

## Study: Demand up for downtown OKC housing

by Brianna Bailey

Published: September 26th, 2011

OKLAHOMA CITY – A new study on downtown housing demands suggests city officials should partner with developers to help bring as many as 2,000 units of new housing to the area by 2020.

“The city has a right to invest in what they want to see,” Ian Colgan, principal of the planning consultant Development Concepts Inc., told the Oklahoma City Economic Development Trust on Monday.

City officials commissioned the study last year to get a better idea of the demands and challenges of Oklahoma City’s downtown housing market. The last city study on downtown was completed in 2005.

The ongoing revitalization of downtown Oklahoma City has created a growing demand for rental housing, Colgan said.

“There is the recognition that good things are happening downtown and good things will happen downtown,” he said.

Interest in downtown living has increased threefold over the past 10 years in the Oklahoma City metro area, the study found.

A survey of randomly selected metro-area residents conducted earlier this year by CDS Market Research found that 26 percent of respondents were interested in living downtown, compared with 17 percent in 2005 and 9 percent in 2000.

The study said Oklahoma City’s potential housing market could be as large as 60,000 households, based on the survey results with 2010 U.S. Census figures.

However, there still exists a lack of traditional financing for downtown housing, especially since the onset of the last recession, Colgan said.

The study found that the high cost of building housing downtown as opposed to the suburbs and the risky profitability of such projects were huge hurdles for developers.

The study found that downtown housing projects can face financial gaps of as much as 30 percent to 40 percent before they can become profitable ventures, Colgan said.

The city could encourage more housing development downtown by offering incentives, like more tax increment financing and partnering with lenders to create a special pool of loan money for downtown projects, as well as using federal programs such as Community Development Block Grant money, federal guaranteed loan programs and low-income housing tax credits.

Colgan said the city could create a partnership with private developers to encourage development downtown that would ramp up later this year.

Cathy O’Connor, general manager of the economic development trust, said the city could use the study to re-evaluate some of its policies on the use of tax increment financing money.

“What is happening in the market today is very different than what it was 10 years ago,” O’Connor said.