



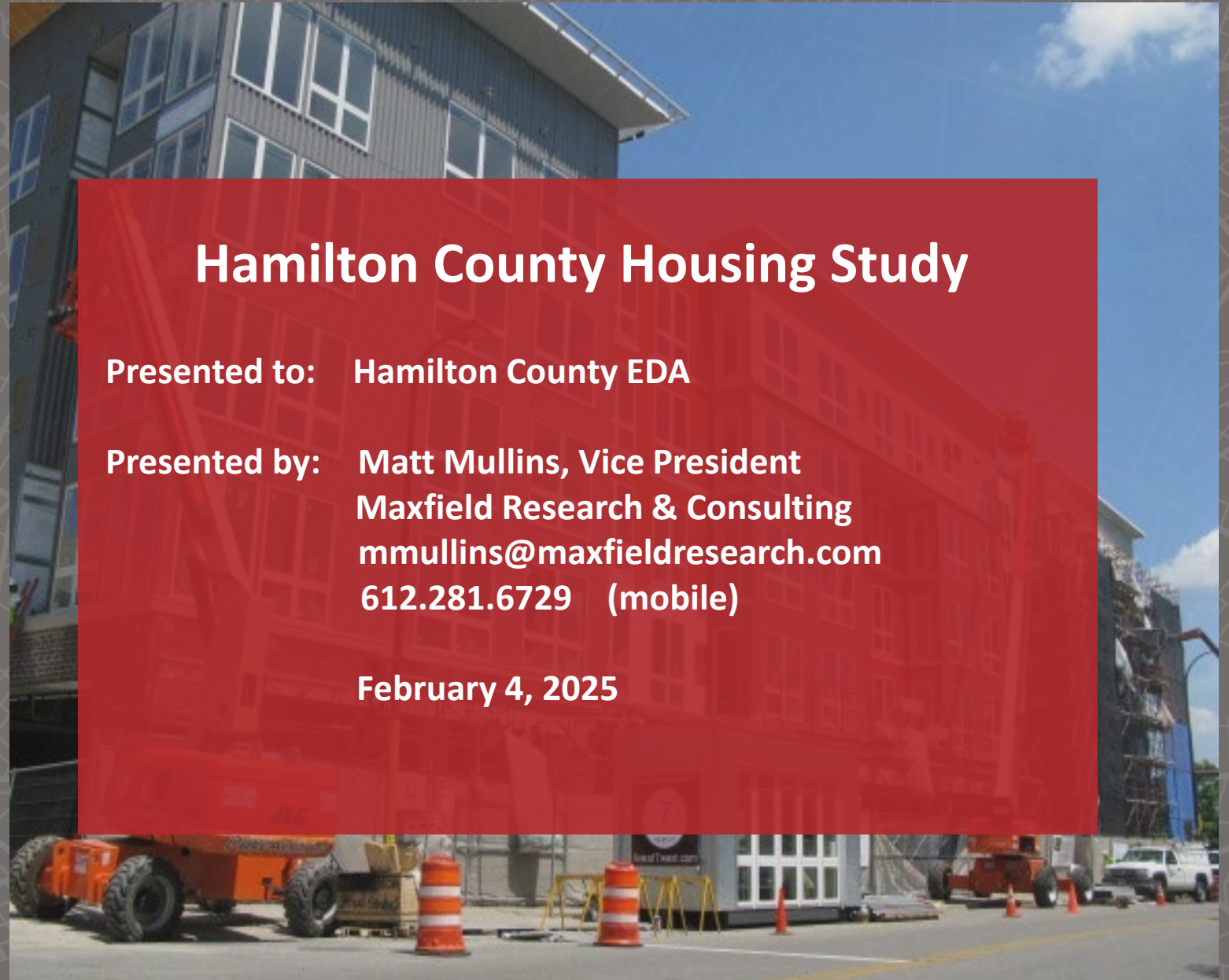
Real Estate Research  
Providing Comprehensive  
Market Information  
and Feasibility Studies

## Hamilton County Housing Study

**Presented to:** Hamilton County EDA

**Presented by:** Matt Mullins, Vice President  
Maxfield Research & Consulting  
[mmullins@maxfieldresearch.com](mailto:mmullins@maxfieldresearch.com)  
612.281.6729 (mobile)

February 4, 2025



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# Maxfield Research & Consulting

We are a full-service real estate advisory company providing strategic value to our private and public sector clients' real estate activities.



## OVERVIEW

- 40+ Years Experience
- Diverse Client Base
- Multi-sector Capable
- Market Driven Strategies
- Recommending Highest & Best Uses
- Provide Actionable Plans

# Project Scope

## OBJECTIVE

Provide custom comprehensive housing study

## APPROACH

Identify current & future housing needs for residents in Hamilton County and provide framework for meeting housing needs

## PROJECT DELIVERABLES

- Short and long-term housing needs
- Recommendations guiding future housing development
- Tools/policies to implement the plan

## KEY DATES

- Kick-off: August 2024
- Data collection: Fall/Winter 2024
- Draft Report: January 2025
- Final Report: TBD



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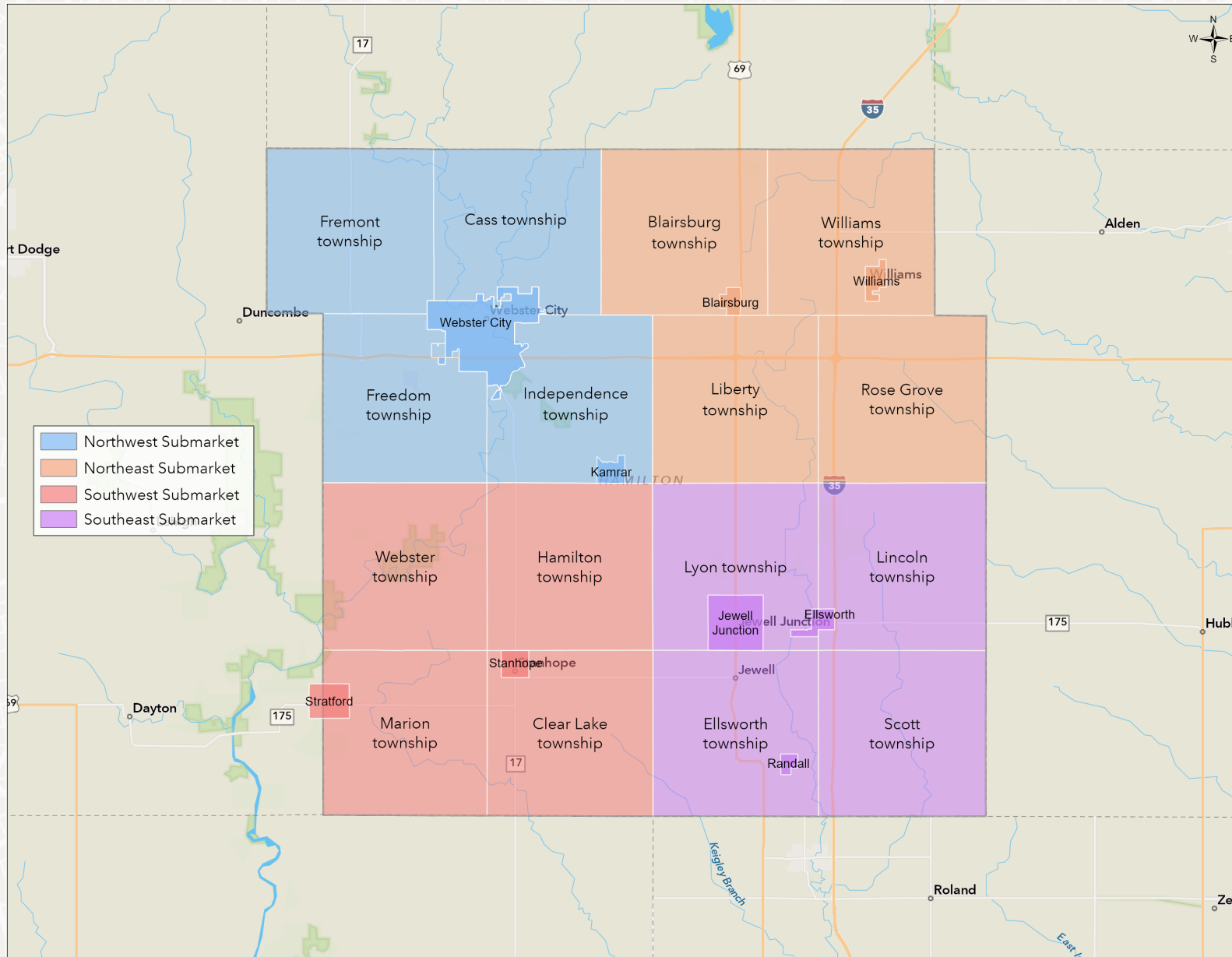
# Demographics & Economics

Market Overview

Demand & Recommendations

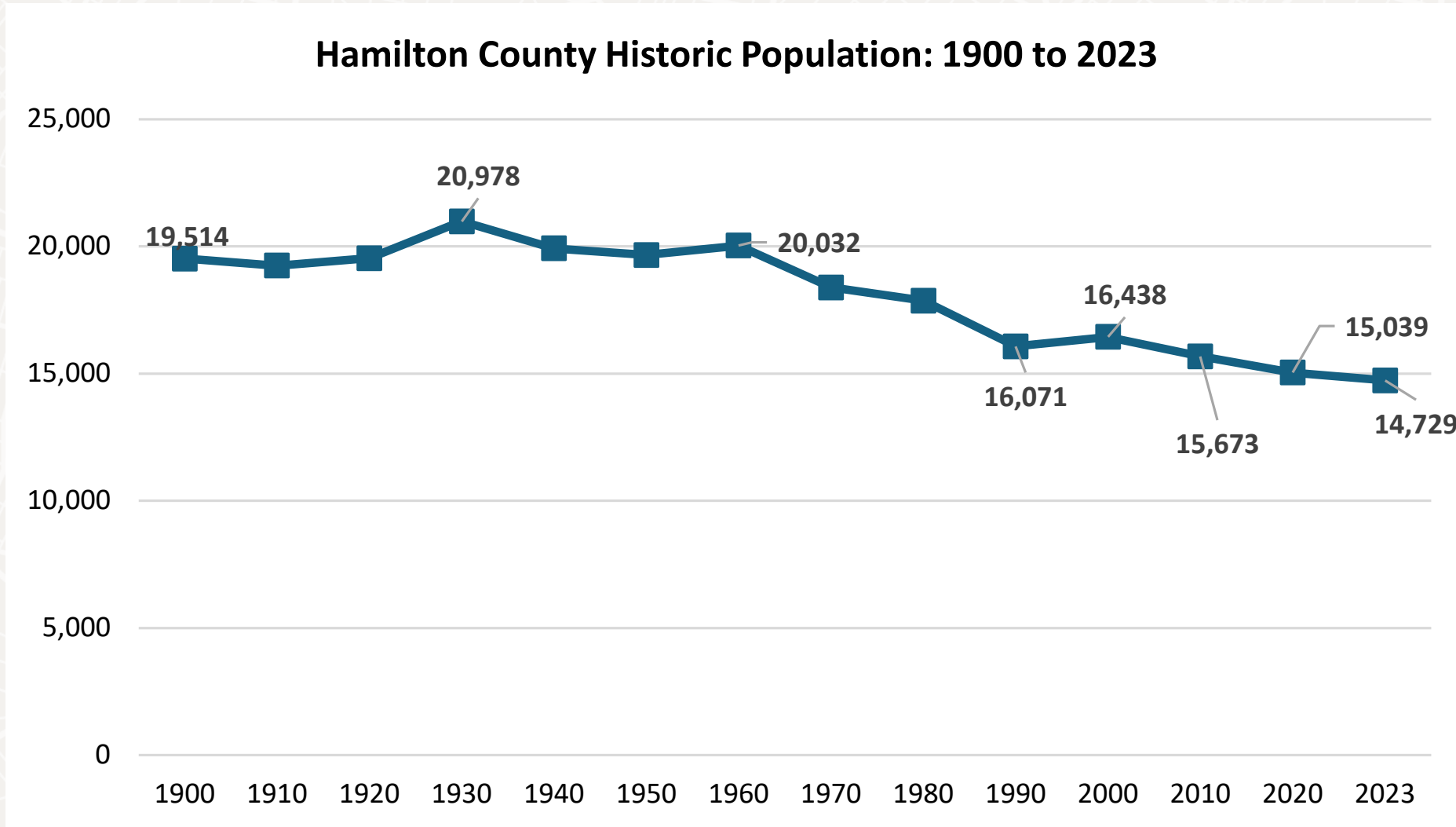
Discussion

# Market Area Definitions

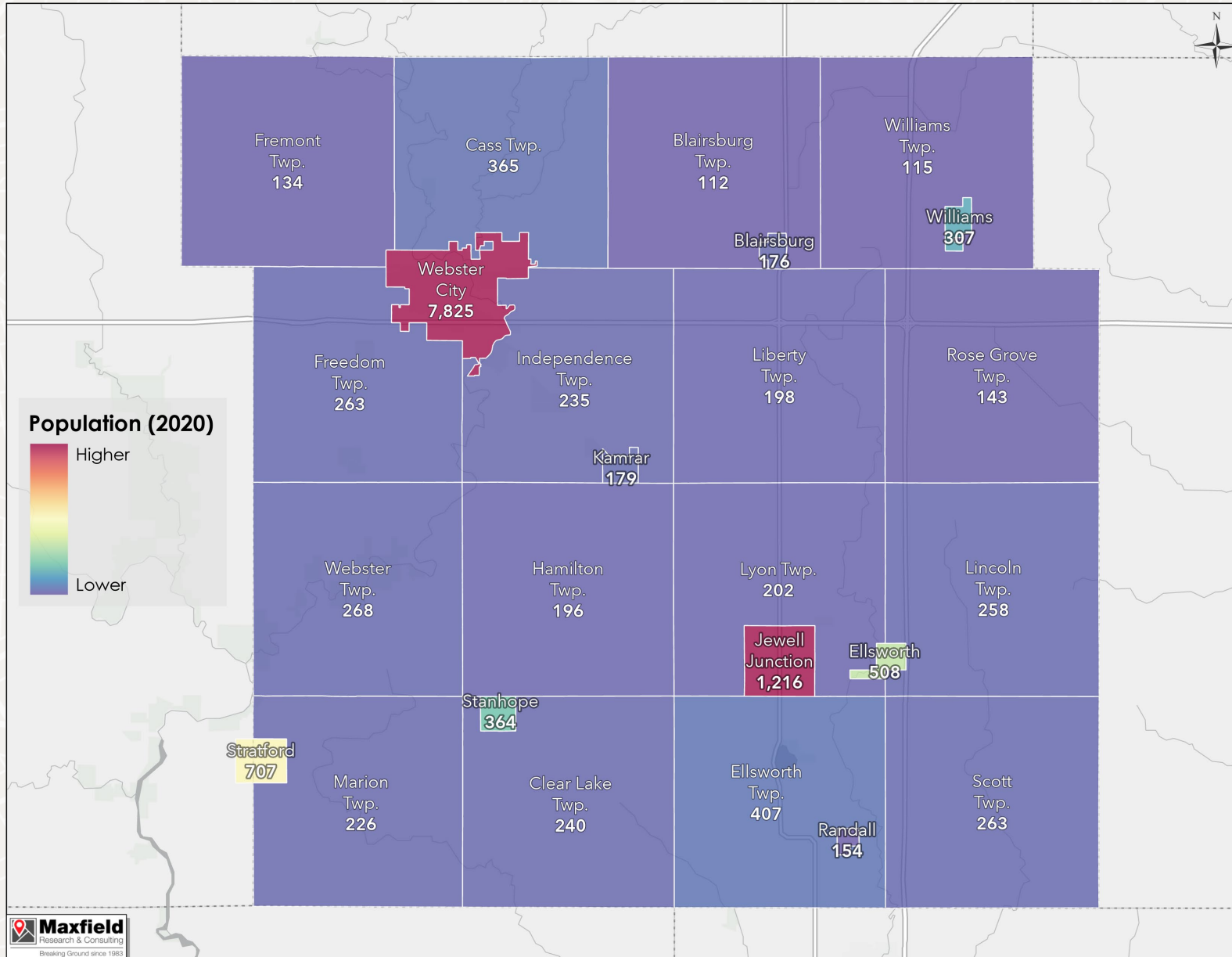


| Hamilton County Submarkets |                   |
|----------------------------|-------------------|
| Northwest Submarket        |                   |
| Webster City               | Cass Twp.         |
| Kamrar                     | Freedom Twp.      |
|                            | Freemont Twp.     |
|                            | Independence Twp. |
| Northeast Submarket        |                   |
| Blairsburg                 | Blairsburg Twp.   |
| Williams                   | Liberty Twp.      |
|                            | Rose Grove Twp.   |
|                            | Williams Township |
| Southwest Submarket        |                   |
| Stanhope                   | Clear Lake Twp.   |
| Straftord                  | Hamilton Twp.     |
|                            | Marion Twp.       |
|                            | Webster Twp.      |
| Southeast Submarket        |                   |
| Elsworth                   | Ellsworth Twp.    |
| Jewell Junction            | Lincoln Twp.      |
| Randall                    | Lyon Twp.         |
|                            | Scott Twp.        |

# Historically Declining Population

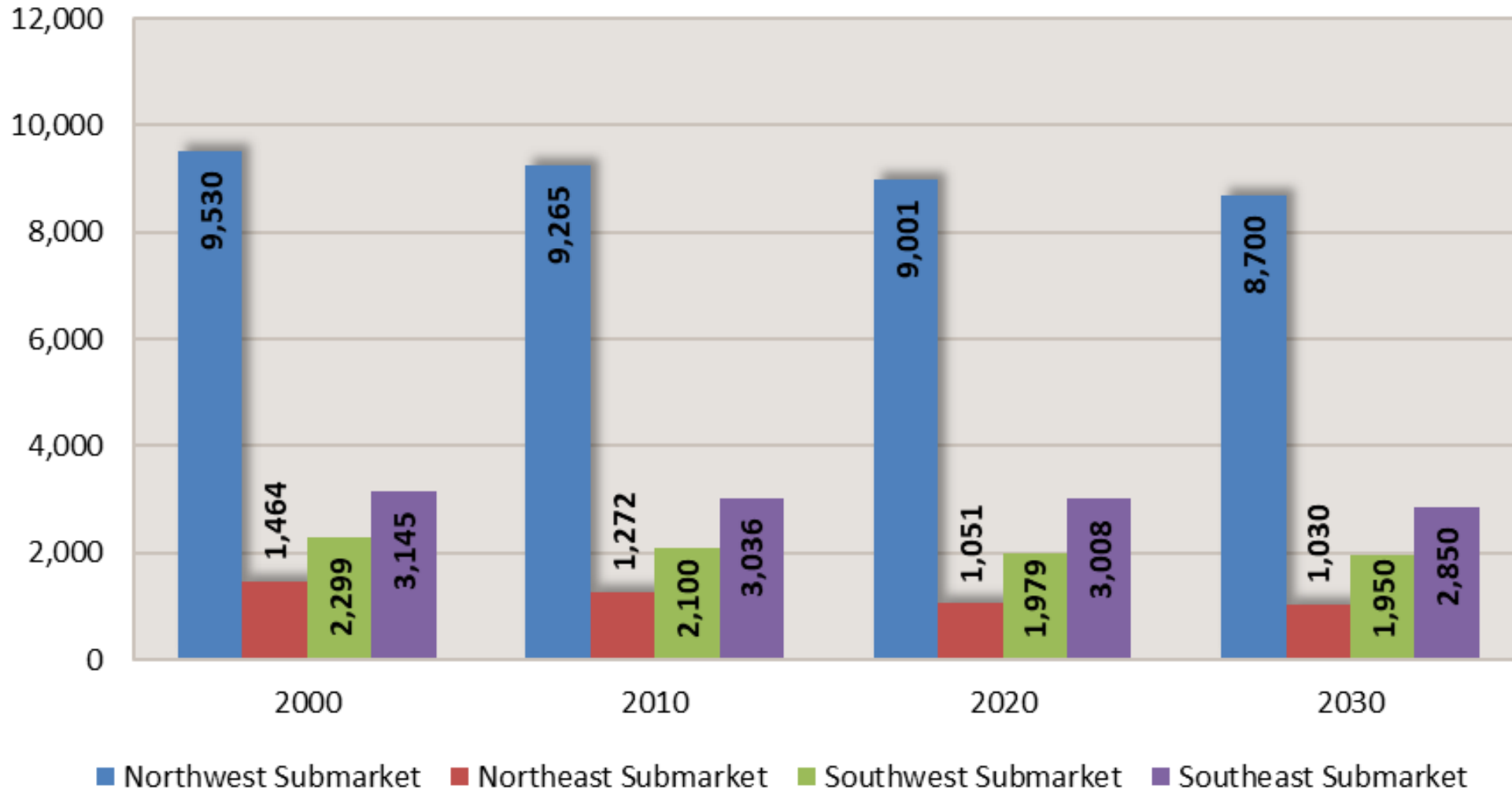


# 2020 Population

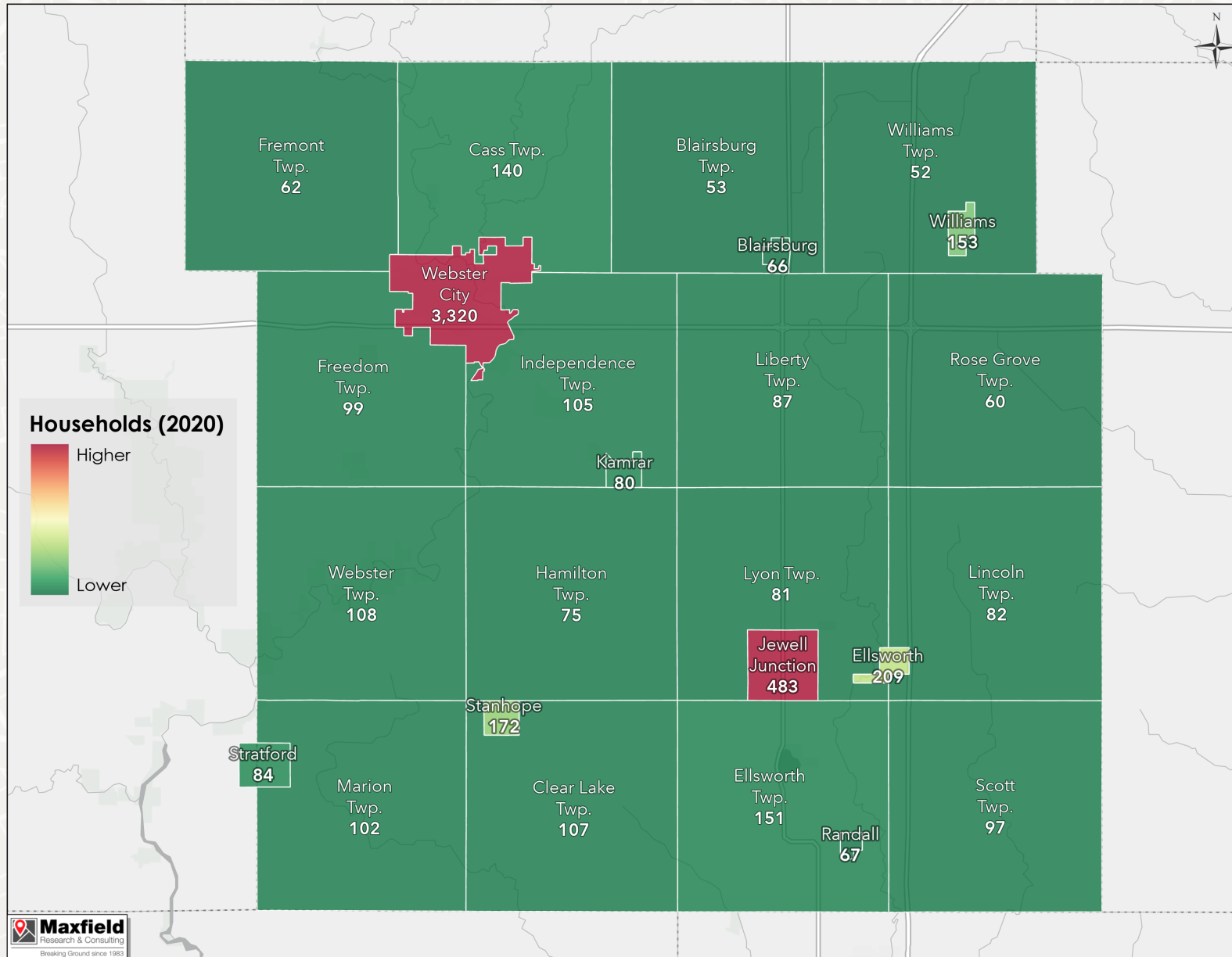


# Population by Submarket

## Hamilton County by Submarket (2000 - 2030)

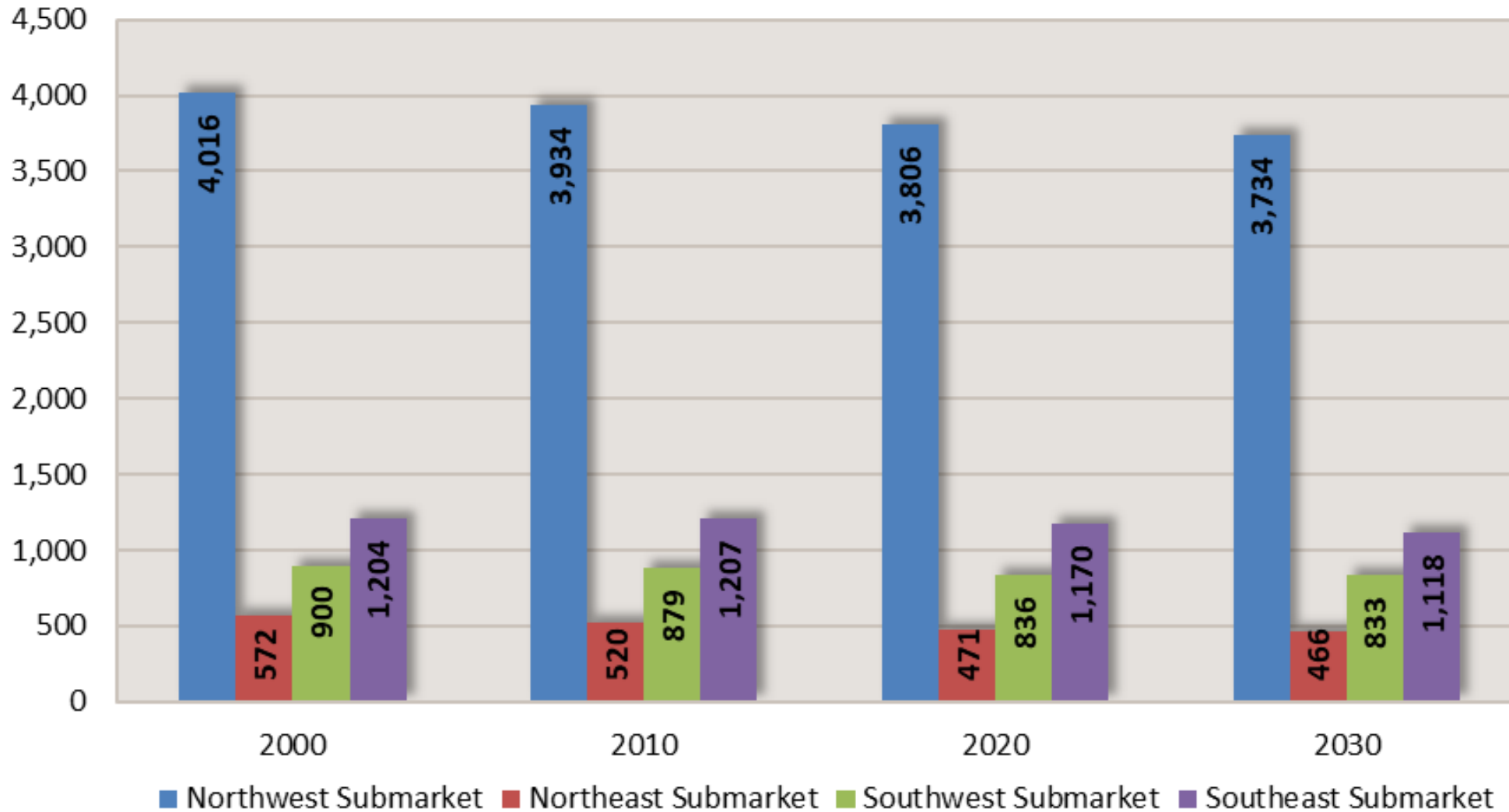


# 2020 Households



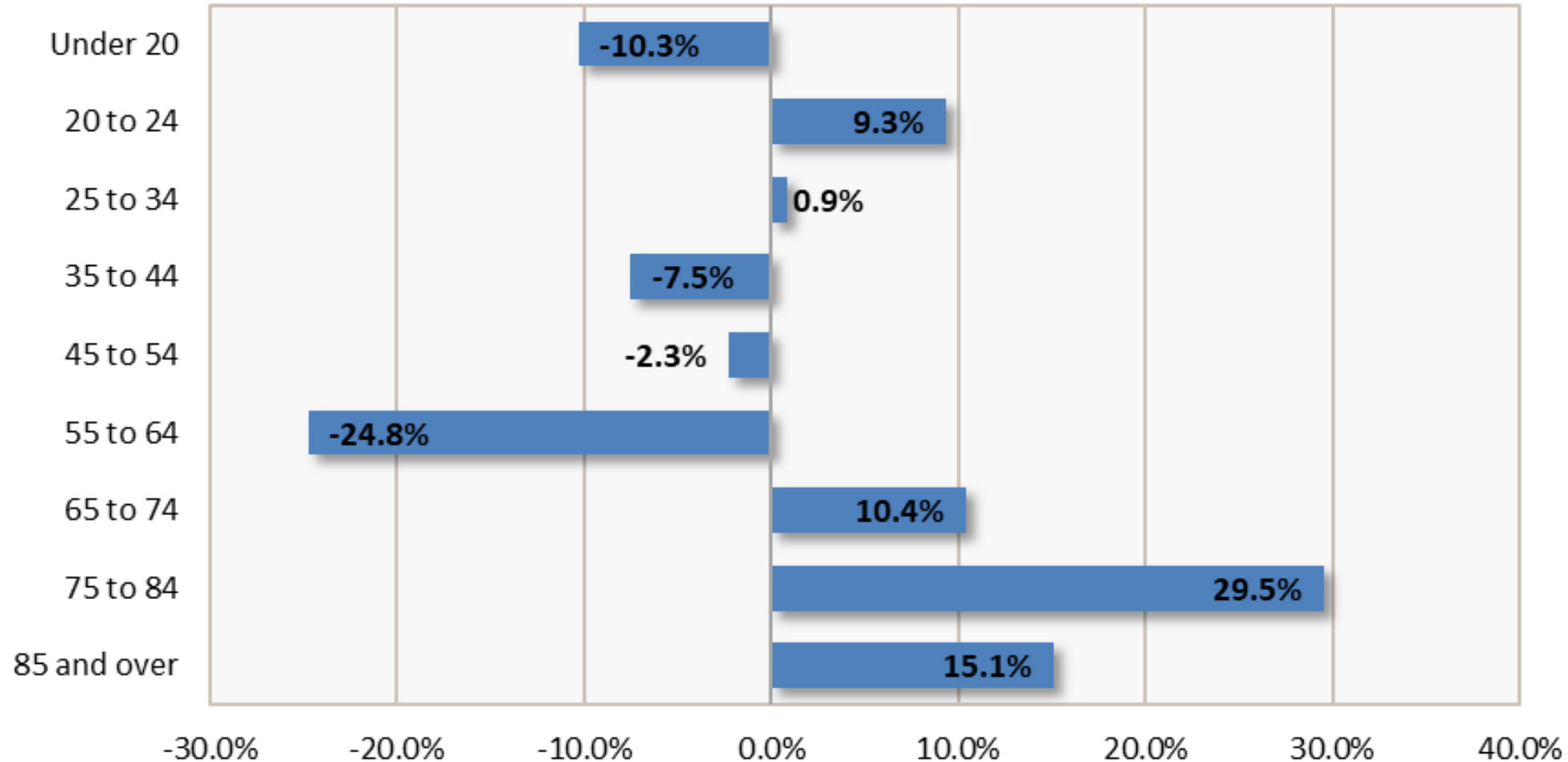
# Household Change by Submarket

## Hamilton County Households (2000 - 2030)



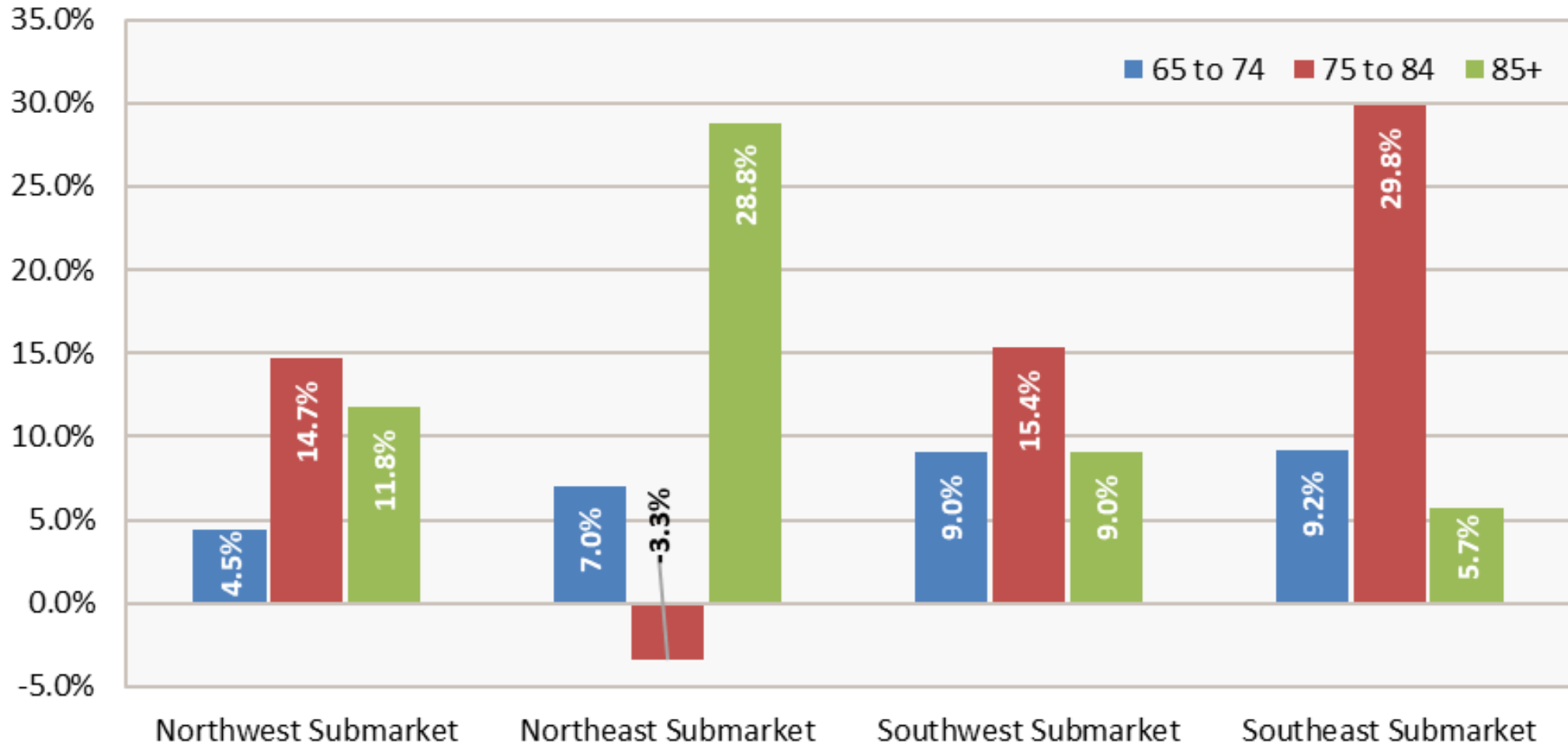
# Significant Senior Population Growth through 2030

**Population Growth by Age Group  
Hamilton County (2020 - 2030)**



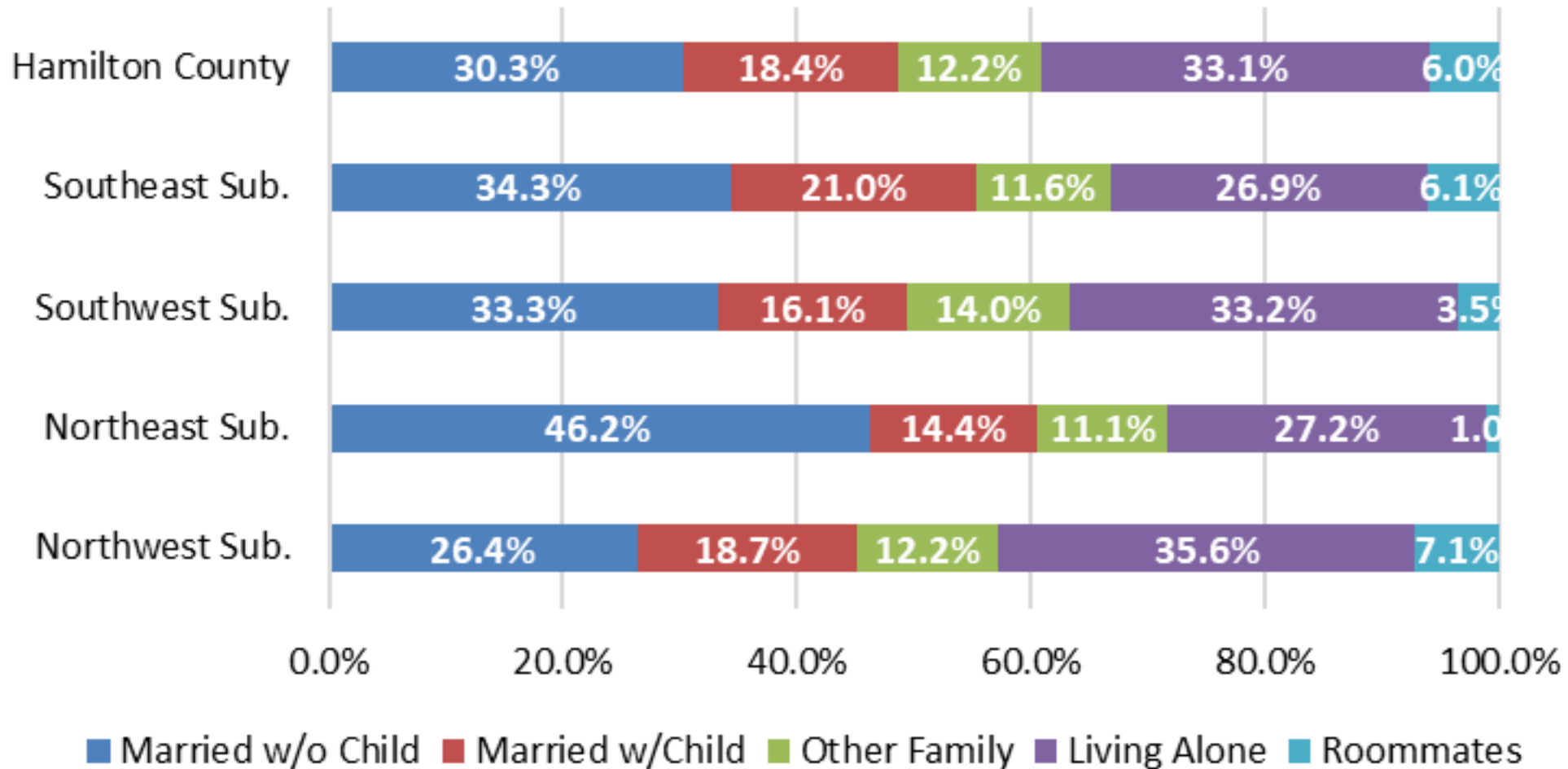
# Senior growth % highest in NE and SE submarkets

## Senior Growth by Age & Submarket : 2024 to 2030



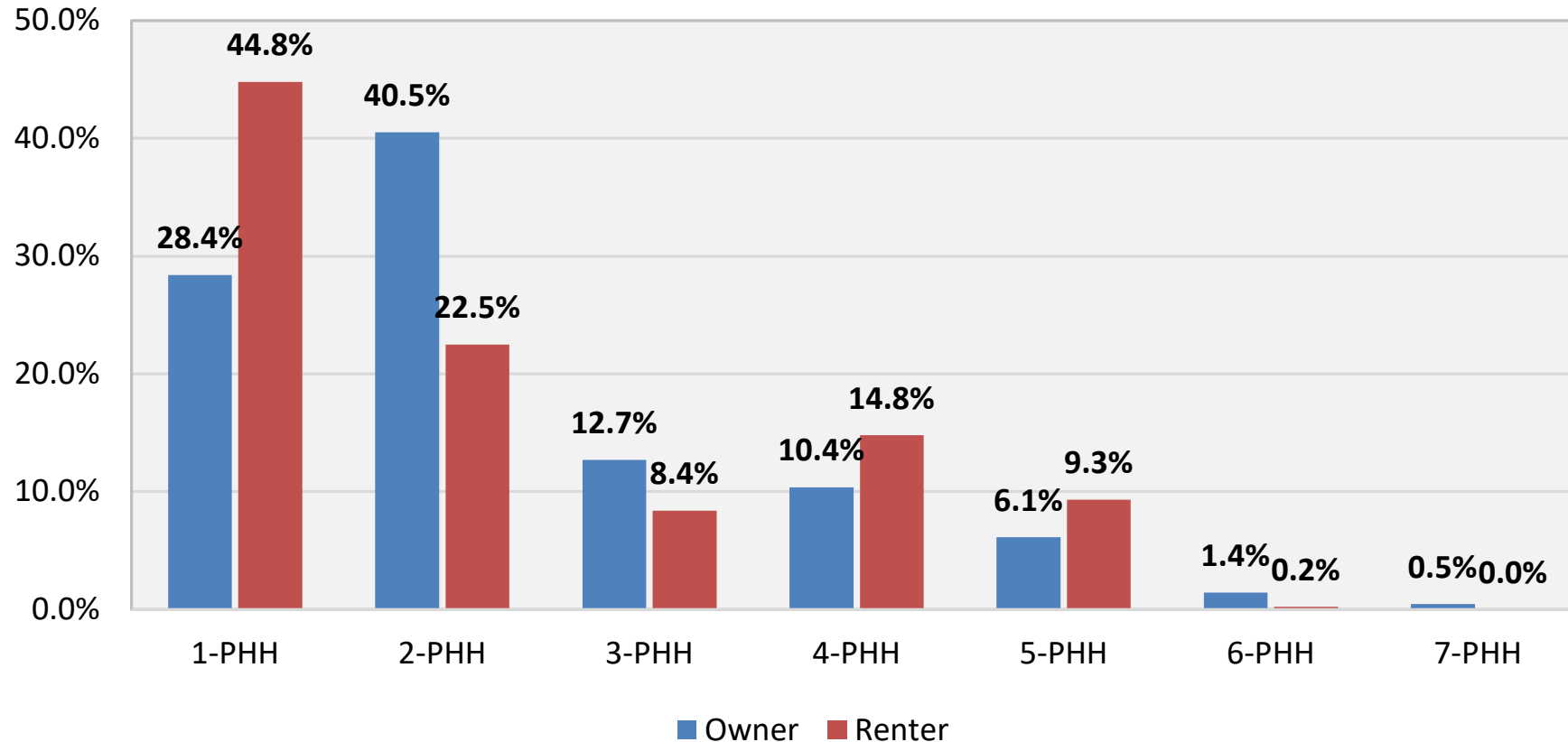
# Empty/Never Nesters & Living Alone Primary HH Types

## Household Type, Hamilton County



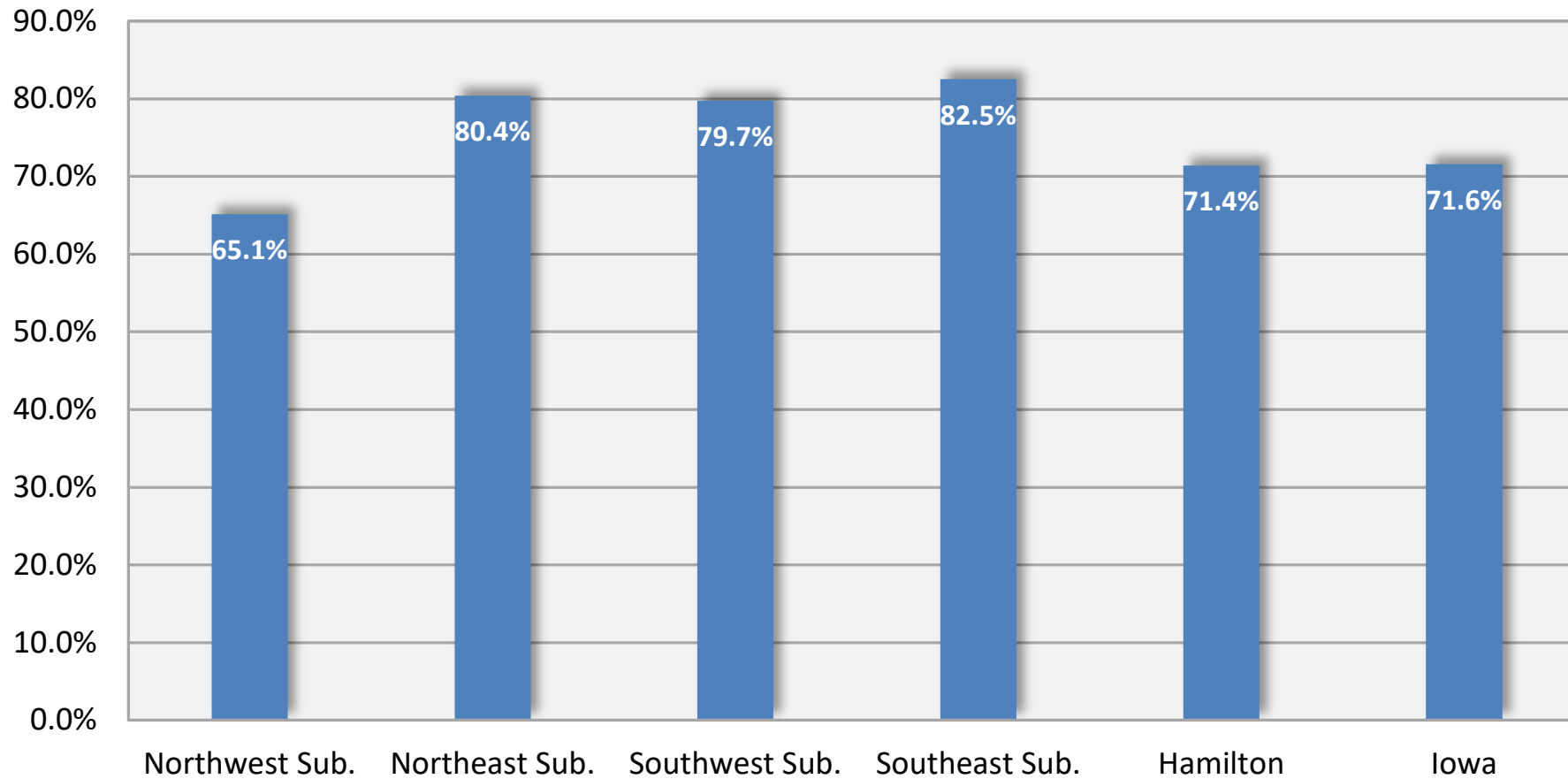
# 68% of All HHs are 1 & 2 PP | 45% of Renters Live Alone

Tenure by Household Size  
Hamilton County (2024)

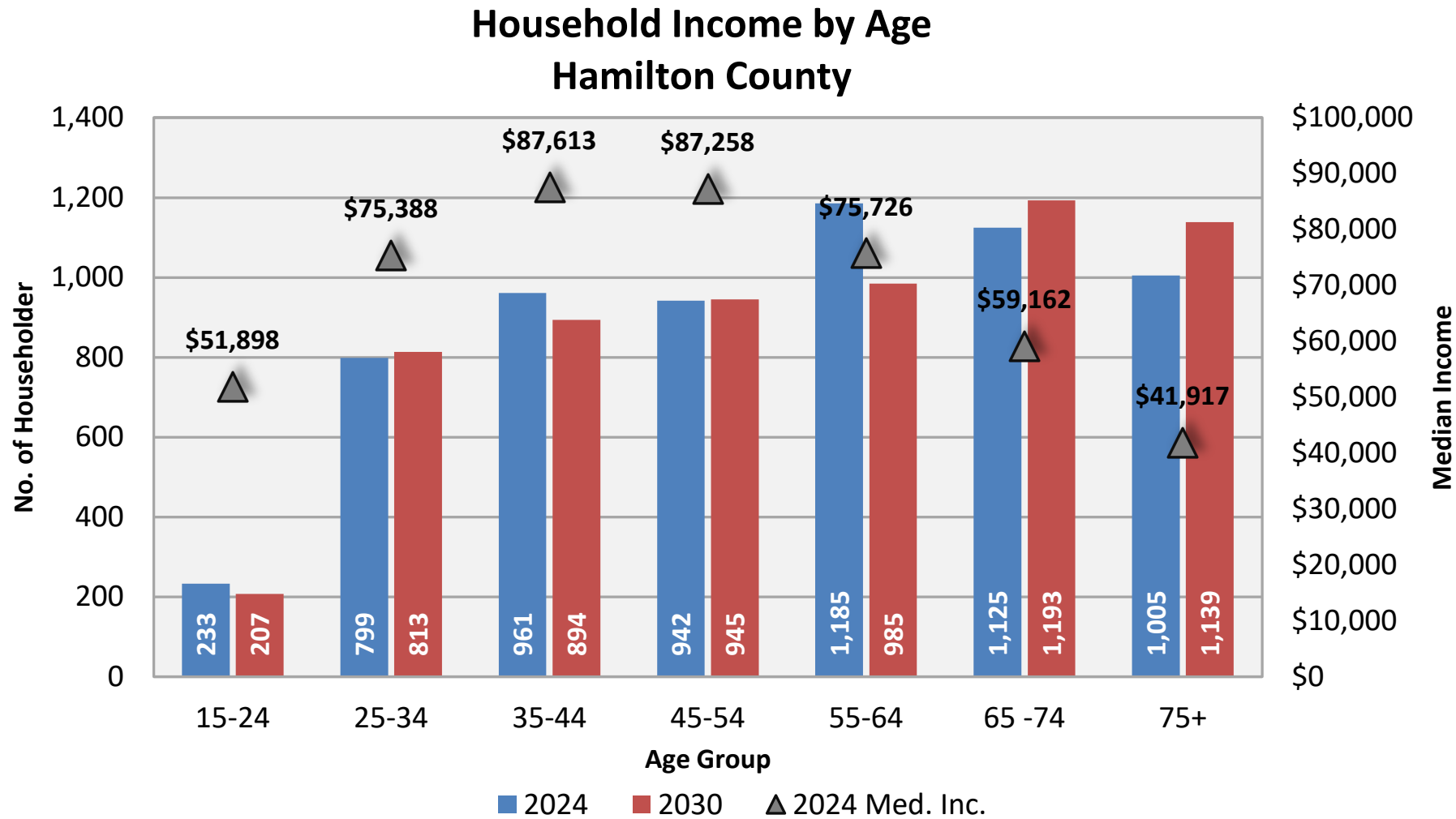


# Home Ownership Rates on-par with Iowa

## Tenure by Hamilton County Submarket (2024)

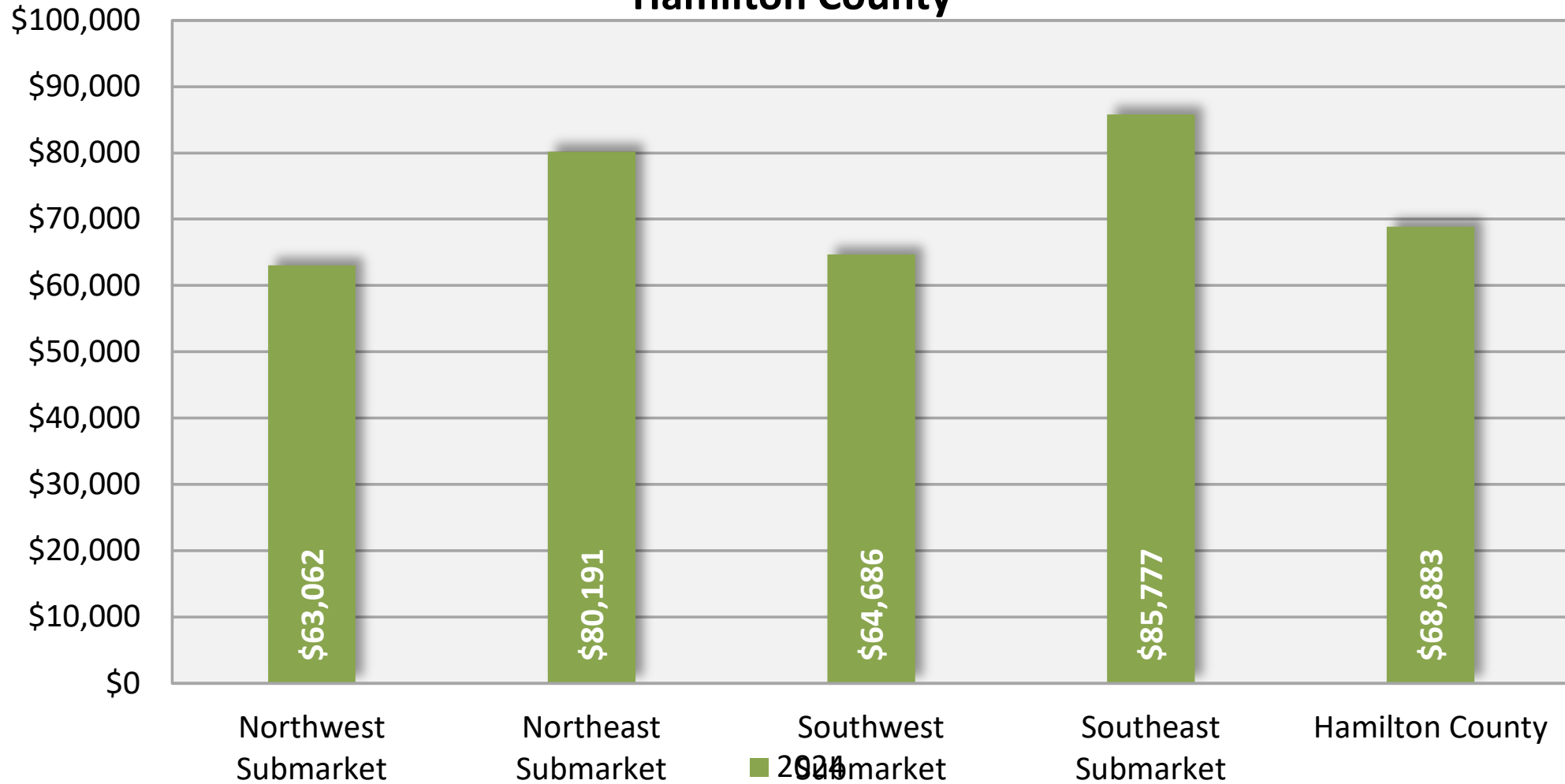


# Gen. X & Millennials strongest household incomes...



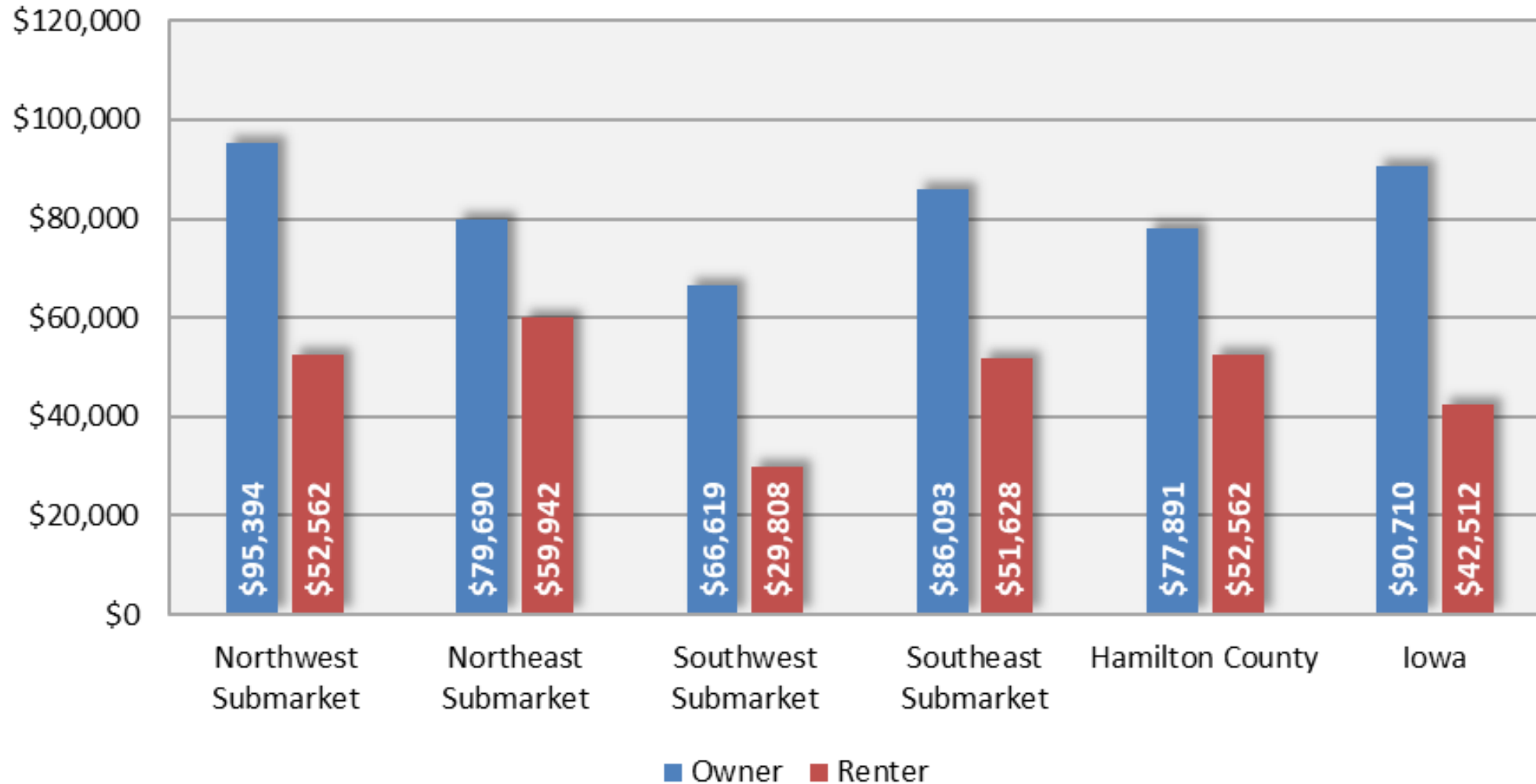
# Household Incomes Vary Across Submarkets

**Median Household Income by Submarket  
Hamilton County**



# Renter Incomes lower than Owners...but higher than Iowa

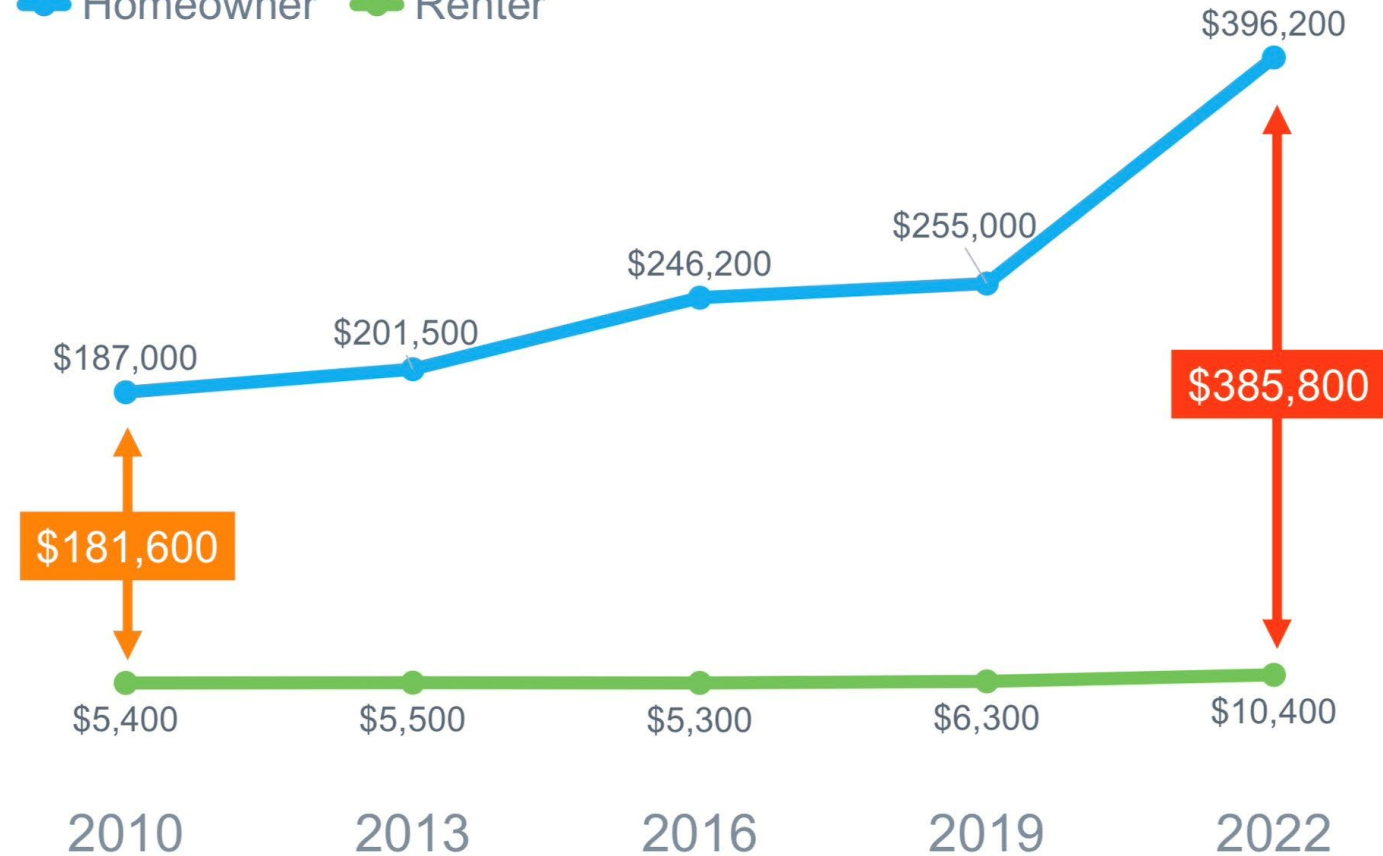
## Median Household Income by Tenure (2024)



# Homeowner vs Renter Net Worth – National Perspective

## The Gap in Net Worth Is Widening

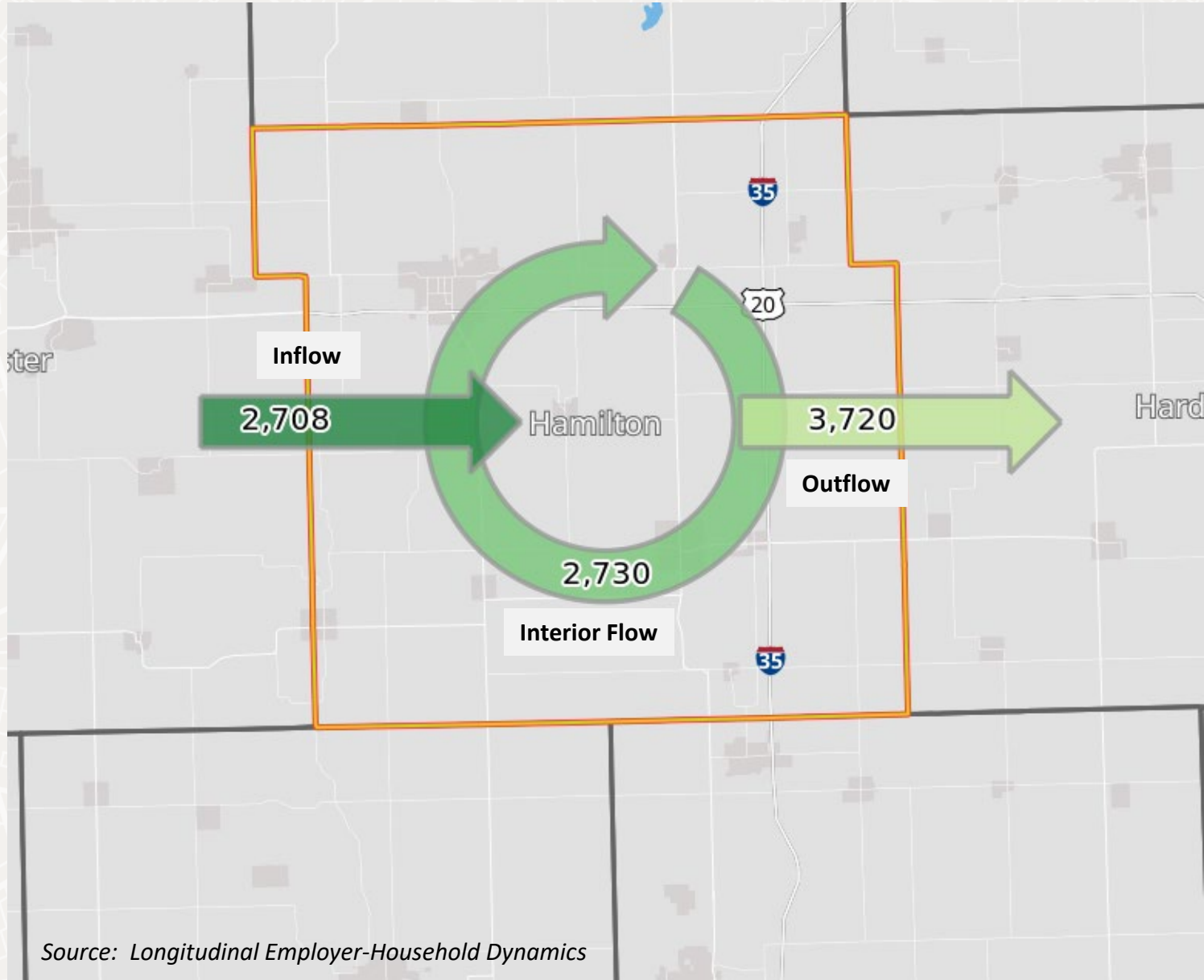
Homeowner Renter



Source: Federal Reserve Board's Survey of Consumer Finances

Home Owners: nearly 40x higher!

# Net Exporter of Workers/Jobs

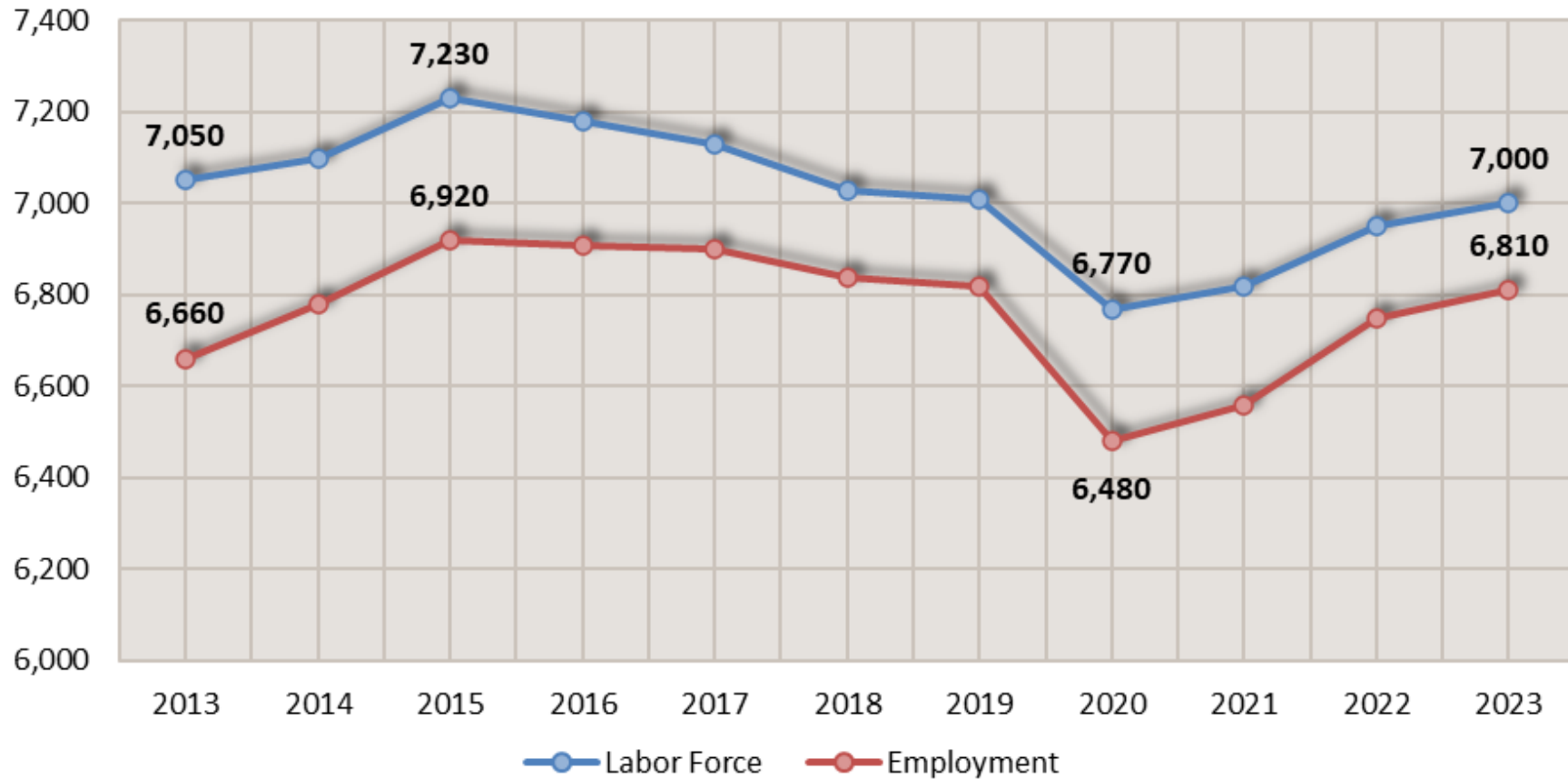


- Key Industry Sector Jobs:
  - Manufacturing: 14.8%
  - Health Care & Social Assistance: 13.3%
  - Retail Trade: 12.9%
- Avg. weekly/annual wage (2024 Q1):
  - Hamilton County \$977 | \$50,817
  - Iowa \$1,213 | \$63,092

Source: Longitudinal Employer-Household Dynamics

# Labor Force @ Pre-Pandemic Levels...but down since 2015

**Labor Force vs Employment Trends  
Hamilton County**



- Labor Force and Employment have returned to 2019 levels
- Hamilton County unemployment rate in 2023 (2.7%) was in line with Iowa (2.9%)



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Demographics & Economics

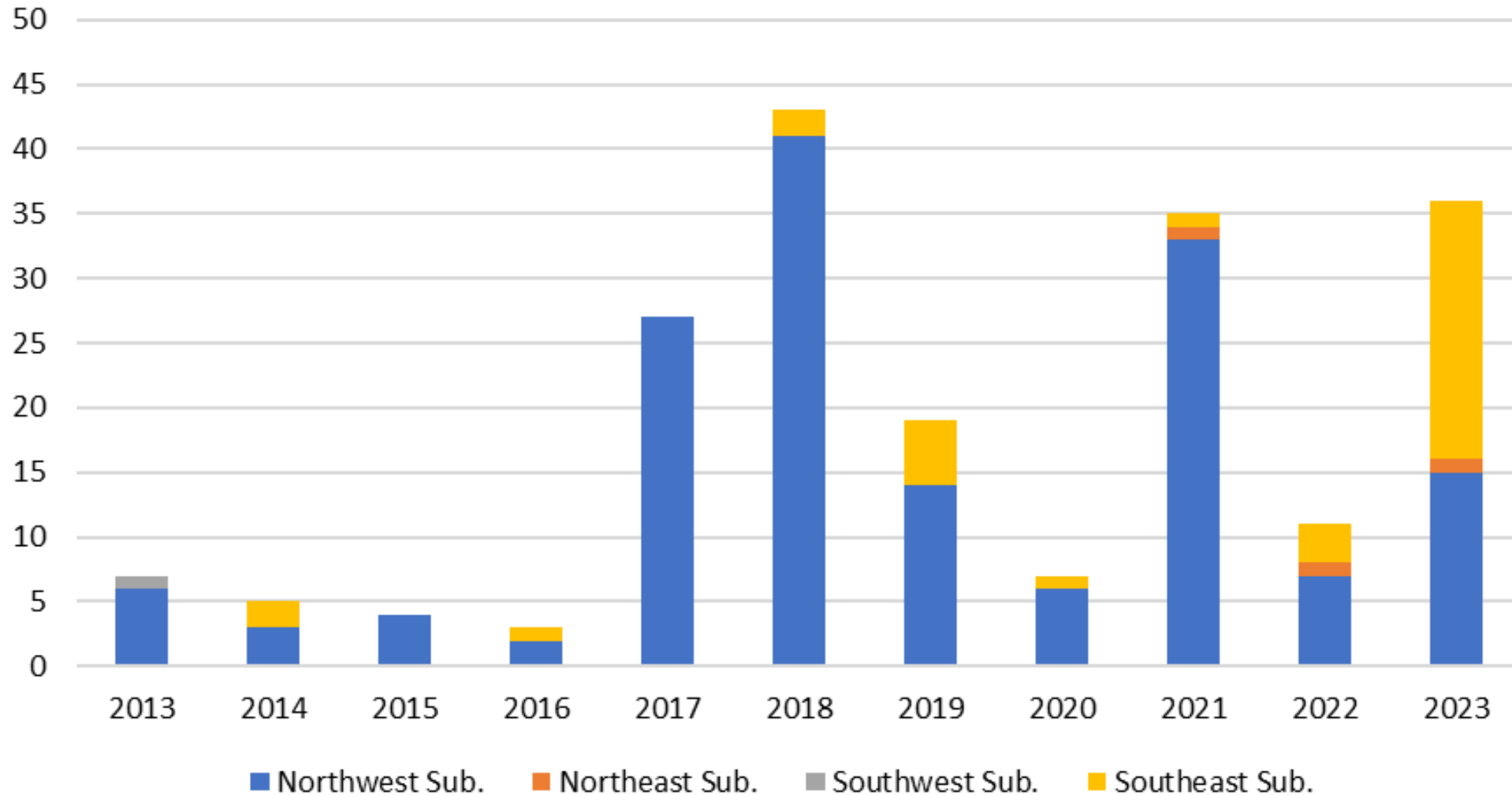
**Market Overview**

Demand & Recommendations

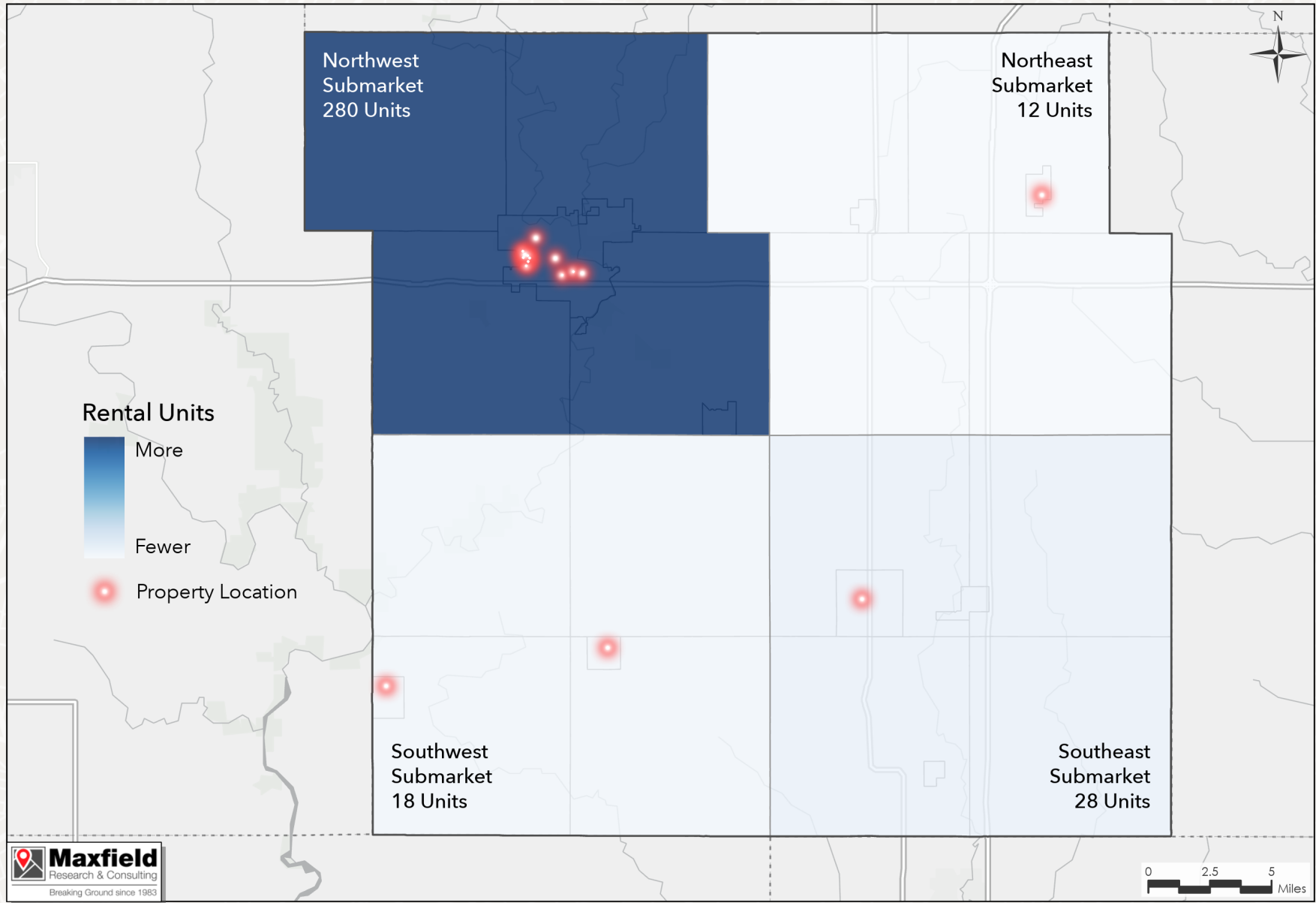
Discussion

# 80% of Building Activity in the Northwest Submarket

Building permits by Submarket, 2013 to 2023



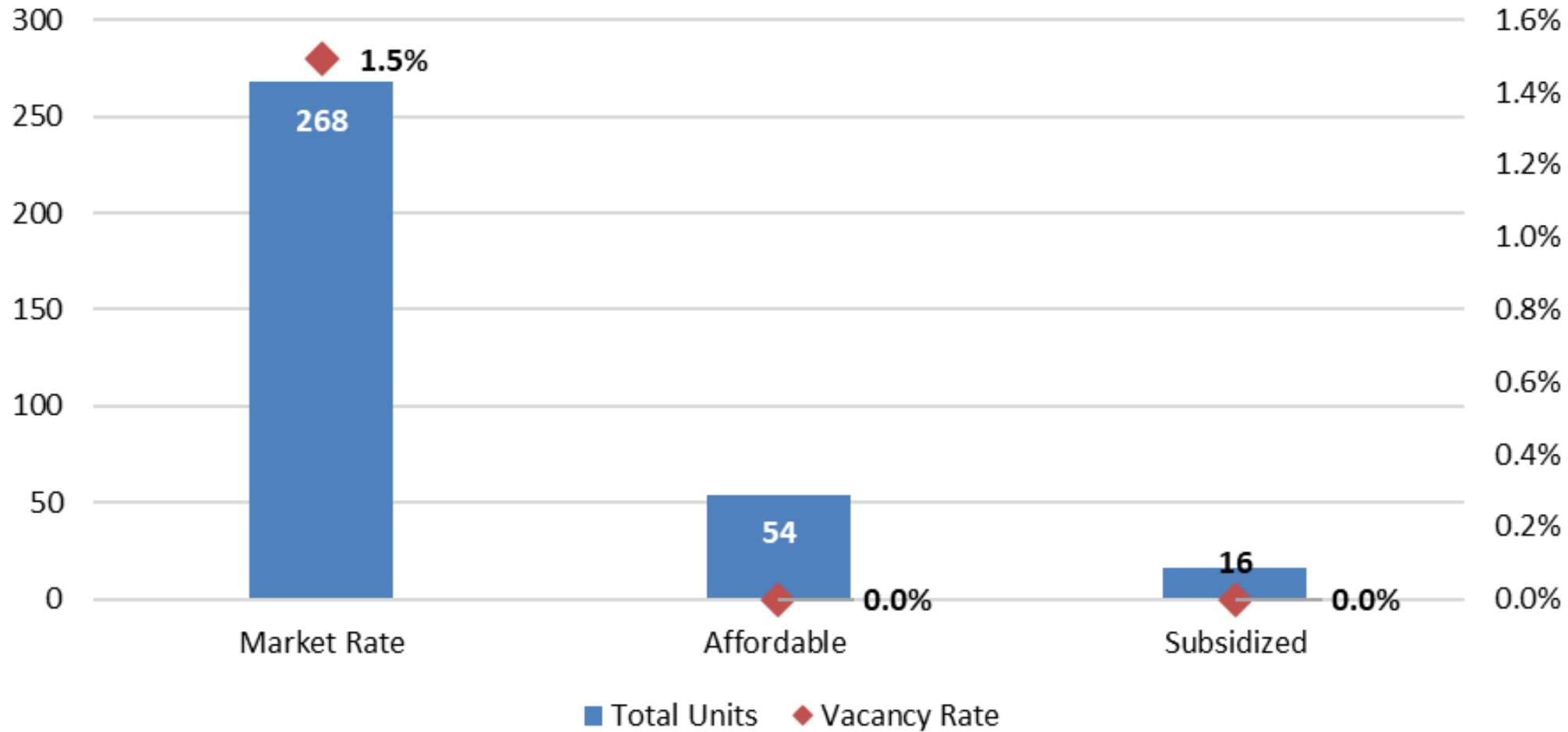
# Multifamily Housing Concentrated in Webster City



➤ 280 of 338 general occupancy rental units located in the NW submarket.

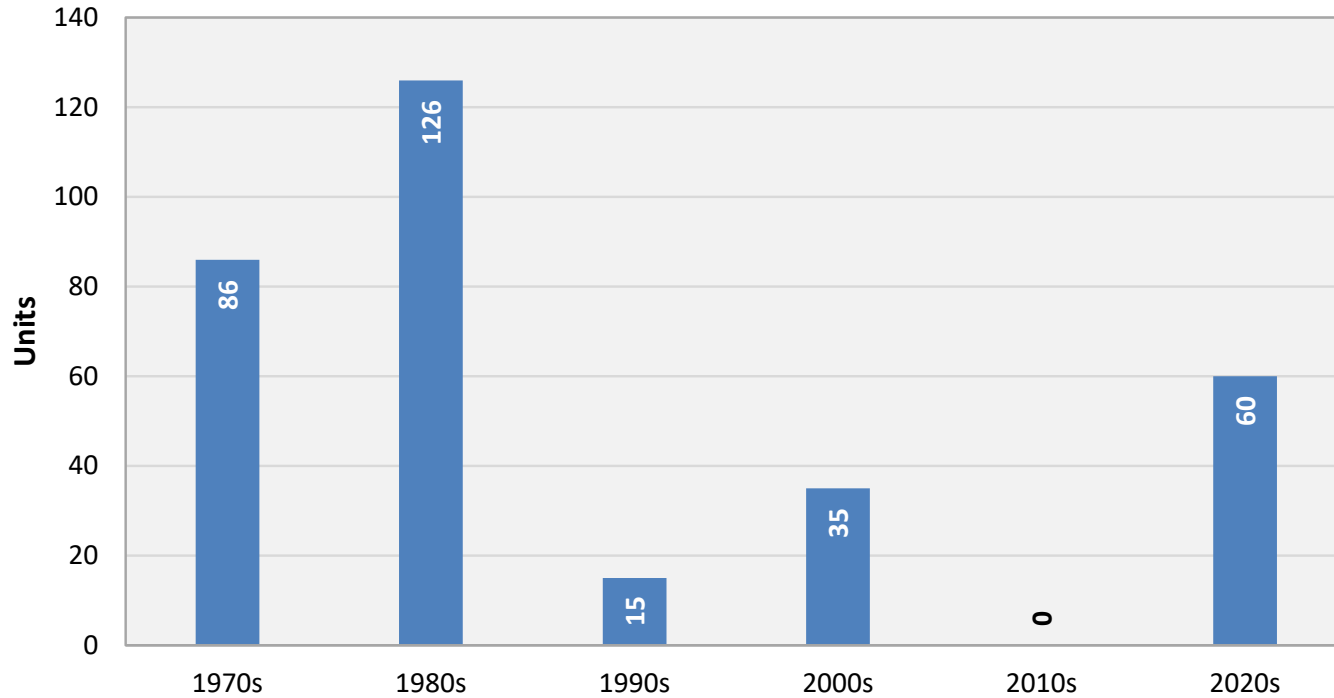
# Extremely Tight Rental Market...

## Vacancy Rate and Units by Income Level Hamilton County



# Older Rental Stock...leads to lower rents...

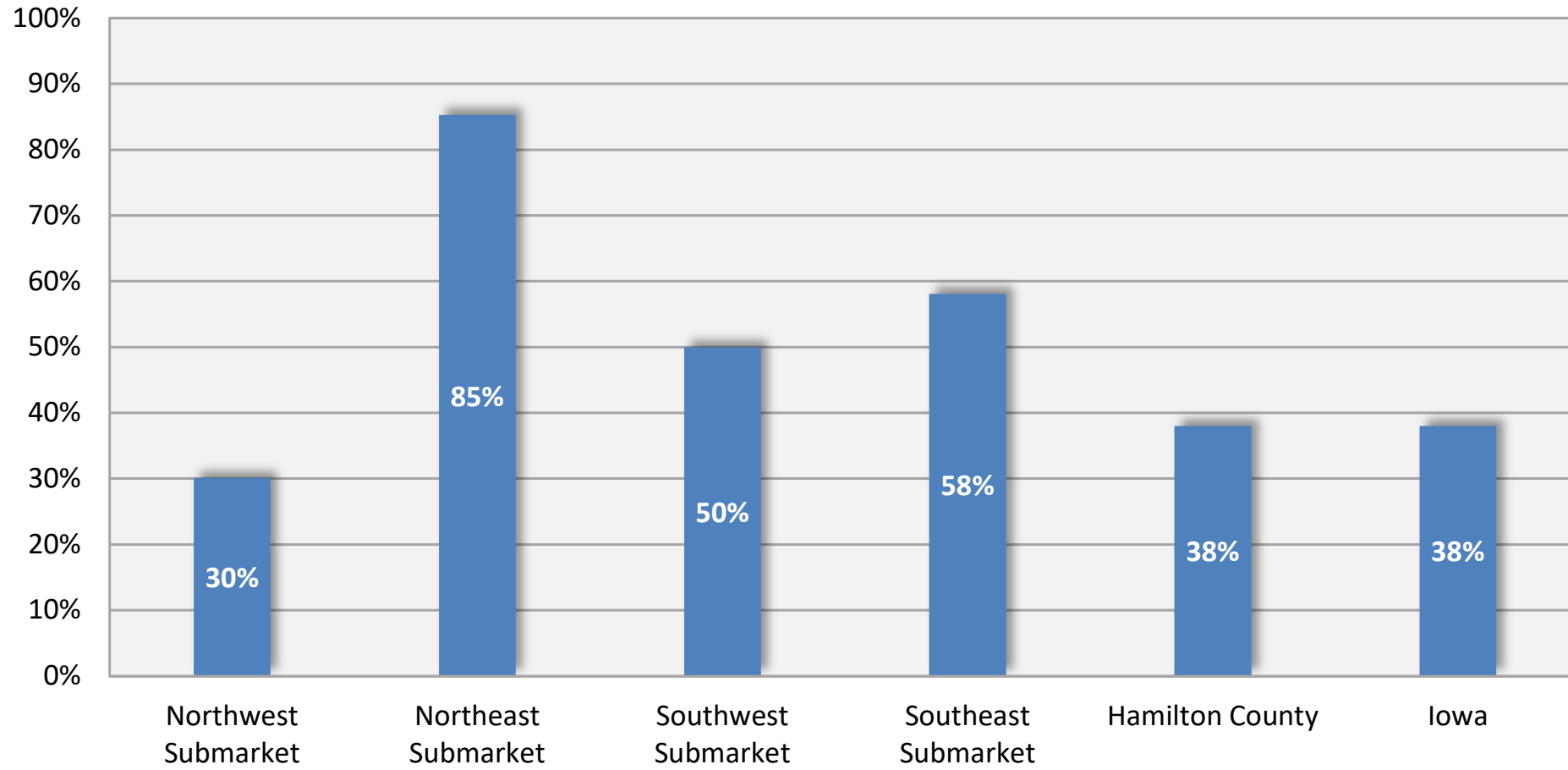
Number of Rental Units by Decade Built, Hamilton County



| Type        | Avg. Rent | Avg. PSF Rent |
|-------------|-----------|---------------|
| Market Rate | \$729     | \$0.92        |
| Affordable  | \$580     | \$0.87        |
| Subsidized  | 30% AGI   | n/a           |

# Nearly 40% of Rentals in Low-Density Housing...

## SF Attached & Detached Rental Units



# Senior Housing Continuum



FULLY  
INDEPENDENT  
LIFESTYLE

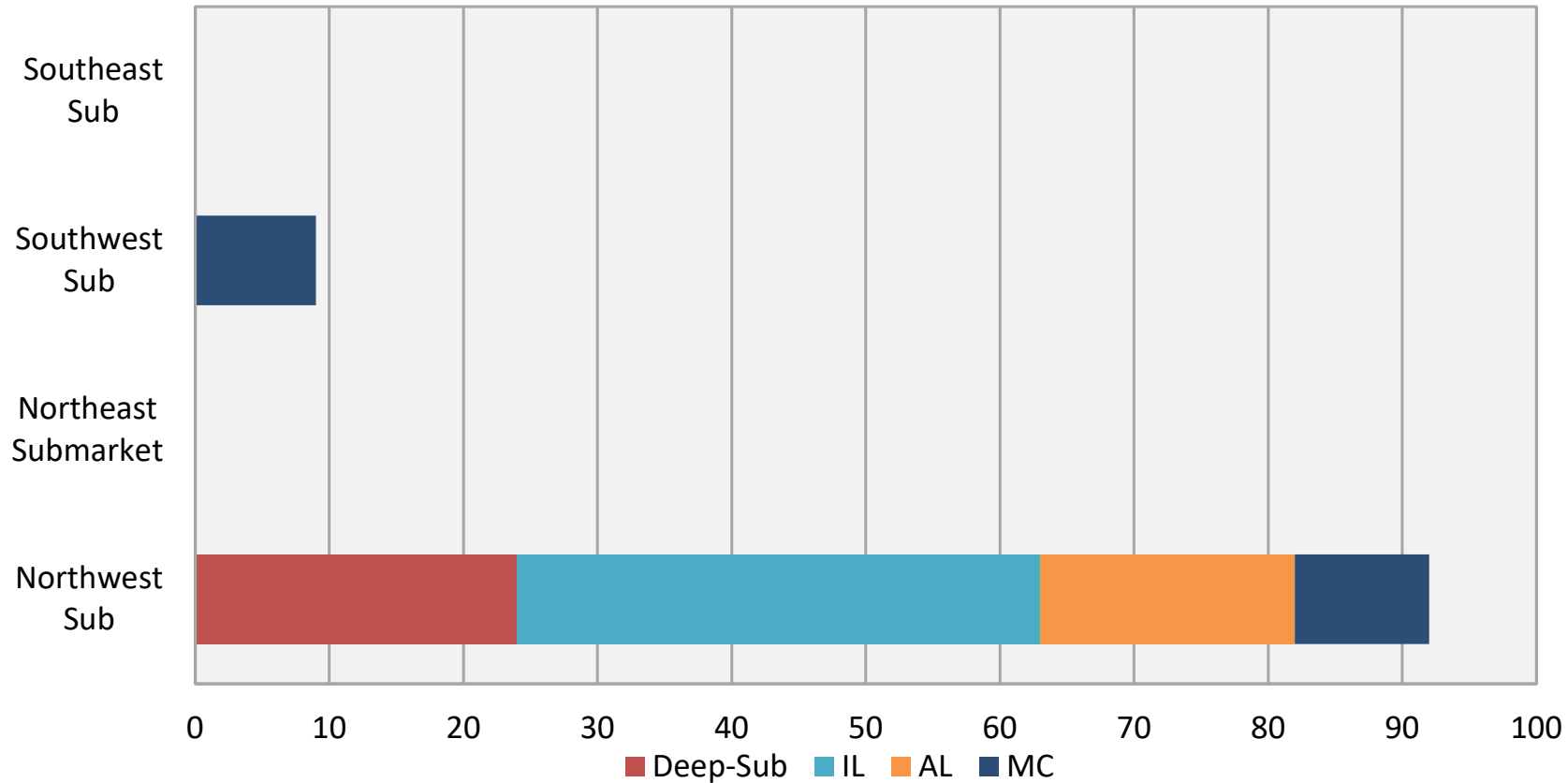
FULLY OR  
HIGHLY  
DEPENDENT



● SENIOR HOUSING PRODUCT TYPE

# Senior Housing Concentrated in NW Submarket

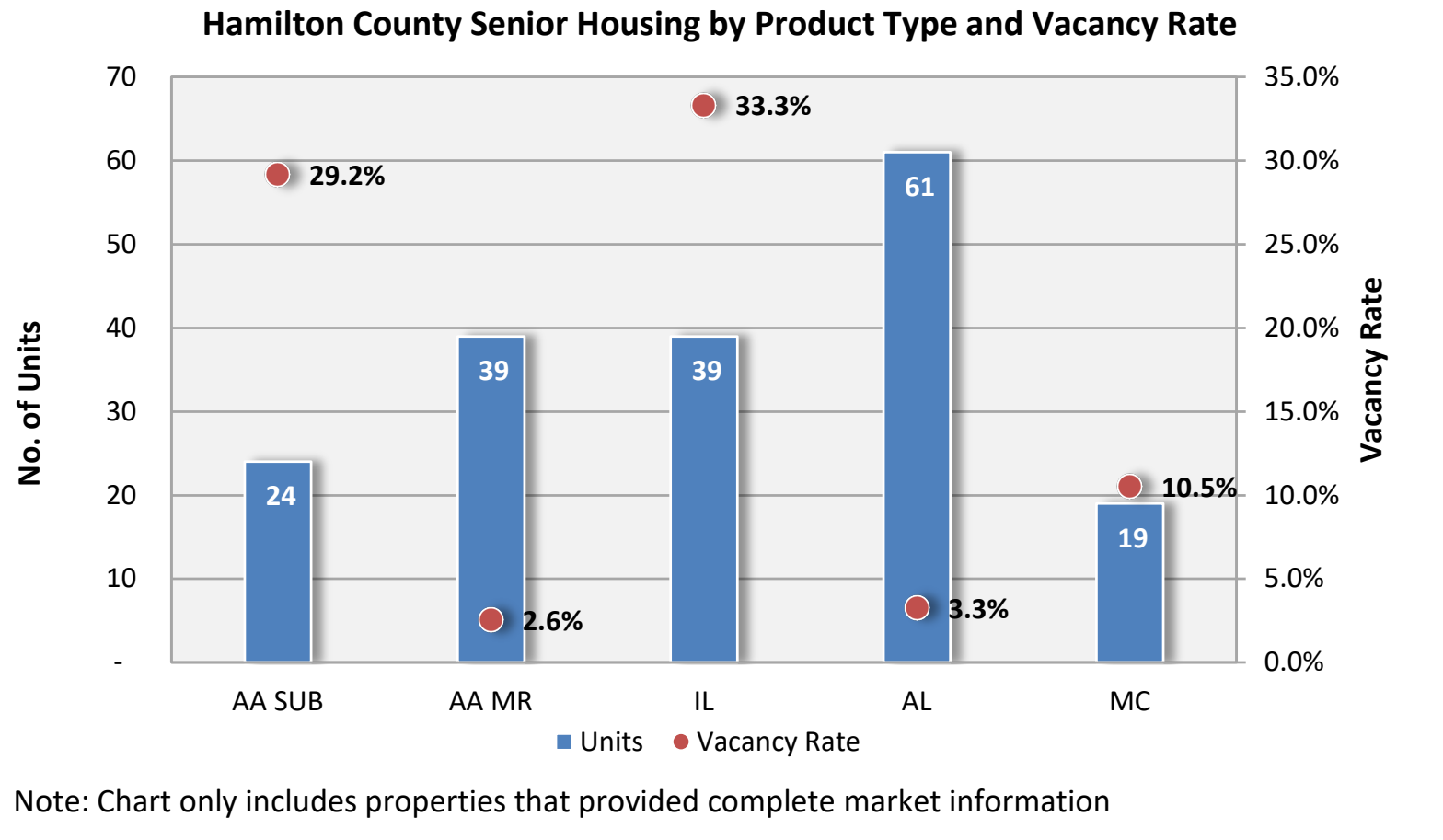
Number of Units by Property Type in Hamilton County Submarkets



Note: Chart only includes properties that provided complete market information

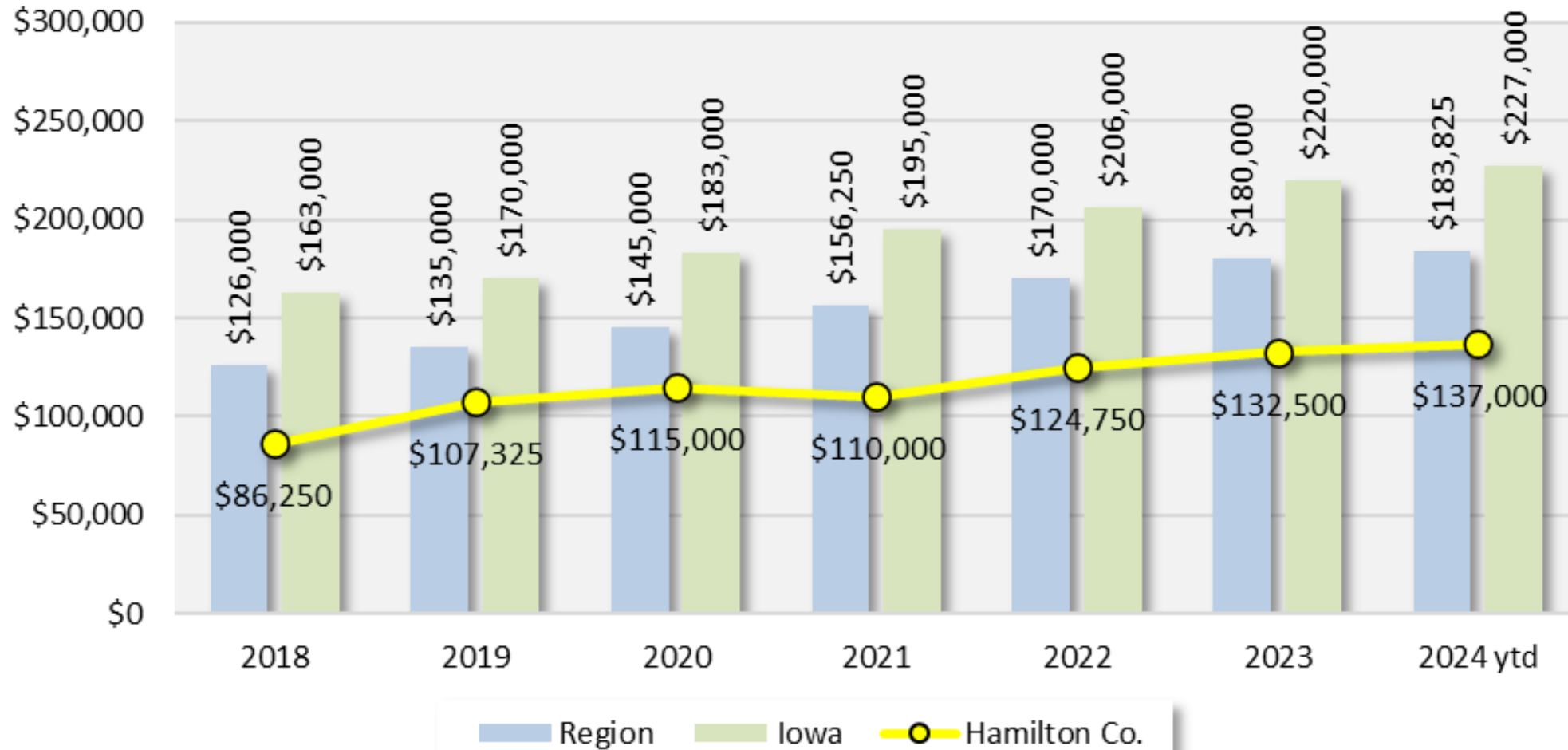
# Vacancy rates vary based on service levels...

- 182 units
- 14% Overall vacancy rate
- 1/3 of age-restricted units are assisted living units
- Market Rate Active Adult and Assisted Living below market equilibrium
- 5% - 7% Vacancy = Market Equilibrium

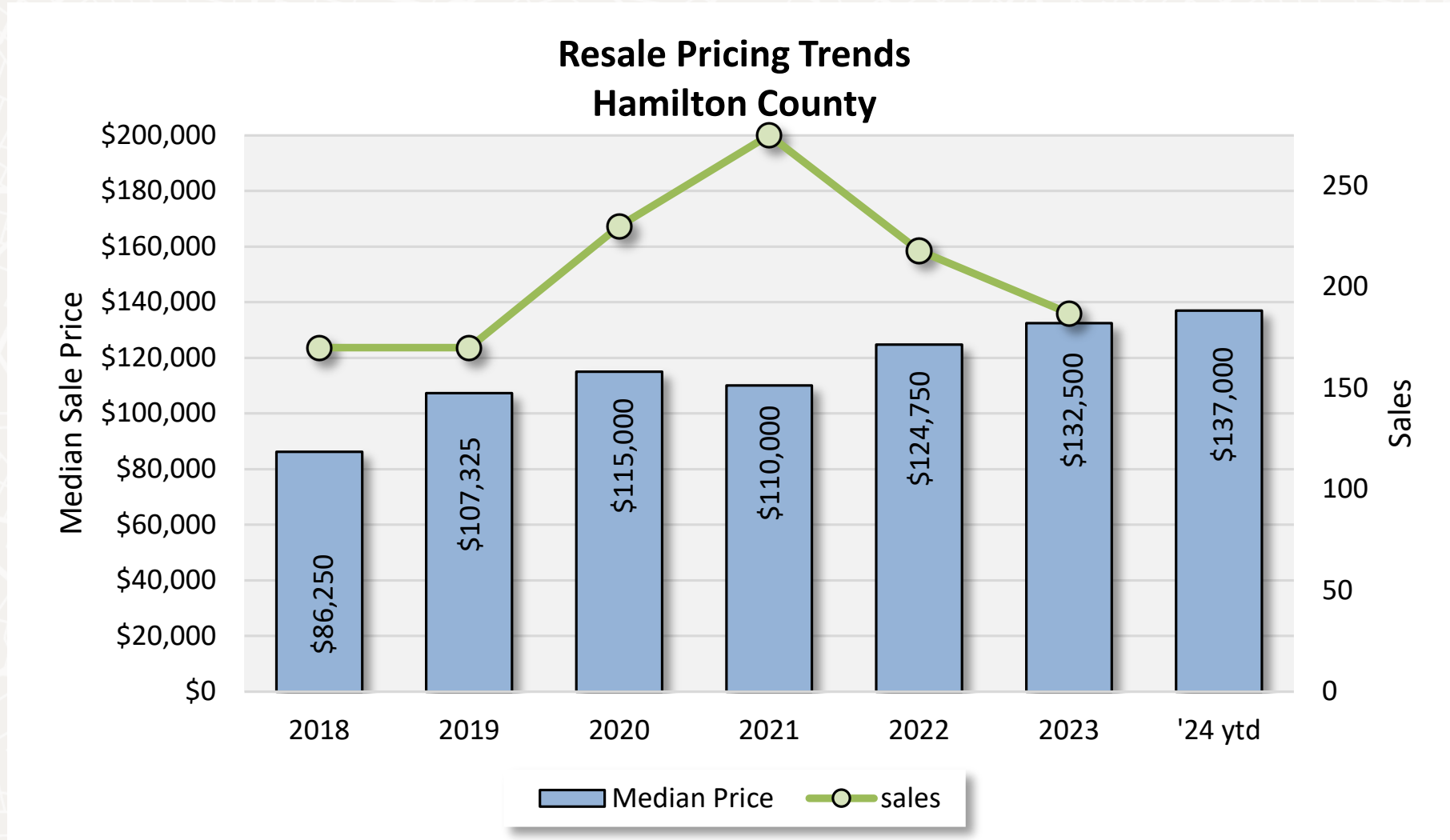


# Hamilton Cty. more affordable compared to IA & Region

Median Single-Family Resale Price Trends  
Hamilton County Market Area

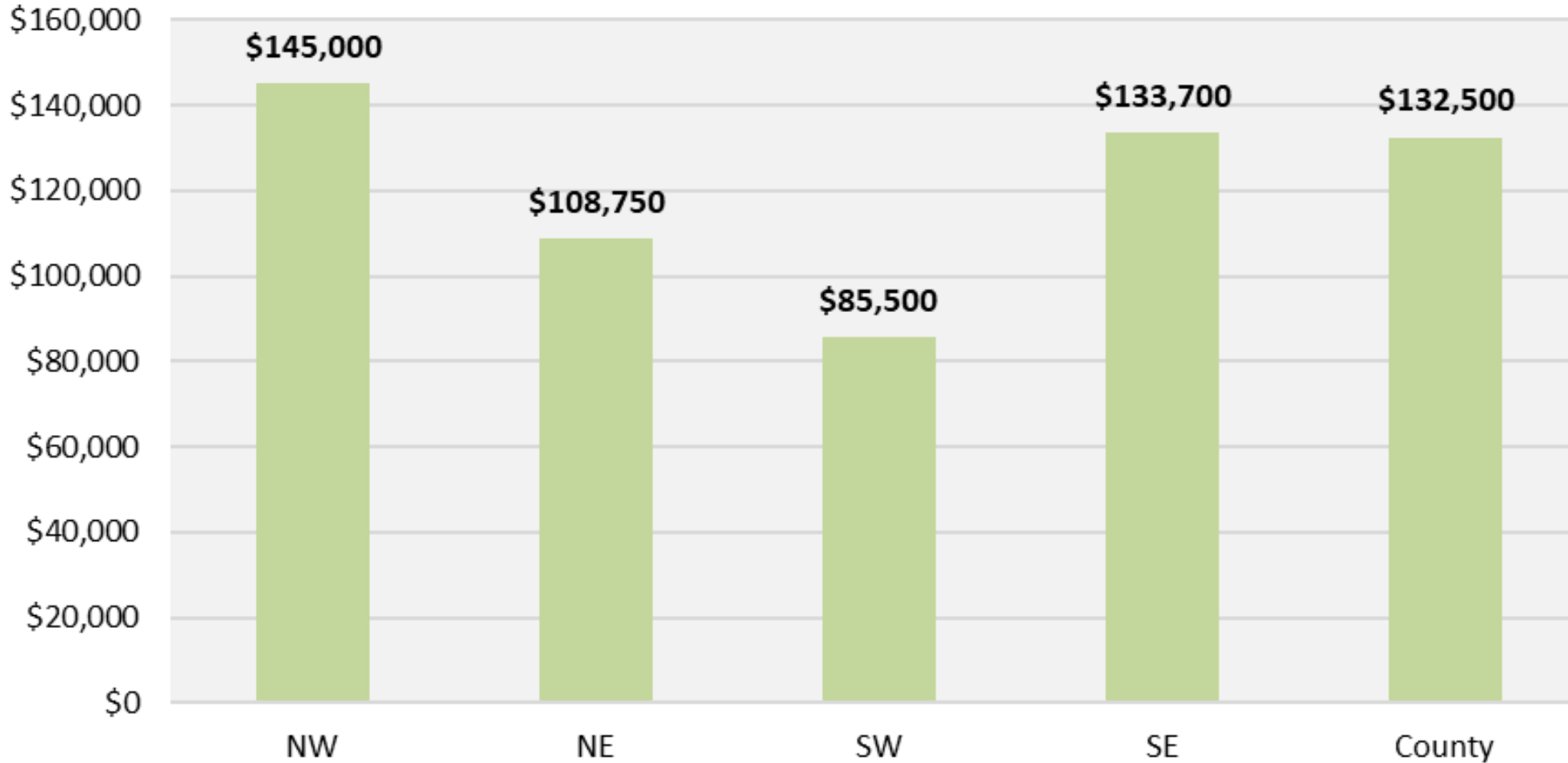


# Pandemic Housing Boom drove prices past 3+ years...



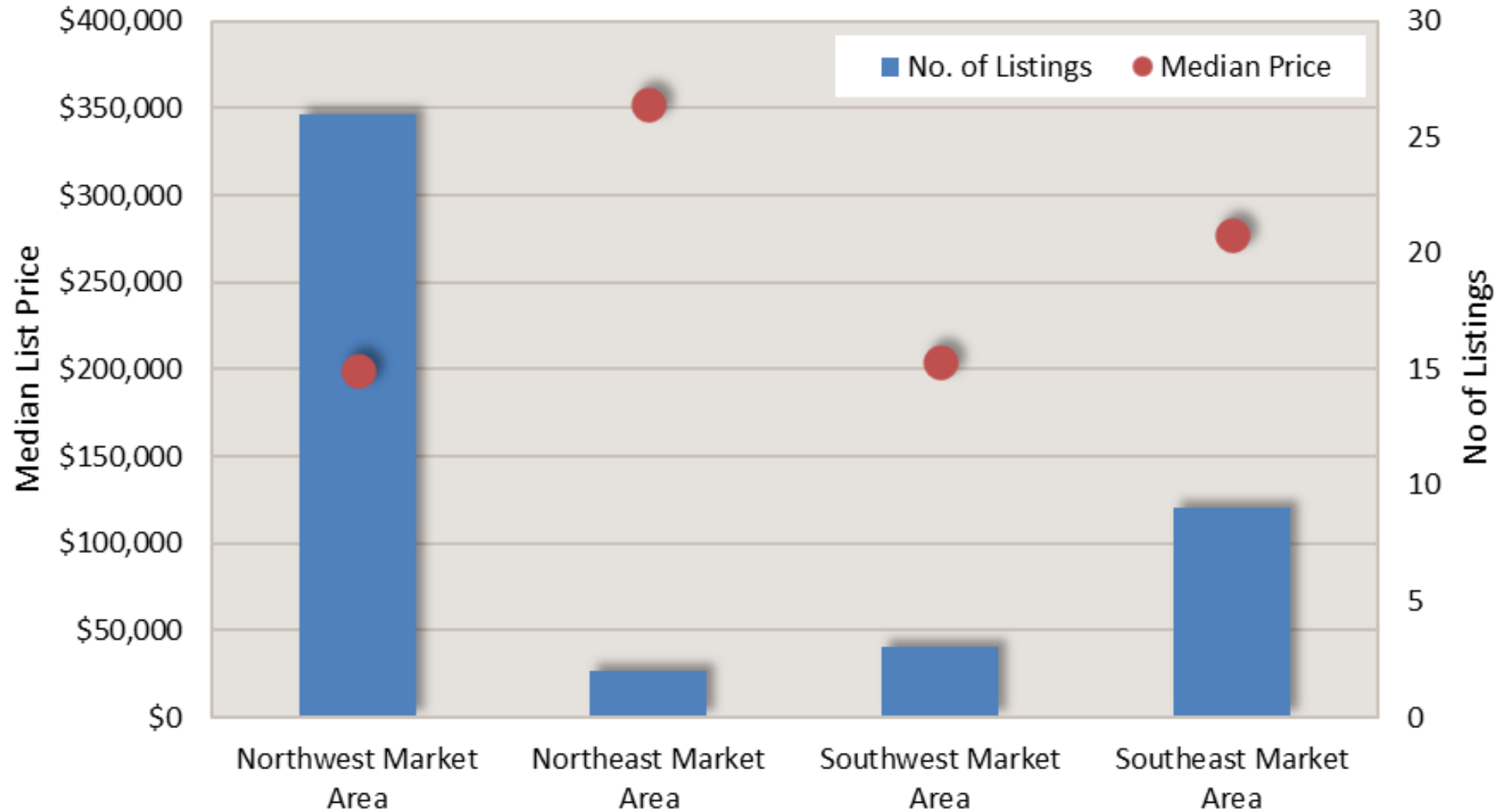
# Range in Home Pricing based on Submarket

**Median Resale Pricing Trends by Submarket  
Hamilton County, 2023**



# Active listings highest in NW Submarket

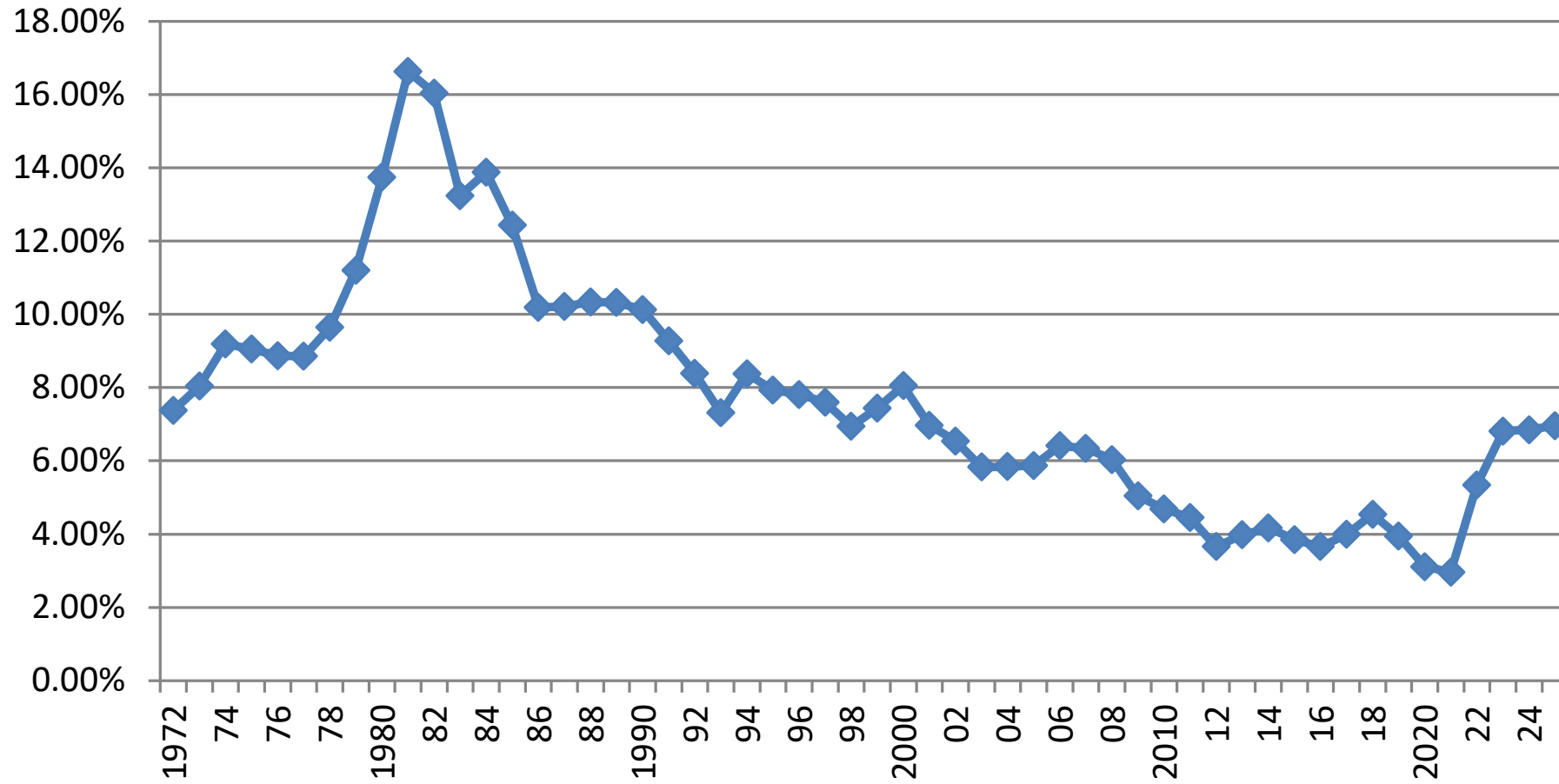
Hamilton County Active Listings and Median List Price, Oct 2024



- 40 active listings
- 26 in NW submarket
- All SF Homes
- County median list price: \$209,450

# Elevated Interest Rates Slowing For-Sale Market

## Historic 30-year Mortgage Rates 1972 to 2025 YTD



| FOMC Mtg. Mtg. Date | Rate Change (bps) | Federal Funds Rate |
|---------------------|-------------------|--------------------|
| 3/3/2020            | -150              | 1.0% to 1.25%      |
| 3/16/2020           | -100              | 0.0% to 0.25%      |
| 3/17/2022           | +25               | 0.25% to 0.50%     |
| 5/5/2022            | +50               | 0.75% to 1.0%      |
| 6/16/2022           | +75               | 1.5% to 1.75%      |
| 7/27/2022           | +75               | 2.25% to 2.5%      |
| 9/21/2022           | +75               | 3.0% to 3.25%      |
| 11/2/2022           | +75               | 3.75% to 4.0%      |
| 12/14/2022          | +50               | 4.25% to 4.5%      |
| 2/1/2023            | +25               | 4.5% to 4.75%      |
| 3/22/2023           | +25               | 4.75% to 5.0%      |
| 5/3/2023            | +25               | 5.00% to 5.25%     |
| 6/14/2023           | 0                 | 5.00% to 5.25%     |
| 7/26/2023           | +25               | 5.25% to 5.5%      |
| 9/20/2023           | 0                 | 5.25% to 5.5%      |
| 11/1/2023           | 0                 | 5.25% to 5.5%      |
| 12/13/2023          | 0                 | 5.25% to 5.5%      |
| 1/31/2024           | 0                 | 5.25% to 5.5%      |
| 3/20/2024           | 0                 | 5.25% to 5.5%      |
| 5/1/2024            | 0                 | 5.25% to 5.5%      |
| 6/12/2024           | 0                 | 5.25% to 5.5%      |
| 7/31/2024           | 0                 | 5.25% to 5.5%      |
| 9/18/2024           | -50               | 4.75% to 5.0%      |
| 11/7/2024           | -25               | 4.5% to 4.75%      |
| 12/18/2024          | -25               | 4.25% to 4.5%      |
| 1/29/2025           | 0                 | 4.25% to 4.5%      |

# Housing Affordability Index

Today's home prices are on-par with the early 1980s!

## Dallas Fed's Housing Affordability Index

Lower score = less affordable housing market. Higher score = more affordable housing market.



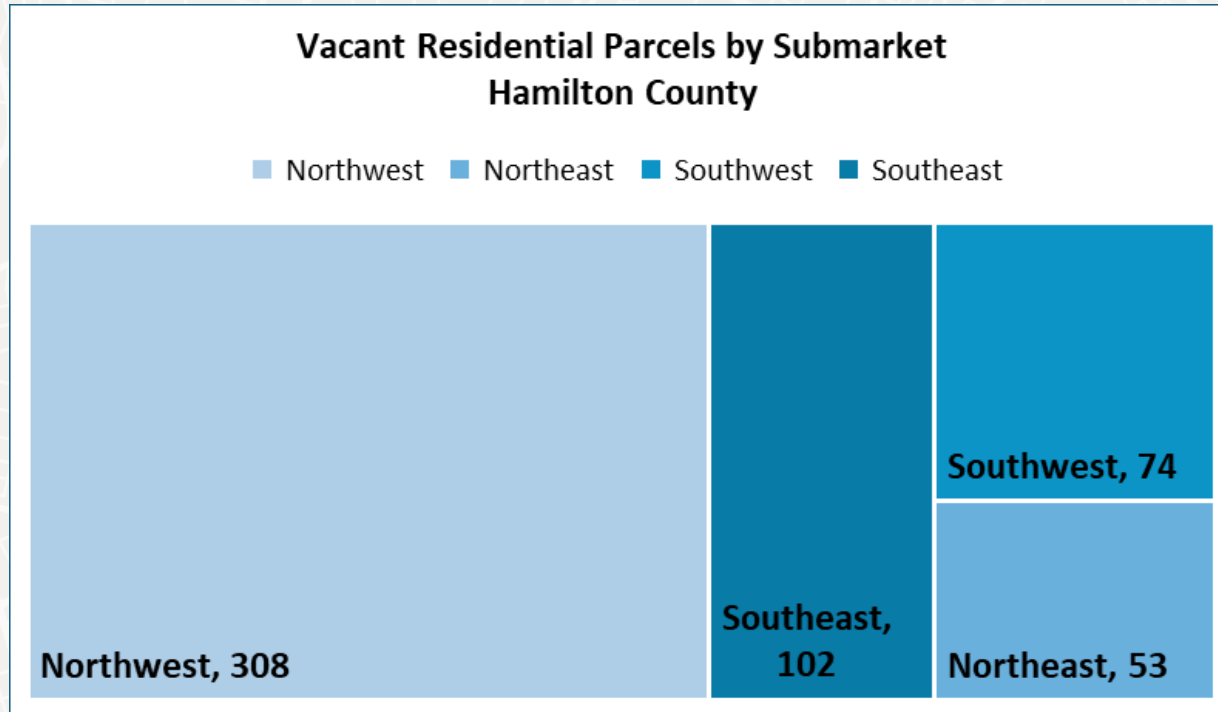
Chart: Lance Lambert • Source: Federal Reserve Bank of Dallas • Created with [Datawrapper](#)



# Lot Inventory | New Construction

## Lot Inventory/Supply

- 21 Residential lots in four developments
- No active subdivisions in SW and NE Submarkets
- 15 Lots in Brewer Creek in Webster City
- Total of 537 vacant residential lots in Hamilton County (note: not all buildable or available)



## New Construction Market

- New Construction within the NW Submarket
- Three new builds in Brewer Creek Subdivision
- Median list price of \$339,900 | \$215 PSF
- Detached Single Family construction surveyed in 11 different communities (outside county)
  - 21 Listings | \$334,388 Median Price | \$228 PSF



# Development Pipeline

## Potential for Significant New Development in Webster City...but Preliminary

- Webster City is in preliminary discussions for a 212-unit development. The development is currently identified as single family twinhomes that will be offered as rentals.
- There are initial discussions for two low- to moderate-income developments. The projects were both identified at potential developments still in the preliminary stages of discussions.
- Due to the developments being the initial stages of discussion, these were not accounted for in the demand calculations.





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Demographics & Economics

Market Overview

**Demand & Recommendations**

Discussion

# Demand Methodology

## Demand Overview

- Household growth & tenure
- Turnover
- Income-qualified households
- Demand by product | Preferences

### Demand Driver Examples

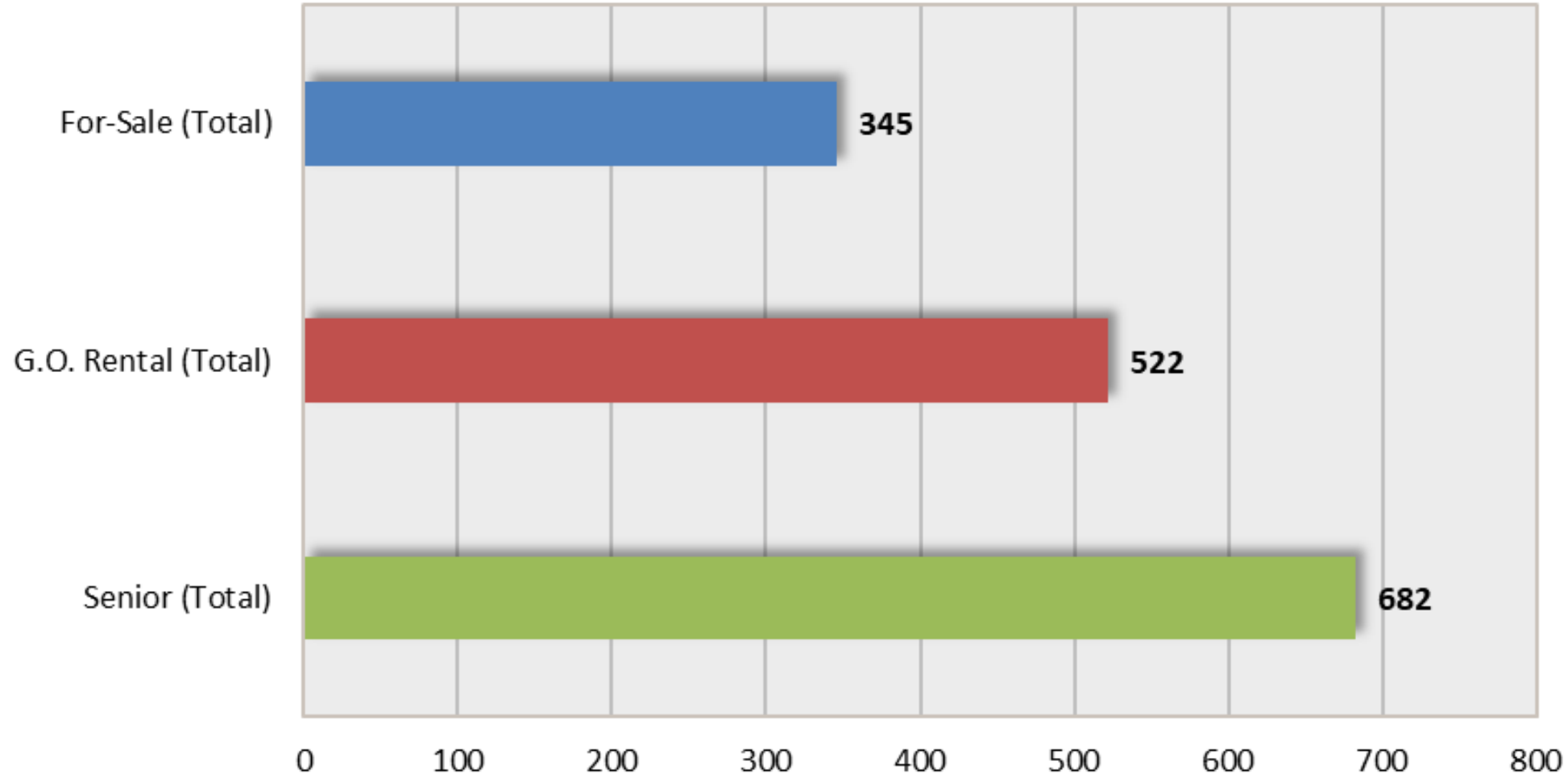
- Demographics
- Economy & Job Growth
- Consumer Choice | Preferences
- Turnover/Mobility
- Supply (i.e. Existing Hsg. Stock)
- Replacement need (i.e. functionally /physically obsolete)
- Financing

## Demand Assumptions/Methodology

- Household growth adjusted for local factors (i.e. economy, building permits, etc.)
- Senior demand estimates apply capture and penetration rates and are presented as “Point in Time” vs. Cumulative

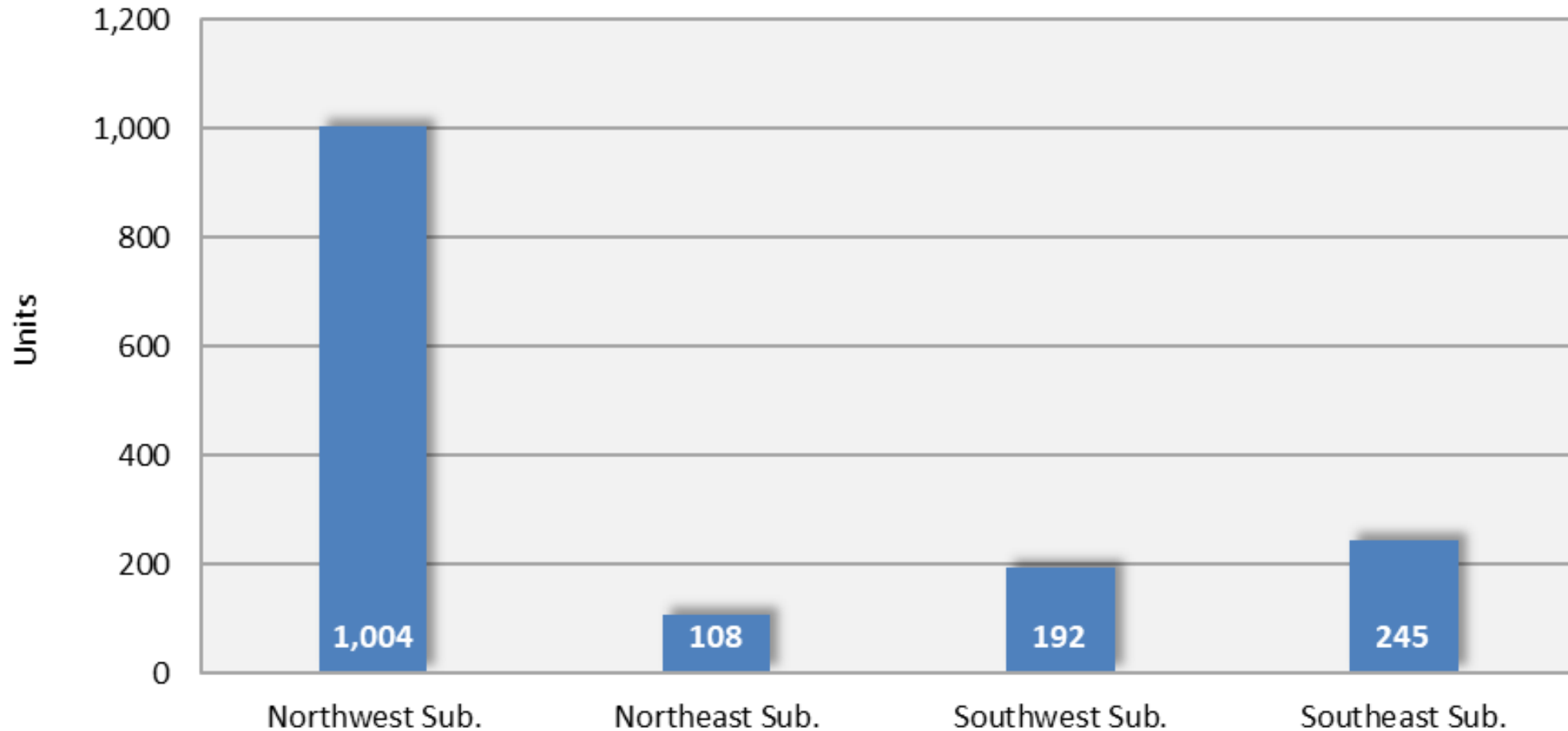
# Demand for over 1,500 units | Senior Leading the Way...

**Hamilton County Demand by Type  
2024 - 2035**

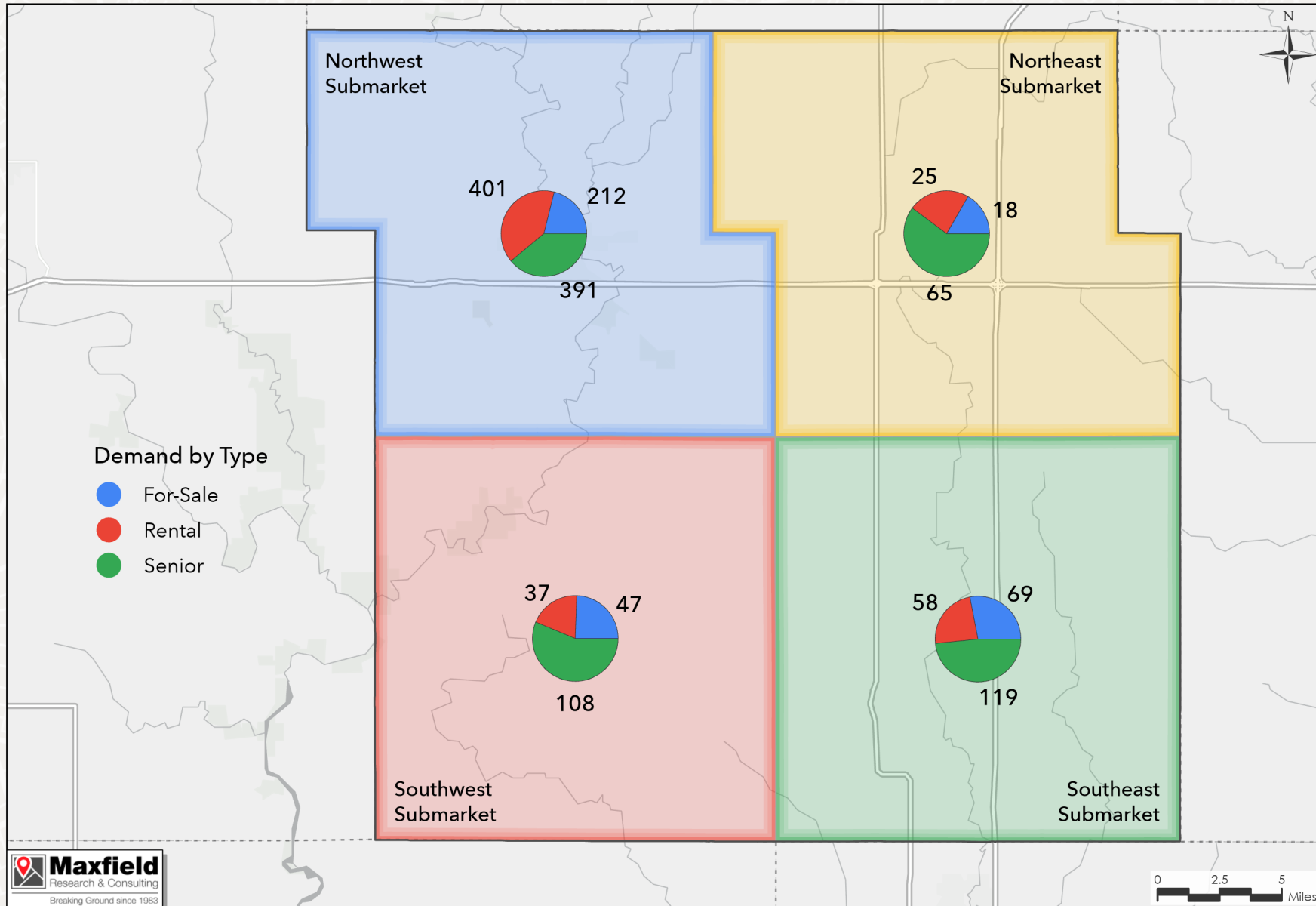


# NW Submarket: 65% of Projected Need

**Hamilton County Total Demand by Submarket  
2024 - 2035**



# Demand by Submarket & Product Type



# Recommendations Matrix

| Housing Type/Program                    | Purchase Price/<br>Monthly Rent Range <sup>1</sup> | Northwest Sub. |         | Northeast Sub. |         | Southwest Sub. |         | Southeast Sub. |         |
|---|--|----------------|---------|----------------|---------|----------------|---------|----------------|---------|
|   |  | '24-'29        | '30-'35 | '24-'29        | '30-'35 | '24-'29        | '30-'35 | '24-'29        | '30-'35 |
| <b>For-Sale Housing</b>                 |  |                |         |                |         |                |         |                |         |
| Single-family (New lots needed)         |  | X              | X       | X              | X       | X              | X       | X              | X       |
| Single-family                           |  |                |         |                |         |                |         |                |         |
| Entry-Level                             | >\$200,000   | X              | X       | X              |         | X              | X       | X              | X       |
| Move-up/New Construction                | \$300,000  | X              | X       | X              |         | X              | X       | X              | X       |
| Twinhomes/Townhomes/Villas              |  |                |         |                |         |                |         |                |         |
| Entry-level                             | > \$150,000  | X              | X       |                |         |                |         | X              |         |
| Move-up/New Construction                | \$275,000+   | X              | X       |                |         |                |         | X              |         |
| <b>General Occupancy Rental Housing</b> |  |                |         |                |         |                |         |                |         |
| Market Rate Multifamily                 | \$875/1BR - \$1,350/3BR                            | X              | X       |                |         |                |         | X              |         |
| Market Rate Townhomes                   | \$1,250/2BR - \$1,500/3BR                          | X              | X       | X              | X       | X              | X       | X              | X       |
| Affordable/Subsidized <sup>2</sup>      | Per Income Guidelines                              | X              | X       |                |         |                |         |                |         |
| Affordable Townhomes                    | Per Income Guidelines                              | X              | X       |                |         | X              |         | X              |         |
| <b>Senior Housing<sup>3</sup></b>       |  |                |         |                |         |                |         |                |         |
| <b>Market Rate</b>                      |  |                |         |                |         |                |         |                |         |
| Active Adult - For-Sale Coop            | \$125,000+ (plus monthly fee)                      | X              | X       |                |         |                |         |                |         |
| Active Adult - Rental                   | \$900/1BR - \$1,275/2BR                            | X              | X       |                |         | X              | X       | X              | X       |
| Independent Living                      | \$1,500/1BR - \$2,300/2BR                          | X              | X       |                |         | X              | X       | X              | X       |
| Assisted Living                         | \$3,000/Studio - \$5,000/2BR                       |                | X       |                |         | X              | X       | X              | X       |
| Memory Care                             | \$4,500/Studio - \$6,500/1BR                       | X              | X       |                | X       |                |         | X              | X       |
| <b>Alternative Concept:</b>             |  |                |         |                |         |                |         |                |         |
| Catered Living                          | \$1,600+   |                | X       |                | X       |                |         |                |         |
| <b>Affordable</b>                       |  |                |         |                |         |                |         |                |         |
| Active Adult                            | Per Income Guidelines                              | X              | X       |                |         |                |         |                |         |

<sup>1</sup> Blended average across Hamilton County. Pricing will vary from submarket to submarket across the county.

<sup>2</sup> Rental housing could be developed in either apartment-style or townhome-style design.

<sup>3</sup> Senior housing rents will vary based on service level fees.

Note: Although many of the smaller communities show housing demand for a variety of housing types; it will not be feasible due to the economies of scale needed. Therefore, recommendations are based on the need and density needed to be feasible.

Source: Maxfield Research & Consulting

# SF For-Sale Recommendations

- Demand strongest for homes priced \$100,00 to \$200,00
  - Difficult to construction new homes at this price point
  - Partnerships, incentives, and alternative development concepts needed
- New construction to target move-up buyers, creating existing home openings for entry level buyers
  - Target price: \$300,000

## Single Family Demand through 2035

| Submarkets             | Units      |
|------------------------|------------|
| Northwest Sub.         | 138        |
| Northeast Sub.         | 14         |
| Southwest Sub.         | 37         |
| Southeast Sub.         | 55         |
| <b>Hamilton County</b> | <b>244</b> |



# MF For-Sale Recommendations

- Limited multifamily for sale product in the County
  - Provides entry level product
  - Popular with older adult and senior households
- Potential housing types:
  - Twin homes
  - Att. / Det. Townhomes/Villas
  - Townhomes/Quads
  - Condos/cooperatives



## Multifamily Demand through 2035

| Submarkets             | Units      |
|------------------------|------------|
| Northwest Sub.         | 74         |
| Northeast Sub.         | 4          |
| Southwest Sub.         | 9          |
| Southeast Sub.         | 14         |
| <b>Hamilton County</b> | <b>101</b> |

# Rental Housing Recommendations

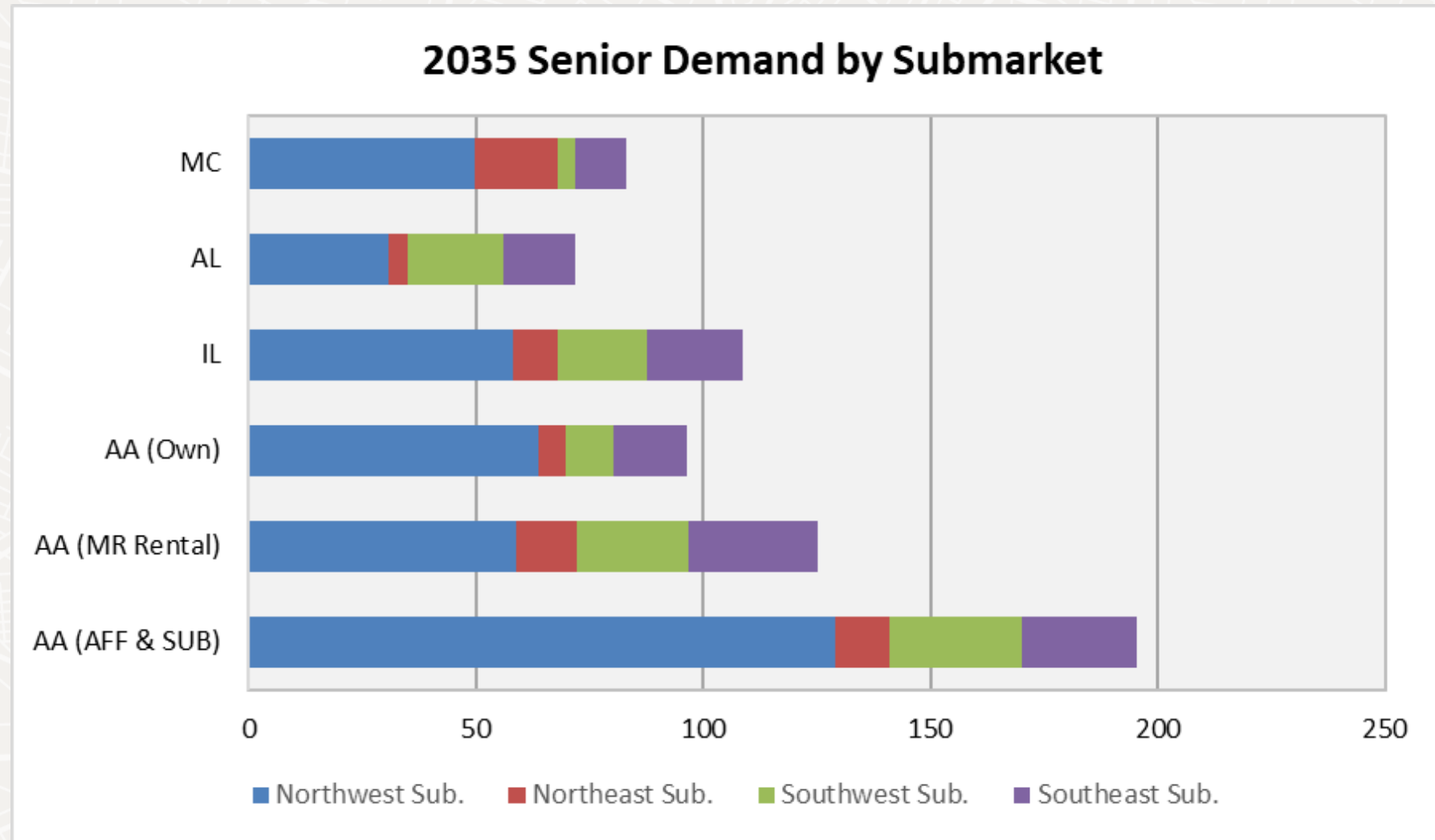
- Need for over 500 units
- Potential concepts:
  - NW Submarket: Modest size projects
  - Remainder of County: Limited demand may restrict development
  - Existing rental rates will be significantly lower than new market rate rents
    - Partnerships and financing programs needed
  - Affordable tax credits



| Rental Demand through 2035 |             |            |            |
|----------------------------|-------------|------------|------------|
| Submarkets                 | Market Rate | Affordable | Subsidized |
| Northwest Sub.             | 241         | 80         | 80         |
| Northeast Sub.             | 20          | 5          | 0          |
| Southwest Sub.             | 19          | 7          | 11         |
| Southeast Sub.             | 35          | 12         | 12         |
| <b>Hamilton County</b>     | <b>314</b>  | <b>104</b> | <b>103</b> |

# Senior Housing Recommendations

- Need for 680+ units
- Led by active-adult & Independent living
- Strong need for affordable active adult
- Active Adult demand can also be met with general occupancy development



# Pandemic Impact on Local Housing Markets – Big Picture

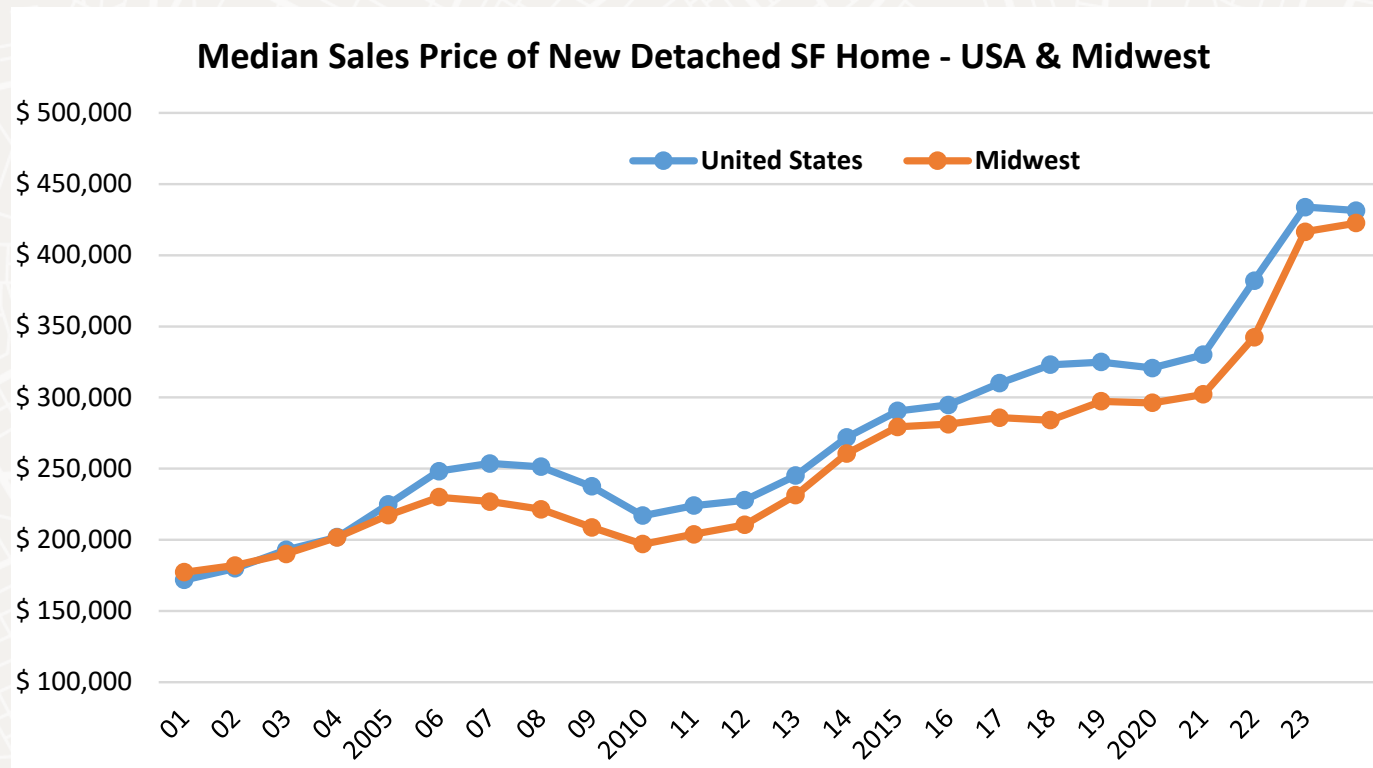
- Mobility rates high...movement for affordability/less costly housing markets
- Residents spend more time @ home
- Importance of work/life balance (WFH/WFA)
- Demand for homes w/home offices, flex space, home-schooling, technology upgrades, etc.
- More outdoor spaces (open space, balconies, patios, decks, gardens,) | Recreational amenities
- Desire for additional exterior entrances (i.e. townhomes, SF rentals, etc.)
- Demand for multigenerational living and ADUs
- Prolonged low supply of inventory of homes for sale
- Lack of new housing holds up housing prices...

# Development costs restrain housing development...

Difficult to “break-even” on new housing products given the following costs:

- Infrastructure (i.e. street, curb & gutter, connection fees, etc.)
- Lack of skilled labor (increases expenses & delivery times)
- Rising construction costs (material shortages, delays, etc.)

As a result, the price points for new construction will be significantly higher than existing housing products across Hamilton County.



# Tools to alleviate housing costs

## Multiple Strategies needed to address supply & demand challenges...

### Public Sector (sample)

- Relax zoning requirements (density, lot size, parking, etc.)
- Regulatory fees (passed to end consumer)
- Fee reductions (Entitlement, permit, impact)
- Fast tracking (time is money)
- Tax abatement/TIF, etc.
- Housing Trust Funds & other housing programs
- Land acquisition contribution, infill sites, etc.
- Opportunity zone tax breaks
- Accessory Dwelling Units (ADU), Multi-gen, tiny homes, etc.
- Financing instruments
- Private-public partnerships, free land, etc.

### Improving Productivity

- Modular housing or Prefab
- Emerging construction (AI, 3D printing, automatize, etc.)
- Alternative construction materials
- Design innovations
- Promotion of the trades (schools)

# Key Takeaways...

- Historically declining population | Modest population decline to continue through 2030
- Aging of Baby Boomer Generation | 65+ population +17% this decade
- Empty/Never nester and single person households growing | Alternative housing products
- Unemployment 2.7% is very low (5% = full employment) | Labor market backed to pre-pandemic levels
- Average weekly wages in 2024 Q1 lower in Hamilton County (\$977) compared to State of Iowa (\$1,213)
- Extremely tight 1.5% market rate rental vacancy | Market rate rents low | Need for rental product ASAP
- Senior housing market is bifurcated | Strong demand for next decade & beyond
- For-sale market @ peak, but slowing & more affordable | Lack of supply | Interest rates impacting supply/affordability
- Vacant lot supply is inadequate | New platted lots needed ASAP
- Minimal new housing construction underway | Few projects in the development pipeline
- Inflation, interest rates and rising construction costs impact development opportunities in near-term

# Next Steps...

- Share the findings!
- Establish housing strategy (key goals & objectives)
- Evaluate existing programs/policies (revise as necessary)
- Establish city/county priorities
- Seek partnerships
- Monitor market conditions and modify goals/objectives over time

## Fundamentals to Succeed...

- Recognition of Challenges
- Political Will
- Community involvement/outreach
- What is the consequence of doing nothing?
- Get Creative!

# Housing Tool Kit – Produce/Improve Housing Stock

## **Policies and Programs**

- Few housing programs & resources in the Tool Kit
- Discuss public/private partnerships to strengthen development potential
- Form a stakeholder group who's vested in housing solutions

### **Home Improvement Programs**

- Fix-up/Rehab Loans
- Energy Efficiency Programs
- Deferred Loan Programs
- Remodeling Advisor
- Neighborhood improvement grants

### **First-time Home Buyer Programs**

- Down Payment Assistance
- Homeownership Education & Counseling
- Military Assistance
- Lower interest rates
- Foreclosed properties
- Rent to Own

# Priorities

- Promote rental housing production: All product types, incomes, etc.
- Lot Supply: Monitor lot-supply (minimum of 3-to 5-year shovel ready lots)
  - Detached single-family
  - Need for association maintained and one-level living options
- Age-targeted housing/Senior housing
- Promote private-public-partnerships (PPP) to stimulate housing markets
- Identify/Inventory sites for housing development – solicit interest from developers
- Site specific: Issue RFP to development community to stimulate housing production
- Implement housing programs/resources (i.e. 1<sup>st</sup> time buyers, fix-up funds, land banking, etc.)
- Implement “One Stop Shop” Housing Resources
- Update housing action plan regularly
- Promote affordability, schools, recreation, open space, lifestyle, hybrid work, & easy commutes

# Thank You!



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<http://www.linkedin.com/company/maxfield-research-inc>

**MATT MULLINS**

Maxfield Research & Consulting

612.281.6729

[MMullins@MaxfieldResearch.com](mailto:MMullins@MaxfieldResearch.com)



<https://www.linkedin.com/in/mattlmullins>