DEVELOPMENT
FINANCIAL
ECONOMIC
RESEARCH
CONSULTING
SERVICES

DOWNTOWN PHOENIX HOUSING MARKET NEEDS ASSESSMENT

OCTOBER 2007

CITY OF PHOENIX DOWNTOWN HOUSING NEEDS & MARKET ASSESSMENT

OCTOBER, 2007

Prepared For:

The City of Phoenix
Downtown Development Office

Prepared By:

©CRYSTAL & COMPANY

Development, Financial & Economic Research
Consulting Services
Scottsdale, Arizona
(480) 998.2790

with assistance from

APPLIED ECONOMICS

Phoenix, Arizona
(602) 765.2400

TABLE OF CONTENTS

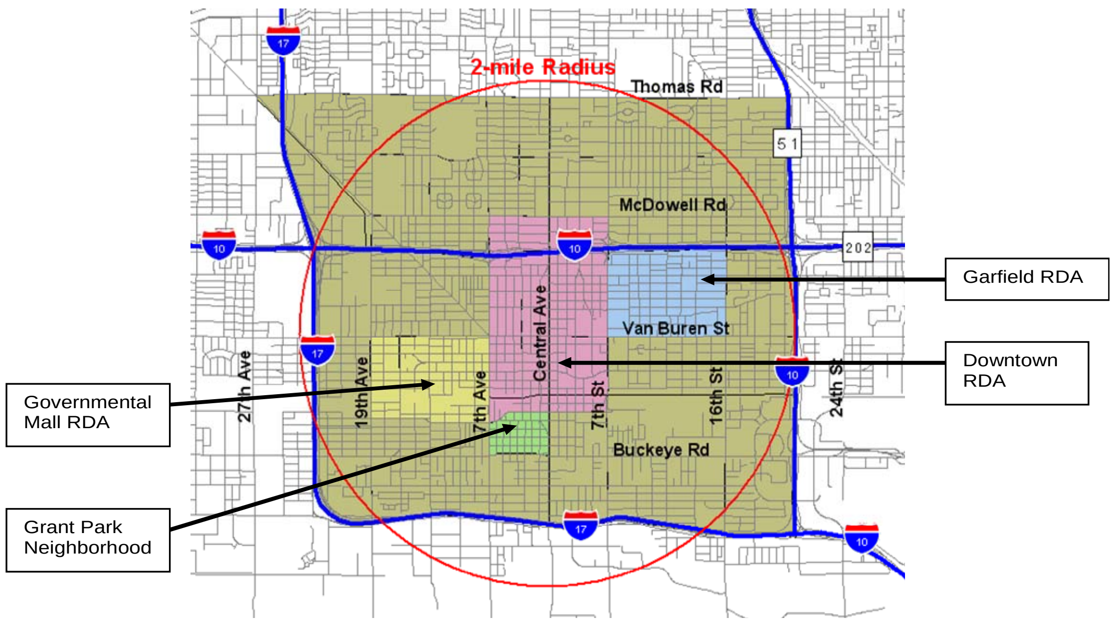
Starts On or After Page

TABLE OF CONTENTS (continued)

Starts On or After Page

EXECUTIVE SUMMARY:
DOWNTOWN PHOENIX HOUSING NEEDS AND MARKET ASSESSMENT

The purpose of this report is to identify the current and projected downtown employment profile, create an inventory of existing and planned housing units in the study area and estimate current housing needs for a range of downtown residential market demand from the present (2007) through 2014. Inventory and market demand estimates were generated for the following current income categories: low-income (earning less than $36,000/annum or 60% of the area median income); affordable (earning from $36,000-$48,000/annum or 60-80% of the area median; downtown workforce (households earning from $48,000-$71,000/annum or 80-120% of the area median); and, market-rate (households earning more than $71,000/annum or more than 120% of the area median). The project study area includes the Downtown Redevelopment Area (RDA); Governmental Mall RDA; Garfield RDA; and, Grant Park Neighborhood. Employment projections were primarily drawn from the Downtown Housing Market Area comprised of a 2-mile radius from the downtown core.



Across the country, downtown housing is driven by demand from households that no longer want the long commute time, seek close proximity to employment, dining and shopping. Downtowns with mature redevelopment programs generating higher levels of residential production (than Phoenix) are pedestrian-friendly, include mass transit, contain a variety of major draws downtown ("place making factors"), incorporate a heavy retail presence and downtown living amenities in addition to being a major employment hub.

Delineated on Figure 3-1 enclosed, consider the following market demand projections for downtown Phoenix from 2007 through 2014:

- ✓ The capture of commuters currently working but not living downtown represents a strong component of demand for all income brackets. For the 'low' and 'affordable' brackets, gross demand is estimated at a combined total of 16,505 units for ownership and rental housing during the projection period or an average of 2,357 per annum. For the 'downtown workforce' and 'market rate' income brackets, gross demand is estimated at 16,720 units or 2,388 per annum.

- ✓ New employment added during the projection period represents a component of gross demand. Demand from the 'low' and 'affordable' income categories is estimated at 946 units or 135 per annum for ownership and rental housing, while 2,246 units or 320 per year for the 'attainable' and 'market-rate' income categories.

- ✓ Despite demand in the 'low' and 'affordable' income brackets, the ability to deliver new, product for both owners and renters is greatly limited by high downtown land and housing costs;

- ✓ The housing needs of existing downtown residents (predominantly rental) also motivates the need for residential production;

- ✓ The incidence of second homes and parent/student residential investments represents a potentially growing component of demand;

- ✓ Metropolitan-wide market demand from purchasers and renters who fit the profile of those seeking the unique downtown lifestyle is substantial. Net demand is estimated at a low of 4,400 to a high of 6,611 units covering a 4-year projection period;

- ✓ Residential production levels in the more mature downtown markets of both Denver and San Diego offer some insight into prospective market capture and residential activity in downtown Phoenix. Both San Diego and Denver experienced sustained levels of residential production under approximately 200 units per annum as their downtown residential markets were cultivated and formed. Since 2001 and the maturation of overall redevelopment efforts, both San Diego and Denver experienced residential production levels ranging from 1,400 - 1,500 dwelling units per annum. The transition from the lower levels of activity to higher generally appeared incremental but not always;

- ✓ The characteristics of employees living in downtown Phoenix was considerably different from selected other western cities. Dallas, Denver, San Diego and Sacramento all contained much higher levels of household income, families with no children and one- and two- person households. These characteristics are generally typical of urban professionals residing in downtowns and it exemplifies the transition that will continue to occur in downtown Phoenix as redevelopment efforts progress over time; and,

- ✓ Urban oriented residential development is emerging in the mid-town Phoenix area along the Central Avenue corridor stimulated, in part, by the light rail alignment. The downtown and mid-town markets are anticipated to become increasingly inter-connected.

Run Date:
1-Nov-07

FIGURE 3-1
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT

DOWNTOWN HOUSING DEMAND FINDINGS

Income Bracket	Component of Gross Demand	Gross Rental Demand Within The Housing Market Area	Gross For-Sale Demand Within The Housing Market Area		Net Demand From Urban Buyers/Renters Metropolitan-Wide		Downtown Denver Residential Prouction	Downtown San Diego Residential Prouction
Low Income (Earning Less Than $36,000)	**Demand From Commuters, '07-'14**	assistance needed, but 9,375	assistance needed, but 2,750					
	From Employment Growth, '07-'14	assistance needed, but 308	assistance needed, but 307					
	Needs of Existing Residents	1,700	266					
	From Annual Inventory Turnover	n/a	30					
	From Student Enrollment By '14	unknown	not viable					
Affordable (Earning $36,000-$48,000)	**Demand From Commuters, '07-'14**	assistance needed, but 2,835	assistance needed, but 1,545					
	From Employment Growth, '07-'14	assistance needed, but 116	assistance needed, but 215					
	Needs of Existing Residents	273	in low income est.					
	From Annual Inventory Turnover	n/a	30					
Downtown Workforce (Earning $48,000-$71,000)	**Demand From Commuters, '07-'14**	3,255	2,590					
	From Employment Growth, '07-'14	162	437					
	From Annual Inventory Turnover	n/a	40					
	From Second Residences	unknown	unknown					
	From Student/Parent Investments	n/a	unknown					
Market-Rate (Earning More Than $71,000)	**Demand From Commuters, '07-'14**	4,075	6,800					
	From Employment Growth, '07-'14	247	1,400					
	From Annual Inventory Turnover	n/a	40					
	From Second Residences	unknown	unknown					
	From Student/Parent Investments	n/a	unknown					
Total (All Income Levels)					4,400 (low) - 6,611 (high)		82 units/annum (pre-light rail) 90% Ownership, 10% Rental 6 Yrs Light Rail - 426 units/annum - 52% Ownership, 48% Rental 2001 - '06 - 1,507 units/annum - 34% Ownership, 66% Rental	1985 - 2000…. 200 units/yr 2000-'06 - 1,419 units/annum….68% Ownership, 32% Rental

DOWNTOWN PHOENIX HOUSING MARKET NEEDS ASSESSMENT

REPORT INTRODUCTION

INTRODUCTION

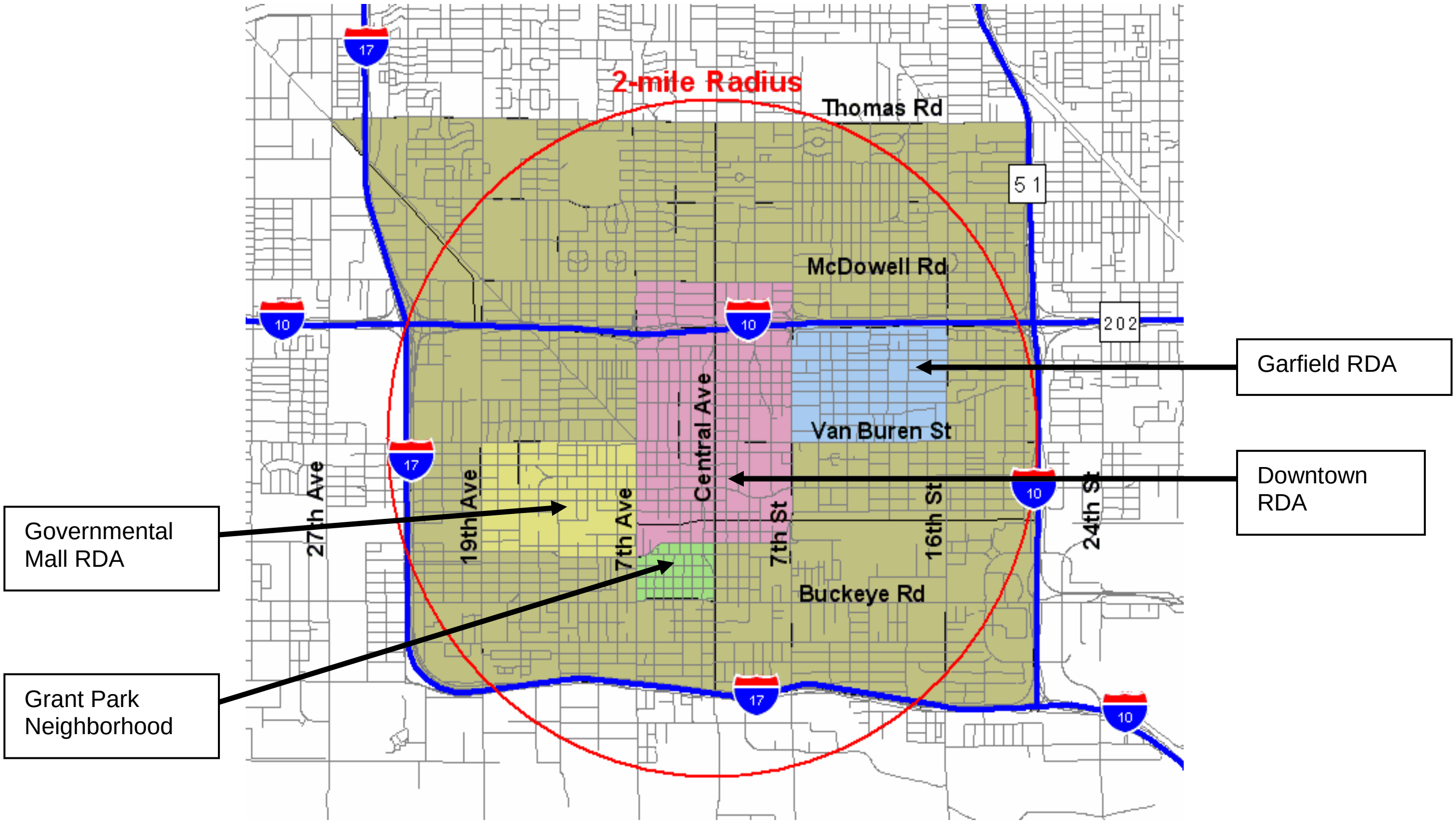
The purpose of this Downtown Phoenix Housing Market Needs Assessment report is to identify the current and projected downtown employment profile, create an inventory of existing and planned housing units in the study area and estimate current housing needs a range of downtown residential market demand from the present (2007) through 2014. Inventory and market demand estimates were generated for the following current income categories:

- Low Income – households earning less than $36,000/annum (60% of the area median income adjusted by family size and below);
- Affordable - households earning from $36,000-$48,000/annum (60-80% of the area median adjusted by family size);
- Downtown Workforce – households earning from $48,000-$71,000/annum (80-120% of the area median adjusted by family size); and,
- Market Rate – households earning more than $71,000/annum (more than 120% of the area median adjusted by family size).

For purposes of this report, the study area is comprised of four individual geographic neighborhoods, as itemized below.

- The Downtown Redevelopment Area (RDA) – The area is generally bounded by McDowell Road on the north, Grant on the south, 7th Street on the east and 7th Avenue on the west.
- Governmental Mall Redevelopment Area (RDA) - The area is generally bounded by Fillmore on the north, Buchanan generally on the south, 7th Avenue on the east and 19th Avenue on the west.
- Garfield Redevelopment Area (RDA) - The area is generally bounded by the 202 Alignment on the north, Van Buren on the south, 16th Street on the east and 7h Street on the west.
- Grant Park Neighborhood – The area is generally bounded by the Lincoln on the north, Buckeye Road on the south, 7th Avenue on the west and Central Avenue on the east.
- Phoenix Study Area – Total of the above four regions.

To generate market demand projections, the Downtown Housing Market Area was established and generally includes the area within a 2 mile radius around the downtown core to more realistically identify the employment and commuter base.



The findings contained in this report are drawn from the following informational sources:

- ✓ 2000 Census.
- ✓ Information regarding subdivisions for sale in the area provided by the Hanley Wood and sales activity generated from the Maricopa County Assessor.
- ✓ Information supplied by the City of Phoenix Downtown Development Office.
- ✓ Permitting, platting and other information were provided by the City of Phoenix Planning Department.
- ✓ Special 2000 census runs outlining affordable housing needs in the region and the FY 2005-2010 City of Phoenix Consolidated Plan.
- ✓ Real estate sales activity supplied by the ASU Center for Real Estate Research.
- ✓ The 2000 Census Transportation Planning Package.
- ✓ Employment estimates and projections generated by the Maricopa Association of Governments and adjusted by Applied Economics from targeted employer survey findings.
- ✓ Commuting, student enrollment and employment information drawn from a survey submitted to TGEN, Arizona State University, the University of Arizona Medical School, Banner Health Services, St. Lukes and Phoenix Memorial Hospitals.
- ✓ Rental market information supplied by RealData, Inc.
- ✓ Research conducted by Crystal & Company.

- ✓ Market Assessment Facing The Potential Demand For Residential Units In The Downtown Area Of Phoenix, Arizona, Meyers Group, November 25, 2003.

All findings contained in this report are subject to change, inasmuch as they are reliant on the following variables influencing ever-changing market conditions in Maricopa County, the City of Phoenix and the downtown study area.

- *Employment levels and patterns, fluctuations in interest rates, household income levels, permitting, single-family and townhome sales activity, standing subdivision inventories, housing turnover, changes in the housing stock, vacancy rates, and the like.*
- *Changes to proposed developments in the region including, but not limited to, project pricing, site plan composition, amenities provided, floor plan design and lay-out, project bedroom mix, lot sizes, project amenities and design, etc.*
- *Amenities and facilities available to and within the study area as well as new commercial, residential, and industrial development in the region.*
- *The volume, restrictions and type of subsidies inherent in or secured by any organization rendering support for residential development in the study area.*
- *The volume and type of incentives provided for subsidized or unsubsidized, competing properties/programs in the study area.*
- *Public and private institutional factors, rules, regulations, and policies affecting the study area.*

DOWNTOWN PHOENIX HOUSING MARKET NEEDS ASSESSMENT

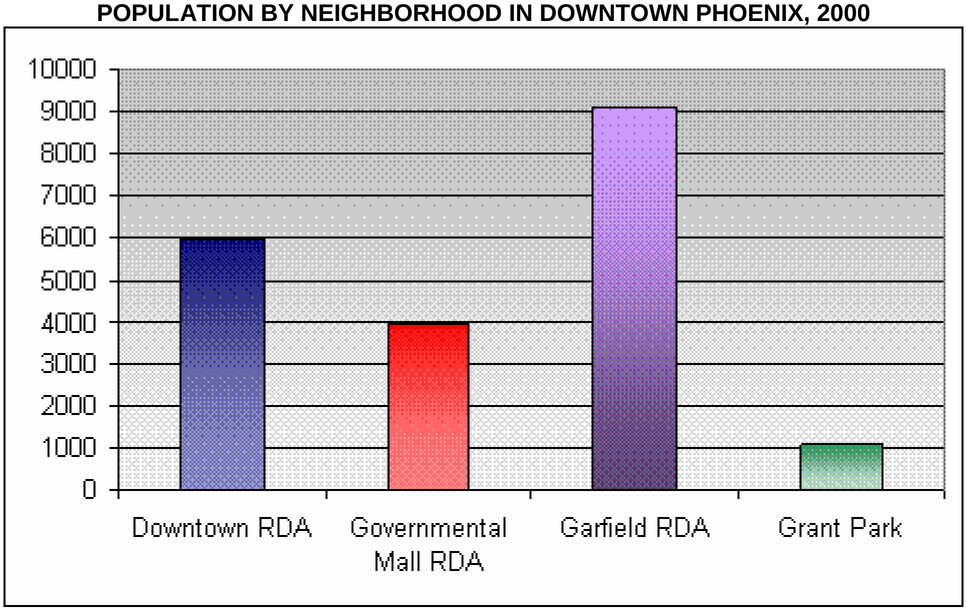
SECTION 1.0 DOWNTOWN STUDY AREA SOCIO-ECONOMIC PROFILE AND EMPLOYMENT PROJECTIONS

SECTION 1.0 DOWNTOWN STUDY AREA SOCIO-ECONOMIC PROFILE AND EMPLOYMENT PROJECTIONS

1.1 Downtown Study Area Socio-Economic Profile

Key demographic statistics for the Downtown Phoenix Study area as a whole and for the specific neighborhoods are presented on Table 1-1 in Appendix 1.0. The downtown Phoenix study in the aggregate held a population of 20,128 residents in 2000. The distribution of population in 2000 is depicted below.

POPULATION BY NEIGHBORHOOD IN DOWNTOWN PHOENIX, 2000

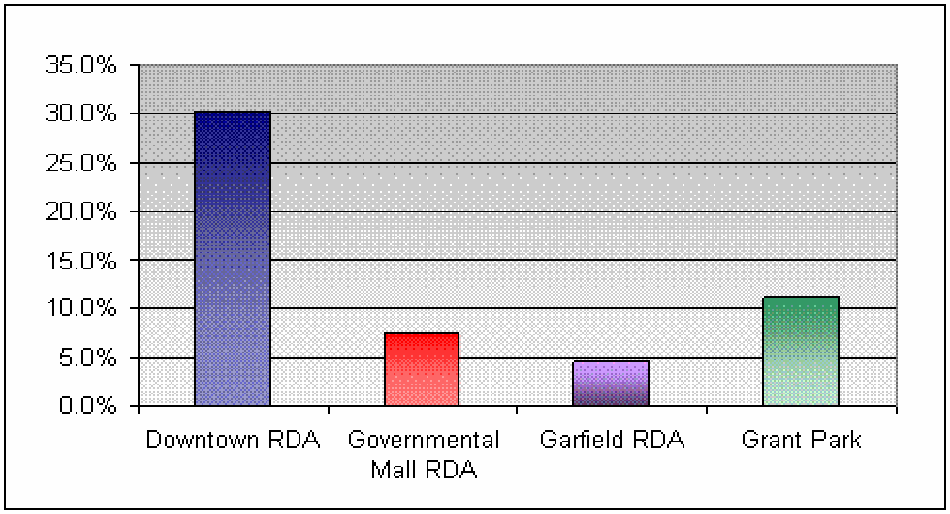


Approximately 67 percent of the study area was comprised of persons of Hispanic origin, while Anglos formed the next largest group at 22.1 percent of the population. About 6.5 percent of the population was of African American descent, Native Americans at 3.2 percent, Asians at 0.4 percent, and all other ethnicities were just over 1 percent.

The Phoenix Downtown study area contained approximately 2.98 persons per household, about 15% greater than the county average of 2.6. Thirty-six percent of all households had children, 32 percent were married.

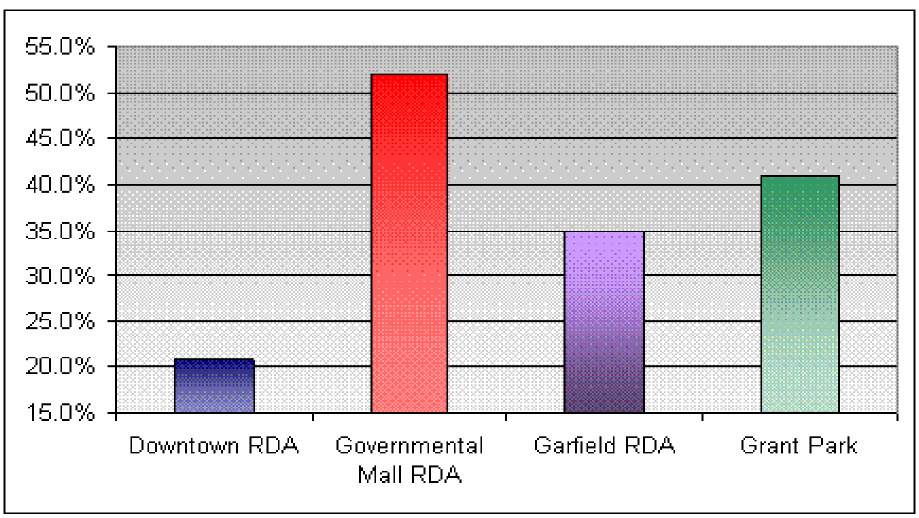
In 2000, the top three industries in the downtown study area were the: (1) construction industry (employing 18.2 percent of workers); (2) the professional, scientific, management, administrative and waste management industry (16.5 percent); and, (3) the arts, entertainment, recreation, accommodation, and food service industry (14.8 percent). The two largest occupational groups are the construction, extraction, and maintenance occupations and the service occupations. Half of the resident workers in 2000 were employed in these occupations (refer to Table 1-2 in Appendix 1.0). Only 47 percent of persons over 25 had achieved a basic high school education in 2000, while 8.5 percent had a bachelor's degree. Predictably, about 13.6 percent of resident workers were in management or professional occupations.

PERCENT OF EMPLOYED CIVILIAN POPULATION BY NEIGHBORHOOD IN MANAGEMENT, PROFESSIONAL, & RELATED OCCUPATIONS, 2000



Average household income reflected the occupational and industry mix of the area at $28,916. Only 5 percent of households earned over $75,000 per year in 2000 and 28 percent earned less than $10,000 per year. In 2000, 41 percent of persons earned less than the poverty level and 15 percent of the labor force was unemployed. About 78% of Downtown Study Area households were renters in 2000.

PERCENT OF FAMILIES IN POVERTY BY NEIGHBORHOOD



In 2000, all of the other metropolitan downtown areas studied had a substantially greater percentage of households earning over $75,000 per year. Percentages here ranged from a low of 16 percent in downtown Sacramento to a high of 38 percent in Dallas. Phoenix contains a higher number of lower income renters throughout the Downtown Study Area when compared with other downtowns in the west where redevelopment efforts are further along.

Downtown RDA

The population of the downtown RDA was approximately 6,000 persons in 2000 and estimated at 7,810 in ‘06 by the city. In 2000, the Downtown RDA was characterized by 1.7 persons per household and married couples comprising only 13 percent of all households. Only eleven percent of all households had children and 89 percent were renter occupied. The industry and occupations in which the residents work include a larger portion of management and professional occupations than the other neighborhoods studied as well as a higher education level. Approximately 34 percent of households earned than $10,000 income per year while 6.8 earned over $75,000. About 31 percent of the Downtown RDA earned less than the poverty level in 2000.

Discussed in Section 2 (Housing Assessment) of the report, the Downtown Phoenix RDA in 2000 was generally comprised of low- and moderate- income rental households with a small but growing number of more affluent owner households. Since 2000, sustained redevelopment efforts have resulted in 1,038 units placed in service, thereby significantly raising the number of more affluent owner households residing downtown and offering a more diverse income range of renter households.

Governmental Mall RDA

The population of the Governmental Mall RDA was approximately 3,946 persons in 2000 and estimated at 4,330 in ‘06 by the city. In 2000, the Governmental Mall RDA was characterized by a comparatively high 3.2 persons per household and 47 percent of all households had children. Married couples comprised 41 percent of all households. A sizable 76 percent of all housing units in the Governmental Mall were renter occupied. About 41 percent of persons aged 25 and older held a basic high school education and only 6 percent had a bachelor’s degree. As a result, a low percentage of workers in this RDA held management or professional occupations. Household income in 2000 was the highest of the four neighborhood studied with a median income of $35,587 per annum. Approximately 27 percent of households earned less than $10,000 income per year, while 6.9 earned over $75,000. The per capita income was $11,621. Over 52.0 percent of families (55.6 percent of individuals) earned below the poverty level in 2000.

Garfield RDA

The Garfield RDA is the most populous neighborhood studied with 9,086 residents in 2000 and an estimated 9,661 in ’06 by the city. The Garfield neighborhood accounts for about 45 percent of the Downtown Phoenix Study Area population in 2000. About 88 percent of the Garfield RDA population are Hispanic.

In 2000, Garfield had a sizable 4.2 persons per household indicating a high incidence of large families. This RDA also had the highest percentage of married couples at 49 percent and households with children at 57 percent. Approximately 58% of Garfield households in 2000 were renters.

Garfield RDA residents generally worked in lower paying occupations and industries, and only 32 percent of persons aged 25 and older residents held a basic high school education and 4 percent held a bachelor's degree. About 4.5% of workers held management or professional occupations in 2000 and the median household income was $27,504. Approximately 20 percent of households earned less than $10,000 per year in 2000 and 3.4 percent earned over $75,000. About 40% of the residents of Garfield earned less than the poverty level in 2000.

Grant Park Neighborhood

The Grant Park neighborhood contained about 1,104 persons in 2000 and approximately 85% were of Hispanic origin.

Although the household size was large in 2000 at 3.6 persons per household, only 29 percent of all households were married and 36% households had children. Indicative of the incidence of poverty, about 26 percent of total households were headed by females with no husband present. Of these, 56 percent included children. About 72 percent of all Grant Park households were comprised of renters.

The industry and occupations in which the residents of Grant Park work are primarily low paying jobs that require little education (Table 2). About 38 percent of persons aged 25 and above held a high school education in 2000, and 3 percent held a bachelor's degree. About 11 percent of Grant Park workers held management or professional occupations. In 2000, the average household income was $27,932, with 36 percent of households earning less than $10,000 per annum. Only 4.2 percent of households residing in the Grant Park RDA earned over $75,000 per year and the per capita income was $8,287. About 46 percent of the persons residing in Grant Park earned less than the poverty level in 2000.

1.2 Employment Survey

A survey of several large employers in Downtown Phoenix was conducted as part of the housing demand analysis. The objective was to obtain information about the current and projected socioeconomic profile of workers and students in Downtown, and projected increases in their numbers. The survey requested information about the income, age and commuting patterns which are most salient in estimating residential housing demand. Survey participants included the University of Arizona, Arizona State University, Banner Health Care, St. Lukes Hospital, Phoenix Memorial Hospital and TGEN. Each participant was contacted between April and July of 2007 and was provided a survey form similar to the table shown below. Survey results are depicted below. Most but not all survey participants also provided a tally of their employees by home zip code as requested.

CITY OF PHOENIX
DOWNTOWN HOUSING NEEDS ASSESSMENT STUDY
LARGE EMPLOYER SURVEY SUMMARY

Employees	2007	2008	2009	2010	2011	2012	2013	2014
Total Paid Staff	7,445	7,789	8,072	8,479	8,908	9,111	9,395	9,498
By Status:								
Full Time	6,271	6,527	6,773	7,116	7,477	7,656	7,894	7,982
Part Time	1,174	1,252	1,299	1,363	1,431	1,455	1,501	1,517

By Salary Range - Current Employees *		***By Salary Range - Current Employees ****	
Under $36,000	3,535	Under $36,000	47.5% %
$36,000 - $48,000	1,112	$36,000 - $48,000	14.9% %
$48,000 - $71,000	1,631	$48,000 - $71,000	21.9% %
Over $71,000	1,166	Over $71,000	15.7% %

***** Cash income without benefits.***

By Age:		***By Age:***	
Under 24	550	Under 24	7.4% %
25 to 34	1,867	25 to 34	25.1% %
35 to 44	1,832	35 to 44	24.6% %
45 to 54	1,917	45 to 54	25.7% %
55 to 64	1,105	55 to 64	14.8% %
65 and Over	178	65 and Over	2.4% %

Others:	2007	2008	2009	2010	2011	2012	2013	2014
Volunteers:	610	580	585	610	620	630	640	650
Students:	3,683	6,417	7,401	8,580	9,803	10,573	11,391	12,207

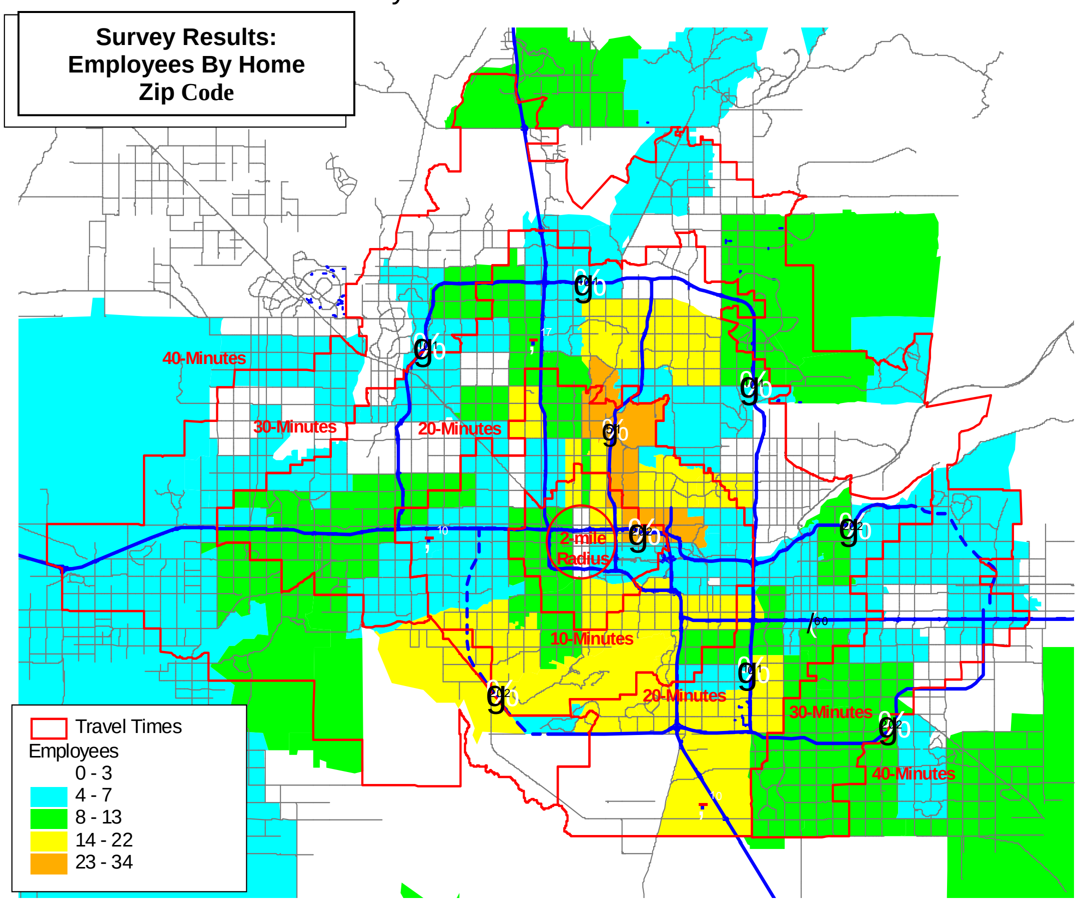
In all, more than 7,400 employees were covered by the survey including about 6,200 full-time and 1,200 part-time workers. The number of employees in these establishments is expected to increase at least 20 percent over the next seven years. This is a conservative projection of employment growth since not all participants were able to provide the information, in which case their employment was held constant for the period.

Incomes of workers in the survey were classified into income categories that correspond with those used in the study for housing demand estimates. Some of these income categories include official breakpoints used by the Department of Housing and Urban Development to determine eligibility for some of their affordable housing programs. .

Workers in the survey were also categorized by age, with the knowledge that most people who are interested in living in high-density urban housing are on the younger and older ends of the age spectrum. The survey shows that nearly half of workers included are either under age 34 (32 percent), or over age 55 (17 percent). This likely over-states the potential market since many in the under 34 category likely have children, which makes them much less likely to pursue downtown housing. This information was too sensitive to be included in the survey, but it is addressed in the data from the Census Transportation Planning Package. Based on Census data, we can assume that at least half of the persons under 34 have children, limited the total potential based on age of workers to about one-third of total employment.

The survey also addressed the groups of people who may be interested in downtown housing based on being associated with one of the major employers included in the survey. This includes volunteers at hospitals and students at the educational institutions. Estimated at 3,683 currently, student enrollment is anticipated to more than triple to 12,207 by 2014 . While it is not likely that a large number of volunteers or students will be able to afford market-rate housing downtown, they will represent an added strain on the affordable inventory. Parents investing with or for their student children may represent a component of market demand going forward.

Finally, the survey obtained information about the home residence patterns of persons working downtown, including a tally of employees by home zip code. This information, aggregated for all employers, is shown in the following map. The map shows a much higher concentration of employees living nearer to downtown, but also shows people coming from great distances. Significant numbers of persons in the survey were found to live as far away as Anthem north of Phoenix or Maricopa in Pinal County. This clearly shows that the potential market for housing in Downtown Phoenix extends far beyond the immediate area.



1.3 Current and Projected Downtown Phoenix Employment

Employment projections by income level are presented in this section of the report. Income data from the Census Transportation Planning Package (CTPP) was used to determine the distribution of workers by income category in 2000. The income categories from the Census data were adjusted for inflation to 2007, and aggregated into the income categories that range from low-income to high-end, market rate consumers.

Next, employment estimates and projections for each RDA and/or neighborhood, and the balance of the Downtown Housing Market Area, were developed based on small-area socioeconomic data from the Maricopa Association of Governments. This information included employment by land use category for 2000, 2005, 2010 and 2020 as shown below. Significant levels of employment growth are forecast for the market area, with some lag in growth in the Downtown RDA until after 2010. However, this does approximately correspond with the timing of the completion of Convention Center expansion, and of major hotel and office projects currently underway or about to break ground. This information was interpolated to develop projections of employment annually for 2007 through 2014. Finally, findings from the downtown employer survey discussed earlier in section 1.2 of the report were used to adjust MAG employment estimates (by Traffic Area Zone) upwards where appropriate.

.

EMPLOYMENT GROWTH IN THE DOWNTOWN PHOENIX HOUSING MARKET AREA

	2000	2005	2010	2020
Downtown RDA	49,759	50,388	54,790	65,855
Garfield RDA	820	831	2,043	3,606
Govt Mall RDA	11,720	12,343	14,013	17,031
Grant Park Neighborhood	439	452	1,042	1,058
Downtown Study Area Total	62,738	64,014	71,888	87,550
Other Downtown Market Area	55,751	60,509	66,853	84,613
Total Housing Market Area	118,489	124,523	138,741	172,163

Sources:
Maricopa Association of Governments, 2007.
Applied Economics, 2007.

Next, the Census Transportation Planning Package (CTPP) data was used to share out total employment by income category for 2000 refer to Table 1-4 in Appendix 1.0). A shift-share approach was then used to account for real income growth by year from 2001 through 2014. Changes in county income levels were used to shift employees from one income category to another, and then adjust the new total by sharing out the subtotal in each category. This analysis was performed using 10 income categories to ensure accuracy, and then sub-totaled according to the stipulated income categories. Information on current and projected employee income was drawn directly from surveys when appropriate. The following table shows the number of employees in each portion of the study area by income category for each year of the projection period.

EMPLOYMENT PROJECTIONS BY INCOME, 2007-2014

	Less than $36,000 (<60% of AMI)	$36,000-$47,999 (60%-80% of AMI)	$48,000-$70,999 (80%-120% AMI)	$71,000 or more (>120% AMI)	Employees
Downtown Redevelopment Area					
2007	11,194	6,198	7,836	26,877	52,105
2008	11,289	6,275	7,969	27,452	52,985
2009	11,385	6,353	8,104	28,038	53,880
2010	11,481	6,431	8,241	28,637	54,790
2011	11,597	6,522	8,394	29,295	55,807
2012	11,714	6,613	8,549	29,968	56,843
2013	11,831	6,705	8,707	30,655	57,899
2014	11,950	6,799	8,868	31,357	58,973
Capitol Mall Redevelopment Area					
2007	3,021	1,943	2,004	6,017	12,986
2008	3,075	1,985	2,057	6,202	13,319
2009	3,131	2,028	2,112	6,391	13,662
2010	3,187	2,072	2,167	6,586	14,013
2011	3,225	2,105	2,211	6,748	14,289
2012	3,264	2,138	2,256	6,913	14,570
2013	3,303	2,171	2,301	7,082	14,857
2014	3,343	2,205	2,348	7,255	15,150
Garfield Redevelopment Area					
2007	386	155	96	554	1,191
2008	459	185	115	667	1,426
2009	545	220	138	803	1,707
2010	648	263	166	966	2,043
2011	681	277	176	1,029	2,162
2012	715	292	186	1,095	2,289
2013	752	308	197	1,166	2,423
2014	790	325	209	1,241	2,564
Grant Park Neighborhood					
2007	207	79	104	241	631
2008	243	93	123	287	746
2009	286	110	145	341	882
2010	336	130	172	405	1,042
2011	334	129	172	408	1,044
2012	332	129	173	411	1,045
2013	331	129	174	414	1,047
2014	329	129	174	416	1,048

In all, total employment in the Downtown Phoenix Study Area (the aggregation of the four neighborhoods included in the analysis), increases from about 66,900 persons in 2007 to about 77,700 in 2014. When we add a 2 mile radius around the downtown core, the resulting Downtown Phoenix Housing Market Area increases from approximately 130,000 employees in 2007 to 151,100 employees by 2014.

EMPLOYMENT PROJECTIONS BY INCOME, 2007-2014 (continued)

	Less than $36,000 (<60% of AMI)	$36,000-$47,999 (60%-80% of AMI)	$48,000-$70,999 (80%-120% AMI)	$71,000 or more (>120% AMI)	Employees
Downtown Phoenix Study Area 1/					
2007	16,181	8,000	13,394	29,338	66,913
2008	16,465	8,159	13,700	30,152	68,476
2009	16,773	8,327	14,021	31,009	70,130
2010	17,107	8,507	14,358	31,916	71,888
2011	17,313	8,643	14,643	32,703	73,302
2012	17,523	8,781	14,933	33,511	74,748
2013	17,736	8,922	15,229	34,339	76,225
2014	17,952	9,065	15,531	35,189	77,736
Balance of Downtown Market Area 2/					
2007	20,684	7,889	10,330	24,068	62,971
2008	20,964	8,027	10,558	24,690	64,239
2009	21,246	8,168	10,791	25,328	65,533
2010	21,532	8,311	11,028	25,982	66,853
2011	21,900	8,487	11,312	26,748	68,447
2012	22,274	8,666	11,602	27,537	70,078
2013	22,654	8,849	11,899	28,348	71,749
2014	23,039	9,035	12,204	29,182	73,459
Downtown Housing Market Area					
2007	36,865	15,889	23,724	53,406	129,884
2008	37,429	16,186	24,258	54,842	132,715
2009	38,019	16,495	24,812	56,337	135,663
2010	38,639	16,818	25,386	57,898	138,741
2011	39,213	17,129	25,954	59,452	141,749
2012	39,797	17,447	26,535	61,048	144,826
2013	40,389	17,770	27,128	62,687	147,974
2014	40,991	18,100	27,735	64,371	151,196

Sources:
Total Employment - 2000, 2005, 2010 and 2020: Maricopa Association of Governmenets, 2005 and 2007.
Year 2000 Income Data - U.S. Bureau of the Census, Transportation Planning Package, 2003.
Other - Applied Economics, 2007.

1/ Sum of the four redevelopment areas.
2/ Balance of area included in Downtown Housing Market Area.

1.4 Downtown Employment In Phoenix Compared To Other Western Cities

Tables 1-3(A-C) compare CTPP information for the Downtown Phoenix Study Area and Housing Market Area with the San Diego, Denver, Dallas and Sacramento downtown areas. This comparison was made in terms of income, household size and type, and industry and occupation. Consider the information collected in 2000 for each of the western cities analyzed.

<u>San Diego</u>

Downtown San Diego has a slightly larger employment base than the Downtown Phoenix Study Area, although like Phoenix, its close proximity to other employment, including its airport, means there are many more jobs close by. It also has an established light rail system. About 50 percent of employees working in both downtowns live in households with incomes above $71,000 per year. However, only 10.6 percent of Downtown Phoenix residents live in households earning above $71,000 compared to 33.6 percent in San Diego.

Along with the differences in income come significant differences in household size and type. About 87 percent of residents in downtown San Diego live in one or two person households, compared with about 38 percent in the Phoenix Study Area and the Housing Market Area. Not surprisingly, households without children comprise 53 percent in Phoenix and 92 percent in San Diego. Clearly, the characteristics of the population in San Diego are very different than Phoenix.

Denver

The Denver area has an employment base very close in size to the Downtown Phoenix Housing Market Area with about 100,000 workers in 2000. It is served by light rail, and is positioned near the center of a geographically large metropolitan area. However, in terms of residents it is much closer in size to the Phoenix Study Area. Among employees working in each area, about 50 percent live in households earning $71,000 or more per year. The statistics for employees living in each area are different, as in the case of San Diego with 10.6 percent in Downtown Phoenix living in households earning above $71,000 compared to 43.5 percent in Denver.

About 93 percent of residents in downtown Denver live in one or two person households, compared with about 38 percent in the Phoenix Study Area and the Housing Market Area. Households without children comprise 53 percent in Phoenix and 95 percent in Denver, again very similar to San Diego. Downtown Denver has a much high share of employees working in Information, F.I.R.E. (Finance, Insurance and Real Estate), and Professional and Scientific Services industries than Downtown Phoenix at 58 percent versus 29 percent. This significant concentration of highly skilled workers has a positive impact on the downtown housing market Denver, as will TGEN and the new college programs coming to Downtown Phoenix.

Dallas

Downtown Dallas has about the same size employment base as the Downtown Phoenix Housing Market Area, despite being about the size of the Study Area physically. Amazingly it has a base of nearly 100,000 employees, but has only about 1,100 employed persons who live there. Over 50 percent of employees working in downtown Dallas, and those who live in downtown Dallas, live in households with incomes above $71,000 per year. This compares with only 10.6 percent of Downtown Phoenix employed persons residing in households earning above $71,000.

Like San Diego and Denver, the vast majority of employed persons living in downtown Dallas reside in one or two person households and do not have children under 18 at home. Also like Denver, downtown Dallas contains a high proportion of highly skilled workers, although that has not apparently translated into the same interest in downtown housing. Denver has 3.5 times as many workers living downtown as Dallas on a nearly equal size employment base. Clearly, the emphasis for development in downtown Dallas is much different than the emphasis in Denver.

Sacramento

Downtown Sacramento has about the same size employment base and number of employed residents as the Downtown Phoenix Study Area. It has a base of nearly 65,000 employees, and about 3,200 employees reside there. Other similarities include the existence of a light rail system, and its role as a government center. Over 56 percent of employees working in downtown Sacramento live in households with incomes above $71,000 per year, while only 21.6 percent of employees living there do. This compares with only 10.6 percent of employed persons living in Downtown Phoenix in households earning above $71,000 per year.

Like every other comparable metropolitan area, the vast majority of employed persons living in downtown Sacramento reside in one or two person households and do not have children at home. The industry mix of employment in Sacramento is very heavily weighted toward Public Administration, which likely has a positive impact on demand for downtown housing – as it should in Downtown Phoenix.

APPENDIX 1.0

Table 1-1
Phoenix Downtown Study Area Demographics, 2000

	Downtown Phoenix Study Area	Downtown RDA	Government Mall RDA	Garfield RDA	Grant Park RDA
Population	20,128	5,992	3,946	9,086	1,104
AGE					
Under 18 Years	5,711	676	1,213	3,463	359
18 through 24	2,931	820	418	1,535	158
25 through 44	7,116	2,604	1,460	2,740	312
44 through 54	2,169	844	565	663	97
55 through 64	983	467	153	326	37
65 Years and Over	1,218	581	137	359	141
Ethncity					
Non-Hispanic	6,713	4,114	1,332	1,106	161
Hispanic	13,415	1,878	2,614	7,980	943
Population By Residential Relationship					
Total Population in Family Households	13,422	1,864	2,440	8,150	968
Total Population in Non-Family Households	3,318	2,030	435	719	134
Below Poverty Level	7,546	1,324	2,159	3,558	505
Households	5,610	2,283	893	2,128	306
Size					
Single Person Households	2,031	1,500	202	238	91
Two or More Person Households	3,579	783	691	1,890	215
With Kids	2,001	259	419	1,214	109
Without Kids	1,056	302	179	491	84
Non-family Households	522	222	93	185	22
Average	3.59	2.62	4.42	4.27	3.61
Income					
Less than $34,999	4219	1661	693	1630	235
$35,000 to $49,999	636	228	74	287	47
$50,000 to $74,999	455	240	64	140	11
$75,000 or more	300	154	62	71	13
Average Household Income in 1999	$28,916	$27,755	$35,587	$27,504	$27,932
Housing Costs and Statistics					
Average Housing Value	$86,950	$181,676	$56,332	$69,472	$65,880
Average Gross Rent	$433	$405	$446	$469	$420
Vacency Rate	11.3%	13.7%	13.7%	8.2%	5.6%
Owner-occupied Housing Units	21.6%	10.8%	24.3%	31.6%	27.3%
Renter-occupied Housing Units	78.4%	89.2%	75.7%	68.4%	72.7%
Employed Persons by Occupation					
Management & Professional	829	581	108	109	31
Service	1,611	441	344	762	64
Sales & Office	1,116	480	304	260	72
Farming & Forestry	41	11	4	26	0
Construction	1,377	213	397	693	74
Production & Transportation	1,103	200	303	565	35
Labor Force	7,137	2,144	1,796	2,852	345
Unemployed	14.85%	10.17%	18.71%	15.32%	20.00%

Source: U.S. Bureau of the Census, 2000.

Table 1-2
Phoenix Downtown Study Area Occupational and Industry Statistics, 2000

	Downtown Phoenix Study Area	Downtown RDA	Government Mall RDA	Garfield RDA	Grant Park RDA
Occupation					
Management, professional & related occupations.	13.6%	30.2%	7.4%	4.5%	11.2%
Service occupations	26.5%	22.9%	23.6%	31.6%	23.2%
Sales & office occupations	18.4%	24.9%	20.8%	10.8%	26.1%
Farming, fishing & forestry occupations	0.7%	0.6%	0.3%	1.1%	0.0%
Construction, extraction & maintenance occupations	22.7%	11.1%	27.2%	28.7%	26.8%
Production, transportation, & material moving occupations	18.2%	10.4%	20.8%	23.4%	12.7%
Industry					
Agriculture & mining	1.1%	2.1%	0.0%	1.1%	0.0%
Construction	18.2%	9.3%	21.8%	22.8%	22.1%
Manufacturing	9.0%	6.1%	11.6%	10.0%	6.9%
Wholesale trade	2.5%	1.8%	2.9%	2.8%	1.8%
Retail trade	8.0%	7.4%	8.6%	8.6%	3.3%
Transportation & warehousing, & utilities	3.0%	3.9%	4.2%	1.3%	4.3%
Information	1.8%	5.4%	0.0%	0.2%	0.0%
Finance, insurance & real estate	4.6%	7.4%	3.9%	2.7%	6.2%
Professional, scientific, management & administrative services	16.5%	19.8%	14.5%	15.4%	13.8%
Educational, health, & social services	9.4%	12.0%	6.8%	8.3%	14.1%
Arts, entertainment, recreation, accomodation & food services	14.8%	15.3%	13.2%	16.0%	9.4%
Other services	8.1%	4.6%	9.9%	9.2%	12.7%
Public administration	3.0%	4.9%	2.6%	1.6%	5.4%

Source: U.S. Bureau of the Census, 2000.

Run Date:
5-Sep-07

TABLE 1-3A
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT

HOUSEHOLD INCOME FOR
EMPLOYEES IN HOUSEHOLDS IN COMPARITIVE AREAS, 2000

	Less than $10,000	$10,000-$14,999	$15,000-$24,999	$25,000-$34,999	$35,000-$44,999	$45,000-$59,999	$60,000-$74,999	$75,000-$99,999	$100,000-$124,999	$125,000 or more	Employees In Households
Downtown Phoenix Study Area											
Employees Residing In The Area	335	375	1,015	700	565	415	143	114	90	104	3,856
Employees Working In The Area	884	1,030	5,520	5,335	5,725	5,995	7,420	8930	4,915	6,110	51,864
Net Employee Import or (Export)	549	655	4,505	4,635	5,160	5,580	7,277	8,816	4,825	6,006	48,008
Downtown Phoenix Housing Market Area											
Employees Residing In The Area	1,210	1,574	5,260	3,299	2,600	2,145	1,778	1,812	910	1,154	21,742
Employees Working In The Area	2,184	2,345	12,165	11,535	11,900	12,010	15,110	16,840	9,005	11,655	104,749
Net Employee Import or (Export)	974	771	6,905	8,236	9,300	9,865	13,332	15,028	8,095	10,501	83,007
Downtown San Diego											
Employees Residing In The Area	335	345	840	675	540	385	585	480	270	510	4,965
Employees Working In The Area	1,570	1,810	8,215	7,035	7,035	6,415	7,910	10735	6,520	9,390	66,635
Net Employee Import or (Export)	1,235	1,465	7,375	6,360	6,495	6,030	7,325	10,255	6,250	8,880	61,670
Downtown Denver											
Employees Residing In The Area	260	155	630	340	175	275	320	330	195	739	3,419
Employees Working In The Area	1,925	1,525	9,425	8,745	9,030	9,250	13,670	17195	10,765	17,150	98,680
Net Employee Import or (Export)	1,665	1,370	8,795	8,405	8,855	8,975	13,350	16,865	10,570	16,411	95,261
Downtown Dallas											
Employees Residing In The Area	10	45	130	94	120	95	160	115	85	205	1,059
Employees Working In The Area	1,560	1,445	9,785	9,370	9,425	8,935	13,025	16500	10,340	16,535	96,920
Net Employee Import or (Export)	1,550	1,400	9,655	9,276	9,305	8,840	12,865	16,385	10,255	16,330	95,861
Downtown Sacramento											
Employees Residing In The Area	180	349	720	550	400	254	230	260	125	150	3,218
Employees Working In The Area	1,085	1,260	5,305	5,890	5,615	6,710	9,110	12330	8,215	9,245	64,765
Net Employee Import or (Export)	905	911	4,585	5,340	5,215	6,456	8,880	12,070	8,090	9,095	61,547

Source: Census Transportation Planning Package, 2000.

Run Date:
5-Sep-07

TABLE 1-3B
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT

HOUSEHOLD SIZE AND SEX FOR EMPLOYEES IN COMPARATIVE AREAS, 2000

Census Tract	One Person Households	Two Person Households	Three Person Households	Four Or More Person Households	Total		Males	Females
Downtown Phoenix Study Area								
Employees Residing In The Area	635	675	430	1,685	3,425		3,195	1,245
Employees Working In The Area	6,635	15,825	10,144	17,533	50,137		27,840	24,295
Net Employee Import or (Export)	6,000	15,150	9,714	15,848	46,712		24,645	23,050
Downtown Phoenix Housing Market Area								
Employees Residing In The Area	3,098	4,920	3,190	10,525	21,733		14,515	8,185
Employees Working In The Area	13,089	31,945	20,844	38,863	104,741		56,465	48,820
Net Employee Import or (Export)	9,991	27,025	17,654	28,338	83,008		41,950	40,635
Downtown San Diego								
Employees Residing In The Area	2,460	1,890	320	290	4,960		3,955	1,900
Employees Working In The Area	9,255	20,555	12,715	24,100	66,625		37,785	29,255
Net Employee Import or (Export)	6,795	18,665	12,395	23,810	61,665		33,830	27,355
Downtown Denver								
Employees Residing In The Area	1,665	1,540	175	50	3,430		2,365	1,210
Employees Working In The Area	18,285	35,125	18,175	27,085	98,670		52,280	46,670
Net Employee Import or (Export)	16,620	33,585	18,000	27,035	95,240		49,915	45,460
Downtown Dallas								
Employees Residing In The Area	554	450	45	0	1,049		620	464
Employees Working In The Area	16,485	30,465	18,980	30,985	96,915		49,480	47,630
Net Employee Import or (Export)	15,931	30,015	18,935	30,985	95,866		48,860	47,166
Downtown Sacramento								
Employees Residing In The Area	1,780	1,045	305	90	3,220		1,885	1,400
Employees Working In The Area	9,310	21,405	13,780	20,260	64,755		31,325	33,480
Net Employee Import or (Export)	7,530	20,360	13,475	20,170	61,535		29,440	32,080

Source: Census Transportation Planning Package, 2000.

Run Date:
5-Sep-07

TABLE 1-3C
CITY OF PHOENIX DOWNTOWN
HOUSING MARKET NEEDS ASSESSMENT

HOUSEHOLD TYPE FOR
EMPLOYEES IN COMPARATIVE AREAS, 2000

	Households With No Children Under 18	Households With Children Under 6	Households With Children From 6-18	Total
Downtown Phoenix Study Area				
Employees Residing In The Area	1,800	1,290	764	3,429
Employees Working In The Area	28,635	11,170	12,050	50,140
Net Employee Import or (Export)	26,835	9,880	11,286	46,711
Downtown Phoenix Housing Market Area				
Employees Residing In The Area	10,590	6,480	4,659	21,729
Employees Working In The Area	56,345	23,770	24,630	104,745
Net Employee Import or (Export)	45,755	17,290	19,971	83,016
Downtown San Diego				
Employees Residing In The Area	4,575	190	180	4,945
Employees Working In The Area	38,820	12,810	15,005	66,635
Net Employee Import or (Export)	34,245	12,620	14,825	61,690
Downtown Denver				
Employees Residing In The Area	3,265	110	54	3,429
Employees Working In The Area	61,610	17,530	19,525	98,665
Net Employee Import or (Export)	58,345	17,420	19,471	95,236
Downtown Dallas				
Employees Residing In The Area	1,044	4	0	1,048
Employees Working In The Area	54,100	19,950	22,880	96,930
Net Employee Import or (Export)	53,056	19,946	22,880	95,882
Downtown Sacramento				
Employees Residing In The Area	2,950	84	184	3,218
Employees Working In The Area	36,740	10,925	17,095	64,760
Net Employee Import or (Export)	33,790	10,841	16,911	61,542

Source: Census Transportation Planning Package, 2000.

DOWNTOWN PHOENIX HOUSING MARKET NEEDS ASSESSMENT

SECTION 2.0 DOWNTOWN RESIDENTIAL HOUSING STATUS, INVENTORY AND PREVAILING MARKET CONDITIONS

SECTION 2.0 DOWNTOWN RESIDENTIAL HOUSING STATUS, INVENTORY AND PREVAILING MARKET CONDITIONS

This section of the report presents the status of the existing housing stock downtown and prevailing market conditions, as well as the current and projected near-term inventory in the study area by stipulated income category: 1) low income (households earning less than $36,000/yr); 2) affordable (households earning from $36,000-$48,000/yr); 3) Downtown Workforce (households earning from $48,000-$71,000/yr); and, 4) market-rate (households earning more than $71,000 per annum). Generally, information is presented by each specific neighborhood within the downtown study area (Downtown RDA, Governmental Mall RDA, Garfield RDA and Grant Park).

2.1 Downtown Rental Housing Inventory Status In 2000

Approximately 80% of the 5,228 occupied housing units in the downtown study area in 2000 were comprised of rentals. This rental inventory varied considerably by redevelopment area, as highlighted below.

<u>Downtown RDA</u>

The Downtown RDA market is currently an emerging market and continues to be in a state of transition. This transition has been occurring since redevelopment efforts were initiated in the 1980s. In 2000, approximately 68% of the 2,106 occupied rental units were in multi-family projects consisting of over 20 units (refer to Table 2-1A). About 45% of the rental inventory was built prior to 1949, with the median age of structures ranging from 1952 to 1964 by tract. In 2000 varying types of institutional facilities housed approximately 2,100 persons in group quarters.

With median gross rents ranging from $307 to $450 per month in 2000, most of the inventory fell within the 'low income' or 'affordable' housing income classifications serving households earning under 80% of the AMI (adjusted median income). This is consistent with the sizable assisted housing inventory in the area then and now. In 2000, 373 units or 17% of the rental inventory were 'at risk' of being substandard (refer to Table 2-1B). About 38% of renters paid more than 30% of their income for rent in 2000, with approximately 430 renters or 20% paying more than 50%.

By 2000, only one market-rate project had been constructed since 1960. The Met (140 units) was built in 1996 at 201 E. Fillmore and pioneered the initial viability of the market-rate rentals downtown.

<u>Governmental Mall RDA</u>

The Governmental Mall RDA rental inventory is quite small with only 761 units in 2000. Of this inventory, 75% of rentals were in single-family dwellings or small projects with less than 4 units (refer to Table 2-1A). About 43% of the rental inventory was built prior to 1949, with the median age of structures ranging from 1947 to 1965 per tract. Like the Downtown RDA, the Governmental Mall includes a large number of persons (1,100) in group quarters.

With median gross rents ranging from $425 to $461/mo. in 2000, most of the inventory fell within the 'low income' or 'affordable' housing income classifications serving households earning under 80% of the AMI (adjusted median income). Although the region is beginning to experience new rental production, none had occurred of consequence prior to 2000. In 2000, approximately 339 units or 49% were of the rental inventory was 'at risk' of being substandard (refer to Table 2-1B). About 48% of renters paid more than 30% of their income for rent in 2000, with approximately 183 renters or 26% paying more than 50%.

<u>Garfield RDA</u>

As indicated earlier, the Garfield RDA is a distressed neighborhood adjacent to the downtown core. Redevelopment is beginning to encroach into Garfield, but in 2000 no spillover was evident.

The Garfield RDA rental inventory is the largest of the RDAs studied with 1,456 units in 2000. About 88% of rentals were comprised of single-family dwellings or small projects with less than 10 units (refer to Table 2-1A). About 29% of the rental inventory was built prior to 1949, with the median age of structures ranging from 1957 to 1971 per tract.

With median gross rents ranging from $427 to $468 per month in 2000, the inventory fell within the 'low income' or 'affordable' housing income classifications serving households earning under 80% of the AMI (adjusted median income). In 2000, approximately, 758 units or a sizable 56% were 'at risk' of being substandard (refer to Table 2-1B). About 35% of renters paid more than 30% of their income for rent in 2000, with approximately 254 renter households or 19% paying more than 50%.

<u>Grant Park Neighborhood</u>

Grant Park is a distressed neighborhood adjacent to the downtown core. The neighborhood contained a total occupied inventory of only 286 dwellings, of which most (73%) were rental. About 46% of the rental inventory was 'at risk' of being substandard while the median age for rentals was 1962.

2.2 Downtown Ownership Housing Inventory Status In 2000

Only 20% (1,122 units) of the 5,624 housing units in the downtown study area in 2000 were owner-occupied, and 56% of this stock was situated in the Garfield RDA. Nearly 85% of this inventory was comprised of single-family dwellings. Note the following key points (refer to Tables 2-2A to 2-2C).

- <u>Downtown RDA</u> – There were only 256 ownership units in the region in 2000, and One Renaissance (170 units) and the St Croix (60 units) represented the redevelopment inventory placed in service up to that point. Now, and when placed in service, these projects are most appropriately classified as 'market rate' or 'attainable' housing.

- <u>Governmental Mall RDA</u> – With only 220 owner-occupied units in 2000, over 80% were single-family dwellings and 25% of the inventory was 'at risk' of being substandard. Over 65% of this inventory was built prior to 1949.

- <u>Garfield RDA</u> – There were 607 owner-occupied dwelling units in this distressed neighborhood in 2000, and 86% were single-family dwellings. Approximately 237 units or 35% of the inventory was ‘at risk’ of being substandard and 40% of households were paying more than 30% of their income for housing in the area.

- Grant Park Neighborhood – There were only 78 ownership units in 2000 and half were built prior to 1940, and half also ‘at risk’ of being substandard.

2.3 Current and Projected Downtown Study Area Housing Inventory

The current housing inventory for downtown, detailed information was collected regarding the status of existing and proposed residential development. Individual project status was provided by the City of Phoenix Downtown Development Office (DDO) as well as from on-site inspection and compared with permitting information derived from the Phoenix Planning Department. The growth in the inventory by tenure and stipulated income category was applied to base inventory estimates derived from the 2000 census. Base 2000 inventory estimates were derived by applying the distribution of gross rents and home values to HUD 2000 median income estimates utilizing customary housing affordability/underwriting standards. Tabular information in this section of the report are derived from detailed project information contained in Tables 2-3A&B for the rental inventory and Tables 2-4 (A-C) for the ownership inventory in Appendix 2. These Tables contain considerable detail regarding properties currently in service, for sale or lease and under construction, or planned or approved. All information is current as of August of 2007 and subject to refinement and change.

2.3.1 Downtown RDA

The pattern of inventory growth for the Downtown RDA is indicative of an emerging market. Comprised of a high volume of affordable rentals in 2000, initial redevelopment efforts associated with the Met (rental), Renaissance Park (ownership) and the St Croix (ownership) are reflected in downtown workforce to market-rate housing. Since 2000, redevelopment efforts have produced sustained construction of predominantly lofts and/or multi-story townhomes at pricing between $250 to $550, sq\ft, as well as the production of rentals for lower income persons consisting of Roosevelt Commons and Campaige Place and Roosevelt Square for the downtown workforce market (persons earning from 80 to 120% of the adjusted median income). The Alta Phoenix rental property of 326 downtown workforce units is presently under construction and The Jet is planned comprised of 675 units (80 unit affordable set-aside). The strength of the downtown for-sale market is evident with the approximately 614 units under construction and/or for sale comprised predominantly of stack condos offered from $400 to $550/sq ft. (for non penthouse properties). Prospective development in the pipeline is quite sizable, with 1,895 units of market-rate for sale dwellings and 673 units of downtown workforce rental (and an 80 unit affordable set-aside). In addition, a student dorm complex called Taylor Place will be built in two phases downtown. Situated between Taylor to Fillmore from 1st Street to 3rd Street, the first 13-story tower will have 750 beds and will open in the fall of 2008. The second tower, with 550 beds, will be completed in the fall of 2009. This student housing is designed for freshman to junior level students attending the ASU downtown campus.

INVENTORY TYPE BY CONSUMER INCOME CATEGORY	DOWNTOWN RDA OWNERSHIP	RENTAL	TOTAL
Persons In Group Quarters	n/a	n/a	**2,098**
TOTAL HOUSING UNITS FROM THE 2000 CENSUS	**284**	**2,285**	**2,569**
ESTIMATED BY CONSUMER INCOME CATEGORY			
Low Income (Less Than 60% AMI)	**0**	**1,854**	**1,854**
Affordable (60-80% AMI)	**0**	**291**	**291**
Downtown Workforce (80-120% AMI)	**142**	**140**	**282**
Market-Rate (>120% AMI)	**142**	**0**	**142**
EXISTING PROJECTS PLACED IN SERVICE SINCE	**287**	**751**	**1,038**
CY 2000 BY CONSUMER INCOME CATEGORY			
Low Income (Less Than 60% AMI)	**0**	**348**	**348**
Affordable (60-80% AMI)	**0**	**0**	**0**
Downtown Workforce (80-120% AMI)	**0**	**403**	**403**
Market-Rate (>120% AMI)	**287**	**0**	**287**
PROJECTS FOR SALE OR UNDER CONSTRUCTION	**603**	**1,076**	**1,679**
BY CONSUMER INCOME CATEGORY			
Low Income (Less Than 60% AMI) 2/	**0**	**750**	**750**
Affordable (60-80% AMI)	**0**	**0**	**0**
Downtown Workforce (80-120% AMI)	**0**	**326**	**326**
Market-Rate (>120% AMI)	**603**	**0**	**603**
MAX. APPROVED & PLANNED PROJECTS BY CONSUMER	**1,889**	**1,303**	**3,192**
INCOME CATEGORY			
Low Income (Less Than 60% AMI) 2/	**0**	**550**	**550**
Affordable (60-80% AMI)	**0**	**80**	**80**
Downtown Workforce (80-120% AMI)	**0**	**673**	**673**
Market-Rate (>120% AMI)	**1,889**	**0**	**1,889**
MAX. PROJECTED HOUSING INVENTORY BY CONSUMER	**3,063**	**5,415**	**8,478**
INCOME CATEGORY			
Low Income (Less Than 60% AMI)	**0**	**3,502**	**3,502**
Affordable (60-80% AMI)	**0**	**371**	**371**
Downtown Workforce (80-120% AMI)	**142**	**1,542**	**1,684**
Market-Rate (>120% AMI)	**2,921**	**0**	**2,921**

Sources: 2000 Census, City of Phoenix Planning Dept., Maricopa County Assessor's Office, Hanley-Wood, Realdata, Inc, City of Phoenix Downtown Development Office.

1/ Total vacant units exceeds the tenure total by virtue of instances where tenure is not readily ascertainable.
2/ Project in the Mathew Hensen RDA.

2.3.2 Governmental Mall RDA

Like the Downtown RDA, the Governmental Mall included a high volume of affordable rentals in 2000 and moderate- to low- priced ownership dwellings. Since 2000, redevelopment efforts have produced some low- to affordable- rental development in the form of the Legacy Bungalows project, as well for-sale activity in the form of 9 units of attainably priced Monroe Street Bungalows selling for approximately $160/sq. ft. With the exception of the 12-unit for sale project planned at the southeast corner of Roosevelt and 8th Avenue called PRD 845 and priced at $260/sq ft, all remaining redevelopment properties (222 rental and 62 ownership) either planned or under construction were located in the Mathew Hensen RDA a few blocks south the Governmental Mall RDA.

INVENTORY TYPE BY CONSUMER INCOME CATEGORY	GOVERNMENTAL MALL RDA 2/ OWNERSHIP	RENTAL	TOTAL
Persons In Group Quarters	n/a	n/a	1,071
TOTAL HOUSING UNITS FROM THE 2000 CENSUS	**220**	**761**	**981**
ESTIMATED BY CONSUMER INCOME CATEGORY			
Low Income (Less Than 60% AMI)	0	682	682
Affordable (60-80% AMI)	131	79	210
Downtown Workforce (80-120% AMI)	85	0	85
Market-Rate (>120% AMI)	4	0	4
EXISTING PROJECTS PLACED IN SERVICE SINCE	**9**	**200**	**209**
CY 2000 BY CONSUMER INCOME CATEGORY			
Low Income (Less Than 60% AMI)	0	80	80
Affordable (60-80% AMI)	0	120	120
Downtown Workforce (80-120% AMI)	9	0	9
Market-Rate (>120% AMI)	0	0	0
PROJECTS FOR SALE OR UNDER CONSTRUCTION	**12**	**136**	**148**
BY CONSUMER INCOME CATEGORY			
Low Income (Less Than 60% AMI) 2/	0	136	136
Affordable (60-80% AMI)	0	0	0
Downtown Workforce (80-120% AMI)	0	0	0
Market-Rate (>120% AMI)	12	0	12
MAX. APPROVED & PLANNED PROJECTS BY CONSUMER	**62**	**86**	**148**
INCOME CATEGORY			
Low Income (Less Than 60% AMI) 2/	0	86	86
Affordable (60-80% AMI)	62	0	62
Downtown Workforce (80-120% AMI)	0	0	0
Market-Rate (>120% AMI)	0	0	0
MAX. PROJECTED HOUSING INVENTORY BY CONSUMER	**303**	**1,183**	**1,486**
INCOME CATEGORY			
Low Income (Less Than 60% AMI)	0	984	984
Affordable (60-80% AMI)	193	199	392
Downtown Workforce (80-120% AMI)	94	0	94
Market-Rate (>120% AMI)	16	0	16

Sources: 2000 Census, City of Phoenix Planning Dept., Maricopa County Assessor's Office, Hanley-Wood, Realdata, Inc, City of Phoenix Downtown Development Office.

1/ Total vacant units exceeds the tenure total by virtue of instances where tenure is not readily ascertainable.
2/ Project in the Mathew Hensen RDA.

2.3.3 Garfield RDA

As indicated earlier, the Garfield RDA is a distressed neighborhood adjacent to areas experiencing escalating downtown redevelopment efforts. Redevelopment is beginning to encroach into Garfield. With the 2000 housing stock comprised of rental and ownership dwellings affordable to persons earning less than 80% of the adjusted median, infill single-family construction has primarily occurred within the region hence as well as 18 units of multi-family. Camden Square, a 323 unit rental project was placed in service in 2000 serving primarily a downtown workforce market earning from 80 to 120% of the median. An 11-unit townhome property called Roosevelt 11 at the SW corner of Roosevelt and 9th Street is under construction and priced at $235/sq. ft. for market-rate purchasers. Portland 38 near the corner of Portland and 7th Street also includes 38 ownership units under construction priced from $320,000-$390,000

INVENTORY TYPE BY CONSUMER INCOME CATEGORY	GARFIELD RDA OWNERSHIP	RENTAL	TOTAL
Persons In Group Quarters	n/a	n/a	**171**
TOTAL HOUSING UNITS FROM THE 2000 CENSUS	**618**	**1,456**	**2,074**
ESTIMATED BY CONSUMER INCOME CATEGORY			
Low Income (Less Than 60% AMI)	**313**	**1,349**	**1,662**
Affordable (60-80% AMI)	**267**	**107**	**374**
Downtown Workforce (80-120% AMI)	**38**	**0**	**38**
Market-Rate (>120% AMI)	**0**	**0**	**0**
EXISTING PROJECTS PLACED IN SERVICE SINCE	**54**	**350**	**404**
CY 2000 BY CONSUMER INCOME CATEGORY			
Low Income (Less Than 60% AMI)	**0**	**18**	**18**
Affordable (60-80% AMI)	**54**	**0**	**54**
Downtown Workforce (80-120% AMI)	**0**	**332**	**332**
Market-Rate (>120% AMI)	**0**	**0**	**0**
PROJECTS FOR SALE OR UNDER CONSTRUCTION	**49**	**0**	**49**
BY CONSUMER INCOME CATEGORY			
Low Income (Less Than 60% AMI) 2/	**0**	**0**	**0**
Affordable (60-80% AMI)	**0**	**0**	**0**
Downtown Workforce (80-120% AMI)	**0**	**0**	**0**
Market-Rate (>120% AMI)	**49**	**0**	**49**
MAX. APPROVED & PLANNED PROJECTS BY CONSUMER	**0**	**0**	**0**
INCOME CATEGORY			
Low Income (Less Than 60% AMI) 2/	**0**	**0**	**0**
Affordable (60-80% AMI)	**0**	**0**	**0**
Downtown Workforce (80-120% AMI)	**0**	**0**	**0**
Market-Rate (>120% AMI)	**0**	**0**	**0**
MAX. PROJECTED HOUSING INVENTORY BY CONSUMER	**721**	**1,806**	**2,527**
INCOME CATEGORY			
Low Income (Less Than 60% AMI)	**313**	**1,367**	**1,680**
Affordable (60-80% AMI)	**321**	**107**	**428**
Downtown Workforce (80-120% AMI)	**38**	**332**	**370**
Market-Rate (>120% AMI)	**49**	**0**	**49**

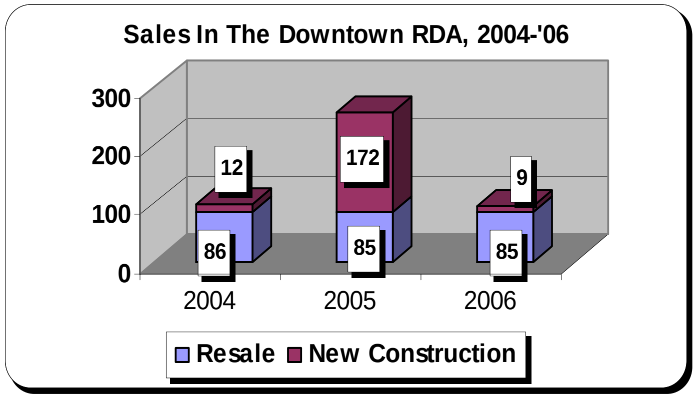
Sources: 2000 Census, City of Phoenix Planning Dept., Maricopa County Assessor's Office, Hanley-Wood, Realdata, Inc, City of Phoenix Downtown Development Office.

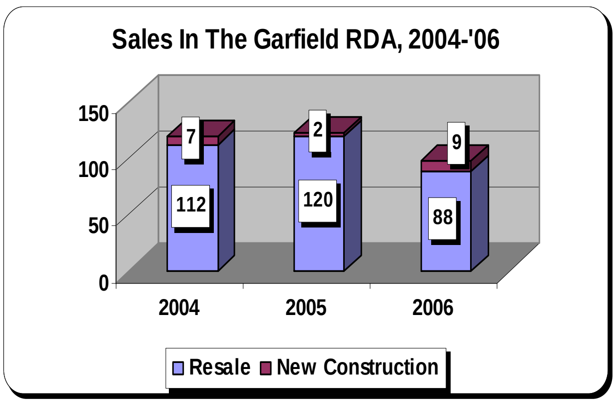
1/ Total vacant units exceeds the tenure total by virtue of instances where tenure is not readily ascertainable.

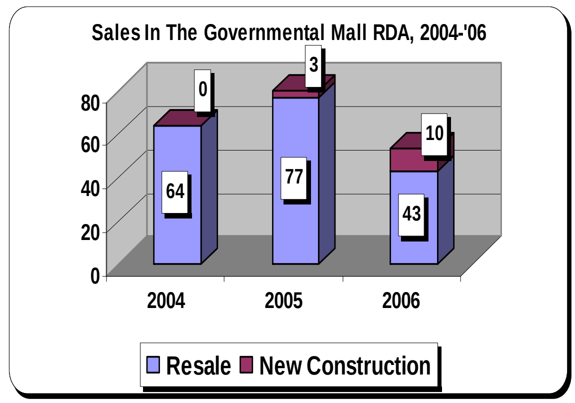
2/ Project in the Mathew Hensen RDA.

2.4 Downtown Study Area and Maricopa County Home Sales Activity

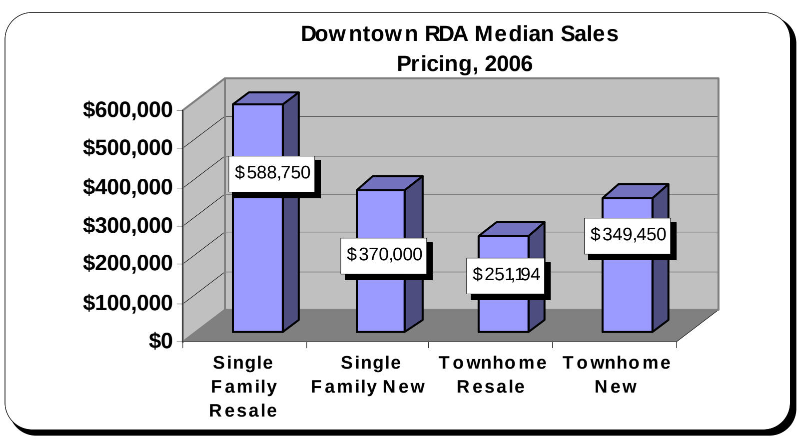
Presented on Table 2-5, home sales in the study area have risen from 168 in 2001 to a high of 459 in 2005. In 2006, the 214 total sales activity represented a reduction of just over 50%, suggesting slower market conditions in the region at the moment. Year-to-date 2007 data appear to be similar to '06. In the Downtown RDA, new construction has represented a sizable portion of sales activity while not the case for either the Governmental Mall or Garfield RDAs.



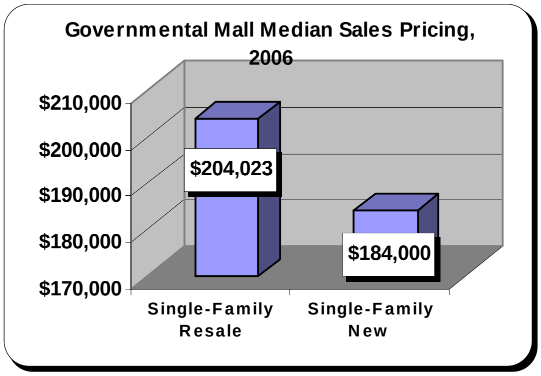


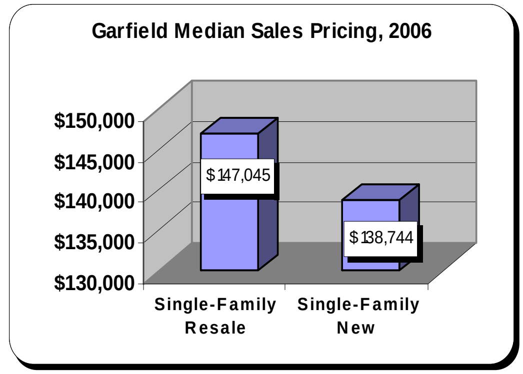


Consistent with the overall trend in Arizona, sales prices have risen steadily in the study area since 2001(refer to Table 2-5). Generally, current sales values in the Downtown RDA mandate market-rate buyers earning a minimum of $75,000 per annum. Successful redevelopment activities in the Downtown RDA over the past 10 years have produced the following median sales values in 2006.



Limited new construction and the turnover of the existing, modestly priced housing stock in the Governmental Mall and Garfield RDAs produced sales values consistently less than the Phoenix average. In 2006, sales values were well below the City of Phoenix average of $220,000 for resales and $303,600 for new construction.





Home sales varied substantially by redevelopment area as highlighted below:

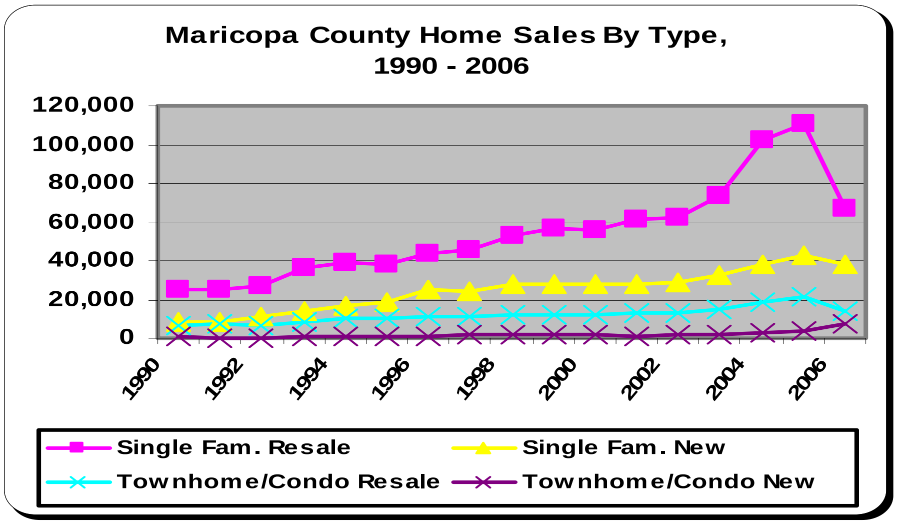
- Downtown RDA - Comprised of a very small inventory (284 units) of owner-occupied dwellings in 2000, annual sales were under 50 units from '01 through '03. From '04 – '06, annual sales ranged from a low of 64 (in '06) to a high of 257 (in '05). Increasing sales activity was the result of accelerating levels of new construction. According to Hanley-Wood, buyers tend to be comprised of professional singles and couples with no children, empty nesters and second residence purchasers. These buyers are seeking a unique urban lifestyle in high density lofts, townhomes and condominium structures. In 2006, the median sales value per square foot ranged from a low of $250 to a high approaching $400. In 2007, pricing appears to be rising for new townhomes. Currently, this emerging market is the domain of market-rate buyers earning a minimum of $75,000 per annum (adjusted by household size). Some 'downtown workforce housing' priced under $200 per square foot is available in small properties built in the 1980's and early 1990s (Renaissance Park, St Croix, etc);

- Governmental Mall RDA – Since 2001, sales ranged from a low of 49 in '02 to a high of 80 in '05. Generally, annual new construction of less than 10 units was evident and most activity was derived from single-family resale in the area north of Van Buren. In 2006, the median sales value per square foot were about $185, with median sales values running from $185,000 to $205,000. At these levels, buyers would tend to fall into the 'affordable' or 'downtown workforce' categories;

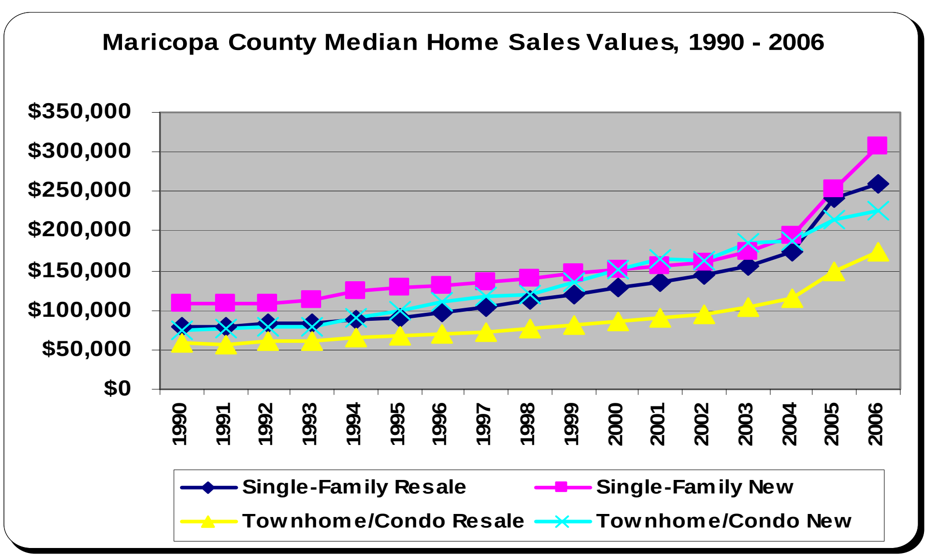
- Garfield RDA – With an ownership inventory of 601 owner-occupied dwellings in 2000 consisting of predominantly of single-family dwellings, annual sales since 2001 ranged from a low of 68 units in '03 to a high of 122 in '05. Generally, no new construction was evident and all sales activity was derived from single-family resale. In 2006, the median sales value per square foot ranged from about $125 to $155, with median sales values running from $138,000 to $147,000. At these levels, buyers would tend to fall into the 'affordable' or 'low income' categories. In 2000, it is estimated that 35% or over 200 units in Garfield were 'at risk' of being substandard. However, downtown redevelopment is beginning to occur in Garfield and pricing (for new townhomes) are at the market-rate level; and,

- Grant Park Neighborhood – Information available for Grant Park exceeds the boundaries of the actual neighborhood. Realizing this fact, from 21 – 33 annual resales occurred in the neighborhood (and its environs) between 2004 and 2006, with 5 to 15 newly constructed units. In 2006, the median value of single-family resale units was $95,000, while new construction was $165,000.

Shown below, home sales in Maricopa County have risen steadily since the real estate recession of the early 1990s through 2005, where sales activity peaked. In 2006, sales levels were off 30% from record 2005 activity of 178,410 sales. However, in 2006, newly constructed condominiums achieved levels of 7,090 units, twice the activity evident a year earlier. For the first half of 2007, home sales are off 20% from the previous year.

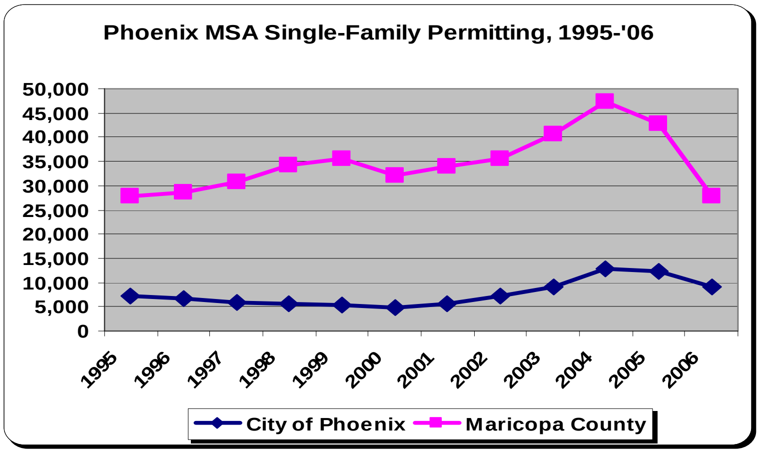


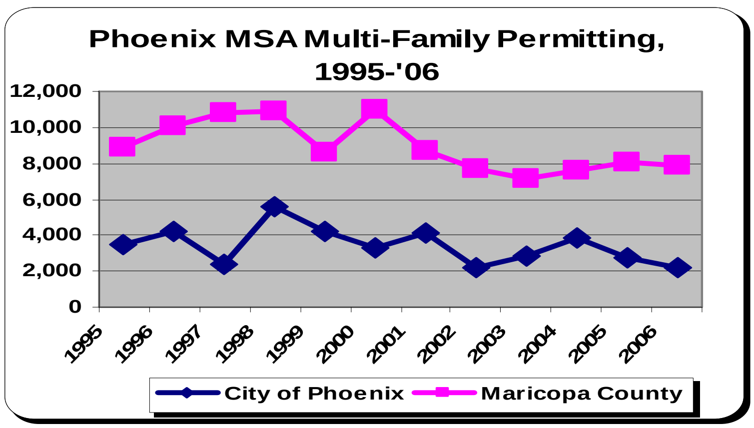
From the early 1990s and 2003 Maricopa County home values generally appreciated between 5 to 10% in any given year. In 2003, the situation changed and sales levels rose at substantially higher rates. With sales levels down significantly in 2006, home prices are currently experiencing downward pressure from heightened levels of unsold inventory in both the new and resale housing markets. As of the first half of 2007, resale values appear to holding at 2006 levels while new construction is off slightly (3%).



2.5 Downtown Study Area and Maricopa County Permitting Activity

The volume of single family (detached) permitting activity in Maricopa County hit record levels in 2004 yet dropped by 33% from '05 to '06. In 2007, single-family permitting appears to be consistent with '06 levels for both Maricopa County and Phoenix. In Phoenix, 2007 multi-family permitting appears to be twice the level of '06 to date.



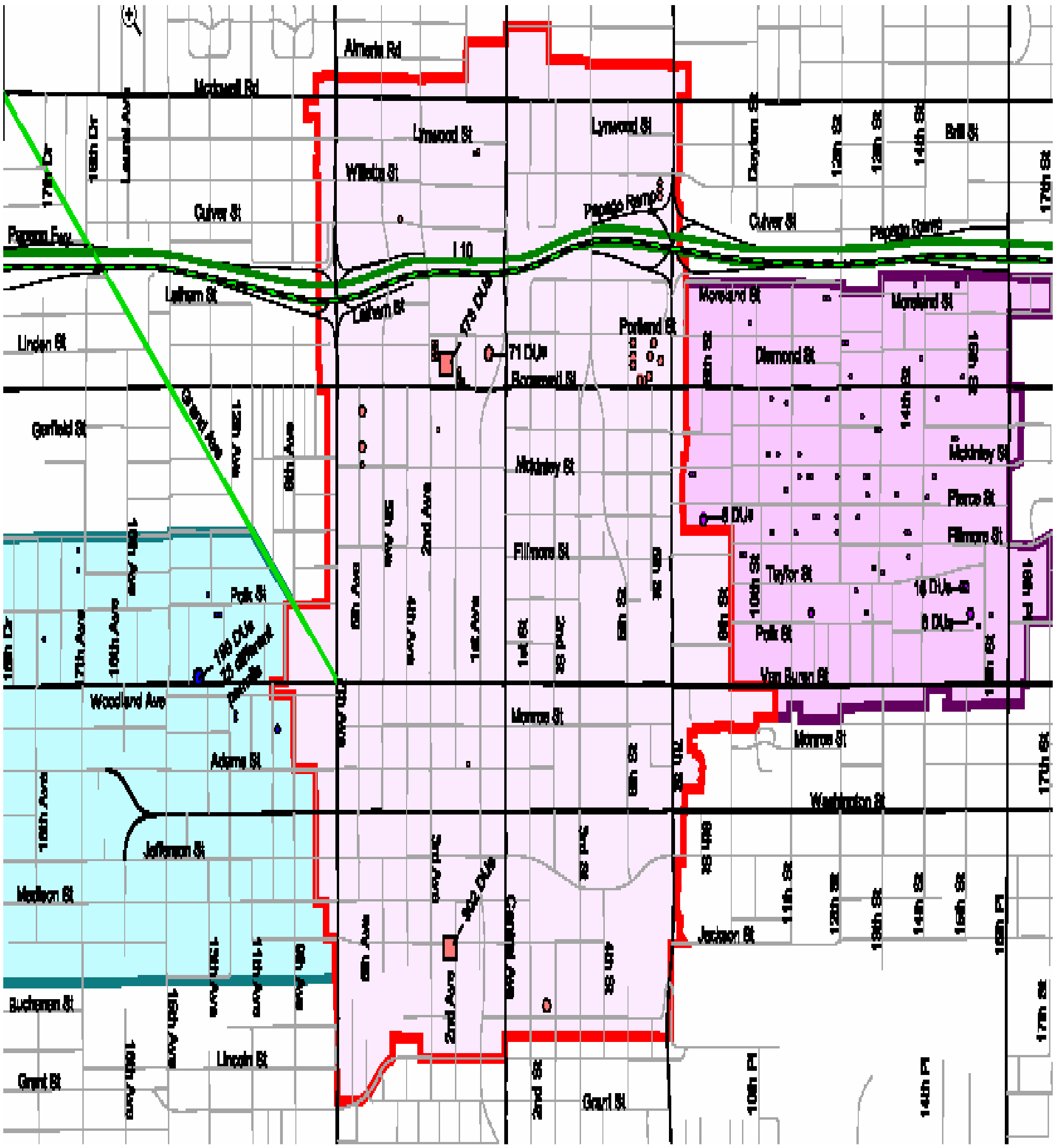


Residential permitting in the study area from April of 2000 through June 2006 is summarized in the following chart. It is derived from the City of Phoenix Planning Department. Note that housing tenure (ownership v. rental) is not readily discernable from the information provided.

	DOWNTOWN RDA	GOVERNMENTAL MALL RDA	GARFIELD RDA	GRANT PARK	TOTAL
SINGLE FAMILY	23	8	54	7	92
MULTI-FAMILY	721	201	18	4	944
TH	28	11	2	4	45
AP	693	190	16		899
TOTAL	744	209	72	11	1,036

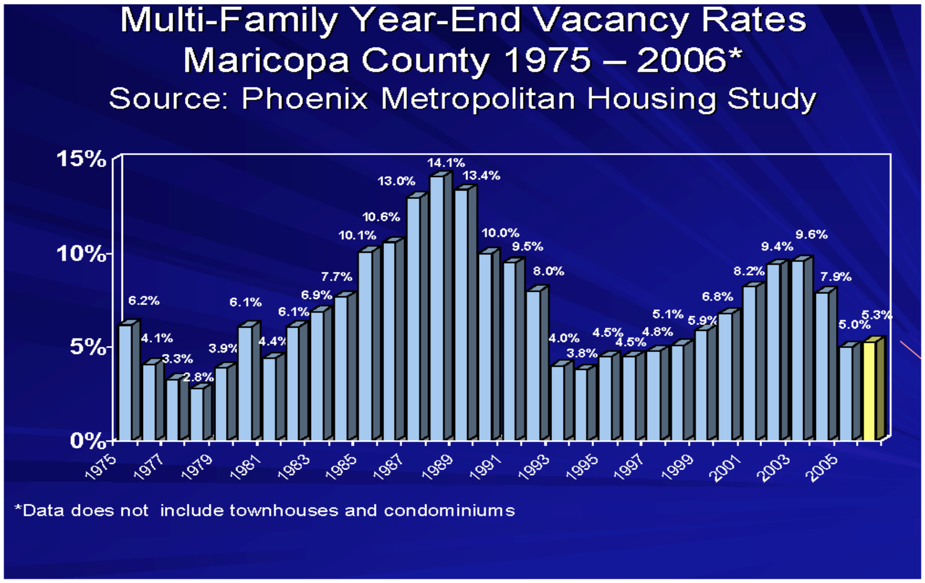
Source: City of Phoenix Planning Dept., March, 2007.

Derived from the City of Phoenix Planning Department, the following map indicates the approximate geographic distribution of permitting activity from April of 2000 through June of 2006 within the Downtown Phoenix Study Area.



2.6 Downtown Phoenix Study Area And Maricopa County Multi-Family Vacancy And Rental Rates

Multi-family vacancy rates in Maricopa County were down in 2006 and early 2007 at the 5.5% level, indicating tight market conditions and upward pressure on rents.



As of the 2nd quarter of 2007, the multi-family vacancy rate in Metropolitan Phoenix according to RealData, Inc was 9.32% for stabilized properties greater than 100 units. Metropolitan rent levels averaged $795/month for unfurnished apartments excluding utilities or approximately $.96/sq foot. Indicating tight market conditions downtown, vacancies in the Central City/Sky Harbor District were over a third less than the Metro Average at 5.9% while rent levels were 13% higher (than the Metro Average) at $923/month or $1.11/square foot.

The pattern repeats itself for stabilized properties from 50 – 99 units in size for the 2nd quarter of 2007. The Phoenix Metro average rent level was $659/month ($.83/square foot) for an unfurnished unit excluding utilities, while it was 17% higher in the Central City/Sky Harbor District at $769/month or $.97/square foot.

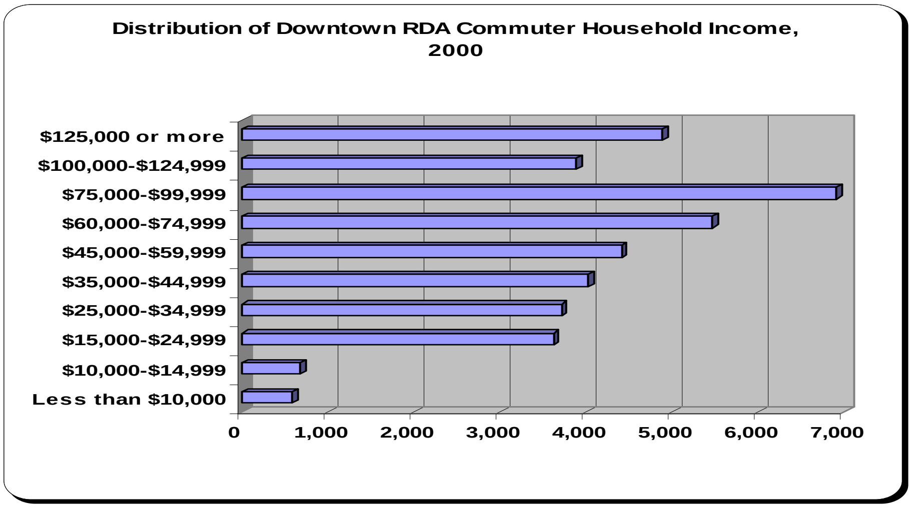
For the entire metropolitan area in the 2nd quarter of 2007, 45 apartment sales occurred at average pricing of $92,865/unit or $120/square foot for properties over 100 units, while six sales were evident for properties between 50-99 units at average pricing of $62,890/unit or $87.30/square foot.

2.7 Characteristics of Employees Commuting Into The Downtown Study Area In 2000

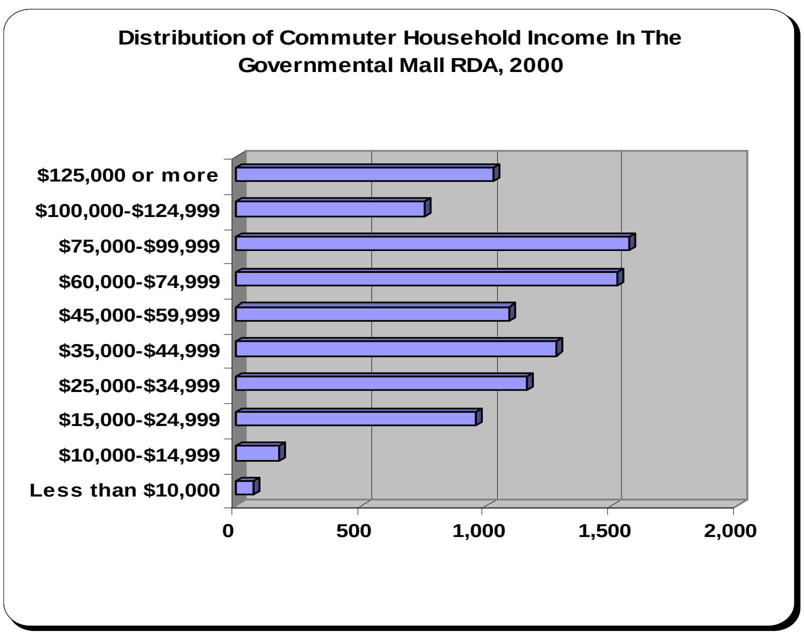
This section of the report offers information regarding employees in 2000 commuting into the Downtown Phoenix Study Area which is drawn from the US Census of Transportation Planning Package. This information sheds light on characteristics of commuters vs. residents, and holds benefit to sizing market demand.

Relevant findings generated from this information are summarized below for each of the RDAs and neighborhoods treated in the report:

- Downtown RDA – In 2000, the Downtown RDA imported just over 38,000 employee commuters on a daily basis earning the following distribution of household income. About 54% of these employees comprised households with no children and 43% comprised households consisting of one or two persons.



- Governmental Mall Redevelopment Area – In 2000, the Governmental Mall RDA imported just over 9,600 employee commuters on a daily basis earning the following distribution of household income. About 58% of these employees comprised households with no children and 49% comprised households consisting of one or two persons.



- Garfield RDA – Unlike the Downtown and Governmental Mall RDAs and characteristic of other distressed neighborhoods, in 2000 Garfield exported employees earning less than $60,000 per year as well as employees (80%) with children under the age of six.

- Grant Park Neighborhood – In 2000, the Grant Park Neighborhood imported just over 1,200 employee commuters on a daily basis at most household income categories. About 63% of these employees comprised households with no children and 48% comprised households consisting of one or two persons.

Information contained earlier in the report (section 1.4) compares the characteristics of downtown Phoenix residents and commuters with comparable data for the San Diego, Denver, Dallas and Sacramento downtown areas. The comparison was made in terms of income, household size and type, and industry and occupation. The following findings became evident:

- ✓ Downtown Phoenix study area employment of 67,000 was at the low end when compared to Sacramento at 65,000 (low) and Denver at 98,000 (high);

- ✓ The income distribution of employees working downtown in Phoenix (in '07 dollars) was generally similar to other the other western cities surveyed, and no major deviation of consequence was detected. The distribution was generally 24% low income (earning under $36,000 or 60% AMI), 13% affordable (earning $36,000-$48,000 or 60 to 80% AMI), 15% downtown workforce (earning $48,000-$71,000 or 80 to 120% AMI) and 48% market-rate (earning > $71,000 or 120% AMI). Differences were evident for employment by sector/occupation;

- ✓ The characteristics of employees living in downtown Phoenix was considerably different from selected other western cities. Dallas, Denver, San Diego and Sacramento all contained much higher levels of household income, families with no children and one- and two- person households. These characteristics are generally typical of urban professionals residing in downtowns and it exemplifies the transition that will likely continue to occur in downtown Phoenix as redevelopment efforts strengthen over time; and,

- ✓ Overall it seems that the character of Downtown Phoenix is likely to shift toward more singles and married couples without children as the housing market matures, and that the current rate of market penetration in Downtown Phoenix appears below what one would expect to see in the future.

2.8 Profile of Urban Renters and Purchasers

Insights into the incidence and intensity of buyers seeking a highly urbanized lifestyle was derived from the Meyers Group report entitled Market Assessment Facing The Potential Demand For Residential Units In The Downtown Area Of Phoenix, Arizona prepared for the Downtown Phoenix Partnership dated November 25, 2003. According to the report, "While *demo*graphics describe 'what' people are (ages, incomes, etc.), *psycho*graphics describe 'who' people are (lifestyle choices, education, family type, etc.). Psychographics divide the population of a given area into 62 unique categories based on such criteria, and ultimately provide a "flavor" for the local character." According to the Meyer's Group report, the following classifications of psychographic categories of households represent those most likely to comprise urban purchasers or renters. These three urban-oriented groups represent 13 individual household clusters that comprised 368,869 households or 29% of the total in Maricopa County in 2003. Refer to Table 2-6 in Appendix 2 for detailed information about the clusters.

Major Group	House-holds	% of Total	U.S. % of Total	Definition (per Claritas)
Urban Midscale	133,081	10.5%	6.5%	The five clusters of this social group are the backbone of the middle-income, urban-fringe neighborhoods in America's major metropolitan areas. It is also highly concentrated, with 75% of the total households in the top five TV markets and 96% in the top 25. It also average below the affluence mean. The clusters have high potential densities and ethnic diversity, use public transportation and survive all the perks and risks of urban life.
Urban Uptown	98,923	7.8%	5.5%	This group ranks as the nation's second most affluent social group. Major market concentrations are dense with over 94% of total households in the top 10 TV markets. For over two decades, these clusters have had high concentrations of executives and professionals in business, finance, entertainment and education. More recently, they have absorbed a wave of upscale immigrants from Eastern Europe, Asia and the Middle East.
Urban Cores	88,458	7.0%	5.0%	With the nation's lowest incomes and highest poverty ratios, this is the least affluent social group. These clusters live in multi-racial, multi-lingual communities of dense, rented townhouses and high-rise apartments. They have high indices for singles, solo parents with pre-school children and unemployment.

Meyers also identified four clusters that are not grouped by Claritas in an urban category, but represent an opportune target for Downtown housing demand.

Cluster	Total HH's	% of Total	Preferred Housing Types	Definition (per Claritas)
Young Influentials	25,054	2.0%	Apartments to Small-Lot SF	The high-tech educated folks of this cluster have managerial and professional jobs and live in urban high-rises. Although many of their contemporaries have married and settled down, these childless, live-together couples prefer their sophisticated urban lifestyle, supported by dual incomes. They are the last of the Yuppies.
Smalltown Downtown	20,973	1.7%	Apartments to Townhomes	This cluster is made up of students and those looking for fresh starts and first employment. Their neighborhoods are found mostly west of the Mississippi. These young singles often live near city colleges and work in low-level, white-collar sales and technical jobs.
Pools & Patios	17,130	1.4%	Townhomes to Medium-Lot SF	Empty-nester executive and professional couples are living the good life in their "post-child" years. Their dual incomes support rich, active lives filled with travel, leisure activities and entertainment. Many live in the densely-populated Northeast corridor of the U.S.
Boomtown Singles	0	0%	Apartments to Cluster Homes	Young people in the fast-growing smaller cities in the South, Midwest and West fall into this cluster. They are young professionals and "techies" in public service and private industries who live in multi-unit rentals. They like music and outdoor activities such as boating and skiing.

Taking both groups, Meyers estimated that approximately 432,026 households comprised prospective demand for 'urban' living in Maricopa County in 2003. Given adopted population and household estimates in 2007, the current number is 482,276. By 2014, the number is projected to be 578,731.

Appropriately, Meyers concluded that it is not logical to assume that all urban demand in the County will be captured by Downtown Phoenix, and that were (are) four other urban cores in the marketplace that would attract these households that include Scottsdale, Tempe, the Biltmore District and Others (smaller revitalizing Downtowns such as Mesa, Glendale, etc.). Meyers subjectively “weighted” each as follows relative to their prospective capture of the urban market field:

- **Downtown Phoenix – 20%**
- Scottsdale – 30%
- Biltmore District – 25%
- Tempe – 15%
- Others – 10%

It should be noted that the 20% capture rate assumption is quite conservative since actual completions from 2000 through 2006 indicated that downtown Phoenix accounted for 49% of the 4,174 total residential completions in the study area, downtown Scottsdale, downtown Tempe, mid-town Phoenix and the Biltmore area. A capture range of 20 to 30% appears more reasonable in downtown Phoenix.

Other information that briefly classifies the profile of urban purchasers was derived from Hanley Wood, Inc., a provider of private market research across the country. For properties currently for sale in downtown Phoenix (refer to Table 2-4B in Appendix 2), Hanley wood describes the buyer profile as follows:

- ✓ Singles
- ✓ Couples
- ✓ Professional Couples

Discussions with the cities of San Diego and Denver indicated the following insights into prospective downtown residents:

- ✓ Seeking a short commute and sometimes a reverse commute.
- ✓ Singles and couples.
- ✓ Seeking a ‘maintenance free’ lifestyle
- ✓ Boomers ages 50 to 70 with no kids targeted

APPENDIX 2.0

Run Date:
17-Aug-07

TABLE 2-1A
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT

RENTAL INVENTORY BY TYPE, 2000

2000 RENTER OCCUPIED INVENTORY BY TYPE (UNITS)

	S/F DETACHED	S/F ATTACHED	RENTAL DUPLEX	RENTAL 3 or 4 Units	RENTAL 5-9 Units	RENTAL 10-19 Units	RENTAL 20-49 Units	RENTAL 50 > Units	RENTAL M/H Units	RENTAL TOTAL
Downtown Study Area Total	**801**	**288**	**301**	**658**	**398**	**357**	**478**	**866**	**0**	**4,145**
			699							
Downtown Redevelopment Area	**139**	**55**	**90**	**204**	**180**	**225**	**386**	**827**	**0**	**2,106**
Census Tract 1130	34	38	66	113	87	76	197	70	0	**681**
Census Tract 1131	105	17	17	82	85	135	145	596	0	**1,182**
Census Tract 1141	0	0	7	9	8	14	44	161	0	**243**
							43			
Governmental Mall Redevelopment Area	**206**	**88**	**58**	**145**	**93**	**54**	**27**	**16**	**0**	**687**
Census Tract 1143.01	72	37	24	57	10	33	20	16	0	**269**
Census Tract 1129, BG 4	84	29	20	51	27	0	7	0	0	**218**
Census Tract 1129, BG 5	50	22	14	37	56	21	0	0	0	**200**
							88			
Garfield Redevelopment Area	**456**	**145**	**153**	**309**	**125**	**78**	**65**	**23**	**0**	**1,352**
Census Tract 1132.03@50%	**82**	**29**	**38**	**45**	**17**	**25**	**34**	**0**	**0**	**268**
Census Tract 1132.01	**212**	**86**	**49**	**65**	**67**	**35**	**8**	**14**	**0**	**536**
Census Tract 1132.02	162	30	66	199	41	18	23	9	0	**548**
Grant Park Region	**65**	**34**	**26**	**33**	**8**	**0**	**0**	**42**	**0**	**208**
Census Tract 1142, BG2	65	34	26	33	8	0	0	42	0	**208**

Source: US Bureau of the Census, 2000.

Run Date:
17-Aug-07

TABLE 2-1B
HOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT
CONDITION OF THE RENTAL INVENTORY, 2000

INDICES OF THE CONDITION OF RENTAL UNITS, 2000

JURISDICTION	ADEQ. PLUMB & CROWDED	INADEQUATE PLUMBING	TOTAL EST. 'AT RISK'	RENTER OCCUP. INVENTORY	EST. PERCENT 'AT RISK'
Downtown Study Area Total	**1,300**	**170**	**1,470**	**4,145**	**35.5%**
Downtown Redevelopment Area	**274**	**99**	**373**	**2,106**	**17.7%**
Census Tract 1130	128	10	138	681	20.3%
Census Tract 1131	123	14	137	1,182	11.6%
Census Tract 1141	23	75	98	243	40.3%
Governmental Mall Redevelopment Area	**310**	**29**	**339**	**687**	**49.3%**
Census Tract 1143.01	82	10	92	269	**34.2%**
Census Tract 1129, BG 4	126	0	126	218	**57.8%**
Census Tract 1129, BG 5	102	19	121	200	**60.5%**
Garfield Redevelopment Area	**716**	**42**	**758**	**1,352**	**56.0%**
Census Tract 1132.03@50%	95	8	103	268	**38.2%**
Census Tract 1132.01	334	10	344	536	**64.2%**
Census Tract 1132.02	287	24	311	548	**56.8%**
Grant Park Region	**88**	**7**	**95**	**208**	**45.7%**
Census Tract 1142, BG2	88	7	95	208	45.7%

RENTAL UNITS CONSTRUCTED PRIOR TO 1949, 2000

JURISDICTION	BUILT < '39	BUILT '40-'49	TOTAL BUILT PRIOR '49	% OF TOTAL BUILT PRIOR '49	MEDIAN YEAR BUILT
Downtown Study Area Total	**1,188**	**460**	**1,648**	**39.8%**	**n/a**
Downtown Redevelopment Area	**815**	**141**	**956**	**45.4%**	**n/a**
Census Tract 1130	183	85	268	**39.4%**	1955
Census Tract 1131	537	39	576	**48.7%**	1952
Census Tract 1141	95	17	112	**46.1%**	1964
Governmental Mall Redevelopment Area	**125**	**168**	**293**	**42.6%**	**1947**
Census Tract 1143.01	84	77	161	**59.9%**	1947
Census Tract 1129, BG 4	22	50	72	**33.0%**	1960
Census Tract 1129, BG 5	19	41	60	**30.0%**	1965
Garfield Redevelopment Area	**248**	**151**	**399**	**29.5%**	**n/a**
Census Tract 1132.03@50%	84	66	150	56.0%	n/a
Census Tract 1132.01	55	18	73	13.6%	1971
Census Tract 1132.02	109	67	176	32.1%	1957
Grant Park Region	**78**	**22**	**100**	**48.1%**	**1962**
Census Tract 1142, BG2	78	22	100	48.1%	1962

Source: US Bureau of the Census, 2000.

Run Date:
17-Aug-07

TABLE 2-1C
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT
RENTAL COST BURDEN, 2000

Percentage of 1999 Household Income Spent On Rent

	30.0 to 34.9 percent	35.0 to 39.9 percent	40.0 to 49.9 percent	50.0 percent or more	Renter Occupied Units	Percent Over 30%	Percent Over 50%
Downtown Study Area Total	**318**	**139**	**302**	**867**	**4,125**	**39.4%**	**21.0%**
Downtown Redevelopment Area	**167**	**71**	**152**	**430**	**2,106**	**38.9%**	**20.4%**
Census Tract 1130	54	24	63	153	681	43.2%	22.5%
Census Tract 1131	99	40	74	189	1,182	34.0%	16.0%
Census Tract 1141	14	7	15	88	243	51.0%	36.2%
Governmental Mall Redevelopment Are	**80**	**8**	**62**	**183**	**687**	**48.5%**	**26.6%**
Census Tract 1143.01	30	0	16	91	269	50.9%	33.8%
Census Tract 1129, BG 4	29	0	26	54	218	50.0%	24.8%
Census Tract 1129, BG 5	21	8	20	38	200	43.5%	19.0%
Garfield Redevelopment Area	**71**	**60**	**88**	**254**	**1,332**	**35.4%**	**19.1%**
Census Tract 1132.03@50%	30	11	7	16	266	23.7%	6.0%
Census Tract 1132.01	0	17	33	134	518	35.5%	25.9%
Census Tract 1132.02	41	32	48	104	548	41.1%	19.0%
Grant Park Region	**15**	**7**	**33**	**22**	**208**	**37.0%**	**10.6%**
Census Tract 1142, BG2	15	7	33	22	208	37.0%	10.6%

Source: US Bureau of the Census, 2000.

Run Date:
17-Aug-07

TABLE 2-2A
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT

OWNER INVENTORY, 2000

2000 OWNER OCCUPIED INVENTORY BY TYPE (UNITS)

	S/F DETACHED	S/F ATTACHED	OWNER DUPLEX	OWNER 3 or 4 Units	OWNER 5-9 Units	OWNER 10-19 Units	OWNER 20-49 Units	OWNER 50 > Units	OWNER M/H Units	OWNER TOTAL
Downtown Study Area Total	**859**	**120**	**19**	**13**	**3**	**0**	**10**	**42**	**18**	**1,083**
			9							
Downtown Redevelopment Area	**155**	**40**	**0**	**9**	**0**	**0**	**10**	**42**	**0**	**256**
Census Tract 1130	115	10	0	9	0	0	0	0	0	134
Census Tract 1131	34	30	0	0	0	0	10	42	0	116
Census Tract 1141	6	0	0	0	0	0	0	0	0	6
			16							
Governmental Mall Redevelopment Area	**177**	**9**	**16**	**0**	**0**	**0**	**0**	**0**	**18**	**220**
Census Tract 1143.01	21	0	16	0	0	0	0	0	11	48
Census Tract 1129, BG 4	116	9	0	0	0	0	0	0	0	125
Census Tract 1129, BG 5	40	0	0	0	0	0	0	0	7	47
			10							
Garfield Redevelopment Area	**527**	**71**	**3**	**4**	**3**	**0**	**0**	**0**	**0**	**607**
Census Tract 1132.03@50%	**142**	**19**	**3**	**4**	**3**	**0**	**0**	**0**	**0**	**170**
Census Tract 1132.01	198	52	0	0	0	0	0	0	0	**250**
Census Tract 1132.02	**187**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**187**
Grant Park Region	**62**	**0**	**8**	**0**	**8**	**0**	**0**	**0**	**0**	**78**
Census Tract 1142, BG2	62	0	8	0	8	0	0	0	0	78

Source: US Bureau of the Census, 2000.

Run Date:
17-Aug-07

TABLE 2-2B
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT
OWNER INVENTORY CONDITION, 2000

INDICES OF THE CONDITION OF OWNER UNITS, 2000

JURISDICTION	ADEQ. PLUMB & CROWDED	INADEQUATE PLUMBING	TOTAL EST. 'AT RISK'	OWNER OCCUP. INVENTORY	EST. PERCENT 'AT RISK'
Downtown Study Area Total	**238**	**28**	**266**	**1,083**	**24.6%**
Downtown Redevelopment Area	**0**	**0**	**0**	**256**	**0.0%**
Census Tract 1130	0	0	0	134	0.0%
Census Tract 1131	0	0	0	116	0.0%
Census Tract 1141	0	0	0	6	0.0%
Governmental Mall Redevelopment Area	**49**	**4**	**53**	**220**	**24.1%**
Census Tract 1143.01	0	0	0	48	0.0%
Census Tract 1129, BG 4	30	0	30	125	24.0%
Census Tract 1129, BG 5	19	4	23	47	48.9%
Garfield Redevelopment Area	**189**	**24**	**213**	**607**	**35.1%**
Census Tract 1132.03@50%	42	0	42	170	24.8%
Census Tract 1132.01	89	10	99	250	39.6%
Census Tract 1132.02	58	14	72	187	38.5%
Grant Park Region	**31**	**8**	**39**	**78**	**50%**
Census Tract 1142, BG2	31	8	39	78	50%

Source: US Bureau of the Census, 2000.

AGE OF OWNER INVENTORY, 2000

OWNER UNITS CONSTRUCTED PRIOR TO '49, 2000

JURISDICTION	BUILT < '39	BUILT '40-'49	TOTAL BUILT PRIOR '49	% OF TOTAL BUILT PRIOR '49	MEDIAN YEAR BUILT
Downtown Study Area Total	**341**	**168**	**509**	**47.0%**	**n/a**
Downtown Redevelopment Area	**0**	**0**	**0**	**0.0%**	**n/a**
Census Tract 1130	0	0	0	0.0%	n/a
Census Tract 1131	0	0	0	0.0%	n/a
Census Tract 1141	0	0	0	0.0%	n/a
Governmental Mall Redevelopment Area	**84**	**68**	**152**	**69.1%**	**n/a**
Census Tract 1143.01	8	32	40	83.3%	1950
Census Tract 1129, BG 4	60	24	84	67.2%	1941
Census Tract 1129, BG 5	16	12	28	59.6%	1946
	.				
Garfield Redevelopment Area	**257**	**100**	**357**	**58.9%**	**n/a**
Census Tract 1132.03@50%	64	40	104	61.4%	n/a
Census Tract 1132.01	80	45	125	50.0%	1971
Census Tract 1132.02	113	15	128	68.4%	1957
Grant Park Region	**38**	**0**	**38**	**48.7%**	**1962**
Census Tract 1142, BG2	38	0	38	48.7%	1962

Source: US Bureau of the Census, 2000.

Run Date:
17-Aug-07

TABLE 2-2C
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT

HOMEOWNER COST BURDEN

Percentage of 1999 Household Income Spent On House Payments

	30.0 to 34.9 percent	35.0 to 39.9 percent	40.0 to 49.9 percent	50.0 percent or more	Owner Occupied Units	Percent Over 30%	Percent Over 50%
Downtown Study Area Total	**67**	**93**	**40**	**99**	**857**	**34.9%**	**11.6%**
Downtown Redevelopment Area	**26**	**24**	**13**	**8**	**256**	**27.7%**	**3.1%**
Census Tract 1130	16	13	13	8	134	37.3%	6.0%
Census Tract 1131	10	11	0	0	116	18.1%	0.0%
Census Tract 1141	0	0	0	0	6	0.0%	0.0%
Governmental Mall Redevelopment Area	**6**	**24**	**0**	**30**	**182**	**33.0%**	**16.5%**
Census Tract 1143.01	0	0	0	0	21	0.0%	0.0%
Census Tract 1129, BG 4	6	19	0	17	125	33.6%	13.6%
Census Tract 1129, BG 5	0	5	0	13	36	50.0%	36.1%
Garfield Redevelopment Area	**35**	**45**	**27**	**61**	**419**	**40.1%**	**14.6%**
Census Tract 1132.03@50%	0	0	0	0	155	**0.0%**	**0.0%**
Census Tract 1132.01	13	35	0	47	239	39.7%	19.7%
Census Tract 1132.02	22	10	27	14	180	40.6%	7.8%
Grant Park Region	**16**	**0**	**5**	**0**	**78**	**26.9%**	**0.0%**
Census Tract 1142, BG2	16	0	5	0	78	26.9%	0.0%

Source: US Bureau of the Census, 2000.

Run Date:
31-Oct-07

TABLE 2-3A
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT
EXISTING DOWNTOWN RENTAL PROJECTS 1/

ITEM	ROOSEVELT SQUARE	THE MET	CONTINENTAL APARTMENTS	CAMDEN AT COPPER SQUARE	ROOSEVELT COMMONS	LEGACY BUNGALOWS	CAMPAIGE PLACE	M0NROE STREET ABBEY	THE WESTWARD HO	AMBASSSADOR WEST APTS
ADDRESS	121 W Portland	200 E Filmore	1030 N. 3rd Street	901 E. Van Buren	825 N 6th Ave	1350 W Van Buren	209 W. Jackson	334 W. Monroe	618 N. Central	345 N. 5th Ave.
TOTAL UNITS	403	140	48	332	48	200	300	94	289	102
REDEVELOPMENT AREA	**DOWNTOWN RDA**	**DOWNTOWN RDA**	**DOWNTOWN RDA**	**GARFIELD RDA**	**DOWNTOWN RDA**	**GOVERNMENTAL MALL RDA**	**DOWNTOWN RDA**	**DOWNTOWN RDA**	**DOWNTOWN RDA**	**DOWNTOWN RDA**
LOW INCOME SET-ASIDE	0	0	n/a	n/a	48	80	300	94	289	102
HOUSING AFFORDABILITY CLASS	**AFFORDABLE-DOWNTOWN WORKFORCE**	**AFFORDABLE-DOWNTOWN WORKFORCE**	**AFFORDABLE**	**AFFORDABLE-DOWNTOWN WORKFORCE**	**LOW INCOME**	**LOW/AFFORDABLE**	**LOW INCOME**	**LOW INCOME**	**LOW INCOME**	**LOW INCOME**
PROGRAM SUPPORTING PROJECT	**n/a**	n/a	n/a	**n/a**	**LIHTC AT 100%**	**LIHTC AT 40%**	**LIHTC AT 100%**	**LIHTC AT 100%**	**Sec 8**	**City Bond Program**
FLOOR PLAN COMMENTS	0 - 3Br	1-2 Bd & Lofts	studios & 1Br	1 - 2 BR	1 - 2 BR	loft - 3Br/2Ba	All Efficiences	studio - 2Br/1Ba	Elderly/Disabled	All Br/1ba
UNIT SQUARE FOOTAGE	768-1,400	653-1,193	n/a	668-1,834	n/a	789-1,181	750-1,100	415-711	Elderly/Disabled	n/a
YEAR BUILT	2000	1996	60s/'70s	2000	2007	2002	2003	1997/98	Early '70s	60s est
MONTHLY RENTAL RANGE	$710-$1,520	$779-$1,264	$600-$800	$810-$1,502	from $540 & $695	from $560-$970	$95/week move-in	$425-$650	Income Restricted	$340

Source: Maricopa County Assessor, Crystal & Company.

1/ Not a comprehensive list but more close for affordable properties. Some projects prone to elimination.

Run Date:
31-Oct-07

TABLE 2-3A (continued)
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT
EXISTING DOWNTOWN RENTAL PROJECTS 1/

ITEM	6th AVENUE SQUARE APTS	CATHERINE ARMS	STEPPING STONE PLACE	DECK PARK VISTA APARTMENTS	MARQUEE APTS	PHOENIX SILVERCREST	GRANT PARK	MATHEW HENSEN HOPE VI
ADDRESS	6th Ave & Fillmore	4th Ave & Fillmore	14th & McDowell	1125 N. 3rd Street	620 N. 2nd Ave	613 N. 4th Ave	331 W. Grant	HOPE VI RDA
TOTAL UNITS	n/a	25	48	56	n/a	125	32	327
REDEVELOPMENT AREA	**DOWNTOWN RDA**	**DOWNTOWN RDA**	**GARFIELD RDA**	**DOWNTOWN RDA**	**DOWNTOWN RDA**	**DOWNTOWN RDA**	**DOWNTOWN RDA**	**HOPE VI RDA**
LOW INCOME SET-ASIDE	n/a	25	48	56	n/a	125	32	327
HOUSING AFFORDABILITY CLASS	**LOW INCOME**	**LOW INCOME**	**LOW INCOME**	**LOW INCOME**	**LOW INCOME**	**LOW INCOME - SENIOR**	**LOW INCOME**	**LOW INCOME**
PROGRAM SUPPORTING PROJECT	**New Con. Sec 8**	**n/a**	**Section 8**	**City Bond Program**	**n/a**	**Sec 8**	**HUD 236**	**LIHTC AT 100%**
FLOOR PLAN COMMENTS	n/a	n/a	n/a	For Seniors	Single Occupancy	n/a	n/a	n/a
UNIT SQUARE FOOTAGE	n/a	n/a	Disabled	n/a	n/a	700-1,700	n/a	1,440
YEAR BUILT	n/a	n/a	n/a	n/a	n/a	70s	early 70s	n/a
MONTHLY RENTAL RANGE	Income Restricted	Income Restricted	Income Restricted	$358-$388	Income Restricted	Income Restricted	Income Restricted	Income Restricted

Source: Maricopa County Assessor, Crystal &

1/ Not a comprehensive list but more close fo
prone to elimination.

Run Date:
31-Oct-07

TABLE 2-3B
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT

DOWNTOWN RENTALS UNDER CONSTRUCTION, PLANNED OR APPROVED, AUGUST 2007

	UNDER CONSTRUCTION	UNDER CONSTRUCTION	APPROVED	PLANNED	APPROVED	APPROVED	UNDER CONSTRUCTION
ITEM	**ALTA PHOENIX**	**MATHEW HENSEN HOPE VI - PHASE 3**	**THE JET**	**R03**	**CITYSCAPE**	**MATHEW HENSEN HOPE VI - PHASE 4**	**TAYLOR PLACE: DORM HOUSING**
ADDRESS	Corner of Fillmore & Third Street	HOPE VI RDA	2nd Ave, Filmore to Van Buren	3rd Street North of Roosevelt	1st St - 1st Ave, Washington - Jefferson	HOPE VI RDA	Van Buren - Fillmore, 1st Ave - 3rd Street
TOTAL UNITS	326	136	675	18	60	86	1,300
REDEVELOPMENT AREA	**DOWNTOWN RDA**	**MATHEW HENSEN RDA**	**DOWNTOWN RDA**	**DOWNTOWN RDA**	**DOWNTOWN RDA**	**MATHEW HENSEN RDA**	**DOWNTOWN RDA**
LOW INCOME UNITS	n/a	136	80	n/a	n/a	86	n/a
EST. HOUSING AFFORDABILITY CLASS	**DOWNTOWN WORKFORCE**	**LOW INCOME**	**DOWNTOWN WORKFORCE - AFFORDABLE**	**N/A - AFFORDABLE TO DOWNTOWN WORKFORCE**	**N/A - AFFORDABLE TO DOWNTOWN WORKFORCE**	**LOW INCOME**	**ASU Freshman - Juniors**
AFFORDABLE HOUSING PROGRAM SUPPORTING PROJECT	**n/a**	**LIHTC AT 100%**	**n/a**	**n/a**	**n/a**	**LIHTC AT 100%**	**n/a**

Source: City of Phoenix, Crystal & Company.

Run Date:
31-Oct-07

TABLE 2-4A
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT
EXISTING HOMEOWNERSHIP PROJECTS

ITEM	ARTISAN PARKVIEW	STADIUM LOFTS	ARTISAN LOFTS ON CENTRAL	ARTISAN VILLAGE	LOFTS AT FILLMORE	ST CROIX CONDOMINIUMS	RENAISSANCE PARK	FONTENELLE LOFTS	ORPHEUM LOFTS	WILLETTA 9	MONROE STREET BUNGALOWS
ADDRESS	706 E. Washington	424 S. 2nd Street	1326 N. Central	605 E. Portland	387 N. 2nd Avenue	100 E. Fillmore	7th St & Washington	304 W. Roosevelt	114 W. Adams	537 E. Willetta	Monroe & 9th Ave
TOTAL UNITS	36	32	84	108	18	60	170	7	94	9	9
REDEVELOPMENT AREA	Downtown RDA	Downtown RDA	Downtown RDA	Downtown RDA	Downtown RDA	Downtown RDA	Downtown RDA	Downtown RDA	Downtown RDA	Downtown RDA	Governmental Mall RDA
UNIT SQUARE FOOTAGE	1,150-1,880	1,100-1,600	1,200-1,800	1,250-1,800	1,000-1,400	750-1,100	960-1,630	n/a	700-1,700	1,100-1,200	1,440
YEAR BUILT	2003	2004	2004	2004	2001	1988	1986	2004	2005	2005	2006
PRICING RANGE 1/	$355,000-$535,000	$300,000-$400,000	$450,000-$600,000	$200,000-$350,000	$295,000-$390,000	$145,000-$335,000	$200,000-$295,000	$260,000-$300,000	$300,000-$550,000	$350,000	$230,000
PRICE PER SQ. FOOT RANGE 1/	$285-$306	$300-$600	$335-$400	$200-$425	$280	$165-$210	$165-$210	$220-$250	$390-$500	$326	$160
HOUSING AFFORDABILITY CLASS	MARKET RATE	MARKET RATE	MARKET RATE	MARKET RATE	MARKET RATE	DOWNTOWN WORKFORCE-MARKET RATE	DOWNTOWN WORKFORCE-MARKET RATE	MARKET RATE	MARKET RATE	MARKET RATE	DOWNTOWN-WORKFORCE

Source: Maricopa County Assessor, Crystal & Company.

1/ Sales data derived from the past year when viable.

Run Date:
31-Oct-07

TABLE 2-4B
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT

UNDER CONSTRUCTION AND/OR FOR-SALE PROJECTS AS OF AUGUST, 2007
(Hanley Wood Survey Date of June 30, 2007)

SUBDIVISION DEVELOPMENT ENTITY PROJECT TYPE	PORTLAND PLACE CRESCENT RESOURCES LLC MULTI-STORY CONDOS 210 Units	215 E. MCKINLEY URBAN FORM DEV. LLC CONDOS, 5 STORIES 14 Units	THE SUMMIT AT COPPER SQ V DEVELOPMENTS LLC CONDOS, 23 STORIES 165	ROOSEVELT 11 URBAN EDGE BUILDERS TOWNHOMES 11 Units	44 MONROE GRACE COMMUNITIES CONDOS, 34 STORIES 202 Units	PORTLAND 38 JAG DEVELOPMENT T/H-LOFTS, 3 STORIES 38 Units	PRD 845 URBISTRUCT T/H-LOFTS, 3 STORIES 12 Units	TOTAL
LOCATION	Due south of Deck Park between 3rd Ave & Central	215 E. McKinley	4th St & Jackson	SW Corner of Roosevelt And 9th St	NE Corner of 1st Ave & Monroe	Portland & 7th Street	SW Corner of Roosevelt & 7th Ave	
REDEVELOPMENT AREA	**DOWNTOWN RDA**	**DOWNTOWN RDA**	**DOWNTOWN RDA**	**GARFIELD RDA**	**DOWNTOWN RDA**	**GARFIELD RDA**	**GOVERNMENTAL MALL RDA**	
TELEPHONE	602 253.3100	602.266.3110	602.768.2929	602.791.4404	602.462.9500	602.254.1500	602.522.1530	
HOUSING AFFORDABILITY CLASS	**MARKET RATE**	**MARKET RATE**	**MARKET RATE**	**DOWNTOWN WORKFORCE/MARKET RATE**	**MARKET RATE**	**MARKET RATE**	**DOWNTOWN WORKFORCE/MARKET RATE**	
FLOOR PLAN DESCRIPTION	0-1/Br/1Ba One story	Studio Loft (1 story)	1BR w or wo Den/1.5-2.0 Ba 1 story	1Br, 2Ba, 3 Story 1 gar	1Br/1-1.5Ba One story	Loft/1BR - 2Ba - Three Story	1Br/1Ba - 2-3 Story	
UNIT SQUARE FOOTAGE	892-1,025	564	898-1,132	1,295	743-1,308	1,217-1,550	936	
PRICING	$334,000-$366,300	$239,700	$411,000-$466,400	$280,000-$290,000	$400,000-$603,000	$300,000-$400,000	$248,000	
FLOOR PLAN DESCRIPTION	2Br/2-2.5Ba One story	Flat & Loft/1.5 Ba (3 story)	2BR w or wo Den/1.5-2.0 Ba 1 story	2Br, 2Ba, 3 Story 1 gar	2Br/2-2.5Ba One story	2Br/2Ba - Three Story	2Br/2Ba	
UNIT SQUARE FOOTAGE	1,354-1,659	1,267-1,466	1,425-1,526	1,522-1620	1,394-2,079 One story	1,432	1,672-2,150	
PRICING	$514,900-$625,900	$538,475-$623,050	$587,000-$629,000	$340,000-$360,000	$720,000-$1,136,000	$320,000-$389,000	Up to $399,999	
FLOOR PLAN DESCRIPTION	2Br/2Ba & Den (2 story ph)				2-3Br/2-2.5Ba One story - Penthouse			
UNIT SQUARE FOOTAGE	2,829				2,770-4,406			
PRICING	$1,349,000							
PROJECT PRICING RANGE	**$333,900-$1,349,000**	**$239,700-$623,050**	**$411,000 - $629,000**	**$280,000-$360,000**	**$400,000 - $1,138,000, $1.9-$3.5M (PH)**	**$300,000-$400,000**	**$247,900-$399,999**	
SQUARE FOOTAGE RANGE	**892 - 2,829**	**564-1,466**	**898 - 1,526**	**1,295-1,620**	**743 - 2,079, 2,700-4,400 PH**	**1,217-1,550**	**935-2,150**	
PRICE PER SQ. FT. RANGE	**$412 - $476**	**$425**	**$412 - $457**	**$225**	**$480 - $550, $822 PH**	**$246-$258**	**$186 - $265**	
TOTAL UNITS	**210**	**14**	**165**	**11**	**202**	**38**	**12**	**652**
UNITS UNDER CONSTRUCTION	**6**	**14**	**0**	**0**	**0**	**0**	**0**	**20**
TOTAL UNITS SOLD	**48**	**3**	**130**	**5**	**144**	**7**	**9**	**346**
AVERAGE SALES PER MO.	**2.29**	**0.54**	**5.2**	**1.42**	**5.33**	**0.69**	**n/a**	**.5 - 5.3**
% OF INVENTORY SOLD	**23%**	**21%**	**79%**	**45%**	**71%**	**18%**	**75%**	**53%**
PROJECT AMENITIES	Clubhouse, Exercise Room, Security, Pool,	Community fitness room 2 Entertainment decks/BBQ areas , food preparation areas and reflecting pool and fountain, covered, secure parking, security.	Cabana, clubhouse, exercise room, gated, security, spa, pools,	Bay window, one car garage, wood beam ceiling, etc	Parking garage, security, first floor gourmet retail, swimming pool, fitness center, meeting rooms, business center, entertainment rooms,	Garages, pool, beamed ceilings, private entry and yard.	Live work, car garages, patios/balconies/decks	

Source: Hanley-Wood Market Intelligence, August, 2007.
Hanley Wood Survey Date: June 30, 2007

Run Date:
31-Oct-07

TABLE 2-4C
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT

APPROVED AND PLANNED HOMEOWNERSHIP PROJECTS, AUGUST 2007

ITEM	COSMOPOLITAN TOWER	555 W. FILMORE	CITYSCAPE	W. PHX CONDOS	RO3	ARTISAN HAUS	MATHEW HENSEN HOPE VI	MCKINLEY ROW
ADDRESS	On SE Corner of McKinlley & 3rd St	Between 5-6th Ave south of Filmore	1st St-1st Ave, Washington-Jefferson	1 block south of Jefferson & 2nd St.	1 Block N. of Roosevelt off 3rd St	West of Central near Willetta	Mathew Hensen RDA	802 N. 4th Avenue
TOTAL UNITS	120	137	1,200	140	180	80	62	32
PROJECT TYPE	CONDOS, 22 STORIES	CONDOS, 4 STORIES	CONDOS, MULTI-story	CONDOS, 39 STORIES	CONDOS/TH	CONDOS		CONDOS
REDEVELOPMENT AREA	DOWNTOWN RDA	DOWNTOWN RDA	DOWNTOWN RDA	DOWNTOWN RDA	DOWNTOWN RDA	DOWNTOWN RDA	MATHEW HENSEN RDA	DOWNTOWN RDA
EST. UNIT SQUARE FOOTAGE	536 - 3,133	n/a	n/a	n/a	n/a	n/a	n/a	700-1,540
EST. PRICING RANGE 1/	$174,200-$1,018,225	n/a	n/a	n/a	n/a	n/a	n/a	mid $200s - high $400s
EST. PRICE PER SQ. FOOT RANGE 1/	$325	n/a	n/a	n/a	n/a	n/a	n/a	$260 - $360
EST. HOUSING AFFORDABILITY CLASS	MARKET RATE	MARKET RATE	MARKET RATE	MARKET RATE	MARKET RATE	MARKET RATE	AFFORDABLE	DOWNTOWN WORKFORCE/MARKET RATE

Source: Maricopa County Assessor, Crystal & Company.

1/ Sales data derived from the past year when viable.

Run Date:
4-Sep-07

TABLE 2-5
DOWNTOWN MARKET AREA RESIDENTIAL ACITIVITY
2001 TO 2003

	2001 S/F Resale			2001 S/F New			2001 T/H Resale			2001 T/H New			Total Sales		
	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Resale	New	Total
Downtown Redevelopment Area	**18**	**$215,733**	**1,387**	**0**	**$0**	**0**	**14**	**$100,250**	**968**	**2**	**$187,000**	**1,518**	**32**	**2**	**34**
Census Tract 1130	16	$232,950	1,416	.	.					2	$187,000	1,518	16	0	16
Census Tract 1131	2	$78,000	1,159				14	$100,250	968				16	0	16
Census Tract 1141	0	$0	0	0	$0	0	0	$0	0	0	$0	0	0	0	0
Governmental Mall Redevelopment Area	**56**	**$102,188**	**884**	**1**	**$77,000**	**1,326**	**0**	**$0**	**0**	**0**	**$0**	**0**	**56**	**1**	**57**
Census Tract 1143	19	$67,500	884	.	$0								19	0	19
Census Tract 1129@50% 2/	37	$120,000	1,142	1	$77,000	1,326							37	1	38
Garfield Redevelopment Area	**77**	**$66,500**	**919**	**0**	**$0**	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**77**	**0**	**77**
Census Tract 1132 1/	77	$66,500	919										77	0	77
													0	0	0
TOTAL	**151**	**n/a**	**n/a**	**1**	**n/a**	**n/a**	**14**	**n/a**	**n/a**	**2**	**n/a**	**n/a**	**165**	**3**	**168**

Source: ASU Real Estate Center, 2007.

	2002 S/F Resale			2002 S/F New			2002 T/H Resale			2002 T/H New			Total Sales		
	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Resale	New	Total
Downtown Redevelopment Area	**10**	**$182,500**	**1,200**	**8**	**$345,000**	**0**	**23**	**$87,726**	**755**	**11**	**$241,545**	**1,692**	**33**	**19**	**52**
Census Tract 1130	10	$182,500	1,200	8	$345,000	.	1	$195,000	1,518	7	$265,000	1,967	11	15	26
Census Tract 1141	0	$0	0	0	$0	0	0	$0	0	0	$0	0	0	0	0
Census Tract 1131							22	$82,850	720	4	$200,500	1,211	22	4	26
Governmental Mall Redevelopment Area	**49**	**$60,000**	**892**	**0**	**$0**	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**49**	**0**	**49**
Census Tract 1143	14	$60,000	892										14	0	14
Census Tract 1129@50% 2/	35	$94,900	1,116										35	0	35
Garfield Redevelopment Area	**71**	**$74,900**	**939**	**1**	**$565,000**	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**71**	**1**	**72**
Census Tract 1132 1/	71	$74,900	939	1	$565,000								71	1	72
													0	0	0
TOTAL		**n/a**	**n/a**		**n/a**	**n/a**		**n/a**	**n/a**	**11**	**n/a**	**n/a**			

Source: ASU Real Estate Center, 2007.

	2003 S/F Resale			2003 S/F New			2003 T/H Resale			2003 T/H New			Total Sales		
	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Resale	New	Total
Downtown Redevelopment Area	**26**	**$224,577**	**1,419**	**0**	**$0**	**0**	**24**	**$94,053**	**690**	**6**	**$334,567**	**0**	**50**	**6**	**56**
Census Tract 1130	20	$246,200	1,408			.	1	$258,576		6	$334,567		**21**	**6**	**27**
Census Tract 1141	0	$0	0	0	$0	0	0	$0	0	0	$0	0	**0**	**0**	**0**
Census Tract 1131	6	$152,500	1,456				23	$86,900	720				**29**	**0**	**29**
Governmental Mall Redevelopment Area	**48**	**$123,533**	**1,115**	**2**	**$125,000**	**1,138**	**0**	**$0**	**0**	**0**	**$0**	**0**	**48**	**2**	**50**
Census Tract 1143.01	2	$478,500	1,272										**2**	**0**	**2**
Census Tract 1129@50%	46	$108,100	1,108	2	$125,000	1,138							**46**	**2**	**48**
Garfield Redevelopment Area	**65**	**$79,925**	**935**	**3**	**$94,633**	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**65**	**3**	**68**
Census Tract 1132.01	34	$78,500	876	1	$104,000	**.**							**34**	**1**	**35**
Census Tract 1132.02	16	$75,850	865	2	$89,950	**.**							**16**	**2**	**18**
Census Tract 1132.03@50%	15	$87,500	1,145			**.**							**15**	**0**	**15**
TOTAL	**139**	**n/a**	**n/a**	**5**	**n/a**	**n/a**	**24**	**n/a**	**n/a**	**6**	**n/a**	**n/a**	**163**	**11**	**174**

Source: ASU Real Estate Center, 2007.

1/ Exceeds the Garfield border on the north to McDowell Road.

TABLE 2-5 (continued)
DOWNTOWN MARKET AREA RESIDENTIAL SALES ACITIVITY
2004 TO July of 2007

	2004 S/F Resale			2004 S/F New			2004 T/H Resale			2004 T/H New			Total Sales		
	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Resale	New	Total
Downtown Redevelopment Area	**38**	**$356,816**	**1,725**	**2**	**$347,847**	**0**	**48**	**$155,899**	**871**	**10**	**$331,338**	**0**	**86**	**12**	**98**
Census Tract 1130	27	$360,000	1,847	2	$347,847		8	$268,250	1,518	8	$363,100	n/a	**35**	**10**	**45**
Census Tract 1131	11	$349,000	1,426				39	$128,000	761				**50**	**0**	**50**
Census Tract 1141	0	$0	0	0	$0	0	1	$345,153	0	2	$204,292	n/a	**1**	**2**	**3**
Governmental Mall Redevelopment Area	**64**	**$129,016**	**1,124**	**0**	**$0**	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**64**	**0**	**64**
Census Tract 1143.01	6	$76,000	1,199	.	.								**6**	**0**	**6**
Census Tract 1129@50% 2/	58	$134,500	1,116										**58**	**0**	**58**
Garfield Redevelopment Area	**111**	**$91,511**	**1,005**	**7**	**$219,714**	**n/a**	**1**	**$60,000**	**1,397**	**0**	**$0**	**0**	**112**	**7**	**119**
Census Tract 1132.01	55	$87,000	939	3	$268,000	n/a							**55**	**3**	**58**
Census Tract 1132.02	36	$92,950	1,108	2	$27,500	n/a							**36**	**2**	**38**
Census Tract 1132.03@50% 2/	20	$101,325	999	2	$339,500	n/a	1	$60,000	1,397				**21**	**2**	**23**
	213			9											
TOTAL	**213**	**n/a**	**n/a**	**9**	**n/a**	**n/a**	**49**	**n/a**	**n/a**	**10**	**n/a**	**n/a**	**262**	**19**	**281**

Source: ASU Real Estate Center, 2007.

	2005 S/F Resale			2005 S/F New			2005 T/H Resale			2005 T/H New			Total Sales		
	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Resale	New	Total
Downtown Redevelopment Area	**25**	**$415,760**	**1,298**	**13**	**$255,298**	**n/a**	**60**	**$226,609**	**810**	**159**	**$249,989**	**n/a**	**85**	**172**	**257**
Census Tract 1130	20	$423,450	1,270	5	$207,275	1,288	20	$247,158	1,079	85	$207,965	1,267	**40**	**90**	**130**
Census Tract 1141	0	$0	0	7	$310,000	n/a	6	$359,900	0	74	$298,259	n/a	**6**	**81**	**87**
Census Tract 1131	5	$385,000	1,409	1	$112,500	n/a	34	$191,000	795				**39**	**1**	**40**
Governmental Mall Redevelopment Area	**77**	**$160,844**	**1,071**	**3**	**$126,066**	**n/a**	**0**	**$0**	**0**	**0**	**$0**	**0**	**77**	**3**	**80**
Census Tract 1143.01	10	$166,500	1,235	1	$103,125	n/a							**10**	**1**	**11**
Census Tract 1129@50% 2/	67	$160,000	1,046	2	$137,537	2,202							**67**	**2**	**69**
Garfield Redevelopment Area	**119**	**$119,782**	**933**	**2**	**$440,000**	**n/a**	**1**	**$84,000**	**1,397**	**0**	**$0**	**0**	**120**	**2**	**122**
Census Tract 1132.01	42	$120,000	957	1	$155,000	n/a							**42**	**1**	**43**
Census Tract 1132.02	54	$111,000	858										**54**	**0**	**54**
Census Tract 1132.03@50%	23	$140,000	1,064	1	$725,000	n/a	1	$84,000	1,397				**24**	**1**	**25**
										159					
TOTAL	**221**	**n/a**	**n/a**	**18**	**n/a**	**n/a**	**61**	**n/a**	**n/a**	**159**	**n/a**	**n/a**	**282**	**177**	**459**

Source: ASU Real Estate Center, 2007.

	2006 S/F Resale			2006 S/F New			2006 T/H Resale			2006 T/H New			Total Sales		
	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Resale	New	Total
Downtown Redevelopment Area	**8**	**$588,750**	**1,522**	**1**	**$370,000**	**n/a**	**47**	**$251,194**	**1,017**	**8**	**$349,450**	**796**	**55**	**9**	**64**
Census Tract 1130	7	$580,000	1,500			.	26	$269,120	1,256				**33**	**0**	**33**
Census Tract 1141	0	$0	0	1	$370,000	n/a	0	$0	0	8	$349,450	796	**0**	**9**	**9**
Census Tract 1131	1	$650,000	1,673				21	$229,000	720				**22**	**0**	**22**
Governmental Mall Redevelopment Area	**43**	**$204,023**	**1,112**	**10**	**$184,000**	**n/a**	**0**	**$0**	**0**	**0**	**$0**	**0**	**43**	**10**	**53**
Census Tract 1143.01	5	$173,800	1,140	6	$200,000	0							**5**	**6**	**11**
Census Tract 1129@ 50%	38	$208,000	1,108	4	$160,000	1,003							**38**	**4**	**42**
Garfield Redevelopment Area	**88**	**$147,045**	**944**	**9**	**$138,744**	**n/a**	**0**	**$0**	**0**	**0**	**$0**	**0**	**88**	**9**	**97**
Census Tract 1132.01	35	$150,000	940	2	$180,000	1,498							**35**	**2**	**37**
Census Tract 1132.02	33	$130,000	858	6	$116,450	1,198							**33**	**6**	**39**
Census Tract 1132.03@50%	20	$170,000	1,093	1	$190,000	.							**20**	**1**	**21**
TOTAL	**139**	**n/a**	**n/a**	**20**	**n/a**	**n/a**	**47**	**n/a**	**n/a**	**8**	**n/a**	**n/a**	**186**	**28**	**214**

Source: ASU Real Estate Center, 2007.

	2007 S/F Resale 1/			2007 S/F New 11/			2007 T/H Resale 1/			2007 T/H New 1/			Total Sales 1/		
	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Sales	Median Price	Sq Ft	Resale	New	Total
Downtown Redevelopment Area	**8**	**$582,500**	**1,448**	**0**	**$0**	**n/a**	**27**	**$225,763**	**783**	**24**	**$630,654**	**796**	**35**	**24**	**59**
Census Tract 1130	6	$582,500	1,591			.	8	$346,500	1,403	23	$645,900		**14**	**23**	**37**
Census Tract 1141	0	$0	0	0		n/a	5	$329,000	858	1	$280,000	796	**5**	**1**	**6**
Census Tract 1131	2	n/a	1,018				14	$119,900	402				**16**	**0**	**16**
Governmental Mall Redevelopment Area	**21**	**$206,410**	**1,011**	**2**	**$185,500**	**n/a**	**0**	**$0**	**0**	**5**	**$425,000**	**0**	**21**	**7**	**28**
Census Tract 1143.01	1	$614,612	1,633										**1**	**0**	**1**
Census Tract 1129@ 50%	20	$186,000	980	2	$185,500	1,164				5	$425,000		**20**	**7**	**27**
Garfield Redevelopment Area	**35**	**$173,348**	**997**	**6**	**$225,917**	**n/a**	**0**	**$0**	**0**	**0**	**$0**	**0**	**35**	**6**	**41**
Census Tract 1132.01	16	$139,500	928	2	$142,250								**16**	**2**	**18**
Census Tract 1132.02	4	$302,545	1,129	2	$377,000								**4**	**2**	**6**
Census Tract 1132.03@50%	15	$175,000	1,036	2	$158,500	.							**15**	**2**	**17**
TOTAL	**64**	**n/a**	**n/a**	**8**	**n/a**	**n/a**	**27**	**n/a**	**n/a**	**29**	**n/a**	**n/a**	**91**	**37**	**128**

Source: ASU Real Estate Center, 2007.

1/ Sales year-to-date through July of 2007.

Table 2-6
Phoenix Area Urban Buyers & Renters By Psychographic Cluster, Nov. 2003
(prepared by the Meyers Group, 2003)

Cluster	Total HH's	% of Total	Preferred Housing Types	Definition (per Claritas)
Latino America	56,033	4.4%	Condos to Small-Lot SF	With the nation's highest index for foreign-born immigrants, this cluster represents a giant step in achievement for the young families of Latino America. They have many children and are concentrated in New York, Miami, Chicago and the Southwest. Although they live in rented houses and have blue-collar jobs, they are moving up and are college-bound.
American Dreams	49,067	3.9%	Townhomes to Medium-Lot SF	These immigrants and descendants of multi-cultural backgrounds in multi-racial, multi-lingual neighborhoods typify the American Dream. Married couples with and without children and single parents are affluent from working hard at multiple trades and public service jobs. They are high school graduates with some college education. Their big families are unusual for the Urban Uptown social group.
Hispanic Mix	48,407	3.8%	Apartments to Townhomes	The bilingual barrios concentrated in the Southwest, the Atlantic metro corridor, Texas, Chicago, Miami and Los Angeles are home to this cluster. Large families with lots of small children live in these neighborhoods. They rank second in the percentage of foreign-born and first in transient immigration.
Single City Blues	40,051	3.2%	Apartments and Condos	This cluster is found mostly in Eastern mega-cities and in the West, and includes many singles. Often found near urban universities, this cluster hosts a fair number of students. With few children, it is a mixture of races, transients, and night trades and is best described as a "poor man's Bohemia".
Cluster	Total HH's	% of Total	Preferred Housing Types	Definition (per Claritas)
Urban Achievers	35,714	2.8%	Apartments to Cluster Homes	This is the most affluent of the Urban Midscale clusters. Often found near urban public universities, these neighborhoods are ethnically diverse with a blend of youth and age. Single students mix easily with older professionals who work in business, finance and public service.
Big City Blend	31,544	2.5%	Townhomes to Medium-Lot SF	The most ethnically mixed of the Urban Midscale clusters, it has many Hispanics, Asians and other foreign-born immigrants. Less affluent than Urban Achievers, they have large families and work in white- and blue-collar jobs. They live in older, stable, high-density urban row-home neighborhoods.
Bohemian Mix	22,935	1.8%	Apartments to Cluster Homes	Dominated by mobile, high educated singles, this is an eclectic group of executives, students, artists and writers who prefer to live in rented high-rises. Very few children are found in this multi-racial cluster.
Money & Brains	21,457	1.7%	Townhomes to Medium-Lot SF	This cluster is a mix of family types: singles, married couples with children and married couples without children. These families have their homes in upscale neighborhoods near cities. Dual incomes provide luxuries, travel and entertainment.
Old Yankee Rows	9,702	0.8%	Apartments to Cluster Homes	More languages are spoken in this cluster than in the other Urban Midscale clusters. New Asian and Latin American immigrants live in these "magnet" neighborhoods concentrated in the Northeast. Although they have the same mix of white- and blue-collar jobs as Big City Blend, they are less affluent. They tend to be single and live in rental multi-unit apartment complexes.
Young Literati	5,464	0.4%	Apartments to Cluster Homes	Although less affluent than Money & Brains, this cluster is better educated. They are executives, professionals and students, and live in apartments, condos and townhouses near private urban universities. They have few children, leaving them free to lead active lives filled with travel, art and fitness.
Mid-City Mix	88	0.0%	Apartments to Small-Lot SF	Like other clusters in the Urban Midscale group, this is above-average in ethnic diversity with a similar mix of service, white- and blue-collar employment. Living in urban row-house neighborhoods, they are found in the Northeast and around the Great Lakes. It is three-quarters Black and has a high incidence of college enrollment.
Urban Gold Coast	0	0%	Apartments to Townhomes	The highly educated professional couples and singles of this cluster live in large urban apartment and condo complexes. They're found in densely populated areas such as New York City. Very few of these busy, affluent households have children or own cars.
Inner Cities	0	0%	Apartments to Townhomes	Concentrated in America's poorest neighborhoods in large eastern U.S. cities, these young, African-American single parents live in multi-unit rental complexes. High unemployment and public assistance are prevalent here. When work is available, they have service and blue-collar jobs. They have grade school and high school educations.

Table 2-6 (continued)
Phoenix Area Urban Buyers & Renters By Psychographic Cluster, Nov. 2003
(prepared by the Meyers Group, 2003)

Cluster	Total HH's	% of Total	Preferred Housing Types	Definition (per Claritas)
Young Influentials	25,054	2.0%	Apartments to Small-Lot SF	The high-tech educated folks of this cluster have managerial and professional jobs and live in urban high-rises. Although many of their contemporaries have married and settled down, these childless, live-together couples prefer their sophisticated urban lifestyle, supported by dual incomes. They are the last of the Yuppies.
Smalltown Downtown	20,973	1.7%	Apartments to Townhomes	This cluster is made up of students and those looking for fresh starts and first employment. Their neighborhoods are found mostly west of the Mississippi. These young singles often live near city colleges and work in low-level, white-collar sales and technical jobs.
Pools & Patios	17,130	1.4%	Townhomes to Medium-Lot SF	Empty-nester executive and professional couples are living the good life in their "post-child" years. Their dual incomes support rich, active lives filled with travel, leisure activities and entertainment. Many live in the densely-populated Northeast corridor of the U.S.
Boomtown Singles	0	0%	Apartments to Cluster Homes	Young people in the fast-growing smaller cities in the South, Midwest and West fall into this cluster. They are young professionals and "techies" in public service and private industries who live in multi-unit rentals. They like music and outdoor activities such as boating and skiing.

DOWNTOWN PHOENIX HOUSING MARKET NEEDS ASSESSMENT

SECTION 3.0 PROJECTED DOWNTOWN STUDY AREA HOUSING DEMAND

SECTION 3.0 PROJECTED DOWNTOWN STUDY AREA HOUSING DEMAND

This section of the report presents the projected housing demand by tenure for downtown Phoenix considered as a whole from 2007 through 2014 for the following household income categories:

- **Low Income** – households earning less than $36,000/annum (60% of the area median income adjusted by family size and below);
- **Affordable** - households earning from $36,000-$48,000/annum (60-80% of the area median adjusted by family size);
- **Downtown Workforce** – households earning from $48,000-$71,000/annum (80-120% of the area median adjusted by family size); and,
- **Market Rate** – households earning more than $71,000/annum (more than 120% of the area median adjusted by family size).

A summary of the downtown demand projections are presented on page 42 in section 3.6 (Downtown Phoenix Housing Demand Recap And Market Penetration) as well as on Figure 3-1 (inserted after page 42). The following information describes the component parts used to general residential demand projections.

3.1 Downtown Study Area Gross Rental Housing Demand Estimates

This section of the report presents housing demand from within the Downtown Housing Market Area for 2007 through 2014 by tenure and income category. Mentioned earlier, the Downtown Housing Market Area essentially covers a 2 mile radius from the heart of downtown and is bounded by 19th Avenue on the west, 24th Street on the east, I-17 on the south and Thomas Road on the north. Demand here is primarily derived from the capture of commuters who fit the downtown buyer/renter profile and work but don't live in the downtown housing market area. MAG employment numbers by place of work were adjusted downward by 5% to remove any employment living in the area. Demand estimates should be viewed as gross since the actual penetration of this demand (net) are reliant on a wide variety of factors, and are discussed later in this section.

<u>Low Income (< $36,000) Gross Rental Housing Demand Projections</u>

The demand for low income housing is pervasive throughout Arizona and much of the United States. Decent, safe and sanitary rental options open to households in this restrictive income bracket are limited, and demand typically exceeds supply. The rapid escalation in construction costs and land values in the downtown Phoenix market area mandate sizable subsidies to place new, affordable rental properties into production. To date, limited affordable rental production financed, in part, through the Low Income Housing Tax Credit (LIHTC) program has been added to the inventory. Unlike many other major metropolitan downtown areas, downtown Phoenix contains a substantial number of renter households in the lower income category. Also, student enrollment downtown from Arizona State University (ASU) and the University of Arizona (U of A) will fuel residential demand.

Current and projected residential rental demand for lower income households earning less than $36,000 per annum is projected from heightened levels of market capture for employees (renters) working but not presently residing downtown, future employment growth in this income bracket, existing households living downtown in need of affordable housing and from student demand. Consider the following rental housing demand projections from 2007 through 2014:

- Demand From Downtown Commuters - Current employees earning less than $36,000 (60% of the median) within the downtown Housing Market Area is currently estimated at 35,021 and projected to rise to 38,950 by 2014. If we assume that half of these households are renters per the 2000 Census, 17% of households change their residency annually (per the Arizona Republic) and 45% are comprised of one- or two person households, it is estimated that 9,375 units (aka households) are prospects for capture in this income category during the projection period. Two important factors will severely limit production potential here: (1) new housing production for families in downtown is a stretch; and, (2) the ability to deliver new rental housing at this price point is very limited without very deep subsidies. About 650 units (LIHTC properties) have been placed in service since the early 1990s.

- Demand From Employment Growth – With employment growth from 2007 through 2014 projected at 3,900, 50% of households in this income category are/will be renters as evident in 2000, 45% are comprised of one- and two-person households drawn from the 2000 census and an assumed 35% will seek new living accommodations, it is estimated that up to 308 units constitute potential downtown housing demand during the projection period.

- Rental Housing Needs of Existing Residents - The need for rental units by lower income area residents is estimated at the following levels:

  - ✓ Incidence of Overcrowding, Cost Burden or Substandard Housing Conditions Of Renter Households In The Downtown Earning 0 to 60% Of The Area Median, CY 2000 (adjusted).................. **1,620**
  - ✓ Expected Current Deletions To The Inventory .... **unknown**
  - ✓ Applicable Vacancy Factor **5%**
  - ✓ Estimated Current Max. Affordable Rental Need ....**1,700+ units**

- Student Housing- Student enrollment from both ASU and U of A are currently estimated at **3,680** and projected to rise to **12,200** by 2014 for this income bracket. Currently, 750 units of dormitory housing for ASU students (Freshman – Juniors) are under construction, with an additional 550 units to be added by 2009. With the exception of dormitory type housing designed predominantly for freshman, rental housing opportunities for students, like lower income households, appear very limited given the high costs downtown.

Limited rent roll capacity coupled with the high cost of residential site acquisition, improvement and project construction warrant sustained use of subsidies and viable "income mixing" to stimulate rental housing production for lower income households throughout the downtown redevelopment areas. The strategic renovation of existing, affordable rental properties also represent opportunities in downtown Phoenix.

Affordable ($36,000-$48,000) Gross Rental Housing Demand Projections

Current and projected residential rental demand for households earning between $36,000 to $48,000/annum (60-80% of the area median income) is projected from increased levels of market capture for employees who are renters and working but not presently residing downtown, future employment growth in this income bracket, existing households living downtown in need of affordable housing and from student demand. Consider the following rental housing demand projections from 2007 through 2014:

- Demand From Downtown Commuters - Assuming 17% of the 15,100 commuting employees change their residence annually per the Arizona Gazette, 35% of households in this income category are renters as evident in 2000 and 45% are comprised of one- and two person households, demand is projected at 2,835 units over the projection period.

- Demand From Employment Growth – With employment growth from 2007 through 2014 is projected at 2,100, 35% of households in this income category are/will be renters as evident in 2000, 45% are comprised of one- and two-person households drawn from the 2000 census, and 35% are assumed to seek new living accommodations, it is estimated that 116 units constitute potential downtown housing demand during the projection period.

- Rental Housing Needs of Existing Residents - The need for downtown rental units by area residents in this income bracket is estimated at the following levels:

    - ✓ Incidence of Overcrowding, Cost Burden or Substandard Housing Conditions Of Renter Households Earning 61 to 80% Of The Area Median, CY 2000 (adjusted) **260**
    - ✓ Expected Current Deletions To The Inventory .... **varies**
    - ✓ Applicable Vacancy Factor **5%**
    - ✓ Estimated Current Max. Affordable Rental Need ....**273+ units**

Again, the high cost of residential site acquisition, improvement and project construction warrant sustained use of subsidies and "income mixing" to stimulate rental housing production for households seeking affordable rentals throughout the downtown redevelopment areas.

Downtown Workforce ($48,000-$71,000) Gross Rental Housing Demand Projections

Current and projected residential rental demand for households earning between $48,000 to $71,000/annum (80-120% of the area median income) is projected from increased levels of market capture for employees who are renters and working but not presently residing downtown, future employment growth in this income bracket and the annual turnover (absorption) of the existing rental inventory downtown at this price point. Consider the following rental housing demand projections from 2007 through 2014:

- Demand From Downtown Commuters - Assuming 17% of the 22,538 employees change their residence annually per the Arizona Gazette, 27% of households in this income category are renters as evident in 2000 and 45% are comprised of one- and two- person households as evident in 2000, demand is projected at **3,255** units for the projection period, '07 – '014.

- Demand From Employment Growth – With employment growth from 2007 through 2014 projected at 3,800, 27% of households in this income category are/will be renters as evident in 2000, 45% are comprised of one- and two-person households drawn from the 2000 census and 35% are assumed to change their living accommodations, it is estimated that **162** units constitute potential downtown housing demand during the projection period.

- Demand From Second Residences – Individuals and/or commercial establishments transacting business downtown can and do hold second residences in the area. While the reasons motivating the desire for such residences vary, the share of market demand is not anticipated to be large at the present time.

Presently, about 1,000 units of downtown workforce and/or market rate rental housing are either under construction or planned downtown.

Market-Rate (Over $71,000) Gross Rental Housing Demand Projections

Current and projected market-rate residential rental demand for households earning over $71,000/annum (>120% of the area median income) is projected from increased levels of market capture for employees who are renters and working but not presently residing downtown, future employment growth in this income bracket and commuters needing a second residence. Consider the following rental housing demand projections from 2007 through 2014:

- Demand From Downtown Commuters - Assuming 17% of the 50,735 commuting employees change their residence annually per the Arizona Gazette, 15% of households in this income category are renters as evident in 2000 and 45% are comprised of one- and two- person households as evident in 2000, demand is projected at **4,075** units for the projection period, '07 – '014.

- Demand From Employment Growth – With employment growth from 2007 through 2014 projected at 10,450, 15% of households in this income category are/will be renters as evident in 2000, 45% are comprised of one- and two-person households drawn from the 2000 census and 35% are assumed to change their living accommodations, it is estimated that up to **247** units constitute potential downtown housing demand during the projection period.

- Demand From Second Residences – Individuals and/or commercial establishments transacting business downtown can and do hold second residences in the area. While the reasons motivating the desire for such residences vary, the share of market demand is not anticipated to be large at the present time.

Again, 999 units of downtown workforce and/or market rate rental housing are either under construction or planned downtown.

3.2 Downtown Study Area Gross For-Sale Housing Demand Estimates

Low Income (< $36,000) Gross For-Sale Housing Demand Projections

While sizable housing demand is evident, new housing production alternatives downtown for this income category are generally not viable given the escalation of home and land values. Efforts to place new units into production for the highest end of this income bracket warrant excessively deep subsidies for developers and consumers alike. The growth of student enrollment downtown from Arizona State University (ASU) and the University of Arizona (U of A) holds some potential for joint parent/student homeownership investments and it is discussed later at different price points. Consider the following for-sale housing demand projections from 2007 through 2014:

- Demand From Downtown Commuters - Assuming 50% of the 35,021 commuter households in this income category are owners as evident in 2000, 5% change their housing annually (turnover) and 45% are comprised of one- and two-person households as evident in 2000, demand is projected at 2,750 units for the projection period. Despite the sizable gross demand, new housing production for households in this income bracket is generally not viable given the land economics downtown.

- Demand From Employment Growth – With employment growth from 2007 through 2014 projected at 3,900, 50% of households in this income category are/will be owners as evident in 2000, 45% are comprised of one- and two-person households from the 2000 census and an assumed 35% change living accommodations, it is estimated that 307 units constitute potential downtown housing demand during the projection period. Again, addressing for-sale demand in this income bracket tends to be cost prohibitive.

- Housing Needs of Existing Residents - Ownership units 'At Risk' Of Being Substandard (overcrowded and/or inadequate plumbing), in 2000................ **266**

- Turnover Of The Existing Inventory - Estimated '06 annual sales of resale properties priced under $110,000 (refer to Table 2-5 in Appendix 2) **30**

No dwellings are either under construction or planned to serve persons in this income bracket.

Affordable ($36,000-$48,000) Gross For-Sale Housing Demand Projections

Similar to the 'low income' category previously discussed, new housing production opportunities are very limited for the 'affordable' income group without very deep subsidies. Demand is predominantly derived from the turnover of lower priced ($110,000-$150,000) dwellings in selected areas (Grant Park, Governmental Mall and Garfield). Consider the following for-sale housing demand projections from 2007 through 2014:

- Demand From Downtown Commuters – Assuming 65% of the 15,100 commuter households in this income category are owners as evident in 2000, 5% change their housing annually (turnover) and 45% are comprised of one- and two-person households as evident in 2000, demand is projected at 1,545 units for the projection period. Despite this gross demand, new housing production tends to be cost prohibitive.

- Demand From Employment Growth – With employment growth from 2007 through 2014 projected at 2,100, 65% of households in this income category are/will be owners as evident in 2000, 45% are comprised of one- and two-person households from the 2000 census and 35% assumed to change their living accommodations, it is estimated that 215 units constitute potential downtown housing demand during the projection period. Again, addressing for-sale demand in this income bracket tends to be cost prohibitive.

- Housing Needs of Existing Residents - Ownership units 'At Risk' Of Being Substandard (overcrowded and/or inadequate plumbing), in 2000 .... **included in low income estimates**

- Turnover Of The Existing Inventory - Estimated '06 annual sales of resale properties priced from $110,000 - $150,000 (refer to Table 2-5 in Appendix 2) **30**

Approximately 62 units are planned to serve this income bracket, and they are part of the HOPE VI project in the Mathew Hensen RDA.

Downtown Workforce ($48,000-$71,000) Gross For-Sale Housing Demand Projections

Generally, households within this income category may qualify for up to approximately $250,000 assuming excellent credit and cash resources. The buyer profile in downtown Phoenix and other large cities in the west are comprised of either one- or two person-professional households with no children. Annual housing demand will be derived from commuters within this income category that fit the buyer profile, the capture of employment growth from within this income bracket, the turnover of the existing inventory downtown and second residences and parent/student investment scenarios. Consider the following for-sale housing demand projections from 2007 through 2014:

- Demand From Downtown Commuters - Assuming 73% of the 22,538 commuter households in this income category are owners as evident in 2000, 5% change their housing annually (turnover) and 45% are comprised of one- and two-person households as evident in 2000, demand is projected at **2,590** units for the projection period.

- Demand From Employment Growth – With employment growth from 2007 through 2014 projected at 3,800, 73% of households in this income category are/will be renters as evident in 2000, 45% are comprised of one- and two-person households as evident in 2000 and 35% are assumed to change living accommodations, it is estimated that up to **437** units constitute potential downtown housing demand during the projection period.

- Turnover Of The Existing Inventory - Estimated '06 annual sales of resale properties priced from $150,000-$250,000 (refer to Table 2-5 in Appendix 2)…**40**

- Demand From Second Residences – Individuals and/or commercial establishments transacting business downtown can and do hold second residences in the area. While the reasons motivating the desire for such residences vary, the share of market demand is not anticipated to be large at the present time.

- Parent/Student Investment Demand – Demand here represents an unknown realizing that it is of consequence in both Tempe and Tucson.

No dwellings are either under construction or planned to serve persons in this income bracket.

Market-Rate (More Than $71,000) Gross For-Sale Housing Demand Projections

Households within this income category represent the primary market for ownership properties downtown, and they are comprised of either one- or two- person households with no children. Annual housing demand is projected from commuters within this income category that fit the buyer profile, the capture of employment growth from within this income bracket, the turnover of the existing inventory downtown and second residences and parent/student investment scenarios. Consider the following for-sale housing demand projections from 2007 through 2014:

- Demand From Downtown Commuters - Assuming 85% of the 50,735 commuter households in this income category are owners as evident in 2000, 5% change their housing annually (turnover) and 45% are comprised of one- or two- person households, demand is projected at **6,800** units for the projection period.

- Demand From Employment Growth – With employment growth from 2007 through 2014 projected at 10,450, 85% of households in this income category are/will be renters as evident in 2000, 45% are comprised of one- or two- person households and 35% are assumed to change living accommodations, it is estimated that up to **1,400** units constitute potential downtown housing demand during the projection period.

- Estimated '06 annual sales of resale properties priced over $250,000 (refer to Table 2-5) **40**

- Demand From Second Residences – Individuals and/or commercial establishments transacting business downtown can and do hold second residences in the area. While the reasons motivating the desire for such residences vary, the share of market demand is not anticipated to be large at the present time.

- Parent/Student Investment Demand – Demand here represents an unknown realizing that it is of consequence in both Tempe and Tucson.

Approximately 2,553 units are either under construction or planned to serve persons in this income bracket.

3.3 Housing Demand From Throughout The Phoenix Metropolitan Area: Psychographic Projections

Another way to estimate downtown Phoenix market demand is to identify prospective purchasers and renters who fit the profile of seeking the unique urban lifestyle. This approach draws on households from throughout the Phoenix metropolitan area, and offers another insight and by which to measure and gauge the level of net market demand over the 7-year projection period (2007-2014).

The profile of urban renters and purchasers was described countywide and analyzed utilizing psychographic factors which describe who people are in terms of lifestyle choices, education, family type, etc (refer to section 2.8). By updating recent information contained in the November, 2003 Meyers Group report entitled, Market Assessment Facing The Potential Demand For Residential Units In The Downtown Area Of Phoenix, Arizona prepared for the Downtown Partnership, the following demand projections were evident assuming downtown Phoenix captures 20% of the urban housing market.

Cluster	Total Urban Demand Per Meyers Group ('03)	Updated Total Demand In 2007	Assumed Downtown Phoenix Capture	Phoenix Urban Demand In 2007	Phoenix Urban Demand In 2011	Affluence-Implied Niche	Primary Housing Type
Latino America	2,965	3,217	20%	643	733	Entry/Move Up	Both
Hispanic Mix	2,757	2,991	20%	598	682	Affordable	Rentals
Single City Blues	2,135	2,316	20%	463	528	Affordable/Entry	Rentals
Urban Achievers	1,809	1,963	20%	393	448	Entry/Move Up	Both
American Dreams	1,756	1,905	20%	381	434	Move-Up	For-Sale
Big City Blend	1,446	1,569	20%	314	358	Entry/Move Up	For-Sale
Bohemian Mix	1,434	1,556	20%	311	355	Entry/Move Up	Rentals
Young Influentials	1,422	1,543	20%	309	352	Move-Up	Both
Smalltown Downtown	1,140	1,237	20%	247	282	Affordable/Entry	Both
Money & Brains	768	833	20%	167	190	Luxury	For-Sale
Old Yankee Rows	537	583	20%	117	133	Entry/Move Up	Both
Pools & Patios	505	548	20%	110	125	Luxury	For-Sale
Young Lierati	306	332	20%	66	76	Move-Up	Both
Mid-City Mix	4	4	20%	1	1	Entry/Move Up	Both
Urban Gold Coast	0	0	20%	0	0	Luxury	Both
Inner Cities	0	0	20%	0	0	Affordable	Rentals
Boomtown Singles	0	0	20%	0	0	Entry/Move Up	Rentals
Total Demand (4 Years)	18,984	20,598	20%	4,120	4,696		

Source: Meyers Group, Crystal & Company.

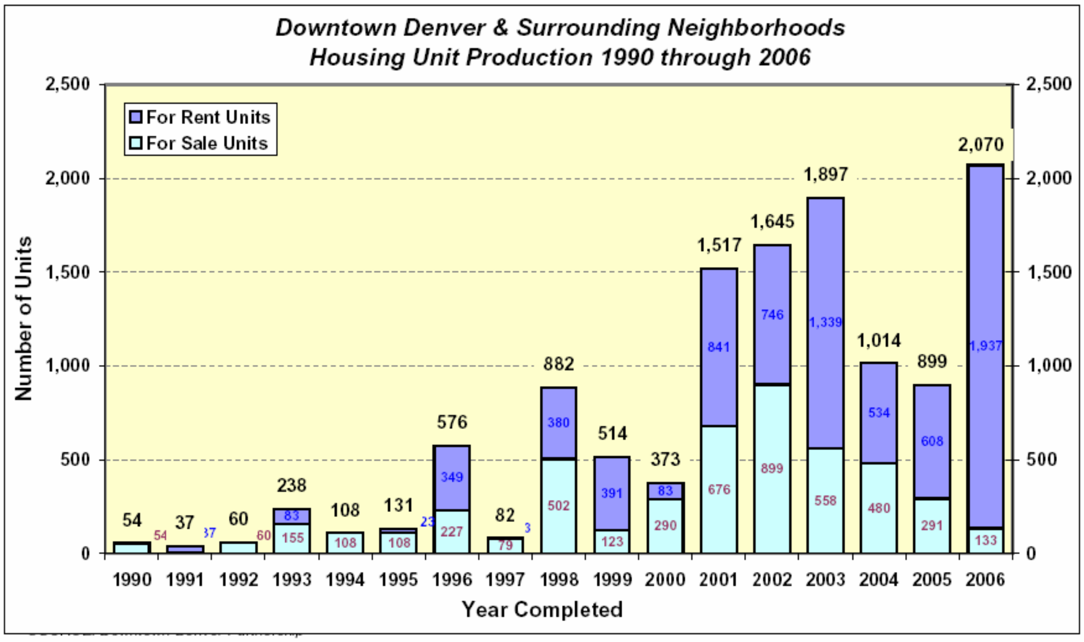
By applying projected levels of household growth to Meyer's estimates for 2004 and capture rates that range from a low of 20% to a high of 30%, housing demand for downtown during the Meyers & Associates 4-year projection period is estimated from 4,400 (low at 20% share) to 6,611 units (high at 30% share). The Meyer's Group estimated that demand in 2003 would be comprised of 21% for-sale and 79% rental.

3.4 Downtown Housing Production In Denver, Colorado

Downtown residential production was analyzed in Denver, Colorado to offer some insight into actual residential production and the penetration of market demand in downtown Phoenix. Denver represents a comparable to Phoenix realizing its redevelopment efforts are more mature and light rail was operational in 1994.

Interest and activity in downtown Denver has grown steadily over time. The first half of the 1990's marked the introduction of landmarks such as the Colorado Convention Center, the Denver Performing Arts Complex and Coors Field, as well as key items such as light rail operation and zoning changes to increase flexibility and promote growth. The aforementioned items in addition to “place making” factors such as pedestrian-friendly, mass transit (light rail), heavy retail presence and downtown living amenities in addition to a national resurgence of demand for downtown living has fostered significant residential development in downtown Denver.

The Denver Regional Transportation District operates a 15.8-mile light rail system. The first 5.3-mile segment opened in October 1994, while an 8.7-mile southwest extension opened in July of 2000. Since 2000, two more extensions were opened with more on the way. Consider the actual levels of residential production in downtown Denver City Center which is larger than the Phoenix study area.



The following residential production levels were evident for downtown Denver and adjoining neighborhoods:

- ✓ From 1990 to the commencent of light rail, 408 units were constructed in downtown Denver averaging 82 units per year, of which 90% were comprised of for-sale dwellings.
- ✓ With the first 5.3 mile leg of light rail completed, 2,558 units were constructed in downtown Denver averaging 426 units per year, of which 52% were comprised of for-sale dwellings and 48% rentals.
- ✓ Since 2001 (that included light rail expansions), 9,042 units were constructed in downtown Denver averaging 1,507 units per year, of which 34% were comprised of for-sale dwellings and 66% rentals.
- ✓ Denver indicated that most of the units produced here were market-rate.

Overall, the Denver Center City capture of city-wide activity (permitting) has increased from less than 10% in the early 1990’s to nearly 55% in 2006.

3.5 Downtown Housing Production In San Diego, California

Similar to Denver, downtown San Diego has also become a good example of success over the past several years. The region has evolved into one of Southern California's most active urban cores. The first true redevelopment effort in San Diego occurred with the introduction of Horton Plaza in 1985. In 1989 the convention center followed (with an expansion completed in 2001) and the area continued to transition throughout the 1990's. Factors such as the merging of various district boundaries (allowing tax increment funds to be used throughout), the adoption of a Comprehensive Parking Plan by the City Council and the expansion of existing developments such as the Hyatt Regency, Seaport Village and the Cruise Ship Terminal all assisted in this goal. In 2004 the Petco Park baseball stadium opened which enhanced further new development.

From 1985 to 2000, residential completions averaged about 200 units per year in downtown San Diego (Center City district), with just over 500 residential units added in the best year (1992). From 2001 through 2006, 8,518 dwelling units have been completed in downtown or 1,419 units/year. Of this total, approximately 68% (970 units/annum) were for-sale and 32% (449 units/annum) were rental.

Activity in Downtown San Diego was impacted by the same factors that fueled growth in Denver. From 2001 to date, 662,000 square feet of retail space, 807,000 square feet of office, 1,254 hotel rooms and 7,303 parking spaces were completed in downtown San Diego. Overall, the Downtown capture of city-wide new permit activity has increased from less than 5% in the early 1990's to approximately 42% in 2006.

3.6 Downtown Phoenix Housing Demand Recap And Market Penetration

This segment of the report offers a recap of housing demand projections and related information that may shed insight into how much demand may be captured during the projection period from 2007 through 2014. Based on the information contained in Figure 3-1 enclosed, consider the following findings:

- ✓ The capture of commuters currently working but not living downtown represents a strong component of demand for all income brackets. For the 'low' and 'affordable' brackets, gross demand is estimated at a combined total of 16,505 units for ownership and rental housing during the projection period or an average of 2,357 per annum. For the 'downtown workforce' and 'market rate' income brackets, gross demand is estimated at 16,720 units or 2,388 per annum.
- ✓ New employment added during the projection period represents a component of gross demand. Demand from the 'low' and 'affordable' income categories is estimated at 946 units or 135 per annum for ownership and rental housing, while 2,246 units or 320 per year for the 'downtown workforce' and 'market-rate' income categories.
- ✓ Despite demand in the 'low' and 'affordable' income brackets, the ability to deliver new, product for both owners and renters is greatly limited by high downtown land and housing costs;
- ✓ The housing needs of existing downtown residents (predominantly rental) motivates the need for residential production;
- ✓ The incidence of second homes and parent/student residential investments represents a potentially growing component of demand;

- ✓ Metropolitan-wide market demand from purchasers and renters who fit the profile of those seeking the unique downtown lifestyle is substantial. Net demand is estimated at a low of 4,400 to a high of 6,611 units covering a 4-year projection period.
- ✓ Urban oriented residential development is emerging in the mid-town Phoenix area along the Central Avenue corridor stimulated, in part, by the light rail alignment. The downtown and mid-town markets are anticipated to become increasingly inter-connected.
- ✓ Residential production levels in the more mature downtown markets of both Denver and San Diego offer some insight into prospective market capture and residential activity in downtown Phoenix from 2007 – 2014. Both San Diego and Denver experienced sustained levels of residential production under approximately 200 units per annum as their downtown residential markets were cultivated and formed. Since 2001 and the maturation of overall redevelopment efforts, both San Diego and Denver experienced residential production levels ranging from 1,400 - 1,500 dwelling units per annum. The transition from the lower levels of activity to higher was sometimes incremental but not always.

Run Date:
1-Nov-07

FIGURE 3-1
CITY OF PHOENIX DOWNTOWN HOUSING MARKET NEEDS ASSESSMENT

DOWNTOWN HOUSING DEMAND FINDINGS

Income Bracket	Component of Gross Demand	Gross Rental Demand Within The Housing Market Area	Gross For-Sale Demand Within The Housing Market Area		Net Demand From Urban Buyers/Renters Metropolitan-Wide		Downtown Denver Residential Prouction	Downtown San Diego Residential Prouction
Low Income (Earning Less Than $36,000)	**Demand From Commuters, '07-'14**	assistance needed, but 9,375	assistance needed, but 2,750					
	From Employment Growth, '07-'14	assistance needed, but 308	assistance needed, but 307					
	Needs of Existing Residents	1,700	266					
	From Annual Inventory Turnover	n/a	30					
	From Student Enrollment By '14	unknown	not viable					
Affordable (Earning $36,000-$48,000)	**Demand From Commuters, '07-'14**	assistance needed, but 2,835	assistance needed, but 1,545					
	From Employment Growth, '07-'14	assistance needed, but 116	assistance needed, but 215					
	Needs of Existing Residents	273	in low income est.					
	From Annual Inventory Turnover	n/a	30					
Downtown Workforce (Earning $48,000-$71,000)	**Demand From Commuters, '07-'14**	3,255	2,590					
	From Employment Growth, '07-'14	162	437					
	From Annual Inventory Turnover	n/a	40					
	From Second Residences	unknown	unknown					
	From Student/Parent Investments	n/a	unknown					
Market-Rate (Earning More Than $71,000)	**Demand From Commuters, '07-'14**	4,075	6,800					
	From Employment Growth, '07-'14	247	1,400					
	From Annual Inventory Turnover	n/a	40					
	From Second Residences	unknown	unknown					
	From Student/Parent Investments	n/a	unknown					
Total (All Income Levels)					4,400 (low) - 6,611 (high)		82 units/annum (pre-light rail) 90% Ownership, 10% Rental	
							6 Yrs Light Rail - 426 units/annum - 52% Ownership, 48% Rental	1985 - 2000…. 200 units/yr
							2001 - '06 - 1,507 units/annum - 34% Ownership, 66% Rental	2000-'06 - 1,419 units/annum….68% Ownership, 32% Rental