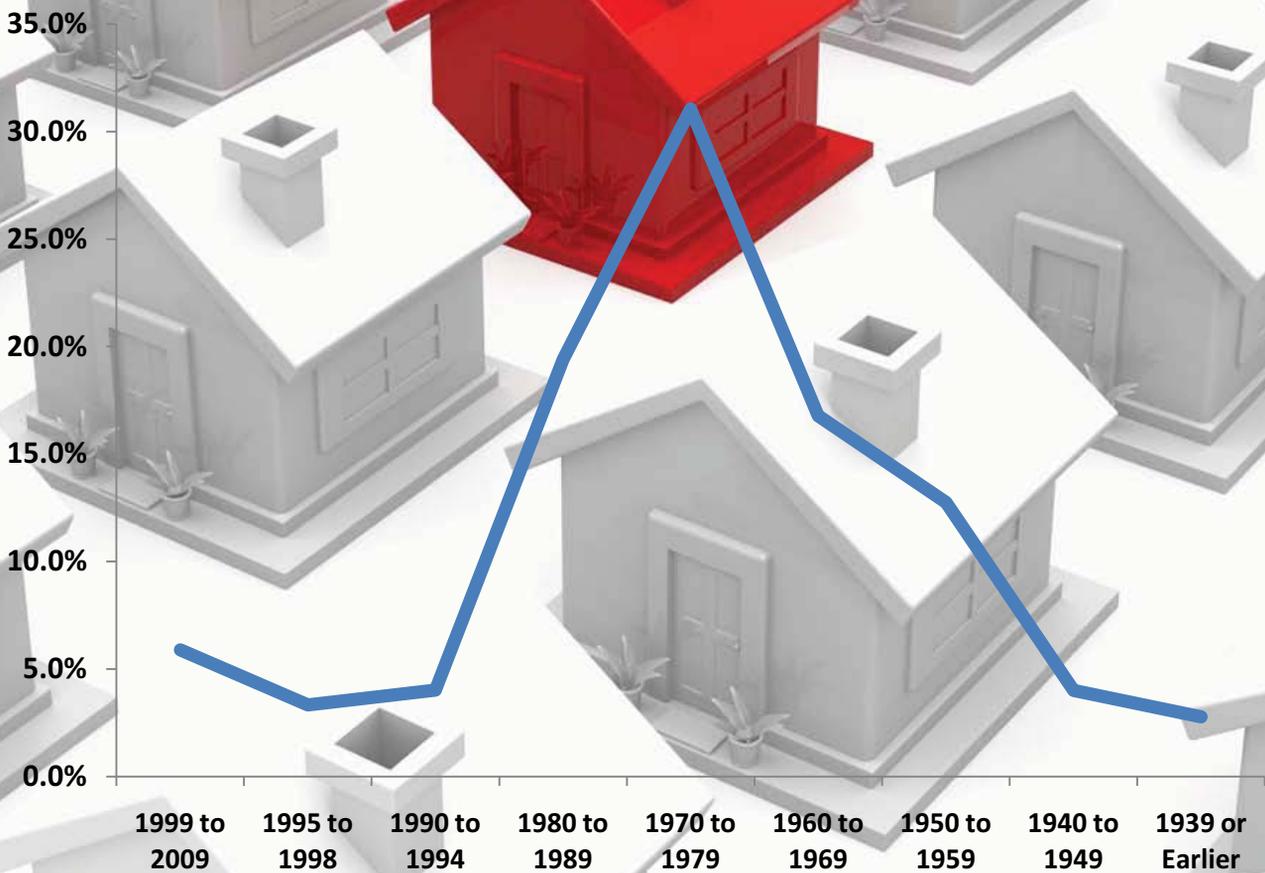


Housing Market Study



YEAR 2009 UPDATE

City of Clearwater

Economic Development and Housing Department



City Of Clearwater
Economic Development and Housing Department

Clearwater Housing Market Study

With the Assistance of:



July 2010

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I. Introduction

Project Overview

The City of Clearwater Housing Market Analysis is intended to compile, organize and analyze information regarding the trends of the City of Clearwater's housing market. This analysis is also intended to support the development of further recommendations within the Local Housing Assistance Plan (LHAP) and the development of the City's affordable housing programs under the coordination of the Economic Development and Housing Department.

This analysis focuses on the following aspects of the City of Clearwater's housing market: population characteristics, economic characteristics, housing stock characteristics and housing market trends.

The findings of this analysis are based on the best available data. The research conducted utilized various sources of data considered to be reliable and professionally acceptable. Considering the ongoing changes in the housing market at the time at which this analysis was performed, no warranty or representation is made by the consultants regarding actions and strategies that may result from the information included in this report.

Methodology (Updated)

Wade Trim held meetings with the staff of the City's Economic Development and Housing Department to define the scope of the report as well as the critical variables of the analysis. Below is a description of the variables included in the analysis:

Population Characteristics

- Population and growth trends, age and gender, race, educational attainment, household size and characteristics, and household income.

Economic characteristics

- Major employers, employment by industry, employment by occupation, unemployment rates, and commuting and travel time to work.

Housing Stock Characteristics

- Supply side of the market, in terms of number of units and type, size, tenure (owner vs. renter), age, etc. These indicators are vital to the overall opportunity for housing in Clearwater.

Housing Market Analysis

- The residential land supply, building permit trends, home values, trends of the sales and rental housing market in the last four years, and foreclosure rates. Includes the identification of low income households and income-affordability.

Wade Trim evaluated professionally acceptable sources of data prior to performing the analysis and selected the following sources:

- U.S. Census;
- The State of Florida, Agency for Workforce Innovation;
- U.S. Bureau of Labor Statistics;
- Florida Data Clearinghouse - University of Florida Shimberg Center for Affordable Housing;
- Pinellas Realtor Association;
- Pinellas County Property Appraiser;
- Pinellas County GIS;
- City of Clearwater Planning Department (Building Permits);
- State of the Cities Data Systems - Comprehensive Housing Affordability Strategy (CHAS) Data;
- Pinellas County Economic Development Department; and the
- Bay Area Apartments Association

Most of the updated information included in this report is derived from estimates prepared by Nielson/Claritas (a commercial source of demographic information) for Pinellas County Economic Development in 2009 and for Wade Trim in 2010, as well as the State of Florida's Agency for Workforce Innovation and the Bay Area Apartment Association.

The following sections are updated:

Methodology (page 2)

Population Growth (page 5)

Household Income (page 11)

Employment by Industry (page 15)
Unemployment (page 16)
Tenure (page 22)
Home Values (page 33)
Sales Market (page 34)
Rental Market (page 44)
Summary of Findings (page 56)

Maps associated with these sections are based on best available geographic data provided by the Pinellas County Property Appraiser and Pinellas County GIS in 2009.

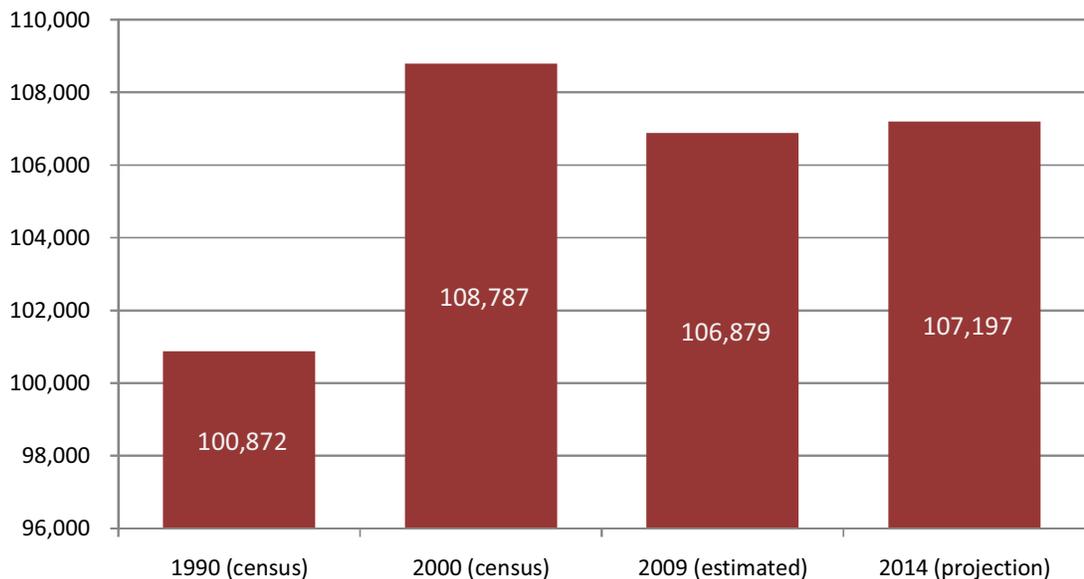
II. Population Characteristics

Population Growth (Updated)

The City of Clearwater is approximately 21 square miles in size and is located in Pinellas County on the west coast of Florida between the Gulf of Mexico and Tampa Bay. Clearwater is the county seat of Pinellas County and shares boundaries with the municipalities of Largo, Dunedin, Safety Harbor, Belleair Beach and the Town of Belleair. Along with the cities of St. Petersburg and Tampa, Clearwater is one of the most urbanized areas within the Tampa Bay region.

According to estimates and projections prepared by Claritas and provided by Pinellas County Economic Development Department, the estimated total population in the City of Clearwater for 2009 was 106,879 inhabitants, or 11.5 percent of the Pinellas County population.¹ The City’s projections for the next five years show the population increasing to 107,197 inhabitants.² Chart 1 shows changes in population from 1990 to 2014.

Chart 1
Population (1990-2014)



Source: U.S. Census 1990 and 2000; estimates and projections by Claritas 2010

¹ Pinellas County population as estimated by Claritas for year 2009: 928,947 residents

² These projections are prepared under a methodology developed by Claritas (www.claritas.com)

Due to the availability of developable land, the City of Clearwater experienced an accelerated rate of growth (7.85 percent) during the period of 1990-2000. As the supply of developable land has decreased, the City’s rate of growth has slowed. During the period of 2000-2009, the City’s rate of growth was -1.75 percent, indicating that the City actually lost population during this time.

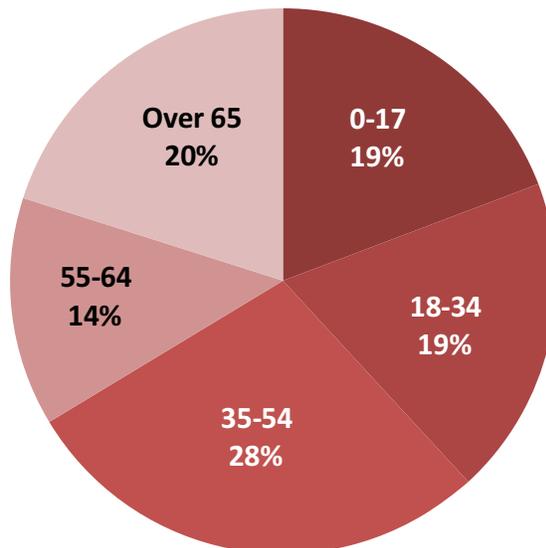
These estimates and projections were prepared using a methodology developed by Claritas, a commercial source of demographic information and one of the nation’s largest data providers. Claritas bases its estimates and projections upon past census data. It is possible that these results do not reflect the impact of redevelopment and annexation activities within the City. However, considering the recent nationwide economic downturn, the housing crisis and the lack of vacant land for new development within the City, this report considers such data professionally appropriate.

Gender and Age

In terms of gender, it is estimated that 48.3 percent of the City’s population is male while 51.7 percent is female. The median age for females is estimated to be 45.9 and for males is estimated to be 41.3.

For 2008, the median age for the City of Clearwater is 43.8, while the average age is 43.3. Five years from now, the median age is projected to be 45.5. Approximately 48 percent of the total population of the City is 45 years of age or older.

Chart 2
Population by Age Group (2008)



Race

In terms of race, it is estimated that 80.8 percent of the population in the City of Clearwater is White Alone, 10.5 percent is Black or African American Alone, 0.4 percent is American Indian and Alaska Naturalized Alone, 2.0 percent is Asian Alone, and 0.1 percent is Naturalized Hawaiian and Other Pacific Island. Alone, 3.8 percent is Some Other Race, and 2.4 percent is Two or More Races.

The City’s estimated current Hispanic or Latino population is 14.5 percent, the majority of which originate from Mexico, Puerto Rico, or Cuba. For the United States, the estimated current Hispanic or Latino population is 15.2 percent.

Educational Attainment

Currently, it is estimated that 8.4 percent of the City’s population ages 25 and older had earned a Master's, Professional or Doctorate Degree, and 15.6 percent had earned a Bachelor's Degree. In comparison, for the United States, it is estimated that for the population ages 25 and older, 8.9 percent had earned a Master’s, Professional or Doctorate Degree, while 15.8 percent had earned a Bachelor's Degree. Table 1 shows the population ages 25 or older by educational attainment.

Table 1
Population Age 25 + by Educational Attainment (2008)

Grade	Number	Percentage
Less than 9th grade	3,131	4%
Some High School, no diploma	9,083	12%
High School Graduate (or GED)	22,755	29%
Some College, no degree	18,836	24%
Associate Degree	6,091	8%
Bachelor's Degree	12,290	16%
Master's Degree	4,111	5%
Professional School Degree	1,922	2%
Doctorate Degree	620	1%
Total	78,839	100%

Source: Estimates by Claritas, 2008

Number of Households

During the period from 2000 to 2008, the number of households in Clearwater is estimated to have decreased from 48,449 to 47,673, or -1.6 percent. By 2013, the number of households is projected to have decreased by -1.4 percent.

Out of the estimated 47,673 households in 2008, 56.4 percent are considered family households while 43.6 percent are non-family households. For the same year, 58.7 percent of Pinellas County households are considered family households while 41.3 percent are non-family households.

Map 1 shows the estimated household density for the year 2008.

Household Size

According to Claritas, the estimated average household size in Clearwater for the year 2008 is the same as Pinellas County, 2.17 persons. Approximately 85 percent of the households in Clearwater are three-person households or smaller (see Table 2). This percentage reflects the City’s significant senior population.

Table 2
Household Size (2008)

Household Size	Number	Percentage
1-person household	17,004	36%
2-person household	17,323	36%
3-person household	6,355	13%
4-person household	4,164	9%
5-person household	1,729	4%
6-person household	651	1%
7 or more person household	447	1%
Total	47,673	100%

Source: Estimates by Claritas, 2008

Maps 2 shows the estimated average household size for the year 2008.



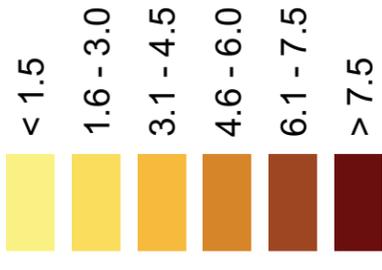
Housing Market Analysis

MAP 1 Household Density Year 2008

- Other Municipalities
- Unincorporated Pinellas County
- Major Road

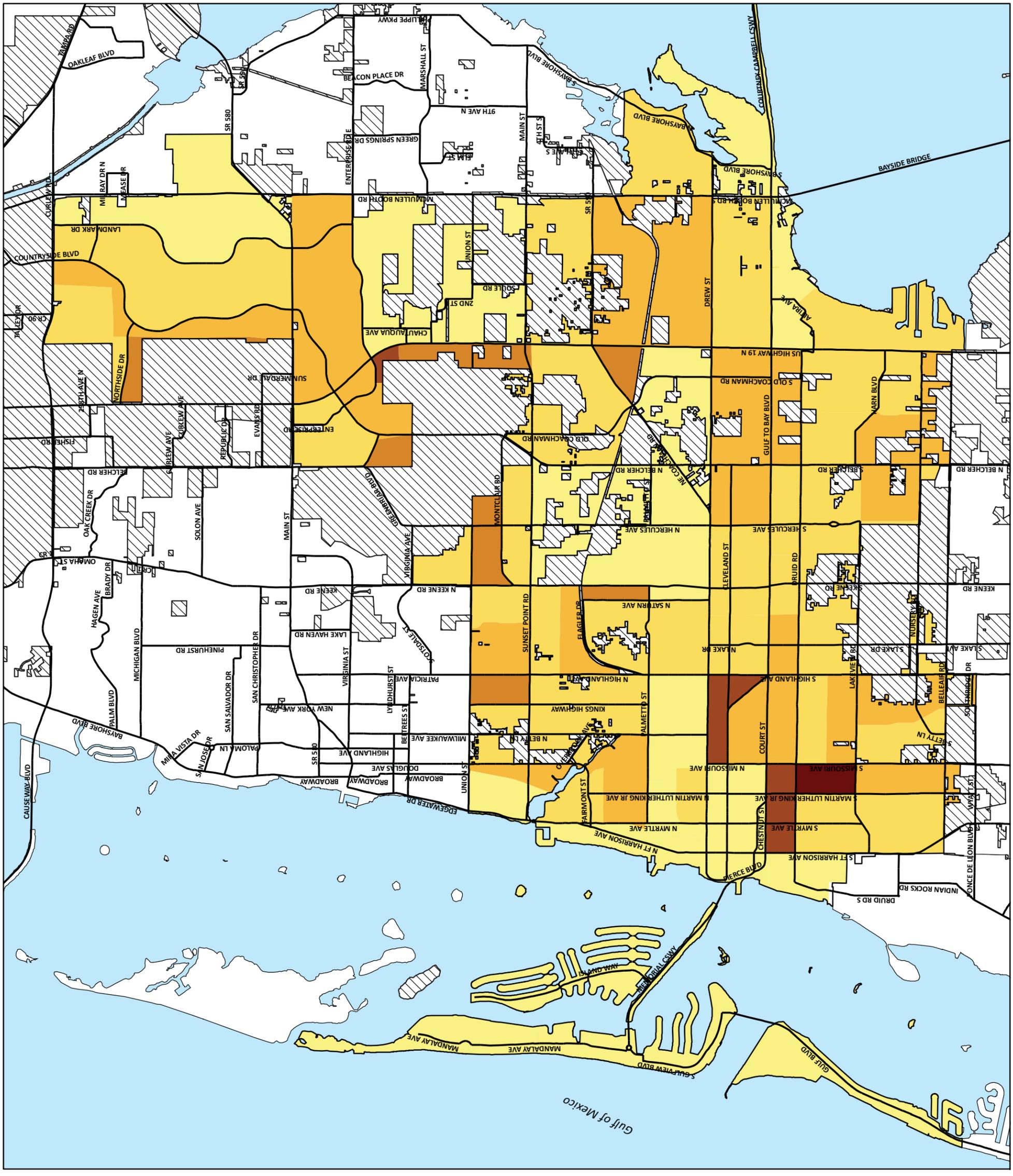
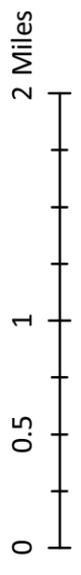
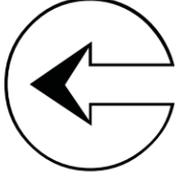
Household Density, 2008

Number of Households per Acre



Source: Pinellas County GIS, "Parcels" 2009; Pinellas County Property Appraiser Database, 2009; Nielson Claritas Estimates/Projections as provided by Pinellas County Economic Development, 2009.

Prepared by Wade Trim, Inc., February 2009.





Housing Market Analysis

MAP 2

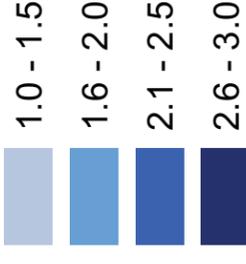
Average Household Size

Year 2008

-  Other Municipalities
-  Unincorporated Pinellas County
-  Major Road

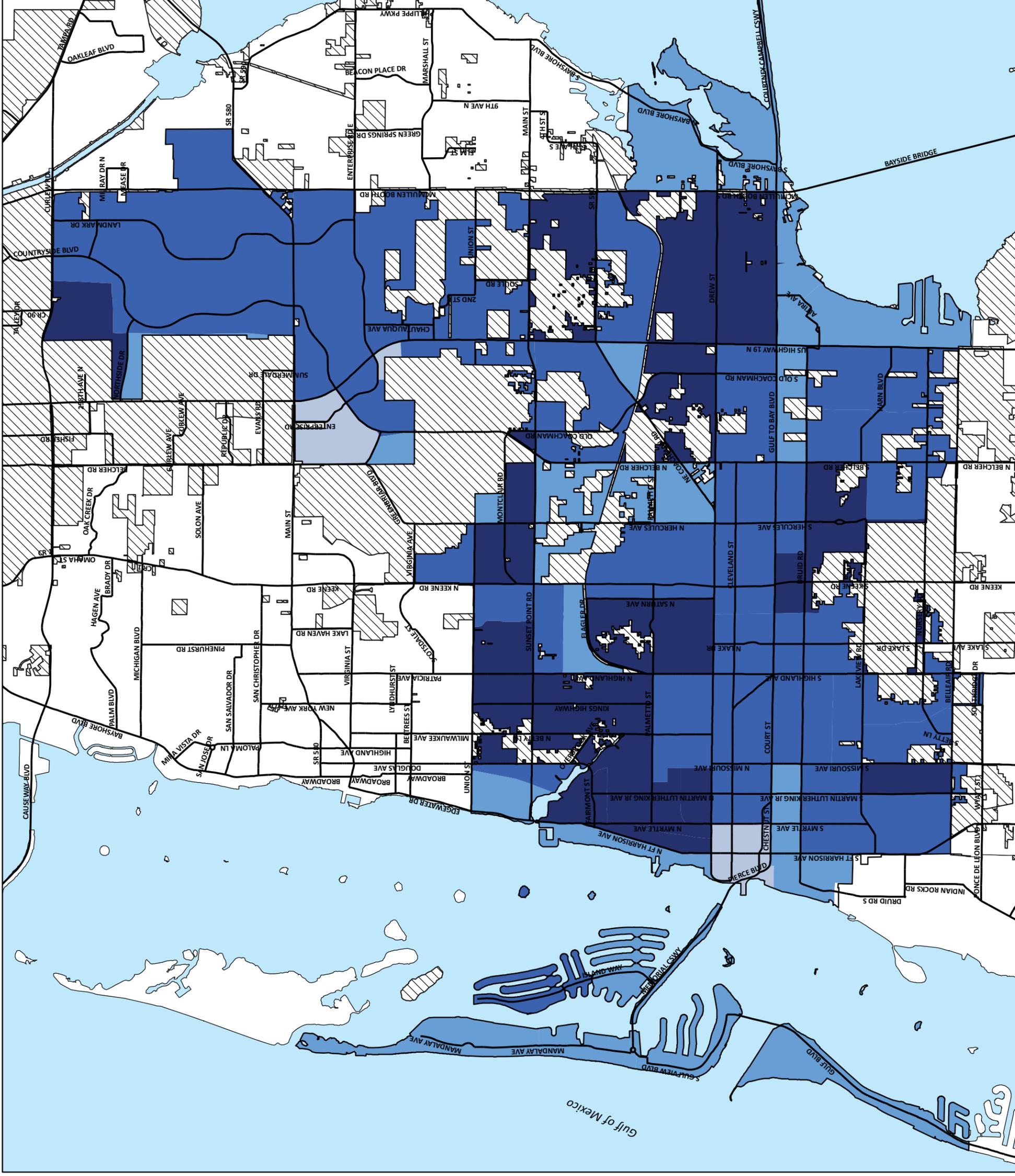
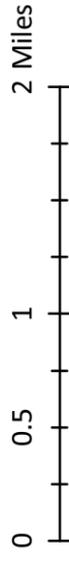
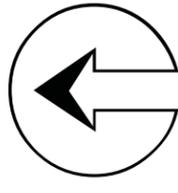
Average Household Size, 2008

Number of Persons per Household



Source: Pinellas County GIS, "Parcels" 2009; Pinellas County Property Appraiser Database, 2009; Nielson Claritas Estimates/Projections as provided by Pinellas County Economic Development, 2009.

Prepared by Wade Trim, Inc., February 2009.



Household Income (Updated)

The average household income in the City of Clearwater for 2009 is estimated to be \$60,255, while the average household income for Pinellas County and the United States is estimated to be \$62,962 and \$69,376 respectively for the same year.

According to Claritas’ forecast, the average household income in the City over the next five years is projected to increase 9.9 percent (from \$60,255 to \$66,225). The United States is projected to experience a 10.3 percent increase in average household income during that same time period.

In 2009, an estimated 26 percent of the City’s households had an income below \$25,000. Nearly 56 percent had an income below \$50,000. Table 1 shows the distribution of households by income (see Map 3).

In 2009, the median household income for the City of Clearwater was \$44,850 while Pinellas County’s was \$45,674 (see Map 4).

Table 3
Household Income (2009)

Household Income	Number	Percentage
Income Less than \$15,000	6,480	13.7%
Income \$15,000 - \$24,999	5,778	12.3%
Income \$25,000 - \$34,999	6,038	12.8%
Income \$35,000 - \$49,999	8,036	17.0%
Income \$50,000 - \$74,999	9,187	19.5%
Income \$75,000 - \$99,999	4,810	10.2%
Income \$100,000 - \$149,999	4,368	9.3%
Income \$150,000 - \$249,999	1,712	3.6%
Income \$250,000 - \$499,999	539	1.1%
Income \$500,000 and more	198	0.4%
Total	47,146	100.0%

Source: Estimates by Claritas, 2010



Housing Market Analysis

MAP 3

Average Household Income

Year 2009

- Other Municipalities
- Unincorporated Pinellas County
- Major Road

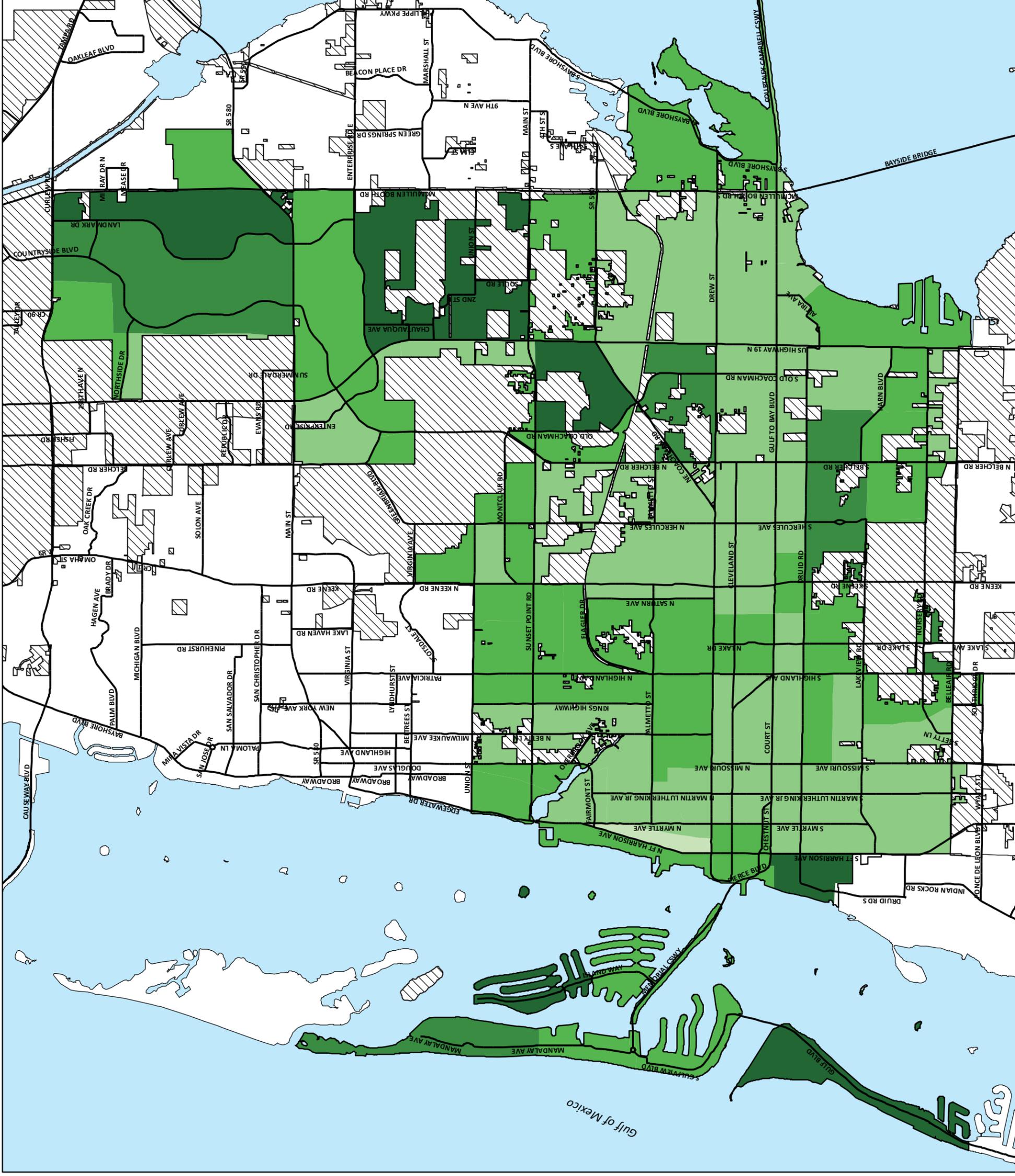
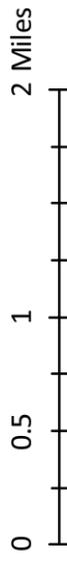
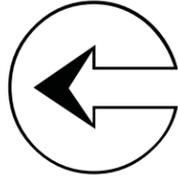
Average Household Income, 2009

Total Income per Household

- < \$25,000
- \$25,000 - \$50,000
- \$50,000 - \$75,000
- \$75,000 - \$100,000
- > \$100,000

Source: Pinellas County GIS, "Parcels" 2009; Pinellas County Property Appraiser Database, 2009; Nielson Claritas Estimates/Projections as provided by Pinellas County Economic Development, 2010.

Prepared by Wade Trim, Inc., 2010.





Housing Market Analysis

MAP 4

Median Household Income

Year 2009

-  Other Municipalities
-  Unincorporated Pinellas County
-  Major Road

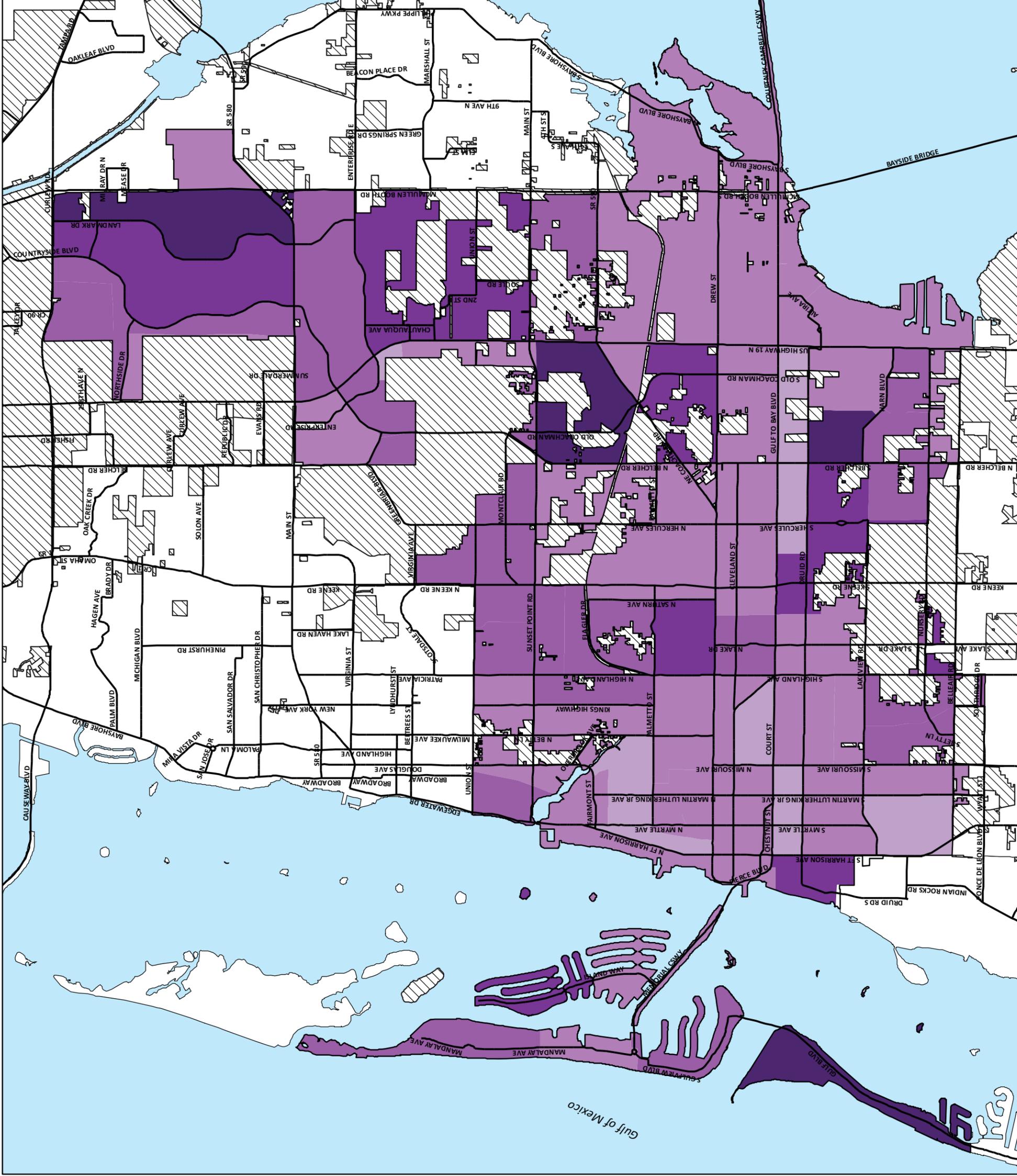
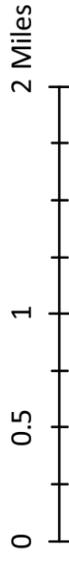
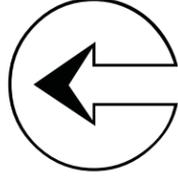
Median Household Income, 2009

Total Household Income

-  < \$30,000
-  \$30,000 - \$45,000
-  \$45,000 - \$60,000
-  \$60,000 - \$75,000
-  > \$75,000

Source: Pinellas County GIS, "Parcels" 2009; Pinellas County Property Appraiser Database, 2009; Nielson Claritas Estimates/Projections as provided by Pinellas County Economic Development, 2010.

Prepared by Wade Trim, Inc., 2010.



III. Economic Characteristics

Major Employers

Similar to Pinellas County and the State of Florida, one of Clearwater’s most notable industries is tourism, since the City serves as a gateway to the Gulf of Mexico beaches. The City of Clearwater is responsible for over one-third of the tourist tax collections in Pinellas County, and the impact of tourism on Clearwater’s economy is over \$1.3 billion dollars annually. According to the Clearwater Regional Chamber of Commerce, the tourism industry is the number one employer in the City.

According to Pinellas County Economic Development Department, the City also has other important industries such as manufacturing, information technologies, marine sciences, medical technologies and financial service industries. Some of the top private employers are: Morton Plant Health System, Barnett Recovery Systems, Tech Data, Marine Max, and Special Data Processing. Among the top public employers are the Pinellas County School District, the City of Clearwater, and Pinellas County.

Table 4 shows the major industries in Clearwater.

Table 4
Major Establishments in Clearwater by Industry (2008)

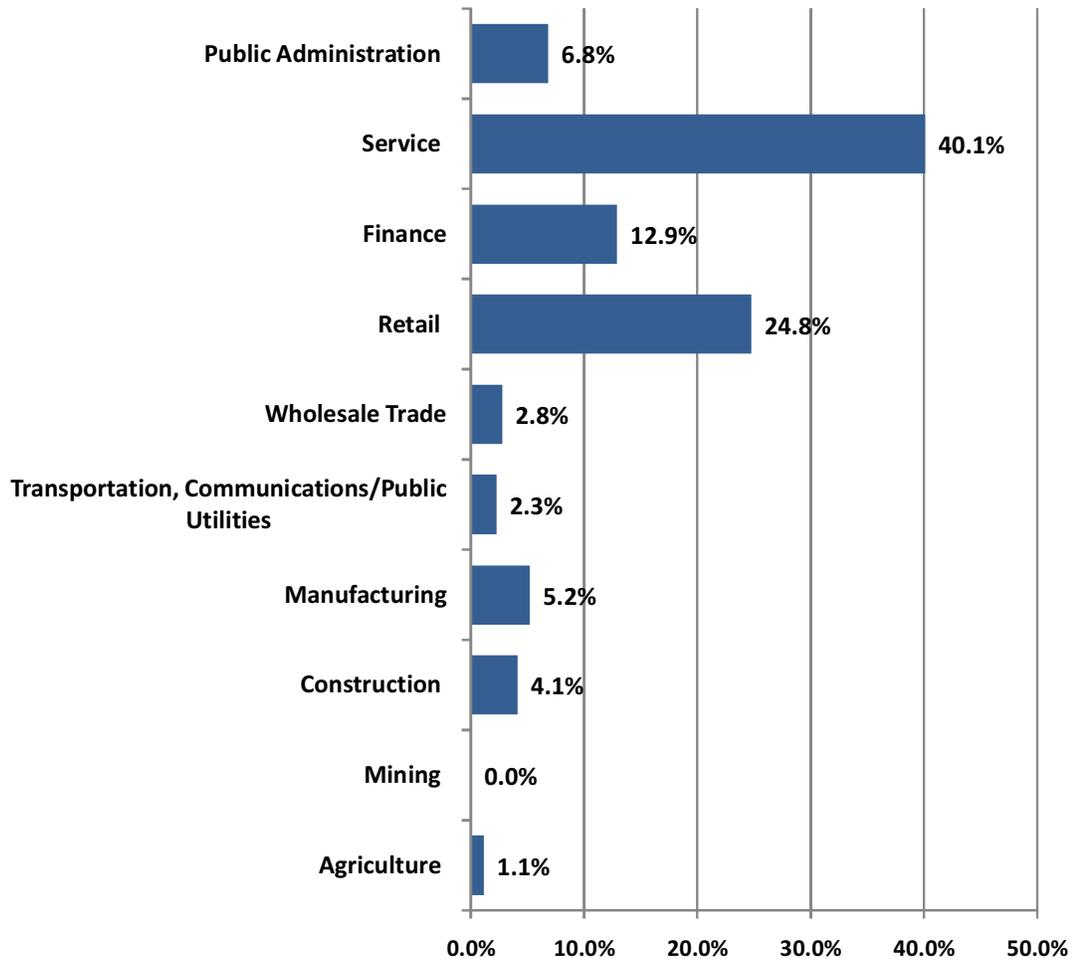
Industry	Total Establishments	Percentage
Agriculture	166	2%
Mining	1	0%
Construction	470	6%
Manufacturing	281	4%
Transportation, Communications/Public Utilities	240	3%
Wholesale Trade	236	3%
Retail	1,450	19%
Finance	1,036	14%
Service	3,469	46%
Public Administration	176	2%
Total	7,525	100%

Source: Estimates Claritas, 2008

Employment by Industry (Updated)

According to the State of Florida, Agency for Workforce Innovation, the City of Clearwater had an estimated labor force of 52,625 employees at the end of 2009. Chart 3, shows the percentage of employees by industry.

Chart 3
Percentage of Employees by Industry (2009)



Source: Estimates Claritas, 2010

Employment by Occupation

In 2008, approximately 47.7 percent of the population over the age of 16 was employed. The employed population is distributed into the following occupation types: 18.1 percent are blue collar, 65.5 percent are white collar, and 16.3 percent are service and farm workers.

Table 5 shows the civilian employed population ages 16 and older by occupational category.

Table 5
Employed Population Over 16 Years of Age
by Occupational Category (2008)

Occupation	Percentage
Management, Business, and Financial Operations	15%
Professional and Related Occupations	20%
Service	16%
Sales and Office	31%
Farming, Fishing, and Forestry	0%
Construction, Extraction and Maintenance	8%
Production, Transportation and Material Moving	10%
Total	100%

Source: Estimates Claritas, 2008

Unemployment (Updated)

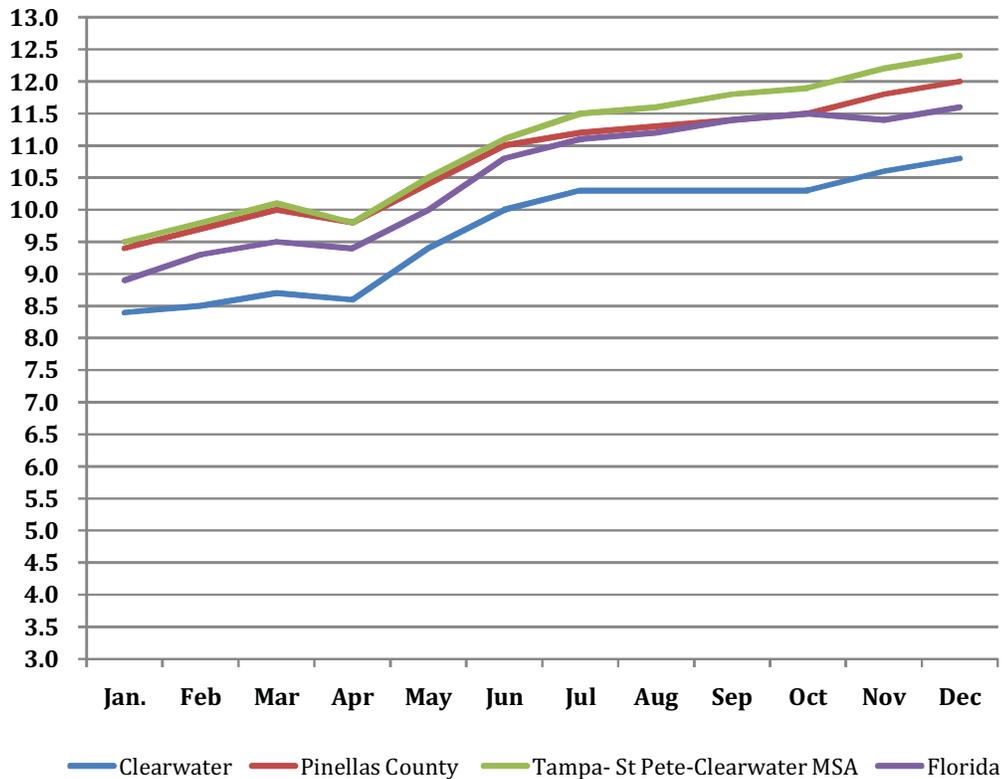
Table 6 shows a comparison of unemployment rates between the City and other jurisdictional/geographical units within the State of Florida for 2009. According to the State of Florida Agency for Workforce Innovation, in 2009, the City of Clearwater unemployment rate went from 8.4 (January) to 10.8 (December). However, as Chart 4 shows, the City had the lowest unemployment rate when compared with Pinellas County, the Tampa Bay area and the State of Florida.

Table 6
Unemployment Rate Comparison (2009)

Month	Clearwater	Pinellas County	Tampa- St Pete- Clearwater MSA	Florida
Jan.	8.4	9.4	9.5	8.9
Feb	8.5	9.7	9.8	9.3
Mar	8.7	10.0	10.1	9.5
Apr	8.6	9.8	9.8	9.4
May	9.4	10.4	10.5	10.0
Jun	10.0	11.0	11.1	10.8
Jul	10.3	11.2	11.5	11.1
Aug	10.3	11.3	11.6	11.2
Sep	10.3	11.4	11.8	11.4
Oct	10.3	11.5	11.9	11.5
Nov	10.6	11.8	12.2	11.4
Dec	10.8	12.0	12.4	11.6

Source: State of Florida, Agency for Workforce Innovation, 2010: Local Area Unemployment Statistics, released March 10, 2010

Chart 4
Unemployment Rate Comparison (2009)



Source: State of Florida, Agency for Workforce Innovation, 2010: Local Area Unemployment Statistics, released March 10, 2010

Travel Time

Approximately 75 percent of the City’s workforce drive alone in their cars to work, while only three percent use public transportation. The estimated average travel time to work for those employed and over 16 years of age is 24.74 minutes.

Table 7
Estimated Travel Time to Work – 16 Years and Older (2008)

Time to work	Percentage
Less than 15 Minutes	31%
15 - 29 Minutes	40%
30 - 44 Minutes	19%
45 - 59 Minutes	6%
60 or more Minutes	4%
Total	100%

Source: Estimates Claritas, 2008

IV. Housing Characteristics

In the year 2000, the City of Clearwater had a total of 56,726 dwelling units. It is estimated that by the year 2008, the housing stock increased to almost 60,000 units.⁴

Units by Type

The relative distribution of housing types in the City has shifted significantly over the past 28 years. Table 8 reflects this shift. In 1980, single-family dwelling units accounted for over 50 percent of all dwelling units in the City. By 2000, multi-family and mobile homes accounted for over 55.7 percent of all dwelling units in the City. This shift represents a 6.4 percent decrease in single-family dwelling units, while the number of multi-family dwelling units grew by 5.2 percent. Overall, mobile homes increased by 1.2 percent since 1980.

Table 8
Units by Type (1980-2008)

Housing Types	Percentage of Total Housing Units			
	1980	1990	2000	2008*
Single-family	50.7	45.7	44.8	44.3
Multi-family	43.8	47.0	48.4	49.0
Mobile Home	5.5	7.3	6.8	6.7
	100.0	100.0	100.0	100.0

Sources: U.S. Census for 1980, 1990 and 2000;

* Estimated based on 2000 units plus new residential units construction permits 2000-2008
 (Provided by the City's Planning Department)

According to the Pinellas County Property Appraiser in January 2009, 64.7 percent of the City's residential parcels are occupied by single family residences (see Table 9 and Map 5).

⁴ The 60,000 units are estimated taking into account the total number of the dwelling units published by the 2000 U.S. Census plus new residential building permits from 2000 to 2008.

Table 9
Occupied Residential Parcels by Existing Land Use Type (2009)

Residential Land Use (Existing)	Percentage
Single Family	68%
Duplex/Triplex	3%
Mobile Homes	4%
Multi-Family Condos	12%
Multi-Family Apartments < 10 units	1%
Multi-Family Apartments >10 units	7%
Multi-Family Assisted Living Facilities < 10 units	0%
Multi-Family Assisted Living Facilities > 10 units	2%
Time Shares	0%
Planned Unit Development	2%
Subdivision Common Areas/Associations	2%
	100%

Source: Pinellas County Property Appraiser, 2009

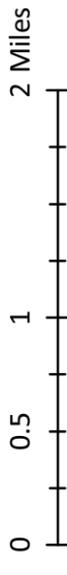
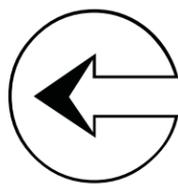
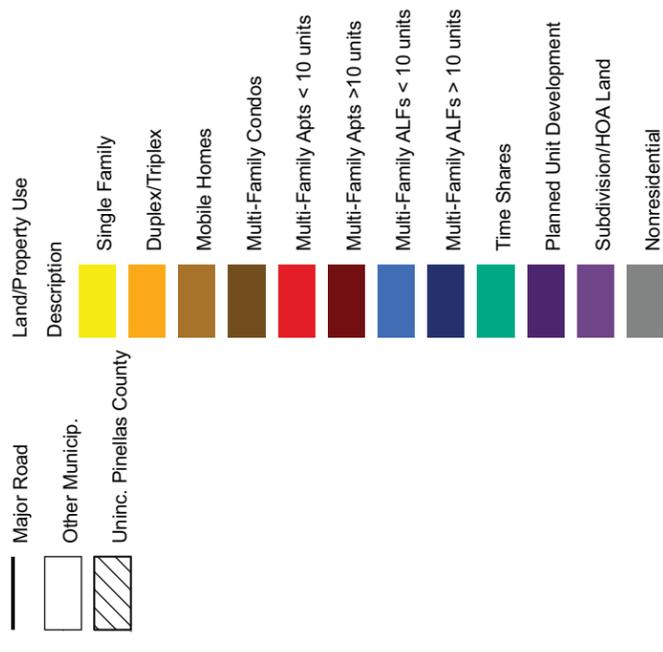
As available vacant land decreases throughout the City, it is likely that the percentage of multi-family housing will continue to grow. An increasing multi-family housing supply can be a strong support for the success of mixed use and infill development.

Conversely, as the available vacant land decreases within the City, it is likely that the percentage of mobile homes will continue to decrease. This loss of mobile home units has both positive and negative impacts on the City’s housing stock. Positively, the elimination of mobile homes, particularly those that are in poor condition, reduces the exposure to risk of significant damage or destruction of these mobile homes from hurricanes and other severe weather events. Negatively, the loss of mobile homes reduces the diversity of housing stock within the City, which could impact affordability and housing choice.



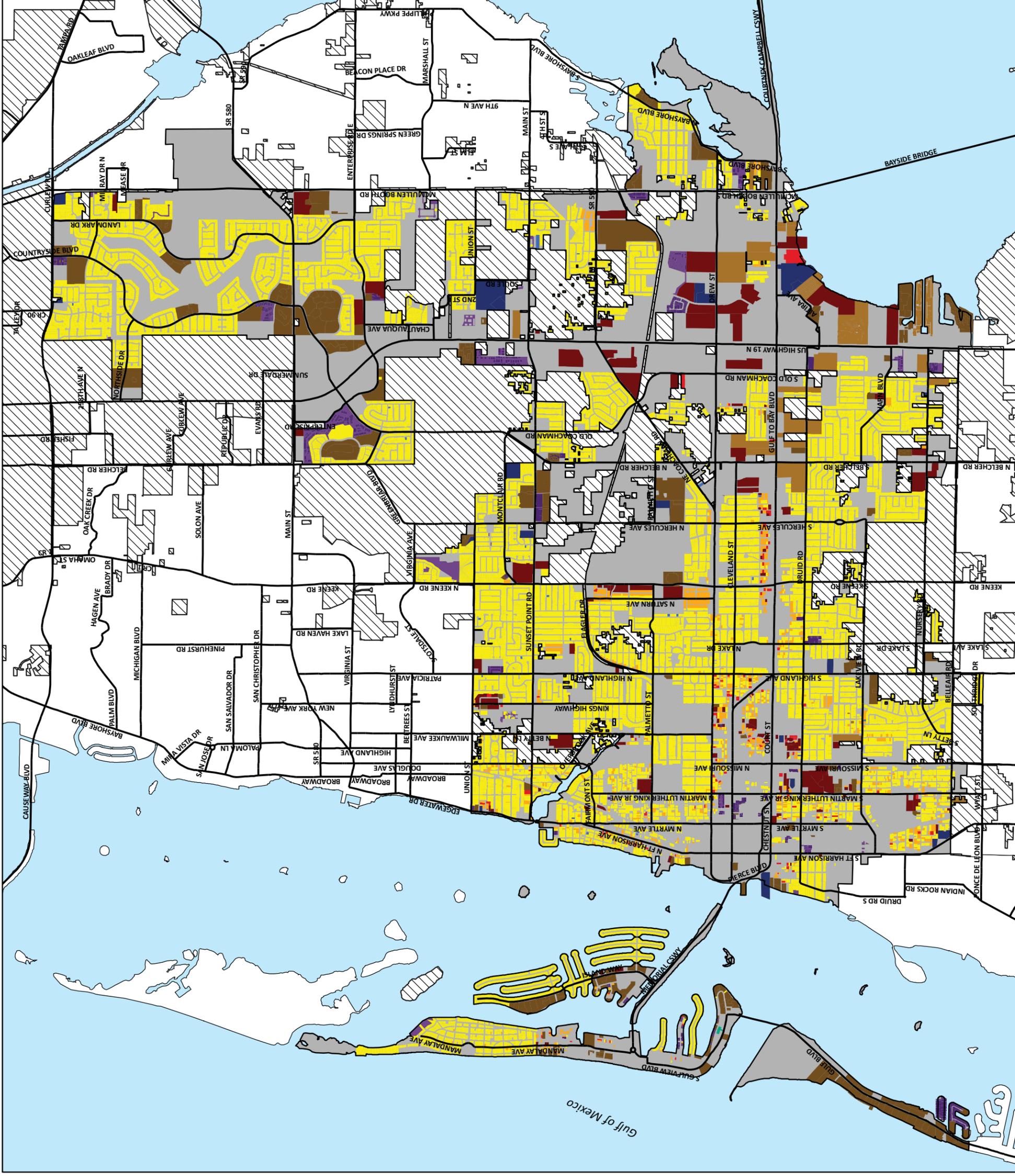
Housing Market Analysis

MAP 5 Housing Types Year 2009



Source: Pinellas County GIS, "Parcels" 2009;
Pinellas County Property Appraiser Database,
2009.

Prepared by Wade Trim, Inc., February 2009.



Tenure (Updated)

According to the Claritas’ estimates for 2009, approximately 61.9 percent of the City’s housing stock is owner occupied. The percentage of owner occupied housing has remained relatively constant since 1990 (61.8 percent). For 2009, the percentage of owner occupied housing units in Pinellas County was 70.7 percent while nationally it was 67.1 percent.

The areas of the City with lower percentages of homeownership are found in neighborhoods such as North and South Clearwater, the East Gateway Area, and Clearwater Beach (see Map 6 and Map 7).

Table 10
Tenure, Occupied Housing Units (1990-2009)

Tenure	Percentage of Occupied Housing Units		
	1990	2000	2009*
Owner Occupied	61.8	62.1	61.9
Renter Occupied	38.2	37.9	38.1
	100.0	100.0	100.0

Sources: U.S. Census for 1990 and 2000;

* Estimates from Claritas, 2010

Table 11 shows households by tenure and age range. Homeownership tends to increase dramatically for households comprised of persons 35 years of age or older (i.e., families with children). According to information provided by the Shimberg Center for Affordable Housing, homeownership by persons 65 years of age or older is expected to increase toward 2014, while homeownership by persons 35 to 64 years of is expected to decrease.

Table 11
Percentage of Households by Tenure and Age (2000-2015)

Households by Age	2000		2005		2008		2010		2015	
	Owner	Renter								
15 to 34	5.6%	12.4%	5.6%	12.5%	5.7%	12.7%	5.7%	12.7%	5.7%	12.6%
35 to 64	33.0%	18.3%	34.5%	19.2%	34.5%	19.1%	34.4%	19.1%	33.5%	18.6%
65 and Older	23.2%	7.6%	21.2%	7.0%	21.1%	6.9%	21.2%	7.0%	22.3%	7.3%
	61.7%	38.3%	61.4%	38.6%	61.3%	38.7%	61.3%	38.7%	61.5%	38.5%

Source: Florida Housing Data Clearinghouse,
 Shimberg Center for Affordable Housing, University of Florida, 2010



Housing Market Analysis

MAP 6

Owner Occupied Housing

Year 2009

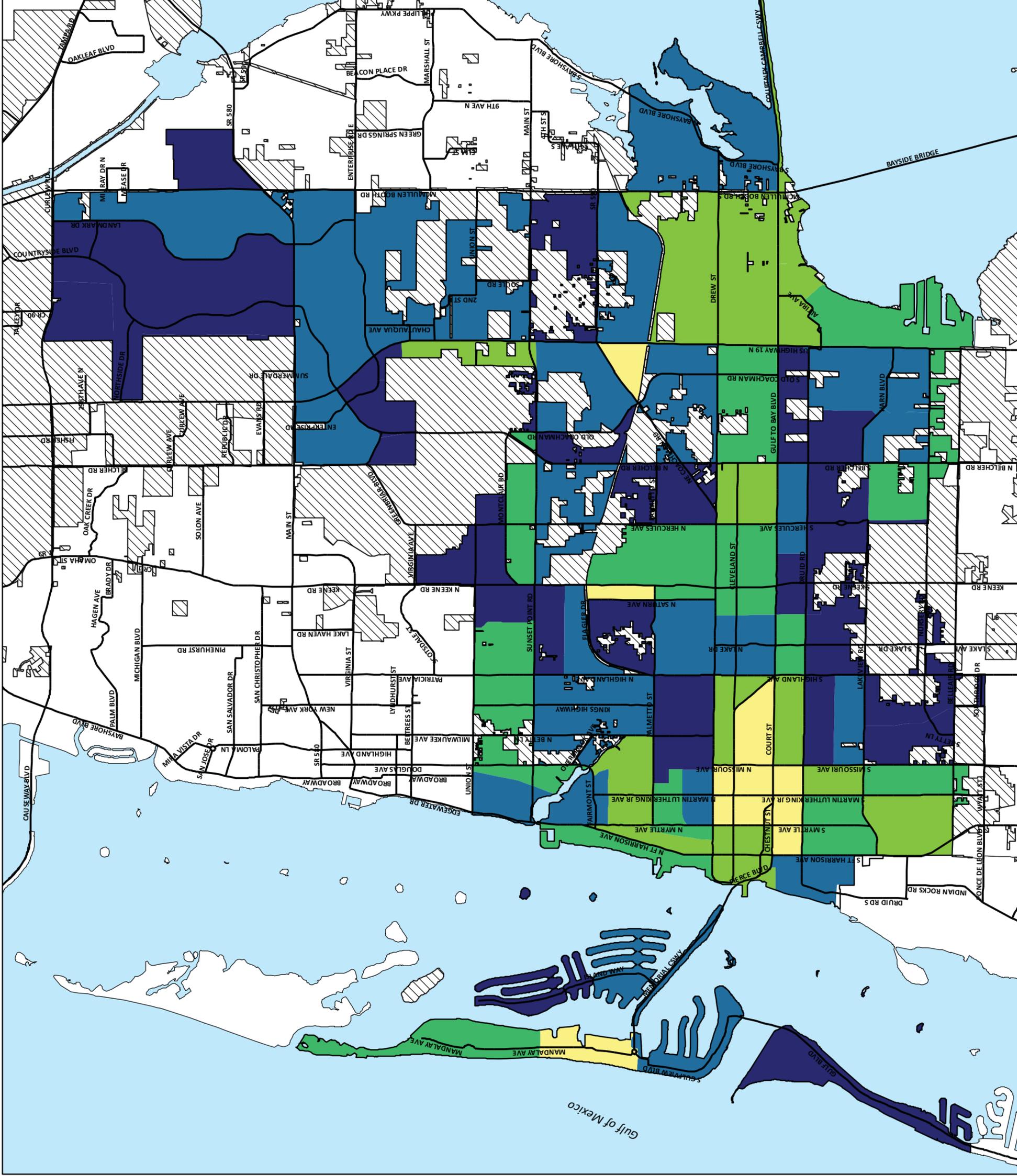
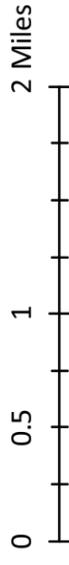
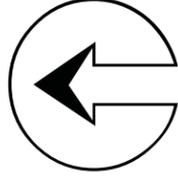
- Other Municipalities
- Unincorporated Pinellas County
- Major Road

Owner Occupied Housing, 2009 (As Percentage of Occupied Units)

- < 20%
- 21% - 40%
- 41% - 60%
- 61% - 80%
- > 80%

Source: Pinellas County GIS, "Parcels" 2009; Pinellas County Property Appraiser Database, 2009; Nielson Claritas Estimates/Projections as provided by Pinellas County Economic Development, 2010.

Prepared by Wade Trim, Inc., 2010.

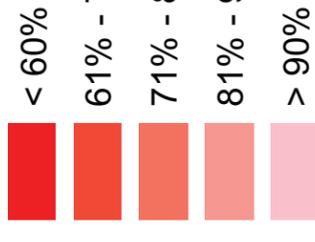




Housing Market Analysis

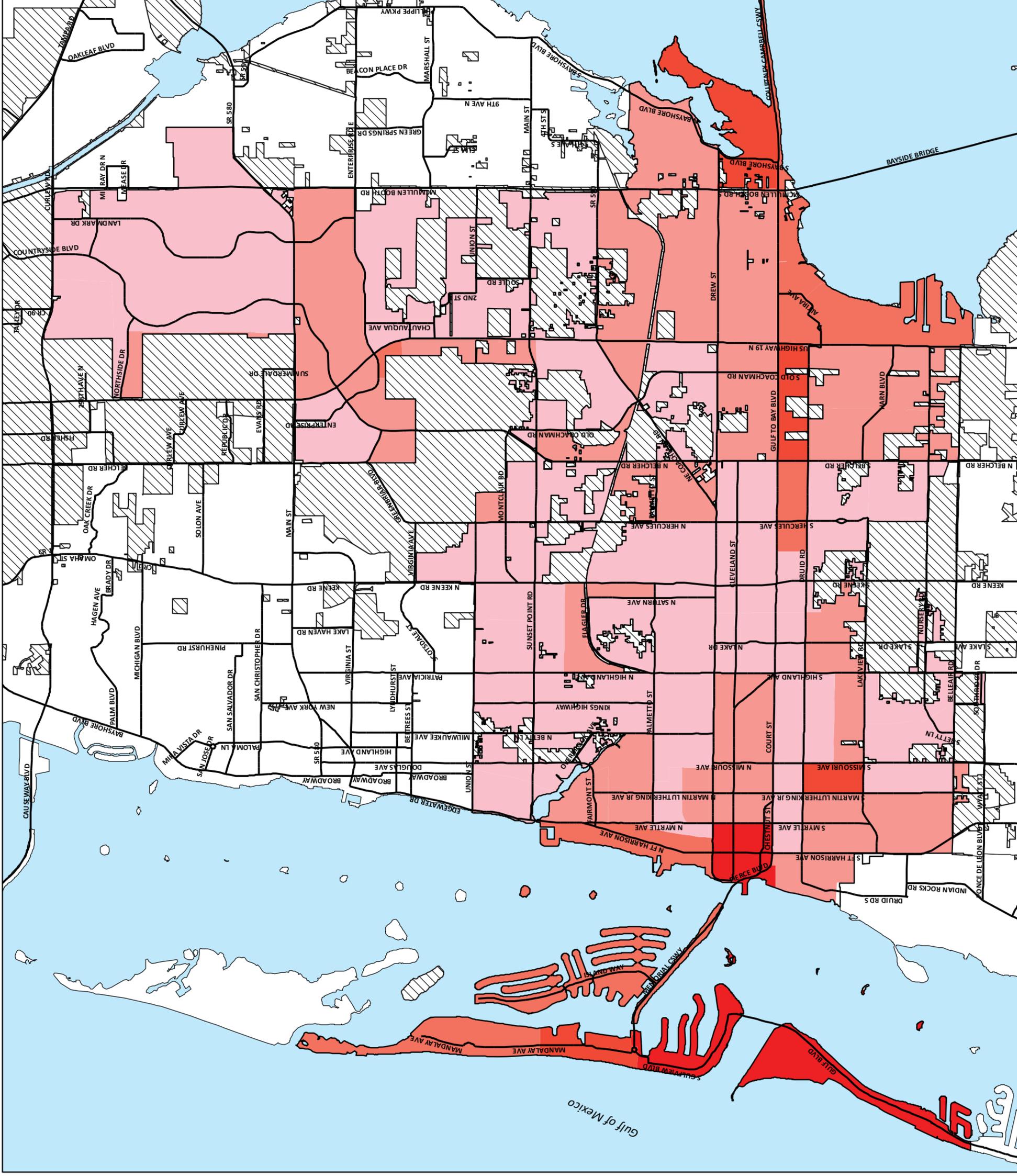
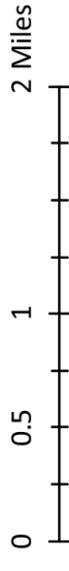
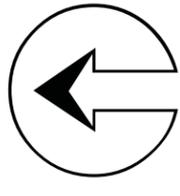
MAP 7 Occupied Housing Units Year 2009

- Other Municipalities
 - Unincorporated Pinellas County
 - Major Road
- Occupied Housing Units, 2009
(As Percentage of Total Units)**



Source: Pinellas County GIS, "Parcels" 2009; Pinellas County Property Appraiser Database, 2009; Nielson Claritas Estimates/Projections as provided by Pinellas County Economic Development, 2010.

Prepared by Wade Trim, Inc., 2010.



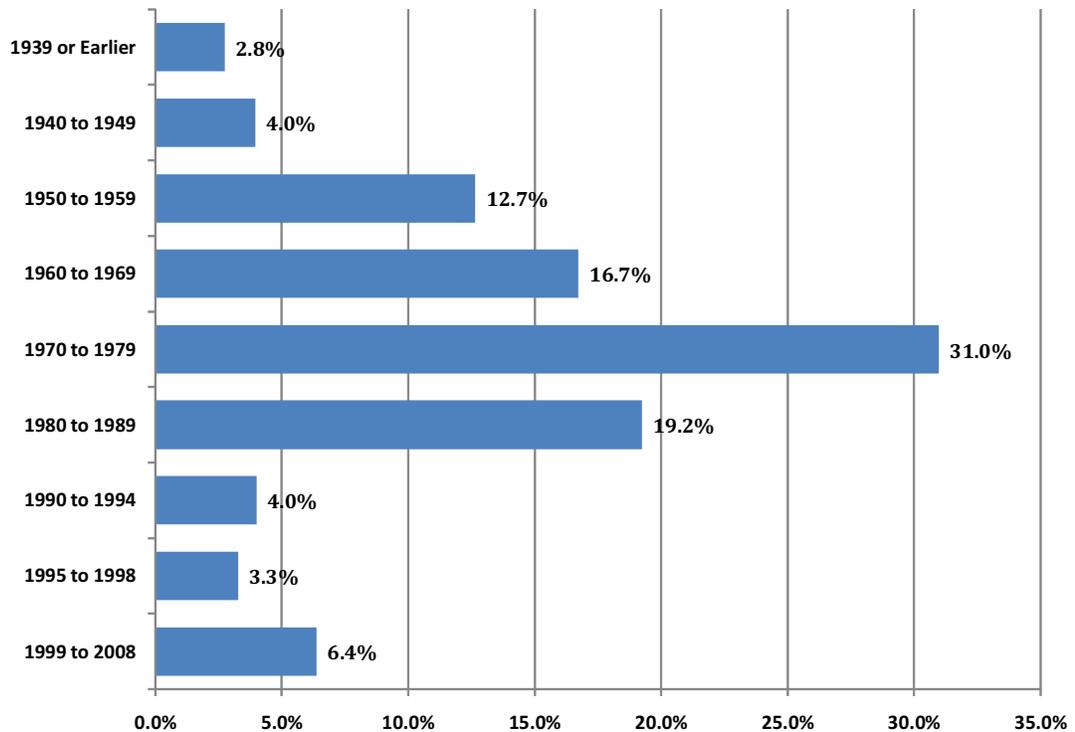
Housing Units by Age

For 2008, the majority of housing units in Clearwater (31 percent) were built between 1970 and 1979. During the same timeframe (1970-1979), the construction of housing units in Pinellas County and the United States was less aggressive: 26.2 percent and 16.2 percent respectively.

Generally, as the age of a housing structure approaches or exceeds 20 years, the need for significant maintenance or renovation is more common. Deferring necessary maintenance or renovation may lead to safety issues and other impacts on the housing market’s competitiveness. According to the information provided in Chart 5, approximately 67 percent of the City’s housing stock is more than 20 years old.

Taking into consideration these figures, rehabilitation should be one of the main components of the housing strategy.

Chart 5
Estimated Housing Units by Year Structure Built (2008)



Source: Estimated Claritas, 2008

V. Housing Market

Residential Land Supply

Since 1996, developable vacant lands in the City declined from 600 acres to 420 acres in 2005.⁶ This relatively small supply of developable vacant lands demonstrates the fact that the City of Clearwater is effectively “built-out”. Given the total area of the City at 13,567 acres, the City is approximately 97 percent built-out. Because of this extremely high build-out percentage, availability of developable vacant lands within the City is minimal.

Table 12 shows the inventory of developable lands based on the inventory prepared for the Evaluation and Appraisal Report of the City’s Comprehensive Plan using the Pinellas County Property Appraiser’s existing land use classification in 2005. The largest developable vacant land types within the City were vacant residential (40 percent), vacant office/commercial (25 percent), and vacant City owned (17 percent).

Table 12
Inventory of Developable Lands

Land Use Type	Acres	Percentage
Vacant Residential	166	40%
Vacant Office/Commercial	105	25%
Vacant City Owned	70	17%
Vacant Institutional	33	8%
Vacant County Owned	18	4%
Vacant State Owned	17	4%
Vacant Industrial	11	3%
Total	420	100%

Source: Pinellas County Property Appraiser, December 2005

Table 13 shows that small infill parcels less than one acre in size and scattered throughout the City overwhelmingly compose the developable vacant lands. In fact, 95 percent of the vacant developable parcels are less than or equal to one acre in size.

⁶ This analysis was prepared as a chapter of the Evaluation and Appraisal Report of the City’s Comprehensive Plan on 2005. The analysis took into consideration existing environmental resources, annexations, and other variables.

Table 13
Inventory of Developable Lands by Parcel Size

Parcel Size	Percentage
Less than or equal to 1 acre	95%
Greater than 1 acre less than or equal to 2 acres	3%
Greater than 2 acres less than or equal to 3 acres	1%
Greater than 3 acres less than or equal to 4 acres	1%
Greater than 4 acres less than or equal to 5 acres	0%
Greater than 5 acres	0%
Total	100%

Source: Pinellas County Property Appraiser, December 2005

Since 1989, the City of Clearwater has experienced a reduction in the rate of development of vacant lands. Between 1989 and 1996, approximately 40 percent of the vacant lands were developed, at an average rate of 62 acres per year. In the period of 1996 to 2005, only 30 percent of the vacant lands were developed, at an average rate of 18 acres per year.

The unanticipated reduction in the rate of development of vacant lands is a product of the built-out condition of the City, as the City lacks large vacant parcels to promote redevelopment projects.

Taking into consideration this analysis, future housing strategies should:

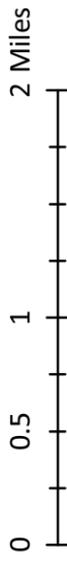
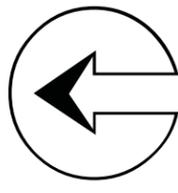
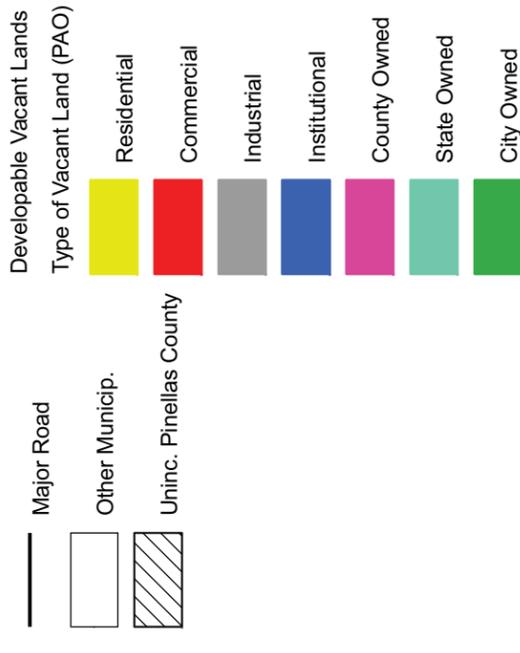
- Facilitate land assembly as the opportunity to assemble vacant developable lands.
- Promote mixed use and density bonus to maximize the use of the land for housing projects.
- Promote infill development.



Housing Market Analysis

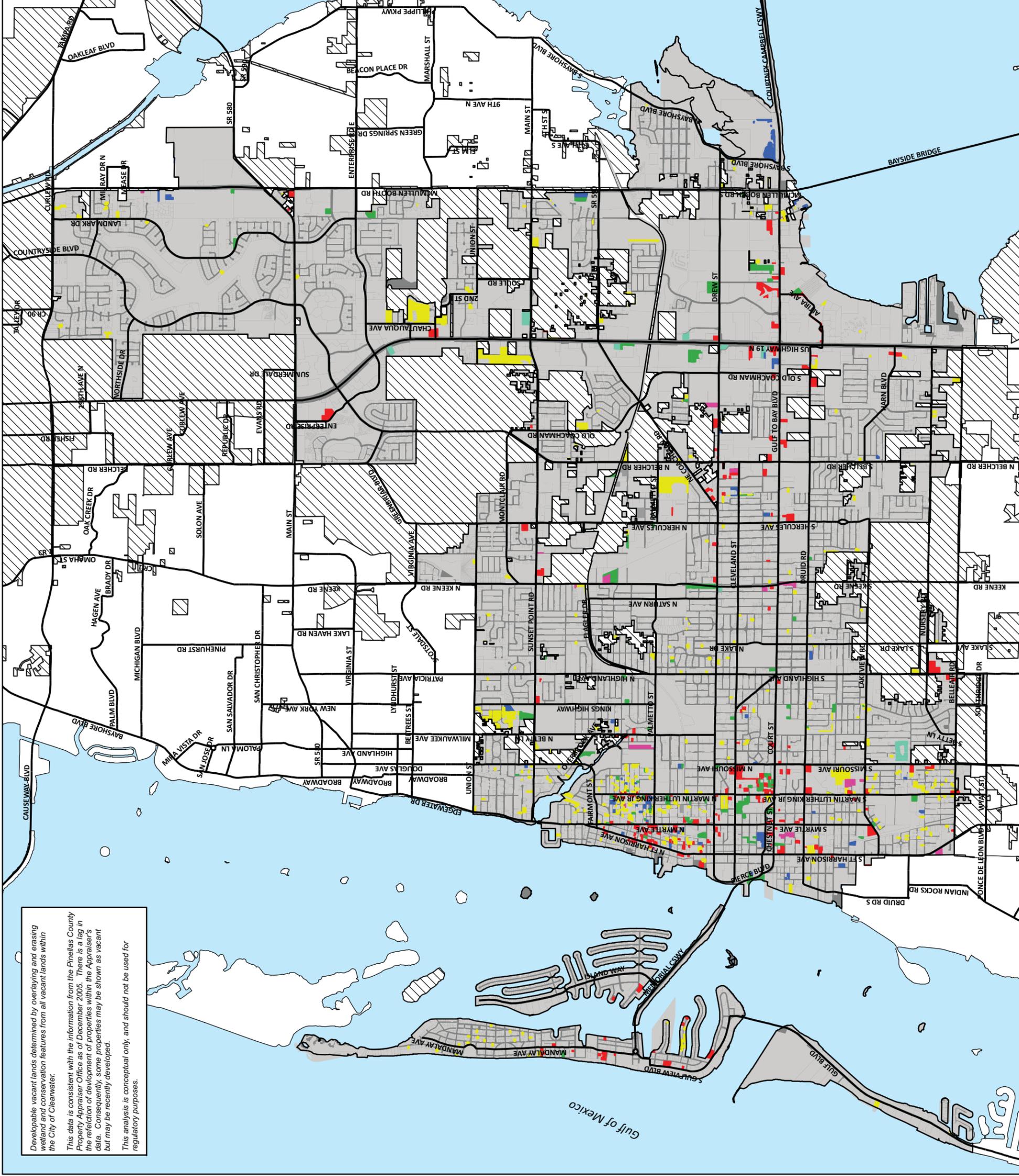
MAP 8

Developable Vacant Lands Year 2006



Source: Pinellas County GIS, "Parcels" 2006; Pinellas County Property Appraiser Database, 2006.

Prepared by Wade Trim, Inc., February 2009.



Developable vacant lands determined by overlaying and erasing wetland and conservation features from all vacant lands within the City of Clearwater.

This data is consistent with the information from the Pinellas County Property Appraiser Office as of December 2005. There is a lag in the refilection of development of properties within the Appraiser's data. Consequently, some properties may be shown as vacant but may be recently developed.

This analysis is conceptual only, and should not be used for regulatory purposes.

Building Permits Trend

Table 14 shows the number of new residential permits issued over a 10 year period. As can be seen, in recent years the number of permits issued has slowly decreased. Residential construction and construction job growth across the nation slowed in 2006, as the nation’s more volatile housing markets began to weaken and home prices fell.

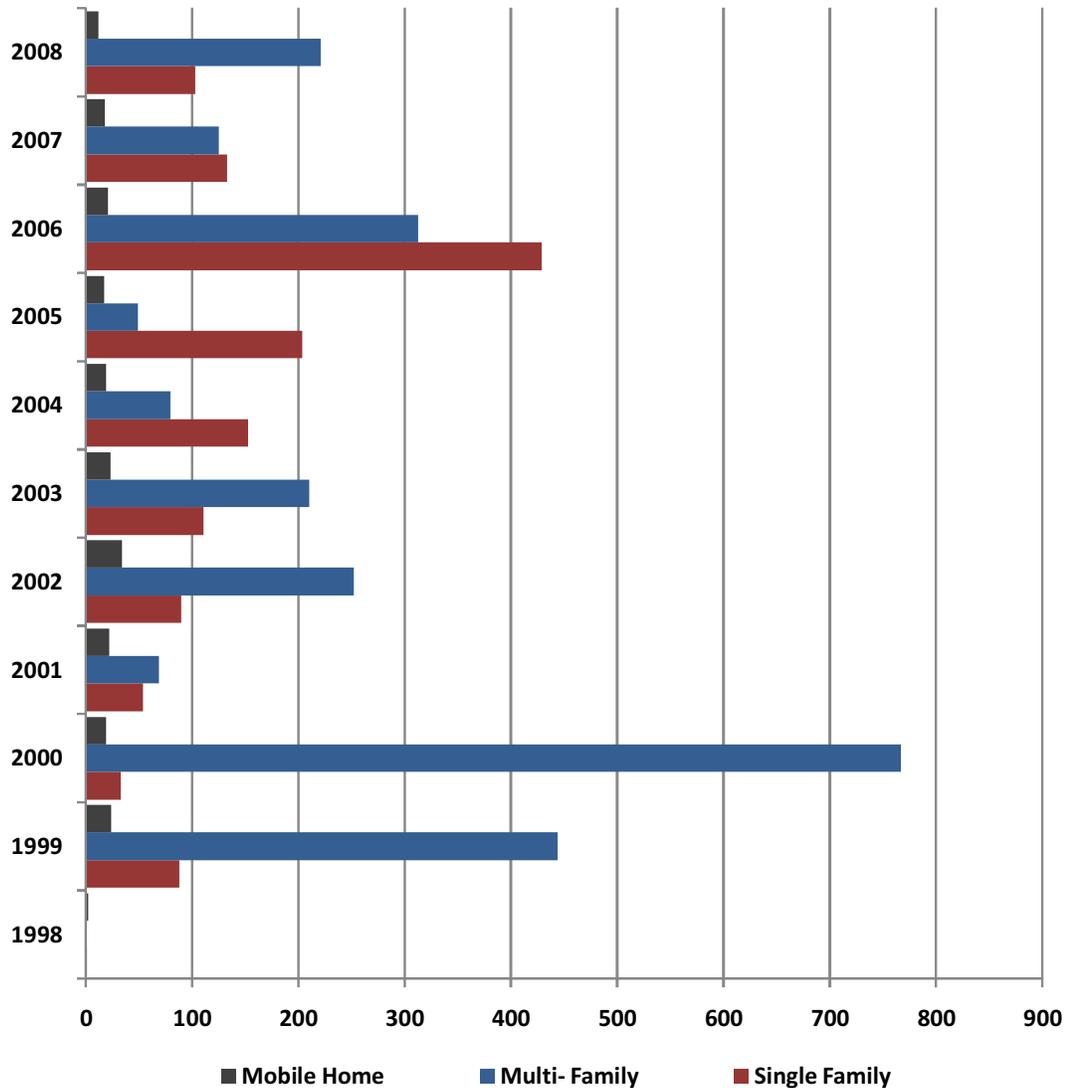
Table 14
New Residential Building Permits (1998-2008)

Year	New Residential Permits				
	Single Family	Multi-Family	Mobile Home	Total	Percentage
1998	1	0	2	3	0%
1999	88	444	24	556	13%
2000	33	767	19	819	20%
2001	54	69	22	145	4%
2002	90	252	34	376	9%
2003	111	210	23	344	8%
2004	153	80	19	252	6%
2005	204	49	17	270	7%
2006	429	313	21	763	18%
2007	133	125	18	276	7%
2008	103	221	12	336	8%
Total	1,399	2,530	211	4,140	100%

Source: City of Clearwater Planning Department , 1998-2008

In the City of Clearwater, each category of housing by structure type has experienced a decrease since 2006. The single family category decreased 68.9 percent from 2006 to 2007, reflecting a sharp reversal after several years of steadily increasing development. In 2006, 429 single family units were authorized regionally compared to 133 units in 2007. Moreover, the single family category decreased again from 2007 to 2008 by 22.5 percent (133 units to 103 units).

Chart 6
New Residential Building Permits (1998-2008)



Source: City of Clearwater Planning Department , 1998-2008

In 2006, single family units accounted for more than half of permitted construction in the City, as has been the trend since 2004. Single family construction in the City rose during the early 2000s, despite the economic recession, in response to historically low mortgage rates and wide availability of credit that boosted demand in the homeownership market.

The net total of multifamily housing units permitted in 2006 was one of the highest in the last 10 years. In 2006, 313 multiple family units were permitted compared to 125

in 2007 and 221 in 2008. This represents a decrease of 29.4 percent over the three year period.

Although multifamily housing did gain share within the City housing mix, multifamily housing construction, which is strongly tied to overall economic conditions, decreased since 2006 in response to the recession, as seen in the Table 14.

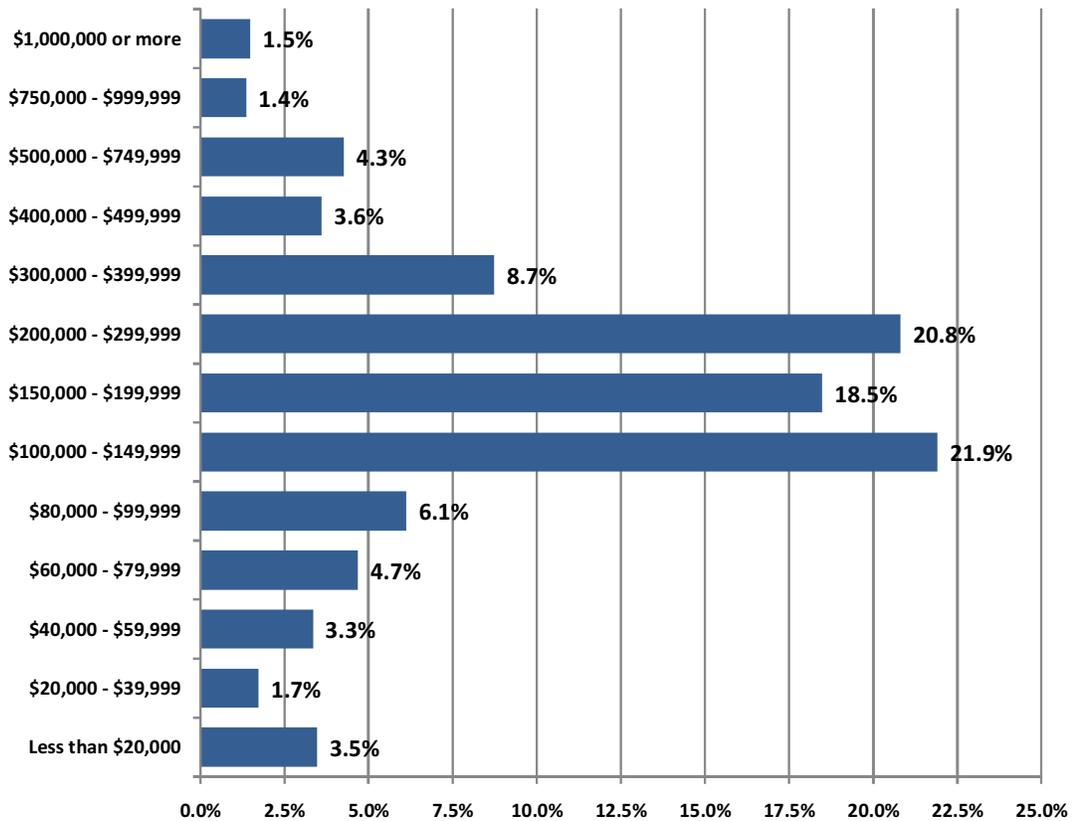
After a steady number of building permits from 1999 to 2006, mobile home permits have also slowly declined. Since 2006 the number of mobile home permits issued has decreased 42.8 percent, from 21 to 12.

Home Values (Updated)

Chart 7 shows all owner-occupied housing values for 2009 according to estimates provided by Claritas. Approximately 61 percent of all owner occupied housing units in the City are valued between \$100,000 and \$300,000.

The estimated median owner-occupied housing value in the City is \$173,638.

Chart 7
Owner Occupied Housing Values, 2009



Source: Estimates by Claritas, 2010

Sales Market (Updated)

In the last three years, sales in the housing market experienced a considerable change. The trend is characterized by decreased property values and sales, as well as an increase in pre-foreclosure and foreclosed properties.

This analysis used information from the Pinellas County Property Appraiser organized and displayed by TampaBay.com (a division of the St. Petersburg Times). The “Neighborhood Watch” webpage is a tool that maintains the most current database of all residential real estate transactions in Pasco and Pinellas counties. Transactions are tracked by address, zip code, neighborhoods, and sales prices.

The information was obtained on the “Neighborhood Watch” website and accessed at <http://watch.tampabay.com/homes/> on June 25, 2010. The home sales information for the City of Clearwater was further organized into the neighborhoods shown on Map 9. The information presented for each area includes the median sales price and number of sales for year 2006 through year 2008, and for the first quarter of year 2009; as well as the median sales price for the 20 most recent sales. This information is based on best available data.



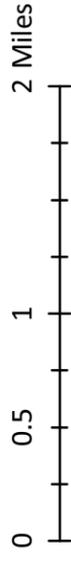
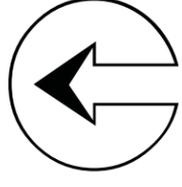
Housing Market Analysis

MAP 9

Neighborhoods

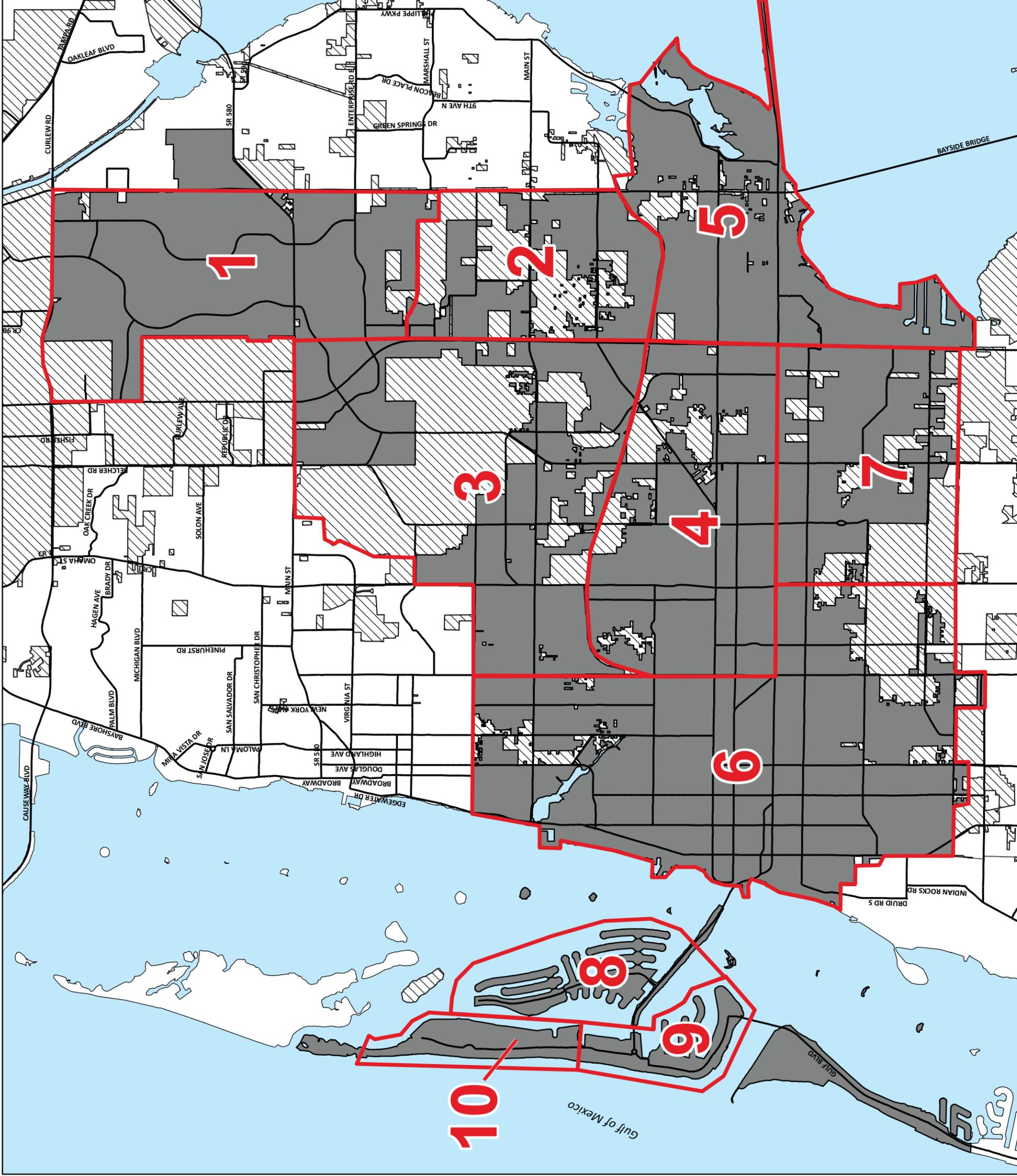
- Major Road
- Other Municipalities
- Unincorporated Pinellas County

- 1 - Countryside
- 2 - Coachman/Sunset Point
- 3 - North Central Clearwater
- 4 - Central Clearwater
- 5 - Southeast Clearwater
- 6 - Greenwood/Downtown
- 7 - South Central Clearwater
- 8 - Island Estates
- 9 - Clearwater Beach
- 10 - North Clearwater Beach



Source: Pinellas County GIS, "Parcels" 2009;
 St. Petersburg Times, www.tampabay.com,
 Neighborhood Watch: Home Sales Trends.

Prepared by Wade Trim, Inc., February 2009.



Countryside

The median sale price of a single family house in the Countryside neighborhood was up by \$27,800 or 10 percent from the second half of 2007 to the first half of 2008, according to a registered analysis of sales records. The median sale value in the first half of 2008 was \$300,250, compared with \$272,450 in the second half of 2007.

Sales were down by 12 sales or 21 percent in the first half of 2008 compared to the second half of 2007. In the first half of 2008, 44 houses sold, compared with 56 in the second half of 2007.

Sales and median sale value continued to decrease into the first half of 2009. Sales were down 40 percent from the previous year with only 27 sales and median sale prices dropped 13 percent when compared to the second half of 2008.

The median sales price for the 20 most recent sales in the Countryside neighborhood is \$236,000.

Table 15
Home Sales - Countryside Neighborhood (2006-2009)

Countryside	2006		2007		2008		2009	
	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec
Median Sales Price (\$)	331,000	314,500	353,000	272,450	300,250	264,250	230,000	NA
Number of Sales	63	88	35	56	44	44	27	NA

Coachman/Sunset Point

The median sale price of a single family house in the Coachman/Sunset Point neighborhood was down by \$80,000 or 29 percent from the second half of 2007 to the first half of 2008, according to a TampaBay.com analysis of sales records. The median sale value in the first half of 2008 was \$195,000, compared with \$275,000 in the second half of 2007.

Sales were down by 13 sales or 35 percent in the first half of 2008 compared to the second half of 2007. In the first half of 2008, 24 houses sold, compared with 37 in second half of 2007.

Sales remained relatively constant into the first half of 2009; however, median sale price dropped 6 percent when compared to the second half of 2008.

The median sales price for the 20 most recent sales in the Coachman/Sunset Point neighborhood is \$119,500.

Table 16
Home Sales - Coachman/Sunset Point Neighborhood (2006-2009)

Coachman/Sunset Point	2006		2007		2008		2009	
	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec
Median Sales Price (\$)	220,000	209,000	197,200	275,000	195,000	162,000	152,450	NA
Number of Sales	54	41	24	37	24	23	24	NA

North Central Clearwater

The median sale price of a single family house in the North Central Clearwater neighborhood was down by \$7,750 or 4 percent from the second half of 2007 to the first half of 2008, according to a TampaBay.com analysis of sales records. The median sale value in first half of 2008 was \$176,250, compared with \$184,000 in the second half of 2007.

Sales were down by 55 sales or 52 percent in the first half of 2008 compared to the second half of 2007. In the first half 2008, 50 houses sold, compared with 105 in the second half of 2007.

Sales remained constant into the first half of 2009; however, median sale prices dropped 10 percent when compared to the second half of 2008.

The median sales price for the 20 most recent sales in the North Central Clearwater neighborhood is \$122,450.

Table 17
Home Sales - North Central Clearwater Neighborhood (2006-2009)

North Central Clearwater	2006		2007		2008		2009	
	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec
Median Sales Price (\$)	205,000	202,000	200,000	184,000	176,250	157,500	142,200	NA
Number of Sales	162	145	85	105	50	69	69	NA

Central Clearwater

The median sale price of a single family house in the Central Clearwater neighborhood was down by \$34,250 or 20 percent from the second half of 2007 to the first half of 2008, according to a TampaBay.com analysis of sales records. The median sale value in the first half of 2008 was \$138,000, compared with \$172,250 in the second half of 2007.

Sales were down by 15 sales or 34 percent in the first half of 2008 compared to the second half of 2007. In the first half of 2008, 29 houses sold, compared with 44 in second half 2007.

Sales declined into the first half of 2009 and median sale prices dropped 16 percent when compared to the second half of 2008.

The median sales price for the 20 most recent sales in the Central Clearwater neighborhood is \$94,500.

Table 18
Home Sales – Central Clearwater Neighborhood (2006-2009)

Central Clearwater	2006		2007		2008		2009	
	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec
Median Sales Price (\$)	198,950	199,750	175,000	172,250	138,000	147,700	123,500	NA
Number of Sales	98	82	38	44	29	37	32	NA

Southeast Clearwater

The median sale price of a single family house in the Southeast Clearwater neighborhood was down by \$45,000 or 18 percent from the second half of 2007 to the first half of 2008, according to a TampaBay.com analysis of sales records. The median sale value in the first half of 2008 was \$200,000, compared with \$245,000 in the second half of 2007.

Sales were down by 6 sales or 55 percent in the first half of 2008 compared to the second half of 2007. In the first half of 2008, 5 houses sold, compared with 11 in the second half of 2007.

Sales and median sales prices remained relatively stable into the first half of 2009.

The median sales price for the 20 most recent sales in the Southeast Clearwater neighborhood is \$179,250.

Table 19
Home Sales – Southeast Clearwater Neighborhood (2006-2009)

Southeast Clearwater	2006		2007		2008		2009	
	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec
Median Sales Price (\$)	255,000	241,000	290,000	245,000	200,000	217,500	215,000	NA
Number of Sales	21	25	13	11	5	10	9	NA

Greenwood/Downtown

The median sale price of a single family house in the Greenwood/Downtown neighborhood was up by \$20,750 or 17 percent from the first half of 2008 to the second half of 2008, according to a TampaBay.com analysis of sales records. The median sale value in the second half of 2008 was \$146,750, compared with \$126,000 in the first half of 2008.

Sales were down by 5 sales or 8 percent in the second half of 2008 compared to the first half of 2008. In the second half of 2008, 62 houses sold, compared with 67 in the first half of 2008.

Sales continued to decrease into the first half of 2009, as did median sale prices, which decreased by 19 percent when compared to the second half of the previous year.

The median sales price for the 20 most recent sales in the Greenwood/Downtown neighborhood is \$93,500.

Table 20
Home Sales – Greenwood/Downtown Neighborhood (2006-2009)

Greenwood Downtown	2006		2007		2008		2009	
	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec
Median Sales Price (\$)	176,000	170,000	155,950	152,250	126,000	146,750	118,750	NA
Number of Sales	235	190	112	98	67	62	54	NA

South Central Clearwater

The median sale price of a single family house in the South Central Clearwater neighborhood was down by \$35,000 or 16 percent from the second half of 2007 to the first half of 2008, according to a TampaBay.com analysis of sales records. The median sale value in the first half of 2008 was \$185,000, compared with \$220,000 in the second half of 2007.

Sales were down by 17 sales or 21 percent in the first half of 2008 compared to the second half of 2007. In the first half of 2008, 63 houses sold, compared with 80 in the second half of 2007.

Sales increased into the first half of 2009; however, median sale prices decreased by 11 percent when compared to the second half of the previous year.

The median sales price for the 20 most recent sales in the South Central Clearwater neighborhood is \$157,500.

Table 21
Home Sales – South Central Neighborhood (2006-2009)

South Central Clearwater	2006		2007		2008		2009	
	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec
Median Sales Price (\$)	242,500	235,000	205,000	220,000	186,500	185,000	165,000	NA
Number of Sales	141	114	71	80	64	58	67	NA

Island Estates

The median sale price of a single family house in the Island Estates neighborhood was down by \$155,000 or 16.6 percent from the first half of 2008 to the second half of 2008, according to a TampaBay.com analysis of sales records. The median sale value in the second half of 2008 was \$780,000, compared with \$935,000 in the first half of 2008.

Sales were up by 3 sales or 50 percent in the second half of 2008 compared to the first half of 2008. In the second half of 2008, 9 houses sold, compared with 6 in the first half of 2008.

Sales increased 56 percent into the first half of 2009; however, median sale prices decreased by 13 percent when compared to the second half of the previous year.

The median sales price for the 20 most recent sales in the Island Estates neighborhood is \$625,000.

Table 22
Home Sales – Island Estates Neighborhood (2006-2009)

Island Estates	2006		2007		2008		2009	
	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec
Median Sales Price (\$)	1,362,500	1,317,500	960,750	1,100,000	935,000	780,000	678,250	NA
Number of Sales	21	10	10	7	6	9	14	NA

Clearwater Beach

The median sale price of a single family house in the Clearwater Beach neighborhood was down by \$345,000 or 41.8 percent from the first half of 2007 to the second half of 2008, according to a TampaBay.com analysis of sales records. The median sale value in the second half of 2008 was \$480,000, compared with \$825,000 in the first half of 2007.

Sales were down by 1 sale or 50 percent in the second half of 2008 compared to the first half of 2007. In the second half of 2008, 1 house sold, compared with 2 in the first half of 2007.

Sales remained relatively constant into the first half of 2009. Although median sale price jumped 233 percent when compared to the second half of 2008, this statistic was based on only one sale.

The median sales price for the 20 most recent sales in the Clearwater Beach neighborhood is \$865,000. It is important to note that, due to the relatively low number of homes on the market in this neighborhood, the 20 most recent sales span from August 2005 to present.

Table 23
Home Sales – Clearwater Beach Neighborhood (2006-2009)⁷

Clearwater Beach	2006		2007		2008		2009	
	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec
Median Sales Price (\$)	870,000	1,700,000	825,000	NA	NA	480,000	1,600,000	NA
Number of Sales	3	2	2	NA	NA	1	1	NA

⁷ Data was not available for July-Dec 2007 and Jan-Jun 2009

North Clearwater Beach

The median sale price of a single family house in the North Clearwater Beach neighborhood was down by \$97,500 or 16.4 percent from the first half of 2008 to the second half of 2008, according to a TampaBay.com analysis of sales records. The median sale value in the second half of 2008 was \$497,500, compared with \$595,000 in the first half of 2008.

Sales were up by 6 sales or 300 percent in the second half of 2008 compared to the first half of 2008. In the second half of 2008, 8 houses sold, compared with 2 in the first half of 2008.

When compared to the second half of 2008, sales dropped by 25 percent and median sale prices dropped by 27 percent into the first half of 2009.

The median sales price for the 20 most recent sales in the North Clearwater Beach neighborhood was \$507,500.

Table 24
Home Sales – North Clearwater Beach Neighborhood (2006-2009)

North Clearwater Beach	2006		2007		2008		2009	
	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec	Jan-Jun	July-Dec
Median Sales Price (\$)	727,500	700,000	637,500	600,000	595,000	497,500	363,700	NA
Number of Sales	20	9	10	5	2	8	6	NA

Rental Market⁸ (Updated)

The rental market for Clearwater has experienced a gradual increase in average rents and vacancies over the past four years as shown by several Apartment Market Surveys conducted by the Bay Area Apartment Association.

Average rents have increased 30 percent since 2005. As shown in Table 25, average monthly rent for all types of rental units increased from \$856 in the third quarter of 2006 to \$1,008 in the first quarter of 2009. The average rent increased \$96 between the third quarter of 2006 and 2007, but plateaued in 2008. By the end of the first quarter of 2009, average rent had increased \$54. In contrast, the average square footage of all apartment units has increased only 1.5 percent between 2005 and 2008, and decreased during first quarter 2009.

Table 25
Rental Market Averages (2005-2009)

Year	Number Units	Number Vacant	Percent Occupied	Average Sq Ft	Low Rent	High Rent	Average Rent
2009	12,134	1,029	92%	977	987	1,029	1,008
2008	12,449	1,308	89%	982	934	975	954
2007	13,248	782	94%	979	933	971	952
2006	11,990	156	99%	969	840	873	856
2005	13,555	304	98%	968	765	792	778

Source: Bay Area Apartment Market Survey, Bay Area Apartment Association, 2010
 Third Quarter Reports 2005-2008; First Quarter Report 2009

⁸ This analysis was prepared taking into consideration only rental apartments of more than 50 units for the area that encompasses Submarket 2 for Pinellas County as described by the Bay Area Apartment Market Survey. This area covers the City of Clearwater and neighboring communities (Dunedin, Largo, Safety Harbor, Belleair and Indian Rocks Beach).

As indicated in Table 26, average rent prices have increased for all unit types since the third quarter of 2005, with efficiencies and two bedroom/two bath units increasing the most (35 percent). More recently, there was a 6 percent increase in average rent prices for all units between third quarter 2008 and first quarter 2009. With the exception of efficiencies, one bedroom/one bath, two bedroom/two bath, and three bedroom/two bath units, rental prices fell by an average of four percent during this time.

Table 26
Average Rents by Rental Unit Type (2005-2009)

Type of Rental Apartment	Average Rent Prices (\$)					Change	Change
	2005	2006	2007	2008	2009	2005-2009	2008-2009
Efficiency	580	624	746	733	784	35%	7%
1BR/1BA	656	737	809	804	862	31%	7%
2BR/1BA	719	748	796	847	828	15%	-2%
2BR/1.5 BA	762	799	809	866	840	10%	-3%
2BR/2BA	833	955	1,027	1,051	1,122	35%	7%
2BR/2.5BA	960	1,000	1,035	1,067	1,020	6%	-4%
3BR/2BA	980	1,029	1,222	1,187	1,236	26%	4%
3BD/2.5BA	1,289	1,445	1,536	1,587	1,550	20%	-2%
4BD/2BA	1,348	1,328	1,538	1,534	1,433	6%	-7%
All Units	778	856	952	954	1,008	30%	6%

Source: Bay Area Apartment Market Survey, Bay Area Apartment Association, 2010
 Third Quarter Reports 2005-2008; First Quarter Report 2009

While rents have increased across the board, there has been a reduction in the overall number of rental units on the market since 2005. Smaller units have experienced the greatest reduction in overall numbers with efficiencies declining 28 percent since 2005. The only type of rental that experienced an increase in numbers between third quarter 2008 and first quarter 2009 were units with two bedrooms and one and one half baths.

One and two bedroom rental units comprise by far the greatest percentage of rental unit types in the Clearwater housing market. The number of three and four bedroom units available has remained relatively constant since 2005. This emphasis on one and two bedroom units indicates there are only a limited number of rental opportunities for larger families.

Table 27
Number of Available Rental Units by Type (2005-2009)

Type of Rental Apartment	Available Rental Units					Change 2005-2009	Change 2008-2009
	2005	2006	2007	2008	2009		
Efficiency	260	209	193	197	188	-27.7%	-4.6%
1BR/1BA	5,744	4,870	5,486	5,256	4,890	-14.9%	-7.0%
2BR/1BA	2,000	1,881	1,924	1,783	1,737	-13.2%	-2.6%
2BR/1.5 BA	480	418	410	328	398	-17.1%	21.3%
2BR/2BA	3,913	3,510	3,938	3,701	3,621	-7.5%	-2.2%
2BR/2.5BA	64	64	64	64	64	0.0%	0.0%
3BR/2BA	1,004	962	1,109	1,020	1,020	1.6%	0.0%
3BD/2.5BA	4	4	4	4	4	0.0%	0.0%
4BD/2BA	34	24	34	34	34	0.0%	0.0%
All Units	13,555	11,990	13,248	12,449	12,134	-10.5%	-2.5%

Source: Bay Area Apartment Market Survey, Bay Area Apartment Association, 2010
 Third Quarter Reports 2005-2008; First Quarter Report 2009

Another trend worth noting is the occupancy rate of all rental units, which was 99 percent in 2006, but dropped to 89 percent in 2008. This percentage has increased slightly (up three percent) through the first quarter of 2009. This trend indicates that during 2006, rental housing was in demand. The number of additional rental units available in 2007 increased by 11 percent to address some of this demand, however the number of vacant units increased by 400 percent that year.

By the end of the first quarter of 2009, the number of vacant efficiencies had increased the most, with two bedroom/two bath and 1 bedroom/1 bath units also experiencing significant vacancies when compared to other types of rentals. A comparison of third quarter 2008 to first quarter 2009 vacancies shows that vacancies may have peaked in 2008, as vacancies have dropped since that year for most types of units.

Table 28
Vacancy by Rental Unit Type (2005-2009)

Type of Rental Apartment	Vacant Units					Change 2005-2009	Change 2008-2009
	2005	2006	2007	2008	2009		
Efficiency	2	3	21	13	17	750%	31%
1BR/1BA	103	45	226	423	378	267%	-11%
2BR/1BA	74	34	122	241	154	108%	-36%
2BR/1.5 BA	16	3	14	19	20	25%	5%
2BR/2BA	66	42	330	462	326	394%	-29%
2BR/2.5BA	3	0	0	13	4	33%	-69%
3BR/2BA	39	25	60	120	124	218%	3%
3BD/2.5BA	0	0	0	3	3	300%	0%
4BD/2BA	0	0	2	4	2	200%	-50%
All Units	304	156	782	1,308	1,029	238%	-21%

Source: Bay Area Apartment Market Survey, Bay Area Apartment Association, 2010
 Third Quarter Reports 2005-2008; First Quarter Report 2009

The overall average size of rental units increased from 2005 to 2008, but dropped slightly (0.5 percent) between third quarter 2008 and first quarter 2009. Generally, the average size of rental units has not varied by more than 14 square feet during the last four years.

All types of units have increased in size between third quarter 2005 and first quarter 2009, with the exception of units with two bedrooms and one and one half baths. Historically, these units have also experienced increases in average rent and the largest decline in number of units available. Recent trends indicate that average size of efficiencies may be decreasing, along with the average size of two bedroom/two bath units. In comparison, the average rental prices of efficiencies and two bedroom/two bath units has increased.

Table 29
Size by Rental Unit Type (2005-2009)

Type of Rental Apartment	Size of Units (Sqf)					Change 2005-2009	Change 2008-2009
	2005	2006	2007	2008	2009		
Efficiency	519	509	515	539	530	2.1%	-1.7%
1BR/1BA	726	729	726	735	741	2.1%	0.8%
2BR/1BA	911	892	886	895	913	0.2%	2.0%
2BR/1.5 BA	1,053	1,051	1,035	1,027	1,035	-1.7%	0.8%
2BR/2BA	1,067	1,075	1,079	1,083	1,073	0.6%	-0.9%
2BR/2.5BA	1,417	1,417	1,417	1,417	1,417	0.0%	0.0%
3BR/2BA	1,330	1,327	1,370	1,365	1,361	2.3%	-0.3%
3BD/2.5BA	1,588	1,588	1,588	1,588	1,588	0.0%	0.0%
4BD/2BA	1,595	1,579	1,595	1,595	1,595	0.0%	0.0%
All Units	968	969	979	982	977	0.9%	-0.5%

Source: Bay Area Apartment Market Survey, Bay Area Apartment Association, 2010
Third Quarter Reports 2005-2008; First Quarter Report 2009

Home Foreclosures

Over the last few years, foreclosures have become a serious statewide and national problem. Regulators, lending institutions, households, and communities have all felt the negative impact of foreclosed homes. Federal, State, and local agencies are working to prevent homeowners from facing the financial burden and personal disaster of foreclosure, with additional help on the horizon.

A large portion of the foreclosures come from borrowers who have subprime adjustable rate mortgage (ARM) loans. After the fixed-rate period of the loan ends, the rate often adjusts to a significantly higher rate, often leaving the borrowers unable to keep pace with the higher mortgage payment.

Borrowers are not solely responsible for high foreclosure rates, as some lenders are practicing predatory lending tactics. Predatory mortgage lenders often prey on low- to moderate-income households who cannot afford home ownership under normal terms. When rates increase beyond the household's means, lenders strip borrowers of home equity and threaten families with foreclosure, ultimately destabilizing communities.

According to information obtained from the Pinellas County Realtor Association, there are over 225 homes at some stage of foreclosure (Auction, Bank Owned, or Pre-

Foreclosure) within the City of Clearwater Tax District.¹⁰ Listed below are the numbers of properties in each stage of foreclosure within the Clearwater City limits.

Table 30
Foreclosure Properties by Stage

Stage	Number of Properties
Pre Foreclosure	151
Sherriff's Auction	23
Bank Owned	51

Source: Pinellas Realtor Association, Feb 2009

In 2009, foreclosed homes in the City of Clearwater had an average sale price of approximately \$358,000. Although foreclosures within the City are widespread, it appears that the west half of the City has the highest concentration of foreclosures as shown on Map 10.

Map 10 provides a spatial representation of the foreclosures in the City of Clearwater. This map illustrates that the foreclosures are concentrated near the coastal areas with a small number scattered in inland areas. The Northeast Quadrant of the City has relatively few foreclosures compared to the remaining Quadrants.

¹⁰ Information provided on February 2009.



Housing Market Analysis

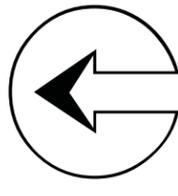
MAP 10

Foreclosure Map

Stage of Foreclosure

- Auction
- Bank Owned
- Preforeclosure

- Unincorporated Pinellas County
- Other Municipalities
- City of Clearwater
- Water Bodies

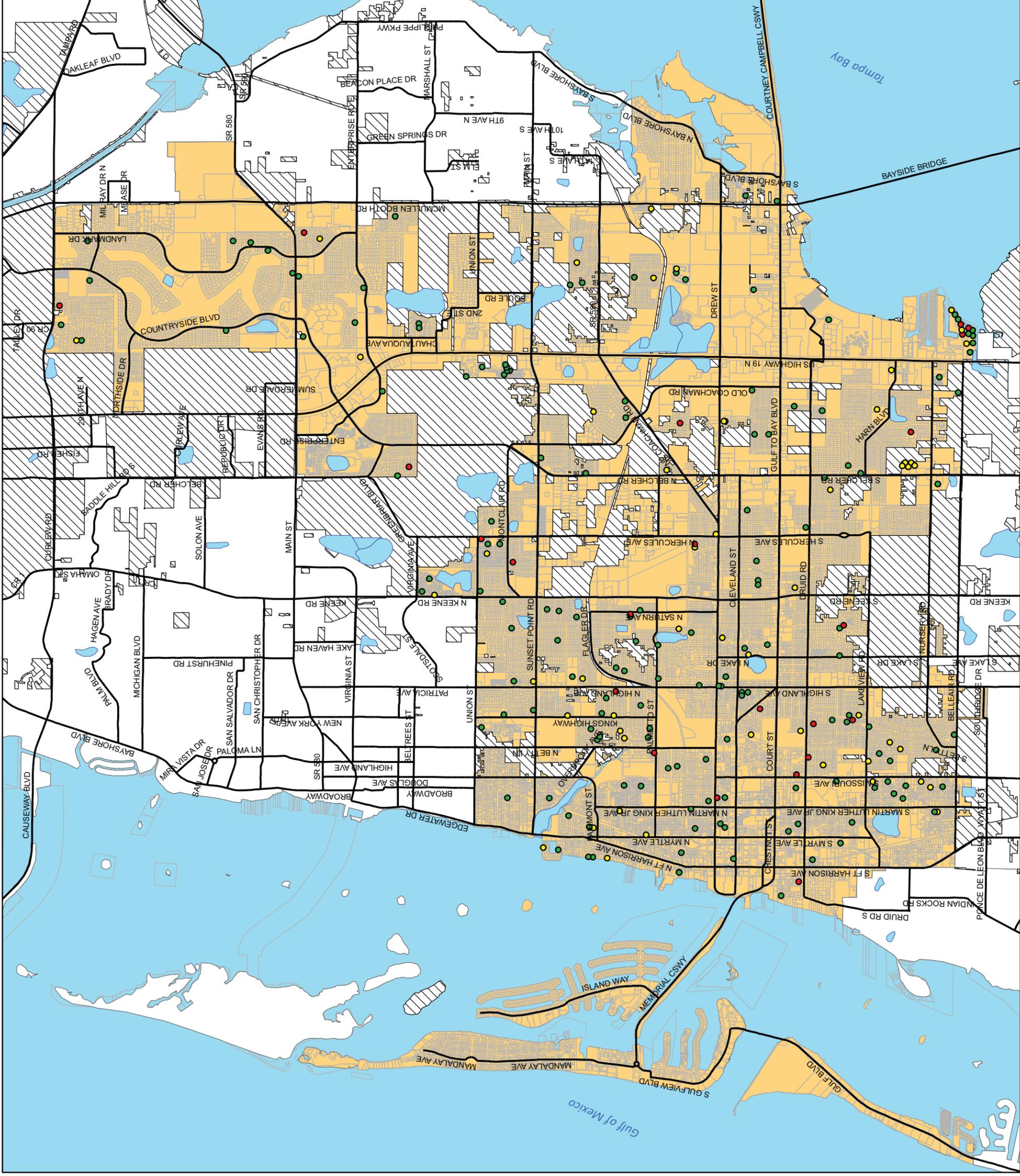


Source: Pinellas County GIS, "Parcels" 2009;
Pinellas County Property Appraiser Database,
2009; Pinellas Realtor Association, 2009.

Prepared by Wade Trim, Inc., February 2009.



0 0.375 0.75 1.5 Miles



Concentrations of Low Income Households

The U.S. Department of Housing and Urban Development (HUD) maintains a variety of statistics with regard to low income housing, primarily for use by local communities involved in Community Development Block Grant and other HUD housing and economic development programs. Included are statistics with regard to the availability of low income housing units to households based on specified income levels. These statistics provide a general picture of the low income housing situation within the City of Clearwater.

Table 31
HUD Income Limits (2008)
Tampa-St Petersburg-Clearwater, Florida MSA

	Area Median Income = \$56,500		
	Extremely Low [30%] (\$)	Very Low [50%] (\$)	Low [80%] (\$)
1 Person	11,850	19,800	31,650
2 Person	13,550	22,600	36,150
3 Person	15,250	25,450	40,700
4 Person	16,950	28,250	45,200
5 Person	18,300	30,500	48,800
6 Person	19,650	32,750	52,450
7 Person	21,000	35,050	56,050
8 Person	22,350	37,300	59,650

Source: HUD-FY 2008 Income Limits Documentation System

HUD calculated the area median family income (AMI) of the City of Clearwater to be \$56,500 in 2008. The data in the following tables show the current number of low income housing units along with the projected number in five year increments, rented and owned, by area median family income for the City of Clearwater.

Table 32
Number of Low Income Units (Owners) by Area Median Family Income

Income Level	Household Income as % of AMI	2005	2010	2015	2020	2025	2030
Extremely Low	<= 30% AMI	1,175	1,203	1,246	1,299	1,352	1,389
Very Low	30.01-50% AMI	853	874	901	936	968	991
Low	50.01-80% AMI	608	623	639	656	671	681
Total		2,636	2,700	2,786	2,891	2,991	3,061

Source: Florida Housing Data Clearinghouse,
 Shimberg Center for Affordable Housing, University of Florida, 2009

Table 33
Number of Low Income Units (Renters) by Area Median Family Income

Income Level	Household Income as % of AMI	2005	2010	2015	2020	2025	2030
Extremely Low	<= 30% AMI	1,857	1,917	1,964	2,006	2,046	2,083
Very Low	30.01-50% AMI	1,167	1,202	1,241	1,284	1,328	1,362
Low	50.01-80% AMI	362	373	385	401	416	427
Total		3,386	3,492	3,590	3,691	3,790	3,872

Source: Florida Housing Data Clearinghouse,
 Shimberg Center for Affordable Housing, University of Florida, 2009

According to the data presented in Table 32 and Table 33 above, as of 2005, there were 2,636 total owner occupied units considered to be low income housing. Additionally, 3,386 low income rental units were within the City in 2005.

The number of low income housing units within the City of Clearwater is projected to slowly increase in all categories. The following analysis will address whether there are concentrations of lower income households in neighborhoods located in the City of Clearwater.

This analysis relies on year 2000 income information compiled by the U.S. Census for the neighborhood statistical areas called “block groups”.

Income and Affordability

The housing stock in a community should be affordable to its residents. If housing costs are prohibitive, housing needs remain unmet despite housing unit availability. Total household income determines the range of affordable housing for virtually all families.

The generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

An estimated 12 million renter and homeowner households now pay more than 50 percent of their annual incomes for housing, and a family with one full-time worker earning the minimum wage cannot afford the local fair-market rent for a two-bedroom apartment anywhere in the United States.

The lack of affordable housing is a significant hardship for low-income households preventing them from meeting their other basic needs, such as nutrition and healthcare, or saving for their future and that of their children.

Table 34
Households and Cost Burden (2005)¹¹

Tenure	Amount of Income Paid for Housing			
	0-30%	30-50%	50% or more	Total
Owner	21,940	4,865	3,136	29,941
Renter	11,146	4,226	3,472	18,844
Total	33,086	9,091	6,608	48,785

Source: Florida Housing Data Clearinghouse,
 Shimberg Center for Affordable Housing, University of Florida, 2009

A unit is considered affordable when no more than 30 percent of the gross household income is spent on housing costs. Table 34 shows households and cost burden for the City of Clearwater in 2005. According to the information provided by the Shimberg

¹¹ Calculations based on total households on 2005.

Center for Affordable Housing, 32.2 percent of the City’s households (15,699) are considered cost burdened as they pay more than 30 percent of their annual income for housing. Out of this total, 6,608 households (42.1 percent) are severely cost burdened paying more than 50% of their annual income for housing.

On one hand, when we analyze this data by the total of owner-occupied units, we can conclude that 26.7 percent (8,001) are cost burdened. Out of this amount, approximately 39.2 percent of the households are considered severely cost burdened.

On the other hand, when we look at the total of renter-occupied units, 40.9 percent of the households are cost burdened. Out of this total, approximately 45.1 percent of the households are considered severely cost burdened.

As can often be expected, a person’s income is one of the main determinations in what a person can afford to pay for housing. Table 35, shows a classification of households by income category as they relate to the Area Median Income-AMI (\$52,500) and the amount of income spent on housing.

According to the data provided, there are 18,815 households that are considered low income or below. This category is comprised of households earning less than 80 percent of AMI. Of this income group, 11,993 households or over 63.7 percent are considered either cost burdened or severely cost burdened.

Table 35
Households by Income and Cost Burden (2005)

Household Income as Percentage of Area Median Income (AMI)	Amount of Income Paid for Housing			Total
	0-30%	30-50%	50% or more	
<=30% AMI	1,339	714	3,032	5,085
30.01-50% AMI	1,229	1,876	2,020	5,125
50.01-80% AMI	4,254	3,381	970	8,605
80.01+% AMI	26,264	3,120	586	29,970
Total	33,086	9,091	6,608	48,785

Source: Florida Housing Data Clearinghouse,
 Shimberg Center for Affordable Housing, University of Florida, 2009

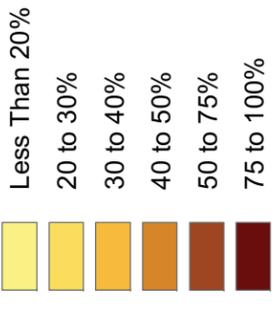


Housing Market Analysis

MAP 11

Low Income Concentrations

% Low Income by Block Group

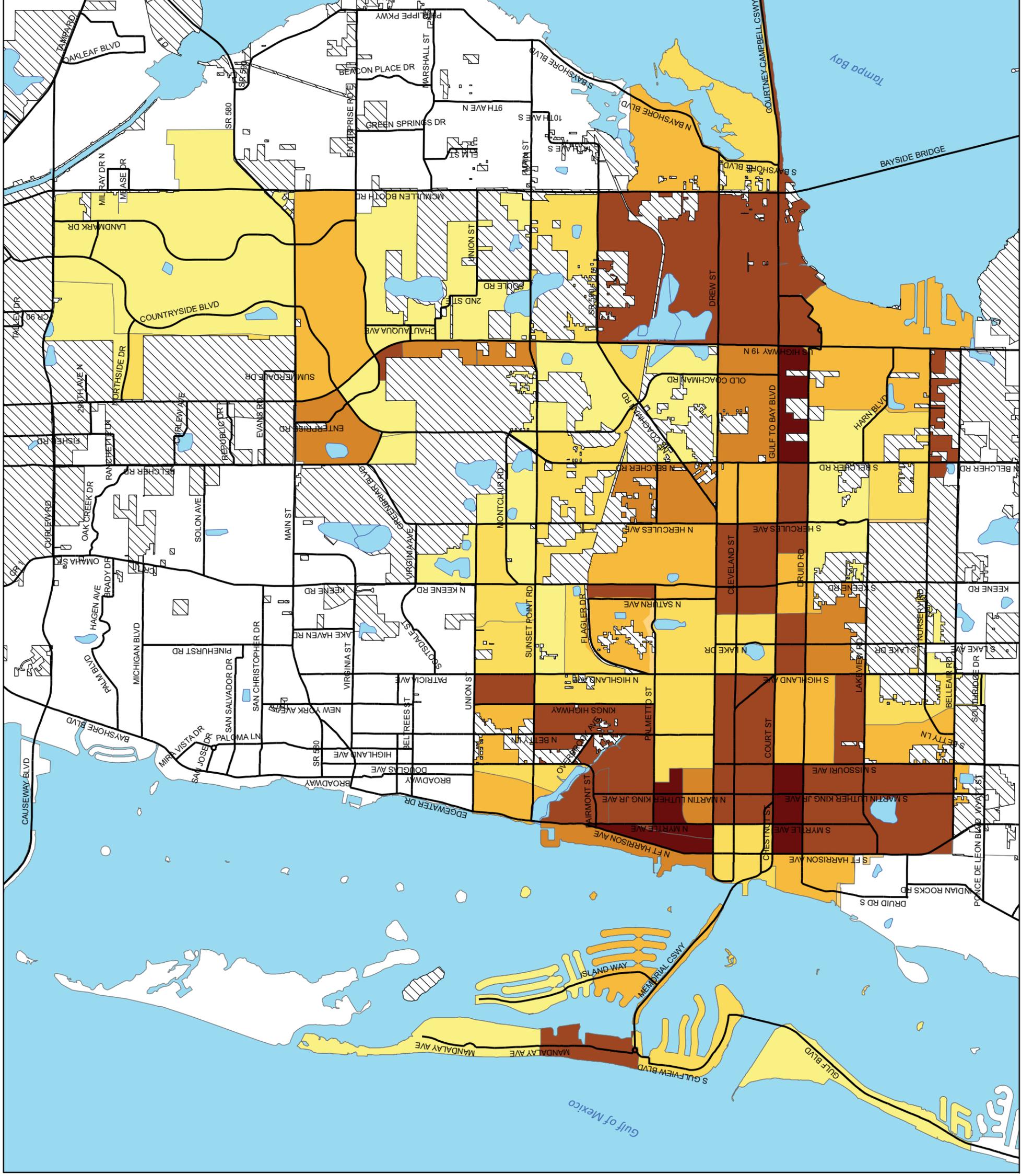


Unincorporated Pinellas County

Other Municipalities

City of Clearwater

Water Bodies

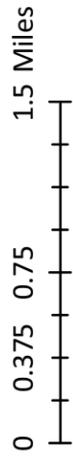
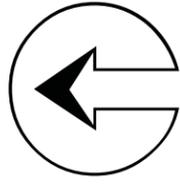


Source: Pinellas County GIS, "Parcels" 2009; Pinellas County Property Appraiser Database, 2009. 2000 U.S. Census. U.S. Department of Housing and Urban Development, 2007.

Prepared by Wade Trim, Inc., February 2009.



WADE TRIM



VI. Summary of Findings (Updated)

The following provides a summary of the most relevant findings of this study which will assist the Economic Development and Housing Department in supporting further recommendations within the Local Housing Assistance Plan (LHAP) and the development of the City's affordable housing programs.

The City of Clearwater plays an important role in the Tampa Bay Region. Recognized nationwide as a beach tourism destination, the City also has other important industries such as manufacturing, information technologies, marine sciences, medical technologies, financial and government service industries.

Clearwater experienced an accelerated rate of growth (7.85 percent) during the period of 1990-2000. As the supply of developable land has decreased, the City's rate of growth has slowed. During the period of 2000-2009, the City's rate of growth was -1.75 percent. From 2009 to 2014 it is projected that the City will grow from 106,879 (11.5 percent of Pinellas County's population) to 107,197 inhabitants. These projections take into account the current economic slowdown and the housing crisis.

The City's gender composition is 48.3 percent male and 51.7 percent female. Approximately 48 percent of the total population of the City is 45 years of age or older. In 2008, the median age for the City of Clearwater was 43.8, and it is projected to be 45.5 in 2013.

The educational attainment data shows that approximately 8.4 percent of the City's population ages 25 and older had earned a Master's, Professional or Doctorate Degree, and 15.6 percent had earned a Bachelor's Degree.

In terms of the characteristics of the City's households, approximately 85 percent of the households in Clearwater are three-person households or smaller; the average household size is 2.17. In 2009, an estimated 26 percent of the City's households had an income below \$25,000. Nearly 56 percent had an income below \$50,000. The average household income in the City of Clearwater for 2009 is estimated to be \$60,255. This amount is 4.3 percent and 13.2 percent lower than Pinellas County and the United States respectively for the same time frame. These are important figures to consider when developing affordable housing strategies.

According to the State of Florida Agency for Workforce Innovation, in 2009, the City of Clearwater unemployment rate went from 8.4 (January) to 10.8 (December).

Despite this increase in unemployment, the City has the lowest unemployment rate when compared with Pinellas County, the Tampa Bay area and the State of Florida for the same period, showing better stability of the economic sectors.

In the year 2000, the City of Clearwater had a total of 56,726 dwelling units. It is estimated that by the year 2008, the housing stock increased to almost 60,000 units. Out of this total 44.3 percent of the units are single family residences, 49 percent are multifamily residences and 6.7 percent are mobile homes. There has been a slightly shift from single family residences to multifamily residences since 1980. As available vacant land decreases throughout the City, it is likely that the percentage of multi-family housing will continue to grow. This increasing multi-family housing supply can be a strong support for the success of mixed use and infill development.

In 2008, the majority of housing units in Clearwater (31 percent) were built between 1970 and 1979. During the same timeframe (1970-1979), the construction of housing units in Pinellas County and the United States was less aggressive: 26.2 percent and 16.2 percent respectively. Approximately 67 percent of the City's housing stock is more than 20 years old, which means that housing rehabilitation strategies should be in place.

According to Claritas estimates for 2009, approximately 62 percent of the City's housing stock is owner occupied. The percentage of owner occupied housing has remained relatively constant since 1990 (61.8 percent). The areas of the City with lower percentages of homeownership are found in neighborhoods such as North and South Clearwater, the East Gateway Area, and Clearwater Beach

Building permits are a good indicator of the supply of new housing units. The data provided by the City's planning department reveals there has been a reduction of building permits for single family and multifamily units. From 1998 to 2008 a total of 4,140 permits were issued. Almost 32 percent of those permits were issued within 2004-2006, while 14.8 percent between 2007-2008 mainly attributed to the economic slowdown and the housing crisis.

In 2009, according to estimates provided by Claritas, approximately 61 percent of all owner occupied housing units in the City are valued between \$100,000 and \$300,000. The estimated median owner-occupied housing value in the City was \$173,638.

In the last four years, sales in the City's housing market experienced a considerable change. The trend is characterized by decreased property values and sales, as well as

an increase in pre-foreclosure and foreclosed properties. From 2006 to 2009, the median sales price of single family homes had experience a decrease ranging between 16 to 50 percent depending on the neighborhood. Despite the drop in home values, affordability still remains an issue as credit restrictions get tighter and some families start experiencing reduced income due to job losses.

According to information obtained from the Pinellas County Realtor Association in February 2009, there were over 225 homes at some stage of foreclosure (Auction, Bank Owned, or Pre-Foreclosure) within the City of Clearwater. In 2009, foreclosed homes in the City of Clearwater had an average sale price of approximately \$358,000.

According to the Bay Area Apartment Association, the rental market for Clearwater has experienced a gradual increase in average cost of rents and vacancies over the past four years. The average monthly rent for all types of rental units increased from \$856 in the third quarter of 2006 to \$1,008 in the first quarter of 2009. One and two bedroom rental units comprise by far the greatest percentage of rental unit types in the Clearwater housing market. Recently, there has been a reduction in the number of these units available and no significant change in the number of three and four bedroom units available. Despite this trend, the emphasis on one and two bedroom units indicates there are only a limited number of rental opportunities for larger families.

According to the information provided by the Shimberg Center for Affordable Housing in 2005, 32.2 percent of the City's households (15,699) are considered cost burdened as they pay more than 30 percent of their annual income in housing. Out of this total, 6,608 households (42.1 percent) are severely cost burdened paying more than 50% of their annual income in housing.