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AN ANALYSIS  
of  
RESIDENTIAL MARKET POTENTIAL

The South District Study Area

Iowa City,  
Johnson County, Iowa

June, 2019

Conducted by  
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Residential Market Analysis Across the Urban-to-Rural Transect

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Residential Market Analysis Across the Urban-to-Rural Transect

## AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

### The South District Study Area *City of Iowa City, Johnson County, Iowa*

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#### INTRODUCTION

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The purpose of this study is to determine the market potential and optimum market position for newly-introduced rental and for-sale housing units that could be developed within the South District Study Area in the City of Iowa City, Johnson County, Iowa over the next five years.

The optimum market position for new housing units in the Study Area has been derived from: the housing preferences, financial capacities, and lifestyle characteristics of the target households; the Study Area's location, visibility and physical attributes; the rental and for-sale housing market context in the Iowa City market area; and Zimmerman/Volk Associates' extensive experience with development and redevelopment. For the purposes of this analysis, the South District Study Area includes the area within the Iowa City Growth Boundary east of the Iowa River and south of Highway 6 up to the south wastewater treatment facility. Not all of the 3,000 acres included in the District are currently within the city limits.

The extent and characteristics of the potential market for new housing units that could be developed within the South District Study Area were identified using Zimmerman/Volk Associates' proprietary target market methodology. This methodology was developed in response to the challenges that are inherent in the application of conventional supply/demand analysis to urban development and redevelopment. Supply/demand analysis ignores the potential impact of newly-introduced housing supply on settlement patterns, which can be substantial when housing choices in the market are

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increased with new housing types that match the housing preferences and economic capabilities of the draw area households.

In contrast to conventional supply/demand analysis, which is typically limited by supply-side dynamics and baseline demographic projection, target market analysis determines the depth and breadth of the potential market derived from the housing preferences and socio-economic characteristics of households in the defined draw areas. Because it considers not only basic demographic characteristics, such as income qualification and age, but also less frequently analyzed attributes such as lifestage, mobility rates, lifestyle patterns and household compatibility issues, the target market methodology is particularly effective in defining a realistic housing potential for development and redevelopment where often no directly-comparable properties exist.

Based on the target market methodology, then, this analysis examined the following:

- Where the potential renters and buyers of new dwelling units that could be developed within the South District Study Area currently live (the draw areas);
- How many households have the potential to move to the Study Area each year (depth and breadth of the market);
- What their housing preferences are in aggregate (rental or ownership, multi-family or single-family);
- Who are they and what they are like (the target markets);
- What are their current housing alternatives (the Iowa City market context);
- What are the rents and prices of new units that could be developed within the South District Study Area that correspond to target household financial capabilities (optimum market position); and
- How quickly they will rent or purchase the new units (absorption forecasts).

The target market methodology is described in detail in the *METHODOLOGY* document, provided separately.

## CITY-WIDE AVERAGE ANNUAL MARKET POTENTIAL

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Analysis of migration, mobility and geo-demographic characteristics of households currently living within defined draw areas is integral to the determination of the depth and breadth of the potential market for new housing units within Iowa City and the South District Study Area.

An understanding of these mobility trends, as well as the socio-economic and lifestyle characteristics of households currently living within defined draw areas, is the first step in the analysis. The draw areas are derived primarily through household migration analysis (using the latest taxpayer data provided by the Internal Revenue Service). To refine the draw area for the city, the IRS migration data have been supplemented by population migration and mobility data for Iowa City and census tracts for each district from the 2017 American Community Survey.

*Where are the potential renters and buyers of new and existing housing units  
in the City of Iowa City likely to move from?*

The most recent Johnson County migration and mobility data—from taxpayer records compiled by the Internal Revenue Service from 2011 through 2015—and the 2017 American Community Survey for Iowa City show that the draw areas for new and existing housing units in the city and the Study Area include the following:

- The primary draw area, covering households who live within the Iowa City limits.
- The local draw area, covering households with the potential to move to Iowa City from the balance of Johnson County.
- The regional draw area, covering households with the potential to move to Iowa City from Linn and Polk Counties, Iowa, and Cook County, Illinois.
- The national draw area, covering households with the potential to move to Iowa City from all other U.S. cities and counties.

As derived from the migration, mobility and target market analysis, the draw area distribution of market potential (those households with the potential to move within or to Iowa City each year over the next five years) is as shown on the table following this page.

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Average Annual Market Potential by Draw Area  
*The City of Iowa City, Johnson County, Iowa*

Iowa City (Primary Draw Area):	63.3%
Balance of Johnson County (Local Draw Area):	7.2%
Linn, Polk, and Cook Counties (Regional Draw Area):	5.9%
Balance of US (National Draw Area):	<u>23.6%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2019.

As determined by the target market methodology, which accounts for household mobility within Iowa City, as well as migration and mobility patterns for households currently living in all other cities and counties, an annual average of 8,575 households represent the potential market for new and existing housing units within the city each year over the next five years.

AVERAGE ANNUAL MARKET POTENTIAL FOR THE SOUTH DISTRICT STUDY AREA \_\_\_\_\_

*Where are the potential renters and buyers of new and existing housing units  
in the South District Study Area likely to move from?*

The target market methodology also identifies those households that prefer living in walkable neighborhoods. After eliminating those segments of the potential city-wide market that have preferences for new or existing housing in more rural areas, the distribution of draw area market potential for new and existing housing units in the South District Study Area is summarized on the following table:

Average Annual Market Potential by Draw Area  
SOUTH DISTRICT STUDY AREA  
*The City of Iowa City, Johnson County, Iowa*

Iowa City (Primary Draw Area):	49.3%
Balance of Johnson County (Local Draw Area):	9.4%
Linn, Polk, and Cook Counties (Regional Draw Area):	8.3%
Balance of US (National Draw Area):	<u>33.0%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2019.

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*How many households have the potential to move  
 within and to the Study Area each year over the next five years?*

Based on the target market analysis, then, an annual average of 2,120 younger singles and couples, empty nesters and retirees, and compact families represent the annual potential market for new and existing housing units of every kind within the South District Study Area each year over the next five years (see Table 1 following the text).

*What are their housing preferences in aggregate?*

The tenure (rental or ownership) preferences of these 2,120 draw area households show that approximately 44.3 percent of these households (or 939 households) comprise the annual potential market for new and existing rental units and the remaining 55.7 percent (1,181 households) comprise the market for new and existing for-sale (ownership) housing units.

The combined tenure and housing type propensities of the target 2,105 renter and owner households are outlined on the following table (see again Table 1 following the text):

Tenure/Housing Type Propensities  
 Average Annual Market Potential  
 SOUTH DISTRICT STUDY AREA  
*The City of Iowa City, Johnson County, Iowa*

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent (lofts/apartments, leaseholder)	939	44.3%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	204	9.6%
Single-family attached for-sale (townhouses/live-work, fee-simple/ condominium ownership)	274	12.9%
Single-family detached for-sale (houses, fee-simple ownership)	<u>703</u>	<u>33.2%</u>
Total	2,120	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2019.

A 44 percent plurality of the 2,120 target households comprise the market for rental dwelling units; an increasing percentage are renters by choice; many, however, would prefer to own but cannot afford the type of housing they want in neighborhoods where they would consider living. Younger people in particular are challenged by the burden of significant education debt as well as lack of an adequate down payment.

The remaining 56 percent of the market would choose some form of ownership housing (higher than the current estimated homeownership rate in the city of approximately 48 percent). Over 59.5 percent of the annual potential ownership market would prefer single-family detached units—currently, an estimated 42 percent of the existing housing stock in Iowa City is comprised of single-family detached houses. The remaining 40.5 percent of the ownership market would choose for-sale multi-family units (condominium/co-operative units) or single-family attached (duplex/townhouse units).

*What is their range of affordability by housing type?*

The 2,120 households that represent the annual potential market for new or existing housing units in the South District Study Area have also been segmented by income, based on the Iowa City, IA median family income (AMI), which, as determined by the U.S. Department of Housing and Urban Development (HUD) in 2019, is \$96,000, for a family of four; this study examines affordability based on the following general income groupings:

- Households with incomes below 30 percent AMI (the majority of these households typically qualify only for public housing or older existing units);
- Households with incomes between 30 and 60 percent of AMI (these households typically qualify for existing affordable rental housing, or heavily subsidized ownership housing);
- Households with incomes between 60 and 80 percent of AMI (these households typically qualify for new workforce or affordable rental housing or subsidized ownership housing);
- Households with incomes between 80 and 100 percent AMI (these households typically qualify for existing market-rate rentals or new workforce or affordable for-sale housing); and
- Households with incomes above 100 percent AMI (these households generally have sufficient incomes to rent or purchase market-rate housing).

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The combined tenure and housing type preferences and financial capabilities of the 2,120 target households are shown on the following table (*see again* Table 1):

Tenure/Housing Type Propensities by Income  
 Annual Average Market Potential for New or Existing Housing Units  
 The South District Study Area  
*The City of Iowa City, Johnson County, Iowa*

HOUSING TYPE	.....HOUSEHOLDS.....	
	NUMBER	PERCENT
Multi-family for-rent		
< 30% AMI	248	11.7%
30% to 60% AMI	220	10.4%
60% to 80% AMI	115	5.4%
80% to 100% AMI	94	4.4%
> 100% AMI	<u>262</u>	<u>12.4%</u>
Total multi-family for-rent	939	44.3%
Multi-family for-sale		
< 30% AMI	46	2.2%
30% to 60% AMI	50	2.4%
60% to 80% AMI	21	1.0%
80% to 100% AMI	16	0.7%
> 100% AMI	<u>71</u>	<u>3.3%</u>
Total multi-family for-sale	204	9.6%
Single-family attached for-sale		
< 30% AMI	63	3.0%
30% to 60% AMI	64	3.0%
60% to 80% AMI	32	1.5%
80% to 100% AMI	24	1.1%
> 100% AMI	<u>91</u>	<u>4.3%</u>
Total single-family attached for-sale	274	12.9%
Single-family detached for-sale		
< 30% AMI	132	6.2%
30% to 60% AMI	147	6.9%
60% to 80% AMI	84	4.0%
80% to 100% AMI	74	3.6%
> 100% AMI	<u>266</u>	<u>12.5%</u>
Total single-family detached for-sale	703	33.2%
Grand total	2,120	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2019.

Summarizing the incomes and financial capabilities of the 2,120 target households that represent the annual potential market for new or existing housing units in the Study Area, 23.1 percent (489 households) have incomes at 30 percent or less than the AMI; 22.7 percent (481 households) have incomes between 30 and 60 percent AMI; 11.9 percent (252 households) have incomes between 60

and 80 percent AMI; 9.8 percent (208 households) have incomes between 80 and 100 percent AMI; and 32.5 percent (690 households) have incomes above 100 percent AMI.

#### TARGET MARKET ANALYSIS

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*Who are the households that represent the potential market  
for new units in the South District Study Area?*

The aftermath of the housing crash has seen significant changes in market preferences, shifting away from single-use subdivisions toward more walkable, mixed-use neighborhoods, particularly downtowns and in-town neighborhoods. The preference for urban living evidenced by both younger and older one- and two-person households has been a primary force in urban redevelopment across the country.

These changes have been driven by the convergence of the preferences of the two largest generations in the history of America: the Baby Boomers (currently estimated at 72.5 million), older singles and couples born between 1946 and 1964, and the estimated 89.7 million Millennials, younger singles and couples who were born from 1977 to 1996 and, in 2010, surpassed the Boomers in population. The convergence of two generations of this size—simultaneously reaching a point when urban housing matches their lifestage—is unprecedented.

In addition to their shared preference for urban living, the Boomers and Millennials are changing housing markets in multiple ways. In contrast to the traditional family (married couples with children) that comprised the typical post-war American household, Boomers and Millennials are households of predominantly singles and couples. As a result, the 21st century home-buying market now contains more than 63 percent one- and two-person households, and the 37 percent of homebuyers that could be categorized as family households are equally likely to be non-traditional as traditional families.

As determined by the target market analysis, and reflecting national trends, the annual potential market—represented by lifestage—for new rental and ownership housing units in the South District Study Area is shown on the table following this page (*see also Table 2 following the text*).

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Annual Market Potential By Lifestage  
 SOUTH DISTRICT STUDY AREA  
*The City of Iowa City, Johnson County, Iowa*

HOUSEHOLD TYPE	PERCENT OF TOTAL	BELOW 30% AMI	30% TO 60% AMI	60% TO 80% AMI	80% TO 100% AMI	ABOVE 100% AMI
Empty-Nesters & Retirees	26%	23%	22%	21%	25%	32%
Traditional & Non-Traditional Families	38%	34%	38%	41%	39%	40%
Younger Singles & Couples	<u>36%</u>	<u>43%</u>	<u>40%</u>	<u>38%</u>	<u>36%</u>	<u>28%</u>
Total	100%	100%	100%	100%	100%	100%

SOURCE: Zimmerman/Volk Associates, Inc., 2019.

Families with children represent just over 38 percent of the market for new and existing dwelling units in the South District Study Area. A portion of the family-oriented households are non-traditional families, notably single parents with one to three children. Non-traditional families, which, starting in the 1990s, have become an increasingly larger proportion of all U.S. households, encompass a wide range of family households, from a single mother or father with one or more children, an adult taking care of younger siblings, a grandparent responsible for grandchildren, to same-sex couples with children.

Over 43 percent of the family households that comprise the annual potential market for the Study Area have incomes below 60 percent of AMI (approximately \$57,000) and are typically spending more than 40 percent of their incomes on housing costs. A significant number of the heads of household in these family groups are service or blue-collar workers.

Another 22.6 percent of the family-oriented households have incomes that fall within the 60-to-100 percent AMI income bands, approximately \$57,000 to \$95,700. These households are predominantly dual-income households in this middle to upper-middle-income range.

The remaining 34 percent of the traditional and non-traditional families have incomes at or above 100 percent of AMI, or above approximately \$95,700. These households are doctors and lawyers, professionals in upper-management jobs, or in the financial sector.

Just over 45 percent of the family households are already living in Iowa City, 23 percent live in the balance of Johnson County and the regional draw area, and the remaining 32 percent would be moving from elsewhere in the U.S.

At 36 percent, younger singles and couples are the next largest market for new dwelling units in the Study Area. Nearly 53 percent of these households have incomes that fall below 60 percent of AMI (approximately \$40,000 to \$46,000 for one- and two-person households, respectively). If they are employed, these households work in part-time or lower-paying jobs, including entry-level retail, such as store clerks, and service occupations, such as waiters and waitresses; a significant percentage are students.

Another 22.4 of the households in this market segment have incomes that fall within the 60-to-100 percent income bands, or between \$40,000 to \$67,000 and \$46,000 to \$76,600 for one- and two-person households, respectively. These include recent college graduates beginning their white-collar careers, medical personnel, and office workers.

The remaining 25 percent of the younger singles and couples have incomes that are at or above 100 percent of the AMI (above \$67,000 to \$76,600 for one- and two-person households). These households are employed in mid- and upper-level office work; are upper-level medical affiliates; are more established artists and artisans, or are young entrepreneurs.

Approximately two-thirds of the younger singles and couples that represent the market for new and existing housing units in the South District Study Area would be moving from elsewhere in the city; 12.5 percent would be moving from the balance of Johnson County and from the region; and approximately 21 percent would be moving from elsewhere in the United States.

At 26 percent of the annual potential market for new and existing housing units in the South District Study Area, older households (empty nesters and retirees) represent the smallest share of the market. A significant number of these target households have grown children who have recently moved out of the family home; another large percentage are retired.

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In this market segment, approximately 40 percent have incomes below 60 percent of AMI (approximately \$40,000 to \$46,000 for one- and two-person households)—older singles and couples on limited incomes, mostly from social security—some of whom are living in substandard housing.

Over 19.5 percent of the older target households have incomes ranging between 60 and 100 percent of the area median, or between between \$40,000 to \$67,000 and \$46,000 to \$76,600 for one- and two-person households, respectively. These households will move to dwelling units that require less upkeep and maintenance expense, but if given appropriate housing options, would choose to remain in their current neighborhoods.

The most affluent households, with incomes above 100 percent AMI (above \$67,000 to \$76,600 for one- and two-person households), represent 40.5 percent of the empty nester/retiree market segment, include older singles and couples who are enthusiastic participants in community life and still active in well-paying careers in the medical, legal and financial professions.

Just under 32 percent of the empty nesters and retirees would be moving from elsewhere within Iowa City; 5.4 percent would be moving from the balance of Johnson County; 12 percent currently live in one of the counties in the regional draw area; and the remaining 51 percent would be moving from elsewhere in the U.S.

APPENDIX THREE, TARGET MARKET DESCRIPTIONS, contains detailed descriptions of each of these target market groups and is provided in a separate document. The METHODOLOGY, APPENDIX ONE AND TWO, TARGET MARKET TABLES document describes how the target market groups for the South District Study Area have been determined.

#### THE CURRENT CONTEXT

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##### *What are their current residential alternatives?*

Summary supply-side information for the Iowa City market area (covering multi-family rental properties, for-sale condominiums and for-sale single-family attached properties, and for-sale single-family detached properties) is provided in tabular form following the text: Table 3, Summary of

Selected Rental Properties, Table 4, Summary of Selected For-Sale Multi-Family and Single-Family Attached Properties, and Table 5, Summary of Selected For-Sale Single-Family Detached Houses.

—*Multi-Family Rental Properties*—

In May 2019, Zimmerman/Volk Associates compiled data from a variety of sources, including telephone interviews, and individual property and rental websites, on 10 selected rental properties, built since 2008, and representing more than 1,500 rental apartments in the Iowa City/Coralville market area. (See Table 3 following the text.) Most of these properties are purpose-built investment-grade assets with property sizes ranging from 24 units (at 915 Harlocke Street Apartments) to 522 units (the student-oriented Aspire at West Campus). Most are at functional full occupancy, 95 percent or more occupied.

Walk Score, a number between 0 and 100 denoting the walkability of a specific address or neighborhood, has grown in importance as a value criterion. Walk Scores above 90 indicate a “Walker’s Paradise,” where daily errands do not require a car. Walk Scores between 70 and 90 are considered to be very walkable, where most errands can be accomplished on foot, and Walk Scores between 50 and 69 are regarded as somewhat walkable, where some errands can be accomplished on foot. Walk Scores below 50 indicate that most or almost all errands require an automobile.

Only three of the 10 rental properties listed on Table 3 have Walk scores above 80. Two properties have a score of 90—Aspire at West Campus at 158 Hawkeye Court and Rise at Riverfront Crossings at 435 South Linn Street.

—*Studios (2 properties)*—

- Rents for studios range between \$1,229 per month at Latitude at River Landing in Coralville, to \$1,489 per month at Rise at Riverfront Crossings for a furnished apartment.
- Studios contain between 365 square feet at Rise at Riverfront Crossings and 418 square feet at Latitude at River Landing.
- The studio rents per square foot range between \$2.94 at Latitude at River Landing and \$3.97 at Rise at Riverfront Crossings for a furnished apartment.

—*One-Bedroom Units (7 properties)*—

- Rents for one-bedroom apartments range from \$680 per month at Sycamore Apartments at 2037 Kountry Lane Southeast to \$1,659 per month at Rise at Riverfront Crossings for a furnished apartment.
- One-bedroom units range in size from 420 square feet at Sycamore Apartments to 831 square feet at the Villas on 4<sup>th</sup> in the City of Coralville.
- One-bedroom rents per square foot range between \$1.17 at the Villas on 4<sup>th</sup>, to \$3.71 at Rise at Riverfront Crossings for a furnished apartment.

—*Two-Bedroom Units (10 properties)*—

- Rents for two-bedroom units range from \$875 per month for a two-bedroom/one-bath apartment at Sycamore Apartments, to \$2,418 per month for a two-bedroom/two-bath apartment at Rise at Riverfront Crossings for a furnished apartment.
- Two-bedroom units range in size from 726 square feet for a two-bedroom/two-bath at Rise at Riverfront Crossings, to 1,420 square feet at The Hawthorne at 1601 McCleary Lane (two bedrooms/two baths) and in the Peninsula Neighborhood (two bedrooms/two baths).
- Two-bedroom rents per square foot fall between \$0.93 for two bedrooms and two baths at Villas on 4<sup>th</sup> and \$3.33 at Rise at Riverfront Crossings (two bedrooms/two baths) for a furnished apartment.

—*Three-Bedroom Units (5 properties)*—

- Three-bedroom apartments range from \$1,575 per month at Villas on 4<sup>th</sup> to \$3,297 per month at Rise at Riverfront Crossings for a furnished apartment.
- Three-bedroom apartments among surveyed properties contain between 936 square feet at Latitude at River Landing and 1,684 square feet for a unit in the Peninsula Neighborhood.
- Three-bedroom rents per square foot range between \$0.99 at Villas on 4<sup>th</sup> to \$3.29 at Rise at Riverfront Crossings for a furnished apartment.

Several of the properties provide a range of community amenities, typically fitness centers, clubhouses or residents' lounges, and conference rooms; less typical amenities include a sauna, dog run area, and fully-furnished units.

*—Multi-Family and Single-Family Attached For-Sale Properties—*

Table 4 provides pricing and unit sizes and configuration information for the multiple condominiums and townhouses listed for sale as of May 2019. New construction condominiums range in price from \$249,000 at the Pine Grove Villas at 260 North Scott Boulevard to \$845,000 at One University Place at 1300 Melrose Avenue. New construction condominium units are sized between 490 square feet at 316 Madison for a one-bedroom and 2,275 for a three-bedroom unit at One University Place. Prices per square foot among new construction condominiums range between \$219 at the Pine Grove Villas up to \$582 at 316 Madison.

Condominium resale listings are priced between \$171,800 for a two-bedroom/two-bath unit at 470 North 1<sup>st</sup> Avenue and \$875,000 for a two-bedroom/two-bath unit at Plaza Towers at 221 East College Street. Resale sizes fall between 688 square feet for a one-bedroom at 247 North Linn Street up to 2,120 for the unit at Plaza Towers. Prices per square foot for resales range from \$147 for the unit at 470 North 1<sup>st</sup> Avenue to \$413 for the unit at Plaza Towers.

Among newly-constructed attached dwelling units, the Dodge Street Three-plexes are selling three-bedroom/two-and-a-half-bath units listed between \$215,000 and \$217,000 at 1,641 square feet. The Churchill Meadows development is also selling newly constructed townhouses for \$224,900 for a three-bedroom/two-and-a-half-bath configuration at 1,641 square feet (\$137 per square foot). There is also a planned townhouse at 40 Marietta Avenue selling for \$670,000 for a four-bedroom/three-bath configuration at 3,675 square feet (\$182 per square foot).

Resale townhouses in the market area have asking prices ranging from \$185,000 for a 1,226-square-foot, three-bedroom/one-bath unit at 2734 Blazing Star Drive (\$151 per square foot) to \$750,000 for a five-bedroom/four-bath unit containing 3,482 square feet of living space (\$215 per square foot) at 103 Birkdale Court.

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*—Single-Family Detached For-Sale Properties—*

Table 5 provides pricing and unit sizes and configuration information for single-family detached subdivisions and listings for sale as of May 2019. Windmill Heights, built by Ruhl Homes, is proposing 21 units at Windmill Place. Most homesites are situated on fifth-to-quarter-acre lots. Priced between \$649,000 and \$664,900, these six-bedroom/three-and-four-and-a-half-bath units are larger than most of the market, ranging in size from 3,790 to 4,140 square feet. Sycamore Trails (Houser Development) and Cardinal Pointe West (Navigate Homes) are actively building and selling new construction detached homes, ranging in price from \$299,990 to \$689,900. The smallest unit on offer is 2,029 square feet in Sycamore Trails and the largest unit is 6,203 square feet in Cardinal Pointe West. Prices per square foot range from \$111 for the largest house in Cardinal Pointe West to \$168 for a five-bedroom/three-bath 3,099 square foot house in the same subdivision.

Individual new construction listings were priced between \$175,000 for a two-bedroom/one-bath 768 square foot house at 2751 Blazing Star Drive (\$228 per square foot) and \$640,000 for a five-bedroom/three-and-a-half-bath 3,668 square foot house at 791 Linder Road Northeast (\$174 per square foot). A house at 791 Silver Charm Lane had the highest price per square foot at \$390,000 for 1,659 square feet equaling \$235 per square foot.

Resale listings of recently constructed detached houses were at slightly lower prices per square foot generally than newly constructed houses. Prices start at \$187,900 for a three-bedroom/two-bath unit with 1,258 square feet of living space (\$149 a square foot) up to \$995,000 for a six-bedroom house situated on 1.51 acres with 5,269 square feet of living space (\$189 a square foot). The highest price-per-square-foot resale was at 1122 Eagle Place for a four-bedroom/three-bath house listed at \$590,000 for 2,577 square feet of living space (\$229 a square foot).

OPTIMUM MARKET POSITION: SOUTH DISTRICT STUDY AREA

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*What is the market currently able to pay to rent or purchase  
new dwelling units in the South District Study Area?*

As noted above under AVERAGE ANNUAL MARKET POTENTIAL FOR THE SOUTH DISTRICT STUDY AREA, 2,120 households of all incomes represent the annual market potential for new and existing housing units in

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the Study Area. This analysis is focusing on the 1,150 households with incomes at or above 60 percent AMI, which covers the incomes required to rent or purchase new workforce and market-rate housing units. The combined tenure and housing type preferences and financial capabilities of the 1,150 target households are shown on the following table (*reference again* Table 1):

Tenure/Housing Type Propensities by Income  
 Incomes At or Above 60 Percent AMI  
 Annual Average Market Potential for New Housing Units  
 The South District Study Area  
 The City of Iowa City, Johnson County, Iowa

HOUSING TYPE	..... HOUSEHOLDS .....	
	NUMBER	PERCENT
Multi-family for-rent		
60% to 80% AMI	115	10.0%
80% to 100% AMI	94	8.2%
> 100% AMI	<u>262</u>	<u>22.8%</u>
Total multi-family for-rent	471	41.0%
Multi-family for-sale		
60% to 80% AMI	21	1.8%
80% to 100% AMI	16	1.4%
> 100% AMI	<u>71</u>	<u>6.2%</u>
Total multi-family for-sale	108	9.4%
Single-family attached for-sale		
60% to 80% AMI	32	2.8%
80% to 100% AMI	24	2.1%
> 100% AMI	<u>91</u>	<u>7.9%</u>
Total single-family attached for-sale	147	12.8%
Single-family detached for-sale		
60% to 80% AMI	84	7.3%
80% to 100% AMI	74	6.4%
> 100% AMI	<u>266</u>	<u>23.1%</u>
Total single-family detached for-sale	424	36.8%
Grand total	1,150	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2019.

Approximately 21.9 percent (252 households) of the target households have incomes between 60 and 80 percent AMI, 18.1 percent (208 households) have incomes between 80 and 100 percent AMI, and 60.0 percent (690 households) have incomes above 100 percent AMI. The rents and price points for new market-rate housing units that could be developed in the Study Area have been derived from the income and financial capabilities of those target households that have incomes above 100 percent

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of the AMI. The target households with incomes between 60 and 100 percent of the AMI would qualify for new workforce/affordable housing units.

—Multi-Family For-Rent Affordability Distribution by Price Range—

An annual average of 471 households with incomes at or above 60 percent AMI represent the target markets for newly-constructed market-rate and affordable/workforce rental housing units within the South District Study Area (as shown on Table 6 following the text). Approximately 55.6 percent (262 households) have annual incomes above 100 percent of the AMI (market-rate) and 44.4 percent (209 households) have annual incomes between 60 and 100 percent of the AMI (affordable/workforce).

Supportable rent ranges have been established at 25 to 30 percent of the annual gross incomes of the average annual 471 target households with incomes at or above 60 percent of the AMI, yielding the following distribution, ranging from \$1,000 per month for an affordable/workforce unit to over \$3,750 per month at the high-end:

Affordability Distribution by Rent Range  
 Average Annual Potential Market for Multi-Family For-Rent Housing Units  
 Target Households With Incomes Above 60 Percent AMI  
 THE SOUTH DISTRICT STUDY AREA  
 The City of Iowa City, Johnson County, Iowa

MONTHLY RENT RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$1,000–\$1,250	76	16.1%
\$1,250–\$1,500	46	9.8%
\$1,500–\$1,750	60	12.7%
\$1,750–\$2,000	61	13.0%
\$2,000–\$2,250	56	11.9%
\$2,250 –\$2,500	51	10.8%
\$2,500 –\$2,750	42	8.9%
\$2,750–\$3,000	23	4.9%
\$3,000–\$3,250	15	3.2%
\$3,250–\$3,500	8	1.7%
\$3,500–\$3,750	7	1.5%
\$3,750 and up	<u>26</u>	<u>5.5%</u>
Total:	471	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2019.

- The largest group of target renters are younger singles and couples, at over 47 percent of the market for new rental units within the South District Study Area. A plurality of 48 percent of the younger singles and couples can afford affordable/workforce rents between \$1,000 and \$1,750 per month. More than 41 percent would be able to support rents between \$1,750 and \$3,000 per month. Just over 11 percent have careers that provide them with the financial capacity to afford rents at or above \$3,000 per month.
- Traditional and non-traditional families make up nearly 30 percent of the market for new rental units within the Study Area. A plurality—45 percent—can support affordable/workforce rents between approximately \$1,250 and \$2,250 per month. Another 42 percent of the family market can afford rents between \$2,250 and \$3,500 per month. Just over 12 percent represent the market for new units with rents above \$3,500 per month.
- Empty nesters and retirees represent just under 23 percent of the market for new rental units within the Study Area. Approximately 36 percent of the older households represent the market for new affordable/workforce units with rents between \$1,000 and \$1,750 per month. More than 58 percent are able to support rents between \$1,750 and \$3,000 per month. Just six percent of the targeted empty nester and retiree market have the income and assets that enable them to support rents above \$3,000 per month.

—*Multi-Family For-Sale Affordability Distribution by Price Range*—

An annual average of 108 households with incomes at or above 60 percent AMI represent the target markets for newly-constructed market-rate and affordable/workforce for-sale housing units (condominiums) within the South District Study Area (*as shown on Table 7 following the text*). Nearly two-thirds (71 households) have annual incomes above 100 percent of the AMI (market-rate) and over 34 percent (37 households) have annual incomes between 60 and 100 percent of the AMI (affordable/workforce).

Supportable price points), ranging from \$150,000 for affordable/workforce units to over \$400,000 on the high-end, have been determined by assuming a down payment of 10 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 30 percent of annual gross

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incomes of the average annual 108 target households with incomes above 60 percent of the AMI (\$40,000 per year and up), yielding the following distribution:

Affordability Distribution by Price Range  
 Average Annual Potential Market for Multi-Family For-Sale Housing Units  
 Target Households With Incomes Above 60 Percent AMI  
 THE SOUTH DISTRICT STUDY AREA  
*The City of Iowa City, Johnson County, Iowa*

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$175,000	11	10.2%
\$175,000–\$200,000	4	3.7%
\$200,000–\$225,000	7	6.5%
\$225,000–\$250,000	10	9.3%
\$250,000–\$275,000	11	10.2%
\$275,000–\$300,000	9	8.3%
\$300,000–\$325,000	6	5.6%
\$325,000–\$350,000	8	7.4%
\$350,000–\$375,000	17	15.7%
\$375,000–\$400,000	12	11.1%
\$400,000 and up	<u>13</u>	<u>12.0%</u>
Total:	108	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2019.

- Traditional and non-traditional families comprise just under 40 percent of the market for new for-sale condominiums within the South District Study Area. Slightly over a quarter have the income and assets to purchase new units priced at \$400,000 or more. Just under 49 percent of the family households would be in the market for new units priced between \$350,000 and \$400,000, and the remaining 25 percent can afford new affordable/workforce condominiums priced between \$200,000 and \$350,000.
- Younger singles and couples represent the second largest share of the market, at over 35 percent of the market for new for-sale condominiums within the South District Study Area. Approximately 47 percent of the younger singles and couples would be in the market for new affordable/workforce condominiums with base prices between \$150,000 and \$250,000. Another 42 percent of the younger households could afford new units priced between \$250,000 and \$350,000. Just over 10 percent would have the income and equity to purchase new units priced above \$350,000.

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- Empty nesters and retirees are the smallest segment of the market for new condominiums within the South District Study Area, at 25 percent of the market. A majority of more than 60 percent of the older singles and couples could afford new units priced over \$350,000. Another 24 percent of the older households would be in the market for new condominiums with base prices between \$250,000 and \$350,000. The remaining 15 percent of the empty nesters and retirees could only afford workforce/affordable units priced between \$150,000 and \$250,000.

— *Single-Family Attached For-Sale Affordability Distribution by Price Range* —

An annual average of 147 households represents the target markets for newly-constructed single-family attached housing units (rowhouses/townhouses/duplexes) within the South District Study Area (as shown on Table 8 following the text). As with the for-sale condominiums, supportable price points for these units, starting at \$150,000 for affordable/workforce units up to over \$450,000 at the high-end of the market, have been determined by assuming a down payment of 10 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 30 percent of annual gross incomes.

The purchase potential of the 147 households with annual incomes above 60 percent of the AMI would be distributed as shown on the table following this page.

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Affordability Distribution by Price Range  
Average Annual Potential Market for Single-Family Attached Housing Units  
Target Households With Incomes Above 60 Percent AMI  
THE SOUTH DISTRICT STUDY AREA  
*The City of Iowa City, Johnson County, Iowa*

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$175,000	11	7.5%
\$175,000–\$200,000	5	3.4%
\$200,000–\$225,000	11	7.5%
\$225,000–\$250,000	12	8.2%
\$250,000–\$275,000	16	10.9%
\$275,000–\$300,000	13	8.8%
\$300,000–\$325,000	11	7.5%
\$325,000–\$350,000	16	10.9%
\$350,000–\$375,000	16	10.9%
\$375,000–\$400,000	11	7.5%
\$400,000–\$425,000	9	6.1%
\$425,000–\$450,000	8	5.4%
\$450,000 and up	<u>8</u>	<u>5.4%</u>
Total:	147	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2019.

- Traditional and non-traditional families make up 42.9 percent of the market for new rowhouses/townhouses/duplexes within the South District Study Area. Just eight percent of the traditional and non-traditional families market have the income and assets that enable them to purchase new rowhouses/townhouses/duplexes with base prices above \$450,000. Approximately 49 percent are financially capable of purchasing new units priced between \$350,000 and \$450,000, and the remaining 43 percent of the family market can afford base prices of new affordable/workforce units between \$200,000 and \$350,000.
- Younger singles and couples represent the second largest share, at just over 29 percent, of the market for new single-family attached (rowhouses/townhouses/duplexes) within the South District Study Area. Nearly 12 percent of the targeted younger singles and couples market have the incomes and assets that enable them to purchase new rowhouses/townhouses/duplexes with base prices above \$350,000. More than 44 percent could afford base prices between \$250,000 and \$350,000, and the remaining 44 percent are only able to purchase new affordable/workforce units priced between \$150,000 and \$250,000.

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- Empty nesters and retirees are again the smallest market, at 27.9 percent, for new for-sale single-family attached units within the South District Study Area. Almost 27 percent of the empty nesters and retirees have the incomes and assets that enable them to purchase rowhouses/townhouses/duplexes with base prices above \$350,000. Nearly 49 percent would be able to support base prices between \$250,000 and \$350,000, and just over 24 percent could only afford new affordable/workforce units priced between \$150,000 and \$250,000.

—*Single-Family Detached For-Sale Affordability Distribution by Price Range*—

An annual average of 424 households represents the target markets for newly-constructed single-family detached housing units (houses) within the South District Study Area (*as shown on Table 9 following the text*). As with the other for-sale housing types, supportable price points for these units, ranging from \$150,000 for an affordable/workforce unit to over \$500,000 on the high-end, have been determined by assuming a down payment of 10 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 30 percent of annual gross incomes.

The purchase potential of the 424 households with annual incomes above 60 percent of the AMI would be distributed as shown on the table following this page.

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New Single-Family Detached For Sale Distribution by Price Range  
 Target Households With Incomes Above 60 Percent AMI  
 THE SOUTH DISTRICT STUDY AREA  
*The City of Iowa City, Johnson County, Iowa*

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$175,000	22	5.2%
\$175,000–\$200,000	18	4.2%
\$200,000–\$225,000	35	8.3%
\$225,000–\$250,000	35	8.3%
\$250,000–\$275,000	28	6.6%
\$275,000–\$300,000	27	6.4%
\$300,000–\$325,000	23	5.4%
\$325,000–\$350,000	39	9.2%
\$350,000–\$375,000	55	13.0%
\$375,000–\$400,000	34	8.0%
\$400,000–\$425,000	31	7.3%
\$425,000–\$450,000	31	7.3%
\$450,000–\$475,000	18	4.2%
\$475,000–\$500,000	17	4.0%
\$500,000 and up	<u>11</u>	<u>2.6%</u>
Total:	424	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2019.

- Traditional and non-traditional families make up the largest share of the market for new single-family detached houses within the South District Study Area at 50.7 percent. Nearly 17 percent of those traditional and non-traditional families market have the income and assets that enable them to purchase new detached houses with base prices above \$450,000. Approximately 45 percent are financially capable of purchasing new units priced between \$350,000 and \$450,000, and the remaining 38 percent of the family market can only afford base prices of new affordable/workforce houses between \$200,000 and \$350,000.
- Empty nesters and retirees are the second largest market, at 36.3 percent, for new for-sale single-family detached units within the South District Study Area. Over 16 percent of the empty nesters and retirees have the capacity to purchase detached houses with base prices above \$400,000. Just over 51 percent would be able to support base prices between \$250,000 and \$400,000, and slightly over 32 percent could only afford new affordable/workforce units priced between \$150,000 and \$250,000.

- Younger singles and couples represent the smallest share, at only 13 percent, of the market for new single-family detached houses within the South District Study Area. Approximately nine percent of the younger singles and couples have the incomes and assets that enable them to purchase new detached houses with base prices above \$400,000. Almost 44 percent could afford base prices between \$250,000 and \$400,000, and the remaining 47 percent are only able to purchase new affordable/workforce units priced between \$150,000 and \$250,000.

—OPTIMUM MARKET POSITION  
THE SOUTH DISTRICT STUDY AREA—

As detailed in TARGET MARKET ANALYSIS, an average of 471 potential renter households, 108 potential condominium purchaser households, 147 potential rowhouse/townhouse purchaser households, and 424 potential detached house purchaser households—a total of 1,150 households with incomes at or above 60 percent of the AMI—comprise the annual potential market for new residential development in the South District Study Area over the next five years. The optimum market position for new housing in the South District has therefore been developed based on a variety of factors, including but not limited to:

- The tenure and housing preferences, financial capabilities, and lifestages of the target households;
- The assets and amenities located throughout the South District; and
- Current market area residential market dynamics.

Based on these factors, the optimum market position for new rental and for-sale housing within the South District Study Area is summarized on the table following this page (*see also* Table 10 *following the text for greater detail*).

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**Optimum Market Position**  
 Households With Annual Incomes Above 60% AMI  
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*The City of Iowa City, Johnson County, Iowa*

HOUSING TYPE	UNIT RENT/PRICE RANGE	UNIT SIZE RANGE	BASE RENT/PRICE PER SQ. FT.
<b>MULTI-FAMILY FOR-RENT—41.0%</b>			
Microlofts, Lofts	\$950 to \$1,750	400 to 1,100 sf	\$1.59 to \$2.38
Apartments	\$1,300 to \$2,250	750 to 1,350 sf	\$1.67 to \$1.73
<b>MULTI-FAMILY FOR-SALE—9.4%</b>			
Lofts	\$135,000 to \$195,000	750 to 1,100 sf	\$177 to \$180
Condominiums	\$175,000 to \$325,000	900 to 1,700 sf	\$191 to \$194
<b>SINGLE-FAMILY ATTACHED FOR-SALE—12.8%</b>			
Triplexes; Rowhouses	\$165,000 to \$210,000	950 to 1,250 sf	\$168 to \$174
Duplexes; Townhouses	\$230,000 to \$375,000	1,350 to 2,300 sf	\$163 to \$170
<b>SINGLE-FAMILY ATTACHED FOR-SALE—36.9%</b>			
Cottages/Bungalows	\$145,000 to \$225,000	800 to 1,300 sf	\$173 to \$181
Urban Houses	\$275,000 to \$525,000	1,500 to 2,950 sf	\$178 to \$183

SOURCE: Zimmerman/Volk Associates, Inc., 2019.

The proposed prices are in year 2019 dollars and are exclusive of location or floor premiums and consumer-added options or upgrades. Location will have a significant impact on values, ranging from as much as a 10 percent premium on new properties located in the most walkable and amenity-laden areas to a reduction of up to five percent on new properties located in auto-dependent, less walkable parts of the South District Study Area.

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## MARKET CAPTURE: THE SOUTH DISTRICT STUDY AREA

### *How quickly will the new units lease or sell?*

Based on more than 30 years' experience employing the target market methodology in a variety of locations at every scale in 47 states, and given current economic conditions, Zimmerman/Volk Associates has determined that a capture of between 15 to 20 percent of the annual potential market for new multi-family rentals, and between approximately 10 to 15 percent of the annual potential market for new multi-family, single-family attached, and single-family detached for-sale units could be achievable in the South District Study Area.

Annual average absorption over the next five years within the South District Study Area is forecast as shown on the following table (*see again* Table 10):

Annual Forecast Absorption Households With Annual Incomes Above 60% AMI SOUTH DISTRICT STUDY AREA <i>The City of Iowa City, Johnson County, Iowa</i>			
HOUSING TYPE	NUMBER OF HOUSEHOLDS	CAPTURE RATES	ANNUAL UNITS ABSORBED
Multi-family for-rent	471	15 – 20%	71 - 94
Multi-family for-sale	108	10 – 15%	11 – 16
Single-family attached for-sale	147	10 – 15%	15 – 22
Single-family detached for-sale	<u>424</u>	10 – 15%	42 - 64
Total	1,150		139 - 196 units

SOURCE: Zimmerman/Volk Associates, Inc., 2019.

Based on these capture rates, the South District Study Area should be able to absorb between 139 and 196 new rental and for-sale housing units per year each year over the next five years, or a total of 695 to 980 units over the five-year timeframe.

New housing units, configured according to target market preferences, can not only attract new households to the South District Study Area and to Iowa City, but can also provide appropriate

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alternatives to households that, due to a change in household composition or economic status, might otherwise have moved out.

The capture rates of the annual potential market used here fall within the target market methodology's parameters of feasibility.

NOTE: The target market capture rates of the potential purchaser or renter pool are a unique and highly-refined measure of feasibility. Target market capture rates are not equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** is derived by dividing the *annual* forecast absorption—in aggregate and by housing type—by the number of households that have the potential to purchase or rent new housing within a specified area *in a given year*.

The **penetration rate** is derived by dividing the *total* number of dwelling units planned for a property by the *total* number of draw area households, sometimes qualified by income.

The **traffic conversion rate** is derived by dividing the *total* number of buyers or renters by the *total* number of prospects that have visited a site.

Because the prospective market for a property or study area is more precisely defined using the residential target market methodology, a substantially smaller number of households are qualified; as a result, target market capture rates are higher than the more grossly-derived penetration rates. The resulting higher capture rates remain within the range of feasibility.

## SOUTH DISTRICT BUILDING AND UNIT TYPES

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Building types most appropriate for the South District Study Area include:

- Courtyard Apartment Building: An urban-scale, pedestrian-oriented equivalent to conventional garden apartments. An urban courtyard building is at minimum three, and typically four or more stories, often combined with non-residential uses on the ground floor, or with a ground floor configured for later conversion from residential to retail use. The building should be built to the sidewalk edge. When the ground floor serves a residential use, it should be elevated significantly above grade to provide privacy and a sense of security. Parking can be below grade, at grade behind or in a parking courtyard, or in an integral structure.
- Loft Apartment Building: Either adaptive re-use of older warehouse or manufacturing buildings or a new-construction building type inspired by those buildings. The new-construction version usually has double-loaded corridors.
- Mansion Apartment Building: A two- to three-story flexible-use structure with a street façade resembling a large detached or attached house (hence, “mansion”). The attached version of the mansion, typically built to a sidewalk on the front lot line, is most appropriate for downtown locations. The building can accommodate a variety of uses—from rental or for-sale apartments, professional offices, any of these uses over ground-floor retail, a bed and breakfast inn, or a large single-family detached house—and its physical structure complements other buildings within a neighborhood. Parking is behind the mansion buildings—in open lots, in garages with units above, or integral to the building—and can be either rear-loaded, or front-loaded served by shared drives.
- Liner Building: An apartment building with apartments and/or lofts lining two to four sides of a multi-story parking structure. Units are typically served from a single-loaded corridor that often includes access to parking. Ground floors typically include a traditional apartment lobby and can also include apartments, retail or some combination of the two.

- Mixed-Use Building: A pedestrian-oriented building, either attached or free-standing, with apartments and/or offices over flexible ground floor uses that can range from retail to office to residential.
- Podium Building: A small-scale apartment building construction type with two or more stories of stick-frame residential units (lofts or apartments) built over a single level of above-grade structured parking, usually constructed with reinforced concrete. With a well-conceived street pattern, a podium building can include ground-level non-residential uses lining one or more sides of the parking deck.
- Duplex/Triplex/Rowhouse/Townhouse: Similar in form to the conventional suburban equivalent except that the garage—either attached or detached—is located to the rear of the unit and accessed from an alley or auto court. Unlike the conventional units, urban duplexes/triplexes/rowhouses/townhouses conform to the pattern of streets, typically with shallow front-yard setbacks.
- Single-Family Detached Houses: Includes cottages and bungalows, as well as mansions. A one-and-a-half- or two-story single-family detached house sited relatively close to the street. Parking can be in attached or detached garages or open, and located at the rear of the lot well back from the front façade.

Multi-family unit types most appropriate for the South District Study Area include:

- Apartment: A conventionally-finished apartment unit, typically with completely-partitioned rooms—trim, interior doors, kitchens and baths are fitted out with higher-end finishes and fixtures.
- Hard Loft: Unit interiors typically have high ceilings and commercial windows and are minimally finished (with minimal room delineations such as columns and fin walls), or unfinished (with no interior partitions except those for bathrooms).

- Soft Loft: Unit interiors typically have high ceilings, are fully finished and partitioned into individual rooms. Units may also contain architectural elements reminiscent of “hard lofts,” such as exposed ceiling beams and ductwork, concrete floors and industrial finishes, particularly if the building is an adaptive re-use of an existing non-residential structure.
- Mezzanine Loft: Lofts with an additional half level, the mezzanine, that typically occur only on the uppermost full floor of a multi-family building. The main double-height space—with at least 16-foot ceilings—should have large, two-story windows. The kitchen and often a half bath are on the main level, at least one full bath is located on the mezzanine.
- Microloft: Several cities across the country are changing minimum unit size requirements as part of a strategy to attract young knowledge workers. Millennial knowledge workers have responded positively to efficiency units as small as 220 square feet, often leasing out new microloft projects within a matter of days.
- Maisonette Apartment: An apartment that is integral to a multifamily apartment building, but that includes a private, individual entrance at street level. When sited with shallow setbacks, the entrance to the apartment on the first floor is elevated above sidewalk level to provide privacy and a sense of security.
- Penthouse: An apartment situated on the top floor of a multifamily apartment building that has exclusive use of a portion of the building’s roof as a private terrace.



Table 1

**Annual Market Potential For New And Existing Housing Units**  
 Distribution Of Annual Average Number Of Draw Area Households With The Potential  
 To Move To The South District Study Area Each Year Over The Next Five Years  
 Based On Housing Preferences And Income Levels  
***The South District Study Area***  
*Iowa City, Johnson County, Iowa*

*Iowa City; Balance of Johnson County;  
 Linn and Polk Counties, Iowa, and Cook County, Illinois; Balance of U.S.  
 Draw Areas*

Annual Number Of Households  
 With The Potential To Rent/Purchase Within  
 Iowa City 8,575

Annual Number Of Target Market Households  
 With Potential To Rent/Purchase Within  
 The South District Study Area 2,120

**Annual Market Potential**

	<i>Below 30% AMI</i>	<i>30% to 60% AMI</i>	<i>60% to 80% AMI</i>	<i>80% to 100% AMI</i>	<i>Above 100% AMI</i>	<i>Subtotal</i>
<i>Multi-Family For-Rent:</i>	248	220	115	94	262	<b>939</b>
<i>Multi-Family For-Sale:</i>	46	50	21	16	71	<b>204</b>
<i>Single-Family Attached For-Sale:</i>	63	64	32	24	91	<b>274</b>
<i>Single-Family Detached For-Sale:</i>	132	147	84	74	266	<b>703</b>
<b>Total:</b>	<b>489</b>	<b>481</b>	<b>252</b>	<b>208</b>	<b>690</b>	<b>2,120</b>
<b>Percent:</b>	<b>23.1%</b>	<b>22.7%</b>	<b>11.9%</b>	<b>9.8%</b>	<b>32.5%</b>	<b>100.0%</b>

Note: For fiscal year 2019, Iowa City, IA HUD Metro FMR Area Median Family Income for a family of four is \$96,000.

SOURCE: Claritas, Inc.;  
 Zimmerman/Volk Associates, Inc.

Table 2

**Annual Market Potential By Lifestage**

Derived From Purchase And Rental Propensities Of Draw Area Households With The Potential  
To Move To The South District Study Area Each Year Over The Next Five Years  
Based On Housing Preferences And Income Levels

***The South District Study Area****Iowa City, Johnson County, Iowa*

Number of Households:	Total	<i>Below 30% AMI</i>	<i>30% to 50% AMI</i>	<i>50% to 80% AMI</i>	<i>80% to 100% AMI</i>	<i>Above 100% AMI</i>
	<b>2,120</b>	<b>489</b>	<b>481</b>	<b>252</b>	<b>208</b>	<b>690</b>
<b>Empty Nesters &amp; Retirees</b>	26.0%	22.9%	22.5%	21.4%	25.5%	32.3%
<b>Traditional &amp; Non-Traditional Families</b>	38.2%	34.2%	38.0%	40.5%	38.9%	40.1%
<b>Younger Singles &amp; Couples</b>	35.8%	42.9%	39.5%	38.1%	35.6%	27.6%
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note: For fiscal year 2019, Iowa City, IA HUD Metro FMR Area Median Family Income for a family of four is \$96,000.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

## Summary Of Selected Rental Properties

*Iowa City Market Area, Johnson County, Iowa*

**May, 2019**

<u>Property (Date Opened)</u> <u>Address/Walk Score</u>	<u>Number of Units</u>	<u>Unit Type</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
<b>... Iowa City ...</b>						
<b>Sycamore Apts</b> <b>(2008)</b> 2037 Kountry Lane Southeast AM Management 0 Walk Score	<b>72</b>	<i>... Apartments ...</i>				<b>n/a</b> <i>Fitness center, clubhouse, conference room, and controlled access.</i>
		1br/1ba	\$680	420	\$1.62	
		2br/1ba	\$875	850	\$1.03	
<b>The Overlook</b> <b>(2017)</b> 3155 Shire Lane AM Management 8 Walk Score	<b>72</b>	<i>... Apartments ...</i>				<b>n/a</b> <i>Fitness center, clubhouse, conference room, and controlled access.</i>
		1br/1ba	\$890	720	\$1.24	
		2br/1ba	\$980	884	\$1.11	
<b>Aspire at West Campus</b> <b>(2016)</b> 158 Hawkeye Court Balfour Beatty Communities 90 Walk Score	<b>522</b>	<i>... Apartments ...</i>				<b>99% occupancy</b> <i>Fitness center, walking/biking trails, clubhouse, coffee concierge, laundry facilities, and pet care.</i>
		1br/1ba	\$1,049 to \$1,139	576	\$1.82 to \$1.98	
		2br/1ba	\$1,189 to \$1,279	791	\$1.50 to \$1.62	
		2br/2ba	\$1,339 to \$1,438	906	\$1.48 to \$1.59	
<b>316 Madison</b> 316 S. Madison Street CGH Property Management 88 Walk Score	<b>71</b>	<i>... Apartments ...</i>				<b>90% occupancy</b> <i>Concierge, furnished units, underground parking, rooftop patios.</i>
		1br/1ba	\$1,200 to \$1,500	440 to 511	\$2.73 to \$2.94	
		2br/2ba	\$1,800 to \$2,000	835	\$2.16 to \$2.40	
<b>RISE at Riverfront Crossings</b> <b>(2018)</b> 435 South Linn Street CA Student Living 90 Walk Score	<b>332</b>	<i>... Apartments ...</i>				<b>99% occupancy</b> <i>Fitness center, pool, sauna, lounge, business center, conference room, courtyard, sundeck, laundry facilities, conference room, and controlled access. fully furnished units</i>
		Studio/1ba	\$1,309 to \$1,489	365 to 375	\$3.59 to \$3.97	
		1br/1ba	\$1,599 to \$1,659	447	\$3.58 to \$3.71	
		2br/2ba	\$1,918 to \$2,418	726	\$2.64 to \$3.33	
		3br/3ba	\$2,877 to \$3,297	1,002	\$2.87 to \$3.29	

SOURCE: Zimmerman/Volk Associates, Inc.

**Summary Of Selected Rental Properties**  
*Iowa City Market Area, Johnson County, Iowa*  
**May, 2019**

<u>Property (Date Opened)</u> <u>Address/Walk Score</u>	<u>Number of Units</u>	<u>Unit Type</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
<i>... Iowa City {continued} ...</i>						
<b>915 Harlocke Street Apts (2016)</b>	<b>24</b>	<i>... Apartments ...</i>				<b>100% occupancy</b>
915 Harlocke Street		2br/2.5ba	\$1,395	910 to 990	\$1.41 to \$1.53	<i>Controlled access.</i>
Rae-Matt Properties						
32 Walk Score						
<b>The Hawthorne (2017)</b>	<b>75</b>	<i>... Apartments ...</i>				<b>96% occupancy</b>
1601 McCleary Lane		2br/2ba	\$1,400 to \$1,600	1,200 to 1,420	\$1.13 to \$1.17	<i>Controlled access.</i>
TM Commercial Services, LC		3br/2ba	\$1,700 to \$1,900	1,460 to 1,550	\$1.16 to \$1.23	
18 Walk Score						
<b>Peninsula Neighborhood</b>		<i>... Available Units ...</i>				
<i>Various Streets</i>		2br/2ba	\$1,340	1,169	\$1.15	
		2br/2ba	\$1,600	1,420	\$1.13	
		3br/2ba	\$1,750	1,550	\$1.13	
		3br/2ba	\$1,950	1,684	\$1.16	
<i>... City of Coralville ...</i>						
<b>Villas on 4th (2011)</b>	<b>114</b>	<i>... Apartments ...</i>				<b>98% occupancy</b>
301-304 4th Avenue		1br/1ba	\$975	831	\$1.17	<i>Grill, and</i>
Watts Group		2br/2ba	\$1,095 to \$1,275	1,173	\$0.93 to \$1.09	<i>controlled access.</i>
68 Walk Score		3br/2ba	\$1,575	1,592	\$0.99	
<b>Latitude at River Landing (2019)</b>	<b>303</b>	<i>... Apartments ...</i>				<b>100% occupancy</b>
104 East 7th Street		Studio/1ba	\$1,229	418	\$2.94	<i>Fitness center, yoga room,</i>
CA Ventures		1br/1ba	\$1,199	550	\$2.18	<i>courtyard, pool, hot tub,</i>
58 Walk Score		2br/2ba	\$1,398	800	\$2.54	<i>sundeck, grills,</i>
		3br/3ba	\$2,097 to \$2,217	936 to 1,123	\$1.97 to \$2.24	<i>dog run area, club</i>
		4br/4ba	\$2,396	1,325	\$1.81	<i>room, rooftop lounge, and co-working room.</i>

**For-Sale Multi-Family  
And Single-Family Attached Listings**  
*City of Iowa City, Johnson County, Iowa*  
**May, 2019**

<u>Property (Year Built)</u> <u>Address/Walk Score</u>	<u>Number of Listings</u>	<u>Building Type</u>	<u>Unit Type</u>	<u>Asking Price</u>	<u>Unit Size</u>	<u>Asking Price Per Sq. Ft.</u>
<i>..... New Construction .....</i>						
Dodge Street 3-Plexes (2019) <i>Dodge St Ct</i> 32 Walk Score	6	TH	3br/2.5ba	\$215,000 to \$217,000	1,641	\$131 to \$132
Churchill Meadows (2019) <i>Unbridled Ave</i> 7 Walk Score	5	TH	3br/2.5ba	\$224,900	1,641	\$137
Pine Grove Villas (2018) <i>260 N Scott Blvd</i> 38 Walk Score	6	CO	2br/2ba 3br/2ba	\$249,900 \$349,900 to \$419,900	1,143 1,578 to 1,904	\$219 \$221 to \$222
316 Madison (2017) <i>316 South Madison St</i> 88 Walk Score	2 <i>71 total units in rental pool</i>	CO	1br/1ba to 2br/2ba	\$285,000 to \$399,000	490 to 821	\$486 to \$582
One University Place (2016) <i>1300 Melrose Ave</i> 33 Walk Score	11 <i>101 total units</i>	CO	1br/1.5ba 2br/2ba 3br/3ba	\$315,000 \$375,000 to \$610,000 \$845,000 \$845,000	1,031 1,129 to 1,422 2,274 2,275	\$306 \$332 to \$429 \$372 \$371
<i>..... Proposed New Construction .....</i>						
<i>40 Marietta Ave</i>		TH	4br/3ba	\$670,000	3,675	\$182
<i>..... Resales .....</i>						
Linn Street Place (2000) <i>332 South Linn St</i> 90 Walk Score	4	CO	1br/1ba 1br/1ba 1br/1ba 2br/2ba	\$219,900 \$225,000 \$270,000 \$275,000	900 855 855 1,000	\$244 \$263 \$316 \$275
Windsor Ridge (2016) <i>4864 Raleigh Lane</i>	1	TH	3br/2.5ba	\$231,900	1,705	\$136
Plaza Towers (2004) <i>221 East College St</i>	1	CO	2br/2ba	\$875,000	2,120	\$413

**For-Sale Multi-Family  
And Single-Family Attached Listings**  
*City of Iowa City, Johnson County, Iowa*  
**May, 2019**

<u>Property (Year Built)</u> <u>Address/Walk Score</u>	<u>Number of</u> <u>Listings</u>	<u>Building</u> <u>Type</u>	<u>Unit</u> <u>Type</u>	<u>Asking Price</u>	<u>Unit Size</u>	<u>Asking Price</u> <u>Per Sq. Ft.</u>
<i>..... Individual Resale Listings .....</i>						
470 North 1st Ave		CO	2br/2ba	\$171,800	1,169	\$147
247 North Linn Street		CO	1br/1ba	\$234,900	688	\$341
2734 Blazing Star Drive		TH	3br/1ba	\$185,000	1,226	\$151
2539 Catskill Court		TH	3br/2ba	\$192,500	1,455	\$132
751 Mission Point Road		TH	3br/2.5ba	\$274,900	1,880	\$146
764 West Side Drive		TH	4br/3.5ba	\$275,000	2,948	\$93
763 Mission Point Road		TH	4br/4ba	\$279,900	2,283	\$123
103 Birkdale Court		TH	5br/4ba	\$750,000	3,482	\$215
<i>..... Peninsula Neighborhood Resales .....</i>						
1144 Swisher St		CO	2br/2ba	\$238,000	1,250	\$190
1140 Swisher St		CO	2br/2ba	\$238,500	1,260	\$189
2192 Willenbrock Circle		CO	2br/2ba	\$250,000	1,250	\$200
2357 Willenbrock Circle		TH	2br/3ba	\$219,000	1,368	\$160
1177 Foster Road		TH	2br/2ba	\$228,900	1,260	\$182
1250 Moses Bloom Lane		TH	2br/2.5ba	\$238,000	1,544	\$154
957 Walker Circle		TH	3br/3ba	\$255,000	1,856	\$137

## Summary Of Resale Listings and Newly-Constructed For-Sale Single-Family Detached Houses

*Iowa City, Johnson County, Iowa*  
**May, 2019**

<u>Property</u> <u>Address (Year Built)</u>	<u>Lot</u> <u>Size</u>	<u>Unit</u> <u>Type</u>	<u>Asking Price</u>	<u>Unit Size</u>	<u>Asking Price</u> <u>Per Sq. Ft.</u>
<i>...South Side...</i>					
<b>Sycamore Trails</b>	29 du				
Houser Development	9 pending sales				
1872 Dickenson Lane (2019)	.18 ac.	4br/3ba	\$299,990	2,029	\$148
1736 Dickenson Lane (2018)	.18 ac.	5br/3ba	\$334,900	2,414	\$139
1712 Dickenson Lane (2017)	.18 ac.	4br/3ba	\$335,000	2,362	\$142
1812 Dickenson Lane (2018)	.18 ac.	3br/2.5ba	\$339,900	2,136	\$159
1825 Dickenson Lane (2017)	.18 ac.	5br/3ba	\$339,900	2,850	\$119
1873 Dickenson Lane (2018)	.19 ac.	4br/3ba	\$350,000	2,471	\$142
1824 Dickenson Lane (2019)	.18 ac.	4br/3ba	\$354,900	2,778	\$128
1724 Dickenson Lane (2019)	.18 ac.	6br/3ba	\$364,990	2,683	\$136
<i>...West Side...</i>					
<b>Cardinal Pointe West</b>	46 du				
Navigate Homes	21 sold				
4943 Preston Lane (2017)	.27 ac.	5br/3ba	\$399,500	2,686	\$149
4902 Preston Lane (2019)	n/a	4br/3ba	\$399,900	2,559	\$156
4886 Preston Lane (2019)	n/a	5br/3ba	\$419,400	2,686	\$156
4872 Preston Lane (2019)	n/a	5br/3ba	\$419,400	2,534	\$166
1225 Ava Circle (2019)	n/a	5br/3.5ba	\$443,928	2,919	\$152
1258 Ava Circle (2019)	n/a	5br/3ba	\$519,500	3,099	\$168
1315 Ava Circle (2019)	n/a	5br/3.5ba	\$689,900	6,203	\$111
<i>...Individual New Construction Listings...</i>					
2751 Blazing Star Drive (2017)	.09 ac.	2br/1ba	\$175,000	768	\$228
2443 Indigo Drive (2018)	.16 ac.	3br/3ba	\$260,000	1,669	\$156
4088 Lillian Street (2018)	n/a	4br/3.5ba	\$309,900	2,204	\$141
671 Hanks Drive (2018)	.27 ac.	4br/3ba	\$325,000	2,461	\$132
3922 Grindstone Drive (2018)	n/a	3br/2.5ba	\$335,000	2,484	\$135
3978 Grindstone Drive (2019)	n/a	3br/2.5ba	\$337,900	2,484	\$136
4000 Grindstone Drive (2018)	.27 ac.	4br/3ba	\$345,000	2,380	\$145
15 Camden Road (2018)	.18 ac.	5br/3ba	\$337,500	2,482	\$136
703 Charismatic Lane (2019)	n/a	3br/2.5ba	\$337,900	2,484	\$136
601 Charismatic Lane (2018)	.22 ac.	5br/3.5ba	\$450,000	2,920	\$154
683 Charismatic Lane (2019)	.3 ac.	4br/2.5ba	\$500,000	2,683	\$186
4067 Lillian Street (2018)	.23 ac.	5br/3ba	\$339,900	2,482	\$137
1869 Chelsea Court (2018)	n/a	3br/3ba	\$350,000	2,108	\$166
185 Eversull Lane (2018)	.26 ac.	4br/3ba	\$369,900	2,305	\$160

## Summary Of Resale Listings and Newly-Constructed For-Sale Single-Family Detached Houses

*Iowa City, Johnson County, Iowa*  
**May, 2019**

<u>Property</u> <u>Address (Year Built)</u>	<u>Lot</u> <u>Size</u>	<u>Unit</u> <u>Type</u>	<u>Asking Price</u>	<u>Unit Size</u>	<u>Asking Price</u> <u>Per Sq. Ft.</u>
<i>...Individual New Construction Listings (continued)...</i>					
295 Colchester Drive (2018)	.22 ac.	4br/3ba	\$369,900	2,305	\$160
258 Colchester Drive (2019)	.25 ac.	3br/2ba	\$410,000	1,803	\$227
791 Silver Charm Lane (2018)	.25 ac.	3br/2ba	\$390,000	1,659	\$235
670 Thunder Gulch Road (2018)	.19 ac.	4br/3ba	\$390,000	2,827	\$138
758 Thunder Gulch Road (2019)	.2 ac.	4br/3ba	\$424,000	2,576	\$165
4127 Unbridled Ave (2018)	.2 ac.	5br/3ba	\$395,000	2,657	\$149
165 Charles Drive (2018)	.22 ac.	5br/3ba	\$424,900	2,695	\$158
4078 Buckingham Lane (2019)	.25 ac.	5br/3ba	\$428,900	2,489	\$172
4224 Buckingham Lane (2019)	.38 ac.	5br/3.5ba	\$599,900	3,332	\$180
252 Chadwick Lane (2018)	.18 ac.	5br/3.5ba	\$436,900	3,085	\$142
642 Sherwood Drive (2019)	.24 ac.	4br/3.5ba	\$449,301	2,997	\$150
790 Silver Lane (2018)	.21 ac.	5br/3ba	\$464,900	2,648	\$176
4173 Barbaro Ave (2018)	.2 ac.	5br/3ba	\$475,000	2,781	\$171
3443 Limerick Lane (2019)	n/a	5br/3.5ba	\$510,000	3,432	\$149
3485 Limerick Lane (2019)	.25 ac.	5br/3.5ba	\$510,000	3,432	\$149
858 Tranquil Bluff Trail (2019)	n/a	6br/3ba	\$549,900	3,050	\$180
1024 Camp Cardinal Road (2018)	.24 ac.	5br/3ba	\$575,000	2,888	\$199
791 Linder Road NE (2018)	1.05 ac.	5br/3.5ba	\$640,000	3,668	\$174
<i>... Proposed New Construction Listings ...</i>					
<b>Windmill Heights</b>	21 du				
Ruhl Homes					
487 Windmill Place	.23 ac.	6br/4.5ba	\$649,000	4,140	\$157
401 Windmill Place	.22 ac.	6br/4.5ba	\$649,000	3,790	\$171
453 Windmill Place	.2 ac.	6br/3.5ba	\$664,900	4,000	\$166
<i>...Individual Resale Listings...</i>					
2754 Blazing Star Drive (2016)	.12 ac.	3br/2ba	\$187,900	1,258	\$149
1866 Chelsea Court (2014)	.06 ac.	3br/2.5ba	\$229,900	1,566	\$147
2911 Whispering Meadows (2016)	.14 ac.	3br/3ba	\$247,900	1,669	\$149
4232 Unbridled Ave (2016)	.15 ac.	3br/2ba	\$250,000	1,696	\$147
1505 Terrapin Drive (2016)	.16 ac.	3br/2.5ba	\$255,000	1,781	\$143
2602 Hickory Trail (2016)	.18 ac.	4br/3.5ba	\$260,000	2,344	\$111
1048 Langenberg Ave (2016)	.18 ac.	4br/3.5ba	\$310,000	2,150	\$144
479 Teton Circle (2015)	.24 ac.	4br/3.5ba	\$325,000	2,252	\$144

**Summary Of Resale Listings and Newly-Constructed  
For-Sale Single-Family Detached Houses**

*Iowa City, Johnson County, Iowa*

**May, 2019**

<u>Property</u> <u>Address (Year Built)</u>	<u>Lot</u> <u>Size</u>	<u>Unit</u> <u>Type</u>	<u>Asking Price</u>	<u>Unit Size</u>	<u>Asking Price</u> <u>Per Sq. Ft.</u>
<i>...Individual Resale Listings (continued)...</i>					
1563 Dunley Court (2017)	.22 ac.	5br/3ba	\$347,900	2,496	\$139
119 Colchester Drive (2014)	.22 ac.	5br/3.5ba	\$372,900	2,846	\$131
822 Ryan Court (2014)	.18 ac.	4br/3ba	\$434,900	2,645	\$164
618 Sherwood Drive (2014)	.24 ac.	5br/3.5ba	\$439,900	3,271	\$134
4058 Grindstone Drive (2017)	.22 ac.	5br/3.5ba	\$470,000	3,325	\$141
<b>Cardinal Ridge</b>	<b>43 du</b>				
Navigate Homes					
976 Camp Cardinal Road (2016)	.27 ac.	5br/3ba	\$500,000	2,751	\$182
1038 Camp Cardinal Road (2016)	.26 ac.	5br/3.5ba	\$569,900	3,400	\$168
1073 Camp Cardinal Road (2016)	.29 ac.	4br/3.5ba	\$575,000	3,478	\$165
1052 Camp Cardinal Road (2017)	.26 ac.	5br/3.5ba	\$595,000	3,408	\$175
1682 Dunley Court (2016)	.4 ac.	5br/3.5ba	\$515,000	2,935	\$175
1122 Eagle Place (2015)	.22 ac.	4br/3ba	\$590,000	2,577	\$229
1155 Kyle Dr NE (2012)	1.08 ac.	5br/3.5ba	\$624,900	3,482	\$179
1180 Kyle Dr NE (2009)	1.09 ac.	5br/3.5ba	\$625,000	3,838	\$163
3017 Woodland Ridge Dr NE (2015)	1.51 ac.	6br/4.5ba	\$995,000	5,269	\$189
<i>...Peninsula Resale Listings...</i>					
1211 Foster Road (2003)	.1 ac.	4br/3.5ba	\$419,900	3,166	\$133
2233 Willenbrock Circle (2018)	.08 ac.	4br/3.5ba	\$438,000	2,206	\$199
640 Walker Circle (2012)	.24 ac.	4br/4ba	\$449,900	2,643	\$170
1280 Swisher Street (2010)	.15 ac.	5br/3.5ba	\$490,000	3,876	\$126

**Target Groups For New Multi-Family For Rent**  
**The South District Study Area**  
*Iowa City, Johnson County, Iowa*

. . . . . Number of Households . . . . .

<b>Empty Nesters &amp; Retirees**</b>	<i>60% to 80% AMI†</i>	<i>80% to 100% AMI†</i>	<i>Above 100% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
The One Percenters	0	0	1	1	0.2%
Small-Town Patriarchs	0	0	3	3	0.6%
Affluent Empty Nesters	0	0	2	2	0.4%
Suburban Establishment	1	1	5	7	1.5%
Urban Establishment	2	2	10	14	3.0%
New Empty Nesters	0	0	3	3	0.6%
Pillars of the Community	0	0	2	2	0.4%
Traditional Couples	0	0	2	2	0.4%
Second City Establishment	0	0	2	2	0.4%
Mainstream Empty Nesters	3	3	7	13	2.8%
Middle-American Retirees	1	1	4	6	1.3%
Multi-Ethnic Empty Nesters	1	1	1	3	0.6%
Hometown Retirees	0	0	2	2	0.4%
Cosmopolitan Couples	3	3	10	16	3.4%
Blue-Collar Retirees	3	3	5	11	2.3%
Middle-Class Move-Downs	0	0	1	1	0.2%
Village Elders	1	0	1	2	0.4%
Small-Town Seniors	2	2	4	8	1.7%
Second City Seniors	3	3	4	10	2.1%
Subtotal:	20	19	69	108	22.9%
<b>Traditional &amp; Non-Traditional Families††</b>					
Corporate Establishment	0	0	1	1	0.2%
Ex-Urban Elite	1	1	3	5	1.1%
Nouveau Money	0	0	3	3	0.6%
Button-Down Families	1	1	4	6	1.3%
Unibox Transferees	5	5	17	27	5.7%
Fiber-Optic Families	0	0	2	2	0.4%
Full-Nest Exurbanites	1	1	3	5	1.1%
New Town Families	1	1	3	5	1.1%
Late-Nest Suburbanites	3	3	8	14	3.0%
Full-Nest Suburbanites	1	1	3	5	1.1%
Small-Town Families	4	3	9	16	3.4%
Traditional Families	0	0	1	1	0.2%
Kids 'r' Us	1	1	2	4	0.8%
Multi-Ethnic Families	1	1	1	3	0.6%
Uptown Families	3	2	3	8	1.7%
Hometown Families	7	4	6	17	3.6%
In-Town Families	1	0	1	2	0.4%
Single-Parent Families	1	1	3	5	1.1%
Inner-City Families	1	0	1	2	0.4%
New American Strivers	4	2	2	8	1.7%
Subtotal:	36	27	76	139	29.5%

† For fiscal year 2019, Iowa City, IA HUD Metro FMR Area Median Family Income for a family of four is \$96,000.

\*\* Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

**Target Groups For New Multi-Family For Rent**  
***The South District Study Area***  
*Iowa City, Johnson County, Iowa*

. . . . . *Number of Households* . . . . .

<b>Younger Singles &amp; Couples**</b>	<i>60% to 80% AMI†</i>	<i>80% to 100% AMI†</i>	<i>Above 100% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
New Bohemians	3	3	17	23	4.9%
The VIPs	4	5	15	24	5.1%
Fast-Track Professionals	6	6	19	31	6.6%
Suburban Achievers	4	3	5	12	2.5%
Hometown Sweethearts	1	1	2	4	0.8%
Suburban Strivers	29	21	45	95	20.2%
Small-City Singles	3	3	5	11	2.3%
Second-City Strivers	7	5	7	19	4.0%
Multi-Ethnic Singles	2	1	2	5	1.1%
Subtotal:	59	48	117	224	47.6%
<b>Total Households:</b>	<b>115</b>	<b>94</b>	<b>262</b>	<b>471</b>	<b>100.0%</b>
<b>Percent of Total:</b>	<b>24.4%</b>	<b>20.0%</b>	<b>55.6%</b>	<b>100.0%</b>	

† For fiscal year 2019, Iowa City, IA HUD Metro FMR Area Median Family Income for a family of four is \$96,000.

\*\* Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;  
 Zimmerman/Volk Associates, Inc.

**Target Groups For New Multi-Family For Sale**  
**The South District Study Area**  
*Iowa City, Johnson County, Iowa*

. . . . . Number of Households . . . . .

<b>Empty Nesters &amp; Retirees**</b>	<i>60% to 80% AMI†</i>	<i>80% to 100% AMI†</i>	<i>Above 100% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
Small-Town Patriarchs	0	0	1	1	0.9%
Suburban Establishment	0	0	3	3	2.8%
Urban Establishment	0	0	3	3	2.8%
New Empty Nesters	0	0	1	1	0.9%
Pillars of the Community	0	0	1	1	0.9%
Second City Establishment	0	0	1	1	0.9%
Mainstream Empty Nesters	1	1	2	4	3.7%
Middle-American Retirees	1	1	0	2	1.9%
Multi-Ethnic Empty Nesters	0	0	2	2	1.9%
Hometown Retirees	0	0	1	1	0.9%
Cosmopolitan Couples	0	0	2	2	1.9%
Blue-Collar Retirees	1	1	1	3	2.8%
Small-Town Seniors	1	1	0	2	1.9%
Second City Seniors	0	0	1	1	0.9%
<b>Subtotal:</b>	<b>4</b>	<b>4</b>	<b>19</b>	<b>27</b>	<b>25.0%</b>
<b>Traditional &amp; Non-Traditional Families††</b>					
Ex-Urban Elite	0	0	2	2	1.9%
Nouveau Money	0	0	2	2	1.9%
Button-Down Families	0	0	2	2	1.9%
Unibox Transferees	2	2	8	12	11.1%
Fiber-Optic Families	0	0	1	1	0.9%
Full-Nest Exurbanites	0	0	2	2	1.9%
New Town Families	0	0	2	2	1.9%
Late-Nest Suburbanites	1	1	3	5	4.6%
Full-Nest Suburbanites	0	0	1	1	0.9%
Small-Town Families	1	1	3	5	4.6%
Kids 'r' Us	0	0	1	1	0.9%
Multi-Ethnic Families	0	0	1	1	0.9%
Uptown Families	1	0	1	2	1.9%
Hometown Families	1	1	1	3	2.8%
In-Town Families	0	0	1	1	0.9%
New American Strivers	0	0	1	1	0.9%
<b>Subtotal:</b>	<b>6</b>	<b>5</b>	<b>32</b>	<b>43</b>	<b>39.8%</b>

† For fiscal year 2019, Iowa City, IA HUD Metro FMR Area Median Family Income for a family of four is \$96,000.

\*\* Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

**Target Groups For New Multi-Family For Sale**  
***The South District Study Area***  
*Iowa City, Johnson County, Iowa*

. . . . . *Number of Households* . . . . .

<b>Younger Singles &amp; Couples**</b>	<i>60% to 80% AMI†</i>	<i>80% to 100% AMI†</i>	<i>Above 100% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
New Bohemians	0	0	3	3	2.8%
The VIPs	1	1	4	6	5.6%
Fast-Track Professionals	1	1	1	3	2.8%
Suburban Achievers	1	1	0	2	1.9%
Hometown Sweethearts	0	0	1	1	0.9%
Suburban Strivers	6	4	9	19	17.6%
Small-City Singles	1	0	1	2	1.9%
Second-City Strivers	1	0	1	2	1.9%
Subtotal:	11	7	20	38	35.2%
<b>Total Households:</b>	<b>21</b>	<b>16</b>	<b>71</b>	<b>108</b>	<b>100.0%</b>
<b>Percent of Total:</b>	<b>19.4%</b>	<b>14.8%</b>	<b>65.7%</b>	<b>100.0%</b>	

† For fiscal year 2019, Iowa City, IA HUD Metro FMR Area Median Family Income for a family of four is \$96,000.

\*\* Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;  
 Zimmerman/Volk Associates, Inc.

**Target Groups For New Single-Family Attached For Sale**  
**The South District Study Area**  
*Iowa City, Johnson County, Iowa*

. . . . . Number of Households . . . . .

<b>Empty Nesters &amp; Retirees**</b>	<u>60% to 80% AMI†</u>	<u>80% to 100% AMI†</u>	<u>Above 100% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
The One Percenters	0	0	1	1	0.7%
Small-Town Patriarchs	0	0	3	3	2.0%
Affluent Empty Nesters	0	0	1	1	0.7%
Suburban Establishment	1	1	4	6	4.1%
Urban Establishment	0	0	3	3	2.0%
New Empty Nesters	0	0	1	1	0.7%
Pillars of the Community	0	0	1	1	0.7%
Traditional Couples	0	0	1	1	0.7%
Second City Establishment	0	0	1	1	0.7%
Mainstream Empty Nesters	1	1	5	7	4.8%
Middle-American Retirees	1	1	1	3	2.0%
Multi-Ethnic Empty Nesters	0	0	2	2	1.4%
Hometown Retirees	0	0	1	1	0.7%
Cosmopolitan Couples	0	0	1	1	0.7%
Blue-Collar Retirees	1	1	3	5	3.4%
Small-Town Seniors	1	1	1	3	2.0%
Second City Seniors	0	0	1	1	0.7%
Subtotal:	5	5	31	41	27.9%
<b>Traditional &amp; Non-Traditional Families††</b>					
Corporate Establishment	0	0	1	1	0.7%
Ex-Urban Elite	1	1	2	4	2.7%
Nouveau Money	0	0	3	3	2.0%
Button-Down Families	1	1	1	3	2.0%
Unibox Transferees	3	3	11	17	11.6%
Fiber-Optic Families	0	0	2	2	1.4%
Full-Nest Exurbanites	1	1	1	3	2.0%
New Town Families	1	1	2	4	2.7%
Late-Nest Suburbanites	1	1	4	6	4.1%
Full-Nest Suburbanites	1	0	1	2	1.4%
Small-Town Families	2	1	2	5	3.4%
Traditional Families	0	0	1	1	0.7%
Kids 'r' Us	1	0	0	1	0.7%
Multi-Ethnic Families	0	0	2	2	1.4%
Uptown Families	1	1	1	3	2.0%
Hometown Families	2	1	1	4	2.7%
Single-Parent Families	0	0	1	1	0.7%
New American Strivers	1	0	0	1	0.7%
Subtotal:	16	11	36	63	42.9%

† For fiscal year 2019, Iowa City, IA HUD Metro FMR Area Median Family Income for a family of four is \$96,000.

\*\* Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

**Target Groups For New Single-Family Attached For Sale**  
***The South District Study Area***  
*Iowa City, Johnson County, Iowa*

. . . . . Number of Households . . . . .

<b>Younger Singles &amp; Couples**</b>	<u>60% to 80% AMI†</u>	<u>80% to 100% AMI†</u>	<u>Above 100% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
New Bohemians	0	0	3	3	2.0%
The VIPs	1	1	3	5	3.4%
Fast-Track Professionals	0	0	2	2	1.4%
Suburban Achievers	1	1	2	4	2.7%
Hometown Sweethearts	1	0	1	2	1.4%
Suburban Strivers	7	5	10	22	15.0%
Small-City Singles	1	1	1	3	2.0%
Second-City Strivers	0	0	2	2	1.4%
Subtotal:	11	8	24	43	29.3%
<b>Total Households:</b>	<b>32</b>	<b>24</b>	<b>91</b>	<b>147</b>	<b>100.0%</b>
<b>Percent of Total:</b>	<b>21.8%</b>	<b>16.3%</b>	<b>61.9%</b>	<b>100.0%</b>	

† For fiscal year 2019, Iowa City, IA HUD Metro FMR Area Median Family Income for a family of four is \$96,000.

\*\* Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

**Target Groups For New Urban Single-Family Detached For Sale**  
***The South District Study Area***  
*Iowa City, Johnson County, Iowa*

. . . . Number of Households . . . .

<b>Empty Nesters &amp; Retirees**</b>	<i>60% to 80% AMI†</i>	<i>80% to 100% AMI†</i>	<i>Above 100% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
The One Percenters	0	0	6	6	1.4%
Small-Town Patriarchs	1	1	8	10	2.4%
Affluent Empty Nesters	1	1	8	10	2.4%
Suburban Establishment	3	3	20	26	6.1%
Urban Establishment	0	0	1	1	0.2%
New Empty Nesters	1	2	9	12	2.8%
Pillars of the Community	1	1	6	8	1.9%
Traditional Couples	1	1	6	8	1.9%
Second City Establishment	1	1	6	8	1.9%
Mainstream Empty Nesters	3	3	10	16	3.8%
Middle-American Retirees	3	3	6	12	2.8%
Multi-Ethnic Empty Nesters	1	1	1	3	0.7%
Hometown Retirees	1	1	2	4	0.9%
Blue-Collar Retirees	4	4	7	15	3.5%
Middle-Class Move-Downs	0	0	1	1	0.2%
Village Elders	1	1	1	3	0.7%
Small-Town Seniors	3	2	4	9	2.1%
Second City Seniors	0	0	2	2	0.5%
Subtotal:	25	25	104	154	36.3%
<b>Traditional &amp; Non-Traditional Families††</b>					
Corporate Establishment	0	0	3	3	0.7%
Ex-Urban Elite	4	4	22	30	7.1%
Nouveau Money	1	1	7	9	2.1%
Button-Down Families	4	4	16	24	5.7%
Unibox Transferees	7	7	23	37	8.7%
Fiber-Optic Families	3	3	7	13	3.1%
Full-Nest Exurbanites	4	4	14	22	5.2%
New Town Families	5	4	13	22	5.2%
Late-Nest Suburbanites	2	2	6	10	2.4%
Full-Nest Suburbanites	1	1	3	5	1.2%
Small-Town Families	3	2	5	10	2.4%
Traditional Families	0	0	1	1	0.2%
Kids 'r' Us	2	2	3	7	1.7%
Multi-Ethnic Families	1	1	2	4	0.9%
Uptown Families	3	2	4	9	2.1%
Hometown Families	2	1	2	5	1.2%
In-Town Families	1	0	1	2	0.5%
Single-Parent Families	0	0	1	1	0.2%
New American Strivers	1	0	0	1	0.2%
Subtotal:	44	38	133	215	50.7%

† For fiscal year 2019, Iowa City, IA HUD Metro FMR Area Median Family Income for a family of four is \$96,000.

\*\* Predominantly one- and two-person households.

†† Predominantly three- to five-person households.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

**Target Groups For New Urban Single-Family Detached For Sale**  
***The South District Study Area***  
*Iowa City, Johnson County, Iowa*

. . . . Number of Households . . . .

<b>Younger Singles &amp; Couples**</b>	<i>60% to 80% AMI†</i>	<i>80% to 100% AMI†</i>	<i>Above 100% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
The VIPs	1	1	3	5	1.2%
Fast-Track Professionals	0	0	1	1	0.2%
Suburban Achievers	3	3	6	12	2.8%
Hometown Sweethearts	2	1	4	7	1.7%
Suburban Strivers	6	4	11	21	5.0%
Small-City Singles	3	2	4	9	2.1%
Subtotal:	15	11	29	55	13.0%
<b>Total Households:</b>	<b>84</b>	<b>74</b>	<b>266</b>	<b>424</b>	<b>100.0%</b>
<b>Percent of Total:</b>	<b>19.8%</b>	<b>17.5%</b>	<b>62.7%</b>	<b>100.0%</b>	

† For fiscal year 2019, Iowa City, IA HUD Metro FMR Area Median Family Income for a family of four is \$96,000.

\*\* Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

## Optimum Market Position--Affordable/Workforce, and Market-Rate Dwelling Units

### *The South District Study Area*

*Iowa City, Johnson County, Iowa*

**May, 2019**

<i>Percent of Households Number</i>	<i>Housing Type</i>	<i>Base Rent/Price Range*</i>	<i>Base Unit Size Range</i>	<i>Base Rent/Price Per Sq. Ft.*</i>	<i>Annual Market Capture</i>
<b>41.0%</b>	<b>Multi-Family For-Rent: Courtyard Bldgs; Mansion Bldgs (4-6 du per building)</b>				<b>71 to 94</b>
212	Microlofts, Lofts <i>Studio/1ba, 1br/1ba, 2br/1ba, 2br/2ba</i>	\$950 to \$1,750	400 to 1,100	\$1.59 to \$2.38	32 to 42
259	Apartments <i>1br/1ba, 2br/2ba, 3br/2ba</i>	\$1,300 to \$2,250	750 to 1,350	\$1.67 to \$1.73	39 to 52
<b>9.4%</b>	<b>Multi-Family For-Sale: Courtyard Bldgs; Mansion Bldgs (4-6 du per building)</b>				<b>11 to 16</b>
38	Lofts <i>1br/1ba, 2br/2ba</i>	\$135,000 to \$195,000	750 to 1,100	\$177 to \$180	4 to 6
70	Condominiums <i>1br/1.5ba, 2br/2.5ba, 3br/2.5ba</i>	\$175,000 to \$325,000	900 to 1,700	\$191 to \$194	7 to 10
<b>12.8%</b>	<b>Single-Family Attached For-Sale: Duplexes; Triplexes; Rowhouses; Townhouses</b>				<b>15 to 22</b>
56	Triplexes; Rowhouses <i>2br/1.5ba, 2br/2.5ba</i>	\$165,000 to \$210,000	950 to 1,250	\$168 to \$174	6 to 8
91	Duplexes; Townhouses <i>2br/2.5ba, 3br/2.5ba</i>	\$230,000 to \$375,000	1,350 to 2,300	\$163 to \$170	9 to 14
<b>36.9%</b>	<b>Single-Family Detached For-Sale: Cottages/Bungalows; Houses</b>				<b>42 to 64</b>
157	Cottages/Bungalows <i>1br/1ba, 2br/2.5ba</i>	\$145,000 to \$225,000	800 to 1,300	\$173 to \$181	16 to 24
267	Houses <i>Three- to Five-Bedrooms</i>	\$275,000 to \$525,000	1,500 to 2,950	\$178 to \$183	26 to 40
<b>100.0%</b>					<b>139 to 196</b>
<b>1,150</b>	target households				new units/year

NOTE: Base rents/prices in year 2019 dollars and exclude floor and view premiums, options and upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.



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Residential Market Analysis Across the Urban-to-Rural Transect

### ASSUMPTIONS AND LIMITATIONS—

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at the national, state, and county levels. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. However, this information cannot be warranted by Zimmerman/Volk Associates, Inc. While the proprietary residential target market methodology™ employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of the subject property. Absorption paces are likely to be slower during recessionary periods and faster during periods of recovery and high growth. Absorption scenarios are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this report and that the developer will apply high-caliber design, construction, marketing, and management techniques to the development of the property.

Recommendations are subject to compliance with all applicable regulations. Relevant accounting, tax, and legal matters should be substantiated by appropriate counsel.





## ZIMMERMAN/VOLK ASSOCIATES, INC.

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Residential Market Analysis Across the Urban-to-Rural Transect

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