

Comprehensive Housing Market Study 2013

Rock Island, Illinois

Housing Needs Assessment

Primary Work Elements

- Analyzed more than 100 demographic & economic metrics
- Conducted ~24 community stakeholder interviews
- Completed over 300 resident surveys
- Surveyed over 120 rental properties in the Quad Cities
- Evaluated QC's historical for-sale data on 11,000 units (800 available)
- Completed a housing gap analysis by tenure and affordability
- Evaluated various "other housing factors" affecting the housing market (i.e. community services, crime, education, housing policies/programs, mobility patterns, development costs, etc.)

Geographic Study Areas

Quad Cities Comparison Analysis

**Rock Island
Ward Level Analysis**

Demographic Highlights

Rock Island Population Trends

- Slightly declining or stagnant POP since 2000
- Largest QC share of POP <25 years old, 2nd largest age 75+
- Smallest QC share of POP b/w age 35-54
- 2nd smallest share of POPL b/w age 25-34
- Rock Island projected to lose POP < age 55, but gain age 55+
- Rock Island projected greatest loss < age 25 and b/w 45-54
- Rock Island largest POP gains b/w ages 65-74

Demographic Highlights

Rock Island Household Trends

- Rock Island lost 247 (1.5%) HH b/w 2000-2010, only QC w/ loss
- Rock Island is *only* QC w/ projected HH decline b/w 2012-17 (decline of 89 HHs, a modest 0.6% decline)
- Largest HH growth in Rock Island b/w 2012-17 ages 65-74 (480, 25.1%) and ages 55-64 (100, 3.5%)
- Largest HH decline in Rock Island b/w 2012-17 ages 45-54 (447, 15.2%)

Demographic Highlights

Income Trends

Rock Island has **highest** share of low-income HHs, but **lowest** share of higher-income (\$60k) HHs in 2012

Rock Island & Illinois QCs median incomes projected to be stable through 2017, while Iowa QCs are projected to grow

Demographic Highlights

Rock Island Ward Level Household Trends

- B/w 2012-17 overall HHs are projected to remain generally stable
- Highest resident turnover in Wards 1 & 5 (most renters)
- Wards 1 & 6 experienced greatest declines in HHs 2000-10
- Largest share of HHs < age 25 are in/around downtown (Wards 1 & 6)
- Largest share of seniors in southeast part of city (Wards 4 & 7)

Demographic Highlights

Rock Island Ward Level Trends - Incomes

- Highest median HH income in SE Rock Island, Wards 4 & 7
- Lowest median HH income N/NW Rock Island, Wards 1 & 5
- Poverty most prevalent in NW Rock Island (Ward 1: 1/3) & Ward 5: 1/4)

Demographic Highlights

Rock Island Ward Level Trends – Age Cohorts

Greatest senior household (HH) growth b/w ages 65-74 b/w 2012-17:

- Ward 3 to add 137 HHs
- Ward 5 to add 89 HHs
- Ward 7 to add 72 HHs
- Ward 4 to add 65 HHs

Other HH growth b/w 2012-17:

- Ward 1 to add 34 HHs (age 25-34)
- Ward 7 to add 23 HHs (age 25-34)
- Ward 3 to add 41 HHs (age 35-44)

Economic Highlights

- QCs lost ~6,700 jobs b/w 2008-12, declining 6.1%
- Rock Island lost 1,334 b/w 2008-2009
- Rock Island began economic recovery quicker than QCs. 2.1% job growth in 2010 2nd largest in decade
- Rock Island unemployment rate declined past two years; 2012 rate of 8.5% (lower than state/nation)

City Resident Surveys

- More than 300 Rock Island residents surveyed (January to March 2013)
- Respondents representative of overall Rock Island composition
- Residents asked a series of 18 questions

Satisfaction with Housing/Neighborhood


- ~Three-fourths of Rock Island residents want to stay in RI
- Nearly 85% were *satisfied* with current residence
- Only 5% indicated they were *not satisfied* w/ current housing
- Those *somewhat or not satisfied* cited the need for home improvements (27.3%) as the primary housing issue

Resident Surveys

Housing Issues/Challenges

- 55% indicated the market had some housing issues
- More than half indicated difficulty in finding suitable housing
- Those stating it was difficult/somewhat difficult to find suitable housing cited the following housing challenges:
 - Not affordable* (38.9%); *Poor conditions* (19.5%)
- Other key issues affecting housing decisions
 - High taxes (17.2%)
 - High housing costs (14.2%)
 - Poor housing quality/conditions (13.9%)
 - Crime/bad reputation (7.1%)
 - Poor public infrastructure (7.1%)
 - Weak economy/employment (6.7%)

Resident Surveys



Housing Needs/Priorities


Resident **recommendations** included addressing/improving the following:

- Housing Conditions (21.3%)
- Public Infrastructure/Services (20.0%)
- Quality/Location of Housing (20.0%)

Resident opinions on **housing types** most needed:

- Rental Housing (29.2%) vs. For-Sale Housing (23.7%)
- Moderate priced housing (44.5%) vs. low-priced (24.3%)
- Family housing (39.9%) vs. senior housing (15.6%)


Stakeholder Interviews



Key/Common Interview Responses

- Rock Island is generally well-served w/ community services, but lacks sufficient commercial/retail space
- Schools are good, but outsiders perceptions not positive
- Good variety of housing, but old/low-quality, affects resident retention and ability to attract new residents
- Housing for young professionals & seniors needed
- Special needs housing should be developed
- Foreclosures and blight remain key housing issues
- High taxes, lack of good paying jobs, & limited parking were cited as other factors affecting the housing market
- Factors limiting development included high development costs, government "red tape", and lack of available financing


Stakeholder Interviews



Key/Common Interview Responses

- Housing assistance needed to help people repair/maintain homes (primarily seniors & disabled), stay in their homes longer
- Improve education/outreach efforts regarding foreclosure prevention, housing programs, housing alternatives, etc.
- Work towards building synergy among various development community segments
- Improve efforts to solicit community input on housing needs
- Any housing strategy should work in-step with economic development efforts to maximize benefits of both


Housing Supply - Rental



- Overall QC 's rental housing market is strong, 97.5% occ.
- All rental segments (i.e. market-rate, Tax Credit, & subsidized) performing well, 96.0%+
- Rock Island highest QC rental occupancy at 98.8%

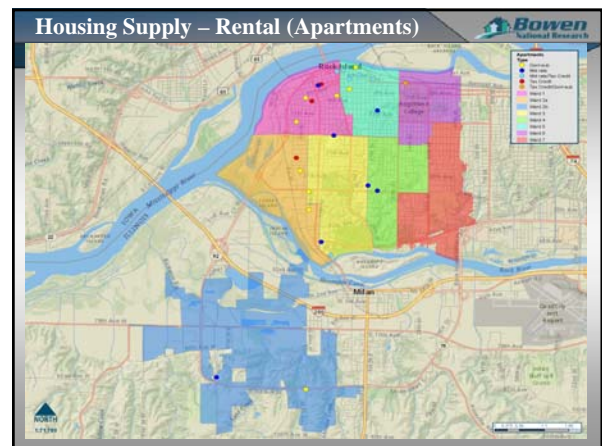
Overall Market Performance by Community						
	Rock Island	Moline	E. Moline	Davenport	Bettendorf	Quad Cities
Projects	27	19	8	63	9	126
Total Units	1,888	2,109	1,283	5,117	1,213	11,610
Vacant Units	23	41	35	160	30	289
Occupancy Rate	98.8%	98.1%	97.3%	96.9%	97.5%	97.5%

Housing Supply - Rental



- Rock Island: 27 projects w/ 1,888 units only 23 vacancies
- All segments 95.6%+ occupancy, no apparent weaknesses
- All market-rate units 96.4% occupied & Tax Credit 95.3% occupied
- Subsidized housing market is very strong: 99.7% occupancy
- 10 of 11 subsidized projects have wait lists, w/ 7 to 434 households
- Housing Choice Voucher wait list: 188 households

Rock Island Multifamily Apartment Rentals Survey				
Program Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	7	241	10	95.9%
Market-rate/Tax Credit	6	181	8	95.6%
Tax Credit	3	22	0	100.0%
Tax Credit/Government-Subsidized	1	162	0	100.0%
Government-Subsidized	10	1,282	5	99.6%
Total	27	1,888	23	98.8%



Market-Rate Median Collected Rents						
Bedroom / Baths	Rock Island	Moline	E. Moline	Davenport	Bettendorf	Quad Cities
Studio/1.0	\$350	\$459	\$430	\$450	\$787	\$459
One-Bedroom/1.0	\$450	\$574	\$495	\$560	\$720	\$574
Two-Bedroom/1.0	\$575	\$725	\$625	\$650	\$870	\$645
Two-Bedroom/1.5	-	\$860	-	\$730	-	\$730
Two-Bedroom/2.0	\$600	\$590	\$711	\$975	\$925	\$960
Three-Bedroom/1.0	\$875	\$812	-	\$674	-	\$812
Three-Bedroom/1.5	-	\$827	\$725	\$780	-	\$780
Three-Bedroom/2.0	\$680	\$1,200	-	\$865	\$1,585	\$1,050

Tax Credit, Non-Subsidized Median Collected Rents						
Bedroom / Baths	Rock Island	Moline	E. Moline	Davenport	Bettendorf	Quad Cities
Studio/1.0	\$291	\$608	-	\$375	-	\$425
One-Bedroom/1.0	\$400	\$575	\$525	\$550	\$470	\$514
One-Bedroom/2.0	-	-	-	\$655	-	\$655
Two-Bedroom/1.0	\$462	\$555	-	\$600	\$585	\$575
Two-Bedroom/2.0	\$300	\$675	\$605	\$685	\$614	\$614
Three-Bedroom/1.0	\$535	\$662	-	\$600	-	\$600
Three-Bedroom/1.5	-	-	-	\$540	-	\$540
Three-Bedroom/2.0	\$400	\$790	\$680	\$785	-	\$785
Four-Bedroom/2.0	-	-	-	\$640	-	\$640

Housing Supply - Rental

Rental Housing Quality

- Rock Island has the 2nd smallest share of "A" quality housing, smallest share of "B" quality housing and largest share of "C" quality housing

Housing Supply - Rental

Rental Housing by Year Built

- Nearly half of Rock Island's rental stock was built pre-1970 (second highest share of Quad Cities)
- Less than 10% of Rock Island's rental stock was built since 2000 (lowest share of Quad cities)

Housing Supply - For-sale

- Rock Island median home sale prices range b/w \$80k-\$86k since 2009, lowest of the QCs
- Rock Island homes sales prices declined an average 2.2% since 2009 (second only to E. Moline); Iowa QCs increased

Year	Annual Median For-Sale Housing Price By Market									
	Rock Island		Moline		East Moline		Davenport		Bettendorf	
	Price	% Diff.	Price	% Diff.	Price	% Diff.	Price	% Diff.	Price	% Diff.
2009	\$86,000	-	\$92,000	-	\$90,000	-	\$145,825	-	\$189,350	-
2010	\$80,000	-7.0%	\$91,000	-1.1%	\$92,000	2.2%	\$145,261	-0.4%	\$164,950	-12.9%
2011	\$84,900	6.1%	\$88,400	-2.9%	\$84,750	-7.9%	\$137,125	-5.6%	\$198,475	20.3%
2012	\$80,000	-5.8%	\$89,000	0.7%	\$82,500	-2.7%	\$145,850	6.3%	\$226,000	13.9%
Total	\$84,725	-2.2%	\$90,100	-1.1%	\$87,313	-2.8%	\$143,515	0.1%	\$194,693	7.1%

Housing Supply - For-sale

- Historically, QC annual homes sales range b/w 2,197 & 2,527
- Slight decline in QC home sales in 2010 & 2011, notable (13.1%) increase in 2012

Housing Supply - For-sale

- Rock Island has 144 available homes for-sale (3rd of 5 QCs)
- Rock Island median homes sales (asking) price of \$84,900; lowest of QCs.
- Rock Island average days on market of 104, longest of QCs

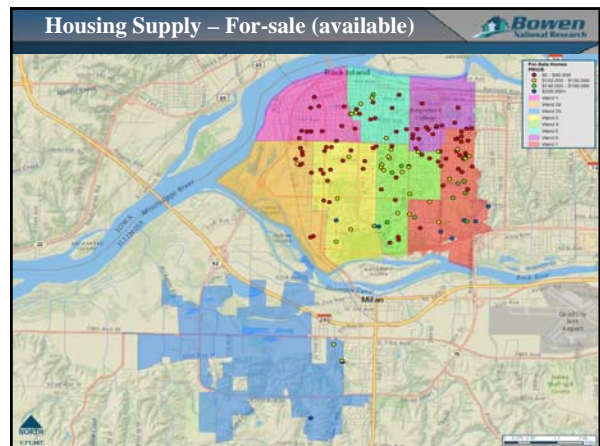
	Available For-Sale Housing by Market					
	Total Units	Low Price	High Price	Average Price	Median Price	Avg. Days On Market
Rock Island	144	\$9,900	\$1,550,000	\$117,458	\$84,900	104
Moline	156	\$7,900	\$750,000	\$135,775	\$99,900	87
East Moline	58	\$18,500	\$398,000	\$107,717	\$96,700	99
Davenport	355	\$18,500	\$998,000	\$146,580	\$109,900	80
Bettendorf	110	\$81,900	\$3,196,000	\$416,192	\$327,400	79
Total Quad Cities	823	\$7,900	\$3,196,000	\$172,733	\$109,900	87

Housing Supply – For-sale

Bowen National Research

Nearly two-thirds of available for-sale housing in Rock Island priced below \$100k, **only 19** identified homes priced above \$140k

	Available For-Sale Housing by Price Point							
	Less Than \$100k		\$100,000-\$139,999		\$140,000-\$199,999		\$200,000 & Higher	
	Units	Median Price	Units	Median Price	Units	Median Price	Units	Median Price
Rock Island	93	\$69,900	32	\$118,900	11	\$159,900	8	\$405,720
Moline	80	\$74,900	39	\$119,900	15	\$164,500	22	\$349,950
East Moline	32	\$64,000	15	\$119,000	6	\$163,700	5	\$239,900
Davenport	158	\$73,900	82	\$119,900	48	\$168,950	67	\$269,900
Bettendorf	4	\$91,950	17	\$124,900	8	\$149,900	81	\$389,900
Total Quad Cities	367	\$73,500	185	\$119,900	88	\$164,900	183	\$349,500



Housing Gap Estimates - Rental

Bowen National Research

- Methodology considered household growth, units for balanced market, substandard housing, demolitions, & turnover
- Demand conducted by income level (0%-40%, 41%-60%, and 61%+ AMI) and age cohort (senior vs. family)
- Overall rental housing demand for 48 to 384 new units by 2017
- Note: Demand estimates represent potential units by 2017 (would assume all product types, prices and locations developed)**

Rock Island Rental Housing Demand Estimates Summary - 2017			
Income Segment	Senior		Family
	Total Net Demand Very Low Income Housing (<40% AMHI)	384	114
Total Net Demand Low Income Housing (41%-60% AMHI)	124	-22	
Total Net Demand Moderate/High Income Housing (61%+ AMHI)	306	48	

Housing Gap Estimates – For-sale

Bowen National Research

- Methodology considered HH growth, units for balanced market, substandard housing, and demolitions
- Demand conducted by income level (<\$30k, \$30k-\$60k, & \$60k+)
- Overall rental housing demand for 57 to 114 new units by 2017
- Note: Demand estimates represent potential units by 2017 (would assume all product types, prices and locations developed)**

Rock Island For-Sale Housing Demand Estimates Summary	
Income Segment (Annual Income)	Units
Total Net Demand For Very Low Income Households (<\$30,000)	114
Total Net Demand For Low Income Households (\$30,000-\$60,000)	57
Total Net Demand For Moderate/High Income Households (\$60,000 +)	81

Recommendations

Bowen National Research

Public Relations/Community Outreach

- Conduct an annual Rock Island Housing Symposium
- Conduct an annual Quad Cities Housing Symposium
- Develop/Modify public perceptions of non-RI residents
- Work with Realtors, HR Staff, and others to promote attributes of Rock Island to prospective residents
- Establish a central Internet presence for housing
- Establish a local Housing Consortium & work towards a collective housing plan


Recommendations

Bowen National Research

Governmental Assistance

- Explore incentive program like Enterprise Zone, but citywide
- LEED/Green certified projects should get additional benefits
- Explore establishing potential "land bank" to assist in the acquiring, improving and disposition of vacant/abandoned properties
- Continue to support first-time homebuyer programs
- Continue to actively support & publicize housing programs
- Expand Healthy Homes program (cover asbestos, radon, and mold mitigation)
- Provide more assistance with site acquisition, land clearing, etc.
- Continue to support incentives of in-fill and redevelopment

Recommendations




Governmental Controls

- Increase current maximum residential density of 21.8 units/acre (2,000 sq.ft./unit)
- Add/Modify permitted uses of multifamily zoning to improve clarity & add more modern & diverse housing alternatives (Senior)
- Consider reducing fees for plan review, building permits, and utility connections to be more “new construction” friendly
- Conduct workshop or create tasks force with housing professionals to critique and recommend changes to city code

Housing Costs

- Create incentives and/or programs that reduce the costs gap between new construction and existing housing
- Consider reducing property taxes and/or costs of city-provided utilities to increase competitiveness of Rock Island

Recommendations




Household Relocations

- Retain graduating college students through jobs/housing
- Retain young professionals through jobs/housing (downtown)
- Support temporary/transitional housing for immigrants/refugees
- Retain growing senior base w/ senior-oriented housing & services
- Reduce evictions/foreclosures to stabilize neighborhoods

Private Lending

- Assist mortgage applicants to secure financing
- Encourage and assist minorities with mortgage applications

Recommendations



Housing product

- Continue efforts to remove blight and repair/maintain existing housing (emphasis on northwest Rock Island)
- Support development of senior housing to meet projected senior household growth; Variety of product will be needed
- Support efforts to provide housing to those most economic vulnerable (e.g. low-income, homeless, & disabled)
- Support development of housing product that appeals to young adults/professionals (downtown rental & for-sale housing)
- Support construction of higher-end (\$140k+) for-sale housing


Recommendations



Overall Housing Planning Strategies

- Adopt a **balanced** housing development approach, stressing **diversity** of housing development alternatives
- Support, when possible, **smaller projects** to reach more areas of Rock Island and spread out financing dollars
- Support housing intended to **retain and attract** target markets such as seniors, young professionals, families, corporate executives, etc.
- Continue efforts to **remove blight and maintain/modernize** older housing stock
- Housing planning strategies should be **coordinated** with economic development initiatives for mutual and maximized benefits
- **Improve perceptions**, particularly among prospective residents
- **Educate and engage** public on housing strategies
- **Build synergy** among development community and work towards **common housing goals**

Contact Information



Patrick M. Bowen
Bowen National Research
155 E. Columbus St., Suite 220
Pickerington, Ohio 43147
Phone: 614-833-9300
E-Mail: patrickb@bowennational.com