

# South Meadows Small Area Master Plan Market Analysis

February 10, 2015



- Renewed interest by developers due to the Temple
- Current split is 82 percent single-family and 18 percent multi-family; projections through 2030 reduce single-family to 75 percent
- Average growth of 325 households per year through 2030; projections for 244 single-family and 81 multi-family units (including townhomes and condos)
- Current townhome density near Temple = 10 units per acre
- Executive Housing - hesitancy of those making higher incomes to spend 1/3 of income on housing and utilities

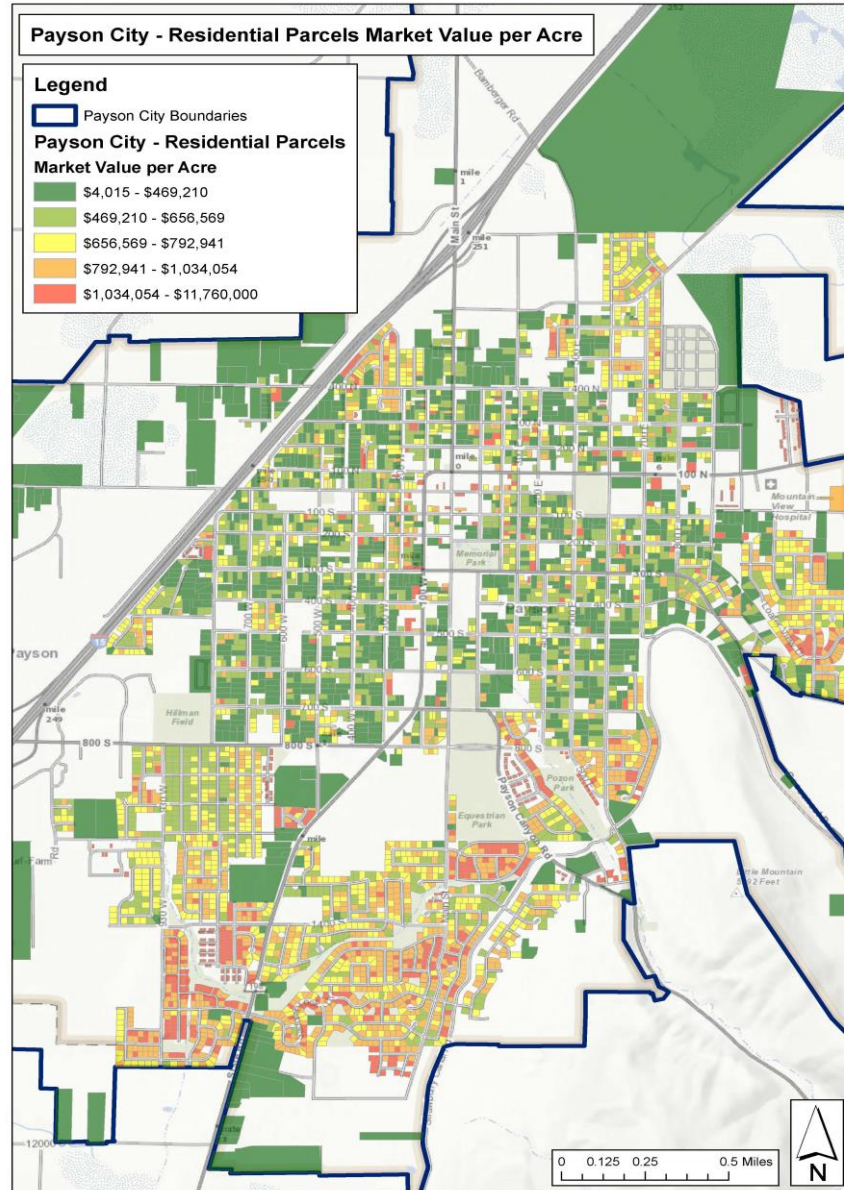
<b>Housing Type</b>	<b>Lot Size</b>	<b># of Units</b>	<b>*Acres Absorbed per Year</b>	<b>*Acres Absorbed 2015-2030</b>
Single-family - median	0.25	214	53.50	802.50
Single-family executive	0.4	30	12.00	180.00
Multi-family (15 units per acre)	0.067	81	5.43	81.41
<b>TOTAL</b>			<b>70.93</b>	<b>1,063.91</b>

**\*Does NOT include acreages for roads**

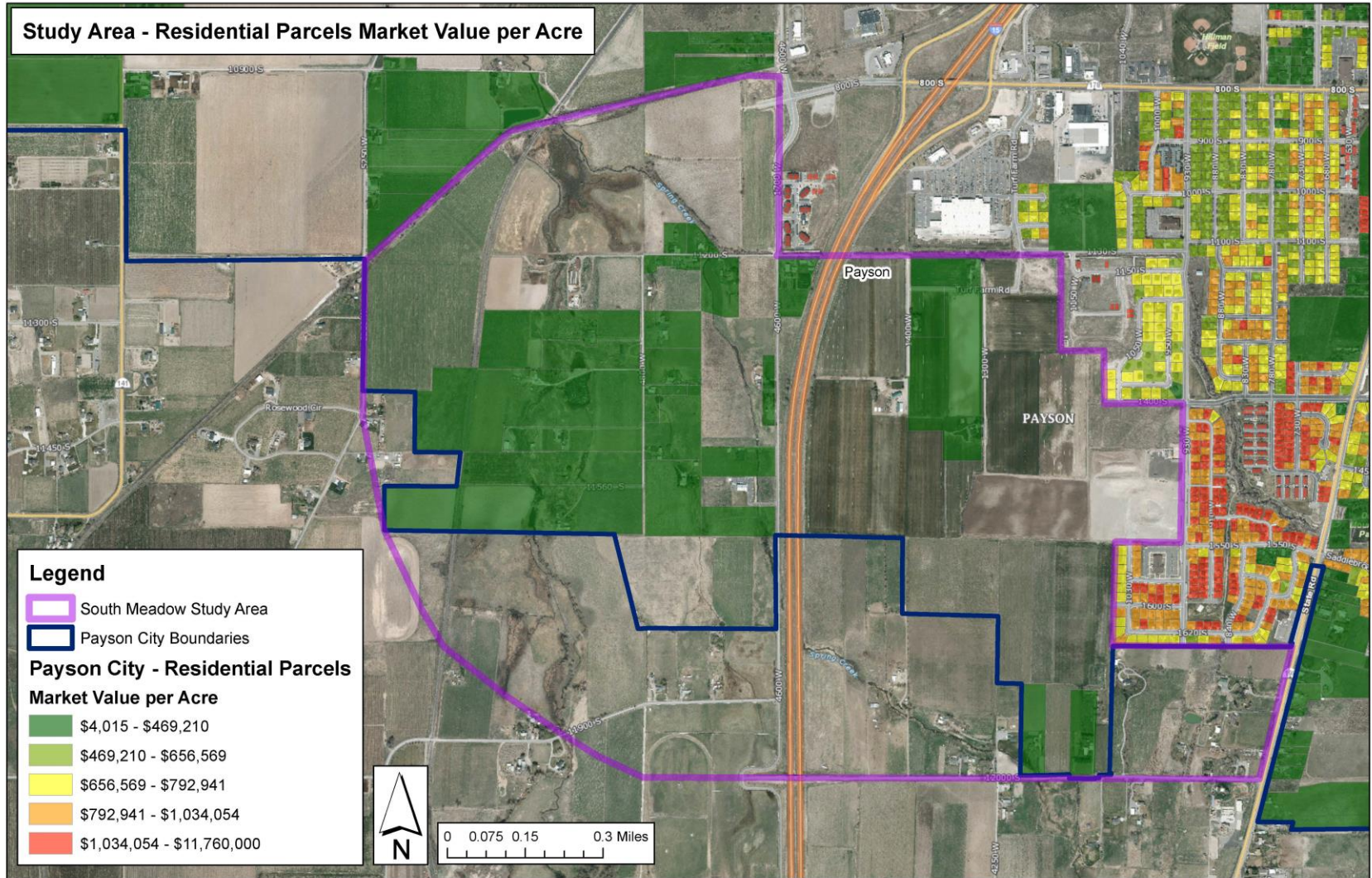
- Incomes of \$100,000+
- Approximately 17% of existing population in Payson
- \$300,000 - \$400,000 price range
- Minimum ¼-acre lots
- Closer to ½-acre to be competitive and to draw from Provo and surrounding areas.
- Range of 3,500 to 4,000 square feet
- School ratings are important
- Desire to be surrounded by other educated, working professionals
- “Not the same house as your neighbor”

Description	Median Household Income
Utah State	\$58,821
Utah County	\$60,196
Woodland Hills	\$106,071
Mapleton City	\$86,196
Elk Ridge City	\$79,474
Salem City	\$72,394
Spanish Fork	\$63,054
Genola Town	\$62,917
Santaquin City	\$59,428
<b>Payson City</b>	<b>\$59,250</b>
Springville City	\$58,504
Orem City	\$52,960
Provo City	\$39,688

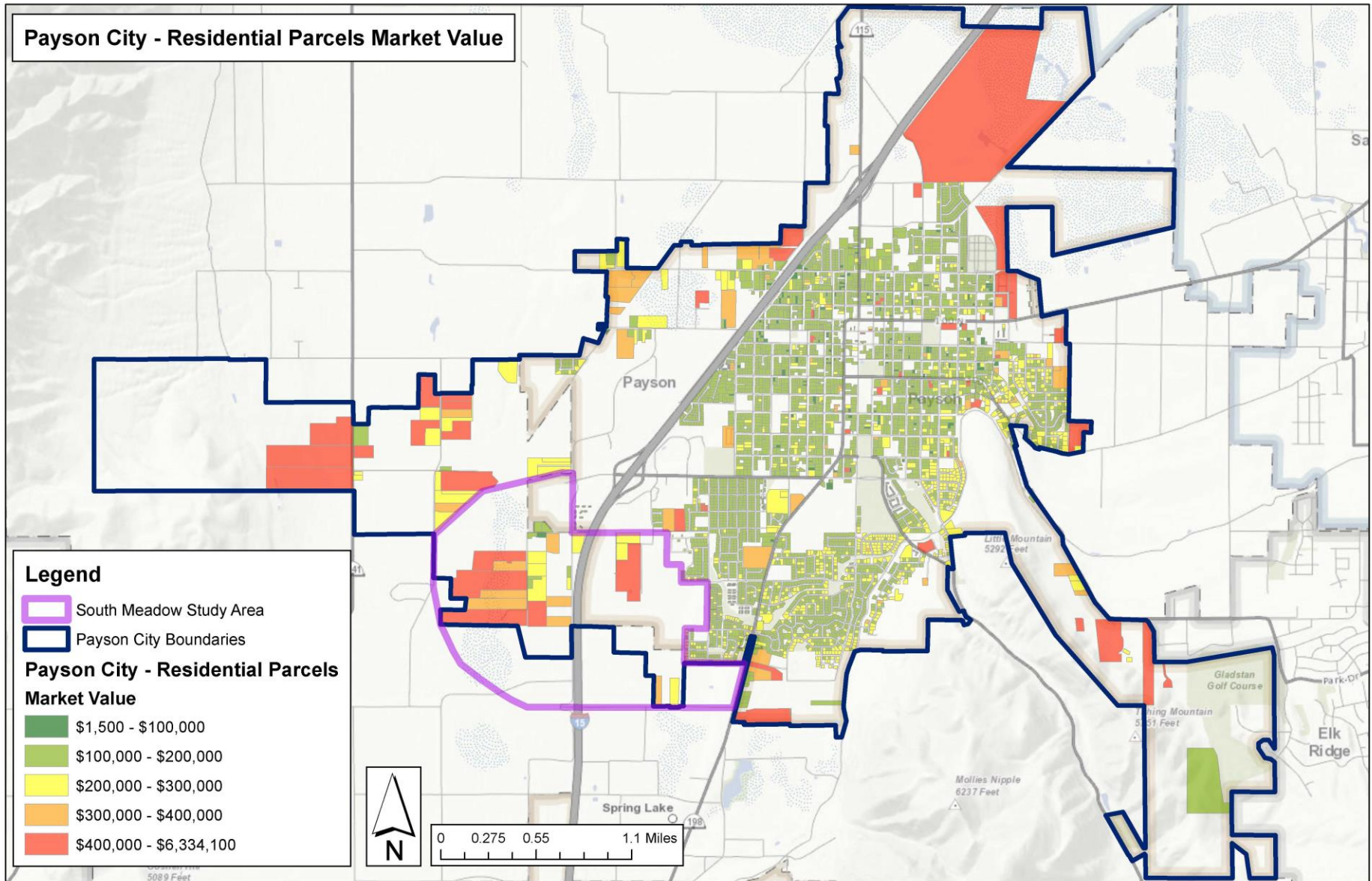
# Residential Market Values per Acre - Citywide



# Residential Market Values per Acre – Study Area

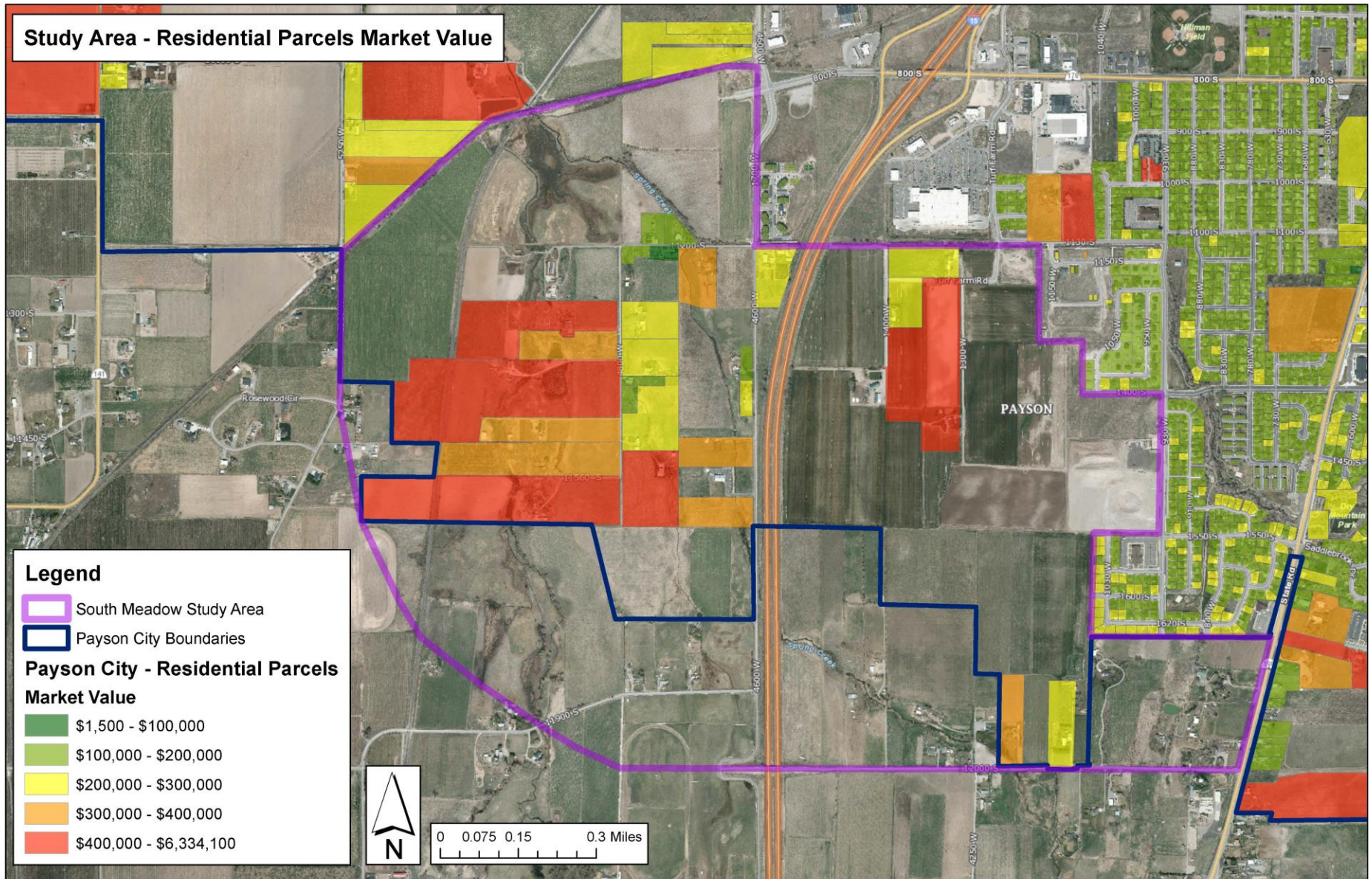


# Residential Market Values per Parcel - Citywide





# Residential Market Values per Parcel – Study Area

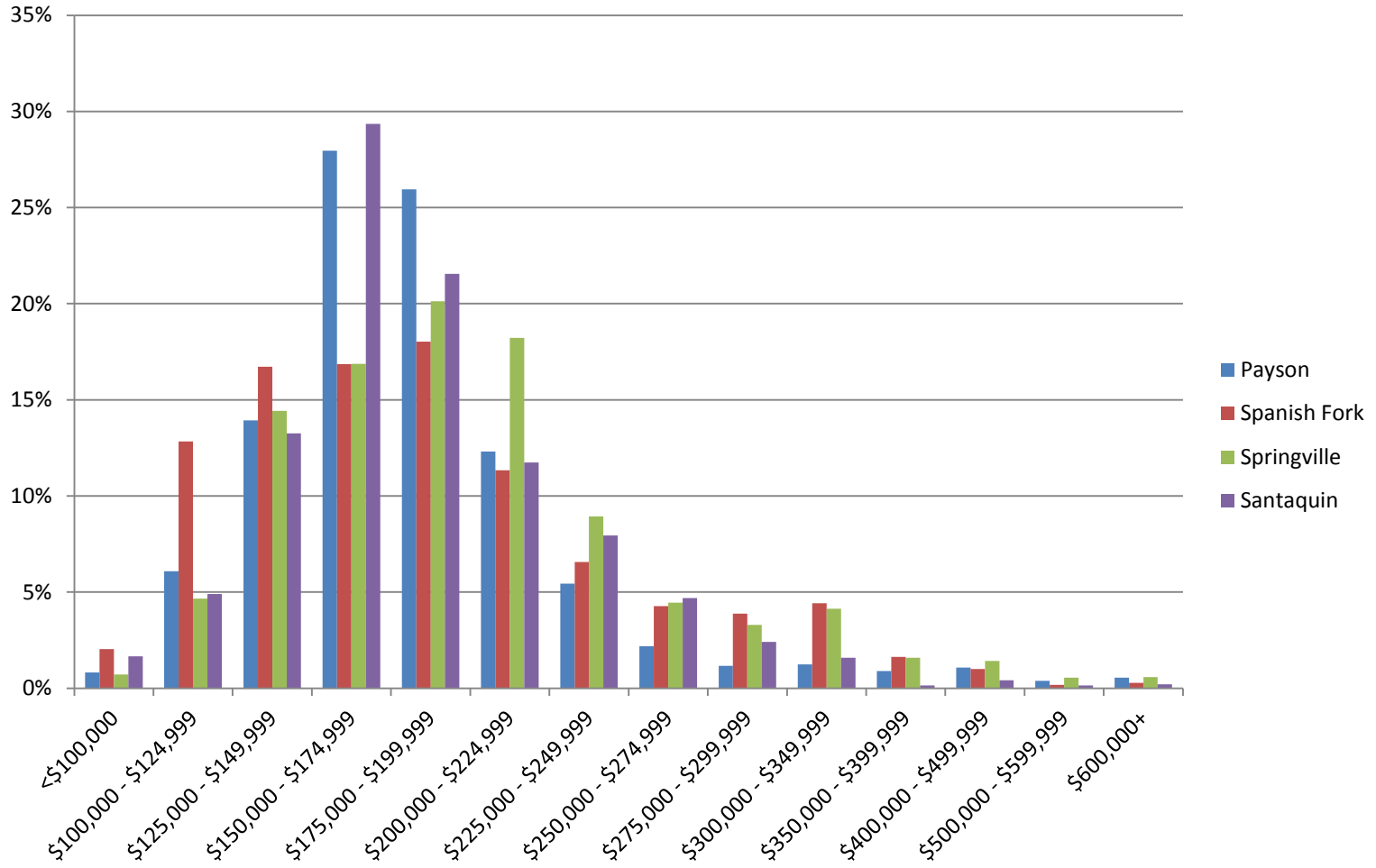


Income	% of HHs in Income Range	Home Price - Low	Home Price - High	At 4% Interest - % of Homes Affordable
Less than \$10,000	4.3%			0.00%
\$10,000 to \$14,999	3.0%			0.00%
\$15,000 to \$24,999	7.0%	\$24,052	\$72,152	0.17%
\$25,000 to \$34,999	11.8%	\$72,157	\$120,257	5.48%
\$35,000 to \$49,999	15.5%	\$120,262	\$192,414	61.93%
\$50,000 to \$74,999	24.3%	\$192,419	\$312,677	28.61%
\$75,000 to \$99,999	17.2%	\$312,681	\$432,939	2.18%
\$100,000 to \$149,999	13.3%	\$432,943	\$673,463	1.24%
\$150,000 to \$199,999	2.1%	\$673,467	\$913,987	0.26%
\$200,000 or more	1.6%	\$913,992		0.13%

There is a significant mismatch between incomes and home prices, with a large number of the population living in homes below their affordability levels

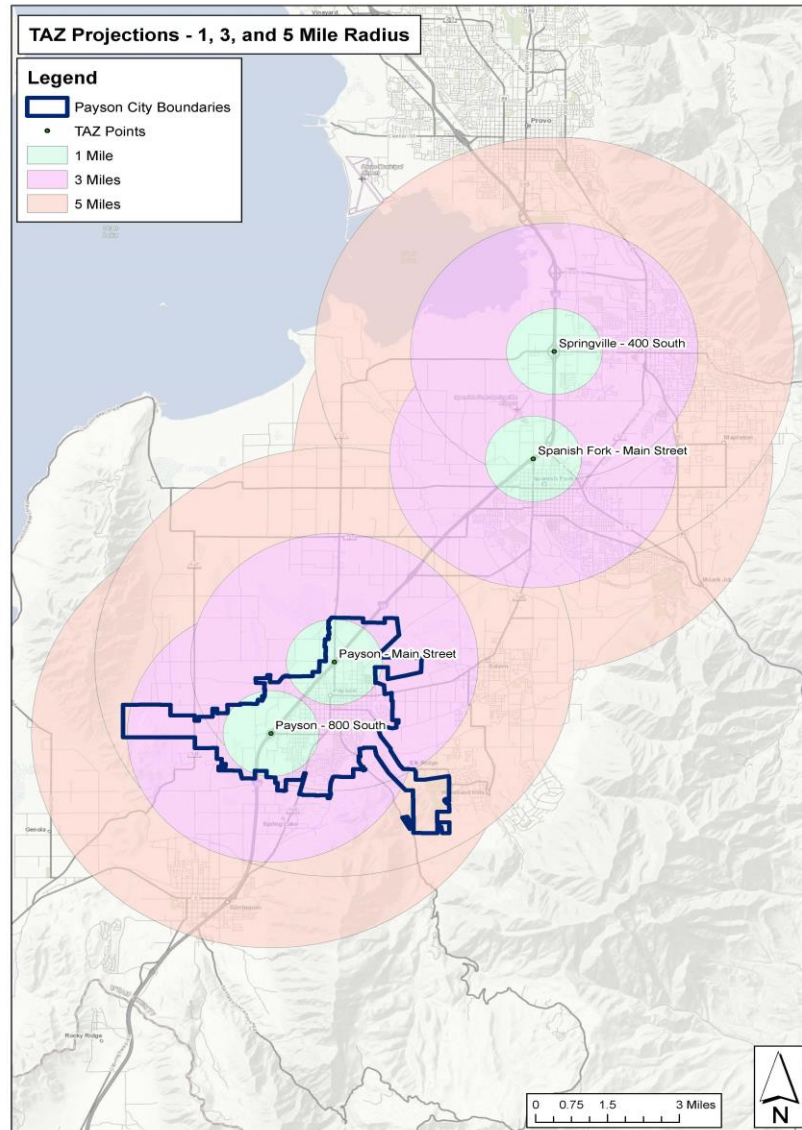
Description	Median Home Value
Utah County	\$222,100
Salem	\$235,200
Springville	\$195,300
Spanish Fork	\$193,400
Santaquin	\$186,500
Payson	\$180,700

# Comparative Home Values



- Average retail absorption of 66,000 sf per year in southern Utah County. 2004-2014
- Average of 22 to 24 retail sf per capita in Utah County
- With an 80% capture rate, Payson could capture nearly 400,000 retail sf by 2030, or an average of nearly 24,000 sf per year
- Depending on retail density, this would mean an average of 2 to 3.5 acres per year, or 36 to 60 retail acres by 2030
- Developers see a need for a focused retail destination: favored site is by the Temple
- Potential to recapture sales in areas of high leakage:
  - Motor vehicles
  - Building materials – Home Depot or Lowe’s
  - Clothing – T.J. Maxx, Ross
  - Restaurants
  - Lodging
  - Sporting goods

Category	Sales Leakage	Capture Rate
Motor Vehicle and Parts Dealers	-\$23,880,479	29.5%
Building Material and Garden Equipment and Supplies Dealers	-\$11,909,554	20.0%
Clothing and Clothing Accessories Stores	-\$9,267,301	13.8%
Food Services and Drinking Places	-\$8,420,082	65.7%
Accommodation	-\$7,865,938	9.9%
Miscellaneous Store Retailers	-\$7,710,983	25.3%
Sporting Goods, Hobby, Book, and Music Stores	-\$6,206,152	5.1%
Furniture and Home Furnishings Stores	-\$4,686,902	8.6%
Electronics and Appliance Stores	-\$3,825,855	30.0%
Amusement, Gambling, and Recreation Industries	-\$2,514,770	3.2%
Repair and Maintenance	-\$2,405,353	64.5%
Gasoline Stations	-\$2,270,392	64.0%
Health and Personal Care Stores	-\$1,874,875	36.6%
Non-Store Retailers	-\$1,626,909	53.2%
Personal and Laundry Services	-\$828,761	60.3%
Performing Arts, Spectator Sports, and Related Industries	-\$701,232	6.7%
Food and Beverage Stores	-\$272,927	98.9%
Museums, Historical Sites, and Similar Institutions	-\$183,408	0.0%
General Merchandise Stores	\$38,347,440	196.8%
<b>Total</b>	<b>-\$58,104,431</b>	<b>72.3%</b>



# Buying Power Analysis

	Population				Employment			
	2015	2020	2030	2040	2015	2020	2030	2040
<b>Payson - 800 South</b>								
1 mile	5,883	6,552	7,091	7,469	2,616	2,934	3,715	5,150
3 miles	27,322	32,906	39,923	44,878	7,675	8,802	12,763	19,485
5 miles	54,435	68,152	91,150	109,047	11,106	13,571	20,396	32,000
<b>Payson - Main Street</b>								
1 mile	5,049	5,457	5,839	6,183	2,965	3,222	4,498	6,077
3 miles	29,702	36,757	47,147	54,864	8,561	9,829	13,425	19,410
5 miles	55,633	71,916	97,331	114,965	11,142	13,655	19,963	31,213
<b>Spanish Fork - Main Street</b>								
1 mile	6,098	6,175	6,354	6,550	6,462	6,857	7,621	8,694
3 miles	41,026	47,804	60,513	68,549	17,265	19,240	22,983	29,826
5 miles	92,406	107,159	134,412	152,909	33,125	37,658	47,335	63,101
<b>Springville - 400 South</b>								
1 mile	2,970	4,182	5,961	6,888	3,672	3,969	4,353	5,654
3 miles	33,045	37,629	46,825	51,657	25,218	28,153	34,852	44,180
5 miles	102,521	113,410	137,401	152,211	53,266	59,231	71,783	88,558



- Major development does not appear likely in short term, other than small-scale dental, etc. Very little historic office absorption in southern Utah County
- Growth of 7,000 jobs by 2030 could mean some demand for office space (many jobs will be in retail, schools, construction, etc.).
- Based on current ratios for employment by industry sector, approximately 357 of these jobs would be in the following sectors: professional services, financial and information. This would create demand for 71,500 sf of office space by 2030, or approximately 4,200 square feet per year.
- In addition, a portion of education and health services, as well as a portion of government, would create additional demand for office space.
- Rents would need to be at least 15%-20% below South Provo and Springville rates in order to attract new development

- Absorption of roughly 100,000 sf per year; roughly 408,000 per year in south Utah County from 2004 to 2014
- Roughly 6-7 acres per year at 0.35 FAR; approximately 90 to 105 acres by 2030
- Light industrial; flex space
- Good freeway access