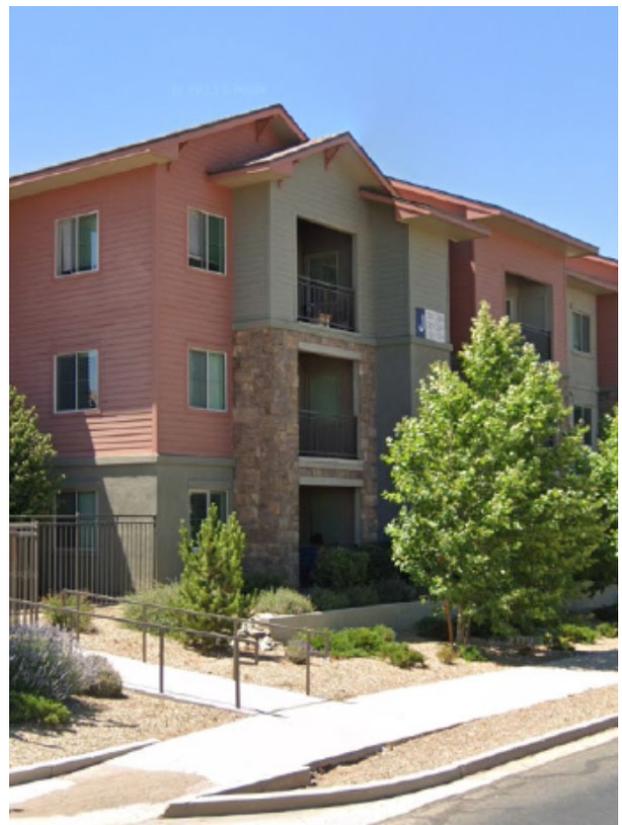


Housing Needs Assessment

Town of Prescott Valley, Arizona



Prepared for:
Town of Prescott Valley
May 2025

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Executive Summary

The Town of Prescott Valley commissioned the preparation of a comprehensive Affordable Housing Needs Assessment to address a perceived shortage of affordable housing in the community. The purpose of the Assessment is to determine the status of the local housing market and how the Town's housing market is responding to the needs of current and future residents. The Assessment is designed to assess changes in the Town's resident population and the impact of extensive employment growth of the community over the last ten years.

Independent research conducted for this report focused on historical and current housing trends, local demographics, and economic factors such as industry employment and commuting trends. The "gap" in affordable housing was calculated from Census data and housing market data collected for the study.

Demographic Characteristics of Prescott Valley Population

According to the Arizona Office of Economic Opportunity (OEO), Prescott Valley had a population of 51,532 people as of July 2024. The town is the largest community in Yavapai County, overtaking Prescott in population in 2021. Since 2010, Prescott Valley grew at a compounded annual rate of 2.0%, faster than the county's growth rate of 1.3%. The town also captured 31% of the county's population growth since 2010.

The population of Prescott Valley has a median age of 47.3 years and a smaller average household size than Arizona. These factors suggest a significant portion of the population of the town is retired.

The median household income in Prescott Valley at \$70,793 in 2023 is higher than the county median but approximately 9% below the state median income. Renter households in Prescott Valley have a median income of \$60,020, higher than both the county and state median incomes for renters.

The population forecast for Prescott Valley suggests it will grow to more than 57,300 people by 2030 and to more than 63,700 people by 2040, an increase of 12,200 people. The town is forecasted to capture about 26% of the population increase of Yavapai County through 2040 and remain the largest municipality in the county. The population forecast translates into a significant demand for housing over 16 years totaling 5,127 units or an average of 342 units per year. In the last few years, permitting has exceeded these levels with significant construction of duplex and apartment units.



Prescott Valley Housing Demand 2025-2040					
	2025	2030	2035	2040	Total
Population Change	1,149	4,603	3,418	3,032	12,202
Housing Unit Demand	483	1,934	1,436	1,274	5,127
Unit Average/Year		387	287	255	342
Sources: AZ Office of Economic Opportunity, ACS 5-Yr Estimates					

Prescott Valley Economy

Given its size, Prescott Valley has a broad economy that is built on a variety of industries including construction, manufacturing, and media and publishing. These industries all provide significant employment opportunities for the local population.

Prescott Valley’s unemployment rate stood at 3.8% as of March 2025, slightly below the state-wide average of 4.0%. This level of unemployment is an indicator of full employment both locally and across the state. The labor force participation rate for Prescott Valley of 52.8% is below the state average of 60.1%. Age and retirement trends can reduce the labor force participation rate. The percentage of the Prescott Valley population over the age of 65 stands at 28.5% compared to 18.6% for the state which affects the participation rate.

In order for an economy to operate efficiently, it must have employees to provide for the daily needs of its residents as well as the employment needs of its businesses. Despite Prescott Valley’s employment growth over the past decade, data indicates there is still substantial commuting by residents out of the Town. For instance, the data suggests that more than 15,000 working residents of the Town (78%) travel to other locations for work. At the same time, 7,378 people travel to Prescott Valley for employment.

Prescott Valley is expected to be an important job creation center in the county for the foreseeable future. Between 2025 and 2040, Prescott Valley’s employment base is forecasted to grow by another approximately 7,200 jobs and increase its total employment to 21,722 jobs. This will increase the town’s job base by nearly 50% over the next 15 years. The job growth rate is forecasted to outpace population growth by more than 2.3 times.

Housing Market Dynamics

Prescott Valley’s housing inventory is comprised of 21,576 units according to the 2023 American Community Survey 5-year estimates with 20,079 of those units (93.1%) occupied on a year-round basis by permanent residents.



Prescott Valley has a slightly higher percentage of single-family detached units, and a much lower percentage of multifamily units compared to the state. The Census reports only 5.1% of all housing units in Prescott Valley are considered apartments or multifamily (buildings with five or more units in a building) compared to 6.7% across Yavapai County and 16.3% statewide.

Recent multifamily development is not reflected in the U.S. Census data. Complexes such as Granite Mountain Apartments, The Flats at Jasper, and The Crossings at Windsong completed in 2023 and 2024 are not reflected in the data. In addition, another 800 units are currently under construction in the town.

Residential building permit activity has been extremely strong since 2016 reaching a peak of 1,012 units in 2022 fueled by the COVID pandemic-induced interest rate decline. Single family permit activity has cooled over the last two years due to the sharp rise in mortgage interest rates and home price appreciation. Based on this construction activity, growth in Prescott Valley is on pace to meet or exceed OEO's projected population growth over the next five years and beyond.

Apartment Inventory

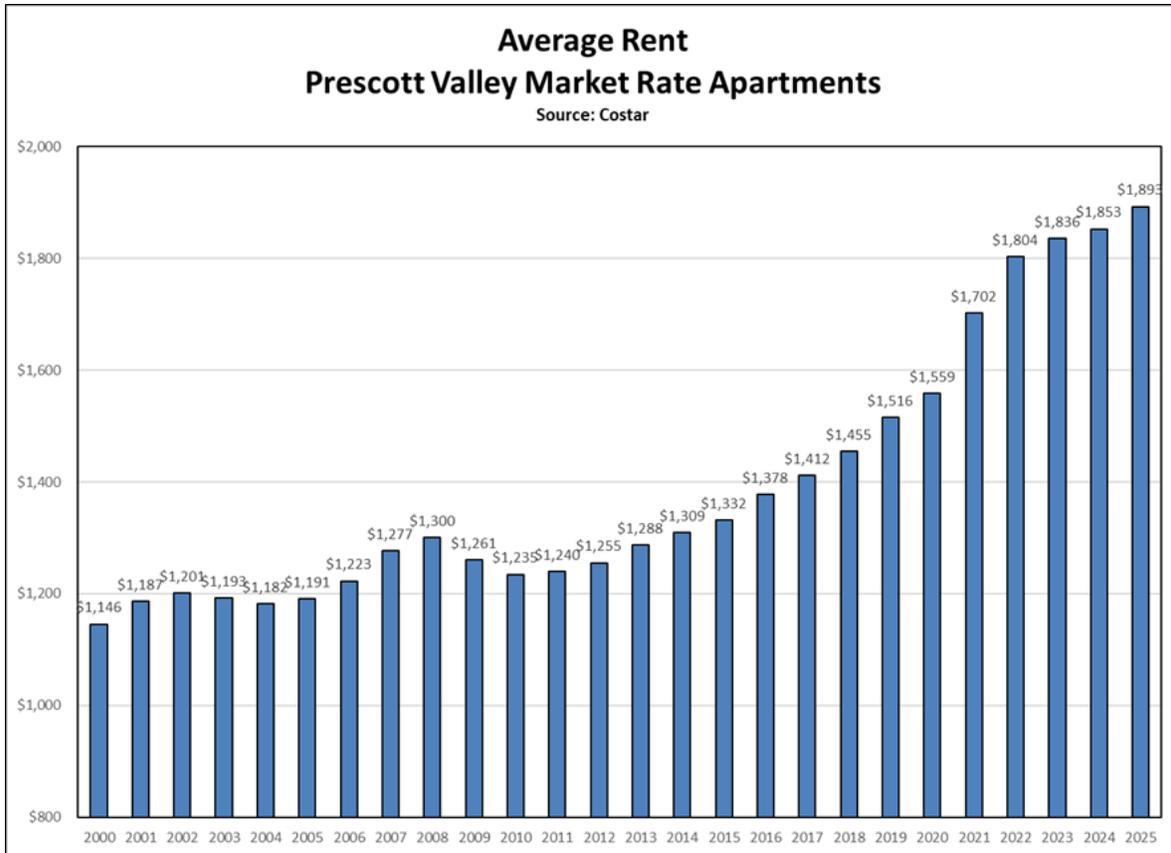
The Town's inventory of traditional market-rate apartment complexes of 1,595 units is comprised of medium sized (100 to 200 units) complexes, the largest being 240 units in size. The inventory includes 585 units classified as Built-To-Rent (BTR) complexes which have been built in the last few years. The vacancy rate for traditional apartment units in the second quarter of 2025 is estimated at 12.5% which is above the normal stabilized rate for the market of about 7%.

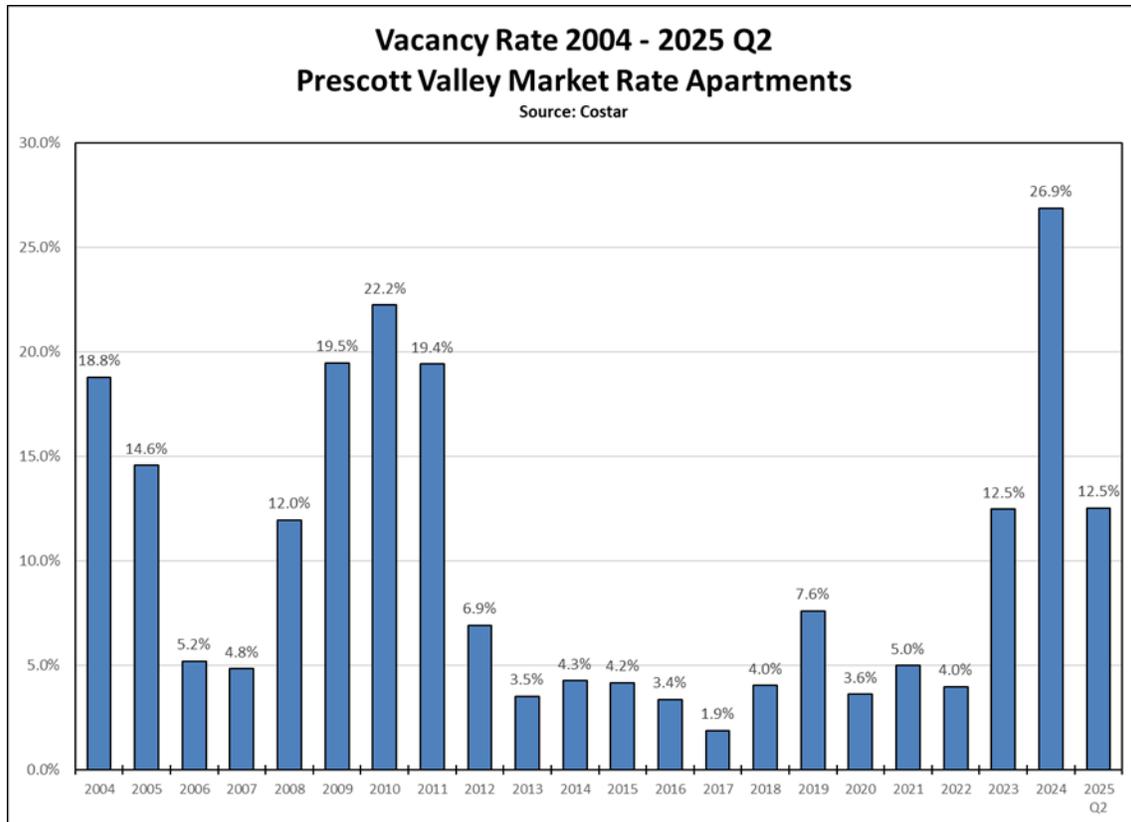
In addition to the market-rate apartment inventory, there are nine affordable complexes totaling 525 units including several senior/elderly complexes. These units were all built under the Low Income Housing Tax Credit (LIHTC) program. Another 781 units in three properties are under construction including the LEGADO apartments which were subject to a fire during construction. An estimated 1,412 units are approved by the Town including an estimated 1,000 units in the Lakeshore planned community that is now subject to a referendum. Another 880 units are in the planning process but have not been approved by the Town. Given the current economic and capital markets environment, the timing of when the approved and planned properties may come to market is uncertain.

Average rents for market rate apartments in Prescott Valley leveled off at over \$1,800 per month. However, the introduction of the BTR units to the market area has resulted in the average rent for the town moving to nearly \$1,900 per month. The current overall apartment vacancy rate in



Prescott Valley is 12.5%, due to the construction of new complexes in the Town. As of 2022, the vacancy rates was as low as 4.0%, indicating a significant undersupply of units. Since then, the vacancy rate has been on the increase.



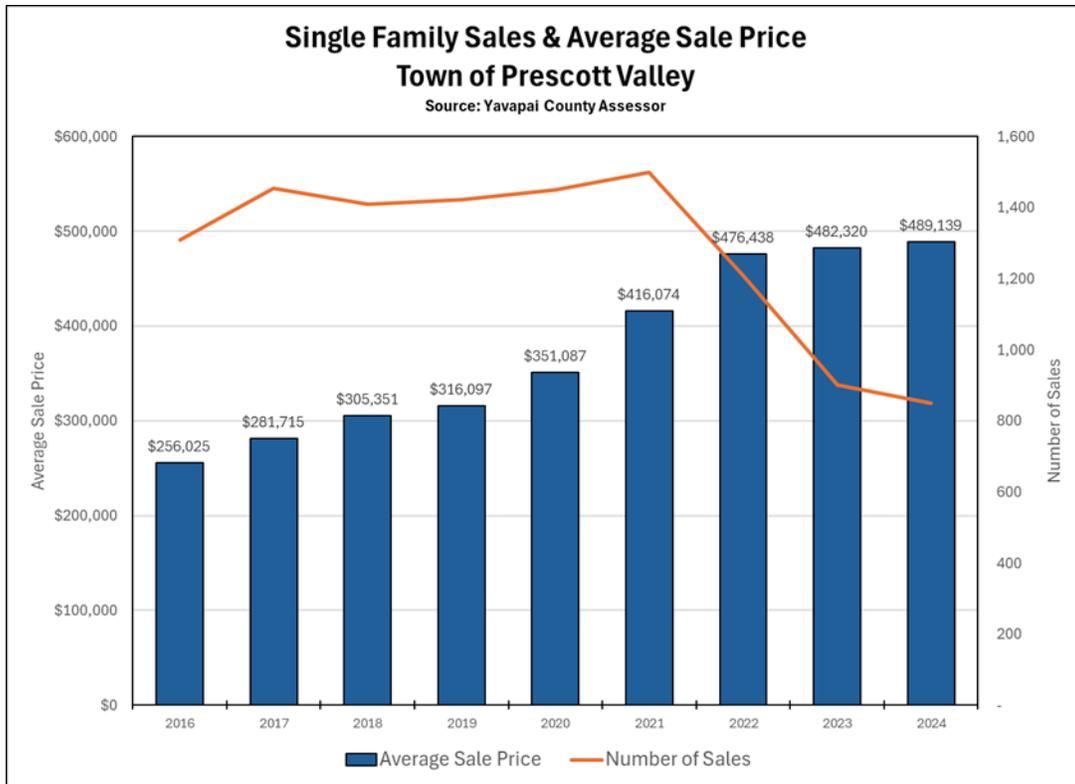


Approximately 360 apartments were absorbed in the Prescott Valley market over the last 12 months. If this rate of absorption is maintained, absorption of the existing excess vacant inventory and the 781 apartments under construction would take about two years to reach a 93% occupancy level. Depending on when the approved and planned units are built, Prescott Valley should be able to absorb all units in the pipeline.

Ownership Housing Market

The price of housing in Prescott Valley has increased dramatically over the past five years. The average single family home price has risen by 91% since 2016 to \$489,000 and condo/townhome properties have increased by 83% to \$404,000. Much of that increase occurred in 2021 when single family prices jumped by 24%. The number of sales peaked in 2021 at 1,450 sales but have since fallen to 850 in 2024, a 41% decline largely due to high mortgage interest rates and rising construction costs.





Mobile and manufactured home sales are still affordable with an average price of \$222,253 in 2024. However, these homes too have increased in price by more than 100% since 2016. The number of sales is down from 215 in 2020 to 139 in 2024.

Based on the Town’s median income of approximately \$70,793 with a 10% down payment and a 6.6% loan, the maximum house value the typical Prescott Valley household can afford is \$254,000. **In 2024, out of 1,057 single family home sales (new and resale), only 137 (13.0%) were sold for less than \$300,000. Only six new homes were sold for less than \$400,000. Most sales of homes priced under \$400,000 were resale homes.**



Prescott Valley 2024 Housing Sales & Required Income											
Price Range	SF Sales	Condo Sales	MH Sales	Total Sales	%	Loan Pmt		Total Pmt		Required Income	
						Min	Max	Min	Max	Min	Max
Less than \$150,000	1	-	32	33	0.1%	-	\$862		\$1,007		\$40,281
\$150,000-\$200,000	2	-	20	22	0.2%	\$862	\$1,150	\$1,007	\$1,343	\$40,281	\$53,709
\$200,000-\$300,000	21	1	60	82	2.5%	\$1,150	\$1,724	\$1,343	\$2,014	\$53,709	\$80,563
\$300,000-\$400,000	131	25	26	182	15.4%	\$1,724	\$2,299	\$2,014	\$2,685	\$80,563	\$107,417
\$400,00-\$500,000	376	41	-	417	44.2%	\$2,299	\$2,874	\$2,685	\$3,357	\$107,417	\$134,272
\$500,000-\$600,000	196	1	1	198	23.1%	\$2,874	\$3,449	\$3,357	\$4,028	\$134,272	\$161,126
\$600,000-\$700,000	80	-	-	80	9.4%	\$3,449	\$4,024	\$4,028	\$4,700	\$161,126	\$187,980
\$700,000-\$800,000	18	-	-	18	2.1%	\$4,024	\$4,598	\$4,700	\$5,371	\$187,980	\$214,835
\$800,000-\$900,000	15	-	-	15	1.8%	\$4,598	\$5,173	\$5,371	\$6,042	\$214,835	\$241,689
\$900,000-\$1,000,000	6	-	-	6	0.7%	\$5,173	\$5,748	\$6,042	\$6,714	\$241,689	\$268,543
\$1,000,000+	4	-	-	4	0.5%	\$5,748	-	\$6,714	-	\$268,543	-
Total	850	68	139	1,057	100.0%						

Sources: Yavapai County Assessor, Elliott D. Pollack & Co.

Barriers to Affordable Housing

According to a recent survey of town residents conducted in April and May 2025 concerning community services and housing, affordable housing was ranked as the top community need followed by infrastructure improvements. Affordable housing often encounters barriers that make it difficult to bring to market including misunderstandings about those who occupy them. Factors that were analyzed in this section included land availability, zoning and development regulations, cost of development, and water resources.

Overall, the Town of Prescott Valley has available land that can accommodate future population estimates for the foreseeable future. The zoning code and General Plan support residential uses including affordable housing. The primary barriers to affordable housing are the cost of development and water resources.

Affordable Housing Demand & Forecast

The Town of Prescott Valley is forecasted to grow by approximately 12,200 people over the next 16 years based on forecasts from the Arizona Office of Economic Opportunity. The demand for housing through 2040 totals 5,127 units or an average of 342 units per year.

Housing Affordability Gap

The housing affordability gap is the difference between the rents or housing values in a community and the ability of households to afford those rents or values. **Housing affordability**



affects low- and moderate-income households the most, including many critical service occupations such as teachers, police, firefighters, nurses, and service workers.

In order to evaluate the affordability gap for Prescott Valley, data was directly collected from the U.S. Census that shows the number of households spending more than 30% of income on housing.

The following table outlines that 41.5% of all renters in Prescott Valley or 2,400 households pay more than 30% of their income on housing. Of those renters, 1,130 households or 19.3% of all renter households pay more than 50% of their incomes on housing. These households are considered severely rent burdened.

Renter Housing Cost Burden						
Gross Rent as % of Household Income						
	Prescott Valley		Yavapai County		Arizona	
	Households	%	Households	%	Households	%
Total:	5,867		28,846		923,559	
Less than 10.0 percent	96	1.6%	1,342	4.7%	35,020	3.8%
10.0 to 14.9 percent	512	8.7%	2,677	9.3%	70,637	7.6%
15.0 to 19.9 percent	696	11.9%	2,413	8.4%	104,368	11.3%
20.0 to 24.9 percent	729	12.4%	4,031	14.0%	115,422	12.5%
25.0 to 29.9 percent	1,040	17.7%	3,742	13.0%	102,684	11.1%
30.0 to 34.9 percent	322	5.5%	1,933	6.7%	80,245	8.7%
35.0 to 39.9 percent	352	6.0%	1,411	4.9%	62,372	6.8%
40.0 to 49.9 percent	628	10.7%	2,470	8.6%	83,870	9.1%
50.0 percent or more	1,130	19.3%	5,979	20.7%	207,164	22.4%
Not computed	362	6.2%	2,848	9.9%	61,777	6.7%
Total Spending More Than 30%	2,432	41.5%	11,793	40.9%	433,651	47.0%
Total Spending More Than 50%	1,130	19.3%	5,979	20.7%	207,164	22.4%

Source: ACS 2023 5-year estimate

For owner occupants, the housing cost burden is higher than the statewide average. More than 3,400 owner households in Prescott Valley or 24.0% fall into this category. Of that amount, 1,719 (12.1%) owner households are considered severely burdened by housing costs, spending more than 50% of their income on housing.



Owner Housing Cost Burden						
Homeowner Housing Cost as % of Household Income						
	Prescott Valley		Yavapai County		Arizona	
	Households	%	Households	%	Households	%
Occupied housing units:	14,212		80,054		1,873,231	
Less than 10.0 percent	3,509	24.7%	21,750	27.2%	482,151	25.7%
10.0 to 14.9 percent	2,478	17.4%	12,996	16.2%	341,879	18.3%
15.0 to 19.9 percent	2,180	15.3%	12,016	15.0%	295,596	15.8%
20.0 to 24.9 percent	1,509	10.6%	7,660	9.6%	208,141	11.1%
25.0 to 29.9 percent	1,063	7.5%	5,584	7.0%	134,621	7.2%
30.0 to 34.9 percent	622	4.4%	3,795	4.7%	89,783	4.8%
35.0 to 39.9 percent	381	2.7%	2,519	3.1%	59,715	3.2%
40.0 to 49.9 percent	695	4.9%	3,469	4.3%	72,363	3.9%
50.0 percent or more	1,719	12.1%	9,637	12.0%	167,545	8.9%
Not computed	56	0.4%	628	0.8%	21,437	1.1%
Total Spending More Than 30%	3,417	24.0%	19,420	24.3%	389,406	20.8%
Total Spending More Than 50%	1,719	12.1%	9,637	12.0%	167,545	8.9%

Source: ACS 2023 5-year estimate

The total housing affordability gap for Prescott Valley is 5,849 households, or approximately 29.1% of total households. Renters are the most cost-burdened households in the Town on a percentage basis. The housing burden at different incomes is outlined below.

- There are 449 renter households earning less than \$20,000 who are burdened by rent and 923 owner households who are similarly burdened. These households are most appropriately housed in public housing units or subsidized with vouchers, with rents set at 30% of the household’s income.
- There are 1,781 renter households in the Town earning between \$20,000 and \$50,000 per year and 82% of them, or 1,464 households, are burdened by housing costs. This group could be served by Low Income Housing Tax Credit complexes. Prescott Valley has several apartment communities targeting that population totaling 575 units. There is still a need for almost 900 subsidized units for this income group.
- The third group of households, representing 1,080 renter households, earn between \$50,000 and \$75,000 with about 40% of these households burdened by housing costs. Most of these households would likely qualify for workforce housing units targeting 60%-100% AMI and could be candidates for homeownership assistance programs.
- The final group of 2,184 households earn \$75,000 or more with about 4% burdened by housing costs. The new market rate apartments will be affordable to this group of



households. There are also many options among new and resale homes that would be affordable, especially if mortgage interest rates decline.

A further source of demand for affordable housing is households who are separated or divorced or where a spouse has died. Those households have much lower incomes relative to married couple families. In particular, households headed by a single female have a median income below \$42,000 and when they live with their own children, the median income falls to \$34,000.

In summary, an estimated 5,849 households in Prescott Valley, or approximately 29.1% of total households are burdened by housing costs, spending more than 30% of their income on housing, including 2,432 renters and 3,417 owners. While there are few opportunities for homeownership for households who earn less than \$50,000, a target for first-time homeownership could be the more than 1,000 households who earn between \$50,000 and \$75,000.

Prescott Valley has an inventory of affordable units that include 575 LIHTC units. Housing choice vouchers are also available across Yavapai County from the Arizona Public Housing Authority. The number of vouchers that are directly used in Prescott Valley is unavailable. However, vouchers for the county are fully committed with a long waiting list.

HUD income limits for multifamily tax subsidy projects for Yavapai County are based on the area median family income (AMFI) of \$87,300 for 2025. This means a family of four qualifies for an LIHTC complex at an income of \$54,360 (60% of AMFI). There are about 7,900 households out of 20,079 households in the Town or 39% (subject to household size) who could potentially qualify for a tax subsidy complex.

FY 2025 Multifamily Tax Subsidy Project Income Limits Yavapai County, AZ								
Area Median Family Income \$87,300								
% of Median Income	Persons in Family							
	1	2	3	4	5	6	7	8
80%	\$50,750	\$58,000	\$65,250	\$72,500	\$78,300	\$84,100	\$89,900	\$95,700
70%	\$44,400	\$50,700	\$57,100	\$63,420	\$68,500	\$73,580	\$78,700	\$83,740
60%	\$38,040	\$43,500	\$48,900	\$54,360	\$58,740	\$63,060	\$67,440	\$71,760
50%	\$31,700	\$36,250	\$40,750	\$45,300	\$57,950	\$52,550	\$56,200	\$59,800
40%	\$25,360	\$29,000	\$32,600	\$36,240	\$39,160	\$42,040	\$44,960	\$47,840
30%	\$19,020	\$21,750	\$24,450	\$27,180	\$29,370	\$31,530	\$33,720	\$35,880
20%	\$12,860	\$14,500	\$16,300	\$18,120	\$19,580	\$21,020	\$22,480	\$23,920

Source: Department of Housing & Urban Development



Future Housing Demand

Prescott Valley is expected to grow by 12,202 persons between 2024 and 2040. This will create demand for at least 5,127 housing units. Taking into account a 5% vacancy rate, total housing demand equals 5,383 units.

Following from the gap analysis, the following table outlines the future demand for housing by today’s income range. Rental housing demand, much of which could be in the form of subsidized units, will be driven by households with less than \$50,000 in income. Total demand is estimated at 1,951 units through 2040. Another 1,809 units of ownership housing will be needed for critical service employees that earn between \$50,000 and \$100,000. This population may need support to acquire housing that is within their reach. At today’s interest rate, the households in this income category could afford a home ranging from \$200,000 to \$350,000.

Forecasted Housing Demand By Income			
Income Range	Households	%	Housing Target
Less than \$25,000	690	12.8%	Rental Housing
\$25,000 to \$34,999	328	6.1%	Rental Housing
\$35,000 to \$49,999	933	17.3%	Rental Housing
Total	1,951		
\$50,000 to \$74,999	872	16.2%	Ownership Housing
\$75,000 to \$99,999	937	17.4%	Ownership Housing
Total	1,809		
\$100,000 to \$149,999	1,002	18.6%	
\$150,000 to \$199,999	621	11.5%	
Total	5,383	100.0%	
Source: AZ OEO, Elliott D. Pollack & Co.			

Conclusions

Over the last five years, housing in the Town of Prescott Valley has experienced declining affordability conditions, similar to that occurring across Arizona. In total, about 29.1% of households in the community are currently burdened by their housing costs, including 41.5% of all renters. The Town is also projected to have continued growth for the foreseeable future, and affordability challenges will continue. Solutions are needed for current residents and to plan for the housing needs of future residents.

Prescott Valley is in a strong position to address the affordability needs of its growing community. Employment forecasts suggest that the town’s economy will continue to expand and job growth



rates will exceed the rate of population growth. Prescott Valley should be strategic about the types of housing units it approves to support current and future residents, especially necessary service workers.

Prescott Valley has available residential land that can be developed to accommodate future growth. A variety of housing types should be encouraged. However, addressing the housing affordability issue will not be successful unless higher density housing products are introduced to the community to offset the cost of land and construction. Incentives and affordable housing policies to attract such housing are an important element. While this report does not provide an overall strategy, suggested options for higher density housing products include the following.

- Small lot and attached ownership development, including courtyard complexes, will allow more residents earning less than \$100,000 the opportunity for homeownership.
- Moderate and higher-density rental products, such as single-family rentals (BTRs), traditional apartments, townhomes, or duplexes placed in strategic areas can provide affordable opportunities for households earning between \$50,000 and \$75,000. Allowing apartments at heights greater than three stories could be an option.
- Accessory dwelling units (ADUs) on existing lots provide affordable rental options while providing income to the property owner.
- Manufactured or modular homes are being developed on permanent foundations with enhanced design features by developers. Manufactured homes can be one of the most affordable ownership options for Prescott Valley.
- Subsidized housing programs targeting low-income and workforce wage households (40%-100% AMI) for multi-family housing will continue to be demanded in Prescott Valley to support service providers who are currently burdened by housing costs. Even after new apartment communities are completed in the coming year, there will still be a large gap of need at this income level.



1.0 Background and Methodology

The Town of Prescott Valley commissioned the preparation of a comprehensive Affordable Housing Needs Assessment to address a perceived shortage of affordable housing in the community. The purpose of the Assessment is to determine the status of the local housing market and how the Town’s housing market is responding to the needs of current and future residents. The Assessment is designed to assess changes in the Town’s resident population and the impact of extensive employment growth of the community over the last ten years.

Several key steps were required to prepare this Assessment. Independent research within this report focused on historical and current housing trends, local demographics, and economic factors such as industry employment and commuting trends.

The Housing Assessment also identifies the affordability gap for the community - the shortage of units that are needed to provide affordable housing for all segments of the population. Affordability is determined by using the standard that no more than 30% of a household’s income is devoted to housing costs¹. The U.S. Census provides an estimate of the number of cost-burdened owner and renter households that are paying more than 30% of their income on housing. This essentially identifies the size of the housing gap. To determine the affordability gap, data from a variety of sources are evaluated including the U.S. Census, the American Community Survey, and private data vendors which are subscribed by this firm.

Data from the U.S. Census for the Town of Prescott Valley is limited due to its population of less than 65,000 people in 2023. The primary data source is the American Community Survey (ACS) 5-year estimates which are based on 60 months of collected data that describes the average characteristics of that five-year time period. By comparison, one-year estimates for 2023 are available for cities with a population of more than 65,000 people but are considered to have a larger margin of error than five-year estimates. The 2020 decennial census data is also readily available. This report relies on the 2023 ACS five-year estimates plus data that comes from private vendors such as Costar and Lightcast reports.

¹ The US Department of Housing and Urban Development defines “affordable housing” as housing for which the occupant is paying no more than 30% of gross income. “Attainable housing,” also referred to as Workforce Housing, is defined as housing that costs no more than 30% of the gross incomes of households earning 80% to 120% of the area median income.



2.0 Demographic Characteristics of Prescott Valley Population

2.1 Population Attributes

According to the Arizona Office of Economic Opportunity (OEO), Prescott Valley had a population of 51,532 people as of July 2024. The town is the largest community in Yavapai County, overtaking Prescott in population in 2021. Since 2010, Prescott Valley grew at a compounded annual rate of 2.0%, faster than the county’s growth rate of 1.3%. The town also captured 31% of the county’s population growth since 2010.

Yavapai County Population Change 2010-2024					
Place	2010	2015	2020	2024	2010-2024 Change
Camp Verde	10,900	11,504	12,147	12,390	1,490
Chino Valley	10,844	11,294	13,113	13,915	3,071
Clarkdale	4,100	4,078	4,426	4,964	864
Cottonwood	11,226	11,263	12,048	12,658	1,432
Dewey - Humboldt	3,899	3,993	4,369	4,584	685
Jerome	441	453	464	459	18
Prescott	39,825	42,143	45,985	48,082	8,257
Prescott Valley	38,832	41,216	46,991	51,532	12,700
Sedona*	7,183	7,126	7,137	7,197	14
Wickenburg*	0	17	899	1,665	1,665
Unincorporated Balance of County	83,669	85,095	89,494	94,322	10,653
Yavapai Total	210,919	218,182	237,073	251,768	40,849
Note: *Yavapai County population only					
Source: Arizona Office of Economic Opportunity					

Population estimates only include permanent residents of the communities and do not account for the seasonal population. The table to the right provides an estimate of the seasonal population for 2023. According to the U.S.

2023 Seasonal Housing Units & Seasonal Population			
	Prescott Valley	Yavapai County	Arizona
Housing Units			
Seasonal Units	790	9,419	172,996
Total Units	21,576	124,032	3,142,443
% Seasonal Units	3.7%	7.6%	5.5%
Potential Seasonal Population			
2023	1,880	20,533	439,410
Source: ACS 2023 5-year estimate			

Census, Prescott Valley has 790 seasonal housing units, likely increasing the population of the Town by nearly 1,900 persons for six to nine months of the year. Prescott Valley has a lower percentage of seasonal housing than either the county or state. Seasonal residents can provide



important economic benefits to the Town by increasing retail sales and paying property taxes for their residences. For Prescott Valley, that impact appears minimal.

The population of Prescott Valley has a median age of 47.3 years and a smaller average household size than Arizona. These factors suggest a significant portion of the population of the town is retired.

Average Age & Household Size			
	Prescott Valley	Yavapai County	Arizona
Median Age	47.3	55.0	38.8
Average household size	2.38	2.18	2.54
Owner-occupied unit	2.33	2.19	2.60
Renter-occupied unit	2.49	2.15	2.41
Source: ACS 2023 5-year estimate			

Prescott Valley’s population is influenced by a slightly larger

percentage of the population under the age of 20 compared to the county and a much higher population over 65 years of age than the state. The prime working cohort in Prescott Valley between the ages of 20-65 represents 49.3% of the population compared to 56.8% for the state. An adequate labor force is important for new employers searching for an available workforce. These facts could inhibit Prescott Valley’s economic growth.



Population by Age						
	Prescott Valley		Yavapai County		Arizona	
	Persons	%	Persons	%	Persons	%
Total	48,048		241,656		7,268,175	
Under 5 years	2,251	4.7%	9,087	3.8%	399,499	5.5%
5 to 9 years	2,961	6.2%	9,838	4.1%	437,862	6.0%
10 to 14 years	2,611	5.4%	11,565	4.8%	469,948	6.5%
15 to 19 years	2,881	6.0%	12,184	5.0%	481,492	6.6%
20 to 24 years	2,327	4.8%	10,395	4.3%	488,741	6.7%
25 to 29 years	2,610	5.4%	10,830	4.5%	503,268	6.9%
30 to 34 years	2,612	5.4%	11,015	4.6%	495,399	6.8%
35 to 39 years	2,563	5.3%	11,871	4.9%	464,248	6.4%
40 to 44 years	2,029	4.2%	10,059	4.2%	448,633	6.2%
45 to 49 years	2,624	5.5%	11,112	4.6%	422,418	5.8%
50 to 54 years	3,097	6.4%	13,003	5.4%	427,012	5.9%
55 to 59 years	2,565	5.3%	16,926	7.0%	431,854	5.9%
60 to 64 years	3,240	6.7%	22,893	9.5%	447,867	6.2%
65 to 69 years	4,057	8.4%	24,190	10.0%	411,573	5.7%
70 to 74 years	3,883	8.1%	24,373	10.1%	367,428	5.1%
75 to 79 years	3,055	6.4%	16,317	6.8%	266,581	3.7%
80 to 84 years	1,374	2.9%	8,761	3.6%	163,500	2.2%
85 years and over	1,308	2.7%	7,237	3.0%	140,852	1.9%
Under 20 years	10,704	22.3%	42,674	17.7%	1,788,801	24.6%
65 years+	13,677	28.5%	80,878	33.5%	1,349,934	18.6%

Source: ACS 2023 5-year estimate

The educational attainment of Prescott Valley residents is below the county and statewide averages with only 22.5% of the population over the age of 25 having bachelor’s degrees or higher. The number of adults with at least a high school diploma is consistent with county and state averages as is those with associate’s degrees.

Educational Attainment						
	Prescott Valley		Yavapai County		Arizona	
	Persons	%	Persons	%	Persons	%
Population 25 years and over	34,684		184,475		4,878,959	
Less than 9th grade	760	2.2%	3,912	2.1%	235,494	4.8%
9th to 12th grade, no diploma	2,357	6.8%	10,576	5.7%	315,938	6.5%
High school graduate (includes equivalency)	10,300	29.7%	46,852	25.4%	1,151,380	23.6%
Some college, no degree	10,184	29.4%	52,840	28.6%	1,178,827	24.2%
Associate's degree	3,266	9.4%	17,388	9.4%	445,866	9.1%
Bachelor's degree	4,692	13.5%	31,291	17.0%	958,447	19.6%
Graduate or professional degree	3,125	9.0%	21,616	11.7%	593,007	12.2%
High school graduate or higher	31,567	91.0%	169,987	92.1%	4,327,527	88.7%
Bachelor's degree or higher	7,817	22.5%	52,907	28.7%	1,551,454	31.8%

Source: ACS 2022 5-year estimate



Of the 20,079 households in Prescott Valley, about one-half are married-couple households and 30% considered non-family households. This latter category consists of single person households with another 8.6% cohabitating couples. However, another 8,400 households are single person families where the spouse is not present, either through divorce, death of the spouse, or another reason. Some of those single person households are living with children. Single person households often present the most demand for affordable housing since they depend largely on one income. Female householders without a spouse are at most risk to the lack of affordable housing.

Households By Type						
	Prescott Valley		Yavapai County		Arizona	
	Households	%	Households	%	Households	%
Total households	20,079		108,900		2,796,790	
Married-couple household	9,947	49.50%	53,811	49.40%	1,313,901	47.00%
With children of the householder under 18 years	2,659	13.20%	10,770	9.90%	476,095	17.00%
Cohabiting couple household	1,736	8.60%	8,043	7.40%	230,611	8.20%
With children of the householder under 18 years	810	4.00%	2,485	2.30%	76,683	2.70%
Male householder, no spouse/partner present	3,434	17.10%	19,101	17.50%	520,511	18.60%
With children of the householder under 18 years	244	1.20%	734	0.70%	38,745	1.40%
Householder living alone	2,432	12.10%	14,448	13.30%	357,324	12.80%
65 years and over	1,204	6.00%	7,778	7.10%	120,282	4.30%
Female householder, no spouse/partner present	4,962	24.70%	27,945	25.70%	731,767	26.20%
With children of the householder under 18 years	701	3.50%	2,520	2.30%	128,427	4.60%
Householder living alone	2,728	13.60%	19,106	17.50%	410,297	14.70%
65 years and over	1,836	9.10%	12,657	11.60%	213,433	7.60%

Source: 2018-2023 ACS 5-year estimate

The median household income in Prescott Valley at \$70,793 in 2023 is higher than the county median but approximately 9% below the state median income. Renter households in Prescott Valley have a median income of \$60,020, higher than the county and state median incomes. The incomes cited on the table below indicate substantial demand for affordable rental housing at various income levels.



Households By Income						
	Prescott Valley		Yavapai County		Arizona	
	Households	%	Households	%	Households	%
Occupied Units	20,079		108,900		2,796,790	
Less than \$10,000	498	2.5%	5,457	5.0%	138,046	4.9%
\$10,000 to \$14,999	671	3.3%	3,836	3.5%	81,789	2.9%
\$15,000 to \$24,999	1,404	7.0%	8,664	8.0%	170,639	6.1%
\$25,000 to \$34,999	1,224	6.1%	9,201	8.4%	194,049	6.9%
\$35,000 to \$49,999	3,482	17.3%	13,919	12.8%	306,149	10.9%
\$50,000 to \$74,999	3,253	16.2%	19,524	17.9%	475,992	17.0%
\$75,000 to \$99,999	3,496	17.4%	15,889	14.6%	379,387	13.6%
\$100,000 to \$149,999	3,736	18.6%	17,022	15.6%	505,310	18.1%
\$150,000 to \$199,999	2,315	11.5%	15,388	14.1%	545,429	19.5%
Mean income (dollars)	\$84,677		\$88,175		\$104,138	
Median income (dollars)	\$70,793		\$66,106		\$76,872	
Homeowner Median	\$76,719		\$74,009		\$91,561	
Renter Median	\$60,020		\$50,824		\$54,757	

Source: ACS 2023 5-year estimate

Despite household incomes being lower than the state, incomes in Prescott Valley have been growing at a pace much more rapidly than the state since 2018. Median household income increased by 46.3% from 2018 through 2023 versus 36.8% for the state. Average incomes in Prescott Valley also grew much more quickly than the state at a pace of 48.0%. This indicates Prescott Valley is attracting higher income households, which is boosting the average income numbers.



Household Income 2018 - 2023			
	Prescott Valley	Yavapai County	Arizona
Median Income			
2018	\$48,375	\$50,180	\$56,213
2019	\$51,909	\$52,451	\$58,945
2020	\$54,315	\$53,329	\$61,529
2021	\$60,033	\$56,170	\$65,913
2022	\$66,617	\$62,430	\$72,581
2023	\$70,793	\$66,106	\$76,872
2018-2023 % Change	46.3%	31.7%	36.8%
Average Income			
2018	\$57,207	\$65,629	\$77,221
2019	\$60,582	\$68,419	\$80,779
2020	\$65,564	\$70,548	\$84,380
2021	\$71,526	\$74,262	\$89,693
2022	\$79,846	\$83,305	\$98,569
2023	\$84,677	\$88,175	\$104,138
2018-2023 % Change	48.0%	34.4%	34.9%

Source: 2018-2023 ACS 5-year estimate

2.2 Population Forecast

Population estimates and projections have been gathered from the Arizona Office of Economic Opportunity (AZ OEO). The latest forecasts were published by OEO in 2023 and do not reflect the official annual population estimates for the past two years. Therefore, the OEO forecast used for this analysis has been benchmarked to the official 2024 population estimate.

The Town of Prescott Valley has grown at a compounded average annual rate of 2.0% since 2010 and has been growing slightly more rapidly in recent years. Since 2020, the Town has grown by 2.3% annually or an increase of over 1,100 people per year. At the current household size for the town, the demand for housing since 2020 is more than 477 units per year.

The adjusted population forecast for Prescott Valley now suggests it will grow to more than 57,300 people by 2030 and to more than 63,700 people by 2040, an increase of 12,200 people. The town is forecasted to capture about 26% of the population increase of Yavapai County through 2040 and remain the largest municipality in the county. By comparison, Prescott is forecasted to capture 13% of the county’s growth through 2040.



Town of Prescott Valley Housing Needs Assessment

2024-2040 Population Forecast												
Place	Actual					Forecast						
	2020	2021	2022	2023	2024	2025	2030	2035	2040	2024-2040 Change	% Change	% of County's Growth
Camp Verde	12,147	12,216	12,430	12,495	12,390	12,597	13,630	14,667	15,719	3,329	26.9%	8.8%
Chino Valley	13,113	13,429	13,662	13,833	13,915	14,205	15,349	16,179	16,910	2,995	21.5%	8.0%
Clarkdale	4,426	4,563	4,792	4,920	4,964	5,035	5,392	5,749	6,112	1,148	23.1%	3.0%
Cottonwood	12,048	12,185	12,296	12,688	12,658	12,823	13,373	13,669	13,906	1,248	9.9%	3.3%
Dewey - Humboldt	4,369	4,440	4,488	4,550	4,584	4,649	4,882	5,029	5,158	574	12.5%	1.5%
Jerome	464	467	467	463	459	459	461	463	464	5	1.2%	0.0%
Prescott	45,985	46,826	47,450	47,697	48,082	48,805	51,380	52,957	54,280	6,198	12.9%	16.5%
Prescott Valley	46,991	47,998	49,069	50,122	51,532	52,681	57,284	60,702	63,734	12,202	23.7%	32.4%
Sedona*	7,137	7,178	7,228	7,245	7,197	7,255	7,393	7,396	7,378	181	2.5%	0.5%
Wickenburg*	899	1,028	1,255	1,511	1,665	1,884	3,190	4,563	5,937	4,272	256.6%	11.3%
Unincorporated Area	89,494	90,843	92,252	93,375	94,322	95,910	101,795	105,669	108,995	14,673	15.6%	39.0%
Yavapai Total	237,073	241,173	245,389	248,899	251,768	256,302	274,127	287,044	289,438	37,670	15.0%	

Source: AZ Office of Economic Opportunity

The above population forecast translates into a significant demand for housing over 16 years totaling 5,127 units or an average of 342 units per year. In the last few years, permitting has exceeded these levels with significant construction of duplex and apartment units. However, even single-family permits have exceeded the estimated future demand outlined below. This indicates the forecast may be conservative or permit activity could be impacted by seasonal residents.

Prescott Valley Housing Demand					
2025-2040					
	2025	2030	2035	2040	Total
Population Change	1,149	4,603	3,418	3,032	12,202
Housing Unit Demand	483	1,934	1,436	1,274	5,127
Unit Average/Year		387	287	255	342

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



Residential Building Permits					
Prescott Valley					
Year	1-unit Units	2-units Units	3-4 units Units	5+ units Units	Total
2010	21	-	-	50	71
2011	41	-	-	-	41
2012	146	-	-	-	146
2013	283	6	-	-	289
2014	329	8	-	-	337
2015	417	4	-	-	421
2016	472	8	-	214	694
2017	497	28	-	412	937
2018	496	38	6	-	540
2019	454	52	-	214	720
2020	515	118	-	-	633
2021	534	100	-	198	832
2022	567	116	-	329	1,012
2023	353	62	-	66	481
2024	430	118	-	-	548

Source: U.S. Census Bureau



3.0 Prescott Valley Economy

Given its size, Prescott Valley has a broad economy that is built on a variety of industries including construction, manufacturing, and media and publishing.

The strengths and weaknesses of a local economy can be illustrated by a very simple metric known as the “Location Quotient” or LQ. LQ compares the percentage of jobs in each industry in a community to a larger economy, such as the state. An LQ over 1.0 indicates that a particular industry has a greater presence in the local economy compared to the state – hence a strength of the local area. An LQ less than 1.0 shows the potential weaknesses of an economy.

As shown on the following chart, Prescott Valley’s primary economic strengths are in Consumer Goods Manufacturing (2.5 LQ) and Media, Publishing & Entertainment (4.1 LQ). Other industries with high LQs include Metal Inputs & Transportation-Related Manufacturing, Construction, Consumer Services, Health Care, Retail and Transportation & Distribution. These industries all provide significant employment opportunities for the local population. Industries that are lagging in the town include Business Services, FIRE, High Tech Manufacturing, and Hospitality, Tourism, and Recreation.

Location Quotient Prescott Valley					
Industry Cluster	Prescott Valley		Arizona		Location Quotient
	Employees	% of Total	Employees	% of Total	
Business Services	830	6.3%	296,100	11.0%	0.6
Construction	1,790	13.6%	187,800	7.0%	1.9
Consumer Goods Manufacturing	420	3.2%	34,910	1.3%	2.5
Consumer Services	1,490	11.3%	289,470	10.7%	1.1
Education	890	6.7%	225,290	8.3%	0.8
Finance, Insurance, & Real Estate (FIRE)	620	4.7%	195,100	7.2%	0.6
Government, Social, & Advocacy Services	950	7.2%	279,200	10.3%	0.7
Health Care	1,850	14.0%	334,610	12.4%	1.1
High Tech Manufacturing & Development	20	0.2%	109,020	4.0%	0.0
Hospitality, Tourism, & Recreation	220	1.7%	111,900	4.1%	0.4
Media, Publishing, & Entertainment	450	3.4%	22,160	0.8%	4.1
Metal Inputs & Transportation-Related Manuf.	240	1.8%	32,070	1.2%	1.5
Non-Metallic Manufacturing	120	0.9%	27,820	1.0%	0.9
Resource-Dependent Activities	6	0.0%	45,180	1.7%	0.0
Retail	1,810	13.7%	309,730	11.5%	1.2
Telecommunications	130	1.0%	26,040	1.0%	1.0
Transportation & Distribution	980	7.4%	172,770	6.4%	1.2
Total	13,210	100.0%	2,699,150	100.0%	1.0
Note: Includes businesses with 5 or more employees					
Source: MAG					



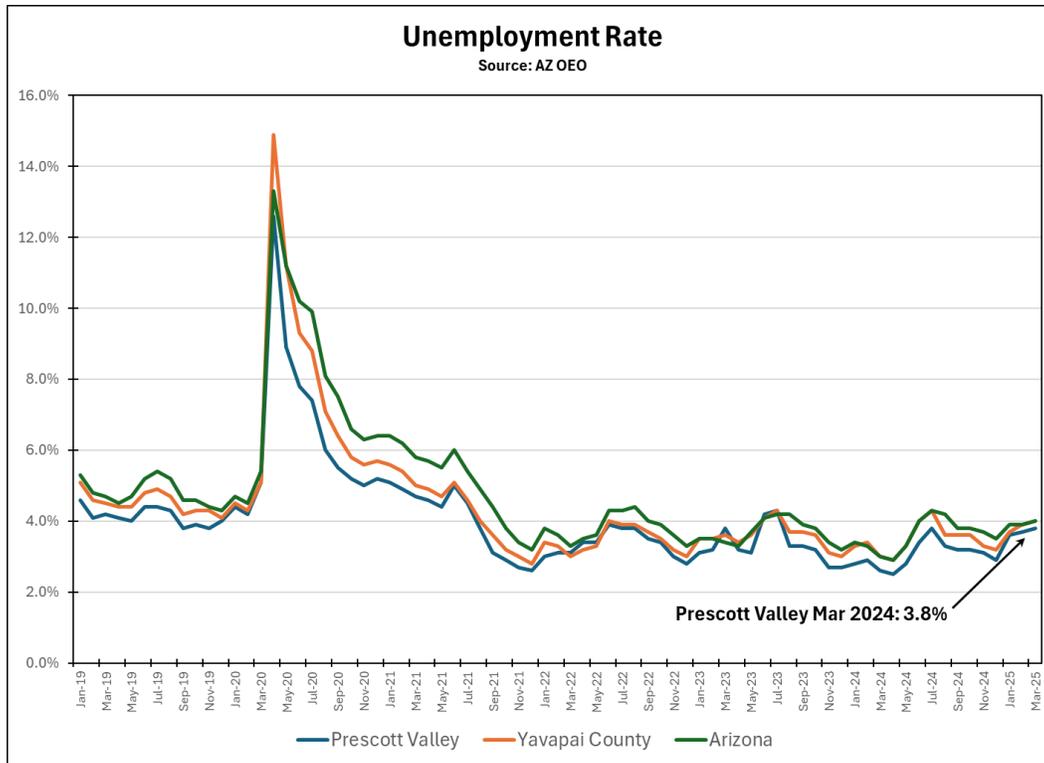
The list of major employers in the Town shows that the local economy is heavily weighted towards Health Care, Education, and Government. However, those industries do not have an oversized presence in the town relative to its population. Major private employers that contribute to high LQs in the local economy include MI Windows and Doors, Ace Hardware, Metal Industries, Western Newspapers, and Masco Corporation.

Major Employers		
Employer	Employees	Industry
Yavapai Regional Medical Center East	660	Health Care
Humboldt Unified School District 22	590	Education
Town of Prescott Valley	370	Government, Social, & Advocacy Services
MI Windows and Doors Inc	340	Construction
Ace Hardware	300	Transportation & Distribution
Metal Industries Inc	250	Construction
Western Newspapers Inc	250	Media, Publishing, & Entertainment
Walmart	200	Retail
Masco Corporation	190	Consumer Goods Manufacturing
Mountain Valley Regional Rehabilitation Hospital	180	Health Care
Frys Food Stores	160	Retail
State of Arizona	160	Government, Social, & Advocacy Services
Kohls Department Stores	120	Retail
The Evangelical Lutheran Good Samaritan Society	120	Health Care
Globaltranz Enterprises Inc	110	Transportation & Distribution
Printpack Inc	110	Non-Metallic Manufacturing
Superior Southwest Div	110	Business Services
Yampa Precision	110	Metal Inputs & Transportation-Related Manuf.
Armadilla Wax Works Inc	100	Consumer Goods Manufacturing
Mingus Mountain Estate Rtc	100	Health Care
Safeway	100	Retail
Waste Management of Arizona	100	Business Services

Source: MAG

Prescott Valley’s unemployment rate stood at 3.8% as of March 2025, slightly below the state-wide average of 4.0%. This level of unemployment is an indicator of full employment both locally and across the state. Unemployment in the Town has been very stable since the end of 2021 and the recovery from the pandemic. Historically, the Town’s unemployment level tracks closely with state levels. The Town’s unemployment rate hit 12.6% in April 2020 but recovered to 5.0% by November of that year.





The labor force participation rate for Prescott Valley of 52.8% shows a reasonably healthy economy although the rate is below the state average. Labor force participation is often correlated with educational attainment. For instance, communities with a highly educated population typically have a high labor force participation rate. However, the percentage of residents in Prescott Valley over the age of 25 with a bachelor’s degree and higher is 22.5% compared to the statewide average at 31.8%.

Labor Force Participation 2023			
	Prescott Valley	Yavapai County	Arizona
Population 16 year and over	39,684	209,074	5,862,117
Civilian Labor Force	20,946	100,945	3,522,511
Employment	20,204	96,693	3,340,327
Unemployment	742	4,252	182,184
Labor Force Participation Rate	52.8%	48.3%	60.1%

Source: ACS 2023 5-year estimate

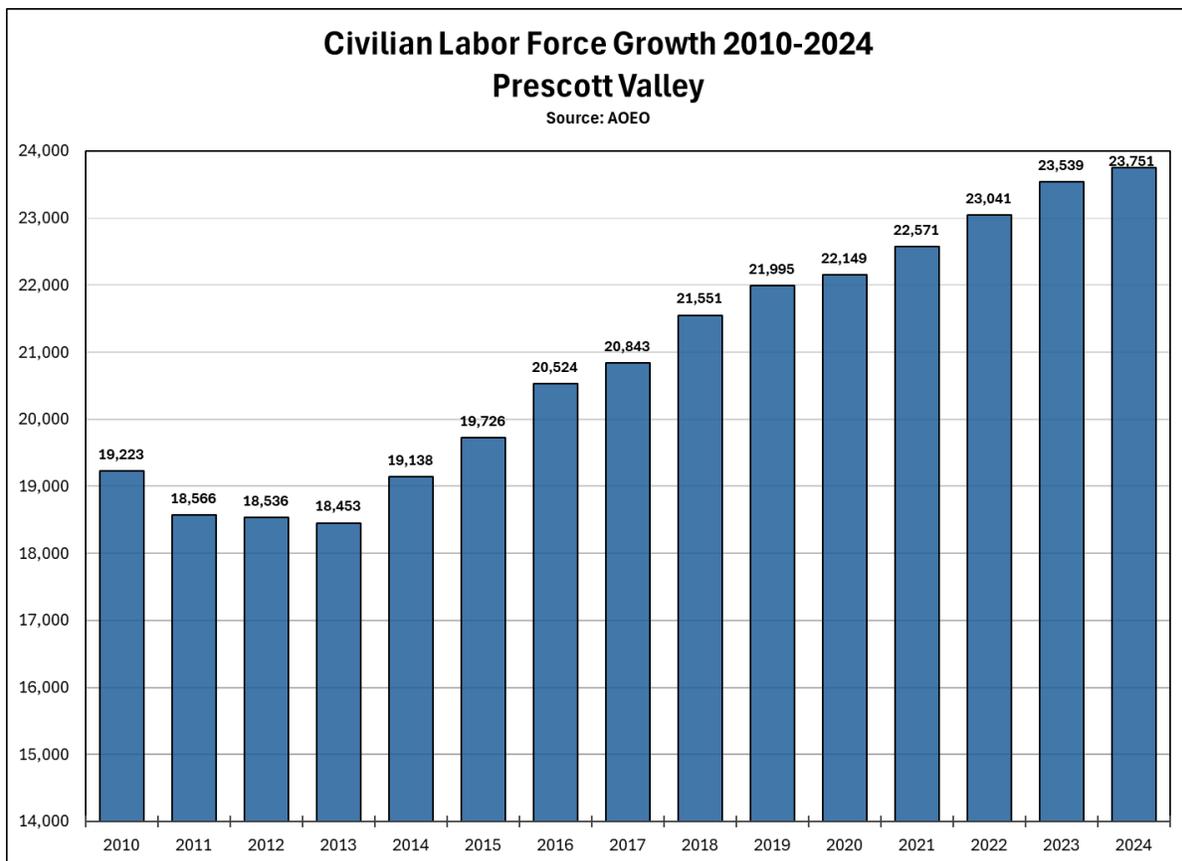
Age and retirement trends can also reduce the labor force participation rate. The percentage of the Prescott Valley population over the age of 65 stands at 28.5% compared to 18.6% for the state



which could affect the participation rate. Currently, the participation rate across the country is also declining as baby boomers retire. The U.S. rate hit 67.2% in 2000; today the participation rate stands at 62.5%.

The labor force participation rate is a useful measurement for employers. The higher the rate is, the healthier the economy. This means more people are working and contributing to the economy with their wages which translates into more retail sales tax revenue for a Town. Additionally, a higher labor force participation rate may mean there are more people actively seeking employment than in the past, and employers could have more hiring options for open positions.

The Town’s labor force has increased by 29% since 2013 according to the Arizona Office of Economic Opportunity and has kept pace with population growth. Even considering the impact of the Great Recession which ended in 2009, the labor force continued to grow, providing the workforce for Prescott Valley’s economic progress.



3.1 Commuting

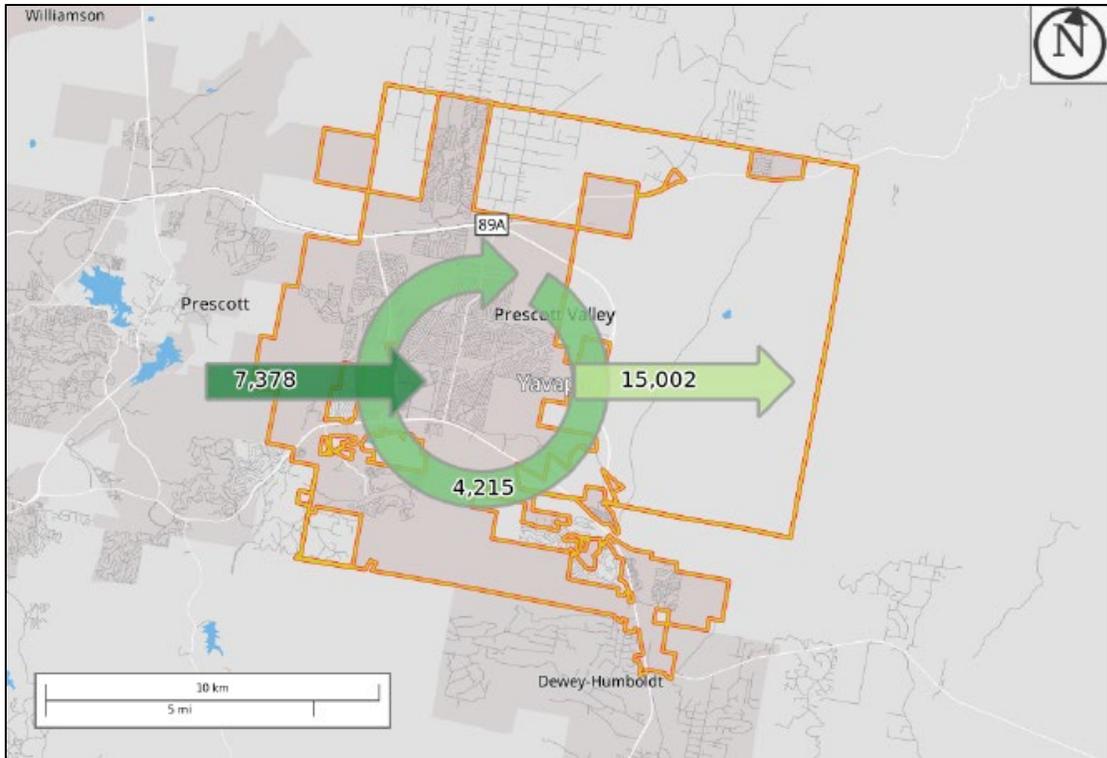
In order for an economy to operate efficiently, it must have employees to provide for the daily needs of its residents as well as the employment needs of its businesses. The availability of affordable housing for those workers is essential without forcing those employees to commute long distances to work. Affordable housing is an important economic development issue for Prescott Valley’s continued growth and financial wellbeing.

Despite Prescott Valley’s employment growth over the past decade, data from the U.S. Census indicates there is still substantial commuting by residents out of the Town. For instance, the data suggests that more than 15,000 working residents of the Town travel to other locations for work. In other words, 78% of the Town’s residents in the workforce leave the community each day for work. At the same time, 7,378 people travel to Prescott Valley for employment. Another 4,215 people live and work in the Town. The top locations for workers leaving Prescott Valley include Prescott and Phoenix. The top cities for workers commuting into Prescott Valley for employment include Prescott, Chino Valley, and Phoenix. A more balanced housing market in the town could help to reduce commuting for some of these workers.

Town of Prescott Valley Commuting					
Where Residents of Prescott Valley are Working			Where Employees Working in Prescott Valley Live		
Community	Jobs	Share	Community	Jobs	Share
Prescott	4,347	22.6%	Prescott Valley	4,215	36.4%
Prescott Valley	4,215	21.9%	Prescott	1,468	12.7%
Phoenix	3,336	17.4%	Chino Valley	499	4.3%
Chino Valley	658	3.4%	Phoenix	432	3.7%
Scottsdale	596	3.1%	Paulden	218	1.9%
Chandler	500	2.6%	Flagstaff	203	1.8%
Flagstaff	431	2.2%	Dewey-Humboldt	199	1.7%
Glendale	361	1.9%	Williamson	150	1.3%
Tempe	306	1.6%	Mesa	111	1.0%
Mesa	254	1.3%	Cordes Lakes	103	0.9%
All Other Locations	4,213	21.9%	All Other Locations	3,995	34.5%
Total Working Residents	19,217	100.0%	Total Prescott Valley Jobs	11,593	100.0%

Source: US Census On The Map





3.2 Employment Forecast

Between 2025 and 2040, Prescott Valley’s employment base is forecasted to grow by another 7,200 jobs and increase its total employment to 21,722 jobs (according to the Arizona Office of Economic Opportunity (OEO)). This will increase the town’s job base by nearly 50% over the next 15 years. The job growth rate is forecasted to outpace population growth by more than 2.3 times.

Prescott Valley Employment Forecast 2020 - 2040						
	2020	2025	2030	2035	2040	2025-2040 Change
Jobs	11,939	14,535	16,618	19,000	21,722	
Change		2,596	2,083	2,381	2,723	7,187
% Change		21.7%	14.3%	14.3%	14.3%	49.4%
Population	46,991	52,629	57,227	60,642	63,671	
Change		5,638	4,598	3,415	3,029	11,042
% Change		12.0%	8.7%	6.0%	5.0%	21.0%
Jobs to Population Ratio	0.25	0.28	0.29	0.31	0.34	

Source: AZ OEO

An important indicator of the health of a local economy is the jobs-to-population ratio. A target for the jobs ratio is 0.50 meaning there was one job for every two residents. Very few cities other



than the largest with a significant employment base reach this ratio. As a small community, Prescott Valley is expected to have a lower jobs-to-population ratio since most new development occurring in the area is residential in character. The ratio for Prescott Valley forecasted in 2040 at 0.34, however, is respectable and suggests the town has a bright future in the opinion of the Office of Economic Opportunity. It also means Prescott Valley is expected to capture a growing share of employment growth in Yavapai County among all other cities.

Based on the above forecasts, Prescott Valley is expected to be an important job creation center in the county for the foreseeable future. The forecast will create demand for affordable and market-rate housing for new residents and workers moving to the town.



4.0 Housing Market Dynamics

Prescott Valley’s housing inventory is comprised of 21,576 units according to the 2023 American Community Survey 5-year estimates with 20,079 of those units (93.1%) occupied on a year-round basis by permanent residents.

Prescott Valley has a slightly higher percentage of single-family detached units, and a much lower percentage of multifamily units compared to the state. The Census reports only 5.1% of all housing units in Prescott Valley are considered apartments or multifamily (buildings with five or more units in a building) compared to 6.7% across Yavapai County and 16.3% statewide. Prescott Valley and Yavapai County also have a higher percentage of mobile homes than the state. The outstanding statistic about the Prescott Valley housing market is the percentage of duplex, triplex, and four-plex units in the city which represent 8.0% of all housing units. Most of these units were built during the early years of the community in its central area although modern duplex buildings can be found in newer subdivisions.

Units in Structure						
Units in Structure	Prescott Valley		Yavapai County		Arizona	
	Units	%	Units	%	Units	%
Total Units	21,576		124,032		3,142,443	
1, detached	15,043	69.7%	83,199	67.1%	2,015,127	64.1%
1, attached	998	4.6%	4,162	3.4%	160,484	5.1%
2	1,078	5.0%	2,936	2.4%	42,026	1.3%
3 or 4	639	3.0%	3,633	2.9%	104,684	3.3%
Multifamily	1,091	5.1%	8,366	6.7%	511,067	16.3%
5 to 9	486	2.3%	3,253	2.6%	114,410	3.6%
10 to 19	109	0.5%	1,031	0.8%	121,050	3.9%
20 to 49	180	0.8%	1,675	1.4%	79,589	2.5%
50 or more	316	1.5%	2,407	1.9%	196,018	6.2%
Mobile home	2,713	12.6%	20,479	16.5%	297,155	9.5%
Boat, RV, van, etc.	14	0.1%	1,257	1.0%	11,900	0.4%

Source: ACS 2023 5-year estimate

Recent multifamily development is not reflected in the U.S. Census data. Complexes such as Granite Mountain Apartments, The Flats at Jasper, and The Crossings at Windsong completed in 2023 and 2024 are not included in the data. In addition, another 800 units are currently under construction in the town. These figures will be further outlined in this section.

An estimated 1,497 units in Prescott Valley are considered vacant or 6.9% of the total inventory, lower than the state and Yavapai County. Vacant units are classified in several ways including



units that are in the process of being sold or rented and those used for seasonal or recreational purposes. Seasonal housing comprises 52.8% of all vacant units or 3.7% the total housing inventory in the Town, a lower ratio than found in the state. This could add another 1,880 persons to the population of the Town during the summer months. Some of the vacant seasonal units could be short-term rentals, but the Census does not track this type of rental housing.

Housing Vacancy Status						
	Prescott Valley		Yavapai County		Arizona	
	Units	%	Units	%	Units	%
Total Housing Units	21,576		124,032		3,142,443	
Total Occupied Units	20,079	93.1%	108,900	87.8%	2,796,790	89.0%
Total Vacant Units	1,497	6.9%	15,132	12.2%	345,653	11.0%
For rent	116	7.7%	1,344	8.9%	52,788	15.3%
Rented, not occupied	12	0.8%	185	1.2%	12,150	3.5%
For sale only	188	12.6%	499	3.3%	19,787	5.7%
Sold, not occupied	124	8.3%	517	3.4%	13,138	3.8%
For seasonal, recreational, or occasional use	790	52.8%	9,419	62.2%	172,996	50.0%
For migrant workers	0	0.0%	31	0.2%	899	0.3%
Other vacant	267	17.8%	3,137	20.7%	73,895	21.4%
Seasonal Units as % of Total Units	3.7%		7.6%		5.5%	

Source: ACS 2023 5-year estimate

Prescott Valley has a high percentage of owner-occupied units and a lower percentage of renter-occupied units (including apartments, townhomes, and single-family homes) relative to the statewide average although the difference is not significant. This trend is consistent with what is typically found in the non-urban parts of Arizona as well as Yavapai County.

Tenure						
	Prescott Valley		Yavapai County		Arizona	
	Units	%	Units	%	Units	%
Total Occupied Units	20,079		108,900		2,796,790	
Owner occupied	14,212	70.8%	80,054	73.5%	1,873,231	67.0%
Renter occupied	5,867	29.2%	28,846	26.5%	923,559	33.0%

Source: ACS 2023 5-year estimate

Homeownership has been robust in the Town, growing markedly since 2015 after the Great Recession caused a huge dislocation of owners. Homeownership now stands at 71%, above the level found in 2000 and above the statewide average.

Homeownership			
	Prescott Valley	Yavapai County	Arizona
2000	70.7%	73.4%	68.0%
2010	65.8%	72.5%	67.4%
2015	62.3%	69.9%	62.8%
2020	69.4%	72.6%	65.3%
2023	70.8%	73.5%	67.0%

Source: U.S. Census; ACS 5-year estimate



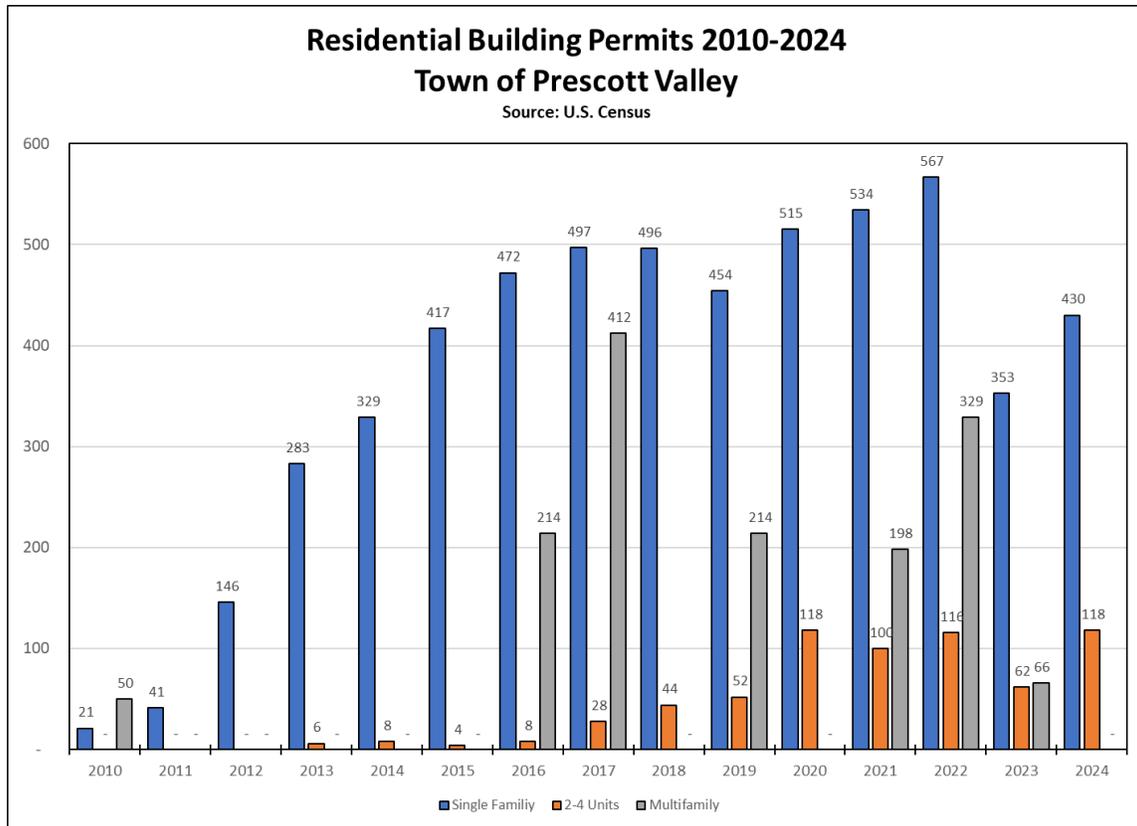
The inventory of occupied single-family housing in the Town totals 14,158 units according to the 2023 U.S. Census. Approximately 16.3% of those homes or 2,308 single family homes are rented. The Census also reports that of the 5,867 rental units in the town, over 39% are single family homes versus an average of 32% for the state. The town also has another 984 units that are classified as “one unit attached” which are townhomes or small condo complexes. About 71% of these units are rented compared to 33% for the state.

Tenure by Occupied Units in Structure						
	Prescott Valley		Yavapai County		Arizona	
	Units	%	Units	%	Units	%
Total	20,079		108,900		2,796,790	
Owner-occupied housing units:	14,212	70.8%	80,054	73.5%	1,873,231	67.0%
1, detached	11,850	83.4%	63,263	79.0%	1,540,834	82.3%
1, attached	288	2.0%	1,938	2.4%	95,592	5.1%
2	51	0.4%	100	0.1%	3,554	0.2%
3 or 4	47	0.3%	221	0.3%	12,973	0.7%
5 to 9	0	0.0%	379	0.5%	12,431	0.7%
10 to 19	0	0.0%	26	0.0%	6,315	0.3%
20 to 49	0	0.0%	9	0.0%	5,760	0.3%
50 or more	0	0.0%	18	0.0%	11,827	0.6%
Mobile home	1,962	13.8%	13,505	16.9%	175,325	9.4%
Boat, RV, van, etc.	14	0.1%	595	0.7%	8,620	0.5%
Renter-occupied housing units:	5,867	29.2%	28,846	26.5%	923,559	33.0%
1, detached	2,308	39.3%	9,859	34.2%	297,696	32.2%
1, attached	696	11.9%	1,614	5.6%	47,677	5.2%
2	985	16.8%	2,566	8.9%	33,175	3.6%
3 or 4	526	9.0%	3,178	11.0%	80,528	8.7%
5 to 9	486	8.3%	2,337	8.1%	88,830	9.6%
10 to 19	109	1.9%	886	3.1%	97,475	10.6%
20 to 49	166	2.8%	1,490	5.2%	61,851	6.7%
50 or more	307	5.2%	2,084	7.2%	162,554	17.6%
Mobile home	284	4.8%	4,170	14.5%	50,493	5.5%
Boat, RV, van, etc.	0	0.0%	662	2.3%	3,280	0.4%

Source: ACS 2023 5-year estimate

Residential building permit activity has been extremely strong since 2016 reaching a peak of 1,012 units in 2022 fueled by the COVID pandemic-induced interest rate decline. Single family permit activity has cooled over the last two years due to the sharp rise in mortgage interest rates and new home price appreciation. Permits for duplexes, triplexes and four-plexes have also been strong since 2020. Based on this construction activity, growth in Prescott Valley is on pace to meet or exceed OEO’s projected population growth over the next five years and beyond.





Year	Single Family	2-4 units	Multi Family	Total
2010	21	-	50	71
2011	41	-	-	41
2012	146	-	-	146
2013	283	6	-	289
2014	329	8	-	337
2015	417	4	-	421
2016	472	8	214	694
2017	497	28	412	937
2018	496	44	-	540
2019	454	52	214	720
2020	515	118	-	633
2021	534	100	198	832
2022	567	116	329	1,012
2023	353	62	66	481
2024	430	118	-	548

Source: U.S. Census Bureau



4.1 Apartment Inventory

An inventory of traditional market rate apartment complexes was conducted for this study. The inventory was prepared for complexes with 50 or more units from CoStar. The inventory outlined in the following table may not include all apartment units in smaller apartment developments but is the best information available.

The Town’s inventory of traditional market-rate apartment complexes of 1,595 units is comprised of medium sized (100 to 200 units) complexes, the largest being 240 units in size. The inventory includes 585 units are classified as Built-To-Rent (BTR) complexes which have been built in the last few years. BTRs are typically single or duplex units, mostly single story, and built at a density of about 11 to 12 units per acre. Comparatively, traditional two to four-story apartment complexes are built at densities greater than 20 units per acre. BTR units typically have a rent premium of 20% over traditional apartment complexes because of the lower density and higher land cost per unit.

The vacancy rate for traditional apartment units in the second quarter of 2025 is estimated at 12.5% which is above the normal stabilized rate for the market of about 7%. This is due to the construction of new units, primarily BTR units, still in lease up. The BTR vacancy rate for the two most recently constructed complexes is 36.0%.

Market Rate Apartment Inventory Town of Prescott Valley								
Property Name	Property Address	Units	Style	Year Built	Vacancy %	Avg SF	Avg Rent	Rent/SF
The Terraces at Glassford Hill	5700 E Market St	228	Garden	2003	4.8%	993	\$1,833	\$1.84
Tapestry at Granville Apartments	6810 E Spouse Dr	218	Garden	2004	1.4%	891	\$1,607	\$1.80
Homestead Talking Glass	3131 N Main St	214	Garden	2019	3.8%	900	\$1,809	\$2.01
Parke Place	3901 N Main St	145	Detached	2021	5.0%	944	\$1,842	\$1.95
Granite Mountain Apartments	8683 E Commons Cir	198	Garden	2023	3.5%	860	\$1,678	\$1.95
The Flats at Jasper	4901 N Jasper Pky	240	Detached	2023	28.2%	923	\$2,045	\$2.21
Mulberry Farms*	175 N Village Way	200	Detached	2024	44.5%	1,100	\$2,341	\$2.13
The Crossings at Windsong	3830 N Windsong Dr	152	Garden	2024	4.4%	954	\$2,006	\$2.10
Totals/Averages		1,595			12.5%	945	\$1,893	\$2.00
*Age restricted complex (55 years +) Source: Costar								

In addition to the market-rate apartment inventory, there are nine affordable complexes totaling 525 units including several senior/elderly complexes. These units were all built under the Low Income Housing Tax Credit (LIHTC) program. The older complexes all completed their affordable commitments under the LIHTC program but appear to still provide affordable units to the community. The newest family complexes were built in 2008 under the LIHTC bond program which offers 4% tax credits.



Prescott Valley Affordable Housing Complexes							
Year	Project Name	Address	Low-Mod Units	Market Units	Manager Units	Total Units	Population
LIHTC Complexes							
1988	Yavapai Village Apartments	3200 N. Navajo	23	0	0	23	Family
1992	Prescott Valley Elderly	3250 N. Majesty Drive	37	0	0	37	Elderly
2002	Valley View Apartments	Windsong Rd.	80	0	0	80	Family
2005	Sungate Villa Senior Community	3850 N. Civic Drive Northeast	64	0	0	64	Elderly
2005	Valley View II Apartments	3771 N. Windsong Drive	71	0	1	72	Family
2006	Valley View III Apartments	E. side of Windsong Drive	72	0	0	72	Family
2008	Sungate Villa II Senior Community	3870 N. Civic Drive	54	0	0	54	Senior
2010	View Point Senior Community	3845 N. Viewpoint Drive	50	0	0	50	Senior
2022	View Point II Senior Community	3825 N. Viewpoint Drive	72	0	0	72	Senior
Totals			523	-	1	524	
LIHTC Bond Complexes							
2008	Lynx Creek Apartments	3241 N. Majesty Drive	26	Acquisition/Rehab			
2008	Navapai Apartments	8800 E. Yavapai Road	26	Acquisition/Rehab			
Total			52				

Source: AZ Dept. of Housing

In addition to the existing apartment complexes listed above, another 781 units in three properties are under construction including the LEGADO apartments which were subject to a fire during construction. Another 1,412 units are approved by the Town including an estimated 1,000 units in the Lakeshore planned community, which is now subject to a referendum. Another 880 units are in the planning process but have not been approved by the Town. Given the current economic and capital markets environment, the timing of when the approved and planned properties may come to market is uncertain.

Multifamily Complexes Under Construction Town of Prescott Valley				
Property Name	Property Address	Units	Style	Year Built
LEGADO Apartments	7221 E Florentine Rd	329	Mid-Rise	2025
Bungalows at Market Street	5761 Market St	112	Detached	2025
Bungalows at Village Way	12900 E SR 169	196	Detached	2025
Baja Professional Apartments	6400 N Baja Cir	144	Low-Rise	2025
Total		781		

Source: Costar



Multifamily Complexes Approved, Planned & Proposed Town of Prescott Valley	
Complex	Units
Approved	
Navajo BTR	153
NC Senior	259
Lakeshore*	1,000
Total	1,412
Planned/Proposed	
Viewpoint 23	288
Viewpoint 26	232
Villas	360
Total	880
*Subject to referendum	
Source: Town of Prescott Valley	

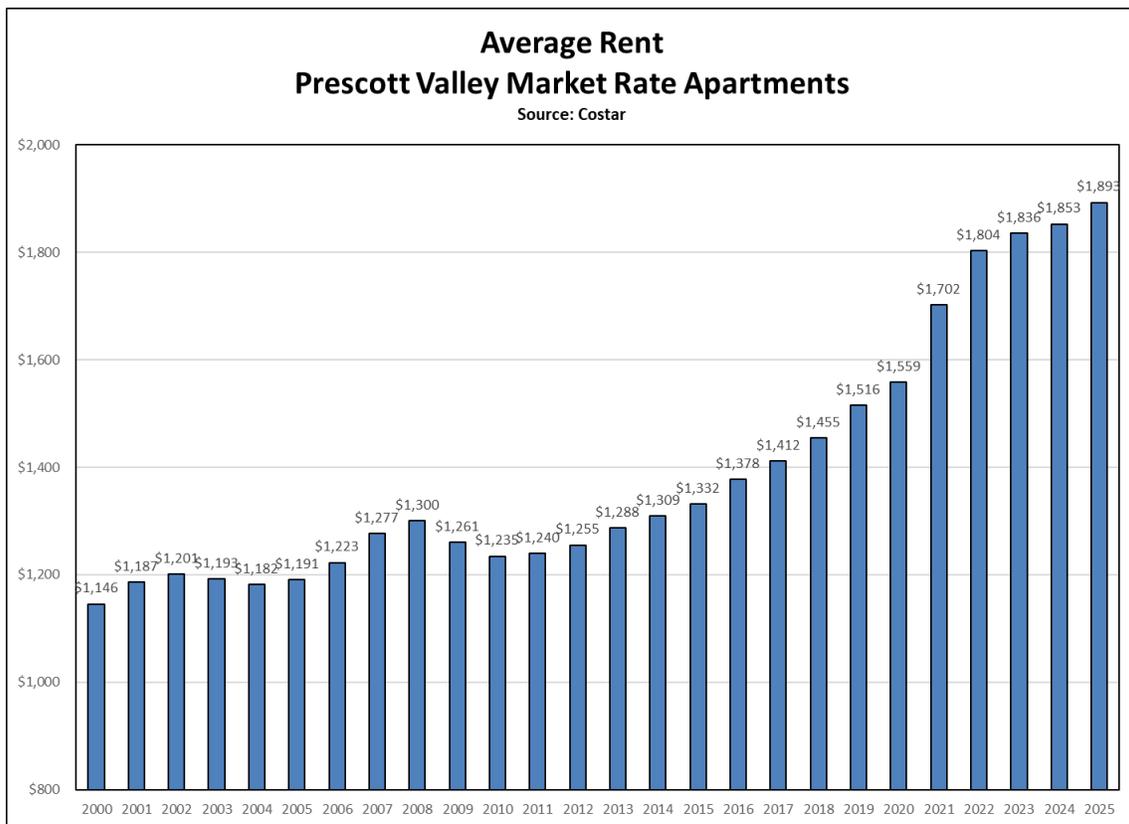
Average rents for market rate apartments in Prescott Valley leveled off at over \$1,800 per month. However, the introduction of the BTR units to the market area has resulted in the average rent for the town moving up slightly to nearly \$1,900 per month.

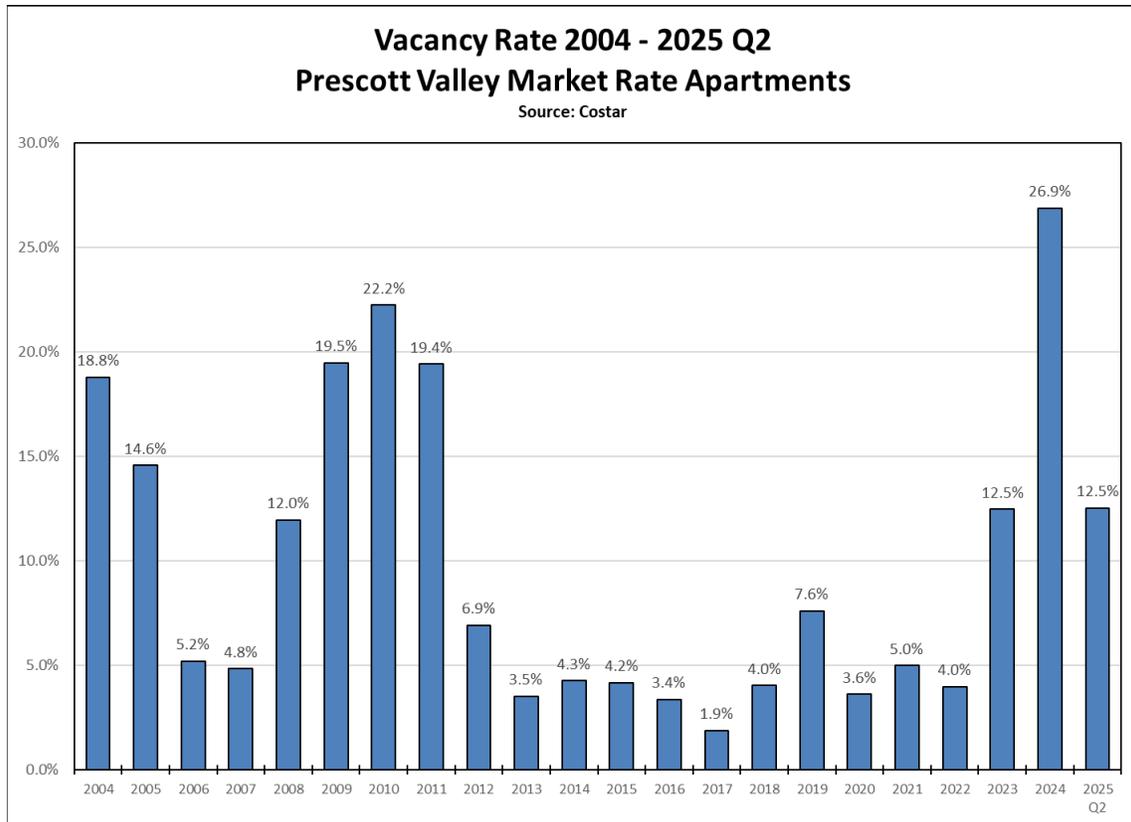
Based on the average rent of the individual market rate apartments, the income required to rent such units is higher than the median household income for Prescott Valley. The following table shows the required income by apartment complex based on 30% of income spent on rent plus \$150 for monthly utilities. The required income ranges from about \$70,000 to nearly \$100,000, above the ability of a large segment of the population to afford a unit.

Market Rate Apartment Affordability Town of Prescott Valley					
Property Name	Property Address	Units	Avg Rent	Rent + Utilities	Required Income
Tapestry at Granville Apartments	6810 E Spouse Dr	218	\$1,607	\$1,757	\$70,280
Granite Mountain Apartments	8683 E Commons Cir	198	\$1,678	\$1,828	\$73,120
Homestead Talking Glass	3131 N Main St	214	\$1,809	\$1,959	\$78,360
The Terraces at Glassford Hill	5700 E Market St	228	\$1,833	\$1,983	\$79,320
Parke Place	3901 N Main St	145	\$1,842	\$1,992	\$79,680
The Crossings at Windsong	3830 N Windsong Dr	152	\$2,006	\$2,156	\$86,240
The Flats at Jasper	4901 N Jasper Pky	240	\$2,045	\$2,195	\$87,800
Mulberry Farms*	175 N Village Way	200	\$2,341	\$2,491	\$99,640
Totals/Averages		1,595	\$1,893	\$2,043	\$81,702
*Age restricted complex (55 years +)					
Source: Costar					



The apartment market is subject to significant fluctuations in vacancy as markets reach a shortage of units, often followed by overbuilding. According to Costar, the current overall apartment vacancy rate in Prescott Valley is 12.5%, due to the construction of new complexes in the Town. As of 2022, the vacancy rates was as low as 4.0%, indicating a significant undersupply of units. Since then, the vacancy rate has been on the increase. During the Great Recession, vacancies rose above 20% in 2010, then declined as the market stabilized. From 2013 through 2022, vacancies were below 5%, indicating a shortage of apartment units. The market reacted and now the vacancy rate has risen again.





Apartment vacancies typically average a 7% vacancy rate which indicates a stabilized market. Vacancy rates below 7% often suggest a shortage of rental units which could cause rents to rise due to strong demand, further increasing the cost of housing for households that cannot afford to purchase a home. The current apartment market in Prescott Valley is far from this scenario with an abundance of available apartment units that will take some time to fully absorb.

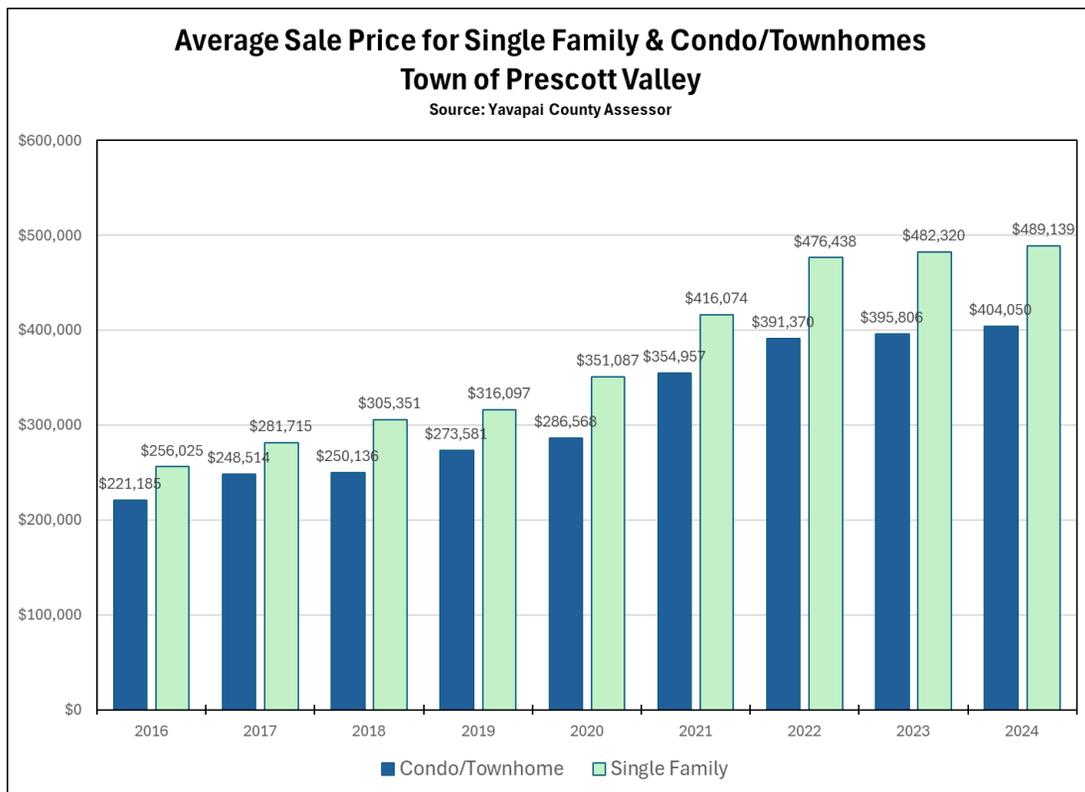
The units currently under construction in the town will increase the market rate apartment inventory by about 50%. The 1,422 approved but not built units will increase the inventory again depending on the outcome of the Lakeshore referendum. However, the growth prospects for Prescott Valley indicate the units currently under construction and planned will be absorbed over time.

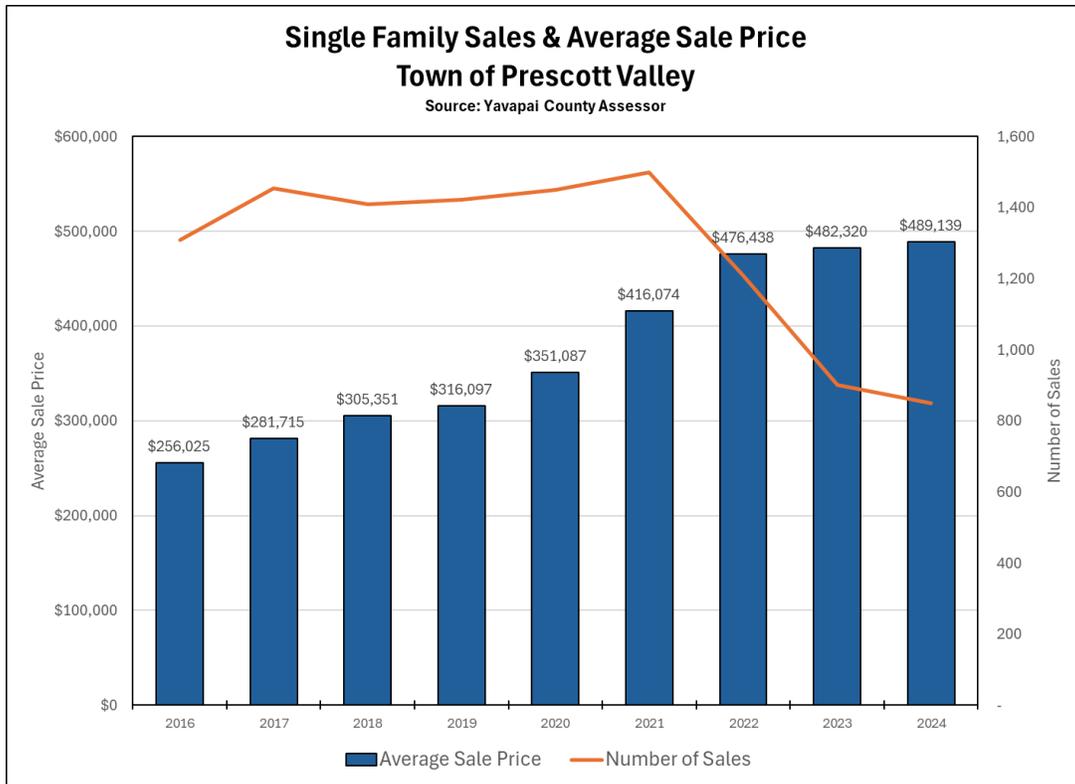
CoStar reports that approximately 360 apartments were absorbed in the Prescott Valley market over the last 12 months. If this rate of absorption is maintained, absorption of the existing excess vacant inventory and the 781 apartments under construction would take about two years to reach a 93% occupancy level. Depending on when the approved and planned units are built, Prescott Valley should be able to absorb all units in the pipeline.



4.2 Ownership Housing Market

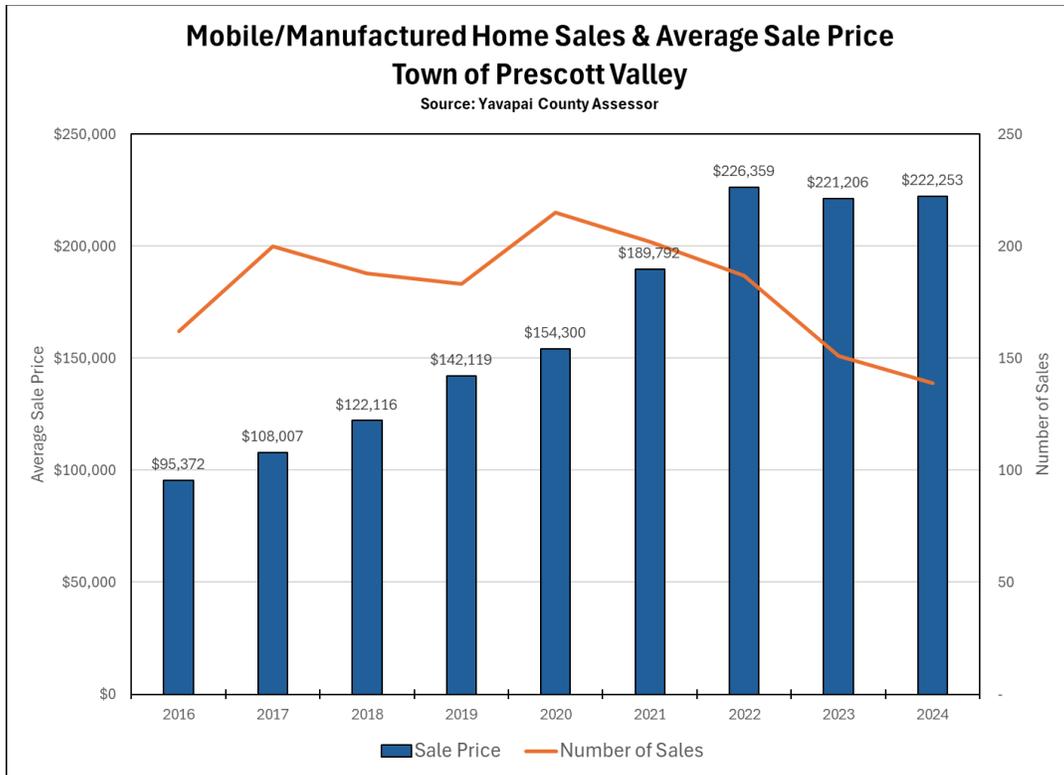
The price of housing in Prescott Valley has increased dramatically over the past five years. The average single family home price has risen by 91% since 2016 and condo/townhome properties have increased by 83% of those same 8 years. That’s an increase of \$233,000 for a single family home and \$183,000 for a condo/townhome. Much of that increase occurred in 2021 when single family prices jumped by 24%. The number of sales peaked in 2021 at 1,450 sales but have since fallen to 850 in 2024, a 41% decline due to high mortgage interest rates and rising construction costs.





Mobile and manufactured home sales are still affordable with an average price of \$222,253 in 2024. However, these homes too have increased in price by more than 100% since 2016. The number of sales is down from 215 in 2020 to 139 in 2024.





The affordable housing value for Prescott Valley is shown in the adjacent table based on the town median income of approximately \$70,793. With a 10% down payment and a 6.6% loan, the maximum house value the typical Prescott Valley household can afford is \$254,000. **In 2024, out of 1,057 home sales (including condos, townhomes, and manufactured homes), only 137 (13.0%) sold for less than \$300,000. According to County records, in 2024 only two new single-family homes and four new condo/townhomes sold for less than \$400,000. Most sales under \$400,000 were for resale homes.** Manufactured homes represent an alternative option for moderately priced units, but the quality of those units may vary based on age of the unit.

	Calculation
House value	\$254,000
Down payment	10%
Down payment	\$25,400
Mortgage amount	\$228,600
Interest rate	6.6%
Loan term in years	30
% of income devoted to mortgage payment	30.0%
Monthly loan payment (P & I)	\$1,460
Monthly property tax, insurance, PMI	\$307
Total monthly payment	\$1,767
Yearly income required	\$70,682



Prescott Valley 2024 Housing Sales & Required Income											
Price Range	SF Sales	Condo Sales	MH Sales	Total Sales	%	Loan Pmt		Total Pmt		Required Income	
						Min	Max	Min	Max	Min	Max
Less than \$150,000	1	-	32	33	0.1%	-	\$862		\$1,007		\$40,281
\$150,000-\$200,000	2	-	20	22	0.2%	\$862	\$1,150	\$1,007	\$1,343	\$40,281	\$53,709
\$200,000-\$300,000	21	1	60	82	2.5%	\$1,150	\$1,724	\$1,343	\$2,014	\$53,709	\$80,563
\$300,000-\$400,000	131	25	26	182	15.4%	\$1,724	\$2,299	\$2,014	\$2,685	\$80,563	\$107,417
\$400,00-\$500,000	376	41	-	417	44.2%	\$2,299	\$2,874	\$2,685	\$3,357	\$107,417	\$134,272
\$500,000-\$600,000	196	1	1	198	23.1%	\$2,874	\$3,449	\$3,357	\$4,028	\$134,272	\$161,126
\$600,000-\$700,000	80	-	-	80	9.4%	\$3,449	\$4,024	\$4,028	\$4,700	\$161,126	\$187,980
\$700,000-\$800,000	18	-	-	18	2.1%	\$4,024	\$4,598	\$4,700	\$5,371	\$187,980	\$214,835
\$800,000-\$900,000	15	-	-	15	1.8%	\$4,598	\$5,173	\$5,371	\$6,042	\$214,835	\$241,689
\$900,000-\$1,000,000	6	-	-	6	0.7%	\$5,173	\$5,748	\$6,042	\$6,714	\$241,689	\$268,543
\$1,000,000+	4	-	-	4	0.5%	\$5,748	-	\$6,714	-	\$268,543	-
Total	850	68	139	1,057	100.0%						

Sources: Yavapai County Assessor, Elliott D. Pollack & Co.

The household income required to afford the averaged priced new home of \$489,000 in Prescott Valley at current interest rates is \$136,000. Even a condo or townhome unit with an average price of \$404,000 requires an income of \$112,000. The current interest rate environment makes it difficult for first time buyers to afford a home.

The resale market in Prescott Valley offers some opportunities for first-time home buyers to enter the market. However, the number of homes priced under \$300,000 available for sale in the market for homes is limited relative to the expected growth of the Town.



5.0 Barriers to Affordable Housing

According to a recent survey of town residents conducted in April and May 2025 concerning community services and housing, affordable housing was ranked as the top community need followed by infrastructure improvements. Residents suggested that the lack of affordable for-sale units, low wages, and the lack of a down payment were keeping residents from purchasing a home. These obstacles to homeownership only outline some of the issues affecting affordable housing opportunities in Prescott Valley. Barriers within the housing market itself can be caused by various factors.

Barriers to affordable housing can take many forms. Housing market dynamics – supply and demand - is one barrier. Too few housing units for sale or for rent can cause an increase in prices and rents. That was one result of the pandemic in 2021 and 2022 when the demand for housing outstripped supply. Land and construction costs are additional factors. Construction costs rose during the pandemic due to shortages of labor and materials and have not subsided. Land costs can increase if a community reaches build-out with little available property for development. Zoning and development regulations are additional potential barriers that can increase the cost of construction. Lastly, while beyond the control of Prescott Valley, mortgage interest rates have seriously impacted the ability of Prescott Valley residents to afford housing in the town. Following is an analysis of the potential barriers to affordable housing in Prescott Valley.

Land Availability: According to the Prescott Valley General Plan 2035, approximately 6,000 acres of vacant State Trust land are currently within the town boundaries and another 27,000 available acres are within the town’s sphere of influence which is situated within a strip annexation line. Virtually all of the State Trust property is undeveloped and could be put to residential or commercial use. Likewise, the town has more than adequate land to accommodate its future population within adjacent territory. Overall, land availability is not a barrier to affordable housing in Prescott Valley.

Zoning and Development Regulations: The General Plan 2035 and the Town’s zoning ordinance was evaluated with respect to potential barriers. The General Plan is a comprehensive document that speaks to the need for housing diversity to support a balanced mix of housing types. It suggests revitalization of the town’s mature neighborhoods, development of growth areas, and reinvestment in certain areas. The Plan also recognizes the cost of housing and affordability for residents, although the recent increase in housing costs occurred after adoption of the Plan. The Plan recognizes that the town’s zoning map contains approximately 11,000 acres of land designated for single family, multifamily, and mobile homes.



The Zoning Ordinance adopted in 1979 is dated and somewhat awkward to deal with. However, it incorporates the use of a Planned Area Development zone which provides flexibility in the design of a unified project, including mixed residential uses. It appears that most new development projects are occurring in a PAD which allows for a variety of residential uses. In an interview with the Town's Planning staff, the following improvements to the zoning process were outlined.

- Manufactured homes are permitted in any residential district with a conditional use permit (CUP). The home must be situated on a foundation with a two-car garage.
- Residential uses are permitted in commercial districts with a CUP and administrative approval.
- A PAD overlay or primary zoning district can be applied to property of five acres or larger.
- Accessory dwelling units are being considered for the code but have not been adopted.

Overall, the Town's Zoning Ordinance and General Plan 2035 do not appear to be a significant barrier to the development of affordable housing. The ability to construct manufactured homes in residential districts is a significant improvement to the code along with residential uses being permitted in certain commercial districts. Increasing the height limitation for multifamily complexes above three stories could be an important addition to the Zoning Ordinance to promote higher density developments.

Cost of Development: The cost of development of housing is comprised of two primary components: the land cost and the construction cost. The cost of land is typically affected by the price of housing; as prices go up so does the price of land. When there is a slowdown in housing construction, land prices typically adjust as well. Land prices can also be affected by the amount of land available for development. Communities that are near build-out will see prices rise due to the shortage of vacant land. Overall, land costs comprise anywhere between 15% and 25% of the final cost of a housing unit and are basically set by the market price of housing.

Construction costs can be quite variable and are affected by inflation, the supply of materials and labor, and various other economic factors. The pandemic of 2020 illustrated how construction activity and costs can be affected by supply chains and shortages of materials and workers. Unfortunately, costs related to construction have not subsided since that time.

As a result, developers of affordable housing have found it increasingly challenging to build housing units that can reach those households most in need. Low Income Housing Tax Credit (LIHTC) complexes often now require numerous capital resources to finance their projects



beyond just the tax credits. This may include assistance from cities and counties to finalize the project. For developers who target workforce housing for those households who make too much to qualify for an LIHTC complex (earning between 60% and 100% AMI), the situation is even more difficult because of construction costs. The alternatives for these developers include higher density projects, smaller living units, and assistance in terms of incentives from the local government. Arizona has few tools to assist with workforce housing development other than the Government Property Lease Excise Tax (GPLET) which provides property tax abatement and concessions to the project. Unfortunately, the financial benefits of the GPLET have been reduced by state legislation over the past ten years.

For Prescott Valley and much of Arizona, construction costs will continue to be a major barrier for the development of affordable and workforce housing unless communities are willing to step up with financial incentives and other tools that will help make a project pencil.

Water Resources: Prescott Valley is situated within the Prescott Active Management Area (AMA) which establishes a water management strategy for the area designed to conserve and augment groundwater supplies. Due to overdrafting of the aquifer, regulations were instituted that required new subdivisions in the Prescott AMA to demonstrate they have a 100-year supply of water. Prescott Valley also requires verification of a 100-year supply for all residential and commercial land uses.

According to interviews with stakeholders, water is one of the primary barriers to the development of housing of all types including affordable housing. The effort to prove both legal and physical water can take as long as two years. This increases the cost of housing due to the long delay in approvals.

Summary: Overall, the Town of Prescott Valley has available land that can accommodate future population growth for the foreseeable future. The zoning code and General Plan support residential uses including affordable housing. The primary barriers to affordable housing in Prescott Valley are the cost of development and water resources.



6.0 Affordable Housing Demand & Forecast

The Town of Prescott Valley is forecasted to grow by approximately 12,200 people over the next 16 years based on forecasts from the Arizona Office of Economic Opportunity. At the current average household size of 2.38 persons per unit, the demand for housing through 2040 totals 5,127 units or an average of 342 units per year. For perspective, residential building permits have averaged approximately 711 units per year since 2016. Permitting has been impacted by the 1,433 multifamily units that have been authorized for development. Given the recent increase in apartment demand and above average vacancy rates, permitting activity should moderate in the next few years.

The Town of Prescott Valley has adequate land area to accommodate residential growth in the future. According to the Town's General Plan 2035, approximately 6,000 acres of land owned by the Arizona State Land Department within Town boundaries are currently undeveloped. Another 27,000 acres of largely undeveloped land is within the Town's sphere of influence which is bounded by a strip annexation. From a land availability perspective, future housing development can easily be accommodated over the next 15 years assuming water resources and utility services are available.

6.1 Housing Affordability Gap

The housing affordability gap is the difference between the rents or housing values in a community and the ability of households to afford those rents or values. Affordability has become an issue over the past five years for many income levels due to rents and values that have increased well above the rate of inflation. At the same time, wages have not kept pace. **Housing affordability affects low- and moderate-income households the most, including many essential occupations such as teachers, police, firefighters, nurses, and service workers.**

There has been much discussion about the term "affordable housing". "Affordable" is often associated with housing for the lowest income households. "Workforce" or "attainable" housing is often associated with the demand from critical service providers or essential personnel such as police, firefighters, nurses, schoolteachers, and others. In the context of this study, the term "affordable" will apply to all households who are burdened by housing costs or those that can't find housing due to its cost relative to household income. Affordable housing refers to a continuum of housing demand that affects people from the lowest income levels to those earning above the area median income. A healthy economy and housing market should address all these demand sectors.



As outlined in this report, households are considered burdened by the cost of housing if rent and other housing costs total more than 30% of total household income. For a homeowner, the cost of housing typically includes a mortgage, property taxes, and insurance. For a renter, the cost of housing is rent and utilities. The U.S. Department of Housing and Urban Development also recognizes households that pay more than 50% of income towards housing known as an “severely cost burdened.” Across the country, approximately 29% of all households are considered cost burdened and about 13.4% are severely burdened.

The methodology for estimating the housing affordability gap for Prescott Valley uses data directly from the U.S. Census that shows the number of households spending more than 30% of income on housing.

The following table outlines the housing cost burden for renters in Prescott Valley which totals approximately 2,400 households or 41.5% of all renters. **An estimated 19.3% of renter households pay more than 50% of their incomes on housing or 1,130 households. These households are considered severely rent burdened.** These percentages are both below the statewide average.

Renter Housing Cost Burden						
Gross Rent as % of Household Income						
	Prescott Valley		Yavapai County		Arizona	
	Households	%	Households	%	Households	%
Total:	5,867		28,846		923,559	
Less than 10.0 percent	96	1.6%	1,342	4.7%	35,020	3.8%
10.0 to 14.9 percent	512	8.7%	2,677	9.3%	70,637	7.6%
15.0 to 19.9 percent	696	11.9%	2,413	8.4%	104,368	11.3%
20.0 to 24.9 percent	729	12.4%	4,031	14.0%	115,422	12.5%
25.0 to 29.9 percent	1,040	17.7%	3,742	13.0%	102,684	11.1%
30.0 to 34.9 percent	322	5.5%	1,933	6.7%	80,245	8.7%
35.0 to 39.9 percent	352	6.0%	1,411	4.9%	62,372	6.8%
40.0 to 49.9 percent	628	10.7%	2,470	8.6%	83,870	9.1%
50.0 percent or more	1,130	19.3%	5,979	20.7%	207,164	22.4%
Not computed	362	6.2%	2,848	9.9%	61,777	6.7%
Total Spending More Than 30%	2,432	41.5%	11,793	40.9%	433,651	47.0%
Total Spending More Than 50%	1,130	19.3%	5,979	20.7%	207,164	22.4%

Source: ACS 2023 5-year estimate

For owner occupants, the housing cost burden is higher than the statewide average. More than 3,400 households in Prescott Valley or 24.0% fall into this category. Of that amount, 1,719 households are considered severely rent burdened (12.1%). It should be noted that homeowners typically have more options than renters to address their housing burden. For



instance, an owner could sell the home and move to a less costly unit if one is available. Similarly, homeowners could have voluntarily increased their housing costs by taking out a second mortgage or home equity loan on the home. These factors all affect the housing burden of homeowners while renters have limited opportunities to reduce their housing burden beyond seeking a smaller or older unit or moving in with a roommate.

Owner Housing Cost Burden						
Homeowner Housing Cost as % of Household Income						
	Prescott Valley		Yavapai County		Arizona	
	Households	%	Households	%	Households	%
Occupied housing units:	14,212		80,054		1,873,231	
Less than 10.0 percent	3,509	24.7%	21,750	27.2%	482,151	25.7%
10.0 to 14.9 percent	2,478	17.4%	12,996	16.2%	341,879	18.3%
15.0 to 19.9 percent	2,180	15.3%	12,016	15.0%	295,596	15.8%
20.0 to 24.9 percent	1,509	10.6%	7,660	9.6%	208,141	11.1%
25.0 to 29.9 percent	1,063	7.5%	5,584	7.0%	134,621	7.2%
30.0 to 34.9 percent	622	4.4%	3,795	4.7%	89,783	4.8%
35.0 to 39.9 percent	381	2.7%	2,519	3.1%	59,715	3.2%
40.0 to 49.9 percent	695	4.9%	3,469	4.3%	72,363	3.9%
50.0 percent or more	1,719	12.1%	9,637	12.0%	167,545	8.9%
Not computed	56	0.4%	628	0.8%	21,437	1.1%
Total Spending More Than 30%	3,417	24.0%	19,420	24.3%	389,406	20.8%
Total Spending More Than 50%	1,719	12.1%	9,637	12.0%	167,545	8.9%

Source: ACS 2023 5-year estimate

The total housing affordability gap for Prescott Valley under this methodology is 5,849 households, or approximately 29.1% of total households. Renters are the most cost-burdened households in the Town on a percentage basis. The housing burden at different incomes is outlined below.

- Housing cost burden falls on the lowest income households. There are 449 renter households earning less than \$20,000 who are burdened by rent and 923 owner households who are similarly burdened. These households are most appropriately housed in public housing units, typically owned by a government entity or non-profit, or subsidized with vouchers, with rents set at 30% of the household’s income.
- There are 1,781 renter households in the Town earning between \$20,000 and \$50,000 per year and 82% of them, or 1,464 households, are burdened by housing costs. This group could be served by Low Income Housing Tax Credit projects or other government subsidized housing programs targeting 30%-60% AMI households. Prescott Valley has several apartment communities offering subsidized rent to this target population totaling



575 units. Excluding population growth, there is still a need for almost 900 subsidized units for this income group.

- The third group of households, representing 1,080 renter households, earn between \$50,000 and \$75,000. About 40% of these households are burdened by housing costs. Most of these households would likely qualify for workforce housing units targeting 60%-100% AMI. Additionally, a portion of these households at the higher end of the range could be candidates for homeownership assistance programs. Alternatively, the market rate apartments recently delivered and under construction are positioned to offer rents affordable to households towards the upper end of the income range. With interest rate relief, a portion of these households could affordably purchase homes in the low \$300,000 range.
- The final group of 2,184 households earn \$75,000 or more with about 4% burdened by housing costs. The new market rate apartments will be affordable to this group of households. There are also many options among new and resale homes that would be affordable, especially if mortgage interest rates decline.

Renter-Occupied Households Paying 30%+ of Income Towards Housing Costs by Income Range						
Income Range	Prescott Valley		Yavapai County		Arizona	
	Households	%	Households	%	Households	%
Less than \$20,000:	460		4,436	88.2%	122,567	93.0%
Paying more than 30% on housing	449	97.6%	3,911		113,927	
\$20,000 to \$34,999:	672		3,868	83.7%	123,065	89.3%
Paying more than 30% on housing	657	97.8%	3,238		109,901	
\$35,000 to \$49,999:	1,109		3,843	65.9%	130,533	74.3%
Paying more than 30% on housing	807	72.8%	2,532		97,037	
\$50,000 to \$74,999:	1,080		5,632	28.6%	177,433	46.3%
Paying more than 30% on housing	433	40.1%	1,610		82,140	
\$75,000 or more:	2,184		8,219	6.1%	308,184	9.9%
Paying more than 30% on housing	86	3.9%	502		30,646	
No cash rent	362		2,848		61,777	
Total Renter Households	5,867		28,846		923,559	
% Paying More Than 30% of Income	2,432	41.5%	11,793	40.9%	433,651	47.0%

Source: ACS 2023 5-year estimate



Owner-Occupied Households Paying 30%+ of Income Towards Housing Costs by Income Range						
Income Range	Prescott Valley		Yavapai County		Arizona	
	Households	%	Households	%	Households	%
Less than \$20,000	1,221		7,094		124,661	
Paying more than 30% on housing	923	75.6%	5,425	76.5%	98,942	79.4%
\$20,000 to \$34,999	1,217		9,381		153,271	
Paying more than 30% on housing	713	58.6%	4,568	48.7%	78,585	51.3%
\$35,000 to \$49,999	2,314		9,777		169,997	
Paying more than 30% on housing	1,109	47.9%	3,674	37.6%	67,957	40.0%
\$50,000 to \$74,999	2,078		13,525		291,613	
Paying more than 30% on housing	387	18.6%	3,120	23.1%	80,082	27.5%
\$75,000 or more	7,326		39,649		1,112,252	
Paying more than 30% on housing	285	3.9%	2,633	6.6%	63,840	5.7%
No cash rent	56		628		21,437	
Total Owner Households	14,212		80,054		1,873,231	
% Paying More Than 30% of Income	3,417	24.0%	19,420	24.3%	389,406	20.8%
Median cost with mortgage	\$1,583		\$1,652		\$1,739	
Median cost without mortgage	\$431		\$465		\$500	

Source: ACS 2023 5-year estimate

A further source of demand for affordable housing is households who are separated or divorced or where a spouse has died. Those households have much lower incomes relative to married couple families. In particular, households headed by a single female have a median income below \$42,000 and when they live with their own children, the median income falls to \$34,000.

Households By Type & Income Prescott Valley			
Household Type	Households	%	Median Income
Total households	20,079		\$70,793
Married-couple household	9,947	49.50%	\$94,616
With children of the householder under 18 years	2,659	13.20%	\$98,068
Cohabiting couple household	1,736	8.60%	n/a
With children of the householder under 18 years	810	4.00%	n/a
Male householder, no spouse/partner present	3,434	17.10%	\$54,856
With children of the householder under 18 years	244	1.20%	\$51,854
Female householder, no spouse/partner present	4,962	24.70%	\$41,761
With children of the householder under 18 years	701	3.50%	\$34,202

Source: 2023 ACS 5-year estimate



6.2 Summary

An estimated 5,849 households in Prescott Valley, or approximately 29.1% of total households are burdened by housing costs, spending more than 30% of their income on housing. This number includes 2,432 renters and 3,417 owners. As noted previously, owners have more options to resolve their housing cost issue by selling their home and moving to a lower cost unit or renting. Renters by comparison have fewer options. While there are few opportunities for homeownership for households who earn less than \$50,000, a target for first-time homeownership could be the more than 1,000 households who earn between \$50,000 and \$75,000.

Prescott Valley has an inventory of affordable units that include 575 LIHTC units. Housing choice vouchers are also available across Yavapai County from the Arizona Public Housing Authority. The number of vouchers that are directly used in Prescott Valley is unavailable. However, vouchers for the county are fully committed with a long waiting list.

Affordability Guidelines

HUD income limits for multifamily tax subsidy projects for Yavapai County are based on the area median family income (AMFI) of \$87,300 for 2025. This means a family of four qualifies for an LIHTC complex at an income of \$54,360 (60% of AMFI). Therefore, about 7,900 households out of 20,079 households in the Town or 39% (subject to household size) could potentially qualify for a tax subsidy complex.

FY 2025 Multifamily Tax Subsidy Project Income Limits Yavapai County, AZ								
Area Median Family Income \$87,300								
% of Median Income	Persons in Family							
	1	2	3	4	5	6	7	8
80%	\$50,750	\$58,000	\$65,250	\$72,500	\$78,300	\$84,100	\$89,900	\$95,700
70%	\$44,400	\$50,700	\$57,100	\$63,420	\$68,500	\$73,580	\$78,700	\$83,740
60%	\$38,040	\$43,500	\$48,900	\$54,360	\$58,740	\$63,060	\$67,440	\$71,760
50%	\$31,700	\$36,250	\$40,750	\$45,300	\$57,950	\$52,550	\$56,200	\$59,800
40%	\$25,360	\$29,000	\$32,600	\$36,240	\$39,160	\$42,040	\$44,960	\$47,840
30%	\$19,020	\$21,750	\$24,450	\$27,180	\$29,370	\$31,530	\$33,720	\$35,880
20%	\$12,860	\$14,500	\$16,300	\$18,120	\$19,580	\$21,020	\$22,480	\$23,920

Source: Department of Housing & Urban Development

Allowable rents for tax subsidy complexes correspond to the size of the households as shown below. For a two-bedroom unit that could accommodate up to four people, rent for a household



earning 60% of AMFI would be \$1,222. Clearly market rents in Prescott Valley are well above these levels.

FY 2025 Tax Credit Program Allowable Rents						
Yavapai County						
% of Median Income	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm
60%	\$951	\$1,019	\$1,222	\$1,413	\$1,576	\$1,740
50%	\$792	\$849	\$1,018	\$1,178	\$1,313	\$1,450
40%	\$634	\$679	\$815	\$942	\$1,051	\$1,160
30%	\$475	\$509	\$611	\$706	\$788	\$870
20%	\$317	\$339	\$407	\$471	\$525	\$580

Source: Department of Housing & Urban Development

The chart below shows Yavapai County median wages for a variety of occupations, some of which are considered critical service jobs such as firefighters, teachers, paramedics, and police officers. Beyond these critical service occupations, even waiters, construction laborers, and retail salespersons are important for a functioning economy. The monthly affordable housing cost for each occupation shows that nearly all the occupations would have difficulty affording the market rents in Prescott Valley much less purchase a home as a single income household. The average Prescott Valley apartment rents ranging from \$1,600 and higher are out of reach for most occupations as a single earner household.



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

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

The wage data does not consider that a household may have two wage earners. However, for single person households, particularly headed by a female head of household or families where only one person works, the availability of affordable housing is a critical need. Census data shows that about 36% of all Prescott Valley households have only one working member while 21% of households have two working members. Another 37% have no working members of the household, mostly reflecting retired households. Affordable housing is critical for those households with one working member and for single person households.

6.3 Future Housing Demand

As noted previously in this report, Prescott Valley is expected to grow by 12,202 persons between 2024 and 2040. This will create demand for at least 5,127 housing units. Taking into account a 5% vacancy rate, total housing demand equals 5,383 units.

Following from the gap analysis, the following table outlines the future demand for housing by today's income range. Rental housing demand, much of which could be in the form of subsidized units, will be driven by households with less than \$50,000 in income. Total demand is estimated at 1,951 units through 2040. Another 1,809 units of ownership housing will be needed for critical service employees who earn between \$50,000 and \$100,000. This population may need support



to acquire housing that is within their reach. At today’s interest rate, the households in this income category could afford a home ranging from \$200,000 to \$350,000.

Forecasted Housing Demand By Income			
Income Range	Households	%	Housing Target
Less than \$25,000	690	12.8%	Rental Housing
\$25,000 to \$34,999	328	6.1%	Rental Housing
\$35,000 to \$49,999	933	17.3%	Rental Housing
Total	1,951		
\$50,000 to \$74,999	872	16.2%	Ownership Housing
\$75,000 to \$99,999	937	17.4%	Ownership Housing
Total	1,809		
\$100,000 to \$149,999	1,002	18.6%	
\$150,000 to \$199,999	621	11.5%	
Total	5,383	100.0%	
Source: AZ OEO, Elliott D. Pollack & Co.			



7.0 Conclusions

Over the last five years, housing in the Town of Prescott Valley has experienced declining affordability conditions, similar to that occurring across Arizona. In total, about 29.1% of households in the community are currently burdened by their housing costs, including 41.5% of all renters. The Town is also projected to see continued growth for the foreseeable future, and affordability challenges will continue. Solutions are needed for current residents and to plan for the housing needs of future residents.

Prescott Valley is in a strong position to address the affordability needs of its growing community. Employment forecasts suggest that the town's economy will continue to expand and job growth rates will exceed the rate of population growth. Employment growth will likely bring more high wage jobs. These jobs will have a multiplier effect, creating multiple lower wage jobs as a result. Prescott Valley should be strategic about the types of housing units it approves to support current and future residents, especially necessary service workers.

Prescott Valley has available residential land to accommodate future growth. A variety of housing types should be encouraged. However, addressing the housing affordability issue will not be successful unless higher density housing products are introduced to the community to offset the cost of land and construction. Incentives and affordable housing policies to attract such housing are an important element. While this report does not provide an overall strategy, suggested options for higher density housing products include the following.

- Small lot and attached ownership development, including courtyard complexes, will allow more residents earning less than \$100,000 the opportunity for homeownership.
- Moderate and higher-density rental products, such as single-family rentals (BTRs), traditional apartments, townhomes, or duplexes placed in strategic areas can provide affordable opportunities for households earning between \$50,000 and \$75,000.
- Accessory dwelling units (ADUs) on existing lots provide affordable rental options while providing income to the property owner.
- Manufactured or modular homes are being developed on permanent foundations with enhanced design features by developers. Manufactured homes can be one of the most affordable ownership options for Prescott Valley.
- Subsidized housing programs targeting low-income and workforce wage households (40%-100% AMI) for multi-family housing will continue to be demanded in Prescott Valley



to support service providers who are currently burdened by housing costs. Even after new apartment communities are completed in the coming year, there will still be a large gap of need at this income level.

