

# RESIDENTIAL DEMAND ANALYSIS

HANNIBAL DOWNTOWN MARKET AREA

CITY OF HANNIBAL, MISSOURI  
MARION COUNTY

March 24, 2008



**D·R·E·A·M**  
I N I T I A T I V E



# ACKNOWLEDGMENTS



DOWNTOWN REVITALIZATION AND ECONOMIC ASSISTANCE FOR  
MISSOURI (DREAM) PROGRAM SPONSORS:



PLANNING CONSULTANT



PREPARED BY  
MISSOURI HOUSING DEVELOPMENT COMMISSION

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## **USPAP REQUIRED INFORMATION**

The following information is required to comply with the Uniform Standards of Professional Appraisal Practice (USPAP).

### **Intended Use of Report**

The intent of this report is to assist the community of Hannibal in its effort to revitalize its downtown area through the DREAM Initiative by analyzing the possible demand for housing that would support that effort.

### **Intended Users of Report**

The intended users of this report are Missouri Housing Development Commission (Employer), the City of Hannibal, Peckham, Guyton, Albers & Viets, Missouri Development Finance Board, and Missouri Department of Economic Development.

### **Analysis, Recommendation, or Opinion to be Developed**

The analysis, recommendations, or opinions will include the following:

- A review of previous housing market studies or consumer surveys;
- Identification of Primary and Secondary Market Areas
- Identification of existing housing inventory and competitive locations;
- Demographic analysis for the area;
- Economic profile of the market;
- Opinion of present and future housing demands;
- Recommendations regarding the size of the residential demand pool for residential units in the Downtown Market Area of Hannibal that could complement the downtown revitalization efforts.

### **Effective Date of the Report**

The effective date of the report is March 24, 2008.

### **Physical, Legal, and Economic Characteristics of the Market Area**

The physical, legal, and economic characteristics of the market area are as described in the DREAM application submitted by the community and as further delineated in this report.

## **Extraordinary Assumptions**

In preparing this report the appraiser has relied on various physical, economic, and demographic data and information from various sources, including market studies submitted to MHDC from other analysts, and believes the information to be to be credible, reliable, and critical to the preparation of this report.

## **Scope of Work**

The scope of work necessary to prepare this report is as follows:

- Physical survey of the area that is the subject of the report;
- Physical survey of existing housing options in the market;
- Economic survey and competitive analysis of existing housing options in the market;
- Obtain and review general and historical information about the market;
- Obtain and review any housing related studies prepared for the market;
- Obtain and review any current information regarding activities in the market that could affect the marketability of housing;
- Obtain and analyze demographic information for the primary and secondary market areas;
- Estimate the current and future household demand in the primary market area that would be attracted to housing options in the downtown Hannibal market area;
- Prepare a target market analysis for affordable, market rate, and for-sale housing in the primary market area for family and senior households;

## SECTION I

### EXECUTIVE SUMMARY

The purpose of this market study is to quantify the potential residential demand in downtown Hannibal, Missouri that would complement the overall revitalization efforts of the downtown area. The analysis will consider the projected change in the number of households in the market, migration patterns of new households to the market, mobility patterns of existing households, and the profile of households that would be the likely target group for residential units in the downtown area.

Some of the conclusions of the report are as follows:

- A baseline assessment of the current residential conditions in and around the downtown revitalization area is that at the present time the housing options are limited. The recently renovated Mark Twain Hotel, which serves limited income senior households, is the highest quality housing option along Main Street, one of the primary traffic arteries in the downtown market area. The only other housing options along Main Street are upper floor units of commercial buildings. Some have been reported to be leased and some are owner occupied. There are a few residential units along Broadway, the other major traffic artery in the downtown area, but those units are limited to small multifamily dwellings and a few rental units on the upper floors of some of the commercial buildings along Broadway. There are residential historic districts in the downtown neighborhoods north of Broadway, which contain historically and architecturally significant homes. Mixed within these neighborhoods are also many single family and small multi family dwellings that generally appear to be in fair condition. No homes of historic designation were noted in the neighborhood just south of Broadway. This area contained many dwellings that were considered to be in fair to poor condition.
- The downtown area of Hannibal contains a high percentage of renter occupied units. The area contains many dwellings that were originally built as small multifamily dwellings, which has had the adverse affect of tipping the tenure of the area towards renter occupied units. Approximately 40% of the occupied units in the downtown area are renter occupied as compared to 25% to 30% in other areas of the city.
- Like many downtown areas around the country the downtown area of Hannibal has gone through a period of physical and economic decline where people and businesses have moved outward to other areas of the community. The revitalization of the downtown area will require a reversal of that trend and an increase in the 24 hour people presence in the area. Local residents need to be attracted to the downtown market area by the creation of new and unique housing options that take advantage of the urban walkability of the area and the market appeal of the proximity to the river.
- The increase in the people presence in the downtown area, like many other communities, may have to be driven by affordable rental housing. At the present time the downtown area has little housing market demand, which limits the amount of rents and home prices that can be commanded in the market. High quality affordable housing has been used effectively in other communities as a catalyst for residential renaissance in downtown markets.

- The housing complement to the downtown revitalization efforts will be a stepped process that has already begun with the renovation of the Mark Twain Hotel. The second step may have to be another affordable senior housing development or a good quality affordable family development. Once the desirability of the housing market has been established the third step can be market rate rental housing for middle and upper income households. And the final step in the process would be to repopulate the area with households in homeownership units, in the form of small homes, townhomes, condos, or lofts.
- Developers should be consider “vertical development” that takes advantage of one of the cities greatest market attributes, which is the majestic view of the Mississippi River. Residential units that are built to allow views of the river will have strong drawing power to households from outside of the primary market area and could attract households from other parts of the county, state, and country.
- A growing and diverse residential market in the downtown market area of Hannibal will help to support and attract existing and new businesses for local residents and make it viable for businesses to extend their business hours.
- At the present time all of the affordable housing rental markets in Hannibal seem to have strong occupancy, and in some cases waiting lists. Much of the excess demand can be served by rental housing in the downtown market area. Affordable housing developments of good quality should be able to capture a large portion of the available demand.
- The demand for market rate rental units in multifamily developments is also reported to be good. There does though seem to be an excess supply of single family and small multifamily rentals currently on the market, particularly in the downtown market area. Many for rent signs were observed. Any new, good quality, affordable market rate rental units developed in the downtown market area may further soften the market in the short term, but in the long run raising the quality of market rate rental housing options in the downtown market should expand the pool of prospective tenants and increase the demand for market rate rental units in the market.
- At the present time the home ownership and residential new construction market in Hannibal has slowed down, as in most parts of the country. Like much of the country, Hannibal has probably also started to see an increase in mortgage defaults due to sub prime lending practices over the last couple of years. Many of the homes could be in the downtown market area.
- New residential units in the downtown market area should primarily be marketable to young, small households and Empty Nesters. Both household types generally have few or no children and both groups are in a transient period in their lives.
- An area that would seem to have the greatest impact in terms of downtown revitalization is Broadway, which seems to be the “gateway to downtown”. Curing the eyesores along this thoroughfare by the renovation, conversion, or construction of space for residential purposes will significantly improve the façade of the area in general. People judge the environment of an area by the look of its major thoroughfares, so it is critical to put the best face on Broadway.

- The opportunity exists to use some of the lower and upper floor space of existing commercial buildings in the downtown area for residential purposes. The adaptive reuse of space in former commercial buildings has been a tremendous success in bringing the properties back to economic life and repopulating downtown markets.
- The city should consider reviewing its zoning and building codes to try and ensure that they don't prevent a barrier to residential production in the downtown market area. Building codes should not require existing building renovations to meet standards for new construction and zoning should allow more high density residential developments.
- The city should consider requiring owners of commercial buildings in the downtown area to provide window treatment on the upper floor windows to eliminate the detrimental look of the "vacant unit look".
- The Mark Twain attractions draw a large number of visitors to the community annually. This could provide Hannibal with the opportunity to have an "open house" and showcase new and unique housing options in the downtown market area to visitors from outside of the community that may be charmed by the river and the small town charm. More thought and planning could be given to linking the visitors and tourists with the benefits of permanent residence in Hannibal.
- Some things the city could consider in order to help with downtown residential development are to donate land or make it available below market value, use its powers of eminent domain, assist developers with land assemblage, provide parking for downtown residential developments, consider special districts for sales and income tax waivers, real estate tax abatement, consider reducing or waiving construction related fees, consider fast tracking the permit approval process, consider assisting developers with demolition and remediation costs, if necessary, and consider forming public/private partnerships with developers as a catalyst for downtown residential development.
- A quantitative analysis of the period between 2007 and 2012 indicates that the downtown area of Hannibal could have a potential annual demand from 40 limited income senior households for affordable senior rental housing in the downtown market area of Hannibal. The demand could be higher if developments will have rental subsidy.
- A quantitative analysis of the period between 2007 and 2012 indicates that the downtown area of Hannibal could have a potential annual demand from 41 limited income households for affordable family rental housing in the downtown market area of Hannibal.
- A quantitative analysis of the period between 2007 and 2012 indicates that the downtown area of Hannibal could have a potential annual demand from 30 moderate income households for market rate rental housing in the downtown market area of Hannibal.
- A quantitative analysis of the period between 2007 and 2012 indicates that the downtown area of Hannibal could have a potential annual demand from 10 households for home ownership in the downtown market area of Hannibal.

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## SECTION II AREA OF STUDY

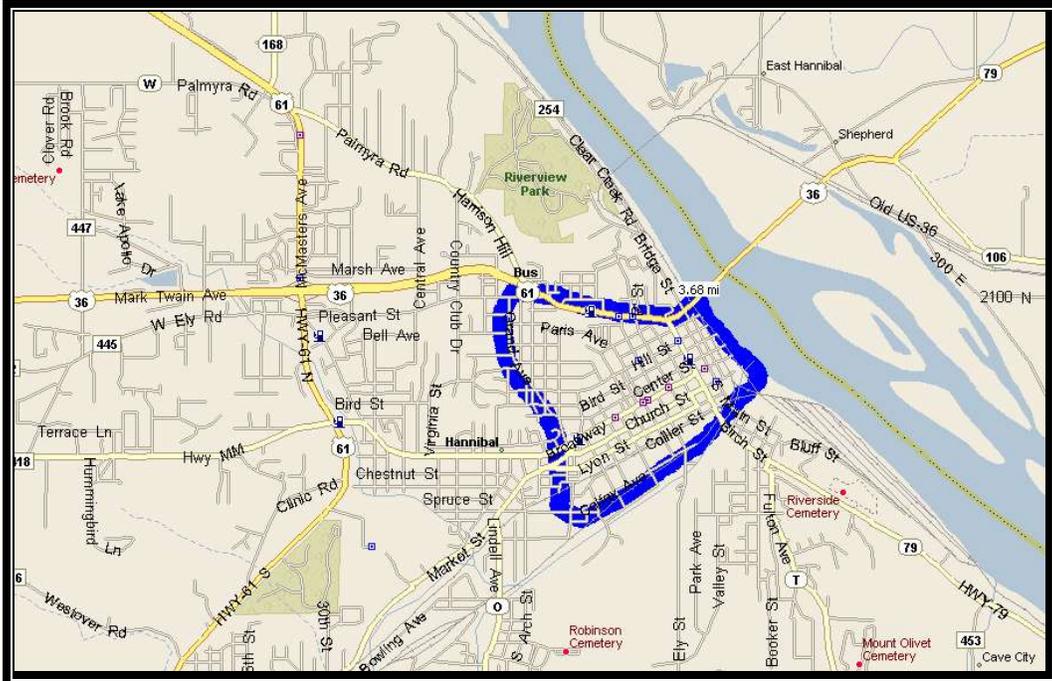
The area of study is the downtown area of Hannibal, Marion County, Missouri. The following maps show the location of the city within the state, the primary traffic arteries through the city, the general area of the study within the city, and the specific boundaries of the downtown market area that is the subject of this report.



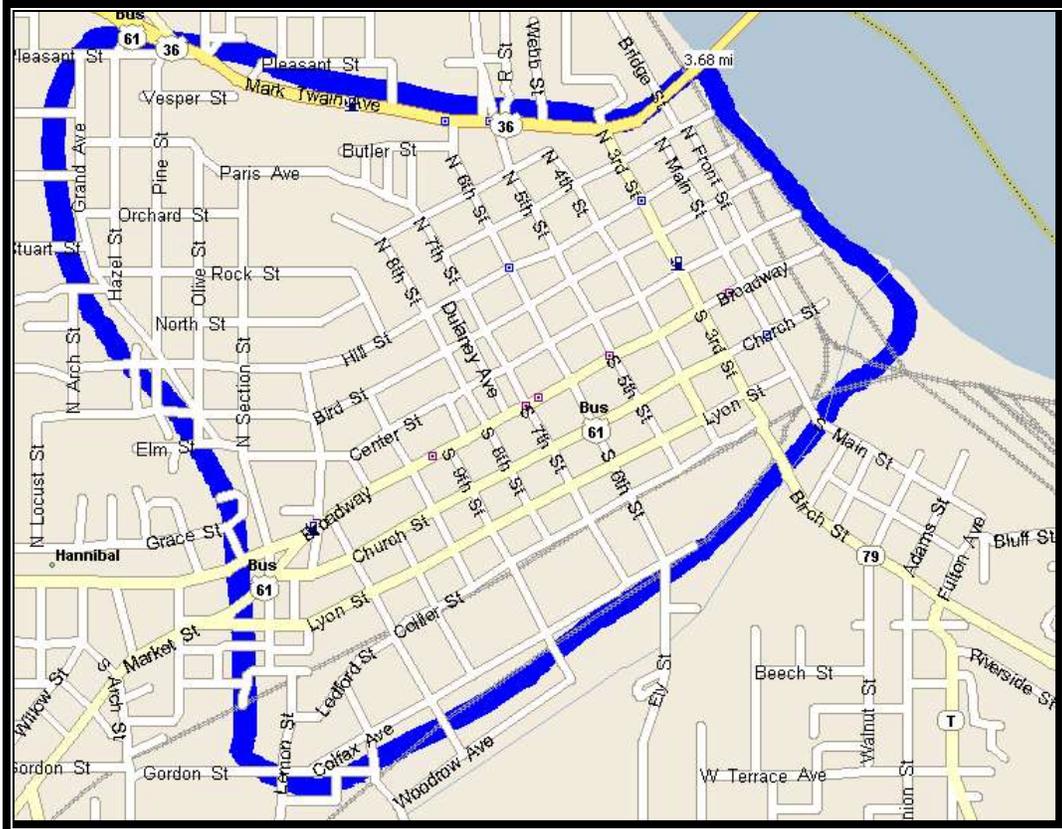
Hannibal is located at the northeastern side of the state on the Missouri border with Illinois.

Hannibal City Limits





The highlighted areas of the maps for purposes of this report are considered to be the downtown market area of Hannibal, Missouri.



The downtown area of Hannibal is located at the eastern edge of the community, bordering the Mississippi River. The boundaries for purposes of this report are generally considered to be Mark Twain Avenue on the north, Colfax Avenue to the south, the Mississippi River on the east, and Grand Avenue to the west.

Like many downtown areas, Hannibal's is the center of government. In addition to the municipal government offices, Hannibal's downtown is the location of the county government offices of Marion County and the Hannibal Federal Building. All are located on Broadway Avenue. The downtown area also contains many businesses that are associated with the governments (attorney's offices, title companies, etc.). The downtown area also contains banks, a library, a post office, residential units, and many small businesses. Some of the small businesses in the downtown area are targeted for the local community and many are targeted for the tourists and located in a historic district related to the community's most famous resident, Mark Twain. Mark Twain was considered to be America's greatest humorist of 19<sup>th</sup> century American literature and the author of *The Adventures of Tom Sawyer* and *Adventures of Huckleberry Finn*. The history of Mark Twain and the fictional sites mentioned in his famous novels are a major tourist draw for the City of Hannibal and in particular the downtown area, which is where his home is located.

The primary streets in the downtown area are Main Street, which is a north/south traffic artery that is the location of most of the historic sites and tourist related businesses relating to Mark Twain, and Broadway, which is an east/west artery that is the location of the local governments and other businesses related to the local community.

Because of the access to the river Hannibal in the late 1800's became a regional marketing center for livestock and grain as well as other products produced locally, such as cement, soap, and shoes. Both people and products moved through the area by riverboats, and most of the commerce in the early days of Hannibal took place in the downtown area. Hannibal's riverfront has not been fully developed to the level that is planned, but still attracts local visitors and tourists who are drawn to the majesty of the river, the riverboat excursions, the gardens and parks, and the boat docks.

In addition to the historical sites Main Street also contains gift shops, antique stores, galleries, bars, the Mark Twain Museum, restaurants, a new car dealership, tourist related businesses and sites, and a totally renovated hotel, which is now a senior housing development. Most of the buildings along Main Street are multi-story and some have space on the upper floors that is utilized for business and residential purposes. Most of the upper floor space appears to be vacant. Because of window treatments to generally all of the upper floor windows it is not apparent that the spaces are vacant, so consequently they do not have an adverse impact on the building facades.

Broadway, which is a primary east west traffic artery, is very wide and is one of the major avenues in the community. Although there are many occupied buildings along the Broadway thoroughfare, including the previously mentioned city, county and federal government offices, there are some buildings, particularly east of Seventh Street which appears to be either vacant or underutilized. Many of the buildings along Broadway also have upper floor space that in most cases appear to be vacant. Unlike the upper floors of the buildings along Main Street, the upper floors of many of the buildings along Broadway look vacant because of a lack of window covers.

In years gone by the upper floors of commercial buildings in downtown provided many small households with affordable residential space. As times changed and the downtown area of Hannibal changed those upper floor spaces, like in many cities, lost their appeal in the expanding residential market. With the resurgence of downtown areas across America, there is a renewed interest in these upper floor areas of older commercial buildings, which are being improved as “loft style” residential units. The inventory of vacant and underutilized upper floor space in downtown Hannibal may provide opportunities for unique housing options for both prospective tenants and homeowners.

The area within the boundaries of the downtown market for purposes of this study also contains a large number of residential units in the neighborhoods to the north and south of Broadway. The neighborhoods to the north of Broadway contain designated historic districts, where many of the homes are large homes of architectural and historical significance that have been maintained or restored to their near original state. Mixed among these large historic homes are also many non-historical single family and small multifamily structures that are in varying states of physical condition. Many are in average condition, but a significant number appear to be in fair to poor condition.

The residential neighborhood in the downtown area that is south of Broadway does not have the same historic character as north of Broadway, and this area appears to contain a higher density of residential structures that suffer from physical deterioration and deferred maintenance.

One of the characteristics of the Hannibal downtown residential area which was noted is a significant number of small multifamily dwellings. The area contains many dwellings that were originally built as two family dwellings. These types of dwellings were designed for transient households of modest incomes and unfortunately have established large parts of these neighborhoods for renter household occupancy. The latest U.S. Census data indicates that over 40% of the occupied units in the downtown market area are renter occupied. This is a much higher renter household density than any other area of the city.

A benefit to the downtown revitalization efforts would be an increase in homeownership in these neighborhoods and a decrease in the level of non-owner occupied residential dwellings. Owners are stakeholders and tend to be more motivated to invest in the upkeep and improvement of their properties. Owners also are less transient, which promotes neighborhood stability.

The downtown area has been replaced by the shopping centers along U.S. Highway 61 as the primary retail and service areas in the city. The Huck Finn and River Bend Shopping Centers along U.S. 61 contain Wal-Mart, J.C. Penney, Kroger, and numerous other smaller retail, service, and eating establishments. Holiday Inn and other hotel/motels are also in this area. The driving distance between downtown and the shopping areas along U.S. Highway 61 is relatively short, but residents of the downtown area would probably prefer more shopping options in the downtown area. This is especially true of senior residents.

Plans to enhance the riverfront are in progress and when completed should make a very positive difference in the area by creating an amphitheater, walking trail, sports complex, boat harbor, and additional parking. A couple of major entertainment venues are in the works for downtown. A multi screen movie theater is planned near South Main and Broadway and the baseball park that anchors the southeast section of downtown will host collegiate baseball games. In addition, the recent historical renovation of the Mark Twain Hotel has not only restored one of Hannibal’s most notable downtown landmarks, it has also brought 34 new households to the downtown area.

Overall the downtown area is stable and improving. There are clear signs of progress and many good plans in the pipeline, but there are areas of blight that must be arrested, particularly along Broadway, east of 6<sup>th</sup> Street, and in the downtown residential areas to the south of Broadway.



Looking east down Broadway from 11<sup>th</sup> Street

Old Marion County Courthouse





South side of 6<sup>th</sup> and Broadway

Apartment building on 5<sup>th</sup> and Broadway



Buildings on south side of 4<sup>th</sup> and Broadway



Park at 4<sup>th</sup> and Broadway

John Garth Memorial Library



Buildings on south side of 3<sup>rd</sup> and Broadway



Buildings on north side of 3<sup>rd</sup> and Broadway

Buildings on north side of 3<sup>rd</sup> and Broadway



Buildings on south side of 3<sup>rd</sup> and Broadway



Buildings on the south side of 2<sup>nd</sup> and Broadway

Buildings on north side of 2<sup>nd</sup> and Broadway



Looking west on Broadway from near Main Street



Buildings at southwest corner of Main and Broadway



Mark Twain Statue in Riverview Park



Mark Twain historical sites in downtown Hannibal



Riverboat docked on Mississippi River at Hannibal

Looking north down Main Street from Broadway



Looking south down Main Street in the Evening



Boat dock on Hannibal riverfront

Mark Twain Hotel Senior Apartments



Mississippi River and Bridge at Hannibal to  
Illinois



Docks at Hannibal Riverfront

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## SECTION III

### REVIEW OF PREVIOUS HOUSING MARKET STUDIES

Following are points from studies or reports that were prepared for the city of Hannibal that relate to housing in the downtown market area:

***Comprehensive Plan for the City of Hannibal, Missouri  
November 4, 2003***

- *“As the city continues to attract new manufacturing jobs and our educational, medical and public service positions increase, affordable housing in the \$100,000-\$125,000 range must be built.”*

***The Comprehensive Plan, Hannibal, Missouri  
July, 1985***

- *“Encourage residential growth to the west and northwest, the most suitable areas of the city for development.”*
- *“Develop more multi-family dwellings and condominiums, in order for housing types in Hannibal to be nearer national trends.”*
- *“Encourage and support the continued revitalization of older neighborhoods, recognizing the value and importance of the older housing stock in these areas. City efforts should concentrate on enforcing city codes, maintaining public facilities, and providing community services.”*
- *“Construction of new housing is only part of the housing picture in Hannibal. Maintenance of older housing is an economic and desirable way to properly house residents. However, some older housing is not worth saving and should be demolished”*
- *“The land use plan encourages up to 40 percent of new residential units be multifamily (condominium and rental).”*

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## SECTION IV

### DEMOGRAPHIC OVERVIEW

In this section of the report is population, household, income, and housing demographic data in the market area of Hannibal, Missouri. The following information was obtained from the United States Census Bureau, U.S. Department of Agriculture, the Mid America Regional Information System, and several national proprietary data providers, including Applied Geographic Solutions, and Claritas.

**Table 1----Total Population**

Total Population						
Year	Hannibal	Annual Change %	Marion County	Annual Change %	Missouri	Annual Change %
1990	18,090		27,682		5,117,083	
2000	17,757	-0.2%	28,289	0.2%	5,595,211	0.9%
2007	17,632	-0.1%	28,387	0.1%	5,877,928	0.8%
2012	17,205	-0.5%	28,621	0.2%	6,071,973	0.7%

Source: Applied Geographic Solutions, MHDC

The population of Hannibal decreased from 1990 to 2000 and the declining population trend is projected to continue. That negative growth pattern differs from Marion County and the State of Missouri. The reasons for the decline could be related to a lack of jobs or housing.

**Table 2----Population by Age**

Population By Age Group								
Hannibal, Missouri								
Age Cohort	1990	Percent	2000	Percent	2007	Percent	2012	Percent
0-19	5,366	30%	5,227	29%	4,854	28%	4,671	27%
20-24	1,104	6%	1,238	7%	1,347	8%	1,331	8%
25-34	2,658	15%	2,158	12%	2,271	13%	2,308	13%
35-54	3,997	22%	4,805	27%	4,581	26%	4,177	24%
55-64	1,600	9%	1,361	8%	1,826	10%	2,025	12%
65-74	1,687	9%	1,330	7%	1,225	7%	1,296	8%
75-84	1,179	7%	1,128	6%	1,047	6%	944	5%
85+	499	3%	510	3%	481	3%	453	3%

Source: Applied Geographic Solutions, MHDC

The above table indicates that the largest age cohorts in the community are 0-19 years of age and 35-54 years of age. These age groups are expected to remain the largest through 2012.

**Table 3----Median Age of Population**

Total Population Median Age	
Hannibal, Missouri	
Year	
1990	34.7
2000	36.0
2007	36.7
2012	36.5

Source: Applied Geographic Solutions, MHDC

The table illustrates that between 1990 and 2007 the median age of the population is estimated to have increased, which is a trend that is occurring across the state and the nation. In a trend that differs from the state and the nation the median age is projected to increase between 2007 and 2012. The increase could be attributed to a projected increase in the student population at the Hannibal-LaGrange College.

**Table 4----Population by Gender**

Population By Gender								
Hannibal, Missouri								
Gender	1990	Percent	2000	Percent	2007	Percent	2012	Percent
Male	8,370	46%	8,237	46%	8,329	47%	8,098	47%
Female	9,720	54%	9,520	54%	9,303	53%	9,107	53%

Source: Applied Geographic Solutions, MHDC

The table illustrates that the past population gender distribution that included a majority of females is expected to remain the same through 2012.

**Table 5----Total Households**

Total Households				
Hannibal, Missouri				
Year	Hannibal	Annual Change %	Marion County	Annual Change %
1990	7,112		10,728	
2000	7,017	-0.1%	11,066	0.3%
2007	7,023	0.0%	11,360	0.4%
2012	7,053	0.1%	11,607	0.4%

Source: Applied Geographic Solutions, MHDC

The table indicates that between 1990 and 2000 the number of households in Hannibal declined, but since that time the estimate and projection is for a slight increase through 2012.

**Table 6----Average Household Size**

Average Household Size	
Hannibal, Missouri	
Year	Average
1990	2.45
2000	2.40
2007	2.34
2012	2.31

Source: Applied Geographic Solutions, MHDC

Average household size is a statistical average calculated by dividing the number of persons living in households by the number of households (which is the same as occupied housing units). The table illustrates that the average size of households in the city has been on a decline since 1990 and is projected to continue to decline through 2012.

**Table 7----Households by Size**

Households By Size								
Hannibal, Missouri								
	1990		2000		2007		2012	
Household Size	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1 Person	2,170	30.5%	2,155	30.7%	2,225	31.7%	2,247	31.9%
2 Persons	2,180	30.7%	2,255	32.1%	2,352	33.5%	2,361	33.5%
3 Persons	1,124	15.8%	1,137	16.2%	1,109	15.8%	1,123	15.9%
4 Persons	981	13.8%	885	12.6%	786	11.2%	781	11.1%
5 Persons	437	6.1%	409	5.8%	362	5.2%	352	5.0%
6 Persons	157	2.2%	103	1.5%	116	1.7%	119	1.7%
7+ Persons	62	0.9%	73	1.0%	73	1.0%	70	1.0%
Total	7,111	100.0%	7,017	100%	7,023	100%	7,053	100%

Source: Applied Geographic Solutions, MHDC

The table indicates that there has not been a significant change in the distribution of households in Hannibal based on the size of the household. The projection through 2012 is the same.

**Table 8----Tenure by Number of Households**

Tenure by Number of Households				
Hannibal, Missouri				
	Owner Occupied Units		Renter Occupied Units	
Year	Number	Percent	Number	Percent
1990	4,739	67%	2,372	33%
2000	4,561	65%	2,456	35%
2007	4,599	65%	2,424	35%
2012	4,575	65%	2,478	35%

Source: Applied Geographic Solutions, MHDC

The table illustrates that the tenure patterns of the community seem to be very stable. Future tenure patterns can be influenced by a higher level of production of either owner occupied or renter occupied units.

**Table 9----Tenure by Household Size (Owner)**

Tenure By Household Size					
Owner Occupied Housing Units					
Hannibal, Missouri					
Household Size	1990	Percent	2000	Percent	% Change 90-2000
1 Person	1,132	23.9%	1,168	24.7%	3.2%
2 Persons	1,697	35.8%	1,718	36.3%	1.2%
3 Persons	721	15.2%	785	16.6%	8.9%
4 Persons	684	14.4%	642	13.6%	-6.1%
5 Persons	400	8.4%	285	6.0%	-28.8%
6 Persons	98	2.1%	77	1.6%	-21.4%
7+ Persons	10	0.2%	60	1.3%	500.0%

Source: U.S. Census Bureau

The table indicates that the largest percentage of owner occupied housing units is by two-person households.

**Table 10----Tenure by Household Size (Renter)**

Tenure By Household Size					
Renter Occupied Housing Units					
Hannibal, Missouri					
Household Size	1990	Percent	2000	Percent	% Change 90-2000
1 Person	1,040	44.5%	959	42.1%	-7.8%
2 Persons	476	20.4%	519	22.8%	9.0%
3 Persons	391	16.7%	340	14.9%	-13.0%
4 Persons	280	12.0%	278	12.2%	-0.7%
5 Persons	95	4.1%	133	5.8%	40.0%
6 Persons	36	1.5%	34	1.5%	-5.6%
7+ Persons	17	0.7%	16	0.7%	-6%

Source: U.S. Census Bureau

The table indicates that the largest percentage of renter occupied housing units has been one-person households.

**Table 11----Tenure by Age of Householder (Owner)**

Tenure by Age of Householder					
Owner Occupied Housing Units					
Hannibal, Missouri					
Age	1990	Percent	2000	Percent	% Change 90-2000
15-24	63	1.3%	80	1.7%	27.0%
25-34	521	11.0%	533	11.3%	2.3%
35-44	1,050	22.1%	917	19.4%	-12.7%
45-54	666	14.0%	1,064	22.5%	59.8%
55-64	785	16.6%	712	15.0%	-9.3%
65-74	862	18.2%	649	13.7%	-24.7%
75+	795	16.8%	780	16.5%	-1.9%

Source: U.S. Census Bureau

The table shows that the community has a fair distribution of homeowners at all ages above 25 years old.

**Table 12----Tenure by Age of Householder (Renter)**

Tenure by Age of Householder					
Renter Occupied Housing Units					
Hannibal, Missouri					
Age	1990	Percent	2000	Percent	% Change 90-2000
15-24	289	12.4%	316	13.9%	9.3%
25-34	621	26.6%	519	22.8%	-16.4%
35-44	347	14.9%	482	21.1%	38.9%
45-54	217	9.3%	372	16.3%	71.4%
55-64	243	10.4%	116	5.1%	-52.3%
65-74	298	12.8%	155	6.8%	-48.0%
75+	320	13.7%	319	14.0%	-0.3%

The table indicates that in Hannibal most renter households are 54 years of age or less, and that between 1990 and 2000 the age cohort of renter households 45-54 increased significantly.

**Table 13----Tenure by Bedrooms (Owner Occupied)**

Tenure By Bedrooms (2000)		
Owner Occupied		
Hannibal, Missouri		
Bedrooms	Households	Percentage
No BR.	-	0.0%
1	199	4.2%
2	1,545	32.6%
3	2,011	42.5%
4	823	17.4%
5 or more	157	3.3%

Source: U.S. Census Bureau

The table above indicates that the majority of the owner occupied homes in Hannibal were three bedroom homes.

**Table 14----Tenure by Bedrooms (Renter Occupied)**

Tenure By Bedrooms (2000)		
Renter Occupied		
Hannibal, Missouri		
Bedrooms	Households	Percentage
No BR.	52	2.3%
1	696	30.5%
2	1,015	44.5%
3	419	18.4%
4	81	3.6%
5 or more	16	0.7%

Source: U.S. Census Bureau

The table above indicates that the distribution of rental units by bedrooms size is typical in that there are more two-bedroom units, followed by one-bedroom units, and then three-bedroom units.

**Table 15----Female Head of Household with Children**

Female Head of Household with Children	
Hannibal, Missouri	
Year	Number
1990	532
2000	654
2007	772
2012	888

Source: Applied Geographic Solutions, MHDC

The table indicates that in Hannibal there has been a consistent increase in the number of households headed by females with children and that the number of households is projected to continue to grow through 2012.

**Table 16----Hispanic Households**

Hispanic Households	
Hannibal, Missouri	
Year	Number
2000	58
2007	83
2012	95

Source: Applied Geographic Solutions, MHDC

The table indicates that in Hannibal there has been a consistent increase in the number of Hispanic households and the growth trend is projected through 2012.

Table 17----Households by Income Distribution

Household Income Distribution								
Hannibal, Missouri								
Income Cohort	1990		2000		2007		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< than \$10,000	1,746	24.6%	933	13.3%	806	11.5%	741	10.5%
\$10,000-\$14,999	974	13.7%	751	10.7%	550	7.8%	472	6.7%
\$15,000-\$19,999	815	11.5%	667	9.5%	581	8.3%	562	8.0%
\$20,000-\$24,999	721	10.1%	545	7.8%	542	7.7%	538	7.6%
\$25,000-\$29,999	673	9.5%	678	9.7%	475	6.8%	351	5.0%
\$30,000-\$34,999	562	7.9%	581	8.3%	538	7.7%	450	6.4%
\$35,000-\$39,999	360	5.1%	333	4.7%	464	6.6%	513	7.3%
\$40,000-\$49,999	529	7.4%	671	9.6%	618	8.8%	693	9.8%
\$50,000-\$59,999	364	5.1%	637	9.1%	570	8.1%	511	7.2%
\$60,000-\$74,999	166	2.3%	546	7.8%	739	10.5%	752	10.7%
\$75,000-\$99,999	97	1.4%	345	4.9%	585	8.3%	723	10.3%
\$100,000 +	105	1.5%	330	4.7%	555	7.9%	747	10.6%
Total	7,112	100.0%	7,017	100.0%	7,023	100.0%	7,053	100.0%

Source: Applied Geographic Solutions, MHDC

The table indicates that there is a wide distribution of households at various income levels in Hannibal. The number of households with incomes of \$60,000 or more is projected to increase by approximately 18% between 2007 and 2012.

**Table 18----Cost Burdened Households (Hannibal)**

The following table illustrates the percentage of cost burdened households as of the last census (2000). A household is cost burdened if their total housing cost exceeds 30% of their income and severely cost burdened if their total housing cost exceeds 50% of their income.

Cost Burdened Households (2000) - Hannibal			
	Renter	Owner	Renter & Owner
<b>Total</b>	2,253	4,676	6,929
Cost Burdened >30%	28.6%	9.9%	16.0%
Severely Cost Burdened >50%	13.7%	3.8%	7.0%
<b>Elderly 1 &amp; 2 Persons</b>	442	1482	1,924
Cost Burdened >30%	24.7%	10.8%	14.0%
Severely Cost Burdened >50%	7.0%	4.1%	4.8%
<b>Single Person Non-Elderly</b>	722	524	1,246
Cost Burdened >30%	29.1%	18.9%	24.8%
Severely Cost Burdened >50%	18.0%	11.1%	15.1%
<b>Small Fam 2-4 Persons</b>	914	2,270	3,184
Cost Burdened >30%	31.5%	8.0%	14.7%
Severely Cost Burdened >50%	14.1%	2.3%	5.7%
<b>Large Fam 5+ Persons</b>	175	400	575
Cost Burdened >30%	21.1%	5.5%	10.2%
Severely Cost Burdened >50%	10.3%	1.0%	3.8%

Source: 2000 Chas Data

The highlighted areas of the preceding table indicate the categories where Hannibal’s households have a higher cost burdened than the state as a whole (following table). Hannibal has a higher percentage of single non-elderly and small family renter households that are severely cost burdened than the state as a whole, which is probably due to the large student renter population for LaGrange College. Hannibal also has a higher percentage of single non-elderly owner households that are severely cost burdened than the state as a whole, but not by much.

**Table 18A----Cost Burdened Households (Missouri)**

Cost Burdened Households (2000) - Missouri			
	Renter	Owner	Renter & Owner
Total	651,909	1,542,305	2,194,214
Cost Burdened >30%	30.9%	16.7%	20.9%
Severely Cost Burdened >50%	14.8%	6.2%	8.8%
Elderly 1 & 2 Persons	112905	423495	536,400
Cost Burdened >30%	39.4%	17.4%	22.0%
Severely Cost Burdened >50%	18.4%	7.3%	9.6%
Single Person Non-Elderly	248083	201663	449,746
Cost Burdened >30%	31.5%	26.3%	29.2%
Severely Cost Burdened >50%	15.7%	10.6%	13.4%
Small Fam 2-4 Persons	244194	771,144	1,015,338
Cost Burdened >30%	27.1%	14.0%	17.2%
Severely Cost Burdened >50%	12.7%	4.6%	6.5%
Large Fam 5+ Persons	46727	146003	192,730
Cost Burdened >30%	26.4%	15.7%	18.3%
Severely Cost Burdened >50%	12.6%	5.1%	6.9%

Source: 2000 Chas Data

**Table 19----Housing Units**

Housing Units-Hannibal Missouri			
Year	2000	2007	2012
Housing Units	7,910	7,947	8,016
Occupied Housing Units	7,017	7,023	7,053
Vacant Housing Units	893	924	963
Owner Occ. Housing Units	4,678	4,599	4,575
Renter Occ. Housing Units	2,339	2,424	2,478
% Owner Occ. Housing Units	59.14%	57.87%	57.07%
% Renter Occ. Housing Units	29.57%	30.51%	30.91%
% Vacant Housing Units	11.29%	11.63%	12.01%

Source: Applied Geographic Solutions, MHDC

The table indicates that the number of housing units in the city is estimated to increase by approximately 70 units between 2007 and 2012, that approximately 12% of the housing stock is vacant, and that the projected trend in the city is a decline in the percentage of owner occupied units.

**Table 20----Units in Structure**

Units in Structure (2000)		
Hannibal, Missouri		
Type	Number	Percentage
1, attached	5,594	71.1%
1, detached	189	2.4%
2	738	9.4%
3 or 4	466	5.9%
5 to 9	279	3.5%
10 to 19	105	1.3%
20 or more	296	3.8%
Mobile Home	203	2.6%
Total	7,870	100.0%

Source: U.S. Census Bureau

The table shows that as of the last census 73.5% of the units in Hannibal were single unit structures. The balance of the units was spread across the other residential construction types, including 2.6% mobile homes.

**Table 21----Year Structure Built**

Year Structure Built (2000)		
Hannibal, Missouri		
Year	Number	Percentage
1999 to March 2000	91	1.2%
1995 to 1998	376	4.8%
1990 to 1994	342	4.3%
1980 to 1989	737	9.4%
1970 to 1979	986	12.5%
1960 to 1969	759	9.6%
1950 to 1959	807	10.3%
1940 to 1949	661	8.4%
1939 or earlier	3,111	39.5%

Source: U.S. Census Bureau

The table shows that as of the last census 90% of the structures in Hannibal were built prior to 1990.

**Table 22----Affordable Housing Program Maximum Incomes and Rents**

The table below illustrates the maximum income and rents for the HOME and Housing Tax Credit programs for Marion County

Maximum Income and Rents for HOME and Housing Tax Credit Programs for Marion County												
2007 Median Income	Income %	Maximum Incomes						Maximum HOME/LIHTC Rents				
		Persons in Household						Bedroom Sizes				
		1	2	3	4	5	6	0Br	1Br	2Br	3Br	4Br
\$48,500	50%	17,900	20,450	23,000	25,550	27,600	29,650	447	479	575	664	741
	60%	21,480	24,540	27,600	30,660	33,120	35,580	537	575	690	797	889
								HUD Fair Market Rents				
								329	383	505	657	676

Source: HUD, IRS, MHDC

**Table 23----Gross Rent as a Percentage of Monthly Household Income**

Gross Rent as % of Monthly HH Income (2000)	
Hannibal, Missouri	
Status	Percentage of Households
Less than 15 percent	21%
15 to 19 percent	17%
20 to 24 percent	13%
25 to 29 percent	10%
30 to 34 percent	8%
35 percent or more	23%
Not computed	9%

Source: U.S. Census Bureau

The table shows that as of the last census 31% of the renter households in Hannibal had gross rent that was more than 30% of their income. Households are considered rent burdened if their gross rent exceeds 30% of their income.

**Table 24----Educational Attainment (Pop. 25+ Age)**

Educational Attainment (Pop. 25+ Age)			
Hannibal, Missouri			
Level	1990	2000	2007
9th to 12th grade, no diploma	18.9%	16.2%	14.8%
Associate Degree	3.0%	4.8%	5.5%
Bachelors Degree	10.2%	11.3%	11.6%
College No Degree	15.3%	17.8%	18.1%
Graduate Degree	4.1%	4.1%	4.4%
High School Diploma	36.2%	38.7%	40.2%
Less than 9th grade	12.4%	6.4%	5.5%

Source: Applied Geographic Solutions, MHDC

The table indicates that the educational attainment level has been increasing.

**Table 25----Marital Status (Pop. 15+ Age)**

Marital Status (Pop. 15+ Age)			
Hannibal, Missouri			
Status	1990	2000	2007
Divorced	9.9%	11.6%	11.6%
Never Married	20.5%	22.2%	22.2%
Now Married	56.1%	50.1%	50.2%
Separated	1.5%	6.0%	5.9%
Widowed	12.0%	10.2%	10.1%

Source: Applied Geographic Solutions, MHDC

The table indicates consistent marital trends in Hannibal between 2000 and 2007.

**IRS Migration Data**

Taxpayer migration data is a very helpful tool in tracking the movement of households into and out of the market area. The data is maintained at the county level by the Internal Revenue Service and provides a clear representation of migration patterns. Following are tables that show the migration patterns for Marion County.

The migration tables that follow indicate that Marion County attracts more than 600 new households annually, but it also loses more than 600 households annually. Between 2003 and 2006 the net migration statistics for Marion County show a fluctuating picture, but in 2006 the net migration number was positive, meaning more households moved in than moved out.

The tables also indicate that while Marion County has a negative migration relationship with the larger metropolitan areas represented by St. Louis, St. Charles, and Boone Counties, it has a positive net migration pattern with most of the surrounding counties, including Adams and Pike Counties in Illinois.

The number of households migrating to the City of Hannibal is unknown, but since it is the largest city in Marion County it can be assumed that the migration patterns of the county are reflective of the migration patterns of Hannibal.

Table 26----Marion County In-Migration

Gross Annual Household In-Migration								
Marion County, Missouri								
County of Origin	2003		2004		2005		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total In-Migration	652	100%	629	100%	613	100%	676	100%
Total In-Migration Same State	344	53%	346	55%	314	51%	385	57%
Total In-Migration Out of State	308	47%	283	45%	299	49%	291	43%
Ralls County, Mo	89	14%	78	12%	79	13%	123	18%
Adams County, Il	82	13%	72	11%	61	10%	66	10%
Pike County, Mo	29	4%	36	6%	22	4%	26	4%
Lewis County, Mo	28	4%	29	5%	32	5%	31	5%
Monroe County, Mo	23	4%	26	4%	17	3%	23	3%
Boone County, Mo	22	3%	20	3%	22	4%	21	3%
Pike County, Il	14	2%	10	2%	18	3%	15	2%
St. Louis County, Mo	13	2%	9	1%	20	3%	27	4%
St. Charles County, Mo	12	2%	14	2%	16	3%	10	1%
All Other Counties	340	52%	335	51%	326	50%	334	51%

Source: Internal Revenue Service

Table 27----Marion County Out-Migration

Gross Annual Household Out-Migration								
Marion County, Missouri								
Destination County	2003		2004		2005		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Out-Migration	638	100%	635	100%	644	100%	634	100%
Total Out-Migration Same State	367	58%	350	55%	388	60%	379	60%
Total Out-Migration Out of State	271	42%	285	45%	256	40%	255	40%
Ralls County, Mo	89	14%	81	13%	106	16%	101	16%
Adams County, Il	76	12%	73	11%	65	10%	53	8%
Pike County, Mo	20	3%	29	5%	29	5%	18	3%
Lewis County, Mo	24	4%	26	4%	20	3%	29	5%
Monroe County, Mo	30	5%	23	4%	17	3%	21	3%
Boone County, Mo	25	4%	42	7%	27	4%	42	7%
Pike County, Il	11	2%	11	2%	13	2%	10	2%
St. Louis County, Mo	26	4%	20	3%	24	4%	33	5%
St. Charles County, Mo	22	3%	16	3%	12	2%	25	4%
All Other Counties	315	49%	314	49%	331	51%	302	48%

Source:Internal Revenue Service

Table 28----Marion County Net-Migration

Net Annual Household Migration				
Marion County, Missouri				
County	2003	2004	2005	2006
	Number	Number	Number	Number
Ralls County, Mo	0	-3	-27	22
Adams County, Il	6	-1	-4	13
Pike County, Mo	9	7	-7	8
Lewis County, Mo	4	3	12	2
Monroe County, Mo	-7	3	0	2
Boone County, Mo	-3	-22	-5	-21
Pike County, Il	3	-1	5	5
St. Louis County, Mo	-13	-11	-4	-6
St. Charles County, Mo	-10	-2	4	-15
All Other Counties	25	21	-5	32
Net Migration	14	-6	-31	42

Source:Internal Revenue Service

## SECTION V

### ECONOMIC OVERVIEW

The following section includes an analysis of the economy of the market area. The analysis will focus on employment by industry, the major employers, and the area employment, unemployment, and labor force trends.

MHDC has obtained economic information from the Missouri Department of Economic Development, Bureau of Labor Statistics, U.S. Census Bureau, and the Hannibal, Missouri Chamber of Commerce.

#### Local Area Employment

Table 29----Employment/ Unemployment

Local Area Unemployment Statistics - Marion County					
Year	Labor Force	Employment	Unemployment	Rate	Missouri Rate
2007	14,063	13,309	755	5.4%	5.0%
2006	14,075	13,375	700	5.0%	5.8%
2005	14,000	13,258	742	5.3%	5.6%
2004	14,130	13,323	807	5.7%	5.2%
2003	14,084	13,256	828	5.9%	4.5%

Source: Missouri Department of Economic Development

The preceding table indicates that unemployment rates in Marion County have been on a declining trend from 2003 to 2006, but began to rise in 2007. The unemployment rate for Marion County in 2007 is higher than the state unemployment rate.

**Table 30----Hannibal Area Major Employers**

Major Employers - Hannibal Area		
Employers	Type of Business	Employees
Hannibal Regional Hospital	Healthcare	855
General Mills	Manufacturing	800
Intermet (Monroe and Palmyra, Missouri)	Manufacturing	700
Public Schools	Education	530
Dura Automotive Systems (Hannibal, Ralls County)	Manufacturing	175
Watlow (Hannibal, Ralls County)	Manufacturing	425
Wal-Mart Super Center	Retail	400
Buckhorn Rubber Products (Hannibal, Ralls County)	Manufacturing	210
Hannibal Clinic Operations	Healthcare	300
BASF (Palmyra, Missouri)	Manufacturing	245
City of Hannibal	Government	225
Continental Cement	Manufacturing	220
Bleigh Construction	Construction	225
Hannibal-LaGrange College	Education	175

Source: Hannibal Chamber of Commerce and City of Hannibal

**Table 31-----Area Employment by Industry**

The following table details the average employment by industry and monthly wages for Marion County, Missouri.

Average Employment and Wages - Marion County, Missouri								
Industry	2007*		2006		2005		2004	
	Avg. Employment	Avg. Mthly. Wages						
11 - Agriculture, Etc.	17	\$1,998	26	\$2,169	38	\$2,191	33	\$2,352
21 - Mining	?	\$3,424	?	\$3,934	?	\$3,889	43	\$3,622
22 - Utilities	112	\$4,209	117	\$4,372	120	\$4,037	123	\$3,889
23 - Construction	761	\$2,649	580	\$3,000	718	\$3,635	720	\$3,247
31 - Manufacturing	1,704	\$4,146	1,776	\$3,880	1,740	\$3,554	1,707	\$2,807
42 - Wholesale trade	273	\$2,905	259	\$2,803	295	\$3,171	627	\$4,290
44 - Retail Trade	2227	\$1,474	2240	\$1,523	2212	\$1,480	2102	\$1,500
48 - Transportation and warehousing	361	\$2,416	330	\$2,587	308	\$2,453	306	\$2,348
51 - Information	189	\$2,328	178	\$2,430	152	\$2,321	95	\$2,024
52 - Finance & Ins.	353	\$2,730	357	\$2,827	353	\$2,665	341	\$2,425
53 - Real estate	66	\$2,927	62	\$1,513	71	\$1,551	75	\$1,622
54 - Professional and technical services	335	\$2,606	308	\$2,709	301	\$2,612	278	\$2,822
55 - Mgmt. (companies)	43	\$2,651	38	\$2,328	?	\$2,239	31	\$2,122
56 - Administrative, etc.	349	\$2,330	366	\$2,115	309	\$1,841	247	\$1,952
61 - Educational	1471	\$2,255	1355	\$2,380	1286	\$2,280	1250	\$2,247
62 - Health care, social	2539	\$2,671	2725	\$2,660	2845	\$2,577	2724	\$2,540
71 - Arts, etc.	238	\$812	234	\$1,028	217	\$1,074	210	\$1,109
72 - Accom. & food svc	1,158	\$960	1,224	\$1,027	1,188	\$1,004	1,145	\$961
81 - Other services	334	\$1,386	329	\$1,432	379	\$1,555	392	\$1,478
Public Administration	625	\$2,677	637	\$2,519	634	\$2,466	639	\$2,390

\*Information available to date

Source:U.S. Census Bureau

The table indicates that most jobs in the county are in the healthcare, retail trade, manufacturing, and accommodation and food services industries. Of these industries the highest average monthly wages have been in manufacturing. The data indicates that the number of jobs in manufacturing has been stable and that wages have increased significantly from 2004 to 2007. The health care and social services industry, which has the largest number of jobs in the county, have experienced modest wage increases.

Recent economic related news stories in Hannibal include the following:

- BASF will be investing approximately \$50 million in its facility near Hannibal.
- The State has approved Hannibal's creation of enhanced enterprise zones, one of which will be in the downtown area and allow 25 year 100% tax abatement.
- Hannibal will be home to a Central Illinois Collegiate League team in 2009.
- At least two investors are looking at building upscale lodging facilities in Hannibal.
- General Mills is planning a \$55 million expansion project.
- A new 8 screen movie theater is planned for downtown Hannibal.

## SECTION VI

### EXISTING RENTAL HOUSING OPTIONS

An attempt was made to document the rental housing inventory in Hannibal. Contained in this section are a list, maps, and brief narratives for most of the multifamily rental housing options in the Hannibal market. Most of the rental developments are located west of business 61 Highway.

The data indicates that multifamily developments in Hannibal for market rate and limited income households, for seniors and family housing all seem to have good occupancy and in some cases waiting lists. A survey of the market seemed to indicate that the same may not be true for smaller rental developments (single family homes, duplexes). A large number of for rent signs were noted in the yards of single family homes and duplexes, primarily in the downtown area.

The downtown area contained a large number of rental properties, some single family homes, some single family conversions to multi-unit rentals, and a large number of two to four unit rentals that were originally built for that purpose in the early 1900's. The significant number of small rental structures in the downtown market area seems to indicate that even though the area contained very nice, and in some cases very large and stately homes, the area was also developed for a transient population base of tenant households.

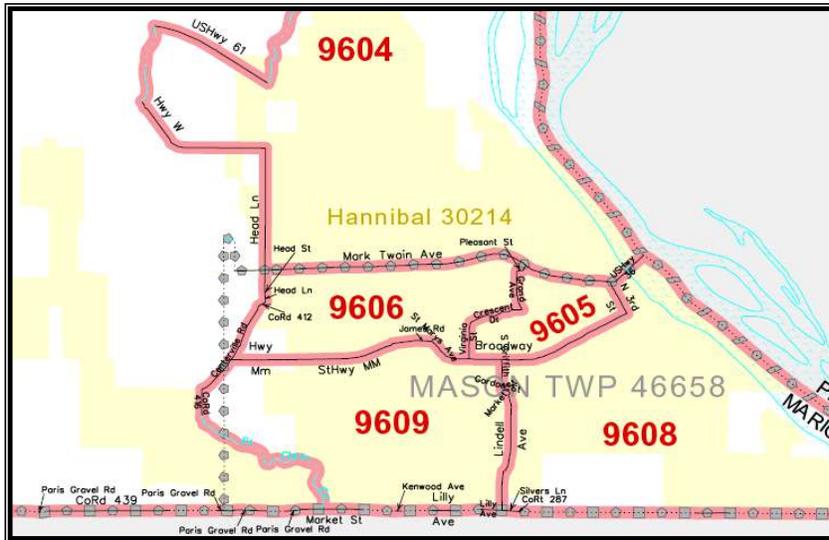
The following pictures are examples of the units that are currently for rent in the downtown area, many of which are multi-tenant buildings.







The map below indicates the census tracts for the city of Hannibal. Census tract 9605 contains most of the residential housing in the downtown area.



Data based on the 2000 census, with estimates and projections for 2007 and 2012, is detailed in the following table and indicates that census tract 9605, which is located in the downtown area, contains a higher percentage of rental housing than any other area of the city. Data indicates that 41% of the occupied units in this tract are renter occupied. Other census tracts in the city generally have from 24% to 31% renter occupied housing units.

Table 32----Percentage of Renter Occupied Housing Units

Percentage of Renter Occupied Housing Units			
Census Tract	2000 Census Data	2007 Estimate	2012 Projection
9604	27.0%	28.0%	28.6%
9605	40.5%	41.0%	41.9%
9606	27.8%	28.8%	29.1%
9608	31.2%	32.3%	32.7%
9609	23.8%	24.7%	25.1%

Source: Applied Geographic Solutions

One of the changes in the downtown area that could benefit the downtown revitalization efforts would be to diminish the percentage of renter occupied units in the downtown area and increase the number of owner occupied units. A more permanent resident base would help to stabilize and improve the area by increasing the number of households that would have a long term interest.

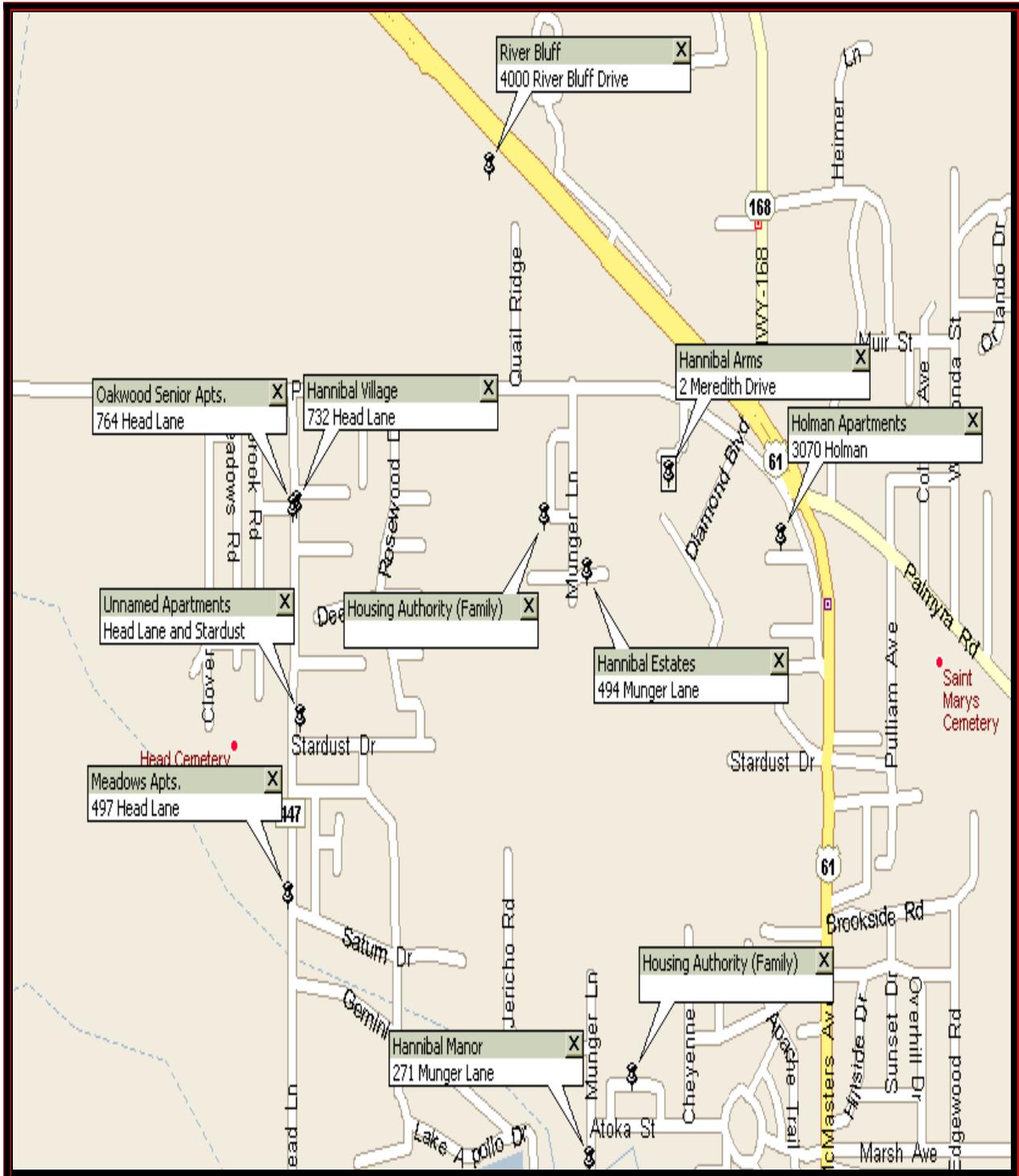
Although many of the residential structures in the downtown are historically and architecturally significant, many are in a state of disrepair and suffer from deferred maintenance. Consequently the area in general, and in particular the area south of Broadway appears to be in a state of decline. A major part of the downtown revitalization efforts will have to include some inducement for existing property owners to make improvements to their properties and to perform regular maintenance, and for more prospective homebuyers to consider buying a home in the area. Property improvement and an increase in home ownership will increase property values, increase the marketability of the area, encourage further investment, and increase tax revenue for the area and the community.

Following is a list of multifamily rental developments in the city, maps that indicate their location, photos, and brief descriptions.

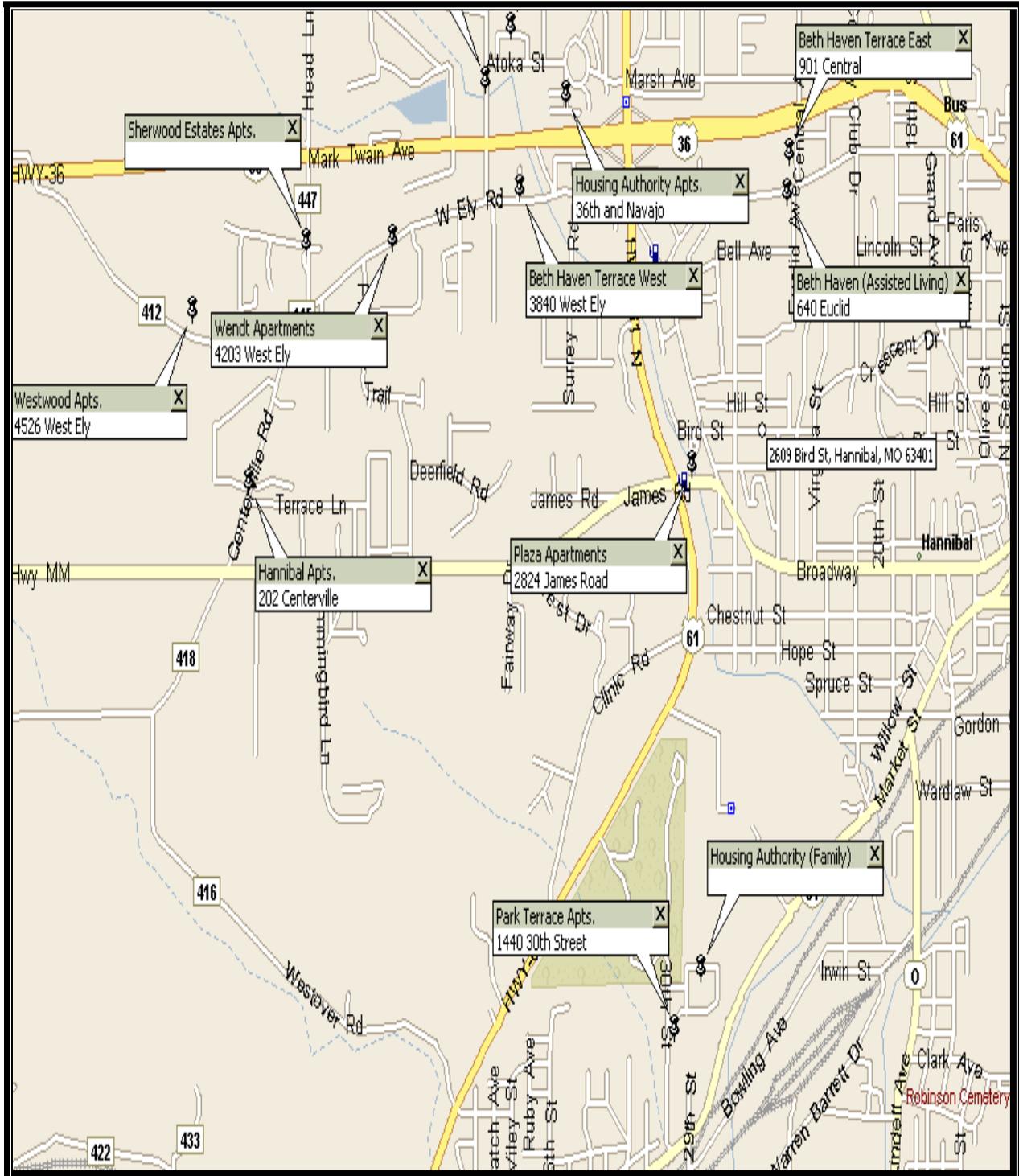
**Table 33-----Hannibal Rental Developments**

Rental Developments - Hannibal, Missouri					
Development	Location	Tenancy	Mkt/Affordable	Units	Occupancy
415 Bird	415 Bird	Family	Market	2	50%
706 Birch	706 Birch	Family	Market	4	100%
1701 Pleasant	1701 Pleasant	Family	Market	4	100%
Meadow Apartments	497 Head Lane	Family	Market	16	100%
Plaza Apartments	2824 James Road	Family	Market	18	83%
Sherwood Estates	61 West Ely	Family	Market	40	98%
Unnamed Apartments	Stardust and Head Lane	Family	Market	20	95%
Westwood Apartments	4526 West Ely	Family	Market	78	100%
Taylor Apartments	4th and Center	Family	Market	25	100%
Anne Dorsey Park	9th and Rock	Family	Affordable	15	100%
Holman Apartments	3070 Holman	Family	Affordable	48	100%
Hannibal Apartments	202 Centerville Drive	Family	Affordable	72	94%
Hannibal Hsg. Auth. Family	Munger and Atoka	Family	Affordable	142	100%
Hannibal Manor	271 Munger Lane	Family	Affordable	76	95%
Park Terrace	1440 30th Street	Family	Affordable	48	98%
Wendt Apartments	4203 West Ely	Senior	Market	16	100%
Beth Haven Terrace	3840 West Ely	Senior	Affordable	102	100%
Hannibal Arms	2 Meredith Drive	Senior	Affordable	42	90%
Hannibal Estates	494 Munger Lane	Senior	Affordable	24	100%
Hannibal Hsg. Auth. Senior	10th and Broadway	Senior	Affordable	109	100%
Hannibal Village	732 Head Lane	Senior	Affordable	24	100%
Mark Twain Apartments	200 South Main	Senior	Affordable	34	75%
Oakwood Senior	764 Head Lane	Senior	Affordable	24	100%
River Bluff Apartments	4000 River Bluff Drive	Senior	Affordable	40	100%

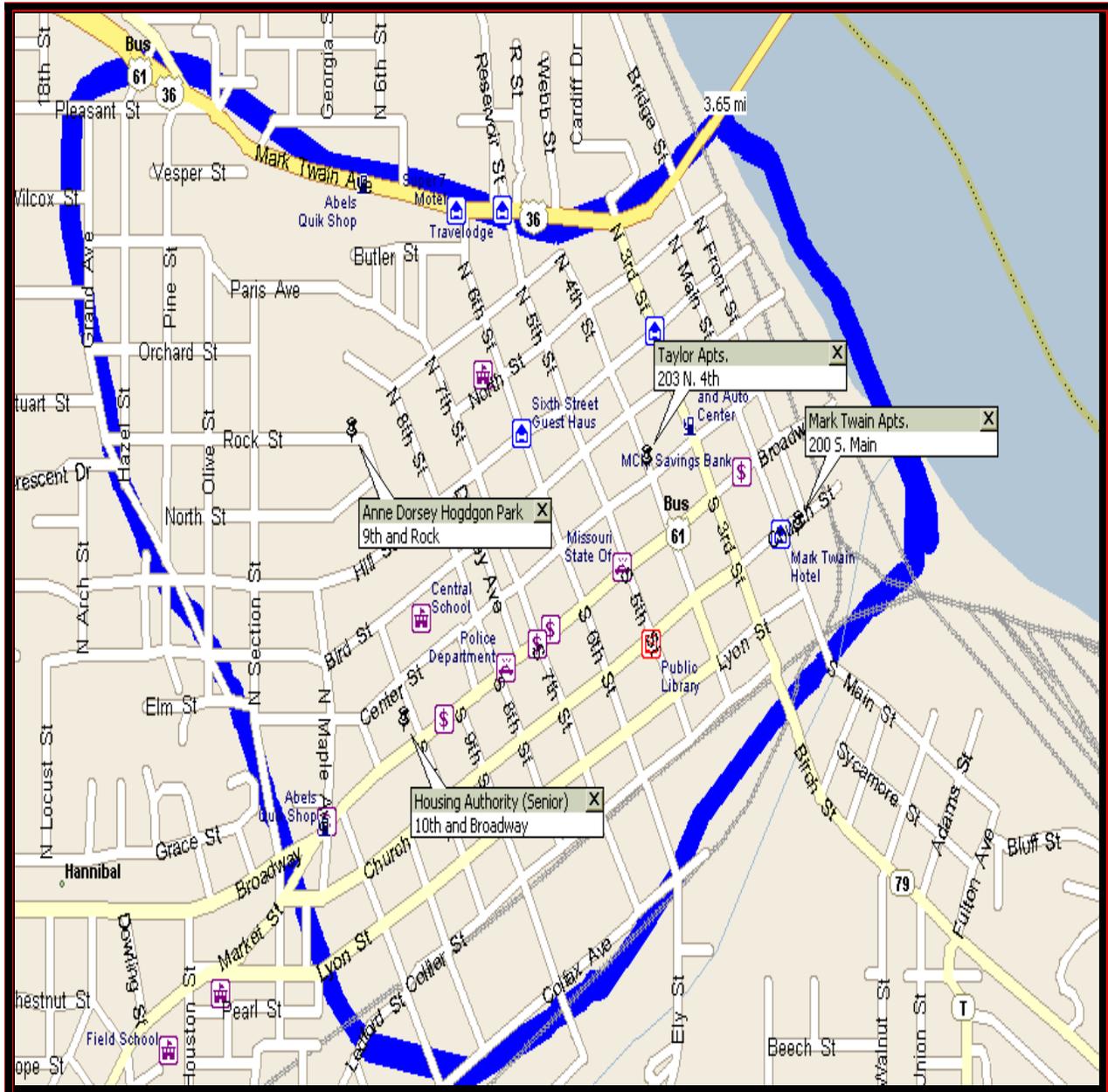
Map #1 - Hannibal Apartment



Map #2 - Hannibal Apartments



Map #3 – Hannibal Apartments (Downtown Area)



The map above highlights the multifamily developments that are located within the boundaries of the downtown market area. As previously mentioned the area also contains a large number of small rental properties.

**Development:** Duplex For Rent  
**Location:** 415 Bird  
Hannibal, Missouri  
**Tenancy:** Market Rate Family  
**Total Units:** 4  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 4/\$325-\$375  
**Two Bedrooms Units/Rent:** 0  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** 50%  
**Source:** Rob Holstine, 573-221-1901



**Development:** Duplex for Rent  
**Location:** 706 Birch  
Hannibal, Missouri  
**Tenancy:** Family  
**Total Units:** 4  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 0  
**Two Bedrooms Units/Rent:** 4/\$325-\$350  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** 100%  
**Source:** Rob Holstine, 573-221-1901



**Development:** Duplexes  
**Location:** 1701 Pleasant  
Hannibal, Missouri  
**Tenancy:** Family  
**Total Units:** 4  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 0  
**Two Bedrooms Units/Rent:** 0  
**Three Bedrooms Units/Rent:** 4/\$495  
**Occupancy:** 100%  
**Source:** Rob Holstine, 573-221-1901



<b>Development:</b>	<b>Meadows Apartments</b>
<b>Location:</b>	<b>497 Head Lane Hannibal, Missouri</b>
<b>Tenancy:</b>	<b>Market Rate Family</b>
<b>Total Units:</b>	<b>16</b>
<b>Zero Bedroom Units/Rent:</b>	<b>0</b>
<b>One Bedroom Units/Rent:</b>	<b>8/1,000 sf/ \$440</b>
<b>Two Bedrooms Units/Rent:</b>	<b>8/ 1,000 sf/ \$485</b>
<b>Three Bedrooms Units/Rent:</b>	<b>0</b>
<b>Occupancy:</b>	<b>100%</b>
<b>Source:</b>	<b>Gerry, 573-221-8615</b>



**Development:** Plaza Apartments  
**Location:** 2824 James Road  
Hannibal, Missouri  
**Tenancy:** Market Rate Family  
**Total Units:** 18  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 6/530 sf/ \$295  
**Two Bedrooms Units/Rent:** 12/ 820 sf/ \$395  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** 83%  
**Source:** Rob Holstine, 573-221-1901



**Development:** Sherwood Estates Apartments  
**Location:** 61 West Ely Road  
Hannibal, Missouri  
**Tenancy:** Market Rate Family  
**Total Units:** 40  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 4/\$325-\$350  
**Two Bedrooms Units/Rent:** 36/\$400-\$450  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** 98%  
**Source:** Owner, 573-221-1024  
**Comments:** Property has basement garages that rent for \$35 per month. Most tenants from Hannibal area.



**Development:** Unnamed  
**Location:** Head Lane and Stardust  
Hannibal, Missouri  
**Tenancy:** Market Rate Family  
**Total Units:** 20  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 0  
**Two Bedrooms Units/Rent:** 18/\$385  
**Three Bedrooms Units/Rent:** 2/\$500  
**Occupancy:** 95%  
**Source:** Bryan, 573-221-1240



**Development:** Westwood Apartments  
**Location:** 4526 West Ely Road  
Hannibal, Missouri  
**Tenancy:** Market Rate Family  
**Total Units:** 78  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 4/750 sf/\$425  
**Two Bedrooms Units/Rent:** 74/950-1,200 sf/\$475-\$500  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** 100% 8/2007  
**Source:** Owner, 573-221-1232  
**Comments:** Tenants primarily from Hannibal area



**Development:** Taylor Apartments  
**Location:** 203 N. 4<sup>th</sup> & 404 Center  
Hannibal, Missouri  
**Tenancy:** Market Rate Family  
**Total Units:** 25  
**Zero Bedroom Units/Rent:** 4/\$225-\$275  
**One Bedroom Units/Rent:** 17/\$425-\$450  
**Two Bedrooms Units/Rent:** 3/\$450  
**Three Bedrooms Units/Rent:** 1/\$550  
**Occupancy:** 100%  
**Source:** Deanna Taylor, 573-221-0836



**Development:** Anne Dorsey Hogdgon Park  
**Location:** Near 9<sup>th</sup> and Rock  
Hannibal, Missouri  
**Tenancy:** Affordable Family  
**Total Units:** 15  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 0  
**Two Bedrooms Units/Rent:** 0  
**Three Bedrooms Units/Rent:** 1/\$300  
**Four Bedrooms Units/Rent:** 14/\$300  
**Occupancy:** 100%  
**Source:** Hannibal Housing Authority, 573-221-7575



**Development:** Holman Apartments  
(Known by MHDC as College Apts.)

**Location:** 3070 Holman  
Hannibal, Missouri

**Tenancy:** Affordable Family

**Total Units:** 48

**Zero Bedroom Units/Rent:** 0

**One Bedroom Units/Rent:** 0

**Two Bedrooms Units/Rent:** 40/\$420

**Three Bedrooms Units/Rent:** 8/\$470

**Occupancy:** 100% as of 12/2007

**Source:** MHDC occupancy data. Apartment site # 573-221-5450



<b>Development:</b>	Hannibal Apartments
<b>Location:</b>	202 Centerville Rd. Hannibal, Missouri
<b>Tenancy:</b>	Affordable Family (RD)
<b>Total Units:</b>	72 (54 w subsidy)
<b>Zero Bedroom Units/Rent:</b>	0
<b>One Bedroom Units/Rent:</b>	16
<b>Two Bedrooms Units/Rent:</b>	56
<b>Three Bedrooms Units/Rent:</b>	0
<b>Occupancy:</b>	94%
<b>Source:</b>	RD Occupancy Records
<b>Comments:</b>	In the process of physical update.



**Development:** Hannibal Housing Authority Apartments  
**Location:** Near Munger and Atoka  
Hannibal, Missouri  
**Tenancy:** Affordable Family  
**Total Units:** 142  
**Zero Bedroom Units/Rent:** 0  
**Two Bedroom Units/Rent:** 60/\$293  
**Three Bedroom Units/Rent:** 72/\$302  
**Four Bedrooms Units/Rent:** 10/\$436  
**Occupancy:** Generally 100%  
**Source:** Linda, 573-221-7575  
**Comments:** The majority of the units are located around Munger and Atoka,  
and some are scattered in other locations in the city



**Development:** Hannibal Manor  
**Location:** 271 Munger Lane  
Hannibal, Missouri  
**Tenancy:** Affordable Family  
**Total Units:** 76  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 30/\$368  
**Two Bedrooms Units/Rent:** 26/\$439  
**Three Bedrooms Units/Rent:** 20/\$496  
**Occupancy:** 95%  
**Source:** 573-221-6307 or 314-434-9001 Julie Bartold and John Smith  
**Comments:** This is a Section 8 assisted development



**Development:** Park Terrace Apartments  
**Location:** 1440 30<sup>th</sup> Street  
Hannibal, Missouri  
**Tenancy:** Affordable Family (RD)  
**Total Units:** 48 (39 w subsidy)  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 16/Income Based  
**Two Bedrooms Units/Rent:** 32/Income Based  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** 98%  
**Source:** RD Occupancy Records



**Development:** Wendt Apartments  
**Location:** 4203 West Ely Road  
Hannibal, Missouri  
**Tenancy:** Market Rate (Primarily Seniors)  
**Total Units:** 16  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 16/700 sf/ \$400  
**Two Bedrooms Units/Rent:** 0  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** 100%  
**Source:** Mr. Wendt, 573-221-6714



**Development:** Beth Haven Terrace East and West  
**Location:** 901 Central and 3840 West Ely  
Hannibal, Missouri  
**Tenancy:** Affordable Senior  
**Total Units:** 102  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 101/\$479  
**Two Bedrooms Units/Rent:** 1/\$592  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** 100%  
**Source:** Paul Ewert, 573-221-0015  
**Comments:** 90% of the tenants are from the local area.



<b>Development:</b>	Hannibal Arms Apartments
<b>Location:</b>	2 Meredith Drive Hannibal, Missouri
<b>Tenancy:</b>	Affordable Senior (RD)
<b>Total Units:</b>	42
<b>Zero Bedroom Units/Rent:</b>	0
<b>One Bedroom Units/Rent:</b>	42/\$415
<b>Two Bedrooms Units/Rent:</b>	0
<b>Three Bedrooms Units/Rent:</b>	0
<b>Occupancy:</b>	90%
<b>Source:</b>	Star Rhodes, 972-881-9052 X104
<b>Comments:</b>	Vacancies could be due to adverse appeal of adjacent development, and the fact that approximately 20% of units are occupied by non-elderly disabled. The mix of tenants may be hurting the marketability of the development to senior households.



**Development:** Hannibal Estates Apartments  
**Location:** 494 Munger Lane  
Hannibal, Missouri  
**Tenancy:** Affordable Family (RD)  
**Total Units:** 24 (22 w subsidy)  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 0  
**Two Bedrooms Units/Rent:** 24/Income Based  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** 100%  
**Source:** RD Occupancy records



**Development:** Hannibal Housing Authority Apartments  
**Location:** Near 10<sup>th</sup> and Broadway  
Hannibal, Missouri  
**Tenancy:** Affordable Senior  
**Total Units:** 109  
**Zero Bedroom Units/Rent:** 16/?  
**One Bedroom Units/Rent:** 93/\$311  
**Two Bedrooms Units/Rent:** 0  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** Generally 100%  
**Source:** Linda  
**Comments:** The senior units are located in two developments (Schwartz Manor and Laura Hawkins Apartments) near 10<sup>th</sup> and Broadway

Schwartz Manor Apartments



Laura Hawkins Apartments

**Development:** Hannibal Village Apartments  
**Location:** 732 Head Lane  
Hannibal, Missouri  
**Tenancy:** Affordable Senior (RD)  
**Total Units:** 24 (22 w subsidy)  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 24/Income Based  
**Two Bedrooms Units/Rent:** 0  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** 100%  
**Source:** RD Occupancy Records, 573-248-3898



**Development:** Mark Twain Apartments  
**Location:** 200 South Main  
Hannibal, Missouri  
**Tenancy:** Affordable Senior /Tax Credit  
**Total Units:** 34  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 28/578-1,023 sf/\$385-\$410  
**Two Bedrooms Units/Rent:** 6/858-1,026 sf/\$420-\$430  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** Currently in Lease Up. Development is 70% leased  
**Source:** Site Manager, 2/2008



**Development:** Oakwood Senior Apts.  
**Location:** 764 Head Lane  
Hannibal, Missouri  
**Tenancy:** Affordable Senior (RD)  
**Total Units:** 24 (20 w subsidy)  
**Zero Bedroom Units/Rent:** 0  
**One Bedroom Units/Rent:** 24/Income Based  
**Two Bedrooms Units/Rent:** 0  
**Three Bedrooms Units/Rent:** 0  
**Occupancy:** 100% 5/2007  
**Source:** RD Occupancy Records, 573-221-5023



<b>Development:</b>	River Bluff Apartments
<b>Location:</b>	4000 River Bluff Drive Hannibal, Missouri
<b>Tenancy:</b>	Affordable Senior
<b>Total Units:</b>	40
<b>Zero Bedroom Units/Rent:</b>	0
<b>One Bedroom Units/Rent:</b>	20/\$229
<b>Two Bedrooms Units/Rent:</b>	20/\$299
<b>Three Bedrooms Units/Rent:</b>	0
<b>Occupancy:</b>	100% with waiting list
<b>Source:</b>	Debra, 573-221-1638
<b>Comments:</b>	This development is less than 10 years old and is one of the few senior developments with two bedroom units.



## SECTION VII

### EXISTING HOME OWNERSHIP MARKET

This section includes brief information regarding the Hannibal home ownership market. It is intended to provide information regarding home ownership opportunities in the city of Hannibal in order to assess the feasibility of home ownership options in the downtown area of Hannibal.

Information available on Realtor.com, a site that lists homes currently for sale by Realtors in the Hannibal market, shows that the price range of habitable homes currently for sale in Hannibal are from \$14,000 to \$750,000. The site indicates that there are currently 268 homes listed for sale through Realtors in the Hannibal market. That total does not include homes being offered for sale by owners, which could total another 100 to 150 homes for sale.

The following table contains actual sales information over a number of years.

**Table 34----Multiple Listing Service Sales Statistics**

MLS Real Estate Sales Statistics-Hannibal, Missouri				
	Detached		Attached	
Year	Sales	Avg. Price	Sales	Avg. Price
2007	263	\$ 90,444	4	\$ 77,500
2006	214	\$ 92,963	1	\$ 116,000
2005	65	\$ 99,618	0	N/A
2004	73	\$ 73,900	0	N/A
2003	46	\$ 81,930	2	\$ 88,250

Source: Mid America Regional Information System

The preceding real estate sales information was obtained from the Mid America Regional Information System. The data indicates that sales increased dramatically in 2006 and continued into 2007 at the same pace. The dramatic increase in sales is probably attributable to the sub-prime lending products that became available around the end of 2005, which allowed many buyers to purchase homes with very little to no down-payment. If many of the sales were financed with adjustable rate loans there is a possibility, as in most parts of the country, that the market will experience a substantial increase in the number of foreclosures as owners are unable to make the higher payments at the time of rate adjustment.

Sales prices for single family homes in the Hannibal market between 2003 and 2007 have increased by approximately 10%.

The data shows that there have not been many documented sales of attached ownership housing in the market. In 2004 and 2005 no sales were noted.

The following table illustrates the number of residential housing permits issued in Hannibal between 2003 and 2006.

**Table 35----Building Permits**

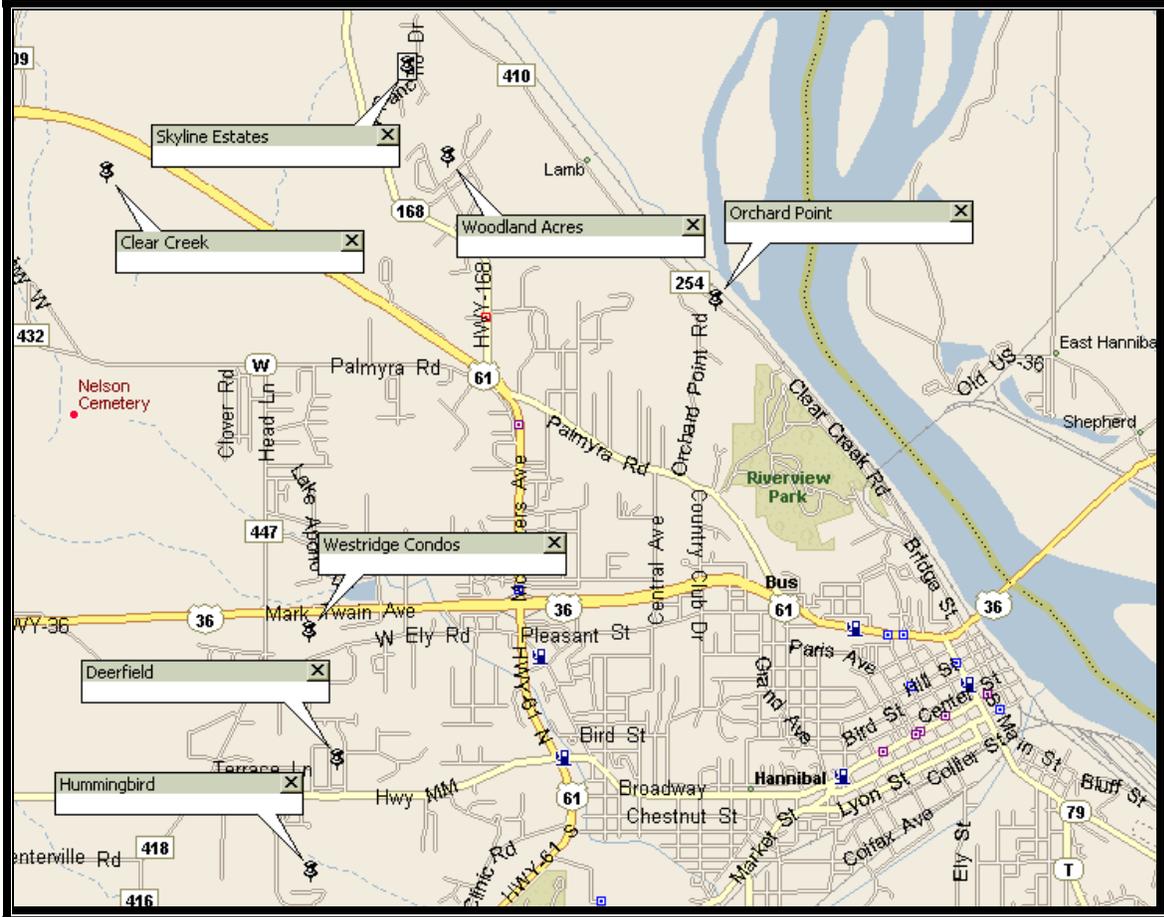
Building Permits - Hannibal				
Units in Bldg.	Units			
	2006	2005	2004	2003
1	11	12	20	18
2	8	10	4	8
3 to 4	0	0	3	4
5+	0	0	0	0
Total	19	22	27	30

Source: U.S. Census Bureau

The above table indicates that most new residential units constructed are single family homes, but that there are some duplex style buildings that are constructed annually.

There are currently a few new homes that are under construction in the market. Following are the subdivisions and price ranges:

<u>Subdivision</u>	<u>Price Range</u>
Hummingbird	\$250,000 - \$300,000
Woodland Acres	\$200,000 - \$750,000+
Skyline Estates	\$250,000 - \$700,000+
Orchard Point	\$400,000 - \$1,000,000+
Deerfield	\$250,000 - \$300,000
Clear Creek Condos	\$200,000 - \$225,000
Westridge Condos	\$167,000 – \$182,000



Following are photos of a few of the new homes in the Hannibal market:

Hummingbird Subdivision





Woodland Acres Subdivision



Skyline Estates Subdivision



Orchard Point

Clear Creek Subdivision



Westridge Condos

Although it is not a new development Huckleberry Heights is a garden style condominium development located off of 61 Highway, just south of MM Highway that offers the benefits of ownership without most of the burdens of maintenance. There were no other garden style condo developments of its type that were noted in the market. Currently units in the development are for sale from \$70,000 to \$90,000.

Huckleberry Heights Condos



In the downtown market area homeowners primarily reside in single family homes that appear to be older than 80 years. Some are large historic and architecturally significant homes, particularly north of Broadway and east of Maple. Following are examples of some of the historical homes in the downtown area.



Most of the homes in the downtown market, especially in the area south of Broadway, were well constructed of average design, but are not historically or architecturally significant. Many of the homes in the downtown neighborhood suffer from physical deterioration and deferred maintenance. Consequently, the downtown residential homeownership market is mixed with housing qualities and conditions. As previously mentioned in another section, the downtown market area has the highest percentage of renter occupied units in the city. Approximately 40% of the units in the area are renter occupied as compared to approximately 25% to 30% for all other areas of the city. Two of the keys to downtown revitalization are an improvement in the physical condition of the residential housing stock in the downtown market area and the increase of homeownership in the market.

The surveyor is unaware of any condos or lofts that have been marketed for sale in the downtown area. Most of the current occupancy of the upper floors of commercial buildings in the downtown area is generally a few rental units and a few units that may be occupied by the building owners. The loft/condo market appears to be a market that is relatively untapped in downtown Hannibal.

There are relatively few residential units in the downtown market area that take advantage of the majestic river views. Few communities have the advantage of such a magnificent natural resource that could be used for residential marketing purposes to draw households from within and outside the community.

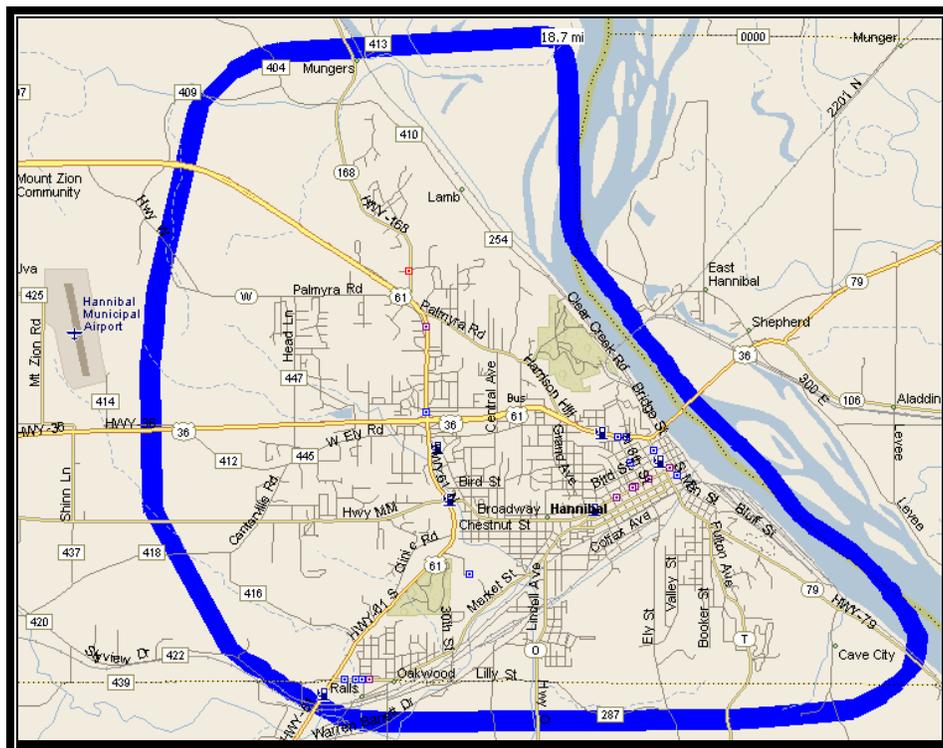
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## SECTION VIII

### IDENTIFICATION OF PRIMARY AND SECONDARY MARKET AREAS

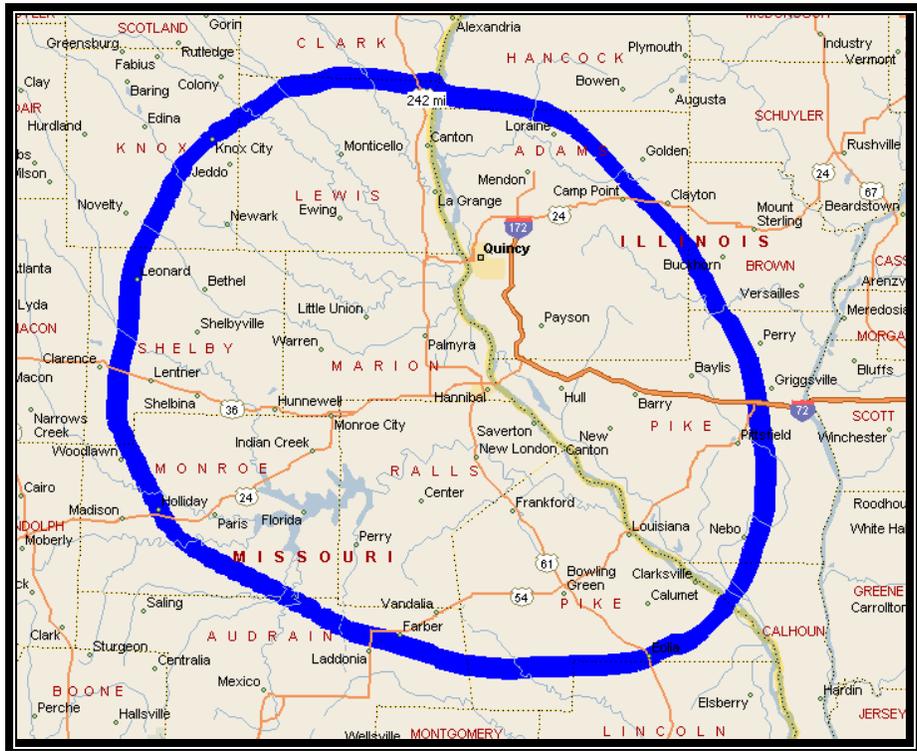
The primary market area is considered to be the area in which approximately 80% or more of the potential households for new housing in Hannibal are expected to come from. Demographic data indicates that approximately 16% of the households living in Hannibal move to another residence each year. Local real estate professionals in the market indicate that the majority of their clients are residents of the city. Based on the opinions of the informed participants in the market and the demographic data it is the opinion of the analyst that the primary market area for residential units in the city of Hannibal is generally the municipal boundaries of the community.

The following maps show the area that is considered to be the primary market area for purposes of this report.



The secondary market area of Hannibal is the area outside of the primary market area that also contains households that could be attracted to residential housing in the city of Hannibal. The number of households attracted to residential units in Hannibal will be a lot less in number than in the primary market area, but the interest from the secondary market area is consistent. Based on the opinions of the markets real estate participants and considering migration patterns, it is the opinion of the analyst that the secondary market area for Hannibal is the balance of Marion County, and parts of Ralls, Pike, Lewis and Monroe Counties in Missouri, and parts of Adams and Pike Counties in Illinois.

The following map shows the area that is considered to be the secondary market area for purposes of this report.



### HISTA Demographic Data

Claritas, Inc., a leading national demographic data provider, working with another company, Ribbon Demographics, has recently developed a unique data product that is designed specifically for housing analysis. The product is called HISTA. HISTA breaks households down by income, household size, tenure and broad age groups. It is a custom four-way cross tabulation of household data; not extrapolations of SF3 data. It eliminates the need for the analyst to perform various extrapolation steps, which is not as accurate as cross tabulation.

Following are the HISTA tables for the Primary Market Area for 2007 and 2012. They will be used for the rental housing demand analysis. The tables contain current household estimates for the Primary Market Area by tenure (renter or homeowner), income, and household size, for age groups 18-54, 55-61, and aged 62+. The same type of tables is shown based on year 2012 household projections. The differences in the number of households in each of the categories provide a good indication of future potential residential growth or decline.

The Primary Market Area has been delineated as the City of Hannibal, which includes U.S. Census Tracts 9604, 9605, 9607, 9608, and 9609.

**Table 36----PMA Owner Households (Under Age 55 Years) - 2007 Estimates**

Owner Households Under Age 55 Years Current Year Estimates - 2007						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	31	16	18	0	3	68
\$10,000-20,000	40	30	28	26	15	139
\$20,000-30,000	120	47	71	48	13	299
\$30,000-40,000	96	102	117	97	21	433
\$40,000-50,000	31	86	70	78	53	318
\$50,000-60,000	22	73	58	107	63	323
\$60,000+	24	251	232	185	173	865
<b>Total</b>	<b>364</b>	<b>605</b>	<b>594</b>	<b>541</b>	<b>341</b>	<b>2,445</b>

Source: Claritas, Ribbon Demographics

**Table 37----PMA Owner Households (Aged 55-61) - 2007 Estimates**

Owner Households Aged 55-61 Years Current Year Estimates - 2007						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	19	9	4	0	0	32
\$10,000-20,000	17	1	0	3	0	21
\$20,000-30,000	23	31	3	0	0	57
\$30,000-40,000	39	82	8	4	0	133
\$40,000-50,000	0	58	0	5	0	63
\$50,000-60,000	4	46	12	3	1	66
\$60,000+	10	234	37	5	18	304
<b>Total</b>	<b>112</b>	<b>461</b>	<b>64</b>	<b>20</b>	<b>19</b>	<b>676</b>

Source: Claritas, Ribbon Demographic

**Table 38----PMA Owner Households (Aged 62+) - 2007 Estimates**

Owner Households Aged 62+ Years Current Year Estimates - 2007						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	129	12	5	0	0	146
\$10,000-20,000	256	81	0	0	0	337
\$20,000-30,000	117	123	13	3	0	256
\$30,000-40,000	66	195	36	0	5	302
\$40,000-50,000	37	28	32	8	1	106
\$50,000-60,000	12	85	0	0	3	100
\$60,000+	44	183	44	0	15	286
<b>Total</b>	<b>661</b>	<b>707</b>	<b>130</b>	<b>11</b>	<b>24</b>	<b>1,533</b>

Source: Claritas, Ribbon Demographic

**Table 39----PMA Renter Households (Under Age 55 Years) - 2007 Estimates**

Renter Households Under Age 55 Years Current Year Estimates - 2007						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	166	57	50	61	12	346
\$10,000-20,000	187	94	128	35	27	471
\$20,000-30,000	139	118	36	59	34	386
\$30,000-40,000	6	47	55	33	24	165
\$40,000-50,000	21	39	11	28	25	124
\$50,000-60,000	0	37	9	0	0	46
\$60,000+	16	40	17	43	48	164
<b>Total</b>	<b>535</b>	<b>432</b>	<b>306</b>	<b>259</b>	<b>170</b>	<b>1,702</b>

Source: Claritas, Ribbon Demographics

**Table 40----PMA Renter Households (Aged 55-61) - 2007 Estimates**

Renter Households Aged 55-61 Years Current Year Estimates - 2007						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+ -Person Household	Total
\$0-10,000	40	0	0	0	0	40
\$10,000-20,000	33	17	0	1	0	51
\$20,000-30,000	6	1	0	0	0	7
\$30,000-40,000	0	4	6	0	0	10
\$40,000-50,000	8	0	0	0	0	8
\$50,000-60,000	1	1	1	1	1	5
\$60,000+	0	8	0	0	0	8
<b>Total</b>	<b>88</b>	<b>31</b>	<b>7</b>	<b>2</b>	<b>1</b>	<b>129</b>

Source: Claritas, Ribbon Demographics

**Table 41----PMA Renter Households (Aged 62+) - 2007 Estimates**

Renter Households Aged 62+ Years Current Year Estimates - 2007						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+ -Person Household	Total
\$0-10,000	187	3	0	0	0	190
\$10,000-20,000	150	23	4	0	0	177
\$20,000-30,000	37	0	3	0	0	40
\$30,000-40,000	9	5	0	8	0	22
\$40,000-50,000	1	1	2	1	1	6
\$50,000-60,000	5	4	0	0	0	9
\$60,000+	16	7	25	0	0	48
<b>Total</b>	<b>405</b>	<b>43</b>	<b>34</b>	<b>9</b>	<b>1</b>	<b>492</b>

Source: Claritas, Ribbon Demographics

**Table 42----PMA Owner Households (Under Age 55 Years) - 2012 Projections**

Owner Households Under Age 55 Years <i>Five Year Projections - 2012</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	29	15	16	0	1	61
\$10,000-20,000	33	22	20	20	10	105
\$20,000-30,000	107	36	58	40	9	250
\$30,000-40,000	96	86	98	91	17	388
\$40,000-50,000	25	68	58	71	50	272
\$50,000-60,000	20	71	61	101	56	309
\$60,000+	27	262	246	201	188	924
<b>Total</b>	<b>337</b>	<b>560</b>	<b>557</b>	<b>524</b>	<b>331</b>	<b>2,309</b>

Source: Claritas, Ribbon Demographics

**Table 43----PMA Owner Households (Aged 55-61) - 2012 Projections**

Owner Households Aged 55-61 Years <i>Five Year Projections - 2012</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	19	11	4	0	0	34
\$10,000-20,000	20	1	1	3	1	26
\$20,000-30,000	23	30	3	0	0	56
\$30,000-40,000	37	74	11	4	0	126
\$40,000-50,000	1	72	2	7	1	83
\$50,000-60,000	2	53	13	3	1	72
\$60,000+	15	287	55	7	25	389
<b>Total</b>	<b>117</b>	<b>528</b>	<b>89</b>	<b>24</b>	<b>28</b>	<b>786</b>

Source: Claritas, Ribbon Demographics

**Table 44----PMA Owner Households (Aged 62+) - 2012 Projections**

Owner Households						
Aged 62+ Years						
Five Year Projections - 2012						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	104	9	3	0	0	116
\$10,000-20,000	227	65	0	0	0	292
\$20,000-30,000	130	120	15	3	0	268
\$30,000-40,000	73	177	33	0	5	288
\$40,000-50,000	52	36	51	12	6	157
\$50,000-60,000	13	78	0	0	5	96
\$60,000+	56	211	51	0	15	333
<b>Total</b>	<b>655</b>	<b>696</b>	<b>153</b>	<b>15</b>	<b>31</b>	<b>1,550</b>

Source: Claritas, Ribbon Demographics

**Table 45----PMA Renter Households (Under Age 55 Years) – 2012 Projections**

Renter Households						
Under Age 55 Years						
Five Year Projections - 2012						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	157	50	46	55	11	319
\$10,000-20,000	167	78	106	27	23	401
\$20,000-30,000	138	106	34	55	29	362
\$30,000-40,000	5	45	52	32	23	157
\$40,000-50,000	27	39	8	30	25	129
\$50,000-60,000	0	34	9	0	0	43
\$60,000+	22	49	19	54	60	204
<b>Total</b>	<b>516</b>	<b>401</b>	<b>274</b>	<b>253</b>	<b>171</b>	<b>1,615</b>

Source: Claritas, Ribbon Demographics

**Table 46----PMA Renter Households (Aged 55-61) – 2012 Projections**

Aged 55-61 Years						
<i>Five Year Projections - 2012</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+ -Person Household	Total
\$0-10,000	42	0	0	0	0	42
\$10,000-20,000	38	16	1	1	1	57
\$20,000-30,000	6	1	0	0	0	7
\$30,000-40,000	0	4	4	0	0	8
\$40,000-50,000	13	1	2	1	1	18
\$50,000-60,000	1	1	1	1	1	5
\$60,000+	0	13	0	0	0	13
<b>Total</b>	<b>100</b>	<b>36</b>	<b>8</b>	<b>3</b>	<b>3</b>	<b>150</b>

Source: Claritas, Ribbon Demographic

**Table 47----PMA Renter Households (Aged 62+) – 2012 Projections**

Renter Households						
Aged 62+ Years						
<i>Five Year Projections - 2012</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+ -Person Household	Total
\$0-10,000	181	2	0	0	0	183
\$10,000-20,000	159	20	3	0	0	182
\$20,000-30,000	47	0	2	0	0	49
\$30,000-40,000	11	5	0	10	0	26
\$40,000-50,000	5	4	6	5	5	25
\$50,000-60,000	7	3	0	0	0	10
\$60,000+	21	10	36	0	0	67
<b>Total</b>	<b>431</b>	<b>44</b>	<b>47</b>	<b>15</b>	<b>5</b>	<b>542</b>

Source: Claritas, Ribbon Demographics

## SECTION IX

### POTENTIAL RESIDENTIAL DOWNTOWN HOUSING DEMAND

The purpose of this study is to determine if residential development would complement the downtown revitalization efforts, the household type(s) that would comprise the residential market, the type of housing that should be considered, and the approximate number of households that can be captured for residential units in the Downtown Market Area.

In order for the downtown area to attract permanent residents it first has to become an area that does a better job of attracting people in general. A "critical mass" of pedestrian scale uses that include a complex mix of businesses and attractions must be present to attract people to the area. Presently the area lacks many of the businesses that are important to local residents like a grocer, pharmacy, hardware store, larger choice of eating establishments, etc.. The pioneering residents of the downtown area will need to make sacrifices until a critical mass of people can be formed to affect the feasibility of bringing more neighborhood oriented businesses to the area.

The existing downtown area of Hannibal is like an uncompleted canvas. Although there are some historical attractions and related businesses the true culture and potential of the area has yet to be defined and fulfilled. Beyond the attraction for tourists the downtown area could also be an entertainment center for the local community and the location of new and different housing opportunities for various types of households. Plans are already in place to increase the entertainment in the downtown area with the proposed movie theater, the proposed amphitheater and other improvements to the riverfront, and the possibility of college level baseball being played at the baseball facility in the downtown area. The downtown area is beginning to see a growing art culture. Artists from within and outside of the area are beginning to form a cluster of galleries along Main Street and some are living in loft style units in the downtown area.

Many downtown areas have suffered from urban sprawl as new shopping centers and commercial strip malls have been developed outside of the central business district, attracting people and businesses away from downtown. This is the case of Hannibal as most shopping is now done along U.S. Highway 61. In many cities the trend is being reversed as communities began to value walkable urban opportunities. Walkable urbanity is a new trend where people have convenient walking access to many of their typical daily destinations, such as a park, a grocery store, a movie theatre, employment, restaurants, shopping, nightlife and civic institutions. Hannibal has the opportunity in its downtown area to create a walkable urban village that could contain shopping, eating and entertainment venues and new and unique residential opportunities.

The river is one of the greatest assets of the community, but very few residential structures exist to allow residents to view the river from their own residence. The risks of flooding in the downtown area must be considered and taken into consideration, but an obvious residential opportunity that currently does not exist within the downtown area is residential units with the elevations to grant majestic views of the river. Very few communities have such a tremendous natural asset. Vertical development in the downtown area should be considered to take advantage of the river's attraction.

In addition to the river another significant asset in the opinion of the market analyst that should be taken advantage of for the benefit of downtown revitalization is Broadway Avenue. Broadway has the feel of a boulevard and appeared to be the primary "Gateway" into the downtown area. Unfortunately some of the buildings located along Broadway that were either in disrepair, vacant, or underutilized are detracting from the street's image. As part of the strategy to revitalize the downtown area special attention should be given to Broadway because of its high visibility. It is a street that carries a lot of weight in defining the area. It would be beneficial to downtown revitalization to cure the blight created by the deteriorated, vacant and underutilized buildings by mandating that owners make improvements, and implement strategies to make the best use of the land and buildings to make a positive impact on the area. Part of that strategy should include utilizing some of the space for unique housing opportunities. Improvements along Broadway could be the catalyst for improvements to properties in the surrounding neighborhoods.

From a market perspective the assets of the Hannibal downtown area are significant. Some of them include the following:

- **Historic attractions and tourism:** The power of the Mark Twain legacy and the related attractions in the downtown area draws many tourists to the area annually, creating an "open house" to the community.
- **Potential residential sites:** Empty or underutilized buildings, vacant or underutilized tracts of land, and depressed real estate prices are negative attributes in the downtown market, but they also present an opportunity for business and residential development.
- **Employment:** The downtown is still the center of municipal, county, and federal government, which draws people to the area during the daylight hours.
- **Culture:** The area is developing into an art district, with a growing number of small art galleries.
- **Niche Shopping:** The downtown area contains a number of antique stores, gift shops, and specialty stores.
- **Natural Asset:** The area is located along the Mississippi River and has magnificent views of the river. The river views are very marketable and can provide the basis for unique housing opportunities.
- **Walkability:** The downtown area is compact with a friendly street pattern that allows for leisurely strolls.
- **Accessibility:** Access to and from the area is relatively easy in all directions.
- **Gathering place:** The riverfront in the downtown area is the site of many major community events.

From a market perspective, the current challenges of the Downtown Hannibal Market area are also significant. They include the following:

- **Sense of place:** The downtown area needs to re-establish its sense of place in the community by continuing to highlight and elevate its cultural and historical assets.
- **People presence:** The downtown area needs to attract more permanent residents to the area to help support and attract existing and new businesses and to give the area a 24 hour people presence.
- **Lack of housing opportunities:** The downtown area needs more high quality housing opportunities to attract permanent residents by marketing the unique types of housing experience that would only be possible in the downtown area.
- **Retailers:** The downtown area has very few neighborhood oriented businesses that would support the needs of area residents, especially its senior residents.
- **Dining and entertainment:** The downtown area has very few dining and entertainment venues. Dining and entertainment venues will attract more people and more people will attract other types of businesses.

The revitalization of downtown Hannibal will generally need to follow the pattern that many downtown areas have followed during their revitalization process. There first must be a reason for people to come to the downtown area. More than government or business there must be an entertainment reason for a critical mass of people to want to spend their time and money in the downtown area. The second step is to create rental housing opportunities for the pioneers, who in most cases will be young households looking for a unique lifestyle not available in other areas of the community. Some of the artists that have recently moved into the downtown area are part of the pioneering process.

In a previous section of this report it was noted that the downtown area has a very high percentage of rental units as compared to the rest of the community and that one of the goals should be to try and increase homeownership in the area. This may be a case of taking one step back in order to take two steps forward because it may be important to create more rental housing opportunities in specific locations (along Main, 3<sup>rd</sup> Street and Broadway) early on in the revitalization process in order to grow the residential market to the point that there is increased homeownership demand. And the majority of that rental housing may have to be units produced under affordable housing programs because of the economic constraints of the market. Once the residential market begins to gain economic momentum rents and lender interest should increase making it feasible to develop market rate rental units for young renter households of higher incomes.

In Hannibal the pioneering process has already begun with the rehabilitation of the Mark Twain Hotel that has brought a group of senior households to the downtown area. A survey of existing senior housing developments indicated that the existing senior housing market has good occupancy. Although the Mark Twain Hotel currently has a 75% occupancy rate, it soon will be filled to capacity and the community will again have a shortfall of available, affordable rental housing units for senior households. A development beginning the planning process today probably won't be available to the market until late 2009 at the earliest. In addition to senior

housing for limited income senior households there may also be pent up demand for rental housing for seniors with income and assets too high to qualify for affordable housing programs like the one that made the Mark Twain rehab possible.

After the pioneers have established the downtown as a viable housing market the next phase will be to draw homebuyers to the area that will establish permanent residence. Some could be interested in loft style units, some may be interested in townhouse style units, and some could be interested in either new or renovated single family homes. One of the growing trends for baby boomer homeowners is to downsize into a smaller unit where they do not have to concern themselves with site and exterior maintenance.

Denver, although a much larger community, is an example of what could happen in Hannibal in terms of housing. In 1990 more than 86% of all downtown housing in Denver was for rent. Denver's downtown went through its renaissance in the 90's and by 1999 more than 70% of its downtown residences were owner occupied. Once the rental residential market begins to gain momentum and prove that an area is a good place to live, households will begin to take root permanently.

One of the goals of the city should be to provide a balance of housing options in the downtown area to create diversity. Diversity contributes to stability. Housing options for both buyers and renters at all income levels will make the downtown housing market area more attractive to a larger market segment.

The next step is an increase in the number of businesses in the downtown area that serve local residents. The creation of a large residential presence in the downtown area, particularly of households with moderate and upper incomes, will help to support existing local businesses and attract new businesses to the downtown area. It will also make it feasible for businesses to extend their business hours to serve the 24 hour people presence.

Following are some examples of the adaptive reuse of several buildings in the Kansas City area that are loft conversions. They are intended to show some of the residential possibilities that are possible with old buildings.



Loft building in the Quality Hill neighborhood

Coates House Lofts and Apartments



Opera House Lofts



Jewell Lofts



Pacific House Lofts in River Market

Lofts in Crossroads Art District



Lofts in Crown Center/Union Station Area

Lofts in Union Hill neighborhood



### **Potential market for housing in the Downtown Hannibal Market Area**

In downtown communities all across America there has been resurgence towards urban living driven in part by the increase in fuel costs and in part by lifestyle changes and choices. Transportation cost increases and traffic hassles have increased the marketability of housing in urban areas closer to major employment centers. Also, the convergence of the two largest generations in the history of America: the Baby Boomers born between 1946 and 1964, and the Echo Boomers, who were born from 1977 to 1996. Both groups are generally comprised of small households with no children, which is the prime demographic profile for downtown residential living.

Although there are some employers in the downtown area of Hannibal, it does not seem likely that the difficulty or cost involved in getting to them would induce many households to move to the downtown area. So in Hannibal the primary motivations for households to move to the downtown area will have to be unique housing opportunities in a unique environment.

Baby Boomers, which are households between the ages of 44 and 62, generally create significant demand for new downtown units as they are undergoing lifestyle changes at this stage in their life and generally have sufficient net worth to make a new home purchase. Also called Empty Nesters because their children have left home, these households form the largest demographic group in the nation and carry considerable economic clout. In small communities like Hannibal there generally are no suburbs that Baby Boomers would be moving from, as in most parts of the country, and many may be quite content in their neighborhood, so it is questionable whether they will have a significant impact in Hannibal's downtown residential market.

There is a good possibility of downtown residential demand from Echo Boomers, which are households between the ages of 12 and 31. Those between the ages of 18 and 31 are still in a very transient period in their life and are very open to new and different experiences. The type of housing that can be created in the downtown area of Hannibal would be different than currently exists in the community and could have a strong demand from young households.

In between the Baby Boomers and the Echo Boomers is a smaller group known as Generation X, that were born between 1964 and 1977, and who would be approximately 31 to 44 years old. This group is a little mixed because even though they may not be quite as transient as the younger Echo Boomers, they are more transient than the older Baby Boomers. Because they are further along in their careers than Echo Boomers they tend to have more buying power. There could be some downtown residential demand from this group.

There also seems like there could be significant downtown residential demand from senior households who could be attracted to the area because of the services, amenities, and activities it could offer them. The walkability of the downtown area along with the existing shops already offers advantages for seniors to remain active and socialize. Their increasing presence in the area should also increase other types of businesses that they would support.

Current occupancy rates and waiting lists for both family and senior rental housing in Hannibal means there is an underserved demand. What that means is that any new rental housing option, of good quality, that is generally affordable, and well located to essential services should enjoy good market demand.

**Estimated number of households that could create residential housing demand in the Downtown Hannibal Market area within the next few years**

In order to estimate the number of households that could create residential housing demand in the downtown Hannibal market area it will first be necessary to estimate demand from the primary and secondary market areas for the Hannibal market as a whole. The next step would be to apply a capture rate to the Hannibal residential demand estimate of households that have the potential of creating the residential demand in the downtown market area of Hannibal. The demographic data that will be used for the analysis is a product by Claritas and Ribbon Demographics called HISTA. HISTA breaks households down by income, household size, tenure and broad age groups. It is a custom four-way cross tabulation of household data; not extrapolations of SF3 data. It eliminates the need for the analyst to perform various extrapolation steps, which is not as accurate as cross tabulation.

Following are the HISTA tables for the primary market area (PMA) for 2007 and 2012 and for owner households and renters. The tables contain current household estimates for the PMA by tenure (renter or homeowner), income, and household size, for age groups 18-54, 55-61, and aged 62+. The same type of tables is shown based on year 2012 household projections. The differences in the number of households in each of the categories provide a good indication of future potential residential growth or housing demand. The annual growth potential added to the current years demand estimate provides a good indication of the annual demand for the various housing types over the next few years.

The conclusions of the analysis are that annually between 2007 and 2012 the Downtown Market Area of Hannibal could have estimated residential demands as follows:

**Hannibal, Missouri Annual Downtown Residential Market Demand 2007-2012**

<u>Type</u>	<u>Households</u>
Affordable Senior Rental Housing	40
Affordable Family Rental Housing	41
Market Rate Family Rental Housing	30
Homeownership	<u>10</u>
Total	121

The potential residential demand estimates above are representative of the size of the typical residential market in the downtown market area for the various housing types annually between 2007 and 2012 and are based on the current supply and demand in the Hannibal market.

**Demand Capture Rate Methodology**

The quantitative analysis will be a capture rate analysis, which is an estimate of the number of qualified households in the primary market area that could create residential demand in the downtown area of Hannibal. The estimate will be based on the premise that a portion, or percentage of the qualified households that have the propensity to move into, or within the primary market area could be attracted to residential units in the downtown area of Hannibal. A capture rate will be applied to the potential pool of qualified households to yield an estimate of the potential draw power of available residential units in the downtown area. The capture rate estimate is determined by considering the size of the primary and secondary market areas and the current supply of residential units in the primary market area that would be considered competitive with the downtown residential units.

The Capture Rate Analysis that follows should not be construed as the number of units that should be built in the downtown area, but as the estimated size of the residential demand pool for various housing types. With that information a developer could then consider how many units could be feasible to produce based on their interpretation of the market risk. The analysis includes conclusions by the analyst, but more importantly provides a framework for evaluation that can be considered and used by developers and other interested parties.

**AFFORDABLE SENIOR RENTAL HOUSING DEMAND ANALYSIS**

Early on in the downtown revitalization process rental housing should play a key role by housing the pioneers of the downtown residential renaissance. The market for affordable senior rental housing could be one of the first to develop in the downtown market area because of the attraction of the downtown area to seniors, the financial ease of producing senior affordable housing, and the pent up demand that exists in the market. This section contains an analysis of the annual potential residential demand in the downtown area for affordable senior rental units.

Starting with HISTA demographic data the following analysis concludes that between 2007 and 2012 there could be an annual potential household demand for affordable senior rental units in the Downtown Market Area of Hannibal from approximately 40 households. Following is the analysis:

Affordable Senior Rental Potential Demand Analysis		
PMA Qualified Household Demand (2007)		
		1BR/2BR
1	Gross Rent (includes utility costs paid by tenants)	\$ 500
2	Percentage of Income to Housing	50%
3	Minimum Income (Affordability)	\$ 12,000
4	Maximum Income (Tax Credit Limit)	\$ 23,010
5	Appropriate Sized, Income Qualified, Renter Households, Age 62+ (2007)	149
6	Percentage of Existing Senior Renter Households Likely to Move if New Affordable Housing Were Available	15%

7	Number of Existing Senior Renter Households Likely to Move if New Affordable Housing Were Available	22
8	Appropriate Sized, Income Qualified, <u>Owner</u> Households, Age 62+ (2007)	342
9	Percentage of Existing Senior <u>Owner</u> Households Likely to Move if New Affordable Rental Housing Were Available	5%
10	Number of Existing Senior <u>Owner</u> Households Likely to Move If New Affordable Rental Housing Were Available	17
11	Number of Existing Senior Non-Head of Households Likely to Move If New Affordable Rental Housing Were Available	4
12	PMA Qualified Household Demand (2007)	43
13	SMA Qualified Household Demand (2007)	9
14	PMA and SMA Affordable Senior Housing Potential Hsld Demand (2007)	52
	PMA Projected Qualified Household Growth 2007-2012	1BR/2BR
15	Gross Rent (includes utility costs paid by tenants)	\$ 552
16	Percentage of Income to Housing	50%
17	Minimum Income (Affordability)	\$ 13,248
18	Maximum Income (Tax Credit Limit)	\$ 25,403
19	Appropriate Sized, Income Qualified, Renter Households, Age 62+ (2012)	165
20	Percentage of Projected Senior Renter Households Likely to Move if New Affordable Housing Were Available	15%
21	Number of Projected Senior Renter Households Likely to Move if New Affordable Housing Were Available	25
22	Appropriate Sized, Income Qualified, <u>Owner</u> Households, Age 62+ (2012)	363
23	Percentage of Projected Senior <u>Owner</u> Households Likely to Move if New Affordable Rental Housing Were Available	5%
24	Number of Projected Senior <u>Owner</u> Households Likely to Move If New Affordable Rental Housing Were Available	18

	Number of Projected Senior Non-Head of Households Likely to Move If New Affordable Rental Housing Were Available	4
25	PMA Qualified Household Demand (2012)	47
26	SMA Qualified Household Demand (2012)	9
27	PMA and SMA Affordable Senior Housing Potential Hsld Demand (2012)	57
28	PMA and SMA Qualified Household Growth/Decline (2007-2012)	5
29	PMA and SMA Average Annual/Potential Demand (2007-2012)	53
30	DMA Capture Rate	75%
31	DMA Annual/Affordable Senior Rental Potential Demand (2007-2012)	40

Line 12 is a current estimate (2007) of the total number of existing senior households that forms the potential senior rental housing demand from the primary market area. The estimate was determined by considering the gross market rent (including utility costs), the level of income to housing costs, the maximum tax credit income limits, estimated annual turnover rate of existing senior renter households, estimated interest from senior homeowner households, estimated interest from non-head of household seniors, and the HISTA data.

Line 13 is a current estimate of the total number of existing senior households that form the potential affordable rental housing demand from the secondary market area. The estimate was made by considering that 15% to 20% of the demand for most rental housing developments typically comes from the secondary market area.

Line 14 is an estimate of the potential affordable senior rental housing demand from households from the primary and secondary market area in 2007.

Line 25 is a projection (2012) of the total number of existing senior households that form the potential senior rental housing demand from the primary market area. The projection was determined by considering the gross market rent (including utility costs), the level of income to housing costs, the maximum tax credit income limits, estimated annual turnover rate of existing senior renter households, estimated interest from senior homeowner households, estimated interest from non-head of household seniors, and the HISTA data.

Line 26 is a projection of the total number of existing senior households that form the potential affordable rental housing demand from the secondary market area. The projection was made by considering that 15% to 20% of the demand for most rental housing developments typically comes from the secondary market area.

Line 27 is a projection of the potential affordable senior rental housing demand from households from the primary and secondary market areas in 2012.

Line 28 is a projection of qualified household growth/decline between 2007 and 2012 and is calculated by subtracting the 2007 household demand estimate from the 2012 projection.

Line 29 is the average annual potential demand that is calculated by considering the current demand in 2007 and the annual growth or decline between 2007 and 2012.

Line 30 is the estimated capture rate for the downtown market area. It is an estimate of the percentage of qualified households in the primary and secondary market areas that would consider affordable senior rental units in the downtown market area. The capture rate selected reflects the fact that at the current time any affordable senior housing development that would be produced in the downtown market area would have little competition and should attract a large share of the affordable senior housing market. Normally a capture rate at 75% would appear to be risky, but because the market is so limited in its choices a new development could be expected to attract a large portion of the pool of prospective tenants.

Line 31 is an *annual* projection of the number of qualified households that are expected to be in the primary and secondary market areas between 2007 and 2012 that could be attracted to affordable senior rental units in the downtown market area. This is an estimate of the total number of senior households on an annual basis that could provide the potential market demand for an affordable senior development in the downtown market area. This is a point in time estimate and could change based on changes in supply and demand between this point in time and 2012.

**Hannibal, Missouri Annual Downtown Market Demand 2007-2012**

**Affordable Senior Rental Housing**

<u>Bedroom Size</u>	<u>Potential Household Demand</u>
One Bedroom	6
Two Bedrooms	<u>34</u>
Total	40

As previously mentioned affordable housing can jumpstart the housing demand in the downtown market area because it is less constrained by rent and production cost limitations as market rate housing. In sluggish markets affordable housing can be successful if there is a shortage of quality, affordable units. Such is the case in Hannibal where the senior affordable housing developments are reporting strong occupancy and in some cases waiting lists.

### AFFORDABLE FAMILY RENTAL HOUSING DEMAND ANALYSIS

As previously mentioned in the preceding section, early on in the downtown revitalization process rental housing could play a key role by housing some of the pioneers of the downtown residential renaissance. The market for affordable family rental housing like affordable senior rental housing could be one of the first markets to develop in the downtown market area because of the limited affordable rental options in the community and the financial ease of producing this type of development. Because of rent and production cost constraints it is generally easier to develop affordable rental housing using the many subsidy programs that are available than it is to develop market rate rental housing. This section will contain an analysis of the potential residential demand in the downtown area for affordable family rental units.

Starting with HISTA demographic data the following analysis concludes that between 2007 and 2012 there could be an annual potential household demand for affordable family rental units in the Downtown Market Area of Hannibal from approximately 41 households. Following is the analysis:

Affordable Family Rental Potential Demand Analysis				
PMA Qualified Household Demand (2007)				
		1BR	2BR	3BR
1	Gross Rent (includes utility costs paid by tenants)	\$ 475	\$ 525	\$ 625
2	Percentage of Income to Housing	35%	35%	35%
3	Minimum Income (Affordability)	\$ 16,286	\$ 18,000	\$ 21,429
4	Maximum Income (Tax Credit Limits)	\$ 23,010	\$ 27,600	\$ 33,120
5	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2007)	156	109	97
6	Percentage of Annual Turnover of Existing HH	<u>25%</u>	<u>25%</u>	<u>25%</u>
7	Number of Renter HH Turnover	39	27	24
8	Number of Non-Head of Household Potential Tenants	12	8	7
9	<b>PMA Qualified Household Demand (2007)</b>	<b>51</b>	<b>35</b>	<b>32</b>
10	<b>SMA Qualified Household Demand (2007)</b>	<b>10</b>	<b>7</b>	<b>6</b>
11	<b>PMA and SMA Affordable Family Rental Potential Hshld Demand (2007)</b>	<b>61</b>	<b>43</b>	<b>38</b>
PMA Qualified Household Demand (2012)				
		1BR	2BR	3BR
12	Gross Rent (includes utility costs paid by tenants)	\$ 524	\$ 580	\$ 690
13	Percentage of Income to Housing	35%	35%	35%
14	Minimum Income (Affordability)	\$ 17,979	\$ 19,872	\$ 23,657

15	Maximum Income (Tax Credit Limits)	\$ 25,403	\$ 30,470	\$ 36,564
16	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2012)	158	93	89
17	Percentage of Annual Turnover of Existing HH	25%	25%	25%
18	Number of Renter HH Turnover	40	23	22
19	Number of Non-Head of Household Potential Tenants	12	7	7
20	<b>PMA</b> Qualified Household Demand (2012)	51	30	29
21	<b>SMA</b> Qualified Household Demand (2012)	10	6	6
22	<b>PMA</b> and <b>SMA</b> Affordable Family Rental Potential Hshld Demand (2012)	62	36	35
23	<b>PMA</b> and <b>SMA</b> Qualified Household Growth/Decline (2007-2012)	1	-6	-3
24	<b>PMA</b> and <b>SMA</b> Average Annual Potential Demand (2007-2012)	61	41	37
25	<b>DMA</b> Capture Rates	35%	35%	15%
26	<b>DMA</b> Annual Affordable Family Rental Potential Demand (2007-2012)	21	14	6

Line 9 is a current estimate (2007) of the total number of existing limited income households that form the potential affordable rental housing demand from the primary market area. The estimate was determined by considering the gross market rents (including utility costs), the level of income to housing costs, the maximum tax credit income limits, estimated annual turnover rate of renter households, estimated interest from non-head of household individuals, and the HISTA data.

Line 10 is a current estimate of the total number of limited income households that form the potential affordable housing demand from the secondary market area. The estimate was made by considering that 15% to 20% of the demand for most rental housing developments typically comes from the secondary market area.

Line 11 is an estimate of the potential affordable housing demand from households from the primary and secondary market area in 2007.

Line 20 is a projection (2012) of the total number of limited income households that form the potential affordable rental housing demand from the primary market area. The projection was determined by considering the gross market rents (including utility costs), the level of income to housing costs, the maximum tax credit income limits, estimated annual turnover rate of renter households, estimated interest from non-head of household individuals, and the HISTA data.

Line 21 is a projection of the total number of limited income households that form the potential affordable housing demand from the secondary market area. The projection was made by considering that 15% to 20% of the demand for most rental housing developments typically comes from the secondary market area.

Line 22 is a projection of the potential affordable housing demand from households from the primary and secondary market areas in 2012.

Line 23 is a projection of qualified household growth/decline between 2007 and 2012 and is calculated by subtracting the 2007 household demand estimate from the 2007 projection.

Line 24 is the average annual potential demand that is calculated by considering the current demand in 2007 and the annual growth or decline between 2007 and 2012.

Line 25 is the estimated capture rates for the downtown market area. It is estimates of the percentages of qualified households in the primary and secondary market areas that would consider affordable rental units in the downtown market area by bedroom size. The rates take into consideration the fact that the market for affordable family housing in Hannibal is good. In light of the good market conditions it is the opinion of the analyst that newly produced affordable family rental housing units in the downtown market area should garner the attention of a large number of potential qualified households in the primary and secondary market.

Line 26 is an *annual* projection of the number of qualified households that are expected to be in the primary and secondary market areas between 2007 and 2012 that could be attracted to affordable rental units in the downtown market area. This is an estimate of the total number of limited income households on an annual basis that could provide the potential market demand for an affordable family development in the downtown market area. This is a point in time estimate and could change based on changes in supply and demand between this point in time and 2012.

**Hannibal, Missouri Annual Downtown Market Demand 2007-2012**

**Affordable Family Rental Housing**

<u>Bedroom Size</u>	<u>Potential Household Demand</u>
One Bedroom	21
Two Bedrooms	14
Three Bedrooms	6
Total	41

There are currently no affordable housing family developments under construction or in the pipeline that the analyst is aware of.

### MARKET RATE RENTAL HOUSING DEMAND ANALYSIS

Early on in the downtown revitalization process rental housing will play a key role by housing some of the pioneers of the downtown residential renaissance. The market for non-subsidized, market rate rental housing will probably follow the lead of affordable housing into the downtown area due to rent and production cost limitations, but should play a key role in attracting more moderate and upper income households as the market gains momentum. This section will contain an analysis of the potential residential demand in the downtown area for market rate rental units. Currently there are no high quality rental units in the downtown market area that would be marketable to upper income tenants.

Starting with HISTA demographic data the following analysis concludes that between 2007 and 2012 there could be an annual potential household demand for market rate rental units in the Downtown Market Area of Hannibal from approximately 30 households. Following is the analysis:

Market Rate Family Rental Potential Demand Analysis				
PMA Qualified Household Demand (2007)				
		1BR	2BR	3BR
1	Gross Rent (includes utility costs paid by tenants)	\$ 525	\$ 575	\$ 675
2	Percentage of Income to Housing	25%	25%	25%
3	Minimum Income (Affordability)	\$ 25,200	\$ 27,600	\$ 32,400
4	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2007)	239	211	189
5	Percentage of Annual Turnover of Existing HH	<u>25%</u>	<u>25%</u>	<u>25%</u>
	Number of Renter HH Turnover	60	53	47
6	Number of Non-Head of Household Potential Tenants	18	16	14
7	<b>PMA Qualified Household Demand (2007)</b>	<b>78</b>	<b>69</b>	<b>61</b>
8	<b>SMA Qualified Household Demand (2007)</b>	<b>16</b>	<b>14</b>	<b>12</b>
9	<b>PMA and SMA Market Rate Rental Potential Household Demand (2007)</b>	<b>93</b>	<b>82</b>	<b>74</b>
PMA Qualified Households (2012)				
		1BR	2BR	3BR
10	Gross Rent (includes utility costs paid by tenants)	\$ 580	\$ 635	\$ 745
11	Percentage of Income to Housing	25%	25%	25%
12	Minimum Income (Affordability)	\$ 27,821	\$ 30,470	\$ 35,770

	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2012)	203	187	196
13				
14	Percentage of Annual Turnover of Existing HH	<u>25%</u>	<u>25%</u>	<u>25%</u>
15	Number of Renter HH Turnover	- 51	- 47	- 49
16	Number of Non-Head of Household Potential Tenants	15	14	15
17	<b>PMA</b> Qualified Household Demand (2012)	66	61	64
18	<b>SMA</b> Qualified Household Demand (2012)	13	12	13
19	<b>PMA</b> and <b>SMA</b> Market Rate Rental Potential Household Demand (2012)	79	73	76
20	<b>PMA</b> and <b>SMA</b> Qualified Household Growth/Decline (2007-2012)	-14	-9	3
21	<b>PMA</b> and <b>SMA</b> Average <i>Annual</i> Potential Demand (2007-2012)	90	80	74
22	<b>DMA</b> Capture Rates	15%	15%	5%
		1BR	2BR	3BR
23	<b>DMA</b> <i>Annual</i> Market Rate Family Rental Potential Demand (2007-2012)	14	12	4

Line 7 is a current estimate (2007) of the total number of existing households that form the potential market rate rental housing demand from the primary market area. The estimate was determined by considering the gross market rents (including utility costs), the level of income to housing costs, estimated annual turnover rate of renter households, estimated interest from non-head of household seniors, and the HISTA data.

Line 8 is a current estimate of the total number of households that form the potential market rate rental housing demand from the secondary market area. The estimate was made by considering that 15% to 20% of the demand for most rental housing developments typically comes from the secondary market area.

Line 9 is an estimate of the potential market rate rental housing demand from households from the primary and secondary market areas in 2007.

Line 17 is a projection (2012) of the total number of households that form the potential market rate rental housing demand from the primary market area. The projection was determined by considering the gross market rents (including utility costs), the level of income to housing costs, estimated annual turnover rate of renter households, estimated interest from non-head of household individuals, and the HISTA data.

Line 18 is a projection of the total number of households that form the potential market rate rental housing demand from the secondary market area. The projection was made by considering that 15% to 20% of the demand for most rental housing developments typically comes from the secondary market area.

Line 19 is a projection of the potential market rate rental housing demand from households from the primary and secondary market areas in 2012.

Line 20 is a projection of qualified household growth/decline between 2007 and 2012 and is calculated by subtracting the 2007 household demand estimate from the 2012 projection.

Line 21 is the average annual potential demand that is calculated by considering the current demand in 2007 and the annual growth or decline between 2007 and 2012.

Line 22 is the estimated capture rates for the downtown market area. It is an estimate of the percentages of qualified households in the primary and secondary market areas that would consider market rate rental units in the downtown market area by bedroom size. It takes into consideration the fact that there presently are no high quality market rate rental units in the Hannibal market for upper moderate income tenant households. It is the opinion of the analyst that a newly produced rental housing development in the downtown market area should garner the attention of a large number of potential qualified households and individuals in the primary and secondary markets.

Line 23 is an *annual* projection of the number of qualified households that are expected to be in the primary and secondary market areas between 2007 and 2012 that could be attracted to market rate rental units in the downtown market area. This is an estimate of the total number of households on an annual basis that could provide the potential market demand for a market rate family rental development in the downtown market area. This is a point in time estimate and could change based on changes in supply and demand between this point in time and 2012.

*Hannibal, Missouri Annual Downtown Market Demand 2007-2012*

*Market Rate Family Rental Housing*

<u>Bedroom Size</u>	<u>Potential Household Demand</u>
One Bedroom	14
Two Bedrooms	12
Three Bedrooms	<u>4</u>
Total	30

Hannibal currently has a significant number of market rate rental properties available in the downtown area. Most are either single family homes or duplexes and most appear to be in fair condition and in need of updating. Any new or newly rehabilitated rental units of good quality, that are physically unique to the market, such as a loft style or town house, especially units with superior locational, site, and unit amenities will most likely serve a higher income tenant market, which would help to economically integrate the area and complement the downtown revitalization efforts.

### HOME OWNERSHIP HOUSING DEMAND ANALYSIS

The downtown area of Hannibal has a lot of underutilized and vacant building space that could be improved to create new residential opportunities. Much of this space is on the upper floors of some of the existing commercial buildings, which can be converted to apartments and lofts for rental or ownership. In addition to the existing buildings there are some tracts of land in the downtown area that could be improved with new rental or ownership housing opportunities. The purpose of this analysis is to estimate the potential homeownership demand in the downtown area of Hannibal over the next few years.

Generally the demand for homeownership in reviving downtown areas follows the period of time in which young urban pioneers have reestablished the downtown area as a place to live by creating a rental market. Once the area proves itself to be a desirable and safe place to live it should attract less transient households with sufficient credit, net worth, and desire to locate permanently to the area. The typical households that comprise the initial homebuyers in reviving downtowns are generally young professionals and Empty Nesters.

The purpose of this analysis is to estimate the number of potential homebuyers for units in the Downtown Market Area of Hannibal between the present and 2012. While there may be interest in homeownership from households with a wide range of income this analysis considers the most typical potential homebuyers in the downtown Hannibal market. The most typical potential homebuyers would probably be small households of one to three persons, under 62 years of age, with incomes from \$30,000 to \$75,000, for ownership units that could be priced from \$90,000 to \$225,000.

Using a combination of Census Data and HISTA demographic data the following analysis concludes that between 2007 and 2012 there could be an annual potential demand for new ownership units in the Downtown Market Area of Hannibal from approximately 10 households. Following is the analysis and an explanation of the process used in the analysis:

Home Ownership Potential Demand Analysis		
1	Owner Occupied Units (2007)	4,599
2	Estimated Annual Owner Unit Turnover Rate	4%
3	Existing Homeowner Turnover	184
4	First Time Homebuyers (40% of market)	123

5	Total Estimated Homebuyers		307
6	Estimated Age, Size, and Income Target HH for Downtown (2007)		86
7	Owner Occupied Units (2012)		4,575
8	Estimated Annual Owner Unit Turnover Rate		4%
9	Existing Homeowner Turnover		183
10	First Time Homebuyers (40% of market)		122
11	Total Estimated Homebuyers		305
12	Estimated Age, Size, and Income Target HH for Downtown (2012)		85
13	PMA Target HH Growth/Decline (2007-2012)		(1)
14	PMA Target HH Annual Potential Demand (2007-2012)		86
15	DMA Capture Rate		12%
16	DMA Annual Homebuyer Potential Demand (2007-2012)		10

Line 6 is an estimate of the total number of target households in the primary market area in 2007 that was determined by considering the total number of occupied units, the estimated annual turnover rate of existing homeowners, the estimated number of first time homebuyers, and the profile of target households in the downtown area of Hannibal. The target profile are small households (1-3 persons), aged 18-61, with incomes from \$30,000 to \$75,000.

Line 12 is a projection of the total number of target households in the primary market area in 2012 that was determined by considering the total number of occupied units, the estimated annual turnover rate of existing homeowners, the estimated number of first time homebuyers, and the profile of target households in the downtown area of Hannibal. The target profile are small households (1-3 persons), aged 18-61, with incomes from \$30,000 to \$75,000.

Line 13 is the projected target household growth/decline in the primary market area from 2007 to 2012 that was determined by subtracting the total target households in 2007 from the target households in 2012.

Line 14 is the average annual target household potential demand (2007-2012) in the Hannibal market area.

Line 15 is the estimated capture rate for the downtown market area. It is an estimate of the percentage of target households in the primary market area that would consider homeowner options in the downtown market area. The rate selected is considered to be a conservative estimate because the homeownership market in downtown at this time is unproven and other homeownership options exist in the primary market area. As the homeownership market in downtown Hannibal takes form, it is very likely that the capture rate for the area should increase.

Line 16 is an annual projection of the number of target households that are expected to be in the primary market area between 2007 and 2012 that could be attracted to homeownership options in the downtown market area. This is a point in time estimate and could change based on changes in supply and demand between this point in time and 2012.

### *Hannibal, Missouri Annual Downtown Market Demand 2007-2012*

#### *Home Ownership*

##### *10 Households*

There does not appear to be many attached homes for sale in the market. Lofts and attached style homes would seem to fit well in the downtown area because they are very limited in the community and are attractive to young, small, or older and small resident households who are looking for a unique housing experience without the burden of exterior home maintenance.

Initially price levels will tend to be conservative and targeted to moderate income households. As the market matures there should be increased interest for higher quality ownership units from higher income homebuyers.

The demand early on for home ownership in the downtown area may be slow, but should grow as the revitalization of the area continues and more households and businesses come back.

### **HOUSING PRODUCTION CONSIDERATIONS AND FINANCING**

Financing housing production in the downtown area initially may require a plan that draws on many different sources. Because the market is unproven, initially it will be easier to finance affordable rental housing than market rate housing due to rent and cost constraints. Once the market is established as a viable housing environment it should be possible to produce rental housing at higher rent levels and eventually residential units for sale. In addition to the many programs designed for affordable housing production there are ways that the city can assist developers to get development started in the downtown area. Following is a list of housing production ideas and sources of financing that could be considered:

- City owned land in the downtown market area that can be used for residential development can be made available below market value.
- City can use its powers of eminent domain to condemn property in the downtown area to make it available for residential development.

- City can assist developers with land assemblage by helping them to work with multiple land owners.
- City can reduce the cost of residential development in downtown by providing parking.
- City can consider special districts for sales and income tax abatement.
- City can consider reducing or waiving fees for construction related items, such as permits, plan review, inspections, infrastructure hook up, etc.
- City can consider increasing the flexibility of building and zoning codes.
- City can help to fast track the permit approval process.
- City can consider working with private developers in public/private partnerships initially as a catalyst for change. Examples of this could be the city leasing a portion of a mixed use development or the city developing a portion of a mixed use development for its own use.
- City can help to absorb some of the site costs, such as demolition and if necessary remediation.
- Real estate tax abatement
- Tax Increment Financing
- Federal and State Affordable Housing Tax Credit
- Federal and State Historic Tax Credit
- New Markets Tax Credit
- Federal and State Subordinated loans and grants
- State First Time Homebuyer Loan Program
- State Down Payment Assistance Program
- Federal Home Loan Bank Board Housing Programs
- State Home Improvement Grant Program

## SECTION X

### ASSUMPTIONS AND LIMITING CONDITIONS

1. The area description supplied to the appraiser is assumed to be correct;
2. No survey of the area has been made or reviewed by the appraiser, and no responsibility is assumed in connection with such matters. Illustrative material, including maps and plot plans, utilized in this report are included only to assist the reader in visualizing the property. Area dimensions and sizes are considered to be approximate;
3. No responsibility is assumed for matters of a legal nature affecting title to properties in the area, nor is any opinion of title rendered. Property titles are assumed to be good and merchantable unless otherwise stated;
4. Information furnished by others is believed to be true, correct, and reliable. However, no responsibility for its accuracy is assumed by the appraiser;
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property in the area is assumed to be under responsible, financially sound ownership and competent management;
6. It is assumed that there are no hidden or unapparent conditions to the subsoil or structures which would render the properties more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies which may be required to discover them;
7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present in the area, was not observed by the appraiser.

However, the appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The conclusions in this report are predicated on the assumption that there are no such materials on or in the area that would cause a loss of value. No responsibility is assumed for any such conditions, or for the expertise required to discover them. The client is urged to retain an expert in this field if desired. The analysis and demand conclusions in this report are null and void should any hazardous material be discovered;

8. Unless otherwise stated in this report, no environmental impact studies were either requested or made in conjunction with this report. The appraiser reserves the right to alter, amend, revise, or rescind any opinions of demand based upon any subsequent environmental impact studies, research, or investigation;
9. It is assumed that there is full compliance with all applicable federal, state. And local environmental regulations and laws unless noncompliance is specified, defined, and considered in this report;

10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been specified, defined and considered in this report;
11. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or federal governmental or private entity or organization have been or can be obtained or renewed for any use on which the demand estimate is based;
12. The appraiser will not be required to give testimony or appear in court because of having made this report, unless arrangements have previously been made;
13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the intended users without the written consent of the appraiser, and in any event, only with properly written qualification and only in its entirety;
14. The liability of the appraiser is limited to the intended users only. There is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the intended users, they shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions;
15. Acceptance and/or use of this report constitutes acceptance of the foregoing assumptions and limiting conditions.

## SECTION XI

### APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no (or the specified) present or prospective interest in the market that is the subject of this report, and I have no (or the specified) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the within the market of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal consulting assignment.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the market that is the subject of this report.
- **Robert Odell** provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.

By: **Steve Sillimon**-Certified General Real Estate Appraiser # RA003250  
Missouri Housing Development Commission  
March 24, 2008