

Muscatine Submarket Analysis

*A Supplemental Document to the
Muscatine County Housing Market Analysis*



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Table of Contents

04

Introduction

05

Executive Summary

06

Part I
Muscatine County
Housing Market

14

Part II
Housing Need &
Demand Today

39

Part III
The Future Housing
Market

51

Conclusion

Introduction

About Atlas Community Studios

Atlas Community Studios (“Atlas”) is a small, women and minority-owned firm fueled by creative problem-solvers and capacity-builders committed to advancing the economic prosperity of communities across the country. Leveraging more than 45 years of combined experience spanning both the public and private sectors, the Atlas team specializes in project implementation and the pre-development work needed to be implementation-ready, including research, planning, funding strategies, grant writing, and advocacy. The team’s portfolio of work includes 70 action-oriented strategies and technical assistance provided in communities across 29 states.

Purpose of this Submarket Housing Analysis

This submarket housing market analysis for the City of Muscatine, IA was completed in partnership with Muscatine County, the cities of Muscatine, West Liberty, and Wilton, and Atlas Community Studios. The purpose of this submarket study is to analyze existing quantitative and qualitative data related to the housing market in the City of Muscatine and identify current challenges and barriers. The key trends identified in this analysis should assist the City of Muscatine with implementing policies and programs to improve existing housing conditions for local and future residents.

The data included in this report is specific to the City of Muscatine and their local housing market, and how it compares to surrounding communities and the county. This report is meant to be a supplemental piece to the larger Muscatine County Housing Market Analysis report, which includes the final strategic recommendations pertinent to Muscatine County and the cities of Muscatine, West Liberty, and Wilton.

Executive Summary

Population Key Trends & Challenges

In recent years, the City of Muscatine has witnessed modest population growth, particularly among aging demographics, alongside **a notable increase in minority populations, of which a majority are Latinos**. Despite a slight decline in the overall workforce, incomes have continued to rise, showcasing the community's resilience amidst economic fluctuations in the late 2000s and early 2020s.

Housing Key Trends & Challenges

Over time, Muscatine's supply and demand shifted, going from high demand for owner units in the 2000s to constructing rental units in the 2010s to keep up with an influx of renters after the 2008 market crash. **Current homeowners have experienced more favorable conditions than renters, who have struggled to find affordable housing or break into homeownership due to rising costs across the spectrum**. The widening gap in appropriately priced housing for all segments of households adds to these existing difficulties, creating an overarching sense of **frustration among both current homeowners and renters**.

Future Housing for Muscatine

Muscatine is likely to see limited population growth in the foreseeable future, primarily driven by aging demographics, mirroring trends dating back to 2000. Consequently, it becomes crucial for the community to ready itself to accommodate the housing needs of its older residents, who may necessitate different housing options. Furthermore, Muscatine needs to achieve a more balanced distribution of housing units relative to their occupants. The current situation, where higher-income households occupy lower-cost units, exacerbates constraints and competition for lower-income households with limited options. **It is imperative to introduce additional housing units across various income brackets throughout the community to expand choices and enhance overall housing quality.**

**Part 1**

Population Key Trends & Challenges

Reviewing demographic and population trends is crucial for assessing housing needs as it provides valuable insights into shifts in the composition and size of the population. **Understanding demographic trends, such as changes in age, income levels, household sizes, and cultural diversity, enables policymakers, planners, and developers to anticipate future housing demands more accurately.** For instance, an aging population may require more accessible and age-friendly housing options, while an influx of young professionals may necessitate affordable and flexible rental units. By staying aware of ever-changing demographic trends, communities can tailor their housing strategies and investments to meet the evolving needs of their residents effectively.

City of Muscatine Demographics

According to the latest data from the American Community Survey 5-year Estimates (2022), the City of Muscatine is home to a population of 23,671, with an average age of 35.9. The predominant age groups fall between 25 and 54 years, representing approximately 37.5% of the total population, while those aged 55 and above make up about 28.2%. Over time, there has been a notable shift in the City's racial and ethnic composition. In 2010, minorities constituted 19.5% of the population, whereas in 2022, this figure rose to 28.4%, marking a more than 45% increase. The majority of the minority population is Hispanic/Latino, experiencing the most substantial growth among all racial and ethnic groups, as illustrated in **FIGURE 1.1** below.

FIGURE 1.1 POPULATION BY RACE/ETHNICITY

Race/Ethnicity	Total Number	Total Percentage	% Change Since 2010
American Indian or Alaska Native	33	0.1%	+0.1%
Asian	189	0.8%	-0.3%
Black or African American	961	4.1%	+2.6%
Hispanic/Latino	4,759	20.1%	+4.4%
Native Hawaiian or Other Pacific Islander	0	0%	0%
Some Other Race	33	0.1%	0%
Two or More Races	754	3.2%	+2.1%
White	16,942	71.6%	-8.9%
Total	23,671	100%	+3.7%

Data is derived from the 2010 and 2022 American Community Survey 5-year Estimates.



Muscatine has a majority male population, an average household size of 2.5, and 9,415 total households. Roughly 33% of households are two-person households, with the next highest being one-person households, at 27%. More than two-thirds are considered family households, typically meaning two or more people are related in some way versus nonfamily households, which would be equivalent to two friends who are roommates.



SENIORS
15.0%



DISABLED
14.7%



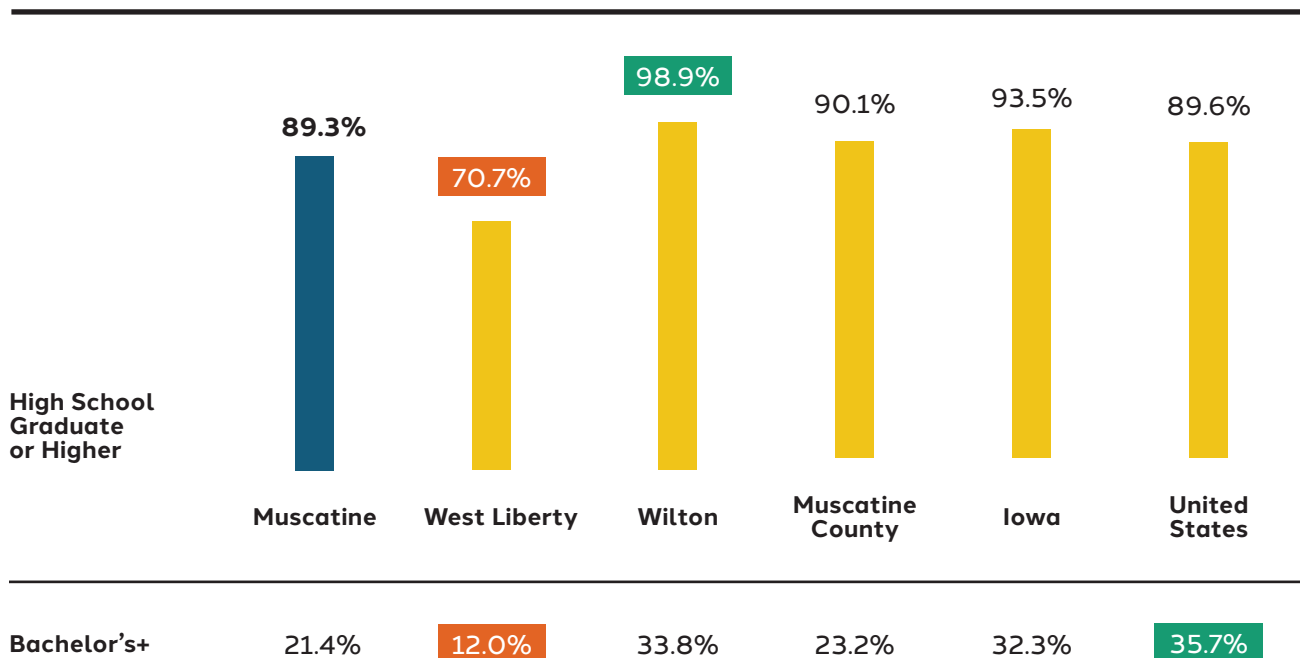
VETERANS
6.3%



FOREIGN-BORN
7.1%

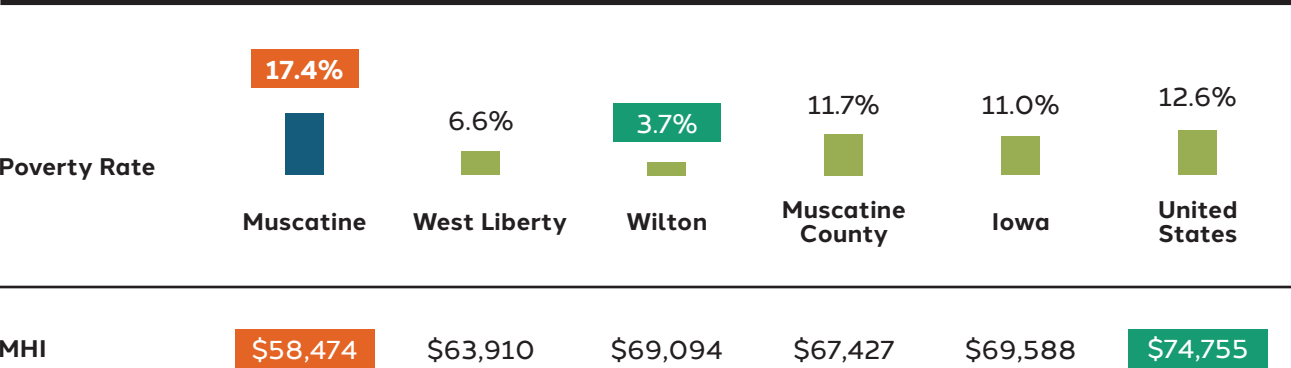
FIGURE 1.2 and **FIGURE 1.3** provide insights into Muscatine's position regarding educational attainment, poverty, and median household income (MHI). In 2022, approximately 89% of the City's population has a high school diploma, with nearly a fifth holding a bachelor's degree or higher. Muscatine consistently ranks in the middle when compared to comparison geographies, without being the lowest or highest for education. Alternatively, Muscatine has the highest poverty rate and lowest MHI, highlighting a significant disparity

FIGURE 1.2 EDUCATIONAL ATTAINMENT



Data is derived from the 2022 American Community Survey 5-year Estimates.

FIGURE 1.3 POVERTY & INCOME

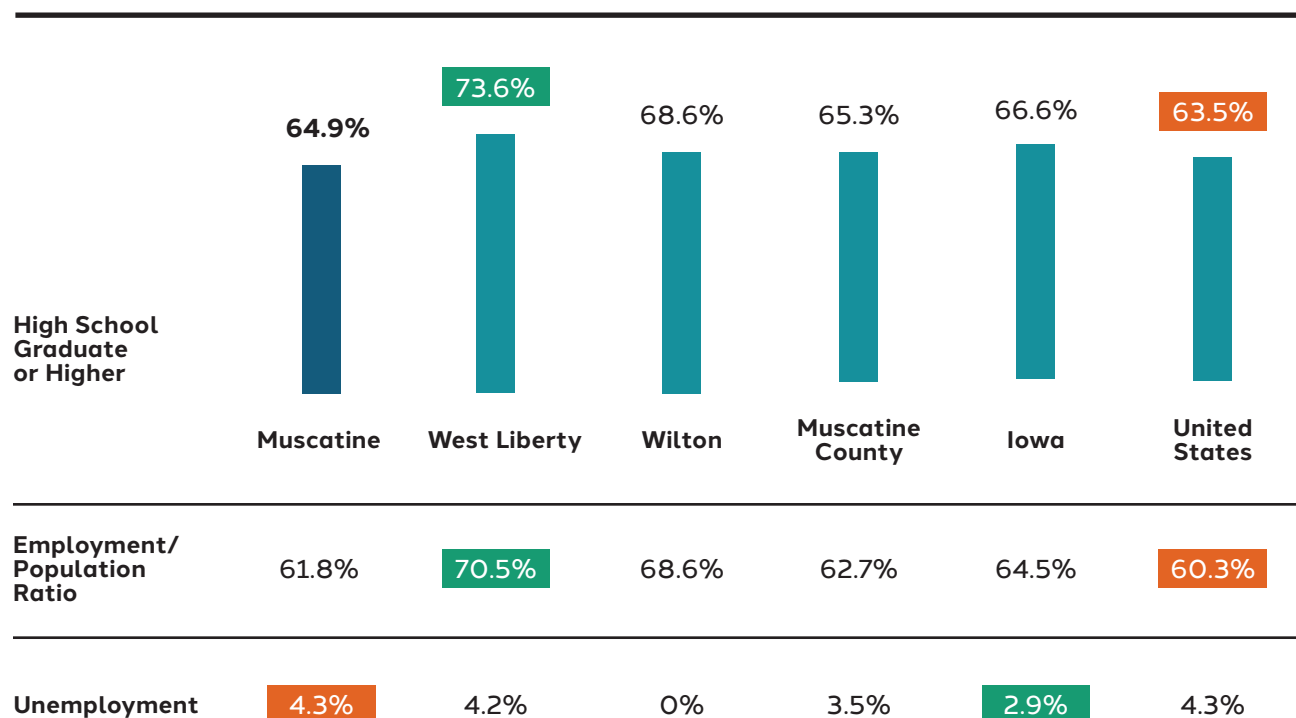


Despite having the lowest MHI among comparison geographies at \$58,474, Muscatine experienced a significant shift in income distribution in the last decade. The largest group of income earners falls within the \$50,000 – \$74,999 per year bracket, comprising 18.9% of the population. Despite being the largest, this income bracket has shrunk over time, by roughly 3.5% since 2010. This is likely due to households earning more and moving into higher income brackets. Households earning \$75,000+ saw an increase of 15.2% between 2010 and 2022.

Currently, Muscatine boasts a labor force participation rate of 64.9%, positioning it comparably to neighboring communities, the State of Iowa, and the U.S. Similar patterns emerge regarding employment and unemployment rates, with Muscatine ranking in the middle among the comparison geographies. Although its unemployment rate is the highest in the region, on par with the national average, it does not pose a significant cause for alarm, suggesting a stable economic landscape overall.

Data is derived from the 2022 American Community Survey 5-year Estimates.

FIGURE 1.4 LABOR FORCE PARTICIPATION (16 YEARS AND OVER)



Predictably, the Manufacturing industry reigns as Muscatine's predominant industry, housing several key manufacturing employers. This sector employs approximately a quarter of the local workforce and boasts one of the highest average annual wages among the top 10 industries. However, over the past decade, the industry witnessed a modest decline of nearly 4% in jobs, paralleling trends observed in other leading sectors within the community. Notably, only two industries within the top 10 experienced double-digit growth, with Management of Companies and Enterprises leading at 27.6%, followed by Accommodation and Food Services at 13.8%, marking the highest and lowest average wages respectively. The substantial surge in Management of Companies and Enterprises

Data is derived from the 2022 American Community Survey 5-year Estimates.

**Data indicates this percentage is zero, despite the margin of error. This is most likely due to the size of Wilton and potentially inaccuracy in the data collected.*

is likely attributable to major manufacturing entities necessitating C-suite executives to reside within Muscatine County, thereby driving this growth. This trend is a plausible explanation for the significant rise in income earners within the \$100,000 to \$149,000 bracket observed over the same period.

FIGURE 1.5 TOP 10 INDUSTRIES BY EMPLOYEES

Industry	2013 Jobs	2023 Jobs	Change (#)	Change (%)	Avg. Ann. Wage
Manufacturing	4,255	4,089	-166	-3.9%	\$59,687
Retail Trade	1,694	1,604	-90	-5.3%	\$32,905
Healthcare & Social Assistance	1,822	1,411	-411	-22.5%	\$44,304
Administrative & Support, etc.	1,434	1,399	-35	-2.4%	\$44,830
Accommodation & Food Services	1,041	1,185	+144	+13.8%	\$17,822
Educational Services	1,179	1,077	-102	-8.7%	\$43,732
Transportation & Warehousing	740	745	+5	+0.7%	\$61,880
Other Services (except Public Admin)	681	718	+37	+5.4%	\$36,812
Management of Companies & Enterprises	543	693	+150	+27.6%	\$127,289
Professional, Scientific & Technical Services	919	652	-267	-29.1%	\$79,208
Total	16,749	15,913	-836	-5.0%	\$59,761

These general demographic indicators play a pivotal role in shaping a household's ability to secure housing. Factors such as income, educational attainment, and age significantly influence housing access and affordability. Higher incomes generally

*Per JobsEQ: These values are found in industry data and are computed by dividing the sum of total wages for the last four quarters by the average of employment for the same four quarters.
Total Jobs calculated from 2013Q2 to 2023Q2*

afford individuals and families greater flexibility in choosing housing options, while educational attainment often correlates with increased earning potential. Additionally, age can impact housing needs, with younger populations often seeking entry-level homes and older demographics opting for downsizing or age-appropriate housing. Moreover, demographic trends, such as population growth or decline, contribute to shifts in housing demand and supply, further impacting overall housing dynamics within a community or region. **Analyzing demographic indicators provides essential insights for policymakers and stakeholders aiming to address housing needs effectively.**





Part 2

Housing Key Trends & Challenges

Understanding key housing trends and challenges is essential as they offer valuable insight into the dynamics of the housing market and the broader community. By identifying trends such as housing affordability, supply shortages, demographic shifts, and changes in housing preferences, policymakers, developers, and community leaders can gain a deeper understanding of the challenges facing their neighbors. **By staying informed about key housing trends, stakeholders can proactively respond to the evolving needs of their communities and ensure access to safe, affordable, and suitable housing for all residents.**

Homeowners & Renters of All Incomes are Experiencing Frustration with the Current Market

The data presented in this report depicts an evolving landscape of homeowner versus renter households and the market's attempt to adapt to these changing needs. **This analysis brought to light an imbalance in housing affordability relative to household income, resulting in higher-income households residing in more affordable units and further intensifying market constraints overall.** **FIGURE 2.1** (on the next page) provides a breakdown of the percentage of monthly housing costs to equivalent household income. For example, owner-occupied units priced under \$800 per month constitute 42% of the market. To adhere to the 30% affordability threshold, these units would, ideally, be occupied by households that earn less than \$35,000 per year. However, this income range only accounts for 17%

of households. A similar pattern emerges for owner units priced between \$800 and \$1,999 per month, constituting a slightly larger portion of the market at 50.8%. However, the corresponding household income (\$35,000 – \$74,999) only accounts for 33.4% of households. In an ideal world, households would live in units that are right-priced for their income level; however, that is not the reality. The disparity arises possibly because quality lower priced units are likely already occupied by long-time homeowners (of which **42% of homeowners don't currently have a mortgage**) in addition to higher income households being able to purchase the remaining more desirable units, and leaving less quality units for first-time home buyers and/or lower income households.



FIGURE 2.1 HOUSING COSTS VS. EQUIVALENT INCOME

Monthly Housing Costs	Owner-Occupied Units (%)	Equivalent Household Income	Renter-occupied Units (%)	Equivalent Household Income
Less than \$800	42%	\$0 – \$34,999 (17%)	30%	\$0 – \$34,999 (50.1%)
\$800 – \$1,999	50.8%	\$35,000 – \$74,999 (33.4%)	66.6%	\$35,000 – \$74,999 (34%)
More than \$2,000	7.2%	\$75,000+ (49.7%)	0%	\$75,000+ (15.9%)

Similar trends are observed in the relationship between renter monthly housing costs and equivalent household income. **However, a crucial distinction arises in the case of renters, specifically the significant deficit of affordable housing units for households earning less than \$35,000 per year.** This shortage likely explains why **77% of these income earners experience a cost burden**, being compelled to pay housing costs that surpass their financial capacity.

Percentages do not total to 100% due to units identified as “No cash rent”

Overall, Muscatine is experiencing an imbalance of right-priced units to household income. **FIGURE 2.2** shows what type of unit is available based on household income. One can see that the largest group of households (2,556) are those earning less than \$35,000 per year. To avoid being cost-burdened, these households would need to purchase a home for less than \$100,000 or pay less than \$800/month in rent. According to the latest data from the American Community Survey 5-year Estimates (2022), there are 2,062 owner-occupied units valued at less than \$100,000, and 868 renter-occupied units priced at less than \$800/month. By subtracting the number of units from the number of households, a surplus or deficit can be identified for each income bracket. For this income range, a surplus of 374 units exists.

FIGURE 2.2 AVAILABLE AFFORDABLE UNITS

Income Range	# of Households	Affordable Range for Owner Units	# of Units	Affordable Range for Renter Units	# of Units	Total Units	Balance
\$0 – \$34,999	2,556	\$0 – \$99,999	2,062	\$0 – \$799	868	2,930	+374
\$35,000 – \$49,999	1,380	\$100,000 – \$149,999	1,782	\$800 – \$1,499	1,701	3,483	+2,103
\$50,000 – \$74,999	1,781	\$150,000 – \$199,999	1,233	\$1,500 – \$1,999	225	1,458	-323
\$75,000 – \$99,999	1,281	\$200,000 – \$299,999	858	\$2,000 – \$2,499	0	858	-423
\$100,000 – \$149,999	1,768	\$300,000 – \$499,999	485	\$2,500 – \$2,999	0	485	-1,283
\$150,000+	649	\$500,000+	102	\$3,000+	0	102	-547
	9,415		6,522		2,794	9,316	

* The # of Units available for renters does not exactly align with the price range for renter units, this is merely meant to provide additional context of the number of units below, at, or near what certain household incomes could potentially afford with what the Census provides



According to **FIGURE 2.2** on the previous page, there is a clear surplus among lower priced units, and a deficit among higher priced units. It is important to note that this is one piece to the larger, more complex housing puzzle. **Just because there appears to be a surplus of lower priced units does not mean that supply is truly meeting demand.** Feedback from the Community Engagement phase highlights that a large barrier for homeowners and renters across the board is quality. Both homeowners and renters **expressed concern about the quality of lower priced units**, noting that significant updates and renovations are needed for these units in order to meet modern expectations. Homeowners don't necessarily have (or want to spend) the funds to support these types of renovations, while renters can find more modern units in surrounding counties for slightly higher price points. **Overall, lower-income homeowners and renters are struggling the most to find, obtain, and maintain truly affordable housing in Muscatine.** However, there is still demand across all incomes, despite the high-level imbalance displayed here. The following sections will dive deeper into those surplus and deficits based on homeowners vs renters.

“Affordability” Threshold May Differ from Reality

Atlas wishes to emphasize that the conventional metric for affordability might not accurately capture the challenges individuals encounter in their search for affordable housing. While the standard practice deems housing affordable if total expenses (rent/mortgage plus utilities) equate to less than 30% of a household’s gross income, this threshold may not reflect the reality when considering a household’s net income—affected by individual variations in taxes and deductions.



Muscatine’s MHI

\$58,474 = \$4,498/month (gross)



Housing Affordability Threshold (30%)

\$1,350/month

However, when you factor in taxes and benefits, monthly take home pay reduces even more.

\$4,498/month – Taxes (\$902) – Benefits (\$454) = \$3,142/month

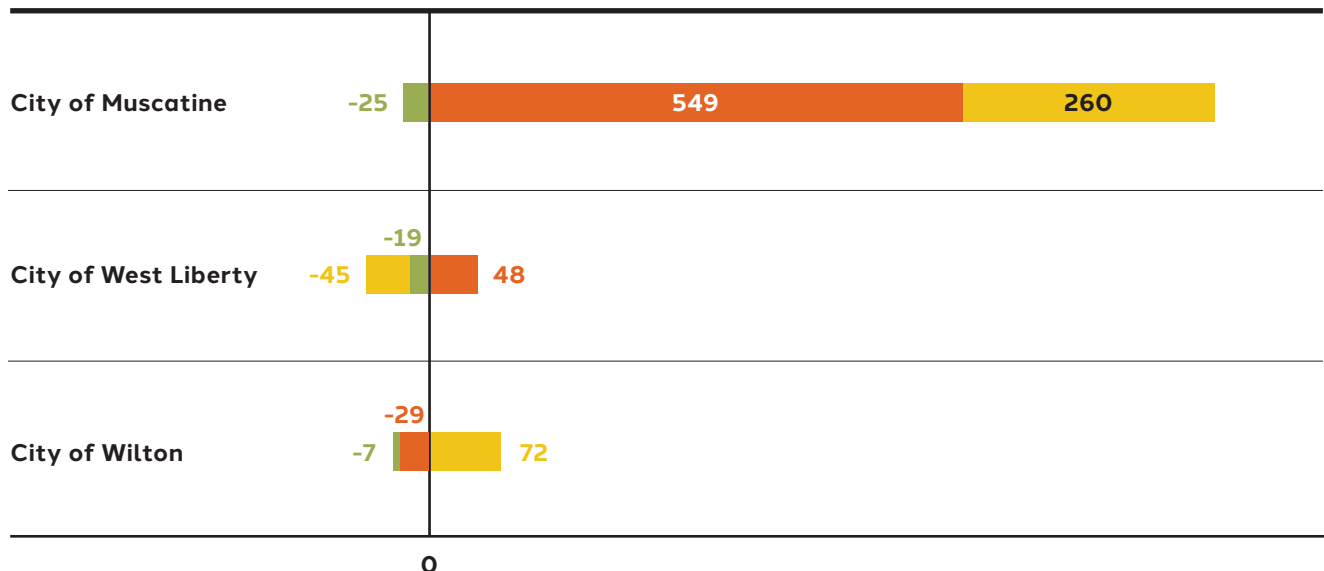
The initial 30% threshold, originally amounting to \$1,350/month, in practical terms translates to **43%** of the household’s net income. Moreover, this calculation neglects factors like student loans, childcare, or credit card debt, placing additional strain on a household’s financial capacity to save, buy a home, or embark on family plans. **Consequently, Muscatine must be mindful of this reality when assessing housing needs, as solely constructing housing at the affordability threshold could elevate the number of cost-burdened households, potentially deepening existing inequalities.**

Supply & Demand: 2000 to 2010

FIGURE 2.3 highlights the market changes from 2000 to 2010 in Muscatine, as well as a comparison to West Liberty and Wilton. Muscatine saw a growth in the housing stock during this time, adding more than 500 units. The city saw the largest growth in units (5.9%) among the three communities, while West Liberty still experienced an increase in units (2.5%), Wilton saw a decrease (3.2%) during the same period. Upon closer examination, the data provides insights into the shift between owner and renter-occupied units over 10 years. Of the total housing units Muscatine added, 549 were designated owner-occupied, while 25 renter-occupied units were lost. The construction of owner units likely contributed to Muscatine's homeownership rate increasing to 72.2% by the end of 2010, despite the negative impact of the 2008 housing market crash. However, this surge also contributed to a rise in vacant units, increasing by almost 60% during this time.

FIGURE 2.3 CHANGES IN HOUSING MARKET (2000–2010)

■ Owner-Occupied Units ■ Renter-Occupied Units ■ Vacant Units

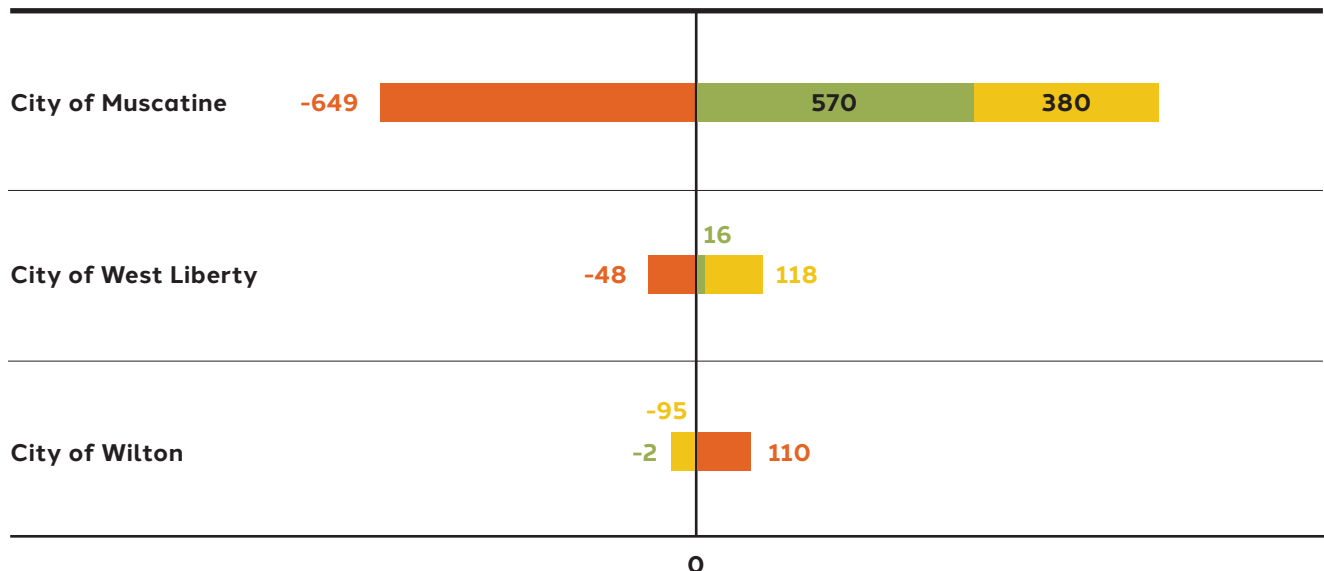


Supply & Demand: 2010 to 2020

FIGURE 2.4 illustrates the market transformation from 2010 to 2020. The lingering effects of the housing market crash persisted throughout the 2010s, manifesting in the growth of rental units and a continuous rise in vacancies in Muscatine. Over this period, Muscatine witnessed the addition of 570 new renter units while losing 649 owner units, signaling a notable market shift. Vacancies surged, again, by 50%, surpassing 1,000 units and constituting over 10% of the total housing stock. As the 2010s drew to a close, Muscatine witnessed a decline in its homeownership rate to 65.9%, marking a 6.3% decrease, alongside a persistent increase in vacancies and a tightening supply. These factors would prove pivotal in shaping the impact of the COVID-19 pandemic on the housing market, not just within Muscatine but nationwide, exacerbating the ongoing housing crisis experienced by communities across the U.S. today.

FIGURE 2.4 CHANGES IN HOUSING MARKET (2010–2020)

■ Owner-Occupied Units ■ Renter-Occupied Units ■ Vacant Units





Homeowners in Muscatine

Over the past three decades, the City of Muscatine has consistently maintained a majority of owner-occupied households, boasting a current owner-occupancy rate of 69.3%, as of 2022. Housing affordability is commonly defined by adhering to the principle of not surpassing a 3:1 ratio of debt to income, ensuring that total housing costs (including utilities) remain below 30% of a household's income. By these standards, Muscatine emerges as the most “affordable” for homeowners, particularly when compared to neighboring communities, the county, the State of Iowa, and the United States as a whole. Muscatine ranks the lowest in terms of median home value (MHV) and second lowest in median monthly housing costs. Additionally, the modest ratio of median home value (MHV) to median household income (MHI) further demonstrates the region's affordability. This ratio signifies that a homeowner in Muscatine only needs to earn less than twice the income to afford an average home, in contrast to the nationwide standard that demands three times the income.

In contrast to the general population data discussed in Part I, it becomes evident that **homeowners in Muscatine have experienced more favorable financial conditions regarding income and housing costs**. Currently, homeowners earn

Industry Standard vs. Local Standard

The industry standard for affordability is 3:1 and is applied across the U.S. However, in the Midwest, where housing costs are generally cheaper than the East or West coasts, that standard is closer to a 2:1 ratio (*as demonstrated in Figure 2.5*).

approximately 25% more income than the general Muscatine MHI (\$58,474), and only pay roughly half of the recommended housing cost percentage, providing a significant financial buffer against recent inflation and overall increases in the cost of living. Two key factors likely contribute to the lower housing costs for existing homeowners: 1) the age of buildings; and 2) interest rates. Nearly 80% of owner-occupied units were constructed before 1979, indicating that more homes were built during a period of more affordable housing. While new homes come with higher price points, the limited number of owner units (less than 4%) built after 2000 has helped maintain affordability. Additionally, the COVID-19 pandemic facilitated easier access to funds, with mortgage rates dropping as low as three percent. In 2023, rates increased approximately 2.5 times, reaching as high as 7.5%. According to 2022 American Community Survey (ACS) data, roughly 21.2% of Muscatine households moved between 2018 and 2020. That number shrunk to just 4.9% of households that moved in 2021 or later. **This means significantly more households likely secured low-interest rates before 2021, contributing to the ability to keep their monthly housing costs relatively low.**

FIGURE 2.5 OWNER FINANCIAL HOUSING CHARACTERISTICS

	MHI	MHV	Median Monthly Housing Costs	Ratio	Owner Occupancy
Muscatine, IA	\$73,409	\$131,900	\$935	1.8	69.3%
West Liberty, IA	\$79,440	\$157,600	\$995	2.0	67.6%
Wilton, IA	\$77,176	\$141,500	\$921	1.9	72.2%
Muscatine County	\$83,143	\$159,000	\$975	1.9	75.4%
Iowa	\$86,339	\$181,600	\$1,042	2.1	71.5%
United States	\$93,531	\$281,900	\$1,282	3.0	64.8%

*Data is derived from the 2022 American Community Survey 5-year Estimates.
Median Household Income (MHI) in the Past 12 Months (2022 inflation-adjusted dollars)*



To accept the appearance of affordability at face value is a disservice to the people in these communities who are genuinely grappling with the challenges of securing suitable and reasonably priced housing. A different narrative unfolds for a significant portion of Muscatine residents, specifically the owner households who earn less than the homeowner MHI of \$73,409. Overall, roughly 20.7% of all owner households are cost-burdened in Muscatine, meaning they spend 30 percent or more of their income on housing expenses. Among these cost-burdened owner households, 65% earn less than \$35,000 per year. With the

recent spike in housing prices and the overall cost of living, there has been a notable shift in the distribution of homeowners across income brackets. The proportion of homeowners earning less than \$75,000 annually has substantially decreased, dropping from nearly 79% in 2000 to 50% today, as illustrated in **FIGURE 2.6** on the following pages. However, owner households earning \$75,000 or more are growing, specifically those earning \$100,000 or more, as these income brackets saw a nearly fourfold increase since 2000. **Owning a home has become increasingly expensive, and is quickly pricing low and moderate-income earners out of the market.**

FIGURE 2.6 HOMEOWNER HOUSEHOLD INCOMES (\$0 – \$74,999)

Household Income	\$0 – \$34,999			\$35,000 – \$49,999			\$50,000 – \$74,999		
Things to Keep in Mind	<p>Roughly 80% of these homeowners are cost-burdened, despite owning a home. It is likely that this income bracket includes individuals living on a fixed income e.g. Social Security or disability, and current housing costs (property tax, insurance, etc.) exceed that affordability threshold. This income bracket also has the highest amount of surplus units. It's possible that units in this price range are dilapidated / blighted units due to lack of maintenance over time, especially if occupants are on fixed incomes.</p>			<p>More than one third of these homeowners are cost-burdened. Similar to the lowest income earners, it is likely that some of these households are on fixed incomes and are challenged to afford property, tax, insurance, etc. along with any maintenance or upgrades needed, which could be why there's still a significant surplus of units, as many could be deteriorating over time.</p>			<p>These households have lower rates of cost-burdened homeowners, but are likely struggling to upsize (if desired) due to current market conditions, limited supply, and competition from higher income households.</p>		
% of Owner Households	2000 35.1%	2010 27.5%	2022 17.0%	2000 18.0%	2010 16.7%	2022 15.7%	2000 25.7%	2010 25.4%	2022 17.7%
Range of Affordable Unit Value	\$0 – \$102,000			\$103,000 – \$146,000			\$147,000 – \$219,000		
# of Households in 2022	1,104			1,024			1,154		
Units Affordable to Income Range in 2022	\$0 – \$99,999: 2,062			\$100,000 – \$149,999: 1,782			\$150,000 – \$199,999: 1,233		
Deficit / Surplus of Affordable Units to Matched Income 2022	+958			+758			+79		
# of Cost Burdened Households	883			318			82		

Data is derived from the 2000 Decennial Census and the 2010 and 2022 American Community Survey 5-year Estimates.

Maximum Affordable Unit Value calculation: Maximum income x 30% / 12 = maximum monthly payment.

The Units Affordable calculation is meant to provide additional context of the number of units below, at, or near what certain household incomes could potentially afford.

FIGURE 2.6 HOMEOWNER HOUSEHOLD INCOMES (\$75,000 – \$150,000+)

Household Income	\$75,000 – \$99,999			\$100,000 – \$149,999			\$150,000+		
Things to Keep in Mind	<p>These households are likely in a similar situation as the income bracket below them. These households were able to purchase a quality home, but are likely stuck due to market conditions. Units priced between \$200,000 and \$299,999 are in demand, which is likely why there is a deficit, and households above and below this income bracket are also competing for this price.</p>			<p>Although these homeowners have the greatest purchasing power, there is limited choice due to lack of new builds at these equivalent price points. This lack of choice has likely required these households to compete with those earning less than \$100,000, and absorbing more affordable units. Another point to keep in mind is that even though these homeowners can purchase a \$300,000+ home, doesn't mean they all necessarily will. Factors, such as current interest rates, may deter these current homeowners from making the jump. Other major costs like daycare, student loans, etc. also can eat up a household's budget, and reduce the likelihood of higher income households taking on a larger mortgage. On the flip side, those who are on fixed incomes (retirees) but saved comfortably might not be willing to give up their low cost of living from purchasing a home decades prior.</p>					
% of Owner Households	2000 35.1%	2010 27.5%	2022 17.0%	2000 18.0%	2010 16.7%	2022 15.7%	2000 25.7%	2010 25.4%	2022 17.7%
Range of Affordable Unit Value	\$220,000 – \$292,000			\$293,000 – \$438,000			\$438,000+		
# of Households in 2022	966			1,668			606		
Units Affordable to Income Range in 2022	\$200,000 – \$299,999: 858			\$300,000 – \$499,999: 485			\$500,000+: 102		
Deficit / Surplus of Affordable Units to Matched Income 2022	-108			-1,183			-504		
# of Cost Burdened Households	68			N/A			N/A		

Data is derived from the 2000 Decennial Census and the 2010 and 2022 American Community Survey 5-year Estimates.

Maximum Affordable Unit Value calculation: Maximum income x 30% / 12 = maximum monthly payment.

The Units Affordable calculation is meant to provide additional context of the number of units below, at, or near what certain household incomes could potentially afford.



Renters in Muscatine

As of 2022, roughly 30% of households rent in Muscatine. While homeowners have reaped the benefits of affordability, **renters face considerable financial strain and are in a less advantageous position. Renters earn approximately 59% of Muscatine's MHI (\$58,474), and only 48% of what Muscatine homeowners earn (\$73,409), highlighting a substantial financial disparity between these two groups.** Furthermore, **Muscatine ranks third most expensive** among the neighboring communities, the county, the State of Iowa, and the U.S., in terms of median monthly housing costs. Applying the same affordability threshold, current median monthly housing costs exceed the limit of renters' budgets before becoming cost-burdened, of which 43% of renter households are. This situation leaves renters with fewer options, likely forcing them to consider less desirable housing conditions to reduce existing housing costs.

FIGURE 2.7 RENTER FINANCIAL HOUSING CHARACTERISTICS

	MHI	Median Monthly Housing Costs	Max Affordability	Renter Occupancy
Muscatine, IA	\$34,881	\$935	\$872	30.7%
West Liberty, IA	\$49,821	\$961	\$1,245	32.4%
Wilton, IA	\$57,188	\$781	\$1,429	27.8%
Muscatine County	\$39,697	\$936	\$992	24.6%
Iowa	\$40,464	\$914	\$1,012	28.5%
United States	\$48,844	\$1,268	\$1,221	35.2%

Data is derived from the 2022 American Community Survey 5-year Estimates.

Median Household Income (MHI) in the Past 12 Months (2022 inflation-adjusted dollars)

Maximum Affordable Unit Value calculation: Maximum income x 30% / 12 = maximum monthly payment.

Feedback gathered during the Community Engagement phase identified some residents' willingness to commute from the Iowa City area, where the average monthly housing cost is \$1,048, due to access to higher quality amenities, activities, and events, even if housing is more expensive. While Muscatine ranks in the middle of the neighboring communities, **there is a notable difference in the age of rental housing stock between Muscatine and Iowa City.** Approximately 27.3% of Iowa City's renter-occupied units were constructed in 2000 or later, in contrast to only 12.8% of Muscatine's rental units. This implies that although housing costs are lower in Muscatine, the units are significantly older and may not align with the expectations of contemporary renters, including updated appliances and fixtures.

As illustrated in **FIGURE 2.8** on the following pages, the disparity among renters persists when examined through the lens of income brackets. Despite significant increases in income

over the past two decades, this hasn't necessarily balanced the escalating housing costs that renters are currently grappling with (Muscatine's average monthly rent has increased more than 50% since 2010, when it was \$595). **The lowest income earners continue to represent the largest proportion of renters, with more than three-quarters of them being cost-burdened.** This is largely attributed to the diminishing availability of units priced at less than \$500 per month, experiencing a 67% decrease since 2010. As a result, these households are compelled to pay for housing that exceeds their financial means. In a similar trend to homeowners in Muscatine, the percentage of higher income earners has grown over the past 20 years, but the production of equivalently priced units has not kept pace. The scarcity of units relative to higher income earners likely led these households to compete with lower income households to absorb some of the surplus among units priced from \$800 – \$1,499.

FIGURE 2.8 RENTER HOUSEHOLD INCOMES (\$0 – \$49,999)

Household Income	\$0 – \$19,999			\$20,000 – \$34,999			\$0 – \$34,999			\$35,000 – \$49,999		
Things to Keep in Mind	The lowest income earners remain the highest percentage of renter households. Roughly 69% of these households are cost-burdened and have the highest deficit of any rental units. It is possible that many of these households are on fixed incomes, which is why there is such a high cost-burdened rate. It is also possible that these lower priced units lacked quality and became dilapidated / blighted due to lack of maintenance over time.			Almost 90% of these households are cost-burdened despite having a smaller deficit in units. It is possible that many of these households are on fixed incomes, which is why there is such a high cost-burdened rate. The number of units priced between \$500 – \$799 has also reduced by a third since 2010.			Although this income bracket decreased by nearly a quarter since 2000, more than 77% of them are still cost-burdened due to a high deficit in affordable units. New construction is not an option unless deeply subsidized. Break even rents for the private sector are well over \$1,000 per unit, which is more than these households can afford.			Only one-third of households are cost-burdened. The significant surplus figure is attributed to the abundance of units within this rent range as of 2022. However, historically, units in this category cater to both lower and higher-income underserved markets. Individuals with lower incomes in this category might face challenges, such as being outbid or dealing with higher rents, leading to cost burdens. This situation raises concerns about the availability of affordable units and the quality they offer for the cost, particularly impacting family households.		
% of Renter Households	2000 41.7%	2010 39.1%	2022 29.1%	2000 27.6%	2010 24.3%	2022 21.0%	2000 74.7%	2010 63.4%	2022 50.1%	2000 14.0%	2010 13.6%	2022 12.3%
Range of Affordable Gross Rent	Less than \$500			\$500 – \$874			\$0 – \$874			\$875 – \$1,249		
# of Households in 2022	844			608			1,452			356		
Units Affordable to Income Range in 2022	Less than \$500: 273			\$500 – \$799: 595			\$0 – \$799: 868			\$800 – \$1,499: 1,701		
Deficit / Surplus of Affordable Units to Matched Income 2022	-571			-13			-584			+1,345		
# of Cost Burdened Households	582			537			1,119			116		

Data is derived from the 2000 Decennial Census and the 2010 and 2022 American Community Survey 5-year Estimates.

Maximum Affordable Unit Value calculation: Maximum income x 30% / 12 = maximum monthly payment.

The Units Affordable calculation is meant to provide additional context of the number of units below, at, or near what certain household incomes could potentially afford.

FIGURE 2.8 RENTER HOUSEHOLD INCOMES (\$50,000 – \$150,000+)

Household Income	\$50,000 – \$74,999			\$75,000 – \$99,999			\$100,000 – \$149,999			+\$150,000		
Things to Keep in Mind	This income bracket experienced the largest increase since 2000 (+12.8%) but still sees a deficit in units relative to income. Although there was a surge in renter units built throughout the 2010s, it is likely that these were units priced under \$1,500, leaving fewer options for these households who can afford market-rate apartments.			These top income earners have increased significantly since 2000. Currently, none of these households are cost-burdened and are able to afford any rental in Muscatine. However, there are no units available relative to their income, which reflects a limited choice and most likely means these households are paying lower housing costs due to a surplus in lower-priced units.								
% of Renter Households	2000 8.9%	2010 14.6%	2022 21.7%	2000 1.5%	2010 4.4%	2022 10.9%	2000 0.2%	2010 1.1%	2022 3.5%	2000 0.6%	2010 2.8%	2022 1.5%
Range of Affordable Gross Rent	\$1,250 – \$1,874			\$1,875 – \$2,499			\$2,500 – \$3,749			\$3,750+		
# of Households in 2022	627			315			100			43		
Units Affordable to Income Range in 2022	\$1,500 – \$1,999: 225			\$2,000 – \$2,499: 0			\$2,500 – \$2,999: 0			\$3,000+: 0		
Deficit / Surplus of Affordable Units to Matched Income 2022	-402			-315			-100			-43		
# of Cost Burdened Households	7			0			N/A			N/A		

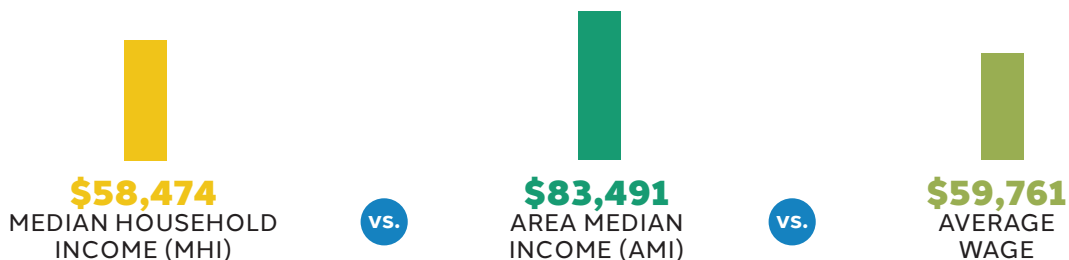
Data is derived from the 2000 Decennial Census and the 2010 and 2022 American Community Survey 5-year Estimates.

Maximum Affordable Unit Value calculation: Maximum income x 30% / 12 = maximum monthly payment.

The Units Affordable calculation is meant to provide additional context of the number of units below, at, or near what certain household incomes could potentially afford.

Overall, according to the latest data from the American Community Survey 5-year Estimates (2022), Muscatine has an overall 8.6% vacancy rate. However, among renter-occupied units that rate declines to 7.7%, demonstrating a disconnect between supply and demand, possibly due to expectations of contemporary renters that are not reflected in the existing rental stock. This could also be due to Muscatine building its highest number of multi-family units (148) in 2021, many of which were senior housing units. Feedback from the community identified challenges of initially filling those units, which could cause the rental vacancy rate to be higher than desired.

As demonstrated, renters have not experienced an as favorable market like homeowners. **Roughly 50% of renters are lower income households and 39% of those are cost-burdened**, which requires a closer look at data regarding subsidized units. In order to qualify for subsidized housing, a family or individual has to earn at or less than the designated income limits, identified as the Median Family Income (MFI), which is typically derived from the Area Median Income (AMI).



The 2023 Median Family Income (MFI) for Muscatine County is \$83,500 for a four-person household. **FIGURE 2.9** demonstrates the qualifying incomes for Muscatine County based on household size:

FIGURE 2.9 SUBSIDIZED HOUSING INCOME LIMITS

30% MFI (extremely low income)	
1 person HH: \$17,700	3 person HH: \$24,860
2 person HH: \$20,200	4 person HH: \$30,000
50% MFI (very low income)	
1 person HH: \$29,500	3 person HH: \$37,900
2 person HH: \$33,700	4 person HH: \$42,100
80% MFI (low income)	
1 person HH: \$47,150	3 person HH: \$60,650
2 person HH: \$53,900	4 person HH: \$67,350

According to HUD, as of 2023, there are 771 subsidized units available in Muscatine, and are at a 95% occupancy rate. The average household income of those living in subsidized housing is \$15,800 per year, which falls in the lowest income bracket, where there is a significant deficit of units available. Additionally, **eligible households wait an average of 19 months on the waiting list for an available unit**, indicating a severe lack in availability and most likely forcing these households to pay significantly more for housing. Muscatine is not alone in this issue, the State of Iowa also has a significant deficit in affordable rental units for very low and extremely low income households. **The makeup of a household living in subsidized housing is as follows:**



**FEMALE
W/ CHILD**



**25–49
YEARS OLD**



DISABLED

MFI is only calculated on a county-level basis
Data for Figure 2.9 is derived from the HUD website



Existing Housing Resources in Muscatine

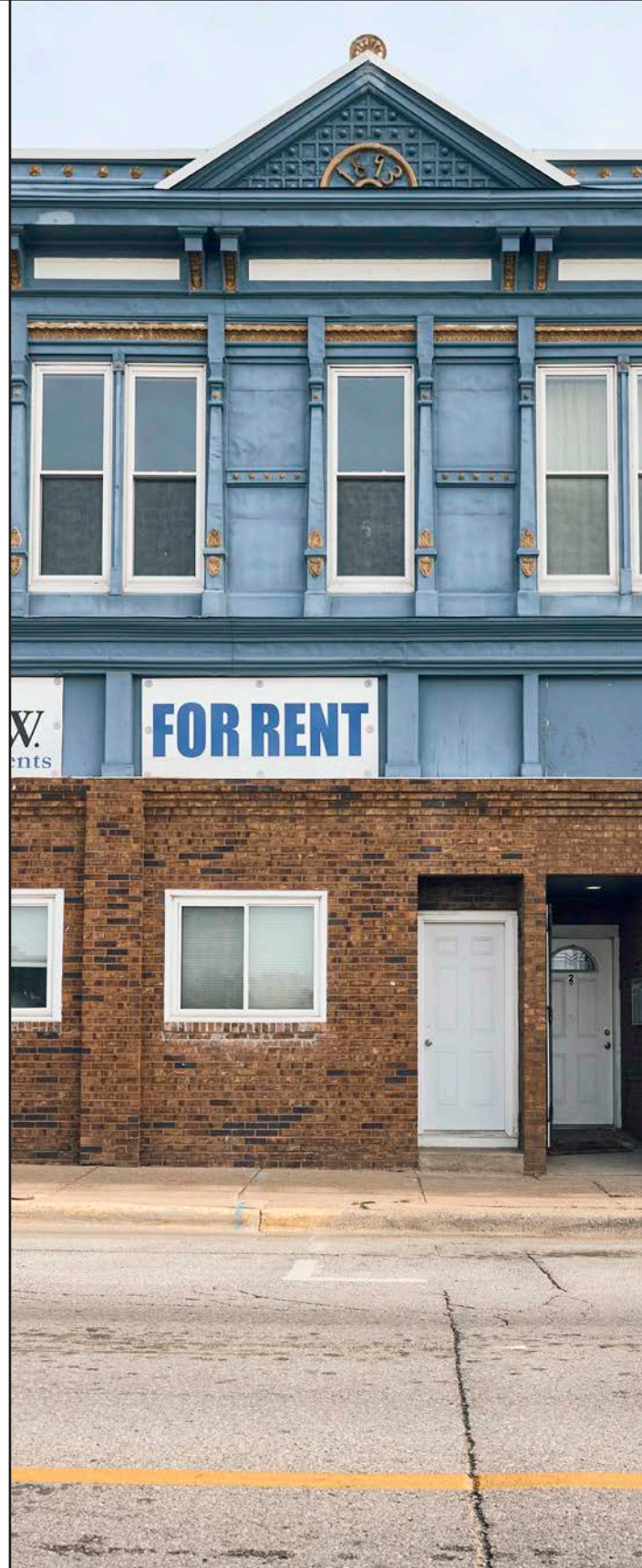
The City of Muscatine offers several housing programs and resources, some available county-wide. The City has a [first-time homeowners course](#), which offers participants the opportunity to learn about the home-buying process and secure funds to put towards a down payment. The City of Muscatine also offers a [tax abatement program](#) as a tool to encourage new construction or improvements to existing housing in designated areas within the community.

Housing Stock Characteristics

The maps on the following pages utilize GIS software to illustrate the diverse make up of the housing stock in Muscatine by the following characteristics:




- Residential Parcels by **Housing Type**
- Single-Family Residential Homes by **Year Built**
- Single-Family Residential Homes by **Total Assessed Value**
- Single-Family Residential Homes by **Condition**

Information was sourced from the Muscatine County Assessor.



RESIDENTIAL PARCELS BY HOUSING TYPE

The vast majority of residential parcels in Muscatine are single-family detached homes shown in black in **FIGURE 2.10**. However, there is some distribution of multi-family units throughout the community, with a large concentration at the core of Muscatine.

-  Muscatine City Limits
-  Multi-Family Residential
390 (4.8%)
-  Single-Family Residential
7,600 (95.2%)

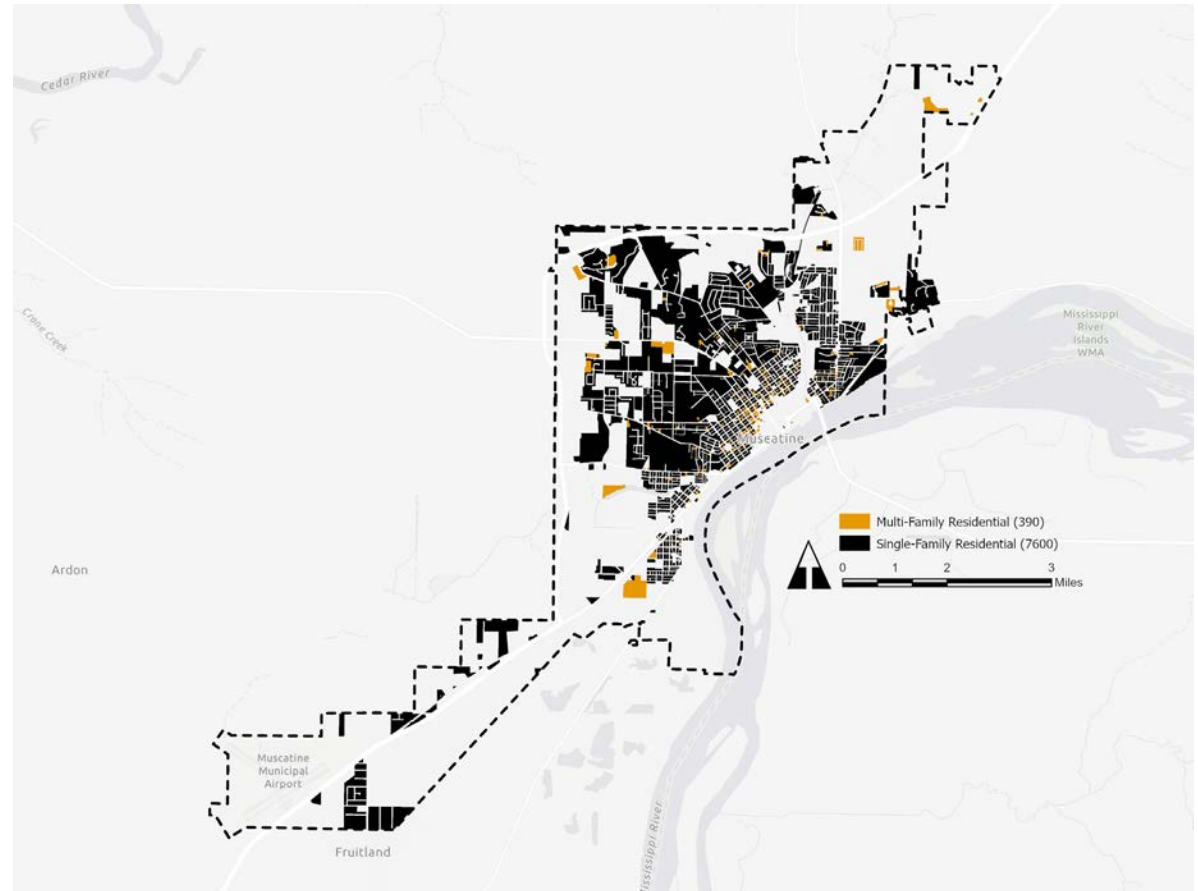
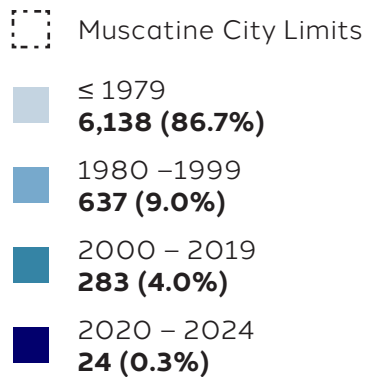


FIGURE 2.10 MUSCATINE RESIDENTIAL PARCELS BY HOUSING TYPE

FIGURE 2.11 demonstrates that older single-family homes are concentrated at the core of Muscatine, while most modern housing has been built on the outer edges. This map also shows the disparity between older and newer housing, with only about 4.3% of existing single-family homes being built since 2000.



SINGLE-FAMILY RESIDENTIAL HOMES BY YEAR BUILT

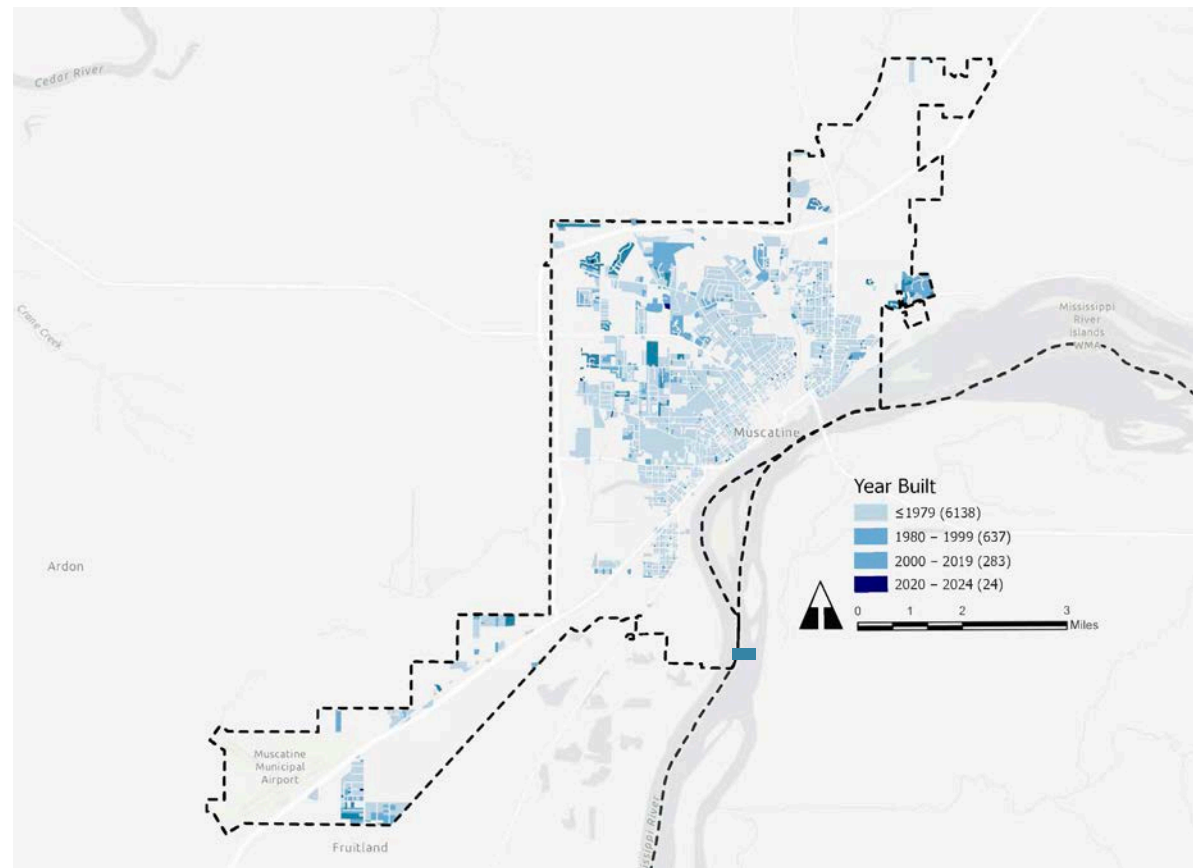
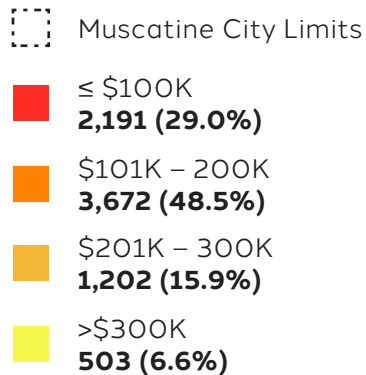


FIGURE 2.11 SINGLE-FAMILY RESIDENTIAL HOMES BY YEAR BUILT

FIGURE 2.12 shows the range of home values in Muscatine. The map somewhat mirrors the Homes by Year Built where lower value homes are concentrated in the cores of the communities, while higher value homes are on the outskirts. The largest percentage of single-family homes are priced between \$101,000 and \$200,000, followed by those that are equal to or less than \$100,000.



SINGLE-FAMILY RESIDENTIAL HOMES BY TOTAL ASSESSED VALUE

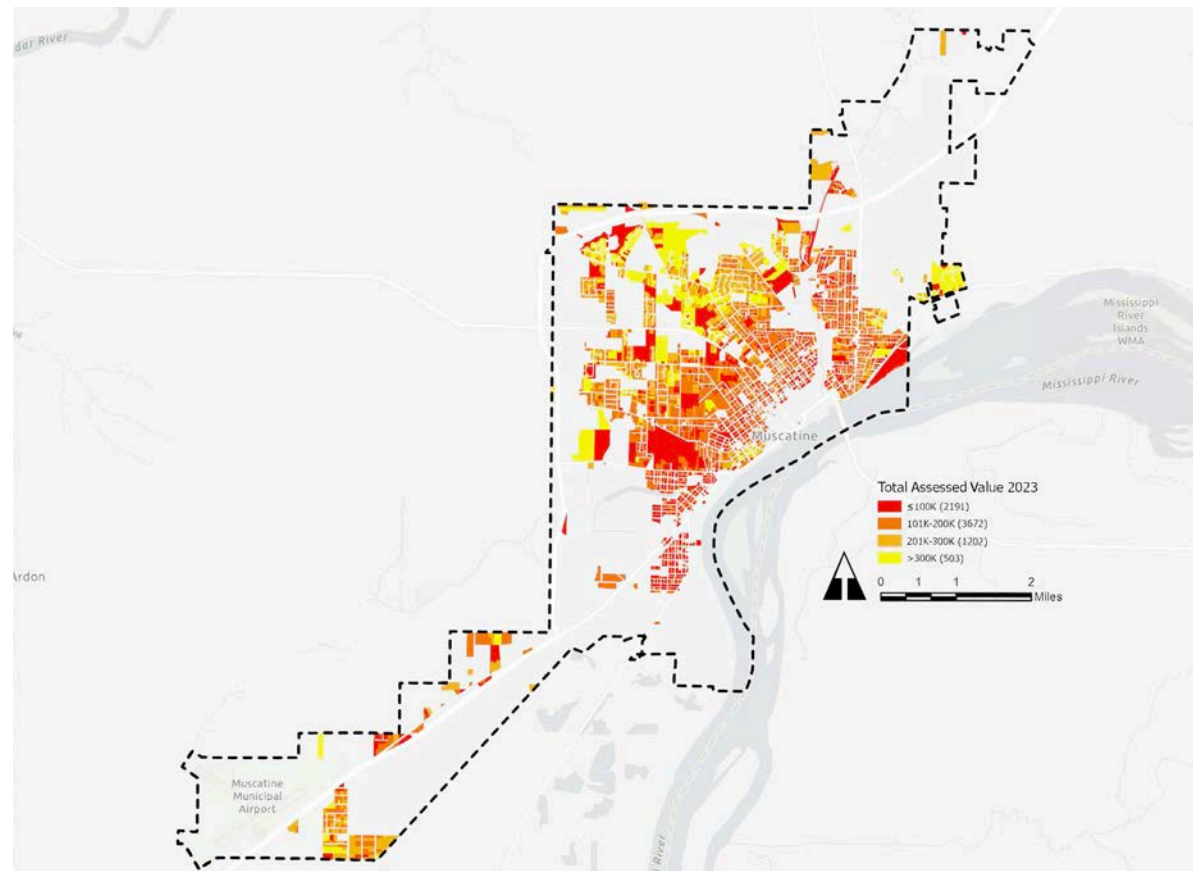
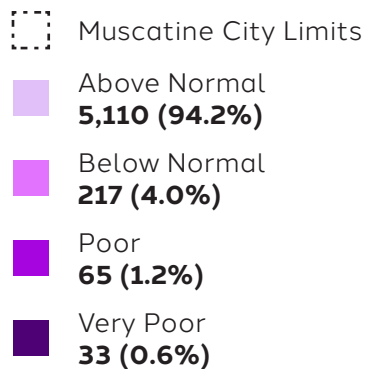


FIGURE 2.12 SINGLE-FAMILY RESIDENTIAL HOMES BY TOTAL ASSESSED VALUE

FIGURE 2.13 breaks down single-family homes by condition, as determined by the Muscatine County Assessor's Office. A large majority of homes are categorized as Above Normal conditions, while roughly 6% of homes are considered Below Normal or worse. Although this is a low percentage, that still equates to more than 300 homes that most likely need renovations, updates, etc., especially those that are Poor or Very Poor, where blight is the likely culprit.



SINGLE-FAMILY RESIDENTIAL HOMES BY CONDITION

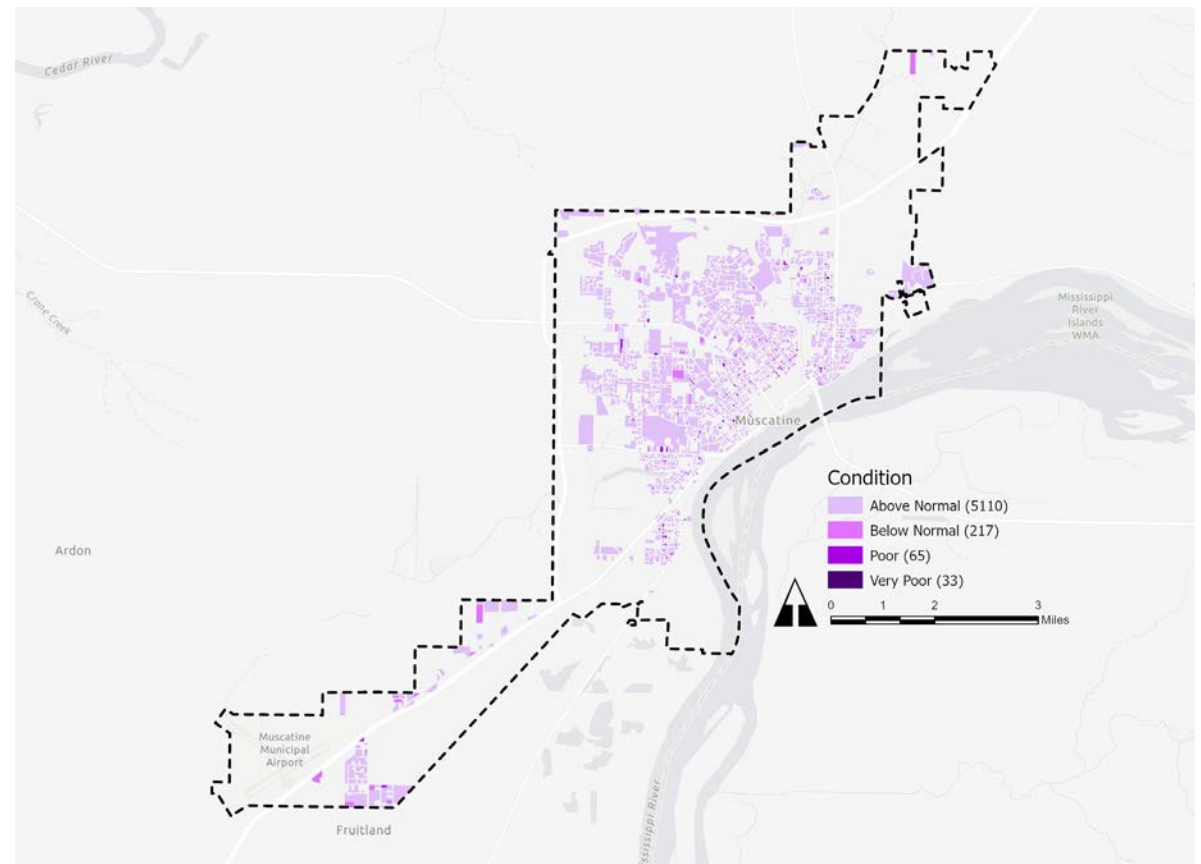


FIGURE 2.13 SINGLE-FAMILY RESIDENTIAL HOMES BY CONDITION

Part 3

Future Housing for Muscatine

In the coming decades, housing will undergo profound changes due to demographic shifts, technological advancements, sustainability concerns, and economic factors. An aging population and changing household structures will reshape preferences, while technology and remote work will impact location choices and the demand for flexible spaces. Sustainability will drive eco-friendly housing solutions, and economic conditions will shape affordability and homeownership trends. These interconnected factors indicate a future housing landscape focused on innovation, sustainability, and adaptability to meet evolving societal needs.





How Housing Must Meet the Needs of Changing Demographics

To anticipate future housing demand, it is crucial to examine the demographic shifts that Muscatine has undergone in the last two decades. Factors such as people relocating, deciding on homeownership, selling their homes, or downsizing to single-story rentals all contribute significantly to shaping the trajectory of future housing needs. The median age in Muscatine is 35.9, the second youngest among comparison communities, the State of Iowa, and the U.S. **FIGURE 3.1** (next page) illustrates the evolution of each age cohort over time, revealing a consistent decline in younger populations and a corresponding rise in aging populations between 2000 and 2022.

FIGURE 3.1 AGE COHORTS (HISTORICAL & PROJECTED)

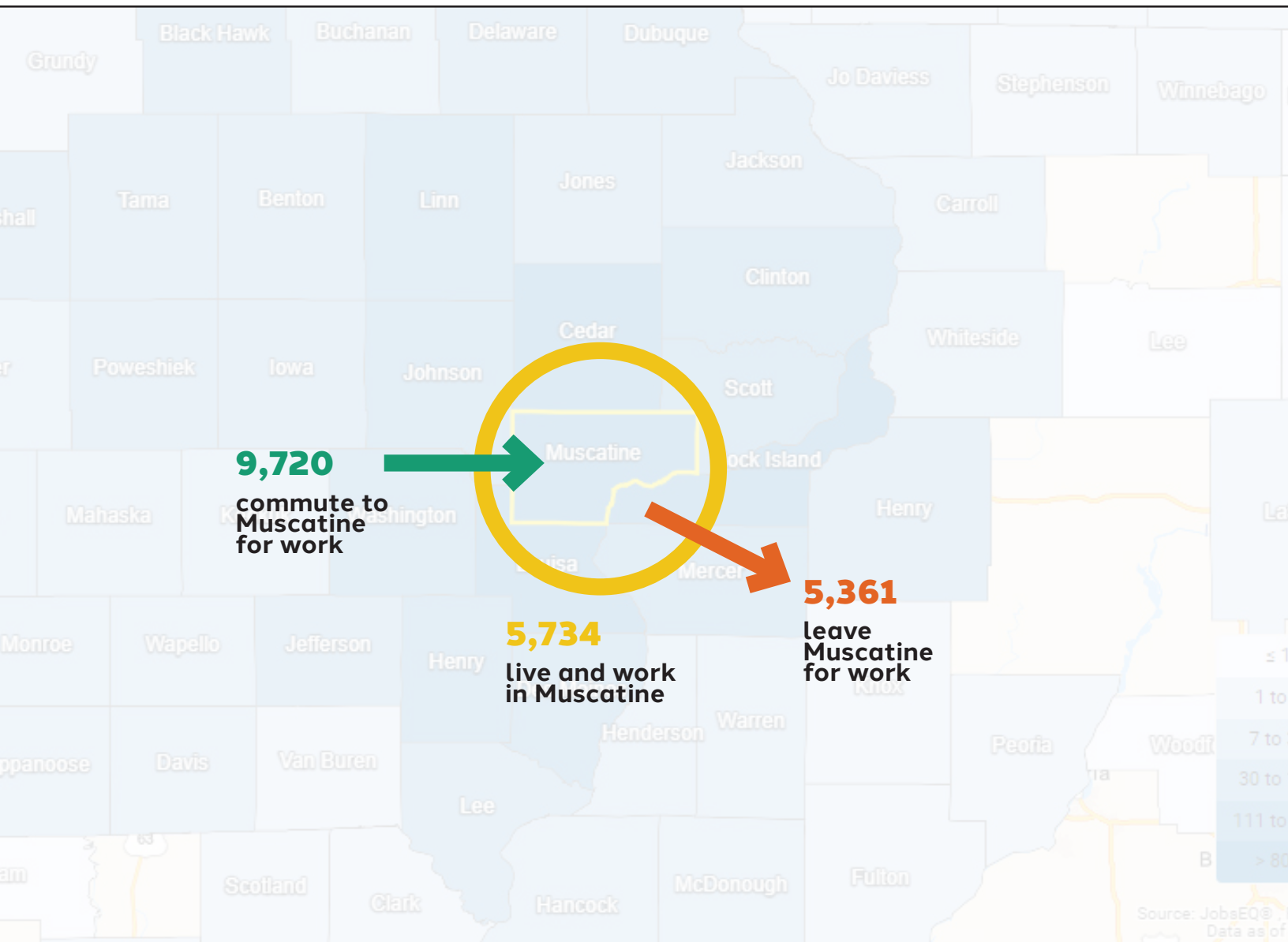
Age Totals	2000	2010	2022	Historical Change (2000 – 2022)	2030	2040	Projected Change (2022 – 2040)
	MUSCATINE, IOWA				MUSCATINE COUNTY, IOWA		
Total Population	22,518	22,886	23,671	+1,153	42,970	43,185	+0.5%
Age 14 & Under	22.0%	22.2%	21%	-1.0%	19.5%	20.1%	0%
Age 15 – 24	13.8%	12.9%	13.2%	-0.6%	11.7%	10.5%	-2.1%
Age 25 – 34	13.6%	13.5%	13.9%	+0.3%	11.9%	12.6%	+0.3%
Age 35 – 44	15.0%	12.2%	13.3%	-1.7%	12.9%	12.1%	-0.3%
Age 45 – 54	13.2%	13.8%	10.4%	-2.8%	11.7%	12.6%	+0.4%
Age 55 – 59	4.5%	6.5%	5.9%	+1.4%	5.5%	5.8%	-0.4%
Age 60 – 64	4.1%	5.4%	7.2%	+3.1%	5.6%	5.3%	-1.9%
Age 65 – 74	6.9%	6.7%	9.2%	+2.5%	11.3%	9.6%	-0.9%
Age 75 – 84	5.3%	4.6%	3.6%	-1.0%	7.8%	8.6%	+4.0%
Age 85+	1.6%	2.2%	2.3%	+0.1%	2.2%	2.7%	+0.7%

Data is derived from the 2000 Decennial Census and the 2010 and 2022 American Community Survey 5-year Estimates.
Data projections are only available by county and are derived from an annual report created by Woods & Poole Economics for the State of Iowa State Data Center.



The data is unavailable for anticipated population growth in Muscatine; however, Muscatine saw a 1.6% increase between 2000 – 2010, and a 3.4% increase between 2010 – 2022, averaging a 2.5% population increase over 20+ years. If we apply that average up to 2040, the total population would increase by roughly 592 people per decade. According to projections from the State Data Center of Iowa, the anticipated trends for Muscatine County align with the observed population changes in the City of Muscatine over the past 20+ years, suggesting a gradual continuation of declining younger populations and increasing aging populations. However, minimal population growth is anticipated in the county, with a slight decrease by 2030, followed by a subsequent rebound by 2040. Although households are anticipated to get older with time, their size is expected to stay about the same. The current average household size in Muscatine County is 2.5 and has only slightly decreased since 1990, from 2.7. Projections from the State Data Center of Iowa show that it will slightly decline to 2.4 by 2040. **Should Muscatine population trends mirror what is expected at the county level, Muscatine should anticipate housing aging and slightly smaller households.**

Although it is not expected that Muscatine will experience significant population growth in the coming years, some surrounding areas will, such as Johnson and Scott County with the highest anticipated growth. However, Muscatine has been able to attract adjacent workforces in surrounding counties due to several localized strong employers. If Muscatine can provide appropriate and right-priced housing for these workers, perhaps they will relocate to Muscatine and spur population growth in the future.



Per JobsEQ, **FIGURE 3.2** highlights the top five occupations of employees that are commuting to Muscatine for work, but do not live within city limits. The chart below breaks down each occupation's income levels, and equivalent housing cost estimates relative to that income. This provides important insight into what these potential households could afford and what housing price points Muscatine needs to offer in order to attract them.

FIGURE 3.2 TOP OCCUPATIONS FOR COMMUTERS – INCOME & HOUSING COSTS

Occupation	Entry Level	Median	Experienced	Purchase Price	Rental Price
Office and Administrative Support Occupations	\$30,700	\$44,600	\$51,500	< \$100,000	≤ \$768/month
Production Occupations	\$35,500	\$46,900	\$55,500	< \$100,000	≤ \$888/month
Sales and Related Occupations	\$24,200	\$46,000	\$56,900	< \$75,000	≤ \$605/month
Transportation and Material Moving Occupations	\$30,200	\$42,400	\$52,200	< \$100,000	≤ \$755/month
Food Preparation and Serving Related Occupations	\$21,000	\$29,200	\$33,300	< \$75,000	≤ \$525/month

These maximum price ranges represent what an entry-level employee could afford (by applying the 30% threshold). Atlas is starting with entry-level pay based on discussions with major employers in the county, and how many of the new hires they've had would fall under this category. By assessing the housing expenses relevant to entry-level employees, this approach ensures that housing remains more accessible across all income levels, as opposed to being relative to earnings of average or seasoned employees, who typically command higher salaries (as demonstrated in the chart)

The Future for Owner Households in Muscatine

Part II of this study outlined existing gaps in the market for owner-occupied households, demonstrating higher income earners are occupying units that are significantly below than the cost-burdened threshold. It is possible that higher income earners were able to purchase a home when the market was more favorable. Additionally, it is possible these households could consist of aging individuals who purchased their homes decades ago, have now paid off that home and have maintained a low cost of living. That is very likely due to the fact that 42% of existing owner-occupied units are mortgage-free in Muscatine, and aging generations have expressed a reluctance to move (which is what has been [reported at national levels](#)). This type of stagnant housing environment requires communities to be more proactive at tackling existing barriers, rather than just sit back and let the market sort itself out over time.

Different housing types across all

price ranges need to be added to the existing housing stock in order to allow for more movement. Despite some of the hard data demonstrating need at the highest of incomes, lowans are accustomed to housing costs that mimic a 2:1 ratio versus a 3:1 ratio at the national level, as shown by so many high income households living significantly below their (relative) means.

With higher interest rates and increased construction costs, adding housing that is appropriate for all income levels will require a more strategic and hands-on approach. First, it is always important to look at what currently exists for housing, and how that could be improved and put back into productive reuse. It is proven that vacant or blighted properties have an impact on public health, individual wealth, and community fiscal stability, per the Center for Community Progress.



Redeveloping vacant or blighted homes is a great way to reinvest in existing infrastructure and neighborhoods, and immediately see a return on that investment.

Secondly, not all housing needs will likely be met through the redevelopment of vacant or blighted homes. Therefore, it is evident that new construction will need to happen in order to meet current and future supply and demand needs. **Although Muscatine has a younger demographic, 25% of homeowners are 65 years or older and the ability to age-in-place becomes a priority when contemplating their next potential home purchase.** However, **Muscatine should explore options that increase diversity within the housing stock**, like smaller footprint homes requiring less maintenance (which has proven beneficial for both older and younger generations) or condominiums and townhomes that don't come with as high of a single-family price tag. Overall, collaborative efforts among Muscatine and its collaborative partners are imperative to enhance the housing stock by revitalizing existing units and constructing new ones that cater to a broad range of income levels.



HOUSEHOLD INCOME

Less than \$50,000

Becoming homeowners would be extremely difficult and likely unattainable for the lowest of incomes.

For those earning closer to \$50,000, achieving homeownership still poses a considerable challenge, as homes within an appropriate price range would likely necessitate extensive renovations and/or upgrades, surpassing the financial capacity of these households.

HOUSEHOLD INCOME

\$100,000 – \$149,999

These households are not as constrained to the existing housing stock and could afford new construction homes should the existing supply not meet demand.

HOUSEHOLD INCOME

\$50,000 – \$74,999

These households are likely to experience **ongoing frustration due to limited choices in a stagnant market**, constrained by the availability of existing houses. Existing homeowners in this income range are expected to stay put until market conditions evolve significantly, while prospective first-time buyers may find themselves compelled to rent until a sufficient number of current homeowners are compelled to sell.

Although this shift may not materialize until the 2030s, an inevitable increase in the number of sellers and a decline in the number of under-35 households will potentially ease the competitive intensity for houses priced below \$250,000.

Alternatively, **if policymakers aim to enhance homeownership opportunities in this income bracket, collaboration with the private sector to provide support to tackle existing quality issues and for new construction becomes essential.**

HOUSEHOLD INCOME

\$75,000 – \$99,999

HOUSEHOLD INCOME

\$150,000+

These households will have the greatest ability and access to buy or build in the current market.

The Future for Renter Households in Muscatine

Part II of this study highlighted that current renters are severely disadvantaged when compared to owner households. Roughly 38% of renters in Muscatine are lower income households and cost-burdened, with Muscatine having the second highest average rental costs compared to the surrounding area and the State of Iowa. **The lack of affordability is mainly a challenge for those earning less than \$35,000 per year, which is a majority of entry-level workers in the top occupations that are commuting to Muscatine.**

At the other end of the spectrum is a lack of options for those that are earning higher incomes. Due to homeownership being less attainable currently, more households are renting for longer periods. However, in general, renters expressed frustration with limited options and the quality of those options, and some stated they preferred to commute due to the availability of newer rentals in other surrounding counties.

Should Muscatine want to attract and retain more households that are renting (especially those commuting), it needs to add new rental units priced across the spectrum.

Muscatine could meet the needs at both ends of the income spectrum by building mixed-income developments, where there is diversity in the types of units and price points offered within a building or housing development. Firstly, it can help build more socio-economic diversity within the actual living quarters and within the larger community. Multiple employers expressed a need to find housing for employees, whether it is short-term housing for interns or long-term housing for teachers, mixed-income developments could serve as a dual option while also allowing newcomers the opportunity to meet more people within the community. This would allow for communities to improve the number of quality units without necessarily pricing out households



*The biggest concern of survey respondents who are looking to buy a home was that they **lacked a sufficient down payment.***

that cannot afford current market-rate prices.

Many policymakers and elected officials assume that aspiring to homeownership is every household's end goal, and yes, that is widely true in a state like Iowa where living costs are cheaper than across the country. However, **the landscape of housing affordability, attainability, and need has evolved** (more quickly in recent years), and **the importance of providing right-priced rental units**

cannot be overstated. It is important to remember that current renters are anticipated future homeowners, and if they are constantly burdened by high rental costs, that limits their ability to move towards homeownership in the future, something that has become increasingly more expensive. While homeownership remains a goal for many, **offering a variety of rental options is vital to ensuring housing accessibility and meeting the diverse needs of households.**



HOUSEHOLD INCOME

\$0 – \$19,999

This income bracket is the largest percentage of renters and has the most limited choice due to a significant deficit in the number of units under \$500/month.

The construction of additional units needed to meet existing demand would need significant subsidization and incentives.

HOUSEHOLD INCOME

\$50,000 – \$74,999

The number of households in this income bracket has more than doubled since 2000, and is the second largest group of renters today. They have a significant choice in what type of rental unit they can afford. However, there are limited options due to a lack of units priced accordingly.

It is likely that this renter group has increased over the years due to the inability to enter homeownership. Economic hardship and market instability are likely contributing factors.

HOUSEHOLD INCOME

\$20,000 – \$34,000

These households struggle with current housing costs, with **almost 88% of households in this income bracket being cost-burdened**.

Efforts to reduce the significant cost-burden these households face is important, whether that be the addition of new or converted right-priced units. Quality may be an underlying issue here too where these households have to pay higher rent for more quality housing.

HOUSEHOLD INCOME

\$35,000 – \$49,999

These households still struggle with housing costs despite only 32.5% of households being cost-burdened. This income bracket resides on the threshold where households can either still qualify or become ineligible for subsidized housing resources, depending on the size of the household. **This represents a delicate balance where individuals may no longer access certain resources but are still significantly constrained when covering the costs of market-rate units.**

HOUSEHOLD INCOME

\$75,000+

These households can afford any type of rental unit in Muscatine, yet have no units to choose from in their respective price ranges.

Luxury, market-rate units could be constructed to meet existing demand and allow Muscatine to compete with neighboring communities with newer units. This would also free up less expensive units, which are most likely being occupied by this group due to a lack of options.

Conclusion

This sub-market analysis provides valuable insights into the current challenges and opportunities Muscatine is facing. By understanding the dynamics of the housing market, the Muscatine community can better address the diverse needs of residents and plan for a more inclusive and sustainable future.

Specific recommendations for how to address challenges and anticipate future needs in Muscatine are available as part of the Muscatine County Housing Market Analysis.

Moving forward, key stakeholders must continue to collaborate across sectors, leverage available resources, and implement innovative strategies to ensure that everyone in Muscatine has access to safe, affordable, and quality housing. Together, we can work towards building a stronger and more resilient community for generations to come.



COMPLETED IN 2024

for Muscatine as part of the
Muscatine County Housing Market Analysis

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