

## II. Housing Stock

### A. INTRODUCTION

The segments that constitute a housing market can be broken down into two components – rentals and for-sale housing. Rentals generally refer to multifamily complexes but single-family rentals certainly do exist. For-sale housing refers to both the sales of existing homes and new home sales. Home sales refer to both single-family homes and condominiums.

For this analysis, we examine the market for multifamily rentals with 20 or more units and the market for new for-sale housing. It would be too cumbersome to survey multifamily housing under 20 units and there is more than an adequate supply of large multifamily complexes in Champaign County.

The for-sale housing survey consists of new single-family and condominium developments that have been active within the last 10 years. An analysis of new home sales provides a good window into the health of the overall housing market. New home sales have a direct impact on existing home sales because homebuyers are generally vacating existing homes in favor of new homes. This creates a buying opportunity at lower income levels and thus satisfies housing needs at this level without necessitating new construction at this price point.

For the housing stock analysis, we surveyed properties throughout Champaign County between July 2010 and November 2010. We will first present the multifamily rentals analysis for Champaign County, the City of Champaign, the City of Urbana and the Village of Rantoul. This will be followed by the for-sale housing analysis for those same areas.

## B. MULTIFAMILY RENTAL ANALYSIS

### 1. CHAMPAIGN COUNTY MULTIFAMILY RENTAL SUPPLY AND DEMAND

#### *Champaign County Multifamily Rental Supply*

The distributions of the area housing stock within Champaign County in 2000 and estimated for 2010 are summarized in the following table:

HOUSING STATUS	2000 (CENSUS)		2010 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL-OCCUPIED	70,596	93.8%	77,287	90.3%
OWNER-OCCUPIED	39,328	55.7%	42,474	55.0%
RENTER-OCCUPIED	31,268	44.3%	34,813	45.0%
VACANT	4,683	6.2%	8,291	9.7%
TOTAL	75,279	100.0%	85,578	100.0%

Source: 2000 Census; ESRI; Urban Decision Group; Vogt Santer Insights, Ltd.

Based on a 2010 update of the 2000 Census, of the 85,578 total housing units in the market, 9.7% were vacant. In 2010, it was estimated that homeowners occupied 55.0% of all occupied housing units, while the remaining 45.0% were occupied by renters. The share of renters is considered high and represents a good base of potential renters in Champaign County, where most college students rent their residence while they attend college.

In Champaign County, we identified and personally surveyed 126 conventional housing projects containing a total of 13,912 units within the County. These rentals have a combined occupancy rate of 95.5%, a high rate for rental housing. Among these projects, 102 are non-subsidized (market-rate and Tax Credit) projects containing 12,206 units. These non-subsidized units are 95.1% occupied. The remaining 24 projects contain 1,706 government-subsidized units, which are 98.7% occupied. There are 132 additional units under construction in the County.

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT UNITS	OCCUPANCY RATE
MARKET-RATE	92	11,310	568	95.0%
MARKET-RATE/TAX CREDIT	5	468	21	95.5%
MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED	1	120	0	100.0%
TAX CREDIT	4	427	11	97.4%
TAX CREDIT/GOVERNMENT-SUBSIDIZED	2	306	0	100.0%
GOVERNMENT-SUBSIDIZED	22	1,281	22	98.3%
TOTAL	126	13,912	622	95.5%

The rental housing market in Champaign County is performing well with a 95.6% overall occupancy rate. Note that we consider the 95.6% occupancy rate to be stable for an entire county.

The following tables summarize the breakdown by program and bedroom type for all of the housing units surveyed within Champaign County.

MARKET-RATE						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
STUDIO	1.0	303	2.7%	6	2.0%	\$458
ONE-BEDROOM	1.0	3,055	26.8%	119	3.9%	\$662
ONE-BEDROOM	1.5	8	0.1%	0	0.0%	\$629
TWO-BEDROOM	1.0	2,960	26.0%	143	4.8%	\$762
TWO-BEDROOM	1.5	954	8.4%	64	6.7%	\$779
TWO-BEDROOM	2.0	1,158	10.2%	65	5.6%	\$992
TWO-BEDROOM	2.5	241	2.1%	6	2.5%	\$1,137
THREE-BEDROOM	1.0	358	3.1%	36	10.1%	\$787
THREE-BEDROOM	1.5	743	6.5%	44	5.9%	\$888
THREE-BEDROOM	2.0	174	1.5%	17	9.8%	\$1,081
THREE-BEDROOM	2.5	51	0.4%	0	0.0%	\$965
THREE-BEDROOM	3.0	335	2.9%	25	7.5%	\$1,145
FOUR-BEDROOM	1.0	5	0.0%	0	0.0%	\$1,780
FOUR-BEDROOM	2.0	303	2.7%	19	6.3%	\$1,582
FOUR-BEDROOM	2.5	103	0.9%	2	1.9%	\$2,623
FOUR-BEDROOM	3.0	216	1.9%	13	6.0%	\$1,078
FOUR-BEDROOM	4.0	390	3.4%	11	2.8%	\$1,520
FOUR-BEDROOM	4.5	20	0.2%	2	10.0%	\$1,980
FIVE-BEDROOM	2.0	20	0.2%	0	0.0%	\$1,862
FIVE-BEDROOM	2.5	1	0.0%	0	0.0%	\$2,188
<b>TOTAL MARKET-RATE</b>		<b>11,398</b>	<b>100.0%</b>	<b>572</b>	<b>5.0%</b>	-

TAX CREDIT, NON-SUBSIDIZED						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	155	19.2%	6	3.9%	\$578
TWO-BEDROOM	1.0	376	46.5%	16	4.3%	\$688
TWO-BEDROOM	1.5	72	8.9%	1	1.4%	\$724
THREE-BEDROOM	1.0	51	6.3%	2	3.9%	\$749
THREE-BEDROOM	1.5	21	2.6%	0	0.0%	\$794
THREE-BEDROOM	2.0	120	14.9%	3	2.5%	\$921
FOUR-BEDROOM	2.0	13	1.6%	0	0.0%	\$880
<b>TOTAL TAX CREDIT</b>		<b>808</b>	<b>100.0%</b>	<b>28</b>	<b>3.5%</b>	-

SUBSIDIZED TAX CREDIT					
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT
STUDIO	1.0	4	0.9%	0	0.0%
ONE-BEDROOM	1.0	343	80.7%	0	0.0%
TWO-BEDROOM	1.0	24	5.6%	0	0.0%
TWO-BEDROOM	1.5	34	8.0%	0	0.0%
THREE-BEDROOM	2.5	20	4.7%	0	0.0%
<b>TOTAL SUBSIDIZED TAX CREDIT</b>		<b>425</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

GOVERNMENT-SUBSIDIZED					
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT
STUDIO	1.0	39	3.0%	0	0.0%
ONE-BEDROOM	1.0	676	52.8%	8	1.2%
TWO-BEDROOM	1.0	165	12.9%	14	8.5%
TWO-BEDROOM	1.5	223	17.4%	0	0.0%
TWO-BEDROOM	2.0	14	1.1%	0	0.0%
THREE-BEDROOM	1.0	48	3.7%	0	0.0%
THREE-BEDROOM	1.5	88	6.9%	0	0.0%
THREE-BEDROOM	2.0	12	0.9%	0	0.0%
FOUR-BEDROOM	1.0	8	0.6%	0	0.0%
FOUR-BEDROOM	1.5	4	0.3%	0	0.0%
FOUR-BEDROOM	2.0	4	0.3%	0	0.0%
<b>TOTAL SUBSIDIZED</b>		<b>1,281</b>	<b>100.0%</b>	<b>22</b>	<b>1.7%</b>

The market-rate units were 95.0% occupied and the Tax Credit units were 96.5% occupied. The subsidized Tax Credit units are 100.0% occupied and the government-subsidized units are 98.3% occupied. This high occupancy rate among all subsidized projects indicates a strong market for lowest income housing.

The following tables summarize the breakdown of market-rate and Tax Credit units surveyed within the county. Below is the distribution of units surveyed by year built for Champaign County.

YEAR BUILT	PROJECTS	UNITS	VACANCY RATE
BEFORE 1970	15	2,166	5.3%
1970 TO 1979	35	4,133	6.0%
1980 TO 1989	10	653	2.9%
1990 TO 1999	17	2,341	3.1%
2000	2	228	21.1%
2001	5	433	4.6%
2002	1	320	6.3%
2003	6	641	5.5%
2004	3	149	0.7%
2005	0	0	0.0%
2006	4	769	2.3%
2007	1	259	1.5%
2008	1	24	0.0%
2009	1	20	0.0%
2010*	1	70	0.0%
TOTAL	102	12,206	4.9%

\*As of August

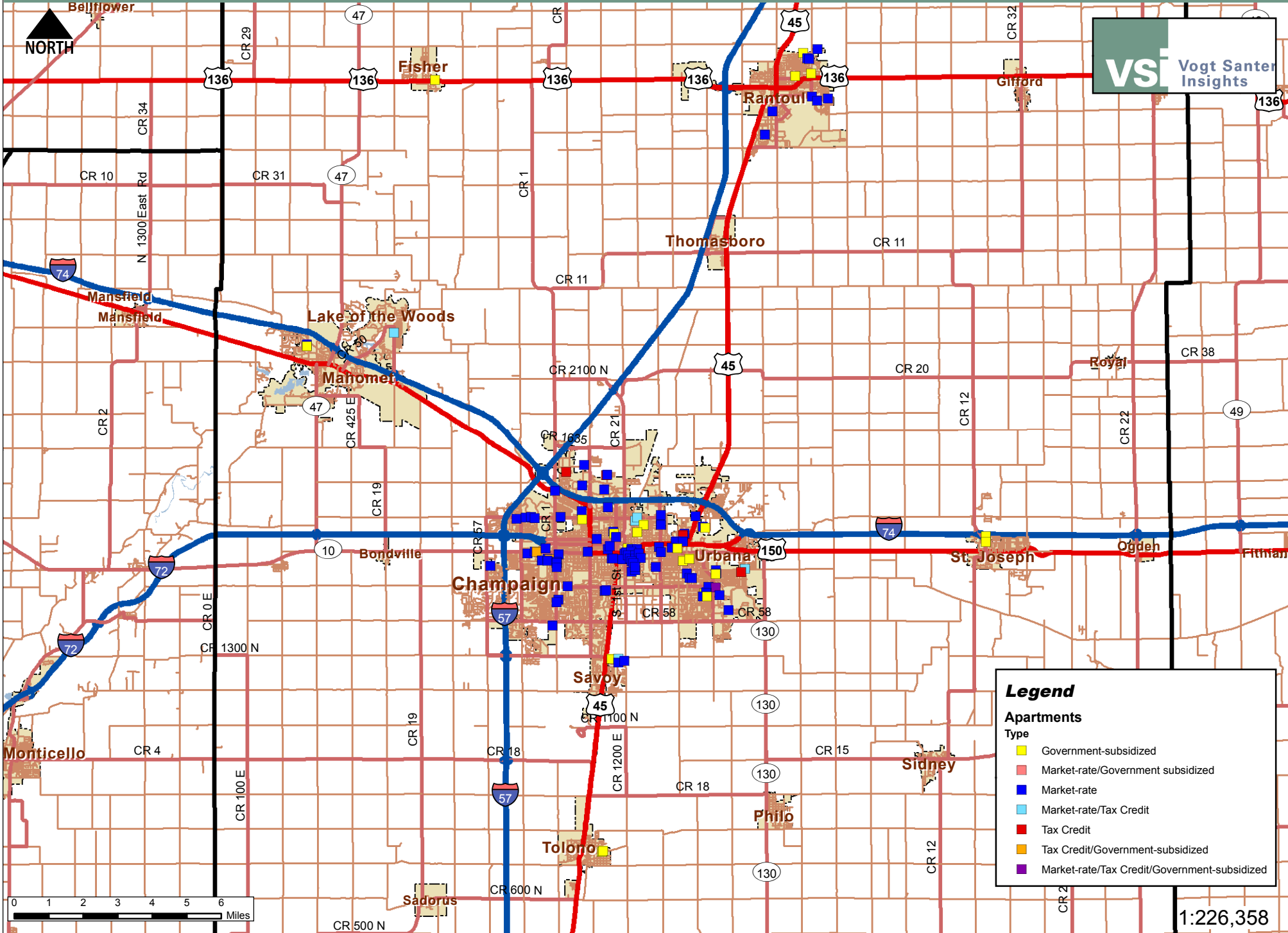
Nearly 52% of all apartments surveyed were built prior to 1980. These older apartments have a vacancy rate of 5.8%, higher than the overall market.

The Champaign County apartment market offers a wide range of rental product, in terms of price point and quality. The following table illustrates the rent range by bedroom type as well as the median rent for the non-subsidized apartments.

BEDROOM TYPE	GROSS RENT		
	LOW	HIGH	MEDIAN
STUDIO	\$380	\$958	\$458
ONE-BEDROOM	\$408	\$1,355	\$657
TWO-BEDROOM	\$448	\$2,192	\$824
THREE-BEDROOM	\$515	\$1,940	\$911
FOUR+-BEDROOM	\$558	\$3,620	\$1,556

Median gross rents range from \$458 to \$1,556. This large differential in the median rents illustrates the market's ability to support multiple types of rental housing.

# Champaign County, IL: Surveyed Apartment Locations



**Legend**

**Apartments**

Type

- Government-subsidized
- Market-rate/Government subsidized
- Market-rate
- Market-rate/Tax Credit
- Tax Credit
- Tax Credit/Government-subsidized
- Market-rate/Tax Credit/Government-subsidized



1:226,358

**Champaign County Multifamily Rental Demand**

<b>CHAMPAIGN COUNTY AFFORDABLE HOUSING DEMAND</b>						
	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
<b>I. GROWTH DEMAND HOUSEHOLD-BASED:</b>	\$0 - \$21,030	\$21,031 - \$28,040	\$28,041 - \$35,050	\$35,051 - \$42,060	\$42,061 - \$56,080	\$56,081 - \$70,100
2010 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	14,413	4,184	3,435	2,877	3,781	2,149
2015 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	13,982	4,191	3,470	2,943	3,997	2,455
ESTIMATED ANNUAL INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH	-86	1	7	13	43	61
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-431	7	35	66	216	306
<b>II. TOTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET</b>						
2010 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	14,413	4,184	3,435	2,877	3,781	2,149
(+) NEW INCOME QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-431	7	35	66	216	306
(=) TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS IN 2015	13,982	4,191	3,470	2,943	3,997	2,455
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED 95.0% OCCUPIED) MARKET	14,718	4,412	3,653	3,098	4,207	2,584
<b>III. EXISTING RENTAL PRODUCT</b>						
TOTAL OCCUPIED TARGETED RENTAL UNITS 2015	13,982	4,191	3,470	2,943	3,997	2,455
(+) ESTIMATED NUMBER OF VACANT UNITS (VACANCY %)	187	62	62	62	124	124
(=) NET EXISTING RENTAL PRODUCT	14,169	4,253	3,532	3,005	4,121	2,579
<b>IV. TOTAL SUPPLY AND DEMAND</b>						
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET	14,718	4,412	3,653	3,098	4,207	2,584
(-) TOTAL NET EXISTING TARGETED RENTAL PRODUCT	14,169	4,253	3,532	3,005	4,121	2,579
(+) 2.5% OF EXISTING RENTAL PRODUCT BUILT PRIOR TO 1970*	93	31	31	31	62	62
<b>(=) TOTAL TARGETED UNITS NEEDED OVER PROJECTION PERIOD (5 YEARS)</b>	<b>642</b>	<b>190</b>	<b>152</b>	<b>124</b>	<b>148</b>	<b>67</b>

\*Based on share of income-qualified renter households up to 100% AMHI; 2.5% is multiplied by five to get total replacement units over 5-year projection period.

## **2. CITY OF CHAMPAIGN MULTIFAMILY RENTAL SUPPLY AND DEMAND**

### **Multifamily Rental Supply**

The distributions of the area housing stock within the City of Champaign in 2000 and estimated for 2010 are summarized in the following table:

HOUSING STATUS	2000 (CENSUS)		2010 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL-OCCUPIED	27,071	95.0%	28,966	91.7%
OWNER-OCCUPIED	12,823	47.4%	13,532	46.7%
RENTER-OCCUPIED	14,248	52.6%	15,434	53.3%
VACANT	1,437	5.0%	2,608	8.3%
TOTAL	28,508	100.0%	31,574	100.0%

Source: 2000 Census; ESRI; Urban Decision Group; Vogt Santer Insights, Ltd.

Based on a 2010 update of the 2000 Census, of the 31,574 total housing units in the market, 8.3% were vacant. In 2010, it was estimated that homeowners occupied 46.7% of all occupied housing units, while the remaining 53.3% were occupied by renters. The high share of renters is the result of the presence of the University of Illinois student renters as most college students rent their residence while they attend college.

We identified and personally surveyed 63 conventional housing projects containing a total of 6,575 units within the city limits. These rentals have a combined occupancy rate of 95.7%, a high rate for rental housing. Among these projects, 58 are non-subsidized (market-rate and Tax Credit) projects containing 6,102 units. These non-subsidized units are 95.4% occupied. The remaining five projects contain 473 government-subsidized units, which are 100.0% occupied. There are 16 additional units under construction in the city.

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT UNITS	OCCUPANCY RATE
MARKET-RATE	54	5,717	264	95.4%
MARKET-RATE/TAX CREDIT	2	100	5	95.0%
TAX CREDIT	2	285	11	96.1%
TAX CREDIT/GOVERNMENT-SUBSIDIZED	2	306	0	100.0%
GOVERNMENT-SUBSIDIZED	3	167	0	100.0%
TOTAL	63	6,575	280	95.7%



The following table summarizes the breakdown by program and bedroom type for all of the housing units surveyed within the City of Champaign.

MARKET-RATE						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
STUDIO	1.0	159	2.8%	6	3.8%	\$487
ONE-BEDROOM	1.0	1,589	27.7%	65	4.1%	\$662
TWO-BEDROOM	1.0	1,465	25.6%	71	4.8%	\$829
TWO-BEDROOM	1.5	472	8.2%	18	3.8%	\$899
TWO-BEDROOM	2.0	752	13.1%	49	6.5%	\$992
TWO-BEDROOM	2.5	152	2.7%	2	1.3%	\$1,137
THREE-BEDROOM	1.0	142	2.5%	5	3.5%	\$860
THREE-BEDROOM	1.5	255	4.4%	8	3.1%	\$1,122
THREE-BEDROOM	2.0	34	0.6%	1	2.9%	\$1,191
THREE-BEDROOM	2.5	51	0.9%	0	0.0%	\$965
THREE-BEDROOM	3.0	213	3.7%	21	9.9%	\$1,145
FOUR-BEDROOM	1.0	5	0.1%	0	0.0%	\$1,780
FOUR-BEDROOM	2.0	164	2.9%	10	6.1%	\$1,760
FOUR-BEDROOM	2.5	55	1.0%	0	0.0%	\$2,623
FOUR-BEDROOM	4.0	204	3.6%	8	3.9%	\$1,436
FIVE-BEDROOM	2.0	20	0.3%	0	0.0%	\$1,862
FIVE-BEDROOM	2.5	1	0.0%	0	0.0%	\$2,188
<b>TOTAL MARKET-RATE</b>		<b>5,733</b>	<b>100.0%</b>	<b>264</b>	<b>4.6%</b>	-

TAX CREDIT, NON-SUBSIDIZED						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	7	1.9%	2	28.6%	\$502
TWO-BEDROOM	1.0	186	50.4%	8	4.3%	\$644
TWO-BEDROOM	1.5	29	7.9%	1	3.4%	\$757
THREE-BEDROOM	1.0	51	13.8%	2	3.9%	\$749
THREE-BEDROOM	1.5	21	5.7%	0	0.0%	\$794
THREE-BEDROOM	2.0	72	19.5%	3	4.2%	\$930
FOUR-BEDROOM	2.0	3	0.8%	0	0.0%	\$711
<b>TOTAL TAX CREDIT</b>		<b>369</b>	<b>100.0%</b>	<b>16</b>	<b>4.3%</b>	-

SUBSIDIZED TAX CREDIT						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	
STUDIO	1.0	4	1.3%	0	0.0%	
ONE-BEDROOM	1.0	224	73.2%	0	0.0%	
TWO-BEDROOM	1.0	24	7.8%	0	0.0%	
TWO-BEDROOM	1.5	34	11.1%	0	0.0%	
THREE-BEDROOM	2.5	20	6.5%	0	0.0%	
<b>TOTAL SUBSIDIZED TAX CREDIT</b>		<b>306</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	

GOVERNMENT-SUBSIDIZED					
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT
STUDIO	1.0	14	8.4%	0	0.0%
ONE-BEDROOM	1.0	92	55.1%	0	0.0%
TWO-BEDROOM	1.0	15	9.0%	0	0.0%
TWO-BEDROOM	2.0	14	8.4%	0	0.0%
THREE-BEDROOM	1.0	12	7.2%	0	0.0%
THREE-BEDROOM	2.0	12	7.2%	0	0.0%
FOUR-BEDROOM	1.5	4	2.4%	0	0.0%
FOUR-BEDROOM	2.0	4	2.4%	0	0.0%
<b>TOTAL SUBSIDIZED</b>		<b>167</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

The market-rate units were 95.4% occupied and the Tax Credit units were 95.7% occupied. The subsidized Tax Credit units are 100.0% occupied and the government-subsidized units are 100.0% occupied. The absence of vacant subsidized units indicates a strong demand for lowest income housing.

The following maps illustrate the distribution of the surveyed multifamily rentals in the City of Champaign. For additional information on these surveyed properties, please see Addendum A – Field Survey of Conventional Rentals.

# Champaign (North), IL: Surveyed Apartment Locations



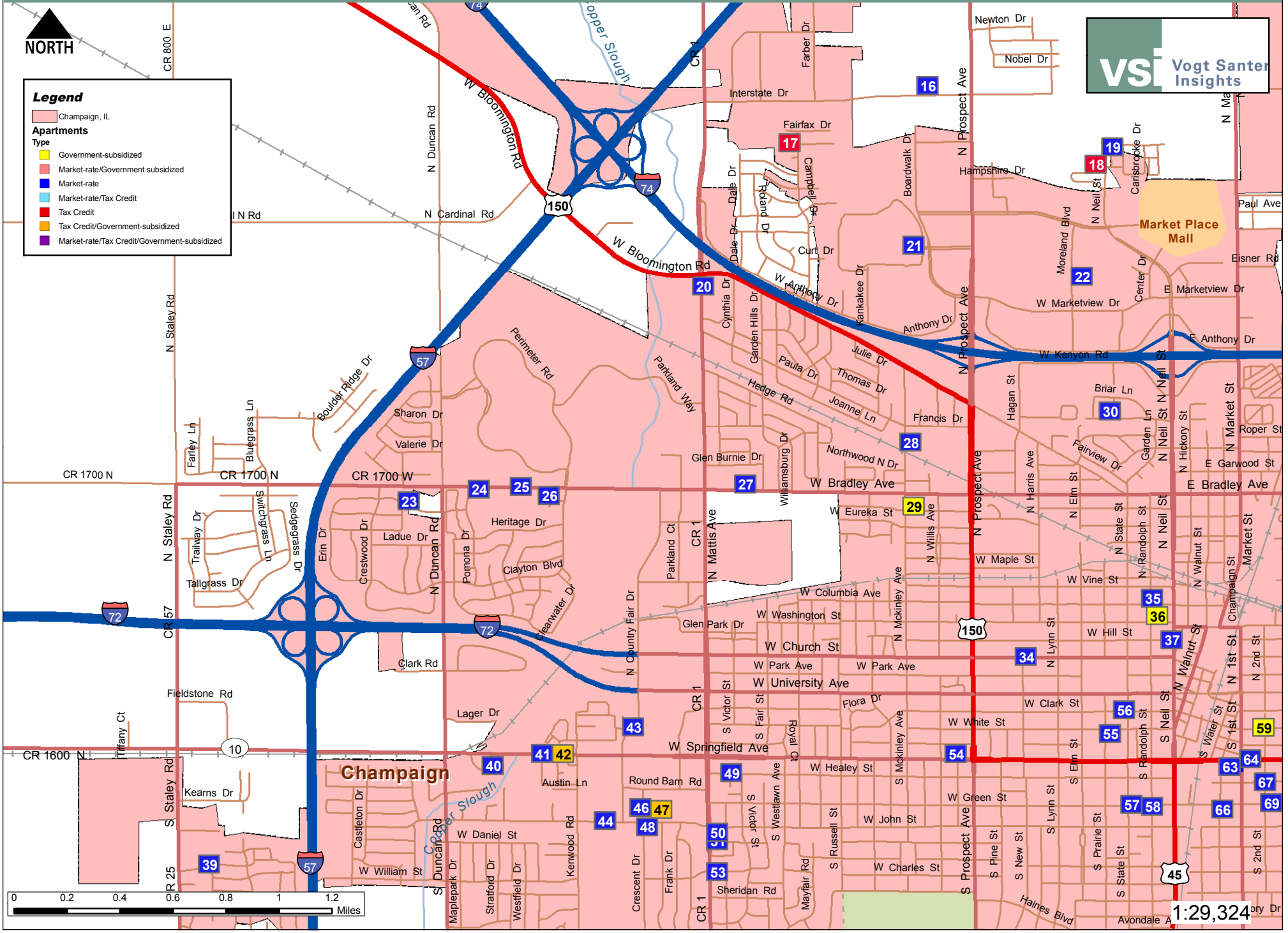
**Legend**

Champaign, IL

**Apartments**

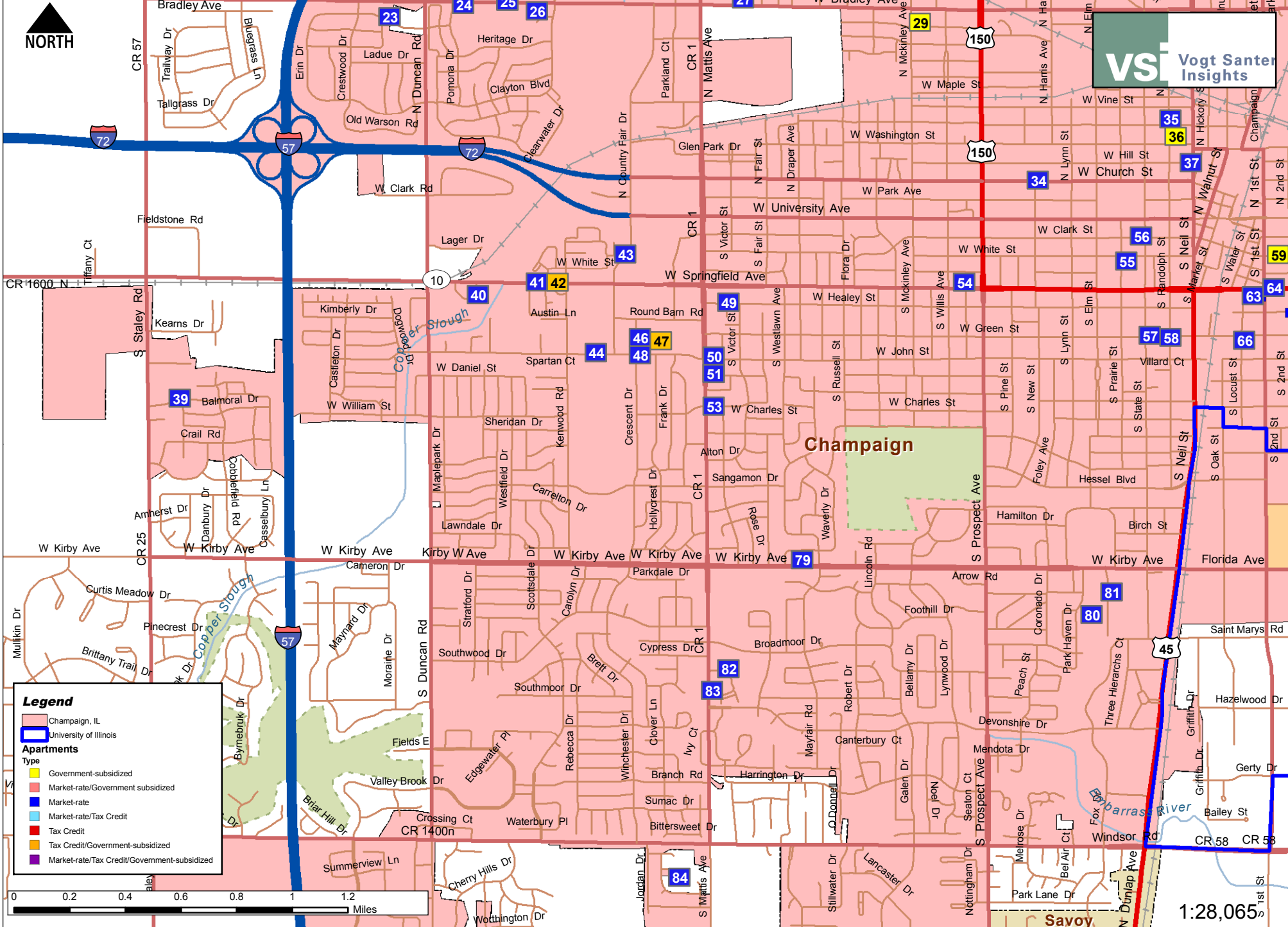
Type

- Government-subsidized
- Market-rate/Government subsidized
- Market-rate
- Market-rate/Tax Credit
- Tax Credit
- Tax Credit/Government-subsidized
- Market-rate/Tax Credit/Government-subsidized



1:29,324

# Champaign (South), IL: Surveyed Apartment Locations



**City of Champaign Multifamily Rental Demand Analysis**

<b>CITY OF CHAMPAIGN AFFORDABLE HOUSING DEMAND</b>						
	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
<b>I. GROWTH DEMAND</b>						
<b>HOUSEHOLD-BASED:</b>	\$0 - \$21,030	\$21,031 - \$28,040	\$28,041 - \$35,050	\$35,051 - \$42,060	\$42,061 - \$56,080	\$56,081 - \$70,100
2010 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	7,368	1,858	1,404	1,105	1,396	813
2015 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	7,194	1,877	1,431	1,141	1,487	920
ESTIMATED ANNUAL INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH	-35	4	5	7	18	21
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-174	19	27	36	91	107
<b>II. TOTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET</b>						
2010 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	7,368	1,858	1,404	1,105	1,396	813
(+) NEW INCOME QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-174	19	27	36	91	107
(=) TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS IN 2015	7,194	1,877	1,431	1,141	1,487	920
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED 95.0% OCCUPIED) MARKET	7,573	1,976	1,506	1,201	1,565	968
<b>III. EXISTING RENTAL PRODUCT</b>						
TOTAL OCCUPIED TARGETED RENTAL UNITS 2015	7,194	1,877	1,431	1,141	1,487	920
(+) ESTIMATED NUMBER OF VACANT UNITS (VACANCY %)	84	28	28	28	56	56
(=) NET EXISTING RENTAL PRODUCT	7,278	1,905	1,459	1,169	1,543	976
<b>IV. TOTAL SUPPLY AND DEMAND</b>						
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET	7,573	1,976	1,506	1,201	1,565	968
(-) TOTAL NET EXISTING TARGETED RENTAL PRODUCT	7,278	1,905	1,459	1,169	1,543	976
(+) 2.5% OF EXISTING RENTAL PRODUCT BUILT PRIOR TO 1970*	47	16	16	16	31	31
<b>(=) TOTAL TARGETED UNITS NEEDED OVER PROJECTION PERIOD (5 YEARS)</b>	<b>342</b>	<b>87</b>	<b>63</b>	<b>48</b>	<b>53</b>	<b>23</b>

\*Based on share of income-qualified renter households up to 100% AMHI; 2.5% is multiplied by five to get total replacement units over 5-year projection period.

### **Student Households Effect on Lower Income Demand**

Students comprise a significant amount of the low income renter population and must be acknowledged as a separate part of the population count when computing housing demand. Although they are low income renter households, they tend not to exhibit any of the social challenges, generational poverty and underemployment present with other low income rental households. They are often being supported by their parents, student loans or scholarships that supplement their academic, shelter and food costs. However, the entire student body cannot simply be extracted from the demographics as not all of them impact the count of low income households that are permanent to Champaign County. Different types of students are at different points in their lives and therefore may not all be low income or renters. VSI estimates that 10% of full time graduate and undergraduate students fall within that category. The balance is then computationally eliminated. The following section is the multi-family rental demand for the City of Champaign with the student households removed.

**City of Champaign Multifamily Rental Demand Analysis (Excluding Students)**

<b>CITY OF CHAMPAIGN AFFORDABLE HOUSING DEMAND – LESS STUDENT POPULATION</b>						
	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
<b>I. GROWTH DEMAND HOUSEHOLD-BASED:</b>	\$0 - \$21,030	\$21,031 - \$28,040	\$28,041 - \$35,050	\$35,051 - \$42,060	\$42,061 - \$56,080	\$56,081 - \$70,100
2010 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	1,825	1,858	1,404	1,105	1,396	813
2015 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	1,651	1,877	1,431	1,141	1,487	920
ESTIMATED ANNUAL INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH	-35	4	5	7	18	21
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-174	19	27	36	91	107
<b>II. TOTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET</b>						
2010 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	1,825	1,858	1,404	1,105	1,396	813
(+) NEW INCOME QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-174	19	27	36	91	107
(=) TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS IN 2015	1,651	1,877	1,431	1,141	1,487	920
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED 95.0% OCCUPIED) MARKET	1,738	1,976	1,506	1,201	1,565	968
<b>III. EXISTING RENTAL PRODUCT</b>						
TOTAL OCCUPIED TARGETED RENTAL UNITS 2015	1,651	1,877	1,431	1,141	1,487	920
(+) ESTIMATED NUMBER OF VACANT UNITS (VACANCY %)	84	28	28	28	56	56
(=) NET EXISTING RENTAL PRODUCT	1,735	1,905	1,459	1,169	1,543	976
<b>IV. TOTAL SUPPLY AND DEMAND</b>						
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET	1,738	1,976	1,506	1,201	1,565	968
(-) TOTAL NET EXISTING TARGETED RENTAL PRODUCT	1,735	1,905	1,459	1,169	1,543	976
(+) 2.5% OF EXISTING RENTAL PRODUCT BUILT PRIOR TO 1970*	47	16	16	16	31	31
<b>(=) TOTAL TARGETED UNITS NEEDED OVER PROJECTION PERIOD (5 YEARS)</b>	<b>50</b>	<b>87</b>	<b>63</b>	<b>48</b>	<b>53</b>	<b>23</b>

\*Based on share of income-qualified renter households up to 100% AMHI; 2.5% is multiplied by five to get total replacement units over 5-year projection period.

### 3. CITY OF URBANA MULTIFAMILY RENTAL ANALYSIS

#### City of Urbana Multifamily Rental Supply

The distributions of the area housing stock within the City of Urbana in 2000 and estimated for 2010 are summarized in the following table:

HOUSING STATUS	2000 (CENSUS)		2010 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL-OCCUPIED	14,327	93.9%	15,322	89.8%
OWNER-OCCUPIED	5,468	38.2%	5,870	38.3%
RENTER-OCCUPIED	8,859	61.8%	9,452	61.7%
VACANT	936	6.1%	1,740	10.2%
TOTAL	15,263	100.0%	17,062	100.0%

Source: 2000 Census; ESRI; Urban Decision Group; Vogt Santer Insights, Ltd.

Based on a 2010 update of the 2000 Census, of the 17,062 total housing units in the market, 10.2% were vacant. In 2010, it was estimated that homeowners occupied 38.3% of all occupied housing units, while the remaining 61.7% were occupied by renters. The high share of renters is the result of the presence of the University of Illinois student renters as most college students rent their residence while they attend college.

We identified and personally surveyed 30 conventional housing projects containing a total of 3,537 units within the City. These rentals have a combined occupancy rate of 95.3%, a high rate for rental housing. Among these projects, 22 are non-subsidized (market-rate and Tax Credit) projects containing 3,025 units. These non-subsidized units are 94.4% occupied. The remaining eight projects contain 512 government-subsidized units, which are 100.0% occupied. There are 92 additional units under construction in the City's municipal boundaries.

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT UNITS	OCCUPANCY RATE
MARKET-RATE	19	2,802	168	94.0%
MARKET-RATE/TAX CREDIT	1	152	0	100.0%
MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED	1	120	0	100.0%
TAX CREDIT	1	70	0	100.0%
GOVERNMENT-SUBSIDIZED	8	393	0	100.0%
TOTAL	30	3,537	168	95.3%

Other than the market-rate housing segment, all other rental housing types are 100.0% occupied indicating a need for more affordable housing in the City of Urbana.



The following tables summarize the breakdown by program and bedroom type for all of the housing units surveyed within Urbana.

**MARKET-RATE**

BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
STUDIO	1.0	15	0.5%	0	0.0%	\$514
ONE-BEDROOM	1.0	883	31.2%	41	4.6%	\$643
TWO-BEDROOM	1.0	889	31.4%	45	5.1%	\$762
TWO-BEDROOM	1.5	90	3.2%	22	24.4%	\$867
TWO-BEDROOM	2.0	398	14.0%	16	4.0%	\$989
THREE-BEDROOM	1.0	24	0.8%	12	50.0%	\$853
THREE-BEDROOM	1.5	26	0.9%	0	0.0%	\$914
THREE-BEDROOM	2.0	108	3.8%	16	14.8%	\$1,026
THREE-BEDROOM	3.0	72	2.5%	2	2.8%	\$1,277
FOUR-BEDROOM	2.0	139	4.9%	9	6.5%	\$1,582
FOUR-BEDROOM	2.5	4	0.1%	2	50.0%	\$1,200
FOUR-BEDROOM	4.0	186	6.6%	3	1.6%	\$1,556
<b>TOTAL MARKET-RATE</b>		<b>2,834</b>	<b>100.0%</b>	<b>168</b>	<b>5.9%</b>	-

**TAX CREDIT, NON-SUBSIDIZED**

BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	48	25.1%	0	0.0%	\$578
TWO-BEDROOM	1.0	64	33.5%	0	0.0%	\$688
TWO-BEDROOM	1.5	43	22.5%	0	0.0%	\$724
THREE-BEDROOM	2.0	26	13.6%	0	0.0%	\$894
FOUR-BEDROOM	2.0	10	5.2%	0	0.0%	\$880
<b>TOTAL TAX CREDIT</b>		<b>191</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

**SUBSIDIZED TAX CREDIT**

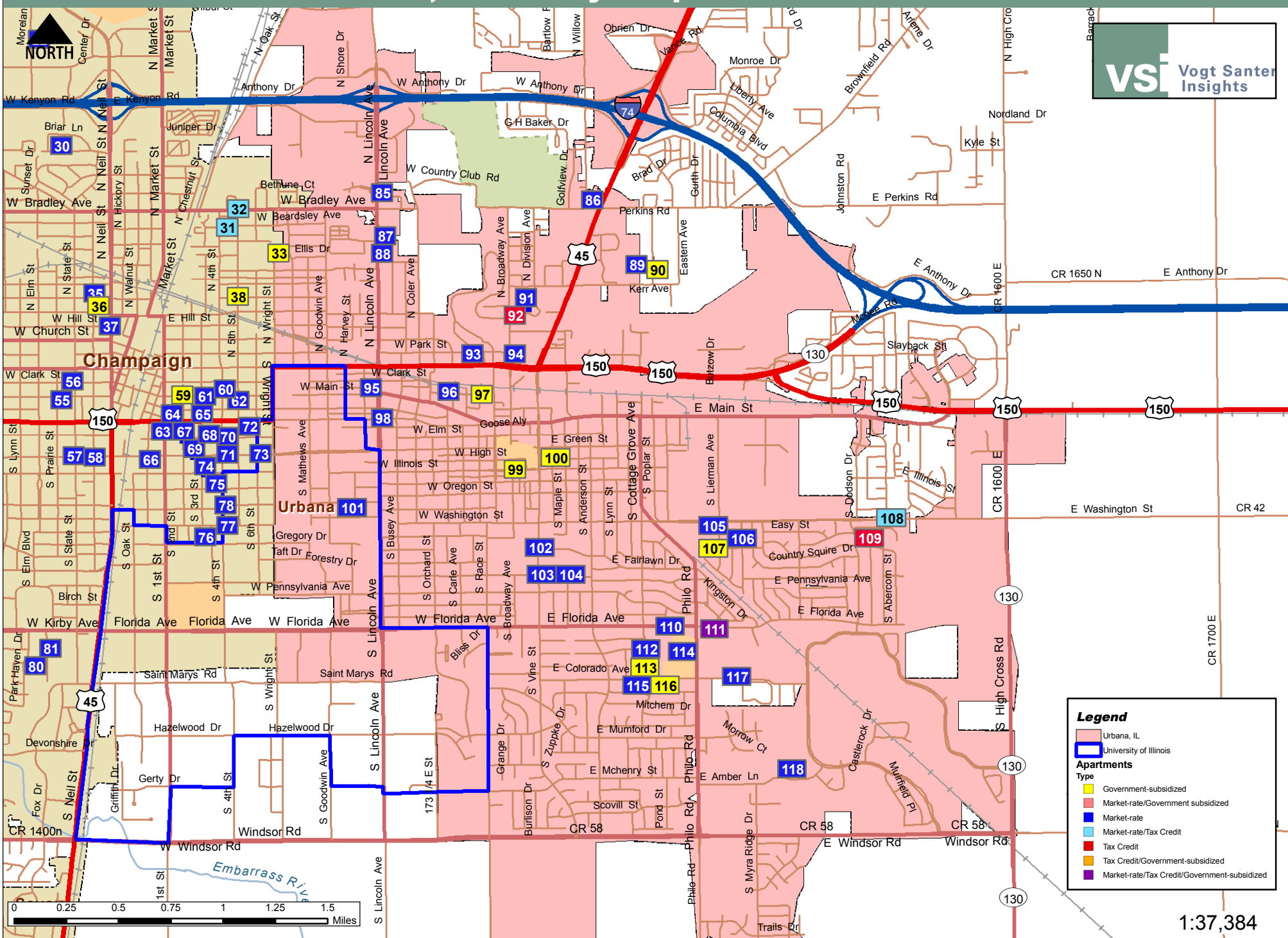
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	119	100.0%	0	0.0%	N/A
<b>TOTAL SUBSIDIZED TAX CREDIT</b>		<b>119</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	

**GOVERNMENT-SUBSIDIZED**

BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
STUDIO	1.0	25	6.4%	0	0.0%	N/A
ONE-BEDROOM	1.0	285	72.5%	0	0.0%	N/A
TWO-BEDROOM	1.0	12	3.1%	0	0.0%	N/A
TWO-BEDROOM	1.5	47	12.0%	0	0.0%	N/A
THREE-BEDROOM	1.0	8	2.0%	0	0.0%	N/A
THREE-BEDROOM	1.5	12	3.1%	0	0.0%	N/A
FOUR-BEDROOM	1.0	4	1.0%	0	0.0%	N/A
<b>TOTAL SUBSIDIZED</b>		<b>393</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	

The market-rate units are 94.1% occupied and the Tax Credit units are 100.0% occupied. The subsidized Tax Credit units are 100.0% occupied and the government-subsidized units are 100.0% occupied. The lack of vacancies in both the Tax Credit and subsidized units indicates a strong demand for lowest income housing.

# Urbana, IL: Surveyed Apartment Locations

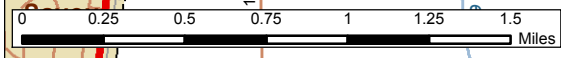


**Legend**

- Urbana, IL
- University of Illinois

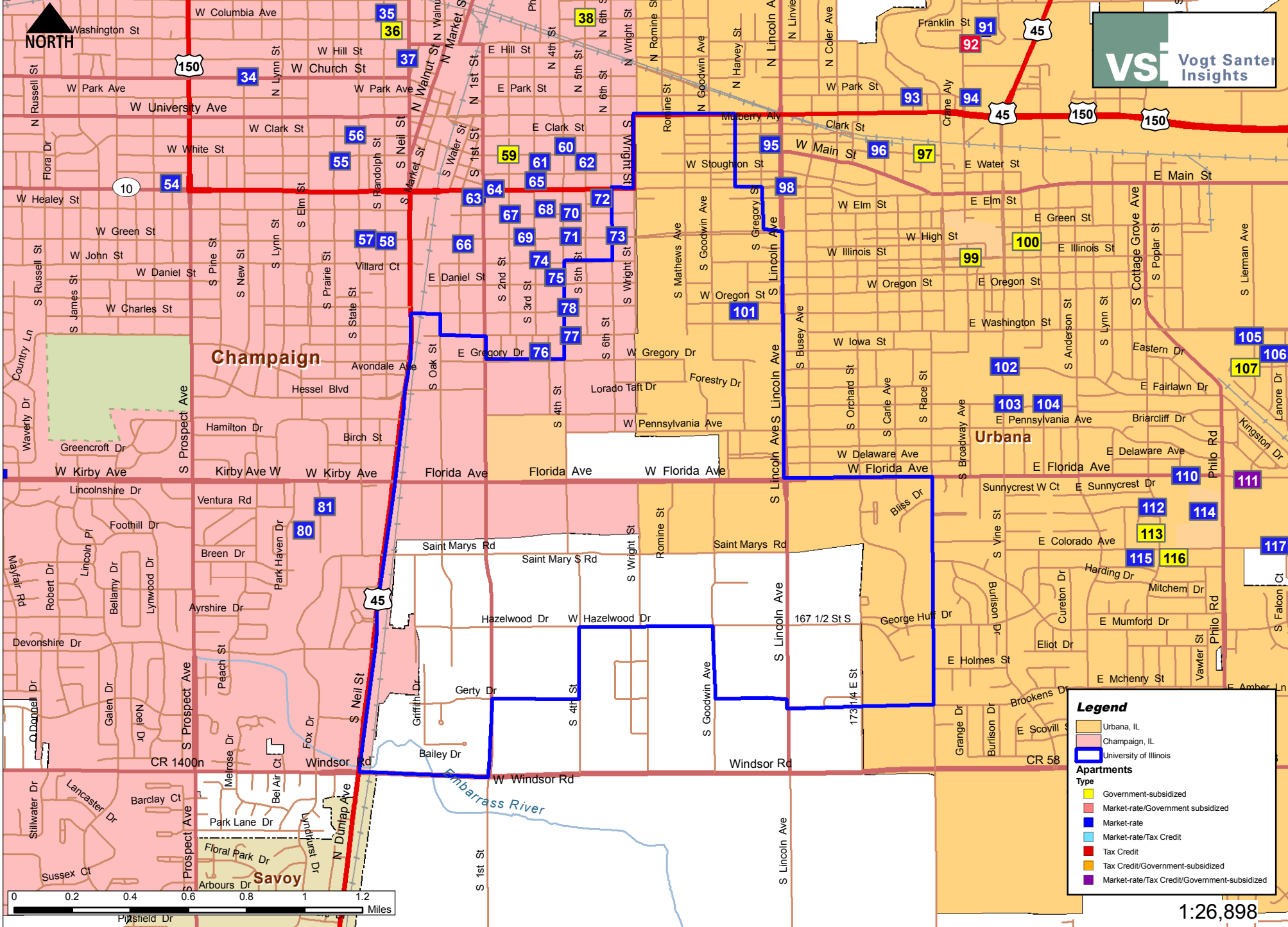
**Apartments**

- Government-subsidized
- Market-rate/Government subsidized
- Market-rate
- Market-rate/Tax Credit
- Tax Credit
- Tax Credit/Government-subsidized
- Market-rate/Tax Credit/Government-subsidized



1:37,384

# Champaign-Urbana (University of Illinois), IL: Surveyed Apartment Locations



**Legend**

- Urbana, IL
- Champaign, IL
- University of Illinois

**Apartments**

- Government-subsidized
- Market-rate/Government subsidized
- Market-rate
- Market-rate/Tax Credit
- Tax Credit
- Tax Credit/Government-subsidized
- Market-rate/Tax Credit/Government-subsidized

1:26,898

**City of Urbana Multifamily Demand**

<b>CITY OF URBANA AFFORDABLE HOUSING DEMAND</b>						
	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
<b>I. GROWTH DEMAND HOUSEHOLD-BASED:</b>	\$0 - \$21,030	\$21,031 - \$28,040	\$28,041 - \$35,050	\$35,051 - \$42,060	\$42,061 - \$56,080	\$56,081 - \$70,100
2010 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	4,578	1,150	955	796	935	388
2015 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	4,437	1,164	972	822	1,009	449
ESTIMATED ANNUAL INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH	-28	3	3	5	15	12
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-141	14	17	26	74	61
<b>II. TOTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET</b>						
2010 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	4,578	1,150	955	796	935	388
(+) NEW INCOME QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-141	14	17	26	74	61
(=) TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS IN 2015	4,437	1,164	972	822	1,009	449
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED 95.0% OCCUPIED) MARKET	4,671	1,225	1,023	865	1,062	473
<b>III. EXISTING RENTAL PRODUCT</b>						
TOTAL OCCUPIED TARGETED RENTAL UNITS 2015	4,437	1,164	972	822	1,009	449
(+) ESTIMATED NUMBER OF VACANT UNITS (VACANCY %)	50	17	17	17	34	34
(=) NET EXISTING RENTAL PRODUCT	4,487	1,181	989	839	1,043	483
<b>IV. TOTAL SUPPLY AND DEMAND</b>						
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET	4,671	1,225	1,023	865	1,062	473
(-) TOTAL NET EXISTING TARGETED RENTAL PRODUCT	4,487	1,181	989	839	1,043	483
(+) 2.5% OF EXISTING RENTAL PRODUCT BUILT PRIOR TO 1970*	11	4	4	4	7	7
<b>(=) TOTAL TARGETED UNITS NEEDED OVER PROJECTION PERIOD (5 YEARS)</b>	<b>195</b>	<b>48</b>	<b>38</b>	<b>30</b>	<b>26</b>	<b>-3</b>

\*Based on share of income-qualified renter households up to 100% AMHI; 2.5% is multiplied by five to get total replacement units over 5-year projection period.

**City of Urbana Multifamily Rental Demand Analysis (Excluding Students)**

<b>CITY OF URBANA AFFORDABLE HOUSING DEMAND – LESS STUDENT POPULATION</b>						
<b>I. GROWTH DEMAND HOUSEHOLD-BASED:</b>	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
	\$0 - \$21,030	\$21,031 - \$28,040	\$28,041 - \$35,050	\$35,051 - \$42,060	\$42,061 - \$56,080	\$56,081 - \$70,100
2010 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	1,363	1,150	955	796	935	388
2015 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	1,222	1,164	972	822	1,009	449
ESTIMATED ANNUAL INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH	-28	3	3	5	15	12
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-141	14	17	26	74	61
<b>II. TOTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET</b>						
2010 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	1,363	1,150	955	796	935	388
(+) NEW INCOME QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-141	14	17	26	74	61
(=) TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS IN 2015	1,222	1,164	972	822	1,009	449
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED 95.0% OCCUPIED) MARKET	1,286	1,225	1,023	865	1,062	473
<b>III. EXISTING RENTAL PRODUCT</b>						
TOTAL OCCUPIED TARGETED RENTAL UNITS 2015	1,222	1,164	972	822	1,009	449
(+) ESTIMATED NUMBER OF VACANT UNITS (VACANCY %)	50	17	17	17	34	34
(=) NET EXISTING RENTAL PRODUCT	1,272	1,181	989	839	1,043	483
<b>IV. TOTAL SUPPLY AND DEMAND</b>						
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET	1,286	1,225	1,023	865	1,062	473
(-) TOTAL NET EXISTING TARGETED RENTAL PRODUCT	1,272	1,181	989	839	1,043	483
(+) 2.5% OF EXISTING RENTAL PRODUCT BUILT PRIOR TO 1970*	11	4	4	4	7	7
<b>(=) TOTAL TARGETED UNITS NEEDED OVER PROJECTION PERIOD (5 YEARS)</b>	<b>25</b>	<b>48</b>	<b>38</b>	<b>30</b>	<b>26</b>	<b>-3</b>

\*Based on share of income-qualified renter households up to 100% AMHI; 2.5% is multiplied by five to get total replacement units over 5-year projection period.

**4. VILLAGE OF RANTOUL MULTIFAMILY RENTAL SUPPLY AND DEMAND ANALYSIS**

***Village of Rantoul Multifamily Rental Supply***

The distributions of the area housing stock within the Village of Rantoul in 2000 and estimated for 2010 are summarized in the following table:

HOUSING STATUS	2000 (CENSUS)		2010 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL-OCCUPIED	5,327	86.5%	5,158	79.9%
OWNER-OCCUPIED	2,705	50.8%	2,560	49.6%
RENTER-OCCUPIED	2,622	49.2%	2,598	50.4%
VACANT	830	13.5%	1,297	20.1%
TOTAL	6,157	100.0%	6,455	100.0%

Source: 2000 Census; ESRI; Urban Decision Group; Vogt Santer Insights, Ltd.

Based on a 2010 update of the 2000 Census, of the 6,455 total housing units in the market, 20.1% were vacant. In 2010, it was estimated that homeowners occupied 49.6% of all occupied housing units, while the remaining 50.4% were occupied by renters.

We identified and personally surveyed 11 conventional housing projects containing a total of 1,644 units within the Village. These rentals have a combined occupancy rate of 95.0%, a high rate for rental housing. Among these projects, eight are non-subsidized (market-rate and Tax Credit) projects containing 1,511 units. These non-subsidized units are 94.5% occupied. The remaining three projects contain 133 government-subsidized units, which are 100.0% occupied. There are no additional units under construction in the Village.

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT UNITS	OCCUPANCY RATE
MARKET-RATE	8	1,511	83	94.5%
GOVERNMENT-SUBSIDIZED	3	133	0	100.0%
TOTAL	11	1,644	83	95.0%

The following table summarizes the breakdown by program and bedroom type for all of the housing units surveyed within Rantoul.

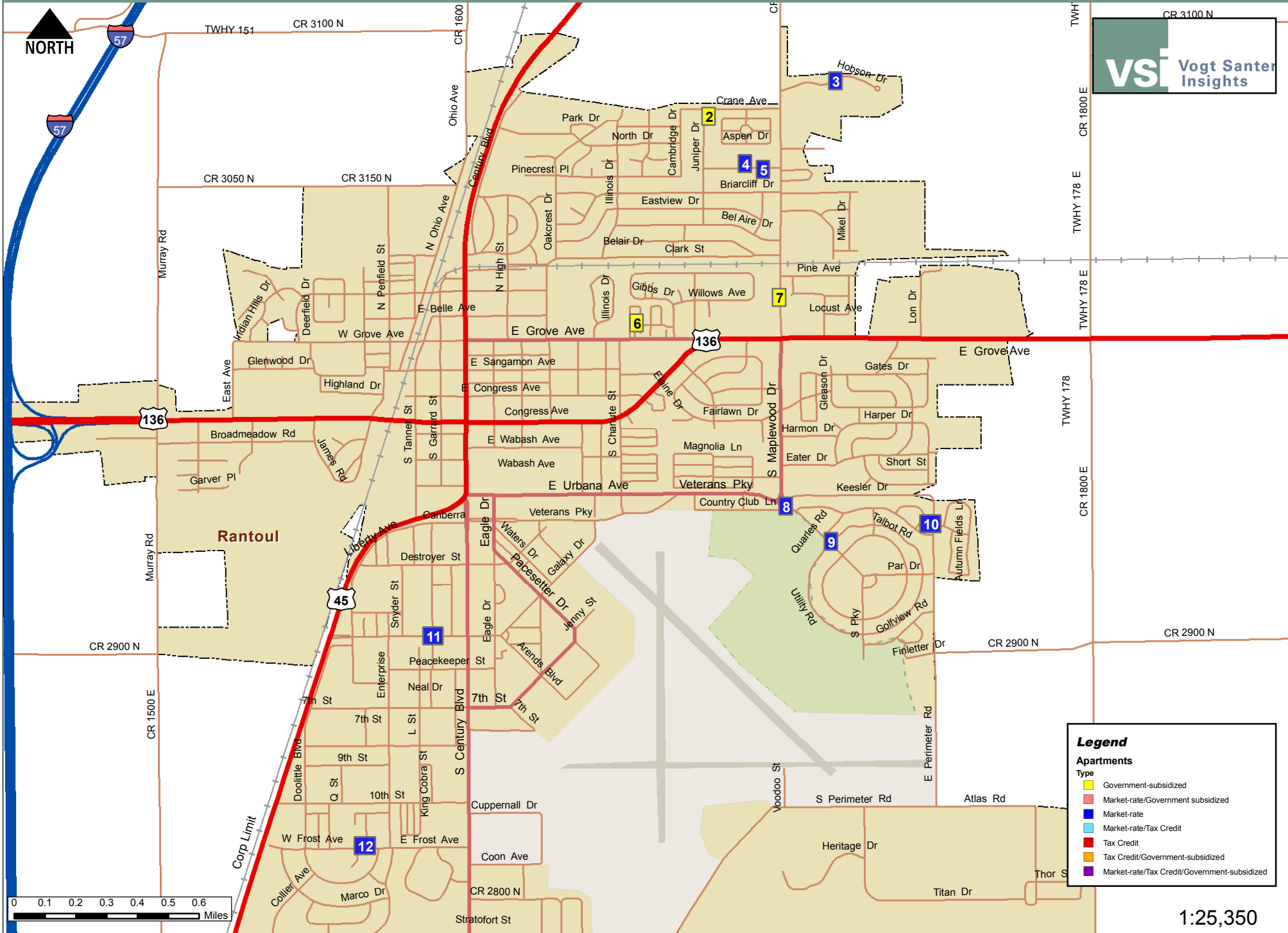
MARKET-RATE						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	147	9.7%	2	1.4%	\$443
TWO-BEDROOM	1.0	239	15.8%	5	2.1%	\$559
TWO-BEDROOM	1.5	304	20.1%	22	7.2%	\$674
THREE-BEDROOM	1.0	197	13.0%	8	4.1%	\$694
THREE-BEDROOM	1.5	462	30.6%	36	7.8%	\$789
FOUR-BEDROOM	2.5	44	2.9%	0	0.0%	\$888
FOUR-BEDROOM	3.0	118	7.8%	10	8.5%	\$907
<b>TOTAL MARKET-RATE</b>		<b>1,511</b>	<b>100.0%</b>	<b>83</b>	<b>5.5%</b>	-

GOVERNMENT-SUBSIDIZED						
BEDROOM	BATHS	UNITS	DISTRIBUTION	VACANCY	% VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	61	45.9%	0	0.0%	N/A
TWO-BEDROOM	1.0	40	30.1%	0	0.0%	N/A
THREE-BEDROOM	1.0	28	21.1%	0	0.0%	N/A
FOUR-BEDROOM	1.0	4	3.0%	0	0.0%	N/A
<b>TOTAL SUBSIDIZED</b>		<b>133</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	

The market-rate units were 94.5% occupied. The government-subsidized units were 100.0% occupied.



# Village of Rantoul, IL: Surveyed Apartment Locations



**Legend**

**Apartments**

Type

- Government-subsidized
- Market-rate/Government subsidized
- Market-rate
- Market-rate/Tax Credit
- Tax Credit
- Tax Credit/Government-subsidized
- Market-rate/Tax Credit/Government-subsidized

1:25,350

**Village of Rantoul Housing Multifamily Rental Demand**

<b>VILLAGE OF RANTOUL AFFORDABLE HOUSING DEMAND</b>						
<b>I. GROWTH DEMAND</b>	0% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 80%	81% - 100%
<b>HOUSEHOLD-BASED:</b>	\$0 - \$21,030	\$21,031 - \$28,040	\$28,041 - \$35,050	\$35,051 - \$42,060	\$42,061 - \$56,080	\$56,081 - \$70,100
2010 TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS	677	359	303	272	397	204
2015 TOTAL ESTIMATED INCOME-QUALIFIED RENTER HOUSEHOLDS	613	342	295	269	402	221
ESTIMATED ANNUAL INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH	-13	-3	-2	-1	1	3
NEW INCOME-QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-64	-17	-8	-3	5	17
<b>II. TOTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET</b>						
2010 INCOME-QUALIFIED RENTER HOUSEHOLDS (OCCUPIED UNITS)	677	359	303	272	397	204
(+) NEW INCOME QUALIFIED RENTER HOUSEHOLD GROWTH OVER PROJECTION PERIOD (5 YEARS)	-64	-17	-8	-3	5	17
(=) TOTAL INCOME-QUALIFIED RENTER HOUSEHOLDS IN 2015	613	342	295	269	402	221
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED 95.0% OCCUPIED) MARKET	645	360	311	283	423	233
<b>III. EXISTING RENTAL PRODUCT</b>						
TOTAL OCCUPIED TARGETED RENTAL UNITS 2015	613	342	295	269	402	221
(+) ESTIMATED NUMBER OF VACANT UNITS (VACANCY %)	25	8	8	8	17	17
(=) NET EXISTING RENTAL PRODUCT	638	350	303	277	419	238
<b>IV. TOTAL SUPPLY AND DEMAND</b>						
TOTAL TARGETED RENTAL UNITS NEEDED FOR BALANCED (95.0% OCCUPIED) MARKET	645	360	311	283	423	233
(-) TOTAL NET EXISTING TARGETED RENTAL PRODUCT	638	350	303	277	419	238
(+) 2.5% OF EXISTING RENTAL PRODUCT BUILT PRIOR TO 1970*	35	12	12	12	23	23
<b>(=) TOTAL TARGETED UNITS NEEDED OVER PROJECTION PERIOD (5 YEARS)</b>	<b>42</b>	<b>22</b>	<b>20</b>	<b>18</b>	<b>27</b>	<b>18</b>

\*Based on share of income-qualified renter households up to 100% AMHI; 2.5% is multiplied by five to get total replacement units over 5-year projection period.

## **C. NEW FOR-SALE HOUSING ANALYSIS**

The health of a housing market can be effectively gauged by monitoring the supply and demand for new housing. The availability of existing homes is directly dependent upon a healthy market for new homes. As demand for new homes increases, homeowners will vacate their existing homes when moving into a new home. This creates opportunities for those seeking an existing home, which eventually translates into home buying opportunities for lowest income homebuyers and renters.

Support for new for-sale housing within Champaign County is based upon the area's ability to capture the component of buyers seeking this housing alternative. The for-sale housing market has benefited in recent years from the historically low interest rate environment. However, an influx of foreclosures, decline in the economy and sales of existing homes within established housing developments have dampened the market for new for-sale housing.

From August, 2010 to October, 2010, Vogt-Santer Insights conducted an extensive field survey of new for-sale housing in Champaign County. The following section explains the dynamics of the new for-sale housing market and explores the opportunities for new for-sale housing within Champaign County.

### **County Demographics and Affordability**

The current demographic profile will yield insight into the potential to support for-sale housing within Champaign County. The 2000 Census reported a population of 179,667 and a total of 70,596 households within Champaign County. The current year estimate of the county's population has grown to 195,296 people in 77,287 households. By 2015, the population is expected to grow to 198,711 and the number of households is expected to be 79,327, an increase of 2,040 households. In addition to a healthy, growing population base, the county is expected to see incomes rise in the future. The current year's median household income is estimated to be \$48,197 and that is expected to rise to \$55,087 in 2015.

Demand for for-sale housing is established by: estimating the share of households in the County who are likely to respond to a new single-family development, external support or households new to the County and the likelihood that existing developments can capture a share of this demand. Capture rates are based upon the historic performance of other, well-developed markets, as well as a projection of the share that will respond to new housing given a choice.

To project this share, an analysis of income levels, tenure characteristics and other socioeconomic data is conducted. The following represents a distribution of income levels within the County in 2010 for all households:

### Champaign County Income Distribution

INCOME LEVEL	ALL HOUSEHOLDS	
	NUMBER	DISTRIBUTION
LESS THAN \$30,000	24,254	31.4%
\$30,000 - \$39,999	7,998	10.3%
\$40,000 - \$49,999	7,631	9.9%
\$50,000 - \$74,999	16,424	21.2 %
\$75,000 - \$99,999	11,621	15.0%
\$100,000 AND OVER	9,359	12.1%
TOTAL	77,287	100.0%

Source: Vogt Santer Insights, Ltd., Urban Decision Group, LLC, ESRI

For the purposes of this analysis, we conservatively assume that a homebuyer will be required to make a minimum down payment of \$10,000, or 10.0%, of the purchase price for the purchase of a new home. Further, we assume that a reasonable down payment will equal approximately 35.0% to 45.0% of a household's annual income. The following represents the potential purchase price by income level (assuming a fixed rate of 6.0% financed over a period of 30 years):

### Household Income and Purchase Price

INCOME LEVEL	DOWNPAYMENT	MAXIMUM PURCHASE PRICE
\$30,000-\$39,999	\$15,000	\$100,000-\$140,000
\$40,000-\$49,999	\$20,000	\$140,000-\$200,000
\$50,000-\$74,999	\$25,000	\$200,000-\$300,000
\$75,000-\$99,999	\$30,000	\$300,000-\$400,000
\$100,000 AND OVER	\$35,000	\$400,000+

Source: Vogt Santer Insights, Ltd.

Naturally, there are cases where a household can afford a higher down payment to purchase a more expensive home or a household purchases a less expensive home even though it could afford a higher purchase price. This broad analysis provides the basis in which capture rates can be applied to estimate the *potential* annual sales of single-family homes within the County.

There are currently over 85,000 housing units in Champaign County. Of these, there are over 42,000 that are owner-occupied, which equates to 49.6% of all housing units. In 2010, over 71.0% of owner-occupied housing structures are valued over \$100,000, while only 26.6% are valued over \$200,000 and just 10% are valued over \$300,000. The following table illustrates estimated housing

values based on the 2000 Census and 2010 estimates for owner-occupied housing units within Champaign County.

### Champaign County Home Values

ESTIMATED HOME VALUES	2000 (CENSUS)		2010 (ESTIMATED)	
	NUMBER	PERCENT	NUMBER	PERCENT
LESS THAN \$20,000	1,951	5.0%	1,899	4.5%
\$20,000 TO \$39,999	2,096	5.3%	1,221	2.9%
\$40,000 TO \$59,999	4,529	11.5%	1,925	4.5%
\$60,000 TO \$79,999	7,252	18.4%	2,741	6.5%
\$80,000 TO \$99,999	7,205	18.3%	4,521	10.6%
\$100,000 TO \$149,999	9,494	24.1%	11,327	26.7%
\$150,000 TO \$199,999	3,832	9.7%	7,547	17.8%
\$200,000 TO \$299,999	2,005	5.1%	7,069	16.6%
\$300,000 TO \$399,999	558	1.4%	2,115	5.0%
\$400,000 TO \$499,999	243	0.6%	1,069	2.5%
\$500,000 TO \$749,999	105	0.3%	724	1.7%
\$750,000 TO \$999,999	22	0.1%	203	0.5%
\$1,000,000 & OVER	36	0.1%	113	0.3%
TOTAL	39,328	100.0%	42,474	100.0%
MEDIAN HOME VALUE	\$90,647		\$139,419	

Source: 2000 Census; ESRI; Urban Decision Group; Vogt Santer Insights, Ltd.

### New For-Sale Housing Supply and Demand

Vogt Santer Insights' survey of new for-sale housing included condominiums and single-family home subdivisions that have been active at some point within the last 10 years. Both single-family homes and condominiums were analyzed at the macro and micro scales. In the following analysis, we will examine supply and demand within the entire County and the City of Champaign and City of Urbana, as well as the Village of Rantoul.

#### 1. CHAMPAIGN COUNTY FOR-SALE HOUSING SUPPLY AND DEMAND

##### Champaign County Single-Family Home Supply

From January 2000 to September 2010, there were a total of 4,120 new homes built and lots sold in Champaign County. The vast majority of those homes are considered production homes – homes of similar size and style that are quickly built by a single homebuilder. Less than 20% of the new homes built were estate homes – custom built homes on larger than average lots. The following table compares the type of home and the sales by year since 2000.

### Champaign County Single-Family Home Sales by Year

YEAR	PRODUCTION	ESTATE	TOTAL	MONTHLY SALES
2000 TO 2004	1,132	171	1,303	21.7
2005	613	109	722	60.2
2006	568	91	659	54.9
2007	429	93	522	43.5
2008	324	67	391	32.6
2009	262	65	327	27.3
2010	179	17	196	16.3
TOTAL	3,507	613	4,120	

Source: Vogt Santer Insights, Ltd.

The height of the Champaign County single-family housing market occurred in 2005 when there were 722 new homes and lots sold which equates to 60.2 homes and lots sold per month. The following year mirrored similar performance when 659 homes and lots were sold, or a total of 54.9 sales per month. New home and lots sales have declined each year since. The 2010 year-end new home sales projection is just 22, reflecting the impact of the national housing crisis.

Within Champaign County, there is a current inventory of 1,879 single-family homes and lots. A detailed listing of the current new home inventory can be found in Addendum C – Field Survey of Single Family Homes. The following table, which reflects an estimate of the home value that might be built on a lot, summarizes the existing inventory by price point.

### Champaign County Single-Family Home Inventory

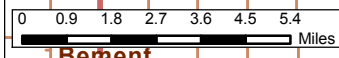
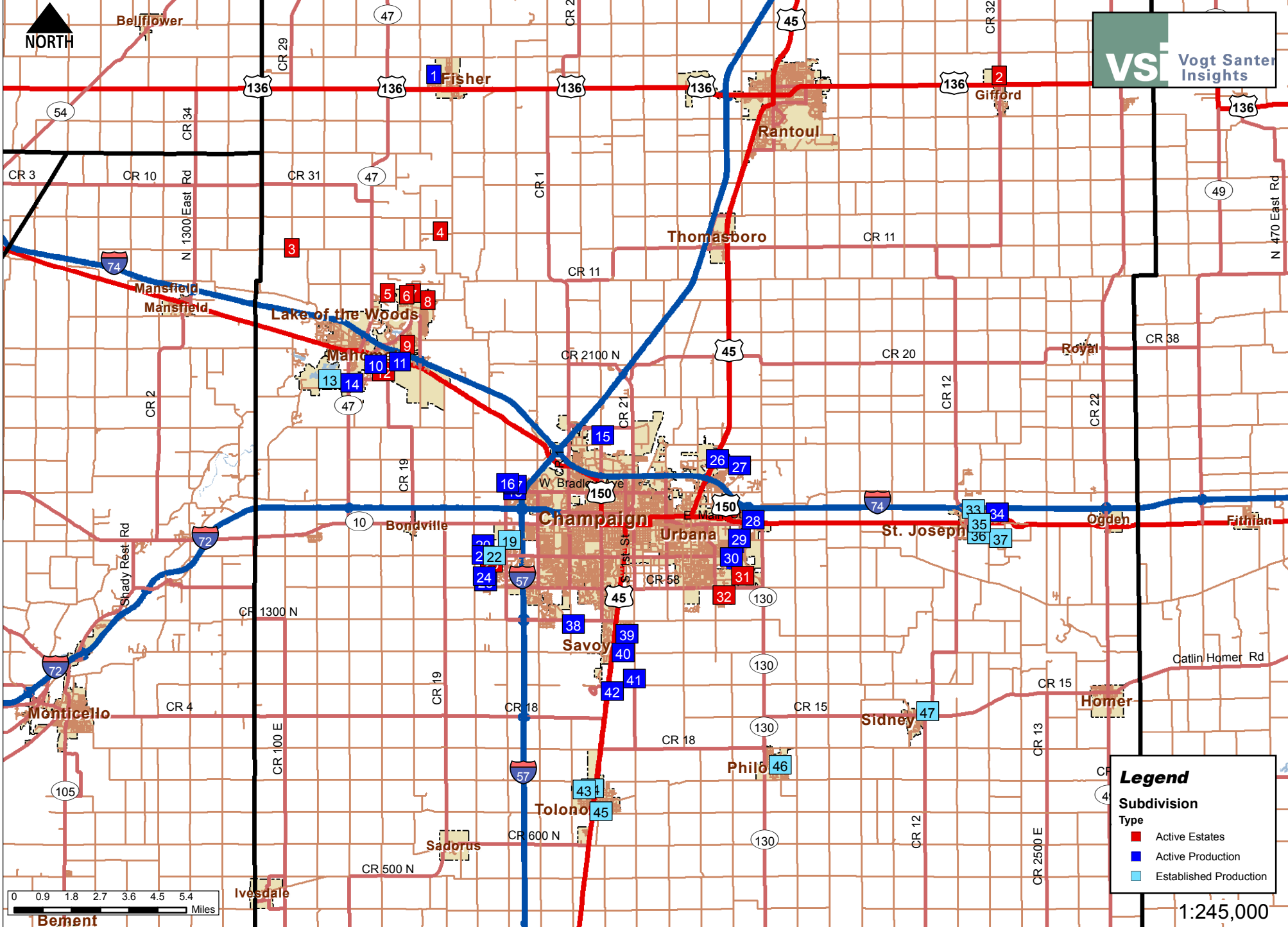
PRODUCT AFFORDABILITY	EXISTING INVENTORY
LESS THAN \$140,000	86
\$140,000-\$199,900	307
\$200,000-\$299,900	360
\$300,000-\$400,000	424
\$400,000+	702
TOTAL	1,879

Source: Vogt Santer Insights, Ltd.

Over 37% of the available homes and lots are for price points that exceed \$400,000. However, only 5% of current homes are valued above \$400,000. That may be an indication of pent-up demand but not enough to justify the large inventory of such homes. There are 667 existing homes and lots available for homes valued between \$140,000 and \$299,900. The majority of existing homes in the County are valued in this price range; therefore, we expect this inventory to diminish quicker than the higher and lower price points.

There are several new developments that exist on the urban fringe of the City of Champaign and City of Urbana. However, Mahomet, Tolono and St. Joseph have both active and established developments within their city limits. The map on the following page shows the location of these developments.

# Champaign County, IL: Surveyed Single-family Subdivision Locations



1:245,000



Please note the map codes displayed on the map refer back to the codes used to identify properties within the field survey in Addendum C. Addendum C contains detailed maps for each of the cities and villages that contain surveyed subdivisions. In addition, Addendum C contains detailed information such as tax and school district, amenities, lot density and sales by builder to name a few.

**Champaign County Single-Family Home Demand**

Based upon the capture rates established in well-developed single-family markets, our analysis of new single-family home sales within Champaign County, demographic characteristics, other available housing choices, interviews with realtors and examination of housing trends, we have applied capture rates to the distribution of household income to estimate the potential demand for *new* single-family housing in Champaign County. Note that support for single-family homes in Champaign County is primarily internal (within the County).

**Champaign County Single-Family Home Demand**

INCOME RANGE	HOME SALES PRICE	QUALIFYING HOUSEHOLDS	CAPTURE RATE	ANNUAL DEMAND	
				UNITS	DISTRIBUTION
\$30,000-\$39,999	LESS THAN \$140,000	7,998	0.008	64	16.6%
\$40,000-\$49,999	\$140,000-\$199,900	7,631	0.011	84	21.8%
\$50,000-\$74,999	\$200,000-\$299,900	13,428	0.009	121	31.3%
\$75,000-\$99,999	\$300,000-\$400,000	11,621	0.006	70	18.1%
\$100,000+	\$400,000+	9,359	0.005	47	12.2%
TOTAL				386	100.0%

Source: Vogt Santer Insights, Ltd.

Based on our evaluation of the characteristics of Champaign County and historical sales volume of single-family homes within the area, we estimate the County could generate up to 386 *new* home sales annually in the near term. Note that to achieve maximum levels in various sale price categories requires the market to offer all price points, locations and product alternatives. For this reason, the actual sales by price point rarely exceed the projection of support except when supply exceeds demand.

It should also be noted that annual support levels are generally not cumulative. In most markets, if there is support for new single-family homes at a particular price point or concept and they are not offered in a specific area, households may leave the area seeking this housing alternative, defer their purchase decision or seek another housing alternative. We anticipate many potential buyers who would be attracted to the proposed concept have either delayed their purchases (reflecting pent-up demand) or opted for an existing single-family home alternative offered in the market.

Within Champaign County, there is a current inventory of 1,879 single-family homes\lots. The following table compares the annualized demand by current available product:

### **Champaign County Single-Family Home Demand\Inventory**

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET INVENTORY
LESS THAN \$140,000	64	86	22
\$140,000-\$199,900	84	307	223
\$200,000-\$299,900	121	360	239
\$300,000-\$400,000	70	424	354
\$400,000+	47	702	655
TOTAL	386	1,879	1,493

Source: Vogt Santer Insights, Ltd.

The above table details the Net Annualized Demand for 2010 *only*. The net annualized demand (NAD) in 2010 for Champaign County is a current surplus of 1,493 homes. We estimate that there is a surplus at all price points. Given the current economic recession, this is not surprising. The greatest surplus of units is for product (or lots that would accommodate a product) of \$400,000 or more. Based on current absorption rates, we estimate about a four-year supply of single-family lots within Champaign County.

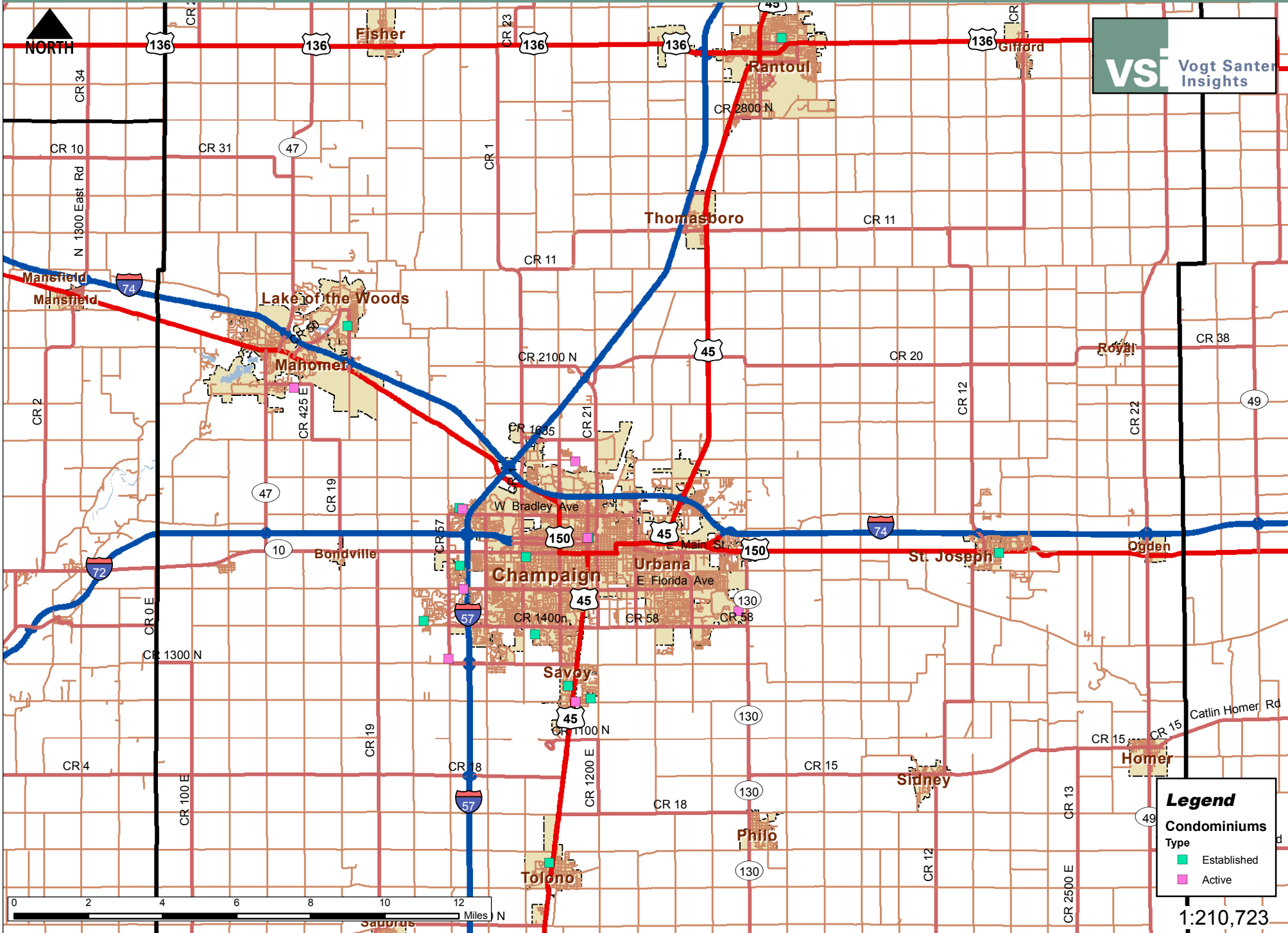
The smallest inventory is for product price at less than \$140,000. While a product strategy could be to develop this product, few builders can make this price point profitable without additional public subsidies.

In general, it is our opinion that the market is adequately served by the builders in the market area and there is little need to address this segment of the market.

### **Champaign County Condominium Supply**

In Champaign County, we identified a total of 20 condominium developments. The 20 surveyed condominium/fee-simple projects include 12 developments with 569 units that were sold between July 2001 and September 2010. These projects are categorized as established. The remaining eight projects are active with unsold condominium product. The active developments total 335 units, of which 252 have been sold. There is an inventory of 83 unsold units and another 228 units are planned. A detailed explanation of the developments that were surveyed as well as maps that illustrate the locations of these facilities can be found in Addendum B. The map on Page II-35 shows the locations of the facilities that were surveyed. The map codes correspond to the facilities listed in Addendum B.

# Champaign County, IL: Condominium Locations



**Legend**

**Condominiums Type**

- Established
- Active

1:210,723

The following table illustrates the status of properties included in our survey.

### Champaign County Status of Condominium Projects

PROJECT STATUS	NUMBER OF PROJECTS	UNITS			
		TOTAL	SOLD	AVAILABLE	PLANNED
ACTIVE	8	335	252	83	228
ESTABLISHED	12	569	569	0	0
TOTAL	20	904	821	83	228

Source: Vogt Santer Insights, Ltd.

There are a total of 83 properties ready for-sale in Champaign County with an additional 228 planned units. In order to gain an understanding of the monthly absorption rate, we must first examine historical sales of condominiums. The following table lists the condominium sales by year since 2000.

### Champaign County Condominium Sales by Year

YEAR	ESTABLISHED PHASES	ACTIVE PHASES	TOTAL	MONTHLY ABSORPTION
2000 TO 2004	196	0	196	3.3
2005	96	21	117	9.8
2006	120	32	152	12.7
2007	50	47	97	8.1
2008	40	80	120	10.0
2009	28	51	79	6.6
2010	31	21	52	5.8
TOTAL	561	252	813	6.3

Source: Vogt Santer Insights, Ltd.

Between July 2001 and September 2010, a total of 813 condominium units were sold among the area projects. This is an average of 6.3 units monthly. The highest number of condominium units sold in any one year occurred in 2006, when 152 units, or 18.5% of the total, were sold.

The following table summarizes the area condominium absorption trends among properties within Champaign County.

### **Champaign County Condominium Absorption**

AVERAGE MONTHLY ABSORPTION (UNITS PER MONTH)	DISTRIBUTION OF CONDOMINIUM PROPERTIES			
	ESTABLISHED		ACTIVE	
	NUMBER	PERCENT	NUMBER	PERCENT
< 0.5	102	17.9%	17	6.7%
0.5 TO 0.9	117	20.6%	104	41.3%
1.0 TO 1.9	350	61.5%	131	52.0%
2.0 >	0	0.0%	0	0.0%
TOTAL	569	100.0%	252	100.0%

Source: Vogt Santer Insights, Ltd.

Given recent sales trends there is less than a one year supply of existing condominium units. The construction of the planned units would create an additional three years of supply.

### **Champaign County Condominium Demand**

Based on our evaluation of the demographic characteristics of Champaign County and historical absorption trends, the area has the potential to absorb up to 78 new condominium units priced from \$140,000 to over \$400,000 annually. It is important to note that this *potential* demand includes the entire County. These figures also assume a wide variety of condominium housing choices exist, including price, location and concept. The optimal support figure of 78 units can only be achieved in an overbuilt market. The projection of 78 units is indicative of the historic housing slump in the U.S. as well as reflecting the current sales performance of new condominiums in Champaign County.

Within the Champaign County market, there is a current inventory of 83 condominium units. Furthermore, there are 228 planned units among eight active projects. The following table compares the annualized demand by available product:

### **Champaign County Condominium Demand**

<b>PRODUCT AFFORDABILITY</b>	<b>ANNUAL DEMAND</b>	<b>EXISTING INVENTORY</b>	<b>NET ANNUALIZED DEMAND</b>	<b>PLANNED UNITS</b>
LESS THAN \$140,000	17	0	17	0
\$140,000-\$199,999	33	45	-12	182
\$200,000-\$299,999	40	37	3	46
\$300,000-\$399,999	12	1	11	0
\$400,000+	9	0	9	0
TOTAL	111	83	28	228

Source: Vogt Santer Insights, Ltd.

The Net Annualized Demand (NAD) in 2010 for Champaign County reflects a deficit of 28 units. A surplus for units only exists for homes priced between \$140,000 and \$199,999. There are also an additional 182 units planned in this price category indicating nearly a six-year supply. Considering current sales trends, there is less than a one-year supply of existing units, yet planned and proposed projects could provide over a three-year supply. Further, the existing inventory and planned units can not respond to the concept of offering all product demand, locations and concept to maximize optimal demand. The individual decisions of people involve a multitude of factors, such as location, price or even an emotional feeling about a prospective home, and cannot be predicted with 100% accuracy.

### **Champaign County For-Sale Housing Summary of Findings**

Champaign County as a whole has nearly a four-year supply of new single-family homes and lots. In addition, there is a one year supply of new built condominiums with a three-year supply planned for construction. At the macro level (Champaign County), the market for new is adequately served. Should economic conditions improve in the short-term, the existing supply should be absorbed which will stimulate the market for existing homes and spur interest amongst local developers that are keen on building inventory.

**2. CITY OF CHAMPAIGN FOR-SALE HOUSING SUPPLY AND DEMAND**

***City of Champaign Single-Family Home Supply***

From January 2000 to December 2009, there were a total of 1,682 new homes built and lots sold in the City of Champaign. A total of 1,586 of these were production-style homes while just 96 were estate-style homes. The following table compares the type of home and the sales by year since 2000.

YEAR	PRODUCTION	ESTATE	TOTAL	MONTHLY SALES
2000 TO 2004	334	19	353	5.9
2005	328	21	349	29.1
2006	325	19	344	28.7
2007	275	18	293	24.4
2008	178	11	189	15.8
2009	146	8	154	12.8
TOTAL	1,586	96	1,682	

The height of the City of Champaign housing market occurred in 2005 when there were 349 new homes and lots sold which equates to 29.1 homes and lots sold per month. This is roughly half of all new home sales for the entire county. The following year 344 homes and lots were sold, or a total of 28.7 sales per month. New home and lots sales have declined each year since. In 2009, the last full year of sales data, there were just 154 new homes built in the City of Champaign.

Within the City of Champaign, there is a current inventory of 610 single-family homes and lots. The price range for production homes starts at \$124,667 and goes all the way to \$499,000. There is a healthy mix of price points within this range. A detailed listing of the current new home inventory can be found in Addendum C – Field Survey of Single Family Homes. The following table, which reflects an estimate of the home value that might be built on a lot, summarizes the existing inventory by price point.

**City of Champaign Single-Family Home Inventory**

PRODUCT AFFORDABILITY	EXISTING INVENTORY
LESS THAN \$140,000	0
\$140,000-\$199,900	253
\$200,000-\$299,900	83
\$300,000-\$400,000	65
\$400,000+	161
TOTAL	562

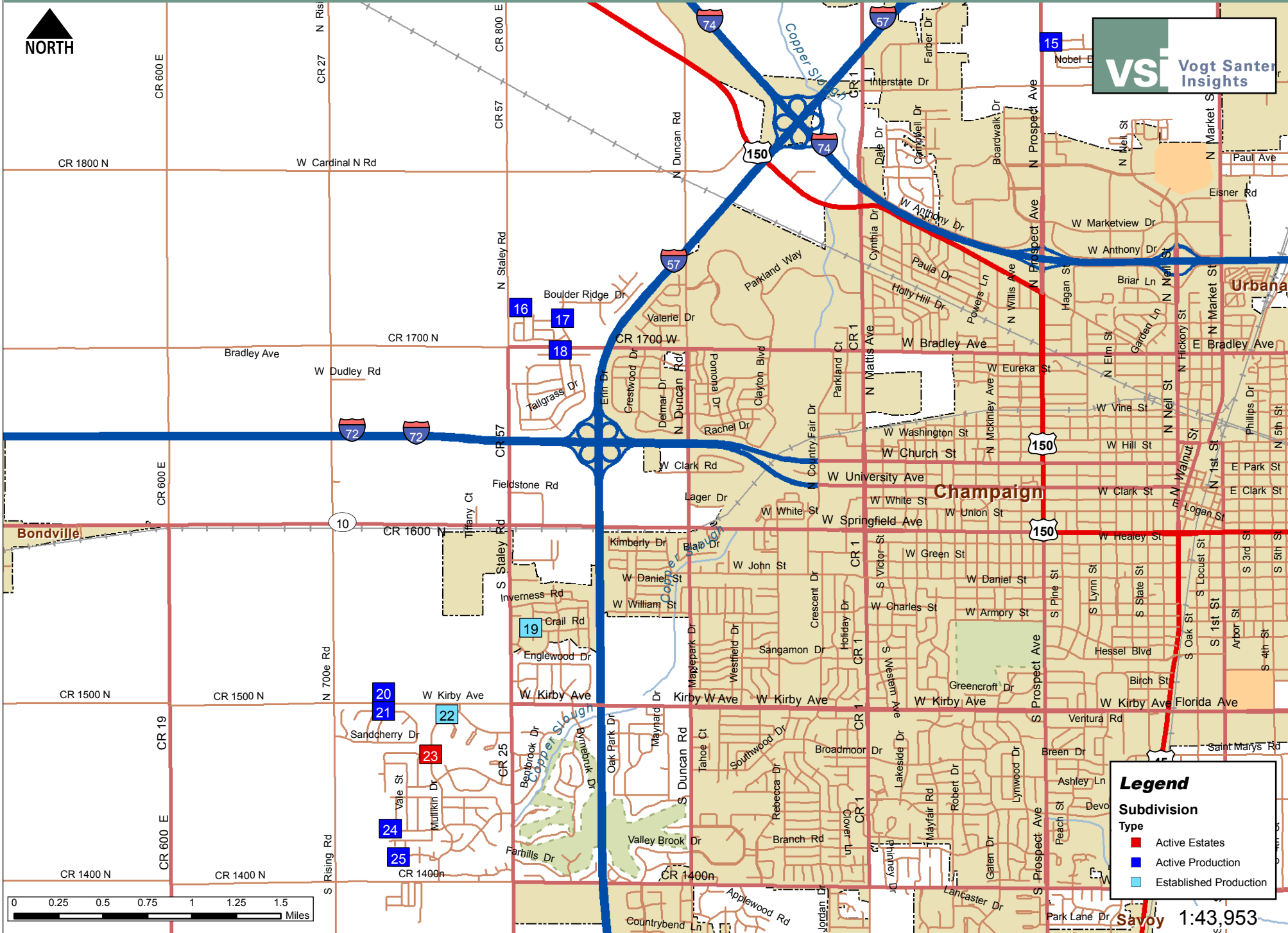
Source: Vogt Santer Insights, Ltd.

There is a paucity of new for-sale homes priced below \$140,000. Homebuyers seeking a product at or below this price range must choose from the inventory of existing homes. However, the market has a healthy inventory of homes in the \$140,000 to \$199,900 price range. It makes sense that this is the price range that developers have targeted because the average home value in the City for 2010 is in this range - \$164,666.

All of the developments surveyed in the City of Champaign are located on the west and northwest parts of town. The availability of affordable land is the primary reason developers chose these locations. The map on Page II-41 displays the locations of the surveyed developments. Please note, the map codes displayed on the map refer back to the codes used to identify properties within the field survey in Addendum C. Addendum C contains detailed maps for each of the cities and villages that contain surveyed subdivisions. In addition, Addendum C contains detailed information such as tax and school district, amenities, lot density and sales by builder to name a few.



# Champaign, IL: Surveyed Single-family Subdivision Locations



**Legend**

**Subdivision Type**

- Active Estates
- Active Production
- Established Production

Savoy 1:43,953

**City of Champaign Single-Family Home Demand**

Based upon the capture rates established in well-developed single-family markets, our analysis of new single-family home sales within the City of Champaign, demographic characteristics, other available housing choices, interviews with realtors and examination of housing trends, we have applied capture rates to the distribution of household income to estimate the potential demand for *new* single-family housing in the City.

**City of Champaign Single-Family Demand**

INCOME RANGE	HOME SALES PRICE	QUALIFYING HOUSEHOLDS	CAPTURE RATE	ANNUAL DEMAND	
				UNITS	DISTRIBUTION
\$30,000-\$39,999	LESS THAN \$140,000	2,840	0.008	23	16.5%
\$40,000-\$49,999	\$140,000-\$199,900	2,581	0.011	28	20.1%
\$50,000-\$74,999	\$200,000-\$299,900	5,674	0.009	51	36.7%
\$75,000-\$99,999	\$300,000-\$400,000	3,689	0.006	22	15.8%
\$100,000+	\$400,000+	2,981	0.005	15	10.8%
TOTAL				139	100.0%

Source: Vogt Santer Insights, Ltd.

Based on our evaluation of the characteristics of the City of Champaign and historical sales volume of single-family homes within the area, we estimate the County could generate up to 139 *new* home sales annually in the near term. Note that to achieve maximum levels in various sale price categories requires the market to offer all price points, locations and product alternatives. For this reason, the actual sales by price point rarely exceed the projection of support except when supply exceeds demand.

It should also be noted that annual support levels are generally not cumulative. In most markets, if there is support for new single-family homes at a particular price point or concept and they are not offered in a specific area, households may leave the area seeking this housing alternative, defer their purchase decision or seek another housing alternative. We anticipate many potential buyers who would be attracted to the proposed concept have either delayed their purchases (reflecting pent-up demand) or opted for an existing single-family home alternative offered in the market.

Within the City of Champaign, there is a current inventory of 610 single-family homes\lots. The following table compares the annualized demand by current available product:

**City of Champaign Single-Family Home Inventory\Demand**

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET INVENTORY
LESS THAN \$140,000	23	45	22
\$140,000-\$199,900	28	124	96
\$200,000-\$299,900	51	23	-28
\$300,000-\$400,000	22	257	235
\$400,000+	15	161	146
TOTAL	139	610	471

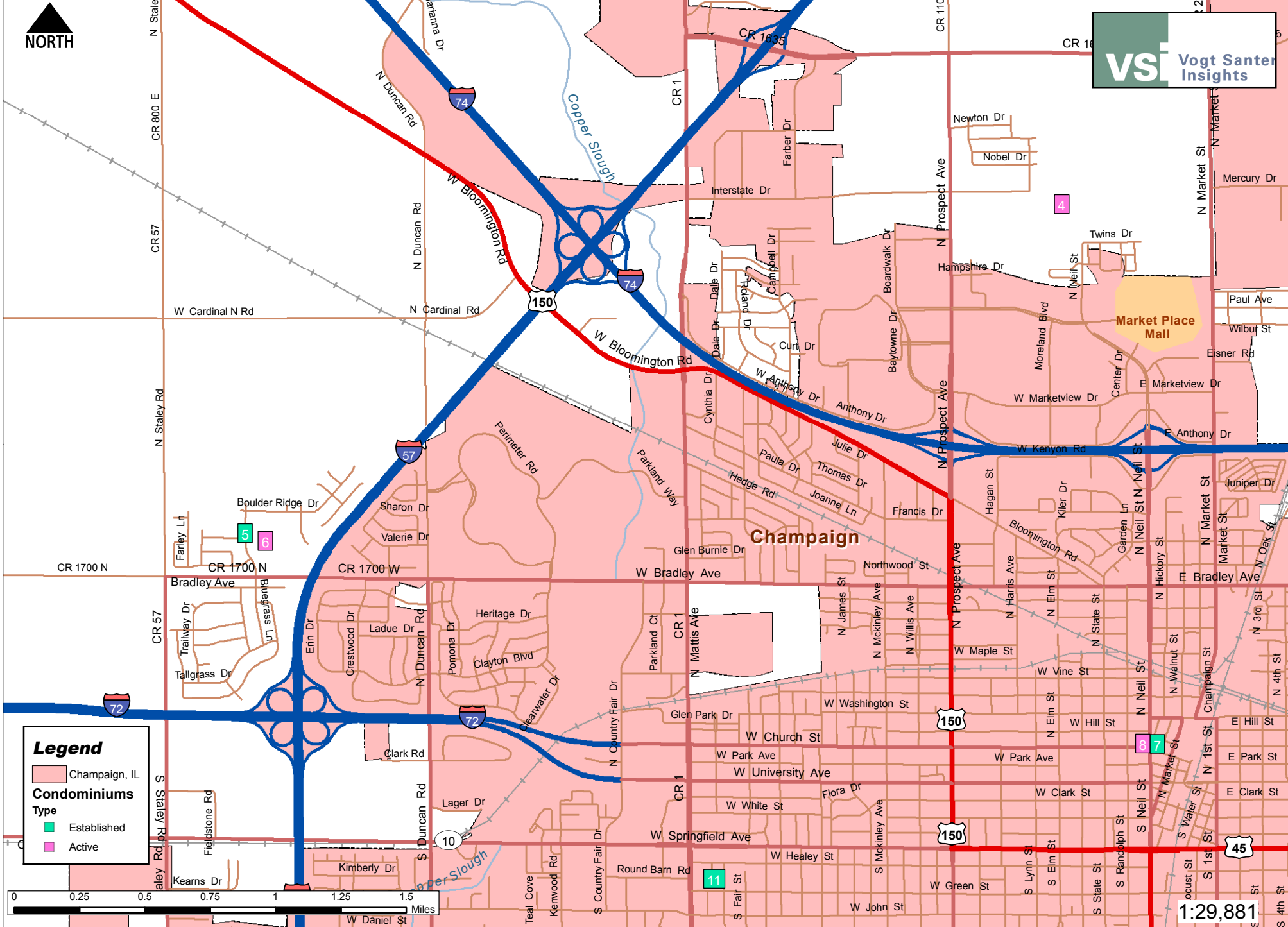
Source: Vogt Santer Insights, Ltd.

The above table details the Net Annualized Demand for 2010 *only*. The net annualized demand (NAD) in 2010 for the City of Champaign is a current surplus of 471 homes and lots. We estimate that there is a surplus at all price points except for product between \$200,000 and \$290,000 where there is actually a deficit of 28 units. Given the current economic recession, this is not surprising. The greatest surplus of units is for product (or lots that would accommodate a product) between \$300,000 and \$400,000. Based on current absorption rates, we estimate about a three- to four-year supply of single-family lots within Champaign. Many developers have overbuilt high-end homes due to their belief that this segment of the market is deeper than it is. This trend has been observed by VSI in many other markets.

**City of Champaign Condominium Supply**

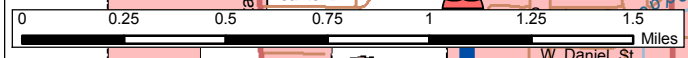
In the City of Champaign, we identified a total of 11 condominium developments. The 11 surveyed condominium/fee-simple projects include six developments with 440 units that were sold between July 2001 and September 2010. These projects are categorized as established. The remaining five projects are active with unsold condominium product. The active developments total 179 units, of which 119 have been sold. There is an inventory of 60 unsold units and another 130 units are planned. A detailed explanation of the developments that were surveyed as well as maps that illustrate the locations of these facilities can be found in Addendum B. The map on the following page shows the locations of the facilities that were surveyed in the City of Champaign. The map codes correspond to the facilities listed in Addendum B.

# Champaign (North), IL: Condominium Locations



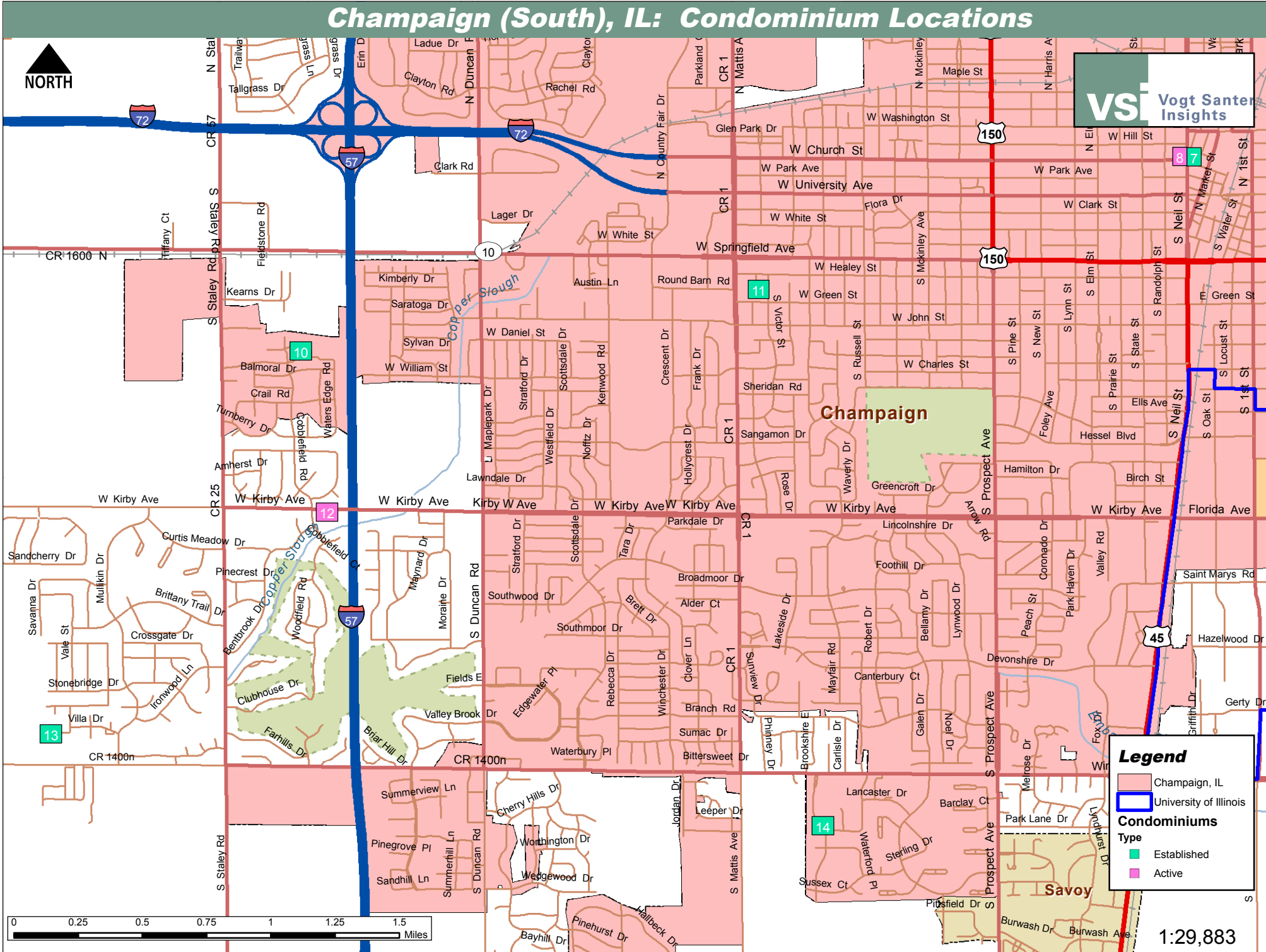
**Legend**

- Champaign, IL
- Condominiums**
- Established
- Active



1:29,881

# Champaign (South), IL: Condominium Locations



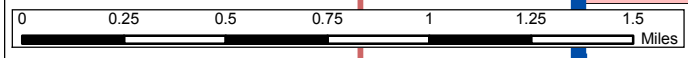
**Legend**

- Champaign, IL
- University of Illinois

**Condominiums**

Type

- Established
- Active



1:29,883

The following table illustrates the status of properties included in our survey.

### City of Champaign Status of Condominium Projects

PROJECT STATUS	NUMBER OF PROJECTS	UNITS			
		TOTAL	SOLD	AVAILABLE	PLANNED
ACTIVE	5	179	119	60	130
ESTABLISHED	6	440	440	0	0
TOTAL	11	619	559	60	130

Source: Vogt Santer Insights, Ltd.

There are a total of 60 properties ready for sale in the City of Champaign with an additional 130 planned units. In order to gain an understanding of the monthly absorption rate, we must first examine historical sales of condominiums in the City. The following table lists the condominium sales by year since 2000.

### City of Champaign Condominium Sales by Year

YEAR	ESTABLISHED PHASES	ACTIVE PHASES	TOTAL	MONTHLY ABSORPTION
2000 TO 2004	149	0	149	2.5
2005	71	21	92	7.7
2006	97	12	109	9.1
2007	27	9	36	3.0
2008	36	49	85	7.1
2009	25	17	42	3.5
2010	27	11	38	4.2
TOTAL	432	119	551	4.3

Source: Vogt Santer Insights, Ltd.

Between July 2001 and September 2010, a total of 551 condominium units were sold among the area projects. This is an average of 4.3 units monthly. This accounts for two-thirds of all condominium sales in the City. The following table summarizes the area condominium absorption trends among properties within the City of Champaign.

### City of Champaign Condominium Absorption Trends

AVERAGE MONTHLY ABSORPTION (UNITS PER MONTH)	DISTRIBUTION OF CONDOMINIUM PROPERTIES			
	ESTABLISHED		ACTIVE	
	NUMBER	PERCENT	NUMBER	PERCENT
< 0.5	24	5.5%	19	15.4%
0.5 TO 0.9	61	14.0%	104	84.6%
1.0 TO 1.9	350	80.5%	0	0.0%
2.0 >	0	0.0%	0	0.0%
TOTAL	435	100.0%	123	100.0%

Given recent sales trends there is slightly more than a one-year supply of existing condominium units. The construction of the planned units would create an additional two years of supply.

**City of Champaign Condominium Demand**

Based on our evaluation of the demographic characteristics of the City of Champaign and historical absorption trends, the area has the potential to absorb up to 26 new condominium units priced from \$140,000 to over \$400,000 annually. These figures also assume a wide variety of condominium housing choices exist, including price, location and concept. The optimal support figure of 26 units can only be achieved in an overbuilt market. The projection of 26 units is indicative of the historic housing slump in the U.S. as well as reflecting the current sales performance of new condominiums in the City of Champaign as well as all of Champaign County.

Within the City of Champaign market, there is a current inventory of 60 condominium units. Furthermore, there are 130 planned units among five active projects. The following table compares the annualized demand by available product:

**City of Champaign Condominium Demand\Inventory**

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET ANNUALIZED DEMAND	PLANNED UNITS
LESS THAN \$140,000	7	0	7	0
\$140,000-\$199,999	11	24	-13	102
\$200,000-\$299,999	11	35	-24	28
\$300,000-\$399,999	4	1	3	0
\$400,000+	3	0	3	0
TOTAL	36	60	-24	130

Source: Vogt Santer Insights, Ltd.

The Net Annualized Demand (NAD) in 2010 for the City of Champaign reflects a surplus of 24 units. A surplus for units exists for condominiums priced between \$140,000 and \$299,999. There are also an additional 130 units planned in this price category indicating nearly a five-year supply. Considering current sales trends, there is a one-year supply of existing units.

### **City of Champaign For-Sale Housing Summary of Findings**

The City of Champaign has a four-year supply of new single-family homes and lots. In addition, there is a one-year supply of new built condominiums with a five-year supply planned for construction. It is our opinion that the City of Champaign's new housing market is adequately served. Should economic conditions improve in the short term, the existing supply should be absorbed, which will stimulate the market for existing homes and spur interest amongst local developers that are keen on building inventory.

### **3. CITY OF URBANA FOR-SALE HOUSING SUPPLY AND DEMAND**

#### **City of Urbana Single-Family Home Supply**

From January 1995 to December 2009, there were a total of 804 new homes built and lots sold in the City of Urbana. A total of 551 of these were production-style homes while 253 were estate-style homes. The following table compares the type of home and the sales by year since 2000.

#### **City of Urbana Home Sales by Year**

YEAR	PRODUCTION	ESTATE	TOTAL	MONTHLY SALES
1995 TO 1999	14	5	19	0.3
2000 TO 2004	290	113	403	6.7
2005	89	38	127	10.6
2006	76	25	101	8.4
2007	22	32	54	4.5
2008	32	21	53	4.4
2009	28	19	47	3.9
TOTAL	551	253	804	

Source: Vogt Santer Insights, Ltd.

The height of the City of Urbana housing market occurred in 2005 when there were 127 new homes and lots sold, which equates to 10.6 homes and lots sold per month. The following year 101 homes and lots were sold, or a total of 8.4 sales per month. New home and lots sales have declined each year since. In 2009, the last full year of sales data, there were just 47 new homes built in the City of Urbana – mimicking a pattern of declining new home sales throughout the County.

Within the City of Urbana, there is a current inventory of 890 single-family homes and lots. The price range for production homes starts at \$168,000 and goes to \$329,000. In addition, there are estate homes available that start around \$240,000 and go up to \$600,000. When estate homes and production homes are both considered, the result is a healthy mix of price points to



choose from. A detailed listing of the current new home inventory can be found in Addendum C – Field Survey of Single Family Homes. The following table, which reflects an estimate of the home value that might be built on a lot, summarizes the existing inventory by price point.

**City of Urbana Single-Family Home Inventory**

<b>PRODUCT AFFORDABILITY</b>	<b>EXISTING INVENTORY</b>
LESS THAN \$140,000	0
\$140,000-\$199,900	68
\$200,000-\$299,900	94
\$300,000-\$400,000	156
\$400,000+	555
TOTAL	873

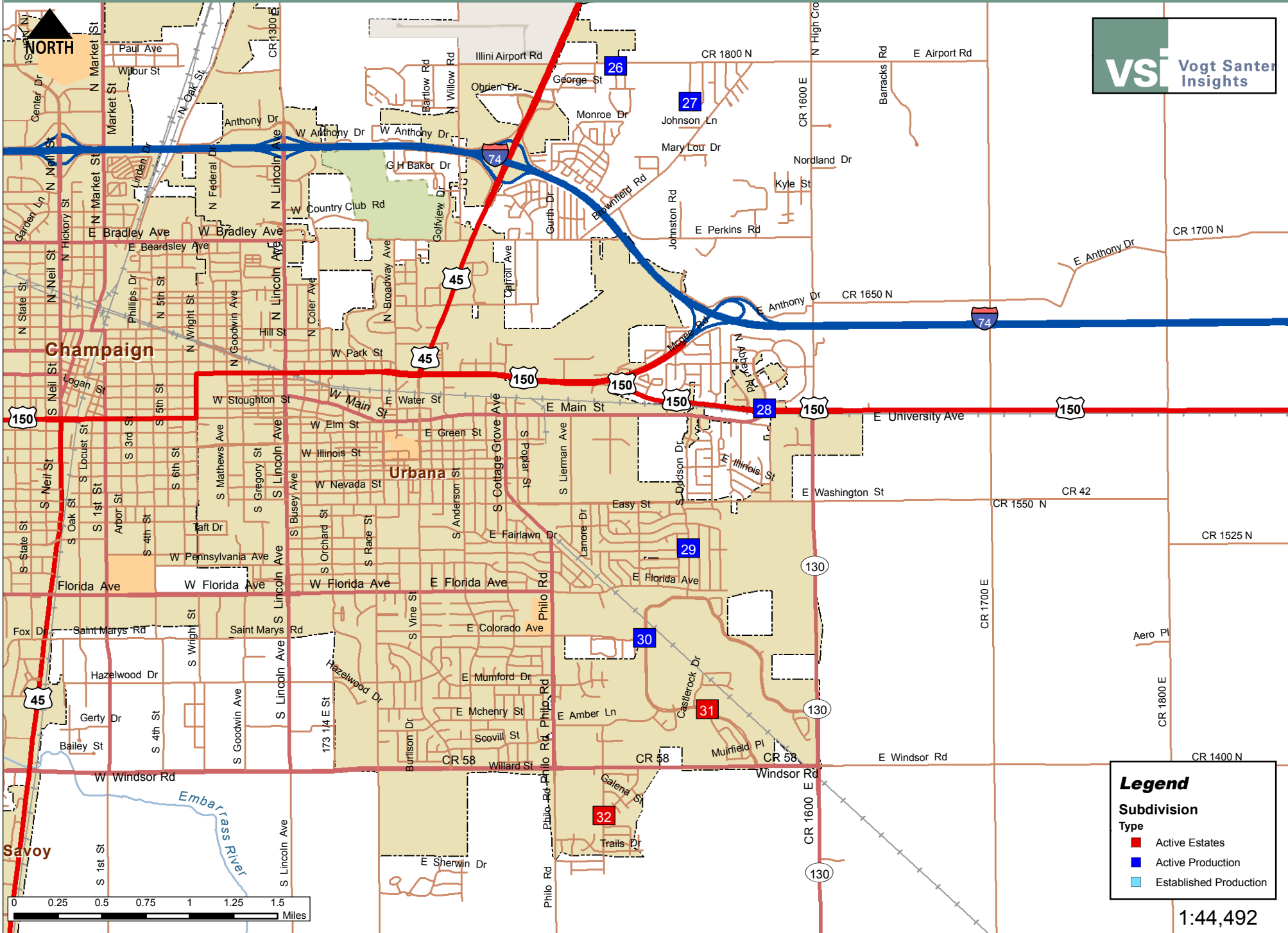
Source: Vogt Santer Insights, Ltd.

There are no new for-sale homes priced below \$140,000. Homebuyers seeking a product at or below this price range must choose from the inventory of existing homes. However, the market has a decent inventory of homes in the \$140,000 - \$299,900 price range.

The map on Page II-50 displays the locations of the surveyed developments. Please note, the map codes displayed on the map refer back to the codes used to identify properties within the field survey in Addendum C. Addendum C contains detailed maps for each of the cities and villages that contain surveyed subdivisions. In addition, Addendum C contains detailed information such as tax and school district, amenities, lot density and sales by builder to name a few.



# Urbana, IL: Surveyed Single-family Subdivision Locations



**Legend**

**Subdivision Type**

- Active Estates
- Active Production
- Established Production

1:44,492

**City of Urbana Single-Family Home Demand**

Based upon the capture rates established in well-developed single-family markets, our analysis of new single-family home sales within the City of Urbana, demographic characteristics, other available housing choices, interviews with realtors and examination of housing trends, we have applied capture rates to the distribution of household income to estimate the potential demand for *new* single-family housing in the City.

**City of Urbana Single-Family Demand**

INCOME RANGE	HOME SALES PRICE	QUALIFYING HOUSEHOLDS	CAPTURE RATE	ANNUAL DEMAND	
				UNITS	DISTRIBUTION
\$30,000-\$39,999	LESS THAN \$140,000	1,894	0.008	15	20.8%
\$40,000-\$49,999	\$140,000-\$199,900	1,507	0.011	17	23.6%
\$50,000-\$74,999	\$200,000-\$299,900	2,830	0.009	25	34.7%
\$75,000-\$99,999	\$300,000-\$400,000	1,444	0.006	9	12.5%
\$100,000+	\$400,000+	1,126	0.005	6	8.3%
TOTAL				72	100.0%

Source: Vogt Santer Insights, Ltd.

Based on our evaluation of the characteristics of the City of Urbana and historical sales volume of single-family homes within the area, we estimate the City could generate up to 72 *new* home sales annually in the near term. Note that to achieve maximum levels in various sale price categories requires the market to offer all price points, locations and product alternatives. For this reason, the actual sales by price point rarely exceed the projection of support except when supply exceeds demand.

It should also be noted that annual support levels are generally not cumulative. In most markets, if there is support for new single-family homes at a particular price point or concept and they are not offered in a specific area, households may leave the area seeking this housing alternative, defer their purchase decision or seek another housing alternative. We anticipate many potential buyers who would be attracted to the proposed concept have either delayed their purchases (reflecting pent-up demand) or opted for an existing single-family home alternative offered in the market.

Within Urbana, there is a current inventory of 873 single-family homes and lots. The following table compares the annualized demand by current available product.

**City of Urbana New Single-Family Home Demand/Inventory**

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET INVENTORY
LESS THAN \$140,000	15	0	-15
\$140,000-\$199,900	17	68	51
\$200,000-\$299,900	25	94	69
\$300,000-\$400,000	9	156	147
\$400,000+	6	555	549
TOTAL	72	873	786

Source: Vogt Santer Insights, Ltd.

The preceding table details the Net Annualized Demand for 2010. The net annualized demand (NAD) in 2010 for Urbana is a current surplus of 786 homes and lots. We estimate that there is a surplus at all price points except for those homes priced less than \$140,000 – this demand can be absorbed by the inventory of existing homes on the market. The greatest surplus of units is for product (or lots that would accommodate a product) priced greater than \$400,000. Based on current absorption rates, we estimate about an eight- to nine-year supply of single-family lots within Urbana.

**City of Urbana Condominium Supply**

In the City of Urbana, we identified one condominium development that has been active in the last 10 years. This single project first went on sale in August 2006 and has sold 73 units since then. There remain 19 unsold units. A detailed explanation of this development and others within the County that were surveyed, as well as maps that illustrate the locations of these facilities can be found in Addendum B. The map on Page II-53 shows the location of the development that was surveyed in the City of Urbana. The map codes correspond to the facilities listed in Addendum B.



There are a total of 19 properties ready for-sale in the City of Urbana and there are no planned units. In order to gain an understanding of the monthly absorption rate, we must first examine historical sales of condominiums in the City. The following table lists the condominium sales by year since 2000.

### City of Urbana Condominium Sales by Year

YEAR	ESTABLISHED PHASES	ACTIVE PHASES	TOTAL	MONTHLY ABSORPTION
2000 TO 2004	0	0	0	0.0
2005	0	0	0	0.0
2006	0	5	5	0.4
2007	0	25	25	2.1
2008	0	19	19	1.6
2009	0	19	19	1.6
2010	0	5	5	0.6
TOTAL	0	73	73	0.6

Source: Vogt Santer Insights, Ltd.

Between July 2001 and September 2010, a total of 73 condominium units were sold. This is an average of 0.6 units monthly.

Given recent sales trends there is more than a two-year supply of existing condominium units.

### City of Urbana Condominium Demand

Within the Urbana market there is a current inventory of 19 condominium units. The following table compares the annualized demand by available product:

### City of Urbana Condominium Demand/Inventory

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET ANNUALIZED DEMAND	PLANNED UNITS
LESS THAN \$140,000	4	0	4	0
\$140,000-\$199,999	7	19	-12	0
\$200,000-\$299,999	6	0	6	0
\$300,000-\$399,999	1	0	1	0
\$400,000+	1	0	1	0
TOTAL	19	19	0	0

Source: Vogt Santer Insights, Ltd.

The Net Annualized Demand (NAD) in 2010 Urbana shows no overall deficit or surplus; however, there is a surplus for units priced between \$140,000 and \$199,999.

### **City of Urbana For-Sale Housing Summary of Findings**

The City of Urbana has an eight- to nine-year supply of new single-family homes and lots; however, the majority of these are priced in excess of \$400,000. In addition, there is a two-year supply of new built condominiums. It is our opinion that the City of Urbana's new housing market is over-served in the market for homes priced above \$400,000 and adequately served in the other price points.

#### **4. VILLAGE OF RANTOUL FOR-SALE HOUSING SUPPLY AND DEMAND**

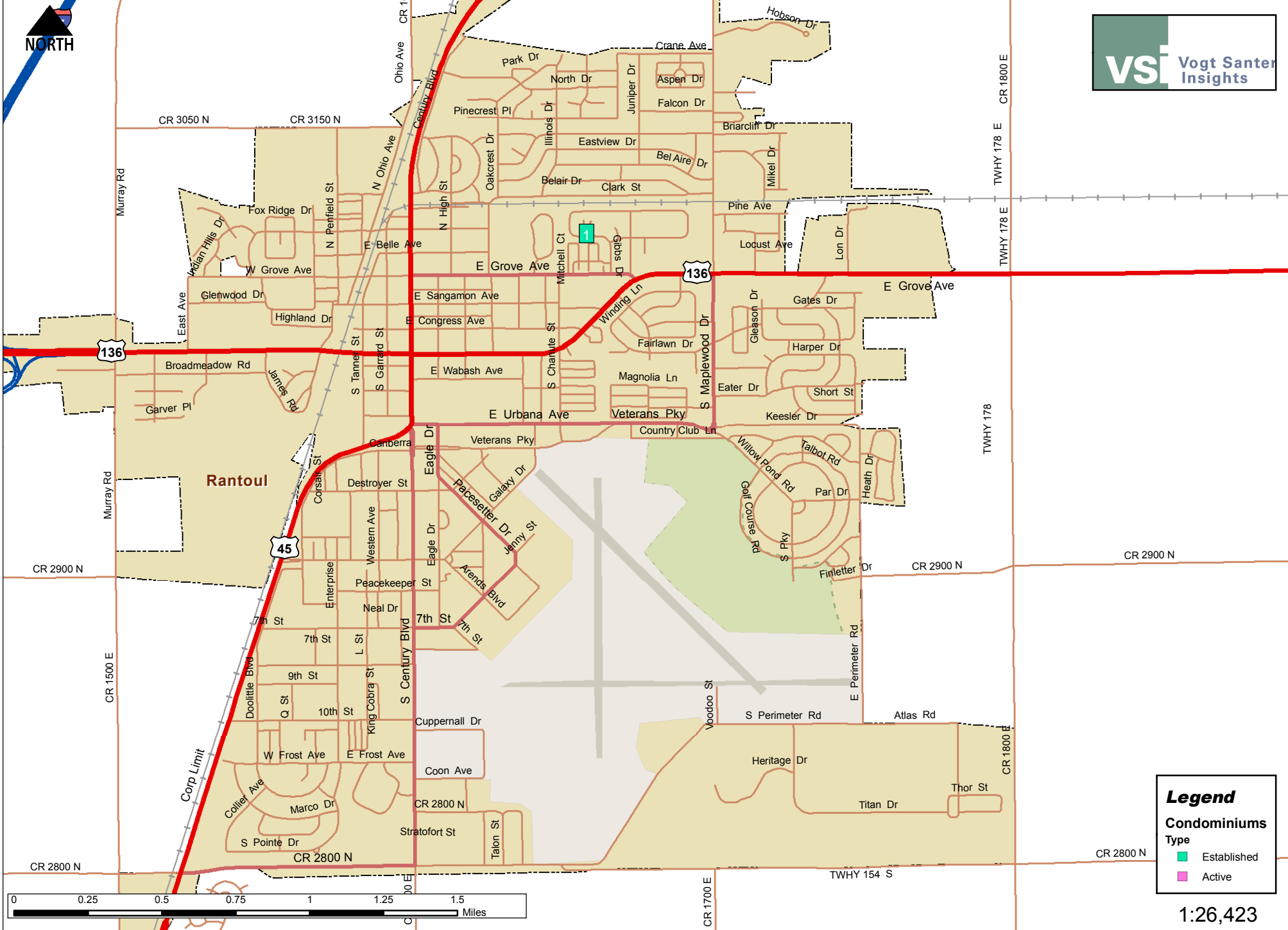
##### **Village of Rantoul Single-Family Home Supply & Demand**

We did not identify any single-family home subdivisions that have been active within the last 10 years. Currently, the single-family home market in Rantoul is made up of existing homes. Until demand picks up, developers will likely avoid building an inventory of new homes in Rantoul.

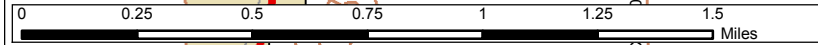
##### **Village of Rantoul Condominium Supply**

In the Village of Rantoul, we identified one condominium development that has been active in the last 10 years. This single project first went on sale in July 2001 and has sold all 36 of its units. A detailed explanation of this development and others within the County that were surveyed as well as maps that illustrate the locations of these facilities can be found in Addendum B. The map on the following page shows the location of the development that was surveyed in the Village of Rantoul. The map codes correspond to the facilities listed in Addendum B.

# Rantoul, IL: Condominium Locations



NORTH



**Legend**

**Condominiums Type**

- Established
- Active

1:26,423



There are no properties ready for-sale in the Village of Rantoul and there are no planned units. In order to gain an understanding of the monthly absorption rate, we must first examine historical sales of condominiums in the Village. The following table lists the condominium sales by year since 2000.

### Village of Rantoul Condominium Sales by Year

YEAR	ESTABLISHED PHASES	ACTIVE PHASES	TOTAL	MONTHLY ABSORPTION
2000 TO 2004	16	0	16	0.3
2005	13	0	13	1.1
2006	3	0	3	0.3
2007	2	0	2	0.2
2008	0	0	0	0.0
2009	1	0	1	0.1
2010	1	0	1	0.1
TOTAL	36	0	36	0.3

Source: Vogt Santer Insights, Ltd.

Between July 2001 and September 2010, a total of 36 condominium units were sold. This is an average of 0.3 units monthly.

### Village of Rantoul Condominium Demand

Since there are no active condominium developments - there is no inventory, therefore, the net annualized demand is equal to the annual demand as displayed in the following table:

### Village of Rantoul Condominium Demand/Inventory

PRODUCT AFFORDABILITY	ANNUAL DEMAND	EXISTING INVENTORY	NET ANNUALIZED DEMAND	PLANNED UNITS
LESS THAN \$140,000	2	0	2	0
\$140,000-\$199,999	3	0	3	0
\$200,000-\$299,999	2	0	2	0
\$300,000-\$399,999	1	0	1	0
\$400,000+	0	0	0	0
TOTAL	8	0	8	0

Source: Vogt Santer Insights, Ltd.

Because demand across all price points is so low, opportunities for developers to create new product are few and far between. It is likely that developers will wait for the housing market to improve before considering any new development. New developments are also likely to be very conservative in the timing of construction in an effort to avoid a glut of unsold product.