Housing Needs Analysis for the City of Marion, Iowa

Prepared For:

City of Marion
Marion, Iowa

September 2022

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Research & Consulting

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September 1, 2022

Mr. Tom Treharne
Housing Services Manager
City of Marion
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Mr. Treharne:

Attached is the *Housing Market Analysis for Marion, Iowa* conducted by Maxfield Research and Consulting, LLC. The study analyzes demographic and economic data, housing market conditions and provides calculations of housing demand 2022 to 2030 and suggests housing product types and amounts that could be built in Marion to satisfy demand from current and future residents in the short-term (2022 to 2027).

The study identifies a potential demand for 2,739 new general occupancy and 674 age-restricted and service-enriched housing units in Marion between 2022 and 2030. Although most of the demand is projected for owned housing, rising mortgage interest rates and high construction costs may dampen some of this demand in the short-term. The Tri-City Area rental market continues to experience a low rental vacancy rate of 1.3%, which is the same vacancy rate for Marion. Detailed information regarding recommended housing concepts can be found in the Conclusions and Recommendations section at the end of the report.

We have enjoyed performing this update for you and are available should you have any questions or need additional information.

Sincerely,

MAXFIELD RESEARCH AND CONSULTING LLC

Mary C. Bujold

Mary C. Bujold
President

Attachment

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Purpose and Scope of Study

Maxfield Research and Consulting, LLC was engaged by the City of Marion, Iowa to complete a *Comprehensive Housing Needs Analysis* for the City. The Housing Needs Analysis provides recommendations on current and projected housing conditions and the amount and types of housing that should be developed to meet the needs of current and future households who choose to reside in the City. This document provides demographic and economic analysis and forecasts and analyzes current housing market conditions in Marion and the surrounding market information and housing market conditions in 2022, with historic information provided from the 2020 Census (when available) in addition to data from the 2010 Census.

The scope of this study includes: an analysis of the demographic and economic characteristics of the City; a review of the characteristics of the existing housing stock and building permit trends; an analysis of the market condition for a variety of rental and for-sale housing products; and an assessment of the need for housing by product type. Recommendations on the number and types of housing products that should be considered are also supplied.

Demographic Analysis

- As of the 2020 Census, Marion had 41,535 people and 16,885 households. The Marion Market Area, which includes the Cities of Marion, Cedar Rapids and Hiawatha, had 186,428 people and 78,167 households.

- Between 2010 and 2020, Marion and the remainder of the Market Area grew by a combined 20,678 people (12.3%) and 8,764 households (12.4%). By comparison, Linn County increased its population by 11.0% during the same period to 230,299 people and its households by 13.7% to 11,543.

- Household sizes have continued to decline since 2000, although stabilized as of 2020 as a higher proportion of Millennials that previously delayed having children are now doing so. Growth rates between population and households, an indication of household size shifts experienced less difference this past decade than in previous decades (as an example, 12.3% growth in population and 12.4% growth in households).

- Marion's population and household bases are currently estimated (2022) at 42,535 people and 17,292 households. The Market Area's population and household bases are estimated at 188,796 people and 79,179 households. These estimates consider population data from the 2020 Decennial Census.

- The population in Marion and in the overall Market Area is aging. Marion has a high proportion of people over age 65 (16%). Developing a diverse housing stock will also diversify the age distribution of the population, attracting more younger people to the community. From 2022 to 2030, the population age 75+ is estimated to have the highest growth by percent. The largest adult age group in Marion (35 to 44) accounts for 15% followed by people aged 45 to 54 (13%).

- In 2022, Marion has an estimated median household income of $76,969, compared to $66,686 for the Cedar Rapids Metro Area. The median household income of non-senior households was $63,838 compared to senior (65+) households with a median income of $53,754. Most seniors are usually semi-retired or fully retired and utilize savings, pension and social security as income sources; some remain employed. Most non-senior households are likely to have two incomes through full-time employment.

- Between 2010 and 2022, the homeownership rate in Marion rose from 75.8% to 77.1% and rose also in the Metro Area from 68.2% to 71.4%. Similarly, the homeownership rate in Linn County rose from 72.7% to 74.3%. Conversely, the proportion of renter households decreased in each geography, but still increased numerically.

- The overall estimated 2022 homeownership rate of the Cedar Rapids MSA (73%) is higher than other Iowa Metro Areas such as Davenport (71%), Des Moines (69%), Dubuque (73%) and Sioux City (68%). By comparison, Iowa's homeownership rate is 71%.

- As of 2022, an estimated 27% of all households in Marion live alone. This is modestly lower than in other Iowa Metro Areas where between 28% and 30% of households live alone. In the remainder of the County, 19% of all households lived alone. Married households without children in Marion accounted for the highest percentage at 29.3% as well as in the remainder of the County at 34.3%.

- The unemployment rate for the Cedar Rapids MSA was 2.2% as of July 2022, which was lower than the County (3.2%) and the State (2.7%). During the first half of 2022, the unemployment rate continued to decrease, primarily caused by a substantial reduction in the labor force rather than increased employment. In July, the labor force in the MSA increased, but so did employment, causing the unemployment rate to remain essentially stable. Many employers still want to hire workers, but the aftermath of COVID with so many workers having to shift their lifestyles and working patterns along with extended unemployment benefits has made it difficult to attract workers back, especially for lower wage jobs. Labor shortages were prevalent prior to COVID, but they are now exacerbated. Employment growth has been constrained due to a severe lack of labor.

- According to data published for 2019 (the most recent available) by the US Census Bureau's Local Employment Household Dynamics (LEHD), the City of Marion is a net exporter of workers. An estimated 17,192 workers leave the City for work while 8,733 workers come into the City for employment. An estimated 2,671 workers live and work in Marion. The largest numbers of workers that leave the City for employment commute to nearby communities including Cedar Rapids, Hiawatha, Iowa City, Coralville, Des Moines, Davenport and Waterloo.

- The highest proportion of workers in Marion lives in Cedar Rapids (30%); the second highest proportion lives in Marion (23.4%), followed by Hiawatha (1.7%) and Iowa City at 1.6%.

Housing Characteristics

- From 2016 through 2021, Marion issued permits for the construction of 1,630 new residential units. Most new construction has been single-family homes (60%). Another 22% was multifamily (general and senior) and 14% were duplex/twinhomes.

- The number of residential permits increased from 2016 through 2018, dipped in 2019, but rose again in 2020 and 2021. The highest number of permits issued over the six-year period was in 2017 with 394 permits issued for new residential units due primarily to a high number of multifamily units.

- As of 2022, Marion is estimated to have a total of 17,292 occupied units, of which 77% are owner-occupied and 23% are renter occupied.

- An estimated 30% of homes in Marion were built prior to 1970. From 1970 through the 1990s, another 34% was added. From 2000 to present, another 36% of homes were built.

- According to the Cedar Rapids Area Association of Realtors, the median value of homes in the Cedar Rapids Metro Area was $186,089 as of the end of 2021. The average price was $215,787, indicating that there were more high-priced homes sold than low-priced homes, causing the average to be higher than the median. Market activity indicators such as number of homes sold, average sold price and days on market are all trending up, although inventory is considered low and prices are escalating rapidly in the for-sale market. Home sales prices in Marion have risen dramatically over the past two years and the supply of homes on the market continues to remain low. Market times have continued to decrease and this factor, along with the low inventory, has caused prices to rise.

- The average monthly rent among surveyed market rate rental properties in Marion was $721 as of July 2022 or $0.91 per square foot. This is below the average monthly rent for shallow subsidy properties surveyed at $972 per month or $0.95 per square foot. The lower average rent for market rate properties in Marion reflects a larger supply of older rental properties with moderate rent levels, the majority affordable to households with incomes between 50% and 60% of Area Median Income.

- The average monthly rent among the surveyed market rate rental properties in the Tri-City area was $754 as of July 2022 or $0.99 per square foot. This is below the average monthly rent for the shallow-subsidy properties surveyed at $797 per month or $0.84 per square foot.

Rental Housing Market Analysis

- In order to assess the current market conditions for rental housing in Marion and the surrounding area, Maxfield Research completed a survey of rental housing that includes deep-subsidy units (i.e. housing that is income-restricted to households earning at or below 50% of the Area Median Income), shallow-subsidy (i.e. housing that is income-restricted between 40% and 80% of the Area Median Income) and market rate (i.e. housing that is not income-restricted); properties surveyed include those in Cedar Rapids, Marion and Hiawatha. Cedar Rapids and Marion contain most of the general market rental units in the area.

- Maxfield Research has maintained data on a large inventory of rental units in the tri-city area. The most recent survey in July 2022, includes a total of 12,065 general occupancy market rate rental units in the tri-city area spread across more than 150 properties (13% of the total units are in Marion). Data reveals one property in its initial lease-up period in Marion (Marion Lofts). Including all properties surveyed, there were 136 vacant units resulting in an overall vacancy rate of 1.3%. A healthy rental market usually maintains a vacancy rate of about 5%, which promotes competitive rates, ensures adequate consumer choice and allows for unit turnover. Rents in the region have increased, on average, by 3% to 5% year-over-year, primarily due to consistent demand.

- Maxfield also surveyed low-income and workforce rental properties. Among the total, most have been financed through the Low-Income Housing Tax Credit program (LIHTC) administered by the Iowa Finance Agency. Properties financed through the LIHTC program usually provide housing to households that have median household incomes ranging from 40% to 60% of median. Marion recently assisted new multifamily housing by applying for workforce housing credits through the Iowa Finance Authority to provide a more affordable rent structure for new market rate rentals. Cedar Rapids has also been assisting new multifamily developments through their MFNC (Multifamily New Construction) program, which has been providing support to developers to maintain a more affordable rent structure for a period of ten years. These properties do not restrict tenancy to households with a specific income threshold. As of July 2022, 2,392 general occupancy units were surveyed (age-restricted properties were moved to the senior section). The overall vacancy rate for these properties was 1.5%. We have continued to see some softness in the income-restricted market as new shallow-subsidy rental rates are often less than many existing rental properties.

- The Cedar Rapids Housing Department currently serves 956 active families through the Housing Choice Voucher Program in Linn and Benton counties, which includes Marion. Although the Housing Department has an allocation of 1,265 vouchers, budget cuts and increases in assistance have reduced the number of families able to be served through the program. This is similar to many other agencies across the country that are experiencing similar situations. The wait list has 821 names and the average wait time for a voucher is approximately one year, but 100 vouchers were recently issued off the wait list. It is estimated that 50% of these households are likely to secure qualified affordable housing in the period allotted. This is lower than many other larger cities, where the wait time for a voucher could be two to three years or longer.

Senior Housing Market Analysis

- There are 43 age-restricted housing facilities in Marion and Cedar Rapids with more than 3,800 units. Nearly 800 of those units are deep-subsidy units (five properties in Marion) and the remainder are shallow-subsidy (two properties in Marion) and market rate (four properties in Marion). The overall vacancy rate for deep-subsidy and shallow-subsidy properties was 0.0% and the vacancy rate for market rate senior properties was an estimated 5.6% as of July 2022, a result of the impacts of the pandemic. Conversations with marketing directors indicated that most senior housing seems to be holding its own and with the virus coming under control, there is again interest in senior housing. Higher vacancies among specific properties may be a result of product types that are not meeting the needs of the market.

- Active adult (55+ or 62+) independent living properties (in Marion and Cedar Rapids include age-restricted cooperatives (ownership) and rental properties that accept residents at various income levels, from low-income to market rate. The newest age-restricted rentals that have opened include Arbor at Lindale Trail (Marion), Blairs Ferry Senior Housing (Marion) and Commonwealth (Cedar Rapids). These properties have been well-received in the marketplace and nearly all units are currently occupied. Properties in Marion and Cedar Rapids have wait lists.

- Four properties in Marion provide housing with services including independent living, assisted living and memory care. Service-based units in larger properties have a total of 308 units. There are another 1,432 age-restricted units in the tri-city area that provide housing with services. The newest facility to open in the area is Boyson Heights (2021). The property offers independent and assisted living and memory care.

- Several new properties have opened in the past three years including two in Marion (The Views (60 units of assisted living and memory care) and 40 skilled nursing beds) and Terrace Glen Village (84 units) and three in Cedar Rapids (Grand Living at Indian Creek (164 units), Stoney Pointe Meadows (95 units) and Boyson Heights (81 units).

- HallMar Village, a collaboration between Mercy Hospital and Presbyterian Homes and Services recently broke ground in Northeast Cedar Rapids for a 237-unit continuum of care and innovation center adjacent to the Echo Hill Presbyterian Church. Occupancy is anticipated for 2023/2024.

For-Sale Housing Market Analysis

- The median resale price of homes in Marion increased by 6.4% in 2021 and by 7.0% as of the end of July 2022. The average resale price of homes increased by 8.9% and 8.8%, respectively.

- The median sale price of homes in Marion was $255,000 as of the end of July 2022 and the average price was $282,140. Based on the median sale price, a household would need an annual income of between $72,860 and $85,000 based on an industry standard of 3.0 to 3.5 times income at today's interest rates. An estimated 53% of Marion households have annual incomes at or above $73,000.

- The average resale price of homes in the Cedar Rapids Metro Area was $215,787 and the median resales price was $186,089 as of year-end 2021. The median resale price jumped 5.7% from 2020 in the Metro Area. Between 2016 and 2015, the increase in the median resale price was only 0.7%. The number of home sales has been increasing since 2018, but supply remains very tight. Time on market has continued to strengthen and was 21 days as of the end of 2021.

- In 2021, 3,645 homes sold in the Cedar Rapids Metro Area, an increase over 2020 when 3,460 homes sold.

Housing Needs Analysis

- Based on our calculations, demand exists for the following general occupancy product types between 2022 and 2030 in Marion:

Market rate rental	595 units
Shallow-Subsidy rental	306 units
Deep-subsidy rental	48 units
For-sale single-family	1,310 units
For-sale multifamily	480 units

- In addition, we find demand for multiple age-restricted (55+) and/or service-enriched housing product types. As of 2027, demand for age-restricted and/or service-enriched housing is estimated for the following independent and service-enriched categories for Marion:

Active adult ownership	97 units
Active adult market rate rental	124 units
Active adult shallow-subsidy	83 units
Active adult deep-subsidy	154 units
Independent Lvg w/services	111 units

Assisted living	61 units
Memory care	44 units

Please note that senior demand is cumulative and that units developed during the next five years would need to be subtracted from these totals.

Conclusions and Recommendations

The difference between the demand calculations over the next five year-period and the chart on the following page reflects Maxfield's estimates of the amount of demand that could be prudently absorbed in the Marion market and not overbuild the market. The demand estimates reflect demand over a five-year period based on projected population and household growth. If growth occurs more slowly than expected and construction occurs more rapidly, then a short-term overbuilding situation could occur. The recommended development levels are intended to support continued growth but avoid significant overbuilding.

- Based on the findings of the analysis and the updated demand calculations, the chart shown on the next page provides a summary of the recommended housing product types for Marion to 2027 (five-year period). Detailed findings are described in the *Conclusions and Recommendations* section of the report.

RECOMMENDED HOUSING DEVELOPMENT
CITY OF MARION
2022 to 2027

	Purchase Price/ Monthly Rent Range[1]	No. of Units	Development Timing
General Occupancy Rental Housing			
Market Rate Rental Housing [2]			
Apartment-style (suburban)	$1,100/1BR - $1,500/2BR	150 - 250	2022-2025
Apartment-style-(Uptown)	$950-Std.; $1,200/1BR; $1,650/2BR	150 - 200	2022-2025
Total		**300 - 450**	
Affordable Rental Housing			
Shallow-Subsidy	Moderate Income[3]	150 - 200	2022-2025
Deep-Subsidy	30% of AGI	30 - 45	2022-2025
Total		**180 - 245**	
Market Rate Single-Family	Entry-Level	200 - 250	2022-2025
Market Rate Multifamily Owned	Entry-Level	100 - 125	2022-2025
Total		**300 - 375**	
Senior Housing (i.e. Age Restricted)			
Active Adult Market Rate Rental[4]	$1,200/1BR - $1,500/2BR	65 - 70	2022-2027
Active Adult Market Rate Owner	$180,000/1BR-$245,000/2BR	60 - 65	2022-2027
Active Adult Shallow Rental[4]	Moderate Income[3]	55 - 80	2022-2027
Independent Living w/services	$2,800/1BR - $3,900/2BR	70 - 80	2022-2027
Deep-Subsidy Senior[5]	30% of AGI	50 - 60	2022-2027
Market Rate Assisted Living	$4,000/1BR - $4,600/2BR	25 - 30	2022-2027
Market Rate Memory Care	$5,000/Std. - $5,800/1BR	25 - 30	2022-2027
Total		**350 - 415**	

[1] Pricing in 2022 dollars. Pricing can be adjusted to account for inflation.

[2] The development of these products can occur after the vacancy rate is at or below 5%. Additional rental development could occur after new development has been absorbed and phased into the market.

[3] Affordablity subject to income guidelines per Iowa Housing Authority. Consider alternate funding programs other than LIHTC for affordability

[4] Alternative development concept is to combine active adult shallow-subsidy and market rate active adult into mixed income property

[5.] Deep-subsidy senior is difficult to develop financially; could incorporate into shallow-subsidy

Note - Recommended development does not coincide with total demand.

Source: Maxfield Research and Consulting, LLC

Introduction

This section of the report examines factors related to the current and future demand for housing in Marion, Iowa. It includes an analysis of population and household growth trends and projections, projected age distribution, household income, household type, household tenure, employment growth trends and characteristics, age of the housing stock and recent residential building permit trends for Marion, Cedar Rapids and Hiawatha. A review of these characteristics provides insight into the demand for various housing products in the City. This information is updated including estimates for 2022 with projections to 2035.

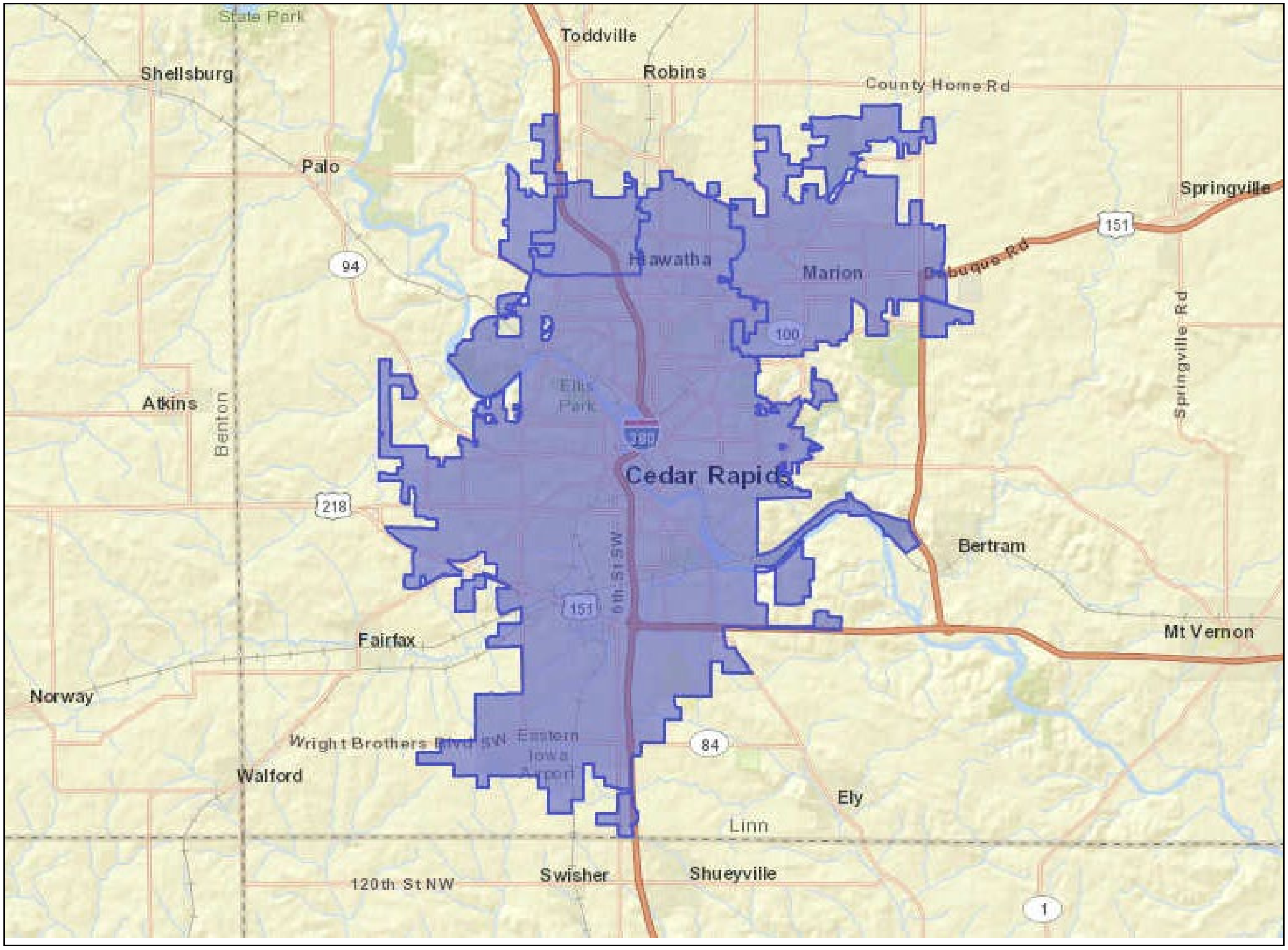
Market Area Definition

The primary draw area (Market Area) for housing in Marion was defined based on traffic patterns, community and school district boundaries and geographic and our general knowledge of housing draw areas and specifically, draw areas for Cedar Rapids and Marion. The Market Area includes the three communities of Marion, Cedar Rapids and Hiawatha. Marion and Hiawatha are adjacent to Cedar Rapids. but most commuters who work in Cedar Rapids and live outside of the City do so by choice. Some people prefer a more suburban or rural atmosphere while others have attachments to the communities where they currently live or a spouse working in that community. We note that other small nearby communities such as Robins, Fairfax and Mount Vernon are growing and capture a portion of the Metro Area housing demand.

The Housing Market Area (HMA) is estimated to account for 75% of the total demand for housing for most product types in Marion. Additional demand (25%) will come from individuals moving from outside the area, those who return from other locations (particularly young households returning after pursuing their degrees or elderly returning from retirement locations), and seniors who move to be near the adult children living in the Market Area. Demand generated from in and outside of the HMA is considered in the demand calculations presented later in this analysis.

The Housing Market Area remains the same from previous analyses and figures included in those can be compared to updated information provided in this report. The map on the following page shows the Housing Market Area. Due to the regional draw of Cedar Rapids, Marion benefits commercially and residentially from the regional draw, continues to reflect the use of a 25% allocation of demand generated from households that would relocate to Marion from outside of the Housing Market Area. Strong employers and growth of the region indicate that Cedar Rapids continues to attract this proportion from outside of the immediate area.

Marion Housing Market Area



Population and Household Growth

Tables 1 and 2 present the population and household growth for Marion, Cedar Rapids, Hiawatha, Linn County and the Cedar Rapids MSA for 2000, 2010 and 2020, an estimate for 2022 and forecasts for 2027, 2030 and 2040.

Population

- Strong growth occurred between 2000 and 2010. During that period, Marion's population increased by 8,474 people (32.2%). Growth during this period was supported by consistent employment growth in the region, expansion of development outward from Cedar Rapids into Marion. The 2008 Flood that had a significant impact on Cedar Rapids to a degree benefited Marion as many people relocated outside of the core Cedar Rapids neighborhoods. Although the Great Recession caused a slowdown, Marion was less negatively impacted by the Recession than other communities. Growth in Cedar Rapids was only 4.6% during the period and growth in Hiawatha was 8.4%.

- Growth between 2010 and 2020 slowed somewhat across the Region although Marion's rate of population growth far exceeded that of Cedar Rapids and Hiawatha. As of 2020, Marion had 41,535 people, an increase of 6,767 people (19.5%). Growth in Cedar Rapids was numerically higher, but the rate of growth was much lower (9.0%), although much higher than during the 2000s. The remainder of Linn County gained 2,476 people (5.6%) between 2010 and 2020. As of 2022, Marion is estimated to have 42,535 people.

Households

- Household growth trends are typically a more accurate indicator of housing needs than population growth since a household is, by definition, an occupied housing unit. Additional demand however, can occur from changing demographics of the population base, which results in demand for different housing products.

- Marion added 3,650 households during the 2000s (a 34.9% increase). During the 2010s, Marion gained another 3,184 households (22.6%) and during this decade, the City is projected to add 3,315 households for a gain of 23.5%.

- Household growth rates outpaced population growth in the Market Area during the 1990s and 2000s and are anticipated to continue to do so for Marion, Cedar Rapids and the remainder of Linn County. The Marion Market Area's population increased by 9.5% in the 1990s compared to an 11.5% increase in households between 2000 and 2010. The higher household increase is primarily due to fewer people in each household, caused by demographic and social trends such as an overall aging of the population, higher divorce rates and couples' decisions to have fewer children or no children at all.

TABLE 1
POPULATION GROWTH TRENDS AND PROJECTIONS
MARION HOUSING MARKET AREA
2000 to 2040

				Maxfield Research/ESRI Inc.				Change					
	U.S. Census			Estimate	Projections			2000 to 2010		2010 to 2020		2020 to 2030	
	2000	2010	2020	2022	2027	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.
Marion	26,294	34,768	41,535	42,535	44,785	48,100	53,800	8,474	32.2	6,767	19.5	6,565	18.9
Cedar Rapids	120,758	126,326	137,710	139,011	145,150	148,500	157,800	5,568	4.6	11,384	9.0	10,790	8.5
Hiawatha	6,480	7,024	7,183	7,250	7,450	7,650	8,300	544	8.4	159	2.3	467	6.6
Total Market Area	**153,532**	**168,118**	**186,428**	**188,796**	**197,385**	**204,250**	**221,940**	**6,112**	**4.0**	**20,678**	**12.3**	**11,257**	**6.7**
Remainder of Linn Co	38,169	43,108	43,871	45,584	47,115	49,750	51,060	4,939	12.9	2,476	5.6	4,166	9.7
Linn County	**191,701**	**211,226**	**230,299**	**234,380**	**244,500**	**254,000**	**273,000**	**19,525**	**10.2**	**23,154**	**11.0**	**19,620**	**9.3**
Cedar Rapids MSA	**191,701**	**257,940**	**276,520**	**280,705**	**292,000**	**307,000**	**325,000**	**66,239**	**34.6**	**22,765**	**8.8**	**26,295**	**10.2**

Note: In 2005, Benton and Jones Counties were added to the Cedar Rapids MSA.

*Projections of population compiled by Maxfield Research based on data provided by ESRI Inc. and the American Community Survey

Sources: U.S. Census (2000, 2010, 2020); American Community Survey; ESRI Inc.; Maxfield Research and Consulting, LLC

TABLE 2
HOUSEHOLD GROWTH TRENDS AND PROJECTIONS
MARION HOUSING MARKET AREA
2000 to 2040

				Maxfield Research/ESRI Inc.				Change					
	U.S. Census			Estimate	Projections			2000 to 2010		2010 to 2020		2020 to 2030	
	2000	2010	2020	2022	2027	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.
Marion	10,458	14,108	16,885	17,292	17,440	20,200	23,500	3,650	34.9	3,184	22.6	3,315	23.5
Cedar Rapids	49,820	53,236	58,128	58,625	60,905	63,800	68,900	3,416	6.9	5,389	10.1	5,672	10.7
Hiawatha	2,859	3,071	3,154	3,262	3,350	3,500	3,840	212	7.4	191	6.2	346	11.3
Total Marion Market Area	**63,137**	**70,415**	**78,167**	**79,179**	**81,695**	**87,500**	**98,280**	**7,278**	**11.5**	**8,764**	**12.4**	**9,333**	**13.3**
Remainder of Linn Co	13,616	14,120	16,584	16,899	17,605	19,500	19,720	504	3.7	2,779	19.7	2,601	18.4
Linn County	**76,753**	**84,535**	**94,751**	**96,078**	**99,300**	**107,000**	**118,000**	**7,782**	**10.1**	**11,543**	**13.7**	**10,922**	**12.9**
Cedar Rapids MSA	**76,753**	**104,617**	**113,146**	**113,870**	**118,300**	**123,400**	**132,000**	**27,864**	**36.3**	**9,253**	**8.8**	**9,530**	**9.1**

Note: In 2005, Benton and Jones Counties were added to the Cedar Rapids MSA.
Estimates and projections compiled by Maxfield Research based on information provided by ESRI Inc. and the American Community Survey

Sources: U.S. Census (2000, 2010, 2020); American Community Survey, ESRI Inc., Maxfield Research

Population and Household Estimates and Projections

Sources and Methodology

The US Decennial Census serves as the overall benchmark for population and household data. Data is compiled and presented by the Census down to the block group level. In between the Decennial Census (10 years), the US Census Bureau compiles estimates under a program called the American Community Survey. Surveys are sent to a sample household base in each jurisdiction. Households receiving the survey are mandated by law to fill out the survey and return it. The Census Bureau then compiles one-year and five-year average estimates for many topics and categories, some of those not included in the Decennial Census such as many housing characteristics. The purpose of the American Community Survey is to provide more current information during the interim between the Decennial Censuses.

Maxfield Research utilizes data from the US Census and the American Community Survey but also reviews and considers data published by ESRI, Inc., a national demographics data provider and local data such as building permits issued for new dwelling units and residential demolitions for various geographies.

In the case of Marion, Cedar Rapids and Hiawatha, the analysis of the population and household bases were compiled using 2020 Census counts from the Decennial Census and then compiling additional local information on number of housing units demolished, number of new units constructed. Full Decennial 2020 Census data is anticipated to be released early in 2023.

Data compiled by ESRI Inc. is often updated based on additional information received from the American Community Survey which lags. In compiling estimates for 2022, Maxfield utilized new information from the 2020 Decennial Census (population and housing units), the American Community Survey (2020 estimates), from local building permit data (occupied housing units) and from ESRI Inc. forecasts.

Projections for 2027, 2030 and 2040 are based on 2020 Census population and household counts and 2020 ACS estimates and projections provided by ESRI Inc., a national demographics forecasting company along with information provided by various Cities and Linn County. Projections are updated based on new information and recent development trends. National demographics providers update projections annually based on new data received through the Census Bureau and other local data compiled by government agencies.

Comparison of Population Growth Rates (Actual vs Projected)

The table below shows 2020 population counts from the Decennial Census against 2021 estimates made from previous analyses completed in the region. The data shows that Marion increased its population by 3.4% more than the 2020 estimate while estimates for other geographies were modestly higher than calculated by the Census. The greatest difference occurred in the Remainder of Linn County, a difference of 10.7%.

Comparison of Actual vs Estimated Population Counts
Marion and Surrounding Areas

	Census 2020	Estimate 2020	Difference	
			No.	Pct.
Marion	41,535	40,130	1,405	3.4%
Cedar Rapids	137,710	139,111	-1,401	-1.0%
Hiawatha	7,183	7,375	-192	-2.7%
Primary Market Area	186,428	186,616	-188	-0.1%
Remainder of Linn Cty.	43,871	48,584	-4,713	-10.7%
Linn County	230,299	235,200	-4,901	-2.1%

Sources: US Census; Maxfield Research and Consulting LLC

Growth Trends and Projections

Tables 1 and 2 present population and household growth estimates and projections for the Marion Primary Market Area to 2040. Estimates for 2022 and projections for 2027, 2030 and 2040 are based on information from the US Census Bureau (Decennial Census 2020 and American Community Survey data), ESRI, Inc. (a national demographics service provider) and individual cities with adjustments calculated by Maxfield Research. The adjustments are intended to reflect growth likely to be realized in each of the cities and in the region considering recent demographic and economic trends.

- New residential construction increased in 2021 with the construction start of several new multifamily properties (general occupancy and senior). Employment growth was disrupted because of the Pandemic, although employment gains continue as businesses and facilities have reopened. Although employment has been increasing over the past several months, labor force growth has not kept pace with employment growth. The unemployment rate has decreased, labor force participation remains low. It is important that the labor force increases to support further employment growth to sustain economic development, although ongoing technology improvements may be able to supplant some job growth.

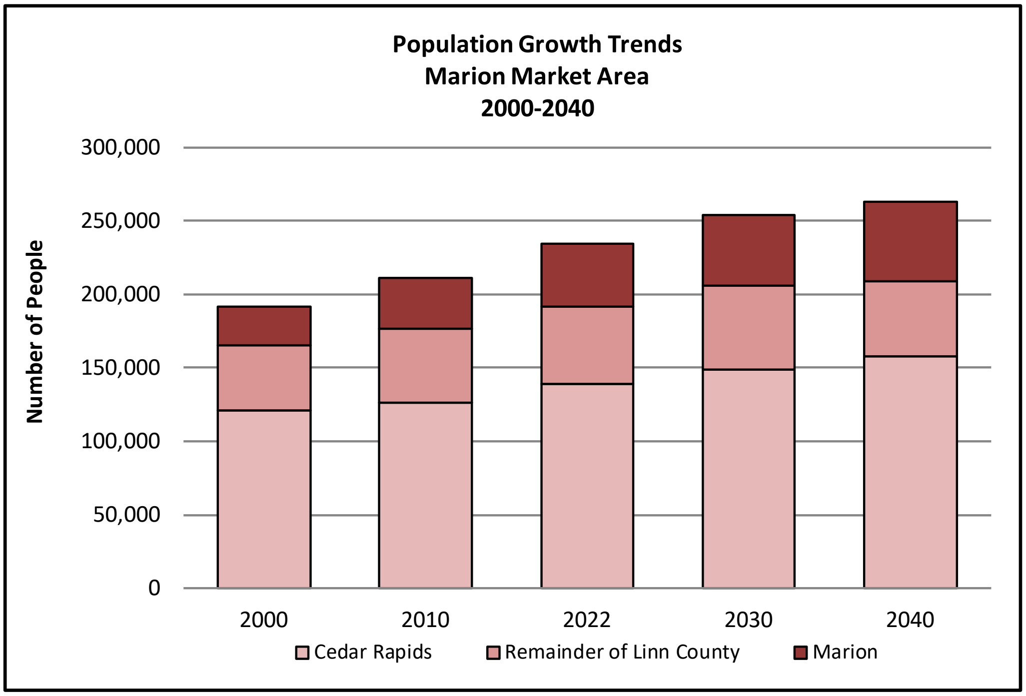
- Since households represent occupied housing units, a projected increase of 330 new households over the next year would require the addition of roughly this number of new housing units and/or a combination of a decrease in housing vacancy rates combined with new construction to accommodate the projected household growth. There will also be some demand for new housing due to replacement need and housing obsolescence. The current very low housing vacancy rates in Marion and in adjacent cities continues to encourage new residential construction to accommodate household growth. The challenge is that construction and development costs are rising much faster than wages, in many cases, necessitating public private partnerships and additional financial support to provide needed housing.

- Between 2000 and 2010, Marion's population increased by 8,474 people (32.2%). Population increased by 6,767 people (19.5%) between 2010 and 2020 and the number of households increased by 2,409. Projections for 2022, 2027, 2030 and 2040 were compiled based on growth between 2010 and 2020 and recently released Census data.

- Overall, the Marion Primary Market Area population increased at a slightly faster rate between 2010 and 2020 than it did during the 2000s. This was due to a higher rate population growth in Cedar Rapids versus Marion and Hiawatha. The Primary Market Area's population increased by 20,678 people (12.3%) between 2010 and 2020, for a total of 186,428 people. Households increased 8,764 (12.4%), higher than the growth rate during the 2000s (11.5%). Most of this was likely a result of higher-density development primarily in Cedar Rapids but also in Marion.

- Between 2020 and 2030, Marion is projected to gain 6,565 people (18.9%) and 3,315 households (23.5%). The Primary Market Area is projected to gain 11,257 people (6.7%) and 9,333 households (13.3%).

- Growth is anticipated to slow somewhat between 2030 and 2040 as demographic shifts in the population including an overall aging, couples delaying marriage and families or choosing not to have children is expected to result in fewer births and smaller household sizes. Although Iowa has generally experienced relatively stable household sizes over the past 20 years, it is expected to join other Upper Midwest states in experiencing an overall slower growth trend. By 2040, Marion is forecast to have 53,800 people and 23,500 households for an overall household size of 2.27 people per household.



Household Size Trends

Table 3 shows historical and projected household size trends for the Cities of Marion, Cedar Rapids and Hiawatha, Linn County, the MSA and Iowa. This information was compiled from Census data along with the estimates and projections for each geography. Average household sizes have been revised to reflect newly released Census data. The data shows there were significant decreases in household sizes between 2000 and 2010, but then household sizes remained relatively stable between 2010 and 2022. There is expected to be some increases in household sizes as an increasing number of Millennials pass through their childbearing years, but then this trend is expected to decrease after 2027. Average household sizes are expected to continue to decrease to 2040 due to overall regional demographic shifts (aging and household composition).

The overall Cedar Rapids MSA, comprised of Linn, Jones and Benton Counties is expected to have the highest average household size with the cities and Linn County showing continued declines out to 2040.

TABLE 3
AVERAGE HOUSEHOLD SIZE
MARION HOUSING MARKET AREA
2000 to 2030

	US Census			Estimate	Projections		
	2000	2010	2020	2022	2027	2030	2040
Marion	2.47	2.44	2.44	2.44	2.55	2.31	2.27
Cedar Rapids	2.36	2.31	2.30	2.31	2.32	2.28	2.23
Hiawatha	2.24	2.25	2.24	2.19	2.19	2.15	2.13
Linn County	2.43	2.44	2.37	2.38	2.41	2.32	2.27
Cedar Rapids MSA	2.43	2.40	2.38	2.40	2.41	2.43	2.41
Iowa	2.46	2.41	2.40	2.40	2.38	2.37	2.30

Note: In 2005, Benton and Jones Counties were added to the Cedar Rapids MSA.

Sources: US Census; American Community Survey; ESRI Inc.; Maxfield Research and Consulting;

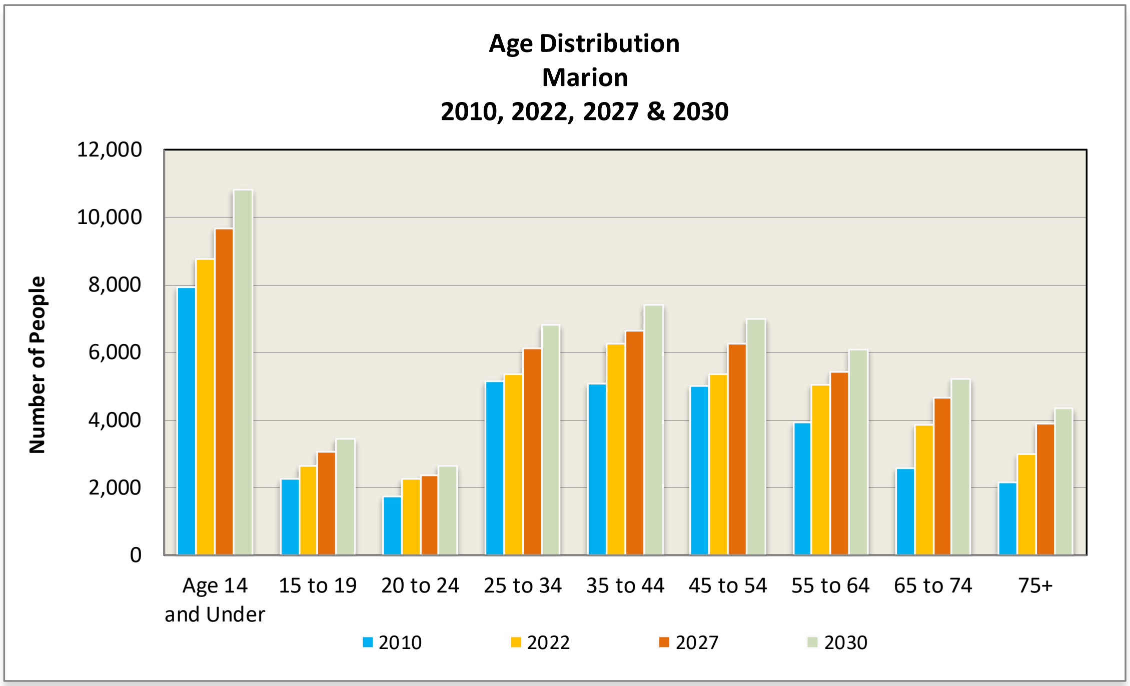
Age Distribution Trends

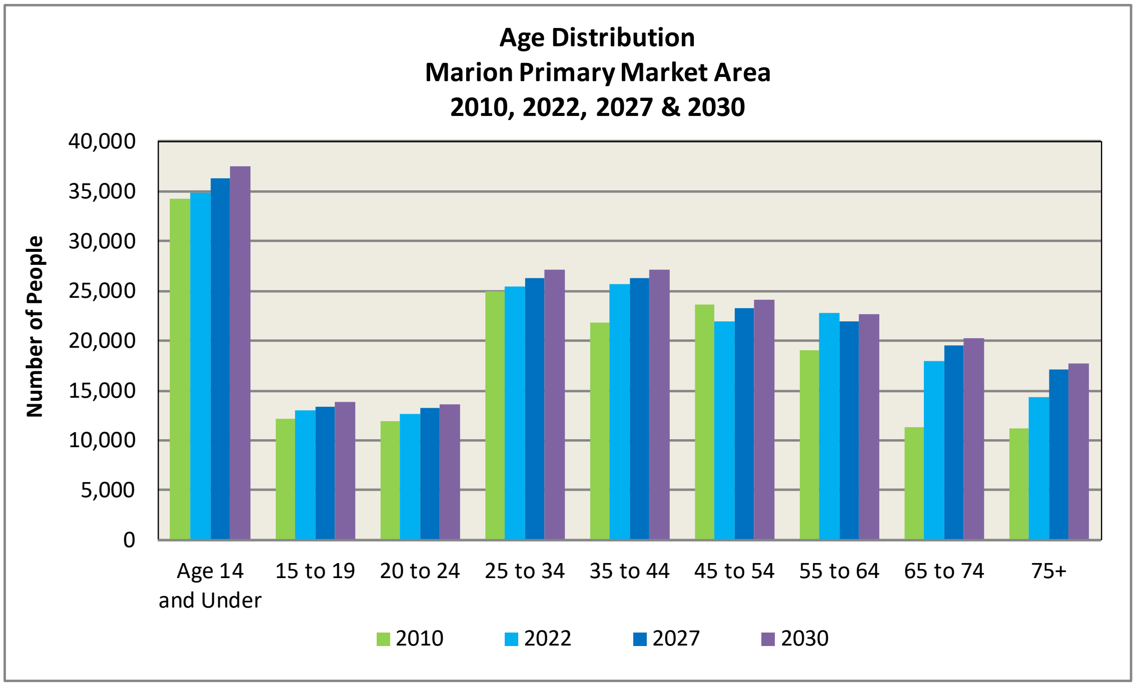
Age distribution affects demand for different types of housing since needs and desires change at different stages of the life cycle. Table 4 shows the distribution of people in nine age groups for the City of Marion, the Primary Market Area and Linn County in 2000 and 2010 with estimates for 2022 and projections for 2027 and 2030. The 2000 and 2010 age distributions are from the U.S. Census Bureau; the 2022 estimates and 2027/2030 projections are based are based on data obtained from the US Census Bureau (American Community Survey) and ESRI Inc., a national demographics forecasting company and adjusted by Maxfield Research based on local construction and growth trends. The following are key points from the table.

- In Marion, growth from 2000 to 2010 occurred primarily among mid-age and older adults. The age 45 to 54 and age 55 to 64 cohorts increased by 1,576 and 4,422 people, respectively. Also showing strong growth were the cohorts ages 15 to 19 and ages 20 to 24, which increased by 799 and 634 people, respectively. Between 2000 and 2010, the cohort, age 14 and under, lost -250 people.

- Between 2022 and 2030, growth in Marion is anticipated to be greatest among those age 75+ (1,380 people or 46.4%) followed by people ages 65 to 74 (1,348 or 52%). Also expected to exhibit strong growth are people ages 25 to 44 (2,501 or 6.7%). The projected population increase in the younger age cohorts, who are primarily renters and first-time homebuyers, indicates potential demand for new housing, which is already underway in the core neighborhoods. New housing in Downtown Cedar Rapids has already attracted many young to mid-age households seeking an urban lifestyle and this is anticipated to continue.

- Mirroring trends observed across the Nation, the aging baby boom generation continues to impact the composition of Marion's population. Born between 1946 and 1964, these individuals are now ages 58 and 76. As of 2022, baby boomers are estimated to account for 19% of Marion's population and 20% of the population in the Primary Market Area.





- To 2030, the 75+ and 65 to 74 age cohorts are projected to have the greatest growth (by percentage) across all jurisdictions between 2022 and 2030. The age 45 to 54 cohort however, is projected to have the greatest numerical growth as Millennials move into that age group. Growth in the older age cohorts is attributed to the baby boom generation aging into their young senior years.

- Social changes that occurred with the aging of the baby boom generation, such as higher divorce rates, higher levels of education, and lower birth rates has led to a greater variety of lifestyles than existed in the past – not only among baby boomers, but also among their parents and children. The greater diversity of lifestyles has fueled demand for alternative housing products to single-family homes. Seniors and mid-age people, now travel more and participate in more activities than previous generations; they increasingly prefer lower maintenance housing options that enable them to spend more time on activities outside the home. Also, young people often prefer to spend their leisure time on activities and interests other than maintaining a home.

- Growth among people aged 14 and under is projected be relatively strong with the Millennial generation having children. Growth in this cohort indicates that Marion and Linn County will continue to have a somewhat higher proportion of families with children than some other areas of the country. As shown on Table 4, children aged 14 and under are expected to increase by 23.4% in Marion, but by only 7.6% in the Primary Market Area and 7.8% in Linn County.

TABLE 4
AGE DISTRIBUTION TRENDS
MARION AND SURROUNDING AREA
2000 to 2030

						Change			
	Census		Estimate	Projections		2010-2022		2022-2030	
Age	2000	2010	2022	2027	2030	No.	Pct.	No.	Pct.
Marion									
Age 14 and Under	5,801	7,917	8,762	9,668	10,814	845	10.7	2,052	23.4
15 to 19	1,753	2,279	2,637	3,078	3,443	358	15.7	806	30.6
20 to 24	1,525	1,726	2,254	2,357	2,636	528	30.6	382	16.9
25 to 34	4,033	5,155	5,359	6,109	6,833	204	4.0	1,473	27.5
35 to 44	4,357	5,087	6,253	6,638	7,424	1,166	22.9	1,172	18.7
45 to 54	3,560	5,016	5,359	6,253	6,994	343	6.8	1,635	30.5
55 to 64	2,266	3,930	5,062	5,435	6,079	1,132	28.8	1,018	20.1
65 to 74	1,555	2,565	3,871	4,666	5,219	1,306	50.9	1,348	34.8
75+	1,444	2,157	2,977	3,896	4,358	820	38.0	1,380	46.4
Total	**26,294**	**35,832**	**42,535**	**48,100**	**53,800**	**6,703**	**18.7**	**11,265**	**26.5**
Primary Market Area									
Age 14 and Under	32,168	34,222	34,927	36,319	37,582	705	2.1	2,655	7.6
15 to 19	10,663	12,160	13,027	13,422	13,889	867	7.1	862	6.6
20 to 24	11,182	11,906	12,649	13,225	13,685	743	6.2	1,035	8.2
25 to 34	23,605	25,001	25,487	26,252	27,165	486	1.9	1,678	6.6
35 to 44	24,122	21,889	25,676	26,252	27,165	3,787	17.3	1,489	5.8
45 to 54	19,982	23,628	21,900	23,291	24,102	-1,728	-7.3	2,201	10.1
55 to 64	12,395	19,067	22,844	21,910	22,672	3,777	19.8	-173	-0.8
65 to 74	9,655	11,360	17,936	19,541	20,221	6,576	57.9	2,285	12.7
75+	9,760	11,174	14,348	17,172	17,770	3,174	28.4	3,421	23.8
Total	**153,532**	**170,407**	**188,796**	**197,385**	**204,250**	**18,389**	**10.8**	**15,454**	**8.2**
Remainder of Linn County									
Age 14 and Under	8,422	8,923	8,433	8,669	9,154	-490	-5.5	721	8.5
15 to 19	3,228	3,183	3,380	3,204	3,383	197	6.2	3	0.1
20 to 24	2,145	2,133	2,820	2,668	2,825	687	32.2	6	0.2
25 to 34	3,829	4,026	5,216	5,777	6,109	1,190	29.6	892	17.1
35 to 44	6,447	5,691	5,262	5,044	5,347	-429	-7.5	85	1.6
45 to 54	6,120	6,625	5,991	5,804	6,125	-634	-9.6	134	2.2
55 to 64	3,928	5,284	6,453	6,208	6,538	1,169	22.1	85	1.3
65 to 74	2,210	3,010	5,034	5,887	6,195	2,024	67.2	1,162	23.1
75+	1,840	1,944	2,996	3,855	4,074	1,052	54.1	1,079	36.0
Total	**38,169**	**40,819**	**45,584**	**47,115**	**49,750**	**4,765**	**11.7**	**4,166**	**9.1**
Linn County									
Age 14 and Under	40,590	43,145	43,360	44,988	46,736	215	0.5	3,376	7.8
15 to 19	13,891	15,343	16,407	16,626	17,272	1,064	6.9	865	5.3
20 to 24	13,327	14,039	15,469	15,893	16,510	1,430	10.2	1,041	6.7
25 to 34	27,434	29,027	30,704	32,030	33,274	1,677	5.8	2,570	8.4
35 to 44	30,569	27,580	30,938	31,296	32,512	3,358	12.2	1,574	5.1
45 to 54	26,102	30,253	27,891	29,096	30,226	-2,362	-7.8	2,335	8.4
55 to 64	16,323	24,351	29,298	28,118	29,210	4,947	20.3	-88	-0.3
65 to 74	11,865	14,370	22,969	25,428	26,416	8,599	59.8	3,447	15.0
75+	11,600	13,118	17,344	21,027	21,844	4,226	32.2	4,500	25.9
Total	**191,701**	**211,226**	**234,380**	**244,500**	**254,000**	**23,154**	**11.0**	**19,620**	**9.3**

Sources: U.S. Census Bureau; ESRI; Maxfield Research and Consulting, LLC

Household Income by Age of Householder

The estimated distribution of household incomes in Marion, the Marion PMA and Linn County for 2022 and 2027 are shown in Tables 5 to 7. The data was estimated by Maxfield Research based on income trends provided by ESRI. The data helps ascertain the demand for different housing products based on the size of the market at specific cost levels.

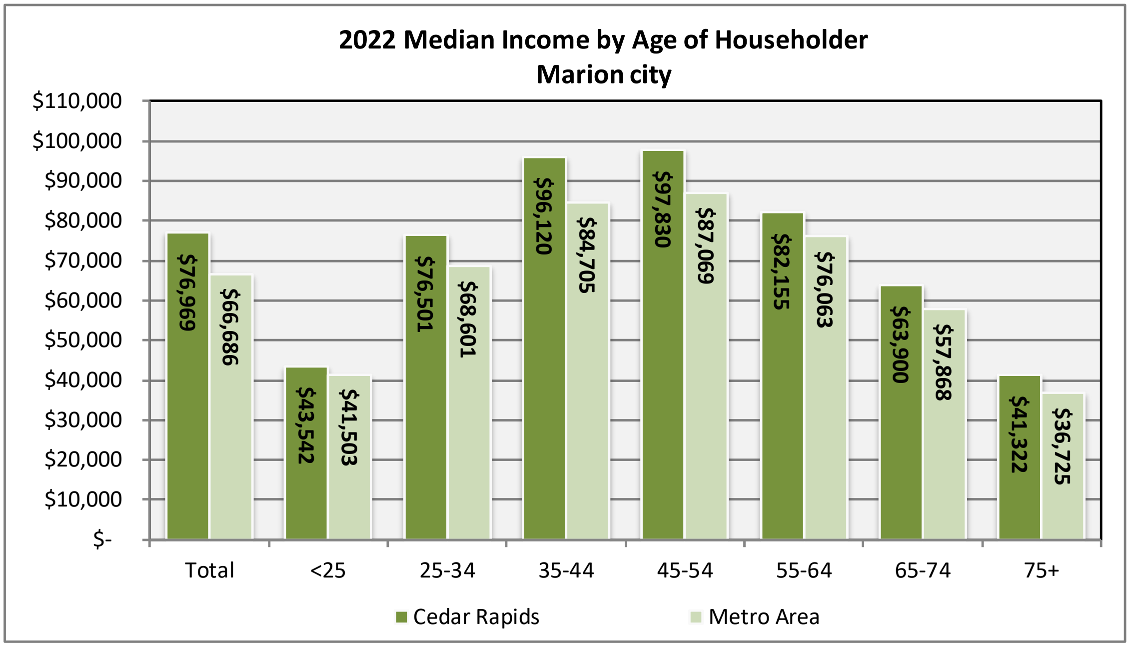
The Department of Housing and Urban Development defines housing costs as affordable when a household allocates no more than 30% of its adjusted gross income for housing. For example, a household with an income of $40,000 per year would be able to afford a monthly housing cost of about $1,000. Maxfield Research uses a figure of 30% for younger households and 40% or more for seniors, since seniors generally have lower living expenses and can often sell their homes and use the proceeds toward rent payments.

A generally accepted standard for affordable owner-occupied housing is that a typical household can afford to pay 3.0 to 3.5 times their annual income on a single-family home, based on today's current interest environment. Thus, a $50,000 income would translate to an affordable single-family home of $150,000 to $175,000. This price range assumes that the person has adequate funds for down payment and closing costs, but also does not include savings or equity in an existing home which would generally enable the household to purchase a higher priced home. As of year-end 2021, the median home sales price in Marion was $238,355, which price is well above the range shown. Based on the median home sales price in Marion, a household would need an estimated income of between $68,100 and $79,450 to afford a home priced at this level.

- As of 2022, Marion is estimated to have a median household income of $75,959. The median household income for the Primary Market Area is estimated at $63,335 and at $66,607 for Linn County. Median household incomes are estimated to have increased in Marion, the surrounding cities and Linn County between 2021 and 2022. Median household incomes in Marion, the PMA and Linn County are projected to rise annually over the next five years by 2.7%, 2.6% and 2.7%, respectively. The forecast increases are above what was projected earlier for the region (less than 2.0% increase) as the tight labor market and rising wages have caused household incomes to increase. Inflation however, has risen more rapidly that income and has reduced the purchasing power of households across the board for the short-term. The Federal Reserve is closely monitoring the strength of the economy and is prepared to adjust interest rates. What has been challenging however, is that the substantial increase in prices are more a result of the costs of goods than the costs of labor. They are exercising caution to avoid moving the economy into a Recession.

- A non-senior household in the Marion Market Area with a median household income of $59,783 could afford a monthly housing cost of $1,495, based on an allocation of 30% of income toward housing. A senior household with a median income of $47,127 could afford a monthly housing cost of $1,570, based on an allocation of 40% of income toward housing.

Housing costs in Marion and the surrounding cities are generally affordable for households that earn the median household income or higher, although housing costs and prices have been rising rapidly.



Non-Senior Households

- As of 2022, 4.0% of non-senior (under age 65) households in Marion had incomes under $15,000 (516 households). Essentially, all these households would be eligible for deep-subsidy (subsidized) rental housing. Another 5.0% of Marion non-senior households had incomes between $15,000 and $25,000 (651 households). Most of these households would qualify for deep-subsidy housing but those at the upper end of the income range may also qualify for shallow-subsidy or older market rate rentals. If housing costs absorb 30% of income, households with incomes of $15,000 to $25,000 could afford to pay between $375 and $625 per month. Average monthly rents for one-bedroom units in Marion range from $420 to $985 with many rentals priced between $650 and $750 for a one-bedroom unit.

- Median incomes for households in Marion peak at $97,830 for the 45 to 54 age group as of 2022, although households age 35 to 44 are almost equal to this figure at $96,120. Most often households age 45 to 54 are in their peak earning years. Because of the shift among younger age cohorts towards employment in high-tech industries, median incomes for the 35 to 44 age group have been increasing. In Marion, most households in the 35 to 44 and 45 to 54 age groups own their housing (78% and 82%), respectively. By 2027, median incomes for the 35 to 44 and 45 to 54 age groups are projected to increase to $107,569 and $108,465, respectively.
- The average resale price of homes in Cedar Rapids Metro Area in 2021 was $215,787 and the median resale price was $186,089. The income required to afford a home at the medi-

an resale price would be an estimated $62,030, based on approximately 3.0 times income, assuming households do not have a high level of debt and can afford to make a minimum 10% down payment. As of 2022, an estimated 61% (10,556 households) of Marion non-senior households had incomes equal to or greater than $62,030.

- The median household income for non-senior households in Marion ($82,155) is expected to increase by 19.1% between 2022 and 2027 for a median income of $97,865 by 2027. This equates to an average annual increase of 3.6% over the period, still below the current average annual inflation rate of 8%. We caution however, that these estimates are based on annual surveys of local households. Sample size may differ from year to year and may reflect changes in the data annually.

Senior Households

- The oldest householders (75+) were estimated to have a median household income of $41,322 as of 2022. In Marion, 5.4% of households ages 65 to 74 had incomes below $15,000, compared to 10.5% of households ages 75 and over. Many low-income older senior households rely solely on social security benefits. Typically, younger seniors have higher incomes because they are still able to work or may still be married and have two incomes or higher social security benefits.

- Generally, older adult households with incomes of at least $35,000 can afford market rate senior housing, although the newest senior housing is likely to require an income of $40,000 or higher at today's costs. Based on a 40% allocation of income for housing, this translates to monthly rents of at least $1,333. As of 2022, an estimated 2,800 older adult households (65+) in Marion (65% of senior households) had incomes of $40,000 or more. Another 15,102 older adults in Linn County (including Cedar Rapids) had household incomes of $40,000 or more in 2022. Older adults (65+) often move from rural areas to regional centers to receive medical care and other services.

- Seniors who are able and willing to pay 80% or more of their income on assisted living housing would likely need an annual income of $40,000 or higher to afford monthly rents of $2,700, which is about the beginning monthly rent at assisted living properties in Marion and the surrounding area. There are an estimated 1,037 older senior (ages 75 and over) households with incomes greater than $40,000 in 2022 in Marion. Seniors aged 75 and over are the primary market for senior housing with support services including independent living with some services, assisted living and memory care housing.

- The median income for older adults age 65+ in Marion is estimated at $53,754 in 2022. It is projected to increase by 18.8% to $63,838 by 2027.

TABLE 5
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
MARION CITY
2022 & 2027

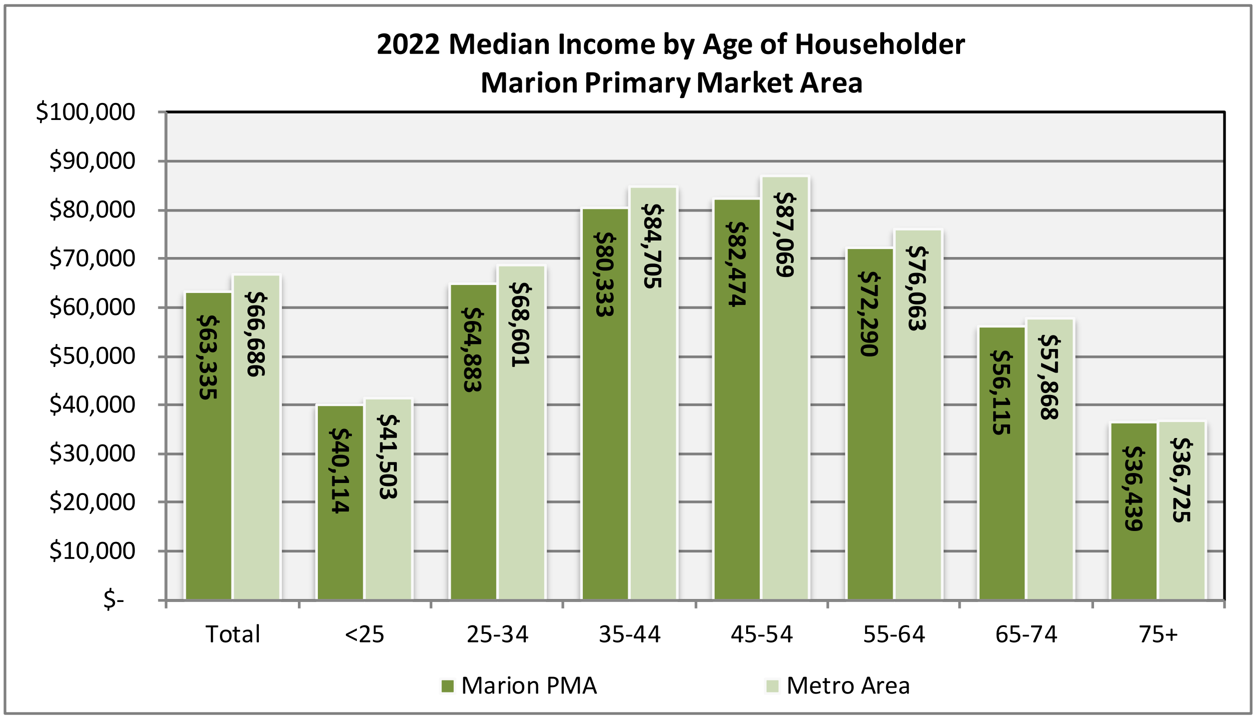
		Age of Householder						
	Total	**<25**	**25-34**	**35-44**	**45-54**	**55-64**	**65 -74**	**75+**
2022								
Less than $15,000	849	79	114	86	93	144	129	204
$15,000 to $24,999	1,131	77	166	114	108	186	196	284
$25,000 to $34,999	1,178	110	189	138	111	156	186	288
$35,000 to $49,999	2,093	148	397	315	241	288	324	381
$50,000 to $74,999	3,092	135	477	546	488	539	541	366
$75,000 to $99,999	2,817	99	513	601	497	527	389	191
$100,000-$149,999	3,387	58	543	899	777	626	365	119
$150,000-$199,999	1,519	11	230	408	358	300	138	74
$200,000+	1,225	9	144	349	337	234	114	37
Total	**17,292**	**726**	**2,773**	**3,457**	**3,010**	**3,000**	**2,382**	**1,944**
Median Income	**$76,969**	**$43,542**	**$76,501**	**$96,120**	**$97,830**	**$82,155**	**$63,900**	**$41,322**
Cedar Rapids Metro	*$66,686*	*$41,503*	*$68,601*	*$84,705*	*$87,069*	*$76,063*	*$57,868*	*$36,725*
2027								
Less than $15,000	677	70	84	61	78	90	96	198
$15,000 to $24,999	796	61	112	74	74	116	132	227
$25,000 to $34,999	1,079	107	171	113	96	133	165	294
$35,000 to $49,999	1,930	139	376	259	211	223	311	411
$50,000 to $74,999	2,741	122	410	395	406	437	529	442
$75,000 to $99,999	2,577	98	466	476	437	440	400	260
$100,000-$149,999	4,137	81	691	981	936	725	516	207
$150,000-$199,999	2,013	19	317	485	456	384	215	137
$200,000+	1,488	10	180	385	403	274	167	70
Total	**17,440**	**707**	**2,807**	**3,230**	**3,097**	**2,822**	**2,531**	**2,245**
Median Income	**$87,700**	**$46,583**	**$86,585**	**$107,569**	**$108,465**	**$97,865**	**$76,480**	**$49,614**
Cedar Rapids Metro	*$76,235*	*$47,073*	*$79,376*	*$95,510*	*$98,425*	*$86,748*	*$66,341*	*$42,263*
Change 2022 - 2027								
Less than $15,000	-172	-9	-29	-25	-16	-54	-33	-7
$15,000 to $24,999	-335	-16	-54	-40	-34	-70	-64	-57
$25,000 to $34,999	-98	-2	-17	-25	-15	-23	-21	6
$35,000 to $49,999	-163	-9	-20	-56	-30	-65	-13	29
$50,000 to $74,999	-351	-13	-67	-151	-81	-102	-12	76
$75,000 to $99,999	-240	-2	-47	-126	-59	-87	11	70
$100,000-$149,999	750	23	147	82	160	99	152	88
$150,000-$199,999	494	8	87	78	98	84	77	63
$200,000+	263	0	35	36	66	40	53	33
Total	**148**	**-19**	**34**	**-227**	**88**	**-178**	**149**	**301**
Median Income	**$10,731**	**$3,041**	**$10,084**	**$11,449**	**$10,635**	**$15,710**	**$12,580**	**$8,292**

Sources: ESRI; US Census Bureau; Maxfield Research and Consulting LLC

TABLE 6
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
MARION PRIMARY MARKET AREA
2022 & 2027

		Age of Householder						
	Total	**<25**	**25-34**	**35-44**	**45-54**	**55-64**	**65 -74**	**75+**
				2022				
Less than $15,000	5,887	874	870	682	650	1,017	791	1,002
$15,000 to $24,999	6,420	544	936	624	563	949	1,081	1,724
$25,000 to $34,999	6,866	645	1,055	813	663	895	1,081	1,714
$35,000 to $49,999	10,333	864	1,860	1,481	1,175	1,438	1,727	1,789
$50,000 to $74,999	15,978	1,048	2,730	2,962	2,488	2,685	2,640	1,424
$75,000 to $99,999	11,214	476	2,044	2,526	1,925	2,075	1,493	674
$100,000-$149,999	13,288	330	2,374	3,281	2,775	2,550	1,359	618
$150,000-$199,999	5,373	63	884	1,263	1,250	1,099	524	290
$200,000+	3,820	19	448	886	1,013	868	446	141
Total	**79,179**	**4,863**	**13,203**	**14,520**	**12,502**	**13,576**	**11,140**	**9,377**
Median Income	**$63,335**	**$40,114**	**$64,883**	**$80,333**	**$82,474**	**$72,290**	**$56,115**	**$36,439**
Cedar Rapids Metro	*$66,686*	*$41,503*	*$68,601*	*$84,705*	*$87,069*	*$76,063*	*$57,868*	*$36,725*
				2027				
Less than $15,000	5,448	889	724	576	601	803	726	1,129
$15,000 to $24,999	5,444	504	738	467	462	694	921	1,659
$25,000 to $34,999	6,680	645	951	731	588	735	1,089	1,941
$35,000 to $49,999	10,544	894	1,774	1,400	1,147	1,252	1,841	2,235
$50,000 to $74,999	17,158	1,290	2,796	2,894	2,630	2,586	3,034	1,929
$75,000 to $99,999	12,304	607	2,214	2,614	2,112	2,028	1,776	953
$100,000-$149,999	17,508	482	3,136	4,091	3,595	3,049	2,049	1,106
$150,000-$199,999	7,365	92	1,206	1,649	1,581	1,429	843	565
$200,000+	5,049	22	653	1,120	1,259	1,048	700	247
Total	**87,500**	**5,426**	**14,191**	**15,541**	**13,974**	**13,624**	**12,978**	**11,765**
Median Income	**$71,888**	**$45,285**	**$75,913**	**$89,416**	**$91,949**	**$82,515**	**$63,173**	**$41,363**
Cedar Rapids Metro	*$76,235*	*$47,073*	*$79,376*	*$95,510*	*$98,425*	*$86,748*	*$66,341*	*$42,263*
				Change 2022 - 2027				
Less than $15,000	-439	15	-147	-107	-49	-214	-65	127
$15,000 to $24,999	-977	-39	-199	-158	-101	-255	-160	-65
$25,000 to $34,999	-186	-0	-104	-82	-75	-160	9	227
$35,000 to $49,999	211	31	-86	-81	-28	-185	114	446
$50,000 to $74,999	1,181	242	65	-68	142	-99	394	506
$75,000 to $99,999	1,090	132	169	87	187	-47	284	278
$100,000-$149,999	4,220	152	762	810	820	499	690	488
$150,000-$199,999	1,992	29	323	386	330	331	319	274
$200,000+	1,228	2	204	234	246	180	255	107
Total	**8,321**	**564**	**988**	**1,022**	**1,472**	**48**	**1,839**	**2,388**
Median Income	**$8,553**	**$5,171**	**$11,030**	**$9,083**	**$9,475**	**$10,225**	**$7,058**	**$4,924**

Sources: ESRI; US Census Bureau; Maxfield Research and Consulting LLC



Linn County

Table 7 shows household incomes by age of householder for Linn County.

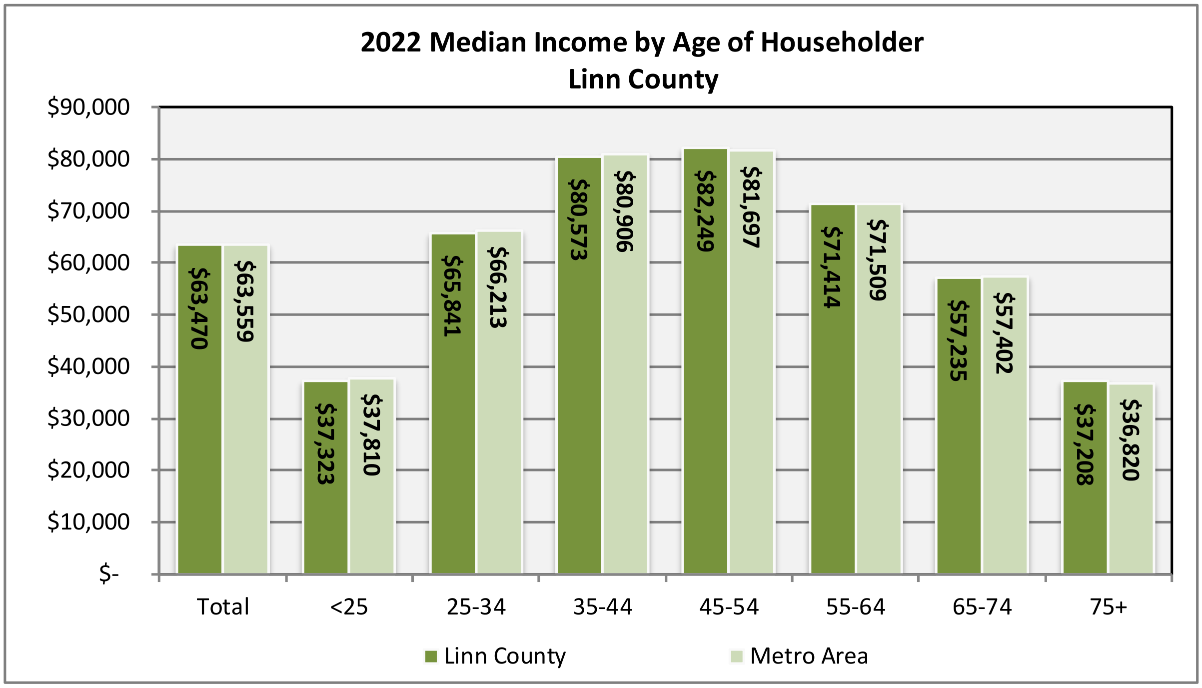


TABLE 7
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
LINN COUNTY
2022 & 2027

		Age of Householder						
	Total	**<25**	**25-34**	**35-44**	**45-54**	**55-64**	**65 -74**	**75+**
				2022				
Less than $15,000	6,837	947	974	737	752	1,215	963	1,248
$15,000 to $24,999	7,294	576	1,005	669	642	1,112	1,271	2,019
$25,000 to $34,999	7,723	694	1,159	875	720	1,010	1,257	2,008
$35,000 to $49,999	11,972	947	2,087	1,646	1,347	1,711	2,067	2,166
$50,000 to $74,999	19,086	1,174	3,154	3,327	2,944	3,320	3,365	1,804
$75,000 to $99,999	13,787	554	2,442	2,967	2,427	2,653	1,927	817
$100,000-$149,999	17,094	388	2,937	4,133	3,695	3,406	1,787	749
$150,000-$199,999	7,172	75	1,144	1,646	1,722	1,506	726	352
$200,000+	5,114	22	572	1,149	1,409	1,181	600	181
Total	**96,078**	**5,378**	**15,474**	**17,149**	**15,657**	**17,113**	**13,964**	**11,343**
Median Income	**$66,607**	**$41,177**	**$68,188**	**$84,150**	**$87,875**	**$76,330**	**$57,870**	**$36,990**
Cedar Rapids Metro	*$68,596*	*$42,617*	*$70,756*	*$86,866*	*$89,340*	*$78,200*	*$59,563*	*$37,833*
				2027				
Less than $15,000	5,841	896	742	584	624	851	823	1,321
$15,000 to $24,999	5,666	490	742	464	464	723	990	1,793
$25,000 to $34,999	6,972	635	963	721	592	771	1,173	2,117
$35,000 to $49,999	11,255	902	1,862	1,426	1,168	1,349	2,026	2,521
$50,000 to $74,999	18,995	1,336	3,046	2,989	2,817	2,938	3,550	2,319
$75,000 to $99,999	13,988	646	2,462	2,834	2,369	2,408	2,163	1,106
$100,000-$149,999	20,982	534	3,678	4,775	4,321	3,821	2,544	1,308
$150,000-$199,999	9,275	100	1,515	2,010	2,017	1,863	1,097	674
$200,000+	6,325	22	773	1,357	1,616	1,349	884	324
Total	**99,300**	**5,560**	**15,784**	**17,160**	**15,989**	**16,072**	**15,251**	**13,484**
Median Income	**$76,223**	**$48,141**	**$81,455**	**$97,177**	**$101,825**	**$90,069**	**$67,834**	**$43,742**
Cedar Rapids Metro	*$78,145*	*$48,187*	*$81,531*	*$97,671*	*$100,696*	*$88,885*	*$68,036*	*$43,371*
				Change 2022 - 2027				
Less than $15,000	-995	-51	-232	-153	-127	-364	-141	74
$15,000 to $24,999	-1,628	-86	-263	-205	-178	-390	-280	-226
$25,000 to $34,999	-751	-60	-197	-153	-128	-239	-84	109
$35,000 to $49,999	-717	-46	-224	-221	-178	-363	-40	355
$50,000 to $74,999	-91	162	-107	-338	-127	-382	185	516
$75,000 to $99,999	202	91	20	-133	-58	-244	236	289
$100,000-$149,999	3,888	147	741	642	626	416	757	559
$150,000-$199,999	2,104	25	371	363	294	357	371	323
$200,000+	1,211	1	201	208	207	168	283	142
Total	**3,222**	**182**	**310**	**11**	**332**	**-1,041**	**1,287**	**2,141**
Median Income	**$9,616**	**$6,964**	**$13,267**	**$13,027**	**$13,950**	**$13,739**	**$9,964**	**$6,752**

Sources: ESRI; US Census Bureau; Maxfield Research and Consulting LLC

Tenure by Age of Householder

Table 8 shows the number of owner and renter households in Marion, the PMA by age group in 2010 and 2022. Data was compiled from US Census Bureau, Decennial Census and 2020 estimates (five-year average) from the American Community Survey with adjustments by Maxfield Research. Also shown is a percent tabulation by age of householder for Linn County. This data is useful in determining demand for certain types of housing since housing preferences change throughout an individual's life cycle. The following are key findings from Table 8.

- In 2010, 75.8% of all households in Marion owned their housing. As of 2022, the proportion that own is estimated at 77.1%, a modest increase from earlier in the decade. In the Primary Market Area, 68.2% of households owned their housing in 2010. This proportion increased to 71.4% as of 2022.

- The proportion of owner and renter households between 2020 and 2022 has shifted minimally, with some limited increase in the proportion of renter households. In Marion, the number of owner households is estimated to have increased by 2,639 or 24.7% between 2010 and 2022 while renter households are estimated to have increased by 545 households or 16.0%.

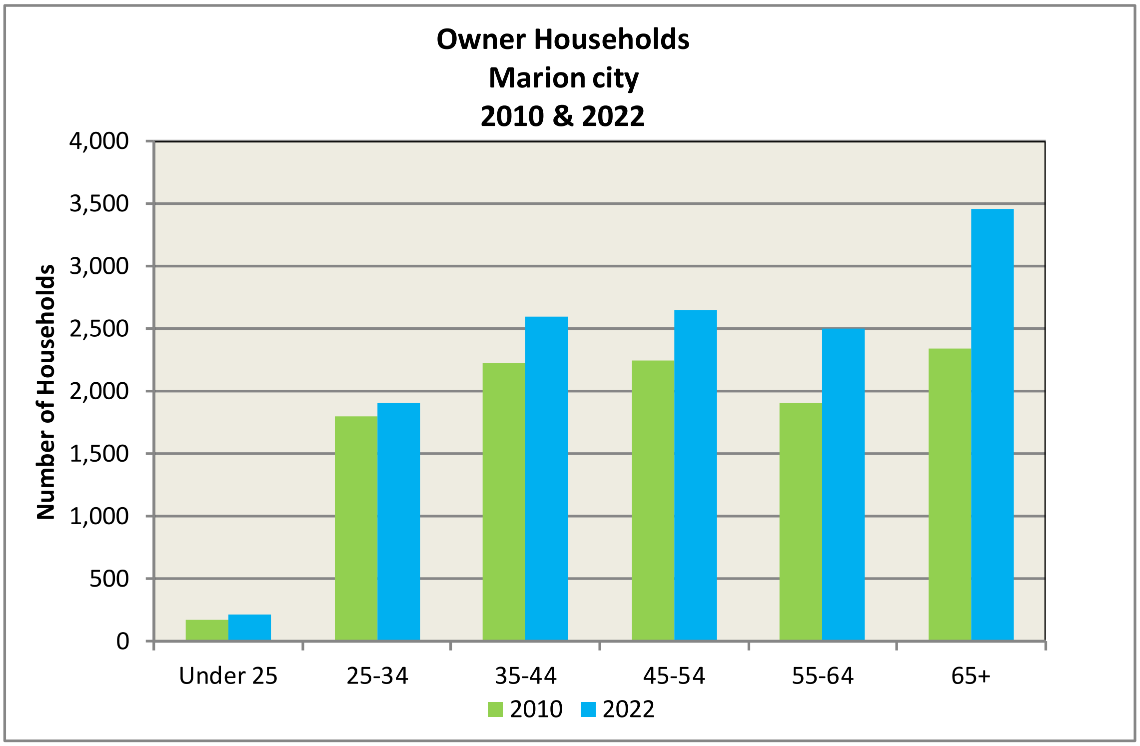
- As households progress through the life cycle, housing needs change. The proportion of renter households typically decreases as households age out of their young-adult years. By the time households reach their senior years however, rental housing often becomes a more viable option than homeownership, as households prefer to reduce their responsibilities for maintenance and the large financial commitment.

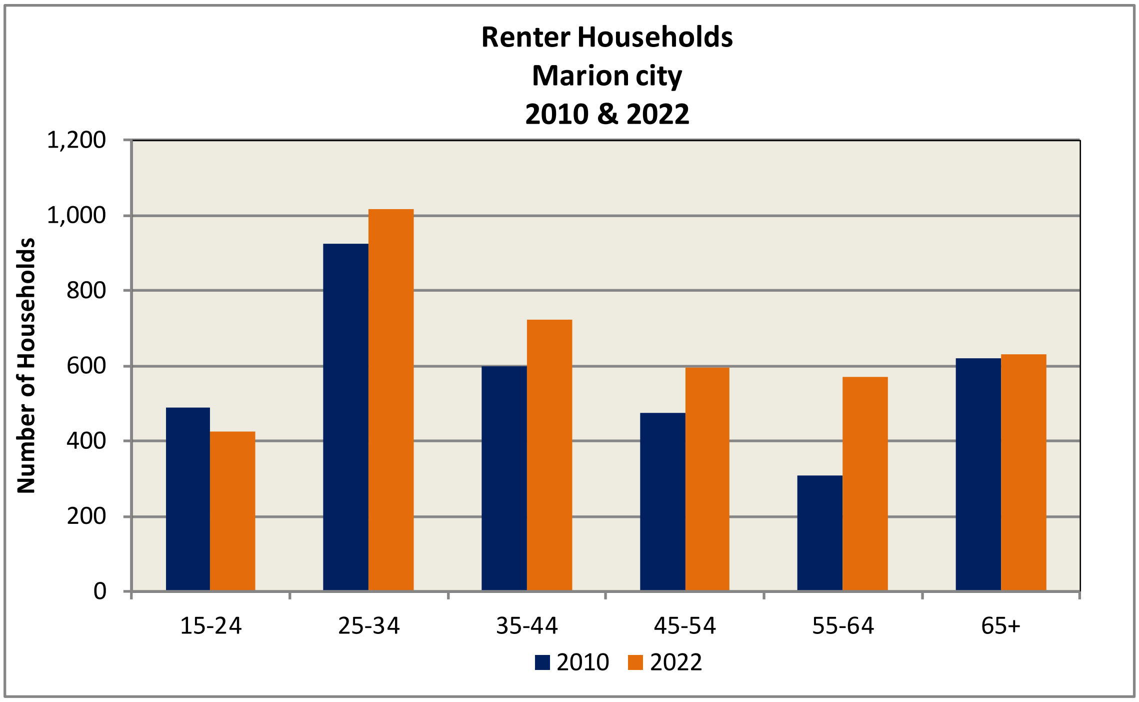
- In 2022, 66.3% of Marion households in the Under 25 age cohort rented their housing, compared to only 34.8% of households between the ages of 25 and 34. Householders between 35 and 64 are predominantly homeowners, with between 18.3% and 20.1% of householders in each 10-year age cohort renting their housing. Among households age 65 years or older, the proportion renting is 15.4%. The largest numerical increases in renting among Marion households has occurred in the 55 to 64 cohort (increase of 259 households) and the 35 to 44 and 45 to 54 age cohorts (increases of 123 and 121, respectively).

TABLE 8
TENURE BY AGE OF HOUSEHOLDER
MARION AND PRIMARY MARKET AREA
2010 and 2022

		Marion				Marion Primary Market Area				Linn County	
		2010		2022		2010		2022		2010	2022
Age		**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**Pct.**	**Pct.**
Under 25	Own	178	26.7	215	33.7	751	17.5	1,090	22.7	20.0	23.5
	Rent	488	73.3	424	66.3	3,541	82.5	3,707	77.3	80.0	76.5
	Total	**666**	**100.0**	**640**	**100.0**	**4,292**	**100.0**	**4,797**	**100.0**	**100.0**	**100.0**
25-34	Own	1,798	66.1	1,902	65.2	5,482	55.0	7,678	54.1	58.7	56.2
	Rent	923	33.9	1,017	34.8	4,483	45.0	6,504	45.9	41.3	43.8
	Total	**2,721**	**100.0**	**2,919**	**100.0**	**9,965**	**100.0**	**14,182**	**100.0**	**100.0**	**100.0**
35-44	Own	2,227	78.8	2,600	78.3	6,395	70.9	10,176	71.3	75.2	74.2
	Rent	598	21.2	721	21.7	2,626	29.1	4,095	28.7	24.8	25.8
	Total	**2,825**	**100.0**	**3,321**	**100.0**	**9,021**	**100.0**	**14,271**	**100.0**	**100.0**	**100.0**
45-54	Own	2,247	82.5	2,654	81.7	7,674	75.6	10,912	80.9	79.7	82.6
	Rent	475	17.5	596	18.3	2,474	24.4	2,572	19.1	20.3	17.4
	Total	**2,722**	**100.0**	**3,251**	**100.0**	**10,148**	**100.0**	**13,484**	**100.0**	**100.0**	**100.0**
55-64	Own	1,903	86.0	2,503	81.5	7,057	81.1	11,260	82.8	84.1	85.5
	Rent	310	14.0	569	18.5	1,647	18.9	2,332	17.2	15.9	14.5
	Total	**2,213**	**100.0**	**3,072**	**100.0**	**8,704**	**100.0**	**13,592**	**100.0**	**100.0**	**100.0**
65 +	Own	2,341	79.1	3,459	84.6	8,951	80.6	15,396	81.7	82.2	80.2
	Rent	620	20.9	631	15.4	2,155	19.4	3,457	18.3	17.8	19.8
	Total	**2,961**	**100.0**	**4,090**	**100.0**	**11,106**	**100.0**	**18,853**	**100.0**	**100.0**	**100.0**
TOTAL	Own	10,694	75.8	13,333	77.1	36,310	68.2	56,513	71.4	72.7	74.3
	Rent	3,414	24.2	3,959	22.9	16,926	31.8	22,666	28.6	27.3	25.7
	Total	**14,108**	**100.0**	**17,292**	**100.0**	**53,236**	**100.0**	**79,179**	**100.0**	**100.0**	**100.0**

Sources: U.S. Census Bureau; Maxfield Research and Consulting, LLC

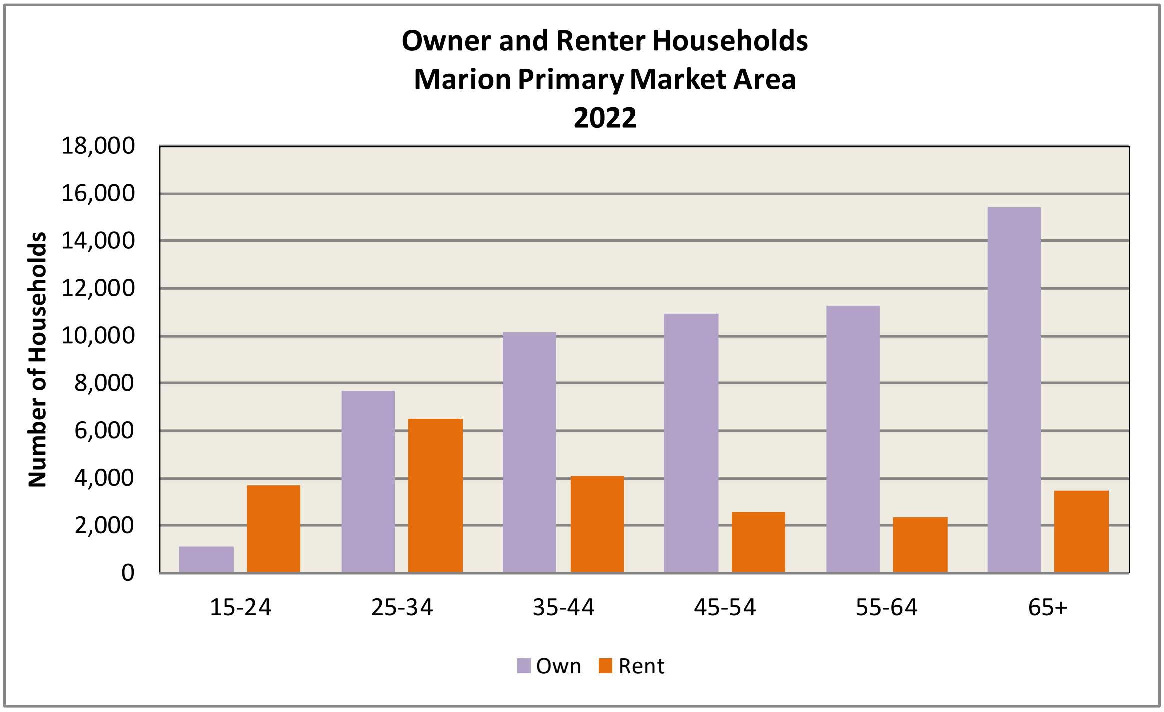

Owner Households
Marion city
2010 & 2022
Number of Households
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Under 25
25-34
35-44
45-54
55-64
65+
2010
2022


Renter Households
Marion city
2010 & 2022
Number of Households
1,200
1,000
800
600
400
200
0
15-24
25-34
35-44
45-54
55-64
65+
2010
2022

- Overall, the proportion of owner households in the younger age groups (households under age 55) is higher in Marion than in the Cedar Rapids area. The proportion of owner households ages 55 to 64 however, is lower in Marion than in the Cedar Rapids area and lower than Linn County. Comparing Marion to Cedar Rapids, Marion has higher proportions of owners in nearly each age group, and lower proportions of renters. A similar pattern is found when comparing Marion to Linn County. Higher owner proportions in Linn County reflect its more rural character, where traditional agricultural land use and lack of infrastructure does not support high-density rental housing. Rental demand is generally less in rural areas and in suburban locations usually due to higher proportions of younger households who are primarily renters, living in more dense urban areas.

Marion Primary Market Area

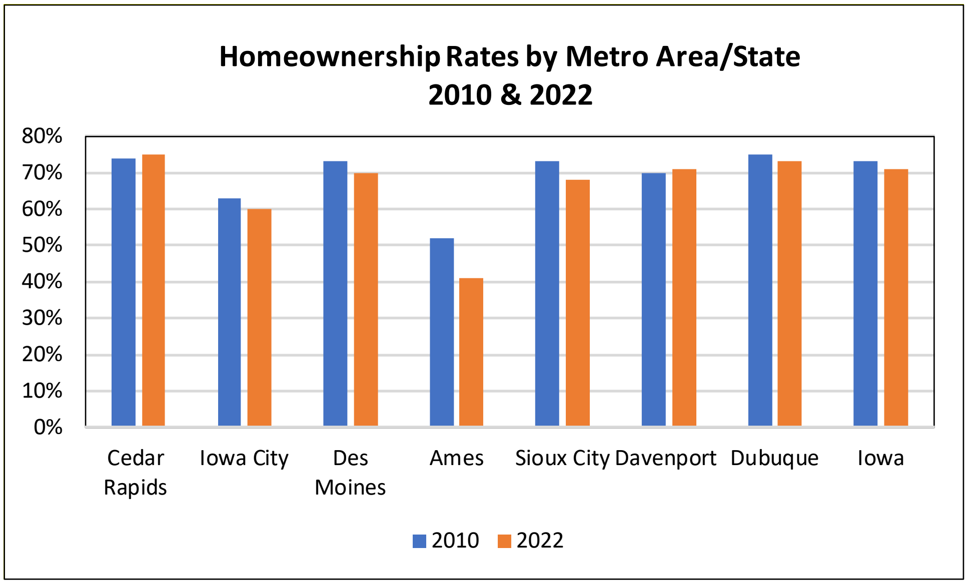
As shown on the following graph, owner households in Marion far outnumber renter households. The proportion of owner households to renter households is nearly 3 to 1 with 77% owner and 23% renter. New multifamily development in Marion is adding additional rental units to the community to increase the diversity of housing options available.



Comparison of Homeownership Rates

The chart on the following page shows a comparison of homeownership rates for several larger cities in Iowa and the State for 2010 and 2022. Data is from the US Census (American Community Survey) for 2010 with adjustments for 2022 households based on 2020 ACS data.

Cedar Rapids and Davenport Metro Areas showed modestly increases in homeownership during the period, while all other geographies showed decreases. Ames had the most significant decrease (52% to 41%) followed by Sioux City (73% to 68%).



Household Type

Table 9 shows a breakdown of the type of households present in Marion, the tri-city area and Linn County in 2010 and 2022. The data is useful in assessing the potential demand for various housing products because household composition often determines the type of housing that is preferred.

- Between 2010 and 2022, all types of households in Marion increased. The largest increase is estimated to have occurred among Married Couples without Children (1,174 or 30.1%), followed by People Living Alone (692 households or 17.3%). The recent uptick in the number of Married Couples with Children may reflect Millennials having children.

- The Other Family category exhibited the smallest proportional increase (14.2%) in Marion between 2010 and 2022. The smallest household type however, remains Roommate households with 1,323 as of 2022, although this group grew by 65.8% over the period. This group may consist of unmarried couples or unrelated individuals residing together (without children).

TABLE 8
HOUSEHOLD TYPE
CEDAR RAPIDS AND SURROUNDING AREA
2000, 2010 & 2022

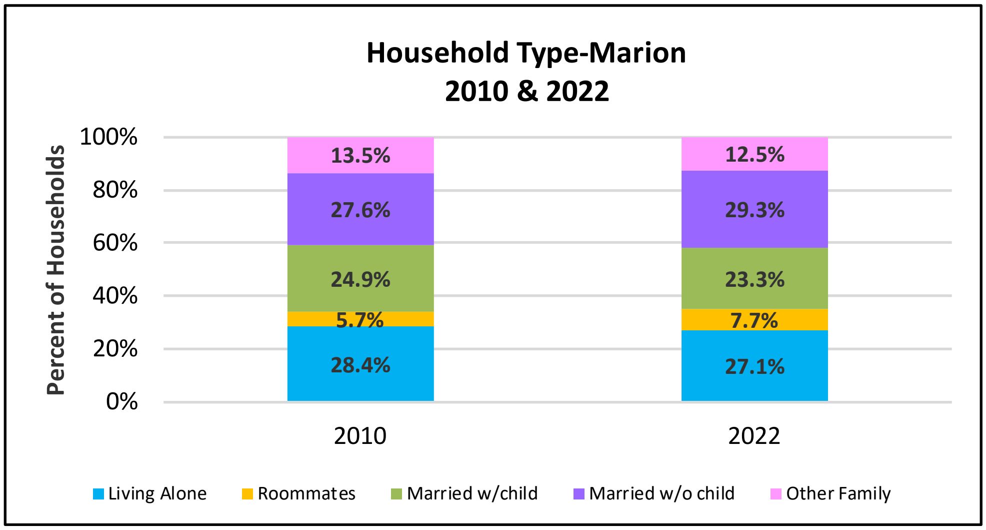
				Family Households									Non-Family Households					
	Total HH's			Married w/ Child			Married w/o Child			Other *			Living Alone			Roommates **		
	2000	**2010**	**2022**	**2000**	**2010**	**2022**	**2000**	**2010**	**2022**	**2000**	**2010**	**2022**	**2000**	**2010**	**2022**	**2000**	**2010**	**2022**
No. of Households																		
Marion	9,078	14,108	17,292	1,454	3,512	4,036	1,781	3,897	5,071	1,576	1,899	2,168	3,506	4,002	4,694	761	798	1,323
Cedar Rapids	**49,820**	**53,236**	**58,625**	**10,570**	**9,357**	**10,455**	**13,557**	**13,433**	**14,410**	**6,697**	**8,141**	**8,943**	**15,047**	**17,317**	**19,388**	**3,949**	**4,988**	**5,429**
Hiawatha	2,859	3,071	3,262	570	532	439	704	759	906	391	505	714	947	1,023	989	247	252	214
PMA Total	52,679	56,307	61,887	11,140	9,889	10,894	14,261	14,192	15,316	7,088	8,646	9,657	15,994	18,340	20,377	4,196	5,240	5,643
Remainder of Cty.	24,074	29,827	34,191	7,155	7,845	8,805	8,272	10,145	11,718	2,419	3,452	3,682	5,098	6,848	7,876	1,130	1,537	2,110
Linn County	76,753	86,134	96,078	18,295	17,734	19,699	22,533	24,337	27,034	9,507	12,098	13,339	21,092	25,188	28,253	5,326	6,777	7,753
Percent of Total																		
Marion	100.0	100.0	100.0	16.0	24.9	23.3	19.6	27.6	29.3	17.4	13.5	12.5	38.6	28.4	27.1	8.4	5.7	7.7
Cedar Rapids	100.0	100.0	100.0	21.2	17.6	17.8	27.2	25.2	24.6	13.4	15.3	15.3	30.2	32.5	33.1	7.9	9.4	9.3
Hiawatha	100.0	100.0	100.0	19.9	17.3	13.5	24.6	24.7	27.8	13.7	16.4	21.9	33.1	33.3	30.3	8.6	8.2	6.6
PMA Total	100.0	100.0	100.0	21.1	17.6	17.6	27.1	25.2	24.7	13.5	15.4	15.6	30.4	32.6	32.9	8.0	9.3	9.1
Remainder of Cty.	100.0	100.0	100.0	29.7	26.3	25.8	34.4	34.0	34.3	10.0	11.6	10.8	21.2	23.0	23.0	4.7	5.2	6.2
Linn County	*100.0*	*100.0*	*100.0*	*23.8*	*20.6*	*20.5*	*29.4*	*28.3*	*28.1*	*12.4*	*14.0*	*13.9*	*27.5*	*29.2*	*29.4*	*6.9*	*7.9*	*8.1*

	Change 2010 - 2022											
	No.	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**
Cedar Rapids	**5,389**	**10.1%**	**1,098**	**11.7%**	**977**	**7.3%**	**802**	**9.9%**	**2,071**	**12.0%**	**441**	**8.8%**
Marion	3,184	22.6%	524	14.9%	1,174	30.1%	269	14.2%	692	17.3%	525	65.8%
Hiawatha	191	6.2%	-93	-17.5%	147	19.4%	209	41.4%	-34	-3.3%	-38	-15.1%
PMA Total	**5,580**	**9.9%**	**1,005**	**10.2%**	**1,124**	**7.9%**	**1,011**	**11.7%**	**2,037**	**11.1%**	**403**	**7.7%**
Remainder of Cty.	4,364	14.6%	960	12.2%	1,573	15.5%	230	6.7%	1,028	15.0%	573	37.3%
Linn County	9,381	12.2%	-561	-3.1%	1,804	8.0%	2,591	27.3%	4,096	19.4%	1,451	27.2%

* Single-parents and unmarried couples with children

** Includes unmarried couples without children

Sources: US Census Bureau; American Community Survey; Maxfield Research and Consulting, LLC



- Differences between Marion, Cedar Rapids and Hiawatha and the Remainder of the County reflect a predominant housing stock of single-family homes, which are typically occupied by families including married couples with and without children and other families. Similar household type patterns are found in Hiawatha and the Remainder of the County, but is somewhat different from Cedar Rapids, which has a higher proportion of rental housing, usually occupied by singles and roommates. People living alone include older households (often over age 65+) as well as non-senior singles and may also include people that have been divorced. Young people just starting out typically do not have incomes high enough to purchase housing or may have high student debt; single seniors may be more likely to move to multifamily housing to shed the burden of home maintenance and to have more opportunities for socialization. As of 2022, an estimated 35% of households in Marion were non-family households, while 24% in the Remainder of the County were non-family. In Cedar Rapids, 42% of households were non-family.

Employment Trends

Since employment growth generally fuels household growth, employment trends are a reliable indicator of housing demand. Typically, households prefer to live near work for convenience. However, housing is often less expensive in smaller, rural towns, making commuting from outlying communities to work in larger employment centers attractive for households concerned about housing affordability.

Recent employment growth trends for Cedar Rapids MSA are shown in Tables 10 and 11. Table 10 presents resident employment data from 2000 through July 2022. Resident employment data is calculated as an annual average *and reveals the work force and number of employed persons living in the MSA*. Data is not available individually for small geographies. Table 11 presents covered employment in the Cedar Rapids Metro Area from 2011 through year-end 2021, the most recent data available. Covered employment data is calculated as an annual average and *reveals the number of jobs in the geography,* which are covered by unemployment insurance. Most farm jobs, self-employed persons, and some other types of jobs are not covered by unemployment insurance and are not included in the table. The data in both tables is from the Iowa Workforce Information Network (IWIN). Data is available for counties and for MSAs (Metropolitan Statistical Areas). The following are key trends derived from the employment data:

Resident Labor Force

- Resident employment in the Cedar Rapids Metro Area decreased by an estimated 5,200 people from 2008 through 2011 (-3.7%), leading up to and including the Great Recession. During this same period, the number of individuals in the labor market also decreased (although fluctuated some), still resulting in an increase in unemployment from 5.1% (2008) to 5.6% (2011).

- The unemployment rate in the Cedar Rapids MSA has fluctuated by comparison to Iowa's unemployment rate for the years shown. As of July 2022, the unemployment rate in the Cedar Rapids MSA was 2.2%, less than the County (2.6%) and less than Iowa (2.6%). The very low unemployment rates reflect continued decreases in the labor force even as employment has increased with the recovery from the Pandemic. This situation is occurring across the Upper Midwest. Although new jobs are being put into the market, there are not enough workers to fill them and despite the need, workers are not returning to the labor force in as strong numbers as required.

- The unemployment rates in the Cedar Rapids MSA and in Linn County decreased consistently over ten years, but similar to other communities in the US, spiked during the Pandemic. Although the labor force rose substantially in 2019, it dropped significantly in 2020 and continued to drop in 2021 and through April 2022.

- Linn County has the highest average annual wage in the state at $91,349. This figure is significantly higher than Johnson County (Iowa City), Polk County (Des Moines), Dubuque County (Dubuque) and Scott County (Davenport), among others. The table below shows a comparison of the average annual wages for counties in Iowa that have larger cities (more than 40,000 people).

TABLE 8
ANNUAL AVERAGE RESIDENT EMPLOYMENT
CEDAR RAPIDS MSA AND LINN COUNTY
2005 through 2022 July

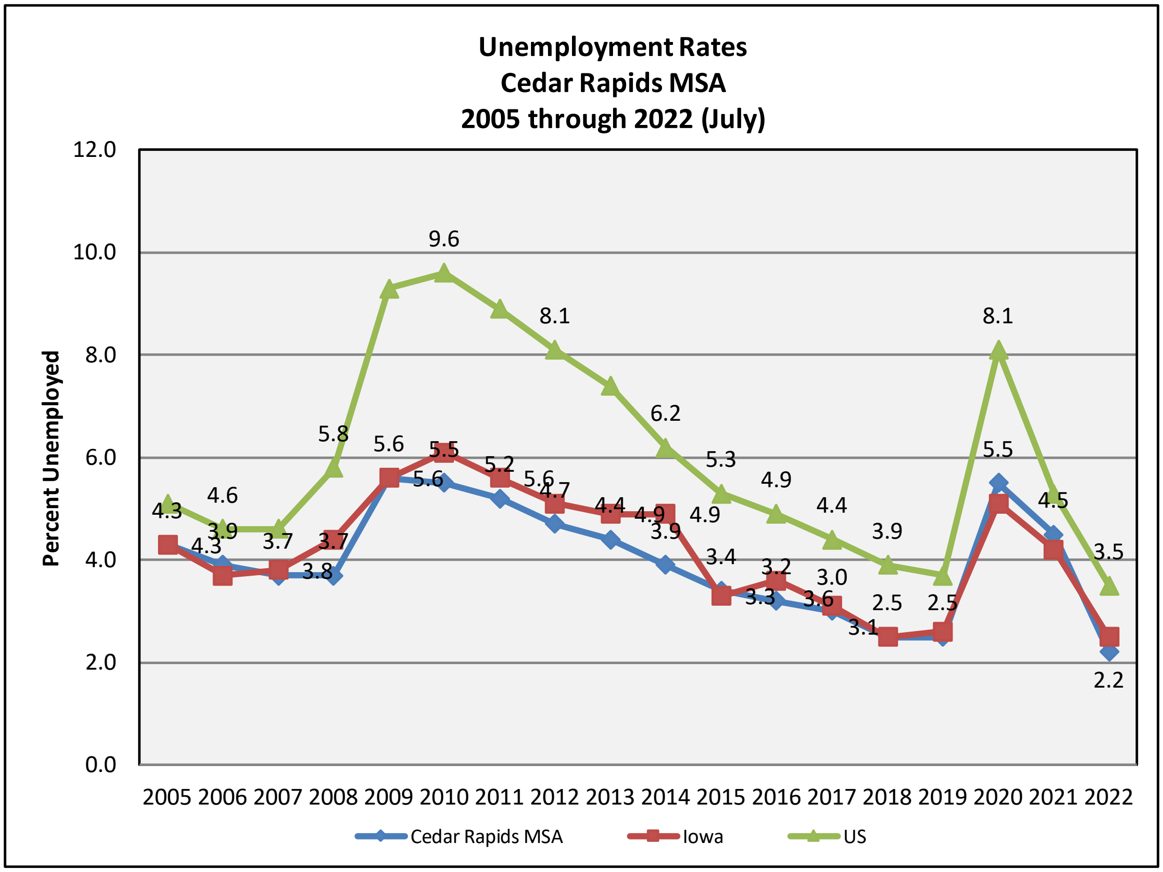
Cedar Rapids MSA

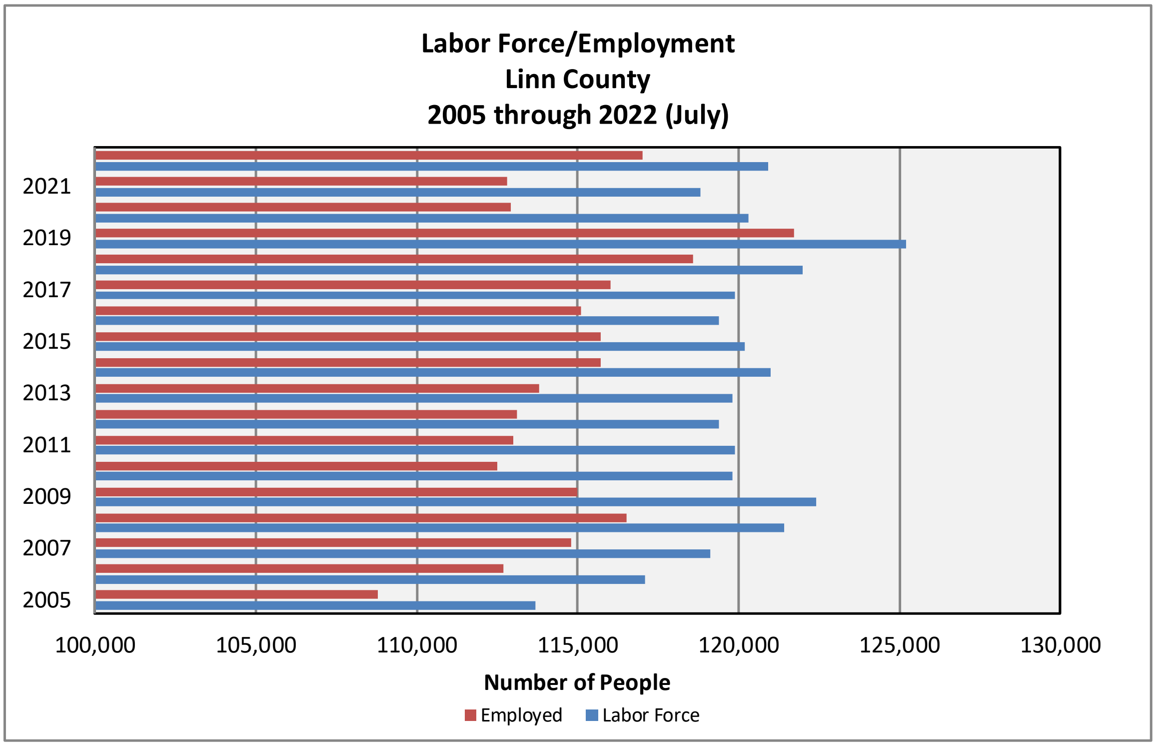
				Comparative Unemployment Rates		
Year	**Labor Force**	**Employment**	**Unemployment**	**CR MSA**	**County**	**State**
2005	138,100	132,100	6,000	4.3%	4.5%	4.3%
2006	142,500	136,900	5,600	3.9%	4.8%	3.7%
2007	144,100	138,700	5,400	3.7%	3.7%	3.8%
2008	148,700	140,500	8,200	3.7%	4.2%	4.4%
2009	147,800	138,700	9,100	5.6%	5.3%	5.6%
2010	145,200	136,300	8,900	5.5%	6.1%	6.1%
2011	145,000	136,600	8,400	5.2%	6.0%	5.6%
2012	143,900	136,400	7,500	4.7%	5.1%	5.1%
2013	144,300	137,000	7,300	4.4%	5.0%	4.9%
2014	145,700	139,200	6,500	3.9%	4.4%	4.9%
2015	144,700	139,300	5,400	3.4%	3.8%	3.3%
2016	143,800	138,500	5,300	3.2%	3.6%	3.6%
2017	144,000	139,300	4,700	3.0%	3.3%	3.1%
2018	146,300	142,200	4,100	2.5%	2.8%	2.5%
2019	149,900	145,700	4,200	2.5%	2.8%	2.6%
2020	143,500	134,900	8,600	5.5%	6.2%	5.1%
2021	141,800	134,800	7,000	4.5%	5.0%	4.2%
2022	144,300	139,700	4,600	2.2%	3.2%	2.5%
Change, 2010 through 2022 (July)						
No.	7,100	4,200	2,900	N/A	N/A	N/A
Pct.	5.1%	3.2%	48.3%	N/A	N/A	N/A

Linn County

				Comparative Unemployment Rates		
Year	**Labor Force**	**Employment**	**Unemployment**	**County**		**State**
2005	113,700	108,800	4,900	4.3%		4.3%
2006	117,100	112,700	4,400	3.8%		3.7%
2007	119,100	114,800	4,300	3.6%		3.8%
2008	121,400	116,500	4,900	4.0%		4.4%
2009	122,400	115,000	7,400	6.0%		5.6%
2010	119,800	112,500	7,300	6.1%		6.1%
2011	119,900	113,000	6,900	5.8%		5.6%
2012	119,400	113,100	6,300	5.3%		5.1%
2013	119,800	113,800	6,000	5.0%		4.9%
2014	121,000	115,700	5,300	4.4%		4.9%
2015	120,200	115,700	4,500	3.7%		3.3%
2016	119,400	115,100	4,300	3.6%		3.6%
2017	119,900	116,000	3,900	3.3%		3.2%
2018	122,000	118,600	3,400	2.8%		2.4%
2019	125,200	121,700	3,500	2.8%		2.8%
2020	120,300	112,900	7,400	6.2%		5.3%
2021	118,800	112,800	6,000	5.1%		3.9%
2022	120,900	117,000	3,900	3.2%		2.5%
Change, 2010 through 2022 (July)						
No.	1,100	4,500	-3,400	N/A	N/A	N/A
Pct.	1.0%	4.1%	-69.4%	N/A	N/A	N/A

Note: MSA includes Linn, Jones and Benton Counties
Sources: Iowa Workforce Information Network; Maxfield Research and Consulting, LLC


Unemployment Rates
Cedar Rapids MSA
2005 through 2022 (July)
Percent Unemployed
12.0
10.0
8.0
6.0
4.0
2.0
0.0
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022
4.3
4.6
3.9
4.3
3.7
5.8
3.7
3.8
5.6
9.6
5.5
5.6
5.2
8.1
5.6
4.7
4.4
6.2
4.9
3.9
4.9
5.3
3.4
4.9
3.2
3.3
4.4
3.0
3.6
3.1
3.9
2.5
2.5
8.1
5.5
4.5
3.5
2.2
Cedar Rapids MSA
Iowa
US


Labor Force/Employment
Linn County
2005 through 2022 (July)
2021
2019
2017
2015
2013
2011
2009
2007
2005
100,000
105,000
110,000
115,000
120,000
125,000
130,000
Number of People
Employed
Labor Force

- The demand for workers continues to increase, but “Help Wanted” and “Now Hiring” signs are everywhere. Across the country, employers are finding that labor is particularly difficult to secure, especially for businesses that have historically paid lower wages. Restaurants, hotels, childcare centers, nursing homes and senior facilities are among those experiencing the greatest challenges in securing labor. Although federal and state assistance payments are now gone for most workers, challenges such as childcare, school schedules, rising inflation and rising gas prices have caused workers to rethink the overall benefits of returning to work, especially if available jobs are low paying. Economists speculate that it may take months to return to normal labor force levels and the impacts of inflation and work force participation rates are expected to continue to affect the labor market in the short-term (next 12 to 18 months).

Covered Employment by Industry

- Table 11 shows covered employment by industry for the Cedar Rapids MSA in 2011 and from 2015 through 2021 (4th Quarter), the most recent full-year data available.

- As of year-end 2021, the Education and Health Services sector accounted for 21.3% of the MSA’s jobs, down just slightly from 21.5% in 2020, while the Manufacturing sector accounted for 14.1%, up from 13.9% in 2020. Education and Health Services is the largest employment sector in the Cedar Rapids MSA followed by Manufacturing. The Manufacturing sector, led by firms in Cedar Rapids, continues to have a high proportion of jobs compared to most other Metro areas of the State and certainly higher than most similar size cities in the Upper Midwest. Interestingly, Retail Trade was estimated to have largely maintained its proportion of jobs at 10.7% as of year-end 2021 and employment in that sector rose modestly over the year. The Professional and Business Services sector accounted for 11% and Leisure and Hospitality rose from 7.2% in 2020 to 8.1% by year-end 2021, signaling a recovery in that sector.

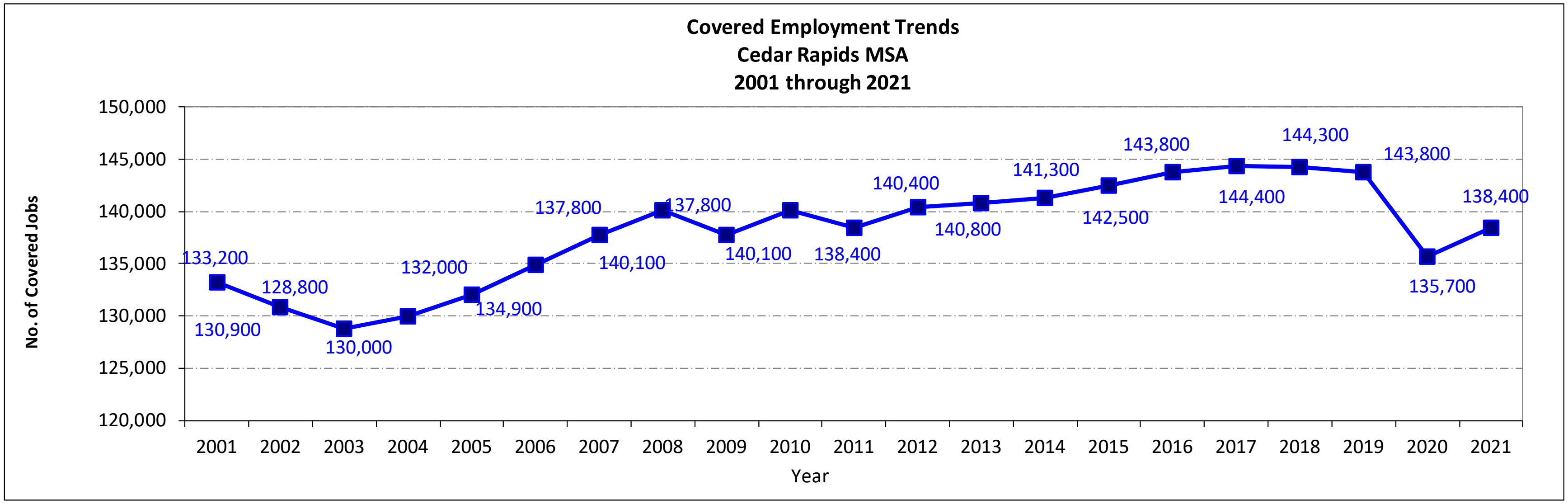
- From 2015 through 2017, the number of jobs increased by 1,900 or 1%. Thereafter, the number of jobs has decreased in each year to a low of 135,717 as of the end of 2020, a result of the Pandemic. Despite the Pandemic, Education and Health Services gained 642 jobs (2.2%), while all other sectors showed decreased in employment. Leisure and Hospitality sector lost the most jobs, 2,936 (24.2%) while Wholesale Trade lost the fewest jobs, 126 (2.1%).

- As of 4th Quarter 2021, the average weekly wage in the Cedar Rapids MSA was $1,236, or an estimated annual wage of $64,272 (shown on a following page). The highest weekly wage is in the Manufacturing sector, $1,862, followed by Wholesale Trade at $1,775. The lowest wages are found in the Retail Trade ($714) and Leisure and Hospitality Sectors ($335). From 4th Quarter 2020 to 4th Quarter 2021, the average weekly wage rose by 3.8%, again signaling improvement from the Pandemic and employers increasing wages considering trying to attract and retain workers.

TABLE 11
COVERED EMPLOYMENT TRENDS
CEDAR RAPIDS MSA
2011, 2015-2021
North American Industrial Classification System (NAICS)

	Average Annual Number of Employees								Change 2015 - 2021		% of Total							
Industry	2011	2015	2016	2017	2018	2019	2020	2021	No.	Pct.	2011	2015	2016	2017	2018	2019	2020	2021
Ag, Natural Resources & Mining	512	606	587	614	635	637	603	590	-16	-2.6	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Construction	7,136	7,909	8,243	8,129	8,312	8,200	8,353	8,803	894	11.3	5.2%	5.6%	5.8%	5.8%	5.8%	5.7%	6.1%	6.4%
Manufacturing	21,200	19,950	19,431	19,605	20,012	20,442	18,901	19,580	-370	-1.9	15.3%	14.0%	13.6%	13.6%	13.9%	14.1%	13.9%	14.1%
Wholesale Trade	5,313	5,726	5,861	5,850	6,071	5,973	5,766	5,908	182	3.2	3.8%	4.0%	4.1%	4.1%	4.2%	4.1%	4.2%	4.3%
Retail Trade	16,601	15,692	15,732	15,663	15,174	15,193	14,652	14,770	-922	-5.9	12.0%	11.0%	11.0%	11.0%	10.5%	10.5%	10.8%	10.7%
Transportation/Utilities	10,156	12,197	11,492	11,516	11,783	12,126	11,150	10,434	-1,763	-14.5	7.3%	8.6%	8.1%	8.1%	8.2%	8.4%	8.2%	7.5%
Information	5,130	4,419	4,139	3,981	3,733	3,373	3,001	2,972	-1,447	-32.7	3.7%	3.1%	2.9%	2.9%	2.6%	2.3%	2.2%	2.1%
Financial Services	9,941	10,835	11,177	10,613	10,934	11,371	10,929	10,468	-367	-3.4	7.2%	7.6%	7.8%	7.8%	7.6%	7.9%	8.0%	7.6%
Professional/Business Services	13,796	14,359	14,771	15,227	15,944	15,240	14,998	15,691	1,332	9.3	10.0%	10.1%	10.4%	10.4%	11.1%	10.5%	11.0%	11.3%
Education and Health Services	28,906	29,681	30,105	30,433	30,564	30,934	29,199	29,463	-218	-0.7	20.9%	20.8%	21.1%	21.1%	21.2%	21.4%	21.5%	21.3%
Leisure and Hospitality	10,922	11,979	11,900	12,123	11,930	12,055	9,798	11,158	-821	-6.9	7.9%	8.4%	8.4%	8.3%	8.3%	8.3%	7.2%	8.1%
Other Services	4,011	4,312	4,219	4,156	4,141	4,162	3,694	3,712	-600	-13.9	2.9%	3.0%	3.0%	3.0%	2.9%	2.9%	2.7%	2.7%
Public Administration	4,807	4,807	4,795	4,791	4,808	4,886	4,803	4,873	66	1.4	3.5%	3.4%	3.4%	3.4%	3.3%	3.4%	3.5%	3.5%
Totals	**138,431**	**142,472**	**142,452**	**142,701**	**144,041**	**144,592**	**135,847**	**138,422**	**-4,050**	**-3.1**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Iowa Workforce Information Network (IWIN)



Average Weekly Wages - 2021 (4th Quarter)		
Industry	**Weekly Wage**	**Annual Wage**
Ag, Natural Resources & Mining	$992	$51,584
Construction	$1,501	$78,052
Manufacturing	$1,862	$96,824
Wholesale Trade	$1,775	$92,300
Retail Trade	$714	$37,128
Transportation/Utilities	$1,094	$56,888
Information	$1,538	$79,976
Financial Services	$1,604	$83,408
Professional/Business Services	$1,302	$67,704
Education and Health Services	$1,103	$57,356
Leisure and Hospitality	$335	$17,420
Other Services	$882	$45,864
Public Administration	$1,302	$67,704
Overall Average	$1,236	$64,272

Source: Iowa Workforce Development

Employment Projections

The Iowa Workforce Development Division provides short-term and long-term employment projections by Local Workforce Development Area (LWDA). The East Central LWDA includes the Counties of Linn, Jones, Benton, Johnson, Cedar, Iowa and Washington.

Data provided indicates that over the next two years, employment in the East Central LWDA is projected to increase by 4.8% across all non-agriculture industries and including government. The highest proportional increases are anticipated to be among industries associated with consumer activities including recreation, accommodation, restaurants/bars, personal services and transportation services. All these industries are expected to show double-digit growth over the next two years due to recovery from the pandemic. Projected growth rates range from 14% to more than 80% for some of these sectors. Most are in the 20% to 40% range. Education and Health Care are also expected to see strong numerical growth, in the top five industry categories.

Long-range forecasts from 2020 to 2030 show a slightly different picture with education services, health services, truck transportation, leasing services and administrative management and services showing larger proportional and numerical increases.

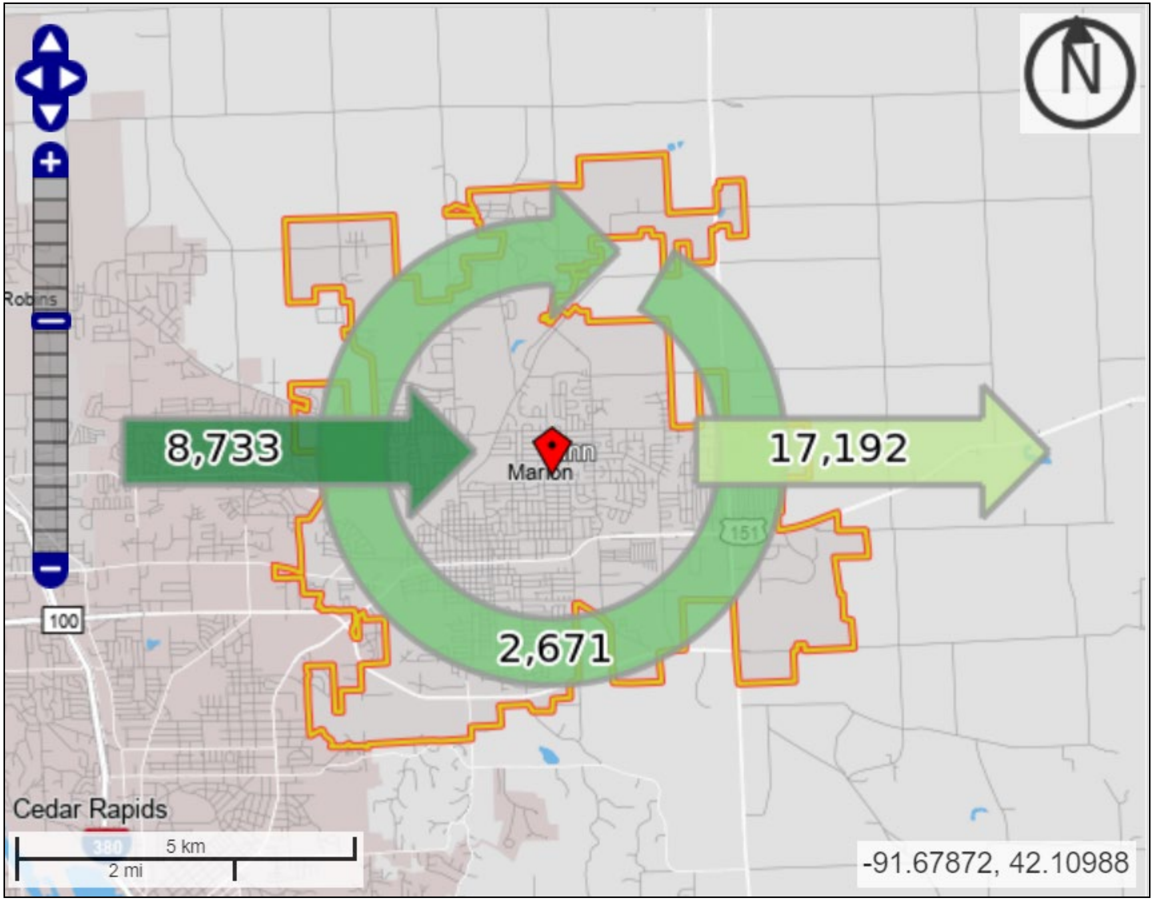
Commuting Patterns

Proximity to employment is often a primary consideration when choosing where to live, since transportation costs often accounts for a large proportion of households' budgets. Table 12 highlights the commuting patterns of workers in the City of Marion in 2019 (the most recent data available), based on Local Employer-Household Dynamics (LEHD) data from the U.S. Census Bureau.

- Most workers in Marion commute to jobs in Cedar Rapids, although teleworking has likely moderated the number of workers that physically commute each day. The table and following graphic show the number of people that travel into the City of Cedar Rapids for employment, those that exit the City for employment and residents that live and work in the City. There were an estimated 11,404 jobs in Marion as of 2019. Of those that held these jobs, 2,671 (23.4%) of them lived and worked in Marion. The remaining jobs were held by individuals who commuted to Marion from other locations (8,733 individuals). The top commuting locations from outside of Marion as of 2019 were Cedar Rapids (53.5%), Hiawatha (4.6%), Iowa City (4.2%), Coralville (1.9%), Des Moines (1.7%) and Davenport (1.2%). All other communities represented were 1.0% or less of the total.

As shown on the graphic, 17,192 workers that live in Marion work outside of the City in other communities.

Inflow/Outflow of Workers – Marion city



Inflow and Outflow of Workers-Cedar Rapids

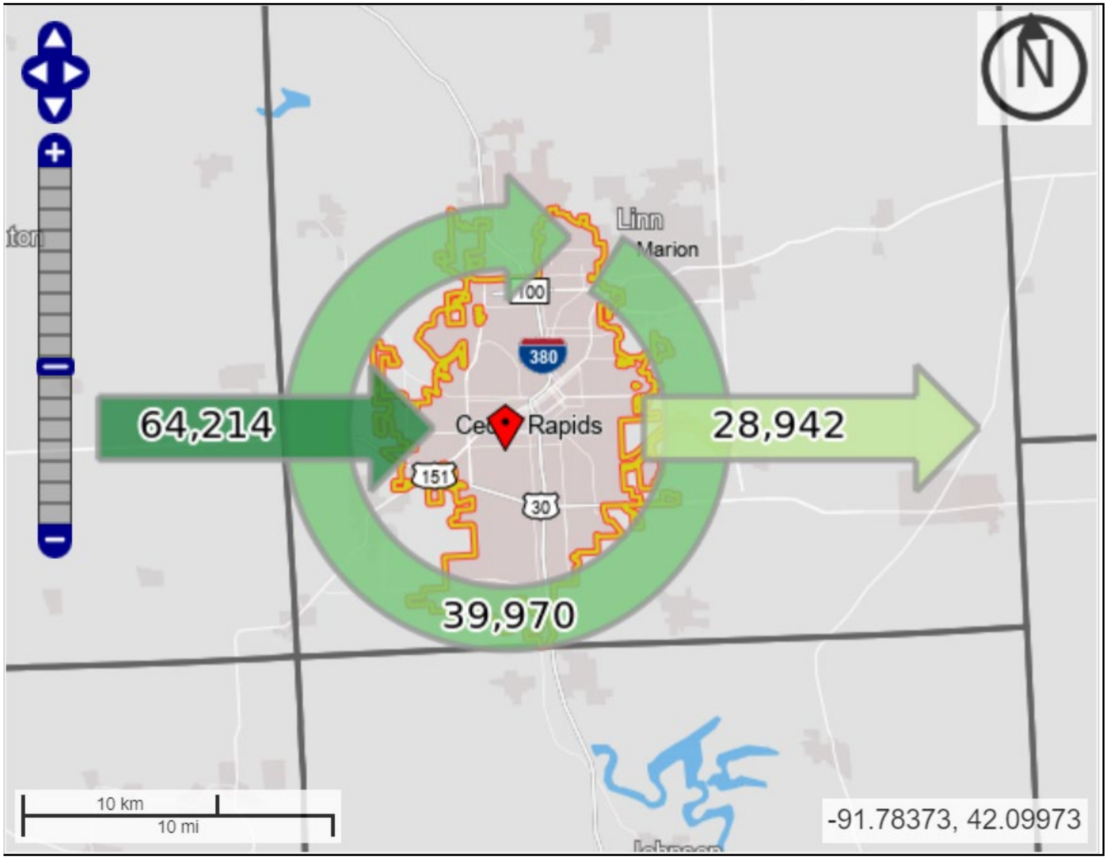


TABLE 12
COMMUTING PATTERNS
CITY OF MARION
2019

Home Destination			**Work Destination**		
Place of Residence	**Count**	**Share**	**Place of Employment**	**Count**	**Share**
Cedar Rapids city, IA	3,409	29.9%	Cedar Rapids city, IA	10,629	53.5%
Marion city, IA	2,671	23.4%	Marion city, IA	2,671	13.4%
Hiawatha city, IA	198	1.7%	Hiawatha city, IA	914	4.6%
Iowa City city, IA	181	1.6%	Iowa City city, IA	828	4.2%
Dubuque city, IA	136	1.2%	Coralville city, IA	380	1.9%
Robins city, IA	122	1.1%	Des Moines city, IA	328	1.7%
Anamosa city, IA	117	1.0%	Davenport city, IA	234	1.2%
Davenport city, IA	112	1.0%	Waterloo city, IA	201	1.0%
Des Moines city, IA	112	1.0%	West Des Moines city, IA	186	0.9%
Coralville city, IA	88	0.8%	North Liberty city, IA	134	0.7%
All Other Locations	4,258	37.3%	All Other Locations	3,358	16.9%
Distance Traveled			Distance Traveled		
Total Primary Jobs	11,404	100.0%	Total Primary Jobs	19,863	100.0%
Less than 10 miles	6,927	60.7%	Less than 10 miles	13,978	70.4%
10 to 24 miles	1,516	13.3%	10 to 24 miles	2,031	10.2%
25 to 50 miles	912	8.0%	25 to 50 miles	1,257	6.3%
Greater than 50 miles	2,049	18.0%	Greater than 50 miles	2,597	13.1%

Home Destination: Where workers work who are employed in the selection area
Work Destination: Where workers live who are employed in the selection area

Sources: U.S. Census Bureau Local Employment Household Dynamics (LEHD), Maxfield Research & Consulting, LLC

As shown on the table, 61% of workers who live in Marion commute less than 10 miles to their place of employment; 13% commute 10 to 24 miles and 18% commute more than 50 miles to work in Marion. Of those employed in Marion, 70% commute less than 10 miles to work, 10% commute 10 to 24 miles and 13% commute more than 50 miles to work.

Inflow/Outflow

Table 13 provides a summary of the inflow and outflow of workers in Marion. Outflow reflects the number of workers living in Marion but employed outside of the city while inflow measures the number of workers that are employed in Marion but live outside. Interior flow reflects the number of workers that live and work in Marion.

- Marion can be considered a net exporter of workers, as the number of residents leaving the City (outflow) for employment, combined with the number of residents that live and work in the City is substantially higher than the number of residents coming into the City for work (inflow). An estimated 8,733 workers come to Marion for work, 2,671 live and work in the City while 17,192 workers were estimated to leave the City for work. Compared to those that come into the City and live and work in the City versus those that leave, the net difference is 5,788.

- The largest proportion of workers commuting to Marion earn more than $3,333 per month, are within the prime working ages of 30 to 54 and are employed in the "All Other Services" industries. Similar statistics are identified for those that both live and work in Marion, where most earn more than $3,333 per month (41%) and are employed in the "All Other Services" category. We note there is a more significant difference in the proportion of workers earning more than $3,333 that commute outside of Marion for work.

TABLE 13
COMMUTING INFLOW/OUTFLOW CHARACTERISTICS
CITY OF MARION
2019

	Outflow		Inflow		Interior Flow	
City Total	**17,192**	**100.0%**	**8,733**	**100.0%**	**2,671**	**100.0%**
By Age						
Workers Age 29 or younger	3,823	22.2%	2,569	29.4%	561	21.0%
Workers Age 30 to 54	9,630	56.0%	4,353	49.8%	1,442	54.0%
Workers Age 55 or older	3,739	21.7%	1,811	20.7%	668	25.0%
By Monthly Wage						
Workers Earning $1,250 per month or less	3,403	19.8%	2,529	29.0%	771	28.9%
Workers Earning $1,251 to $3,333 per month	4,054	23.6%	2,696	30.9%	811	30.4%
Workers Earning More than $3,333 per month	9,735	56.6%	3,508	40.2%	1,089	40.8%
By Industry						
Workers in the "Goods Producing" Industry Class	3,759	21.9%	1,501	17.2%	382	14.3%
Workers in the "Trade, Transportation, and Utilities" Industry Class	3,207	18.7%	2,460	28.2%	401	15.0%
Workers in the "All Other Services" Industry Class	10,226	59.5%	4,772	54.6%	1,888	70.7%

Sources: U.S. Census Bureau, Local Employment Household Dynamics (LEHD), Maxfield Research & Consulting, LLC

Introduction

The variety and condition of the housing stock in a community provides the basis for an attractive living environment. Housing functions as a building block for neighborhoods and goods and services. An analysis of the housing market in Marion and the surrounding area was completed by reviewing data on the age of the existing housing supply, updating residential building permits in Marion, analysis of home sales data in Marion and the Cedar Rapids area and other information.

Residential Construction Trends 2016 through 2021

Maxfield Research obtained data from the City of Marion for recent residential construction. Data on Table 14 shows the number of new housing units from permits issued from 2016 through 2021 (annual data). The table displays permits issued for single-family detached and attached homes, townhomes/twinhomes, condominiums and multifamily buildings of seven or more units. Multifamily buildings include rental buildings, condominiums and senior housing. The following are key points about new housing development from the data presented.

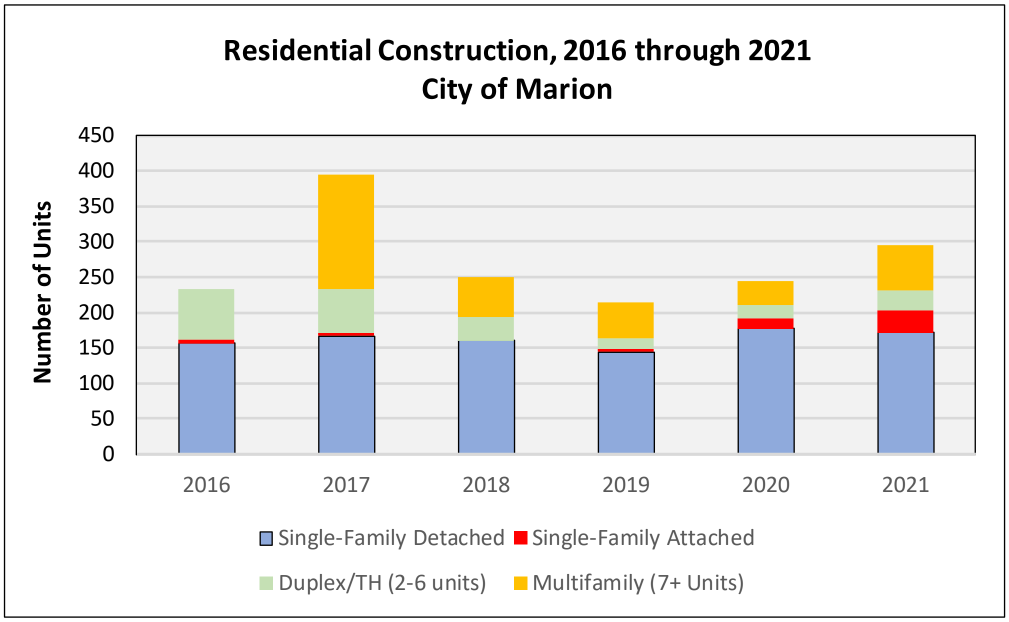
- Marion permitted an average of 272 units annually from 2016 through 2021. The highest total occurred in 2017 with 394 units, followed by 2021 with 295 units. Years with the highest totals were led by new multifamily construction (160 units in 2017 and 63 units in 2021).

- Single-family detached units have dominated in each year, accounting for 60% of all housing units developed from permits issued. Multifamily development however is gaining and in Marion, a higher proportion of multifamily units are anticipated through the end of the decade. This is occurring in many other larger cities in the Upper Midwest and across the country where higher densities are being promoted in core urban areas.

TABLE 14
RESIDENTIAL CONSTRUCTION
CITY OF MARION
2016 Through 2021

	Number of Units from Permits Issued				
	Single-Family Detached	Single-Family Attached	Duplex/TH (2-6 units)	Multifamily (7+ Units)	Total
2016	157	4	72	0	233
2017	167	4	63	160	394
2018	160	0	34	56	250
2019	144	4	16	50	214
2020	177	14	20	33	244
2021	172	32	28	63	295
Average	163	10	39	60	272

Source: City of Marion



American Community Survey

The American Community Survey ("ACS") is an ongoing statistical survey administered by the U.S. Census Bureau and sent annually to approximately 3 million addresses. The survey gathers data previously contained only in the long form of the decennial census. As a result, the survey is ongoing and provides a more "up-to-date" portrait of demographic, economic, social, and household characteristics every year, not just every ten years. Data for the smallest tabulations (e.g., Census Tracts and Block Groups) is available as an average of a five-year period from 2016 through 2020, the most recent period available. Tables 15 through 20 show key data for Cedar Rapids, with updated estimates to 2022, based on ACS tabulations. Tables 18 and 19 show data that was compiled by ESRI, a national demographics forecasting company, but was derived from American Community Survey tabulations.

Cost Burden

Tables 15 and 16 show the numbers of renters and homeowners, respectively, that are estimated to be cost-burdened in Marion. This information can assist in assessing the potential demand for additional affordable housing depending on the number and proportion of households that currently pay more than 30% of their household income for housing costs.

TABLE 15
RENTER COST BURDEN
CITY OF MARION
2022

	Renter Households			
	Marion		**Cedar Rapids**	
% of Income on Rent	**Total**	**Percent**	**Total**	**Percent**
Less than 10%	28	0.7%	657	3.7%
10% to 14.9%	419	10.6%	1,738	9.9%
15% to 19.9%	635	16.0%	2,856	16.3%
20% to 24.9%	530	13.4%	2,113	12.1%
25% to 29.9%	462	11.7%	2,422	13.8%
30% to 34.9%	138	3.5%	1,569	9.0%
35% to 39.9%	220	5.6%	1,011	5.8%
40% to 49.9%	404	10.2%	1,510	8.6%
50% or more	880	22.2%	3,137	17.9%
Not Computed	243	6.1%	510	2.9%
Total	3,959	100.0%	17,524	100.0%

Sources: American Community Survey
Maxfield Research and Consulting LLC

Table 15 shows that 22% of all renter households in Marion (880) and 18% in Cedar Rapids (3,137) are severely cost-burdened, meaning they pay 50% or more of their household income on rent. Another 19.3% of renter households in Marion and 23.4% of renter households in Cedar Rapids are moderately cost-burdened, meaning they pay between 30% and 49.9% of their incomes on housing costs. Among all renter households, those that are moderately and severely cost-burdened totaled 41.3% in Marion and Cedar Rapids.

For renters, housing costs typically include rent and utilities and insurance. For owner households, housing costs typically include mortgage payment, utilities, taxes and insurance.

Table 16 shows owner households that are cost-burdened in Marion and Cedar Rapids. Fewer owner households are cost-burdened as household income rises. In Marion, 4.1% of owner households are estimated to be severely cost-burdened compared to 5.7% in Cedar Rapids. Moderately cost-burdened owner households, those that pay 30% to 49.9% of their income on housing are estimated at 8.2% of owner households in Marion and 10.8% of households in Cedar Rapids.

Compared to renter households, owner households have a lower overall proportion of households that are cost-burdened (housing costs at 30% or more of income). The total proportion of owner households in Marion that is cost-burdened was identified as 12.3% versus 41.3% for renter households.

TABLE 16
OWNERS COST BURDEN
CITY OF MARION
2022

	Owner Households			
	Marion		**Cedar Rapids**	
% of Income on Housing	**Total**	**Percent**	**Total**	**Percent**
Less than 10%	2,556	19.2%	7,818	19.0%
10% to 14.9%	3,014	22.6%	8,679	21.1%
15% to 19.9%	2,928	22.0%	8,074	19.6%
20% to 24.9%	2,116	15.9%	6,438	15.7%
25% to 29.9%	1,037	7.8%	3,070	7.5%
30% to 34.9%	405	3.0%	2,350	5.7%
35% to 39.9%	411	3.1%	1,032	2.5%
40% to 49.9%	278	2.1%	1,080	2.6%
50% or more	542	4.1%	2,348	5.7%
Not Computed	45	0.3%	212	0.5%
Total	13,333	100.0%	41,101	100.0%

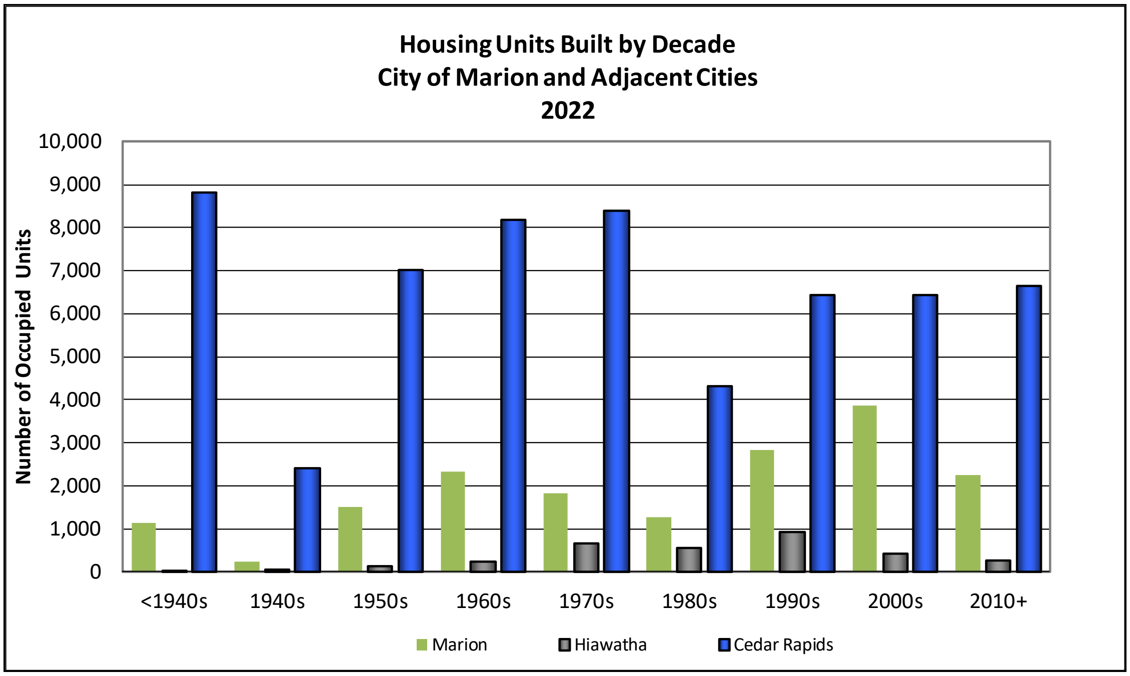
Note: Homeowners with and without a mortgage
Sources: American Community Survey
Maxfield Research and Consulting LLC

Age of Housing Stock

Table 17 on the following page and the graph below show the age distribution of the housing stock as estimated in 2022 based on data from the American Community Survey published by the US Census Bureau for 2020 (five-year average) and incorporates the additional housing units recently developed for the various jurisdictions based on recent building permit data provided by the City. The table includes the number of housing units built in the Market Area, prior to 1940 and during each decade since.

- Marion and the adjacent cities of Cedar Rapids and Hiawatha are estimated to have 82,815 housing units, of which, an estimated 70% are owner-occupied and 30% are renter occupied. The proportions estimated as owner-occupied in Marion and Hiawatha are higher however, than in Cedar Rapids.

- Homes in Marion and Hiawatha are newer than homes in Cedar Rapids. Homes built in 2000 and after now account for the highest proportion of homes in Marion, equal to the proportion of homes built prior to 1940 and through the 1970s. The lowest proportions of homes built in Marion were identified to have been built prior to 1940 and during the 1940s. The 1940s was a period of economic turmoil in the United States with WWII.



- Proportionally, an estimated 13.6% of housing units was built prior during the 1960s and another 10.7% was built during the 1970s. The proportion dropped to 5.7% in the 1980s, then rose again in the 1990s to 18.0%.

TABLE 17
AGE OF HOUSING STOCK
MARION AND ADJACENT CITIES
August 2022

		Year Unit Built																	
	Total Units	<1940		1940s		1950s		1960s		1970s		1980s		1990s		2000s		2010+	
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
MARION																			
Owner-Occupied	13,050	730	5.6	74	0.6	998	7.6	1,775	13.6	1,391	10.7	748	5.7	2,354	18.0	3,083	23.6	1,897	14.5
Renter-Occupied	4,242	409	9.6	162	3.8	512	12.1	551	13.0	445	10.5	535	12.6	477	11.2	789	18.6	362	8.5
Total	**17,292**	**1,139**	**6.6**	**236**	**1.4**	**1,510**	**8.7**	**2,326**	**13.5**	**1,836**	**10.6**	**1,283**	**7.4**	**2,831**	**16.4**	**3,872**	**22.4**	**2,259**	**13.1**
CEDAR RAPIDS																			
Owner-Occupied	40,214	6,315	15.7	1,744	4.3	5,777	14.4	6,102	15.2	4,936	12.3	2,671	6.6	4,625	11.5	4,598	11.4	3,446	8.6
Renter-Occupied	18,411	2,492	13.5	655	3.6	1,242	6.7	2,091	11.4	3,451	18.7	1,633	8.9	1,802	9.8	1,849	10.0	3,196	17.4
Total	**58,625**	**8,807**	**15.0**	**2,399**	**4.1**	**7,019**	**12.0**	**8,193**	**14.0**	**8,387**	**14.3**	**4,304**	**7.3**	**6,427**	**11.0**	**6,447**	**11.0**	**6,642**	**11.3**
HIAWATHA																			
Owner-Occupied	2,078	12	0.6	28	1.3	104	5.0	128	6.2	350	16.8	265	12.8	598	28.8	342	16.5	251	12.1
Renter-Occupied	1,184	0	0.0	17	1.4	31	2.6	98	8.3	312	26.4	302	25.5	322	27.2	87	7.3	15	1.3
Total	**3,262**	**12**	**0.4**	**45**	**1.4**	**135**	**4.1**	**226**	**6.9**	**662**	**20.3**	**567**	**17.4**	**920**	**28.2**	**429**	**13.2**	**266**	**8.2**
LINN COUNTY																			
Owner-Occupied	57,185	9,637	16.9	2,226	3.9	7,780	13.6	9,056	15.8	8,328	14.6	4,615	8.1	9,574	16.7	10,658	18.6	5,969	10.4
Renter-Occupied	20,897	3,433	16.4	962	4.6	1,835	8.8	2,905	13.9	4,409	21.1	2,628	12.6	2,889	13.8	2,564	12.3	1,836	8.8
Total	**78,082**	**13,070**	**16.7**	**3,188**	**4.1**	**9,615**	**12.3**	**11,961**	**15.3**	**12,737**	**16.3**	**7,243**	**9.3**	**12,463**	**16.0**	**13,222**	**16.9**	**7,805**	**10.0**

Note: Total units may not be equal to total housing units because data based on sample instead of 100% count.

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting

Housing Units by Structure and Occupancy or (Housing Stock by Structure Type*)*

Table 18 shows the estimated housing stock in Marion by type of structure and tenure estimated as of 2022.

- The dominant housing type in Marion and the adjacent communities remains the single-family detached home, representing 81% of all owner-occupied housing units in the Housing Market Area as of 2022. Rented single-family detached homes comprise 1.3% of all rental units among the combined cities, but 20.3% of all rental units in Marion.

- Properties with 50 or more units are predominantly renter occupied. An estimated 3.3% of housing units in the combined cities are in properties of 50 or more units. In all the cities, there are several rental properties that have smaller buildings with a combined large number of units.

- Mobile homes are estimated to account for 4.1% of all housing units in the Housing Market Area, but 5.5% of the homes in Marion. In Hiawatha, the proportion is 15.2%, although at least one neighborhood in Hiawatha is slated for redevelopment.

TABLE 18
HOUSING UNITS BY STRUCTURE & TENURE
MARION AND ADJACENT COMMUNITIES
2022

	MARION				**CEDAR RAPIDS**				**HIAWATHA**			
Units in Structure	**Owner-Occupied**	**Pct.**	**Renter-Occupied**	**Pct.**	**Owner-Occupied**	**Pct.**	**Renter-Occupied**	**Pct.**	**Owner-Occupied**	**Pct.**	**Renter-Occupied**	**Pct.**
1, detached	9,378	74.6%	957	20.3%	34,453	83.8%	4,260	24.3%	1,413	68.0%	77	6.5%
1, attached	1,704	13.5%	98	2.1%	2,332	5.7%	386	2.2%	115	5.5%	31	2.7%
2	101	0.8%	200	4.2%	84	0.2%	721	4.1%	9	0.4%	121	10.3%
3 to 4	455	3.6%	432	9.2%	1,163	2.8%	1,545	8.8%	0	0.0%	353	29.8%
5 to 9	161	1.3%	504	10.7%	276	0.7%	2,582	14.7%	11	0.5%	169	14.3%
10 to 19	18	0.1%	511	10.8%	389	0.9%	4,236	24.2%	16	0.8%	309	26.1%
20 to 49	0	0.0%	860	18.2%	367	0.9%	2,055	11.7%	31	1.5%	97	8.2%
50 or more	0	0.0%	970	20.6%	372	0.9%	1,595	9.1%	0	0.0%	14	1.2%
Mobile home	762	6.1%	181	3.8%	1,651	4.0%	144	0.8%	483	23.2%	12	1.0%
Boat, RV, van, etc.	0	0.0%	0	0.0%	14	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**12,579**	**100%**	**4,713**	**100%**	**41,101**	**100%**	**17,524**	**100%**	**2,078**	**100%**	**1,184**	**100%**

Note: Some categories may be inconsistent due to sample size.

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting, LLC

Owner-Occupied Housing Units by Value

Table 19 presents data on housing values summarized by nine price ranges. Housing value refers to the estimated sales price of the property if it was sold. For single-family and townhome properties, value includes the land and the structure. For condominium units, value refers to only the unit.

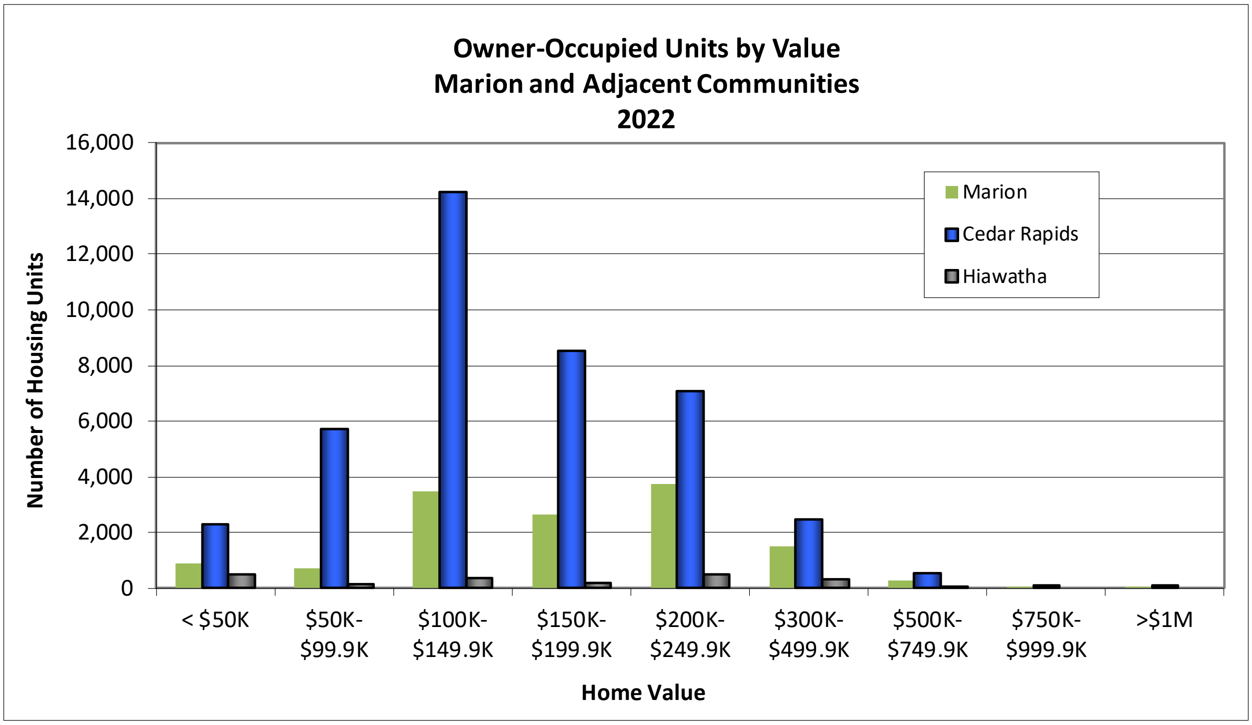
- Most owner-occupied housing in Marion is estimated to be valued between $150,000 and $299,999 (47.9%).

TABLE 19
OWNER-OCCUPIED UNITS BY VALUE
MARION AND ADJACENT COMMUNITIES
2022

	MARION		CEDAR RAPIDS		HIAWATHA		LINN COUNTY	
Home Value	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**Pct.**	**Pct.**
Less than $50,000	887	6.7	2,322	5.6	514	24.7	4,274	6.0
$50,000-$99,999	738	5.5	5,736	14.0	139	6.7	7,556	10.6
$100,000-$149,999	3,493	26.2	14,236	34.6	368	17.7	20,051	28.1
$150,000-$199,999	2,639	19.8	8,529	20.8	195	9.4	13,698	19.2
$200,000-$299,999	3,743	28.1	7,101	17.3	518	24.9	15,687	22.0
$300,000-$499,999	1,500	11.2	2,458	6.0	324	15.6	7,634	10.7
$500,000-$749,999	295	2.2	535	1.3	20	0.9	1,614	2.3
$750,000-$999,999	15	0.1	97	0.2	0	0.0	496	0.7
$1,000,000 or more	23	0.2	87	0.2	0	0.0	377	0.5
Total	**13,333**	**100.0**	**41,101**	**100.0**	**2,078**	**100.0**	**71,386**	**100.0**
Median Home Value	$195,365		$159,315		$168,795		$178,165	

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting

- The median owner-occupied home in Marion is estimated at $19,365, more than the median values for Cedar Rapids, Hiawatha and Linn County. Overall, Marion and Hiawatha have newer housing stock, so it is logical that homes in those areas would be valued higher. Marion however, has a higher proportion of homes valued at under $50,000 than does Cedar Rapids. Hiawatha however, has the highest proportion at 24.7%. The highest proportion of homes in Marion are valued between $200,000 and $299,999.


Owner-Occupied Units by Value
Marion and Adjacent Communities
2022
Number of Housing Units
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Marion
Cedar Rapids
Hiawatha
< $50K
$50K-$99.9K
$100K-$149.9K
$150K-$199.9K
$200K-$249.9K
$300K-$499.9K
$500K-$749.9K
$750K-$999.9K
>$1M
Home Value

Introduction

Maxfield Research surveyed larger general occupancy rental properties of 12 or more units in Marion, Cedar Rapids and Hiawatha. Based on the estimated number of renter-occupied housing units in the three communities, the total surveyed represents 63% of all general occupancy renter-occupied units in buildings with three or more units (according to household tenure data – 2022). In Marion, the total units surveyed represented 49% of all rental units in the community. Information was gathered on year built, total number of units, unit mix, size of units by unit type, current rents and vacancies. General occupancy properties were segmented by market rate (private market units, no income restrictions), shallow-subsidy (fixed rent, typically financed through Low Income Housing Tax Credits or a combination of other funding sources) to households earning between 30% and 60% of Area Median Household Income (AMHI) and deep-subsidy (households pay 30% of their adjusted gross income toward the monthly rent), which typically receive project-based housing assistance payments that remain with the housing unit (i.e. Section 8).

Many of the larger rental properties in Marion are age-restricted (senior housing) or larger properties developed through the Section 42 program (Low-Income Housing Tax Credit Program). Table 20 shows a summary of all licensed rental properties in Marion including number of properties and number of units by size category. Maxfield combined properties with smaller buildings which are part of the same complex to reflect the total number of units for the property in that size category.

TABLE 20
LICENSED RENTAL PROPERTIES
Marion
2022

	No. of Properties	Pct. Properties	No. of Units	Pct. Units
1 Unit (Single-Family)	1,055	74.8%	1,055	23.3%
2 Units	100	7.1%	200	4.4%
3-4 Units	112	7.9%	432	9.5%
5-9 Units	68	4.8%	504	11.1%
10-20 Units	38	2.7%	511	11.3%
21-50 Units	27	1.9%	860	19.0%
50 Units or More	10	0.7%	970	21.4%
Total	1,410	100.0%	4,532	100.0%

Source: City of Marion

The highest proportion of properties and highest proportion of units that are rented are single-family homes. Another 21.4% of units are found in properties that have a combined 50 units or more. Single-family homes that are rented increased significantly post-Recession. These homes may never convert back to the for-sale market, although they represent a proportion of affordable homes that could appeal to first-time homebuyers.

The vacancy rate is calculated based on units that are open and vacant on the day of the survey, (e.g., units that would be available for move-in immediately). Units that are coming available for rent but have a resident still residing in the unit are excluded. Properties that have recently opened and have not yet achieved stabilized occupancy (at least 95%) are also excluded. Recently opened properties are considered in their "initial lease-up period."

A separate section of the report discusses senior properties, which are age restricted. The analysis of senior properties is included in the *Senior Housing Analysis* section of the report.

General-Occupancy Rental Properties

Marion

Market Rate

The analysis of the overall Marion/Cedar Rapids/Hiawatha general occupancy rental market includes a survey of 205 apartment properties, primarily from April through July 2022. These properties (market rate and affordable) represent a combined total of 12,065 units in the Market Area. A total of 33 properties with 1,588 units (market rate and affordable) were surveyed in Marion, 173 properties with 10,129 units in Cedar Rapids and 5 properties in Hiawatha with 348 units. Shallow-subsidy and deep-subsidy properties (affordable – income-restricted) are discussed separately from the market rate properties.

At the time of the survey among market rate Marion properties, a total of 17 units were vacant, resulting in an overall vacancy rate of 1.3%. **This excludes properties in their initial lease-up periods.** The overall vacancy rate of 1.3% among market rate properties remains well below the industry standard of 5% vacancy, which promotes competitive rates, ensures adequate choice and allow for consistent unit turnover.

At the time of the larger area-wide survey, 136 market rate units were vacant, resulting in an overall vacancy rate of 1.3% for market rate units in the Primary Market Area**.** Properties in their initial lease-up periods are excluded to obtain the stabilized vacancy rate for the overall market. Table 21 summarizes the unit mix, sizes and rents for the market rate properties in Marion and Table 22 summarizes the same information for the overall Market Area.

TABLE 21
SUMMARY OF MARKET RATE RENTAL PROPERTIES SURVEYED
MARION
July 2022

Unit Type	No of Units	Avg SF	Avg Rent	Avg Rent/ Sq. Ft.
Studio	12	532	$871	$1.64
1BR	675	575	$529	$0.92
2BR	789	933	$852	$0.91
3BR	62	1,358	$1,120	$0.82
Total/Avg	1,538	790	$721	$0.91

Source: Maxfield Research and Consulting

- The newest market rate rentals available in Marion are East Town Crossing, Marion Lofts (mixed income) and Broad and Main. These properties have either just recently opened or will open shortly. New properties that have opened have experienced rapid absorption, thereby documenting strong demand. Additional product is planned to come on-line, in the Uptown District and at the gateway to the City.

- Properties included in the rental survey that are in Marion were built from 1965 through 2022. An estimated 47% of the properties were built between 2000 and 2009, 16% were built 2010 or later, and the remaining 37% were built before 1990. A few properties have been recently renovated and are charging higher rents for the renovated units. Renovated units have new appliances, new kitchen flooring and new countertops.

Market Rate – Larger Tri-City Area

- Properties included in the region-wide rental survey were built from 1924 through 2021. An estimated 40% of the properties were built prior to 1980, 26% were built between 1980 and 1999, 23% were built between 2000 and 2009 and 11% were built 2010 or later.

- A total of 136 vacancies were found, excluding properties in initial lease-up, resulting in a vacancy rate of 1.3% as of the end of July 2022. This compares to a vacancy rate of 2.0% in the May 2021 survey.

TABLE 22
SUMMARY OF MARKET RATE PROPERTIES IN SURVEY
MARION/CEDAR RAPIDS/HIAWATHA
July 2022

Unit Type	# of Units	Avg. Size	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio/EFF	246	441	$669	$1.52
1BR	3,588	607	$646	$1.06
2BR	5,960	838	$791	$0.94
3BR	561	1,100	$1,088	$0.99
Total	10,355	763	$754	$0.99

Source: Maxfield Research and Consulting, LLC

- The unit mix breakdown of the market rate units reflects the following:
    - Efficiency units: 246 | 2.4%
    - One-bedroom units: 3,588 | 34.6%
    - Two-bedroom units: 5,960 | 57.6%
    - Three-bedroom units: 561 | 5.4%

- The following are the monthly rent ranges and average rent for each unit type:

Efficiency units:	$375 to $1,295 | Avg. $669
One-bedroom units:	$405 to $1,495 | Avg. $646
Two-bedroom units:	$530 to $2,400 | Avg. $791
Three-bedroom units:	$720 to $1,725 | Avg. $1,088

- The average monthly rent per square foot among the surveyed properties was $0.85 in 2019. This number increased to $0.94 as of May 2021, an increase of 10.6% over the past 18 months and increased again to $0.99 as of April 2022, an increase of 5.3% over 12 months. Rent per square foot varied by unit type as illustrated below:

Efficiency units:	$1.52
One-bedroom units:	$1.06
Two-bedroom units:	$0.94
Three-bedroom units:	$0.99

- The newest properties, those built after 2010, have a higher level of in-unit amenities and features than those built prior to 2010. Many new properties offer a patio or balcony, in-unit washer/dryers, granite countertops and black or stainless appliances. Some properties have reserved parking but with a limited number of enclosed spaces. This higher level of features and amenities are being incorporated into new properties coming on-line in Marion.

- The November 2019 overall market rate rental vacancy rate in the tri-city region was 2.2%, remaining below the 5% market equilibrium rate. As of May 2021, the overall market rate rental vacancy rate was 2.0%, essentially remaining stable, but still well below the 5% market equilibrium level. The July 2022 vacancy rate of 1.3% is lower than 12 months ago, signaling a continued tight rental market throughout the region. Monthly rents increased by an estimated 3% to 5% at most stabilized properties. A limited number of properties showed a decrease in rents. Rent concessions remain limited in the market but are more prevalent at properties with higher turnover and at new properties in initial lease-up. Average rents increased on Table 22 due primarily to increases at existing properties and not due to new construction.

- We did not find any rental concessions being offered by properties in Marion at the time of the survey. Some properties in Cedar Rapids were offering concessions to lease vacant units. The concessions do not appear to be seasonal, but rather are focused on properties that are experiencing increased vacancies overall and are having greater challenges due to increased competition from properties with upscale finishes. Some new properties in Cedar Rapids are offering move-in concessions to increase initial absorption, but we did not find this situation in Marion.

- Two-bedroom units remain the most common unit type among market rate properties accounting for 58% of the total surveyed. Most recently there have been additional two-bedroom and three-bedroom units added to the market rather than the smaller unit types. Properties continue to be added to the database, reflecting some adjustments to average rents.

AVERAGE RENTS-MARKET RATE RENTALS
CEDAR RAPIDS AREA
2013-2022

	Aug. '13 Rent	Sep. '14 Rent	Sep. '15 Rent	Sep. '16 Rent	Oct. '17 Rent	Nov. '18 Rent	Dec. '19 Rent	May '21 Rent	April '22 Rent
EFF	$343	$380	$447	$454	$559	$509	$733	$656	$669
1BR	$451	$478	$499	$513	$508	$553	$566	$626	$646
2BR	$573	$623	$615	$612	$668	$694	$710	$745	$791
3BR	$794	$1,141	$780	$983	$1,009	$953	$1,049	$1,039	$1,088

Source: Maxfield Research and Consulting LLC

Shallow-Subsidy/Workforce Housing

Marion

Lynnwood Estates in Marion has a total of 24, two- and three-bedroom family units funded through the LIHTC program. The property opened in 2001. Two-bedroom units have 1,000 square feet and rent for $895 per month. Three-bedroom units have 1,200 square feet and rent for $1,100 per month.

Chapel Ridge of Marion has 200 units and opened in 2004. The property features one-bedroom through four-bedroom units. Rents range from $685 per month for one-bedroom units to $1,265 for three-bedroom units. Units feature built-in desk w/shelving, large walk-in closets, full size w/dryer in select units, wood-look flooring, window coverings, private balcony/patio w/outside storage closet, outdoor pool, children's play area, picnic area w/grilling stations, detached garages, community laundry, fitness center and community gathering space. The property was fully renovated a few years ago.

Marion Lofts is the newest shallow-subsidy property in Marion offering one-, two- and three-bedroom units. The property opened in 2021 and features a community gathering space, fitness center, free bike racks, outdoor play area for children, patio/balcony, full appliance package, in-unit washer/dryer, large closets and storage units in each apartment. Absorption of units was rapid and the property reached stabilized occupancy in just a few months.

TABLE 23
SUMMARY OF SHALLOW-SUBSIDY PROPERTIES
MARION
July 2022

Unit Type	No. of Units	Avg SF	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	25	676	$675	$1.00
2BR	158	937	$906	$0.97
3BR	96	1,240	$1,135	$0.92
4BR	8	1,333	$1,265	$0.95
Total/Avg	287	1,027	$972	$0.95

Source: Maxfield Research and Consulting LLC

Marion Market Area (Tri-City Region)

- Maxfield Research identified 50 properties with a total of 2,352 general occupancy units in Marion, Cedar Rapids and Hiawatha that provide low and moderate-rent housing to the market through a shallow-subsidy. These properties restrict households' incomes to levels of 30%, 40%, 50%, 60% or 80% of the Area Median Income (AMI). New properties that combine market rate and affordable units include Marion Lofts, Kingston Village, Ellis Urban Lofts, Kingston Pointe, Creekside, Center Point, Village West, Cornerstone Place, New Bo West, 6th Street Commons, Coventry Lofts, Sonoma Square, Ashton Flats, and Cypress Lofts. Properties that are age-restricted (55+ or 62+) are discussed in the senior analysis section of the report. The newest affordable properties include Marion Lofts (Marion), Anderson Greene, Cypress Ponds, Cypress Square Townhomes and Union at Wiley (all in Cedar Rapids). These properties have added or will add a total of 419 affordable units to the larger Market Area. Many of these properties are already nearly fully occupied or fully occupied, further demonstrating significant demand.

- Several different funding combinations have been used to develop affordable housing including the Low-Income Housing Tax Credit Program (LIHTC), workforce housing tax credits and housing bonds. Properties that provide affordable rental units target those units to households with incomes typically between 40% and 60% of Area Median Income. Units funded through the Iowa Economic Development Authority (IEDA) program are usually mixed-income buildings with 51% of the units targeted to households with moderate incomes (80% or less of area median income). These properties compete in the market against properties that have no income restrictions. The difference between the restricted rent and the market rent at mixed-income properties tends to be greater with new construction, but mixed-income properties have discounted rents to reduce the difference between affordable and market rate prices.

- While new properties are usually preferred by prospective renters, income restrictions reduce the pool of prospective renters that can qualify to reside at the property. Households that have a high degree of price sensitivity may elect to reside in a lower-priced market rate property where there is less paperwork and fewer restrictions. Some newer Low-Income Housing Tax Credit properties (LIHTC) have approached the rent issue by qualifying renters at a higher income percentage (say 60% of Area Median Income) but lowering the rent levels to 50% or 40% of AMI to expand their potential pool of tenants.

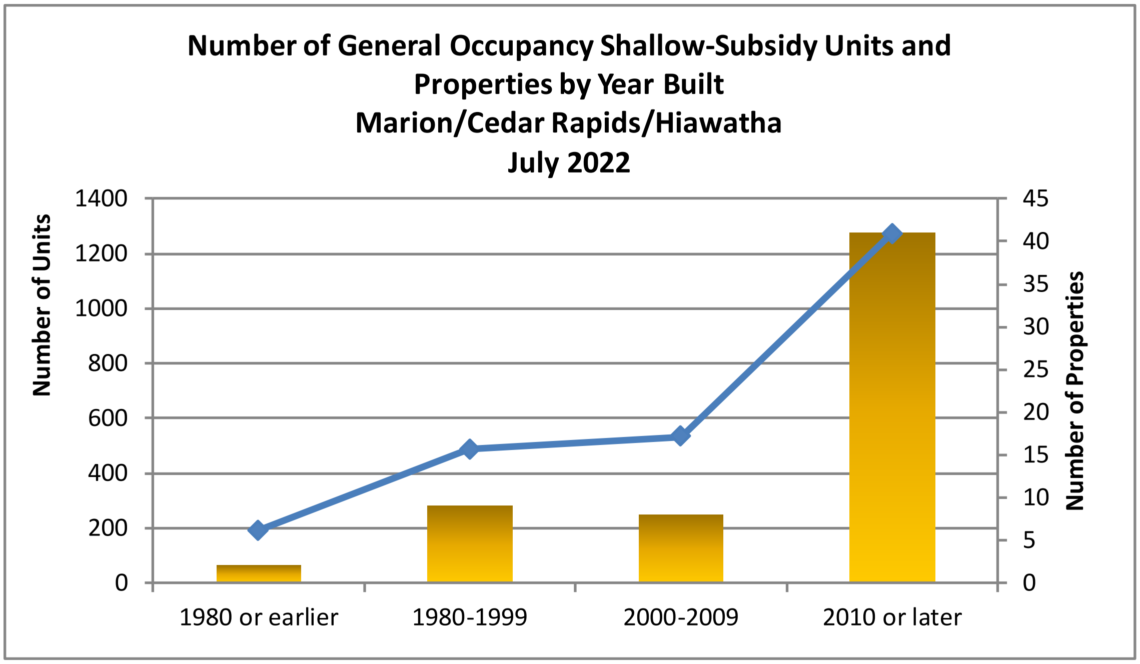
- Table 24 shows a summary of rental units with a shallow subsidy by unit type with average rent, average size and the proportion of units surveyed of each unit type. As shown on the table, the average rent for these properties was $743 per month with an average unit size of 931 square feet, or an average rent per square foot of $.80. The highest proportions of units are two- and three-bedroom units with 48.4% and 23.6%, respectively of the total, although one-bedroom units are nearly equal to three-bedroom units with 23.5% of the total.

- As of the survey, the overall vacancy rate was 1.6% with 38 units vacant. The estimated current vacancy rate is below the 5% level considered to be market equilibrium where the market would be in balance between supply and demand. With a level below the 5% rate, pent-up demand exists for additional shallow-subsidy units. As mentioned previously, there is typically some overlap between market rate rental units with low rent levels (naturally occurring affordable housing) and shallow-subsidy (income-restricted) rental housing in the Housing Market Area.

TABLE 24
RENT SUMMARY FOR SHALLOW-SUBSIDY UNITS
MARION/CEDAR RAPIDS/HIAWATHA
July 2022

Unit Type	No. of Units	% of Units	Avg. Rent	Avg. SF	Avg. R/SF
EFF	49	2.1%	$476	451	$1.06
1BR	521	22.1%	$710	694	$1.02
2BR	1,120	47.6%	$767	926	$0.83
3BR	614	26.1%	$930	1,191	$0.78
4BR	49	2.1%	$1,061	1,410	$0.75
TOTAL	**2,353**	**100.0%**	**$797**	**944**	**$0.84**

Sources: Maxfield Research and Consulting LLC



- Two properties were built prior to 1980, nine were built between 1980 and 1999, eight were built between 2000 and 2009 and 41 were built in 2010 or later.

- The newest developments that incorporate units with a shallow subsidy are Marion Lofts, (Marion), Kingston Village, Kingston Pointe, Village West, New Bo West, Shamrock Villages, Mead Flats (renovation of existing building), Cornerstone, 6th Street Commons, Breyer Street Apartments, Sonoma Square, Cypress Square Townhomes, Cedar Pond Townhomes, Anderson Greene I and II and Union at Wiley (all in Cedar Rapids). Marion Flats, Kingston Village, Commonwealth Senior, Anderson Greene and Union at Wiley are mixed income (LIHTC) developments.

- Anderson Greene I and II in Cedar Rapids recently opened and provide affordable apartment units to households with incomes at or less than 60% of AMI. All units in Phase I were leased prior to occupancy. Monthly rents range from $651 to $885 per month. The property features a community room, in-unit washers and dryers, fitness center, central air, bike racks, play area for children, outdoor BBQs and picnic area and common area Wi-fi. Anderson Greene also accepts households that have a Housing Choice Voucher.

- Union at Wiley (Cedar Rapids) is scheduled to open Fall 2022 and will have a total of 180 units at completion. Rents will be affordable to households earning up to 60% of AMI. The property includes a community room, fitness area, outdoor play area, business center and gaming center. Units include balcony/patio, high ceilings, in-unit washer/dryers and energy efficient appliances. Covered parking is available at extra charge and carports are also available for lease. Pre-leasing for Fall occupancy is now underway.

- Table 25 on the following page shows the maximum allowable incomes by household size to qualify for various types of income-based housing programs along with the maximum gross rents that can be charged by bedroom size in Linn County. Income qualifications shown are utilized for housing developments that are financed through the Section 42 or Low-Income Housing Tax Credit Program (LIHTC). These income ranges and limits apply to properties developed in communities in Linn County.

TABLE 25
2022 INCOME LIMITS
LINN COUNTY AND CEDAR RAPIDS MSA

LOW INCOME HOUSING TAX CREDITS (2022)
(placed in service after 12/31/2008)

	Income Limits by Houshold Size							
	1 phh	**2 phh**	**3 phh**	**4 phh**	**5phh**	**6phh**	**7phh**	**8phh**
30% of median	$18,780	$21,480	$24,150	$26,820	$28,980	$31,140	$33,270	$35,430
40% of median	$25,040	$28,640	$32,200	$35,760	$38,640	$41,520	$44,360	$47,240
50% of median	$31,300	$35,800	$40,250	$44,700	$48,300	$51,900	$55,450	$59,050
60% of median	$37,560	$42,960	$48,300	$53,640	$57,960	$62,280	$66,540	$70,860
80% of median	$50,080	$57,280	$64,400	$71,520	$77,280	$83,040	$88,720	$94,480

	Maximum Gross Rents by Bedroom Size				
	0 BR	**1BR**	**2BR**	**3BR**	**4BR**
30% of median	$469	$503	$603	$697	$778
40% of median	$626	$670	$805	$930	$1,038
50% of median	$782	$838	$1,006	$1,162	$1,297
60% of median	$939	$1,006	$1,207	$1,395	$1,557
80% of median	$1,252	$1,342	$1,610	$1,860	$2,076

HOME PROGRAM INCOME LIMITS (2022)

	1 phh	**2 phh**	**3 phh**	**4 phh**	**5phh**	**6phh**	**7phh**	**8phh**
30% of median	$18,800	$21,450	$24,150	$26,800	$28,950	$31,100	$33,250	$35,400
50% of median	$31,300	$35,800	$40,250	$44,700	$48,300	$51,900	$55,450	$59,050
60% of median	$37,560	$42,960	$48,300	$53,640	$57,960	$62,280	$66,540	$70,860
80% of median	$50,050	$57,200	$64,350	$71,500	$77,250	$82,950	$88,700	$99,400

	Maximum Gross Rents by Bedroom Size						
	0 BR	**1BR**	**2BR**	**3BR**	**4BR**	**5BR**	**6BR**
Low Home Rent Limit	$541	$619	$814	$1,158	$1,358	**$1,562**	**$1,765**
High Home Rent Limit	$541	$619	$814	$1,158	$1,358	**$1,562**	**$1,765**
2022 FMR	$541	$619	$814	$1,158	$1,358	**$1,562**	**$1,765**
50% Rent Limit	$782	$838	$1,006	$1,162	$1,297	$1,431	$1,564
65% Rent Limit	$998	$1,070	$1,286	$1,477	$1,628	$1,777	$1,928

FAIR MARKET RENTS (2022

	0BR	**1BR**	**2BR**	**3BR**	**4BR**	**5BR**
By Bedroom Size	**$541**	**$619**	**$814**	**$1,158**	**$1,358**	**$1,560**

Sources: Iowa Finance Authority; HUD

Deep-Subsidy Housing/Project-Based Assistance

The US Housing and Redevelopment Authority (HUD) administers and supports the Section 8 housing program. This program was originally developed by HUD and substantial numbers of buildings were constructed in the 1960s and 1970s. HUD eventually transitioned the project-based Section 8 program to a portable voucher system where the housing subsidy stays with the household and not with the unit.

Maxfield Research identified three properties, all in Cedar Rapids, that provide deep-subsidy rental units to the market through the HUD Section 8 program (project-based assistance units). Marion has no deep-subsidy family properties. These developments are shown on Table 26. There are 318 units among three properties with one, two-bedroom unit available; each of these properties has a waiting list. Typically, vacant units in these types of properties reflect usual turnover of units and the additional time required to qualify and move a new tenant into the unit. Residents pay 30% of their adjusted gross income for rent based on household size and incomes are restricted to a maximum of 50% of the Area Median Income adjusted for family size. The unit mix at among the three properties is skewed toward smaller size units. Usually, there is a greater need for larger size unit types such as three-bedroom and four-bedroom units, but the survey identified very few of these under this program.

TABLE 26
DEEP-SUBSIDY GENERAL OCCUPANCY RENTAL HOUSING
CEDAR RAPIDS AREA
July 2022

		Units			
Project Name/Location	**Year Built**	**No.**	**Mix**	**Vacant**	**Monthly Rent**
			Family		
Glenbrook Apartments	1981	100	4 - 1BR	0	30% of AGI
4815 1st Avenue SW			56 - 2BR	0	30% of AGI
Cedar Rapids			20 - 3BR	0	30% of AGI
			20 - 4BR	0	30% of AGI
Hawthorne Hills	1969	202	120 - EFF	0	30% of AGI
2247 C Street SW	2011R		32 - 1BR	0	30% of AGI
Cedar Rapids			32 - 2BR	0	30% of AGI
			18 - 3BR	0	30% of AGI
Oak Park Village	1982	16	12 - 2BR	0	30% of AGI
1350 15th Street SE			4 - 3BR	0	30% of AGI
Cedar Rapids					
Total		**318**		**0**	
			Vacancy Rate	**0.00%**	

Note: Substantial waiting lists exist at nearly all properties.

Sources: City of Cedar Rapids; HUD; Maxfield Research and Consulting, LLC

Deep-Subsidy Housing Assistance Program (Choice Vouchers)

The Cedar Rapids Housing Department administers a “tenant-based” subsidy called the *Housing Choice Voucher Program* that assists low-income households in finding affordable housing in the private market. The Voucher Program serves all of Linn and Benton Counties. The tenant-based subsidy is funded by the Department of Housing and Urban Development’s (HUD). Under the Housing Choice Voucher program (formerly Section 8 Certificates and Vouchers) qualified households are issued a voucher that the household can take to an apartment in the private market. The amount of the rental assistance that is provided to the household is based on the household’s adjusted gross income and the maximum fair market rent level that has been identified by HUD. The household’s contribution to the monthly rental amount is 30% of their adjusted gross income for rent and utilities. Applicants in Cedar Rapids may be eligible for the program if their income is below the current limits shown on Table 25, which are set by HUD annually

As of 2022, the Cedar Rapids Housing Department serves a total of 956 families in the Housing Choice Voucher Program in Marion, Cedar Rapids, Hiawatha and the remainder of Linn and Benton Counties. Although there is a maximum available limit of 1,265 total vouchers, funding to the program has been reduced, thereby limiting the number of families that can be served (estimated at 956, down from 1,150 in 2017). The program keeps a waiting list, which was closed in November 2016. The current wait list was 851 households and recently, 100 vouchers were issued to families on the wait list. Success rate for vouchers has been 50% of those issued. It is increasingly challenging for households with vouchers to be able to secure housing in the required timeframe and to find landlords that will accept them. Currently, households are averaging 41% of income toward housing costs which also extend to the new vouchers, so the annual budget is reached quickly. Of the vouchers, 37 are port-in VASH vouchers (Veterans Affairs Supportive Housing and funded by the Iowa City Housing Authority) and 25 are port-out vouchers which are being used in other jurisdictions.

Of the households on the HCV wait list:

46% are families with children
8% are elderly (62 or older)
30% are families with disabilities

The Housing Authority requested a waiver to 120% of AMI from HUD to increase the funding capacity to assist households with vouchers to be able to find units they can afford in the region.

Manufactured Home Neighborhoods

Maxfield Research identified three manufactured home neighborhoods in Marion with a total of 1,306 lots. Combined the communities have 14 homes for sale ranging in price from $25,900 - $113,700 for a new home. Lot rent ranges from a low of $385 per month to a high of $550 per month. The oldest property is Marion Village, developed in 1968. The newest is Eagle Village (1994), which recently was purchased by new ownership.

Manufactured Home Neighborhoods usually offer affordable home ownership options. Most resale and new homes are priced below $125,000. Rental options are usually also available for people that prefer not to purchase the home. Squaw Creek Village in Marion offers owned and rented options with current rentals ranging from $975 to $1,295 per month. Cedar Terrace in Cedar Rapids offers owned and rental options for the mobile home with many rentals at between $1,100 and $1,300 per month depending on the home.

MANUFACTURED HOME COMMUNITIES
MARION
July 2022

Community	Year Opened	No. of Lots	No. of Homes For-Sale	Home Price Range	No. of Vacant Lots	Lot Rental Range	Amenities
Eagle Ridge 1285 Red Fox Way Marion	1994	335	6	$32,900- $113,700 (new)	4	$405- $550	Play Area Clubhouse BB Court
Marion Village 700 35th Street Marion	1968	488	4	$25,900- $56,900	173	$385- $425	Play Area Clubhouse BB Courts
Squaw Creek Village 6201 Hennessey Pkwy Marion	1988	483	4	$55,900- $82,900	50	$425- $475	Play Area BB Court Clubhouse
Totals		**1,306**	**14**		**227**		

Note: Squaw Creek Village also has homes available for rent ranging from $975 to $1,295 per month.

Sources: Bayshore Communities; Harmony Communities; Yes Communities; Maxfield Research and Consulting LLC

Pending Rental Developments

Maxfield Research obtained information on pending and planned general occupancy rental developments in Marion. As of July 2022, there are three multifamily developments either under construction or in the planning stages in Marion. Two are in the Uptown District and the other one is outside of the Uptown District.

Marion

Boulevard Apartments (94 rental units) is under construction at 640 Marion Boulevard at the gateway to the City. The property will feature studio, one- and two-bedroom units and two- and three-bedroom townhomes. Occupancy is planned for Spring 2023. The property is being developed by Talon LLC. The property was awarded $1 million as part of the Workforce Housing Tax Credit Program. Unit sizes range from 730 square feet for a studio unit to 1,285 square feet for a two-bedroom apartment. Townhome sizes range from 1,440 square feet to 1,635 square feet for two- and three-bedroom units. Rent levels for the apartment units are planned to range from $715 to $1,000 per month with no income restrictions. Rents are planned to be affordable to households with incomes between 50% and 60% of Area Median Income.

Broad and Main is a mixed-use development in the heart of Uptown Marion. It is under construction and scheduled to open in September 2022. Developed by Eagle View Partners, the buildings will feature a mix of multifamily units and commercial space in a pedestrian-oriented environment. The first phase, Broad and Main on 7th, is scheduled to open Fall 2022 and will feature a mix of 39, studio, one- and two-bedroom units and first floor commercial space. Rent levels range from $950 per month for a studio unit to $1,600 per month for a two-bedroom unit. The second phase, Broad and Main on 6th, will be entirely residential with a mix of 42, larger one- and two-bedroom units. The development will have off-street surface parking and an enclosed parking garage for Broad and Main on 6th. All units will be market rate.

Green Park Apartment Living is being developed by Green Park Apartment Living LLC at 3100 10th Avenue and the first building began construction in May 2022. The property will feature an estimated 150 rental units with the first building of 70 units scheduled to open in 2023. The other two buildings are planned to have about 40 units each. The development has applied to receive workforce housing tax credits. The development is situated in a walkable neighborhood near to recreation, schools, shopping and other amenities. The development has already been awarded a $600,000 Brownfield Tax Credit.

Cedar Rapids – Downtown Core

General Occupancy Rental Properties

<u>Market Rate</u>

<u>Under Construction</u>

Dow Building – 43 market rate rental units on floors two through four with commercial space on the first floor is under construction/renovation and scheduled to open in 2022.

<u>Planned/Proposed</u>

<u>Market Rate</u>

900 3rd Street SE is proposed to have 187 market rate apartments with 1st floor commercial and enclosed parking. GLD Commercial is proposing this development. This is still in the planning stages.

<u>Mixed-Income</u>

Art-Tech Village would be situated at 455 South 16th Avenue SE and feature affordable and market rate units. The revised concept is to include 80, one-bedroom and 20, two-bedroom market rate units. Another 10, one-bedroom units will be affordable and targeted to "entrepreneurs." Art Tech Village is now being developed by the Watts Group of Coralville. Construction is scheduled to begin spring or summer 2022 with occupancy in 2024.

Cedar Rapids - Outside of Downtown

<u>Under Construction</u>

Annex Group is currently constructing the $29.4 million development ***Union at Wiley*** of 180 affordable housing units in southwest Cedar Rapids at Wiley Boulevard SW. The community features one-, two- and three-bedroom units affordable to residents with incomes up to 60% of Area Median Income. Community amenities will include playground, clubhouse with gaming area, fitness center and community spaces. The development will be funded using low-income housing tax credits. The development is scheduled to open the first units Fall 2022 and is currently pre-leasing.

<u>Planned</u>

Annex on the Square (Banjo Block), 224 units, is planned across 5th Street from the Public Library. Work is planned to be completed by January 2024. Of the total units, 202 will be reserved for households with incomes up to 60% of AMI and the remaining units will be market rate. Floor plans will include studio, one- and two-bedroom units with an outdoor pool, fitness center, gated garage and rooftop deck overlooking Green Square. The development will also include 1,200 square feet of retail space.

Senior Housing Defined

The term "senior housing" refers to any housing development that is restricted to people aged 55 or older. Today, senior housing includes an entire spectrum of housing alternatives, which occasionally overlap, thus making the differences somewhat ambiguous. However, the level of support services offered best distinguishes them. Maxfield Research classifies senior housing projects into five categories based on the level of support services offered:

Active Adult/Few Services; where few, if any, support services are provided. This product type can be ownership or rental and may include developments such as cooperatives, condominiums, townhomes and traditional apartment buildings. Rent levels are usually lower than for developments that offer more services, although new products in this category often feature a larger amenity package.

Active Adult/Few Services (Affordable or Subsidized); This product is almost always a rental format and has maximum income limits to reside at the property. Rent levels are below market and residents are expected to be able to live independently. If services are needed, the resident usually contracts out for a home health care provider to come in.

Independent Living/Optional-Services; where support services such as meals and light housekeeping are available for an additional fee; this product has increased in popularity and is usually combined with higher service levels such as assisted living and memory care in one building. Rent levels for independent living are higher than for active adult. This product type may also incorporate formats such as Continuing Care Retirement Community (CCRC) and Life Care communities. Entry-fees are also usually required in addition to a monthly fee for housing and services.

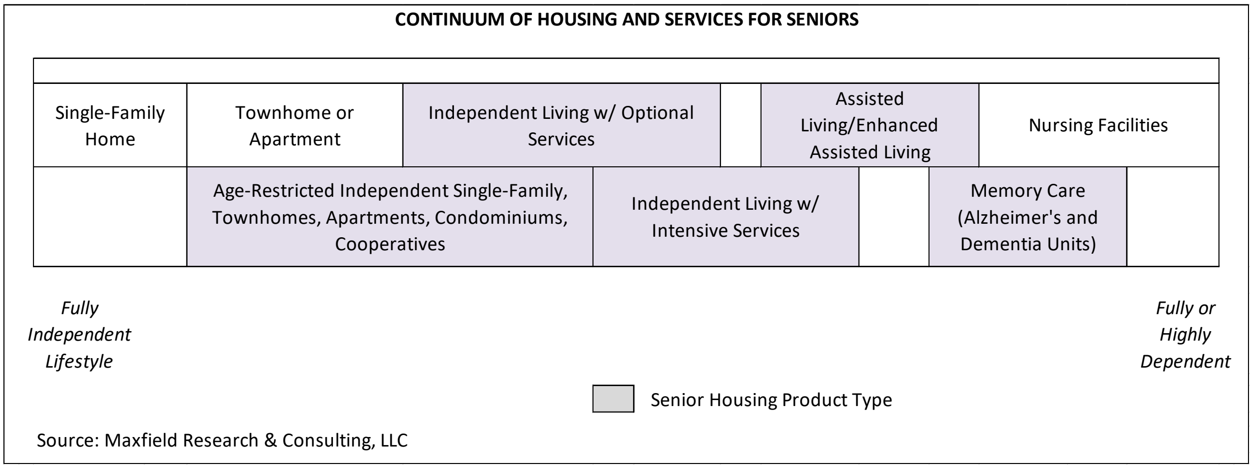
Independent Living/Service-Intensive; where support services such as meals, housekeeping and linens are usually included in the monthly rents.

Assisted Living; where two or three daily meals as well as basic support services such as transportation, housekeeping and/or linen changes are included in the fees. Personal care services such as assistance with bathing, grooming and dressing is included in the fees or is available either for an additional fee or included in the rents.

Memory Care; where more rigorous and service-intensive personal care is required for people with dementia and Alzheimer's disease. Typically, support services and meal plans are like those found at assisted living facilities, but the heightened levels of personalized care demand more staffing and higher rental fees.

These senior housing products tend to share several characteristics. First, they usually offer individual living apartments with living areas, bathrooms, and kitchens or kitchenettes. Second, they generally have an emergency response system with pull-cords or pendants to promote security. Third, they often have a community room and other common space to encourage socialization. Finally, they are age-restricted and offer conveniences desired by seniors, although assisted living projects sometimes serve non-elderly people with special health considerations.

These senior housing products offered today form a continuum of care (see Figure 1 on the following page), from a low level to an intensive one; often the service offerings at one type overlap with those at another. In general, however, adult/few services projects tend to attract younger, more independent seniors, while assisted living and memory care projects tend to attract older, frailer seniors.



CONTINUUM OF HOUSING AND SERVICES FOR SENIORS

Source: Maxfield Research & Consulting, LLC

Senior Housing in Marion and Surrounding Area

As of July 2022, Maxfield Research identified 43 senior housing developments encompassing a variety of service and income levels in the Marion/Cedar Rapids area including market rate, affordable and deep subsidy (independent living, assisted living and memory care). Combined, these age-restricted properties contain 3,838 units. We identified a total of 11 age-restricted housing properties in Marion, four properties with 469 market rate units that provide services and seven affordable (shallow-subsidy and deep-subsidy) with 342 units.

All properties are restricted to households age 55+ or 62+. Shallow-subsidy properties are most often funded under the Low-Income Housing Tax Credit (LIHTC) program and residents pay a quoted rent and must earn no more than a maximum income qualified by household size. Maximum income restrictions are usually between 40% and 60% of Area Median Household Income. Deep-subsidy properties are most often restricted to households age 62 years or older who meet a maximum income threshold of 50% of Area Median Income and residents pay 30% of their adjusted gross income for rent. These properties are typically funded under the Department of Housing and Urban Development (HUD)’s Section 8 or Section 202 programs. Properties not income-restricted are market rate. Most market rate properties offer services to residents on-site including meals, housekeeping and personal care services.

Marion Senior Properties

Market Rate

Market rate senior properties with services in Marion include:

Terrace Glen Villages (124 units) (Independent and Assisted Living)/Skilled nursing
Villages at Marion (142 units) (Independent Living and Assisted Living)
Views of Marion (64 units) (Assisted Living and Memory Care)
Summit Pointe Sr. Living (101 units) (Independent and Assisted Living and Memory Care)
Bickford at Marion (38 units) (Assisted living)

Affordable (Shallow-Subsidy)

Affordable senior properties in Marion include:

Arbor at Lindale Trail (70 units) active adult/no services (mixed income) (30% to 60% of AMI and market rate)
Blairs Ferry Senior Housing (60 units) active adult/no services (affordable) (30% to 60% of AMI)

Affordable (Deep-Subsidy)

Oak Village Sr. Residence (46 units) active adult/no services, 50% or less of AMI
Moundview Manor (40 units) active adult/no services, 50% or less of AMI
Trinity Pointe (40 units) active adult/no services, 50% or less of AMI
Hilltop Manor (54 units) active adult/no services, 50% or less of AMI
Scott Meadows (32 units) active adult/no services, 50% or less of AMI

Market Rate Senior Properties (Tri-City Region)

Two campuses, Cottage Grove Place and Methwick Community, have segments of their campuses where residents pay an entry fee which guarantees them care throughout their residency at the facility. These facilities are known as Continuing Care Retirement Communities (CCRC) or Life Care. Cottage Grove Place and Methwick Community offer independent living, assisted living, memory care and skilled nursing care. Residents move into the community when they are independent and if additional care is needed, either temporarily or permanently, the resident may avail themselves of that care without leaving the campus. Cottage Grove Place and Methwick added housing units to their campuses in 2018.

The Views of Marion (104 units) (Marion), Stoney Pointe Meadows (84 units) and Grand Living at Indian Creek (164 units) (both in Cedar Rapids) opened in 2019. Boyson Senior Living (81 units) (in Cedar Rapids) opened in 2021 and is in its initial lease-up period. These properties offer independent living with optional services, assisted living, memory care and skilled nursing.

At one time, Village Cooperative was the only ownership senior product in the Cedar Rapids Area. In 2020, Prairie Gardens Cooperative (50 units) opened on the southwest side of Cedar Rapids. The property features primarily two-bedroom units, but has a mix of one-bedroom, one-bedroom plus den, two-bedroom and two-bedroom plus den units. Share prices range from $76,824 for a one-bedroom unit to $183,165 for a larger two-bedroom unit. Monthly fees range from $900 to $2,208 depending on the unit type. All units at Prairie Gardens Southwest had been sold. As of June 2022, two units were available for sale. Other developers have been looking at the Tri-City area for additional senior cooperative housing. The conversion of the Buchanan School in Cedar Rapids to housing was being considered for a market rate senior cooperative property, but those plans have been abandoned.

Table 27 provides summary information on market rate senior properties in the Tri-City area (Marion, Cedar Rapids, Hiawatha) by service level. Information in the table includes median year built, total number of units by service level, average unit size, rent range by service level, number of vacant units and general comments about current market conditions among age-restricted market rate properties.

The following are key points from the senior housing survey.

Market Rate Senior Housing Properties

There are a variety of market rate housing options for seniors in Marion and Cedar Rapids including active adult living (ownership and rental formats), independent living with optional or included services, assisted living (personal care), memory care (Alzheimer’s/dementias) and skilled nursing. Fewer of these types of properties are found in Hiawatha.

New properties that have come into the market are providing primarily service-enriched housing and skilled nursing care. The Gardens (Cedar Rapids), Stoney Pointe (Cedar Rapids), The Views (Marion) are providing assisted living, memory care and skilled nursing. Grand Living at Indian Creek (Cedar Rapids), Boyson Senior Living (Cedar Rapids) and Terrace Glen Village (Marion) provide independent living, assisted living and memory care. Three new active adult properties (55+), targeted to moderate-income senior households and developed through the Low-Income Housing Tax Credit Program opened in 2017. These properties, Commonwealth (Cedar Rapids), Arbors at Lindale Trail (Marion) and Blairs Ferry Senior Housing (Marion) are fully occupied. Villas at Stoney Pointe (99 units) is an active adult property that opened in 2021 and offers active adult living with one-bedroom, one-bedroom plus den and two-bedroom units. The property is in initial lease-up and is offering a concession on select two-bedroom units for the period of the lease.

The survey includes larger facilities with 14 units or more.

The largest number of independent living units is within the two Continuing Care Retirement Communities in Cedar Rapids, Cottage Grove Place and Methwick Community. In 2018, Cottage Grove Place and Methwick both added housing units to their campuses. Including the additional units added, these two campuses account for an estimated 36% of all the age-restricted market rate senior housing units in the tri-city area, down modestly from before as other properties have entered the market in Marion and in Cedar Rapids.

The average size of units varies by service level. Unit sizes typically decrease the higher the level of care being received by the resident.

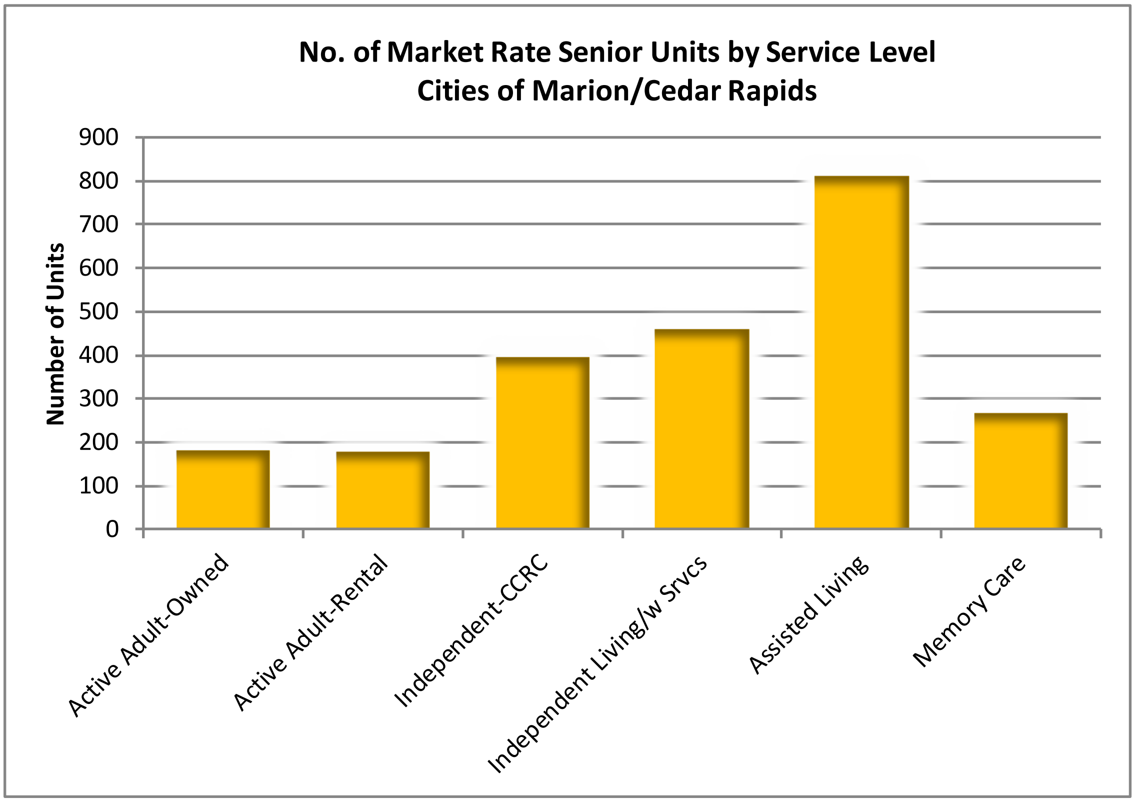
The survey includes 2,294 market rate age-restricted senior units among varying service levels. Average size of all units was 875 square feet with an average monthly fee of $3,779, which equates to an average per square foot rent of $4.32. Additional independent living units have entered the market recently at Boyson, increasing the average unit size, but also increasing the average price. The higher per square foot rents for senior properties is due to the high level of care that is provided at most of these facilities including two to three meals per day, transportation, housekeeping, and general wellness oversight. For higher levels of care such as assisted living and memory care, additional services include bathing, dressing, grooming, personal laundry and linens, medication administration and oversight, escorts to meals, specialized activities, cognitive programming and other personal cares.

TABLE 27
SUMMARY OF MARKET RATE SENIOR UNITS IN SURVEY
CITIES OF MARION/CEDAR RAPIDS
July 2022

Service Level	# of Units	Avg. Size	Average Rent/Fee Range	Avg. Rent/Sq. Ft.
Active Adult-Owned	183	1,226	$891 - $2,112	$0.73 - $1.72
Active Adult-Rental	177	872	$930 - $4,395	$1.07 - $5.04
Independent-CCRC**	396	1,098	$695 - $6,950	$0.63 - $6.33
Independent Living	460	979	$1,420 - $5,635	$1.45 - $5.76
Assisted Living*	812	656	$3,370 - $6,245	$5.14 - $9.52
Memory Care*	266	418	$5,010 - $7,699	$11.99 - $18.42
Total	**2,294**	**875**	**$3,779**	**$4.32**

Note: Owned housing includes cooperative units where owner must first purchase a share.
Pricing is base pricing; additional care costs are not included in these ranges.
** Life care also requires an initial entry fee plan.
* Includes CCRC units

Source: Maxfield Research and Consulting, LLC



The survey of market rate age-restricted properties identified an increase in assisted living vacancies among older properties, although new properties are absorbing well in the market. Vacancies among the remaining service levels (independent living and memory care) were low, Two-bedroom independent living units often have waiting lists. If units were available, they were most often small unit sizes (e.g., studio or small one-bedroom units). The ownership properties (two) have experienced strong demand and interest and more are coming on-line. The survey identified an overall vacancy rate among all market rate, age-restricted units of 101 units (excluding properties in initial lease-up, for an overall vacancy rate of 5.1%, which is considered moderate at this time, due to the impacts of COVID-19, particularly on service-enriched properties. The CCRC properties are adding to their campuses and there have been additional assisted living and memory care units recently brought to the market. Prairie Gardens Cooperative opened in 2020; all units are sold and there is a wait list.

Shallow-Subsidy Senior Properties

Table 28 shows two shallow-subsidy (affordable) active adult senior properties in Marion and four in Cedar Rapids. Irving Pointe assisted living was developed under the Low-Income Housing Tax Credit program and is included in the survey of enhanced service facilities.

Shallow subsidy properties are newer, with all but one of the properties having been constructed between 2011 and 2017. According to the survey, there were no units available among these properties and several have wait lists, especially for two-bedroom units. Arbor at Lindale

Trail and Blairs Ferry Senior Housing opened summer 2017. According to the survey, all these properties are fully leased, all with wait lists.

TABLE 28
SHALLOW-SUBSIDY SENIOR PROPERTIES
MARION/CEDAR RAPIDS
August 2022

		Units				
Project Name/Location	**Year Built**	**No.**	**Mix**	**Vacant**	**Inc. Max.**	**Monthly Rent**
Arbor at Lindale Trail (55+)	2017	70	30 - 1BR	0	30% to 60%	$458-$705
1362 Blairs Ferry Road			40 - 2BR	0	10 MR units	$458-$838
Marion						
Blairs Ferry Sr. Hsg. (55+)	2017	60	20 - 1BR	0	30% to	$417-$702
830 Blairs Ferry Road			40 - 2BR	0	60% AMI	$494-$820
Marion						
Cedar Crest (55+)	2011	36	23 - 1BR	0	50% AMI	$525-$865
1100 O Ave. NW			13 - 2BR		9 MR units	$665-$995
Cedar Rapids						
Commonwealth (55+)	2016	84	15 - Studio	0	50% AMI	$455-$520
1400 2nd Avenue SE			58 - 1BR			$555-$655
Cedar Rapids			11 - 2BR			$660-$725
Legacy Manor (55+)	2013	60	30 - 1BR	0	60% AMI	$605
1350 A'Hearn Dr.			30 - 2BR			$800
Cedar Rapids						
Center Point (55+)	2016	60	7 - 1BR	0	60% AMI	$728
1415 Center Point Rd.			23 - 2BR			$895-$1,070
Cedar Rapids						
Total		**370**		**0**		
			Vacancy Rate	**0.00%**		

Residents' incomes cannot exceed the maximum and typically must also meet a minimum income unless using a voucher.

Sources: Maxfield Research and Consulting, LLC

Deep-Subsidy Senior Properties

Table 29 presents summary information for deep-subsidy senior housing properties, five in Marion and seven in Cedar Rapids. Scott Meadows, which was recently upgraded, opened in 2004. This type of age-restricted housing (usually 62+) offers rents affordable to qualified senior households. Some properties also admit individuals younger than age 62 that may have physical or cognitive limitations. Households may qualify with an adjusted gross income of 50% or less of AMI adjusted for household size and medical expenses. The rent paid by the resident is based on 30% of their income. For households meeting the age and income qualifications, deep-subsidy senior housing is usually the most affordable rental option available.

TABLE 28
DEEP-SUBSIDY SENIOR RENTAL HOUSING
CEDAR RAPIDS AREA
August 2022

		Units			
Project Name/Location	**Year Built**	**No.**	**Mix**	**Vacant**	**Monthly Rent**
Oak Village	1979	46	46 - 1BR	0	30% of AGI
101 S. 11th Street					
Marion					
Hilltop Manor	2000	54	54 - 1BR	0	30% of AGI
439 Lindale Dr					
Marion					
Scott Meadows	2004	31	20 - 1BR	0	30% of AGI
5960 E. Kacena Ave.			11 - 2BR		30% of AGI
Marion					
Mound View Manor	1999	40	40 - 1BR	0	30% of AGI
2501 Hwy 13					
Marion					
Trinity Pointe	2008	40	40 - 1BR	0	30% of AGI
2175 Bison Court					
Marion					
Linwood	1979	100	100 - 1BR	0	30% of AGI
4845 Johnson Ave. NW					
Cedar Rapids					
Cedar Village	1977	48	48 - 1BR	0	30% of AGI
193 Jacolyn Dr. NW					
Cedar Rapids					
Five Seasons	1994	54	54 - 1BR	0	30% of AGI
1225 42nd Street SE					
Cedar Rapids					
Geneva Tower	1969	183	123 - EFF	0	30% of AGI
310 5th Street SE			60 - 1BR	0	30% of AGI
Cedar Rapids					
Oak Hill Manor	1974	91	91 - 1BR	0	30% of AGI
1301 15th Street SE					
Cedar Rapids					
Westover Manor	1989	39	9 - EFF	0	30% of AGI
204 40th Street DR. SE			30 - 1BR	0	30% of AGI
Cedar Rapids					
The Meadows	1980	66	66 - 1BR	0	30% of AGI
1030 Memorial Drive SE					
Cedar Rapids					
Total		**792**		**0**	
			Vacancy Rate	**0.00%**	

Sources: City of Cedar Rapids; HUD; Linn County Assessor; Maxfield Research and Consulting, LLC

- As of July 2022, Marion has five properties with a total of 211 units designated for seniors with very low incomes (55+ and 62+). Cedar Rapids had another 581 units in seven deep-subsidy properties. The total of 792 units has an overall vacancy rate of 0.0%, indicating significant pent-up demand for these types of units. Previous programs that had been available to fund deep-subsidy age-restricted developments (e.g., Section 8 and Section 202) have essentially been eliminated. Some funding remains available for special needs housing through the 811 programs, but other types of funding are also being utilized including Low Income Housing Tax Credits, Tax Increment Financing, bond funding, CDBG funds, etc. This limits however, the number of units that can be set aside for very low-income households.

- Nearly all the units in these properties are one-bedroom units, although a portion are efficiency. Unit sizes at deep-subsidy senior properties tend to be smaller than many of the market rate senior rental properties. One-bedroom unit sizes usually range from 500 to 600 square feet.

Pending Senior Housing Developments

Marion

Tulip Tree Apartments is planned for development with 40, mixed income rental units for persons aged 55 years or older. All units will have two bedrooms and 36 of the units will have income restrictions while the remaining four units are market rate. The property is anticipated to open in 2023.

Cedar Rapids

Under Construction

Hall Mar Village, a collaboration between Mercy Hospital and Presbyterian Homes and Services, broke ground in June. Completion is slated for March 2023 and will feature 237 units of independent living, assisted living and memory care along with an innovation center to provide advanced medically integrated care for dementia and memory loss.

Proposed

Red Cedar Square (55+) at 3400 Edgewood Road NE is being proposed by High Development. The building would have 94 units of active adult housing (55+) with no services. The apartments would be a mix of one-bedroom plus den and two-bedroom units and would be market rate.

Buchanan School Cooperative incorporates the conversion of the former school into 11 units along with 18 units of new construction for an age-restricted (62+) active adult market rate being developed by Forest and Fish, LLC. The property is at 2000 Mount Vernon Road SE.

Three Pines Senior Housing would provide 42 units of assisted living and 10 memory care on property at 3004 Center Pointe Rd NE with below grade parking. The developer is M&W Properties.

All units at these properties are accounted for in the demand calculations.

Introduction

Maxfield Research analyzed the for-sale housing market in Marion and in the adjacent communities of Cedar Rapids and Hiawatha through an analysis of home sales and active listings, identifying active subdivisions and pending developments.

Overview of For-Sale Housing Market Conditions

Table 30 presents date on home resales in Marion city, Cedar Rapids city and in the Cedar Rapids Metro Area (Cedar Rapids, Marion, Hiawatha) for calendar years (2018 through July 2022 (Marion) and from 2013 through 2021 (Cedar Rapids and Metro). Data was obtained from the Cedar Rapids Area Association of Realtors. Data shows market activity, average and median sales prices and the number of days on market. The data represents all residential sales.

- The table shows that the average sale price in the Cedar Rapids Metro Area as of year-end 2021 was $215,787 in the Metro Area, $259,211 in Marion and $196,733 in Cedar Rapids city. These prices represent increases of 6.5% for the Metro, 4.7% for Cedar Rapids and 8.9% for Marion. The median sales price rose by 5.7% in the Metro Area, 5.1% in Cedar Rapids and 6.4% in Marion. A total of 3,626 homes were sold in the CR Metro Area, a 24.6% increase and surpassing the past eight years. Homes sold in Marion decreased from 846 in 2018 to 772 in 2019 but rose in 2020 to 827 and again in 2021 to 869. As of the end of July 2022, 507 homes had been sold in Marion. This figure is on track to be consistent with market activity in 2021. Cedar Rapids also rose with 2,645 sales in 2021. Average Days on Market decreased again in the Metro Area and in Marion and Cedar Rapids, signaling a continued tight for-sale market.

- According to Cedar Rapids Association of Realtors, home inventory continues to remain low, a situation that is present in many metropolitan areas across the country. This is creating reduced time on market and an increase in sales prices. There is a very strong market for starter homes, but the traditional move-up market is slower than in the past. Homebuyers that would have traditional purchased “up” to a new home are staying put in greater numbers. This is causing significant pressure on the starter home market with less movement in the move-up market. There has been an increase in single-family condominium construction where buyers can purchase a new home with an unfinished basement at a more moderate cost to get into new construction.

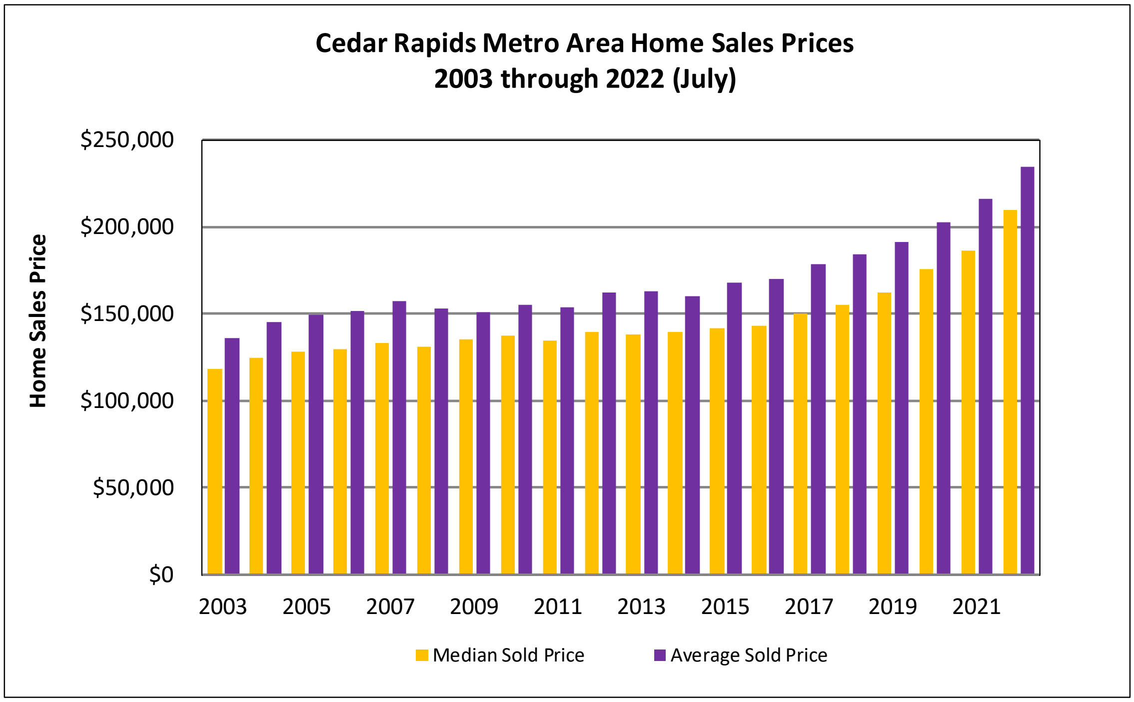
TABLE 30
HOME RESALES
MARION, CEDAR RAPIDS AND SURROUNDING AREA
2013 through 2022 (August)

					Pct. Increase	
	No. Sold	Avg. Sold Price	Median Sold Price	Avg. DOM	Avg	Median
Marion city - 2018	846	$210,324	$190,000	40	---	---
Marion city - 2019	772	$218,824	$194,250	44	4.0%	2.2%
Marion city - 2020	827	$237,961	$224,000	39	8.7%	15.3%
Marion city - 2021	869	$259,211	$238,355	22	8.9%	6.4%
Marion city - 2022 YTD (August)	507	$282,140	$255,000	24	8.8%	7.0%
Cedar Rapids city - 2013	2,082	$151,201	$128,500	82	---	---
Cedar Rapids city - 2014	2,098	$147,446	$128,700	81	-2.5%	0.2%
Cedar Rapids city - 2015	2,248	$156,592	$134,000	73	6.2%	4.1%
Cedar Rapids city - 2016	1,843	$158,074	$134,550	67	0.9%	0.4%
Cedar Rapids city - 2017	1,878	$164,820	$140,900	56	4.3%	4.7%
Cedar Rapids city - 2018	1,814	$169,288	$145,900	45	2.7%	3.5%
Cedar Rapids city - 2019	2,320	$178,917	$152,000	41	5.7%	4.2%
Cedar Rapids city - 2020	2,513	$187,869	$157,000	40	5.0%	3.3%
Cedar Rapids city - 2021	2,645	$196,733	$165,000	22	4.7%	5.1%
Cedar Rapids Metro - 2013	2,909	$162,601	$138,000	83	---	---
Cedar Rapids Metro - 2014	2,902	$160,214	$139,311	77	-1.5%	1.0%
Cedar Rapids Metro - 2015	3,165	$167,844	$142,000	72	4.8%	1.9%
Cedar Rapids Metro - 2016	3,316	$171,021	$143,000	66	1.9%	0.7%
Cedar Rapids Metro - 2017	3,333	$178,671	$149,900	54	4.5%	4.8%
Cedar Rapids Metro - 2018	3,128	$184,009	$155,250	43	3.0%	3.6%
Cedar Rapids Metro - 2019	3,213	$191,519	$162,500	42	4.1%	4.7%
Cedar Rapids Metro - 2020	3,460	$202,680	$176,000	39	5.8%	8.3%
Cedar Rapids Metro - 2021	3,626	$215,787	$186,089	21	6.5%	5.7%

Sources: CR Area Realtor's Association; Maxfield Research and Consulting LLC

Home Values

- According to assessors in the tri-city area, a mix of low interest rates, the impact of the derecho and generally a seller's market have combined to create substantial demand for homes. As a result, the average home value in Marion increased by more than 8% in 2020 and 2021 and from January 2022 through August 2022. The median home value increased by 15.3% in 2020, by 6.4% in 2021 and by 7.0% from January 2022 through August 2022. Sale price increases in Linn County are also increasing substantially and are expected to increase by 20% in 2022, which was confirmed by the Linn County Assessor's office. The higher proportional increase blends urban, suburban and rural home values.



Current Supply of Homes on the Market

Maxfield Research reviewed the current market for available owner-occupied homes in Marion, Cedar Rapids and Hiawatha on the market (listed for sale). Table 31 shows the number of homes and price ranges currently listed for sale in Marion, Cedar Rapids and Hiawatha. The data was gathered from the Multiple Listing Service from Iowa Realty Cedar Rapids and is based on listings active as of August 2022. MLS listings generally account for most of the residential sale listings in a given area. Table 31 shows listings for single-family and multifamily (condominium, townhome, zero-lot line and detached townhome or condominium). Data is presented by quadrant and shows the high price, low price and median price of active listings as of August 2022.

TABLE 31
ACTIVE LISTINGS BY SUBMARKET
August 2022

Property Type	Listings	Pct.	Price Range
Single-Family			
Marion	253	29.7%	$25,000 - $2,500,000
Cedar Rapids	581	68.2%	$29,900 - $1,875,000
Hiawatha	18	2.1%	$329,900 - $646,218
Total/Average	**852**	**100.0%**	**$130,258 - $1,302,857**
Multifamily			
Marion	47	22.5%	$113,500 - $462,500
Cedar Rapids	162	77.5%	$89,900 - $899,900
Hiawatha	0	0.0%	$0 - $0
Total/Average	**209**	**100.0%**	**$96,450 - $759,060**
New Construction (included in above totals)			
Marion	35	24.3%	$300,000 - $790,000
Cedar Rapids	97	67.4%	$242,040 - $869,900
Hiawatha	12	8.3%	$369,990 - $624,900
Total/Average	**144**	**100.0%**	**$301,050 - $765,240**

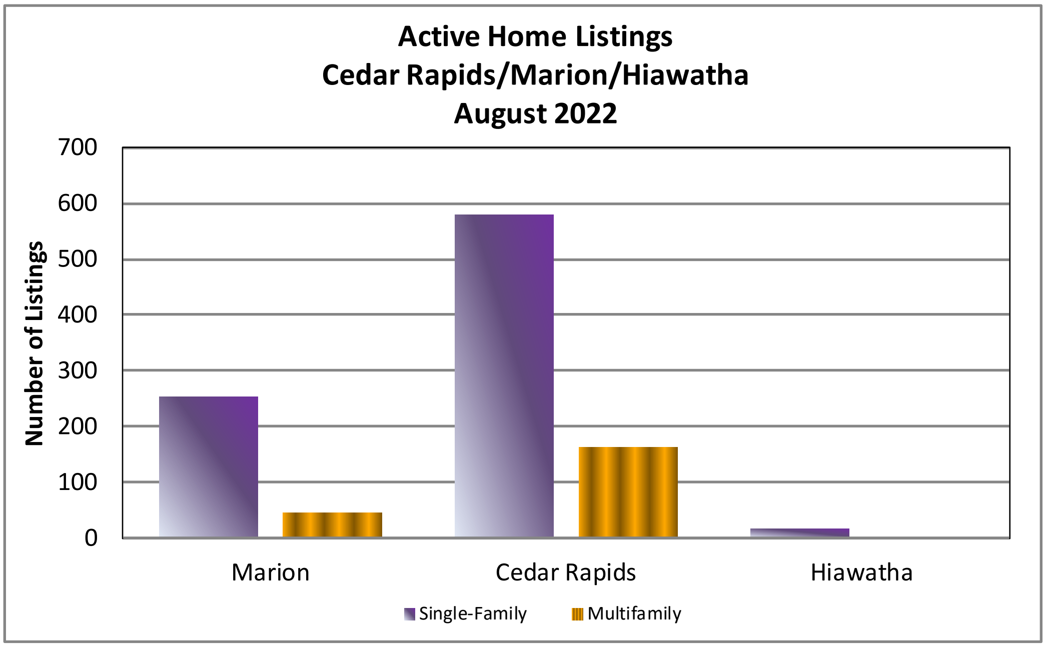
Sources: Iowa Realty-Cedar Rapids Area; Maxfield Research and Consulting LLC

- As of August 2022, there were 852 single-family homes listed for-sale in Cedar Rapids, 253 homes in Marion and 18 homes in Hiawatha listed for sale (previously owned and new construction). For owned multifamily homes, there were 209 homes listed including 47 homes in Marion, 162 homes in Cedar Rapids and none in Hiawatha. All listings have increased due to this time of year and higher mortgage interest rates.

- New construction listings accounted for 17% of current listings (63 new construction listings). This is a decrease from last year. In 2019, new construction accounted for 28% of total listings.

- Resale pricing for existing homes spans a broad range with homes available for a low of $19,900 to a high of $1.3 million in Cedar Rapids. In Marion, the range is $78,500 to $675,000. Many active listings priced less than $100,000 are in the core neighborhoods of Cedar Rapids. Although home sales in Cedar Rapids were robust in 2021, the inventory of available homes on the market has dropped significantly and is lower than 2019 as the for-sale market continues to tighten.

- New construction homes currently listed for sale span a much narrower price range. The lowest price for new construction in Cedar Rapids was $257,000 in the SE quadrant up to $894,900 in the northwest quadrant. The price range for new construction in Marion is $284,900 to $450,000. Prices have been higher in the SE and NE quadrants of Cedar Rapids in recent years due to a higher amount of new construction in those areas. Most new construction in Cedar Rapids is concentrated in the SW quadrant.



- Based on an estimated median home sales price in Marion as of July 2022 of $255,000 as of year-end 2021, the income required to afford a home at this price would be an estimated $85,000, based on a standard of 3.0 times income (and assuming these households do not have a high level of debt). A household with significantly more equity (in an existing home and/or savings) could afford a higher priced home. According to recent 2022 income data, an estimated 45% of households in Marion and 39% of households in Linn County have annual incomes at or above $85,000.

- Single-family homes accounted for 80% of all active listings. The remaining listings are owned multifamily homes (20%).

Lot Inventory

Table 32 shows active listings of residential lots in platted subdivisions in Marion, Cedar Rapids and Hiawatha.

- As of August 2022, Marion, Cedar Rapids and Hiawatha had a total of 133 available developed single-family/owned multifamily lots. This excludes raw land available for residential development.

- In Marion, 22 vacant developed lots were identified, a significant decrease from previous years.

- A general benchmark is to have at least a three- to five-year supply of platted lots available to support new construction. At this time, market interviews revealed that there is less speculative building occurring in the market and while home sales have increased modestly, there are not enough homes on the market to meet demand. This is primarily in the resale area versus new construction, but lower levels of new construction and less speculative building is also affecting the availability of owner-occupied homes. Lot prices have moderated over the past 24 months, when there were more high-priced lots and higher priced new construction homes were on the market.

TABLE 32
ACTIVE LOT/LAND LISTINGS BY CITY
August 2022

Property Type	Listings	Pct.	Price Range	Price/Acre
Single-Family/Owned Multifamily Developed Lots				
Marion	22	16.5%	$15,000 - $169,000	$30,612 - $545,161
Cedar Rapids	46	34.6%	$13,500 - $225,000	$69,876 - $153,846
Hiawatha	65	48.9%	$49,000 - $160,000	$34,752 - $128,000
Total/Average	**133**	**100.0%**	**$25,833 - $184,667**	**$45,080 - $275,669**
Large Acreage Residential Land				
Marion	8	6.0%	$215,000 - $3,753,565	$6,000 - $165,678
Cedar Rapids	2	1.5%	$250,000 - $499,990	$43,470 - $145,349
Hiawatha	1	0.8%	$2,000,000 - $2,000,000	$170,503 - $170,503
Total/Average	**11**	**8.3%**	**$821,667 - $2,084,518**	**$73,324 - $160,510**

Standard residential lots include finished developed lots; acreages are unimproved vacant land or land with some or very limited infrastructure such as sewer, utilities and paved road access to property.

Sources: Iowa Realty - Cedar Rapids; Maxfield Research and Consulting LLC

Pending For-Sale Developments

Following are pending for-sale developments that have been identified as being in process.

Marion

There are no new pending for-sale developments currently in Marion.

Cedar Rapids

The Watts Group is planning a development called **Douglas on First** with 48 for-sale condominium units at 1953 First Avenue SE. The Site is near the Brucemore Mansion. The development will feature enclosed, underground parking, a 6,000 square foot amenity area including an outdoor pool, workout facility and fire pit. Construction is scheduled to begin on the first building in spring 2022 with completion of the second building by November 2024. Unit pricing ranges from $480,000 up to $1,000,000.

Hiawatha

The **Hiawatha Midtown** redevelopment was approved by the City of Hiawatha in 2019. The development includes retail, commercial office, condominiums, townhomes, single-family bungalows, multifamily housing and senior housing to be built in phases over several years. Phase I will include 48 units of multifamily housing above retail/commercial space developed by Hodge Construction. In addition, HUB, LLC will redevelop the existing Oakbrook Manufactured Home Park over a period of five years. The first phase will be multifamily housing with retail commercial space and 60 units. The 5th phase will be additional residential and multifamily structures, which total number of housing units is as yet undetermined.

Introduction

Affordable housing is a term that has various definitions according to different people and is a product of supply and demand. According to the U.S. Department of Housing and Urban Development (HUD), the definition of affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Families who pay more than 30% of their income for housing (either rent or mortgage) are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. HUD also defines various levels of cost-burden. For example, a household that pays 35% or more of their income for housing is considered "moderately" cost-burdened while a household paying 50% or more of their income on housing is considered "severely" cost-burdened.

Generally, housing that is income-restricted to households earning at or below 80% of Area Median Income (AMI) is considered affordable. However, many individual properties have income restrictions set anywhere from 30% to 80% of AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific restricted income segment. Moderate-income housing, often referred to as "workforce housing," refers to rental and ownership housing. Therefore, the definition is broadly defined as housing that is income-restricted to households earning between 50% and 120% AMI. Figure 1 below summarizes income ranges by definition.

FIGURE 2
AREA MEDIAN INCOME (AMI) DEFINITIONS

Definition	AMI Range
Extremely Low Income	0% - 30%
Very Low Income	31% - 50%
Low Income	51% - 80%
Moderate Income | Workforce Housing	80% - 120%

Note: Linn County 4-person AMI = $89,400 (2022)

Rent and Income Limits

Table 33 shows the maximum allowable incomes by household size to qualify for affordable housing and maximum gross rents that can be charged by bedroom size in Marion (based on figures applicable for Linn County). These incomes are published and revised annually by the Department of Housing and Urban Development (HUD) and also published separately by Iowa Housing Finance Authority. IHFA uses slightly different income percentages based on the housing programs that they administer based on the date the project was placed into service. Fair market rent is the amount needed to pay the gross monthly rent for rental housing (overall market) in a given area. This table is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families at financially assisted housing.

TABLE 33
2022 INCOME LIMITS
LINN COUNTY AND CEDAR RAPIDS MSA

LOW INCOME HOUSING TAX CREDITS (2022)
(placed in service after 12/31/2008)

	Income Limits by Houshold Size							
	1 phh	**2 phh**	**3 phh**	**4 phh**	**5phh**	**6phh**	**7phh**	**8phh**
30% of median	$18,780	$21,480	$24,150	$26,820	$28,980	$31,140	$33,270	$35,430
40% of median	$25,040	$28,640	$32,200	$35,760	$38,640	$41,520	$44,360	$47,240
50% of median	$31,300	$35,800	$40,250	$44,700	$48,300	$51,900	$55,450	$59,050
60% of median	$37,560	$42,960	$48,300	$53,640	$57,960	$62,280	$66,540	$70,860
80% of median	$50,080	$57,280	$64,400	$71,520	$77,280	$83,040	$88,720	$94,480

	Maximum Gross Rents by Bedroom Size				
	0 BR	**1BR**	**2BR**	**3BR**	**4BR**
30% of median	$469	$503	$603	$697	$778
40% of median	$626	$670	$805	$930	$1,038
50% of median	$782	$838	$1,006	$1,162	$1,297
60% of median	$939	$1,006	$1,207	$1,395	$1,557
80% of median	$1,252	$1,342	$1,610	$1,860	$2,076

HOME PROGRAM INCOME LIMITS (2022)

	1 phh	**2 phh**	**3 phh**	**4 phh**	**5phh**	**6phh**	**7phh**	**8phh**
30% of median	$18,800	$21,450	$24,150	$26,800	$28,950	$31,100	$33,250	$35,400
50% of median	$31,300	$35,800	$40,250	$44,700	$48,300	$51,900	$55,450	$59,050
60% of median	$37,560	$42,960	$48,300	$53,640	$57,960	$62,280	$66,540	$70,860
80% of median	$50,050	$57,200	$64,350	$71,500	$77,250	$82,950	$88,700	$99,400

	Maximum Gross Rents by Bedroom Size						
	0 BR	**1BR**	**2BR**	**3BR**	**4BR**	**5BR**	**6BR**
Low Home Rent Limit	$541	$619	$814	$1,158	$1,358	**$1,562**	**$1,765**
High Home Rent Limit	$541	$619	$814	$1,158	$1,358	**$1,562**	**$1,765**
2022 FMR	$541	$619	$814	$1,158	$1,358	**$1,562**	**$1,765**
50% Rent Limit	$782	$838	$1,006	$1,162	$1,297	$1,431	$1,564
65% Rent Limit	$998	$1,070	$1,286	$1,477	$1,628	$1,777	$1,928

FAIR MARKET RENTS (2022

	0BR	**1BR**	**2BR**	**3BR**	**4BR**	**5BR**
By Bedroom Size	**$541**	**$619**	**$814**	**$1,158**	**$1,358**	**$1,560**

Sources: Iowa Finance Authority; HUD

Table 34 shows the maximum rents by household size and AMI based on income limits illustrated in Table 33. The rents on Table 33 are based on HUD's allocation that monthly rents should not exceed 30% of income. In addition, the table reflects the maximum household size based on HUD guidelines of number of persons per unit. For each additional bedroom, the maximum household size increases by approximately two people. The Fair Market Rents shown on Table 34 are the final 2022 Fair Market Rents for Linn County as identified by HUD. Between 2021 and 2022, Fair Market Rents increased from 1.9% for a three-bedroom unit to 6.7% for a four-bedroom unit over one year. One-bedroom and two-bedroom unit Fair Market Rents increased by 2.8% and 2.5%, respectively. Although rents have been rising relatively rapids in the Cedar Rapids MSA, we often find that HUD Fair Market Rents are not keeping pace with many local market conditions.

TABLE 34
MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME
LINN COUNTY - 2022

	HHD Size		Maximum Rent Based on Household Size (@30% of Income)											
			30%		50%		60%		80%		100%		120%	
Unit Type[1]	Min	Max	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	$469	$469	$782	$1,027	$939	$939	$1,252	$1,252	$1,565	$1,565	$1,878	$1,878
1BR	1	2	$537	$537	$895	$895	$1,074	$1,074	$1,432	$1,432	$1,790	$1,790	$2,148	$2,148
2BR	2	4	$603	$670	$1,006	$1,117	$1,207	$1,341	$1,610	$1,788	$2,012	$2,235	$2,415	$2,682
3BR	3	6	$670	$778	$1,117	$1,297	$1,341	$1,557	$1,788	$2,076	$2,235	$2,595	$2,682	$3,114
4BR	4	8	$724	$886	$1,207	$1,477	$1,449	$1,793	$1,932	$2,364	$2,415	$2,955	$2,898	$3,546

[1] One-bedroom plus den and two-bedroom plus den units are classified as 1BR and 2BR units, respectively. To be classified as a bedroom, a den must have a window and closet.

Note: 4-person Linn County AMI is $89,400 (2022)

Sources: HUD, Novogradac, Maxfield Research and Consulting, LLC

Housing Cost Burden

Table 35 shows the number and percent of owner and renter households in Marion, Cedar Rapids and Linn County that pay 30% or more of their gross income for housing. This information was compiled from the American Community Survey 2020 estimates. This information is different than the 2000 Census which separated households that paid 35% or more in housing costs. As such, the information presented in the tables may be overstated in terms of households that may be "cost burdened." The Federal standard for affordability is 30% of income for housing costs. Without a separate break-out for households that pay 35% or more, there are likely a number of households that elect to pay slightly more than 30% of their gross income to select the housing that they choose. Moderately cost-burdened is defined as households paying between 30% and 49.9% of their income to housing; while severely cost-burdened is defined as households paying 50% or more of their income for housing.

Higher-income households that are cost-burdened may have the option of moving to lower priced housing, but lower-income households often do not. The figures in the table focus on owner households with incomes of $50,000 or less and renter households with incomes of $35,000 or less.

Key findings from Table 35 follow.

- In Marion, 12.3% of owner households and 44.1% of renter households are considered cost burdened. Marion has a slightly lower proportion of cost burdened owner households as compared to Cedar Rapids (45.1%) and Linn County (45.7%) but is higher when compared to Iowa at 42.3%.

- Marion has a slightly higher proportion of cost burdened renter households (44.2%) than Cedar Rapids (42.5%), Linn County (42.1%) and Iowa (42.7%). This may be a result of the type and age of rental product in Marion and may also result from households seeking affordable housing in Marion.

- Among owner households earning less than $50,000, 44.4% are cost burdened in Marion compared to slightly higher proportions in Cedar Rapids (45.1%) and Linn County (45.7%). Iowa has a modestly lower proportion of owner households in this category at 42.3%.

- An estimated 72.2% of Marion renter households that earn less than $35,000 are cost burdened which is lower than the other geographies (75.2% for Cedar Rapids, 74.9% for Linn County and 76.5% for Iowa.

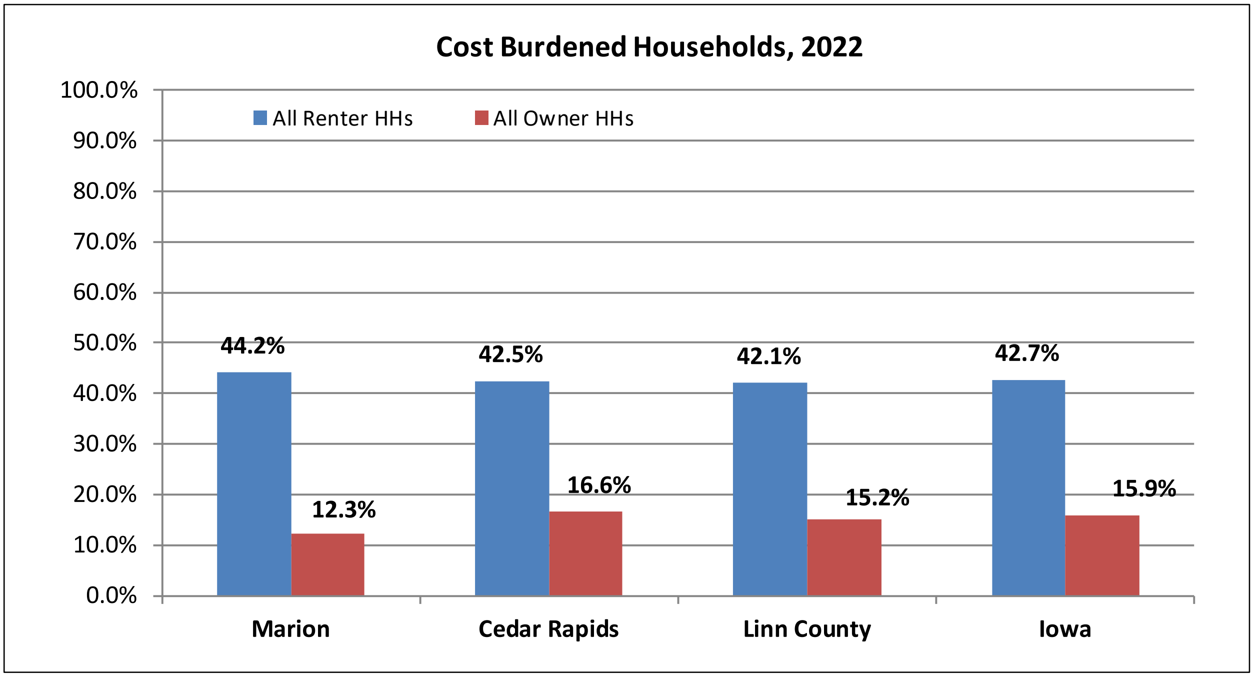
TABLE 35
HOUSING COST BURDEN
MARION, CEDAR RAPIDS, LINN COUNTY, IOWA
2022

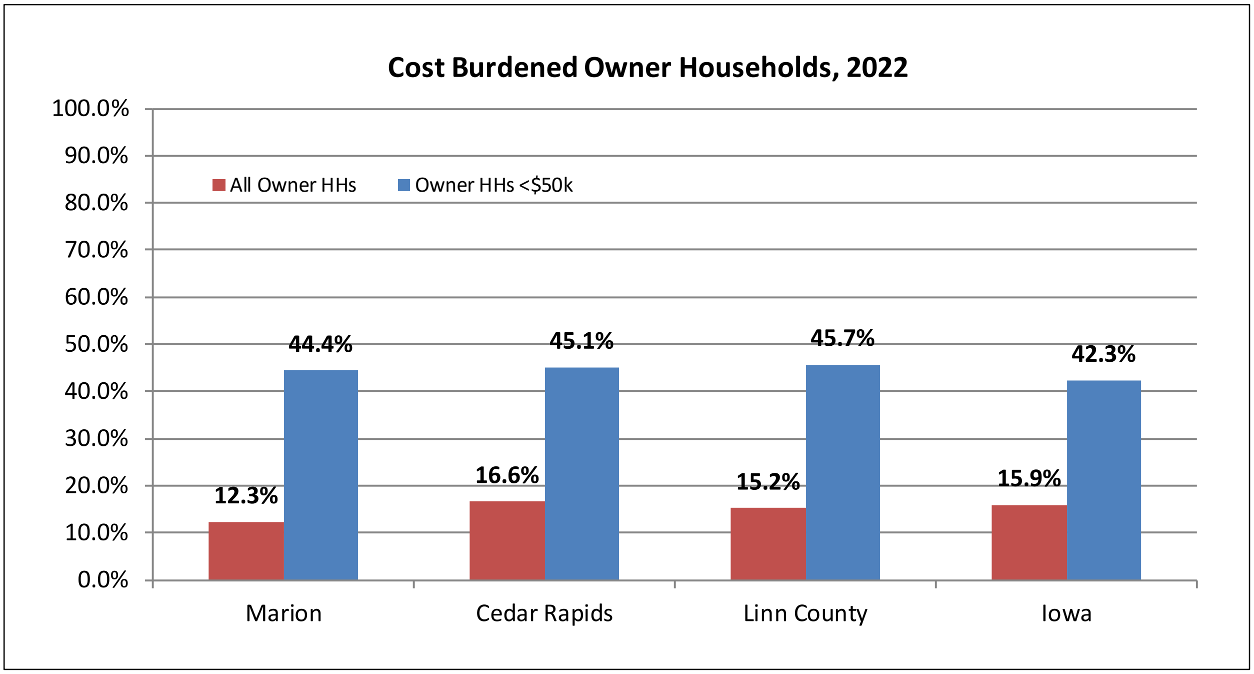
	Marion		Cedar Rapids		Linn County		Iowa	
Community	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**
Owner Households								
All Owner Households	13,333		41,101		71,390		916,422	
Cost Burden 30% or greater	1,637	12.3%	6,810	16.6%	10,879	15.2%	145,945	15.9%
Owner Households w/ incomes <$50,000	2,935		11,833		18,355		268,766	
Cost Burden 30% or greater	1,303	44.4%	5,339	45.1%	8,386	45.7%	113,707	42.3%
Renter Households								
All Renter Households	3,715		17,014		23,636		341,547	
Cost Burden 30% or greater	1,642	44.2%	7,227	42.5%	9,946	42.1%	145,959	42.7%
Renter Households w/ incomes <$35,000	1,923		8,375		11,612		165,700	
Cost Burden 30% or greater	1,388	72.2%	6,297	75.2%	8,692	74.9%	126,783	76.5%
Median Contract Rent[1]	$637		$695		$684		$691	

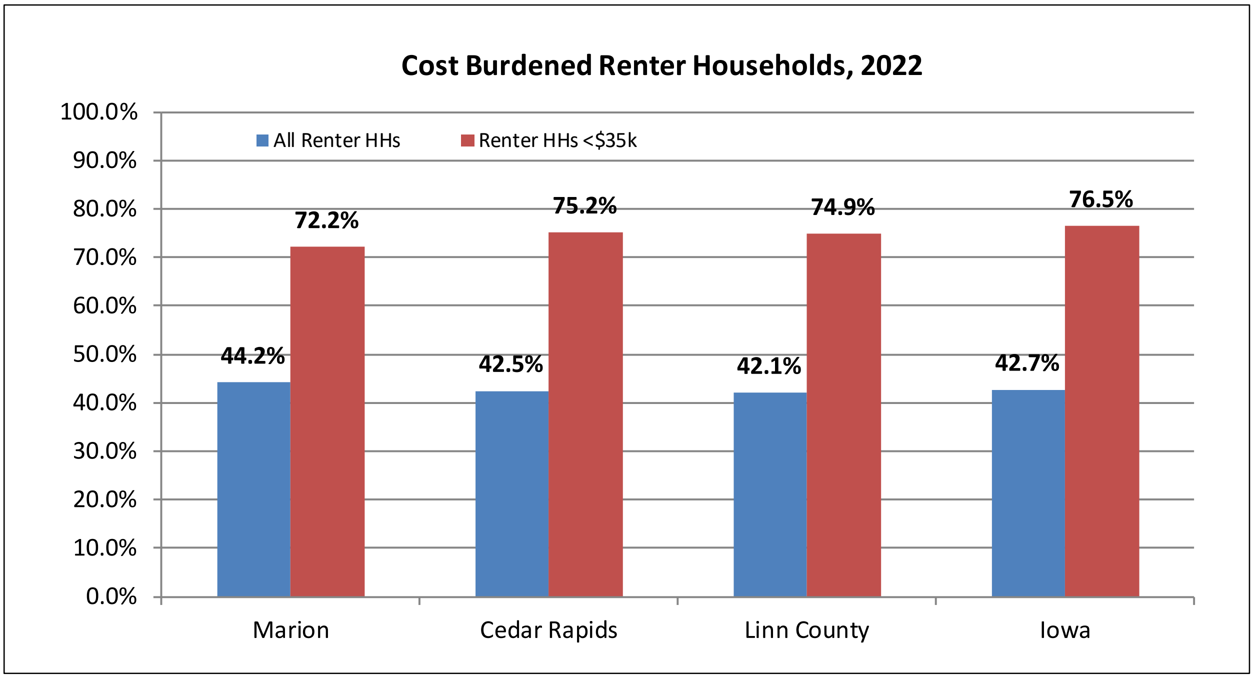
[1] Median Contract Rent 2020

Note: Calculations exclude households not computed.

Sources: American Community Survey 2020 estimates; Maxfield Research and Consulting LLC




Cost Burdened Owner Households, 2022
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
All Owner HHs
Owner HHs <$50k
12.3%
44.4%
16.6%
45.1%
15.2%
45.7%
15.9%
42.3%
Marion
Cedar Rapids
Linn County
Iowa


Cost Burdened Renter Households, 2022
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
All Renter HHs
Renter HHs <$35k
44.2%
72.2%
42.5%
75.2%
42.1%
74.9%
42.7%
76.5%
Marion
Cedar Rapids
Linn County
Iowa

Housing Costs as Percentage of Household Income

Housing costs are generally considered affordable at 30% of a household's adjusted gross income. Table 36 on the following page illustrates key housing metrics based on housing costs and household incomes in Linn County for various submarkets. The table estimates the percent of submarket households that can afford rental and for-sale housing based on a 30% allocation of income to housing. Housing costs are based on the average for each submarket.

The housing affordability calculations assume the following:

For-Sale Housing

- 10% down payment with good credit score
- Closing costs rolled into mortgage
- 30-year mortgage at 6.6% interest rate
- Private mortgage insurance (equity of less than 20%)
- Homeowners insurance for single-family homes and association dues for townhomes
- Owner household income proportions 2020 ACS

Rental Housing

- Background check on tenant to ensure credit history
- 30% allocation of income
- Renter household income proportions per 2020 ACS

Because of the down payment requirements and generally strict underwriting criteria for a mortgage, not all households will meet the income qualifications outlined above. The for-sale affordability analysis excludes equity that a homeowner may bring with them when purchasing a new residence.

- The median income for all households in Marion as of 2022 was an estimated $76,969. Median incomes however, vary by tenure (owner and renter). According to data compiled through the 2020 American Community Survey, the median income of Marion homeowners was $89,939 compared to $34,757 for renters.

- According to the estimated 2022 income distribution for Marion, 82% of all households and 89% of owner households could afford to purchase an existing entry-level home in Marion ($120,000). When adjusting for move-up buyers ($360,000), an estimated 34% of all households and 41% of owner households would income-qualify.

- An estimated 54% of existing renter households can afford to rent a one-bedroom unit in Marion (Avg. 1BR Rent-$529/month). The percentage of renter income-qualified households decreases to 23% that can afford an existing three-bedroom unit ($1,120/month). After adjusting for new construction rental housing, the percentage of renter households that are income-qualified decreases. An estimated 45% of renters would be able to afford a new market rate one-bedroom unit ($1,250 per month) while 32% could afford a new two-bedroom unit ($1,575 per month) and only 12% could afford a new three-bedroom unit ($2,000).

TABLE 36

MARION HOUSING AFFORDABILITY - BASED ON HOUSEHOLD INCOME

For-Sale (Assumes 10% down payment and good credit)

	Single-Family			Townhome/Twinhome/Condo		
	Entry-Level	**Move-Up**	**Executive**	**Entry-Level**	**Move-Up**	**Executive**
Price of House	$120,000	$360,000	$600,000	$120,000	$250,000	$380,000
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	$12,000	$36,000	$60,000	$12,000	$25,000	$38,000
Estimated Closing Costs (rolled into mortgage)	$3,600	$10,800	$18,000	$3,600	$7,500	$11,400
Cost of Loan	$111,600	$334,800	$558,000	$111,600	$232,500	$353,400
Interest Rate	6.600%	6.600%	6.600%	6.600%	6.600%	6.600%
Number of Pmts.	360	360	360	360	360	360
Monthly Payment (P & I)	-$713	-$2,138	-$3,564	-$713	-$1,485	-$2,257
(plus) Prop. Tax	-$100	-$300	-$500	-$100	-$208	-$317
(plus) HO Insurance/Assoc. Fee for TH	----	----	----	-$100	-$100	-$100
(plus) PMI/MIP (less than 20%)	-$48	-$145	-$242	-$48	-$101	-$153
Subtotal monthly costs	-$861	-$2,583	-$4,306	-$961	-$1,894	-$2,827
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	$34,444	$103,332	$172,221	$38,444	$75,759	$113,073
Pct. of ALL Marion HHDS who can afford[1]	**81.7%**	**34.2%**	**12.0%**	**69.7%**	**51.8%**	**30.4%**
No. of Marion HHDS who can afford[1]	**14,134**	**5,908**	**2,070**	**12,057**	**8,949**	**5,251**
Pct. of Marion owner HHDs who can afford[2]	**88.5%**	**40.9%**	**22.5%**	**86.0%**	**59.6%**	**55.1%**
No. of Marion owner HHDs who can afford[2]	**11,800**	**5,459**	**3,005**	**11,467**	**7,940**	**7,343**
No. of Marion owner HHDS who cannot afford[2]	**1,533**	**7,874**	**10,328**	**1,866**	**5,393**	**5,990**

Rental (Market Rate)

	Existing Rental			New Rental		
	1BR	**2BR**	**3BR**	**1BR**	**2BR**	**3BR**
Monthly Rent	$529	$852	$1,120	$1,250	$1,575	$2,000
Annual Rent	$6,348	$10,224	$13,440	$15,000	$18,900	$24,000
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	$21,160	$34,080	$44,800	$50,000	$63,000	$80,000
Pct. of ALL Marion HHDS who can afford[1]	**91.0%**	**89.2%**	**73.9%**	**69.6%**	**60.3%**	**48.5%**
No. of Marion HHDS who can afford[1]	**15,742**	**15,425**	**12,774**	**12,041**	**10,433**	**8,386**
Pct. of Marion renter HHDs who can afford[2]	**54.3%**	**50.9%**	**38.0%**	**31.8%**	**22.5%**	**12.4%**
No. of Marion renter HHDs who can afford[2]	**2,151**	**2,014**	**1,505**	**1,257**	**889**	**491**
No. of Marion renter HHDS who cannot afford[2]	**1,808**	**1,945**	**2,454**	**2,702**	**3,070**	**3,468**

[1] Based on 2022 household income for ALL households

[2] Based on 2020 ACS household income by tenure (i.e. median owner/renter incomes; Median owner income = $89,939; median renter income = $34,757)

Source: US Census: American Community Survey; ESRI Inc.; Maxfield Research & Consulting, LLC

Introduction

Previous sections of this study analyzed the existing housing supply and the growth and demographic characteristics of the population and household base in Cedar Rapids. This section of the report presents our estimates of housing demand in Cedar Rapids from 2022 to 2030.

Demographic Profile and Housing Demand

The demographic profile of a community affects housing demand and the types of housing that are needed. The housing life-cycle stages are:

1. *Entry-level householders*
   - Often prefer to rent basic and less expensive apartments
   - Usually singles or couples in their early to late 20's without children
   - Will often "double-up" with roommates in apartment setting

2. *First-time homebuyers and move-up renters*
   - Often prefer to purchase modestly priced single-family homes or rent more upscale apartments
   - Usually married or cohabiting couples, in their late 20s to 30's, some with children, but most are without children

3. *Move-up homebuyers*
   - Typically prefer to purchase newer, larger, and therefore more expensive single-family homes
   - Typically, families with children where householders are in their late 30's to late 40's

4. *Empty-nesters (persons whose children have grown and left home) and never-nesters (persons who never have children)*
   - Prefer owning but will consider renting their housing
   - Some will move to alternative lower-maintenance housing products
   - Generally, couples in their 50's or 60's

5. *Younger independent seniors*
   - Prefer owning but will consider renting their housing
   - Will often move (at least part of the year) to retirement havens in the Sunbelt and desire to reduce their responsibilities for upkeep and maintenance
   - Generally, in their late 60's or 70's

6. *Older seniors*
    - May need to move out of their single-family home due to physical and/or health constraints or a desire to reduce their responsibilities for upkeep and maintenance
    - Generally, persons in their early 80's or older

Marion has a significant mid-age population (45 to 64) and a higher proportion of family households than Cedar Rapids to its southwest. Housing prices in Marion are higher than in Cedar Rapids, which has, in the past, attracted a larger number of more affluent households. Home prices in Marion have increased dramatically over the past two years, likely a response to low mortgage interest rates and a number of households moving up. This may change in the short-term due to higher mortgage interest rates, high development costs and greater emphasis on developing workforce housing, the majority of which is usually rental.

Alternate housing products may be considered to encourage more affordable housing options for younger households who are consistently challenged with entering the for-sale market.

In general, it appears that seniors are moving to alternate housing when they are in their mid- to late 70s or older, which is typical of most areas. Those moving to assisted living are now doing so in their early to mid-80s or older, depending on their health conditions.

Whereas the baby boom generation has had the largest effect on the housing market locally, regionally and nationally in the past, Millennials' impacts on the housing market in the tri-city region are now anticipated to rival those of the Baby Boom as their life cycle continues. Millennials are currently ages 25 to 40 and Baby Boomers are currently ages 58 to 76. Millennials are increasing the age group from 35 to 44 and in ten years, Millennials will be ages 35 to 50, fully within the 35 to 44 age group and increasing the age 45 to 54 age group. Baby Boomers are increasing the age groups 55 to 64 and 65 to 74, but the oldest baby boomers are moving into the age group 75 to 84. Growth in these age cohorts has already been demonstrated in the data shown in the Age Distribution table (Table 4).

Millennials' housing preferences are varied with some moving into single-family homes and others remaining in the rental market. Most Baby Boomers are remaining in their single-family homes but others are choosing alternate products such as single-level townhomes or twinhomes, condominiums or upscale apartments.

The generation that immediately follows the Baby Boomers is a smaller group and although not expected to cause any significant impacts on the housing market, demand for move-up single-family homes may wane modestly in the near-term. With rising mortgage interest rates and the high cost of new housing, homeowners that had been considering moving up may elect to remain in their current homes longer and upgrade, increasing demand for remodeling services.

Estimated Demand for For-Sale Housing

Table 37 presents the demand for general occupancy for-sale housing in Marion between 2022 and 2027 and between 2028 and 2035.

Between 2022 and 2030, the Marion Market Area is projected to add 8,321 households, of which 2,908 (35%) are expected to be in the City of Marion. Based on the analysis of household growth forecasts in specific age cohorts and projected income levels, it is estimated that 75% of the household growth will support demand for general occupancy housing products (versus age-restricted housing – 55+ or 62+), generating total demand for 2,181 new general occupancy housing units from 2022 to 2030 in the Marion Market Area.

Demand for housing is apportioned between ownership and rental housing products. According to 2022 estimates derived from the US Census American Community Survey, an estimated 75% of households under age 65 owned their housing in Marion. The number of senior households however, is growing more rapidly than the number of non-senior households, due primarily to the aging of the baby boom. Therefore, while the recovery has been strong and the proportion of younger households owning their housing is high in the region, some of the previous predisposition to owning may be tempered in the short-term. The non-senior homeownership growth rate is estimated at 15%. Allocating a propensity to own at 70% results in demand for 1,010 for-sale units between 2022 and 2030.

Demand is also forecast to come from existing Market Area householders through turnover. As of 2022, an estimated 55,626 owner-occupied households in the Marion Market Area. Based on updated and revised mobility data from the Census Bureau, an estimated 20% of owner households will turnover in a five-year period, resulting in 11,125 existing households projected to turnover. Finally, we estimate 20% of the existing owner households will seek new for-sale housing, resulting in demand for 2,225 for-sale units between 2022 and 2030.

Next, we estimate that 25% of the total demand for new for-sale units in the Marion Market Area will come from people currently living outside of the Tri-City Area. Adding demand from outside the PMA to the existing demand potential, results in a total estimated demand for 4,314 for-sale housing units annually between 2022 and 2030.

Based on land available, building trends and demographic shifts (increasing older adult populations and decreasing younger adult populations), we estimate 75% of the for-sale owners will prefer traditional single-family product types while the remaining 25% will prefer maintenance-free multifamily products such as twinhomes, detached townhomes/condominiums or traditional condominiums.

Of these totals, Marion is estimated to capture 42% of the estimated total demand in this segment resulting in for-sale demand for 1,310 single-family and 480 owned multifamily units over the next eight years. These figures account for units already under construction. This is an average of 224 units annually over the period.

TABLE 37
FOR-SALE HOUSING DEMAND
MARION PRIMARY MARKET AREA
2022 to 2030

Demand from Projected Household Growth			
Projected household growth in the Marion Primary Market Area (2022-2030)[1]		8,321	
(times) Pct. of HH growth for general occupancy housing[2]	x	20%	
(equals) Projected demand for general occupancy units	=	1,664	
(times) Propensity to Own[3]	x	70%	
(equals) Total demand potential for ownership housing (2022-2030)	**=**	**1,165**	
Demand from Existing Owner Households			
Number of owner households in the Primary Market Area, 2022		56,513	
(times) Estimated percent of owner turnover[4]	x	20%	
(equals) Total existing households projected to turnover	=	11,303	
(times) Estimated percent desiring new housing	x	20%	
(equals) Demand from existing households		2,261	
(equals) Total demand from household growth and existing households, 2022-2030	**=**	**3,425**	
(times) Demand from outside the Primary Market Area		25%	
(equals) Total demand potential for ownership housing, 2022-2030		**4,567**	
		Single Family	**Multi-family***
(times) Percent desiring for-sale single-family vs. multifamily[5]	x	70%	30%
(equals) Total demand potential for new single-family & multifamily for-sale housing	=	3,197	1,370
(minus) Units under construction[6]	-	78	0
(equals) Excess demand for new general occupancy for-sale housing	**=**	**3,119**	**1,370**
(times) Percent capturable by Marion	**x**	42%	35%
(equals) number of units supportable in Marion (2022-2030)		**1,310**	**480**
Estimated Average Annual Demand over the Eight-Year Period		**164**	**60**

[1] Estimated household growth based on data data from the US Census, ESRI, CR Building Permits, and Maxfield Research

[2] Pct. of household growth age 65 and younger (U.S. Census - 2010, American Community Survey 2020, Maxfield Research).

[3] Pct. Owner households in the PMA (2022)

[4] Based on on turnover from 2020 American Community Survey for households moving after 2016.

[5] Based on preference for housing type and land availability

[6] Units under construction.

* Multi-family demand includes demand for townhomes, twinhomes, and condominium units.

Source: Maxfield Research and Consulting LLC

Estimated Demand for General-Occupancy Rental Housing

Table 38 presents a calculation of demand for general-occupancy rental housing in the Marion Market Area from 2022 to 2030. The analysis identifies potential demand for rental housing generated from new and turnover households. A portion of the demand will be drawn from existing households in the Metro Area that want to upgrade their housing situations. The portion of demand capturable by the City of Marion is identified in the demand calculations.

First, potential demand from new household growth by age group is calculated based on the propensity of households to rent their housing. For this calculation, there is a focus on households between the ages of 18 and 64 that will account for the largest portion of general-occupancy rental demand. For 2022 to 2030, each cohort is projected to experience household growth over the eight-year period. Next, the percentage of households likely to rent their housing is calculated. In 2022, the proportion of renter households in the Metro Area ranged from 77% for the under 25 age cohort to 15% for the 55 to 64 cohort. In Marion, the proportions were slightly different with a similar proportion for the 65+ age group (15%) to a high of 66% for the under 25 cohort.

The second part of the analysis calculates demand from existing households, or turnover demand. Younger households tend to be highly mobile, relative to older households. Mobility rates were calculated for the renter population based on Census data and were applied to the existing renter household base. Finally, the percentage of the existing renter households likely to seek new rental housing by age cohort is applied. For the period 2022 to 2030, this results in demand for 3,564 units over the next eight years.

We estimate that 25% of the total demand for new rental housing units in the Marion Market Area will come from people currently living outside of the area because it is often a draw for households that may be relocating for the short-term (large employers, post-secondary education, rural to urban transitions). As a result, we find demand for 4,752 renter households based on household growth and existing households between 2022 and 2030, or an average of 594 units per year.

Based on a review of household incomes and sizes and monthly rents at existing rental properties, we estimate that 20% of the total demand will be for deep-subsidy housing, 30% will be for shallow-subsidy (workforce-40% to 60% of HAMFI) housing and 50% will be for market rate housing (market rate housing is defined as housing that carries no income restrictions or units with assistance where the income limits are 80% or higher of HAMFI). Rent levels for market rate units may, however, be discounted or reduced through specific incentive or assistance programs to be competitive within the existing local market rent structure.

TABLE 38
RENTAL HOUSING DEMAND
MARION HOUSING MARKET AREA
2022 to 2030

		-------- Number of Households --------				
		Under 25	**Age 25 to 34**	**Age 35 to 44**	**Age 45 to 64**	**Age 65 & Over**
Demand From Household Growth						
Projected Growth in Household Base by 2030		564	988	1,022	1,520	4,227
(times) Proportion Estimated to Be Renting Their Housing[1]	x	77.3%	45.9%	28.7%	18.2%	18.3%
(equals) Projected Demand for Rental Housing Units	=	**436**	**453**	**293**	**277**	**774**
Demand From Existing Households						
Number of renter households in 2022		3,707	6,504	4,095	4,904	3,457
(times) Estimated % of renter turnover between 2022 & 2030[2]	x	89.9%	82.6%	53.2%	30.8%	42.5%
(equals) Total Existing Renter Households Projected to Turnover	=	3,333	5,372	2,179	1,510	1,469
(times) Estimated % Desiring New Rental Housing	x	5%	25%	30%	25%	20%
(equals) Demand From Existing Households	=	167	1,343	654	378	294
Total Demand From Household Growth and Existing Households		**167**	**1,797**	**947**	**654**	**1,067**

Total Demand from Household Growth and Existing Households	3,564
(plus) Demand from outside Market Area (25%)	1,188
(equals) Total Demand for Rental Housing in the Tri-City Area	**4,752**

		Deep-Subsidy (Subsidized)	**Shallow-Subsidy (Affordable)**	**Market Rate**
(times) Percent of rental demand by product type[3]	x	20%	40%	50%
(equals) Total demand for new general occupancy rental housing units	=	**950**	**1,901**	**2,376**
(minus) Units under construction or pending*	-	0	372	677
(equals) Excess demand for new general occupancy rental housing	=	**950**	**1,529**	**1,699**
(times) Percent of demand capturable by Marion	**x**	5%	20%	35%
(equals) number of units supportable in Marion	=	**48**	**306**	**595**
(equals) Average annual demand supportable in Marion	=	**6**	**38**	**74**

[1] Based on 2020 Estimates from the American Community Survey, US Census Bureau.

[2] Based on Turnover from 2020 American Community Survey for households moving after 2016.

[3] Based on the combination of current rental product and household incomes of area renters (households under age 65)

*Pending/proposed competitive units at 95% occupancy.

Source: Maxfield Research and Consulting, LLC

Next, housing units are subtracted for properties that are under construction or likely to be approved and proceed within the identified demand timeframe, since these developments will satisfy some of the calculated demand for general occupancy rental housing. The analysis identifies 1,049 rental housing units either pending, approved or under construction in the Marion PMA. Therefore, demand is found for 950 deep-subsidy units, 1,529 shallow-subsidy units and 1,699 market rate units from 2022 to 2030.

Finally, it is estimated that Marion can capture 5% of the total demand for deep-subsidy and 20% for shallow-subsidy and 35% for market rate, resulting in demand for 48 deep-subsidy, 306 shallow-subsidy and 595 market rate units in the City from 2022 to 2030. These totals account for projects current under construction and approved.

Demand, especially for rental units that are deep subsidy, is higher to account for pent-up demand. With pent-up demand (a shortage of units), people who would normally form their own rental households instead room with other persons in a housing unit, live with their parents, or live in housing outside of the area and commute to jobs. A healthy rental market is expected to have a vacancy rate of about 5% to allow for sufficient consumer choice and unit turnover. The updated rental survey for the tri-city Metro Area (Marion, Cedar Rapids and Hiawatha) found an overall vacancy rate of 1.3% in Marion and the same overall vacancy rate for the larger tri-city area among the general-occupancy rental supply – well below the 5% level for market equilibrium. Vacancies for shallow-subsidy and deep-subsidy units (less than 5%) also indicate high levels of pent-up demand in these categories.

Estimated Demand for Active Adult (55+)/Few Services Housing

Table 39 presents our demand calculations for market rate active adult, age-restricted housing in Marion in 2022 and 2027.

To determine demand for active adult age-restricted housing, the potential market is reduced to households that are age- and income-qualified combined. The age-qualified market is defined as older adults aged 55 and older, although active adult/few services properties primarily attract older adults aged 65 and older.

Based on estimated market rate rents, the minimum income needed to afford monthly rents for market rate active adult/few services property would be $35,000, since older adults with this income could afford a monthly market rate rent or service fee of $1,200 based on spending 40% of their income. We also add in households with incomes between $30,000 and $34,999 who would be able to supplement their incomes with the proceeds from a home sale. We estimate the number of age/income-qualified older adult households (55+) in the Marion Market Area in 2022 at 24,801 households.

TABLE 39
MARKET RATE ACTIVE ADULT HOUSING DEMAND
MARION MARKET AREA
2022 & 2027

	2022			2027		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of >$35,000[1]	10,520	7,916	4,831	9,982	7,873	4,247
# of Households w/ Incomes of $30,000 to $34,999[1]	+ 461	546	883	+ 478	606	678
(times) Homeownership Rate	x 83%	84%	79%	x 83%	84%	79%
(equals) Total Potential Market Base	= 10,901	8,375	5,525	= 10,378	8,383	4,781
(times) Potential Capture Rate	x 1.0%	3.5%	13.5%	x 1.0%	3.5%	12.5%
(equals) Demand Potential	= 109	293	746	= 104	293	598
Potential Demand from the PMA		= **1,148**			= **995**	
(plus) Demand from Outside the PMA (20%)		+ 287			+ 249	
(equals) Total Demand Potential		= **1,435**			= **1,243**	
	Owner-Occupied		**Renter-Occupied**	**Owner-Occupied**		**Renter-Occupied**
(times) % by Product Type	x 40%		x 60%	x 40%		x 60%
(equals) Demand Potential by Product Type	= 574		= 861	= 497		= 746
(minus) Existing and Pending MR Active Adult Units[2]	- 111		- 128	- 111		- 128
(equals) Excess Demand for MR Active Adult Units	= **463**		= **733**	= **386**		= **618**
(times) Capturable by Marion	x 15%		x 20%	x 25%		x 20%
(equals) Potential Excess Demand in Marion	= **69**		= **147**	= **97**		= **124**

[1] 2027 calculations define income-qualified households as all households with incomes greater than $40,000 and homeowner households with incomes between $35,000 and $39,999.

[2] Existing and pending are deducted at market equilibrium (95% occupancy).

Note: The PMA includes the Cities of Cedar Rapids, Hiawatha and Marion. Capturable in Marion reflects the portion that the City would be able to capture of the total PMA demand

Source: Maxfield Research and Consulting LLC

Adjusting to include appropriate long-term capture rates for each age cohort (1.0% of households age 55 to 64, 3.5% of households age 65 to 74, and 13.5% of households age 75 and over) results in a market rate demand potential for 1,148 active adult age-restricted units in 2022 (ownership and rental).

Some additional demand will come from outside the Marion Market Area. We estimate that 20% of the long-term demand for active adult age-restricted housing (rental and ownership) will be generated by older adults currently residing outside the Market Area. This demand will consist primarily of parents of adult children living in the Market Area, individuals who live just outside of these communities and have an orientation to the area, as well as former residents who desire to return. Together, the demand from older adults and seniors who would relocate to the area results in a demand for 1,435 active adult units in 2022.

Active adult demand in the Marion Market Area is apportioned between age-restricted ownership and rental units. Based on the age distribution, homeownership rates and current product available in the City, we estimate that 40% of the demand will be for adult ownership housing (574 units) and 60% will be for rental housing (861 units).

Next, we subtract existing competitive market rate units (minus a vacancy factor of 2% for owner-occupied and 5% for rental units to allow for sufficient consumer choice and turnover) from the owner and rental demand. Subtracting the existing competitive market rate units results in total demand potential for 463 adult owner-occupied units and 733 adult rental units in 2022.

No one community would be able to capture 100% of the demand. We consider current health care and services infrastructure in Marion and its proximity to Cedar Rapids as a regional health care Center, we estimate the City can capture 15% of the demand for ownership and 20% of the demand for rental units. This results in total demand for 69 adult owner-occupied units and 147 adult rental units in Marion in 2022.

Adjusting for inflation, it is estimated that households with incomes of $40,000 or more and homeowners with incomes of $35,000 to $39,999 would income qualify for market rate independent senior housing in 2027. Considering growth in the older adult base and the income distribution of the older adult population by 2027, the methodology projects that demand for ownership and rental units will increase to 97 adult owner-occupied units but decrease modestly to 124 for adult rental units by 2027.

Because of the current income qualification range for LIHTC units, a portion of the demand shown for active adult market rate housing would overlap with the demand for shallow-subsidy housing for households with incomes primarily between $35,000 and $40,000.

Estimated Demand for Shallow-Subsidy/Active Adult Age-Restricted Housing

Table 40 presents our demand calculations for affordable independent age-restricted (55+) housing in Marion in 2022 and 2027.

While the methodology used to calculate demand for shallow-subsidy housing closely mirrors the methodology used to calculate demand for market rate housing, we make several adjustments to more precisely quantify demand among this market segment. The following points summarize these adjustments:

- ***Income-Qualifications***: In order to arrive at the potential age and income-qualified base for low-income and affordable housing, we include all senior households age 55+ that qualify for the income guidelines for two-person households in 2022 between 40% and 60% of AMI. The income-restriction for a one-person household at 40% AMI is $25,040 and the income-restriction for a two-person household at 60% AMI is $42,960 as of 2022, the most recent available.

- ***Capture Rates***: Households in a need-based situation (either requiring services or financial assistance) more readily move to housing alternatives than those in non, need-based situations. Hence, the capture rate among each age group is higher than for market rate housing. Capture rates are employed at 10.0% for households age 55 to 64, 28.0% for households age 65 to 74 and 35.0% for households age 75 and older.

- ***Potential Demand Capture*:** Seniors in need-based situations are less selective when securing housing than those in non, need-based situations. We estimate that a high-quality site would capture a greater proportion of total demand for financially assisted housing than for market rate housing; hence, the potential capture rate increases to 80% for shallow-subsidy active adult housing.

Using the methodology described above results in a demand potential for 182 shallow-subsidy active adult housing units in 2022. We estimate that older adults currently residing outside Cedar Rapids will generate 25% of the demand for shallow-subsidy active adult housing – increasing demand to 279 units with shallow subsidy. Demand from those outside Cedar Rapids includes parents of adult children living in the area, individuals who live just outside Cedar Rapids and have an orientation to the area and former residents who desire to return upon retirement.

Next, existing competitive units are subtracted. There are seven shallow subsidy independent projects in Cedar Rapids and Marion, five of which are in Cedar Rapids and two of which are in Marion. After subtracting the units in the communities and allowing for vacancy and residents using vouchers, demand is reduced to 233 units in 2022.

No single site can capture all the excess demand. **We estimate that Marion could capture up to 40% of the demand, resulting in demand for up to 93 units of shallow-subsidy, age-restricted housing (55+) in 2022.** The two newest properties, Arbor at Lindale Trail and Blairs Ferry Senior Housing (Marion), however, are fully occupied with waiting lists after opening in 2017, which indicates there is additional demand available from other income segments that would overlap with demand for shallow-subsidy and where prospects would still be able to qualify and would prefer this type of property. In addition, Tulip Tree Apartments is currently planned for development and scheduled to come on-line in late 2023.

TABLE 40
SHALLOW SUBSIDY INDEPENDENT SENIOR HOUSING DEMAND
MARION MARKET AREA
2022 & 2027

	2022			2027		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households (55+) w/ Incomes of $25,040 to $42,960[1]	1,581	1,914	2,589	1,339	1,756	2,529
(times) Percent Renter Households	x 17%	16%	24%	x 17%	16%	24%
(equals) Total Potential Market Base	= 269	306	621	228	281	607
(times) Potential Capture Rate	x 10.0%	28.0%	35.0%	x 10.0%	28.0%	35.0%
(equals) Demand Potential	**= 27**	**86**	**217**	**= 23**	**79**	**212**
Total Market Rate Demand Potential		**= 330**			**= 314**	
(plus) Demand from Outside Market Area (35%)		+ 178			+ 169	
(equals) Total Demand Potential		**= 508**			**= 483**	
(minus) Existing and Pending Independent Units[1]		- 275			- 275	
(equals) Total Demand Potential in Market Area		**= 233**			**= 208**	
(times) Estimated Percent Capturable in Marion		x 40%			x 40%	
(equals) Excess Demand Capturable in Marion		**= 93**			**= 83**	

[1] 2027 calculations define income-qualified households as all households with incomes between $30,000 and $45,000

[1] Includes existing and pending units at 95% occupancy and 30% to account for those using vouchers. No addtl units pending at this time.

Source: Maxfield Research and Consulting, LLC

Adjusting for inflation, we estimate that households with incomes between $30,000 and $45,000 would qualify for shallow-subsidy housing in 2027. The age-income qualified base for affordable housing is shown to increase modestly by 2027. **Following the same methodology, we project that excess demand capturable would decrease modestly to 83 units by 2027.** We note however, that the calculation of demand for deep-subsidy age-restricted housing has some overlap with the shallow-subsidy demand because of the income restrictions used. As such, we estimate that 30% of the potential demand for deep-subsidy age-restricted housing could be satisfied through the development of a shallow-subsidy property. In addition, there would also be some overlap at the high end, with the result that an estimated 20% of the potential demand from households with higher incomes would overlap with active adult market rate rental housing.

Estimated Demand for Deep-Subsidy/Active Adult Age-Restricted Housing

Table 41 presents our demand calculations for deep-subsidy age-restricted housing in the Marion Market Area in 2022 and 2027.

The target market for deep-subsidy age-restricted housing is older adult households with incomes below 50% AMI. The 2022 income qualification for a one-person household earning 50% AMI or less in Linn County is $31,300 and $35,800 for a two-person household. Two Federal government agencies, HUD and the United State Department of Agriculture's Rural Development, provide funding for most of the deep-subsidy age-restricted housing developments. The age restrictions are typically age 62+, therefore we include only households age 62+ with incomes at or less than 50% AMI.

We deduct older adult homeowners that earn between $30,000 and $35,800 from the potential market since these seniors will likely have home equity that may cause them to be disqualified for deep-subsidy age-restricted housing. In total, we estimate the number of age/income-qualified older adult households (62+) in the Marion Market Area in 2022 totals 7,623 households.

A portion of seniors who are age- and income-qualified for deep-subsidy age-restricted housing will choose other housing options (e.g., market rate projects with the financial assistance of family members) or will delay moving to age-restricted housing alternatives until they need greater levels of care. Therefore, only a portion of the age- and income-qualified market will choose to reside at a deep-subsidy age-restricted housing community. We estimate that 20% of the total age/income-qualified market would need and desire deep-subsidy senior housing. Applying a 20% capture rate, results in an estimated potential demand for 1,525 deep-subsidy age-restricted housing units in the Marion Market Area in 2022.

We anticipate that 25% of the demand for deep-subsidy senior housing in the Marion Market Area will be generated by seniors currently residing outside the Market Area. This additional demand includes seniors residing in the area, seniors who have an orientation to the area (e.g., church, doctor, etc.), seniors who previously lived in the area and desire to move back, or seniors who desire to move near their adult children who already live in the area. Including demand from outside of the Market Area increases total demand potential to 2,033 units in 2022.

TABLE 41
DEEP SUBSIDY INDEPENDENT AGE-RESTRICTED HOUSING DEMAND
MARION MARKET AREA
2022 & 2027

	2022			2027		
	Age of Householder			Age of Householder		
	62-64*	**65-74**	**75+**	**62-64***	**65-74**	**75+**
Households w/Incomes < $35,800[1]	998	3,305	4,591	937	3,738	5,557
Households w/Incomes of $30,000 and $35,800	138	546	883	247	622	1,047
(times) Homeownership Rate	x 83%	84%	79%	x 83%	84%	79%
(equals) Disqualfied Homeowner Households	= 115	459	698	= 205	522	827
Potential Income-Qualified Market by Age	883	2,846	3,893	732	3,216	4,730
Potential Market Total in the PMA		**7,623**			**8,677**	
(times) Percent Needing/Desiring Deep-Subsidy Age-Restricted Housing		x 20%			x 20%	
(equals) Demand Potenital from Market Area residents		= 1,525			= 1,735	
(plus) Demand From Ouside the Market Area (25%)		+ 508			+ 578	
(equals) Total Demand Potential for Subsidized Senior Housing		2,033			2,314	
(minus) Existing & Pending Subsidized Senior Units in Market Area[2]		- 776			- 776	
(equals) Total Market Area Subsidized Senior Housing Demand Potential		= 1,257			= 1,538	
Percent Capturable in Marion		x 10%			10%	
Total number of units supportable in Marion		**= 126**			**= 154**	

[1] 2027 calculations define income-qualified households as all households with incomes less than $40,000
[2] Competitive subsidized units, minus a 2% vacancy rate.
* Estimated number of the 55 to 64 age cohort.

Source: Maxfield Research and Consulting, LLC

From this potential demand, we subtract the existing number of competitive housing units in the Market Area. Currently, there are 792 deep-subsidy senior units in the Market Area (211 units in Marion, 581 in Cedar Rapids and none in Hiawatha). These properties have no vacancies and most have waiting lists. Subtracting these units, minus a 2% vacancy factor, results in excess demand from local older adult households (62+) for 1,257 units in 2022.

We estimate that Marion could capture 10% of the excess demand or 126 units in 2022 considering various locations for this type of housing.

To calculate demand in 2027, we increase the income-qualifications to account for inflation. **Following the same methodology and holding constant the number of competitive units (we did not identify any new product proposed to come online); demand is forecast to increase over the next five years to 154 units by 2027.**

Estimated Demand for Independent Living Housing (with Services)

Table 42 presents our demand calculations for independent living with some services housing in the Marion Market Area in 2022 and 2027.

TABLE 42
MARKET RATE INDEPENDENT LIVING RENTAL HOUSING DEMAND
MARION MARKET AREA
2022 & 2027

	2022		2027	
	Age of Householder		Age of Householder	
	65-74	75+	65-74	75+
# of Households w/ Incomes of >$40,000[1]	7,332	4,248	7,939	4,885
# of Households w/ Incomes of $35,000 to $39,999[1]	+ 582	582	+ 607	679
(times) Homeownership Rate	x 84%	79%	x 84%	79%
(equals) Total Potential Market Base	= 7,822	4,705	= 8,450	5,419
(times) Potential Capture Rate[2]	x 1.5%	15.5%	x 1.5%	15.5%
(equals) Potential Demand	= 117	+ 729	= 127	+ 840
Potential Demand from PMA Residents	= **847**		= **967**	
(plus) Demand from Outside Market Area (25%)	+ 282		+ 322	
(equals) Total Demand Potential	= **1,129**		= **1,289**	
(minus) Existing and Pending Independent Units[3]	- 733		- 733	
(equals) Excess Independent Lvg Demand Potential	= 396		= 556	
(times) Percent Capturable (20%)	x 20%		x 20%	
(equals) Demand capturable in Marion	= **79**		= **111**	

[1] 2027 calculations define income-qualified households as all households with incomes greater than $45,000 and homeowner households with incomes between $40,000 and $44,999.

[2] The potential capture rate is derived from data from the Summary Health Statistics for the U.S. Population: National Health Interview Survey, 2018 by the U.S. Department of Health and Human Services. The capture rate used is the percentage of seniors needing assistance with IADLs, but not ADLs (seniors needing assistance with ADLs typcially need assistance with multiple IADLs and are primary candidates for service-intensive assisted living).

[3] Competitive units include independent living units at 95% occupancy (market equilibrium).

Source: Maxfield Research and Consulting, LLC.

The potential age- and income-qualified base for independent living housing with some services includes all senior (65+) households with incomes of $40,000 as well as homeowner households with incomes between $35,000 and $39,999 who would qualify with the proceeds from the sales of their homes. The proportion of eligible homeowners is based on the 2022 estimated homeownership rates for older adults and seniors in the Marion Market Area. The number of age, income, and asset-qualified households is estimated to be 12,527 households in 2022.

Demand for independent living with optional or some services housing is need-driven, which reduces the qualified market to only the portion of older adults who need some assistance. Adjusting to include appropriate capture rates for each age cohort (1.5% of households age 65 to 74 and 15.5% of households age 75 and older) results in a local demand potential for 847 units in 2022, increasing to 967 units by 2027.

We estimate that seniors currently residing outside of the tri-city area will generate 25% of the demand for independent living senior housing. Together, the demand from these older adults and demand from older adults who are willing to locate to the Market Area totals 1,129 independent living units in 2022, increasing to 1,289 units by 2027.

Next, we subtract existing competitive units from the overall demand. There are 772 independent living units and we include a portion of the CCRC units that would qualify for independent living with some services in this category. After subtracting existing units and adjusting for the competitive of these units, the total demand is reduced to 396 units. No single location can capture all the demand in a community. **We estimate that 20% of total demand in could be captured in Marion, resulting in excess demand for 79 independent living units in 2022.**

Adjusting for inflation, we estimate that households with incomes of $45,000 or more and senior homeowners with incomes between $40,000 and $44,999 would qualify for independent living with some services housing in 2027. **Following the same methodology, demand is estimated to increase to 111 units by 2027 after accounting for new properties scheduled to come on-line.**

Demand Estimate for Assisted Living Housing

Table 43 presents our demand calculations for assisted living housing in the Marion Market Area in 2022 and 2027. This analysis focuses on the potential *private pay/market rate* demand for assisted living units.

The availability of more intensive support services such as meals, housekeeping and personal care at assisted living facilities usually attracts older, frailer older adults. According to the 2009 Overview of Assisted Living (which is a collaborative research project by the American Association of Homes and Services for the Aging, the American Seniors Housing Association, National Center for Assisted Living, and National Investment Center for the Seniors Housing and Care Industry), the average age of residents in freestanding assisted living facilities was 87 years in 2020. Therefore, the age-qualified market for assisted living is defined as seniors ages 75 and over, as we estimate that of the half of demand from seniors under age 87, almost all would be from seniors over age 75. In 2022, there are an estimated 14,160 seniors aged 75 and older in the Marion Market Area.

Demand for assisted living housing is need-driven, which reduces the qualified market to only the portion of seniors who need assistance. According to a study completed by the U.S. Census Bureau (1999 panels of the Survey of Income and Program Participation (SIPP) files), 30% of seniors needed assistance with everyday activities (from 25.5% of 75-to-79-year-olds, to 33.6% of 80-to-84-year-olds and 51.6% of 85+ year olds). Applying these percentages to the senior population yields a potential assisted living market of 5,114 seniors in the Market Area.

Due to the supportive nature of assisted living housing, most daily essentials are included in monthly rental fees, which allow seniors to spend a higher proportion of their incomes on housing with basic services. Therefore, the second step in determining the potential demand for assisted living housing in the Marion Market Area is to identify the income-qualified market based on a senior's ability to pay the monthly rent. We consider seniors in households with incomes of $40,000 or greater to be income-qualified for assisted living senior housing. Households with incomes of $40,000 could afford monthly assisted living fees of $3,000 by allocating 90% of their income toward the fees.

Seventy-nine (79%) percent of the age 75+ households in the Marion Market Area are home-owners and the median resale price of existing homes in 2022 in Marion was $255,000. Adjusting for the older age of seniors' homes in Marion down to the median resale price would generate an estimated $204,000 in proceeds after selling costs. With an average monthly assisted living fee of $4,200, these proceeds would last 46 months or nearly four years in an assisted living facility, which is modestly above the average length of stay in assisted living (27 months according to the 2009 Overview of Assisted Living). For each age group in Table 39, we estimate the income-qualified percentage to be all seniors in households with incomes above $40,000 (who could afford monthly rents of $3,900+ per month) plus a portion of seniors in homeowner households with incomes below $40,000 (who will spend down assets, including home-equity, to live in assisted living housing). This results in a total potential market of 2,864 units from age and income and asset-qualified households in Marion in 2022.

Because most assisted living residents are single (88% according to the 2009 Overview of Assisted Living), our demand methodology multiplies the total potential market by the percentage of seniors age 75+ living alone. Based on 2020 Census data, 53% of age 75+ households in Marion lived alone. Applying this percentage results in a total base of 1,518 age/income-qualified singles. The 2009 Overview of Assisted Living found that 12% of residents in assisted living were couples. There is a total of 1,725 age/income-qualified seniors needing assistance including both couples and singles.

We estimate that roughly 65% of the qualified market needing significant assistance with Activities of Daily Living ("ADLs") would either remain in their homes or less service-intensive senior housing with the assistance of a family member or home health care or would need greater care provided in a skilled care facility. The remaining 35% could be served by assisted living housing. Applying this potential market penetration rate of 35% results in demand for 604 assisted living units in 2022.

TABLE 43
MARKET RATE ASSISTED LIVING DEMAND
MARION MARKET AREA
2022 & 2027

		2022				**2027**		
Age group	People	Percent Needing Assistance[1]		Number Needing Assistance[1]	People	Percent Needing Assistance[1]		Number Needing Assistance[1]
75 - 79	5,664	25.5%		**1,444**	7,303	25.5%		**1,862**
80 - 84	3,965	33.6%		**1,332**	4,737	33.6%		**1,592**
85+	4,531	51.6%		**2,338**	4,737	51.6%		**2,444**
Total	14,160			**5,114**	16,778			**5,898**
Percent Income-Qualified[2]				**56%**				**56%**
Total potential market				2,864				3,303
(times) Percent living alone			x	53%			x	53%
(equals) Age/income-qualified singles needing assistance			=	1,518			=	1,751
(plus) Proportion of demand from couples (12%)[3]			+	207			+	239
(equals) Total age/income-qualified market needing assistance			=	1,725			=	1,989
(times) Potential penetration rate[4]			x	35%			+	35%
(equals) Potential demand from PMA residents			=	604			=	696
(plus) Proportion from outside the PMA (25%)			+	201			+	232
(equals) Total potential assisted living demand			**=**	**805**			**=**	**928**
(minus) Existing market rate assisted living units[5]			-	624			-	624
(equals) Total excess market rate assisted living demand			=	181			=	304
(times) Percent Capturable by Marion (25%)			x	20%			x	20%
(equals) Demand capturable by Marion			**=**	**36**			**=**	**61**

[1] The percentage of seniors unable to perform or having difficulting with ADLs, based on the publication Health, United States, 2018 Senior Health and Wellbeing, conducted by the Centers for Disease Control and Prevention and the National Center for Health Statistics.

[2] Includes households with incomes of $40,000 or more (who could afford monthly rents of $2,800+ per month) plus 25% of estimated owner households with incomes below $40,000 (who will spend down assets, including home-equity, in order to live in assisted living

[3] The 2009 Overview of Assisted Living (a collaborative project of AAHSA, ASHA, ALFA, NCAL & NIC) found that 12% of assisted living residents are couples.

[4] We estimate that 60% of the qualified market needing assistance with ADLs could either remain in their homes or reside at less advanced senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled

[5] Existing and pending units at 93% occupancy. We exclude 15% of units to account for seniors utilizing public subsidy.

Source: Maxfield Research and Consulting, LLC

We estimate that a portion of demand for assisted living units (25%) will come from outside of the tri-city Market Area. Applying this figure results in total potential demand for 805 market rate assisted living units.

There are 789 assisted living units in the Marion Market Area. However, a portion of these units are occupied by residents with financial assistance, estimated to account for 15% of the total units. After deducting these competitive units (minus a 93% occupancy rate) from the total demand potential (624 units), results in remaining excess supply of 181 units. **At a 20% capture rate for Marion, this results in potential excess demand for 36 units as of 2022.**

The same calculations are applied to the age/income-qualified base in 2027. Accounting for properties with assisted living units that would come on-line during the time, we subtract a total of 624 units. Remaining excess demand equals 304 units. **At a 20% capture rate for Marion, the potential excess demand equals 61 units.**

Most assisted living developments require residents to have lived in their facility for a certain amount of time before they can use a waiver, and many try to limit the number of waivers accepted within the community to around roughly 15% to 20%. Some facilities accept higher amounts of residents on waivers and many newer facilities do not accept any waivers.

Estimated Demand for Memory Care Housing

Table 44 presents our demand calculations for market rate memory care senior housing in the Marion Market Area in 2022 and 2027.

Demand is calculated by starting with the estimated senior (age 65+) population in 2022 and multiplying by the incidence rate of Alzheimer's/dementia among this population's age cohorts. According to the Alzheimer's Association (Alzheimer's Disease Facts and Figures, 2021), 5.3% of seniors ages 65 to 74, 13.8% of seniors ages 75 to 84, and 34.6% of seniors ages 85+ are inflicted with Alzheimer's Disease. This yields a potential market of 3,847 seniors in the Marion Market Area.

Because of the staff-intensive nature of dementia care, typical monthly fees for this type of housing are at least $4,000 and may range up to more than $6,000 when including service packages. Based on our review of senior household incomes in the Marion Market Area, homeownership rates and home sale data, we estimate that 50% of seniors in the Marion Market Area would have incomes and/or assets to sufficiently cover the costs of memory care housing. This figure accounts for married couple households where one spouse may have memory care needs and allows for a sufficient income for the other spouse to live independently. Multiplying the number of seniors with Alzheimer's/dementia (3,847 seniors) by the income-qualified percentage results in a total of 1,924 age/income-qualified seniors in 2022.

TABLE 44
MARKET RATE MEMORY CARE DEMAND
MARION MARKET AREA
2022 & 2027

	2022	2027
65 to 74 Population	17,936	19,936
(times) Dementia Incidence Rate[1]	x 5%	x 5%
(equals) Estimated Age 65 to 74 Pop. with Dementia	= 951	= 1,057
75 to 84 Population	9,629	12,040
(times) Dementia Incidence Rate[1]	x 14%	x 14%
(equals) Estimated Age 75 to 84 Pop. with Dementia	= 1,329	= 1,662
85+ Population	4,531	4,737
(times) Dementia Incidence Rate[1]	x 35%	x 35%
(equals) Estimated Age 85+ Pop. with Dementia	= 1,568	= 1,639
(equals) Total Senior Population with Dementia	**= 3,847**	**= 4,357**
(times) Percent Income/Asset-Qualified[2]	x 50%	x 50%
(equals) Total Income-Qualified Market Base	= 1,924	= 2,162
(times) Percent Needing Specialized Memory Care Assistance	x 25%	x 25%
(equals) Total Need for Dementia Care	= 481	= 541
(plus) Demand from Outside the PMA (25%)	+ 160	+ 180
Total Demand for Memory Care Units	= 641	721
(minus) Existing and Pending Memory Care Units[3]	- 282	- 282
(equals) Excess PMA Demand Potential	**= 359**	**= 439**
(times) Percent Capturable by Marion (10%)	x 10%	x 10%
(equals) Demand capturable by Marion	**= 36**	**= 44**

[1] Alzheimer's Association: Alzheimer's Disease Facts & Figures (2021)

[2] Includes seniors with income at $60,000 or above ($65,000 in 2027) plus 25% of homeowners with incomes below this threshold (who will spend down assets, including home-equity, in order to live in memory care housing.

[3] Existing memory care units at 7% vacancy rate. We exclude 15% of units to account for seniors utilizing public subsidy.

Source: Maxfield Research and Consulting, LLC

According to data from the National Institute of Aging, an estimated 25% of all individuals with memory care impairments comprise the market for memory care housing units. This figure considers that seniors in the early stages of dementia will be able to live independently with the care of a spouse or other family member, while those in the later stages of dementia will require intensive medical care that would only be available in skilled care facilities. Applying this figure to the estimated population with memory impairments yields a potential market of 481 seniors.

We estimate that 25% of the overall demand for memory care housing would come from outside of the Marion Market Area. This results in demand for 641 memory care units in 2022.

We reduce the demand potential by accounting for the existing memory care product. There are 306 units and we reduce the competitive units to include only the private pay units (estimated at 260 units). Subtracting these competitive units at a 93% occupancy rate results in excess demand for 399 memory care units in 2022.

Following the same methodology, demand is calculated to increase to 479 units by 2027, after subtracting units scheduled to come on-line during the period.

We estimate that Marion could capture 10% of the excess demand for memory care units, resulting in demand for 36 units in 2022, increasing to 44 units by 2027 which includes units currently scheduled to come on-line during the period.

Introduction/Overall Housing Recommendations

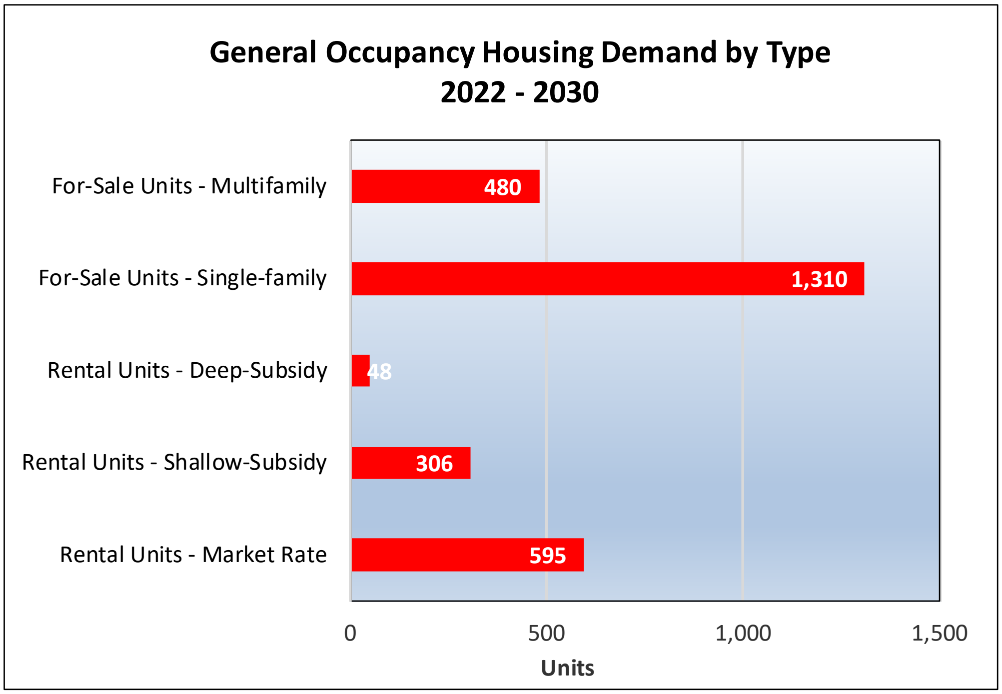
This section summarizes demand for various housing products in Marion and recommends development concepts to meet the housing needs forecast for the City between 2022 and 2030. Table 45 and the following charts illustrate demand by product type. Housing demand is contingent on projected household growth; household growth could be higher if there is greater job growth.

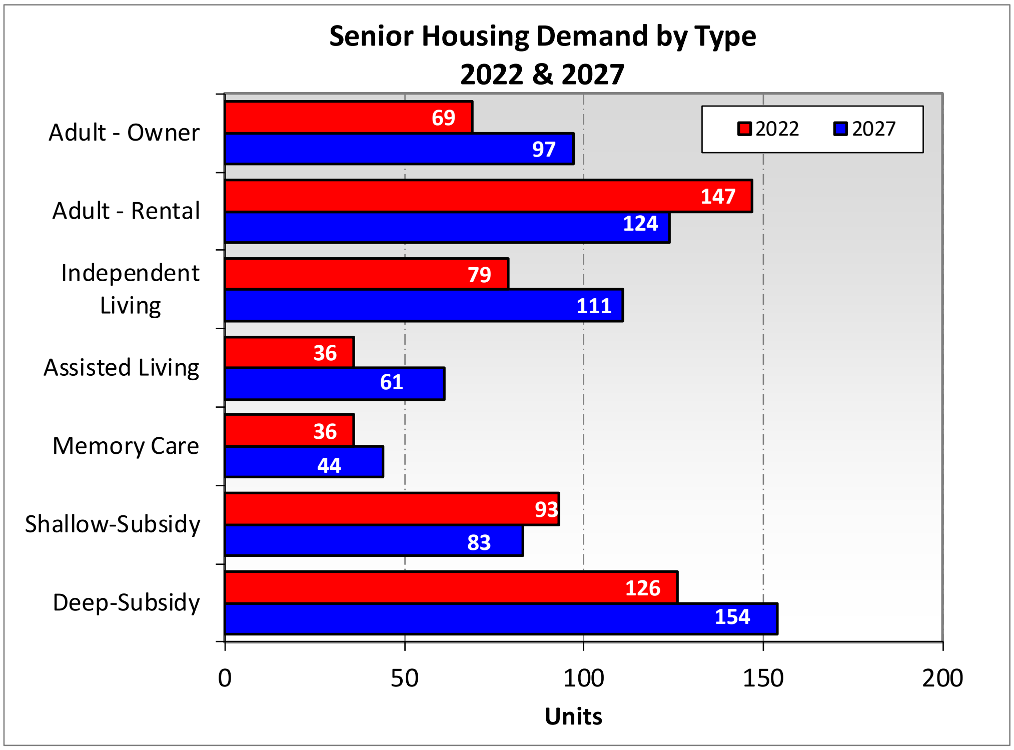
TABLE 45
SUMMARY OF HOUSING DEMAND
CITY OF MARION
August 2022

Type of Use		2022-2030
General-Occupancy		
Rental Units - Market Rate		595
Rental Units - Shallow-Subsidy		306
Rental Units - Deep-Subsidy		48
For-Sale Units - Single-family		1,310
For-Sale Units - Multifamily		480
Total General Occupancy Supportable		***2,739***
	2022	**2027**
Age-Restricted (Senior)		
Market Rate		
Adult Few Services (Active Adult)	216	221
Ownership	*69*	*97*
Rental	*147*	*124*
Independent Living w/services	79	111
Assisted Living	36	61
Memory Care	36	44
Total Market Rate Senior Supportable	***367***	***437***
Shallow-Subsidy/Deep-Subsidy		
Active Adult - Deep Subsidy	126	154
Active Adult - Shallow-Subsidy	93	83
Total Affordable Senior Supportable	***219***	***237***

Note: Some overlap exists in the senior housing segments between active adult deep- and shallow-subsidy and between shallow-subsidy and market rate

Source: Maxfield Research and Consulting, LLC


General Occupancy Housing Demand by Type
2022 - 2030
For-Sale Units - Multifamily
480
For-Sale Units - Single-family
1,310
Rental Units - Deep-Subsidy
48
Rental Units - Shallow-Subsidy
306
Rental Units - Market Rate
595
0
500
1,000
1,500
Units


Senior Housing Demand by Type
2022 & 2027
2022
2027
Adult - Owner
69
97
Adult - Rental
147
124
Independent Living
79
111
Assisted Living
36
61
Memory Care
36
44
Shallow-Subsidy
93
83
Deep-Subsidy
126
154
0
50
100
150
200
Units

Based on the finding of the analysis and demand calculations, Table 42 provides a summary of the suggested development concepts by product type for the City. These proposed concepts are intended to act as a development guide for the City regarding the types of housing products that the City should encourage. The suggested development types in Table 42 do not directly coincide with total demand for the other demand tables due primarily to a continued housing market recovery and to an adjustment made for properties that are already proposed and/or under construction.

TABLE 46
RECOMMENDED HOUSING DEVELOPMENT
CITY OF MARION
2022 to 2027

	Purchase Price/ Monthly Rent Range[1]	**No. of Units**	**Development Timing**
General Occupancy Rental Housing			
Market Rate Rental Housing [2]			
Apartment-style (suburban)	$1,100/1BR - $1,500/2BR	150 - 250	2022-2025
Apartment-style-(Uptown)	$950-Std.; $1,200/1BR; $1,650/2BR	150 - 200	2022-2025
Total		**300 - 450**	
Affordable Rental Housing			
Shallow-Subsidy	Moderate Income[3]	150 - 200	2022-2025
Deep-Subsidy	30% of AGI	30 - 45	2022-2025
Total		**180 - 245**	
Market Rate Single-Family	Entry-Level	200 - 250	2022-2025
Market Rate Multifamily Owned	Entry-Level	100 - 125	2022-2025
Total		**300 - 375**	
Senior Housing (i.e. Age Restricted)			
Active Adult Market Rate Rental[4]	$1,200/1BR - $1,500/2BR	65 - 70	2022-2027
Active Adult Market Rate Owner	$180,000/1BR-$245,000/2BR	60 - 65	2022-2027
Active Adult Shallow Rental[4]	Moderate Income[3]	55 - 80	2022-2027
Independent Living w/services	$2,800/1BR - $3,900/2BR	70 - 80	2022-2027
Deep-Subsidy Senior[5]	30% of AGI	50 - 60	2022-2027
Market Rate Assisted Living	$4,000/1BR - $4,600/2BR	25 - 30	2022-2027
Market Rate Memory Care	$5,000/Std. - $5,800/1BR	25 - 30	2022-2027
Total		**350 - 415**	

[1] Pricing in 2022 dollars. Pricing can be adjusted to account for inflation.

[2] The development of these products can occur after the vacancy rate is at or below 5%. Additional rental development could occur after new development has been absorbed and phased into the market.

[3] Affordablity subject to income guidelines per Iowa Housing Authority. Consider alternate funding programs other than LIHTC for affordability

[4] Alternative development concept is to combine active adult shallow-subsidy and market rate active adult into mixed income property

[5.] Deep-subsidy senior is difficult to develop financially; could incorporate into shallow-subsidy

Note - Recommended development does not coincide with total demand.

Source: Maxfield Research and Consulting, LLC

For-Sale Housing

Demand for for-sale housing remains strong, but there is limited inventory and it is becoming increasingly difficult for entry-level buyers to find starter homes at an affordable price. Home pricing increased again in 2022 due to fewer homes on the market and less speculative development and high construction costs are anticipated to cause prices to rise again in the short-term. Higher mortgage interest rates, coupled with increasing costs are anticipated to dampen new housing construction, although demand for existing homes will remain very strong. Most new development is targeted to move-up buyers and households looking for more lifestyle convenience with detached villas and single-level twinhomes. Some new single-family homes that are being sold with unfinished basements to reduce the cost and appeal to a first-time buyer that wants to get into a new home. There is continued demand for new owner-occupied single-family attached and detached homes as well as owned multifamily product. Again, homes priced in the upper $100,000s to low $200,000s exhibit significant demand, but very limited product is available.

Developing new housing products that would target first time homebuyers in locations in proximity to schools are likely to be highly successful. Design formats that emphasize open floor plan layouts with expansion space and contemporary urban designs would appeal to buyers that do not want to spend a significant amount of time and money to upgrade or renovate an older home. If developed on an in-fill site, the home’s design would need to “fit” in with the existing neighborhood and adjacent properties. If several units are clustered together in a new development, there would be some additional flexibility in design.

Buyers are concerned about their investment and resale. New homes will be priced higher than older existing homes. Clustering several homes together that are designed and priced at a similar level can reduce some buyers’ concerns regarding appreciation.

General Occupancy Rental Housing

Our competitive inventory identified that the vacancy rates for all types of general occupancy rental housing decreased again as of July 2022 to 1.3% overall, which is exceptionally low and indicates significant pent-up demand. Due to the older age and positioning of a large segment of the existing rental supply, many older rental units are priced at or below guidelines for shallow-subsidy/workforce housing, which indirectly satisfies demand from households that income-qualify for financially assisted housing. The growing renter base however, is seeking newer rental properties with additional and updated amenities that are not offered in older developments. In addition, the pricing of owned housing in Marion is high compared to its neighbors, creating a potential need for additional rental housing for those that cannot afford to buy.

Maxfield Research calculated demand for 595 market rate, 308 shallow-subsidy and 48 deep-subsidy rental housing units in Marion to 2030. Demand reflects an increase in the proportion of households seeking new rental housing as tracked against building permit data and absorption of new units. We conservatively estimate the City can accommodate this level of demand over the next eight years**.**

- *Market Rate Rental* – The existing market rate rental supply in Marion is somewhat older with smaller one- and two-bedroom units dominating the supply. New market rate units are anticipated to meet with strong demand. New housing units will provide updated features and amenities desired by prospective renters in the market. Rental affordability is also important. In considering new affordable rental units, properties should focus on basic features at affordable rental rates. We encourage a mix of units including studio, one-, two- and three-bedroom units.

  Monthly rents (in 2022 dollars) should range from $900 for a studio unit to $1,500 for a two-bedroom unit for new market rate construction, depending on size of property, features and amenities, location and product type. Specifics can be developed for individual proposals. Average rents in Marion are $0.99 per square foot, however monthly rents for new product should average $1.50 per square foot or higher depending on the unit mix, location and building amenities. High construction costs however, will likely require per square foot rents above this level in the near term. Monthly rents can be trended up by 2.0% to 2.5% annually prior to occupancy depending on overall market conditions. Because of construction and development costs, it may be difficult for a market rate apartment to be financially feasible with rents lower than the suggested per square foot price. Thus, for this type of project to become a reality, there may need to be a public – private partnership to reduce development costs and bring down the rents or the developer will need to provide smaller unit sizes.

  New market rate rental units are offering features and amenities such as open floor plans, high ceilings, in-unit washer and dryer, full appliance packages, central air-conditioning, high-speed internet, cable TV and Wi-Fi connections in addition to garage parking.

- *Shallow-Subsidy General Occupancy Rental*– We find that demand exists for 229 shallow-subsidy units up to 2030. New affordable units have recently been delivered into the market (Marion Lofts) and additional units are planned for development. Units brought on-line have absorbed rapidly. Thus far, most new units that have come on-line have been absorbed into the market and existing units continue to maintain high occupancies.

  Three new affordable developments came on-line or are scheduled to come on-line in 2022 including Marion Lofts (Marion), the second phase of Anderson Greene and Union at Wiley (Cedar Rapids). New units feature central air conditioning, full appliance package, in-unit washer/dryer and other recreational amenities. Detached or attached garages are also available. We have accounted for all planned new affordable units in the demand calculations.

We believe the addition of the number of rental units as suggested above will provide additional housing choices that will continue to serve the needs of current and future households that live and/or currently work in Marion and the surrounding area.

Senior Housing

As illustrated in Table 41, demand exists for all service levels of senior housing in Marion and several new senior housing properties are under construction or have just recently opened. Most of the units coming on-line are focused on service-enriched senior housing (assisted living or higher service level). However, our survey of age-restricted senior properties identified strong demand for independent living with some or all optional services. There is a growing trend in the market for older adult households to elect the services that they want or need as they age in place. Developers in other communities have been reducing the amount of separation between assisted living and independent living and allowing the resident to elect to receive services in their independent living unit as they age in place.

- *Active Adult Rental* – Demand is projected for 147 market rate active adult rental units in Marion as of 2027. Villas at Stoney Pointe opened in 2021 and is in initial lease-up. Most of the product in this format is in Continuing Care Retirement Communities which require a substantial entry fee or in tax credit developments with income restrictions. We anticipate that more seniors will consider active adult product, but market positioning to capture the largest share of the market will be important. The considerable success of LIHTC developments that are age-restricted indicates that a portion of the market is being satisfied by this product.

  Development of this product could be in a separate stand-alone facility or in a mixed-income project. A mixed-income building could include a portion of units that would be affordable to seniors with incomes established by the Iowa Finance Authority, such as Cedar Crest, Arbor at Lindale Trail and Blairs Ferry Senior Housing. All these properties are fully occupied.

  During the Recession, many older adults delayed making a move to age-restricted housing because of the low sale prices in the for-sale market. This is changing as prices are again increasing.

Active Adult-Ownership – Demand was identified for 69 units of active adult ownership housing in Cedar Rapids as of 2022. Prairie Gardens Southwest recently opened and there are two units available. Village Cooperative in Cedar Rapids is fully occupied with a substantial waiting list for units. At least one additional senior coop was planned for the area, but it is not proceeding. Additional age-restricted product may also include single-level townhomes, detached villas or similar product that would be targeted to households seeking an independent living arrangement (association-maintained) to provide for greater lifestyle flexibility.

- *Shallow-Subsidy and Deep-Subsidy Age-Restricted Rental* – We find demand for shallow-subsidy age-restricted (55+) older adult and for deep-subsidy age-restricted rentals over the next five years. There is some overlap among households qualified for a shallow-subsidy development, those that would qualify for a deep-subsidy development and those that qualify for market rate housing. Typically, the income overlap would be between $25,000 and $35,000 in annual income. This overlap could add 20% to 30% more units to the demand for shallow-subsidy age-restricted rental from either side of the income spectrum. On the high end of the spectrum, there is some overlap between shallow-subsidy and market rate active adult rental housing.

  Financing deep-subsidy age-restricted housing is difficult as federal funds have been shrinking. Therefore, a new subsidized development would likely rely on several funding sources: from low-income tax credits (LIHTC), tax-exempt bonds, USDA 515 program, among others.

- *Independent Living* – Demand was calculated for 79 units in 2022. New independent living product was added recently at Cottage Grove Place, Methwick Community, Boyson Heights and Grand Living at Indian Creek. HallMar Village is under construction and will bring more than 100 new independent living units to the market by 2023. At this time, we recommend continuing to monitor the absorption of new product into the market as new units come on-line.

- *Assisted Living* – Demand was calculated for 45 assisted living units in 2022. Assisted living units have recently been added to the market in Marion and Cedar Rapids and these are included in the demand calculations. Given the impacts of COVID-19 on the senior housing market, we recommend that this segment be monitored for the absorption of existing products in the market to assess further support for additional units in the short-term.

- *Memory Care* – Demand was calculated for 36 memory care units in 2022. We recommend monitoring the absorption of new product into the market to further assess the need for additional product between 2022 and 2027 as HallMar Village will add additional units by 2023 in this segment.

Challenges and Opportunities

Table 46 identifies and suggests housing types that would satisfy the housing needs in Marion up to 2027. The following were identified as challenges and opportunities for developing the recommended housing types (in no particular order).

- **Affordability.** Based on current home prices, an estimated 52% of Marion householders have incomes that would enable them to purchase a home at the median resale price of $255,000. Rental rates are much lower however in Marion, enabling a higher proportion of households to afford the average market rate rent for rental properties in Marion ($751 as of 2022). However, the rental market is very tight, causing a demand for market rate rentals and affordable rental housing because of the high cost of owning, which increased recently due to the uptick in mortgage interest rates. Current data demonstrates that investors have purchased or converted single-family homes from owned to rented status, currently competing with traditional apartment units. The affordability chart compares the costs of homeownership to rentals given today's housing costs based on a 30% allocation of income to housing. Not all householders however, have the credit scores and down payment that would qualify them to purchase for-sale housing.

- **Shadow Rental Inventory.** Shadow rentals are generally considered nontraditional rentals that were previously owner-occupied single-family homes, townhomes, or condominiums. Single-family homes exhibiting significant deferred maintenance are often purchased by investors who convert these units to rental. These "affordable" ownership units are then removed from the ownership market and converted to a commercial investment property. Preserving these units as affordable for entry level buyers would increase homeownership among younger households and could increase the homeownership rate in the core neighborhoods. Once lost to the ownership market, it is very difficult to cost effectively return these units to homeownership.

- **Job Growth/Employment.** Historically, low unemployment rates have driven both existing home purchases and new-home purchases. The unemployment rate rose substantially in 2020 as a result of the impacts of COVID on businesses with shutdowns, furloughs and layoffs. The unemployment rate has since dropped significantly in 2022 and labor force numbers are starting to increase again. Employment continues to increase but labor shortages in many industries are prevalent and although employers want to hire workers, many have indicated they cannot find them. Low wages in some industries and workers electing to leave their jobs for other opportunities has created substantial stress on the employment situation in the local Metropolitan Area and many other cities across the country. The need for moderate priced housing is critical to attracting workers across the job spectrum to meet the needs of employers and to support economic growth and development. Covered employment (place of work) has continued to increase exhibiting some return to stability. Although additional job creation supports the need for housing, a lack of housing, and especially, affordable housing, can place pressure on attracting workers and new jobs.

- **Promote Creative Sustainable Homes.** Today's first-time homebuyers tend to have fewer possessions and are more willing to reduce the size of their residence, with more time spent connecting with friends outside of their homes. Developing smaller homes that are efficient and livable is a combination of interior and exterior design incorporating spaces that mesh well together. Three-season sunrooms that open as an outdoor patio in the summertime, more vertical than horizontal storage, return to the attic space as either storage or living space (this could also be over a garage); skylights, oversized windows, wrap-around porch and other features. Websites offer proven floor plans on-line for the development of smaller residences.

- **Housing Programs.** There are some housing programs that the City could consider to aid and improve the City's older housing stock. The following is a list of potential programs that could be explored.

    - Remodeling Advisor – Partner with local architects and/or builders to provide ideas and general cost estimates for property owners.
    - Construction Management Services – Assist homeowners regarding local building codes, reviewing contractor bids, etc. Typically provided as a service by the building department.
    - Historic Preservation – Encourage residents to preserve historic housing stock in neighborhoods with homes with character through restoring and preserving architectural and building characteristics. Typically funded with low interest rates on loans for preservation construction costs.
    - Foreclosure Home Improvement Program – Low-interest loans to buyers of foreclosed homes to assist homeowners with needed home improvements while stabilizing owner-occupied properties. A portion of the loan could be forgivable if the occupant resides in home at least five years. Eligible participants should be based on income-guidelines (typically 80% AMI or lower).
    - Rent to Own - Income-eligible families rent for a specified length of time with the end-goal of buying a home. The HRA saves a portion of the monthly rent that will be allocated for a down payment on a future house.
    - Home Fair – Provide residents with information and resources to promote improvements to the housing stock. Typically offered on a weekend in early spring where homeowners can meet and ask questions to architects, landscapers, building contractors, lenders, building inspectors, etc.

- **Age of Rental Housing Stock.** The City is developing new market rate and affordable rental housing and has acknowledged the need to do so. New rental housing will diversify the rental housing stock and provide more residential options for young to mid-age households and those that may want a more convenient lifestyle. The City has a goal to revitalize its historic Downtown that will include creating new units as well as converting historic spaces to housing.

- **Multifamily Development Costs.** It is often difficult to construct new multifamily product with amenities today's renter's desire given achievable rents and high development costs. Maxfield Research tracks development and construction costs for new rental housing across the upper Midwest. In the Twin Cities, the average cost per unit ranges from about $225,000 to $300,000; whereas in Sioux Falls South Dakota, many market rate rental projects average $150,000 per unit. The average rent per square foot overall in Marion and the adjacent communities for market rate rentals is between $0.95 and $0.99 per square foot. Most new rental projects however, are likely to require $1.70 to $1.80 per square foot to be financially feasible. These rents are likely to be achievable without City financial support. Recent properties have received workforce housing tax credits or have applied for those credits to reduce the financial gap and ensure that rent levels meet market needs.

- **For-Sale Housing.** Although market activity for for-sale housing increased post-Recession, resales recently decreased and new construction homes have also decreased. The decrease in resales primarily reflects a limited supply of homes on the market and many buyers staying put in their homes. If a buyer currently owns a home for $150,000, they may be wanting to move up to a home priced at $180,000 to $220,000. With a limited supply of resales and very few new homes priced in this range, it is difficult for low end buyers to move up. Even buyers with homes in the low $200,000s would likely have to reach up to $280,000 to find a suitable move-up home. There are few homes on the market and with a median resale price of $255,000 in Marion, this leap-up can be a significant challenge.

- The largest market segment, entry-level buyers, cannot typically afford to buy new. As a result, they look to the resale market, but the number of resale homes is low, perhaps the lowest it has been in some time. In addition, many first-time homebuyers want to purchase a new home where they do not have to upgrade kitchens, bathrooms and other major components as soon as they move in. With low resale inventory and an inability to provide new entry-level product at the desired price point, first-time homebuyers are remaining in the rental market and paying higher rents for new construction product. Months of supply is very low (two months) where a balanced market is typically at four to five months of supply. The reduced inventory is causing prices to rise. Last year, home price appreciation was 7%.

- **New Housing Products.** New housing products continue to be developed in communities across the US. Some of these new products address the increasing costs of traditional housing construction (wood-frame, stick-built) and construction labor shortages to keep housing costs moderate and, in the case of for-sale housing, to try to attract more first-time homebuyers.

- ***Small-lot single-family*** – single-family homes developed on smaller lots (40’ to 50’ wide) with less yard and homes that are closer together. These are being developed in locations where land costs have increased substantially and construction costs are high. The biggest challenge to developing on 40’ or 50’ wide lots are municipal regulations regarding setbacks and overall lot sizes. Small lot single-family usually works well in urban in-fill areas where lot widths are less. The expansion bungalow is making a come-back in some areas of the country. These homes were very popular in new city subdivisions for many years. High development costs are creating markets for new or re-invented design concepts to provide affordable housing. These homes can be developed as a single subdivision or as in-fill for redevelopment.

- ***Row homes (attached townhomes) -*** usually multi-level with a tuck-under garage and two levels of living above that. The lower floor may include a walk-out patio or unfinished storage space depending on the home design. Upper floors include the living area, bedrooms and den/office. Rowhomes can also be designed to accommodate a work from home scenario or small business setting. Zoning however, would have to allow for this type of use, which may not be popular in less urban setting.

- ***Community features.*** Many new for-sale and rental developments are incorporating a higher proportion of common area features into their developments. Playgrounds, community pool, ball fields, walking paths and central courtyard areas are being incorporated into single-family neighborhoods along with a mix of housing products (e.g., full lifestyle continuum). In new rental housing, features such as outdoor terrace with grilling stations and outdoor lounge furniture, rooftop terrace with firepit, dog park, pet grooming stations, concierge services, bike repair stations and bike storage are becoming common place in new luxury urban rentals. Some of these features could be incorporated in a new single-family subdivision where buyers would pay a modest fee for the upkeep of common community amenities. Also gaining in popularity are urban farming and community gardens.

- ***Micro rental units.*** As rental rates rise, some developers are reducing the size of the residential units to lower the entry-level price point for an apartment unit. New apartments at the Smulekoff Building are smaller, on average, than many new apartments, but are in line with many older apartment buildings developed in the 60s and 70s. There has been a turnaround recently where developers are reducing unit sizes to keep rents lower while increasing the level of features and amenities in the units and in the building. Smaller size units in other large communities have been developed, most often in the urban core where new construction rents are typically higher and the target market is usually young to mid-age singles and couples. If construction costs remain high, we anticipate that smaller size units will continue to be brought into the market to keep rents more affordable.

- ***Mixing incomes.*** An increasing number of communities are requiring developers to incorporate a portion of affordable rentals (households w/incomes at or less than 60% AMI) into a predominantly market rate building. These is occurring in several communities which have rising rents, a growing service-based workforce and limited choices of new affordable housing. The proportion of affordable units may range from a low of 10% up to a high of 40% depending on the development. Crestwood Ridge is an example of a new mixed income affordable property recently developed in Cedar Rapids.

- ***Constructing with SIPS (Structured Insulated Panel System).*** SIPS is a factory-built energy-efficient wall system that is constructed entirely in a factory and then assembled on-site. SIPS has been around for several years, but technology has improved the functionality and quality of the product. The product is shipped to the site and assembled there. The primary savings with this type of structure are reduced construction time and reduced labor costs with fewer workers on site. Developers have commented they have been able to cut six months from the construction timeframe for a project that would typically last 12 months or more. The reduction in labor and time has been estimated to save between 20% to 30% in total hard construction costs. In many areas, severe construction labor shortages have either resulted in increases in costs or no housing being developed because companies are so busy. In areas where there are severe construction labor shortages, there are some “roving” labor groups that will travel to the Site to assemble these units. A number of Upper Midwest communities have incorporated modular construction into new projects and new single-family subdivisions to achieve increased affordability.

- ***Land Trusts.*** Land trusts have been developed in many communities across the country to support the development of and maintain the availability of affordable owner-occupied housing. There are currently about 160 land trusts operating in the US. With new land trusts, the first buyer receives a new housing unit and leases the land from the Trust. Successive buyers own the home (with a mortgage) and build equity but do not own the land which is leased. With land-trusts, there is usually a resale formula which is intended to balance the interest of homeowners with the long-term goals of the land trust. Upon sale, the homeowner obtains a portion of the appreciation with another portion going back into the land trust. The home is intended to remain affordable for the next buyer, thereby ensuring long-term affordability.

  - ***Land/Lot Buydown.*** Some local economic and housing development authorities have implemented programs to encourage re-investment in older neighborhoods and to revitalize the housing stock. The organization offers the lots/land for a minimal amount of money ($1) and then the builder or owner constructs an affordable home. This type of program usually works when neighboring properties may have low home appreciation to encourage new housing in-fill to revitalize a neighborhood. Other programs may provide a forgivable loan for the land/lot and a cash outlay toward a new home. Buyers must meet mortgage requirements but would be able to work with a homebuilder to get into a new home. If the homeowner remains in the home for a period of typically ten years, the loans are forgiven. The annual discount on the loan is usually 10% per year.

  - ***Down Payment Assistance.*** This type of program is often provided to first-time homebuyers who may have difficulty saving for their first home. Many counties and local communities offer some type of down payment assistance to qualified homebuyers. The homebuyer must be able to qualify for and afford a mortgage but may need some or all the funds for a down payment.

  - **First-Time Homebuyer, New Home Construction.** According to the National Association of Homebuilders, 30% of new homes are sold to first-time homebuyers. Post-recession, that percentage dipped to 20% as most builders targeted move-up and executive buyers and construction costs escalated. National homebuilders are again trying to target more first-time homebuyers with small home sizes, smaller lots, green/sustainable features, and increased density (e.g., townhomes, condos). New homes are attractive to first-time homebuyers because of lower utility and maintenance costs initially. As mentioned earlier, smaller homes and manufactured homes have increased in popularity because of lower price points. There may be an opportunity to solicit creative ideas from local/regional architects or through the Architecture program at Iowa State University College of Design for innovative home ideas that may be attractive to today's first-time homebuyers. This program could be implemented instead with local builders providing them an incentive to create new designs or build one of the new designs for first time homebuyers.

- **Existing Homes.** Below are programs that offer assistance with existing homes and may target first-time homebuyers or other current or prospective homeowner segments. Some of these programs focus on upgrading and/or maintaining the existing housing stock while encouraging homeownership.

  - ***Home Rehabilitation/Renovation**.* Many communities offer home rehab/renovation loans to maintain older housing stock. Buyers can take advantage of low-interest or no interest loans for improvements, usually to a single-family home or duplex. Loans are typically repaid upon sale from the proceeds or may be repaid over a specific period. Seniors may often take advantage of these types of loans to ready their home for sale to a new buyer. The buyer received an upgraded home and the loan can be repaid on sale, which is usually within six to 12 months.

- **State-Sponsored Homebuyer Programs**. The Iowa Finance Authority offers several programs targeted directly to homebuyers, first-time or other homebuyers, to secure downpayment assistance, low-interest, fixed-rate loans, closing cost assistance, assistance for members of the armed forces, and a mortgage certificate program which reduces the federal tax liability for the life of the mortgage. The Finance Authority connects buyers to local lenders who work directly with the homebuyer.

Population Projections

Population projections compiled by Maxfield Research identify the following components: consider data provided by the US Census Bureau (most recent estimates), number of new dwelling units constructed by type of unit, overall household size trends (number of people in each household) and a review of data from national demographic forecasting firms such as ESRI, Inc. ESRI Inc. utilizes data from the US Census Bureau, the American Community Survey and other trusted data sources. Projections are calculated by considering the number of people from the most recent Census Bureau estimates and a calculation of the number of people in each new dwelling unit along with the expected change in household size in each existing dwelling unit. **Population counts from the 2020 Census were released. Updated 2022 estimates for data such as owner/renter households, tenure by units in structure and household type are available from the American Community Survey and were applied to this report. Detailed 2020 Census data will be available by sometime in 2023.**

Rental Vacancy Calculations

The US Census Bureau defines vacant units and classifies them as follows:

For-Rent – Vacant units offered “for rent” and vacant units offered either “for rent.”

Rented – Not Occupied – If any money rent has been paid or agreed upon but the new renters has not moved in as of the date of enumeration, vacant unit is classified as “rented, but not occupied.”

For Seasonal, Recreational or Occasional Use – These are vacant units used or intended for use only in certain seasons or for weekend or other occasional use throughout the year. Seasonal units include those used for summer or winter sports or recreation such as beach houses and hunting cottages. Seasonal units may also include quarters for workers as herders and loggers. Interval ownership units such as time-shares are also included in this category.

Other Vacants – If a vacant unit does not fall into any of the classifications specific above, it is classified as “other vacant.” This category includes units held for occupancy by a caretaker or janitor and units held for other reasons by the owner.

Some national database companies that provide information on vacancies for multifamily units do not distinguish between properties that have reached stabilized occupancy (5% to 7% vacant) depending on population size of the city and those that have recently opened and are leasing units. These companies include all vacant units in stabilized and properties in lease-up in their vacancy calculations.

Maxfield Research, according to standard market analysis practices, includes in the vacancy calculation, only those vacant units that are standing vacant, meaning they are not occupied and have not been leased to a new renter. We exclude units advertised for lease in the future, but which are not vacant at the time of the survey and we exclude any units in properties that are in initial lease-up and have not achieved stabilized occupancy. This usually results in an overall vacancy rate that is lower than that of the US Census Bureau and some national database firms, but more accurately reflects the current stabilized vacancy rate in the community or Market Area.

Definitions

Absorption Period – The period necessary for newly constructed or renovated properties to achieve the stabilized level of occupancy. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the stabilized level of occupancy has signed a lease.

Absorption Rate – The average number of units rented each month during the absorption period.

Active adult (or independent living without services available) – Active Adult properties are similar to a general-occupancy apartment building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). Organized activities and occasionally a transportation program are usually all that are available at these properties. Because of the lack of services, active adult properties typically do not command the rent premiums of more service-enriched senior housing.

Adjusted Gross Income "AGI" – Income from taxable sources (including wages, interest, capital gains, income from retirement accounts, etc.) adjusted to account for specific deductions (e.g., contributions to retirement accounts, unreimbursed business and medical expenses, alimony, etc.).

Affordable housing – The general definition of affordability is for a household to pay no more than 30% of their income for housing. For purposes of this study we define affordable housing that is income-restricted to households earning at or below 80% AMI, though individual properties can have income-restrictions set at 40%, 50%, 60% or 80% AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. It is essentially housing affordable to low or very low-income tenants.

Amenity – Tangible or intangible benefits offered to a tenant in the form of common area amenities or in-unit amenities. Typical in-unit amenities include dishwashers, washer/dryers, walk-in showers and closets and upgraded kitchen finishes. Typical common area amenities include detached or attached garage parking, community room, fitness center and an outdoor patio or grill/picnic area.

Area Median Income "AMI" – AMI is the midpoint in the income distribution within a specific geographic area. By definition, 50% of households earn less than the median income and 50% earn more. The U.S. Department of Housing and Urban Development (HUD) calculates AMI annually and adjustments are made for family size.

Assisted Living – Assisted Living properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.

Building Permit – Building permits track housing starts and the number of housing units authorized to be built by the local governing authority. Most jurisdictions require building permits for new construction, major renovations, as well as other building improvements. Building permits ensure that all the work meets applicable building and safety rules and is typically required to be completed by a licensed professional. Once the building is complete and meets the inspector's satisfaction, the jurisdiction will issue a "CO" or "Certificate of Occupancy." Building permits are a key barometer for the health of the housing market and are often a leading indicator in the rest of the economy as it has a major impact on consumer spending.

Capture Rate – The percentage of age, size, and income-qualified renter households in a given area or "Market Area" that the property must capture to fill the units. The capture rate is calculated by dividing the total number of units at the property by the total number of age, size and income-qualified renter households in the designated area.

Comparable Property – A property that is representative of the rental housing choices of the designated area or "Market Area" that is similar in construction, size, amenities, location and/or age.

Concession – Discount or incentives given to a prospective tenant to induce signature of a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or free amenities, which are normally charged separately, such as parking.

Congregate (or independent living with services available) – Congregate properties offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties typically dedicate a larger share of the overall building area to common areas, in part, because the units are smaller than in adult housing and in part to encourage socialization among residents. Congregate properties attract a slightly older target market than adult housing, typically seniors aged 75 or older. Rents are also above those of the active adult buildings, even excluding the services.

Contract Rent – The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease.

Demand – The total number of households that would potentially move into a proposed new or renovated housing project. These households must be of appropriate age, income, tenure and size for a specific proposed development. Components vary and can include, but are not limited to turnover, people living in substandard conditions, rent over-burdened households, income-qualified households and age of householder. Demand is project specific.

Density – Number of units in a given area. Density is typically measured in dwelling units (DU) per acre – the larger the number of units permitted per acre the higher the density; the fewer units permitted results in lower density. Density is often presented in a gross and net format:

- Gross Density – The number of dwelling units per acre based on the gross site acreage. *Gross Density = Total residential units/total development area*
- Net Density - The number of dwelling units per acre located on the site, but excludes public rights-of-way (ROW) such as streets, alleys, easements, open spaces, etc. *Net Density = Total residential units/total residential land area (excluding ROWs)*

Detached housing – a freestanding dwelling unit, most often single-family homes, situated on its own lot.

Effective Rents – Contract rent less applicable concessions.

Elderly or Senior Housing – Housing where all the units in the property are restricted for occupancy by persons aged 62 years or better, or at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or better and the housing is designed with amenities, facilities and services to meet the needs of senior citizens.

Extremely low-income – person or household with incomes below 30% of Area Median Income, adjusted for respective household size.

Fair Market Rent – Estimates established by HUD of the Gross Rents needed to obtain modest rental units in acceptable conditions in a specific geographic area. The amount of rental income a given property would command if it were open for leasing at any given moment and/or the amount derived based on market conditions that is needed to pay gross monthly rent at modest rental housing in a given area. This figure is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families on at financially assisted housing.

Foreclosure – A legal process in which a lender or financial institute attempts to recover the balance of a loan from a borrower who has stopped making payments to the lender by using the sale of the house as collateral for the loan.

Gross Rent – The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease, plus the estimated cost of all utilities paid by tenants.

Household – All persons who occupy a housing unit, including occupants of a single-family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Household Trends – Changes in the number of households for any particular areas over a measurable period of time, which is a function of new household formations, changes in average household size and net migration.

Housing Choice Voucher Program – The federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. Housing choice vouchers are administered locally by public housing agencies. They receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A housing subsidy is paid to the landlord directly by the public housing agency on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

Housing unit – House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

HUD Project-Based Section 8 – A federal government program that provides rental housing for very low-income families, the elderly, and the disabled in privately owned and managed rental units. The owner reserves some or all of the units in a building in return for a Federal government guarantee to make up the difference between the tenant's contribution and the rent. A tenant who leaves a subsidized project will lose access to the project-based subsidy.

HUD Section 202 Program – Federal program that provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by elder household who have incomes not exceeding 50% of Area Median Income.
HUD Section 811 Program – Federal program that provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy of persons with disabilities who have incomes not exceeding 50% Area Median Income.

HUD Section 236 Program – Federal program that provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% Area Median Income who pay rent equal to the greater or market rate or 30% of their adjusted income.

Income limits – Maximum household income by a designed geographic area, adjusted for household size and expressed as a percentage of the Area Median Income, for the purpose of establishing an upper limit for eligibility for a specific housing program. See Income-qualifications.

Inflow/Outflow – The Inflow/Outflow Analysis generates results showing the count and characteristics of worker flows in to, out of, and within the defined geographic area.

Low-Income – Person or household with gross household incomes below 80% of Area Median Income, adjusted for household size.

Low-Income Housing Tax Credit – A program aimed to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and rents on these units be restricted accordingly.

Market analysis – The study of real estate market conditions for a specific type of property, geographic area or proposed (re)development.

Market rent – The rent that an apartment, without rent or income restrictions or rent subsidies, would command in a given area or "Market Area" considering its location, features and amenities.

Market study – A comprehensive study of a specific proposal including a review of the housing market in a defined market or geography. Project specific market studies are often used by developers, property managers or government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what house needs, if any, existing within a specific geography.

Market rate rental housing – Housing that does not have any income-restrictions. Some properties will have income guidelines, which are minimum annual incomes required in order to reside at the property.

Median Rent/Home Price – The median refers to the price point where half of the rents/homes are priced above the point, and half are priced below it. The median is a more accurate gauge of housing costs as averages tend to skew prices at the high and low end of the market.

Memory Care – Memory Care properties, designed specifically for persons suffering from Alzheimer's disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which deals almost exclusively with widows or widowers, a higher proportion of persons afflicted with Alzheimer's disease are in two-person households. That means the decision to move a spouse into a memory care facility involves the caregiver's concern of incurring the costs of health care at a special facility while continuing to maintain their home.

Migration – The movement of households and/or people into or out of an area.

Mixed-income property – An apartment property contained either both income-restricted and unrestricted units or units restricted at two or more income limits.

Mobility – The ease at which people move from one location to another.

Moderate Income – Person or household with gross household income between 80% and 120% of the Area Median Income, adjusted for household size.

Multifamily – Properties and structures that contain more than two housing units.

Naturally Occurring Affordable Housing – Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income guidelines (e.g., assisted) yet are more affordable than other units in a community are considered "naturally-occurring" or "unsubsidized affordable" units. This rental supply is available through the private market, versus assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such as: age of structure/housing stock, location, condition, size, functionally obsolete, school district, etc.

Net Income – Income earned after payroll withholdings such as state and federal income taxes, social security, as well as retirement savings and health insurance.

Net Worth – The difference between assets and liabilities, or the total value of assets after the debt is subtracted.

Pent-up demand – A market in which there is a scarcity of supply and as such, vacancy rates are very low or non-existent.

Population – All people living in a geographic area.

Population Density – The population of an area divided by the number of square miles of land area.
Population Trends – Changes in population levels for a particular geographic area over a specific period – a function of the level of births, deaths, and in/out migration.

Project-Based rent assistance – Rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Redevelopment – The redesign, rehabilitation or expansion of existing properties.

Rent burden – gross rent divided by adjusted monthly household income.

Restricted rent – The rent charged under the restriction of a specific housing program or subsidy.

Saturation – The point at which there is no longer demanded to support additional market rate, affordable/subsidized, rental, for-sale, or senior housing units. Saturation usually refers to a particular segment of a specific market.

Senior Housing – The term “senior housing” refers to any housing development that is restricted to people aged 55 or older. Today, senior housing includes an entire spectrum of housing alternatives. Maxfield Research Inc. classifies senior housing into four categories based on the level of support services. The four categories are: Active Adult, Congregate, Assisted Living and Memory Care.

Short Sale – A sale of real estate in which the net proceeds from selling the property do not cover the sellers’ mortgage obligations. The difference is forgiven by the lender, or other arrangements are made with the lender to settle the remainder of the debt.

Single-family home – A dwelling unit, either attached or detached, designed for use by one household and with direct street access. It does not share heating facilities or other essential electrical, mechanical or building facilities with another dwelling.

Stabilized level of occupancy – The underwritten or actual number of occupied units that a property is expected to maintain after the initial lease-up period.

Subsidized housing – Housing that is income-restricted to households earning at or below 30% AMI. Rent is generally based on income, with the household contributing 30% of their adjusted gross income toward rent. Also referred to as extremely low-income housing.

Subsidy – Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment’s contract/market rate rent and the amount paid by the tenant toward rent.

Substandard conditions – Housing conditions that are conventionally considered unacceptable and can be defined in terms of lacking plumbing facilities, one or more major mechanical or electrical system malfunctions, or overcrowded conditions.

Target population – The market segment or segments of the given population a development would appeal or cater to.

Tenant – One who rents real property from another individual or rental company.
Tenant-paid utilities – The cost of utilities, excluding cable, telephone, or internet necessary for the habitation of a dwelling unit, which are paid by said tenant.

Tenure – The distinction between owner-occupied and renter-occupied housing units.

Turnover – A measure of movement of residents into and out of a geographic location.

Turnover period – An estimate of the number of housing units in a geographic location as a percentage of the total house units that will likely change occupants in any one year.

Unrestricted units – Units that are not subject to any income or rent restrictions.

Vacancy period – The amount of time an apartment remains vacant and is available on the market for rent.

Workforce housing – Housing that is income-restricted to households earning between 80% and 120% AMI. Also referred to as moderate-income housing.

Zoning – Classification and regulation of land use by local governments according to use categories (zones); often also includes density designations and limitations.