	25.9%	617	17.9%
	\$75,000 \$99,999	1,018	9.6%	886	12.4%	132	3.8%
	\$100,000 \$149,999	993	9.4%	985	13.8%	8	0.2%
	\$150,000 Over	432	4.1%	422	5.9%	10	0.3%
Total		10,588	100%	7,150	100%	3,438	100%
Median Income		\$45,976		\$57,723		\$25,858	

Source: American Community Survey 2008-2012 Projections, RPRG, Inc.



2. Rental Affordability Analysis – LIHTC Units

The affordability analysis is based on the proposed rents for each product type recommended in the Marshalltown Market Area. The steps in the affordability analysis (Table 49 and Table 50) are as follows:

- Looking at LIHTC units, the overall average shelter cost for a one bedroom 30 percent unit would be \$336 (\$251 shelter rent plus an \$85 allowance to cover all utilities other than water/sewer and trash removal).
- By applying a 35 percent rent burden to this gross rent, we determined that a one bedroom 30 percent unit would be affordable to households earning at least \$11,520 per year. The projected number of Marshalltown Market Area households earning at least this amount in 2016 is 9,447.
- Assuming an average household size of 1.5 persons per bedroom, the maximum income limit for a one bedroom unit at 30 percent AMI would be \$13,440. According to the interpolated income distribution for 2016, 9,256 households in the Marshalltown Market Area will have incomes exceeding this income limit.
- Subtracting the 9,256 households with incomes above the maximum income limit from the 9,447 households that could afford to rent this unit, RPRG computes that an estimated 190 households in the Marshalltown Market Area are in the band of affordability for one bedroom 30 percent units. The one 30 percent one bedroom unit in this example would need to capture 0.5 percent of all income-qualified households to lease-up.
- RPRG next tested the range of qualified households that are renters and determined that 2,609 renter households could afford a one bedroom 30 percent unit. Of these, 2,471 have incomes above the maximum income of \$13,440. The net result is 138 renter households within our income band. The one 30 percent one bedroom unit would need to capture 0.7 percent of income-qualified renter households to lease-up.
- Using the same methodology, the renter capture rate for all other proposed floor plans in this example range from 0.2 percent to 3.1 percent.
- RPRG also tested the affordability of units by AMI level and for the community as a whole. Renter capture rates by income level were 0.8 percent for 30 percent units, 0.9 percent for 50 percent, and 3.4 percent for 60 percent units.
- At recommended rents, a 48 unit LIHTC community with units restricted to households earning up to 30 percent, 50 percent, and 60 percent of the AMI would need to capture 1.3 of all income qualified households and 3.0 percent of income qualified renter households to lease up. In most markets, an affordability capture rate is ten percent or less is generally considered acceptable/achievable for a general occupancy LIHTC community. With ten percent affordability capture rates, the Marshalltown Market Area could support up to 59 thirty percent units, 99 fifty percent units, 99 sixty percent units, and 160 total LIHTC units in 2016.

3. Rental Affordability Analysis – Market Rate Units

Using the same methodology as the LIHTC affordability analysis, RPRG conducted an affordability analysis for market rate rental units in the Marshalltown Market Area. While market rate units do not technically have a maximum income limit, we have restricted market rate units to 120 percent AMI for the purposes of this analysis. Above 120 percent of AMI, households may consider home ownership as an alternative housing option.

- At recommended rents, a 48-unit market rate rental community with one, two, and three bedroom units would target households earning from \$27,817 to \$74,520. Within this income range, 4,933 total households and 1,477 renter households would be income



qualified for one or more units. The market rate rental community would need to capture 3.3 percent of all income-qualified renter households to lease-up.

- Assuming an achievable affordability capture rate threshold of ten percent, the Marshalltown Market Area could support up to 145 total market rate units as of 2016.

Table 49 LIHTC Affordability Analysis, Marshalltown Market Area

30% Units	One Bedroom		Two Bedroom		Three Bedroom		Four Bedroom	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Number of Units	1		2		1		1	
Net Rent	\$251		\$294		\$331		\$370	
Gross Rent	\$336		\$404		\$466		\$520	
% Income for Shelter	35%		35%		35%		35%	
Income Range (Min, Max)	\$11,520	\$13,440	\$13,851	\$16,140	\$15,977	\$18,630	\$17,829	\$20,790
Total Households								
Range of Qualified Hslds	9,447	9,256	9,216	8,969	8,988	8,678	8,772	8,426
# Qualified Households	190		247		309		345	
Total HH Capture Rate	0.5%		0.8%		0.3%		0.3%	
Renter Households								
Range of Qualified Hhlds	2,609	2,471	2,442	2,292	2,301	2,144	2,192	2,017
# Qualified Hhlds	138		150		157		175	
Renter HH Capture Rate	0.7%		1.3%		0.6%		0.6%	

50% Units	One Bedroom		Two Bedroom		Three Bedroom		Four Bedroom	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Number of Units	2		3		3		1	
Net Rent	\$425		\$500		\$575		\$645	
Gross Rent	\$510		\$610		\$710		\$795	
% Income for Shelter	35%		35%		35%		35%	
Income Range (Min, Max)	\$17,486	\$22,400	\$20,914	\$26,900	\$24,343	\$31,050	\$27,257	\$34,650
Total Households								
Range of Qualified Hslds	8,812	8,239	8,412	7,630	8,012	6,964	7,573	6,386
# Qualified Households	573		782		1,048		1,187	
Unit Total HH Capture Rate	0.3%		0.4%		0.3%		0.1%	
Renter Households								
Range of Qualified Hhlds	2,212	1,921	2,009	1,660	1,807	1,425	1,640	1,222
# Qualified Hhlds	291		349		381		418	
Renter HH Capture Rate	0.7%		0.9%		0.8%		0.2%	

60% Units	One Bedroom		Two Bedroom		Three Bedroom		Four Bedroom	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Number of Units	9		12		10		3	
Net Rent	\$530		\$630		\$715		\$800	
Gross Rent	\$615		\$740		\$850		\$950	
% Income for Shelter	35%		35%		35%		35%	
Income Range (Min, Max)	\$21,086	\$26,880	\$25,371	\$32,280	\$29,143	\$37,260	\$32,571	\$41,580
Total Households								
Range of Qualified Hslds	8,392	7,633	7,876	6,767	7,270	6,117	6,720	5,709
# Qualified Households	758		1,109		1,153		1,011	
Unit Total HH Capture Rate	1.2%		1.1%		0.9%		0.3%	
Renter Households								
Range of Qualified Hhlds	1,999	1,661	1,747	1,356	1,533	1,136	1,339	1,011
# Qualified Renter	338		391		397		328	
Renter HH Capture Rate	2.7%		3.1%		2.5%		0.9%	

Income Target	Units	All Households = 10,588					Renter Households = 3,438		
		Income Households	Band of Qualified Hhlds	# Qualified HHs	Capture Rate	Income Households	Band of Qualified Hhlds	# Qualified HHs	Capture Rate
30% Units	5	\$11,520	\$20,790	1,020	0.5%	\$11,520	\$20,790	593	0.8%
50% Units	9	\$17,486	\$34,650	2,426	0.4%	\$17,486	\$34,650	990	0.9%
60% Units	34	\$21,086	\$41,580	2,683	1.3%	\$21,086	\$41,580	988	3.4%
Total Units	48	\$11,520	\$41,580	3,738	1.3%	\$11,520	\$41,580	1,599	3.0%

Source: 2010 U.S. Census, Esri, Estimates, RPRG, Inc.



Table 50 Market Rate Affordability Analysis, Marshalltown Market Area

120% Units	One Bedroom		Two Bedroom		Three Bedroom		No Data	
Number of Units	19		22		7		0	
Net Rent	\$726		\$925		\$1,007		--	
Gross Rent	\$811		\$1,035		\$1,142		--	
% Income for Shelter	35%		35%		35%		35%	
Income Range (Min, Max)	\$27,817	\$53,760	\$35,486	\$64,560	\$39,159	\$74,520	na	0
Total Households								
Range of Qualified Hslds	7,483	4,543	6,284	3,475	5,937	2,490	0	0
# Qualified Households	2,941		2,809		3,447		0	
Total HH Capture Rate	0.6%		0.8%		0.2%		na	
Renter Households								
Range of Qualified Hhlds	1,608	674	1,188	407	1,081	161	0	0
# Qualified Renter	935		781		920		0	
Renter HH Capture Rate	2.0%		2.8%		0.8%		na	

Income Target	Units	All Households = 10,588					Renter Households = 3,438			
			Band of Qualified Hhlds		# Qualified HHs	Capture Rate	Band of Qualified Hhlds		# Qualified HHs	Capture Rate
		Income Households	\$27,817	\$74,520			\$27,817	\$74,520		
Total Units	48		7,483	2,490	4,993	1.0%	1,608	161	1,447	3.3%

Source: 2010 U.S. Census, Esri, Estimates, RPRG, Inc.

4. For-Sale Affordability Analysis

For the purposes of this analysis we assumed a five percent down payment, a 30-year fixed loan term, a 4.0 percent interest rate, a 2013 property tax rate of 1.20 (Marshalltown), a \$350 per year homeowner’s association fee, and an underwriting criteria of 20 percent (percentage of total housing cost to annual income). Based on the recommended pricing, a significant number of income-qualified owner households are projected to reside in the Marshalltown Market Area in 2016 (Table 51). The number of income qualified owner households ranges from 6,644 households for the most affordable floor plan to 2,319 owner households for the most expensive floor plan.

Table 51 2016 Income Qualified Owner Households, Marshalltown Market Area

Product Base Price	Townhome \$80,000	Townhome \$95,000	Townhome \$110,000	Attached Home \$120,000
Base Price plus 15% Options	\$92,000	\$109,250	\$126,500	\$138,000
% Down Payment	5%	5%	5%	5%
\$ Down Payment	\$4,600	\$5,463	\$6,325	\$6,900
Term	30	30	30	30
Interest Rate	4.00%	4.00%	4.00%	4.00%
Local Property Tax Rate	1.20	1.20	1.20	1.20
Annual HOA Fee	\$350	\$350	\$350	\$350
Payment	\$551	\$648	\$746	\$811
Income Range	\$33,042	\$38,909	\$44,776	\$48,687
# Qualified Hslds	6,644	5,961	5,407	5,038



Product Base Price	Attached Home \$135,000	Detached Home \$165,000	Detached Home \$195,000
Base Price plus 15% Options	\$155,250	\$189,750	\$224,250
% Down Payment	5%	5%	5%
\$ Down Payment	\$7,763	\$9,488	\$11,213
Term	30	30	30
Interest Rate	4.00%	4.00%	4.00%
Local Property Tax Rate	1.20	1.20	1.20
Annual HOA Fee	\$350	\$350	\$350
Payment	\$909	\$1,105	\$1,300
Income Range	\$54,555	\$66,289	\$78,023
# Qualified Hslds	4,464	3,304	2,319

Source: 2010 U.S. Census, Esri, Estimates, RPRG, Inc.

5. Conclusions on Affordability

Affordability estimates for rental and for-sale housing show sufficient income-qualified households to support additional housing units based on RPRG product and pricing recommendations. The affordability estimates shown for the Marshalltown Market Area are also conservative, as they do not account for potential renter and owner households willing to relocate from other parts of the region or state due to job growth or in-commuter migration. Overall, sufficient income qualified households exist to support the projected rental and for-sale demand over the next three years.

G. Impact on Existing Market

Given the expected job growth and stability of the current housing markets, we do not believe the addition of rental or for-sale units over the next three years will have a negative long-term impact on existing communities in the Marshalltown Market Area.

H. Final Conclusion / Recommendation

Marshalltown is home to several major employers, making it a regional economic hub for workers living throughout the surrounding counties, nearby cities, and major metropolitan areas of Des Moines and Ames. Despite the cyclical nature of the county's economy, due largely to its substantial manufacturing base, Marshalltown experienced modest population and household growth over the past decade with just over half of its workforce commuting from outside the city. This decision is due in part to the quality and condition of Marshalltown's existing housing stock, most of which is at least 40 years old and not attractive to or suitable for its sizable skilled labor force. Higher development costs have also raised prices for the newest and most attractive housing options (both rental and for-sale), making quality and affordable housing options scarce. As many moderate income households have the means to obtain suitable housing at more affordable prices in Marshalltown's immediately surrounding area, they have a greater deal of flexibility on where they choose to live and work.

The Marshalltown Market Area's existing rental stock is performing very well with an overall average vacancy rate of less than two percent. The demand for high quality rental units is evident, as market rate rental communities, including many scattered site units, are at or near full occupancy. Overall, the lack of quality rental units in the Marshalltown Market Area has led to pent up demand for new affordable and market rate rental units. On the for-sale housing side, the construction of new housing units has been somewhat limited over the past ten years. While four newly constructed single-family detached home communities have lots available for purchase, high land and development costs appear to be an impediment to new home construction for most households. In



general, the for-sale market is healthy and stable, with relatively flat home price trends, modestly declining Days on Market, and a recent uptick in sales.

Based solely on projected household growth, functional unit replacement, and the required fluidity in the market, a net rental demand of 111 units will exist in the Marshalltown Market Area through January of 2018. Based on affordability estimates and current market conditions, this rental demand includes affordable and market rate housing. While the demand for for-sale housing over the next three to five years will not be as strong as rental housing, due largely to a trend away from ownership, the need for additional moderately priced for-sale units is expected to remain steady. Over the next three years, Marshalltown is expected to add 150 to 250 new jobs and 500 to 600 new jobs will be added in the region. This new job growth will attract households with a wide range of incomes to the area, many of whom would consider establishing a residence in Marshalltown if suitable housing options were available. This would create additional housing demand beyond that already estimated/projected.

We recommend that new rental housing units initially target moderate to upper income households, which are the most underserved market segment, while also continuing to explore affordable housing opportunities to serve low and very low income households. An assortment of product types are suitable for development within the Marshalltown Market Area, including single-family detached homes, townhomes/attached homes, multi-family housing, and adaptive reuse communities. Based on all of the factors discussed above, we believe a variety of opportunities exist for housing development in Marshalltown and would be well received in the community. Given the projected job growth and pent-up demand in the rental market, we do not expect new housing communities to have an adverse long-term impact on the existing housing stock.

A handwritten signature in black ink, appearing to read 'Michael Riley', written over a horizontal line.

Michael Riley
Analyst

A handwritten signature in black ink, appearing to read 'Tad Scepianiak', written over a horizontal line.

Tad Scepianiak
Principal



APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are no existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.



The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



APPENDIX 2 ANALYST CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.
- The market study was not based on tax credit approval or approval of a loan. My compensation is not contingent upon the reporting of a predetermined demand that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- I have made a personal inspection of the property that is the subject of this report.
- The market can support the proposed project as shown in the study.

A handwritten signature in black ink, appearing to read 'Michael Riley', with a horizontal line underneath.

Michael Riley
Analyst
Real Property Research Group, Inc.

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years or both.



APPENDIX 3 NCAHMA CERTIFICATION

This market study has been prepared by Real Property Research Group, Inc., a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects and Model Content Standards for the Content of Market Studies for Affordable Housing Projects. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Real Property Research Group, Inc. is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Real Property Research Group, Inc. is an independent market analyst. No principal or employee of Real Property Research Group, Inc. has any financial interest whatsoever in the development for which this analysis has been undertaken.

While the document specifies Real Property Research Group, Inc., the certification is always signed by the individual completing the study and attesting to the certification.



201+_____

Real Property Research Group, Inc.

Tad Scepianiak
Name

Principal
Title

July 15-17,

Date



APPENDIX 4 ANALYST RESUMES

ROBERT M. LEFENFELD

Mr. Lefenfeld is the Managing Principal of the firm with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in February, 2001, Bob served as an officer of research subsidiaries of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting residential market studies throughout the United States. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob oversees the execution and completion of all of the firm's research assignments, ranging from a strategic assessment of new development and building opportunities throughout a region to the development and refinement of a particular product on a specific site. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively on the subject of residential real estate market analysis. Bob serves as an adjunct professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He has served as National Chair of the National Council of Housing Market Analysts (NCHMA) and currently serves as Chair of the Organization's FHA Committee. Bob is also a member of the Baltimore chapter of Lambda Alpha Land Economics Society.

Areas of Concentration:

- Strategic Assessments: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.
- Feasibility Analysis: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.
- Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities.

Education:

Master of Urban and Regional Planning; The George Washington University.
Bachelor of Arts - Political Science; Northeastern University.



TAD SCEPANIAK

Tad Scepaniak directs the Atlanta office of Real Property Research Group and leads the firm's affordable housing practice. Tad directs the firm's efforts in the southeast and south central United States and has worked extensively in North Carolina, South Carolina, Georgia, Florida, Tennessee, Iowa, and Michigan. He specializes in the preparation of market feasibility studies for rental housing communities, including market-rate apartments developed under the HUD 221(d)(4) program and affordable housing built under the Low-Income Housing Tax Credit program. Along with work for developer clients, Tad is the key contact for research contracts with the North Carolina, South Carolina, Georgia, Michigan, and Iowa Housing Finance agencies. Tad is also responsible for development and implementation of many of the firm's automated systems.

Tad is Co-Chair of the Standards Committee of the National Council of Housing Market Analysts (NCHMA). He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

Areas of Concentration:

- Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.
- Senior Housing: Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.
- Market Rate Rental Housing: Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.
- Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas and Tennessee.

Education:

Bachelor of Science – Marketing; Berry College – Rome, Georgia



MICHAEL RILEY

Michael Riley entered the field of Real Estate Market Research in 2006, joining Real Property Research Group's (RPRG) Atlanta office as a Research Associate upon college graduation. During Michael's time as a Research Associate, he gathered economic, demographic, and competitive data for market feasibility analyses and other consulting projects completed by the firm. Since 2007, Michael has served as an Analyst for RPRG, conducting a variety of market analyses for affordable and market rate rental housing communities throughout the United States. In total, Michael has conducted work in eleven states and the District of Columbia with particular concentrations in the Southeast and Midwest regions.

Areas of Concentration:

- Low Income Housing Tax Credit Rental Housing – Michael has worked extensively with the Low Income Housing Tax Credit program, evaluating general occupancy, senior oriented, and special needs developments for State allocating agencies, lenders, and developers. His work with the LIHTC program has spanned a wide range of project types, including newly constructed communities, adaptive reuses, and rehabilitations. Michael also has extensive experience analyzing multiple subsidy projects, such as those that contain rental assistance through the HUD Section 8/202 and USDA Section 515 programs.
- Market Rate Rental Housing – Michael has analyzed various projects for lenders and developers of market rate rental housing including those compliant with HUD MAP guidelines under the FHA 221(d)(4) program. The market rate studies produced are often used to determine the rental housing needs of a specific submarket and to obtain financing.

In addition to market analysis responsibilities, Michael has also assisted in the development of research tools for the organization, including a rent comparability table incorporated in many RPRG analyses.

Education:

Bachelor of Business Administration – Finance; University of Georgia, Athens, GA



APPENDIX 5 MARKET AREA RENTAL COMMUNITY PROFILES

611 E South St.

Multifamily Community Profile

611 E South St.
Marshalltown, IA 50158

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

36 Units 0.0% Vacant (0 units vacant) as of 8/5/2014

Opened in 1965



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse:	<input type="checkbox"/> Pool-Outdr:
One	66.7%	\$555	690	\$0.80	Comm Rm:	<input type="checkbox"/> Basketball:
One/Den	--	--	--	--	Centrl Lndry:	<input checked="" type="checkbox"/> Tennis:
Two	33.3%	\$645	780	\$0.83	Elevator:	<input type="checkbox"/> Volleyball:
Two/Den	--	--	--	--	Fitness:	<input type="checkbox"/> CarWash:
Three	--	--	--	--	Hot Tub:	<input type="checkbox"/> BusinessCtr:
Four+	--	--	--	--	Sauna:	<input type="checkbox"/> ComputerCtr:
					Playground:	<input checked="" type="checkbox"/>

Features	
Standard:	--
Select Units:	Disposal; Microwave
Optional(\$):	--
Security:	Keyed Bldg Entry; Cameras
Parking 1:	Free Surface Parking Fee: --
Parking 2:	Detached Garage Fee: \$41
Property Manager:	--
Owner:	Hala Ventures LLC

Comments

3 buildings; 12 units/building. Accepts Sec. 8 vouchers.
1 person on wait list. FKA South Manor.
20 detached garages. Picnic/grill area, central laundry in each building.

Floorplans (Published Rents as of 8/5/2014) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	24	\$540	690	\$0.78	Market	8/5/14	0.0%	\$555	\$645	--
Garden	--	2	1	12	\$625	780	\$0.80	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

611 E South St.

IA127-020382

Associates Supported Housing

Multifamily Community Profile

208 S. 3rd St.
Marshalltown, IA 50158

CommunityType: Deep Subsidy-General
Structure Type: Garden

10 Units 0.0% Vacant (0 units vacant) as of 7/31/2014

Opened in 2007



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	100.0%	\$494	600	\$0.82	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Disposal; Central A/C	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Keyway Management	
Owner: --	

Comments

For people with disabilities. Sec. 8 rent is contract rent.
Wait list.

Floorplans (Published Rents as of 7/31/2014) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Single story	--	1	1	10	\$574	600	\$.96	Section 8	7/31/14	0.0%	\$494	--	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Gas

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Brookview Terrace

Multifamily Community Profile

1707 S. 7th Ave.
Marshalltown, IA 50158

CommunityType: Market Rate - General
Structure Type: 3-Story Garden

24 Units 0.0% Vacant (0 units vacant) as of 8/5/2014

Opened in 1976



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse:	<input type="checkbox"/> Pool-Outdr: <input type="checkbox"/>
One	--	\$505	--	--	Comm Rm:	<input type="checkbox"/> Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry:	<input checked="" type="checkbox"/> Tennis: <input type="checkbox"/>
Two	--	\$550	--	--	Elevator:	<input type="checkbox"/> Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness:	<input type="checkbox"/> CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub:	<input type="checkbox"/> BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna:	<input type="checkbox"/> ComputerCtr: <input type="checkbox"/>
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Central A/C	
Select Units: Microwave; Patio/Balcony	
Optional(\$): --	
Security: Keyed Bldg Entry	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Venture Management Owner: --	

Comments

--	--

Floorplans (Published Rents as of 8/5/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$505	--	--	Market	8/5/14	0.0%	\$505	\$550	--
Garden	--	2	2	--	\$550	--	--	Market					

--	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Gas

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

East Olive

Multifamily Community Profile

1702 Edgebrook Dr.
Marshalltown, IA 50158

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

24 Units 0.0% Vacant (0 units vacant) as of 8/5/2014

Opened in 1967



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	100.0%	\$600	825	\$0.73	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Disposal; Central A/C	
Select Units: Patio/Balcony	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Venture Management Owner: --	

Comments

Adjacent to Edgewood Park.

Floorplans (Published Rents as of 8/5/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1.5	24	\$600	825	\$.73	Market	8/5/14	0.0%	--	\$600	--

Adjustments to Rent	
Incentives: None	
Utilities in Rent: Heat Fuel: Gas	
Heat: <input type="checkbox"/>	Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>
Hot Water: <input type="checkbox"/>	Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

East Olive

IA127-020384

Edgebrook Park

Multifamily Community Profile

513 Olive St.
Marshalltown, IA 50158

CommunityType: Deep Subsidy-General
Structure Type: Garden

72 Units 0.0% Vacant (0 units vacant) as of 7/31/2014

Opened in 1969



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	16.7%	\$506	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	66.7%	\$621	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	16.7%	\$810	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Central A/C; Patio/Balcony	
Select Units: --	
Optional(\$): --	
Security: Keyed Bldg Entry	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: -- Owner: --	

Comments

Sec. 8 rent is contract rent. Mgt could not provide sq. ft.

Wait list.

Floorplans (Published Rents as of 7/31/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	12	\$611	--	--	Section 8	7/31/14	0.0%	\$506	\$621	\$810
Garden	--	2	1	48	\$751	--	--	Section 8					
Garden	--	3	1	12	\$970	--	--	Section 8					

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Grant Park

Multifamily Community Profile

1 W. Grant St.
Marshalltown, IA 50158

CommunityType: Market Rate - General

Structure Type: Mid Rise

56 Units 1.8% Vacant (1 units vacant) as of 7/31/2014

Last Major Rehab in 2007 Opened in 1978



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	100.0%	\$440	600	\$0.73	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	--	--	--	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; Window A/C	
Select Units: --	
Optional(\$): --	
Security: Intercom; Keyed Bldg Entry; Cameras	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: -- Owner: --	

Comments

Floorplans (Published Rents as of 7/31/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	1	1	56	\$485	600	\$.81	Market	7/31/14	1.8%	\$440	--	--

Adjustments to Rent	
Incentives: None	
Utilities in Rent:	Heat Fuel: Electric
Heat: <input checked="" type="checkbox"/>	Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>
Hot Water: <input type="checkbox"/>	Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Hillcrest Heights

Multifamily Community Profile

208 Glenda Dr.
Marshalltown, IA 50158

CommunityType: LIHTC - General
Structure Type: 2-Story Garden

32 Units 3.1% Vacant (1 units vacant) as of 8/5/2014

Opened in 1995



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	75.0%	\$588	825	\$0.71	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	25.0%	\$725	988	\$0.73	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	<input checked="" type="checkbox"/>

Features	
Standard: Central A/C	
Select Units: In Unit Laundry	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Superior Rentals Owner: --	

Comments

W/D hook ups only in 3BR units.

Floorplans (Published Rents as of 8/5/2014) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1	24	\$588	825	\$.71	LIHTC/ 60%	8/5/14	3.1%	--	\$588	\$725
Garden	--	3	1	8	\$725	988	\$.73	LIHTC/ 60%					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Lincoln Tower

Multifamily Community Profile

1500 Lincoln Tower Circle
Marshalltown, IA 50158

CommunityType: Market Rate - General

Structure Type: Mid Rise

21 Units 9.5% Vacant (2 units vacant) as of 8/4/2014

Opened in 1969



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	4.8%	\$700	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	95.2%	\$1,035	--	--	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	Elevator:	Volleyball:
Four+	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
					Fitness:	CarWash:
					<input type="checkbox"/>	<input type="checkbox"/>
					Hot Tub:	BusinessCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Sauna:	ComputerCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Microwave; Ceiling Fan; Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security: Intercom; Keyed Bldg Entry	
Parking 1: Structured Garage	Parking 2: --
Fee: --	Fee: --
Property Manager: --	
Owner: Gethmann Construction	

Comments

Each unit has 1 parking spot in the parking garage. There is extra parking in the surface lot.

Floorplans (Published Rents as of 8/4/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	1	1	1	\$700	--	--	Market	8/4/14	9.5%	\$700	\$1,035	--
Mid Rise - Elevator	--	2	2	20	\$1,035	--	--	Market					

Adjustments to Rent	
Incentives: None	
Utilities in Rent:	Heat Fuel: Electric
Heat: <input type="checkbox"/>	Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>
Hot Water: <input type="checkbox"/>	Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Lincoln Tower

IA127-020380

Marshall CMI

Multifamily Community Profile

105 E. Webster St.
Marshalltown, IA 50158

CommunityType: Deep Subsidy-General
Structure Type: Garden

16 Units 0.0% Vacant (0 units vacant) as of 7/31/2014

Opened in 1996



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	100.0%	\$571	600	\$0.95	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Disposal; In Unit Laundry (Hook-ups); Central A/C	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Keyway Management	
Owner: --	

Comments

For disabled people. Sec. 8 rent is contract rent.
Wait list.
Adjacent to Crestview Apts.

Floorplans (Published Rents as of 7/31/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Single story	--	1	1	16	\$571	600	\$.95	Section 8	7/31/14	0.0%	\$571	--	--

Adjustments to Rent	
Incentives:	None
Utilities in Rent:	Heat Fuel: Gas
Heat: <input type="checkbox"/>	Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>
Hot Water: <input type="checkbox"/>	Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Marshall CMI

IA127-020372

Marshalltown Sundance

Multifamily Community Profile

1407 S. 7th Ave.
Marshalltown, IA 50158

CommunityType: LIHTC - General
Structure Type: Garden

32 Units 3.1% Vacant (1 units vacant) as of 8/5/2014

Opened in 1994



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	75.0%	\$627	860	\$0.73	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	25.0%	\$695	860	\$0.81	Elevator:	Volleyball:
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					Fitness:	CarWash:
					<input type="checkbox"/>	<input type="checkbox"/>
					Hot Tub:	BusinessCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Sauna:	ComputerCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Playground:	<input checked="" type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups)	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: -- Owner: --	

Comments

--	--	--	--	--	--	--	--	--	--	--	--	--	--

Floorplans (Published Rents as of 8/5/2014) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	24	\$627	860	\$.73	LIHTC/ 60%	8/5/14	3.1%	--	\$627	\$695
Garden	--	3	2	8	\$695	860	\$.81	LIHTC/ 60%					

--	--	--	--	--	--	--	--	--	--	--	--	--	--

Adjustments to Rent													
Incentives: None													
Utilities in Rent: Heat Fuel: Gas													
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>													

Olive Terrace

Multifamily Community Profile

1706 S. 7th Ave.
Marshalltown, IA 50158

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

48 Units 0.0% Vacant (0 units vacant) as of 8/5/2014

Opened in 1976



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$505	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$550	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Central A/C; Cable TV	
Select Units: Microwave; Patio/Balcony	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Venture Management Owner: --	

Comments

Cable included in rent.

Adjacent to Pharaoh's Valley.

Floorplans (Published Rents as of 8/5/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$505	--	--	Market	8/5/14	0.0%	\$505	\$550	--
Garden	--	2	1	--	\$550	--	--	Market					

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Pharoh's Valley

Multifamily Community Profile

607 E. Olive
Marshalltown, IA 50158

CommunityType: Market Rate - General
Structure Type: 3-Story Garden

24 Units 0.0% Vacant (0 units vacant) as of 8/5/2014

Opened in 1972



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$530	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$630	825	\$0.76	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Central A/C; Cable TV	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Venture Management	
Owner: --	

Comments

Cable included in rent.

Adjacent to Olive Terrace.

Floorplans (Published Rents as of 8/5/2014) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$505	--	--	Market	8/5/14	0.0%	\$530	\$630	--
Garden	--	2	1	--	\$600	825	\$0.73	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

River Birch

Multifamily Community Profile

1601 E. Marion St.
Marshalltown, IA 50158

CommunityType: LIHTC - General

Structure Type: Townhouse

20 Units 5.0% Vacant (1 units vacant) as of 8/1/2014

Opened in 2003



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$590	1,300	\$0.45	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	\$648	1,400	\$0.46	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Attached Garage	Parking 2: --
Fee: --	Fee: --
Property Manager: Keyway Management	
Owner: --	

Comments

1- 3BR unit vacant.
16- 3BR units & 4- 4BR units. No further breakdown provided.
Adjacent to River Oaks (same owner/mgt) & share amenities.

Floorplans (Published Rents as of 8/1/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	3	2	--	\$525	1,300	\$.40	LIHTC/ 40%	8/1/14	5.0%	--	--	\$590
Townhouse	--	3	2	--	\$605	1,300	\$.47	LIHTC/ 60%					
Townhouse	--	4	2	--	\$575	1,400	\$.41	LIHTC/ 40%					
Townhouse	--	4	2	--	\$660	1,400	\$.47	LIHTC/ 60%					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Gas

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

River Oaks

Multifamily Community Profile

1509 E. Marion St.
Marshalltown, IA 50158

CommunityType: LIHTC - General

Structure Type: Townhouse

28 Units 3.6% Vacant (1 units vacant) as of 8/1/2014

Opened in 2002



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$590	1,300	\$0.45	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	\$648	1,400	\$0.46	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Attached Garage	Parking 2: --
Fee: --	Fee: --
Property Manager: Keyway Management	
Owner: --	

Comments

Mgt could not provide breakdown of # of units by floor plan.
Wait list for 4BR units. 2 BR unit vacant.
Adjacent to River Birch (same owner/mgt) & share amenities.

Floorplans (Published Rents as of 8/1/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	3	2	--	\$525	1,300	\$.40	LIHTC/ 40%	8/1/14	3.6%	--	--	\$590
Townhouse	--	3	2	--	\$605	1,300	\$.47	LIHTC/ 60%					
Townhouse	--	4	2	--	\$575	1,400	\$.41	LIHTC/ 40%					
Townhouse	--	4	2	--	\$660	1,400	\$.47	LIHTC/ 60%					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Gas

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Santa Barbara

Multifamily Community Profile

8 & 12 Santa Barbara Dr.
Marshalltown, IA 50158

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

24 Units 0.0% Vacant (0 units vacant) as of 8/5/2014

Opened in 1971



Unit Mix & Effective Rent (1)					Community Amenities			
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	<input type="checkbox"/>	Pool-Outdr:	<input type="checkbox"/>
Eff	--	--	--	--	Comm Rm:	<input type="checkbox"/>	Basketball:	<input type="checkbox"/>
One	--	\$530	--	--	Centrl Lndry:	<input checked="" type="checkbox"/>	Tennis:	<input type="checkbox"/>
One/Den	--	--	--	--	Elevator:	<input type="checkbox"/>	Volleyball:	<input type="checkbox"/>
Two	--	\$630	--	--	Fitness:	<input type="checkbox"/>	CarWash:	<input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub:	<input type="checkbox"/>	BusinessCtr:	<input type="checkbox"/>
Three	--	--	--	--	Sauna:	<input type="checkbox"/>	ComputerCtr:	<input type="checkbox"/>
Four+	--	--	--	--	Playground:	<input type="checkbox"/>		

Features	
Standard: Dishwasher; Disposal; Central A/C; Cable TV	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Venture Management	
Owner: --	

Comments

Cable included in rent.

Floorplans (Published Rents as of 8/5/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$505	--	--	Market	8/5/14	0.0%	\$530	\$630	--
Garden	--	2	1	--	\$600	--	--	Market					

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric
 Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:

Southern Hills

Multifamily Community Profile

2510 S. 6th St.
Marshalltown, IA 50158

CommunityType: Market Rate - General

Structure Type: Garden/TH

135 Units 0.0% Vacant (0 units vacant) as of 8/5/2014

Opened in 1975



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	\$485	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$530	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	--	\$770	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Central A/C	
Select Units: Disposal; Microwave; In Unit Laundry; Patio/Balcony	
Optional(\$): --	
Security: Keyed Bldg Entry	
Parking 1: Free Surface Parking Fee: --	Parking 2: Detached Garage Fee: \$45
Property Manager: Venture LLC Owner: --	

Comments

TH's have attached garages.
Mgt could not provide sq. ft. or # of units by floor plan.

Floorplans (Published Rents as of 8/5/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	Eff	1	--	\$485	--	--	Market	8/5/14	0.0%	\$530	\$770	--
Garden	--	1	1	--	\$530	--	--	Market					
Garden	--	2	1	--	\$620	--	--	Market					
Townhouse	--	2	2	--	\$920	--	--	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Gas

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Tallcorn, The

Multifamily Community Profile

2 North 2nd Ave.
Marshalltown, IA 50158

CommunityType: LIHTC - General
Structure Type: 7-Story Adaptive Reuse

49 Units 34.7% Vacant (17 units vacant) as of 8/1/2014

Last Major Rehab in 2014 Opened in 1929



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	85.7%	\$457	559	\$0.82	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	14.3%	\$534	725	\$0.74	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Microwave; Central A/C	
Select Units: --	
Optional(\$): --	
Security: Intercom; Keyed Bldg Entry; Cameras	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: -- Owner: --	

Comments

Community is in lease up. Wait list is opened.
Community also has a library & craft room.
Building was completed 4/1/2014 & that's when leasing began.

Floorplans (Published Rents as of 8/1/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	1	1	2	\$310	559	\$.55	LIHTC/ 30%	8/1/14*	34.7%	\$457	\$534	--
Mid Rise - Elevator	--	1	1	13	\$420	559	\$.75	LIHTC/ 40%	* Indicates initial lease-up.				
Mid Rise - Elevator	--	1	1	23	\$520	559	\$.93	LIHTC/ 60%					
Mid Rise - Elevator	--	1	1	4	\$550	559	\$.98	Market					
Mid Rise - Elevator	--	2	1	1	\$380	725	\$.52	LIHTC/ 30%					
Mid Rise - Elevator	--	2	1	6	\$595	725	\$.82	LIHTC/ 60%					
Adjustments to Rent													
Incentives: None													
Utilities in Rent: Heat Fuel: Electric Heat: <input type="checkbox"/> Cooking: <input checked="" type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/> Hot Water: <input checked="" type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>													

Tallcorn, The

IA127-020376

Bickford of Marshalltown

Senior Community Profile

101 Newcastle Road
Marshalltown, IA 50158

CommunityType: Market Rate - Elderly

Structure Type: --

38 Units 0.0% Vacant (0 units vacant) as of 8/8/2014



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$2,495	--	--	Comm Rm: <input checked="" type="checkbox"/>	Library: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Arts&Crafts: <input type="checkbox"/>
Two	--	\$3,320	--	--	Elevator: <input type="checkbox"/>	Health Rms: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	Guest Suite: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	Conv Store: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Walking Pth: <input type="checkbox"/>	Beauty Salon: <input type="checkbox"/>

Features
Standard: Microwave; Central A/C; Grabbar; Emergency Response; Van/Transportation; Meals - 3 Meals per Day

Select Units: --

Optional(\$): --

Security: --

Parking: Free Surface Parking

Comments

Assisted Living.

Property Manager: --

Owner: --

Floorplans (Published Rents as of 8/8/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	1	1	--	\$2,600	--	--	Market	8/8/14	0.0%	\$2,495	\$3,320	--
	--	2	1	--	\$3,450	--	--	Market	8/7/14	0.0%	--	--	--

Adjustments to Rent

Incentives:

None.

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Odd Fellow

Senior Community Profile

206 Nicholas Dr.
Marshalltown, IA 50158

CommunityType: **Deep Subsidy-Elderly**

Structure Type: **Mid Rise**

65 Units 0.0% Vacant (0 units vacant) as of 7/31/2014

Opened in 1984



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	24.6%	\$510	500	\$1.02	<input type="checkbox"/>	<input type="checkbox"/>
One	75.4%	\$581	600	\$0.97	Comm Rm: <input checked="" type="checkbox"/>	Library: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Arts&Crafts: <input checked="" type="checkbox"/>
Two	--	--	--	--	Elevator: <input type="checkbox"/>	Health Rms: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	Guest Suite: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	Conv Store: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Walking Pth: <input type="checkbox"/>	Beauty Salon: <input type="checkbox"/>

Features	
Standard: Central A/C; Grabbar; Emergency Response	
Select Units: --	
Optional(\$): --	
Security: Intercom; Keyed Bldg Entry	
Parking: Free Surface Parking	

Comments

Sec. 8 rent is contract rent.

Wait list.

Property Manager: **Keyway Management Comp** Owner: --

Floorplans (Published Rents as of 7/31/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	Eff	1	16	\$540	500	\$1.08	Section 8	7/31/14	0.0%	\$581	--	--
Mid Rise - Elevator	--	1	1	49	\$616	600	\$1.03	Section 8					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: **Electric**

Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:

Westtown

Senior Community Profile

122 W. Main St.
Marshalltown, IA 50158

CommunityType: LIHTC - Elderly

Structure Type: Mid Rise

36 Units 0.0% Vacant (0 units vacant) as of 8/1/2014

Opened in 2005



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	66.7%	\$400	650	\$0.61	Comm Rm: <input checked="" type="checkbox"/>	Library: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Arts&Crafts: <input type="checkbox"/>
Two	33.3%	\$605	900	\$0.67	Elevator: <input checked="" type="checkbox"/>	Health Rms: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	Guest Suite: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	Conv Store: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Walking Pth: <input type="checkbox"/>	Beauty Salon: <input type="checkbox"/>

Features
Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Broadband Internet; Grabbar; Van/Transportation
Select Units: In Unit Laundry
Optional(\$): --
Security: Keyed Bldg Entry
Parking: Free Surface Parking

Comments

High speed internet is included in rent.

Wait list.

55+

Property Manager: --

Owner: --

Floorplans (Published Rents as of 8/1/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	1	1	24	\$445	650	\$0.68	LIHTC/ 60%	8/1/14	0.0%	\$400	\$605	--
Mid Rise - Elevator	--	2	1	12	\$660	900	\$0.73	LIHTC/ 60%					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Gas

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash: