

East Central Intergovernmental Association  
a regional response to local needs



Dave Heiar  
Jackson County Economic Alliance  
119 South Main Street Suite 5  
Maquoketa, IA 52060

Dear Dave:

ECIA conducted a housing needs assessment for Jackson County and the cities of Bellevue, Maquoketa, Miles, and Preston. The goal of the assessment was to help the participating communities plan for the future by drawing a picture of current housing conditions and creating a forecast of future housing demand. After reviewing the demographics of the area and the characteristics of the local housing stock, we forecast demand for 369 housing units - 316 owner occupied and 51 renter occupied. The highlights of the report are detailed below.

If you have any questions on the information included in this study, please contact me.

Sincerely,

Dan Fox  
East Central Intergovernmental Association  
563.556.4166  
dfox@ecia.org

## DEMOGRAPHICS

Jackson County had a 2010 Census Population of 19,848. Jackson County's population, and the population of the cities within the county, have fluctuated some, but have remained mostly stable over the past sixty years. During this same time, the total number of households has continued to grow while population has remained unchanged. Between 1990 and 2010, the population of Jackson County shrank by 2.2%. During the same period, the total number of households grew by 2.6%. The growth in households generally thought to be the result of demographic changes that have resulted in a decline in average household size. Census data shows that since 1990, the number of family households with children has declined and the number of non-family households (primarily single people living alone) has increased.

## HOUSING STOCK

The majority of Jackson County's dwelling units are in single-family structures. Countywide, single family structures make 88% of the housing units. Multiple Unit structures and apartments are primarily located in the larger cities of Maquoketa and Bellevue. Figure 1 shows the number of housing units by type for each community.

**FIGURE 1 DWELLING UNIT TYPES 2014**

	Maquoketa		Bellevue		Preston		Miles		All Other		County Total	
All Dwelling Units	2,647		986		408		193		4,316		8,550	
Single Family Units	1,932	73%	802	81%	364	89%	168	87%	4,220	98%	7,486	88%
Multiple Unit & Apartment	419	16%	64	6%	44	11%	20	10%	54	1%	601	7%
Mobile Home	259	10%	74	8%	-	0%	5	3%	42	1%	380	4%
Condominium	37	1%	42	4%	-	0%	-	0%	-	0%	79	1%
Townhouse	-	0%	4	0%	-	0%	-	0%	-	0%	4	0%

Source: Jackson County 2015

Housing market data used in this report was provided by the Maquoketa Area MLS. According to the MLS reports, 372 homes were sold in Jackson county between January 1, 2012 and December 31, 2014. Median sale price for these homes was \$99,700 and these homes were on the market for 76 days. Figure 29 shows a summary of home sales data provide by the Maquoketa Area MLS Report for Jackson County, Bellevue, Maquoketa, Miles, and Preston.

**FIGURE 2 HOME SALES 1/1/2012 – 12/31/2014**

	Number Sold	Median Sale Price	Median Days on the Market
Jackson County	372	\$99,700	76
Bellevue	80	\$146,950	88
Maquoketa	233	\$89,900	56
Miles	4	\$96,950	111
Preston	15	\$106,000	80

Source: Maquoketa Area MLS

## THOMSON CORRECTIONAL CENTER

The Thomson Correctional Center is a future development that will have an impact on employment and housing in Jackson County. The new federal maximum-security prison began hiring employees in the spring of 2015 and prison officials expect that the prison will employ 1,100 workers when the facility is at full capacity sometime in 2016. A 2010 study conducted by Iowa State University estimates that the City of Clinton and the Quad Cities will see the largest housing impacts from the prison, but Jackson County is within commuting distance and can expect to see some housing growth. The County's southeastern corner, including the cities of Preston (26 miles), Miles (22 miles), and Sabula (14 miles), are the most likely candidates for new housing growth, but Maquoketa (42 miles) and Bellevue (35 miles) are also within a reasonable distance.

## FORECAST RESULTS

Based on the information collected to date, ECIA developed the following housing demand forecast. The forecast assumes that demographic trends in population and household size will continue. Growth in this forecast scenario will be the result of population growth and small decline in overall household size over the 10 year forecast period. The forecast also assumes that the opening of the Thomson Prison will add 70 households to the county over the ten-year forecast period. Figure 3 shows the projected number of new renter and owner occupied housing units between 2015 and 2025.

**FIGURE 3 FORECAST OWNER AND RENTER OCCUPIED UNITS BY CITY 2015 - 2025**

	<b>Number of Projected Units</b>	<b>Number of Projected Units</b>
Bellevue	33	8
Maquoketa	84	34
Miles	7	1
Preston	15	4
Rest of Jackson County	177	4
<b>Total</b>	<b>316</b>	<b>51</b>
<b>Total Renter and Owner Occupied Units</b>		<b>369</b>

## RENTAL HOUSING TYPE FORECAST

Staff estimated demand for different housing types based income current renters in Jackson County. Census data shows that 45% of renting families in Jackson County live below the federal poverty line. Staff grouped rental housing types into three categories: (1) Subsidized – housing that is restricted to less than 30% of area median income; (2) Affordable – Housing that is income restricted to between 30% and 80% of area median income; (3) Market rate – Housing that is not income restricted. Figure 4 shows the projected number of units by type. This forecast is a planning level estimate that does not account for other factors such as family size that may determine whether a family needs housing assistance.

**FIGURE 4 FORECAST RENTAL HOUSING DEMAND BY TYPE**

Type	Percent of Units	Number of Units
Subsidized	20%	10 Units
Affordable	25%	13 Units
Market Rate	55%	28 Units
<b>Total</b>		<b>51 Units</b>

## OWNER OCCUPIED HOUSING AFFORDABILITY

Staff estimated housing affordability for different price ranges of owner-occupied housing units based on current household income data from the U.S. Census Bureau. The federal government uses 30% of household income as a rule of thumb for housing affordability. A household that spends 30% or less of its income on housing costs has affordable housing, where a household that spends more than 30% does not. According to the Census Bureau, housing costs include mortgage payments, insurance, taxes, and utilities including electricity, water, sewer, and gas.

Housing studies often use the 30% rule of thumb to estimate affordable housing price levels based on Census Bureau household income data. Using the 30% rule of thumb to link household income to its housing price can be helpful, but using 30% alone can overestimate the demand for higher end housing units. This can happen because many households that could afford spending 30% of their income on housing choose to spend less. Each household develops its housing budget based on several factors. Income is the primary factor, but other factors including credit score, job stability, and number of children all affect housing decisions.

Figure 5 shows housing costs as a percentage of household income for housing units with a mortgage in Jackson County. The data indicates that many lower income households with a mortgage spend 30% or more of their income on housing. However, as income increases the percentage of income spent on housing goes down. 100% of households making less than \$20,000 spend 30% or more of their income on housing. For households making \$75,000 or more, only 4% spend 30% or more while 73% spend 20% or less of their income on housing. The income divide indicates that most households would prefer to spend 20% of their income on housing if they can.

**FIGURE 5 HOUSING COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME FOR HOUSING UNITS WITH A MORTGAGE IN JACKSON COUNTY**

Household Income	Number Of Households	Percent of HH Income Spent on Housing Costs		
		Less than 20%	20% to 29%	30% or more
Less than \$20,000:	210	0%	0%	100%
\$20,000 to \$34,999:	303	5%	33%	62%
\$35,000 to \$49,999:	657	14%	45%	41%
\$50,000 to \$74,999:	880	49%	31%	20%
\$75,000 or more:	1473	74%	23%	4%
Zero or negative income	8	0%	0%	0%

Based on the information presented above, Staff developed a housing affordability analysis. To account for some of the variation in the percentage households spend on housing, the analysis estimates the minimum income required to afford a home at different price levels for both 30% and 20% of income.

The monthly payment was calculated assuming a good credit and a 30 year mortgage with a 4% annual interest rate and 10% down. The analysis also includes an estimate of additional housing costs including an annual 1.25% for property tax, an annual 0.5% for PMI insurance, and \$200 per month for utilities. The results of the analysis are presented in Figure 6.

**FIGURE 6 JACKSON COUNTY HOUSING AFFORDABILITY BASED ON HOUSEHOLD INCOME**

<b>Housing Affordability</b>	<b>Entry Level</b>	<b>Move Up</b>	<b>Executive</b>
Home Value	\$100,000	\$160,000	\$250,000
Down Payment 10%	\$10,000	\$15,000	\$25,000
Loan Amount	\$90,000	\$145,000	\$225,000
Interest rate	4.00%	4.00%	4.00%
Number of Payments	360	360	360
Monthly Payment	(\$477.42)	(\$763.86)	(\$1,193.54)
Property Tax Estimate	(\$125.00)	(\$200.00)	(\$312.50)
Monthly Utility Estimate	(\$200.00)	(\$200.00)	(\$200.00)
PMI Estimate	(\$33.33)	(\$53.33)	(\$83.33)
<b>Subtotal Monthly Costs</b>	<b>(\$835.75)</b>	<b>(\$1,217.20)</b>	<b>(\$1,789.37)</b>
<b>Affordability</b>			
Housing Cost as % of Income	30%	30%	30%
Minimum Income Required	\$33,429.95	\$48,687.91	\$71,574.86
<b>Affordable to Percent of Jackson County Households</b>	<b>57%</b>	<b>47%</b>	<b>34%</b>
Housing Cost as % of Income	20%	20%	20%
Minimum Income Required	\$50,144.92	\$73,031.87	\$107,362.29
<b>Affordable to Percent of Jackson County Households</b>	<b>47%</b>	<b>35%</b>	<b>9%</b>

The percent of income spent on housing can cause a variation in what types of housing area affordable, especially for higher end housing units. Using 30% of annual income, 34% of households in Jackson County could afford a \$250,000 house, but using 20% of income makes a \$250,000 home affordable to only 9% of households. Based on the information presented in Figure 5 one could assume that a household looking to buy in \$250,000 price range would be more likely to spend 20% rather than 30%.

Using this estimate a household making the area median income of \$46,467 would be able to afford a house up to the \$150,000. However, a buyer at this income level looking to spend 20% or less could be looking for homes at the \$90,000 and under level. This shows that at any given income level there can be a wide range in affordable home price based on other unknown factors.