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**HOUSING MARKET ANALYSIS  
REAL ESTATE CONSULTATION  
Comanche County Market Analysis  
Comanche County, Oklahoma**

**Effective Analysis:** November 19, 2001

**Date of Report:** February 15, 2002

**Prepared For:**

Oklahoma Housing Finance Agency  
Oklahoma Department of Commerce  
100 N.W. 63<sup>rd</sup>, Suite 200  
Oklahoma City, Oklahoma 73116

**Prepared By:**

The University of Oklahoma  
Center for Business and Economic Development  
1610 Asp Avenue, Suite 600  
Norman, Oklahoma 73072 - 6405  
Francine Gissy, Contract Manager  
Marvin Matsuda, Analyst  
Karen Hinds, Analyst

**In consultation with:**

Mr. Owen S. Ard, MAI  
INTEGRA REALTY RESOURCES  
6940 South Utica Avenue, Suite 100  
Tulsa, Oklahoma 74136

**The attached Comanche County Residential Housing Market Analysis is part of a *Statewide Affordable Housing Market Study* and was financed in whole or in part by funds from the U.S. Department of Housing and Urban Development as administered by the Oklahoma Department of Commerce.**



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February 15, 2002  
Mr. Dennis Shockley, Executive Director  
Oklahoma Housing Finance Agency  
100 NW 63rd, Suite 200  
P.O. Box 26720  
Oklahoma City, Oklahoma 73126-0720

RE: Housing Market Analysis  
Comanche County Residential Housing Market Analysis

Dear Mr. Shockley:

As per our Agreement with Oklahoma Housing Finance Agency (OHFA), we have completed a Statewide (77 counties) residential housing market analysis (the "Analysis") for use by OHFA and the Oklahoma Department of Commerce (ODOC). Per our Agreement, OHFA and ODOC shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, the study and reports, data or other materials included in the Analysis or otherwise prepared pursuant to the Agreement and no materials produced in whole, or in part, under the Agreement shall be subject to copyright in the United States or any other country. The University of Oklahoma Center for Business and Economic Development (the "Center") will cause the Analysis (or any part thereof) and any other publications or materials produced as a result of the Agreement with the assistance of the Center to include substantially the following statement on the first page of said document:

This "Statewide Affordable Housing Market Study" was financed in whole or in part by funds from the U.S. Department of Housing and Urban Development as administered by the Oklahoma Department of Commerce.

Attached hereto, please find the Comanche County Residential Housing Market Analysis (the "Comanche County Market Analysis"). Center Analyst Marvin Matsuda personally inspected the Comanche County area during the month of November 2001 to collect the data used in the preparation of the Comanche County Market Analysis. Mr. Owen S. Ard, MAI with Integra Realty Resources provided consultation, assemblage and analysis of the data for the Center and prepared the final Comanche County Market Analysis and conclusions.

The Comanche County Market Analysis describes the methods and data used in the investigation, analysis and conclusions contained therein. The Comanche County Market Analysis is written to comply with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

The summary report is intended to comply with the reporting requirements set forth under Standards Rule 5 of the Uniform Standards of Professional Appraisal Practice. This standard rule defines procedures and principles of developing a real estate consultation. Conditions pertinent to or indicative of the market were investigated. Please note the Contingent and Limiting Conditions.

If you have any questions regarding this analysis or require additional information or services please contact our office.

Respectfully submitted,

Francine Gissy  
Contract Manager  
The University of Oklahoma  
Center for Business and Economic Development



**HOUSING MARKET ANALYSIS  
REAL ESTATE CONSULTATION  
Comanche County Market Analysis  
Comanche County, Oklahoma**

**Effective Analysis:** November 19, 2001

**Date of Report:** February 15, 2002

**INTEGRA Report Number:** M0701066

**Prepared For**

The University of Oklahoma Center for Business and  
Economic Development  
1610 Asp Avenue, Suite 600  
Norman, Oklahoma 73072 - 6405

**Prepared By**

Mr. Owen S. Ard, MAI  
INTEGRA REALTY RESOURCES  
6940 South Utica Avenue, Suite 100

Marvin Matsuda, Analyst  
Karen Hinds, Analyst  
The University of Oklahoma  
Center for Business and Economic Development  
1610 Asp Avenue, Suite 600  
Norman, Oklahoma 73072 - 6405



February 15, 2002  
Ms. Francine Gissy  
The University of Oklahoma Center for Business and Economic Development  
1610 Asp Avenue, Suite 600  
Norman, Oklahoma 73072 - 6405

RE: Housing Market Analysis  
Comanche County Residential Housing Market Analysis

Dear Ms. Gissy:

At your request, I have completed a residential housing market analysis regarding Comanche County, Oklahoma. The attached report describes the methods and gives the pertinent data used in the investigation, analysis, and conclusions. This report is prepared for The University of Oklahoma Center for Business and Economic Development, and is written to comply with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

This summary report is intended to comply with the reporting requirements set forth under Standards Rule 5 of the Uniform Standards of Professional Appraisal Practice. This standard rule defines procedures and principles of developing a real estate consultation.

Analyst Marvin Matsuda personally inspected the Comanche County area during the month of November, 2001. Conditions pertinent to or indicative of the market were investigated. Please note the Contingent and Limiting Conditions. If you have any questions regarding this analysis or require additional services please contact our office.

Respectfully submitted,  
INTEGRA REALTY RESOURCES

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Owen S. Ard, MAI  
Oklahoma Certificate #11245

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**PART I:**                    **PREFACE**

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## **EXECUTIVE SUMMARY**

Consultation Area:	Comanche County, Oklahoma
Investment Opportunities:	Anticipated need of 398 new owner units and 262 new rental units in the county over the next 5 years. Some need in Cache and other population centers supporting Lawton. Single-family housing need greatest below \$75,000 throughout the county.
General Location:	Southwest Oklahoma, southwest of Oklahoma City, and east of Ardmore.
Current Economic Conditions:	Comanche County has experienced moderate growth since 1970. The growth rate has decreased in recent years. The city of Cache has grown irrespective of Comanche County. Economic factors driving growth are continued growth in Lawton, Ft. Sill Military Base, inexpensive development land, growing employment opportunities and expansion of existing business in the area. Major highways and interstates currently run through the county.
Population Indications:	Comanche County has seen .31% compounded annual population growth since 1990. The city of Cache experienced greater population growth during the same period (.53%). Future population growth is expected at both the city and county level.
Income Levels:	Median 2001 Household income in Comanche County is \$36,459. Income is anticipated to increase approximately 14.1% over the next five years.
Single Family Development:	New single-family development has occurred in the county on a limited basis for several years. Most development has occurred in the city of Lawton and the areas immediately surrounding it, as well as in other, more rural parts of the county.
Rental Market:	New rental development has occurred in the county during the past several years. Market rate rental development is limited. Occupancy levels are consistently well above 90%. A limited amount of

additional rental housing is needed in all population centers of the county.

### **Cache Specific Findings**

Population increased 5.33% from 1990 to 2000.

Number of households is anticipated to increase 12.05% by 2006.

Median Home Value estimate for 2001 is \$67,424.

Median household income in 2001 is \$32,558.

Average resale home price in 2000 was \$67,819 or approximately \$44.21 per square foot.

Average list term was unknown.

List to Sale Price Ratio is unknown but is estimated to be above 90%.

Rental occupancies appear to be above 90%.

Rental rates appear to have remained stable.

No new rental units have been built recently.

## CONTINGENT AND LIMITING CONDITIONS

The conduct of any consultation is guided and its results influenced by the terms of the assignment and the assumptions, which together form the basis of the study. The following conditions and assumptions, together with lesser assumptions embodied in the report, constitute the framework of the analysis and conclusions.

1. This report expresses the opinion of the analyst as to the conclusions of the stated issues as of the date of the report. The conclusions are in no way contingent upon the reporting of a specific finding, nor were any other limitations imposed by the client.
2. The various sketches and exhibits included in this analysis are placed herein to assist the reader in visualizing the property under analysis. These drawings are not based on actual surveys and no responsibility is assumed for their cartographic accuracy.
3. Possession of this report does not carry the right of publication, duplication, or reproduction of it, or any part of it, nor may it be used by anyone other than the party for whom it is made without prior consent of the analyst. The report can only be considered true and valid with the original signature of the analyst and the seal affixed to the letter of transmittal. This report has been prepared for the benefit of the University of Oklahoma, Center for Business and Economic Development (the "Center"). However, the preparer understands that this report will be included in a Statewide Affordable Housing Market Study prepared by the Center for Oklahoma Housing Finance Agency ("OHFA") and was financed in whole or in part by funds from the U.S. Department of Housing and Urban Development as administered by the Oklahoma Department of Commerce and specifically agrees to the inclusion of this report therein. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk.
4. This analysis is based upon present conditions of the national and local economics, the present purchasing power of the dollar, and present financing rates and terms as of the date of this analysis.
5. The information, documentation, and market data reported in this analysis is believed to be reliable, but no responsibility is assumed for accuracy as much of it

was furnished by others and assembled by the analyst. Wherever possible, the information was checked, verified or confirmed by the appropriate available means.

6. This analysis must be used in whole and not in part. The distribution of sections or pieces of the report may be misleading. No part of this analysis shall be used in conjunction with any other analysis, and all opinions expressed herein are invalid if so used.

7. The analyst will not be required to give testimony or attendance in court or before other legal authority by reason of this analysis without agreement and arrangement between the Center and the analyst.

8. Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Analysis Institute.

9. Neither all nor any part of the contents of this, the identity of the analyst or the firm with which he is connected, or any reference to the Analysis Institute or the MAI designation, shall be disseminated to the public through advertising media, public relations media, news media, sales media, prospectus for securities, or any other public means of communication without prior written consent and approval of the undersigned.

10. This report was prepared by INTEGRA Realty Resources - Tulsa and consists of trade secrets and commercial or financial information, which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4).

## **EFFECTIVE DATE OF CONSULTATION**

The Comanche County area was inspected and researched by analyst, Marvin Matsuda during November 2001. The effective date of this analysis is February 15, 2002.

## **PURPOSE OF THE ANALYSIS**

The purpose of this analysis is to define the extent and general condition of the supply and forecast the likely demand for residential housing in rural Comanche County, Oklahoma.

## **SCOPE OF THE ASSIGNMENT**

This analysis is a complete narrative report written in compliance with the Uniform Standards of Appraisal Practice published by the Appraisal Foundation, and the Professional Ethics and Standards of the Appraisal Institute. The analyst's adherence to these requirements involves the following.

1. The Comanche County area was inspected during November, 2001. The inspection included visits to all significant population centers in the county and portions of the rural county areas.
2. Regional, city and neighborhood data is based on information retained from national, state, and local government entities; various Chambers of Commerce, news publications, and other sources of economic indicators.
3. Specific economic data was collected from all available public agencies. Population and household information was collected from national demographic data services as well as available local governments. Much data was gathered regarding market specific items from personal interviews.
4. Development of the applicable analysis involved the collection and interpretation of verified data from local property owners/managers, realtors, and other individuals active within the area real estate market.
5. The analyst's assemblage and analysis of the defined data provided a basis from which conclusions as to the supply of and demand for residential housing were made.
6. At the direction of the client, this report addresses general conditions in Comanche County, including the city of Lawton, while analysis within the county focuses primarily on the community of Cache.

**PART II:**  
**DEMOGRAPHIC CHARACTERISTICS**

## COMANCHE COUNTY ANALYSIS

The purpose of this section of the report is to provide a basis for analyzing and estimating trends relating to Comanche County. The primary emphasis is concentrated on those factors that are of significance to residential development users. Residential and commercial development in the community is influenced by the following factors:

1. Population and economic growth trends.
2. Existing commercial supply and activity.
3. Natural physical elements.
4. Political policy and attitudes toward community development.

### Location

Comanche County is located in the southwestern part of Oklahoma, southwest of the Oklahoma City metropolitan area. The County Seat, Lawton, is located in the central portion of the county. Lawton is located approximately 98 miles southwest of downtown Oklahoma City. The community that will be the primary focus of this analysis, Cache, lies approximately ten miles to the east of Lawton.

### Population Trends

Comanche County has experienced inconsistent population growth during the past 30 years. Comanche County has the third largest population in the State of Oklahoma and holds one of the state's nine largest cities, Lawton. Lawton is the largest city in the county and holds a significant portion of the county's population. The following table shows population growth for Comanche County and Cache.

<b>Population Estimates for Comanche County</b>							
<i>Source: U.S. Census Bureau</i>							
	1970	1980	% Change	1990	% Change	2000	% Change
Cache	1,106	1,661	50.18%	2,251	35.52%	2,371	5.33%
Other	107,038	110,795	3.51%	109,235	-1.41%	112,625	3.10%
County Total	108,144	112,456	3.99%	111,486	-0.86%	114,996	3.15%

The Comanche County population has had moderate growth during the past 30 years. The county population increased by 3.99% in the 1970's and decreased -0.86% in the 1980's. This population decline occurred at a time when most Oklahoma counties lost population. Growth in the 1990's was more moderate (3.15%). The total county population, based on 2000 Census Data, has increased 6.3% since 1970. Much of this change is due to the county's inclusion of Ft. Sill Army Base. Cache has benefited from the overall population growth of Comanche County, and its population has increased 2.14 times since 1970.

Cache is located in the western part of the county and holds a small portion of the population of Comanche County. Cache has had moderate percentage growth during the past 30 years. The Cache population experienced significant growth of 5.01% annually during the 1970's. The city continued

to grow at a rate of 3.55% annually during the 1980's. The rate of growth has declined during the 1990's to .53% per year. Based on Cache's proximity to Lawton it is reasonable to assume that Cache will continue to grow at levels near its current rate of growth. However, significant changes in the regional economy or local governmental decisions could quickly impact future growth.

Based on county and city information, the population in the remainder of the county (outside of the City of Cache) changed in a similar pattern to the total county. These indications reflect changes primarily in the city of Lawton. There has been moderate population growth for the past thirty years, with some population decline in the years between 1980 and 1990.

**Population by Age**

The following table provides a breakdown of the City of Cache population by age in 2000 with a 2005 estimate. The greatest percentages in Cache in 2000 are in the 10-14, and 40-44 year bands. The age bands are spread relatively evenly between 0 and 17, and 30 to 49. The median age is 32.1. The median age is expected to increase slightly over the next five years. This is a younger median age compared with state and national averages.

<b>Cache Population by Age</b>					
<i>Source: U.S. Census Bureau &amp; Claritas, Inc.</i>					
<b>Age Category</b>	<b>2000 Census</b>		<b>2005 Projection</b>		<b>% Change 2000 to 2005</b>
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	
Total Population	2,371	100.00%	2,632	100.00%	11.02%
Under 5	186	7.84%	199	7.55%	6.83%
5 to 9	188	7.93%	190	7.23%	1.26%
10 to 14	228	9.62%	238	9.03%	4.31%
15 to 17	149	6.28%	160	6.09%	7.59%
18 to 20	123	5.19%	107	4.05%	-13.29%
21	23	0.97%	24	0.93%	6.01%
22 to 24	84	3.54%	98	3.72%	16.62%
25 to 29	132	5.57%	147	5.59%	11.45%
30 to 34	150	6.33%	157	5.98%	4.92%
35 to 39	210	8.86%	261	9.92%	24.29%
40 to 44	199	8.39%	192	7.29%	-3.60%
45 to 49	146	6.16%	173	6.58%	18.69%
50 to 54	130	5.48%	162	6.16%	24.81%
55 to 59	109	4.60%	162	6.15%	48.64%
60 to 64	96	4.05%	105	4.00%	9.61%
65 to 69	79	3.33%	95	3.62%	20.69%
70 to 74	59	2.49%	63	2.40%	7.18%
75 to 84	68	2.87%	80	3.02%	16.92%
85 +	12	0.51%	16	0.62%	35.21%

### **Household Data**

Information provided by the U.S. Census Bureau indicates an average household size of 2.63 persons in Comanche County and 2.74 persons in the city of Cache for the year 2000. The following table shows the housing unit breakdown for the city of Cache and Comanche County. This data is from 2000 U.S. Census information assembled by CLARITAS Inc.

<b>Household Data for Comanche County</b>			
<i>Source: CLARITAS Inc.</i>			
	2000 Households	2005 Households	% Change
Cache	865	969	12.05%
Other	38,943	39,900	2.46%
County	39,808	40,869	2.67%

It should be noted that the previous information relates to all households within the area defined as a city by the census. The anticipated change in the population for the city of Cache appears high based on the previously shown population changes. The change in households for Comanche County is estimated at 2.67%, which represents an additional 1,061 households and appears reasonable based on the previously shown population changes.

The following table includes a breakdown of housing units within the county and owner/renter percentages. The table also includes estimates of median home values.

<b>Housing Unit Data for Comanche County</b>					
<i>Source: U.S. Census Bureau and CLARITAS Inc.</i>					
	Housing Units	Vacancy%	Owner Occupied	Renter Occupied	Median Home Value
Cache	952	9.1%	73.3%	26.7%	\$67,424
County Totals	45,416	12.3%	60.3%	39.7%	\$76,454

It should be noted that the median property value indication is trended forward from 1990 U.S. Census information. The other data is from the 2000 Census. The survey data compiled by this analyst regarding current rental rates and occupancy levels is shown in a later section of this report. However, several conclusions can be drawn from the above information. The city of Cache has a lower vacancy rate as compared with other cities in the region, and Comanche County has a lower vacancy rate as compared with surrounding counties. Both the city of Cache and the entire county have moderate rates of renter occupied housing units. The median property value is slightly above most other counties in the region.

**Income Characteristics**

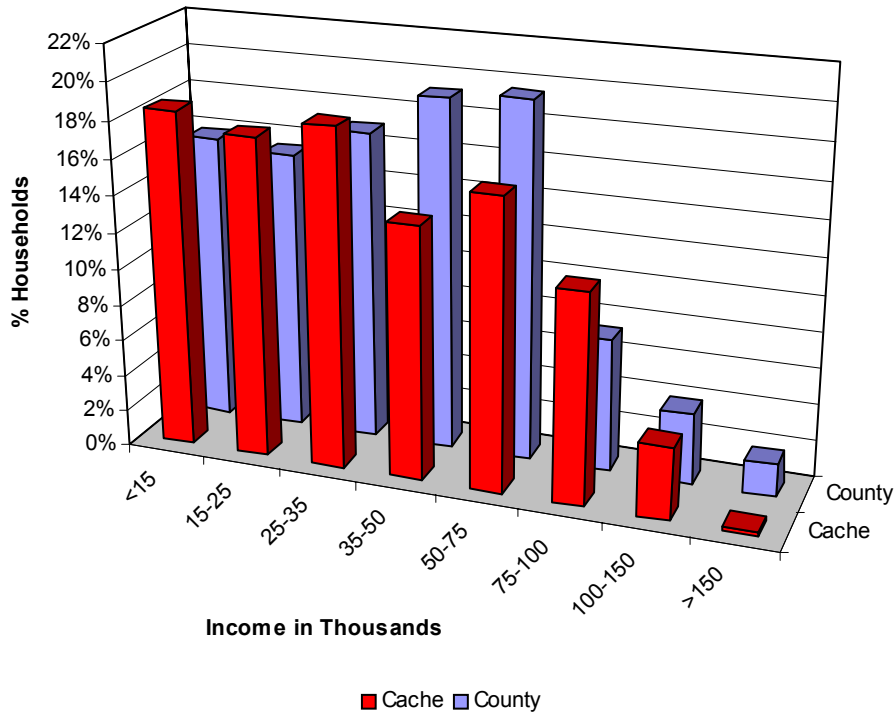
The following table shows income levels for Comanche County and the City of Cache. These estimates are from Claritas and have been trended forward from the 1990 Census. The first column identifies 2001 median household income. The second column estimates median household income in 2006. The 3<sup>rd</sup> column shows median per capita income levels for the same period.

<b>Income Levels in Comanche County</b>			
<i>Source: CLARITAS Inc.</i>			
	2001 HH Income	2006 HH Income	2001 Per Capita Income
Cache	\$32,558	\$35,317	\$15,636
County	\$36,459	\$41,593	\$17,090

Household income is expected to increase moderately in the city of Cache and in Comanche County over the next several years. It is interesting to note that the city of Cache has median and per capita income estimates below that of the entire county. Household income throughout the county is expected to increase by 14.5% during the next five years, or approximately 2.89% annually. The county per capita income indication is similar to other counties in the region, but the per capita income indication for the city of Cache is below that of most other cities in the region. The following chart reflects household income banding in Comanche County.

<b>Comanche County Income Distribution</b>			
<i>Source: CLARITAS, Inc.</i>			
INCOME BRACKET	CACHE	TOTAL COUNTY	OTHER
Under \$15,000	213	6,513	6,300
\$15,000 TO \$24,999	202	6,331	6,129
\$25,000 TO \$34,999	214	7,016	6,802
\$35,000 TO \$49,999	160	7,936	7,776
\$50,000 TO \$74,999	184	8,081	7,897
\$75,000 TO \$99,999	133	3,038	2,904
\$100,000 TO \$149,999	46	1,610	1,564
\$150,000 OR MORE	2	743	741
TOTAL	1,154	41,271	40,117
AVERAGE HH INCOME	42,775	45,633	N/A
MEDIAN HH INCOME	32,558	36,459	N/A

**Household Income Breakdown in Comanche County**

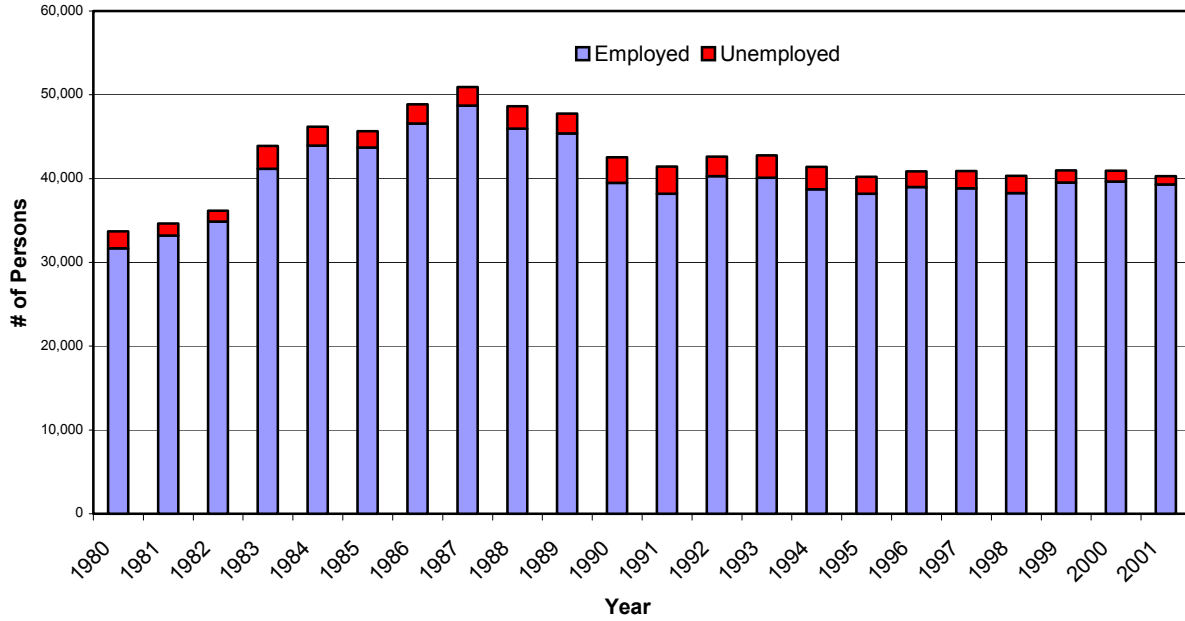


The previous charts show household income broken into bands. The left vertical axis represents the percentage of households within a particular income range. These bands are based on 2001 income estimates. The 2001 median income for the county is \$36,459 and for the city of Cache is estimated at \$32,558. Based on the Claritas data, 31.1% of the county households make less than \$25,000 annually and 48.1% make less than \$35,000 annually. The income estimates also indicate that 35.9% of the Cache households make less than \$25,000 annually and 54.5% make less than \$35,000 annually.

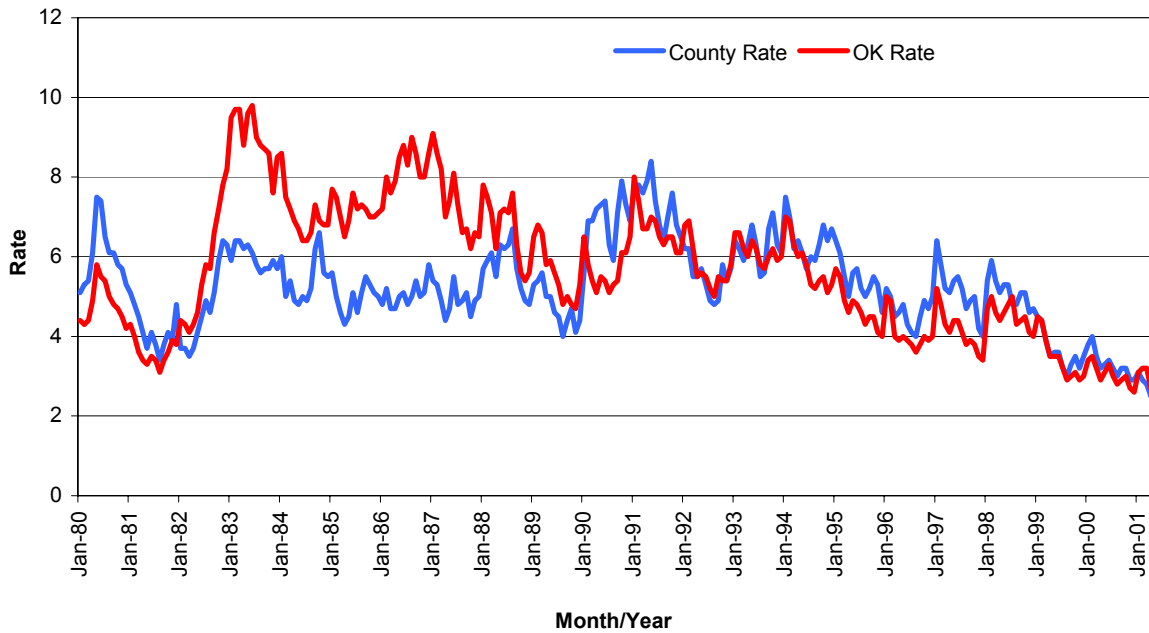
**Economy**

The Comanche County area economic base is primarily concentrated in manufacturing and operation and support of Ft. Sill Army Base. The county has experienced steady economic growth for the past twenty years. Based on December 2001 data from the Oklahoma Employment Security Commission, the county unemployment rate was 3.7%. The rate has consistently been below 4% since February 1999. The total number employed was 38,210 for December 2001. This indicator declined over the past several years. The following table graphically displays persons employed and unemployed in Comanche County from 1980 through 2001.

**Persons Employed and Unemployed in Comanche County: Annual (1980 - 2001)**  
 Measured in April of Each Year  
 Source: Oklahoma Employment Security Commission



**Unemployment Rates: Comanche County and Oklahoma**  
 Monthly Time Series: Jan 1980 - Apr 2001  
 Source: Oklahoma Employment Security Commission



The previous tables present several important issues. The number of persons employed in Comanche County declined considerably in 1990 and although unemployment has fluctuated each year following 1990, the number of persons in the work force remains stable since that time. During this period, the percentage of unemployed has been fluctuating around 5.5 %, reaching a low of 3.6 % in April, 2001. The second chart graphically displays the change in unemployment rate for Comanche County and the state of Oklahoma. Since 1980, Comanche County has had higher unemployment rates than the state of Oklahoma with a broad exception of the years spanning the late 1980's and into the mid 1990's where at one point, the county rate dips below the state average. In the last decade, the Comanche County unemployment rate has been dramatically lower than in the 80's, now beginning to mirror the unemployment patterns of the state.

With a stable local economy and increasing population, the demand for housing and retail/commercial facilities should increase. The following chart lists the major employers impacting the labor market in the area.

<b>EMPLOYERS</b>	<b>EMPLOYEES</b>		
	<u>FULL TIME</u>	<u>PART TIME</u>	<u>TOTAL</u>
Fort Sill			5,807
Goodyear Tire & Rubber Company	2,464	0	2,464
Lawton Public Schools	2,067	382	2,449
Comanche County Memorial Hospital	1,293	305	1,598
Wal-Mart Supercenter	461	277	738
Cameron University	482	155	673
Southwestern Medical Center	339	200	539
Wackenhut Correctional Facility	380	3	383
Telos Federal Systems			275
Great Plains Technology Center	173	100	273
TCIM Service	10	260	270
Lawton Municipal Airport			250
Bar-S Foods Company	247	0	247
USPHS Indian Hospital	216	3	219
The Lawton Constitution	116	85	201

The largest employer in the county is Ft. Sill Army Base, which employs around 6,000 civilians. Military employment is typically above 15,000. The Cache economy is closely tied to Lawton, as the majority of employers exist there. Employment in the county has been slightly vacillating for the past few years and this trend is anticipated to continue as the economy grows. Employment is expected to moderately increase from related or supportive business.

Information from the Center for Economic and Management Research, based on data provided by the Oklahoma Employment Security Commission, indicated a total workforce in Comanche County in December 2001 of 38,210 with 1,480 unemployed. This reflects an unemployment rate of 3.7%. This rate is well below statewide indications. The unemployment rate for the Oklahoma City Metropolitan Area in December 2001 was estimated at 4.6% and 4.3% for the state, according to data provided by the Bureau of Labor Statistics. The national average unemployment rate in October 2001 was 5.1%.

<b>Comanche County Employment and Payroll by Major Industry Category: 1999 and 1998</b>										
<i>Source: U.S. Census Bureau County Business Patterns</i>										
NAICS	INDUSTRY	1999 NO. EMPLOYED	1998 NO. EMPLOYED	TOTAL CHANGE	% CHANGE	1999 PAYROLL (\$1000's)	1998 PAYROLL (\$1000's)	1999 AVG PAYROLL	1998 AVG PAYROLL	1999 STATE AVG PAYROLL
11	Forestry, fishing & agriculture support	0-19	0-19	N/A	N/A	N/A	N/A	N/A	N/A	\$21,115
21	Mining	100-249	100-249	N/A	N/A	N/A	N/A	N/A	N/A	\$38,957
22	Utilities	100-249	100-249	N/A	N/A	N/A	N/A	N/A	N/A	\$49,699
23	Construction	1306	1103	203	18.40%	28,986	24,286	\$22,194	\$22,018	\$27,591
31-33	Manufacturing	3662	2500-4999	N/A	N/A	139,088	N/A	\$37,981	N/A	\$32,616
42	Wholesale trade	716	771	(55)	-7.13%	16,317	17,295	\$22,789	\$22,432	\$33,117
44-45	Retail trade	5119	5182	(63)	-1.22%	78,020	70,348	\$15,241	\$13,575	\$16,628
48-49	Transportation & warehousing	547	516	31	0	13251	10855	\$24,225	\$21,037	\$30,386
51	Information	640	605	35	0	16531	15921	\$25,830	\$26,316	\$35,747
52	Finance & insurance	1068	1383	(315)	-22.78%	23,719	27,398	\$22,209	\$19,811	\$33,149
53	Real estate & rental & leasing	532	523	9	0	8611	7842	\$16,186	\$14,994	\$21,461
54	Professional, scientific & technical services	1168	1229	(61)	(0)	35027	33206	\$29,989	\$27,019	\$35,357
55	Management of companies & enterprises	343	340	3	0	9062	8605	\$26,420	\$25,309	\$54,226
56	Admin, support, waste mgt, remediation services	1649	1629	20	1.23%	19261	18039	\$11,680	\$11,074	\$18,134
61	Educational services	173	162	11	0	2364	2295	\$13,665	\$14,167	\$17,289
62	Health care and social assistance	4994	5158	(164)	-3.18%	140,609	138,833	\$28,156	\$26,916	\$25,262
71	Arts, entertainment & recreation	200	192	8	0	2758	2060	\$13,790	\$10,729	\$14,237
72	Accommodation & food services	3403	3203	200	6.24%	31338	29595	\$9,209	\$9,240	\$9,746
81	Other services (except public administration)	1575	1603	(28)	-1.75%	19625	18520	\$12,460	\$11,553	\$15,922
95	Auxiliaries	0-19	0-19	N/A	N/A	N/A	N/A	N/A	N/A	\$43,211
99	Unclassified establishments	27	6	21	4	636	191	\$23,556	\$31,833	\$23,954

The previous table identifies county employment and payroll by major industry in 1998 and 1999. The largest employment group is retail trade, followed by health care and manufacturing. The two largest categories declined in employment from 1998 to 1999. Retail trade had a -1.22% decrease while health care and social assistance had a -3.18% increase. It should be noted that there was an 18.4% increase in construction and a 6.24% decrease in accommodation and food services. Finance and insurance employment decreased -22.78%. Most other industry groups had virtually no change in employment levels or have decreased slightly. With the exception of information services and education services, the average income in each category increased moderately from 1998 to 1999. The Comanche County average annual payroll is lower than the state averages in all available categories except manufacturing and health care services.

### **Transportation**

The county has average accessibility to state and national highway systems. The county is located in the southwestern portion of the state, southwest of Oklahoma City. Interstate Highway 44 enters the northeastern corner of the county, dissects Lawton, and continues toward the south. This 4 lane divided highway allows direct access to Oklahoma City to the northeast and Tulsa beyond that. US Highway 62 enters the county from the north and once in Lawton, heads west. The county also has an intricate network of county roadways.

The area is serviced by one major bus line and local rail service from Burlington Northern Railroad operates three local trains daily. More than ten motor freight carriers provide service on as-needed basis in Cache, three of which serve the county on a daily basis. The Lawton-Ft. Sill Regional Airport is located in Lawton, 18 miles from Cache. This airport is a full services field with a two commercial airlines and air freight services. Will Rogers International Airport is 100 miles away in Oklahoma City.

### **City Governments**

Cache operates with an aldermanic type of government. The city has 15 volunteer fire personnel, and 4 full-time police officers. Both departments have fully qualified and equipped personnel. The city provides water and sanitary sewer facilities. The smaller communities in the county typically have a combination of volunteer and/or full-time police and fire department personnel. Lawton has a Charter form of government, with a mayor, manager, and eight council members. Smaller communities have a statutory or municipal form of government. Most also have water and sanitary sewer facilities. Rural areas are dependent upon rural water supply and onsite septic systems for sanitary sewer.

### **Medical Facilities**

There are 4 hospitals in the Lawton area, with a total of 918 beds. Six area nursing homes contain about 697 total beds and there are three full-services retirement villages in the county. There are 73 medical doctors, 3 osteopaths, 5 podiatrists, 14 chiropractors, 40 dentists, and 17 optometrists in the Lawton area, and smaller clinics are scattered throughout the county's other communities.

### **Educational Facilities**

Cache has both 3 primary and secondary public school facilities with approximately 1,100 students and 100 teachers. Cache is minutes away from Cameron University, and the Great Plains Technology Center, both in Lawton. In addition, there is easy access to the University of Science and Arts, and Western Oklahoma State College.

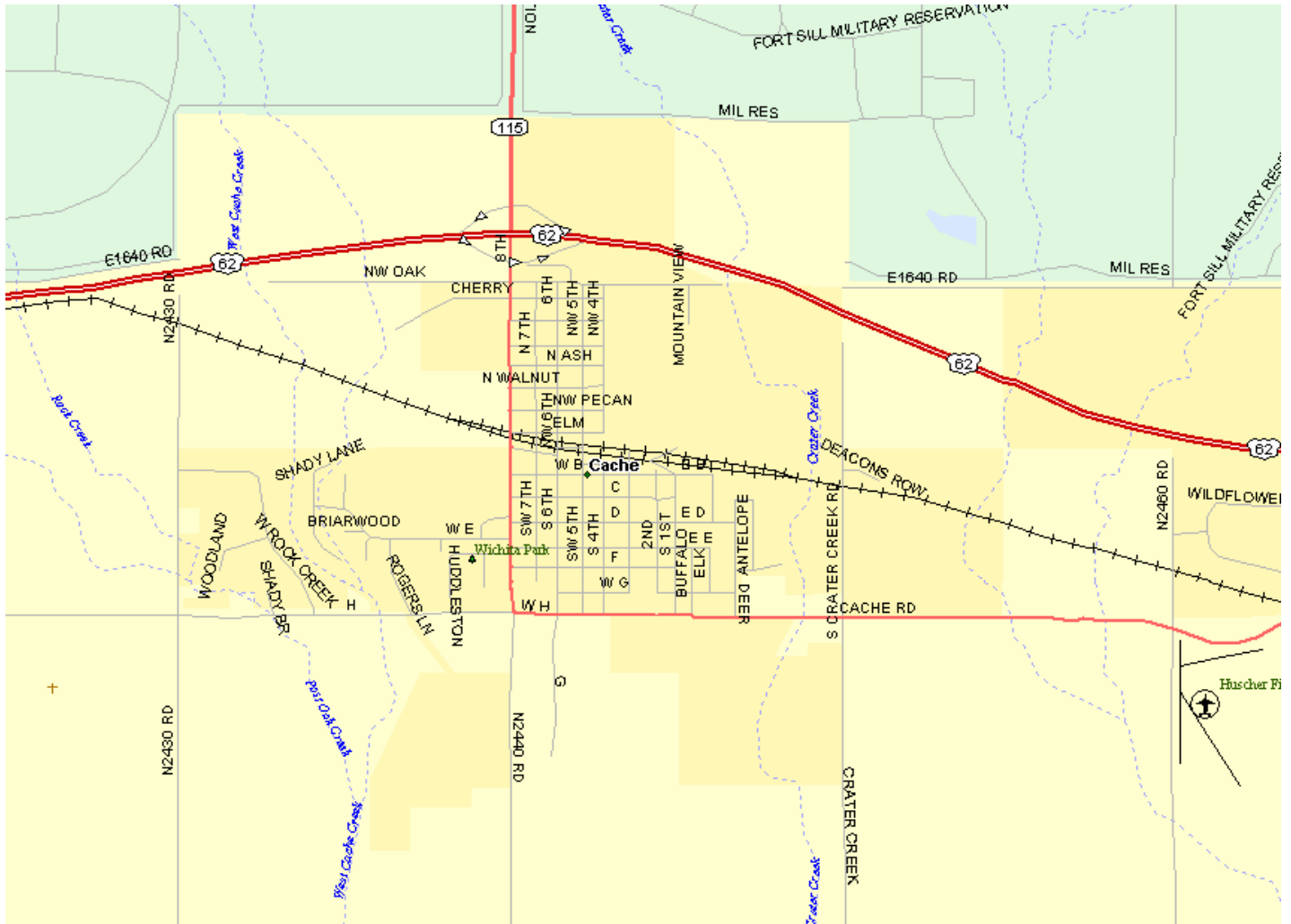
### **Conclusions**

The Comanche County economy experienced a recession as a result of the declines in the oil industry bust in the State's economy in the 80's. The depressed conditions persisted through the late 1980's to early 1990's. Recent economic indicators have improved significantly. The beginning of a recovery is evidenced by declining unemployment rates, increasing per capita income levels, increased real estate sales activity, declining vacancy rates, and gradual stabilization of both rental rates and market values in all real estate sectors. Although the economic recovery is expected to continue, it is reasonable to assume that the rate of growth will remain relatively stable.

Map of Comanche County



# Map of Cache



## Housing Supply Characteristics

This section of the report will discuss the Comanche County housing market. Information in this section was gathered from the available public information, U.S. Census information, and Claritas, Inc. Claritas uses census information in conjunction with growth trends to estimate demographic changes in most cities nationwide. This analysis is concerned with the population center of Cache with an overview of the remainder of the county.

### Housing Supply

Available 2000 Census information reflected 45,416 housing units in Comanche County. This included single and multifamily units that were owner occupied and rentals. Building permits issued in Comanche County are done so on a city to city basis. The following table outlines historical building permit data for all areas of Comanche County from 1997 through November, 2001, primarily in Lawton, Cache, Elgin, Indianahoma, Geronimo, and Sterling.

<b>Comanche County Building Permit Data: 1997 - 2001</b>												
<i>Source: U.S. Census Bureau</i>												
Survey Date	1-unit				2-units				3+ units			
	Bldgs	Units	Total Value	Avg. Value	Bldgs	Units	Total Value	Avg. Value	Bldgs	Units	Total Value	Avg. Value
1997	111	111	\$12,728,428	\$114,671	4	8	\$355,000	\$44,375	1	5	\$100,000	\$20,000
1998	215	215	\$22,144,503	\$102,998	3	6	\$180,000	\$30,000	0	0	\$0	\$0
1999	130	130	\$15,218,618	\$117,066	4	8	\$228,750	\$28,594	0	0	\$0	\$0
2000	128	128	\$15,110,734	\$118,053	0	0	\$0	0	1	10	\$50,000	\$5,000
2001 YTD	38	38	\$4,801,409	\$126,353	0	0	\$0	\$0	0	0	\$0	\$0
<b>All</b>	<b>622</b>	<b>622</b>	<b>\$70,003,692</b>	<b>\$112,546</b>	<b>11</b>	<b>22</b>	<b>\$763,750</b>	<b>\$34,716</b>	<b>2</b>	<b>15</b>	<b>\$150,000</b>	<b>\$10,000</b>

According to the previous table, the number of single-family permits issued has declined annually from 1998 to 2001. It should be noted that the 2001 values do not include December due to lack of information, and only represent reported activity from Cache and Lawton. There was active development of duplex units from 1997 to 1999, but very little activity since then. There were several multi-family units added to the Comanche County market. These units are confined to Cache and Lawton. The average building permit value has generally increased from 1997 to 2001, which indicates an increase in the price of new housing units. This may be due to increased materials costs or increased demand for construction employees, which in turn has increased labor costs. It should be noted that the building permit cost does not include lot price or builder's profit. After a reasonable inclusion of lot price and builder's profit (15-20%), the average new home cost in Comanche County in 2001 was approximately \$150,000. The 1990 median home value for Comanche County was \$54,000. This increased to an estimated \$76,454 in 2001, a 41.6% increase. This indication is still well below the new home cost averages.

The population of Comanche County increased by 3.15% during the 1990's. The number of housing units increased at a slightly faster rate of 4.19%. There was an increase of 2,239 households and an increase of only 1,827 housing units in Comanche County from 1990 to 2000.

The population of Cache increased by 5.33% during the 1990's, and the housing stock increased by 4.15% during the same time period. The growth in housing in the county has attempted to keep pace with the growth in population since 1990, and although only a portion of the population will be single-family home occupants, the growth in single-family housing has increased at a slower pace than the growth of owner occupants.

Until 1998, the cost of new market rate apartment complexes was not financially feasible in Oklahoma due to low rental rate levels. Rental rates significantly increased in the large metropolitan areas in the late 1990's, spurring large numbers of new rental unit development. However, while some rental rate growth has occurred in rural communities, the degree of increase has not been sufficient to economically justify new market rate rental housing. Most new multifamily development in rural communities has been with the assistance of government support including federal tax credits. No new large apartment development has occurred in Comanche County for several years. New garden developments in Oklahoma City and Tulsa with good property amenities typically have a cost of over \$65,000 per unit. Rental rates must be high enough to justify the cost in order to support new market based development.

### **Cache Single Family Sales Activity**

The following chart reflects changes in the number of building permits in Cache since 1997. The table includes new single and multifamily units as well as estimated average building costs. The 2000 U.S. Census indicates 952 housing units in Cache. This is an increase from 914 in 1990. This reflects a 4.15% increase in housing stock.

<b>Cache Building Permit Data: 1997 - 2001</b>												
<i>Source: U.S. Census Bureau</i>												
Survey Date	1-unit				2-units				3+ units			
	Bldgs	Units	Total Value	Avg. Value	Bldgs	Units	Total Value	Avg. Value	Bldgs	Units	Total Value	Avg. Value
1997	5	5	\$270,000	\$54,000	0	0	\$0	\$0	1	5	\$100,000	\$20,000
1998	19	19	\$1,115,000	\$58,684	0	0	\$0	\$0	0	0	\$0	\$0
1999	8	8	\$503,000	\$62,875	0	0	\$0	\$0	0	0	\$0	\$0
2000	7	7	\$501,000	\$71,571	0	0	\$0	\$0	0	0	\$0	\$0
2001 YTD	7	7	\$474,909	\$67,844	0	0	\$0	\$0	0	0	\$0	\$0
<b>All</b>	<b>46</b>	<b>46</b>	<b>\$2,863,909</b>	<b>\$62,259</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>1</b>	<b>5</b>	<b>\$100,000</b>	<b>\$20,000</b>

The previous table shows new housing in the city of Cache during the past several years. This information came from the U.S. Census Bureau as reported by the city. All of the new development has occurred in the single-family residential market, with the exception of a 5 unit multifamily development in 1997. The number of new single-family permits has remained relatively level but limited since 1996, with a dramatic surge in 1998. The number of new single-family permits actually represents an increase of 5% in the total number of housing units based on the 1990 Census. This increase mirrors the increase in population (5.33%) during the same period, but exceeds the increase in housing units according to the Census (4.15%). This is likely due to the demolition of debilitated housing within the city limits.

The average single family permit value gives an indication in the change of cost during the past several years. However, with so few sales, averages can be misleading as any single entry can significantly skew the results. What is evident is that the new home costs in the city of Cache appear to be well below \$100,000. It should be noted that this amount does not include lot price or builders profit. The building permit information reflects only the builders' estimates of construction cost. After a reasonable inclusion of lot price and builders profit (10-15%), the average new home cost in the city of Cache in 2000 has been approximately \$80,000.

It is apparent that overall, new single-family housing is more expensive to build than in previous years. This may be due to increased materials costs or increased demand for construction employees, which in turn has increased labor costs. It should also be noted that the 2001 median owner-occupied home values for the county (shown on page 11) reflect much lower indications than the current average construction costs. The 1990 median home value for the city of Cache was \$47,200. The 2001 estimated median home value for the city of Cache is \$67,424, an increase of 42.8%. While it is apparent that the current median home value is now above the 1990 indication, it has not approached the average new building cost previously estimated. It is apparent that the majority of new single-family residential development involves custom building for specific buyers rather than speculative building available to a wide market.

Population growth in Cache has been moderate and the growth in housing in the city of Cache attempted to keep pace with the growth in population since 1990. The Cache population has increased at a rate of .53% annually. The anticipated growth in households from 2001 to 2006 is estimated to be approximately 1.2% annually. This would reflect an additional 104 households, or about 10 a year. Since 1997, 46 new single-family residences and 5 multifamily residences have been added to the community. It appears as if household growth, although limited, is keeping pace with residential development. Should the population continue to increase, the gap between housing supply and demand might begin to widen.

Conversations with local officials and professionals revealed that 2 subdivisions have recently been platted, but development has only occurred in one, Cache West. A local realtor stated that new residential development is occurring southeast and southwest of the city outside of city limits. It was also noted that a strong demand exists for single family housing in Cache in the \$55,000 to \$75,000 range with 3 bedroom / 1&2 bathroom floorplans. He noted the lack of local builders as a significant issue preventing new development. It is the opinion of this analyst the new single-family housing is needed in the below \$75,000 range with 3 bedrooms / 2 bathrooms, and between 1,300 and 1,500 square feet of living area.

Residential expansion can only occur toward the south. The city has excessive water availability and flood prone areas are limited. Infrastructure appears adequate to service reasonable future development demand, however it was the opinion of those interviewed that Cache had no interest in expanding city limits to include new areas of residential development. Homes may also be built on infill lots in existing subdivisions. Although an exact inventory of infill lots was not available, the city manager stated that infill lots were plentiful.

The following table shows single-family housing sales for two bedroom units in Cache during the past several years. This is a partial listing of primarily resales. It gives a good indication of average

price, average size, and activity in the market. It is reasonable to assume that these sales are primarily resales of existing housing stock since most new building permits involve custom homes built by a builder for a specific owner. The following sales data is included to show trends in the single-family market but should not be considered an all-inclusive single-family analysis.

<b>Single Family Sales Activity</b>				
<b>Two Bedroom Units</b>				
<i>Source: OAA Database</i>				
Year	1998	1999	2000	2001
# of Units Sold	6	5	2	1
Average Sq. Ft.	1159	982	861	1056
Average Year Built	1951	1933	1956	1989
Average Sale Price	\$42,083	\$34,400	\$22,250	\$22,250
Avg. Dollars/Sq. Ft.	\$33.55	\$35.35	\$25.03	\$46.40

The number of 2 bedroom homes sold during the past four years dropped off considerably and has been limited. This could have an effect of skewing the averages. However, the indication of this data is that there are a limited number of 2 bedroom units in Cache. The previous chart does not include all 2 bedroom homes but does give a benchmark as compared to other types of homes in the same area. The average price of a 2 bedroom has declined over the past several years. The average house size has been relatively level. It is also important to note that the average age of 2 bedroom home sold is approximately 50 years.

The following table shows 3 bedroom single family housing sales in Cache during the past several years. These are resales rather than new home sales. The following sales data is included to show trends in the single family market but should not be considered an all inclusive single family analysis. These sales come from areas in and around the city of Cache.

<b>Single Family Sales Activity</b>				
<b>Three Bedroom Units</b>				
<i>Source: OAA Database</i>				
Year	1998	1999	2000	2001
# of Units Sold	11	26	17	11
Average Sq. Ft.	1415	1451	1363	1472
Average Year Built	1970	1970	1970	1970
Average Sale Price	\$67,169	\$72,769	\$67,012	\$72,273
Avg. Dollars/Sq. Ft.	\$45.80	\$49.62	\$46.82	\$48.08

The number of 3 bedroom homes sold during the past four years has fluctuated. The previous chart does not include all 3 bedroom homes but does give a benchmark as compared to other types of homes in the same area. The average price of a 3 bedroom varies around an average of \$70,000. The

average house size has been relatively level. It is also important to note that the average age of 3 bedroom home sold is approximately 30 years.

The following table shows 4 bedroom single family housing sales in Cache during the past several years. These are resales rather than new home sales. These sales come from areas in and around the city of Cache.

<b>Single Family Sales Activity Four Bedroom Units</b>				
<i>Source: OAA Database</i>				
Year	1998	1999	2000	2001
# of Units Sold	2	1	1	3
Average Sq. Ft.	1714	1716	2610	1475
Average Year Built	1960	1955	1983	1969
Average Sale Price	\$71,750	\$95,000	\$150,000	\$65,633
Avg. Dollars/Sq. Ft.	\$42	\$55.36	\$54.47	\$44.63

The number of 4 bedroom homes sold during the past four years has been fairly limited. This could have an effect of skewing the averages. However, the indication of this data is that there are a limited number of 4 bedroom units in Cache. The prices appear low compared to cost new to construct. Also, the square footage of these units is relatively small for a 4 bedroom home. It is also important to note that the average age of 4 bedroom home sold is approximately 35 years.

The previous information is taken from available resale information in the Cache area during the past several years. The table shows sales of single family units from 1998 through 2001. The information involves primarily existing housing stock as custom homes are not listed on the market. In most cases, the number of sales, average unit price, and price per square foot has remained relatively stable or increased since 1997. Although the previous information does not reflect the entirety of sales in Cache, it does give a good indication of trends in the market. The following table shows totals of this information for the noted period.

<b>Single Family Sales Activity Two or More Bedroom Units</b>					
<i>Source: OAA Database</i>					
Year	1998	1999	2000	2001	AVG.
# of Units Sold	19	32	20	15	22
Average Sq. Ft.	1,429	1,383	1,611	1,334	1,438
Average Year Built	1960	1956	1970	1975	1964
Average Sale Price	\$60,334	\$67,390	\$79,754	\$62,302	\$67,819
Avg. Dollars/Sq. Ft.	\$40.39	\$46.78	\$42.11	\$46.37	\$44.21

This table summarizes all information shown in the previous individual bedroom charts. This list

does not intend to include every sale in the area, but does give a good representation of sale price trends for resales in the Cache area. It is apparent from the above information that the market prefers 3 bedroom homes. In each of the years noted, over 80% of all sales were 2 and 3 bedroom homes. Furthermore, in 1999 and 2000, 3 bedroom floorplans solely accounted for more than 80% of homes sold. The average sale price per square foot has increased moderately since 1997. The total sale price average has remained fairly level during this same period. It is apparent that single family housing is relatively cheap in Cache and typically old. The following table displays all previous information by number of bedrooms.

<b>Cache Home Sales 1998 - 2001</b>						
<i>Source: Oklahoma Appraisal &amp; Assessment Database</i>						
<b>Year</b>	<b>Bedrooms</b>	<b>#</b>	<b>Square Feet</b>	<b>Year Built</b>	<b>Sale Price</b>	<b>Price/Square Foot</b>
1998	2	6	1159	1951	\$42,083	\$33.55
1999	2	5	982	1933	\$34,400	\$35.35
2000	2	2	861	1956	\$22,250	\$25.03
2001	2	1	1056	1989	\$49,000	\$46.40
1998	3	11	1415	1970	\$67,169	\$45.80
1999	3	26	1451	1979	\$72,769	\$49.62
2000	3	17	1363	1972	\$67,012	\$46.82
2001	3	11	1472	1968	\$72,273	\$48.08
1998	4	2	1714	1960	\$71,750	\$41.83
1999	4	1	1716	1955	\$95,000	\$55.36
2000	4	1	2610	1983	\$150,000	\$54.47
2001	4	3	1475	1969	\$65,633	\$44.63

Several market conclusions can be drawn from the previous tables. Overall, the market appears to fluctuate slightly. The average per unit cost has varied the past four years. However, the more reliable market indicator of value trends is the price per square foot indication, which accounts for differences in size as well as price. This indication has been assorted in the past three years, ranging from \$25.03 to \$55.36.

There have been very few 2 bedroom homes sold in the past three years. These averages may be misleading because any single entry can significantly skew the results. The per unit price has fluctuated from \$22,250 to \$49,000, and the price/SF indication has ranged from \$25.03 to \$46.40. The average size is typical for this floorplan. There has also been a wide variation in the average age of the structures sold.

The per unit cost of three bedroom homes has declined in the past three years. The 2001 average price of a three-bedroom home was \$62,302. The price/SF indication also consistently increased, reaching a high of \$42.21 in 2001. The average size is typical for this floorplan. The average age of a three-bedroom home is consistently 25-30 years old.

There have been very few four-bedroom homes sold in the past three years. The highest per unit indication was \$150,000 in 2000 and the highest price/SF indication was \$55.36 in 1999. The average size is small for this floorplan. There was also wide variation in the average age of the structures sold.

The average sale price of a resale in Cache was \$67,819 through 2001. Previous building permit information indicated new home prices around \$80,000. Both of these markets appear stable and moderately active. Assuming interest rates remain close to current levels, the Cache single family market is expected to remain stable. The following table presents a summary of all previous data displayed annually.

<b>Cache Home Sales 1998 - 2001</b>						
<i>Source: Oklahoma Appraisal &amp; Assessment Database</i>						
<b>Year</b>	<b>Bedrooms</b>	<b>#</b>	<b>Square Feet</b>	<b>Year Built</b>	<b>Sale Price</b>	<b>Price/Square Foot</b>
1998	2	6	1,159	1951	\$42,083	\$33.55
1998	3	11	1,415	1970	\$67,169	\$45.80
1998	4	2	1,714	1960	\$71,750	\$41.83
1998	All	19	1,429	1960	\$60,334	\$40.39
1999	2	5	982	1933	\$34,400	\$35.35
1999	3	26	1,451	1979	\$72,769	\$49.62
1999	4	1	1,716	1955	\$95,000	\$55.36
1999	All	32	1,383	1956	\$67,390	\$46.78
2000	2	2	861	1956	\$22,250	\$25.03
2000	3	17	1,363	1972	\$67,012	\$46.82
2000	4	1	2,610	1983	\$150,000	\$54.47
2000	All	20	1,611	1970	\$79,754	\$42.11
2001	2	1	1,056	1989	\$49,000	\$46.40
2001	3	11	1,472	1968	\$72,273	\$48.08
2001	4	3	1,475	1969	\$65,633	\$44.63
2001	All	15	1,334	1975	\$62,302	\$46.37

### **Cache Rental Data**

The following table shows rents for apartment complexes in Cache. These complexes are located throughout the city and are in various stages of condition. This table is included to give the reader a better understanding of the availability and cost of rental housing in the city.

<b>One Bedroom Units</b>							
Complex	Year Built	# of Units	Vacancy %	Baths	SquareFeet	Rent	Rent/SF
Bo-wood Apartments	1978	16	0.00%	1	800	250	\$0.31
Wichita Valley	1965	16	0	1	750	400	\$0.53
Wichita Village	1968	1	0	1	650	470	\$0.72

<b>Two Bedroom Units</b>							
Complex	Year Built	# of Units	Vacancy %	Baths	SquareFeet	Rent	Rent/SF
Moutain View	1986	8	0.00%	1	900	350	\$0.39
Walnut Apartments	1998	7	20.00%	1	800	350	\$0.44
Wichita Village	1968	12	0.00%	1	750	505	\$0.67

<b>Three Bedroom Units</b>							
Complex	Year Built	# of Units	Vacancy %	Baths	SquareFeet	Rent	Rent/SF
Wichita Village	1968	11	0.00%	1	900	540	\$0.60

The previous survey includes the only significant apartment complexes located in Cache. The complexes range in condition and quality from fair to average. The Bowood Apartments are currently undergoing partial renovation. Most others appear to have had at least an average maintenance program. Project amenities are minimal. Some of the complexes have additional amenities such as washer/dryer hookups. In each case the tenant is responsible for partial utility payments. All rents shown are market rents.

The Wichita Valley Apartments are within the federal tax credit program and lease units to tenants that make below a defined income limit. However, the unit rent is fixed based on area median income levels. Wichita Valley also has some 1 bedroom units which lease to market rate tenants without any income qualification. The Wichita Village Apartments are also subsidized but according to the property management company, is not a part of the federal tax credit program.

Concessions such as free rent or no deposit are not evident in the apartment market. These inducements appear only sporadically at individual complexes to induce leasing activity in a particular unit type. With the exception of Walnut Apartments, all of the property managers stated that they typically remain full with occasional unit rollover. The tax credit developments were built in the mid 1960's, but have been rehabilitated since that time. The area should continue to show good occupancy support due to lack of new apartment development.

Based on the number of units identified as rentals by the 2000 Census, (231) it is reasonable to assume that a significant number of single family residences are rentals as well as smaller complexes (under 20 units) not surveyed by this analyst. Stable occupancy and lack of new product indicates some demand for new multifamily development. However, due to the low average income level, the relatively inexpensive single family home cost, and the lack of population growth, only a few

affordable units could be supported without causing declining occupancy at the existing developments.

**Market Vacancy**

This section will discuss the trends of vacancy in the rental market over the past few years. The developments outlined previously report occupancy levels typically above 90%. These occupancy levels are typical of well-maintained and poorly maintained properties alike. The ability of older, physically deteriorating facilities to maintain high occupancy levels reflects the lack of superior alternatives in the Cache market. The 2000 U.S. Census reported the overall market vacancy of total housing units at 9.1%. A portion of this percentage is attributable to single family residences that are typically owner occupied. This appears reasonable based on conversations with local professionals.

Although this analyst’s survey does not include all rental units in Cache, it represents a reasonable market sample of available units. It is the opinion of this analyst that the overall vacancy rate will remain at minimal levels if no new units are added. Because so much of Cache’s population is based on the development occurring in Lawton, continued growth in Lawton might increase demand for rental units in Cache.

**Infill Lot Inventory**

The city of Cache does not maintain an inventory of infill lots. It is apparent that some infill lots are available in older areas. These lots, which are vacant or occupied by vacant deteriorated housing, are a good source for affordable housing. Infill lots have all services provided and typically are relatively inexpensive, and a small number of homes are currently being built on such properties inside the Cache city limits. It is the recommendation of this report, that the city of Cache produce an inventory of infill lots.

**Substandard Housing**

The city of Cache does not have an inventory of substandard housing. HUD defines substandard housing as having incomplete kitchen or plumbing facilities. Although the 2000 census information regarding this issue is not yet available, the 1990 census for Cache identified 11 housing units lacking complete kitchen facilities and 28 units lacking complete plumbing facilities. Additionally, 32 housing units are heated by wood. This also is considered to be a substandard item. It is apparent that approximately 35 units in Cache were considered substandard in 1990. It is reasonable to assume that this number has remained relatively level as units have been demolished and other units have fallen in disrepair.

<b>Substandard Housing in Comanche County</b>							
<i>Source: U.S. Census Bureau</i>							
	Total Housing Units	Use Wood for Fuel		Inadequate Kitchen		Inadequate Plumbing	
		Number	Percent	Number	Percent	Number	Percent
Cache	914	32	3.50%	11	1.20%	28	3.06%
County Total	43,589	497	1.14%	528	1.21%	385	0.88%

## Anticipated Future Demand

Future demand for housing units in Comanche County can be estimated from population and household growth. Population estimates are based on known factors such as noted increases in the city employment base and indications from demographic services. Claritas Marketing Systems estimates demographic information. Where available, actual census information has been relied upon. The estimates of changes in households and population were presented in a previous section of this report. The anticipated future demand is estimated for Comanche County as a whole and the City of Cache. The calculations are shown in the following tables.

### Comanche County Demand

The increase in population in Comanche County between 1990 and 2000 represents a 3.15% increase or a .32% annual compounded increase in population. Estimated increases from 2001 to 2006 indicate growth at a faster rate. The estimated compounded growth of households is .27% annually from 2001 to 2006. These changes are estimates by Claritas Marketing Systems, a national demographics trend analysis firm.

The percentage of renter households was estimated at 39.7% with owner households estimated at 60.3% of the total city population. The estimated number of additional units needed to service increasing demand can be estimated by applying this percentage to the anticipated growth in households. It should be noted that this is an estimate of rental and owner requirements and should be relied upon only as a guideline for possible new demand. The calculations are shown below. Household size tends to remain fairly constant and is estimated for this analysis at 2.63 persons per household. The population increases are estimated at .30% annually, which is close to the percentage growth estimate from 1990 to 2000, and the Claritas estimate. The local economic development agency has been active in the recruitment of new business to Comanche County. However, it is reasonable to assume some moderation in growth based on the cyclical nature of regional economies.

<b>Anticipated Future Housing Demand in Comanche County</b>						
Year	2000	2001	2002	2003	2004	2005
Population Estimates	114,996	115,341	115,687	116,034	116,382	116,731
Average Household Size	2.63	2.63	2.63	2.63	2.63	2.63
Household Estimates	43,725	43,856	43,987	44,119	44,252	44,385
Owner %	26,366	26,445	26,524	26,604	26,684	26,764
Rental %	17,359	17,411	17,463	17,515	17,568	17,621
<b>Total New Owner Households</b>						<b>398</b>
<b>Total New Rental Households</b>						<b>262</b>

The previous table reflects a necessary addition of 262 rental units and 398 ownership units in Comanche County during the next five years. This is based on anticipated changes in county population. The new owner households represent 80 per year. It is interesting to note that in 2001, 38 new single-family residences were added to the market in Comanche County. It is reasonable to assume that the majority of these units were constructed for owner occupancy. According to the

above projections, there will be a need of 52 additional rental units annually for the next five years. The average number of new multifamily units from 1997 to 2001 was 7 units annually. New construction may not be affordable for all potential homeowners and renters, and therefore demand for affordable housing may not be met in all areas of the county.

**Cache Anticipated Demand**

The increase in population in Cache between 1990 and 2000 represents 5.33 % increase or a .53 % annual compounded increase in population. Estimated increases from 2001 to 2006 indicate growth at a slower rate. Claritas has estimated the compounded growth of households at 12.05 % from 2001 to 2006. However, it is the opinion of this analyst, based on the existing patterns of employment and continued, steady growth, that the rate will be slightly lower than estimated by Claritas Marketing Systems, which is a national demographic trend firm.

The percentage of renter households was estimated at 26.7 % with owner households estimated at 73.3% of the total city population. The estimated number of additional units needed to service increasing demand can be estimated by applying this percentage to the anticipated growth in households. It should be noted that this is an estimate of rental and owner requirements and should be relied upon only as a guideline for possible new demand. The calculations are shown below. Household size tends to remain fairly constant and is estimated for this analysis at 2.74 persons per household. The population increases are estimated at 1.5% annually, which is more than the percentage growth estimate from 1990 to 2000, but below the Claritas estimate, which appears high. However, it is reasonable to assume some moderation in growth based on the cyclical nature of regional economies.

<b>Anticipated Future Housing Demand in Cache</b>						
<b>Year</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Population Estimates	2,371	2,407	2,443	2,479	2,516	2,554
Average Household Size	2.74	2.74	2.74	2.74	2.74	2.74
Household Estimates	865	878	891	905	918	932
Owner %	634	644	653	663	673	683
Rental %	231	235	238	242	245	249
<b>Total New Owner Households</b>						<b>49</b>
<b>Total New Rental Households</b>						<b>18</b>

The previous table reflects a necessary addition of 18 rental units and 49 ownership units in the city of Cache during the next five years. This is based on anticipated changes in city population. The new owner households represent about 10 per year and new rental households represent 4 per year. It must be noted that the previous analyses reflect only the city of Cache. It is reasonable to assume that the majority of these units were constructed for owner occupancy.

## **Summary and Conclusions**

The previous analysis has attempted to describe the state of the residential housing market in Comanche County, Oklahoma. Where possible, information regarding the population centers of the county was included to assess need on a community level. Much of the information is based on demographic information from local authorities and national information services. However, personal interviews were performed with property owners and managers, real estate professionals, and community officials in an effort to substantiate information from the national organizations and understand current market conditions. Several important issues regarding housing have become apparent through this analysis and are identified below.

Comanche County has undergone slight growth during the past several years in population and economy. The population has grown 6.3% since 1970. The county suffered a recession during the 1980's and as a result lost population. Growth resumed during the 1990's. While recent growth has occurred slowly in Cache, it has grown 114% since 1970.

Available 2000 U.S. Census information reflected approximately 45,416 housing units in the county. This is an increase of 1,827 housing units from 1990, which represents a 4% increase in housing units. Based on available building permit information, the number of new single-family residences has been increasing at a rate of approximately .32% for the past several years in Comanche County. Some of these homes are "custom" built for a specific buyer. The average new home price is approximately \$150,000 (including land and builders profit). Existing single-family homes have sold for close to \$68,000 in 2000. The median home value in the county in 1990 was estimated at \$54,000. This increased to \$76,454 in 2001, a 41.6% increase. This is based on Claritas estimates. Actual year 2,000 census data is not yet available for the average home value. However is apparent that values across the county have increased significantly for new and resale property. While significant new development has occurred, it is apparent that moderately priced housing marketed towards households at or below the median income level, does not reflect a large percentage of these new homes.

The 2001 median household income for Comanche County was estimated at \$36,459. Typical mortgage requirements would allow a homeowner with this income a monthly payment of approximately \$700 per month (excluding real estate tax or property insurance). This would justify a mortgage, based on current available terms, of approximately \$97,000. These estimates justify part of the new county residential development. However, over 30% of the county households have a median income below \$25,000 annually. These households could afford a significantly lower monthly living cost and based on the average new home cost may not have easy access to new single-family home ownership.

The 2000 U.S. census information estimated owner occupied housing vacancy at 4.3% and a rental vacancy rate of 13.2%. 60.3% of the housing units were owner occupied and the remainder (39.7%) were renter occupied. Current surveys by this analyst revealed occupancy levels of rental and owner property at well over 90% in Cache. Virtually all property managers and real estate professionals noted very little vacancy in rental units throughout the county.

While some areas have rental developments under construction, it is apparent from building permit information that new multifamily housing development has been limited for several years. This is due to the cost ineffectiveness of development. New multifamily housing development costs in Tulsa and Oklahoma City recently are \$60 to \$70 per square foot of living area or \$55,000 to \$65,000 per unit. Rental rates of at least \$.80/SF per month are required to financially justify new multifamily construction. This indicates \$520/month for a typical one bedroom unit (650 SF) and \$680/month for a typical 2 bedroom unit (850 SF). These costs assume that the tenant is responsible for partial utility payment. It is reasonable to assume that new multifamily development in Comanche County could be accomplished for significantly less cost due to cheaper land costs and by reducing property amenities. However, current market rental rates for apartments in Cache range around \$250-\$400 for one bedrooms and \$350 to \$500 for two bedroom units. Rental rates in the city of Cache are higher than in other rural communities but still typically do not justify development of new multifamily units.

The disparity between market rent and cost effective development rent is significant. The gap between current market rent and rents required to make development financially feasible should continue to close due to constant strong demand for rental units in Comanche County. This demand is certainly not confined to Cache. Median income levels suggest that a portion of the population could afford the higher rental rates that support development. However, as with single family ownership development, a large percentage of the population would be excluded from new multifamily housing based on cost required rents. This indicates that in order for multifamily development to be economically feasible, developers must receive some financial incentive to build.

In summary, it is apparent that new housing in several categories is required in Comanche County. While the upper end of the market is being satisfied, the lower end of the population, which requires rental and moderate cost ownership property, has a very limited product available. Demand for rental housing is currently strong in Cache. As the population continues to grow in Comanche County as a whole, this demand will continue to increase. It is the opinion of this analyst that a significant need exists for rental housing in all price ranges. Additionally, single-family ownership property is needed in the price ranges typically below \$75,000.

## **CERTIFICATION**

We, Owen S. Ard, MAI and Karen Hinds, student analyst, hereby certify that to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined opinion or opinion that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Analysis Practice.
6. Analyst Marvin Matsuda inspected the area in November, 2001. He was not available to sign the document due to an active military recall. Analyst Karen Hinds and Owen S. Ard, MAI compiled and analyzed the file data to reach the included conclusions. No one provided significant professional assistance to the person signing this report.
7. As of the date of this report, Owen S. Ard has completed the requirements of the continuing education program of the Analysis Institute.
8. Neither the current or future employment and/or compensation of the analysts is contingent upon a specific opinion or an opinion in a direction that favors the cause of the client, of the occurrence of a subsequent event.
9. This report may be reviewed by duly authorized committees of the Analysis Institute.
10. INTEGRA Realty Resources of Tulsa has analyzed commercial real estate for over 20 years. The company has diligently completed assignments covering all types of property and analysis. The attached qualifications are further evidence of competency, and reflect an ability to proficiently analyze the subject of this report.

Housing Market Analysis  
Comanche County, Oklahoma

Karen Hinds  
Data Analyst

Owen S. Ard, MAI  
Market Analyst

This is certified copy #\_\_\_of the original report. The analyst does not warrant the validity of the certification without the original seal and his signature hereon.

## **PART IV: ADDENDA**

# **ANALYST QUALIFICATIONS**

## QUALIFICATIONS OF ANALYST

<p><b>EXPERIENCE:</b></p>	<p>Principal of <b>Integra Realty Resources - Tulsa</b>, a full service valuation and consulting firm. Actively engaged in real estate valuation and consulting assignments since the 1984, Mr. Ard has performed appraisal services consisting of narrative and summary real estate appraisals, ad valorem tax protests, consulting, litigation support services, market and feasibility studies, reviews, market study analyses and appraisals in connection with allocation of tax credits, brokerage services for commercial and residential transactions, property management, and expert litigation testimony. All types of real property are encompassed - apartments, ranches, theaters, hotel/motel, multi-purpose and resort properties, golf courses, high-rise and garden office buildings, manufacturing facilities, warehousing and distribution centers, nursing homes, assisted living facilities, banks, shopping centers and malls, residential subdivisions, industrial parks, and sports arenas. Valuations and market studies have been prepared on proposed, partially completed, renovated and existing structures. Appraisals have been made for condemnation purposes, estates, mortgage financing, equity participation and due diligence support. Clients served include corporations, law firms, financial institutions, investment firms and public/private agencies.</p>
<p><b>PROFESSIONAL ACTIVITIES:</b></p>	<p>Member: Appraisal Institute (MAI No. 9148)          Member: Central Oklahoma Chapter, Appraisal Institute (Past Chapter President)          Licensed: Oklahoma General Appraiser License No. 11245          Arkansas Certified Appraiser No. G-1301          Licensed: Oklahoma Real Estate License No. 122483          Member: National Association of Realtors          Member: Urban Land Institute          Member: Appraisal Institute National Committees Demonstration Reports Grading Subcommittee (1992- Present)</p>
<p><b>EDUCATION:</b></p>	<p>B.S.B.A. Degree, Marketing, University of Tulsa, Tulsa, Oklahoma (1984)          Successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute, accredited universities and others.          Currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members.</p>
<p><b>QUALIFIED BEFORE COURTS AND ADMINISTRATIVE BODIES:</b></p>	<p>District Court of Tulsa County, Oklahoma          Tulsa County Board of Equalization          Kansas Board of Tax Appeals          United States Federal Bankruptcy Court, Tulsa, Oklahoma</p>