

List of Sections

	<u>Page</u>
Introduction	2
Executive Summary	4
Demographic Estimates and Projections	18
Student Population Data	31
Employment and Economic Trends	39
Existing Housing Data	51
Rental Housing Analysis	62
Senior Housing with Services	105
Findings and Recommendations	119
Home Ownership Recommendations	126
Rental Housing Recommendations	137
Small Cities and Towns Summary	153

Introduction

Overview

Community Partners Research, Inc., was hired by the Brookings Economic Development Corporation (BEDC) to update selected sections of a comprehensive housing study completed in 2007 that analyzed the housing needs and conditions in the City of Brookings and in the Brookings Area.

Goals

The multiple goals of the Update include:

- ▶ Examine new demographic estimates and projections following the 2010 Census
- ▶ Provide an updated examination of students in Brookings and student housing
- ▶ Examine future housing trends that the area can expect to address in the coming years
- ▶ Examine changes to the existing inventory of housing, including rental market conditions
- ▶ Review and update recommendations to ownership and rental housing based on current supply and demand

Methodology

A variety of resources were utilized to obtain information. Community Partners Research, Inc., collected and analyzed data from December 2012 to June 2013. Data sources included:

- ▶ U.S. Census Bureau
- ▶ Demographic projections from the State Data Center
- ▶ Records and data from the City
- ▶ Records and data maintained by Brookings County
- ▶ Elected officials and staff from the City
- ▶ People familiar with the area's housing conditions including property managers, and developers
- ▶ Area housing agencies
- ▶ State and Federal housing agencies
- ▶ Rental property owner surveys

Limitations

This Housing Study represents an analysis performed with the data available at the time of the Study. The findings and recommendations are based upon current solutions and the best available information on future trends and projections. Significant changes in the area's economy, employment growth, Federal or State tax policy or other related factors could change the conclusions and recommendations contained in this Housing Study.

This study was prepared by:

Community Partners Research, Inc.
10865 32nd Street North
Lake Elmo, MN 55042
(651) 777-1813

Executive Summary

This 2013 document is an Update to the 2007 Brookings Area Housing Study, which was completed for the Brookings Economic Development Corporation. The 2013 Update has specifically focused on changes that have occurred within the City and the surrounding market area concerning demand for ownership and rental housing. The document has been organized into several different sections, as listed below. The Executive Summary follows in the same format, and provides some of the highlights from each of the individual sections.

- ▶ Demographic Estimates and Projections
- ▶ Student Population Data
- ▶ Employment and Local Economic Trends
- ▶ Existing Housing Data
- ▶ Rental Housing Analysis
- ▶ Senior Housing with Services Inventory
- ▶ Findings and Recommendations
- ▶ Small Cities and Towns Summary

Demographic Estimates Highlights

- ▶ The research completed in 2007 had correctly determined that the official demographic estimates that were available at that time were inaccurate. It was clear that Brookings had been growing rapidly, but population estimates from the U. S. Census Bureau were not tracking this growth. Community Partners Research had therefore generated its own demographic estimates. We had conservatively estimated that annual population growth of approximately 333 people and 120 households had been occurring in Brookings County after the 2000 Census.
- ▶ With the release of the 2010 Census, a new demographic benchmark was established. Over the last decade Brookings County had annual average population growth of 375 people per year, and average annual household growth of 136 households per year, even higher than the estimated annual growth that had been indicated by our 2007 research.
- ▶ The large majority of the County's growth occurred within the City of Brookings. Between 2000 and 2010, the City added nearly 3,300 people and approximately 1,200 households. Among the smaller communities only Volga had significant growth, adding 163 households during the decade. In percentage terms, nearly 88% of the population growth and 87% of the household growth in Brookings County over the last decade were directly attributed to growth within the City of Brookings.

Demographic Projection Highlights

- ▶ The original Study from 2007 had used a projection that Brookings County would add approximately 110 new households per year through the year 2015. The growth rate used in that Study had been calculated at a conservative rate due to the changing age composition of the area. We had expected nearly all of this growth to occur within the City of Brookings, although we had acknowledged that some of the smaller cities also had the potential to capture a share of this growth.
- ▶ Based on the more accurate demographic benchmark that became available with the release of the 2010 Census, this Update has used a revised projection that Brookings County will add between 120 and 140 households per year in the near-future. We would expect that approximately 85% of this net growth will be within the City of Brookings. Certain small cities, including Aurora and Volga, should also add households, serving as bedroom communities to Brookings.
- ▶ The newest age-based projections continue to support the findings cited in the 2007 Study, as the large “baby boom” generation moves through the aging cycle. Net household growth between the years 2010 and 2015 will primarily be due to an increasing number of households in the age groups 55 and older. However, some increase in the number of households in the age ranges between 25 and 44 years old should also contribute to overall household growth in the County.

Student Population Highlights

- ▶ Student enrollment at SDSU has had an impact on past demographic trends in Brookings. During the previous decade, an increasing student population at SDSU in Brookings had been a significant contributing factor to overall population growth for the region. Although the decennial Census and SDSU enrollment data cannot be perfectly matched, the best information would point to student population growth of more than 2,000 students living in Brookings between the years 2000 and 2010.
- ▶ The large population of young adults in Brookings, presumably students, had a very significant impact on the local housing market between 2000 and 2010. Based on a comparison of Census records, approximately 31% of the net increase in renter households in the last decade was due to renter households age 24 and younger. Approximately 79% of the City’s net increase in renter households in the last decade was due to growth in renters age 34 and younger.

- ▶ Going forward, it is probable that enrollment will increase again. Based on the most recent goals outlined in SDSU's **Impact 2018**, a comfort enrollment of approximately 11,400 students in Brookings has been defined, based on facilities and resources available on the campus. If achieved, this would be growth of more than 1,000 students over the next five years.
- ▶ While the Brookings-based student population is expected to grow in size by 2018, the projected enrollment for 2013 is only slightly higher than the level at the start of the 2012/13 year. By the start of the fall 2013 academic year, SDSU will have completed a multi-year residence hall construction and renovation project, and demand for off-campus units is therefore expected to be slightly lower than at the start of the previous year. Over a five-year period, it is probable that student growth will generate demand for off-campus housing, if future enrollment goals are achieved between 2014 and 2018.
- ▶ Although enrollment is projected to increase, there is also the possibility that a public-private student housing apartment complex could be built on University-owned land near the center of the campus. While still in the research stage, it could add housing for between 200 and 400 additional students and could be constructed by 2015. At the time of the research for this Update, proposals from private development groups were being evaluated, but no decision to proceed had been made.

Employment and Economic Trends Highlights

- ▶ The Brookings area has continued to have a very low rate of unemployment. In 2012, the unemployment rate was at 3.7% in Brookings County. The County did experience some impact from a national economic recession, but this was limited. In 2007, the County's unemployment rate had been only 2.2%. By 2010 it had increased to 4.4%. However, since 2007 the County's unemployment rate has been less than half of the national unemployment rate.
- ▶ While the unemployment rate in the Brookings area remains low, the rates in other nearby jurisdictions also remain low. As a result, there is competition for working-age residents, and little excess labor within the immediate region. The 2012 unemployment rate in Sioux Falls was at 4.0% and was at 3.4% in the Fargo-Moorhead area. The unemployment rates in the areas around Watertown, Huron and Aberdeen were very similar to those in Brookings County in 2012. Most of these areas have also been working to attract and retain a suitable labor force.

Existing Housing Inventory Highlights

- ▶ The last 13 years have been a very strong time period for new housing construction activity in Brookings. From January 2000 to the end of December in 2012, City building permit reports show that more than 2,000 housing units were constructed.
- ▶ In prior decades, rental housing construction in Brookings had historically tended to exceed units intended for owner-occupancy. This pattern reversed over the last 13 years, as the City added nearly 1,200 units in single family detached and attached housing, compared to approximately 850 units in styles that would appear to be intended as rental housing.
- ▶ Although most Brookings households continue to rent their housing unit, there has been some recent shift toward owner-occupancy. Between 2000 and 2010, the City's rental tenure rate decreased slightly and the owner-occupancy rate increased.
- ▶ While single family construction was especially strong in Brookings for most of the last decade, it did slow somewhat in the past few years. From 2000 to 2009, the City was averaging approximately 97 new construction single family units per year. Over the past three years, the annual average has dropped to approximately 73 units per year.
- ▶ Rental housing tends to be constructed in a more cyclical production pattern, with large-scale projects in some years, and very limited multifamily construction in other years. From 2000 to 2008, the City was averaging approximately 41 new construction units per year in multifamily buildings and duplexes. However, over the past five years, the City has averaged more than 100 rental units per year, with some of these still under construction in early 2013. Additional 2013 building permit issuance is expected for multifamily rental construction.
- ▶ Some housing construction has also been occurring outside of Brookings, in both the smaller cities and rural areas. Volga and Aurora have been the most active in new single family construction, and Volga has also had multiple apartment projects that were built. Both communities are expected to have ongoing home construction at a limited scale in the future, due to their locations near Brookings.
- ▶ Existing home sales were reviewed for a 12-month period ending October 31, 2012. There were 262 sales of existing single family houses in Brookings that appeared to be fair market transactions. The median sale

price for this time period was \$152,000. Nearly 48% of all recent existing home sales were in the price ranges between \$110,000 and \$169,999.

- ▶ The volume of home sales in the small cities was often limited, so the sales reviewed may not always be an accurate indicator of overall values. However, the median sales prices were lower than in Brookings. Volga and Aurora had the highest sales medians, at \$132,750 and \$128,000, respectively, as the small communities tend to offer lower home prices.

Rental Housing Inventory Highlights

- ▶ At the time of the 2010 Census, the rental housing tenure rate in Brookings was at 52.9%, the highest rate of renter-occupancy of South Dakota's largest cities. However, this was down from the rental rate of 53.6% that had existed in the year 2000.
- ▶ While there is no definitive number on the size of the rental housing inventory in Brookings in 2013, there are at least two ways to estimate the rental stock. Using 2010 Census data and building permit issuance since that time, a working estimate of approximately 4,700 rental units of all types may exist in 2013. The City's Rental Registration Program listed 4,228 units in January 2013, but would not have included units being constructed or units such as senior assisted living, which offer specialized rental housing but are not required to register with the City.
- ▶ The vacancy rate in conventional market rate housing has increased in recent years. The usable information collected for this Update pointed to a vacancy rate of nearly 5% in this segment of the market at the start of 2013. A survey of similar properties completed for the 2007 Study had found essentially no vacancies within this segment of the market. If the estimated vacancy rate is applied to the total inventory of conventional rental units, then between 170 and 200 unoccupied units may exist in Brookings. Information from public meetings in June 2013 pointed to an even higher rate of vacancy, although student movement at the end of the school year always results in substantial unit turnover at this point in the year.
- ▶ Rental rates tend to vary widely in Brookings in the conventional segment. Units that are older generally are in a more modest range, but many newer projects also exist, including some with attractive amenities. As a result, Brookings also has a number of higher rent options. Some of the newer housing is oriented to students where roommates share the rent and live in three-bedroom or four-bedroom rentals.

- ▶ Vacancy rates in other segments of the rental inventory tend to be lower than in conventional market rate housing. No vacancies were identified in the moderate rent tax credit portion of the market. A high occupancy rate is consistent with the findings of the research in 2007. However, 40 additional tax credit units will become available in 2013, representing an expansion of nearly 50% in the unit supply of this form of income-restricted housing.

- ▶ Vacancy rates in federally-subsidized housing, with rent based on household income, also remain relatively low in 2013. Many subsidized projects have active waiting lists. A waiting list also exists for tenant-based rent assistance Vouchers in 2013, indicating unmet demand for subsidized housing resources. Instead of expanding, like other segments of the rental market, the inventory of deep subsidy rental housing in Brookings has grown smaller in recent years, as some older projects have fulfilled their contractual obligations and have converted to conventional rental housing.

- ▶ Rental housing in the smaller communities also serves area renter households. The communities that are closest to Brookings, such as Volga, have seen new construction activity to serve renters. In 2007, some of the smaller communities that are farther removed from Brookings had experienced some higher rates of vacancy, but in 2013, occupancy rates are generally high, although most units are also very affordable. The rise in vacancy rates in Brookings has been a relatively recent occurrence. It is possible that households that could not find a suitable unit in Brookings in the past may have moved to these outlying communities. If vacancy rates in Brookings remain above the longer-term average for conventional rentals, it is possible that some households may move out of the smaller communities and back into Brookings in the future.

Findings and Recommendations Summary

The Findings and Recommendations for the Update have focused on demand for ownership and rental housing opportunities.

Home Ownership

- ▶ The calculations used for this Update continue to show strong demand for owner-occupancy housing opportunities in Brookings. Most of the net growth that is anticipated over the next few years will be among households in the age ranges between 55 and 74 years old. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced and trade-up housing. There is also relatively strong growth projected among younger adult households, primarily in the 25 to 44 year old range, although net decreases are projected within the other groups age 54 and younger. Younger adult households move to an increasingly higher rate of home ownership as they age, and form a market for both starter homes and trade-up housing.
- ▶ The new projections calculated for this Update expect a combination of factors to generate demand for 105 to 115 owner-occupancy units in an average year. Based on past trends, up to 85% of the owner-occupancy demand has been met by home ownership options within the City of Brookings, and up to 15% of the demand by the smaller communities and rural areas. These numbers are averages, and it is very possible that production in some years will be above or below this distribution level.
- ▶ While the average annual projection of demand for 90 to 100 owner-occupancy units within the City of Brookings can be defended by statistical calculations, there have been years when the City has exceeded this level of new construction. However, this has not happened since 2009, and in each of the past three years, single family home construction has been below the lower end of the projected range.
- ▶ New construction of entry-level single family homes in Brookings has been limited in recent years due to costs for land, infrastructure and building. Some of the smaller surrounding communities have been able to target this segment of the market. In the 2007 Study, a goal of approximately 20 homes per year had been identified. Based on the research completed for this Update, we have increased that target to 25 to 30 homes per year.

- ▶ Building attractive, amenity-filled housing for households age 55 and older will continue to be an important part of the home ownership market in Brookings County. This should represent a mix of trade-up single family homes, as well as attached housing options that will appeal to mature households as they age. The projections used for this Update would expect that 70% to 75% of the new construction demand will come from moderate to higher-priced home buyers.
- ▶ The projected near-term lot usage in Brookings would be within a range of 100 to 120 lots per year. The City's available lot inventory, with approximately 250 improved lots and up to 410 lots in some stage of development, should be adequate to meet the expected demand. Since the local development community can proceed quickly with new lot platting and development, it does not appear that an overall lot shortage has the future potential to constrict new home construction.
- ▶ Based on listing prices, very few options would seem to exist in the price range below \$30,000. It would be advantageous for the City to encourage the development of lower-priced lots for more affordable ownership options. However, land prices in Brookings have historically been high, due to development pressure. Infrastructure costs and drainage plans also contribute to lot pricing. To develop lower-priced subdivisions in the past, some form of public assistance has generally been required, such as the use of tax increment financing.
- ▶ More affordable lots are being created in neighboring small communities. Much of the recent home building success achieved in Aurora appears to be due to affordable subdivision development. A number of lots are listed for sale in Aurora at \$24,000, more than \$6,000 below the lowest prices identified in Brookings. Volga may also have a new affordable subdivision planned.
- ▶ The projections used for this 2013 Update do expect a rebound in the construction of attached single family housing. This may largely be a function of increased consumer confidence that housing markets have fully recovered. The demand estimates presented earlier in this section expect that attached single family housing can account for as much as 20% of future owner-occupancy construction activity in Brookings. This would typically be in the range of 20 to 25 units per year, primarily serving the mid-level to higher-end segment of the market.

- ▶ The Brookings area has well established nonprofit groups, including Habitat for Humanity and Inter-Lakes Community Action, which have been successfully developing affordable homes for lower income buyers. The households being assisted would not be able to purchase a new home without the assistance provided by these nonprofit groups.

Rental Housing

- ▶ The vacancy rate in the conventional segment of the market is currently higher than it has been in the recent past. Based on the survey of multifamily rental units completed in December 2012, the conventional rental housing vacancy rate was at 4.9%, or potentially higher. Although rental property owners and managers would prefer a lower level of vacancy, a rate between 3% and 5% is typically viewed as a balanced market, which allows renters some options and choices in finding rental housing. In Brookings, where employment growth has resulted in a low unemployment rate, rental housing availability can allow for an in-migration of people looking to fill jobs. Tenants can also benefit from increased price competition, which helps to limit annual rent increases.
- ▶ Although a vacancy rate approaching 5% is atypical for Brookings, it is not overly high by the standards of most communities. Semiannual vacancy surveys completed in the Sioux Falls conventional market only recorded two time periods between 2002 and 2011 when the vacancy rate in that community dropped below 5%.
- ▶ In the opinion of Community Partners Research, the recent rise in the vacancy rate has primarily been caused by unit supply expanding at a greater level than the growth in rental demand. Although the City will continue to add renter households in the future, new units coming on-line in 2013 will further expand the available supply, and it is probable that vacancy rates will remain unchanged, or increase during the remainder of this year. The possible removal of some student renters in the fall of 2013, due to an expansion of on-campus housing, will also limit the near-term potential for increased unit absorption.
- ▶ Brookings has had a cyclical production cycle for rental housing in the past. For example, in three of the past five years, there have been more than 100 rental units constructed per year, according to building permit reports. However, in the other two years, only 32 total rental units were built. Given the current vacancy rate, it is probable that new unit construction will slow until vacancy rates begin to decrease.

Consistent with this opinion, information from the City's Planning Department indicates that new projects have not been entering the planning/development pipeline.

- ▶ SDSU's decision on the proposed Northwest Quadrant project may impact future rental housing construction activity. Depending on the size of a proposed public-private rental project on the campus, the Northwest Quadrant has the potential to remove additional student households from the broader rental market, possibly by the year 2015. However, new enrollment goals that were just being made available in June point to potential enrollment growth of more than 1,000 students in Brookings between 2012 and 2018. If these goals are reached, demand for student housing would greatly exceed the proposed beds that may be added in the Northwest Quadrant project.
- ▶ The new demand calculations prepared for this Update indicate annual demand for rental housing should grow by 45 to 60 households in a typical year. This should help to gradually absorb the units in the community that are currently vacant or that will come on-line in the next year. The calculations in this Update were made with the assumption that future growth from student renters would be limited, based on an expectation of a stable enrollment at SDSU. The new enrollment goals released shortly before the publication of this Update point to the potential for student growth. If achieved, renter demand, including students living off-campus, would be greater than projected, especially in the years closer to 2018.
- ▶ In the 2007 Study we had encouraged additional conventional unit construction to meet growing demand. In 2013, this recommendation has been revised and we would now recommend that the need for additional units be monitored until the impact of newly built projects and the expansion of on-campus housing options can be fully evaluated. This new recommendation is based on supply and demand considerations, not competitive positioning. It is probable that some new units will be built, and these units may prove to be very successful. But overall, if unit supply continues to exceed the growth in demand, vacancies will persist in less competitive housing.
- ▶ In the tax credit rental segment, we would also recommend that the demand for moderate rent units be monitored in 2013. A new, 40-unit town house tax credit project will come on-line in the spring of 2013, and will represent an expansion of nearly 50% in the local inventory of tax

credit, moderate rent units. If these units are successfully absorbed without negative impacts on older tax credit projects, then additional tax credit development would be appropriate in the future.

- ▶ In the income-restricted subsidized segment of the market, where rent is typically based on ability to pay, there is evidence of growing, unmet demand. At the time of the 2007 Study, a very strong local economy and new restrictions on student-occupancy had resulted in lowered demand for subsidized resources, and some programs such as rent assistance Vouchers were underutilized. This has changed in 2013 as a waiting list exists for rent assistance, and vacancy rates are low in project-based assisted housing. Unlike other segments of the local rental market, the supply of subsidized resources has decreased over time as more units have been lost through contract termination than have been gained through new construction.
- ▶ A new issue has emerged in the 2013 research regarding tenant-based Vouchers. The potential exists that some of these resources could be lost, as some rent assistance Vouchers may be ported out of Brookings County over the next year. It appears that some households have moved to Brookings to obtain a Voucher with the intent of porting it to a new location after one year.
- ▶ Some expansion has been occurring within the specialized senior housing inventory that provides housing with services. Consistent with the recommendations contained in the 2007 Study, a specialized memory care housing option will open in Brookings in 2013, and a modest addition has been made to the supply of assisted living units in the City.
- ▶ There appears to have been some contraction of assisted living units in the smaller communities around Brookings, but this would generally be consistent with the desire of many frail seniors to live in the regional center, with easier access to services and medical facilities.
- ▶ There continues to be a limited supply of units in Brookings providing only light services to seniors, despite strong projected demographic growth within the younger senior age ranges. This represents a market opportunity for future housing development.

Small Community Highlights

- ▶ **Arlington** has been able to maintain a relatively stable household level over the past decade, despite an ongoing reduction of people, which is generally associated with an aging population. From a housing standpoint, Arlington has been able to add home owners. One of the primary reasons is probably the very affordable prices for existing single family houses in the community. Although there is a fairly long commuting time, it appears that Arlington residents may be working in accessible regional centers in addition to Brookings, such as Madison and Watertown.
- ▶ **Aurora** has been one of the most successful small communities in attracting a share of the regional housing construction activity. The Town added both population and households between 2000 and 2010, and there is evidence that an even greater level of growth has occurred after 2010, as more than 30 new homes have been constructed within the past few years. Developers have been creating affordable residential subdivisions and future phases are planned. Most Aurora residents commute for employment, but the ease of travel to the eastern edge of Brookings, where many large employers are located, has made Aurora successful as a bedroom community. Only Volga has a shorter commuting time to Brookings, and no other small city alternative is located closer to the eastern side of Brookings.
- ▶ **Bushnell** is a rather stable community that has not seen any significant changes in recent decades. Few new housing units have been added, and as a result, the household level has remained largely unchanged for the past 30 years. The Town's population level continues to decrease, as smaller average household size and an aging population result in fewer people per housing unit. Bushnell primarily provides housing for owner-occupants, and the best information indicates that most residents probably commute to Brookings for work. The Town is tied with Aurora as having the second shortest drive time to Brookings, with only Volga being a closer alternative. Home values are assumed to be low, but the supply is fixed, and few houses appear to turn over each year.
- ▶ **Bruce** lost both people and households in the last decade, but when viewed over a longer time period, Bruce is a relatively stable community from a household perspective. Ongoing population loss has occurred due to an aging population and declining average household size. Records indicate that some new houses have been built in Bruce over time, but it is also probable that some older housing has been lost. The best

available information points to a low average home price, making Bruce an affordable alternative for households willing to commute, as most residents appear to drive to Brookings for employment.

- ▶ **Elkton** experienced some growth in the last decade, adding 59 people and 19 households. However, very limited housing growth has been occurring in the last few years, probably due to an affordable home project that was developed but was largely unsuccessful. Affordable homes that were built for sale have instead been used as rentals, although they are still available for purchase. With a commute time of approximately 25 minutes to downtown Brookings, Elkton is farther removed than some of the other small communities. Fewer than half of the residents appear to be commuting to Brookings for employment. For people willing to drive farther, Elkton does appear to offer some affordable ownership options, in both newer and older houses.
- ▶ **Estelline** is a community that may have experienced a significant amount of housing turnover in recent years. Between 2000 and 2010, the City's population increase was much greater than its household increase, pointing to the possibility that younger families with children may be locating in the community. Earlier in the last decade there was some home building activity in Estelline, but this has slowed in recent years. Much of the growth in younger families may be attributable to affordable, rental housing options, as the City gained renters but lost home owners over the last decade. Home values appear to be relatively low, and this may have resulted in some lower-priced homes being converted to rental use. The drive time from Estelline to downtown Brookings is more than 30 minutes, making it a longer commute than most of the other small cities. As a result, the best available information points to only 34% of residents that are probably commuting to Brookings for employment.
- ▶ **Sinai** is a small community that has not changed significantly in recent decades. Very limited housing construction has occurred, and the household count in the Town has been unchanged since 1980. The population has gradually grown smaller over time. Sinai primarily offers owner-occupancy housing options, and home values appear to be relatively low, but few houses appear to turn over each year. Despite a travel time of approximately 25 minutes to downtown Brookings, it appears that the large majority of Sinai residents do commute to Brookings for employment.

- ▶ **Volga** has been the most successful small community in attracting a portion of the regional growth, adding 333 people and 163 households between 2000 and 2010. Much of the success has come from the construction of rental housing, as Volga is the only small city that has been able to add a substantial number of rental units. Although Volga will continue to be an alternative location for area renters, some of the past success may have been due to the extremely low rate of rental vacancy in Brookings. A recent increase in rental housing availability in Brookings may result in increased competition for tenants. Volga has also had some success with ownership housing, but in recent years Aurora has been the leading alternative for people living outside of Brookings. Volga has the shortest drive time to Brookings of any of the surrounding small communities, and this is especially true for jobs located on the western side of Brookings. According to the 2011 American Community Survey, approximately 75% of Volga's residents commuted between 5 and 19 minutes, and presumably choose to live in Volga but work in Brookings.
- ▶ **White** had been adding some households in prior decades, but between 2000 and 2010 the City lost a few households. Population losses were larger, due to fewer people per household. Although White did add some houses through new construction in the early part of the last decade, the number of occupied housing units declined, pointing to an even larger loss of older housing units. In the past few years, very few new units have been constructed. Although White has a drive time of approximately 24 minutes to downtown Brookings, much of this route is by interstate highway, and the travel time to the eastern edge of Brookings, where many employment opportunities exist, is relatively easy. It therefore appears that approximately 62% of White's residents may commute to Brookings for employment. The ease of travel to Brookings, despite the distance, has helped to keep home prices in White higher than in most of the other small cities, and lower than only Aurora and Volga, the two closest commuter communities.

Demographic Estimates and Trends

Population Estimates and Trends

In 2007, Community Partners Research had completed a Housing Study for Brookings that examined available demographic data. At the time of the 2007 research, the most recent population data for Brookings and the surrounding area were from the Census Bureau's annual estimate's program, and were effective July 1, 2006. Although the annual estimates that are issued by the Census Bureau in the years between the decennial Census provide some insight into population levels, they can be flawed. We had stated in the 2007 document that the estimates for Brookings and Brookings County were overly conservative and that they did not agree with the local research that had been completed for the Housing Study.

The new benchmark that was established by the 2010 Census now provides a better look at population trends for the area. The following table displays the 2010 population estimates from the decennial Census. Consistent with the 2007 Study, the following table also looks at surrounding small communities, as well as a seven-county region consisting of counties that share a border with Brookings County. The other six Counties are Deuel, Hamlin, Kingsbury, Lake and Moody Counties in South Dakota, along with Lincoln County in Minnesota.

Table 1 Population Trends - U.S. Census Bureau - 1980 to 2010					
	1980 Census	1990 Census	2000 Census	2010 Census	% Change 2000-2010
Brookings	14,951	16,270	18,763	22,056	17.6%
Brookings County	24,332	25,207	28,220	31,965	13.3%
7-County Region	67,184	64,754	68,373	70,962	3.8%

Source: U.S. Census Bureau

The 2010 Census corrected the underestimation that had been present in the annual, intercensal estimates. Between 2000 and 2010, the City of Brookings added nearly 3,300 people, for a population increase of 17.6%.

Although some of the other small cities in the surrounding region also added population, Brookings was the major contributor to area-wide growth. The remaining jurisdictions in Brookings County added 452 people outside of the City of Brookings. For the entire seven-county region, there was a net loss of more than 700 people, if the City of Brookings is excluded from the aggregation.

Table 2 Population Trends - U.S. Census Bureau - 1980 to 2010

	1980 Census	1990 Census	2000 Census	2010 Census	% Change 2000-2010
Arlington	991	908	992	915	-7.8%
Aurora	507	619	500	532	6.4%
Bruce	254	235	272	204	-25.0%
Bushnell	76	81	75	65	-13.3%
Elkton	632	602	677	736	8.7%
Estelline	719	658	675	768	13.8%
Sinai	129	120	133	120	-9.8%
Volga	1,221	1,263	1,435	1,768	23.2%
White	474	536	530	485	-8.5%

Source: U.S. Census Bureau

While population growth was very limited outside of Brookings, some of the small cities also experienced growth over the last decade. Volga added more than 330 residents, Estelline added 93 people, Elkton added 59 people, and Aurora added 32 residents. For most of the other small cities, there has been a long-term pattern of population loss.

The seven-county region has also had a long-term pattern of population loss outside of the City of Brookings. If Brookings is removed from the aggregation, the remaining jurisdictions have witnessed a population decrease from 52,233 people in 1980 to 48,906 people in 2010, a reduction of 6.4%.

2011 Census Bureau Estimates

The U.S. Census Bureau continues to produce population estimates for each year between the decennial Census. Only one estimate point has been released following the 2010 Census, effective July 1, 2011.

For the City of Brookings, the 2011 estimate was 22,228, up 172 people from the 2010 Census. For all of Brookings County, the 2011 estimate was up 261 people from the 2010 Census.

Although the intercensal estimates were somewhat unreliable in the past, it is possible that going forward they will provide better information for the Brookings area, since the 2010 Census has demonstrated a pattern of strong population growth for the community.

Household Estimates and Trends

The 2010 Census also allows for more accurate tracking of the changes in household levels in recent decades.

Table 3 Households Trends - 1980 to 2010					
	1980 Census	1990 Census	2000 Census	2010 Census	% Change 2000-2010
Brookings	4,797	5,685	6,971	8,159	17.0%
Brookings County	8,005	8,910	10,665	12,029	12.8%
7-County Region	N/A	24,020	26,513	27,789	4.8%
Arlington	399	404	424	420	-0.9%
Aurora	178	202	205	233	13.7%
Bruce	91	96	105	95	-9.5%
Bushnell	28	27	32	28	-12.5%
Elkton	253	239	267	286	7.1%
Estelline	273	279	290	297	2.4%
Sinai	60	52	54	52	-3.7%
Volga	450	487	571	734	28.5%
White	177	189	198	195	-1.5%

Source: U.S. Census Bureau; Community Partners Research, Inc.

The 2010 Census showed that strong household growth occurred within the City of Brookings over the last decade. Between 2000 and 2010, the City added nearly 1,200 households, for an increase of 17%. This continued a long-term pattern of household growth dating back to at least 1980.

All of Brookings County added 1,364 households in the last decade, although this was primarily due to growth within the City of Brookings. When Brookings is removed, the net growth in the County's other jurisdictions was only 176 households.

Consistent with the population trends, some of the small cities also added households. Volga had the largest numeric gain, adding 163 households during the decade. Aurora added 28 households, Elkton added 19 households and Estelline added seven households.

All of the other small cities lost households between 2000 and 2010, although the numeric reduction was often small. As noted in the 2007 Study, most of the small cities have had reasonably stable household counts when viewed over a thirty-year time period. Despite ongoing population losses, a reduction in the number of people with the average household has meant that household counts have not decreased as rapidly.

The larger, seven-county region has remained relatively stable. When the City of Brookings was removed from the aggregation, the remaining area added 88 households between 2000 and 2010.

Average Household Size Estimates and Trends

Average household size information is from the decennial U.S. Census, dating back to 1980.

Table 4 Average Household Size Trends - 1980 to 2010				
	1980 Census	1990 Census	2000 Census	2010 Census
Brookings	2.48	2.33	2.26	2.29
Brookings County	2.65	2.48	2.38	2.36
Seven County Region	N/A	2.52	2.42	2.36
Arlington	2.36	2.13	2.23	2.09
Aurora	2.85	3.06	2.44	2.28
Bruce	2.79	2.45	2.59	2.15
Bushnell	2.71	3.00	2.34	2.32
Elkton	2.50	2.47	2.51	2.53
Estelline	2.42	2.14	2.13	2.40
Sinai	2.15	2.32	2.46	2.31
Volga	2.68	2.56	2.51	2.41
White	2.37	2.51	2.54	2.31

Source: U.S. Census Bureau; Community Partners Research, Inc.

For much of the State and nation, average household sizes have grown smaller in recent decades. An aging population, changes in household and family composition, a lower birth rate and more people living alone have all contributed to fewer people in a typical household.

Over the last decade, the City of Brookings reversed this trend. The average household size in 2010 was slightly larger than in 2000. This may have been due to more young families with children entering the community. However, it also may have been caused by changes in student households. For example, if more students lived in roommate households than in the past, this also could have increased the typical household size.

For all of Brookings County and the entire seven-county region, the average household size did decrease over the last decade. Most of the small cities also experienced decreases. The notable exceptions were Estelline and Elkton. Estelline, in particular, showed a large increase in the average household size. In 2000, Estelline's average household was relatively small, at only 2.13 persons. A small average household size is often an indication of a large population of senior citizens. It is possible that Estelline had a large amount of household turnover, with younger families replacing senior households that had been present in 2000.

Demographic Projections

2010 Projected Population

The 2007 Housing Study had presented different population projections for the City of Brookings and for Brookings County. The projections for the City were taken from the Vision 2020 Plan, the City's comprehensive Planning document. The projections for Brookings County were from the South Dakota State Data Center.

In both cases, the projections for the population level in 2010 proved to be too low, as the area grew at a faster rate than had been projected. This was especially true for the City of Brookings. The "high end" projection for the year 2010 had been 21,000 people. According to the 2010 Census, the City's actual population level was 22,056, more than 1,000 people above the most optimistic projection. The State Data Center's projection for the County was off by less than 1,000 people, but again the higher level of growth within the City of Brookings also caused this forecast to be overly conservative.

2015 Projections

Although the Vision 2020 projections for Brookings were low for the year 2010, the "high end" projection for 2015 had pointed to as many as 23,000 City residents. Based on the 2011 estimate of 22,228 people, the 2015 high end projection still has a chance to be reasonably accurate, assuming the one-year incremental increase of 172 people is a reflection of recent growth patterns.

The State Data Center has now revised its county-level projections, to incorporate the benchmark that was established by the 2010 Census. The Data Center's new "medium series" preliminary projection for Brookings County is 33,845 people by the year 2015. To achieve this projected level, the County would need to add 1,880 people between 2010 and 2015.

An alternate population projection for Brookings County has been generated by Community Partners Research, by trending past demographic patterns forward to the year 2015. Using this method, a County population of 33,577 people would be expected, or a net increase of 1,612 people between 2010 and 2015.

To achieve either of the available projections, Brookings County would need to average between 322 and 376 additional residents per year over the five-year period. For comparison, the County averaged 375 people per year between 2000 and 2010. However, the latest estimate from the Census Bureau shows the County adding only 276 people in the one-year period between 2010 and 2011.

Population Projections by Age - 2010 to 2015

The population projections prepared by the South Dakota State Data Center include the projected changes by age range. Community Partners Research has also generated a set of age-based projections using the trends that were evident in the 2010 Census. In the table below, we have presented both sets of projections for Brookings County in 2015. We have also provided 2010 Census data for comparison.

Table 5 Brookings County Projected Persons by Age - 2010 to 2015					
Age	2010 Census	State Data Center		Community Partners Research	
		2015 Projection	Projected Change	2015 Projection	Projected Change
0-4	1,907	1,971	+64	1,945	+38
5-9	1,697	1,927	+230	1,890	+193
10-14	1,562	1,716	+154	1,709	+147
15-19	3,643	3,712	+69	3,822	+179
20-24	6,358	5,972	-386	6,216	-142
25-29	2,647	2,696	+49	2,865	+218
30-34	1,774	2,254	+480	1,909	+135
35-39	1,526	1,787	+261	1,849	+323
40-44	1,469	1,540	+71	1,589	+120
45-49	1,622	1,482	-140	1,567	-55
50-54	1,736	1,617	-119	1,566	-170
55-59	1,650	1,723	+73	1,595	-55
60-64	1,204	1,628	+424	1,417	+213
65-69	917	1,159	+242	1,180	+263
70-74	698	852	+154	868	+170
75-79	543	613	+70	634	+91
80-84	465	455	-10	462	-3
85+	547	741	+194	494	-53
Total	31,965	33,845	1,880	33,577	1,612

Source: U.S. Census; South Dakota State Data Center; Community Partners Research, Inc.

The age-based forecasts expect significant movement of the population within the defined age ranges. The projected changes would primarily reflect the movement of the existing County population through the aging cycle for the time period reviewed. The projections would also represent an informed prediction of the probable population changes that would be expected as a certain portion of the population moves into or out of the County during the 5-year time period.

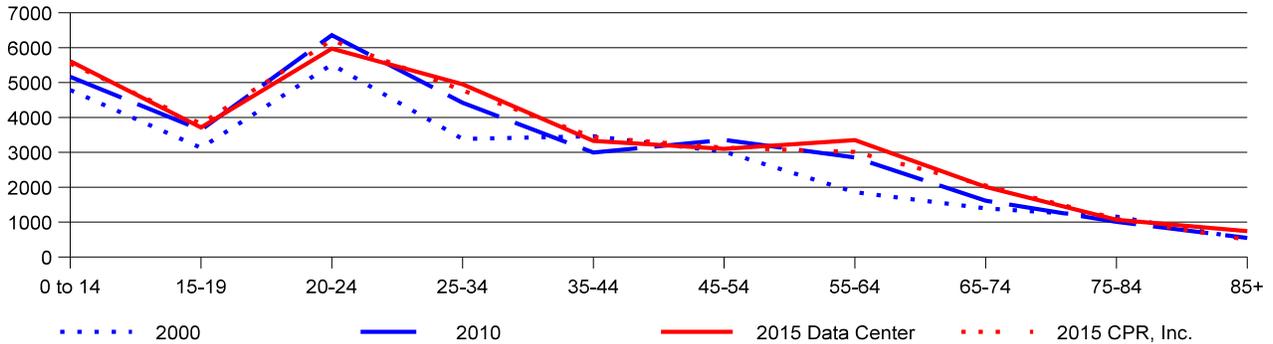
Most of the age ranges are expected to increase in size. One notable exception would be a reduction in the number of young adults within the 20 to 24 year old age group, which would typically represent a traditional student attending SDSU. Both projection sources show a modest decrease in this young adult age group. The State Data Center is based at SDSU, and it is possible that their Brookings County projections utilize information on future enrollment. The Community Partners Research projections are calculated from trend-based patterns, and have not been adjusted in the student ranges using specific information about future enrollment.

Both sources also show reductions in the age groups between 45 and 54 years old. This group represents the age cohorts that follow immediately behind the advancing baby boomers, and these groups are nearly always smaller size.

Strong growth is projected within the age groups that will represent the baby boomers in 2015. While there are some numeric variations between the sources, both expect a large net increase in the age groups between 55 and 74 years old. There is also strong net growth that is projected in the younger adult groups between 30 and 39 years old.

One significant difference between the projection sources is in the number of older senior citizens, age 85 and above. The State Data Center projections anticipate that this group will increase in size by more than 35%, while the Community Partners Research projection shows a modest loss in this age group. While growth in this oldest senior range is certainly possible, in the opinion of Community Partners Research, this growth could only be achieved by a high level of net in-migration from outside of Brookings County. Large-scale growth has not tended to be present in the senior age groups immediately younger than age 85, so this growth would not tend to occur naturally, from people aging in place.

Brookings County Population by Age - 2000 to 2015



The line chart above depicts age distribution patterns for Brookings County in 2000 and 2010, while also displaying both sets of age-based predictions for 2015. Although the movement of the baby boomers through the aging cycle is somewhat evident in the chart, the “wave” created by this large segment of the population is not overly prominent in Brookings County. Instead, the impact of the large younger adult population, due to post-secondary students attending SDSU, is the dominant aspect of the age distribution patterns.

Brookings County Household Projections - 2000 to 2015

The 2007 Housing Study had included household projections for all of Brookings County. These projections had been extrapolated by Community Partners Research, but were based on population data from the State Data Center. The projections had expected 11,976 households in the County by the year 2010. The projections from 2007 did prove to be reasonably accurate. At the time of the 2010 Census, Brookings County had 12,029 households, or 53 more households than had been forecast.

This 2013 Update has reviewed available information to make projections to the year 2015. Although these are short-term projections, the incremental change from year-to-year between 2010 and 2015 also represents a good indication of annual average growth that could be expected immediately after 2015.

The available projections from the State Data Center are only for total population. However, it is possible to extrapolate household projections from this data, using some basic assumptions about group quarters populations and expected changes in the average household size.

The age-based projections from Community Partners Research also yield an overall household forecast for the County, as displayed in the following table.

Table 6 Brookings County Household Projections - 2010 to 2015					
	2010 Households	Extrapolation from State Data Center		Community Partners Research	
		2015 Projection	Change 2010-2015	2015 Projection	Change 2010-2015
Brookings County	12,029	12,998	969 / 8.1%	12,724	695 / 5.8%

Source: 2010 Census; Community Partners Research, Inc.

The State Data Center's population forecast would yield a net gain of approximately 969 total households Countywide between 2010 and 2015. On an average basis, this would be 194 Countywide households in a typical year.

The Community Partners Research projections also show growth, but at a lower level, with 695 net households expected over a five-year time period. On an average basis, this would be 139 households in a typical year.

For comparative purposes, the County averaged 136 households per year over the last decade, so achieving the higher level of future growth, as indicated by the Data Center, would require an accelerated rate of change going forward.

Household by Age Projections: 2010 to 2015

With the release of the 2010 Census, a new benchmark has been established for age-related statistics for the Brookings area. In the following table, Community Partners Research has generated age-based household projections for Brookings County to the year 2015.

The first set of age-based projections has been extrapolated from preliminary population forecasts that have just been issued by the South Dakota State Data Center. They have been converted into households using past calculations on the average household size that has existed within specific age ranges.

The second set of projections was created by Community Partners Research by trending forward past retention rates within defined age cohorts, and assuming that these past patterns are reasonable predictors of future age-based population changes.

One modification has been made to the household data. In the fall of 2013, additional on-campus student housing capacity will be available at SDSU. This should increase the number of group quarter's residents in the age ranges between 18 and 24 years old. As a result, a downward adjustment has been made to the following table to reflect a reduced number of households within the youngest adult age group. No similar adjustment has been made to the population projection table, since group quarters residents would still be part of the population.

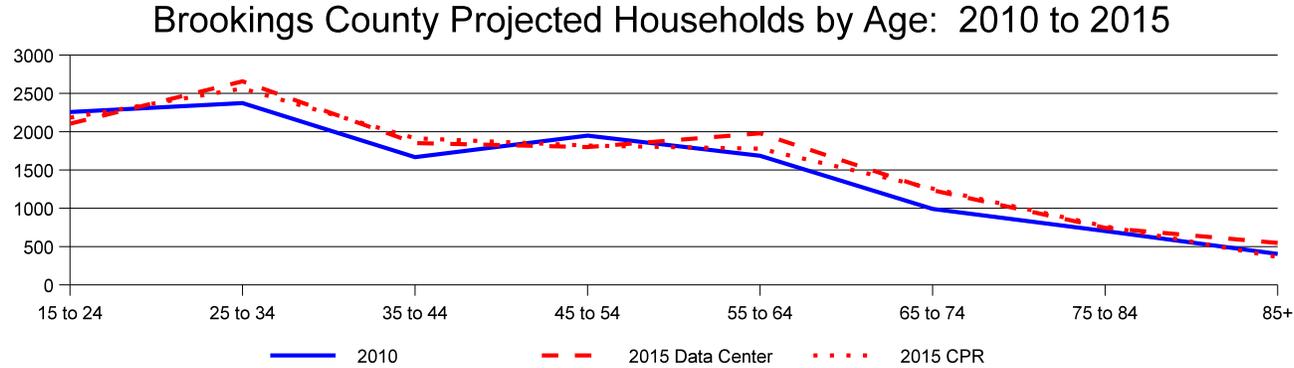
With the exception of the adjustment made for students in university housing, both sets of projections otherwise assume that historical patterns will continue into the near-future, especially related to household formation and household size within specific age groups. If the area can grow at a rate that is faster than past patterns would suggest, then more people would migrate into the area, and traditional age-based forecasts could be altered.

Table 7 Brookings County Projected Households by Age - 2010 to 2015

Age Range	2010 Census	Extrapolated from State Data Center		Community Partner Research	
		2015 Projection	Change from 2010	2015 Projection	Change from 2010
15-24	2,256	2,104	-152	2,184	-72
25-34	2,373	2,657	+284	2,563	+190
35-44	1,667	1,852	+185	1,914	+247
45-54	1,949	1,799	-150	1,819	-130
55-64	1,685	1,978	+293	1,778	+93
65-74	992	1,235	+243	1,258	+266
75-84	703	745	+42	764	+61
85+	404	547	+143	364	-40
Total	12,029	12,917	+888	12,644	+615

Source: U.S. Census; Community Partners Research, Inc.

While the two projection methods do yield some differences for the age-based forecasts, in general terms they offer a reasonably similar expectation through the year 2015. The relative similarity becomes more evident when viewed as a line chart showing the progression from 2010 to 2015.



The projections from Community Partners Research are slightly more optimistic for the number of younger households. If all of the age groups age 44 and younger are aggregated, the Community Partners Research projections point to probable growth of 365 households. The extrapolation from the State Data Center indicates a net gain of 317 households within these younger adult groups.

While both projections show growth in the middle-aged adult and young senior age ranges, the forecasts derived from the State Data Center show a larger net increase in households. The Community Partners Research projection shows a net increase of 229 households in the age ranges between 45 and 74 years old, while the Data Center extrapolation shows net growth of 386 households. Much of this difference is due to differing opinions about the number of households in the 10-year range between 55 and 64 years old.

The most significant difference between the two projections is in the oldest senior citizen age range, age 85 and older. The State Data Center population projections expect a 35% increase in the number of older seniors in Brookings County by 2015. This yields a significant net increase in older senior households, since many people in this oldest range live alone. In contrast, the Community Partners Research projection points to a possible reduction in the oldest senior age group, based on the fact that the number of seniors age 75 to 84 years old declined in the County over the last decade.

It is the analysts' opinion that to achieve this large net growth in older senior population and households, Brookings County would need to attract people from outside the immediate area, as growth of more than 35% within this one defined age cohort would not occur within a five-year time period from natural age progression patterns.

If the examination of the projections excludes the number of older senior households, in the age groups 85 and older, the difference between the two sources is only 90 households over a five-year period.

Student Population Data

The City of Brookings has a large population of post-secondary students, primarily attending South Dakota State University. Students have a major impact on the local housing market. This section provides additional information about student populations and student housing. Information for this section was obtained from various sources, including the U.S. Census Bureau and from staff at South Dakota State University.

Student Population in Brookings - Previous Census Bureau Estimates

Prior to 2010, the U.S. Census Bureau had collected information in the decennial census on post-secondary enrollment. Information from the 1990 and 2000 Censuses had been included in the 2007 Housing Study. According to the 2000 Census, there were 6,236 post-secondary students living in Brookings. This included 5,800 people enrolled as undergraduates and 436 people enrolled in graduate or professional programs. The total student population of 6,236 people in 2000 represented 33.2% of the entire City population. There were also some students residing elsewhere in Brookings County.

The only student information that was collected in the 2010 Census related to group quarters residents that were living in some form of college/university housing. In 2010, there were 3,192 people living in these types of residences. No further information was available on students living in private market housing in the area. The 2010 Census information would have been collected in April, near the end of the academic year, when occupancy of student housing would have been near its lowest point, as some students would have moved out during the prior terms.

The 2011 American Community Survey does provide an estimate of the size of the resident student population. This estimate is based on random sampling and does have a margin of error that applies to the estimate. As a result, the American Community Survey information has been reviewed, but specific estimates are not reported by the analysts. The 2011 American Community Survey estimates, when compared to the 2000 Census, do show growth in the number of students living in both Brookings and Brookings County. This would be consistent with the growth in overall Brookings-based enrollment, as reported on the following pages.

SDSU Enrollment

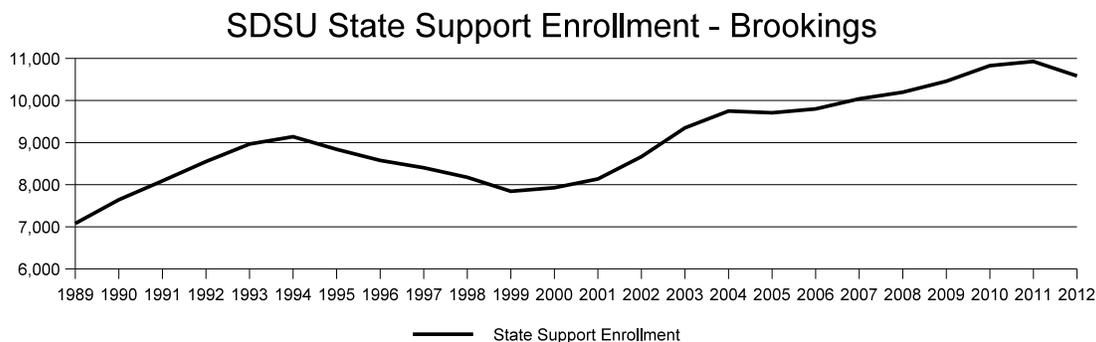
SDSU offers classes at locations that are outside of Brookings, including a facility in Sioux Falls and internet-based opportunities. Identifying the exact enrollment in Brookings is not possible, since some students may take classes in both Sioux Falls and Brookings.

There were two different student counts provided by SDSU that help to define a Brookings-based population. One of these counts uses information on the classification of “state support” enrollment, which will generally represent a group that takes one or more classes in Brookings. Total SDSU enrollment through all available options is substantially higher than “state support” enrollment, especially in the most recent years.

The Office of Institutional Research at SDSU has provided a “state support” enrollment census for the University dating back to 1989. The enrollment count is made in the fall, at the start of a new academic year, and includes both graduate and undergraduate students.

Table 8 SDSU “State Support” Enrollment Census - 1989 to 2012					
Academic Year	State Support Enrollment	Academic Year	State Support Enrollment	Academic Year	State Support Enrollment
1989	7,080	1997	8,401	2005	9,709
1990	7,642	1998	8,174	2006	9,801
1991	8,090	1999	7,843	2007	10,040
1992	8,550	2000	7,928	2008	10,198
1993	8,966	2001	8,136	2009	10,458
1994	9,140	2002	8,666	2010	10,828
1995	8,840	2003	9,351	2011	10,928
1996	8,575	2004	9,749	2012	10,583

Source: Office of Institutional Research, SDSU



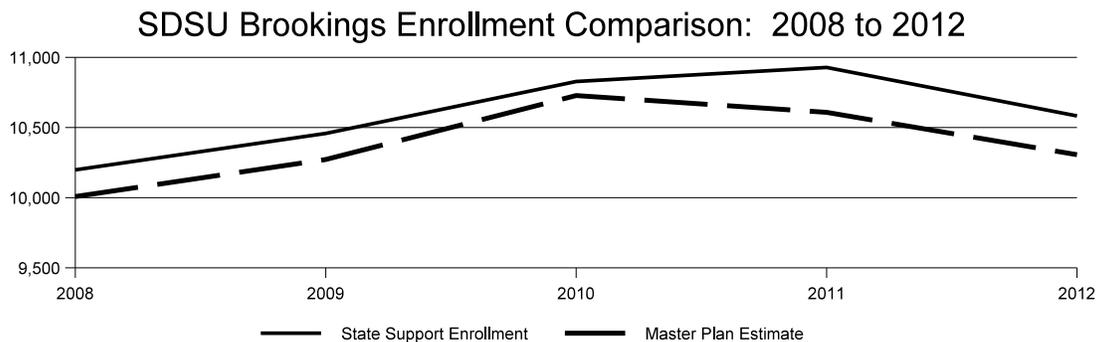
The total estimated “state support” enrollment in Brookings at the start of the 2012/2013 academic year was 10,583 students. When compared with longer-term patterns dating back to 1989, this level was well above the historic levels. However, in 2010 and 2011, the State support enrollment was even higher, peaking at 10,928 students at the start of the 2011 academic year, before decreasing slightly in 2012.

A second estimate has also been prepared by SDSU to better reflect their count of enrolled students actually on the Brookings campus. These estimates are based on a Master Plan for the period between 2011 and 2018. While the analysts view this source as a more accurate estimate, it has only been generated for the last five years, and does not provide a longer-term perspective that is available through the “state support” totals.

Table 9 Brookings Campus Enrollment Estimates: 2008 to 2012					
Class Standing	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012
Freshmen/Sophomores (required to live on-campus)	3,832	3,947	4,102	4,067	4,068
Junior/Senior/Transfer	5,101	5,018	5,299	5,323	5,030
All Graduate Students	1,075	1,307	1,327	1,218	1,208
Total	10,008	10,272	10,728	10,608	10,306

Source: South Dakota State University

The Brookings-based student population totals in Table 12 are slightly lower than the estimates derived from “state support” enrollment. However, they do tend to show similar trends, with some recent up and down movement in student populations. When the two estimates are graphed over the five-year time period, they reflect these similar trends.



Projected Enrollment

In an attempt to better understand the potential for future changes in the student population, information was obtained from South Dakota State University concerning projected enrollment. This information indicates that the 2010 and 2011 academic years may have represented a recent “peak” enrollment in Brookings. In 2012, the State-supported enrollment was at 10,583 students, down from 10,928 students in 2011, the highpoint for the time period reviewed. The Master Plan student estimate shows a population of 10,306 students in the fall of 2012, down from a peak of 10,728 students at the start of the 2010 academic year.

Throughout the course of research for this Study, enrollment projections available from SDSU were changing, as new information on upper class retention and freshman acceptance became available. The first projections that were reviewed for the 2013 academic year pointed to a minor decrease of approximately 100 students between 2012 and 2013. However, new projections released shortly before this Study was printed indicate that Brookings-based enrollment may be up by approximately 40 students at the start of the 2013/14 academic year, due to an increased number of freshmen/sophomores.

More importantly there was also some change in a “comfort enrollment” that is based on the capacity of the institution’s infrastructure and facilities. At the start of research for this Study, SDSU officials identified that a “comfort enrollment” figure for Brookings was set at approximately 10,500 students. However, a new plan to the year 2018 was later released which raised the comfort enrollment number to 11,400 students in Brookings.

Although recent enrollment levels and future projections have remained within a fairly consistent range, there is some degree of unpredictability that is evident from year to year. Based on the new goals and plans, it is probable that the peak enrollment levels reached in 2010 and 2011 will be exceeded in the near-future. However, this will ultimately be dictated by retention and acceptance rates among students. As will be discussed in the information that follows, there will be competition for students in this region of the U.S.

Regional Trends Impacting Future Enrollment

The 2007 Housing Study had cited available information on high school graduation patterns in South Dakota and neighboring states. In general, there had been a projected decline in available high school graduates in the geographic areas that tend to supply traditional students to SDSU.

Despite the potential for declining enrollment, SDSU actually grew its enrollment after 2007, and achieved peak enrollment levels in 2010 and 2011. This may have been caused by multiple factors that were not evident in 2007. Most notably, a sudden decline in the nation's economy caused unemployment rates to rapidly increase. This appears to have resulted in more people choosing to attend post-secondary institutions, or staying in school in response to poor employment prospects.

A second factor that also impacted enrollment was the inclusion of education-related assistance programs as part of the federal stimulus effort that began in 2008. Programs to retrain existing workers and to encourage people to further their educations resulted in above-average levels of financial assistance for post-secondary education.

Looking forward, many of the same high school enrollment trends cited in 2007 continue to exist in the region around Brookings. The Western Interstate Commission for Higher Education (WICHE) has issued projections for all 50 states for the number of high school graduates. The most recent projections were generated in 2008. WICHE examined trends between 1987 and 2005, and then projected high school graduation data between 2008 and 2022.

Community Partners Research examined this information for South Dakota, and the four neighboring states of North Dakota, Nebraska, Iowa and Minnesota. SDSU has traditionally attracted a large percentage of its new students from the immediate region. WICHE's national projections were also reviewed.

In the period between 2004-05 and 2021-22, WICHE expects the number of high school graduates nationwide to increase by 8.6%. However, this projected growth will be unevenly distributed, with growth in the South and West, and losses in the Midwest and Northeast. For the Midwest region, the decrease in the number of graduates is projected to be 3% between 2004-05 and 2021-22.

For the five state region of South Dakota, North Dakota, Nebraska, Iowa and Minnesota, there is a general pattern of decline in the number of high school graduates over the next few years. The number of graduates should begin to increase in Iowa starting in the 2012-13 school year, in Minnesota and Nebraska starting in the 2014-15 school year, in South Dakota in the 2017-18 school year, and in North Dakota in the 2018-19 school year.

While SDSU has had great success in reaching peak enrollment levels in recent years, there will probably be increased competition for traditional students in the surrounding region for the next few years.

Student Housing Options

Housing for SDSU students is provided in both on-campus housing options that are part of the University system, and through off-campus housing controlled by the private market.

On-Campus Housing

SDSU requires that undergraduate students that are less than three years removed from high school reside in on-campus housing, unless a waiver is granted. Most of this housing is provided through residence hall options. The residence halls have been undergoing significant changes in recent years, and in 2013, active construction is still underway on student housing.

At the time of the 2007 Housing Study, the on-campus housing summary had included eight residence hall options, with the capacity to house 3,286 students. The number of beds was lower than the number of freshmen and sophomores, resulting in some need for temporary housing, including the use of “day rooms” for student occupancy. Day rooms had previously been intended for study areas/social spaces. Although not specifically researched in 2007, it is probable that some waivers were being issued to allow students to live off-campus, due to a shortage of on-campus housing.

The 2007 Study also identified student housing in apartment-style units. These units were available to undergraduate students who were more than two years removed from high school, and also to graduate students. These apartment-style options had combined capacity for 320 students. Family student housing was available in two complexes. At a minimum, these projects could house 48 students, with the potential for up to 88 residents, if more than one family member was enrolled.

While the total person-capacity could fluctuate, the estimated housing total in 2007 would have been approximately 3,650 to 3,700 students. Although no specific count of freshmen/sophomores was contained in the 2007 Study, there were probably close to 3,800 underclass students that were required to live on-campus, but fewer than 3,400 beds dedicated to house those students.

When all of the current housing activity that is underway in 2013 is completed, the total on-campus capacity will be approximately 4,420 beds. When compared to the estimated totals in 2007, on-campus housing options appear to have increased by as many as 750 total beds. However, the number of freshmen/sophomores required to live in on-campus housing has also increased

due to enrollment growth, and is estimated to be at least 250 greater than the level that existed in 2007.

According to enrollment statistics provided by SDSU, there were 4,068 freshmen/sophomores at the start of the 2012/13 academic year required to live on-campus, and 277 allowed to live off-campus. The latest projections for 2013/14 point to the number of on-campus freshmen/sophomores increasing to 4,157 students, with another 277 allowed to live off-campus. The 2013/14 total still exceeds the 4,040 beds that should be available for underclass student housing when all of the residence hall projects are completed. The remaining underclassmen will probably be housed in beds typically available to upperclassmen. The remaining capacity in the upperclass housing inventory would continue to be available to juniors, seniors and graduate students.

The most recent SDSU-generated projections for 2013/14 do expect that fewer students will be living off-campus, when compared to 2012/13. Their projection is that 99 fewer students will be living off-campus at the start of the next academic year. Translating students into households can be difficult to estimate, but at two to three students per household, 99 fewer students would yield approximately 33 to 50 fewer households in the private housing market, when compared to the fall of 2012.

However, to the extent that future enrollment can be gradually increased to the new "comfort enrollment" goal of 11,400 students in Brookings, there should be a stable to increasing population of students that will be looking for housing opportunities off-campus after the 2014/15 academic year.

Private Market Housing

Most SDSU students residing in or around Brookings live in private market housing, primarily rental housing. SDSU estimates indicate that more than 6,200 students were living off-campus at the start of the 2012/13 academic year. This number is down approximately 850 students from the estimated level in 2010/11, when enrollment was higher and the on-campus options were more limited.

Projections obtained from SDSU for the fall of 2013 do show the potential that approximately 100 fewer students will be living off-campus. If the most recent projections are accurate, then it is probable that between 33 and 50 fewer student households will be looking for off-campus housing at the start of the next academic year. This does assume that occupancy rates are very high in the newly created on-campus units and that waivers are not issued for off-campus residency.

According to the 2010 U.S. Census, there were 4,316 occupied rental housing units in the City of Brookings. This represents the most recent official rental tenure estimate that is available. The renter households in 2010 represented 52.9% of all households in the City. For comparison, the Statewide rental tenure rate was 31.9% in 2010. Brookings' rental tenure rate was higher than the rate in the other large cities in South Dakota, including Watertown (36.5% renter), Sioux Falls (37.6%), Pierre (37.6%), Yankton (38.1%), Aberdeen (40.1%), Huron (40.1%), Rapid City (42.5%) and Mitchell (44.1%).

The high rate of renter occupancy in Brookings is a direct result of the large student population attending South Dakota State University. According to 2010 Census records, there were 1,953 renter households in Brookings that had a head of household age 24 and younger. Most traditional undergraduate students would be within this young adult age group. In contrast, there were only 118 households in the City with a head of household age 24 and younger that owned their housing unit in 2010. The rental tenure rate for these young adult households was above 94%.

In the next oldest age range, between 25 and 34 years old, there were also a large number of renter households. The Census recorded 1,051 renter households in this age group, compared to 695 households that owned their housing, for a rental tenure rate above 60%. The 25 to 34 year old group would still represent some students, including graduate students, along with younger households that may have left the University, but who have elected to remain in the community after graduation.

In total, renters age 35 and younger represented 3,004 households, or nearly 70% of all renters in Brookings in 2010. Between 2000 and 2010, the City had a net gain of 461 renter households where the head-of-household was age 34 or younger. The net gain in renter households age 35 and older was only 122 households.

Employment and Local Economic Trends Analysis

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to afford housing is severely limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

Major employers in Brookings are listed below. All of these employers are believed to have more than 100 employees.

- ▶ Daktronics, Inc.
- ▶ South Dakota State University
- ▶ 3M Company
- ▶ Larson Manufacturing Company
- ▶ Hy-Vee Food Stores
- ▶ Wal-Mart
- ▶ Rainbow Play Systems, Inc.
- ▶ Brookings Health Systems and Brookview Manor
- ▶ Brookings School District
- ▶ Twin City Fan
- ▶ City of Brookings
- ▶ Advance
- ▶ Brookings Municipal Utilities
- ▶ Aramark/SDSU Dining Services
- ▶ Swiftel Communications
- ▶ Fishback Financial Corporation
- ▶ Avera Brookings Medical Clinic
- ▶ Falcon Plastics, Inc.
- ▶ United Retirement Center
- ▶ Capital Card

Source: Governor's Office of Economic Development

Many of the smaller communities around Brookings also have local employment options, including Volga, Arlington, Estelline, White and Elkton. However, none of these are believed to have more than 100 employees in a single company.

A new food processing plant will be opening in Brookings and will have the potential to employ 400 or more people in the future.

Work Force and Unemployment Rates

Employment information is available for all of Brookings County. We have reviewed the County information back to the year 2000. City of Brookings information is only available starting in 2006. Data in the table that follows have been obtained from the South Dakota Department of Labor.

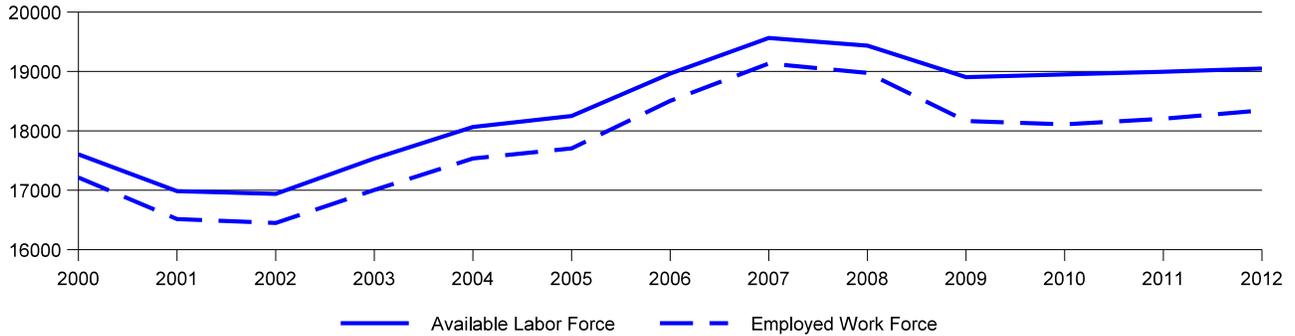
Table 10 Brookings County Average Annual Labor Force: 2000 to 2012						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2000	17,605	17,215	390	2.2%	2.7%	4.0%
2001	16,985	16,515	470	2.8%	3.1%	4.7%
2002	16,940	16,450	490	2.9%	3.3%	5.8%
2003	17,535	17,005	530	3.0%	3.5%	6.0%
2004	18,065	17,535	530	2.9%	3.7%	5.6%
2005	18,250	17,705	545	3.0%	3.7%	5.1%
2006	18,965	18,505	460	2.4%	3.1%	4.6%
2007	19,565	19,135	430	2.2%	2.9%	4.6%
2008	19,435	18,975	460	2.4%	3.0%	5.8%
2009	18,905	18,165	740	3.9%	5.2%	9.3%
2010	18,950	18,110	840	4.4%	5.0%	9.6%
2011	18,995	18,205	790	4.2%	4.7%	8.9%
2012	19,050	18,345	705	3.7%	4.4%	8.1%

Source: South Dakota Department of Labor

Brookings County has had some minor fluctuations in the size of the available labor force in recent years. Between 2000 and 2012 the labor force increased by 1,445 people, or 8.2%. However, the resident labor force actually reached its peak level in 2007, and was 515 people smaller in 2012.

A similar pattern has existed with the employed resident work force. Over the longer-term it has increased in size, but it also reached its peak level in 2007, and there were 790 fewer people employed in Brookings County in 2012.

Brookings County Labor Force and Employed Work Force



While the County appears to have been impacted by the national recession, this impact has been relatively minor. In 2010, the unemployment rate did reach 4.4%, but by 2012, it was back down to only 3.7%. Even in 2010, the County's unemployment rate was less than half of the national rate. Throughout the time period reviewed, the unemployment rate in the County has stayed below the Statewide rate.

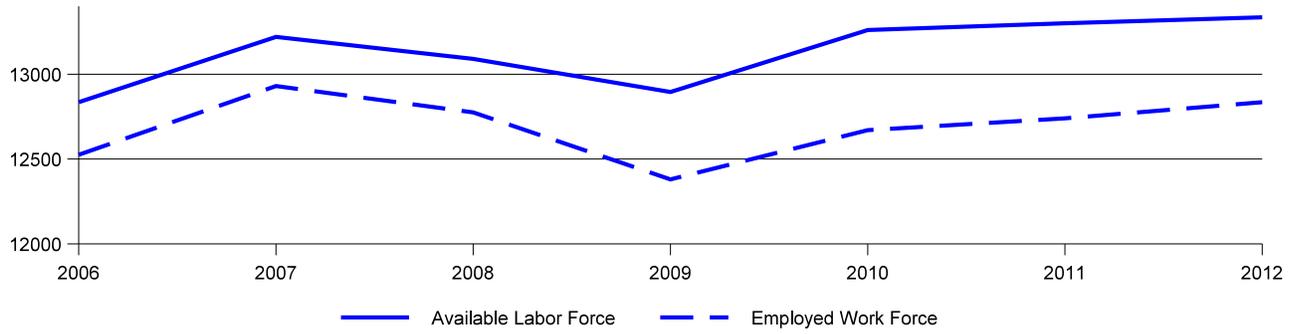
Labor market information is also available at the City level, but only from 2006 forward. In 2012, approximately 70% of the available labor force and the employed workforce in the County were living in the City of Brookings.

Year	Labor Force	Employed	Unemployed	Unemployment Rate - City	Unemployment Rate - SD	Unemployment Rate - US
2006	12,835	12,525	310	2.4%	3.1%	4.6%
2007	13,220	12,930	290	2.2%	2.9%	4.6%
2008	13,090	12,775	315	2.4%	3.0%	5.8%
2009	12,895	12,380	515	4.0%	5.2%	9.3%
2010	13,260	12,670	590	4.5%	5.0%	9.6%
2011	13,300	12,740	560	4.2%	4.7%	8.9%
2012	13,335	12,835	500	3.7%	4.4%	8.1%

Source: South Dakota Department of Labor

Between 2006 and 2012, the available labor force in Brookings increased by 500 people, or 3.9%. During this same time, the employed work force grew by 310 people, or 2.5%. With the available labor force growing at a slightly faster rate than the employed work force, Brookings has seen a gradual rise in the unemployment rate, from 2.4% in 2006, to 3.7% in 2012, but the City's rate still remains very low by comparative standards.

Brookings Labor Force and Employed Work Force



Employment and Wages by Industry - Brookings County

The following table shows the annual employment and average annual wages by major employment sector in 2011, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the County. This information is for all of Brookings County.

Table 12 County Average Weekly Wages by Industry Detail - 2011		
Industry	2011 Employment	2011 Average Annual Wage
Total All Industry	16,732	\$35,916
Natural Resources, Mining	386	\$34,668
Construction	786	\$46,350
Manufacturing	4,048	\$46,818
Trade, Transportation, Utilities	2,385	\$31,591
Information	157	\$28,096
Financial Activities	586	\$38,821
Professional and Business Services	726	\$40,230
Education and Health Services	1,043	\$27,430
Leisure and Hospitality	1,942	\$10,620
Other Services	402	\$25,721
Government	4,271	\$39,848

Source: South Dakota Department of Labor

The average weekly wage for all industry in 2011 was \$35,916, up more than 20% from the average annual wage in 2006 that was reported in the 2007 Housing Study. The highest paying wage sectors in 2011 were Manufacturing and Construction, each with average annual wages above \$46,000. The lowest paying wage sector was Leisure and Hospitality, with an average annual wage of only \$10,620.

The largest employment sectors were Government and Manufacturing, both having more than 4,000 covered workers. More than half of the Government employment was State Government, and probably reflects employment at SDSU.

Regional Unemployment Rates

At the time of the 2007 Study, the City of Brookings had a concern about a worker shortage, causing some businesses to expand in other areas of the State or region, where a suitable workforce could be found. Employment information was presented for other large employment centers in the region. This information has been updated to reflect statistics available for 2012 concerning unemployment, and 2011 for average wage, the last full year of available wage data.

Table 13 Regional and State Unemployment Data - 2011/12			
Area	Number of Unemployed - 2012	Unemployment Rate - 2012	2011 Average Annual Wage all Industry
Brookings County	705	3.7%	\$35,916
Brown County	840	3.6%	\$35,175
Sioux Falls MSA	5,300	4.0%	\$39,518
Beadle County	345	3.4%	\$32,917
Codington County	620	3.8%	\$34,441
Fargo-Moorhead MSA	4,185	3.4%	\$40,196
South Dakota	-	4.4%	\$35,413
Nebraska	-	3.9%	\$38,272
Minnesota	-	5.6%	\$47,840
Iowa	-	5.2%	\$39,182
North Dakota	-	3.1%	\$41,756

Source: Various sources including State Departments of Labor and the Federal Bureau of Labor Statistics

For calendar year 2012, the last full year of employment data, the national unemployment rate was at 8.9%. All of the regional entities reviewed had an unemployment rate that was well below the national average. The State of Minnesota, with an unemployment rate of 5.6%, was the highest of the jurisdictions examined.

The average annual wage data is from the Quarterly Census of Employment and Wages (QCEW) and represents the average pay for all employed workers within the jurisdiction. It does not represent any estimate of the pay that is being offered for available jobs. However, it does provide some perspective on the overall wage conditions that exist.

The average annual wage in Brookings County in 2011 was slightly above the Statewide average and was higher than other large communities in the area, including Aberdeen, Watertown and Huron. However, the average wage in Brookings County was lower than those reported in larger area jurisdictions, including the Sioux Falls MSA and the Fargo-Moorhead MSA.

The average annual wage in South Dakota was the lowest of the five States examined. The highest average annual wage in 2011 was in the State of Minnesota. This average wage was nearly \$12,000 higher than the average wage in Brookings County.

Commuting Patterns of Area Workers

Only limited information is available on area workers that commute for employment. The best information is from the 2011 American Community Survey, and has been examined for Brookings and some of the smaller communities in the area. This table only examines people that commuted, and excludes people that work at home.

Table 14 Commuting Times for Brookings Residents - 2011	
Travel Time	Number/Percent
Less than 15 minutes	9,057 / 78.8%
15 to 24 minutes	1,280 / 11.1%
25 to 34 minutes	271 / 2.4%
35 minutes +	891 / 7.7%
Total	11,499

Source: 2011 American Community Survey 5-year estimates

The large majority of Brookings residents were commuting less than 15 minutes to work in 2011. Overall, nearly 79% of residents commuted 15 minutes or less to work. However, nearly 8% did commute 35 minutes or more.

Table 15 Commuting Times for Arlington Residents - 2011	
Travel Time	Number/Percent
Less than 15 minutes	161 / 36.4%
15 to 24 minutes	59 / 13.3%
25 to 34 minutes	178 / 40.3%
35 minutes +	44 / 10.0%
Total	442

Source: 2011 American Community Survey 5-year estimates

The majority of Arlington residents commuted between 15 and 24 minutes for employment. Overall, approximately 54% traveled between 15 and 24 minutes to work. The travel time from downtown Arlington to downtown Brookings is approximately 22 minutes.

Table 16 Commuting Times for Aurora Residents - 2011	
Travel Time	Number/Percent
Less than 15 minutes	234 / 50.6%
15 to 24 minutes	143 / 31.0%
25 to 34 minutes	14 / 3.0%
35 minutes +	71 / 15.4%
Total	462

Source: 2011 American Community Survey 5-year estimates

The large majority of Aurora residents commuted less than 25 minutes for employment. Overall, approximately 82% traveled 24 minutes or less to work. The travel time from downtown Aurora to downtown Brookings is approximately 13 minutes.

Table 17 Commuting Times for Bruce Residents - 2011	
Travel Time	Number/Percent
Less than 15 minutes	10 / 11.5%
15 to 24 minutes	59 / 67.8%
25 to 34 minutes	15 / 17.2%
35 minutes +	3 / 3.4%
Total	87

Source: 2011 American Community Survey 5-year estimates

The large majority of Bruce residents commuted between 15 and 24 minutes for employment. Overall, approximately 68% traveled between 15 and 24 minutes to work. The travel time from downtown Bruce to downtown Brookings is approximately 21 minutes.

Table 18 Commuting Times for Bushnell Residents - 2011	
Travel Time	Number/Percent
Less than 15 minutes	18 / 35.3%
15 to 24 minutes	26 / 51.0%
25 to 34 minutes	1 / 2.0%
35 minutes +	6 / 11.8%
Total	51

Source: 2011 American Community Survey 5-year estimates

The majority of Bushnell residents commuted between 15 and 24 minutes for employment. Overall, approximately 51% traveled between 15 and 24 minutes to work. The travel time from downtown Bushnell to downtown Brookings is approximately 13 minutes.

Table 19 Commuting Times for Elkton Residents - 2011	
Travel Time	Number/Percent
Less than 15 minutes	154 / 42.0%
15 to 24 minutes	98 / 26.7%
25 to 34 minutes	104 / 28.3%
35 minutes +	11 / 3.0%
Total	367

Source: 2011 American Community Survey 5-year estimates

The majority of Elkton residents commuted 15 minutes or more for employment. Overall, approximately 55% traveled between 15 and 34 minutes to work. The travel time from downtown Elkton to downtown Brookings is approximately 25 minutes.

Table 20 Commuting Times for Estelline Residents - 2011	
Travel Time	Number/Percent
Less than 15 minutes	136 / 46.1%
15 to 24 minutes	31 / 10.5%
25 to 34 minutes	89 / 30.2%
35 minutes +	39 / 13.2%
Total	295

Source: 2011 American Community Survey 5-year estimates

The majority of Estelline residents commuted for employment, although approximately 46% had a travel time less than 15 minutes. Overall, nearly 41% traveled between 15 and 34 minutes to work. The travel time from downtown Estelline to downtown Brookings is approximately 32 minutes.

Table 21 Commuting Times for Sinai Residents - 2011	
Travel Time	Number/Percent
Less than 15 minutes	5 / 8.2%
15 to 24 minutes	17 / 27.9%
25 to 34 minutes	37 / 60.7%
35 minutes +	2 / 3.3%
Total	61

Source: 2011 American Community Survey 5-year estimates

The large majority of Sinai residents commuted for employment. Overall, nearly 89% traveled between 15 and 24 minutes to work. The travel time from downtown Sinai to downtown Brookings is approximately 25 minutes.

Table 22 Commuting Times for Volga Residents - 2011	
Travel Time	Number/Percent
Less than 15 minutes	530 / 49.2%
15 to 24 minutes	415 / 38.5%
25 to 34 minutes	44 / 4.1%
35 minutes +	88 / 8.2%
Total	1,077

Source: 2011 American Community Survey 5-year estimates

Nearly half of the residents of Volga commuted less than 15 minutes for employment, and nearly 88% of City residents commuted less than 25 minutes. The travel time from downtown Volga to downtown Brookings is approximately nine minutes.

Table 23 Commuting Times for White Residents - 2011	
Travel Time	Number/Percent
Less than 15 minutes	68 / 29.4%
15 to 24 minutes	123 / 53.2%
25 to 34 minutes	20 / 8.7%
35 minutes +	20 / 8.7%
Total	231

Source: 2011 American Community Survey 5-year estimates

More than half of the residents of White commuted between 15 and 24 minutes for employment. The travel time from downtown White to downtown Brookings is approximately 24 minutes.

Housing Construction Activity

The 2007 Housing Study had tracked housing construction activity through the year 2006, based on building permit reports. The years 2000 to 2006 have been aggregated in the following table, but a year-by-year summary is available in the previous document.

Housing Type	2000-2006	2007	2008	2009	2010	2011	2012	Total
Single Family Detached	535	113	89	114	75	60	71	1,057
Single Family Attached	72	24	21	6	4	4	6	137
Duplex	76	18	10	20	2	0	6	132
Multifamily Rental	166	69	110	177	0	30	155	707
Total	849	224	230	317	81	94	238	2,033

Source: City Building Permit Reports; Community Partners Research, Inc.

Over the past 13 years, there has been a substantial amount of housing construction activity in Brookings. Between 2000 and 2012, more than 2,000 new housing units were built, based on City records for building permit issuance. Nearly half of all construction has been in styles other than single family detached housing, including a significant amount of multifamily housing, and attached units in twin homes, town houses and duplexes.

Records indicate that 50 or more detached single family units have been constructed each year since 2001. Over the entire 13-year period, the City has averaged approximately 81 houses per year. Single family detached construction activity was very strong between 2004 and 2009, when the average was above 100 units per year. Over the past three years, the annual average has been at 69 houses per year.

Between 2004 and 2008 there was also very strong construction activity in attached single family units, such as twin homes and town houses. As classified in City records, these units would presumably have been built for owner-occupancy, although actual tenure is not known. After 2008, the level of attached single family housing decreased substantially. Between 2004 and 2008, the City was averaging more than 23 attached units per year. After 2008, the average dropped to only five units per year.

Duplexes have continued to be a popular style of housing in Brookings. It is assumed that most of the duplex units are renter-occupied, although it is possible that the owner could live in one unit and rent the other half. Over the 13-year period, the City has averaged approximately 13 duplex housing units per year, although only eight total units have been constructed over the past three years.

Multifamily housing construction has added more than 700 total units to the local inventory over the past 13 years. While fairly large projects have been constructed over various years, most of the activity has been more recent. Between 2000 and 2007, the City averaged 29 multifamily housing units per year. From 2008 through 2012, the annual average increased to 94 units per year. In three of the past five years, the annual unit total has been above 100 rental units. Although not reported in the table, there may also be some multifamily activity that has been permitted in the first few months of 2013.

One final addition to the housing stock is an expansion of student options on the SDSU campus. As detailed in other sections of this report, there has been a net gain of bedrooms for students. Much of this activity is still underway in 2013. While some new dormitory-style housing has been added, there has also been some unit offset, as double-occupancy rooms have been changed to single occupancy, and other buildings have been removed from the available housing inventory. The section of this document that addresses student data also provides a summary of student housing availability on campus.

Housing Unit Demolition

The analysts did not obtain specific information on unit losses, but it is known that some housing units have been removed in recent years. One redevelopment project near the SDSU campus removed some older housing units when a block was cleared to create a parking area. As many as 129 beds were removed through this project. Additional unit losses also have occurred, although not at this scale.

It is possible to compare Census Bureau records from the decennial Census to derive a rough estimate of unit losses over time. After adjusting for new construction, these records would point to an approximate loss of between 250 and 300 housing units between 2000 and 2010, or an annual average of 25 or more units each year.

Multifamily Construction Highlights

With a vibrant rental housing market, and a rental tenure rate above 50%, Brookings has had significant ongoing construction of rental housing units. Much of the unit volume has been achieved through large-scale projects, but there also has been consistent production in smaller phases, such as duplexes for renter-occupancy.

Some of the larger rental development projects that can be identified since 2008 include:

Innovation Village - Two phases of construction that have created 190 high quality market rate housing units in a residential complex that includes such features as an indoor swimming pool, fitness center and possible retail offerings.

Southland Court - This apartment project added 60 units of high quality market rate housing that includes amenities such as underground parking.

Golf View - At least two construction phases of apartment buildings at an existing rental complex that offer market rate rental housing.

Countryside Meadows - This project created 16 units of three-bedroom housing near the SDSU campus, and is primarily oriented to students.

Willow Trail Townhomes - a 20-unit project that added high quality, market rate rentals offering the amenities of single family living.

While most of the recent multifamily construction activity has been oriented to the conventional, market rate segment, or to student renters, there has been some income-based housing for low and moderate income households.

Pheasant Run - This 24-unit apartment was constructed using Section 202 subsidies available from the U.S. Department of Housing and Urban Development. It is designated for senior occupancy.

Prairie View Townhomes - This 40-unit affordable housing project was awarded tax credits in 2012, and was still under construction at the time that research for this Update was being completed. All units will have income limits tied to either 50% or 60% of the median income level.

Interviews with City staff in the Planning and Community Development offices also pointed to some additional projects that were being discussed or planned for 2013 construction. These projects ranged in size from 12 units, to more than 40 units. The largest of these projects appeared to be oriented to student renters, as four-bedroom units would be constructed.

A large-scale student rental complex was also being researched in early 2013. Known as the Northwest Quadrant, the project had been proposed as a partnership between SDSU and private developers. It would involve the potential construction of 200 to 400 beds in various configurations of student apartment units in a privately-owned building. The apartment building(s) would be located on University-owned land, through a long-term lease arrangement. A Request for Proposals process had been initiated and development proposals were being reviewed.

Despite the prospect of a large, student-oriented apartment complex located on the SDSU campus, private developers have been advancing additional rental construction plans. However, according to City staff, many of the proposed private development projects for 2013 have been in the development/planning phase for a number of years. There have been fewer newly advanced plans, except for some income-based housing, that have emerged in the last year.

Residential Subdivisions and Lots

Information on platted subdivisions and residential lots was obtained from the City of Brookings Planning and Zoning office.

Table 25 Subdivisions and Lots in Brookings - February 2013	
Platted	
Subdivision	Estimated Vacant Lots
Americanna	12
BlairHill 1 st and 2 nd	20
Bluegill	14
Camelot Square	20
Esther Heights	2
Hunter's Ridge 1 st and 2 nd	2
Indian Hills - Onaka, Teton and Wahpeton	15
Kreyger 1 st /Crystal Ridge	19
McCleman's	5
Moriarty Edgebrook	11
Moriarty 4 th	11
Moriarty Heights	21
Pheasant's Nest	3
Prairie Hills	76 (town homes)
Sarah Renee	2
Timberline	2
Valley View	1
Windermere Pointe	12
SUBTOTAL	248

Table 25 Subdivisions and Lots in Brookings - February 2013	
Partially Platted	
Subdivision	Estimated Vacant Lots
Americanna	36
BlairHill 2 nd	46
Moriarty Heights	63
Prairie Hills	N/A
Windermere Pointe	17
SUBTOTAL	162

Source: City of Brookings

Based on information available from the City's Planning office, there were many active residential subdivisions in Brookings, although the number of vacant lots was limited in some of these areas. Overall, there were 246 platted residential lots that were vacant in February 2013 in more than 20 different subdivision phases. Not all of the lots were identified by the type of housing, but the first phase of Prairie Hills did have lots for town home construction. Most of the remaining lots are assumed to be for detached single family home construction.

In addition to the supply of platted lots, there are also partially platted phases of future development in at least five of the active subdivisions. The potential lot capacity in these areas is 162 lots. It is probable that some of these development areas also have additional vacant land that has not yet been preliminarily platted.

When platted and partially platted lots are combined, there were more than 400 lot options in Brookings in February 2013. Over the past three years, typical annual lot absorption has been between 65 and 85 lots per year, based on building permit issuance. However, between 2007 and 2009, lot absorption was above 100 lots per year, based on construction activity.

Although specific pricing information was not available on each subdivision, according to City staff the existing lots are being sold in a variety of price ranges. While there may be few lots being sold in the price ranges below \$30,000, there are at least two active development areas/home builders that are attempting to serve the lower-priced home market, with home packages starting below \$140,000. One of these affordable developments may have 20 acres of additional land available for future development.

Residential lots were not listed on the Multiple Listing Service website Realtor.com, which is the official site of the National Association of Realtors. Since no consolidated listing of lots could be identified, Community Partners Research examined websites maintained by individual real estate brokers and land developers in the Brookings area, in an attempt to define the listing prices for lots. Not all of the active subdivisions could be specifically identified, but general information on the listing prices is presented in the following table.

Table 26 Lot Prices in Brookings - March 2013	
Subdivision	Listed Price Range
Americanna	\$49,900 - \$120,450
BlairHill 1 st and 2 nd	\$33,900 - \$79,900
Bluegill	\$47,900 - \$265,900
Camelot Square	\$23,500 - \$25,500
Esther Heights	N/A
Hunter's Ridge 1 st and 2 nd	N/A
Indian Hills - Onaka, Teton and Wahpeton	\$35,200 - \$47,700
Kreyger 1 st /Crystal Ridge	\$36,900 - \$66,900
McCleman's	\$35,000 - \$55,000
Moriarty Edgebrook	\$30,900 - \$39,400
Moriarty 4 th	\$40,900 - \$43,900
Moriarty Heights	\$36,900 - \$61,900
Pheasant's Nest	\$31,900 - \$49,500
Prairie Hills	N/A
Sarah Renee	\$69,500
Timberline	N/A
Valley View	N/A
Windermere Pointe	\$32,900 - \$62,900

Source: Community Partners Research using various real estate websites

There were a wide variety of listed prices for residential lots that are actively listed for sale in Brookings. However, no lots were identified with a price below \$30,000, there were a limited number priced above \$100,000. A majority of lots seemed to be listed in a range between \$35,000 and \$55,000.

Some limited pricing information is also available from the sales records obtained from Brookings County. There were 34 residential land sales in the 2012 sales period that would appear to be single family residential lots. These sales ranged in price from \$20,000 to \$55,000. The midpoint sale for this group was \$36,700.

There was information that lower priced lots are available in smaller communities around Brookings. In Aurora, lots in a new subdivision were listed at \$24,000 to \$25,000, and at least one lot was available in White for \$20,000. Volga has indicated that a new affordable subdivision is being planned.

Existing Home Sales

The 2007 Housing Study had included an examination of recent home sales activity using information from the Brookings County Board of Equalization's residential sales records. Due to limitations in available data, an approximate sales period of 10 months was examined.

For this Update, a four-year sales period has been obtained. The County's sales period differs from the calendar year, starting on November 1st, and extending to the end of October in the following year.

This data primarily looks at the sales of existing homes. The information maintained by the County is based on the comparison of taxable valuation to actual sales price. Since newly constructed houses did not have a prior value, they are generally not included in the sales analysis.

It is important to note that annual house sales may not be a completely accurate indicator of overall home values. However, this sample does provide some insight into those units that are turning over in the City. The sales sample only includes sales judged to be "good" sales by Brookings County. This would exclude sales that were for less than fair market value, such as distress sales, foreclosures, transfers between relatives, and similar transactions. The sample does include sales that differ from the assessed tax valuation by 150% or more.

Sales Year	Number of Sales	Median Price	Highest Sale	Lowest Sale
2012	262	\$152,000	\$650,000	\$33,000
2011	214	\$156,250	\$525,000	\$30,000
2010	192	\$147,900	\$436,000	\$35,000
2009	237	\$147,000	\$735,000	\$25,000

Source: Brookings County; Community Partners Research, Inc.

For the most recent 12-month sales period, ending October 31, 2012, there were 262 "good" sales of existing homes in Brookings. The midpoint sale price was \$152,000. Although there has been some moderate up and down movement in the annual volume of sales and the median sale price over the past four years, the midpoint sale has stayed in a range between \$147,000 and \$156,250.

In the 2007 Study, the median sale price was \$142,000, although that was based on a sample of less than 12 months. It would therefore appear that there has been a gradual, upward movement in existing home prices.

Each year Brookings does have some higher-priced sales activity, but also the sale of some lower valued homes. In each of the past four years, at least one home has sold for \$35,000 or less.

The 2012 sales sample can also be examined within more defined price ranges.

Table 28 Brookings Home Sales by Price Range		
Sale Price	Number	Percent
Less than \$70,000	6	2.3%
\$70,000-\$89,999	10	3.8%
\$90,000 - \$109,999	24	9.2%
\$110,000 - \$129,999	35	13.4%
\$130,000 - \$149,999	51	19.5%
\$150,000 - \$169,999	39	14.9%
\$170,000 - \$199,999	28	10.7%
\$200,000 -\$249,000	37	14.1%
\$250,000 - \$299,999	20	7.6%
\$300,000+	12	4.6%
Total	262	100%

Source: Brookings County; Community Partners Research, Inc.

While there were some sales in each of the defined price ranges, there were only a limited number of lower valued sales. Overall, only 15.3% of single family sales were for less than \$110,000.

Nearly 48% of all recent existing home sales were in the price ranges between \$110,000 and \$169,999. More than 12% of all sales were in the price ranges of \$250,000 or more.

Home Sales in Neighboring Communities

The sales data obtained from Brookings County also had information on the smaller Cities in Brookings County. Information for Arlington and Estelline was obtained from the SD Department of Revenue. In most of the communities, only a few sales had been made. In some communities there were no sales in the time period reviewed.

Table 29 Median Value of Recent Residential Sales		
City	Number of Sales	Median Price
Arlington	10	\$47,500*
Aurora	11	\$128,000
Bruce	4	\$41,500*
Bushnell	0	N/A
Elkton	13	\$63,800
Estelline	9	\$69,000
Sinai	1	\$35,000
Volga	28	\$132,750*
White	13	\$99,900

Source: Brookings County; SD Dept. of Revenue; Community Partners Research, Inc.

* Median calculated from nearest sales

Sales prices varied widely for the small around Brookings. Since the sample of sales was very small in most Cities, it is possible that the median does not reflect true values within the community.

The two communities located closest to Brookings, Aurora and Volga, had substantially higher median sales prices than the communities that are farther removed, although the median price in White was just below \$100,000.

The median sale prices in Arlington, Bruce, Elkton, Estelline and Sinai were relatively low, although only one good sale occurred in Sinai. No sales were identified in Bushnell.

Rental Housing

U.S. Census Rental Tenure Rate

According to the 2010 U.S. Census, there were 4,316 occupied rental housing units in the City of Brookings. The renter-occupancy households in 2010 represented 52.9% of all households in the City, while owners represented 47.1%.

For comparison, the Statewide rental tenure rate was 31.9% in 2010. Brookings' rental tenure rate was higher than the rate in the other large cities in South Dakota, including Watertown (36.5% renter), Sioux Falls (37.6%), Pierre (37.6%), Yankton (38.1%), Aberdeen (40.1%), Huron (40.1%), Rapid City (42.5%) and Mitchell (44.1%).

U.S. Census Rental Housing Inventory

In addition to the 4,316 total occupied rental housing units in Brookings in 2010, the Census recorded at least 310 vacant rental units. When occupied and vacant rental units are combined, there were at least 4,626 rental housing units in Brookings according to the Census.

At the time of the 2000 Census, the City had 3,733 occupied rental housing units and at least 224 vacant rental units. There were a few additional rental units that appear to have been rented, yet unoccupied, but the exact number of these units is not clearly defined. When occupied and vacant rental units are combined, there were at least 3,957 rental housing units in Brookings, or 53.8% of all housing that was in existence at that time.

Between the 2000 Census and the 2010 Census, the City added 583 renter households and 669 rental units to the total inventory. The net gain in rental housing units that was derived from a comparison of Census data appears to be reasonably consistent with the level of new rental housing unit construction that occurred over the last decade. If building permit issuance for multifamily and duplex units are tracked between 2000 and 2009, there would have been approximately 650 units permitted. This would imply that nearly all of the units permitted in 2009 would have completed construction by April 2010, when Census enumerators were collecting information on housing.

Student Renter Impact

The high rate of renter occupancy in Brookings is a direct result of the large student population attending South Dakota State University. According to 2010 Census records, there were 1,953 renter households in Brookings that had a head of household age 24 and younger. This primarily represents the traditional student population. In contrast, there were only 118 households in the City with a head of household age 24 and younger that owned their housing unit in 2010.

In the next oldest age range, between 25 and 34 years old, there were also a large number of renter households. The Census recorded 1,051 renter households in this age group, compared to 695 households that owned their housing. The 25 to 34 year old group would still represent some students, including graduate students, along with younger households that may have left the University, but who have elected to remain in the community after graduation.

In total, renter households age 35 and younger represented 3,004 households, or nearly 70% of all renters in Brookings in 2010. Between 2000 and 2010, the City had a net gain of 461 renter households where the head-of-household was age 34 or younger. The net gain in renter households age 35 and older was only 122 households.

The 2007 Housing Study had performed the same analysis of Census data between 1990 and 2000. In that decade, the City had added 629 renter households age 34 and younger. Over the past 20 years, nearly 1,100 young adult renter households have been added within the City of Brookings, and most of these were actually age 24 and younger and assumed to be primarily student renters.

Recent Rental Housing Construction

The 2007 Housing Study had tracked building permit issuance between the year 2000 and June 2007. During that time period there had been a limited amount of new multifamily rental construction in Brookings. Based on building permit issuance, there were 199 units that had been permitted in apartment buildings that would appear to be rental housing. Between 2007 and 2012, nearly 600 units were permitted in either duplexes or multifamily structures. Summary information on some of the larger multifamily projects has been provided earlier, along with the table that identified building permit activity.

Rental Housing Registration Program

The City of Brookings has in place a rental housing registration program that requires periodic unit inspections. A report obtained from the City in January 2013 showed 4,228 registered units in Brookings.

The registration program unit total is lower than the estimated unit count based on Census and building permit records. However, certain types of units are not required to register with the City, including some of the specialized senior housing projects, such as assisted living or some other senior housing with services. These specialized types of housing are instead licensed or registered with the State of South Dakota, and the City does not require a local inspection.

For comparative purposes, there were 3,542 registered units in the City at the time of the 2007 Housing Study. Since that time, 686 units have been added. This net gain may reflect both newly created units and units that were not properly registered in 2007.

The City Rental Registration records allow for analysis of rental units by structure type. A similar unit breakdown was available in 2007, and in the following table, a comparison has been made. In 2013, there is also information on rental mobile homes, apartments in the central business district, and units in sororities, fraternities and in boarding houses, but no comparable information was listed in the 2007 Study for comparison.

Unit Type	Number of Units May 2007	Number of Units January 2013	Unit Change
1-Family	510	492	-18
2-Family	268	482	+214
3 or 4-Plex	218	258	+40
Multifamily (5+ units)	2,546	2,803	+257
Total	3,542	4,035	+493

Source: City of Brookings; Community Partners Research

In total, there were 4,228 registered rental units in Brookings in January 2013, but 113 were in mobile homes, 23 units were in apartments in the central business district, and 57 were in sororities, fraternities and/or boarding houses and not listed in the table above.

In the rental stock in more traditional forms of rental housing, from single family houses to larger apartment complexes, there was a net increase of 493 units between 2007 and 2013. The only structure type that decreased for rental use was single family type buildings. The number of two-family units, such as duplexes, had a net gain of 214 units, and multifamily rentals, with five or more units per structure increased by 257 units.

Rental Housing Survey

As part of this housing study, a survey was conducted of multifamily rental buildings in the City. The survey focused on larger rental projects with eight or more units. While larger multifamily projects were targeted, some additional information was collected from rental properties with fewer than eight units. Information was collected in December 2012.

Multiple attempts were made to contact each building. Information was tallied separately for different types of rental housing, including market rate units, tax credit units, subsidized housing, and special-use housing, such as senior housing that also provides services.

A total of 1,908 rental units of all types were contacted in the survey. This represents between 38% and 40% of all rental units in the City, depending on the estimate of the total rental stock that is used.

The breakdown of units surveyed is as follows:

- ▶ 1,222 market rate units
- ▶ 84 tax credit units
- ▶ 182 subsidized units for senior/disabled tenant occupancy
- ▶ 285 subsidized units for general occupancy
- ▶ 135 senior housing with services units (excluding nursing homes)

The information on senior housing with services units is provided in the section that immediately follows the rental analysis.

It is important to note that not all of the projects provided the level of detail requested in the survey. For example, some projects would not disclose their rate structure, or did not have an exact unit count of one-bedroom versus two-bedroom units. As a result, in the analysis that follows, the unit totals used may vary from the count provided above.

Market Rate Summary

There were 29 market rate multifamily projects that were successfully contacted in the survey, with a combined 1,222 rental units. All of the other market rate projects analyzed in this section have no occupancy restrictions.

Unit Mix

Information on unit size was obtained from 873 market rate units. Some of the larger complexes were not able to identify the exact number of units by bedrooms. The following information is the bedroom mix for units surveyed:

- ▶ 38 efficiency/studio (4.4%)
- ▶ 192 one-bedroom (22.0%)
- ▶ 477 two-bedroom (54.6%)
- ▶ 166 three-bedroom (19.0%)

Occupancy / Vacancy

Of the 1,222 market rate units that were contacted, only 32 did not provide specific vacancy information. In the 1,190 units that were used, there were 58 vacant units, for a vacancy rate of 4.9%. In the 2007 Study, no vacancies had been reported in conventional, market rate rental housing.

Although the overall vacancy rate was close to 5% in the most recent survey, there are two additional factors that impact the calculation. First, nearly half of the vacancies in the December 2012 survey were in a single, new project. One phase of the project had opened for occupancy in the previous six months and was still in its initial occupancy phase. Excluding this single, large project from the calculations would drop the vacancy rate to 2.9%.

However, the second factor that also needs to be considered is a portfolio vacancy rate of 12% to 15% that was reported by one of the City's larger rental property ownership/management companies. This company was unwilling to provide specific, property-by-property information, so the responses to the survey were not included in the Citywide calculation. This company manages both conventional and income-based rental housing, and the generalized responses to the survey questions did not allow the analysts the ability to accurately account for the vacancies that may exist.

Consistent with the 2007 survey, many of the projects reported at least some students in occupancy, and certain projects were nearly 100% students. Due to the presence of students in the rental market, it is common to have twelve

month leases in Brookings. Since many of the student occupied units do turn over at the end of the twelve-month lease period, leasing for the next academic term will often start months in advance of actual occupancy.

We did not complete a formal survey of smaller rental properties, such as single family houses, duplexes, or multifamily buildings with fewer than eight units. However, some of the property managers and owners with larger buildings also had rental units in these smaller properties. Based on our limited discussions in this segment of the market, it does appear that good demand does continue to exist, especially for single family rental units that are in good physical condition.

Many owners/managers were asked about any recent changes in the market. It was common to hear that competition has increased, as new rental complexes and student housing options have been added to the local market. Later interviews with some owners/managers pointed to significant concerns about a double impact from lower future enrollment combined with an expansion of on-campus student housing.

Rental Rates

There is some significant variation in contract rental rates based on unit age, amenities, and type of housing being offered. Brookings has an above-average number of larger rental units, with three or more bedrooms, which generally cater to the student population. In some cases, rent is charged per person, or per bedroom, which can result in a higher overall unit rent.

There are a number of newer rental projects in the City that have been constructed in the past 10 to 15 years. These projects tend to have a higher level of amenities, such as underground parking, in-unit laundry, dishwashers and microwaves, ample square footage and two bathrooms. Some of these newer projects have gross rents exceeding \$1,000 for a two-bedroom unit.

There are also a large number of apartments in the City that are 20 or more years old, and these units tend to have a moderate rent structure.

Some of the units include the primary utility payments with the rent, while in other cases, the tenant pays the major utilities in addition to rent. We have attempted to estimate tenant-paid utilities into a gross rent estimate for the following ranges. The identified range defines the highest and lowest rents that were found for each unit type. The prevailing range is an estimate of the rents being charged by a majority of the units that were surveyed.

<u>Units Type</u>	<u>Identified Range</u>	<u>Prevailing Range</u>
efficiency/studio	\$460-\$640	\$460-\$500
one-bedroom	\$450-\$1075	\$500-\$670
two-bedroom	\$550-\$1275	\$650-\$950
three-bedroom	\$825-\$1525	\$950-\$1200

Although the student population represents a very large percentage of the rental market, the survey did not find many rental properties that appeared to charge a per person rent. In some college towns it is typical for students to pay per person or per bedroom for housing. Some of the property owners with multiple single family rental homes may use this approach, but it is not evident in the multifamily rental market.

Market Rate Units in Surrounding Cities

There are some market rate rental opportunities in the smaller communities around Brookings. Although most of the rental units in larger, multifamily buildings are federally subsidized housing, there has been some ongoing expansion of rental options serving the conventional segment of the market.

Much of the conventional rental expansion outside of Brookings has occurred in the City of Volga, where a number of rental projects have been constructed since the year 2000. Initially, some of the projects were publicly-developed, but in the last few years, private developers have also been active.

Occupancy rates in Volga's newer conventional housing projects are generally high, with an estimated vacancy rate of approximately 2% in the four rental projects that have been constructed since 2000. Rental rates in Volga are generally lower than for comparable newer units in Brookings. None of the Volga projects had a monthly contract rent above \$700 for a two-bedroom unit. Even with the inclusion of tenant-paid utilities, gross rents would typically be below \$750. Part of the appeal for marketing units in Volga may be a price advantage that can be offered in comparison to units in Brookings.

The other small city that has added some conventional rental units in recent years is Elkton. There are 25 single family houses in a new subdivision that are being rented. These units were not intended as rental housing, but a slow market for home sales has resulted in a near-term conversion to rental use. It is assumed that the preference of the owner is to eventually sell these houses to owner-occupants, so they are not viewed as a permanent rental resource.

Tax Credit Rental Housing Summary

Since the late 1980s, federal low income housing tax credits have been the federal government's primary financial incentive for the production of affordable rental housing. In South Dakota, tax credits are often used in conjunction with other affordable housing resources. In the past, tax credits were often combined with subsidy programs through USDA Rural Development, and these projects tended to operate as subsidized housing. More recently, tax credits may be combined with HUD HOME funding, or other SDHDA resources to provide more moderate rent housing.

Community Partners Research was able to identify nine projects in Brookings that have received an allocation of tax credits, dating back to the late 1980s. Two of these tax credit projects, Sunchase Apartments, with 31 tax credit units, and the Kneip Duplex, with two tax credit units, were constructed in the late 1980s, and the compliance period has been fulfilled. However, Sunchase also received Rural Development subsidies when it was constructed, and continues to operate as very affordable subsidized rental housing.

Three of the tax credit projects constructed since 1990 combined the tax credit assistance with other federal development subsidies available through USDA Rural Development. Regency Square, with four tax credit units, Wellington Heights, with 12 tax credit units, and Windsor Estates, with 36 tax credit units, all operate as subsidized housing. Many of these units have rental assistance contracts available, so very low income people can be served. These three projects have been included in the subsidized housing analysis that follows later in this section.

Three projects in Brookings currently operate under tax credit regulations and provide moderate rent housing. These projects are Three Oaks Townhomes, with 24 tax credit units, South Briar, with 30 tax credit units, and Green Briar, with 30 tax credit units. All of these units must serve households at or below 60% of the County median income level, with an unspecified number of units in Green Briar and South Briar that are targeted to households at or below 50% of the County median.

The most recent tax credit award in Brookings was made to Prairie View Townhomes. This 40-unit project started construction in 2012, and is scheduled for initial occupancy in the spring of 2013. All of the units in this new project will have income restrictions tied to either 50% or 60% of the median income level.

Unit Mix

Including the 40 units that are under construction, the four moderate rent tax credit projects in Brookings have a combined 124 rental units, distributed as follows:

- 1 - one-bedroom
- 93 - two-bedroom
- 30 - three-bedroom

Occupancy/Vacancy

At the time of the rental survey, pre-leasing had not yet started at Prairie View Townhomes. There were no vacant units reported in the other three tax credit projects. The estimated vacancy rate of 0% is very similar to the findings in the 2007 Study, when only one unit was unoccupied but in the process of being leased.

The three existing tax credit projects all reported that waiting lists continue to be maintained in 2012.

Rental Rates

The federal tax credit program places maximum rent limitations on assisted units. For 2013, maximum gross rents for units at 50% and 60% of median income were as follows:

<u>Bedroom Size</u>	<u>Maximum Rent 50%</u>	<u>Maximum Rent 60%</u>
One Bedroom	\$631	\$758
Two Bedroom	\$757	\$909
Three Bedroom	\$875	\$1050

The gross unit rents in the tax credit projects in Brookings are well below the maximum tax credit limits. For example, all of the two-bedroom tax credit units have contract rents of \$550 or less. Even with the inclusion of tenant-paid utilities, gross rents would be well below the maximum limits set for households at 50% of the median income level. Similarly, three-bedroom units in Brookings have contract rents of \$680 per month or less. Gross rents would again be well below the maximum 50% limit of \$875 per month under the federal tax credit guidelines.

No rental rate information was available for the newest project, Prairie View Townhomes.

The maximum rents allowable under the tax credit program are generally above the prevailing rates for most market rate units in Brookings. To stay competitive with other moderate income rental projects in the City, the tax credit developments often charge rents that are well below the maximum federal limits. It is also important to note that tax credit rules generally prohibit student occupancy. As a result, the potential market for tax credit units in Brookings is reduced, even though occupancy rates have been high based on the rental surveys completed by Community Partners Research.

Tax Credit Housing in Neighboring Communities

There was only one tax credit project identified in the smaller communities that surround Brookings. Dakota Village in Aurora used tax credits along with Rural Development subsidies when it was constructed in 1992. However, Dakota Village has project-based rent assistance available and operates as subsidized rental housing.

Subsidized Rental Housing Summary

The research for this Update identified 16 different federally subsidized rental projects in Brookings. Combined, these projects have 475 units of subsidized rental housing.

Five of the projects, Arrowhead Apartments, with 40 units, Briarwood Apartments, with 32 units, Heritage Estates II Apartments, with 44 units, Pheasant Run Apartments with 24 units, and Sunchase Apartments, with 42 units, are designated for senior and disabled occupancy. The 182 units designated for senior and disabled occupancy represent 38.3% of the project-based subsidized units in the City.

There are 10 subsidized projects that provide general occupancy rental housing: Cedar Townhomes, with 32 units, Clairview, with 64 units, Heritage Estates Townhomes, with 28 subsidized units and eight market rate units, Lakota Village, with 25 units, Regency Square, with eight units, Sunrise Apartments, with eight units, Wellington Heights Apartments, with 12 units, Windsor Estates, with 36 units, Southland Court V (formerly Windsor Estates South), with 22 units, and Yorkshire Apartments, with 50 units. Yorkshire is actually designated for senior-occupancy, but an age waiver has been granted and most tenants are younger households. Combined, the general occupancy projects have 285 subsidized rental units, or 60% of the project-based subsidized units in the City.

There is one subsidized project serving special-needs populations. Supervised Living Apartments has eight units serving 16 clients with developmental disabilities. The units in this project represent approximately 1.7% of the project-based subsidized units in the City.

Occupancy/Vacancy

For vacancy calculations, we have excluded the units in Supervised Living Apartments, since these are only available by State referral.

One of the management companies was unwilling to provide specific occupancy information in the most recent survey, so calculations are based on 363 units, including 96 for senior occupancy and 267 for general occupancy.

In the senior occupancy units, the 2012 rental survey found three vacant units, for a vacancy rate of 3.1%. While this vacancy rate is low, it may have been inflated by the time of year. The manager of Pheasant Run, where all three vacancies were reported, indicated that it is difficult to fill turnover units during the winter months, and it is probable that this contributed to the number of unoccupied units. In the 2007 survey, the vacancy rate was 5.1%, but there were more units that participated at that time.

It should also be noted that one subsidized housing project, Yorkshire Apartments, with 50 one-bedroom units, had once been designated for senior/disabled occupancy, but had obtained an age waiver to allow younger tenants. Presumably this occupancy change, which occurred prior to the 2007 Study, was made in response to limited demand for senior/disabled units.

In the subsidized units designated for general occupancy, the 2012 survey found nine vacancies, for a vacancy rate of 3.4%. Some of the projects with vacancies also reported waiting lists for occupancy, so the vacancy was related to the processing time required to certify a new tenant. However, some of the projects with vacancies did not have usable waiting lists.

While general occupancy vacancy rates remain relatively low, the demand in Brookings has changed over the last decade, as both the U.S. Department of Housing and Urban Development (HUD), and USDA Rural Development modified their rules regarding student occupancy in subsidized housing. When many of the subsidized projects were built, students could often qualify for deeply subsidized rent, based on their low income. However, a later rule change required that the student must be either age 24 or older, or that younger students be completely independent of their parents. Students that do not meet these tests can still occupy units in some of the projects, but can no

longer qualify for subsidized rent. The effect of these rule changes on subsidized projects has meant more non-traditional students or older, graduate students in occupancy.

The changes to the rules on student occupancy have probably been a contributing factor to an ongoing loss of subsidized rental housing in Brookings. Since the 2007 Study was completed, three projects have ended their subsidy arrangements and have converted to conventional rental housing. These projects include Onaka Village, with 36 units, Sandpiper I, with six units, and Sandpiper II, with four units. The 2007 Study had identified Onaka Village for being at risk of leaving its subsidy contract due to the changes in demand created by the student occupancy restrictions.

Rental Rates

Most of the subsidized units in Brookings have project-based rent subsidies available for tenants, so lower income households pay rent based on 30% of income. In some projects, particularly those subsidized through Rural Development, tenants without rent assistance pay 30% of income for rent, but must pay at least the basic rent amount, even if this exceeds 30% of their income.

Tenant-Based Housing Choice Voucher Assistance

In addition to subsidized projects that have project-based rent assistance, Brookings County residents also have access to the HUD Housing Choice Voucher Program (formerly Section 8 Existing Program). Housing Choice Vouchers are issued to income-eligible households for use in suitable, private market rental housing units. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional rent amounts.

In 2013, the Brookings Housing and Redevelopment Commission had budget authority for approximately 343 Vouchers. However, actual budget limitations have resulted in approximately 300 households that are receiving rent assistance in Brookings, Deuel, Hamlin, Kingsbury, and Moody Counties. The amount of subsidy that is often required to assist each household can result in fewer households being served. In January 2013 there were approximately 120 households on the Program waiting list.

Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City of Brookings can vary from month to month. Housing Commission staff estimated that approximately 250 of the 300 Vouchers are typically used in Brookings.

It is known that some of the Voucher households are using their rent assistance in some of the subsidized rental projects in the area. These households prefer to maintain their tenant-based assistance, rather than accept project-based assistance. This allows them greater flexibility to move in the future without losing their assistance. As a result, the Housing Choice Voucher assistance sometimes adds to the overall supply of “deep subsidy” housing in the area, but may also overlap with some of the other subsidized or income-based projects.

One of the limitations that can affect the use of Housing Choice Vouchers is the standard that is applied to allowable unit rents. HUD issues Fair Market Rents for each participating County, which limits the gross rent that can be charged under the Program. In Brookings County in 2013, a higher Payment Standard is used that is above the Fair Market Rents (FMRs), but still may limit some households from using their Voucher. The Payment Standards for 2013 are \$515 for a one-bedroom unit, \$698 for a two-bedroom unit, and \$1,029 for a three-bedroom unit.

When compared to the research in 2007, the Voucher Program has grown. In 2007, there were approximately 240 households using Vouchers, and a total Program authority of approximately 300 Vouchers. As detailed elsewhere in this section, there has been some loss of project-based subsidized housing due to terminated rent assistance contracts. As a mitigation step, it is sometimes possible that residents of projects are issued Vouchers to replace the loss of project-based subsidies. This appears to have contributed to the growth in the size of the Brookings Voucher Program.

One developing trend that could have negative consequences for the supply of local affordable housing resources is growing demand for Vouchers from people that have not formerly resided in the Brookings area. According to Housing Commission staff, as many as 700 households have applied to the Voucher Program from locations that are outside of the immediate Brookings area. The primary location for these applicants is the Minneapolis/St. Paul area of Minnesota.

If these nonresident households are selected to receive a Voucher, they are required to initially lease-up in the Brookings area and sign a one-year lease. However, at the end of the one-year period, it is possible that the household can “port” the Voucher assistance to a new location, including Minnesota. Some

porting of Vouchers from Brookings has already been occurring, but a much greater potential exists over the next year as the one-year initial lease requirements are fulfilled. If this trend continues, the Brookings area would see a continued decrease in the number of local Vouchers, unless an equal number of households port into Brookings from outside locations, which is less likely to occur.

Subsidized Housing in Neighboring Communities

There are multiple subsidized rental projects that were identified in the smaller Cities in Brookings County, as well as in the nearby City of Arlington. The majority of these projects are subsidized through Rural Development. Information on individual projects is included in the rental tables that follow.

In general, occupancy rates tend to be high in subsidized housing projects in the smaller Cities. At most only one or two vacancies were reported in a single project. Although some projects had waiting lists, others did not. Waiting lists were most common in Volga, where demand is more directly impacted by Brookings residents. Although few vacancies were reported in Arlington, Aurora, Bruce Elkton, and White, it was typical that most projects did not have active waiting lists.

It should be noted that the rental survey in 2012 did find a better occupancy pattern for many of the small city projects when compared to 2007. In the previous survey, some buildings had high vacancy rates. For example, Parkview Apartments in Arlington had reported seven vacant one-bedroom units in 2007, compared to only one vacancy in the 2012 survey. Dakota Village in Aurora had reported 12 vacant two-bedroom units in 2007, compared to only one vacant unit in 2012.

It should also be acknowledged that there has been some loss of subsidized housing in the smaller communities. Sunny Meadows Apartments (formerly Nelson South Side) in Volga ended its subsidy contract. Elkton Housing I and II have also left their subsidy program.

Subsidized Unit Gains and Losses in Brookings

There have been some changes since 2007 to the local inventory of very affordable, subsidized rental housing. One new project was constructed. In 2008, the Pheasant Run Apartments project opened for occupancy.

Pheasant Run has 22 one-bedroom apartments that are designated for senior (age 62+) or disabled tenant occupancy. All tenants have access to rent assistance and pay rent based on 30% of income.

Despite the construction of some new subsidized housing in Brookings, there has been an overall loss of units in the area, as some of the older projects terminated their subsidy programs and converted to market rate rental housing.

In Brookings, the largest project to leave the subsidy program was Onaka Village/Onaka Trail/8th Street South. This complex had a combined 36 general occupancy units. It converted to market rate housing in 2009. The 2007 Study had identified this project as being "at risk". HUD changes to occupancy restrictions on students had negatively impacted the occupancy patterns in this project.

Two additional small projects, Sandpiper Townhomes I and II left their subsidy programs in 2012 and converted to market rate housing. Combined, these two projects have 10 general occupancy units. All former tenants were issued rent assistance Vouchers. However, as these former tenants move, the project will convert to conventional housing.

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Convention Rental - Brookings					
Brooks Manor 705 14 th Avenue	3 - Efficiency 9 - 1 Bedroom <u>3 - 2 Bedroom</u> 15 Total Units	\$230 \$400 \$525-\$575 +electric	No vacancies	Over half of tenants are students	Three-story apartments built in late 1970s. Project is near the University and over half of the tenants are students. Tenants pay electric in addition to rent. 12 month lease required and strong student demand results in few vacancies. No rental rate information from 2007 for comparison.
Campus View Townhomes 2225 9 th St	16 - 2 Bedroom 24 - 3 Bedroom <u>48 - 4 Bedroom</u> 88 Total Units	\$642 \$870 \$1,144 +heat, electric, hot water	No vacancies, pre-leasing for 2013-2014 academic year	Nearly all students	Apartment-style units constructed in 1987 and located near the University - nearly all tenants are students. Rent includes water, sewer and garbage, with tenants paying other utilities. Units have dishwasher, microwave and coin laundry facilities. 11 month lease required, with 12 th month used for repairs and maintenance. Two-bedrooms have 816 sq ft, 3-bedrooms have 930 sq ft and 4-bedrooms have 1225 sq ft. Full occupancy reported. Rents have increased by \$67 for 2-bedrooms, \$114 for 3-bedrooms and \$136 for 4-bedrooms from 2007 survey.
Caroline Estates 913 Roberts Avenue	9 - 1 Bedroom <u>15 - 2 Bedroom</u> 24 Total Units	\$400 \$525-\$575 +heat, electric	6 vacant units	Mostly working age tenants	Three-story apartments built in late 1970s. Most tenants are working age adults, with only a few students. Tenants pay heat and electric in addition to rent. Manager reported 6 vacancies on date of survey and some of these units have been available for several months. No rental rate information from 2007 for comparison.

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Convention Rental - Brookings					
Carriage House 1511 8 th St S	3 - 1 Bedroom 18 - 2 Bedroom <u>4 - 3 Bedroom</u> 25 Total Units	\$695 \$855-\$990 \$870 + most utilities	No vacancies	Primarily seniors and working-age adults	Three-story apartment building constructed in 1986. Amenities include elevator, underground parking, in-unit laundry hookup, balcony/patio, and large units. Project is very popular with seniors and very low rate of unit turnover. Tenants pay most utilities in addition to rent - estimated monthly utility charge is \$75. One-bedrooms have 888 sq ft, 2-bedrooms have den and range from 1200 to 1500 sq ft, and 3-bedrooms have 1280 to 1300 sq ft. Rents have increased by \$95 for 1 and 2-bedrooms, and by \$110 for 3-bedrooms from 2007 survey.
Countryside Estates 1014 N 22 nd Ave 2229 10 th St	24 - 1 Bedroom <u>44 - 2 Bedroom</u> 68 Total Units	\$475 \$625 +electric	2 vacant units, 1 - 1 Bdrm 1-2 Bdrm	90%+ students	Apartments in two buildings constructed in 1968 and 1972. Tenants pay electric in addition to rent. Project is located near campus, and approximately 90% or more of tenants are students. Garages available for extra fee. One-bedrooms have 770 sq ft and 2-bedrooms have 950 sq ft. Two vacancies at time of survey. Rents have increased by \$45 from 2007 survey.
Countryside Villa I 2221-2231 10 th St.	2 - 2 Bedroom <u>22 - 3 Bedroom</u> 24 Total Units	\$750 \$1035 +heat, electric	1 vacant unit, 1 - 3 Bdrm	Nearly all students	Apartments constructed in two phases in 2003 and 2004. Most units are 3-bedroom with 2 bathrooms. Tenants pay heat and electric in addition to rent. Units have in-unit laundry, dishwashers, microwaves and garages for extra fee. Located near campus and nearly all tenants are students. Three-bedrooms have 1325 sq ft. One vacant unit at time of survey. Three-bedroom rents have increased by \$75 from 2007 survey.

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Convention Rental - Brookings					
<p>Countryside Meadows 2308-2310 10th St</p>	<p><u>16 - 3 Bedroom</u> 16 Total Units</p>	<p>\$1005 +heat, electric</p>	<p>2 vacant units, 2 - 3 Bdrm</p>	<p>Nearly all students</p>	<p>Apartments in two 2-story buildings that were constructed in 2008. Units are 3-bedroom with 2 bathrooms. Tenants pay heat and electric in addition to rent. Units have dishwashers, microwaves, and coin laundry. Garages can be rented but are at a neighboring complex. Located near campus and nearly all tenants are students. Two vacancies at time of survey. No comparable rent information from 2007.</p>
<p>Country Crossings</p>	<p>46 - 1 Bedroom <u>42 - 2 Bedroom</u> 88 Total Units</p>	<p>\$430 \$550 +electric and heat in some units</p>	<p>1 vacant unit, 1 - 2 Bdrm</p>	<p>Primarily students</p>	<p>Apartments in four buildings constructed in the mid-1970s. Some buildings have heat provided, other buildings tenants pay heat. Estimated 70% of tenants are students. One vacant unit at time of survey. Rents in 2007 had been in a range - now rents have been standardized, but only a minor increase in top end from 2007 survey.</p>
<p>Eastcrest Townhomes 2415 9th Street</p>	<p><u>32 - 3 Bedroom</u> 32 Total Units</p>	<p>\$810-\$885 + most utilities</p>	<p>Some vacancies, specifics not disclosed</p>	<p>Mix of tenants but primarily students</p>	<p>Town-house style rental units constructed in multiple phases since 2000, with 8 units constructed in 2005. Tenants pay most utilities in addition to rent. Mix of tenants, but majority are students. Units have in-unit laundry and other amenities. Some vacancies reported in Jan. 2013, but specifics not disclosed - attributed to over building of housing options in the community. Reported rents have increased by \$35 to \$110 from 2007 survey.</p>

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Convention Rental - Brookings					
14 th Avenue Apartments 711 14 th Ave	3 - 1 Bedroom <u>1 - 2 Bedroom</u> 4 Total Units	\$475 \$590 +most utilities	No vacancies	Primarily students	Former fraternity house converted to rental housing - nearly all tenants are students. Strong demand results in no vacancies - 12 month lease required. Rent includes garbage and tenants pay for other utilities. Rents have increased by \$75 from 2007 survey.
Garden Village Townhomes 1821 8 th St	1 - 2 Bedroom <u>17 - 3 Bedroom</u> 18 Total Units	\$610 \$765-\$855 +most utilities	No vacancies	Primarily students	Town house style rental units constructed in 1993. Within walking distance of campus and 90% or more of the tenants are students. Most units are 3-bedroom with 2 bathrooms - detached garages available for extra fee. Rent includes garbage with tenants paying other utilities. Student demand results in good occupancy, with pre-leasing starting before the end of the prior year - 11 month initial lease required. Rents have increased by \$150 for the 2-bedroom and \$105 for most 3-bedrooms from 2007 survey.
Green Estates 815 Roberts Ave	18 - 1 Bedroom <u>30 - 2 Bedroom</u> 48 Total Units	N/A +heat, electric	4 vacant units, 11 - 1 Bdrm 3 - 2 Bdrm	Primarily students	Two multi-story apartment buildings constructed in 1977 and 1979. Rental rates not disclosed, but may be based on charge per person. Tenants pay heat and electric in addition to rent. Approximately 2/3 of tenants are students - 12 month lease required. Amenities include coin laundry, off-street parking and garages for additional fee. Manager reports that over supply of units has resulted in vacancies.

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Convention Rental - Brookings					
Heritage Condos 629 Heritage Drive	6 - Studio <u>21 - 2 Bedroom</u> 27 Total Units	\$400 \$625-\$675 +heat, electric	No vacancies	Mostly working age tenants	Three-story apartments built in 1985. Most tenants are working age adults, with only a few students. Tenants pay heat and electric in addition to rent. Amenities include coin laundry facilities and detached garages for additional fee. Manager says that units have very limited turnover. No rental rate information from 2007 for comparison.
Moriarity Conventional Apartments	N/A	N/A	12% to 15% vacancy	N/A	This company has a large portfolio of rental units that it owns or manages. Specific information on individual buildings was not disclosed, but overall vacancy rate was reported to be between 12% and 15% due to more student options and expanded home ownership.
Cedar West Apartments 703 8 th St S	1 Bedroom 2 Bedroom	\$515 \$620 +electric	12% to 15% vacancy in Moriarity rental portfolio	N/A	Specific information about this property was not available from the owner - information listed was obtained from the internet. Apartments constructed in 1970. Rent includes heat, water, sewer and garbage, with tenants paying electric. Amenities include garage parking included in the rent and 2 bathrooms in some units. Two-bedrooms have approximately 850 sq ft. Specific occupancy not disclosed but 12% to 15% vacancy rate identified across entire rental portfolio due to more student options and movement to home ownership.

Table 31 Brookings Area Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Convention Rental - Brookings					
Parkview Apartments 306 11 th St	1 Bedroom	\$515 +electric	12% to 15% vacancy in Moriarity rental portfolio	N/A	Specific information about this property was not available from the owner - information listed was obtained from the internet. Apartments constructed in 1970. Rent includes heat, water, sewer and garbage, with tenants paying electric. Amenities include garage parking and coin laundry. Specific occupancy not disclosed but 12% to 15% vacancy rate identified across entire rental portfolio due to more student options and movement to home ownership.
The Pines 840 Park Ave	2 Bedroom	\$695-\$735 +heat, electric	12% to 15% vacancy in Moriarity rental portfolio	N/A	Specific information about this property was not available from the owner - information listed was obtained from the internet. Apartments constructed in 1990. Rent includes water, sewer and garbage, with tenants paying other utilities. Amenities include garage parking and 2 bathrooms in some units - 2 bath units are at higher end of rent range. Two-bedrooms have approximately 875 sq ft. Specific occupancy not disclosed but 12% to 15% vacancy rate identified across entire rental portfolio due to more student options and movement to home ownership.
Village Estates I	24 - Efficiency <u>48 - 1 Bedroom</u> 72 Total Units	N/A	12% to 15% vacancy in Moriarity rental portfolio	N/A	Constructed in the early 1970s as a HUD Section 221(d)(3) subsidized project, the subsidy contract has been met and this building had converted to market rate housing prior to 2007. Specific occupancy not disclosed but 12% to 15% vacancy rate identified across entire rental portfolio due to more student options and movement to home ownership.

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Convention Rental - Brookings					
Heron Cove Townhomes Western Avenue	52 - 2 Bedroom <u>20 - 3 Bedroom</u> 72 Total Units	\$740-\$821 \$970-\$1007 +most utilities	8 vacant units, 8 - 2 Bdrm	Mix of tenants	Town house-style units constructed in four phases between 1996 and 2004. Amenities include dishwashers, in-unit laundry hookup and garage parking. Tenants pay all utilities in addition to rent. Mix of tenants including seniors, students and young professionals. Manager reported 8 vacant units at time of survey and even more have been vacant in recent months - increased competition from new projects have impacted occupancy. Rents have increased by \$40 to \$70 for most units from 2007 survey.
Willow Trail Townhomes Trail Ridge Road	<u>20 - 2 Bedroom</u> 20 Total Units	\$830-\$980 +most utilities	No vacant units	Mix of tenants	Town house rental project that was completed in 2009. Units have dishwasher, in-unit laundry, detached garage, patio/balcony and 2 bathrooms. Higher rent units have 2-car garage. Units have 1100 sq ft. Tenants pay most utilities in addition to rent. Manager reported full occupancy on date of survey, but there have been vacancies in previous months. Additional phases of construction can be completed but are not planned. No comparable rent information from 2007.
Ideal Twinhomes 417 Western Ave	<u>12 - 3 Bedroom</u> 12 Total Units	\$1300-\$1375 +utilities	No vacancies	Mix of tenants	Twin home rental units constructed in phases between 2005 and 2009. Tenants pay all utilities in addition to rent. Amenities include attached double garage, in-unit laundry, and master bedroom. Manager reports no vacancies on date of survey.

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Convention Rental - Brookings					
Innovation Village 2405 10 th St	8 - Studio 1 Bedroom 2 Bedroom <u>8 - 3 Bedroom</u> 190 Total Units	\$575 \$800-\$1000 \$1000-\$1200 \$1350 +heat, electric	Approx. 15% vacancy with some units still in initial occupancy phase	Mix of students, faculty, staff and others	Mixed-use apartment complex that was constructed in 2009 and 2012 in the Innovation Village area near SDSU. First phase had 126 units and 64 units opened for occupancy in Aug. 2012 and are still in initial occupancy phase. Complex amenities include indoor pool, whirlpool, community room, fitness center, underground parking, computer center and guest suites. Fewer than 50% of tenants are students, but many with SDSU connection including faculty and staff. Most units have 1 or 2 bedrooms and many units have den. No comparable rent information from 2007.
Kneip Duplex 312 8 th Ave	N/A	N/A	N/A	N/A	Unable to contact. This rental project was awarded tax credits in 1988 for 2 units. Tax credit compliance period has ended.
Medary Woods	<u>12 - 2 Bedroom</u> 12 Total Units	\$480 +most utilities	No vacancies	Mix of tenants including students	Apartments constructed in 1982. Tenants pay most utilities in addition to rent. Garages available for extra fee. Fewer than 50% of tenants are students. No vacancies at time of survey. Rents have increased by \$40 from 2007 survey.
Medary Square 1005 5 th St S	6 - 1 Bedroom <u>18 - 2 Bedroom</u> 24 Total Units	\$345-\$400 \$450-\$525 +most utilities	1 vacant unit, 1 - 2 Bdrm	Mix of tenants	Apartments constructed in 1984. Tenants pay most utilities in addition to rent. Garages available for extra fee. Multiple floor plans so rents vary. Mix of tenants including some students. One unit vacant at time of survey. Most unit rents have increased by \$40 from 2007 survey.

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Convention Rental - Brookings					
Mills Ridge 2410 Sunrise Ridge Circle	30 - 2 Bedroom <u>6 - 3 Bedroom</u> 36 Total Units	\$964 \$1,110 +most utilities	No vacancies	Mix of tenants	Units opened for occupancy in 2006. Rent includes cable TV, internet and garbage, with tenants paying other utilities. Amenities include dishwasher, in-unit washer and dryer, wireless internet, cable TV, patio/balcony and 1 underground parking space. Mix of tenants including seniors, students and young professionals. Two-bedrooms have 1240 sq ft and 3-bedrooms have 1340 sq ft. Manager reports full occupancy on date of survey. Rents have increased by \$64 for 2-bedrooms and \$110 for 3-bedrooms from 2007 survey.
1921 Building 601 4 th St.	1 - 1 Bedroom <u>17 - 2 Bedroom</u> 18 Total Units	\$600 \$723-\$847 +heat, electric	No vacancies	Mix of tenants	Former school building converted to rental housing in 2004. Rent includes garbage with tenants paying other utilities. Amenities include in-unit laundry hookup, dishwasher, community room and attached covered parking in former gymnasium for \$45/month. Mix of tenants including seniors, students and young professionals. Manager reports full occupancy and good demand for units. Rents have increased by \$65 to \$88 from 2007 survey.
Onaka Village Onaka Trail/8th Street South 812 Onaka Trail	4 - 1 Bedroom 24 - 2 Bedroom <u>8 - 3 Bedroom</u> 36 Total Units	\$475 \$550 \$725 +heat, electric	No vacant units	General occupancy	Formerly a HUD Section 8 subsidized project for general occupancy that converted to market rate housing in 2009. Project originally constructed in the late 1970s. HUD rule changes on student occupancy contributed to decision to leave subsidy program. Rent includes water, sewer and garbage with tenants paying other utilities. No comparable rent information available from 2007 survey.

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Convention Rental - Brookings					
701 Prairie View Drive	<u>8 - 2 Bedroom</u> 8 Total Units	\$500 +heat, electric	No vacancies	Primarily students	Split-foyer apartments constructed in 1978. Nearly all of the tenants are students in 2012. Tenants pay heat and electric in addition to rent. Full occupancy and generally good demand reported. No comparable rent information from 2007.
Sandpiper I Townhomes 163 1 st Ave S	<u>2 - 2 Bedroom</u> <u>4 - 3 Bedroom</u> 6 Total Units	\$430 \$660 grandfathered rents	No vacant units	General occupancy units being converted to conventional rental	Formerly Rural Development subsidized town house units for general occupancy this project converted to market rate housing in 2012. All former tenants were issued rent assistance Vouchers. As former tenants move, the project will convert to conventional housing. Amenities include private entrance, in-unit laundry hookup and playground. Project is being renovated and should be complete by June 2013. Manager reports full occupancy.
Sandpiper II Townhomes 144 2 nd Ave S	<u>4 - 3 Bedroom</u> 4 Total Units	\$660 grandfathered rents	No vacant units	General occupancy units being converted to conventional rental	Formerly Rural Development subsidized town house units for general occupancy this project converted to market rate housing in 2012. All former tenants were issued rent assistance Vouchers. As former tenants move, the project will convert to conventional housing. Amenities include private entrance, in-unit laundry hookup and playground. Project is being renovated and should be complete by June 2013. Manager reports full occupancy.

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Convention Rental - Brookings					
Skylight Apartments 815 9 th St	<u>9 - 2 Bedroom</u> 9 Total Units	\$360/person +most utilities	No vacancies	Primarily students	Apartment building constructed in 1992. Nearly all tenants are students and rate is based on \$360/person. 12 month lease required. Tenants pay for all utilities except garbage in addition to rent. Amenities include coin laundry facilities and off-street parking. Manager reports full occupancy. Two additional Skylight buildings with 16 units were sold to SDSU in 2012. Rates have increased by \$95/person from 2007 survey.
Skylight Apartments 720 13 th Ave	<u>1 - 2 Bedroom</u> <u>7 - 3 Bedroom</u> 8 Total Units	\$350/person +most utilities	No vacancies	Primarily students	Apartment building constructed in 1995. Nearly all tenants are students and rate is based on \$350/person. 12 month lease required. Tenants pay for all utilities except garbage in addition to rent. Amenities include coin laundry facilities and off-street parking. Manager reports full occupancy. Two additional Skylight buildings with 16 units were sold to SDSU in 2012. Rates have increased by \$100/person from 2007 survey.
Southland Court IV Apartments 916 Southland Lane	<u>6 - 2 Bedroom</u> <u>6 - 3 Bedroom</u> 12 Total Units	\$925 \$1,150 +utilities	No vacancies	Mix of tenants including students	Apartments constructed in 2005 - part of larger Southland complex with 4 other buildings which are listed separately. Rent includes garbage, cable and internet and tenants pay other utilities. Units have in-unit laundry. Approximately ½ of tenants are students and most of the others are working age. Units are large with 1200 sq ft in 2-bedrooms and 1500 sq ft in 3-bedrooms. Manager reports no vacant units on date of survey. Rents have increased by \$50 for 2-bedrooms and by \$75 for 3-bedrooms from 2007 survey.

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Convention Rental - Brookings					
<p>Southland Court VI Apartments 1009 Southland Lane</p>	<p>1 Bedroom <u>2 Bedroom</u> 60 Total Units</p>	<p>\$650 \$925 +utilities</p>	<p>No vacancies</p>	<p>Mix of tenants including students</p>	<p>Apartments constructed in 2009 - part of larger Southland complex with 4 other buildings which are listed separately. Rent includes garbage, cable and internet and tenants pay other utilities. Tenants pay all utilities in addition to rent. Underground parking available for extra fee. Approximately ½ of tenants are students and most of the others are working age. Units are large with 1200 sq ft in 2-bedrooms and 1500 sq ft in 3-bedrooms. Manager reports no vacant units on date of survey. No comparable rent information available from 2007.</p>
<p>Southland Court Apartments I and II 818, 920 and 1910 Southland Lane</p>	<p>Studio/Efficiency 1 Bedroom <u>2 Bedroom</u> 105 Total Units</p>	<p>\$400-\$425 \$550-\$600 \$675-\$750 +heat, electric</p>	<p>No vacancies</p>	<p>Mix of tenants including students</p>	<p>Apartments in three buildings constructed between 1978 and 1984 - 2 additional buildings were constructed in 2005 and 2009 and are listed separately. Rent includes sewer, water, garbage, cable and internet with tenants paying other utilities. Approximately ½ of tenants are students and most of the others are working age. Studio/efficiencies have 300 to 350 sq ft, 1-bedrooms have 500 to 750 sq ft, and 2-bedrooms have 750 to 900 sq ft. Manager reports no vacant units. Rents have increased by \$100 to \$125 for studio/efficiency, by \$110 to \$120 for 1-bedrooms and by \$135 to \$170 for 3-bedroom units.</p>

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Tax Credit/Moderate Rent - Brookings					
<p>Prairie View Townhomes 1802 12th St S</p>	<p>20 - 2 Bedroom <u>20 - 3 Bedroom</u> 40 Total Units</p>	<p>N/A N/A +heat, electric</p>	<p>Opening for occupancy in Spring 2013</p>	<p>All units at or below 50% or 60% of median income</p>	<p>Five buildings with 8 townhouse units each, that started construction in 2012 using tax credits and HOME funds. Initial occupancy planned for Spring 2013 -pre-leasing has not started. All units serve households at 50% or 60% of median income. Rent includes water, sewer and garbage, with tenants paying heat and electric. Units have 2-level living, attached garage, laundry hookup, dishwasher and 2 bathrooms. Project amenities include community room, exercise room and on-site management. Two-bedrooms have 1092 sq ft and 3-bedrooms have 1275 sq ft. Rent structure has not yet been set</p>
<p>South Briar Apartments 423 15th St S</p>	<p>28 - 2 Bedroom <u>2 - 3 Bedroom</u> 30 Total Units</p>	<p>\$520-\$540 \$575 +electric</p>	<p>No vacancies, waiting list</p>	<p>60% or less of median income</p>	<p>Apartments constructed in 1999 using federal low income housing tax credit assistance. All tenants must be at or below 60% of median income, with some units reserved for households below 50% of median. Rent includes heat, sewer, water and garbage, with tenants paying electric. Amenities include coin laundry, controlled entry and playground. Two-bedroom units have 875 sq ft and 3-bedrooms have 1020 sq ft. All units have 1 bathroom. Manager reports full occupancy and waiting list. Two-bedroom rents have increased by \$80 to \$100 and 3-bedrooms by \$91 from 2007 survey.</p>

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Tax Credit/Moderate Rent - Brookings					
<p>Green Briar 500 15th St S</p>	<p>1 - 1 Bedroom 27 - 2 Bedroom <u>2 - 3 Bedroom</u> 30 Total Units</p>	<p>N/A \$530-\$550 \$586 +electric</p>	<p>No vacancies, waiting list</p>	<p>60% or less of median income</p>	<p>Apartments constructed in 1999 using federal low income housing tax credit assistance. All tenants must be at or below 60% of median income, with some units reserved for households below 50% of median due to use of HOME funds. Tenants pay electric but rent includes heat and other utilities. Two-bedroom units have 875 sq ft and 3-bedrooms have 1020 sq ft - all units have 1 bathroom. Manager reports no vacant units at time of survey and a waiting list. Two-bedroom rents have increased by \$80 to \$100 and 3-bedrooms by \$91 from 2007 survey.</p>
<p>Three Oaks Townhomes 705-725 6th Ave S</p>	<p>18 - 2 Bedroom <u>6 - 3 Bedroom</u> 24 Total Units</p>	<p>\$465 \$680 +most utilities</p>	<p>No vacancies, waiting list</p>	<p>All units at 60% of median income</p>	<p>Town house style units constructed in 1994 using low income housing tax credits. All units serve households at or below 60% of median income. Units are town house-style, with in-unit laundry hookup; detached garage parking available for \$40/month. Rent includes garbage with tenants paying other utilities. No vacancies and a waiting list - some tenants have rent assistance Vouchers. Two-bedroom rents have increased by \$41 and 3-bedrooms by \$190 from 2007 survey.</p>

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - Senior and Disabled Occupancy - Brookings					
<p>Arrowhead Apartments 913 Onaka Trail</p>	<p><u>40 - 1 Bedroom</u> 40 Total Units</p>	<p>\$520 max. 30% of income</p>	<p>No vacant units</p>	<p>Senior and disabled occupancy with age waiver</p>	<p>HUD Section 8 subsidized apartments constructed in 1978. Designated for senior and disabled occupancy but age waiver has been granted and approximately 15% of tenants are younger and non-disabled. Tenants pay rent based on 30% of income, up to maximum rent listed. No units vacant at time of survey, but vacancies had existed before age waiver was granted - less demand in recent years for subsidized senior housing.</p>
<p>Briarwood Apartments 2322 Yorkshire Dr</p>	<p>8 - 1 Bedroom <u>24 - 2 Bedroom</u> 32 Total Units</p>	<p>\$464 - \$589 \$529 - \$659 30% of income</p>	<p>No vacancies, waiting list</p>	<p>Senior and disabled occupancy</p>	<p>Rural Development subsidized apartments for senior and disabled occupancy. Units have rent subsidy that allows rent based on 30% of income; tenants without rent assistance pay 30% of income for rent, but not less than basic, or more than market rents listed. Some tenants receive Voucher assistance through Brookings HA. Amenities include dishwasher, AC, community room and emergency call system. Manager reports full occupancy, low turnover and waiting list. Seniors like the option of a 2-bedroom unit.</p>
<p>Heritage Estates II</p>	<p><u>44 - 1 Bedroom</u> 44 Total Units</p>	<p>\$516 max. 30% of income</p>	<p>N/A</p>	<p>Senior and disabled occupancy</p>	<p>Apartments constructed in 1980 and designated for senior and disabled occupancy - subsidized through SDHDA/HUD Section 8. All units have rent assistance that allows rent based on 30% of income up to maximum rent listed. Units have 6500 sq ft. Project amenities include large community room. Specific occupancy information not available, but project was posted on SDHDA website.</p>

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - Senior and Disabled Occupancy - Brookings					
Pheasant Run Apartments 1250 Windsor Dr	<u>24 - 1 Bedroom</u> 24 Total Units	\$600 max. 30% of income	3 vacant units, waiting list	Senior occupancy	HUD Section 202 subsidized one-level apartment building constructed in 2008 by Accessible Space, Inc., and serving senior renters, age 62 or older. All tenants must be at or below 50% of median income. Rent assistance available allowing rent based on 30% of income, up to maximum rent listed. One-bedrooms have 540 sq ft. Manager reports 3 vacant units at time of survey - attributed to turnover in winter as waiting list exists.
Sunchase Apartments 131 Sunrise Ridge Road	1 - Efficiency 40 - 1 Bedroom <u>1 - 2 Bedroom</u> 42 Total Units	\$414-\$641 \$546-\$731 \$640-811 30% of income	4 vacant units, 1 - Efficiency 3 - 1 Bdrm	Senior and disabled occupancy	Subsidized apartments for senior and disabled occupancy constructed in 1987 using Rural Development and tax credit subsidies. Tax credit compliance period has been met, but Rural Development requirements in effect. Units have rent assistance available that allows rent based on 30% of income; tenants without rent assistance pay 30% of income, but not less than basic or more than market rents listed. Project has community dining room where noon meal can be purchased. Other amenities include community room, beauty shop and emergency call system. Manager reports 4 vacancies at time of survey due to sudden turnover - short waiting list exists.
Supervised Living Apartments	<u>8 - 1 Bedroom</u> 8 Total Units	N/A	N/A	Disabled occupancy	Rural Development subsidized group home for developmentally disabled individuals. Placement is through State referral and Advance.

Table 31 Brookings Area Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - General Occupancy - Brookings					
Cedar Townhomes 711 8 th St. S.	24 - 2 Bedroom <u>8 - 3 Bedroom</u> 32 Total Units	\$651 max. \$815 max. 30% of income	N/A	General occupancy	Town house units constructed in early 1980s and designated for general occupancy - subsidized through SDHDA/HUD Section 8. Amenities include in-unit laundry hookup. All units have rent assistance that allows rent based on 30% of income up to maximum rent listed. Two-bedrooms have approximately 900 sq ft. Mix of tenants including some students. Specific occupancy information not available, but project was posted on SDHDA website.
Clairview 906 22 nd Ave N	8 - 1 Bedroom <u>56 - 2 Bedroom</u> 64 Total Units	\$432 - \$522 \$457 - \$557 30% of income	No vacancies, waiting list	General occupancy	Rural Development subsidized apartments for general occupancy built in 1981 and 1982. Tenants receive rent assistance that allows rent based on 30% of income; tenants without rent assistance pay 30% of income for rent, but not less than basic, or more than market rents listed. Approximately 70% of tenants are graduate or under-graduate students that can qualify to live in project. Some tenants have tenant-based Vouchers. No vacancies and a waiting list.
Heritage Estates Townhomes 508-610 Heritage Drive	12 - 2 Bedroom <u>24 - 3 Bedroom</u> 36 Total Units	\$658 \$722 30% of income	N/A	General occupancy	HUD Section 8 subsidized town house units for general occupancy, constructed in 1972. 28 units have rent assistance available that allows rent based on 30% of income, and 8 units are market rate at rents listed. Project has mix of tenants including some students. Specific occupancy information not available, but project was posted on SDHDA website.

Table 31 Brookings Area Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - General Occupancy - Brookings					
Lakota Village Onaka Trail/Deer Lane	21 - 2 Bedroom <u>4 - 3 Bedroom</u> 25 Total Units	\$453 - \$665 \$513- \$725 30% of income	1 vacant unit, waiting list 1 - 2 Bdrm	General occupancy	Rural Development subsidized apartments for general occupancy. Units have rental assistance that allows rent based on 30% of income; tenants without rent assistance pay 30% of income for rent, but not less than basic, or more than market rents listed. Some residents have tenant-based Vouchers. One unit vacant at time of survey, but waiting list did exist and was being used to fill vacancy.
Regency Square 100-104 Sunrise Ridge Road	<u>8 - 1 Bedroom</u> 8 Total Units	\$465-\$665 30% of income	No vacancies	General occupancy	Two four-plexes originally constructed in the 1980s, but relocated into Brookings in 1990. Rural Development and tax credits for 4 units used for project and renovation. Units have rent assistance available, so tenants pay rent based on 30% of income. Tenants without rent assistance would pay 30% of income but not less than basic or more than market rents listed. Owner reports no vacancies but no waiting list.
Sunrise Apartments 120 6 th Ave S	1 - 1 Bedroom <u>7 - 2 Bedroom</u> 8 Total Units	\$445 \$575 30% of income	2 vacant units, 1 - 1 Bdrm 1 - 2 Bdrm	General occupancy	Rural Development apartments for general occupancy built in 1978. Seven tenants receive rent assistance that allows rent based on 30% of income up to maximum rents listed. Manager reported 2 vacancies on date of survey and no waiting list. Some residents are rejected for screening issues.

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - General Occupancy - Brookings					
Wellington Heights Apartments 600 Medary Ave S	<u>12 - 3 Bedroom</u> 12 Total Units	\$525-\$790 30% of income	No vacancies	General occupancy	Rural Development and tax credit project that opened for occupancy in 1993. Units are town house style. Tax credits used for all units - 60% of median income limits apply. Units have rent assistance that allows rent based on 30% of income; tenants without rent assistance pay 30% of income but not less than basic or more than market rents listed. Owner reports full occupancy but no waiting list.
Windsor Estates 929 Southland Lane	4 - 1 Bedroom 12 - 2 Bedroom 8 - 3 Bedroom <u>12 - 3 Bedroom TH</u> 36 Total Units	\$370-\$500 \$455-\$605 \$505-\$739 \$525-\$745 30% of income	1 vacant unit, 1 - 1 Bdrm	General occupancy	Rural Development and tax credit project that opened for occupancy in 1994. 12 Units are town house style and 24 units are apartments. Tax credits used for all units - 60% of median income limits apply. Limited units have rent assistance that allows rent based on 30% of income. Tenants without rent assistance would pay 30% of income but not less than basic or more than market rents listed. Some tenants have Vouchers. Owner reports 1 vacancy at time of survey, but more vacancies in the recent past, and no real waiting list. Limited access to rent assistance and Vouchers impacts demand.
Southland Court V (formerly Windsor Estates South) 1025-1027 Southland Lane	2 - 1 Bedroom 10 - 2 Bedroom <u>10 - 3 Bedroom</u> 22 Total Units	\$289 \$423 \$554 +heat, electric	No vacancies	General occupancy	HOME funded units that opened for occupancy in 1996. Two buildings with 10 and 12 units. Ownership and name changed in 2008. All units serve households at or below 60% of median income. Rent includes sewer, water, cable and internet with tenants paying other utilities. No project-based rent assistance available. Owner reports full occupancy and low turnover.

Table 31 Brookings Area Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - General Occupancy - Brookings					
Yorkshire 2410 Yorkshire Drive	<u>50 - 1 Bedroom</u> 50 Total Units	\$484 Max. 30% of income	1 vacant unit	Senior and disabled occupancy with age waiver	HUD Section 8 subsidized units constructed in 1980. Constructed for senior and disabled occupancy, but an age waiver has been given and most tenants are younger. Tenants pay rent based on 30% of income up to maximum rent listed. One unit vacant at time of survey and no real waiting list exists.

Table 31 Brookings Area Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Multifamily Rental - Arlington					
Nelson Diamond Apartments Arlington	<u>8 - 2 Bedroom</u> 8 Total Units	\$495-\$670 30% of income	No vacant units	General occupancy	Rural Development subsidized apartments for general occupancy. Project was built in 1997 and later moved into Arlington in 2004. Units have rent assistance that allows rent based on 30% of income; tenants without rent assistance pay 30% of income but not less than basic or more than market rents listed. Owner reports no vacant units at time of survey but no waiting list.
Nelson Lakeview Apartments Arlington	<u>12 - 1 Bedroom</u> 12 Total Units	\$455-\$625 30% of income	2 vacant units	General occupancy	Rural Development subsidized apartments built in 1995 for senior and disabled occupancy, but now available for general occupancy. Units have rent assistance that allows rent based on 30% of income; tenants without rent assistance pay 30% of income but not less than basic or more than market rents listed. Owner reports 2 vacant units and no waiting list.
Parkview Apartments 201 E Ash Arlington	14 - 1 Bedroom 20 - 2 Bedroom <u>1 - 3 Bedroom</u> 35 Total Units	\$425 \$546 N/A 30% of income	1 vacant unit, waiting list 1 - 1 Bdrm	General occupancy	Rural Development subsidized apartments for general occupancy built in phases between 1978 and 1984 in multiple buildings. Units have rent assistance that allows rent based on 30% of income up to maximum rents listed. Manager reports 1 vacant unit but a waiting list for 2-bedroom units.

Table 31 Brookings Area Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Multifamily Rental - Aurora					
Dakota Village Aurora	<u>30 - 2 Bedroom</u> 30 Total Units	\$417-\$472 30% of income	1 vacant unit, 1 - 2 Bdrm	General occupancy	General occupancy subsidized units constructed in 1992 with Rural Development and tax credit subsidies. Tax credit limits apply to 24 units at 60% of median income, and 6 units at RD limits of 80% of median income. Units have rent assistance that allows rent based on 30% of income; tenants without pay rent based on 30% of income, but not less than basic or more than market rents listed. Many tenants have Vouchers instead of RD rent assistance. City requires \$200 utility deposit which can difficult for lower income renters. In 2007 this project had multiple vacancies, but demand has improved due in part to immigrant populations that have moved into the area to secure housing Vouchers.

Table 31 Brookings Area Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Multifamily Rental - Bruce					
Nelson Apartments 702 Second St Bruce	<u>11 - 1 Bedroom</u> 11 Total Units	\$400-\$570 30% of income	No vacant units	General occupancy	Rural Development subsidized apartments for general occupancy. Units have rent assistance that allows rent based on 30% of income; tenants without rent assistance pay 30% of income but not less than basic or more than market rents listed. Owner reports no vacant units at time of survey but no waiting list.

Table 31 Brookings Area Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Multifamily Rental - Elkton					
Elkton Housing I 710 Elk St Elkton	1 - 1 Bedroom <u>3 - 2 Bedroom</u> 4 Total Units	\$375 \$400 +utilities	1 vacant unit, 1 - 2 Bdrm	General occupancy	Formerly a Rural Development subsidized project constructed in the 1970s, that was converted to conventional housing in 2011. Tenants were offered rent assistance Vouchers to mitigate impact. Tenants pay most utilities in addition to rent. One unit vacant at time of survey.
Elkton Housing II 318 Elk St Elkton	4 - 1 Bedroom 1 - 2 Bedroom <u>1 - 3 Bedroom</u> 6 Total Units	\$375 \$400 \$550 +utilities	1 vacant unit, 1 - 1 Bdrm	General occupancy	Formerly a HUD Section 8 subsidized project that converted to conventional housing in 2011. Units are in two buildings. Tenants pay most utilities in addition to rent. Chronic vacancy issues in 2007 may have resulted in opt-out from subsidy program. Two 1-bedrooms were converted into 1 3-bedroom. One unit vacant at time of survey.
Elkton HRC Four-Plexes 718 Elk St Elkton	<u>8 - 2 Bedroom</u> 8 Total Units	\$575 +all utilities	No vacant units, waiting list	Mix of tenants	Two rental 4-plexes constructed in 1995 and 1997 by the Housing and Redevelopment Commission using essential function bonds. Units are large, with an attached garage, dishwasher and in-unit laundry. Tenants pay utilities in addition to rent. Mix of tenants including seniors and working age commuters. Manager reports no vacancies with good demand and a waiting list. Rents will increase to \$625 in 2013.
Rental Houses Elkton	25 newer rental houses offering 2 and 3 bedroom options	\$600-\$1200 +utilities	3-4 vacant houses, houses are listed for sale	Mix of tenants	Single family houses that were constructed in recent years and intended for sale - when slow to sell they were converted to rental use and approximately 25 are still available, although they are also for sale. Tenants pay utilities. Price ranges depending on size and availability of garage. Manager reports that approximately 3 or 4 were vacant at time of survey.

Table 31 Brookings Area Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Multifamily Rental - Volga					
Dakota Manor III 126 W 6 th St Volga	<u>6 - 1 Bedroom</u> 6 Total Units	\$300-\$500 30% of income	No vacancies	General occupancy	Rural Development subsidized units for general occupancy built in 1986. Five units have rent assistance that allows rent based on 30% of income; remaining tenant pays 30% of income but not less than basic or more than market rents listed. Project has once been popular with students, but rule changes have limited student eligibility and no current tenants are students. Owner reports full occupancy at time of survey.
Garfield Square Apartments 100 6 th St E Volga	5 - 1 Bedroom <u>3 - 2 Bedroom</u> 8 Total Units	\$455-\$466 \$485-\$496 30% of income	No vacant units, waiting list	General occupancy	Rural Development subsidized apartments constructed in 1980. Building is two-story with no elevator. Originally for senior and disabled occupancy, but now converted to general occupancy housing. Units have rent assistance that allows rent based on 30% of income; tenants without rent assistance pay 30% of income but not less than basic or more than market rents listed. Owner reports no vacant units and waiting list.
Volga Manor 411 1 st St Volga	1 -1 Bedroom <u>7 - 2 Bedroom</u> 8 Total Units	\$502-\$562 \$572-\$632 30% of income	1 vacant unit, 1 - 1 Bdrm waiting list	General occupancy	Rural Development subsidized apartments for general occupancy. Units have rent assistance that allows rent based on 30% of income; tenants without rent assistance pay 30% of income for rent, but not less than basic, or more than market rents listed. Manager reports 1 vacancy at time of survey, but waiting list exists and will be used to fill unit.

Table 31 Brookings Area Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Multifamily Rental - Volga					
Sunny Meadows Apartments (formerly Nelson South Side) 208 E 8 th St Volga	1 - 1 Bedroom <u>3 - 2 Bedroom</u> 4 Total Units	\$450 \$550 + heat, electric	No vacancies	General occupancy	Formerly a Rural Development subsidized project that opted-out of the subsidy program before 2009 and now provides market rate housing. Rural Development rule change impacted student occupancy which contributed to opt-out. Rent includes water, sewer and garbage, with tenants paying other utilities. Manager reports full occupancy and good demand as Volga is within easy commute of Brookings. No comparable rent information available from 2007 survey.
West Side Apartments Volga	<u>20 - 1 Bedroom</u> 20 Total Units	30% of income	No vacancies, waiting list	General occupancy	HUD Public Housing project originally constructed for senior and disabled occupancy, but now available for general occupancy. Preference given to senior or disabled applicants and approximately 80% of tenants meet preference. Tenants pay rent based on 30% of income. Units are in four-plex configurations, and are one-level housing. Manager reports full occupancy and strong demand with waiting list of 10 names.
Sand Creek 303 Samara Ave Volga	4 - 1 Bedroom <u>8 - 2 Bedroom</u> 12 Total Units	\$555 \$655 + heat, electric	No vacancies	General occupancy	Apartments constructed in 2002. Amenities include covered parking, community room and some units have in-unit laundry. Rent includes water, sewer and garbage and tenants pay other utilities. Full occupancy reported and good demand, as Volga is within commuting distance of Brookings. Rents have increased by \$80 for 2-bedrooms and \$60 for 3-bedrooms from 2007 survey.

Table 31 Brookings Area Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Multifamily Rental - Volga					
Thorn Rentals 100 Industrial Dr Volga	14 - 1 Bedroom 9 - 2 Bedroom <u>22 - 2 Bdrm TH</u> 45 Total Units	\$450 \$625 \$675 + heat, electric	2 vacant units	Mix of tenants	Apartment units and town house rentals constructed in phases between 2003 and 2007. Tenants pay heat, electric, water and sewer in addition to rent. Amenities include dishwasher, AC and in-unit laundry hookup. Some garages for extra fee. Manager reports a mix of tenants, including commuters and a few students. Two units vacant at time of survey.
Split View Apartments 105 Caspian Ave Volga	<u>28 - 2 Bedroom</u> 28 Total Units	\$650 + heat, electric	No vacant units	Mix of tenants	Apartment buildings constructed in 2008 and 2010. Tenants pay heat, electric, water and sewer in addition to rent. Amenities include dishwasher, AC, in-unit laundry hookup and 1 ½ bathrooms. Some garages for extra fee. Units have 1080 sq ft. Manager reports a mix of tenants, including commuters and a few students. Manager reports full occupancy at time of survey.
Country View Estates 515 Samara Ave Volga	12 - 2 Bedroom <u>2 - 3 Bedroom</u> 14 Total Units	\$630-\$665 \$740 + all utilities	No vacancies, waiting list	Mostly seniors	Publicly-owned market rate rental units constructed in 2001 and 2004. Income limits tied to 80% of County median. Units are town house-style with attached garage. Lower rent 2 bedrooms have 1 car garage, and higher rent 2 bedroom and 3 bedroom units have 2 car garage. Tenants pay all utilities in addition to rent - estimated at \$125 per month. Project is popular with senior renters, and waiting list exists for both 2 and 3-bedroom units. Future phase of 6 units is possible. Rents have increased by \$20 to \$30 from 2007 survey.

Table 31 Brookings Area Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Multifamily Rental - White					
Country View 100 E Patrick White	<u>8 - 1 Bedroom</u> 8 Total Units	\$513-\$538 30% of income	1 vacant unit	General occupancy	Rural Development subsidized apartments for general occupancy. Originally for senior/disabled occupancy but changed to general occupancy many years ago. Units have rent assistance available that allows tenants to pay rent based on 30% of income, up to maximum rent listed. Manager reports a mix of tenants, including a non-traditional student. Traditional students cannot typically qualify for rent assistance and must pay at least the basic rent amount. One unit vacant at time of survey but in the process of being filled. No waiting list typically exists in White.

Source: Community Partners Research, Inc.

Senior Housing with Services

Brookings has a number of specialized housing projects that provide housing with supportive services, primarily for a frail elderly population. In some cases, “continuum of care” complexes have been built that allow seniors to effectively age-in-place, by starting out in a light services housing project, then eventually moving into more service-intensive housing as they age.

Under South Dakota law, the Department of Health is required to license the more service-intensive forms of senior housing, including skilled nursing homes and assisted living centers. Lower-service forms of senior housing, referred to as residential living centers by the State, are required to register with the Department of Health, but are not licensed and subject to the more stringent requirements, such as inspections, that apply to more service-intensive housing.

Due to the higher level of regulation, the assisted living projects can be identified through State licensing. In the case of residential living centers, where registration is encouraged but inspections are not required, it is possible that some properties are not properly registered.

In the summary of providers that follows, we have used our own classification for units based on the type of housing provided. We have also examined those properties that are licensed or registered with the State in determining the type of housing.

Skilled Nursing Homes

There are two State-licensed skilled nursing homes in Brookings. There is also a skilled nursing home in White, also located in Brookings County, a skilled nursing facility in Estelline, in neighboring Hamlin County, and a nursing home in Arlington, in Kingsbury County.

The two nursing homes in Brookings were both undergoing changes in 2013. Brookview Manor is in the process of constructing a new campus, which will open in 2013. The number of licensed beds will remain unchanged at 79, but the facility will primarily offer single occupancy rooms in the future, with only three rooms for shared occupancy.

United Retirement Center is currently licensed for 79 beds. This facility reported that a renovation project was underway in 2013.

Administrators were asked about utilization rates in Brookings. Brookview Manor reported annual occupancy between 93% and 95%, although they expect that annual occupancy will be above 95% in their new facility.

United Retirement Center reported annual occupancy at approximately 96%. Both nursing homes primarily provide options for longer-term residents, although both do have some beds intended for rehab/recovery stays.

The White Health Care Center in White is currently licensed for 35 beds, although eight of the beds are in a special dedicated memory care wing. This facility reported that it is typical to have one or two beds unoccupied in both the memory care wing and in the nursing home.

The Estelline Nursing and Care Center is currently licensed for 60 beds. In 2007, two beds in this facility had been licensed as an Assisted Living Center, but in 2013 these beds were back in the nursing home licence. This facility reported that 55 to 60 beds are typically being utilized.

The Golden Living Center Arlington has capacity for 48 beds, but in April 2013 had 42 beds licensed in the nursing home, and four additional beds licensed as assisted living. This facility indicated that the number of licensed beds can be increased as needed. Typical occupancy is approximately 40 beds, representing a mix of seniors needing both longer-term residency and shorter-term rehab/recovery stays. Two of the four assisted living beds were occupied when the facility was contacted.

Specialized Memory Care Housing

At the time of the 2007 Study there were no dedicated memory care housing options in Brookings. It was acknowledged that residents needing memory care were being housed in nursing homes or assisted living centers, but none of those facilities provided a secure wing care for memory care residents.

In 2013 Edgewood Vista will open a 16-unit memory care wing that is attached to their assisted living center. There is also an 8-bed facility in the City of White, which is part of the White Health Care Center. The representative of this facility stated that there are often one or two beds that are unoccupied in this wing.

Assisted Living Centers

There are three licensed providers of more service-intensive, assisted living for seniors in Brookings. These projects provide all meals, assistance with daily living services, house keeping, laundry, medication dispensing and have 24-hour staffing. There is also one licensed facility in Volga, and four licensed beds in Arlington, in Kingsbury County.

Edgewood Vista Assisted Living was constructed in 1997 and has 29 units with licensed capacity for 34 residents. Edgewood Vista had previously been known as Greenleaf, but an ownership and name change have occurred since 2007. The units are a private sleeping room and bathroom, but there are no kitchen facilities. Five of the rooms can accommodate double-occupancy. Edgewood Vista is in the process of adding a memory care wing that will have capacity for 16 residents.

Park Place Assisted Living was constructed in 1999, and has 28 studio units, with total licensed capacity for 32 residents, if some rooms have shared occupancy. The units are a private sleeping room and bathroom, but there are no kitchen facilities. Park Place Assisted Living is part of a senior campus that also includes the United Retirement Center and Park Place Apartments.

Stoney Brook Suites opened for occupancy in 2003, and has a 10-unit expansion underway in 2013. When completed, this facility will have 48 units, with capacity for 50 or more residents. Most of the units are studio apartments, with kitchenette facilities, but the expansion project has added more one- and two-bedroom options. Stoney Brook Suites is a stand-alone facility. According to staff, additional expansions could be made at the project site, although none are planned at this time.

Dakota Sun in Volga has 16 licensed beds. It was originally constructed in the 1970s and remodeled in 2000. Residents have private sleeping room and most have private bathroom.

The four beds assisted living beds in Arlington are part of the Golden Living Center. Two of the four beds were occupied when contacted by the research process for this Update.

Cozy Corner in Elkton may have dropped its assisted living license during the course of research for this Update. In January 2013 it was licensed, but a later check in March failed to find the facility on the State website. When last contacted, the facility could house eight residents in six rooms, but only two beds were occupied.

Including the expansion at Stoney Brook Suites, the projects in Brookings offer 105 units of assisted living, with capacity for more than 115 residents. Including Dakota Sun in Volga, there would be capacity for 131 assisted living residents in Brookings County.

Occupancy rates were generally high, with only two vacant studio units reported in Brookings at the time of our survey and one vacant bed in Volga. Assisted living units often have a relatively high rate of turnover, and there is sometimes a delay while a new occupant makes arrangements to move into the facility.

Rental rates for assisted living can vary depending on the actual level of services provided. Lower income seniors needing assisted living may be able to secure County/State assistance through the Medicaid Waivers system. Park Place and Dakota Sun will both accept Medicaid residents, but Stoney Brook Suites is only a private-pay facility. Edgewood Vista will generally allow up to 10% of their residents to utilize Medicaid assistance. Low reimbursement rates for Medicaid Waivers make this program difficult to use for many facilities.

Light Services/Congregate Senior Housing

There are two rental projects that provide light services to residents. These projects are sometimes described as either independent living or congregate senior housing. Services are limited in each of these projects, but both buildings do provide access to daily meals to residents.

Brookhaven Estates has 24 units and was constructed in 2004. It is part of the Brookings Health System that currently includes the Hospital and Brookview Manor Nursing Home. A corridor connection exists to these other facilities. However, Brookview Manor will soon be replaced with a newly built facility that will be located in a different part of the City. Brookhaven Estates will still be located adjacent to the Hospital.

The other light services housing project is Park Place Apartments, which has 16 units and was constructed in 1991. It is physically connected to the United Retirement Center and is part of a senior campus that also includes Park Place Assisted Living. Park Place Apartments was originally constructed with 20 units, but lack of demand has resulted in four units being converted into offices or other uses. In 2007, there were five units devoted to other uses, but one apartment has since been returned to the rental inventory.

Combined, these two projects have 40 total rental units available. Park Place reported full occupancy and Brookhaven Estates had one vacant unit, but this unit had just become available due to tenant turnover. While occupancy rates were high at the time of the most recent survey, Park Place did not maintain a waiting list for occupancy and Brookhaven Estates only had a waiting list for one-bedroom units, with most of their apartments having two bedrooms.

Rental rates vary, depending on the services included. Park Place had one-bedroom rents starting at \$683 per month, but most services, including meals were contracted separately. Brookhaven Estates had a higher rent structure, starting at \$1,200 for a one-bedroom unit, but a daily meal and underground parking were included in the basic rent.

Reduction of Specialized Senior Housing in Other Communities

Three additional assisted living facilities that had existed in the area in 2007 are no longer licensed as Assisted Living Centers.

Cozy Corner in Elkton is no longer listed on the State website. In 2007, this facility had capacity for 12 residents. It may still be operational, but offering only lighter services housing.

White Pines Assisted Living Center in White had 10 licensed beds in 2007, but the assisted living license was ended in 2008, and eight of the 10 beds were converted into a secure memory care wing. The former assisted living and current memory care beds are located in the White Health Care Center along with traditional nursing home beds.

In 2007 there had also been two licensed assisted living beds in Estelline that were part of the Estelline Nursing and Care Center. In 2012, these assisted living beds were no longer licensed separately, and the beds are part of the licensed nursing home. According to the administrator, the assisted living license could be easily reactivated, as needed.

The changes that have occurred within the assisted living inventory in the small communities are probably an indication of demand. In the 2012 survey, significant unused capacity was present in Elkton. One bed was unoccupied in Volga, although Volga does appear to have better demand for this type of housing than in the other small cities.

Market Share for Existing Housing with Services Projects

Senior Demographics

Housing with services projects can serve seniors of any age, but typically have the greatest utilization by older seniors. A 2005 Assisted Living Center report from the South Dakota Department of Health identified 88.3% of all assisted living residents Statewide as age 75 or older. To analyze the market share for the various forms of housing in Brookings County, Community Partners Research has focused on demographic data for older seniors, age 75 and above.

The recent release of 2010 Census information provides an accurate, updated look at the area's senior population. In April 2010, there were 3,170 senior citizens (age 65+) living in Brookings County. This included 1,615 younger seniors, in the age range between 65 and 74 years old, and 1,555 older seniors, age 75 and above.

The population of senior citizens did grow over the last decade. Between 2000 and 2010, the County added 221 younger seniors, age 65 to 74, but lost 116 seniors age 75 and older.

Between 2010 and 2015, the projections used for this Study point to growth in the number of senior citizens in the County, but most of this will be due to seniors at the youngest end of the group, age 65 to 74. Fewer than 40 additional senior citizens would be projected in the age groups 75 years old and older, unless they relocate into the Brookings area from more distant locations.

For senior-headed households, there were approximately 2,100 households in the County that had a householder age 65 or older at the time of the 2010 Census. Of these households, 1,107 had a householder age 75 or older. As with senior populations, there was a net increase in the number of senior households in the last decade, but this was due to growth in the younger senior ranges. Only 24 households were added in the age groups 75 and older.

Once again, available projection data would show fairly strong growth in the number of senior-headed households through the year 2015, but this will largely be caused by an expansion of younger seniors, age 74 and younger. The growth in the number of older senior households should be much more limited. The projections used for this Study expect net growth of between 20 and 30 additional older senior households between 2010 and 2015.

The forecasts do point to net growth in the number of younger senior households, in the age range between 65 and 74 years old. A net increase of approximately 240 to 270 households would be expected within this younger senior group by the year 2015. Over the longer-term, the advancing baby boomer generation will create demand for additional specialized senior housing, but this demand is not expected until after the year 2020.

Senior Housing Utilization

It is important to note that the senior demographic statistics from the 2010 Census would include seniors already residing in specialized senior housing, including nursing homes, assisted living centers and memory care facilities. Adjustments to the senior population and the number of senior-headed households will be made for each of the different housing types reviewed. For example, when examining the seniors that form a potential market for an assisted living unit, it is necessary to subtract the seniors that already reside in more service intensive forms of senior housing, such as nursing homes or memory care units.

Skilled Nursing Homes

Since utilization of nursing home beds varies by short-term versus longer-term stays, some assumptions need to be applied to this segment of the market. After talking to nursing home administrators, it is estimated approximately 160 skilled nursing beds in Brookings County are generally available for longer-term residents.

When these statistics are compared to the County's senior population, the available supply of beds represents approximately 10.3% of the total population of older seniors (age 75+). In the opinion of the analysts, this is a relatively high percentage of beds to older seniors. The success of the existing skilled nursing homes points to their desirability as a place to live for older seniors. It is recognized that some of these residents come from locations outside of the County borders, although skilled nursing homes also exist in neighboring Counties.

Although calculations have been performed on the market share for nursing homes, there has been a long-standing moratorium on adding beds, and any new nursing home facilities are typically limited to replacing existing beds, rather than adding to the total inventory. As a result, no additional capture by nursing homes would be expected in the future. To the extent that some existing beds are diverted to other uses, such as specialized memory care or rehab/recovery, the utilization as a long-term place of residence could be lowered over time.

Memory Care Housing

The County currently has limited capacity for people needing specialized memory care housing, but a 16-bed facility will open in Brookings in 2013. There is also an 8-bed memory care wing in White. Including the new units, the available memory care beds in the County represent approximately 1.5% of the older senior population. Since memory care represents a very specialized form of housing, no adjustment has been made for seniors residing in other forms of housing.

In the opinion of Community Partners Research, 1.5% represents a healthy capture rate for memory care units. Since Brookings is an important regional center, it is probable that some residents come from a greater distance.

Discussions with area housing providers point to the cost and regulatory difficulties of creating specialized memory care units. Staffing, security, liability and licensing requirements all contribute to a reluctance to enter this very specialized housing segment.

In South Dakota, it appears that some of the demand for memory care housing is typically met through the use of nursing home beds in smaller communities that may have a declining local senior population. For example, the nursing home in White has an 8-bed dedicated wing. There may be other options in nearby nursing homes in neighboring Counties. As a result, some of the demand from the larger region can be met in the smaller communities that have unused capacity in their nursing homes.

Assisted Living Centers

When examining market demand for assisted living, calculations can be compared to the population of older seniors, or to older senior households. Assisted living residents are generally older seniors that tend to live alone, rather than as couples. Some of the assisted living facilities have shared occupancy rooms, which could accommodate couples if they both need this form of housing.

When comparing assisted living units to the older senior population, a downward adjustment needs to be made to account for seniors that are living in a memory care unit or a nursing home on a permanent basis. This results in a potential target market of approximately 1,400 older senior citizens that would consider an assisted living unit.

Brookings County has capacity for approximately 130 assisted living residents, but approximately 120 actual rooms, if only single occupancy is used. The supply of units/beds represents approximately 8.6% to 9.2% of the adjusted target population of older senior citizens currently residing in the County. In the opinion of the analysts, the existing supply of units represents a relatively high capture rate within the target population. Once again, it is probable that the County's market potential extends beyond the County's border.

If all of the service-intensive forms of senior housing are combined, including assisted living, memory care and nursing homes, then nearly 20% of all older seniors in the County have access to these types of advanced care facilities.

Housing with Light Services/Residential Living Centers

Light services units are typically compared to the distribution of all older senior households, rather than population. Housing with light services can serve a more active and independent senior, and it is more common to see couples reside in this housing, as well as single person households.

After adjusting for senior households that already reside in more service-intensive forms of housing, we would estimate the target market at approximately 1,000 older senior households in Brookings County.

The current supply of 40 light services rental units represents a market capture rate of approximately 4.0% of the primary target market. In the opinion of the analysts, this is a relatively low concentration of units. However, there are other forms of senior housing in the area, including some subsidized projects that may offer access to a noon meal. As a result, older seniors looking for a light services unit may instead be choosing to live in more independent housing, and using home health care and other resources to supplement their care needs.

Table 32 Brookings Area Senior Housing with Services Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Skilled Nursing Homes					
Brookview Manor Brookings	79 bed skilled nursing facility - new campus under construction in 2013	N/A	93%-95% occupancy rate	Skilled Nursing Facility	Nursing home constructed in 1960s, in the process of being replaced by a new campus that will open in July 2013. Part of Brookings Health System that includes the Hospital and Brookhaven Estates senior housing, but will no longer be at same location. Current occupancy rate is 93% to 95%, but an increase is expected in new facility. 73 rooms in new building will be private occupancy, with 3 semi-private. 13 beds will be dedicated to shorter-term rehab/recovery stays.
Golden Living Center Arlington	42 licensed beds	N/A	Typical utilization is around 40 beds	Skilled Nursing Facility	Nursing home with capacity for 48 residents but 42 licensed as nursing home beds in April 2013, and 4 licensed as assisted living. Typical occupancy is approximately 40 residents. Up to 40% of residents may only need rehab/recovery stay and some beds are dedicated to this use.
United Retirement Center Brookings	79 licensed beds	N/A	approximate 96% occupancy	Skilled Nursing Facility	Nursing home constructed in 1959 with addition in 1989 and renovation underway in 2013. Part of senior complex that includes Park Place Apartments and Park Place Assisted Living. Between 5 and 9 beds typically used for shorter-term rehab/recovery stays. Typical occupancy of approximately 96%.
Estelline Nursing and Care Center Estelline	60 licensed beds	N/A	3 vacant beds	Skilled Nursing Facility	Nursing home that is licensed for 60 beds. In 2007 2 beds were licensed for assisted living, but not in 2012 - these beds could become ALC if needed. Approximately 5% to 10% of residents are typically shorter-term rehab/recovery stays, with most residents longer-term. Three beds vacant at time of survey, with usage typically between 55 and 60 residents.

Table 32 Brookings Area Senior Housing with Services Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Skilled Nursing Homes					
White Healthcare Center White	35 licensed beds including 8 in dedicated memory care area	N/A	33 of 35 beds occupied	Skilled Nursing Facility with memory care wing	The White Health Care Center is licensed for 35 beds including 8 in special memory care wing. Ten beds had been used as Assisted Living Center in 2007, but this was ended in 2008 and most beds were converted to memory care use. Occupancy rates tend to be high with 33 beds occupied on date of survey - with 6 or 7 beds typically occupied in memory care. Staff estimates that 10% of residents are short-term rehab/recovery and remaining are longer-term residents.
Memory Care Housing					
Edgewood Vista Assisted Living and Memory Care (formerly Greenleaf) 2015 8 th St S Brookings	<u>16 - Studio</u> 16 total rooms that will open for occupancy in Feb. 2013	N/A	N/A	Memory care housing	Senior specialized memory care wing being added in 2013 to Edgewood Vista Assisted Living. Units are studio units with private bath. Initial occupancy will begin in Feb. 2013. Will be licensed as assisted living memory care units - residents must have certain abilities to meet daily living needs.
White Healthcare Center White	35 licensed beds including 8 in dedicated memory care area	N/A	33 of 35 beds occupied	Skilled Nursing Facility with memory care wing	The White Health Care Center is licensed for 35 beds including 8 in special memory care wing. Ten beds had been used as Assisted Living Center in 2007, but this was ended in 2008 and most beds were converted to memory care use. Occupancy rates tend to be high with 33 beds occupied on date of survey - with 6 or 7 beds typically occupied in memory care. Staff estimates that 10% of residents are short-term rehab/recovery and remaining are longer-term residents.

Table 32 Brookings Area Senior Housing with Services Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Assisted Living Center					
Edgewood Vista Assisted Living and Memory Care (formerly Greenleaf Assisted Living) 2015 8 th St S Brookings	24 - Studio 4 - Studio Deluxe <u>1 - Suite</u> 29 total rooms with licensed capacity for 34 ALC residents	N/A 90%+ private pay	2 vacant studio units	Assisted Living Center	Senior assisted living constructed in 1997 and originally known as Greenleaf, but now under new ownership. Memory care wing being added in 2013. Assisted living units are primarily studio units with private bath but no kitchen facilities. If five rooms have double occupancy then up to 34 residents. Up to 10% of residents can receive State/County assistance. Two units vacant at time of survey due to ongoing unit turnover.
Park Place Assisted Living 405 1 st Ave Brookings	28 Studio units with capacity for 32 licensed ALC residents	\$2,100-\$2,500	No units vacant	Assisted Living Center	Licensed Assisted Living Center with 32 resident license and constructed in 1999. Part of senior campus that includes United Retirement Center and Park Place Apartments. Rent includes all meals, laundry and housekeeping services, medication dispensing, assistance with daily living and 24-hour staffing. Studio units with private bathroom, but two adjoining units could be combined to create private bedroom, but no kitchen facilities. Rents listed are for studio units. No units vacant at time of survey but no waiting list is maintained. Facility does accept residents with Medicaid Waiver.

Table 32 Brookings Area Senior Housing with Services Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Assisted Living Center					
Stoney Brook Suites 1906 12 th St S Brookings	30 - Studio 16 - 1 Bedroom <u>2 - 2 Bedroom</u> 48 Total Units with 10 currently under construction units	N/A Private-pay	No vacancies, waiting list	Assisted Living Center	Senior assisted living project that opened in 2003 and currently licensed for 40 residents. Ten additional units under construction that will open in 2013. Tenants receive all meals, laundry and housekeeping, medication dispensing and assistance with daily living. Most units are studio with private bath and kitchenette facilities, but 8 1-bedrooms and 2 2-bedrooms being added. Fully occupied with waiting list at time of survey. Site is suitable for addition expansion in the future, but nothing planned at this time. Facility is private-pay and does not accept Medicaid Waiver.
Golden Living Center Arlington	4 licensed beds	N/A	2 occupied beds	Assisted Living Center	Four beds in the Golden Living Center nursing home that are licensed for assisted living. Two of the four beds were occupied when contacted in April 2013.
Cozy Corner Elkton	6 bedrooms with license for 8 residents	\$1,550	2 occupied rooms	Status unknown	Licensed as Assisted Living Center in December 2012, but no longer listed in March 2013 - this facility may no longer be offering assisted living services. Constructed in 1982. Lower level had also been used in 2007, but no longer available and ALC license was reduced. Service area extends into western Minnesota. Only two rooms were occupied in Jan. 2013 due to recent turnover and limited demand. County/State assistance was accepted for lower income seniors.

Table 32 Brookings Area Senior Housing with Services Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Assisted Living Center					
Dakota Sun Assisted Living Volga	licensed for 16 beds in private sleeping rooms	\$2,200+	1 vacant bed	Assisted Living Center	Assisted Living Center constructed in the 1970s and remodeled in 2000. Residents have private sleeping room and most have private bathroom. One bed vacant at time of survey due to turnover. Majority of residents are from Volga or immediate vicinity. County/State assistance is accepted.
Housing with Services/Residential Living Center					
Brookhaven Estates Brookings	5 - 1 Bedroom 19 - 2 Bedroom 24 Total Units	\$1,200-\$1,430 \$1,665-\$1,830 single-double occupancy	1 vacant unit, 1 - 2 Bdrm waiting list for 1-bedrooms	Senior congregate housing	Senior congregate-style housing project constructed in 2004. Rent includes a meal daily, emergency call system, utilities and underground parking. Optional services can be purchased including additional meals, housekeeping, laundry and personal care assistance. Part of the Brookings Health System that includes the Hospital and Brookview Manor Nursing Home - although nursing home will move in 2013. One unit vacant at time of survey due to turnover - waiting list exists for 1-bedrooms.
Park Place Apartments 122 4 th St W Brookings	16 - 1 Bedroom 8 - 2 Bedroom 16 Total Units	\$683 \$993-\$1237 + approximately \$50 charge for second person	No vacant units	Senior housing registered as Residential Living Center	Congregate-style apartments for seniors constructed in 1991 and registered as a Residential Living Center. Part of the United Retirement Center senior campus with Park Place Assisted Living. Rent includes emergency call system, wellness program and social activities. Contracted services can be purchased including meals, laundry, housekeeping, medication dispensing and licensed nursing. Project has 20 units, but 4 are used for offices - 1 has been added as apartment since 2007. No units vacant at time of survey but no waiting list is maintained.

Source: Community Partners Research, Inc.

Findings on Growth Trends

In 2007, when Community Partners Research had completed a comprehensive Housing Study for Brookings and the surrounding areas, it was evident that significant growth was occurring in both population and households. However, this growth was not being accurately tracked by official data sources, including the U.S. Census Bureau through its intercensal estimates. This was made clear with the release of information from the 2010 decennial Census, which showed that the City of Brookings had added approximately 3,300 residents and nearly 1,200 households in the decade between 2000 and 2010.

The 2010 Census also showed that some additional growth had occurred outside of Brookings, in the other jurisdictions within Brookings County. However, most of the area's net gains in population and households have occurred within the City limits of Brookings. Between 2000 and 2010, the remaining County jurisdictions added 452 people and 176 households, approximately 12% and 13%, respectively, of the County's overall net growth.

After 2010, it appears that the Census Bureau is doing a better job of tracking growth, but official updated information is limited. The only Census Bureau population estimates that have been released after 2010 are effective for July 1, 2011. These estimates showed Brookings adding 172 people between 2010 and 2011, and the remainder of the County adding 89 people outside of Brookings.

There are no intercensal household estimates, but it is possible to extrapolate some basic household information from the population data. For the City of Brookings, the population change would indicate net growth of between 70 and 80 households between 2010 and 2011. This estimate would be generally consistent with building permit data which showed 81 units constructed in Brookings in 2010. Units permitted in 2010 would probably have completed construction and should have been available for occupancy by July 2011. Applying this same basic methodology based on housing starts, approximately 90 more households may have been added by July 1, 2012.

The available estimates do continue to show that the large majority of the area's growth is still occurring within the City of Brookings. The small communities and rural areas of Brookings County capture a lesser share of the population and household growth. If a larger region is examined, which includes the six counties in South Dakota and Minnesota that are contiguous to Brookings County, there has actually been a long-term loss of population, if Brookings County is excluded. Over time there has continued to be an ongoing consolidation of population into regional centers, as the City of Brookings has grown and the larger surrounding rural region has contracted.

Findings on Growth Projections

As part of this Study, household projections to the year 2015 have been created. One set of projections has been calculated by Community Partners Research, Inc., and an alternate look has been extrapolated from population projections prepared by the South Dakota State Data Center. Although these projections only extend to the year 2015, the average year-to-year growth that is expected is also a reasonable indicator of the area's growth potential for the years immediately after 2015.

The review of projection data in this Update continues to be more focused on households, rather than population. Households, by definition, require an independent housing unit, and the purpose of this Update is to determine housing needs for the area.

After review of the projection data, we believe that the growth potential for Brookings County can be expected within a range of approximately 120 to 140 new households per year through the year 2015. Based on past experience, more than 100 of these households would be expected to locate within the City of Brookings, although some of the smaller communities, including Volga and Aurora, also have the potential to capture a portion of this growth.

Actual housing unit construction activity within Brookings and in the smaller cities and towns has typically exceeded the level of household growth, as some unit replacement and the need for certain types of housing also generate demand. For example, a redevelopment project near the SDSU campus resulted in the removal of approximately 129 beds in recent years, and some new construction has simply replaced the units that were removed. It is probable that some of the small cities and rural township areas could also lose housing units and households in the future, which will be replaced by housing unit growth within the larger cities including Brookings.

In the 2007 Study, the projections had indicated incremental annual growth of approximately 110 households per year. The projections generated for this Update now expect slightly faster growth for the next few years. While we believe that these near-term forecasts are defensible, the analysts continue to recognize that these newest projections can still be viewed as a conservative perspective. In certain years in the recent past, Brookings alone has produced significantly more housing units than would be needed to accommodate 140 additional households, the higher end of the new projection range. To the extent that some of the area's growth potential has been tempered by a shortage of housing, the significant unit production that occurred in 2012 could result in higher than expected movement of households into the community.

Findings on Growth Projections by Age Group

This Update has presented two sets of age-based projections for Brookings County. Although some differences exist, for most age ranges there is a basic similarity between the projection sources.

One set of age-based projections was created by Community Partners Research, Inc., based on the trends and patterns that were evident between 2000 and 2010, according to the decennial Census. The second set of projections was derived from age-based population projection information from the South Dakota State Data Center.

It is very important to note that these age-based projections represent an informed prediction of future change. Actual market activity and economic growth could substantially alter these expectations. For example, research by the Brookings Economic Development Corporation has pointed to a pending wave of people reaching traditional retirement age. To the extent that younger people can be retained in the area to fill job opportunities created by retirement, net household growth could exceed our expectations.

Using the two projection sources, the following range exists for changes by age of householder. The left column reflects the projections using State Data Center population forecasts, and the right column shows the trend-based projections prepared by Community Partners Research.

<u>Age Range</u>	<u>Projected Change in Households</u>
	<u>2005 to 2015</u>
24 and Younger	-152 to -72
25 to 34	+284 to +190
35 to 44	+185 to +245
45 to 54	-150 to -130
55 to 64	+293 to +93
65 to 74	+243 to +266
75 to 84	+42 to +61
85 and Older	+143 to -40

The projections for households at the youngest end of the age range have been adjusted downward to reflect an increase in younger adults that would be expected to live in group quarters housing being created through an increase of beds at SDSU's on-campus housing options. However, recently announced enrollment goals point to the possible increase of students in Brookings by the year 2018. To the extent that enrollment growth exceeds on-campus housing options over the next few years, changes at the youngest end of the age range may be greater than indicated by trend-based calculations.

Students and the Impact of the Brookings Rental Market

One of the primary reasons that housing is an important topic of discussion in Brookings in 2013 is the potential for change in the area's large population of student renters. Students have traditionally had a significant impact on the housing market. Four primary issues were identified by the research for this Update, which impact student rental housing demand. These issues are not presented in any order of importance.

- ▶ **Expansion of on-campus housing** - In 2013, South Dakota State University will complete a residence hall plan to modernize and expand the student housing options on the campus. This plan has been underway for several years and has included the construction of new buildings, the removal of some older buildings from the residential inventory, and the conversion of some existing units, typically from shared occupancy to single occupancy. The best available information indicates that the on-campus housing capacity for the 2013/14 academic year will be approximately 360 beds greater than at the start of the prior academic year. Most of the students that will live in on-campus housing are technically required by the University's residency policy to live on-campus for their first two years, although past housing shortages may have resulted in waivers to this on-campus requirement.
- ▶ **Current Brookings-based student enrollment is not as large as in the recent past** - Enrollment for students at the SDSU campus in Brookings has fluctuated over time. When viewed as a longer-term pattern, there has been an upward movement in the number of students since the late 1990s. However, the actual enrollment level may have reached a recent peak in the 2010/11 and 2011/12 academic years. Since that time, there has been some downward movement in the number of students in Brookings. Depending on the estimate source that is used, Brookings-based enrollment for the 2012/13 year was down by 345 to 420 students from the recent peak. However, the most recent academic year still ranked as the third highest enrollment level at SDSU. Enrollment in the near-future may once again grow, especially if a new "comfort enrollment" goal can be reached. However, current projections for the 2013/14 academic year expect only 41 more students than in the prior year, indicating that future growth may be gradual.
- ▶ **The private development market has been very active in developing new rental housing units** - With historical growth in both student demand and in general occupancy demand over most of the past decade, vacancy rates in Brookings were very low. At the time of the

2007 Housing Study, the conventional housing vacancy rate was essentially nonexistent, with no unoccupied units identified in more than 900 that were surveyed. Although tracking the tenure pattern for newly-built housing is difficult, the best available information would point to a net addition of more than 500 rental housing units in Brookings between 2008 and 2012, with some additional rental development occurring in Volga. This estimate of net unit growth is generally consistent with the reported changes in the Brookings Rental Registration Program. The number of rental units built in the five-year period between 2008 and 2012 was approximately double the estimated level of construction in the eight-year period between 2000 and 2007. There are also some additional rental development projects that are likely to proceed in 2013. While City staff indicates that few new rental projects are being started in the development pipeline, some projects that had initiated the process in 2012, or earlier, are still likely to proceed to construction in the next year.

- ▶ ***Northwest Quadrant development concept continues to advance*** - SDSU has conducted a Request for Proposals process that would involve the construction of a mixed-use, residential/commercial project, known as the Northwest Quadrant. As proposed, it would be a public-private partnership that would be located on University-owned land. Proposals were accepted in early 2013, and a review was underway at the time that the research for this Update was being completed. There are no specific details available, but the basic parameters would indicate that 200 to 400 beds could be created for students, immediately adjacent to the SDSU campus. Despite some level of controversy from the private housing community, SDSU officials view the current and future student housing plans as a very important part of their efforts to attract and retain high quality students in Brookings.

The combination of factors, including those listed above, has had an impact on local rental market conditions. The net increase in residence hall beds in 2013 and private-market units under construction in 2013 have not yet directly affected market conditions, but should do so later this year.

Rental vacancy rates in Brookings in early 2013 were not high by the standards of most communities, but were atypical for Brookings. We estimated the vacancy rate at 4.9% in conventional units in December 2012. A vacancy rate of 5% or less is often considered to be acceptable. While Brookings was still within a healthy range for occupancy at the start of the year, it appears that the vacancy rate has continued to move upward in 2013. However, to put this in some perspective, semiannual vacancy surveys completed in the Sioux Falls conventional market only recorded two time periods between 2002 and 2011 when the vacancy rate in that community dropped below 5%.

Findings on Housing Unit Demand and Tenure

Calculations for total future housing needs are generally based on three demand generators: household growth, replacement of lost housing units, and pent-up, or existing demand for units that is not being served.

While there are various methods for forecasting growth-generated demand, we have compared the projected age-based household changes between 2010 and 2015 with past tenure patterns. This results in a forecast of the tenure mix that will be needed for new units added over the five-year period. Our calculations are based largely on the tenure preferences by age group that were evident in the 2010 Census, with some adjustment for the expansion of on-campus housing options at SDSU.

Demand from Growth - Using our projections by age for Brookings County, we would expect demand for owner-occupied housing to exceed demand for renter-occupied housing through the projection period. Our projections would expect that growth-generated demand will be between 95 and 105 households in an average year looking for an owner-occupancy housing unit, with approximately 30 to 40 households in an average year looking for rental opportunities. Over a five-year period, the net increase would result in growth-generated demand for between 475 and 525 additional owner-occupancy housing options and between 150 and 200 additional rental housing units.

Replacement of Lost Rental Units - It is difficult to estimate the number of units that will be lost from the housing stock on an annual basis. Between the 2000 Census and the 2010 Census there was little evidence of unit losses in the rental stock. During that decade there was growing demand from renter households and low rates of vacancy. As a result, property owners had a financial incentive to keep units in the rental inventory. It is known that some losses have occurred in the past few years, including the removal of units containing up to 129 beds near the SDSU campus, as part of their redevelopment efforts. Consistent with the 2007 Study, an allowance has been made for ongoing unit replacement, with an estimate that 75 to 100 units would be justified over a five-year projection period.

Replacement of Lost Owner-Occupancy Units - Unit losses for owner-occupancy housing appear to be small. Based on Census data, we would estimate that only five units are lost in an average year. While past unit losses have been limited, there are houses in Brookings County that are in need of repair. If maintenance is not completed, it is possible that a higher rate of unit loss could occur in the future, especially in smaller communities and rural areas. For the five-year projection period, we have used an estimate that a minimum of 50 units of owner-occupancy housing will be required to replace lost units.

Pent-Up Rental Demand - The third primary demand-generator for new housing is caused by unmet need among existing households, or pent-up demand. Pent-up demand has typically been easier to determine in the rental housing market, where past vacancy rates indicated an under-supply of units. However, in 2013, vacancy rates are not as low in Brookings as they have been in the past. Certain segments of the market, such as very affordable subsidized housing, still have a relatively low rate of vacancy, but overall there is some choice within the local inventory that did not exist in the past. In the recommendations that follow, some allowance has been made for pent-up demand, but this is specific to certain segments of the local market, and does not reflect an overall need for units.

Pent-Up Ownership Demand - Although pent-up demand may also exist in owner-occupancy housing, as evidenced by relatively low rates of home ownership in some younger age ranges, any limitations are generally due to financial limitations. Brookings and some of the smaller surrounding communities have residential lots, subdivisions and builder capacity. The number of single family housing starts has decreased in recent years, but this has been due to demand, not supply. It continues to be difficult to address pent-up demand that is caused by limited income levels for potential buyers. Low-cost ownership options may be in short supply in Brookings, but development costs generally do not allow for the construction of low-priced houses. We have included our estimates of pent-up demand into some of the specific recommendations that follow.

Home Ownership Recommendations

Findings: The last decade was a strong period of household growth within the City of Brookings and was due in part to a large increase in the number of owner-occupants. Between the 2000 Census and the 2010 Census, Brookings added 605 owner-occupancy households and 583 renter households. This ratio increased the overall rate of home ownership in the community, from 46.4% in 2000 to 47.1% in 2010.

Much of the growth in owner households probably occurred between 2000 and 2007, as national markets for home ownership were very strong. After 2007, with a collapse of a national housing bubble and the beginning of a long period of economic recession, single family construction began to slow.

Although Brookings has done better than most communities, there was some evidence of lowered demand for ownership housing in the last few years. After experiencing more than 100 single family detached housing starts each year between 2004 and 2007, new construction activity slowed somewhat. Between 2008 and 2012, there was only one year when more than 100 detached houses were built, and in the other four years, fewer than 90 detached homes were constructed per year.

Construction of attached single family units, such as twin homes and town houses, was also a strong component of the local housing market in the last decade. Presumably, most of these attached units were built for owner-occupants. City records differentiate attached single family from duplex construction. Duplexes generally are intended for renter-occupancy, while attached single family units can be individually sold.

Between 2004 and 2008, the City was averaging approximately 23 attached single family units per year. From 2009 to 2012, this annual average dropped to approximately five units per year. Reduced demand for attached units is generally consistent with patterns evident in other communities. As buyers became concerned about the possibility of declining home values, they became hesitant to invest in less traditional products, including attached single family units.

Some construction of owner-occupancy housing has also been occurring in the rural areas of Brookings County, and in some of the smaller cities in the region. Cities within easy commuting distance of Brookings, such as Aurora and Volga, have had ongoing housing development. Aurora, in particular, has been averaging more than 10 single family housing starts per year over the past five years.

Production in Volga has averaged between five and six houses per year over the last five years, but prior to 2008, Volga had been averaging closer to nine or ten houses per year. Some of the other nearby communities have also had some homes constructed over the past five years, but this has generally been at a pace of only one or two houses per year.

The household growth projections used for this Study expect continued strong demand for owner-occupied housing construction. Most of the net growth that is anticipated over the next few years will be among households in the age ranges between 55 and 74 years old. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced and trade-up housing.

There is also relatively strong growth projected among younger adult households, primarily in the 25 to 44 year old range, although net decreases are projected within the other groups age 54 and younger. Younger adult households move to an increasingly higher rate of home ownership as they age, and form a market for both starter homes and trade-up housing.

Research completed by the Brookings Economic Development Corporation shows that a large number of working age adults in the area will reach traditional retirement age within the next five years. While it is not known whether or not these workers will actually leave the work force, the prospect does exist that a significant amount of employment turnover could occur. This would create demand for workers in addition to the normal job growth that has been occurring.

The projections used for this Update cannot anticipate the potential turnover of jobs, which could attract even more younger adult households to the area. However, it should also be noted that attracting workers has been a problem for many South Dakota communities, despite job opportunities, as unemployment rates are relatively low in most other nearby regional centers and states, resulting in a limited supply of excess labor.

The new projections calculated for this Update expect a combination of factors to generate demand for 105 to 115 owner-occupancy units in an average year. Based on trends in the recent past, up to 85% of the owner-occupancy demand has been met by home ownership options within the City of Brookings, and up to 15% of the demand by the smaller communities and rural areas. These numbers are averages, and it is very possible that production in some years will be above or below this distribution level.

While the average annual projection of demand for 90 to 100 owner-occupancy units within the City of Brookings can be defended by statistical calculations, there have been years when the City has exceeded this level of new construction. However, this has not happened since 2009, and in each of the past three years, single family home construction has been below the lower end of the projected range.

The projections used in this Study do show some growth in demand for entry-level ownership housing, due to an overall increase in some of the younger adult age groups. While increased demand from younger buyers will be present, the available projections still indicate that older adult households will be a faster growing demographic group. The age-based projections continue to indicate that the strongest segments of the market will be trade-up housing that would appeal to empty-nesters and younger seniors. This would include attached housing, such as high quality twin homes and town house units, as well as single family houses with amenities and features that are age-appropriate for older buyers.

Home Ownership Demand Projections

In the Table that follows, we have produced annual demand projections for different types and different price ranges of owner-occupancy housing. These projections assume that between 105 and 115 units will be constructed per year in Brookings and the surrounding communities. Please note that these are annual projections based on growth forecasts to the year 2015. However, the annual growth that is forecast is also a good indicator for changes in the years immediately after 2015.

Demand Projection for Annual Owner-Occupancy Housing Construction		
Unit Type	Approximate Price Range	Projected Annual Demand at Mid-Range Projection
Single Family Detached		
Entry-Level	Less than \$175,000	20 - 25
Mid-Priced	\$175,000- \$250,000	38 - 43
Higher-Valued	\$250,000+	20 - 25
Total	All Prices	78 - 93

Demand Projection for Annual Owner-Occupancy Housing Construction		
Single Family Attached		
Entry-Level	Less than \$175,000	5 - 6
Mid-Priced	\$175,000- \$250,000	8 - 9
Higher-Valued	\$250,000+	7 - 8
Total	All Prices	20 - 23

Source: Community Partners Research, Inc.

We have defined **entry-level homes** as single family units that would sell for less than \$175,000. Houses in this price range would typically appeal to younger buyers, first-time buyers, or those households trading-up from an older, lower valued house or mobile home. New construction at the lower end of this price range may be difficult to achieve. According to our local research, some of the lower priced single family detached houses have been selling in the \$140,000 price range. In the past, tax increment financing and other resources were used to assist more affordable subdivisions for lower priced houses. Some lower priced homes may also be constructed in the smaller communities surrounding Brookings, especially communities with less expensive lot options. Lower cost houses currently being produced in Brookings may use smaller lots, more narrow streets, and in some cases, houses are built without basements.

We have defined **mid-price homes** within a price range of \$175,000 to \$250,000. This price can generally be achieved by private housing developers without the need for subsidies. Brookings has traditionally had active construction activity occurring within this price range. Going forward, we see this as the strongest price range for new single family construction. At the higher end of the price range, this represents a portion of the trade-up housing market.

We have defined **higher-valued homes** as those priced at \$250,000 and above. Once again, the private housing market has been very successful at serving this segment of the market in the Brookings area. Through the year 2015, the largest net growth of any demographic segment will be among households in the 55 to 74 year old age ranges. Traditionally, these age groups have owned the highest average value homes in the area. Strong growth in these older adult ranges will keep the market strong for higher-valued homes.

It should be noted that some additional construction will occur in lower price ranges, including efforts by groups like Habitat for Humanity and Inter-Lakes Community Council. This housing often serves a segment of the market that could not otherwise access newly constructed units.

1. Continue to Promote the Construction of Entry-Level Homes in Brookings

Findings: The 2007 Study had advanced the goal of ongoing production of affordable new construction ownership options. At that time, attraction and retention of younger households were important community strategies for offering a quality workforce.

As cited in the 2007 document, the rapid growth of the City in recent decades had meant that a relatively small stock of older housing was present in the community. In many communities, older single family houses can represent very affordable ownership options. Since a larger share of houses in Brookings had been built in the past few decades, the older stock represented a smaller percentage of available units. According to the 2011 American Community Survey, the median year for construction in owner-occupied housing was 1978 in Brookings. This median year was newer than any of the other large cities in South Dakota, with the exception of Sioux Falls, where the median year of construction was 1983.

Another factor that has negatively impacted access to more affordable ownership options is demand from student renters. Property investors have been able to purchase lower valued homes in need of repair, and use these houses for renter-occupancy. In most communities, many older houses would continue to revolve as affordable ownership units.

The combination of growth and demand has resulted in continued upward pressure on existing home prices. Our review of recent sales data shows that the median sales price for existing homes was \$152,000 for the 2012 sales period. Only 29% of recent sales were for less than \$130,000.

The 2011 American Community Survey also provides some comparable home value information for the larger cities in the State. According to the ACS, the estimated median owner-occupied home value in Brookings was at \$140,000. This was above the median value of \$128,400 in Watertown, \$121,600 in Yankton, \$123,600 in Aberdeen, \$110,500 in Mitchell, and \$78,600 in Huron. Among the State's larger cities, only Rapid City at \$151,500, Sioux Falls at \$149,600 and Pierre at \$145,700 had a higher median value than Brookings.

Higher home values can make home ownership more difficult to achieve, especially for more moderate income households. However, higher home values also yield some positives, including an incentive to view housing as an investment. This can help to encourage new construction, as well as ongoing efforts to maintain and improve existing housing units.

Private and nonprofit developers are involved in the affordable segment of the market. In 2007, the Valley View project was being planned to specifically address the need for more affordable homes. This project was successful and in 2013 almost no lots remain, although some homes are still available for sale. The project utilized many cost saving strategies, including smaller lots, and tax increment financing assistance.

Recommendation: New construction of entry-level single family homes in Brookings has been limited in recent years due to costs for land infrastructure and building. Some of the smaller surrounding communities have been able to target this segment of the market. In the 2007 Study, a goal of approximately 20 homes per year had been identified. Based on the research completed for this Update, we have increased that target to 25 to 30 homes per year.

The increase in demand is largely due to new projections which show stronger expected household growth in the 25 to 44 year old age ranges. In current prices, we would define an entry-level home up to \$175,000. However, a target price of \$150,000, or less, would be better suited to the financial abilities of entry-level home buyers.

To achieve an ownership purchase price below \$150,000, significant cost saving measures will be needed, along with probable development or financing subsidies. This will somewhat limit the area's ability to generate this type of housing. In some communities that have assisted with affordable new construction incentives, a financial contribution as high as \$25,000 per home has been used.

The Brookings area has been able to recruit and promote the community to younger households, primarily through the creation of attractive job offerings. The community has the added advantage of potentially retaining recent SDSU graduates, as well as attracting younger households from other parts of the country.

While affordable new construction will be needed, we continue to believe that the existing housing market will also address much of the demand from entry-level home buyers. The home buyer survey completed as part of the 2007 Study found that 84% of the buyers acquired an existing home, and only 16% purchased a newly constructed home. With a median sale price of approximately \$152,000 in 2012 for existing houses, units at or below the median level can represent an affordable alternative to new construction.

With projected growth from households age 55 and older, there should be ongoing roll-over opportunities, as older adult households move into more age-appropriate housing. The more this life-cycle concept is successfully implemented over the next few years, the more opportunities that will be created for younger buyers in the existing single family stock.

2. Demand Should Continue to Grow from Empty-Nesters and Young Seniors

Findings: Moderate to higher-priced single family housing has been a very successful part of the new construction market in Brookings for many years. This trend remains consistent with the demographic patterns that have been evident both locally and regionally, as the large “baby boom” generation has moved through the aging cycle, and has continually upgraded their housing. This pattern is also consistent with the importance of professional level jobs in the community. As home to South Dakota State University and a number of corporate head quarters, Brookings has had solid job growth in professional and executive level employment opportunities.

The research completed for this 2013 Update continues to see a strong market for home ownership housing in Brookings and Brookings County. Prior to the year 2000, Brookings was producing more rental housing units than ownership units on an annual basis. Between 2000 and 2010, the City of Brookings added more owner-occupants than renters. Over the next several years, our projections would indicate an even larger increase in the number of owners versus renters.

Most of the projected net household growth will come from an increasing number of households in the age ranges 55 and older, with especially strong growth potential in the 55 to 74 year old groups. These older adult age ranges have historically had very high rates of home ownership. These age groups also tend to be near the top for household income and asset accumulation. Age-appropriate housing options will be especially appealing for these empty-nester and younger senior groups.

Recommendation: Building attractive, amenity-filled housing for households age 55 and older will continue to be an important part of the home ownership market in Brookings County. This should represent a mix of trade-up single family homes, as well as attached housing options that will appeal to mature households as they age. The projections used for this Update would expect that 70% to 75% of the new construction demand will come from moderate to higher-priced home buyers.

Because nearly all of the households in these 55 and older age groups already own a home, they can apply considerable home equity, along with strong income, to their home purchase. We continue to believe that building to this market segment is one of the best community strategies to addressing affordable ownership needs. As empty-nester and senior households trade-up to better, or more life-cycle appropriate housing, they will be selling an older, existing home, typically of lower value.

Price appreciation for existing homes will impact the decision to purchase trade-up housing. By all indications, values for existing homes have continued to rise in Brookings. The review of sales data for 2012 indicates that the median sale price for an existing home in Brookings is approximately \$152,000, up approximately \$10,000 from the median identified in the 2007 Study.

3. Overall Lot Availability Continues to be Adequate - Efforts may be Required to Produce More Affordable Lots

Findings: As part of the research for this Update, new information was collected on the inventory of available residential lots and subdivisions in Brookings. Information was obtained from the City Planning Office and from websites maintained by local developers and real estate agents.

A February 2013 lot inventory compiled by City Planning staff identified as many as 410 residential lots that were either developed or in a preliminary platting stage. It is assumed that lots that have completed the preliminary platting stage could be improved and added to the inventory as needed. A complete listing of these lots and subdivisions has been included in the Existing Housing Data section of this report.

According to the Planning Department, there is also additional land available for future development. The City's Comprehensive Plan has a development schedule that extends to the year 2050, indicating that an adequate supply of land exists for long-term development, but this does assume that forced-sewer will be utilized and that unusable tracts will be 'leapfrogged' as development proceeds.

Brookings continues to have local developers that are willing to address lot development needs. Local developers have been able to quickly develop land and subdivisions as needed. This efficiency in lot development helps eliminate unnecessary costs that could result if an oversupply of land or units is created. High costs associated with land development limit developers' willingness to develop more lots or units than can be quickly absorbed by the market.

Some of the smaller communities have also had successful residential subdivisions developed. Both Aurora and Volga, in particular, have had home construction activity in the past few years. The travel time from both of these communities to Brookings is estimated to be less than 15 minutes, making them alternative “bedroom” communities. Aurora has a new subdivision being developed, and planning for a new development is underway in Volga.

Recommendation: We typically use a standard that a 2 ½ year supply of lots should be available in the marketplace, based on annual lot usage. In Brookings, single family lots, including lots for twin homes and town houses, can be used for both rental-occupancy and owner-occupancy. Over the past five years, there have been nearly as many side-by-side duplexes constructed in Brookings as attached single family units. As a result, projected near-term lot usage in Brookings would be within a range of 100 to 120 lots per year.

Applying the 2 ½ year standard, the City's available lot inventory, with approximately 250 improved lots and up to 410 lots in some stage of development, should be adequate to meet the expected demand. Since the local development community can proceed quickly with new lot platting and development, it does not appear that an overall lot shortage has the future potential to constrict new home construction.

The best available evidence suggests that most of the new home construction in Brookings in recent years has been of moderate to higher-priced homes. Most of this is customized construction, rather than speculative home construction. Although no definitive list of lots by asking price was available, the majority of lots appear to be in a price range between \$35,000 and \$50,000. There are some higher-priced options, including lots with a listing price above \$100,000.

There is less evidence of lower-priced lots in Brookings. Based on listing prices, very few options would exist that are priced below \$30,000. It would be advantageous for the City to encourage the development of lower-priced lots for more affordable ownership options. However, land prices in Brookings have historically been high, due to development pressure. Infrastructure costs and drainage plans also contribute to lot pricing. To develop lower-priced subdivisions, some form of public assistance has generally been required, such as the use of tax increment financing in projects such as Valley View.

It should also be noted that some affordable lots are being created in neighboring small communities. Much of the recent home building success achieved in Aurora appears to be due to affordable subdivision development. A number of lots are listed for sale in Aurora at \$24,000, more than \$6,000 below the lowest prices identified in Brookings.

4. Attached Single Family Housing Should Recover Market Share and Represent an Increased Level of Future New Construction

Findings: At the time of the 2007 Housing Study, attached single family housing construction in the form of twin homes and town house units was gaining market share. Between 2004 and June 2007, approximately 96 attached single family units have been constructed, based on building permit reports. This had represented between 18% and 19% of all single family housing starts during this four-year period. Between 2000 and 2004, no attached ownership construction had occurred, based on the same building permit reports.

The 2007 Housing Study had projected that attached single family units would continue to gain market share, based on the demographic data that showed a growing number of older adult households. This prediction proved to be largely incorrect, as attached housing construction slowed significantly after 2008. As a national housing “bubble” collapsed, and the national economy moved into recession, housing markets were impacted. Less traditional housing products, in particular, saw declining demand as buyers were wary of possible declines in value.

Between 2004 and 2008, the City of Brookings was averaging more than 23 attached single family units per year through new construction. From 2009 through 2012, this annual average dropped to only five units per year.

Although attached units have represented a smaller share of building activity, it can help achieve multiple community housing goals. First, it can help to reduce housing development costs through smaller lots, less front-footage for infrastructure development, and construction savings through common wall(s).

Second, attached housing can expand the life-cycle housing choices for residents. It can be a desirable alternative for empty-nesters and seniors looking for reduced maintenance by moving out of their older single family house. It can also be an attractive option for younger households also looking for a more affordable housing option that does not require extensive maintenance and home improvement.

Recommendation: The projections used for this 2013 Update do expect a rebound in the construction of attached single family housing. This may largely be a function of increased consumer confidence that housing markets have fully recovered. The demand estimates presented earlier in this section expect that attached single family housing can account for as much as 20% of future

owner-occupancy construction activity in Brookings. This would typically be in the range of 20 to 25 units per year, primarily serving the mid-level to higher-end segment of the market.

This projection is largely based on aging patterns for the Brookings area, with a growing segment of the population age 55 and older. One local developer, in particular, has been developing twin home communities and has an active area in development in 2013.

It is very possible that annual production of attached housing units will not proceed in a linear manner. In 2012, only six attached units were constructed for owner-occupancy, and 2013 and 2014 may lag behind our projected level. However, in the near-future, we would expect stronger activity within this segment of the market.

The public sector's role in promoting attached housing development should be limited as the private sector is capable of meeting this housing need. The City should assure that adequate land is available for development and that zoning allows for attached housing construction in desirable areas.

5. Utilize Available Resources for Very Affordable Housing Development

Findings: The 2007 Study had acknowledged the role of nonprofit housing groups, such as Habitat for Humanity, to assist with creating opportunities for lower income home buyers. Although limited research was completed for this Update, both Habitat and Inter-Lakes Community Action continue to be active in the development of more affordable homes. In 2012, Habitat for Humanity constructed at least two houses in Brookings, and Inter-Lakes had units for sale, reportedly in a price range around \$130,000. Inter-Lakes is also looking at affordable construction opportunities in the smaller communities around Brookings.

Recommendation: The 2007 Study had supported the efforts of local nonprofits to serve lower income home buyers. In 2013, both Habitat for Humanity and Inter-Lakes Community Action continue to be active in affordable housing development.

Rental Housing Recommendations

Findings: Consistent with the findings in the 2007 Housing Study, Brookings has an extremely large number of renters and rental housing units. At the time of the 2010 Census, renter households outnumbered owner households as the Census reported that 52.9% of all households in the City were renters. The rental tenure rate was down slightly from the rate of 53.6% in the year 2000, but remained well above the Statewide rate of 31.9% in the year 2010. The large student population at South Dakota State University has contributed to the highest rental tenure rate of any of the larger cities in South Dakota.

The Housing Study that was completed for Brookings in 2007 had used a 10-year time horizon for rental housing projections. Between 2005 and 2015, that Study had recommended the development of 550 to 700 additional rental units. Although the demand projections were based on a larger market area that included all of Brookings County, it was recognized that the City of Brookings was the logical location for the large majority of these future units.

While the exact number of new rental units cannot be tracked over this time period, it is estimated that Brookings added approximately 650 rental units through new construction, including units permitted in 2012. Construction elsewhere in Brookings County was limited, but more than 50 units were also added in rental housing projects in Volga and Elkton. Overall, the best available evidence indicates that the upper end of the recommended range to the year 2015 was achieved or exceeded by 2013, with additional unit development still to occur in 2013, and possibly beyond. The potential also exists that a large student-oriented rental project could be built on the SDSU campus as a joint-venture between the University and private developers.

Going forward, this Update has used a revised projection that potential demand will exist from approximately 45 to 60 additional households looking for a rental unit in an average year. This average annual demand forecast is lower than the one that had been used in the 2007 Study, and is based on an assumption that demand from student renters will be lower than in the past. While enrollment growth is now being projected at SDSU, on-campus housing options in residence halls have expanded, and additional student housing may also be added in the future. For the next few years, student demand for off-campus housing will probably be reduced. If the University is successful in reaching enrollment goals by the year 2018, demand for off-campus housing could increase later in the five-year period.

It should be noted that rental unit production in Brookings since 2008 has been well above this new projected demand level. Over the past five years, the annual average for new rental housing construction was above 100 units per year. In 2012, more than 160 rental units were constructed, based on building permit issuance in Brookings. Many of the 2012 units are still under construction when the research for this Update was being completed, and they will not be available for occupancy until some time in 2013. Early in 2013, permits had been issued for 20 additional apartment units in Brookings, with more projects identified in the planning pipeline.

The above-average level of new unit construction over the past five or six years, when coupled with some decrease from student renters due to slightly lower recent enrollment, has resulted in an atypical level of rental housing vacancy in Brookings. In the conventional, market rate segment, the research for this Update found a vacancy rate of nearly 5%. This was based on a rental survey conducted during the winter, when the school year is in session and occupancy rates tend to be high. While the 5% vacancy rate was justified by usable survey responses, it may have been even higher, as one large property owner/manager would not disclose specific information, but indicated general information of a vacancy rate above 10%.

If a vacancy rate of approximately 5% is applied to the total conventional rental inventory in Brookings (including both surveyed and unsurveyed units) it would indicate that between 180 and 200 units may have been vacant in the City's market rate rental stock in December 2012. Discussions with rental property owners and managers in June 2013 pointed to an even higher vacancy rate at that time, although this also coincided with the annual movement of students from the community at the end of the academic year.

Information from rental property owners and managers highlighted the potential that vacancy rates could remain relatively high throughout 2013. This would be due to fewer students living off-campus for the fall start of the 2013/14 academic term, as new residence hall options become available. It would also be caused by increased competition from private rental projects being constructed in 2012 and 2013, which will add more units to the inventory during the year.

The research completed for this Update would generally be supportive of the belief that vacancy rates have the potential to be at or above 5% in 2013. The best available evidence suggests that the supply of units is growing faster than demand. This would largely be viewed as a short-term issue, as continued growth in the Brookings area should gradually absorb excess units.

But with the prospect that additional unit production could occur in the future, it is probable that some level of rental housing vacancy will exist, in contrast to the recent past when housing shortages were more common.

One mitigating factor that may help with unit absorption is the potential relocation of renter households from the surrounding region into the City of Brookings. When the vacancy rate in Brookings was near zero, households may have been forced to live in the surrounding small cities in Brookings County and neighboring Counties. These households may be interested in moving into Brookings as units become more available. However, this would negatively impact occupancy rates in smaller communities in the region.

Our findings on the different segments of the rental market are contained in the specific recommendations that follow.

6. Monitor the Near-term Need to Develop Conventional, Market Rate Rental Housing

Findings: The large majority of the rental housing in the Brookings can still be classified as general occupancy market rate housing. These conventional rental units are free of any specific occupancy restrictions, such as financial status or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

In the 2007 Housing Study, we had estimated that approximately 80% of the rental inventory in Brookings served the conventional rental segment of the local market. Even though some of these units primarily catered to student renters, they were not restricted to students. In 2013, it is probable that the percentage of the local inventory that represents conventional rental housing has grown even larger than 80%. Most of the newly built projects offer conventional rental housing, and some of the units that were income-restricted in 2007 have since converted to market rate housing.

The rental survey that we completed for this Study collected information from 29 market rate multifamily projects with a combined 1,222 rental units, or nearly one-third of the estimated conventional rental stock in Brookings. Nearly all of these units provided usable information on occupancy, and a vacancy rate of 4.9% was found in the conventional segment of the market. In the 2007 Study, no vacancies had been reported in conventional, market rate rental housing.

Although the overall vacancy rate was close to 5% in the most recent survey, there are two additional factors that impact the calculation. First, nearly half of the vacancies in the December 2012 survey were in a single, new project. One phase of the project had opened for occupancy in the previous six months and was still in its initial occupancy phase. Excluding this single, large project from the calculations would have dropped the vacancy rate to 2.9%.

However, the second factor that also needs to be considered is a portfolio vacancy rate of 12% to 15% that was reported by one of the City's larger rental property ownership/management companies. This company was unwilling to provide specific, property-by-property information, so the responses to the survey were not included in the Citywide calculation. This company manages both conventional and income-based rental housing, and the generalized responses to the survey questions did not allow the analysts the ability to accurately account for the vacancies that may exist. However, if their vacancy rate was at or above 10% in conventional rentals, this would have raised the Citywide rate above 5%.

Discussions with rental property owners and managers in June 2013 also pointed to an increasing rate of vacancy in recent months. Some properties reported vacancy rates between 8% and 20%, although these were general statements and not property-specific. May and June represent a time period of significant rental turnover in Brookings. Many of the 12-month leases expire in these months as students complete their academic year. However, in the past, many rental properties were able to quickly lease their turnover units to future students looking to secure housing for the next school year. This may not be the case in 2013, based on the anecdotal accounts that have been received.

Although ongoing household growth in the community has the potential to absorb some of the current vacancies, there are additional market rate units that will become available for occupancy later in 2013. There is also the very real prospect that fewer student renter households will be in the conventional rental market later in 2013, as some additional residence hall options will become available for the start of the fall academic term. The exact impact of reduced student demand will not be known until fall enrollment statistics become available, but the latest SDSU projections expect approximately 100 fewer students living off-campus in 2013/14 than in the prior year. This could result in approximately 33 to 50 fewer student households in the private housing market, depending on the number of students per household.

Another factor that could directly impact this segment of the market is the potential development of apartment-style student housing on the SDSU campus. Known as the Northwest Quadrant project, this public-private

partnership could add 200 or more beds for students. Proposals from private developers have been solicited and are being evaluated by SDSU. If this project proceeds, it would have the potential impact to remove approximately 70 or more student renter households from the private market.

A commonly used standard is that a vacancy rate between 3% and 5% is considered acceptable, to offer some degree of unit choice while still providing rental property owners with a good return on their investment. The calculated vacancy rate used for this Update, based on a December 2012 survey, was just below 5%, but appears to have risen since that time.

Recommendation: The calculations used for this Update indicate that potential demand will exist for approximately 35 to 45 conventional units each year to meet expected demand from household growth and unit replacement in Brookings. Pent-up demand is no longer a significant factor as vacancy rates have eased in the community when compared to the recent past.

Based on the number of unit vacancies that currently exist in Brookings, and the number of units already under construction or planned for construction in 2013, we would recommend that any additional development be monitored until the impact can be better determined. Using the conservative estimate that as many as 170 to 200 conventional units may already be vacant citywide, and with additional units already under construction in 2013, there should be an adequate supply of rental housing in Brookings for the near-term. The impact of additional student beds in residence halls and other on-campus housing will also remove some students from the conventional rental market later this year.

If the community grows at a faster rate than projected, then the existing supply of units may be quickly absorbed, and additional construction will be required. The same holds true for potential enrollment growth at SDSU, as new goals to grow the number of students in Brookings were just released before the release of this Update. However, any growth in student demand will probably occur gradually, over the next five years. If the supply of new units continues to outpace the growth in near-term conventional demand, then vacancy rates are likely to increase throughout 2013. Until there is evidence that demand is once again exceeding supply, it would not be necessary to promote the construction of additional units.

It is important to note that the cautious recommendation in this Update is based on an overall view of supply and demand citywide. It is not based on the competitive positioning of any single project or rental product. There are some developers proceeding with new construction projects in 2013, despite an increasing rate of vacancy in the conventional segment of the market.

These developers believe that their product or location will result in successful lease-up, and they are not concerned about the impact this may have on competing properties.

Another significant factor that will impact future development is the final determination that is made on the Northwest Quadrant project on the SDSU campus. At the time of the research for this Update, the proposals solicited from private developers were still being evaluated, and a determination on how to proceed was not expected until later in 2013. This project could address much of the demand created by anticipated growth in enrollment. It would attract students that would otherwise have the potential to live in existing conventional housing.

Past rental production in Brookings has tended to be cyclical. In both 2009 and 2012, more than 150 rental units were constructed, according to building permit reports. However, in the two-year period spanning 2010 and 2011, it appears that fewer than 40 total units were built. Going forward, we would expect that 2014 and 2015 will more closely resemble the low production years. As available vacancies are gradually absorbed, and if enrollment goals are being realized, a more moderate level of annual production should return after 2015.

As stated in the 2007 Study, age progression patterns for Brookings County show that most of the net growth in households through the year 2015 and beyond will come from households age 55 and older. In the past, much of the demand was driven by younger renters. While growth from younger renters may also increase if SDSU is successful in adding students, an expansion of on-campus housing is also becoming available, and for the next few years young adult households are not likely to generate much additional demand. As a result, future rental development should be cognizant of features and design amenities that would appeal to empty-nester and senior renter households.

7. Monitor the Need to Develop Additional Tax Credit Moderate Income Rental Housing

Findings: The federal low income housing tax credit program remains as one of the only subsidy sources still available for the production of more affordable rental housing. Tax credits alone do not produce “deep subsidy” rental units that can serve very low income people, but tax credits do provide a “shallow subsidy” that allows for the construction of units that can serve households at or below 60% of the median income level. When other resources are combined with tax credits, even lower income households can be served.

Most of the tax credit awards made to projects in the past in Brookings were combined with other federal subsidy programs and the units can offer project-based rent assistance and operate as subsidized housing.

The 2007 Study had recommended the development of between 35 and 50 moderate rent units through the tax credit program. In 2012, a tax credit award was made to Prairie View Townhomes, a 40-unit project. All of the units in Prairie View will have tax credit income and rent restrictions and will serve households at or below 60% of the area's median income level.

Although a proposed rent structure was not available, these units will not have project-based rent assistance and will provide moderate rent housing. This new project will open for occupancy in the spring of 2013.

Prairie View will join three existing tax credit projects that also serve the moderate rent segment of the market. These projects are Three Oaks Townhomes, with 24 tax credit units, South Briar, with 30 tax credit units, and Green Briar, with 30 tax credit units. All of these units must serve households at or below 60% of the County median income level, with some units targeted to households at or below 50% of the County median. With the inclusion of Prairie View, Brookings will have 124 tax credit units that offer moderate rent, income-restricted housing.

At the time of the most recent rental survey, there were no vacant units reported in the 84 existing tax credit units in Brookings, and the three current projects all reported the existence of waiting lists. However, no pre-leasing had yet started at Prairie View, which will expand the supply of tax credit units by nearly 50% in Brookings.

Among the rules for tax credit housing are the income limits that restrict occupancy to households earning less than 60% of HUD's estimate of the County median family income level. For 2013, the maximum income for Brookings County at 60% of median income was \$40,380 for a family with four household members, and \$32,340 for a two-person household.

In addition to income limits, the tax credit program places gross rent caps on the rental units. The 60% of income gross rent limits in 2013 were at \$909 for a two-bedroom unit and \$1,050 for a three-bedroom unit. The gross rents that are being charged in the tax credit projects in Brookings continue to remain well below the maximum limits that are established for the program.

As stated in the 2007 Study, the maximum rents allowable under the tax credit program are generally above the prevailing rates for most older market rate units in Brookings. To stay competitive with moderately priced market rate rental projects in the City, the tax credit developments often charge rents that are well below the maximum federal limits.

One final limitation of tax credit housing that continues to impact Brookings is the prohibition of full-time students, unless other members of the household have earned-income.

Recommendation: At the time of the 2007 Study, Brookings had a relatively small stock of moderate rent tax credit units and additional development had been recommended. In 2013, the 40-unit Prairie View Townhomes project will open for occupancy and represent an expansion of nearly 50% in the supply of this type of housing. At this time, we would recommend that the impact of Prairie View be monitored before additional tax credit projects are promoted.

Although no rental rate information was available on the newest project, it is probable that these units will be very successful in the local market. They will be new, town house-style housing with an attached garage. All of the existing tax credit projects were constructed in the 1990s, and most offer apartment-style housing. Within the income-qualified segment of the market, the town homes at Prairie View should represent a very attractive housing option. The impact of occupancy patterns in the older tax credit projects will need to be evaluated after Prairie View achieves initial occupancy.

With evidence that vacancy rates in conventional rental housing have been increasing, and may increase more in the coming year, there will be intensified competition in the more affordable segment of the rental market. In the past, there was little downward pressure on conventional housing rental rates, as vacancy rates were almost nonexistent. However, it is possible that older, conventional rental projects may see some higher level of vacancy in the near-future. This could result in some price concessions in an attempt to attract new tenants. While price competition could increase in the older housing stock, it is unlikely that any new moderate rent units will be constructed, unless they access assistance programs such as housing tax credits.

It is probable that additional development proposals using tax credits may surface in Brookings within the next few years. Even with the expansion of units at Prairie View, moderate rent tax credit housing will still represent a relatively small share of the total rental housing stock in Brookings, and the need for new units can probably be justified in a project-specific market

analysis. However, this Update would recommend that the impact of Prairie View be monitored before another similar project is advanced. If occupancy rates remain high in the older tax credit projects, then additional unit development could be planned after 2014.

Future demand generated by job growth should also be monitored. In the past there was some concern that many of the job opportunities in Brookings paid wages that would often result in annual incomes that are higher than those allowed for tax credit occupancy. Some of the future jobs may be in food processing or occupations with a more moderate wage scale that would be better matched to income-restricted housing.

One final development consideration would be the proposed rent level for any future units. Some lower income renters will look to utilize tenant-based assistance when shopping for a housing unit. To the extent that tax credit housing can offer units that are Voucher eligible this will expand the potential market for these types of income-based units by allowing access to even lower income tenants.

8. Look for Opportunities to Expand the Supply of Subsidized Rental Housing and Preserve Existing Subsidized Resources

Findings: The term subsidized rental housing, as used in this Study, refers to rental units that have been constructed to serve low and moderate income people. In nearly all cases, subsidized housing has utilized federal resources that provide a “deep subsidy”, allowing very low income people access to the housing at an affordable price. Most of the subsidized housing in Brookings has project-based rent assistance, or a similar subsidy available, that allows rent to be based on 30% of the household’s monthly income.

The 2007 Study had recommended that this segment of the market be monitored. At that time, there were 17 different federally subsidized rental projects in Brookings, with a total of 489 units (excluding some special needs housing). There were also numerous subsidized rental housing options available in many of the smaller communities that surround Brookings, including Arlington, Aurora, Bruce, Elkton, Volga and White.

There has been some change in the unit supply since 2007. One new project, Pheasant Run with 22 one-bedroom apartments, was constructed in 2008. However, there has also been some loss of units in the area, as some of the older projects terminated their subsidy programs and converted to market rate rental housing.

In Brookings, the largest project to leave the subsidy program was Onaka Village/Onaka Trail/8th Street South. This complex had a combined 36 general occupancy units. It converted to market rate housing in 2009. Two smaller projects, Sandpiper Townhomes I and II, left their subsidy programs in 2012 and converted to market rate housing. Combined, the Sandpiper projects had 10 general occupancy units. Outside of Brookings, Sunny Meadows Apartments (formerly Nelson South Side) in Volga ended its subsidy contract. Elkton Housing I and II have also left their subsidy program.

Demand for subsidized housing remains strong. In the senior occupancy units, the most recent rental survey found three vacant units, for a vacancy rate of 3.1%, and this rate may have been inflated by the difficulty in filling senior units during the winter months.

In the subsidized units designated for general occupancy, the survey found nine vacancies in Brookings, for a vacancy rate of 3.4%. Some of the projects with vacancies also reported waiting lists for occupancy, so the vacancy was related to the processing time required to certify a new tenant. However, some of the projects with vacancies did not have usable waiting lists.

In general, occupancy rates tend to be high in subsidized housing projects in the smaller Cities. At most only one or two vacancies were reported in a single project. Although some projects had waiting lists, others did not. Waiting lists were most common in Volga, where demand is more directly impacted by Brookings residents. Although few vacancies were reported in Arlington, Aurora, Bruce Elkton, and White, it was typical that most projects did not have active waiting lists.

In addition to the subsidized projects, Brookings County residents have access to the HUD Housing Choice Voucher Program (formerly Section 8 Existing Program). Housing Choice Vouchers are issued to income-eligible households for use in suitable, private market rental housing. With the Voucher assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional rent amounts.

In 2013, the Brookings Housing and Redevelopment Commission had budget authority for approximately 343 Vouchers. However, actual budget limitations have resulted in approximately 300 households that are receiving rent assistance in Brookings, Deuel, Hamlin, Kingsbury, and Moody Counties. The amount of subsidy that is often required to assist each household can result in fewer households being served. In January 2013 there were approximately 120 households on the Program waiting list.

Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month. It is also possible that some of these households may be using their rent assistance in one of the subsidized or tax credit projects, if that project does not have rent assistance available for all tenants. As a result, the Housing Choice Voucher assistance may add to the overall supply of “deep subsidy” housing in the community, but may also overlap with some of the other subsidized or income-based projects.

One developing trend that could have also negative consequences for the supply of local affordable housing resources is growing demand for Vouchers from people that have not formerly resided in the Brookings area. According to Housing Commission staff, as many as 700 households have applied to the Voucher Program from locations that are outside of the immediate Brookings area.

If these nonresident households are selected to receive a Voucher, they are required to initially lease-up in the Brookings area and sign a one-year lease. However, at the end of the one-year period, it is possible that the household can “port” the Voucher assistance to a new location, including other states. Some porting of Vouchers from Brookings has already been occurring, but a much greater potential exists over the next year as the one-year initial lease requirements are fulfilled. If this trend continues, the Brookings area would see a continued decrease in the number of local Vouchers, unless an equal number of households port into Brookings from outside locations, which is unlikely to occur.

Despite the number of affordable rental options that exist between project-based and tenant-based subsidy programs, the 2011 American Community Survey estimated that more than 44% of renter households in Brookings County were paying more than 30% of their income for rent. Most of these households were actually paying 50% or more of their income for housing, and had a severe rent burden.

The vast majority of the households with a cost burden were in the 24 and under age group, and presumably many were students. For much of the student group, there is probably a recognition that housing costs will represent a disproportionately large share of their income while in school. However, more than 750 renter households in the County paying 30% or more of their income for housing were in the age groups 25 and older, and were probably not students.

Recommendation: Subsidized housing is one segment of the local rental market where pent-up demand does exist. This is especially true for general occupancy units with two or more bedrooms. The supply of this type of housing has contracted over the last decade in Brookings County, despite the fact that household incomes for many renters remain relatively low.

Although there is unmet demand for deep subsidy housing with rent based on income, resources to build these units are very scarce. A modest community goal would be to construct between 20 and 25 deep subsidy units that could serve very low income renter households. Production at this level would largely replace units that have been lost in recent years as subsidy contracts expired at some older rental projects.

Another important community strategy will be to prevent the future loss of any of the existing project-based subsidized housing or tenant-based Vouchers. It may be appropriate for public or nonprofit housing agencies to become involved in attempts to preserve subsidized housing resources. In other South Dakota communities, including Aberdeen, Housing Authorities have acquired subsidized projects that were at risk of being lost. Efforts to limit the port-out of rent assistance Vouchers should also be explored. Once again the Aberdeen Housing Authority may be a resource, as that agency has taken steps to limit the movement of Vouchers out of Brown County.

9. Monitor Senior Housing with Services Needs as the Area's Population Ages and Promote Unit Expansions of Some Unit Types

Findings: Senior housing with services defines a wide range of housing types. Skilled nursing homes, assisted living and memory care housing are generally the most service-intensive units. High-service housing provides 24-hour staffing and a high level of assistance with daily living needs of residents. Under South Dakota law, service-intensive senior housing must be licensed as a Skilled Nursing Home or as an Assisted Living Center.

Lower-service housing, sometimes referred to as congregate senior housing, generally offers a daily meal, access to transportation and services such as weekly light housekeeping. While a resident can contract for more intensive services through a home health care provider agency, additional services are not available through the housing project. South Dakota law requires these light-service housing providers to register with the State as Residential Living Centers. These facilities are not subject to the same standards as the Skilled Nursing Homes or Assisted Living Centers, including the inspection requirements. Because of the lower level of regulation, many Residential Living Centers are not properly registered.

Since the 2007 Housing Study was completed, there have been some changes in the supply and type of units available to seniors. The two nursing homes in Brookings were both undergoing changes in 2013. Brookview Manor is in the process of constructing a new campus, which will open in 2013. The number of licensed beds will remain unchanged at 79, but the facility will primarily offer single occupancy rooms in the future, with only three rooms for shared occupancy. United Retirement Center reported that a renovation project was underway in 2013.

At the time of the 2007 Study there were no dedicated memory care housing options in Brookings. It was acknowledged that residents needing memory care were being housed in nursing homes or assisted living centers, but none of those facilities provided a secure wing care for memory care residents. In 2013 Edgewood Vista will open a 16-unit memory care wing that is attached to their assisted living center. There is also an 8-bed facility that has been created in the City of White, which is in a wing of the White Health Care Center.

Fewer changes have occurred in the area's supply of assisted living, but Stoney Brook Suites in Brookings did have a 10-unit expansion underway in 2013. There appears to have been a reduction in assisted living options outside of Brookings, as Cozy Corner in Elkton was no longer licensed as an Assisted Living Center. Two skilled nursing homes, in Estelline and White, had also had some beds licensed for assisted living in 2007, but not in 2013. However, some of the beds in White have changed to dedicated memory care use.

Based on the research completed in 2013, there have been no changes to the supply of lighter services senior housing, which may include Residential Living Centers.

The demographic research completed for this 2013 Update has presented some conflicting information on the population of senior citizens. Between 2000 and 2010, Brookings County had a net gain of younger seniors, age 65 to 74, but a net loss of older seniors, age 75 and above. Specialized senior housing generally serves an older senior group that is willing to pay for services in addition to housing.

Looking forward, both of the age-based projection sources were in agreement on growth within the younger senior age ranges between 2010 and 2015. However, differences existed in the projections for older seniors, age 75 and older. The projections generated by Community Partners Research show very limited growth among older seniors. Age-based projections from the South Dakota State Data Center show much stronger growth especially in the number of senior citizens age 85 and older. In the opinion of Community Partners

Research, the State Data Center forecasts are too high in the older senior ranges, and could only be achieved if a significant number of older seniors moved into Brookings County from more distant locations.

Recommendation: The 2007 Study had made recommendations for the various segments of specialized senior housing. These have been reviewed based on the changes that have occurred since that time.

- ▶ **Skilled Nursing Homes** - The 2007 Study had not addressed nursing homes, since a long-standing State moratorium has existed that limits expansion. While the number of units has not changed in Brookings, the construction of a new, replacement facility for Brookview Manor will change the available type of units, as many more single occupancy rooms will exist, replacing shared occupancy rooms.
- ▶ **Memory Care Housing** - The 2007 Study had recommended the creation of up to 24 beds to serve people with advanced memory care housing needs. At that time, there were no specialized options available in Brookings County. In 2013, 16 memory care units are under construction in a new wing at Edgewood Vista, and eight beds in the White Healthcare Center have been dedicated to a specialized memory care wing.
- ▶ **Assisted Living** - The 2007 Study had concluded that the supply of assisted living units in Brookings and the surrounding area was largely adequate at that time, but that a modest expansion of assisted living units would be needed by the year 2015. Based on the projected increase in older senior citizens residing in the area, an expansion of 10 to 14 units was indicated. In 2013, a 10-bed expansion is underway at Stoneybrook Suites. However, there has also been a reduction of assisted living options in the smaller communities in the area, including a change of use in facilities in White, Estelline and Elkton. These smaller facilities in smaller communities have generally not had the same appeal as assisted living options in Brookings.
- ▶ **Light Service/Congregate Housing** - The 2007 Study had concluded that Brookings was under-served with light services senior housing. We had recommended the supply of light services units be expanded by 65 to 70 units by 2015. However, no changes have occurred in the local inventory of light services housing.

With significant changes underway in skilled nursing homes, assisted living and specialized memory care housing, the impact of these projects will need to be evaluated after the new facilities become operational in 2013. A modest future expansion may still be required in the near-future as the population of seniors

continues to grow. Depending on the relative accuracy of the two projections for older senior citizens, there may be relatively unchanged demand in the near-future from older seniors (Community Partners Research opinion), or growing demand (State Data Center opinion).

The lighter services segment of the market has not been addressed since the 2007 Study, and in the opinion of Community Partners Research, is still underserved. Despite some differences in senior demographic projections, there is agreement that the population of younger senior citizens will continue to grow in Brookings County for the foreseeable future. Younger seniors will typically access lighter services housing as their first step in moving into specialized senior housing.

It should be noted that we have looked at overall demand, not competitive positioning for individual projects. We view Brookings as the best possible location for specialized senior housing. It is very likely that more units could be successfully constructed in Brookings than we have recommended. However, this would probably reduce occupancy rates in older, existing projects.

A comment also needs to be made on a potential project that may attempt to serve demand that is generated from outside of the immediate area. Conceptual planning completed by SDSU has included the possibility of constructing a senior living campus immediately adjacent to the University. In 2013, surveys were being sent to SDSU alumni and former staff attempting to gauge the level of interest in moving back to Brookings from more distant locations as a retirement option. This Update did not attempt to evaluate interest in a project of this magnitude, which would include a potential market that may extend well beyond the borders of Brookings County.

10. Opportunity to Provide Housing with Services to Lower Income Seniors

Findings: The 2007 Study had commented on the difficulty of providing housing with services for lower income seniors that do not have the financial resources for private-pay care facilities. Due to the low reimbursement rate, some existing projects will either not accept Medicaid/Medicare residents, or strictly limit the number of assisted residents at any given time.

Lower income seniors in need of more service-intensive housing will often move into skilled nursing homes with their Medicaid/Medicare assistance. There are fewer financial mechanisms that allow lower income people to move into

Assisted Living Centers. A Statewide survey of Assisted Living Centers in 2005 found that nearly 74% of assisted living residents were private-pay, approximately 19% were Medicaid Waiver, and approximately 7% were SSI or State-paid.

Recommendation: The 2007 Study had identified potential models for utilizing existing subsidized senior housing projects to serve low income seniors needing some level of services with their housing.

Since 2007, the South Dakota Housing Development Authority (SDHDA) has created the Services to Aging Residents (STAR) Program as a model for helping frail elderly residents that can benefit from additional services. The STAR Program facilitates the delivery of services to residents, including housekeeping, transportation services, meals, service coordinators and other benefits. The Program may only be available to senior housing projects that are SDHDA financed.

According to the State's website, Heritage Estates Apartments in Brookings is the only senior housing provider currently in the STAR Program. If this model can be replicated in other senior-oriented housing, it could allow more low income seniors the opportunity to remain living independently.

City of Arlington

Demographic Highlights

- ▶ According to the 2010 Census, Arlington lost 77 people but lost only four households between 2000 and 2010. Although few official estimates exist after the 2010 Census, there is reason to believe that Arlington has added very few households after 2010, as only a limited number of new housing units have been constructed since 2010. In prior decades, Arlington had been gradually adding households, but this trend reversed between 2000 and 2010.
- ▶ Arlington has the smallest average household size of the small communities around Brookings, at only 2.09 persons per household. This is typically an indicator that there are fewer families with children living in the community, and more senior citizens, including people living alone.

Housing Construction Highlights

- ▶ Between 2010 and 2011, only one new house was constructed. Between 2000 and 2009, there were approximately 39 housing units added through new construction. However, most of this activity occurred prior to 2007. Over the last five years, the City has averaged between two and three new houses per year.
- ▶ No multifamily rental units have been constructed in Arlington in many years.

Existing Housing Highlights

- ▶ Although there was an overall net loss of households in Arlington between 2000 and 2010, there was a net gain in owner households. Between 2000 and 2010, the City added 12 owner households but lost 16 renter households. The net growth in owner households was lower than the number of new houses constructed in the City during the decade. This would imply that some older units were vacant in 2010, or had been removed from the available inventory. The reduction in renter-occupied units also implies that some housing was vacant or lost during the decade.
- ▶ Home values in Arlington are relatively low. Based on the 2012 sales sample that was reviewed, the median sale price was only \$47,500. According to the 2011 American Community Survey, the median home value in Arlington was \$81,000.

Commuting Patterns

- ▶ According to Mapquest, the travel time between downtown Arlington and downtown Brookings is 22 minutes. According to the 2011 American Community Survey, approximately 28% of Arlington's residents commuted between 15 and 29 minutes for employment. A travel time within this range would generally be consistent with the commuting time to Brookings. However, approximately 27% of residents had a travel time that was between 30 and 39 minutes, which could indicate that nearly as many people are traveling to communities such as Watertown or Madison to work.

Market Strengths

- ▶ Arlington residents have commuting opportunities in many directions, although destinations such as Watertown or Huron may be between 45 minutes and one hour away. The best available information indicates that some residents commute to Brookings, but others work locally or commute greater distances.
- ▶ Arlington did achieve some success with new home construction, but that was primarily earlier in the last decade. The community has not been growing, and only two or three homes per year have been added in recent years.
- ▶ Arlington does have a stock of older, lower valued houses that can provide an affordable ownership option. The City also appears to have a large number of elderly residents. This could result in a large amount of housing turnover in coming years, making affordable houses available for purchase.

Town of Aurora

Demographic Highlights

- ▶ According to the 2010 Census, Aurora added 32 people and 28 households between 2000 and 2010. In numeric and percentage growth, only Volga grew at a faster rate than Aurora. Although few official estimates exist after the 2010 Census, there is reason to believe that Aurora has been the fastest growing community since 2010, as the Town has added more new housing units than any of the other small communities in the Brookings' area.

Housing Construction Highlights

- ▶ Between 2010 and 2012, the City had 34 single family homes constructed. This net gain in housing units is approximately equal to the level of unit construction that had occurred in the prior 10-year period between 2000 and 2009.
- ▶ A private developer opened a new subdivision in Aurora, and the first phase of development had approximately 40 residential lots. According to Town staff, this first phase is largely developed, and a second phase has started. Website listings for lots in Aurora show prices as low as \$24,000, or more than \$6,000 below the lowest priced lots that are listed in Brookings. As many as 18 vacant residential lots appear to be listed for sale in Aurora, which probably represents lots coming available in the second development phase. The developer also has a third phase planned for the future.

Existing Housing Highlights

- ▶ Only two multifamily rental projects were identified in Aurora. Dakota Village has 30 two-bedroom units. The project is income-restricted, using both Rural Development subsidies and federal tax credits at the time of construction. The occupancy rate in this project was high in the most recent survey, in contrast to the survey conducted in 2007, when a large number of vacancies existed.
- ▶ A second rental project was constructed in 2009, and has eight conventional rental units. Although additional details on this project could not be obtained, Town staff indicated that this project is always fully occupied.

- ▶ Home values in Aurora are relatively high. Based on the 2012 sales sample that was reviewed, the median sale price was \$128,000. Only Brookings and Volga had a higher median sale price.

Commuting Patterns

- ▶ According to Mapquest, the travel time between downtown Aurora and downtown Brookings is 13 minutes. Only Volga has a shorter drive time to Brookings. According to the 2011 American Community Survey, approximately 59% of Aurora's residents commute between 10 and 19 minutes for employment, which would generally be consistent with the travel time to Brookings.

Market Strengths

- ▶ Along with Volga, Aurora has established itself as a small town alternative to Brookings, and has succeeded as a bedroom community to the regional center. The best available information indicates that more than half of all working residents commute to Brookings for employment.
- ▶ The City has recently achieved significant success in offering lower priced residential lots. In the past, approximately 15% of the area's home building activity has occurred in the smaller communities surrounding Brookings, and approximately 85% has occurred within Brookings. However, in the past few years, Aurora has captured the majority of the new home construction that has been occurring outside of Brookings.
- ▶ With a new phase of subdivision development underway in 2013, and a third phase planned for the future, Aurora should continue to serve as an alternative location for home buyers looking to live in the Brookings area.
- ▶ The City has had more limited success with rental housing. Although a recently constructed eight-plex reportedly is fully occupied, and the occupancy rate in the income-restricted property has improved, the community has primarily added ownership housing in recent decades. Rental vacancy rates in Brookings have recently been increasing, and are likely to be above the longer-term average for the next few years. Renter households that may have moved to Aurora in the past, due to few options in Brookings, may now have opportunities to rent units within the regional center.
- ▶ At the time of the 2007 Study, Aurora had development limitations due to infrastructure availability. These problems have been resolved, allowing the development of new subdivisions and rental units.

City of Volga

Demographic Highlights

- ▶ According to the 2010 Census, Volga added 333 people and 163 households between 2000 and 2010. In numeric and percentage growth, Volga was the fastest growing small community in the Brookings' area. Although few official estimates exist after the 2010 Census, there is reason to believe that Volga's rate of growth has slowed, as only a limited number of new housing units have been constructed since 2010.
- ▶ Compared to other communities in the area, Volga has a relatively large average household size, at 2.41 persons per household in 2010. This is typically an indicator that there are more families with children living in the community.

Housing Construction Highlights

- ▶ Between 2010 and 2011, only six new houses were constructed. After 2007, unit construction in the City slowed significantly. Between 2000 and 2007, Volga was averaging more than 17 housing units per year through new construction, although nearly half of this total was due to larger multifamily rental projects. After 2007, the annual average dropped to approximately five units per year. Although there may be multiple factors that contributed in the construction slowdown, the level of new home construction in the neighboring community of Aurora began to increase in 2008, and Aurora's annual construction level has exceeded Volga's since that time.

Existing Housing Highlights

- ▶ Volga has more multifamily rental projects than any of the other small communities in the Brookings area. At the time of the 2010 Census, nearly 34% of the City's households were renters. Volga also has the most diverse rental stock of the area's smaller communities, with various forms of rental housing, including senior housing with services.
- ▶ Volga has a number of income-restricted properties that operate as subsidized housing. Occupancy rates in these projects were high in the most recent rental survey.
- ▶ Volga has had a number of conventional rental projects constructed over the past 13 years. Some of these were developed by public entities as conventional, market rate housing, but private developers have also been

active in constructing conventional units. Many of these projects were developed at a time when vacancy rates in Brookings were very low. In 2013, there is evidence that vacancy rates in Brookings have increased, and may remain at an above-average level for the next few years. This will probably serve to reduce demand in Volga, as some renters may have moved to the community due to limited choices within Brookings.

- ▶ Home values in Volga are relatively high. Based on the 2012 sales sample that was reviewed, the median sale price was \$132,750, the highest of any small city in the Brookings' area.

Commuting Patterns

- ▶ According to Mapquest, the travel time between downtown Volga and downtown Brookings is nine minutes. Some of the larger employers in Brookings are located in the western half of the community, making the potential travel time from Volga even less. Volga has the shortest drive time to Brookings of any of the surrounding small communities. According to the 2011 American Community Survey, approximately 75% of Volga's residents commute between 5 and 19 minutes for employment. While some of these people may be working in Volga, a travel time within this range would generally be consistent with the commuting time to Brookings.

Market Strengths

- ▶ Along with Aurora, Volga has established itself as a small town alternative to Brookings, and has succeeded as a bedroom community to the regional center. The best available information indicates that well over half of all working residents commuted to Brookings for employment.
- ▶ The City has achieved past success in the construction of both ownership and rental housing. Conventional rental construction, in particular, was successful between 2000 and 2010, although the last rental project was probably constructed in 2007. Single family construction has been more limited in recent years, with an annual average of only five homes per year after 2007. Since 2008, Aurora has captured the majority of the new home construction that has been occurring outside of Brookings.
- ▶ Volga should continue to serve as an alternative location for households looking to live in the Brookings area. If vacancy rates increase in Brookings, it is less likely that additional rental construction will occur in Volga, unless a significant price advantage can be gained, although a smaller scale rental project is being discussed for the community.

Town of Bushnell

Demographic Highlights

- ▶ According to the 2010 Census, Bushnell lost 10 residents and four households between 2000 and 2010. This continued a longer-term pattern of population loss for the community, although the number of households has remained stable over the past 30 years.

Housing Construction Highlights

- ▶ According to Census Bureau records, no housing unit construction has occurred in Bushnell over the last 13 years. Building reports were only reviewed back to the year 2000.

Existing Housing Highlights

- ▶ Bushnell primarily offers ownership housing opportunities. At the time of the 2010 Census, only six housing units were renter-occupied. No multifamily rental projects were identified in the community.
- ▶ Home values in Bushnell are assumed to be relatively low, although no good sales were identified in the 2012 sales sample that was reviewed. According to the 2011 American Community Survey, the median home value in Bushnell was \$75,000.

Commuting Patterns

- ▶ According to Mapquest, the travel time between downtown Bushnell and downtown Brookings is 13 minutes. Only Volga has a shorter drive time to Brookings. According to the 2011 American Community Survey, approximately 96% of Bushnell's residents commuted between 10 and 19 minutes for employment, which would generally be consistent with the travel time to Brookings.

Market Strengths

- ▶ Bushnell has a stock of older, lower valued houses that can provide an affordable ownership option. This has helped to maintain a stable household level in the community over the past 30 years. However, few of these houses become available for sale. No new unit construction has occurred in many years, and is unlikely to occur unless a home owner wishes to construct a customized home in the Town. Speculative construction is unlikely to occur.

City of Bruce

Demographic Highlights

- ▶ According to the 2010 Census, Bruce lost 68 residents and 10 households between 2000 and 2010. These recent losses may be somewhat deceptive, however, as the Census had reported fairly strong population and household growth between 1990 and 2000. This trend then reversed between 2000 and 2010. If a longer time period is examined, Bruce lost 50 people over the last 30 years, but gained four households when compared to 1980.
- ▶ Compared to other communities in the area, Bruce has a relatively small average household size, at 2.15 persons per household in 2010. Only Arlington had a smaller average household size of the small communities around Brookings. This is typically an indicator that there are fewer families with children living in the community, and more senior citizens, including people living alone.

Housing Construction Highlights

- ▶ According to Census Bureau records, as many as seven houses were constructed in Bruce since the year 2000. However, most of this was done before 2007. Since 2007, only one new house has been constructed in the City.

Existing Housing Highlights

- ▶ Bruce primarily offers ownership housing opportunities. At the time of the 2010 Census, approximately 79% of all households owned their housing.
- ▶ Only one multifamily rental project was identified in the community. Nelson Apartments has 11 one-bedroom units. These units are subsidized through Rural Development. All of these units were occupied at the time of the rental survey.
- ▶ Home values in Bruce are assumed to be relatively low, although only four sales were identified in the 2012 sales sample that was reviewed. The calculated median sale price was only \$41,500. According to the 2011 American Community Survey, the median home value in Bruce was \$84,600.

Commuting Patterns

- ▶ According to Mapquest, the travel time between downtown Bruce and downtown Brookings is 21 minutes. According to the 2011 American Community Survey, approximately 79% of Bruce's residents commuted between 15 and 29 minutes for employment, which would generally be consistent with the travel time to Brookings.

Market Strengths

- ▶ Bruce has a stock of older, lower valued houses that can provide an affordable ownership option. According to the American Community Survey, the median year of construction for owner-occupied houses is 1955. A few new houses have been built in recent decades, and the City has been able to add four households over the past 30 years. However, the population has declined as residents age, and fewer children live in the community. Limited new unit construction has occurred in the past five years, and is unlikely to occur unless a home owner wishes to construct a customized home in the City. Speculative construction of single family housing or rental units is unlikely to occur.

City of Elkton

Demographic Highlights

- ▶ According to the 2010 Census, Elkton added 59 people and 19 households between 2000 and 2010. Although few official estimates exist after the 2010 Census, there is reason to believe that Elkton's rate of growth has slowed, as only a limited number of new housing units have been constructed since 2010.
- ▶ Compared to other communities in the area, Elkton has a relatively large average household size, at 2.53 persons per household in 2010. This was the largest average household size of the small communities in the Brookings area. This is typically an indicator that there are more families with children living in the community.

Housing Construction Highlights

- ▶ Between 2010 and 2012, only two new houses were constructed. In the late 2000s, as many as 25 modular/manufactured homes were moved into a subdivision in Elkton. Although intended for owner-occupancy, slow sales resulted in most of these houses being used as rentals. In 2013, these units are still for sale, but primarily renter-occupied. The availability of these modestly-priced homes has probably had the impact of suppressing any additional speculative housing development.
- ▶ No multifamily rental units have been constructed in Elkton in many years. In the mid-1990s, the Housing and Redevelopment Commission constructed some publicly-owned conventional rental housing.

Existing Housing Highlights

- ▶ Elkton has a mix of both income-restricted and conventional rental housing. Many of the conventional units exist in single family houses that were intended to be sold, but have since converted to rental use. A few vacancies were present, but occupancy rates were generally high in most projects.
- ▶ Home values in Elkton are relatively low. Based on the 2012 sales sample that was reviewed, the median sale price was \$63,800. According to the 2011 American Community Survey, the median home value in Elkton was \$79,100.

Commuting Patterns

- ▶ According to Mapquest, the travel time between downtown Elkton and downtown Brookings is 25 minutes. According to the 2011 American Community Survey, approximately 44% of Elkton's residents commute between 20 and 39 minutes for employment. A travel time within this range would generally be consistent with the commuting time to Brookings. However, approximately 53% of residents have a travel time that is less than 20 minutes, and appear to be working locally.

Market Strengths

- ▶ Elkton has established itself as a small town alternative to Brookings for some area residents. However, it is a longer drive than some other small communities, such as Volga and Aurora, which have had greater success as a bedroom communities to the regional center. The best available information indicates that fewer than half of all working residents commute to Brookings for employment.
- ▶ An attempt by a developer to construct very affordable modular homes in Elkton was not successful. Although still available for sale, most of these units have not sold and have been used as rental housing for the past four years or more. This project has probably discouraged any further speculative development in Elkton.
- ▶ Elkton has a stock of older, lower valued houses that can provide an affordable ownership option.

City of Estelline

Demographic Highlights

- ▶ According to the 2010 Census, Estelline added 93 people but only seven households between 2000 and 2010. Although few official estimates exist after the 2010 Census, there is reason to believe that Estelline has added very few households after 2010, as only a limited number of new housing units have been constructed since 2010.
- ▶ After years of declines in the City's average household size, this pattern reversed during the last decade. The average household size increased from 2.13 persons per household in 2000 to 2.40 persons in 2010. With more people per household, the City's population grew at a much faster rate than household growth. This is typically an indicator that there are more families with children now living in the community.

Housing Construction Highlights

- ▶ Between 2010 and 2011, only one new house was constructed. Between 2000 and 2009, there were 17 housing units added through new construction. However, most of this activity occurred prior to 2008. Over the last five years, the City has averaged less than one new house per year.
- ▶ No multifamily rental units have been constructed in Estelline in many years.

Existing Housing Highlights

- ▶ Most of the household growth that occurred in Estelline in the last decade can be attributed to renter households. Between 2000 and 2010, the City added 13 renter households but lost six owner households. Since very little rental unit construction occurred during the decade, it would appear that a gradual conversion of units has been occurring, as houses that were previously owner-occupied have changed to rental use. The increase in renter households may account for the population growth and the increase in average household size, if these were families with children.
- ▶ Home values in Estelline are relatively low. Based on the 2012 sales sample that was reviewed, the median sale price was \$69,000. According to the 2011 American Community Survey, the median home value in Estelline was \$80,700.

Commuting Patterns

- ▶ According to Mapquest, the travel time between downtown Estelline and downtown Brookings is 32 minutes. According to the 2011 American Community Survey, approximately 34% of Estelline's residents commuted between 25 and 39 minutes for employment. A travel time within this range would generally be consistent with the commuting time to Brookings. However, approximately 57% of residents have a travel time that is less than 25 minutes, and appear to be working locally.

Market Strengths

- ▶ Estelline is a longer drive than most of the other small communities, around Brookings, and appears to have the lowest percentage of commuters to the regional center. The best available information indicates that only one-third of all working residents may commute to Brookings for employment, and some of these may be instead traveling to other employment centers in the region, such as Watertown.
- ▶ Estelline's market strength in recent years has been as a location for renters. As older houses in the community have become available, it would appear that some have been converted to rental use. This may have attracted some younger families to the community.
- ▶ Estelline has been able to achieve some limited success in the construction of new homes, but in recent years, the annual average has been below one house per year.
- ▶ Estelline does have a stock of older, lower valued houses that can provide an affordable ownership option, and may also account for some of the younger families that appear to have moved to the City.

Town of Sinai

Demographic Highlights

- ▶ According to the 2010 Census, Sinai lost 13 residents and two households between 2000 and 2010. While there has been no growth, the population and household levels in 2010 were identical to the levels reported in the 1990 Census.

Housing Construction Highlights

- ▶ There is no information from Census Bureau records showing any housing construction in Sinai. In fact, the 2000 Census reported one more housing unit than was counted in 2010.

Existing Housing Highlights

- ▶ Sinai primarily offers ownership housing opportunities. At the time of the 2010 Census, only eight housing units were renter-occupied. No multifamily rental projects were identified in the community.
- ▶ Home values in Sinai are assumed to be relatively low. Only one good sale was identified in the 2012 sales sample that was reviewed, and this house sold for \$35,000. According to the 2011 American Community Survey, the median home value in Sinai was \$83,800.

Commuting Patterns

- ▶ According to Mapquest, the travel time between downtown Sinai and downtown Brookings is 25 minutes. According to the 2011 American Community Survey, approximately 79% of Sinai's residents commuted between 20 and 34 minutes for employment, which would generally be consistent with the travel time to Brookings.

Market Strengths

- ▶ Sinai has a stock of older, lower valued houses that can provide an affordable ownership option. This has helped to maintain a relatively stable household level in the community over the past 20 years. However, few of these houses become available for sale. No new unit construction has occurred in many years, and is unlikely to occur unless a home owner wishes to construct a customized home in the Town. Speculative construction is unlikely to occur.

City of White

Demographic Highlights

- ▶ According to the 2010 Census, White lost 45 people but lost only three households between 2000 and 2010. Although few official estimates exist after the 2010 Census, there is reason to believe that White has added very few households after 2010, as only a limited number of new housing units have been constructed since 2010. Between 1980 and 2000, White had been gradually adding households, but this trend reversed between 2000 and 2010.

Housing Construction Highlights

- ▶ Between 2010 and 2011, only two new houses were constructed. Between 2000 and 2009, there were approximately 22 housing units added through new construction. Despite the net gain in housing units through new construction, White showed no net housing gain between the 2000 Census and the 2010 Census, and actually lost occupied housing units. This would imply that an equal number of older units were demolished or removed from the available inventory during the last decade.
- ▶ No multifamily rental units have been constructed in White in many years.

Existing Housing Highlights

- ▶ Although there was an overall net loss of households in White between 2000 and 2010, there was a net gain in owner households. Between 2000 and 2010, the City added seven owner households but lost 10 renter households. The net growth in owner households was lower than the number of new houses constructed in the City during the decade.
- ▶ Home values in White are relatively low when compared to Brookings. Based on the 2012 sales sample that was reviewed, the median sale price was \$99,900. According to the 2011 American Community Survey, the median home value in White was \$87,800.

Commuting Patterns

- ▶ According to Mapquest, the travel time between downtown White and downtown Brookings is 24 minutes. According to the 2011 American Community Survey, approximately 62% of White's residents commuted

between 15 and 34 minutes for employment. A travel time within this range would generally be consistent with the commuting time to Brookings.

Market Strengths

- ▶ The best available information indicates that most residents commute to Brookings for employment. With a location near Interstate 29, White offers a relatively easy commute, especially to the eastern edge of Brookings.
- ▶ White did achieve some success with new home construction, but appears to have lost an equal number of older housing units. The community has not been adding households, but has been averaging between two or three homes per year in recent years.
- ▶ White does have a stock of older, lower valued houses that can provide an affordable ownership option. The median sale price in White was more than \$50,000 lower than in Brookings in 2012.