

A Comprehensive Housing Needs Analysis for the City of Waverly, Iowa

Prepared for:

City of Waverly
Waverly, IA

October 2024



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November 1, 2024

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Ms. Tolan:

Attached is the analysis titled, "A Comprehensive Housing Needs Analysis for the City of Waverly, Iowa." The Needs Analysis examines current housing market conditions and determines the market potential for developing different types of owned and rented housing in the community to 2035.

The scope of this study includes an analysis of the demographic and economic characteristics of the City of Waverly and surrounding area, a review of existing housing stock characteristics, and market analyses covering the for-sale, rental, and senior housing markets. Additionally, the study includes an assessment of housing affordability in the community. Detailed demand calculations and development concept recommendations are provided for Waverly, and the study concludes with an evaluation of key opportunities and challenges associated with housing development in the community.

Please contact me if you have questions or require additional information.

Sincerely,

MAXFIELD RESEARCH AND CONSULTING

Joe Hollman
Director of Research

Attachment

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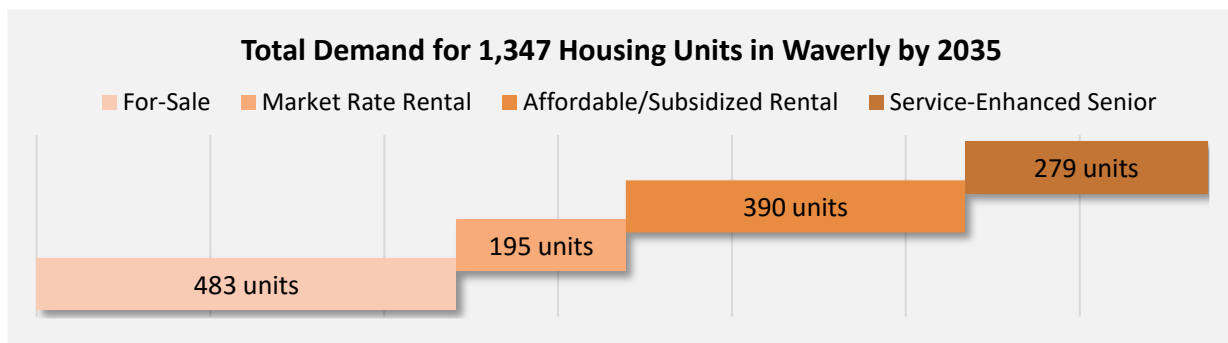
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Purpose and Scope of Study

Maxfield Research and Consulting was engaged by the City of Waverly to prepare a Comprehensive Housing Needs Analysis for the community. The analysis provides recommendations on the amount and types of housing that may be developed to meet the needs of current and future households in the City.

The scope of this study includes an analysis of the demographic and economic characteristics of Waverly and the surrounding area, a review of existing housing stock characteristics, and market analyses covering the for-sale, rental, and senior housing markets. Additionally, the study includes an assessment of housing affordability in the area. Detailed housing demand calculations to 2035 and development concept recommendations are provided for the community. The study concludes with an evaluation of challenges and opportunities associated with housing development in Waverly.

Key Findings



- There are needs across the housing continuum, but anecdotal feedback from area stakeholders suggests that two housing product types are priority needs in Waverly.
 - Moderately priced (under \$350,000) for-sale housing that would target younger buyers and provide living options for the area’s workforce.
 - Housing alternatives for independent older adults and seniors that want to move out of their detached single-family home.
- Roughly 36% of the projected demand will be for owned housing units (all ages), while 29% will be for affordable and subsidized rental housing (all ages). Another 14% will be for market rate rental housing (all ages) and 21% of the projected demand will be for service-enhanced senior housing (independent living, assisted living, memory care).
- It’s important to note that the City may not be able to accommodate all of the projected demand, particularly senior housing as many seniors may prefer to age in place instead of moving into alternative housing. Additionally, potential development constraints (e.g. lot supply) may restrain longer-term housing development activity.

Demographic Analysis

- As of the 2020 Census, Waverly contained 10,394 people and 3,823 households. Between 2010 and 2020, Waverly's population increased 5.3%, adding 519 people, while the household base expanded 7.8% (277 households). We estimate that Waverly added 192 people (1.8% growth) and 118 households (3.1% growth) between 2020 and 2024
- Waverly's population is projected to increase 7.7%, adding 816 people between 2024 and 2029, while the household base expands 8.7% (344). Waverly is expected to add another 793 people (7.0% growth) and 308 households (8.2% growth) between 2029 and 2035.
- Achieving the projected population and household growth in Waverly will be highly dependent on the availability of suitable housing options in the community catering to a variety of household types, age groups, and income levels.
- In 2024, the largest adult cohorts by age in Waverly are 20 to 24 and 35 to 44, totaling an estimated 1,257 people (11.9% of the population) and 1,215 people (11.5%), respectively. Age 25 to 34 is projected to be the largest age group in Waverly by 2035, representing 15.2% of the total population.
- Notable population shifts projected for Waverly between 2024 and 2035, include solid growth among the 25 to 34, 45 to 54, and 75 and older age groups and contraction for the age 35 to 44 cohort.
- In 2024, Waverly's median household income is estimated to be \$79,755, roughly -3% lower than \$81,846 in the Primary Market Area (PMA) but 20% higher than the Waterloo-Cedar Falls MSA (\$66,351). The projected average annual median household income growth of 1.6% in Waverly between 2024 and 2029 will trail the historic annual inflation rate.
- In Waverly, 77.1% of all households own in 2024, giving it a homeownership rate that is lower than the PMA (82.0%) but higher than the MSA (70.4%). The total number of renter households residing in Waverly contracted by an estimated -63 households between 2010 and 2024, a -6.6% decrease, while the number of owner households expanded 17.8% (458 households).
- In Waverly, married couple households without children are estimated to be the most common household type (35.6% of all households), followed by households living alone (26.5%).
- Between 2010 and 2024, family households experienced solid growth in Waverly, increasing by an estimated 330 households (14.4%), while the number of non-family households expanded 5% (65 households).

Employment Analysis

- Bremer County has historically maintained unemployment rates that have tracked lower than the Waterloo-Cedar Falls MSA and Iowa and below equilibrium (generally considered to be 5.0% vacancy). The 2023 average annual unemployment rates of 2.9% in Bremer County and 3.1% in the MSA were below equilibrium, suggesting a shortage of available labor in the area.
- Bremer County and the surrounding Region have experienced a solid recovery of jobs post-COVID, and the area is expected to sustain a modest rate of employment growth over the next several years. Bremer County is projected to add 857 jobs between 2023 and 2035 (9% growth). Additional housing units will be needed to support a portion of the anticipated job growth in the area.
- Approximately 4,335 workers commute into Waverly for employment daily (inflow), while 2,937 resident workers leave the community (outflow). An estimated 1,449 people both live and work in the City (interior flow).
- Overall, Waverly is an importer of workers as a higher number of nonresidents commute into the City for employment than resident workers commute out of the community. With 4,335 workers commuting into Waverly for employment daily, many commuting more than 50 miles away, there appears to be an opportunity to provide housing options for a portion of this workforce.
- A household earning the average weekly wage in Bremer County (\$1,068) would be able to afford an apartment renting for approximately \$1,388 per month to not exceed 30% of its monthly income on housing costs, notably higher than the average rent for market rate rental housing units in Waverly (\$1,050).
- Assuming that a potential home buyer has good credit and makes a 10% down payment, a household would need a minimum annual income of \$77,470 to be able to afford a single-family home sold at the 2024 median sale price of \$245,500 in Waverly. The average weekly wage in Waverly equates to an annual income of roughly \$55,533.
- This data indicates that rental housing in Waverly is relatively affordable proportionate to wages, but much of the for-sale housing would not be affordable for many workers.

Housing Characteristics

- There are an estimated 4,245 housing units in Waverly, approximately 71.5% of which are owner-occupied, while 21.3% are renter-occupied and 7.2% are vacant. The estimated vacancy rate in Waverly increased from 5.0% in 2010, with substantial growth occurring among units that were rented or sold, but not occupied.

- Waverly offers greater housing variety than the surrounding Region. Detached single-unit structures are the most common type, comprising 71% of all housing units in Waverly and 73% of all housing units in the MSA. An estimated 7% of the units in Waverly are in structures with 20 or more units, slightly higher than 6% in the MSA. Another 5% of the units in Waverly are in structures with ten to 19 units, similar to the MSA (5%).
- The estimated median value of owner-occupied housing units in Waverly (\$211,000 during the 2022 American Community Survey) is 19% higher than \$177,091 in the MSA. The estimated median contract rent in Waverly of \$659 is -10% lower than \$731 in the MSA.
- Roughly 17% of the housing units in Waverly were built prior to 1940, slightly lower than the MSA (22%). The 2010s and 1970s were the two most active decades in Waverly for housing unit production. An estimated 16% of Waverly's housing stock was built from 2010 to 2019 and 15% of the housing units were constructed from 1970 to 1979.
- From 2014 through 2023, 449 new housing units were permitted in the City of Waverly for an average of 44.9 new units per year, including 19.6 detached single-family units, 3.4 duplex units, and 21.9 new multifamily units per year.
- From 2014 through 2019, 37% of the housing units built in Waverly were detached single-family homes, while 56% were multifamily units and 7% were duplex units. There has been a slight shift since 2019, as 76% of the units permitted from 2020 through 2023 were detached single-family, while just 15% were multifamily units and 10% were duplex units.

For-Sale Housing Market Analysis

- Increased competition for homes (as indicated by a decreasing supply of available housing and shortened marketing times) caused strong price appreciation in recent years. In Waverly the median price for detached single-family homes increased 43% between 2019 and 2023, climbing from \$173,750 in 2019 to \$249,225 in 2023, averaging 9.6% increases annually. The median price contracted -1.5% to \$245,500 in 2024 year-to-date.
- The median sale price for other housing product types (i.e. condominiums, townhomes) contracted -5%, decreasing from \$190,000 in 2019 to \$180,000 in 2023, averaging -0.7% declines annually. However, the median price for other housing product types jumped 19% to \$215,000 in 2024 year-to-date.
- The median new construction detached single-family price is \$446,375 which is 82% higher than the 2024 median sale price in Waverly, while the median new construction price for other housing product types is \$322,450, 50% higher than the 2024 median sale price.
- Roughly 90% of all home sales in Waverly since 2019 have been detached single-family units (868 closed sales) while 10% (97) were sales of other housing product types, including condominiums and townhomes.

- Based on the supply of housing available for sale in the City as of October 2024, there is a 2.4-month supply of homes available on the market, including a 2.4-month supply of detached single-family homes and a 2.0-month supply of other product types.
 - Equilibrium in the for-sale housing market is generally considered to be a six-month supply, indicating that there is pent-up demand for ownership housing in Waverly.
- There are 163 vacant lots across 15 different subdivisions in Waverly, although there are just 18 lots listed for sale on the MLS (as of October 2024). Of the 163 vacant lots, 114 are owned by a developer or contractor and will likely become available for development in the future. There are also five pending subdivisions in Waverly, totaling 175 future lots.
- The 18 actively-marketing lots in Waverly have a median price of \$5.17 per square foot (psf) based on the median list price of \$137,250 and a median lot size of 26,572 square feet.

Rental Housing Market Analysis

- Nationally, the equilibrium vacancy rate for market rate rental housing is considered to be 7.0% which allows for normal turnover and an adequate supply of alternatives for prospective renters.
 - Based on our October 2024 survey of general occupancy apartment buildings in Waverly, we found that the existing market rate rental properties are 8.2% vacant, while the affordable and subsidized facilities are 3.4% vacant.
- Below-equilibrium vacancy rates suggest pent-up demand for affordable and subsidized rental housing in Waverly, although the above equilibrium market rate vacancy indicates that the general occupancy market rate rental market in Waverly is currently oversupplied.
- The average monthly rent across all market rate general occupancy properties is \$1,050, ranging from an average of \$586 for studio units to an average of \$1,312 for three-bedroom units. On a per square-foot basis (psf), these market rate rental properties have an average rent of \$1.13 psf.
- There is a discrepancy in rents between older and newer properties. The six newest properties (opened in past ten years) have an average monthly rent of \$1,363 (\$1.27 psf) compared to an average rent of \$734 (\$0.97 psf) among the older properties in Waverly.

Senior Housing Market Analysis

- Strong growth is occurring among seniors in the PMA, as the 75 and older age group is expected to expand 40%, adding 709 people, between 2024 and 2035. The 65 to 74 age group is projected to hold steady while the 55 to 64 age group increases 4% (84 people).

- Maxfield Research identified a total of 11 senior housing facilities in the PMA, including five affordable and subsidized rental properties, three market rate active adult for-sale housing developments, and three service-enhanced facilities. In total, there are 168 affordable and subsidized rental units, 224 for-sale active adult units (193 existing and 31 pending), and 154 service-enhanced units. Among the service-enhanced facilities, there are 36 independent living units, 82 assisted living units, and 36 memory care units.
- At the time of the survey, the affordable and subsidized properties were 9.5% vacant, above equilibrium. However, most of these vacancies are in properties outside of Waverly. The affordable and subsidized rental housing facilities in Waverly are 4.3% vacant, which is slightly below equilibrium. The for-sale active adult units have experienced strong demand.
- Market equilibrium for assisted living and memory care senior housing is considered to be 7% vacancy, which allows for an adequate supply of alternatives for prospective residents. Combined, the assisted living and memory care facilities are 9% vacant, with the majority being assisted living vacancies. The independent living units are 5.6% vacancy, although independent living vacancies are rare and there is a wait list for units.

Housing Affordability

- As of October 2024, the Iowa Northland Regional Housing Authority has 54 active Housing Choice Vouchers under lease in Waverly. There are another 143 applicants on the wait list for Vouchers, although the wait list is not limited to the City of Waverly.
- An estimated 17% of all households in Waverly are considered cost-burdened (paying more than 30% of their income for housing costs), including 10% of owner households and 42% of renter households. By comparison, 16% of owner households and 46% of renter households are cost burdened in the MSA.
- An estimated 7.5% of all households in Waverly are severely cost-burdened (paying 50% or more of their income toward housing costs), lower than the MSA (11.8%). In Waverly, 3.9% of owner households and 19.9% of renter households are severely cost-burdened.
- Based on current home prices, roughly 70% of owner households in the PMA could afford to purchase an entry-level detached single-family home priced at \$200,000. The proportions drop to 36% that could afford a move-up detached single-family home priced at \$350,000 and 12% that could afford an executive home priced at \$600,000.
- Roughly 54% of renter householders could afford to rent a one-bedroom unit at existing market rate rental properties in the community at the average rent of \$810 per month. However, the income-qualified percentage drops to 40% that could afford monthly rents for a new construction one-bedroom unit priced at \$1,200 per month.

Housing Demand Analysis

- We find demand for 716 general occupancy (not age-restricted) housing units in Waverly between 2024 and 2035, including 436 for-sale units and 280 rental housing units. We also estimate that there is excess demand for 461 housing units targeting older adults and seniors in Waverly in 2024, increasing to 631 units in 2035.

**Summary of Housing Demand in Waverly
2024 to 2035**

General Occupancy Housing Demand 2024 to 2035	
For-Sale Units	436
Detached Single-Family Units	305
Other Product Types*	131
General Occupancy Rental Units	280
Market Rate	126
Affordable^	70
Subsidized^	84
Total General Occupancy Housing Units	716

Excess Senior Housing Demand			
	2024	2029	2035
Market Rate Active Adult	91	99	116
Owner-Occupied	34	34	47
Renter-Occupied	57	65	69
Affordable & Subsidized Senior Housing^	193	212	236
Subsidized	57	66	77
Affordable	136	146	159
Service-Enhanced Senior Housing	177	232	279
Independent Living (IL)	83	102	119
Assisted Living (AL)	51	72	91
Memory Care (MC)	43	58	69
Total Senior Housing Units	461	543	631

*Includes twin homes, townhomes, condominiums

^Subsidized = affordable to households at 30% AMI or less

^Affordable = affordable to households at 30% to 60% AMI

- There are 136 vacant lots in 14 general occupancy subdivisions in Waverly, including 113 lots owned by a developer that will likely be available for future development. As of October 2024, there were 18 residential lots listed for sale on the MLS in Waverly.
- Based on the for-sale housing demand calculations, there is just a 0.5-year supply of actively-marketing lots and a 2.9-year supply of developer owned vacant lots in Waverly. Another 26 lots are planned in two new general occupancy subdivisions, resulting in a 3.5-year supply of existing developer owned lots plus pending lots. Additional lots will be needed in Waverly to satisfy projected long-term demand.

Recommendations

- The following figures summarize recommended development concepts and price points for various housing product types in Waverly. Detailed findings are described in the *Conclusions & Recommendations* section of this report.
- The following table summarizes a potential pricing breakdown for new construction for-sale housing units in Waverly, including “starter”, “move-up”, and “executive” housing.

General Occupancy New Construction For-Sale Housing

	Purchase Price*	Pct.	Units
Detached Single-Family			
Starter	Less than \$350,000	25%	76
Move-up	\$350,000 to \$500,000	65%	198
Executive	\$600,000+	10%	30
Detached Single-Family Total:		100%	305
Other (townhomes, twin homes, condos)			
Starter	Less than \$300,000	35%	46
Move-up	\$300,000 to \$450,000	55%	72
Executive	\$500,000+	10%	13
Other Total:		100%	131
*Pricing is in 2024 dollars and can be adjusted to account for inflation.			

- We anticipate that 65% of the new detached single-family units (198 units) will target move-up buyers and another 10% of the units (30) will target the executive buyer market.
- Residential sale data indicates that demand is strongest for homes priced in the \$100,000 to \$199,999 and \$200,000 to \$299,999 ranges, and anecdotal feedback from area real estate professionals indicates that homes priced under \$300,000 are sold quickly.
- It can be difficult to construct new housing for less than \$300,000, but we recommend that 25% of the detached single-family units (76) be priced at a level to target first-time buyers. The development of any new for-sale housing products in Waverly priced as a starter home will likely necessitate a public-private partnership or alternative development concepts (i.e. community land trust, affordable housing cooperative).
- Entry-level home demand will primarily be satisfied through turnover of the existing supply of older single-family homes in Waverly by increasing the supply of move-up housing or with the increased development of other housing product types (townhomes, twin homes, condominiums). These housing products can be an option for buyers looking for a starter home and households seeking to downsize or that don’t want the responsibilities of upkeep and home maintenance.

- In addition to demand for owned housing products, we find demand for additional rental housing options in Waverly. However, because market rate vacancy rates are above equilibrium, we do not anticipate that there is an immediate need for a new market rate rental property in Waverly.
- Below-equilibrium vacancies at the existing affordable and subsidized rental properties suggest pent-up demand for affordable rental housing in the community.
- The following figure provides a summary of the recommended rental housing by product type, including monthly rent ranges, development timing, and target markets.

General Occupancy Rental Housing Recommendations

		Monthly Rent Range¹		No. of Units	Development Timing
Market Rate Rental					
Apartments	Studio	\$1,050 - \$1,400	2BR	30 - 34	2027+
Townhomes	2BR	\$1,450 - \$1,550	3BR	10 - 14	2027+
Target Markets: An apartment building would likely attract younger workforce renters, lifestyle renters, older adults, and seniors. Rental townhomes would target young family households, empty-nesters, and seniors.					
Affordable Rental²					
Apartments	Studio	\$918 - \$1,181	2BR	20 - 24	2024+
Townhomes	2BR	\$1,181 - \$1,363	3BR	8 - 12	2024+
Target Markets: We recommend projects targeting households at 40% to 60% AMI which would likely be comprised of singles, single-parent households, older adults and seniors.					
¹ Pricing in 2024 dollars and can be adjusted to account for inflation.					
² Affordability subject to guidelines per HUD & Iowa Finance Agency; recommended rent ranges reflect max rents at 50% AMI					
Note - Recommended development concepts do not equate to total demand.					

- We recommend modestly sized projects (i.e. 30- to 34-unit market rate apartment building, 20- to 24-unit affordable building, 10- to 14-unit rental townhome projects). We also recommend a phased approach to rental housing development in the community, with additional affordable and/or subsidized units being needed in the short-term. We anticipate that new market rate units will be needed over the longer-term.
- The strongest sources of demand for new rental housing in Waverly will likely be young singles and roommate households along with couples without children in their early/mid-20s to mid-30s who work for nearby employers. Other family households (i.e. single-parent households) as well as mid-age and older households (never-nesters or empty-nesters) will also account for a portion of demand for new general occupancy rental housing in the area.

- The growing older adult and senior population will support long-term demand for senior housing units in Waverly through 2035. Demand exists for a variety of senior housing products, and we recommend the development of additional senior housing units to provide housing options for these residents as they age.
- The development of new senior housing will satisfy housing needs in Waverly by increasing the number of options for older adult and senior residents that want to relocate into new age-restricted housing. Additionally, the development of housing alternatives for seniors will stimulate the turnover of existing homes and rental units occupied by seniors, creating more opportunities for general occupancy buyers and renters.
- The following table summarizes a recommended mix of senior housing units by service level including product type, monthly rents, project size, and development timing.

Recommended Senior Housing Development Concepts

	Monthly Rent/ Sale Price Range ¹	No. of Units	Development Timing
Age Restrcted Senior Housing			
<u>Active Adult Rental Housing</u>			
Market Rate ²	\$1,200/1BR - \$1,600/2BR	18 - 22	2024+
Affordable ^{2,3}	\$984/1BR - \$1,181/2BR	24 - 28	2024+
<u>Active Adult For-Sale Housing</u>			
Detached Villas/Townhomes/Condos	\$270,000 - \$450,000	Ongoing	2024+
<u>Service-Enhanced Senior Housing</u>			
Independent Living ⁴	\$1,800/1BR - \$2,800/2BR	28 - 32	2024+
Assisted Living ⁴	\$3,200/Studio - \$5,000/2BR	16 - 20	2029+
Memory Care ⁵	\$4,500/Studio - \$6,000/1BR	10 - 14	2024+
¹ Pricing in 2024 dollars. Pricing can be adjusted to account for inflation. ² Alternative concept is to combine affordable and market rate active adult into mixed-income building. ³ Affordability subject to income guidelines per HUD & IFA; rates based on max rents at 50% AMI ⁴ Catered living is a hybrid concept of independent and assisted living service levels. ⁵ Memory care housing could be a component of an assisted-living or service-intensive building. Note - Unit amounts reflect recommended size of property that for a single project, but do not equal total calculated long-term demand			

- While we find excess demand for service-enhanced housing in Waverly, many seniors prefer to age in place and delay moving to senior housing until absolutely necessary. This is particularly true post-COVID. Additionally, labor shortages can make staffing a new service-enhanced facility a challenge. For these reasons, along with elevated assisted living vacancy rates, we do not recommend the development of additional assisted living units in the short-term. We do, however, anticipate that there is immediate demand potential for additional independent living and memory care units in Waverly.

Purpose and Scope of Study

Maxfield Research and Consulting was engaged by the City of Waverly to prepare a Comprehensive Housing Needs Analysis for the community. The analysis provides recommendations on the amount and types of housing that may be developed to meet the needs of current and future households residing in the City.

The scope of this study includes an analysis of the demographic and economic characteristics of Waverly and the surrounding area, a review of existing housing stock characteristics, and market analyses covering the for-sale, rental, and senior housing markets. Additionally, the study includes an assessment of housing affordability in the area.

Detailed housing demand calculations to 2035 and development concept recommendations are provided for the community. The study concludes with an evaluation of challenges and opportunities associated with housing development in Waverly.

Methodology

This report includes both primary and secondary research. Primary research includes personal interviews, data on existing rental properties, and information on pending developments. Secondary research, which is credited to the source when used, is always used as a basis for analysis and is carefully considered along with other factors that may impact projections. Secondary data resources include:

- City of Waverly and Bremer County
- Bureau of Labor Statistics
- Century 21 Signature Real Estate
- Columbia University CIESIN
- ESRI
- Iowa Department of Inspections & Appeals Health Facility Database
- Iowa Northland Regional Housing Authority
- Iowa Workforce Development
- Iowa State Data Center
- Northeast Iowa Regional Multiple Listing Service
- Realtor.com
- United States Census Bureau Decennial Census, American Community Survey, and Local Employment Dynamics
- United States Department of Housing and Urban Development (HUD)

Demographic Review

Introduction

Demographic characteristics and trends are important factors when evaluating housing needs in any given market. This section of the report reviews the demographic and economic characteristics of Waverly and the surrounding area to provide insight into demand for various housing product types. The following topics are evaluated.

- ▶ Population and household growth trends and projections
- ▶ Age distribution of the population
- ▶ Household income distribution by age group
- ▶ Net worth of area households
- ▶ Household tenure by income and age group
- ▶ Average household sizes
- ▶ Household types
- ▶ Race and ethnicity
- ▶ Household mobility

Primary data sources utilized for this analysis include ESRI, a nationally recognized demographic services firm, the Iowa State Data Center, the U.S Census Bureau Decennial Census, and the U.S. Census Bureau American Community Survey (“ACS”).

The ACS is an ongoing statistical survey that gathers data previously contained only in the long form of the Decennial Census to provide an ongoing portrait of demographic, economic, social, and household characteristics every year, not just every ten years. Maxfield Research and Consulting utilizes five-year data estimates, which provide a larger sample size and have a longer data collection period than the one-year data estimates. At the time this analysis was prepared, the 2018-2022 ACS was the most recent five-year data available.

For reference, a household is an occupied housing unit, while a householder refers to the person in whose name the housing unit is owned or rented. Housing unit is defined as a house, an apartment, a group of rooms, or a single room occupied or intended for occupancy as separate living quarters.

Market Area Definition

Maxfield Research determined the draw area for housing in Waverly, Iowa based on geographic and man-made barriers, commuting patterns, community orientation, places of employment, proximity to other communities, and our general knowledge of housing draw areas. Waverly-Shell Rock School District boundaries were also taken into consideration.

Based on these factors, we delineated a Primary Market Area (PMA) consisting of the City of Waverly along with six other county subdivisions in Bremer County and Butler County, Iowa as summarized below.

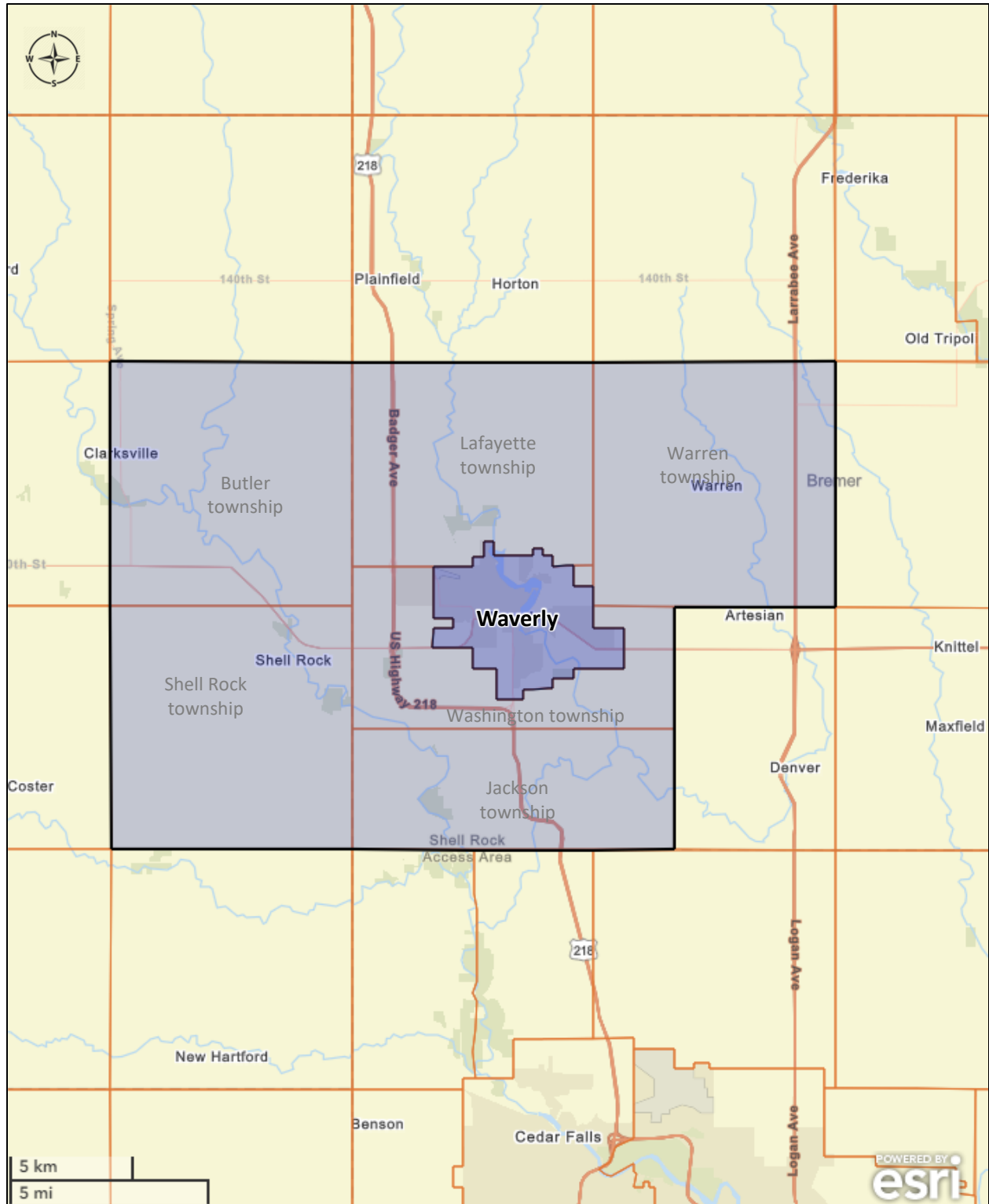
- Waverly city, Bremer County
- Jackson township, Bremer County
- Lafayette township, Bremer County
- Warren township, Bremer County
- Washington township, Bremer County
- Butler township, Butler County
- Shell Rock township, Butler County

Housing demand in Waverly will be driven primarily by household growth and turnover of existing households in the PMA. A portion of the demand, however, will be generated from outside the area, so select demographic and economic comparisons are made to Bremer County, the three-county Waterloo-Cedar Falls Metropolitan Statistical Area (MSA), and the State of Iowa. Along with Bremer County, the Waterloo-Cedar Falls MSA also includes Black Hawk County and Grundy County.

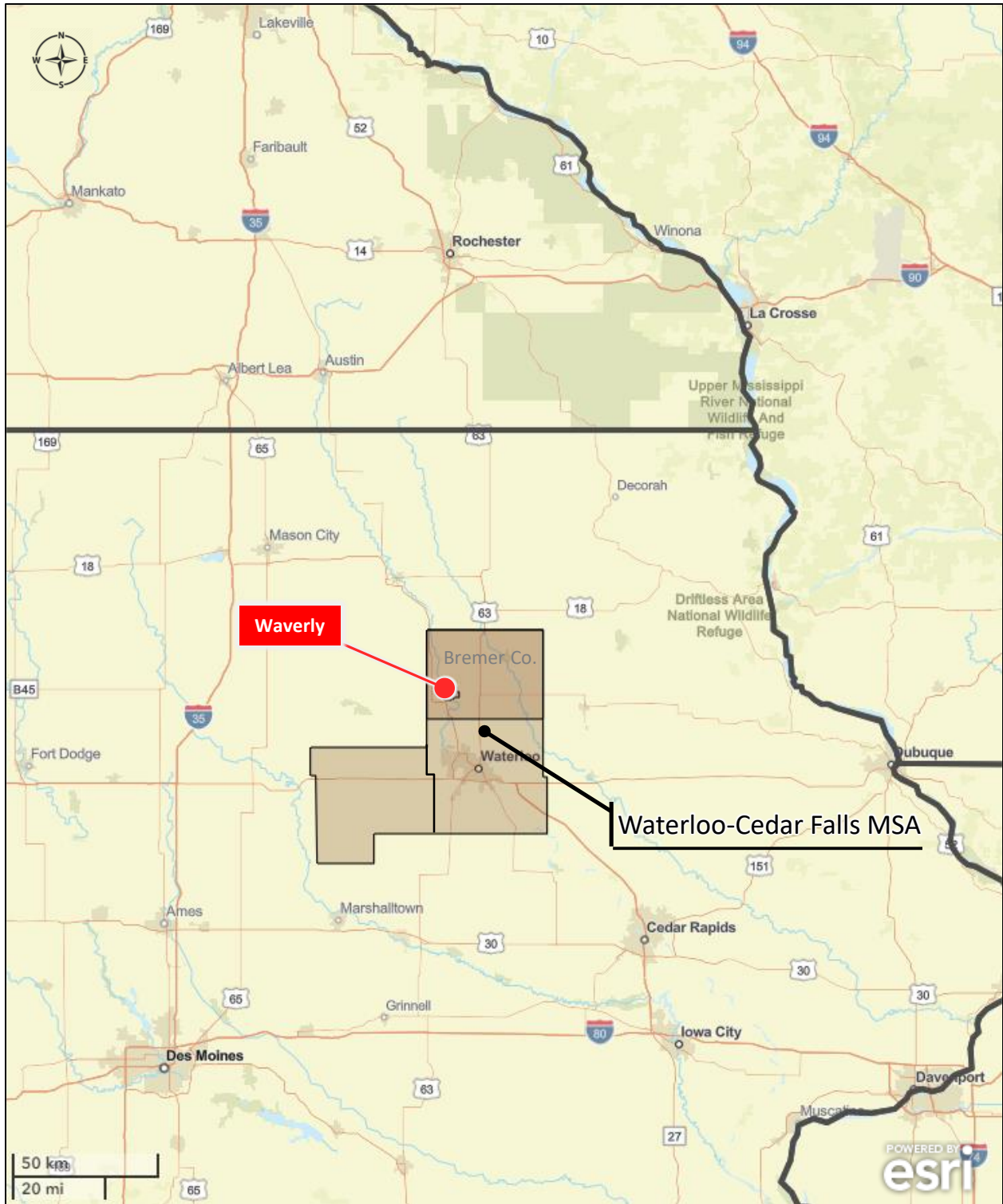
We estimate that 70% to 75% of the demand for housing units in Waverly will be generated from the PMA, depending on product type. The remaining portion of demand (25% to 30%) will come from outside the defined PMA.

The following maps illustrate the location of Waverly within the PMA along with its regional location in Bremer County, the Waterloo-Cedar Falls MSA, and the State of Iowa.

Primary Market Area



Regional Location

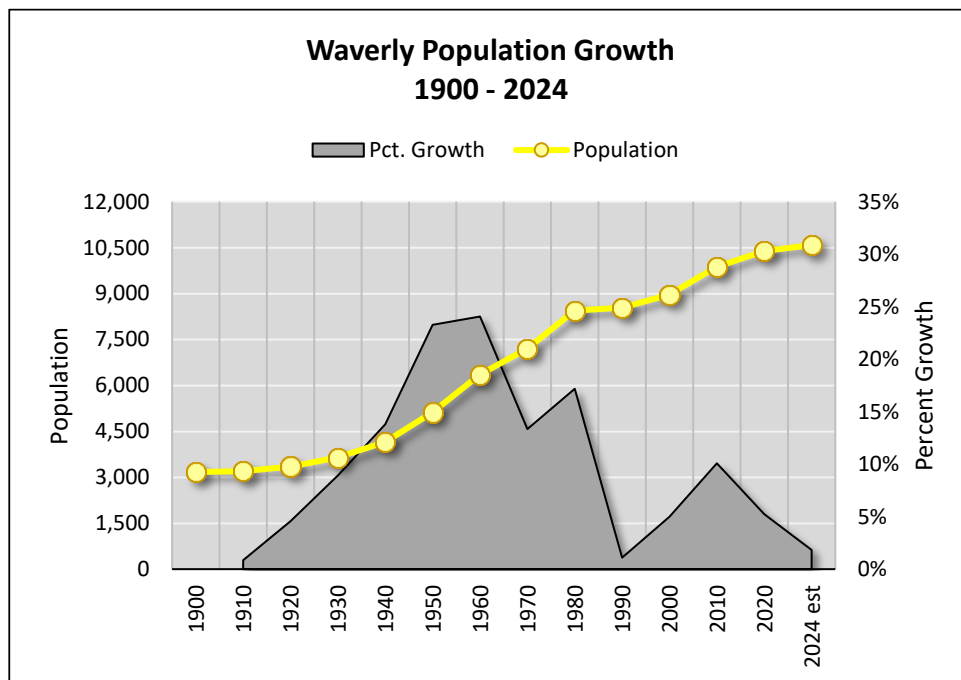


Population and Household Growth Trends

The table on the following page presents population and household growth trends in the Market Area from 2010 to 2035. The 2010 and 2020 figures are from the United States Census. Estimates for 2024 are based on recent population and household estimates provided by ESRI and the Iowa State Data Center along with our review of recent residential building permit trends.

Population projections for 2029 and 2035 are based on forecasts published in the 2023 “Waverly, Iowa Comprehensive Plan Update”. Maxfield Research utilized the projected annual rate of growth, adjusted to the 2024 population estimates, to arrive at the projections for the City of Waverly and the MSA. We then made projections for the PMA based on a review of changes to the proportion of the PMA’s population that reside in Waverly and the Remainder of the PMA since 2010. Household projections are based on household size forecasts from ESRI.

- The following graph depicts historical population growth trends in Waverly from 1900 to 2024. As shown, Waverly has experienced fairly steady population growth over the past century, averaging 1.0% growth on an annual basis.



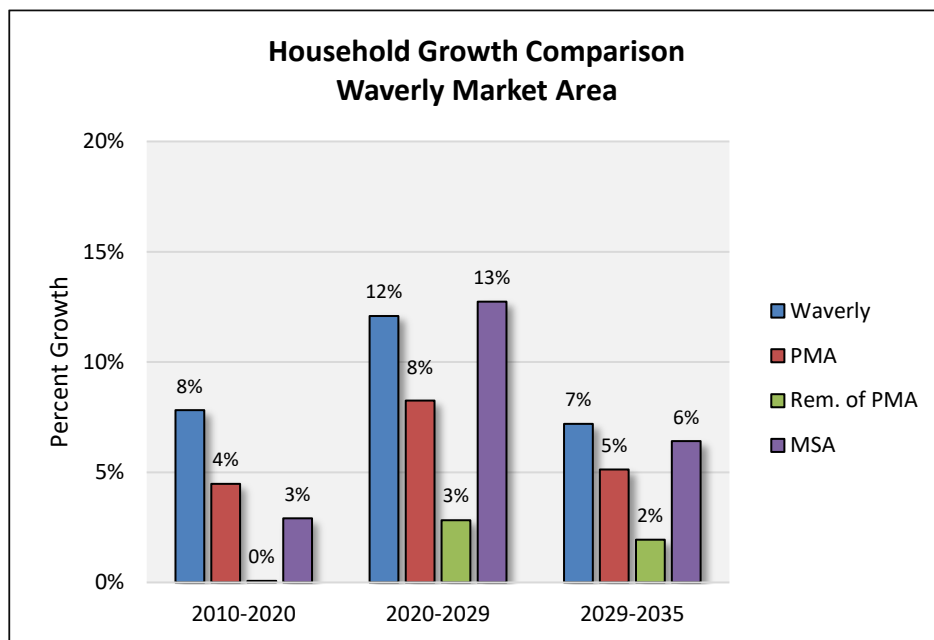
- The growth rate peaked in the 1950s, averaging 2.4% growth annually during the decade. The largest population growth occurred during the 1970s with the addition of 1,239 people (1.7% average annual growth) during the decade.
- Growth flattened during the 1980s and 1990s (0.3% average annual growth) before increasing 1.0% annually during the 2000s. Waverly experienced 0.5% average annual population growth between 2010 and 2020.

TABLE 1

POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS WAVERLY MARKET AREA 2010 to 2035								
Population								
	Waverly		PMA		Remainder of PMA		MSA	
2010 Census	9,875		16,493		6,618		167,819	
2020 Census	10,394		17,092		6,698		168,461	
2024 Estimate	10,586		17,304		6,718		168,214	
2029 Forecast	11,402		18,243		6,841		186,456	
2035 Forecast	12,195		19,144		6,949		197,570	
Change	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
2010 - 2020	519	5.3%	599	3.6%	80	1.2%	642	0.4%
2020 - 2024	192	1.8%	212	1.2%	20	0.3%	-247	-0.1%
2024 - 2029	816	7.7%	939	5.4%	123	1.8%	18,242	10.8%
2029 - 2035	793	7.0%	901	4.9%	108	1.6%	11,114	6.0%
Households								
	Waverly		PMA		Remainder of PMA		MSA	
2010 Census	3,546		6,241		2,695		66,986	
2020 Census	3,823		6,520		2,697		68,938	
2024 Estimate	3,941		6,635		2,694		69,328	
2029 Forecast	4,285		7,058		2,773		77,720	
2035 Forecast	4,593		7,420		2,827		82,700	
Change	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
2010 - 2020	277	7.8%	279	4.5%	2	0.1%	1,952	2.9%
2020 - 2024	118	3.1%	115	1.8%	-3	-0.1%	390	0.6%
2024 - 2029	344	8.7%	423	6.4%	79	2.9%	8,392	12.1%
2029 - 2035	308	7.2%	362	5.1%	54	1.9%	4,980	6.4%
Sources: US Census; ESRI; Iowa State Data Center; City of Waverly; Maxfield Research & Consulting								

- As of the 2020 Census, Waverly contained 10,394 people and 3,823 households, while there were 6,698 people and 2,697 households in the Remainder of the PMA.
- Between 2010 and 2020, Waverly’s population increased 5.3%, adding 519 people, while the household base expanded 7.8% (277 households).
 - The population in the Remainder of the PMA expanded 1.2% (80 people) during the decade against just a 0.1% increase in households (two households).
- We estimate that Waverly added 192 people (1.8% growth) and 118 households (3.1% growth) between 2020 and 2024, while the Remainder of the PMA gained 20 people (0.3%) against a decrease of three households (-0.1%).

- By comparison, the Cedar Falls-Waterloo MSA experienced 0.4% population growth and 2.9% household growth from 2010 to 2020. Between 2020 and 2024, the MSA’s population contracted an estimated -0.1% while the household base increased 0.6%.
- The PMA is expected to add 939 people (5.4% growth) and 423 households (6.4%) between 2024 and 2029, including 7.7% population growth (816 people) and 8.7% household growth (344 households) in Waverly.
- Between 2029 and 2035, the PMA is projected to experience a 4.9% increase in population (901) against 5.1% household growth (362). Waverly is expected to add 793 people (7.0% growth) and 308 households (8.2% growth) between 2029 and 2035.
 - The pace of growth in Waverly is projected to exceed growth in the Remainder of the PMA, which is expected to add a total of 231 people (3.4%) and 133 households (4.9%) between 2024 and 2035.
- Based on projections in Waverly’s Comprehensive Plan Update, the MSA’s population is expected to increase 10.8% against household growth of 12.1% between 2024 and 2029. The MSA’s population is projected to another 6.0% between 2029 and 2035 while the household base increases 6.4%.



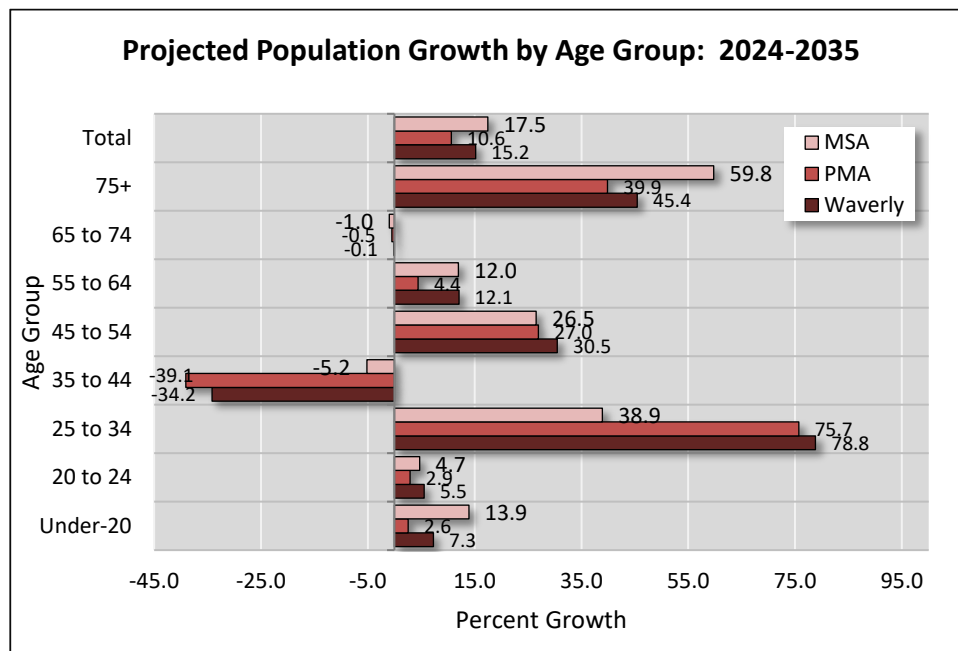
- Achieving the projected population and household growth in Waverly will be highly dependent on the availability of suitable housing options in the community catering to a variety of household types, age groups, and income levels.

Population Age Distribution

The age distribution of a community’s population helps evaluate the type(s) of housing needed. For example, younger and older people are more attracted to higher-density housing located near services and entertainment while middle-aged people (particularly those with children) traditionally prefer lower-density single-family homes.

The table on the following page presents the age distribution of the Market Area population from 2010 to 2035. Information from 2010 and 2020 is sourced from the U.S. Census. The 2024 estimates and projections for 2029 were provided by ESRI, with adjustments made by Maxfield Research to reflect current information. The 2035 projections are based on county-level data provided by the Columbia University Center for International Earth Science Information Network (CIESIN) and the NASA Socioeconomic Data and Applications Center, adjusted by Maxfield Research to reflect the local 2035 population forecasts.

- Generation Z (under the age of 22) represents the largest share of the population in Waverly (33%), followed by Millennials (age 23 to 40) at 23%. Baby Boomers (age 57 to 74) and Generation X (age 41 to 56) represent 18% and 16% of the population, respectively, while the Silent Generation (age 75+) represents 10% of Waverly’s population in 2024.
- In 2024, the largest adult cohorts by age in Waverly are 20 to 24 and 35 to 44, totaling an estimated 1,257 people (11.9% of the population) and 1,215 people (11.5%), respectively.
- Age 35 to 44 is the largest cohort in the PMA with 2,096 people (12.1% of the population), followed by the 65 to 74 age cohort with 1,972 people (11.4%). In the MSA, age 25 to 34 is the largest cohort at 12.9% of the total population.



- Age 25 to 34 is projected to be the largest age group in Waverly and the PMA by 2035, representing 15.2% and 14.8% of the total population, respectively, followed by age 75 and older (12.9% of Waverly’s population and 13.0% of the PMA’s population). Age 25 to 34 is also expected to remain the largest cohort in the MSA by 2035 (15.3% of the population).

TABLE 2
POPULATION AGE DISTRIBUTION
WAVERLY MARKET AREA
2010 - 2035

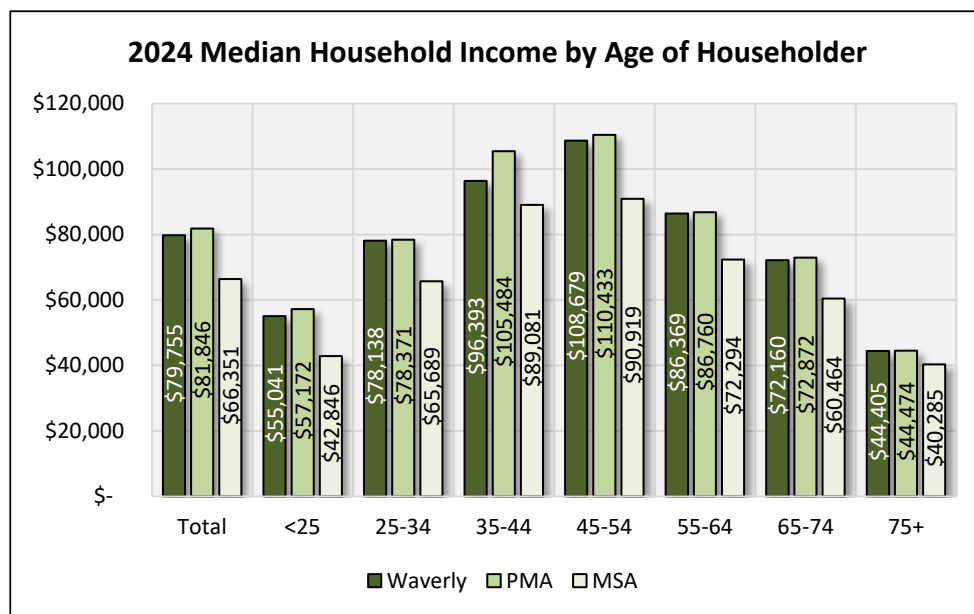
Age	Census		Estimate	Projection		Change			
	2010	2020	2024	2029	2035	2010-2024		2024-2035	
	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Waverly									
Under-20	2,745	2,903	2,864	2,941	3,072	119	4.3	208	7.3
20 to 24	1,380	1,156	1,257	1,344	1,327	-123	-8.9	70	5.5
25 to 34	1,001	1,068	1,036	1,143	1,853	35	3.5	817	78.8
35 to 44	959	1,199	1,215	1,271	800	256	26.7	-415	-34.2
45 to 54	1,093	992	1,047	1,194	1,366	-46	-4.2	319	30.5
55 to 64	1,040	1,057	1,008	1,030	1,130	-32	-3.1	122	12.1
65 to 74	753	996	1,080	1,155	1,079	327	43.4	-1	-0.1
75+	904	1,023	1,079	1,322	1,569	175	19.4	490	45.4
Total	9,875	10,394	10,586	11,402	12,195	711	7.2	1,609	15.2
Primary Market Area									
Under-20	4,390	4,603	4,559	4,558	4,676	169	3.8	117	2.6
20 to 24	1,721	1,386	1,552	1,648	1,597	-169	-9.8	45	2.9
25 to 34	1,716	1,726	1,609	1,777	2,827	-107	-6.2	1,218	75.7
35 to 44	1,752	2,049	2,096	2,067	1,277	344	19.6	-819	-39.1
45 to 54	2,118	1,746	1,844	2,084	2,341	-274	-12.9	497	27.0
55 to 64	2,041	2,076	1,896	1,838	1,980	-145	-7.1	84	4.4
65 to 74	1,371	1,864	1,972	2,139	1,962	601	43.8	-10	-0.5
75+	1,384	1,642	1,776	2,132	2,485	392	28.3	709	39.9
Total	16,493	17,092	17,304	18,243	19,144	811	4.9	1,840	10.6
Waterloo-Cedar Falls MSA									
Under-20	43,725	43,344	42,476	45,396	48,388	-1,249	-2.9	5,912	13.9
20 to 24	17,487	14,195	13,939	14,990	14,593	-3,548	-20.3	654	4.7
25 to 34	21,190	21,220	21,747	23,396	30,207	557	2.6	8,460	38.9
35 to 44	18,302	20,102	20,724	23,219	19,647	2,422	13.2	-1,077	-5.2
45 to 54	21,891	17,768	17,635	20,598	22,315	-4,256	-19.4	4,680	26.5
55 to 64	20,559	20,834	18,742	18,882	20,982	-1,817	-8.8	2,240	12.0
65 to 74	12,260	17,861	18,464	20,634	18,288	6,204	50.6	-176	-1.0
75+	12,405	13,137	14,487	19,340	23,148	2,082	16.8	8,661	59.8
Total	167,819	168,461	168,214	186,456	197,570	395	0.2	29,356	17.5
Sources: US Census; ESRI; Columbia University CIESIN; Maxfield Research & Consulting									

- In Waverly and the PMA, age 25 to 34 is projected to be the fastest growing age group between 2024 and 2035, increasing 79% (817 people) and 76% (1,218 people), respectively.
- Age 75 and older is expected to be the second fastest growing age group in Waverly and the PMA and the fastest growing age group in the MSA, as aging of baby boomers led to a substantial increase in the age 65 to 74 cohort between 2010 and 2024, increasing 43% in Waverly, 44% in the PMA, and 51% in the MSA.
 - As this group ages, the 75 and older age group is expected to increase 45% in Waverly (490 people), 40% in the PMA (709), and 60% in the MSA between 2024 and 2035.
 - The 65 to 74 age group is projected to contract slightly in Waverly (-0.1%) and the PMA (-0.5%) between 2024 and 2035. By comparison, the number of people aged 65 to 74 is expected to decline -1% in the MSA during that time period.
- The 45 to 54 age group is expected to expand 31% in Waverly (319 people) and 27% in the PMA (497) between 2024 and 2035, as the peak of the “echo boom” (i.e. Millennial) generation moves into this age cohort. The age 35 to 44 cohort is projected to increase 27% in the MSA during that time period.
- Waverly is also expected to experience solid growth among people age 55 to 64, adding 122 people between 2024 and 2035 (12% growth).
- The 35 to 44 age cohort is projected to contract throughout the Market Area between 2024 and 2035, declining -34% in Waverly, -39% in the PMA, and -5% in the MSA.
- Typical housing products sought by households in various age groups include:
 - Rental housing targeting the young adult (20 to 24 and 25 to 34) age groups
 - Maintenance-free, single-level housing (ownership or rental) targeting the empty nester population (55 to 74 age group)
 - Entry-level ownership housing for first-time home buyers (age 25 to 34)
 - Move-up ownership housing for family households (age 35 to 54), and,
 - Age-restricted active adult or service-enhanced (i.e. assisted living) senior housing for people age 65 and older.
- Based on age distribution projections for Waverly and the PMA, housing demand growth is expected to be strongest for entry-level ownership housing, rental housing, units catering to the senior population, and move-up ownership housing.

Household Income

Household income data helps ascertain the demand for different types of housing based on the size of the market at specific cost levels. In general, housing costs of up to 30% of income are considered affordable by the U.S. Department of Housing and Urban Development (HUD). The tables on the following pages present data on household income by age of householder for Waverly and the PMA in 2024 and 2029. The data is estimated by ESRI with adjustments made by Maxfield Research to reflect household estimates and projections.

- In 2024, Waverly’s median household income is estimated to be \$79,755, roughly -3% lower than the PMA (\$81,846) but 20% higher than the Waterloo-Cedar Falls MSA (\$66,351).
- As households age through the lifecycle, incomes tend to peak in their 40s to early 50s. As illustrated in the following chart, this trend is evident in the Market Area, as the 45 to 54 age group has the highest estimated incomes at \$108,679 in Waverly, \$110,433 in the PMA, and \$90,919 in the MSA.



- By 2029, the median household income is expected to increase 7.8% to \$85,942 in Waverly. The average annual increase (1.6%) will trail the historic annual inflation rate of 2.6% over the past ten years.
 - By comparison, the median household income in the PMA is projected to increase 1.6% annually while the MSA averages 2.9% annual increases in median household income between 2024 and 2029.

- Household growth is projected to be strongest among the highest income brackets, as the total number of households with incomes of \$100,000 or higher increases 24% (342 households) in Waverly and 21% in the PMA (524 households).

TABLE 3
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
CITY OF WAVERLY
2024 & 2029

	Age of Householder							
	Total	<25	25-34	35-44	45-54	55-64	65 -74	75+
2024								
Less than \$15,000	259	15	32	18	15	33	52	94
\$15,000 to \$24,999	346	18	32	34	14	36	73	139
\$25,000 to \$34,999	153	12	20	12	12	18	27	52
\$35,000 to \$49,999	357	23	63	47	35	51	55	83
\$50,000 to \$74,999	685	41	111	102	72	93	150	116
\$75,000 to \$99,999	689	26	115	138	103	121	118	68
\$100,000 to \$149,999	850	20	131	152	159	137	152	99
\$150,000 to \$199,999	305	3	30	83	87	54	25	23
\$200,000 or more	297	2	22	86	88	50	38	11
Total	3,941	160	556	672	585	593	690	685
Median Income	\$79,755	\$55,041	\$78,138	\$96,393	\$108,679	\$86,369	\$72,160	\$44,405
2029								
Less than \$15,000	251	15	33	17	15	25	43	103
\$15,000 to \$24,999	310	16	25	23	13	26	67	140
\$25,000 to \$34,999	149	13	17	10	10	15	29	57
\$35,000 to \$49,999	362	21	67	42	31	47	53	102
\$50,000 to \$74,999	700	43	115	96	68	85	152	141
\$75,000 to \$99,999	719	31	125	139	100	120	123	83
\$100,000 to \$149,999	977	24	150	155	177	149	175	147
\$150,000 to \$199,999	438	5	47	110	131	71	34	40
\$200,000 or more	379	1	30	102	115	62	50	19
Total	4,285	169	608	694	659	600	725	830
Median Income	\$85,942	\$58,769	\$82,414	\$104,231	\$120,637	\$95,230	\$77,816	\$51,758
Change 2024 - 2029								
Less than \$15,000	-8	-0	1	-1	-0	-8	-9	9
\$15,000 to \$24,999	-36	-2	-7	-11	-1	-10	-6	1
\$25,000 to \$34,999	-4	1	-3	-2	-2	-3	2	5
\$35,000 to \$49,999	5	-2	4	-5	-4	-4	-2	19
\$50,000 to \$74,999	15	2	4	-6	-4	-8	2	25
\$75,000 to \$99,999	30	5	10	1	-3	-1	5	15
\$100,000 to \$149,999	127	4	19	3	18	12	23	48
\$150,000 to \$199,999	133	2	17	27	44	17	9	17
\$200,000 or more	82	-1	8	16	27	12	12	8
Total	344	9	52	22	74	7	35	145
Median Income	\$6,187	\$3,728	\$4,276	\$7,838	\$11,958	\$8,861	\$5,656	\$7,353

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting

TABLE 4
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
PRIMARY MARKET AREA
2024 & 2029

	Age of Householder							
	Total	<25	25-34	35-44	45-54	55-64	65 -74	75+
2024								
Less than \$15,000	398	21	45	26	25	61	79	141
\$15,000 to \$24,999	450	23	39	39	17	56	90	186
\$25,000 to \$34,999	269	18	30	19	18	31	52	101
\$35,000 to \$49,999	628	39	92	66	51	94	112	174
\$50,000 to \$74,999	1,148	58	176	147	122	178	281	186
\$75,000 to \$99,999	1,225	46	172	212	188	247	236	124
\$100,000 to \$149,999	1,423	33	189	289	302	256	231	123
\$150,000 to \$199,999	548	7	51	168	142	93	50	37
\$200,000 or more	546	2	34	151	165	101	64	29
Total	6,635	247	828	1,117	1,030	1,117	1,195	1,101
Median Income	\$81,846	\$57,172	\$78,371	\$105,484	\$110,433	\$86,760	\$72,872	\$44,474
2029								
Less than \$15,000	372	21	41	23	22	43	69	154
\$15,000 to \$24,999	386	19	30	24	15	38	78	182
\$25,000 to \$34,999	250	17	23	14	16	23	46	112
\$35,000 to \$49,999	595	38	92	54	42	74	105	190
\$50,000 to \$74,999	1,161	61	180	135	109	163	282	231
\$75,000 to \$99,999	1,254	49	185	202	184	227	259	147
\$100,000 to \$149,999	1,604	40	225	277	344	259	278	181
\$150,000 to \$199,999	759	9	76	201	213	125	68	66
\$200,000 or more	678	1	44	171	203	120	91	47
Total	7,058	254	896	1,101	1,147	1,073	1,277	1,310
Median Income	\$88,329	\$60,834	\$83,947	\$112,783	\$120,878	\$95,436	\$79,141	\$51,267
Change 2024 - 2029								
Less than \$15,000	-26	-0	-4	-3	-3	-18	-10	13
\$15,000 to \$24,999	-64	-4	-9	-15	-2	-18	-12	-4
\$25,000 to \$34,999	-19	-1	-7	-5	-2	-8	-6	11
\$35,000 to \$49,999	-33	-1	0	-12	-9	-20	-7	16
\$50,000 to \$74,999	13	3	4	-12	-13	-15	1	45
\$75,000 to \$99,999	29	3	13	-10	-4	-20	23	23
\$100,000 to \$149,999	181	7	36	-12	42	3	47	58
\$150,000 to \$199,999	211	2	25	33	71	32	18	29
\$200,000 or more	132	-1	10	20	38	19	27	18
Total	423	7	68	-16	117	-44	82	209
Median Income	\$6,483	\$3,662	\$5,576	\$7,299	\$10,445	\$8,676	\$6,269	\$6,793

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting

- The United States Department of Housing and Urban Development (HUD) defines affordable housing cost as less than 30% of a household’s adjusted gross income. Generally, housing that is income-restricted to households earning at or below 80% of Area Median Income (AMI) is considered affordable.

- Based on the 2024 median household income in the PMA (\$81,846), a household could afford an apartment unit renting for \$2,046 per month.
- The following figure illustrates affordable monthly rents by age group (based on 30% of median household income).

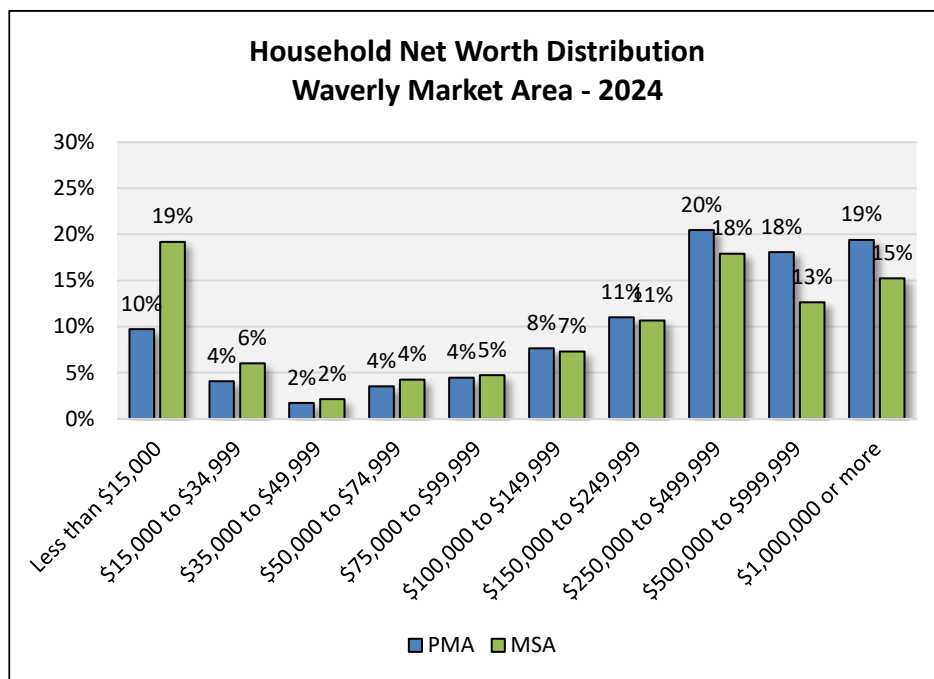
Rent Affordability by Age Group in PMA Based on Median Household Income		
Age Group	Household Income	Affordable Rent
Total	\$81,846	\$2,046
<25	\$57,172	\$1,429
25-34	\$78,371	\$1,959
35-44	\$105,484	\$2,637
45-54	\$110,433	\$2,761
55-64	\$86,760	\$2,169
65-74	\$72,872	\$1,822
75+	\$44,474	\$1,112

- As presented in the Rental Housing Market section of this study, the average monthly rent for market rate rental housing units in the PMA is \$1,050. Based on this rent, a household would need to have an annual income of \$42,000 or greater to not exceed 30% of its monthly income on rental housing costs.
 - In 2024, an estimated 5,223 households in the PMA (79% of the total) are estimated to have incomes of at least \$42,000.
 - Rental housing affordability varies by age group, ranging from 54% of all households over the age of 75 to 92% of households age 45 to 54.
- As presented in the For-Sale Market section of this study, the 2024 median sale price for detached single-family homes in Waverly was \$245,500. A household would need a minimum annual income of \$77,470 to be income-qualified (based on 30% of income) for a single-family home purchased at the median price. This assumes a 30-year interest rate of 6.54% (October 2024), a potential buyer makes a 10% down payment and has good credit.
 - An estimated 3,620 households in the PMA (55% of the total) have incomes of \$77,470 or higher.
 - For-sale housing affordability in Waverly (based on the 2024 median sale price for detached single-family homes) ranges from 27% of households age 75 and older and 34% of households under the age of 25 to 76% of households in the 45 to 54 age group.
- This data indicates that the existing rental housing stock is relatively affordable proportionate to household incomes in the PMA, while for-sale housing in Waverly may be unattainable for many PMA households.

Net Worth

The table on the following page shows the estimated net worth by age of households in the PMA compared to the Waterloo-Cedar Falls MSA in 2024. Household net worth data was estimated by ESRI based on the Federal Reserve Board “Survey of Consumer Finances”.

- In 2024, the median net worth for households in the PMA is estimated to be \$315,754, roughly 57% higher than \$201,349 in the MSA.
- In the PMA, median net worth was highest for households in the age 65 to 74 cohort at \$548,233, followed by the 55 to 64 and 45 to 54 age groups at \$466,077 and \$397,998, respectively.
- The following graph illustrates the distribution of households in the Market Area by net worth range. As shown, there are concentrations of net worth at the lower and upper ends of the spectrum.



- In the PMA, the largest concentrations of households have an estimated net worth above \$150,000, notably 20% in the \$250,000 to \$499,999 range. Roughly 10% of households have a net worth of less than \$15,000.
- In the MSA, net worth concentrations were highest among households with a net worth of less than \$15,000 (19%), followed by households with a net worth in the \$250,000 to \$499,999 range (18%).

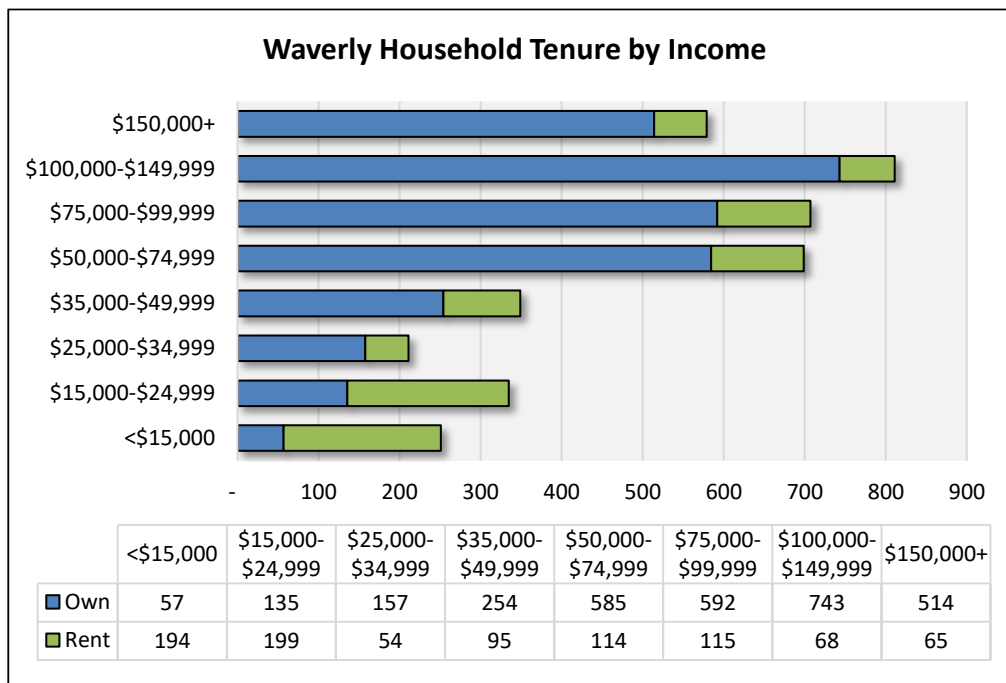
TABLE 5

2024 ESTIMATED NET WORTH BY AGE OF HOUSEHOLDER									
WAVERLY MARKET AREA									
Primary Market Area	Total	% of Total	<25	25-34	35-44	45-54	55-64	65 -74	75+
Less than \$15,000	645	9.7%	97	139	104	54	79	82	90
\$15,000 to \$34,999	269	4.1%	44	61	52	22	25	32	33
\$35,000 to \$49,999	114	1.7%	14	20	31	13	11	11	14
\$50,000 to \$74,999	233	3.5%	14	59	42	33	23	19	43
\$75,000 to \$99,999	296	4.5%	11	101	41	35	36	30	42
\$100,000 to \$149,999	506	7.6%	24	135	82	60	61	67	77
\$150,000 to \$249,999	730	11.0%	21	144	159	113	91	74	128
\$250,000 to \$499,999	1,357	20.5%	22	113	265	257	254	228	218
\$500,000 to \$999,999	1,199	18.1%	0	47	163	229	243	314	203
\$1,000,000 or more	1,286	19.4%	0	9	178	214	294	338	253
Total	6,635	100%	247	828	1,117	1,030	1,117	1,195	1,101
Median Net Worth	\$315,754		\$24,106	\$109,335	\$275,850	\$397,998	\$466,077	\$548,233	\$357,993
Average Net Worth	\$1,281,928		\$79,549	\$182,344	\$942,610	\$1,405,339	\$1,765,614	\$1,952,886	\$1,388,447
Waterloo-Cedar Falls MSA	Total	% of Total	<25	25-34	35-44	45-54	55-64	65 -74	75+
Less than \$15,000	13,283	19.2%	2,452	3,570	2,485	1,397	1,549	1,036	794
\$15,000 to \$34,999	4,169	6.0%	623	859	964	551	516	387	269
\$35,000 to \$49,999	1,484	2.1%	160	330	344	224	191	136	99
\$50,000 to \$74,999	2,943	4.2%	128	811	490	456	356	341	361
\$75,000 to \$99,999	3,281	4.7%	122	1,030	498	366	465	393	407
\$100,000 to \$149,999	5,051	7.3%	179	1,238	820	641	683	748	742
\$150,000 to \$249,999	7,391	10.7%	231	1,218	1,412	1,258	991	947	1,334
\$250,000 to \$499,999	12,412	17.9%	367	1,290	2,112	1,958	2,247	2,391	2,047
\$500,000 to \$999,999	8,751	12.6%	24	602	1,126	1,616	1,711	2,183	1,489
\$1,000,000 or more	10,552	15.2%	5	172	1,396	1,472	2,440	2,970	2,097
Total	69,328	100%	4,291	11,120	11,647	9,939	11,149	11,532	9,639
Median Net Worth	\$201,349		\$13,125	\$74,600	\$161,200	\$255,449	\$311,752	\$407,571	\$317,620
Average Net Worth	\$994,813		\$68,196	\$150,745	\$695,256	\$960,395	\$1,343,910	\$1,683,841	\$1,550,390
Data Note: Net Worth is total household wealth minus debt, secured and unsecured. Net worth includes home equity, equity in pension plans, net equity in vehicles, IRAs and Keogh accounts, business equity, interest-earning assets and mutual fund shares, stocks, etc. Examples of secured debt include home mortgages and vehicle loans; examples of unsecured debt include credit card debt, certain bank loans, and other outstanding bills. Forecasts of net worth are based on the Survey of Consumer Finances, Federal Reserve Board. Detail may not sum to totals due to rounding.									
Sources: ESRI; Maxfield Research & Consulting									

Household Tenure by Income

The following table shows estimated household tenure by income in the Market Area in 2024. Data is based on an estimate from the 2018-2022 American Community Survey and adjusted by Maxfield Research to reflect 2024 data. Generally, the higher the income, the lower the percentage a household typically allocates to housing. Many lower income households, as well as many young and senior households, spend more than 30% of their income on housing, while middle-aged households in their prime earning years generally allocate 20% to 25% of their income to housing.

- In Waverly, the homeownership rate increases from 23% of households with incomes below \$15,000 to 92% of the households with incomes in the \$100,000 to \$149,999 range and 89% of households with incomes of \$150,000 or higher.
 - In the MSA, 94% of households with incomes above \$150,000 are homeowners while 30% of households with incomes less than \$15,000 own.
- Among renter households, the percentages decline from 77% of all households in Waverly with incomes below \$15,000 rent to 11% of households with incomes of \$150,000 or more.



- Among owner households in Waverly, the highest proportion had incomes of \$100,000 to \$149,999 (25% of all owner households), followed by households with incomes in the \$75,000 and \$99,999 (20%). Roughly 17% of owner households in Waverly have incomes above \$149,999.

- In the PMA, 24% of all owner households had incomes in the \$100,000 to \$149,999 range, while 17% of the owner households had incomes of \$150,000 or higher. In the MSA, 22% of owner households had incomes between \$100,000 and \$149,999 and another 18% had incomes of \$150,000 or higher.
- The highest proportion of renter households in Waverly had incomes in the \$15,000 to \$24,999 range (22% of renter households) followed closely by households with incomes less than \$15,000 (21%). These were also the two most common renter household income ranges in the PMA, at 19% and 21%, respectively.
- In the MSA, households with incomes less than \$15,000 represent the largest proportion of renter households (21%), followed by households with incomes \$50,000 to \$74,999 (20% of all renter households).

TABLE 6

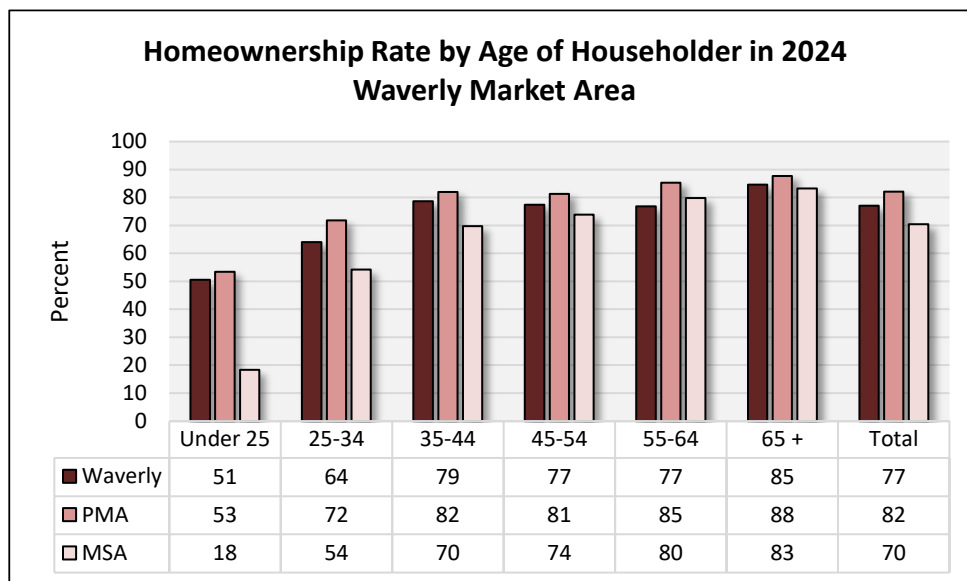
TENURE BY HOUSEHOLD INCOME WAVERLY MARKET AREA 2024						
	Waverly		PMA		MSA	
	No.	Pct.	No.	Pct.	No.	Pct.
Owner Households						
Less than \$15,000	57	22.6	137	35.2	1,802	30.0
\$15,000 to \$24,999	135	40.5	191	46.2	2,539	46.8
\$25,000 to \$34,999	157	74.6	256	70.7	2,824	51.0
\$35,000 to \$49,999	254	72.8	510	76.9	5,392	63.0
\$50,000 to \$74,999	585	83.6	986	87.8	8,463	67.5
\$75,000 to \$99,999	592	83.7	1,111	88.1	8,298	81.9
\$100,000 to \$149,999	743	91.6	1,310	92.5	10,928	90.8
\$150,000+	514	88.8	942	93.6	8,546	94.0
<i>Subtotal:</i>	<i>3,037</i>	<i>77.1</i>	<i>5,443</i>	<i>82.0</i>	<i>48,790</i>	<i>70.4</i>
Renter Households						
Less than \$15,000	194	77.4	253	64.8	4,208	70.0
\$15,000 to \$24,999	199	59.5	223	53.8	2,882	53.2
\$25,000 to \$34,999	54	25.4	106	29.3	2,711	49.0
\$35,000 to \$49,999	95	27.2	153	23.1	3,171	37.0
\$50,000 to \$74,999	114	16.4	137	12.2	4,081	32.5
\$75,000 to \$99,999	115	16.3	149	11.9	1,835	18.1
\$100,000 to \$149,999	68	8.4	106	7.5	1,104	9.2
\$150,000+	65	11.2	64	6.4	546	6.0
<i>Subtotal:</i>	<i>904</i>	<i>22.9</i>	<i>1,192</i>	<i>18.0</i>	<i>20,538</i>	<i>29.6</i>
Total Households	3,941	100	6,635	100	69,328	100
Sources: 2018-2022 American Community Survey; Maxfield Research & Consulting						

Household Tenure by Age

The table on the following page summarizes household tenure by age of householder for the Market Area in 2010 and 2024. Data for 2010 is obtained from the Decennial Census, while the 2024 information is based on the 2018-2022 American Community Survey and adjusted by Maxfield Research to 2024 data. The table shows the number and percent of renter- and owner-occupied housing units in the Market Area. All data excludes unoccupied units and group quarters such as dormitories and nursing homes.

Household tenure information is important in understanding households’ preferences to rent or own their housing. In addition to preferences, factors that contribute to these proportions include mortgage interest rates, household age, and lifestyle considerations, among others.

- In Waverly, 77.1% of all households own in 2024, giving it a homeownership rate that is lower than the PMA (82.0%) but higher than the MSA (70.4%).
- Within the prime ownership years (35 to 64), 78% of households in Waverly own in 2024, compared to 83% in the PMA and 74% in the MSA.



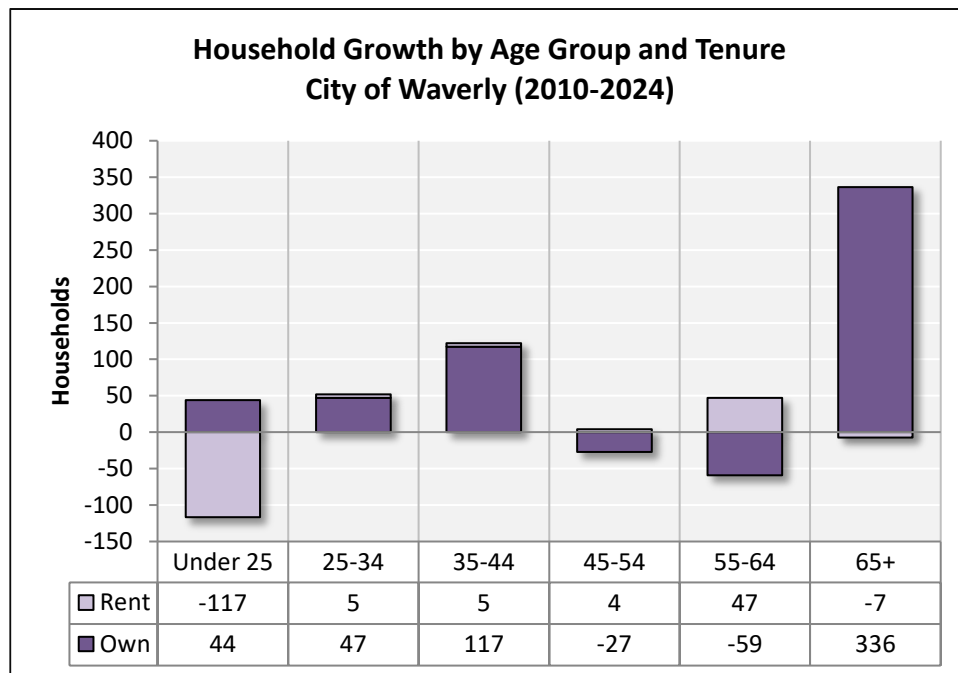
- Typically, the youngest and oldest households rent their housing in greater proportions than middle-age households. This pattern is apparent among younger households in the Market Area.
 - In Waverly, 39.0% of households under the age of 35 rent compared to 32.5% in the PMA. In the MSA, 56% of households under the age of 35 rent.

TABLE 7
TENURE BY AGE OF HOUSEHOLDER
WAVERLY MARKET AREA
2010 & 2024

Age		City of Waverly				Primary Market Area				Waterloo-Cedar Falls MSA			
		2010		2024		2010		2024		2010		2024	
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under 25	Own	37	15.9	81	50.5	70	20.6	132	53.4	881	15.7	785	18.3
	Rent	196	84.1	79	49.5	270	79.4	115	46.6	4,728	84.3	3,507	81.7
	Total	233	100.0	160	100.0	340	100.0	247	100.0	5,609	100.0	4,292	100.0
25-34	Own	309	61.3	356	64.0	534	63.3	594	71.7	6,025	56.8	6,032	54.2
	Rent	195	38.7	200	36.0	310	36.7	234	28.3	4,590	43.2	5,090	45.8
	Total	504	100.0	556	100.0	844	100.0	828	100.0	10,615	100.0	11,122	100.0
35-44	Own	411	74.7	528	78.6	770	78.0	915	82.0	7,423	73.5	8,126	69.8
	Rent	139	25.3	144	21.4	217	22.0	202	18.0	2,681	26.5	3,523	30.2
	Total	550	100.0	672	100.0	987	100.0	1,117	100.0	10,104	100.0	11,649	100.0
45-54	Own	480	78.9	453	77.4	942	81.6	837	81.3	9,358	77.3	7,336	73.8
	Rent	128	21.1	132	22.6	213	18.4	193	18.7	2,747	22.7	2,605	26.2
	Total	608	100.0	585	100.0	1,155	100.0	1,030	100.0	12,105	100.0	9,941	100.0
55-64	Own	515	85.1	456	76.9	1,018	88.2	952	85.3	10,297	84.4	8,897	79.8
	Rent	90	14.9	137	23.1	136	11.8	165	14.7	1,897	15.6	2,253	20.2
	Total	605	100.0	593	100.0	1,154	100.0	1,117	100.0	12,194	100.0	11,151	100.0
65 +	Own	827	79.1	1,163	84.6	1,444	82.0	2,013	87.7	13,354	81.6	17,613	83.2
	Rent	219	20.9	212	15.4	317	18.0	283	12.3	3,005	18.4	3,560	16.8
	Total	1,046	100.0	1,375	100.0	1,761	100.0	2,296	100.0	16,359	100.0	21,174	100.0
TOTAL	Own	2,579	72.7	3,037	77.1	4,778	76.6	5,443	82.0	47,338	70.7	48,790	70.4
	Rent	967	27.3	904	22.9	1,463	23.4	1,192	18.0	19,648	29.3	20,538	29.6
	Total	3,546	100.0	3,941	100.0	6,241	100.0	6,635	100.0	66,986	100.0	69,328	100.0

Sources: U.S. Census; 2018-2022 American Community Survey; Maxfield Research & Consulting

- The total number of renter households residing in Waverly contracted by an estimated -63 households between 2010 and 2024, a -6.6% decrease, while the number of owner households expanded 17.8% (458 households).
- Modest renter household growth occurred in the 25 to 34, 35 to 44, 45 to 54, and 55 to 64 age groups, although this growth was offset by a -60% decrease (-117) of renter households under the age of 25.
- Owner household growth occurred in all but the age 45 to 54 and 55 to 64 cohorts, with the largest owner household growth occurring among the 35 to 44 and 65 and older age groups between 2010 and 2024.
- As depicted in the following chart, the largest overall increase occurred in the 65 and older age group in Waverly, adding 336 owner households (41% growth) against a -3% decline (-7) in renter households.



- The 35 to 44 age group added 117 owner households (29% growth) and five renter households (3%), while household growth also occurred in the 25 to 34 age group with the addition of 47 owner households (15%) and five renter households (3%).
- The under 25 age group contracted by -73 households, despite the addition of 44 owner households (119%), as the number of renter households decreased -60% (-117). Modest contraction also occurred in the 45 to 54 and 55 to 64 age groups, although the 55 to 64 age group experienced the largest renter household growth, adding 47 households.

Tenure by Household Size

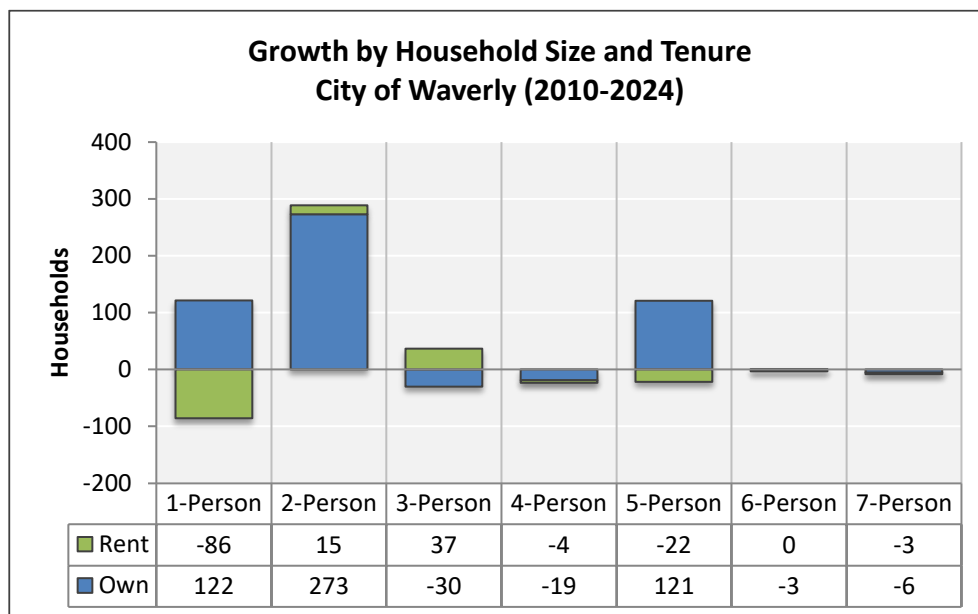
The following table summarizes household tenure by size of household in the Market Area during 2010 and 2024 from the U.S. Census and American Community Survey, with adjustments made by Maxfield Research to reflect 2024 household estimates. The tables show the number and percent of renter- and owner-occupied housing units by household size. All data excludes unoccupied units and group quarters such as nursing homes.

TABLE 8
TENURE BY HOUSEHOLD SIZE
WAVERLY MARKET AREA
2010 & 2024

		Waverly				Primary Market Area				Waterloo-Cedar Falls MSA			
		2010		2024		2010		2024		2010		2024	
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
1-Person	Own	550	54.7	672	64.2	944	58.6	1,160	69.0	10,737	56.9	12,165	56.8
	Rent	455	45.3	369	35.3	667	41.4	515	30.6	8,125	43.1	9,100	42.5
	Total	1,005	100	1,046	100	1,611	100	1,682	100	18,862	100	21,422	100
2-Person	Own	1,112	80.3	1,385	82.8	2,141	84.2	2,393	87.4	19,578	78.6	20,036	80.3
	Rent	272	19.7	287	17.2	403	15.8	345	12.6	5,335	21.4	4,925	19.7
	Total	1,384	100	1,672	100	2,544	100	2,738	100	24,913	100	24,961	100
3-Person	Own	343	73.6	313	66.2	657	78.0	727	78.9	6,900	71.4	6,689	70.6
	Rent	123	26.4	160	33.8	185	22.0	194	21.1	2,769	28.6	2,790	29.4
	Total	466	100	472	100	842	100	921	100	9,669	100	9,479	100
4-Person	Own	357	83.4	338	83.5	643	83.7	551	86.5	6,104	74.0	5,561	71.0
	Rent	71	16.6	67	16.5	125	16.3	86	13.5	2,145	26.0	2,274	29.0
	Total	428	100	405	100	768	100	638	100	8,249	100	7,834	100
5-Person	Own	157	82.2	278	95.8	282	82.9	442	92.3	2,719	77.1	2,727	77.5
	Rent	34	17.8	12	4.2	58	17.1	37	7.7	807	22.9	793	22.5
	Total	191	100	290	100	340	100	479	100	3,526	100	3,520	100
6-Person	Own	45	83.3	42	82.2	82	83.7	136	91	880	75.3	1,203	69.7
	Rent	9	16.7	9	17.8	16	16.3	14	9.3	289	24.7	523	30.3
	Total	54	100	51	100	98	100	150	100	1,169	100	1,727	100
7+Person	Own	15	83	9	100	29	76.3	33	100	420	70.2	410	75.7
	Rent	3	16.7	0	0	9	23.7	0	0	178	29.8	132	24.3
	Total	18	100	9	100	38	100	33	100	598	100	542	100
TOTAL	Own	2,579	72.7	3,037	77.1	4,778	76.6	5,443	82.0	47,338	70.7	48,790	70.4
	Rent	967	27.3	904	22.9	1,463	23.4	1,192	18.0	19,648	29.3	20,538	29.6
	Total	3,546	100	3,941	100	6,241	100	6,635	100	66,986	100	69,328	100
Avg. HH Size	Own	2.48		2.45		2.49		2.50		2.47		2.42	
	Rent	1.96		2.00		2.03		2.02		2.17		2.16	

Sources: U.S. Census; 2018-2022 American Community Survey; Maxfield Research & Consulting

- In 2010, the average renter household in Waverly contained 1.96 persons, while the average owner household included 2.48 persons. By 2024, average household sizes declined to 2.45 for owner households but increased to 2.00 for renter households.
 - Average renter household sizes in Waverly are smaller than the PMA (2.02) and the MSA (2.16), while average owner household sizes in Waverly are smaller than the PMA (2.50) but larger than the MSA (2.42).
- In 2024, one- and two-person households are, by far, the most common household size in Waverly, representing 69% of all households (27% one-person and 42% two-person).
 - The PMA and MSA both have slightly smaller proportions of two-person households, at 41% and 36%, respectively. The proportion of one-person households in the PMA (25%) is slightly lower, while the proportion of one-person households in the MSA (31%) is higher than Waverly.
- Two-person households experienced the largest growth between 2010 and 2024 in Waverly, increasing by 288 households (21%), followed by five-person households (52% growth, 99 households). These gains were partially offset by losses in four-person, six-person households, and households with seven or more persons.



- One-person households represent the highest proportion of renter households in Waverly in 2024, at 41% of all renter households, followed by two-person households (32%).
- The largest proportion of owner households in Waverly are two-person households (46%), followed by one-person households (22%).

Household Type

The following table summarizes household type trends in Waverly and the PMA compared to the MSA in 2010 and 2024. Data for 2010 is obtained from the Decennial Census, while the 2024 data is based on the 2018-2022 American Community Survey and adjusted by Maxfield Research to reflect 2024 household estimates. Shifting household types can stimulate demand for a variety of housing products.

- Married couple family households with children typically generate demand for single-family detached ownership housing.
 - Married couples without children, which are generally younger couples that have not had children (and may not have children) and older couples with adult children that have moved out of the home, often desire multifamily housing for convenience reasons.
 - Other family households, defined as a male or female householder with no spouse present (typically single-parent households), often require affordable housing.
 - Changes in non-family households (households living alone and households composed of unrelated roommates) drive demand for rental housing.
- In Waverly, married couple households without children are estimated to be the most common household type (35.6% of all households), followed by households living alone (26.5%).
 - Married couple without children households are also the most common household type in the PMA (36.6%), while households living alone are most common in the MSA (30.9%).

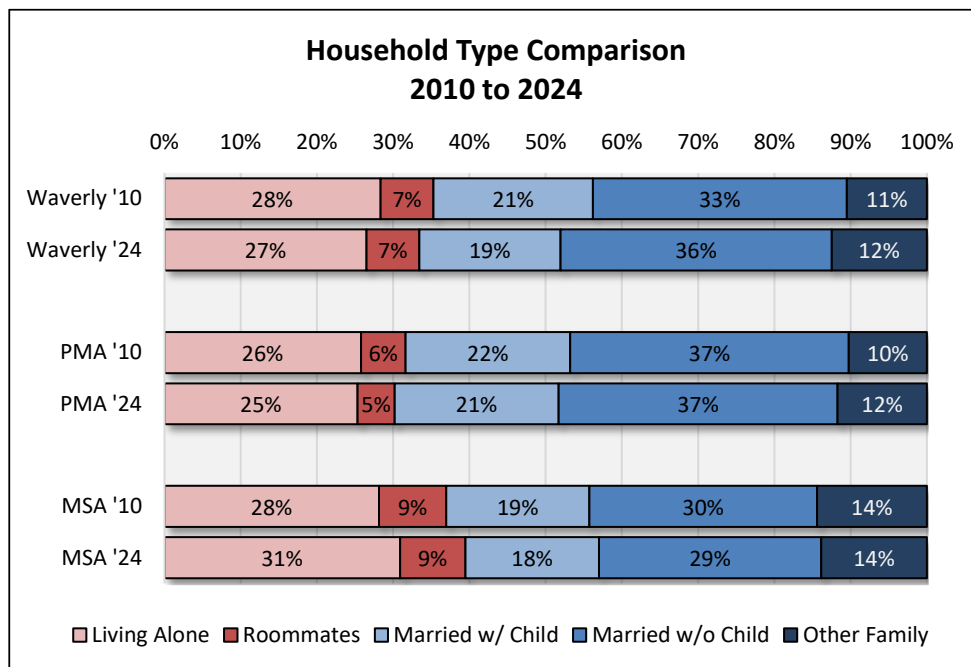


TABLE 9

HOUSEHOLD TYPE WAVERLY MARKET AREA 2010 & 2024						
	Waverly		Primary Market Area		MSA	
	2010	2024	2010	2024	2010	2024
Total Households	3,546	3,941	6,241	6,635	66,986	69,328
Non-Family Households	1,252	1,317	1,975	2,006	24,763	27,378
Living Alone	1,005	1,046	1,611	1,682	18,862	21,422
Other (Roommates)	247	272	364	323	5,901	5,956
Family Households	2,294	2,624	4,266	4,629	42,223	41,950
Married w/ Children	741	730	1,347	1,424	12,587	12,141
Married w/o Children	1,180	1,401	2,280	2,428	19,975	20,193
Other Family	373	492	639	777	9,661	9,617
Change (2010 - 2024)	No.	Pct.	No.	Pct.	No.	Pct.
Total Households	395	11.1%	394	6.3%	2,342	3.5%
Non-Family Households	65	5.2%	31	1.5%	2,615	10.6%
Living Alone	41	4.0%	71	4.4%	2,560	13.6%
Other (Roommates)	25	9.9%	-41	-11.1%	55	0.9%
Family Households	330	14.4%	363	8.5%	-273	-0.6%
Married w/ Children	-11	-1.4%	77	5.7%	-446	-3.5%
Married w/o Children	221	18.8%	148	6.5%	218	1.1%
Other Family	119	31.9%	138	21.7%	-44	-0.5%

Sources: U.S. Census; 2018-2022 American Community Survey; Maxfield Research & Consulting

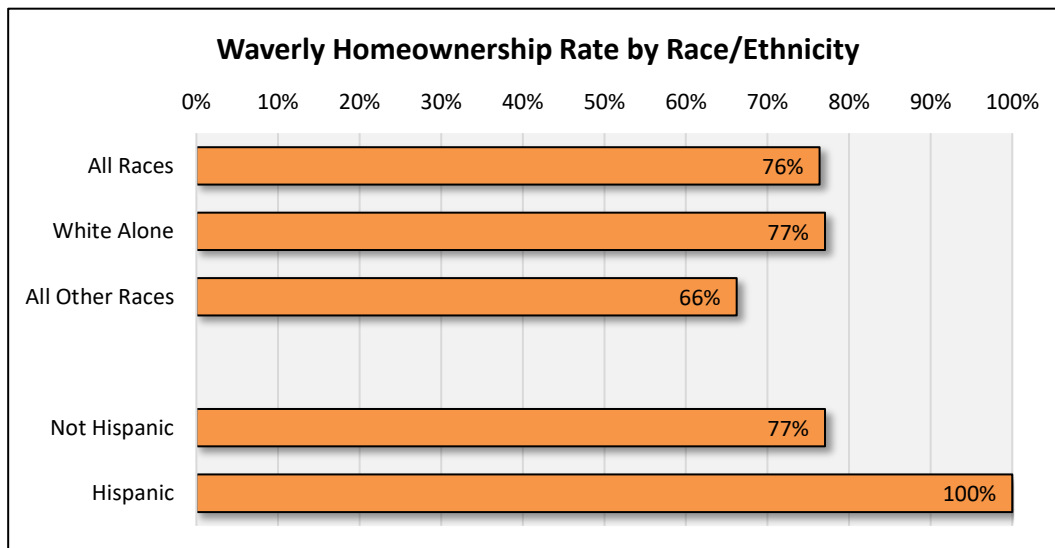
- In 2024, family households comprise an estimated 67% of all households in Waverly compared to 70% in the PMA and 61% in the MSA.
- Family households experienced solid growth between 2010 and 2024 in Waverly, increasing by an estimated 330 households (14.4%). The number of family households expanded 8.5% in the PMA while declining -0.6% in the MSA between 2010 and 2024.
 - Waverly experienced an 18.8% increase in the number of married couples without children after adding 221 households between 2010 and 2024, while the number of married couples with children contracted -1.4% (-11 households). Other family households expanded 32%, adding 119 households.
- Between 2010 and 2024, non-family households increased 5.2% (65 households) in Waverly, compared to a 1.5% increase in the PMA (31) and 10.6% growth in the MSA.
 - The number of single-person households expanded 4.0%, adding 41 households in Waverly between 2010 and 2024, while the number of roommate households increased nearly 10%, adding 25 households.

Race and Ethnicity

The table on the following page displays the breakdown of the Market Area population by race and ethnicity. This data is useful in that it illustrates shifts in the demographic characteristics of the Market Area population from 2010 to 2024. Data for 2010 is obtained from the Decennial Census, while the 2024 estimates are sourced from ESRI.

Federal standards mandate that race and ethnicity are separate and distinct identities and Census results are based on self-identification. A person may be categorized as one of two ethnic categories; “Hispanic or Latino” origin or “Not Hispanic or Latino.” In addition, a person can self-identify as having one or more racial identity, including “White,” “Black or African American,” “American Indian or Alaska Native,” “Asian,” and “Native Hawaiian or Other Pacific Islander.” Respondents could also identify as being “Some Other Race.”

- In 2024, “White Alone” comprises the largest proportion of Waverly’s population, at an estimated 91% compared to 93% in the PMA and 81% in the MSA. People identified as Two or More Races was the second most populous group in Waverly (3.5% of the population) and the PMA (3.2%). People identified as “Black Alone” were the second most populous group in the MSA (8.4%).
- Based on 2018-2022 American Community Survey estimates, approximately 77% of White households in Waverly own their housing while the remaining 23% rent. The home ownership rate decreases to 66% among all other races in the City. An estimated 100% of Hispanic households own compared to 77% of non-Hispanic households in Waverly.



- All races experienced population growth between 2010 and 2024 in Waverly. Largest growth occurred among the White Alone population, adding 256 people (3%), followed by people identifying as being Two or More Races (230 people, 167% growth).

- In the MSA, the White Alone population contracted -7.8% (-11,584 people) between 2010 and 2024. Largest gains in the MSA occurred among people identifying as being Two or More Races (5,555), Black Alone (2,324), and Asian Alone (1,919).
- The number of people self-identifying as being of Hispanic or Latino origin expanded in Waverly between 2010 and 2024, adding 180 people (136% growth), compared to 118% growth in the PMA (232) and 45% growth in the MSA (2,345).

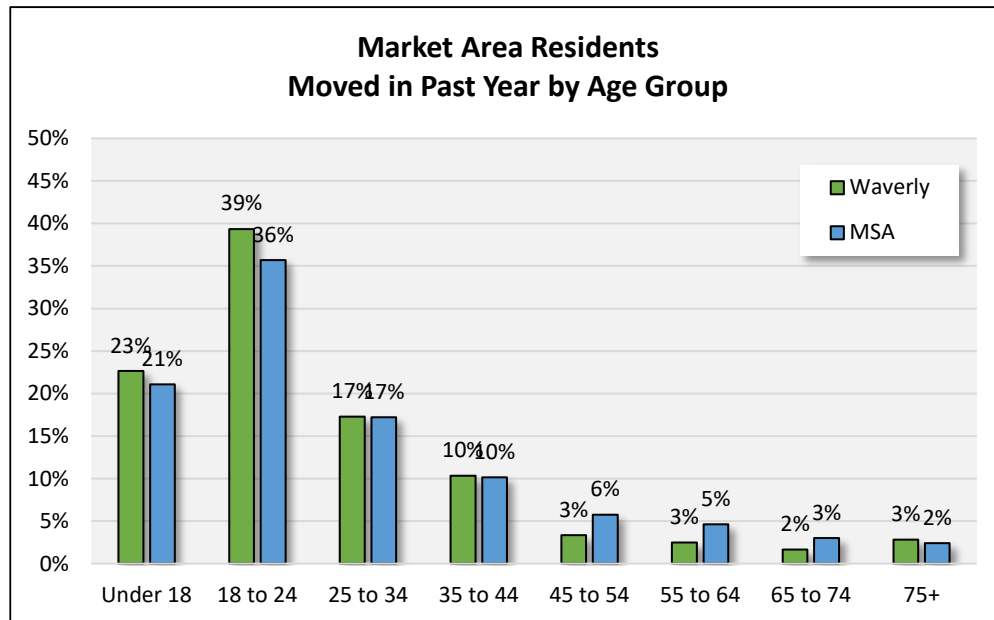
TABLE 10
POPULATION DISTRIBUTION BY RACE & ETHNICITY
WAVERLY MARKET AREA
2010 - 2024

Race/Ethnicity	2010		2024		Change	
	No.	Pct.	No.	Pct.	2010-2024	
					No.	Pct.
Waverly						
White Alone	9,410	95.3%	9,666	91.3%	256	2.7%
Black Alone	165	1.7%	245	2.3%	80	48.5%
American Indian Alone	9	0.1%	44	0.4%	35	388.9%
Asian Alone	122	1.2%	167	1.6%	45	36.9%
Pacific Islander Alone	0	0.0%	3	0.0%	3	--
Some Other Race Alone	31	0.3%	93	0.9%	62	200.0%
Two or More Races	138	1.4%	368	3.5%	230	166.7%
Total	9,875	100%	10,586	100%	711	7.2%
Hispanic (ethnicity)	132	1.3%	312	2.9%	180	136.4%
Primary Market Area						
White Alone	15,911	96.5%	16,101	93.0%	190	1.2%
Black Alone	184	1.1%	260	1.5%	76	41.3%
American Indian Alone	18	0.1%	57	0.3%	39	216.7%
Asian Alone	142	0.9%	199	1.2%	57	40.1%
Pacific Islander Alone	2	0.0%	4	0.0%	2	100.0%
Some Other Race Alone	41	0.2%	128	0.7%	87	212.2%
Two or More Races	195	1.2%	555	3.2%	360	184.6%
Total	16,493	100%	17,304	100%	811	4.9%
Hispanic (ethnicity)	197	1.2%	429	2.5%	232	117.8%
Waterloo-Cedar Falls MSA						
White Alone	148,085	88.2%	136,501	81.1%	-11,584	-7.8%
Black Alone	11,859	7.1%	14,183	8.4%	2,324	19.6%
American Indian Alone	317	0.2%	538	0.3%	221	69.7%
Asian Alone	1,908	1.1%	3,827	2.3%	1,919	100.6%
Pacific Islander Alone	210	0.1%	1,085	0.6%	875	416.7%
Some Other Race Alone	2,137	1.3%	3,222	1.9%	1,085	50.8%
Two or More Races	3,303	2.0%	8,858	5.3%	5,555	168.2%
Total	167,819	100%	168,214	100%	395	0.2%
Hispanic (ethnicity)	5,268	3.1%	7,613	4.5%	2,345	44.5%
Sources: U.S. Census; ESRI; Maxfield Research & Consulting						

Resident Mobility

The table on the following page summarizes mobility patterns of Market Area residents within a one-year timeframe. Data for 2024 is based on the 2018-2022 American Community Survey and adjusted by Maxfield Research to reflect current year population estimates. People move for various reasons, but housing is a primary motivator, followed by family-related reasons, and job-related reasons. Local moves are generally housing-related, while longer-distance moves are often job-related.

- The majority of residents in the Market Area did not change residences within a one-year time period of the ACS Survey, including 81% of residents in Waverly, 85% in the PMA, and 83% of residents in the MSA.
- Among the 19% of residents that moved in Waverly, most moved from a different County in Iowa (11% of all residents), while 5% moved from within the same County and 3% relocated to Waverly from a different State. Another 0.6% moved to Waverly from abroad.
- The following graph illustrates the number of residents that moved to Waverly in the past year by age group compared to resident mobility by age group in the MSA.



- Renter households and younger households tend to be more highly mobile than owner households and older households. This trend is evident in the Market Area, as 62% of the residents that moved within the one-year time period were under age 24 in Waverly compared to 57% in the MSA.

TABLE 11

RESIDENT MOBILITY IN PAST YEAR BY AGE GROUP
 WAVERLY MARKET AREA
 2024

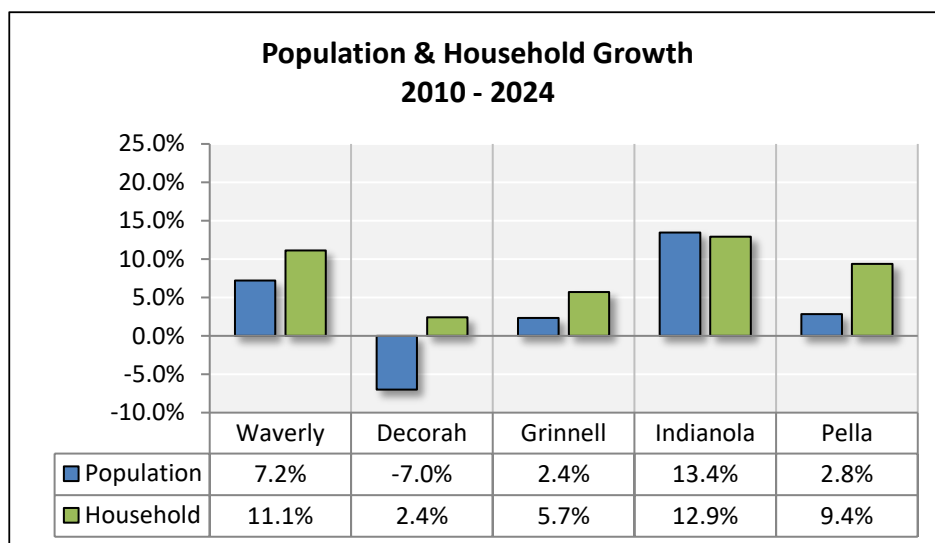
Age	Not Moved		----- Moved from -----							
			Within Same County		Different Co., Same State		Different State		Abroad	
Waverly	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under 18	1,632	15.4%	97	0.9%	284	2.7%	40	0.4%	43	0.4%
18 to 24	1,244	11.8%	148	1.4%	461	4.4%	180	1.7%	17	0.2%
25 to 34	854	8.1%	162	1.5%	176	1.7%	16	0.2%	0	0.0%
35 to 44	1,001	9.5%	34	0.3%	122	1.2%	56	0.5%	0	0.0%
45 to 54	802	7.6%	11	0.1%	46	0.4%	11	0.1%	0	0.0%
55 to 64	1,016	9.6%	25	0.2%	27	0.3%	0	0.0%	0	0.0%
65 to 74	1,003	9.5%	26	0.2%	3	0.0%	5	0.0%	0	0.0%
75+	984	9.3%	46	0.4%	12	0.1%	0	0.0%	0	0.0%
Total	8,537	80.6%	548	5.2%	1,131	10.7%	309	2.9%	60	0.6%
PMA	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under 18	3,087	17.8%	121	0.7%	389	2.2%	40	0.2%	43	0.2%
18 to 24	1,462	8.4%	151	0.9%	583	3.4%	179	1.0%	17	0.1%
25 to 34	1,596	9.2%	180	1.0%	222	1.3%	16	0.1%	0	0.0%
35 to 44	1,841	10.6%	59	0.3%	149	0.9%	73	0.4%	0	0.0%
45 to 54	1,526	8.8%	47	0.3%	50	0.3%	11	0.1%	0	0.0%
55 to 64	1,980	11.4%	25	0.1%	26	0.2%	0	0.0%	0	0.0%
65 to 74	1,808	10.4%	28	0.2%	31	0.2%	5	0.0%	3	0.0%
75+	1,472	8.5%	50	0.3%	29	0.2%	0	0.0%	5	0.0%
Total	14,771	85.4%	661	3.8%	1,480	8.6%	324	1.9%	68	0.4%
MSA	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under 18	29,118	17.3%	4,001	2.4%	1,489	0.9%	555	0.3%	100	0.1%
18 to 24	13,301	7.9%	5,575	3.3%	4,050	2.4%	706	0.4%	65	0.0%
25 to 34	15,676	9.3%	3,331	2.0%	1,232	0.7%	360	0.2%	92	0.1%
35 to 44	17,618	10.5%	1,727	1.0%	668	0.4%	521	0.3%	39	0.0%
45 to 54	15,897	9.5%	1,182	0.7%	256	0.2%	237	0.1%	7	0.0%
55 to 64	18,876	11.2%	792	0.5%	246	0.1%	278	0.2%	34	0.0%
65 to 74	16,351	9.7%	570	0.3%	124	0.1%	190	0.1%	0	0.0%
75+	12,247	7.3%	573	0.3%	92	0.1%	25	0.0%	12	0.0%
Total	139,084	82.7%	17,751	10.6%	8,157	4.8%	2,872	1.7%	350	0.2%

Sources: 2018-2022 American Community Survey; Maxfield Research & Consulting

Peer Community Demographic Comparison

The table on the following page compares key demographic characteristics for Waverly to four other cities identified by the Client as peer communities, including Decorah, Grinnell, Indianola, and Pella. Data was sourced from the 2010 Census, ESRI, and the 2022 American Community Survey.

- Waverly experienced faster growth between 2010 and 2024 (7.2% population growth and 11.1% household growth) than Decorah (-7.0% population, 2.4% household), Grinnell (2.4% population, 5.7% household), and Pella (2.8% population, 9.4% households), but slower than Indianola (13.4% population, 12.9% household).



- The pace of household growth was high relative to population growth in Waverly, Decorah, Grinnell, and Pella suggesting a trend toward shrinking household sizes from 2010 to 2024. This trend indicates an aging household base and reflects a general shift in demographic factors that favor smaller households, such as growth in the number of single-person households and a decline in the proportion of households with children.
- The average household size in Waverly declined -3.5% from 2.78 persons per household in 2010 to 2.69 in 2024. By comparison, Decorah’s average household size decreased -9.2% to 2.59, while Grinnell (-3.2% to 2.50) and Pella (-6.0% to 2.61) also experienced declining household sizes. The average household size in Indianola increased 0.5% to 2.71.
- With a median age of 36.2, Waverly’s population is youngest among the peer communities, including 37.4 in Decorah, 36.3 in Grinnell, 36.7 in Indianola, and 37.9 in Pella.
 - In Waverly, an estimated 20.4% of the population is age 65 or older compared to 24.1% in Decorah, 21.5% in Grinnell, 19.1% in Indianola, and 21.1% in Pella.

TABLE 12

PEER COMMUNITY COMPARISON DEMOGRAPHIC CHARACTERISTICS October 2024					
	Waverly	Peer Communities			
		Decorah	Grinnell	Indianola	Pella
2024 Population Estimate	10,586	7,564	9,445	16,769	10,801
% Change from 2010	7.2%	-7.0%	2.4%	13.4%	2.8%
Median Age	36.2	37.4	36.3	36.6	37.9
% Age 65+	20.4%	24.1%	21.5%	19.1%	21.1%
2024 Households	3,941	2,924	3,774	6,184	4,141
% Change from 2010	11.1%	2.4%	5.7%	12.9%	9.4%
% Family HHs	66.6%	55.3%	49.6%	63.7%	67.9%
% Family HHs w/ Children	29.3%	20.3%	23.0%	34.0%	29.3%
% HHs Living Alone	26.5%	38.1%	44.1%	31.4%	28.9%
% Owner-Occupied	76.4%	63.1%	64.7%	66.8%	67.1%
% Renter-Occupied	23.6%	36.9%	35.3%	33.2%	32.9%
2024 Average Household Size	2.69	2.59	2.50	2.71	2.61
% Change from 2010	-3.5%	-9.2%	-3.2%	0.5%	-6.0%
2024 Estimated Median HH Income	\$79,755	\$63,658	\$60,456	\$75,611	\$86,558
Mobility Rate (% moved in since '18)	23.7%	24.3%	29.7%	28.1%	30.6%

Sources: US Census Bureau; ESRI; Maxfield Research & Consulting

- An estimated 66.6% of households in Waverly are family households, higher than Decorah, Grinnell, and Indianola, but lower than Pella (67.9%).
 - In Waverly, 29.3% of all households are family households with children under the age of 18, higher than 20.3% in Decorah and 23.0% in Grinnell, the same as 29.3% in Pella, but lower than 34.0% in Indianola.
- Waverly has the lowest proportion of households living alone, at 26.5%, compared to 38.1% in Decorah, 44.1% in Grinnell, 31.4% in Indianola, and 28.9% in Pella.
- With an ownership rate of 77.1% of all households, Waverly’s homeownership rate is highest among the peer communities.
- The estimated median household income in Waverly (\$79,755) is 25% higher than Decorah (\$63,658), 32% higher than Grinnell (\$60,456), and 5% higher than Indianola (\$75,611), but -8% lower than Pella (\$86,558).
- Based on the percent of households that have moved since 2018, Waverly has a mobility rate of 23.7%, lowest among the peer communities including 24.3% in Decorah, 29.7% in Grinnell, 28.1% in Indianola, and 30.6% in Pella.

Employment Trends

Introduction

Employment characteristics are relevant when evaluating housing needs in any given market area as employment growth often fuels household growth. Typically, households prefer to live near work for convenience, which is a primary factor in choosing a housing location. Many households, however, choose to commute greater distances to work provided their housing is affordable enough to offset the additional transportation costs. In many areas, particularly less densely populated areas, people will choose to live further from their place of work because they prefer a rural lifestyle (i.e. they want to live on a wooded lot or be near a body of water) or suitable housing may not be available in their employer's community.

This section of the report evaluates employment trends and characteristics in Waverly as they relate to housing demand in the community, with select comparisons made to Bremer County, the surrounding region, and Iowa. The following topics are reviewed.

- ▶ Labor force, resident employment, and unemployment trends
- ▶ Commuting patterns
- ▶ Job growth trends and projections
- ▶ Employment and average wages by industry sector
- ▶ Major employers

Iowa Workforce Development is the primary data resource for this section of the market study. Other information sources include the United States Bureau of Labor Statistics, and the United States Census Bureau Longitudinal Employer-Household Dynamics (LEHD) program. Additionally, Maxfield Research and Consulting obtained information on major employers in the community from the City of Waverly.

Resident Employment

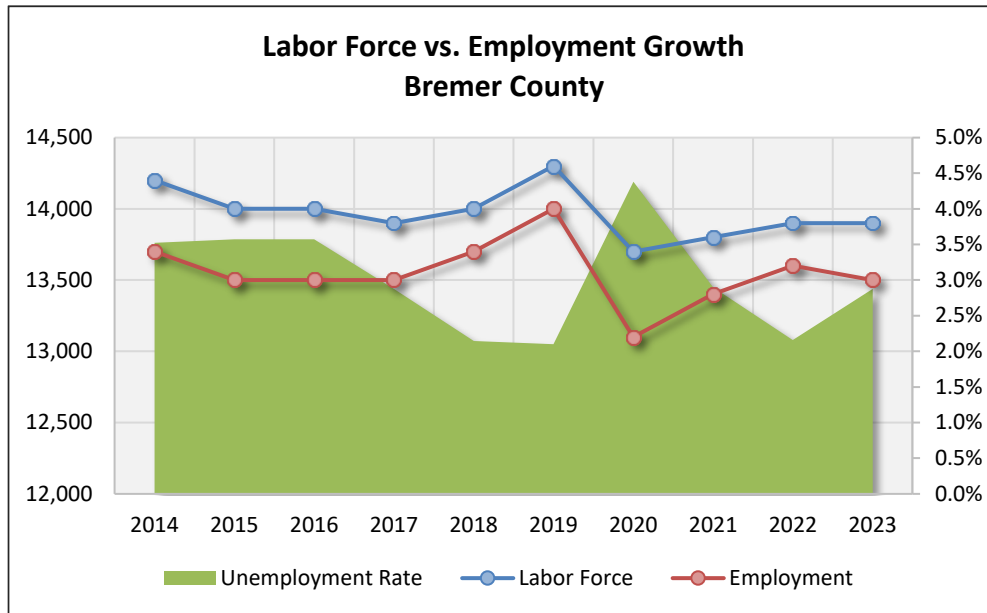
The following table presents information on labor force, resident employment, and unemployment trends over the past ten years in Bremer County compared to the Waterloo-Cedar Falls MSA and Iowa. Data is sourced from Iowa Workforce Development. City-level resident employment data is only available for large cities in Iowa, so information specific to Waverly is not provided. Resident employment data reveals the workforce and number of employed people living in the area. It is important to note that not all of these individuals necessarily work in the area.

TABLE 13

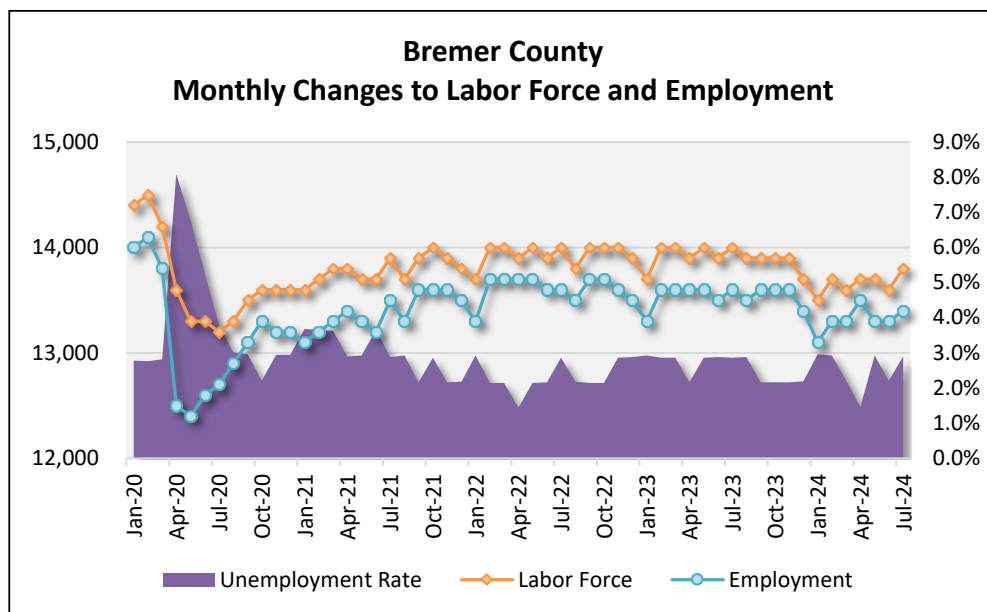
LABOR FORCE AND RESIDENT EMPLOYMENT TRENDS WAVERLY MARKET AREA 2014 - 2023									
Year	Bremer County			Waterloo MSA			Iowa		
	Labor Force	Employed Residents	UE Rate	Labor Force	Employed Residents	UE Rate	Labor Force	Employed Residents	UE Rate
2023	13,900	13,500	2.9%	87,300	84,600	3.1%	1,709,400	1,659,100	2.9%
2022	13,900	13,600	2.2%	87,800	85,300	2.8%	1,706,500	1,658,300	2.8%
2021	13,800	13,400	2.9%	87,300	83,900	3.9%	1,680,000	1,615,300	3.9%
2020	13,700	13,100	4.4%	87,200	82,400	5.5%	1,668,400	1,582,200	5.2%
2019	14,300	14,000	2.1%	91,500	88,800	3.0%	1,742,100	1,695,500	2.7%
2018	14,000	13,700	2.1%	90,000	87,500	2.8%	1,711,800	1,667,800	2.6%
2017	13,900	13,500	2.9%	89,600	86,500	3.5%	1,697,500	1,645,700	3.1%
2016	14,000	13,500	3.6%	90,300	86,300	4.4%	1,703,200	1,642,200	3.6%
2015	14,000	13,500	3.6%	91,200	87,300	4.3%	1,700,500	1,637,500	3.7%
2014	14,200	13,700	3.5%	93,100	88,700	4.7%	1,698,700	1,626,700	4.2%

Sources: Iowa Workforce Development; Maxfield Research & Consulting

- In 2023, Bremer County had an annual labor force of 13,900 with 13,500 employed residents (2.9% unemployment). By comparison, the unemployment rate was at 3.1% in the MSA and 2.9% in Iowa.
- Bremer County’s labor force contracted by -300 people (-2.1%) over the past ten years (2014 to 2023), while resident employment contracted -1.5% (-200).
 - By comparison, the Waterloo-Cedar Falls MSA experienced -6.2% labor force contraction against a -4.6% decline in resident employment between 2014 and 2023, while Iowa’s labor force expanded 0.6% against a 2.0% increase in resident employment.
- Because labor force contraction was larger than the decline in resident employment in Bremer County, unemployment rates declined from 3.5% in 2014 to 2.9% in 2022, while MSA unemployment decreased from 4.7% in 3.1%. Iowa’s unemployment rate declined from 4.2% to 2.9% as resident employment growth outpaced labor force growth.



- Resident employment dropped sharply in the Market Area in 2020 due to job losses related to the COVID-19 pandemic and subsequent economic recession, declining -6.4% (-900) in Bremer County compared to declines of -7.2% in the MSA and -6.7% in Iowa.
- Unemployment rates spiked in the first half of 2020, peaking at 8.1% in the County, compared to peaks of 11.3% in the MSA, 10.7% in Iowa, and 14.4% in the United States.
- The following chart illustrates how unemployment rates have declined in Bremer County since April 2020.



- Decreasing labor force participation has contributed to the declining unemployment rates. In Iowa, the labor force participation rate declined to a low of 65.5% in late summer 2020, the lowest participation rate since early 1985. Iowa’s labor force participation rate was at 66.3% as of August 2024 compared to 62.7% nationally.
- The decline was caused by several factors, notably retirements due to an aging population but also by workers being forced out of the labor market, and caring for children not in school or daycare, among others.

Commuting Patterns

Proximity to employment is often a primary consideration when choosing where to live, particularly for younger and lower income households since transportation costs often account for a greater proportion of their budgets. For this analysis, we reviewed commuting pattern data for the City of Waverly from the U.S. Census Bureau Local Employment Dynamics data for 2021, the most recent data available.

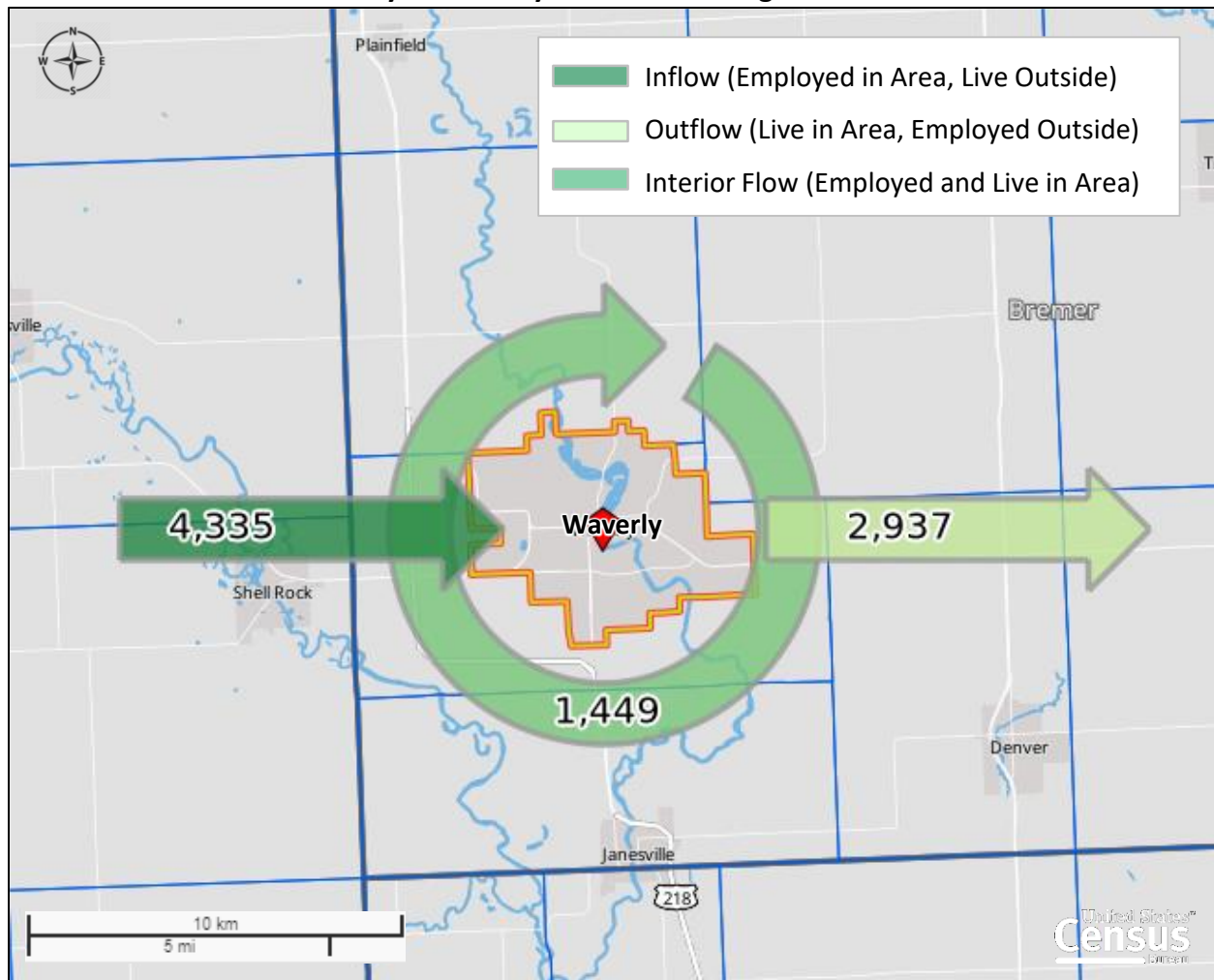
The following table provides a summary of the inflow and outflow characteristics of the workers in Waverly. Outflow reflects the number of workers living in the area but employed outside the City, while inflow measures the number of workers that are employed in the City but live outside the area. Interior flow reflects the number of workers that live and work in Waverly.

TABLE 14

COMMUTING INFLOW/OUTFLOW CHARACTERISTICS CITY OF WAVERLY 2021						
	Outflow		Inflow		Interior Flow	
Primary Jobs	2,937	100%	4,335	100%	1,449	100%
By Age						
Workers Aged 29 or younger	686	23.4%	1,134	26.2%	278	19.2%
Workers Aged 30 to 54	1,656	56.4%	2,088	48.2%	744	51.3%
Workers Aged 55 or older	595	20.3%	1,113	25.7%	427	29.5%
By Monthly Wage						
Workers Earning \$1,250/month or less	476	16.2%	819	18.9%	279	19.3%
Workers Earning \$1,251 to \$3,333/month	670	22.8%	1,382	31.9%	404	27.9%
Workers Earning More than \$3,333/month	1,791	61.0%	2,134	49.2%	766	52.9%
By Industry						
"Goods Producing"	680	23.2%	985	22.7%	176	12.1%
"Trade, Transportation, and Utilities"	688	23.4%	843	19.4%	159	11.0%
"All Other Services"*	1,569	53.4%	2,507	57.8%	1,114	76.9%
*includes the following sectors: Information, Financial Activities, Professional & Business Services, Education & Health Services, Leisure & Hospitality, Other Services, and Public Administration						
Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting						

- Approximately 4,335 workers commute into Waverly for employment daily (inflow), while 2,937 resident workers leave the community (outflow). An estimated 1,449 people both live and work in the City (interior flow).
- Roughly 75% of the jobs in Waverly are filled by workers commuting into the City. The highest proportion of workers coming into the area are aged 30 to 54 and earn more than \$3,333 per month (\$40,000 per year). The “All Other Services” industries bring in most of the employees (58%).
- With 4,335 workers commuting into Waverly for employment daily, many coming from over 50 miles, there appears to be an opportunity to provide housing options for a portion of these workers.
- While data does not yet fully reflect impacts on commuting patterns post-pandemic, we anticipate that with potential shifts in work locations long-term for some worker segments (i.e. increased telecommuting), more people are likely to remain within the City boundaries.

City of Waverly 2021 Commuting Pattern



The following table highlights the commuting patterns, including distance and destination, of workers with primary jobs in Waverly based on Local Employment Dynamics data for 2021. Home Destination summarizes where workers live who are employed in the City, while Work Destination represents where workers are employed who live in Waverly.

- Roughly 75% of the workers employed in Waverly reside outside the City, while 25% (1,449) reside in the City. The largest proportion of workers commuting into Waverly come from Waterloo (8.5%), Cedar Falls (5.9%), Tripoli (1.8%), and Denver (1.8%).
- Approximately 37% of the workers in Waverly reside within ten miles of their place of employment while 35% travel from 10 to 24 miles. Roughly 11% of the workers commute from a distance of 25 to 50 miles and another 17% come from more than 50 miles away.

TABLE 15
COMMUTING PATTERNS
CITY OF WAVERLY
2021

Home Destination by Place			Work Destination by Place		
Place of Residence	Count	Share	Place of Employment	Count	Share
Waverly city, IA	1,449	25.1%	Waverly city, IA	1,449	33.0%
Waterloo city, IA	492	8.5%	Waterloo city, IA	726	16.6%
Cedar Falls city, IA	343	5.9%	Cedar Falls city, IA	452	10.3%
Tripoli city, IA	107	1.8%	Cedar Rapids city, IA	138	3.1%
Denver city, IA	104	1.8%	Charles City city, IA	74	1.7%
Clarksville city, IA	94	1.6%	Mason City city, IA	74	1.7%
Shell Rock city, IA	79	1.4%	Denver city, IA	65	1.5%
Nashua city, IA	67	1.2%	Dubuque city, IA	63	1.4%
Readlyn city, IA	61	1.1%	Shell Rock city, IA	45	1.0%
Sumner city, IA	59	1.0%	Des Moines city, IA	42	1.0%
All Other Locations	2,929	50.6%	All Other Locations	1,258	28.7%
Home Destination			Work Destination		
Distance Traveled	Count	Share	Distance Traveled	Count	Share
Primary Jobs	5,784	100.0%	Primary Jobs	4,386	100.0%
Less than 10 miles	2,131	36.8%	Less than 10 miles	1,665	38.0%
10 to 24 miles	2,043	35.3%	10 to 24 miles	1,415	32.3%
25 to 50 miles	611	10.6%	25 to 50 miles	297	6.8%
Greater than 50 miles	999	17.3%	Greater than 50 miles	1,009	23.0%
Home Destination = Where workers live who are employed in the selection area					
Work Destination = Where workers are employed who live in the selection area					
Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting					

- An estimated 67% of the workers living in Waverly commute outside of the City, most notably to Waterloo (16.6%), Cedar Falls (10.3%), and Cedar Rapids (3.1%). Roughly 38% of the resident workers in Waverly travel less than ten miles for their jobs, while 32% have a commute distance from 10 to 24 miles. Another 7% commute between 25 and 50 miles while 23% commute more than 50 miles for employment.

Employment Growth Trends

The table on the following page shows employment growth trends and projections from 2010 to 2035 for Bremer County and the 20-county Northeast Iowa Local Workforce Development Area (LWDA). Data is sourced from the Quarterly Census of Employment and Wages (QCEW) and represents annual average employment. City-level QCEW data is not available from Iowa Workforce Development, so information specific to Waverly is not provided.

All establishments covered under the Unemployment Insurance Program are required to report wage and employment data quarterly. Federal government establishments are also covered by the QCEW program. Workers and jobs excluded from these statistics include the self-employed, family farm workers, and those who work only on a commission basis.

Projections for 2035 are based on 2022-2032 industry projections for the Northeast Iowa LWDA, the most recent forecast available from Iowa Workforce Development. Maxfield Research applied the projected annual rate of growth to 2023 employment data to arrive at the forecast for the Region. We then projected employment for Bremer County based on a review of changes to the proportion of the Region's growth that occurred in the County since 2010.

- As of 2023, there were 9,780 jobs in Bremer County, representing roughly 3.9% of all jobs in the Northeast Iowa LWDA Region.
- Data from the Quarterly Census of Employment and Wages indicates that employment in Bremer County expanded 5% (503 jobs) between 2010 and 2023, while employment in the Remainder of the Region increased 3%. Overall, the Northeast Iowa LWDA Region experienced a 3.3% increase in jobs during that time period.
 - Bremer County added 708 jobs (7.6% increase) between 2010 and 2019 compared to 5.4% job growth in the Remainder of the Region.
 - Due, in part, to the COVID-19 pandemic and subsequent recession, employment in the County contracted by -552 jobs (-5.5%) between 2019 and 2020 in Bremer County, while the Remainder of the Region experienced a -5.0% employment decrease.
 - Employment is recovering, as the number of jobs in Bremer County increased 3.7% (347 jobs) between 2020 and 2023, as employment in the Remainder of the Region expanded 3.1%.
- Modest job growth is anticipated in the Market Area over the next several years. Based on projections from Iowa Workforce Development, we anticipate that employment in the Northeast Iowa LWDA Region will expand 8.5% between 2023 and 2035.

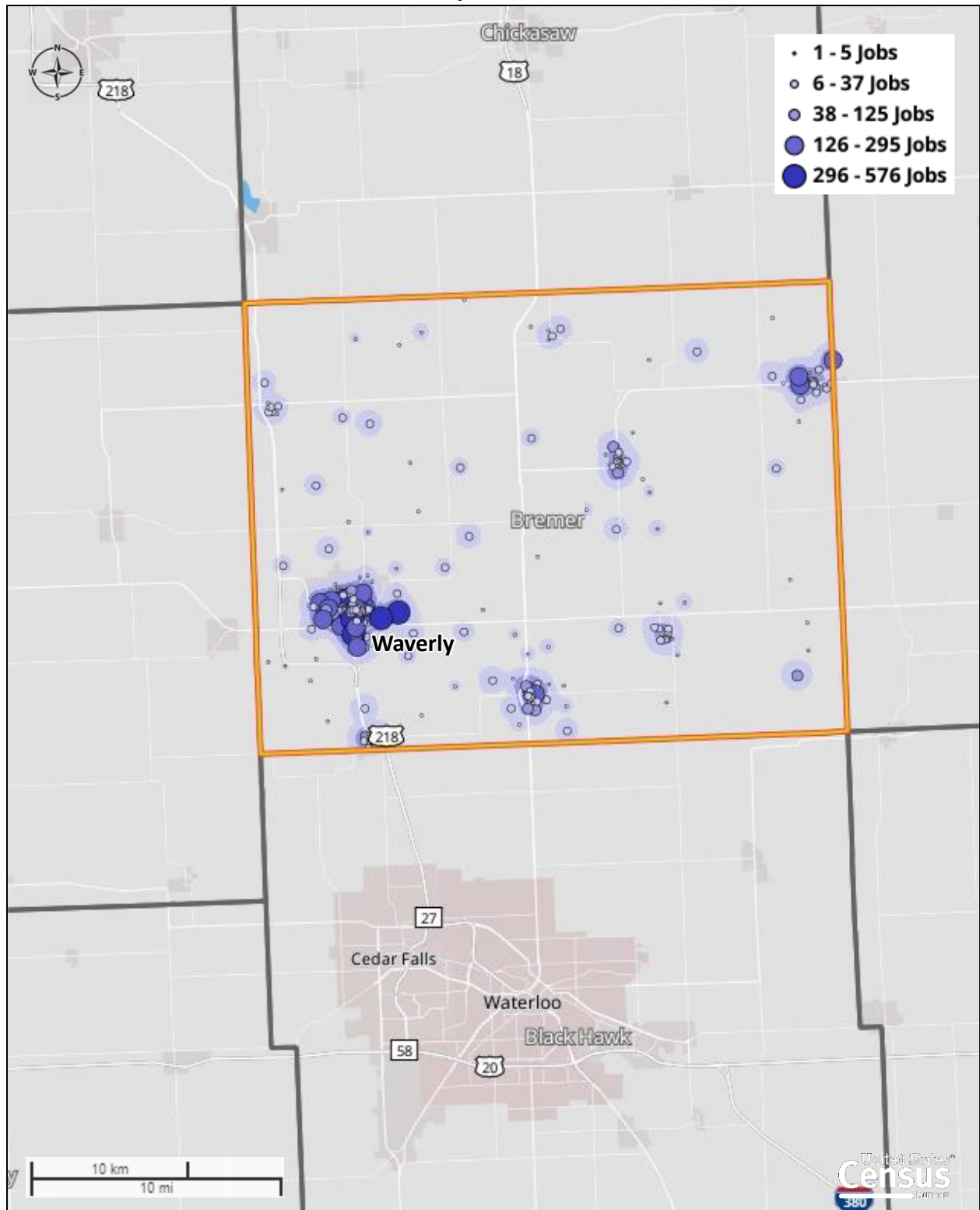
- The pace of job growth will be somewhat restrained, as the Region is expected to experience potential labor force shortages due to flat population growth and a surge in retirements due to an aging population.
- We anticipate that the Region will add 21,027 jobs (8.5% growth) between 2023 and 2035, including increases of 857 jobs in Bremer County (8.8%) and 20,169 jobs in the Remainder of the Region (8.4% growth).

TABLE 16

EMPLOYMENT GROWTH TRENDS AND PROJECTIONS WAVERLY MARKET AREA 2010 to 2035						
Annual Employment	Bremer County		Remainder of Region		Northeast Iowa LWDA*	
2010	9,277		231,432		240,709	
2019	9,985		244,013		253,998	
2020	9,433		231,704		241,137	
2023	9,780		238,833		248,613	
2035 Forecast	10,637		259,002		269,640	
Change	No.	Pct.	No.	Pct.	No.	Pct.
2010 - 2019	708	7.6%	12,581	5.4%	13,289	5.5%
2019 - 2020	-552	-5.5%	-12,309	-5.0%	-12,861	-5.1%
2020 - 2023	347	3.7%	7,129	3.1%	7,476	3.1%
2023 - 2035	857	8.8%	20,169	8.4%	21,027	8.5%
*20-County Northeast Iowa Local Workforce Development Area (LWDA)						
Sources: BLS; Iowa Workforce Development; Maxfield Research & Consulting						

- Within Bremer County, job growth will likely be focused near concentrations of existing businesses in the larger communities located along the major transportation corridors where there is convenient highway access.
- Labor availability will be a key factor for Waverly and Bremer County to achieve the projected job growth, and new housing will be needed to support potential labor force growth in the area.

Bremer County Job Concentrations



Industry Employment and Wage Data

The tables on the following pages display information on the employment and wage situation in Bremer County compared to the Waterloo-Cedar Falls MSA. The Quarterly Census of Employment and Wages (QCEW) data is sourced from Iowa Workforce Development and represents first quarter data for 2024, 2023, and 2022.

Certain industries may not display any information which means that there is either no reported economic activity for that industry or the data has been suppressed to protect the confidentiality of cooperating employers. This generally occurs when there are too few employers or one employer comprises too much of the employment in that geography.

- Health Care and Social Assistance is the largest employment sector in Bremer County with 1,922 reported jobs (20.0% of the total), followed by Educational Services with 1,530 jobs (16.2%) and Manufacturing with 1,310 jobs (13.6%).
- The Manufacturing sector is the largest employer in the MSA (18.7% of total jobs), followed by Health Care and Social Assistance (16.2%) and Retail Trade (11.8%).

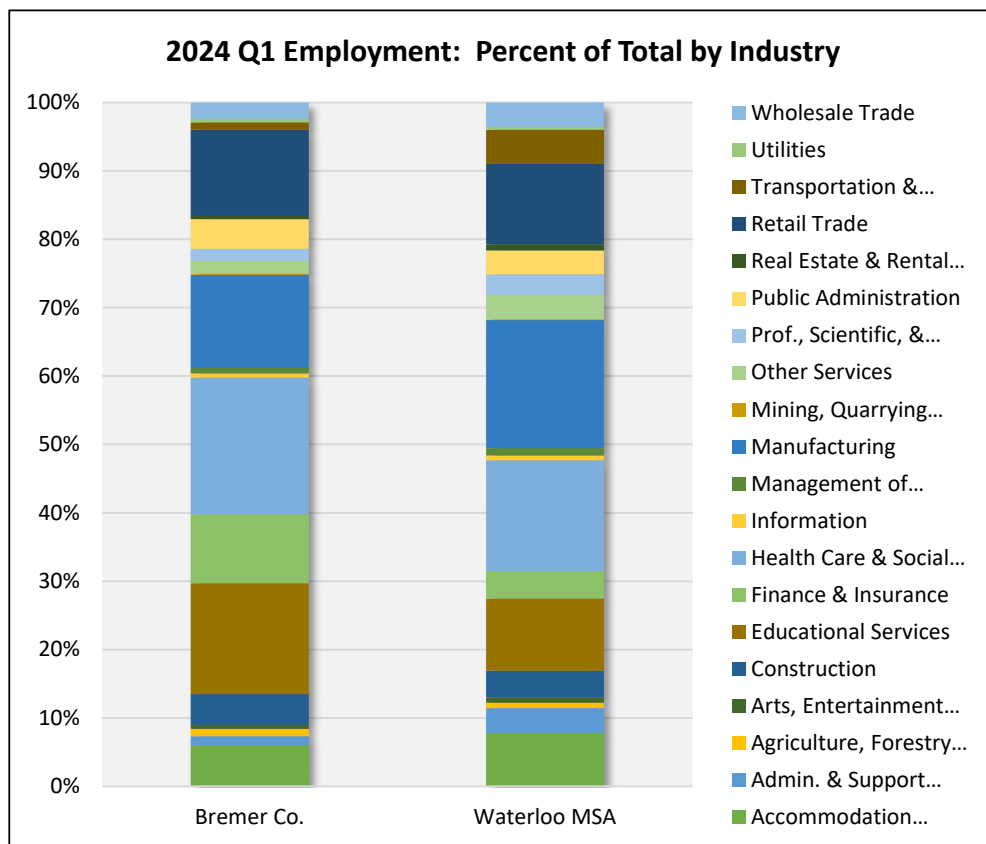


TABLE 17

INDUSTRY EMPLOYMENT TRENDS
WAVERLY MARKET AREA
2022 - 2024

Industry	2022 Q1	2023 Q1	2024 Q1	Change			
				2022-2023		2023-2024	
				No.	Pct.	No.	Pct.
Bremer County							
Total, All Industries	9,640	9,651	9,601	11	0.1%	-50	-0.5%
Accommodation & Food Services	541	568	578	27	5.0%	10	1.8%
Admin. & Support, Waste Mgmt...	92	104	124	12	13.0%	20	19.2%
Agriculture, Forestry, Fishing...	74	105	105	31	41.9%	0	0.0%
Arts, Entertainment, & Recreation	38	35	54	-3	-7.9%	19	54.3%
Construction	468	453	434	-15	-3.2%	-19	-4.2%
Educational Services	1,490	1,530	1,557	40	2.7%	27	1.8%
Finance and Insurance	1,029	1,000	967	-29	-2.8%	-33	-3.3%
Health Care & Social Assistance	1,764	1,850	1,922	86	4.9%	72	3.9%
Information	59	62	56	3	5.1%	-6	-9.7%
Management of Companies	69	76	79	7	10.1%	3	3.9%
Manufacturing	1,482	1,370	1,310	-112	-7.6%	-60	-4.4%
Mining, Quarrying...	14	14	12	0	0.0%	-2	-14.3%
Other Services	188	185	178	-3	-1.6%	-7	-3.8%
Prof., Scientific, & Technical Svcs	250	256	173	6	2.4%	-83	-32.4%
Public Administration	383	402	417	19	5.0%	15	3.7%
Real Estate & Rental & Leasing	34	38	44	4	11.8%	6	15.8%
Retail Trade	1,296	1,236	1,213	-60	-4.6%	-23	-1.9%
Transportation & Warehousing	108	106	103	-2	-1.9%	-3	-2.8%
Utilities	44	43	46	-1	-2.3%	3	7.0%
Wholesale Trade	217	218	229	1	0.5%	11	5.0%
Waterloo-Cedar Falls MSA							
Total, All Industries	83,863	84,556	84,301	693	0.8%	-255	-0.3%
Accommodation & Food Services	6,439	6,523	6,548	84	1.3%	25	0.4%
Admin. & Support, Waste Mgmt...	3,206	3,148	3,108	-58	-1.8%	-40	-1.3%
Agriculture, Forestry, Fishing...	579	629	636	50	8.6%	7	1.1%
Arts, Entertainment, & Recreation	593	641	698	48	8.1%	57	8.9%
Construction	3,000	3,125	3,242	125	4.2%	117	3.7%
Educational Services	8,544	8,723	8,920	179	2.1%	197	2.3%
Finance and Insurance	3,432	3,508	3,399	76	2.2%	-109	-3.1%
Health Care & Social Assistance	12,543	12,919	13,647	376	3.0%	728	5.6%
Information	627	626	586	-1	-0.2%	-40	-6.4%
Management of Companies	1,013	920	902	-93	-9.2%	-18	-2.0%
Manufacturing	16,222	16,406	15,804	184	1.1%	-602	-3.7%
Mining, Quarrying...	66	68	60	2	3.0%	-8	-11.8%
Other Services	3,034	3,091	3,069	57	1.9%	-22	-0.7%
Prof., Scientific, & Technical Svcs	2,516	2,609	2,515	93	3.7%	-94	-3.6%
Public Administration	2,788	2,779	2,933	-9	-0.3%	154	5.5%
Real Estate & Rental & Leasing	824	758	758	-66	-8.0%	0	0.0%
Retail Trade	10,270	10,125	9,931	-145	-1.4%	-194	-1.9%
Transportation & Warehousing	4,892	4,589	4,215	-303	-6.2%	-374	-8.1%
Utilities	353	365	327	12	3.4%	-38	-10.4%
Wholesale Trade	2,923	3,004	3,003	81	2.8%	-1	0.0%

Sources: Iowa Workforce Development; Maxfield Research & Consulting

TABLE 18
AVERAGE WEEKLY WAGES
WAVERLY MARKET AREA
2022 - 2024

Industry	2022 Q1	2023 Q1	2024 Q1	Change			
				2022-2023		2023-2024	
				No.	Pct.	No.	Pct.
Bremer County							
Total, All Industries	\$947	\$1,010	\$1,068	\$62	6.6%	\$58	5.8%
Accommodation & Food Services	\$256	\$294	\$306	\$38	14.8%	\$12	3.9%
Admin. & Support, Waste Mgmt...	\$572	\$590	\$713	\$17	3.0%	\$123	20.9%
Agriculture, Forestry, Fishing...	\$683	\$765	\$778	\$82	12.0%	\$13	1.7%
Arts, Entertainment, & Recreation	\$168	\$266	\$188	\$98	58.4%	-\$78	-29.2%
Construction	\$784	\$852	\$974	\$68	8.7%	\$122	14.3%
Educational Services	\$786	\$784	\$809	-\$2	-0.3%	\$25	3.2%
Finance and Insurance	\$1,976	\$1,956	\$2,024	-\$20	-1.0%	\$68	3.5%
Health Care & Social Assistance	\$844	\$930	\$937	\$85	10.1%	\$8	0.8%
Information	\$838	\$863	\$907	\$25	3.0%	\$44	5.1%
Management of Companies	\$1,865	\$2,052	\$2,220	\$187	10.0%	\$168	8.2%
Manufacturing	\$1,121	\$1,321	\$1,309	\$200	17.8%	-\$12	-0.9%
Mining, Quarrying...	\$844	\$961	\$810	\$117	13.9%	-\$151	-15.8%
Other Services	\$633	\$651	\$701	\$19	2.9%	\$49	7.6%
Prof., Scientific, & Technical Svcs	\$1,077	\$1,171	\$3,865	\$94	8.7%	\$2,694	230%
Public Administration	\$801	\$891	\$922	\$89	11.2%	\$31	3.5%
Real Estate & Rental & Leasing	\$1,104	\$1,180	\$1,102	\$76	6.9%	-\$78	-6.6%
Retail Trade	\$590	\$630	\$618	\$40	6.8%	-\$12	-1.9%
Transportation & Warehousing	\$1,025	\$1,222	\$1,271	\$197	19.2%	\$49	4.0%
Utilities	1,556	1,631	\$1,493	\$75	4.8%	-\$139	-8.5%
Wholesale Trade	\$1,372	\$1,524	\$1,440	\$152	11.1%	-\$84	-5.5%
Waterloo-Cedar Falls MSA							
Total, All Industries	\$1,011	\$1,081	\$1,114	\$70	6.9%	\$33	3.1%
Accommodation & Food Services	\$337	\$366	\$386	\$29	8.5%	\$20	5.5%
Admin. & Support, Waste Mgmt...	\$745	\$790	\$844	\$45	6.1%	\$53	6.8%
Agriculture, Forestry, Fishing...	\$949	\$1,021	\$1,042	\$72	7.6%	\$21	2.1%
Arts, Entertainment, & Recreation	\$370	\$409	\$393	\$39	10.6%	-\$16	-3.9%
Construction	\$1,169	\$1,206	\$1,248	\$37	3.2%	\$41	3.4%
Educational Services	\$934	\$920	\$934	-\$14	-1.5%	\$14	1.5%
Finance and Insurance	\$1,793	\$1,830	\$2,011	\$37	2.1%	\$181	9.9%
Health Care & Social Assistance	\$993	\$1,100	\$1,120	\$107	10.7%	\$20	1.9%
Information	\$1,536	\$1,747	\$2,608	\$211	13.7%	\$861	49.3%
Management of Companies	\$1,801	\$1,893	\$2,049	\$92	5.1%	\$156	8.2%
Manufacturing	\$1,337	\$1,418	\$1,395	\$81	6.1%	-\$23	-1.6%
Mining, Quarrying...	\$905	\$984	\$967	\$79	8.8%	-\$17	-1.7%
Other Services	\$807	\$944	\$997	\$137	16.9%	\$54	5.7%
Prof., Scientific, & Technical Svcs	\$1,236	\$1,379	\$1,578	\$143	11.6%	\$200	14.5%
Public Administration	\$986	\$1,042	\$1,059	\$56	5.7%	\$17	1.6%
Real Estate & Rental & Leasing	\$808	\$949	\$1,093	\$141	17.5%	\$144	15.2%
Retail Trade	\$624	\$655	\$674	\$31	5.0%	\$19	2.9%
Transportation & Warehousing	\$956	\$1,066	\$1,106	\$110	11.5%	\$40	3.7%
Utilities	\$1,540	\$1,566	\$1,703	\$26	1.7%	\$136	8.7%
Wholesale Trade	\$1,445	\$1,606	\$1,665	\$161	11.2%	\$59	3.6%

Sources: Iowa Workforce Development; Maxfield Research & Consulting

- Employment in Bremer County contracted -0.5% (-50 jobs) between the first quarters of 2023 and 2024, after expanding 0.1% (11 jobs) in 2022. Health Care and Social Assistance experienced the largest increase, adding 158 jobs since the first quarter of 2022. These gains were offset by a -12% decline (-172) in Manufacturing jobs.
- The MSA experienced 0.5% job growth between 2021 and 2023, with Health Care and Social Assistance experiencing the largest growth.
- Average weekly wages in Bremer County (\$1,068) are -4% lower than in the Waterloo-Cedar Falls MSA (\$1,114).
- Since the first quarter of 2022, average weekly wages increased 12.7% in Bremer County compared to a 10.2% increase in the MSA.
- Highest average wages in Bremer County are found in the Professional, Scientific, and Technical Services (\$3,865), Management of Companies (\$2,220), and Finance and Insurance (\$2,024) industry sectors.
- The Information sector has the highest average weekly wage in the MSA (\$2,608), followed by Management of Companies (\$2,049) and Finance and Insurance (\$2,011).
- A household earning the average weekly wage in Bremer County (\$1,068) would be able to afford an apartment renting for approximately \$1,388 per month to not exceed 30% of its monthly income on housing costs, notably higher than the average rent for market rate rental housing units in Waverly (\$1,050).
- Assuming that a potential home buyer has good credit and makes a 10% down payment, a household would need a minimum annual income of \$77,470 to be able to afford a single-family home sold at the 2024 median sale price of \$245,500 in Waverly. The average weekly wage in Waverly equates to an annual income of roughly \$55,533.
- This data indicates that rental housing in Waverly is relatively affordable proportionate to wages. However, much of the for-sale housing would not be affordable for many workers, although a household with two workers earning the average weekly wage would have a combined annual income of \$111,067, high enough to afford the median sale price for detached single-family homes.

Major Employers

The following list provides a summary of the major employers in Waverly. Data is provided by the City of Waverly, which obtained this information via a telephone and email survey in October of 2023.

- Wartburg College, Waverly Health Center, and Waverly-Shell Rock Schools are the three largest employers in Waverly, totaling an estimated 1,422 jobs.

TABLE 19

MAJOR EMPLOYERS CITY OF WAVERLY 2023		
Employer	Industry	Employees
Wartburg College	Higher Education	510
Waverly Health Center	Hospital/Health Care	490
Waverly-Shell Rock Schools	Public Education	422
Walmart	Retail - grocers	250
Bartels Lutheran Retirement Community	Long-Term Health Care	208
Nestle, USA	Food Products Manufacturing	198
GMT Corporation	Manufacturing	189
Bremer County	Government	177
United Equipment Accessories, Inc.	Manufacturing	168
TruStage	Insurance & Financial Services	147
Sources: City of Waverly; Maxfield Research & Consulting		

- Based on the industry sector composition of these employers in the community, it appears that Waverly’s economy is fairly diverse as six different industry sectors are represented by the ten largest employers in the community.
 - Three of the ten largest employers in the City are in the Manufacturing sector, while there are two each in the Educational Services and Health Care and Social Assistance sectors. Other industry sectors include Retail Trade, Finance and Insurance, and Public Administration.
- Combined, these ten major employers employ an estimated 2,759 workers, representing approximately 29% of all jobs in Bremer County based on first quarter 2024 QCEW data.

Peer Community Employment Comparison

The following table compares key employment characteristics for Waverly to the peer communities of Decorah, Grinnell, Indianola, and Pella. Data was sourced from the Bureau of Labor Statistics as well as the U.S. Census Bureau Local Employment Dynamics program.

- With 9,780 jobs in 2023, industry employment in Bremer County is slightly higher than Poweshiek County (Grinnell), but lower than Winneshiek (Decorah), Warren (Indianola), and Marion (Pella) Counties. Employment growth in Bremer County (5% increase between 2010 and 2023) exceeded growth in both Winneshiek (4%) and Poweshiek (3%) Counties, while trailing growth in Warren (38%) and Marion (20%) Counties.

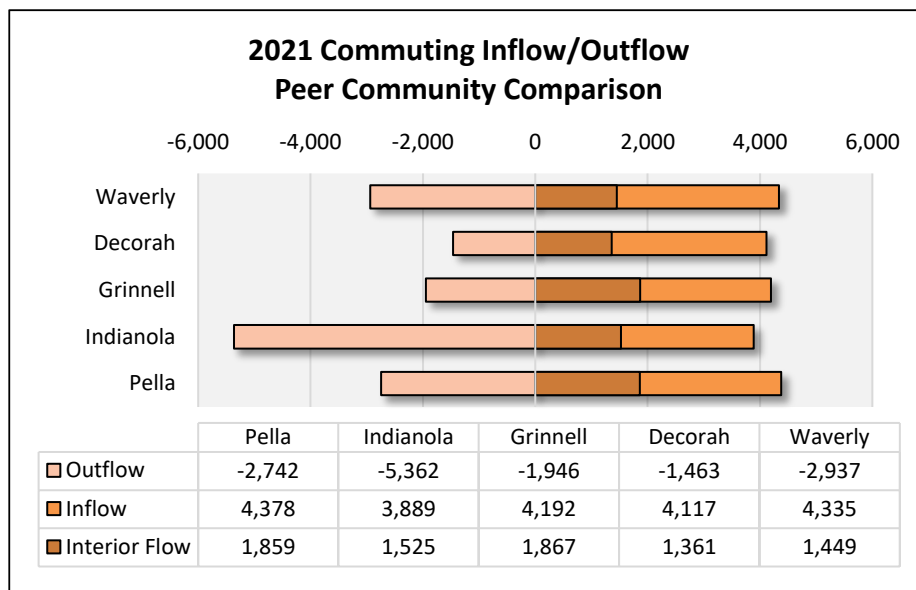
TABLE 20
PEER COMMUNITY COMPARISON
EMPLOYMENT CHARACTERISTICS
October 2024

	Waverly	Peer Communities			
		Decorah	Grinnell	Indianola	Pella
Industry Employment Data					
2023 Industry Employment (County)	9,780	10,304	9,519	12,721	19,409
% Change from 2010	5.4%	3.8%	2.7%	37.7%	19.9%
2023 Avg. Weekly Wage (County)	\$980	\$964	\$1,090	\$950	\$1,237
Annual Rate of Growth since 2010	3.4%	4.3%	4.2%	4.4%	5.7%
Commuting Patterns (Primary Jobs)					
2021 Inflow	4,335	4,117	4,192	3,889	4,378
% Change from 2010	-4.0%	12.5%	27.4%	21.6%	-1.8%
2021 % Commuting into City	74.9%	75.2%	69.2%	71.8%	70.2%
Change from 2010	1.9%	4.8%	6.2%	3.2%	2.6%
2021 Commuting into City from 50+ miles	999	893	1,162	892	979
% commuting from 50+ miles	17.3%	16.3%	19.2%	16.5%	15.7%
% Change from 2010	12.9%	21.8%	32.6%	5.1%	41.9%
2021 Outflow	2,937	1,463	1,946	5,362	2,742
% Change from 2010	19.1%	-3.6%	0.8%	14.8%	4.6%
2021 Net Inflow/Outflow	1,398	2,654	2,246	-1,473	1,636
% Change from 2010	-31.7%	24.0%	65.1%	0.2%	-10.8%
2021 Interior Flow	1,449	1,361	1,867	1,525	1,859
% Change from 2010	-13.0%	-11.9%	-3.4%	4.2%	-13.0%

Sources: Bureau of Labor Statistics; US Census Local Employment Dynamics; Maxfield Research & Consulting

- Average weekly wages in Bremer County (\$980) are lower than Poweshiek (\$1,090) and Marion (\$1,237) Counties, but higher than Winneshiek (\$964) and Warren (\$950) Counties.
- At an average annual increase of 3.4% between 2010 and 2023, wage growth in Bremer County was slowest among the peer communities.

- With a net inflow of 1,398 workers in 2021, Waverly is an importer of workers, as are Decorah (net inflow of 2,654 workers), Grinnell (2,246), and Pella (1,636), while Indianola is an exporter of workers with a net outflow of 1,473 workers.
- An estimated 4,335 workers commute into Waverly for jobs daily, with 17% (999 workers) commuting from a distance of more than 50 miles away. By comparison, 4,117 workers commute to Decorah daily (16% from more than 50 miles away), 4,192 workers commute to Grinnell (19% from 50+ miles), 3,889 commute to Indianola (17% from 50+ miles), and 4,378 commute to Pella (16% from 50+ miles).
- Roughly 1,449 workers both live and work in Waverly, compared to 1,361 in Decorah, 1,867 in Grinnell, 1,525 in Indianola, and 1,859 in Pella.



- Compared to commuting patterns in 2010, Waverly has experienced the largest decrease in inflow (-4%), while inflow increased 13% in Decorah, 27% in Grinnell, and 22% in Indianola. Pella experienced a -2% decline in inflow. Waverly experienced a 19% increase in outflow between 2010 and 2021, highest among the peer communities.
- Due, in part, to labor constraints, Waverly’s commute shed has expanded, as the number of workers commuting from more than 50 miles increased 13% between 2010 and 2021.
- The peer communities experienced similar trends, as the number of workers commuting from more than 50 miles increased 22% in Decorah, 33% in Grinnell, 5% in Indianola, and 42% in Pella.

Housing Characteristics

Introduction

This section of the report examines characteristics of the existing housing stock in Waverly and the surrounding area compared to the MSA. Housing demand is influenced, in large part, by factors related to the existing supply of housing in a market area such as the age and condition of the housing stock, as well as financial considerations (i.e. home values, rental rates). The following topics are covered in this analysis.

- ▶ Housing units by tenure and occupancy, including mortgage status
- ▶ Housing units by structure type and tenure
- ▶ Owner-occupied units by value
- ▶ Renter-occupied units by contract rent
- ▶ Age of the existing housing stock, and
- ▶ Recent residential building permit trends

The U.S. Census Bureau Decennial Census and American Community Survey (“ACS”) are the primary data resources for the Housing Characteristics section of this report. Maxfield Research and Consulting utilizes five-year data estimates which provide a larger sample size and has a longer period of data collection than the one-year data estimates. At the time this analysis was prepared, the 2018-2022 ACS was the most recent five-year data available.

Residential building permit data for Waverly was provided by the City of Waverly. Maxfield Research also referenced the HUD State of the Cities Data Systems to obtain residential building permit data for the MSA.

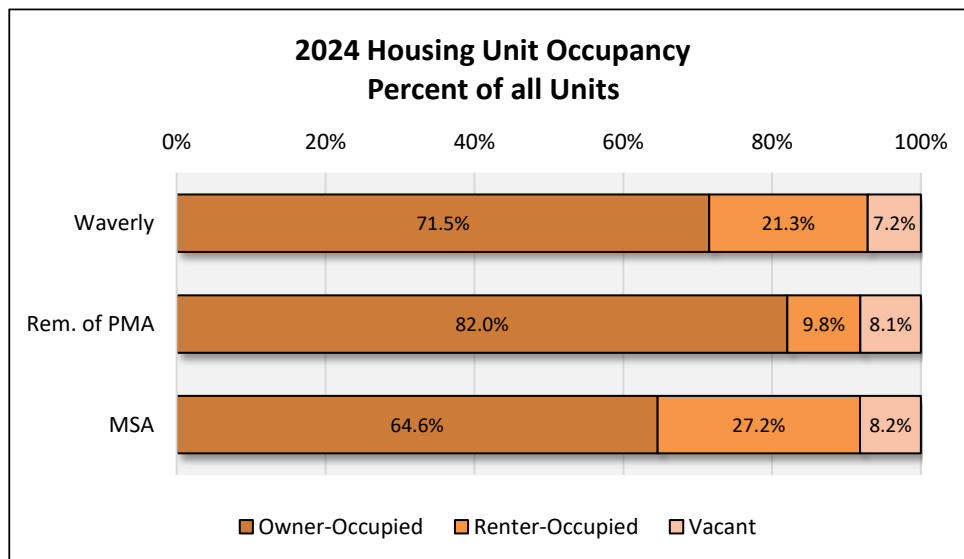
Housing unit is defined as a house, an apartment, a group of rooms, or a single room occupied or intended for occupancy as separate living quarters, while a household is an occupied housing unit. A householder refers to the person in whose name the housing unit is owned or rented.

Housing Unit Occupancy

The table on the following page shows the total number of housing units, as well as the occupancy status for Waverly and the Remainder of the PMA compared to the MSA. Information is sourced from the 2010 Decennial Census and the 2018-2022 ACS, the most recent data available, with adjustments made by Maxfield Research to reflect 2024 data.

The Census’ definition of a vacant housing unit includes units that were listed for sale or for rent at the time of the Census survey, units that have been rented or sold but were not yet occupied, seasonal housing (vacation or second homes), and “other” vacant housing. Other vacant housing units include housing for migratory workers, housing units held for occupancy of a caretaker, and units in the foreclosure process.

- There are an estimated 4,245 housing units in Waverly and 2,933 units in the Remainder of the PMA, totaling 7,178 housing units in the PMA.
- Approximately 71.5% of all housing units in Waverly are owner-occupied, while 21.3% are renter-occupied and 7.2% are vacant.
- By comparison, 82.0% of the housing units in the Remainder of the PMA and 64.6% in the MSA are owner-occupied. Renter-occupied units comprise just 9.8% of the housing units in the Remainder of the PMA and 27.2% in the MSA. Roughly 8.1% of the housing units in the Remainder of the PMA and 8.2% in the MSA are vacant.



- Among the owner-occupied units in Waverly, 59% are owned with a mortgage or loan and 41% are owned free and clear compared to 39% owned free and clear (61% with a mortgage or loan) in the Remainder of the PMA. In the MSA, 39% of owner-occupied units are owned free and clear while 61% are owned with a mortgage or loan.

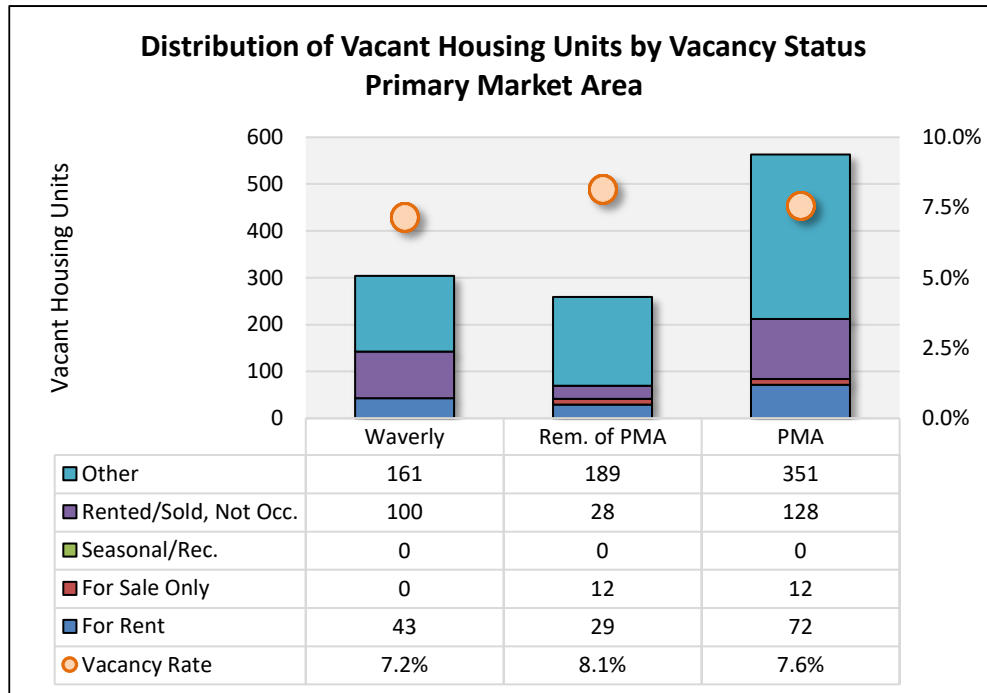
TABLE 21

HOUSING UNIT OCCUPANCY WAVERLY MARKET AREA 2024									
	Waverly		Rem. of PMA		PMA		MSA		
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	
2024	2024 Total Housing Units	4,245	100%	2,933	100%	7,178	100%	75,520	100%
	Occupied Units	3,941	92.8%	2,694	91.9%	6,635	92.4%	69,328	91.8%
	Owner-Occupied	3,037	71.5%	2,406	82.0%	5,443	75.8%	48,790	64.6%
	mortgage or loan	1,780	41.9%	1,463	49.9%	3,243	45.2%	29,563	39.1%
	free and clear	1,257	29.6%	943	32.2%	2,200	30.7%	19,227	25.5%
	Renter-Occupied	904	21.3%	288	9.8%	1,192	16.6%	20,538	27.2%
	Vacant Units	304	7.2%	239	8.1%	543	7.6%	6,192	8.2%
	For Rent	43	1.0%	29	1.0%	72	1.0%	1,270	1.7%
	For Sale Only	0	0.0%	12	0.4%	12	0.2%	643	0.9%
	Seasonal/Recreational	0	0.0%	0	0.0%	0	0.0%	885	1.2%
	Rented/Sold, Not Occ.	100	2.4%	28	1.0%	128	1.8%	702	0.9%
Other	161	3.8%	189	6.5%	351	4.9%	2,691	3.6%	
2010	2010 Total Housing Units	3,732	100%	2,836	100%	6,568	100%	71,332	100%
	Occupied Units	3,546	95.0%	2,695	95.0%	6,241	95.0%	66,986	93.9%
	Owner-Occupied	2,579	69.1%	2,199	77.5%	4,778	72.7%	47,338	66.4%
	mortgage or loan	1,687	45.2%	1,399	49.3%	3,086	47.0%	30,901	43.3%
	free and clear	892	23.9%	800	28.2%	1,692	25.8%	16,437	23.0%
	Renter-Occupied	967	25.9%	496	17.5%	1,463	22.3%	19,648	27.5%
	Vacant Units	186	5.0%	141	5.0%	327	5.0%	4,346	6.1%
	For Rent	39	1.0%	26	0.9%	65	1.0%	1,344	1.9%
	For Sale Only	42	1.1%	19	0.7%	61	0.9%	779	1.1%
	Seasonal/Recreational	24	0.6%	15	0.5%	39	0.6%	320	0.4%
	Rented/Sold, Not Occ.	24	0.6%	12	0.4%	36	0.5%	314	0.4%
Other	57	1.5%	69	2.4%	126	1.9%	1,589	2.2%	

Sources: US Census; American Community Survey; Maxfield Research & Consulting

- The estimated number of owner-occupied housing units in Waverly expanded 18% since the 2010 Decennial Census (458 housing units), while renter-occupied units declined -7% (-63). The estimated number of vacant housing units increased 63%, from 186 vacant units in 2010 to 304 vacant units.
 - The Remainder of the PMA gained 207 owner-occupied housing units (9% increase) against a decline of -208 renter-occupied units (-42%) during that time period. The estimated number of vacant units increased 69% (98 units) in the Remainder of the PMA.
 - In the MSA, the number of owner-occupied units increased 3% since 2010, while the number of renter-occupied units expanded 5%. Vacant housing units increased 42% (1,846) in the MSA since 2010.

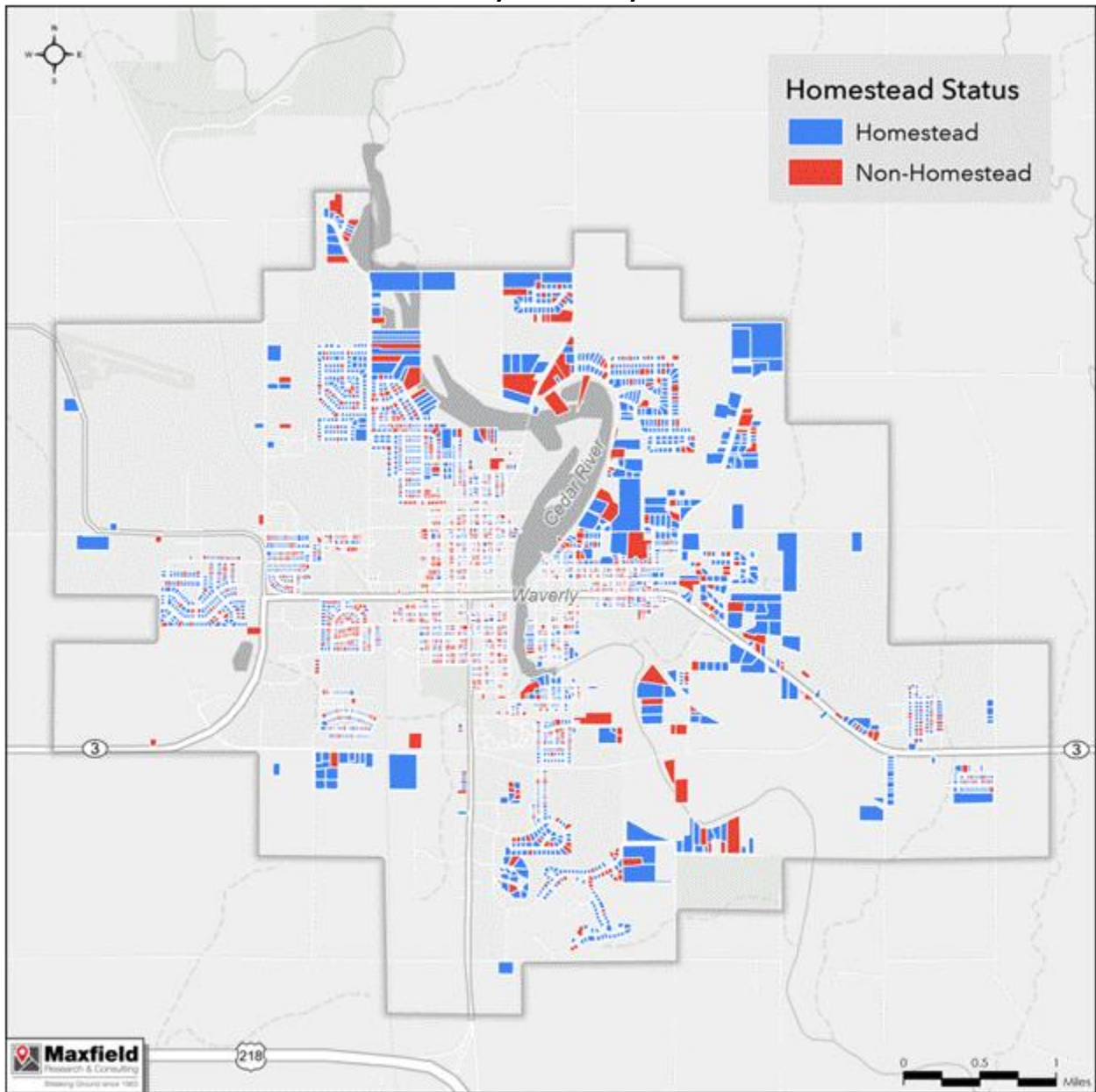
- Housing occupancy contracted in Waverly, declining from 95.0% in 2010 to 92.8%, while occupancy rates contracted from 95.0% in 2010 to 91.9% in the Remainder of the PMA. Housing occupancy in the MSA decreased from 93.9% to 91.8% during that timeframe.
- The following graph summarizes the number of vacant housing units by vacancy status in Waverly compared to the Remainder of the PMA.



- Waverly has an estimated 7.2% vacancy rate (304 units), lower than the 8.1% vacancy rate in the Remainder of the PMA and 8.2% in the MSA.
 - The estimated vacancy rate in Waverly increased from 5.0% in 2010, with substantial growth occurring among units that were rented or sold, but not occupied, increasing from 24 vacancies in 2010 to 100 vacancies.
- In Waverly, the largest number of vacancies were units that were vacant for “other” reasons with 161 (53% of all vacancies), followed by units that were rented or sold but not yet occupied with 100 (33%). “Other” vacancies include housing for migratory workers, housing held for occupancy of a caretaker, and units in the foreclosure process
- In the MSA, the largest number of vacancies were also vacant for “other” reasons (44% of all vacancies), followed by vacant units for rent (21%).

- The following map illustrates the location of residential parcels in the City of Waverly by homestead status. Data is sourced from the Bremer County parcel dataset.
- A property is designated as a homestead if it is the owner’s principal residence. Examples of non-homestead residential property include rental units and second homes.

**Homestead vs. Non-Homestead Property Map
City of Waverly**



Housing Stock by Structure Type

Information presented in the following table summarizes the number of housing units by structure type in Waverly compared to the Remainder of the PMA and the MSA. Data is sourced from the 2018-2022 ACS, adjusted by Maxfield Research to 2024.

- Detached single-unit (one-unit) structures are the most common housing type in the Market Area, comprising 79% of all housing units in the PMA, including 71% of the units in Waverly and 91% of all units in the Remainder of the PMA. By comparison, roughly 73% of all housing units in the MSA are single unit detached structures.
- An estimated 7% of the units in Waverly are in structures with 20 or more units, slightly higher than 6% in the MSA. Another 5% of the units in Waverly are in structures with ten to 19 units, similar to the MSA (5%).
- Attached single-unit structures (i.e. twin homes and townhomes) represent an estimated 4.6% of Waverly’s housing stock, higher than 1.3% in the Remainder of the PMA and 3.8% in the MSA.
- Based on this data, it appears that Waverly offers greater housing variety than the Remainder of the PMA as well as the Region.
- Compared to the MSA, Waverly has higher proportions of units in attached single-family structures, structures with two units and multifamily structures with five or more units, while the proportions of detached single-family units are lower in Waverly than the MSA.

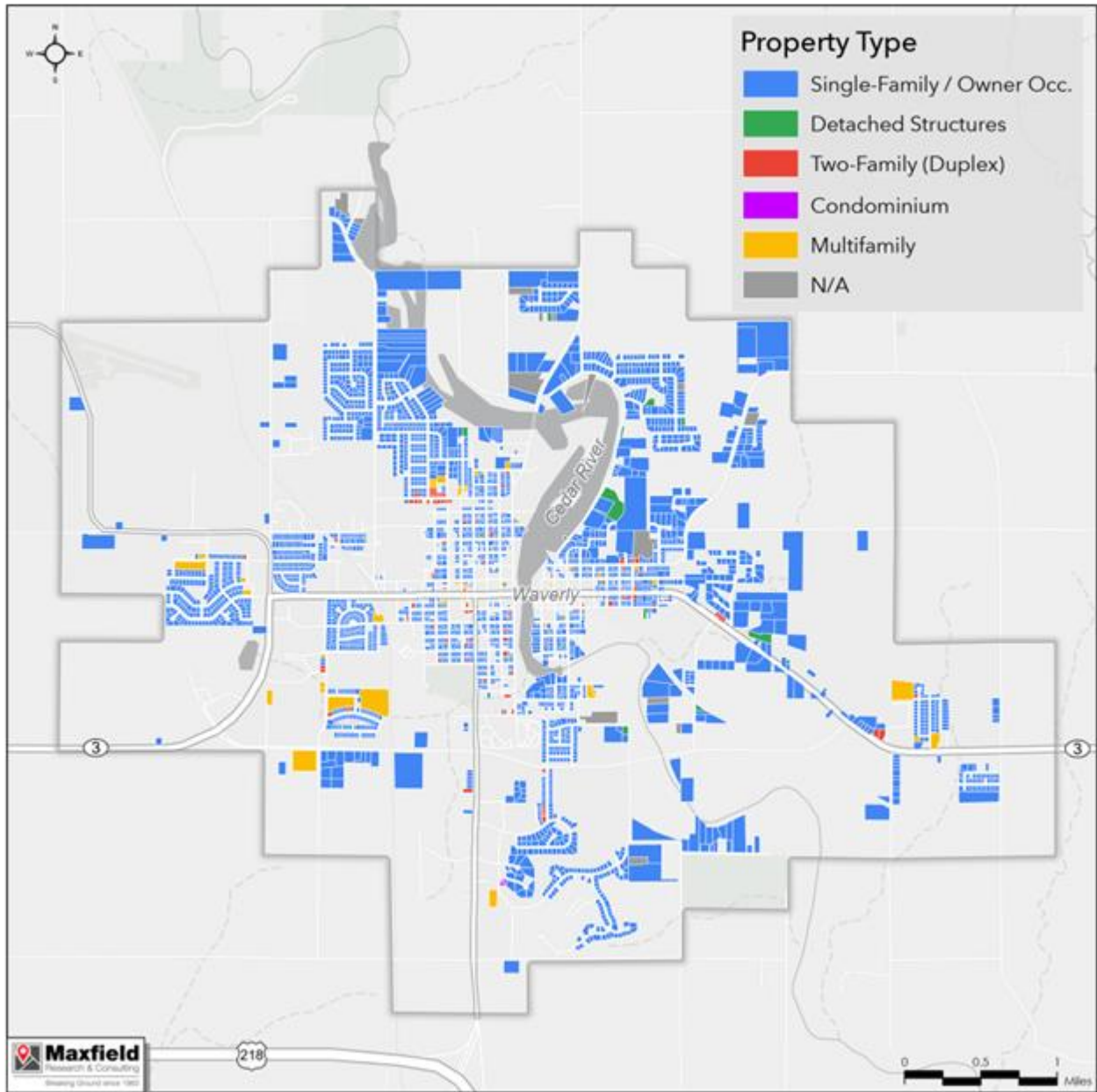
TABLE 22

HOUSING UNITS BY STRUCTURE TYPE WAVERLY MARKET AREA 2024								
	Waverly		Rem. of PMA		PMA		MSA	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Total Housing Units	4,245	100%	2,933	100%	7,178	100%	75,520	100%
1-unit, detached	3,028	71.3%	2,675	91.2%	5,702	79.4%	54,913	72.7%
1-unit, attached	195	4.6%	39	1.3%	234	3.3%	2,838	3.8%
2 units	145	3.4%	26	0.9%	171	2.4%	2,158	2.9%
3 or 4 units	137	3.2%	57	2.0%	195	2.7%	2,587	3.4%
5 to 9 units	168	3.9%	32	1.1%	200	2.8%	2,927	3.9%
10 to 19 units	190	4.5%	12	0.4%	202	2.8%	3,506	4.6%
20 or more units	288	6.8%	12	0.4%	300	4.2%	4,469	5.9%
Mobile home	95	2.2%	68	2.3%	162	2.3%	2,093	2.8%
Boat, RV, van, etc.	0	0.0%	11	0.4%	11	0.2%	28	0.0%

Sources: US Census; American Community Survey; Maxfield Research & Consulting

- The following map illustrates the location of residential parcels in Waverly by property tax code classification. Data is sourced from the Bremer County parcel dataset.
- As shown, the vast majority of homes in the City are classified as “single-family/owner occupied” properties. There are a limited number of structures classified as detached, two-family (duplex), condominium, and multifamily scattered around the City.

**2024 Residential Structure Type
City of Waverly**



Tenure by Structure Type

Information presented in the following table summarizes the type of structure for occupied housing units by tenure (i.e. owner-occupied and renter-occupied) in Waverly compared to the Remainder of the PMA and the MSA. Data is sourced from the 2018-2022 ACS, adjusted by Maxfield Research to 2024.

TABLE 23

HOUSING UNIT STRUCTURE TYPE BY TENURE WAVERLY MARKET AREA 2024								
	Waverly		Rem. of PMA		PMA		MSA	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Occupied Housing Units	3,941	100%	2,694	100%	6,635	100%	69,328	100%
Owner-Occupied	3,037	77.1%	2,406	89.3%	5,443	82.0%	48,790	70.4%
1-unit, detached	2,688	68.2%	2,345	87.1%	5,033	75.9%	44,441	64.1%
1-unit, attached	148	3.8%	32	1.2%	180	2.7%	1,628	2.3%
2 units	5	0.1%	5	0.2%	10	0.2%	156	0.2%
3 or 4 units	7	0.2%	0	0.0%	7	0.1%	159	0.2%
5 to 9 units	0	0.0%	0	0.0%	0	0.0%	181	0.3%
10 to 19 units	16	0.4%	0	0.0%	16	0.2%	118	0.2%
20 to 49 units	99	2.5%	0	0.0%	99	1.5%	328	0.5%
50 or more units	0	0.0%	0	0.0%	0	0.0%	321	0.5%
Mobile home	75	1.9%	12	0.5%	87	1.3%	1,447	2.1%
Boat, RV, van, etc.	0	0.0%	11	0.4%	11	0.2%	11	0.0%
Renter-Occupied	904	22.9%	288	10.7%	1,192	18.0%	20,538	29.6%
1-unit, detached	253	6.4%	140	5.2%	392	5.9%	7,455	10.8%
1-unit, attached	27	0.7%	7	0.3%	34	0.5%	1,100	1.6%
2 units	135	3.4%	0	0.0%	135	2.0%	1,691	2.4%
3 or 4 units	112	2.8%	47	1.7%	159	2.4%	1,963	2.8%
5 to 9 units	101	2.6%	31	1.2%	132	2.0%	2,265	3.3%
10 to 19 units	135	3.4%	12	0.4%	147	2.2%	2,845	4.1%
20 to 49 units	49	1.2%	12	0.4%	60	0.9%	1,132	1.6%
50 or more units	71	1.8%	0	0.0%	71	1.1%	1,672	2.4%
Mobile home	20	0.5%	40	1.5%	60	0.9%	398	0.6%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%	17	0.0%

Sources: US Census; American Community Survey; Maxfield Research & Consulting

- An estimated 28% of the renter-occupied units in Waverly are in single-unit, detached structures compared to 48% in the Remainder of the PMA and 36% in the MSA. Roughly 15% of Waverly’s renter-occupied housing units are in two-unit structures and another 15% are in structures with between ten and 19 units.

- Of the owner-occupied housing units in Waverly, 88% are single-unit, detached structures, lower than 97% in the Remainder of the PMA and 91% in the MSA. Another 5% of the owner-occupied units in Waverly are in attached single-unit structures compared to 1% in the Remainder of the PMA and 3% in the Region.

Owner-Occupied Housing Units by Value

The following table presents data on owner-occupied home values summarized in ranges and median value for Waverly and the Remainder of the PMA compared to the MSA. The information is sourced from the 2018-2022 American Community Survey, with the number of housing units adjusted by Maxfield Research to reflect 2024 estimates.

Home value reflects the owner’s estimate of how much the property (house and lot or condominium unit) would sell for if it were for sale.

- The estimated median value of owner-occupied housing units in Waverly (\$211,000 during the 2018-2022 ACS period) is -6% lower than the estimated value of \$224,963 in the Remainder of the PMA but 19% higher than \$177,091 across the MSA.

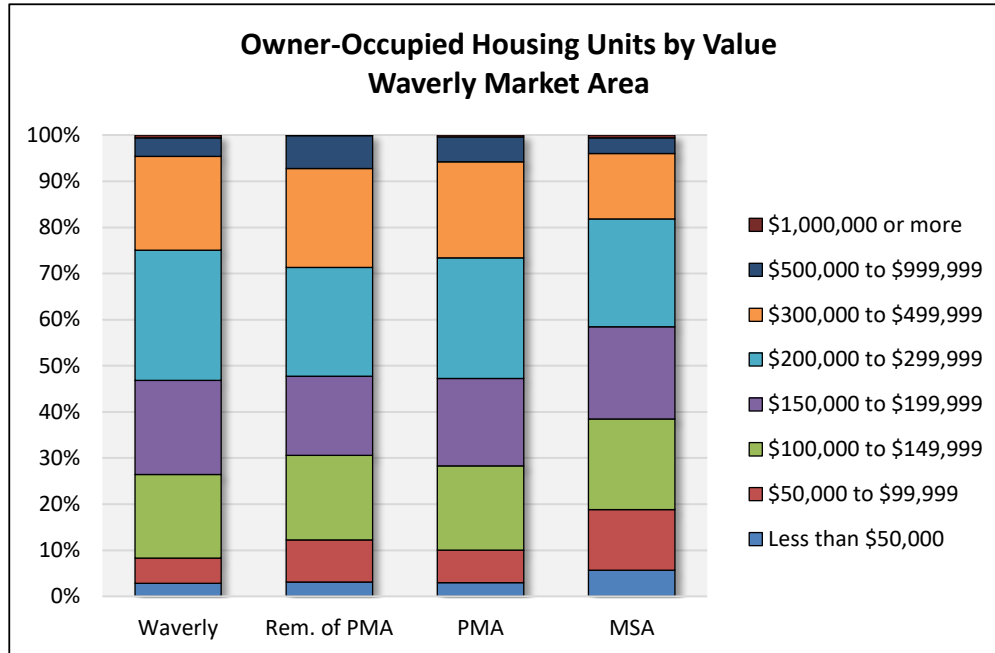
TABLE 24

OWNER-OCCUPIED HOUSING UNITS BY VALUE WAVERLY MARKET AREA 2024								
	Waverly		Remainder of PMA		PMA		MSA	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Total:	3,037	100%	2,406	100%	5,443	100%	48,790	100%
Median Home Value	\$211,000		\$224,963		\$217,298		\$177,091	
Less than \$50,000	86	2.8%	75	3.1%	161	3.0%	2,789	5.7%
\$50,000 to \$99,999	166	5.5%	221	9.2%	386	7.1%	6,401	13.1%
\$100,000 to \$149,999	551	18.1%	441	18.3%	992	18.2%	9,564	19.6%
\$150,000 to \$199,999	620	20.4%	412	17.1%	1,032	19.0%	9,769	20.0%
\$200,000 to \$299,999	857	28.2%	568	23.6%	1,425	26.2%	11,415	23.4%
\$300,000 to \$499,999	617	20.3%	516	21.4%	1,133	20.8%	6,909	14.2%
\$500,000 to \$999,999	122	4.0%	171	7.1%	293	5.4%	1,637	3.4%
\$1,000,000 or more	18	0.6%	3	0.1%	21	0.4%	307	0.6%

Sources: US Census; American Community Survey; Maxfield Research & Consulting

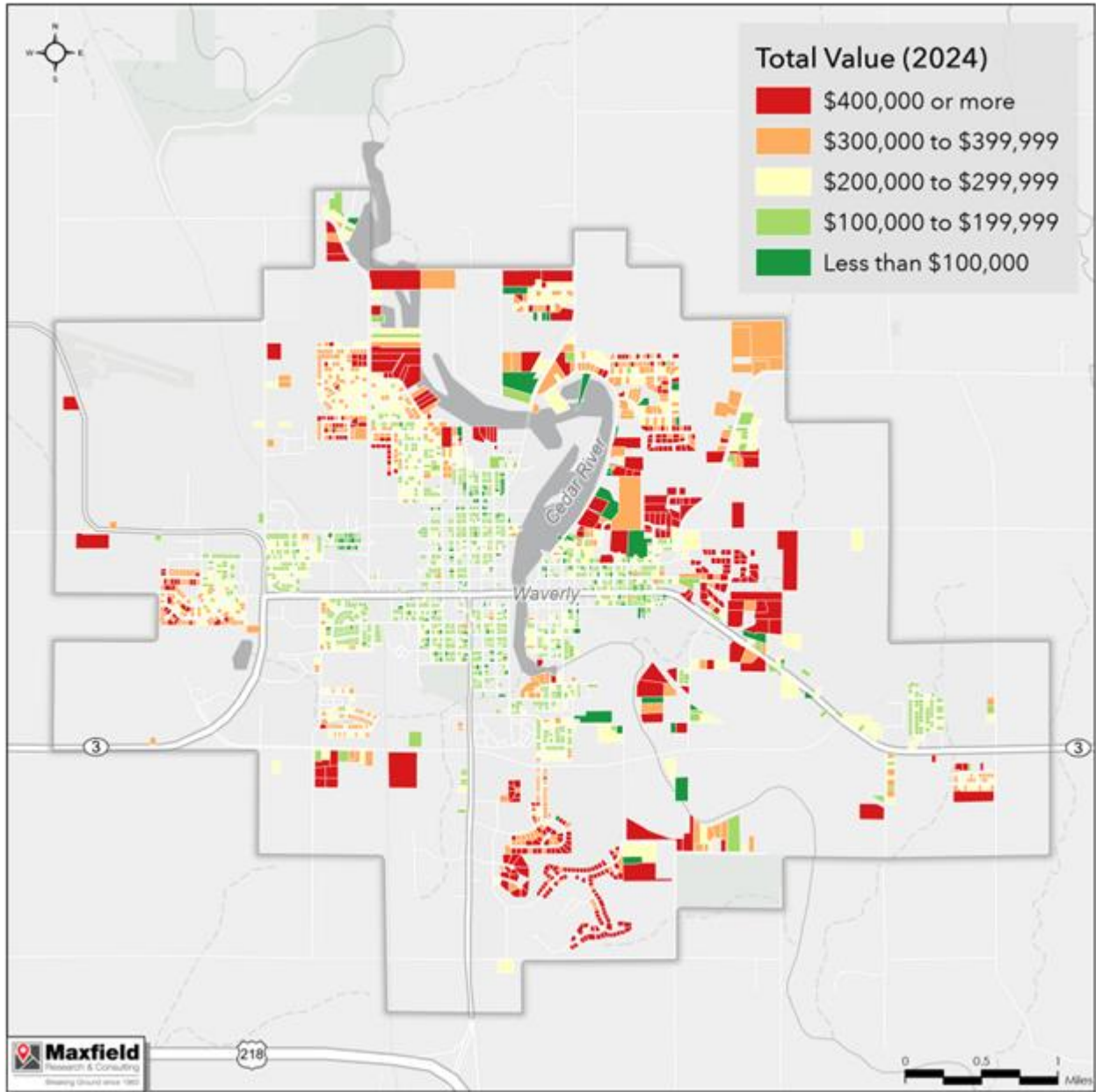
- The largest proportion of owner-occupied housing units in Waverly is estimated to be valued in the \$200,000 to \$299,999 range, at 28% of all owner-occupied units in the City, followed by units valued in the \$150,000 to \$199,999 (20%) and \$300,000 to \$499,999 (20%) ranges.

- In the Remainder of the PMA, the largest proportion of owner-occupied housing units is estimated to be valued in the \$200,000 to \$299,999 range at 24% of all owner-occupied units. Homes valued in the \$200,000 to \$299,999 range comprise the largest portion of owner-occupied units (23%) in the MSA.



- Compared to the MSA, Waverly has a notably higher proportion of owner-occupied units with values in the middle ranges, as 49% of all units are valued between \$200,000 and \$499,999, compared to 38% in the Region. Roughly 45% of the units in the Remainder of the PMA are valued in the \$200,000 to \$499,999 range.
- The MSA has a much higher percentage of homes valued below \$150,000 (38% of all owner-occupied units), compared to 26% in Waverly and 31% in the Remainder of the PMA.
- An estimated 5% of all owner-occupied units in Waverly are valued at \$500,000 or higher, higher than 4% in the MSA, but lower than 7% in the Remainder of the PMA.
- The map on the following page illustrates the value of residential properties in Waverly by market value. Data is sourced from the Bremer County parcel dataset.
- As shown, the highest value properties in Waverly are concentrated near the outer perimeter of the City where most of the new construction is occurring. Properties with the lowest values are in the central portion of the community.

2024 Residential Property Values City of Waverly



Renter-Occupied Units by Contract Rent

The following table presents information on the monthly contract rent (also known as asking rent) for renter-occupied housing units in Waverly and the Remainder of the PMA compared to the MSA. Contract rent is the monthly rent agreed to regardless of any utilities, furnishings, fees, or services that may be included. Data is sourced from the 2018-2022 American Community Survey, with the number of housing units adjusted by Maxfield Research to reflect 2024 estimates.

- The median contract rent in Waverly was \$659 during the 2018-2022 ACS period, 28% higher than the Remainder of the PMA (\$516) but -10% lower than the MSA (\$731).

TABLE 25

RENTER-OCCUPIED HOUSING UNITS BY CONTRACT RENT WAVERLY MARKET AREA 2024								
	Waverly		Remainder of PMA		PMA		MSA	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Total:	904	100%	288	100%	1,192	100%	20,538	100%
Median Contract Rent	\$659		\$516		\$628		\$731	
Less than \$250	43	4.8%	21	7.1%	64	5.4%	619	3.0%
\$250 to \$499	142	15.7%	94	32.5%	235	19.7%	2,775	13.5%
\$500 to \$749	327	36.1%	89	30.8%	415	34.9%	6,989	34.0%
\$750 to \$999	213	23.6%	30	10.5%	244	20.4%	5,274	25.7%
\$1,000 to \$1,249	74	8.2%	6	2.0%	80	6.7%	1,697	8.3%
\$1,250 to \$1,499	90	10.0%	0	0.0%	90	7.5%	1,161	5.7%
\$1,500 to \$1,999	0	0.0%	0	0.0%	0	0.0%	830	4.0%
\$2,000 or more	0	0.0%	2	0.7%	2	0.2%	425	2.1%
No cash rent	15	1.7%	47	16.3%	62	5.2%	769	3.7%

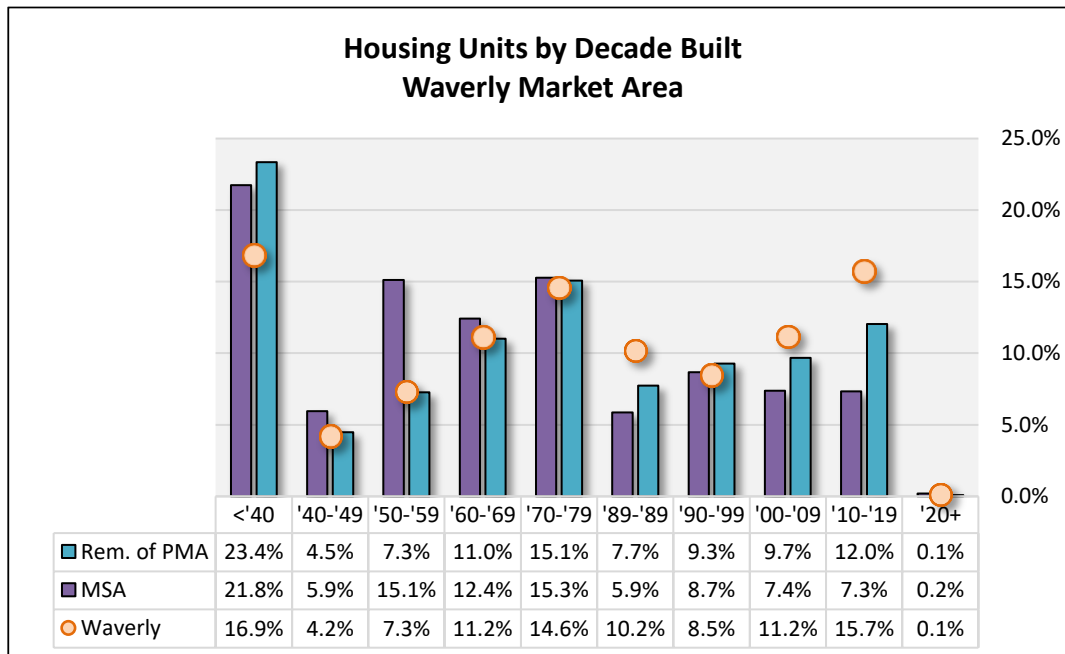
Sources: US Census; American Community Survey; Maxfield Research & Consulting

- Based on a 30% allocation of income to housing, a household would need an income of \$26,360 to afford the median monthly contract rent in Waverly (\$659). By comparison, a household would need incomes of \$20,651 to afford the median contract rent in the Remainder of the PMA and \$29,232 in the MSA.
- Approximately 95% of PMA renters are paying cash rent, including 98% of renters in Waverly, with less 2% paying no cash rent. By comparison 96% of renter households in the MSA pay cash rent (4% pay no cash rent).
- Housing units without payment of rent (“no cash rent”) are typically units owned by a relative or friend who lives elsewhere whom allow occupancy without charge. Other sources may include caretakers or ministers who may occupy a residence without charge.

Age of Housing Stock

Information in the table on the following page is sourced from the 2018-2022 American Community Survey (ACS) with adjustments made by Maxfield Research to reflect 2024 estimates. The table includes the number of housing units built prior to 1940 and during each subsequent decade in Waverly and the Remainder of the PMA compared to the MSA. The Census Bureau began collecting year-built data in 1940.

- As depicted in the following chart, roughly 17% of the housing units in Waverly (717 units) were built prior to 1940. By comparison, 33% of all housing units in the Remainder of the PMA and 22% of all housing units in the MSA were built prior to 1940.
 - While many homes built before 1940 may be in good condition, housing units this age are at risk of becoming substandard or functionally obsolete, and maintenance costs are generally higher than newer housing units.
- The 2010s and 1970s were the two most active decades in Waverly for housing unit production. An estimated 16% of Waverly’s housing stock was built from 2010 to 2019 (668 units) and 15% of the housing units were constructed from 1970 to 1979 (620 units).



- The 1970s and 1960s were the most active decades in the Remainder of the PMA (15.8% and 10.8% of all units, respectively) while the 1970s and 1950s were the most active decades in the MSA (15.3% and 15.1% of all units, respectively).
- Aside from the 2010s and 1970s, the most active decades in Waverly were the 2000s (11% of the units), the 1960s (11% of the units), and the 1990s (8%).

- While American Community Survey estimates indicate that Waverly has only added six housing units since 2020, the residential building permit data presented next reveals that additional residential building activity has occurred in the community since 2020.

TABLE 26

HOUSING UNITS BY YEAR STRUCTURE BUILT WAVERLY MARKET AREA 2024								
	Waverly		Remainder of PMA		PMA		MSA	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Total	4,245	100%	2,933	100%	7,178	100%	75,520	100%
2020 or later	6	0.1%	0	0.0%	6	0.1%	155	0.2%
2010 to 2019	668	15.7%	196	6.7%	863	12.0%	5,539	7.3%
2000 to 2009	475	11.2%	219	7.5%	694	9.7%	5,578	7.4%
1990 to 1999	360	8.5%	305	10.4%	665	9.3%	6,551	8.7%
1980 to 1989	434	10.2%	121	4.1%	555	7.7%	4,429	5.9%
1970 to 1979	620	14.6%	463	15.8%	1,083	15.1%	11,542	15.3%
1960 to 1969	473	11.2%	317	10.8%	791	11.0%	9,388	12.4%
1950 to 1959	311	7.3%	211	7.2%	522	7.3%	11,419	15.1%
1940 to 1949	180	4.2%	142	4.8%	322	4.5%	4,490	5.9%
1939 or earlier	717	16.9%	959	32.7%	1,676	23.4%	16,429	21.8%

Sources: US Census; American Community Survey; Maxfield Research & Consulting

Residential Construction Trends

The table on the following page displays the number of new housing units permitted for detached single-family, duplex, and multifamily structures in Waverly over the past ten years (2014 through August 2024). Data was provided by the City of Waverly, which classifies structures with three or more single-family units and rentable units under multifamily.

- From 2014 through 2023, 449 new housing units were permitted in the City of Waverly, while another 12 units were permitted in 2024 (through August).
- Approximately 45% of all residential units permitted in Waverly since 2014 were detached single-family units (206), while 48% were multifamily units (219). Another 8% of the units (36) were classified as duplexes.
 - Annually, Waverly averages 44.9 new units per year, including 19.6 new detached single-family units, 3.4 duplex units, and 21.9 new multifamily units per year.
- From 2014 through 2019, 367 new housing units were permitted in Waverly, for an average of 61.2 new units per year. The pace of development activity slowed -66% from 2020 through 2023, averaging 20.5 units per year (82 total units) over the past four years.

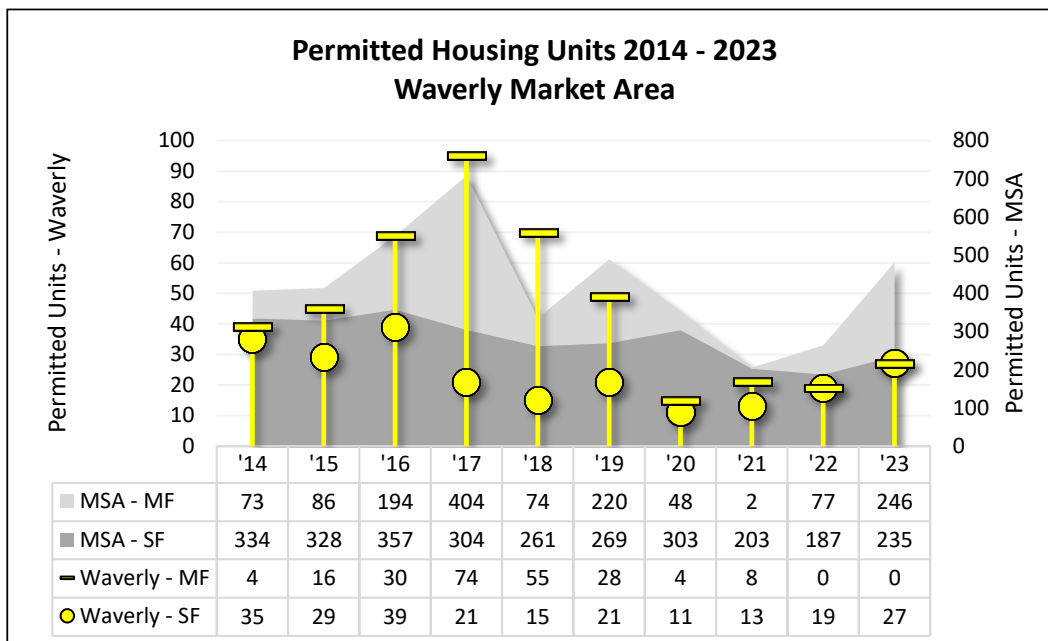
TABLE 27

RESIDENTIAL BUILDING PERMIT TRENDS CITY OF WAVERLY 2014 - 2024				
Year	Detached Single-family	Duplex Units	Multifamily Units	Total Units
2014	25	10	4	39
2015	29	0	16	45
2016	33	6	30	69
2017	17	4	74	95
2018	11	4	55	70
2019	19	2	28	49
2020	11	0	4	15
2021	11	2	8	21
2022	17	2	0	19
2023	23	4	0	27
2024 (through Aug.)	10	2	0	12
Total	206	36	219	461

Sources: City of Waverly; Maxfield Research & Consulting

- From 2014 through 2019, 37% of the housing units built in Waverly were detached single-family homes, while 56% were multifamily units and 7% were duplex units. There has been a slight shift since 2019, as 76% of the units permitted from 2020 through 2023 were detached single-family, while just 15% were multifamily units and 10% were duplex units.

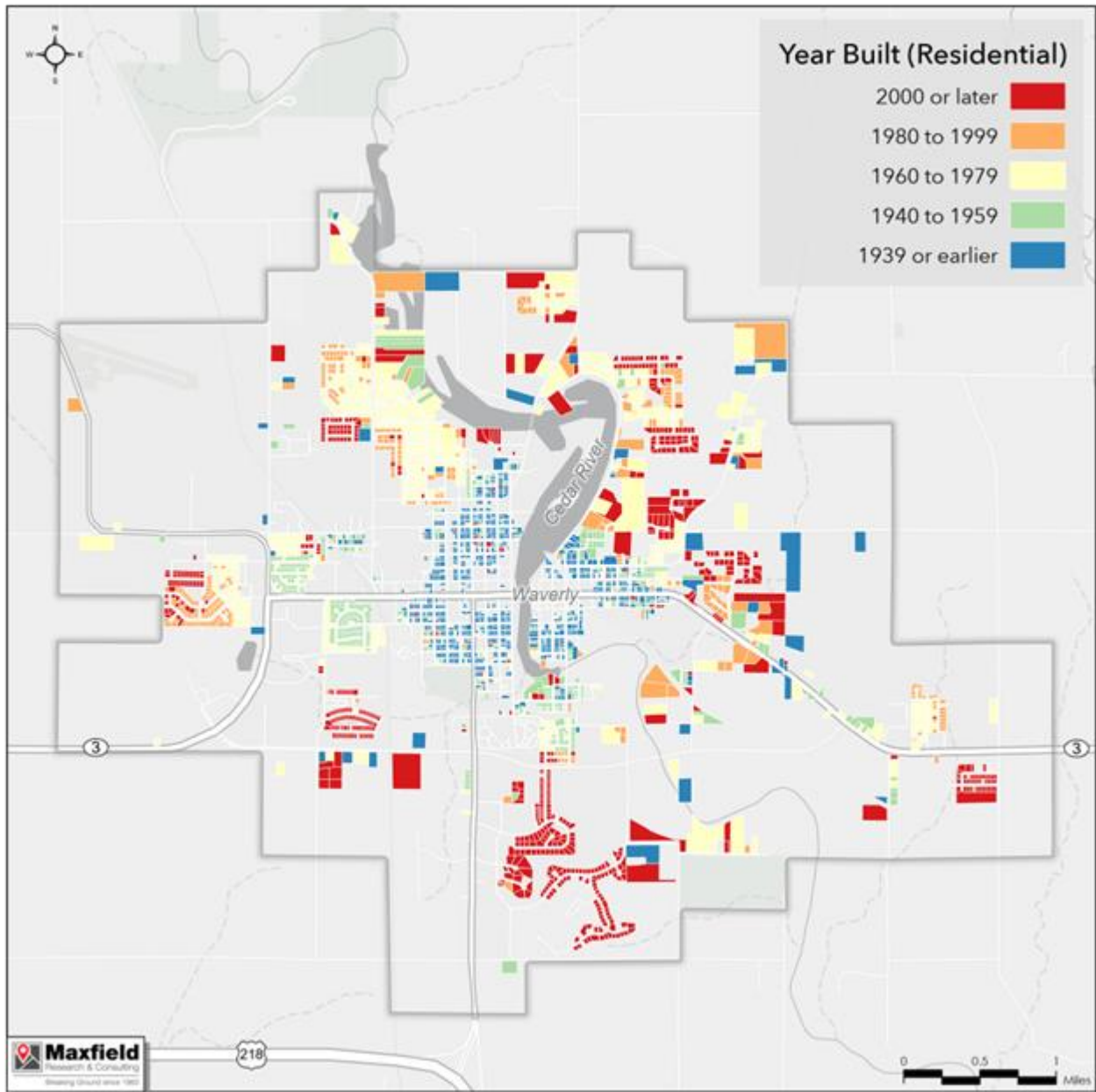
The following graph illustrates residential building permit trends in the City of Waverly compared to the MSA from 2014 through 2023. Permit data for the MSA was obtained from the HUD State of the Cities Data Systems (SOCDS).



The HUD SOCDs takes data from the U.S. Census Building Permit Survey (BPS) which is based on reports submitted by local permit officials and includes any subsequent Census revisions to achieve higher quality data. For this comparison, single-family is defined as fully detached, semi-detached (semi-attached, side-by-side), row houses, and townhouses, so single-family data includes detached units and townhome units. As such, single-family data for Waverly reflects detached single-family units combined with duplex units.

- Across the Waterloo-Cedar Falls MSA, 66% of all permitted units were single-family from 2014 through 2023, averaging 278 new units per year, while 34% of the units were in multi-family structures (142 units per year).
- Generally, housing development activity in the City of Waverly has followed the regional trend, both peaking in 2017 with 708 units permitted in the MSA and 95 permitted units in Waverly.
- From 2014 through 2019, the MSA averaged 484 permitted housing units annually, including an average of 61 permitted units in Waverly. However, residential development activity slowed post-COVID, averaging 273 permitted units annually in the MSA and 18 units in Waverly.
 - Activity accelerated in 2023, totaling 481 units in the MSA and 27 units in Waverly.
- Single-family development activity in the MSA, which had been trending downward over the past several years decreasing from a peak of 357 units in 2016 to 187 units in 2022, increased to 235 units in 2023.
- The development of multifamily units experienced more fluctuation from year to year in the MSA but averaged 175 permitted units per year from 2014 through 2019. Multifamily development activity declined sharply to 48 units in 2020, just two units in 2021, and 77 units in 2022 before increasing to 246 units in 2023.
- The following map illustrates the age of housing units in Waverly by year built. Data is sourced from the Bremer County parcel dataset. For the purpose of this mapping illustration, year-built data was divided into five groups.
- As shown, a majority of the newest housing units (built in 2000 or later) are located along the outer edges of the community, while the oldest housing units (built prior to 1940) are concentrated in the central portion of the City.

Residential Properties by Year Built City of Waverly



The following photographs represent a sample of Waverly’s housing inventory.



Pre-1940’s detached single-family home



1970’s era single-family home



New detached single-family neighborhood



Attached single-family duplex units



1960s era multifamily rentals



New construction multifamily rental

Peer Community Housing Characteristics Comparison

The following table compares key characteristics of Waverly’s housing inventory to housing stock characteristics in Decorah, Grinnell, Indianola, and Pella. All data was sourced from the 2018-2022 American Community Survey.

- This housing characteristics data suggests that the peer communities have slightly more housing variety than Waverly.
- Waverly has the highest proportion of detached single-family units, at 71.3% of all housing units, compared to 65.7% in Decorah, 60.7% in Grinnell, 58.9% in Indianola, and 65.3% in Pella.
- The proportion of attached single-family (i.e. townhomes, twin homes) housing units in Waverly (4.6% of all housing units) is lowest among the peer communities, including Decorah at 4.7%, Grinnell at 6.9%, Indianola at 8.0%, and Pella at 5.9%.

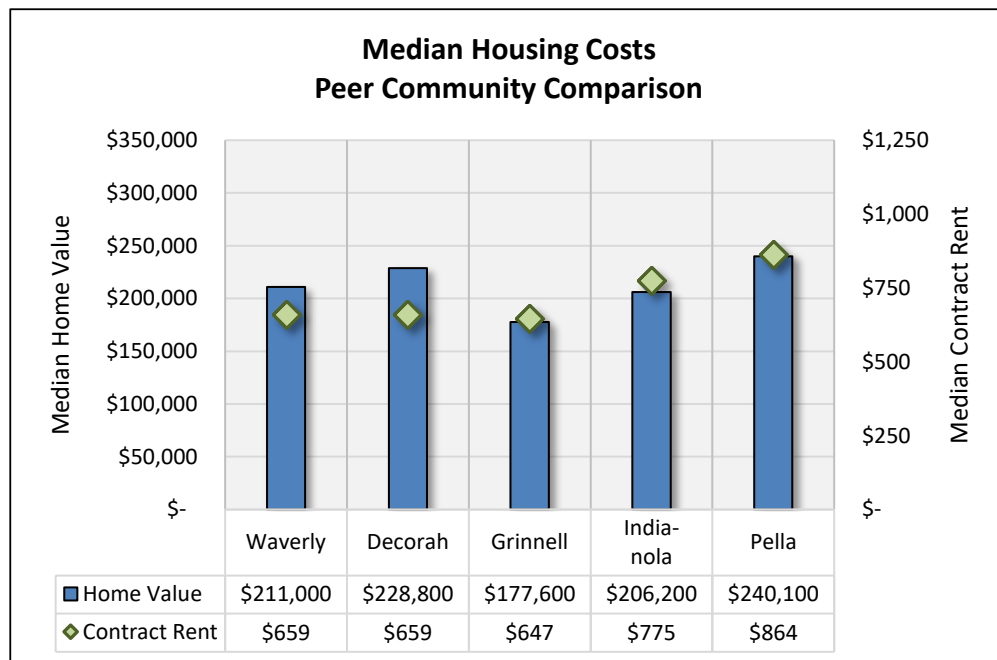
TABLE 28

PEER COMMUNITY COMPARISON HOUSING CHARACTERISTICS October 2024					
	Waverly	Peer Communities			
		Decorah	Grinnell	Indianola	Pella
Total Housing Units (2022)	4,080	3,134	3,976	6,375	4,104
% One-unit, detached	71.3%	65.7%	60.7%	58.9%	65.3%
% One-unit, attached	4.6%	4.7%	6.9%	8.0%	5.9%
% Units in structures with 2-19 units	15.1%	24.3%	20.4%	21.1%	20.2%
% Units in structures with 20+ units	6.8%	5.3%	8.5%	9.7%	7.4%
% Occupied	92.8%	90.2%	93.5%	93.2%	94.7%
% Vacant	7.2%	9.8%	6.5%	6.8%	5.3%
% Owner-occ. w/ mortgage or loan	41.6%	33.3%	35.5%	42.4%	40.4%
% Owner-occ. free & clear	29.4%	23.6%	24.9%	19.8%	23.1%
% Renter-occupied	21.9%	33.3%	33.0%	31.0%	31.2%
Median Home Value (2022)	\$211,000	\$228,800	\$177,600	\$206,200	\$240,100
Median Contract Rent (2022)	\$659	\$659	\$647	\$775	\$864

Sources: 2018-2022 ACS; Maxfield Research & Consulting

- An estimated 6.8% of Waverly’s housing units are in multifamily structures with 20 or more units, higher than Decorah (5.3%) but lower than Grinnell (8.5%), Indianola (9.7%), and Pella (7.4%).

- Waverly has the lowest percentage of units in structures with between two and 19 units (15.1% of all units), compared to 24.3% in Decorah, 20.4% in Grinnell, 21.1% in Indianola, and 20.2% in Pella.
- At an estimated 7.2% vacant, Waverly has a lower housing vacancy rate than Decorah (9.8%), but higher than Grinnell (6.5%), Indianola (6.8%), and Pella (5.3%).
- An estimated 70.9% of the units in Waverly were owner-occupied housing, highest among the peer communities. In Waverly, 41.6% of all units that were owned with a mortgage or loan and 29.4% that were owned free and clear.
 - In Decorah, 56.9% of all housing units were owner-occupied, while 60.5% of the housing units in Grinnell were owner-occupied. In Indianola, 62.3% of the units were owner-occupied and 63.5% of all housing units in Pella were owner-occupied.
- As illustrated in the following graph, the estimated median home value in Waverly of \$211,000 is -8% lower than Decorah (\$228,800) and -12% lower than Pella (\$240,100), but 19% higher than Grinnell (\$177,600) and 2% higher than Indianola (\$206,200).



- The median contract rent in Waverly (\$659) is the same as in Decorah (\$659) and 2% higher than Grinnell (\$647), but -15% lower than Indianola (\$775) and -24% lower than Pella (\$864).

For-Sale Market

Introduction

Maxfield Research analyzed the for-sale housing market in Waverly and the surrounding area by collecting data on home sales, home listings, and the supply of residential lots in the area. This section of the report reviews recent home sale trends against the supply of available for-sale housing, including detached single-family and other housing product types. For the purposes of this analysis, housing sales data for properties classified as condominiums or attached single-family units (i.e. townhomes, twin homes, duplexes) are combined under the “other” product type description. This section evaluates for-sale housing market conditions in Waverly by examining the following data.

- ▶ Home sale trends
- ▶ The supply of homes currently listed as available for sale
- ▶ A review and analysis of the residential lot supply in Waverly
- ▶ Information on new construction sales activity

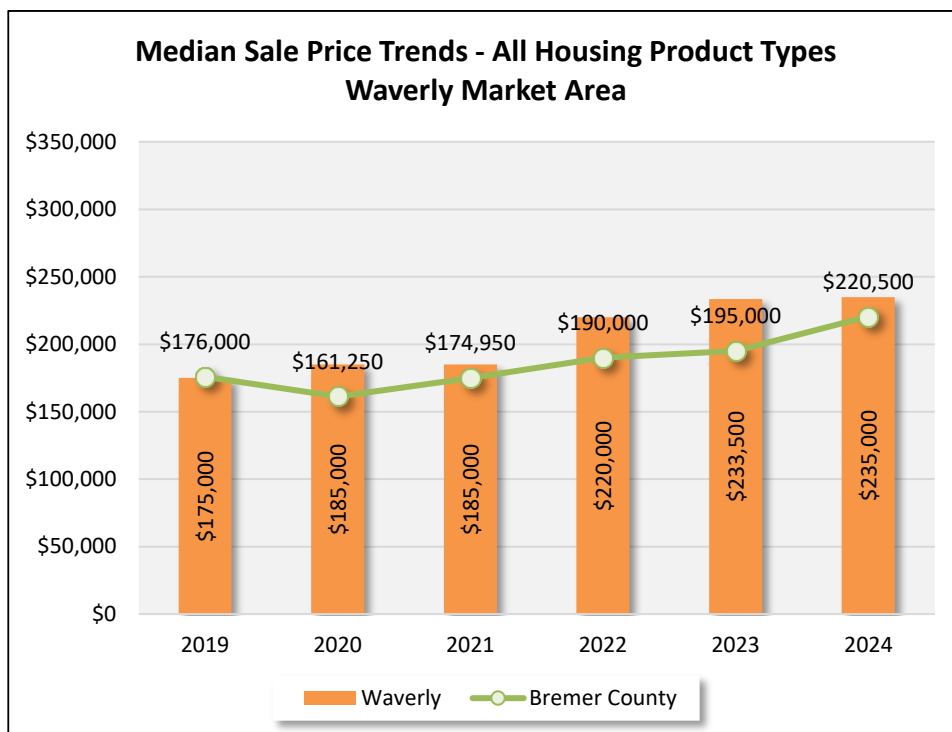
Data was collected in October 2024. Information on home sale trends in Waverly was obtained from the Northeast Iowa Regional Multiple Listing Service (MLS) with assistance from Century 21 Signature Real Estate. Data includes all transactions sold through a Realtor via the MLS which generally accounts for 90% to 95% of all home sales. Private sales (not sold on the MLS by a Realtor) are not included. Information on active listings was obtained from the Northeast Iowa Regional MLS via Realtor.com.

Residential lot supply data was provided by the City of Waverly along with Bremer County, while information on actively-marketing residential lots in the PMA was sourced from the MLS via Realtor.com.

Home Sales

The following graph summarizes median home sale price trends from 2019 through October 18, 2024 for the City of Waverly compared to Bremer County. Sales data for the County includes qualified residential sales from the Bremer County Assessor. Data represents pricing for all housing product types (i.e. detached single-family, townhomes, condominiums, etc.)

- In Waverly, the median sale price across all housing product types increased 34%, climbing from \$175,000 in 2019 to \$235,000 in 2024, averaging 6.3% increases annually.
- By comparison, median sale prices increased 25% in Bremer County (4.9% annual growth) between 2019 and 2024.



- Median sale prices in Waverly have typically been higher than the County, although the difference ranged from 20% higher in 2023 to -0.6% lower in 2019. On average, the median home sale price in Waverly has been 10% higher than in Bremer County over the past five years.
- From 2019 through October 18, 2024, there were 2,215 residential sales in Bremer County. Within the County, 44% of all sales (965) were in Waverly and the remaining 56% (1,250 sales) were in the Remainder of the County.

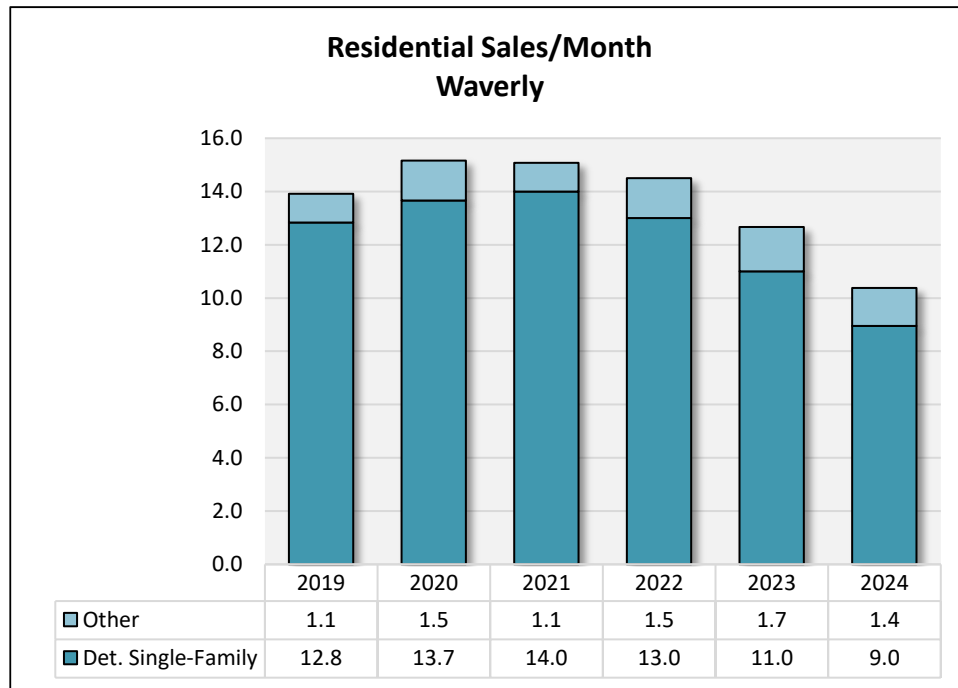
The following table presents home sale data from 2019 through October 18, 2024 for the City of Waverly. The table displays the median sale price, number of closed transactions, and marketing times (average days on market) for detached single-family sales compared to sales of other (i.e. condominiums, townhomes, etc.) product types. Note that data is based on the location of the sale as entered by a Realtor into the MLS, so it's possible that some sales listed under Waverly actually occurred in a nearby township.

TABLE 29

RESIDENTIAL SALES CITY OF WAVERLY 2019 - 2024							
	Closed Sales	Pct. Change	Median Price	Pct. Change	Median Sq. Ft.	Median \$/Sq. Ft.	Avg. DOM [^]
Detached Single-Family							
2024 ytd*	94	--	\$245,500	-1.5%	2,115	\$116	30
2023	132	-15.4%	\$249,225	11.6%	1,894	\$132	27
2022	156	-7.1%	\$223,375	18.3%	1,939	\$115	19
2021	168	2.4%	\$188,750	0.6%	1,865	\$101	31
2020	164	6.5%	\$187,700	8.0%	1,956	\$96	73
2019	154	--	\$173,750	--	1,761	\$99	51
Other (Condominiums, etc.)							
2024 ytd*	15	--	\$215,000	19.4%	1,308	\$164	24
2023	20	11.1%	\$180,000	-5.8%	1,142	\$158	81
2022	18	38.5%	\$191,000	17.9%	1,181	\$162	33
2021	13	-27.8%	\$162,000	-1.2%	1,884	\$86	103
2020	18	38.5%	\$164,000	-13.7%	1,289	\$127	67
2019	13	--	\$190,000	--	2,103	\$90	41
*2024 sales through October 18							
Other includes condominiums and attached single-family (townhomes, twin homes)							
[^] DOM = Days on Market							
Sources: Century 21 Signature Real Estate; Northeast Iowa Regional MLS; Maxfield Research & Consulting							

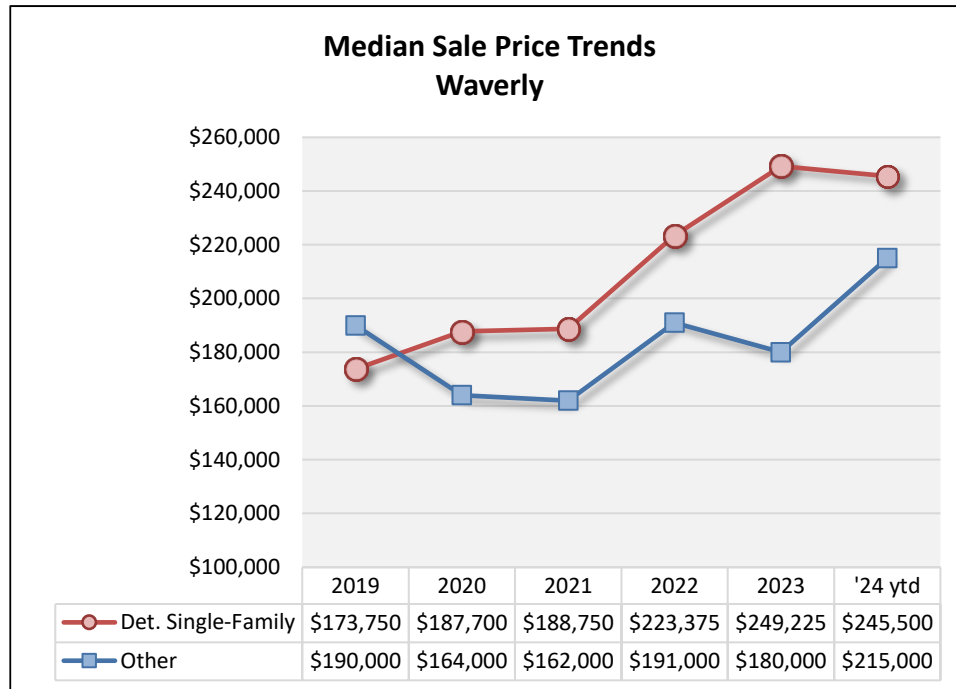
- Home sale volume in Waverly increased from 13.9 sales per month in 2019 to 15.2 sales per month in 2020 and 15.1 sales per month in 2021. Activity has since declined to 12.7 sales per month in 2023 and 10.4 sales per month in 2024 year-to-date.
 - Detached single-family transaction volume in Waverly increased from 12.8 sales per month in 2019 to 14.0 sales per month in 2021 but has since declined to 11.0 and 9.0 sales per month in 2023 and 2024, respectively.
 - Sales activity among other housing product types has been fairly modest, ranging from lows of 1.1 sales per month in 2019 and 2021 to a high of 1.7 sales per month in 2023.

- Sales volume decelerated due, in large part, to elevated mortgage rates, which caused sales activity to slow across much of Iowa and the Midwest.



- Roughly 90% of all home sales in Waverly since 2019 have been detached single-family units (868 closed sales) while 10% (97) were sales of other housing product types, including condominiums and townhomes.
- Marketing times for homes in Waverly declined from 48 days in 2019 and 61 days in 2020 to 18 days on market in 2022. Average marketing times increased to 31 days on market in 2023, but has since declined to an average of 25 days in 2024.
 - Marketing times for detached single-family homes, which peaked at 73 days on market in 2020, declined to 19 days in 2022 and 27 days in 2023. In 2024 year-to-date, detached single-family homes sales are on the market for an average of 30 days.
 - Average marketing times for other housing product types peaked at 103 days on market in 2021 but declined to 33 days in 2022. Other housing product types average 24 days on market in 2024 year-to-date.
- Increasing competition for homes (as indicated by the decreasing supply of available housing and shortened marketing times) has caused strong price appreciation in recent years.

- In Waverly the median price for detached single-family homes increased 43% between 2019 and 2023, climbing from \$173,750 in 2019 to \$249,225 in 2023, averaging 9.6% increases annually.
- The median price for detached single-family homes sales contracted -1.5% to \$245,500 in 2024 year-to-date in Waverly.



- Due to limited sales activity, median pricing trends for other housing product types has experienced more fluctuation than detached single-family pricing.
- The median sale price for other housing product types contracted -5%, decreasing from \$190,000 in 2019 to \$180,000 in 2023, averaging -0.7% declines annually. However, the median price for other housing product types jumped 19% to \$215,000 in 2024 year-to-date.
- The median size of the detached single-family homes sold in 2024 year-to-date was 2,115 square feet which equates to a median price per square foot (psf) of \$116 based on a median sale price of \$245,500.
- Other housing product types sold in 2024 are smaller than detached single-family at a median size of 1,308 square feet. Other product types were sold at a median price of \$164 psf.

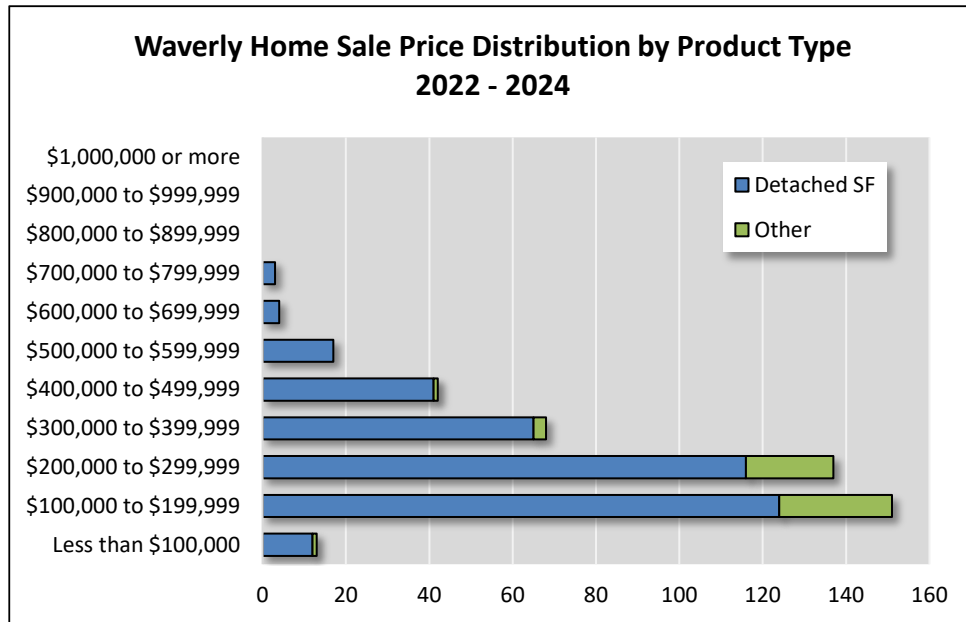
The following table summarizes residential sales in Waverly from 2022 through 2024 year-to-date by price range, including the price distribution for detached single-family sales and sales of other housing product types.

- Detached single-family homes priced between \$100,000 and \$199,999 have been the most commonly purchased product in Waverly since 2022, representing 29% of all sales (33% of detached single-family sales), followed by detached single-family homes priced in the \$200,000 to \$299,999 range (27% of all sales, 30% of detached single-family sales).

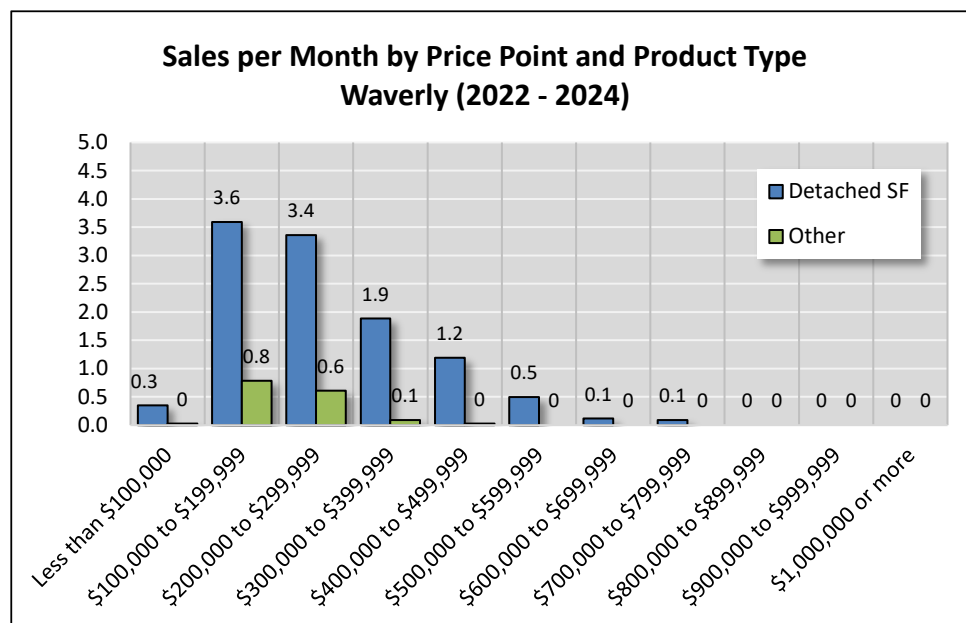
TABLE 30

RESIDENTIAL SALE PRICE DISTRIBUTION								
CITY OF WAVERLY								
2022 - 2024								
	2022		2023		2024*		Total	
	Closed Sales	% of Total	Closed Sales	% of Total	Closed Sales	% of Total	Closed Sales	% of Total
Detached Single-family								
Less than \$100,000	6	3.8%	3	2.3%	3	3.2%	12	3.1%
\$100,000 to \$199,999	56	35.9%	43	32.6%	25	26.6%	124	32.5%
\$200,000 to \$299,999	48	30.8%	40	30.3%	28	29.8%	116	30.4%
\$300,000 to \$399,999	28	17.9%	21	15.9%	16	17.0%	65	17.0%
\$400,000 to \$499,999	11	7.1%	18	13.6%	12	12.8%	41	10.7%
\$500,000 to \$599,999	7	4.5%	2	1.5%	8	8.5%	17	4.5%
\$600,000 to \$699,999	0	0.0%	3	2.3%	1	1.1%	4	1.0%
\$700,000 to \$799,999	0	0.0%	2	1.5%	1	1.1%	3	0.8%
\$800,000 to \$899,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$900,000 to \$999,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$1,000,000 or more	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	156	100%	132	100%	94	100%	382	100%
Other (Condominiums, etc.)								
Less than \$100,000	0	0.0%	0	0.0%	1	0.0%	1	1.9%
\$100,000 to \$199,999	10	55.6%	13	0.0%	4	0.0%	27	50.9%
\$200,000 to \$299,999	7	38.9%	4	0.0%	10	0.0%	21	39.6%
\$300,000 to \$399,999	0	0.0%	3	0.0%	0	0.0%	3	5.7%
\$400,000 to \$499,999	1	5.6%	0	0.0%	0	0.0%	1	1.9%
\$500,000 to \$599,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$600,000 to \$699,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$700,000 to \$799,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$800,000 to \$899,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$900,000 to \$999,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$1,000,000 or more	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	18	100%	20	0%	15	0%	53	100%
*2024 sales through October 18								
Sources: Century 21 Signature Real Estate; Northeast Iowa Regional MLS; Maxfield Research & Consulting								

- Among sales of other housing product types in Waverly since 2022, 51% were priced in the \$100,000 to \$199,999 range (6% of all sales) and another 40% were priced between \$200,000 and \$299,999 (5% of all sales).



- The following chart illustrates sale activity in Waverly by product type and price point. Based on the 141 sales from 2022 through 2024 year-to-date, Waverly experienced an average of roughly 12.6 residential sales per month, including 11.1 detached single-family sales per month and 1.5 sales per month of other product types.



Active Listings

The following table presents a summary of housing products listed for sale by a Realtor on the MLS in Waverly in October 2024. Data includes information on the number of active listings by price range, median year built, median size (based on total finished square feet), median price, and median price per square foot.

- There were 30 homes listed for sale in Waverly, including 27 detached single-family homes and three condominium units.

TABLE 31
ACTIVE LISTINGS
WAVERLY
October 2024

	Listings	% of Total	Median Year Built	Median Size	Median Price	Price per Sq. Ft.
Detached Single-family						
Less than \$100,000	0	0.0%	--	--	--	--
\$100,000 to \$199,999	7	23.3%	1950	1,528	\$179,900	\$118
\$200,000 to \$299,999	9	30.0%	1923	1,816	\$249,000	\$137
\$300,000 to \$399,999	1	3.3%	2001	2,382	\$300,000	\$126
\$400,000 to \$499,999	5	16.7%	2001	2,534	\$450,000	\$178
\$500,000 to \$599,999	1	3.3%	2013	3,524	\$534,900	\$152
\$600,000 to \$699,999	1	3.3%	2023	3,034	\$649,978	\$214
\$700,000 to \$799,999	2	6.7%	2002	4,602	\$787,000	\$171
\$800,000 to \$899,999	1	3.3%	2021	3,013	\$825,000	\$274
\$900,000 to \$999,999	0	0.0%	--	--	--	--
\$1,000,000 or more	0	0.0%	--	--	--	--
Subtotal:	27	90%	1974	1,868	\$269,000	\$144
Other (Condominiums, etc.)						
Less than \$100,000	0	--	--	--	--	--
\$100,000 to \$199,999	2	6.7%	1991	904	\$129,950	\$144
\$200,000 to \$299,999	--	--	--	--	--	--
\$300,000 to \$399,999	1	3.3%	1998	1,994	\$310,000	\$155
\$400,000 to \$499,999	0	--	--	--	--	--
\$500,000 to \$599,999	0	--	--	--	--	--
\$600,000 to \$699,999	0	--	--	--	--	--
\$700,000 to \$799,999	0	--	--	--	--	--
\$800,000 to \$899,999	0	--	--	--	--	--
\$900,000 to \$999,999	0	--	--	--	--	--
\$1,000,000 or more	0	--	--	--	--	--
Subtotal:	3	10%	1998	944	\$145,000	\$154
Waverly Total	30	100%	1978	1,842	\$264,500	\$144
Sources: Northeast Iowa Regional MLS; Realtor.com; Maxfield Research & Consulting						

- The median asking price for detached single-family homes was \$269,000, 10% higher than the 2024 median sale price of \$245,500. The list price for other product types (\$145,000) is roughly -33% lower than the 2024 median sale price of \$215,000.
- The median size of the detached single-family homes listed for sale was 1,868 square feet which equates to a median price per square foot (psf) of \$144 based on a median list price of \$269,000.
- Detached single-family homes priced in the \$200,000 to \$299,999 range are the most common listings in Waverly, with nine homes listed for sale (30% of all listings). There are also seven detached single-family homes available for sale priced in the \$100,000 to \$199,999 range (23%) and five priced in the \$400,000 to \$499,999 range (17%).
- The median size of the three condominium units listed for sale was 944 square feet which equates to a median price per square foot (psf) of \$154 based on a median list price of \$145,000.
- Two of the condominium units are priced in the \$100,000 to \$199,999 range, and one is priced in the \$300,000 to \$399,999 range.
- Among all homes listed for sale on the MLS, three are new construction homes and 27 are previously owned sales.
 - The median list price for new construction homes is \$460,000, 85% higher than the median list price of \$249,000 for previously owned homes. On a per square foot basis, the median list price for new construction homes (\$260 psf) is 95% higher than previously owned homes (\$127 psf).
- Since 2022, Waverly has averaged 12.6 home sales per month, including 11.1 detached single-family home sales per month and 1.5 sales per month of other housing product types.
 - Based on the supply of available for-sale housing in the City as of October 2024, there is a 2.4-month supply of homes available for sale on the market.
 - There is a 2.4-month supply of detached single-family homes and a 2.0-month supply of other product types available for sale.
- Equilibrium in the for-sale housing market is generally considered to be a six-month supply, indicating that there is pent-up demand for ownership housing in Waverly.

Residential Lot Supply

The following table summarizes the supply of vacant residential parcels in Waverly by subdivision. Data was sourced from the City of Waverly and the Bremer County Assessor. Information in the table includes subdivision name, year platted, total number of lots, number of lots developed, vacant lots, and the number of vacant lots in each subdivision owned by a developer or contractor.

- There are 163 vacant lots across 15 different subdivisions in Waverly. These subdivisions contain a total of 636 residential lots, roughly 74% of which have been developed (473 lots) while 163 lots (26%) remain vacant.

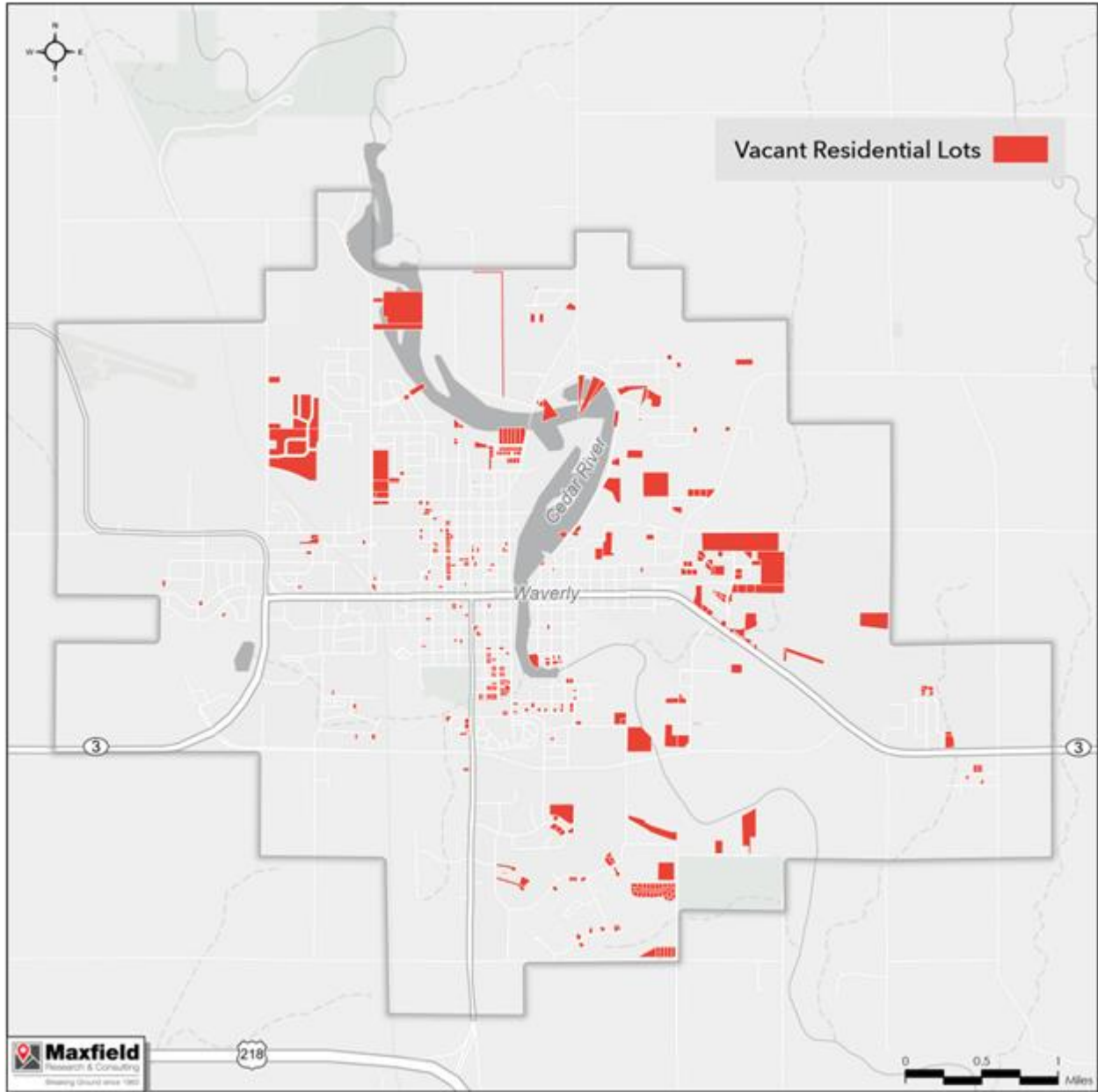
TABLE 32

RESIDENTIAL LOT SUPPLY BY SUBDIVISION CITY OF WAVERLY October 2024					
Subdivision Name	Total Lots	Year Platted	Developed Lots	Vacant Lots	Developer Owned*
Centennial Oaks	203	1998	191	12	3
High Point I	28	2004	25	3	0
Rolling Meadow	86	1997	85	1	0
Rolling Hills	38	2000	36	2	1
Rolling Hills Lot 15	9	2018	5	4	2
Parkview Estates	25	1998	24	1	0
Copper Ridge	24	2004	20	4	3
Stonehaven	72	2002	68	4	4
High Point II	15	2015	6	9	8
Prairie Park II	7	2016	5	2	1
Breezy Hill	5	2014	0	5	5
Whitetail Bluff	35	2020	7	28	27
Walnut Ridge	4	2021	1	3	1
Stone Meadows (Workforce Housing)	58	2024	0	58	58
Anna Estates I (Active Adult)	27	2023	0	27	1
Total Lot Supply in Waverly:	636		473	163	114
*Vacant lots owned by a developer or contractor					
Sources: City of Waverly; Bremer County; Maxfield Research & Consulting					

- It’s important to note that most of these vacant lots are not currently being marketed for sale. As presented next, there were 18 lots listed for sale by a Realtor on the MLS in Waverly as of October 2024.
 - Of the 163 vacant lots, 114 are owned by a developer or contractor and will likely become available for development in the future. The remaining lots are owned privately or by an adjacent landowner and may or may not be available for future development.

- The following map depicts concentrations of vacant plated residential lots in Waverly. This information is sourced from the Bremer County parcel dataset.

City of Waverly Vacant Residential Lot Supply



- In addition to lots in these existing subdivisions, Maxfield Research contacted staff from the City of Waverly, Bremer County, and the Cities of Shell Rock, Clarksville, and Janesville to identify any new for-sale housing developments that are approved or proposed but not yet actively-marketing.
 - There are no residential subdivisions pending in Shell Rock, Clarksville, Janesville, or the Remainder of the PMA outside of Waverly.
- As summarized in the following table, there are five pending residential subdivisions in Waverly, totaling 175 future lots.
- Two of the subdivisions (Stone Meadows and Anna Estates I) have commenced construction and are included in the lot supply information presented earlier. When complete, these two subdivisions will contain 86 homes (combination of detached and attached single-family units).
- Another 86 lots in four subdivisions (Anna Estates II, Anna Estates III, Maple Hills, and Prairie Links Addition) are pending. These subdivisions are expected to include a mix of lots for detached and attached single-family homes.

TABLE 33

PENDING RESIDENTIAL SUBDIVISIONS CITY OF WAVERLY October 2024				
Subdivision Name Location	Total Lots	Status	Developer	Notes
Stone Meadows Credit River Pkwy at 1st St	58	Under construction	Panther Builders	Workforce housing (tax credits approved) 40 detached & attached single-family homes
Anna Estates I Knight Ave	31	Under construction	Bartels Lutheran	Active adult (age 55+) homes 16 detached single-family & 30 duplex units
Anna Estates II & III Knight Ave	60	Proposed	Bartels Lutheran	Active adult (age 55+) homes 50 - 60 units anticipated
Maple Hills Bremer Rd at 2nd Ave NE	8	Planned	Eric Jensen	8 detached townhome units platted as a condo development
Prairie Links Addition 3rd St SW/Eagle Ridge Dr	18	Proposed	Panther Builders	Workforce housing (tax credits application) pending; detached & attached units
Pending Lot Supply:	175			
Sources: City of Waverly; Maxfield Research & Consulting				

Actively Marketing Residential Lots

The table on the following page summarizes platted residential lots listed for sale by a Realtor on the MLS in the City of Waverly and the Remainder of the PMA as of October 2024. Data is sourced from Realtor.com, the Northeast Iowa Regional MLS, Bremer County, and Butler County.

- As of October 2024, there were 52 residential lots available for sale in the PMA, including 18 lots in Waverly and 34 lots in the Remainder of the PMA. This information excludes larger acreages that may also be listed for sale in the PMA.
- There are six actively-marketing subdivisions in Waverly, with Whitetail Bluff being the most active (eight lots listed for sale).
- There are also three active subdivisions in the Remainder of the PMA, with Sands Third Addition in Janesville being the most active with 22 lots listed for sale.
- The median size of lots currently available for sale in PMA is 14,157 square feet (0.33-acre), ranging from 10,019 square feet (0.23-acre) for lots in Sands Third Addition in Janesville to 3.53 acres for a lot in Timber Creek Estates near Shell Rock in Butler Township.
- Lot prices vary depending on location and features, ranging from \$26,000 for an 18,295 square-foot lot in the Willowtree subdivision in Shell Rock to \$185,000 for a 1.45-acre lot in the Centennial Oaks subdivision in Waverly.
 - Actively-marketing lots in Waverly have a median list price of \$5.17 per square foot (psf) based on the median list price of \$137,250 and a median lot size of 26,572 square feet.
 - Median list prices for actively marketed residential lots in Waverly range from as low as \$0.92 psf for an unplatted 2.5-acre lot (listed for \$99,900) to \$5.81 psf for a 26,572 square-foot lot in the Breezy Hill Estates subdivision which is listed for \$154,500.
- Lots listed for sale in the Remainder of the PMA have a median price of \$70,000, ranging from \$26,000 for a lot in Willowtree to \$90,000 for lots in Sands 3rd Addition.
 - Actively-marketing lots in the Remainder of the PMA have a median list price of \$5.84 per square foot (psf) based on the median list price of \$70,000 and a median lot size of 11,979 square feet.
 - Median list prices for lots in the Remainder of the PMA range from as low as \$0.52 psf for 3.53-acre lot in Timber Creek Estates (listed for \$79,999) to \$7.65 psf for 11,761 square-foot lots in Sands Third Addition which are listed for \$90,000.

- Based on median pricing, residential lots in Waverly are priced 96% higher than in the Remainder of the PMA (\$137,250 in Waverly compared to \$70,000 elsewhere in the PMA).
- However, on a per square foot basis, median lot prices in Waverly (\$5.17 psf) are -12% lower than the Remainder of the PMA (\$5.84 psf) because median lot sizes in Waverly (26,572 square feet) are more than double the median lot size (11,979 square feet) in the Remainder of the PMA.

TABLE 34

**ACTIVELY-MARKETING RESIDENTIAL LOT SUPPLY
PRIMARY MARKET AREA
October 2024**

Subdivision City/Township	Vacant Lots Lots For-Sale	----- Lots Listed For Sale -----				
		Lot Size Range		Lot Price Range		
		Min Max	Median Ac	Min Max	Median Price	Price/Ac Price/SF
City of Waverly						
Breezy Hill Estates	5	0.61	0.61	\$134,500	\$144,500	\$236,885
Waverly	5	0.61	26,572	\$154,500		\$5.44
Centennial Oaks	12	0.31	0.88	\$70,000	\$127,500	\$144,886
Waverly	2	1.45	38,333	\$185,000		\$3.33
Copper Ridge	4	0.69	0.69	\$72,000	\$72,000	\$104,348
Waverly	1	0.69	30,056	\$72,000		\$2.40
Prairie Park 2nd	2	0.37	0.37	\$68,000	\$68,000	\$183,784
Waverly	1	0.37	16,117	\$68,000		\$4.22
Whitetail Bluff	28	0.26	1.01	\$65,000	\$156,500	\$154,950
Waverly	8	1.26	43,778	\$184,000		\$3.57
Unplatted Lot	NA	2.50	2.50	\$99,900	\$99,900	\$39,960
Waverly	1	2.50	108,900	\$99,900		\$0.92
Waverly Summary	51	0.26	0.61	\$65,000	\$137,250	\$225,000
	18	2.50	26,572	\$185,000		\$5.17
Remainder of PMA						
Timber Creek Estates	15	1.89	2.02	\$79,999	\$82,499	\$40,841
Shell Rock (Butler Twp)	8	3.53	87,773	\$89,999		\$0.94
Willowtree	9	0.33	0.39	\$26,000	\$28,500	\$73,077
Shell Rock	4	0.43	16,771	\$30,000		\$1.70
Sands 3rd Addition	27	0.23	0.27	\$60,000	\$70,000	\$259,259
Janesville	22	0.32	11,761	\$90,000		\$5.95
Remainder of PMA Summary	51	0.23	0.28	\$26,000	\$70,000	\$250,000
	34	3.53	11,979	\$90,000		\$5.84
PMA Summary	102	0.23	0.33	\$26,000	\$77,500	\$234,848
	52	3.53	14,157	\$185,000		\$5.47

Sources: Northeast Iowa Regional MLS; Realtor.com; Bremer County; Butler County; Maxfield Research & Consulting

New Construction Home Pricing

The following table and related points summarize new construction home sales in Waverly. Data represents closed new construction sales in 2023 and 2024 year-to-date (through October 18) along with new construction homes listed on the MLS in October 2024 (actively marketing and pending sales).

New construction home sale data was obtained via the Northeast Iowa Regional Multiple Listing Service (MLS) with assistance from Century 21 Signature Real Estate along with sales information from the Bremer County Assessor. Data is presented by subdivision and includes the number of sales or listings, property type, home sizes (total finished square feet), price ranges, and the median price per square foot.

- Information is provided on 28 new construction homes sales and active listings across 12 different subdivisions.
 - Among the new construction sales and active listings, 71% are detached single-family homes (20) and 29% are other housing product types (eight).
- New construction detached single-family homes have a median size of 1,965 square feet, ranging from 1,140 square feet for a three-bedroom home in Rolling Hills to 3,034 square feet for a five-bedroom house in Centennial Oaks.
- Pricing for new construction detached single-family homes ranges from a low of \$220,000 for a 1,217 square-foot home in Heartland Hills to \$649,978 for a 3,034 square-foot home in Centennial Oaks.
 - The median new construction detached single-family price is \$446,375 (\$227 psf) which is 82% higher than the 2024 median sale price (\$245,500) in Waverly.
- New construction homes of other housing product types (condominiums, townhomes) have a median size of 1,787 square feet, ranging from 1,527 square feet for a two-bedroom unit in Eisenach Village to 1,810 square feet for a two-bedroom unit in Anna Estates.
- Pricing for other types of new construction units ranges from a low of \$270,000 for a two-bedroom unit in Eisenach Village to \$405,000 for the two-bedroom unit in Anna Estates.
 - The median new construction price for other housing product types is \$322,450 (\$180 psf), 50% higher than the 2024 median sale price of \$215,000.
- The median price for all new construction housing units in Waverly is \$419,950, which equates to \$233 psf based on the median size of 1,803 square feet.

TABLE 35

NEW CONSTRUCTION HOME PRICING SUMMARY
CITY OF WAVERLY
October 2024

Subdivision	Type	Sales/ Listings	Finished Square Feet			Price Range			Price/SF
			Low	High	Median	Low	High	Median	
Detached Single-family									
Anna Estate	Detached SF	4	1,936 - 2,108		2,000	\$397,200 - \$424,900		\$412,450	\$206
Centennial Oaks	Detached SF	7	1,416 - 3,034		2,481	\$428,864 - \$649,978		\$555,534	\$224
Whitetail Bluff	Detached SF	2	1,585 - 2,580		2,083	\$382,500 - \$450,750		\$416,625	\$200
H Sturdevant	Detached SF	1	2,180 - 2,180		2,180	\$460,923 - \$460,923		\$460,923	\$211
Harmon & Levalley	Detached SF	1	1,698 - 1,698		1,698	\$437,000 - \$437,000		\$437,000	\$257
Heartland Hills	Detached SF	1	1,217 - 1,217		1,217	\$220,000 - \$220,000		\$220,000	\$181
Omni Development	Detached SF	1	1,632 - 1,632		1,632	\$442,000 - \$442,000		\$442,000	\$271
Prairie Park 2nd Add	Detached SF	1	1,766 - 1,766		1,766	\$460,000 - \$460,000		\$460,000	\$260
Rolling Hills	Detached SF	1	1,140 - 1,140		1,140	\$235,000 - \$235,000		\$235,000	\$206
Stone Haven	Detached SF	1	1,685 - 1,685		1,685	\$599,326 - \$599,326		\$599,326	\$356
Total (Detached Single-Family)		20	1,140 - 3,034		1,965	\$220,000 - \$649,978		\$446,375	\$227
Other									
Anna Estates	Condominium	2	1,771 - 1,810		1,791	\$399,900 - \$405,000		\$402,450	\$225
Eisenach Village	Condominium	4	1,527 - 1,803		1,803	\$270,000 - \$309,900		\$281,900	\$156
Stone Haven	Townhouse	2	1,611 - 1,611		1,611	\$335,000 - \$335,000		\$335,000	\$208
Total (Other):		8	1,527 - 1,810		1,787	\$270,000 - \$405,000		\$322,450	\$180
Total New Construction		28	1,140 - 3,034		1,803	\$220,000 - \$649,978		\$419,950	\$233

Sources: Century 21 Signature Real Estate; Northeast Iowa Regional MLS; Realtor.com; Bremer County; Maxfield Research & Consulting

Rental Housing Market

Introduction

Maxfield Research analyzed the general occupancy (i.e. not age restricted) rental housing market in Waverly and the surrounding area by collecting data on key rental housing industry metrics such as vacancy rates and monthly rents. Much of the data was collected in October 2024. Topics covered in this section of the analysis include.

- ▶ An overview of rental housing conditions in the Market Area
- ▶ Summary results from our survey of select general occupancy market rate, affordable, and subsidized rental properties in Waverly

Maxfield Research and Consulting identified and surveyed a select group of general occupancy rental properties in Waverly. Rental housing is typically categorized into one of three sectors:

- Market rate properties (those without income restrictions)
- Affordable properties (those with income restrictions and rents affordable to households with incomes at 80% of Area Median Income or lower), and
- Subsidized properties (restricted to households with incomes at 50% of Area Median Income or lower).

Secondary data resources utilized for this section of the analysis include the American Community Survey and online apartment listing resources, such as property websites, Zillow, Facebook Marketplace, etc.

Overview of Rental Market Conditions

The following table shows estimated vacancy rates and median contract rental rates from the 2022 ACS (the most recent data available) compared to estimates from the previous four ACS periods. This vacancy estimate is often higher than what is found in apartment buildings as other types of rentals are included (i.e. vacant single-family rental properties).

The Census’ definition of a vacant housing unit includes units that were listed for sale or for rent at the time of the Census survey, units that have been rented or sold but were not yet occupied, seasonal housing (vacation or second homes), and “other” vacant housing. Other vacant housing units include housing for migratory workers, housing units held for occupancy of a caretaker, and units in the foreclosure process. Contract rent is the monthly rent agreed to regardless of any utilities, furnishings, fees, or services that may be included.

TABLE 36
RENTAL HOUSING VACANCY & CONTRACT RENT ESTIMATES
WAVERLY MARKET AREA
2018 - 2022

	2018	2019	2020	2021	2022
Vacancy					
Waverly	5.5%	6.5%	6.6%	7.2%	4.0%
Bremer County	5.4%	9.2%	8.5%	8.0%	7.2%
Waterloo-Cedar Falls MSA	5.5%	5.9%	5.3%	5.7%	5.5%
Iowa	6.5%	6.5%	6.5%	6.4%	6.0%
Monthly Rent					
Waverly	\$568	\$621	\$638	\$701	\$659
Bremer County	\$528	\$518	\$531	\$578	\$580
Waterloo-Cedar Falls MSA	\$617	\$636	\$649	\$676	\$736
Iowa	\$621	\$639	\$651	\$689	\$745

Note: Rent equals median contract rent
Sources: ACS 5-year Estimates; Maxfield Research & Consulting

- Reported vacancies from the ACS in 2022 were estimated at 4.0% in Waverly, the lowest vacancy rate over the past five ACS periods, and lower than 7.2% in Bremer County, 5.5% in the MSA, and 6.0% in Iowa.
- Over the past five ACS periods (2018 to 2022), Waverly has averaged 6.0% vacancy, lower than 7.7% in Bremer County and 6.4% in Iowa, but slightly higher than 5.6% in the MSA.
- Nationally, the equilibrium vacancy rate for rental housing is considered to be 7.0% which allows for normal turnover and an adequate supply of alternatives for prospective renters. Rental housing vacancy rates in Waverly have generally tracked slightly below equilibrium in recent years.

- Median contract rents experienced strong growth in the Market Area between the 2018 ACS and the 2022 ACS periods, including a 16% increase in the City of Waverly from \$568 in 2018 to \$659 in 2022.
 - Rents in Bremer County increased 10% to \$580 during that five-year time period, while average contract rents in the MSA increased 19% from \$617 in 2018 to \$736 in 2022. The median contract rent in Iowa increased 20% during that period to \$745.
- On an average annual basis, rental rate growth in Waverly (4.0% growth per year) and the MSA (4.5%) has outpaced the average annual rate of inflation of 2.6% over the past ten years. In Iowa, rents increased at a 4.7% average annual rate from 2018 to 2022.

Licensed Rental Properties

- The City of Waverly requires minimum maintenance standards and maximum occupancy levels of all residential rental properties within the City. No person shall lease, rent or otherwise allow a rental unit to be occupied without first obtaining a rental registration permit from the City. As of October 2024, there were 1,042 licensed rental units in the City.

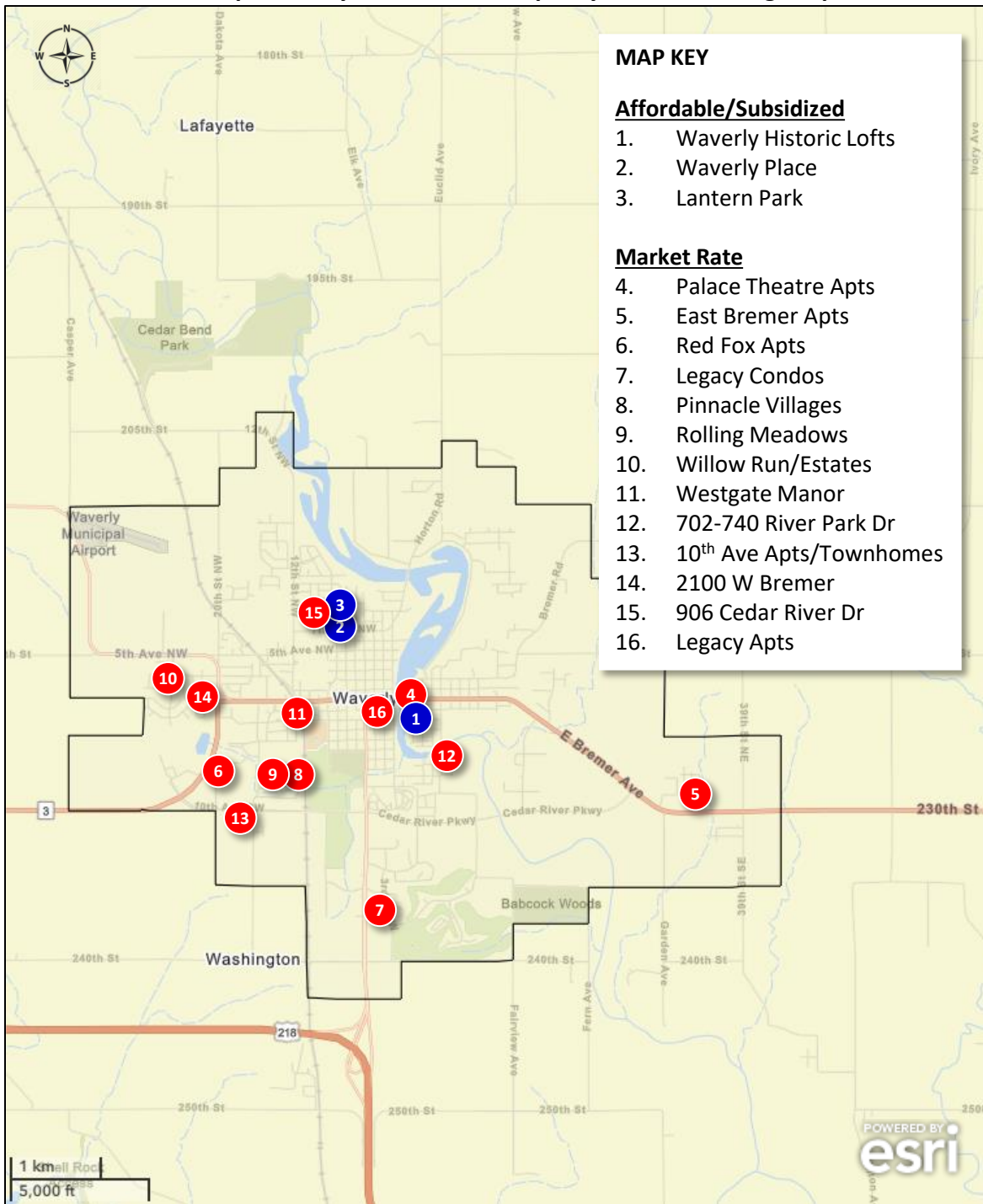
General Occupancy Multifamily Rental Housing Projects

Maxfield Research and Consulting compiled detailed information for a select group of general occupancy multifamily rental housing properties with eight or more units in the City of Waverly. This information is categorized into two groups; market rate housing (properties that do not have any income restrictions) and affordable or subsidized properties which are restricted to residents with incomes at, or below, certain limits depending on funding source. The rents shown represent quoted rents and have not been adjusted to reflect the inclusion or exclusion of utilities. The tables on the following pages summarize information on these projects.

Data was collected through a telephone and email survey of managers and owners for each property in October 2024. Information sourced from online resources, such as property websites, Zillow, and Facebook Marketplace, among others was also utilized.

- We surveyed three general occupancy affordable or subsidized apartment facilities along with 14 market rate rental properties in the City. In total, the general occupancy multifamily inventory includes 58 affordable or subsidized units and 415 market rate units.
- Maxfield Research also contacted staff from the City of Waverly, Bremer County, and other communities in the PMA to identify any new rental housing projects that are in the development pipeline (i.e. under construction, approved, or proposed). There are no new general occupancy rental housing developments pending in the PMA.

Location Map – Surveyed General Occupancy Rental Housing Properties



Affordable/Subsidized Property Summary

The table below presents a summary of the surveyed affordable and subsidized properties in Waverly, including unit mix, unit sizes, and base market rent information. The inventory includes one United States Department of Agriculture (USDA) Rural Development Section 515 property and two Low Income Housing Tax Credit (LIHTC) properties. Properties financed through the USDA Rural Development Section 515 program target “very low” (50% AMI), “low” (80% AMI), and “moderate-income” (\$5,500 more than 80% AMI) households. Tenants in Rural Development housing pay basic rent or 30% of their adjusted income, whichever is greater, while residents in LIHTC properties pay basic monthly rents.

- We surveyed three affordable and subsidized general occupancy apartment properties in Waverly, totaling 58 units, including the 16-unit Lantern Park Apartments (USDA Rural development), the 34-unit Waverly Historic Lofts (LIHTC) and the eight-unit Waverly Place (LIHTC).
- At the time of the survey, there two vacant units, both three-bedroom units, representing a 3.4% vacancy rate, well-below equilibrium (7.0% vacancy).

TABLE 37

UNIT TYPE SUMMARY GENERAL OCCUPANCY AFFORDABLE/SUBSIDIZED RENTAL PROPERTIES October 2024						
Unit Type	Total Units	% of Total	Avg. Size	Monthly Rents		
				Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	19	33%	611	\$450 - \$775	\$561	\$0.92
2BR	24	41%	867	\$526 - \$1,015	\$784	\$0.91
3BR	15	26%	1,156	\$930 - \$1,282	\$1,066	\$0.94
Total:	58	100%	858	\$450 - \$1,282	\$784	\$0.91

Source: Maxfield Research & Consulting

- Among these affordable/subsidized properties, 41% of the units have two bedrooms, 33% are one-bedroom units, and 26% have three bedrooms.
- On average, units have 858 square feet, ranging from an average size of 611 square feet for one-bedroom units to 1,156 square feet for three-bedroom units. Two-bedroom units are 867 square feet, on average.
- The average basic monthly rental rate across these three properties is \$784, ranging from an average of \$561 for one-bedroom units to an average of \$1,066 for three-bedroom units. The average two-bedroom unit rent is \$784 per month.

- On a per square-foot basis (psf), these properties have an average rent of \$0.91 psf, including \$0.92 psf for one-bedroom units, \$0.91 psf for two-bedroom units, and \$0.94 psf for three-bedroom units.
- One-bedroom units target one- to two-person households, while two-bedroom units target two- to four-person households and three-bedroom units have a six-person maximum household size.
- The following figure summarizes maximum household incomes by household size in Bremer County at 30%, 40%, 50%, 60%, and 80% Area Median Income (AMI), which represents the target market for the affordable and subsidized facilities in Waverly.

----- Income Limits by Household Size -----						
HH Size	Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI
1-Person	Studio or 1BR	\$22,050	\$29,400	\$36,750	\$44,100	\$58,800
2-Person	1BR or 2BR	\$25,200	\$33,600	\$42,000	\$50,400	\$67,200
3-Person	2BR or 3BR	\$28,350	\$37,800	\$47,250	\$56,700	\$75,600
4-Person	2BR or 3BR	\$31,470	\$41,960	\$52,450	\$62,940	\$83,920
5-Person	3BR or 4BR	\$33,990	\$45,320	\$56,650	\$67,980	\$90,640
6-Person	3BR or 4BR	\$36,510	\$48,680	\$60,850	\$73,020	\$97,360

Market Rate Summary

The table on the following page summarizes the unit mix, average unit sizes, and average rental rate ranges among the surveyed market rate rental properties in Waverly. Rental rates represent a weighted average based on the number of units at each property, so buildings with a larger number of units of any one type contribute more toward the average than those with fewer units.

- We surveyed 14 existing general occupancy market rate apartment properties in Waverly, totaling 414 units.
- As noted previously, the equilibrium vacancy rate for market rate rental housing is considered to be 7.0% which allows for normal turnover and an adequate supply of alternatives for prospective renters.
 - At the time of the survey, there were 34 units vacant and available for lease, resulting in an 8.2% vacancy rate among these general occupancy market rate rental properties, which is slightly above equilibrium.
- It’s important to note that 65% of these vacancies are concentrated in the Pinnacle Villages property. The property owner indicated that they have reduced their rents in an effort to stimulate demand and bring the property back to stabilized occupancy.

- The remaining market rate rental properties in Waverly are 3.9% vacant, which is well-below equilibrium.
- Among these market rate properties, 62% of the units have two bedrooms, while 18% are one-bedroom units, and 17% have three bedrooms. Another 3% of the units are studios and less than 1% of the units have four bedrooms.

TABLE 38

UNIT TYPE SUMMARY SELECT MARKET RATE GENERAL OCCUPANCY RENTAL PROPERTIES October 2024						
Unit Type	Total Units	% of Total	Avg. Size	Monthly Rents		
				Range Low - High	Avg. Rent	Avg. Rent/Sq. Ft.
Studio	14	3%	475	\$500 - \$500	\$586	\$1.24
1BR	73	18%	690	\$520 - \$845	\$810	\$1.18
2BR	256	62%	968	\$650 - \$1,620	\$1,074	\$1.10
3BR	69	17%	1,148	\$800 - \$1,690	\$1,312	\$1.14
4BR	2	0%	1,100	\$1,020 - \$1,020	\$1,020	\$0.93
Total:	414	100%	933	\$500 - \$1,690	\$1,050	\$1.13

Source: Maxfield Research & Consulting

- On average, units have 933 square feet, ranging from an average size of 475 square feet for studio units to 1,148 square feet for three-bedroom units. One- and two-bedroom units are 690 square feet and 968 square feet, on average, while the four-bedroom units are 1,100 square feet.
- The average monthly rental rate across all market rate general occupancy properties is \$1,050, ranging from an average of \$586 for studio units to an average of \$1,312 for three-bedroom units. One- and two-bedroom units have average rents of \$810 and \$1,074 per month, respectively, while the four-bedroom units rent for \$1,020 per month.
- On a per square-foot basis (psf), these market rate rental properties have an average rent of \$1.13 psf, including \$1.24 psf for studio units, \$1.18 psf for one-bedroom units, \$1.10 psf for two-bedroom units, \$1.14 psf for three-bedroom units, and \$0.93 for four-bedroom units.
- There is a discrepancy in rents between older and newer properties. The six newest properties (opened in past ten years) have an average monthly rent of \$1,363 (\$1.27 psf) compared to an average rent of \$734 (\$0.97 psf) among the older properties in Waverly.
- While each property manages utilities differently, heat, trash removal, water, and sewer are typically included in the rent.

The following are photographs of select general occupancy rental properties in Waverly (October 2024).



Waverly Historic Lofts (affordable)



Lantern Park (affordable)



Red Fox Apartments



Legacy Condos



Pinnacle Villages



Rolling Meadows

Senior Housing Market

Introduction

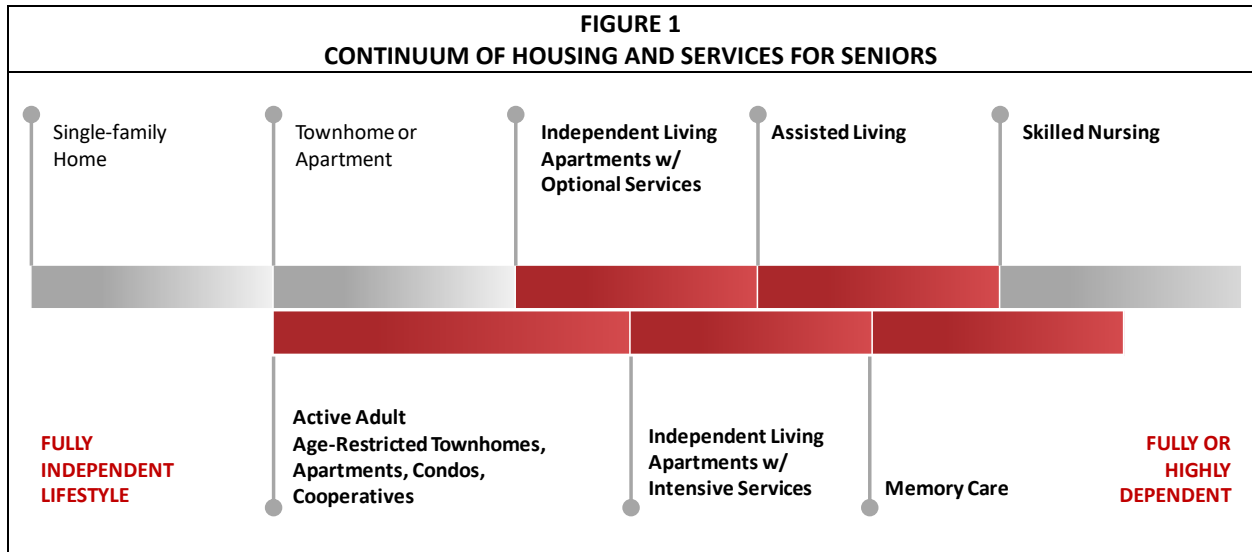
This section provides an assessment of the market support for senior housing, including a review of demographic and economic characteristics of the Market Area's senior population along with summary information on existing and pending senior housing facilities in the PMA. Data on the senior housing facilities was collected in October 2024. Topics covered in this section of the analysis include.

- ▶ A definition of senior housing product types
- ▶ An overview of older adult and senior demographic characteristics in the area
- ▶ Summary information on existing and pending senior housing facilities in the PMA

Secondary data resources utilized for this analysis include the U.S Census Bureau Decennial Census and American Community Survey ("ACS"), along with ESRI, the Iowa State Data Center, and Columbia University CIESIN. Information from the Health Facility Database from the Iowa Department of Inspections & Appeals was also referenced.

Senior Housing Defined

Senior housing is a concept that generally refers to the integrated delivery of housing and services to seniors. However, as Figure 1 illustrates, senior housing embodies a wide variety of product types across the service-delivery spectrum.



Products range from independent apartments and/or townhomes with virtually no services on one end, to highly specialized, service-intensive assisted living units or housing geared for people with dementia-related illnesses (termed "memory care") on the other end of the spectrum.

In general, independent senior housing attracts people age 65 and over while assisted living typically attracts people age 80 and older who need assistance with activities of daily living (ADLs).

For analytical purposes, Maxfield Research and Consulting classifies senior housing into five primary categories based on the level and type of services offered as described in the figure on the following page.

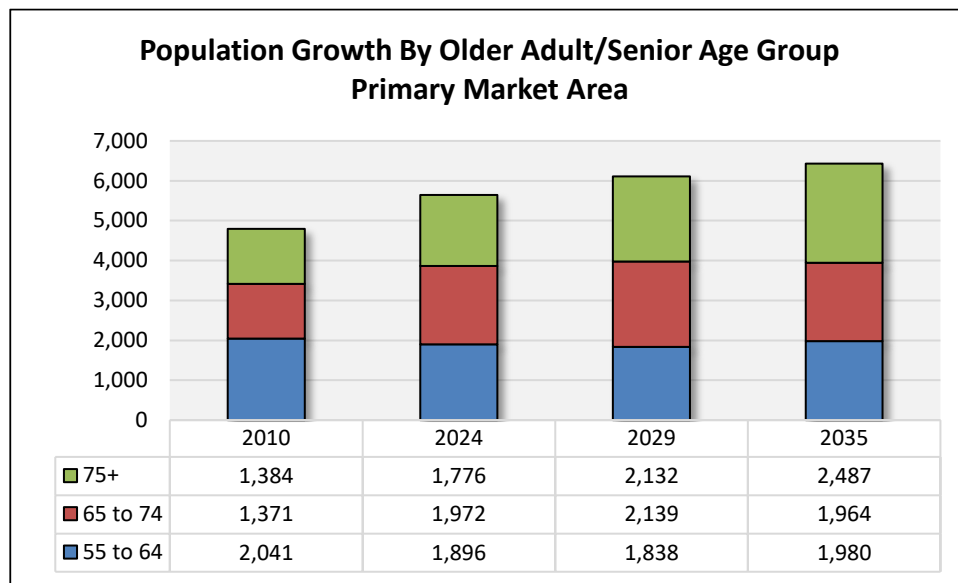
Facilities referred to as “catered living” offer a flexible living arrangement where residents can live independently and purchase assisted living services as needed without relocating to a unit specifically designated for independent living or assisted living.

<p>Active Adult</p> <p>Active Adult properties (or independent living without services available) are similar to a general-occupancy building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). Residents are generally age 70 or older if in an apartment-style building. Organized entertainment, activities and occasionally a transportation program represent the extent of services typically available at these properties. Because of the lack of services, active adult properties generally do not command the rent premiums of more service-enriched senior housing. Active adult properties can have a rental or owner-occupied (condominium or cooperative) format.</p>
<p>Independent Living</p> <p>Independent Living properties offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties often dedicate a larger share of the building to common areas, because units are smaller than in active adult housing and to encourage socialization. Independent living properties attract a slightly older target market than adult housing (i.e. seniors age 75 or older). Rents are also above those of active adult buildings. Sponsorship by a nursing home, hospital or health care organization is common.</p>
<p>Assisted Living</p> <p>Assisted Living properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their health situation), who need extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have staff on duty 24 hours per day or at least 24-hour emergency response.</p>
<p>Memory Care</p> <p>Memory Care properties, designed specifically for persons suffering from Alzheimer’s disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which addresses housing needs almost exclusively for widows or widowers, a higher proportion of persons afflicted with Alzheimer’s disease are in two-person households. That means the decision to move a spouse into a memory care facility involves the caregiver’s concern of incurring the costs of health care at a special facility while continuing to maintain their home.</p>
<p>Skilled Nursing Care</p> <p>Skilled Nursing Care, or long-term care, provides a living arrangement that integrates shelter and food with medical, nursing, psychosocial and rehabilitation services for persons who require 24-hour nursing supervision. Residents in skilled nursing homes can be funded under Medicare, Medicaid, Veterans, HMOs, insurance as well as use of private funds.</p>

Older Adult (Age 55+) Population and Household Trends

The Demographic Review section of this study presented general demographic characteristics of the population and household base in Waverly and the PMA. The following points summarize key findings from that section as they pertain to the older adult and senior population in the Market Area.

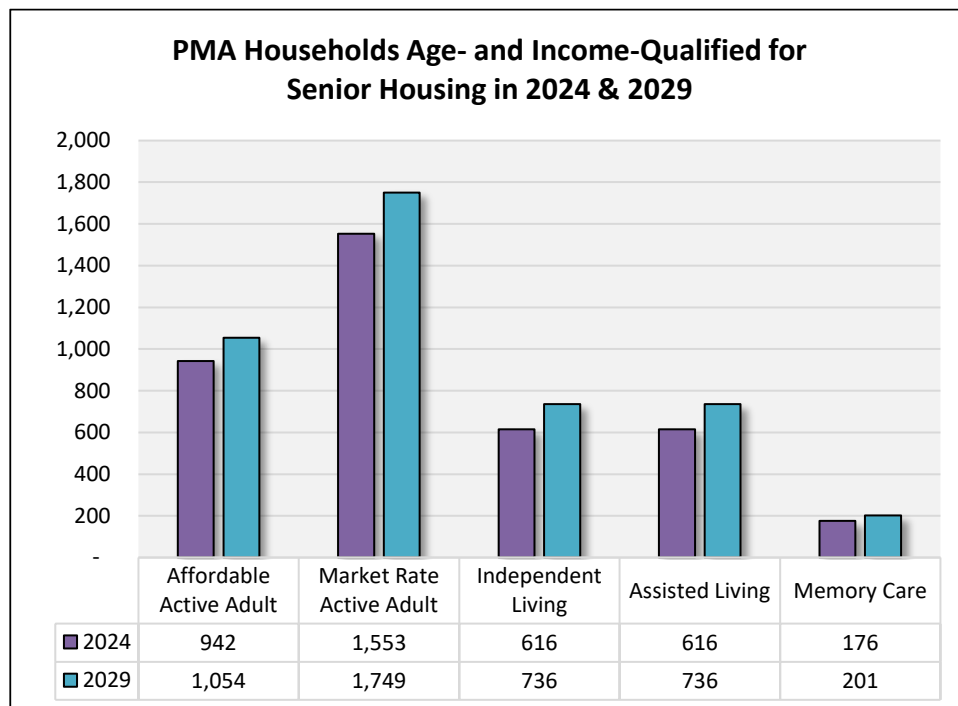
- Strong growth is occurring among seniors in the PMA. Aging of baby boomers led to 44% growth in the 65 to 74 population between 2010 and 2024, adding 601 people.
 - As this group ages, the 75 and older age groups are expected to experience rapid growth between 2024 and 2035, as the 75 to 79 age cohort is expected to increase 27% (188 people). The age 80 to 84 and 85 and older cohorts are both projected to expand 49%, adding 249 people and 274 people, respectively.
 - The 65 to 74 age group is projected to contract -0.5% between 2024 and 2035, while the 55 to 64 age group expands 4% (84 people).



- The primary market for service-enhanced housing, such as assisted living, is senior households age 75 and older. The key market for active adult housing is comprised of senior households age 65 and older, although active adult properties are often restricted to residents age 55 and older.
- While individuals in their 50s and 60s typically do not comprise the market base for service-enhanced senior housing, they often have elderly parents to whom they provide support when they decide to relocate to senior housing. Elderly parents often prefer to be near their adult caregivers, so the older adult age cohort (age 55 to 64) also generates some additional demand for service-enhanced senior housing products.

- The frailer the senior, the greater the proportion of their income they will typically spend on housing and services. Studies have shown that seniors are willing to pay increasing proportions of their incomes on housing with services, with income allocations as follows: 40% to 50% for market rate active adult housing, 65% for independent living, and 80% to 90% or more for assisted living housing.
 - The proceeds from a home sale, as well as financial assistance from their adult children, are often used as supplemental income to afford senior housing alternatives.
- The target market for affordable and subsidized active adult housing is households age 65 and older with incomes at or below 60% Area Median Income (AMI), although some affordable properties may be restricted to households at 80% AMI or lower. At 60% AMI, household income limits are \$44,100 for a one-person household and \$50,400 for a two-person household in Bremer County.
 - Using \$50,400 as the income limit for affordable housing in 2024, there are an estimated 942 income-qualified households age 65 and older in the PMA (41% of all age 65 and older households). The number of qualified households in the PMA at 60% AMI is projected to increase 12% by 2029 (111 households), after accounting for inflation.
- The target for market rate active adult housing is comprised of senior households (age 65 and older) with incomes of \$40,000 or more. Older adult and senior households with incomes of \$40,000 allocating 40% of their income toward housing costs could afford monthly rents of \$1,333.
 - In 2024, we estimate there are an estimated 1,553 age- (65 and older) and income-qualified households in the PMA that comprise the key market for active adult housing. The number of age- and income-qualified households is expected to grow 13% to 1,749 households by 2029, after accounting for inflation.
- Independent living and assisted living housing demand is driven by senior households age 75 and older with incomes of \$40,000 or more (plus senior homeowners with lower incomes).
 - We estimate the number of age- and income-qualified households in the PMA to be 616 in 2024, increasing 20% to 736 in 2029.
- Memory care housing has a target market of senior households age 65 and older with a memory impairment and incomes of at least \$60,000. Approximately 15% of the senior population is estimated to have a memory impairment.

- In 2024, we estimate that there are 1,174 age 65 and older households in the PMA with incomes of at least \$60,000, accounting for 51% of all senior households. Based on the estimated 15% incidence rate of Alzheimer’s/dementia, approximately 176 households are candidates for memory care housing in 2024.
 - The number of income-qualified (\$65,000 adjusted for inflation) households is projected to increase 14% to 1,343 by 2029 (201 households eligible for memory care housing based on the 15% incidence rate).
- Between 2024 and 2029, growth among households age- and income-qualified for senior housing in the PMA is projected to be largest for market rate active adult housing, increasing by 197 households (13% growth).
- The number of households age- and income-qualified for independent and assisted living is expected to increase 20% (120 households), while the number of households qualified for affordable active adult housing is projected to expand 12% (111 households). We anticipate that there will be a 14% increase in households qualified for memory care between 2024 and 2029 (25 households).

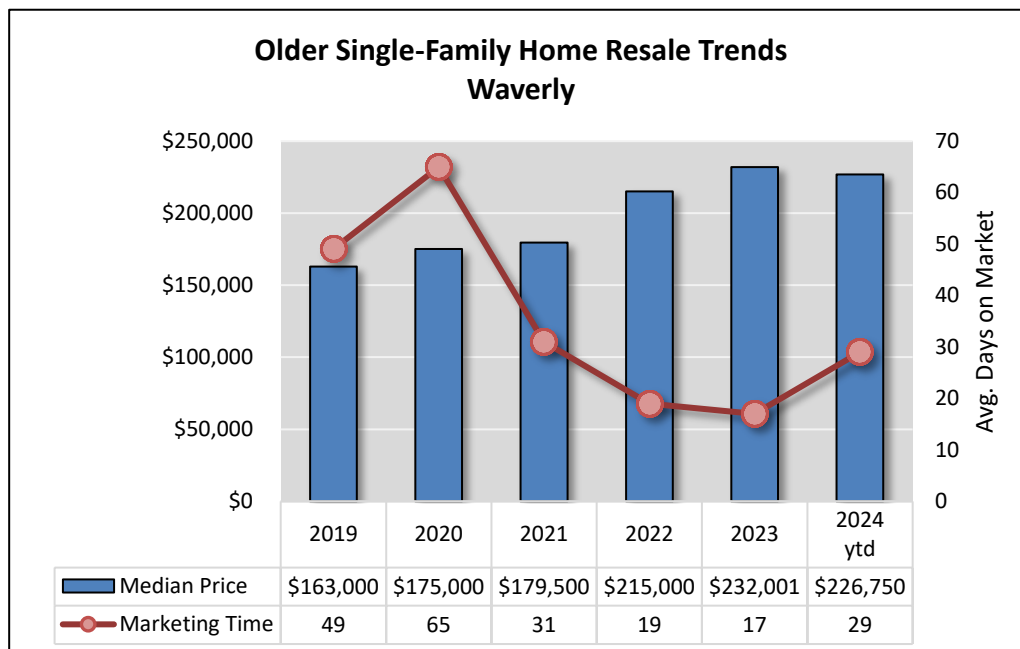


- The estimated homeownership rate is 85% for age 55 to 64 households in the PMA compared to 80% in the Waterloo-Cedar Falls MSA. The PMA’s homeownership rate increases to 89% for age 65 to 74 households compared to 85% in the MSA.

- Seniors typically begin to consider moving into senior housing alternatives in their early to mid-70s. This movement pattern is marginally demonstrated in the PMA suggesting that there may be a limited supply of available housing alternatives for seniors.
 - Homeownership rates in the PMA hold fairly steady from 89% (age 65 to 74) to 86% (age 75 and older). By comparison, the homeownership rate in the MSA drops from 85% (age 65 to 74) to 81% (age 75 and older).
- With a homeownership rate of 88% for all households age 65 and older in the PMA, many residents would be able to use proceeds from the sales of their homes toward senior housing alternatives.

Home sale data is useful in that it represents the amount of equity seniors may be able to derive from the sales of their homes that could be used to cover the cost of senior housing alternatives. The following information summarizes sale data for single-family homes that were built in 2009 or earlier in Waverly from 2019 through October 18, 2024. Sales of newer homes are excluded because older adults and seniors often reside in older homes and are typically not a market for new single-family home construction, so we evaluate sales data for homes that are at least 15 years old.

- The median sale price of older homes experienced strong appreciation in Waverly in recent years, climbing 39% from \$163,000 in 2019 to \$226,750 in 2024 year-to-date.



- Average marketing times, which declined from an average 65 days on market in 2020 to 17 days in 2023, increased to 29 days in 2024.

- Sales activity, which increased from 135 closed transactions in 2019 to 145 sales in 2022, slowed to 116 closed sales in 2023 (9.7 sales per month). Activity has decreased to an average of 7.6 sales per month in 2024 year-to-date.
 - The increase in marketing times and the decline in sales volume are due, in part, to increased mortgage rates which reduced the affordability of homes, causing many potential buyers to defer a decision to purchase until rates decline.
- Based on the 2024 median sale price for older (built in 2009 or earlier) homes in Waverly (\$226,750), a senior household could generate an estimated \$4,263 of additional income annually (\$355 per month) if they invested in a low-risk savings account (2.0% interest rate) after accounting for marketing costs and/or real estate commissions (6.0% of home sale price).
- Due the rising home sale prices, many older adults and seniors – particularly those in the market for independent housing products – may be inclined to sell their home and consider housing alternatives. However, the COVID-19 pandemic caused some older adults and seniors to remain in their homes rather than seeking housing alternatives.
- Should a senior utilize the home sale proceeds dollar for dollar to support living in senior housing with services, the proceeds would last roughly seven years in independent living housing (monthly rent approximated at \$2,500), over four years in assisted living (monthly rent approximated at \$4,000), or approximately three years in memory care housing (monthly rent approximated at \$5,500).
- Seniors in service-intensive housing typically have lengths of stays between two and three years indicating that a large portion of seniors in Waverly will be financially prepared to privately pay for their housing and services.

Supply of Senior Housing

The information on the following pages summarizes existing senior housing facilities in the PMA, including supply (number of units), vacancies, unit types and sizes, and monthly fees.

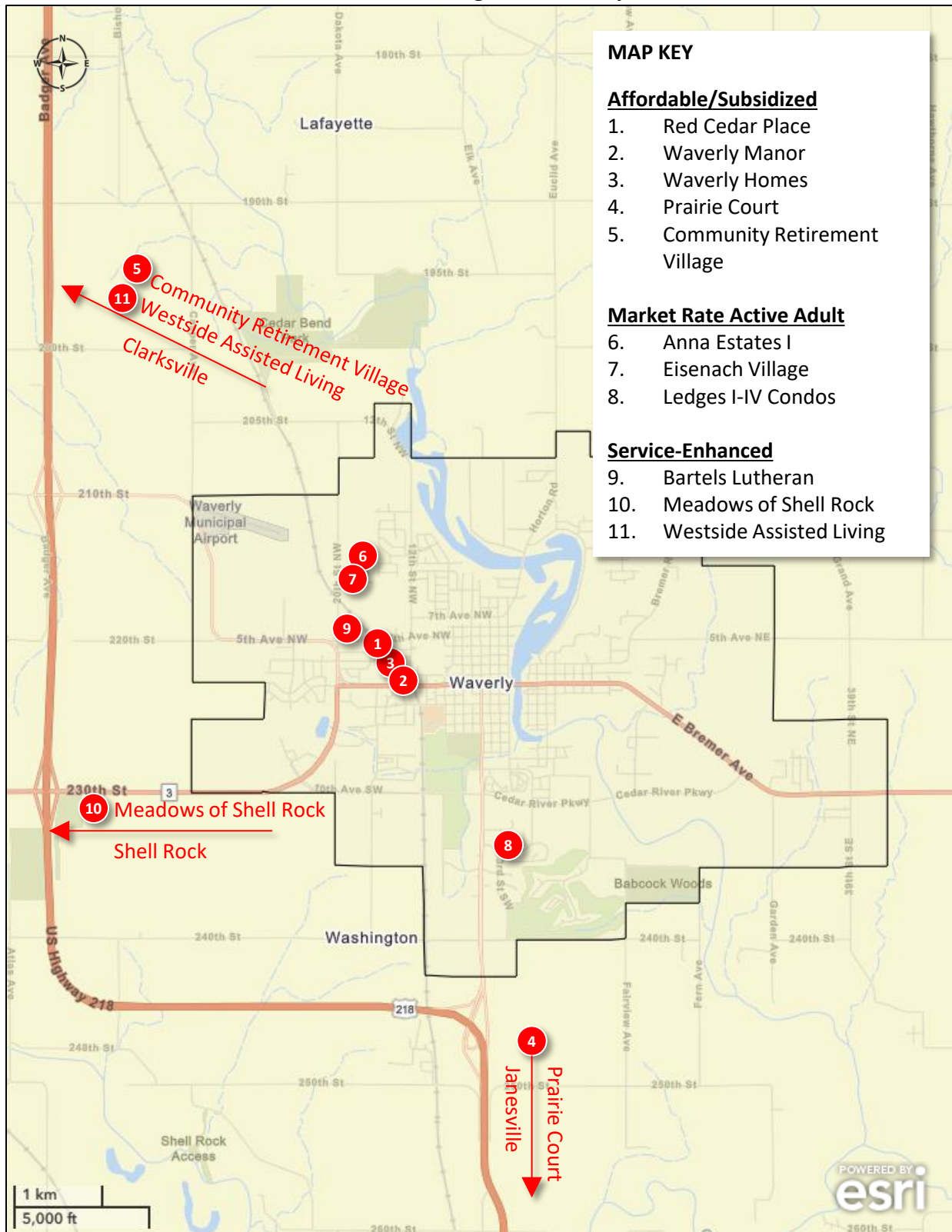
- Maxfield Research identified a total of 11 senior housing facilities in the PMA, including five affordable and subsidized rental properties, three market rate active adult for-sale housing developments, and three service-enhanced facilities.
- In total, there are 168 affordable and subsidized rental units, 224 for-sale units (193 existing and 31 pending), and 154 service-enhanced units. Among the service-enhanced facilities, there are 36 independent living units, 82 assisted living units, and 36 memory care units.

TABLE 39

SENIOR HOUSING SUPPLY SUMMARY				
PRIMARY MARKET AREA				
October 2024				
Project Name	Address	City	Units	Type/Notes
Affordable/Subsidized Properties				
Red Cedar Place	426 16th St NW	Waverly	15	Affordable; 80% AMI or lower
Waverly Manor	210 15th St NW	Waverly	54	Project-based Section 8
Waverly Homes	310 15th St NW	Waverly	47	Project-based Section 8
Prairie Court	711 W Barrick Rd	Janesville	24	USDA Rural Development
Community Retirement Village	515 W Prospect St	Clarksville	28	USDA Rural Development
			Subtotal:	168
Market Rate Active Adult Properties				
Anna Estates Phase I	Bartels at Knight Ave	Waverly	6	Owner-Occupied
Anna Estates Phase I			7	Under Construction
Anna Estates Phase I			31	Pending; For-Sale
Eisenach Village	1117 Bach Dr	Waverly	92	Owner-Occupied
Ledges I-IV Condominiums	16th Ave at 3rd St SW	Waverly	88	Owner-Occupied
			Subtotal:	224
Service-Enhanced Facilities				
Bartels Lutheran - Eichhorn Haus	1804 5th Ave NW	Waverly	36	Independent Living
Bartels Lutheran - Linden Place	1802 5th Ave NW	Waverly	30	Assisted Living
Bartels Lutheran - Aspen Cottage	1922 5th Ave NW	Waverly	20	Assisted Living/Memory Care
Bartels Lutheran - Evergreen Arbor	1922 5th Ave NW	Waverly	26	Memory Care
Meadows of Shell Rock	528 N Kelly St	Shell Rock	30	Assisted Living
Westside Assisted Living	110 Ely St	Clarksville	12	Assisted Living
			Subtotal:	154
			Senior Housing Total:	546
Source: Maxfield Research & Consulting				

- Maxfield Research also contacted staff from the City of Waverly, Bremer County, and other communities in the PMA to identify any new senior housing projects that are in the development pipeline (i.e. under construction, approved, or proposed).
- As summarized in the preceding table and in the For-Sale Market Analysis section of this report, there are seven units under construction and 31 units pending at Anna Estates Phase I, with 50 to 60 more units in two additional phases planned.
- The Waverly Municipal Housing Commission recently purchased the vacated West Cedar Elementary school with the intent to rehabilitate the property for affordable senior rental housing. Approximately 10 to 15 units are being considered, but exact plans have not yet been determined.

Senior Housing Location Map



We incorporate these existing and pending senior housing units into the demand calculations presented later in this report, but not all units are included. Because facilities located in communities on the edge of the PMA boundary have different draw areas that overlap with the PMA for Waverly, we adjust the number of competitive units based on location within the PMA.

We include all of the senior housing units in facilities located in Waverly and 50% of the units located in Shell Rock in our demand calculations. Because Clarksville and Janesville are situated on the outer edge of the PMA, senior housing facilities in these communities have notably different draw areas than a facility in Waverly, so we include just 25% of these units in our demand calculations.

Additionally, due to the preliminary nature of Anna Estates Phases II and II as well as the Waverly Municipal Housing Commission project, we do not include these units in our demand calculations presented later in this report. Pending units at Anna Estates Phase I are included.

Affordable/Subsidized Senior Rental Summary

The following table summarizes key findings from our survey of affordable and subsidized senior housing properties in the PMA, including unit mix, average unit sizes, and average rental rates. Rental rates presented in the table are a weighted average based on the number of units at each property, so buildings with a larger number of units of any one type contribute more toward the average than those with only a few units of a specific type.

- We surveyed five affordable and subsidized facilities, totaling 168 units.
 - The 24-unit Prairie Court in Janesville and the 28-unit Community Retirement Village in Clarksville are USDA Rural Development Section 515 properties.
 - Waverly Manor (54 units) and Waverly Homes (47 units) in Waverly are project-based Section 8 facilities.
 - The 15-unit Red Cedar Place, which opened in 2020, is an affordable property restricted to residents age 62 and older with incomes at 80% AMI or lower.
- At the time of the survey, there were 16 vacant units, resulting in a 9.5% vacancy rate among the affordable and subsidized senior rental properties in the PMA, which is above equilibrium.
- It's important to note that 12 of these vacancies are located in properties outside the City of Waverly. The affordable and subsidized rental housing facilities in Waverly have five vacancies, representing a 4.3% vacancy rate in the City, which is below equilibrium.
- Among these affordable/subsidized properties, 90% of the units have one bedroom, while 8% are two-bedroom units and 2% are studio units.

- On average, units have 590 square feet, ranging from an average size of 350 square feet for studio units to 835 square feet for two-bedroom units. The one-bedroom units are 559 square feet, on average.

TABLE 40

UNIT TYPE SUMMARY						
AFFORDABLE/SUBSIDIZED SENIOR HOUSING PROPERTIES						
October 2024						
Unit Type	Total Units	% of Total	Avg. Size	Monthly Rents		
				Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	4	2%	350	\$484 - \$484	\$484	\$1.38
1BR	151	90%	559	\$500 - \$668	\$633	\$1.14
2BR	13	8%	835	\$625 - \$741	\$759	\$0.91
Total:	168	98%	590	\$500 - \$741	\$655	\$1.11

Source: Maxfield Research & Consulting

- Tenants in Rural Development housing pay basic rent or 30% of their adjusted income, whichever is greater, while residents at Red Cedar Place pay basic monthly rents. Residents in project-based Section 8 housing pay 30% of their adjusted income on rent.
- The average basic monthly rental rate across these three properties is \$655, ranging from an average of \$484 for studios to an average of \$759 for two-bedroom units. The average one-bedroom unit rent is \$633 per month.
- On a per square-foot basis (psf), these properties have an average rent of \$1.11 psf, including \$1.38 psf for studio units, \$1.14 psf for one-bedroom units, and \$0.91 psf for two-bedroom units.

Market Rate Active Adult Summary

Maxfield Research identified three active adult ownership developments in the PMA, totaling 193 existing units and 31 pending units, all of which are in Waverly. No market rate active adult rental properties were identified in the PMA.

- Ledges I - IV is a four-building, 88-unit, age 55 and older condominium project that opened in phases between 1998 and 2008. There is currently one unit listed for sale, a two-bedroom unit listed for \$145,000 (\$154 psf). Estimated market values from the Bremer County Assessor for units range from \$118,390 to \$194,610 (\$144 to \$163 psf).
- Eisenach Village is a 92-unit townhome development that is part of the Bartels Lutheran Retirement Community. There are no units for sale as of October 2024, but published price information indicates that pricing ranges from \$236,900 to \$309,900 (\$167 to \$208 psf).

- Anna Estates Phase I is a 44-unit active adult project on the Bartels Lutheran Retirement Community campus. As of October 2024, six units have been sold and are occupied while seven other units are sold and under construction. There are another 31 pending units for sale. The development consists of a mix of detached single-family homes and side-by-side townhomes. Base purchase prices range from \$387,200 to \$424,900 (\$218 to \$237 psf).

As noted previously, two more phases of the Anna Estates subdivision are being planned, and another 50 to 60 detached single-family and townhome units are anticipated. The development timing, unit mix, and pricing for phases II and III is not known as of October 2024.

Service-Enhanced Facility Summary

- We identified one service-enhanced facility in Waverly, totaling 112 units, along with one 30-unit facility in Shell Rock and one 12-unit facility in Clarksville.
- In addition to Eisenach Village and Anna Estates, the Bartels Lutheran Retirement Community is comprised of Eichhorn Haus (a 36-unit independent living facility), Linden Place (30 assisted living units), Aspen Cottage (20 units licensed for assisted living and memory care), and the 26-unit Evergreen Arbor memory care facility.
- Eichhorn Haus charges monthly rents that range from \$775 to \$1,035 along with entry fees which range from \$115,000 to \$180,000. The purchase plan guarantees up to 85% refund of the purchase price. There is also an option to rent one-bedroom units for \$1,600 per month without paying the entry fee. The monthly fee at Eichhorn Haus includes property maintenance, trash removal, utilities, bi-weekly housekeeping, and emergency call system, an optional noon meal, and scheduled van service.
 - Units are typically occupied, but there were two vacancies at the time of our survey, representing a 5.6% vacancy rate. There are 25 applicants on wait list for units.
- Assisted living vacancies have been somewhat elevated since the COVID-19 pandemic, and Linden Place is approximately 17% vacant while the assisted living memory care Aspen Cottage facility is 10% vacant. Memory care units at Evergreen Arbor are fully occupied, which is typically the case.
- Market equilibrium for assisted living and memory care senior housing is generally considered to be 7.0% vacancy, which allows for an adequate supply of alternatives for prospective residents. Combined, the assisted living and memory care facilities are 9% vacant, with the majority being assisted living vacancies.
- Equilibrium for independent living is considered to be 5.0%, so occupancy at Eichhorn Haus is essentially at equilibrium.

Housing Affordability

Introduction

Affordable housing is a term that has various definitions according to different people and is often a product of supply and demand. According to the United States Department of Housing and Urban Development (HUD), the definition of affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Families who pay more than 30% of their income for housing (either rent or mortgage) are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation, and medical care.

The following topics are covered in this analysis.

- ▶ Naturally Occurring Affordable Housing (NOAH) units
- ▶ Household income and rent limits for affordable housing
- ▶ Housing Choice Voucher program
- ▶ Cost burdened households, and
- ▶ Housing costs in Waverly in relation to household income

Iowa Finance Authority, HUD, the United States Census Bureau American Community Survey (ACS), and the Iowa Northland Regional Housing Authority are the primary data resources for the Housing Affordability section of this report. Additionally, Maxfield Research and Consulting utilizes findings from the For-Sale Market and Rental Housing Market sections of this study to evaluate housing cost affordability in the community.

Generally, housing that is income-restricted to households earning at or below 80% of Area Median Income (AMI) is considered affordable. However, individual properties may have income restrictions set anywhere from 30% to 80% of AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. Moderate-income housing, often referred to as “workforce housing,” can refer to both rental and ownership housing. The definition is broadly defined as housing that targets households earning between 50% and 120% AMI. The following figure summarizes generally recognized AMI Definitions:

AREA MEDIAN INCOME (AMI) DEFINITIONS	
Definition	AMI Range
Extremely Low Income	0% to 30%
Very Low Income	31% to 50%
Low Income	51% to 80%
Moderate Income (Workforce Housing)	50% to 120%

Naturally Occurring Affordable Housing (NOAH)

Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income restrictions yet are more affordable than other units in a community are considered “naturally occurring affordable housing (NOAH)” or “unsubsidized affordable” units.

The NOAH housing supply is available through the private market, as opposed to assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such as: age of structure, location, condition, size, school district, etc. Because of these factors, housing costs tend to be lower. According to the *Joint Center for Housing Studies of Harvard University*, the privately unsubsidized housing stock supplies three times as many low-cost affordable units than assisted projects nationwide.

Unlike assisted rental developments, most unsubsidized affordable units are scattered across older, smaller multifamily buildings. These older properties are often vulnerable to redevelopment due to their age, modest rents, and deferred maintenance. Because many of these housing units have affordable rents, project-based and private housing markets cannot be easily separated. Some households (typically those with household incomes of 50% to 60% AMI) income-qualify for both market rate and project-based affordable housing.

- As highlighted in the Rental Housing section of this study, much the general occupancy market rate rental housing supply in Waverly has rents that fall into the NOAH category (below the maximum gross rent at 60% AMI).

Rent and Income Limits

The following table displays the maximum allowable incomes by household size to qualify for affordable housing and maximum gross rents that can be charged by bedroom size in Bremer County. These incomes are published and revised annually by HUD and also published separately by Iowa Finance Authority based on the date a project is placed into service. Fair Market Rent reflects the amount needed to pay gross monthly rent at modest rental housing in a given area.

TABLE 41

2024 INCOME/RENT LIMITS BREMER COUNTY Effective Date: 04/01/2024								
-----Income Limits by Household Size-----								
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
20% AMI	\$14,700	\$16,800	\$18,900	\$20,980	\$22,660	\$24,340	\$26,020	\$27,700
30% AMI	\$22,050	\$25,200	\$28,350	\$31,470	\$33,990	\$36,510	\$39,030	\$41,550
40% AMI	\$29,400	\$33,600	\$37,800	\$41,960	\$45,320	\$48,680	\$52,040	\$55,400
50% AMI	\$36,750	\$42,000	\$47,250	\$52,450	\$56,650	\$60,850	\$65,050	\$69,250
60% AMI	\$44,100	\$50,400	\$56,700	\$62,940	\$67,980	\$73,020	\$78,060	\$83,100
70% AMI	\$51,450	\$58,800	\$66,150	\$73,430	\$79,310	\$85,190	\$91,070	\$96,950
80% AMI	\$58,800	\$67,200	\$75,600	\$83,920	\$90,640	\$97,360	\$104,080	\$110,800
100% AMI	\$73,500	\$84,000	\$94,500	\$104,900	\$113,300	\$121,700	\$130,100	\$138,500
120% AMI	\$88,200	\$100,800	\$113,400	\$125,880	\$135,960	\$146,040	\$156,120	\$166,200
-----Maximum Gross Rents by Bedroom Size-----								
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR		
20% AMI	\$367	\$393	\$472	\$545	\$608	\$671		
30% AMI	\$551	\$590	\$708	\$818	\$912	\$1,007		
40% AMI	\$735	\$787	\$945	\$1,091	\$1,217	\$1,343		
50% AMI	\$918	\$984	\$1,181	\$1,363	\$1,521	\$1,678		
60% AMI	\$1,102	\$1,181	\$1,417	\$1,636	\$1,825	\$2,014		
70% AMI	\$1,286	\$1,378	\$1,653	\$1,909	\$2,129	\$2,350		
80% AMI	\$1,470	\$1,575	\$1,890	\$2,182	\$2,434	\$2,686		
100% AMI	\$1,837	\$2,100	\$2,362	\$2,622	\$2,832	\$3,042		
120% AMI	\$2,205	\$2,520	\$2,835	\$3,147	\$3,399	\$3,651		
Fair Market Rent	\$650	\$676	\$888	\$1,145	\$1,183			

Sources: Iowa Finance Authority; HUD; Novogradac; Maxfield Research & Consulting

The following table summarizes maximum rents by household size and AMI based on income limits illustrated in the preceding table. The rents in the following table are based on HUD’s allocation that monthly rents should not exceed 30% of income. In addition, the table reflects maximum household size based on HUD guidelines of number of persons per unit. For each additional bedroom, the maximum household size increases by two persons.

TABLE 42

MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME BREMER COUNTY - 2024						
----- Maximum Rent Based on Household Size (@ 30% of Income) -----						
Unit Type	HHD Size Min - Max	30% AMI Min - Max	50% AMI Min - Max	60% AMI Min - Max	80% AMI Min - Max	120% AMI Min - Max
Studio	1 - 1	\$551 - \$551	\$919 - \$919	\$1,103 - \$1,103	\$1,470 - \$1,470	\$2,205 - \$2,205
1BR	1 - 2	\$551 - \$630	\$919 - \$1,050	\$1,103 - \$1,260	\$1,470 - \$1,680	\$2,205 - \$2,520
2BR	2 - 4	\$630 - \$787	\$1,050 - \$1,311	\$1,260 - \$1,574	\$1,680 - \$2,098	\$2,520 - \$3,147
3BR	3 - 6	\$709 - \$913	\$1,181 - \$1,521	\$1,418 - \$1,826	\$1,890 - \$2,434	\$2,835 - \$3,651
4BR	4 - 8	\$787 - \$1,039	\$1,311 - \$1,731	\$1,574 - \$2,078	\$2,098 - \$2,770	\$3,147 - \$4,155

Sources: Iowa Finance Authority; HUD; Novogradac; Maxfield Research & Consulting

Housing Choice Vouchers

In addition to subsidized apartments, “tenant-based” subsidies such as *Housing Choice Vouchers*, assist low income households secure housing through the private market. The tenant-based subsidy is funded by HUD. Under the Housing Choice Voucher program, also referred to as Section 8, qualified households are issued a voucher that can be taken to an apartment that has rent levels at or less than the payment standards by bedroom type for their area. The household then pays approximately 30% of their Adjusted Gross Income for rent and utilities, and the Federal Government pays the remainder of the rent to the landlord. The maximum income limit to be eligible for a Housing Choice Voucher is 50% of AMI based on household size.

- In Waverly, application for Housing Choice Vouchers is made through the Iowa Northland Regional Housing Authority, which has 54 program participants residing in the City of Waverly. There are another 143 applicants on the wait list for Vouchers. It’s important to note that the wait list is not limited to the City of Waverly.
- The Housing Choice Voucher program uses a payment standard which matches the cost of housing and utilities. Households may use the Voucher for units with rent that is either below or above the payment standard.

Monthly Payment Standards (Effective 12-1-2023)

	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Bremer Co.	\$743	\$976	\$1,259	\$1,301

- Nationally, the Housing Choice Voucher program is facing several challenges, notably low vacancy rates and increasing rents. Increased rents reduce the overall budget allocation for vouchers, meaning that fewer households can be served at the same allocation level. Low vacancy rates limit the number units available and reduce incentives for landlords to accept Vouchers.

Housing Cost Burden

The following table summarizes the number and percentage of owner and renter households in Waverly, the PMA, and the MSA that pay 30% or more of their gross income for housing. This information was compiled from the American Community Survey 2022 five-year estimates and adjusted by Maxfield Research to reflect 2024 household estimates.

The Federal standard for affordability is 30% of income for housing costs. Moderately cost-burdened is defined as households paying between 30% and 50% of their income to housing; while severely cost-burdened is defined as households paying more than 50% of their income for housing. Higher-income households that are cost-burdened may have the option of moving to lower priced housing, but lower-income households often do not.

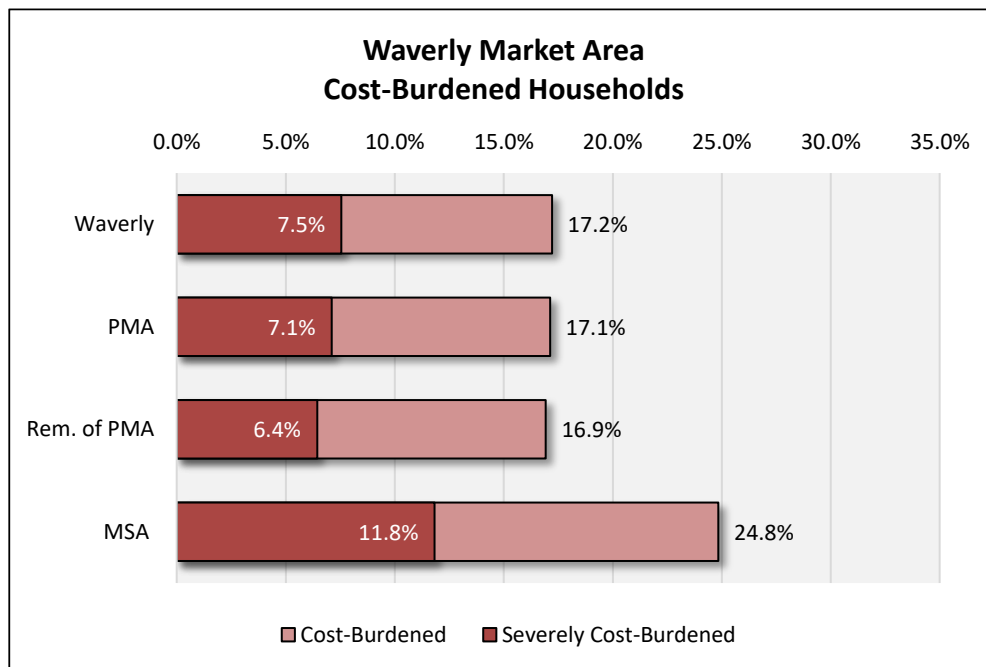
TABLE 43

HOUSING COST BURDEN WAVERLY MARKET AREA								
	Waverly		PMA		Rem. of PMA		MSA	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Owner Households								
All Owner HHs	3,037		5,443		2,406		48,790	
Cost Burden 30.0% or greater	300	9.9%	667	12.3%	364	15.1%	7,829	16.0%
Cost Burden 30.0% to 34.9%	72	2.4%	155	2.8%	82	3.4%	2,042	4.2%
Cost Burden 35.0% to 49.9%	110	3.6%	261	4.8%	150	6.2%	2,862	5.9%
Cost Burden 50.0% or more	118	3.9%	251	4.6%	133	5.5%	2,926	6.0%
Owner HHs w/ incomes <\$50,000	595		1,057		462		12,313	
Cost Burden 30.0% or greater	246	41.3%	448	42.4%	202	43.8%	6,070	49.3%
Renter Households								
All Renter HHs	904		1,192		288		20,538	
Cost Burden 30.0% or greater	378	41.8%	469	39.4%	92	31.9%	9,390	45.7%
Cost Burden 30.0% to 34.9%	42	4.7%	75	6.3%	32	11.2%	1,480	7.2%
Cost Burden 35.0% to 49.9%	156	17.2%	173	14.6%	19	6.4%	2,640	12.9%
Cost Burden 50.0% or more	180	19.9%	221	18.5%	41	14.2%	5,269	25.7%
Renter HHs w/ incomes <\$35,000	440		560		121		9,210	
Cost Burden 30.0% or greater	294	66.9%	361	64.4%	67	56%	7,598	82.5%

Sources: American Community Survey, 2018-2022 estimates; Maxfield Research & Consulting

- In total, an estimated 678 households in Waverly are considered cost-burdened, representing 17.2% of all households.
 - By comparison, 16.9% of households in the Remainder of the PMA (456 households) and 24.8% of households in the MSA are cost burdened.

- An estimated 9.9% of owner households (300 households) are estimated to be paying more than 30% of their income toward housing costs in Waverly, notably lower than 15.1% in the Remainder of the PMA and 16.0% in the MSA.
- Roughly 41.8% of all renter households (378) in Waverly pay more than 30% of their income toward housing, higher than 31.9% in the Remainder of the PMA but lower than 45.7% in the MSA.
 - The number of cost burdened households increases proportionally based on lower incomes. Roughly 67% of renters with incomes below \$35,000 are cost burdened and 41% of owners with incomes below \$50,000 are cost burdened in Waverly.
- An estimated 7.5% of all households in Waverly (298 households) are severely cost-burdened (paying 50% or more of their income toward housing costs), higher than the Remainder of the PMA (6.4%) but lower than the MSA (11.8%).



- An estimated 3.9% of owner households in Waverly are severely cost-burdened, compared to 5.5% in the Remainder of the PMA and 6.0% in the MSA.
- In Waverly, 19.9% of renter households are estimated to be severely cost-burdened, higher than 14.2% in the Remainder of the PMA but lower than 25.7% in the MSA.

Housing Costs as Percentage of Household Income

Housing costs are generally considered affordable at 30% of a household's adjusted gross income. The table on the following page illustrates key housing metrics based on housing costs and household incomes in the PMA. The table estimates the percentage of householders that can afford rental and for-sale housing based on a 30% allocation of income to housing.

The housing affordability calculations assume the following:

For-Sale Housing

- 10% down payment with good credit score
- Closing costs rolled into mortgage
- 30-year mortgage at 6.54% interest rate (rate as of October 24, 2024)
- Private mortgage insurance (equity of less than 20%)
- Homeowners insurance for single-family homes and association dues for townhomes
- Owner household income estimates per 2022 ACS

Rental Housing

- Background check on tenant to ensure credit history
- 30% allocation of income
- Renter household income estimates per 2022 ACS

Because of the down payment requirement and strict underwriting criteria for a mortgage, not all households will meet the income qualifications as outlined above.

- An estimated 70% of existing owner households in the PMA could afford to buy an entry-level detached single-family home priced at \$200,000 in Waverly.
- The proportion of income-qualified households declines as the sale price increases, and roughly 36% of existing owner households could afford to purchase a move-up detached single-family home priced at \$350,000.
 - The proportion able to afford a new construction "executive" detached single-family home priced at \$600,000 declines to 12% of existing owner households in the PMA.
- Roughly 68% of owner households could afford an entry-level townhome, twin home, or condominium unit priced at \$200,000, while 44% could afford a move-up unit priced at \$300,000, and 16% could afford an "executive" unit priced at \$500,000.
- An estimated 54% of renter households in the PMA can afford to rent an existing one-bedroom market rate unit in Waverly (average rent of \$810 per month), while 44% can afford a two-bedroom unit (\$1,074 per month) and 37% can afford to rent a three-bedroom unit at the average monthly rent of \$1,312.

- New construction market rate rents will be higher than existing product. The estimated new construction rents shown in the table are based on our knowledge of rental rates at recently built market rate apartments properties in nearby communities.
- An estimated 40% of existing renters in the PMA could afford to rent a one-bedroom apartment within a new development renting for \$1,200 per month, while 38% could afford a new two-bedroom unit priced at \$1,450. Roughly 32% of existing renter households could afford a new construction three-bedroom unit priced at \$1,600.

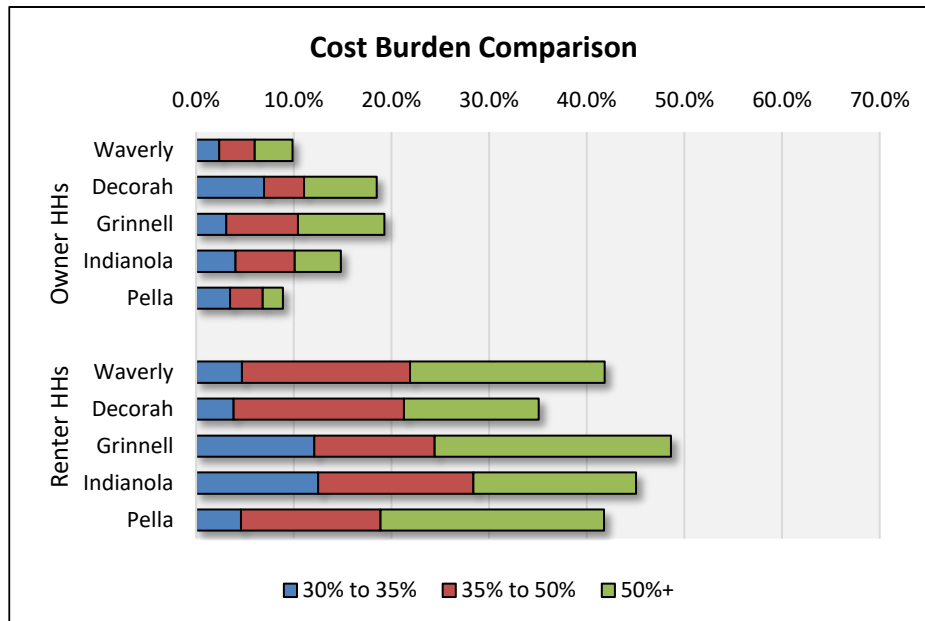
TABLE 44

HOUSING AFFORDABILITY BASED ON HOUSEHOLD INCOME PRIMARY MARKET AREA October 2024						
For-Sale (Assumes 10% down payment and good credit)						
	Detached Single-Family			Townhome/Condo/Twinhome		
	Entry-Level	Move-Up	Executive	Entry-Level	Move-Up	Executive
Price of House	\$200,000	\$350,000	\$600,000	\$200,000	\$300,000	\$500,000
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	\$20,000	\$35,000	\$60,000	\$20,000	\$30,000	\$50,000
Estimated Closing Costs*	\$6,000	\$10,500	\$18,000	\$6,000	\$9,000	\$15,000
Cost of Loan	\$186,000	\$325,500	\$558,000	\$186,000	\$279,000	\$465,000
Interest Rate	6.54%	6.54%	6.54%	6.54%	6.54%	6.54%
Number of Pmts.	360	360	360	360	360	360
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$63,112	\$110,447	\$189,337	\$66,446	\$96,669	\$157,114
Pct. of Owner HHs - PMA	70.4%	36.3%	11.6%	68.0%	43.8%	16.3%
Rental (Market Rate)						
	Existing Rental			New Construction Rental		
	1BR	2BR	3BR	1BR	2BR	3BR
Monthly Rent	\$810	\$1,074	\$1,312	\$1,200	\$1,450	\$1,600
Annual Rent	\$9,720	\$12,888	\$15,744	\$14,400	\$17,400	\$19,200
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$32,400	\$42,960	\$52,480	\$48,000	\$58,000	\$64,000
Pct. of Renter HHs - PMA	53.5%	44.4%	37.2%	40.1%	38.4%	31.9%
*Estimated closing costs rolled into mortgage						
Source: Maxfield Research & Consulting						

Peer Community Housing Affordability Comparison

The table on the following page presents key housing affordability metrics for Waverly compared to Decorah, Grinnell, Indianola, and Pella. All data is sourced from the 2018-2022 American Community Survey.

- An estimated 9.9% of owner households in Waverly are cost burdened (paying more than 30% of their income for housing costs), higher than 8.9% in Pella but notably lower than 18.5% in Decorah, 19.3% in Grinnell, and 14.8% in Indianola.
- The percentage of renter households that are cost burdened in Waverly (41.8%) is higher than Decorah (35.1%) and the same as Pella (41.8%), but lower than both Grinnell (48.6%) and Indianola (45.1%).



- Roughly 7.7% of all households in Waverly are severely cost-burdened (paying 50% or more of their income toward housing), lowest among the peer communities. An estimated 9.8% of all households in Decorah and 14.3% in Grinnell are severely cost-burdened, while 8.7% and 8.9% of all households in Indianola and Pella, respectively are severely cost-burdened.
 - Among owner households in Waverly, 3.9% are severely cost burdened, lower than 7.5% in Decorah, 8.9% in Grinnell, and 4.7% in Indianola, but higher than 2.1% in Pella.
 - The percentage of severely cost-burdened renter households in Waverly (19.9%) is lower than Grinnell (24.2%) and Pella (22.9%) but higher than 13.8% in Decorah and 16.7% in Indianola.

TABLE 45

PEER COMMUNITY COMPARISON HOUSING AFFORDABILITY October 2024					
	Waverly	Peer Communities			
		Decorah	Grinnell	Indianola	Pella
Owner HHs - Pct. Cost Burden	9.9%	18.5%	19.3%	14.8%	8.9%
Cost Burden 30.0% to 34.9%	2.4%	7.0%	3.1%	4.0%	3.5%
Cost Burden 35.0% to 49.9%	3.6%	4.1%	7.4%	6.1%	3.3%
Cost Burden 50.0% or more	3.9%	7.5%	8.9%	4.7%	2.1%
Renter HHs - Pct. Cost Burden	41.8%	35.1%	48.6%	45.1%	41.8%
Cost Burden 30.0% to 34.9%	4.7%	3.8%	12.1%	12.5%	4.6%
Cost Burden 35.0% to 49.9%	17.2%	17.4%	12.3%	15.9%	14.3%
Cost Burden 50.0% or more	19.9%	13.8%	24.2%	16.7%	22.9%
Median Home Value (2022 ACS)	\$211,000	\$228,800	\$177,600	\$206,200	\$240,100
Minimum Income Required	\$66,584	\$72,201	\$56,044	\$65,069	\$77,470
Pct. of Owner HHs	67.4%	54.5%	63.3%	71.5%	67.0%
Median Contract Rent (2022 ACS)	\$659	\$659	\$647	\$775	\$864
Minimum Income Required	\$26,360	\$26,360	\$25,880	\$31,000	\$34,560
Pct. of Renter HHs	55.2%	66.1%	60.3%	60.4%	61.3%

Sources: 2018-2022 ACS; Maxfield Research & Consulting

- A household would need a minimum annual income of \$66,584 or higher to be income-qualified (based on 30% of income) for a home purchased at the estimated median home value in Waverly (\$211,000). This assumes a 30-year interest rate of 6.54% (October 24, 2024), a potential buyer makes a 10% down payment and has good credit.
 - An estimated 57.4% of existing owner households in Waverly could afford to buy a single-family home priced at the estimated median home value. By comparison, 54.5% of owner households in Decorah, 63.3% in Grinnell, 71.5% in Indianola, and 67.0% in Pella could afford the median home value in each of those communities.
- Based on the median contract rent in Waverly of \$659 per month, a household would need an annual income of \$26,360 to afford to rent. An estimated 55.2% of existing renter households in Waverly have incomes of \$26,360 or higher.
 - By comparison, 66.1% of renter households in Decorah can afford the median contract rent in the City, while 60.3% of renter households in Lonsdale can afford the median contract rent. In Indianola and Pella, 60.4% and 61.3% of all renter households can afford the median contract rent in each community.
- This data reveals that housing costs in Waverly are somewhat high relative to income, when compared to the peer communities, particularly rental housing.

Demand Estimates

Introduction

Maxfield Research & Consulting was engaged to quantify the demand potential for housing development in Waverly from 2024 to 2035. Earlier sections of this report examined growth trends and demographic characteristics of the household base in the community, as well as employment trends, housing characteristics, and housing market conditions in the area. This section of the report provides our demand calculations for new housing in Waverly to 2035, including the following product types.

- ▶ General occupancy for-sale housing demand
- ▶ General occupancy rental housing demand calculations, including demand for subsidized, affordable, and market rate rental housing
- ▶ Owned and rented market rate active adult senior housing demand
- ▶ Demand for affordable and subsidized senior rental housing
- ▶ Demand for service-enhanced (independent living, assisted living, and memory care) senior housing

Additionally, Maxfield Research summarizes findings from our interviews with area stakeholders, including real estate professionals familiar with Waverly's housing market and representatives from major employers in the community.

Interview Summary

In an attempt to gain additional insight into housing demand in Waverly, Maxfield Research solicited input from Realtors, representatives from major employers, and other professionals familiar with the housing market in the community. Topics addressed included overall housing market conditions, types of housing being sought, whether there are gaps in the existing supply of available housing in the area, and the impact housing availability has on the ability of employers to attract and retain workers.

The following points summarize findings from this process.

- Based on comments from many of the interviewees, there are two housing types that were consistently mentioned as being priority needs in Waverly.
 - Moderately priced (under \$350,000) for-sale housing that would target younger people and provide living options for the area’s workforce.
 - Housing alternatives for independent older adults and seniors that want to move out of their detached single-family home.
- Pricing has increased rapidly over the past several years in Waverly, especially since the COVID-19 pandemic, but it’s not necessarily a tight market right now.
- Overall, the for-sale housing market in Waverly is slow relative to the amount of activity post-COVID.
- The housing market has been somewhat stagnant, although inventory is increasing and it’s shifting to a buyer’s market.
- Uncertainty about interest rate fluctuation is causing some potential buyers to defer a decision to purchase.
- From a historical perspective, interest rates are not necessarily high, but they are perceived to be high, especially among younger buyers.
- It was suggested that the upcoming election has played a role in the market slowdown, as some potential buyers have paused to see what direction the market moves after the election.
- There are buyers looking for homes, but limited inventory available.
- Inventory is not turning over fast enough to meet buyer demand.

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- Many potential buyers would be first-time homebuyers, but they're having a hard time finding suitable homes.
 - Some first-time buyers are considering new construction, but they would need to be priced below \$300,000.
 - Homes that are priced below \$200,000 move quickly, but some of these homes that are in need of repair are slower to sell.
 - In general, any homes priced below \$300,000 are in demand.
 - Waverly is an aging community, so there is a need for more housing alternatives for the older population.
 - New townhomes, twin homes, condominiums are needed in Waverly at various price points.
 - Single-family housing costs in Waverly can generally be defined as follows:
 - Entry-level housing is generally priced at \$200,000 and lower, although some first-time homebuyers have purchased new construction homes priced over \$300,000.
 - Move-up housing priced in the \$350,000 to \$500,000 range.
 - Executive housing priced at \$600,000 and higher.
 - There is a need for more available housing priced in the \$300,000 to \$400,000 range, either new construction or quality existing homes. Much of the new construction homes are being sold for \$500,000 to \$600,000 or more.
 - Desired amenities include basements, three-stall garages, and larger lot sizes. Many of the newer subdivisions have tight lot sizes.
 - Many people looking for more affordably priced housing, end up finding homes outside of Waverly in nearby, smaller communities like Shell Rock.
 - Waverly is generally considered a higher-priced community, and homes in some of the surrounding, smaller communities sell for approximately 30% to 40% less than in Waverly.
 - Waverly is a desirable community with nice amenities, close proximity to Cedar Falls, and the Waverly-Shell Rock School District is a draw.
 - Land is not getting platted fast enough to support demand for new homes, and there is potentially a need for more options for people looking for builders.

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- Homes that sell for under \$100,000 are occasionally tear-downs, and there is very little housing available at the lower price points (under \$200,000).
 - Some of the homes priced below \$200,000 are in a flood zone and would require flood insurance. Buyers may be better off financially if they purchase a higher-priced home out of a flood zone so they don't need to pay for flood insurance.
 - Some of the rental stock in Waverly, particularly newer properties, have high rents, and renters paying these rents would likely be able to afford to buy.
 - There are many people looking for rental housing that want to avoid apartment buildings but would prefer a single-family rental property. These have been hard to find.
 - There is a demand for housing across all price points, especially entry-level, but entry-level housing is not being built.
 - Many people would like to buy a move-up home, but it's difficult to accept a 6% to 7% interest rate if their existing home was purchased at a 3% to 4% interest rate, so many potential move-up buyers are not moving.
 - It was suggested that some sort of financial incentive or other program to assist first-time home buyers and bring them to the community would be beneficial.
 - Many older homes that could be a target for first-time buyers are in need of upgrades and may not be desired by younger buyers.
 - There is a gap between the types of amenities being sought by younger buyers and what they can afford to purchase.
 - There is demand from older buyers looking to downsize for maintenance-free, zero-entry housing options.
 - New townhomes at Anna Estates have experienced strong demand.
 - It was suggested that taxes in Waverly seem high, which is having an impact on how much a potential buyer is able to afford.
 - There is strong demand for moderately priced new construction single-family homes (priced under \$350,000) that would meet the "middle market" buyer looking to upgrade.
 - Waverly needs more "middle market" housing targeted to the area's workforce, as well as housing alternatives for seniors considering a move out of a single-family home.

- The turnover of older single-family homes would open up some more affordably priced housing for younger/workforce buyers.
- There is also a need for market rate rental housing for older adults and seniors (age-restricted, active adult rental housing).
- There is probably limited need for more assisted living housing in the near-term, as many seniors are choosing to age in place. This trend is expected to continue for the foreseeable future.
- There are workers earning modest incomes that have a hard time finding affordable housing in Waverly.
- Some applicants have refused job offers due to the wages being offered, partly because of the housing costs in Waverly.
- Housing affordability in Waverly is a significant issue among younger workers.
- Many employers have had trouble hiring new workers due, in part, to a lack of suitable housing.
- Many workers in the area, particularly younger workers, commute to Waverly for their job because they can't find (or afford) housing in the community.
- This is impacting employee retention because some workers end up finding jobs closer to their homes if they grow tired of the commute.

For-Sale Housing Market Demand Analysis

Earlier sections of this report examined growth trends and demographic characteristics of the household base in Waverly and the PMA along with housing market conditions in the area. The table on the following page presents demand calculations for general occupancy for-sale housing in the PMA, specifically the City of Waverly, between 2024 and 2035. This analysis identifies potential demand for general occupancy for-sale housing that is generated from both new households and household turnover.

First, we calculate potential demand from new household growth based on the propensity of households to own their housing. For this analysis, we focus on households under the age of 75 that will account for the majority of general occupancy for sale housing demand. We then apply the percentage of households that would likely own their housing (based on 2022 ACS household tenure data) to the projected household growth in the PMA from 2024 to 2035.

- We estimate that household growth will generate demand for 292 for-sale housing units between 2024 and 2035.

As of 2024, there are an estimated 4,454 owner households under age 75 in the PMA. Based on household turnover data from the 2022 ACS, we estimate that 39% of these owner households will experience turnover between 2024 and 2035. We then estimate the percent of existing owner households turning over that would prefer to purchase new housing based on national metrics and Market Area trends.

- Total demand from household growth plus existing household turnover equates to 466 new for-sale housing units in the PMA between 2024 and 2035.

An additional proportion is added for households that would purchase their home in the PMA who currently reside outside the area. We estimate that 25% of the demand potential for general occupancy ownership housing would be derived from outside the PMA.

- Overall, we find demand potential for 622 new general occupancy for-sale housing units in the PMA between 2024 and 2035.

We estimate that the City of Waverly can capture 70% of the PMA's demand for new for-sale housing units between 2024 and 2035, equating to demand for 436 new units in Waverly. This estimate is based on the geographic distribution of the projected household growth in the PMA, household turnover, and the supply of residential lots in the PMA.

Based on the age distribution of households in Waverly, conversations with area real estate professionals, and residential development trends, we estimate that 70% of the householders seeking new housing in Waverly will desire detached single-family homes, while the remaining 30% will seek other housing product types (i.e. condominiums, townhomes, twin homes).

We anticipate that there will be demand for 305 detached single-family homes and 131 units of other housing product types in Waverly between 2024 and 2035.

On an annual basis, new for-sale housing demand in Waverly equates to 40 new housing units per year, including 28 new detached single-family homes per year and 12 units of other product types per year.

TABLE 46

GENERAL OCCUPANCY FOR-SALE HOUSING DEMAND CITY OF WAVERLY 2024 to 2035			
Demand from Projected Household Growth in PMA			
Household growth, 2024-2035			785
(times) Pct. for general occupancy housing ¹	x	46%	
(times) Propensity to own ²	x	81%	
(equals) Demand from household growth	=		292
Demand from Existing Owner Households in PMA			
Existing owner households, 2024	=		4,454
(times) Est. % household turnover, 2024-2035 ³	x	39%	
(times) Est. % desiring new housing ⁴	x	10%	
(equals) Demand from existing households	=		174
Total demand from household growth+turnover	=		466
(plus) Ownership demand from outside PMA	+	25%	
(equals) Demand potential for ownership housing in PMA	=		622
(times) Percent of PMA demand capturable in Waverly	x	70%	
(equals) Demand potential for new ownership housing in Waverly	=		436
		Detached Single-family	Other*
(times) Pct. of demand for detached single-family vs. other*	x	70%	30%
(equals) Total Demand Potential in Waverly	=	305	131
¹ Pct. HH growth from "Population and Household Growth Trends and Projections" under age 75			
² Pct. of HHs under age 75 that own from American Community Survey			
³ Based on owner household turnover and mobility data (American Community Survey)			
⁴ Based on new construction sales data, construction trends, and growth projections by age group			
*Other includes attached single-family (i.e. townhomes, twinhomes) and condominium units.			
Note: Some totals may not add due to rounding			
Source: Maxfield Research & Consulting			

These demand estimates assume that residential lots will be available for development in the community, as it would be difficult for Waverly to capture the projected demand potential without an adequate supply of development-ready lots.

Excluding Anna Estates which is an age-restricted development, there are 136 vacant lots in 14 subdivisions in Waverly, including 113 lots owned by a developer that will likely be available for future development. However, most of these vacant lots are not currently being marketed for sale. As of October 2024, there were 52 residential lots listed for sale in the PMA and 18 lots for sale in Waverly.

Based on the for-sale housing demand calculations, there is just a 0.5-year supply of actively-marketing lots and a 2.9-year supply of developer owned vacant lots in Waverly. Another 26 lots are planned in two new subdivisions, resulting in a 3.5-year supply of existing developer owned lots plus pending lots.

Rental Housing Demand Analysis

The demand table on the following page presents our calculation of general occupancy rental housing demand in the PMA and the City of Waverly between 2024 and 2035. Factors considered include demographic trends, population shifts, and pending developments. Potential rental housing demand is calculated from two categories:

1. From new household growth based on the propensity of households to rent their housing in the PMA; and,
2. From existing households that will remain in the Market Area because new product is available and they value other area amenities including proximity to employment, entertainment, and recreation.

First, we calculate potential demand from new household growth based on the propensity of households to rent their housing, focusing on households under the age of 75 that will account for the majority of general occupancy rental housing demand. We then apply the percentage of households that would likely rent their housing (based on 2022 ACS household tenure data) to the projected household growth in the PMA from 2024 to 2035. We estimate that household growth will generate demand for 69 rental housing units between 2024 and 2035.

The second part of the analysis calculates demand from existing households, or turnover demand. Younger households tend to be highly mobile, relative to older households. Mobility rates were calculated for the renter population based on American Community Survey data and applied to the existing renter household base. As of 2024, there are an estimated 1,061 existing renter households under the age of 75 in the PMA.

Based on household turnover data from the 2022 ACS, we estimate that 82% of these renter households will experience turnover between 2024 and 2035. We then estimate the percentage of the existing renter households that would potentially seek new rental housing resulting in demand for 174 new units from turnover by 2035.

TABLE 47

GENERAL OCCUPANCY RENTAL HOUSING DEMAND CITY OF WAVERLY 2024 to 2035		
Demand from Projected Household Growth in PMA		
Household growth, 2024-2035		785
(times) Pct. for general occupancy housing ¹	x	46%
(times) Propensity to rent ²	x	19%
(equals) Demand from household growth	=	69
Demand from Existing Renter Households in PMA		
Existing renter households, 2024	=	1,061
(times) Est. % household turnover, 2024-2035 ³	x	82%
(times) Est. % desiring new housing ⁴	x	20%
(equals) Demand from existing households	=	174
Total demand from household growth+turnover		
		244
(plus) Rental demand from outside PMA	+	30%
(equals) Demand potential for rental housing in PMA	=	350
(times) Percent of PMA demand capturable in Waverly	x	80%
(equals) Demand potential for new rental housing in Waverly	=	280
(times) % for Market Rate units ⁵	x	45%
(minus) Pending Market Rate units ⁶	-	0
(equals) Excess Market Rate Demand	=	126
(times) % for Affordable units ⁵	x	25%
(minus) Pending Affordable units ⁶	-	0
(equals) Excess Affordable Demand	=	70
(times) % for Subsidized units ⁵	x	30%
(minus) Pending Subsidized units ⁶	-	0
(equals) Excess Subsidized Demand	=	84
¹ Pct. HH growth from "Population and Household Growth Trends and Projections" under age 75 ² Pct. renter households from American Community Survey ³ Based on renter household turnover and mobility data (American Community Survey) ⁴ Based on leasing trends and occupancy rates among existing product ⁵ Based on income limits and renter household incomes ⁶ Units under construction/renovation or approved at equilibrium (93% occupancy) Note: Some totals may not add due to rounding Source: Maxfield Research & Consulting		

Together with demand from projected household growth plus turnover, total demand for general occupancy rental housing between 2024 and 2035 is 244 units in the PMA. An additional proportion is added for households that would move to a rental project in the PMA who currently reside outside the area. We estimate that 30% of the demand potential for rental housing in the PMA would be derived from outside the area, increasing demand to 350 units between 2024 and 2035.

Due to factors such as the geographic distribution of the renter population in the PMA along with the location of employment and services (entertainment, shopping, education, etc.), we estimate that the City of Waverly can capture 80% of the rental housing demand potential in the PMA. Overall, we find demand for 280 new general occupancy rental housing units in Waverly between 2024 and 2035.

Based on a review of renter household incomes and income limits set by HUD and the Iowa Finance Authority, we estimate the proportion of the total demand potential by rental housing product type, as follows:

- Market rate housing (households with incomes at 60% AMI and higher)
- Affordable housing (affordable to households with incomes between 30% and 60% AMI)
- Subsidized housing (affordable to households at 30% AMI or less)

Due to the income limits in Bremer County relative to rents, we understand that there is some crossover between affordable and subsidized demand, as well as between affordable and market rate demand. Some households with incomes between 30% and 60% AMI may qualify for subsidized housing, depending on income restrictions at the property, as well as new market rate housing depending on rents.

- An estimated 45% of the total demand will be for market rate housing, while 25% of the demand will be for affordable housing and 30% will be for subsidized housing.

We would then subtract any rental housing units that are planned or under construction, although we did not identify any pending rental housing developments in the PMA. Overall, we find excess demand for 126 general occupancy market rate rental housing units in Waverly, along with 70 affordable units and 84 subsidized units between 2024 and 2035.

Senior Housing Demand Analysis

The following table summarizes our senior housing demand estimates for Waverly by service level in 2024, 2029, and 2035, including demand for market rate owned and rented active adult units, affordable and subsidized senior rental units, independent living, assisted living, and memory care.

- Due to the projected population and household increases among the older adult and senior age groups between 2024 and 2035, senior housing demand growth is projected across all service levels in Waverly.

TABLE 48

EXCESS SENIOR HOUSING DEMAND BY SERVICE LEVEL			
CITY OF WAVERLY			
2024, 2029, 2035			
	2024	2029	2035
Market Rate Active Adult Units	91	99	116
Owner	34	34	47
Renter	57	65	69
Affordable/Subsidized Units	193	212	236
Subsidized	55	63	74
Affordable	138	149	162
Service-Enhanced Units	177	232	279
Independent Living	83	102	119
Assisted Living	51	72	91
Memory Care	43	58	69

Source: Maxfield Research & Consulting

- As of 2024, excess senior housing demand is largest for affordable and subsidized rental housing, totaling 193 units. There is excess demand for 177 service-enhanced units, most notably independent living at 83 units, while excess demand also exists for 91 market rate active adult units (34 owner and 57 renter units).
- Due to the age distribution of the population, excess demand growth is projected to be strongest for service-enhanced units, increasing 58% (102 units) between 2024 and 2035. While we identified strong demand growth for service-enhanced senior housing, labor challenges (i.e. staffing shortages) may make it difficult for the market to satisfy demand.
- Waverly is also projected to experience a 28% increase in excess demand for market rate active adult units (25 units) between 2024 and 2035, while excess demand for affordable and subsidized units increases 22% (43 units).

Information on the following pages provides detailed senior housing demand calculations by product type in Waverly in 2024, 2029, and 2035. Assumptions used to estimate demand in 2035 include: 1) the percentages used to determine income- and asset-qualifications for senior housing are the same proportions used for the 2029 calculations; 2) all capture rates hold steady for each age group; and 3) no new product is added between 2029 and 2035.

Market Rate Active Adult Senior Housing Demand

The following table presents our demand calculations for market rate active adult housing in Waverly in 2024, 2029, and 2035. The market for active adult housing is comprised of older adult (age 55 to 64), younger senior (age 65 to 74) and older senior (age 75+) households, with market demand weighted most heavily toward older seniors.

In order to arrive at the potential age-, income- and asset-qualified base for market rate active adult housing, we include all age-qualified households with incomes of \$40,000 or more plus homeowner households with incomes between \$30,000 and \$39,999 who would qualify with the proceeds from a home sale. The number of qualifying homeowner households is estimated by applying the appropriate homeownership rate to each age cohort.

Seniors are willing to pay increasing proportions of their income on alternative housing, beginning with an income allocation of 40% to 50% for market rate active adult senior housing with little or no services. Older adult and senior households with incomes of \$40,000 allocating 40% of their income toward housing could afford monthly rents of \$1,333. We estimate there are 2,680 age-, income- and asset-qualified households in the PMA that comprise the market for active adult housing in 2024.

Adjusting to include appropriate capture rates for each age cohort (1.5% of households age 55 to 64, 8.5% of age 65 to 74, and 16.0% of age 75 and older) results in a demand potential for 213 active adult housing units in 2024, increasing to 257 units in 2035. These capture rates reduce the total number of age/income/asset-qualified households to consider only the portion of older adult and senior households who would be willing, able, and inclined to move to age-restricted housing alternatives, including both owned and rental housing.

We estimate that seniors currently residing outside the PMA will generate 30% of the demand for market rate active adult housing – increasing demand to 304 active adult units in 2024. Demand from outside the PMA includes parents of adult children living in the area, individuals who live outside the PMA but have an orientation to the area (i.e. church, doctor), and former residents who desire to return upon retirement, among others.

Demand for market rate active adult housing is apportioned between ownership and rental product types. Based on the age distribution of the population, homeownership rates, existing product, and trends for active adult housing products, we project that 75% of the demand will be for owner-occupied active adult housing (228 units in 2024), and the remaining 25% of demand will be for active adult rental housing units (76 units in 2024).

TABLE 49

MARKET RATE ACTIVE ADULT HOUSING DEMAND									
CITY OF WAVERLY									
2024, 2029, 2035									
Age of Householder	2024			2029			2035		
	55-64	65-74	75+	55-64	65-74	75+	55-64	65-74	75+
HHs w/ Incomes of >\$40,000	938	937	616	920	1,014	736	990	931	859
HHs w/ Incomes of \$30,000-\$39,999	47	63	108	50	70	128	54	64	149
(times) Homeownership Rate	x 85%	x 89%	x 86%	x 85%	x 89%	x 86%	x 85%	x 89%	x 86%
(equals) Total Potential Market Base	= 978	993	709	963	1,076	846	1,036	988	987
(times) Potential Capture Rate	x 1.5%	x 8.5%	x 16.0%	x 1.5%	x 8.5%	x 16.0%	x 1.5%	x 8.5%	x 16.0%
(equals) Demand Potential	= 15	84	113	14	91	135	16	84	158
Potential Demand from PMA	=	213		241			257		
(plus) Demand from outside PMA ¹	+	30%		30%			30%		
(equals) Total Demand Potential	=	304		345			368		
Product Type		% Own	% Rent	% Own	% Rent	% Own	% Rent	% Own	% Rent
(times) % for Owner/Rental	x	75%	25%	75%	25%	75%	25%	75%	25%
(equals) Demand Potential	=	228	76	259	86	276	92		
(minus) Existing & Pending Units ²	-	183	0	213	0	213	0		
(equals) Excess Demand	=	45	76	46	86	63	92		
(times) Pct. capturable in Waverly	x	75%		75%		75%			
(equals) Units supportable in Waverly	=	34	57	34	65	47	69		

¹ Estimated portion of demand that will come from outside PMA
² Existing and pending units are deducted at market equilibrium (95% occupancy).
 Source: Maxfield Research & Consulting

From the demand potential, we subtract existing and pending active adult units in the PMA at 95% occupancy. We did not identify any market rate active adult rental properties in the PMA, but there are three age-restricted ownership developments, totaling 193 existing units and 31 pending units. Overall, we find excess demand for 45 market rate active adult ownership units and 76 market rate active adult rental units in 2024.

Adjusting for inflation and following the same methodology while incorporating pending active adult units, we project that excess demand will increase to 63 market rate active adult ownership units and 92 market rate active adult rental units by 2035.

Due to factors such as the geographic distribution of the senior population in the PMA along with the location of services (medical, religious, retail, etc.) and amenities in the PMA, we anticipate that the City of Waverly can capture 75% of the excess demand potential in the PMA.

- Based on this capture rate, we find excess demand for 90 market rate active adult units in Waverly in 2024 (34 owner-occupied and 57 renter-occupied units), growing to 99 units in 2029 (34 owner- and 65 renter-occupied units) and 116 units in 2035 (47 owner- and 69 renter-occupied).

Affordable/Subsidized Active Adult Senior Housing Demand

The table on the following page presents our demand calculations for affordable (30% to 60% AMI) and subsidized (30% AMI or less) senior housing units in Waverly in 2024, 2029, and 2035. While the methodology used to calculate demand for affordable housing closely mirrors the methodology used to calculate demand for market rate active adult housing, we make adjustments to more precisely quantify demand among this market segment. The following points summarize these adjustments:

- **Income-Qualifications:** In order to arrive at the potential age and income-qualified base for low-income and affordable housing, we include all senior households age 55 and older that qualify for the income guidelines for two-person households in 2024.

Households earning between 30% and 60% of AMI are generally candidates for affordable housing, while households earning less than 30% AMI are typically a market for subsidized housing. The income-restriction in Bremer County for a two-person household at 30% AMI is \$25,200 and the income-restriction for a two-person household at 60% AMI is \$50,400.

- **Capture Rates:** Households in a need-based situation (either requiring services or financial assistance) more readily move to housing alternatives than those not in need-based situations. Based on our experience in market feasibility for affordable and subsidized senior housing, along with our analysis of demographic and competitive market factors in the area, we apply a conservative 25% capture rate to the age/income-qualified market to arrive at a total potential demand.

Using the methodology described above results in a demand potential for a total of 297 affordable and subsidized active adult housing units from the PMA in 2024. An additional proportion (25%) is added for senior households that would move into affordable active adult housing in the PMA who currently reside outside the area. In total, we estimate that there is demand potential for 396 affordable and subsidized active adult housing units in the PMA in 2024.

Based on the existing and projected distribution of households with incomes below \$50,400, we estimate the proportion of demand for affordable and subsidized units. An estimated 45% of the demand will be for subsidized units and 55% will be for affordable units. In total, we estimate that there is demand for 178 subsidized units and 218 affordable units in the PMA in 2024.

Next, we subtract existing competitive units from the demand potential, including 101 subsidized and 25 affordable units. Overall, we subtract 96 subsidized units and 24 affordable units from the demand potential after accounting for a 5% vacancy rate, resulting in excess demand for 82 subsidized and 194 affordable units in the PMA in 2024.

TABLE 50

AFFORDABLE/SUBSIDIZED SENIOR RENTAL HOUSING DEMAND										
CITY OF WAVERLY										
2024, 2029, 2035										
Age of Householder	2024			2029			2035			
	55-64	65-74	75+	55-64	65-74	75+	55-64	65-74	75+	
# of HHs w/ Incomes of <\$50,400 ¹	245	337	605	215	363	691	231	333	807	
Total Potential Market Base	1,187			1,269			1,371			
(times) Ptc. for affordable hsg	x 25%			25%			25%			
(equals) Demand Potential	= 297			317			343			
(plus) Demand from Outside PMA ²	+ 25%			25%			25%			
(equals) Total Demand Potential	= 396			423			457			
Product Type (Subsidized or Affordable)	Sub.		Aff.		Sub.		Aff.		Sub.	
(times) % Subsidized or Affordable	x 45%		55%		45%		55%		45%	
(equals) Demand Potential	= 178		218		190		233		206	
(minus) Existing & Pending Units ³	- 96		24		96		24		96	
(equals) Excess Demand for Units	= 82		194		94		209		110	
(times) Pct capturable in Waverly	x 70%			70%			70%			
(equals) Units supportable in Waverly	= 57		136		66		146		77	
¹ Based on 2-person HH at 60% AMI; 2029 calculations adjusted for inflation (2.0% annually).										
² Estimated portion of demand from outside PMA										
³ Existing and pending units are deducted at market equilibrium (95% occupancy).										
Source: Maxfield Research & Consulting										

To project demand for 2029 and 2035, we increase the income-qualifications to account for inflation and would incorporate pending affordable senior housing units. However, we did not identify any affordable senior housing developments under construction or approved in the PMA. Following the same methodology as outlined above, total excess demand is for affordable and subsidized units projected to increase to 337 units in 2035.

We anticipate that the City of Waverly can capture 70% of the excess demand potential for affordable and subsidized senior housing in the PMA. Based on this capture rate, we find demand for 193 units in 2024 (57 subsidized and 136 affordable units). We anticipate that there will be demand for 212 affordable and subsidized units in Waverly in 2029 (66 subsidized, 146 affordable), increasing to 236 units in 2035 (77 subsidized, 159 affordable).

Demand for Independent Living Senior Housing

The following table presents our demand calculations for independent living senior housing in Waverly in 2024, 2029, and 2035. This analysis focuses on the potential private pay/market rate demand for independent living units.

To arrive at the potential age-income qualified base for independent senior housing, we include all senior households with incomes of \$40,000 or more and homeowners with incomes between \$30,000 and \$40,000 who would qualify with the proceeds from a home sale (this proportion was estimated based on the homeownership rates for each age cohort).

Senior householders with incomes of \$40,000 allocating 65% of their income toward base housing cost could afford beginning rents of approximately \$2,167. Householders with incomes of \$35,000 allocating 60% of their income toward rent and using the proceeds from a home sale could afford rents of \$2,105 per month.

- We estimate the number of age/income/asset-qualified households in the PMA to be 1,702 households in 2024, increasing to 1,975 households in 2035.

Demand for independent living senior housing is need-driven, which reduces the qualified market to only the portion of seniors who need some assistance. To account for this, the age/income-qualified base is multiplied by the percentage of seniors who need some assistance with at least three Instrumental Activities of Daily Living (IADLs), but not six or more Activities of Daily Living (ADLs) and IADLs, as these frailer seniors would need the level of care found in service-intensive assisted living.

According to the Summary Health Statistics of the U.S. Population: National Health Interview Survey (conducted by the U.S. Department of Health and Human Services), the percentage of seniors having limitation in ADLs (bathing, dressing, toileting, transferring, eating) and IADLs (using the telephone, shopping, food preparation, housekeeping, laundry, transportation, taking medication, handling finances) are as follows:

Limitation in ADLs & IADLs		
Age	ADLs	IADLs
65-74 years	3.3%	6.3%
75+ years	11.0%	20.0%

It is most likely that seniors who need assistance with ADLs also need assistance with multiple IADLs and are more likely to be candidates for service-intensive assisted living. The prime candidates for independent living are seniors needing assistance with IADLs, but not ADLs. We derive the capture rate for independent living housing by subtracting the percentage of seniors needing assistance with ADLs from those needing assistance with IADLs, which equates to 3.0% of seniors age 65 to 74 and 9.0% of seniors age 75+.

For the purposes of this report and understanding that many seniors do not view senior housing as an alternative retirement destination but a supportive living option only when they can no longer live independently, we have reduced the potential capture rates for the 65 to 74 age group to 1.5% while increasing the capture rate of the 75 and older age group to 14.0%. Multiplying the senior household base by these capture rates results in demand potential for 114 independent living units in 2024, 135 units in 2029, and 153 units in 2035.

We estimate that seniors currently residing outside the PMA will generate 25% of the demand for independent senior housing – increasing total demand by 38 units in 2024. Together, the demand from PMA seniors and demand from seniors who would relocate to the area totals 152 independent living units in 2024, increasing to 179 units in 2029, and 204 units in 2035.

TABLE 51

INDEPENDENT LIVING DEMAND CITY OF WAVERLY 2024, 2029, 2035						
Age of Householder	2024		2029		2035	
	65-74	75+	65-74	75+	65-74	75+
HHs w/ Incomes of >\$40,000	937	616	1,014	736	931	859
(plus) HHs w/ Incomes of \$30,000 to \$39,999	63	108	70	128	64	149
(times) Homeownership Rate	x 89%	86%	89%	86%	89%	86%
(equals) Total Potential Market Base	= 993	709	1,076	846	988	987
(times) Potential Capture Rate	x 1.5%	14.0%	1.5%	14.0%	1.5%	14.0%
(equals) Demand Potential	= 15	99	16	118	15	138
Potential Demand from PMA Residents	=	114	=	135	=	153
(plus) Demand from outside PMA ¹	+	25%	+	25%	+	25%
(equals) Total Demand Potential	=	152	=	179	=	204
(minus) Existing and Pending Units ³	-	34	-	34	-	34
(equals) Excess Demand for IL Units in PMA	=	118	=	145	=	170
(times) Percent capturable in Waverly	x	70%	x	70%	x	70%
(equals) IL Demand Capturable in Waverly	=	83	=	102	=	119
¹ Estimated portion of demand will come from outside PMA						
² Existing and pending units are deducted at market equilibrium (95% occupancy). IL = Independent Living						
Source: Maxfield Research & Consulting						

Next, we subtract existing and pending competitive independent living units from the demand potential at 95% occupancy. Overall, we find excess demand for 118 independent living units in the PMA in 2024. Due to factors such as the location of services (religious, retail, etc.), and the need for service-enhanced housing (including independent living) to be located near medical services, we anticipate 70% of the excess demand potential would be captured in Waverly.

- Based on this capture rate, we find demand for 83 independent living units in Waverly in 2024, expanding to 102 units in 2029 and 119 units in 2035.

Assisted Living Demand Estimate

The next table presents our demand calculations for assisted living in Waverly in 2024, 2029, and 2035. This analysis focuses on the potential *private pay/market rate* demand for assisted living units.

The availability of more intensive support services such as meals, housekeeping and personal care at assisted living facilities usually attracts older, frailer seniors. According to the Overview of Assisted Living (which is a collaborative research project by the American Association of Homes and Services for the Aging, the American Seniors Housing Association, National Center for Assisted Living, and National Investment Center for the Seniors Housing and Care Industry), the average age of residents in freestanding assisted living facilities is 87 years.

The age-qualified market for assisted living is defined as seniors ages 75 and over, as we estimate that of the half of demand from seniors under age 87, almost all would be over age 75. In 2024, there are an estimated 1,776 seniors ages 75 and over in the PMA, and we project that this number will increase to 2,487 in 2035.

Demand for assisted living housing is need-driven, which reduces the qualified market to only the portion of seniors who need assistance. According to a study completed by the Centers for Disease Control and the National Center for Health Statistics, about 35% of seniors need assistance with everyday activities (from 25.5% of 75-to-79-year-olds, to 33.6% of 80-to-84-year-olds and 51.6% of 85+ year-olds).

- Applying these percentages to the senior population yields a potential assisted living market of an estimated 640 seniors in 2024, 770 in 2029, and 913 seniors in 2035.

Due to the supportive nature of assisted living, most daily essentials are included in monthly fees which allow seniors to spend a higher proportion of their incomes on housing with basic services. Therefore, the second step in determining the potential demand for assisted living is to identify the income-qualified market based on a senior's ability to pay the monthly rent.

We consider seniors in households with incomes of \$40,000 or greater to be income-qualified for assisted living senior housing in the PMA. Households with incomes of \$40,000 could afford monthly assisted living fees of \$3,000 by allocating 90% of their income toward the fees.

According to the Overview of Assisted Living, the average arrival income of assisted living residents was \$27,260, while the average annual assisted living fee was \$37,281 (\$3,107/month). This data highlights that seniors are spending down assets to live in assisted living and avoid institutional care. Thus, in addition to households with incomes of \$40,000 or greater, there is a substantial base of senior households with lower incomes who income-qualify based on assets – their homes, in particular.

An estimated 86% of age 75 and older households in the PMA are homeowners and the estimated median sale price for older homes in Waverly is \$226,750 in 2024. Seniors selling their homes for the median price would generate roughly \$213,145 in proceeds after selling costs. Using an average monthly fee of \$4,000, these proceeds would last over four years (55 months) in assisted living housing, which is longer than the average length of stay in assisted living (20 months according to the Overview of Assisted Living).

TABLE 52

MARKET RATE ASSISTED LIVING DEMAND												
CITY OF WAVERLY												
2024, 2029, 2035												
	2024			2029			2035					
	75-79	80-84	85+	75-79	80-84	85+	75-79	80-84	85+			
Age Group												
People	710	509	557	821	644	666	898	758	831			
(times) Percent Needing Assistance ¹	x	25.5%	33.6%	51.6%	x	25.5%	33.6%	51.6%	x	25.5%	33.6%	51.6%
Number Needing Assistance	=	181	171	287	=	209	217	344	=	229	255	429
Total People Needing Assistance		640				770				913		
(times) Percent Income-Qualified ²		68%				71%				71%		
Total potential market	=	436			=	548			=	650		
(times) Percent living alone	x	50%			x	50%			x	50%		
Age/income-qualified singles	=	218			=	274			=	325		
(plus) Demand from couples (12%) ³	+	30			+	37			+	44		
Age/income-qualified market	=	248			=	311			=	369		
(times) Potential penetration rate ⁴	x	35%			x	35%			x	35%		
Potential demand	=	87			=	109			=	129		
(plus) Proportion from outside PMA	+	25%			+	25%			+	25%		
Total potential AL demand	=	116			=	145			=	172		
(minus) Existing & pending AL units ⁵	-	43			-	43			-	43		
Excess market rate AL demand	=	73			=	102			=	129		
(times) Percent capturable in Waverly	x	70%			x	70%			x	70%		
(equals) Units Supportable in Waverly	=	51			=	72			=	91		

Notes:

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

² Includes households with incomes of \$40,000 or more (who could afford monthly rents of \$3,000+ per month) plus 40% of the estimated owner households with incomes below \$40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing).

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

⁴ We estimate that 65% of the qualified market needing assistance with ADLs could either remain in their homes or reside at less advanced senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled care facility.

⁵ Existing and pending units at 93% occupancy, minus units estimated to be occupied by Elderly Waiver residents.

Source: Maxfield Research & Consulting

For the age groups in the table, we estimate the income-qualified percentage to be all seniors in households with incomes at or above \$40,000 (who could afford beginning monthly rents of \$3,000+ per month) plus 40% of the estimated seniors in owner households with incomes below \$40,000 (who will spend down assets, including home-equity, to live in assisted living housing). This results in a total potential market for 436 units from the PMA as of 2024.

Because the vast majority of assisted living residents are single (88% according to the Overview of Assisted Living), our demand methodology multiplies the total potential market by the percentage of seniors age 75 and older in the PMA living alone, or 50% based on Census data. This results in a total base of 218 age/income-qualified singles. The Overview of Assisted Living found that 12% of residents in assisted living were couples. Including couples results in a total of 248 age/income-qualified seniors needing assistance in the PMA in 2024.

We estimate that 65% of the qualified market needing significant assistance with ADLs could either remain in their homes or less service-intensive senior housing with the assistance of a family member or home health care or would need greater care provided in a skilled care facility. The remaining 35% could be served by assisted living housing.

- Applying this market penetration rate of 35% results in demand for 87 assisted living units in 2024. An estimated 25% of the demand for assisted living units in the PMA will come from outside the area, resulting in total potential demand for 116 assisted living units in 2024.

Next, existing units are subtracted from overall demand. There are four facilities, totaling 82 assisted living units in the PMA. However, we adjust the number of competitive units based on location and exclude estimated units occupied by low-income seniors utilizing Elderly Waivers (20%). After subtracting the existing competitive units (minus a 7% vacancy factor) from the total demand equals excess demand potential for 73 assisted living units in the PMA in 2024.

Due to the location of services (religious, retail, etc.), and the need for service-enhanced housing (including assisted living) to be located near medical services, we anticipate 70% of the excess demand potential would be captured in Waverly. Based on this capture rate, we find excess demand for 51 assisted living units in Waverly in 2024, expanding to 72 units in 2029 and 91 units in 2035.

Demand for Memory Care Senior Housing

The following table presents our demand calculations for memory care housing in the PMA and the City of Waverly in 2024, 2029, and 2035. Demand is calculated by starting with the estimated senior (ages 65+) population in 2024 and multiplying by the incidence rate of Alzheimer's/dementia among the age cohorts in this population. This yields a potential market of 464 seniors in the PMA. We anticipate that this number will climb to 621 in 2035.

According to data from the National Institute of Aging, about 25% of all individuals with memory care impairments are a market for memory care housing units. This figure considers that seniors in the early stages of dementia will be able to live independently with the care of a spouse or other family member, while those in the latter stages of dementia will require intensive medical care that would only be available in skilled care facilities. Applying this figure to the estimated population with memory impairments yields a potential market of about 116 seniors in the PMA in 2024, increasing to 136 seniors in 2029 and 155 seniors in 2035.

TABLE 53

MEMORY CARE DEMAND CITY OF WAVERLY 2024, 2029, 2035				
		2024	2029	2035
65 to 74 Population		1,972	2,139	1,964
(times) Dementia Incidence Rate ¹	x	5%	5%	5%
(equals) Est. Senior Pop. with Dementia	=	99	107	98
75 to 84 Population		1,219	1,465	1,656
(times) Dementia Incidence Rate ¹	x	14%	14%	14%
(equals) Est. Senior Pop. with Dementia	=	171	205	232
85+ Population		557	666	831
(times) Dementia Incidence Rate ¹	x	35%	35%	35%
(equals) Est. Senior Pop. with Dementia	=	195	233	291
(equals) Total Population with Dementia		464	545	621
(times) Pct. Needing Memory Care Assistance	x	25%	25%	25%
(equals) Total Need for Dementia Care	=	116	136	155
(times) Percent Income/Asset-Qualified ²	x	58%	61%	61%
(equals) Total Income-Qualified Market Base	=	67	83	95
(plus) Demand from Outside PMA ³	+	25%	25%	25%
(equals) Total Demand for Memory Care Units	=	90	111	126
(minus) Existing and Pending Units ⁴	-	28	28	28
(equals) Excess Memory Care Demand Potential	=	62	83	98
(times) Percent capturable in Waverly	x	70%	70%	70%
(equals) MC Units Supportable in Waverly	=	43	58	69
¹ Alzheimer's Association: Alzheimer's Disease Facts & Figures (2021) ² Income greater than \$60,000 in 2024 and \$65,000 in 2029, plus some lower-income homeowners. ³ Estimated portion of demand that will come from outside PMA ⁴ Existing and pending units at 93% occupancy, minus estimated units occupied by EW residents.				
Source: Maxfield Research & Consulting				

Because of the staff-intensive nature of dementia care, typical monthly fees for this type of housing start at about \$4,500. Although some of the seniors will have high monthly incomes, most will be willing to spend down assets and/or receive financial assistance from family members to afford memory care housing.

Based on our review of senior household incomes, homeownership rates, and home sale data, we estimate that approximately 58% of all seniors in the PMA have incomes and/or assets to sufficiently cover the costs for memory care housing in 2024. These estimates take into account married couple households where one spouse may have memory care needs and allows for a sufficient income for the other spouse to live independently.

Multiplying the potential market by the percent income- and asset-qualified results in a total of 67 income-qualified seniors in the PMA in 2024. An additional proportion (25%) is added for seniors that would move into memory care housing who currently reside outside the area, resulting in total demand potential for 90 memory care senior housing units in the PMA in 2024, increasing to 111 units in 2029 and 126 units in 2035.

Next, existing and pending memory care units are subtracted from the demand potential to find excess demand in the PMA. We identified two memory care facilities in the PMA, totaling 36 units. Overall, we subtract 28 units from the demand potential after excluding estimated units occupied by low-income seniors utilizing Elderly Waivers, and accounting for a 7% vacancy rate.

We anticipate 70% of the PMA's excess demand potential would be captured in Waverly. Based on this capture rate, we find excess demand for 43 memory care units in Waverly in 2024, expanding to 58 units in 2029 and 69 memory care units in 2035.

Conclusions & Recommendations

Introduction

This section of the report summarizes calculated demand for specific housing products in Waverly and recommends development concepts to meet the housing needs forecast for the community. All recommendations are based on findings of the *Comprehensive Housing Needs Analysis*. The following topics are covered.

- ▶ A general profile on how demographic trends impact housing demand
- ▶ Summary of housing demand findings
- ▶ Development concept recommendations to meet projected demand, and
- ▶ An overview of challenges and opportunities as they pertain to housing development in Waverly

Demographic Profile and Housing Demand

The demographic profile of a community affects housing demand and the types of housing that are needed. The various housing life-cycle stages can generally be described as follows.

Entry-level householders

- Often prefer to rent basic, inexpensive apartments
- Will often “double-up” with roommates in apartment setting
- Usually singles or couples without children in their early 20's

First-time homebuyers and move-up renters

- Often married or cohabitating couples in their mid-20's or 30's, some with children, but most are without children
- Prefer to purchase modestly-priced single-family homes or rent more upscale apartments

Move-up homebuyers

- Typically families with children where householders are in their late 30's to mid-40's
- Prefer to purchase newer, larger, and therefore more expensive single-family homes

Empty-nesters (persons whose children have grown and left home) and never-nesters (persons who never have children)

- Generally couples in their 50's or 60's
- Prefer owning but will consider renting their housing
- Some will move to alternative lower-maintenance housing products

Younger independent seniors

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

Older seniors

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

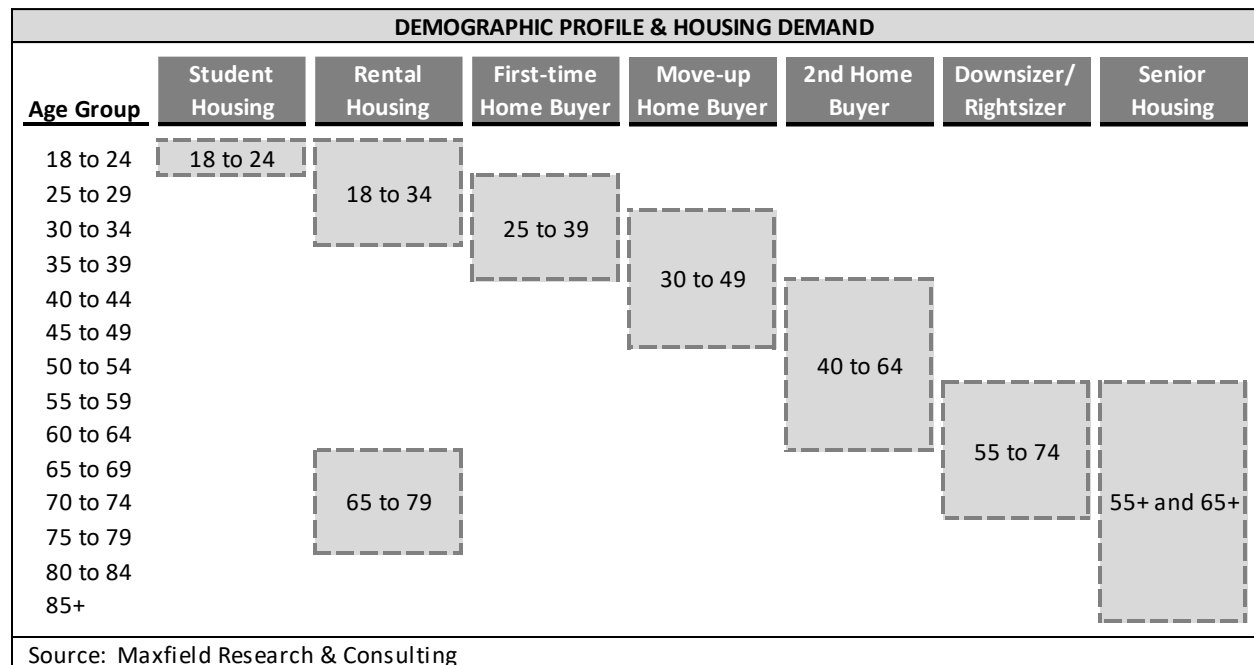
Housing demand can be generated by several sources including household growth, changes in housing preferences, and replacement need. Household growth necessitates the construction of new housing units unless there is enough vacant housing available to absorb the increase in households. Demand is also affected by shifting demographics, such as an aging population, which dictates the type of housing preferred.

New housing to meet replacement need may also be required when existing units no longer meet the needs of the population and when renovation is not feasible because the structure is physically or functionally obsolete.

The following summarizes some key factors driving the demand for housing.

Demographic Trends

Demographic shifts are a significant factor influencing housing demand. Household growth and household formation are critical (natural growth, immigration, etc.), as well as household type, size, age of householders, incomes, etc. The following figure illustrates typical life cycle housing needs by age group.



Economy & Job Growth

There is a strong connection between economic growth and demand for housing, and housing market growth often depends on job growth (or the prospect of). Jobs generate income growth which often leads to household formation and housing turnover. Historically, low unemployment rates have driven both existing home purchases and new-home purchases.

Weak, or negative, job growth can restrain household growth and reduce housing demand. Additionally, slow income growth may yield fewer move-up buyers, resulting in reduced housing turnover across all income brackets.

Consumer Choice

A variety of factors contribute to consumer choice and preferences. Many times, a change in family status is the primary factor for a change in housing type (i.e. growing families, empty nest, etc.). However, housing demand is also generated from the turnover of existing households who decide to move for a range of reasons. Some households may want to move-up, downsize, change their tenure status (i.e. renter to owner or vice versa), or simply move to a new location.

Existing Supply

The quality and age of the existing housing stock in a community impacts demand for new housing, as not all housing product types and styles are desired in today's market. Communities with an aging housing stock generally experience higher demand for remodeling services or new home construction if the current inventory does not offer options that consumers seek. Pent-up demand may also exist in markets with limited housing availability as householders postpone a move until new housing product becomes available.

Financing

Household income is the fundamental measure that dictates what a householder can afford to pay for housing costs. According to the U.S. Department of Housing and Urban Development (HUD), the definition of affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Families who pay more than 30% of their income for housing (either rent or mortgage) are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

The ability of buyers to obtain mortgage financing is becoming increasingly challenging as recent interest rate hikes by the Federal Reserve has decreased affordability for buyers. While still low relative to the past 40+ years, elevated interest rates combined with increased housing costs have decreased affordability in 2023 and 2024. Mortgage rates more than doubled between early 2022 and late 2023, increasing mortgage payments by more than 30%.

Mobility

Housing demand can be somewhat fluid between communities, and demand will be impacted by development activity and housing availability in other nearby communities. Much of the housing demand in a community is generated by the turnover of existing households, and satisfying future demand will be highly dependent on the availability of suitable housing options in the community.

Housing Demand Summary

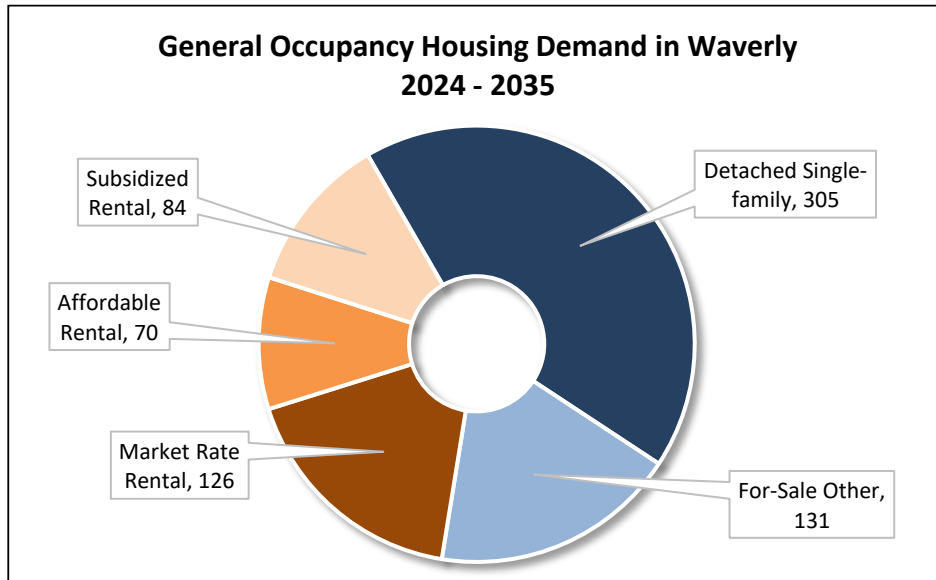
The following table and charts summarize estimated demand by product type. Housing demand is comprised of several components, including household growth and turnover, pent-up demand, and replacement needs. Solid household growth is projected for Waverly, but much of the housing demand in the community will be generated by the turnover of existing households.

Satisfying the projected demand and achieving any population and household growth in Waverly will be highly dependent on the availability of suitable housing options catering to a variety of household types, income levels, and age groups.

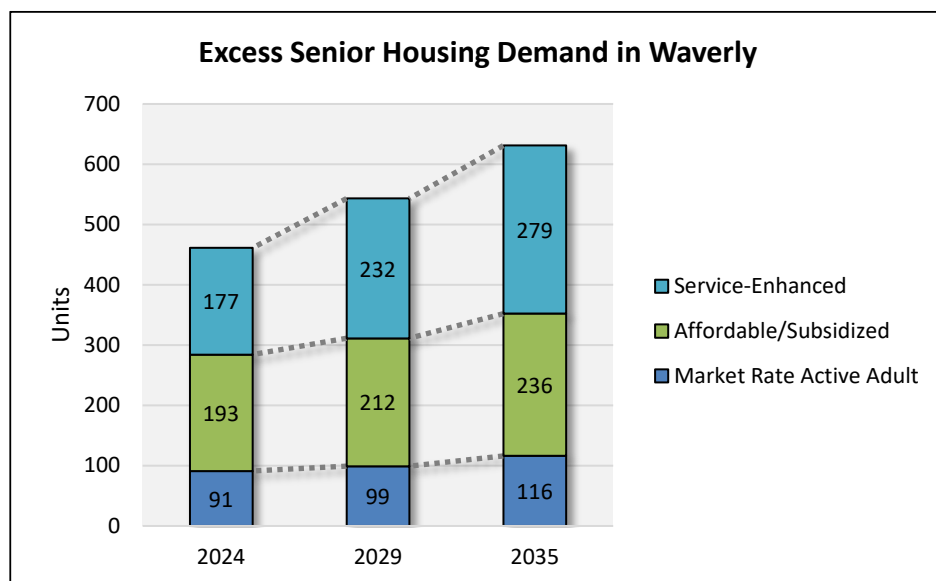
TABLE 54
HOUSING DEMAND SUMMARY
CITY OF WAVERLY
October 2024

General Occupancy Housing Demand 2024 to 2035			
For-Sale Units	436		
Detached Single-Family Units	305		
Other Product Types*	131		
General Occupancy Rental Units	280		
Market Rate	126		
Affordable^	70		
Subsidized^	84		
Total General Occupancy Housing Units	716		
Excess Senior Housing Demand			
	2024	2029	2035
Market Rate Active Adult	91	99	116
Owner-Occupied	34	34	47
Renter-Occupied	57	65	69
Affordable & Subsidized Senior Housing^	193	212	236
Subsidized	55	63	74
Affordable	138	149	162
Service-Enhanced Senior Housing	177	232	279
Independent Living (IL)	83	102	119
Assisted Living (AL)	51	72	91
Memory Care (MC)	43	58	69
Total Senior Housing Units	461	543	631
*Includes twin homes, townhomes, condominiums			
^Subsidized = affordable to households at 30% AMI or less			
^Affordable = affordable to households at 30% to 60% AMI			
Source: Maxfield Research & Consulting			

In total, we find demand for 716 general occupancy housing units in Waverly between 2024 and 2035, with roughly 43% of the demand being for detached single-family units (305) and 18% other for-sale units (131). Roughly 39% of the anticipated demand will be for rental units (280 units), including 126 market rate, 70 affordable, and 84 subsidized units.



As illustrated below, we also found excess demand for a total of 461 senior housing units in 2024, expanding 37% to 631 senior housing units by 2035. This level of senior housing demand may not be realized in the short-term as many seniors, especially in rural areas, prefer to age in place and delay moving to senior housing until they need services. Additionally, a large portion of the demand (market rate and affordable) from independent seniors could be satisfied with the development of maintenance-free housing products such as condominiums, townhomes, and apartments that are not age-restricted (i.e. general occupancy housing).



Recommendations

Based on findings from this analysis, the tables and comments on the following pages summarize recommended development concepts for general occupancy and senior housing in Waverly through 2035. These proposed concepts are intended to act as a development guide to meet the housing needs of existing and future households in the community.

General Occupancy For-Sale Housing

Based on information gathered on for-sale properties in the area along with feedback from area real estate professionals, we provide the following conclusions and recommendations regarding the for-sale housing market in Waverly.

- We estimate that there will be demand for 305 general occupancy detached single-family housing units and 131 other types of general occupancy for sale housing (townhomes, condominiums, twin homes) in Waverly between 2024 and 2035.
- The following table summarizes a potential pricing breakdown for new construction for-sale housing units in Waverly, including “starter”, “move-up”, and “executive” housing.

TABLE 55

GENERAL OCCUPANCY FOR-SALE HOUSING PRICING RECOMMENDATIONS
CITY OF WAVERLY
2024 to 2035

	Purchase Price*	Pct.	Units
Detached Single-Family			
Starter	Less than \$350,000	25%	76
Move-up	\$350,000 to \$500,000	65%	198
Executive	\$600,000+	10%	30
Detached Single-Family Total:		100%	305
Other (townhomes, twin homes, condos)			
Starter	Less than \$300,000	35%	46
Move-up	\$300,000 to \$450,000	55%	72
Executive	\$500,000+	10%	13
Other Total:		100%	131
*Pricing is in 2024 dollars and can be adjusted to account for inflation.			
Source: Maxfield Research & Consulting			

- A move-up buyer is typically someone who is selling one house and purchasing another one, usually a larger and more expensive home. The move often occurs due to a lifestyle change, such as a new job or a growing family. The 35 to 44 and 45 to 54 age groups are generally target markets for move-up and executive detached single-family, while other move-up and executive units would also target older buyers (age 55 to 74) looking to right-size.

- Residential sale data indicates that demand is strongest for homes priced in the \$100,000 to \$199,999 and \$200,000 to \$299,999 ranges, and anecdotal feedback from area real estate professionals indicates that homes priced under \$300,000 sell quickly when available.
- We anticipate that 65% of the new detached single-family units (198 units) will target move-up buyers and another 10% of the units (30) will target the executive buyer market.
- It can be difficult to construct new housing for less than \$300,000, but we recommend that 25% of the detached single-family units (76) be priced at a level to target first-time buyers.
 - However, the development of any new for-sale housing products in Waverly priced as a starter home will likely necessitate a public-private partnership or alternative development concepts (i.e. community land trust, affordable housing cooperative).
- Entry-level home demand will primarily be satisfied through turnover of the existing supply of older single-family homes in Waverly by increasing the supply of move-up housing or with the increased development of other housing product types (townhomes, twin homes, condominiums).
- While there is a limited supply of townhomes, twin homes, or condominiums available for sale in Waverly, these housing products can be an option for buyers looking for a starter home and households seeking to downsize or that don't want the responsibilities of upkeep and home maintenance.
- We anticipate that 55% of new construction units of these other product types (72) will target move-up buyers and/or empty nesters looking to downsize from a single-family home and recommend that 35% (46 units) should target first-time buyers. Another 10% (13 units) will be executive-level units.
- Because the primary target market for new townhome, condominium, or twin home units will be empty-nesters and young seniors (age 65 to 74), the majority of these units should be zero-entry and single-level, or at least have a master suite on the main level if a unit has two stories. Units could also be constructed using Universal Design principles.
- In addition to older buyers, mid-age professionals, particularly singles and couples without children, will seek townhomes or condominiums if they prefer not to have the maintenance responsibilities of a detached single-family home. Younger households may also find purchasing a townhome or condominium unit to be more affordable than a new detached single-family home.
- We recommend that Waverly explore public-private partnerships and other potential tools (i.e. the Workforce Housing Tax Credit Program through Iowa Economic Development Authority) to reduce development costs and keep pricing for a portion of new homes affordable to buyers with moderate incomes, including first-time buyers.

General Occupancy Rental Housing

The following table summarizes the recommended mix of rental housing units by product type, including monthly rent ranges, development timing, and target markets. The recommendations are intended to reflect potential development concepts for new rental housing in Waverly but do not equate to total estimated demand. Recommended rent ranges for market rate rental units are based on our knowledge of rents being charged at recently built new construction market rate properties in the surrounding area.

TABLE 56

GENERAL OCCUPANCY RENTAL HOUSING RECOMMENDATIONS CITY OF WAVERLY 2024 - 2035					
	Monthly Rent Range ¹		No. of Units	Development Timing	
Market Rate Rental					
Apartments	Studio	\$1,050 - \$1,400	2BR	30 - 34	2027+
Townhomes	2BR	\$1,450 - \$1,550	3BR	10 - 14	2027+
Target Markets: An apartment building would likely attract younger workforce renters, lifestyle renters, older adults, and seniors. Rental townhomes would target young family households, empty-nesters, and seniors.					
Affordable Rental²					
Apartments	Studio	\$918 - \$1,181	2BR	20 - 24	2024+
Townhomes	2BR	\$1,181 - \$1,363	3BR	8 - 12	2024+
Target Markets: We recommend projects targeting households at 40% to 60% AMI which would likely be comprised of singles, single-parent households, older adults and seniors.					
¹ Pricing in 2024 dollars and can be adjusted to account for inflation.					
² Affordability subject to guidelines per HUD & Iowa Finance Agency; recommended rent ranges reflect max rents at 50% AMI					
Note - Recommended development concepts do not equate to total demand.					
Source: Maxfield Research & Consulting					

Nationally, the equilibrium vacancy rate for market rate rental housing is considered to be 7.0% which allows for normal turnover and an adequate supply of alternatives for prospective renters. Based on our October 2024 survey of general occupancy apartment buildings in Waverly, we found that the existing market rate rental properties are 8.2% vacant, while the affordable and subsidized facilities are 3.4% vacant.

Below-equilibrium vacancy rates suggest pent-up demand for affordable and subsidized rental housing in Waverly, although the above equilibrium market rate vacancy rates indicates that the general occupancy market rate rental market in Waverly is currently oversupplied.

We find excess demand potential for 280 general occupancy rental housing units in Waverly between 2024 and 2035, including 126 market rate units. However, because market rate vacancy rates are above equilibrium, we do not anticipate that there is an immediate need for a new market rate rental property in Waverly.

Based on the income distribution of renter households, we estimate that there will also be demand for 70 affordable units and 84 subsidized units by 2035. Below-equilibrium vacancies at the existing affordable and subsidized rental properties suggest pent-up demand for affordable rental housing in the community.

We recommend modestly sized projects (i.e. 30- to 34-unit market rate apartment building, 20- to 24-unit affordable building, 10- to 14-unit rental townhome projects). We also recommend a phased approach to rental housing development in the community, with additional affordable and/or subsidized units being needed in the short-term. We anticipate that new market rate units will be needed over the longer-term.

The strongest sources of demand for new rental housing in Waverly will likely be young singles and roommate households along with couples without children in their early/mid-20s to mid-30s who work for nearby employers. Other family households (i.e. single-parent households) as well as mid-age and older households (never-nesters or empty-nesters) will also account for a portion of demand for new general occupancy rental housing in the area.

There is a significant gap between existing rental rates in Waverly and the anticipated market rents required to support new development. As a result, a private-public partnership or other financing programs may be needed to spur development and reduce rent levels to bridge some of the gap between existing older product and new product (i.e. tax abatement, Tax Increment Financing, Workforce Housing Tax Credit Program).

- Market Rate Rental Housing – We anticipate that average new construction market rate rents would range from approximately \$1,050 per month for a studio unit to \$1,400 per month for a two-bedroom unit. A \$1,050 monthly rent would be affordable to a single-person household earning \$42,000 per year (roughly \$20.12 per hour). Market rate rents at existing rental units in Waverly average approximately \$1.13 per square foot, however average monthly rents in a new construction project would be substantially higher. Unit rents in a new apartment development would likely range from about \$1.30 to \$1.90 per square foot, depending on unit size, to be financially feasible.

We anticipate that demand also exists for market rate rental townhome units targeting empty-nesters and young families, including those who are new to the community and want to rent until they find a home for purchase. We anticipate that new construction townhome rents would average \$1,450 for two-bedroom units to \$1,550 for three-bedroom units. Units should be larger than in an apartment development and feature contemporary amenities (i.e. in-unit washer/dryer, full kitchen appliance package, kitchen island, high ceilings, etc.), an attached two car garage, and some open/green space.

New market rate rental units should be designed with contemporary amenities that include open floor plans, higher ceilings, in-unit washer and dryer, full kitchen appliance package, air-conditioning, garage parking, outdoor recreation (fire pit, grilling area, etc.). Since the pandemic, an increasing number of people are working remotely, a trend that is likely to continue to some degree. Buildings that are well-equipped for telecommuting are becoming more important to renters, so including building and in-unit features like units with dens, built in desks, and built in USB ports should be well-received by prospective renters looking for a designated workspace.

- Affordable General Occupancy Rental Housing – Demand exists for general occupancy affordable units in Waverly, although we anticipate that many qualified seniors would also be drawn to a new affordable general occupancy rental housing development. Affordable rental housing attracts households that cannot afford new market rate rental units but do not income-qualify for subsidized housing. Affordable projects often attract a broad group of tenants based on the unit type. One-bedroom units target singles and couples, while two and three-bedroom units target family households.

We recommend an affordable project that would target residents at approximately 40% to 60% AMI. Units should feature air conditioning, full kitchen appliance package, and garage parking. A townhome development should include an attached one/two car garage along with open/green space.

- Subsidized Rental Housing – Subsidized housing receives financial assistance (i.e. operating subsidies, rent payments, etc.) from governmental agencies to make the rent affordable to low-to-moderate income households, although subsidized housing is very difficult to develop financially.

We find demand for 84 subsidized rental housing units in Waverly between 2024 and 2035. However, new subsidized general occupancy developments are rare as available funding is very limited, so we exclude subsidized units from the recommended development concepts table. There are, however, properties under special funding programs that target long-term homeless, households with disabilities, or households that require permanent supportive housing that have been constructed recently. Rural Development projects typically have rental assistance to support very low-income households.

Through the Section 811 Supportive Housing for Persons with Disabilities program, HUD provides funding to develop and subsidize rental housing with support services available for very low- and extremely low-income adults with disabilities. This population could also be served through the Low Income Housing Tax Credit (LIHTC) program as well as through a combination of other funding resources.

Senior Housing

The growing older adult and senior population will support long-term demand for senior housing units in Waverly through 2035. Demand exists for a variety of senior housing products, and we recommend the development of additional senior housing units to provide housing options for these residents as they age.

The development of new senior housing will satisfy housing needs in Waverly by increasing the number of options for older adult and senior residents that want to relocate into new age-restricted housing. Additionally, the development of housing alternatives for seniors will stimulate the turnover of existing homes and rental units occupied by seniors, creating more opportunities for general occupancy buyers and renters.

The following table summarizes a recommended mix of senior housing units by service level including product type, monthly rents, project size, and development timing.

TABLE 57

RECOMMENDED SENIOR HOUSING DEVELOPMENT CITY OF WAVERLY 2024 to 2035			
	Monthly Rent/ Sale Price Range ¹	No. of Units	Development Timing
Age Restrictd Senior Housing			
<u>Active Adult Rental Housing</u>			
Market Rate ²	\$1,200/1BR - \$1,600/2BR	18 - 22	2024+
Affordable ^{2,3}	\$984/1BR - \$1,181/2BR	24 - 28	2024+
<u>Active Adult For-Sale Housing</u>			
Detached Villas/Townhomes/Condos	\$270,000 - \$450,000	Ongoing	2024+
<u>Service-Enhanced Senior Housing</u>			
Independent Living ⁴	\$1,800/1BR - \$2,800/2BR	28 - 32	2024+
Assisted Living ⁴	\$3,200/Studio - \$5,000/2BR	16 - 20	2029+
Memory Care ⁵	\$4,500/Studio - \$6,000/1BR	10 - 14	2024+
¹ Pricing in 2024 dollars. Pricing can be adjusted to account for inflation. ² Alternative concept is to combine affordable and market rate active adult into mixed-income building. ³ Affordability subject to income guidelines per HUD & IFA; rates based on max rents at 50% AMI ⁴ Catered living is a hybrid concept of independent and assisted living service levels. ⁵ Memory care housing could be a component of an assisted-living or service-intensive building. Note - Unit amounts reflect recommended size of property that for a single project, but do not equal total calculated long-term demand			
Source: Maxfield Research & Consulting			

- **Market Rate Active Adult Rental Housing** – Because age-restricted active adult housing is not need-driven, demand for this product type competes, to some degree, with general occupancy housing. We estimate that there is excess demand for 91 market rate active adult units in Waverly in 2024, including 57 renter units and 34 owner units. Excess market rate active adult demand is projected to increase to 116 units by 2035 (69 renter, 47 owner).

It is likely there are seniors who currently reside in general occupancy rental housing that would consider a new active adult rental product. In addition, there may be seniors who no longer want the burden of home maintenance and would like the choice of an active adult rental product. The rent structure for new active adult rental units would be similar to new general occupancy market rate rental housing, although the unit mix would likely consist of slightly larger units resulting in slightly higher monthly rents.

We also estimate that there is excess demand for 34 active adult ownership units in 2024, increasing to 47 units by 2035. These demand estimates account for new product being developed in the Anna Estates component of the Bartels Retirement Community. While a portion of the excess demand for active adult for-sale units in Waverly can be met by the general occupancy (not age-restricted) market, we anticipate that there will be sustained demand for additional age-restricted owner units in the community.

Active adult ownership demand can be satisfied through a variety of products, including age-restricted detached villa communities, townhome/twin home developments, age-restricted condominium projects, or senior cooperatives. Pricing for owned active adult housing can vary greatly, depending on product type, unit sizes, amenities, and services available. We find that there will continue to be demand for the product being built at Anna Estates, but we also anticipate that there will be demand from senior households for moderately priced for-sale housing options. This could be accomplished with the development of higher density townhome or condominium units with unit sizes that are smaller than what is currently being constructed at Anna Estates.

- **Affordable and Subsidized Senior Rental** – Excess demand was calculated for 136 affordable senior housing units in 2024, increasing to 159 units in 2035. Many candidates for affordable senior rental may be residents at older market rate rental properties. These older properties would have similar (or lower) rents that would be considered affordable for these seniors. An affordable senior housing development would most likely be a LIHTC project through the Iowa Finance Agency. We recommend affordable senior housing developments as either stand-alone buildings or incorporated into a mixed-income development.

We also find excess demand for 57 subsidized units in 2024, increasing to 77 units in 2035. The development of subsidized senior housing can be challenging due to limited financing availability as federal funds have been shrinking. Funding a new subsidized development would likely rely on a mix of sources, including LIHTC, tax-exempt bonds, Section 202 program, Rural Development Section 515 program, and Rural Development rental assistance, among others.

- **Service-Enhanced Senior Housing** – Overall, we find excess demand for 177 service-enhanced senior housing units in 2024 (includes independent living, assisted living, and memory care), increasing to 279 units in 2035. While we find excess demand for service-enhanced housing in Waverly, many seniors prefer to age in place and delay moving to senior housing until absolutely necessary. This is particularly true post-COVID. Additionally, labor shortages can make staffing a new service-enhanced facility a challenge.

For these reasons, along with elevated assisted living vacancy rates, we do not recommend the development of additional assisted living units in the short-term, although the growing older adult and senior population should support long-term demand for assisted living senior housing in Waverly. We do, however, anticipate that there is immediate demand potential for additional independent living and memory care units in Waverly.

Independent Living Service Level

The monthly fees should include the base monthly rent, utilities, and some services, such as programs (social, health, wellness and educational), 24-hour emergency call system, and regularly scheduled van transportation. In addition, meals and other support and personal care services should be made available to independent living residents on a fee-for-service basis. When their care needs increase, residents should be provided the option of receiving assisted living services in their existing units, either in bundled packages or a-la-carte.

Assisted Living Service Level

The fees should include the base monthly rent, utilities, three meals per day plus snacks, weekly housekeeping, linen service, professional activity programs, scheduled outings, nursing care management, and 24-hour on site staffing. Additional services and care fees should also be available either in service packages or a la carte for an extra monthly charge.

Memory Care Component

We suggest that any memory care units be located in a separate, secured, self-contained wing located on the first floor of the building with its own dining and common area amenities including a secure outdoor patio and wandering area. Fees should include the same services as assisted living along with medication reminders, medication administration, and personal care assistance, with other service packages available a-la-carte.

Challenges and Opportunities

The previous tables identified and recommended housing types that would satisfy housing needs in Waverly through 2035. The following summarizes issues that will likely present a challenge, or an opportunity, for new housing development in the community (in no particular order).

- **Affordability.** Approximately 10% of all owner households in Waverly are considered to be cost burdened, while 42% of existing renter households are considered cost burdened. By comparison, 16% of owner households and 46% of renter households are cost burdened in the Waterloo-Cedar Falls MSA.

Based on current home prices, roughly 70% of existing owner households in the PMA could afford to purchase an entry-level detached single-family home priced at \$200,000, although the proportion drops to 36% that could afford a move-up home priced at \$350,000. Roughly 54% of renter householders could afford to rent a one-bedroom unit at existing market rate rental properties in the community at the average rent of \$810 per month. However, the income-qualified percentage drops to 40% that could afford monthly rents for a new construction one-bedroom unit priced at \$1,200 per month.

Home sale price appreciation and rental rate growth are both outpacing income and wage growth, further widening the gap between households that are able to afford a housing unit in the area. These trends, coupled with elevated mortgage interest rates and changes to rules around real estate commissions which could require buyers to pay cash for their agent's commission, are further exacerbating the housing affordability issue, particularly for first-time home buyers.

- **Aging Population.** Significant growth in the senior population is projected for the area, and the homeownership rate among seniors age 65 and older is relatively high. High homeownership rates among seniors suggests that there could be a lack of senior housing options available, or simply that many seniors prefer to live in their home and age in place. Because of the growing older adult and senior population, demand for maintenance-free housing products is rising. In addition, demand for home health care services and home remodeling programs to assist seniors with retrofitting their existing homes should also increase.

Anecdotal feedback from professionals familiar with Waverly's housing market indicates that the community is likely missing out on some potential growth among younger households. Waverly has an opportunity to attract younger households and should pursue housing projects targeted to the younger age groups (i.e. moderately priced new construction single-family or townhomes). Additionally, the development of housing for older adults and seniors can help satisfy some of the demand from younger households through the turnover of existing, older housing units.

- **Capture Commuters.** Roughly 75% of the jobs in Waverly are filled by workers commuting into the community. With 4,335 workers commuting into the City for employment daily, many commuting more than 50 miles away, there appears to be an opportunity to provide housing options for a portion of these workers. While data does not yet reflect impacts on commuting patterns post-pandemic, we anticipate that with potential shifts in work locations long-term for some worker segments (i.e. increased telecommuting), more people are likely to remain within the community for work.

Additionally, potential job growth in other nearby communities (i.e. Cedar Falls, Waterloo) could stimulate demand for housing in Waverly. Workers could choose to commute to these areas for employment and reside in Waverly due to school district, housing costs, and/or lifestyle preferences.

- **COVID-19.** The COVID-19 pandemic has impacted the housing market, both directly and indirectly, and economic conditions are still adjusting to the impacts of the pandemic. Locally, job growth has resumed, and unemployment is low, although statewide labor force participation rates remain low. Because of the pandemic, an increasing number of people are working remotely, a trend that is likely to continue to some degree, creating an opportunity for Waverly to capture a portion of the working population that may otherwise live closer to their place of employment.

The for-sale housing market experienced strong demand, shortened marketing times, and rising sale prices post-COVID, and supply remains low. The pandemic has changed some buyer preferences, and many buyers are seeking outdoor features, green space, more square footage, and flexible spaces for home offices.

In the rental market, demand for smaller units (i.e. studios) waned post-pandemic as renters desire larger spaces as they work from home. With telecommuting becoming a norm, tenants are seeking a separation of work and live spaces along with access to outdoor space like balconies and patios. These trends are expected to continue.

The senior housing industry was directly impacted by the pandemic as the virus affected older adults at a much higher rate. Senior properties hit record high vacancy rates during, and shortly after, the pandemic, and many seniors continue to age in place as long as possible to avoid shared living spaces.

- **Household Growth and Mobility.** As highlighted in the Demographic Review section of this study, as well as the demand calculations, household growth is projected for the PMA between 2024 and 2035 across several age groups. The younger (age 25 to 34) and older senior (age 75 and older) cohorts are expected to experience the strongest growth, suggesting a growing need for starter homes, rental housing, and senior housing alternatives.

Much of the demand for new housing units will be generated by turnover of existing households in Waverly and the PMA, although turnover often leads to opportunities for new households to move into the area. Population and household growth in the community will be highly dependent on the availability of suitable housing options catering to a variety of age groups, income levels, and household types.

- **Infill Development/Redevelopment.** Infill development provides opportunities in almost every community. Existing lots served by municipal utilities are often overlooked because they can present challenges to development (i.e. small lot sizes). However, infill housing development and redevelopment can be an effective way to create new housing that is consistent with the surrounding neighborhood and potentially removes functionally or physically obsolete housing units, replacing them with new housing.

With high demand for affordably priced housing, infill can create an opportunity to develop smaller homes on smaller lots that enhance existing neighborhoods and maintain the character of a neighborhood. However, infill housing can often be priced higher than surrounding homes due to costs related to the removal of an existing home and then its replacement with a new construction home. Assistance with demolition through redevelopment funding can reduce expenses and support more affordable housing.

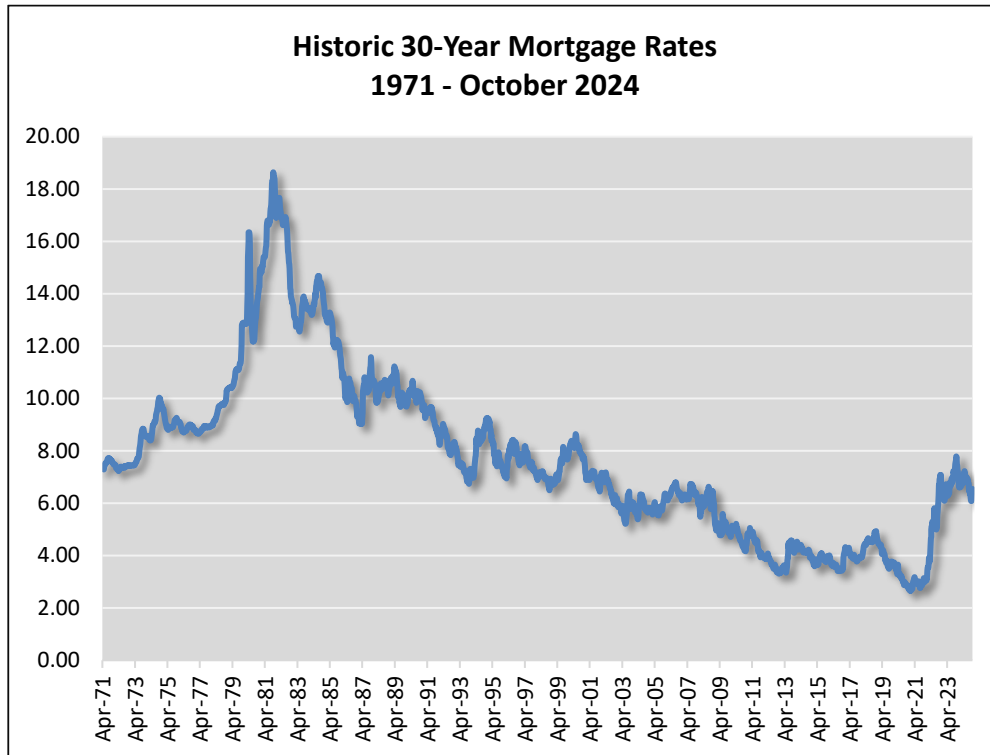
- **Job Growth and Unemployment.** Low unemployment often generates demand for both existing home purchases and new home purchases. Bremer County has historically maintained unemployment rates that have tracked lower than the Waterloo-Cedar Falls MSA and Iowa and below equilibrium (generally considered to be 5.0% vacancy). The 2023 average annual unemployment rates of 2.9% in Bremer County and 3.1% in the MSA were below equilibrium and consistent with Iowa (2.9%).

Bremer County and the surrounding Region have experienced a solid recovery of jobs post-COVID, and the area is expected to sustain a modest rate of employment growth over the next several years. Bremer County is projected to add 857 jobs between 2023 and 2035 (9% growth). Additional housing units will be needed to support a portion of the anticipated job growth in the area.

- **Mortgage Rates.** Mortgage rates have a significant impact on housing affordability. Lower mortgage rates result in a lower monthly mortgage payment and buyers receiving more home for their dollar. Rising interest rates often require homebuyers to raise their down payment in order to maintain the same housing costs.

The 30-year fixed rate mortgage according to Freddie Mac reached 7.79% for qualified buyers in October 2023, the highest rate since November 2000 (7.79%). As of October 24, 2024, it was down to 6.54%. Elevated mortgage rates will raise the overall cost of for-sale housing, likely slowing projected for-sale housing demand in the near-term.

The following chart illustrates historical mortgage rate averages as compiled by Freddie Mac. The Freddie Mac Market Survey (PMMS) has been tracking mortgage rates since 1971 and is the most relied upon benchmark for evaluating mortgage interest market conditions. The Freddie Mac survey is based on 30-year mortgages with a loan-to-value of 80%.



- Residential Lot Supply and Land Availability.** There are 136 vacant lots in 14 general occupancy subdivisions (excluding the Anna Estates I active adult project) in Waverly, including 113 lots owned by a developer that will likely be available for future development. As of October 2024, there were 18 residential lots listed for sale on the MLS in Waverly.

Based on the general occupancy for-sale housing demand calculations, there is just a 0.5-year supply of actively-marketing lots and a 2.9-year supply of developer owned vacant lots in Waverly. Another 26 lots are planned in two new general occupancy subdivisions (Maple Hills and Prairie Links), resulting in a 3.5-year supply of existing developer owned lots plus pending lots. Additional lots will be needed in Waverly to satisfy projected long-term demand.

We recommend that the City of Waverly find ways to encourage a greater variety of for-sale housing options in the community (i.e. allow smaller lot sizes to accommodate smaller homes). Alternatively, the City could identify and potentially acquire a site for a future residential subdivision. By controlling a development site, the City could offer additional options beyond the existing subdivisions for potential buyers seeking lots, including lower lot prices and lots for other housing product types (condominium, townhome, twin home).

- **Residential Construction and Development Costs.** The cost to build and develop new single-family housing has increased significantly over the past decade across the United States due to a number of issues, including rising land costs, rising material and labor costs, lack of construction labor, and increasing regulation and entitlement fees. As a result, affordable new construction homes have become rare as builders are unable to “pencil” modestly priced new construction. Most new construction homes in Waverly are selling for over \$350,000 which is not affordable for households with moderate incomes.

Many communities offer various types of lot incentive programs to stimulate new construction. Most lot incentive programs are offered and administered by a local economic development or housing and redevelopment agency that funds the program. In many cases, the municipalities fund the infrastructure using general obligation improvement bonds. Programs vary considerably between communities, but most have time limits on when houses are constructed after a lot is purchased.

Additionally, it may be difficult to construct new multifamily product given existing market rents and development costs. According to data from the Craftsman National Building Cost Manual, construction costs in Waverly (utilizing construction averages adjusted for Waterloo) likely average about \$161 per square foot (in 2023 dollars) to develop based on a “best” quality apartment building with ten or more units. Based on an average unit size range of 650 to 900 square feet, a project would cost approximately \$105,000 to \$145,000 per unit to develop.

Development costs of this scale will require rents per square foot significantly higher than the existing market rate rental properties in Waverly (average of \$1.13 psf). Based on these costs, it may be difficult for a private developer to construct a multifamily apartment building at current market rents. As a result, a private-public partnership or other financing programs may be needed to spur development and potentially reduce rent levels to bridge some of the gap between existing older product and new product (i.e. tax abatement, Tax Increment Financing, Workforce Housing Tax Credits).

- **Workforce/Moderate Income Housing** is generally considered to be housing that targets households earning between 50% and 120% AMI. Units are not income restricted but are priced at rates affordable to the local workforce. In Bremer County, the workforce housing income band ranges from \$36,750 (one-person household at 50% AMI) to \$146,040 (six-person household at 120% AMI).

The development of workforce housing, both owned and rented, is important for communities to attract and maintain employees, although public-private partnerships may be needed to help finance the development of workforce housing. The development of workforce housing can be complex, and many communities ultimately leverage multiple tools and programs to achieve their housing goals.

In many communities, a City, County, or an Economic Development Authority develops a residential subdivision, and offers lots to buyers at below market prices to stimulate the development of new for-sale housing. Additionally, the construction of move-up housing in a new subdivision could stimulate turnover of existing, lower-priced homes in the community. Similarly, the development of maintenance-free housing such as townhomes or twin homes (owned or rented) targeted to older adults and seniors would stimulate turnover of existing homes, which could ultimately be purchased by area workers.

Private businesses can partner with each other and with local units of government to help get new housing built. Generally, Employer-Assisted Housing (EAH) programs include any housing initiative that an employer either finances or assists in some way, and they are used to either produce new housing in a community or help employees purchase or rent housing. Examples include land donation, cash contributions, and construction financing. In some cases, employers develop and own housing for their employees. Other methods include down payment assistance, closing cost assistance, gap financing, and rent subsidies. Local units of government can partner with EAH programs by offering TIF, tax abatement, or other housing resources.

- **Zoning and Land Use Regulations.** Restrictive zoning ordinances and other land use regulations can prevent the development of affordably priced housing units by limiting allowable density, regulating minimum lot sizes, and requiring that new homes meet minimum size and parking space standards. In an effort to decrease development costs, thereby increasing affordability, we recommend that the City review its land use regulations and look for opportunities to make amendments that would increase flexibility and innovation in the types and sizes of housing units being developed in the community.
- **Housing Development Innovation.** Alternative construction methods such as modular construction, Structural Insulated Panel (SIP) construction, 3-D printed housing, and “tiny homes” can provide reduced cost housing. Additionally, unconventional housing concepts, such as accessory dwelling units, Community Land Trusts, and affordable housing cooperatives can also help produce affordable or workforce housing.

An affordable housing cooperative provides a homeownership model where residents can purchase a share in the development and commit to resell their share at a price that maintains long-term affordability. In a housing cooperative, residents collectively own the building or land where they live, not the individual unit.

In contrast, Community Land Trusts (CLT) create affordable housing by taking the cost of land out of the purchase price of a home and keep housing affordable for future buyers by controlling the sale price of houses through a ground lease and sale formula.

Housing Programs

Many local governments offer housing programs designed to enhance, improve, or develop new housing stock. The following examples summarize some of the housing programs and incentives available that may be used to spur housing development in Waverly, although this is not an all-inclusive list.

Federal funds for housing development have been declining for years and the remaining housing programs include the Community Development Block Grant (CDBG), the HOME Investment Partnerships Program, Housing Choice Vouchers, Low-Income Housing Tax Credits (LIHTC), and USDA rural housing programs. However, local units of government are increasingly dependent on other resources to support development such as housing trust funds and housing bonds.

Local Resources:

The City of Waverly offers residential energy efficiency rebates, including incentives for proper disposal of appliances (i.e. refrigerators, washing machines), central air conditioners, new home spray foam sealing, and heat pump water heaters, among others. Additionally, the City provides a local financial match for Workforce Housing Tax Credit projects.

Northeast Iowa Community Action Corporation (NEICAC) offers a Weatherization Assistance Program (WAP) and a Low-Income Home Energy Assistance Program which can help eligible households with a supplemental payment of home heating costs or financial assistance for past due utility bills and furnace repair/replacement. The NEICAC also provides affordable rental housing throughout northeast Iowa targeted to seniors, individuals with disabilities, and households with limited resources. The NEICAC service area includes Bremer County in addition to Allamakee, Clayton, Chickasaw, Fayette, Howard, and Winneshiek counties.

State/National Resources:

Iowa Finance Authority offers programs designed to enhance the quality of life in communities across Iowa by connecting people and businesses with affordable financing resources. The organization provides numerous housing-related programs for developers, local units of government, and individuals.

Examples of housing programs for individuals include down payment and closing cost programs for homebuyers, mortgage programs for homebuyers, and the Home and Community-Based Services Rent Subsidy Program for renters. Housing-related programs targeted to developers and local units of government include: Housing Tax Credit, HOME, National Housing Trust Fund, Main Street Loan Program, Local Housing Trust Fund, Project-Based Housing, homelessness programs, Community-Based Housing Revolving Loan Fund, Multifamily Loan Program, and the Rural Lot Purchase Program, among others.

Iowa Economic Development Authority (IEDA) offers a Workforce Housing Tax Credit program for the construction or rehabilitation of housing. Housing must be for owner or renter-occupied permanent residence, and qualifying projects must be either; housing development located on a grayfield or brownfield site, repair or rehabilitation of dilapidated housing stock, upper story housing development, or new construction in a greenfield site. Examples of other housing-related program offered by IEDA include Community Development Block Grant Programs, Downtown Housing Grant, Historic Preservation Tax Credit, and Redevelopment Tax Credits for Brownfields and Grayfields, among others.

United States Department of Agriculture (USDA) Rural Development – Housing support is available through the “Housing and Community Assistance” program that is part of USDA Rural Development. The program is designed to improve housing options in rural communities and operates a variety of programs including homeownership assistance, housing rehabilitation and preservation, and rental assistance.

Other Resources

There are many other housing programs that Waverly could consider utilizing to aid and improve the housing stock. The following is a list of potential programs that could be explored.

- Accessory Dwelling Units - An Accessory Dwelling Unit (ADU) is a self-contained residential unit that meets the requirements of the State Building Code. These units, often referred to as “granny flats” or “backyard cottages” may be located inside the principal building on the lot or may be located in a detached accessory building on the same lot. Cities within the County could consider allowing ADUs in residential zoning districts to increase the variety of housing types available in the City.
- Affordable Housing Trust Fund - Local Housing Trust Funds (LHTF) are funds established by a local government by dedicating local public revenue for housing. They are a consistent, flexible resource for housing within a local jurisdiction. Trust funds help communities leverage public and private resources and initiate projects that draw investment and jobs.
- Construction Management Services - Assist homeowners regarding local building codes, reviewing contractor bids, etc. Typically provided as a service by the building department. This type of service could also be rolled into various remodeling related programs.
- Density Bonuses - Since the cost of land is a significant barrier to housing affordability, increasing densities can result in lower housing costs by reducing the land costs per unit. Municipalities can offer density bonuses as a way to encourage higher-density residential development while also promoting an affordable housing component.

- Fast Track Permitting - Program designed to reduce delays during the development process that ultimately add to the total costs of housing development. By expediting the permitting process costs can be reduced to developers while providing certainty into the development process. Typically, no-cost to the local government jurisdiction.
- First-Time Home Buyers - Below market-rate mortgage loans for first-time homebuyers, or those who have not owned a home in the past three years. Financial assistance may also be available for down payment, closing costs, and principal reduction. Usually subject to income guidelines, purchase price limits, and eligible property. Some cities partner with a 3rd party.
- Historic Preservation - Encourage residents to preserve historic housing stock in neighborhoods with homes with character through restoring and preserving architectural and building characteristics. Typically funded with low interest rates on loans for preservation construction costs.
- Home Improvement Area (HIA) - HIAs allow a townhome or condo association low interest loans to finance improvements to communal areas. Unit owners repay the loan through fees imposed on the property, usually through property taxes. Typically, a "last resort" tool when associations are unable to obtain traditional financing due to the loss of equity from the real estate market or deferred maintenance on older properties.
- Home-Building Trades Partnerships - Partnership between local Technical Colleges or High Schools that offer building trades programs. Affordability is gained through reduced labor costs provided by the school. New housing production serves as the "classroom" for future trades people to gain experience in the construction industry.
- Home Point of Sale - City ordinance requiring an inspection prior to the sale or transfer of residential real estate. The inspection is intended to prevent adverse conditions and meet minimum building codes. Sellers are responsible for incurring any costs for the inspection. Depending on the community, evaluations are completed by either city inspectors or third-party licensed inspectors.
- Housing Fair - Free seminars and advice for homeowners related to remodeling and home improvements. Most housing fairs offer educational seminars and "ask the expert" consulting services. Exhibitors include architects, landscapers, building contractors, home products, city inspectors, financial services, among others.
- Home Energy Loans – Offer low interest home energy loans to make energy improvements in their homes.
- Household and Outside Maintenance for the Elderly (H.O.M.E.) - Persons 60 and over receive homemaker and maintenance services. Typical services include house cleaning, grocery shopping, yard work/lawn care, and other miscellaneous maintenance requests.

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- Infill Lots - Purchase blighted or substandard housing units from willing sellers. After the home has been removed, the vacant land is placed into the program for future redevelopment. Future purchasers can be builders or the future owner-occupant who has a contract with a builder.
 - Land Acquisition/Banking - Land Banking is a program of acquiring land with the purpose of developing at a later date. After a holding period, the land can be sold to a developer (often at a price lower than market) with the purpose of developing affordable housing.
 - Land Trust - Utilizing a long-term 99-year ground lease, housing is affordable as the land is owned by a non-profit organization. Subject to income limits and targeted to work-force families with low-to-moderate incomes. If the family chooses to sell their home, the selling price is lower as land is excluded.
 - Live Where You Work - Program designed to promote homeownership in the same community where employees work. City provides a grant to eligible employees to purchase a home near their workplace. Employers can also contribute or match the City's grant. Participants must obtain a first mortgage through participating lenders. The grant can be allocated towards down payment assistance, closing costs, and gap financing.
 - Low or No Cost City/County-Supplied Land - Sell city/county-owned land at low/no cost for the construction of mixed-income and affordable housing.
 - Realtor Forum - Typically administered by City with partnership by local school board. Inform local Realtors about school district news, current development projects, and other marketing factors related to real estate in the community. In addition, Realtors usually receive CE credits.
 - Remodeling Tours - City-driven home remodeling tour intended to promote the enhancement of the housing stock through home renovations/additions. Homeowners open their homes to the public to highlight home improvements.
 - Rent to Own - Income-eligible families rent for a specified length of time with the end-goal of buying a home. The administering agency saves a portion of the monthly rent that will be allocated for a down payment on a future house.
 - Scattered Site Housing Program - Target distressed or blighted single-family properties for demolition and rehabilitation. Once demolished, vacant lots can be sold for the construction of a new single-family home.
 - Tax Abatement - A temporary reduction in property taxes over a specific time period on new construction homes or home remodeling projects. Encourages new construction or rehabilitation through property tax incentives.

- Tax Increment Financing (TIF) - Program that offers communities a flexible financing tool to assist housing development projects and related infrastructure. TIF enables communities to dedicate the incremental tax revenues from new housing development to help make the housing more affordable or pay for related costs.

TIF funds can be used to provide a direct subsidy to a particular housing project or they can also be used to promote affordable housing by setting aside a portion of TIF proceeds into a dedicated fund from other developments receiving TIF.

- Waiver or Reduction of Development Fees - There are several fees developers must pay including impact fees, utility and connection fees, park land dedication fees, etc. To help facilitate affordable housing, some fees could be waived or reduced to pass the cost savings onto the housing consumer.
- Visitability - Defined as designs that allow persons with mobility impairments to enter and stay, but not live, in a residence. There are three specific design elements that must be incorporated in the dwelling to satisfy visitability requirements: the dwelling must include at least one no-step entrance, 32-inch clear opening doorways, and at least one bathroom on the main floor that can accommodate someone in a wheelchair. Many communities require that a portion of new construction homes be built to meet visitability requirements, particularly projects that utilize municipal finance tools.

APPENDIX

Definitions

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

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

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

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

Affordable housing – Housing that is income-restricted to households earning at or below 80% AMI, though individual properties can have income-restrictions set at 40%, 50%, 60% or 80% AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. It is essentially housing affordable to low or very low-income tenants.

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

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

Assisted Living – Assisted Living properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility.

At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.

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

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

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

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

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

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

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

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

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

Effective Rents – Contract rent less applicable concessions.

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

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

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

Floor Area Ratio (FAR) Ratio of the floor area of a building to area of the lot on which the building is located.

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

Generations – A generation is a group of people born in the same time period and raised in the same geographic area. Generations exhibit comparable characteristics because they experienced similar trends at roughly the same life stage and through similar channels. In America, there are six living generations.

GI Generation: Born between 1901 and 1926, they came of age during the Great Depression and fought in World War II; also referred to as “The Greatest Generation”.

Mature/Silent Generation: Born between 1927 and 1945 during the Great Depression and World War II; also referred to as “The Lucky Few”. This was a relatively small generation as their parents had fewer children due to financial insecurity and World War II.

Baby Boomers: Born just after World War II between 1946 and 1964; also referred to as the “me” generation. Increased birth rates during the post-World War II baby boom make this a relatively large generation.

Generation X: Born between 1965 and 1980; also referred to as the “Baby Bust” generation due to a decline in the birth rate following the baby boom.

Millennials: Born between 1981 and 2000; also known as “Generation Y”, “The 9/11 Generation”, and “Echo Boomers”. Children of baby boomers, this represents the largest generation since the baby boom. Buying homes and starting families later than previous generations.

Generation Z: Born after 2001; also known as “Boomlets”, “the iGeneration”, and “Post Millennials”. Children of Generation X and will be larger and more diverse than Baby Boomer and Millennial generations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX

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

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

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

Population – All people living in a geographic area.

Population Density – The population of an area divided by the number of square miles of land area.

Population Trends – Changes in population levels for a particular geographic area over a specific period of time – a function of the level of births, deaths, and in/out migration.

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

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

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

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

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

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

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

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

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

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

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

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

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

Tenant – One who rents real property from another individual or rental company.

Tenant-paid utilities – The cost of utilities, excluding cable, telephone, or internet necessary for the habitation of a dwelling unit, which are paid by said tenant.

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

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

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

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

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

Workforce housing – Housing that is income-restricted to households earning between 50% and 120% AMI. Also referred to as moderate-income housing.

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