

# I. Introduction

## A. PURPOSE

The purpose of this study is to evaluate the existing real estate market conditions within Champaign County, Illinois for the Champaign County Regional Housing Study. This report will include data and analysis as defined in the requirements of the Housing Needs Assessment and the Housing Market Analysis for the study area. Vogt Santer Insights (VSI) will review and analyze demographic trends (population, households and housing), community resources, competitive activities, future growth potential, housing gap analysis, barriers to affordable housing and best practices within Champaign County. The study is part of the Consolidated Planning process for Champaign County. Ms. Kerri Spear, a city official with the City of Champaign initiated this report on July 16, 2010.

## B. METHODOLOGIES

Methodologies used by VSI during this study include the following:

- Site Evaluation: A field analyst visits the subject projects (and their communities) to document: location and layout, surrounding land uses, environmental nuisances (hazards and impediments), visibility (outward and inward), accessibility, community services (shopping, health care, recreation, employment, entertainment, education and public safety), crime (comparisons to national levels) and project specific information (unit breakdown, unit size, population served, amenities, structure type and occupancy performance). This comprehensive assessment helps to identify the projects' strengths and weaknesses and to determine future use of the projects.
- Submarket Area Delineations: A total of four (4) submarkets were identified in the Champaign County study area.
  - City of Champaign
  - City of Urbana
  - Village of Rantoul
  - Champaign County
- The defined submarkets evaluate macro housing conditions, including demographic trends, current rental housing conditions, projected demand estimates, historical for-sale trends and projected demand of for-sale product. For this study, submarkets were determined by using governmental boundaries at the request of the client.

Additional analysis was provided for all four submarkets based upon Census geography and the City of Champaign's 36 planning areas and the City of Urbana's five Community Development Target Areas (CDTA).

- Demographic Analysis: Demographic characteristics and trends of submarkets, and their county and state are comparatively evaluated. This demographic assessment uses the most recently issued Census information, as well as projections that determine the characteristics of the market in future years. Demographic factors that are analyzed include: population, households, housing units, income, age, lifestyle segments, occupancy, tenure, education, household composition and size, crime and commuting.
- Field Surveys: Field surveys for each product type of interest (single-family homes, condominiums, apartments and senior residential care components) are performed in person by our field analysts. These property surveys are used to measure the overall strength of markets by evaluating tenant mix, vacancies, lease rates, sales prices, absorption rates and overall product quality of comparable and competing properties. This compiled property information forms the basis for supply analyses.
- Planned and Proposed Projects: A review of building statistics and interviews with governmental building officials help to identify planned and proposed properties that would likely impact the projected submarket housing conditions. Planned and proposed projects are in different stages of development, so it is important to establish the likelihood of construction, timing of openings and market impact.
- Demand Analyses: Demand for residential uses is determined by estimating the share of households by household income level in the submarket that is likely to respond to the housing uses. Projected demand estimates aid in identifying a void in the housing market for a particular product type.
- Need Analysis: Housing need was determined by quantifying the homeless population, adding in substandard housing stock plus the cost of over burdened households and subtracting lowest income student households.

### **C. REPORT LIMITATIONS**

The intent of this report is to collect and analyze significant levels of data to determine the current conditions in the Champaign County Regional Housing Study area and to also analyze macro-housing conditions among all rental and for-sale residential components within Champaign County. Vogt Santer Insights relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, Vogt Santer Insights makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Vogt Santer Insights is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the properties that are the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

### **D. SOURCES**

Vogt Santer Insights uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 1990 and 2000 Census on Housing
- Applied Geographic Solutions
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Ribbon Demographics, LLC
- Environmental Research Systems Institute (ESRI)
- Urban Decision Group, LLC
- U.S. Bureau of Labor Statistics