



Cottonwood Affordable Housing Study

May 2026



Elliott D. Pollack & Company
Court, Merritt, Pollack, & Stevenson

Cottonwood Housing Study

- Phase 1: Housing Assessment



- Phase 2: Housing Strategy



What is Affordable Housing?

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.



Affordable Housing

- Term typically used to describe housing for low and moderate-income households.
- Incomes are less than 60% of the area median income as determined by HUD (for family of 3 in Yavapai County, \$51,540)
- Housing resources usually come from state and federal programs: public housing, LIHTC housing, vouchers.



Workforce Housing



- Used to describe households earning 60% to 120% of area median income (\$51,540 to \$114,500 for family of 3).
- These households earn too much for state or federal assistance, but not enough to affordably rent or purchase market rate housing.
- Often are referred to as critical service personnel: teachers, police, firefighters, construction workers, etc.



The Missing Middle

- Housing demand for workforce households.



Demographics



Population Characteristics



Age & Average Household Size			
	Cottonwood	Yavapai County	Arizona
Median Age	54.7	55.1	39.0
Average household size	1.87	2.17	2.53
Owner-occupied unit	1.94	2.19	2.60
Renter-occupied unit	1.79	2.11	2.38

Source: ACS 2024 5-year estimate

Change in Population By Age 2019 - 2024 Cottonwood				
Age Range	2019	2024	Change	% Change
Under 25 Years	3,260	2,284	(976)	-29.9%
25-59 Years	4,304	4,698	394	9.2%
60 Year & Older	4,395	5,598	1,203	27.4%
Totals	11,959	12,580	621	5.2%
Median Age	46.0	54.7		18.9%

Source: ACS 2024 5-year estimate



**The typical renter
can afford a rent of
\$816 per month
with \$150 for
utilities**



Households By Income						
	Cottonwood		Yavapai County		Arizona	
	Units	%	Units	%	Units	%
Occupied Units	6,592		111,157		2,856,081	
Less than \$10,000	508	7.7%	5,558	5.0%	142,804	5.0%
\$10,000 to \$14,999	587	8.9%	3,668	3.3%	77,114	2.7%
\$15,000 to \$24,999	587	8.9%	8,003	7.2%	165,653	5.8%
\$25,000 to \$34,999	778	11.8%	9,004	8.1%	188,501	6.6%
\$35,000 to \$49,999	870	13.2%	13,228	11.9%	299,889	10.5%
\$50,000 to \$74,999	1,140	17.3%	19,675	17.7%	471,253	16.5%
\$75,000 to \$99,999	659	10.0%	16,674	15.0%	385,571	13.5%
\$100,000 to \$149,999	936	14.2%	17,674	15.9%	525,519	18.4%
\$150,000 to \$199,999	356	5.4%	8,448	7.6%	268,472	9.4%
\$200,000 or more	171	2.6%	9,226	8.3%	331,305	11.6%
Mean income	\$65,176		\$92,313		\$108,273	
Median income	\$48,448		\$69,613		\$79,964	
Homeowner Median	\$57,466		\$77,724		\$94,251	
Renter Median	\$38,656		\$53,668		\$57,682	
Source: ACS 2024 5-year estimate						

**Cottonwood
household
incomes have
not kept pace
with County
trends**

Median Household Income Trends 2019 & 2024			
	Cottonwood	Yavapai County	Arizona
2019			
Overall median income	\$42,500	\$52,451	\$58,945
Owner occupied	\$48,248	\$59,038	\$71,923
Renter occupied	\$31,003	\$36,548	\$41,419
2024			
Overall median income	\$48,448	\$69,613	\$79,964
Owner occupied	\$57,466	\$77,724	\$94,251
Renter occupied	\$38,656	\$53,668	\$57,682
Percent change			
Overall median income	14.0%	32.7%	35.7%
Owner occupied	19.1%	31.7%	31.0%
Renter occupied	24.7%	46.8%	39.3%
Source: ACS 2019 & 2024 5-year estimates			



Forecast

2025-2040 Population Forecast													
Place	Actual								Forecast				
	2010	2015	2020	2021	2022	2023	2024	2025	2030	2035	2040	2025-2040 Change	2025-2040 % Change
Camp Verde	10,900	11,504	12,147	12,216	12,430	12,495	12,390	12,465	13,487	14,513	15,554	3,089	24.8%
Chino Valley	10,844	11,294	13,113	13,429	13,662	13,833	13,915	13,890	15,008	15,820	16,535	2,645	19.0%
Clarkdale	4,100	4,078	4,426	4,563	4,792	4,920	4,964	4,941	5,291	5,641	5,997	1,056	21.4%
Cottonwood	11,226	11,263	12,048	12,185	12,296	12,688	12,658	12,796	13,345	13,641	13,877	1,081	8.4%
Dewey - Humboldt	3,899	3,993	4,369	4,440	4,488	4,550	4,584	4,613	4,845	4,991	5,119	506	11.0%
Jerome	441	453	464	467	467	463	459	454	455	457	459	5	1.1%
Prescott	39,825	42,143	45,985	46,826	47,450	47,697	48,082	48,403	50,957	52,520	53,833	5,430	11.2%
Prescott Valley	38,832	41,216	46,991	47,998	49,069	50,122	51,532	52,682	57,285	60,703	63,735	11,053	21.0%
Sedona*	7,183	7,126	7,137	7,178	7,228	7,245	7,197	7,163	7,299	7,302	7,284	121	1.7%
Wickenburg*	0	17	899	1,028	1,255	1,511	1,665	1,715	2,904	4,155	5,405	3,690	215.2%
Unincorporated Area	83,669	85,095	89,494	90,843	92,252	93,375	94,322	94,473	100,271	104,087	107,363	12,890	13.6%
Yavapai County	210,919	218,182	237,073	241,173	245,389	248,899	251,768	253,595	271,186	283,924	295,312	41,717	16.5%
*Cities in two counties													
Source: AZ OEO													



Housing Demand



2025-2040 Housing Demand	
Cottonwood	
Population change 2025-2040	1,081
Housing unit demand*	607
Average unit demand/year	40
Yavapai County	
Population change 2025-2040	41,717
Housing unit demand*	20,186
Average unit demand/year	1,346
*Includes a 5 % vacancy rate	
Sources: AZ OEO, U.S. Census	

However, over last 15 years, annual housing permitting has averaged 92 units including 54 single family homes.



Housing Market



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Cottonwood has a low percentage of single-family detached units, and a high percentage of multifamily units compared to the state and county.

Units in Structure						
	Cottonwood		Yavapai County		Arizona	
	Units	%	Estimate	%	Estimate	%
Total	7,237		126,095		3,192,839	
1, detached	3,203	44.3%	84,518	67.0%	2,048,854	64.2%
1, attached	186	2.6%	4,178	3.3%	165,025	5.2%
2	304	4.2%	2,915	2.3%	42,794	1.3%
3 or 4	825	11.4%	3,627	2.9%	104,146	3.3%
5 to 9	608	8.4%	3,154	2.5%	113,424	3.6%
10 to 19	-	0.0%	940	0.7%	119,556	3.7%
20 to 49	569	7.9%	1,955	1.6%	80,415	2.5%
50 or more	342	4.7%	2,279	1.8%	209,693	6.6%
Mobile home	1,185	16.4%	21,429	17.0%	297,009	9.3%
Boat, RV, van, etc.	15	0.2%	1,100	0.9%	11,923	0.4%
Source: ACS 2024 5-year estimate						

% apartments units 21%

7%

16%

Lots of Renters in Cottonwood

Households by Tenure						
	Cottonwood		Yavapai County		Arizona	
	Units	%	Units	%	Units	%
Total occupied units	6,592		111,157		2,856,081	
Owner occupied	3,533	53.6%	83,441	75.1%	1,924,098	67.4%
Renter occupied	3,059	46.4%	27,716	24.9%	931,983	32.6%
Source: ACS 2024 5-year estimate						

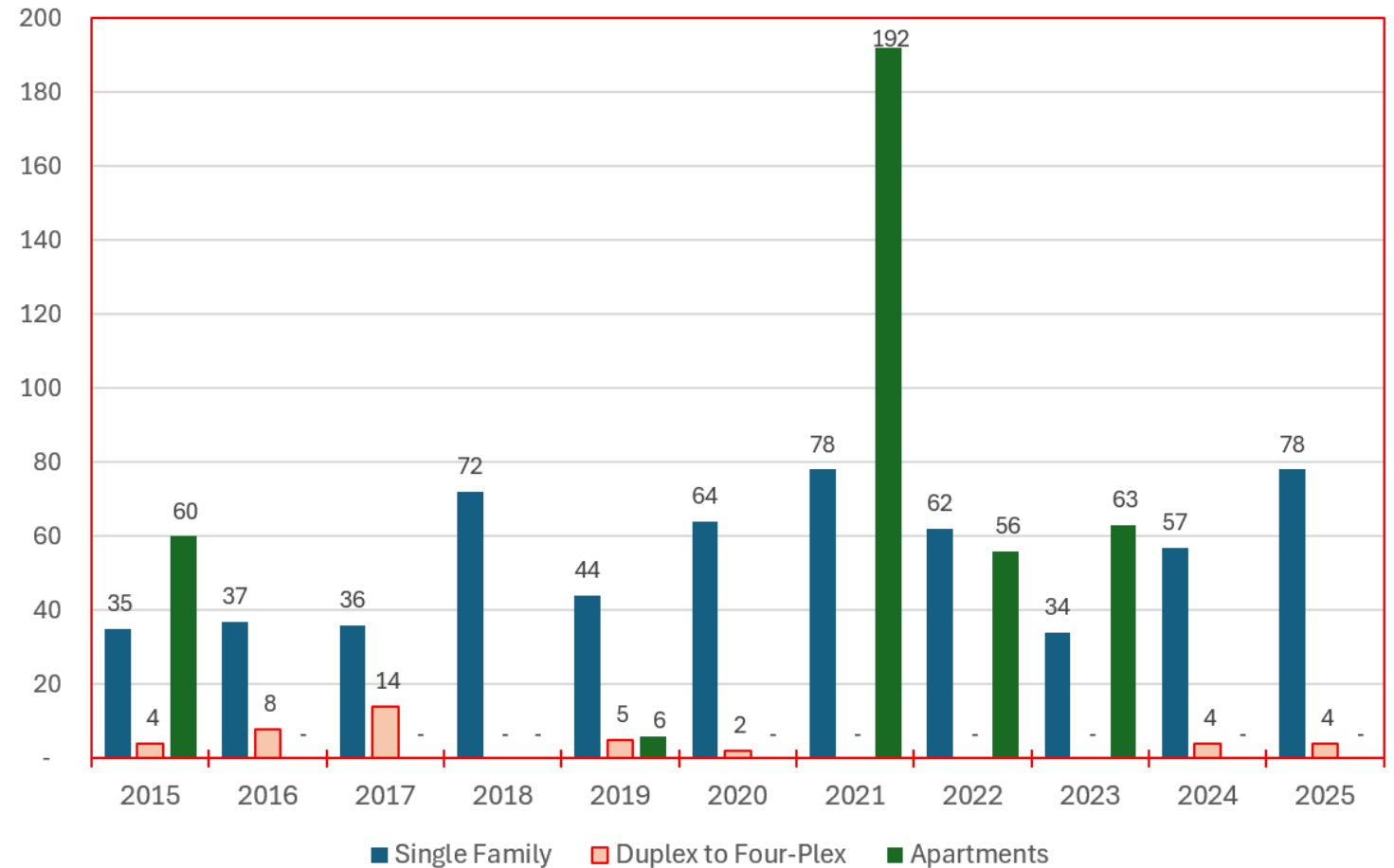


Housing Permits

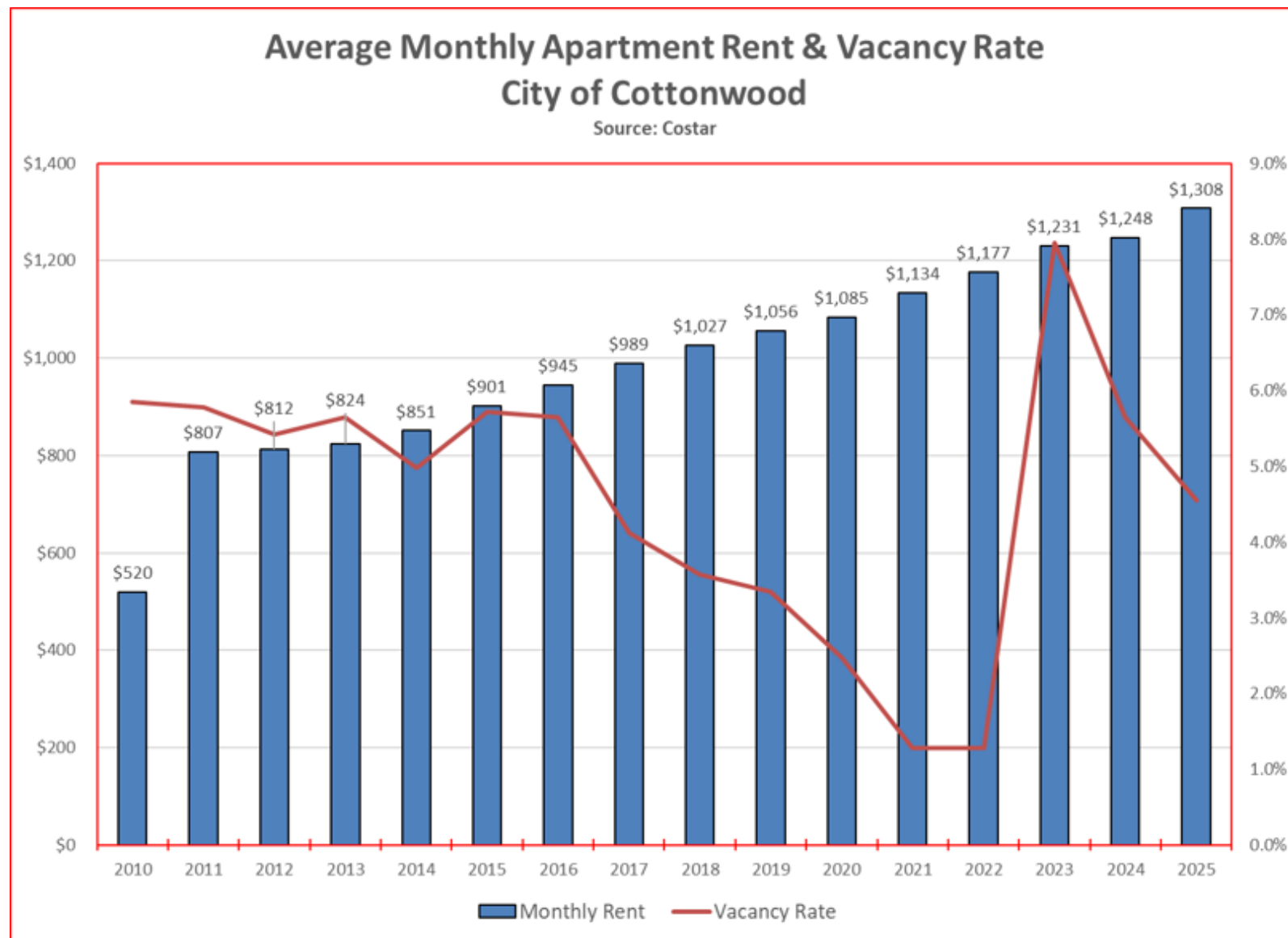


Cottonwood Residential Building Permits

Source: U.S. Census



The average apartment rent increased from \$1,056 in 2019 to \$1,308 in 2025 (24% increase). The average renter can afford \$966/month



Affordable Apartments



Low Income Housing Tax Credit Complexes			
Year	Project Name	Address	Units
1996	Courtside Apartments	220 South 6th Street	44
1996	Verde Vista Apartments	1720 E. Elm Street	72
2003	Aspen Ridge Apartments (aka Mingus Estates)	East Mingus Avenue	96
2014	Highland Square Senior Apartments	Mingus Avenue	60
2022	Verde Plaza	195 S 7th Street	70
2023	Granite Point Apartments	101 S. 6th St	36
Total affordable units			238
Conversion to market rate			140
Net affordable units			98
Source: AZ Dept. of Housing			

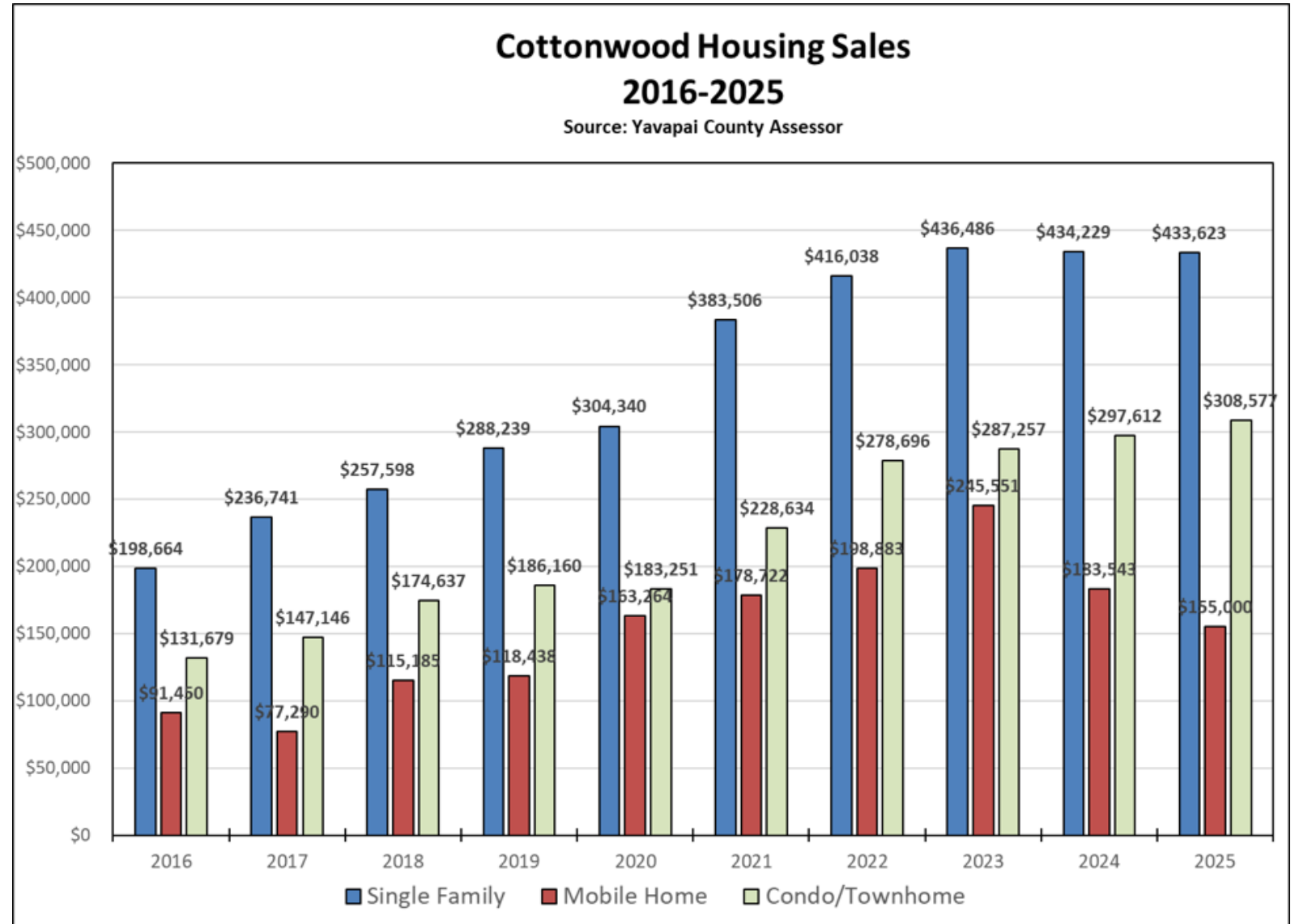
HUD Fair Market Rents - Yavapai County					
Year	Studio	1 BR	2 BR	3 BR	4 BR
2026	\$1,129	\$1,309	\$1,637	\$2,277	\$2,497
2025	\$1,101	\$1,293	\$1,606	\$2,216	\$2,548
Rent estimates include utilities					
Source: HUD					

What can the typical Cottonwood renter afford?

Apartment Affordability Cottonwood	
Average Rent	\$1,308
Utilities	\$150
Total Housing Cost	\$1,458
Required Income	\$58,320
Median Household Income	\$57,466
Renter Median Household Income	\$38,656
Sources: Costar, U.S. Census	



**Single
family
resale home
prices
increased
by 50%
since 2019,
an increase
of \$145,000**



Condos and townhomes are still affordable although prices increased by 66% since 2019. Limited inventory is an issue.

Cottonwood Housing Sales						
	Single Family		Mobile Homes		Condo/Townhomes	
	Avg. Price	Sales	Avg. Price	Sales	Avg. Price	Sales
2016	\$198,664	176	\$91,450	18	\$131,679	35
2017	\$236,741	199	\$77,290	10	\$147,146	57
2018	\$257,598	219	\$115,185	20	\$174,637	35
2019	\$288,239	188	\$118,438	27	\$186,160	36
2020	\$304,340	230	\$163,264	23	\$183,251	35
2021	\$383,506	236	\$178,722	27	\$228,634	38
2022	\$416,038	185	\$198,883	24	\$278,696	29
2023	\$436,486	123	\$245,551	24	\$287,257	23
2024	\$434,229	145	\$183,543	23	\$297,612	19
2025	\$433,623	107	\$155,000	15	\$308,577	13
Source: Yavapai County Assessor						



Affordability - Conventional Financing

The household earning the median income of about \$48,500 can afford a \$183,000 unit. In 2025, only 17 sales under \$200,000 occurred in the city out of 135 total sales.



Affordable Housing Payment Estimator Cottonwood	
	Calculation
House value	\$183,000
Down payment %	10%
Down payment	\$18,300
Closing costs (2%)	\$3,660
Total due at closing	\$21,960
Mortgage amount	\$164,700
Interest rate	6.00%
Loan term in years	30
% of income devoted to mortgage payment	30.0%
Monthly loan payment (P & I)	\$987
Monthly property tax, insurance, PMI	\$221
Total monthly payment	\$1,209
Yearly income required	\$48,348
Sources: EDP Co, Freddie Mac	



**Short term
rentals affect
the rental
market, but
only 4% of total
units in the city**

Short Term Rentals Yavapai County		
Community	Units	%
Prescott/PV/Chino Valley/Paulden/Dewey	1,026	21.0%
Clarkdale	35	0.7%
Cottonwood	288	5.9%
Cornville	146	3.0%
Camp Verde	77	1.6%
Rimrock	76	1.6%
Village of Oak Creek	640	13.1%
Sedona	2,555	52.3%
Seligman	16	0.3%
Wickenburg	20	0.4%
Mayer	4	0.1%
Total	4,883	100.0%
Source: AirDNA		



The Housing Gap



Renter Housing Burden

44% of all renters pay more than 30% of their income on housing.



2024 Renter Housing Cost Burden Gross Rent as % of Household Income						
Percent Spent on Housing	Cottonwood		Yavapai County		Arizona	
	Households	%	Households	%	Households	%
Total Households	3,059		27,716		931,983	
Less than 10.0 percent	205	6.7%	1,470	5.3%	34,432	3.7%
10.0 to 14.9 percent	368	12.0%	2,466	8.9%	68,197	7.3%
15.0 to 19.9 percent	169	5.5%	2,247	8.1%	102,993	11.1%
20.0 to 24.9 percent	276	9.0%	3,814	13.8%	114,501	12.3%
25.0 to 29.9 percent	574	18.8%	3,539	12.8%	102,473	11.0%
30.0 to 34.9 percent	332	10.9%	1,877	6.8%	80,518	8.6%
35.0 to 39.9 percent	174	5.7%	1,655	6.0%	64,306	6.9%
40.0 to 49.9 percent	197	6.4%	2,161	7.8%	87,737	9.4%
50.0 percent or more	636	20.8%	5,932	21.4%	214,791	23.0%
Not computed	128	4.2%	2,555	9.2%	62,035	6.7%
Total Spending More Than 30%	1,339	43.8%	11,625	41.9%	447,352	48.0%
Total Spending More Than 50%	636	20.8%	5,932	21.4%	214,791	23.0%

Source: ACS 2024 5-year estimate

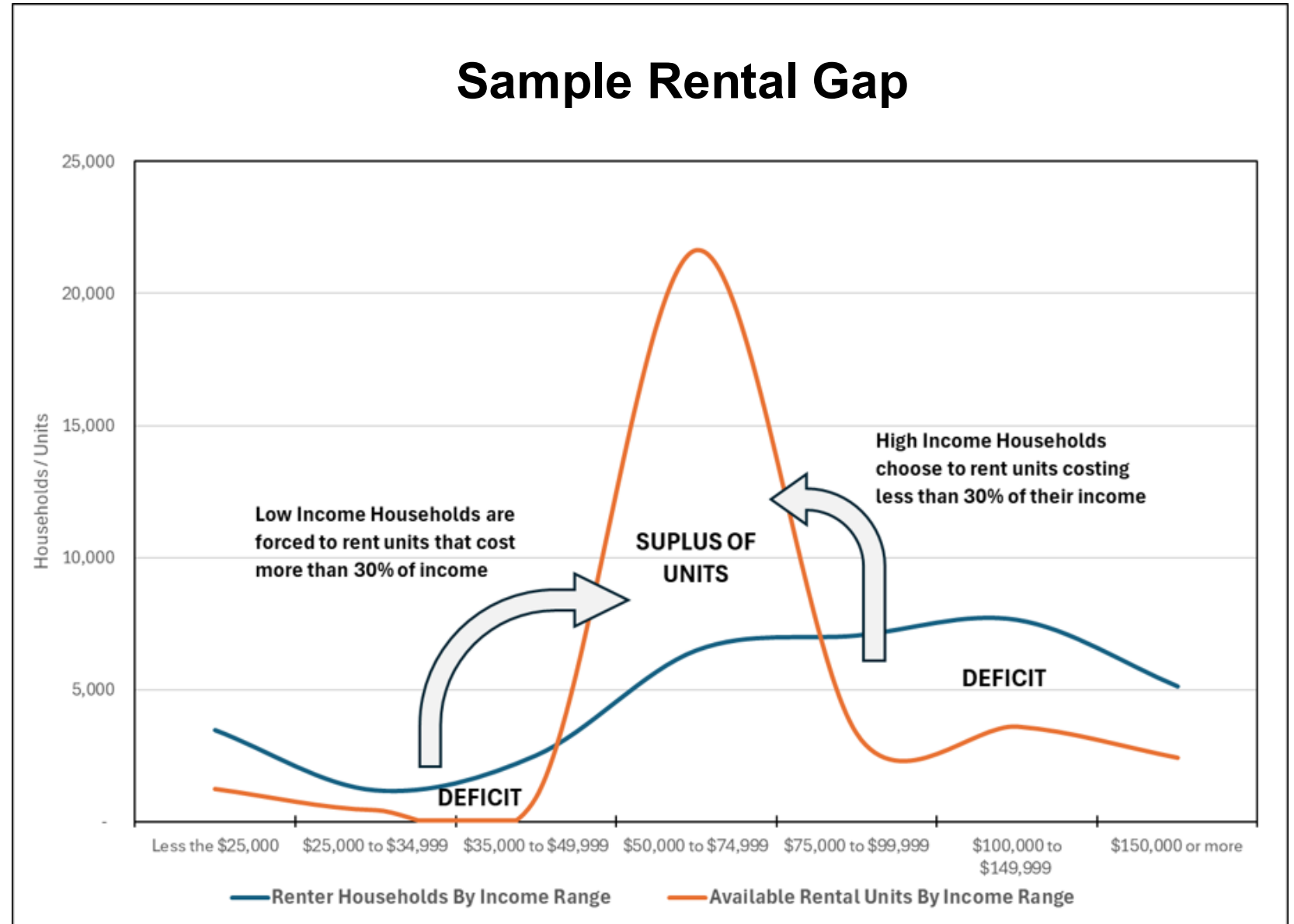
Owner Housing Burden

2024 Owner Housing Cost Burden						
Owner Costs as % of Household Income						
Percent Spent on Housing	Cottonwood		Yavapai County		Arizona	
	Households	%	Households	%	Households	%
Total Households	3,533		83,441		1,924,098	
Less than 10.0 percent	935	26.5%	22,955	27.5%	500,396	26.0%
10.0 to 14.9 percent	624	17.7%	13,646	16.4%	347,317	18.1%
15.0 to 19.9 percent	469	13.3%	11,600	13.9%	294,427	15.3%
20.0 to 24.9 percent	215	6.1%	8,337	10.0%	210,545	10.9%
25.0 to 29.9 percent	168	4.8%	5,662	6.8%	135,257	7.0%
30.0 to 34.9 percent	72	2.0%	3,977	4.8%	93,440	4.9%
35.0 to 39.9 percent	179	5.1%	2,734	3.3%	62,896	3.3%
40.0 to 49.9 percent	204	5.8%	3,492	4.2%	75,744	3.9%
50.0 percent or more	610	17.3%	10,398	12.5%	180,609	9.4%
Not computed	57	1.6%	640	0.8%	23,467	1.2%
Total Spending More Than 30%	1,065	30.1%	20,601	24.7%	412,689	21.4%
Total Spending More Than 50%	610	17.3%	10,398	12.5%	180,609	9.4%

Source: ACS 2024 5-year estimate



Gap Analysis



Affordability



Housing Affordability By Occupation

Occupation	Yavapai County 2024 Median Wage	Monthly Affordable Housing Cost (30% of Income)	Monthly Affordable Rent (Less Utilities)
Retail Salespersons	\$35,186	\$880	\$755
Waiters and Waitresses	\$35,679	\$892	\$767
Restaurant Cooks	\$35,878	\$897	\$772
Receptionists and Information Clerks	\$37,131	\$928	\$803
Nursing Assistants	\$42,074	\$1,052	\$927
Construction Laborers	\$45,331	\$1,133	\$1,008
Pharmacy Technicians	\$46,082	\$1,152	\$1,027
Middle School Teachers	\$46,773	\$1,169	\$1,044
Elementary School Teachers	\$47,080	\$1,177	\$1,052
Firefighters	\$47,231	\$1,181	\$1,056
Secondary School Teachers	\$47,706	\$1,193	\$1,068
Paramedics	\$48,334	\$1,208	\$1,083
Police and Sheriff's Patrol Officers	\$75,217	\$1,880	\$1,755
Registered Nurses	\$100,983	\$2,525	\$2,400

Prepared by the Arizona Office of Economic Opportunity in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics, April 2025



Future Housing Demand Through 2040

473 households will
earn less than
\$100,000 in income
(at today's income
ranges, excluding
inflation)

Forecasted Housing Demand Cottonwood			
Income Range	Households	%	Housing Target
Less than \$25,000	155	25.5%	Rental Housing
\$25,000 to \$34,999	72	11.8%	Rental Housing
\$35,000 to \$49,999	80	13.2%	Rental Housing
Subtotal	307	50.5%	
\$50,000 to \$74,999	105	17.3%	Ownership Housing
\$75,000 to \$99,999	61	10.0%	Ownership Housing
Subtotal	166	27.3%	
\$100,000 to \$149,999	86	14.2%	
\$150,000 to \$199,999	33	5.4%	
\$200,000 or more	16	2.6%	
Subtotal	135	22.2%	
Total Households	607	177.8%	
Source: AZ OEO, ACS 5-Year Estimates			



Initial Findings

- Cottonwood's population has aged rapidly. Growth since 2019 is almost entirely driven by residents over the age of 60.
- The labor force participation rate fell to approximately 48% in 2024, well below the statewide average.
- Household incomes are well below county and state averages. Poverty is above county and state averages.



Initial Findings

- Cottonwood has been discovered as an attractive place to retire – climate, lower housing prices.
- Homeownership opportunities are limited.
- Strong demand for subsidized housing.



Next Steps

Update Strategies From Prior Report



Thank You!



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