



THE CITY OF
CORSICANA, TX

DEC 2016 HOUSING



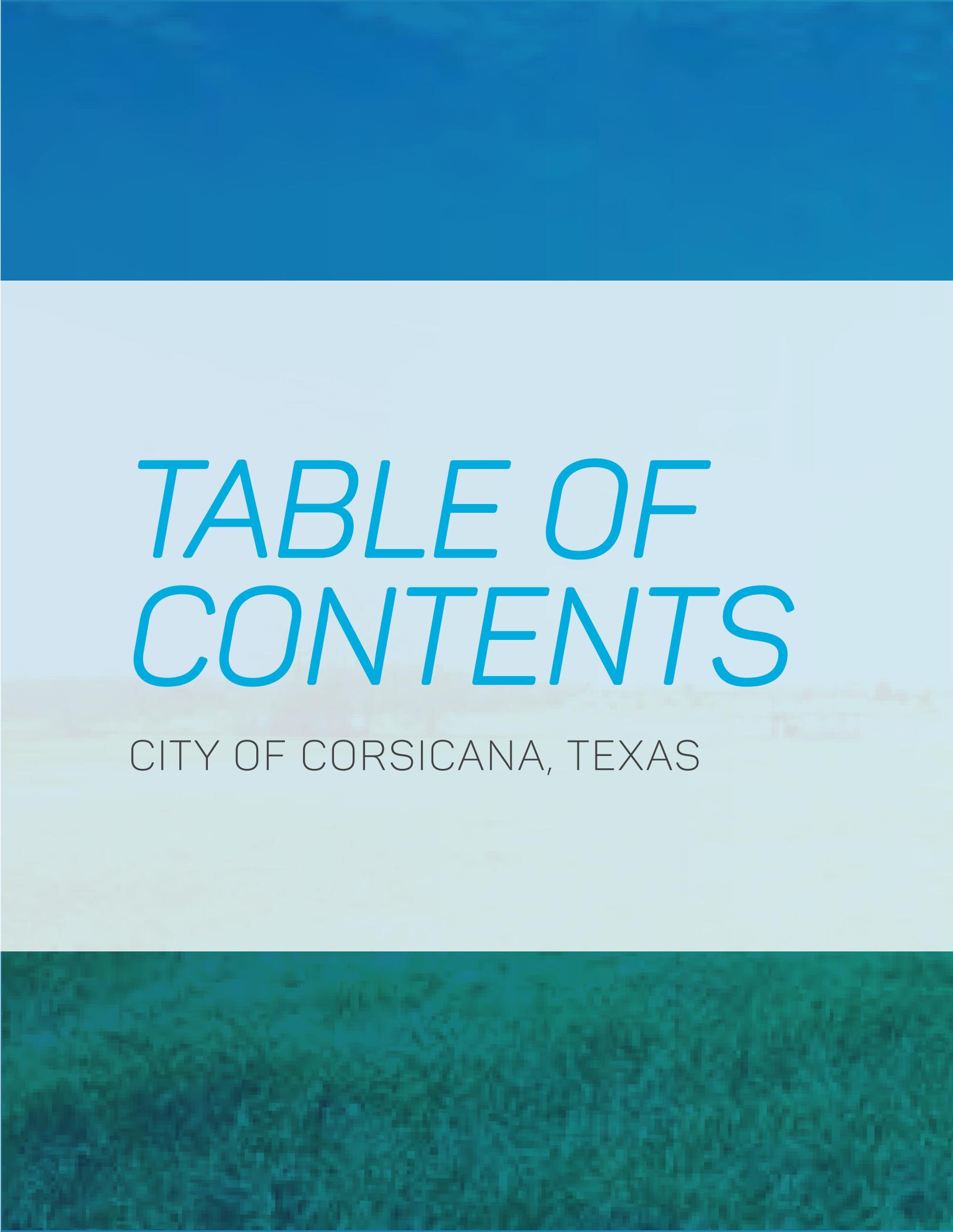


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SUMMARY

The purpose of this initiative is to explore the existing factors and characteristics of Corsicana, and explore potential residential development opportunities within Corsicana and its extraterritorial jurisdiction.

The City of Corsicana is the county seat of Navarro County. Corsicana is located approximately one-hour south of Dallas/Fort Worth and one hour northeast of Waco. Corsicana is located at the intersection of I-45, Highway 287, SH 22, and Texas State Highway 31. Corsicana has an estimated population of 23,952 (Census) and Navarro County has an estimated population of 48,323 (Census).

According to Best Places, the median home cost in Corsicana is \$92,600. Home appreciation the last year has been 17.05 percent.

From a quality-of-life standpoint, Corsicana has a number of natural amenities, including Richland-Chambers Reservoir. Richland-Chambers is a 44,752 acre lake with over 330 miles of shoreline. The lake is coined as “Texas’ Newest Coast!” This lake provides championship fishing, a wide variety of recreational opportunities, and also creates a substantial development opportunity for a wide range of residential housing on one of Texas’ most beautiful lakes.

In-fill housing is also a strong potential. There are a number of development parcels near the heart of Corsicana. These properties are minutes from the historic downtown with an arts and entertainment core. Destinations include Palace Theater, and the Warehouse Living Arts Center, Navarro Council of the Arts. Other amenities include the Cook Center Planetarium and the Pearce Museum.

The City of Corsicana and Navarro County also serve as a regional retail hub for the region. Corsicana includes major retailers such as Walt-Mart, Bealls, Atwood’s Ranch and Home, Home Depot, Office Depot, Schulman’s Movie Bowl Grille, and the Collin Street Bakery. According to the Retail Coach the retail trade area contains over 150,300 people.

While Corsicana’s business history was born of oil exploration, Corsicana now contains a broad mix of industries including information technology, advanced manufacturing, chemical engineering, distribution, logistics & transportation, railroads, oil and natural gas, and agriculture and cattle.

Major companies within Corsicana include Kohl’s distribution center, Russell Stover Candies

manufacturing, and outlet store. Other major employers include Corsicana Bedding, Firestone Building Materials, Guardian Industries’ corporate headquarters, Sunoco Pipeline regional facility, Oil City Iron Works, Pactiv Corporation, and a True Value distribution center. While Corsicana has a large workforce base, approximately 71.2% of Corsicana workers live outside Corsicana. This reduces the fiscal impact potential from the workforce. Newer housing would create greater housing choices and help retail workforce within the City.



Housing Characteristics

Median Home Cost	\$92,600
Owner Occupied	50.77%
Rentals	40.25%
Median Home Age	40 years
Median List Price	\$66,000
Days on Market	93

Multi-family Demand

The Corsicana market can support over 180 units of new multi-family or rental product per year, of which almost 50% would be for market-rate.

Single-family Demand

The market also has demand for over 154 new single-family units per year, with over 106 units above \$100k.

As part of this process, Catalyst has identified over 17 potential locations to accommodate the housing demand for Corsicana, the following is a summary of market trends and description of a wide range of potential development options.

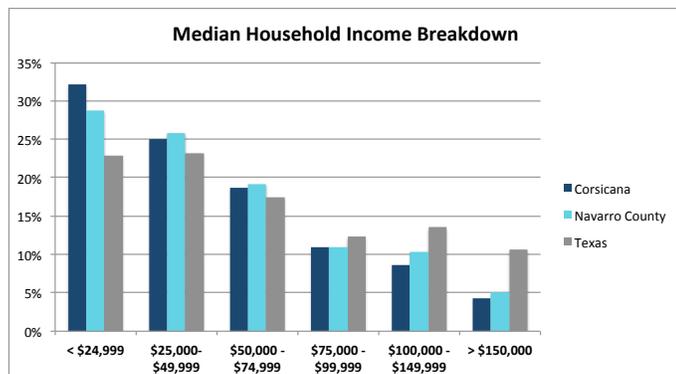
SUMMARY

The median household income of Corsicana is \$41,072, while Navarro County and the state of Texas have median household incomes of \$44,051 and \$54,075, respectively. Over the next five years, the median household income of Corsicana is expected to rise 13.6% to \$46,650. This is nearly 4% greater growth than the state of Texas, which is expected to see median household incomes grow by only 9.7% during the same period. Navarro County is expected to experience a 14.4% rise in median household income during the next five years, bringing the median household income to \$50,402.

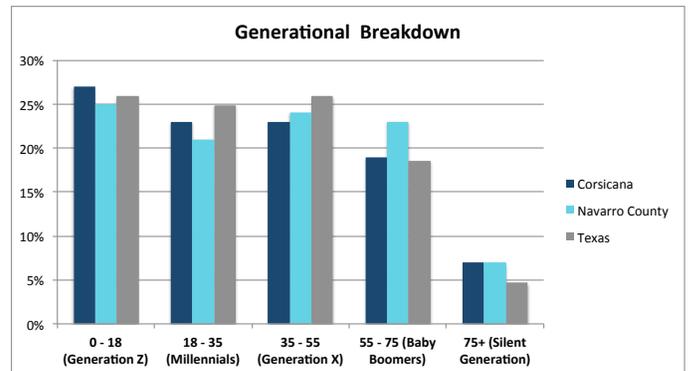
A breakdown of median household incomes reveals that 32% of households in Corsicana have incomes below \$25,000, while Navarro County and Texas have 29% and 23% within the same bucket, respectively. 25% of households in Corsicana have incomes between \$25,000 and \$50,000, with 26% of Navarro County and 23% of Texas sharing the same income range.

With 57% of households earning less than \$50,000 annually there is a strong demand for housing valued under \$200,000. Policies to promote smaller quality housing will contribute to both local economic growth and enhance attraction of local employment. Construction of mixed housing will create direct impacts within the local economy through expenditures on materials and labor, and will generate indirect and induced spending by building supplier and workers in the local retail. Taking advantage of local housing needs will create a competitive advantage for the local economy through the ability to attract and retain a quality workforce. This will make the city of Corsicana more attractive for both employers and retailers.

Housing programs that bring housing costs below market rates increase money available for purchase of retail goods and services in the local economy. In addition, affordable housing may lead to appreciating values for nearby homes and create a more robust tax base.



Corsicana has a large number of young families, with nearly 73% of the total population under the age of 55. More than one quarter of the whole population is younger than 18. Only 26% of the total population is at or above the age of 55. The short term growth of Corsicana’s housing stock rests in the hands of the cohort labeled “Millennials”. This cohort is defined by individuals between the ages of 18 and 35. According to Realtor.com, in 2015 the 35 and younger age cohort represented 67% of all homes sold in the United States.

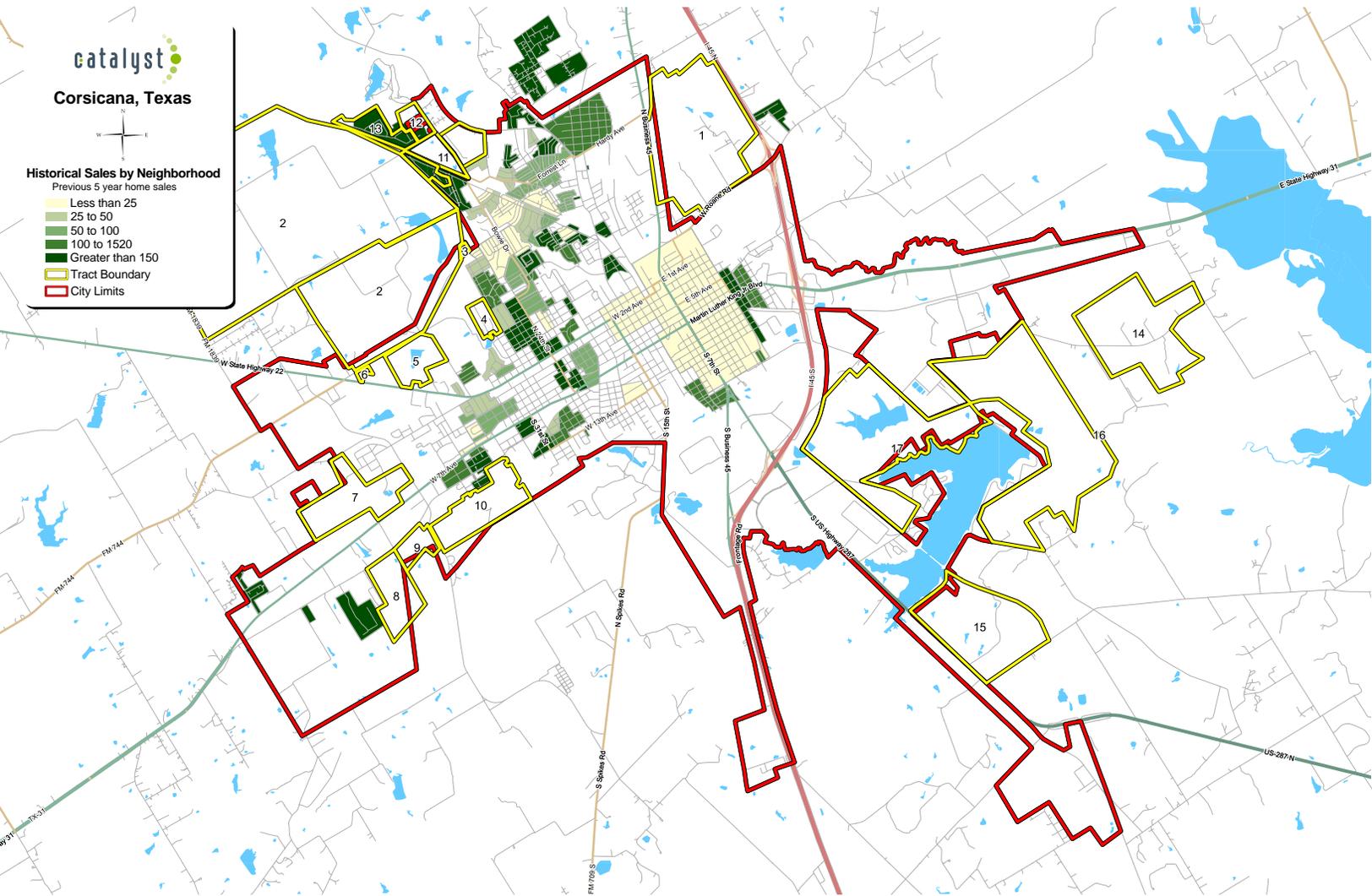


The average age of a first-time home buyer is now 31, and the median age of a Millennial is 25, therefore positioning for Millennials is key to future housing success. Senior housing represented 14% of buyers over the age of 50; of which 7% was from buyers 51 to 60 years old, with the remainder of buyers were over 70 years old. Supplying a housing stock that accommodates a wide range of buyers will enable Corsicana to capture a wider audience, and take advantage of the broader market.

Corsicana has a current population of 23,952, while Navarro County has a population of 48,323. Over the next five years, Corsicana is expected to grow by 1% to a population of 24,164. Navarro County is expected to grow by a rate of 3.5% to a population of 52,203. This will increase housing needs by 600 in the greater Corsicana region, that Corsicana can take advantage of. By 2050, the Texas State Data Center (TSDC) projects that Navarro County will have a population of 84,173. This is a 67% increase from the current population. With nearly half of Navarro County’s current population residing in Corsicana, it is likely that this increase in growth will influence Corsicana the most, since it is the largest population base in the County.

Supplying a versatile and multi-purposed housing stock is vital in attracting new businesses and their employees. With 71% of Navarro County’s businesses located in Corsicana, this underscores the potential for additional housing if workforce increases.

AREA HOUSING



OVERVIEW

The median home sales price in Navarro County increased from \$110,000 to \$130,000 since January 2015. The price per square foot increased from \$60 in January 2015 to over \$70 in November 2016, while the supply of homes has decreased from 10 months to less than 6 months.

There were 1,278 home sales transactions in Corsicana over the last five years. The median home sales price was \$115,000 and the average size of homes sold was 1,935 square feet. The subdivisions with the greatest sales activity include the Oaklawn Edition with 29 sales, Woodland Hills Edition Phase 4 with 22 sales, and the Northview Edition Phase 3 with 21 sales.

RENTER DEMAND

Estimated Annual Demand Potential for Multifamily Based on 2015 - 2020 County Demographic Trends						
Monthly Rent	\$500 \$750	\$750 \$1,000	\$1,000 \$1,500	\$1,500 \$2,000	\$2,000 And Up	
Qualifying Income	Less Than \$35,000	\$35,000 \$50,000	\$50,000 \$75,000	\$75,000 \$100,000	\$100,000 And Up	Total
2015 Total Households¹			62,051			
2020 Total Households¹			63,224			
Avg. Annual Household Growth			235			
New Household Growth						
Total Annual New Households ¹	235	235	235	235	235	235
% Income Qualified	30%	12%	14%	7%	13%	76%
# Income Qualified	70	28	33	16	30	178
Renter Propensity	32%	24%	19%	17%	9%	23%
Qualified New Households	23	7	6	3	3	41
Existing Owner Household						
Total Households ¹	62,051	62,051	62,051	62,051	62,051	62,051
% Income Qualified ²	30%	12%	14%	7%	13%	76%
Owner Propensity ²	61%	71%	80%	78%	88%	55%
Total Owner Households	11,355	5,287	6,950	3,388	7,099	34,078
Annual Turnover Rate ²	7%	6%	7%	7%	5%	6%
Qualified Owners in Turnover	795	317	486	237	355	2,191
Estimated % Rent vs. Purchase ³	81%	71%	34%	27%	25%	54%
Estimated Owners in Turnover that Rent	644	225	165	64	89	1,187
Existing Renter Households						
Total Households ¹	62,051	62,051	62,051	62,051	62,051	62,051
% Income Qualified ²	30%	12%	14%	7%	13%	76%
Renter Propensity ²	32%	24%	19%	17%	9%	18%
Total Renter Households	5,957	1,787	1,651	738	726	10,859
Annual Turnover Rate ²	31%	39%	28%	44%	17%	32%
Qualified Renters in Turnover	1,847	697	462	325	123	3,454
Estimated % Rent vs. Purchase ³	85%	78%	65%	44%	38%	75%
Estimated Renters in Turnover that Rent	1,570	544	300	143	47	2,604
Income Qualified Households						
Total Potential Demand	2,236	776	472	210	138	3,832
Percent New Renters ³	30%	30%	36%	32%	66%	32%
Total Potential Demand for New Units	666	232	172	67	91	1,228
City Capture Rate ^{3,4}	15%	15%	15%	15%	15%	15%
Total Potential New Multifamily Demand	100	35	26	10	14	184

1. ESRI
2. US Census American Community Survey
3. US Census American Housing Survey
4. US Census Building Permits Survey

METHODOLOGY

Navarro County is expected to gain 235 new households annually over the next five years. This household growth will create an annual demand of 41 for new rental units. Turnover of existing owner-occupied households will generate demand for an additional 1,187 rental units through Navarro County. Turnover of existing renter households will generate demand for 2,604 rental units. The total projected demand for new rental units is 1,228 throughout Navarro County. Assuming a 15% capture rate of regional demand, Corsicana has the potential to capture 184 rentals per year, across all income ranges.

OWNER DEMAND

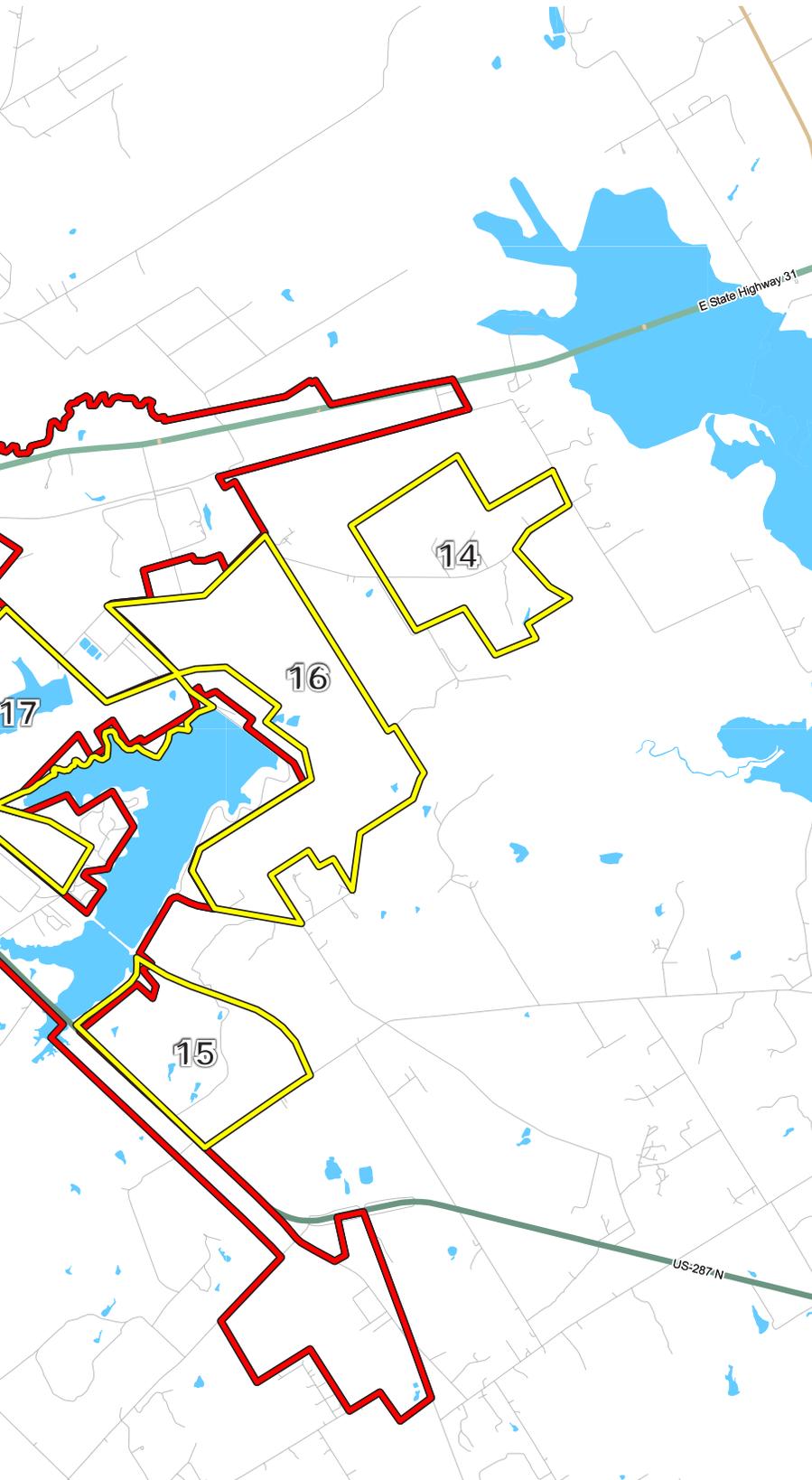
Estimated Annual Demand Potential For Purchase Residential Based on 2016 - 2021 County Demographic Trends									
Home Value	less than \$100,000	\$100,000 \$150,000	\$150,000 \$200,000	\$200,000 \$250,000	\$250,000 \$300,000	\$300,000 \$400,000	\$400,000 \$500,000	\$500,000 and above	
Qualifying Income	less than \$40,000	\$40,000 \$65,000	\$65,000 \$90,000	\$90,000 \$110,000	\$110,000 \$125,000	\$125,000 \$150,000	\$150,000 \$200,000	\$200,000	Total
2016 Total Households¹									62,051
2021 Total Households¹									63,224
Avg. Annual Household Growth									235
New Household Growth									
Total Annual New Households ¹	235	235	235	235	235	235	235	235	235
% Income Qualified	35%	18%	9%	5%	3%	5%	2%	1%	78%
# Income Qualified	82	42	21	12	7	12	5	2	183
Owner Propensity	62%	79%	78%	69%	88%	97%	79%	100%	72%
Qualified New Households	51	33	16	8	6	11	4	2	132
Existing Owner Household									
Total Households ¹	62,051	62,051	62,051	62,051	62,051	62,051	62,051	62,051	62,051
% Income Qualified ²	35%	18%	9%	5%	3%	5%	2%	1%	78%
Owner Propensity ²	62%	79%	78%	69%	88%	97%	79%	100%	56%
Total Owner Households	13,465	8,824	4,356	2,141	1,638	3,009	980	621	35,034
Annual Turnover Rate ²	6%	6%	9%	2%	8%	3%	0%	10%	6%
Qualified Owners in Turnover	808	529	392	43	131	90	0	62	2056
Estimated % Rent vs. Purchase ³	18%	28%	42%	51%	65%	95%	78%	84%	34%
Estimated Owners in Turnover that Rent	145	148	165	22	85	86	0	52	703
Existing Renter Households									
Total Households ¹	62,051	62,051	62,051	62,051	62,051	62,051	62,051	62,051	62,051
% Income Qualified ²	35%	18%	9%	5%	3%	5%	2%	1%	78%
Renter Propensity ²	32%	18%	17%	26%	10%	3%	14%	0%	18%
Total Renter Households	6,950	2,010	949	807	186	93	174	0	11,169
Annual Turnover Rate ²	32%	29%	29%	39%	61%	0%	0%	0%	31%
Qualified Renters in Turnover	2,224	583	275	315	114	0	0	0	3,510
Estimated % Rent vs. Purchase ³	9%	26%	40%	47%	57%	67%	58%	60%	19%
Estimated Renters in Turnover that Rent	200	152	110	148	65	0	0	0	674
Income Qualified Households									
Total Potential Demand	396	333	291	178	156	97	4	54	1,510
Percent New Renters ³	63%	56%	43%	88%	45%	12%	100%	4%	53%
Total Potential Demand for New Units	251	185	127	156	71	11	4	2	807
City Capture Rate ^{3,4}	19%	19%	19%	19%	19%	19%	19%	19%	19%
Total Potential New Single-Family Demand	48	35	24	30	14	2	1	0	154
1. ESRI 2. US Census American Community Survey 3. US Census American Housing Survey 4. US Census Building Permits Survey									

METHODOLOGY

Navarro County is expected to gain 235 new households annually over the next five years. Based upon a capture rate of 19%, Corsicana has the potential to capture over 154 units of new housing units per year. Of which, 31% would be less than \$100k, 23% would be between \$100-\$150k, 16% would be between \$150-200k and 29% would be between \$200-300k.

Based upon existing housing in Corsicana, there is an imbalance of supply in the less than \$100k range of approximately 6%. The imbalance increases to 7.5% in the \$100-150k range and the greatest demand compared to existing housing is \$200-300k of almost 10%.

TRACTS



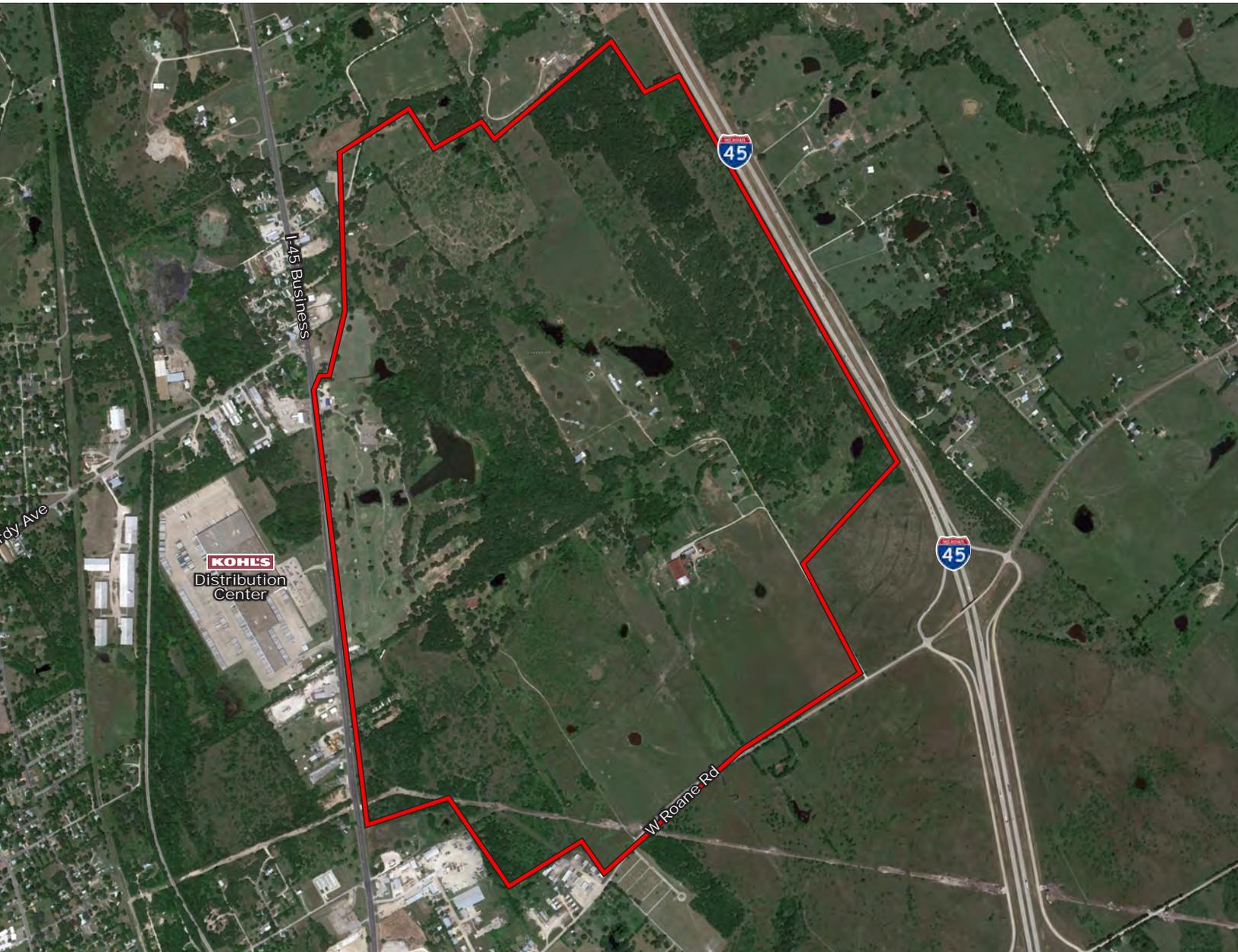
1. Corsicana Northeast (owned by Willis, Dyer, Sanders, Judson, Boulware)
2. WP Legacy
3. Dobbins Road Development
4. Drane Estates
5. Jay Wolens et al
6. Pyramid Investments
7. Wally Properties
8. Atchley Trust
9. Allen Trust
10. Corsicana Southcentral (owned by Wheelock Energy, List, Teel Duck Properties, Buchanan, Veldman, Hawkins, Etheridge, et al)
11. Carson Partners, McDaniel, and Willis
12. Country Club Southeast (owned by Veldman, Beard)
13. Jackson Leisure Properties
14. Bauer NE
15. Lake Halbert Southeast (Bauer)
16. Lake Halbert Northeast (Bauer/MYWC)
17. Lake Magnolia (Bauer/MYWC)



MAJOR PROPERTIES

CITY OF CORSICANA, TEXAS

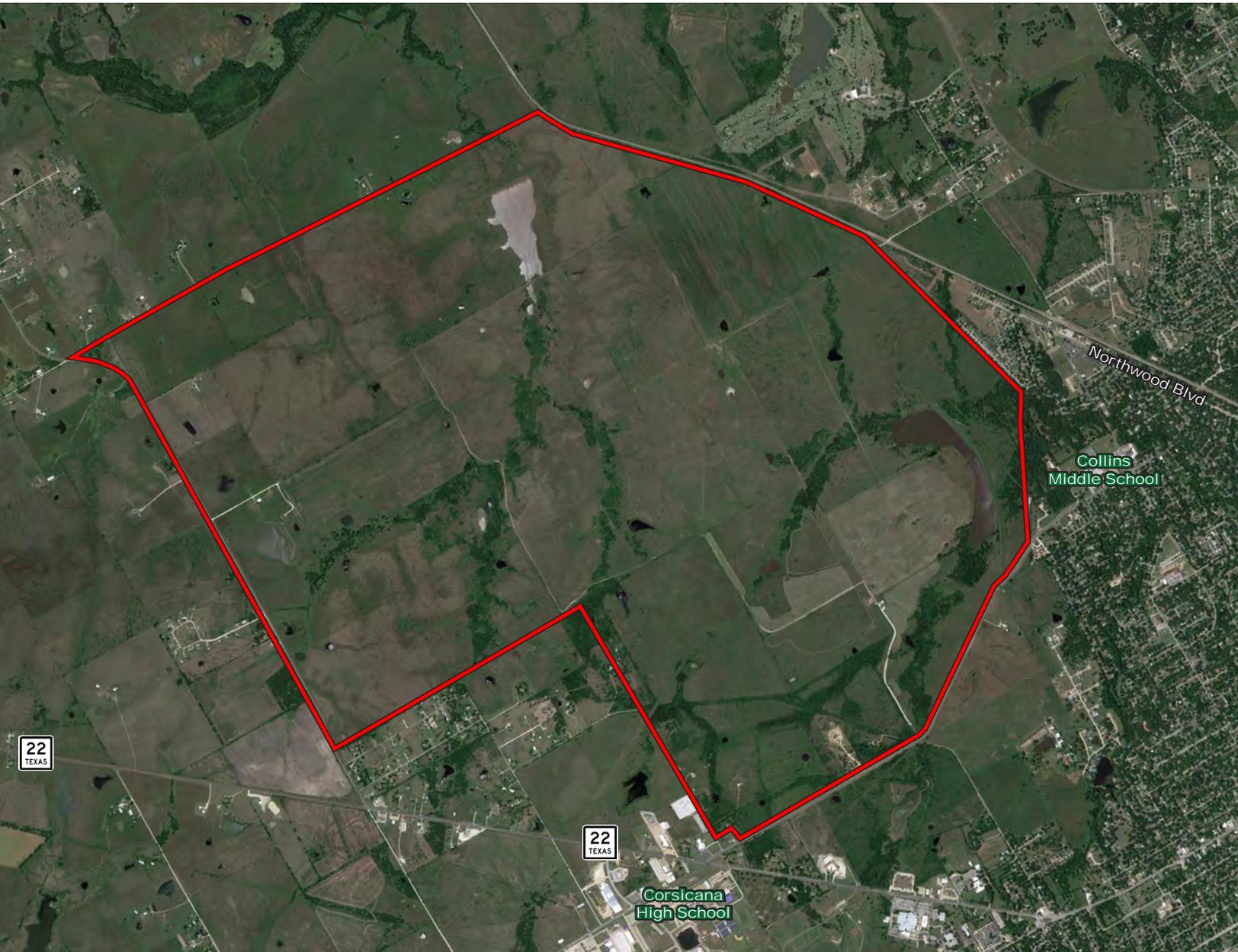
PROPERTY 1



DETAILS

Approximate Size:	700 Acres
Zoning:	Commercial, Agricultural, Light Industrial
Estimated Units:	3,080 Units
Infrastructure:	Sewage line under I-45 Business parallel to property.

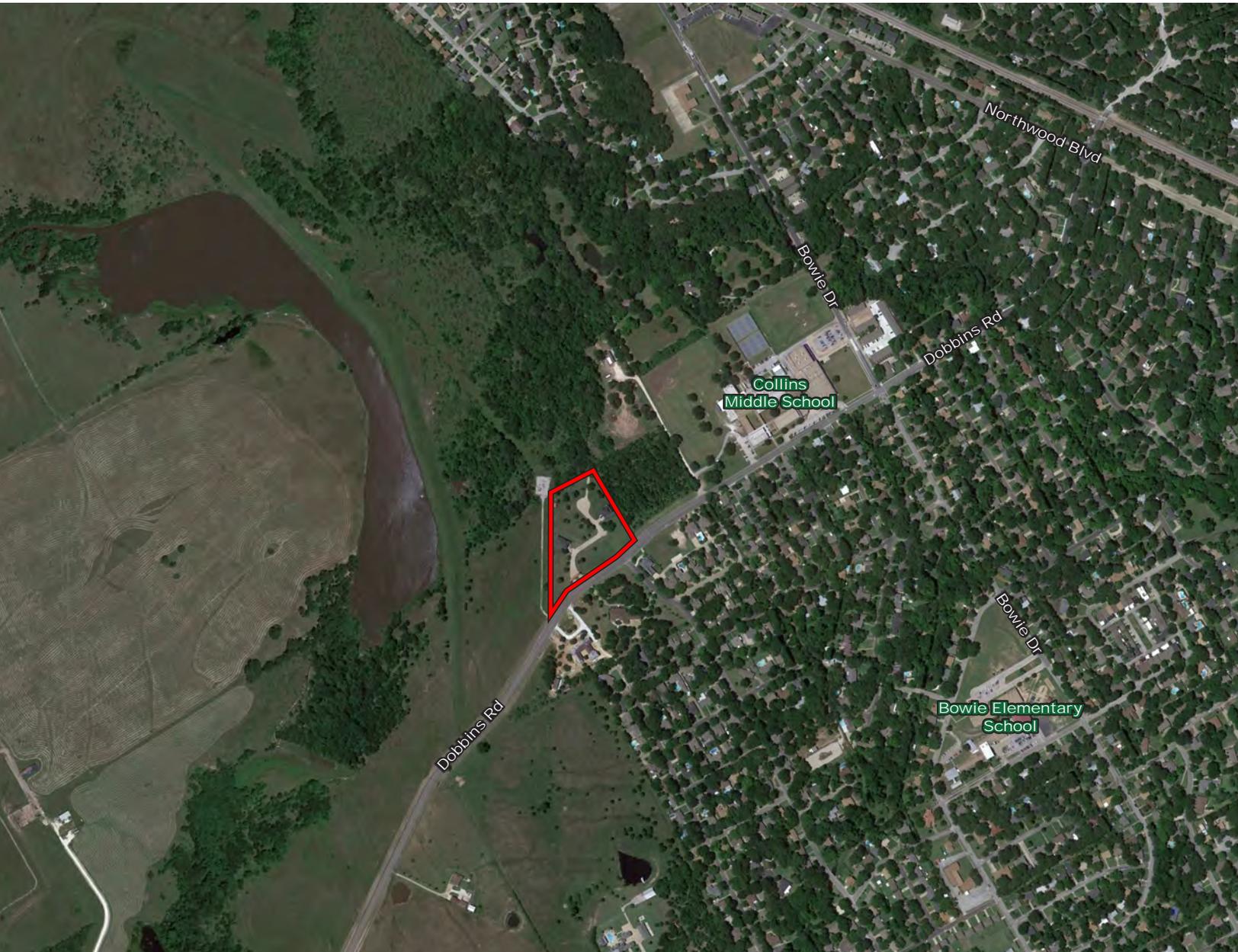
PROPERTY 2



DETAILS

Approximate Size:	3,260 Acres
Zoning:	Single-Family Residential, Retail Commercial
Estimated Units:	14,344 Units
Infrastructure:	Sewage line under Northwood Blvd. to the east of the property. Water valve on the Southwest portion of the property.

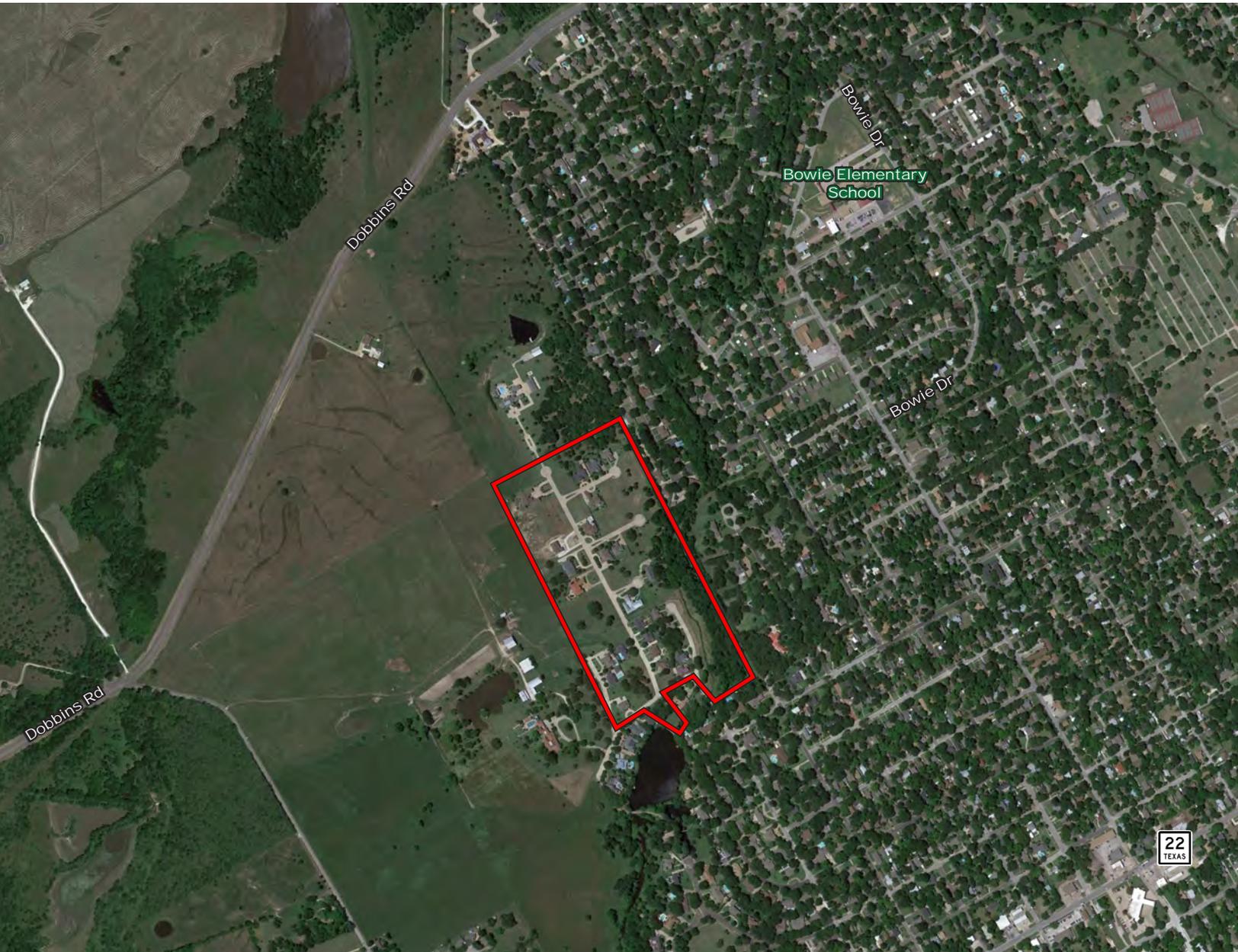
PROPERTY 3



DETAILS

Approximate Size:	5 Acres
Zoning:	Planned Development
Estimated Units:	22 Units
Infrastructure:	Sewage line on the property. Water valve southwest of property.

PROPERTY 4



DETAILS

Approximate Size:	39 Acres
Zoning:	Single-Family Residential
Estimated Units:	172 Units
Infrastructure:	Sewage lines on the property. Water valves just across northern property line.

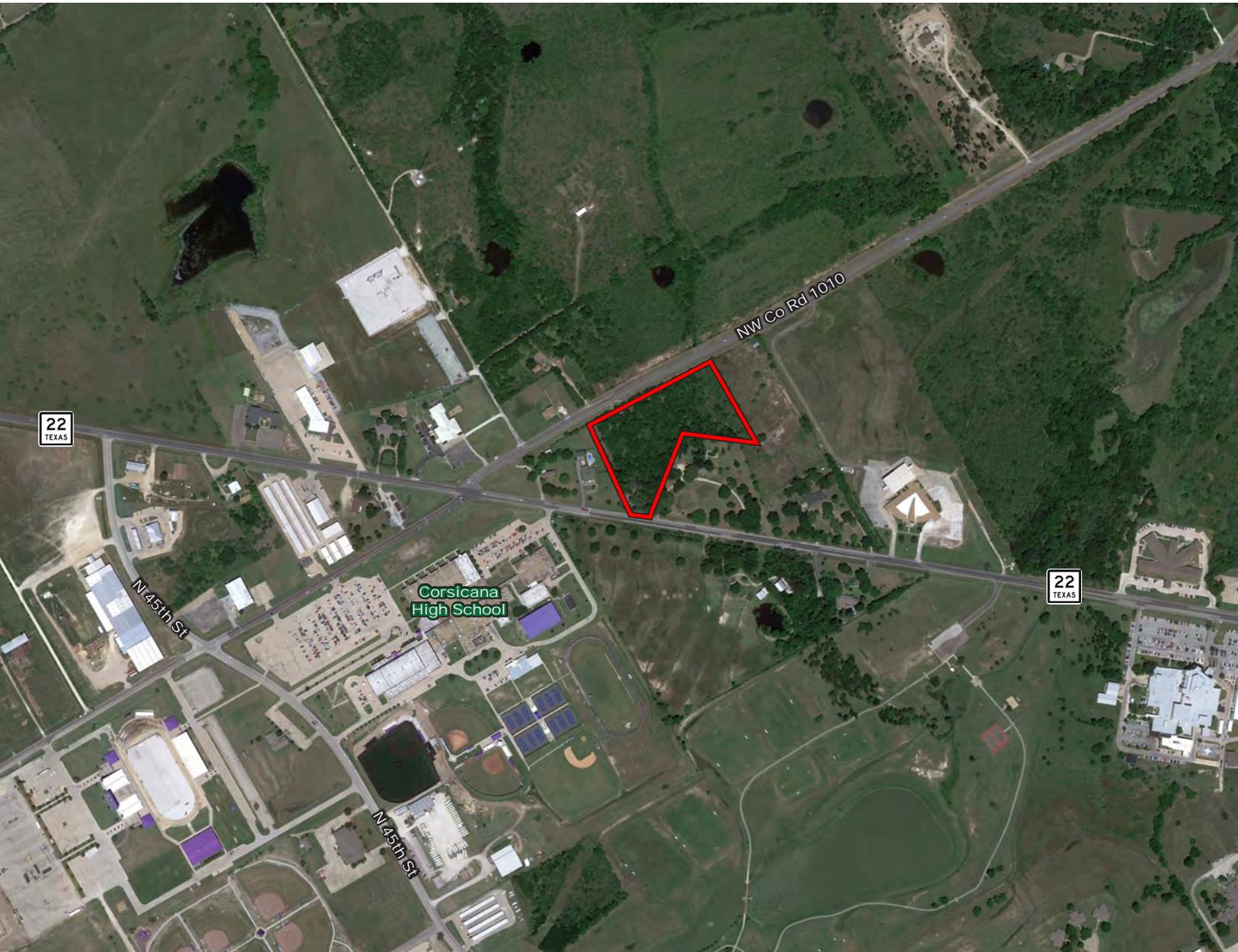
PROPERTY 5



DETAILS

Approximate Size:	114 Acres
Zoning:	General Retail, Single-Family Residential
Estimated Units:	502 Units
Infrastructure:	Sewage line under SH 22, with lift station at the southwest corner of property. Water valve along northeast property line.

PROPERTY 6



DETAILS

Approximate Size: 7 Acres
Zoning: Single-Family Residential 2
Estimated Units: 31 Units
Infrastructure: Sewage line under SH 22. Water valve east of property.

PROPERTY 7



DETAILS

Approximate Size:	245 Acres
Zoning:	Agricultural, Single-Family Residential 2
Estimated Units:	1,078 Units
Infrastructure:	Sewage line and lift station east of property on N 45th St. Water valves east of property at intersection of SH 22 & N 45th St.

PROPERTY 8



DETAILS

Approximate Size: 157 Acres
Zoning: Single-Family Residential 3
Estimated Units: 691 Units
Infrastructure: Sewage line and lift station west of property.

PROPERTY 9



DETAILS

Approximate Size:	60 Acres
Zoning:	Agricultural
Estimated Units:	264 Units
Infrastructure:	Sewage line under W Park Row Blvd. north of property. Water valve northeast of property

PROPERTY 10



DETAILS

Approximate Size:	219 Acres
Zoning:	Single-Family Residential 4, Multiple-Family Residential 1
Estimated Units:	964 Units
Infrastructure:	Sewage line north of property along Hillsdale St. Water Valve north of property at intersection of N 45th St. & W Park Row Blvd.

PROPERTY 11



DETAILS

Approximate Size: Carson Partners Tract - 33 Acres, McDaniel Tract - 63 Acres, Willis Tract - 72 Acres
Zoning: Single-Family Residential 3, Multiple-Family Residential 2
Estimated Units: 145 Units
Infrastructure: Sewage lines on property under Northwood Blvd. & Dogwood Trl.

PROPERTY 12



DETAILS

Approximate Size:	46 Acres
Zoning:	Agricultural
Estimated Units:	202 Units
Infrastructure:	Sewage line along eastern portion of property along Country Club Rd. Lift station northeast of property at intersection of Country Club Rd. & Country Club Ln.

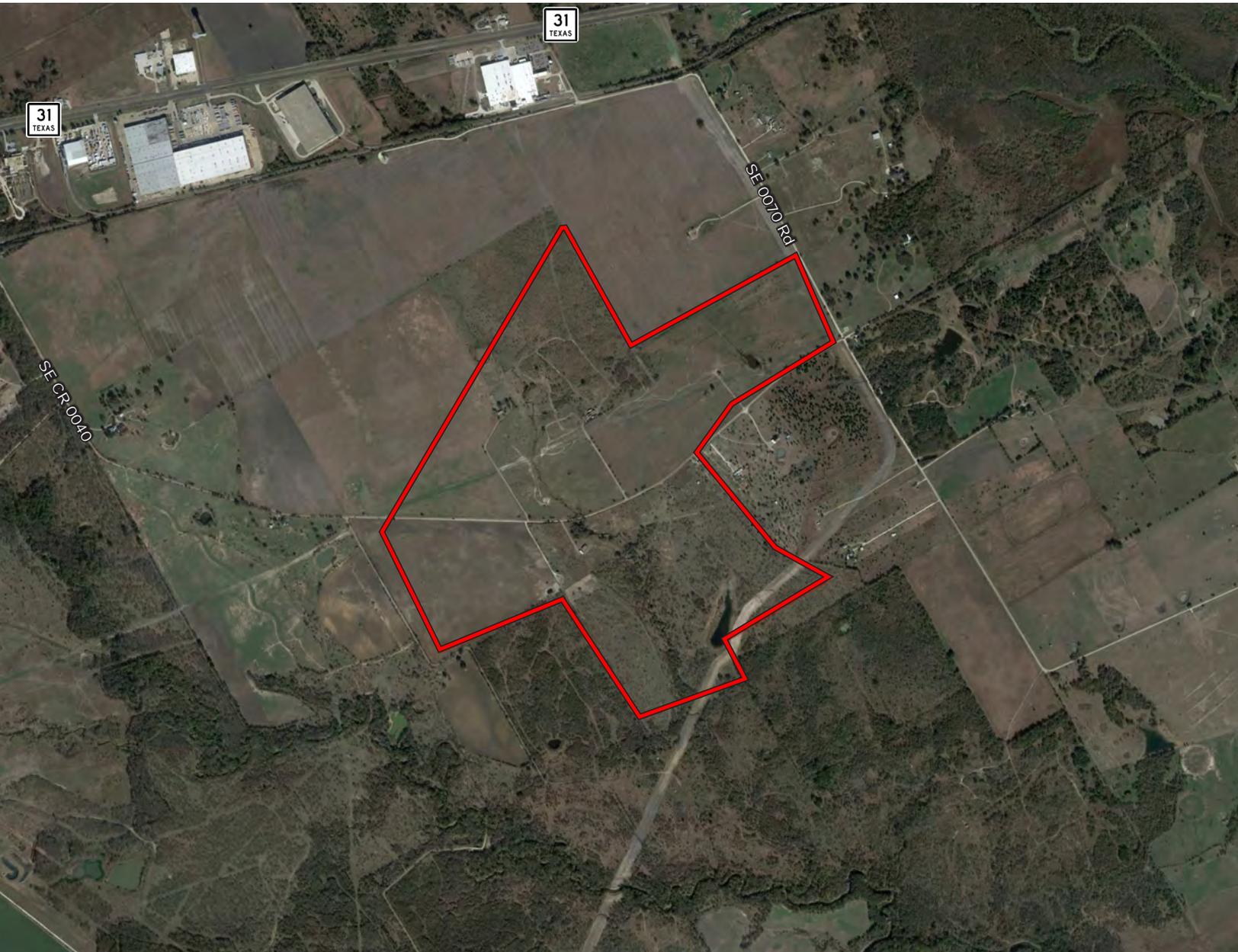
PROPERTY 13



DETAILS

Approximate Size: 78 Acres
Zoning: N/A
Estimated Units: 343 Units
Infrastructure:

PROPERTY 14



DETAILS

Approximate Size:	388 Acres
Zoning:	N/A
Estimated Units:	2,174 Units
Infrastructure:	Sewage line and water valve north of property along SH 31.

PROPERTY 15



DETAILS

Approximate Size:	466 Acres
Zoning:	N/A
Estimated Units:	2050 Units
Infrastructure:	Water Valve south of property at intersection of FM 739 & Navarro Rd.

PROPERTY 16



DETAILS

Approximate Size: 916 Acres
Zoning: N/A
Estimated Units: 4030 Units
Infrastructure: N/A

PROPERTY 17



DETAILS

Approximate Size:	745 Acres
Zoning:	N/A
Estimated Units:	3,278 Units
Infrastructure:	Sewage line and lift station south of the property.



CORSICANA

T E X A S

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