



# All About Housing

## VVCDO Forum

**March 11, 2026**

**Presented By:  
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Principal, Senior Economist  
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Elliott D. Pollack & Company  
Court, Merritt, Pollack, & Stevenson

# What is Housing Affordability?

It is referred to by many names:

- Affordable Housing
- Attainable Housing
- Workforce Housing
- Missing Middle Housing

**Regardless of the name, the goal is that a household pays no more than 30% of their income on housing including utilities.**

# Past & Current Efforts/ Studies

- Sedona Housing Needs Assessment – 2019
- Verde Valley Housing Needs Assessment – 2020
- Prescott Housing Needs Assessment – 2025
- Prescott Valley Housing Needs Assessment – 2025
- Sedona Western Gateway Residential Market Study – 2025
- Yavapai County Housing Needs Assessment – 2025
- Cottonwood Housing Analysis & Strategy – 2026

# Those earning more than what qualifies for government subsidies but can't afford a market rate house are the “missing middle”

FY 2025 Multifamily Tax Subsidy Project Income Limits							
Yavapai County, AZ							
Area Median Family Income \$87,300							
Income Category	% of Median Income	Persons in Family					
		1	2	3	4	6	8
Moderate Income	120%	\$76,060	\$86,980	\$97,850	\$108,720	\$126,120	\$143,510
Low Income	Less than 80%	\$50,720	\$58,000	\$65,200	\$72,500	\$84,100	\$95,700
Low Income	60%	\$38,040	\$43,500	\$48,920	\$54,360	\$63,060	\$71,760
Very Low	Less than 50%	\$31,700	\$36,250	\$40,750	\$45,300	\$52,550	\$59,800
Very Low	40%	\$25,360	\$29,000	\$32,600	\$38,725	\$42,040	\$47,840
Extremely Low	Less than 30%	\$19,050	\$21,800	\$26,650	\$32,150	\$43,150	\$54,150

Source: Department of Housing & Urban Development

# Workforce Housing

- Households earning 60% to 120% of area median income.
- Earn too much for state or federal assistance, but not enough to affordably rent or purchase market rate housing.
- Often include critical service personnel: teachers, police, firefighters, construction workers, etc.



# Incomes by Occupation

<b>Housing Affordability By Occupation</b>			
<b>Occupation</b>	<b>Yavapai County 2023 Median Wage</b>	<b>Monthly Affordable Housing Cost (30% of Income)</b>	<b>Monthly Affordable Rent (Less Utilities)</b>
Retail Salespersons	\$33,886	\$847	\$747
Receptionists and Information Clerks	\$36,094	\$902	\$802
Restaurant Cooks	\$37,432	\$936	\$836
Nursing Assistants	\$38,572	\$964	\$864
Waiters and Waitresses	\$41,273	\$1,032	\$932
Construction Laborers	\$43,233	\$1,081	\$981
Pharmacy Technicians	\$44,675	\$1,117	\$1,017
Paramedics	\$45,446	\$1,136	\$1,036
Elementary School Teachers	\$48,488	\$1,212	\$1,112
Middle School Teachers	\$48,994	\$1,225	\$1,125
Firefighters	\$51,838	\$1,296	\$1,196
Secondary School Teachers	\$53,240	\$1,331	\$1,231
Police and Sheriff's Patrol Officers	\$67,315	\$1,683	\$1,583
Registered Nurses	\$91,166	\$2,279	\$2,179

Prepared by the Arizona Office of Economic Opportunity in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics, April 2024

# Missing Middle Housing

## Housing for workforce households



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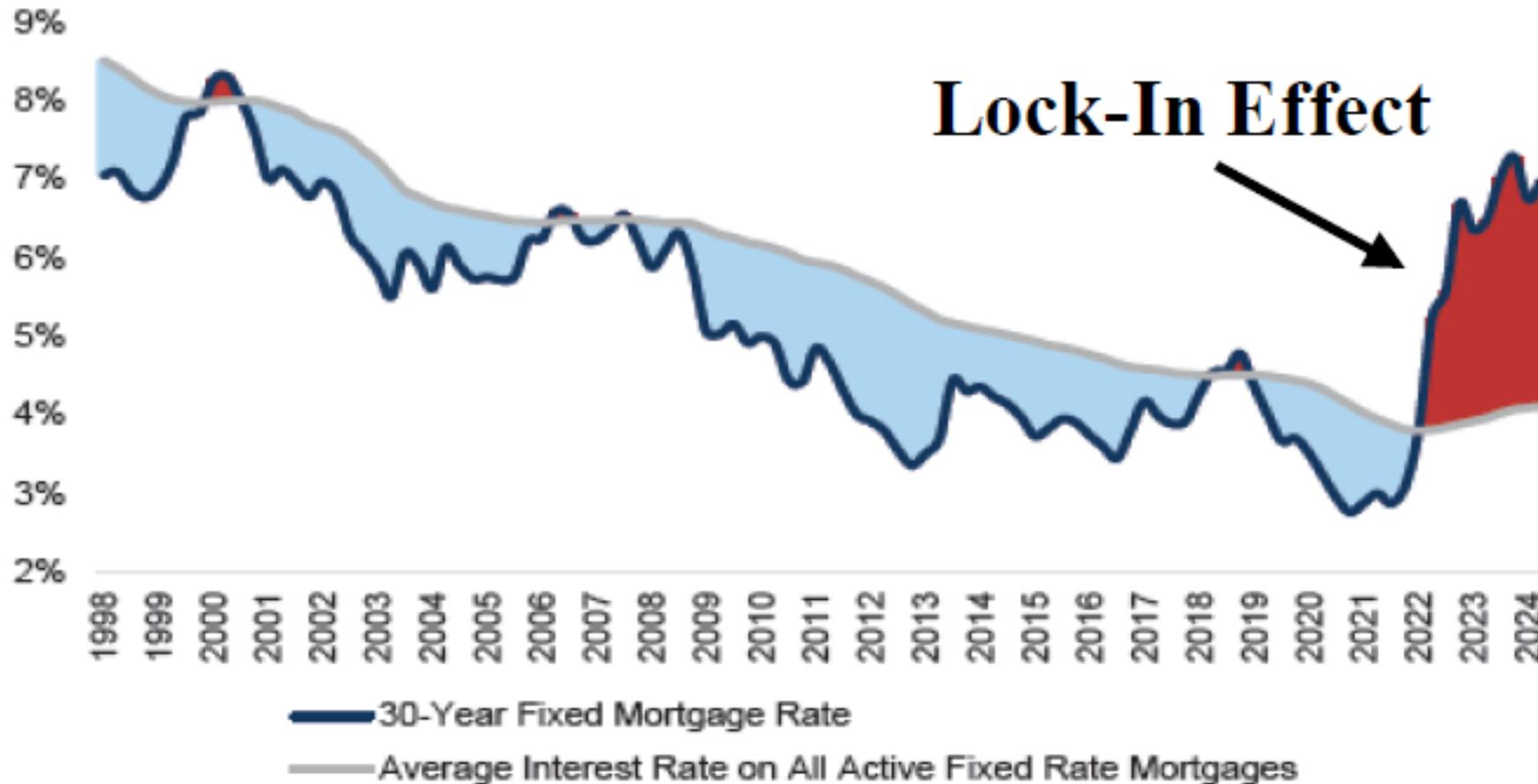
# Incomes

Households By Income Yavapai County								
	Unincorporated Area		Cities/Towns		Yavapai County		Arizona	
	Households	%	Households	%	Households	%	Households	%
<b>Occupied Units</b>	<b>40,777</b>		<b>68,123</b>		<b>108,900</b>		<b>2,796,790</b>	
Less than \$10,000	2,235	5.1%	3,210	4.7%	5,445	5.0%	137,043	4.9%
\$10,000 to \$14,999	1,211	3.2%	2,601	3.8%	3,812	3.5%	81,107	2.9%
\$15,000 to \$24,999	2,991	7.7%	5,721	8.4%	8,712	8.0%	170,604	6.1%
\$25,000 to \$34,999	3,550	8.8%	5,598	8.2%	9,148	8.4%	192,979	6.9%
\$35,000 to \$49,999	4,644	10.9%	9,295	13.6%	13,939	12.8%	304,850	10.9%
\$50,000 to \$74,999	7,199	18.1%	12,294	18.0%	19,493	17.9%	475,454	17.0%
\$75,000 to \$99,999	6,017	14.9%	9,882	14.5%	15,899	14.6%	380,363	13.6%
\$100,000 to \$149,999	6,625	17.6%	10,363	15.2%	16,988	15.6%	506,219	18.1%
\$150,000 to \$199,999	2,892	6.1%	4,295	6.3%	7,187	6.6%	251,711	9.0%
\$200,000 or more	3,304	7.6%	4,864	7.1%	8,168	7.5%	296,460	10.6%
<b>Median income</b>	<b>\$69,061</b>		<b>\$64,337</b>		<b>\$66,106</b>		<b>\$76,872</b>	
<b>Homeowner Median</b>	<b>\$73,961</b>		<b>\$74,041</b>		<b>\$74,009</b>		<b>\$91,561</b>	
<b>Renter Median</b>	<b>\$52,970</b>		<b>\$49,947</b>		<b>\$50,824</b>		<b>\$54,757</b>	

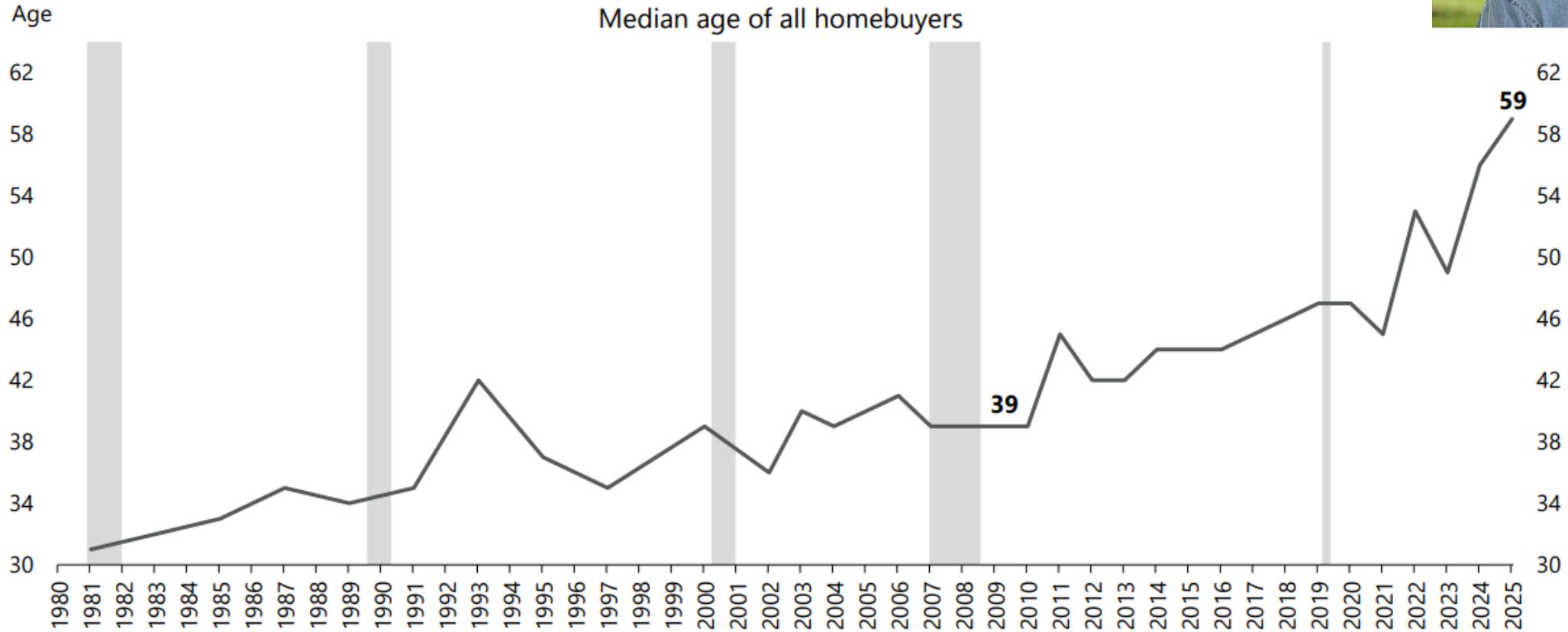
Source: ACS 2023 5-year estimate; Elliott D. Pollack & Company

# Spread Between Existing Mortgages and the Current Mortgage Rate Significantly Discourages Moving

Source: FHFA; Freddie Mac

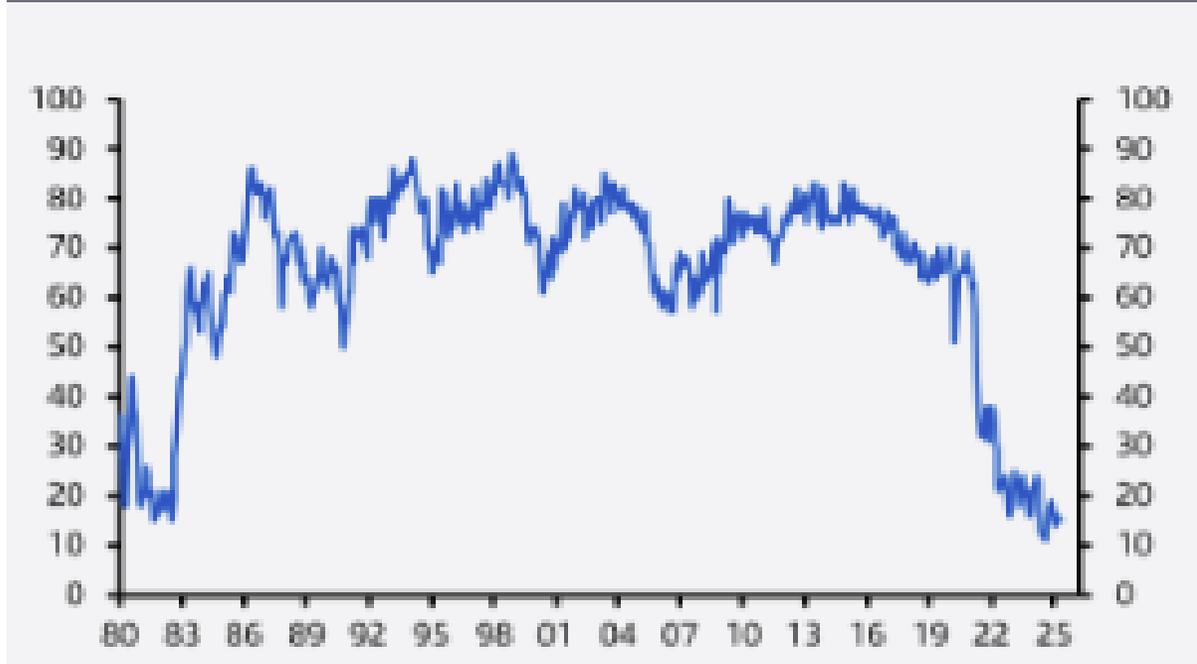


# Median age of all US homebuyers: 59 years old



Sources: National Association of Realtors, Apollo Chief Economist

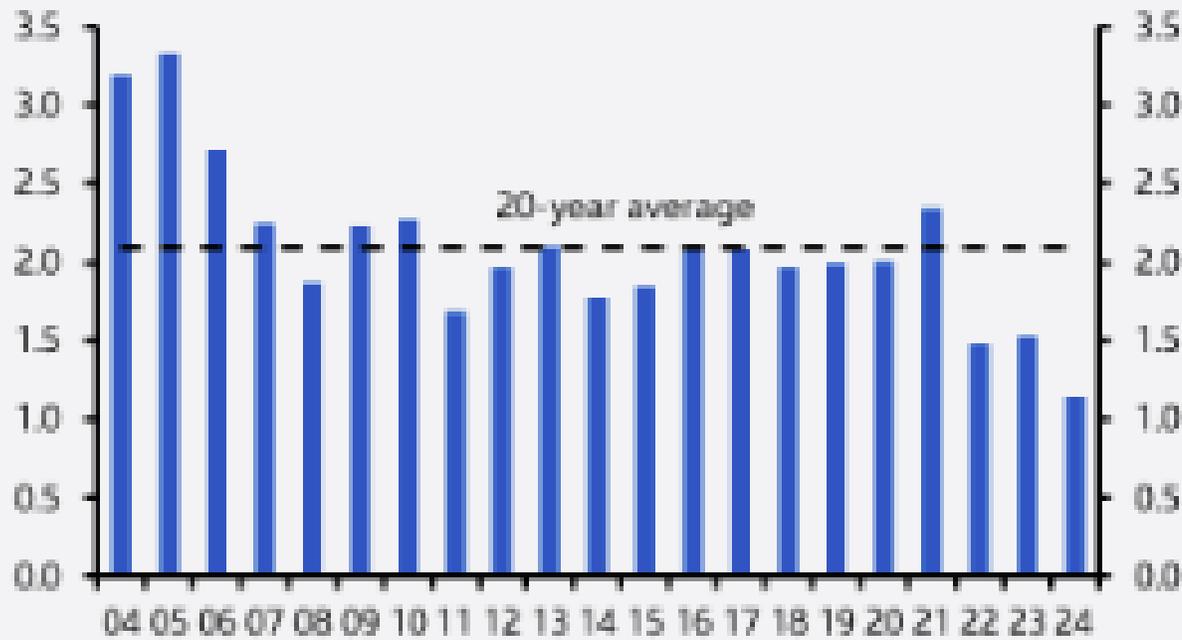
## Chart 1: University of Michigan Good Time to Buy (%)



Source: University of Michigan



# Chart 3: Number of First-time Buyers (Million)



Source: University of Michigan

## American starter home style evolution

1970s



1990s



2010s



2030s



# Historical Pricing Trends

- **Material costs surged in 2025H2** alongside steady movement in Install
- Total costs for the Index **increasing** going into 2026H1



RSMean National Historical Cost Index (Nominal)



National costs shown for reference purposes only.

# What are the problems for housing?

**Unlike the late 70's and early 80's, it's more than just interest rates.**

**So, what is it?**

- Interest rates
- Housing cost burden
- Locked in effect
- Demographic changes caused by affordability
- Slowdown in job creation
- Continued significant increases in municipal impact fees and other costs
- Labor shortages, tariffs and supply chain issues
- Need for smaller houses on smaller lots
- Slowdown in national and international migration
- Cost of ownership insurance, HOA fees and taxes.

**There is no quick fix.**

**A higher percentage of the population will be renters.**

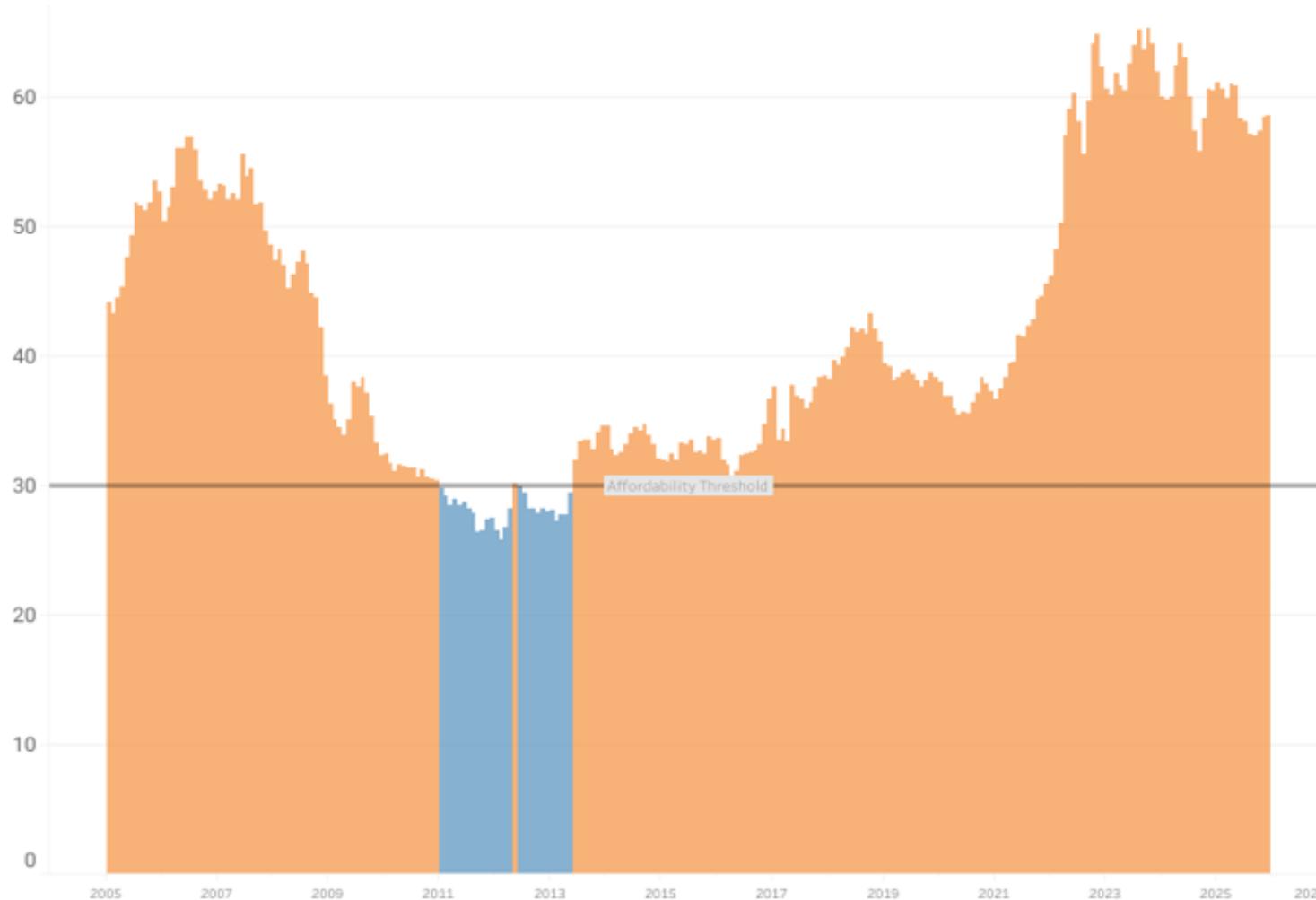
# Local Housing



# Yavapai County

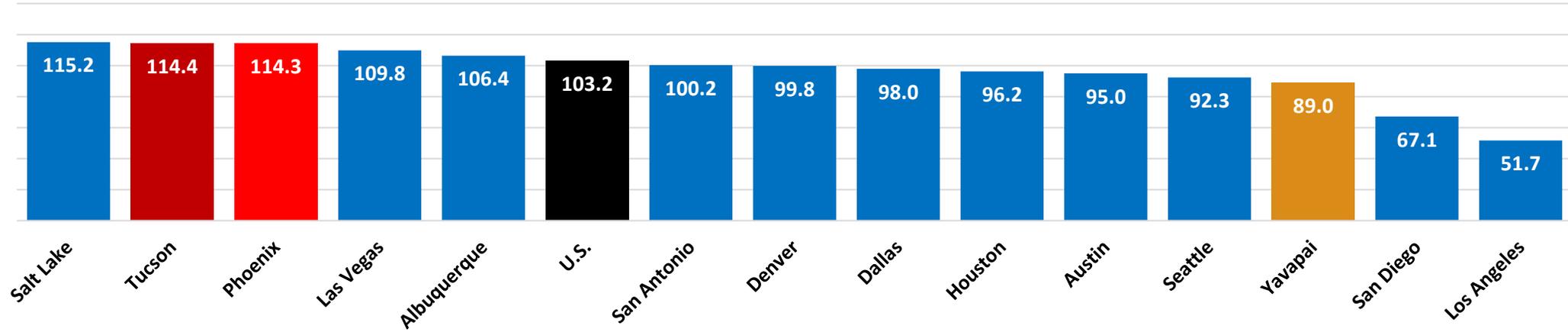
## Median Income Household % of Income Toward Median Priced Home

Source: Atlanta Fed

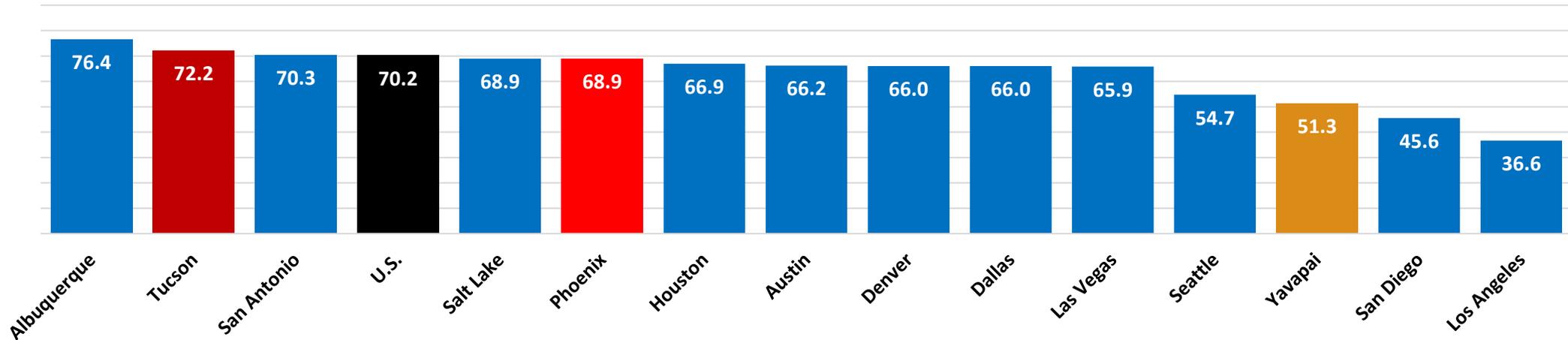


# Federal Reserve Bank of Atlanta's Home Ownership Affordability Monitor (HOAM)

November 2015



November 2025



# Single Family Home Prices

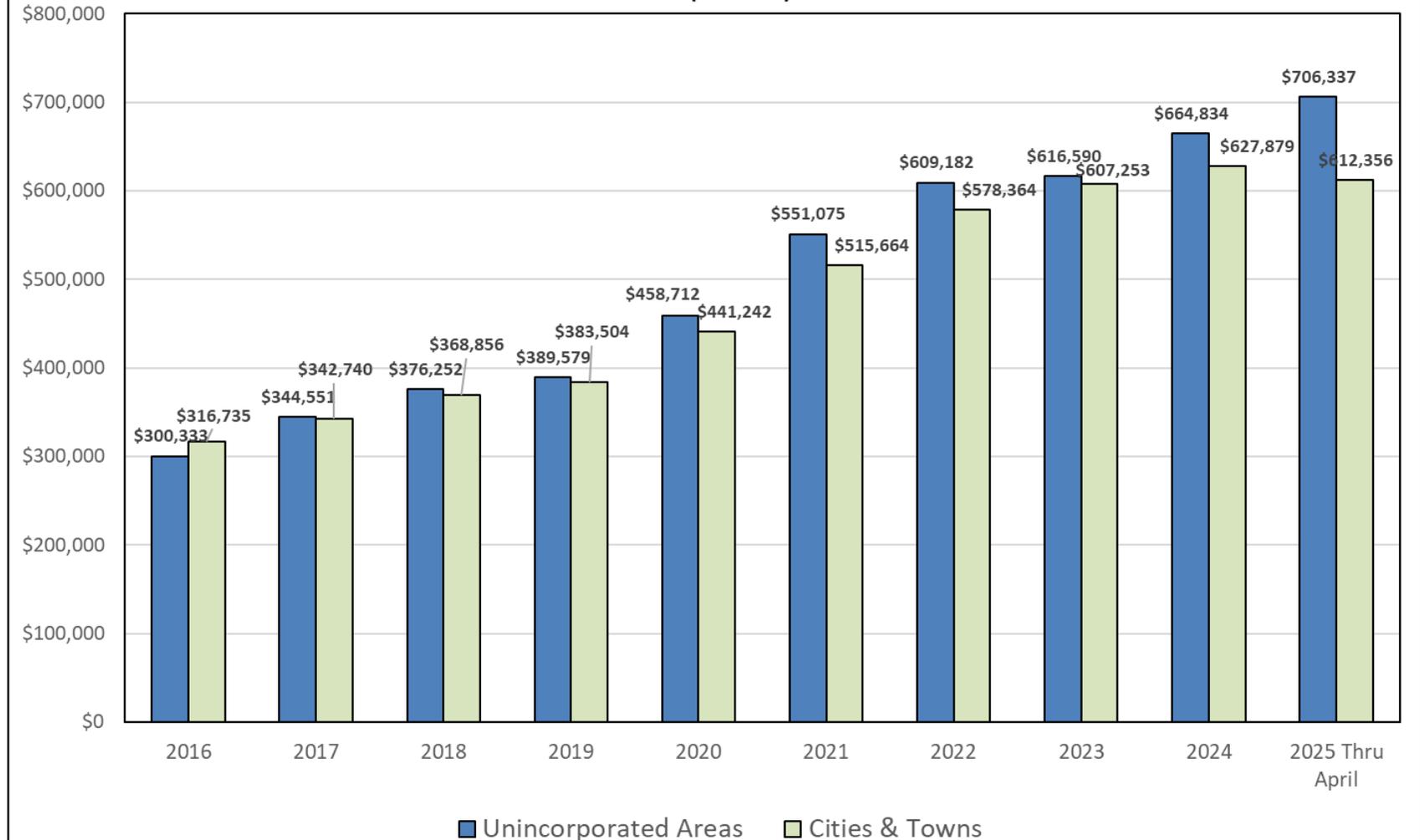
## Required Income

2016: \$60,000

2025: \$160,000

### Average Single Family Home Price Unincorporated Area & Cities/Towns

Source: Yavapai County Assessor



# Verde Valley

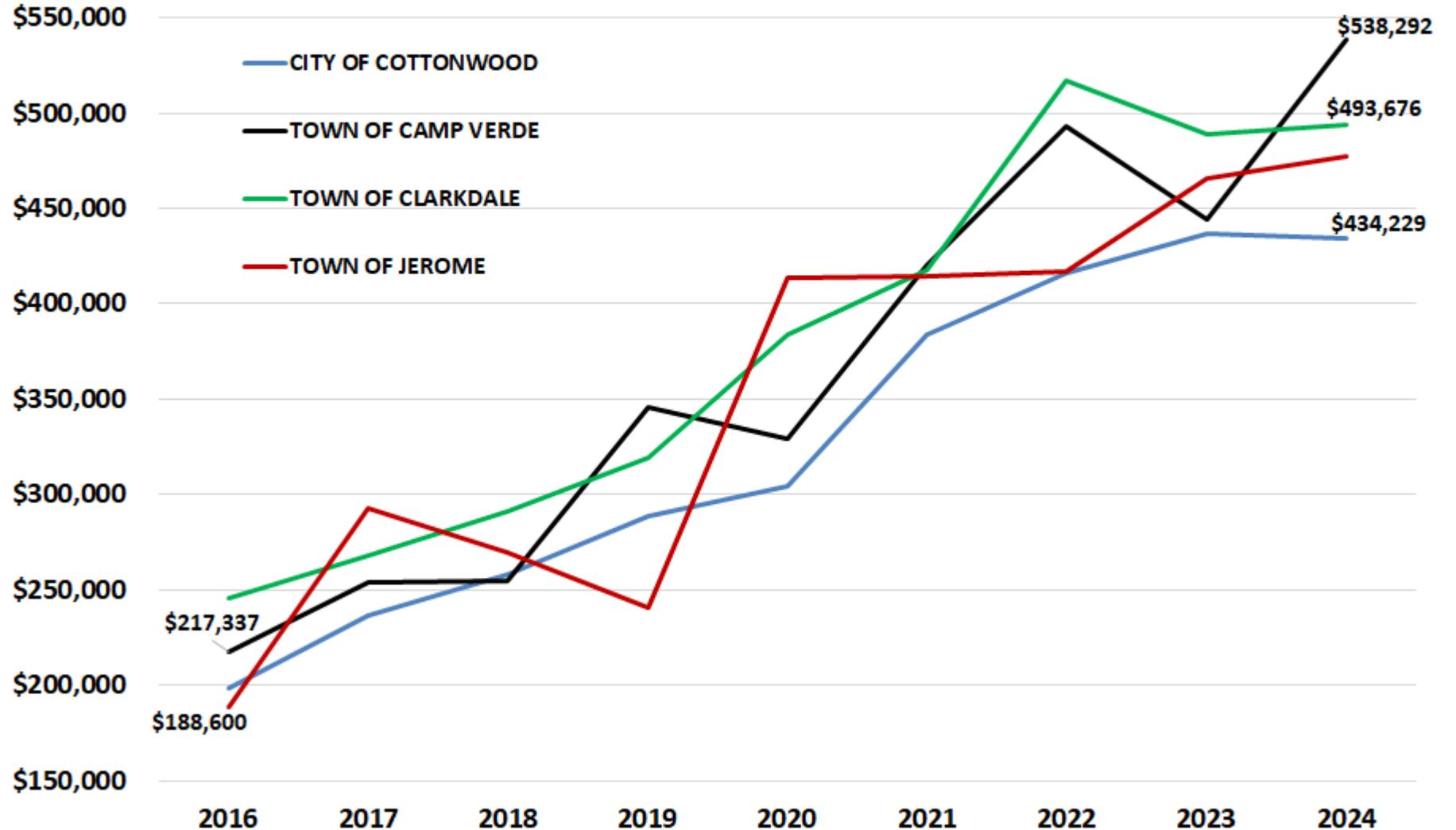
## Required Income

2016: \$40,000

2024: \$115,000

### Average Single Family Home Prices

Source: Yavapai County Assessor



# Sedona

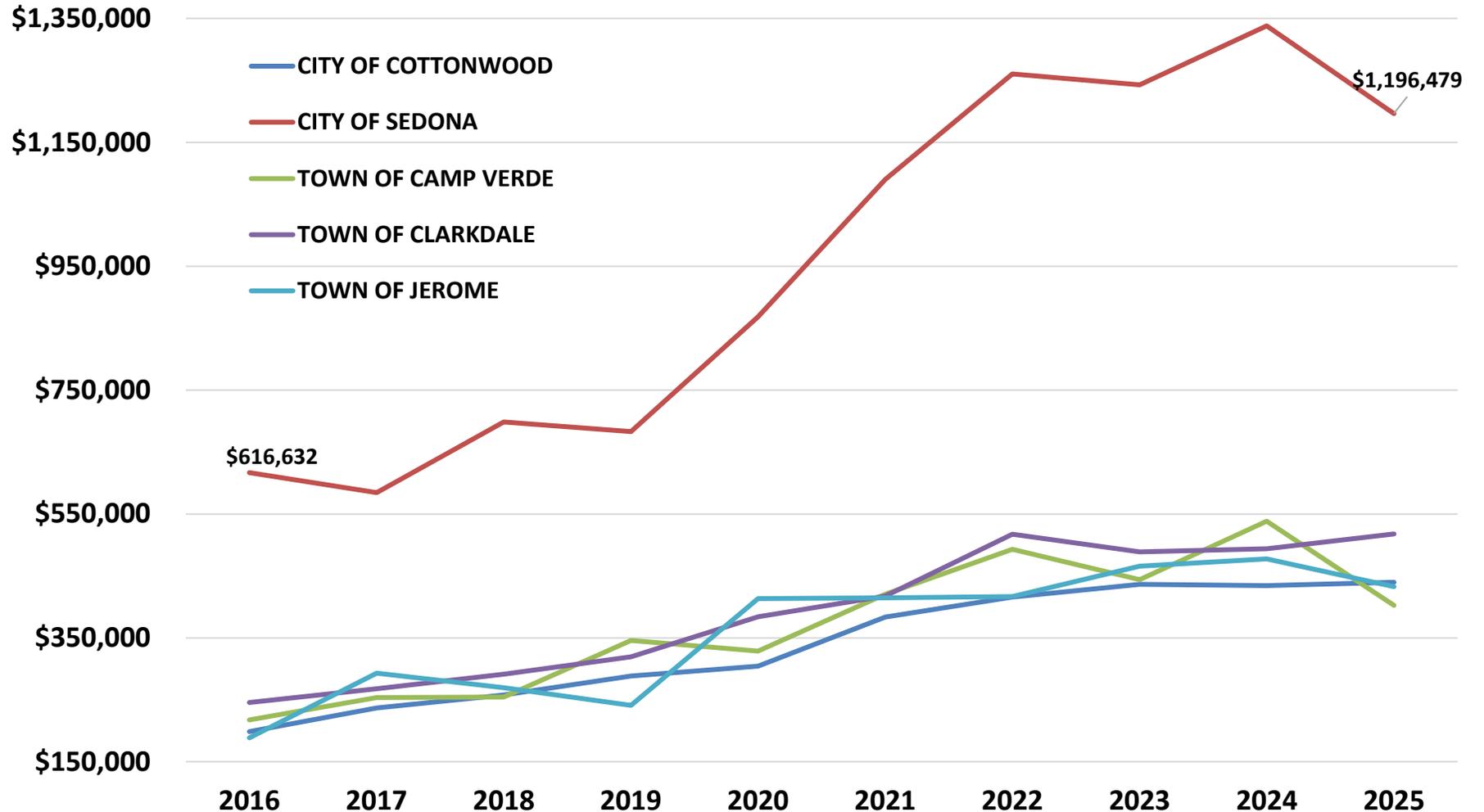
## Required Income

2016: \$123,000

2024: \$305,000

### Average Single Family Home Prices

Source: Yavapai County Assessor



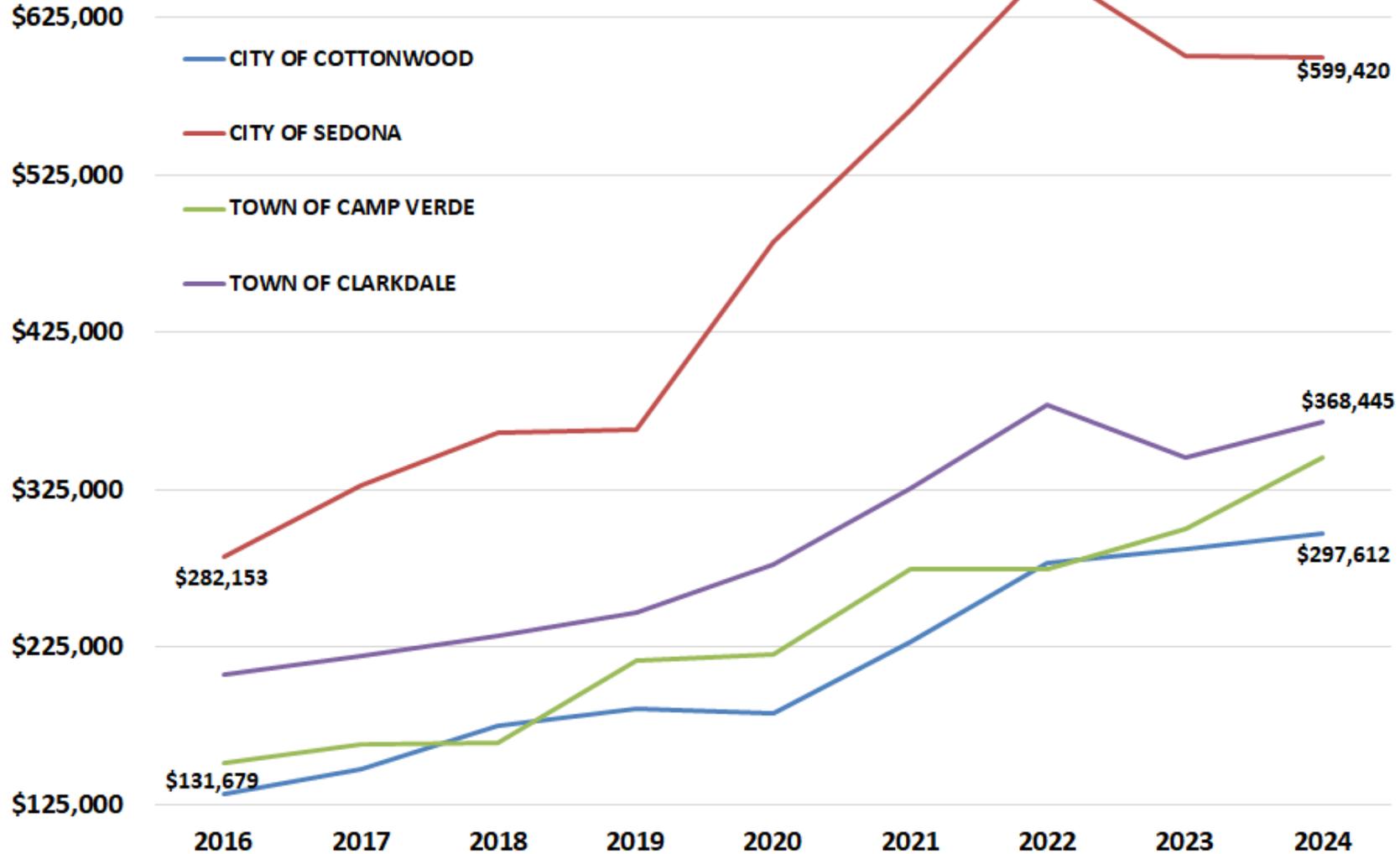
## 2024 Single Family Home Sales

	Camp Verde		Clarkdale		Cottonwood		Jerome		Sedona		Required Income	
											Min	Max
Less than \$200,000	3	3%		0%	6	4%		0%		0%		\$50,420
250,000-\$300,000	8	7%	5	5%	10	7%		0%		0%	\$50,420	\$63,025
\$250,000-\$300,000		0%	2	2%	3	2%	1	11%		0%	\$63,025	\$75,630
\$300,000-\$350,000	17	16%	2	2%	21	14%	1	11%		0%	\$75,630	\$88,235
\$350,000-\$400,000	27	25%	15	15%	27	19%	1	11%	1	1%	\$88,235	\$100,840
\$400,000-\$500,000	19	17%	28	28%	36	25%	2	22%	1	1%	\$100,840	\$126,050
\$500,000-\$600,000	13	12%	32	32%	29	20%	2	22%	3	2%	\$126,050	\$151,259
\$600,000-\$700,000	6	6%	11	11%	6	4%	1	11%	6	4%	\$151,259	\$176,469
\$700,00-\$800,000	1	1%	2	2%	3	2%	1	11%	24	15%	\$176,469	\$201,679
\$800,000+	15	14%	3	3%	4	3%		0%	122	78%	\$201,679	
<b>Median HH Income</b>	<b>\$69,203</b>		<b>\$46,563</b>		<b>\$48,448</b>		<b>\$40,096</b>		<b>\$73,738</b>			

Source: Yavapai County Assessor; Elliott D. Pollack & Company

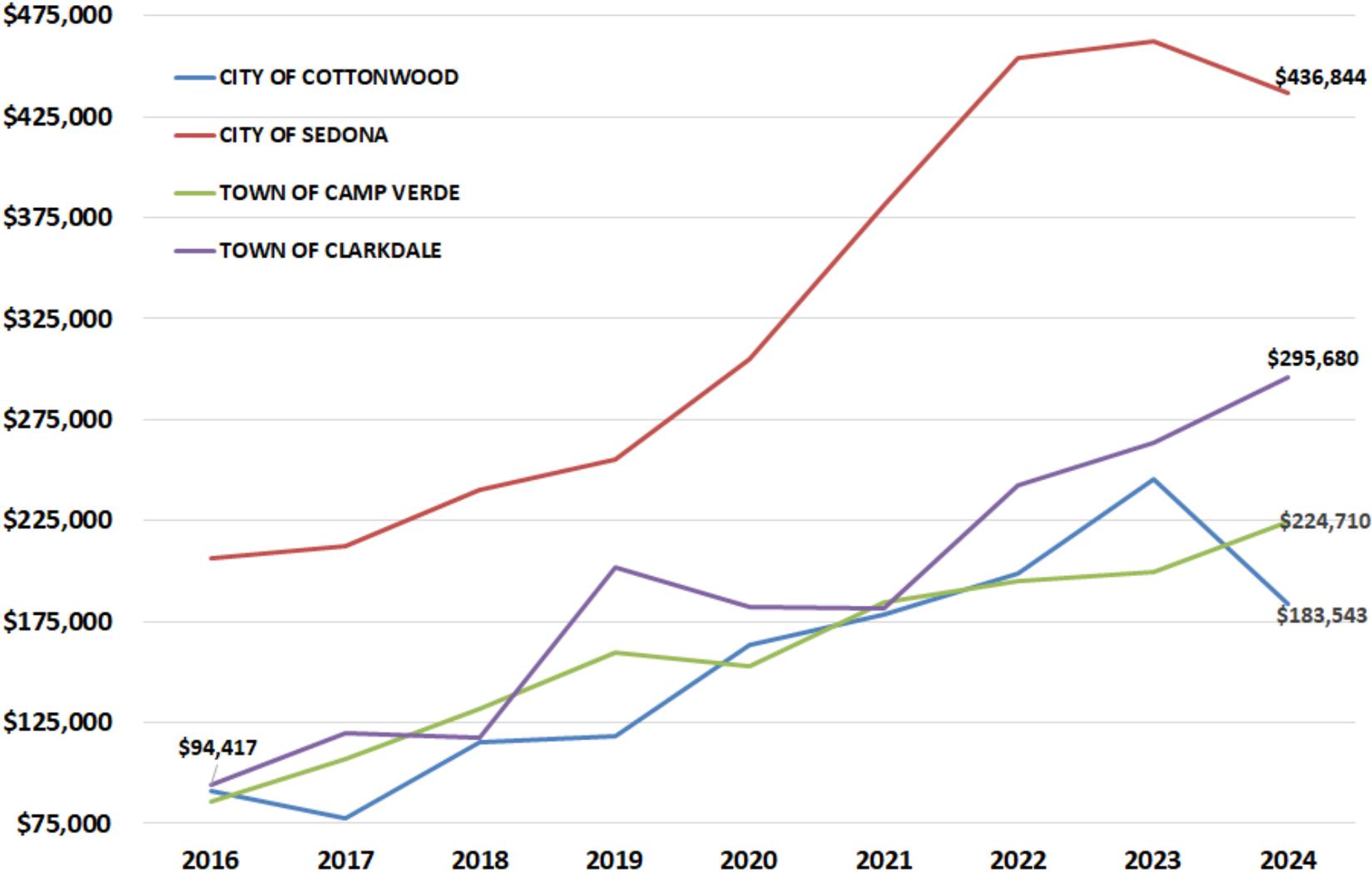
# Average Condo/Townhome Prices

Source: Yavapai County Assessor



# Average Mobile Home Prices

Source: Yavapai County Assessor



# Incomes

Households By Income Yavapai County								
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Source: ACS 2023 5-year estimate; Elliott D. Pollack & Company

# Affordability Conventional Financing



Affordable Housing Payment Estimator Yavapai County	
	Calculation
House value	\$240,000
Down payment %	10%
Down payment	\$24,000
Mortgage amount	\$216,000
Interest rate	6.50%
Loan term in years	30
% of income devoted to mortgage payment	30.0%
Monthly loan payment (P & I)	\$1,365
Monthly property tax, insurance, PMI	\$290
Total monthly payment	\$1,655
<b>Yearly income required</b>	<b>\$66,217</b>
Sources: EDPCo, Freddie Mac	

# If you were purchasing your home today, at current market prices, would it still be affordable for you?

1 1 8

Yes, comfortably



Yes, but it would be a stretch



Probably not

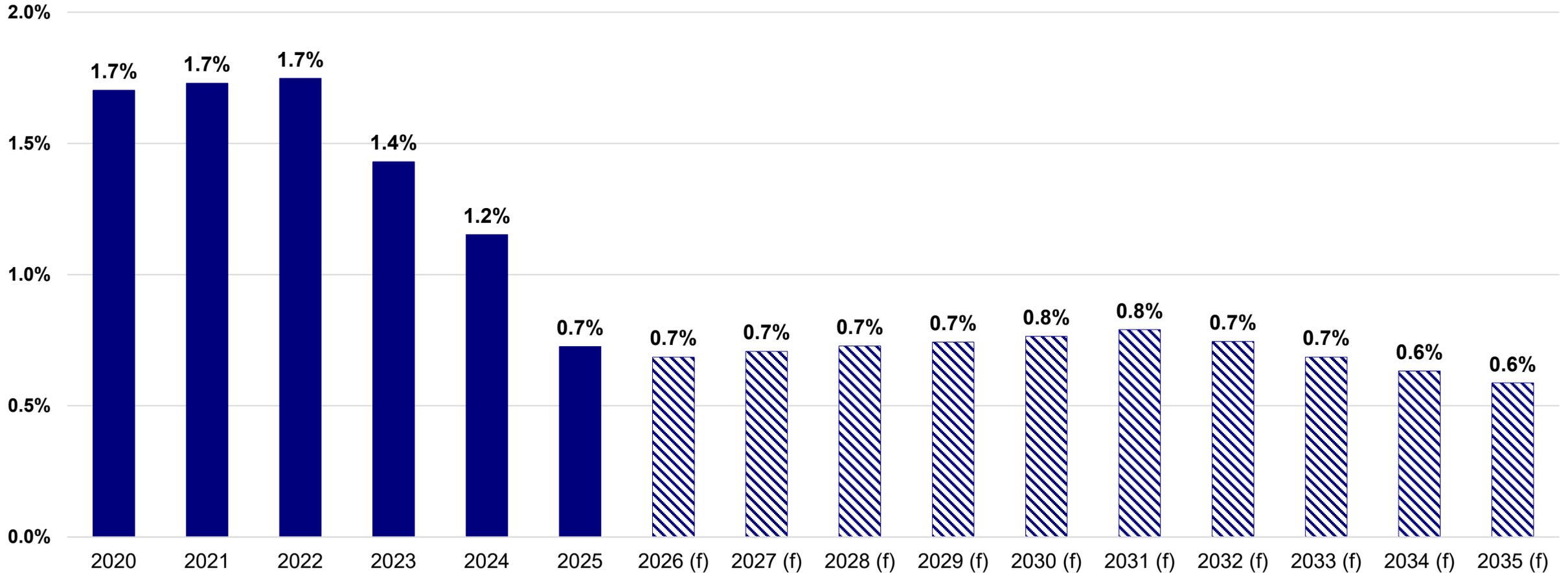


Definitely not



# Yavapai County Population

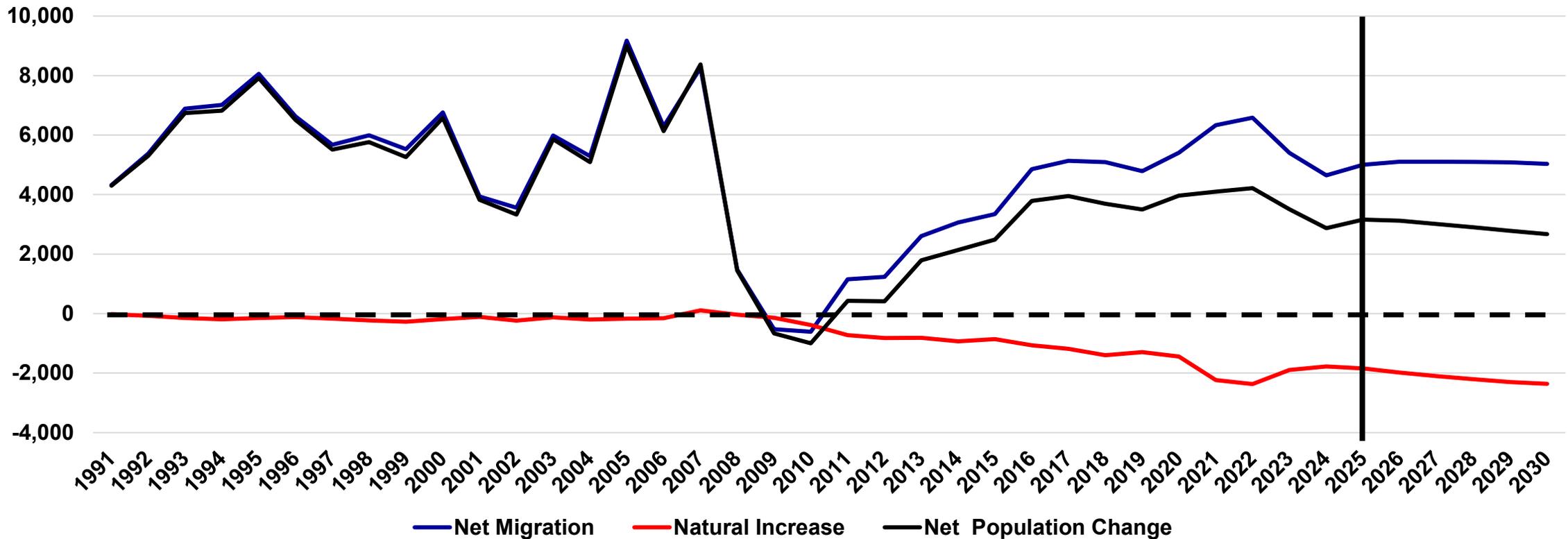
Source: AOEO



# Yavapai County

## Net Migration and Natural Increase

Source: AZDHS; UofA Forecasting Project



# 2022

## Yavapai County Population Forecasts

	2020	2030	2040	2050	2060
Population	237,073	277,268	301,937	324,077	347,985
Net Change		40,195	24,669	22,139	23,908
% Change		17.0%	8.9%	7.3%	7.4%
CAGR		1.6%	0.9%	0.7%	0.7%

Source: AOEO 2022-2060 State and County Population Projections

# 2025

## Yavapai County Population Forecasts

	2020	2030	2040	2050	2060
Population	237,073	262,929	278,655	287,511	297,944
Net Change		25,856	15,727	8,855	10,434
% Change		10.9%	6.0%	3.2%	3.6%
CAGR		1.0%	0.6%	0.3%	0.4%

Source: AOEO 2025-2060 State and County Population Projections

# Latest Population Forecasts Suggest Much Slower Growth

- **2022** Forecast – Yavapai growing by 3,100 residents per year (1%-1.5% growth)
- **2025** Forecast - Yavapai growing by 1,850 residents per year (0.6%-0.8% growth)

# Retiree Population Expected to Dominate Growth

- Yavapai County projected to add 25,060 residents over the next 15 years.
- Population 65+ expected to increase by 22,330 residents
  - **(89% of total growth)**

# State-to-State Net Migration Flows - 2022

Source: U.S. Census Bureau, 2022 American Community Survey, 1-year estimates.

## Top 10

California	46,745
Washington	14,005
Oregon	5,985
Illinois	5,246
Utah	5,240
Colorado	4,846
Missouri	3,786
Michigan	3,677
Wisconsin	3,095
New Jersey	2,549

## Bottom 10

Florida	(7,430)
Texas	(5,230)
North Carolina	(2,319)
Oklahoma	(1,726)
Nebraska	(1,689)
Hawaii	(1,514)
Pennsylvania	(1,288)
Mississippi	(1,248)
Indiana	(1,194)
Idaho	(1,005)

# Net Migration Flows & Median Home Price

Source: U.S. Census Bureau, 2022 American Community Survey, 1-year estimates; Zillow.com

Net Out Migration From Arizona			
State	Out Migration	Net Out Migration	Median Home Price
Arizona			\$434,606
Florida	11,901	7,430	
Jacksonville			\$333,098
Miami			\$442,984
Tampa			\$377,625
Orlando			\$358,921
Texas	22,634	5,230	
Austin			\$464,403
Dallas			\$380,463
Houston			\$320,393
San Antonio			\$307,374
North Carolina	5,619	2,319	\$363,544
Oklahoma	4,822	1,726	\$220,327
Nebraska	3,661	1,689	\$269,974
Hawaii	2,750	1,514	\$682,571
Pennsylvania	5,561	1,288	\$317,299
Mississippi	1,848	1,248	\$223,491
Indiana	4,953	1,194	\$258,941
Idaho	3,633	1,005	\$465,319

# How Can Affordability Recover?

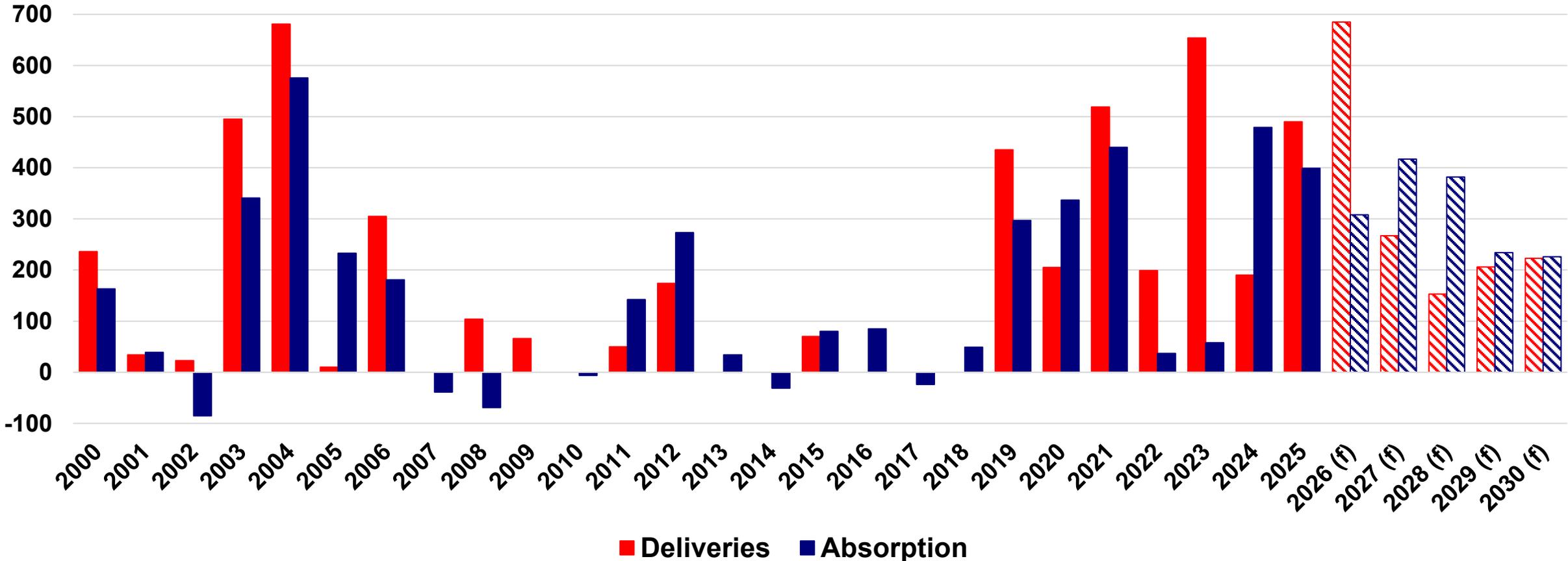
- Lower mortgage rates – likely but modest
- Lower housing prices – unlikely

## My wish list:

- More types of housing choice – smaller footprints
- Cities become more efficient – less regulation
- More supply

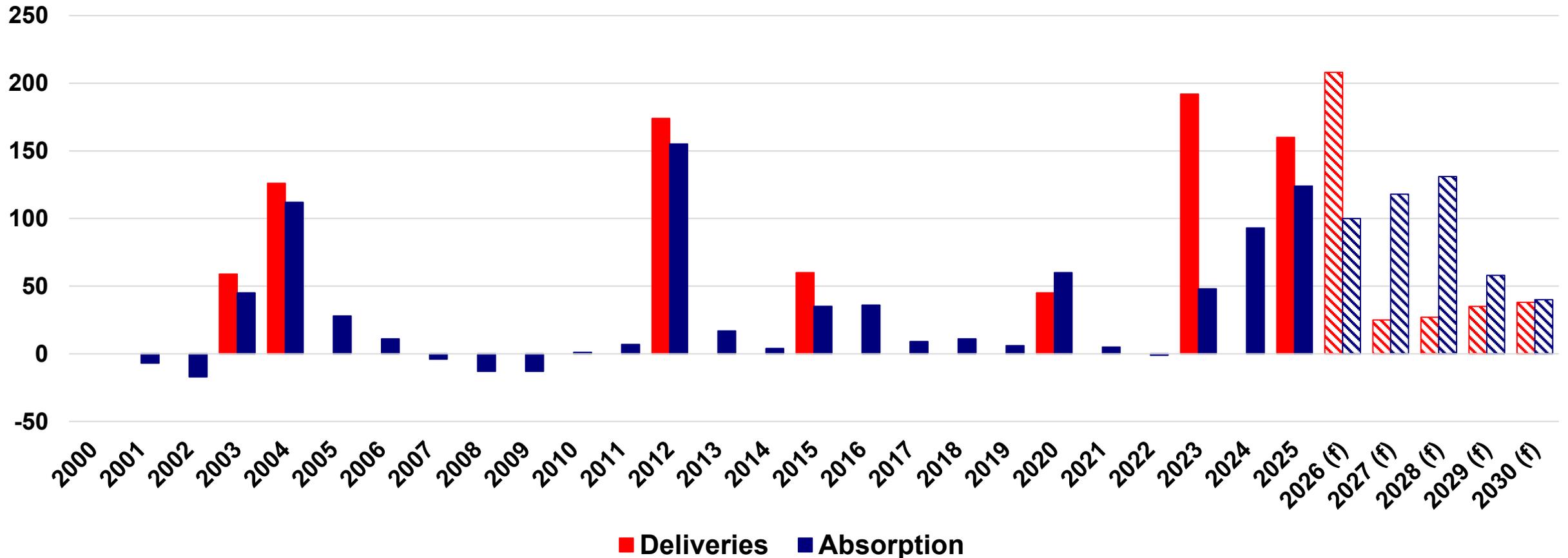
# Yavapai County Apartments Deliveries vs. Absorption

Source: CoStar; Elliott D. Pollack & Company



# Verde Valley Apartments Deliveries vs. Absorption

Source: CoStar; Elliott D. Pollack & Company

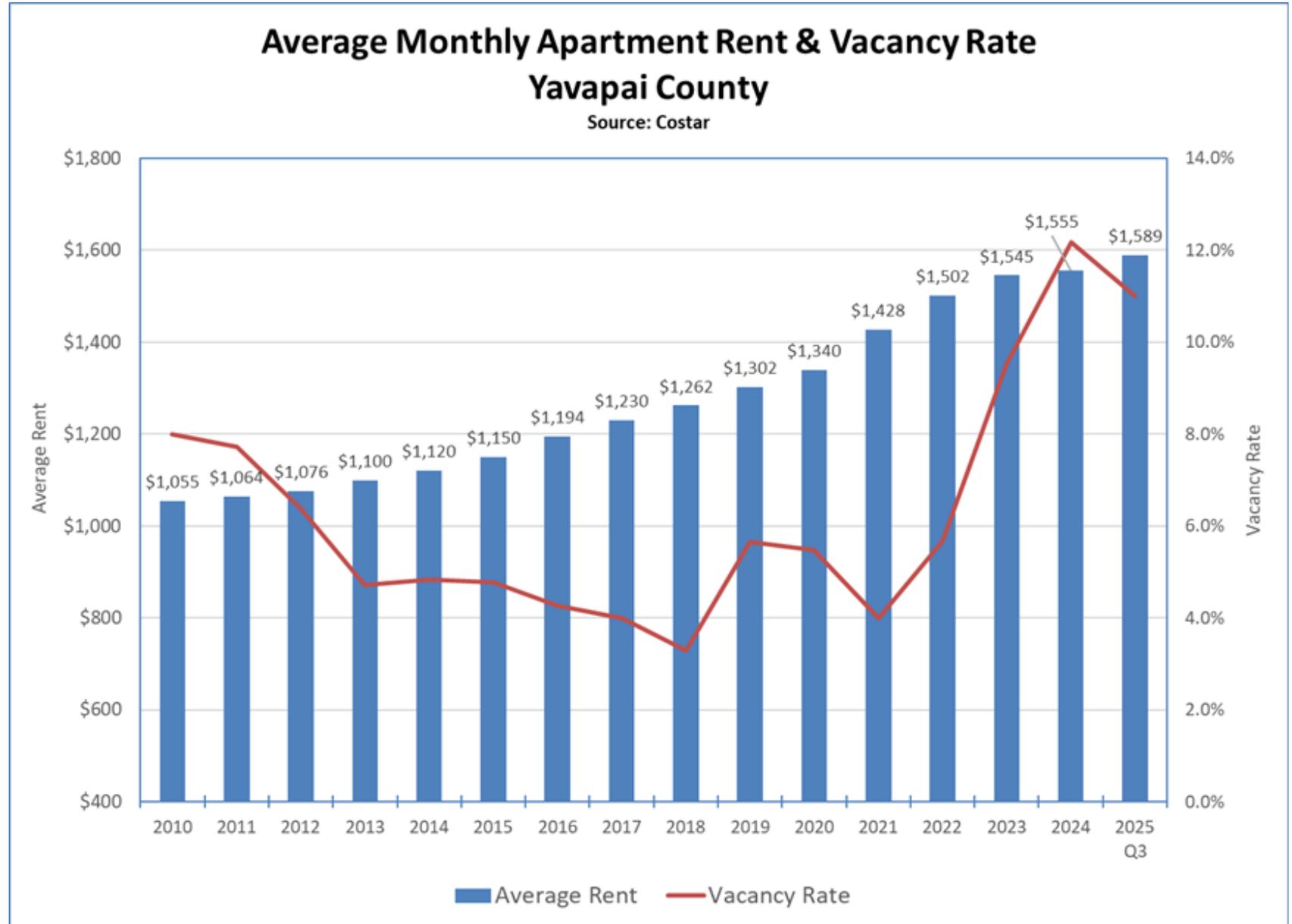


# Yavapai County Apartment Rents

## Required Income

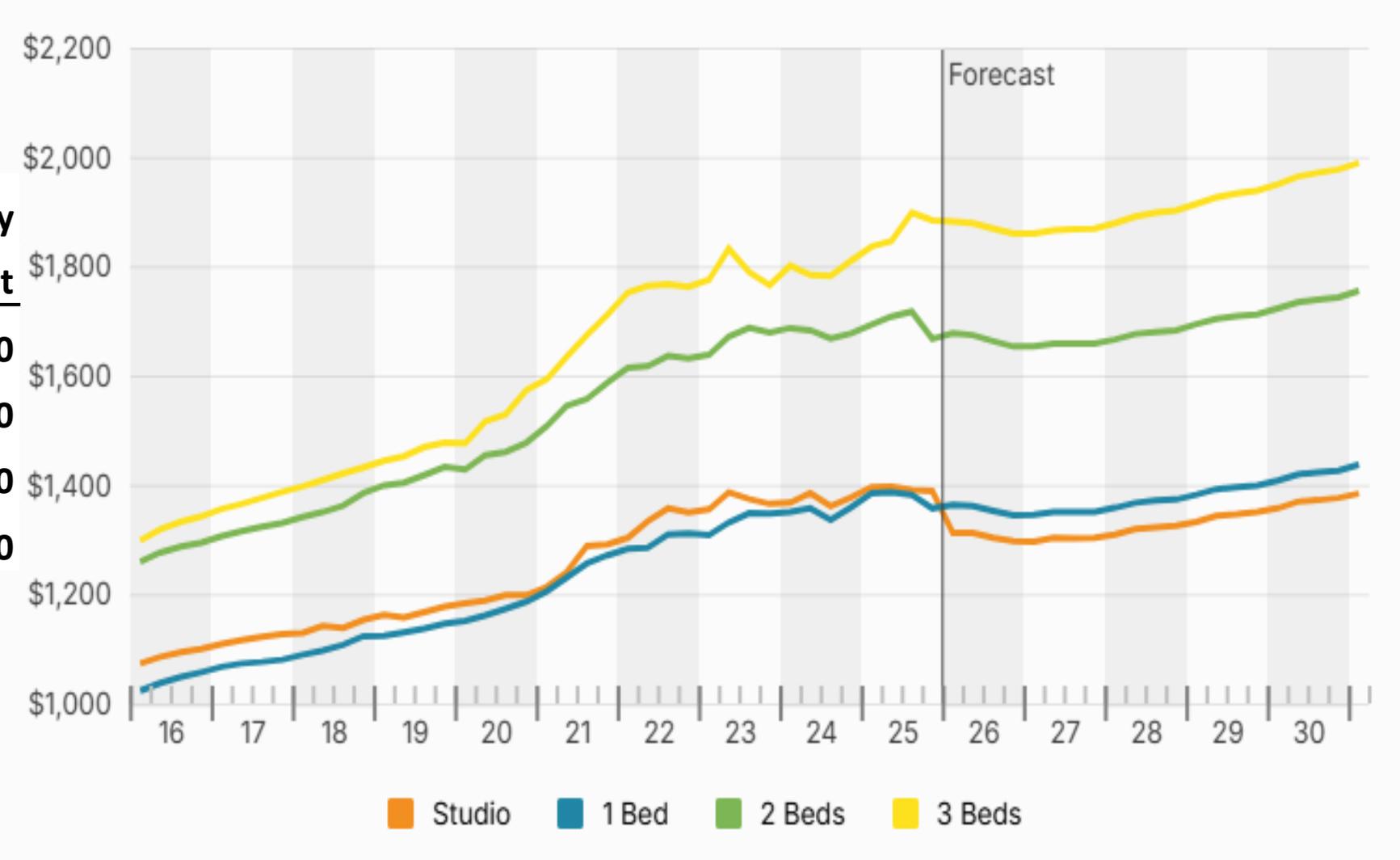
**2016: \$48,000**

**2025: \$64,000**



# Yavapai County Apartment Rents

Market Effective Rent Per Unit By Bedroom



Unit	Rent	Salary Requirement
Studio	\$1,389	\$55,600
1 Bed	\$1,357	\$54,300
2 Bed	\$1,667	\$66,700
3 Bed	\$1,884	\$75,400

Source: CoStar

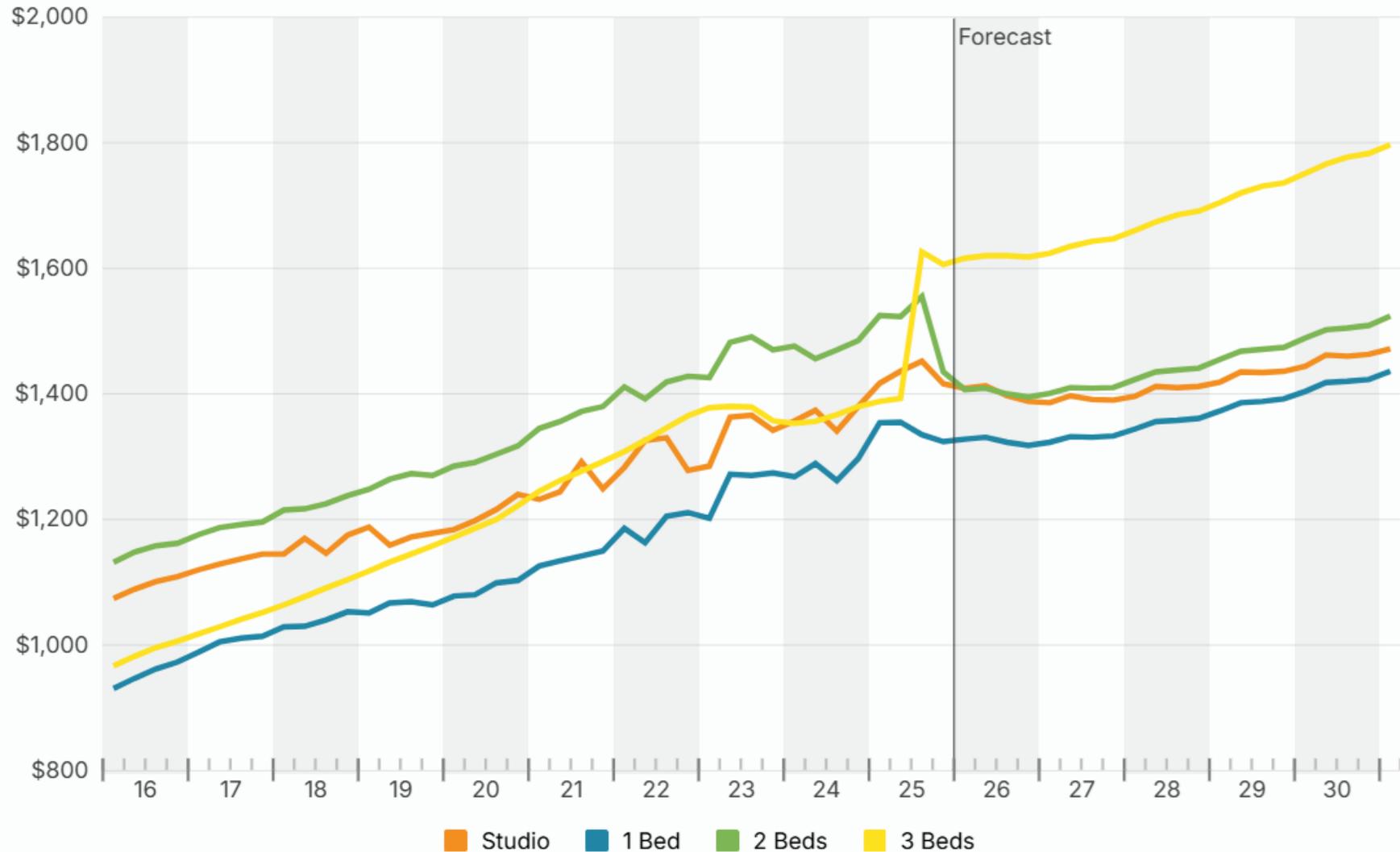
# Verde Valley Apartment Rents

Unit	Rent	Salary Requirement
Studio	\$1,416	\$57,000
1 Bed	\$1,324	\$53,000
2 Bed	\$1,435	\$57,500
3 Bed	\$1,606	\$65,000

Source: CoStar

**Only 5.8% vacancy**

Market Effective Rent Per Unit By Bedroom



**Apartments  
Affordable to  
Low and  
Moderate-  
Income  
Households –  
Virtually All in  
Cities/Towns**

<b>Affordable Apartment Complexes Yavapai County</b>		
<b>Community</b>	<b>Complexes</b>	<b>Units</b>
Camp Verde	3	219
Chino Valley	2	96
Cottonwood	7	446
Prescott	8	547
Prescott Valley	10	550
Sedona	1	24
Mayer	1	20
<b>Grand Total</b>	<b>32</b>	<b>1,902</b>
Source: Costar		

# Renter Cost Burden

Renter Housing Cost Burden								
Gross Rent as % of Household Income								
% of Income Spent on Housing	Unincorporated Yavapai County		Yavapai County Cities/Towns		Yavapai County		Arizona	
	Households	%	Households	%	Households	%	Households	%
<b>Total:</b>	<b>8,366</b>		<b>20,480</b>		<b>28,846</b>		<b>923,559</b>	
Less than 10.0 percent	643	7.7%	699	3.4%	1,342	4.7%	35,020	3.8%
10.0 to 14.9 percent	1,031	12.3%	1,646	8.0%	2,677	9.3%	70,637	7.6%
15.0 to 19.9 percent	399	4.8%	2,014	9.8%	2,413	8.4%	104,368	11.3%
20.0 to 24.9 percent	1,180	14.1%	2,851	13.9%	4,031	14.0%	115,422	12.5%
25.0 to 29.9 percent	684	8.2%	3,058	14.9%	3,742	13.0%	102,684	11.1%
30.0 to 34.9 percent	358	4.3%	1,575	7.7%	1,933	6.7%	80,245	8.7%
35.0 to 39.9 percent	371	4.4%	1,040	5.1%	1,411	4.9%	62,372	6.8%
40.0 to 49.9 percent	800	9.6%	1,670	8.2%	2,470	8.6%	83,870	9.1%
50.0 percent or more	1,407	16.8%	4,572	22.3%	5,979	20.7%	207,164	22.4%
Not computed	1,493	17.8%	1,355	6.6%	2,848	9.9%	61,777	6.7%
<b>Total Spending More Than 30%</b>	<b>2,936</b>	<b>35.1%</b>	<b>8,857</b>	<b>43.2%</b>	<b>11,793</b>	<b>40.9%</b>	<b>433,651</b>	<b>47.0%</b>
<b>Total Spending More Than 50%</b>	<b>1,407</b>	<b>16.8%</b>	<b>4,572</b>	<b>22.3%</b>	<b>5,979</b>	<b>20.7%</b>	<b>207,164</b>	<b>22.4%</b>

Source: ACS 2023 5-year estimate

# Overall Housing Cost Burden

Summary Housing Cost Burden Yavapai County & Unincorporated Area			
	Yavapai County	Unincorporated Area	% of County
<b>Renters</b>			
Households	28,846	8,366	29.0%
Paying more than 30% of income on housing	11,793	2,936	24.9%
<b>% paying more than 30% of income on housing</b>	<b>40.9%</b>	<b>35.1%</b>	
<b>Owners</b>			
Households	80,054	32,411	40.5%
Paying more than 30% of income on housing	19,420	8,053	41.5%
<b>% paying more than 30% of income on housing</b>	<b>24.3%</b>	<b>24.8%</b>	
<b>Total Households</b>			
Households	108,900	40,777	37.4%
Paying more than 30% of income on housing	31,213	10,989	35.2%
<b>% paying more than 30% of income on housing</b>	<b>28.7%</b>	<b>26.9%</b>	

Source: ACS 2023 5-year estimate

Forecasted Housing Demand By Income Unincorporated Yavapai County			
Income Range	Households	%	Housing Target
Less than \$25,000	1,131	16.0%	Rental Housing
\$25,000 to \$34,999	622	8.8%	Rental Housing
\$35,000 to \$49,999	771	10.9%	Rental Housing
<b>Sub-Total</b>	<b>2,524</b>	<b>35.7%</b>	
\$50,000 to \$74,999	1,279	18.1%	Ownership Housing
\$75,000 to \$99,999	1,055	14.9%	Ownership Housing
<b>Sub-Total</b>	<b>2,334</b>	<b>33.0%</b>	
\$100,000 to \$149,999	1,242	17.6%	
\$150,000 to \$199,999	432	6.1%	
\$200,000 or more	536	7.6%	
<b>Sub-Total</b>	<b>2,211</b>	<b>31.3%</b>	
<b>Total</b>	<b>7,067</b>	<b>100.0%</b>	

Sources: AZ Office of Economic Opportunity, ACS 5-Yr Estimates

# State Housing Legislation

- HB 2720 - Accessory Dwelling Units (ADUs) – cities over 75,000
- HB 2721 – Missing Middle Housing Bill - requires cities to allow townhomes, duplexes, triplexes, and fourplexes as a permitted use within certain residential areas – cities over 75,000
- SB 1162 - establishes timelines for review of zoning applications (within 180 days) – cities over 30,000
- HB 2447 - requires cities/towns to review and approve site plans, development plans, preliminary and final plats without a public hearing – does not apply to county land
- HB 2297 - establishes certain standards for adaptive reuse of commercial buildings. – cities over 150,000



Affordable Housing can only be accomplished by planning and developing higher density residential projects.



**Duplexes**



**Small Lot Single Family**

# Cluster Complexes & Townhomes



# ADUs & Manufactured Homes

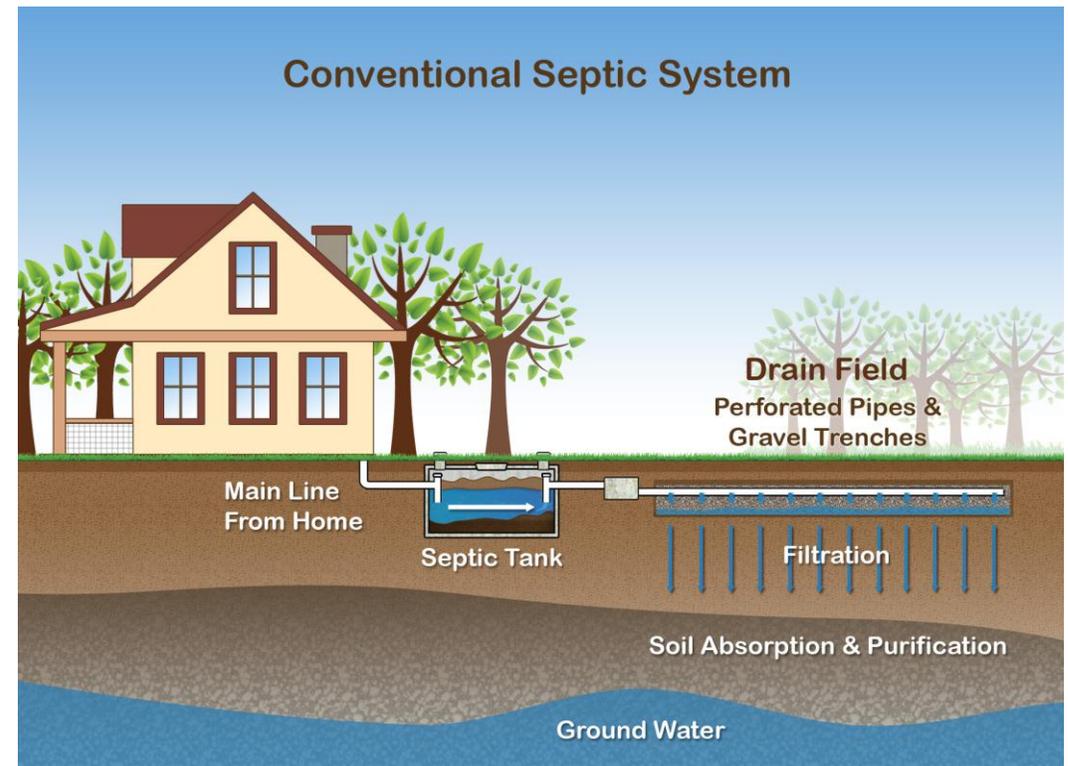


# Apartments & Assisted Living Facilities



# Where Can Moderate to High Density Housing Be Built in the Unincorporated Areas?

- Unincorporated areas have limited utility infrastructure based on septic systems.
- Higher density development typically needs to connect to a community sewer system.



# Why Should We Care?

- Housing is an economic development issue
  - Workforce for essential and desired services
  - Workers need affordable housing
  - High wage workers create additional lower wage workers
- Where does the next generation live?
- Quality of Life / Building Community
- The Lucky Helping the Unlucky