



December 13, 2024

via email: Rodolfo.Lopez@maricopa-az.gov

Mr. Rodolfo Lopez
Director, Development Services Department
City of Maricopa
39700 W Civic Center Plaza
Maricopa, AZ 85138

Re: Housing Needs Assessment Research for City of Maricopa SB1162 Requirements

Dear Mr. Lopez:

The following memo includes research for the City of Maricopa's Housing Needs Assessment Annual Report to the Arizona Department of Housing to fulfill reporting requirements of Arizona Senate Bill 1162 Section 3 Title 9-469. Information was gathered from reliable sources to inform on the current and forecasted housing market.

1. Population Growth Projection for the Subsequent Five Years

The City of Maricopa has grown by an average of 5.6% over the past five years (2019-2024) equating to 3,500 new residents per year. Maricopa Association of Governments (MAG) is forecasting 5.0% annual growth from 2024 through 2029. Population in 2024 came in over the MAG forecast by 3,000 residents. Based on new home closing activity and apartment absorption year to date, we believe population growth in Maricopa is on pace to meet or exceed projected growth over the next five years. The following forecast follows the MAG forecast for population growth on a percentage basis, adjusting for higher population in 2023 and 2024. **The total new population over the next five years is estimated to be 20,436 residents.**

Maricopa Population Estimates and Forecast 2018-2029												
Population Estimates							Population Forecasts					
2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
53,043	55,798	58,622	61,109	64,742	69,175	73,300	76,219	81,329	85,812	90,713	93,736	
Growth	2,755	2,824	2,487	3,633	4,433	4,125	2,919	5,109	4,483	4,901	3,024	
% Chg	5.2%	5.1%	4.2%	5.9%	6.8%	6.0%	5.1%	5.6%	6.8%	6.0%	3.6%	
Source: AZ Office of Economic Opportunity; Maricopa Association of Governments												

Elliott D. Pollack & company

5111 N. Scottsdale Rd, Suite 202 Scottsdale, Arizona 85250 ■ PH 480.423.9200 ■ info@edpco.com ■ www.arizonaeconomy.com

2. Job Growth Projection for the Subsequent Five Years

MAG estimates that there are 7,692 jobs within the City of Maricopa as of 2023, growing to 8,101 jobs in 2024. **Over the next five years, MAG forecasts an additional 1,310 jobs.**

City of Maricopa Job Forecast 2023-2029							
	2023	2024	2025	2026	2027	2028	2029
Jobs	7,692	8,101	8,412	8,806	9,014	9,248	9,411
Growth		409	311	394	208	234	163
% Chg		5.3%	3.8%	4.7%	2.4%	2.6%	1.8%
Source: Maricopa Association of Governments							

Lightcast, a national workforce data provider, forecasts substantially lower job growth compared to the MAG forecast, but a higher current estimate of jobs (11,509 versus 8,101). Lightcast projects only 953 new jobs between 2024 and 2029. According to Lightcast, the majority of job growth is expected in manufacturing, accommodation and food services, retail trade, wholesale trade, and construction.

City of Maricopa Forecasted Job Growth by Industry						
NAICS	Description	2024 Jobs	2029 Jobs	Growth 2024-2029	% Growth	2023 Average Earnings Per Job
11	Agriculture, Forestry, Fishing and Hunting	600	543	(57)	-9%	\$59,719
21	Mining, Quarrying, and Oil and Gas Extraction	<10	<10	0	0%	Insf. Data
22	Utilities	148	155	7	5%	\$82,600
23	Construction	554	646	93	17%	\$67,228
31	Manufacturing	621	755	134	22%	\$73,271
42	Wholesale Trade	466	556	90	19%	\$111,441
44	Retail Trade	1,034	1,152	118	11%	\$43,064
48	Transportation and Warehousing	326	363	37	11%	\$61,399
51	Information	198	235	38	19%	\$48,722
52	Finance and Insurance	235	270	35	15%	\$95,942
53	Real Estate and Rental and Leasing	131	146	15	12%	\$72,724
54	Professional, Scientific, and Technical Services	429	472	43	10%	\$84,567
55	Management of Companies and Enterprises	<10	12	3	33%	Insf. Data
56	Admin, Support, Waste Mgt, & Remediation Services	427	460	33	8%	\$46,516
61	Educational Services	411	471	60	15%	\$55,319
62	Health Care and Social Assistance	343	372	29	9%	\$67,135
71	Arts, Entertainment, and Recreation	128	147	19	15%	\$42,005
72	Accommodation and Food Services	1,329	1,494	164	12%	\$28,239
81	Other Services (except Public Administration)	583	618	36	6%	\$37,645
90	Government	3,527	3,578	51	1%	\$82,418
99	Unclassified Industry	<10	14	4	40%	Insf. Data
TOTAL		11,509	12,462	953		\$65,057
Source: Lightcast.io						

According to the City of Maricopa’s Economic Development Department, an estimated 176,350 square feet of commercial development is under construction which will create over 400 jobs upon completion. The city also reports two major employment projects consisting of several hundred acres with the ability to create nearly 25,000 new jobs locally (SMARTRail Park – 13,000 jobs, UofA Area of Innovation – 11,300 jobs).

3. Current Housing Deficiencies

To determine any potential deficiencies in the current housing market in Maricopa, our analysis considers single family detached homes and apartments separately.

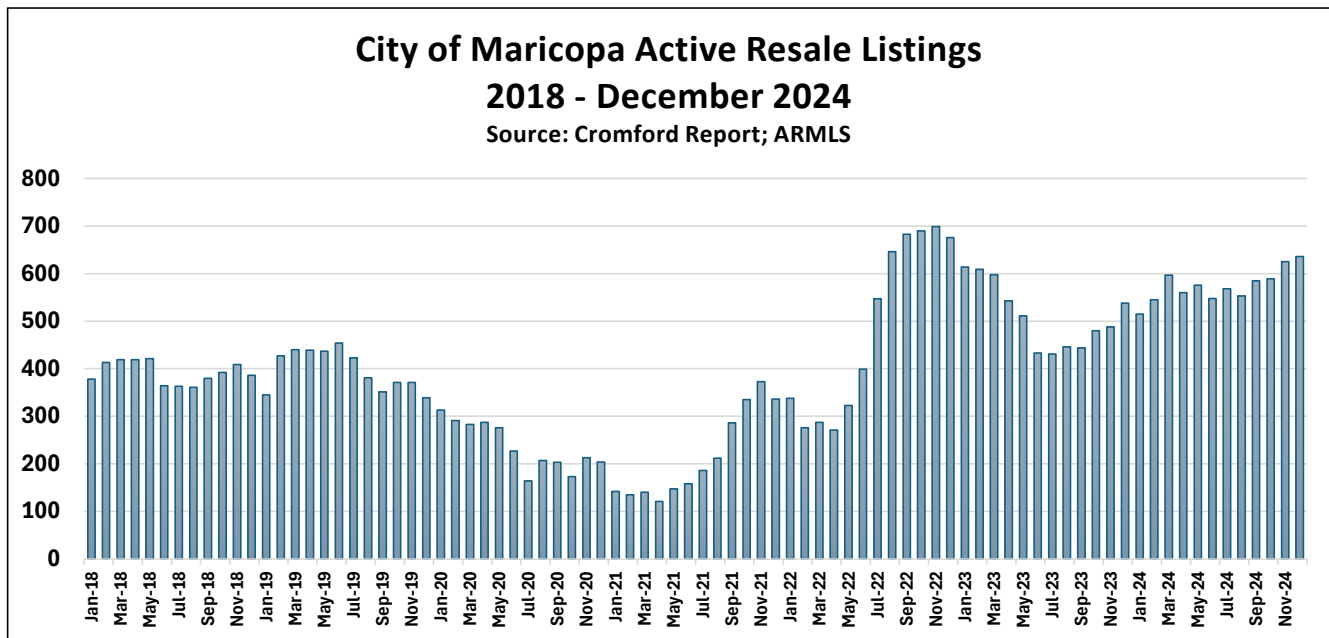
Single Family Homes

Our determination of deficiency in single family homes calculates the number of inventory homes in active new home subdivisions and the available supply of resale homes reported on the Arizona Regional Multiple Listings Service (ARMLS). A healthy market is considered to have a four to six month supply of available homes for sale. Below a four month supply would be considered supply constrained (deficient) and over six months would be considered to have an excess supply.

According to RL Brown, the City of Maricopa currently has 49 active subdivisions (a subdivision with at least one new home closing or a permit pulled within the previous 12 months). Within these active subdivisions, there are a reported 171 inventory homes (homes built speculatively by the builder and available for sale). There are also 1,847 available lots for new home construction within these projects.

New Home Active Subdivisions City of Maricopa	
Active Subdivisions	49
Total Lots	7,043
Remaining Lots	1,847
Inventory Homes	171
Permits Issued Last 12 Months	1,284
Closings Last 12 Months	1,286
Source: RLBrownReports.com	

According to Cromford Report, utilizing ARMLS data, the City of Maricopa currently has 636 single family detached homes actively listed for sale as of December 6, 2024. Active listings have grown substantially, starting 2024 with 515 listings. The previous low in active listings occurred in April 2021 with approximately 121 active listings.



Expressed as a function of demand, current active listings of resale homes in Maricopa equate to a 4.6 month supply of homes. Including the supply of new inventory homes, Maricopa has an estimated 5.8 month supply of single family homes. This indicates no deficiency in single family homes.

Multifamily Homes

Our determination of deficiency in multifamily homes calculates the number of vacant apartments within the city. A healthy market is considered to have a 7% vacancy rate. Below a 7% vacancy would be considered supply constrained (deficient). Above 7% would be considered to have an excess supply.

According to City of Maricopa, there are currently seven apartment communities totaling 1,331 units. There are an additional 2,206 units under construction among seven apartment communities. Current vacancy within existing apartment communities is 32.3% (430 vacant units). Therefore, the City of Maricopa currently has no deficiency in multifamily homes with an excess supply of 337 multifamily units.

Deficiency Conclusion

There are currently no deficiencies in housing the existing population and no deficiencies in housing the existing workforce, with an excess of 337 multifamily units

4. Additional Residential Housing Need

Population forecasts from Section 1 were utilized to generate future housing needs by type of housing over the next five years. Due to the fact that population projections exceed job projections, it is assumed that the projected new employees who wish to reside in Maricopa will be a subset of new resident population.

According to the U.S. Census Bureau 2023 American Community Survey, City of Maricopa has a combined average household size of 3.05 persons per household. The forecasted growth of 35,667 residents equates to 6,700 households. Adding a buffer inventory of an additional 2% for single family homes and 7% for multifamily homes, five-year housing unit need is 6,946 units. **Subtracting the excess supply of multifamily units, net demand for housing over the next five years is estimated to be 6,609 units.**

Based on the previous five years of development activity, Maricopa has been developing 66.7% single family homes and 33.3% multifamily homes. **Utilizing this ratio, there will be demand for an additional 4,557 single family homes over the next five years.** There are 1,848 available lots within actively developing subdivisions and an additional 1,983 lots that have been platted in future subdivisions. An additional 727 lots will be required, equating to approximately 208 acres. City of Maricopa also reports a total of 27,586 single family homes have received zoning entitlement for future development.

Utilizing the multifamily ratio, there will be 2,389 multifamily units needed over the next five years. There is currently an excess of 337 units, **meaning the net demand for multifamily units is 2,052 units.** There are currently 2,206 units under construction, leaving no units needed to satisfy demand over the next five years. According to the City of Maricopa, there are an additional 863 apartment units in the development pipeline, all of which have received final plan approval and are expected to begin construction in the next 12 months.

City of Maricopa 5-Year Additional Housing Need	
5-Year Household Growth	6,700
For Sale	
For Sale Demand	4,557
Available Lots - Active Subdivisions	1,847
Available Lots - Future Subdivisions	1,983
Additional Supply Needed	727
Acres Needed	208
For Rent	
For Rent Demand	2,389
<i>less: Excess MF Vacancy</i>	337
Net MF Demand	2,052
MF U/C	2,206
Additional Supply Needed	-154
TOTAL NET DEMAND	6,609
Source: AZ OEO; RealData, Inc.; RLBrownReports.com; Elliott D. Pollack & Company	

Assuming that new population to City of Maricopa has similar income characteristics of the existing population, the following table outlines the future housing need by income category.

Future Need by Income Distribution City of Maricopa		
Income Bracket	Housing Need	% Total
<= 30% HAMFI	452	7%
> 30% HAMFI to <= 50% HAMFI	445	7%
> 50% HAMFI to <= 80% HAMFI	1,167	18%
> 80% HAMFI to <= 100% HAMFI	829	13%
> 100% HAMFI	3,716	56%
TOTAL	6,609	
Source: HUD CHAS 2017-2021; Elliott D. Pollack & Company		

Incomes at 80% AMI and above can reasonably be accommodated with various market rate housing (rental and ownership). These categories represent 69% of the future housing need (4,545 units). Below 80% AMI will require some form of housing assistance. For instance, there are three Low Income Housing Tax Credit (LIHTC) apartment communities under construction in Maricopa totaling 705 units targeted to families at 60% AMI. This will satisfy over 60% of the 5-year demand at 50% to 80% AMI. Additional rent restricted apartment communities or vouchers will be needed to address the expected demand below 60% AMI.