

## **WeSERV Pinal County and Eloy Housing Demand Survey 2024**

### **Executive Summary**

**The Problem:** Economic Development is booming in Pinal County bringing with it a large number of new jobs and people to work those jobs. The majority of newly arriving wage earner jobs pay \$45,000 a year gross income to \$95,000 a year gross income.

***What are the housing prospects for wage earners in this income group?***

- Housing and Real Estate Markets are governed by individuals and their decisions.
- Wage Earner housing availability is considerably less than overall housing availability. WeSERV has identified wage earner housing (rental and purchase) is lacking across Pinal County leaving the majority of wage earners displaced and underserved in the housing market.
- WeSERV and this survey are focused on housing *availability* and *affordability* for wage earners in the \$45,000/year to \$95,000 per year *gross* income group. This equates to a *net* yearly income of approximately \$40,000 to \$80,000 per year.
- Refer to the WeSERV 2023 housing study entitled *The Web of Housing Solutions* for more information on private sector tools of real estate designed to provide wage earner housing solutions.
- Housing is sustainable for most people when the total cost of housing is no more than 25% to 30% of their *net* yearly income.
- In most cases, listing price and final sales/rental price will differ due to the negotiations of buyers and sellers, or tenants and rental property owners.
- The terms of the rental or purchase contract will impact the true final cost to purchase or rent the real estate property.
- In the current market, sellers and rental property owners are lowering prices and providing substantial concessions to buyer/tenants in order to reduce the total cost of buying or renting.
- Based on Pinal County and city wage earner estimated net income, purchase housing priced at \$200,000 to \$375,000 is most affordable for the \$45,000 to \$95,000 per year wage earner.
- Based on Pinal County and city wage earner estimated net income, rental housing priced at \$885.00 to \$1,758.00 per month is most affordable.

- WeSERV has spoken to builders and developers with a variety of housing products to meet the needs of renters and buyers. Several also provide a variety of financial tools to aid in containing the total cost of housing for both tenants and buyers.
- Pinal County residents prefer single family detached homes. They will compromise on lot size, location, square footage and amenities.
- Retirees view housing availability, affordability and amenities differently than wage earners.
- People living in Pinal enjoy the peaceful, quaint, rural nature along with the sense of community.
- Residents are concerned for roadways, water supply and water quality.
- This survey was conducted in two parts:
  - American Strategies interviewed 435 residents in Arizona City, Casa Grande, Coolidge, Eloy, Florence and Picacho.
  - WeSERV surveyed its Pinal membership with 18 respondents. On average respondents closed 10 or more Pinal County residential sales in 2023.

Below are sample wage earner gross income, net income, and estimated monthly payments:

**Rental:**

**\$49,500/year gross income** ~ \$42,500 net income  
 25% of net income = \$885.00 per month rent  
 30% of net income = \$1,062 per month rent

**\$56,550/year gross income** ~ \$45,400 net income  
 25% of net income = \$945 per month rent  
 30% of net income = \$1,135 per month rent

**\$70,650/year gross income** ~ \$55,027 net income  
 25% of net income = \$1,146 per month rent  
 30% of net income = \$1,375 per month rent

**\$93,300/year gross income** ~ \$70,350 net income  
 25% of net income = \$1,465 per month rent  
 30% of net income = \$1,758 per month rent

**Purchase:**

**\$250,000 house with 10% down @ 5% interest = \$1,125 per month P&I\* payment**

**\$250,000 house with 10% down @ 6.7% interest = \$1,535 per month P&I payment**

**\$300,000 house with 10% down @ 5% interest = \$1,350 per month P&I payment**

**\$300,000 house with 10% down @ 6.7% interest = \$1,826 per month P&I payment**

**\$350,000 house with 10% down @ 5% interest = \$1,690 per month P&I payment**

**\$350,000 house with 10% down @ 6.7% interest = \$2,116 per month P&I payment**

**\$375,000 house with 10% down @ 5% interest = \$1,811 per month P&I payment**

**\$375,000 house with 10% down @ 6.7% interest = \$2,261 per month P&I payment**

\*P&I = Loan Principal and Interest