



REAL PROPERTY **RESEARCH** GROUP

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Housing Market Assessment

City of Marshalltown
Marshall County, Iowa



Marshall County Courthouse, Downtown Marshalltown

Prepared for:

Marshall Economic Development

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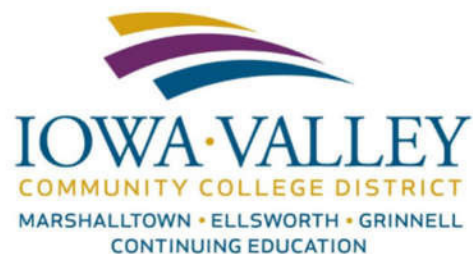
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EXECUTIVE SUMMARY

Marshall Economic Development has retained Real Property Research Group, Inc. to conduct a Housing Market Assessment for the City of Marshalltown. This assessment is an update of a previous Housing Market Assessment completed by RPRG in July 2014. The purpose of the 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 November 8-9, 2017, we have arrived at the following key 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:** The Marshall County economy's performance has been cyclical over the past sixteen years with an 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 2008-2009 national recession; however, economic conditions have stabilized over the last six years as the county's unemployment rate has fallen back down to pre-recession levels and the county's At-Place Employment remained stable with net growth of 12 jobs since 2010. As home to several major employers, including a substantial manufacturing base, Marshall County serves as a regional employment node and attracts a significant number of commuters that comprised more than half the county's workers as of 2015. Over the next two to three years, the county is expected to add approximately 80 to 100 new jobs based on recently announced and planned economic expansions, which should help offset the loss of 50 jobs at Kmart and any residual losses in the construction sector following the completion of the natural gas power plant. While economic growth in the county is unlikely to drive significant housing demand in Marshalltown over the next three years, it is unlikely to be a detriment either.
- **Growth Trends:** The Marshalltown Market Area's population and household bases are projected to remain relatively stable over the next five years, adding just 127 people and 20 households during this period. While this is consistent with trends since 2000 and the current economic environment in the county, the Marshalltown Market Area has the potential to grow if new housing options and city investment convert even a small percentage of the city's commuters into residents. Older adult and senior households are expected to increase at a faster rate than total households in the Marshalltown Market Area on both a total count and percentage basis, based largely on the existing population aging in place. Esri projects the Marshalltown Market Area will add 25 households with householder

age 55+ and 32 households with householder age 62+ per year through 2022, which equates to annual growth rates of 0.5 percent and 1.0 percent, respectively.

- **Demographic Trends:** The Marshalltown Market Area has a diverse household composition with a relatively even mixture of families with young children, young adults, established professionals, and seniors. Though the Marshalltown Market Area continues to be an owner dominated market, U.S. Census counts and Esri estimates indicate renters have accounted for all net household growth in the market area since 2000. Renter households are primarily comprised (65.8 percent) of one and two persons, though the market area still has a notable percentage of larger renter households with over one-third containing at least three people. Young and working age adults (age 25 to 44) account for the largest percentage of renter households in the market area while older adults and seniors age 55 or older comprise the majority (approximately 54 percent) of owner householders. While a sizable portion of the Marshalltown Market Area's households have lower incomes, more than 40 percent of renter households and nearly 55 percent of owner households have moderate incomes from \$35,000 to \$99,999 per year.
- **General Occupancy Rental Market Conditions:** RPRG identified eighteen multi-family rental communities in the Marshalltown Market Area including nine market rate communities, five tax credit communities (income restricted), and three deeply subsidized HUD Section 8 communities. The fifteen market rate and LIHTC communities reported an aggregate vacancy rate of 4.2 percent and all deeply subsidized rental communities were fully occupied with waiting lists. The two property management companies surveyed, which operate 143 scattered site rentals, also reported a low aggregate vacancy rate of 4.2 percent.

Among market rate/LIHTC communities, average effective rents, unit sizes, and rents/square foot were as follows:

- **Efficiency** units offered at Southern Hills reported an effective rent of \$515.
- **One-bedroom** effective rents averaged \$523 per month. The average one-bedroom square footage was 588 square feet, resulting in a net rent per square foot of \$0.89.
- **Two-bedroom** effective rents averaged \$650 per month. The average two-bedroom square footage was 795 square feet, resulting in a net rent per square foot of \$0.82.
- **Three-bedroom** effective rents averaged \$696 per month. The average three-bedroom square footage was 1,175 square feet, resulting in a net rent per square foot of \$0.59.

Among scattered site units, rent ranges and average rents were as follows:

- **Efficiency rents** ranged from \$380 to \$470 with an overall average of \$425.
- **One-bedroom rents** ranged from \$450 to \$510 with an overall average of \$478.
- **Two-bedroom rents** ranged from \$560 to \$590 with an overall average of \$573.
- **Three-bedroom rents** were \$675.

Two general occupancy rental communities are currenting in the pipeline in the Marshalltown Market Area – Brecken's Place Phase II and a mixed-use development in downtown. Brecken's Place II will consist of 24 units adjacent to the existing 24 units recently built in Phase I and is currently under construction. The downtown mixed-use development will contain four rental units over ground-floor retail space and will be income restricted to 80 percent of the Area Median Income for five years. Both developments are expected to be complete in 2018.



- **Senior Rental Market Conditions:** Five senior rental communities were surveyed for this analysis including one deeply subsidized property, three LIHTC communities, and one market rate 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 three senior LIHTC communities reported just two of 104 units vacant, a rate of 1.9 percent. The HUD Section 8 community (Odd Fellow) and the assisted living community (The Bickford of Marshalltown) were both fully occupied with waiting lists.

Average effective rents at senior LIHTC communities were \$435 for 650 square feet or \$0.67 per square foot for one-bedroom units and \$615 for 900 square feet or \$0.68 for two-bedroom units. All units at the three senior LIHTC communities are restricted to households earning at or below 60 percent of the median income. The assisted living community The Bickford of Marshalltown has base rents of 2,800 for one-bedroom units and \$3,550 for two-bedroom units, which include the cost of all utilities, three meals per day, housekeeping, and other services.

- **For-Sale Market Conditions:** RPRG evaluated MLS data for Marshalltown, including overall trends and recent sales. RPRG also compiled housing data on active for-sale communities in the city from the Marshall County Tax Assessor.

For-sale market conditions have steadily improved since 2011, following the national housing market downturn and subsequent recession. Marshalltown's median home sales price and number of units sold in 2016 and 2017 represent ten-year highs, surpassing pre-downturn levels. The average Days on Market also decreased dramatically during this period, with a DOM of 49 days in 2017 less than half the DOM in 2011. Current levels of home inventory in Marshalltown are low with twelve of fifteen price segments categorized as seller's markets. The most active segments of the for-sale housing market over the last year have been at middle price points ranging from \$100,000 to \$200,000; however, all segments of the market appear healthy and supportive of additional growth.

- Marshalltown has two new construction for-sale neighborhoods actively being built-out by home builders including the single-family detached home neighborhood South Pointe Homes and Villas and the attached home community The Woodlands. South Pointe Villas is nearing completion with just three homes left that are finishing up construction. New homes in South Pointe Homes and Villas have generally moved quickly and have recently sold for prices ranging from \$229,197 to \$289,457. The Woodlands is still in the initial stages of construction with only a few units currently complete. Homes in The Woodlands have not sold as fast as in South Pointe Homes and Villas, but are currently listed for-sale at \$279,000. A handful of other single-family neighborhoods have some lots available for sale and development, though lot owners would need to contract with a custom home builder. One additional for-sale single-family detached home community (Cross Creek Estates) may offer additional lots for development in an additional phase over the next three years, but no plans for the additional phase have been finalized.

Rental Housing Demand:

General Occupancy Rental Housing Demand:

Based on projected household growth, functional housing unit replacement, and a structural vacancy rate of five percent, a net demand for 122 rental units will exist in the Marshalltown Market Area through December 2020 in addition to the 28 units already under construction/planned in the market area. The market area could potentially support up to 158 additional rental units if current aggregate



vacancy rates were consistent across all rental units in Marshalltown. Depending upon the percentage of in-commuter demand the Marshalltown Market Area could capture with the development of new housing, potential housing demand exists for 24 to 119 rental units (in addition those projected from household growth, unit replacement, and the structural vacancy rate) over the next three years.

Senior Rental Housing Demand:

The independent senior rental market for households with householder age 62 or older is in relative balance with an excess demand for 39 senior rental units. It is important to note this senior demand methodology does not factor in senior homeowner conversion, which is often an additional source of independent senior rental demand in established markets with a large senior household base that is aging in place.

Conclusions and Production Recommendations:

Based on net demand estimates, the Marshalltown Market Area is projected to have demand for roughly 120 to 160 general occupancy rental units and 39 independent senior rental units over the next three years. This rental demand will be driven by a combination of housing unit replacements, in-commuter demand, and structural vacancies to allow for better market liquidity. Given the older age of the Marshalltown Market Area's for-sale housing stock, sizable in-commuting employment base, and strong for-sale market conditions, demand for additional for-sale housing development is also evident. Taking these factors into consideration along with the demographics of the market area and recent housing development, we offer the following general product recommendations and pricing for rental and for-sale housing opportunities in the Marshalltown Market Area:

General Occupancy Rental Housing: Current rental market conditions are tight with low vacancy rates among most rental communities, especially market rate communities that are reasonably well maintained. Based on the income characteristics of the Marshalltown Market Area's household base, we recommend new rental housing development focus on moderate income renters earning roughly between 80 percent and 150 percent of the Area Median Income. This segment of the market is the most underserved by the existing rental stock, as they earn too much to qualify for income restricted housing but do not earn enough to pay for more expensive single-family home rentals and may not have the credit or financial capital necessary for a home purchase. Many moderate-income renters are also likely to be renters by choice, as this segment of the household base includes many young adults who are interning or have just recently graduated college. One additional issue among existing market rate multi-family rental communities is the lack of three-bedroom units. Roughly one-third of all households in Marshalltown contain children and 34.2 percent of all renter households contain at least three people, making the lack of three-bedroom rental units for moderate-income families problematic. Based on conversations with property managers at various housing communities, larger units appear to be in higher demand and are scarce in the market outside of larger single-family rentals that may not be affordable to most moderate-income renters.

While low-income households comprise a sizable proportion of the Marshalltown Market Area's household base, current general occupancy LIHTC communities are experiencing some softness with an aggregate vacancy rate of 11.2 percent. While some of the LIHTC vacancies are likely transitional, follow-up conversations with LIHTC property managers revealed problems with income-qualifying tenants as many dual income households earn too much to qualify for a 60 percent LIHTC unit. As most of the existing general occupancy LIHTC units target households at 60 percent of the Area Median Income, these units all compete for tenants within the same relatively narrow income band. While we do not believe the long-term health of these LIHTC communities is a concern, we would advise caution in pursuing any additional LIHTC units targeting households at 60 percent of the AMI over the next three years. If an affordable housing tax credit community is pursued, we would recommend a mixture of units targeting multiple income levels, a higher percentage of three-bedroom units to serve low-income families, and additional project based subsidies if possible to serve very low-income renter households.

General Occupancy Rental Product Recommendations:

Over the next three years, we recommend focusing on market rate rental housing to address projected rental demand in the market area. This will help address the needs of 40.6 percent of renter households in the Marshalltown Market Area who earn from \$35,000 to \$99,999 per year. Based on a projected rental demand for at least 98 rental units and as high as 130 to 140 units (depending on in-commuter housing demand), we have provided general product recommendations appropriate for market rate rental housing.

Ideal building types for a market rate rental community in the Marshalltown Market Area include:

- **Garden-Style Buildings** – A modern two to three-story garden-style community comparable to Southern Hills would be ideal for new market rate rental housing in Marshalltown and would offer more flexibility to include a variety of unit types. This higher-density product will also help with overall affordability as the greater number of units will help offset higher development and construction costs in Marshalltown that can cause lower-density rental products to require significantly higher rents. This housing type would appeal to a variety of target markets including young singles and couples looking for a modern but affordable rental option (including roommates), established professionals who may be employed on short-term contracts or are renters by choice, families with children, and possibly some empty nesters in transition. We recommend a garden-style community include a mix of one, two, and three-bedroom units, offering roughly 750 to 1,250 square feet, with all standard kitchen appliances including a microwave and washer/dryer connections at a minimum. If possible, a garden-style community should also include some base level of amenities of which a fitness center, business center, and playground would be ideal; however, a modern community design and unit interiors should be a priority.
- **Downtown Loft Apartments** – Loft apartments in downtown would be an ideal product type for young adults in Marshalltown, as they would be walkable to shopping, restaurants, and other community amenities in downtown and are likely to be smaller given the space limitations of most downtown buildings. The target market of this product type would primarily be single persons and some couples or possibly roommates.
- **Townhomes/Attached Homes** - Townhome units or attached homes (duplexes, tri-plexes, etc.) comparable to Brecken's Place would be a suitable product type for market rate rental housing in Marshalltown; however, the caveat with this product type is that higher development and construction costs spread over a smaller number of units could require much higher rents to make the project financially feasible. We would recommend a community comprised of two and three-bedroom floor plans for duplex buildings or one, two, and three-bedroom units for multi-unit attached buildings. Each unit should offer roughly 750 to 1,250 square feet, standard kitchen appliances (refrigerator, range/oven, dishwasher, and, garbage disposal), and washer/dryer connections. As with single-family homes, community amenities would not be required but would enhance the overall appeal of the property. The target market of this product type would include couples, roommates, and small to large families.
- **Single-Family Detached Homes** - While single-family detached rental homes would be well received within the community, the increased development costs and land requirements generally associated with this product type make large developments of single-family rentals less common. If such a community were developed, we would recommend building two and three-bedroom homes offering roughly 1,100 to 1,300 square feet and 1,300 to 1,500 square feet, respectively; however, smaller cluster homes of 800 to 1,000 square feet could also be well received if offered at reasonable price points. At a minimum, the homes should include an attached garage or carport (with the exception of cluster homes), standard kitchen appliances (refrigerator, range/oven, dishwasher, and, garbage disposal), and washer/dryer connections. The target market of this product type would primarily be couples and small to large families.

General Occupancy Rental Pricing:

Assuming an appropriate product based on the recommendations above, RPRG judges a new market rental community in Marshalltown can be priced at the top of the rental market comparable to the newer market rate units at Southern Hills and the market rate units at Brecken's Place. Regardless of product type and location, a newly constructed rental community will be attractive to prospective renters in and around Marshalltown and will be among the most attractive in the market upon construction. Among the product types recommended, single-family detached homes would likely have the highest achievable rents followed by townhomes/attached homes; however, given moderate income households earning between 80 percent and 150 percent of the Area Median Income are a priority, higher rents at these lower density product types may price out many of these moderate-income renters. As such, we have provided a sample product structure, including unit mix, unit sizes, and proposed rents, for an 84-unit garden-style rental community, which we believe would be best suited for Marshalltown's current rental housing needs. Rents assume that residents are responsible for all utilities except the cost of trash removal (Table 46). Please note we have applied the largest unit sizes provided among surveyed communities to illustrate rents at communities unable to provide unit sizes to demonstrate current rents in the market in Figure 14.

Unit Type	Building Type	Units	Bed	Bath	Avg. Square Feet	Net Rent	Rent/Sq Ft
Market	Garden	24	1	1	750	\$700	\$0.93
Market	Garden	36	2	2	1,000	\$900	\$0.90
Market	Garden	24	3	2	1,150	\$1,000	\$0.87
Total/Avg.		84			967	\$867	\$1.12

Rents include: trash removal

Independent Senior Rental Housing: Based on net demand estimates, household growth projections, and the demographic characteristics of the Marshalltown Market Area, demand for an additional 39 independent senior rental units will exist over the next three years driven primarily from existing residents aging in place. All senior LIHTC and deeply subsidized communities are performing well with limited to no vacancies and waiting list for some units. The most recently constructed senior LIHTC community in the market area (Marshalltown Senior Residences) also was swiftly absorbed in three to four months and is fully occupied.

Taking these factors into consideration, sufficient demand exists in the market to support an additional senior LIHTC community similar in design to the existing senior communities Westtown and Marshalltown Senior Residences. While information is limited on market rate senior housing options in Marshalltown, due to the limited participation of some senior communities, the lack of vacancies at The Bickford of Marshalltown, the recent expansion of Glenwood Place (independent and assisted living), and the aging population of the Marshalltown Market Area indicates additional demand for senior market rate rental units also likely exists; however, the recent expansion of Glenwood Place and the construction of the pipeline assisted living and memory care facility (The Willows) will likely satisfy much of this demand over the next three years.

For-Sale Housing: Most of the existing for-sale housing stock in the Marshalltown Market Area is of a significantly older vintage, though the steady construction of new for-sale housing units on infill sites and in South Point Homes and Villas has helped improve the quality of the for-sale stock at higher price points. We recommend continuing the gradual construction of new for-sale single-family homes with a bit more emphasis on affordable housing options in the more moderate price ranges of \$150,000 to \$225,000. We expect the demand for for-sale housing at mid-range price points to remain strong over the next three years, which can be satisfied with a variety of housing types.

For-Sale Housing Product Recommendations:

- Single-Family Detached Homes** – Single-family detached homes are the most common owner-occupied housing units in the Marshalltown Market Area and remains the most desirable product type for new for-sale housing units. Given the relatively high land and construction costs in Marshalltown, however, new single-family detached homes in Marshalltown tend to gravitate toward higher price points such as South Pointe Homes and Villas, where recent prices have ranged from roughly \$230,000 to \$290,000. While demand for these higher priced homes will likely remain steady over the next three years, smaller more affordable homes would also be well received and target a wider variety of moderate income households. We would recommend building three-bedroom homes offering roughly 1,500 to 2,500 of finished square feet. At a minimum, the homes should include updated exteriors, attached garages, standard kitchen appliances (refrigerator, range/oven, dishwasher, and, garbage disposal), washer/dryer connections, and a patio/deck. The target market of this product type would primarily be couples and small to large families.
- Townhomes/Attached Homes** – Townhomes and 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. These unit types 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 updated exteriors, 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 1,300 to 1,500 square feet, respectively. The target markets of this product type would include couples, roommates, and small to large families.

For-Sale Housing Price Recommendations:

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	\$110,000	\$126,500	\$126.50
Townhome	2	2	1,200	\$130,000	\$149,500	\$124.58
Townhome	3	2.5	1,300	\$150,000	\$172,500	\$132.69
Attached Home	3	2.5	1,300	\$150,000	\$172,500	\$132.69
Attached Home	3	2.5	1,500	\$175,000	\$201,250	\$134.17
Detached Home	3	2.5	1,500	\$190,000	\$218,500	\$145.67
Detached Home	3	2.5	1,800	\$210,000	\$241,500	\$134.17
Detached Home	3	2.5	2,500	\$245,000	\$281,750	\$112.70
Average				\$170,000	\$195,500	\$130.40

*Increased by 15 percent for options

The pricing and unit sizes of each product type are based on recent sales data and the pricing of newly constructed homes from the past five years; however, exact prices could vary significantly depending on the location of the home and the product constructed. Newly constructed for-sale units at these general size and pricing recommendations would be competitive in the market place and attractive to prospective moderate and upper income owner households living in and around the Marshalltown Market Area.

Conclusions on Affordability and Impact on Existing Market:



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 in-commuter migration. Overall, sufficient income qualified households exist to support rental and for-sale housing development over the next three years.

Given the projected rental demand in the Marshalltown Market Area and the potential housing demand from in-commuting workers, we do not believe the addition of roughly 100 market rate rental units or 40 senior LIHTC rental units will have a negative long-term impact on existing communities in the Marshalltown Market Area. While it is possible some existing communities could experience short-term increases in vacancy as the new rental units are absorbed into the market, this is typical of most markets and will not have any adverse lasting effects. Likewise, strong for-sale housing market conditions, low inventory, and sufficient income qualified households indicate continued steady growth in the for-sale housing market will not have a long-term negative impact on the Marshalltown for-sale housing market overall.

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 presence, Marshalltown's population and household base has remained steady over the last seven years and has continued to have just over half of its jobs filled by commuters 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 many of its current workers. 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. While the city has made progress since the previous housing study in 2014 with the development of senior and family rental housing communities and slow but steady for-sale housing growth, additional rental and for-sale housing is needed to satisfy demand projected over the next three years.

Based on current rental market conditions, net demand/affordability estimates, and the age/condition of Marshalltown's existing housing stock, sufficient demand will exist in the market area to support roughly 120 to 160 general occupancy rental units, approximately 40 independent senior rental units, and steady for-sale housing growth through 2020. We recommend that new rental housing units primarily target moderate income households earning from \$35,000 to \$99,999 per year, which are the most underserved households in the rental market. An assortment of product types is suitable for development within the Marshalltown Market Area, but we would recommend a higher density rental product to help keep rents at a newly constructed community from pricing out moderate-income households. Based on all 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 continued pent-up demand for quality housing units in the city, we do not expect any of the recommended new housing communities to have an adverse long-term impact on the existing housing stock.

1. INTRODUCTION

A. Purpose of Report

Marshall Economic Development has retained Real Property Research Group, Inc. to conduct a Housing Market Assessment for the City of Marshalltown. This assessment is an update of a previous Housing Market Assessment completed by RPRG in July 2014. The purpose of the 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. 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 (Senior Analyst) conducted a visit to Marshalltown on November 8-9th, 2017.
- 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, David Barajas – CEO of Marshalltown Regional Partnership, Justin Nickel – Director of Public Works/City Engineer, Kyle Leger – Executive Director of Vision Marshalltown, Jenny Etter – Director of Marshalltown Central Business District, Arlene McAtee – Director of MICA, Terri Tague – Housing Director of MICA, Marty Wymore – Director of Region 6 Planning, Robert Thomas with United Bank and Trust, Kurt Polley with Five Star Real Estate Group, Kristin Polley with Five Star Real Estate Group, Cindy Smiley with United Bank and Trust, Jerrod Leffler with Farmers Savings Bank, Paul Beals with Independent Insurance Services, Chris Brodin with Caldwell Banker Premier Real Estate, Ben Daniels with The Willows Assisted Living, Aaron Webb with UnityPoint Health, Matt Garber with CGA Consultants, Jacque Goodman with Iowa Valley Community College District, Sarah Erikson with Emerson, Michelle DeRossett with Mechdyne, Anne Laubethal with Marshalltown



Company, Anthony Spurgetis with the Marshalltown Community School District, Stacey Santillan with JBS Swift, Jill Lutes with Emerson, and Steve Bjerke.

- 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 nearly 18,000 (as of 2016). 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.

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 (UnityPoint Health 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 many 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 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 a variety of retailers, restaurants, and city services. The areas surrounding downtown consist of residential neighborhoods with significant 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

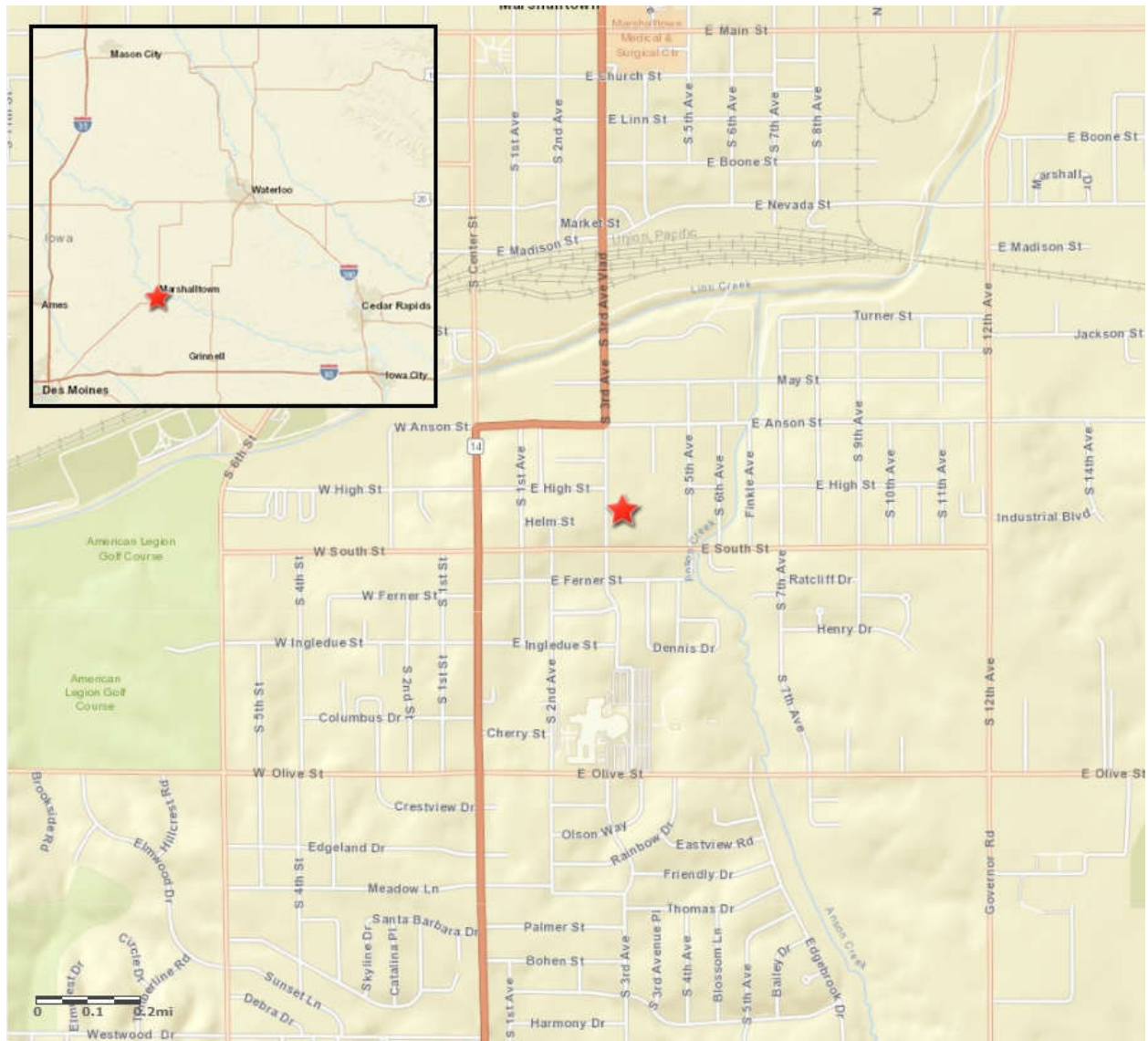
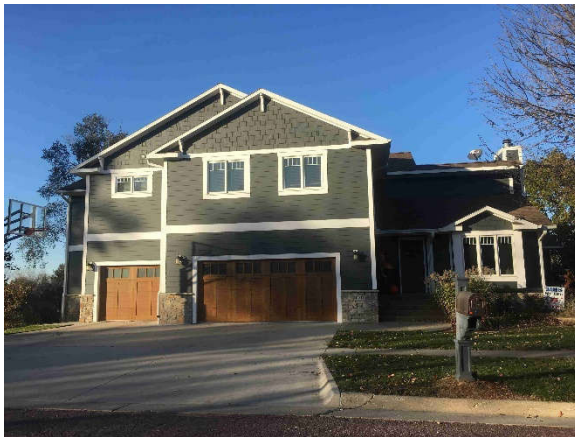


Figure 1 Views of Single-Family Housing Types in Marshalltown



Newer two-story detached home (south side)



Older single-story home (north side)



Older single-story detached home (south 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)



Older apartments in a converted single-family home on north side



New townhome apartments on south side (Brecken's Place)



Newer high-rise senior apartments in downtown (Marshalltown Senior Residences)



Older garden apartments on north side (Park Place)



Older garden apartments on south side

B. City Investment, Safety, and Connectivity

1. Recent Investment and Development Activity

Significant investment has taken place in Marshalltown over the past three years with several additional projects under construction or in the planning stages. A detailed overview of recently completed and current planning/development activity in Marshalltown is provided below.

- **New Housing Development:** Marshalltown has recently added a variety of new housing throughout the city including market rate and income restricted rental housing for families and seniors as well as for-sale housing targeting multiple price points. Recently completed rental housing projects include The Tallcorn (a general occupancy income restricted community), Marshalltown Senior Residences (senior income restricted rental community), and the expansion of Glenwood Place (senior market rate independent and assisted living community) with Brecken's Place (general occupancy market rate community) and The Willows (senior market rate assisted living and memory care facility) also under construction. New for-sale housing in Marshalltown has primarily consisted of moderate value single-family detached homes and townhomes on infill sites or available lots in two of Marshalltown's actively building neighborhoods (South Point Villas and The Woodlands). A more detailed analysis of rental and for-sale housing in development can be found in the housing pipeline section of this report on page 74.
- **Commercial Development:** A handful of new major commercial developments are currently under construction or planned in Marshalltown including a Holiday Inn Express hotel near U.S. Highway 30 (expected to open in 2018), a mixed-use development containing ground-floor retail space and four residential rental units in a renovated building downtown (expected to open in 2018), and a planned renovation of Totem Bowl bowling alley.
- **Industrial Development:** The most notable recent industrial development in Marshalltown was Alliant Energy's construction of a new natural gas power plant, which took place from 2014 to 2016 and replaced Marshalltown's old coal power plant. Other recent and upcoming industrial developments within the city include the construction of Midwest Manufacturing (2016), and two upcoming new industrial buildings that have not been publicly announced yet.
- **Institutional and Recreational Development:** The City of Marshalltown is currently constructing a new 17.5-million-dollar public safety facility on South Second Street, which will house the Marshalltown Police and Fire Departments. Other notable institutional and recreational investments include the J.W. Fisher Soccer Fields (2016), a downtown pocket park at the southwest corner of East Main Street and South 2nd Avenue (2016), and the Linn Creek Recreational trail expansion.

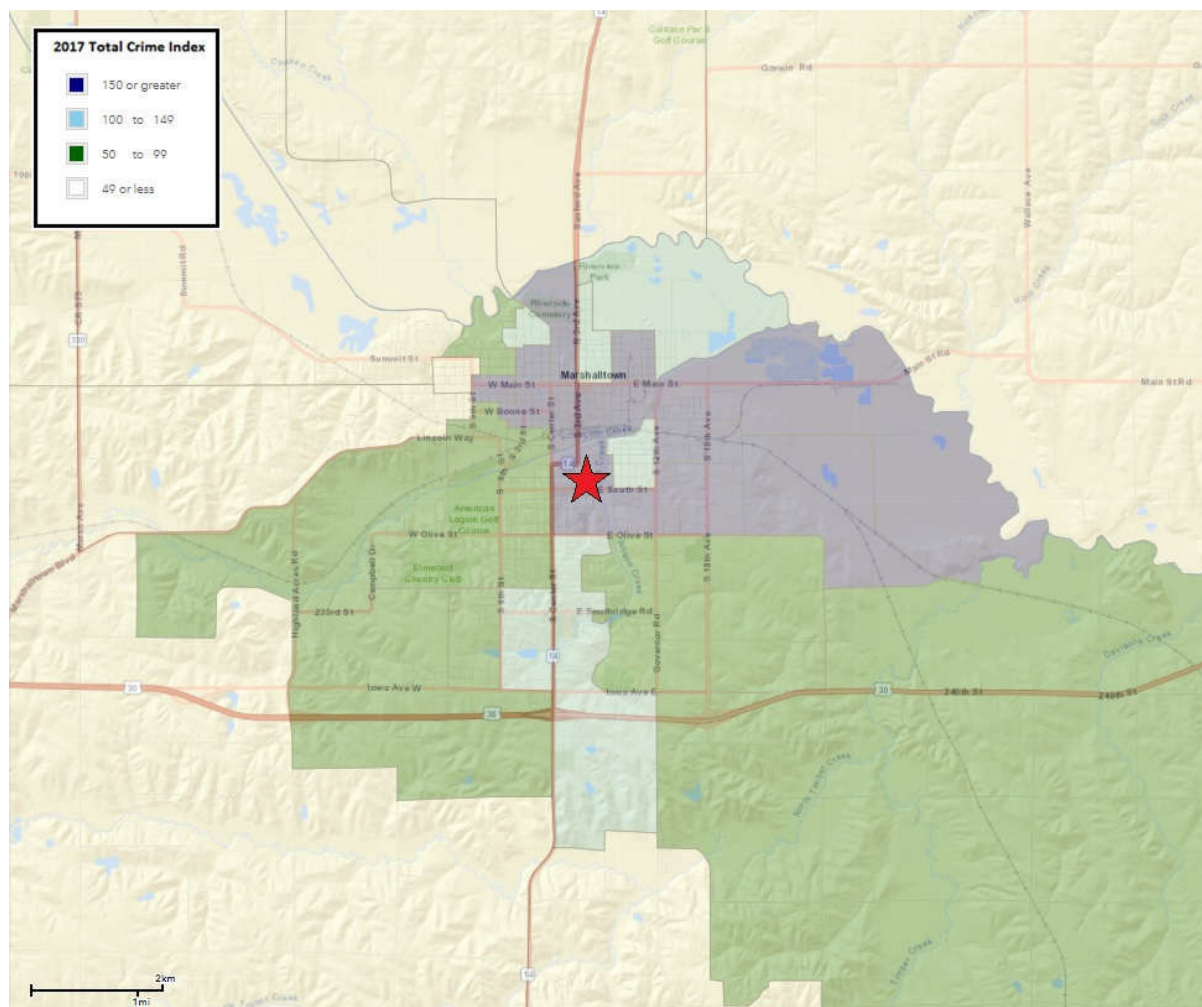
2. Public Safety

CrimeRisk is a census tract 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. An index of 100 reflects a total crime risk on par with the national average, with values below 100 reflecting below average risk and values above 100 reflecting above average risk. 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 census tract 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 2017 CrimeRisk Index for the census tracts in Marshalltown. The relative risk of crime is color coded from white (least risk) to purple (most risk). The census tracts along South Center Street (Marshalltown's primary north/south thoroughfare), in and near downtown, and northeast Marshalltown have the highest CrimeRisk, equal to or above the national average of 100. This is due to the higher density of development in these areas and/or lower housing values, particularly to the northeast. The CrimeRisk in these areas is generally comparable to or below other densely developed areas in the region including those in nearby Newton, Ames, and northeast Des Moines, but higher than smaller nearby municipalities and rural areas with much lower population densities. All other census tracts in Marshalltown, primarily in the southern and northwest portions of the city, all have a CrimeRisk below the national average. 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.

Map 2 2017 CrimeRisk, Marshalltown



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, most 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 seven permanent routes and five seasonal routes traveling throughout the city. MMT also offers para-transit and premium para-transit services for residents who are unable to 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 on 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 areas of the city 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. 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 daily. 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
Kwik Star	Convenience Store	810 S 3rd Ave	0.2 mile
Hy_Vee	Grocery	802 S Center Street	0.4 mile
Walgreens Pharmacy	Pharmacy	5 E Anson St	0.4 mile
Fareway Grocery	Grocery	102 W Anson St	0.5 mile
Marshalltown High School	Public School	1602 S 2nd Ave	0.5 mile
Family Dollar	General Retail	327 S. 3rd Ave.	0.6 mile
Sue E Ashton /Doctor	Doctor	704 May St	0.6 mile
Maid- Rite	Restaurant	106 S 3rd Ave	0.8 mile
Marshalltown YMCA	Community Center	108 Washington St	0.9 mile
Primary Health Care	Doctor/Medical	412 E. Church St.	1 mile
Marshalltown Pubic Library	Library	105 W Boone St	1 mile
United States Post Office	Post Office	309 E Linn St	1 mile
Marshalltown Fire Department	Fire Department	107 S 1st Ave	1.1 miles
Marshall County Senior Center	Senior Services	20 E State St.	1.2 miles
UnityPoint Health	General Hospital	3 S 4th Ave	1.2 miles
Marshalltown Police Department	Police	22 N Center St	1.2 miles
Us Bank Branch	Bank	123 W Main	1.3 miles
Marshalltown Mall	Mall	2500 S Center St	1.5 miles
Miller Middle School	Public School	125 S 11th St	1.9 miles
Walmart Supercenter	General Retail	2802 S Center St	2 miles

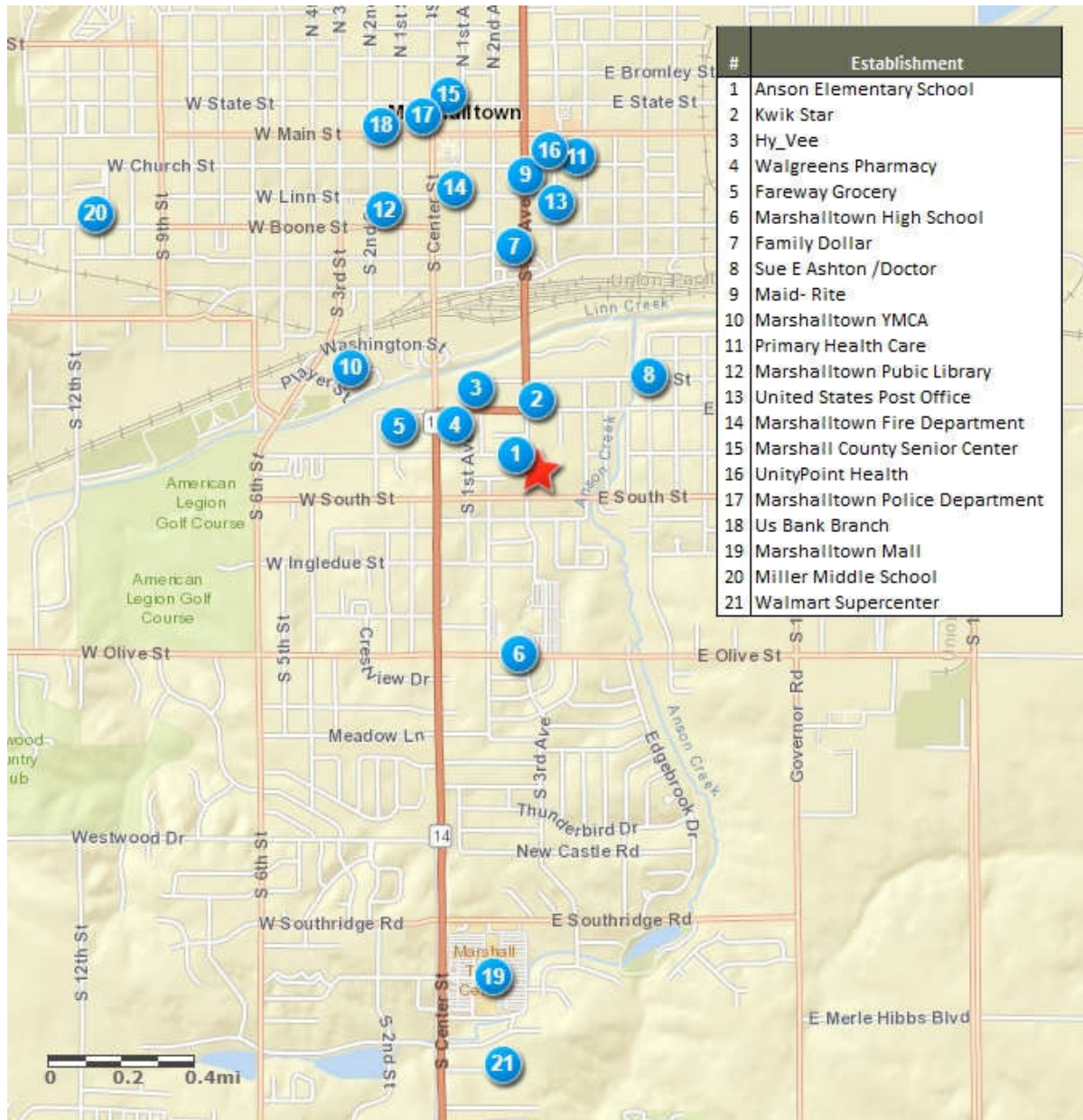
Source: Field and Internet Research, RPRG, Inc.

2. Essential Services

Health Care

The primary healthcare provider in Marshalltown is UnityPoint Health, which consists of a 49-bed acute-care hospital (UnityPoint Health – Marshalltown) in downtown Marshalltown, four primary-care clinics in Marshalltown and the cities of State Center, Conrad, and Tama-Toledo, and a state-of-the-art outpatient center with a wound center, four surgical suites, imaging lab, urgent care center, and therapy center. UnityPoint Health - Marshalltown offers wide range medical services, including both general and 24-hour emergency care. As the only full-service medical center in the region, UnityPoint Health - Marshalltown serves approximately 60,000 patients annually.

In addition to UnityPoint Health, McFarland Clinic is the largest multi-specialty clinic in Marshalltown with offices at three locations including at the UnityPoint Health – Marshalltown hospital.

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 2016-2017 enrollment of approximately 5,000 students.

Iowa public school systems administer the Iowa Assessments 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 2016 - 2017 test scores (grades 3, 8, and 11) were compared to those of neighboring districts in Marshall County, Hardin County, Grundy County, Tama County, and Jasper County. Among districts in the region, Marshalltown ranked from 17th to 27th out

of 27 elementary schools (Table 2), 11th out of 12 among middle schools, and 15th out of 17th among high schools. Test scores for Lenihan Intermediate School were not available. 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 and Marshalltown's much higher enrollment relative to smaller rural districts in the region. It should also be noted that the Marshalltown Community School District offers STEM Education programs other schools districts in the region do not. The state of Iowa also allows for open enrollment in any school district if 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 2016-2017 Regional School District Test Scores

Elementary Schools					Middle Schools				
IA - 2016		Grade 3			IA - 2016		Grade 8		
Rank	District	Reading	Math	Avg.	Rank	District	Reading	Math	Avg.
1	North Tama	93.9%	93.9%	93.9%	1	Grundy Center	95.2%	95.2%	95.2%
2	Gladbrook-Reinbeck	90.0%	96.7%	93.4%	2	West Marshall	92.8%	88.4%	90.6%
3	Grundy Center	95.9%	89.8%	92.9%	3	PCM	87.7%	82.7%	85.2%
4	West Marshall	93.2%	89.0%	91.1%	4	BCLUW	83.3%	86.1%	84.7%
5	Dike	91.8%	89.8%	90.8%	5	South Hardin	85.7%	78.6%	82.2%
6	Prairie City	86.5%	94.6%	90.6%	6	East Marshall	78.2%	80.0%	79.1%
7	Dysart-Geneseo	91.7%	87.5%	89.6%	7	AGWSR	77.8%	N/A	77.8%
8	Thomas Jefferson	85.5%	89.2%	87.4%	8	Riverbend	79.2%	75.2%	77.2%
9	Hubbard-Radcliffe	79.4%	91.2%	85.3%	9	Union	72.3%	79.2%	75.8%
10	Colfax-Mingo	83.3%	83.3%	83.3%	10	South Tama County	68.1%	69.2%	68.7%
11	South Tama County	79.3%	85.9%	82.6%	11	B R Miller	63.6%	63.6%	63.6%
12	AGWSR	77.8%	84.4%	81.1%	12	Lynnville-Sully	92.3%	0.0%	46.2%
13	Lynnville-Sully	75.9%	86.2%	81.1%	13	Lenihan Intermediate School	N/A	N/A	N/A
14	East Marshall	75.4%	84.6%	80.0%	Region Average		81.4%	72.6%	77.0%
15	GMG	78.4%	81.1%	79.8%	IA Average		77.6%	77.9%	77.8%
16	Monroe	78.4%	78.4%	78.4%	High Schools				
17	Rogers	78.1%	78.1%	78.1%	IA - 2016		Grade 11		
18	BCLUW	70.2%	85.1%	77.7%	Rank	District	Reading	Math	Avg.
19	Franklin	75.0%	78.3%	76.7%	1	North Tama	97.1%	97.1%	97.1%
20	Alden	64.3%	85.7%	75.0%	2	Lynnville-Sully	96.9%	N/A	96.9%
21	Rock Run	74.3%	74.3%	74.3%	3	AGWSR	94.7%	94.7%	94.7%
22	Fisher	72.2%	74.1%	73.2%	4	West Marshall	93.2%	93.2%	93.2%
23	Baxter	71.4%	68.6%	70.0%	5	Grundy Center	91.3%	91.3%	91.3%
24	Anson	60.8%	74.5%	67.7%	6	Iowa Falls - Alden	90.8%	91.8%	91.3%
25	Eldora-New Providence	53.6%	64.3%	59.0%	7	PCM	85.9%	93.8%	89.9%
26	J C Hoglan	59.3%	54.7%	57.0%	8	East Marshall Senior	86.9%	85.2%	86.1%
27	Woodbury	51.6%	48.4%	50.0%	9	Dike-New Hartford	85.3%	85.3%	85.3%
Region Average		77.3%	81.2%	79.2%	10	Newton Senior	84.4%	85.7%	85.1%
IA Average		77.9%	81.2%	79.6%	11	BCLUW	83.0%	85.1%	84.1%
Source: IA Department of Education					12	Colfax-Mingo	73.3%	80.0%	76.7%
					13	South Hardin	67.1%	82.2%	74.7%
					14	GMG Secondary School	66.7%	79.5%	73.1%
					15	Marshalltown	66.3%	79.6%	73.0%
					16	Gladbrook-Reinbeck	60.6%	81.8%	71.2%
					17	South Tama County	66.7%	72.2%	69.5%
					Region Average		81.8%	86.2%	84.0%
					IA Average		80.2%	84.1%	82.2%

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 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), Wal-Mart (grocery/general retail), and Hobby Lobby.

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 or near State Highway 14 include Menard’s and Marshalltown Mall, a small indoor shopping mall with approximately 30 retail outlets/service providers and anchor tenants JCPenney, Younkers, Hobby Lobby, and Fridley Theaters.

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. Potential Housing Development Sites

Based on input from local government and community officials, we identified sites 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. An aerial map of each site location is included in Figure 3 below.

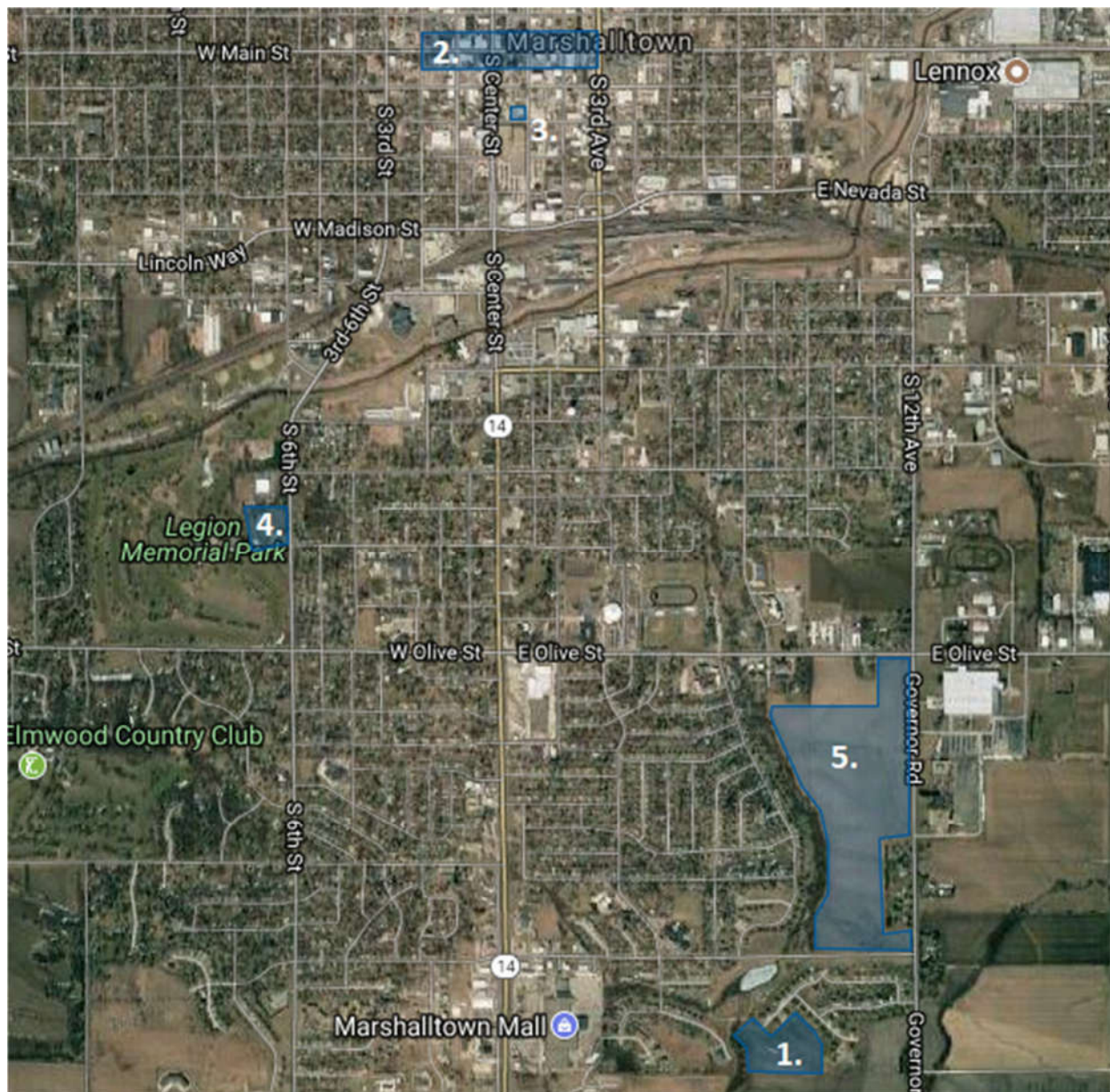
Potential Housing Development Sites:

1. **Cross Country Estates Additional Phase** – Cross Country Estates is one of the newest and highest priced for-sale single-family home communities in Marshalltown and has just two lots left for development in its current configuration; however, the land developer of Cross Country Estates is considering an additional phase. 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. Prices for fully built spec and re-sale homes range from approximately \$200,000 to \$400,000. At full build out (including additional phases), Cross Country Estates could contain up to 108 homes.
2. **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 remain 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, many of whom are attracted to the area straight out of college or for internships from major employers in the area. Based on community input, the largest impediment to downtown renovation/redevelopment is the high cost to bring the much older buildings up to code; however, one such development containing four rental units over retail space is nearing completion.
 
3. **The Marshalltown Fire Station** at 107 South First Avenue, two blocks south of downtown, will be relocating to a new combined facility with the Marshalltown Police Department that is currently under construction on the west side of South 2nd Street. Once the current fire station moves to its new facility, the existing facility near downtown will be vacant and available for redevelopment. Given its location near downtown, which has a higher density of development, this site is most suitable for multi-family rental housing and could be redeveloped or adaptively reused similar to other multi-family residential communities in downtown such as The Tallcorn or Marshalltown Senior Residences.
4. **Redevelopment Site in Southwest Marshalltown** – A tract of land that was once the site of a community pool is currently vacant at the northwest corner of South 6th Street and West Ingledue Street, though some parking and underground infrastructure from the community pool remains and would need to be removed prior to new development. Surrounding land uses include tightly packed older single-family detached homes, the Legion Memorial Park and Golf Course, and Totem Bowl (bowling alley) as well as Southern Hills Apartments a bit further to the south on South 6th Street. Given South 6th Street is one of three main north/south traffic arteries crossing Linn Creek in Marshalltown and is among the more heavily traveled streets in the city, it could support a variety of housing
 

types including higher density rental or for-sale units.

5. **Greenfield Development Site in Southeast Marshalltown** – A tract of undeveloped land, directly north of Cross Country Estates on East Southridge Road, was identified as a potential site for new housing. This site is bordered by both multi-family rental communities (Brookview Terrace, Brecken's Place, East Olive Apartments) and moderate to high value single-family detached homes, indicating it could support a variety of residential uses. Given its location on the south side of Marshalltown, close to Marshalltown High School and retail development along South Center Street, it would be a highly desirable location for any housing type.

Figure 3 Aerial Images of Potential Housing Development Sites



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 has gradually declined from 20,816 workers in 2006 to 19,314 workers in 2016, a net loss of 1,502 workers or 7.2 percent (Table 3). During this period, the labor force declined in six of ten years with the largest losses occurring in 2007, 2010, and 2015; however, approximately half of the labor declines in the county since 2010 have been from unemployed workers. The county's labor force has increased in two years and decreased in two years since 2012 resulting in a net loss of 486 workers or 2.5 percent. The county's labor force also fell by 308 workers through the first half of 2017, though quarterly figures are traditionally less accurate than annual totals and do not account for seasonality.

2. Trends in County Unemployment Rate

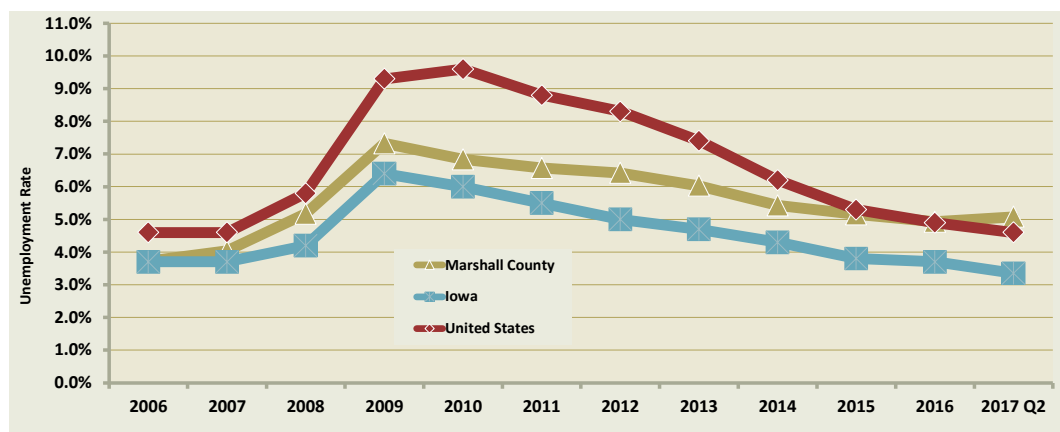
Marshall County's unemployment rate has consistently fallen between state and national figures over the last ten years while following similar trends overall. The county's unemployment rate rose from 3.7 percent in 2006 to 7.3 percent in 2009, during the most recent national recession, compared to recession-era unemployment rate highs of 6.4 percent in the state and 9.6 percent nationally. Unemployment rates have steadily decreased in all three areas over the last six years reaching pre-recession levels of 4.9 percent in the county, 3.7 percent in the state, and 4.9 percent nationally in 2016. Marshall County's unemployment rate increased slightly to 5.1 percent through the first half of 2017 compared to 3.4 percent in the state and 4.6 percent in the nation.

Table 3 Labor Force and Unemployment Rates

Annual Unemployment Rates - Not Seasonally Adjusted

Annual Unemployment	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 Q2
Labor Force	20,816	20,469	20,502	20,623	20,156	20,047	19,800	19,841	19,902	19,470	19,314	19,006
Employment	20,041	19,644	19,442	19,113	18,778	18,729	18,529	18,645	18,822	18,466	18,362	18,040
Unemployment	775	825	1,060	1,510	1,378	1,318	1,271	1,196	1,080	1,004	952	965
Unemployment Rate												
Marshall County	3.7%	4.0%	5.2%	7.3%	6.8%	6.6%	6.4%	6.0%	5.4%	5.2%	4.9%	5.1%
Iowa	3.7%	3.7%	4.2%	6.4%	6.0%	5.5%	5.0%	4.7%	4.3%	3.8%	3.7%	3.4%
United States	4.6%	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.2%	5.3%	4.9%	4.6%

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



C. Commuting Patterns

1. Job Inflow and Outflow

Marshalltown is home to several large major employers, many of whom attract workers from throughout the region including rural portions of Marshall County or neighboring counties, nearby cities and towns, and even from the larger metropolitan areas of Des Moines, West Des Moines, Iowa City, Ames, Waterloo, and Cedar Rapids. To examine the commuting patterns in Marshalltown, RPRG utilized the U.S. Census Bureau's Longitudinal Employment-Household Dynamics (LED) data through its On the Map website (onthemap.ces.census.gov) for 2015, which is the most recent year data is available. The geography tested for this analysis is the Marshalltown city limits.

Marshalltown had a total employment of 15,701 workers in 2015 (Table 4). Of these workers, 43.1 percent lived within the Marshalltown city limits and 57.6 percent lived outside the city limits (Job Inflow). Conversely, 13,466 employed workers lived within the Marshalltown city limits in 2015. Of these workers, 6,760 were employed outside the city limits (Job Outflow). As a result, Marshalltown had a net inflow of 2,235 workers in 2015.

Table 4 2015 Job Inflow and Outflow, Marshalltown City Limits

Job Inflow	2015	
	#	%
Employed in the Selection Area	15,701	100.0%
Employed and Living in the Selection Area	6,760	43.1%
Employed in the Selection Area but Living Outside	8,941	56.9%
Job Outflow	2015	
	#	%
Living in the Selection Area	13,466	100.0%
Living and Employed in the Selection Area	6,760	50.2%
Living in the Selection Area but Employed Outside	6,706	49.8%
Net Job Inflow/Outflow	2,235	

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

Over a five-year period from 2011 to 2015, Marshalltown's proportion of in-commuting workers remained relatively consistent with a slight increase from 56.1 percent to 56.9 percent (Table 5). The most notable change during this period was the decline in Marshalltown's employment from 2014 to 2015, which reduced the number of in-commuting workers (given less jobs) and increased the number of out-commuting workers as workers living in Marshalltown were forced to seek employment outside the city. One additional noteworthy change was the addition of 721 out-commuting workers from 2013 to 2014, despite a relatively stable employment in Marshalltown. This was likely the result of regional job growth in the nearby city of Tama, which had a new meat processing plant open in 2014 that created roughly 600 new jobs.

Table 5 Change in Marshalltown Job Inflow and Outflow, 2011 to 2015

Job Inflow/Outflow, 2011-2015	2011	2012	2013	2014	2015
Total Employment in Marshalltown	17,384	17,129	17,278	17,187	15,701
- Living and Working in Marshalltown	7,626	7,430	7,552	7,546	6,760
- Job Inflow	9,758	9,699	9,726	9,641	8,941
Job Outflow	5,093	5,156	5,200	5,921	6,706
Net Job Inflow/Outflow	4,665	4,543	4,526	3,720	2,235
Net Job Inflow/Outflow Percentage	56.1%	56.6%	56.3%	56.1%	56.9%
Annual Change in Inflow/Outflow	-	(122)	(17)	(806)	(1,485)

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

2. Marshalltown Worker Commuting Patterns

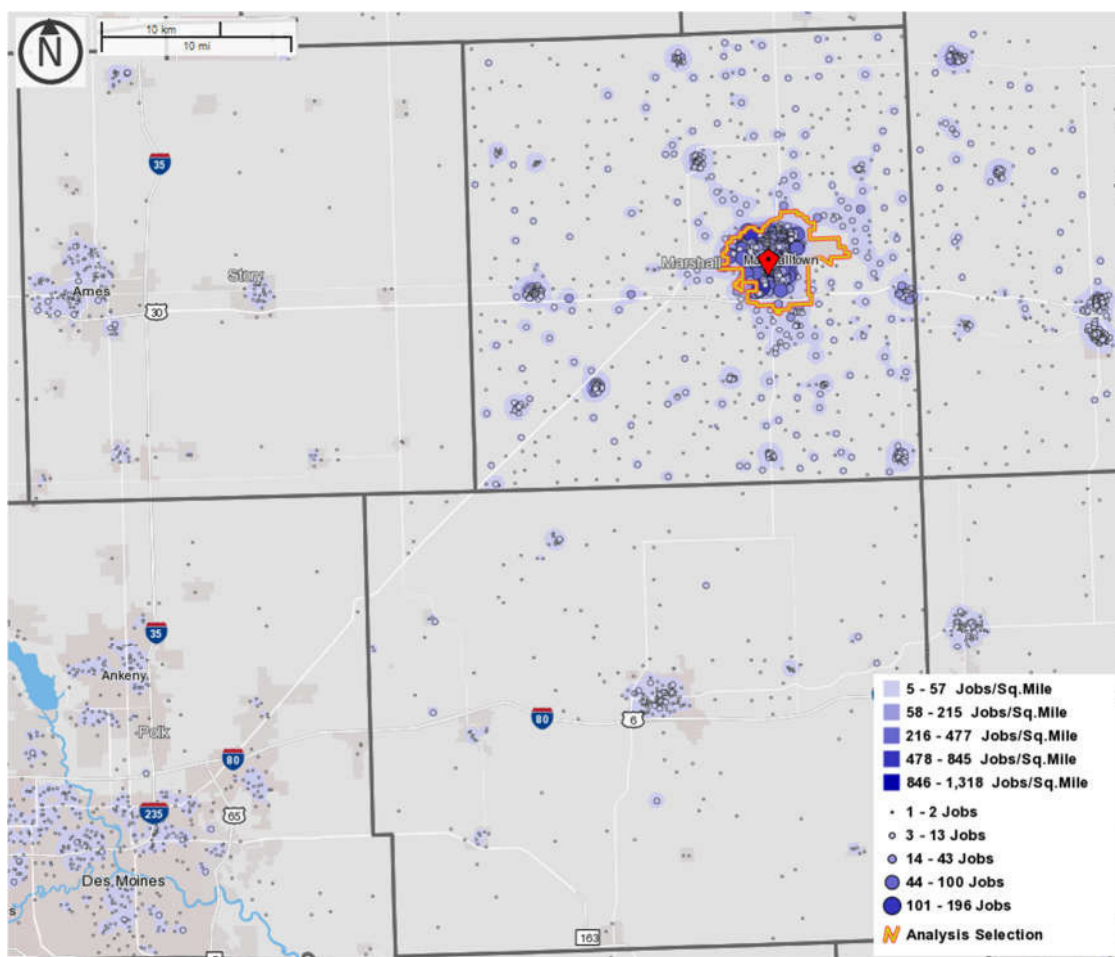
Among the 15,701 workers employed in Marshalltown in 2015, 51.9 percent commuted less than 10 miles (Table 6). This includes workers living in Marshalltown, some smaller nearby cities such as State Center and Le Grand, and in rural areas surrounding the city limits. Just over fourteen percent of workers commuted 10 to 24 miles, which would include rural portions of Marshall or neighboring counties and several nearby communities such as Newton, Tama, Toledo, and Grinnell. Approximately one-third of workers (33.8 percent) commuted 25 miles or more including 21.5 percent commuting at least 50 miles. These long-distance commuters include workers from some of the larger Metropolitan areas, the closest of which are Altoona, Ames, Ankeny, and Des Moines. A geographic dispersion of in-commuting worker residences is shown in Figure 4.

Table 6 2015 Jobs by Commuter Distance (Inflow), Marshalltown City Limits

Jobs by Distance - Work Census Block To Home Census Block	2015	
	#	%
Total Jobs	15,701	100.0%
Less than 10 miles	8,151	51.9%
10 to 24 miles	2,242	14.3%
25 to 50 miles	1,927	12.3%
Greater than 50 miles	3,381	21.5%

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

Figure 4 Residence locations of Workers Employed in the Marshalltown City Limits



Among the 13,466 workers living in Marshalltown in 2015, 51.8 percent commuted less than 10 miles (Table 5). This primarily consists of workers employed in Marshalltown. Eleven percent of workers commuted 10 to 24 miles, which includes employment concentrations in nearby cities such as Toledo, Tama, Grinnell, and Newton. Over one-third of workers (37.8 percent) commuted 25 miles or more including 19.8 percent commuting at least 50 miles. These workers are primarily employed in larger metropolitan areas within the region including Ames, Ankeny, Des Moines and Altoona.

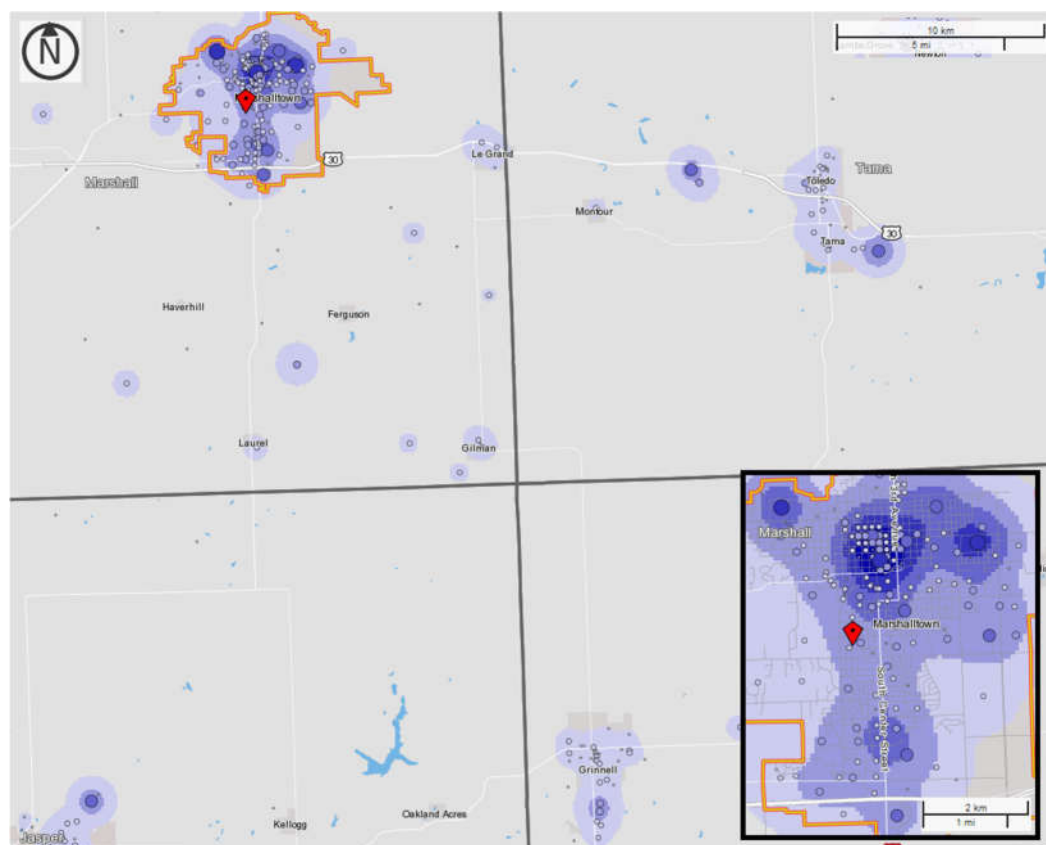
A geographic dispersion of employment locations for workers living in the Marshalltown city limits is provided in Figure 5. The highest percentage of workers living in Marshalltown are employed at the Iowa Veteran's Home, JBS Swift, Lennox, downtown Marshalltown, Marshalltown Community College, and at Marshalltown's retail corridor along South Center Street. The largest employers of Marshalltown workers in the region are the Meskwaki Bingo Casino near Toledo, Iowa Premium Beef in Tama, TPI Composites in Newton, and JELD-WEN in Grinnell.

Table 7 2015 Jobs by Commuter Distance (Outflow), Marshalltown City Limits

Jobs by Distance - Home Census Block To Wome Census Block	2015	
	#	%
Total Jobs	13,466	100.0%
Less than 10 miles	6,972	51.8%
10 to 24 miles	1,478	11.0%
25 to 50 miles	2,347	17.4%
Greater than 50 miles	2,669	19.8%

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

Figure 5 Employment Locations of Workers Living in the Marshalltown City Limits



3. Marshalltown In-Commuter and Resident Worker Characteristics

Among those employed within the Marshalltown city limits, younger workers under the age of 30 commuted in at a higher rate (59.2 percent) than middle-age workers ages 30 to 54 (56.6 percent) and older adult/senior workers age 55 or older (55.6 percent) (Table 8). Very low-income workers earning \$1,250 or less per month and moderate to high-income workers earning more than \$3,333 per month commuted in at higher rates (roughly 58 percent) than low-income workers earning \$1,251 to \$3,333 per month (53.7 percent). Over three-quarters of workers in the “Trade-Transportation-Utilities” industry class (which includes retailers) were in-commuters compared to 44.9 percent of workers in the “Goods Producing” (manufacturing) class and 57.4 percent of workers in the “other services” class.

Table 8 2015 Inflow Job Characteristics, Marshalltown City Limits

2015 Worker Characteristics (All Jobs), Marshalltown City Limits			
Worker Characteristics	Workers	Commuter %	Resident %
Total Jobs in Marshalltown	15,701	56.9%	43.1%
Workers Aged 29 or younger	3,558	59.2%	40.8%
Workers Aged 30 to 54	8,112	56.6%	43.4%
Workers Aged 55 or older	4,031	55.6%	44.4%
Workers Earning \$1,250 per month or less	3,820	58.1%	41.9%
Workers Earning \$1,251 to \$3,333 per month	5,219	53.7%	46.3%
Workers Earning More than \$3,333 per month	6,662	58.9%	41.1%
Workers in the "Goods Producing" Industry Class	4,620	44.9%	55.1%
Workers in the "Trade, Transportation, and Utilities" Industry Class	2,644	76.4%	23.6%
Workers in the "All Other Services" Industry Class	8,437	57.4%	42.6%

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

D. At-Place Employment

1. Trends in Total At-Place Employment

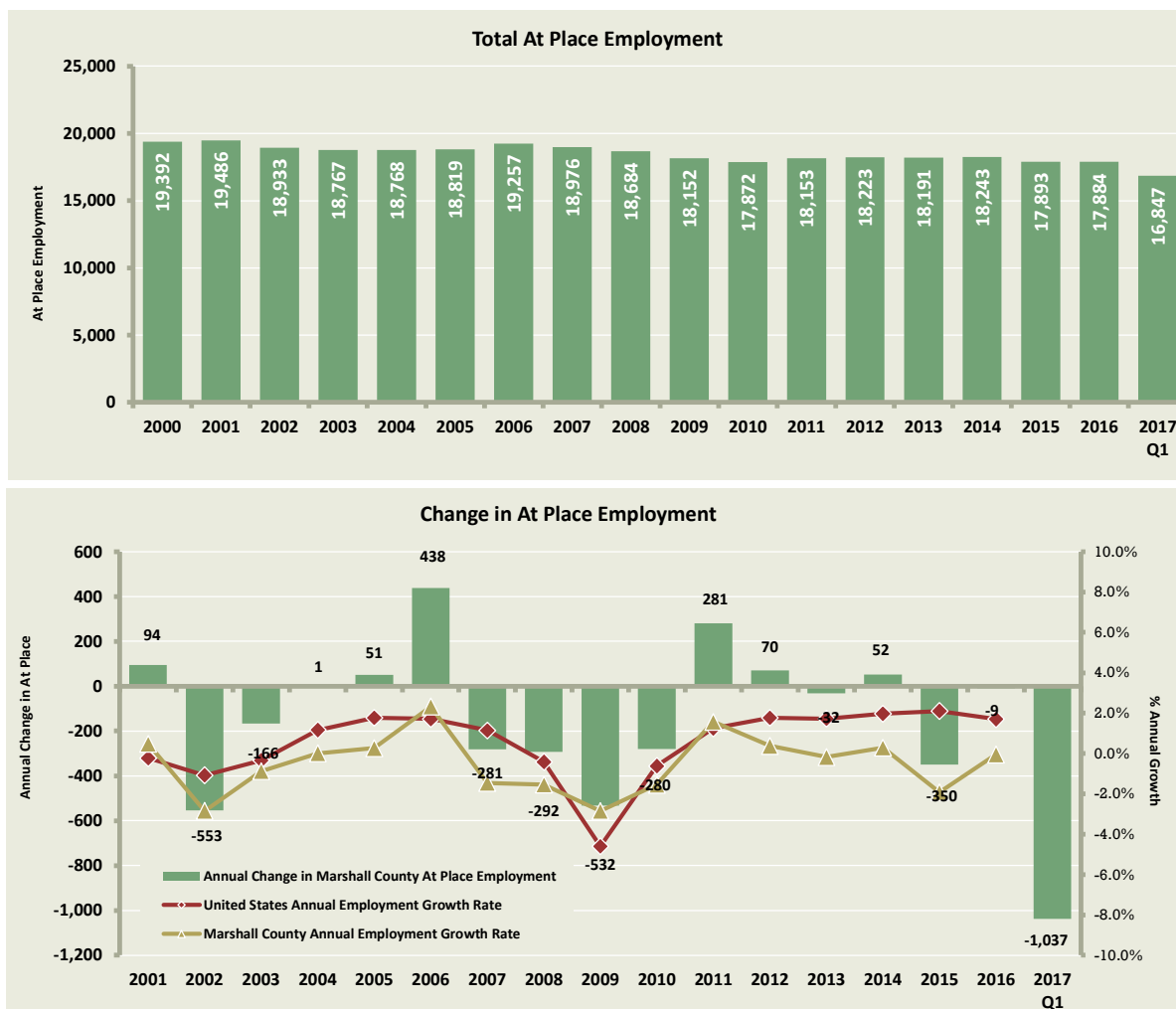
Marshall County’s At-Place Employment has been cyclical since 2000, experiencing five years of job growth, six years of job loss, and two years in which employment was relatively unchanged (Figure 6); however, the overall At-Place Employment trend has been one of decline, as years of job loss generally exceeded years of growth. The county has experienced a net loss of 1,508 jobs since 2000, a decrease of 7.8 percent. Most of the county’s job losses occurred from 2007 to 2010, before and after the 2009 national recession, from which the county has not yet recovered. While the county has added jobs in three of the last five years, the loss of 350 jobs in 2015 wiped out nearly all the jobs recovered since the recession. Through the first quarter of 2017, monthly At-Place Employment figures indicate the county lost an additional 1,037 jobs. This figure is overstated relative to the 2016 annual average, as the county’s first quarter At-Place Employment figures have consistently been well below annual totals over the last sixteen years; however, the county did lose approximately 500 temporary construction jobs that buoyed the county’s economy from 2014 to 2016 while the city’s new natural gas power plant was under construction.

2. At-Place Employment by Industry Sector

Manufacturing and Government are the two largest employment sectors in Marshall County, accounting for a combined 45.1 percent of total jobs compared to just 24 percent of jobs nationally (Figure 7). The disparity in the Manufacturing sector is particularly noteworthy as Marshall County has approximately three times as many manufacturing jobs (25.4 percent versus 8.7 percent) than the nation. Other industry sectors with a significant share of total employment within the county

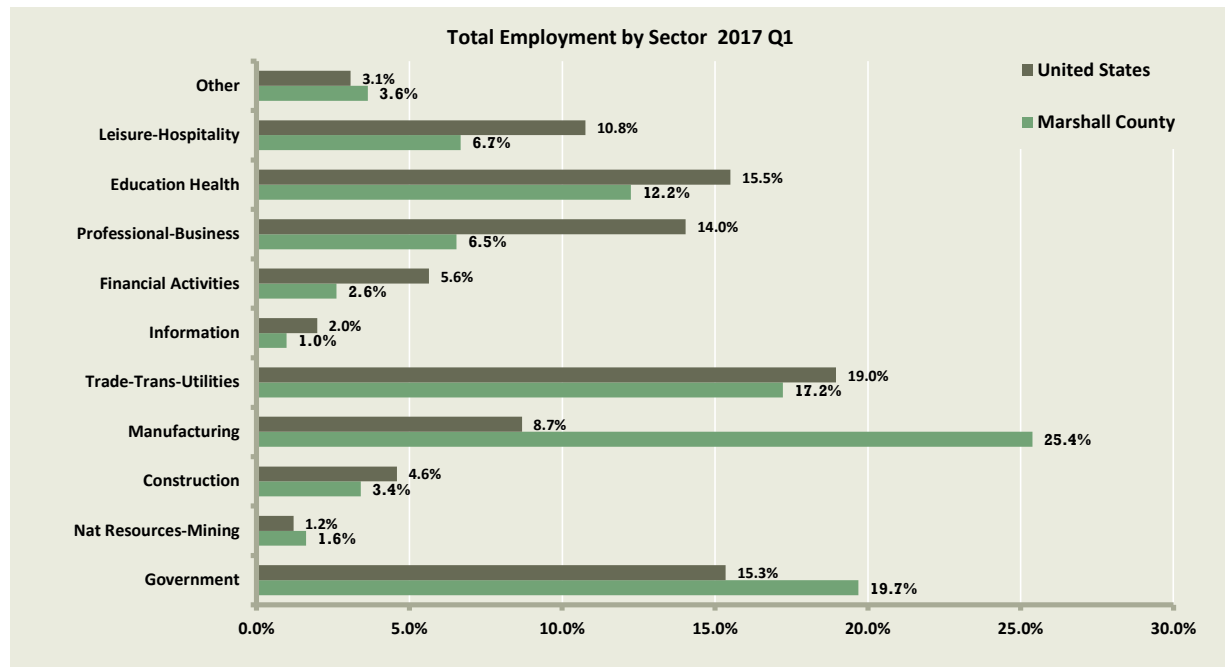
include Trade-Transportation-Utilities at 17.2 percent and Education-Health at 12.2 percent; however, Marshall County contains a lower percentage share of employment in these two sectors as all remaining sectors except “Other” relative to national figures with significant disparities in the Profession Business and Leisure-Hospitality sectors.

Figure 6 At-Place Employment, Marshall County

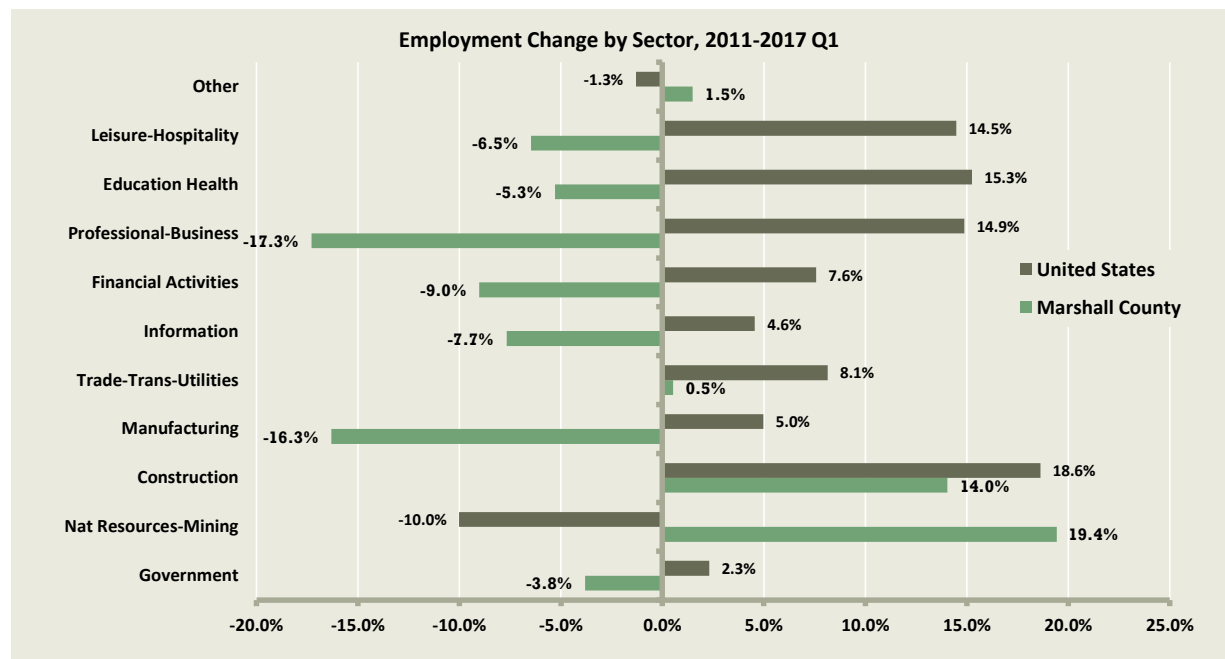


Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Seven of eleven industry sectors in Marshall County lost jobs between 2001 and 2017 Q1. The most notable job losses occurred in the county's two largest sectors, as employment declined by 16.3 percent in Manufacturing and by 3.8 percent in Government. The county also experienced declines ranging from 5.3 percent to 17.3 percent in the Professional Business, Leisure-Hospitality, Education-Health, Financial Activities, and Information sectors, though these were less significant in terms of total jobs given they comprise just 29 percent of total employment in the county combined. The only two sectors in which the county added jobs were Construction and Natural Resources-Mining, which grew by 14.0 percent and 19.4 percent respectively; however, these two sectors are among the smallest in terms of total jobs and account for just five percent of the county's employment.

Figure 7 Total Employment by Sector 2017 Q1

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Figure 8 Total Employment and Employment Change by Sector 2011 to 2017 Q1

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

E. Major Employers

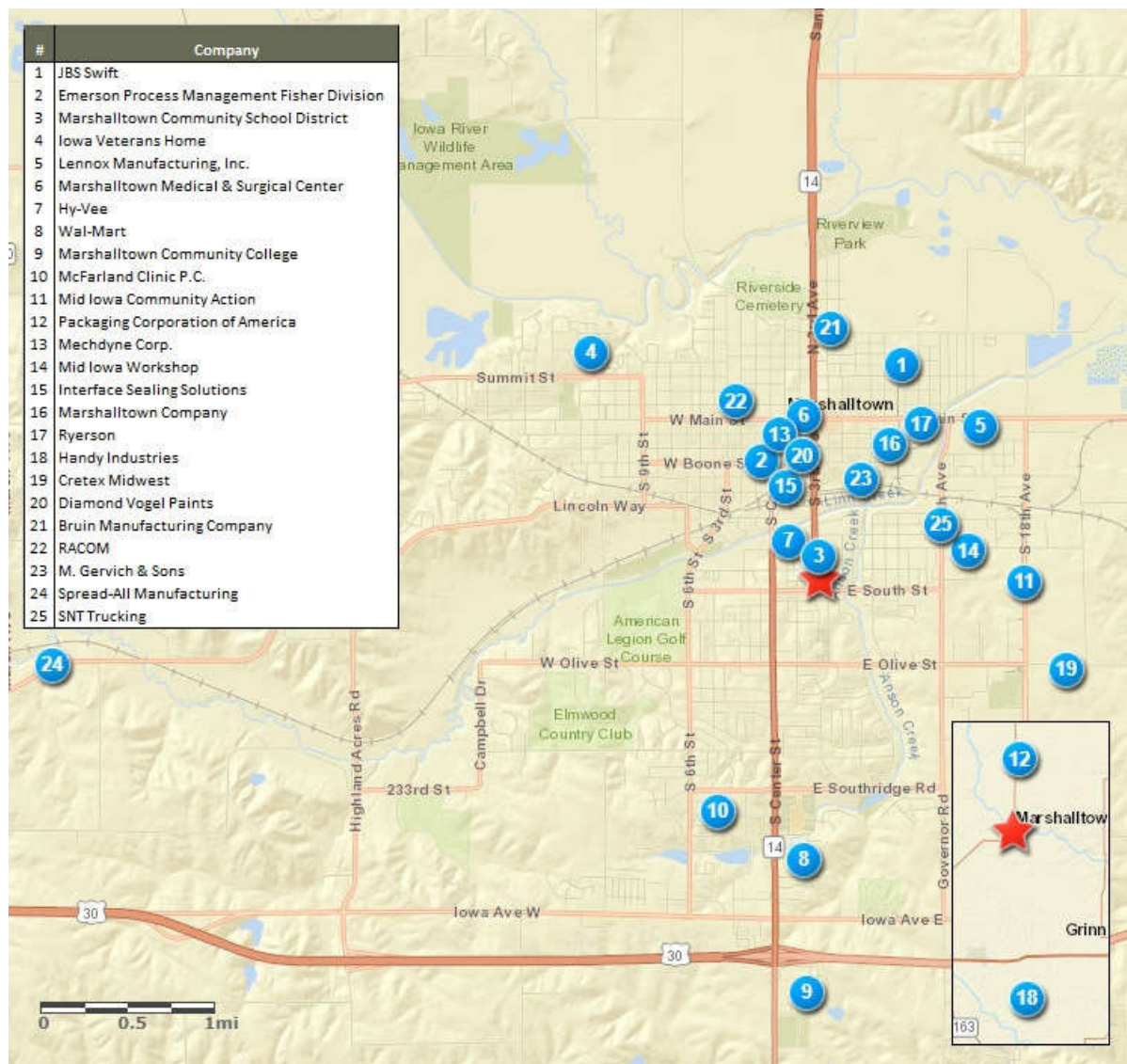
Manufacturers dominate the 20 largest major employers in Marshall County including the single largest employer JBS Swift (Table 9). With a total employment of 2,300 workers, JBS Swift is nearly twice as large as the next largest employer. In addition to JBS Swift, the top five largest major employers 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 (UnityPoint Health - Marshalltown and the McFarland Clinic), Marshalltown Community College, and a non-profit (Mid Iowa Community Action). All of these major employers are located in Marshalltown (Map 4).

Table 9 2017 Major Employers, Marshall County

Rank	Name	Sector	Employment
1	JBS Swift	Processing / Packaging	2,300
2	Emerson Process Management Fisher Division	Manufacturing	1,200
3	Marshalltown Community School District	Education	1,002
4	Iowa Veterans Home	Health Care	1,000
5	Lennox Manufacturing, Inc.	Manufacturing	800
6	UnityPoint Health	Health Care	715
7	Hy-Vee	Retail	340
8	Wal-Mart	Retail	325
9	Marshalltown Community College	Education	245
10	McFarland Clinic P.C.	Health Care	223
11	Mid Iowa Community Action	Non-Profit	180
12	Packaging Corporation of America	Manufacturing	110
13	Mechdyne Corp.	Manufacturing	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

Source: Marshall Economic Development Impact Committee

Map 4 Major Employers, Marshall County



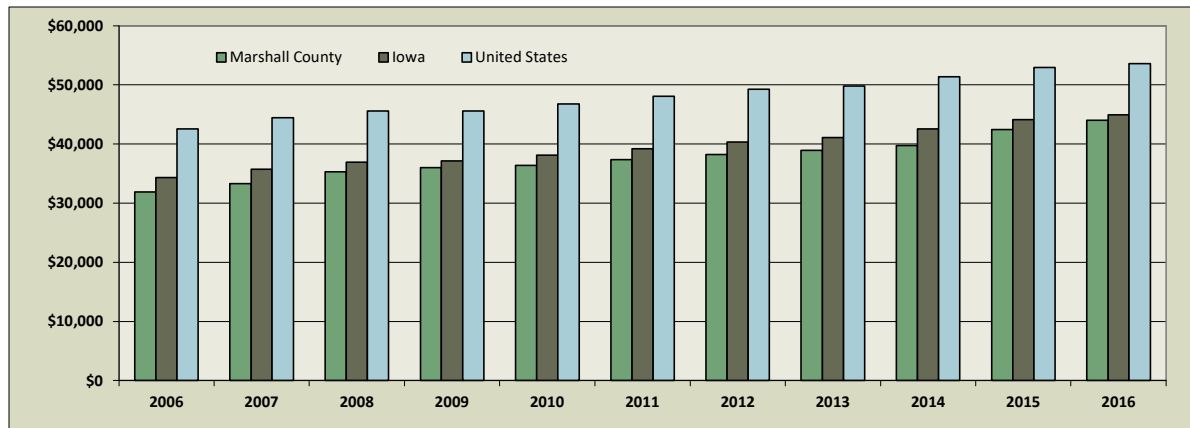
F. Wage Data

Marshall County's 2016 average annual wage was \$44,012, which is 898 or 2.0 percent lower than the \$44,910 state-wide average (Table 10). The state's average wage is \$8,701 or 16.2 percent below the national average of roughly \$53,611. Marshall County's average annual wage in 2016 represents an increase of \$12,119 or 38.0 percent since 2006.

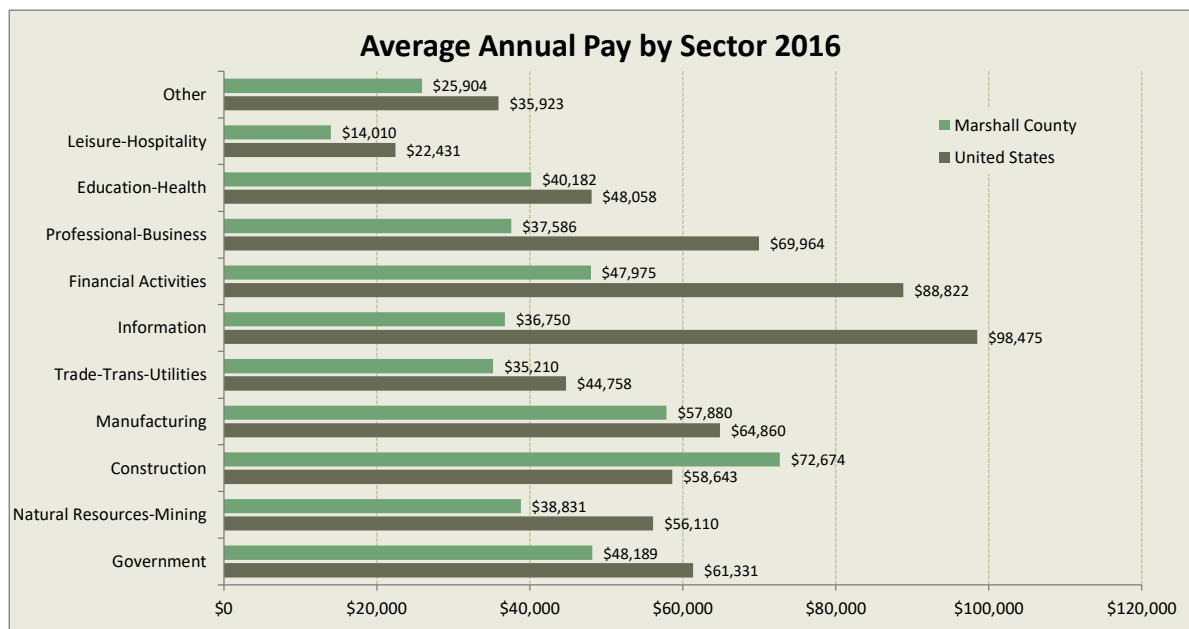
Table 10 Wage Data, Marshall County

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Marshall County	\$31,893	\$33,286	\$35,324	\$36,037	\$36,402	\$37,347	\$38,244	\$38,912	\$39,731	\$42,421	\$44,012
Iowa	\$34,320	\$35,738	\$36,964	\$37,158	\$38,146	\$39,204	\$40,343	\$41,107	\$42,538	\$44,095	\$44,910
United States	\$42,535	\$44,458	\$45,563	\$45,559	\$46,751	\$48,043	\$49,289	\$49,804	\$51,361	\$52,942	\$53,611

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages



The average wage in Marshall County falls below the national average for all economic sectors except construction with significant disparities in many sectors (Figure 9). The highest paying sectors in Marshall County are Construction, Manufacturing, Government, and Financial Activities.

Figure 9 Wage by Sector, Marshall County

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

G. Recent/Planned Economic Expansions and Contractions

A handful of economic expansions are expected to occur in Marshalltown over the next two to three years. These include:

- A Holiday Inn Express hotel is currently under construction on the south site of Marshalltown just north of U.S Highway 30. The hotel is expected to be open by the second quarter of 2018 and will add 35 to 40 full-time and part-time jobs.
- The Willows assisted living and memory care facility is currently under construction in southeast Marshalltown and is also expected to complete in early to mid-2018. The 60-unit senior living facility is expected to add a small number of jobs.
- Four other economic expansions are currently in the planning stages and have not been publicly announced; however, the planned expansions, which will include two new light industrial facilities totaling a capital investment of 10 million and the expansion of two existing businesses in Marshalltown, are expected to add approximately 50 new jobs.

In addition to these upcoming economic expansions, one notable closure (Kmart) also occurred within the past year resulting in the loss of 50 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

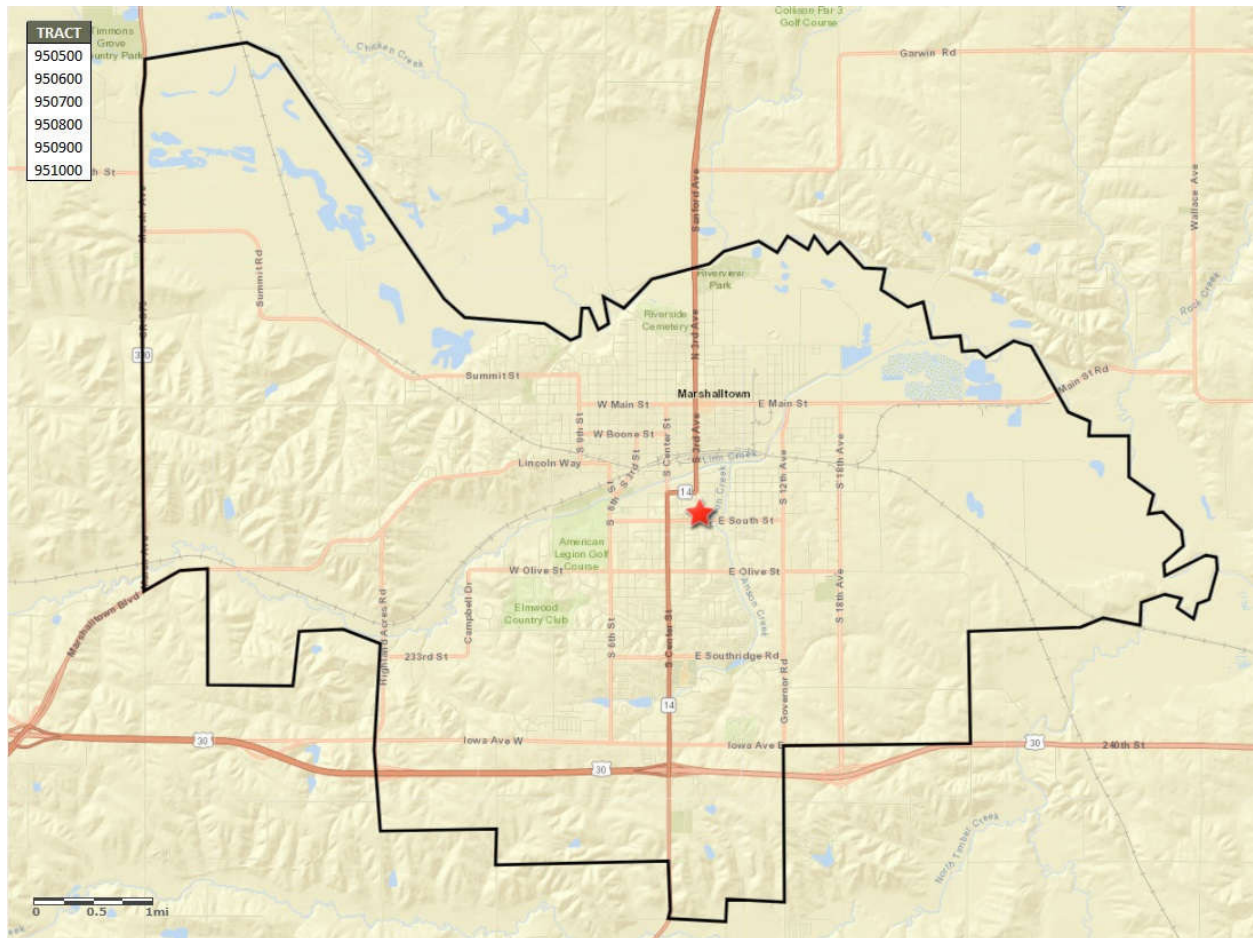
The Marshalltown Market Area consists of eight 2010 Census tracts in Marshall County. The boundaries of the Marshalltown Market Area and their approximate distance from the center of the city are:

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

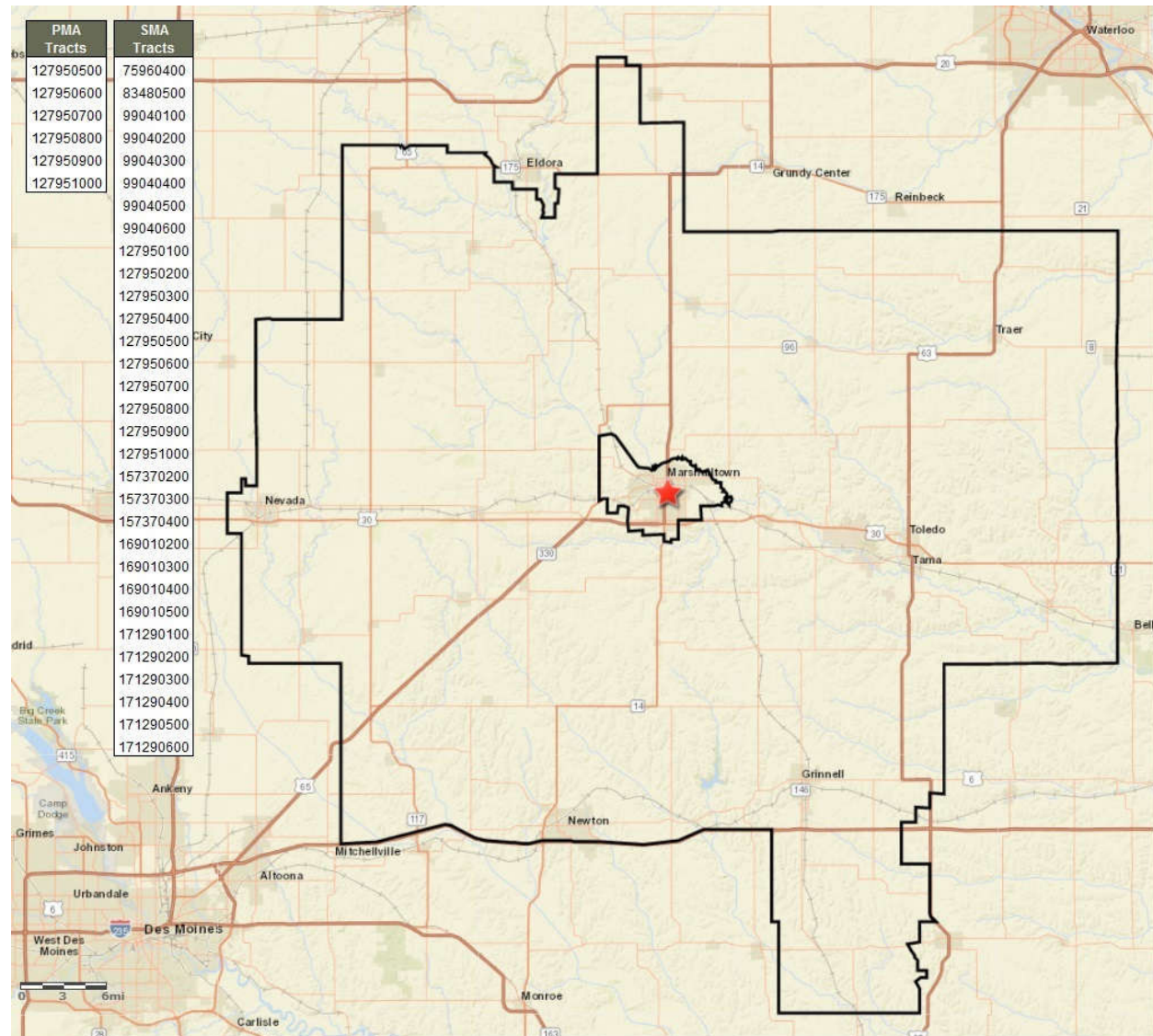
The Marshalltown Market Area largely follows the Marshalltown city limits outside of the northeastern and northwestern most census tracts, which include small portions of unincorporated Marshall County. These unincorporated areas are rural in nature, contain few households, and do not impact the findings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



Map 6 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.

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 11). 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. Estimated/Projected Trends

Recent estimates and projections reflect a stable environment. Esri estimates the Marshalltown Market Area's population increased by 347 people from 2010 to 2017 while the number of households grew by 65. Over the next five years, the Marshalltown Market Area's population will increase by 127 people between 2017 and 2022, bringing the total population to 28,444 people in 2022. The household base is projected to gain 20 net new households resulting in 10,583 households by 2022.

In the Secondary Market Area, Esri estimates the population will increase by 355 people (0.3 percent) to 113,458 by 2022 while the household base will grow by a modest 56 households (0.1 percent) to 44,768 during the same period.

3. Building Permit Trends

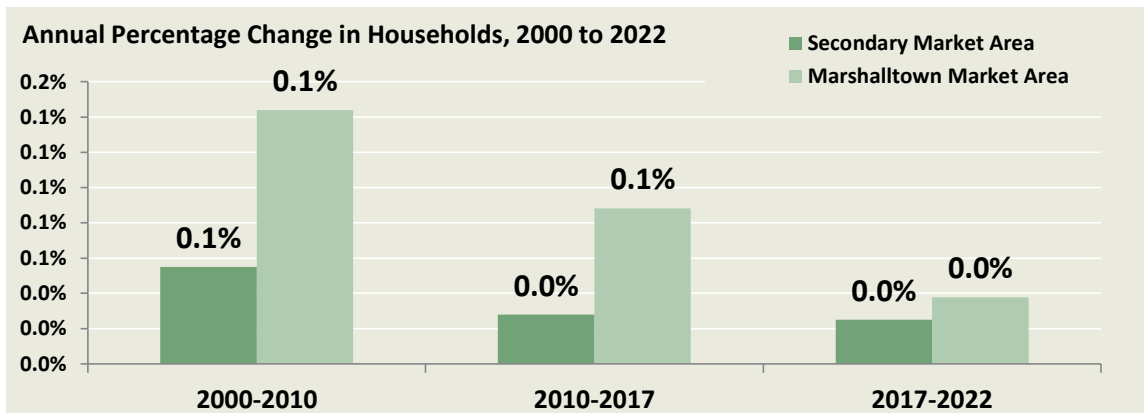
Marshalltown permitted an average of 54 housing units per year from 2000 to 2009 compared to annual household growth of 15 in the Marshalltown Market Area; however, it is likely given the age of the existing housing stock, many of these permitted units replaced functionally obsolete or substandard housing (Table 12). 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. Permit activity dropped significantly in Marshalltown from 2009 to 2014 with 12 units or less permitted in each of these years; however, permit activity has increased over the past two years with the 46 units permitted in 2016 the most since 2008.

Since 2000, 50 percent of all permit activity has been for single-family detached homes, 16 percent has been for duplexes, 10 percent has been for three to four-unit dwellings, and 24 percent has been for units contained within multi-family structures (5+ units).

Table 11 Population and Household Projections

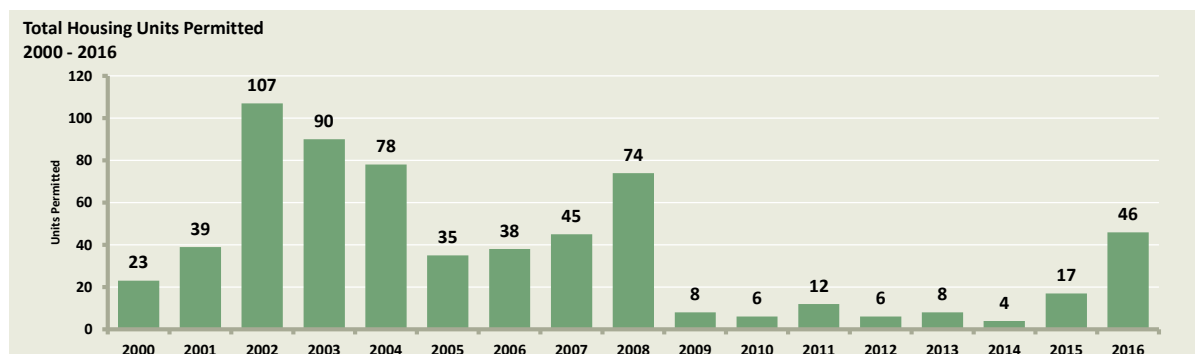
Secondary Market Area						Marshalltown Market Area					
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change		
		#	%	#	%		#	%	#	%	
2000	111,971					26,434					
2010	112,406	435	0.4%	44	0.0%	27,970	1,536	5.8%	154	0.6%	
2017	113,103	697	0.6%	100	0.1%	28,317	347	1.2%	50	0.2%	
2022	113,458	355	0.3%	71	0.1%	28,444	127	0.4%	25	0.1%	
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change		
		#	%	#	%		#	%	#	%	
2000	44,381					10,348					
2010	44,625	244	0.5%	24	0.1%	10,498	150	1.4%	15	0.1%	
2017	44,712	87	0.2%	12	0.0%	10,563	65	0.6%	9	0.1%	
2022	44,768	56	0.1%	11	0.0%	10,583	20	0.2%	4	0.0%	

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

**Table 12 Building Permits by Structure Type**

Marshalltown																		2000-2016	Annual Average
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Single Family	11	31	29	64	25	24	28	31	18	6	4	10	4	2	0	13	20	320	19
Two Family	12	8	12	14	12	6	10	4	2	2	2	2	2	6	4	0	2	100	6
3 - 4 Family	0	0	52	0	0	0	0	4	4	0	0	0	0	0	0	4	0	64	4
5+ Family	0	0	14	12	41	5	0	6	50	0	0	0	0	0	0	0	24	152	9
Total	23	39	107	90	78	35	38	45	74	8	6	12	6	8	4	17	46	636	37

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



4. Trends in Older Adult and Senior Households

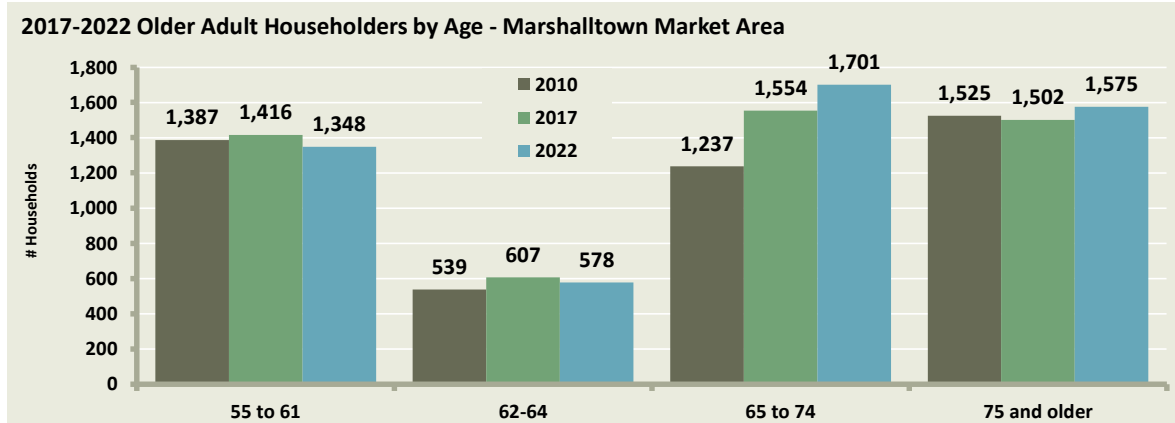
Growth among older adult (age 55 to 62) and senior (age 62 or older) households outpaced total household growth in the Marshalltown Market Area from 2010 to 2017, a trend projected to continue over the next five years. In 2010, the Marshalltown Market Area contained 4,688 households with a householder age 55+ and 3,301 households with a householder age 62+ (Table 13). From 2010 and 2017, households with a householder 55+ increased at an annual rate of 1.2 percent (59 households per year) while households with a householder 62+ increased by 1.5 percent per year (52 households). Older adult and senior households are projected to increase at annual rates of 0.5 percent (55+) and 1.0 percent (62+) through 2022, bringing total households with a householder 55+ and 62+ to 5,202 and 3,854, respectively.

From 2010 to 2017, nearly all older adult/senior household growth occurred among the 62-64 (12.6 percent) and 65 to 74 (25.6 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 (9.5 percent) and 75 and older (4.9 percent) age groups. 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 13 Senior Household Projections

							Change 2010 to 2017				Change 2017 to 2022			
Marshalltown Market Area							Total		Annual		Total		Annual	
Age of	2010		2017		2022		#	%	#	%	#	%	#	%
55 to 61	1,387	29.6%	1,416	27.9%	1,348	25.9%	29	2.1%	4	0.3%	-68	-4.8%	-14	-1.0%
62-64	539	11.5%	607	11.9%	578	11.1%	68	12.6%	10	1.7%	-29	-4.8%	-6	-1.0%
65 to 74	1,237	26.4%	1,554	30.6%	1,701	32.7%	317	25.6%	45	3.3%	147	9.5%	29	1.8%
75 and older	1,525	32.5%	1,502	29.6%	1,575	30.3%	-23	-1.5%	-3	-0.2%	73	4.9%	15	1.0%
Householders 55+	4,688	100.0%	5,079	100.0%	5,202	100.0%	391	8.3%	56	1.2%	123	2.4%	25	0.5%
Householders 62+	3,301		3,663		3,854		362	11.0%	52	1.5%	191	5.2%	38	1.0%

Source: 2010 Census; Esri; RPRG

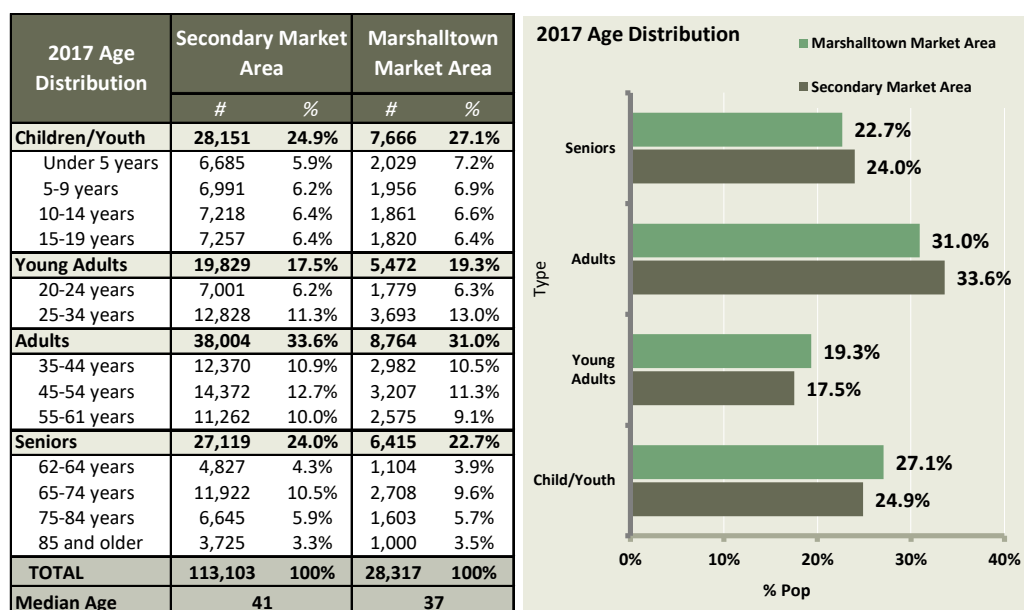


C. Demographic Characteristics

1. Age Distribution and Household Type

Esri estimates the Marshalltown Market Area's population has a median age of 37 as of 2017, younger than the Secondary Market Area population median age of 41 (Table 14). Adults (age 35 to 61) comprise the largest percentage of the Marshalltown Market Area population at 31.0 percent, followed closely by children under the age of 20 (27.1 percent). In comparison, the Secondary Market Area contains a higher proportion of adults (33.6 percent) and a lower proportion of children (24.9 percent). Among the remaining age cohorts, the Marshalltown Market Area has a higher percentage of young adults age 20 to 34 (19.5 percent versus 17.5 percent) and a lower percentage of seniors age 65 and older (22.7 percent to 24.0 percent) relative to the Secondary Market Area.

Table 14 2017 Age Distribution



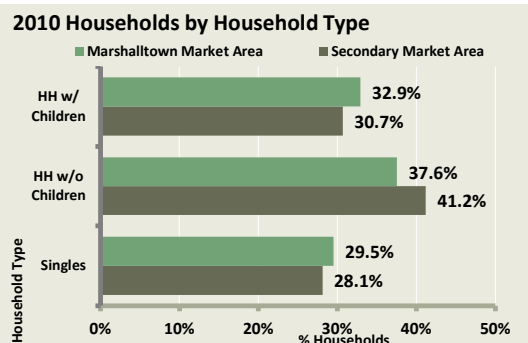
Source: Esri; RPRG, Inc.

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 15). 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 15 2010 Households by Household Type

2010 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. Household Tenure Trends

The Marshalltown Market Area and Secondary Market Area have historically been owner-dominated markets as homeowners accounted for nearly three-quarters of total households as of 2000 (Table 16); however, renter household growth has increased significantly in both areas over the last seventeen years. The Marshalltown Market Area's renter percentage increased from 29.7 percent to 31.5 percent from 2000 to 2010, gaining 228 renter households and losing 78 owner households. The Secondary Market Area's renter percentage remained stable during this period as net household growth roughly followed historic tenure trends. Esri estimates the Marshalltown Market Area's renter percentage continued to increase over the last seven years reaching 32.7 percent in 2017. During this period, renter households increased by 152 while owner households fell by 87. Unlike the previous decade, the Secondary Market Area followed a similar trend adding 528 renter households and losing 441 owner households from 2010 to 2017. Over the next five years, Esri projects the Marshalltown Market Area will add 18 owner households and two renter households through 2022 compared to a loss of 15 renter households and a gain of 71 owner households in the Secondary Market Area. While Esri projections suggest a shift back toward owner housing in both areas, evidence in the market and strong recent trends toward rental housing indicate projections may be overstating this tenure shift.

Table 16 Households by Tenure

Secondary Market Area	2000		2010		Change 2000-2010		2017		Change 2010-2017		2022		Change 2017-2022	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Owner Occupied	32,918	74.2%	33,093	74.2%	175	71.7%	32,652	73.0%	-441	-	32,723	73.1%	71	-
Renter Occupied	11,463	25.8%	11,532	25.8%	69	28.3%	12,060	27.0%	528	-	12,045	26.9%	-15	-
Total Occupied	44,381	100%	44,625	100%	244	100%	44,712	100%	87	100%	44,768	100%	56	100%
Total Vacant	3,436		4,549				5,048				5,455			
TOTAL UNITS	47,817		49,174				49,760				50,223			

Marshalltown Market Area	2000		2010		Change 2000-2010		2017		Change 2010-2017		2022		Change 2017-2022	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Owner Occupied	7,272	70.3%	7,194	68.5%	-78	-	7,107	67.3%	-87	-	7,125	67.3%	18	90.0%
Renter Occupied	3,076	29.7%	3,304	31.5%	228	-	3,456	32.7%	152	-	3,458	32.7%	2	10.0%
Total Occupied	10,348	100%	10,498	100%	150	100%	10,563	100%	65	100%	10,583	100%	20	100%
Total Vacant	691		849				856				893			
TOTAL UNITS	11,039		11,347				11,419				11,476			

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

Older adult and senior households with householders age 55 and older have a higher propensity to own than rent relative to all households in both the Marshalltown Market Area and Secondary Market Area, though the Marshalltown Market Area has a higher percentage of older adult and senior renters than the Secondary Market Area overall (Table 17). Among households with householder age 55+, renters accounted for 21.4 percent of households in the Marshalltown Market Area compared to 18.9 percent in the Secondary Market Area. Renters accounted for 22 percent and 19.6 percent of households with householder 62+ in the Marshalltown Market Area and Secondary Market Area, respectively.

Table 17 Senior Households by Tenure, 55+ and 62+

Senior Households 55+	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
Owner Occupied	18,386	81.1%	3,994	78.6%
Renter Occupied	4,277	18.9%	1,085	21.4%
Total Occupied	22,663	100.0%	5,079	100.0%

Source: 2000 Census; 2010 Census; ESRI; RPRG

Senior Households 62+	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
Owner Occupied	13,122	80.4%	2,856	78.0%
Renter Occupied	3,190	19.6%	807	22.0%
Total Occupied	16,313	100.0%	3,663	100.0%

Source: 2000 Census; 2010 Census; ESRI; RPRG

Older adults and seniors age 55 or older comprise over half (approximately 56 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 30.4 percent in the Marshalltown Market Area and 32.4 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, 37.8 are children/young adults (age 15-34), 30.8 percent are working age adults (age 35-54), and 31.4 percent are older adults/seniors (age 55+).

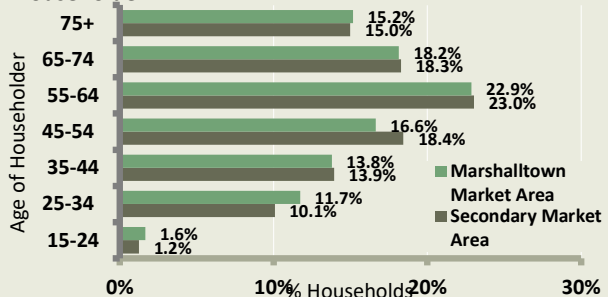
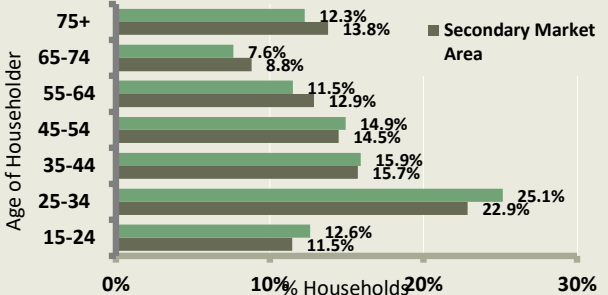
Table 18 Households by Tenure and Age of Householder

Owner Households	Secondary Market Area		Marshalltown Market Area	
Age of HHldr	#	%	#	%
15-24 years	407	1.2%	117	1.6%
25-34 years	3,289	10.1%	834	11.7%
35-44 years	4,548	13.9%	980	13.8%
45-54 years	6,023	18.4%	1,182	16.6%
55-64 years	7,519	23.0%	1,625	22.9%
65-74 years	5,972	18.3%	1,290	18.2%
75+ years	4,894	15.0%	1,078	15.2%
Total	32,652	100%	7,107	100%

Source: Esri, Real Property Research Group, Inc.

Renter Households	Secondary Market Area		Marshalltown Market Area	
Age of HHldr	#	%	#	%
15-24 years	1,381	11.5%	436	12.6%
25-34 years	2,758	22.9%	869	25.1%
35-44 years	1,897	15.7%	550	15.9%
45-54 years	1,746	14.5%	516	14.9%
55-64 years	1,553	12.9%	398	11.5%
65-74 years	1,063	8.8%	264	7.6%
75+ years	1,662	13.8%	424	12.3%
Total	12,060	100%	3,456	100%

Source: Esri, Real Property Research Group, Inc.

2017 Owner Households by Age of Householder**2017 Renter Households by Age of Householder**

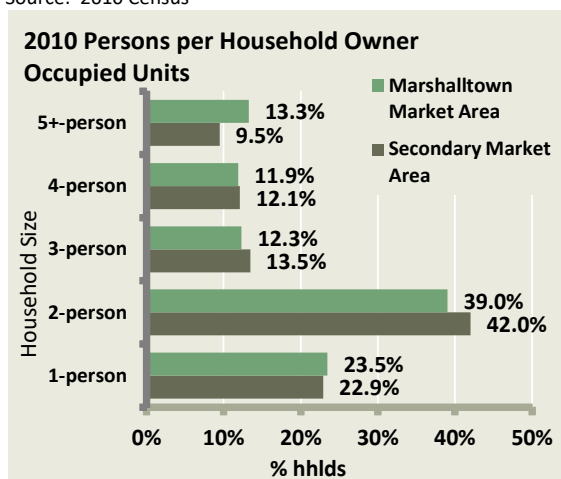
Approximately 63 percent of all owner households in the Marshalltown Market Area contain one or two persons, though two-person households outweigh single person households by nearly two to one (39.0 percent versus 23.5 percent) (Table 19). Three and four-person households account for 24.2 percent of 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.

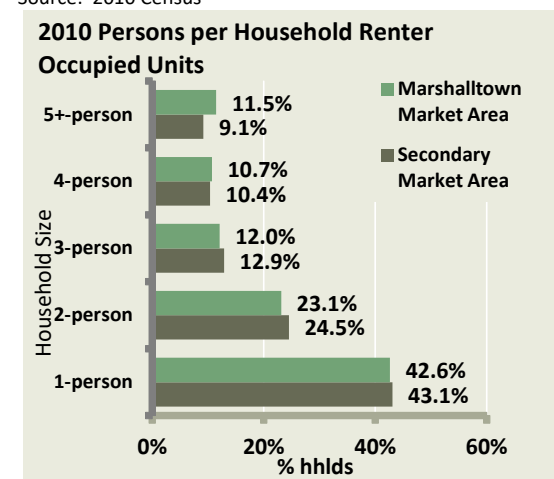
Table 19 2010 Renter Households by Household Size

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%

Source: 2010 Census



Source: 2010 Census



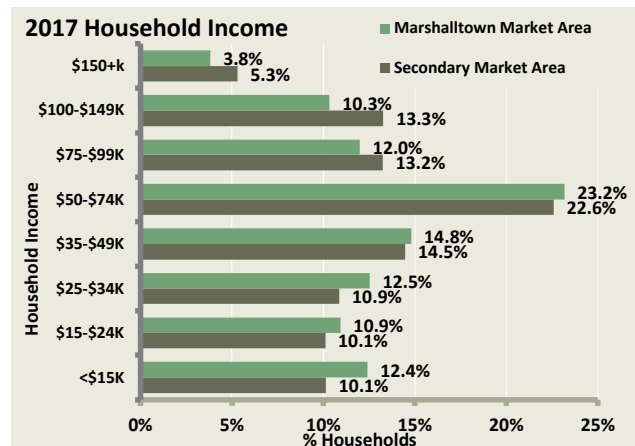
3. Income Characteristics

Esri estimates the 2017 median household income in the Marshalltown Market Area is \$49,304, which is \$5,587 or 10.2 percent below the \$54,891 median income in the Secondary Market Area (Table 20). The two largest income cohorts in the Marshalltown Market Area are low income households earning less than \$35,000 per year (35.9 percent) and moderate-income households earning \$35,000 to \$74,999 annually (38 percent). Combined, Esri estimates low and moderate-income households comprised nearly three-quarters (73.9 percent) of all households in the Marshalltown Market Area as of 2017. Roughly 26 percent of households in the Marshalltown Market Area were high-income earners with annual incomes of \$75,000 or more.

Table 20 2017 Household Income

Estimated 2017 Household Income		Secondary Market Area		Marshalltown Market Area	
		#	%	#	%
less than \$15,000		4,533	10.1%	1,310	12.4%
\$15,000 - \$24,999		4,517	10.1%	1,156	10.9%
\$25,000 - \$34,999		4,861	10.9%	1,324	12.5%
\$35,000 - \$49,999		6,469	14.5%	1,564	14.8%
\$50,000 - \$74,999		10,099	22.6%	2,448	23.2%
\$75,000 - \$99,999		5,924	13.2%	1,267	12.0%
\$100,000 - \$149,999		5,935	13.3%	1,091	10.3%
\$150,000 - Over		2,374	5.3%	403	3.8%
Total		44,712	100%	10,563	100%
Median Income		\$54,891		\$49,304	

Source: Esri; Real Property Research Group, Inc.

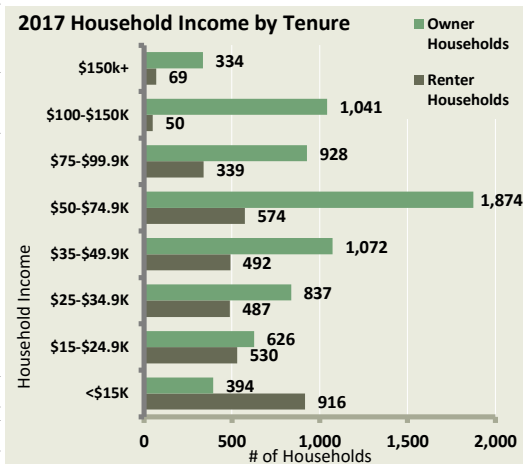


The Marshalltown Market Area's owner median household income of \$58,328 is nearly twice the renter median income of \$30,784 (Table 21). Approximately 42 percent of all owner households have moderate annual incomes (\$35,000 - \$74,999) compared to 30.8 percent of renter households. A significantly higher percentage of owner households also reported high incomes (\$75,000+) relative to renter households (32.4 percent versus 13.2 percent). In contrast, roughly 56 percent of renter households have low incomes of less than \$35,000 annually compared to 26.1 percent of owner households.

Table 21 2017 Household Income by Tenure

Estimated 2017 Hhld Income		Renter Households		Owner Households	
		#	%	#	%
less than \$15,000		916	26.5%	394	5.5%
\$15,000 - \$24,999		530	15.3%	626	8.8%
\$25,000 - \$34,999		487	14.1%	837	11.8%
\$35,000 - \$49,999		492	14.2%	1,072	15.1%
\$50,000 - \$74,999		574	16.6%	1,874	26.4%
\$75,000 - \$99,999		339	9.8%	928	13.1%
\$100,000 - \$149,999		50	1.4%	1,041	14.7%
\$150,000 - over		69	2.0%	334	4.7%
Total		3,456	100%	7,107	100%
Median Income		\$30,784		\$58,328	

Source: American Community Survey 2011-2015 Estimates, RPRG, Inc.



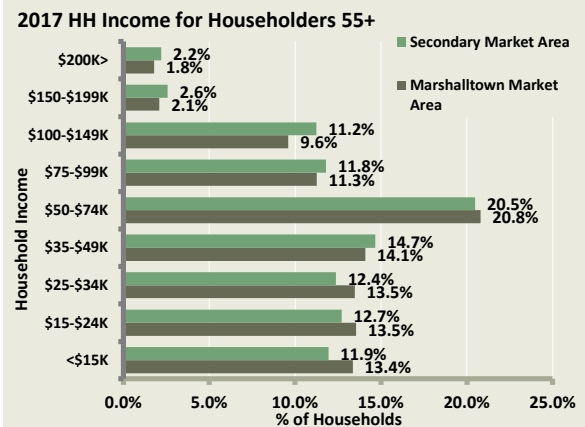
Senior households with a householder age 55 and older have a 2017 median income of \$45,247, \$3,022 or 6.7 percent higher than the county's senior median income of \$48,269 (Table 22).

Based on the U.S. Census Bureau's American Community Survey (ACS) data and breakdown of tenure and household estimates, the 2017 median incomes for senior households (age 55 and older) in the Marshalltown Market Area are \$27,831 among owners and \$50,798 among renters (Table 23). Senior owner households in the Marshalltown Market Area are relatively distributed among income cohorts with 34.9 percent earning less than \$35,000 per year (low income), 36.9 percent earning \$35,000 to \$74,999 (moderate income), and 28.2 percent earning \$75,000 or more per year (high income). Conversely, over 60 percent of all senior renter households in the Marshalltown Market Area have low incomes while 27.4 percent have moderate incomes, and only 12.1 percent high incomes.

Table 22 2017 Senior Household Income, Householders 55+

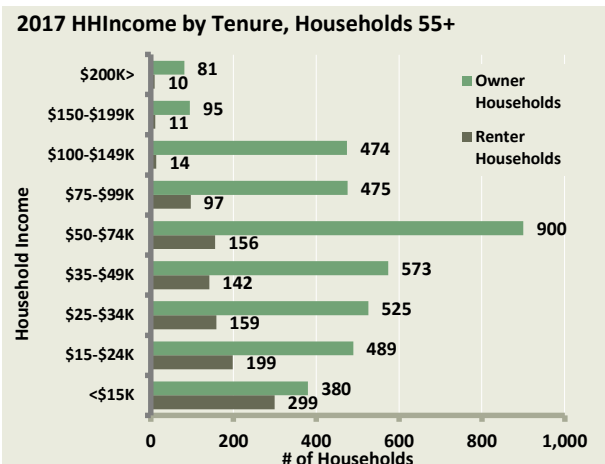
2017 HH Income for Householders 55+		Secondary Market Area		Marshalltown Market Area	
		#	%	#	%
less than \$15,000		2,706	11.9%	679	13.4%
\$15,000 \$24,999		2,880	12.7%	688	13.5%
\$25,000 \$34,999		2,804	12.4%	684	13.5%
\$35,000 \$49,999		3,325	14.7%	715	14.1%
\$50,000 \$74,999		4,641	20.5%	1,056	20.8%
\$75,000 \$99,999		2,674	11.8%	572	11.3%
\$100,000 \$149,999		2,548	11.2%	488	9.6%
\$150,000 \$199,999		585	2.6%	106	2.1%
\$200,000 over		500	2.2%	91	1.8%
Total		22,663	100%	5,079	100%
Median Income		\$48,269		\$45,247	

Source: American Community Survey 2011-2015 Estimates, RPRG, Inc.

**Table 23 2017 Senior Household Income by Tenure, Householders 55+**

Marshalltown Market Area		Renter Households		Owner Households	
		#	%	#	%
less than \$15,000		299	27.6%	380	9.5%
\$15,000 \$24,999		199	18.3%	489	12.3%
\$25,000 \$34,999		159	14.6%	525	13.2%
\$35,000 \$49,999		142	13.0%	573	14.4%
\$50,000 \$74,999		156	14.4%	900	22.5%
\$75,000 \$99,999		97	8.9%	475	11.9%
\$100,000 \$149,999		14	1.3%	474	11.9%
\$150,000 \$199,999		11	1.0%	95	2.4%
\$200,000 over		10	0.9%	81	2.0%
Total		1,085	100%	3,994	100%
Median Income		\$27,831		\$50,798	

Source: American Community Survey 2011-2015 Estimates, RPRG, Inc.



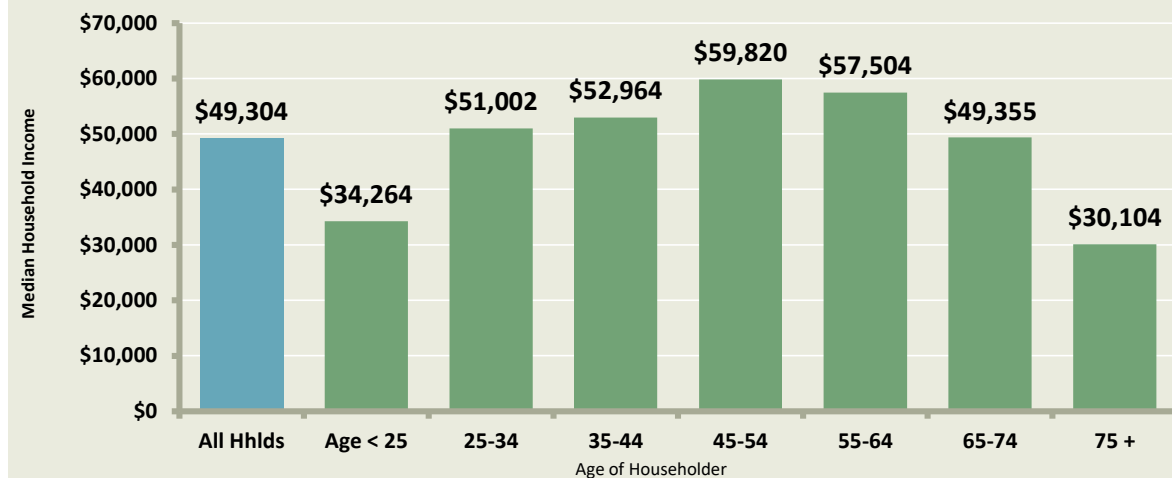
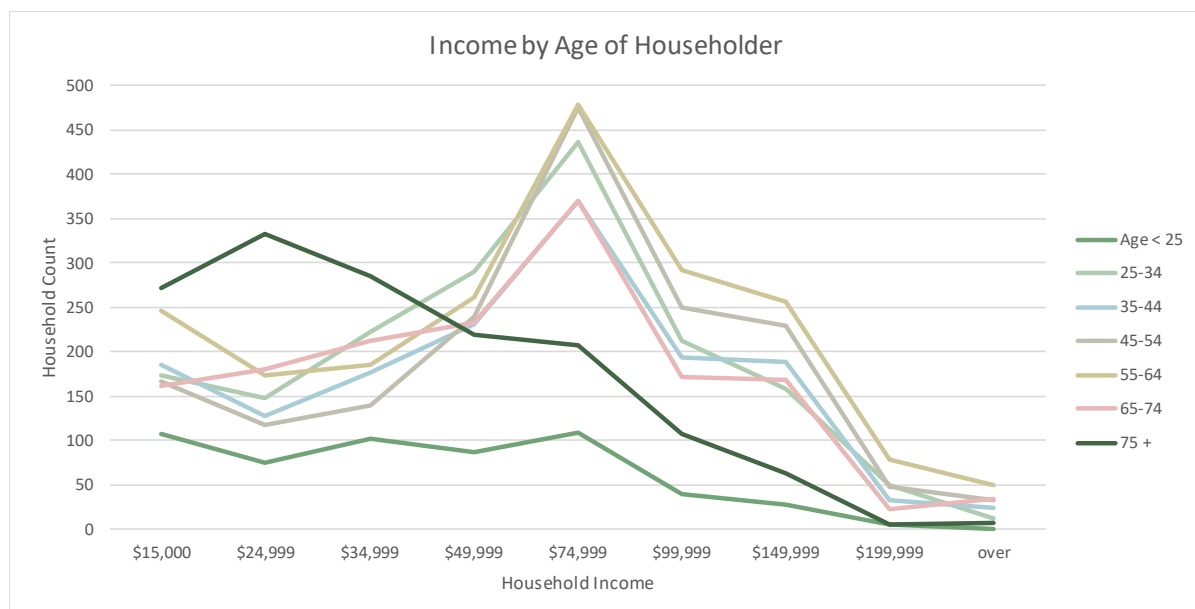
Esri estimates older adult and senior households age 45 to 64 had the highest median incomes in the Marshalltown Market Area in 2017, ranging from \$57,504 to \$59,820 (Table 24). Young adults under the age of 25 and seniors over the age of 75 had the lowest median incomes (roughly \$30,000 to \$34,000) while households with householder age 25 to 44 and 65 to 74 were similar, ranging roughly from \$50,000 to \$52,000 per year.

Moderate to high income households earning from \$50,000 to \$99,999 per year comprised the highest percentage of total households in each age cohort except for young adults under the age of 25 and seniors age 75+, both of which had the highest percentage of low income earners (Figure 10).

Table 24 2017 Income by Age of Householder

Householder Age>	All Hhlds	Age < 25	25-34	35-44	45-54	55-64	65-74	75 +
Household Income	10,563	553	1,703	1,530	1,698	2,023	1,554	1,502
less than \$15,000	1,310	107	173	185	166	246	161	272
\$15,000 \$24,999	1,156	75	148	128	117	174	181	333
\$25,000 \$34,999	1,324	102	222	177	139	186	212	286
\$35,000 \$49,999	1,564	87	291	231	240	262	233	220
\$50,000 \$74,999	2,448	109	436	371	476	478	370	208
\$75,000 \$99,999	1,267	40	212	194	249	293	171	108
\$100,000 \$149,999	1,091	27	158	188	230	256	169	63
\$150,000 \$199,999	241	5	50	32	48	78	23	5
\$200,000 over	162	1	13	24	33	50	34	7
Median Income	\$49,304	\$34,264	\$51,002	\$52,964	\$59,820	\$57,504	\$49,355	\$30,104

Source: Esri; RPRG, Inc.

2017 Median Household Income by Age of Householder**Figure 10 Income by Age of Householder Household Distribution**

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 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 November and December of 2017.

B. Overview of Market Area Housing Stock

Based on the 2011-2015 ACS survey, lower density structures comprise most of the housing in both the Marshalltown Market Area and the Secondary Market Area. Ninety-three to 94 percent of all owner-occupied units in the Marshalltown Market Area and the Secondary Market Area are single-family detached homes (Table 25). The remaining owner-occupied units primarily consist of mobile homes, duplexes, and townhomes. Rental housing in the Marshalltown Market Area is denser and more diverse with 27.7 percent in single-family detached homes, 29.5 percent in structures with 2-4 units, and 40 percent in multi-family structures with five or more units. In comparison, rental units in the Secondary Market Area are more heavily concentrated in single-family detached homes (41.0 percent) with the remaining units roughly spread out among multi-family structures of varying sizes and mobile homes.

Table 25 Dwelling Units by Structure and Tenure

Owner Occupied	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
1, detached	29,634	93.0%	6,313	94.0%
1, attached	439	1.4%	111	1.7%
2	109	0.3%	16	0.2%
3-4	50	0.2%	7	0.1%
5-9	35	0.1%	0	0.0%
10-19	79	0.2%	31	0.5%
20+ units	120	0.4%	65	1.0%
Mobile home	1,395	4.4%	174	2.6%
TOTAL	31,861	100%	6,717	100%

Source: American Community Survey 2011-2015

Renter Occupied	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
1, detached	4,826	41.0%	951	27.7%
1, attached	408	3.5%	46	1.3%
2	943	8.0%	372	10.8%
3-4	1,704	14.5%	641	18.7%
5-9	1,136	9.7%	450	13.1%
10-19	960	8.2%	316	9.2%
20+ units	1,411	12.0%	608	17.7%
Mobile home	369	3.1%	46	1.3%
TOTAL	11,757	100%	3,430	100%

Source: American Community Survey 2011-2015

The housing stocks of the Marshalltown Market Area and the Secondary Market Area are very old and like one another with median years built of 1966 for rental housing and 1958 to 1959 for owner-occupied housing in both areas (Table 26). Over half of all rental and owner-occupied housing units in both areas were built prior to 1960 including roughly 28 to 31 percent of Marshalltown Market Area housing units and 29 to 33 percent of Secondary Market Area housing units built prior to 1940. Approximately 35 percent of rental units and 26 to 28 percent of owner-occupied units in the Marshalltown Market Area and the Secondary Market Area were constructed from 1970 to 1999. Approximately ten percent of rental units and nine percent of owner-occupied units in both areas have been built since 2000.

Table 26 Dwelling Units by Year Built and Tenure

	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
Owner Occupied				
2014 or later	3	0.0%	0	0.0%
2010 to 2013	189	0.6%	30	0.4%
2000 to 2009	2,597	8.2%	551	8.2%
1990 to 1999	2,536	8.0%	311	4.6%
1980 to 1989	1,619	5.1%	220	3.3%
1970 to 1979	4,890	15.3%	1,197	17.8%
1960 to 1969	3,671	11.5%	1,013	15.1%
1950 to 1959	4,023	12.6%	1,080	16.1%
1940 to 1949	1,910	6.0%	445	6.6%
1939 or earlier	10,427	32.7%	1,870	27.8%
TOTAL	31,865	100%	6,717	100%
MEDIAN YEAR BUILT	1958		1959	

Source: American Community Survey 2011-2015

	Secondary Market Area		Marshalltown Market Area	
	#	%	#	%
Renter Occupied				
2014 or later	0	0.0%	0	0.0%
2010 to 2013	106	0.9%	36	1.0%
2000 to 2009	1,104	9.4%	306	8.9%
1990 to 1999	1,158	9.8%	269	7.8%
1980 to 1989	1,115	9.5%	298	8.7%
1970 to 1979	1,934	16.4%	650	19.0%
1960 to 1969	1,217	10.4%	458	13.4%
1950 to 1959	1,087	9.2%	217	6.3%
1940 to 1949	615	5.2%	122	3.6%
1939 or earlier	3,422	29.1%	1,074	31.3%
TOTAL	11,758	100%	3,430	100%
MEDIAN YEAR BUILT	1966		1966	

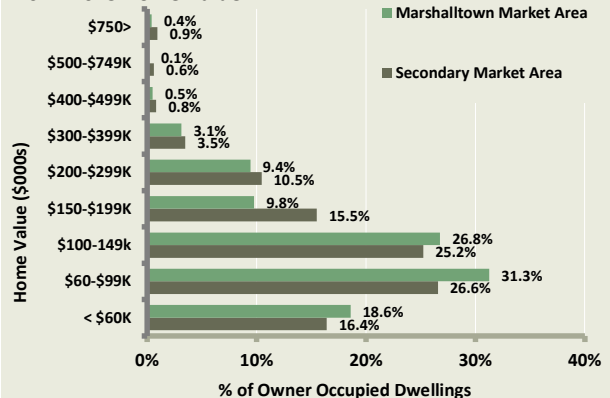
Source: American Community Survey 2011-2015

According to ACS data, the median value among owner-occupied housing units in the Marshalltown Market Area was \$100,193, which is \$10,946 or 9.8 percent lower than the Secondary Market Area median of \$111,140 (Table 27). ACS estimates home values based upon values from the 2011-2015 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 27 Home Value

2011-2015 Home Value		Secondary Market Area		Marshalltown Market Area	
		#	%	#	%
less than \$60,000		5,230	16.4%	1,248	18.6%
\$60,000 \$99,999		8,465	26.6%	2,101	31.3%
\$100,000 \$149,999		8,036	25.2%	1,797	26.8%
\$150,000 \$199,999		4,942	15.5%	656	9.8%
\$200,000 \$299,999		3,332	10.5%	634	9.4%
\$300,000 \$399,999		1,104	3.5%	211	3.1%
\$400,000 \$499,999		258	0.8%	34	0.5%
\$500,000 \$749,999		199	0.6%	9	0.1%
\$750,000 over		299	0.9%	27	0.4%
Total		31,865	100%	6,717	100%
Median Value		\$111,140		\$100,193	

Source: American Community Survey 2011-2015

2011-2015 Home Value

C. Survey of General Occupancy Multi-Family Rental Communities

1. Introduction to the Rental Housing Survey

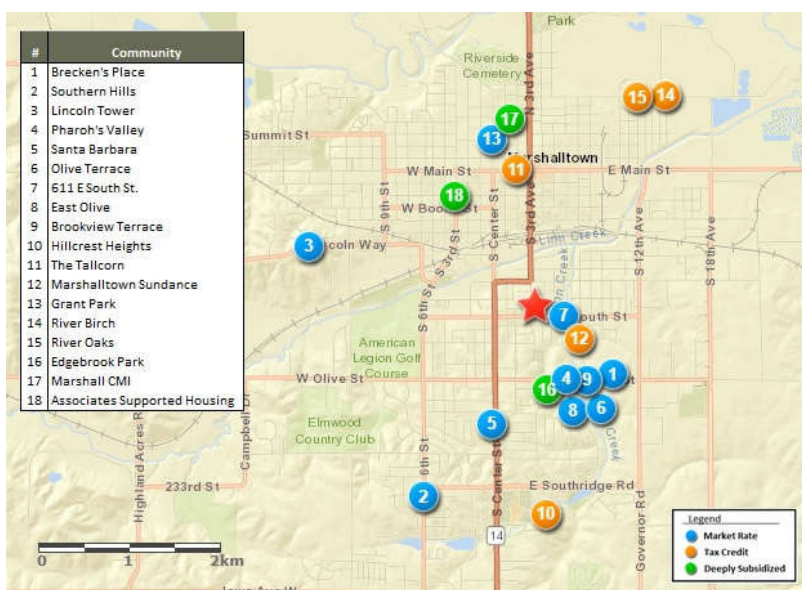
As part of this analysis, RPRG surveyed eighteen multi-family rental communities in the Marshalltown Market Area. Among these eighteen properties, three are deeply subsidized through the HUD Section 8 program, five are income restricted through the Low Income Housing Tax Credit (LIHTC) program, and ten are market rate. The multi-family rental communities Linn Valley, Park Place, Colonial, and Glenwood Plaza 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 or income restricted LIHTC 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. Because 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 eighteen rental communities surveyed, seven are located in the northern section and eleven are located in the southern section (Map 7). The seven communities in the north include three LIHTC properties, two deep subsidy properties, and two market rate properties. The southern section includes most market rate housing (eight of ten communities), two LIHTC communities, and one deep subsidy community.

Map 7 Surveyed Rental Communities



3. Age of Communities

Most surveyed rental communities in the Marshalltown Market Area are of an older vintage with nine communities constructed in the 1960s or 1970s (Table 28). Combined, the fifteen LIHTC and market rate communities reported an average year built of 1986 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 newest rental community in Marshalltown is Brecken's Place, which had its first units open this year and is still under construction.

4. Structure Type

Thirteen of the fifteen 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 38 units among all market rate and LIHTC communities, 32 units among just LIHTC communities, and 33 units among deeply subsidized properties. Please note the first phase of Brecken's Place consists of 24 units but an additional phase of 24 units is under construction.

6. Vacancy Rates

The 15 market rate and LIHTC rental communities offer 575 rental units of which 24 or 4.2 percent were reported vacant. Among the five LIHTC communities, 18 of 161 units were available at the time of our survey, a vacancy rate of 11.2 percent; however, three of the five LIHTC communities had just two or three actual units vacant, which while higher on a percentage basis given the smaller size of the communities, could just represent normal turnover at these communities. The eighteen vacant LIHTC units account for 75 percent of total vacancies as the only two market rate properties to report vacant units were Lincoln Tower (five units) and Brookview Terrace (one unit). All other market rate communities were fully occupied.

7. Rent Concessions

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

8. Absorption History

Brecken's Place is the most recently constructed rental community in the Marshalltown Market Area, the first phase of which was completed in August 2017. The developer for Brecken's Place indicated the community only leased four units after two months of opening (2 units per month) due to property management issues; however, the community leased the remaining 18 units within 45 days once these issues were resolved (12 units per month). Given the community began leasing while construction was still underway and encountered some initial property management issues, we believe the absorption rate of 12 units per month is the most accurate estimate for the community. Please note two units at Brecken's Place are intentionally kept vacant for marketing purposes and to house construction workers during the construction of phase II.

The Tallcorn was also constructed in the Marshalltown Market Area within the last five years. The Tallcorn opened in April 2014 and leased its 49 units within an approximate five to six-month period. This equates to an average absorption rate of roughly eight units per month.

Table 28 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	#Brecken's Place	2017		TH	22	0	0.0%		\$1,100	None
2	Southern Hills	1975		Gar/TH	135	0	0.0%	\$565	\$838	None
3	Lincoln Tower	1978		Mid Rise	21	5	23.8%	\$525	\$660	None
4	Pharoh's Valley	1972		Gar	24	0	0.0%	\$625	\$650	None
5	Santa Barbara	1971		Gar	24	0	0.0%	\$600	\$650	None
6	Olive Terrace	1976		Gar	48	0	0.0%	\$625	\$650	None
7	611 E South St.	1965		Gar	36	0	0.0%	\$550	\$650	None
8	East Olive	1967		Gar	24	0	0.0%		\$625	None
9	Brookview Terrace	1976		Gar	24	1	4.2%	\$525	\$625	None
10	Hillcrest Heights*	1995		Gar	32	4	12.5%		\$595	None
11	Tallcorn, The*	2014		Adaptive Reuse	49	2	4.1%	\$499	\$571	None
12	Marshalltown Sundance*	1994		Gar	32	2	6.3%		\$461	None
13	Grant Park	1978	2007	Mid Rise	56	0	0.0%	\$525		None
14	River Birch*	2003		TH	20	3	15.0%			None
15	River Oaks*	2002		TH	28	7	25.0%			None
Total					575	24	4.2%			
Average		1986	2007		38			\$560	\$673	
LIHTC Total					161	18	11.2%			
LIHTC Average		2002			32			\$499	\$542	

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

(**) Tax Credit Communities

Source: Field Survey, Real Property Research Group, Inc. November 2017.

#Excludes two units that are intentionally vacant.

9. Subsidized Communities

The ages of the three deeply subsidized property's span five decades (1969 to 2007) with an overall average year built of 1991 (Table 29). All 98 units offered at deeply subsidized communities were fully occupied with waiting lists.

Table 29 Rental Summary, Surveyed Deep Subsidy Rental Communities

Map #	Community	Subsidy	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Avg 3BR Rent (1)	Waiting List
16	Edgebrook Park*	Sec. 8	1969	Gar	72	0	0.0%	\$663	\$848	\$1,023	Yes
17	Marshall CMI*	Sec. 8	1996	Gar	16	0	0.0%	\$632			Yes
18	Associates Supported Housing*	Sec. 8	2007	Gar	10	0	0.0%	\$574			Yes
Total					98	0	0.0%				
Average			1991		33			\$623	\$848	\$1,023	

Deep Subsidy Community*

Source: Field Survey, Real Property Research Group, Inc. November 2017.

D. Analysis of Rental Pricing and Product

1. Payment of Utility Costs

Half of the eighteen surveyed rental communities include the cost of water/sewer and trash collection in rent (Table 30). 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; two include 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 twelve of eighteen surveyed rental communities while microwaves are included in all or select units at eight properties. Only five of the surveyed rental communities offer washer/dryer connections in each unit while two properties include washer/dryer connections in select units and one (Brecken's Place) includes a full-size washer and dryer in unit; nearly all rental communities contain community laundry facilities.

3. Parking

All communities include free surface parking as their standard parking option and four rental communities offer garages (Table 30). River Birch, River Oaks, and Brecken's Place provide attached garages for each unit, the price of which is included in rent. 611 E South Street and Southern Hills also offer detached garages for additional monthly fees. 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 31). 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.

Table 30 Utilities, Unit Features– Surveyed Rental Communities

Community	Heat Type	Utilities Included in Rent						Dish-washer	Micro-wave	Parking	In-Unit Laundry
		Heat	Hot Water	Cooking	Electric	Water	Trash				
Market/LIHTC Communities											
Brecken's Place	Elec	☐	☐	☐	☐	☒	☒	STD	STD	Attached Garage	STD - Full
Southern Hills	Gas	☐	☐	☐	☐	☒	☒	STD	Select	Surface	Select - Hook Ups
Pharoh's Valley	Elec	☐	☐	☐	☐	☐	☐	STD		Surface	
Santa Barbara	Elec	☐	☐	☐	☐	☐	☐	STD		Surface	
Lincoln Tower	Elec	☐	☐	☐	☐	☒	☒	STD	STD	Structured Garage	
Olive Terrace	Elec	☐	☐	☐	☐	☒	☒	STD	Select	Surface	
East Olive	Gas	☐	☐	☐	☐	☒	☒			Surface	
Brookview Terrace	Gas	☐	☐	☐	☐	☒	☒	STD	Select	Surface	
611 E South St.	Elec	☒	☐	☐	☐	☒	☒		Select	Surface	
The Tallcorn*	Elec	☐	☒	☒	☐	☒	☒	STD	STD	Surface	
Marshalltown Sundance*	Gas	☐	☐	☐	☐	☒	☒	STD		Surface	Hook Ups
Grant Park	Elec	☒	☐	☐	☐	☒	☒	STD	STD	Surface	
Hillcrest Heights*	Elec	☐	☐	☐	☐	☒	☒			Surface	Select Hook Ups
River Birch*	Gas	☐	☐	☐	☐	☐	☒	STD		Attached Garage	Hook Ups
River Oaks*	Gas	☐	☐	☐	☐	☐	☒	STD		Attached Garage	Hook Ups
Deeply Subsidized Communities											
Edgebrook Park**	Elec	☒	☒	☒	☒	☒	☒			Surface	
Associates Supported Housing**	Gas	☒	☐	☐	☐	☒	☒			Surface	
Marshall CMI**	Gas	☐	☐	☐	☐	☒	☒			Surface	Hook Ups

Source: Field Survey, Real Property Research Group, Inc. November 2017.

Table 31 Community Amenities – Surveyed Rental Communities

Community	Clubhouse	Fitness Room	Pool	Hot Tub	Sauna	Playground	Tennis Court	Business Center	Gated Entry
Market/LIHTC Communities									
Brecken's Place	<input type="checkbox"/>	<input type="checkbox"/>	<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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lincoln Tower	<input type="checkbox"/>	<input type="checkbox"/>	<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 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"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>
611 E South St.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Tallcorn*	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marshalltown Sundance*	<input type="checkbox"/>	<input type="checkbox"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hillcrest Heights*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
River Birch*	<input type="checkbox"/>	<input type="checkbox"/>	<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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deep Subsidized Communities									
Edgebrook Park**	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Associates Supported Housing8**	<input type="checkbox"/>	<input type="checkbox"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Field Survey, Real Property Research Group, Inc. November 2017.

5. Distribution of Units by Bedroom Type

Unit distributions were provided for roughly half (49.5 percent) of the surveyed rental stock (Table 32). Among those communities providing units distributions, 44.9 percent of units contain one bedroom, 49.3 percent contain two bedrooms, and 5.8 percent contain three bedrooms.

6. Effective Rents

Unit rents presented in Table 32 are net or effective rents, as opposed to street or advertised rents. To arrive at effective rents, we apply adjustments to street rents 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 to 60 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 \$515. The unit size was not provided. This is the only community to offer efficiency units.

- **One-bedroom** effective rents averaged \$523 per month. The average one-bedroom square footage was 588 square feet, resulting in a net rent per square foot of \$0.89. The range for one-bedroom effective rents was \$305 to \$650.
- **Two-bedroom** effective rents averaged \$650 per month. The average two-bedroom square footage was 795 square feet, resulting in a net rent per square foot of \$0.82. The range for two-bedroom effective rents was \$370 to \$1,100.
- **Three-bedroom** effective rents averaged \$696 per month. The average three-bedroom square footage was 1,175 square feet, resulting in a net rent per square foot of \$0.59. The range for three-bedroom effective rents was \$525 to \$1,100.

Table 32 Salient Characteristics, Surveyed Rental Communities

Community	Total	Efficiency Units				One Bedroom Units				Two Bedroom Units				Three Bedroom Units			
	Units	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
Breckin's Place	24										\$1,100	1,225	\$0.90		\$1,100	1,225	\$0.90
Southern Hills	135		\$515				\$565				\$838						
Pharoh's Valley	24						\$650				\$680	825	\$0.82				
Santa Barbara	24						\$625				\$680						
Lincoln Tower	21					1	\$525			20	\$660						
Olive Terrace	48						\$625				\$650						
East Olive	24									24	\$625	825	\$0.76				
Brookview Terrace	24						\$525				\$625						
611 E South St.	36					24	\$505	690	\$0.73	12	\$595	780	\$0.76				
The Tallcorn 60% AMI*	29					23	\$505	559	\$0.90	6	\$570	725	\$0.79				
Marshalltown Sundance* 60% AMI	32									24	\$461	860	\$0.54	8	\$525	860	\$0.61
The Tallcorn 30% AMI*	3					2	\$305	559	\$0.55	1	\$370	725	\$0.51				
Hillcrest Heights* 60% AMI	32									48	\$595	825	\$0.72	8	\$750	988	\$0.76
River Birch 40% AMI*															\$585	1,300	\$0.45
Grant Park	56					56	\$480	600	\$0.80								
River Birch 60% AMI*	20														\$665	1,300	\$0.51
River Oaks 40% AMI*															\$585	1,300	\$0.45
River Oaks 60% AMI*	28														\$665	1,300	\$0.51
The Tallcorn 40% AMI*	13					13	\$425	559	\$0.76								
The Tallcorn	4					4	\$540	559	\$0.97								
Total/Average	553		\$515				\$523	588	\$0.89		\$650	795	\$0.82		\$696	1,175	\$0.59
Unit Distribution	274					123				135				16			
Unit Distribution %	49.5%					44.9%				49.3%				5.8%			

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

(*) Tax Credit Communities

Source: Field Survey, Real Property Research Group, Inc. November 2017.

E. Survey of Scattered Site Rental Communities

As a significant portion of Marshalltown's existing rental stock is comprised of scattered site rental units, RRPg attempted to survey larger property management companies to supplement the multi-family rental analysis; however, most of Marshalltown's scattered site rental units are spread over many owners who rent/manage one to four units. Of the property management companies contacted, two (Ames Rental Properties and JBI Cooperative Housing) were willing to participate in our survey. 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, most 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 presented in Table 33 and provided below.

Table 33 Rental Summary and Effective Rents, Scattered Site Rentals

Property Mangement 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
Ames Rental Properties	Garden, SFH	107	5	4.7%	\$410	\$470	\$450	\$510	\$560	\$570	\$675	-
JBH Cooperative Housing	Garden	36	1	2.8%	\$350	-	\$475	-	\$590	-		
Total/Range		143	6	4.2%	\$380	\$470	\$450	\$510	\$560	\$570	\$675	
Average					\$425		\$478		\$573		\$675	

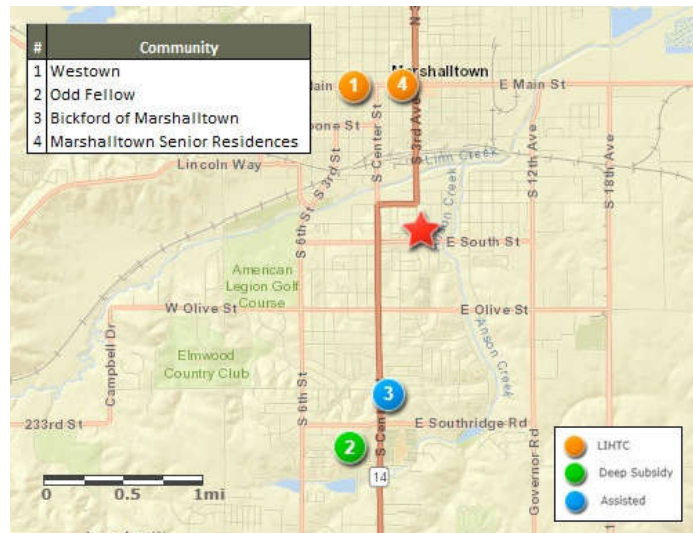
Source: Real Property Research Group Field Surveys, November/December 2017

- Both property management companies offer a variety of unit types, which include two-story garden-style units in varying configurations of duplex, four-plex, eight-plex, and sixteen-plex buildings, townhomes, and single-family detached homes. In general, many of 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 provided primarily at single-family detached homes.
- The two property management companies offer a combined 143 scattered site units, of which six or 4.2 percent were reported vacant. Vacancy rates ranged from 2.8 percent to 4.7 percent.
- Efficiency, one, and two-bedroom units are offered at both property management companies while three-bedroom units are offered at one company.
- Among scattered site units, rent ranges and average rents were as follows:
 - Efficiency rents** ranged from \$380 to \$470 with an overall average of \$425.
 - One-bedroom rents** ranged from \$450 to \$510 with an overall average of \$478.
 - Two-bedroom rents** ranged from \$560 to \$590 with an overall average of \$573.
 - Three-bedroom rents** were \$675.

F. Survey of Senior Rental Housing Communities

As part of the Marshalltown Housing Market Assessment, RPRG also examined the senior rental market in Marshalltown. Five senior rental communities were surveyed in the Marshalltown Market Area including one HUD Section 8 community (Odd Fellow), three LIHTC communities (Westtown, Marshalltown Senior Residences, and Crestview), 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 8.

Map 8 Surveyed Senior Rental Communities



1. Affordable/Subsidized Independent Senior Rental Housing Characteristics

Two of the three senior LIHTC communities are three to five-story mid-rise adaptive reuse buildings with elevator access and interior access hallways while the remaining LIHTC community (Crestview) consists of single-story garden (attached) units (Table 34). Marshalltown Senior Residences is the newest of the three senior LIHTC communities (built in 2015) followed by Westtown in 2004, and Crestview some time in the 1970's. Marshalltown Senior Residences and Westtown are in downtown Marshalltown while Crestview is in northern Marshalltown and Odd Fellow is in southwest Marshalltown.

The three senior LIHTC communities combine to offer 104 two of which (1.9 percent) were reported vacant. Both vacancies occurred at Crestview; however, the property manager indicated these were just transitional and that the community generally stays at 100 percent occupancy.

Westtown and Marshalltown Senior Residences both offer one and two-bedroom units while Crestview only offers one-bedroom units and Odd Fellow offers efficiency and one-bedroom units. Average effective rents at the three senior LIHTC communities, all of which offer only 60 percent LIHTC units, are:

- \$435 for 650 square feet or \$0.67 per square foot for one-bedroom units
- \$615 for 900 square feet or \$0.68 per square foot for two-bedroom units

Table 34 Rental Summary, LIHTC Senior Communities

Community	Type	Total Units	Vacant Units	Vacancy Rate	One Bedroom Units				Two Bedroom Units			
					Units	Rent (1)	SF	Rent/SF	Units	Rent (1)	SF	Rent/SF
1. Westtown	Mid Rise	36	0	0.0%	24	\$405	650	\$0.62	12	\$615	900	\$0.68
Year Built: 2005	60% units	36	0	0.0%	24	\$405	650	\$0.62	12	\$615	900	\$0.68
2. Crestview	Garden	40	2	5.0%	40	\$465						
Year Built: 1970's	60% units	40	2	5%	40	\$465						
3. *Marshalltown Senior Residences	Mid Rise	28	0	0.0%		\$505	678	\$0.74		\$563	977	\$0.58
Year Built: 2015						\$505	678	\$0.74		\$563	977	\$0.58
Overall Total		104	2	1.9%								
Total/Average		76			64	\$435	650	\$0.67	12	\$615	900	\$0.68
% of Total		73%			84.2%				15.8%			

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

*Data from website as property manager could not be reached.

Source: Phone Survey, Real Property Research Group, Inc. November 2017

The senior Section 8 community Odd Fellow also consists of garden-style units. The deeply subsidized senior community Odd Fellow was built in 1984 (Table 35). The deeply subsidized senior community Odd Fellow was also fully occupied with a waiting list.

Table 35 Rental Summary, Deep Subsidy Senior Communities

Map #	Community	Subsidy	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg Eff Rent (1)	Avg 1BR Rent (1)	Waiting List
4	Odd Fellow	Sec. 8	1984	Gar	65	0	0.0%	\$520	\$613	Yes
Total/Average			1984		65	0	0.0%	\$520	\$613	

Source: Field Survey, Real Property Research Group, Inc. November 2017.

Deep Subsidy Community*

Crestview and Marshalltown Senior Residences include the cost of water/sewer and trash removal in rent while Westown includes the cost of heat, water/sewer, and trash and Odd Fellow includes the cost of electric, water/sewer, and trash (Table 36). As the newest of the senior communities, Westown and Marshalltown Senior Residences provides dishwashers, garbage disposals, and ceiling fans in each unit while Odd Fellow and Crestview do not offer these features. Marshalltown Senior Residences also includes microwaves and full-size washer and dryers in each unit. Westown and Marshalltown Senior Residences also offer the most extensive community amenities including a multipurpose room, library, theater/media room, and fitness center at both properties. Crestview only offers a multi-purpose room while Odd Fellow only offers a library.

Table 36 Features and Amenities, LIHTC and Deep Subsidy Senior Communities

Community	Utilities included in Rent					Dish-washer	Micro-Wave	In-Unit Laundry	Grab Bar/Emergency Pull
	Heat	Cooking	Electric	Water	Trash				
Westown	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD			STD
Crestview	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Marshalltown Senior Residences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	STD - Full	STD
Odd Fellow	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				STD

Source: Phone Survey, Real Property Research Group, Inc. November 2017

Community	Multipurpose Room	Gardening	Walking Paths	Library	Theatre	Health Room	Fitness Center	Barber Shop
Westown	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Crestview	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marshalltown Senior Residences	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Odd Fellow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Phone Survey, Real Property Research Group, Inc. November 2017

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 \$2,800 for one bedroom units to \$3,550 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.

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 37 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)	SF	Rent/SF
3. The Bickford of Marshalltown	Low Rise	38	0	0.0%		\$2,800.00				\$3,550		

Source: Phone Survey, Real Property Research Group, Inc. November 2017 (1) Rent includes the cost of all utilities, three meals per day, and housekeeping

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 2007 to 2017 (YTD), quarterly trends from 2012 to 2017 (YTD), 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 fell from \$105,000 in 2007 to a low point of \$82,000 in 2011 due to the national housing market downturn and subsequent national recession in 2009 (Figure 11). Following this low point, home prices gradually recovered over the next six years and surpassed pre-recession prices with the annual median sales prices of \$109,900 in 2016 and \$108,500 in 2017.

The number of homes sold in Marshalltown each year followed a similar trend to median sales prices, dropping from 359 units in 2007 to below 300 units per year from 2009 to 2011 because of the national housing market downturn and recession (Figure 12). Over the last six years, the number of homes sold has steadily climbed, reaching 423 homes in 2016 and 374 homes in 2017 – its two highest annual totals over the last ten years.

The average Days on Market (DOM) for homes in Marshalltown remained relatively consistent from 2007 to 2012, ranging from 90 to 105 despite the national housing and economic conditions during this period (Figure 13). Over the last five years, however, the average DOM has fallen significantly reaching a ten-year low of just 49 days through November of 2017. The rapid drop in the DOM could indicate increased demand for housing in Marshalltown and/or an increase in the marketability/attractiveness of the for-sale inventory, such as the construction of new homes. It is noteworthy that within a five-year span, the average DOM fell by more than half.

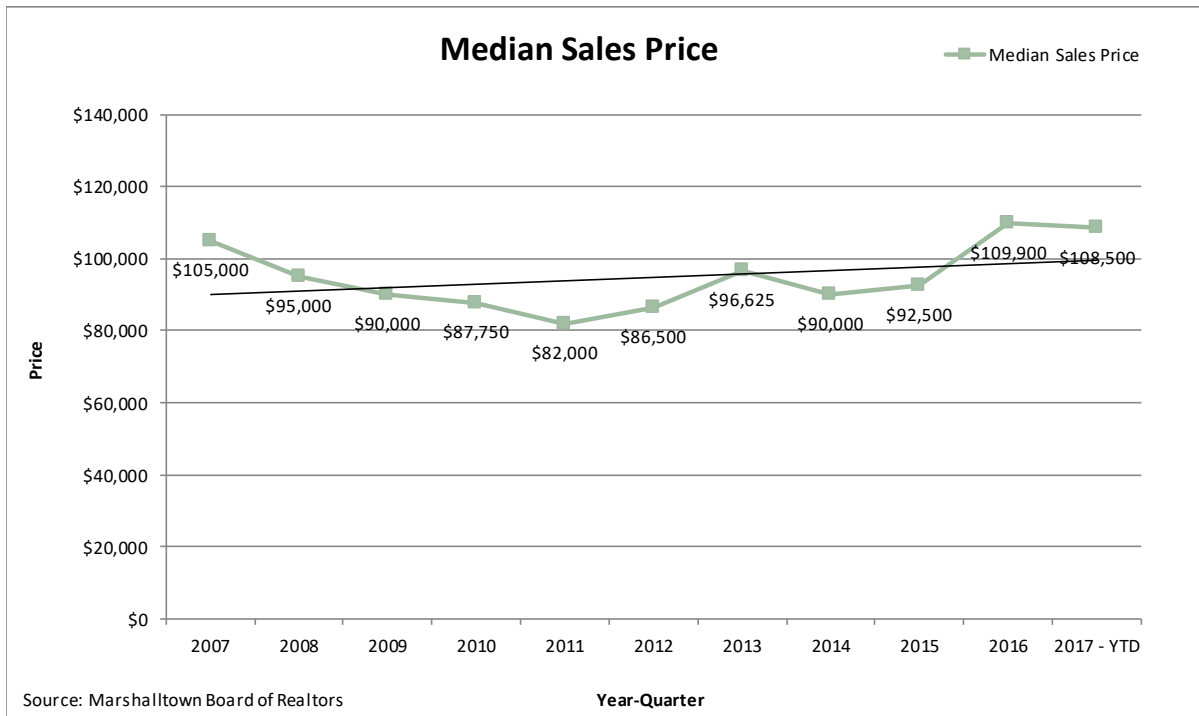
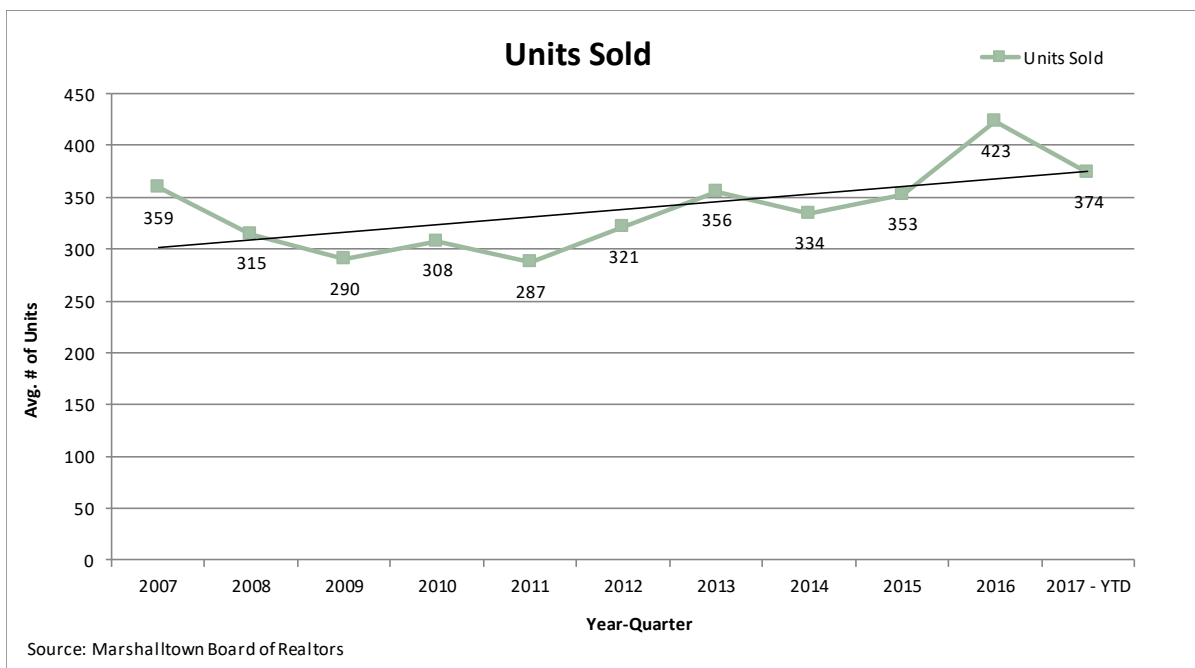
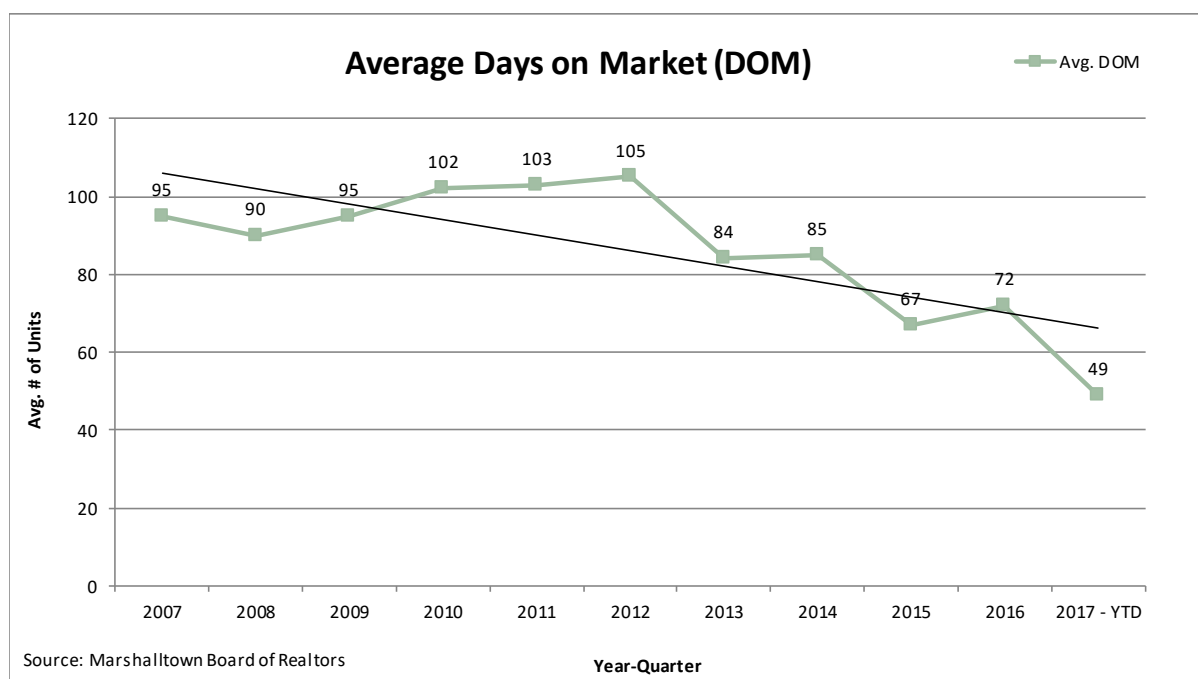
Figure 11 Annual Median Sales Price, 2007 to 2017 YTD**Figure 12 Annual Units Sold, 2007 to 2017 YTD**

Figure 13 Average Days on Market, 2007 to 2017 YTD

3. Recent MLS Trends

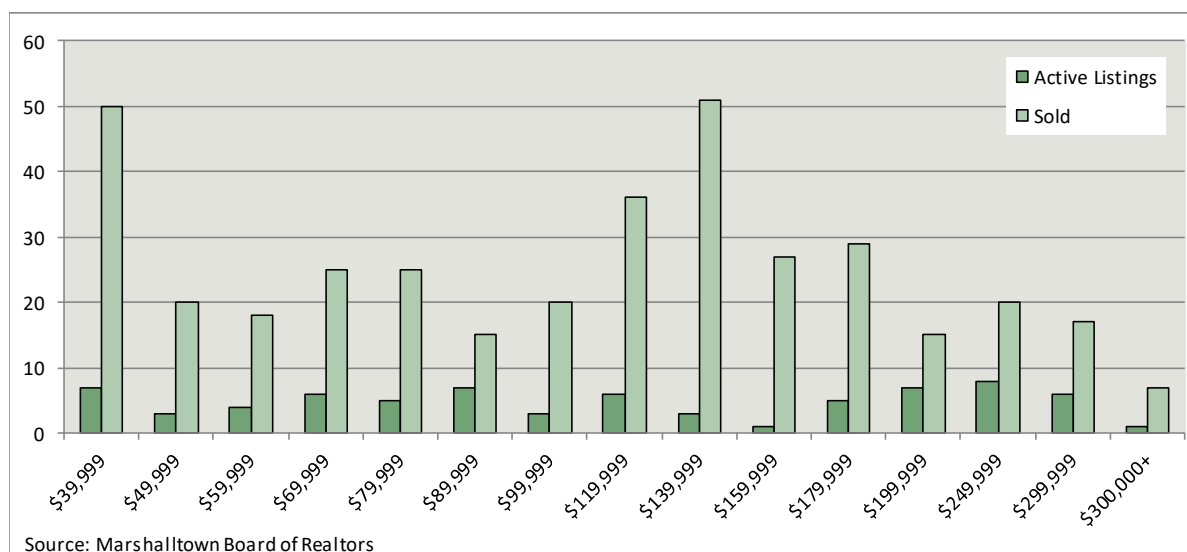
Based on sales for 2017 YTD (approximately eleven months), 375 homes have been sold since January 1st and 72 homes are actively listed for-sale in Marshalltown. The average Days on Market (DOM) of sold homes was 49 and the average months of inventory was 2.5. Notable findings/trends by price point are as follows:

- Noticeably higher sales activity was evident at the lowest (less than \$40,000) and middle (\$119,999 to 139,999) home prices while home above \$300,000 had the fewest sales.
- The months of inventory, which measures how long current listings would take to sell based on the average sales pace for the year, ranged from 0.4 to 5.1 across all price points. In general, 0 to 4 months of inventory would indicate a “sellers” or strong market, 5 to 7 months of inventory would indicate a balanced market, and 8 to 12 months of inventory would indicate a “buyers” or weak market. Based on the 72 active listings in Marshalltown as of November 21, twelve of the fifteen price segments were seller’s markets and three were balanced. The three balanced price segments, or the ones with the most months of inventory, were homes priced from \$80,000 to \$89,999 and \$180,000 to \$249,999. The price segments with the lowest months of inventory were priced from \$120,000 to \$159,999. It should be noted, the low months of inventory across all price segments are due in part to the time of year, as the winter months generally have lower sales volume. It is also likely the months of inventory for each price segment are a bit understated, as the average sales pace for 2017 is calculated using only 11 months and does not include December, which is likely to have a slower sales pace than most months of the year.
- The average DOM of sold units fluctuated somewhat across all price points. Four of six price points under \$100,000, three of four price segments from \$120,000 to \$199,999, and homes priced above \$300,000 had the lowest DOM’s, ranging from 6 to 45 days. The highest average DOM’s occurred at the \$40,000 to \$59,999 and the \$200,000 to \$299,999 price points, which ranged from 72 to 83.

While no stark trends stand out among recent sales data by price point, moderately priced homes generally had a greater number of sales, 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 (though still strong overall), the highest priced homes were likely affected by a smaller buyer pool at those price ranges while some lower priced homes, given the older age of the housing stock in the Marshalltown Market Area, likely suffered due to their condition/lack of modernization.

Table 38 Sales Activity and DOM by Sale Price, 2017 YTD

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 \$300,000+	Total / Average
Active Listings	7	3	4	6	5	7	3	6	3	1	5	7	8	6	1	72
Sold	50	20	18	25	25	15	20	36	51	27	29	15	20	17	7	375
Avg Sold DOM	36	75	72	36	25	50	32	59	45	62	30	44	80	83	6	49
Months Inventory	1.5	1.7	2.4	2.6	2.2	5.1	1.7	1.8	0.6	0.4	1.9	5.1	4.4	3.9	1.6	2.5
Market Indication	Seller	Seller	Seller	Seller	Seller	Balanced	Seller	Seller	Seller	Seller	Seller	Balanced	Balanced	Seller	Seller	



4. Active For-Sale Communities

Overview, Sales, and Pricing

RPRG identified two single-family home communities being built-out by a home builder in Marshalltown and three single-family home neighborhoods with lots available for sale. The neighborhoods with lots available for sale were subdivided by a developer and are generally sold to builders or individuals to construct custom or spec homes. For some of these neighborhoods, 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 neighborhoods 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 40. The locations of each for-sale community are depicted in Map 9. For purposes of this analysis, recent sales were limited to a five-year period from 2012 to 2017.

Home Builder Communities:

- **South Pointe Homes and Villas** contains 45 single-family home lots in south-central Marshalltown. From 2006 to 2012, 27 of the 45 home lots in South Pointe were sold (60

percent) and built out. Orton Homes then bought the remaining 18 lots and have built out the rest of the community over the past three years. At present, only three homes remain in South Pointe Homes and Villas, all of which are nearing construction completion. Recent sales prices in South Pointe Homes and Villas ranged from \$229,197 to \$289,457 with an average of \$257,379. Based on an average finished home size of 1,934 square feet, the average price per square foot was \$133.10.

Table 39 South Pointe Homes and Villas Recent Sales Activity

South Pointe Homes and Villas Recent Sales - Orton Homes									
Bed	Bath	Square Feet	Year Built	Style	Finished Basement	Sales Price	Price / Sq. Ft.	Address	Sale Date
3	2	1,425	2016	Single-Story	No	236,500	\$165.96	2903 Jackie Terrace	6/7/2017
3	2	1,387	2016	Single-Story	No	231,500	\$166.91	2921 Jackie Terrace	3/1/2017
3	2	1,509	2016	Single-Story	No	277,293	\$183.76	301 Carson Drive	2/17/2017
3	3	2,564	2016	Single-Story	Yes	289,457	\$112.89	2911 Jackie Terrace	10/18/2016
3	2	2,780	2016	Single-Story	Yes	276,206	\$99.35	2916 Jackie Terrace	8/24/2016
3	2	1,507	2016	Single-Story	No	229,197	\$152.09	310 Carson Drive	5/9/2016
3	2	2,364	2016	Single-Story	Yes	261,500	\$110.62	307 Carson Drive	5/9/2016
Average		1,934				257,379	\$133.10		

Source: Marshall County Tax Assessor

- **The Woodlands** is an attached home community in southwest Marshalltown that was purchased by Red Earth Real Estate, a subsidiary of the Meskwaki Indian Tribe. Red Earth Real Estate is building out the rest of the 52-unit attached home development (44 units) and is currently listing two completed units for-sale at \$279,000. No recent sales have been listed yet by the Marshall County Tax Assessor for The Woodlands.

Neighborhoods with Lots For-Sale:

- **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, near retail development and U.S. Highway 30, Cross Country Estates has the highest priced homes of the active for-sale communities in Marshalltown. Since 1999, Cross Country Estates has sold 66 of its 68 lots (97.0 percent) for construction. Recent sales/construction prices for homes ranged from roughly \$154,000 to \$400,000 with an average of \$279,107.
- **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. Since 2001, Glenwood Park has sold 28 of its 43 lots for development or 65.1 percent. Recent sales prices ranged from \$164,000 to \$375,000 with an average of \$242,187.
- **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 38 of its 40 lots or 95 percent. Recent sales prices ranged from \$120,000 to \$331,500 with an average of \$170,379.

Lot Pricing

To determine pricing of available lots in the Marshalltown Market Area, RPRG compiled recent sales data through the Marshall County Tax Assessor over the last five years (Table 39).

Cross Country Estates offers the largest median lot size of all the active for-sale communities with average acreage of 0.35. Glenwood Park and Sugar Creek Estates offer the next largest lots with average sizes of 0.26 acre and 0.22 acre, respectively. Recent lot pricing for each active for-sale community is as follows:

- **Cross Country Estates** recently sold lots for prices ranged from \$34,920 to \$42,000 with an average of \$38,460. This equates to an average price per acre of \$108,886.
- **Glenwood Park** recently sold lots for prices ranged from \$11,000 to \$25,000 with an average of \$20,000. This equates to an average price per acre of \$76,923.
- **Sugar Creek Estates** recently sold lots for prices all for \$10,000. This equates to an average price per acre of \$45,455.

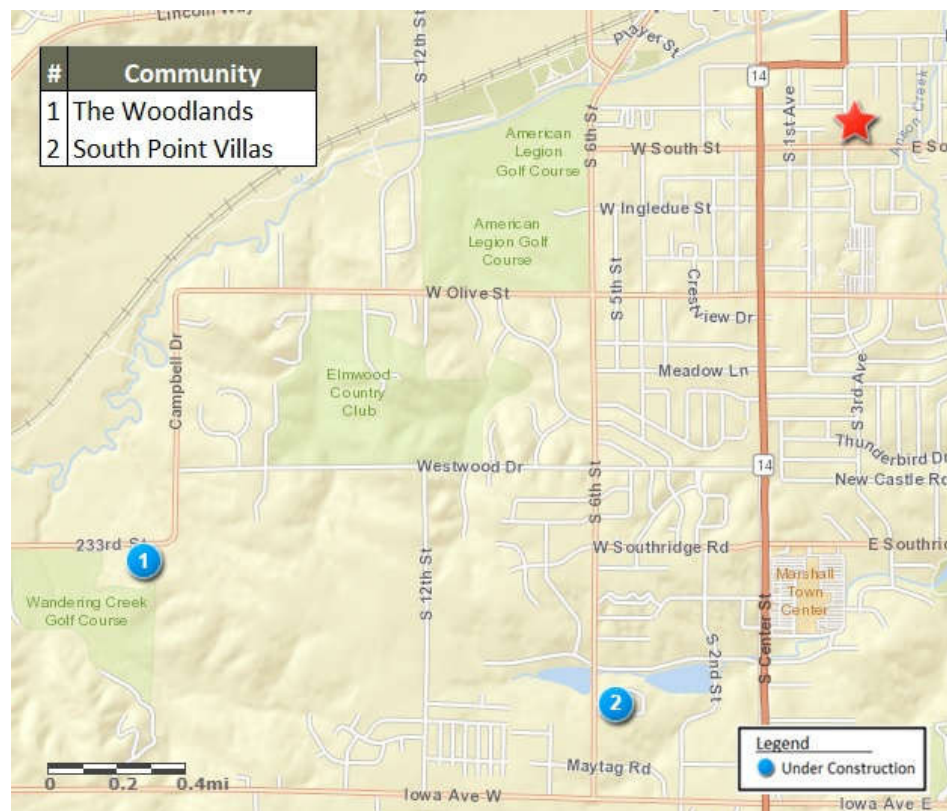
Combined, the four active for-sale communities had an average lot size of 0.28 acres, an average lot price of \$22,820, and an average lot price per acre of \$82,482 among recent sales.

Table 40 Active Custom Home Neighborhood Recent Sales and Lot Pricing

Neighborhood	Total Lots	Homes Built	Built %	Recent Homes Sales Prices 2012-2017			Lot Sizes of Sales			Recent Lot Sales Prices 2012-2017			Median Lot Price Per Acre
				Low	High	Avg.	Low	High	Avg.	Low	High	Avg.	
Cross Country Estates	68	66	97.1%	\$154,000	\$400,000	\$279,107	0.32	0.38	0.35	\$34,920	\$42,000	\$38,460	\$109,886
Glenwood Park	43	28	65.1%	\$164,000	\$375,000	\$242,187	0.26	0.26	0.26	\$11,000	\$25,000	\$20,000	\$76,923
Sugar Creek Estates	40	27	67.5%	\$120,000	\$331,500	\$170,379	0.22	0.22	0.22	\$10,000	\$10,000	\$10,000	\$45,455
Total/Average	151	121	80.1%	\$120,000	\$400,000	\$230,558	0.22	0.38	0.28	\$10,000	\$42,000	\$22,820	\$82,482

Source: Marshall County Tax Assessor

Map 9 Active Home Builder For-Sale Communities

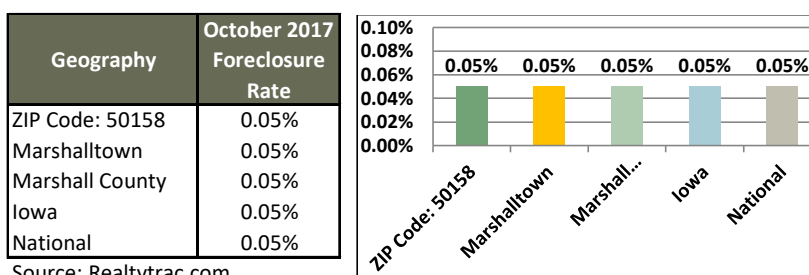


H. Foreclosures

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 ZIP Code 50158, Marshalltown and the broader areas of Marshall County, Iowa, and the U.S. for comparison purposes.

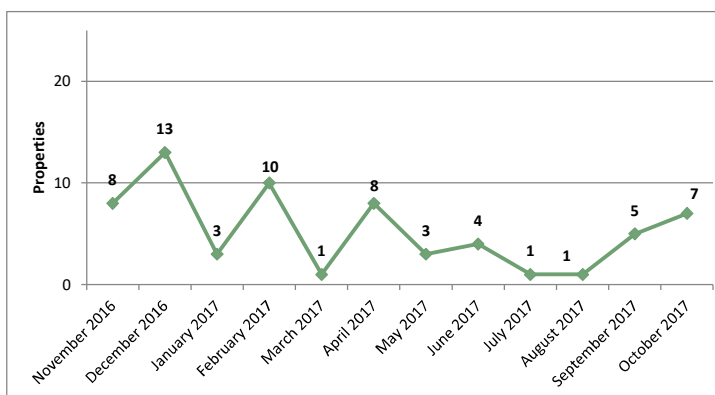
Our RealtyTrac search revealed seven housing units were in some state of foreclosure in ZIP Code 50158 in October of 2017, the most recent month data was available. This results in a foreclosure rate of 0.05 percent, equal to foreclosure rates in Marshalltown, Marshall County, Iowa, and the nation (Table 41). The number of foreclosures in ZIP Code 50158 have trended down slightly over the past year and foreclosure rates for Marshalltown and Marshall County are significantly lower than the foreclosure rates of 0.2 to 0.23 percent in June 2014 during the previous housing study.

Table 41 Foreclosure Data, ZIP CODE 50158, October 2017



ZIP Code: 50158	
Month	# of Foreclosures
November 2016	8
December 2016	13
January 2017	3
February 2017	10
March 2017	1
April 2017	8
May 2017	3
June 2017	4
July 2017	1
August 2017	1
September 2017	5
October 2017	7

Source: Realtytrac.com



I. Housing Pipeline

Through interviews with city officials and local stakeholders, RRPg identified a variety of housing developments currently in the pipeline. Information on each project is provided below.

General Occupancy Rental Communities:



- **Brecken's Place Phase II** consists of 24 additional units at the new general occupancy market rate rental community at 901 East Olive Street in southeast Marshalltown. Brecken's Place will contain a total of 48 two and three-bedroom townhome units once phase II is complete. Phase II is currently under construction and is expected to be finished by July 2018.
- **Downtown Mixed-use Project** – Four rental units are currently under construction over ground-floor retail space in a building at the southwest corner of East Main Street and South 2nd Avenue in downtown. The residential units will be income restricted at 80 percent of the Area Median Income (AMI) for five years based on the financing used for the development and are expected to be complete in the first half of 2018.

Senior Rental Communities:

- **The Willows** is a 60-unit assisted living and memory care facility currently under construction in southeastern Marshalltown. The Willows will offer 42 efficiencies, one, and two bedroom assisted living units and 18 memory care units in a single-story congregate care facility. The project is expected to be complete by the summer of 2018.

For-Sale Communities:

- **The Woodlands** is a 52-unit attached home community currently being built by Red Earth Real Estate in southwestern Marshalltown. Red Earth Real Estate purchased the majority of lots in a previously started attached home community formerly known as Eagle View at Wandering Creek. The new units in The Woodlands are three-bedroom attached homes in four and six-plex buildings with attached two-car garages. Only a few units have been constructed since the development began with several additional units under way and expected to be complete by early next year. New three bedrooms two and a half bath homes in the community are currently listed at \$279,500.
- **South Point Homes and Villas** is a 45-lot single-family detached home community in southern Marshalltown that began as a custom home neighborhood but has since been built out by Orton Homes. Only three homes remain in South Pointe Villas, all of which are expected to be complete in early 2018. Prices of new homes range from roughly \$200,000 to \$300,000.
- **Infill Housing** – Orton Homes has built and sold a handful of spec homes on infill lots throughout the city, a practice that is expected to continue in the near-term based on ongoing for-sale housing demand.

J. Housing Authority Data

The Marshalltown Housing Authority can administer up to 464 HUD Section 8 Housing Choice Vouchers (HCV); however, based on funding limitations from HUD and payment standards of \$488 for efficiency units, \$547 for one-bedroom units, \$696 for two-bedroom units, \$922 for three-bedroom units, and \$1,009 for four-bedroom units, only 360 vouchers are actively funded. All payment standards for Marshalltown fall within 95 percent to 105 percent of HUD Fair Market Rents (FMR) as of December 1, 2017. The waiting list for vouchers is currently six months with estimated turnover of roughly 20 percent per year. Nine of the Marshalltown Housing Authority's 360 actively funded vouchers are portable, meaning the household using the voucher now lives in another jurisdiction. 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:

- **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:** The Marshall County economy's performance has been cyclical over the past sixteen years with an 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 2008-2009 national recession; however, economic conditions have stabilized over the last six years as the county's unemployment rate has fallen back down to pre-recession levels and the county's At-Place Employment remained stable with net growth of 12 jobs since 2010. As home to several major employers, including a substantial manufacturing base, Marshall County serves as a regional employment node and attracts a significant number of commuters that comprised more than half the county's workers as of 2015. Over the next two to three years, the county is expected to add approximately 80 to 100 new jobs based on recently announced and planned economic expansions, which should help offset the loss of 50 jobs at Kmart and any residual losses in the construction sector following the completion of the natural gas power plant. While economic growth in the county is unlikely to drive significant housing demand in Marshalltown over the next three years, it is unlikely to be a detriment either.
- **Growth Trends:** The Marshalltown Market Area's population and household bases are projected to remain relatively stable over the next five years, adding just 127 people and 20 households during this period. While this is consistent with trends since 2000 and the current economic environment in the county, the Marshalltown Market Area has the potential to grow if new housing options and city investment convert even a small percentage of the city's commuters into residents. Older adult and senior households are expected to increase at a faster rate than total households in the Marshalltown Market Area on both a total count and percentage basis, based largely on the existing population aging in place. Esri projects the Marshalltown Market Area will add 25 households with householder age 55+ and 32 households with householder age 62+ per year through 2022, which equates to annual growth rates of 0.5 percent and 1.0 percent, respectively.
- **Demographic Trends:** The Marshalltown Market Area has a diverse household composition with a relatively even mixture of families with young children, young adults, established professionals, and seniors. Though the Marshalltown Market Area continues to be an owner dominated market, U.S. Census counts and Esri estimates indicate renters have accounted for all net household growth in the market area since 2000. Renter households are primarily comprised (65.8 percent) of one and two persons, though the market area still has a notable percentage of larger renter households with over one-third containing at least three people. Young and working age adults (age 25 to 44) account for the largest percentage of renter households in the market area while older adults and seniors age 55 or

older comprise the majority (approximately 54 percent) of owner householders. While a sizable portion of the Marshalltown Market Area's households have lower incomes, more than 40 percent of renter households and nearly 55 percent of owner households have moderate incomes from \$35,000 to \$99,999 per year.

- **General Occupancy Rental Market Conditions:** RPRG identified eighteen multi-family rental communities in the Marshalltown Market Area including nine market rate communities, five tax credit communities (income restricted), and three deeply subsidized HUD Section 8 communities. The fifteen-market rate and LIHTC communities reported an aggregate vacancy rate of 4.2 percent and all deeply subsidized rental communities were fully occupied with waiting lists. The two property management companies surveyed, which operate 143 scattered site rentals, also reported a low aggregate vacancy rate of 4.2 percent.

Among market rate/LIHTC communities, average effective rents, unit sizes, and rents/square foot were as follows:

- **Efficiency** units offered at Southern Hills reported an effective rent of \$515.
- **One-bedroom** effective rents averaged \$523 per month. The average one-bedroom square footage was 588 square feet, resulting in a net rent per square foot of \$0.89.
- **Two-bedroom** effective rents averaged \$650 per month. The average two-bedroom square footage was 795 square feet, resulting in a net rent per square foot of \$0.82.
- **Three-bedroom** effective rents averaged \$696 per month. The average three-bedroom square footage was 1,175 square feet, resulting in a net rent per square foot of \$0.59.

Among scattered site units, rent ranges and average rents were as follows:

- **Efficiency rents** ranged from \$380 to \$470 with an overall average of \$425.
- **One-bedroom rents** ranged from \$450 to \$510 with an overall average of \$478.
- **Two-bedroom rents** ranged from \$560 to \$590 with an overall average of \$573.
- **Three-bedroom rents** were \$675.

Two general occupancy rental communities are currenting in the pipeline in the Marshalltown Market Area – Brecken's Place Phase II and a mixed-use development in downtown. Brecken's Place II will consist of 24 units adjacent to the existing 24 units recently built in Phase I and is currently under construction. The downtown mixed-use development will contain four rental units over ground-floor retail space and will be income restricted to 80 percent of the Area Median Income for five years. Both developments are expected to be complete in 2018.

- **Senior Rental Market Conditions:** Five senior rental communities were surveyed for this analysis including one deeply subsidized property, three LIHTC communities, and one market rate 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 three senior LIHTC communities reported just two of 104 units vacant, a rate of 1.9 percent. The HUD Section 8 community (Odd Fellow) and the assisted living community (The Bickford of Marshalltown) were both fully occupied with waiting lists.

Average effective rents at senior LIHTC communities were \$435 for 650 square feet or \$0.67 per square foot for one-bedroom units and \$615 for 900 square feet or \$0.68 for two-bedroom units. All units at the three senior LIHTC communities are restricted to households earning at or below 60 percent of the median income. The assisted living community The Bickford of Marshalltown has base rents of 2,800 for one-bedroom units and \$3,550 for two-bedroom units, which include the cost of all utilities, three meals per day, housekeeping, and other services.

- **For-Sale Market Conditions:** RPRG evaluated MLS data for Marshalltown, including overall trends and recent sales. RPRG also compiled housing data on active for-sale communities in the city from the Marshall County Tax Assessor.

For-sale market conditions have steadily improved since 2011, following the national housing market downturn and subsequent recession. Marshalltown's median home sales price and number of units sold in 2016 and 2017 represent ten-year highs, surpassing pre-downturn levels. The average Days on Market also decreased dramatically during this period, with a DOM of 49 days in 2017 less than half the DOM in 2011. Current levels of home inventory in Marshalltown are low with twelve of fifteen price segments categorized as seller's markets. The most active segments of the for-sale housing market over the last year have been at middle price points ranging from \$100,000 to \$200,000; however, all segments of the market appear healthy and supportive of additional growth.

Marshalltown has two new construction for-sale neighborhoods actively being built-out by home builders including the single-family detached home neighborhood South Pointe Homes and Villas and the attached home community The Woodlands. South Pointe Villas is nearing completion with just three homes left that are finishing up construction. New homes in South Pointe Homes and Villas have generally moved quickly and have recently sold for prices ranging from \$229,197 to \$289,457. The Woodlands is still in the initial stages of construction with only a few units currently complete. Homes in The Woodlands have not sold as fast as in South Pointe Homes and Villas, but are currently listed for-sale at \$279,000. A handful of other single-family neighborhoods have some lots available for sale and development, though lot owners would need to contract with a custom home builder. One additional for-sale single-family detached home community (Cross Creek Estates) may offer additional lots for development in an additional phase over the next three years, but no plans for the additional phase have been finalized.

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 December 2017 through December 2020. 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 to arrive at 'Total Demand for New Rental Units' over the December 2017 through December 2020 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 (2017 to 2018, 2018 to 2019, and 2019 to 2020).
- **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 42)
- **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 42 CINCH Data

A. Characteristics	C. Present in 2011	D. 2011 units present in 2013	2011 Unit change ('000 Units)							TOTAL Lost to Stock	Total exclude MH	2011-13 Annual
			E. Change in characteristics	F. lost due to conversion /merger	G. house or mobile home moved out	H. changed to non residential use	I. lost through demolition or disaster	J. badly damaged or condemned	K. lost in other ways			
Total Housing Stock	132,420	130,852		98	161	202	470	212	424	1,567	1,406	703
				0.07%	0.12%	0.15%	0.35%	0.16%	0.32%	1.18%	1.06%	0.53%
Occupancy												
Occupied units	114,907	105,864	8,313	58	99	68	238	59	207	729	630	315
				0.05%	0.09%	0.06%	0.21%	0.05%	0.18%	0.63%	0.55%	0.27%
Vacant	13,381	5,123	7,642	38	50	85	175	110	158	616	566	283
				0.28%	0.37%	0.64%	1.31%	0.82%	1.18%	4.60%	4.23%	2.11%
Seasonal	4,132	2,132	1,778	2	11	49	57	43	59	221	210	105
				0.05%	0.27%	1.19%	1.38%	1.04%	1.43%	5.35%	5.08%	2.54%
Region (All Units)												
Northeast	23,978	23,718	38	0	28	55	40	99		260	260	130
				0.16%	0.00%	0.12%	0.23%	0.17%	0.41%	1.08%	1.08%	0.54%
Midwest	29,209	28,849	14	28	49	117	56	95		359	331	166
				0.05%	0.10%	0.17%	0.40%	0.19%	0.33%	1.23%	1.13%	0.57%
South	50,237	49,526	29	120	75	235	94	159		712	592	296
				0.06%	0.24%	0.15%	0.47%	0.19%	0.32%	1.42%	1.18%	0.59%
West	28,996	28,759	17	13	50	63	23	71		237	224	112
				0.06%	0.04%	0.17%	0.22%	0.08%	0.24%	0.82%	0.77%	0.39%
Owner occupied	76,092	69,324	6,418	14	83	14	116	26	97	350	267	134
				0.02%	0.11%	0.02%	0.15%	0.03%	0.13%	0.46%	0.35%	0.18%
Renter occupied	38,815	31,181	7,253	45	16	54	122	33	110	380	364	182
				0.12%	0.04%	0.14%	0.31%	0.09%	0.28%	0.98%	0.94%	0.47%
Metro Status												
In Central Cities	37,400	36,974	49	3	70	124	67	112		425	422	211
				0.13%	0.01%	0.19%	0.33%	0.18%	0.30%	1.14%	1.13%	0.56%
In Suburbs	65,872	65,311	26	57	54	169	69	186		561	504	252
				0.04%	0.09%	0.08%	0.26%	0.10%	0.28%	0.85%	0.77%	0.38%
Outside Metro Area	29,148	28,567	23	101	78	177	76	125		580	479	240
				0.08%	0.35%	0.27%	0.61%	0.26%	0.43%	1.99%	1.64%	0.82%

Source: American Housing Survey, Components of Inventory Change 2011-2013; Prepared by Ecometrica, Inc. for U.S. Department of Housing & Urban Development Office of Policy Development & Research; April 2016

2. Demand Analysis

In Table 43, 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:

- RPRG estimates that there will be 10,563 households in the Marshalltown Market Area as of 2017, a number that is projected to increase to 10,583 households by 2022. Based on this estimate and projection, RPRG calculates that the Marshalltown Market Area will consist of 10,567 households in December 2017 and 10,579 households as of December 2020; thus, the Marshalltown Market Area would gain 12 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 in the Mid-West region was determined to be 0.57 percent annually. Given the significant age of the Marshalltown Market Area's existing housing stock and the high percentage of scattered site rentals, the higher 0.57 percentage rate in the Mid-West region appears most appropriate for this analysis. Applying the removal rate to the dwelling unit base over the three years in question, we estimate that a total of 195 units are likely to be lost.
- Adding units removed from the market to net household growth, the net demand for new housing units between December 2017 and December 2020 is expected to total 138 units.

Table 43 Derivation of Demand

Demand			
<i>Projected Change in Household Base</i>			Units
December 2017 Households			10,567
December 2020 Households			10,579
Net Change in Households			12
Add: Units Removed from Housing Stock	Housing Stock	Removal Rate	Units Removed
2017 Housing Stock	11,419	0.57%	65
2018 Housing Stock	11,430	0.57%	65
2019 Housing Stock	11,442	0.57%	65
Total Units Removed from Housing Stock			195
New Housing Demand			207
Average Percent Renter Households over Analysis Period			66.4%
New Rental Housing Demand			138
Add: Multifamily Competitive Vacancy	Inventory	Vacant	
Stabilized Multifamily Communities	575	24	
Deep-Subsidy Multifamily Communities	98	0	
Scattered Site Rentals	143	6	
Total Competitive Inventory		30	
Market Vacancy at 5%			41
Less: Current Vacant Units			-30
Vacant Units Required to Reach 5% Market Vacancy			11
Total Demand for New Rental Units			148
Planned Additions to the Supply			
	Total Units		95% Occupancy
Breckin's Place - Phase II	24		23
Downtown Mixed-Use	4		4
Total New Rental Supply		28	27
Excess Demand for Rental Housing			122

Source: RPRG, Inc.

- Since 2000, U.S. Census and Esri estimates indicate renter households accounted for all of the Marshalltown Market Area's net household growth over the last seventeen years. Despite the addition of new owner-occupied housing units during this time, owner households declined likely due to the conversion of owner households to renter households. While Esri projects the renter percentage in the market area will remain stable over the next five years, this tenure projection is not useful in this case due to the very small net projected household growth in the market area. As such, we have used the 100 percent rental rate of recent household growth in the market area over the last seventeen years with the overall renter percentage in the market area of 32.7 percent. This results in an average rental rate of 66.4 percent, which is a reasonable and more conservative estimate for rental housing demand over the next three years than assuming a continuation of the 100 percent rental rate. Applying this tenure proportion, the gross demand for rental housing over the three-year period is estimated at 138 units.
- The surveyed competitive supply of stabilized rental units in the Marshalltown Market Area includes a total of 816 units of which 30 or 3.7 percent were vacant. 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 816 units, 41 vacancies would be required to arrive at a 5.0 percent vacancy rate. Subtracting the 30 existing vacant units from this number reveals the market could support 11 additional rental units before reaching 5.0 percent vacancy.
- Adding these 11 units to the net demand for rental units, there will be a total demand for 148 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 December 2017 and December 2020. Two pipeline communities were identified in the Marshalltown Market Area, which combined will contain 28 rental units.
- Upon subtracting 95 percent of the expected additions to the supply (27 units) from total demand for new rental units (148 units), we arrive at an excess demand for 122 rental units in the Marshalltown Market Area as of December 2020.
- 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 (3.8 percent excluding deeply subsidized communities) was applied to the Marshalltown Market Area's total number of registered rentals (approximately 3,200) units, the multi-family competitive vacancy component of demand would increase to 36. Consequently, this would result in a total net demand of 158 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 122 rental units will exist in the Marshalltown Market Area through December 2020 in addition to the 28 units already under construction in the market area. The market area could potentially support up to 158 additional rental units if current aggregate vacancy rates were consistent across all rental units in Marshalltown.

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 44):

- Per the household trend information discussed previously, Esri estimates that 3,663 households with householder age 62 or older reside in the Marshalltown Market Area as of 2017. By 2022, Esri projects households with householder age 62 or older will increase to 3,854. Based on this estimate and projection, RPRG derived the number of households in the market area as of December 2017 and December 2020 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 3,685 householders in December 2017 to 3,801 householders by December 2020. Thus the market area will gain 116 senior households (62+) during this three-year period.
- A number of factors contribute to the removal of housing units. Disasters, such as fires and tornadoes, 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 42). Based on two recent years of statistical observations (2011-2013), the average loss was computed at 0.27 percent of the total occupied housing stock per year; however, as with total rental demand we believe the use the higher 0.57 percent Mid-West demolition rate is more reasonable given the significant age of the Marshalltown Market Area's existing rental stock.
- We determined the size of the elderly-occupied housing stock in 2017, 2018, and 2019 via interpolation of housing stock estimates for 2017 and 2020. Applying the removal rate of 0.57 percent over the three years in question, RPRG estimates that 41 housing units occupied by senior householders (62+) are likely to be lost. Combining this figure with household changes, there will be a total demand for 182 new senior housing units in the market between December 2017 and December 2020.
- Based on Esri projections, we estimate and apply a renter percentage for households age 62+ and older of 22.1 percent for 2017, with a resulting estimated demand for 41 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 142 independent senior-oriented units, seven vacancies would be required to arrive at a 5.0 percent vacancy rate. Subtracting the two senior units that are vacant, the market could absorb an additional five rental units and still have a 5.0 percent vacancy rate.
- Adding these five units to the demand for senior rental units in the Marshalltown Market Area, there will be a total demand for 18 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 2017 age distribution of the Marshalltown Market Area, we estimate independent living rental units would not be suitable for 14.0 percent of the age 62+ households in the market area. Thus we apply to the Senior Rental Demand screen of 86.0 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 39 units.
- As The Willows is an assisted living and memory care facility, it is not subtracted from the estimate of independent senior demand. No other senior rental communities are currently in the pipeline in the market area.

3. Conclusions on Senior Demand

The independent senior rental market for households with householder age 62 or older is in relative balance with an excess demand for 39 senior rental units. It is important to note this senior demand

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

methodology does not factor in senior homeowner conversion, which is often an additional source of independent senior rental demand in established markets with a large senior household base that is aging in place.

Table 44 Derivation of Senior Demand

Senior Rental Demand					
I. 62+ Household Growth					Units
December 2017 Households					3,685
December 2020 Households					3,801
Net Change in Households					116
II. Add: Elderly Units Removed from Market		62+ Hsg Stock	Annual Removal Rate	Annual Units Removed	Analysis Period (Years)
Assumed Housing Stock (2018)		4,046	0.570%	23	3
Net New Demand for Elderly Units					69
					185
Percent 62+ Renter Households in 2019					22.1%
Net New Demand for Elderly Renter Units					41
III. Add: Senior Apartment Vacancy			Inventory	Vacant	
Stabilized Senior Rental Communities (Market and LIHTC)			104	2	
Stabilized Elderly Deep Subsidy Communities			38	0	
Total Competitive Inventory			142	2	
Market Vacancy at 5%			7		
Less: Current Vacant Units			-2		
Vacant units required to reach 5% Market Vacancy					5
Total Senior Rental Demand					46
Adjustment for Frailty (62+ No Limitation with IADL or ADL)					86.0%
Total "Independent" Senior Rental Demand					39
Planned Competitive Additions to the Supply					
					Total Units 95% Occupancy
Total New "Independent" Senior Rental Supply					0
					0
Excess Demand for "Independent" Senior Rental Housing					39

Source: Real Property Research Group, Inc.

D. In-Commuting Housing Demand

1. Demand Methodology

In this section, RPRG presents a Derivation of Demand calculation intended to quantify the potential housing demand from the Marshalltown Market Area's commuting workers over a projected three-year period. The three-year period in question for this analysis is from December 2017 through December 2020. 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 2015, U.S. Census Bureau figures, 2011-2015 ACS estimates, and Esri estimates and projections.

2. Demand Analysis

In Table 45, we use a scenario based approach to calculate the potential housing demand from Marshalltown Market Area in-commuting households over a three-year period (2017 to 2020). This demand methodology assumes suitable housing options are constructed within the market area that would attract between one percent and five percent of in-commuting workers (as of 2015 estimates) during this time frame. The steps for deriving this demand are as follows:

- As of 2015, U.S. Census on the Map data estimates 8,941 people work in Marshalltown but live elsewhere. Assuming in-commuters living in rural areas of the region and/or more than 50 miles away from Marshalltown do so for lifestyle reasons rather than a lack of housing options, we estimate the 4,176 workers employed in Marshalltown and commuting in from 10 to 50 miles away (26.6 percent of total employed workers in Marshalltown) are the most likely to consider relocating to Marshalltown if suitable housing was available.
- Under the scenario new housing options would attract one percent of the 4,176 in-commuting workers that are most likely to consider relocating, 42 workers would relocate to Marshalltown. Dividing the total workers by the average number of workers per household, total in-commuter demand would be 36 new households.
- To estimate the tenure distribution of this in-commuter demand, we apply the estimated renter percentage of households in the Marshalltown Market Area for 2017 to 2020 (66.4 percent), derived from the total rental demand section previously. The result is demand for 24 rental units and 12 for-sale units from in-commuter relocation.

Table 45 Derivation of Demand

Additional Three-Year Housing Demand Scenarios, Marshalltown Market Area					
In-Commuter Demand					
Market Area In-Commuting Workers (2015)		15,701	15,701	15,701	15,701
In-Commuters living in the Region but not in rural areas *		26.6%	26.6%	26.6%	26.6%
In-Commuters likely to consider Relocation	=	4,176	4,176	4,176	4,176
In-Commuter Relocation Capture Percentage, 2017 -2020 *		1%	2%	3%	4%
Total in-Commuters to Relocate	=	42	84	125	167
Avg. Workers per HH in Iowa (2010)	/	1.16	1.16	1.16	1.16
Total In-Commuter Demand	=	36	72	108	144
Distribution of In-Commuter Demand by Tenure					
Total In-Commuter Demand		36	72	108	144
Estimated Market Area Renter Percentage, 2017-2020 *		66.4%	66.4%	66.4%	66.4%
Total In-Commuter Rental Demand	=	24	48	72	96
Total In-Commuter Owner Demand	=	12	24	36	48

Source: U.S. Census Bureau, LED On the Map Data, 2011-2015 ACS Estimates, Esri

3. Conclusions on In-Commuting Housing Demand

Using in-commuter capture percentages ranging from one to five percent, potential housing demand exists for 24 to 119 rental units (in addition those projected from household growth, unit replacement, and the structural vacancy rate) and 12 to 61 for sale units. While the exact percentage of in-commuter households that would relocate to the Marshalltown Market Area if suitable housing was available is difficult to quantify, this range of demand from in-commuting households provides a frame of reference for the development of new housing communities. In this instance, we believe a capture rate of one to two percent of in-commuter demand is most reasonable.

E. Product Recommendations

Based on net demand estimates, the Marshalltown Market Area is projected to have demand for roughly 120 to 160 general occupancy rental units and 39 independent senior rental units over the next three years. This rental demand will be driven by a combination of housing unit replacements, in-commuter demand, and structural vacancies to allow for better market liquidity. Given the older age of the Marshalltown Market Area's for-sale housing stock, sizable in-commuting employment base, and strong for-sale market conditions, demand for additional for-sale housing development is also evident. Taking these factors into consideration along with the demographics of the market area and recent housing development, we offer the following general product recommendations and pricing for rental and for-sale housing opportunities in the Marshalltown Market Area:

1. General Occupancy Rental Housing

Current rental market conditions are tight with low vacancy rates among most rental communities, especially market rate communities that are reasonably well maintained. Based on the income characteristics of the Marshalltown Market Area's household base, we recommend new rental housing development focus on moderate income renters earning roughly between 80 percent and 150 percent of the Area Median Income. This segment of the market is the most underserved by the existing rental stock, as they earn too much to qualify for income restricted housing but do not earn enough to pay for more expensive single-family home rentals and may not have the credit or financial capital necessary for a home purchase. Many moderate-income renters are also likely to be renters by choice, as this segment of the household base includes many young adults who are interning or have just recently graduated college. One additional issue among existing market rate multi-family rental communities is the lack of three-bedroom units. Roughly one-third of all households in Marshalltown contain children and 34.2 percent of all renter households contain at least three people, making the lack of three-bedroom rental units for moderate-income families problematic. Based on conversations with property managers at various housing communities, larger units appear to be in higher demand and are scarce in the market outside of larger single-family rentals that may not be affordable to most moderate-income renters.

While low-income households comprise a sizable proportion of the Marshalltown Market Area's household base, current general occupancy LIHTC communities are experiencing some softness with an aggregate vacancy rate of 11.2 percent. While some of the LIHTC vacancies are likely transitional, follow-up conversations with LIHTC property managers revealed problems with income-qualifying tenants as many dual income households earn too much to qualify for a 60 percent LIHTC unit. As most of the existing general occupancy LIHTC units target households at 60 percent of the Area Median Income, these units all compete for tenants within the same relatively narrow income band. While we do not believe the long-term health of these LIHTC communities is a concern, we would advise caution in pursuing any additional LIHTC units targeting households at 60 percent of the AMI over the next three years. If an affordable housing tax credit community is pursued, we would recommend a mixture of units targeting multiple income levels, a higher percentage of three-bedroom units to serve low-income families, and additional project-based subsidies if possible to serve very low-income renter households.

Product Recommendations:

Over the next three years, we recommend focusing on market rate rental housing to address projected rental demand in the market area. This will help address the needs of 40.6 percent of renter households in the Marshalltown Market Area who earn from \$35,000 to \$99,999 per year. Based on a projected rental demand for at least 122 rental units and as high as 150 to 160 units (assuming a modest percentage of in-commuter housing demand), we have provided general product recommendations appropriate for market rate rental housing.

Ideal building types for a market rate rental community in the Marshalltown Market Area include:

- **Garden-Style Buildings** – A modern two to three-story garden-style community comparable to Southern Hills would be ideal for new market rate rental housing in Marshalltown and would offer more flexibility to include a variety unit types. This higher-density product will also help with overall affordability as the greater number of units will help offset higher development and construction costs in Marshalltown that can cause lower-density rental products to require significantly higher rents. This housing type would appeal to a variety of target markets including young singles and couples looking for a modern but affordable rental option (including roommates), established professionals who may be employed on short-term contracts or are renters by choice, families with children, and possibly some empty nesters in transition. We recommend a garden-style community include a mix of one, two, and three-bedroom units, offering roughly 750 to 1,250 square feet, with all standard kitchen appliances including a microwave and washer/dryer connections at a minimum. If possible, a garden-style community should also include some base level of amenities of which a fitness center, business center, and playground would be ideal; however, a modern community design and unit interiors should be a priority.
- **Downtown Loft Apartments** – Loft apartments in downtown would be an ideal product type for young adults in Marshalltown, as they would be walkable to shopping, restaurants, and other community amenities in downtown and are likely to be smaller given the space limitations of most downtown buildings. The target market of this product type would primarily be single persons and some couples or possibly roommates.
- **Townhomes/Attached Homes** - Townhome units or attached homes (duplexes, tri-plexes, etc.) comparable to Brecken's Place would be a suitable product type for market rate rental housing in Marshalltown; however, the caveat with this product type is that higher development and construction costs spread over a smaller number of units could require much higher rents to make the project financially feasible. We would recommend a community comprised of two and three-bedroom floor plans for duplex buildings or one, two, and three-bedroom units for multi-unit attached buildings. Each unit should offer roughly 750 to 1,250 square feet, standard kitchen appliances (refrigerator, range/oven, dishwasher, and, garbage disposal), and washer/dryer connections. As with single-family homes, community amenities would not be required but would enhance the overall appeal of the property. The target market of this product type would include couples, roommates, and small to large families.
- **Single-Family Detached Homes** - While single-family detached rental homes would be well received within the community, the increased development costs and land requirements generally associated with this product type make large developments of single-family rentals less common. If such a community were developed, we would recommend building two and three-bedroom homes offering roughly 1,100 to 1,300 square feet and 1,300 to 1,500 square feet, respectively; however, smaller cluster homes of 800 to 1,000 square feet could also be well received if offered at reasonable price points. At a minimum, the homes should include an attached garage or carport (with the exception of cluster homes), standard kitchen appliances (refrigerator, range/oven, dishwasher, and, garbage disposal), and washer/dryer connections. The target market of this product type would primarily be couples and small to large families.

Pricing:

Assuming an appropriate product based on the recommendations above, RPRG judges a new market rental community in Marshalltown can be priced at the top of the rental market comparable to the newer market rate units at Southern Hills and the market rate units at Brecken's Place. Regardless of product type and location, a newly constructed rental community will be attractive to prospective renters in and around Marshalltown and will be among the most attractive in the market upon construction. Among the product types recommended, single-family detached homes would likely

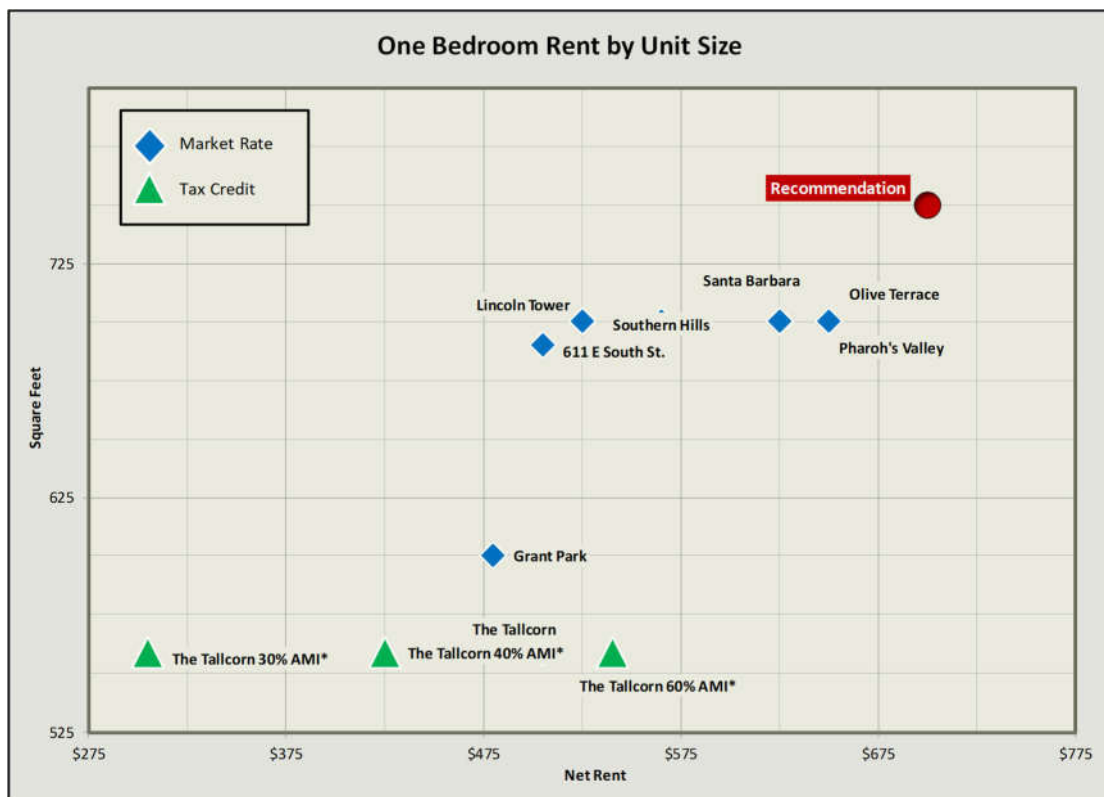
have the highest achievable rents followed by townhomes/attached homes; however, given moderate income households earning between 80 percent and 150 percent of the Area Median Income are a priority, higher rents at these lower density product types may price out many of these moderate-income renters. As such, we have provided a sample product structure, including unit mix, unit sizes, and proposed rents, for an 84-unit garden-style rental community, which we believe would be best suited for Marshalltown's current rental housing needs. Rents assume that residents are responsible for all utilities except the cost of trash removal (Table 46). Please note we have applied the largest unit sizes provided among surveyed communities to illustrate rents at communities unable to provide unit sizes to demonstrate current rents in the market in Figure 14.

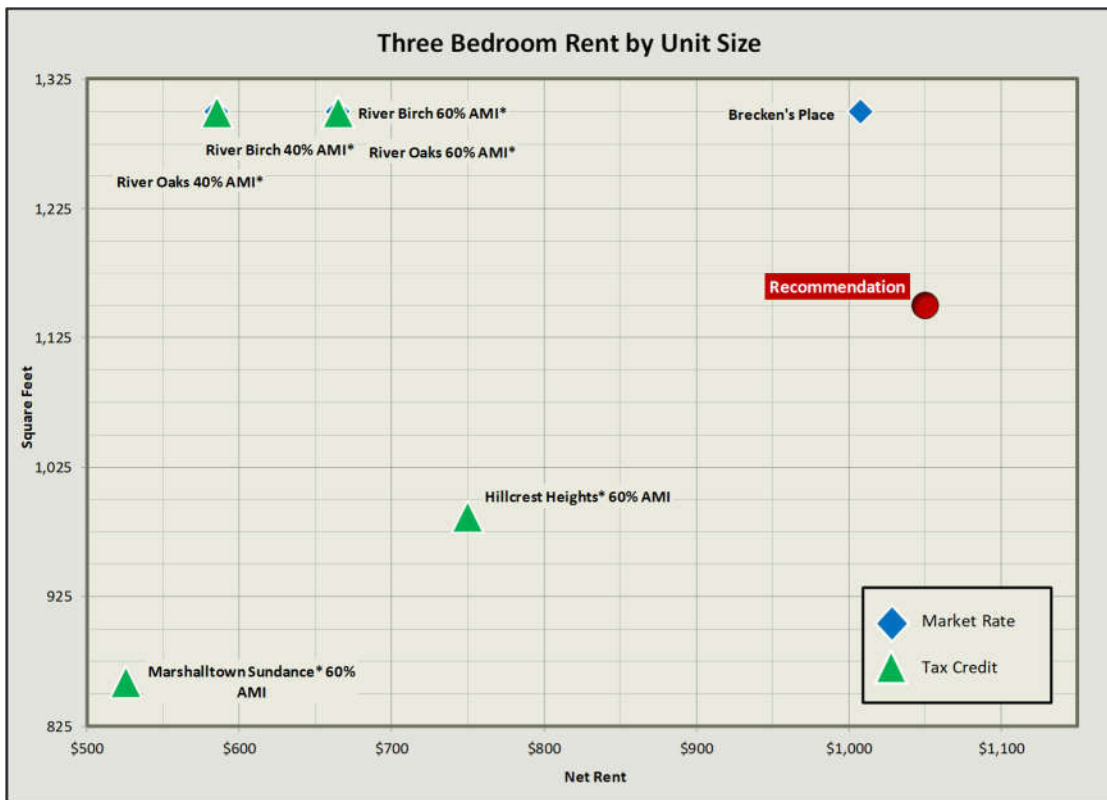
Table 46 RPRG Sample Garden-Style Rental Community, Marshalltown Market Area

Unit Type	Building Type	Units	Bed	Bath	Avg. Square Feet	Net Rent	Rent/Sq Ft
Market	Garden	24	1	1	750	\$700	\$0.93
Market	Garden	36	2	2	1,000	\$900	\$0.90
Market	Garden	24	3	2	1,150	\$1,000	\$0.87
Total/Avg.		84			967	\$867	\$1.12

Rents include: trash removal

Figure 14 Price Position, RPRG Sample Garden-Style Project





2. Independent Senior Rental Housing

Based on net demand estimates, household growth projections, and the demographic characteristics of the Marshalltown Market Area, demand for an additional 39 independent senior rental units will exist over the next three years driven primarily from existing residents aging in place. All senior LIHTC and deeply subsidized communities are performing well with limited to no vacancies and waiting list for some units. The most recently constructed senior LIHTC community in the market area (Marshalltown Senior Residences) also was swiftly absorbed in three to four months and is fully occupied.

Taking these factors into consideration, sufficient demand exists in the market to support an additional senior LIHTC community similar in design to the existing senior communities Westtown and Marshalltown Senior Residences. While information is limited on market rate senior housing options in Marshalltown, due to the limited participation of some senior communities, the lack of vacancies at The Bickford of Marshalltown, the recent expansion of Glenwood Place (independent and assisted living), and the aging population of the Marshalltown Market Area indicates additional demand for senior market rate rental units also likely exists; however, the recent expansion of Glenwood Place and the construction of the pipeline assisted living and memory care facility (The Willows) will likely satisfy much of this demand over the next three years.

3. For-Sale Housing

Most of the existing for-sale housing stock in the Marshalltown Market Area is of a significantly older vintage, though the steady construction of new for-sale housing units on infill sites and in South Point Homes and Villas has helped improve the quality of the for-sale stock at higher price points. We recommend continuing the gradual construction of new for-sale single-family homes with a bit more emphasis on affordable housing options in the more moderate price ranges of \$150,000 to \$225,000. We expect the demand for for-sale housing at mid-range price points to remain strong over the next three years, which can be satisfied with a variety of housing types.

4. 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 remains the most desirable product type for new for-sale housing units. Given the relatively high land and construction costs in Marshalltown, however, new single-family detached homes in Marshalltown tend to gravitate toward higher price points such as South Pointe Homes and Villas, where recent prices have ranged from roughly \$230,000 to \$290,000. While demand for these higher priced homes will likely remain steady over the next three years, smaller more affordable homes would also be well received and target a wider variety of moderate income households. We would recommend building three-bedroom homes offering roughly 1,500 to 2,500 of finished square feet. At a minimum, the homes should include updated exteriors, attached garages, standard kitchen appliances (refrigerator, range/oven, dishwasher, and, garbage disposal), washer/dryer connections, and a patio/deck. The target market of this product type would primarily be couples and small to large families.
- **Townhomes/Attached Homes** – Townhomes and 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. These unit types 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 updated exteriors, 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 1,300 to 1,500 square feet, respectively. The target markets of this product type would include couples, roommates, and small to large families.

5. 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	\$110,000	\$126,500	\$126.50
Townhome	2	2	1,200	\$130,000	\$149,500	\$124.58
Townhome	3	2.5	1,300	\$150,000	\$172,500	\$132.69
Attached Home	3	2.5	1,300	\$150,000	\$172,500	\$132.69
Attached Home	3	2.5	1,500	\$175,000	\$201,250	\$134.17
Detached Home	3	2.5	1,500	\$190,000	\$218,500	\$145.67
Detached Home	3	2.5	1,800	\$210,000	\$241,500	\$134.17
Detached Home	3	2.5	2,500	\$245,000	\$281,750	\$112.70
Average				\$170,000	\$195,500	\$130.40

*Increased by 15 percent for options

The pricing and unit sizes of each product type are based on recent sales data and the pricing of newly constructed homes from the past five years; however, exact prices could vary significantly depending on the location of the home and the product constructed. Newly constructed for-sale units at these general size and pricing recommendations would be competitive in the market place and attractive to prospective moderate and upper income owner households living in and around the Marshalltown Market Area.

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 2020. Using 2020 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 2011-2015 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 150 percent of the AMI. Utility allowances are estimated at \$100 for one-bedroom units, \$120 for two-bedroom units, and \$135 for three-bedroom units.

Table 48 2020 Income Distribution, Marshalltown Market Area

Marshalltown Market Area		Total Households		Renter Households	
2020 Income		#	%	#	%
less than	\$15,000	522	13.8%	232	27.9%
	\$15,000 \$24,999	569	15.1%	166	19.9%
	\$25,000 \$34,999	547	14.5%	128	15.4%
	\$35,000 \$49,999	526	13.9%	105	12.6%
	\$50,000 \$74,999	741	19.6%	111	13.2%
	\$75,000 \$99,999	402	10.6%	69	8.2%
	\$100,000 \$149,999	351	9.3%	10	1.2%
	\$150,000 Over	120	3.2%	13	1.6%
Total		3,779	100%	834	100%
Median Income		\$42,166		\$26,450	

Source: American Community Survey 2011-2015 Projections, RPRG, Inc.

2. Rental Affordability Analysis – Market Rate Rental Units

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 150 percent AMI for the purposes of this analysis. Above 150 percent of AMI, households may consider home ownership as an alternative housing option.

- At recommended rents, an 84-unit market rate rental community with one, two, and three-bedroom units would target households earning from \$27,429 to \$99,750. Within this income range, 6,177 total households and 1,759 renter households would be income qualified for one or more units. The market rate rental community would need to capture 4.8 percent of all income-qualified renter households to lease-up.

Table 49 Market Rate Affordability Analysis, Marshalltown Market Area

150% Units	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
Number of Units	24		36		24	
Net Rent	\$700		\$900		\$1,000	
Gross Rent	\$800		\$1,020		\$1,135	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	\$27,429 \$72,000		\$34,971 \$86,400		\$38,914 \$99,750	
Total Households						
Range of Qualified Hhlds	7,836 3,279		6,893 2,377		6,501 1,660	
# Qualified Households	4,558		4,516		4,841	
Total HH Capture Rate	0.5%		0.8%		0.5%	
Renter Households						
Range of Qualified Hhlds	1,893 564		1,542 329		1,417 135	
# Qualified Households	1,329		1,213		1,282	
Renter HH Capture Rate	1.8%		3.0%		1.9%	

Income Target	# Units	All Households = 10,575				Renter Households = 3,457			
		Band of Qualified Hhlds		# Qualified HHs	Capture Rate	Band of Qualified Hhlds		# Qualified HHs	Capture Rate
150% Units	84	Income Households	\$27,429 \$99,750 7,836 1,660	6,177	1.4%	\$27,429 \$99,750 1,893 135		1,759	4.8%

Source: Income Projections, RPRG, Inc.

3. For-Sale Affordability Analysis

For the purposes of this analysis we assumed a five percent down payment, a 30-year fixed loan term, a 4.5 percent interest rate, a 2017 property tax rate of 1.48 (Marshalltown), a \$350 per year homeowner's association fee, and an underwriting criterion of 25 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 2020 (Table 50). The number of income qualified owner households ranges from 5,686 households for the most affordable floor plan to 2,528 owner households for the most expensive floor plan. All capture rates by floor plan are 5.1 percent or less, which are reasonable and achievable in the market.

Table 50 2020 Income Qualified Owner Households, Marshalltown Market Area

Product Base Price	Townhome \$110,000	Townhome \$130,000	Townhome \$150,000	Attached Home \$150,000
Base Price plus 15% Options	\$126,500	\$149,500	\$172,500	\$172,500
% Down Payment	5%	5%	5%	5%
\$ Down Payment	\$6,325	\$7,475	\$8,625	\$8,625
Term	30	30	30	30
Interest Rate	4.50%	4.50%	4.50%	4.50%
Local Property Tax Rate	1.48	1.48	1.48	1.48
Condominium Fee	200	200	200	200
Payment	\$982	\$1,124	\$1,266	\$1,266
Income Range	\$47,126	\$53,949	\$60,772	\$60,772
# Qualified Hslds	5,686	5,020	4,362	4,362
Required Capture Rate	1.8%	2.2%	2.5%	4.7%

Product Base Price	Attached Home \$175,000	Detached Home \$190,000	Detached Home \$210,000	Detached Home \$245,000
Number of Units	54	148	168	130
Base Price plus 15% Options	\$201,250	\$218,500	\$241,500	\$281,750
% Down Payment	5%	5%	5%	5%
\$ Down Payment	\$10,063	\$10,925	\$12,075	\$14,088
Term	30	30	30	30
Interest Rate	4.50%	4.50%	4.50%	4.50%
Local Property Tax Rate	1.48	1.48	1.48	1.48
Payment	\$1,244	\$1,350	\$1,493	\$1,741
Income Range	\$59,701	\$64,818	\$71,641	\$83,581
# Qualified Hslds	4,465	3,971	3,313	2,528
Required Capture Rate	1.2%	3.7%	5.1%	5.1%

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

4. 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 in-commuter migration. Overall, sufficient income qualified households exist to support rental and for-sale housing development over the next three years.

G. Impact on Existing Market

Given the projected rental demand in the Marshalltown Market Area and the potential housing demand from in-commuting workers, we do not believe the addition of roughly 100 market rate rental units or 40 senior LIHTC rental units will have a negative long-term impact on existing communities in the Marshalltown Market Area. While it is possible some existing communities could experience short-term increases in vacancy as the new rental units are absorbed into the market, this is typical of most markets and will not have any adverse lasting effects. Likewise, strong for-sale housing market conditions, low inventory, and sufficient income qualified households indicate continued steady growth in the for-sale housing market will not have a long-term negative impact on the Marshalltown for-sale housing market overall.

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 presence, Marshalltown's population and household base has remained steady over the last seven years and has continued to have just over half of its jobs filled by commuters 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 many of its current workers. 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. While the city has made progress since the previous housing study in 2014 with the development of senior and family rental housing communities and slow but steady for-sale housing growth, additional rental and for-sale housing is needed to satisfy demand projected over the next three years.

Based on current rental market conditions, net demand/affordability estimates, and the age/condition of Marshalltown's existing housing stock, sufficient demand will exist in the market area to support roughly 120 to 160 general occupancy rental units, approximately 40 independent senior rental units, and steady for-sale housing growth through 2020. We recommend that new rental housing units primarily target moderate income households earning from \$35,000 to \$99,999 per year, which are the most underserved households in the rental market. An assortment of product types is suitable for development within the Marshalltown Market Area, but we would recommend a higher density rental product to help keep rents at a newly constructed community from pricing out moderate-income households. Based on all 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 continued pent-up demand for quality housing units in the city, we do not expect any of the recommended new housing communities to have an adverse long-term impact on the existing housing stock.



Michael Riley
Senior Analyst



Tad Scepianiak
Managing 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', is positioned above the printed name.

Michael Riley
Senior 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.



Real Property Research Group, Inc.



Tad Scepaniak
Name

Managing Principal
Title

November 8-9, 2017
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 the accounting firm of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting market studies throughout the United States on rental and for sale projects. 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. He has served as a panel member, speaker, and lecturer at events held by the National Association of Homebuilders, the National Council on Seniors' Housing and various local homebuilder associations. Bob serves as a visiting 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 Affordable Housing Market Analysts (NCAHMA) and is currently a board 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 of 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. In addition, he has conducted feasibility work in conjunction with Hope VI applications for redevelopment of public housing sites and analyses of rental developments for 221(d)4 insurance and tax credit applications.
- **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. Information compiled is committed to a Geographic Information System (GIS), allowing the comprehensive integration of data.

Education:

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

TAD SCEPANIAK

Tad Scepianiak assumed the role of Real Property Research Group's Managing Principal in November 2017 following more than 15 years with the firm. Tad has extensive experience conducting market feasibility studies on a wide range of residential and mixed-use developments for developers, lenders, and government entities. Tad directs the firm's research and production of feasibility studies including large-scale housing assessments to detailed reports for a specific project on a specific site. He has extensive experience analyzing affordable rental communities developed under the Low Income Housing Tax Credit (LIHTC) program and market-rate apartments developed under the HUD 221(d)(4) program and conventional financing. Tad is the key contact for research contracts many state housing finance agencies, including several that commission market studies for LIHTC applications.

Tad is National Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as Vice Chair and Co-Chair of Standards Committee. 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. Scepianiak 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. Scepianiak 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. Scepianiak 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 11/9/2017

Opened in 1965



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	66.7%	\$505	690	\$0.73	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	33.3%	\$595	780	\$0.76	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 checked="" type="checkbox"/>	
Features						
Standard: --						
Select Units: Disposal; Microwave						
Optional(\$): --						
Security: Keyed Bldg Entry; Cameras						
Parking 1: Free Surface Parking				Parking 2: Detached Garage		
Fee: --				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 11/9/2017) (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	\$550	690	\$.80	Market	11/9/17	0.0%	\$505	\$595	--
Garden	--	2	1	12	\$650	780	\$.83	Market	8/5/14	0.0%	\$495	\$570	--
									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"/>				

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 11/9/2017

Opened in 2007



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

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

Comments

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

Floorplans (Published Rents as of 11/9/2017) (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	\$0.96	Section 8	11/9/17	0.0%	\$494	--	--
									7/31/14	0.0%	\$494	--	--
	Adjustments to Rent												
	Incentives: None												
Utilities in Rent: Heat Fuel: Gas													
Heat: <input checked="" type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input checked="" type="checkbox"/> Trash: <input checked="" type="checkbox"/>													

Associates Supported Housing

IA127-020369

Breckin's Place**Multifamily Community Profile**

901 E Olive St
Marshalltown, IA 50158

CommunityType: **Market Rate - General**

Structure Type: **Townhouse**

24 Units

Occupancy data not currently available

Opened in 2017



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	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$1,008	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	\$1,008	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	
Features						
Standard: Dishwasher; Microwave; In Unit Laundry (Full Size)						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Attached Garage				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Floorplans (Published Rents as of 12/19/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	2	2	--	\$1,100	--	--	Market	12/19/17	--	--	\$1,008	\$1,008
Townhouse	--	3	2	--	\$1,100	--	--	Market	<div>Adjustments to Rent</div> <div>Incentives: 1 month free</div> <div>Utilities in Rent: Heat Fuel: Electric</div> <div>Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/></div> <div>Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/></div>				

Breckin's Place

IA127-027033

Brookview Terrace

Multifamily Community Profile

1707 S. 7th Ave.
Marshalltown, IA 50158

CommunityType: **Market Rate - General**

Structure Type: **3-Story Garden**

24 Units 4.2% Vacant (1 units vacant) as of 11/9/2017

Opened in 1976



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	Comm Rm:	Basketball:
One	--	\$525	--	--	Centrl Lndry:	Tennis:
One/Den	--	--	--	--	Elevator:	Volleyball:
Two	--	\$625	--	--	Fitness:	CarWash:
Two/Den	--	--	--	--	Hot Tub:	BusinessCtr:
Three	--	--	--	--	Sauna:	ComputerCtr:
Four+	--	--	--	--	Playground:	

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 11/9/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$525	--	--	Market	11/9/17	4.2%	\$525	\$625	--
Garden	--	2	2	--	\$625	--	--	Market	8/5/14	0.0%	\$505	\$550	--
									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"/>				

Brookview Terrace

IA127-020383

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 11/9/2017

Opened in 1967



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	Comm Rm:	Basketball:
One	--	--	--	--	Centrl Lndry:	Tennis:
One/Den	--	--	--	--	Elevator:	Volleyball:
Two	100.0%	\$625	825	\$0.76	Fitness:	CarWash:
Two/Den	--	--	--	--	Hot Tub:	BusinessCtr:
Three	--	--	--	--	Sauna:	ComputerCtr:
Four+	--	--	--	--	Playground:	

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 11/9/2017) (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	\$625	825	\$.76	Market	11/9/17	0.0%	--	\$625	--	
									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 11/9/2017

Opened in 1969



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	Comm Rm:	Basketball:
One	16.7%	\$558	--	--	Centrl Lndry:	Tennis:
One/Den	--	--	--	--	Elevator:	Volleyball:
Two	66.7%	\$718	--	--	Fitness:	CarWash:
Two/Den	--	--	--	--	Hot Tub:	BusinessCtr:
Three	16.7%	\$863	--	--	Sauna:	ComputerCtr:
Four+	--	--	--	--	Playground:	

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 11/9/2017) (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	\$663	--	--	Section 8	11/9/17	0.0%	\$558	\$718	\$863
Garden	--	2	1	48	\$848	--	--	Section 8	7/31/14	0.0%	\$506	\$621	\$810
Garden	--	3	1	12	\$1,023	--	--	Section 8	<div></div> <div></div> <div>Adjustments to Rent</div> <div>Incentives: None</div> <div>Utilities in Rent: Heat Fuel: Electric</div> <div>Heat: <input checked="" type="checkbox"/> Cooking: <input checked="" type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/></div> <div>Hot Water: <input checked="" type="checkbox"/> Electricity: <input checked="" type="checkbox"/> Trash: <input checked="" type="checkbox"/></div>				

Edgebrook Park

IA127-020370

Grant Park

Multifamily Community Profile

1 W. Grant St.
Marshalltown, IA 50158

CommunityType: **Market Rate - General**

Structure Type: **Mid Rise**

56 Units 0.0% Vacant (0 units vacant) as of 11/9/2017

Last Major Rehab in 2007 Opened in 1978



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	100.0%	\$480	600	\$0.80	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	--	--	--	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; Microwave; Ceiling Fan; Window A/C						
Select Units: --						
Optional(\$): --						
Security: Intercom; Keyed Bldg Entry; Cameras						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Floorplans (Published Rents as of 11/9/2017) (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	\$525	600	\$0.88	Market	11/9/17	0.0%	\$480	--	--
									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"/>				

Grant Park

IA127-020371

Hillcrest Heights

Multifamily Community Profile

208 Glenda Dr.
Marshalltown, IA 50158

CommunityType: LIHTC - General

Structure Type: 2-Story Garden

32 Units 12.5% Vacant (4 units vacant) as of 11/9/2017

Opened in 1995



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	Comm Rm:	Basketball:
One	--	--	--	--	Centrl Lndry:	Tennis:
One/Den	--	--	--	--	Elevator:	Volleyball:
Two	150.0%	\$298	825	\$0.36	Fitness:	CarWash:
Two/Den	--	--	--	--	Hot Tub:	BusinessCtr:
Three	25.0%	\$750	988	\$0.76	Sauna:	ComputerCtr:
Four+	--	--	--	--	Playground:	

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 11/9/2017) (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	\$595	825	\$0.72	LIHTC/ 60%	11/9/17	12.5%	--	\$298	\$750
Garden	--	2	1	24	--	825	--	LIHTC/ 60%	8/5/14	3.1%	--	\$588	\$725
Garden	--	3	1	8	\$750	988	\$0.76	LIHTC/ 60%					
									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"/>				

Hillcrest Heights

IA127-020385

Lincoln Tower

Multifamily Community Profile

1500 Lincoln Tower Circle
Marshalltown, IA 50158

CommunityType: **Market Rate - General**

Structure Type: **Mid Rise**

21 Units 23.8% Vacant (5 units vacant) as of 11/9/2017

Opened in 1978



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	4.8%	\$525	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	95.2%	\$660	--	--	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; 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 11/9/2017) (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	\$525	--	--	Market	11/9/17	23.8%	\$525	\$660	--
Mid Rise - Elevator	--	2	2	20	\$660	--	--	Market	8/4/14	9.5%	\$700	\$1,035	--
									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 11/9/2017

Opened in 1996



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	Comm Rm:	Basketball:
One	100.0%	\$632	600	\$1.05	Centrl Lndry:	Tennis:
One/Den	--	--	--	--	Elevator:	Volleyball:
Two	--	--	--	--	Fitness:	CarWash:
Two/Den	--	--	--	--	Hot Tub:	BusinessCtr:
Three	--	--	--	--	Sauna:	ComputerCtr:
Four+	--	--	--	--	Playground:	

Features	
Standard: Disposal; In Unit Laundry (Hook-ups); Central A/C	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- 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 11/9/2017) (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	\$632	600	\$1.05	Market	11/9/17	0.0%	\$632	--	--
									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: 2-Story Garden

32 Units 6.3% Vacant (2 units vacant) as of 11/9/2017

Opened in 1994



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	Comm Rm:	Basketball:
One	--	--	--	--	Centrl Lndry:	Tennis:
One/Den	--	--	--	--	Elevator:	Volleyball:
Two	75.0%	\$461	860	\$0.54	Fitness:	CarWash:
Two/Den	--	--	--	--	Hot Tub:	BusinessCtr:
Three	25.0%	\$525	860	\$0.61	Sauna:	ComputerCtr:
Four+	--	--	--	--	Playground:	

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 11/9/2017) (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	\$461	860	\$0.54	LIHTC/ 60%	11/9/17	6.3%	--	\$461	\$525
Garden	--	3	2	8	\$525	860	\$0.61	LIHTC/ 60%	8/5/14	3.1%	--	\$627	\$695
									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"/>				

Marshalltown Sundance

IA127-020386

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 11/9/2017

Opened in 1976



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	Comm Rm:	Basketball:
One	--	\$625	--	--	Centrl Lndry:	Tennis:
One/Den	--	--	--	--	Elevator:	Volleyball:
Two	--	\$650	--	--	Fitness:	CarWash:
Two/Den	--	--	--	--	Hot Tub:	BusinessCtr:
Three	--	--	--	--	Sauna:	ComputerCtr:
Four+	--	--	--	--	Playground:	

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 11/9/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$625	--	--	Market	11/9/17	0.0%	\$625	\$650	--
Garden	--	2	1	--	\$650	--	--	Market	8/5/14	0.0%	\$505	\$550	--
									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"/>				

Olive Terrace

IA127-020387

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 11/9/2017

Opened in 1972



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	--	\$650	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$680	825	\$0.82	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 11/9/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$625	--	--	Market	11/9/17	0.0%	\$650	\$680	--
Garden	--	2	1	--	\$650	825	\$.79	Market	8/5/14	0.0%	\$530	\$630	--
									Adjustments to Rent				
									Incentives: None				
									Utilities in Rent: Heat Fuel: Electric Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/> Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input type="checkbox"/>				

Pharoh's Valley

IA127-020388

River Birch

Multifamily Community Profile

1601 E. Marion St.
Marshalltown, IA 50158

CommunityType: LIHTC - General

Structure Type: Townhouse

20 Units 15.0% Vacant (3 units vacant) as of 11/9/2017

Opened in 2003



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 checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	\$625	1,300	\$0.48	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
Four+	--	\$683	1,400	\$0.49	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 11/9/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	3	2	--	\$560	1,300	\$0.43	LIHTC/ 40%	11/9/17	15.0%	--	--	\$625
Townhouse	--	3	2	--	\$640	1,300	\$0.49	LIHTC/ 60%	8/1/14	5.0%	--	--	\$590
Townhouse	--	4	2	--	\$610	1,400	\$0.44	LIHTC/ 40%					
Townhouse	--	4	2	--	\$695	1,400	\$0.50	LIHTC/ 60%					
Adjustments to Rent													
Incentives:									None				
Utilities in Rent:									Heat Fuel: Gas				
Heat:									Cooking:				
Hot Water:									Wtr/Swr:				
									Electricity:				
									Trash:				

River Birch

IA127-020374

River Oaks

Multifamily Community Profile

1509 E. Marion St.
Marshalltown, IA 50158

CommunityType: LIHTC - General

Structure Type: Townhouse

28 Units 25.0% Vacant (7 units vacant) as of 11/9/2017

Opened in 2002



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 checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	\$625	1,300	\$0.48	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
Four+	--	\$683	1,400	\$0.49	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 11/9/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	3	2	--	\$560	1,300	\$0.43	LIHTC/ 40%	11/9/17	25.0%	--	--	\$625
Townhouse	--	3	2	--	\$640	1,300	\$0.49	LIHTC/ 60%	8/1/14	3.6%	--	--	\$590
Townhouse	--	4	2	--	\$610	1,400	\$0.44	LIHTC/ 40%					
Townhouse	--	4	2	--	\$695	1,400	\$0.50	LIHTC/ 60%					
Adjustments to Rent									Incentives:				
									None				
									Utilities in Rent: Heat Fuel: Gas				
									Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>				
									Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

River Oaks

IA127-020375

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 11/9/2017

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	--	\$625	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$680	--	--	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 11/9/2017) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$600	--	--	Market	11/9/17	0.0%	\$625	\$680	--
Garden	--	2	1	--	\$650	--	--	Market	8/5/14	0.0%	\$530	\$630	--

Adjustments to Rent

Incentives:

None

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

Heat: ☐ Cooking: ☐ Wtr/Swr: ☐

Hot Water: ☐ Electricity: ☐ Trash: ☐

Santa Barbara

IA127-020389

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 11/9/2017

Opened in 1975



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	\$515	--	--	Comm Rm:	Basketball:
One	--	\$565	--	--	Centrl Lndry:	Tennis:
One/Den	--	--	--	--	Elevator:	Volleyball:
Two	--	\$838	--	--	Fitness:	CarWash:
Two/Den	--	--	--	--	Hot Tub:	BusinessCtr:
Three	--	--	--	--	Sauna:	ComputerCtr:
Four+	--	--	--	--	Playground:	

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 11/9/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	Eff	1	--	\$515	--	--	Market	11/9/17	0.0%	\$565	\$838	--
Garden	--	1	1	--	\$565	--	--	Market	8/5/14	0.0%	\$530	\$770	--
Garden	--	2	1	--	\$660	--	--	Market					
Townhouse	--	2	2	--	\$1,015	--	--	Market					
									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"/>				

Southern Hills

IA127-020381

The Tallcorn

Multifamily Community Profile

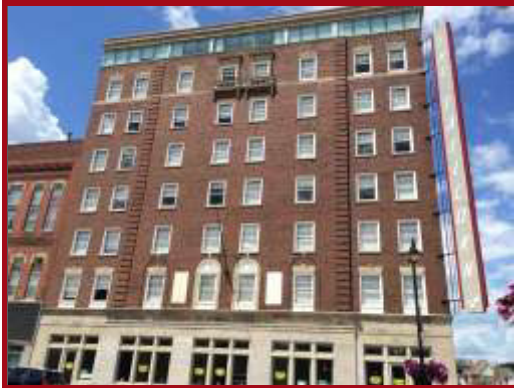
2 North 2nd Ave.
Marshalltown, IA 50158

CommunityType: LIHTC - General

Structure Type: 7-Story Adaptive Reuse

49 Units 4.1% Vacant (2 units vacant) as of 11/9/2017

Last Major Rehab in 2014 Opened in 1928



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 checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	85.7%	\$474	559	\$0.85	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	14.3%	\$541	725	\$0.75	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	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				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Community also has a library & craft room.

Floorplans (Published Rents as of 11/9/2017) (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	\$330	559	\$0.59	LIHTC/ 30%	11/9/17	4.1%	\$474	\$541	--
Mid Rise - Elevator	--	1	1	13	\$450	559	\$0.81	LIHTC/ 40%	8/1/14*	34.7%	\$457	\$534	--
Mid Rise - Elevator	--	1	1	23	\$530	559	\$0.95	LIHTC/ 60%	* Indicates initial lease-up.				
Mid Rise - Elevator	--	1	1	4	\$565	559	\$1.01	Market					
Mid Rise - Elevator	--	2	1	1	\$400	725	\$0.55	LIHTC/ 30%					
Mid Rise - Elevator	--	2	1	6	\$600	725	\$0.83	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"/>				

The Tallcorn

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 11/13/2017



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	--	--	--	--	Comm Rm:	Library:
One	--	\$2,595	--	--	Centrl Lndry:	Arts&Crafts:
One/Den	--	--	--	--	Elevator:	Health Rms:
Two	--	\$3,420	--	--	Fitness:	Guest Suite:
Two/Den	--	--	--	--	Hot Tub:	Conv Store:
Three	--	--	--	--	Sauna:	ComputerCtr:
Four+	--	--	--	--	Walking Pth:	Beauty Salon:

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 11/13/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	1	1	--	\$2,700	--	--	Market	11/13/17	0.0%	\$2,595	\$3,420	--
	--	2	1	--	\$3,550	--	--	Market	8/8/14	0.0%	\$2,495	\$3,320	--
									8/7/14	0.0%	--	--	--
	Adjustments to Rent												
	Incentives: None.												
	Utilities in Rent: Heat Fuel: Electric												
	Heat: <input checked="" type="checkbox"/> Cooking: <input checked="" type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>												
	Hot Water: <input checked="" type="checkbox"/> Electricity: <input checked="" type="checkbox"/> Trash: <input checked="" type="checkbox"/>												

Bickford of Marshalltown

IA127-020401

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Crestview

Senior Community Profile

202 N 2nd Ave
Marshalltown, IA 50158

CommunityType: LIHTC - Elderly

Structure Type: Garden

40 Units 5.0% Vacant (2 units vacant) as of 12/19/2017



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	100.0%	\$465	--	--	Comm Rm:	Library:
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two	--	--	--	--	Centrl Lndry:	Arts&Crafts:
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	Elevator:	Health Rms:
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					Fitness:	Guest Suite:
					<input type="checkbox"/>	<input type="checkbox"/>
					Hot Tub:	Conv Store:
					<input type="checkbox"/>	<input type="checkbox"/>
					Sauna:	ComputerCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Walking Pth:	Beauty Salon:
					<input type="checkbox"/>	<input type="checkbox"/>

Features

Standard: Central A/C

Select Units: --

Optional(\$): --

Security: --

Parking: Free Surface Parking

Comments

Built in the 1970's

Property Manager: --

Owner: --

Floorplans (Published Rents as of 12/19/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	40	\$465	--	--	LIHTC/ 60%	12/19/17	5.0%	\$465	--	--
									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"/>				

Crestview

IA127-027034

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Marshalltown Senior Residences

Senior Community Profile

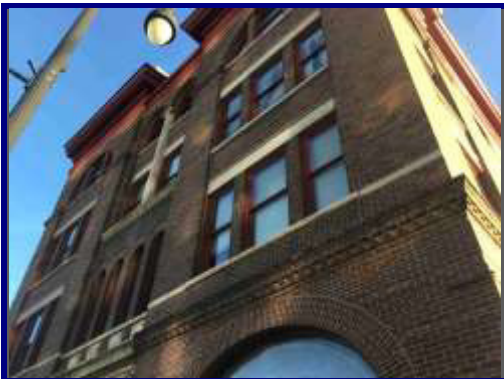
201 E. Main St
Marshalltown, IA 50158

CommunityType: LIHTC - Elderly

Structure Type: --

28 Units

Occupancy data not currently available



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	--	--	--	--	Comm Rm:	Library:
One	--	\$505	678	\$0.74	Centrl Lndry:	Arts&Crafts:
One/Den	--	--	--	--	Elevator:	Health Rms:
Two	--	\$563	977	\$0.58	Fitness:	Guest Suite:
Two/Den	--	--	--	--	Hot Tub:	Conv Store:
Three	--	--	--	--	Sauna:	ComputerCtr:
Four+	--	--	--	--	Walking Pth:	Beauty Salon:

Features

Standard: Dishwasher; Microwave; In Unit Laundry (Full Size); Grabbar

Select Units: --

Optional(\$): --

Security: --

Parking: --

Comments

55+

Property Manager: --

Owner: --

Floorplans (Published Rents as of 12/19/2017) (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	--	\$505	678	\$.74	LIHTC	12/19/17	--	\$505	\$563	--
Mid Rise - Elevator	--	2	1	--	\$563	977	\$.58	LIHTC					
									Adjustments to Rent				
									Incentives: —				
									Utilities in Rent: Heat Fuel:				
									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"/>				

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 11/13/2017

Opened in 1984



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	24.6%	\$520	500	\$1.04	Comm Rm:	Library:
One	75.4%	\$613	600	\$1.02	Centrl Lndry:	Arts&Crafts:
One/Den	--	--	--	--	Elevator:	Health Rms:
Two	--	--	--	--	Fitness:	Guest Suite:
Two/Den	--	--	--	--	Hot Tub:	Conv Store:
Three	--	--	--	--	Sauna:	ComputerCtr:
Four+	--	--	--	--	Walking Pth:	Beauty Salon:

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 11/13/2017) (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	\$550	500	\$1.10	Section 8	11/13/17	0.0%	\$613	--	--
Mid Rise - Elevator	--	1	1	49	\$648	600	\$1.08	Section 8	7/31/14	0.0%	\$581	--	--
									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 checked="" type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Odd Fellow

IA127-020373

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Westown

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 11/13/2017

Opened in 2005



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	--	--	--	--	Comm Rm:	Library:
One	66.7%	\$405	650	\$0.62	Centrl Lndry:	Arts&Crafts:
One/Den	--	--	--	--	Elevator:	Health Rms:
Two	33.3%	\$615	900	\$0.68	Fitness:	Guest Suite:
Two/Den	--	--	--	--	Hot Tub:	Conv Store:
Three	--	--	--	--	Sauna:	ComputerCtr:
Four+	--	--	--	--	Walking Pth:	Beauty Salon:

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 11/13/2017) (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	\$450	650	\$.69	LIHTC/ 60%	11/13/17	0.0%	\$405	\$615	--
Mid Rise - Elevator	--	2	1	12	\$670	900	\$.74	LIHTC/ 60%	8/1/14	0.0%	\$400	\$605	--
									Adjustments to Rent				
									Incentives: None				
									Utilities in Rent: Heat Fuel: Gas				
									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"/>				

Westown

IA127-020377

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