

BOURBON COUNTY COMMUNITY HOUSING ASSESSMENT



2022


GOLDSTONE
CONSULTING GROUP

TABLE OF CONTENTS

Executive Summary	2
Introduction	2
Analysis Application	2
Methodology	2
Key Findings	3
Section One: Community Profile.....	6
Population Characteristics	6
Economic Characteristics	8
Section Two: Housing Conditions & Affordability	11
Housing Stock and Occupancy.....	11
Housing Affordability	14
Value-to-Income.....	15
Section Three: Bourbon County Community Housing Survey	17
Immediate Future of the Housing Market	18
Factors on Population Trends.....	21
Section Four: Housing Market Trends.....	24
Home Sales Volume	24
Median Days on Mark	25
Median Sales Price	25
Recent Home Sales.....	26
Section Five: Housing Needs & Development	27
Housing Need Analysis	28
Housing Development Analysis	30
Section Six: Recommendations & Strategies	33
Enhance the Quality of Existing Housing	33
Directed Property Development	33
Financial Assistance Programs.....	36
Community Investment	38
Appendix A: Additional Figures & Tables.....	40
Appendix B: Buildable Land	41

EXECUTIVE SUMMARY

Introduction

The *Bourbon County Community Housing Assessment* has been produced under the commission of the Bourbon County Regional Economic Development Corporation, a 501(c)(3) nonprofit organization that services all of Bourbon County, Kansas. The purpose of this study is to provide an in-depth analysis of the current housing conditions and future needs of the local community in an effort to develop a brighter economic future.

Over a century of population decline in Bourbon County has produced limited development opportunities, resulting in a housing stock inadequate in meeting the community's diverse needs. As a method to drive economic and community growth, appropriate living options must be available to current and prospective residents. An ideal housing stock meets quality, quantity, and cost elements in adhering to the demands of the region. This study aims to produce an objective and quantifiable approach to address current housing gaps inhibiting the potential economic and community development of Bourbon County.

Analysis Application

The *Bourbon County Community Housing Assessment* is designed as a strategic framework to identify and manage the current and expected housing requirements of the local population. This report may serve a variety of entities for multiple purposes including:

- Development organizations and other groups to drive decisions on policy, plan and execute programs, and seek funding to meet housing demands within the community
- City and county governments to determine priorities, assess development proposals, and form strategies that become the basis for housing development
- Property developers, builders, real estate agents, and financial institutions to direct decisions concerning the construction and sales of new housing units and developments
- Employers aiming to recruit future employees from outside of the county
- Current citizens, prospective residents, and other stakeholders that have a vested interest in the housing market

Methodology

The preparation of this housing assessment relies on a combination of data from leading statistical sources in the housing market, information obtained from an electronic survey distributed to county residents, and individual contributions from various stakeholders in the community. ArcGIS Business Analyst software provided by Esri, an international supplier of geographic information systems and geodatabase management applications, serves as the primary data source. This software incorporates a continuous series of data from the U.S. Census Bureau, Internal Revenue Service (IRS), American Community Survey

(ACS), Consumer Expenditure Surveys (CEX), Bureau of Labor Statistics, Kansas Department of Labor, the University of Kansas Institute for Policy & Social Research, building permits and housing developments, postal delivery counts, and a variety of private firms that are evaluated against the 2010 and 2020 United States Census for validity. The resulting combination of data produces a balanced measure of growth or decline in an array of categories. In addition, this report also incorporates other data sourced primarily through FEN Learning, Index Mundi, Redfin real estate brokerage, Zillow.com, Relator.com, the National Association of Realtors, and Federal Reserve Economic Data (FRED). The most recent projections reflect statistical models derived to assess the continually developing economic circumstance resulting from the COVID-19 pandemic. While the data projections are established from trends locally, nationally, and internationally, the presented information is the best available estimate and is not deemed to be 100% accurate. However, with statistically low margins for error, analyses on existing data sets are sufficient in driving the decision-making processes.

In addition to data obtained from multiple independent sources, this report takes into consideration community input. During early to mid-2022, the *Bourbon County Community Housing Survey* conducted by Goldstone Consulting Group, LLC was distributed to community residents and stakeholders in the local housing market. Responses were collected anonymously, without association to survey respondents. Serving as a sample of Bourbon County residents and housing contributors, pertinent response data has been analyzed and considered in developing recommendations and strategies related to future housing development.

Key Findings

The comprehensive analysis of this study identifies a necessity for intervention in available housing to address the discrepancies between currently available units and the needs and demands of Bourbon County residents. As population decline over recent decades has created unfavorable situations for new construction, the housing stock has become outdated and insufficient in variety. Additionally, many homes are without the necessary updates to make them suitable for future residents. The lack of diversity has led to a drastic imbalance in housing.

The current housing stock does not have enough higher-valued homes to support appropriate income levels of current residents. In comparison to most locations, many households are currently spending much lower ratios of income on housing. This has resulted in a negative impact on the valuation of the housing market. The lower value-to-income ratio has created additional concerns with property development. However, with homeowners loyal to the community, additional income available to dedicate to housing, lowering unemployment rates, increasing local home sales, and concerted efforts by local organizations to improve upon the current economic standing and redirect population trends, there are opportunities to overcome obstacles in addressing the current housing predicament. Multiple strategies and directives should be employed to initiate new development and current revitalization projects. The complete analysis of all data presented in this report leads to the following conclusions regarding current housing and future potential within Bourbon County.

Prioritize Housing Rehabilitation

With an undervalued housing market, development projects within a region are immediately presented with challenges, even before construction begins. Older homes and unoccupied properties account for a vast portion of the available housing stock. Many of these units have become restricted to very specific household income ranges, with others being unsuitable for future inhabitants. Targeted housing revitalization projects provide an instant opportunity to address current market concerns and housing variety issues, by raising the valuation of existing properties and creating more desirable living options within Bourbon County.

Restoration projects are most commonly successful when executed in clusters. Focusing on improvements in specific areas or neighborhoods will increase the likelihood of a community sustaining the investment over a longer period. If future development projects are desired in specific areas, housing revitalization efforts could be concentrated in the immediate community to create more favorable conditions for the sale of newly constructed units. Consideration should also be placed in areas where many units require updating. Clustering these efforts can help to save on widespread costs.

To initiate housing revitalization projects, local homeowners must develop a “buy-in” mindset. Providing community education sessions to inform of the values of such efforts and available options serves to create increased approval. Additionally, implementing incentive-based programs reduces the obstacle of financial investments that can be deterring to residents. As rehabilitation projects often serve as the lowest barrier-to-entry method in addressing housing needs, actionable steps should begin immediately. In addition, introducing housing intervention with rehabilitation efforts will facilitate the implementation of other improvement strategies.

Addressing Population Decline

As noted frequently throughout this report, population decline is the primary antagonist in finding opportunities to advance current housing options. With a population that is aging and increasing numbers of younger families relocating outside of Bourbon County, intervention strategies are necessary to redirect these trends. Improving upon the local living experience serves to increase the likelihood of households remaining residents for longer periods. Retaining a larger number of residents will improve upon current population numbers, ultimately providing more opportunities for housing advancement projects. By investing in local schools and providing educational connections to the community, younger families are more likely to be drawn to the area. Additionally, improvements in infrastructure maintenance, access to shopping and individual needs, and parks and recreational activities will improve the quality of life for elder portions of the community.

While retaining residents assists in improving upon population trends, Bourbon County must also attract prospective households. Until recently, home sales volume per population has been rather low. While many factors contribute to sales, the lack of viable options creates obstacles for citizens wanting to change their current living situation while remaining within the community. If current residents are less likely to sell their homes, limited options will be available for new homebuyers. Additionally, with nearly 90% of housing units being single-family and mobile homes, shorter-term and downsizing options are also

restricted to those in need. Thus, creating a revolving effect. While addressing population decline will provide increased opportunities for housing expansion, housing expansion is also necessary to address population decline.

Targeting Development Projects

While restoring existing units within Bourbon County may work to correct the imbalance in housing, successfully addressing this issue will require expansion to the current housing stock. In order to have success, specifically in the short term, these new development projects must be targeted to the needs and demands of local and prospective residents. Though a need for higher-valued homes exists, analysis of contributing data suggests that new units costing between \$135,000 and \$265,000 are likely to be in highest demand. These homes should be designed to support two to five-person households. As economic growth efforts of the county continue to be placed in high priority, the housing profile will likely expand in the future, especially if population growth occurs.

In addition to construction biased towards homeowners, increasing rental options is likely to experience success. Currently, residential demand for renter-occupied units exists primarily within lower-income brackets. Thus, providing affordable housing options in the form of smaller apartment complexes and duplex units should be the primary focus of rental expansion. Strategic infill of unoccupied lots will help to keep construction costs down and create a favorable opportunity for the developer.

Descriptive analyses of all components contributing to these key findings are included in the following report.

SECTION ONE: COMMUNITY PROFILE

The housing needs and demands of any community are directly correlated to the demographic composition of the region. Factors such as population variation, income levels, unemployment rates, and commuting tendencies have a significant impact on the sustainability of housing options within the county. In addressing the diverse needs of the local community, these aspects must be heavily considered. The following segments will provide an overview of demographics that impact the housing needs of Bourbon County.

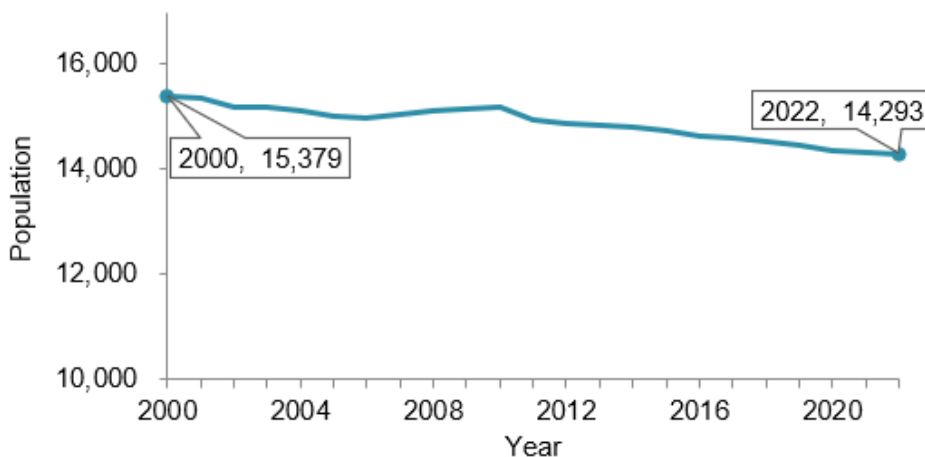
Population Characteristics

Population Trends

Often, the primary driver of need and demand within the housing market can be attributed to population fluctuations. As one of the original Kansas counties established in 1855, Bourbon County experienced rapid growth in the late 19th century (see Figure 1.1 in Appendix A). However, since reaching a peak recorded citizenship of 28,575 in 1890, growth has shifted to decline into present day.

Bourbon County is currently home to an estimated 14,293 residents. While population variances are not as significant as previously, the local community is being reduced by about 0.4% each year over the last decade. As a prominent factor of the economic climate of a region, reversing this trend will play a significant role in the future of housing availability and demand. Increasing employment opportunities, investing into local schools and community facilities, and ensuring support for local lifestyles provide an opportunity to redirect population decline.

Bourbon County Population Since 2000



Source: U.S. Census Bureau, Decennial Census and Population Estimates Divisions; The University of Kansas, Institute for Policy & Social Research; Esri and Goldstone Consulting Group projections

Population Distribution by Age

Further analysis of age groups within Bourbon County provides some insight into one cause of the declining population. Similar to most rural, Midwestern regions, the local community has become characterized as an aging population. In 2010, citizens 55 years and older accounted for 30.2% of the population. Today, that number has increased to 40.4%. Conversely, the state of Kansas is comprised of just over 20% of the same demographic. A similar trend can be seen when considering the median age. As time has passed, younger generations have become less likely to remain in rural areas, such as Bourbon County. The result has led to regions where the presence of young families has become reduced, and communities that struggle to restore the thriving cultural experiences of previous generations.

Age Distribution				
	2010	2022	2027 Projection	Current Kansas Distribution
Total Population	15,173	14,293	13,037	
Under 5 years	7.4%	5.5%	6.6%	7.0%
5 to 9 years	7.1%	6.0%	6.4%	7.3%
10 to 14 years	6.8%	6.3%	6.4%	7.6%
15 to 24 years	14.2%	8.8%	12.8%	14.9%
25 to 34 years	11.1%	10.8%	11.4%	13.0%
35 to 44 years	9.9%	9.7%	11.0%	15.6%
45 to 54 years	13.3%	12.5%	10.2%	13.2%
55 to 64 years	12.8%	15.8%	11.3%	8.2%
65 to 74 years	8.4%	12.8%	12.1%	6.5%
75 to 84 years	6.2%	7.8%	8.9%	4.8%
85 years and over	2.8%	4.0%	2.9%	1.9%
18 years and over	74.4%	79.0%	77.1%	73.5%
Median Age	38.2	40.3	40.6	35.2

Source: U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography. Esri and Goldstone forecasts for 2022 and 2027.

Household and Families

In addition to total population, household and family sizes are essential factors in the housing needs and demands of a community. These factors often dictate the overall number and the type of homes required within a community. As expected in a declining population, the total number of households and the total number of families within Bourbon County has decreased over the last two decades. Currently, the local average household size of 2.45 is nearly on par with the state of Kansas, but slightly below the 2.60 average across the nation.¹ While family and household size have fluctuated since 2000, these variations have not been significant enough to cause noticeable changes to housing demand. The number of total households is expected to continue to decline in relation to population, while little variation is projected for average size.

Household and Family Characteristics				
	2000	2010	2022	2027 Projection
Household Characteristics				
Total Households	6,161	5,986	5,672	5,502
Annual Rate of Change	-	-0.29%	-0.55%	-0.62%
Average Household Size	2.44	2.47	2.45	2.44
Family Characteristics				
Total Families	-	3,960	3,704	3,581
Annual Rate of Change	-	-	-0.69%	-0.69%
Average Family Size	-	3.04	3.02	3.02

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption.

Data Note: Family Size data was not collected in the 2000 Decennial Census

Source: U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography. Esri and Goldstone forecasts for 2022 and 2027.

¹ U.S. Census Bureau, American Community Survey (ACS) and Puerto Rico Community Survey (PRCS), 5-Year Estimates.

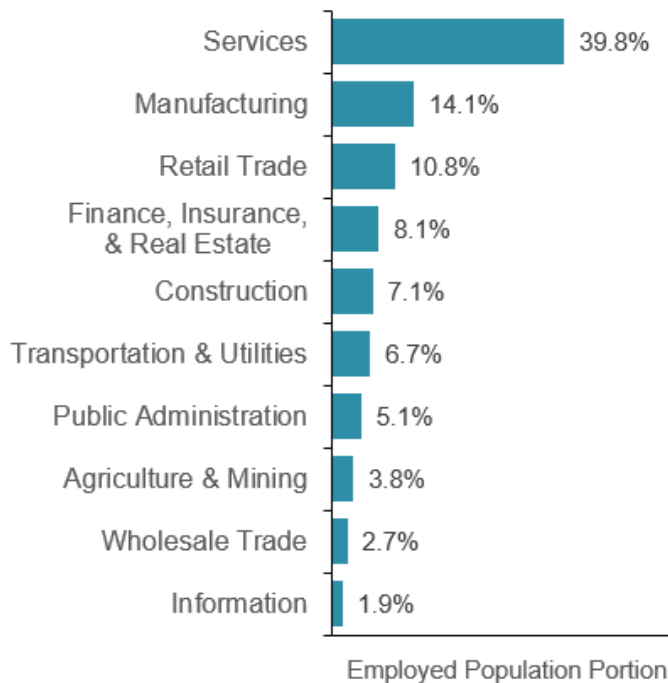
Economic Characteristics

Employment Distribution

Community and economic advancement often circulate the balance between employment and housing. Current estimations suggest that just over 6,250 residents above the age of 15 are currently active in the workforce. Though employees are distributed amongst several industry categories, Services account for the leading portion of the local labor force at nearly 40%. Manufacturing, Retail Trade, and Finance/Insurance/Real Estate also account for significant portions of the workforce. Excluding the consideration of development in prospective employers, these distributions are likely to experience minimal variations in the immediate future.

Correlations between income and resident retainment can be connected to industry category. Financial industries tend to drive higher income values, while location-based industries such as Agriculture/Mining generally led to increased resident tenure. Expanding industry categories can have a dramatic effect on community housing needs. Establishing new business operations in areas such as manufacturing often lead to significant increases in job openings, requiring available housing for potential new employees. For this study, current workforce numbers will be considered. However, if additions are made to the employment base throughout the county, housing needs will follow suit.

Resident Employment by Industry



Data Note: Services employees includes Healthcare and Education

Source: U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography. Esri and Goldstone forecasts for 2022 and 2027.

Commuting Patterns

While the employment base of a region contributes to housing needs, the willingness of the workforce to commute also has a direct impact. According to the most recently available U.S. Census Bureau data, reporting businesses in Bourbon County employed 6,263 individuals across all industries². Of these employees, just under 45% commute into the region (see *Figure 1.2 in Appendix A*). Over 600 more individuals live within Bourbon County but travel elsewhere for work. The result is a net outflow of commuters for the county.

While an outflow of commuters has a positive effect on the housing market within a region, it is important to note that nearly 3,000 potential residents live outside of Bourbon County. Among other factors, a lack of adequate housing may lead to individuals seeking residence elsewhere.

² U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography. Esri and Goldstone forecasts for 2022 and 2027.

Household Income

Housing options and development potential is often directly proportional to household income. Bourbon County residents have a projected median household income of \$45,525 and an average household income of \$62,911. In comparison, households across the state of Kansas had a median income of \$61,091 in 2020 which is estimated to be upwards of \$65,000 presently. While the difference between local and regional income is drastic, the lower cost of living in communities such as Bourbon County reduces the impact of such a disparity. Local residents are expected to retain significant income that can be dedicated to housing. Over the next five years, both average and median household incomes are expected to experience an increase. However, with the current inflation rates being experienced throughout the nation, projections are more difficult to assess accurately. The portion of income available to spend on housing will likely decline if these circumstances persist.

Household Income Distribution		
	2022	2027 Projection
Total Households	5,682	5,531
Less than \$15,000	14.2%	13.2%
\$15,000 to \$24,999	11.4%	10.3%
\$25,000 to \$34,999	10.7%	10.0%
\$35,000 to \$49,999	18.7%	18.8%
\$50,000 to \$74,999	17.8%	17.7%
\$75,000 to \$99,999	11.5%	11.9%
\$100,000 to \$149,999	9.3%	10.7%
\$150,000 or More	6.4%	7.4%
Median Household Income	\$ 45,525	\$ 48,519
Average Household Income	\$ 62,911	\$ 69,239

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

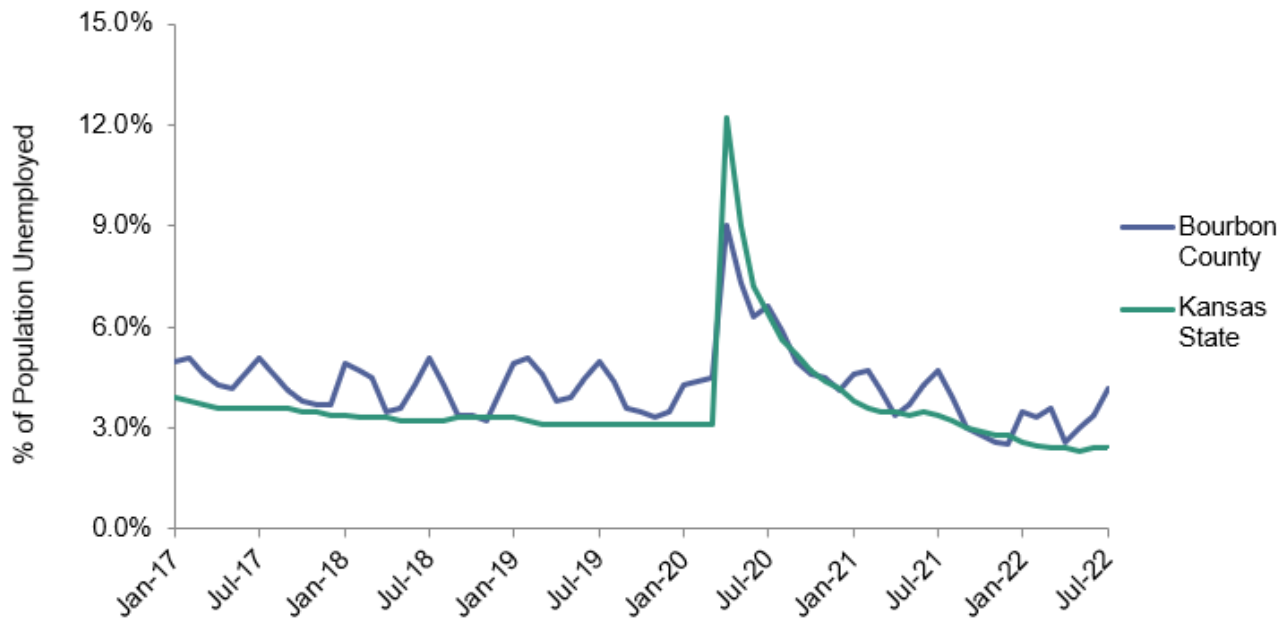
Source: U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography. Esri and Goldstone forecasts for 2022 and 2027

Unemployment Rates

Unemployment data is updated monthly by the Kansas Department of Labor, providing the most accurate economic metric for Bourbon County. As displayed in the chart on the following page, local unemployment has experienced significant variation over the last five years, commonly following a seasonal pattern. Through spring 2020, reported unemployment rates fluctuated between 3% and 5%, most often above the Kansas state average. However, due to the economic impact of Covid-19, unemployment

spiked. Though affected less than the entire state of Kansas, individuals without work doubled in Bourbon County during April 2020. For the next eight months, unemployment was higher than the previous year.

Unemployment Rates Since 2017



Source: Labor Market Information Services, Kansas Dept. of Labor in cooperation with BLS, U.S. Dept. of Labor

SECTION TWO: HOUSING CONDITIONS & AFFORDABILITY

A basic understanding of the existing housing stock is essential in developing strategic plans for future development. When existing units do not meet regional needs or demand, housing intervention becomes a priority. An adequate housing stock addresses various factors such as unit number, property type, housing age, and affordability. The following sections provide an analysis of current housing conditions and the affordability of residents within Bourbon County.

Housing Stock and Occupancy

Location and Property Type

There are currently an estimated 6,805 total housing units within Bourbon County. According to the most recently available U.S. Census Bureau data, 52% of these residences are within “urbanized clusters”, which include regions populated by 2,500 to 50,000 people. The remaining 48% fall under the 2,500-person threshold, and are labeled as rural communities. While the number of housing units is relatively balanced between the two region classifications, the majority of geographical space in Bourbon County is considered rural. The result is a housing stock that displays rural tendencies.

As exhibited in the chart to right, there is a limited variety of housing options available to local residents. Single-family and mobile homes account for nearly 90% of all units, while apartments and duplexes account for just over 10%. Though it is common for more rural areas to lack these traditional rental options, this drastic imbalance places a constraint on households seeking shorter-term residence options. Single-family homes and mobile homes account for a large portion of all rental units.

Housing Age

As is common for midwestern regions with lower population densities, the housing stock within Bourbon County is maturing. The median age of local homes is nearly 50 years, about 10 years older than the national median. Furthermore, less than 3% of all available housing has been built in the last decade. In contrast, almost half of the housing stock was built prior to 1960. The significance of this difference lies within the maintenance required in aging homes. A significant portion of the available housing stock within the county requires substantial rehabilitation efforts, while others are likely to need replacing.

Housing Units by Property Type

	Total	%
Total Units	6,805	
Single-Family Home	5,580	82.0%
Detached	5,559	
Attached	21	
Duplex	122	1.8%
Apartment	579	8.5%
Mobile Home	517	7.6%
Boat, RV, Van, etc.	7	0.1%

Source: U.S. Census Bureau, 2016-2020 American Community Survey, Esri and Goldstone Consulting Group projections

Housing Units by Year Built

	Number	%
Total Housing Units	6,805	
2014 or Later	95	1.4%
2010 to 2013	109	1.6%
2000 to 2009	592	8.7%
1990 to 1999	803	11.8%
1980 to 1989	606	8.9%
1970 to 1979	769	11.3%
1960 to 1969	551	8.1%
1950 to 1959	694	10.2%
1940 to 1949	592	8.7%
1939 or Earlier	1,994	29.3%
Median Year Built	1963	

Source: U.S. Census Bureau, 2016-2020 American Community Survey, Esri and Goldstone Consulting Group projections

Current Occupancy

Of the 6,805 estimated housing units in Bourbon County, U.S. Census Bureau data suggests that 5,682 (83.5%) are currently occupied. Of the occupied homes, the majority are owner-occupied. At 60.8%, owner-occupied houses are near both national and state levels, while the 22.7% renter occupancy is well below those averages. This imbalance has led to a local vacancy rate that is well below Kansas state and U.S. marks. As is common with communities characterized by older homes, many of these empty locations may be currently uninhabitable, or on the verge thereof.

Current Housing Occupancy				
	Bourbon County		Kansas	United States
	Number	%		
Total Housing Units	6,805		1,276,837	142,100,000
Occupied Units	5,682	83.5%	90.3%	89.3%
Owner-Occupied	4,137	60.8%	59.6%	54.4%
Renter-Occupied	1,545	22.7%	30.7%	30.9%
Vacant Units	1,123	16.5%	9.7%	10.7%

Source: U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography. Esri and Goldstone forecasts U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey

Owner-Occupied Housing by Value

An estimated 4,137 homes in Bourbon County are currently occupied by the homeowner. The median value of these units is just above \$95,000. In comparison, the Kansas state median value is currently assessed at over \$160,000, while the national median value is over \$230,000. While just over 15% of homeowners reside in a unit valued at \$200,000 or more, over 20% have a home value of less than \$40,000.

Nationally, home values have soared within recent years. While local valuations have increased as well, most are below the national trends. For this reason, a more valuable comparison might exist between Bourbon County homes and similar communities in the surrounding region. While some of the surrounding areas experience similar distributions as within the county, other nearby areas are a closer reflection of statewide home values. These results present a vast discrepancy between income levels and appropriately priced housing for Bourbon County residents.

Owner-Occupied Housing by Value		
	Total	%
Total Housing Units	4,137	
Less than \$40,000	835	20.2%
\$40,000 to \$64,999	782	18.9%
\$65,000 to \$94,999	662	16.0%
\$95,000 to \$134,999	679	16.4%
\$135,000 to \$199,999	542	13.1%
\$200,000 to \$264,999	393	9.5%
\$265,000 to \$399,999	157	3.8%
\$400,000 or More	87	2.1%
Median Value	\$ 96,092	
Average Value	\$ 132,081	

Source: U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography. Esri and Goldstone forecasts

Renter-Occupied Housing by Monthly Rent

Just over 1,500 housing units within the local community are currently occupied by renters. Projections on the most recently available data estimate that nearly 70% of Bourbon County tenants rent for less than \$625 per month. An additional 12.1% are without a cash agreement. With a median contract rent of \$471, Bourbon County has much lower rates than throughout the state of Kansas. However, the more rural communities in the surrounding areas experience similar rental agreements. Nonetheless, the discrepancies found between these values and household income levels further contribute to the lack of price variation available in the current, local housing stock.

Occupancy Trends

In addition to assessing the current housing stock and occupancy rates, it is necessary to consider past numbers to establish future projections. While vacancy rates have not fluctuated over the last decade, there has been a very slight increase in owner occupancy and a very slight decrease in renter occupancy in Bourbon County. With total housing units decreasing over this same period, formerly unoccupied homes have likely been removed from the market or repurposed to serve other needs. As the community has been characterized as having a more mature housing stock, a need for older homes to be revitalized or demolished will persist. Very similar trends are expected to continue into the near future, with slight increases in occupancy rates and slight decreases in vacancy rates.

Renter-Occupied Housing by Monthly Rent		
	Total	%
Total Housing Units	1,545	
Less than \$250	173	11.2%
\$250 - \$349	128	8.3%
\$350 - \$474	303	19.6%
\$475 - \$624	437	28.3%
\$625 - \$874	308	19.9%
\$875 - \$1,124	3	0.2%
\$1,125 - \$1,649	0	0.0%
\$1,650 or More	6	0.4%
No Cash Rent	187	12.1%
Median Contract Rent	\$ 471	
Average Contract Rent	\$ 467	

Source: U.S. Census Bureau, 2016-2020 American Community Survey. Goldstone Consulting Group Adjustments for 2022

Housing Occupancy Trends					
	2010	2022	2027 Projection	Historic Annual Rate of Change	Projected Annual Rate of Change
Total Housing Units	7,235	6,805	6,600	-35.8	-40.9
Occupied Units	83.5%	83.5%	83.8%	0.00%	0.06%
Owner-Occupied	59.2%	60.8%	61.5%	0.13%	0.14%
Renter-Occupied	24.3%	22.7%	22.4%	-0.13%	-0.06%
Vacant Units	16.5%	16.5%	16.2%	0.00%	-0.06%

Source: U.S. Census Bureau, Census 2000 and 2010 decennial Census data converted by Esri into 2020 geography. U.S. Census Bureau, 2020 DEC Redistricting Data. Esri and Goldstone forecasts.

Housing Tenure

Intuitively, homeowners can be expected to remain within a single residence for much greater lengths of time than renters. In Bourbon County, this is no exception. 77.3% of Bourbon County homeowners have been living in the same unit for five years or more. In comparison, only 28.7% of renters have been within their current residence for the same amount of time. While homeowner distribution is spread relatively evenly across all three-plus year categories displayed in the table to the right, the majority of renters can be expected to live within the same location for three to four years. Collectively, the median tenure for all residents is eight years; a figure on par with the national median.

Tenure at Current Residence (2020)		
	Owner-Occupied	Renter-Occupied
2 Years or Less	0.8%	11.1%
3 to 4 Years	21.8%	60.2%
5 to 9 Years	21.1%	15.0%
10 to 19 Years	22.5%	9.4%
20 to 29 Years	17.9%	1.6%
30 Years or More	15.9%	2.7%

Source: U.S. Census Bureau, 2016-2020 American Community Survey

Housing Affordability

The table on the following page compares the number of households in specified income ranges with the estimated number of units that would be affordable to that household. For owner-occupied housing, affordable price ranges assume a 30-year amortization, with a 15% down payment. These estimations further project a corresponding figure for gross monthly rent. The comparison of households to affordable units develops a “balance” of housing needs versus supply. A positive balance indicates an abundance of available homes for a given income range. A negative balance implies a housing need. While most communities throughout the United States are experiencing housing shortages, this analysis can help to pinpoint the exact areas of focus within Bourbon County.

This analysis does not consider the age or quality of housing. As a result, a marginally lower number of available units may be suitable for residents. This inconsistency may lead to slight inflation of the overall balance for some categories, specifically those involving lower-valued homes. In addition, calculations rely on estimations and projections developed from the most recent data sets available. Considering margins of error, these numbers should not be interpreted explicitly, but rather as a generalized identifier to indicate housing needs for the local community.

All households with a combined income of \$50,000 or more currently represent a deficit of appropriately priced housing. Those earning between \$100,000 and \$150,000 are in the greatest need of increased housing availability. These results indicate that an immediate need exists for homes valued at \$135,000 or more, primarily in the \$265,000 to \$400,000 range. Corresponding affordable rent is \$625 or more. However, considering the number of renter-occupied units in this range, a deficit for rental housing is primarily at the lower end of that range. In short, residents who earn within the identified ranges will have difficulty locating homes suitable to their income range should they decide to relocate within Bourbon County.

Homes valued at less than \$135,000 and with rent at less than \$625 per month currently display a positive balance. This indicates that many households who have the earning potential to reside in higher-valued

homes are currently within this range. As a trickle-down effect often occurs with the addition of housing units, the needs of multiple groups may be met by addressing a single income bracket. For example, if additional housing became available to households earning between \$50,000 and \$100,000 prompting them to relocate, the vacated residences would likely decrease the positive balances currently experienced in homes values at \$95,000 to \$200,000 (\$350 to \$625 monthly rent). This would create more options for residents earning between \$25,000 and \$50,000 per year. This concept prompts a global perspective in strategizing methods to address housing needs within the entire community.

It is important to note that though low-income housing shows a positive balance, these homes are often the oldest, and most in need of updates to remain suitable living locations. Though not a primary need indicated through this metric, the rehabilitation and production of quality lower-income housing options may still be a focus of community development within Bourbon County.

Housing Affordability Analysis							
Income Range	Total Households	Affordable Home Value	Owner-Occupied Units	Affordable Monthly Rent	Renter-Occupied Units	Total Occupied Units	Balance
Total Households	5,682		4,137		1,545	5,682	
Less than \$15,000	807	Less than \$40,000	835	Less than \$250	196	1031	224
\$15,000 to \$24,999	648	\$40,000 - \$64,999	782	\$250 - \$349	145	927	279
\$25,000 to \$34,999	608	\$65,000 - \$94,999	662	\$350 - \$474	344	1006	398
\$35,000 to \$49,999	1063	\$95,000 - \$134,999	679	\$475 - \$624	497	1176	113
\$50,000 to \$74,999	1011	\$135,000 - \$199,999	542	\$625 - \$874	352	894	-117
\$75,000 to \$99,999	653	\$200,000 - \$264,999	393	\$875 - \$1,124	4	397	-256
\$100,000 to \$149,999	528	\$265,000 - \$399,999	157	\$1,125 - \$1,649	0	157	-371
\$150,000 or More	364	\$400,000 or More	87	\$1,650 or More	7	94	-270

Data Note: Total renter-occupied units assumes a distribution taken without the consideration of "no cash rent"

Value-to-Income

Another metric to assess housing affordability within a community is the Value to Income Ratio (V to I). Formulated as a comparison between the median household income and median home value within a region, V to I can be used to infer a diagnosis of the housing market. Ratios below 2.5 display undervaluation of local homes causing issues for potential development, while ratios above 3.0 present affordability issues for residents.

Bourbon County's current Value to Income Ratio of 2.1 indicates an under-valued housing market. This phenomenon creates difficulties in housing development as potential projects may not appraise at a value that generates expected revenue for the developer. Essentially a low V to I places risk for potential housing additions on the developer. Further analysis reveals an estimated 54.1% of homeowners

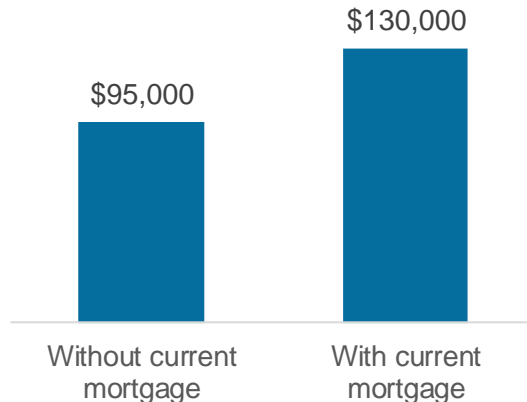
Home Value-to-Income Summary		
	2022	2027 Projection
Median Household Income	\$ 45,525	\$ 48,519
Median Home Value	\$ 96,092	\$ 107,652
Value to Income Ratio	2.1	2.2

Source: U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography. Esri and Goldstone forecasts.

are currently without a mortgage³, well below the national average of 38%⁴. While paying off a mortgage is financially responsible for the homeowner, lower mortgage costs per capita reduce the Value to Income ratio as residents are spending less of their disposable income on the home. As displayed in the graph to the right, homeowners with a mortgage tend to have homes appraised at a much higher value.

While the current Value to Income Ratio presents challenges in expanding the local housing stock, opportunities for improvement exist. Embarking in renovation and rehabilitation projects within targeted areas will increase the value of these homes, increasing the V to I within the community. Additionally targeted development projects can provide a similar effect. If needed, programs to fill cost gaps can be an effective tool in initiating construction projects. Without intervention strategies, the Value to Income Ratio is not expected to experience significant change within the next five years.

Average Home Value by Mortgage Status



Source: U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography. Esri and Goldstone forecasts.

³ U.S. Census Bureau, 2016-2020 American Community Survey

⁴ Jones, J. (2020, November 5). *Cities Whose Residents Have Paid Off Their Homes [2020 Edition]*. Construction Coverage. <https://constructioncoverage.com/research/where-residents-have-paid-off-homes>.

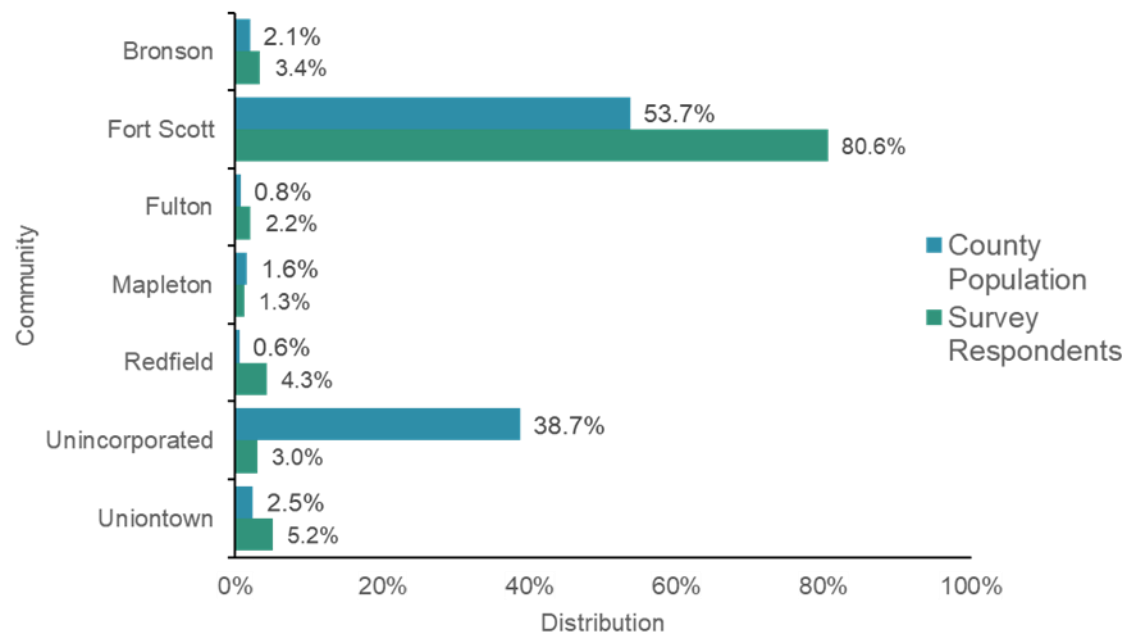
SECTION THREE: BOURBON COUNTY COMMUNITY HOUSING SURVEY

In an independent survey conducted by Goldstone Consulting Group, individuals involved in the Bourbon County housing market were given the opportunity to convey information on various topics relating to this study. 220 responses were collected from county residents, five from local property managers, and one from a local real estate broker.

The graph below displays the distribution of the Bourbon County population by location, compared to the distribution of survey responses. Respondents were heavily biased towards Fort Scott residents, while the unincorporated communities are underrepresented with the majority of these responses coming from Garland. Additionally, 65% of survey respondents indicated that they work within Bourbon County, suggesting that commuters may also be underrepresented by survey results.

Gender, age, household income, household size, race/ethnicity, residential tenure, renter/owner ratios, and property type distributions within the survey all closely resembled distributions of the community. In totality, the survey results from local residents can be expected to provide a relatively accurate depiction of the community as a whole.

Residence Distribution



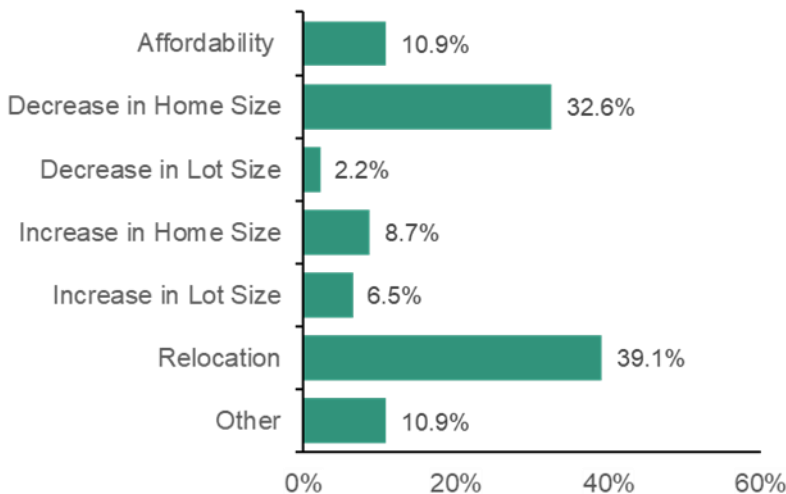
The following segments will categorize responses from the community survey, focusing on the future of the local housing market and factors affecting population trends. Due to the lower volume of responses from property managers and real estate brokers, this section will focus primarily on the results conveyed by residents, with some insights from others participating in the survey. Full data analysis can be produced upon request.

Immediate Future of the Housing Market

Prospective Sellers

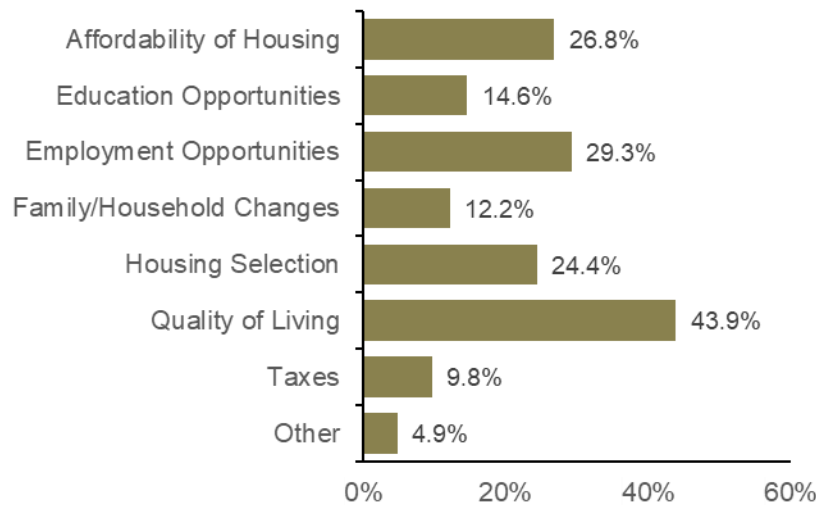
Of all homeowners providing information, 21.5% expect to sell their current home within the next five years. Extrapolating this ratio amongst the entire community suggests that between 825 and 925 currently existing homes will be placed on the market during this time. Though higher than transactions over the past three years, these projections mimic the increasing trend of home sales throughout the nation. Nearly 72% of prospective sellers attribute the decision to a decrease in home size or relocation.

Primary Reason for Selling



While downsizing the home is expected for communities such as Bourbon County which have an increasing number of residents reaching retirement age, relocation as the chief motive for home listings

Reasons for Relocating

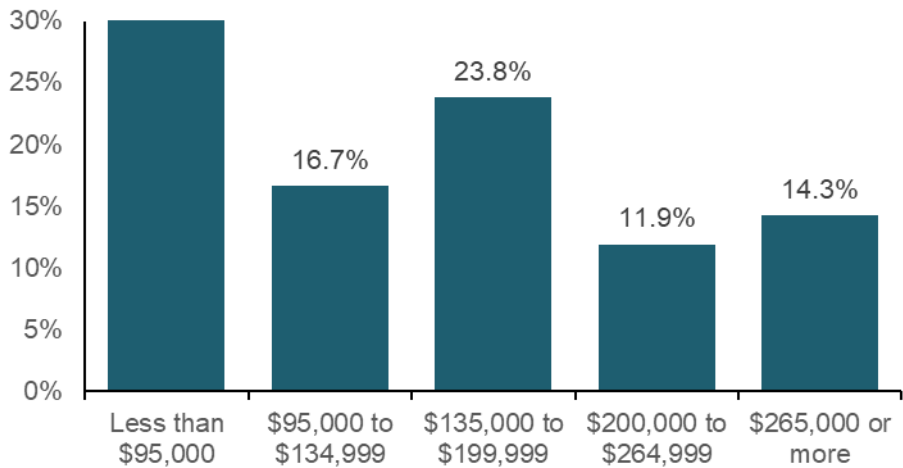


may cause some concern with population retention. Further analysis indicated that prospective sellers were split evenly on their expectation to continue living in the county. Those who desire to leave the local community identify general “quality of living” as the most frequent reason. Employment opportunities, affordability of housing, and housing selection also garnered significant indications. While many of these reasons may be interconnected, the frequency of housing-related causes for a household to leave Bourbon County further justifies the need for housing reform within the community.

In addition to future housing plans, prospective sellers were also questioned about their anticipated listing price relating to their current home (results displayed on the following page). Half of the respondents estimated that their house would be placed on the market at under \$135,000. While the *Affordability Analysis* indicates little need for these types of units, over 1000 current residents have an income level that would support the purchase of a home within this range. These potential home sales may provide suitable options for residents considering a transition from renting to homeownership. Nearly 300 current tenants

have a household income supporting such a home purchase. In contrast, less than 16% of anticipated listings will fall within the primary area of need according to the *Affordability Analysis* (\$265,000 to \$399,999). This future verifies the need for intervention strategies that can work to balance the current housing predicament within Bourbon County.

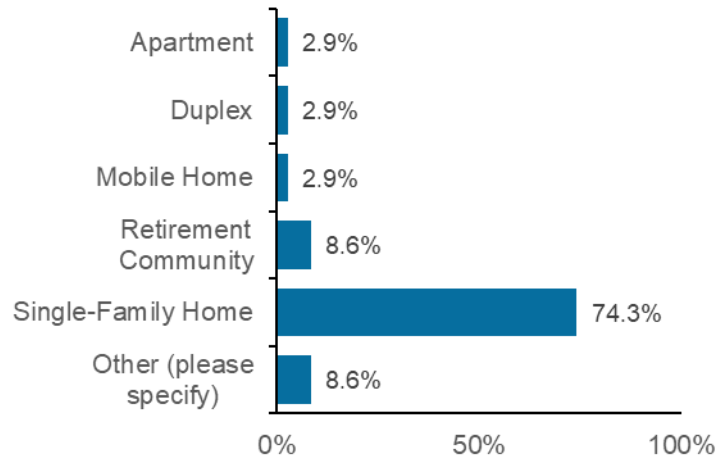
Anticipated Listing Price



Prospective Buyers

All residents who responded to the *Bourbon County Community Housing Survey* were asked about the probability of purchasing a new home within the next five years. Amongst the combination of current renters and homeowners, 13.4% indicated an expectation to purchase a home within the community in the next 5 years. Expanding the results to represent the entire county suggests that between 725 and 800 homes will be sought for purchase by current residents. While this number is likely to be lower than expected sales during this time period, respondents from outside of Bourbon County were not considered in this survey. Undoubtedly, households from outside the community will relocate to within, boosting these projections.

Property Type Needs



Respondents who anticipate a change in residence also provided information regarding their expected needs for an updated living situation. Predictably, single-family homes are projected to be of greatest demand. Though accounting for 74.3% of responses, the desire for single-family homes is estimated to reduce from its current distribution. Retirement communities and duplex options are expected to increase in their desirability in the near future. As another indicator of a population with a denser number of residents reaching

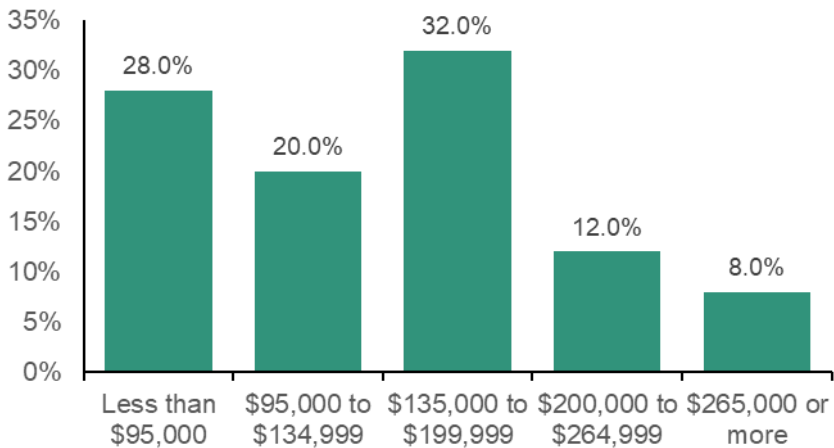
retirement age, these properties become suitable downsizing options.

As an extension of property type, household specifications can provide further insights into housing desires. Expected bedroom requirements for households varied, with three-bedroom units appearing to be the most commonly anticipated need. One to two-bedroom units accumulated the next highest response distribution, aligning with the median household size in Bourbon County. Responses were a little more centralized with bathrooms. Two-bathroom units are certain to be in greatest demand by both prospective buyers and renters, accumulating nearly 65% of the response distribution. While housing specification needs may fluctuate due to various factors, these figures provide insight into the focus of potential development in the future.

Anticipated Bed and Bath Needs	
Bedrooms	
1 to 2 Bedrooms	29.0%
3 Bedrooms	48.4%
4 Bedrooms	16.1%
5 Bedrooms or More	6.5%
Bathrooms	
1 Bathroom	9.7%
1.5 Bathrooms	16.1%
2 Bathrooms	64.5%
2.5 Bathrooms	6.5%
3 Bathrooms or More	3.2%

Home value is a primary factor to consider when addressing housing needs. For residents expecting to purchase a home in the immediate future, units valued between \$135,000 and \$200,000, or less than \$95,000 were reported to be in of highest demand. While the *Affordability Analysis* suggests that the majority of housing needs occur with homes valued at \$200,00 or more, few respondents indicated a purchase budget within this range. Further examination revealed a tendency for respondents to commonly anticipate a budget below the actual feasibility of purchase for their household income bracket. This commonality indicates that local residents may not prioritize home purchases in the allocation of disposable income.

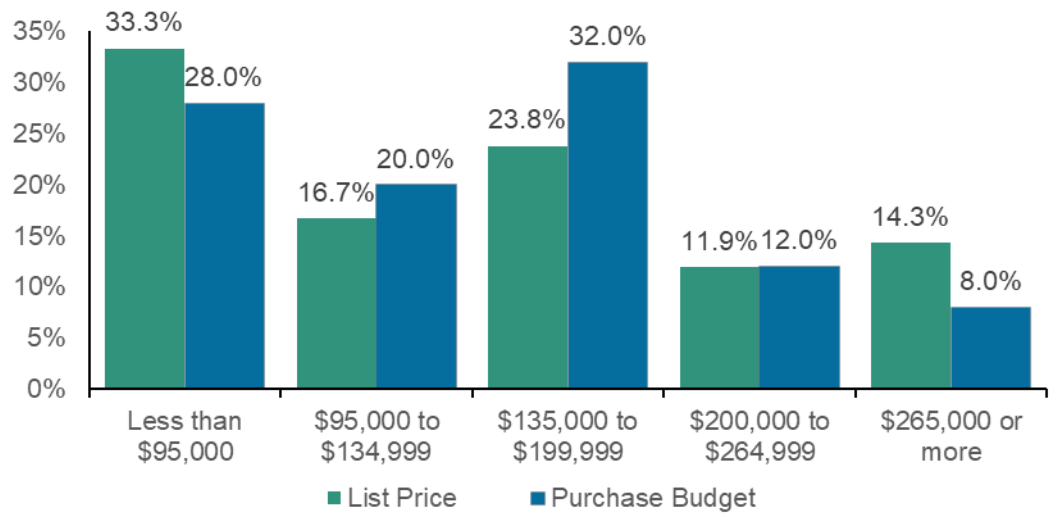
Anticipated Purchase Budget



The chart on the following page compares the anticipated list price of prospective sellers to the anticipated purchasing budget of prospective buyers. Comparing these values displays a very close financial relationship between the future availability of homes to purchase and the demands of the community. The greatest discrepancy lies within the \$135,000 to \$200,000 range where demand is expected to exceed supply, but by only a minor amount. Other variations are even less significant.

Any home-value bracket displaying a negative balance in the *Affordability Analysis* would benefit from supply greatly exceeding demand. Only units valued at \$265,000 or more meet this condition, with the anticipated list price accumulating just 6.3% greater response distribution than the anticipated purchase budget. Such a slight difference is unlikely to address inconsistencies in affordable housing variety. These results further confirm the need for intervention strategies.

Anticipated List Price vs. Purchase Budget



Factors on Population Trends

As the primary driver of housing needs and demands, population variances are a key factor in strategic housing development planning. As outlined previously, more Bourbon County residents have been leaving the region than non-residents relocating over the last century. Specifically, the last decade has shown a slight, but consistent population reduction year over year. Countering this trend and retaining larger portions of the community will serve to increase the economic prosperity and housing development potential of the county.

Resident Satisfaction

While many factors contribute to the relocation of households, quality of living was previously identified as the primary reason causing community members to leave the region. Results from the *Bourbon County Community Housing Survey* provide further insight into this data point. Survey Respondents were asked to rank their satisfaction with living experiences from zero (“very displeased”) to five (“very satisfied”). Responses were compiled to create a weighted average, or score, for each category. Relevant results are displayed in the table to the right. A perfect score of five would indicate absolute satisfaction from all survey respondents. A score of greater than 2.5 represents an overall feeling towards satisfaction, while a score of less than 2.5 represents an overall feeling towards displeasure.

Collectively, Bourbon County residents have a more positive perception of community living, posting a score of 3.09 in overall resident satisfaction. Throughout the county, opinions fluctuated. With respective

scores of 3.67 and 3.29, Uniontown and residents of unincorporated communities provided the highest rankings, while Mapleton reported the lowest score at 1.67. Out of the selections provided, parks and recreation received the highest marks, specifically in unincorporated communities and in Uniontown with respective scores of 3.71 and 3.50. In contrast, street and road quality was rated near extreme displeasure, most notably with a score of 0.67 in Mapleton and 1.41 in Fort Scott. Even the highest-scoring communities (Uniontown at 2.00 and Redfield at 1.90), were unsatisfied with street and road quality. Though generally not a key contributor to population variation, street and road quality presents an opportunity to improve upon community perception in Bourbon County.

Resident Satisfaction	
	Score
Overall	3.09
Parks and Recreation	3.27
Public Schools	3.04
Street and Road Quality	1.47
Utility Services	2.92

While scoring just in the middle at 3.04, public schools seem to garner very opposing views from community members. 11.7% of respondents provided public schools the highest rating, more than any other category. However, the same category received below-average ratings from 30% of respondents. Only street and road quality received more unsatisfactory responses. Scores also varied by location as public schools received strong marks in Mapleton at 4.0 and Bronson at 3.38, but lower scores in unincorporated communities and Fulton (2.71 and 2.75 respectively). Similarly, utility services received fluctuating results, gathering the highest ratings from Redfield with a score of 3.33 and Uniontown at 3.25, but the lowest from Mapleton with a score of 2.00.

Residence Selection

As households relocate into a region, various factors play a role in selecting a new residence. Community members were asked to identify key factors in the process of choosing their current home and an expected future home. In doing so, respondents ranked the importance of these considerations from zero (“not important”) to five (“extremely important”). Responses were combined to create a weighted average, or score for each category. The results are presented in the comparison table below.

When selecting their current residence, community members placed the highest value on affordability and neighborhood with respective scores of 4.30 and 4.17. These two factors were held in much higher regard as the next highest score was given to the number of bedrooms, over 0.6 less. In contrast, access to shopping and proximity to work were the least considered options when selecting a current home.

It is important to note that while quality of schools scored only 3.38, this category had some of the highest indications of importance. In contrast, it also received some of the lowest marks. This

Residence Selection Factors			
	Current Residence Score	Future Residence Score	Change
Access to Parks & Recreation	2.86	3.05	0.19
Access to Shopping	2.73	3.03	0.30
Affordability	4.30	4.33	0.03
Available Square Footage	3.19	3.37	0.18
Lot Size	3.36	3.37	0.01
Neighborhood	4.17	4.29	0.12
Number of Bedrooms	3.49	3.49	0.00
Proximity to Family	3.48	3.51	0.03
Proximity to Work	2.70	2.57	-0.13
Quality of Schools	3.38	3.05	-0.32

phenomenon is very common amongst most communities, as households with school-aged children will place extreme importance on quality education, while those without are often indifferent. Regardless of response data, improving school quality has repeatedly been shown to cause major shifts in population.

Assessing the “Current Residence Score” provides insight into factors that brought residents of Bourbon County to their current living situation. These results can be used to help market the community to prospective residents. In order to retain population, “Future Residence Score” may be a more valuable metric.

When selecting a future home, residents expect affordability and neighborhood to remain a top priority with even stronger scores of 4.33 and 4.29 respectively. Additionally, proximity to family is expected to elevate to the third most important factor. Common with aging populations, proximity will continue to be the least important factor in choosing a future residence for community members as elder residents look towards retirement.

Changes in priorities between current and future residence selection provide insight into the shifting perspectives of community members. While access to shopping was ranked near the bottom, this factor is expected to see the greatest increase in importance for residents when considering their next home. Access to parks and recreation, available square footage, and neighborhood location also displayed significant increases in decision-making. While some of these factors may be difficult to influence, improving in these areas provide an opportunity for Bourbon County to positively affect the quality of life, increasing the chances of retaining current residents. Conversely, the quality of schools and proximity to work displayed the most significant decreases between current and future home selections. Again, these two variations are relatively common in older population groups as less of the population continues to be enrolled in school and participating in the workforce.

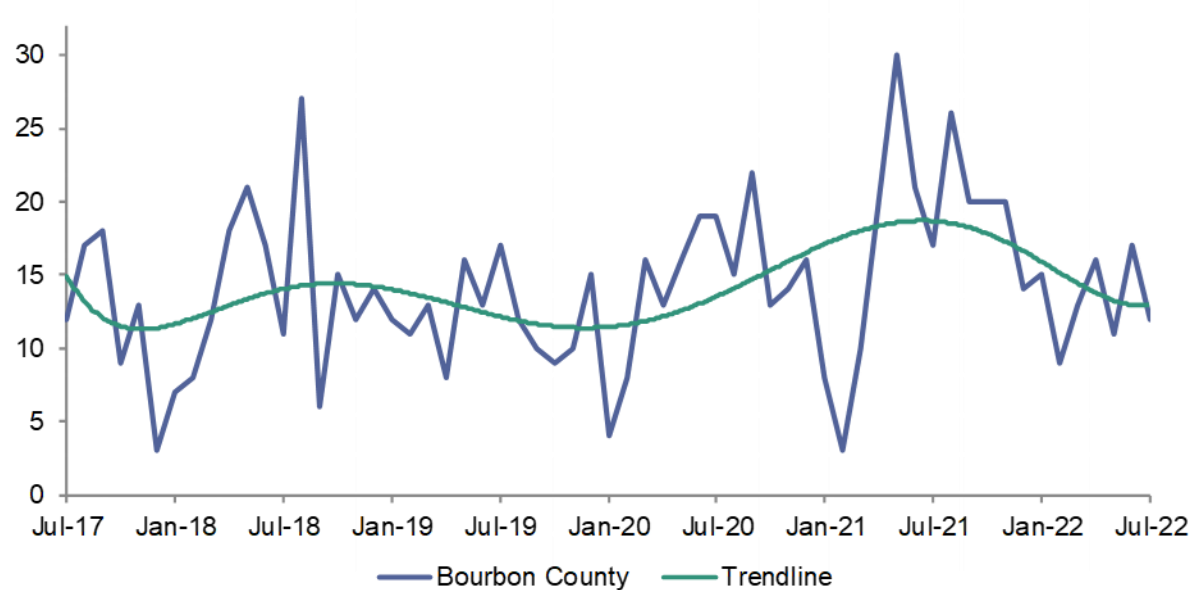
SECTION FOUR: HOUSING MARKET TRENDS

Identifying and analyzing recent trends within the housing market provides another subset of information significant to predicting housing demand. As confirmed by analyzing both available market data and from the input provided by the local realtor who participated in the *Bourbon County Housing Survey*, home sales have been steadily rising within recent years. However, the total volume of transactions and the volatility of the housing market provides challenges in forecasting specific future outcomes, especially in a year-to-year analysis. Each of the following sections tracks data over multiple years to establish trends that are most likely to influence housing demand within Bourbon County.

Home Sales Volume

As is common throughout the nation, there has been an increasing demand from prospective home buyers in Bourbon County. Though sales volume tends to fluctuate seasonally, the below graph displays a steady growth in transactions since 2017. According to sales data collected from Realtor.com and Zillow.com, home purchases in 2021 displayed a nearly 65% increase over 2020. Spurred by favorable lending rates, a surge of sales beginning in mid-2020 carried throughout all of the past calendar year, and into 2022. While this drastic rise has begun to subside, both data trends and local realtor input suggest that the demand from home buyers will continue to grow in the near future. This expectation is likely to put an increased strain on a housing stock that already has adequacy challenges in supporting the local community.

Monthly Homes Sold Since July 2017

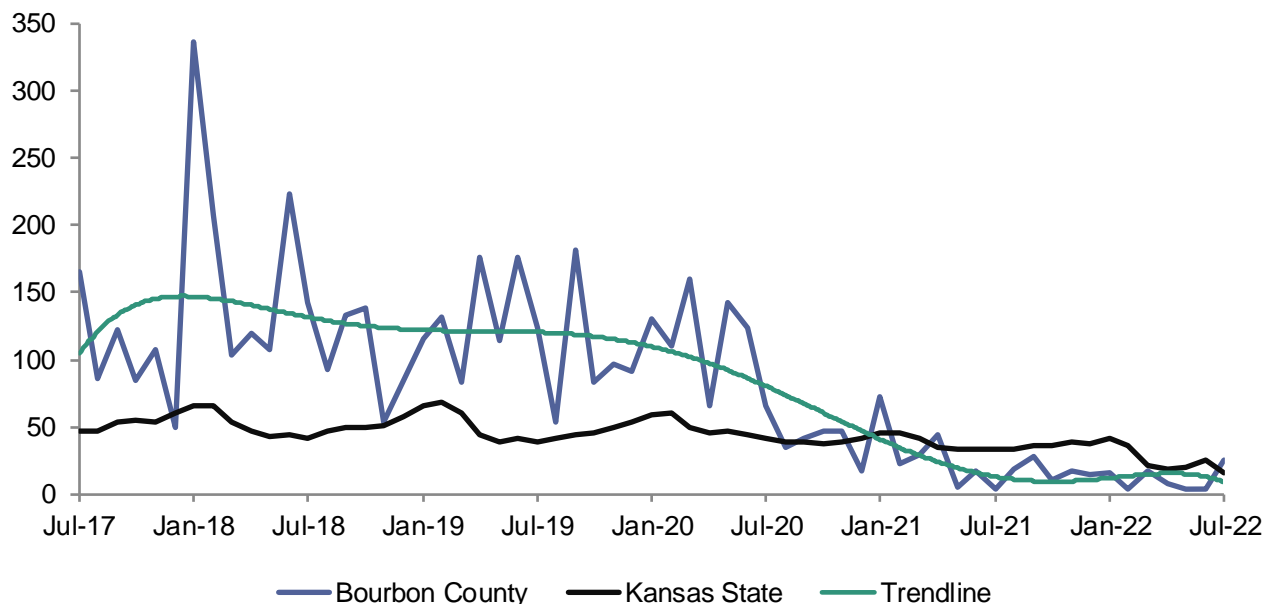


Source: Redfin. (n.d.). United States Housing Market. Bourbon County Housing Market

Median Days on Mark

To further illustrate the increasing competitiveness of the housing market, the length of time that a property spends on the market before undergoing contract has become drastically reduced over the last five years. Throughout the first half of 2018, the median days on market for Bourbon County were generally well above 100. In the first half of this year, that number has dropped to below 25, creating conditions that substantially favor the seller. The extreme change becomes even more apparent when comparing the county to the state of Kansas. Throughout 2017 and 2018, local median days on market were often double to triple the amount of time across the state. However, in 2022, Bourbon County sellers list their homes well below the median number of days in other areas of Kansas. Among other factors, this phenomenon occurs when housing demand rises drastically higher than supply (as indicated in the *Housing Affordability Analysis*).

Median Days on Market Since July 2017

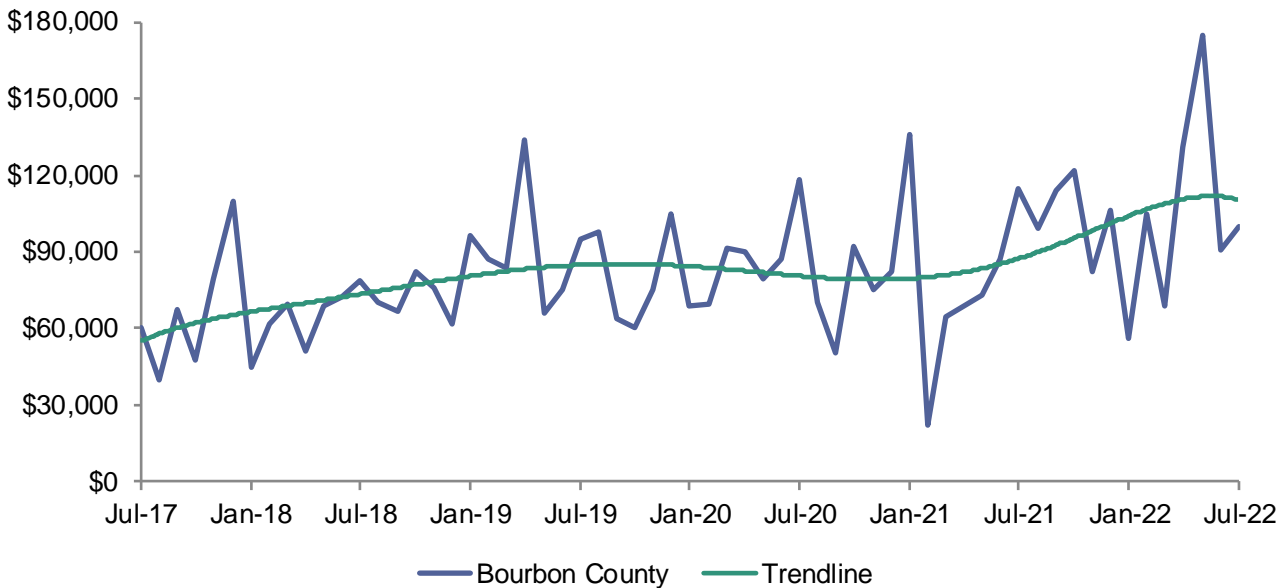


Source: Redfin. (n.d.). United States Housing Market. Bourbon County Housing Market

Median Sales Price

As is evident by the graph on the following page, increase demand over the last five years has correlated to increased housing prices. In May of 2022, the median price of a home sold in Bourbon County reached an all-time high of \$175,000. Since this mark, the price has begun to settle slightly lower. As displayed, substantial variation in median sales price over a month-to-month basis is common in smaller communities with lower transaction volume. However, the trendline indicates and continued to increase over time, confirmed by both national trends and local realtor input. This is another indicator of a market favoring the seller, where demand has outgrown supply.

Median Sales Price Since July 2017



Source: Redfin. (n.d.). United States Housing Market. Bourbon County Housing Market

Recent Home Sales

By weighing publicly available data on recent home sales, a profile can be built to describe the types of properties that are commonly sold in Bourbon County. Over the past year, the average home within the community sold for

Recent Home Sales					
	Price	Beds	Baths	Sq Ft	\$/Sq Ft
Average	\$ 138,914	3	2	1,873	\$ 80
Median	\$ 96,500	3	2	1,338	\$ 84

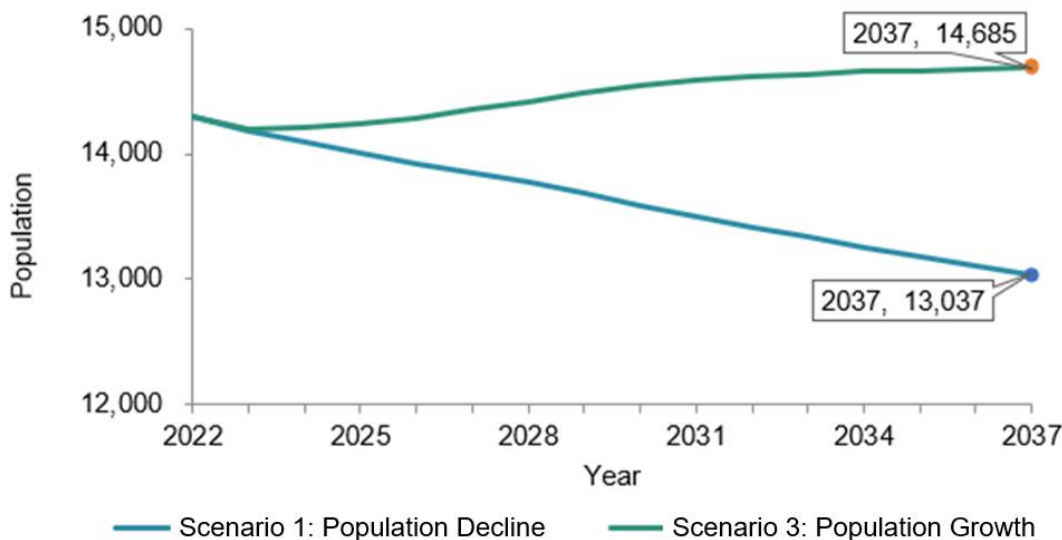
Source: Realtor.com, Zillow.com

just under \$140,000 and included three bedrooms and two bathrooms in around 1,900 square feet. These metrics mirror the indicated demand and expected purchasing budgets of residents polled in the *Bourbon County Housing Survey*. It is also important to notice the vast differences between the average and median in both price and square footage. These significantly lower values indicate that the majority of transactions actually occur below this median sales price and square footage. In essence, most home sales transactions occur where there is an abundance of homes in Bourbon County according to the *Affordability Analysis*, further confirming the need for increased housing variety.

SECTION FIVE: HOUSING NEEDS & DEVELOPMENT

The *Housing Need Analysis* aggregates population and demographic projections, current and anticipated housing stock, vacancy trends, and community input to estimate the future demand and need for additional housing within Bourbon County. While population decline has been a continuing issue within the region, the recent efforts of the Bourbon County Regional Economic Development Corporation serve as an opportunity to reverse this trend. For the purpose of this analysis, three separate potential scenarios have been developed. Displayed in the graph below, *Scenario 1: Population Decline* depicts a continual trajectory of current population trends without increased directives to combat the recent decline. *Scenario 2: Population Stabilization* (not displayed in the graph) provides an estimate based on no change to current population numbers. *Scenario 3: Population Growth* represents a potential increase dependent on aggressive intervention strategies within the community. Within this projection, the population is still expected to dip in 2023 but will increase by just under 3% over the next 15 years.

Bourbon County Population Projections



Source: U.S. Census Bureau, Decennial Census and Population Estimates Divisions; The University of Kansas, Institute for Policy & Social Research; Esri, Wichita State University, Center for Economic Development and Business Research, and Goldstone Consulting Group projections

Housing unit demand for each period is formulated as a ratio of the household population (total population excluding group quarters) to the average household size. In combination with projected vacancy, a housing unit need is established. Housing unit need serves as the total number of occupied and unoccupied units required to support the identified population total at the projected vacancy rate for each period.

Replacement need is the total number of units expected to be demolished or converted for other uses. Homes no longer in suitable living conditions fall within this category and should be exchanged within the housing stock. The replacement need is estimated based on the quantity and quality of the housing stock in Bourbon County. It is important to note that this analysis does not consider the variety of units in the housing stock. Thus, results merely indicate the total number of housing units that may be needed. This

model also does not predict or adhere to consumer demand. Additionally, these numbers are established from the best available estimates and should be used to guide housing development decisions, as opposed to interpreted explicitly.

Furthering the projections on housing need, the *Housing Development Analysis* provides a forecast of production targets for owner and renter-occupied units based on scenarios two and three, where additional housing is a necessity. While the population decline projected in the first scenario does not entirely eliminate the need for new development, in such instances construction is more likely to be directed to specific consumers, rather than the broad population. Under population stabilization and population growth scenarios, housing development forecasts adhere to the following assumptions:

- Housing units will be distributed in correlation to the income demands exhibited in the *Housing Affordability Analysis* and the *Bourbon County Community Housing Survey* responses.
- Lower-income residents will be accommodated primarily in rental units.
- Income-driven demand suggests that the region's housing unit needs should be divided at a similar ratio to the current split between owner and renter-occupied units.
- Housing need not met through the development process in each period would add to the following period.

Housing Need Analysis

Scenario 1: Population Decline

Under such a scenario where recent population trends are to continue in Bourbon County, an overall abundance of housing units is expected over the next 15 years, leading to little need for new property development. As displayed in the table below, continued population decline is expected to lead to an overall negative number of additional housing units required between now and 2037. While many units will be expected to become uninhabitable, the number of total homes will outpace the number of households.

Housing Need Analysis - Scenario #1: Population Decline					
	2022	2027	2032	2037	Total
Household Population	13,921	13,496	13,105	12,753	
Average Household Size	2.45	2.44	2.44	2.42	
Total Housing Unit Demand	5,682	5,531	5,371	5,270	
Vacancy Rate	16.5%	16.2%	16.7%	17.1%	
Housing Unit Need	6,805	6,600	6,448	6,357	
Replacement Need		32	21	14	67
Additional Housing Units Required		-173	-131	-77	-381
Average Annual Construction		-	-	-	-

Data Note: Replacement need, additional housing units required, and average annual construction is calculated from the end of the period to the end of the identified year.

Source: U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography. Esri and Goldstone forecasts

It is important to note that need does not equal demand. While the total number of housing units may be adequate, this study has shown a drastic imbalance in affordable housing. Additionally, with a primarily aged stock of housing in the community, population advancement is likely to require housing advancement. Thus, though the improvement of existing properties should become a priority in this scenario, new development for targeted population should also be explored. Even in population decline, the demand for housing units valued at \$135,000 or more will persist. Though some of this demand may be addressed through renovation projects, it is improbable that housing revitalization will account for all of the disparities existing between the current housing stock and community members. Furthermore, within the *Bourbon County Community Housing Study*, multiple residents indicated a desire to pursue building new homes. Accordingly, a construction potential will still occur but should be approached with strategic objectives by the developers.

Scenario 2: Population Stabilization

Though true population stabilization year-to-year within a community is extremely unlikely, evaluating the result of no change to the current population provides insight into what is needed to support current Bourbon County residents. While the existing housing stock numerically meets the need of the population at the current vacancy rate, existing housing will no longer be adequate over time. As older properties become unsuitable for living, many housing units will need to be replaced in the next five years and continue over time. As displayed in the chart below, an estimated 42 housing units will need to be added by 2037 to support the current population. This leads to an average annual construction of nearly three units per year, with the bulk being required by 2032.

Housing Need Analysis - Scenario #2: Population Stabilization					
	2022	2027	2032	2037	Total
Household Population	13,921	13,921	13,921	13,921	
Average Household Size	2.45	2.45	2.45	2.45	
Total Housing Unit Demand	5,682	5,682	5,682	5,682	
Vacancy Rate	16.5%	16.4%	16.3%	16.2%	
Housing Unit Need	6,805	6,797	6,789	6,780	
Replacement Need		32	21	14	67
Additional Housing Units Required		24	13	5	42
Average Annual Construction		4.8	2.6	1.0	2.8

Data Note: Replacement need, additional housing units required, and average annual construction is calculated from the end of the period to the end of the identified year.

Source: U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography. Esri and Goldstone forecasts

Scenario 3: Population Growth

For the population to increase, an immediate need for supplementary housing in Bourbon County exists. Total population growth of 0.62% by 2027 is estimated to require an additional 37 units to the existing housing stock. Even though vacancy rates are projected to decline, a need for nearly 90 new housing developments is expected to emerge by 2037 under such a population growth scenario. The bulk of these additions would be essential in the immediate future. While this data can be interpreted as a need as a result of population growth, estimates also serve as an outline for potential housing expansion projects that may need to be in place prior, for the population to be able to successfully grow.

Housing Need Analysis - Scenario #3: Population Growth					
	2022	2027	2032	2037	Total
Household Population	13,921	14,056	14,226	14,365	
Average Household Size	2.45	2.46	2.47	2.47	
Total Housing Unit Demand	5,682	5,714	5,760	5,816	
Vacancy Rate	16.5%	16.1%	15.5%	14.8%	
Housing Unit Need	6,805	6,810	6,816	6,826	
Replacement Need		32	21	14	67
Additional Housing Units Required		37	27	24	88
Average Annual Construction		7.4	5.4	4.8	5.9

Data Note: Replacement need, additional housing units required, and average annual construction is calculated from the end of the period to the end of the identified year.

Source: U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography. Esri and Goldstone forecasts

Housing Development Analysis

Under a continual population decline as experienced within Bourbon County in recent history, new property development at a larger scale faces significant challenges. Such a scenario demands a more centralized focus on development projects than what is provided in this analysis. The following sections will provide a broad estimation of where successful projects may be focused under population stabilization and population growth scenarios only.

Scenario 2: Population Stabilization

As explored previously, under a stagnant population the housing stock in Bourbon County is likely to require supplementation. With projections estimating a need for 24 additional housing units by 2027, an immediate response would be necessary. To meet specific income-based demand outlined in the *Housing Affordability Analysis*, the bulk of additions should be directed primarily towards single-family, owner-occupied homes values between \$135,000 and \$200,000, with additional considerations between \$200,000 and \$265,000. While recent home sales and the *Bourbon County Community Housing Survey* data suggest

that a demand exists for owner-occupied homes under \$135,000, such projects are often difficult for property developers to obtain profit and should be approached sparingly. Similarly, though local residents have the income base for an increase in units valued at greater than \$265,000, analysis of recent data suggests that the demand in this range is low.

With an additional 13 units estimated to be in need by 2037, the rental housing options in Bourbon County would also need to be expanded. The general income level for tenants within the county is significantly lower than for homeowners. Under such consideration, renter-occupied development should occur almost entirely for units expected to rent at less than \$875 per month. Investment into duplex and small apartment buildings may provide the opportunity for property developers to obtain a return on new projects. While there is some demand for higher-valued, shorter-term housing, the development of owner-occupied homes will lessen the need within these upper ranges.

Housing Development Analysis - Scenario #2				
	2027	2032	2037	Total Development
Additional Housing Units Required	24	13	5	42
Owner-Occupied Housing Units by Value				
Less than \$135,000	3	2	1	6
\$135,000 - \$199,999	8	4	2	14
\$200,000 - \$264,999	5	2	1	8
\$265,000 or More	2	1	0	3
Renter-Occupied Housing Units by Monthly Contract Rent				
Less than \$625	3	2	1	6
\$625 - \$874	2	1	0	3
\$875 - \$1,124	1	1	0	2
\$1,125 or More	1	0	0	1

Data Note: Values listed are calculated from the previous period to the end of the identified year.

Scenario 3: Population Growth

As noted previously, population growth of 2.74% is expected to require 88 additional housing units by 2037. Owner-occupied housing would still require the bulk of supplementation. Similar to *Scenario 2: Population Stabilization*, homes valued between \$135,000 and \$265,000 would remain the primary developmental focus, as minimal fluctuations in the median and average disposable income are expected.

Aside from the volume of units added, the primary difference between the population increases and stabilization scenarios is the distribution of owner-occupied to renter-occupied housing. In a growth model, the influx of new residents becomes more significant. In turn, these households would likely raise the demand for rental housing. Furthermore, the variety of rental housing needs would also need to be improved. As a result, the table presented to the right displays a greater developmental potential for rental units with a projected monthly rent between \$875 and \$1,125.

Housing Development Analysis - Scenario #3				
	2027	2032	2037	Total Development
Additional Housing Units Required	37	27	24	88
Owner-Occupied Housing Units by Value				
Less than \$135,000	4	3	2	9
\$135,000 - \$199,999	11	8	7	26
\$200,000 - \$264,999	7	5	5	17
\$265,000 or More	2	2	2	6
Renter-Occupied Housing Units by Monthly Contract Rent				
Less than \$625	5	3	3	11
\$625 - \$874	4	3	3	10
\$875 - \$1,124	3	2	2	7
\$1,125 or More	1	1	0	2

Data Note: Values listed are calculated from the previous period to the end of the identified year.

SECTION SIX: RECOMMENDATIONS & STRATEGIES

Housing markets and the accompanying requirements from communities can be volatile, shifting with respect to a variety of variables including population demographics, the local economy, financial and logistical circumstances driving production and rehabilitation projects, financing and lending trends, and housing demand. As a culmination of all analyses provided within this housing assessment, Goldstone Consulting Group professionals have established a series of housing recommendations and strategies that may be used to continue confronting the challenges of balanced affordable housing throughout Bourbon County. These proposed options are presented as possible actions that may be adopted and adapted, combining as needed, to meet the unique needs of the community.

Enhance the Quality of Existing Housing

As is common with more rural communities across the Midwest, Bourbon County is in desperate need of a lift to the valuation of the current housing market. With a current Value-to-Income ratio of 2.1 and a median home value of \$96,092, the number of lower-valued housing units within the community has the potential to reduce the appraisal value of newly constructed units. Encouragingly, the average sales price of a home in the county over the last year is about \$40,000 greater than the median. This signifies the ability for more updated housing units to sell at a value necessary for profit. Nonetheless, substantial investments in the rehabilitation of existing housing units will improve the median price of local listings and increase the appraisal value of development projects. In doing so, prospective builders will have a higher probability of obtaining profits, increasing the likelihood of undertaking development projects. Improving the quality of existing housing provides an opportunity to address the variety of housing in addition to improving the value of the market. Updating existing homes may provide increased options to current households that are currently residing in units less than their affordability level. For example, the *Affordability Analysis* pinpointed an abundance of housing units valued between \$95,000 and \$135,000. Targeted improvements in homes provide an opportunity to increase the value, essentially shifting units into the \$135,000 to \$199,999 bracket which is currently experiencing a lack of homes. Additionally, updating even lower-valued homes would provide higher-quality entry-level options for prospective residents, developing an opportunity to redirect population trends.

Directed Property Development

As noted in the *Housing Affordability Analysis*, the primary need for housing units within Bourbon County exists for homes valued at \$200,000 or more, with additional considerations being given to homes valued as low as \$135,000. Though improving the quality of existing housing is likely to address some of this need (specifically within the lower-valued homes), new construction projects are expected to be a requirement in meeting the needs of local residents. Weighing the full analysis of this assessment suggests that single-family units with around three bedrooms and two bathrooms will provide an opportunity for

expansion within reasonable listing prices. This process can be supported by either creating new lots or the infill of existing lots.

New lot development refers to the subdivision of larger tracts of land to produce multiple new housing units. In contrast, infill lot development prioritizes construction in existing vacant locations where neighborhoods and communities are already established. Each variety of residence development provides advantages in serving the population, while also encountering unique challenges. Both new lot and infill lot development should be explored as potential options for expanding the existing housing stock within Bourbon County.

New Lot Development

The expansion of housing through subdivision development serves as an opportunity to efficiently address the needs of households with similar requirements. As explored throughout this study, current and future demand are expected to primarily exist for comparable units in Bourbon County. Appropriate new lot development will provide an avenue to improve local housing stock in segments where it is currently deficient, specifically for homes valued between \$95,000 and \$200,000. However, these expansion projects will not come without challenges.

The primary obstacles for most subdivision development projects revolved around locating appropriate, available property, and at an affordable price. When developing new unit locations, lot price has a direct impact on the cost of the home, affecting the ability of the developer to generate profit. As property expenses increase, the cost of a house erected on that land must also increase to maintain positive revenue. Providing a variety of options considering infrastructure and logistical differences will be the best method to locate prime opportunities for both developers and future residents in housing expansion.

Bourbon County has many locations suitable for new lot development. Property owned by the county or cities/townships provides an ideal opportunity for development, as financial assistance strategies and incentive packages would be easiest to implement. Additional consideration should be given to properties listed for sale that meet selected criteria optimal for development projects. Still, other locations could be gained through the proposal of purchasing offers to private land owners. One such site is displayed in *Figure 6.1 in Appendix B*. Located to the west side of Cooper Street off the intersection with East National Avenue, this collection of properties provides around 20 acres of ideal real estate for development from a geographical standpoint. These lots provide easy access to US-69, are in close proximity to local schools, parks, and shopping, and are amongst neighborhoods with favorable home values. While the entire tract of land may not be necessary, engaging the current landowners in purchasing discussions may provide a prime location for new property development.

It is important to note that this serves as just a singular example of a location that may be desirable for builders and future residents. Other options exist throughout the county, specifically in the towns of Bronson and Uniontown which present parcels of land with ample space surrounding the currently constructed housing units. In site selection, it is essential to consider both cost and infrastructure elements. However, as noted through the *Bourbon County Housing Survey*, factors such as proximity to family, nearby properties and households, and quality of schools are likely to have a significant impact on the

desirability of the location. Pursuing new lot development is only useful when meeting the demands of the community. New lot development locations should be specialized to meet the specific needs of the project and provide the best opportunity for community advancement.

Infill Lots

While the investment into subdivision projects provides many advantages to a community, infill lot development can serve the population in ways that larger ventures cannot. Roads, utilities, and other infrastructure needs are often already in place, reducing the overall cost of construction. Furthermore, repurposing vacant lots into new housing will improve the value of existing neighborhoods. Infill lot construction also allows for targeted development that may serve specific segments of the population. While also serving owner-occupied housing, these projects are ideal for providing rental options.

Infill lot construction can face a variety of obstacles, especially when approached on a larger scale. The congregation of suitable lots is often a challenging barrier to development. Generally, when a property developer can produce a larger number of housing units, initial production costs can be distributed throughout locations, driving down the overall cost of a single residence. However, investing time, money, and resources to arrange properties from multiple owners can increase the cost of production. Ideal sites would be grouped in clusters to inflate property values in the neighborhood and provide security for potential buyers in their investments. Locations in communities that will sustain the benefit from the higher cost of new construction should be prioritized. In association with property holders, the county could strategically assemble plot selections to meet a potential developer's specific desires by providing a land assembly package. A land assembly package should include a geographic inventory of vacant lots and deteriorated housing units, a plan to remove units beyond rehabilitation, negotiations with current property owners, and community redevelopment plans where infill sites are grouped together. Generating these ideas prior to development can streamline the process and help to offset challenges in production.

These are multiple locations within Bourbon County that would serve as adequate infill lot opportunities, currently listed for sale. Towards the east end of Fort Scott, multiple locations off of Tiffany Lane, and further east, Ironwood Drive and Ironstone Drive, are readily made for construction projects. Already sectioned into parcels, these locations provide the convenience of infill lots coupled with the space to develop multiple housing units. With surrounding property values ranging from \$150,000 to \$375,000 and existing in desirable neighborhoods, developers would have a high probability of recouping their investment.

Appendix B, Figure 6.2 displays a plot of land just under one acre and listed for \$15,000 at the time of this report. Located off of Couch St towards the west side of Fort Scott, many of the home values in this area are estimated at around \$100,00. This location would serve as a premier to address lower-income housing and/or renter needs with a small apartment complex or a duplex on the sizeable property.

Again, these locations are example properties, specifically listed for sale at the time of this report. With both infill lot development and new lot development, a package of options should be put together for the review of potential developers, each designed to meet a specific need within the county. Though Fort Scott accounts for the majority of the population in Bourbon County, other communities have available locations

that are often less publicized, but provide advantages when meeting a variety of housing needs for local residents.

Financial Assistance Programs

Whether developing new housing units or implementing improvements on current structures, financial hurdles often become the primary barrier to the advancement of housing within a community. Often homeowners are reluctant to spend the money necessary to update their property because of the uncertainty of investment returns. Additionally, Bourbon County residents have traditionally dedicated lower amounts of their income toward purchasing or renting homes. Careful project selection may reduce production expenses. However, the cost of land prices, building materials, and construction have dramatically increased in recent years, leading to significant obstacles in providing lower-cost housing units.

The endeavor of addressing the housing crisis in smaller communities must take on shared responsibility. Through targeted public outreach and education sessions, resident participation is likely to increase. However, addressing finances can prove to be a difficult process.

Each of the following strategies could be used to improve the financial accessibility of rehabilitation options for current homeowners.

- **Direct Rehabilitation Loan Program** – These programs can provide forgivable loans and grants to homeowners with low incomes or difficulties securing bank loans. In addition to local contributions, state and federal grants can provide funding to support a further community reach. In some scenarios, private loan funds (such as FHA Title I loans) may be combined with public funds to reduce interest rates on home improvement loans for households with moderate income levels. A combination of programs may be employed to assist community members in updating housing.
- **Energy Efficiency Loans** – Often, funding through local utility providers in rural areas may be leveraged to focus on updating the energy efficiency of current homes. These loans are often issued at low, or no, interest to replace windows, HVAC systems, large appliances, and other energy-efficiency components of the home. As the Bourbon County housing stock is comprised of primarily older homes, many units may need such updates and be eligible for assistance programs.
- **Local Rental Rehabilitation Program** – The local rental market is heavily reliant on single-family homes. These units tend to be some of the older homes in the region and are often in poor condition. In Lincoln County, KS, the Lincoln County Economic Development Foundation has established such a program (RRHP), “intended to support the substantial rehabilitation of rental homes” within the county. The program provides financial assistance in the form of grants for inspections and improvements, as well as low-interest loans. Such a program could be put into place in Bourbon County.
- **State and Regional Rental Rehabilitation Programs** – Organizations such as the Kansas Housing Corporation often work with communities throughout the state and region to focus on affordable rental housing for all community members. In one such instance, the KHRC worked with local

developers, government, and housing organizations to develop duplex housing options for seniors in rural Jefferson County where selection was otherwise nonexistent.

- **USDA Direct Loan Program** – Offered to rural locations, the Section 502 Direct Loan Program assists low-income families in the pursuit of housing options. These loans can be used to build, repair, or renovate a home, including providing sewage and water facilities.⁵ Through an individual application process, residents may be able to use these funds to update existing units, providing increased housing within the community.

In addition to production expenses, expanding infrastructure can deter development projects. Each of the following strategies can be used to offset the costs of developing new or infill lots.

- **Deferred Payment** – The county or individual cities may finance the infrastructure of a development as a deferred loan. The loan is generally repaid upon the sale of the property. This method reduces the risk of financial loss to potential developers.
- **Grants** – State and federal programs such as the Federal Home Loan Bank, USDA, or the HeRo Program, often help with infrastructure financing, especially for the development of rental units.
- **Special Assessment Tax** – Special assessments are often used to finance expensive infrastructure projects for development. The tax would reduce the initial purchase price of a home, creating a lower barrier to entry, but would be repaid through monthly payments, adding to the monthly and overall cost for the house.
- **Subordinate Payments** – The city may pay a portion of public improvements, repaid over an extended period through a second mortgage on the property. This method works similarly to special assessments but reduces payments by reducing the principal and potentially lengthening the term of the loan.
- **Tax Abatement** – Tax abatement may be implemented in a variety of ways. The purpose is to reduce the costs of development by giving an offset in property taxes paid. Doing so will diminish the immediate expense in development, reducing the risk of delayed sales. Particularly effective in renter developments, tax abatements avoid a transfer of higher costs to the renter, reducing the overall rent for the unit.
- **Nonprofit Organization Assistance** – Many regions across the nation find support for housing needs by working in association with a nonprofit organization specializing in the housing market. Together, they focus on providing affordable housing solutions and developments by implementing well-structured growth plans. Generally, the non-profits will subsidize projects in communities that show specific needs. There are many Community Housing Development Organizations (CHDO) across Kansas, specifically SeeKan, Inc. and SekCap, Inc. which serve to develop affordable housing options in Southeast Kansas

⁵ U.S. Department of Agriculture. (n.d.). *Single Family Housing Direct Home Loans*. USDA Rural Development. <https://www.rd.usda.gov/programs-services/single-family-housing-direct-home-loans>.

Community Investment

Successful implantation of strategies to address housing needs is reliant on community buy-in, specifically in the means of population stabilization or increase. Traditionally, the Bourbon County community largely has a positive association with local living. However, younger generations are often leaving the family and relocating outside of the county, resulting in continued population decline. The *Bourbon County Housing Survey* revealed that nearly half of residents leaving the community do so primarily because of the quality of living. To alter these trends, a larger portion of existing residents will need to be retained, while recruiting new community members through increased employment opportunities, housing expansion, and other economic development outcomes. Additionally, increasing quality of life standards for all residents serves as an important opportunity for the recruitment and retention of families and households. Housing development opportunities increase within an expanding population, and investing in the local community is one method to help drive population growth. The following community investment strategies are opportunities for Bourbon County to improve upon the residential quality of living.

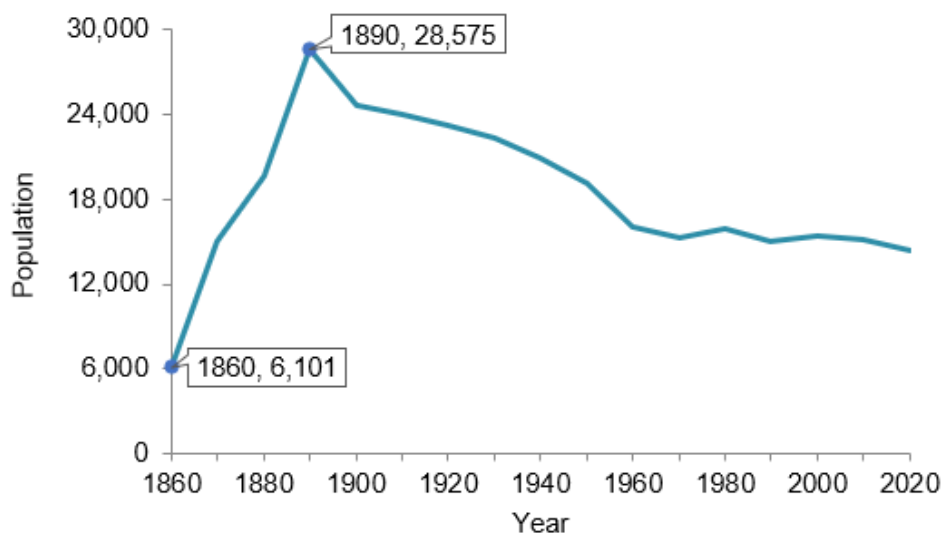
- **Prioritizing Education Investment** – The primary community-based attribute associated with population trends is the quality of local public schools. Niche.com, a leading website providing reviews on communities throughout the U.S., ranks Bourbon County schools at a C+. While community members may hold the education system in higher regard, this provides insight into how non-residents may view education opportunities within the county. Even though respondents to the *Bourbon County Community Housing Survey* did not indicate the quality of schools as the most important factor when deciding current or future residences, consistent studies nationally and regionally point to the importance of available public education as a correlation to population growth/decline. Maintaining school buildings and grounds, providing appropriate educational opportunities, and expanding community involvement in the school system will continue to build upon the positive perception of local public schools. In addition, providing post-secondary connections to local careers will help to retain the younger generations in the county. Furthermore, increasing the notoriety of academic and extra-curricular achievements will build an association of success with the school systems.
- **Infrastructure Improvements** – As evident in the results from the *Bourbon County Housing Survey*, residents often have very poor perceptions of basic infrastructure requirements, specifically street maintenance. While the quality of roads is generally not a deciding factor in residence selection, improvements to current conditions will only improve quality of living. Additionally, if housing development (specifically investment in rehabilitation projects) is a centralized focus of the community, then upholding public property to a higher standard provides a positive example to residents and can instill a sense of pride in making improvements within Bourbon County. Such actions provide tangible evidence of financial investment within the community, increasing the likelihood of reciprocation of investment in personal property.
- **Parks and Recreation** – Well-maintained and accessible parks have a positive impact on the perception of a neighborhood and the surrounding community. Both younger families and older adults tend to spend the most time in parks and at local recreation activities. As the Bourbon County population is aging and efforts to increase population takes place, these will remain two

primary demographic groups in the local community. While county-wide, residents have a favorable impression of existing parks and recreation activities, lower perceptions of some respondents (specifically in Fulton and Mapleton) display an opportunity for improvement. Residents also exhibited an increasing importance placed on such amenities in selectin future homes. Investing in both facilities and programming options directed to target demographics will assist in improving the quality of life and retention of residents where they are likely to relocate.

- **Access to Shopping** – Convenience of common activities often becomes an integral factor in quality of life. Current Bourbon County residents did not place significant weight on access to shopping when choosing their current selection. However, the value of this convenience is expected to increase as residents look for new homes in the future. Ultimately, if residents are able to access items in high demand with less of a commute than they currently experience, the likelihood of their retention increases. The recently commissioned *Bourbon County Community Retail Needs Analysis* provides insight into possible options for expanding the immediate retail market. Capitalizing on these objectives will also yield a positive impact on the development of housing within the community.

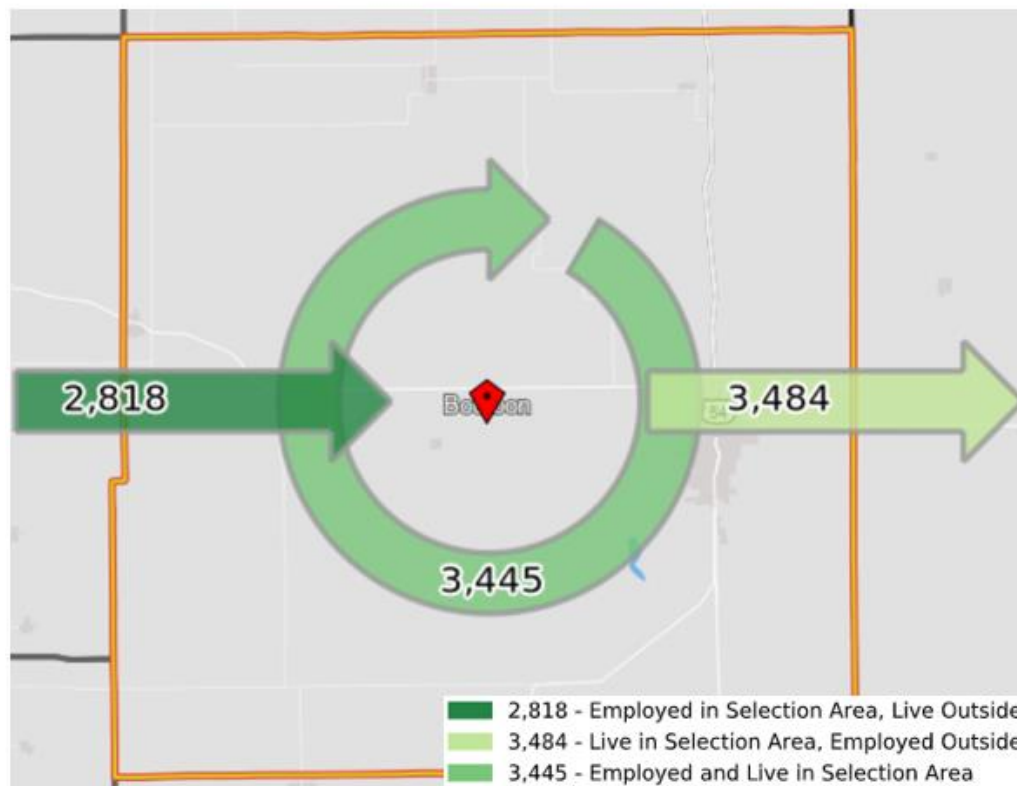
APPENDIX A: ADDITIONAL FIGURES & TABLES

Figure 1.1 - Bourbon County Population Since 1860



Source: U.S. Census Bureau, Census 2020 Summary File 1. Esri and Goldstone Consulting Group projections

Figure 1.2 - 2019 Commuter Pattern Overview



Source: U.S. Census Bureau, Center for Economic Studies, LEHD

APPENDIX B: BUILDABLE LAND

Figure 6.1 – S. Cooper Ave, Fort Scott, KS

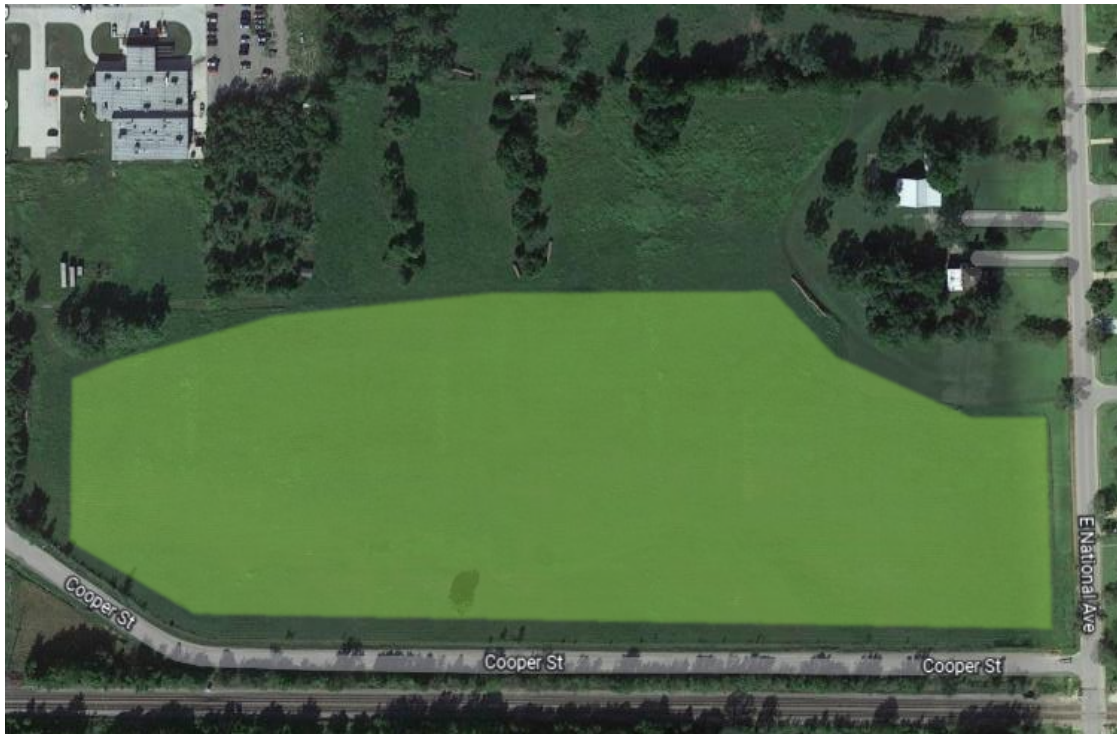


Figure 6.2 – 324 Couch St, Fort Scott, KS

