

## ECONOMIC AND MARKET ANALYSIS

# Canton Brownfield Opportunity Area Nomination Study

May 2020

With Preface Added August 2020

Prepared by

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## Table of Contents

<b>Preface .....</b>	i
August 2020: On the COVID-19 Pandemic.....	i
<b>Introduction.....</b>	<b>1</b>
Location and Regional Setting .....	1
Methodology and Data Sources.....	2
Past Planning Efforts .....	3
<b>Demographic Context .....</b>	<b>4</b>
Population & Households .....	4
Age Distribution .....	5
Educational Attainment .....	7
Household Income .....	7
Student Enrollment.....	8
<b>Economic Trends.....</b>	<b>11</b>
Employment in St. Lawrence County.....	11
Resident Labor Force .....	13
Tourism .....	14
Employment in the Village of Canton .....	17
<b>Residential Market Analysis .....</b>	<b>19</b>
Framing the Issues .....	19
Housing Characteristics.....	21
Owner-Occupied Housing .....	24
For-Sale Market Characteristics.....	26
Renter-Occupied Housing .....	30
Rental Market Characteristics.....	32
Pending Development.....	39
Residential Market Area Demographics .....	40
Housing Affordability .....	49
Findings and Conclusions .....	56

<b>Commercial Real Estate Market Conditions.....</b>	<b>59</b>
Commercial Real Estate Transactions & Investment Activity .....	59
Commercial Property for Sale or Lease .....	61
Office Market Demand .....	61
Retail Market Analysis.....	63
Findings and Conclusions .....	75

## Tables

Table 1. Population Trends .....	4
Table 2. Household Trends .....	5
Table 3. Distribution of Population by Age.....	6
Table 4. Educational Attainment Among Residents Age 25 and Over, 2019 Estimates .....	7
Table 5. College Student Enrollment .....	9
Table 6. Employment by Industry, 2018 .....	11
Table 7. Inflow/Outflow Job Counts, Village of Canton.....	17
Table 8. Residential Market Area Housing Supply, Tenure, and Vacancy Status .....	22
Table 9. Residential Building Permits, 2008-18 .....	24
Table 10. Residential Market Area Owner-Occupied Housing Characteristics.....	25
Table 11. Residential Sales Activity, St. Lawrence County.....	26
Table 12. Single Family Housing Sales, Residential Market Area, 2017-19 .....	27
Table 13. Characteristics of Single-Family Homes Sold in the Town of Canton, 2017-19.....	29
Table 14. Residential Market Area Renter-Occupied Housing Characteristics.....	31
Table 15. Rental Properties with More Than 10 Units in the Residential Market Area.....	34
Table 16. Available Market-Rate Rental Housing, Residential Market Area.....	39
Table 17. Population and Household Trends, Residential Market Area .....	40
Table 18. HUD FY 2020 Income Limits, St. Lawrence County .....	49
Table 19. Housing Cost Burden by Household Income.....	51
Table 20. Renter Affordability Analysis 1.....	52
Table 21. Renter Affordability Analysis 2.....	52
Table 22. Homeownership Affordability Analysis 1.....	54
Table 23. Homeownership Affordability Analysis 2.....	54
Table 24. Commercial Property Sales in the Village of Canton, 2017-19 .....	59
Table 25. Available Commercial Property.....	61
Table 26. Employment in Office-Using Industries in St. Lawrence County and the North Country Region .....	62
Table 27. Retail Trade Area Demographics.....	67
Table 28. Annual Spending on Selected Retail Goods and Services (in 000s).....	69
Table 29. Estimated Worker Spending Potential .....	71
Table 31. Estimated Sales, Retail Trade & Food Services .....	73

## Figures

Figure 1. Long-Term Population Trends, Village of Canton .....	4
Figure 2. Households by Income, 2019 Estimates .....	8
Figure 3. Average Annual Unemployment Rates.....	14
Figure 4. Traveler Spending in St. Lawrence County .....	15
Figure 5. Counties Where Workers in the Village of Canton Live.....	18
Figure 6. St. Lawrence County Communities Where Workers in the Village of Canton Live.....	18
Figure 7. Householders by Age, Residential Market Area .....	41
Figure 8. Householders by Income, Residential Market Area .....	43
Figure 9. Owner Households by Age, Residential Market Area.....	44
Figure 10. Owner Households by Income, Residential Market Area .....	44
Figure 11. Owner Households by Size, Residential Market Area.....	45
Figure 12. Owner Households by Type, Residential Market Area .....	45
Figure 13. Renter Households by Age, Residential Market Area.....	47
Figure 14. Renter Households by Income, Residential Market Area .....	47
Figure 15. Renter Households by Size, Residential Market Area.....	48
Figure 16. Renter Households by Type, Residential Market Area .....	48
Figure 17. Business Mix, Downtown Canton .....	64

## Preface

### August 2020: On the COVID-19 Pandemic

Most of the research and analysis in this report was completed prior to the COVID-19 pandemic. Consequently, it does not reflect the impact of the New York State executive order intended to slow the spread of the virus by asking residents to stay home, limiting public gatherings, and requiring most businesses, schools, and services to shut down starting in March 2020. The “New York State on PAUSE” executive order expired on May 15<sup>th</sup> for the North Country, which was cleared to reopen in phases, provided that certain health metrics were met. The region is currently in Phase 4 of reopening, but the long-term implications of the events of the past five months have yet to be determined. At a minimum, the uncertainty created by the pandemic will impact consumer behavior, business retention, and the demand for commercial real estate, at least in the short-term.

Some types of businesses have adjusted better than others. All businesses in the state are now required to have a plan in place to protect the health and safety of employees and customers, using physical distancing, staggered work schedules, cleaning and disinfection practices, and protective equipment such as face coverings. Office-based establishments have largely adapted to the “new normal” by having some or all of their employees work from home.

Retail, food service, and personal service businesses, however, have struggled to remain financially viable given social distancing requirements. For example, although restaurants outside New York City can now offer on-site dining, tables must be separated by a minimum of six feet, seating is capped at 10 people in the same party at a table, and indoor dining is restricted to 50% of maximum occupancy, limiting potential revenue. They also have additional expenses associated with cleaning and disinfection and providing protective equipment for employees.

Ultimately, some eateries may be forced to close for good. According to polling conducted by the National Restaurant Association, only 75% of restaurants in the U.S. had reopened as of July 2020, and of those, three in four said they would not be profitable for six months or more.<sup>1</sup> A report prepared for the Independent Restaurant Coalition, which represents privately-owned restaurants with fewer than 20 establishments, predicts that as many as 85% of non-chain restaurants could close by the end of 2020 without targeted financial assistance.<sup>2</sup>

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<sup>1</sup> “The Hunger Games: Why restaurants are spilling red ink, no matter how much they innovate,” *Albany Business Review*, July 17, 2020, <https://www.bizjournals.com/albany/news/2020/07/17/new-math-of-restaurants-the-hunger-games.html>.

<sup>2</sup> Cited on the website of the Independent Restaurant Coalition at <https://www.saverestaurants.com/report/>.

Establishments in the arts, entertainment, and recreation industry also face a challenging future. Programs, performances, and events have been cancelled or postponed indefinitely due to the pandemic. Under the phased reopening plan, indoor museums, historic sites, and “low-risk outdoor arts and entertainment activities” in the North Country were not permitted to resume operations until the region entered Phase 4 in June 2020. Gyms and fitness centers were not allowed to reopen for indoor activities until late August, however, and venues for performances, conferences, and other events continue to be restricted to office use. Although the state guidelines are designed to minimize contagion and avoid attracting large groups of people, it has been nearly impossible for some of these entities to generate revenue.

A June 2020 survey conducted by the American Alliance for Museums found that one in three museums in the U.S. are at “significant risk” of closing permanently within 16 months as their revenue streams run dry.<sup>3</sup> Similarly, Americans for the Arts reports that 96% of nonprofit arts and cultural organizations have cancelled events since the beginning of the pandemic, and 29% have laid off or furloughed staff; nearly half had no target date set for re-opening. Although some arts organizations have offered limited programming online or through social media, fully 10% said they were “not confident” that they would survive the pandemic.<sup>4</sup> And even as people head outdoors for hiking or bicycling, recreational businesses have endured revenue declines due to mandatory shutdowns and cancelled sporting events.

As the coronavirus has spread across the U.S. and worldwide, the economic turmoil associated with the pandemic has resulted in a global recession. Travel and tourism are at a standstill, and thousands of restaurants and retail stores have shut down permanently due to social distancing requirements and reduced consumer spending. Small businesses have been especially hard hit; employment declines during the recession have been much higher among establishments with fewer than 50 employees than among mid- and large-sized businesses. Perhaps not surprisingly, the largest job losses have been in industries with high levels of personal contact: arts, entertainment, and recreation; accommodation and food services; retail trade; and personal services.<sup>5</sup>

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<sup>3</sup> American Alliance of Museums, “Press Release: United States May Lose One-third of All Museums, New Survey Shows,” July 22, 2020. Accessed at <https://www.aam-us.org/2020/07/22/united-states-may-lose-one-third-of-all-museums-new-survey-shows/>.

<sup>4</sup> Americans for the Arts, “COVID-19’s Impact on The Arts Research & Tracking Update: August 3, 2020,” posted at <https://www.americansforthearts.org/node/103614>.

<sup>5</sup> Becker Friedman Institute for Economics at the University of Chicago. “Business Size and Type Are Key Factors in Terms of Pandemic Recession Effects,” June 24, 2020, <https://bfi.uchicago.edu/key-economic-facts-about-covid-19/#business-size-and-type>.

Unemployment rates that were at record lows only a few months ago are now at record highs. Between February and June 2020, for example, the unemployment rate in New York State increased from 3.9% to 15.6%. In the North Country, unemployment peaked in April 2020 at 15.4%, falling to 10.6% two months later. According to the NYS Department of Labor, the private sector job count in the North Country fell by 14,200 (-12.6%) during the 12-month period that ended in June 2020. The leisure and hospitality sector alone lost 4,900 jobs.

Although “stay at home” orders have been lifted in New York State and the majority of businesses have reopened, the pandemic is ongoing, as is the recession that it triggered. Among the factors contributing to the economic downturn is a surge in new COVID-19 cases in states like Florida, Texas, and California and another round of businesses temporarily shut down. Consumer confidence remains low; many companies are reluctant to hire or invest. The federal government has tried to bolster the economy through stimulus payments to taxpayers and loans to businesses, but the recession will most likely continue until an effective treatment or vaccine for the virus is approved for widespread use.

*How will the Canton-St. Lawrence County economy be impacted by the COVID-19 pandemic, and what are the implications for the proposed Canton Brownfield Opportunity Area?* There are no clear answers to these questions. Over the last several months, economists, real estate brokers, industry experts, and others have weighed in on how the pandemic could affect long-term economic trends in the U.S. Articles have explored its impact on businesses and workers in various industries, on technology and automation, and on real estate. There is still a great deal of uncertainty, however, and discussions continue at the federal level about providing additional support to businesses and workers. Below are some of the trends that could have an impact on the Canton-St. Lawrence County market.

- **Growth in E-Commerce.** Some experts assert that the pandemic has accelerated the continued growth of e-commerce in the U.S. In response to stay at home orders, many consumers shifted their shopping habits online, ordering groceries to be delivered and purchasing goods from Amazon. Online retailers experienced an unprecedented increase in sales; the U.S. Census Bureau estimates that e-commerce sales in the first quarter of 2020 accounted for nearly 12% of total retail sales.<sup>6</sup>

In spite of this trend, retail expert Michael J. Berne argues that “there will be always a ceiling” to the growth in online sales as a percentage of total retail sales due to “aspects of human nature” that favor in-store shopping. He points out that some large-format retailers – including supermarkets, natural foods stores, ethnic grocers, and off-price apparel and home décor

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<sup>6</sup> U.S. Department of Commerce, “U.S. Census Bureau News: Quarterly Retail E-Commerce Sales, 1st Quarter 2020,” May 19, 2020. Accessed at [https://www.census.gov/retail/mrts/www/data/pdf/ec\\_current.pdf](https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf).

retailers – have experienced strong growth in sales during the pandemic. These retailers are planning to expand by opening new stores.<sup>7</sup>

- Opportunities for Local Shops. Going forward, consumers are likely to continue to do more online shopping, but there are opportunities for retailers to adapt their brick-and-mortar operations by, for example, offering a “simple and seamless e-commerce experience,” providing curbside pickup, and giving people a reason to visit.<sup>8</sup> Other strategies include enhancing customer engagement through e-mail and social media, offering loyalty programs, and taking advantage of storefront space by installing artwork and signage to capture people’s attention. Although small, independent retailers face many unknowns, they may benefit from community support. Just as the pandemic has increased consumer interest in purchasing agricultural products from local farms, it could also drive people to buy from local shops.
- Increased Commercial Vacancy Rates. The disruptions brought about by the pandemic are bound to impact commercial real estate in and around downtown Canton. The daytime employment base that has supported some businesses may shrink if individuals continue to work from home, although increasing the residential population downtown could help soften the blow. Additional activities and events to bring residents and visitors to downtown Canton will have to be put on hold. Sit-down restaurants will need to consider social distancing requirements; small restaurants that lack the space to spread out tables may have to find new ways to generate sales. Until the economy improves, commercial buildings are likely to see higher vacancy rates. That said, programs that offer technical and financial assistance to facilitate the creation of new businesses can help to ensure that storefronts do not remain vacant for long.
- Changes in Office Space Demand. The impact on the demand for office space is unclear, as long-term trends are still evolving. Prior to the pandemic, the amount of office space per employee had been declining for 10 to 15 years. When the economy shut down, the relatively smooth transition of white collar employees to working from home led to dire predictions that businesses would allow their leases to expire, leaving building owners with millions of square feet of empty offices and no income. This did not come to pass; in fact, some businesses that continued to operate because they were deemed “essential” allowed a number of workers to come to the office, perhaps because they were unable to work remotely, lacked access to files, or did not feel comfortable working from home.

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<sup>7</sup> Michael J. Berne, “Greedy While Others Are Fearful,” *Economic Development Now*, June 13, 2020.

<sup>8</sup> Denise Lee Yohn, “The Pandemic Is Rewriting the Rules of Retail,” *Harvard Business Review*, July 6, 2020, <https://hbr.org/2020/07/the-pandemic-is-rewriting-the-rules-of-retail>.

The immediate focus of companies as they bring workers back to the office has been on keeping employees safe: providing (and encouraging the use of) masks and hand sanitizers, reorganizing workspaces, implementing cleaning and disinfection standards, and restricting capacity in common areas. In so doing, they may find that they actually need *more* office space to allow for social distancing, which would benefit building owners in Canton. This is likely to change once the pandemic has passed, however. The importance of in-person collaboration will keep office space relevant for some types of businesses; for others, a continued reliance on remote work will encourage a shift to smaller, more flexible space to serve as a base of operations.

Commercial real estate brokers say that this process is likely to play out over the long term; amidst economic uncertainty, businesses are reluctant to make major changes right away.<sup>9</sup>

- Interest in Safe Travel. Despite the cancellation of performances and special events, Canton could see an increase in seasonal tourism. Many travelers are not comfortable flying on a plane and visiting large cities right now; instead, they may opt to travel by car to visit small towns where the spread of COVID-19 has been limited and where they are less likely to encounter large groups of people. Indeed, some real estate brokers have reported an increased interest in summer home rentals in the North Country region among downstate residents.<sup>10</sup> Similar trends have been observed elsewhere in the state. Although the group travel industry is unlikely to bounce back until at least 2021, leisure travel activity is expected to gradually pick up, starting with road trips and visits to family. Tourism marketing aimed at reassuring people that St. Lawrence County is a safe place to visit, highlighting opportunities for low-risk activities like outdoor recreation, would allow the region to take advantage of these trends.
- Impact of College Reopening Plans. Local colleges and universities in Canton and Potsdam have been working for months to determine how they will reopen and hold classes in the fall of 2020. Student testing requirements and social distancing protocols have been put in place, and hybrid instruction with both online and in-person learning will be offered. Although each institution has established its own restart plan, they all recognize that adjustments may be necessary based on the trajectory of the virus. Not all students will physically return to campus. This could impact

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<sup>9</sup> "The office won't be the same: How landlords and businesses are rethinking office design and safety," *Albany Business Review*, May 14, 2020; "The new math of the office: Tenants struggle to build a bridge to somewhere," *The Business Journal*, July 9, 2020; and "The future of the workplace: Panel of local experts explores how COVID-19 is driving changes in real estate, office design and more," *Charlotte Business Journal*, August 7, 2020.

<sup>10</sup> "Amid COVID-19 pandemic, renters and buyers flock to Finger Lakes, Adirondacks, Catskills real estate," *Times Herald-Record* (Middletown, NY), July 5, 2020, <https://www.recordonline.com/story/news/2020/07/05/rent-house-adirondacks-finger-lakes-catskills-in-upstate-new-york/5368161002/>.

businesses that mainly serve the student population, as well as the market for off-campus student housing.

- Housing. In light of the recession, the projected increases in household income levels described in this report may fall short, potentially impacting the demand for higher-priced housing. Compared to the commercial sector, however, the pandemic may have less of an effect on the overall housing market in Canton and St. Lawrence County. According to the NYS Association of Realtors, residential sales activity slowly began to strengthen in June 2020 as the state continued to reopen. The second quarter of 2020 was substantially impacted by the pandemic – in St. Lawrence County, closed sales were down 35% compared to the second quarter of 2019 – but the market was constrained by a ban on in-person home showings and a reduced inventory of homes for sale. Mortgage interest rates remain low. Some parts of the state, including the Hudson Valley and the Catskills, are experiencing a huge increase in housing sales as couples and families leave New York City and other densely populated areas due to the pandemic; there are reports of bidding wars and some of the fastest-rising home prices in the U.S.<sup>11</sup> Although these areas benefit from their proximity to the New York metropolitan area, the interest in small-town living could be an opportunity for Canton, which offers a great environment, quality schools, broadband access, and low COVID-19 rates.

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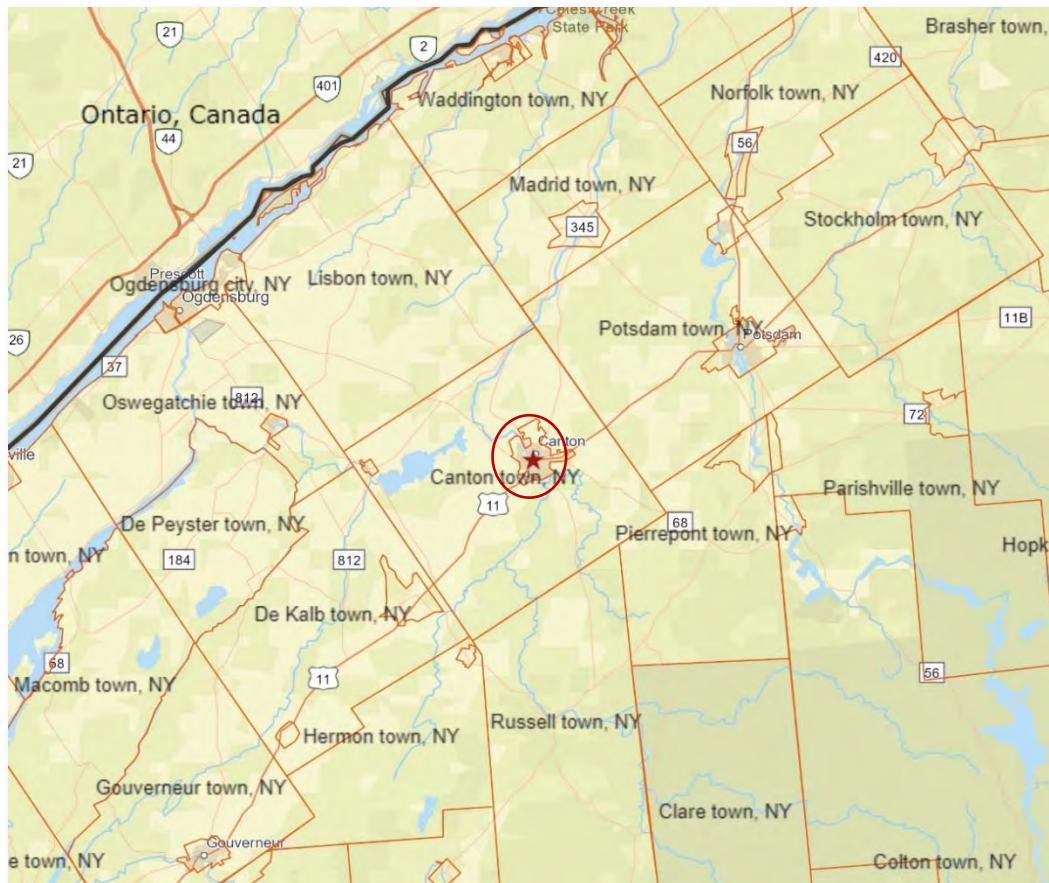
<sup>11</sup> “Catskills Town Leads U.S. in Rising Home Prices with NYC Exodus,” *BloombergQuint*, August 12, 2020, <https://www.bloombergquint.com/onweb/catskills-town-leads-u-s-in-rising-home-prices-with-nyc-exodus>; “Come prepared to pull the trigger’: Mid-Hudson houses selling swiftly,” *Times Herald-Record*, August 10, 2020, <https://www.recordonline.com/story/news/2020/08/08/bidding-wars-break-out-over-mid-hudson-homes/5552978002/>.

## Introduction

The purpose of this study is to analyze current demographic, economic, and real estate market conditions in the Village of Canton as part of a Brownfield Opportunity Area (BOA) Nomination Study. It is designed to identify potential opportunities for the redevelopment and reuse of brownfield, vacant, and underutilized sites in the study area. Among the priority community revitalization objectives to be achieved by the project is an analysis of housing conditions, trends, and demand; consequently, housing is a major focus of the document.

## Location and Regional Setting

The Village of Canton is located in St. Lawrence County in northern New York and serves as the county seat. One of two incorporated villages in the Town of Canton, it has a total land area of approximately 3.2 square miles. Historically, the Village of Canton was a manufacturing and government center. Today it is home to the State University of New York College of Technology at Canton (SUNY Canton), established in 1906, and St. Lawrence University, a private liberal arts college founded in 1856.



Northeast of Canton is the Village of Potsdam, a 15- to 20-minute drive via U.S. Route 11. Like Canton, Potsdam has two colleges, SUNY College at Potsdam and Clarkson University. In addition, both villages are on rivers, with Canton on the Grasse River, a tributary of the St. Lawrence, and Potsdam on the Raquette River.

Canton and St. Lawrence County are in the North Country region, an area that also includes the counties of Jefferson, Lewis, Franklin, Clinton, Essex, and Hamilton. This region is the largest in the state, covering more than 11,000 square miles. It stretches across northern New York from the eastern shore of Lake Ontario to the western edge of Lake Champlain, and from the international border with Canada in the north through the Adirondack Mountains in the south. The southeastern portion of St. Lawrence County is within the Adirondack Park; the Towns of Canton and Potsdam, however, are entirely outside the boundaries of the park.

## Methodology and Data Sources

The methodology for the study involved the compilation and analysis of a broad range of quantitative data on the Village and Town of Canton, neighboring communities, and St. Lawrence County. The data was compiled from various sources, including the U.S. Census Bureau, the federal Bureau of Labor Statistics, the U.S. Department of Housing and Urban Development, and the NYS Department of Labor. Additional data was purchased from ESRI, a leading national provider of market information. ESRI's proprietary methodology employs both federal and private data sources to develop demographic estimates and projections for a wide range of geographies.

The consultant utilized multiple sources to analyze local real estate, including state and local real property offices and the St. Lawrence County Multiple Listing Service. Information on large rental housing complexes in and around Canton was obtained through primary research, including phone conversations with property managers and owners and municipal officials.

In addition to the data analysis, individual interviews and meetings with a variety of stakeholders were conducted to solicit input on economic and market conditions, housing needs, redevelopment opportunities, and other topics.

## Past Planning Efforts

Existing planning documents were reviewed to better understand community issues and opportunities and recent initiatives. These included:

- Village of Canton BOA Step 1 Pre-Nomination Study (2011)
- St. Lawrence County Comprehensive Economic Development Strategy (2017)
- Canton Grasse River Waterfront Revitalization Plan (2018)
- Canton Comprehensive Plan (2019)
- Village of Canton Downtown Revitalization Initiative Proposals (2018 and 2019)

*The findings and conclusions presented in this report are solely the opinion of E.M. Pemrick and Company based on the information available during the completion of the study. The report is provided as an overall guide to economic and market conditions and potential development opportunities in Canton, and is not intended as a substitute for market and financial feasibility analysis associated with a specific development project or business enterprise.*

## Demographic Context

This section evaluates demographic and socioeconomic characteristics in the proposed Canton Brownfield Opportunity Area (BOA) and the Village of Canton to provide a framework for the Economic and Market Analysis. It includes projections to understand how conditions are expected to change in the near term. Comparisons to the Town of Canton, St. Lawrence County, and New York State are presented as appropriate.

### Population & Households

The proposed Canton BOA encompasses 79 acres in the southwestern portion of the Village of Canton. With an estimated 2019 population of 820, the BOA study area accounts for about 13% of Village residents (**Table 1**).

	2000	2010	2019 (est.)	2024 (proj.)	% Change		
					2000-2010	2010-2019	2019-2024
Canton BOA	837	811	820	810	-3.1%	1.1%	-1.2%
Village of Canton	5,923	6,314	6,451	6,378	6.6%	2.2%	-1.1%
Town of Canton	10,334	10,995	11,145	11,003	6.4%	1.4%	-1.3%
St. Lawrence County	111,931	111,944	113,233	111,561	0.0%	1.2%	-1.5%
New York State	18,976,457	19,378,102	20,030,453	20,245,169	2.1%	3.4%	1.1%

Source: U.S. Census Bureau, ESRI, and E.M. Pemrick and Company.

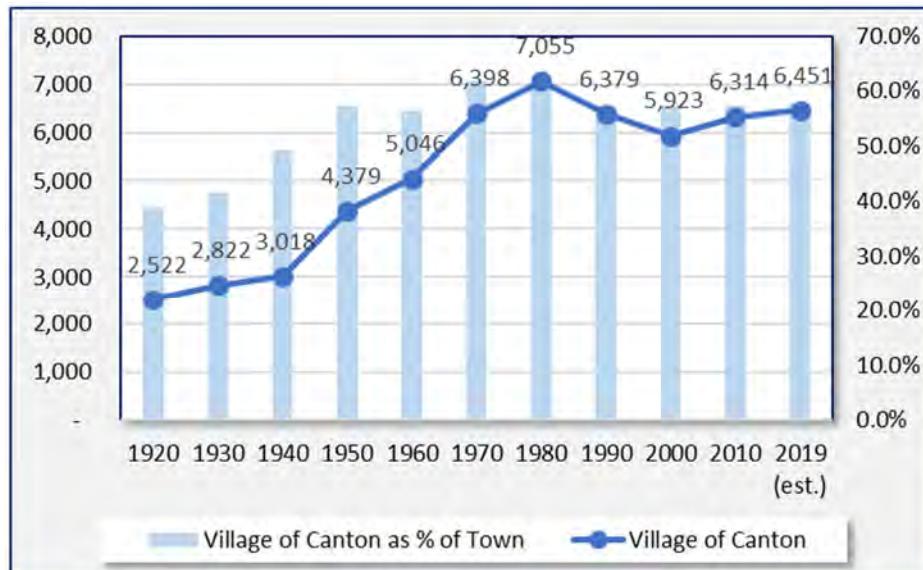


Figure 1. Long-Term Population Trends, Village of Canton

Source: U.S. Census Bureau and ESRI (2019 estimate)

As shown in **Figure 1**, the Village of Canton experienced steady population growth through most of the twentieth century, increasing from about 2,500 residents in 1920 to 7,055 at its peak in 1980. Over the next two decades, the number of residents in the Village declined, reaching 5,923 in 2000 before the population started to grow again. The current population of the Village is estimated at 6,451, including 2,672 individuals living in group quarters. Most of the group quarters population in Canton is comprised of college students living in on-campus student housing at SUNY Canton and St. Lawrence University.

The Census Bureau defines a household as all persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more persons living together, or any other group of individuals who share living arrangements outside of an institutional setting. Currently, there are 1,669 households living in the Village of Canton, including 353 (21.2%) in the Canton BOA (**Table 2**).

	2000	2010	2019 (est.)	2024 (proj.)	% Change		
					2000-2010	2010-2019	2019-2024
Canter BOA	337	355	353	346	5.3%	0.6%	-2.0%
Village of Canton	1,599	1,693	1,669	1,629	5.9%	-1.4%	-2.4%
Town of Canton	3,198	3,402	3,363	3,290	6.4%	-1.1%	-2.2%
St. Lawrence County	40,506	41,605	41,461	40,634	2.7%	-0.3%	-2.0%
New York State	7,056,860	7,317,755	7,541,262	7,611,733	3.7%	3.1%	0.9%

Source: U.S. Census Bureau, ESRI, and E.M. Pemrick and Company.

Nationally, household sizes have declined over the last few decades due to an increase in single-parent households, smaller family sizes, and more people living alone. The average household size in the Village in 2010 was 2.04, compared to 2.21 in 1990. Current household sizes are smaller in the Village of Canton than in St. Lawrence County, while those in the County are smaller than in New York State as a whole. The average household size is 1.95 in the Canton BOA and 2.46 in St. Lawrence County, slightly below the New York State average of 2.58.

## Age Distribution

As illustrated in **Table 3**, the Canton BOA, the Village, the Town, and St. Lawrence County all experienced substantial increases in population age 55 and older between 2010 and 2019. The Village of Canton, for example, had a net gain of 56 persons in the number of residents between the ages of 55 and 64, 160 aged 65 to 74, and 83 persons age 75 and over. The comparison areas also witnessed population growth among residents ages 25 to 34, although this trend is not projected to continue. In contrast, all four geographic areas exhibited a decline in the number of residents between the ages of 18 and 24. This age cohort, which includes many college students, accounts for 24.3% of the population in the Canton BOA and a whopping 45.5% of the Village's population.

ESRI projections to 2024 indicate that the fastest population growth in the Village of Canton, as well as in the BOA study area, will be in the 35-to-44 and 75-and-over age cohorts, followed by those between the ages of 65 and 74. These are also the fastest-growing segments of the state's population.

Table 3. Distribution of Population by Age								
	Canton BOA		Village of Canton		Town of Canton		St. Lawrence County	
	Number	% Chg	Number	% Chg	Number	% Chg	Number	% Chg
<b>Under Age 18</b>								
2010 Census	156		676		1,803		23,844	
2019 (est.)	156	-	761	12.7%	1,705	5.4%	21,854	-8.3%
2024 (proj.)	154	-1.3%	746	-2.0%	1,672	-1.9%	21,531	-1.5%
<b>Ages 18-24</b>								
2010 Census	212		3,277		3,661		16,680	
2019 (est.)	199	-6.1%	2,935	-10.4%	3,644	-0.5%	16,532	-0.9%
2024 (proj.)	197	-1.0%	2,915	-0.7%	3,587	-1.6%	15,953	-3.5%
<b>Ages 25-34</b>								
2010 Census	95		499		990		12,538	
2019 (est.)	107	12.6%	548	9.9%	1,148	16.0%	13,814	10.2%
2024 (proj.)	99	-7.5%	478	-12.8%	1,034	-9.9%	12,178	-7.9%
<b>Ages 35-44</b>								
2010 Census	91		410		1,012		13,321	
2019 (est.)	88	-3.3%	445	8.5%	958	-5.2%	12,342	-7.3%
2024 (proj.)	96	9.1%	510	14.6%	1,078	12.5%	12,606	2.1%
<b>Ages 45-54</b>								
2010 Census	100		455		1,209		16,120	
2019 (est.)	85	-15.0%	464	2.2%	1,014	-16.1%	13,588	-15.7%
2024 (proj.)	77	-9.4%	415	-10.7%	902	-11.0%	12,383	-8.9%
<b>Ages 55-64</b>								
2010 Census	79		467		1,056		13,881	
2019 (est.)	90	13.9%	523	11.8%	1,115	5.6%	15,286	10.1%
2024 (proj.)	83	-7.8%	478	-8.5%	1,034	-7.2%	14,168	-7.3%
<b>Ages 65-74</b>								
2010 Census	41		253		627		8,396	
2019 (est.)	56	36.6%	413	63.5%	847	35.2%	11,776	40.3%
2024 (proj.)	61	8.9%	427	3.5%	880	3.9%	12,941	9.9%
<b>Ages 75+</b>								
2010 Census	35		278		638		7,164	
2019 (est.)	41	17.1%	361	30.0%	713	11.8%	8,040	12.2%
2024 (proj.)	45	9.8%	408	13.0%	814	14.2%	9,260	15.2%

Source: U.S. Census Bureau, ESRI, and E.M. Pemrick and Company.

Among the comparison areas, the Village of Canton has the youngest median age, at 23.6 years, due to the presence of college students. The median age in the BOA Study Area is 30.0 years. Both figures are well below the median age of 38.6 in St. Lawrence County.

## Educational Attainment

Levels of educational attainment in the Canton BOA and the Village of Canton are quite high relative to St. Lawrence County (**Table 4**). More than 44% of residents in the BOA study area and 47.9% of those in the Village overall have at least a bachelor's degree. Approximately 21% of Canton BOA residents and one in four Village residents has a graduate or professional degree. This is probably due to the number of jobs at local colleges and universities and in the health care industry that require advanced degrees.

**Table 4. Educational Attainment Among Residents Age 25 and Over, 2019 Estimates**

	% with high school diploma/GED or higher	% with bachelor's degree or higher	% with graduate or professional degree
Canton BOA	88.9%	44.1%	21.1%
Village of Canton	92.9%	47.9%	25.0%
Town of Canton	90.8%	42.3%	24.2%
St. Lawrence County	88.5%	24.1%	12.2%
New York State	86.8%	36.5%	16.1%

*Source: ESRI and E.M. Pemrick and Company.*

## Household Income

Household income is an important indicator of purchasing power and personal wealth. Income levels impact the ability of residents to pay for housing, contribute to the tax base, and support the local economy. Based on 2019 estimates, the median income of households in the Village of Canton is \$55,936. The median household income in the Canton BOA is somewhat lower at \$52,515, but above average for St. Lawrence County, where the median is \$51,412.

The distribution of households by income is compared in **Figure 2**.<sup>12</sup> There is a wide range of income diversity in the Village of Canton: 20.5% of households have annual incomes of less than \$25,000, and 22.7% earn at least \$100,000 per year. In the Canton BOA, 24.7% of households have incomes of less than \$25,000 per year, while 22.4% earn between \$25,000 and \$49,999. Less than 20% of households living in the BOA study area earn \$100,000 or more annually.

Approximately 43.5% of households in the Village of Canton have low and moderate incomes – i.e., incomes less than 80% of the St. Lawrence County median, as defined by the U.S. Department of Housing and Urban Development. In the Town of Canton as a whole, 40.2% of households have low and moderate incomes. Both rates are lower than in the County, where more than 45% of households are low and moderate income.

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<sup>12</sup> It is important to note that these figures do not include college students living in on-campus housing; they reside in group quarters, not households.



**Figure 2. Households by Income, 2019 Estimates**

Source: ESRI

## Student Enrollment

Student enrollment at colleges and universities in Canton and Potsdam has a substantial impact on the demand for on-campus and off-campus housing and for goods and services offered by local businesses. As shown in **Table 5**, student enrollment at the two colleges in Canton totaled 5,657 as of fall 2019, with 3,223 students at SUNY Canton and 2,434 at St. Lawrence University. Of those enrolled at SUNY Canton, 1,219 (37.8%) reside on campus. The institution's residency policy requires full-time students "other than married students, single parents, students residing with a parent or legal guardian, students 21 years of age or older, and students living in College-approved Greek housing" to live on campus. Under some circumstances, students may be released from this requirement. Of the 2,004 students who reside off campus, 918 are online students, most of whom live outside the region. Thus, the number of SUNY Canton students living off campus in the Canton-Potsdam area is estimated at 1,086.

The student population at SUNY Canton is diverse in comparison to the surrounding area: 65% white, 15% African American, 11% Hispanic, 2% Asian, and 1% Native American, based on fall 2018 data from the National Center for Education Statistics (NCES). One in four students enrolled at the college is age 25 or older.

Enrollment at St. Lawrence University as of fall 2019 was made up of 2,392 undergraduate and 42 graduate students; these figures include 132 students studying off campus or abroad. Of the 2,302 students studying in Canton, 2,259 (98.1%) reside on campus or in nearby sorority houses; all first-year students are required to live on campus. This leaves just 43 students in off-campus housing.

According to the NCES, virtually all undergraduates enrolled at St. Lawrence University in fall 2018 were under age 25, and the composition of the undergraduate population was 78% white, 2% African American, 5% Hispanic, and 2% Asian. Unlike SUNY Canton, where most students are from in state, St. Lawrence University attracts a large share of its students from out of state (55%) and foreign countries (9%).

<b>Table 5. College Student Enrollment</b>				
	<b>Total Enrollment (Fall 2019)</b>	<b>Undergraduate Enrollment</b>	<b>Living On Campus</b>	<b>Living Off Campus</b>
SUNY Canton	3,223	3,223	1,219	1,086*
St. Lawrence University	2,434	2,392**	2,259	43
SUNY Potsdam	3,336	3,336	1,851	1,485
Clarkson University	4,301	3,081	2,498	583
<b>Total</b>	<b>13,294</b>	<b>12,032</b>	<b>7,827</b>	<b>3,197</b>

*Source: E-mail correspondence with college officials.*

\* There are 2,004 students who do not reside on-campus, but 918 of them are online students, most of whom reside outside the region.

\*\* Includes students studying off-campus or abroad.

The number of students attending college is higher in Potsdam than in Canton. In fall 2019, SUNY Potsdam had 3,336 students enrolled, with 55.5% residing on campus. First-year students must live on campus for two years or four semesters unless they receive an exemption. Approximately 1,485 students live off-campus.

As with SUNY Canton, the undergraduate student population at SUNY Potsdam is relatively diverse: 61% white, 13% African American, 15% Hispanic, 2% Asian, and 2% Native American, according to the NCES data. Only 5% of undergraduates in fall 2018 were age 25 and older.

Enrollment at Clarkson University totaled 4,301 in fall 2019, but this figure includes graduate students at Clarkson's Capital Region Campus in Schenectady and its Beacon Institute for Rivers and Estuaries in the Hudson Valley. The student population in Potsdam is made up of 3,081 undergraduate and 640 graduate students, for a total of 3,721. Roughly 81% of Clarkson undergraduates reside on campus, while 583 students live in off-campus housing.

Based on the NCES data, the racial/ethnic composition of undergraduate students at Clarkson in fall 2018 was 80% white, 2% African American, 5% Hispanic, and 4% Asian. Like St. Lawrence University, Clarkson attracts many out-of-state (32%) and international students (2%).

Both SUNY colleges have experienced declining student enrollment in the last five to six years. Between 2013 and 2018, total enrollment fell by about 8% at SUNY Canton and by 13% at SUNY Potsdam. In fact, the entire SUNY system has had a decrease in college enrollment. This has been attributed to several factors: a decline in the number of graduating high school seniors, the shrinking upstate New York

population, and low unemployment, which has resulted in a shortage of labor and growing demand for workers. College enrollment is also decreasing nationally. If these trends continue, it could impact the market for off-campus student housing. According to an official with the Village of Potsdam, the community is already beginning to see an increase in vacancies among the “bottom-tier” or lower-quality housing units that are usually rented to students.

## Economic Trends

This section presents information on the employment, industry, and labor force trends that characterize the St. Lawrence County economy. These trends impact the commercial real estate market in the Village of Canton and the demand for buildings and sites to support business attraction, development, and expansion.

### Employment in St. Lawrence County

Table 6 presents employment by industry sector in St. Lawrence County and the North Country region. Private-sector employment in the County averaged about 25,000 in 2018 (the latest annual data available at this time), with an additional 10,000 jobs in local, state, and federal government. Nearly 24% of the region's employment was in St. Lawrence County.

Industry Sector	St. Lawrence County		North Country Region		County As % of Region
	Number	Share	Number	Share	
Health Care/Social Assistance	5,812	16.3%	23,948	15.7%	24.3%
Retail Trade	4,745	13.3%	20,513	13.5%	23.1%
Leisure and Hospitality	2,960	8.3%	16,056	10.6%	18.4%
Manufacturing	2,306	6.5%	10,260	6.7%	22.5%
Professional and Business Services	2,001	5.6%	7,542	5.0%	26.5%
Educational Services	1,977	5.5%	3,139	2.1%	63.0%
Construction	1,340	3.8%	6,072	4.0%	22.1%
Other Services	916	2.6%	4,615	3.0%	19.8%
Financial Activities	891	2.5%	3,835	2.5%	23.2%
Natural Resources and Mining	736	2.1%	2,987	2.0%	24.6%
Transportation and Warehousing	680	1.9%	3,437	2.3%	19.8%
Wholesale Trade	385	1.1%	2,652	1.7%	14.5%
Information	373	1.0%	1,702	1.1%	21.9%
Utilities	188	0.5%	569	0.4%	33.0%
<b>Total, Private Sector</b>	<b>25,322</b>	<b>70.9%</b>	<b>107,423</b>	<b>70.6%</b>	<b>23.6%</b>
<i>Government (Incl. Public Education)</i>	10,408	29.1%	44,745	29.4%	23.3%
<b>Total, All Industries</b>	<b>35,730</b>	<b>100.0%</b>	<b>152,168</b>	<b>100.0%</b>	<b>23.5%</b>

Source: U.S. Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*.

Health care and social assistance is the County's largest private industry sector, supporting more than 5,800 jobs and paying \$281 million in annual wages. The sector includes many of the leading employers in St. Lawrence County, including:

- St. Lawrence Health System, which operates Canton-Potsdam Hospital, Gouverneur Hospital, and Massena Memorial Hospital as well as multiple primary care practices, urgent care clinics, and other outpatient health care centers;

- United Helpers, a community-based organization that delivers a wide range of support services at facilities throughout the County and beyond;
- Claxton-Hepburn Medical Center in Ogdensburg;
- The ARC Jefferson-St. Lawrence, a new entity formed through the 2019 merger of the St. Lawrence NYSARC and Jefferson Rehabilitation Center that serves individuals with developmental disabilities; and
- St. Lawrence Psychiatric Center, which has residential programs in Ogdensburg and outpatient clinics in several locations.

Each of these employers has a presence in Canton. St. Lawrence Health System, for example, has a 60,000-square foot medical complex on U.S. Route 11. The complex, which opened in January 2017, is the result of a \$23 million investment. St. Lawrence Health also owns the E.J. Noble Building on East Main Street, which houses medical offices, lab services, and an after-hours walk-in clinic. Claxton-Hepburn Medical Center operates a primary care health center on West Main Street, while the ARC Jefferson-St. Lawrence has an office on Commerce Lane in the Canton Industrial Park.

In August 2019, United Helpers opened a new outpatient behavioral health clinic in the University Plaza about a mile from downtown Canton. United Helpers spent \$850,000 purchasing and refurbishing a former Key Bank to develop the clinic, which offers mental health services to children and adults. The organization's Maplewood Healthcare and Rehabilitation Center and an independent senior housing complex are located in the Town of Canton.

A recent report by the Healthcare Association of New York State (HANYS) asserts that North Country hospitals and health systems offer important economic benefits, through community investments and the purchase of goods and services, in addition to providing critical services to the region. They are often the largest employers in their communities. The annual payroll for employees of St. Lawrence Health System, for example, is \$173 million, including \$123 million for those who work at Canton-Potsdam Hospital. These funds are circulated throughout the regional economy, enhancing the health care provider's impact. HANYS estimates that St. Lawrence Health has an annual economic impact of \$396 million.<sup>13</sup>

Retail trade is the second-largest industry sector in St. Lawrence County after health care, followed by leisure and hospitality, which encompasses accommodations, food services, and arts, recreation, and entertainment. These industries tend to be driven by and dependent on the strength of the national economy; when the economy is thriving, people typically spend more on retail goods, dining out, entertainment, and travel. St. Lawrence County has a smaller share of its employment in leisure and hospitality relative to the North Country as a whole. Retail, leisure, and hospitality are important locally, however, as they generate tax revenues and contribute to the creation of vibrant downtowns.

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<sup>13</sup> Watertown Daily Times, "North country hospitals offer economic benefits to region," February 2, 2020, and HANYS data and reports posted at [https://www.hanys.org/government\\_affairs/community\\_benefit/](https://www.hanys.org/government_affairs/community_benefit/).

Manufacturing employment in St. Lawrence County totaled about 2,300 in 2018. These jobs pay relatively high wages; the average annual pay for jobs in the manufacturing industry was about \$69,000, compared to \$42,500 for all private-sector jobs in the County. As in many parts of upstate New York, however, manufacturing employment has declined significantly over the years. In 2000, for example, the sector provided more than 5,000 jobs, many of them at iconic companies like Alcoa and General Motors.

Among the manufacturing establishments in St. Lawrence County is Corning, Inc., which has been producing high-quality specialty glass products at its Canton plant since 1966.<sup>14</sup> The company has made substantial investments in this facility in the last six or seven years, adding about 75,000 square feet of manufacturing and warehouse space. The plant has a workforce of approximately 250.

Another key industry in St. Lawrence County is education. As Table 6 indicates, there were about 2,000 individuals employed by private educational institutions in the County in 2018, making up 63% of the North Country's employment in educational services. These figures are largely attributable to St. Lawrence University in Canton and Clarkson University in Potsdam. Employees of SUNY Canton, SUNY Potsdam, St. Lawrence-Lewis BOCES, and public school districts are counted under government/public sector jobs.

**College and University Employment  
in Canton & Potsdam  
(As of January 2020)**

SUNY Canton: 650  
St. Lawrence University: 813  
SUNY Potsdam: 800  
Clarkson University: 753

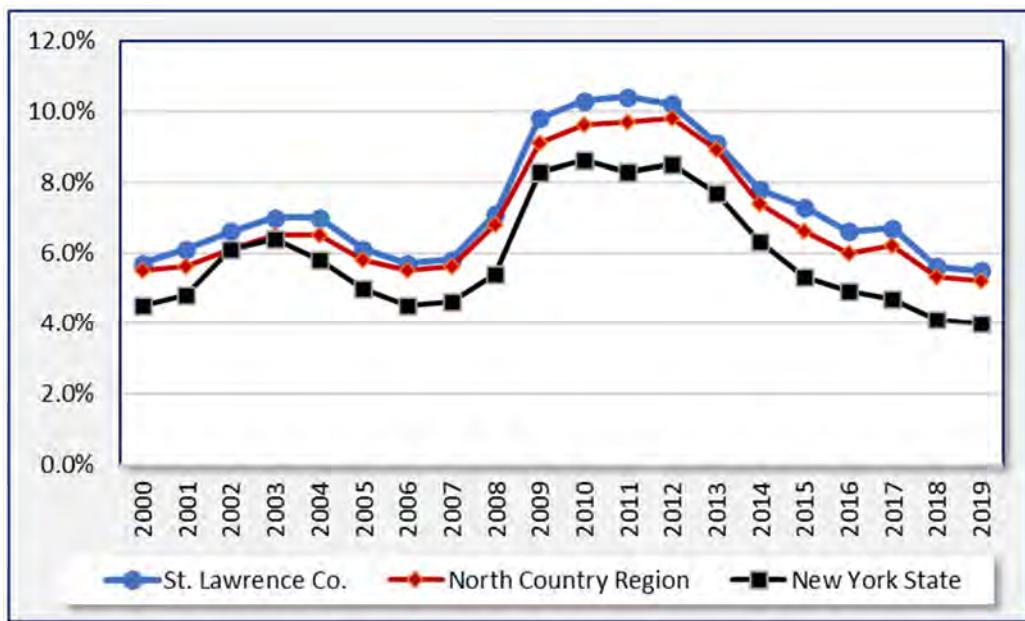
Based on long-term employment projections prepared by the NYS Department of Labor, total employment in the North Country region, which includes St. Lawrence County, is expected to increase by 6.2% between 2016 and 2026. Four industry sectors – health care and social assistance; arts, entertainment, and recreation; construction; and accommodation and food services – are projected to grow the fastest over the ten-year period, accounting for nearly 70% of net job creation.

## Resident Labor Force

The labor force is comprised of residents who are age 16 and older and employed or not working but looking for work. In 1999, there were 52,100 people in the labor force in St. Lawrence County. By 2019, the size of the labor force was at 43,300, a reduction of over 20%. Labor force levels in the County have been declining for more than 25 years, the result of a combination of factors: the outmigration of population to other counties and states; demographic shifts, with increases in the number of residents age 65 and older who have lower rates of labor force participation; and limited economic growth.

<sup>14</sup> Although it is known as the Canton Plant, the property is physically located in the Town of DeKalb.

As shown in **Figure 3**, unemployment rates in St. Lawrence County have been consistently higher than those in New York State as a whole. From 2010 to 2012, for example, annual average unemployment exceeded 10% in the County, roughly 2 percentage points above the statewide rates. The most recent annual averages from the NYS Department of Labor (2019) show unemployment in St. Lawrence County at 5.5%, well above the state level of 4.0%.



**Figure 3. Average Annual Unemployment Rates**  
Source: NYS Department of Labor, Local Area Unemployment Statistics

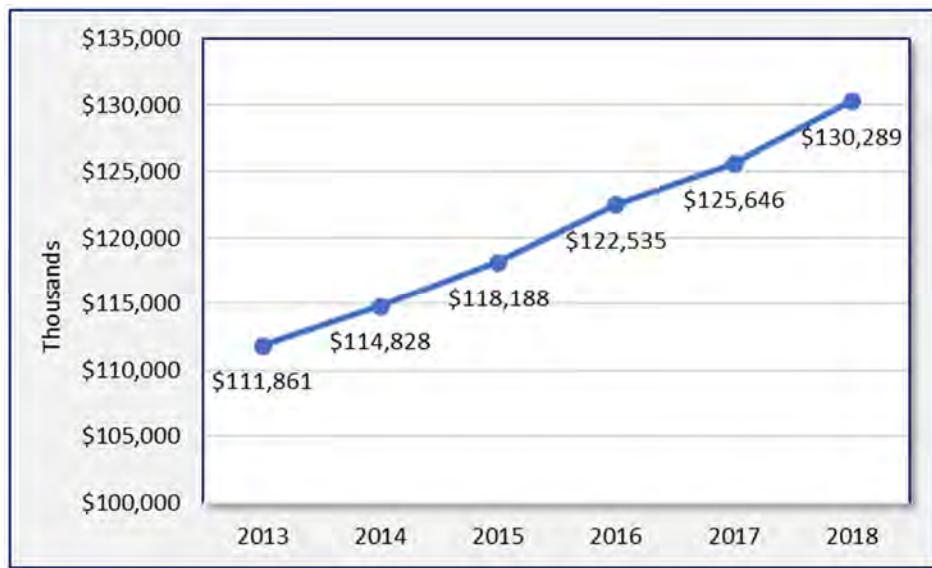
## Tourism

According to the annual report *Economic Impact of Tourism in New York State*, tourism in the Thousand Islands region – defined as Jefferson, Oswego, and St. Lawrence Counties – is a \$564 million industry, supporting more than 9,000 jobs. St. Lawrence County represents 23% of the region's tourism sales, with an estimated \$130.3 million in visitor spending.<sup>15</sup>

Employment in tourism-related industries in St. Lawrence County is 2,960, with most of the jobs at restaurants, bars, and other food service establishments. Parts of the County are in the Adirondack Park and benefit from visitors coming to the area for outdoor recreational opportunities. Local and state parks and other public lands support a wide range of activities, such as boating, fishing, hunting, camping, canoeing, hiking, and birding. Three miles west of the Village of Canton is the Upper and Lower Lakes Wildlife Management Area, an 8,757-acre wetland complex that lies between the Grasse and Oswegatchie Rivers. At its eastern end is the Indian Creek Nature Center, a privately-operated,

<sup>15</sup> Tourism Economics. *The Economic Impact of Tourism in New York, 2018 Calendar Year, Thousand Islands Focus*.

publicly-owned nature center that features an observation tower and walkway. The nearly 8 miles of trails and boardwalks at Indian Creek provide opportunities for watching birds, mammals, and other wildlife.



**Figure 4. Traveler Spending in St. Lawrence County**

*Source: Tourism Economics, The Economic Impact of Tourism in New York State*

The Grasse River Heritage Trail is located in the Village of Canton, within the proposed BOA, just north of Main Street and east of the Cascade Inn. The trail is part of Grasse River Heritage Park, which encompasses Coakley Island and Falls Island, and it offers views of Cascade Falls, Rushton Falls, and the ruins of the old mills that stimulated Canton's initial growth. Interpretive signage along the trail provides information about local history. Enhancing existing and developing new waterfront parks to "provide for greater public access and enjoyment of the Grasse River" and expanding the trails network and pedestrian linkages within and to the waterfront are among the Village's long-term goals for waterfront and economic revitalization.

Historic sites, museums, the arts, and special events also attract visitors to St. Lawrence County. The Village of Canton has the Silas Wright Museum, home to the St. Lawrence County Historical Association, and Traditional Arts in Upstate New York (TAUNY), a non-profit organization that offers workshops and exhibits, as well as an array of local products for sale. Other historic resources in Canton include the Village Park Historic District, with buildings from the 19<sup>th</sup> and 20<sup>th</sup> centuries; the National Register-listed U.S. Post Office building; and the Canton Village Historic District, a locally-designated district made up of the Village Park Historic District, the post office, Willow and Falls Islands, and property on East and West Main Streets, Park Place, Park Street, Court Street, Hodskin Street, and Riverside Drive.

The colleges and universities draw thousands of visitors to St. Lawrence County every year. Parent and alumni weekends, sporting events, performances, and graduations have a significant economic impact

on Canton and Potsdam, generating sales at local hotels and restaurants. Some visitors extend their stays to take advantage of opportunities for outdoor recreation, shopping, and other activities.

Visitors associated with the two private universities, St. Lawrence and Clarkson, tend to have income levels that are well above average. A 2017 economic impact study prepared by the Center for Governmental Research found that students and visitors associated with Clarkson University alone had an impact on the North Country region estimated at \$40.7 million (counting both direct and “spillover” impacts). The study further reported that together, St. Lawrence and Clarkson, along with Paul Smith’s College in Franklin County, had an annual economic impact on the region totaling \$703 million.<sup>16</sup>

Past planning documents in the Town and Village of Canton, including the 2019 Comprehensive Plan, have identified “developing tourism as an economic engine” as a priority action. They also call for encouraging economic development based on community strengths such as history, arts and culture, and outdoor recreation. Canton faces some challenges to enhancing its tourism economy, however, including insufficient dining and entertainment options, especially in the evening; a limited number of retail shops; and the need to better promote and “package” recreational opportunities to encourage extended stays. Among the Comprehensive Plan’s recommended actions for tourism are:

- Improving wayfinding to local attractions and parking areas;
- Encouraging opportunities and venues for live music;
- Supporting arts and cultural festivals and the organizations that produce them;
- Strengthening town-gown relationships to make improvements that increase visitation and student enrollment while improving the local economy;
- Promoting Canton as a four-season destination through events and entertainment; and
- Encouraging the development of a campground or riverside camping facility on the Grasse River.

A 2015 feasibility study evaluated the St. Lawrence County Whitewater Park Project, a proposal to establish a series of whitewater play parks in the Villages of Canton and Potsdam and the Town of Colton. The project would be marketed as a single attraction, with beginner, intermediate, and expert level venues. The study concluded that the initiative was economically and technically feasible and that it would help promote St. Lawrence County as a tourism destination. It would also provide a significant boost to the economy by bringing visitors downtown to patronize local business establishments; the study estimated the median spending of an out-of-town recreational paddler at about \$52 per day. Although the whitewater park concept has not advanced in Canton, Village leaders continue to explore its development and identify potential sources of funding.

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<sup>16</sup> “Clarkson University Delivers \$344.7 Million Economic Impact to North Country,” December 10, 2018, <https://www.clarkson.edu/news/clarkson-university-delivers-3447-million-economic-impact-north-country>.

## Employment in the Village of Canton

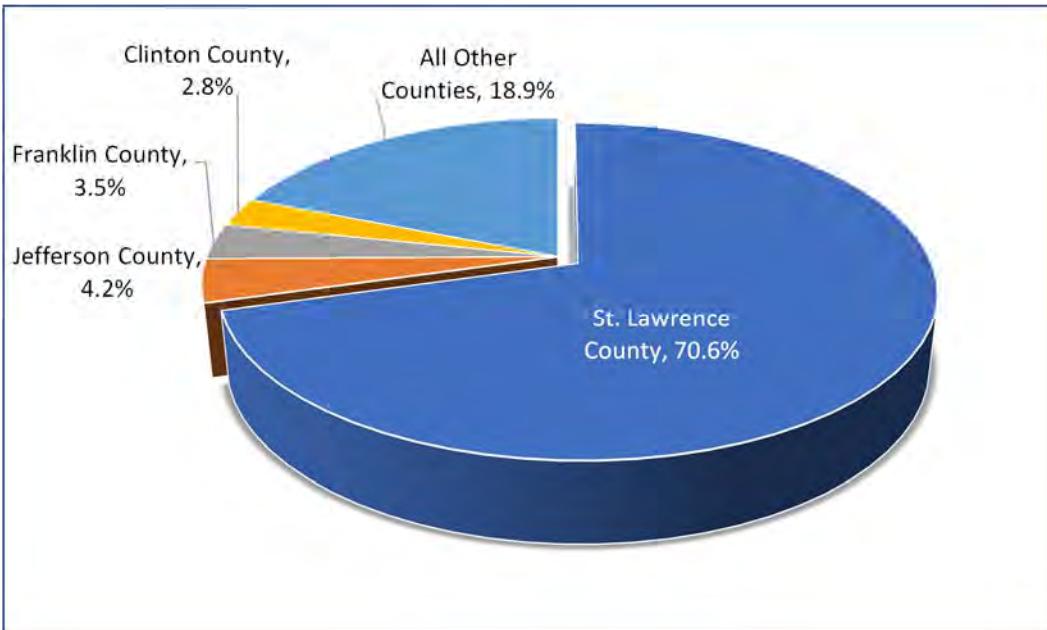
Table 7 presents the job counts and flow of workers into and out of the Village of Canton based on Longitudinal Employer-Household Dynamics (LEHD) data from the U.S. Census Bureau. Total employment in the Village of Canton is estimated at 4,350. Consistent with its role as a college town and its status as the County seat, 50.3% of the jobs are in educational services and government, while 22.8% are in health care and social assistance. Other significant industries with respect to employment include accommodation and food services (7.2%), retail trade (6.0%), and finance and insurance (4.3%). Four banks and credit unions have branch locations in the Village; in addition, Community Bank N.A. has a regional operations center with approximately 100 employees in the Maple Hill subdivision off Route 11.

Table 7. Inflow/Outflow Job Counts, Village of Canton		
	Count	Share
Employed in the Village of Canton	4,352	100.0%
Employed in the Village of Canton, but Living Outside	3,889	89.4%
Employed and Living in the Village of Canton	463	10.6%
Living in the Village of Canton	1,608	100.0%
Living in the Village of Canton, but Employed Outside	1,145	71.2%
Living and Employed in the Village of Canton	463	28.8%
<i>Net Job Inflow:</i>	2,744	

Source: U.S. Census Bureau, *OnTheMap Application and LEHD Origin-Destination Employment Statistics*. Data is as of 2017, the latest available. Due to differences in methodology, the job counts shown are not comparable to those from other sources.

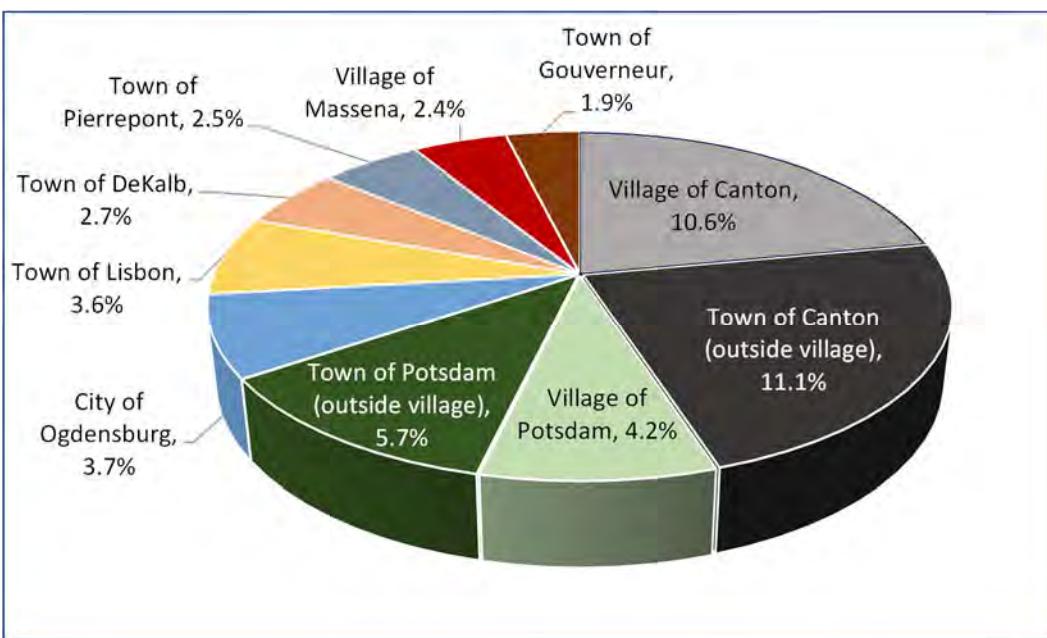
The workforce in the Village of Canton is relatively diverse in terms of age and income. Approximately 31%, or 1,329 workers, are age 29 or younger, 46.4% (2,019) are between the ages of 30 and 54, and 23.1% (1,004) are age 55 and older. The majority of workers have a high school diploma, GED, or higher, while 21.9% have at least a bachelor's degree.

The Village of Canton is a net importer of jobs, drawing workers from a large geographic area. Nearly 90% of the jobs are held by individuals who reside elsewhere: 60% live in other parts of St. Lawrence County, while 4.2% live in Jefferson County, 3.5% in Franklin County, and 2.8% in Clinton County (**Figures 5 and 6**). About 25% of people employed in the Village travel at least 50 miles from home to work, more than double the percentage (11.3%) ten years earlier. Notably, the Village has a net worker inflow of 2,700, as there are more individuals commuting into the Village to work than there are residents leaving the Village for jobs elsewhere. This provides a sizable daytime market for local restaurants and other businesses during the work week. There may be an opportunity to attract some of these commuters to live in the Village of Canton, which could enhance support for local businesses while reducing workers' transportation costs.



**Figure 5. Counties Where Workers in the Village of Canton Live**

*Source: U.S. Census Bureau, OnTheMap Application and  
LEHD Origin-Destination Employment Statistics*



**Figure 6. St. Lawrence County Communities Where Workers in the Village of Canton Live**

*Source: U.S. Census Bureau, OnTheMap Application and  
LEHD Origin-Destination Employment Statistics*

# Residential Market Analysis

## Framing the Issues

Housing issues have been identified in recent plans as among Canton's most serious challenges. For example, Canton's 2019 Comprehensive Plan cites a lack of quality affordable rental housing, an older housing stock, and a lack of good quality market-rate housing to attract new employees. An assessment of impediments to fair housing choice in St. Lawrence County, produced in 2017, also notes the influence of the colleges on the housing market: "There are very few rental options for middle-to-upper income individuals and families due to the presence of students, as landlords can make more money charging students per bed." (Rental options for lower-income households are also impacted by the student population.) As newer, more upscale apartments are planned, however, "there is concern about the current single and double homes being rented [especially the lower-quality housing stock] being abandoned..."<sup>17</sup>

An informal housing roundtable made up of Town and Village leaders and staff, employers, college officials, realtors, property owners, and other stakeholders has met several times over the last few years. Members of this group have identified and discussed the following issues:

- A shortage of independent senior housing for retirees, including maintenance-free single-story housing;

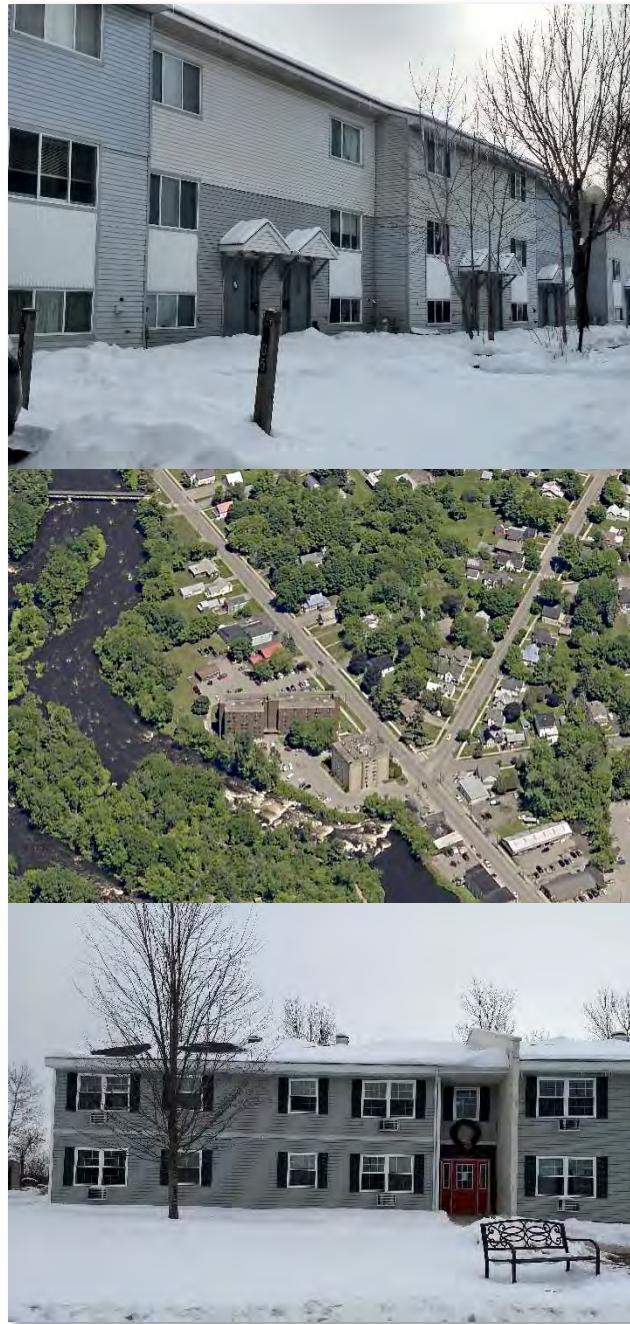


*Examples of homes sold in Canton, 2017-19.*

<sup>17</sup> CNY Fair Housing, Inc. *Assessment of Fair Housing: St. Lawrence County, NY, 2017*, p. 44.

- A lack of higher-end rental units for new employees (e.g., medical professionals, college faculty);
- The difficulties faced by local businesses in recruiting people to the area due to insufficient housing options;
- Homes in need of improvements, but priced too high for a buyer to purchase, renovate, and recoup their investment given stagnant property values; and
- The scarcity of new housing in the Village of Canton, attributing it to limited land availability, high property taxes, zoning regulations, and challenges faced by property owners and developers in earning enough revenue to cover a mortgage, taxes, and other expenses.

Participants in a February 2020 housing focus group held as part of the Canton BOA Nomination Study concurred with these findings. They asserted that upscale units, priced at about \$1,500 to \$1,800 per month, are what is missing from the current rental housing supply; however, they also cited a need for affordable housing. A one-bedroom apartment at the Fair Market Rent of \$650 a month is hard to find, and subsidized housing projects in Canton have waiting lists. Housing that is affordable to lower-salaried workers at the County, the colleges, and the hospital – who earn too much to qualify for subsidized housing, but not enough to afford most market-rate housing – is needed as well. As the focus group meeting concluded, participants discussed several other issues, including the need to rehabilitate existing housing. In short, it appears that diverse housing types may be needed.



***Multi-family housing in Canton and Potsdam.***

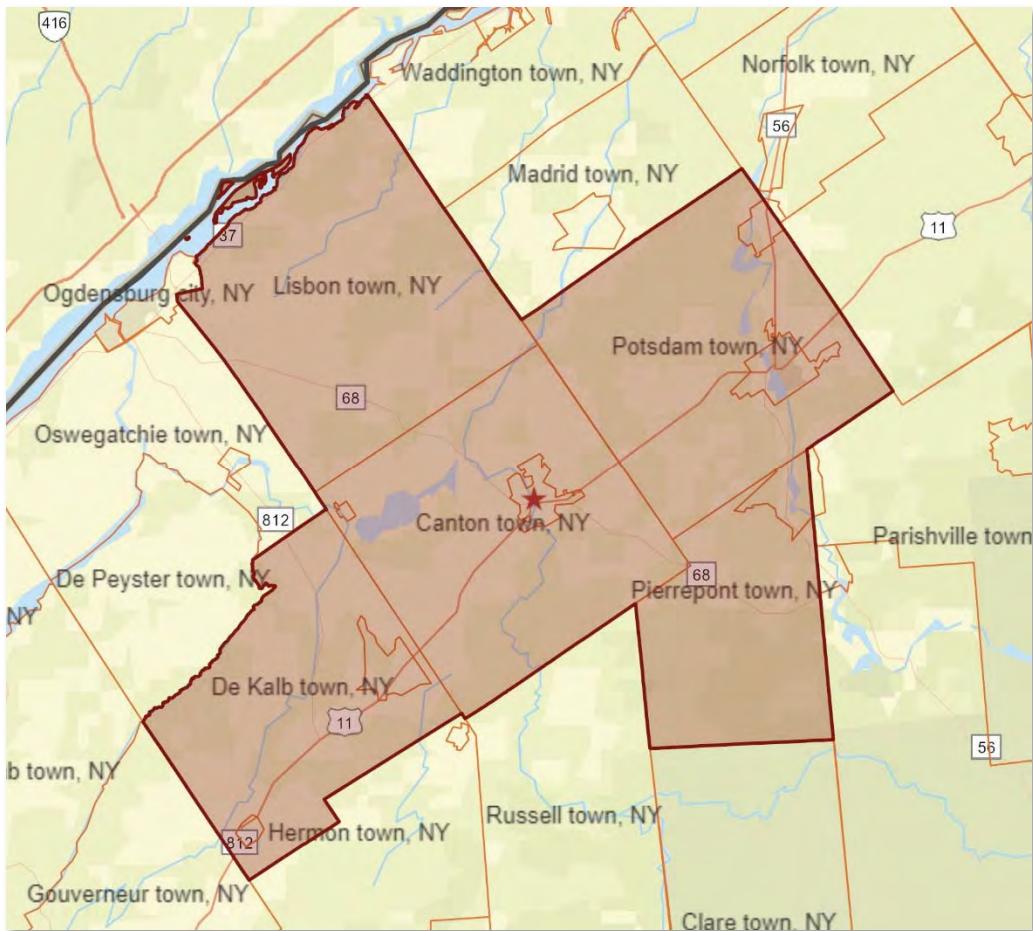
***Top: Swan Landing (Potsdam)***

***Middle: Canton Grasse River Apartments and***

***Diane P. Burns on Riverside Drive (Canton)***

***Bottom: Lawrence Avenue Apartments (Potsdam)***

This section examines housing characteristics, residential market conditions, and demographic and socioeconomic trends in and around Canton. To help evaluate the market for housing in the proposed Canton BOA, a Residential Market Area encompassing the Towns of Canton, DeKalb, Lisbon, Pierrepont, and Potsdam was delineated, as illustrated in the map below.



## Housing Characteristics

Information on the existing housing stock was obtained from the decennial Census and the latest five-year estimates (2014-18) from the Census Bureau's American Community Survey (ACS). According to ACS estimates, the Residential Market Area has a total of 13,298 housing units (**Table 8**). Of these, 61.0% are owner-occupied and 25.7% are renter-occupied, while 13.3% are vacant. However, if units maintained for seasonal, recreational, or occasional use (i.e., used only in certain seasons or on weekends by individuals whose primary residence is located elsewhere) are excluded, the overall housing vacancy rate in the Residential Market Area is about 9%.

**Table 8. Residential Market Area Housing Supply, Tenure, and Vacancy Status**

		Town of Canton	Residential Market Area*	St. Lawrence County
<b>Total Housing Units</b>				
2000 Census		3,515	12,795	49,721
2010 Census		3,657	13,095	52,133
<i>Net Change, 2000-10</i>		143	300	2,412
<i>% Change, 2000-10</i>		4.0%	2.3%	4.9%
2014-18 ACS Five-Year Estimates		3,770	13,298	53,102
<b>Tenure</b>				
2000	Owner-Occupied Units	2,082 (59.2%)	7,611 (59.5%)	28,613 (57.5%)
	Renter-Occupied Units	1,115 (31.7%)	3,963 (31.0%)	11,893 (23.9%)
	Vacant Units	316 (9.0%)	1,219 (9.5%)	9,215 (18.5%)
2010	Owner-Occupied Units	2,153 (58.9%)	7,851 (50.0%)	29,468 (56.5%)
	Renter-Occupied Units	1,249 (34.2%)	4,075 (31.1%)	12,137 (23.3%)
	Vacant Units	255 (7.0%)	1,169 (8.9%)	10,528 (20.2%)
<i>Change, 2000-10</i>	<i>Owner-Occupied Units</i>	<i>71 (3.4%)</i>	<i>240 (3.2%)</i>	<i>855 (3.0%)</i>
	<i>Renter-Occupied Units</i>	<i>134 (12.0%)</i>	<i>112 (2.8%)</i>	<i>244 (2.1%)</i>
	<i>Vacant Units</i>	<i>-61 (-19.3%)</i>	<i>-50 (-4.1%)</i>	<i>1,313 (14.2%)</i>
2014-18 Estimates	Owner-Occupied Units	2,289 (60.7%)	8,109 (61.0%)	30,183 (56.8%)
	Renter-Occupied Units	1,047 (27.8%)	3,414 (25.7%)	11,486 (21.6%)
	Vacant Units	434 (11.5%)	1,775 (13.3%)	11,433 (21.5%)
	Vacant for sale	178 (4.7%)	250 (1.9%)	725 (1.4%)
	Vacant for rent	-	151 (1.1%)	424 (0.8%)
	Seasonal/occasional use	62 (1.6%)	540 (4.1%)	7,275 (13.7%)
	All other vacant**	194 (5.1%)	834 (6.3%)	3,009 (5.7%)
<b>Vacancy Rates</b>				
2000	Homeowner vacancy rate	1.5%	2.1%	2.4%
	Rental vacancy rate	11.0%	6.9%	7.7%
2010	Homeowner vacancy rate	1.5%	1.5%	1.7%
	Rental vacancy rate	3.7%	4.3%	5.5%
2014-18 Estimates	Homeowner vacancy rate	7.2%	3.0%	2.3%
	Rental vacancy rate	0.0%	4.2%	3.5%

Source: U.S. Census Bureau and E.M. Pemrick and Company.

\* Residential Market Area = Towns of Canton, DeKalb, Lisbon, Pierrepont, and Potsdam.

\*\* Includes units rented or sold, but not yet occupied; units intended for occupancy by migrant farm workers; and “other vacant units” (e.g., homes that are uninhabitable due to their condition, foreclosures, properties left vacant by their owners for personal reasons).

Approximately 70% of householders (heads of household) in the Residential Market Area own their homes rather than rent. This is up from about 66% of householders in 2010. Within the market, the Town of Potsdam has the lowest homeownership rate (62.6%), followed by the Town of Canton (68.6%).

Decisions about whether to own or to rent are based not only on income but also on life stage and household type. In general, homeownership rates rise as people age and become more settled. Among householders under 25 in the Residential Market Area, 90% are renters. In contrast, nearly 80% of householders ages 45 to 54 – peak earning years – own a home. Families with children are more likely to own than to rent, often purchasing larger homes with multiple bedrooms and access to outdoor

space for recreation. After age 65, rates of homeownership decline as people retire and wages and salaries are replaced by fixed incomes from savings, pensions, and Social Security. Some seniors transition to rental units or to smaller houses that are easier to maintain. Nevertheless, 73.0% of householders age 75 and above in the Residential Market Area own their homes.<sup>18</sup>

Vacancy rates are among the factors used to assess the availability of housing choice, with opportunities for households to find units that meet their needs. Generally, a vacancy rate of about 5% indicates that there is an adequate supply of housing available. Based on the ACS estimates, the for-sale housing vacancy rate in the Residential Market Area is 3.0%, while the rental housing vacancy rate is 4.2%, suggesting a tight housing market. Further investigation can provide additional insights; data on current vacancies in rental housing is described later in this chapter.

### *Residential Construction Trends*

The U.S. Census Bureau's Building Permits Survey reports that a total of 1,965 new housing units were permitted in St. Lawrence County between 2008 and 2018 (**Table 9**). The number of residential building permits peaked in 2015, when 147 single-family and 141 multi-family units were authorized. It is important to note that while the number of approved building permits is an indicator of future construction, not all permits result in new development.

Of the 1,635 permits approved for single-family housing in St. Lawrence County, 545 (33.3%) were for homes in the Residential Market Area, including a combined total of 105 in the Town of Canton and the Villages of Canton and Rensselaer Falls. There have been no permits issued for new construction in the Village of Canton since 2014. More building permits were approved for single-family housing in the Towns of Lisbon and Potsdam (124 units each) than in any other jurisdiction.

Multi-family housing accounted for 329 building permits issued in St. Lawrence County from 2008 through 2018. More than two-thirds of the multi-family units were in structures of five units or more. Of the permits approved for multi-family housing, 81 were for housing in the Residential Market Area, including 52 units in the Village of Potsdam. Based on the Census report, the last multi-family housing approved in the Village of Canton was in 2010. The Town of Gouverneur had the largest number of building permits issued for multi-family housing, with 138.

Newly-released data from the Building Permits survey indicate that 153 permits were approved countywide in 2019, all but four of which were for the construction of single-family homes. This included 58 permits approved in the Residential Market Area, with 13 in the Town of Canton and 1 in the Village of Canton.

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<sup>18</sup> Note this does not include seniors who are not in a household, i.e., residing in what the Census Bureau refers to as group quarters, such as an assisted living facility or nursing home.

**Table 9. Residential Building Permits, 2008-18**

	Single-Family Units		Multi-Family Units	
	Number	% of County Total	Number	% of County Total
Village of Canton	14	0.9%	5	1.5%
Village of Rensselaer Falls	2	0.1%	0	0.0%
Town of Canton (outside villages)	89	5.4%	16	4.9%
Town of DeKalb (outside village)	45	2.8%	0	0.0%
Town of Lisbon	124	7.6%	0	0.0%
Town of Pierrepont	46	2.8%	6	1.8%
Town of Potsdam (outside villages)	124	7.6%	2	0.0%
Village of Norwood	7	0.4%	0	0.0%
Village of Potsdam	92	5.6%	52	15.8%
Village of Richville	2	0.1%	0	0.0%
Subtotal, Residential Market Area	545	33.3%	81	24.6%
<b>Total, St. Lawrence County</b>	<b>1,635</b>	<b>100.0%</b>	<b>329</b>	<b>100.0%</b>

Source: SOCDs Building Permits Database, based on the U.S. Census Bureau Building Permits Survey.

Note: building permits reported for towns do not include permits issued by villages; they are tallied separately.

## Owner-Occupied Housing

The characteristics of owner-occupied housing in the Residential Market Area, including type of structure, year built, bedroom size, and housing value, are presented in **Table 10**. The following are key points based on the table:

- Single-family structures make up the vast majority of the owner-occupied housing stock in the Residential Market Area, as well as in the comparison areas; less than 1% are attached units. Roughly 9% of owner-occupied housing units in the Market Area are mobile homes, which can provide low and moderate income households with an affordable option for homeownership.
- The largest share of the owner-occupied housing stock in the Residential Market Area (49.3%) was built more than 60 years ago, while 22.2% was constructed during the 1980s and '90s. Only 10% of the owner-occupied units are less than 20 years old; of these, 60% are in the Towns of Lisbon and Potsdam.
- The Town of Canton accounts for about 28% of all owner-occupied housing units in the Residential Market Area, but only 13% of the homes built since 2000.
- About 64% of owner-occupied homes in the Residential Market Area, compared to 69.3% in St. Lawrence County overall, have two or three bedrooms. Nearly a third of the homes have at least four bedrooms.

**Table 10. Residential Market Area Owner-Occupied Housing Characteristics**

	Town of Canton	Residential Market Area	St. Lawrence County
<b>Total Owner-Occupied Units</b>	<b>2,289</b>	<b>8,109</b>	<b>30,183</b>
<b>By Units in Structure</b>			
Single-family structure	1,951 (85.2%)	7,071 (87.2%)	25,943 (86.0%)
Multi-family – 2-4 units	68 (3.0%)	193 (2.4%)	552 (1.8%)
Multi-family – 5-9 units	-	-	28 (0.1%)
Multi-family – 10 or more units	47 (2.1%)	83 (1.0%)	221 (0.7%)
Mobile home	223 (9.7%)	762 (9.4%)	3,439 (11.4%)
<b>By Year Structure Built</b>			
Built 2014 or later	-	49 (0.6%)	242 (0.8%)
Built 2010 to 2013	60 (2.6%)	217 (2.7%)	665 (2.2%)
Built 2000 to 2009	42 (1.8%)	540 (6.7%)	2,372 (7.9%)
Built 1980 to 1999	526 (23.0%)	1,797 (22.2%)	5,869 (19.4%)
Built 1960 to 1979	533 (23.3%)	1,510 (18.6%)	5,209 (17.3%)
Built 1940 to 1959	214 (9.3%)	897 (11.1%)	5,300 (17.6%)
Built before 1940	914 (39.9%)	3,099 (38.2%)	10,526 (34.9%)
<b>By Bedroom Size</b>			
No bedroom	-	30 (0.4%)	107 (0.4%)
1 bedroom	90 (3.9%)	330 (4.1%)	1,092 (3.6%)
2 or 3 bedrooms	1,503 (65.7%)	5,177 (63.8%)	20,903 (69.3%)
4+ bedrooms	696 (30.4%)	2,572 (31.7%)	8,081 (26.8%)
<b>By Estimated Housing Value</b>			
Less than \$50,000	259 (11.3%)	951 (11.7%)	4,959 (16.4%)
\$50,000 to \$99,999	641 (28.0%)	2,614 (32.2%)	11,853 (39.3%)
\$100,000 to \$149,999	415 (18.1%)	1,597 (19.7%)	5,343 (17.7%)
\$150,000 to \$199,999	537 (23.5%)	1,393 (17.2%)	3,250 (10.8%)
\$200,000 to \$299,999	285 (12.5%)	885 (10.9%)	2,504 (8.3%)
\$300,000 to \$499,999	50 (2.2%)	321 (4.0%)	1,432 (4.7%)
\$500,000 to \$999,999	75 (3.3%)	242 (3.0%)	605 (2.0%)
\$1,000,000 or more	27 (1.2%)	106 (1.3%)	237 (0.8%)
<i>Median housing value</i>	<i>\$124,800</i>	<i>NA (see text)</i>	<i>\$91,600</i>

Source: U.S. Census Bureau, 2014-18 American Community Survey 5-Year Estimates, and E.M. Pemrick and Company.

- According to the ACS, the median value of an owner-occupied home in the Residential Market Area ranges from \$96,900 in the Town of DeKalb to \$136,800 in the Town of Pierrepont, all above the median housing value reported for the County (\$91,600).
- The largest concentration of owner-occupied housing in the Residential Market Area is valued in the \$50,000 to \$99,999 range (32.7%), followed by the \$100,000 to \$149,999 range (19.7%).
- Of homes valued at \$500,000 or more in St. Lawrence County, 41.3% are in the Residential Market Area (which makes up about 27% of the County's owner-occupied housing units). Residential sale prices, a more accurate measure of market values, are discussed below.

## For-Sale Market Characteristics

This section examines sales and price trends in the local housing market. **Table 11** shows residential sales in St. Lawrence County from 2015 through 2019 based on data from the NYS Association of Realtors (NYSAR). Nationwide, NYSAR reports, the 2019 housing market was fueled by the strong economy and low mortgage rates.

In St. Lawrence County, closed sales reached 831 in 2019, a 4.3% increase from 797 in 2018, while the median sales price of homes was \$96,650, a 6.8% increase from \$90,750 the previous year. Both residential sales activity and selling prices in 2019 exceeded 2015 levels, and sellers received, on average, 92.0% of their asking price at sale, a slight improvement from four years earlier.

**Table 11. Residential Sales Activity, St. Lawrence County**

	2015	2016	2017	2018	2019	% Change, 2015-19
Median sales price	\$86,000	\$90,000	\$83,000	\$90,750	\$96,950	12.7%
Total closed sales	696	801	824	797	831	19.4%
New listings	1,772	1,605	1,366	1,450	1,283	-27.6%
Inventory of homes for sale at the end of year	1,001	906	685	763	620	-38.1%
Months' supply of inventory	15.6	13.0	10.1	11.6	8.6	-44.9%
% of list price received	91.3%	91.2%	91.3%	91.6%	92.0%	0.8%

Source: *NYS Association of Realtors*.

Notably, the number of homes available for sale at the end of 2019 (620) represented a 38% reduction from the same time in 2015. Although limited inventory has been an issue in some housing markets, constraining buyer activity, it does not appear to be a problem in St. Lawrence County, as it still had an 8.6-month supply of homes for sale at year-end. This suggests that the supply of housing continues to exceed demand. New York State overall had 56,214 active listings, a 4.9-month inventory.<sup>19</sup>

The Zillow Home Value Index (ZHVI) is a tool used to track home values and housing market appreciation over time. Unlike median sales prices, the ZHVI covers the entire stock of homes and not just those that

<sup>19</sup> Months supply of inventory is a calculation used to quantify the relationship between supply and demand in a housing market. It measures how long it will take for the current supply of homes on the market to sell, given the pace of sales. Four to five months is average; anything in excess of six to seven months is considered an oversupply, with more sellers than buyers.

sell in a given month or year. The ZHVI initially debuted in 2006, and has undergone several revisions to its methodology, with a substantial update completed in December 2019.<sup>20</sup>

According to the ZHVI, the median value of a single-family home in St. Lawrence County in January 2020 was \$84,723. This was among the lowest in New York State, one of just three counties where the median value was less than \$100,000; the others were Alleghany (\$79,149) and Cattaraugus (\$85,067) in western New York. Ten years ago, St. Lawrence was one of 18 counties where the median value of a single-family home was under \$100,000. St. Lawrence County single-family housing values have increased 11.4% since January 2010. As a point of comparison, single-family housing values have increased 41.8% in Franklin County (to \$112,335) and 48.5% in Lewis County (to \$129,186).

**Table 12. Single Family Housing Sales, Residential Market Area, 2017-19**

	2017	2018	2019	Total
<b>Village of Canton</b>				
Sold for <\$50,000	-	2 (5.0%)	1 (2.2%)	3 (2.4%)
Sold for \$50,000 to \$99,999	14 (38.9%)	12 (30.0%)	13 (28.9%)	39 (32.2%)
Sold for \$100,000 to \$149,999	11 (30.6%)	11 (27.5%)	12 (26.7%)	34 (28.1%)
Sold for \$150,000 to \$199,999	8 (22.2%)	9 (22.5%)	15 (33.3%)	32 (26.4%)
Sold for \$200,000 or more	3 (8.3%)	6 (15.0%)	4 (8.9%)	13 (10.7%)
<b>Total Sold</b>	<b>36 (100.0%)</b>	<b>40 (100.0%)</b>	<b>45 (100.0%)</b>	<b>121 (100.0%)</b>
Median sales price	\$131,000	\$127,000	\$132,500	\$130,000
Average sales price	\$126,000	\$136,775	\$134,335	\$132,662
<b>Town of Canton</b>				
Sold for <\$50,000	3 (5.3%)	4 (6.8%)	3 (4.2%)	10 (5.3%)
Sold for \$50,000 to \$99,999	20 (35.1%)	18 (30.5%)	26 (36.6%)	64 (34.2%)
Sold for \$100,000 to \$149,999	17 (29.8%)	16 (27.1%)	16 (22.5%)	49 (26.2%)
Sold for \$150,000 to \$199,999	10 (14.1%)	14 (23.7%)	20 (35.1%)	44 (23.5%)
Sold for \$200,000 or more	7 (9.9%)	7 (11.9%)	6 (10.5%)	20 (10.7%)
<b>Total Sold</b>	<b>71 (100.0%)</b>	<b>59 (100.0%)</b>	<b>57 (100.0%)</b>	<b>187 (100.0%)</b>
Median sales price	\$115,000	\$124,000	\$127,500	\$123,000
Average sales price	\$125,353	\$129,379	\$127,128	\$127,297
<b>Residential Market Area</b>				
Sold for <\$50,000	20 (10.5%)	25 (11.6%)	18 (9.4%)	63 (10.5%)
Sold for \$50,000 to \$99,999	58 (30.5%)	61 (28.2%)	51 (26.6%)	170 (28.4%)
Sold for \$100,000 to \$149,999	52 (27.4%)	65 (30.1%)	47 (24.5%)	164 (27.4%)
Sold for \$150,000 to \$199,999	30 (15.8%)	40 (18.5%)	51 (26.6%)	121 (20.2%)
Sold for \$200,000 or more	30 (15.8%)	25 (11.6%)	25 (13.0%)	80 (13.4%)
<b>Total Sold</b>	<b>190 (100.0%)</b>	<b>216 (100.0%)</b>	<b>192 (100.0%)</b>	<b>598 (100.0%)</b>
Median sales price	\$117,600	\$118,300	\$129,000	\$122,750
Average sales price	\$128,806	\$123,759	\$133,872	\$128,610

*Source: New York State Office of Real Property Services, St. Lawrence County Real Property Office, and E.M. Pemrick and Company. Standard arm's length transactions only.*

<sup>20</sup> For details on the revised ZHVI methodology, see <https://www.zillow.com/research/zhvi-methodology-2019-deep-26226/>.

**Table 12** summarizes single-family housing sales volumes and prices in the Residential Market Area over a three-year period, from 2017 through 2019 (sales in the Village of Canton are shown separately but are included in the totals for the Town of Canton). Below are key findings based on the table:

- Single-family housing sales in the Residential Market Area averaged about 200 homes per year. Sales over the three-year period represented approximately 3.2% of the tax parcels classified as single-family residential in the five towns, or 3.5% of those in the Town of Canton.
- The volume of single-family sales was highest in Potsdam (257) and Canton (187). Together, they accounted for nearly three-quarters of the homes sold in the Residential Market Area, although they make up about 67% of its single-family housing units.
- Single-family sales in the \$50,000 to \$99,999 price range averaged 57 homes per year in the Residential Market Area, while sales of homes in the \$100,000 to \$149,999 range averaged 55 per year. These price ranges accounted for nearly 56% of all single-family homes sold.
- In 2019, Pierrepont (\$169,600) had the highest median sales price for a single-family home, followed by Potsdam (\$135,000) and then Canton (\$127,500). DeKalb (\$85,100) had the lowest median of the five towns. The median sales price in Lisbon was \$100,000.
- Between 2017 and 2019, median sales prices for homes increased at an average rate of 4.8% per year in the Residential Market Area, or 5.4% per year in the Town of Canton.

Additional information on the single-family homes sold in Canton is presented in **Table 13**. About 45% of the houses sold from 2017 through 2019 had three bedrooms, while 39% had at least four bedrooms. Single-family homes sold in the Village of Canton were larger than those sold in other parts of the Town of Canton.<sup>21</sup> The Village homes were also more likely to have four or more bedrooms. Many of these larger residences were constructed at a time when families had more children and homes could accommodate multiple generations.

There are only a few condominiums in the Residential Market Area; condominiums are not common in St. Lawrence County. In 2010, five condominium units were developed on the second floor of a commercial building at 1 Main Street in Canton. Known as Rushton Place, the property offers river views, high-end amenities, access to an underground parking garage, and secure storage; each unit has two bedrooms and two full bathrooms, and they range in size from 1,243 to 1,626 SF. Although the units attracted interest among potential renters, the property owner decided to put them on the market for sale. By 2013, only three of the units had been purchased; the other two sold in 2016 and 2017. The median selling price of the condominiums was \$219,000.

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<sup>21</sup> Although the median size of single-family homes sold in the Village from 2017 through 2019 was 1,736 SF, the median size of ALL single-family homes in the Village according to tax parcel records is 1,400 SF.

**Table 13. Characteristics of Single-Family Homes Sold in the Town of Canton, 2017-19**

	Village of Canton	Balance of Town	Town of Canton Total
<b>Number of Bedrooms</b>			
1 bedroom	-	5 (7.6%)	5 (2.7%)
2 bedrooms	18 (14.9%)	6 (9.1%)	24 (12.8%)
3 bedrooms	49 (40.5%)	35 (53.0%)	84 (44.9%)
4 bedrooms or more	54 (44.6%)	19 (28.8%)	73 (39.0%)
<b>Total Sold</b>	<b>121 (100.0%)</b>	<b>66 (100.0%)</b>	<b>187 (100.0%)</b>
<b>Size in Square Feet</b>			
< 1,000 SF	8 (6.6%)	7 (10.6%)	15 (8.0%)
1,000 to 1,499 SF	34 (28.1%)	21 (31.8%)	55 (29.4%)
1,500 to 1,999 SF	41 (33.9%)	19 (28.8%)	60 (32.1%)
2,000 to 2,999 SF	27 (22.3%)	16 (24.2%)	43 (23.0%)
3,000 SF or more	11 (9.1%)	2 (3.0%)	13 (7.0%)
<b>Total Sold</b>	<b>121 (100.0%)</b>	<b>66 (100.0%)</b>	<b>187 (100.0%)</b>
Median square footage	1,736	1,551	1,685
Median sales price per SF	\$73	\$75	\$74

*Source: New York State Office of Real Property Services, St. Lawrence County Real Property Office, and E.M. Pemrick and Company.*

As of the end of March 2020, the St. Lawrence County MLS had 80 single-family homes listed for sale in the Residential Market Area, including 23 in the Town of Canton. Asking prices ranged from \$14,000 to \$375,000, with a median of \$149,950. Approximately 83% of the homes had 3 or 4 bedrooms and three-quarters had at least two full bathrooms. Consistent with the ACS data, most of the houses are older: only 10% were constructed after 2000 and 18% between 1980 and 1999; in contrast, 15% were built within the first two decades of the twentieth century, and nearly 30% date back to the 1800s. Historic homes are often an asset to the communities in which they are located; however, they are generally not as energy-efficient as newer houses, and may require additional resources to maintain and repair. For this reason, they do not appeal to all buyers.

Quantitative information on local homebuyers is not available, but the National Association of Realtors (NAR) produces an annual profile of buyers and sellers that provides some insights. For example, two-thirds of recent buyers are between the ages of 30 and 64, which includes “older millennials” (ages 30-39), “Gen Xers” (40-54), and “younger Boomers” (ages 55-64). Approximately 70% are married and unmarried couples, and 35% of all buyers have children under 18 at home. First-time buyers make up about a third of all homebuyers, 88% of buyers under age 29 (“younger millennials”), and 52% of buyers in their 30s. The main reason for purchasing a home among all groups under age 65 was a desire to have a place of their own, while for those 65 and older, the desire to be closer to friends and family was the top reason. Buyers 75 and up also indicated that they wanted a smaller home; older millennials were more likely to say that they wanted a larger home.

The NAR reports that 87% of recent buyers purchased a previously-owned home; the rest opted for a newly-constructed home. Asked why they decided on new construction, buyers cited a desire to avoid

renovations and structural issues, the ability to choose and customize design features, and the amenities of new home construction communities. Among the top factors influencing their choice of a location were neighborhood quality, convenience relative to their place of work, and overall affordability. Not surprisingly, the quality of the school district was a priority among buyers with children at home.<sup>22</sup>

## Renter-Occupied Housing

**Table 14** provides information on the characteristics of renter-occupied housing in the Residential Market Area. The following are key points based on the table:

- Approximately two-thirds of the rental housing units in the Residential Market Area are in multi-unit buildings. Of these, structures with 2 to 4 units account for the largest share, followed by those with at least 10 units. Compared to St. Lawrence County as a whole, the Residential Market Area has a greater proportion of its rental housing stock in structures containing at least 5 units (31.8%, versus 26.5% countywide). Some of the larger structures provide subsidized rental housing for low- and moderate-income families and seniors. Of the estimated 3,400 rental units in the Residential Market Area, 84% are in the Towns of Canton and Potsdam.
- About 41% of the rental units in the Residential Market Area were built prior to 1960, while 28.1% were built between 1960 and 1979. Although many rental properties are well-maintained, units in older buildings are much more likely to require structural repairs and upgrades to meet the needs and expectations of tenants, especially those coming to the area from metropolitan markets with newer apartments. Few renter-occupied units in the Residential Market Area are less than 20 years old, although the ACS seems to have underestimated the actual number; approximately 325-350 units were added to the housing inventory through the construction of both market-rate and subsidized rental housing in the Town of Potsdam during this time.<sup>23</sup> Still, the large percentage of older rental units and the lack of new construction, especially in Canton, may put the communities in this market at a disadvantage in attracting new residents.

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<sup>22</sup> National Association of Realtors Research Group, *2020 Home Buyers and Sellers Generational Trends Report*, March 2020. Accessed at <https://www.nar.realtor/sites/default/files/documents/2020-generational-trends-report-03-05-2020.pdf>.

<sup>23</sup> The housing constructed includes Baldwin Acres (2018), Collegiate Village (2015), Garden Place Estates (2011), and Evergreen Park Apartments (2005).

**Table 14. Residential Market Area Renter-Occupied Housing Characteristics**

	Town of Canton	Residential Market Area	St. Lawrence County
<b>Total Renter-Occupied Units</b>	<b>1,047</b>	<b>3,414</b>	<b>11,486</b>
<b>By Units in Structure</b>			
Single-family structure	336 (32.1%)	960 (28.1%)	3,550 (30.9%)
Multi-family – 2-4 units	285 (27.2%)	1,171 (34.3%)	4,004 (34.9%)
Multi-family – 5-9 units	139 (13.3%)	416 (12.2%)	957 (8.3%)
Multi-family – 10 or more units	259 (24.7%)	670 (19.6%)	1,986 (17.3%)
Mobile home	28 (2.7%)	197 (5.8%)	989 (8.6%)
<b>By Year Structure Built</b>			
Built 2014 or later	-	6 (0.2%)	36 (0.3%)
Built 2010 to 2013	-	81 (2.4%)	165 (1.4%)
Built 2000 to 2009	72 (6.9%)	168 (4.9%)	418 (3.6%)
Built 1980 to 1999	84 (8.0%)	788 (23.1%)	2,765 (24.1%)
Built 1960 to 1979	353 (33.7%)	958 (28.1%)	2,991 (26.0%)
Built 1940 to 1959	129 (12.3%)	413 (12.1%)	1,877 (16.3%)
Built before 1940	409 (39.1%)	1,000 (29.3%)	3,234 (28.2%)
<b>By Bedroom Size</b>			
No bedroom	34 (3.2%)	147 (4.3%)	490 (4.3%)
1 bedroom	269 (25.7%)	1,198 (35.1%)	3,299 (28.7%)
2 or 3 bedrooms	673 (64.3%)	1,869 (54.7%)	6,857 (59.7%)
4+ bedrooms	71 (6.8%)	200 (5.9%)	840 (7.3%)
<b>By Gross Rent</b>			
Less than \$500	177 (18.1%)	680 (21.6%)	2,162 (20.6%)
\$500 to \$999	393 (40.1%)	1,492 (47.3%)	6,104 (58.0%)
\$1,000 to \$1,499	302 (30.8%)	706 (22.4%)	1,631 (15.5%)
\$1,500 to \$1,999	81 (8.3%)	151 (4.8%)	334 (3.2%)
\$2,000 or more	26 (2.7%)	127 (4.1%)	288 (2.7%)
<i>Median gross rent</i>	<i>\$924</i>	<i>NA (see text)</i>	<i>\$730</i>

Source: U.S. Census Bureau, 2014-18 American Community Survey 5-Year Estimates, and E.M. Pemrick and Company.

- Housing units with two or three bedrooms account for 54.7% of the renter-occupied housing stock in the Residential Market Area, a smaller proportion than in St. Lawrence County (59.7%). About 35% of rental units have one bedroom.
- The median gross rent, defined by the Census Bureau as the contract or asking rent plus the cost of utilities, ranges from an estimated \$618 in the Town of DeKalb to \$924 in the Town of Canton, compared to \$730 in St. Lawrence County. Although 47.3% of the rental housing units in the Residential Market Area have gross rents between \$500 and \$999 per month, 8.9% rent for \$1,500 or more, a higher proportion than in the County as a whole (5.9%). In fact, while the Market Area makes up about 30% of all rental units in the County, it accounts for nearly 45% of the units with gross rents of at least \$1,500 a month. Current rental rates are discussed below.

## Rental Market Characteristics

Research on the rental housing market identified two dozen properties in the Residential Market Area that contain more than 10 units. These projects, which are listed in **Table 15**, have approximately 1,400 housing units, including 645 market-rate and 760 affordable/subsidized units. Observations regarding the market-rate properties are as follows:

- The number of units at the market-rate properties ranges from 11 to 136, with an average of 53. Five properties offer efficiency or studio apartments, 7 have one-bedroom units, and 11 have two-bedroom units; only three properties have units with three bedrooms.
- Of the properties for which information was available, the studio apartments range in size from 300 to 500 square feet (SF), the one-bedroom units from 440 to 856 SF, and the two-bedrooms from 415 to 1,036 SF. This does not include the two-bedroom townhouses at Garden Place Estates, which are approximately 1,250 SF, or the two- and three-bedroom units at Swan Landing, which range from 1,530 to 1,830 SF. According to the Census Bureau, the median size of new multi-family rental units in the U.S. is 1,081 SF.
- Excluding United Helpers Independent Senior Living, where the monthly rents include some services, asking rents for the units at the market-rate properties for which prices are available range from \$450 to \$1,500 per month, or about \$0.56 to \$2.54 per SF.<sup>24</sup> The highest asking rents are for the two-bedroom townhouses at Garden Place Estates, while the highest prices per square foot are at Collegiate Village.
- The median gross rent, which includes utilities (and water fees, where applicable), is \$835 per month; note, however, that this figure does not include Collegiate Village because the number of units by bedroom size is not available.
- Only two large market-rate rental properties – Collegiate Village and Garden Place Estates – have been built in the Residential Market Area within the last 20 years. Collegiate Village is targeted to college students, but also houses many non-students. Units at these complexes start at about \$1,000 per month; some provide dishwashers, microwaves, and washers/dryers for an extra fee. Garden Place Estates has a waiting list for its townhouses, where the monthly rent is \$1,500. Some of the households on the waiting list are homeowners who must first sell their properties.

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<sup>24</sup> These properties included West Gate Terrace, Garden Place Estates, Crescent Meadows, Canton Townhouses, Harison House Apartments, 32 Maple Street Apartments, Swan Landing, Meadow East Apartments, and Collegiate Village.

- Most market-rate apartment complexes in Canton and Potsdam date from the 1960s and '70s. While some older properties show signs of deferred maintenance, others are very well-maintained, according to code enforcement officials.
- United Helpers Independent Senior Living (formerly known as Partridge Knoll) is unique in this market. Although there are other rental properties for senior citizens in the Residential Market Area, all of them are targeted to low- and moderate-income households. Unlike an assisted living residence, which offers 24-hour supervision and assistance, United Helpers Independent Senior Living caters to healthier seniors, and offers services such as transportation, social activities, and dinners.
- Although occupancy rates were not available for all large rental properties, they are generally high and property owners are able to rent most vacant units within a month or two.

#### *Affordable and Subsidized Housing*

The inventory of affordable rental housing in the Residential Market Area includes public housing and housing subsidized through Section 8 project-based rental assistance or the USDA Rural Rental Assistance Program. Tenants must be income-qualified, and they pay 30% of their adjusted gross income (AGI) towards rent.

Another category is housing developed with the use of Low Income Housing Tax Credits (LIHTCs). Under the LIHTC program, the federal government issues the tax credits to states, which then award them to private developers based on a competitive process. The developers typically sell the tax credits to investors with substantial income tax liabilities in exchange for financing. Developers of LIHTC projects must agree to set aside a certain percentage of units for low-income households and require tenants to meet income limits of no more than 50% or 60% of the area median income. Although the rents charged are fixed and not based on a percentage of AGI, they are below market-rate.

Currently, Evergreen Park Apartments is the only large rental property in the Residential Market Area developed with LIHTCs; however, 51-53 Market Street (6 units) and 55-57 Market Street (7 units) in Potsdam are both LIHTC projects. LIHTCs have also been used to finance affordable housing in Gouverneur.

Of the 760 affordable rental units in the Residential Market Area, nearly two-thirds are targeted to or occupied by elderly and disabled tenants. Approximately 3,300 households in this market are headed by someone age 65 or older, and 30% of them have incomes of less than \$25,000 per year.

Since 2000, two affordable housing complexes, Baldwin Acres and Evergreen Park Apartments, have been built, creating a total of 136 units. The largest concentration of rental units (354) is in affordable housing constructed during the 1980s. Vacancy rates in affordable rental housing tend to be low and some properties have waiting lists.

**Table 15. Rental Properties with More Than 10 Units in the Residential Market Area**

Name & Location	Year Opened	Total Units	Occupancy Rate	Unit Type	Unit SF	Monthly Rent	Comments
<b>Market-Rate Housing</b>							
Collegiate Village, 206 Outer Main Street, Potsdam	2015	136	NA	0-BR	456	\$1,099-\$1,219	Landlord pays for heat, A/C, cable, trash removal; tenant pays for electric. Units incl. dishwasher, refrigerator, stove. Also has 3 BR/3-BA 1,000 SF townhouses rented by the bedroom. Property built for student market, but has other tenants as well.
				1-BR	570	\$1,229-\$1,349	
				2-BR/2-BA	766	\$989-\$1,093	
Garden Place Estates, 578 State Hwy 11B, Potsdam	2011	55	100%	31 2-BR apartments	850	\$1,150-\$1,350	Landlord pays for heat, hot water, gas, and electric. Units incl. refrigerator, stove, microwave; select units have dishwasher, W/D, hardwood floors (higher priced). Property: off-street parking, coin laundry, community room, small gym, ponds.
				24 2-BR townhouses	1,250	\$1,500	Landlord pays for heat and water; tenant pays for electric. Units incl. refrigerator, stove, dishwasher, microwave, deck, W/D hookups, and attached ("1-car plus") garage. Waiting list of 13 households.
United Helpers Independent Senior Living, 30 Sullivan Drive, Canton	1999	38 (for age 62+ only)	100%	16 1-BR std	676	\$2,500	Landlord pays all utilities, including cable and WiFi, except telephone. Units incl. refrigerator, stove, dishwasher, garbage disposal, washer/dryer units, storage, and air conditioning. Property: community room, sitting areas, library; dinner prepared and provided in on-site dining room. Activities and entertainment, van for shopping/appointments provided. Housekeeping provided once every two weeks. Waiting list of 10-12 households.
				6 1-BR large	856	\$2,600	
				7 2-BR small	956	\$3,200	
				3 2-BR large	1,036	\$3,200	
				6 2-BR/1.5-BA	1,036	\$3,597	
Swan Landing, 301 Swan Street, Potsdam	1993	44	NA	28 2-BR/1.5 BA	1,530	~\$800-\$900	Six 2-story buildings. 20% of units set aside for low income households. Tenants pay all utilities. Units incl. refrigerator, stove, dishwasher, deck, separate entrance.

**Table 15. Rental Properties with More Than 10 Units in the Residential Market Area**

Name & Location	Year Opened	Total Units	Occupancy Rate	Unit Type	Unit SF	Monthly Rent	Comments
Swan Landing ( <i>continued</i> )				16 3-BR/1.5 BA	1,830	~\$1,000-\$1,100	Carpeting being replaced with HW floors. Installing new decks, kitchen appliances, and bathrooms. Tenant mix includes graduate students, professors, white-collar workers.
West Gate Terrace, 49 West Main Street, Canton	1974	51	99%	1 0-BR	500	\$450	Landlord pays for heat and hot water; tenant pays for electric. Units incl. refrigerator, stove, separate entrance. Property: off-street parking, coin laundry.
				4 1-BR	750	\$550	
				46 2-BR	750	\$600	
Liberty Apartments, 80 Riverside Drive, Canton	1972	54	NA	54 2-BR	750	NA	Landlord pays for heat and hot water; tenant pays for electric. Units incl. refrigerator, stove, separate entrances. Tenant mix includes students and some long-term renters.
Edgewood Acres, 6474 State Hwy 56, Potsdam	1970	11	NA	8 1-BR	NA	NA	
				3 2-BR	NA	NA	
Canton Townhouses, Ike Noble Drive, Canton	1968	36	92%	36 2-BR	415	\$610	Tenants pay all utilities. Units incl. refrigerator, stove, washer/dryer hookups, carpeting, separate entrances. Property: off-street parking, upgraded furnaces. Occupied by college faculty and staff, professionals, and retirees.
Harison House Apartments, 49 Judson Street, Canton	1962, 1963, 1964, 1972	47	85%	2 0-BR	325	\$450	5 separate buildings. Landlord pays for heat and hot water; tenants pay for electric. Units incl. refrigerator, stove, carpeting, storage. Property: coin laundry (at least one W/D in each building). Non-students preferred.
				18 1-BR	476	\$665	
				27 2-BR	700	\$765	
Meadow East Apartments, 118 Leroy Street, Potsdam	1966-67	100	NA	36 1-BR	638	~\$785-\$825	14 separate buildings. Landlord pays for heat and electric; tenants pay quarterly water bill. Units incl. refrigerator, stove, dishwasher; townhouses only have washer/dryer hookups, A/C, separate entrance. Property: coin laundry in 8 buildings. \$1 million multi-year plan for renovations, may incl. garages.
				20 2-BR small	826	~\$810-\$840	
				32 2-BR large	863	~\$885-\$925	
				12 3-BR/1.5 BA twnhse	1,100	~\$1,025-\$1,150	

**Table 15. Rental Properties with More Than 10 Units in the Residential Market Area**

Name & Location	Year Opened	Total Units	Occupancy Rate	Unit Type	Unit SF	Monthly Rent	Comments
Crescent Meadow Apartments, 7581 U.S. Hwy 11, Potsdam	1970s	24	92%	3 0-BR	NA	NA	4 separate buildings w/renovated apts. (and a 3-BR house – not included). Tenants pay all utilities, including quarterly water bill (\$79) and trash removal. Units incl. refrigerator and stove; dishwashers in 3-BR units only. Property: coin laundry. Tenants include graduate students, retirees, professors.
				16 1-BR	440	\$595	
				1 2-BR	525	\$886	
				4 3-BR	1,348	\$1,473	
32 Maple Street Apartments, 32 Maple Street, Potsdam	1960s	15	100%	15 0-BR	250 288 360	\$482	Efficiency units (and a 4-BR house - not included). Tenants pay all utilities, including quarterly water bill (\$79) and trash removal. Units incl. refrigerator and stove. Walking distance to Clarkson; rents to many international students without cars.
<b>Affordable/Subsidized Housing</b>							
Baldwin Acres, 4 Baldwin Avenue, Norwood	2018	36	NA	36 1-BR	NA	NA	Housing for elderly/disabled; Section 8 project-based assistance.
Evergreen Park Apartments, 1 Racquette Road, Potsdam	2005	100	NA	16 1-BR	NA	NA	LIHTC project; accepts Section 8 housing choice vouchers.
				40 2-BR	NA	NA	
				40 3-BR	NA	NA	
				4 4-BR	NA	NA	
Canton Apartments, 37 State Hwy 310, Canton	1991	30	97%	14 1-BR	633	30% of AGI*	USDA Rural Housing. Tenants pay for heat and electric; landlord pays the rest. Units incl. refrigerator, stove, carpeting. Property: ample parking, coin laundry, clubhouse, playground, computer lab. Very well-maintained.
				16 2-BR	777	30% of AGI	
Sunrise Valley Apartments, 26 Josephine Street, DeKalb Junction	1988	14	100%	14 1-BR	650	30% of AGI; balance subsidized through Rural Rental Assistance Program	USDA Rural Housing for elderly/disabled w/ incomes of up to \$5,500 over 80% of AMI. Landlord pays heat and hot water; tenants pay for electric. Units incl. refrigerator and stove; some with walk-in showers. Carpeting in units being replaced with vinyl flooring. Property has off-street parking, coin laundry, community room. Waiting list recently cleared.

**Table 15. Rental Properties with More Than 10 Units in the Residential Market Area**

Name & Location	Year Opened	Total Units	Occupancy Rate	Unit Type	Unit SF	Monthly Rent	Comments
Castle Ridge Manor, 72 Church Street, Lisbon	1986	12	100%	12 1-BR	650	30% of AGI; balance subsidized through Rural Rental Assistance Program	USDA Rural Housing for elderly/disabled w/ incomes of up to \$5,500 over 80% of AMI. Tenants pay all utilities. Three two-story buildings; no elevator. Units incl. refrigerator and stove. Property: off-street parking, coin laundry, community room. Waiting list of 14 households.
Law Lane, 41 Law Lane, Canton	1982	76	96%	20 1-BR duplex (seniors)	525	30% of AGI	Public housing. Landlord pays for hot water; tenant pays heat and electric (utility allowance of \$79). Coin laundry. Half of units renovated with new kitchens, bath vanity, and floors; remainder to be completed in 2020.
				16 2-BR (family)	1,008	30% of AGI	Landlord pays for gas heat and hot water; tenant pays electric. Units incl. stove, refrigerator, W/D hookups, storage shed. Waiting list of 35 households.
				36 3-BR (family)	1,500	30% of AGI	Tenant pays all utilities. Units incl. stove, refrigerator, W/D hookups. Waiting list of 11 households.
				4 3-BR (disabled)	1,500	30% of AGI	Landlord pays for gas heat and hot water; tenant pays electric. Units incl. stove, refrigerator, W/D hookups, storage shed.
Midtown Apartments, 28 Munson Street, Potsdam	1981	65	NA	64 1-BR	NA	NA	Housing for elderly/disabled; Section 8 project-based assistance.
Lawrence Avenue Apartments, 3 Debra Drive, Potsdam	1980	137	NA	94 1-BR	NA	NA	Section 8 project-based rental assistance.
				33 2-BR	NA	NA	
				10 3-BR	NA	NA	

**Table 15. Rental Properties with More Than 10 Units in the Residential Market Area**

Name & Location	Year Opened	Total Units	Occupancy Rate	Unit Type	Unit SF	Monthly Rent	Comments
Canton Grasse River Apartments, 35 Riverside Drive, Canton	1980	50	100%	50 1-BR	525	30% of AGI	Section 8 project-based rental assistance; for elderly/disabled. Landlord pays for hot water, tenant pays heat and electric (utility allowance of \$79). Units incl. refrigerator, stove, carpeting in LR/DR. Property: off-street parking, coin laundry. Recent renovations incl. new carpeting, kitchen and bathroom tile, painting cabinets. Plans for elevator refurbishment, new lighting, new refrigerators, weatherization. Waiting list of 9 households.
Diane P. Burns, 37 Riverside Drive, Canton	1975	94	98%	43 1-BR	525	30% of AGI	Public housing; for elderly/disabled (52+). Landlord pays all utilities (extra charge for A/C unit). Units incl. stove and refrigerator. Property: community dining room, coin laundry, activity room. Meals on Wheels operation on site. One unit off-line used as Board mtg room. New high-efficiency boiler to be installed. Waiting list of 16 households.
				50 1-BR small	450	30% of AGI	
Mayfield Senior Apartments, 4 May Road, Potsdam	1973	147	NA	0-BR	500	\$500	Section 8 project-based rental assistance; for elderly/disabled (55+). Landlord pays all utilities. Units incl. refrigerator, stove. Property: coin laundry, community room. \$22 million renovation underway; project will build a two-story addition with 12 1-BR units large enough to accommodate wheelchairs. Waiting list.
				1 BR	660	\$550	
				1 BR/1.5 BA	996	\$600	

*Source: E.M. Pemrick and Company research.*

Rental units where the rates are per person/room by semester or based on a 10-month lease were excluded. Occupancy rates are as of March 2020.

AGI = Adjusted Gross Income.

### *Available Rental Housing*

To explore the rental market beyond the large housing complexes, listings on websites such as Craigslist, Trulia, and Hotpads and in the online classified ads of *North Country Now* were surveyed between December 2019 and March 2020. Rental units where the rates are per person/bedroom (or based on a 10-month lease) and furnished apartments that tend to be marketed to college students were excluded. HUD Fair Market Rents for St. Lawrence County are provided in **Table 16** for comparison.

Table 16. Available Market-Rate Rental Housing, Residential Market Area					
	1 BR	2 BR	3 BR	Other*	Total
# of Listings	19	24	14	8	65
Median Rent	\$675	\$875	\$1,425	-	\$800
Range	\$425-\$800	\$625-\$1,350	\$920-\$1,685	-	\$425-\$1,685
Median Gross Rent (Incl. Utilities)	\$773	\$1,030	\$1,660	-	\$1,003
HUD Fair Market Rents (2020)	\$665	\$830	\$1,034	-	-

*Source: E.M. Pemrick and Company research; U.S. Department of Housing & Urban Development.*

\* Includes 0-BR, 4-BR, and 5 BR units.

Of the 65 available rental units, 35 were in Potsdam and 20 were in Canton. Nearly 40% of the units advertised had two bedrooms, while 29% had one bedroom and 22% had three bedrooms. There were only a handful of studio apartments and rental properties with four or five bedrooms listed. About 15% of the rentals had more than one bathroom.

Roughly half of the rental listings did not indicate whether the monthly rates included utilities such as heat, hot water, and electric. Based on the units for which this information was provided, the average adjusted gross rent was \$773 per month for a one-bedroom, \$1,030 for a two-bedroom, and \$1,660 for a three-bedroom. All of the median gross rents for rental housing in the Residential Market Area were above the Fair Market Rent levels.

The size of the rental unit was provided in about a quarter of the listings. Adjusted gross rents ranged from \$0.53 to \$1.30 per square foot. The cost per square foot was less than in the large apartment complexes, which typically include more amenities. The limited number of listings with square footage information, however, makes it difficult to draw any significant conclusions.

### Pending Development

Currently, the only major housing project in the pipeline within the Residential Market Area is the renovation and conversion of Clarkson University's Old Snell Hall in Potsdam into 59 units of affordable housing. Plans call for the creation of 30 studio, 28 one-bedroom, and 8 two-bedroom apartments, with one unit to be set aside for a building superintendent. A market study commissioned by the Vecino

Group, the project's developer, confirmed that there is sufficient demand for the units, which will be affordable to households with incomes at or below 60% of the area median.

In May 2019, New York State Homes and Community Renewal awarded the developer \$5.6 million in Low Income Housing Tax Credits and funding towards the \$15 million cost of the project. In addition, the Vecino Group has secured a 32-year, \$2.1 million PILOT agreement from the St. Lawrence County IDA. Renovations will begin in 2020 and are expected to take approximately 18 to 24 months to complete.

## Residential Market Area Demographics

### *Population and Households*

**Table 17** presents data on population and household trends in the Residential Market Area. In 2010, this area had a total of 36,161 residents and contained approximately 32% of St. Lawrence County's population base. The Town of Potsdam was (and continues to be) the largest of the five towns in population.

	2000	2010	2019 (est.)	2024 (proj.)	% Change		
					2000- 2010	2010- 2019	2019- 2024
<b>Population</b>							
Residential Market Area	35,281	36,161	36,693	36,206	2.5%	1.5%	-1.3%
Town of Canton	10,334	10,995	11,145	11,003	6.4%	1.4%	-1.3%
Town of DeKalb	2,213	2,434	2,489	2,475	10.0%	2.3%	-0.6%
Town of Lisbon	4,047	4,102	4,175	4,122	1.4%	1.8%	-1.3%
Town of Pierrepont	2,674	2,589	2,531	2,469	-3.2%	-2.2%	-2.4%
Town of Potsdam	15,957	16,041	16,353	16,137	0.5%	1.9%	-1.3%
St. Lawrence County	111,931	111,944	113,233	111,561	0.0%	1.2%	-1.5%
<b>Households</b>							
Residential Market Area	11,580	11,926	11,853	11,607	3.0%	-0.6%	-2.1%
Town of Canton	3,198	3,402	3,363	3,290	6.4%	-1.1%	-2.2%
Town of DeKalb	792	856	868	859	8.1%	1.4%	-1.0%
Town of Lisbon	1,468	1,550	1,565	1,540	5.6%	1.0%	-1.6%
Town of Pierrepont	1,039	1,050	1,015	986	1.1%	-3.3%	-2.9%
Town of Potsdam	5,073	5,068	5,042	4,932	-0.1%	-0.5%	-2.2%
St. Lawrence County	40,506	41,605	41,461	40,634	2.7%	-0.3%	-2.0%

Source: ESRI, U.S. Census Bureau, and E.M. Pemrick and Company.

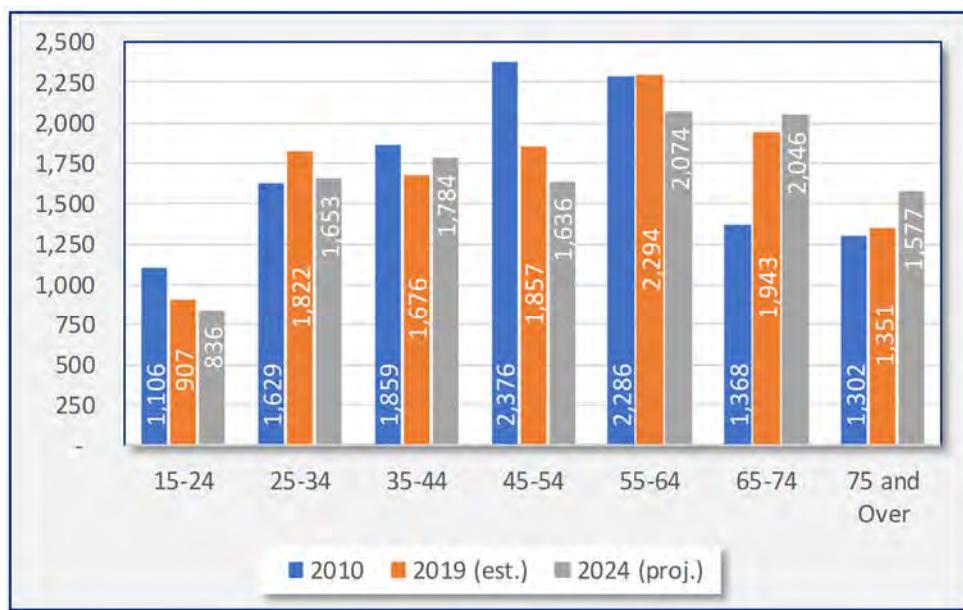
The Residential Market Area made modest gains between 2000 and 2010, adding 880 residents (2.5%) to its 2000 population of 35,281. Although the rate of growth was highest in the Town of DeKalb, the Town of Canton had the largest net increase in population (661). This momentum slowed between 2010 and 2019, however, when the Residential Market Area added only 532 residents (1.5%). Moreover, there was a negligible decline in the number of households.

Based on ESRI projections, the Residential Market Area is expected to lose 487 residents by 2024, a decline of 1.3%. This is consistent with trends in St. Lawrence County overall and contrasts with the very limited growth expected in New York State (1.1%) and a 3.9% population increase projected for the U.S.

Long-term projections from the Cornell Program on Applied Demographics predict a steady erosion of the population base in St. Lawrence County over the next two decades, as mortality rates exceed birth rates and more people move *out* of the County than move in. By 2040, the County's population is expected to fall to approximately 102,700.

#### *Householders by Age*

Characteristic of much of upstate New York, the local population is growing older, the result of the aging of the vast baby boom generation born between the end of World War II and the mid-1960s. This is reflected in household trends as well; between 2010 and 2019, household growth in the Residential Market Area occurred primarily among seniors (**Figure 7**). Householders age 65 and older experienced the greatest absolute and percentage gains, with 1,037 additional households and a 49.3% growth rate. Virtually all of this growth is due to residents aging in place, as data on migration trends show that few householders in this age bracket are relocating to St. Lawrence County.



**Figure 7. Householders by Age, Residential Market Area**

Source: U.S. Census Bureau and ESRI

ESRI projections reflect the continued aging of population and householders in the Residential Market Area. The largest increase will be among householders age 75 and older, who are expected to gain 226 households (16.7%) between 2019 and 2024. The number of householders in the 65-74 age cohort is also projected to increase, with the addition of 103 households (5.2%). By 2024, 49% of all

householders in the five towns will be age 55 and older. The only other category where growth is anticipated is householders ages 35 to 44.<sup>25</sup>

The increase in the number of households headed by someone age 65 and over will have a substantial impact on the local housing market. Roughly 78% of these householders are currently homeowners. Although the majority will remain in their homes, some of these households will downsize, selling their homes and moving into smaller rental units or low-maintenance properties if suitable options are available locally. Seniors requiring a higher level of care will transition to assisted living facilities or nursing homes. A third option, particularly for residents with family members or friends living elsewhere, will be to relocate. The consequence of these actions – as well as the eventual mortality of older residents aging in place – could be an overabundance of homes on the market. A lot will depend on the extent to which these existing homes can be absorbed through sales to younger householders, buyers moving from another owned home, and people moving into the area.

#### *Householders by Income*

The Residential Market Area has a mix of households from different income levels. An estimated 23% of all households have annual incomes of less than \$25,000, while 19.3% earn \$50,000 to \$74,999 per year; 15.7% of the households have annual incomes between \$100,000 and \$149,999.

Forecasts show that income levels in the Market Area are rising (**Figure 8**). Between 2019 and 2024, the largest increase in households will be among those earning at least \$150,000 per year, with a net gain of 92 households (11.5%). The number of households with annual incomes of \$100,000 to \$149,999 is also expected to increase, with a net gain of 109 households (5.9%). Meanwhile, the greatest *decline* over the period will be experienced among households earning less than \$25,000 annually, with a net reduction of 227 households (-8.3%). The outcome of these shifts will be growth, in both absolute and percentage terms, in the concentration of households that earn \$75,000 or more per year, from 4,307 (or 36.4% of households in the Residential Market Area) in 2019 to 4,560 (39.3%) in 2024.

Of the roughly 2,900 households with annual incomes of at least \$100,000 in 2024, two-thirds will be headed by individuals between the ages of 35 and 64. These are the age groups that have the highest household income levels due to their life stage and career status; they also have the highest rates of homeownership.

Some of these households will be interested in trading up to a new residence if homes with the amenities and finishes they want are available. According to a 2018 National Association of Home Builders (NAHB) survey examining the housing preferences of millennials, desirable features include

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<sup>25</sup> Long-term household projections by age produced by the Joint Center for Housing Studies at Harvard University show that from 2028 to 2038, the two fastest-growing age groups in the U.S. will be 75 and older and ages 45 to 54.

“specialty” rooms (e.g., media and exercise rooms), kitchens with built-in seating and trash compactors, two full master bedroom suites, and “his and hers” bathrooms and dressing/make up areas.<sup>26</sup> The availability of homes with some of these modern features would enhance the ability of local employers to recruit medical professionals, college faculty, technicians, and other personnel.



**Figure 8. Householders by Income, Residential Market Area**

Source: ESRI

#### *Characteristics of Owner Households*

Homeowners comprise 70.4% of the households in the Residential Market Area. The characteristics of owner households, including age and income, are presented in **Figures 9-12**. Observations regarding these characteristics are as follows:

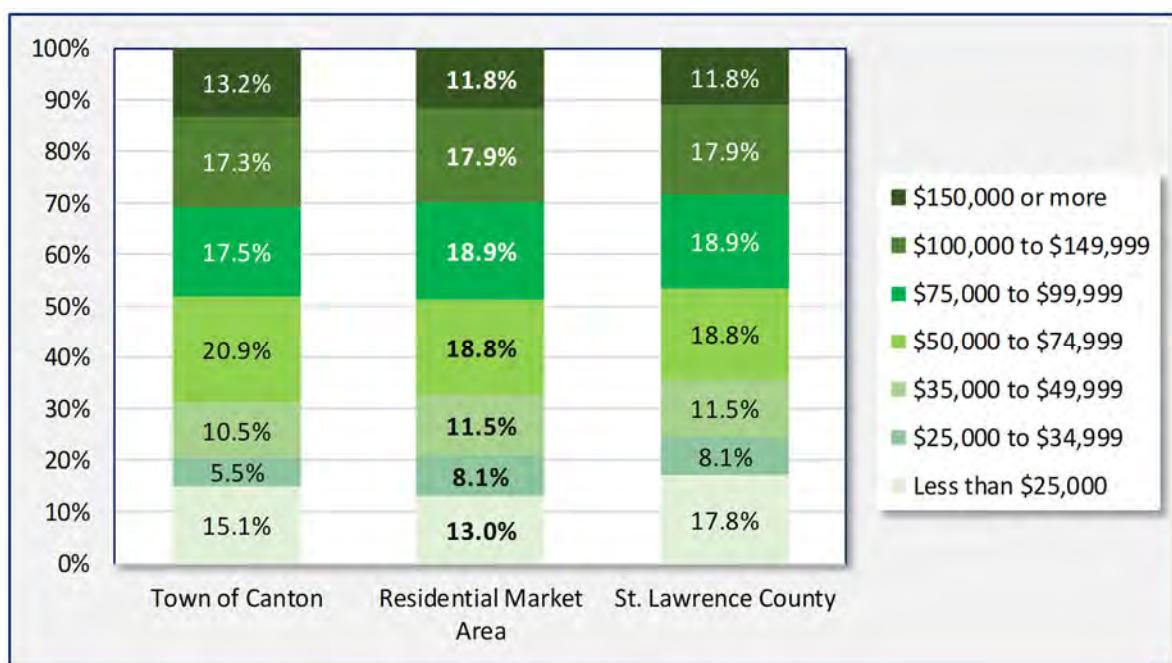
- Among homeowners in the Residential Market Area, the largest proportion (23.9%) are between the ages of 55 and 64, followed by those ages 45 to 54 (22.1%). More than 53% of the owner households are headed by a person age 55 and older, up from 49.4% in 2010. Smaller, maintenance-free, and single-story homes and “barrier-free” housing with features such as wheelchair access and handrails may be needed to allow older residents to comfortably age in place.

<sup>26</sup> Benjamin Coomer, NAHB Economics and Housing Policy Group, “Millennial Home Buying Preferences,” August 1, 2019. Accessed at <https://www.nahbclassic.org/generic.aspx?sectionID=734&genericContentID=269080>.



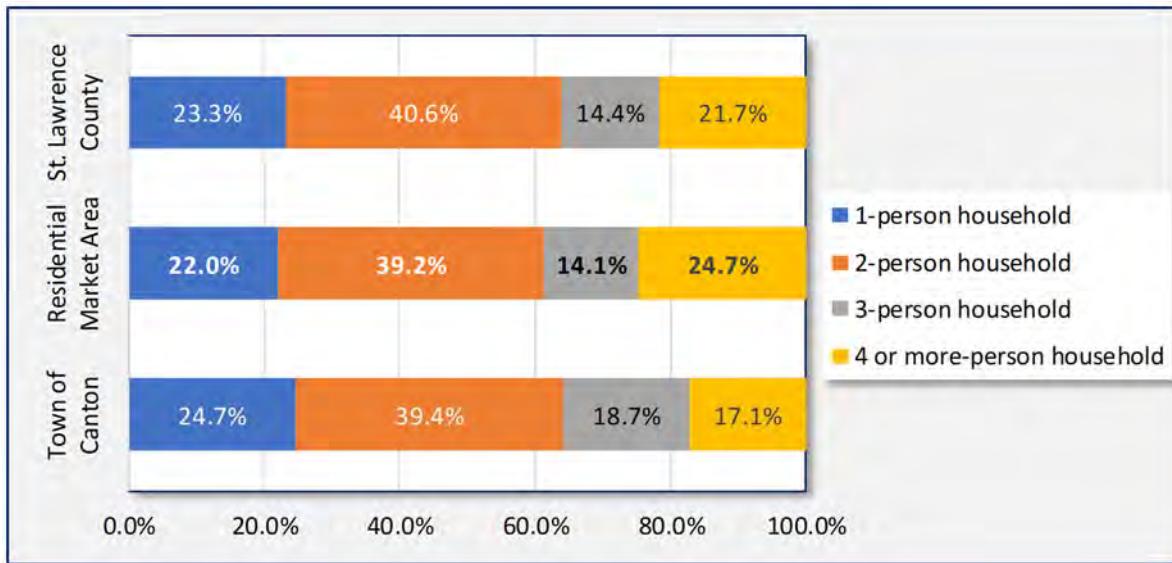
**Figure 9. Owner Households by Age, Residential Market Area**

Source: U.S. Census Bureau, 2014-18 American Community Survey 5-Year Estimates



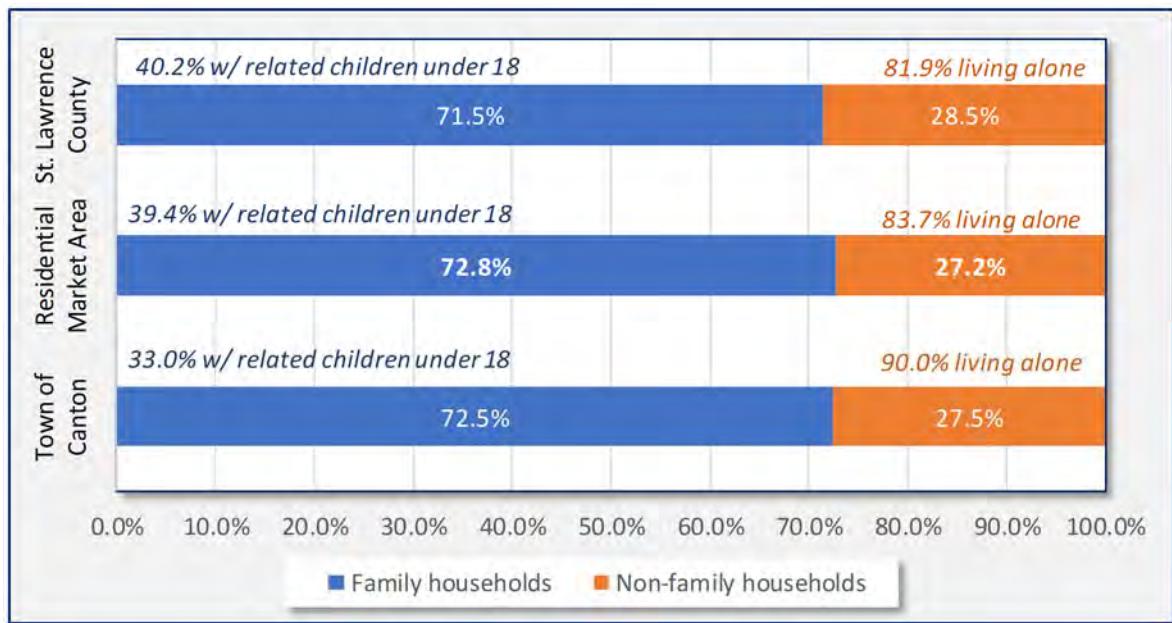
**Figure 10. Owner Households by Income, Residential Market Area**

Source: U.S. Census Bureau, 2014-18 American Community Survey 5-Year Estimates



**Figure 11. Owner Households by Size, Residential Market Area**

Source: U.S. Census Bureau, 2014-18 American Community Survey 5-Year Estimates



**Figure 12. Owner Households by Type, Residential Market Area**

Source: U.S. Census Bureau, 2014-18 American Community Survey 5-Year Estimates

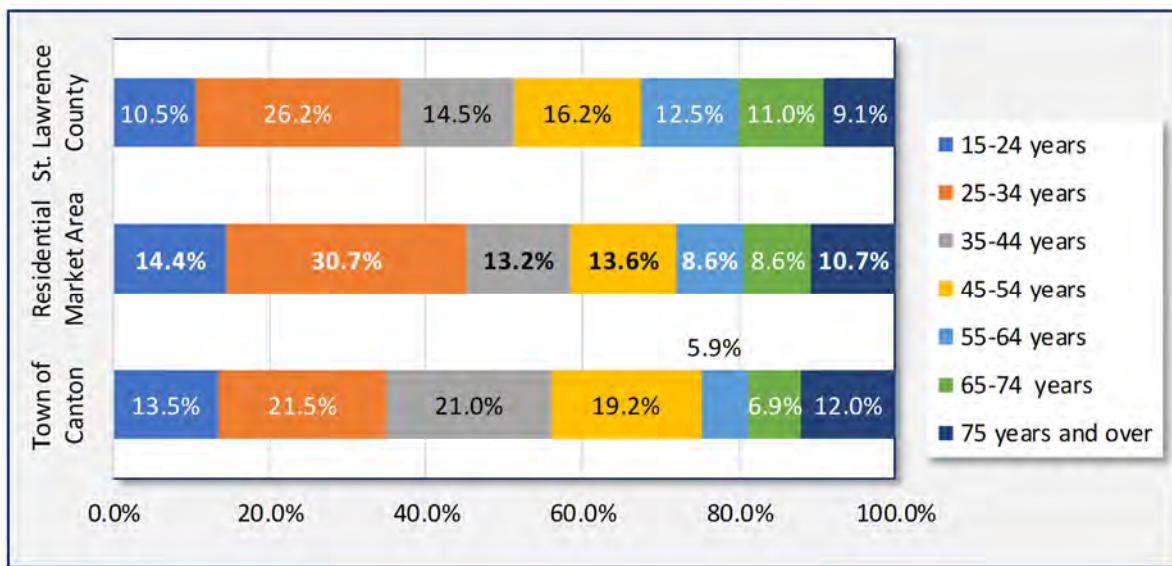
- Some parts of the country have seen a decline in homeownership among individuals under age 35 due to rising housing costs, student loan debt, and the difficulty of saving for a down payment. Interestingly, this does not appear to be the case in the Residential Market Area, possibly due to the area's stagnant housing prices.

- The median income of an owner household in the Residential Market Area ranges from \$60,197 in the Town of DeKalb to \$80,067 in the Town of Potsdam; it is \$72,725 in the Town of Canton. Households earning \$75,000 or more account for 48.6% of all owner households in the Residential Market Area, compared to 38.8% of those in St. Lawrence County as a whole (**Figure 10**). Conversely, an estimated 13.0% of owner households have incomes of less than \$25,000 per year. These households may have difficulty maintaining their homes and making major structural repairs.
- Over 60% of owner households in the Residential Market Area are comprised of one or two people (**Figure 11**). Since 2010, the number of homeowners living alone has increased by nearly 15%, from 1,614 to 1,849. This suggests a need for smaller homes or townhouses. The average size of an owner household in this market is 2.53 persons.
- As shown in **Figure 12**, family households, comprised of married couples and single-parent households, account for 72.8% of owner households in the Residential Market Area. Approximately 40% of family households have related children under the age of 18 living at home. Of the non-family households that are homeowners, about 84% are individuals living alone, nearly all age 35 and up.
- Based on ACS data on residential mobility, the Residential Market Area has an annual turnover rate of 2.5% in owner-occupied housing.

#### *Characteristics of Renter Households*

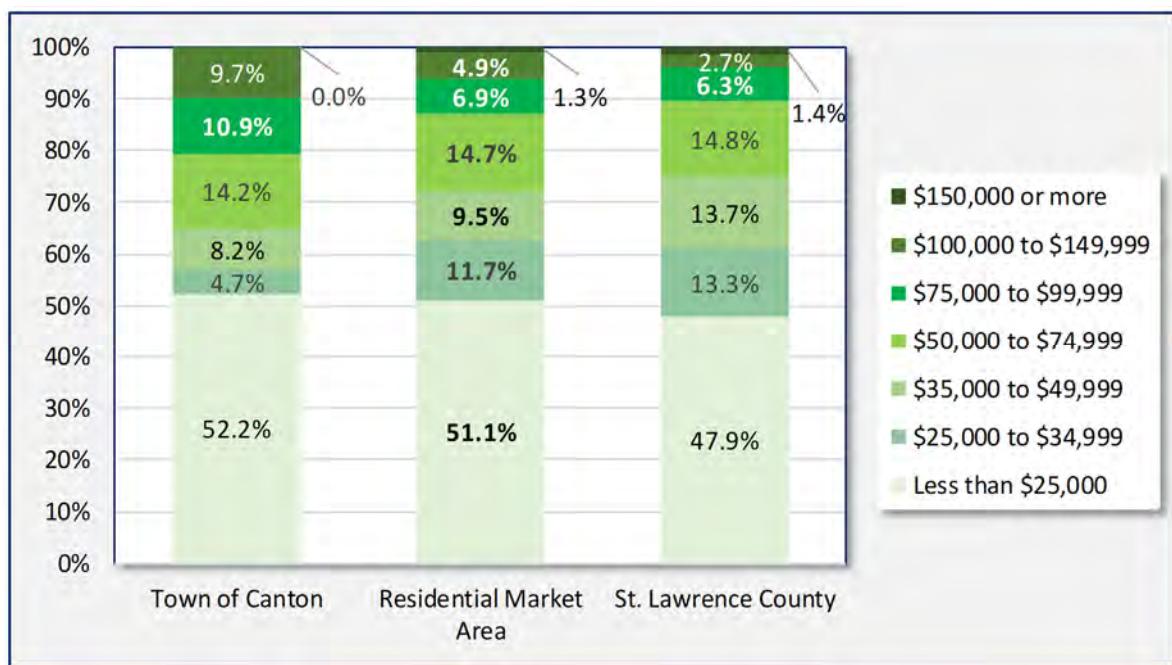
**Figures 13-16** provide information on characteristics of renter households in the Residential Market Area. Key findings based on the data are as follows:

- Younger households tend to be renters. Among renter households in the Residential Market Area, 30.7% are headed by individuals ages 25 to 34, while 14.4% are under age 25 (**Figure 13**). Compared to 2010, the area has more renters in the 25-34 age cohort (an increase of 132 households, or 14.4%) and between the ages of 65 and 74 (36 households, or 13.9%). In contrast, the number of renter households headed by those under age 25 declined dramatically (a net loss of 539 households, or 52.3%). What accounts for the steep loss is unclear, but may be related to changes in student housing policies among local colleges.
- Renter households earn far less than homeowners. The median income of a renter household in the Residential Market Area ranges from \$19,324 in the Town of Potsdam to \$49,821 in the Town of Lisbon. Income disparities between renters and owners are widest in the Towns of Canton and Potsdam, where the median income of homeowners is two to three times that of renters. This is typical of college communities where students have limited incomes. Households earning less than \$25,000 annually represent 51.1% of the renter households in this market, while those earning \$25,000 to \$34,999 per year make up 11.7% (**Figure 14**).



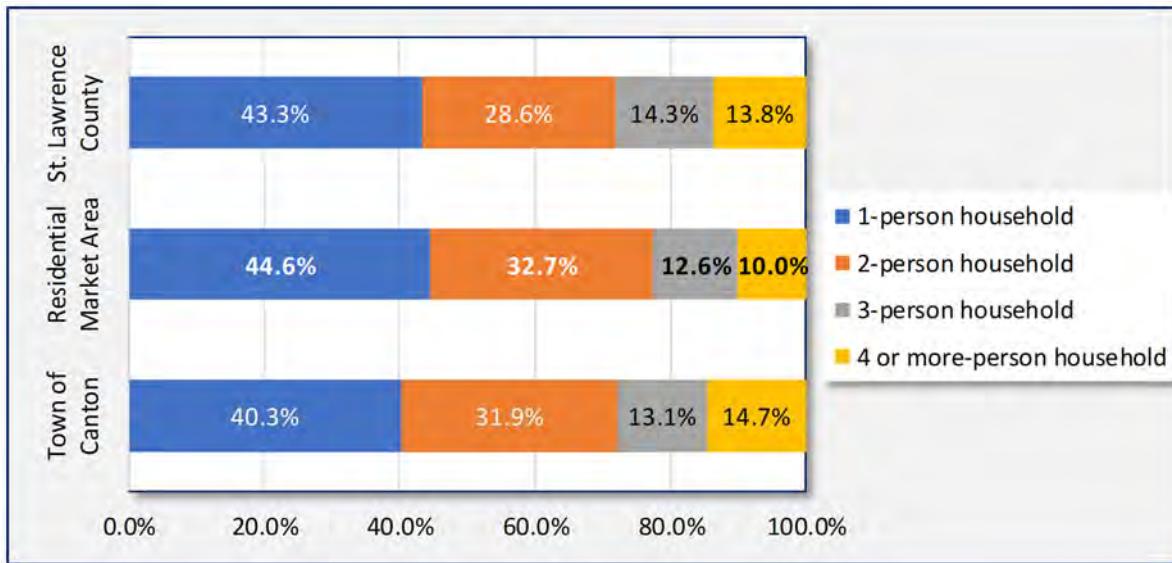
**Figure 13. Renter Households by Age, Residential Market Area**

Source: U.S. Census Bureau, 2014-18 American Community Survey 5-Year Estimates



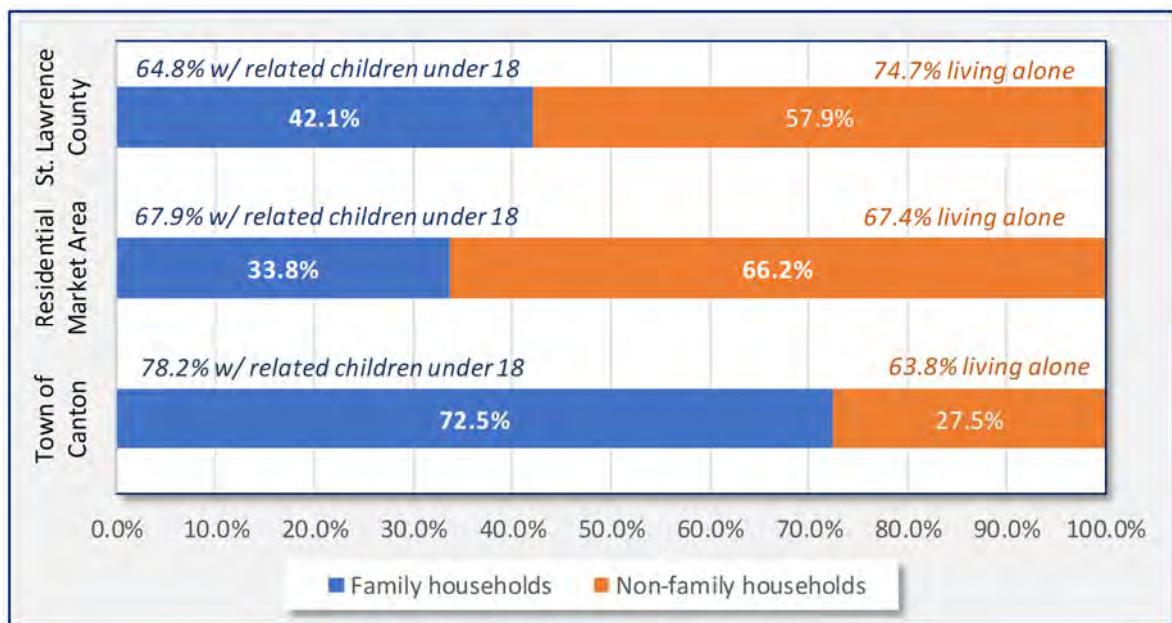
**Figure 14. Renter Households by Income, Residential Market Area**

Source: U.S. Census Bureau, 2014-18 American Community Survey 5-Year Estimates



**Figure 15. Renter Households by Size, Residential Market Area**

Source: U.S. Census Bureau, 2014-18 American Community Survey 5-Year Estimates



**Figure 16. Renter Households by Type, Residential Market Area**

Source: U.S. Census Bureau, 2014-18 American Community Survey 5-Year Estimates

- Only 212 renter households in the Residential Market Area have incomes of \$100,000 or more, while 234 earn \$75,000 to \$99,999 per year. Locally, households in these income brackets are much more likely to own a home than rent. According to Harvard University's Joint Center for Housing Studies, however, high-income households have driven most of the U.S. growth in the

number of renters since 2010. Approximately 22% of renter households in the U.S. earn at least \$75,000 per year.<sup>27</sup>

- More than 77% of rental units in the Residential Market Area are occupied by one- and two-person households; the average size of a renter household is 2.02 persons. Relative to St. Lawrence County as a whole, the market has few rental units occupied by larger households (with 4 or more people).
- Two-thirds of the rental units in the Residential Market Area are occupied by nonfamily households. Most of these are householders who live alone.
- Renter households are generally more mobile than owner households. Based on ACS data, an average of about 300 renter households per year move into a new unit, resulting in an annual turnover rate of 8.8% in rental housing.

## Housing Affordability

An important measure of affordable housing need is the number of households that qualify for federal and state housing assistance. **Table 18** presents the U.S. Department of Housing and Urban Development (HUD) FY 2020 income limits for St. Lawrence County based on a median family income of \$60,500, adjusted for household size. The eligibility of applicants for public housing, Section 8 project-based assistance, Section 8 rent vouchers, and other assisted housing programs is typically restricted to households whose incomes do not exceed 80% of the area median income.<sup>28</sup> Projects financed with Low Income Housing Tax Credits, however, target households with incomes up to 50% and 60% of the area median income.

	1	2	3	4	5	6
Very Low Income Limits (<=50% HAMFI*)	\$23,550	\$26,900	\$30,250	\$33,600	\$36,300	\$39,000
Low Income Limits (<=80% HAMFI*)	\$37,650	\$43,000	\$48,400	\$53,750	\$58,050	\$62,350

Source: U.S. Department of Housing & Urban Development. Effective April 2020.

\* HAMFI = HUD adjusted median family income. This is the median income calculated by HUD for each jurisdiction to determine Fair Market Rents and income limits for HUD programs.

<sup>27</sup> Joint Center for Housing Studies of Harvard University, *America's Rental Housing 2020*, p. 9. Accessed at [https://www.jchs.harvard.edu/sites/default/files/Harvard\\_JCHS\\_Americas\\_Rental\\_Housing\\_2020.pdf](https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Americas_Rental_Housing_2020.pdf).

<sup>28</sup> The income limit in USDA-financed Rural Rental Housing projects is \$5,550 over 80% of the AMI adjusted for household size.

According to the most recent data available from HUD, approximately 65% of renter households and 27.2% of owner households in the Residential Market Area have incomes up to 80% of the area median income (around \$53,000 for a family of four) and can be characterized as low income. In addition, 48.3% of renter households and 12.7% of owner households have incomes up to 50% of the area median (about \$33,000 for a family of four) and are defined as very low income.<sup>29</sup>

Another tool used to measure housing affordability is *cost burden*. HUD considers a household to be cost burdened if it pays more than 30% of its gross income for monthly housing expenses, including mortgage or rent payments, utility costs, and property taxes; if its monthly housing expenses exceed 50% of income, a household is said to be *severely* cost burdened. The greater the proportion of income spent on housing costs, the less households have available to purchase necessities such as food, clothing, and medical care.

**Table 19** exhibits information on households in the Residential Market Area by income range and tenure, with comparisons to the Town of Canton and St. Lawrence County. Of the owner households in the Residential Market Area, 17.2% are cost burdened, with 6.9% characterized as *severely* cost burdened. Among renter households, 41.5% are cost burdened, with 24.1% severely cost burdened. In all, approximately 3,000 households in the Market Area experience cost burden.

As one might expect, the lower a household's income, the more likely it is to experience housing cost burden. For example, 63.2% of renter households earning up to 50% of the area median income (AMI) are cost burdened, while only 3.4% of those earning more than 100% of the AMI are cost burdened. Nationally, however, a growing number of middle-income renters are now facing cost burden.

As this information suggests, the incidence of housing cost burden is not as great among homeowners as it is for renters. This is because households generally cannot qualify for a mortgage to purchase a home if they are unable to make the payments. Some households may experience a loss of income, however, due to a change in their employment status, or they may be adversely affected by rising utility costs and property taxes, resulting in a cost burden even after they have attained homeownership. These homeowners end up being unable to afford major repairs and improvements.

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<sup>29</sup> HUD receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau each year. Known as "CHAS" (Comprehensive Housing Affordability Strategy) data, these tabulations categorize households by income based on the income limits in effect at the time and demonstrate the extent of housing problems and needs, especially among low income households. HUD released updated CHAS data for the 2012-2016 period in August 2019, and that dataset is used in this analysis. Note, however, that the ACS estimates used elsewhere in this study are for the 2014-2018 period, the most recent available.

**Table 19. Housing Cost Burden by Household Income**

	Renters				Owners			
	Affordable	Unaffordable	Severely Unaffordable	Total	Affordable	Unaffordable	Severely Unaffordable	Total
<b>Town of Canton</b>								
Income <=50% HAMFI*	31.4%	68.6%	52.4%	525	22.4%	77.6%	50.0%	290
Income >50% to <=80% HAMFI	43.8%	56.2%	10.4%	240	55.2%	44.8%	11.9%	335
Income >80% to <=100% HAMFI	75.0%	25.0%	0.0%	80	83.0%	17.0%	0.0%	175
Income >100% HAMFI	100.0%	0.0%	0.0%	310	96.0%	4.0%	1.0%	1,505
<b>All Households</b>	<b>53.2%</b>	<b>44.6%</b>	<b>26.0%</b>	<b>1,155</b>	<b>79.6%</b>	<b>20.2%</b>	<b>8.7%</b>	<b>2,305</b>
<b>Residential Market Area</b>								
Income <=50% HAMFI*	36.8%	63.2%	46.5%	1,804	36.6%	63.4%	40.1%	1,045
Income >50% to <=80% HAMFI	46.7%	53.3%	9.4%	625	71.1%	28.9%	7.5%	1,190
Income >80% to <=100% HAMFI	86.3%	13.7%	0.0%	329	80.3%	19.7%	2.1%	710
Income >100% HAMFI	96.6%	3.4%	0.4%	980	94.9%	5.1%	0.9%	5,265
<b>All Households</b>	<b>54.0%</b>	<b>41.5%</b>	<b>24.1%</b>	<b>3,740</b>	<b>82.1%</b>	<b>17.2%</b>	<b>6.9%</b>	<b>8,210</b>
<b>St. Lawrence County</b>								
Income <=50% HAMFI*	31.6%	68.4%	44.9%	5,920	41.9%	58.1%	36.4%	5,340
Income >50% to <=80% HAMFI	65.7%	34.3%	6.8%	2,490	73.2%	26.8%	5.9%	4,965
Income >80% to <=100% HAMFI	83.3%	16.7%	0.0%	1,080	85.5%	14.5%	1.7%	3,165
Income >100% HAMFI	93.9%	6.1%	0.8%	2,390	95.3%	4.7%	0.6%	16,125
<b>All Households</b>	<b>53.5%</b>	<b>44.0%</b>	<b>24.0%</b>	<b>11,875</b>	<b>79.9%</b>	<b>19.1%</b>	<b>8.1%</b>	<b>29,590</b>

Source: U.S. Department of Housing & Urban Development and E.M. Pemrick and Company.

\* HAMFI = HUD adjusted median family income.

The upshot of this analysis is that despite the number of affordable and subsidized housing units in the Residential Market Area, there are still many households spending a large share of their incomes on housing costs. The prevalence of cost burden is most serious among renters: More than 900 renter households in the Residential Market Area – 93% of them considered low income – are *severely* cost burdened, spending over half their gross income on housing.

#### Rental Affordability

To further evaluate the affordability of rental housing in the area, we calculated the maximum monthly gross rents that households in the Residential Market Area can afford based on income (**Table 20**). A household earning \$25,000 a year, for example, can afford no more than \$625 per month in order to limit their housing expenses, including utilities, to 30% of their income. Based on the ACS estimates and recent rental listings, however, there is a shortage of rental units affordable to households with annual incomes of less than \$25,000.

The analysis also suggests a relative shortage of rental units for households earning \$50,000 to \$74,999 per year, and to a lesser extent, households with annual incomes of \$75,000 to \$99,999 and \$100,000 or more. The demand for higher-cost housing is moderated somewhat by the fact that more affluent

households may be used to spending less of their income on housing expenses. On the other hand, these renters may reside in lower-cost or lower-quality rental housing only because there are few alternative options.

As previously mentioned, the majority of the households earning at least \$75,000 per year are homeowners, so the pool of potential tenants for appropriately-priced rental housing is relatively modest. Among those with annual incomes between \$50,000 and \$74,999, about 75% are homeowners, but the number of households in this income bracket is larger.

Table 20. Renter Affordability Analysis 1				
Household Income (Gross)	Maximum Amount Available for Gross Rent @ 30% of Income		Number of Renter Households	Est. Number of Affordable Rental Units
	Low End of Income Range	High End of Income Range		
Less than \$25,000	-	\$625	1,745	1,054
\$25,000 to \$34,999	\$625	\$875	398	748
\$35,000 to \$49,999	\$875	\$1,250	323	724
\$50,000 to \$74,999	\$1,250	\$1,875	502	392
\$75,000 to \$99,999	\$1,875	\$2,500	234	186
\$100,000 to \$149,999	\$2,500	\$3,750	212	51
\$150,000 or more	\$3,750	-		

*Source: 2014-18 American Community Survey 5-Year Estimates; analysis by E.M. Pernick and Company.*

Pricing information from the large rental properties and online listings also suggests that low income renters in the Residential Market Area have difficulty finding affordable market-rate housing. A monthly gross rent of \$1,100, for example, requires a minimum annual income of \$44,000 (**Table 21**). This is above the amount earned by about 67% of renter households in this market. Lower-priced and affordable/subsidized units exist, but they are not vacant for long. Further, some rental units are essentially unavailable because landlords prefer to rent them to college students who are willing to pay higher prices by the bedroom for the academic year.

Table 21. Renter Affordability Analysis 2		
Monthly Gross Rents	Minimum Income Required @ 30% of Income	Est. Number of Renter Households
\$550	\$22,000	1,742
\$700	\$28,000	1,550
\$875	\$35,000	1,271
\$1,100	\$44,000	1,077
\$1,350	\$54,000	868
\$1,685	\$67,400	597

*Source: 2014-18 American Community Survey 5-Year Estimates; analysis by E.M. Pernick and Company.*

## *Homeownership Affordability*

In assessing the affordability of single-family homeownership, we determined the maximum home prices that households in the Residential Market Area can afford to purchase based on their income bracket. To arrive at these prices, we followed the guidelines typically used by lenders, using an online mortgage qualification and home affordability calculator with a front-end ratio limit of 28% and a back-end ratio limit of 41%.<sup>30</sup> Although different lenders use different criteria to determine how much a household can borrow, these limits represent a standard baseline. Other assumptions include a 30-year mortgage term and an interest rate of 4.0%; either a 5% or a 20% down payment; and private mortgage insurance (required when the down payment is less than 20%) of 0.5% of the loan amount annually. Based on national and state averages, the annual homeowners' insurance policy is assumed to be 0.75% of the cost of the home. Finally, property taxes are estimated at \$45.00 per \$1,000 (4.5%).

Calculations assume that households have monthly debt payments equivalent to 1% of their annual gross income (for example, \$500 for a household earning \$50,000). The average U.S. household carries thousands of dollars in debt for college, cars, and credit cards, which impacts whether they can purchase a home and what they can afford to spend. As the information in **Table 22** indicates, the amount of the down payment has a major impact on what households can afford to spend. It is also worth noting that property taxes account for a significant share of monthly mortgage payments; 40% of the monthly payment of \$1,221 for a \$131,100 home is for property taxes.

The analysis suggests that under either scenario, there is an adequate supply of homes affordable to owner households with incomes of up to \$75,000 in the Residential Market Area. (Of course, at any given time, only a small percentage of homes are available for purchase.) The number of owner-occupied homes affordable to higher-income households falls short of the demand. As with the renter households, however, the lack of owner units in the price ranges indicated means only that some homeowners may be spending less of their income on housing expenses. Moreover, the analysis cannot account for a host of other variables that impact how much an individual household can afford (e.g., savings, the ability to put down a larger down payment, changes in mortgage interest rates).

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<sup>30</sup> Also known as a housing expense ratio, the front-end ratio is determined by the share of gross income to be used towards the monthly mortgage payment, which incorporates principal, interest, taxes, and insurance. The back-end ratio, or debt-to-income ratio, analyzes the share of gross income to be used towards debt payments, including the mortgage as well as car loans, credit card debt, student loans, alimony, and other monthly obligations.

**Table 22. Homeownership Affordability Analysis 1**

Household Income (Gross)	Maximum Home Price (With Monthly Payments)		Number of Owner Households	Est. Number of Affordable Owner Units
	Low End of Income Range	High End of Income Range		
<b>With 5% Down Payment</b>				
Less than \$25,000	-	\$65,500 (\$610)	1,051	1,761
\$25,000 to \$34,999	\$65,500 (\$610)	\$91,700 (\$855)	653	1,370
\$35,000 to \$49,999	\$91,700 (\$855)	\$131,100 (\$1,221)	935	1,427
\$50,000 to \$74,999	\$131,100 (\$1,221)	\$196,700 (\$1,831)	1,525	1,905
\$75,000 to \$99,999	\$196,700 (\$1,831)	\$262,300 (\$2,442)	1,536	643
\$100,000 to \$149,999	\$262,300 (\$2,442)	\$393,400 (\$3,663)	1,452	484
\$150,000 or more	\$393,400 (\$3,663)	-	957	519
<b>With 20% Down Payment</b>				
Less than \$25,000	-	\$72,200 (\$593)	1,051	2,112
\$25,000 to \$34,999	\$72,200 (\$593)	\$101,200 (\$830)	653	1,491
\$35,000 to \$49,999	\$101,200 (\$830)	\$144,700 (\$1,186)	935	1,389
\$50,000 to \$74,999	\$144,700 (\$1,186)	\$217,100 (\$1,779)	1,525	1,714
\$75,000 to \$99,999	\$217,100 (\$1,779)	\$289,500 (\$2,372)	1,536	641
\$100,000 to \$149,999	\$289,500 (\$2,372)	\$434,200 (\$3,559)	1,452	237
\$150,000 or more	\$434,200 (\$3,559)	-	957	525

Source: 2014-18 American Community Survey 5-Year Estimates; analysis by E.M. Pemrick and Company.

**Table 23** uses the same assumptions to determine the minimum income required to purchase a home in the Residential Market Area at a given price point. To afford a \$175,000 home, for example, a household would need an annual income of at least \$65,160. An estimated 4,545 households, or about 56% of the owner households in this market, have incomes of \$65,160 or more. On the other hand, approximately 1,530 households could afford a home priced at \$350,000 under this scenario. Unless households can be attracted from outside the market area, the current market for \$350,000 homes is somewhat limited.

**Table 23. Homeownership Affordability Analysis 2**

Home Price	Monthly Payment (includes PITI, taxes, insurance, and PMI)	Minimum Income Required @ 30% of AGI	Est. Number of Owner Households
\$75,000	\$698	\$27,920	6,867
\$85,000	\$791	\$31,640	6,624
\$100,000	\$931	\$37,240	6,300
\$125,000	\$1,163	\$46,520	5,866
\$150,000	\$1,395	\$55,800	5,116
\$175,000	\$1,629	\$65,160	4,545
\$200,000	\$1,861	\$74,440	3,979
\$250,000	\$2,327	\$93,080	2,834
\$300,000	\$2,792	\$111,680	2,070
\$350,000	\$3,257	\$130,280	1,530

Source: 2014-18 American Community Survey 5-Year Estimates; analysis by E.M. Pemrick and Company.

The average cost to build a new house varies by location, square footage, design, materials used, and other factors, but ranges from about \$125 to \$165 in the northeastern U.S., excluding the cost of the land. Virtually all elements of the construction process – e.g., land, labor, materials – are much more expensive than they were thirty or forty years ago. Moreover, expectations regarding the size of single-family homes have changed. In 2019, according to the Census Bureau, the average size of a new single-family home was 2,594 SF, compared to 2,035 SF in 1989 and 1,760 SF in 1979. A 2,594 SF home would cost \$324,250 to \$428,010, shutting out most potential buyers in the Residential Market Area.

According to Harvard’s Joint Center for Housing Studies, most of the housing “that is being built [today] is intended primarily for the higher end of the market... [rising costs] make it unprofitable to build for the middle market.”<sup>31</sup> In a recent study, the Urban Land Institute further reports that few builders are constructing high-quality homes of under 1,400 SF, suitable for today’s smaller households and at a price that first-time homebuyers, downsizing homeowners, and retirees on fixed incomes can afford. This is a missed opportunity to respond to the needs of moderate- and middle-income households: “Although the current industry perception may be that meeting this demand means builders need to limit amenities, use lower-quality finishes, and locate in less desirable areas, research for this report reveals that consumers would prefer better locations and amenities over bigger homes or lower-density housing.”<sup>32</sup>

The ULI report identifies four product design strategies that have been used successfully by developers and builders to create “attainable housing” for middle-income households:

- Small, high-quality homes near lifestyle amenities;
- Value housing, streamlined versions of homebuilders’ core brands with fewer options creating economies of scale;
- “Missing middle” attached housing, such as duplexes, multiplexes, and row townhouses of two or three stories; and
- High-density detached (cluster) housing.

These designs are well-suited to older, walkable neighborhoods like those in the Village of Canton, although changes to land use regulations might be needed to permit higher density residential development.

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<sup>31</sup> Joint Center for Housing Studies of Harvard University. *The State of the Nation’s Housing 2019*, p. 2.

<sup>32</sup> Ducker, Adam, Kelly Mangold, and Lorry Lynn. *Attainable Housing: Challenges, Perceptions, and Solutions*. Washington, DC: Urban Land Institute, 2019, p. 24. Accessed at [https://americas.ulic.org/wp-content/uploads/sites/2/ULI-Documents/ULI\\_Attainable-Housing\\_F2.pdf](https://americas.ulic.org/wp-content/uploads/sites/2/ULI-Documents/ULI_Attainable-Housing_F2.pdf)

## Findings and Conclusions

Key drivers of the local demand for housing include household formation and population growth, demographic shifts, income (and wealth, which affects the savings available for a down payment), housing affordability relative to income levels, residential mobility (i.e., the movement of households from one home to another) and in-migration. The strength of the local economy, as measured by growth in jobs and businesses, is another important driver.

The information below summarizes the demand for housing in the Residential Market Area, including the Village of Canton, based on the preceding sections.

- Projections from ESRI indicate that the Residential Market Area will lose 1.3% of its population by 2024; similar declines are expected in the Village and Town of Canton. The number of households is also expected to decrease by 2.1%. These very modest declines should not be a deterrent to housing development, however, as new units are needed to address gaps in the existing supply, respond to changing needs and preferences, and replace older housing in poor condition.
- In contrast to the overall reduction in the number of households, several market segments are projected to grow, impacting the demand for housing. These include:
  - Householders ages 35 to 44 with annual incomes of \$75,000 and above;
  - Householders ages 55 to 64 earning \$100,000 or more per year;
  - Householders ages 65 to 74, divided equally between those earning \$50,000 to \$100,000 annually and those with annual incomes of \$100,000 and up; and
  - Householders age 75 and older of all income levels.

Households in these age brackets are more likely to be homeowners than renters; however, their housing needs differ. Householders ages 35 to 44, for example, may be first-time homeowners or families with children, “trading up” to another, perhaps larger home. On the other hand, householders ages 65 to 74 may be looking to downsize, moving into a smaller house or even an apartment.

The development of single-story homes and “barrier-free” housing with features such as wheelchair access and handrails would allow older residents to comfortably age in place. Active seniors and empty nesters may value living in or near a walkable commercial district with easy access to shopping, dining, and services.

- Notable demographic trends in the Residential Market Area include a decline in the number of family households with children, an increasing number of small, 1- to 2-person households in both owner-occupied and renter-occupied housing, and a dramatic rise in the number of

households headed by an individual age 65 or older. These shifts have significant implications for the housing market. Most local homes are single-family detached, but some buyers are looking for alternative options, including smaller homes and townhouses in maintenance-free settings. A more diverse housing stock would also benefit efforts to recruit employees and grow businesses.

- Given the aging population in the Residential Market Area, additional housing options for senior households are needed. According to *The Future of Rural Housing*, a report produced by the Urban Institute: “Senior households will drive both owner and renter growth through 2040.” The study projects that a substantial number of rural senior households will “likely face a mismatch between what they need from their homes and what their homes provide them.”<sup>33</sup> More than 900 homes in the Residential Market Area are owned and occupied by individuals 65 and over who live alone; this group would be a good target for independent senior living.
- The analysis of housing characteristics in the Residential Market Area showed that more than 36% of housing units (4,837 units, according to the American Community Survey) were built prior to 1940. In the Village of Canton, 48% of all housing units were built before 1940. Because these units may be harder to sell or lease, some analysts recommend replacing 1% of a community’s older housing stock each year. The need to replace substandard units and housing that no longer appeals to prospective buyers and renters due to its age or condition would require the construction of 4 owner units and 3 rental units per year in the Village.
- There is a gap in the supply of quality low-cost rental housing in the area. Although 59 units of affordable housing are being developed in the Village of Potsdam, the high incidence of housing cost burden and waiting lists for subsidized housing suggest an ongoing need for rental units affordable to households earning less than 50% of the area median income (\$30,250 for a family of four).
- St. Lawrence County has operated a CDBG-funded housing rehabilitation program for many years that provides financial assistance to low- and moderate-income homeowners to make structural repairs to their homes. Canton has also received funding to implement housing rehabilitation programs. These programs can be beneficial and should be continued as funding allows.
- Projected increases in household income levels may support the development of some higher-end housing in the area, but additional research is needed to better understand the preferences and motivations of potential buyers (or tenants). Some affluent households live in lower-cost housing as a choice and may not be looking for something more upscale.

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<sup>33</sup> Rolf Pendall, Laurie Goodman, Jun Zhu, and Amanda Gold. *The Future of Rural Housing*. Urban Institute, October 2016, p. 38 and 44.

- Annual housing demand in the Residential Market Area due to turnover, based on rates of 2.5% in for-sale housing and 8.8% in rental housing, is estimated at 200 owner units and 300 rental units. These figures reflect the number of households per year that change their place of residence. Most of this demand will be accommodated by the existing housing supply, but there may be opportunities for developers and property owners to respond to the demand through new construction.
- St. Lawrence County is experiencing net migration losses to other locations, though perhaps not to the extent that people assume. There are two principal sources of migration data, the IRS and the ACS. The IRS data are based on tax returns, which serve as a proxy for households; consequently, the migration flows do not include individuals (such as full-time students) who are not required to file a return. The ACS data are based on a sample, but provide more demographic details, providing some indication of the area's external market potential.

IRS data show net migration losses of 289 returns/households in 2017-18 and 266 in 2016-17. Total in-migration to St. Lawrence County in the 2017-18 period was 1,231, with 52% of households from within New York State. Franklin, Jefferson, and Clinton Counties were the largest sources of migrant inflow, but there were also many households from urbanized counties like Onondaga and Albany.

ACS data indicate that about 6% of County residents age 1 and older moved within the past year. Nearly 58% of them moved *within* the County, while 30% relocated from other in-state locations, including the five boroughs of New York City and the counties of Franklin, Jefferson, Onondaga, and Suffolk. Nearly half of the in-migrants were ages 18 to 24, demonstrating the influence of local colleges and universities; 18.1% were between the ages of 25 and 34 and 18.0% were ages 35 to 54. It is assumed that most in-migrants ages 35 to 54 relocated to St. Lawrence County for employment. One in every four in-migrants (about 745 individuals) age 25 and older had a bachelor's degree or higher. This suggests that a sizable number were recruited to the area by one of the colleges or the health care system. The information also seems to confirm that many people moving into the Residential Market Area are coming from metropolitan areas where there is a greater diversity of housing.

- Declining college student enrollments could have a major impact on the housing market if units that have traditionally been rented to students are left vacant and neglected.
- Another potential source of housing demand is people who commute to work in Canton. Currently, about 60% of the jobs in the Village of Canton are held by people who live outside the Residential Market Area, commuting from other locations in St. Lawrence County as well as other counties (e.g., Franklin, Jefferson, Clinton). The development of new housing in the BOA could encourage some of these workers to move to Canton.

## Commercial Real Estate Market Conditions

### Commercial Real Estate Transactions & Investment Activity

**Table 24** identifies sales of commercial real estate (excluding apartment buildings) in the Village of Canton from 2017 to 2019. The list includes 6 mixed-use structures, 3 converted residences, a gas station and convenience store, a former restaurant now in use as a church, and one vacant parcel; two of the properties – 58 Main and 71 E. Main – changed hands twice. Based on the number of parcels in the Village classified as commercial, the sales volume equates to an 8% turnover rate in three years.<sup>34</sup> Despite the turnover in ownership, nearly three-quarters of the commercial properties in the Village are owned by individuals and entities with addresses within St. Lawrence County.

Table 24. Commercial Property Sales in the Village of Canton, 2017-19					
Address	Property Classification	Use	Date of Sale	Sale Price	Acreage
81 Main St	Attached Row Bldg	Row Retail	5/2019	\$160,000	0.04
73, 75 Main St	Attached Row Bldg	Row Retail	4/2019	\$175,000	0.05
25 Court St	Restaurant	Church	12/2018	\$310,000	0.52
34 Main St	Converted Residence	Walk-Up Office	10/2018	\$205,000	0.20
58 Main St	Service/Gas Station	Small Retail	7/2018	\$2,915,652	0.70
71 E. Main St	Attached Row Bldg	Row Retail	7/2018	\$995,000	0.06
11 Main St	Attached Row Bldg	Walk-Up Office	5/2018	\$132,500	0.05
33 Main St	Attached Row Bldg	Row Storage	5/2018	\$45,000	0.06
58 Main St	Service/Gas Station	Small Retail	1/2018	\$2,145,000	0.70
71 E. Main St	Attached Row Bldg	Row Retail	1/2018	\$968,000	0.06
Buck Street	Vacant Land-Commercial	Vacant Land	6/2017	\$25,000	1.40
70 Main St	Detached Row Bldg	Row Storage	6/2017	\$400,000	0.12
1 Main St	Converted Residence	Prof'l Office	4/2017	\$209,000	0.40
23, 25 Park St	Converted Residence	Walk-Up Apt	3/2017	\$225,000	0.30

Source: New York State Office of Real Property Services, St. Lawrence County Real Property Office, and E.M. Penrick and Company. Standard arm's length transactions only.

Other recent public and private investments in downtown Canton have included:

- The renovation of an empty row building at 11 Main Street, with updated electrical and plumbing systems and the installation of a commercial kitchen, resulting in the creation of a new business (NOLA's General Store) with 10 jobs and the occupancy of formerly-vacant office space on the second floor;

<sup>34</sup> In comparison, the volume of commercial real estate sales in the Potsdam DRI Study Area alone over the same period reflected a turnover rate of almost 10%.

- Use of a \$200,000 CDBG funding award to the Village in 2018 for a Microenterprise Assistance Program, which helped to establish three new businesses (Grasse River Outfitters, Hawkshaw Mead Works, and Sweet Margaret) and enhance three existing businesses (Fourth Coast Entertainment, the Celtic Knot, and Luna Boutique) in the central business district;
- Acquisition and removal of a former auto repair shop and the completion of remediation at 30 Riverside Drive, creating a shovel-ready site that is municipally owned and available for development; and
- The use of two New York Main Street grants to the Village in 2006 and 2015 to install bike racks and recycling bins, renovate buildings on Main and Park Streets, and create additional housing units, leveraging private dollars.

As part of the Village's Downtown Revitalization Initiative (DRI) application to the state in 2019, a partnership between the SUNY Canton College Foundation and a pair of private developers proposed to redevelop the vacant and deteriorating Midtown Plaza into a \$16 million mixed-use property. The existing buildings would be demolished and replaced by a new structure that includes 12,500 SF of new commercial space, 45 new housing units, and a SUNY Canton Entrepreneurship Center with a makerspace, co-working space, offices, and classrooms where free and low-cost programs would support existing and prospective business owners. Although the Village's DRI application was unsuccessful, Empire State Development awarded \$1.3 million towards the project at the end of 2019.

## Commercial Property for Sale or Lease

Currently, there are six commercial properties in the Village of Canton being offered for sale, as listed in **Table 25**. Four are in the proposed Canton BOA: 2 Main Street, 64 Main Street, the Riverside Drive properties, and 15 Gouverneur Street. The Gouverneur Street property formerly housed Triple A Lumber (now known as Triple A Building Center), a family-owned hardware store, lumberyard, and building materials store with three locations in St. Lawrence County.

Table 25. Available Commercial Property				
Address	Description	Asking Price	Square Footage	Price Per SF
70 Main Street	Row building with 3 office spaces and an apartment.	\$350,000	5,760	\$61
2 Main Street	Former Family Dollar. Prime location with ample off-street parking; 0.92-acre site with 315 feet on the Grasse River.	\$350,000	7,930	\$44
9-11 Hodskin Street	Local sports bar with stools, tables, and booths included; two apartments upstairs. Owner retiring.	\$300,000	10,250	\$29
15 Gouverneur Street	1.8-acre site with multiple outbuildings; 400 SF of waterfront.	\$168,000	6,400	\$26
24, 25-29 Riverside Drive	Vacant .25-acre lot and commercial property with 112 feet of waterfront on the Grasse River. Parking lot directly across the street.	\$160,000	5,666	\$28
16 Nickerson Street	Former garage on 0.52-acre lot; located on dead-end street.	\$80,000	1,658	\$48
64 Main Street	Former McDonald's on 0.48-acre site; vacant since the restaurant closed at the end of 2015. Listed on the company's website as excess property for sale.	NA	NA	NA

*Source: St. Lawrence County Multiple Listing Service, except 64 Main Street. Listings as of April 2020.*

In addition to these commercial properties, there are four vacant parcels available on Commerce Lane in the Canton Industrial Park. The parcels, which are zoned for commercial use, range in size from 2.1 to 2.4 acres; two are priced at \$80,000, while the others have asking prices of \$85,000.

No commercial properties available for lease in Canton were found through a review of such websites as LoopNet and Craigslist, although there may be vacant space that is marketed informally.

## Office Market Demand

The composition of the local economy is a key factor influencing the demand for office space. The industries that are most likely to occupy office space include professional services, information/media,

and finance, insurance, and real estate. Health care providers also have high rates of office utilization; however, they tend to locate in facilities close to hospitals or in medical office buildings where tenants can range from small physicians' offices and labs to outpatient surgical centers.

Some of these industries have a significant local presence. St. Lawrence County accounts for approximately 29% of the finance and insurance jobs in the North Country, with several banks and credit unions and a regional operations center for Community Bank located in Canton. The County also makes up about 22% of the region's employment in professional, scientific, and technical services, an industry sector that encompasses legal services, accounting, architecture and engineering, computer systems design, and other knowledge-based services. Companies in this sector are often small, with employment averaging 10 to 15 people, but there are exceptions: Frazier Computing in Canton, for example, has a workforce of approximately 115.

Industry	St. Lawrence County		North Country Region		County as % of Region
	Number	Share	Number	Share	
Information/Media	373	1.5%	1,702	1.6%	21.9%
Finance and Insurance	689	2.7%	2,390	2.2%	28.8%
Real Estate	128	0.5%	978	0.9%	13.1%
Professional, Scientific, & Technical Services	637	2.5%	2,868	2.7%	22.2%
Management of Companies and Enterprises	541	2.1%	1,111	1.0%	48.7%
Administrative and Support Services	671	2.6%	3,141	2.9%	21.4%
Ambulatory Health Care Services	943	3.7%	5,792	5.4%	16.3%
Social Assistance	1,177	4.6%	4,697	4.4%	25.1%
Membership Organizations	501	2.0%	2,620	2.4%	19.1%
<b>Subtotal, Office-Using Industries</b>	<b>5,660</b>	<b>22.4%</b>	<b>25,299</b>	<b>23.6%</b>	<b>22.4%</b>
<b>Total, All Private Industries</b>	<b>25,322</b>	<b>100.0%</b>	<b>107,423</b>	<b>100.0%</b>	<b>23.6%</b>

Source: NYS Department of Labor, Quarterly Census of Employment and Wages, and E.M. Pemrick and Company.

Long-term industry employment projections generated by the NYS Department of Labor forecast a net increase of 10,550 jobs in the North Country region by 2026. Approximately 3,900 of these jobs will be in industries that generate demand for office space.

If St. Lawrence County's share of regional employment in each industry is applied to these projections, the County can be expected to add approximately 750 new jobs in office-using industries by 2026. More than 50% of the new jobs will be in ambulatory (outpatient) health care services.

The average amount of office space per person ranges from about 125 to 175 SF, down from 225 SF in 2010, although standards vary depending on the industry and type of organization. Using an average of 150 SF, St. Lawrence County could require approximately 112,500 SF of office space by 2026 to accommodate the projected growth.

Given its current industry mix, the Village of Canton could capture as much as 15% of the County's employment growth, generating demand for approximately 16,875 SF of office space by 2026. Vacancies in existing office and professional buildings will be able to absorb some of the growth, but new or renovated office space in other commercial and mixed-use structures is likely to be needed as well.

## Retail Market Analysis

### *Downtown Business Mix*

Using records from Database USA and desktop research, an inventory of businesses and organizations by industry sector was compiled for downtown Canton. "Downtown" was defined according to the boundaries used in the Village's 2019 DRI application, with the addition of sections of Gouverneur and West Main Streets that are within the boundaries of the proposed Canton BOA.

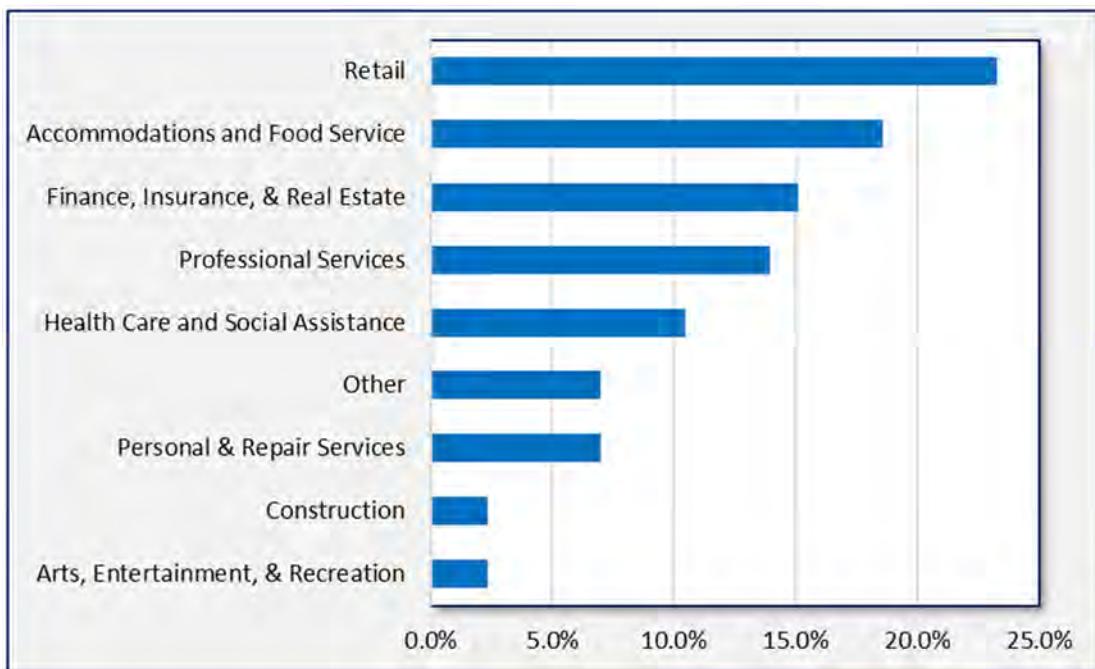
As shown in **Figure 17**, retailers make up about 23% of the establishments identified. They include auto parts and tire stores, convenience stores, gas stations, thrift shops, feed stores, florists, and opticians, as well as more traditional retail stores selling wine and liquor, non-alcoholic beverages, gifts, clothing, health foods, sports cards, outdoor gear and apparel, yarn, and video games. Most of these retailers are independent and locally-owned.

Despite the number of stores in downtown Canton, the selection of everyday convenience goods is rather limited.<sup>35</sup> A Family Dollar store that had been downtown since 1993 closed its doors in March 2019. Although some products are available at the health food store, a Stewart's Shop, and a Sunoco mini-mart, there is no place to buy groceries or personal care items without driving to the supermarkets and drug stores along U.S. Route 11 and NY Route 310. There are several stores that sell comparison items, but downtown Canton lacks the critical mass necessary to attract more shoppers. Additional specialty stores that sell merchandise one cannot readily find elsewhere in St. Lawrence County might

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<sup>35</sup> Retail is typically divided into two categories: "convenience" and "comparison" (also known as shoppers' retail). *Convenience goods* are items that are purchased frequently, such as groceries, health and beauty items, household cleaning supplies, prescription and nonprescription drugs, packaged alcoholic beverages, hardware, etc. Convenience retailers may be found in a commercial district or neighborhood shopping center, and serve consumers in a relatively small market area. *Comparison goods* include a wide variety of merchandise that involve comparison shopping, such as clothing and accessories, electronics, appliances, furniture and home furnishings, and so on. These are items for which consumers tend to shop around, traveling longer distances (or searching online) for the best selection, price, and quality.

help the Village better compete with general merchandise stores and online retailers and pull in customers from longer distances.



**Figure 17. Business Mix, Downtown Canton**

Source: Database USA and E.M. Penrick and Company.

The need for more downtown retail emerged as a priority in the community survey conducted as part of the BOA planning process. People value Canton's walkability, historic buildings, and small town feel, but they are concerned about the number of unused and underutilized commercial buildings. The constant turnover of retail businesses is a source of frustration, although few suggestions were offered regarding the types of stores that might be more successful. One participant wrote: "We need ideas to entice businesses to open in Canton... I have been a resident for many years and remember when SLU wanted to move their bookstore downtown and was met with a tremendous amount of adversity. The whole climate of our village would have changed if that would have been allowed." Another participant pointed out Potsdam's ability to attract stores and restaurants. "We are a dying town with hardly anything in it. Potsdam is getting all the new businesses and more people are going there than here."

Accommodations and food service – bed-and-breakfasts and guest houses, restaurants, bars, and ice cream shops – account for 19% of the businesses in downtown Canton. Many have noted that the number of dining establishments is lower than it was in years past. There is only one full-service restaurant that can seat more than 25 people. Moreover, some restaurants have limited hours, open only for breakfast and lunch or only for dinner.

As participants in the community survey have commented, there is a lack of diversity in local restaurant options: "Canton does not need any more coffeehouses, sandwich shops or pizzerias. They need actual

restaurants like a steak and seafood, brew[pub], etc.” The available options are surprising given the diverse population among both students and faculty at local colleges. Recognizing this diversity as an opportunity, one survey participant suggested recruiting entrepreneurs “to open new, non-pizza restaurant options on Main Street. Tapas, Indian, sushi, etc. would have big appeal among college students [and] lunch patrons among professionals in the Canton downtown area.” Participants also suggested waterfront dining to capitalize on views of the Grasse River.

Establishments that provide personal and repair services – hair, nail, and skin salons, a laundry service, and a funeral home – account for a mere 7% of the businesses downtown. Many downtowns have recruited these service providers to fill vacant storefronts as brick-and-mortar retail stores have struggled to compete with online sales. Shoe repair and barber shops, computer repair services, dry cleaners, and dog groomers are among the other businesses in this category that might consider a downtown location.

Only two entities in downtown Canton represent the arts, entertainment, and recreation in downtown Canton: the American Theater, a vintage movie theater that offers first-run films and weekend matinees, and Traditional Arts in Upstate NY (TAUNY), a not-profit organization whose mission is “to document and develop public programs about the cultural heritage of the North Country.” The TAUNY Center on Main Street offers public programs and workshops, houses a gallery with changing exhibits, and displays arts, crafts, and other items produced by local artisans and available for purchase. It is considered Canton’s biggest attraction; according to the 2019 DRI application, approximately 25% of participants at major TAUNY events have traveled more than 60 miles to attend, drawing from the Thousand Islands, the Adirondacks, Tug Hill, Watertown, and Plattsburgh. Other businesses related to the arts could capitalize on this market.

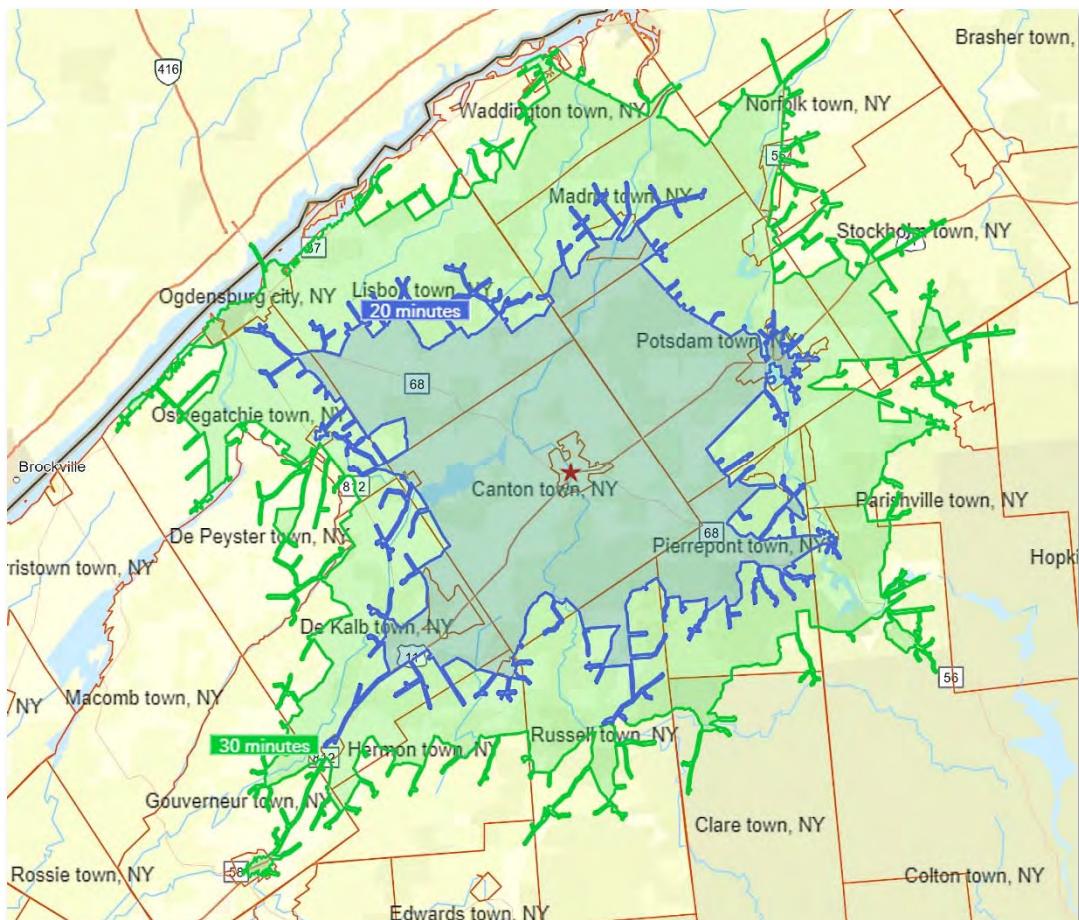
The Canton community recognizes the need for more arts and cultural opportunities, including entertainment and evening activities. This is reflected in the community survey responses. Participants called for performance space, a music venue, and additional events, as well as activities for families and teens. One person wrote: “There is no place other than college campuses for any concerts, plays, public gatherings. There aren’t any, and there is no place to have them. Other than the movie theater, there isn’t much to do in Canton.” Another survey participant expressed an interest in “more options for youth engagement. The community needs a YMCA or Boys and Girls Club to help provide structure and community to the kids who get funneled into destructive life patterns.” An arcade or roller skating rink were also suggested. Creating additional activities and venues would not only fulfill the needs of residents; it would also bring more people downtown to support other local businesses.

#### *Market Characteristics*

A primary trade area is defined as the geographic area from which retail stores, restaurants, and consumer service providers draw the majority of their local customers. Based on the geographic distribution and clustering of establishments, the location of competing retail centers, and other factors,

we have defined downtown Canton's primary trade area as being *within a 20-minute drive* of the intersection of Main Street and Riverside Drive. Individual businesses may have different trade areas.

As illustrated on the map below, the 20-minute drivetime (shaded in blue) includes the entire Town of Canton, the Village of Potsdam, and portions of the Towns of DeKalb, Lisbon, Madrid, Pierrepont, Potsdam, and Russell. Most of the retail and restaurant offerings are concentrated in this area. A slightly larger 30-minute drivetime, shaded in green, is also shown; this area encompasses portions of other rural towns and extends as far as the City of Ogdensburg.



Selected demographic and socioeconomic characteristics of residents in the primary trade area are presented in **Table 27**. The population of the 20-minute drivetime area is estimated at 26,369, making up about 23% of all residents in St. Lawrence County. Population trends in this area are similar to those in the Village of Canton. Over the next few years, the trade area population is projected to decline at a rate of less than 1% per year.

**Table 27. Retail Trade Area Demographics**

	Village of Canton	20-Minute Drivetime (Primary Trade Area)	30-Minute Drivetime
<b>Population</b>			
2010 Census	6,314	25,944	59,847
Estimated, 2019	6,451	26,369	60,540
2010-19 Annual % Change	0.24%	0.18%	0.13%
Projected, 2024	6,378	26,039	59,681
2019-24 Annual % Change	-0.23%	-0.25%	-0.29%
<b>Households</b>			
2010 Census	1,693	7,878	21,001
Estimated, 2019	1,669	7,803	20,853
2010-19 Annual % Change	-0.16%	-0.11%	-0.08%
Projected, 2024	1,629	7,633	20,424
2019-24 Annual % Change	-0.48%	-0.44%	-0.41%
<b>Householders by Age (2019 Estimates)</b>			
Under age 25	8.0%	9.1%	5.9%
25 – 34	15.8%	15.7%	14.5%
35 – 44	14.8%	14.0%	14.3%
45 – 54	15.7%	15.5%	16.6%
55 – 64	18.3%	18.9%	20.1%
65 – 74	15.2%	15.4%	16.7%
75 and over	12.2%	11.3%	11.9%
<b>Median Age</b>			
Census, 2010	22.9	24.4	33.4
Estimated, 2019	23.6	24.8	34.6
Projected, 2024	23.6	24.9	35.5
<b>Household Income (2019 Estimates)</b>			
Median household income	\$55,936	\$54,164	\$52,859
Median disposable income*	\$44,077	\$42,377	\$41,102
Households w/incomes of \$75,000 to \$99,999 per year	244 (14.6%)	1,123 (14.4%)	2,898 (13.9%)
Households w/incomes of \$100,000 or more per year	379 (22.7%)	1,685 (21.6%)	4,212 (20.2%)
<b>Educational Attainment</b>			
% of Persons Age 25+ With A Bachelor's Degree or Higher	47.9%	37.8%	27.7%
% of Persons Age 25+ With A Graduate or Professional Degree	25.0%	22.5%	15.0%

Source: ESRI and E.M. Pemrick and Company.

\* Disposable income is the net income available to invest, save, or spend after deducting income taxes.

Residents in the primary trade area are relatively young, with a median age estimated at 24.8 years. The median age is 23.6 in the Village of Canton and 38.6 in St. Lawrence County overall. With respect to householders (heads of household), the trade area has a slightly larger share of households headed by individuals ages 55 to 74 (34.3%) than the Village (33.5%). It also has a higher proportion of householders under age 35 (9.1%, compared to 8.0%).

In terms of income, the data indicates that trade area residents have slightly lower median household and disposable income levels than those living in the Village; these differences, however, are not dramatic.

Educational attainment levels in the primary trade area are high: 37.8% of residents age 25 and older in the 20-minute drivetime have a bachelor's degree or higher. This figure is only slightly below that in the Village of Canton, where nearly half of residents 25 and older have earned at least a bachelor's degree. Nevertheless, trade area residents are relatively well-educated in comparison to the County and the nation, where the percentages of adults with a bachelor's degree or higher are 24.1% and 32.5%, respectively.

Students attending local colleges and universities represent a key segment of the trade area market. Excluding those studying off-campus or abroad, 12,582 students were enrolled at SUNY Canton, St. Lawrence University, SUNY Potsdam, and Clarkson University's main campus in fall 2019, with about 25% living in housing off-campus.

Most college students have little to no income, but they do not necessarily lack spending money. According to SheerID, a company that works with leading brands in retail, hospitality, finance, and software to connect with consumers, college students in the U.S. represent \$574 billion in spending power. Some students receive spending money from their parents, and 3 out of 4 have a part-time job while attending college. Although most college students' money is used for essentials like tuition and textbooks, they spend a large share of their discretionary income on food, including eating out (about \$65 billion); non-essential items like clothing and alcohol (\$36 billion); and entertainment, which includes downloaded and live music, movie tickets, and video games (\$2.7 billion).<sup>36</sup>

There are numerous articles and reports online about how companies can connect to college students through savvy marketing. At the community level, an important element of marketing to students is increasing their awareness of local businesses. Students living in on-campus housing, especially those without a car, may venture off-campus infrequently. An online student survey conducted as part of a Downtown and Waterfront Revitalization Strategy for the Village of Potsdam found that many college students were unaware of businesses and services in the area. Asked about the types of businesses they would like to see in Potsdam, students most often cited food-related establishments. The survey also found that the students spend most of their limited funds on food and beverages at grocery stores and in restaurants and bars; non-essential purchases (e.g., of clothing or electronics) are made either outside the area or online.<sup>37</sup>

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<sup>36</sup> "Marketing to College Students," SheerID Learning, January 25, 2019, <https://www.sheerid.com/marketing-to-college-students>.

<sup>37</sup> Appendix D: Student Survey, *Village of Potsdam Downtown & Waterfront Revitalization Strategy*, 2012.

## Retail Demand

Estimates of consumer spending by households residing in the Village of Canton and the primary trade area are presented in **Table 28**; the average spending per household in each category is shown in parentheses. The data are derived from the annual Consumer Expenditure Survey conducted by the U.S. Bureau of Labor Statistics, adjusted based on local demographic data, and reflect annual expenditures on goods and services regardless of where they are purchased.

<b>Table 28. Annual Spending on Selected Retail Goods and Services (in 000s)</b>			
Total Spending (Average Spending Per Household)	Village of Canton	20-Minute Drivetime (Primary Trade Area)	30-Minute Drivetime
<b>Groceries and Convenience Goods</b>			
Food & Beverages	\$7,555 (\$4,527)	\$33,937 (\$4,349)	\$88,520 (\$4,245)
Housekeeping Supplies	\$1,102 (\$660)	\$4,981 (\$638)	\$13,109 (\$629)
Alcoholic Beverages	\$851 (\$510)	\$3,577 (\$458)	\$8,767 (\$420)
Personal Care Products	\$752 (\$451)	\$3,277 (\$420)	\$8,263 (\$396)
Prescription Drugs	\$553 (\$331)	\$2,565 (\$329)	\$6,990 (\$335)
Nonprescription Drugs	\$216 (\$129)	\$978 (\$125)	\$2,592 (\$124)
<b>Other Retail Goods</b>			
Apparel & Accessories	\$3,116 (\$1,867)	\$13,704 (\$1,756)	\$34,602 (\$1,659)
Household Furnishings & Appliances	\$1,991 (\$1,193)	\$8,718 (\$1,117)	\$22,190 (\$1,064)
TV/Audio/Video	\$1,821 (\$1,091)	\$8,298 (\$1,063)	\$21,818 (\$1,046)
Pet Care	\$936 (\$561)	\$4,476 (\$574)	\$12,504 (\$600)
Lawn & Garden	\$655 (\$392)	\$3,006 (\$385)	\$8,160 (\$391)
Sports, Recreation, & Exercise Equipment	\$299 (\$179)	\$1,308 (\$168)	\$3,292 (\$158)
Computers & Accessories	\$303 (\$181)	\$1,287 (\$165)	\$3,107 (\$149)
Toys/Games/Crafts/Hobbies	\$179 (\$107)	\$784 (\$100)	\$1,983 (\$95)
Books & Reading Materials	\$159 (\$95)	\$682 (\$87)	\$1,730 (\$83)
Photo Equipment and Supplies	\$80 (\$48)	\$340 (\$44)	\$826 (\$40)
<b>Dining Out</b>			
Food Away from Home	\$5,394 (\$3,232)	\$23,845 (\$3,056)	\$60,210 (\$2,887)
<b>Other</b>			
Child Care	\$703 (\$421)	\$3,039 (\$390)	\$7,482 (\$359)
Tickets to Performing Arts	\$112 (\$67)	\$448 (\$57)	\$1,064 (\$51)
Tickets to Movies	\$81 (\$49)	\$338 (\$43)	\$802 (\$38)
Tickets to Parks and Museums	\$46 (\$27)	\$197 (\$25)	\$490 (\$24)

Source: ESRI and E.M. Pemrick and Company.

The categories listed represent purchases by product type rather than store type and goods may be sold by multiple types of establishments.

Of the items listed, households spend the most on food, with roughly 60% on food at home, such as groceries, and 40% on food away from home, such as meals or snacks at restaurants, ice cream shops, and other venues. After housing and transportation, food is the largest component of the household budget. Nationally, 44% of all food spending is on food away from home, with expenditures higher for consumers under age 65. Other major consumer expenditures include apparel, accessories, and related

services (e.g., shoe repair, dry cleaning); furniture, furnishings, and appliances for the home; and TV, video, and audio.<sup>38</sup>

It is important to recognize that consumer spending patterns vary by age, income, household composition, and other characteristics. Moreover, an increasing proportion of retail transactions occur online rather than at physical stores. Nevertheless, the figures in the table demonstrate the level of demand generated by residents in the primary trade area that could be captured by local businesses.

#### *Non-Local Markets*

To supplement the purchasing power of the year-round resident and college student population in the primary trade area, businesses in downtown Canton can also take advantage of non-local markets: daytime workers, visitors, and seasonal residents.

The daytime employment base includes individuals who live in the trade area or commute from other locations and who have the potential to make purchases on their way to work, during the business day, and immediately after work before returning home. As previously described, there are approximately 4,400 employees working in the Village of Canton, and an estimated 12,000 working for public and private employers within a 20-minute drive of downtown Canton. Daytime workers play an important role in supporting local restaurants, but the potential exists for other types of businesses to generate more sales by tapping into this market.

In 2012, a study conducted by the International Council of Shopping Centers (ICSC) described office workers in the U.S. as an “opportunity market,” noting that these workers spent an average of about \$195 per week on transportation expenses and purchases of goods and services made within the vicinity of their workplace during the work week. The level of spending varied depending on the office location: weekly spending by office workers in small town and rural communities was more than 25% below the national average. The study also found that office workers spent significantly more in places with a greater variety of retail, restaurant and services offerings, whether the workplace was in a rural, suburban, or urban setting.<sup>39</sup>

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<sup>38</sup> The TV/Video/Audio category includes televisions, cable TV and streaming services, VCRs and DVD players, video game hardware and software, video cassettes and DVDs, audio equipment, records and tapes, CDs, musical instruments, and rental and repair of musical instruments and video and audio equipment.

<sup>39</sup> International Council of Shopping Centers. *Office-Worker Retail Spending in a Digital Age*, 2012. The full study is available at <https://www.icsc.org/uploads/t07-subpage/ICSC-Spending-in-Digital-Age.pdf>.

A rough estimate of worker spending potential can be calculated based on the number of jobs in the Village of Canton and the primary trade area and office worker spending as estimated in the ICSC study (updated to current 2020 dollars). Office-based employment is estimated to be 45% of total employment in the Village and 40% of employment in the primary trade area; non-office worker expenditures are assumed to be 25% of office worker expenditures. As shown in **Table 29**, workers add an estimated \$12.9 million in consumer demand to the Village and \$33.4 million in demand to the trade area.

<b>Table 29. Estimated Worker Spending Potential</b>			
<b>Product Category</b>	Office Worker Spending Potential	Other Worker Spending Potential	Aggregate Spending Potential
<b>Workers in the Village of Canton</b>			
Grocery & Drug Stores	\$3,087,766	\$943,835	\$4,031,601
General Merchandise Stores	\$2,486,660	\$760,095	\$3,246,755
Apparel & Jewelry Stores	\$556,072	\$169,974	\$726,046
All Other Retail Goods Stores	\$1,086,690	\$332,168	\$1,418,858
Personal Care Shops, Personal Services, & Other Services	\$663,762	\$202,892	\$866,654
Full-Service and Fast-Food Restaurants	\$1,846,394	\$564,386	\$2,410,780
Entertainment/Recreation	\$184,052	\$56,259	\$240,311
<b>Total</b>	<b>\$9,911,396</b>	<b>\$3,029,607</b>	<b>\$12,941,003</b>
<b>Workers in the Primary Trade Area</b>			
Grocery & Drug Stores	\$7,569,600	\$2,838,600	\$10,408,200
General Merchandise Stores	\$6,096,000	\$2,286,000	\$8,382,000
Apparel & Jewelry Stores	\$1,363,200	\$511,200	\$1,874,400
All Other Retail Goods Stores	\$2,664,000	\$999,000	\$3,663,000
Personal Care Shops, Personal Services, & Other Services	\$1,627,200	\$610,200	\$2,237,400
Full-Service and Fast-Food Restaurants	\$4,526,400	\$1,697,400	\$6,223,800
Entertainment	\$451,200	\$169,200	\$620,400
<b>Total</b>	<b>\$24,297,600</b>	<b>\$9,111,600</b>	<b>\$33,409,200</b>

Source: E.M. Pemrick and Company, based on ICSC, Office-Worker Retail Spending in a Digital Age, 2012 and U.S. Census Bureau, OnTheMap Application.

Another source of demand is from visitors and seasonal residents whose primary residence is outside the area. Approximately 1,250 housing units in the Towns of Canton, DeKalb, Hermon, Lisbon, Oswegatchie, Pierrepont, Potsdam, and Russell are for seasonal, recreational, or occasional use, and many serve as second homes. Studies of second homeowners in other locations have found that while most are interested in relaxing, spending time with family and friends, and enjoying recreational activities rather than shopping when they are in the area, they do tend to purchase items like groceries, alcoholic beverages, hardware, and garden supplies locally. They also visit cultural and entertainment venues, buy fresh produce at farmers markets, and patronize local restaurants if quality options are

available.<sup>40</sup> As described on page 16, enhancing tourism is a priority for the Village of Canton. Attracting more visitors and part-time residents to Canton for events, dining, and shopping could help to offset the exodus of college students and many faculty members during the summer months.

#### *Retail Sales*

According to estimates produced by ESRI, retail trade and food service establishments throughout the Village of Canton generate approximately \$94.2 million in annual sales to consumers (**Table 31**).<sup>41</sup> The retail types with the highest total sales are automotive dealers (\$10.1 million), grocery stores (\$3.9 million), and health and personal care stores (\$1.6 million). In addition, eating and drinking places of all kinds have an estimated \$9.3 million in sales. Notably, nearly half of the retail and restaurant sales in the Village are in the convenience retail category, while 12.6% are in shoppers' goods retail, which includes comparison items and specialty goods.

Overall, establishments in the Village capture about 29% of the retail and restaurant sales within the primary trade area. This suggests that there is strong competition within the trade area market, mostly from the Village of Potsdam. There are nearly two dozen restaurants in downtown Potsdam alone, ranging from fast food to higher-end dining, as well as an active "Grocery District" that includes a grocery store, food co-op, coffee roasteries, bakeries, and other food and beverage retailers. These retail and restaurant clusters are highly beneficial, as they create a critical mass that contributes to downtown Potsdam's status as a regional destination.

Nevertheless, Canton has numerous assets on which to develop a more vibrant and successful downtown: its attractive historic building stock, a compact and walkable Main Street, and views of and public access to the Grasse River, to name a few. The challenge is in strengthening the existing base of establishments, which will take time, and encouraging more cultural, entertainment, and recreational activities that will help draw people to the commercial business district.

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<sup>40</sup> Information based on primary and secondary research conducted by the consultant in the development of *Revitalizing the Esopus/Delaware Region of the Central Catskills* for the MARK Project in 2013.

<sup>41</sup> The methodology used by ESRI to prepare estimates of retail sales starts with the Census of Retail Trade as a benchmark and incorporates other commercial and government sources such as the Infogroup business database and data from the Bureau of Labor Statistics and the U.S. Census Bureau. Because the estimates are based on industry averages and individual establishments are not verified, however, the numbers should be taken as an indication of general conditions rather than a thorough assessment of the local retail sector.

**Table 30. Estimated Sales, Retail Trade & Food Services**

Retail Sales (Sales Distribution)	Village of Canton	20-Minute Drivetime (Primary Trade Area)	Village of Canton As % of Trade Area Market
<b>Food Services &amp; Drinking Places</b>	<b>\$9,264,000 (9.8%)</b>	<b>\$29,244,000 (9.1%)</b>	<b>31.7%</b>
Eating & Drinking Places	\$9,264,000 (9.8%)	\$29,051,000 (9.0%)	33.2%
Special Food Services*	-	\$193,000 (0.1%)	-
<b>Convenience Retail</b>	<b>\$46,060,000 (48.9%)</b>	<b>\$117,267,000 (36.5%)</b>	<b>39.3%</b>
Building Materials & Supplies Dealers	\$3,704,000 (3.9%)	\$16,564,000 (5.2%)	22.4%
Lawn & Garden Equipment Stores	-	\$2,561,000 (0.8%)	-
Grocery Stores	\$31,599,000 (33.6%)	\$71,046,000 (22.1%)	44.5%
Specialty Food Stores	-	\$3,633,000 (1.1%)	-
Beer, Wine, & Liquor Stores	\$2,592,000 (2.8%)	\$5,169,000 (1.6%)	50.2%
Health & Personal Care Stores	\$8,164,000 (8.7%)	\$18,249,000 (5.7%)	44.6%
<b>Automotive-Related Retail</b>	<b>\$27,010,000 (28.7%)</b>	<b>\$76,418,000 (23.8%)</b>	<b>35.3%</b>
Gasoline Stations	\$15,711,000 (16.7%)	\$32,114,000 (10.0%)	48.9%
Automotive Dealers	\$10,125,000 (10.8%)	\$38,540,000 (12.0%)	26.3%
Other Motor Vehicle Dealers	-	\$1,932,000 (0.6%)	-
Auto Parts, Accessories & Tire Stores	\$1,175,000 (1.2%)	\$3,832,000 (1.2%)	30.7%
<b>Shoppers' Goods Retail</b>	<b>\$11,816,000 (12.6%)</b>	<b>\$98,115,000 (30.6%)</b>	<b>12.0%</b>
General Merchandise	\$3,576,000 (3.8%)	\$45,544,000 (14.2%)	7.9%
Furniture & Home Furnishings Stores	\$331,000 (0.4%)	\$3,323,000 (1.0%)	10.0%
Electronics & Appliance Stores	\$2,803,000 (3.0%)	\$28,916,000 (9.0%)	9.7%
Clothing Stores	\$900,000 (1.0%)	\$4,252,000 (1.3%)	21.2%
Shoe Stores	-	-	-
Jewelry, Luggage, and Leather Goods Stores	-	\$223,000 (0.1%)	-
Sporting Goods, Hobby, & Musical Instruments Stores	\$1,305,000 (1.4%)	\$6,715,000 (2.1%)	19.4%
Book, Periodical, and Music Stores	\$781,000 (0.8%)	\$3,552,000 (1.1%)	22.0%
Miscellaneous Store Retailers**	\$2,120,000 (2.3%)	\$5,590,000 (1.7%)	37.9%
<b>Total Retail Sales</b>	<b>\$94,150,000</b>	<b>\$321,044,000</b>	<b>29.3%</b>

Source: ESRI and E.M. Pemrick and Company.

Estimated sales to consumers only; sales to businesses are excluded.

\* Includes food service contractors, caterers, and mobile food services.

\*\* Includes florists, office supply and stationery stores, gift and souvenir shops, retailers of secondhand goods and antiques, and establishments selling specialized lines of merchandise (e.g., pet supplies, artworks, art supplies, beer and wine making supplies, candles, tobacco).

A common approach in many retail studies is a gap analysis or sales leakage study, which involves comparing the spending potential (or demand) of consumers in a given location with sales to consumers by the retail establishments in that location (or supply). The “gap” between the two can be positive or negative. A positive number is the outcome when the demand exceeds the supply and consumers make purchases outside the area, resulting in the “leakage” of sales dollars, while a negative number indicates that the sales of the retail stores in the area exceed the market demand, often because consumers from outside the area travel to shop, resulting in a sales surplus.

The gap analysis is often used to identify opportunities to “recapture” sales by recruiting new businesses (or sometimes expanding an existing one). This is not always practical, however, if there is strong competition nearby. For example, there may be unmet demand for clothing stores in a particular trade area, but it would be difficult to compete with the shopping malls and big box stores – not to mention online retailers – where most consumers make these purchases. Similarly, a sales surplus does not necessarily mean that the market for, say, full-service restaurants is completely saturated. Rather, it may signify that the community has become a dining destination, and additional restaurants may be able to capitalize on this.

Data from ESRI suggest that the Village of Canton has unmet retail sales potential (i.e., sales leakage) in several retail categories, with the largest amounts in general merchandise, apparel, and furniture and home furnishings stores. General merchandise stores are absent within village limits, but are located nearby within the primary trade area; there is a Dollar General store in the Town of Canton, and a Walmart Supercenter just outside Potsdam that draws customers from a large geographic area. These businesses capture most, if not all, of the local demand in this category. The primary trade area is also experiencing sales leakage in clothing and furniture/home furnishings stores, but these types of businesses are currently facing significant challenges, including changes in consumer habits and competition from online retailers.<sup>42</sup>

Both the Village of Canton and the primary trade area have significant sales surpluses in grocery stores and eating and drinking places. This is in part because both areas draw customers from rural communities that lack retail and dining options, but it also suggests that non-local markets may be important sources of sales activity. Stores and restaurants that can serve multiple market segments – college students, daytime employees, visitors, and residents – stand a better chance of survival than those catering to a narrowly-focused market.

Retail is not the only potential use of commercial space in downtown Canton. Other possible uses include personal services, incubator space, entertainment venues, and even businesses that combine activities, such as a restaurant with performance space for live music or an arts supply store that offers classes. These are all opportunities for the Canton BOA.

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<sup>42</sup> A recent report from the U.S. Department of Commerce found that retail sales at clothing stores declined by a staggering 89% between February and April 2020, when the coronavirus pandemic forced the closure of many stores, while sales at furniture and home furnishings stores declined by two-thirds. The overall decline in U.S. retail and food service sales was 23%. See “When shoppers venture out, what will be left?” *New York Times*, May 16, 2020.

## Findings and Conclusions

- High-density residential development in the Canton BOA and downtown would help to stimulate demand for various types of businesses, especially if the housing increases both the number and household income levels of consumers.
- Additional activities are needed to attract residents and visitors, including college students, to downtown Canton on a regular basis. Live music, arts and cultural festivals, and events related to both indoor and outdoor recreation can all contribute to making the Village more vibrant. The proposed Whitewater Park Project has the potential to tap into the vast Canadian market.
- Although e-commerce penetration has been growing, brick-and-mortar stores continue to generate the lion's share of retail sales in the U.S.<sup>43</sup> There are still opportunities for retail, especially stores that sell unique products. However, retailers that fail to offer omnichannel options to reach customers (i.e., selling in-person and online, whether on a store website or on eBay, etsy, or other sites) may have greater difficulty in today's changing retail environment.
- Agriculture is an important contributor to the St. Lawrence County economy. With the right positioning and management, a store or restaurant featuring local (or regional) agricultural and food products would be a nice addition to downtown Canton. Cornell Cooperative Extension's Harvest Kitchen offers training and allows value-added processing and packaging of local agricultural products; it might be a good partner for such a venture.
- Although the retail market analysis did not identify any specific business types that are strong candidates for recruitment to the Canton BOA, potential opportunities include:
  - Additional specialty goods retailers;
  - Sit-down restaurants, especially those offering waterfront dining and/or music;
  - Businesses related to the arts, entertainment, and recreation, such as recreational facilities for children and teens and performance venues; and
  - Personal services, such as hair salons, barber shops, dry cleaners, and dog groomers.

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<sup>43</sup> According to the U.S. Census Bureau, e-commerce sales in the first quarter of 2020 accounted for 11.8% of total retail sales (see [https://www.census.gov/retail/mrts/www/data/pdf/ec\\_current.pdf](https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf)). E-commerce shares are higher in certain segments of the retail market, however, including books, music, and video (54.9%), computers and consumer electronics (42.7%), and toys and hobby (36.8%); e-commerce accounts for 28.9% of total sales in apparel and accessories (<https://www.statista.com/statistics/203043/online-share-of-total-us-retail-revenue-projection/>).

- Opening a business is inherently risky. Alternative business models that allow people to try out a business idea should be considered to encourage entrepreneurial activity and create interesting places downtown. Examples include:
  - Pop-ups/temporary stores;
  - Shared spaces where people can rent a stall or a few hundred square feet to sell products;
  - Retail incubators;
  - Community-owned, college student-operated business ventures; and
  - Co-working space to support freelancers, people who work from home, and professionals not in need of a full-time office (proposed as part of the mixed-use project to replace Midtown Plaza).

One alternative that could be particularly well-suited to the Village of Canton is the “food hall” model in which commercial space is carved up and leased to multiple food vendors under one roof. Typically, the vendors have access to a commercial kitchen with walk-in coolers, and a communal seating area is provided for customers. Although the concept originated at the mall, where food courts allowed customers to grab a quick bite from an array of fast-food purveyors, it has since expanded. Instead of chain restaurants, food halls tend to have more exotic fare, such as international specialties and artisanal foods. Such an operation could provide Canton with a plethora of options that appeals to a diverse customer base.

Participants in many of these alternative business ventures are provided with an opportunity to learn what works without committing large sums of money. Some will be successful and launch full-scale businesses. The idea is to grow more local businesses rather than attracting them from somewhere else.