

Housing Needs Assessment 2024



LAKE COUNTY MICHIGAN



Lake County Coalition for Economic Progress



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I. INTRODUCTION

A. PURPOSE

FiveCAP, Incorporated retained Bowen National Research in March of 2023 for the purpose of conducting a Housing Needs Assessment of Lake County, Michigan and its municipalities.

With changing demographic and employment characteristics and trends expected over the years ahead, it is important for the local government, stakeholders and its citizens to understand the current market conditions and projected changes that are anticipated to occur that will influence future housing needs. Toward that end, this report intends to:

- Provide an overview of present-day Lake County.
- Present and evaluate past, current and projected detailed demographic characteristics.
- Present and evaluate employment characteristics and trends, as well as the economic drivers impacting the area.
- Determine current characteristics of major housing components within the market (for-sale/ownership and rental housing alternatives).
- Evaluate ancillary factors that affect housing market conditions and development (e.g., residential blight, development opportunities, identification of potential developer/investor partners, and housing program identification).
- Provide housing gap estimates by tenure (renter and owner) and income segment.
- Collect input from community members including area stakeholders, employers, and residents/commuters in the form of online surveys.

By accomplishing the study's objectives, government officials, area stakeholders, and area employers can: (1) better understand the county's evolving housing market, (2) establish housing priorities, (3) modify or expand local government housing policies, and (4) enhance and/or expand the county's housing market to meet current and future housing needs.

B. METHODOLOGIES

The following methods were used by Bowen National Research.

Study Area Delineation

The primary geographic scope of this study is Lake County, Michigan. A full description of the market area and corresponding maps are included in Section III.

Demographic Information

Demographic data for population, households, and housing was secured from ESRI, the 2000, 2010 and 2020 U.S. Census, the U.S. Department of Commerce, and the American Community Survey. This data has been used in its primary form and by Bowen National Research for secondary calculations. All sources are referenced throughout the report. Estimates and projections of key demographic data for 2023 and 2028 were also provided.

Employment Information

Employment information was obtained and evaluated for various geographic areas that were part of this overall study. This information included data related to wages by occupation, employment by job sector, total employment, unemployment rates, identification of top employers, and identification of large-scale job expansions or contractions. Most information was obtained through the U.S. Department of Labor, Bureau of Labor Statistics. Bowen National Research also conducted numerous interviews with local stakeholders familiar with the area's employment characteristics and trends.

Housing Component Definitions

This study focuses on rental and for-sale housing components. Rentals include multifamily apartments (generally five+ units per building), non-conventional rentals (single-family homes, duplexes, units over storefronts, etc.), and vacation rentals. For-sale housing includes individual homes, mobile homes, and projects within subdivisions.

Housing Supply Documentation

Between July and December of 2023, Bowen National Research conducted telephone research, as well as online research, of the area's housing supply. Additionally, market analysts from Bowen National Research traveled to the area in October 2023, conducting research on the housing properties identified in this study, as well as obtaining other on-site information relative to this analysis.

The following data was collected on each multifamily rental property:

1. Property Information: Name, address, total units, and number of floors
2. Owner/Developer and/or Property Manager: Name and telephone number
3. Population Served (i.e., seniors vs. family, low-income vs. market-rate, etc.)
4. Available Amenities/Features: Both in-unit and within the overall project
5. Years Built and Renovated (if applicable)
6. Vacancy Rates
7. Distribution of Units by Bedroom Type
8. Square Feet and Number of Bathrooms by Bedroom Type
9. Gross Rents or Price Points by Bedroom Type
10. Property Type
11. Quality Ratings
12. GPS Locations

Non-Conventional rental information includes such things as collected and gross rent, bedroom types, square footage, price per square foot, and total available inventory.

Vacation rental data includes share of vacation rentals compared to overall rental supply, bedroom types, average daily rents, annual revenue, seasonal trends and other data points.

For-sale housing data includes details on home price, year built, location, number of bedrooms/bathrooms, price per-square-foot, and other property attributes. Data was analyzed for both historical transactions and currently available residential units.

Other Housing Factors

We evaluated other factors that impact housing, including residential blight, residential development opportunities (potential sites), identification of development/investment partners, and a review of housing programs that could potentially support the development and preservation of housing in the Lake County market.

Housing Demand

Based on the demographic data for both 2023 and 2028 and taking into consideration the housing data from our field survey of area housing alternatives, we are able to project the potential number of new housing units Lake County can support. The following summarizes the metrics used in our demand estimates.

- Rental Housing – We included renter household growth, the number of units required for a balanced market, the need for replacement housing, commuter/external market support, severe housing cost burdened households, and step-down support as the demand components in our estimates for new rental housing units. As part of this analysis, we accounted for vacancies reported among all rental alternatives. We concluded this analysis by providing the number of units that the market can support by different income segments and rent levels.
- For-Sale Housing – We considered potential demand from owner household growth, the number of units required for a balanced market, the need for replacement housing, commuter/external market support, severe housing cost burdened households, and step-down support in our estimates for new for-sale housing. As part of this analysis, we accounted for vacancies reported among all surveyed for-sale alternatives. We concluded this analysis by providing the number of units that the market can support by different income segments and price points.

Community Engagement

Bowen National Research conducted three separate online surveys to solicit input from area stakeholders, employers, and residents/commuters in the county. Overall, 210 individuals participated in the surveys, providing valuable local insight on the housing challenges, issues and opportunities in Lake County. The aggregate results from these surveys are presented and evaluated in this report in Section IX.

C. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data for Lake County, Michigan. Bowen National Research relied on a variety of data sources to generate this report. These data sources are not always verifiable; however, Bowen National Research makes a concerted effort to assure accuracy. While this is not always possible, we believe that our efforts provide an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

We have no present or prospective interest in any of the properties included in this report, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or use of this study. Any reproduction or duplication of this study without the expressed approval FiveCAP, Incorporated or Bowen National Research is strictly prohibited.

II. EXECUTIVE SUMMARY

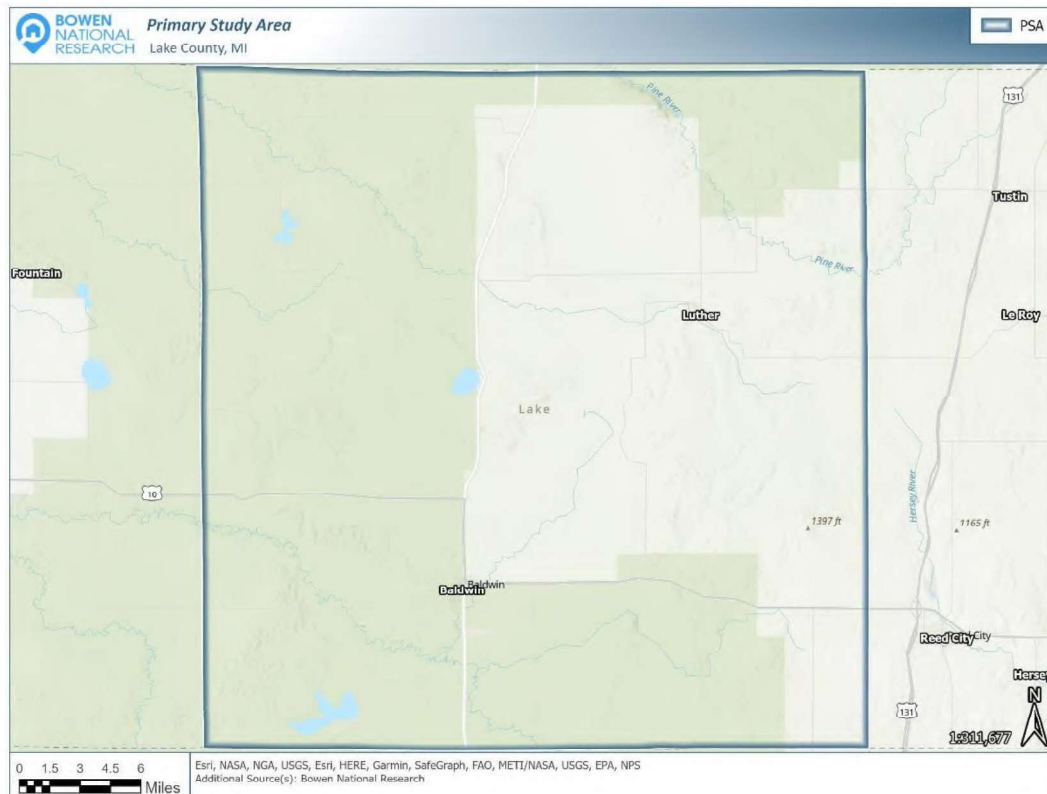
The purpose of this report is to evaluate the housing needs of Lake County, Michigan and to recommend priorities and strategies to address such housing needs. To that end, we have conducted a comprehensive Housing Needs Assessment that considered the following:

- Demographic Characteristics and Trends
- Economic Conditions and Initiatives
- Existing Housing Stock Costs, Performance, Conditions and Features
- Various Other Housing Factors (Residential Blight, Development Opportunities, Developer/Investor Identification, and Housing Program Overview)
- Community Input (Survey of Stakeholders, Employers and Residents/Commuters)

Based on these metrics and input, we were able to identify housing gaps by affordability and tenure (rental vs. ownership). Using these findings, we developed an outline of strategies that should be considered for implementation. This Executive Summary provides key findings and recommended strategies. Detailed data analysis is presented within the individual sections of this Housing Needs Assessment.

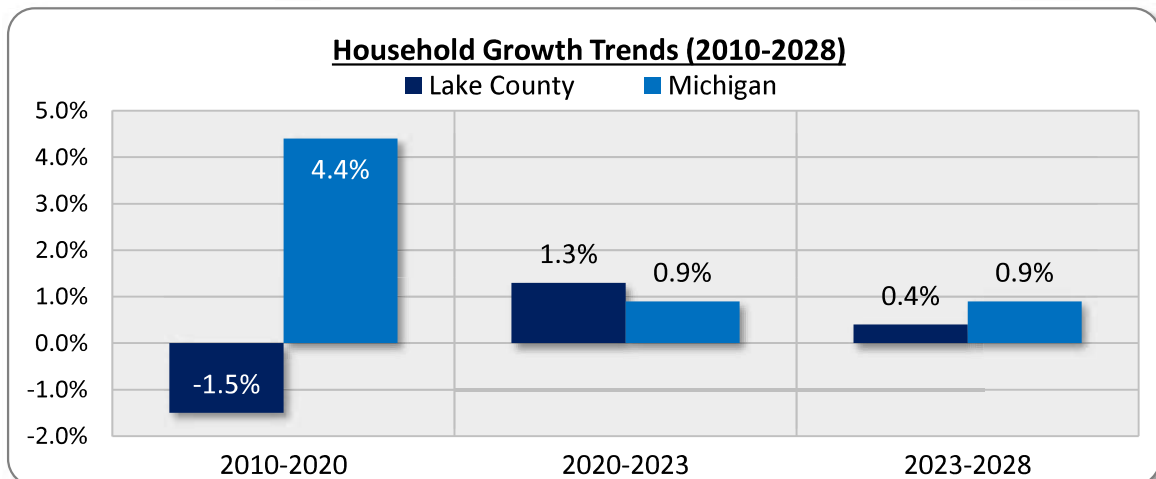
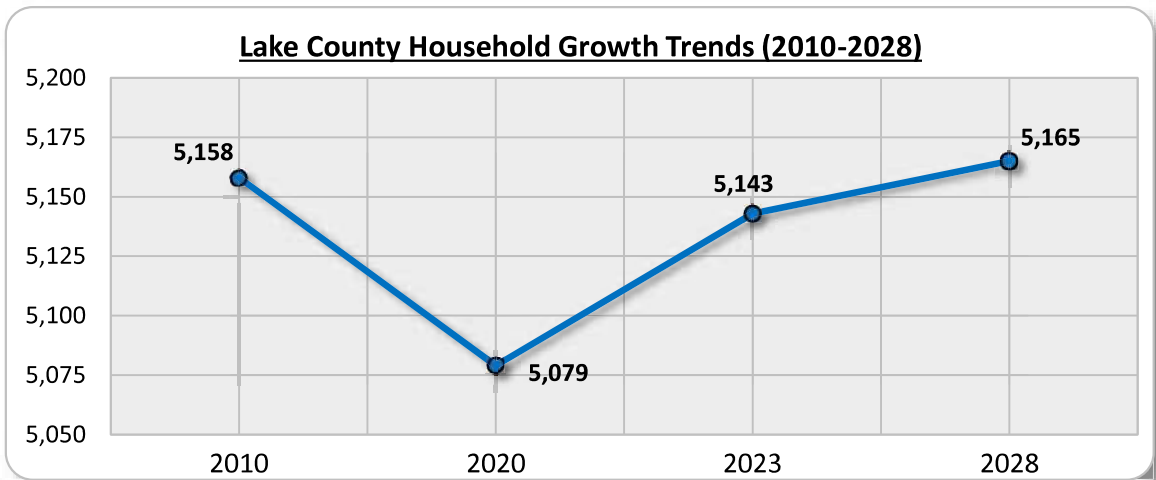
Geographic Study Area

This report focuses on the Primary Study Area (PSA), which consists of Lake County, Michigan. No submarkets were included as part of this study. A map of the county is shown below.



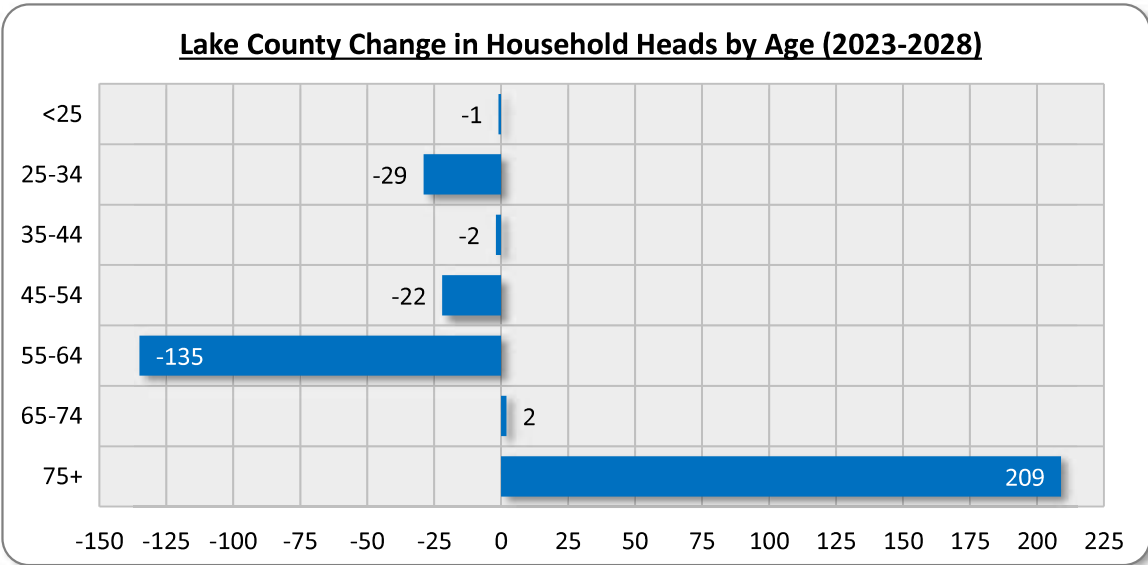
Demographics

Overall household growth in the PSA (Lake County) has been positive since 2020 and is projected to remain positive through 2028. Between 2010 and 2020, the number of households within the PSA (Lake County) decreased by 79 (1.5%). However, since 2020, the number of households increased 64. This results in a 1.3% growth rate, which is slightly faster than the state growth rate of 0.9%. Between 2023 and 2028, the number of households in the PSA is projected to increase by 22 (0.4%), which is slightly less than the projected statewide increase (0.9%) over the next five years. It should be noted that household growth alone does not dictate the total housing needs of a market. Factors such as households living in substandard or cost-burdened housing, people commuting into the county for work, pent-up demand, availability of existing housing, and product in the development pipeline all affect housing needs.



Lake County has a large base of senior households that is expected to experience significant growth over the next several years, while all other age cohorts are expected to remain essentially unchanged or slightly decline. In 2023, household heads between the ages of 65 and 74 within the PSA (Lake County) comprise the largest share (28.1%) of all households in the PSA, followed by households between the ages of 55 and 64 (21.6%). Overall, senior households (age 55 and older) constitute 67.6% of all households within the PSA. This represents a much larger share of senior households when compared to the share within the state (50.1%). Household heads under the age of 35, which are typically more likely to be renters or first-time homebuyers, comprise 8.9% of PSA households, while those between the ages of 35 and 54 account for 23.3% of Lake County households.

Between 2023 and 2028, projections indicate significant household growth (22.7%) in the PSA among household heads ages 75 and older, increasing by 209 households. Households between the ages of 65 and 74 are projected to increase marginally (0.1%), while all household age cohorts less than 65 years of age are projected to decline. The largest percentage decline (12.1%) is projected for the age cohort of 55 to 64. Overall, the projected changes in households by age cohort in the PSA are relatively consistent with the statewide projections, in that the most significant growth is expected among the oldest cohorts. It is noteworthy that the age cohort of 35 to 44 years is projected to increase by 2.9% statewide, while the same cohort is projected to decline by 0.4% within the PSA. The aforementioned changes in households by age in the PSA will likely have an impact on the area housing market, particularly the demand for senior-oriented housing in the county.

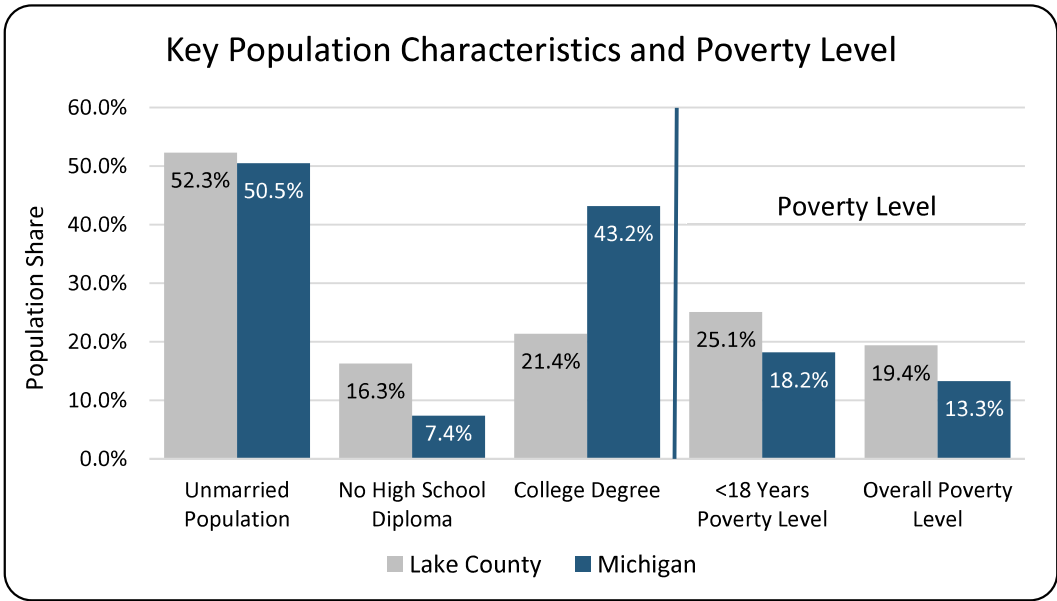


In Lake County, over 2,300 people live in poverty and approximately 1,400 adults do not have a high school diploma, which contribute to the likely challenges that residents may experience with housing affordability.

Among the adult population of the PSA, 52.3% of the population is unmarried, which is a slightly larger share than the state share (50.5%). The share of the adult population in the PSA that lacks a high school diploma (16.3%) is higher than the share within the state (7.4%), while the share of individuals in Lake County with a college degree (21.4%) is notably less than the corresponding share in the state (43.2%). Overall, 19.4% of the population within the PSA lives in poverty, which is a much larger share as compared to the share for the state of Michigan (13.3%). The share of children under the age of 18 years in the PSA living in poverty (25.1%) is also higher than the corresponding state share (18.2%). The movership rate (the share of the population moving within or to a given area year over year) of the PSA is 10.6%, which is less than the 12.7% rate reported within the state. Marital status and educational attainment can play an important role in the overall housing affordability of an area as they may limit the earning potential of households. As a result, affordable housing options should continue to be a consideration for future housing developments in the county.

		Population Characteristics (Year)						
		Minority Population (2020)	Unmarried Population (2023)	No High School Diploma (2023)	College Degree (2023)	< 18 Years Below Poverty Level (2021)	Overall Below Poverty Level (2021)	Movership Rate (2021)
Lake County	Number	1,801	5,058	1,432	1,887	503	2,320	1,290
	Percent	14.9%	52.3%	16.3%	21.4%	25.1%	19.4%	10.6%
Michigan	Number	2,632,321	4,231,103	524,065	3,065,746	390,572	1,310,037	1,261,121
	Percent	26.1%	50.5%	7.4%	43.2%	18.2%	13.3%	12.7%

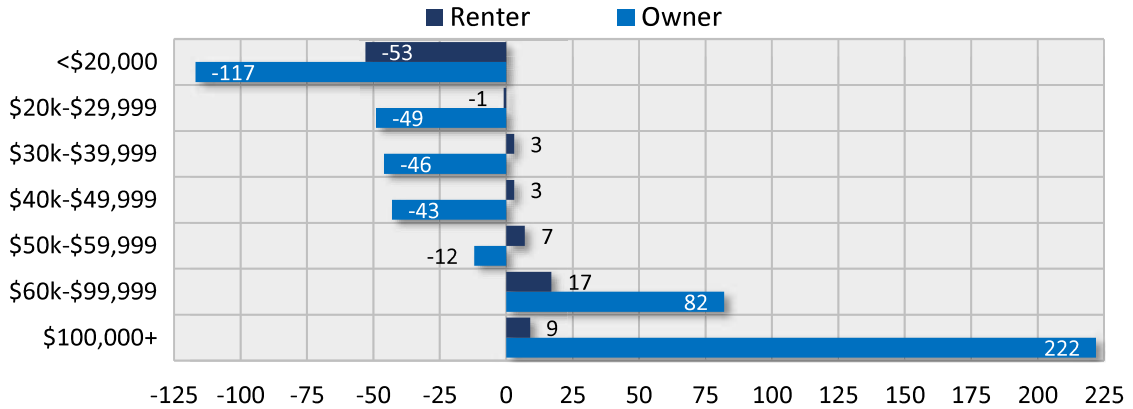
Source: U.S. Census Bureau; 2020 Census; 2017-2021 American Community Survey; ESRI; Urban Decision Group; Bowen National Research



All renter household growth in Lake County is projected to occur among moderate and higher income households, while lower income households (earning less than \$30,000 annually) will continue to comprise a majority of area renter households. In 2023, approximately 59.2% of *renter* households within the PSA (Lake County) earn less than \$30,000 annually. This is a significantly higher share of such households when compared to the state (40.1%). Approximately 25.1% of renter households in the PSA earn between \$30,000 and \$59,999 annually, while the remaining 15.6% of renter households earn \$60,000 or more annually. This represents a notably smaller share of moderate and higher income renter households (earning \$60,000 or more annually) than the share within the state (31.0%). Between 2023 and 2028, all renter household income cohorts earning less than \$30,000 in the PSA are projected to decrease, while all income cohorts earning \$30,000 or more are projected to increase. The largest increase (27.3%) of renter households by income in the PSA over the next five years is projected among those earning \$100,000 or more. Noteworthy increases are also projected for renter households earning between \$50,000 and \$59,999 (13.2%) and between \$60,000 and \$99,999 (18.5%). While the increase among higher earning renter households and decrease among lower earning households in the PSA is notable, it is critical to understand that over half (53.3%) of all renter households in the PSA will continue to earn less than \$30,000 annually in 2028. As such, the need for affordable rental alternatives will persist within Lake County, while demand for market-rate rentals will increase.

All owner household growth in Lake County is projected to occur among moderate and higher income households (earning over \$60,000 annually), while lower income households (earning less than \$60,000 annually) will represent a majority of area owner households. In 2023, *owner* households in the PSA (Lake County) earning \$60,000 or more annually comprise 41.1% of all owner households, which represents a significantly smaller share as compared to the state (64.0%). Approximately 30.8% of owner households in the PSA earn less than \$30,000 annually, while the remaining 28.2% earn between \$30,000 and \$59,999. The overall distribution of owner households by income in the PSA is much more heavily weighted toward the lower- and middle-income cohorts (earning less than \$60,000) compared to that within the state. Between 2023 and 2028, projected growth among owner households in the PSA is isolated to those earning \$60,000 or more annually, with households earning \$100,000 or more increasing by 28.8%. All owner income cohorts earning less than \$60,000 are projected to decline in the PSA during this time, with the most notable decrease (17.6%) projected to occur among households earning between \$10,000 and \$19,999 annually. The projections for owner households by income within the PSA are generally consistent with statewide projections over the next five years. Despite the projected increase among the highest income cohorts, it is important to note that over one-half (52.5%) of owner households in the PSA will continue to earn less than \$60,000 annually in 2028, with 26.7% earning less than \$30,000 annually. As a result, affordable for-sale housing options as well as efforts to preserve housing occupied by lower income households, will remain a critical component of the Lake County housing market.

Lake County Change in Households by Tenure & Income (2023-2028)



Additional demographic data and analysis are included in Section IV of this report.

Economy & Workforce

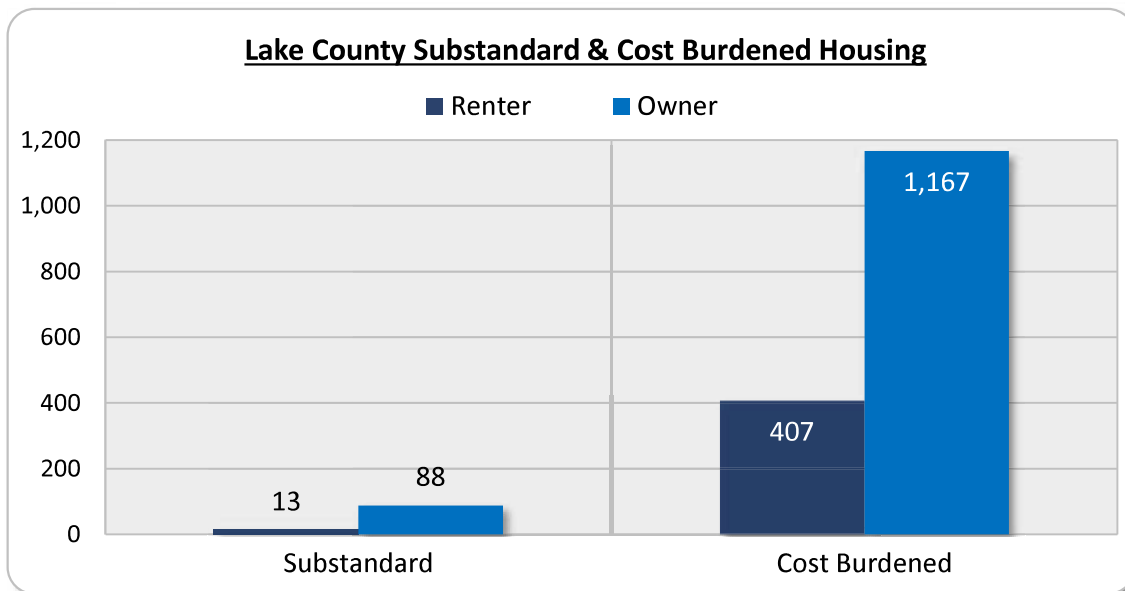
Several metrics in the Lake County economy have exhibited significant improvements in the past few years and the county appears to be well positioned for continued economic growth. The economy in the PSA (Lake County) is heavily influenced by the public administration, health care, and educational services sectors, which collectively account for 47.2% of the employment by sector and include the three largest employers in the county. While not as significant in terms of direct employment, the tourism industry is a critical component of the Lake County economy. Overall, wages within the PSA are slightly lower than wages at the state level. As a result, housing affordability is an issue for a number of individuals working within the most common occupations in the area, particularly those in households earning a single wage that are seeking home ownership. While nearly 1,000 non-residents commute into the county daily for employment, it is noteworthy that approximately 11.1% of Lake County residents commute 50 miles or more to their place of employment. Total employment in the PSA increased by 19.8% since 2013, while at-place employment increased by 11.4% during this time period. It is also noteworthy, however, that at-place employment in Lake County has decreased 11.5% year-over-year through March 2023. The yearly unemployment rate through August 2023 in the PSA is 7.7%, which is higher than the state unemployment rate (4.1%) and may be partially attributed to seasonal unemployment during the winter months in the PSA. While not located within Lake County, the planned construction of a battery facility in nearby Mecosta County is expected to bring 1,200 new jobs to the immediate region with competitive wages. Other positive economic development activity, which includes the construction of an off-road vehicle park and the acquisition of a local powersports dealership by Fox Powersports, is expected to contribute to local economic growth. In order for Lake County to fully maximize on the aforementioned economic developments, it is critical that an adequate supply of income appropriate housing is available within the county to attract new households and retain existing households.

Additional economic data and analysis are included in Section V of this report.

Housing Supply

Housing quality and affordability remain challenges for area households, as evidenced by the fact that over 100 occupied housing units in Lake County are considered substandard and over 1,500 households are housing cost burdened.

For the purposes of this analysis, substandard housing is considered overcrowded (1.01+ persons per room) or housing that lacks complete indoor kitchens or bathroom plumbing. Based on American Community Survey estimates, there are approximately 101 households in the PSA (Lake County) that live in substandard housing conditions. Cost burdened households are defined as those paying over 30% of their income toward housing costs. Despite the PSA's significantly lower estimated median home value and average gross rent compared to the state, the PSA has higher shares of cost burdened renter and owner households due in part to its lower median household income. In fact, most renter households (50.7%) and over one-quarter (26.9%) of owner households in Lake County are cost burdened. According to recent American Community Survey statistics, there are approximately 407 renter households and 1,167 owner households in the PSA that are housing cost burdened. Based on the preceding information, it is clear that some households are living in housing conditions that are considered to be below modern-day housing standards and/or unaffordable. Overall, this data illustrates the importance of good quality and affordable housing for Lake County residents. Housing policies and strategies for the PSA should include efforts to remedy such housing quality and affordability issues.



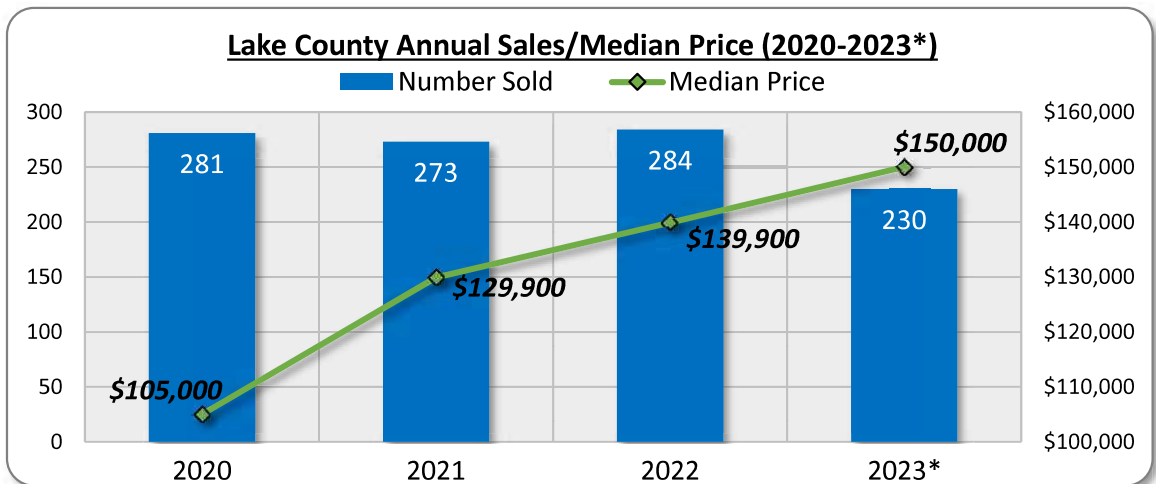
There is limited available inventory among multifamily rentals and pent-up demand at all affordability levels within the county. A total of seven multifamily rental properties containing 241 units within the PSA (Lake County) were surveyed. The surveyed rentals within the PSA have a combined occupancy rate of 100.0%. Typically, healthy, well-balanced markets have rental housing occupancy rates generally between 94% and 96%. As such, the PSA’s multifamily rental market is operating at a high occupancy level with very limited availability. In fact, all seven properties have waiting lists with a combined 122 households, illustrating a strong level of pent-up demand for multifamily rental housing at all affordability levels. While the following table summarizes the surveyed properties by program type, additional details of all properties surveyed are included starting on page VI-5 of this report.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	1	72	0	100.0%
Market-Rate/Tax Credit	1	24	0	100.0%
Tax Credit/Government-Subsidized	1	32	0	100.0%
Government-Subsidized	4	113	0	100.0%
Total	7	241	0	100.0%

Source: Bowen National Research

Non-conventional rentals, such as houses, duplexes and mobile homes comprise the vast majority of rental housing in the county, most of which is not affordable to most low-income households and has limited availability. Non-conventional rental housing, which is essentially any rental housing unit not in a multifamily apartment, comprises 87.8% of the rental housing stock in the PSA (Lake County). This is a considerably larger share than the share of non-conventional rentals (55.5%) for the state of Michigan. A total of just four non-conventional housing units were identified in the county as *available* for rent. When compared to the overall non-conventional inventory of the PSA (590 units), these four units represent an overall vacancy rate of just 0.7%, which is considered very low. The four available non-conventional rentals identified in the PSA have rents ranging from \$649 to \$1,440. When typical tenant utility costs (approximately \$300) are also considered, the available non-conventional units have estimated *gross* rents ranging from \$949 to \$1,740 per month. Note that two-thirds of renter households in the PSA pay gross rents below \$1,000 per month. In addition, three of the four available non-conventional units have rents that exceed market-rate and non-subsidized Tax Credit units in the market. As such, it is unlikely that low-income residents would be able to afford the typical non-conventional rental housing in the area. Based on this analysis, the inventory of available non-conventional rentals is extremely limited and typical rents for this product indicate that such housing is not a viable alternative for most lower income households.

Lake County’s annual home sales activity appears to have decreased in 2023, while the growth in the median sales price continues to increase. Within the PSA (Lake County), 1,000 homes were sold between January 1, 2020 and September 14, 2023 at a median price of \$129,900. This equates to an average of 22.5 homes sold per month during the sales period. The median price of homes sold within the PSA increased by \$34,900, or 33.2%, between 2020 and 2022. From January 1, 2023 through September 14, 2023, the median price of the 162 homes sold in the PSA was \$150,000. This represents a projected 19.0% decrease in annual sales volume and an increase of \$10,100 in the median sales price compared to 2022. The projected decrease in annual home sales may be attributed, in part, to the recent increase in mortgage interest rates during this period. A combination of high mortgage rates and low housing supply in Lake County will likely keep housing sale volumes relatively low for the immediate future. Additional details of the recent home sales activity start on page VI-26.



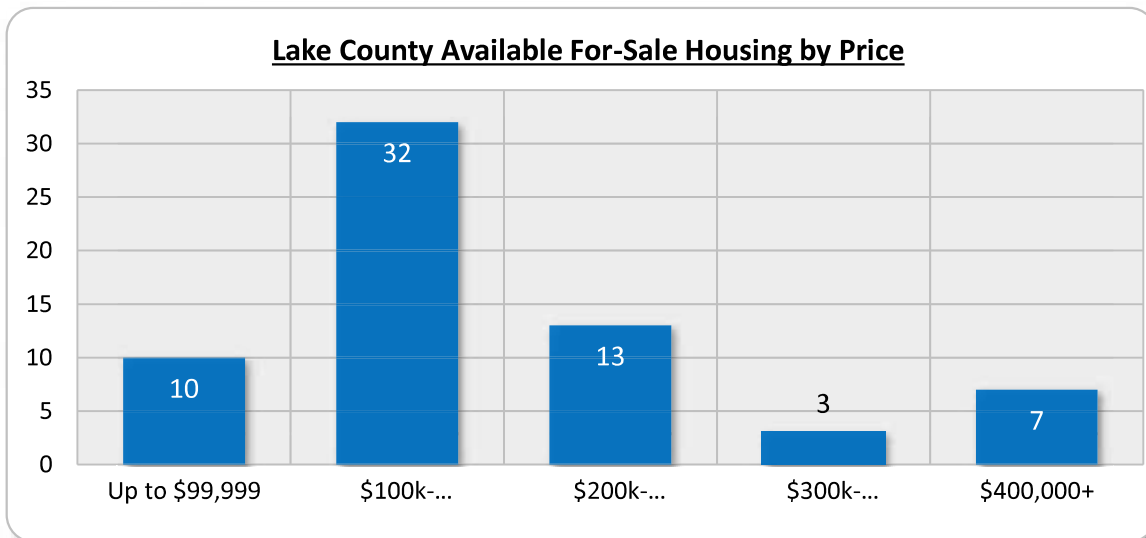
*Full-year projected sales based on number of homes sold through September 14, 2023.

Overall, there is a relatively limited amount of for-sale housing available for purchase in Lake County. There are two available inventory metrics most often used to evaluate the health of a for-sale housing market. These metrics include *Months Supply of Inventory* (MSI) and *availability rate*. The MSI for the PSA (Lake County) was calculated based on sales history occurring between January 1, 2020 and September 14, 2023, which equates to an overall absorption rate of approximately 22.5 homes per month. Overall, based on the monthly absorption rate of 22.5 homes, the county’s 65 homes listed as available for purchase represent approximately three months of supply. Typically, healthy and well-balanced markets have an available supply that should take about four to six months to absorb (if no other units are added to the market). Therefore, the PSA’s inventory is considered low and indicates limited available supply. When comparing the 65 available units with the overall inventory of 4,340 owner-occupied units, the PSA has a vacancy/availability rate of 1.5%, which is below the normal range of 2.0% to 3.0% for a well-balanced for-sale/owner-occupied market. This is considered a relatively low rate and an indication that the market may have limited availability. The following table illustrates the number of homes available to purchase by price point in the county.

Lake County (PSA) Available For-Sale Housing by Price (As of September 14, 2023)		
List Price	Number Available	Percent of Supply
Up to \$99,999	10	15.4%
\$100,000 to \$199,999	32	49.2%
\$200,000 to \$299,999	13	20.0%
\$300,000 to \$399,999	3	4.6%
\$400,000+	7	10.8%
Total	65	100.0%

Source: MLS (Multiple Listing Service)

The overall median list price in the PSA (Lake County) is \$159,900. Nearly half (49.2%) of available housing units in the PSA are priced between \$100,000 and \$199,999, while a total of 10 homes, or 15.4% of the available supply, are priced below \$100,000. Combined, nearly 65% of the available supply is priced below \$200,000. However, there are only 10 homes available for sale in the county at \$300,000 or more. Regardless of price point, the PSA has a lack of available for-sale product given the number of owner-occupied households in Lake County.



Additional housing supply information, including data and analysis of age of product, bedroom types, average square footage, prices per-square-foot and number of days on market, is included in Section VI.

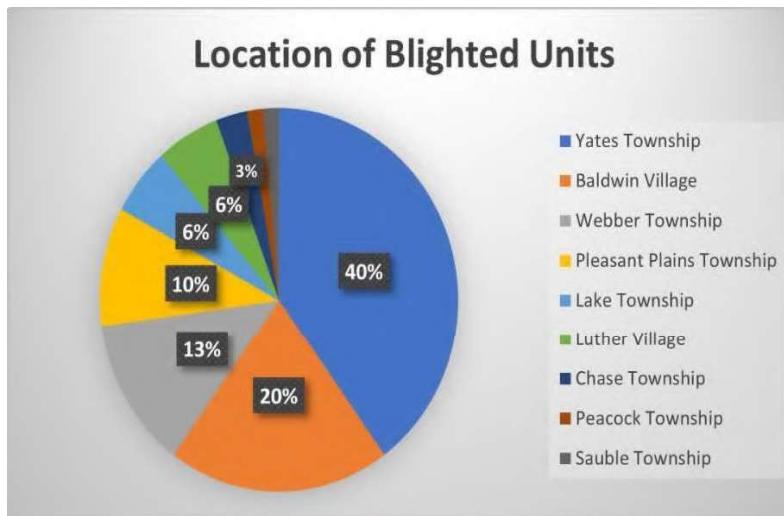
Other Housing Factors

A total of 70 housing units exhibit significant residential blight in the county, with the largest concentrations of blighted homes located in Yates Township and the village of Baldwin. From on-site observations, Bowen National Research identified 70 residential units that exhibited a significant level of exterior blight. It should be noted that the interiors of properties were not evaluated as part of this survey. These 70 residential units represent 0.5% of the 13,397 housing units in Lake County (based on 2023 estimates). This share of blighted residential units is higher

than blighted home shares observed in most other jurisdictions where Bowen National Research conducted surveys of residential blight. As a result, residential blight represents a notable challenge in the market. Blighted residential properties represent potential nuisances, safety hazards, and are potentially detrimental to nearby property uses and values. As a general guideline, we identified properties that were considered to



exhibit visual evidence of *significant* exterior deficiencies and disrepair. Many of these structures are boarded up, have missing siding or roof shingles, or show signs of damage that make such units either uninhabitable or represent serious safety or public nuisance issues. As shown on page VII-6 and represented in the graph below, Yates Township and the village of Baldwin have the greatest shares of residential blight. Based on this analysis, efforts to remediate blighted housing and the



preservation of the existing housing stock should be a priority within certain areas of the county. A list of street blocks with residential blight and a map illustrating the location of identified blighted properties are provided starting on page VII-7.

With nearly 30 potential sites that could support residential development/redevelopment in Lake County, the availability of potential residential development sites does not appear to be a significant obstacle to increasing the number of housing units. Our investigation for potential sites within the PSA identified 28 properties (both land and buildings) that are potentially capable of accommodating future residential development via new construction or adaptive reuse. Of the 28 total properties, eight properties contain at least one existing building that is not necessarily vacant and may require demolition, new construction or adaptive reuse. The remaining 20 properties were vacant or undeveloped parcels of land that could potentially support residential development. It should be noted that our survey of potential development opportunities in Lake County consists of properties that were actively marketed for sale at the time of this report as well as those identified in person while conducting on-the-ground research. A full list of all identified properties along with a map illustrating the location of the properties starts on page VII-10.

With over 70 potential residential development partners and over 40 different housing programs identified, the county has access to numerous potential resources to help address local housing issues. A total of 72 organizations, such as developers, investors, and foundations were identified that represent potential participants in supporting residential development projects in Lake County. A full listing of these organizations and their corresponding website links are provided starting on page VII-14. The community may also want to research other resources to identify developers and investors, such as contacting real estate brokers, Michigan Economic Development Corporation, Michigan Bankers Association, Michigan State Housing and Development Authority (MSHDA) and Affordable Housing Investors Council.

Overall, a total of 42 programs (or organizations) were identified that could potentially be accessed to support housing preservation and development efforts in Lake County. This includes 14 federal programs, 20 state programs, three county programs, and five national programs. These programs cover a variety of purposes, are available on a community or individual household level, and have various eligibility requirements. Lake County should explore, utilize and promote programs that best fit the county's goals. A listing of the programs, along with a summary of the programs starts on page VII-16. It is important to note that this listing of various housing programs likely does not include all such programs that are available. Therefore, the county and area advocates should conduct additional research to determine if other programs are available.

Community Input

According to 210 community stakeholders, employers, residents and non-resident commuters who participated in various surveys, housing affordability, availability and quality (including residential blight) are primary challenges that are adversely impacting the community. To gain information, perspective and insight about Lake County housing issues and the factors influencing housing decisions by its residents, developers and others, our firm conducted targeted surveys of area stakeholders, employers and citizens, as well as non-resident commuters. Over 200 survey responses were received from a broad cross section of the community. The following is a summary of **key** responses.

Stakeholders (23 Respondents): Based on the feedback provided by area stakeholders, it appears that Lake County is most in need of affordable rental (\$500 to \$999/month) and for-sale housing (\$150,000 to \$199,999) for families (two or more bedrooms) and low- to moderate-income workers (earning at or below \$60,000). In addition, it appears that there is a significant need for affordable senior-oriented housing for all income/asset levels. While single-family homes are considered the top need, multifamily and non-conventional rental housing are also high priorities. The lack of down payment for purchase and rental deposit, housing quality, and limited availability are among the most common issues experienced. While the cost of labor/materials, development costs, and blight were the most cited barriers to residential development, the repairs of existing housing, the clearing of blighted structures, home repair loans, and homebuyer assistance programs were the top priorities by stakeholder respondents. Stakeholder respondents indicated that collaboration between public and private sectors and government assistance with infrastructure development were key components in reducing the barriers to residential development. While a slight majority of respondents believe short-term rentals and second homes have a significant adverse impact on the housing market by diminishing inventory for permanent residents, other respondents noted they were important in the local economy. A vast majority of respondents indicated that the current housing issues result in people living in substandard and unsafe housing in Lake County.

Employers (12 Respondents): Based on the feedback provided by area employers, the lack of quality housing and affordable for-sale housing are the top issues experienced by employees in the area. This has resulted in difficulty attracting employees for over one-half (54.6%) of the employer respondents, while over one-third (36.4%) of employer respondents have had issues retaining employees. A majority (54.6%) of employer respondents indicated that they would be at least “somewhat” more likely to hire new employees if adequate housing were available in the county. Despite the issues that housing can create for employers, it is noteworthy that the majority (81.8%) of the surveyed employers currently do not provide any type of housing assistance, and 63.6% would not consider providing such programs in the future. However, two of the employer respondents did note that they do currently offer some type of housing assistance and 27.3% of respondents would

consider offering either rental security deposit assistance or housing counseling/placement services. Among various future government housing programs and initiatives, employer respondents consider new housing development/redevelopment and renter/homebuyer assistance to be the most important. Overall, the consensus among area employers is that Lake County is most in need of entry level for-sale housing (below \$200,000) and affordable rental housing (under \$750/month). Among product types, it appears that employers consider single-family homes (both rental and for-sale) to be the most critical need in the area.

Resident/Non-Resident Commuters (175 Respondents): Based on the feedback provided by Lake County residents, the most common housing issues experienced by residents include housing cost burden (paying more than 30% of income toward housing costs), substandard housing (owner cannot afford to maintain), and insufficient deposits or down payments. Over one-half (55.1%) of respondents rated the current housing market as poor, and most commonly attributed neglected or blighted properties and the lack of availability as issues that negatively impact the market. Approximately 81.4% of respondents believe it is at least “somewhat” difficult to locate suitable housing in the county, and attributed limited availability, poor quality, affordability, and the lack of housing to meet specific needs as the most common reasons for this difficulty. Respondents indicated a variety of housing types as being highly needed in the county, which included family housing (two or more bedrooms), affordable for-sale and rental housing (less than \$100,000 or \$500 per month), and independent living apartments for seniors. Modern, move-in ready single-family homes, ranch style homes, and apartments were rated as the top styles needed within Lake County. Additionally, 20.4% of non-resident commuters would be interested in relocating to the county if suitable housing were available.

Housing Gap Estimates

Lake County has an overall housing gap of 937 units for rental and for-sale product at a variety of affordability levels. Lake County has a five-year **rental housing gap of 308 units** and a **for-sale housing gap of 629 units**. While there are housing gaps among all affordability levels of both rental and for-sale product, the *rental* housing gap is distributed most heavily among the lower priced product (rents of \$946 or less) and the *for-sale* housing gap is primarily for product priced either at \$302,800 and higher and housing priced under \$126,167. Details of this analysis, including our methodology and assumptions, are included in Section VIII.

The following table summarizes the approximate housing gap estimates in the PSA (Lake County) over the next five years.

PSA (Lake County) Housing Gap Estimates (2023 to 2028) - Number of Units Needed		
Housing Segment		Number of Units
Rentals	Very Low-Income Rental Housing (\leq \$946/Month Rent)	190
	Low-Income Rental Housing (\$947-\$1,514/Month Rent)	69
	Moderate-Income Rental Housing (\$1,515-\$2,271/Month Rent)	31
	High-Income Market-Rate Rental Housing (\geq \$2,272+/Month Rent)	18
	TOTAL UNITS	308
For-Sale	Entry-Level For-Sale Homes (\leq \$126,167 Price Point)	210
	Low-Income For-Sale Homes (\$126,168-\$201,867 Price Point)	72
	Moderate-Income For-Sale Homes (\$201,868-\$302,800 Price Point)	135
	High-Income Upscale For-Sale Housing (\geq \$302,801+ Price Point)	212
	TOTAL UNITS	629

The preceding estimates are based on current government policies and incentives, recent and projected demographic trends, current and anticipated economic trends, and available and planned residential units. Numerous factors impact a market’s ability to support new housing product. This is particularly true of individual housing projects or units. Certain design elements, pricing structures, target market segments (e.g., seniors, workforce, families, etc.), product quality and location all influence the actual number of units that can be supported. Demand estimates could exceed those shown in the preceding table if the county or its municipalities change policies or offer incentives to encourage people to move into the market or for developers to develop new housing product.

Recommended Housing Strategies

The following summarizes key strategies for Lake County that should be considered to address housing issues and needs of the market. These strategies do not need to be done concurrently, nor do all strategies need to be implemented to create an impact. Instead, the following housing strategies should be used as a guide by the local government, stakeholders, developers and residents to help inform housing decisions.

Identify and designate a “housing champion” to lead efforts and consider capacity building that will expand the base of participants and resources that can be utilized to address housing issues. While Lake County has a variety of housing advocates, organizations and government-supported entities that support local housing efforts, these groups primarily function with a narrow focus and with limited resources. In order to make tangible progress on addressing broader local housing issues, Lake County would likely benefit from someone (a person and/or organization) serving as a local “Housing Champion.” Local stakeholders and advocates should explore the level of interest of community leaders and local housing

advocates on creating either a volunteer-based housing coalition or a more formal consortium/commission/task force. Such a group would serve as the entity that would investigate and discuss housing issues and devise possible solutions and advise local government on potential housing initiatives. It is recommended that any group that is formed include both public and private sector groups from a variety of interests and geographies. Consideration should also be given to hiring/retaining a housing specialist that would be responsible for facilitating housing initiatives on a regular basis. This can be an individual working for a village, town or county government, or someone that works for a nonprofit group, the regional housing authority, or other housing advocacy group. Housing professionals could also be retained.

Set realistic/attainable short-term housing goals, outline long-term objectives and monitor progress. Using the housing needs estimates and recommendations provided in this report as a guide, the county should set realistic short-term (two to three years) housing development goals along with long-term (five years or longer) objectives to support housing. Short-term goals could begin with a simple housing mission statement of the community that outlines the overall objectives and hopes for the community as it relates to things like the people that are to be served, the type of housing to be provided, and the intended outcome on the local economy and overall quality of life in Lake County. Short-term goals should also focus on establishing an Action Plan that outlines priorities for the county, such as broad housing policies, initiatives, and incentives that support the preservation and development of residential units. The recommendations included in this section should serve as a guide for developing an Action Plan. Long-term objectives could include establishing a goal for the number of housing units that should be built, repaired or removed and broadly outline the types of housing that should be considered, such as rentals and for-sale housing, as well as geographical locations (e.g., within walkable communities, along arterial roads, selected neighborhoods, etc.). The goals should also broadly outline affordability (e.g., income levels) objectives and market segments (e.g., families, seniors, and persons with a disability) that should be served. From such goals, the county should periodically collect key metrics (e.g., vacancy rates, changes in rents/prices, reassess cost burdened and overcrowded housing, evaluate housing cost increases relative to income/wage growth, etc.) so that they can monitor progress and adjust efforts to support stated goals.

Consider implementing/modifying policies and/or offering incentives to encourage or support the development of new residential units and the preservation of existing housing, particularly housing that is affordable to lower income households. As shown throughout this study, the Lake County market has several housing issues associated with affordability, availability and quality. As a result, the county and municipalities should consider modifying or expanding housing policies or offering incentives that would encourage residential development and help with the preservation of the existing housing stock. In an effort to support the development and preservation of more affordable housing alternatives, local governments should consider supporting projects being developed with affordable housing development programs (e.g., Tax Credit and HUD programs), offering tax abatements and/or infrastructure assistance, providing pre-development financial

assistance, waiving or lowering government permitting/development fees, consider creative housing regulatory provisions or incentives (e.g., density bonuses, inclusionary zoning, in-lieu fees, accessory dwelling units, lot splits, tiny homes, mixed-use and mixed-income projects, etc.), and supporting a housing trust fund or the county's existing land bank. Overall, focus should be placed on housing efforts and programs that support low-income households (seniors and families), workforce households, and first-time homebuyers. Additional housing is needed in order to have a healthy housing market, which will ultimately contribute to the local economy, quality of life and overall prosperity of Lake County. Lake County falls within the West Michigan Housing Partnership region, as part of Michigan's Statewide Housing Plan. Within this plan, numerous programs, initiatives, strategies and resources were included that could be considered in Lake County. The link to the Housing Policy Toolbox, which provides supplemental links to potential housing solutions, is included at: <https://www.michigan.gov/mshda/-/media/Project/Websites/mshda/developers/Statewide-Housing-Plan/SHP-Partners-Maps/Partnership-F-Data-Document.pdf?rev=6231c93e796b48e0acce3ef8d95e86e&hash=E2E230402D0B204D55375B23DE90955E>

Consider development of a blight removal and/or mitigation plan. As shown in this report, there were 70 residential buildings identified that were exhibiting blight. Additionally, many respondents to the various surveys that were conducted as part of this study indicated that residential blight is a primary issue in the county and that addressing blight should be made a priority. Local stakeholders, government and/or housing advocates should consider developing a residential blight removal/mitigation plan. While this study identifies the streets and communities within the county for which blight is most prevalent, the county and/or individual communities may want to expand or refine the inventory of blighted homes that can help establish the degree to which blight is impacting their area and the geographic concentrations of such housing. Approaches for addressing blight may include such things as establishing a blight task force, review of existing municipal codes related to blight, an assessment of code enforcement, identifying and securing funds to address blight, education and outreach efforts to inform the public on blight issues and solutions, and identification of potential tools to address blight. Additional information on addressing residential blight can be found at:

- <https://housingalliancepa.org/comprehensive-guides-to-combating-blight/>
- https://hesterstreet.org/wp-content/uploads/2019/07/Cities-RISE_CE-101_v10_FOR-PRINT.pdf
- <https://www.changelabsolutions.org/product/code>

Formulate education and outreach campaign to help support housing initiatives.

Using both existing and newly created housing education initiatives, local stakeholders could develop an overarching education program with a more unified objective. The program could, for example, include educating landlords on the Housing Choice Voucher program, informing potential homebuyers about homebuying requirements and assistance (credit repair, down payments, etc.), and advising existing homeowners on home repair assistance and resources. Additional outreach efforts should involve both informing and engaging the county residents, elected officials, area employers and other stakeholders on the benefits of developing and preserving affordable housing. Such efforts could help to mitigate stigmas associated with affordable housing, illustrate the benefits such housing has on the local economy, and help to get the community to “buy in” on housing initiatives. Annual or other periodic housing forums, workshops, or “developers’ day” events, preparing annual reports or preparing marketing material could be used to help communicate housing advocacy messaging.

Market Lake County’s housing needs and opportunities to potential residential development partners. As provided in Section VII of this report, over 70 potential development partners (e.g., developers, investors, non-profit groups) were identified. The county and housing advocates should consider developing a marketing campaign to reach these potential development partners. Marketing of the community through trade publications, direct solicitation or public venues (e.g., housing and economic conferences) should be considered. The promotion of market data (including this Housing Needs Assessment), the nearly 30 development opportunities identified and included in Section VII of this study, and possible housing programs and incentives should be the focus of such efforts.

Consider supporting product types and design elements that will meet the needs of residents and help the community achieve its housing goals. As shown in Section IV of this report, the market has a large and growing base of senior households and, unlike the state trends, it is having difficulty retaining older millennials (ages 35 to 44). Additionally, as shown in Section VI, much of the existing housing stock is unaffordable and/or in poor condition, causing many households to live in substandard housing and/or in cost-burdened housing situations. It is recommended that local housing officials consider supporting housing product designs that meet the specific needs of seniors, such as single-floor or low barrier entry units with amenities that will appeal to seniors. Cottage or ranch style units near walkable areas or neighborhoods, or in areas with convenient access to senior-oriented community services should be explored. The county should also consider supporting product designs that will appeal to older millennials and younger adult households to help the county attract and retain such households. This could include townhouse units and condominium alternatives that are heavily amenitized, with features that will appeal to younger households. Such product would likely increase its appeal if it is developed in walkable neighborhoods or near downtowns, such as Baldwin’s downtown area. Given the lack of available and affordable housing alternatives in the market, the community should also be open to projects that offer

lower prices such as modular or manufactured homes. Given that product types and design can influence housing decisions of consumers, it will be important for the county to support such product that helps it achieve its goals. Zoning, incentives, and infrastructure assistance are just some of the ways the county can support the development of selected product types and designs.

III. COMMUNITY OVERVIEW AND STUDY AREA

A. LAKE COUNTY, MICHIGAN

This report focuses on the housing needs of Lake County, Michigan. Originally known as Aishcum County but renamed in 1871, Lake County comprises approximately 567 square miles and is located in the western portion of the Lower Peninsula of Michigan. The main thoroughfares that serve Lake County include U.S. Highway 10 and State Route 37.

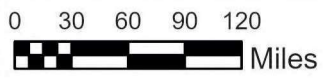
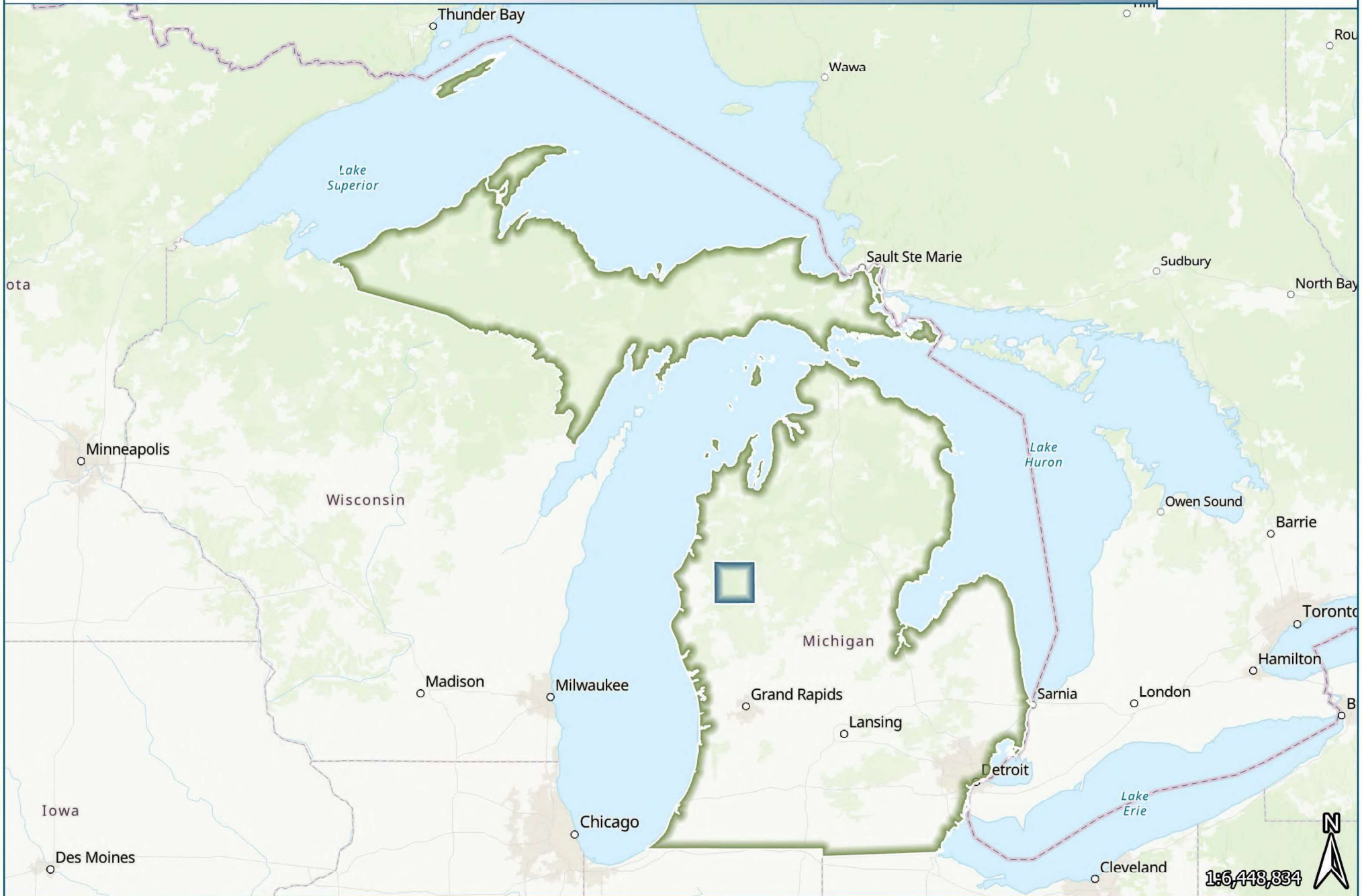
Lake County has an estimated population of 11,078 in 2023, decreasing by 1,018 people, or 8.4%, from 2020. The county's estimated population density is 19.3 persons per square mile in 2023, which is significantly lower compared to the state of Michigan (173.7 persons per square mile). The county's incorporated communities include the villages of Baldwin and Luther. There are also various townships, and unincorporated areas within Lake County. The village of Baldwin, which serves as the county seat, is approximately 85 miles north of Grand Rapids, Michigan. Baldwin is home to the county courthouse, various commercial businesses, employment opportunities, and medical facilities. Lake County hosts several annual events, features over 100 lakes, has more than 4,000 miles of hiking trails, and offers a variety of recreational activities.

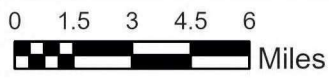
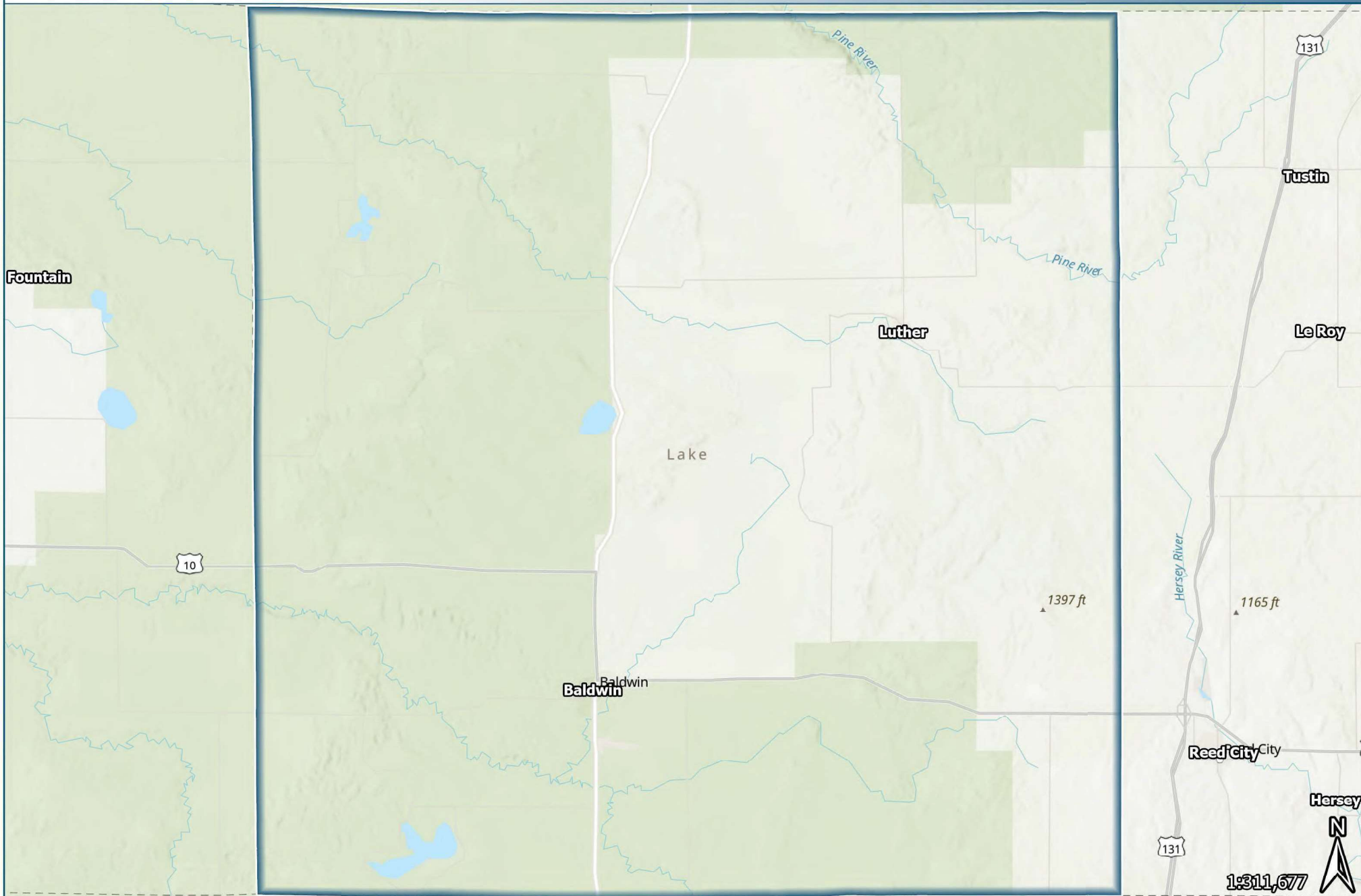
Based on 2023 estimates, 84.4% of the county's households are owner households. Over 87.8% of rental units are within structures of four or fewer units (including mobile homes), while the majority (99.9%) of the owner-occupied units are within these smaller structures and mobile homes (primarily single-family homes). As shown in the supply section (Section VI) of this report, the market offers a wide variety of price points and rents. Additional information regarding the county's demographic characteristics and trends, economic conditions, housing supply, and other factors that impact housing are included throughout this report.

B. STUDY AREA DELINEATION

This report addresses the residential housing needs of Lake County, Michigan. To this end, we focused our evaluation on the demographic and economic characteristics, as well as the existing housing stock, of areas within Lake County. The *Primary Study Area (PSA)* includes all of Lake County.

Maps delineating the boundaries of the PSA (Lake County) are on the following pages.





Esri, NASA, NGA, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
Additional Source(s): Bowen National Research

IV. DEMOGRAPHIC ANALYSIS

A. INTRODUCTION

This section of the report evaluates key demographic characteristics for the Primary Study Area (PSA, Lake County). Through this analysis, unfolding trends and unique conditions are often revealed regarding populations and households residing in the select geographic area. Demographic comparisons between the PSA and the state of Michigan provide insight into the human composition of the housing market. Critical questions, such as the following, can be answered with this information:

- Who lives in Lake County and what are these people like?
- In what kinds of household groupings do Lake County residents live?
- What share of people rent or own their Lake County residence?
- Are the number of people and households living in Lake County increasing or decreasing over time?
- How has migration contributed to the population changes within Lake County in recent years, and what are these in-migrants like?
- How do Lake County residents and residents of the state compare with each other?

This section is comprised of three major parts: population characteristics, household characteristics, and demographic theme maps. Population characteristics describe the qualities of individual people, while household characteristics describe the qualities of people living together in one residence. Demographic theme maps graphically show varying levels (low to high concentrations) of a demographic characteristic across a geographic region.

It is important to note that 2010 and 2020 demographics are based on U.S. Census data (actual count), while 2023 and 2028 data are based on calculated estimates provided by ESRI, a nationally recognized demography firm. The accuracy of these estimates depends on the realization of certain assumptions:

- Economic projections made by secondary sources materialize.
- Governmental policies with respect to residential development remain consistent.
- Availability of financing for residential development (i.e., mortgages, commercial loans, subsidies, Tax Credits, etc.) remains consistent.
- Sufficient housing and infrastructure are provided to support projected population and household growth.

Significant unforeseen changes or fluctuations among any of the preceding assumptions could have an impact on demographic estimates/projections.

B. POPULATION CHARACTERISTICS

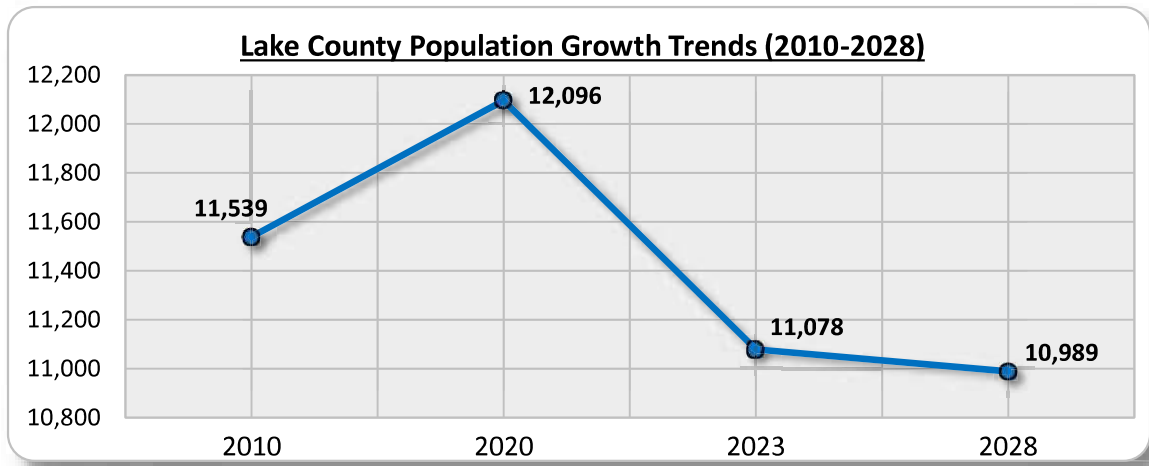
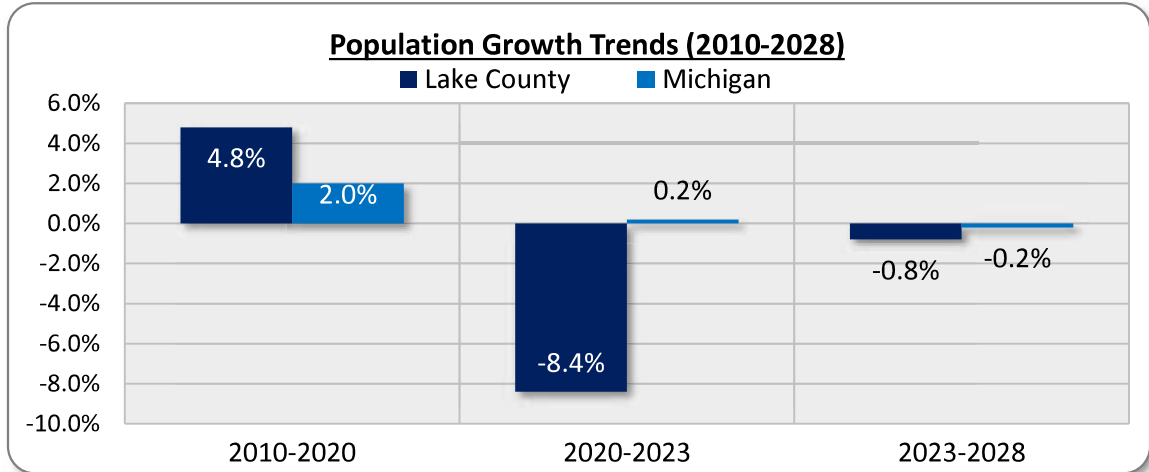
Population by numbers and percent change (growth or decline) for selected years is shown in the following table. It should be noted that some total numbers and percentages may not match the totals within or between tables in this section due to rounding. Positive changes between time periods in the following table are illustrated in green, while negative changes are illustrated in red.

	Total Population									
	2010 Census	2020 Census	Change 2010-2020		2023 Estimated	Change 2020-2023		2028 Projected	Change 2023-2028	
			Number	Percent		Number	Percent		Number	Percent
Lake County	11,539	12,096	557	4.8%	11,078	-1,018	-8.4%	10,989	-89	-0.8%
Michigan	9,883,297	10,077,094	193,797	2.0%	10,097,803	20,709	0.2%	10,076,331	-21,472	-0.2%

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the population within the PSA (Lake County) increased by 557 (4.8%), which is a larger increase in population as compared to the increase within the state of Michigan (2.0%) during this time period. Between 2020 and 2023, the population within the PSA decreased by 1,018 (8.4%), which contrasts with the 0.2% increase in the statewide population. It should be noted that this population decline between 2020 and 2023 in the PSA is largely attributed to the closure of the North Lake Correctional Facility in late 2022, which housed approximately 1,100 inmates. While individuals living within group quarters (correctional facilities, skilled nursing facilities, college dormitories, military barracks, etc.) are counted as part of an area's population, these individuals do not influence the area's *household* count, which is evaluated later in this section. Between 2023 and 2028, the population of the PSA is projected to decrease by 0.8%, at which time (2028) the estimated total population of the PSA will be 10,989. The projected population decline within the PSA over the next five years is slightly greater than the 0.2% projected decline for the state during this time period. However, it is critical to point out that *household* changes, as opposed to population, are more material in assessing housing needs and opportunities. Historical and projected household changes for the PSA are covered later in this section starting on page IV-12.

The following graphs compare the change in population between 2010 and 2028.



Population densities for selected years are shown in the following table:

		Population Densities			
		2010	2020	2023	2028
Lake County	Population	11,539	12,096	11,078	10,989
	Area in Square Miles	574.34	574.34	574.34	574.34
	Density	20.1	21.1	19.3	19.1
Michigan	Population	9,883,297	10,077,094	10,097,803	10,076,331
	Area in Square Miles	58,143.72	58,143.72	58,143.72	58,143.72
	Density	170.0	173.3	173.7	173.3

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

With a population density of 19.3 persons per square mile in 2023, the PSA (Lake County) is much less densely populated than the state (173.7 persons per square mile), overall. The population density of the PSA decreased by 4.0% between 2010 and 2023, and it is projected that the density will decrease by an additional 1.0% over the next five years. Regardless, the population density in the PSA is reflective of an area that is primarily rural, on average.

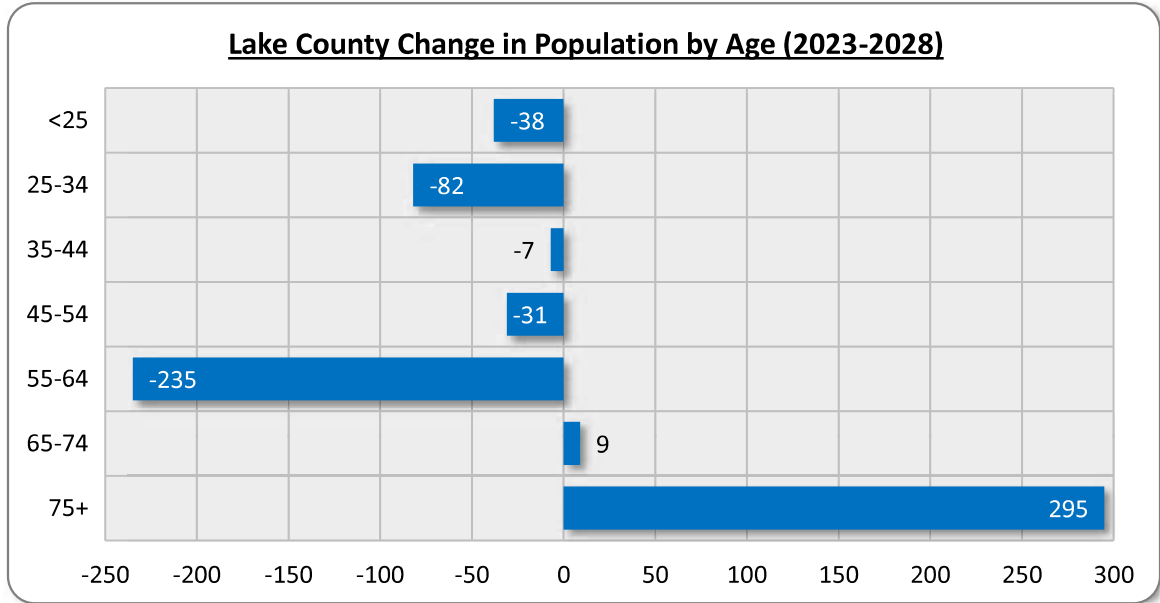
Population by age cohorts for selected years is shown in the following table. Note that five-year projected declines for each age cohort are in red, while increases are illustrated in green:

		Population by Age							Median Age
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+	
Lake County	2010	2,700 (23.4%)	957 (8.3%)	1,220 (10.6%)	1,839 (15.9%)	2,087 (18.1%)	1,696 (14.7%)	1,040 (9.0%)	50.1
	2023	2,266 (20.5%)	908 (8.2%)	1,008 (9.1%)	1,320 (11.9%)	1,933 (17.4%)	2,310 (20.9%)	1,333 (12.0%)	55.2
	2028	2,228 (20.3%)	826 (7.5%)	1,001 (9.1%)	1,289 (11.7%)	1,698 (15.5%)	2,319 (21.1%)	1,628 (14.8%)	56.0
	Change 2023-2028	-38 (-1.7%)	-82 (-9.0%)	-7 (-0.7%)	-31 (-2.3%)	-235 (-12.2%)	9 (0.4%)	295 (22.1%)	N/A
Michigan	2010	3,317,872 (33.6%)	1,164,113 (11.8%)	1,277,934 (12.9%)	1,509,979 (15.3%)	1,251,951 (12.7%)	724,679 (7.3%)	636,769 (6.4%)	38.8
	2023	3,003,556 (29.7%)	1,286,686 (12.7%)	1,236,823 (12.2%)	1,237,049 (12.3%)	1,398,611 (13.9%)	1,164,323 (11.5%)	770,755 (7.6%)	41.1
	2028	2,922,171 (29.0%)	1,203,283 (11.9%)	1,283,478 (12.7%)	1,205,398 (12.0%)	1,272,653 (12.6%)	1,239,874 (12.3%)	949,474 (9.4%)	42.0
	Change 2023-2028	-81,385 (-2.7%)	-83,403 (-6.5%)	46,655 (3.8%)	-31,651 (-2.6%)	-125,958 (-9.0%)	75,551 (6.5%)	178,719 (23.2%)	N/A

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, the median age for the population of the PSA (Lake County) is 55.2 years, which represents a much older median age when compared to the median age of 41.1 years for the state. Within the PSA, 28.7% of the PSA population is less than 35 years of age, 21.0% is between the ages of 35 and 54, and 50.3% is age 55 or older. Overall, the distribution of population by age within the PSA is significantly more weighted toward the senior (ages 55 and older) cohorts as compared to the distribution for the state. Between 2023 and 2028, the population cohorts age 65 and older are projected to increase within the PSA, while all cohorts under 65 years of age are projected to decline. The most significant increase (22.1%) is projected to occur among the population age 75 and older, while the largest decrease (12.2%) is projected for the population between the ages of 55 and 64. Although the increase among the oldest cohorts in the PSA is consistent with statewide trends, the lack of an increase among the cohort between the ages of 35 and 44 is notably different than statewide projects.

The following graph compares the projected change in population by age cohort between 2023 and 2028.



Noteworthy population characteristics for the PSA (Lake County) are illustrated in the following table. Note that data included within this table is derived from multiple sources (2020 Census, ESRI, American Community Survey) and is provided for the most recent time period available for the given source.

		Population Characteristics (Year)						
		Minority Population (2020)	Unmarried Population (2023)	No High School Diploma (2023)	College Degree (2023)	< 18 Years Below Poverty Level (2021)	Overall Below Poverty Level (2021)	Movership Rate (2021)
Lake County	Number	1,801	5,058	1,432	1,887	503	2,320	1,290
	Percent	14.9%	52.3%	16.3%	21.4%	25.1%	19.4%	10.6%
Michigan	Number	2,632,321	4,231,103	524,065	3,065,746	390,572	1,310,037	1,261,121
	Percent	26.1%	50.5%	7.4%	43.2%	18.2%	13.3%	12.7%

Source: U.S. Census Bureau; 2020 Census; 2017-2021 American Community Survey; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, minorities in the PSA (Lake County) comprise a notably smaller share (14.9%) of the overall population as compared to the state (26.1%). Among the adult population of the PSA, 52.3% of the population is unmarried, which is a slightly larger share than the state share (50.5%). The share of the adult population in the PSA that lacks a high school diploma (16.3%) is higher than the share within the state (7.4%), while the share of individuals in Lake County with a college degree (21.4%) is notably less than the corresponding share in the state (43.2%). Overall, 19.4% of the population within the PSA lives in poverty, which is a much larger share as compared to the share for the state of Michigan (13.3%). The share of children under the age

of 18 years in the PSA living in poverty (25.1%) is also higher than the corresponding state share (18.2%). The movership rate (the share of the population moving within or to a given area year over year) of the PSA is 10.6%, which is less than the 12.7% rate reported within the state. As marital status and educational attainment typically affect household income, these factors can play an important role in the overall housing affordability of an area.

Migration Patterns

While the analysis on the preceding pages illustrates recent population changes, future population projections, and population characteristics such as age, marital status, and educational attainment, the following addresses where people *move* to and from, referred to as migration patterns. For the purposes of this analysis, the Census Bureau’s Population Estimates Program (PEP) is considered the most reliable source for the total *volume* of domestic migration. To evaluate migration *flows* between counties and mobility patterns by age and income at the county level, we use the U.S. Census Bureau’s migration estimates published by the American Community Survey (ACS) for 2021 (latest year available). It is important to note that while county administrative boundaries are likely imperfect reflections of commuter sheds, moving across a county boundary is often an acceptable distance to make a meaningful difference in a person’s local housing and labor market environment. The data provided by the PEP is intended to provide general insight regarding the contributing factors of population change (natural increase, domestic migration, and international migration), and as such, gross population changes within this data should not be compared to other tables which may be derived from alternate data sources such as the Decennial Census or American Community Survey.

The following table illustrates the cumulative change in total population for the PSA (Lake County) between April 2010 and July 2022.

Estimated Components of Population Change by County for the PSA (Lake County) April 1, 2010 to July 1, 2022							
	Years	Population Change*	Percent Change	Natural Change	Net Domestic Migration	Net International Migration	Total Net Migration
Lake County	2010-2020	45	0.4%	-682	684	34	718
	2020-2022	494	4.1%	-297	776	3	779

Source: U.S. Census Bureau, Population Division, June 2023
 *Includes residuals of (9) and (12) representing the change that cannot be attributed to any specific demographic component

Based on the preceding data, the population increase between 2010 and 2022 within Lake County was primarily the result of positive net domestic migration. It is important to note that this particular data likely does not include the recent closure of the North Lake Correctional Facility in Baldwin. Regardless the preceding data illustrates key component affecting the county’s population change. While a marginal amount of international migration contributed to the

population increase in the county, natural change (difference between the number of births and deaths) had a negative influence on the county’s population. Between 2010 and 2022, Lake County experienced natural decrease (more deaths than births) in the population base. This typically occurs in areas with a disproportionately high share of seniors. It is important that an adequate supply of income-appropriate rental and for-sale housing is available to attract migrants and to retain young adults and families in the area, which can positively influence natural change. Other factors such as job availability, wage competitiveness, and housing conditions can also significantly impact migration to an area.

The following table details the *shares* of domestic in-migration by three select age cohorts for the PSA (Lake County) from 2012 to 2021.

Lake County, Michigan Domestic County Population In-Migrants by Age, 2012 to 2021		
Age	2012-2016	2017-2021
1 to 34	54.0%	36.6%
35 to 54	28.2%	31.4%
55+	17.8%	32.0%
Median Age (In-state migrants)	34.2	43.9
Median Age (Out-of-state migrants)	25.4	46.0
Median Age (Lake County)	52.0	54.4

Source: U.S. Census Bureau, 2016 & 2021 5-Year ACS Estimates (S0701); Bowen National Research

According to 2012-2016 American Community Survey estimates, 54.0% of domestic in-migrants to Lake County were less than 35 years of age. Between 2017 and 2021, the share of in-migrants less than 35 years of age (36.6%) decreased significantly, while the share of in-migrants between the ages of 35 and 54 (31.4%) and those age 55 and older (32.0%) increased. The median age of in-state migrants (originating from a different county in Michigan) increased from 34.2 years to 43.9 years between the two time periods, while the median age of out-of-state migrants increased from 25.4 years to 46.0 years. Overall, the data suggests that recent in-migrants to Lake County have been, on average, much older than in prior years. Regardless, in-state and out-of-state migrants are generally younger than the existing population of Lake County.

The following table illustrates the top 10 gross migration counties (total combined inflow and outflow) for Lake County with the resulting net migration (difference between inflow and outflow) for each. Note that counties which directly border the PSA (Lake County) are illustrated in red text.

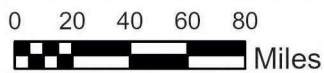
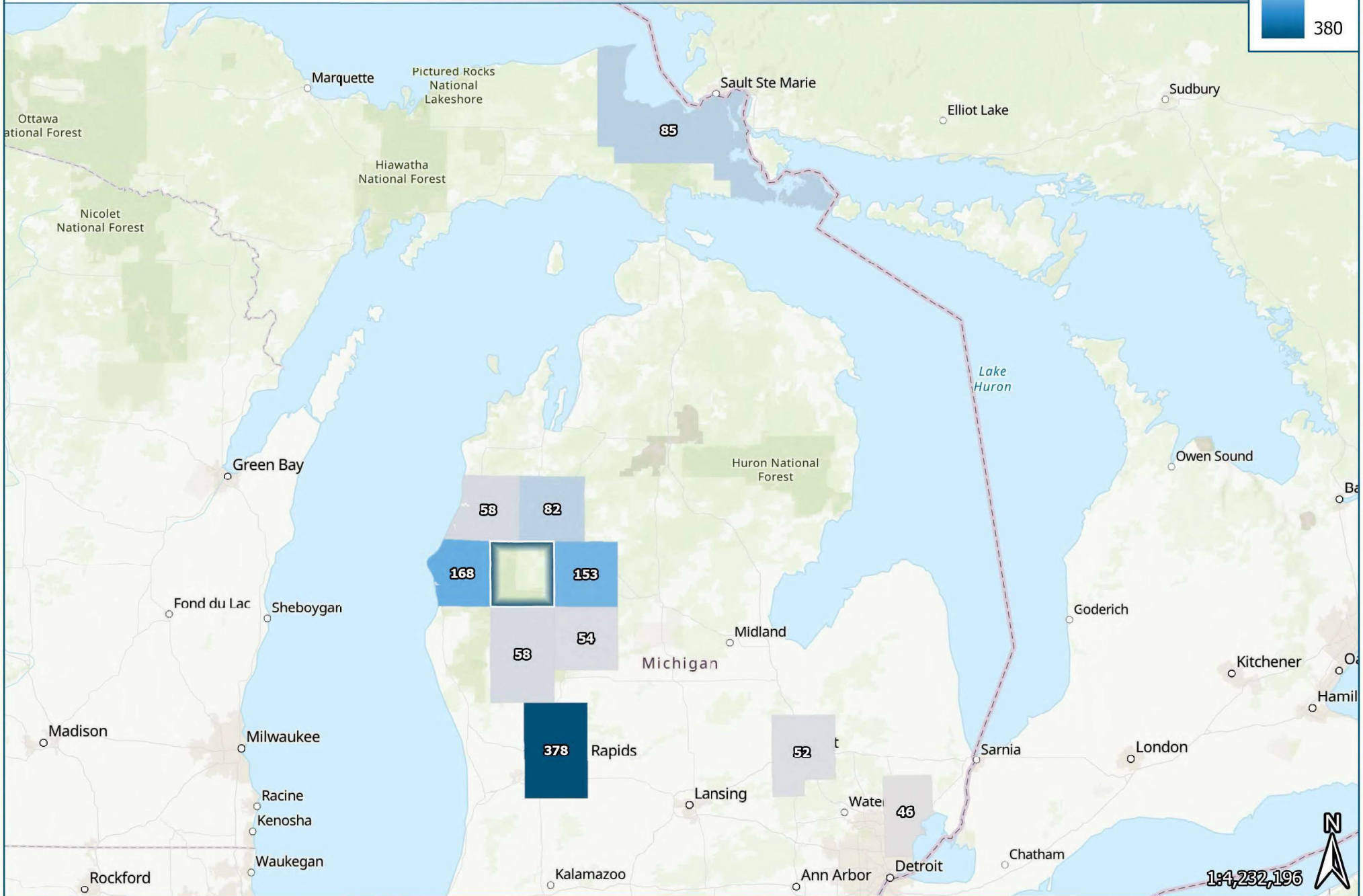
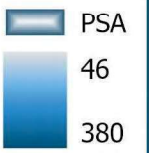
County-to-County Domestic Population Migration for Lake County, MI Top 10 Gross Migration Counties*			
County	Gross Migration		Net Migration
	Number	Percent	
Kent County, MI	378	19.7%	-34
Mason County, MI	168	8.8%	-72
Osceola County, MI	153	8.0%	-1
Chippewa County, MI	85	4.4%	-85
Wexford County, MI	82	4.3%	68
Manistee County, MI	58	3.0%	16
Newaygo County, MI	58	3.0%	-38
Mecosta County, MI	54	2.8%	-16
Genesee County, MI	52	2.7%	6
Macomb County, MI	46	2.4%	22
All Other Counties	785	40.9%	269
Total Migration	1,919	100.00%	135

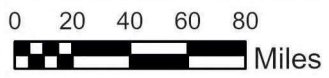
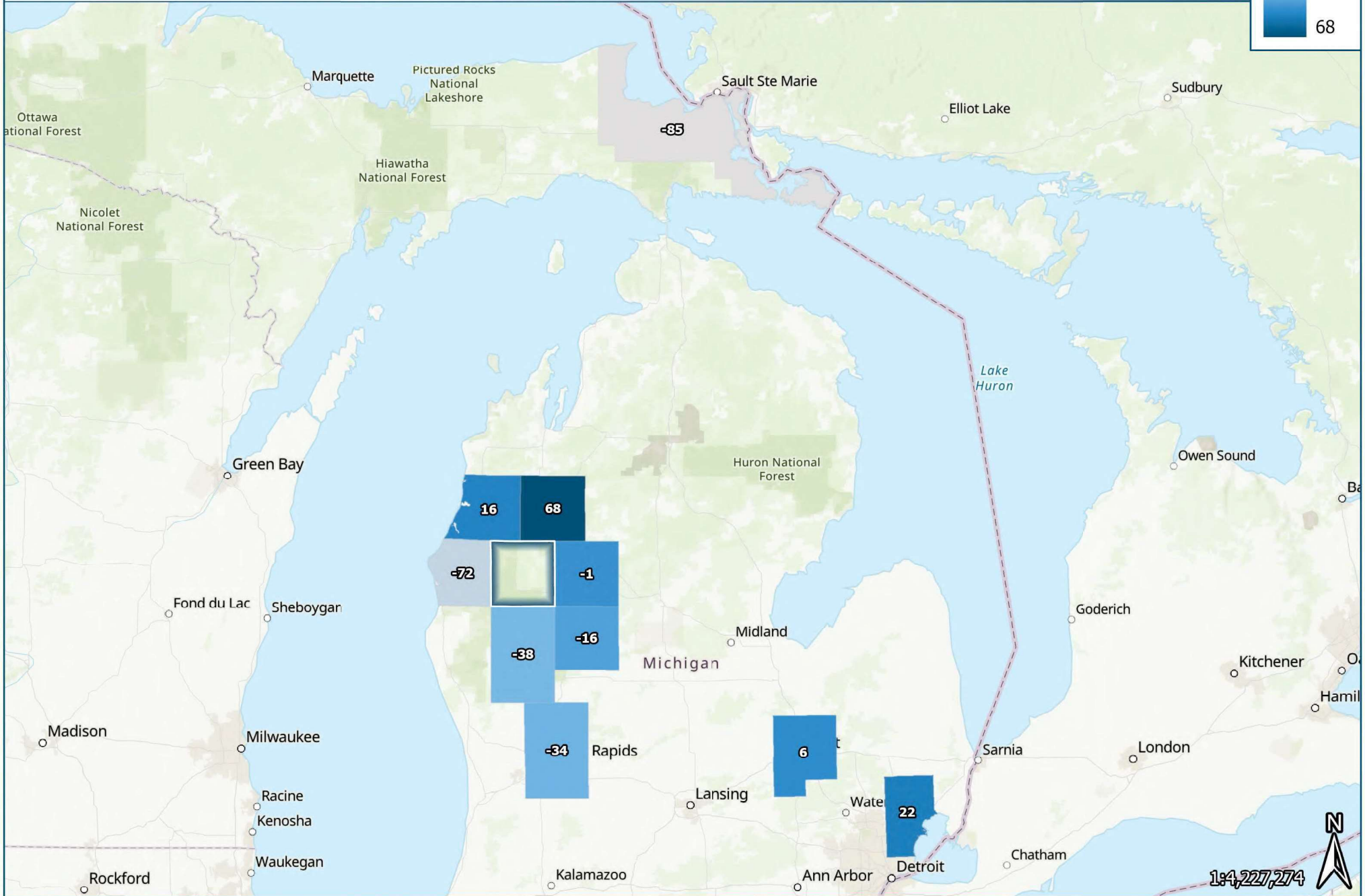
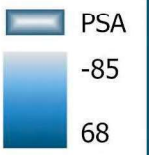
Source: U.S. Census Bureau, 2020 5-Year American Community Survey; Bowen National Research

*Top 10 only includes counties within the state and immediate region

As the preceding table illustrates, six of the top 10 gross migration counties all directly border the PSA (Lake County) and comprise 29.9% of the total gross migration for the PSA. The six adjacent counties have an overall negative net-migration influence (-43) on Lake County. In total, 59.1% of the gross migration for the PSA is among the top 10 counties listed. Among these counties, Wexford County and Macomb County have the largest *positive* net-migration influence on the PSA. Conversely, Chippewa County and Mason County have the largest overall *negative* net migration for the PSA. Given that Kent County encompasses the Grand Rapids metropolitan area, it is likely that many Lake County residents, particularly younger individuals, relocate to this area seeking employment opportunities or the lifestyle that a larger metropolitan area offers. Overall, it appears that Lake County has benefited from regional migration in recent years, which is also supported by the Components of Population Change data. As previously noted, the recent closure of the local correctional facility is excluded from this data.

Maps illustrating the gross migration and net-migration between Lake County and nearby regional counties for 2020 are shown on the following pages.





Province of Ontario, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS, Esri, USGS
Additional Source(s): Bowen National Research



While the data contained in the previous pages illustrates the overall net migration trends for the PSA (Lake County) and gives perspective about the general location where these individuals migrate to and from, it is also important to understand the income levels of in-migrants as they directly relate to affordability of housing. The following table illustrates the *per-person* income distribution by geographic mobility status for Lake County in-migrants. Note that this data is provided for the county *population*, not households, ages 15 and above:

Lake County: Income Distribution by Mobility Status for Population Age 15+ Years*						
2021 Inflation Adjusted Individual Income	Moved Within Same County		Moved From Different County, Same State		Moved From Different State	
	Number	Percent	Number	Percent	Number	Percent
<\$25,000	135	69.4%	398	58.0%	50	62.3%
\$25,000 to \$49,999	44	22.6%	172	25.1%	17	20.4%
\$50,000 to \$74,999	8	4.0%	63	9.1%	13	15.9%
\$75,000+	8	4.0%	53	7.7%	1	1.4%
Total	194	100.0%	686	100.0%	81	100.0%

Source: U.S. Census Bureau, 2021 5-Year American Community Survey (S0701); Bowen National Research

*Excludes population with no income

According to data provided by the 2021 American Community Survey, over one-half (58.0%) of the population that moved to Lake County from a different county within Michigan earned less than \$25,000 per year. While a much smaller number of individuals moved to the PSA from outside the state, a slightly larger share (62.3%) of these individuals earned less than \$25,000 annually. By comparison, the share of individuals earning \$50,000 or more per year is significantly smaller for both in-migrants from a different county within Michigan (16.8%) and those from outside the state (17.3%). Although it is likely that a significant share of the population earning less than \$25,000 per year consists of children and young adults considered to be dependents within a larger family, this illustrates that affordable housing options are an important factor for a significant portion of in-migrants to Lake County.

Based on our evaluation of the components of population change between 2010 and 2022, the population increase during this time in Lake County was due primarily to domestic in-migration. In-migrants to Lake County have typically been much younger, on average, than the existing population of the county, although it appears more recent in-migrants have been older than in prior years. The data also illustrates that a majority of in-migrants to the county earn low to moderate wages. As such, housing affordability is likely important to a significant share of the individuals who choose to relocate to the county.

C. HOUSEHOLD CHARACTERISTICS

Households by numbers and percent change (growth or decline) for selected years are shown in the following table. Note that decreases are illustrated in red text, while increases are illustrated in green text:

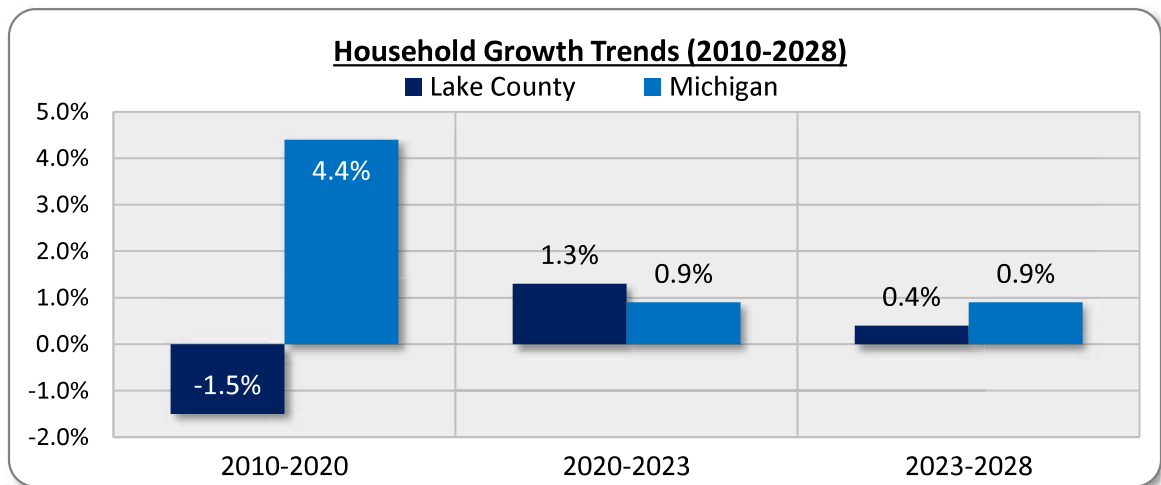
	Total Households									
	2010 Census	2020 Census	Change 2010-2020		2023 Estimated	Change 2020-2023		2028 Projected	Change 2023-2028	
			Number	Percent		Number	Percent		Number	Percent
Lake County	5,158	5,079	-79	-1.5%	5,143	64	1.3%	5,165	22	0.4%
Michigan	3,872,302	4,041,552	169,250	4.4%	4,079,686	38,134	0.9%	4,116,192	36,506	0.9%

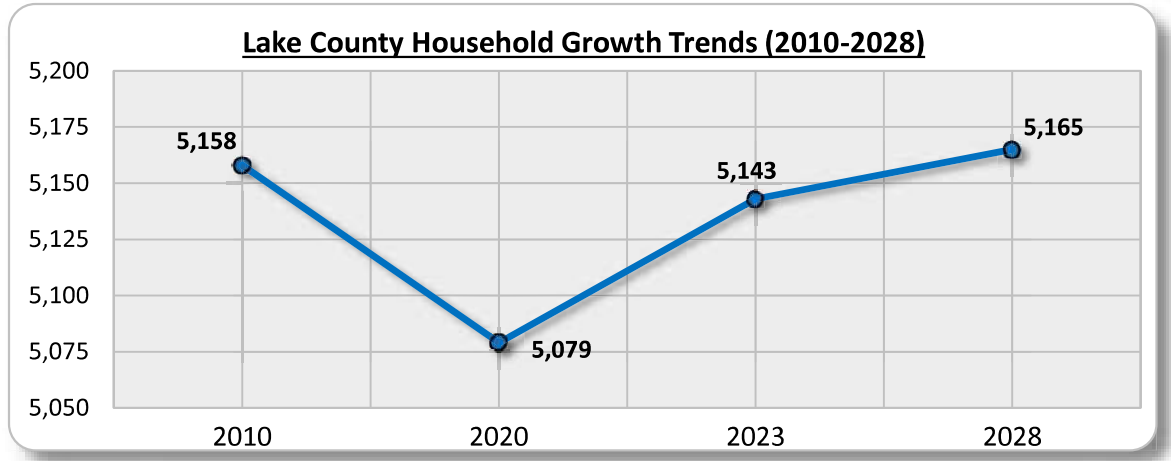
Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the number of households within the PSA (Lake County) decreased by 79 (1.5%). This contrasts with the 4.4% increase in the number of households for the state of Michigan during this time period. In 2023, there is a total of 5,143 households in the PSA, which represents a 1.3% increase from 2020. Between 2023 and 2028, the number of households in the PSA is projected to increase by 22 (0.4%), which is slightly less than the projected statewide increase (0.9%) over the next five years.

While the projected increase in households within Lake County will likely affect demand for housing in the market, household growth or decline alone does not dictate the total housing needs of a market. Other factors that affect housing needs, which are addressed throughout this report, include: households living in substandard or cost-burdened housing, commuting patterns, pent-up demand, availability of existing housing, and product in the development pipeline.

The following graphs compare household growth between 2010 and 2028:





Household heads by age cohorts for selected years are shown in the following table. Note that five-year projected declines are in red, while increases are in green:

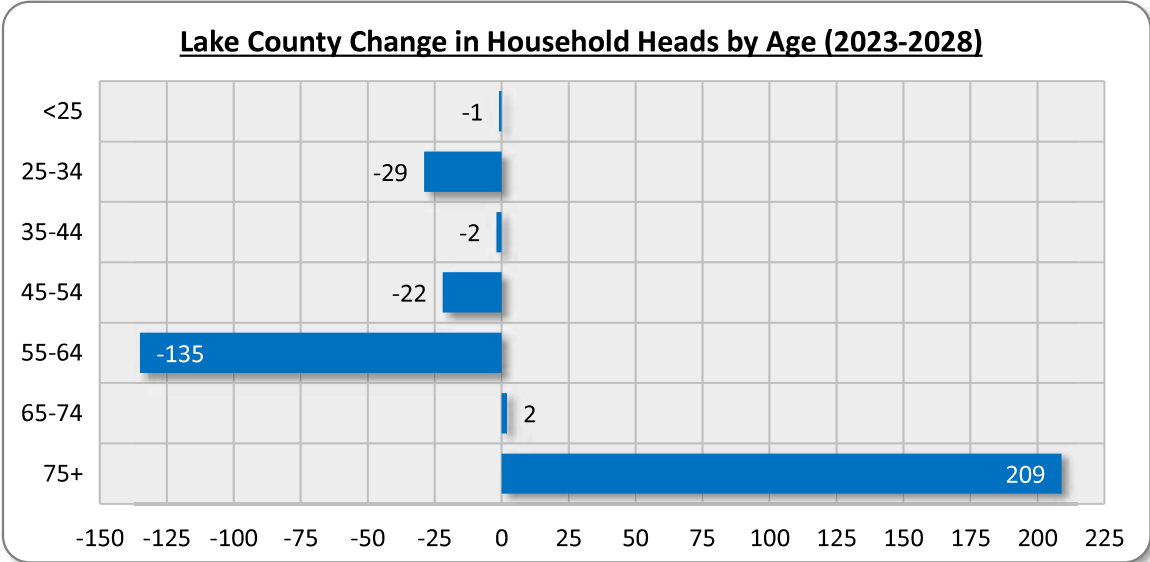
		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Lake County	2010	97 (1.9%)	401 (7.8%)	598 (11.6%)	1,019 (19.8%)	1,228 (23.8%)	1,084 (21.0%)	731 (14.2%)
	2023	79 (1.5%)	383 (7.4%)	491 (9.5%)	712 (13.8%)	1,112 (21.6%)	1,444 (28.1%)	922 (17.9%)
	2028	78 (1.5%)	354 (6.9%)	489 (9.5%)	690 (13.4%)	977 (18.9%)	1,446 (28.0%)	1,131 (21.9%)
	Change 2023-2028	-1 (-1.3%)	-29 (-7.6%)	-2 (-0.4%)	-22 (-3.1%)	-135 (-12.1%)	2 (0.1%)	209 (22.7%)
Michigan	2010	170,982 (4.4%)	525,833 (13.6%)	678,259 (17.5%)	844,895 (21.8%)	746,394 (19.3%)	463,569 (12.0%)	442,370 (11.4%)
	2023	151,518 (3.7%)	563,887 (13.8%)	645,602 (15.8%)	673,196 (16.5%)	808,485 (19.8%)	722,882 (17.7%)	514,116 (12.6%)
	2028	147,389 (3.6%)	528,044 (12.8%)	664,070 (16.1%)	654,057 (15.9%)	731,118 (17.8%)	763,689 (18.6%)	627,825 (15.3%)
	Change 2023-2028	-4,129 (-2.7%)	-35,843 (-6.4%)	18,468 (2.9%)	-19,139 (-2.8%)	-77,367 (-9.6%)	40,807 (5.6%)	113,709 (22.1%)

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, household heads between the ages of 65 and 74 within the PSA (Lake County) comprise the largest share (28.1%) of all households in the PSA, followed by households between the ages of 55 and 64 (21.6%). Overall, senior households (age 55 and older) constitute 67.6% of all households within the PSA. This represents a much larger share of senior households when compared to the share within the state (50.1%). Household heads under the age of 35, which are typically more likely to be renters or first-time homebuyers, comprise 8.9% of PSA households, while those between the ages of 35 and 54 account for 23.3% of Lake County households.

Between 2023 and 2028, projections indicate significant household growth (22.7%) in the PSA among household heads ages 75 and older. Households between the ages of 65 and 74 are projected to increase marginally (0.1%), while all household age cohorts less than 65 years of age are projected to decline. The largest percentage decline (12.1%) is projected for the age cohort of 55 to 64. Overall, the projected changes in households by age cohort in the PSA are relatively consistent with the statewide projections, in that the most significant growth is expected among the oldest cohorts. It is noteworthy that the age cohort of 35 to 44 years is projected to increase by 2.9% statewide, while the same cohort is projected to decline by 0.4% within the PSA. The aforementioned changes in households by age in the PSA will likely have an impact on the area housing market, particularly the demand for senior-oriented housing in the county.

The following graph illustrates the projected change in households by age.



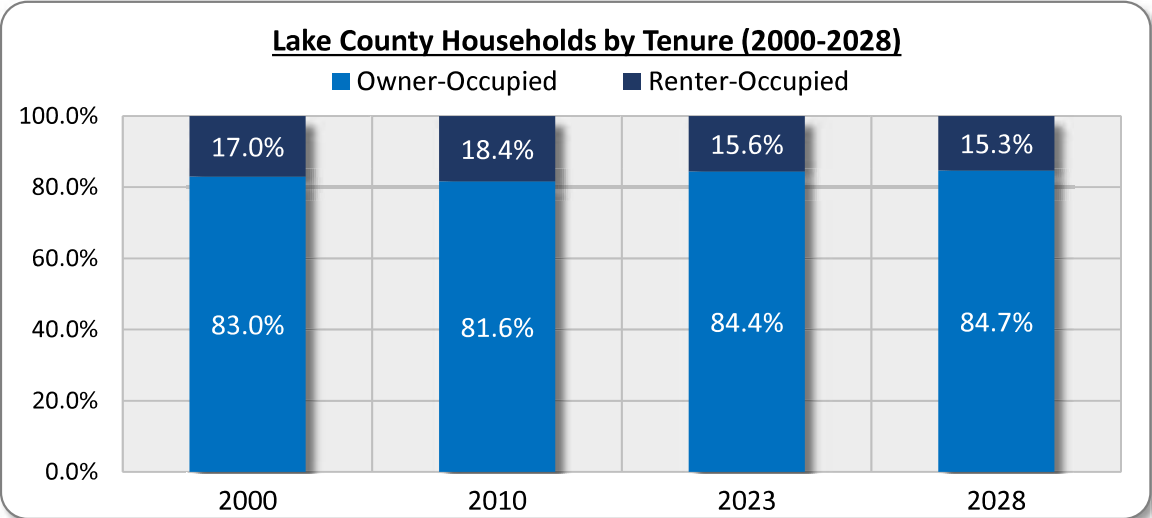
Households by tenure (renters and owners) for selected years are shown in the following table. Note that 2028 numbers which represent a decrease from 2023 are illustrated in red text, while increases are illustrated in green text.

		Households by Tenure							
		2000		2010		2023		2028	
Household Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Lake County	Owner-Occupied	3,905	83.0%	4,208	81.6%	4,340	84.4%	4,377	84.7%
	Renter-Occupied	799	17.0%	950	18.4%	803	15.6%	788	15.3%
	Total	4,704	100.0%	5,158	100.0%	5,143	100.0%	5,165	100.0%
Michigan	Owner-Occupied	2,792,684	73.8%	2,793,208	72.1%	2,921,638	71.6%	2,973,203	72.2%
	Renter-Occupied	991,785	26.2%	1,079,094	27.9%	1,158,048	28.4%	1,142,988	27.8%
	Total	3,784,469	100.0%	3,872,302	100.0%	4,079,686	100.0%	4,116,191	100.0%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, there is an 84.4% share of *owner* households and a 15.6% share of *renter* households in the PSA (Lake County). This represents a two-and-eighths percentage point increase in share of owner households in the PSA between 2010 and 2023. Owner households in the PSA comprise a notably higher share of the total households as compared to the corresponding share in the state (71.6%). Between 2023 and 2028, the total number of households in the PSA is projected to increase by 0.4%. During this time period, owner households in the PSA are projected to increase by 0.9% (37 households), while renter households are projected to decline by 1.9% (15 households). Although these tenure projections will likely have an impact on the local housing market, recent changes in home mortgage interest rates and home construction costs, which have increased significantly, can greatly influence tenure projections.

The following graph illustrates households by tenure for the PSA (Lake County) from 2000 and projected to 2028:



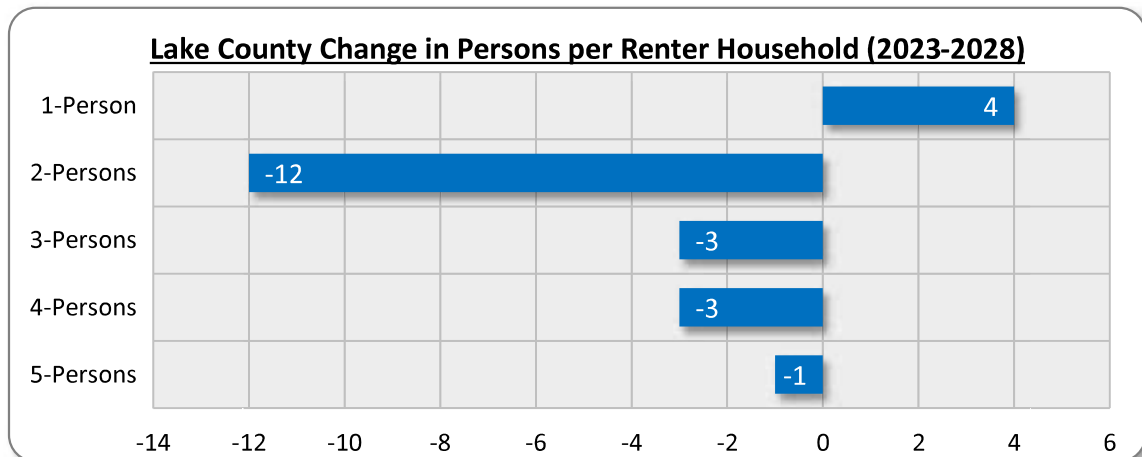
Renter households by size for selected years are shown in the following table for the PSA (Lake County) and the state of Michigan. Note that 2028 numbers that represent an increase from 2023 are in green text, while decreases are in red.

		Persons Per Renter Household						Average H.H. Size
		1-Person	2-Person	3-Person	4-Person	5-Person+	Total	
Lake County	2010	354 (37.3%)	222 (23.3%)	142 (15.0%)	109 (11.5%)	122 (12.9%)	950 (100.0%)	2.39
	2023	345 (43.0%)	175 (21.8%)	114 (14.3%)	79 (9.9%)	89 (11.1%)	803 (100.0%)	2.24
	2028	349 (44.4%)	163 (20.7%)	111 (14.0%)	76 (9.7%)	88 (11.2%)	788 (100.0%)	2.23
Michigan	2010	448,903 (41.6%)	282,183 (26.1%)	152,152 (14.1%)	109,096 (10.1%)	86,759 (8.0%)	1,079,094 (100.0%)	2.17
	2023	509,078 (44.0%)	315,568 (27.2%)	151,241 (13.1%)	104,688 (9.0%)	77,473 (6.7%)	1,158,048 (100.0%)	2.07
	2028	508,275 (44.5%)	312,654 (27.4%)	147,152 (12.9%)	100,797 (8.8%)	74,110 (6.5%)	1,142,988 (100.0%)	2.05

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

With an average renter household size of 2.24 in 2023, one- and two-person households comprise 64.8% of all renter households within the PSA (Lake County). This is smaller share of such households compared to those within the state overall (71.2%), which has average renter household size of 2.07 persons. Conversely, four- and five-person or larger renter households comprise 21.0% of all renter households in the PSA, which is larger than the statewide share (15.7%). Between 2023 and 2028, a marginal increase (1.2%) is projected among one-person renter households in the PSA. All other renter household size cohorts are projected to decline over the next five years, with the largest decline (6.9%) projected for two-person renter households.

The following graph shows the projected change in persons per renter household between 2023 and 2028:



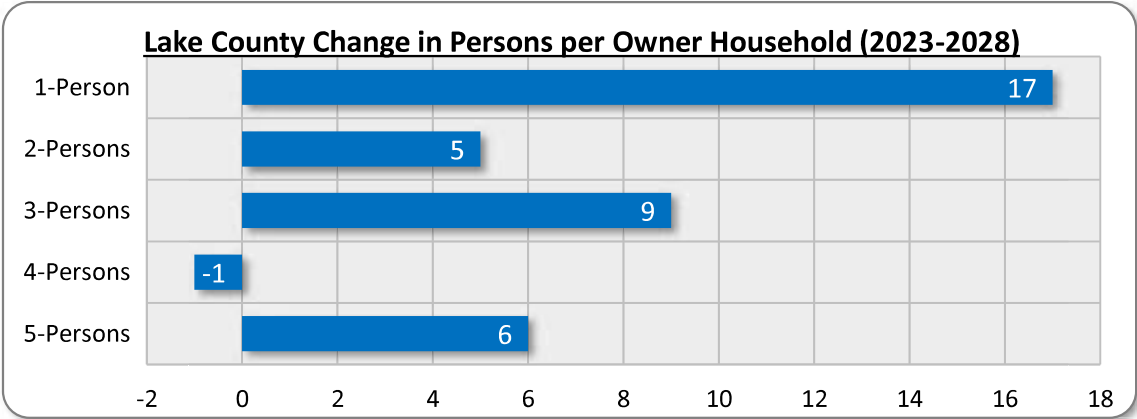
Owner households by size for the PSA (Lake County) and the state of Michigan for selected years are shown in the following table. Note that 2028 numbers that represent an increase from 2023 are in green text, while decreases are in red.

		Persons Per Owner Household						Average H.H. Size
		1-Person	2-Person	3-Person	4-Person	5-Person+	Total	
Lake County	2010	994 (23.6%)	1,791 (42.6%)	547 (13.0%)	483 (11.5%)	394 (9.4%)	4,208 (100.0%)	2.40
	2023	1,094 (25.2%)	1,838 (42.3%)	539 (12.4%)	469 (10.8%)	401 (9.2%)	4,340 (100.0%)	2.37
	2028	1,111 (25.4%)	1,843 (42.1%)	548 (12.5%)	468 (10.7%)	407 (9.3%)	4,377 (100.0%)	2.36
Michigan	2010	662,549 (23.7%)	1,048,850 (37.5%)	430,992 (15.4%)	390,770 (14.0%)	260,048 (9.3%)	2,793,208 (100.0%)	2.48
	2023	714,048 (24.4%)	1,113,144 (38.1%)	445,842 (15.3%)	381,566 (13.1%)	267,038 (9.1%)	2,921,638 (100.0%)	2.44
	2028	728,515 (24.5%)	1,131,747 (38.1%)	454,259 (15.3%)	386,768 (13.0%)	271,914 (9.1%)	2,973,203 (100.0%)	2.44

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

With an average owner household size of 2.37 in 2023, one- and two-person households comprise 67.5% of all owner households within the PSA (Lake County). This is a slightly larger share of such households compared to those within the state overall (62.5%), which has an average owner household size of 2.44 persons. With the total number of owner households in the PSA projected to increase by 0.9% over the next five years, nearly all owner household size cohorts in the county are projected to increase moderately. Four-person owner households, which are projected to decline marginally (0.2%), is the only size cohort projected to decline. Conversely, one-person owner households are projected to experience the largest increase in terms of *number* of households (17 households). Overall, these projected changes in owner households by size in the PSA will likely influence demand in the for-sale housing between 2023 and 2028.

The following graph illustrates the projected change in persons per *owner* household between 2023 and 2028:



Median household income for selected years is shown in the following table:

Median Household Income					
	2010 Census	2023 Estimated	% Change 2010-2023	2028 Projected	% Change 2023-2028
Lake County	\$30,561	\$45,796	49.9%	\$52,669	15.0%
Michigan	\$46,042	\$66,880	45.3%	\$76,076	13.7%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, the median household income for the PSA (Lake County) in 2023 is \$45,796, which represents an increase of 49.9% over the median household income in 2010. The estimated median household income in the PSA in 2023 is approximately 31.5% lower than the median income for the state (\$66,880). Between 2023 and 2028, it is projected that the median household income in the PSA will increase by 15.0%, at which time the median household income in the PSA will be \$52,669. While this increase is larger than the 13.7% projected increase in median household income for the state during this time period, the overall median household income for the PSA is expected to remain well below that of the state through 2028.

The distribution of *renter* households by income is illustrated in the following table. Note that declines between 2023 and 2028 are in **red**, while increases are in **green**:

		Renter Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Lake County	2010	240 (25.2%)	299 (31.5%)	178 (18.8%)	89 (9.3%)	57 (6.0%)	29 (3.1%)	49 (5.2%)	9 (1.0%)
	2023	130 (16.2%)	194 (24.2%)	151 (18.8%)	87 (10.8%)	63 (7.8%)	53 (6.5%)	92 (11.4%)	33 (4.2%)
	2028	114 (14.4%)	157 (19.9%)	150 (19.0%)	90 (11.4%)	66 (8.4%)	60 (7.7%)	109 (13.9%)	42 (5.3%)
	Change 2023-2028	-16 (-12.3%)	-37 (-19.1%)	-1 (-0.7%)	3 (3.4%)	3 (4.8%)	7 (13.2%)	17 (18.5%)	9 (27.3%)
Michigan	2010	199,712 (18.5%)	246,606 (22.9%)	177,623 (16.5%)	132,096 (12.2%)	102,309 (9.5%)	60,184 (5.6%)	120,836 (11.2%)	39,728 (3.7%)
	2023	143,743 (12.4%)	172,485 (14.9%)	148,099 (12.8%)	131,697 (11.4%)	114,102 (9.9%)	89,005 (7.7%)	226,675 (19.6%)	132,242 (11.4%)
	2028	122,949 (10.8%)	141,766 (12.4%)	126,272 (11.0%)	120,381 (10.5%)	109,612 (9.6%)	93,387 (8.2%)	257,438 (22.5%)	171,184 (15.0%)
	Change 2023-2028	-20,794 (-14.5%)	-30,719 (-17.8%)	-21,827 (-14.7%)	-11,316 (-8.6%)	-4,490 (-3.9%)	4,382 (4.9%)	30,763 (13.6%)	38,942 (29.4%)

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, approximately 59.2% of *renter* households within the PSA (Lake County) earn less than \$30,000 annually. This is a significantly higher share of such households when compared to the state (40.1%). Approximately 25.1% of renter households in the PSA earn between \$30,000 and \$59,999 annually, while the remaining 15.6% of renter households earn \$60,000 or more annually. This represents a notably smaller share of higher income renter households

(earning \$60,000 or more annually) than the share within the state (31.0%). Between 2023 and 2028, all renter household income cohorts earning less than \$30,000 in the PSA are projected to decrease, while all income cohorts earning \$30,000 or more are projected to increase. The largest increase (27.3%) of renter households by income in the PSA over the next five years is projected among those earning \$100,000 or more. Noteworthy increases are also projected for renter households earning between \$50,000 and \$59,999 (13.2%) and between \$60,000 and \$99,999 (18.5%). While the increase among higher earning renter households and decrease among lower earning households in the PSA is notable, it is critical to understand that over half (53.3%) of all renter households in the PSA will continue to earn less than \$30,000 annually in 2028. As such, the need for affordable rental alternatives will persist within Lake County.

The following table shows the distribution of *owner* households by income. Note that declines between 2023 and 2028 are in **red**, while increases are in **green**:

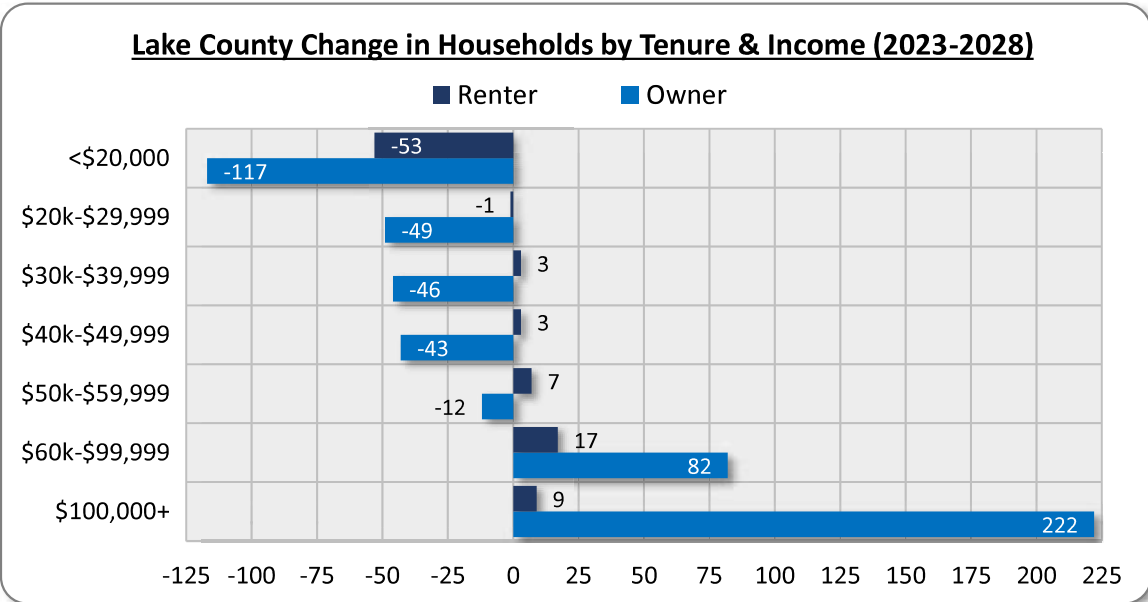
		Owner Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Lake County	2010	435 (10.3%)	701 (16.7%)	689 (16.4%)	571 (13.6%)	469 (11.1%)	352 (8.4%)	682 (16.2%)	309 (7.3%)
	2023	289 (6.7%)	511 (11.8%)	533 (12.3%)	418 (9.6%)	383 (8.8%)	426 (9.8%)	1,009 (23.3%)	771 (17.8%)
	2028	262 (6.0%)	421 (9.6%)	484 (11.1%)	372 (8.5%)	340 (7.8%)	414 (9.5%)	1,091 (24.9%)	993 (22.7%)
	Change 2023-2028	-27 (-9.3%)	-90 (-17.6%)	-49 (-9.2%)	-46 (-11.0%)	-43 (-11.2%)	-12 (-2.8%)	82 (8.1%)	222 (28.8%)
Michigan	2010	135,263 (4.8%)	233,420 (8.4%)	278,350 (10.0%)	300,038 (10.7%)	283,387 (10.1%)	274,521 (9.8%)	702,775 (25.2%)	585,454 (21.0%)
	2023	91,791 (3.1%)	140,022 (4.8%)	173,656 (5.9%)	205,484 (7.0%)	211,111 (7.2%)	230,019 (7.9%)	728,976 (25.0%)	1,140,579 (39.0%)
	2028	81,110 (2.7%)	115,533 (3.9%)	142,215 (4.8%)	175,211 (5.9%)	187,704 (6.3%)	213,679 (7.2%)	718,145 (24.2%)	1,339,605 (45.1%)
	Change 2023-2028	-10,681 (-11.6%)	-24,489 (-17.5%)	-31,441 (-18.1%)	-30,273 (-14.7%)	-23,407 (-11.1%)	-16,340 (-7.1%)	-10,831 (-1.5%)	199,026 (17.4%)

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, *owner* households in the PSA (Lake County) earning \$60,000 or more annually comprise 41.1% of all owner households, which represents a significantly smaller share as compared to the state (64.0%). Approximately 30.8% of owner households in the PSA earn less than \$30,000 annually, while the remaining 28.2% earn between \$30,000 and \$59,999. The overall distribution of owner households by income in the PSA is much more heavily weighted toward the lower- and middle-income cohorts (earning less than \$60,000) compared to that within the state. Between 2023 and 2028, projected growth among owner households in the PSA is isolated to those earning \$60,000 or more annually, with households earning \$100,000 or more

increasing by 28.8%. All owner income cohorts earning less than \$60,000 are projected to decline in the PSA during this time, with the most notable decrease (17.6%) projected to occur among households earning between \$10,000 and \$19,999 annually. The projections for owner households by income within the PSA are generally consistent with statewide projections over the next five years. Despite the projected increase among the highest income cohorts, it is important to note that over one-half (52.5%) of owner households in the PSA will continue to earn less than \$60,000 annually in 2028, with 26.7% earning less than \$30,000 annually. As a result, affordable for-sale housing options will remain a critical component of the Lake County housing market.

The following graph illustrates household income growth by tenure between 2023 and 2028.



D. DEMOGRAPHIC THEME MAPS

The following demographic theme maps for the study area are presented after this page:

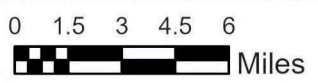
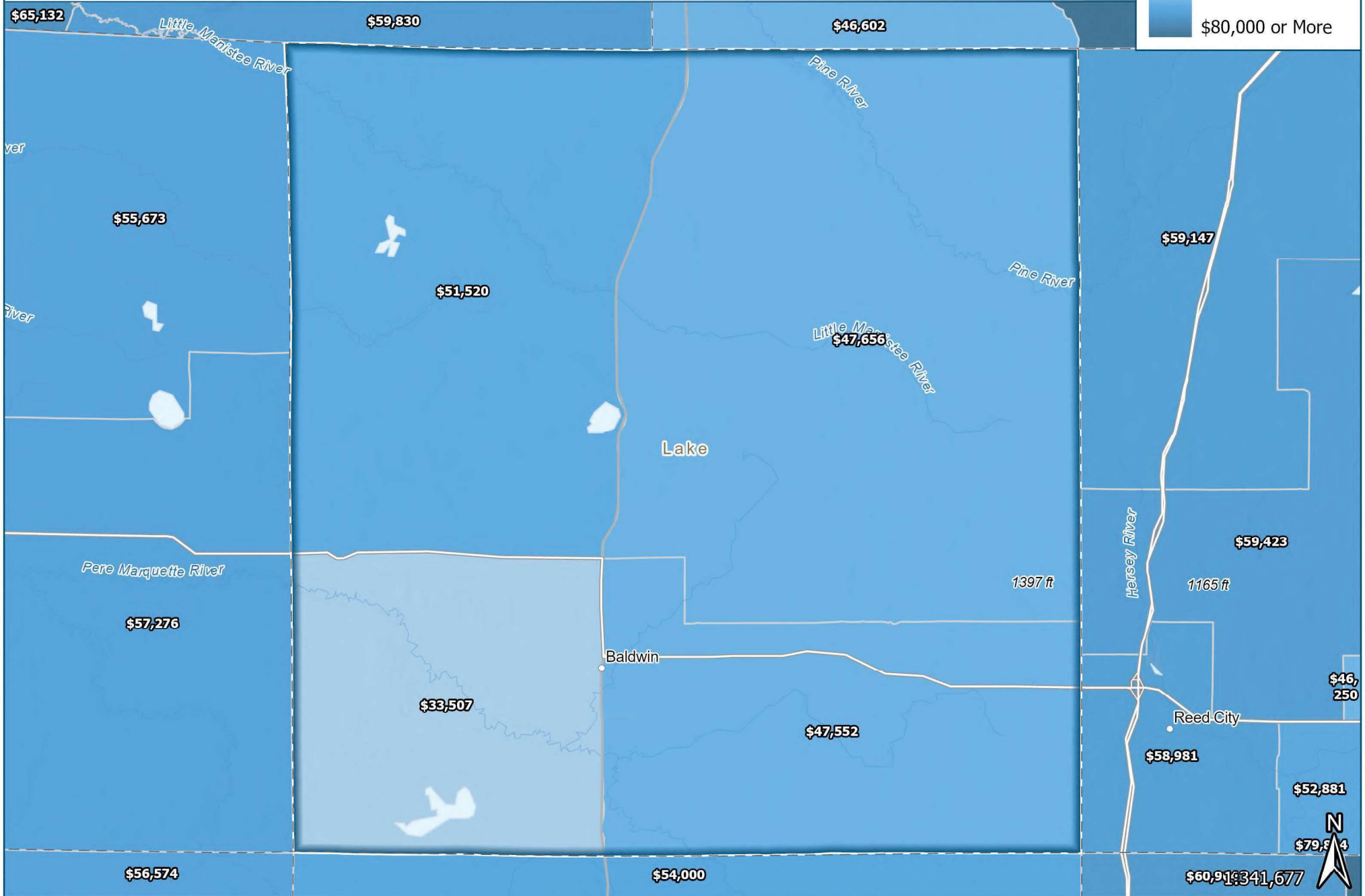
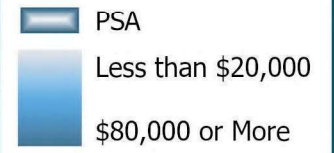
- Median Household Income
- Renter Household Share
- Owner Household Share
- Older Adult Population Share (55 + years)
- Younger Adult Population Share (20 to 34 years)
- Population Density

The demographic data used in these maps is based on U.S. Census, American Community Survey (ACS) and ESRI data sets.

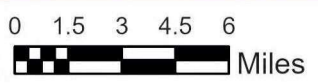
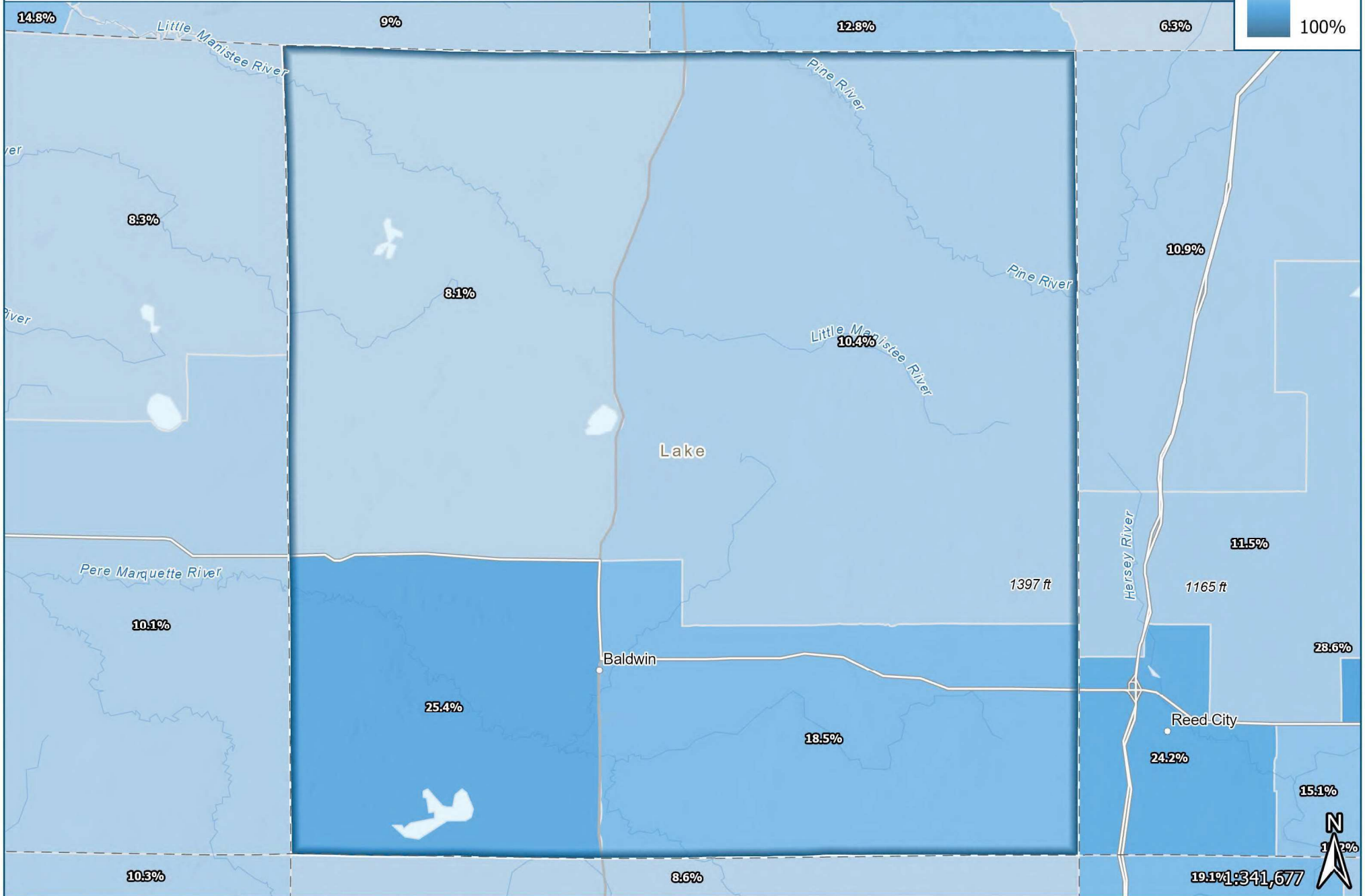
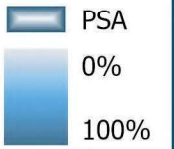


Median Household Income by Census Tract

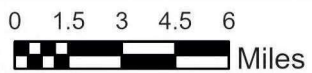
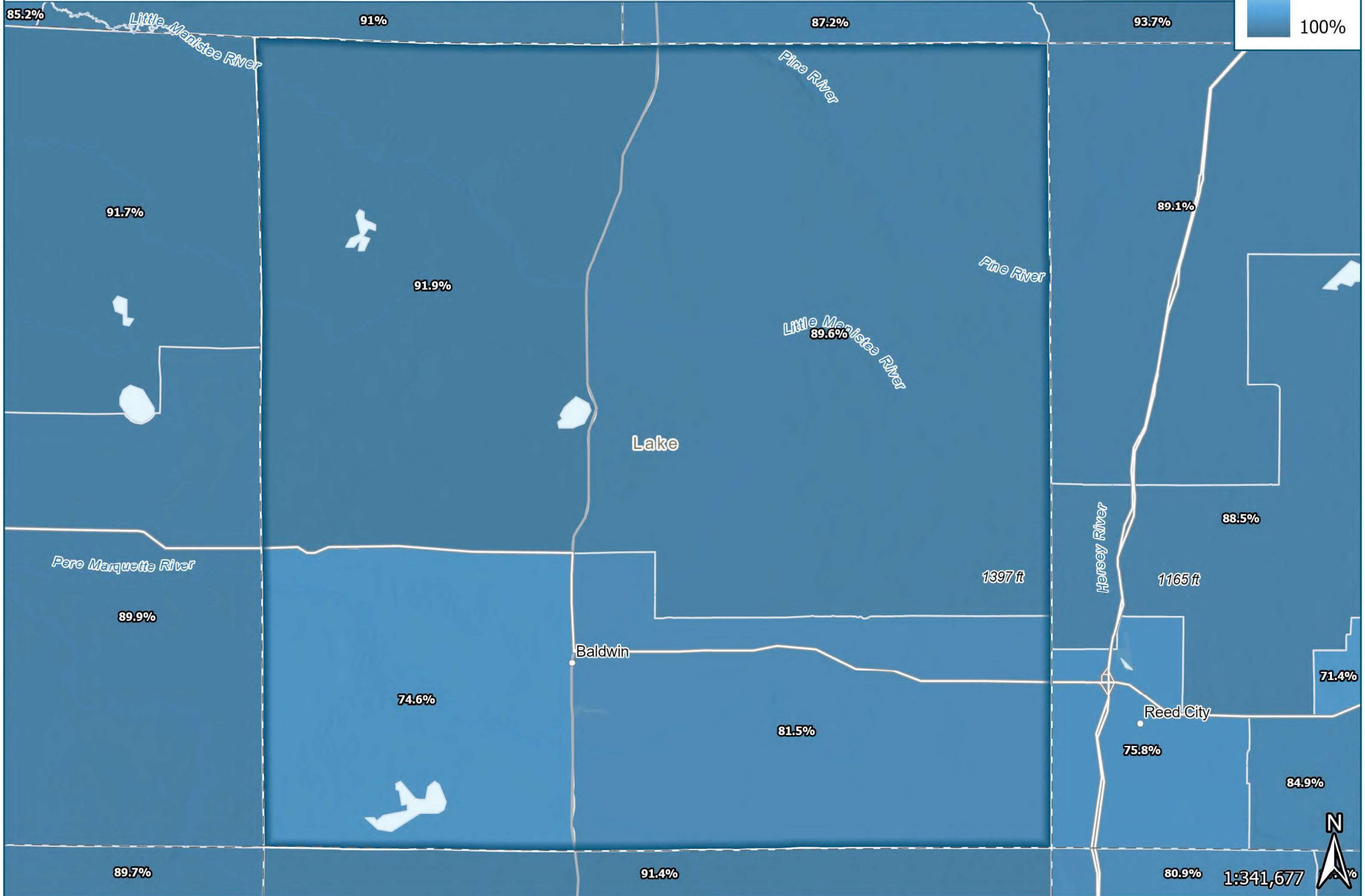
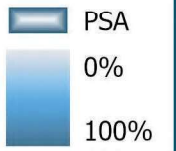
Lake County, MI

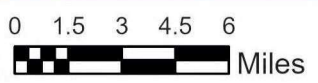
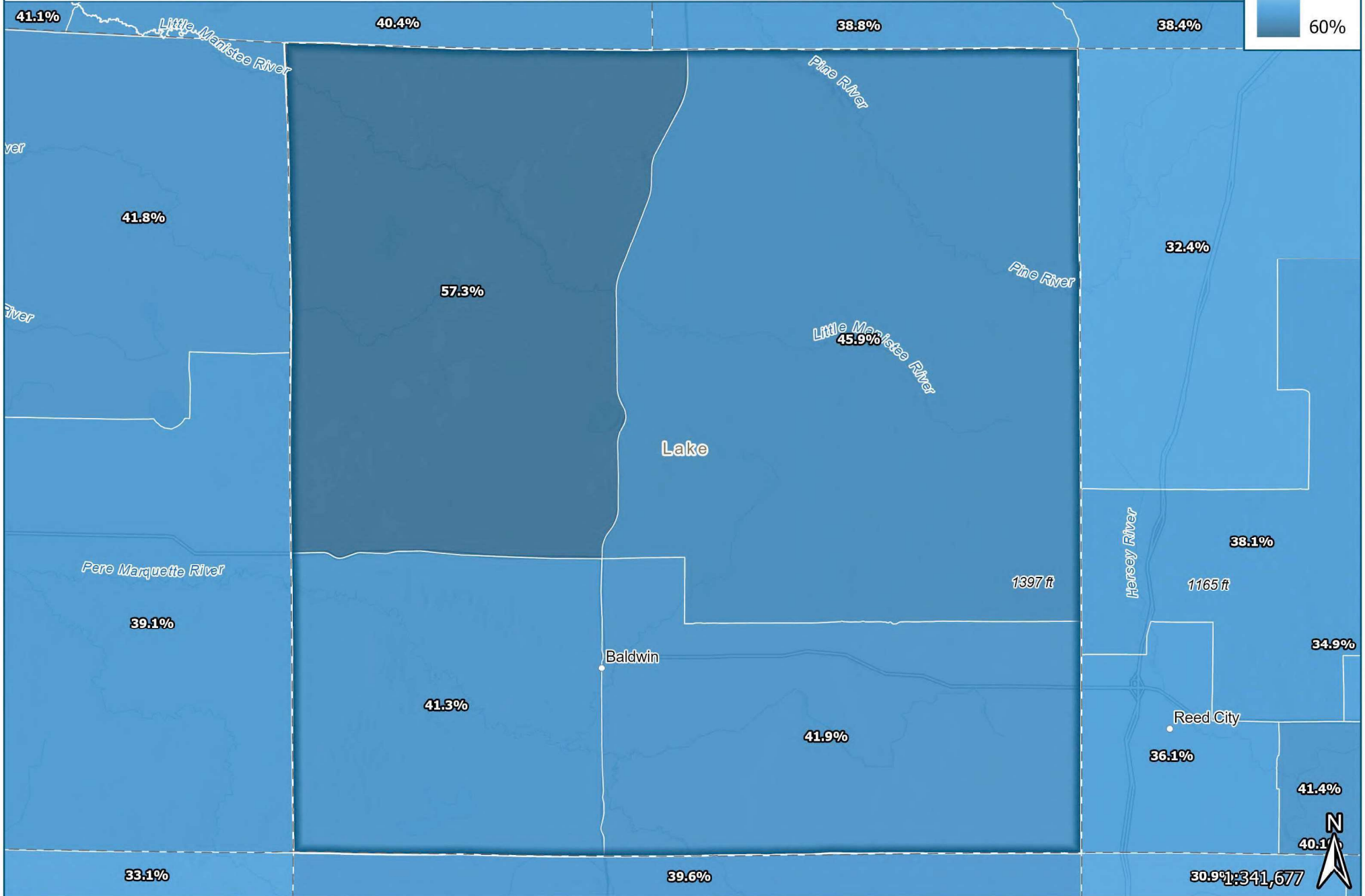
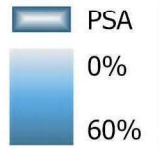


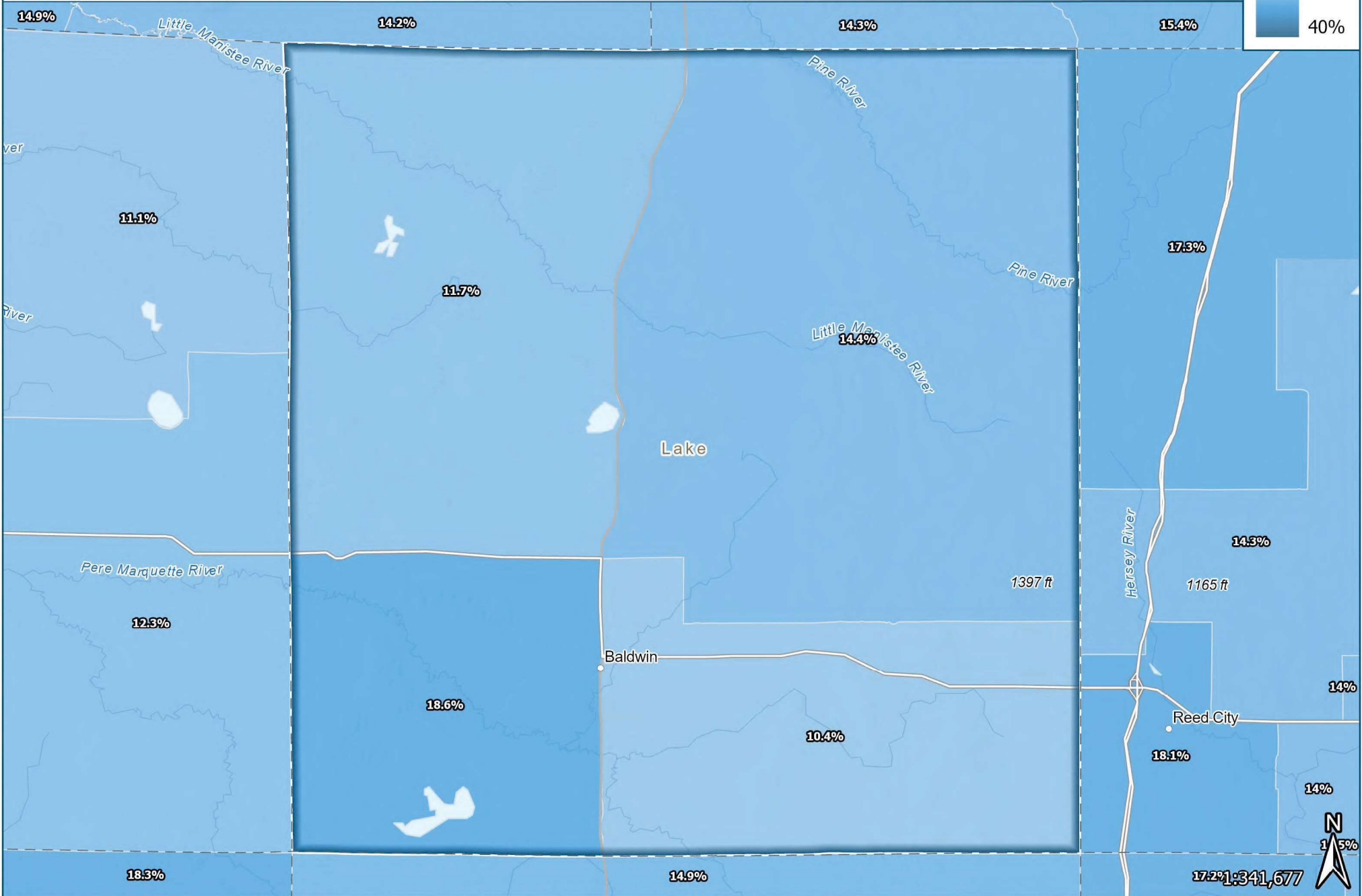
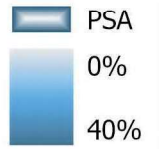
Esri, NASA, NGA, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
 Additional Source(s): Bowen National Research

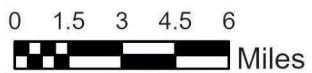
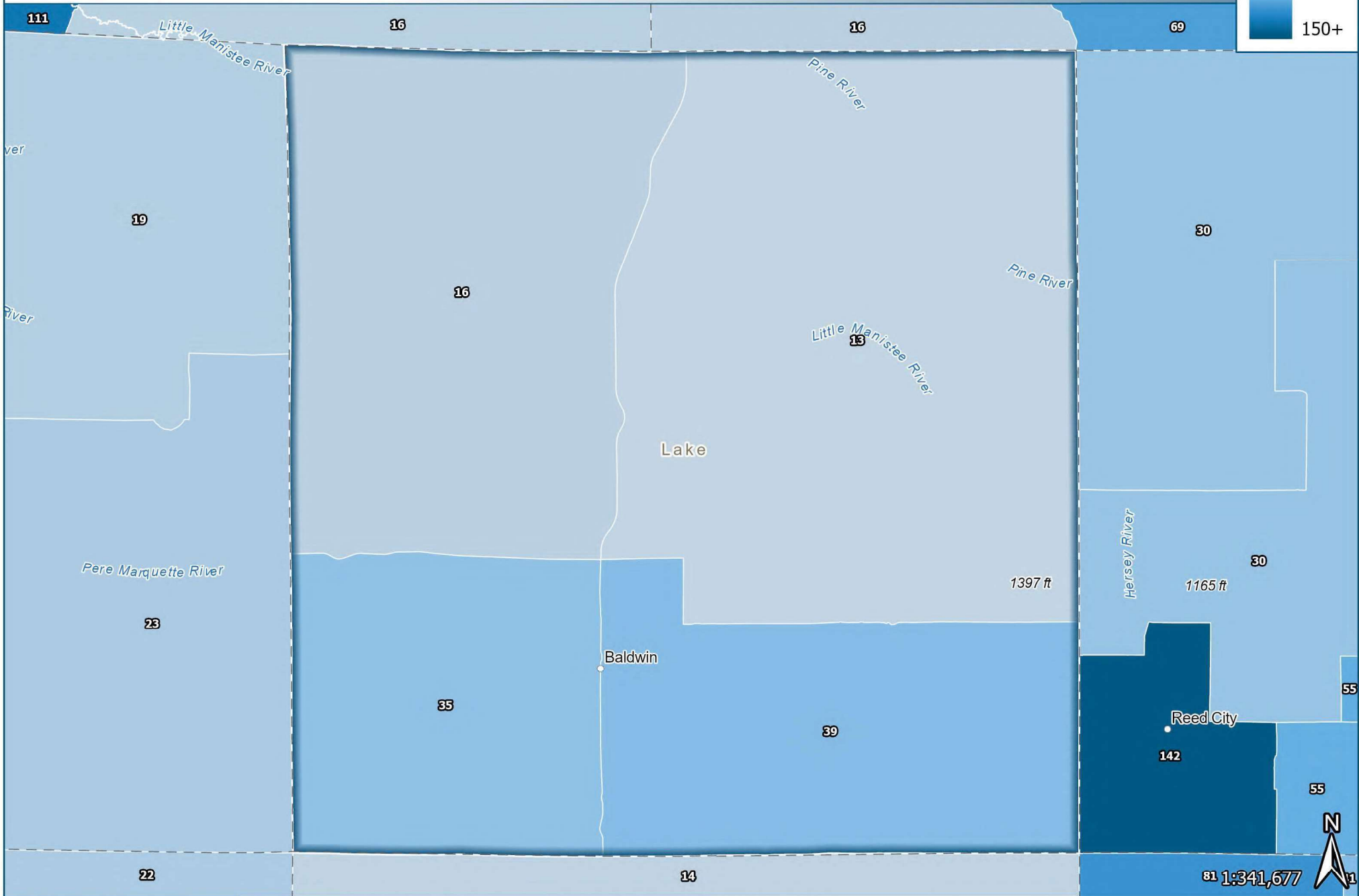
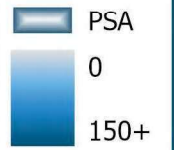


Esri, NASA, NGA, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
Additional Source(s): Bowen National Research









V. ECONOMIC ANALYSIS

A. INTRODUCTION

The need for housing within a given geographic area is influenced by the number of households choosing to live there. Although the number of households in the subject area at any given time is a function of many factors, one of the primary reasons for residency is job availability. In this section, the workforce and employment trends that affect the PSA (Lake County) are examined and compared to the state of Michigan and the United States.

An overview of the Lake County workforce is provided through several overall metrics: employment by industry, wages by occupation, total employment, unemployment rates and at-place employment trends. We also evaluated the area's largest employers, economic and infrastructure developments, and the potential for significant closures or layoffs in the area (WARN notices). In addition, commuting patterns for the PSA, which include commuting modes, times, and basic commuter flows are analyzed.

B. WORKFORCE ANALYSIS

The PSA has an employment base comprised of individuals within a broad range of employment sectors. The primary industries of significance within the PSA include public administration, health care and social assistance, educational services, retail trade, and accommodation and food services. Each industry within the PSA requires employees of varying skills and education levels, and there is a broad range of typical wages within the PSA based on occupation. The following evaluates key economic metrics within Lake County. It should be noted that based on the availability of various economic data metrics, some information is presented only for select geographic areas, which may include the PSA (Lake County), the West Michigan Prosperity Alliance Region, and/or the state of Michigan, depending upon the availability of such data.

Employment by Industry

The following table illustrates the distribution of employment by industry sector for Lake County and the state of Michigan (note that the top five industry groups by employment for each area are illustrated in **red** text).

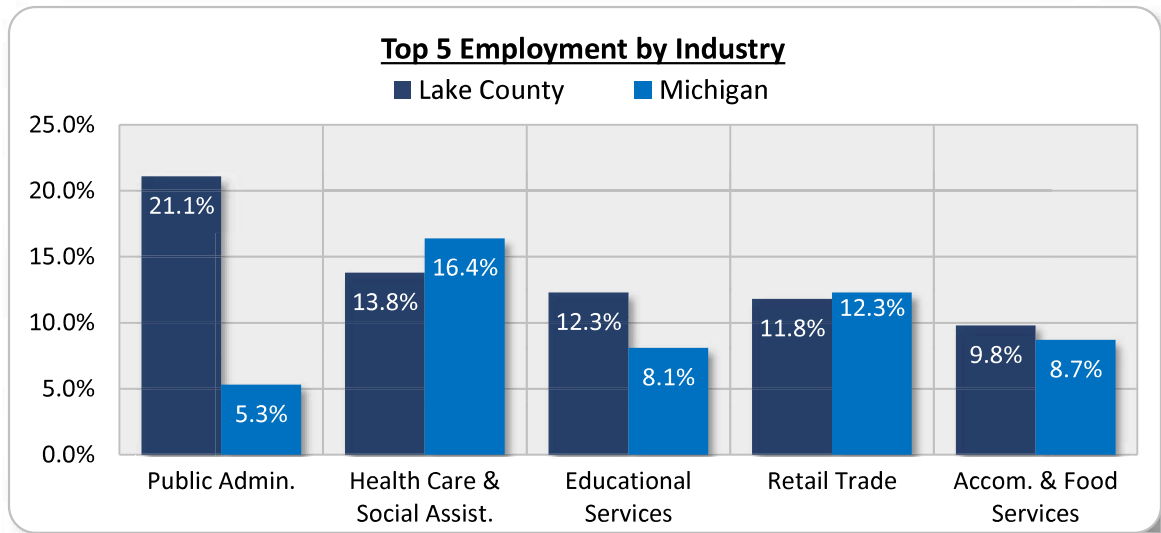
NAICS Group	Employment by Industry			
	Lake County		Michigan	
	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	2	0.1%	19,554	0.4%
Mining	0	0.0%	7,563	0.2%
Utilities	2	0.1%	14,983	0.3%
Construction	66	2.7%	169,498	3.7%
Manufacturing	46	1.9%	511,608	11.1%
Wholesale Trade	29	1.2%	201,161	4.3%
Retail Trade	286	11.8%	568,545	12.3%
Transportation & Warehousing	140	5.8%	98,627	2.1%
Information	11	0.5%	89,602	1.9%
Finance & Insurance	57	2.3%	170,269	3.7%
Real Estate & Rental & Leasing	77	3.2%	97,633	2.1%
Professional, Scientific & Technical Services	47	1.9%	331,006	7.2%
Management of Companies & Enterprises	8	0.3%	12,596	0.3%
Administrative, Support, Waste Management & Remediation Services	39	1.6%	110,164	2.4%
Educational Services	299	12.3%	375,697	8.1%
Health Care & Social Assistance	335	13.8%	759,096	16.4%
Arts, Entertainment & Recreation	46	1.9%	126,829	2.7%
Accommodation & Food Services	238	9.8%	404,081	8.7%
Other Services (Except Public Administration)	186	7.7%	284,151	6.1%
Public Administration	513	21.1%	247,220	5.3%
Non-classifiable	0	0.0%	27,038	0.6%
Total	2,427	100.0%	4,626,921	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within each market. These employees, however, are included in our labor force calculations because their places of employment are located within each market.

The labor force within the PSA (Lake County) is based primarily in five sectors: Public Administration (21.1%), Health Care & Social Assistance (13.8%), Educational Services (12.3%), Retail Trade (11.8%), and Accommodation & Food Services (9.8%). Combined, these five job sectors comprise 68.8% of the PSA employment base. This represents a greater concentration of employment within the top five sectors compared to the top five sectors in the state (56.6%). Areas with a heavy concentration of employment within a limited number of industries can be more vulnerable to economic downturns with greater fluctuations in unemployment rates and total employment. With a slightly greater concentration of employment and two of the top sectors in the PSA (accommodation and food services and retail trade) being typically more vulnerable to downturns, the economy within Lake County is likely less insulated from economic fluctuations as compared to the state, overall. It is also important to note that many occupations within the top industries of the PSA, particularly support positions, typically have lower average wages which can contribute to demand for affordable housing options.

The following graph illustrates the distribution of employment by job sector for the five largest employment sectors in the PSA (Lake County) and the state of Michigan:



Employment Characteristics and Trends

Lake County is located within the West Michigan Prosperity Alliance Region (Region 4). In addition to Lake County, this statistical region includes the counties of Allegan, Barry, Ionia, Kent, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola, and Ottawa. Typical wages by job category for the West Michigan Prosperity Alliance Region are compared with those of Michigan in the following table:

Typical Wage by Occupation Type		
Occupation Type	West Michigan Prosperity Alliance Region (Region 4)	Michigan
Management Occupations	\$112,861	\$119,010
Business and Financial Occupations	\$75,325	\$81,430
Computer and Mathematical Occupations	\$83,211	\$90,400
Architecture and Engineering Occupations	\$80,100	\$87,880
Community and Social Service Occupations	\$50,705	\$51,050
Art, Design, Entertainment and Sports Medicine Occupations	\$53,632	\$58,430
Healthcare Practitioners and Technical Occupations	\$91,814	\$92,010
Healthcare Support Occupations	\$34,620	\$34,110
Protective Service Occupations	\$49,784	\$49,960
Food Preparation and Serving Related Occupations	\$31,514	\$31,850
Building and Grounds Cleaning and Maintenance Occupations	\$33,474	\$34,280
Personal Care and Service Occupations	\$33,752	\$34,500
Sales and Related Occupations	\$46,256	\$48,760
Office and Administrative Support Occupations	\$42,991	\$43,840
Construction and Extraction Occupations	\$53,889	\$56,880
Installation, Maintenance and Repair Occupations	\$52,895	\$54,450
Production Occupations	\$42,367	\$45,450
Transportation and Moving Occupations	\$39,224	\$42,780

Source: U.S. Department of Labor, Bureau of Statistics; Michigan Department of Technology, Management & Budget

Most annual blue-collar salaries range from \$31,514 to \$53,889 within the West Michigan Prosperity Alliance Region. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$88,662. Average wages within the area are typically 4.6% lower than the overall average state wages. White-collar professions in the study area typically earn 5.8% less than those within Michigan, while blue-collar wages are typically 3.6% less than the average state wages. Within the West Michigan Prosperity Alliance Region, wages by occupation vary widely and are reflective of a diverse job base that covers a wide range of industry sectors and job skills, as well as diverse levels of education and experience. Because employment is distributed among a variety of professions with diverse income levels, there are likely a variety of housing needs by affordability level. As a significant share of the labor force within Lake County is contained within public administration, healthcare, educational services, retail trade, and accommodation and food services, many workers in the area have typical wages ranging between approximately \$30,000 and \$40,000 annually, likely contributing to the need for lower priced housing product in the county. It is important to point out that the wages cited above are by single wage-earning households. Multiple wage-earning households often have a greater capacity to spend earnings toward housing than single wage earners. Households by income data is included starting on page IV-18.

In an effort to better understand how area wages by occupation affect housing affordability, wages for the top 35 occupations by share of total employment within the West Michigan Prosperity Alliance Region were analyzed. While this data does not include every possible occupation and wage within each sector, and is not exclusive to Lake County, the occupations included in this table represent 46.7% of the total employment in the region in 2022 and provide a general overview of housing affordability for some of the most common occupations in the region. Based on the annual wages at the lower quartile (bottom 25%) and median levels, the maximum affordable monthly rent and home price (at 30% of income) for each occupation was calculated. It is important to note that calculations based on the median annual wage mean that half of the individuals employed in this occupation earn less than the stated amount. It is equally important to understand that the supplied data is based on *individual* income. As such, affordability levels will proportionally increase for households with multiple income sources at a rate dependent on the additional income. Affordable rents and home prices for each occupation presented in this analysis that are **below** the two-bedroom Fair Market Rent (\$826) or the overall median list price (\$159,900) of the available for-sale inventory in the PSA (Lake County) as of September 14, 2023, are shown in **red** text, indicating that certain lower-wage earning occupations cannot reasonably afford a typical housing unit in the market.

The following table illustrates the wages (lower quartile and median) and housing affordability levels for the top 35 occupations in the West Michigan Prosperity Alliance Region.

**Wages and Housing Affordability for Top 35 Occupations by Share of Labor Force
West Michigan Prosperity Alliance Region (Region 4)**

Occupation Sector, Title & Wages*					Housing Affordability**			
Sector Group (Code)	Labor Force Share	Occupation Title	Annual Wages		Max. Monthly Rent		Max. Purchase Price	
			Lower Quartile	Median	Lower Quartile	Median	Lower Quartile	Median
Sales & Related Occupations (41)	2.6%	Retail Salespersons	\$25,316	\$29,428	\$633	\$736	\$84,387	\$98,093
	2.1%	Cashiers	\$23,617	\$26,949	\$590	\$674	\$78,723	\$89,830
	1.3%	Sales Reps, Wholesale/Mfg.	\$47,337	\$64,731	\$1,183	\$1,618	\$157,790	\$215,770
Food Preparation/Serving (35)	2.9%	Fast Food and Counter Workers	\$23,681	\$26,942	\$592	\$674	\$78,937	\$89,807
	1.6%	Waiters/Waitresses	\$23,096	\$29,876	\$577	\$747	\$76,987	\$99,587
	0.9%	Cooks, Restaurant	\$28,519	\$31,932	\$713	\$798	\$95,063	\$106,440
	0.7%	First-Line Supervisors, Food Prep	\$30,469	\$36,365	\$762	\$909	\$101,563	\$121,217
Office and Administrative Support (43)	2.0%	Customer Services Reps.	\$30,799	\$37,453	\$770	\$936	\$102,663	\$124,843
	2.2%	Office Clerks, General	\$32,298	\$38,684	\$807	\$967	\$107,660	\$128,947
	0.8%	Secretaries/Administrative Assts.	\$34,944	\$39,211	\$874	\$980	\$116,480	\$130,703
	0.9%	Bookkeeping/Accounting Clerks	\$37,038	\$43,425	\$926	\$1,086	\$123,460	\$144,750
	0.8%	Shipping/Receiving Clerks	\$33,679	\$37,677	\$842	\$942	\$112,263	\$125,590
Transportation Material Moving (53)	2.7%	Laborers/Stock/Material Movers	\$26,504	\$32,788	\$663	\$820	\$88,347	\$109,293
	2.6%	Stockers/Order Fillers	\$28,907	\$31,523	\$723	\$788	\$96,357	\$105,077
	1.8%	Heavy/Tractor-Trailer Drivers	\$44,825	\$49,326	\$1,121	\$1,233	\$149,417	\$164,420
	0.9%	Light Truck Drivers	\$31,337	\$36,840	\$783	\$921	\$104,457	\$122,800
	0.8%	Industrial Truck Operators	\$35,509	\$38,518	\$888	\$963	\$118,363	\$128,393
	0.7%	Packers/Packagers, Hand	\$29,136	\$32,395	\$728	\$810	\$97,120	\$107,983
Production Occupations (51)	1.0%	Inspectors, Testers, Sorters	\$33,651	\$38,588	\$841	\$965	\$112,170	\$128,627
	1.0%	First-Line Supervisors, Production	\$48,958	\$61,720	\$1,224	\$1,543	\$163,193	\$205,733
	0.9%	Cutting/Press Machine Operators	\$36,411	\$40,729	\$910	\$1,018	\$121,370	\$135,763
	0.9%	Packing/Filling Machine Operators	\$34,764	\$37,669	\$869	\$942	\$115,880	\$125,563
	0.7%	Machinists	\$36,299	\$45,184	\$907	\$1,130	\$120,997	\$150,613
Education, Training, & Library (25)	0.9%	Elementary School Teachers	\$48,407	\$61,725	\$1,210	\$1,543	\$161,357	\$205,750
	0.7%	Secondary School Teachers	\$48,046	\$62,818	\$1,201	\$1,570	\$160,153	\$209,393
	0.9%	Teaching Assistants	\$27,446	\$29,368	\$686	\$734	\$91,487	\$97,893
Healthcare (29, 31)	2.5%	Registered Nurses	\$66,820	\$77,630	\$1,671	\$1,941	\$222,733	\$258,767
	1.1%	Nursing Assistants	\$32,257	\$35,536	\$806	\$888	\$107,523	\$118,453
Management/Business (11,13)	2.1%	General/Operations Managers	\$60,536	\$91,030	\$1,513	\$2,276	\$201,787	\$303,433
	0.8%	Accountants/Auditors	\$57,081	\$65,010	\$1,427	\$1,625	\$190,270	\$216,700
Architecture/Engineering (17)	0.7%	Industrial Engineers	\$75,593	\$81,496	\$1,890	\$2,037	\$251,977	\$271,653
	0.7%	Mechanical Engineers	\$73,317	\$79,700	\$1,833	\$1,993	\$244,390	\$265,667
Construction, Installation/Maintenance/Repair (47, 49)	0.9%	Maintenance/Repair Workers	\$33,950	\$42,277	\$849	\$1,057	\$113,167	\$140,923
	0.7%	Industrial Machine Mechanics	\$47,701	\$57,108	\$1,193	\$1,428	\$159,003	\$190,360
Bldg./Grounds Maintenance (37)	1.9%	Janitors/Cleaners	\$28,236	\$30,874	\$706	\$772	\$94,120	\$102,913

Source: Michigan Department of Technology, Management & Budget, 2022 Wage Rates (OEWS)

*Annual wages listed are at the lower 25th percentile (quartile) and median level for each occupation

**Housing Affordability is the maximum monthly rent or total for-sale home price a household can reasonably afford based on stated wages.

In order to reasonably afford a two-bedroom rental at the Fair Market Rent of \$826, an individual would need to earn at least \$33,040 per year. As such, the *lower quartile* of wage earners within 15 of the 35 occupations listed in the previous table do not have sufficient wages to afford a typical rental. Many of these occupations, particularly those within the food services industry and support positions within various sectors, earn significantly less than the amount required to afford a typical rental in the market. When wages for each occupation are increased to their respective *median* levels, 10 occupations still do not have the income necessary to afford a typical rental. While a share of these individuals likely lives in multiple-income households, this illustrates the reasonable conclusion that a significant portion of households with a single income earned in some of the most common occupations in the PSA are likely housing cost burdened.

Housing affordability issues among the listed occupations are more prevalent when home ownership is considered. In order to afford the purchase of a typical home in the PSA at the median list price of \$159,900, an individual would have to earn at least \$47,970 per year. As a result, the lower quartile of wage earners within 27 of the top 35 occupations do not have sufficient wages to afford the typical for-sale home in the area. When wages are increased to the respective median wage for each occupation, the typical for-sale home in the county is still unaffordable to 24 of the top 35 occupations. As previously stated, it is likely that many of these individuals are part of multiple-income households. While the data illustrates home ownership is a challenge for single-income households in the area, a significant share of multiple-income households can likely afford typical housing in Lake County due to the relatively low Fair Market Rent and median list price of the available for-sale inventory.

A full analysis of the area housing supply, which includes multifamily apartments, current and historical for-sale product, and non-conventional rentals (typically four units or less within a structure), is included in Section VI of this report. A lack of affordable workforce housing in a market can limit the ability of employers to retain and attract new employees, which can affect the performance of specific industries, the local economy, and household growth within an area.

Employment Base and Unemployment Rates

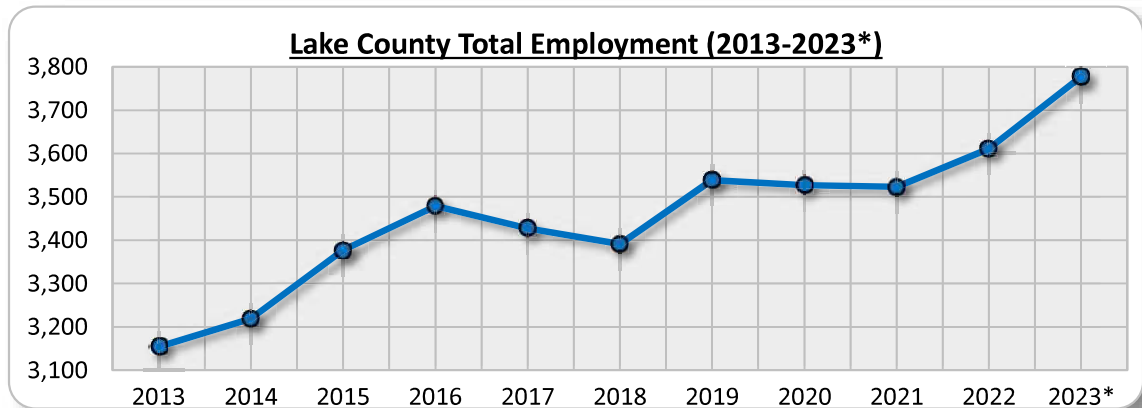
Total employment reflects the number of employed persons who live within an area regardless of where they work. The following illustrates the total employment base for Lake County, the state of Michigan, and the United States.

Year	Total Employment					
	Lake County		Michigan		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2013	3,154	-	4,323,410	-	144,904,568	-
2014	3,219	2.1%	4,416,017	2.1%	147,293,817	1.6%
2015	3,377	4.9%	4,501,816	1.9%	149,540,791	1.5%
2016	3,479	3.0%	4,606,948	2.3%	151,934,228	1.6%
2017	3,427	-1.5%	4,685,853	1.7%	154,721,780	1.8%
2018	3,391	-1.0%	4,739,081	1.1%	156,709,676	1.3%
2019	3,539	4.4%	4,773,453	0.7%	158,806,261	1.3%
2020	3,527	-0.3%	4,379,122	-8.3%	149,462,904	-5.9%
2021	3,523	-0.1%	4,501,562	2.8%	154,624,092	3.5%
2022	3,611	2.5%	4,632,539	2.9%	159,884,649	3.4%
2023*	3,777	4.6%	4,731,450	2.1%	161,889,759	1.3%

Source: Department of Labor; Bureau of Labor Statistics

*Through August

From 2013 to 2019, total employment in the PSA (Lake County) increased by 12.2%, or 385 employees. This represents a larger rate of increase than the state (10.4%) and nation (9.6%) during this time period. In 2020, total employment in the PSA decreased by 0.3%, which reflects a rate of *reduction* significantly lower than that for the state (8.3%) and nation (5.9%) during that year. The reduction in total employment during 2020, although comparably less than the state and nation, is largely attributed to the economic impacts related to the COVID-19 pandemic. While total employment in Lake County decreased by 0.1% in 2021, notable increases occurred in 2022 (2.5%) and through August 2023 (4.6%). Through August 2023, total employment in the PSA is at 106.7% of the 2019 level. This represents a recovery rate well above that of the state (99.1%) and the nation (101.9%), and is a positive economic indicator for the PSA.



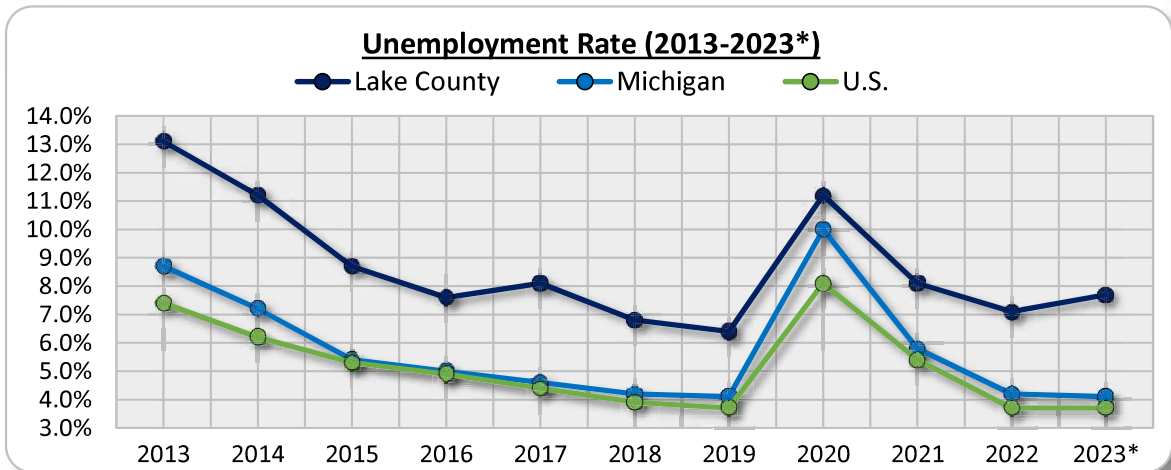
*Through August

Unemployment rates for Lake County, the state of Michigan and the United States are illustrated as follows:

Year	Unemployment Rate		
	Lake County	Michigan	United States
2013	13.1%	8.7%	7.4%
2014	11.2%	7.2%	6.2%
2015	8.7%	5.4%	5.3%
2016	7.6%	5.0%	4.9%
2017	8.1%	4.6%	4.4%
2018	6.8%	4.2%	3.9%
2019	6.4%	4.1%	3.7%
2020	11.2%	10.0%	8.1%
2021	8.1%	5.8%	5.4%
2022	7.1%	4.2%	3.7%
2023*	7.7%	4.1%	3.7%

Source: Department of Labor, Bureau of Labor Statistics
 *Through August

Between 2013 and 2019, unemployment rates in the county generally decreased year over year, from a high of 13.1% in 2013 to a low of 6.4% in 2019. However, it is noteworthy that the unemployment rates in the PSA were at least two-and-three-tenths (2.3) percentage points higher than the corresponding rate in the state each year between 2013 and 2019. In 2020, unemployment increased sharply to 11.2% in the PSA, largely due to the impacts of the pandemic, which represents a higher rate than the state (10.0%) and nation (8.1%) at this time. The unemployment rate within the county has declined since and is currently averaging 7.7% through August 2023. While the decline in the unemployment rate from 2020 is a positive economic indicator, it should be noted that the county’s unemployment rate in 2023 is higher than the rate in 2019 and also notably higher than the statewide unemployment rate (4.1%). This likely indicates some degree of economic challenges exist within Lake County and the surrounding region.



*Through August

We evaluated monthly unemployment rates in order to get a better sense of the initial impact the COVID-19 pandemic had on the local economy and the subsequent recovery. The following table illustrates the monthly unemployment rates from January 2020 to August 2023 for the PSA:

Lake County - Monthly Unemployment Rate				
Month	2020	2021	2022	2023
January	6.8%	10.2%	8.4%	9.3%
February	6.2%	10.0%	8.3%	9.4%
March	7.1%	9.3%	7.3%	9.0%
April	25.1%	9.0%	6.9%	6.6%
May	17.6%	8.8%	6.5%	7.0%
June	13.8%	8.6%	6.9%	6.9%
July	12.9%	9.0%	7.0%	6.7%
August	10.3%	7.9%	6.8%	6.3%
September	9.4%	6.5%	5.9%	
October	7.6%	5.8%	6.4%	
November	7.7%	5.5%	6.4%	
December	9.5%	6.6%	7.8%	

Source: Department of Labor, Bureau of Labor Statistics

Prior to April 2020, which was the month when COVID-19 stay-at-home orders began to impact many non-essential businesses, the monthly unemployment rate in the PSA (Lake County) ranged between 6.2% and 7.1% in early 2020. In April 2020, the rate increased sharply to 25.1%. While the monthly unemployment rate steadily declined over the subsequent months, it remained historically high well into late 2020. The data also illustrates that seasonality likely has a significant influence on the local economy. Since 2021, the months of January, February, and March are typically among the months with the highest unemployment rates in the PSA. Since April 2023, the monthly unemployment rate in the PSA remained at 7.0% or less.

At-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total at-place employment base for Lake County:

Lake County - At-Place Employment			
Year	Employment	Change	Percent Change
2013	1,424	-	-
2014	1,427	3	0.2%
2015	1,516	89	6.2%
2016	1,631	115	7.6%
2017	1,618	-13	-0.8%
2018	1,624	6	0.4%
2019	1,731	107	6.6%
2020	1,755	24	1.4%
2021	1,800	45	2.6%
2022	1,793	-7	-0.4%
2023*	1,587	-206	-11.5%

Source: Department of Labor, Bureau of Labor Statistics

*Through March

The preceding table illustrates at-place employment (people working within Lake County) increased by 21.6%, or 307 jobs, from 2013 to 2019. With the exception of the 0.8% decrease that occurred in 2017, at-place employment increased each year from 2013 to 2019. Although at-place employment decreased in most areas during 2020, Lake County experienced a 1.4% increase in at-place employment. Despite at-place employment growth between 2013 and 2021, it is noteworthy that the PSA experienced two consecutive years of decreases in 2022 and 2023 (through March), with the most significant decrease (11.5%) occurring in 2023. This decrease in at-place employment can be attributed, at least in large part, to the closure of the North Lake Correctional Facility in Baldwin, which employed nearly 300 individuals. Despite the recent decreases, at-place employment has increased by 11.4%, or 163 jobs, since 2013.

Data for 2022, the most recent year that year-end figures are available, indicates at-place employment in Lake County to be 49.7% of the total Lake County employment. This means that, *at a minimum*, approximately 1,800 Lake County residents were employed outside the county for work (daytime employment) in 2022. With the significant decrease in at-place employment in 2023, this number will likely increase as new data becomes available. A significant number of residents seeking employment outside a subject area, particularly those with lengthy commutes, can increase the likelihood of residents relocating outside the county. Detailed commuting data, which includes modes, times, and an inflow/outflow analysis, is included later in this section.

Based on the preceding analysis, the economy in the PSA has improved steadily since 2013. Seasonal unemployment and a recent decrease in at-place employment appear to be the most significant economic challenges for Lake County. Factors such as the overall health of an economy, housing affordability and availability, community services, wages, and commute times can impact population and household growth in an area and the ability of employers to attract and retain employees.

C. EMPLOYMENT OUTLOOK

WARN (layoff notices):

The Worker Adjustment and Retraining Notification (WARN) Act requires advance notice of qualified plant closings and mass layoffs. WARN notices were reviewed on December 5, 2023. According to the Michigan Department of Labor and Economic Opportunity, there have been no WARN notices reported for Lake County over the past 12 months.

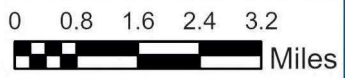
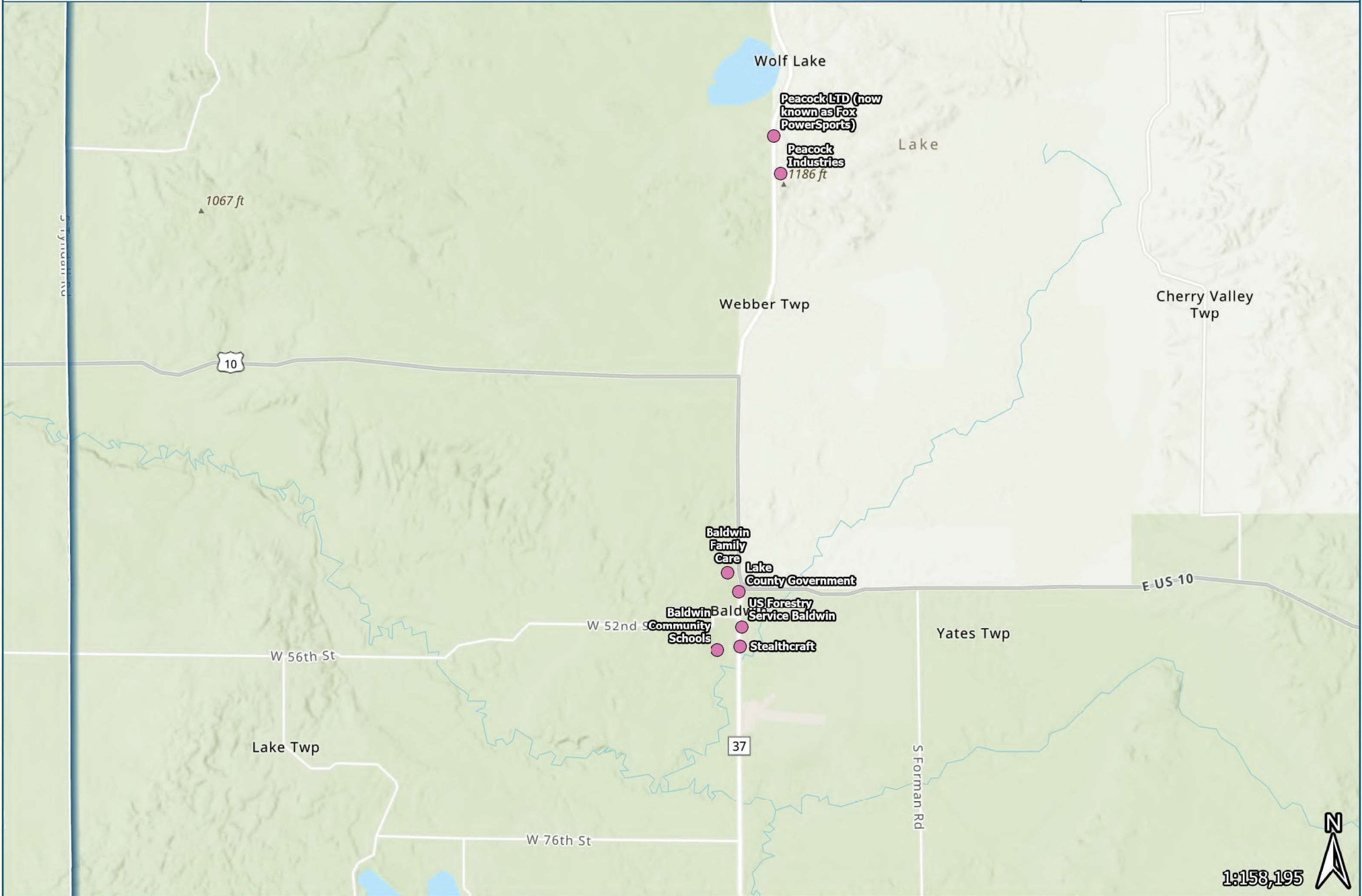
The seven largest employers within the Lake County area comprise a total of approximately 491 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Lake County	Government	160
Baldwin Family Care	Healthcare	120
Baldwin Community Schools	Education	70
U.S. Forestry Service (Baldwin Office)	Forestry	50
Stealthcraft	Manufacturer	40
Peacock Industries	Manufacturer	30
Peacock Ltd (Fox PowerSports – Peacock)	Retail	21
	Total	491

Source: Lake County Economic Development Alliance; 2023

Major employers in the area are primarily engaged in government, healthcare, education, forestry, manufacturing, and retail. As the three largest employers are considered to be relatively stable employment sectors (government, healthcare, and education), this helps to partially insulate the county from sharp economic downturns. While it appears that most of the major employers in the area are engaged in business activities with occupations that typically offer competitive compensation, many of the support positions are likely to have low to moderate wages. This contributes to the demand for affordable housing in Lake County.

A map delineating the location of the area’s largest employers is included on the following page.



Economic Development

Economic development can improve the economic well-being and quality of life for a region or community by building local wealth, diversifying the economy, and creating and retaining jobs. Local perspective on the economy as well as notable developments in the area are summarized in this section.

According to a representative with the Lake County Economic Development Alliance, the Lake County region economy is diversifying. The most notable example is a large battery manufacturing facility that will be constructed in nearby Mecosta County and will likely create job opportunities for residents within Lake County. While tourism serves as a critical component of the Lake County economy, this is not a year-round industry and offers a limited number of low-paying jobs. The following summarizes some recent and/or ongoing economic development projects within the Lake County area as of the time of this analysis.

- In October 2023, it was announced that plans for the Gotion Inc., North American Manufacturing facility were finalized. The facility will be located in Green Charter Township in neighboring Mecosta County (20-minute commute). The company, which manufactures electric vehicle battery components, is initially attempting to prioritize the hiring of individuals within a 25-mile radius of the facility. Approximately 1,200 jobs are expected to be created, with wages starting at \$20 per hour. The total investment of the project is estimated at \$2.3 billion for the state and is expected to be complete in 2027.
- In 2023, an off-road vehicle park was approved and will be connected to Webber Township Community Park. The park will include a training area, skills track, and a tot's track. Bids began in spring 2023 for the \$780,000 project.
- In 2023, Fox Powersports acquired Peacock Limited, a powersports dealership, and is expected to expand in coming years.

D. PERSONAL MOBILITY

The ability of a person or household to travel easily, quickly, safely, and affordably throughout a market influences the desirability of a housing market. If traffic jams create long commuting times or public transit service is not available for carless people, their quality of life is diminished. Factors that lower resident satisfaction weaken housing markets. Typically, people travel frequently outside of their residences for three reasons: 1) to commute to work, 2) to run errands or 3) to recreate.

Commuting Mode and Time

The following tables show commuting pattern attributes for each study area:

		Commuting Mode						Total
		Drove Alone	Carpooled	Public Transit	Walked	Other Means	Worked at Home	
Lake County	Number	2,798	473	6	99	57	225	3,658
	Percent	76.5%	12.9%	0.2%	2.7%	1.6%	6.2%	100.0%
Michigan	Number	3,620,896	381,087	54,189	97,131	58,333	382,716	4,594,352
	Percent	78.8%	8.3%	1.2%	2.1%	1.3%	8.3%	100.0%

Source: U.S. Census Bureau, 2017-2021 American Community Survey

		Commuting Time					Worked at Home	Total
		Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes		
Lake County	Number	960	906	860	300	407	225	3,658
	Percent	26.2%	24.8%	23.5%	8.2%	11.1%	6.2%	100.0%
Michigan	Number	1,185,953	1,630,112	828,886	301,209	265,475	382,716	4,594,351
	Percent	25.8%	35.5%	18.0%	6.6%	5.8%	8.3%	100.0%

Source: U.S. Census Bureau, 2017-2021 American Community Survey

Noteworthy observations from the preceding tables follow:

- Within the PSA (Lake County), 89.4% of commuters either drive alone or carpool to work. This represents a slightly higher share of such commuting modes when compared to the state of Michigan (87.1%). Only 0.2% of commuters in the PSA utilize public transit, while 2.7% walk to work and 6.2% work from home.
- Well over one-fourth (26.2%) of commuters in Lake County have commute times of less than 15 minutes, and over one-half (51.0%) of PSA commuters have commute times less than 30 minutes to work. This represents a smaller share of commuters with short commute times (less than 30 minutes) as compared to the state share (61.3%). Additionally, 11.1% of PSA commuters have commute times of 60 minutes or more, which is a notably higher share compared to the state (5.8%).

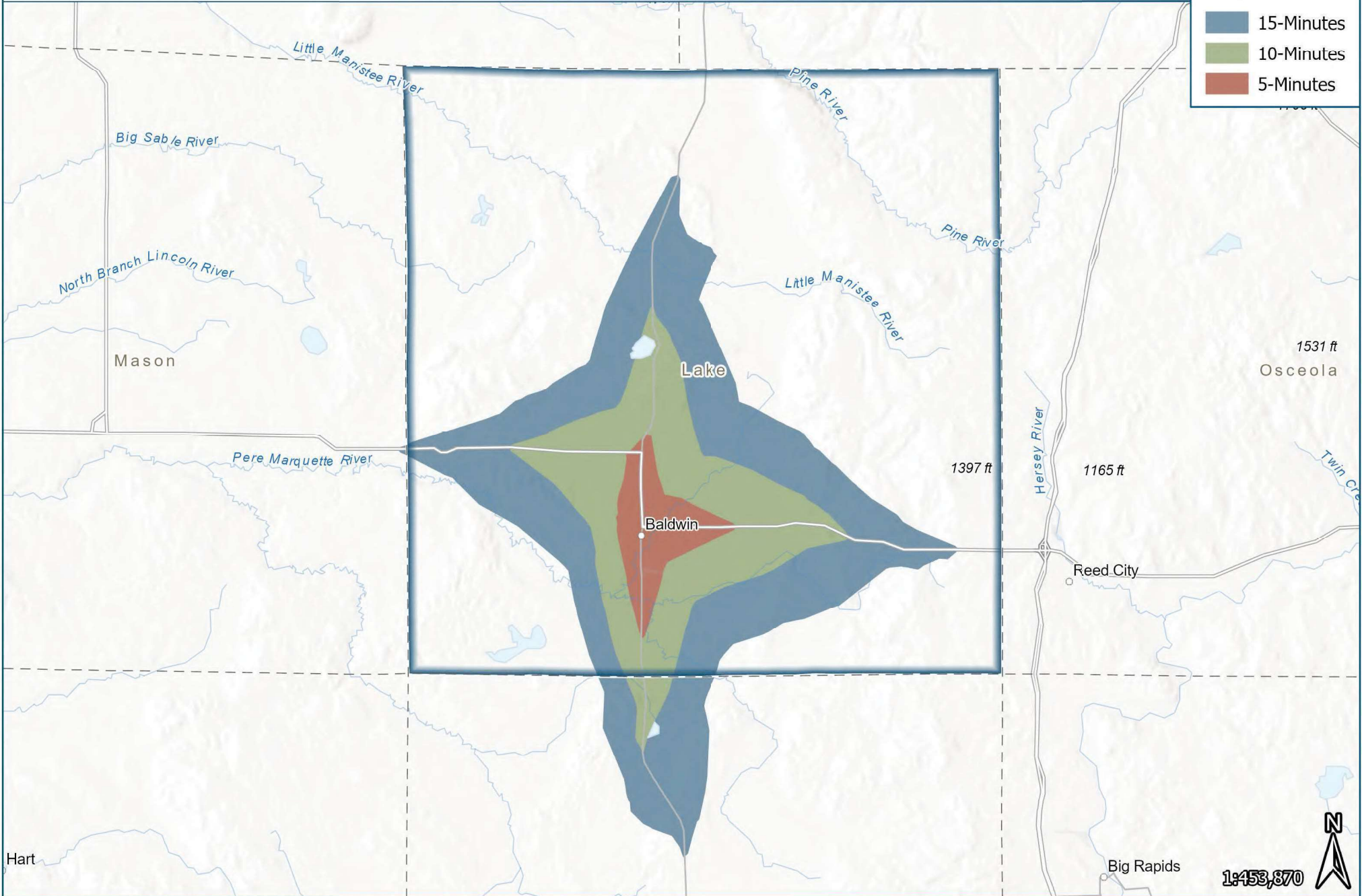
Based on the preceding analysis, a vast majority of PSA commuters utilize their own vehicles or carpool to work. While a slight majority of individuals have very short commute times in the PSA, there is a notable share of commuters with commute times of 60 minutes or more within the county. As such, commute times in the PSA are typically longer than commute times statewide.

A drive-time map illustrating travel times from the center of Baldwin, which is the county seat, is included on the following page.

PSA

Drive-Time

- 15-Minutes
- 10-Minutes
- 5-Minutes



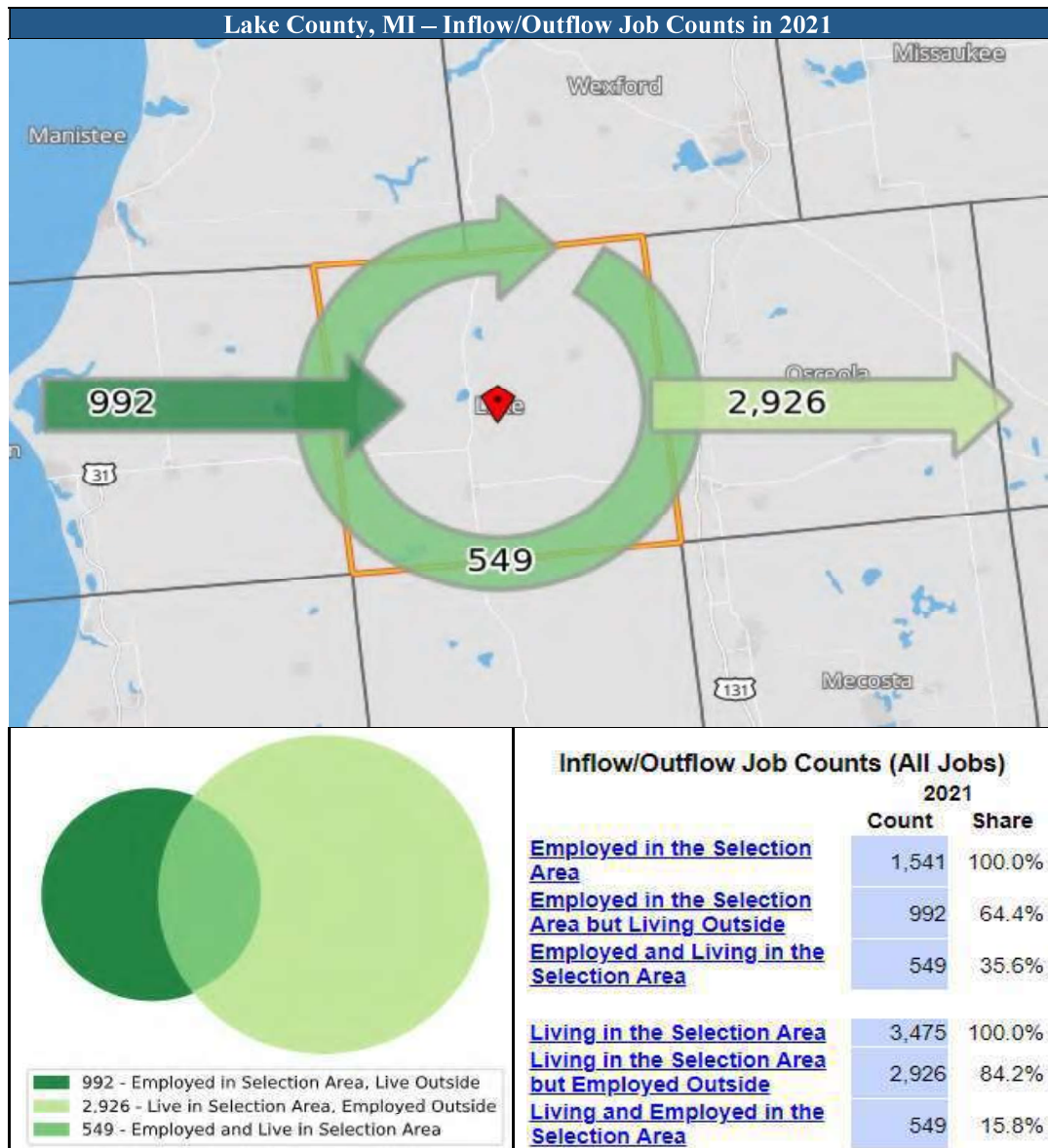
0 2 4 6 8
Miles

Esri, CGIAR, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
Additional Source(s): Bowen National Research

1:453,870

Commuting Inflow/Outflow

According to 2020 U.S. Census Longitudinal Origin-Destination Employment Statistics (LODES), of the 3,475 employed residents of Lake County, 2,926 (84.2%) are employed outside the county, while the remaining 549 (15.8%) are employed within Lake County. In addition, 992 people commute into Lake County from surrounding areas for employment. These 992 non-residents account for 64.4% of the people employed in the county and represent a notable base of potential support for future residential development. The following illustrates the number of jobs filled by in-commuters and residents, as well as the number of resident out-commuters.



Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES)

Characteristics of the Lake County commuting flow in 2021 are illustrated in the following table.

Lake County, MI: Commuting Flow Analysis by Earnings, Age and Industry Group (2021, All Jobs)						
Worker Characteristics	Resident Outflow		Workers Inflow		Resident Workers	
	Number	Share	Number	Share	Number	Share
Ages 29 or younger	701	24.0%	227	22.9%	105	19.1%
Ages 30 to 54	1,446	49.4%	523	52.7%	272	49.5%
Ages 55 or older	779	26.6%	242	24.4%	172	31.3%
Earning <\$1,250 per month	690	23.6%	202	20.4%	157	28.6%
Earning \$1,251 to \$3,333	988	33.8%	335	33.8%	206	37.5%
Earning \$3,333+ per month	1,248	42.7%	455	45.9%	186	33.9%
Total Worker Flow	2,926	100.0%	992	100.0%	549	100.0%

Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES)

Note: Figures do not include contract employees and self-employed workers

Among the county's 992 *in-commuters*, over one-half (52.7%) are between the ages of 30 and 54 years and 45.9% earn \$3,333 or more per month (\$40,000 or more annually). By comparison, slightly larger shares of resident *outflow workers* are ages 29 or younger (24.0%) and ages 55 or older (26.6%). Outflow workers are also more likely than inflow workers to earn less than \$1,250 per month (\$15,000 annually). Regardless, given the diversity of incomes, ages, and occupation types of the nearly 1,000 people commuting into the area for work each day, a variety of housing product types could be developed to potentially attract these commuters to live in Lake County. It is important to understand that the overall health of the local housing market can influence the probability of in-commuters relocating to the area. A detailed analysis of the area housing market, which includes availability, costs, and product mixture is included in Section VI of this report.

E. CONCLUSIONS

The economy in the PSA (Lake County) is heavily influenced by the public administration, health care, and educational services sectors, which collectively account for 47.2% of the employment by sector and include the three largest employers in the county. While not as significant in terms of direct employment, the tourism industry is a critical component of the Lake County economy. Overall, wages within the PSA are slightly lower than wages at the state level. As a result, housing affordability is an issue for a number of individuals working within the most common occupations in the area, particularly those in households earning a single wage that are seeking home ownership. While nearly 1,000 non-residents commute into the county daily for employment, it is noteworthy that approximately 11.1% of Lake County residents commute 50 miles or more to their place of employment. Total employment in the PSA increased by 19.8% since 2013, while at-place employment increased by 11.4% during this time period. It is also noteworthy, however, that at-place employment in Lake County has decreased 11.5% year-over-year through March 2023. The yearly unemployment rate through August 2023 in the PSA is 7.7%, which is higher

than the state unemployment rate (4.1%) and may be partially attributed to seasonal unemployment during the winter months in the PSA. While not located within Lake County, the planned construction of a battery facility in nearby Mecosta County is expected to bring 1,200 new jobs to the immediate region with competitive wages. Other positive economic development activity, which includes the construction of an off-road vehicle park and the acquisition of a local powersports dealership by Fox Powersports, is expected to contribute to local economic growth. In order for Lake County to fully maximize on the aforementioned economic developments, it is critical that an adequate supply of income appropriate housing is available within the county to attract new households and retain existing households.

VI. HOUSING SUPPLY ANALYSIS

This housing supply analysis includes a variety of housing alternatives. Understanding the historical trends, market performance, characteristics, composition, and current housing choices provide critical information as to current market conditions and future housing potential. The housing data presented and analyzed in this section includes primary data collected directly by Bowen National Research and secondary data sources including American Community Survey (ACS), U.S. Census housing information, and data provided by various government entities and real estate professionals.

While there are a variety of housing options offered in the Primary Study Area (PSA, Lake County), we focused our analysis on the most common housing alternatives. The housing structures included in this analysis are:

- **Rental Housing** – Rental properties consisting of multifamily apartments (generally with five or more units within a structure) were identified and surveyed. An analysis of non-conventional rentals (typically with four or less units within a structure) was also conducted. In addition, a survey of short-term (recreational/seasonal) rentals was completed to analyze the effect this housing segment has on the overall rental market.
- **For-Sale Housing** – For-sale housing alternatives, both recent sales activity and currently available supply, were inventoried. This data includes single-family homes, condominiums, mobile homes, and other traditional housing alternatives. It includes stand-alone product as well as homes within planned developments or projects.

For the purposes of this analysis, the housing supply information is presented for the Primary Study Area (Lake County) and the state of Michigan, when available.

Maps illustrating the location of various housing types are included throughout this section.

A. OVERALL HOUSING SUPPLY (SECONDARY DATA)

This section of analysis on the area housing supply is based on secondary data sources such as the U.S. Census, American Community Survey and ESRI, and is provided for the PSA (Lake County) and the state of Michigan, when applicable. When possible, data from the 2020 Census is used in conjunction with ESRI estimates to provide the most up-to-date data. Note that some small variation of total numbers and percentages within tables may exist due to rounding.

Housing Characteristics

The estimated distribution of the area housing stock by tenure (renter and owner) within the PSA and the state of Michigan for 2023 is summarized in the following table:

		Occupied and Vacant Housing Units by Tenure 2023 Estimates				
		Total Occupied	Owner Occupied	Renter Occupied	Vacant	Total
Lake County	Number	5,143	4,340	803	8,254	13,397
	Percent	38.4%	84.4%	15.6%	61.6%	100.0%
Michigan	Number	4,079,686	2,921,638	1,158,048	528,468	4,608,154
	Percent	88.5%	71.6%	28.4%	11.5%	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In total, there are an estimated 13,397 housing units within the PSA (Lake County) in 2023. Based on ESRI estimates, of the 5,143 total occupied housing units in the PSA, 84.4% are owner occupied, while the remaining 15.6% are renter occupied. Note that most housing units within the PSA (61.6%) are classified as vacant. Vacant units are comprised of a variety of units including abandoned properties, rentals, for-sale, and seasonal housing units. The PSA has a much larger share of vacant units compared to the state of Michigan (11.5%). Due to the abundance of recreation areas, nature trails, and lakes in the PSA, it is likely that the high share of vacant housing units in Lake County is due in large part to the influence of seasonal/recreational housing and short-term rentals. A detailed analysis of seasonal/recreational housing is included in this section starting on page VI-19.

The following table compares key housing age and conditions of Lake County and the state based on 2017-2021 American Community Survey (ACS) data. Housing units built over 50 years ago (pre-1970), overcrowded housing (1.01+ persons per room), or housing that lacks complete kitchens or bathroom plumbing are illustrated for the PSA and state by tenure. It is important to note that some occupied housing units may have more than one housing issue.

Housing Age and Conditions												
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Lake County	241	35.9%	1,155	31.4%	8	1.2%	19	0.5%	5	0.7%	69	1.9%
Michigan	507,318	45.9%	1,373,751	47.9%	31,824	2.9%	32,450	1.1%	22,356	2.0%	16,775	0.6%

Source: American Community Survey (2017-2021); ESRI; Urban Decision Group; Bowen National Research

Within the PSA (Lake County), over one-third (35.9%) of *renter*-occupied housing was built prior to 1970, which represents a notably smaller share compared to the statewide share (45.9%). Approximately 31.4% of the *owner*-occupied housing in the PSA was built prior to 1970, which is a considerably smaller share than the state (47.9%). Lake County also has lower shares of overcrowded renter-occupied and owner-occupied units compared to the state of Michigan. The overall share of units with incomplete plumbing or kitchen facilities does not appear to be a prevalent issue within the PSA, with only 0.7% of renter households and 1.9% of owner households experiencing this issue. Overall, there are approximately 101 households in the county that live in substandard housing conditions.

The following table compares key household income, housing cost, and housing affordability metrics of the PSA (Lake County) and the state. Cost burdened households are defined as those paying over 30% of their income toward housing costs, while severe cost burdened households pay over 50% of their income toward housing.

Household Income, Housing Costs and Affordability								
	2023 Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
					Renter	Owner	Renter	Owner
Lake County	5,143	\$45,796	\$140,756	\$684	50.7%	26.9%	22.6%	10.7%
Michigan	4,079,686	\$66,880	\$222,630	\$1,023	44.9%	18.6%	23.1%	7.4%

Source: American Community Survey (2017-2021); ESRI; Urban Decision Group; Bowen National Research

*Paying more than 30% of income toward housing costs

**Paying more than 50% of income toward housing costs

The estimated median home value of \$140,756 within the PSA (Lake County) is 36.8% lower than the estimated median home value of \$222,630 for the state of Michigan. The average gross rent of \$684 in the PSA is approximately one-third (33.1%) lower than the state's average gross rent of \$1,023. The median household income for the PSA (\$45,796) is also significantly lower than the statewide median income of \$66,880. Despite the PSA's significantly lower estimated median home value and average gross rent compared to the state, the PSA has higher shares of cost burdened renter and owner households due in part to its lower median household income. In fact, most renter households (50.7%) and over one-quarter (26.9%) of owner households in Lake County are cost burdened. According to recent American Community Survey statistics, there are approximately 407 renter households and 1,167 owner households in

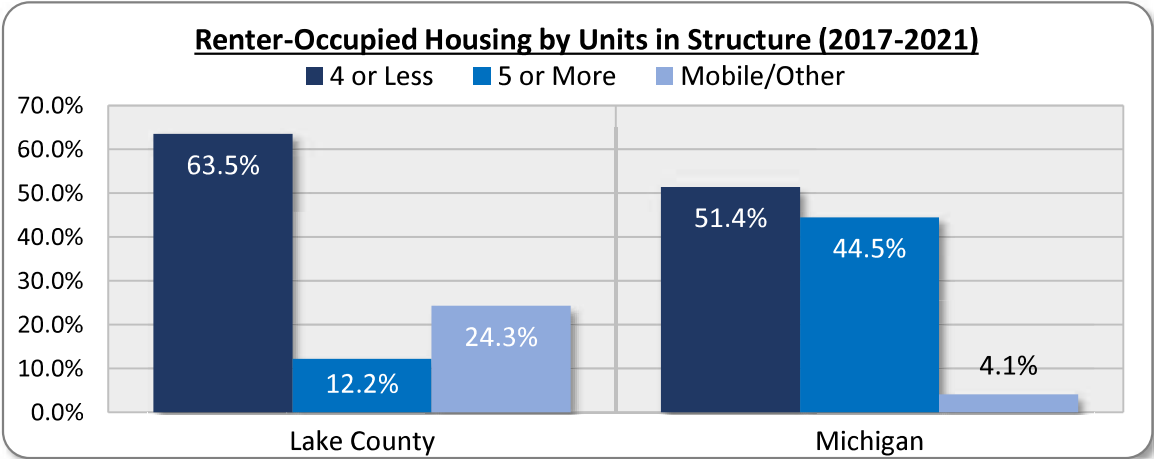
the PSA that are housing cost burdened (paying 30% or more of their income toward housing costs). The overall number of cost burdened households illustrates the importance of affordable rental and for-sale housing options for Lake County residents.

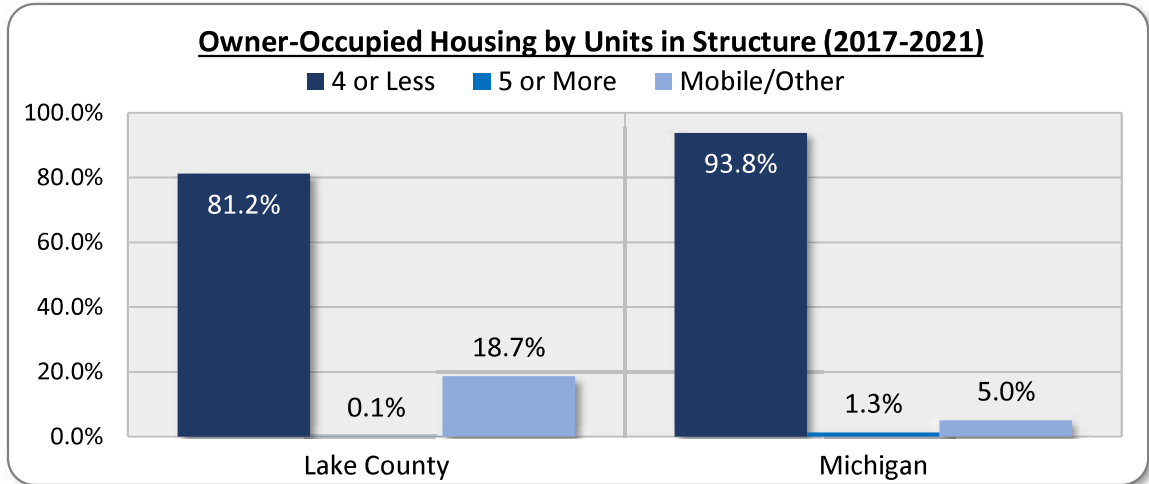
Based on the 2017-2021 American Community Survey (ACS) data, the following is a distribution of all occupied housing by units in structure by tenure (renter or owner) for the PSA and the state.

		Renter-Occupied Housing by Units in Structure				Owner-Occupied Housing by Units in Structure			
		4 Units or Less	5 Units or More	Mobile Home/ Other	Total	4 Units or Less	5 Units or More	Mobile Home/ Other	Total
Lake County	Number	427	82	163	672	2,985	5	687	3,677
	Percent	63.5%	12.2%	24.3%	100.0%	81.2%	0.1%	18.7%	100.0%
Michigan	Number	568,232	492,131	45,622	1,105,985	2,692,093	36,255	142,216	2,870,564
	Percent	51.4%	44.5%	4.1%	100.0%	93.8%	1.3%	5.0%	100.0%

Source: American Community Survey (2017-2021); ESRI; Urban Decision Group; Bowen National Research

Over 60% of the *rental* units in the PSA (Lake County) are within structures of four units or less, with mobile homes comprising nearly one-quarter additional rental units. The combined share (87.8%) of these two types of structures is significantly higher when compared to that of the state (55.5%). The 24.3% share of renter-occupied mobile homes in the PSA is significantly higher than the share within the state (4.1%). The PSA also has a much lower share (12.2%) of multifamily rental housing (units within structures comprising five or more units) when compared to the state (44.5%). Among *owner*-occupied units, there is a higher share of mobile homes in the PSA (18.7%) compared to the state (5.0%).





B. RENTAL HOUSING SUPPLY ANALYSIS (BOWEN NATIONAL SURVEY)

1. Introduction

Bowen National Research conducted research and analysis of various housing alternatives within the PSA (Lake County). This analysis includes rental housing as well as for-sale and owner-occupied housing.

2. Multifamily Rental Housing

Lake County (PSA) offers a limited inventory of multifamily rental properties. However, we identified and personally surveyed seven conventional rental housing projects containing a total of 241 units within the PSA. The surveyed projects operate primarily as either government-subsidized projects or Low-Income Housing Tax Credit (LIHTC) projects that serve households with incomes generally up to 60% of Area Median Household Income (AMHI). The following table summarizes the surveyed rental properties by project type:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	1	72	0	100.0%
Market-Rate/Tax Credit	1	24	0	100.0%
Tax Credit/Government-Subsidized	1	32	0	100.0%
Government-Subsidized	4	113	0	100.0%
Total	7	241	0	100.0%

Source: Bowen National Research

Typically, in healthy and well-balanced markets, multifamily rentals operate at an overall 94% to 96% occupancy rate. As the preceding table illustrates, all rental properties surveyed in the PSA are fully occupied. In addition, as summarized later in this section, all seven properties maintain waiting lists which indicates that pent-up demand exists for multifamily rental housing within Lake County.

The seven properties surveyed within the PSA (Lake County) are summarized in the following table:

Map I.D.	Project Name	Quality Rating	Year Built/Renovated	Total Units	Occ. Rate	Waiting List	Target Market
1	Baldwin Housing Commission (Family)	C+	1974	10	100.0%	36-48 Months	Families; Public Housing
2	Baldwin Housing Commission I - III (Senior)	B-	1974	76	100.0%	7 HH	Ages 50+; Public Housing
3	Duvernay Park	B+	2003	24*	100.0%	70 HH	Families; 30%, 50%, & 60% AMHI & Market-Rate
4	Idlewild Gardens	B-	1981 / 2004	23	100.0%	5 HH	Seniors 62+; RD 515 & Section 8
5	Majestic Pines	C	1990	72	100.0%	25 HH	General Occupancy; Market-Rate
6	Oaks	B	2010	4	100.0%	Yes	Homeless/Supportive Housing; PBV/PBRA
7	Oakwood Manor	B	1980 / 2003	32	100.0%	15 HH	Seniors 62+; 60% AMHI & RD 515

OCC. – Occupancy

HH – Households

*Project contains 19 LIHTC units and five (5) market-rate units

The preceding illustrates that the surveyed multifamily projects in the PSA are in satisfactory to good condition, with properties having a quality rating ranging from “B+” to “C.” Four projects were either built or have been renovated within the last 20 years. As such, a significant portion of the multifamily units in the PSA are relatively modern. Overall, the supply of multifamily rental housing in the PSA does not appear to have any significant quality issues.

After a review of the target market for each project, it should be noted that five of the seven surveyed projects, comprising 60.2% of the surveyed units, operate under some type of government subsidy with income, disability, or age restrictions. Two subsidized projects (Idlewild Gardens and Oakwood Manor) with a combined total of 55 units are restricted to seniors ages 62 and older while an additional Public Housing property with 76 units (Baldwin Housing Commission I-III) is restricted to households ages 50 and above. Note that all five subsidized projects are fully occupied with wait lists of up to 15 households. One Tax Credit project without any type of subsidy (Duvernay Park) was surveyed. This project, which targets family households earning up to 60% of Area Median Household Income (AMHI) as well as market-rate renters, is fully occupied and maintains a wait list of 70 households. The only market-rate project surveyed (Majestic Pines) is also fully occupied with a wait list of 25 households. The lack of any vacancies, regardless of target market, and combined wait lists of 122 households or up to 48 months among the surveyed properties indicate a very high level of pent-up demand for rental housing units in the market.

The collected rents for the surveyed projects, as well as their unit mixes and vacancies by bedroom type are shown in the following table:

Map I.D.	Project Name	Collected Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
1	Baldwin Housing Commission (Family)	-	-	\$978/PH (6/0)	\$973/PH (4/0)	None
2	Baldwin Housing Commission I - III (Senior)	\$609-\$682/PH (76/0)	-	-	-	None
3	Duvernay Park	-	\$472/30% (2/0) \$727/50% (5/0) \$1,044/60% (5/0) \$1,044/MR (3/0)	\$530/30% (1/0) \$970/50% (3/0) \$1,190/60% (3/0) \$1,190/MR (2/0)	-	None
4	Idlewild Gardens	\$710-\$728/ RD 515/S8 (19/0)	\$789-\$798/ RD 515/S8 (4/0)	-	-	None
5	Majestic Pines	\$560/MR (32/0)	\$625/MR (40/0)	-	-	None
6	Oaks	-	-	SUB (4/0)	-	None
7	Oakwood Manor	\$691-\$709/ 60%/RD 515 (28/0)	\$768-\$783/ 60%/RD 515 (4/0)	-	-	None

SUB - Subsidized (residents pay 30% of their income, as this is a government-subsidized property, which also operates under the Tax Credit program)

MR - Market-Rate

PH - Public Housing

S8 - Section 8

The market-rate rental project (Majestic Pines) surveyed in the PSA (Lake County) primarily consists of one-bedroom units renting for \$560 and two-bedroom units renting for \$625. Duvernay Park, which primarily consists of Tax Credit units, has a limited number of two-bedroom market-rate units renting for \$1,044 and three-bedroom market-rate units renting for \$1,190. Tax Credit units at Duvernay Park consist of two-bedroom units with rents ranging from \$472 to \$1,044 and three-bedroom units with rents ranging from \$530 to \$1,190. It is important to point out that the rent ranges among each bedroom type for the Tax Credit units are attributed to the fact that these rents correspond to different programmatic income and rent restrictions. Remaining properties in the PSA rent units under the HUD Section 8, Rural Development 515, or Public Housing programs, in which tenants typically pay 30% of gross income in rent. There are no vacancies among the surveyed multifamily units in the PSA. It is also notable that there are a limited number of three-bedroom and four-bedroom units among surveyed properties in the PSA. As such, low-income households, especially larger households, will likely have difficulty locating affordable housing within the PSA. Regardless, it is evident that demand is strong for all bedroom types and all affordability levels.

The unit sizes (square footage) and number of bathrooms included in each of the surveyed apartments in the PSA (Lake County) are shown in the following tables:

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
1	Baldwin Housing Commission (Family)	-	-	920	1,000
2	Baldwin Housing Commission I - III (Senior)	550	-	-	-
3	Duvernay Park	-	1,050	1,265	-
4	Idlewild Gardens	560	744	-	-
5	Majestic Pines	600	700	-	-
6	Oaks	-	-	850	-
7	Oakwood Manor	504	615	-	-

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
1	Baldwin Housing Commission (Family)	-	-	1.0	2.0
2	Baldwin Housing Commission I - III (Senior)	1.0	-	-	-
3	Duvernay Park	-	2.0	2.0	-
4	Idlewild Gardens	1.0	1.0	-	-
5	Majestic Pines	1.0	1.0	-	-
6	Oaks	-	-	1.0	-
7	Oakwood Manor	1.0	1.0	-	-

The surveyed one-bedroom units range in size from 504 square feet to 600 square feet, with all surveyed one-bedroom units containing one bathroom. Two-bedroom units in the PSA range from 615 square feet to 1,050 square feet, with one property (Duvernay Park) offering two-bathroom floorplans. Most market-rate units in the PSA range in size from 600 square feet to 700 square feet (though some larger units exist) with all units having one bathroom, while market-rate two-bedroom and three-bedroom units at Duvernay Park offer two bathrooms. The limited number of three-bedroom and four-bedroom units among existing units in the PSA may indicate a specific potential development opportunity.

Market-Rate and Tax Credit Housing

The following table summarizes the breakdown of market-rate and non-subsidized Tax Credit units surveyed within the PSA (Lake County).

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Collected Rent
One-Bedroom	1.0	32	41.6%	0	0.0%	\$560
Two-Bedroom	1.0	40	51.9%	0	0.0%	\$625
Two-Bedroom	2.0	3	3.9%	0	0.0%	\$1,044
Three-Bedroom	2.0	2	2.6%	0	0.0%	\$1,190
Total Market-rate		77	100.0%	0	0.0%	-
Non-Subsidized Tax Credit						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Collected Rent
Two-Bedroom	2.0	12	63.2%	0	0.0%	\$727
Three-Bedroom	2.0	7	36.8%	0	0.0%	\$970
Total Tax Credit		19	100.0%	0	0.0%	-

Source: Bowen National Research

As the preceding illustrates, the supply of market-rate units in the PSA is limited and almost exclusively consists of one-bedroom and two-bedroom units. In addition, no market-rate units were vacant at the time of our rental survey. Consequently, renter households in the PSA with incomes above the thresholds to qualify for Tax Credit or government-subsidized housing must likely secure housing from the available supply of non-conventional rentals (any rentals that are not apartments) in the market, which is analyzed later in this section.

A total of 19 non-subsidized Tax Credit units (less than 10% of the apartment rental supply) were identified and consist of two-bedroom and three-bedroom units. These non-subsidized Tax Credit units, which target family households earning up to 60% of AMHI, are fully occupied and have median collected rents ranging from \$727 for a two-bedroom unit and \$970 for a three-bedroom unit.

Government-Subsidized Housing

We identified five government-subsidized projects within the PSA (Lake County) that operate under the HUD Section 8, Rural Development 515 and Public Housing programs. Generally, these properties have few amenities, are older, and offer small unit sizes (square feet). These projects typically restrict occupancy to households earning up to 50% of Area Median Household Income and require tenants to pay 30% of their adjusted gross income toward rent. The government-subsidized units (both with and without Tax Credits) in the PSA are summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	28	87.5%	0	0.0%
Two-Bedroom	1.0	4	12.5%	0	0.0%
Total Subsidized Tax Credit		32	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	95	84.1%	0	0.0%
Two-Bedroom	1.0	4	3.5%	0	0.0%
Three-Bedroom	1.0	10	8.8%	0	0.0%
Four-Bedroom	2.0	4	3.5%	0	0.0%
Total Subsidized		113	100.0%	0	0.0%

Source: Bowen National Research

The 32 subsidized Tax Credit units and 113 government-subsidized units are 100.0% occupied. This 100.0% occupancy rate among all subsidized projects in the PSA indicates a very strong market for very low-income housing. One-bedroom units dominate the supply of the subsidized units, accounting for nearly 85% of all government-subsidized units and 87.5% of subsidized Tax Credit units. The balance of the supply primarily consists of two-bedroom and three-bedroom units, while there are only four subsidized four-bedroom units in the market. As such, limited options exist for subsidized two-bedroom or larger units in the PSA. This indicates that larger low-income households will either be overcrowded in the existing supply of subsidized housing or will most likely have to locate housing within the non-conventional supply, which may result in the household being cost burdened.

Note that one surveyed property in Lake County operates under the Low-Income Housing Tax Credit (LIHTC) program. Rents for projects operating under federal programs or the LIHTC program are limited to the percent of Area Median Household Income (AMHI) to which the units are specifically restricted. For the purposes of this analysis, we have illustrated programmatic rent limits at 50% of AMHI (typical federal subsidy program restrictions) and 80% of AMHI (maximum LIHTC program restrictions) in the following table. All rents are shown as *gross rents*, meaning they include tenant-paid rents and tenant-paid utilities.

Maximum Allowable AMHI Gross Rents (2023) Lake County, Michigan					
Percent of AMHI	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
50%	\$662	\$710	\$852	\$984	\$1,098
80%	\$1,060	\$1,136	\$1,364	\$1,575	\$1,758

Source: Bowen National Research, MSHDA (2023)

Maximum allowable rents are subject to change on an annual basis and are only *achievable* if the project with such rents is marketable. As a result, the preceding rent table should be used as a guide for setting maximum rents under the Tax Credit program, and achievable rents should be determined by using individual market data from this report or a separate site-specific market feasibility study.

Projects can be developed under federal programs that use Fair Market Rents or the HOME Program rents. The following tables illustrate the 2023 Fair Market Rents and Low HOME and High HOME rents for Lake County.

Lake County				
Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Fair Market Rent (2023)				
\$571	\$682	\$826	\$1,174	\$1,178
Low/High HOME Rent (2023)				
\$571 / \$571	\$682 / \$682	\$826 / \$826	\$984 / \$1,174	\$1,098 / \$1,178

Source: HUD Office of Policy Development and Research (huduser.gov)

The preceding rents, which are updated annually, can be used by developers as a guide for the possible rent structures incorporated at their projects within Lake County if they operate under these programs.

The Fair Market Rents in Lake County are generally higher than the corresponding market-rate median rents and Tax Credit median rents at the surveyed properties in the county. Of the 96 total market-rate and non-subsidized Tax Credit units surveyed in the county, only 13 units have rents that are higher than the Fair Market Rents for Lake County. While this indicates that Housing Choice Voucher (HCV) holders may be able to secure most market-rate or Tax Credit units with an HCV, the limited availability of multifamily rental units in the county suggests most residents must choose from non-conventional rental alternatives, which are evaluated later in this section.

We also evaluated the potential number of existing subsidized affordable housing units that are at risk of losing their affordable status. One property in the county operates as a subsidized project under a current HUD contract. Because this contract has a designated renewal date, it is important to understand if this project is at risk of an expiring contract in the near future that could result in the reduction of affordable rental housing stock. The following table illustrates details of the project with a current HUD contract:

Expiring HUD Contracts Lake County, Michigan					
Property Name	Total Units	Assisted Units	Expiration Date	Program Type	Target Population
Idlewild Gardens	23	23	7/31/2041	515/ 8 NC	Senior & Disabled

Source: HUDUser.gov Assistance & Section 8 Contracts Database (Updated 10.4.23); Bowen National Research

While all HUD supported projects are subject to annual appropriations by the federal government, it appears that the one project in Lake County has a contract expiration date of 2041 and is not at *potential* risk of losing its government assistance in the near future. Given the high occupancy rates and wait lists among the market's surveyed subsidized properties, it will be important for the area's low-income residents that the project with a HUD contract be preserved in order to continue to house some of the market's most economically vulnerable residents.

According to a representative with the Baldwin Housing Commission, there are approximately 144 Housing Choice Vouchers issued within the housing authority's jurisdiction. However, housing authority representatives indicated that approximately 10 (6.9%) of the issued vouchers are currently going unused due to holders of these vouchers not being able to find affordable rents and/or locate a unit/property which will accept the voucher. There is a total of 130 households currently on the waiting list for additional vouchers. The waiting list is open. Annual turnover within the voucher program is estimated at 48 households. This data reflects the continuing need for affordable housing alternatives and/or Housing Choice Voucher assistance.

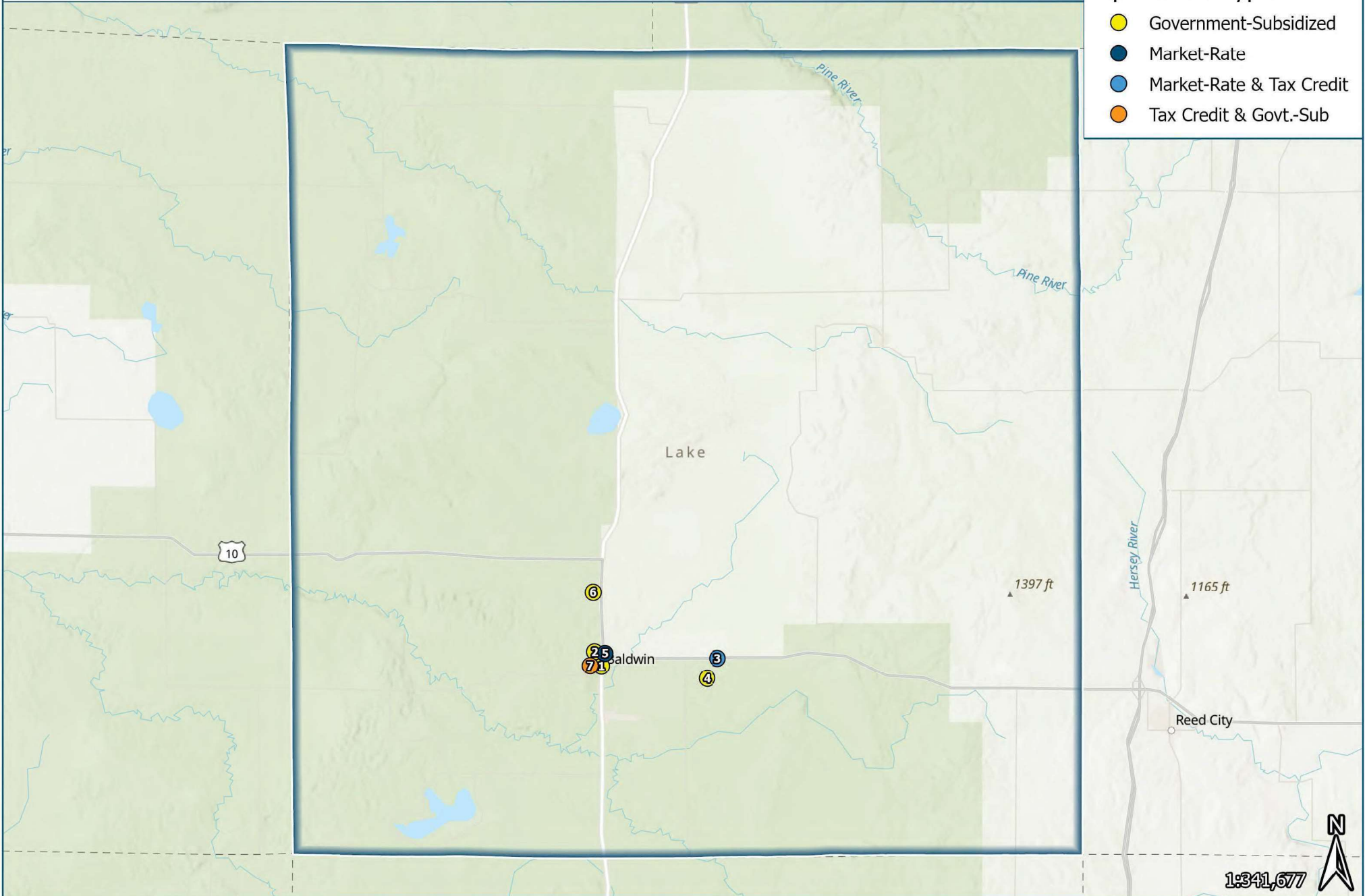
The stakeholder acknowledged that there are very few affordable three- and four-bedroom units in the market and that they believe there is a need for more family-oriented housing in the market.

A map illustrating the location of all multifamily apartments surveyed within the market is included on the following page.

PSA

Apartment Type

- Government-Subsidized
- Market-Rate
- Market-Rate & Tax Credit
- Tax Credit & Govt.-Sub



0 1.5 3 4.5 6
Miles

Esri, NASA, NGA, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
Additional Source(s): Bowen National Research

1:341,677

3. Non-Conventional Rental Housing

Non-conventional rentals are generally considered rental units consisting of single-family homes, duplexes, units over store fronts, mobile homes, etc. Typically, these rentals are older, offer few amenities, and lack on-site management and maintenance. For the purposes of this analysis, we have assumed that rental properties consisting of four or less units within a structure are non-conventional rentals. Based on data from the American Community Survey (2017-2021), the number and share of units within renter-occupied structures is summarized in the following table:

		Renter-Occupied Housing by Units in Structure			
		1 to 4 Units	5 Units or More	Mobile Home/ Other	Total
Lake County	Number	427	82	163	672
	Percent	63.5%	12.2%	24.3%	100.0%
Michigan	Number	568,232	492,131	45,622	1,105,985
	Percent	51.4%	44.5%	4.1%	100.0%

Source: American Community Survey (2017-2021); ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, renter-occupied housing with four or fewer units per structure and mobile homes comprise a vast majority of the local rental housing market, as they represent 87.8% of rental units in the PSA (Lake County). This is a considerably larger share of these units compared to the state of Michigan (55.5%). The share (24.3%) of renter-occupied units that consist of mobile homes is notably higher than the corresponding share (4.1%) within the state.

The following table summarizes monthly gross rents (per unit) for area rental alternatives within the PSA and the state of Michigan, based on ACS data. While this data encompasses all rental units, which includes multifamily apartments, a substantial majority (87.8%) of the local market's rental supply consists of non-conventional rentals. Therefore, it is reasonable to conclude that the following provides insight into the overall distribution of rents among the non-conventional rental housing units. It should be noted, gross rents include tenant-paid rents and tenant-paid utilities.

		Estimated Monthly Gross Rents by Market								
		<\$300	\$300 - \$500	\$500 - \$750	\$750 - \$1,000	\$1,000 - \$1,500	\$1,500 - \$2,000	\$2,000+	No Cash Rent	Total
Lake County	Number	99	73	138	145	74	3	3	137	672
	Percent	14.7%	10.9%	20.5%	21.6%	11.0%	0.4%	0.4%	20.4%	100.0%
Michigan	Number	47,234	62,363	186,604	294,005	333,601	85,842	40,126	56,211	1,105,986
	Percent	4.3%	5.6%	16.9%	26.6%	30.2%	7.8%	3.6%	5.1%	100.0%

Source: American Community Survey (2017-2021); ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, the largest share (21.6%) of PSA rental units have gross rents between \$750 and \$1,000, followed by units with rents between \$500 and \$750 (20.5%). Collectively, units with gross rents below \$1,000 account for over two-thirds (67.7%) of all PSA rentals, which is a larger share of such units when compared to the state (53.4%). Overall, this demonstrates the prevalence of lower and moderately priced product among the non-conventional rental units in the market.

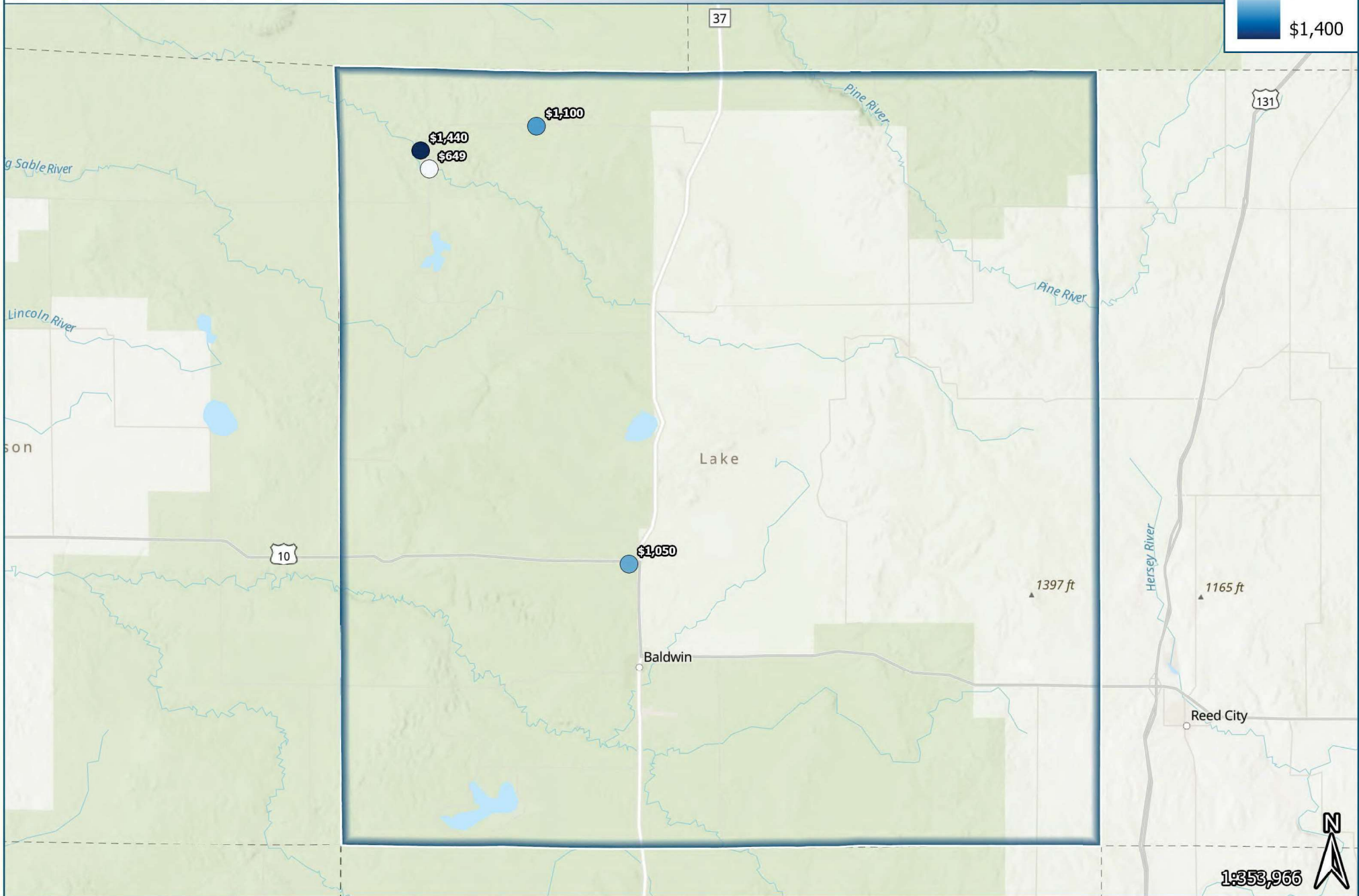
In November 2023, Bowen National Research identified four non-conventional rentals that were listed as *available* for rent in the PSA (Lake County). These properties were identified through a variety of online sources. While these rentals do not represent all non-conventional rentals, they are representative of common characteristics of the various non-conventional rental alternatives available in the market. As a result, these available rentals provide a good baseline to compare the rental rates, number of bedrooms, number of bathrooms, and other features of non-conventional rentals. When compared to the overall non-conventional inventory of the PSA (590 units), these four units represent an overall vacancy rate of just 0.7%, which is considered very low. The available non-conventional rentals identified in the county are summarized in the following table.

Available Non-Conventional Rentals							
Bedroom Type	Units	Average Number of Baths	Average Year Built	Average Square Feet	Rent Range	Average Rent	Average Rent Per Square Foot
One-Bedroom	1	1.0	-	-	\$1,050	\$1,050	-
Two-Bedroom	2	1.0	1973	1,155	\$649 - \$1,100	\$875	\$0.81
Three-Bedroom	1	3.0	-	2,300	\$1,440	\$1,440	\$0.63

Sources: Zillow, Rentalsource

The four available non-conventional rentals identified in the PSA (Lake County) have rents ranging from \$649 to \$1,440. When typical tenant utility costs (approximately \$300) are also considered, the available non-conventional units have estimated *gross* rents ranging from \$949 to \$1,740 per month. Note that two-thirds of renter households in the PSA pay gross rents below \$1,000 per month. In addition, three of the four available non-conventional units have rents that exceed market-rate and non-subsidized Tax Credit units in the market. As such, it is unlikely that low-income residents would be able to afford the typical non-conventional rental housing in the area. Based on this analysis, the inventory of available non-conventional rentals is extremely limited and typical rents for this product indicate that such housing is not a viable alternative for most lower income households.

A map delineating the location of identified non-conventional rentals currently available to rent in Lake County is included on the following page.



4. Vacation Rental Housing

The PSA (Lake County) is a popular tourist destination, particularly during the summer months, due to the number of scenic lakes, lodging options, and outdoor activities the county offers. It also likely benefits from its proximity to Lake Michigan. As such, short-term vacation rentals and second homes comprise a notable share of the PSA housing market and warrant additional analysis. This section of analysis attempts to estimate the influence of short-term rentals and second homes in Lake County on the overall housing market.

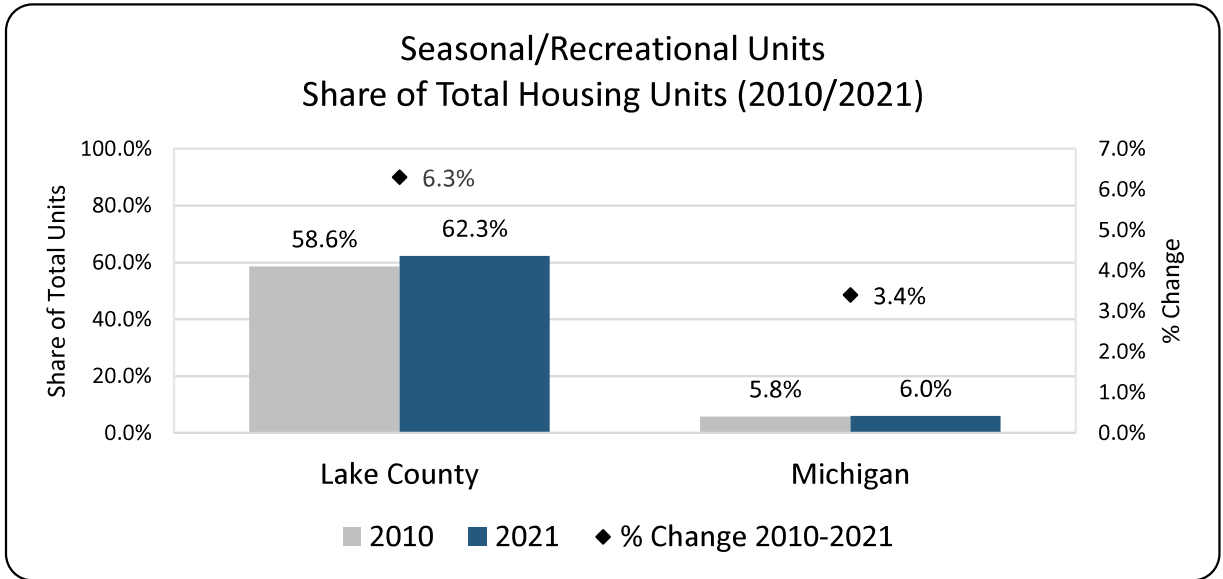
In an effort to quantify the share that seasonal and recreational homes comprise of the overall housing market in the PSA, the following table illustrates the number of homes classified as “Seasonal or Recreational Units” by the U.S. Census and American Community Survey (ACS). While this data does not specifically identify whether a housing unit is offered as a short-term rental or is strictly a second home, it provides a reasonably accurate estimate for the number of homes that are not readily available for long-term occupancy (rental or for-sale) in the market. While a notable share of these homes in an area likely indicates a robust tourism base, it can contribute to housing shortages for permanent residents if long-term housing options are absorbed by this market. Positive changes between time periods in the following table are illustrated in **green**, while negative changes are illustrated in **red**.

		Seasonal/Recreational Housing Units - 2010/2021				
		Seasonal/Recreational Units	Total Vacant Units	Total Housing Units	Seasonal/Recreational % of Total Vacant Units	Seasonal/Recreational % of Total Housing Units
Lake County	2010	8,774	9,808	14,966	89.5%	58.6%
	2021	8,445	9,201	13,550	91.8%	62.3%
	% Change	-3.7%	-6.2%	-9.5%	2.6%	6.3%
Michigan	2010	263,068	659,709	4,532,011	39.9%	5.8%
	2021	272,139	589,758	4,566,510	46.1%	6.0%
	% Change	3.4%	-10.6%	0.8%	15.5%	3.4%

Source: 2010 Census; American Community Survey (2017-2021); ESRI; Urban Decision Group; Bowen National Research

As the preceding illustrates, a total of 8,445 units in the PSA (Lake County) were classified as seasonal/recreational in 2021. Overall, these units represent approximately 62.3% of the total housing units in the county. As a result, seasonal/recreational units in the PSA have a much greater influence on the local housing market compared to the state of Michigan, where only 6.0% of all housing units are classified as seasonal/recreational. While the number of seasonal/recreational units in the county decreased by 3.7% between 2010 and 2021, the total number of housing units decreased by 9.5% during the time period. As such, the share of seasonal/recreational units as a percentage of the total housing units increased by 6.3% between

2010 and 2021. This indicates the influence of seasonal/recreational units in Lake County has increased over time. Although the share of seasonal/recreational units statewide also increased (3.4%) during the time period, the PSA experienced a larger rate of increase compared to the state. The following graph illustrates the share of seasonal/recreational units in 2010 and 2021 and the percentage change in share between the two time periods for each study area.



The following table illustrates the number and share of short-term rentals by bedroom type in the PSA (Lake County). The data included in the table is based on statistics provided by AllTheRooms, a market intelligence company that compiles short-term rental data from Airbnb and Vrbo listed properties for markets throughout the country. Because short-term rentals may be temporarily removed from the active listings of the provider for various reasons (owner occupying the property, maintenance, etc.), the following table includes both *total* and *active* listings. Note that active listings are properties which were available to book within the last 30 days. While this data does not identify all short-term rental properties within the PSA due to the various advertising resources, the data utilizes listings from two of the leading companies (Airbnb and Vrbo) in the online marketplace for short-term and vacation rentals. As such, the data illustrated is highly representative of the typical short-term rental housing in the market.

Lake County Short-Term Rentals by Bedroom Type*				
Listings as of December 1, 2023				
Bedroom Type	Total Listings		Active Listings**	
	Number	Share	Number	Share
Studio	36	7.1%	21	7.3%
One-Bedroom	67	13.1%	32	11.2%
Two-Bedroom	181	35.5%	111	38.8%
Three-Bedroom	167	32.7%	88	30.8%
Four-Bedroom	39	7.6%	20	7.0%
Five-Bedroom+	20	3.9%	14	4.9%
Total	510	100.0%	286	100.0%

Source: AllTheRooms; Bowen National Research

*Only includes Airbnb and Vrbo listed properties

**Listings that have been active in the last 30 days

As the preceding illustrates, there are approximately 510 total listings for Airbnb and Vrbo units in the PSA (Lake County). Of these, two- and three-bedroom units comprise the largest shares (35.5% and 32.7%, respectively) of short-term rentals in the PSA. One-bedroom (13.1%), four-bedroom (7.6%), and studio (7.1%) units comprise the next largest shares, while five-bedroom or larger units account for only 3.9% of the total inventory. It is important to understand that the number of short-term rentals is likely much higher than illustrated because this data is confined to listings through Airbnb and Vrbo only. This data also does not include second homes that are not offered as vacation rentals and are only occupied by the owner part of the year. Regardless, this data illustrates a reasonable approximation of the *distribution* of short-term rentals by bedroom type in the PSA.

While seasonal/recreational homes do not typically represent a viable *long-term* occupancy option for households in an area because they are likely occupied by the owner for at least part of the year and are usually unaffordable as a permanent residence due to the high daily rates charged, some of these homes may have the potential to *temporarily* house individuals short-term, particularly outside of peak-season.

The following table shows the average daily rate by bedroom type from 2020 to 2023 for the Airbnb and Vrbo listed rentals in the PSA. Note that the rates listed for each bedroom type encompass the average for the entire year and likely fluctuate based on the peak tourism months in the area.

Average Daily Rate by Bedroom Type by Year Lake County Short-Term Rentals						
Airbnb Listings						
Bedroom Type	2020	2021	2022	2023	Average 2020-2023	% Change 2020-2023
Studio	\$88	\$94	\$97	N/A	\$93*	10.2%*
One-Bedroom	\$95	\$100	\$118	\$123	\$109	29.5%
Two-Bedroom	\$132	\$161	\$220	\$180	\$173	36.4%
Three-Bedroom	\$192	\$234	\$247	\$258	\$233	34.4%
Four-Bedroom	\$247	\$284	\$292	\$319	\$286	29.1%
Five-Bedroom+	\$230	\$247	\$460	\$508	\$361	120.9%
Total	\$146	\$179	\$219	\$242	\$197	65.8%
Vrbo Listings						
Bedroom Type	2020	2021	2022	2023	Average 2020-2023	% Change 2020-2023
Studio	N/A	N/A	N/A	\$64	\$64	N/A
One-Bedroom	\$130	\$127	\$127	\$170	\$139	30.8%
Two-Bedroom	\$169	\$187	\$201	\$210	\$192	24.3%
Three-Bedroom	\$214	\$228	\$228	\$257	\$232	20.1%
Four-Bedroom	\$227	\$281	\$327	\$368	\$301	62.1%
Five-Bedroom+	\$436	\$666	\$489	\$637	\$557	46.1%
Total	\$188	\$208	\$220	\$236	\$213	25.5%

Source: AllTheRooms; Bowen National Research

N/A – Not Available

*Based on data from 2020 to 2022

As the preceding illustrates, the average *daily* rental rates by bedroom type for the Airbnb listings between 2020 and 2023 range from \$93 (studio) to \$361 (five-bedroom or larger), which is equivalent to approximately \$2,829 to \$10,980 per *month*. Similarly, the average daily rental rates for the Vrbo listings range from \$64 (studio) to \$557 (five-bedroom or larger), which is the equivalent of \$1,947 to \$16,942 per month. Although the preceding calculations are based on the unit being occupied each day during a given month, the data illustrates the premiums that these rentals can achieve and demonstrates the financial motivation to build vacation rentals and/or convert existing housing stock into a short-term rental. It is also apparent that these homes do not represent viable long-term housing options for households due to the cost. Regardless, it may be possible that these units represent short- to intermediate-term housing options for workers in the area, particularly during non-peak months.

The following table illustrates the average annual occupancy rate by bedroom type for the Airbnb and Vrbo listed rentals in the PSA from 2020 to 2023.

Average Occupancy Rate by Bedroom Type by Year Lake County Short-Term Rentals						
Airbnb Listings						
Bedroom Type	2020	2021	2022	2023	Average 2020-2023	% Change 2020-2023
Studio	15%	12%	16%	17%	15.0%	13.3%
One-Bedroom	32%	28%	18%	25%	25.8%	-21.9%
Two-Bedroom	44%	42%	38%	36%	40.0%	-18.2%
Three-Bedroom	33%	43%	32%	26%	33.5%	-21.2%
Four-Bedroom	27%	35%	29%	32%	30.8%	18.5%
Five-Bedroom+	8%	24%	23%	24%	19.8%	200.0%
Total	33%	35%	29%	29%	31.5%	-12.1%
Vrbo Listings						
Bedroom Type	2020	2021	2022	2023	Average 2020-2023	% Change 2020-2023
Studio	N/A	N/A	N/A	3%	3.0%	N/A
One-Bedroom	39%	39%	22%	17%	29.3%	-56.4%
Two-Bedroom	36%	46%	38%	26%	36.5%	-27.8%
Three-Bedroom	26%	35%	26%	21%	27.0%	-19.2%
Four-Bedroom	20%	23%	26%	12%	20.3%	-40.0%
Five-Bedroom+	13%	18%	14%	8%	13.3%	-38.5%
Total	30%	38%	29%	21%	29.5%	-30.0%

Source: AllTheRooms; Bowen National Research
N/A – Not Available

Between 2020 and 2023, the overall annual occupancy rate for short-term rentals in the PSA ranges from 29.5% (Vrbo) to 31.5% (Airbnb). Among the Airbnb listed units, two-bedroom units have the highest average occupancy rate (40.0%), followed by three-bedroom (33.5%) and four-bedroom (30.8%) units. While two-bedroom units also have the highest average occupancy rate (36.5%) among the Vrbo units, one-bedroom units have the second highest occupancy rate (29.3%). Regardless, the preceding data illustrates that, on average, short-term rentals in the PSA are occupied less than one-third of the year. Although studio and one-bedroom short-term rentals only comprise 20.2% of the total inventory, the relatively low occupancy rate and average daily rate of these units indicates that opportunities may exist to utilize these units to temporarily house portions of the area workforce.

While the preceding table encompasses *annual* occupancy data since 2020, it should be noted that many areas with elevated levels of tourism experience a peak season during certain months of the year. In an effort to better understand the seasonal effect on the short-term rental industry and illustrate the peak tourism months for the area, the following table shows the average daily rate, average occupancy rate, and average monthly revenue per listing for *Airbnb* rentals for the previous two years. Note that the three highest occupancy rates during each year are illustrated in red text.

Lake County Short-Term Rental Market Metrics by Month*							
Month	Average Daily Rate	Average Occupancy Rate	Average Monthly Revenue	Month	Average Daily Rate	Average Occupancy Rate	Average Monthly Revenue
January 2021	\$153	23%	\$945	January 2022	\$223	19%	\$1,222
February 2021	\$167	24%	\$932	February 2022	\$362	21%	\$1,933
March 2021	\$164	20%	\$886	March 2022	\$357	19%	\$1,762
April 2021	\$160	36%	\$1,497	April 2022	\$203	22%	\$1,171
May 2021	\$180	37%	\$1,755	May 2022	\$197	29%	\$1,440
June 2021	\$185	44%	\$1,996	June 2022	\$208	35%	\$1,755
July 2021	\$177	61%	\$2,457	July 2022	\$209	53%	\$2,356
August 2021	\$191	50%	\$2,277	August 2022	\$211	44%	\$2,183
September 2021	\$191	40%	\$1,740	September 2022	\$212	34%	\$1,777
October 2021	\$183	36%	\$1,544	October 2022	\$201	33%	\$1,641
November 2021	\$186	23%	\$1,042	November 2022	\$188	20%	\$934
December 2021	\$183	22%	\$1,066	December 2022	\$192	16%	\$839

Source: AllTheRooms; Bowen National Research

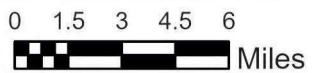
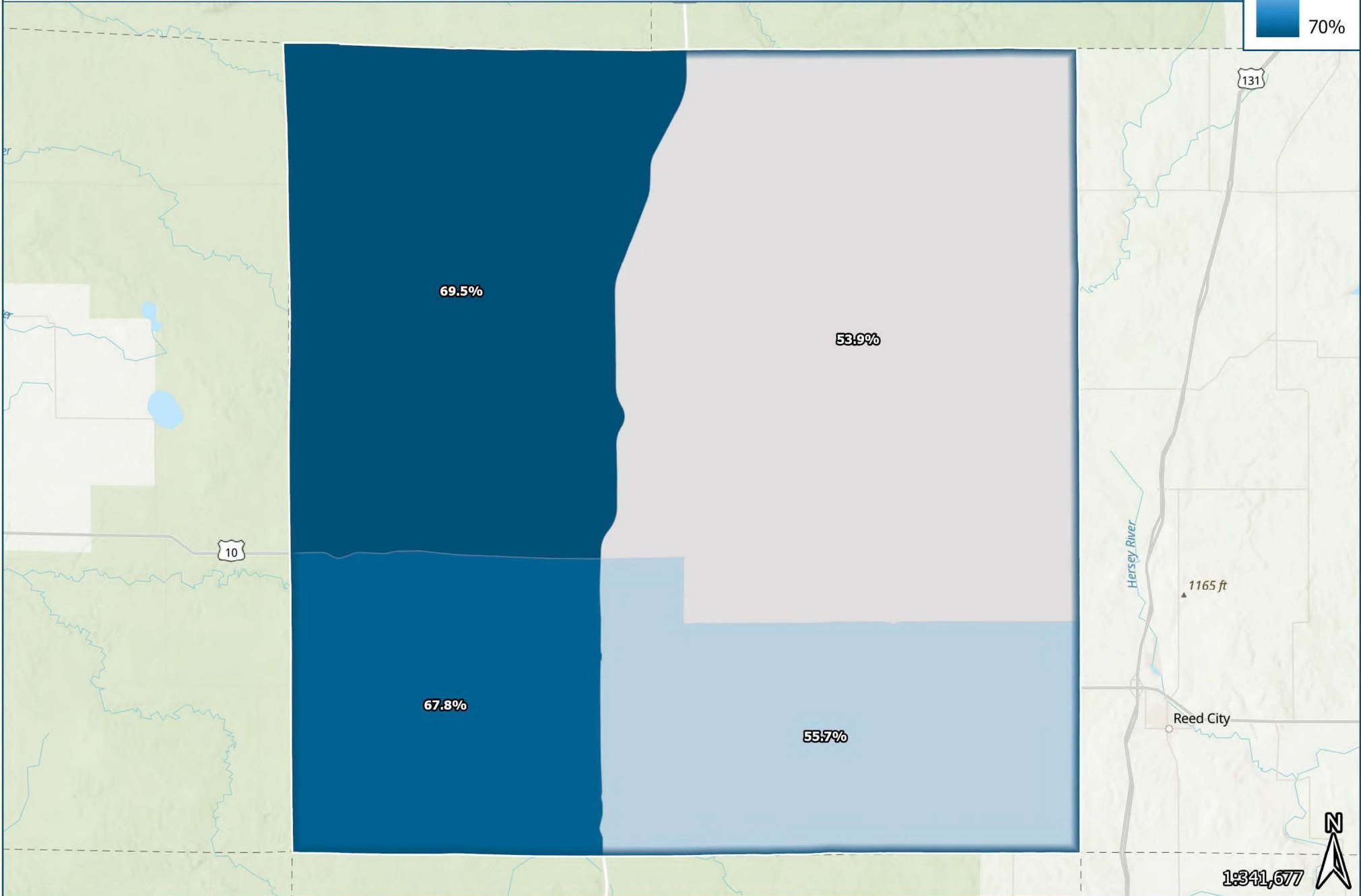
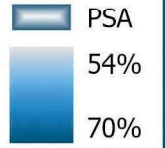
*Only includes data for Airbnb listed properties

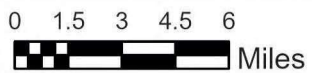
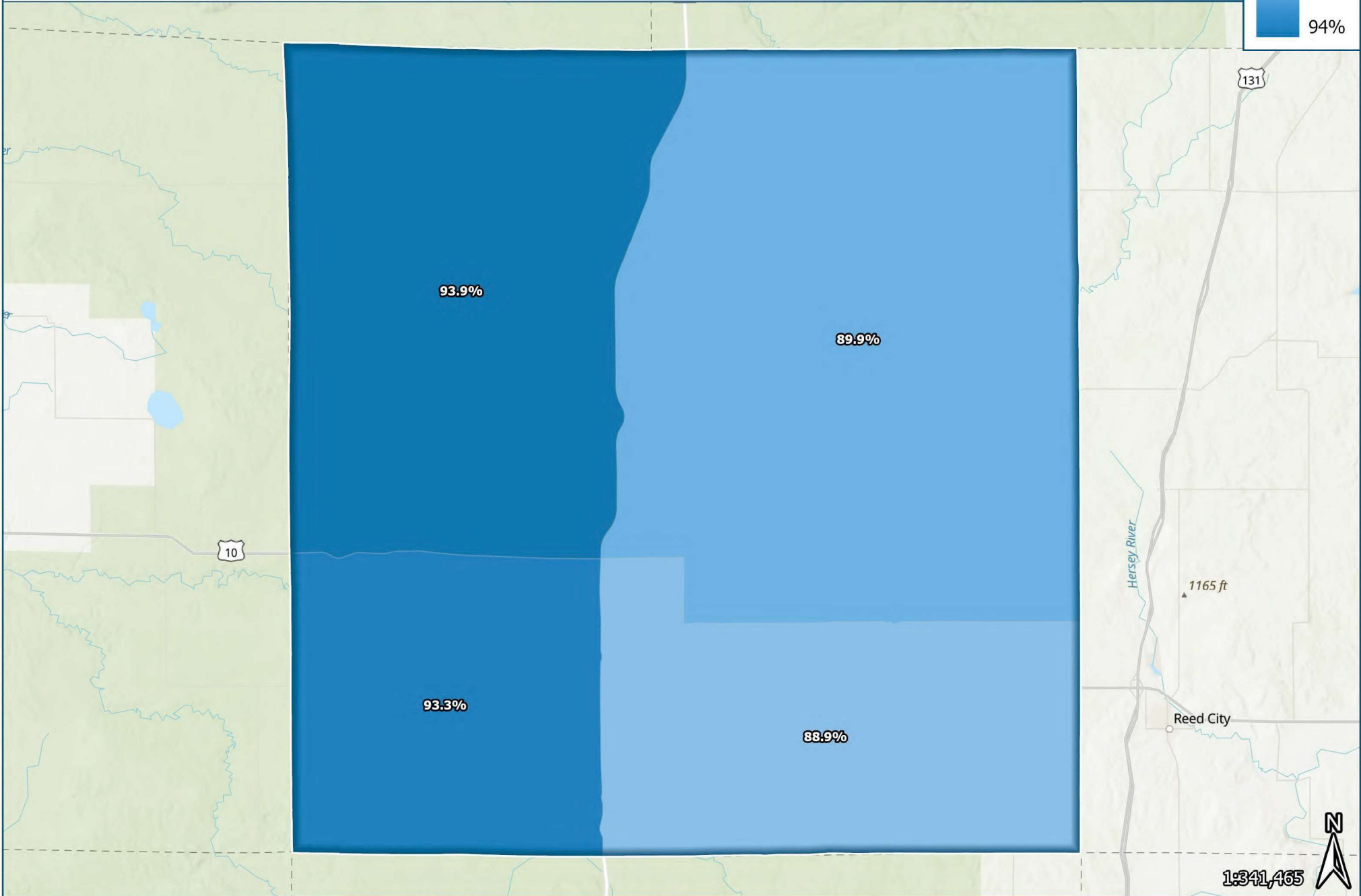
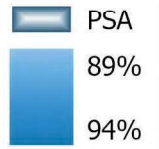
As the preceding illustrates, the peak season for short-term rentals in the PSA (Lake County) appears to primarily occur between June and August. This is not surprising given that many of the tourist activities in the area are outdoor-based and the summer months are more conducive to these activities. The average occupancy rates during the peak months in 2022 range from 35% to 53%, while the average occupancy rate during non-peak months ranges from 16% to 34%. During the peak months in 2021 and 2022, the average monthly revenue per listing ranged from \$1,755 (June 2022) to \$2,457 (July 2021). Conversely, the lowest average occupancy rates for short-term rentals in the PSA appear to typically occur in the months from November to March, with the lowest average monthly revenue per listing (\$839) occurring in December of 2022. While this data further illustrates the financial motivation, especially during peak months, for many individuals to invest in short-term vacation rentals, it also illustrates that some potential may exist to utilize short-term rentals during non-peak months as temporary worker housing. The costs associated with such housing may be prohibitive for many workers.

Overall, short-term vacation rentals play a vital role in the tourism industry within Lake County and are an important element of the local economy. This provides a significant financial incentive for entrepreneurs to build new units, convert existing permanent housing units, and rent second homes when not being personally utilized. The 2022 Economic Impact of Tourism in Michigan report concluded that visitors to Lake County spent nearly \$222 million within the county during 2022, which represents an increase of 6.6% over 2021. With approximately 8,400 seasonal/recreational housing units comprising over 60% of the county's overall housing units in 2021, it is apparent that this segment is a major influence in the local housing market. While these short-term rental units can contribute to housing shortages in the PSA because they do not represent permanent housing options due to

cost and year-round availability, there may be some opportunities to utilize these housing units as temporary worker housing during non-peak months. Regardless, it is critical that future housing developments provide for an adequate supply of income-appropriate permanent housing for the full-time residents and workforce of Lake County while also providing rental housing options for the tourism industry in the area. A lack of affordable permanent housing options can limit the ability of employers to attract and retain employees and restrict residential growth in the PSA, while a lack of short-term rental options can constrain tourism in the area. As a result, area stakeholders will need to seek a balance between these two housing segments.

Maps illustrating seasonal/recreational units as a share of total and vacant housing units by census tract are included on the following pages.





C. FOR-SALE HOUSING SUPPLY

1. Introduction

Bowen National Research obtained for-sale housing data from the local Multiple Listing Service provider for the PSA (Lake County). The *historical* and *available* for-sale data which we collected and analyzed includes the distribution of housing by price point, number of bedrooms, and year built. While this sales/listing data does not include all for-sale residential transactions or supply in Lake County, it does consist of the majority of such product and therefore, it is representative of market norms for for-sale housing product in the county.

The following table summarizes the available and recently sold homes for Lake County:

Lake County Available/Sold For-Sale Housing Supply		
Status	Number of Homes	Median Price
Available*	65	\$159,900
Sold**	1,000	\$129,900

Source: MLS (Multiple Listing Service)

*As of September 14, 2023

**Sales from January 1, 2020 to September 14, 2023

Within the PSA (Lake County), 1,000 homes were sold between January 1, 2020 and September 14, 2023 at a median price of \$129,900. This equates to an average of 22.5 homes sold per month during the sales period. The for-sale housing stock *available* in the PSA as of September 14, 2023 consists of 65 units with a median list price of \$159,900. Based on recent historical sales, there is approximately three months of supply in the county for-sale housing market.

2. Historical For-Sale Analysis

The following table illustrates the annual sales activity from January 1, 2020 to September 14, 2023 for the PSA (Lake County).

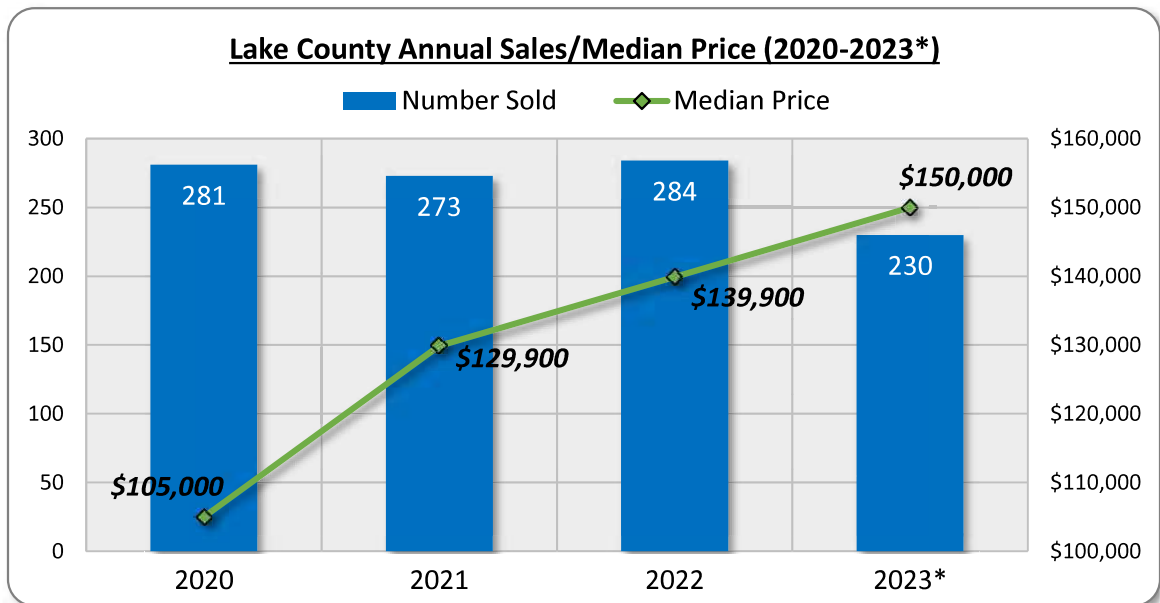
Sales History by Year (January 1, 2020 through September 14, 2023)				
Year	Number Sold	Percent Change	Median Sales Price	Percent Change
2020	281	-	\$105,000	-
2021	273	-2.8%	\$129,900	23.7%
2022	284	4.0%	\$139,900	7.7%
2023*	162 (230)	(-19.0%)	\$150,000	7.2%

Source: MLS (Multiple Listing Service)

*Number in parentheses indicates annualized projection-based data through September 14, 2023

As the preceding table illustrates, the median price of homes sold within the PSA (Lake County) increased by \$34,900, or 33.2%, between 2020 and 2022. From January 1, 2023 through September 14, 2023, the median price of the 162 homes sold in the PSA was \$150,000. This represents a projected 19.0% decrease in annual sales volume and an increase of \$10,100 in the median sales price compared to 2022. The projected decrease in annual home sales may be attributed, in part, to the recent increase in mortgage interest rates during this period. A combination of high mortgage rates and low housing supply in Lake County will likely keep housing sale volumes relatively low for the immediate future.

The following graph illustrates the annual sales activity from January 1, 2020 to September 14, 2023.



*Full-year projected sales based on number of homes sold through Sept. 14, 2023.

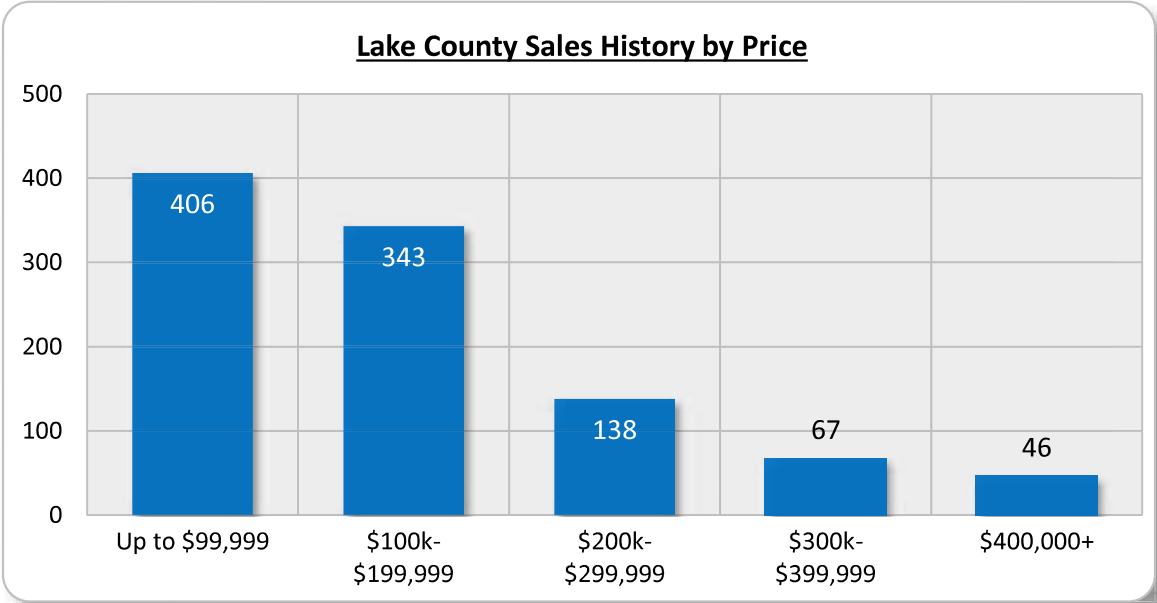
The distribution of homes sold between January 1, 2020 and September 14, 2023 by *price point* is summarized in the following table.

Sales History by Price (January 1, 2020 through September 14, 2023)		
Sale Price	Number Available	Percent of Supply
Up to \$99,999	406	40.6%
\$100,000 to \$199,999	343	34.3%
\$200,000 to \$299,999	138	13.8%
\$300,000 to \$399,999	67	6.7%
\$400,000+	46	4.6%
Total	1,000	100.0%

Source: Multiple Listing Service (MLS)

As the preceding table illustrates, over 40% of homes sold in the PSA (Lake County) between January 2020 and September 2023 were priced at less than \$100,000, while over one-third (34.3%) of homes sold during this period were priced between \$100,000 and \$199,999. Combined, nearly 75% of homes sold during this period were sold for less than \$200,000, a price point popular among first-time homebuyers. By comparison, only 11.3% of homes sold for \$300,000 or more.

The distribution of recent home sales by *price point* for the PSA (Lake County) is shown in the following graph.



The following table illustrates recent home sales for the study areas by *bedroom type*.

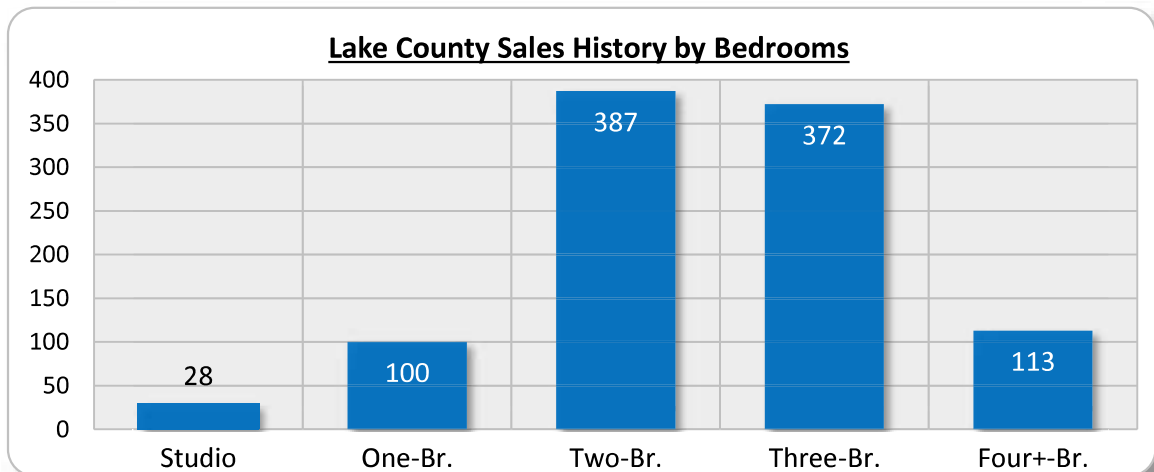
Sales History by Bedroom Type* (January 1, 2020 through September 14, 2023)							
Bedrooms	Number Sold	Average Square Feet	Average Year Built	Price Range	Median Sales Price	Median Price per Sq. Ft.	Average Days on Market
Studio	28	702	1975	\$5,000 - \$140,000	\$56,450	\$81.96	85
One-Br.	100	733	1973	\$6,150 - \$540,000	\$76,200	\$109.30	49
Two-Br.	387	1,007	1953	\$12,000 - \$657,500	\$94,000	\$104.10	59
Three-Br.	372	1,486	1981	\$2,350 - \$1,100,000	\$155,000	\$111.54	57
Four+-Br.	113	2,368	1978	\$22,000 - \$1,086,000	\$240,000	\$110.00	53
Total	1,000	1,302	1969	\$2,350 - \$1,100,000	\$129,900	\$108.33	57

Source: MLS (Multiple Listing Service)

*Units missing year built, square feet, or days on market data were excluded from affected calculations

The largest share (38.7%) of homes sold by bedroom type in the PSA (Lake County) consists of two-bedroom housing units, followed closely by three-bedroom units (37.2%). Combined, two-bedroom and three-bedroom units represent over 75% of sold units in the county between January 2020 and September 2023. The average two-bedroom unit offers 1,007 square feet and has an average year built of 1953, while the average three-bedroom unit is 1,486 square feet and has an average year built of 1981. Four-bedroom or larger units represent 11.3% of recent home sales in the PSA and are typically much larger than the average home sold in the county. Homes offered for sale typically sold in less than 90 days, with an average days on market figure of 57 days. Overall, the distribution of home sales by bedroom type within the PSA has a higher share of two-bedroom units and a lower share of four-bedroom and larger units compared to typical housing markets.

The distribution of recent home sales by bedroom type within the PSA (Lake County) is shown in the following graph.



Recent home sales by *year built* in the PSA (Lake County) are illustrated in the following table:

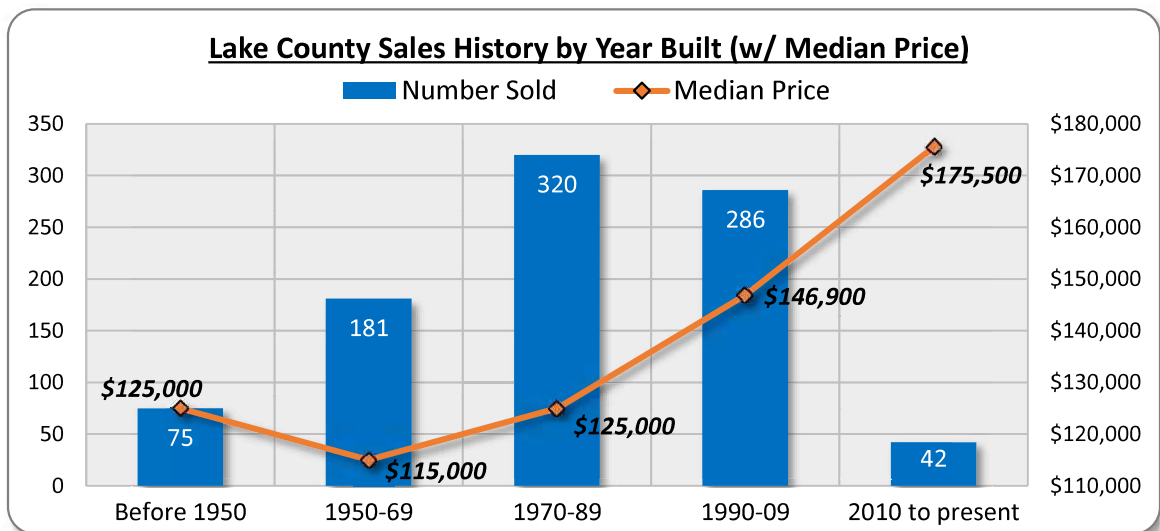
Sales History by Year Built*							
(January 1, 2020 through September 14, 2023)							
Year Built	Number Sold	Share	Average Beds	Average Square Feet	Price Range	Median Sales Price	Median Price per Sq. Ft.
Before 1950	75	8.3%	3	1,362	\$6,150 - \$750,000	\$125,000	\$102.37
1950 to 1969	181	20.0%	2	1,138	\$14,000 - \$657,500	\$115,000	\$110.95
1970 to 1989	320	35.4%	3	1,212	\$17,500 - \$1,050,000	\$125,000	\$108.05
1990 to 2009	286	31.6%	3	1,545	\$2,350 - \$1,100,000	\$146,900	\$109.32
2010 to present	42	4.6%	3	1,479	\$30,000 - \$710,000	\$175,500	\$151.61
Total	904	100.0%	3	1,327	\$2,350 - \$1,100,000	\$134,900	\$110.04

Source: MLS (Multiple Listing Service)

*Excludes 96 units missing year built data

As the preceding illustrates, over one-third (35.4%) of the housing product recently sold in the PSA was built between 1970 and 1989, with a notable portion (31.6%) built between 1990 and 2009. Collectively, over 35% of sales in the PSA have been homes built since 1990, which is a notable share of modern homes. By comparison, 28.3% of the recently sold product was built prior to 1970. Newer homes built from 2010 to the present have the highest median sales price (\$175,500) and the highest median price per square foot (\$151.61), while homes built before 1990 have median sales prices of \$125,000 or lower.

The distribution of recent home sales by *year built* and *median sales price* in the PSA (Lake County) is shown in the following graph:

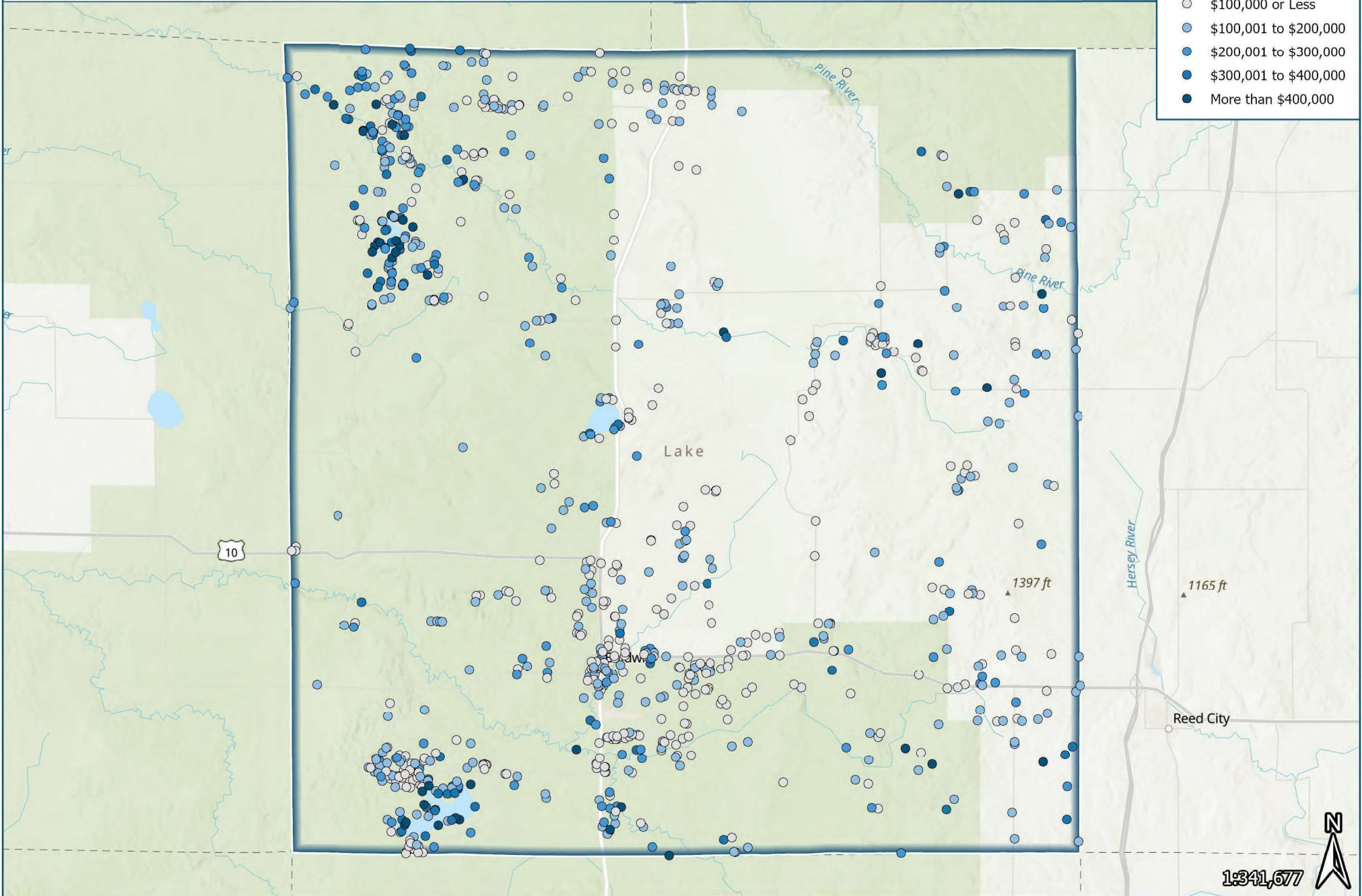


A map illustrating the location of all homes sold between January 1, 2020 and September 14, 2023 within the PSA (Lake County) is included on the following page.

PSA

Sold Price

- \$100,000 or Less
- \$100,001 to \$200,000
- \$200,001 to \$300,000
- \$300,001 to \$400,000
- More than \$400,000



0 1.5 3 4.5 6
Miles

Esri, NASA, NGA, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
Additional Source(s): Bowen National Research

3. Available For-Sale Housing Supply

Based on information provided by the local Multiple Listing Service provider for the PSA (Lake County), we identified 65 housing units within the county that were listed as *available* for purchase as of September 14, 2023. While there are likely additional for-sale residential units available for purchase, such homes were not identified during our research due to the method of advertisement or simply because the product was not actively marketed. Regardless, the available inventory of for-sale product identified in this analysis provides a good baseline for evaluating the for-sale housing alternatives offered in Lake County.

There are two inventory metrics most often used to evaluate the health of a for-sale housing market. These metrics include *Months Supply of Inventory* (MSI) and availability rate. The MSI for the PSA was calculated based on sales history occurring between January 1, 2020 and September 14, 2023, which equates to an overall absorption rate of approximately 22.5 homes per month. Overall, based on the monthly absorption rate of 22.5 homes, the county’s 65 homes listed as available for purchase represent approximately three months of supply. Typically, healthy and well-balanced markets have an available supply that should take about four to six months to absorb (if no other units are added to the market). Therefore, the PSA’s inventory is considered low and indicates limited available supply. When comparing the 65 available units with the overall inventory of 4,340 owner-occupied units, the PSA has a vacancy/availability rate of 1.5%, which is below the normal range of 2.0% to 3.0% for a well-balanced for-sale/owner-occupied market. This is considered a relatively low rate and an indication that the market may have limited availability. To get a better understanding of housing availability in the PSA, we have conducted a more refined analysis of available supply by price point, bedroom type, and year built.

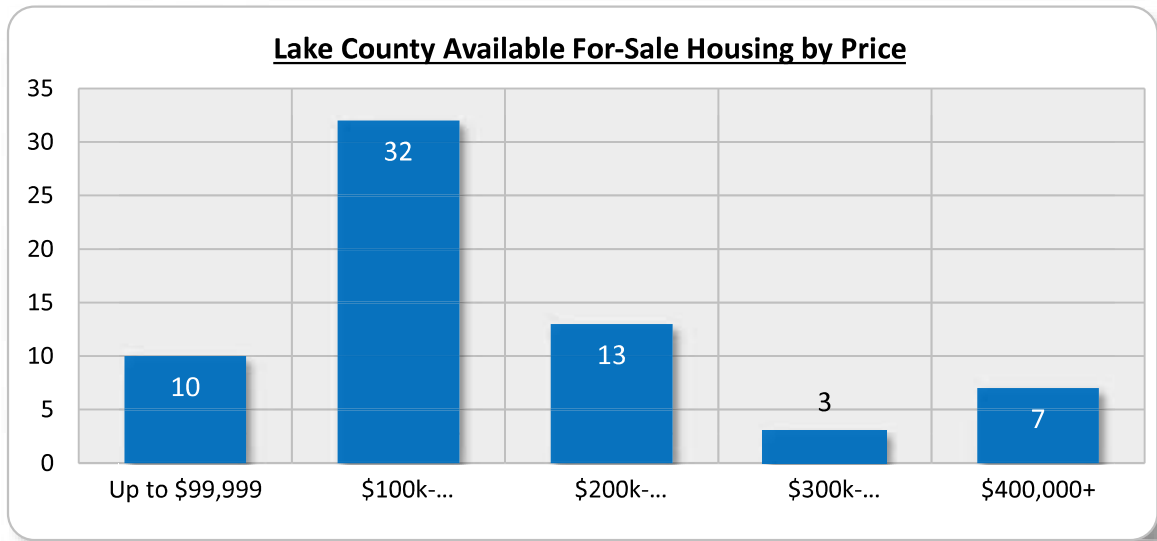
The following table summarizes the distribution of available for-sale residential units by *price point* for the PSA (Lake County).

Lake County (PSA) Available For-Sale Housing by Price (As of September 14, 2023)		
List Price	Number Available	Percent of Supply
Up to \$99,999	10	15.4%
\$100,000 to \$199,999	32	49.2%
\$200,000 to \$299,999	13	20.0%
\$300,000 to \$399,999	3	4.6%
\$400,000+	7	10.8%
Total	65	100.0%

Source: MLS (Multiple Listing Service)

The overall median list price in the PSA (Lake County) is \$159,900. Nearly half (49.2%) of available housing units in the PSA are priced between \$100,000 and \$199,999, while a total of 10 homes, or 15.4% of the available supply, are priced below \$100,000. Combined, nearly 65% of the available supply is priced below \$200,000. However, there are only 10 homes available for sale in the county at \$300,000 or more. Regardless of price point, the PSA has a lack of available for-sale product given the number of owner-occupied households in Lake County.

The distribution of available homes in the PSA by *price point* is illustrated in the following graph:



The available for-sale housing by *bedroom type* in the PSA (Lake County) is summarized in the following table.

Available For-Sale Housing by Bedroom Type* (As of September 14, 2023)							
Bedrooms	Number Available	Average Square Feet	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Studio	1	960	2011	\$135,000	\$135,000	\$140.63	26
One-Br.	7	591	1990	\$49,900 - \$275,000	\$125,000	\$156.25	45
Two-Br.	32	990	1977	\$16,900 - \$350,000	\$139,500	\$151.72	92
Three-Br.	20	1,825	1987	\$85,000 - \$1,200,000	\$244,450	\$159.03	89
Four+-Br.	5	2,280	1973	\$134,000 - \$810,000	\$269,900	\$163.16	127
Total	65	1,303	1982	\$16,900 - \$1,200,000	\$159,900	\$156.13	88

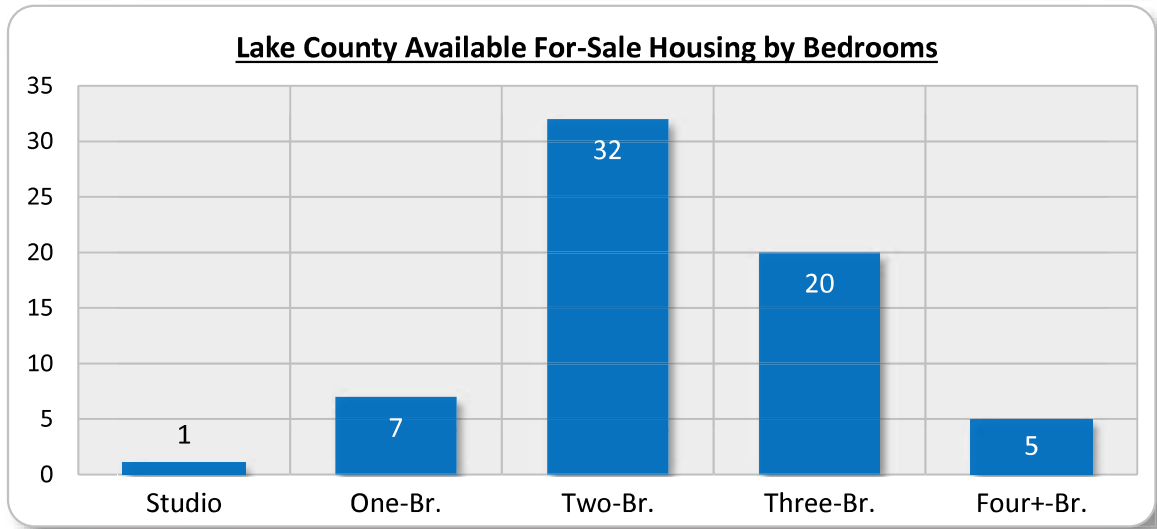
Source: MLS (Multiple Listing Service)

*Units missing year built, square feet, or days on market data were excluded from affected calculations

Two-bedroom units represent nearly half (49.2%) of available for-sale homes in the PSA, while three-bedroom units represent 30.7% of for-sale units. Collectively, two-bedroom and three-bedroom units represent nearly 80% of the available supply. By comparison, the market has much smaller

shares of smaller units (studio/one-bedroom) and larger units (four bedrooms and above). The average number of days on market for an available home in the county appears to correlate with bedroom size, as smaller units (studio and one-bedroom units) are typically listed for 45 days or fewer, while two-bedroom and larger units have average days on market figures ranging from 89 to 127 days. Median list prices range from \$125,000 for one-bedroom units to \$269,900 for four-bedroom or larger units.

The distribution of available homes by *bedroom type* in the PSA (Lake County) is shown in the following graph:



The distribution of available homes by *year built* for the PSA (Lake County) is summarized in the following table.

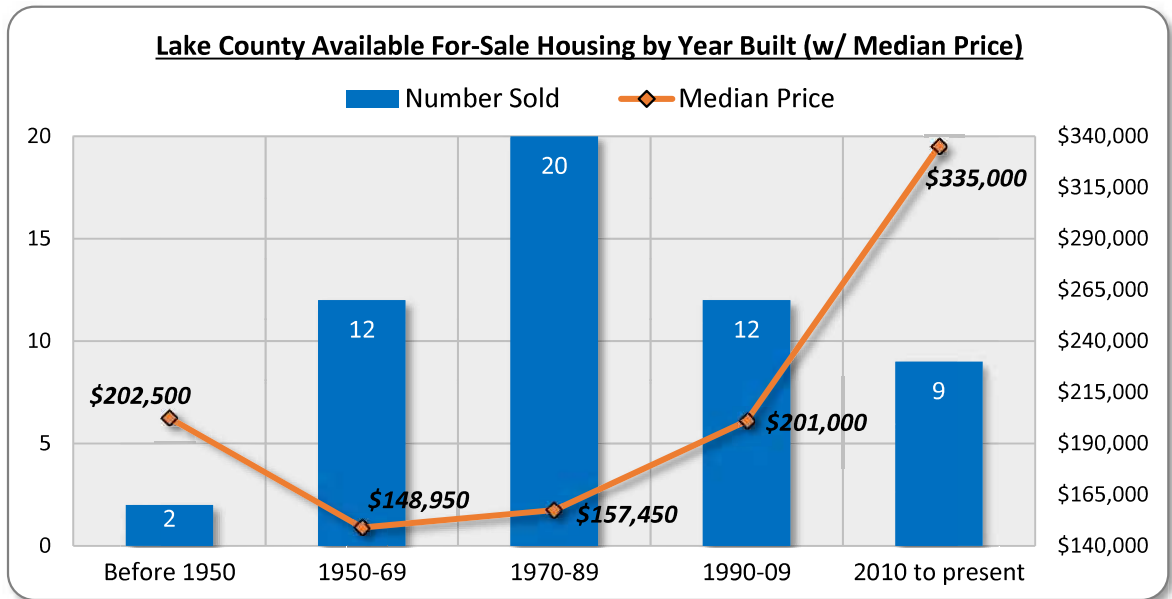
Available For-Sale Housing by Year Built* (As of September 14, 2023)							
Year Built	Number Available	Average Beds	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	2	2	1,080	\$139,000 - \$266,000	\$202,500	\$183.23	111
1950 to 1969	12	3	1,084	\$16,900 - \$1,200,000	\$148,950	\$145.39	129
1970 to 1989	20	2	1,153	\$45,000 - \$810,000	\$157,450	\$159.03	101
1990 to 2009	12	3	1,637	\$125,000 - \$719,900	\$201,000	\$150.24	56
2010 to present	9	2	1,997	\$79,900 - \$699,000	\$335,000	\$221.95	79
Total	55	2	1,379	\$16,900 - \$1,200,000	\$165,000	\$156.25	94

Source: MLS (Multiple Listing Service)
*Excludes 10 units missing year built data

Note that only 55 of the 65 available homes in the PSA included year built information. As shown in the preceding table, the largest share (36.4%) of the available for-sale housing product in the PSA was built between 1970 and 1989. These homes average 1,153 square feet and have a median list price of \$157,450. Note that nine of the 55 homes were built from 2010 to

the present. These newer homes average nearly 2,000 square feet in size and have the highest median list price (\$335,000). Over one-fourth (25.5%) of the available supply was built prior to 1970. Typically, these older homes offer a more affordable purchase price to prospective buyers, but many of these homes, due to their age, may need repairs, weatherization, and modernization, which require additional costs and investments that may make these older homes unaffordable for many lower income households. This factor is likely reflected in the average number of days on market for homes by year built. Older homes listed for sale in the county are on the market for a period exceeding 100 days, while homes built more recently average 56 to 79 days on the market.

The distribution of available homes in the PSA (Lake County) by *year built* and *median list price* is shown in the following graph:

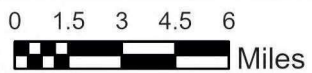
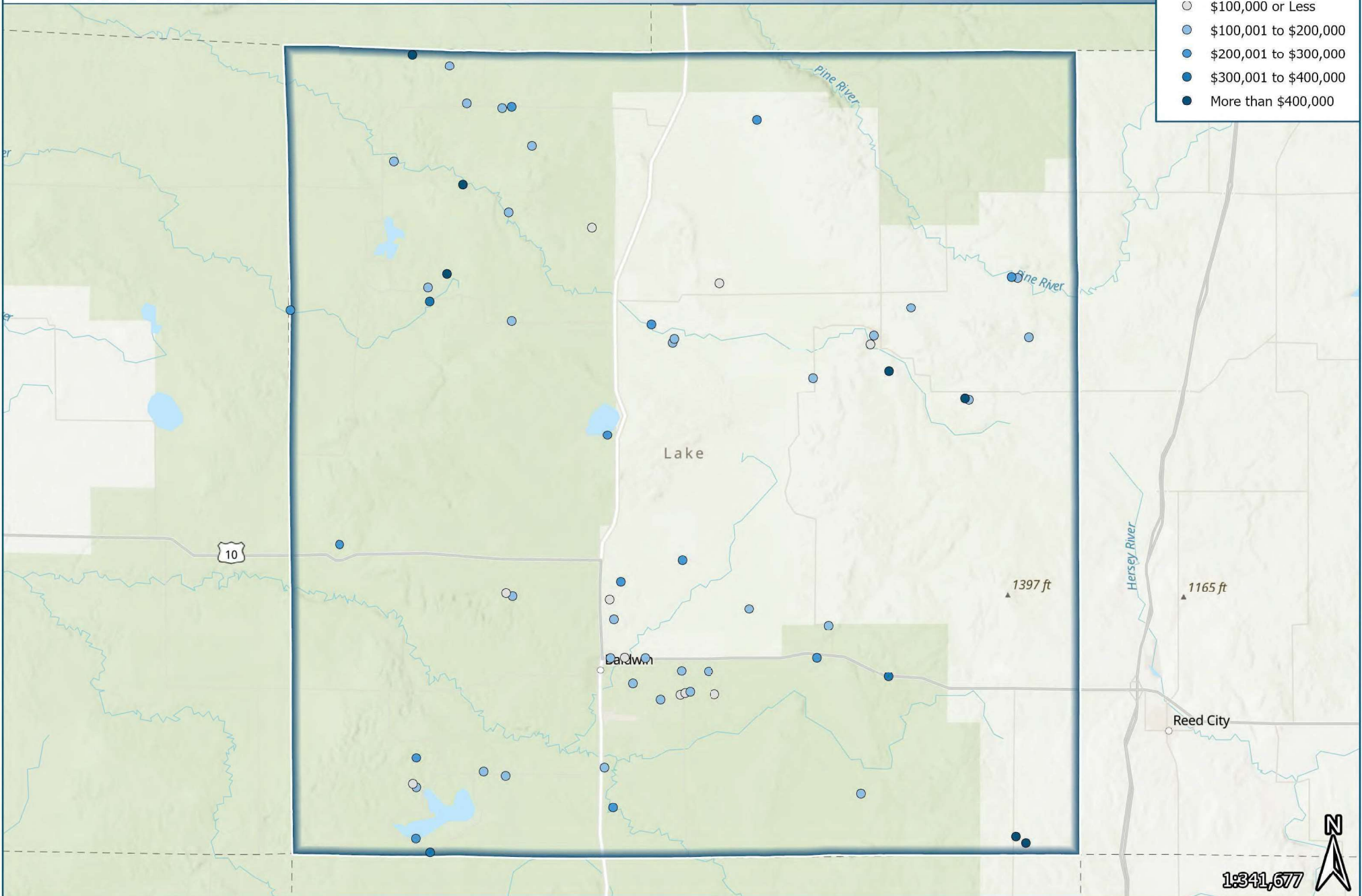


A map illustrating the location of available for-sale homes in the PSA (Lake County) as of September 14, 2023 is included on the following page.

PSA

List Price

- \$100,000 or Less
- \$100,001 to \$200,000
- \$200,001 to \$300,000
- \$300,001 to \$400,000
- More than \$400,000



D. PLANNED & PROPOSED

In order to assess housing development potential, we evaluated recent residential building permit activity and identified residential projects in the development pipeline within the PSA (Lake County). Understanding the number of residential units and the type of housing being considered for development in the market can assist in determining how these projects are expected to meet the housing needs of the market.

The following table illustrates single-family and multifamily building permits issued within Lake County for the past 10 years:

Housing Unit Building Permits for Lake County, MI:										
Permits	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Multifamily Permits	0	0	0	0	0	0	0	0	0	0
Single-Family Permits	47	54	57	57	62	0	17	19	22	30
Total Units	47	54	57	57	62	0	17	19	22	30

Source: SOCDS Building Permits Database at <http://socds.huduser.org/permits/index.html>

A total of 365 residential building permits were issued in Lake County between 2013 and 2022. All 365 permits issued during this period were for single-family homes. Approximately 37 permits, on average, were issued in the county each year during this time. The largest number of permits (62) issued in any given year occurred in 2017, with a significant decrease in permits issued between 2018 and 2021. A total of 30 building permits were issued in 2022, which represents the fourth consecutive annual increase in total permits but represents less than half of the total number of permits issued in 2018 (62). Regardless, the recent increase in single-family permits in the county appears to indicate a slow but steady increase in the interest in development within the area. The lack of building permits issued in the last 10 years for multifamily projects is consistent with our survey of apartment product in the county, which illustrated that existing multifamily apartment units are generally older. Regardless of the limited number of units permitted in recent years, 100% occupancy rates and long waitlists in apartments and limited availability and short sales periods indicate the strong level of demand for housing in the county.

Residential Housing Development

We conducted interviews with representatives of area building and permitting departments and conducted extensive online research to identify residential projects either planned for development or currently under construction within Lake County. It was determined there are no rental projects or for-sale housing projects currently in the development pipeline within the PSA (Lake County). Note that additional projects may have been introduced into the pipeline since the time interviews and research were completed.

VII. OTHER HOUSING MARKET FACTORS

INTRODUCTION

Factors other than demography, employment, and supply (all analyzed earlier in this study) can affect the strength or weakness of a given housing market. The following additional factors influence a housing market's performance and needs, and are discussed relative to the PSA (Lake County) and compared with the state and national data, when applicable:

- Residential Blight
- Development Opportunities
- Developer/Investor Identification
- Housing Program Overview

A. RESIDENTIAL BLIGHT

Blight, which is generally considered the visible decline of property, can have a detrimental effect on nearby properties within a neighborhood. Blight can be caused by several factors, including economic decline, population decline, and the high cost to maintain/upgrade older housing. There are specific references to blight within the Michigan Compiled Laws in Chapter 125: Planning, Housing and Zoning under the statute "Blighted Area Rehabilitation." In particular, Section 125.72 (Definitions) states the following:

(a) *"Blighted area" means a portion of a municipality, developed or undeveloped, improved or unimproved, with business or residential uses, marked by a demonstrated pattern of deterioration in physical, economic, or social conditions, and characterized by such conditions as functional or economic obsolescence of buildings or the area as a whole, physical deterioration of structures, substandard building or facility conditions, improper or inefficient division or arrangement of lots and ownerships and streets and other open spaces, inappropriate mixed character and uses of the structures, deterioration in the condition of public facilities or services, or any other similar characteristics which endanger the health, safety, morals, or general welfare of the municipality, and which may include any buildings or improvements not in themselves obsolescent, and any real property, residential or nonresidential, whether improved or unimproved, the acquisition of which is considered necessary for rehabilitation of the area.*

The latest version of the Village of Baldwin Comprehensive Plan (2021) addresses residential blight. In a section discussing the condition of existing housing stock in the village, the plan states that *residential blight can be the result of absentee ownership, poor rental climates, age of housing, lack of neighborhood amenities, poor housing market, or lack of neighborhood pride*. The plan also recommends several potential solutions to combat residential blight in the village, including increasing required lot sizes, building setbacks, and minimum building sizes. These changes could potentially allow new housing to be built, thereby replacing older vacant housing that may be condemned due to its poor condition.

In 2020, the Village of Luther adopted an ordinance to *prevent, reduce and eliminate blight or potential blight*. This ordinance was adopted in order to identify causes of blight in the village and help prevent factors that lead to blight. Causes of blight identified in the ordinance include, but are not limited to, accumulation of junk, trash, or rubbish, storage of construction or building materials on a property without a valid building permit, uninhabitable structures damaged by fire or natural disaster, unsecured vacant dwellings, and partially completed structures where construction is not actively taking place. Fines are issued by the Village for violations of this ordinance, with each day not in compliance counting as a separate violation.

The Lake County Master Plan, prepared in 2012 and updated in 2018, also includes several references to blight. This plan includes among its listed objectives: *Identify blight areas in the community and identify linkages to community resources to assist with the blight project*. Blight was also listed as a weakness by several county residents as part of an overall summary of community assessment (SWOT analysis) conducted as part of this plan. Implementation of a blight removal program funded at the county level was also noted as an opportunity.

In addition to Lake County, organizations within the West Michigan region have also analyzed ways to reduce blight. Community Action of Allegan County commissioned a market assessment pertaining to blight and deconstruction and its effect on communities in 2019. This market assessment, conducted by Berghorn Group, stated that *neighborhoods with blight and abandonment exhibit higher levels of foreclosure rates, poverty, unemployment, and occurrence of crime*. This assessment also included approximate costs to demolish blighted structures in the state of Michigan. Based on cost estimates cited in the report, the average cost to demolish a residential structure ranges from \$10,000 to \$20,000. For communities with a large number of blighted residential structures, these costs may be prohibitive and could potentially interfere with blight mitigation efforts.

There are also programs at the statewide level that could potentially assist with blight mitigation in Lake County. The State Land Bank Authority, operated by the Michigan Department of Labor and Economic Opportunity, administers a blight elimination program which allocates funds to each of the state's 10 prosperity regions. Lake County is part of Prosperity Region Four. According to program guidelines, each prosperity region is eligible for no less than 5% of total program funds which amounts to \$1,077,500. Rural counties, county land banks, and city land banks are also eligible for a guaranteed minimum allocation of \$200,000. Municipalities, counties, and townships not served by a land bank authority can also directly apply for grants.

For the purposes of this analysis, these code violations and definitions were used as initial identifiers of possible blight. Residential properties within the study area that meet any of the following criteria were classified to be blighted. Summary definitions of the most common forms of residential blight are listed as follows:

Boarded Up Structure. This is a building or structure with multiple windows and/or doors that have boards placed on those points of entry and for which it appears the unit has been abandoned and that no work or repair appears to be underway.

Building or Structure Which is in a State of Disrepair. This is a residential structure exhibiting noticeable signs of disrepair or neglect such as, but not limited to, deteriorated exterior walls and/or roof coverings, broken or missing windows or doors which constitute a hazardous condition or a potential attraction to trespassers, or building exteriors, walls, fences, signs, retaining walls, driveways, walkways, sidewalks or other structures on the property which are broken, deteriorated, or substantially defaced, to the extent that the disrepair is visible from any public right of way or visually impacts neighboring public or private property or presents an endangerment to public safety.



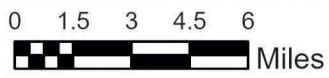
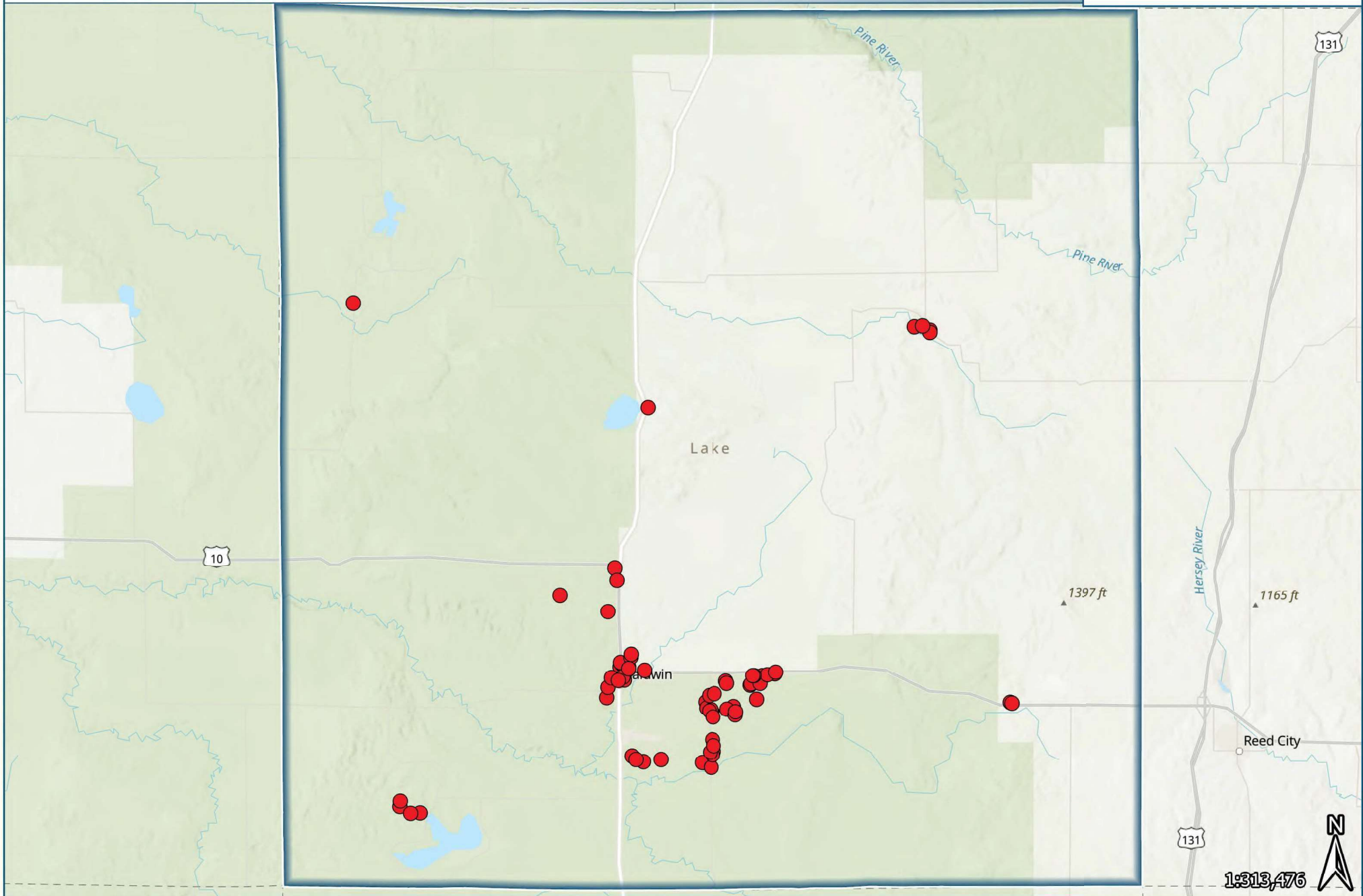
Unkempt Property. This is a property showing clear signs of overgrown, diseased, dead, or decayed trees, weeds or vegetation that may create a public safety hazard or substantially detract from the aesthetic and property values of neighboring properties. This may also include properties which have notable refuse or garbage clearly visible from the street or abandoned/broken appliances, cars in disrepair and on blocks, or other items of unused and unsightly property that may be deemed a public nuisance or otherwise detract from the aesthetic and property values of neighboring properties. An unkempt property may also lack a proper access point (i.e., a functional driveway) in order to provide access to the residential structure.

Using the preceding descriptions of blight, Bowen National Research identified properties in Lake County that were in various stages of disrepair, abandoned, boarded up, fire damaged or otherwise appeared to be in an unsafe condition. A representative of Bowen National Research personally visited residential neighborhoods in Lake County, generally evaluating the exterior condition of the occupied and vacant housing stock via a windshield survey. Residential housing stock evaluated as part of this survey primarily consisted of single-family houses and a few mobile homes.

From this on-site observation, 70 residential units were identified that exhibited a significant level of exterior blight. It should be noted that the interiors of properties were not evaluated as part of this survey. These 70 residential units represent 0.5% of the 13,397 total housing units in Lake County. Typically, blighted residential units in a city or county represent less than 0.5% of all residential units. As a result, the 0.5% rate of identified blight is higher than most markets we have studied and represents a notable challenge in the market. Blighted residential properties represent potential nuisances, safety hazards, and are potentially detrimental to nearby property uses and values. As a general guideline, we identified properties that were considered to exhibit visual evidence of *significant* exterior deficiencies and disrepair. Many of these structures are boarded up, have missing siding or roof shingles, or show signs of damage that make such units either uninhabitable or represent serious safety or public nuisance issues.

Note that representatives of Bowen National Research did not visit every residential street within Lake County. This analysis primarily focused on municipalities and townships that have a residential zoning code (e.g., Baldwin, Webber Township). A more extensive survey of residential blight within the county would have likely uncovered additional residential units that exhibited characteristics of blight. As such, areas noted within this summary illustrate possible geographic areas of focus for mitigation of residential blight within the county.

A map illustrating the approximate location of residential blight in Lake County is included on the following page.



Esri, NASA, NGA, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
Additional Source(s): Bowen National Research

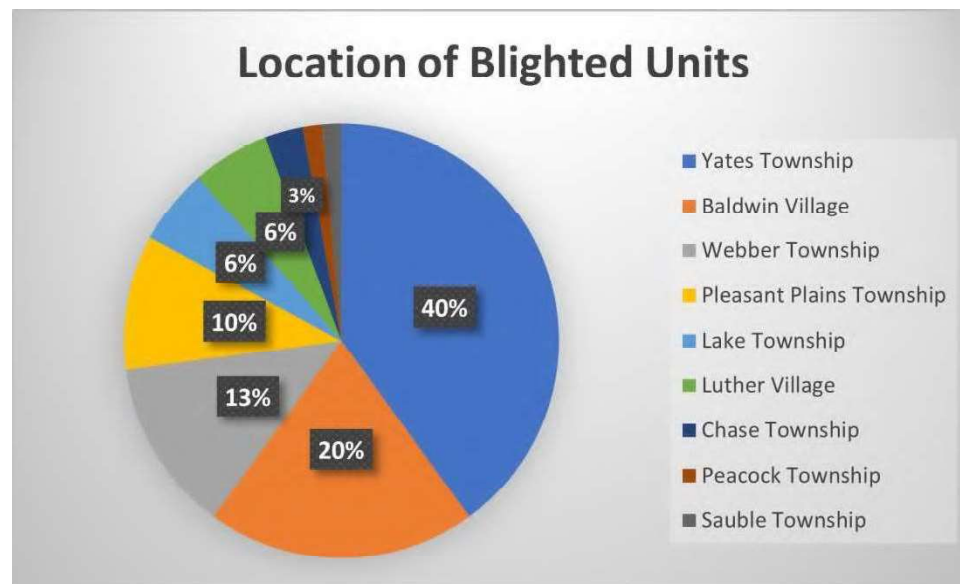
1:313,476

The following table illustrates the total number and share of blighted residential units identified by location within Lake County.

Location of Blighted Units (Lake County)		
Location	Number of Blighted Units	Share of Blighted Units
Yates Township	28	40.0%
Baldwin Village	14	20.0%
Webber Township	9	12.9%
Pleasant Plains Township	7	10.0%
Lake Township	4	5.7%
Luther Village	4	5.7%
Chase Township	2	2.9%
Peacock Township	1	1.4%
Sauble Township	1	1.4%
Total	70	100.0%

Source: Bowen National Research

Note: Total shares of units may not equal 100.0% due to rounding.



As indicated by the preceding table and chart, a total of 70 blighted residential units were identified in municipalities and townships in Lake County as part of our research. The largest number (28) of blighted units is in Yates Township, while Baldwin Village has the second largest number (14) of blighted units identified in the county. The remainder of blighted units are scattered throughout the county.

The following table identifies streets within Lake County municipalities and townships that contain blighted residential units.

Abandoned Homes/Homes in Disrepair (Lake County)			
Municipality/Township	Street	Homes Abandoned or in Disrepair	Share of Blighted Homes
Baldwin Village	Beech St.	2	2.9%
	Cherry St.	1	1.4%
	Guthrie St.	1	1.4%
	Lynn St.	1	1.4%
	Michigan Ave.	2	2.9%
	Ninth St.	1	1.4%
	Oak St.	1	1.4%
	Seventh St.	1	2.9%
	Sheridan St.	2	1.4%
	Sunset St.	1	1.4%
	Tenth St.	1	1.4%
	Total	14	20.0%
Chase Township	3 rd Choice St.	1	1.4%
	Center St.	1	1.4%
	Total	2	2.9%
Lake Township	Central Park Blvd.	1	1.4%
	W. Glendale Ave.	1	1.4%
	W. Hemlock Ave.	1	1.4%
	S. Rainbow Lake Dr.	1	1.4%
	Total	4	5.7%
Luther Village	Birch St.	1	1.4%
	Lincoln St.	2	2.9%
	Luther St.	1	1.4%
	Total	4	5.7%
Peacock Township	W. Bartlett Rd.	1	1.4%
	Total	1	1.4%
Pleasant Plains Township	W. 68th St.	3	4.3%
	S. Delaware Ave.	1	1.4%
	S. Esther Ave.	2	2.9%
	E. Lake Parkway Terr.	1	1.4%
	Total	7	10.0%
Sauble Township	N. Hamilton Rd.	1	1.4%
	Total	1	1.4%
Webber Township	S. Cornell St.	1	1.4%
	W. Jerry Ave.	1	1.4%
	S. M-37	1	1.4%
	S. Peacock Trail	1	1.4%
	S. Roosevelt Rd.	2	2.9%
	Sheridan St.	1	1.4%
	Yale St.	1	1.4%
	W. Yale Ave.	1	1.4%
	Total	9	12.9%

Source: Bowen National Research

Totals may not add up to 100.0% due to rounding

Note: Streets with at least three homes abandoned and/or in disrepair displayed in red font

(Continued)

Abandoned Homes/Homes in Disrepair (Lake County)			
Municipality/Township	Street	Homes Abandoned or in Disrepair	Share of Blighted Homes
Yates Township	E. Albany Ave.	1	1.4%
	E. Ash	1	1.4%
	E. Baldwin Rd.	1	1.4%
	S. Broadway St.	1	1.4%
	S. Cook St.	1	1.4%
	S. Custer Rd.	1	1.4%
	E. Dubois Rd.	1	1.4%
	S. Forman Rd.	4	5.7%
	Franklin Rd.	3	4.3%
	E. M.L. King Dr.	3	4.3%
	S. Lake Dr.	3	4.3%
	E. Lynnndon Dr.	3	4.3%
	E. Parkdale Dr.	1	1.4%
	Patience Dr.	1	1.4%
	E. Tamarack	1	1.4%
	S. Tacoma	1	1.4%
	E. U.S. 10	1	1.4%
		Total	28
	Grand Total	70	~100.0%

Source: Bowen National Research

Totals may not add up to 100.0% due to rounding

Note: Streets with at least three homes abandoned and/or in disrepair displayed in red font

The preceding list of streets, as well as areas noted on the preceding map, illustrate possible geographic areas of focus for mitigation of residential blight within the county.

In addition to our on-site efforts to identify residential blight, we identified published secondary data sources that provide insight on possible blighted residential units in the county. This includes estimates of vacant housing units provided by the United States Census and ESRI. Based on these estimates, there are approximately 8,254 vacant units in Lake County, which represent 61.6% of all housing units in the county. Note that 91.8% of vacant housing units are classified as being “for seasonal, recreational, or occasional use,” while 6.2% of vacant units are classified as “other vacant.” The U.S. Census Bureau allows census respondents to provide the reason that a home is vacant. These categories include “needs repairs,” “being repaired,” and “possibly abandoned/to be demolished/condemned” among others. Regardless of reason selected by respondents, homes that are vacant for a long period of time are generally less likely to be maintained or repaired on a regular basis, therefore allowing these homes to potentially become blighted over time. The 6.2% share of “other vacant” units in Lake County equates to approximately 512 housing units, which could be considered the largest possible estimate for the number of potentially blighted homes in the county. While this does not represent a full accounting of residential units exhibiting residential blight, it is reasonable to associate properties identified as “other vacant” as a possible proxy for likely residential blight. Taking into consideration the total number of housing units in Lake County (13,397), the 512 “other vacant” housing units represent 3.8% of all housing units in the county and may represent the high-end estimate of blight.

B. DEVELOPMENT OPPORTUNITIES

Housing markets expand when the number of households increases, either from immigration or from new household formations. In order for a given market to grow, households must find acceptable and available housing units (either newly created or pre-existing). If acceptable units are not available, households will not enter the housing market and the market may stagnate or decline. Rehabilitation of occupied units does not expand housing markets, although it may improve them. For new housing to be created, land and/or existing buildings (suitable for residential use) must be readily available, properly zoned, and feasibly sized for development. The absence of available residential real estate can prevent housing market growth unless unrealized zoning densities (units per acre) are achieved on existing properties.

Market growth strategies that recommend additional housing units should have one or more of the following real estate options available: 1) land without buildings, including surface parking lots (new development), 2) unusable buildings (demolition-redevelopment), 3) reusable non-residential buildings (adaptive-reuse), and 4) vacant reusable residential buildings (rehabilitation). Reusable residential buildings should be unoccupied prior to acquisition and/or renovation, in order for their units to be newly created within the market. In addition to their availability, these real estate offerings should be zoned for residential use (or capable of achieving the same) and of a feasible size for profitability.

Nearly one-half of the land in Lake County is designated as state or national forests and cannot be built upon. However, through online and on-the-ground research conducted in October of 2023, Bowen National Research identified sites that could support potential residential development in Lake County. Real estate listings and information from the county tax assessor were also used to supplement information collected for this report. It should be noted that these potential housing development properties were selected without complete knowledge of availability, price, or zoning status and that the vacancy and for-sale status was not confirmed. Although this search was not exhaustive, it does represent a list of some of the most obvious real estate opportunities in the PSA (Lake County). The investigation resulted in 28 properties being identified. Of the 28 total properties, eight properties contain at least one existing building that is not necessarily vacant and may require demolition, new construction or adaptive reuse. The remaining 20 properties were vacant or undeveloped parcels of land that could potentially support residential development. It should be noted that our survey of potential development opportunities in Lake County consists of properties that were actively marketed for sale at the time of this report as well as those identified in person while conducting on-the-ground research.

Information on housing development opportunity sites in Lake County are presented in the following table:

Map Code	Street Address	Location	Year Built	Building Size (Square Feet)	Land Size (Acres)	Zoning District or Property Class
1	801 Michigan Ave.	Baldwin	1990	6,250	0.16	C-1: Central Business District
2	1234 Washington St.	Baldwin	1980	2,400	0.39	C-2: Highway Commercial
3	1010 Michigan Ave.	Baldwin	-	-	0.36	C-1: Central Business District
4	Grove St. (Macadamia St.)	Baldwin	-	-	2.18	C-2: Highway Commercial
5	1068 Oak St.	Baldwin	-	-	0.68	R-2: Medium Density Single-Family Residential
6	Maple St./Lake St.	Baldwin	-	-	0.35	R-2: Medium Density Single-Family Residential
7	1251 Ninth St.	Baldwin	1940	33,000	13.00	I-1: Industrial
8	Michigan Ave./Prospect St.	Baldwin	-	-	1.36	C-2: Highway Commercial
9	902 Michigan Ave.	Baldwin	N/A	N/A	0.18	C-1: Central Business District
10	5565 S. M-37	Baldwin	N/A	49,000	15.52	C-2: Highway Commercial
11	9115 M-37	Baldwin	-	-	2.00	Commercial
12	W. Central Park Blvd./ S. Wildwood Blvd.	Baldwin	-	-	0.50	Residential
13	5437 W. US-10	Baldwin	-	-	15.00	Residential
14	S. Yale Ave.	Baldwin	-	-	0.30	Residential
15	3268 S. Merrillville Rd.	Baldwin	-	-	20.00	Residential
16	5629 S. Forman Rd.	Baldwin	N/A	13,744	19.67	Industrial
17	4351 S. M-37	Baldwin	-	-	2.98	Commercial
18	4378 S. Sheridan Ave.	Baldwin	-	-	1.25	Residential
19	2183 W. Ontario St.	Baldwin	-	-	1.20	Residential
20	2637 W. Yale Ave.	Baldwin	-	-	0.60	Residential
21	3193 S. M-37	Baldwin	1960	3,328	1.03	Commercial
22	5614 S. Whalen Lake Dr.	Baldwin	-	-	0.45	Residential
23	11713 W. 40th St.	Branch	1997	500	40.00	Commercial
24	128 E. Blaine Rd.	Idlewild	-	-	0.87	Residential
25	Unity Dr/Generosity Ln.	Idlewild	-	-	0.23	Residential
26	6048 S. Nelson Rd.	Idlewild	-	-	2.19	Residential
27	10378 N. Merrillville Rd.	Irons	-	-	5.06	Residential
28	5592 N. Pinewood Dr.	Irons	-	-	14.86	Residential

Sources: LoopNet, CREXI, Realtor.com, Lake County GIS, Lake County Equalization and several other real estate websites.

Note: Total land area includes total building area. Property class designation provided for properties in instances where zoning could not be verified.

N/A – Not Available

In summary, the availability of potential residential development sites (properties capable of delivering new housing units) within the PSA (Lake County) does not appear to be a significant obstacle to increasing the number of housing units. Our cursory investigation for sites within the PSA (both land and buildings) identified 28 properties that are potentially capable of accommodating future residential development via new construction or adaptive reuse. In some instances, adjacent parcels and/or buildings were adjoined to create one potential site location. The 28 identified properties listed in the preceding table represent approximately 162 acres of land and at least 108,000 square feet of existing structure area. Seven of the identified properties consist of over 10 acres of land each, providing the ability to develop large residential projects. A total of eight properties have at least one existing building or structure ranging in size from 500 square feet to 49,000 square

feet, potentially enabling the redevelopment of such structures into single-family or multifamily projects. However, not all of these properties may be feasible to redevelop as housing due to overall age, condition, or structural makeup (availability and feasibility of identified properties were beyond the scope of this study).

Given that it appears there are several housing development sites within the PSA that can potentially support an increase of residential development, the location within the PSA where new residential units will have the greatest chance of success is the next critical question. The desirability of a particular neighborhood or location is generally influenced by proximity to work, school, entertainment venues, recreational amenities, retail services, dining establishments, and major roadways. As such, sites within or near established municipalities are likely conducive to new residential units due to the proximity of existing infrastructure, area services and employment opportunities.

The availability of infrastructure, including water, sewer, roads, electric power, natural gas, and broadband, is a critical factor in determining where real estate development occurs. As higher population densities and taller, multistory structures are directly correlated with lower housing costs, areas of Lake County with municipal water and sewer utilities have a unique opportunity to accommodate housing that is affordable and attainable. For example, developers of Low-Income Housing Tax Credit properties are generally unwilling to submit applications for projects that are not served by public water and sewer utilities, which generally limits multifamily development in areas outside of villages and cities. Access to public utilities and the area’s utility capacity were not considered as part of this study and would require engineering services to assess public utility factors that ultimately impact the viability of a site to support residential development.

The following table summarizes total acreage and overall share of acreage by zoning district or property classification for the 28 identified properties. Note that individual shares in the table below may not add up to 100% due to rounding.

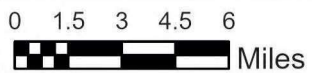
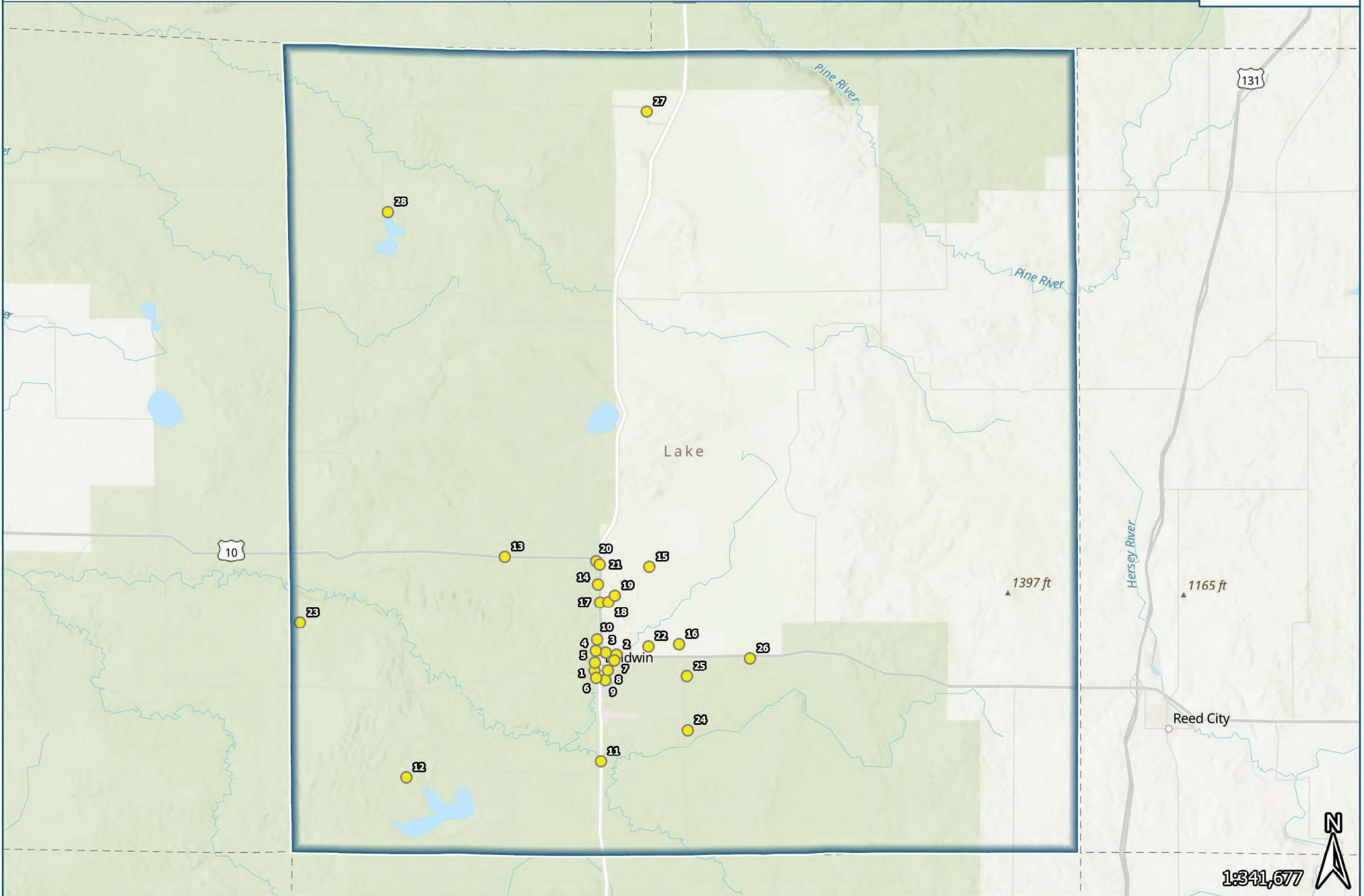
Total Acreage and Share of Acreage by Zoning District or Property Classification Lake County, Michigan		
Zoning District or Property Classification	Total Acreage	Share of Total Acreage
Commercial	66.16	40.7%
Residential	63.54	39.1%
Industrial	32.67	20.1%
Total	162.37	100.0%

Of the total acreage identified among the 28 potential housing development sites, 39.1% of the acreage is within a residential zoning district defined by a municipality or a residential property classification per Lake County property tax records. Note that most of the acreage identified as potential development opportunities is not primarily zoned for residential use or identified as a residential property for tax

purposes. Therefore, residential development within much of the available acreage may require a change in zoning or variance based on municipality or township ordinances.

It is critical to point out that the properties identified in this section do not represent all properties that are available for residential development. There are likely many sites, both parcels and buildings, within the PSA (Lake County) that could be placed on the market and made available for development. Future housing strategies may involve public outreach efforts to encourage property owners to notify a designated organization (e.g., local government or economic development representatives, a land bank authority, local Habitat for Humanity officials, local housing authority representatives, etc.) of properties that may be made available for purchase and subsequent development opportunities.

A map illustrating the location of the 28 potential housing development opportunity properties is on the following page. The Map Code number in the summary table on page VII-10 is used to locate each property.



C. DEVELOPER/INVESTOR IDENTIFICATION

Given the scope and variety of housing challenges that exist within Lake County, the community would benefit from encouraging the involvement of both public and non-public entities to develop and invest in the numerous housing development opportunities that exist in the county and its municipalities. To that end, we have compiled a list of various residential developers, philanthropic organizations, investors/lenders, and federal and state housing finance organizations that are active in Michigan and the nearby states of Ohio, Indiana, and Illinois. In some cases, we provided links to membership directories given the extensive list of organization members that could be included. Each organization's name, website and type of entity are provided in the following table.

Entity Name	Website
Housing Developer	
American Community Developers	www.acdmail.com
Baldwin Housing Commission	https://baldwinhousingcommission.com/
Boji Development	https://www.bojidevelopment.com/
Brinshore Development	https://www.brinshore.com/
CMS Housing	www.cms-results.com
Commonwealth Companies	https://www.commonwealthco.net/
Community Builders	https://tcbinc.org
Community Housing Network, Inc.	https://communityhousingnetwork.org
CRG Residential	https://crgresidential.com/
Edward Rose & Sons	https://www.edwardrose.com/
Flaherty and Collins Properties	https://flco.com
Gillespie Group	https://www.gillespie-group.com/
Hollander Development	https://www.hollanderdevelopment.com/
JAP Development	https://jagdevelopmentinc.com/
Kittle Property Group	https://kittleproperties.com
MAVD	http://www.mavd.com/
McCormack Baron Salazar	www.mccormackbaron.com
MHT Housing, Inc.	https://mhthousing.net/
Michaels Organization	https://tmo.com
Millennia Housing Development	themillenniacompanies.com
National Church Residences	www.nationalchurchresidences.org
NRP Group	www.nrpgroup.com
Parkland Properties of Michigan	http://parklandgr.com/
PIRHL	www.pirhl.com
Pivotal Housing Partners	www.pivotal-hp.com
PK Companies	https://pk-companies.com/
Pluto Property Group	https://www.plutopropertygroup.com/
Renovare Development	https://renovaredevelopment.com/
Shaheen Development	https://shaheendevlopment.com/
The Platform	https://www.theplatform.city/
Third Coast Development	https://www.thirdcoastdevelopment.com/
TWG Development, LLC	https://twgdev.com
Wallick Communities	www.wallick.com
Winterwood	https://winterwoodonline.com
Woda Cooper Companies	www.wodagroup.com

(Continued)

Housing Investor/Lender/Syndicator	
AEGON USA Realty Advisors	www.aegon.com
Alliant Capital	www.alliantcapital.com
Bank of America	www.bankofamerica.com
Berkadia	https://berkadia.com/
Boston Financial Investment Management	https://www.boston.financial/
Bristol Capital Group	https://www.briscap.com/
Churchill Mortgage Corporation	https://www.churchillmortgage.com/
Churchill Stateside Group	https://csgfirst.com
Cinnaire	https://cinnaire.com/
CREA, LLC	https://www.creallc.com/
Dwight Capital	https://dwightcapital.com/
Enterprise Community Investment	https://www.enterprisecommunity.org/
Great Lakes Capital Fund	https://greatlakescapital.com/
Greystone Affordable Housing Initiatives	www.greystone.com
HUD Lenders	www.hud.gov/program_offices/housing/sfh/lender/lenderlist
Hunt Mortgage Group	www.huntcompanies.com
National Affordable Housing Trust	https://naht.org/
National Equity Fund	https://www.nationalequityfund.org/
PNC Bank	www.pnc.com
Promanas Group	https://www.promanas.com/
R4 Capital LLC	https://r4cap.com/
RBC Capital Equity Markets, LLC	https://www.rbccm.com
Red Stone Equity Partners, LLC	https://rsequity.com/
Stratford Capital Group	https://stratfordcapitalgroup.com/
United States Department of Agriculture (USDA)	https://www.rd.usda.gov/mi
Wells Fargo	www.wellsfargo.com
Walker and Dunlop	www.walkerdunlop.com/
WNC & Associates	www.wncinc.com
Qualified Opportunity Zone Investors	
Accredited Capital Corporation	https://accreditedcapitalcorp.com/
CRE Models	www.cremodels.com
Economic Innovation Group	https://eig.org/opportunityzones/resources
Enterprise Community	www.enterprisecommunity.org/opportunity360
Reonomy	www.reonomy.com
Smart Growth America	https://Smartgrowthamerica.org
Foundations/Nonprofits	
Fremont Area Community Foundation	https://facommunityfoundation.org/home/about-us/geographic-affiliates/lake-county/
Lake County Habitat for Humanity	https://www.habitat.org/mi/baldwin/lake-county-hfh
TrueNorth Community Services	https://www.truenorthservices.org/

The preceding list of over 70 organizations representing potential residential development partners in the area is not exhaustive, as there are certainly other organizations that could be participants in supporting residential development projects in Lake County. The community may want to research other resources to identify developers and investors, such as contacting real estate brokers, Michigan Economic Development Corporation, Michigan Bankers Association, Michigan State Housing and Development Authority (MSHDA) and Affordable Housing Investors Council.

D. HOUSING PROGRAM OVERVIEW

This section summarizes the various federal, state, and county programs that could be used to potentially support the development and preservation of housing in the Lake County market.

Programs, Initiatives, and Incentives (Federal)

Federal Organization/Program (Hyperlinked)	Description	Eligibility
U.S. Department of Housing and Urban Development	Offers Energy Efficient Mortgage Program and weatherization financing (up to \$3,500)	Borrower must obtain a home energy assessment
U.S. Department of Health & Human Services Low Income Household Water Assistance Program	A temporary emergency program that pays overdue water and wastewater bills	Income Based; Be in arrears or disconnect status; Must be actively receiving Family Independence Program/Temporary Assistance for Needy Families, Food Assistance Program/Supplemental Nutrition Assistance Program, SER, Social Security Supplemental Income
U.S. Department of Veterans Affairs VA Home Loans	Offers several loan programs for active-duty, veterans, National Guard, and Reserve members; Other programs include Surviving Spouse Program, Specially Adapted Housing Grant, VA Housing Assistance, and Temporary Residence Adaptation	Must meet lender's credit and income loan requirements; Each level of service has different requirements
U.S. Department of Veterans Affairs Rehabilitation and Prosthetic Services	Provides medically necessary improvements and structural alterations to Veterans/Servicemembers' primary residence through the Specially Adapted Housing Grant and the Special Home Adaptation Grant	Must fill out application; Own the home; Have a qualifying service-connected disability
U.S. Department of Veterans Affairs (HUD-VASH Program)	Offers permanent supportive housing program; Pairs Housing and Urban Development (HUD), HCV rental assistance with Veterans Affairs Supportive Housing Program (VASH); Finds sustainable permanent housing; Also offers other supportive services such as healthcare; As of 2023, HUD allocated about 112,000 vouchers to help house veterans across the country	Income Based; Veteran
U.S. Department of Veterans Affairs Supportive Services for Veteran Families (SSVF)	Programs include rapid re-housing and prevention to resolve housing crisis; Traditional homelessness programs assume that individuals should not be placed into housing until they have resolved personal issues, but the Housing First approach is based on individuals starting with stable permanent housing; The SSVF program also offered by Volunteers of America Michigan	Veteran
USDA Rural Development U.S. Department of Agriculture	Offers several multifamily housing programs such as Multifamily Housing Direct Loans (eligible rural areas), Multifamily Housing Loan Guarantees (eligible rural areas), Off-farm Labor Direct Loans & Grants, On-Farm Labor Housing Loans, Single Family Housing Direct Home Loans; Multifamily Housing Rental Assistance Program and more; Also offers Water and Environmental Grant and Loan funding to assist with safe drinking water and sanitary waste disposal systems	Income Based; Must live in an eligible rural area

(Continued)

Federal Organization/Program (Hyperlinked)	Description	Eligibility
Community Management Associates	The Key to Homeownership Program assists HCV holders by transferring their rental voucher into a homeownership voucher; Currently serves 23 counties within Michigan and assists 8,500 clients	Voucher holder must maintain an earned income of at least \$15,000 and work 30 hours per week (exceptions for elderly or disabled persons); Be first time homeowner or not owned a home in the last three years; Be in good standing with the HCV program
The Baldwin Housing Commission (BHC)	The Baldwin Housing Commission assists low-income families, seniors and persons with a disability with affordable housing through the Housing Choice Voucher Program (HCV) and Public Housing; They offer family homes and senior apartments; An average of 180 low-income families are assisted with rental assistance in Lake County, Baldwin School District and in Osceola, Mecosta, and Mason counties	Income based; 30% of adjusted gross income
Department of Military and Veterans Affairs Military Family Relief Fund (MFRF)	Offers military families grant funding financial assistance for housing, utilities, and other necessities; Has permanently housed 26,470 veterans through July 2023; Announced more than \$1 billion in grants to help veterans that are homeless or at-risk through supportive services for Veteran Families and Homeless Providers Grant and Per Diem programs	Member of a reserve component of the United States armed forces or the United States Coast Guard
Navy-Marine Corps Relief Society Quick Assist Loans	Provides interest-free loans up to \$1,000; Quick Assist Loans established in 2007 and has provided 545,000 loans totaling \$235 million	Active sailors and marines; Have enough time left in enlistment to repay the loan; Have no unpaid or outstanding loans; No current or pending disciplinary actions
Military Housing Assistance Fund (MHAF)	Provide closing cost funds to assist in purchasing a home	Active military or veteran
Army Emergency Relief (AER) Financial Assistance Programs	Financial help with rent, deposit on rent, home repair, mortgage, temporary lodging, and utilities; Program has helped approximately 40,000 soldiers and family members and has provided \$70 million in financial assistance	Soldiers on active duty and their eligible dependents; Army Reserve and National Guard soldiers activated on Title 10 orders; Retired soldiers; Surviving spouses who have not remarried and children of soldiers who have died on active duty or died after reaching retirement eligibility
Jared Allen's Home for Wounded Warriors	Money raised to build and remodel injury-specific, accessible, and mortgage-free homes	Critically injured United States military veterans returning from Iraq and Afghanistan

Programs, Initiatives, and Incentives (State)

State Organization/Program (Hyperlinked)	Description	Eligibility
West Michigan Veteran Assistance Program	Temporary financial assistance for utility bills, rent and home repairs in 13 counties including Lake	Income Based; Resident of Lake County; Served at least 180 days of active-duty service; Honorable or medical discharge
emPower	Assist with heat and energy bills including electric, natural gas, propane, wood, pellets, fuel oil, coal, and other fuels; In 2021-2022, emPower helped provide direct assistance to 7,623 households in 83 counties throughout Michigan; Over \$11.5 million in payments were made to 206 utility and energy companies and providers	Electric and/or natural gas bill(s) past due or resident has received a shutoff notice; Propane or fuel oil level is less than 25%; Less than 14 days of wood/pellets supplies
Michigan Energy Assistance Program (MEAP)	Statewide program that provides bill payment assistance, helps keep families and individuals in safe and affordable housing and self-sufficiency services; Can apply through True North Community Services which also helps families from low-income households remain in their current housing or to acquire safer, more affordable housing by providing housing assistance with rent payments to prevent homelessness, or secure housing for those in crisis	Income Based
Consumers Energy	Offers several programs such as The CARE Program (an affordable payment plan and any past due balance will gradually be forgiven); Payment Arrangements (pay off balance on a scheduled payment plan); The Budget Plan (solution to spread payments out over time to avoid an unexpected high bill); Solar Gardens Sunrise (open to all organizations with a nonprofit status that serves low-income residential customers); Also provides programs for active-duty military and seniors	Must be receiving State Emergency Relief (SER); No theft or fraud on account; Certain programs are income based
Great Lakes Energy Renewable Energy	Buy power from a single solar panel; Fee for five years is \$10 per month or one-time fee of \$600; Solar credits applied to electric bill	Need to subscribe
DTE (MichCon)	Offers BudgetWise Billing and Flexible Due Date programs	Must be a DTE client
Michigan Saves	Helps residents with home improvements from roofing to electric vehicle charging stations	Must have good credit
Low-Income Households Water Assistance Program U.S. Department of Health & Human Services (LIHWAP)	Provides funds to help low-income households to pay water and wastewater bills	Income Based
Glenn Garcelon Foundation	One time grant of \$1,000; Funding for utilities, rent and mortgage along with other everyday expenses; Have provided grants to applicants in all 50 states and Puerto Rico	Patient living with a primary brain tumor; Allocation depends on need, number of applicants received during the month review, and funding that is available that month
Michigan Department of Health and Human Services Temporary Assistance for Needy Families (TANF)	Provides temporary assistance for needy families	Income Based; Must be pregnant; Have minor children

(Continued)

State Organization/Program (Hyperlinked)	Description	Eligibility
Helping Hands for Freedom	Program provides emergency financial assistance to active military, veterans, Wounded Veteran and Gold Star families; Also assists Gold Star families who have lost a loved one to war or post-war suicide resulting from complications from PTSD and/or other injuries	At least one child 18 or under currently in the home; Service members DD214 with honorable discharge; Gold Star family
Children of Restaurant Employees (CORE)	Program has helped 1,500 families in all 50 states and Puerto Rico; Funds can go toward rent, mortgage, utilities and more	Medical diagnosis or injury of parent, legal guardian, or child; Death of an immediate family member; Loss of life or home due to fire or other natural disaster
Michigan Bikers Helping Veterans (MBHV)	Financial assistance can be applied to utilities, housing, or emergency home repairs.	Michigan resident for a minimum of one year; Must not have received any financial help from MBHV within last two years; Honorable DD214; If in active-duty form 23 or signed Letter of Character from our Command; Hardship letter; Provide current or overdue bills; Michigan Driver's License or state ID
Michigan Veterans Trust Fund	Intended to help veterans overcome an unforeseen situation causing a temporary or short-term financial emergency	Veterans who served in a peacetime era, have at least 180 days of service, apply any time during the year in which applicant turns 65; Discharged under honorable conditions
Operation First Response Family Assistance Program	Financial services for rent, utilities, and daily necessities	Military or first responder
Operation Homefront Critical Financial Assistance Program	Offers financial assistance for critical home repairs, rent/mortgage, and utilities; Helps with other needs such as childcare, dental, moving, auto repair and more; Also offers housing programs	Actively served in the United States military post 9/11 and suffered a wound, illness, or injury in the line of duty; Honorable or general discharge; Deployed service members may also apply for funding
Michigan State Housing Development Authority (MSHDA)	Offers several programs such as Mortgage Credit Certificate Program, MI Home Loan Qualified, Property Improvement Program, Housing Counseling, Developers (Low-income Housing Tax Credit), and Special Housing Needs Programs	Each program has different qualifications
Mid-Michigan Community Action	Offers services for veterans ranging from temporary shelter, rental assistance, foreclosure, weatherization	Veteran; Homeless or in danger of becoming homeless
Salvation Army	Covers four counties including Lake; Offers Rental assistance	Income Based
Michigan Housing and Community Development Fund (MHCDF)	This fund was created to support the development of the affordable housing needs of low-income households and revitalize areas of Michigan through public and private resources	N/A

Programs, Initiatives, and Incentives (County)

County Organization/Program (Hyperlinked)	Description	Eligibility
Lake County Veteran's and Family Services	Launched in 2021; Over 300 veterans have been assisted; Works with local agencies regarding housing; In 2023, \$60,256 grant was issued through the Michigan Department of Veterans to cover cost of employees and advertising through 2024	Veteran; No income eligibility requirements
FiveCAP, Inc.	Weatherization improvements (typically one time service) include air sealing, caulking, insulation of side walls, attics, and foundations; Offers a variety of other energy and safety measures; Offers new single-family homes in Idlewild and Baldwin (Lake County)	Income Based; Must own the home or provide Landlord Agreement documents; Provide three months income for all household members over 18 years old; Current on property taxes; Have most recent electric and heat bills along with account numbers and personal information
Lake County Habitat for Humanity	Offers homeownership program and home repair program; Includes painting, landscaping, weatherization, and minor exterior repairs; Program helps revitalize neighborhoods	Income Based; Ability to repay mortgage through an affordable payment plan; Must work alongside volunteers and Habitat homeowners to build homes

Other Organization/Program (Hyperlinked)	Description	Eligibility
R.I.S.E. Gary Sinise Foundation	Construct specially adapted smart homes that are 100% mortgage free for the nation's most severely wounded in combat or training; Offers the same for first responders such as firefighters, police and EMT's; Offers home modifications to those who own their own home and customize the home to their needs due to injuries	Predominantly supports Post 9/11 defenders, those injured in combat or during training
Operation Finally Home	Provides mortgage free homes, home modifications and transitional housing; 247 homes in planning; 108 homes modified or in planning; 389 projects completed or in planning in 32 states	Injured military, fire, paramedic, and law enforcement
Building Homes for Heroes	Has gifted 300 mortgage free homes in 2023; Also modifies homes based on owner's needs; Intend to reach 400 homes in 2024	Injured veterans, first responders
Homes for Our Troops	Build and donate specially adapted mortgage free homes nationwide for severely injured post 9/11 Veterans; To date 370 homes completed; 79 currently under construction	Injured Veterans due to 9/11
PRE/3	Help find an affordable rental housing unit for applicants	Income Based

Overall, a total of 42 programs (or organizations) were identified that could potentially be accessed to support housing preservation and development efforts in Lake County. This includes 14 federal programs, 20 state programs, three county programs, and five national programs. These programs cover a variety of purposes, are available on a community or individual household level, and have various eligibility requirements. Lake County should explore, utilize and promote programs that best fit the county's goals. It is important to note that this listing of various housing programs likely does not include all such programs that are available. Therefore, the county and area advocates may want to conduct additional research to determine if other programs are available.

VIII. HOUSING GAP ESTIMATES

INTRODUCTION

This section of our report provides five-year housing gap estimates for both rental and for-sale housing within the PSA (Lake County). The assessment includes demand from a variety of sources and focuses on the housing demand potential of Lake County, though consideration is given to potential support that may originate from outside the county.

Housing to meet the needs of both current and future households in the market will most likely involve multifamily, duplex, and single-family housing alternatives. There are a variety of financing mechanisms that can support the development of housing alternatives such as federal and state government programs, as well as conventional financing through private lending institutions. These different financing alternatives often have specific income and rent/price restrictions, which affect the market they target.

We evaluated the market's ability to support rental and for-sale housing based on four levels of income/affordability. While there may be overlap among these levels due to program targeting and rent/price levels charged, we have established specific income stratifications that are exclusive of each other in order to eliminate double counting demand. We used HUD's published income and rent limits for Lake County.

The following table summarizes the income and housing affordability segments used in this analysis to estimate potential housing gaps.

Household Income/Wage & Affordability Levels				
Percent AMHI	Income Range*	Hourly Wage**	Affordable Rents***	Affordable Prices^
≤ 50%	≤ \$37,850	≤ \$18.19	≤ \$946	≤ \$126,167
51%-80%	\$37,851-\$60,560	\$18.20-\$29.11	\$947-\$1,514	\$126,168-\$201,867
81%-120%	\$60,561-\$90,840	\$29.12-\$43.67	\$1,515-\$2,271	\$201,868-\$302,800
121%+	\$90,841+	\$43.68+	\$2,272+	\$302,801+

AMHI – Area Median Household Income

*Based on HUD limits for Lake County, Michigan (4-person limit)

**Assumes full-time employment 2,080 hours/year (Assumes one wage earner household)

***Based on assumption tenants pay up to 30% of income toward rent

^Based on assumption homebuyer can afford to purchase home priced three times annual income after 10% down payment

As previously stated, while different state and federal housing programs establish income and rent restrictions for their respective programs, in reality, there is potential overlap between windows of affordability between the programs. Further, those who respond to a certain product or program type vary. This is because housing markets are highly dynamic, with households entering and exiting by tenure and economic profile. Further, qualifying policies of property owners and management impact the households that may respond to specific project types. As such, while a household may prefer a certain product,

ownership/management qualifying procedures (i.e., review of credit history, current income verification, criminal background checks, etc.) may affect housing choices that are available to households.

Regardless, we have used the preceding income segmentations as the ranges that a typical project or lending institution would use to qualify residents, based on their household income. Ultimately, any new product added to the market will be influenced by many decisions made by the developer and management. This includes eligibility requirements, design type, location, rents/prices, amenities, and other features. As such, our estimates assume that the rents/prices, quality, location, design, and features of new housing product are marketable and will appeal to most renters and homebuyers.

1. **Rental Housing Gap Estimates**

The primary sources of demand for new rental housing include the following:

- Household Growth
- Units Required for a Balanced Market
- Replacement of Substandard Housing
- External (Outside County) Commuter Support
- Severe Cost Burdened Households
- Step-Down Support

Since the focus of this report is on the specific housing needs of Lake County, we have focused the rental housing demand estimates on the metrics that only impact the PSA (Lake County).

New Renter Household Growth

In this report, renter household growth projections from 2023 to 2028 are based on ESRI estimates. This projected growth was evaluated for each of the targeted income segments. It should be noted that changes in the number of households within a specific income segment do not necessarily mean that households are coming to or leaving the market, but instead, many of these households are likely to experience income growth or loss that would move them into a higher or lower income segment. Furthermore, should additional rental housing become available, either through new construction or conversion of for-sale units, demand for new rental housing could increase.

Units Required for a Balanced Market

The second demand component considers the number of units a market requires to offer balanced market conditions, including some level of vacancies. Healthy markets require approximately 4% to 6% of the rental market to be available in order to allow for inner-market mobility and encourage competitive rental rates. Markets with vacancy rates below a healthy rate often suffer from rapid rent increases, minimal tenant turnover (which may result in deferred maintenance), and residents being forced into housing situations that do not meet their housing needs. Markets with low vacancy rates often require additional units, while markets with high vacancy rates often indicate a surplus of rental housing. The vacancy rates by program type and/or affordability level used to determine if there is a deficit or surplus of rental units are based on our survey of area rental alternatives. We used a vacancy rate of 5% to establish balanced market conditions.

Replacement of Substandard Housing

Demand for new units as replacement housing takes into consideration that while some properties are adequately maintained and periodically updated, a portion of the existing stock reaches a point of functional obsolescence over time and needs to be replaced. This comes in the form of either units that are substandard (lacking complete plumbing and/or are overcrowded) or units expected to be removed from the housing stock through demolitions. Based on demographic data included in this report, approximately 1.2% of renter households in Lake County are living in substandard housing (e.g., lacking complete plumbing or are overcrowded). Lower income households more often live in substandard housing conditions than higher income households, which we have accounted for in our gap estimates.

External Commuter Support

Market support can originate from households not currently living in the market. This is particularly true for people who work in Lake County but commute from outside of the county and would consider moving to Lake County, if adequate and affordable housing that met residents' specific needs was offered. Currently, there are few *available* rental housing options in the market. As such, external market support will likely be created if new housing product is developed in Lake County.

Based on our experience in evaluating rental housing in markets throughout the country, it is not uncommon for new product to attract as much as 50% of its support from outside the county limits. As a result, we have assumed that a portion of the demand for new housing will originate from the 992 commuters traveling into the PSA (Lake County) from areas outside of the county. For the purposes of this analysis, we have used a conservative demand ratio of up to 30% to estimate the demand that could originate from outside of Lake County.

Severe Cost Burdened Households

HUD defines severe cost burdened households as those paying 50% or more of their household income toward housing costs. While such households are housed, the disproportionately high share of their income being utilized for housing costs is considered excessive and often leaves little money for impacted households to pay for other essentials such as healthy foods, transportation, medical/healthcare, and education. Therefore, households meeting these criteria were included in our estimates.

Step-down Support

It is not uncommon for households of a certain income level (typically higher income households) to rent a unit at a lower rent despite the fact they can afford a higher rent unit. Using housing cost and income data reported by American Community Survey (ACS), we have applied a portion of this step-down support to lower income demand estimates.

Note: In terms of the development pipeline, we only included residential rental units that are confirmed as planned or under construction. Conversely, we have excluded projects that have not secured financing, are under preliminary review, or have not established a specific project concept (e.g., number of units, rents, target market, etc.). Any vacant housing units are accounted for in the “Balanced Market” portion of our demand estimates.

The following table summarizes the rental housing gaps for Lake County by affordability level.

Lake County, Michigan				
Rental Housing Gap Estimates (2023-2028)				
Percent of Median Income	≤ 50%	51%-80%	81%-120%	121%+
Household Income Range	≤\$37,850	\$37,851-\$60,560	\$60,561-\$90,840	\$90,841+
Monthly Rent Range	≤ \$946	\$947-\$1,514	\$1,515-\$2,271	\$2,272+
Household Growth	-51	11	13	12
Balanced Market*	26	4	4	3
Replacement Housing**	7	1	0	0
External Market Support^	65	16	8	7
Severe Cost Burdened^^	127	46	9	0
Step-Down Support	16	-9	-3	-4
Less Pipeline Units	0	0	0	0
Overall Units Needed	190	69	31	18

*Based on Bowen National Research’s survey of area rentals

**Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for Lake County

^^Based on ESRI/ACS estimates of households paying 50% or more of income toward housing

Based on the preceding demand estimates, it is clear that there is some level of rental housing demand among all household income levels within Lake County over the five-year projection period. Overall, there is a housing need for 308 additional rental units in the county over the next five years. The housing gaps range from a low of 18 units needed that have rents at \$2,272 or higher to a high of 190 units needed with rents at or below \$946. Without the addition of new rental product similar to the numbers cited in the preceding table, the area will not meet the growing and changing housing needs of the market.

Based on the demographics of the market, including projected household growth estimates and projected changes in household compositions (e.g., household size, ages, etc.), it appears that approximately one-third to 40% of the demand for new rental housing could be specifically targeted to meet the needs of area seniors, though a project could be built to meet the housing needs of both seniors and families concurrently. The subject county has a slightly higher share of four-person and larger renter households than the state, which will likely lead to greater demand for larger unit types than typically required. For general-occupancy projects, a unit mix of around 25% to 35% one-bedroom units, 40% to 50% two-bedroom units, and 15% to 25% three-bedroom units should be the general goal for future rental housing. Senior-oriented projects should consider unit mixes closer to 50% for both one- and two-bedroom units each. Additional details of the area's rental housing supply are included in Section VI and may serve as a guide for future rental housing development design decisions.

While limited available land and access to infrastructure (e.g., water and sewer) may limit where and how much housing product can be added to the market, we believe high-density multifamily product would do well in this market, particularly on sites closer to some of the more walkable areas in or close to the downtowns of Baldwin and Luther. However, such multifamily product would also likely do well in areas outside of the municipalities, as long as the sites have convenient access to primary thoroughfares. Some lower density, single-story duplexes and four-plexes would also be well received, particularly among seniors seeking to downsize from large units, as well as homeowners seeking a more maintenance-free residence.

It is critical to understand that these estimates represent potential units of demand by targeted income level. The actual number of rental units that can be supported will ultimately be contingent upon a variety of factors including the location of a project, proposed features (i.e., rents, amenities, bedroom type, unit mix, square footage, etc.), product quality, design (i.e., townhouse, single-family homes, or garden-style units), management and marketing efforts. As such, each targeted segment outlined in the previous table may be able to support more or less than the number of units shown in the table. The potential number of units of support should be considered a general guideline to residential development planning.

2. For-Sale Housing Gap Estimates

This section of the report addresses the gap for for-sale housing alternatives in the PSA (Lake County). Like the rental housing demand analysis, the for-sale housing analysis considers individual household income segments and corresponding housing price ranges.

Naturally, there are cases where a household can afford a higher down payment to purchase a more expensive home. There are also cases in which a household purchases a less expensive home although they could afford a higher purchase price. The actual support for new housing will ultimately be based on a variety of product factors such as price points, square footages, amenities, design, quality of finishes, and location. Considering these variations, this broad analysis provides the basis in which to estimate the *potential* demand of new for-sale housing within the PSA (Lake County).

There are a variety of market factors that impact the demand for new homes within an area. In particular, area and neighborhood perceptions, quality of school districts, socioeconomic characteristics, mobility patterns, demolition and revitalization efforts, and availability of existing homes all play a role in generating new home sales. Support can be both internal (households moving within the market) and external (households new to the market).

Overall, we have considered the following specific sources of demand for new for-sale housing in the PSA (Lake County).

- Household Growth
- Units Required for a Balanced Market
- Replacement of Substandard Housing
- External (Outside County) Commuter Support
- Severe Cost Burdened Households
- Step-Down Support

New Household Growth

In this report, owner household growth projections from 2023 to 2028 are based on ESRI estimates. This projected growth was evaluated for each of the targeted income segments. It should be noted that changes in the number of households within a specific income segment do not necessarily mean that households are coming to or leaving the market, but instead, many of these households are likely to experience income growth or loss that would move them into a higher or lower income segment. Furthermore, should additional for-sale housing become available, either through new construction or conversion of rental units, demand for new for-sale housing could increase.

Units Required for a Balanced Market

Typically, a healthy for-sale housing market should have approximately 2% to 3% of its inventory vacant. Such vacancies allow for inner-market mobility, such as households upsizing or downsizing due to changes in family composition or income, and for people to move into the market. When markets have too few vacancies, housing prices often escalate at an abnormal rate, homes can get neglected, and potential homebuyers can leave a market. Conversely, an excess of homes can lead to stagnant or declining home prices, property neglect, or lead to such homes being converted to rentals. For the purposes of this analysis, we have assumed up to a 2.0% vacancy rate for a balanced market and accounted for for-sale housing units currently available for purchase in the market.

Replacement of Substandard Housing

Demand for new units as replacement housing takes into consideration that while some properties are adequately maintained and periodically updated, a portion of the existing stock reaches a point of functional obsolescence over time and needs to be replaced. This comes in the form of either units that are substandard (lacking complete plumbing or are overcrowded) or units expected to be removed from the housing stock through demolitions. Based on demographic data included in this report, approximately 1.9% of owner households in Lake County live in substandard housing (e.g., lack complete indoor plumbing or are overcrowded). This share has been adjusted among lower and higher income households.

External Market Support

Market support can originate from households *not* currently living in the market but that commute into it for work on a regular basis. As shown in Section V of this report, approximately 992 people commute into Lake County. These people represent potential future residents that may move to the county if adequate, desirable, and marketable housing was developed in the county. For the purposes of this analysis, we have used a conservative demand ratio of up to 10% to estimate the demand that could originate from outside of Lake County.

Severe Cost Burdened Households

HUD defines severe cost burdened households as those paying 50% or more of their household income toward housing costs. While such households are housed, the disproportionately high share of their income being utilized for housing costs is considered excessive and often leaves little money for impacted households to pay for other essentials such as healthy foods, transportation, medical/healthcare, and education. Therefore, households meeting these criteria were included in our estimates.

Step-Down Support

It is not uncommon for households of a certain income level (typically higher income households) to purchase a home at a lower price point despite the fact they can afford a higher priced home. Using housing cost and income data reported by American Community Survey (ACS), we have applied a portion of this step-down support to lower income demand estimates.

Note: In terms of the development pipeline, we only included for-sale residential units currently in the development pipeline that are planned or under construction and do not have a confirmed buyer, such as a condominium unit or a spec home, in our demand estimates. Conversely, we have excluded single-family home lots that may have been platted or are being developed, as such lots do not represent actual housing *units* that are available for purchase. Any vacant housing units are accounted for in the “Balanced Market” portion of our demand estimates.

The following table summarizes the for-sale housing gaps for Lake County by affordability level.

Lake County, Michigan				
For-Sale Housing Gap Estimates (2023-2028)				
Percent of Median Income	≤ 50%	51%-80%	81%-120%	121%+
Household Income Range	≤ \$37,850	\$37,851-\$60,560	\$60,561-\$90,840	\$90,841+
Price Point	≤ \$126,167	\$126,168-\$201,867	\$201,868-\$302,800	\$302,801+
Household Growth	-202	-64	62	241
Balanced Market*	19	-10	2	10
Replacement Housing**	32	9	4	0
External Market Support^	23	13	11	14
Severe Cost Burdened^^	325	116	23	0
Step-Down Support	13	8	33	-53
Less Pipeline Units	0	0	0	0
Overall Units Needed	210	72	135	212

*Based on MLS inventory of available homes

**Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for Lake County

^^Based on ESRI/ACS estimates of households paying 50% or more of income toward housing

The overall for-sale housing gap in the county is approximately 629 units over the five-year projection period. While all home price segments and affordability levels have some level of need, the greatest gaps appear to be for housing priced at or below \$126,167 (210 units) and housing priced at \$302,801 and higher (212 units). There is also a notable gap for housing priced between \$201,868 and \$302,800. The relatively limited supply of product at all price levels will increase demand for lower priced units, as many buyers may “step down” to a lower price point. This will place greater pressure on the market’s lower priced product and create greater challenges for lower income households and first-time homebuyers who already have limited housing alternatives that are affordable to them.

In most markets, if there is support for new housing at a particular price point or concept and such product is not offered in a specific area, households may leave the area and seek this housing alternative elsewhere, delay their purchase decision, or seek another housing alternative. Additionally, households considering relocation to the PSA (Lake County) may not move to the PSA if the housing product offered does not meet their needs in terms of pricing, quality, product design, or location. As such, the PSA housing stock may not be able to meet current or future demand, which may limit the market's ability to serve many of the households seeking to purchase a home in the PSA, particularly lower and moderate-income households. Regardless, we believe opportunities exist to develop a variety of product types at a variety of price points. The addition of such housing will better enable the PSA to attract and retain residents (including local employees), as well as seniors, families, and younger adults.

In terms of product design, we believe a variety of product could be successful in Lake County. Based on current and projected demographics, as well as the available inventory of for-sale housing, we believe a combination of one- and two-bedroom condominium units could be successful, particularly if they are located in or near the more walkable areas of Baldwin and Luther. Such product could be in the form of townhome or rowhouse product. Additionally, detached or attached single-story cottage-style condominium product, primarily consisting of two-bedroom units, could be successful in attracting/serving area seniors, particularly those seeking to downsize from their single-family homes. Smaller detached units or duplexes may be a product to develop in some of the smaller infill lots within the various municipalities. Larger, traditional detached single-family homes catering to families could be successful in this market, particularly product serving moderate and higher income households, though affordable for-sale housing product for lower income and first-time homebuyer households would also do well in this market. Such product should primarily consist of three-bedroom units, with a smaller share of four-bedroom units. The for-sale housing supply of Lake County is summarized in Section VI and can provide additional details of project concept considerations for future for-sale product in the county.

Overall, there is potential support for a variety of residential development alternatives in the PSA (Lake County). It is important to understand that the housing demand estimates shown in this report assume no major changes occur in the local economy and that the demographic trends and projections provided in this report materialize. As such, our demand estimates should be considered conservative and serve as a baseline for development potential. Should new product be developed, it is reasonable to believe that people will consider moving to Lake County, assuming the housing is aggressively marketed throughout the region.

IX. COMMUNITY INPUT RESULTS AND ANALYSIS

A. INTRODUCTION

To gain information, perspective and insight about Lake County housing issues and the factors influencing housing decisions by its residents, developers and others, Bowen National Research conducted targeted surveys of three specific groups: Stakeholders, Employers, and Residents/Commuters. These surveys were conducted during September and October of 2023 and questions were customized to solicit specific information relative to each segment of the market that was surveyed.

The surveys were conducted through the SurveyMonkey.com website. In total, 210 survey responses were received from a broad cross section of the community. The following is a summary of the three surveys conducted by our firm.

Stakeholder Survey – A total of 23 respondents representing community leaders (stakeholders) from a broad field of expertise participated in a survey that inquired about common housing issues, housing needs, barriers to development, and possible solutions or initiatives that could be considered to address housing on a local level.

Employer Survey – A total of 12 respondents representing some of the area's employers participated in a survey that inquired about general employee composition, housing situations and housing needs. The survey also identified housing issues and the degree housing impacts local employers.

Resident/Commuter Survey – A total of 175 respondents participated in a survey that inquired about current housing conditions and needs as well as the overall housing market in Lake County. Respondents included Lake County residents and non-resident commuters.

It should be noted that the overall total number of respondents summarized for each survey indicates the number of individuals that responded to at least one survey question. In some instances, the number of actual respondents to a *specific* survey question may be less than these stated numbers.

Key findings from the surveys are included on the following pages.

B. STAKEHOLDER SURVEY RESULTS

A total of 23 area stakeholders from a broad range of organization types participated in the housing survey, with the following results (note that percentages may not add up to 100.0% due to rounding or because respondents were able to select more than one answer).

Stakeholder respondents were asked to provide the type of organization they represent. Note that respondents were able to select more than one type of organization. All 23 respondents provided input to this question with the following distribution:

Stakeholder Respondents by Organization Type		
Type	Number of Respondents	Share of Respondents
Elected Official/Municipal Contact/Local Government	9	39.1%
Business/Employer/Private Sector	4	17.4%
Nonprofit Organization	4	17.4%
Economic Development Organization	2	8.7%
Education/Higher Education/University	2	8.7%
Housing Developer	2	8.7%
Realtor (Association/Board of Realtors/Etc.)	2	8.7%
Community Action Agency	1	4.4%
Housing Organization	1	4.4%
Landlord/Property Management	1	4.4%
Other	4	17.4%

Stakeholder respondents were asked to provide the degree that certain housing types are needed by price point within the county. A total of 23 respondents provided feedback to this question with the following results:

Housing Needs by Price Point			
Housing Type (Price Point)	Weighted Score*	Housing Type (Price Point)	Weighted Score*
Rental Housing (\$500-\$999/month)	96.7	For-Sale Housing (\$200,000-\$249,999)	47.6
For-Sale Housing (\$150,000-\$199,999)	85.9	For-Sale Housing (\$250,000-\$349,999)	35.0
Senior Care (incomes/assets <\$25,000)	80.7	Rental Housing (\$1,500 or more/month)	33.8
Senior Care (incomes/assets >\$25,000)	70.5	For-Sale Housing (\$350,000 or more)	28.8
Rental Housing (\$1,000-\$1,499/month)	57.1		

*High Need = 100.0, Moderate Need = 50.0, Minimal Need = 25.0

Stakeholder respondents were asked to provide the need for housing for specific populations within the county. A total of 23 respondents provided insight to this question with the following results:

Housing Needs by Population Served			
Population	Weighted Score*	Population	Weighted Score*
Family Housing (2+ Bedrooms)	95.5	Rentals that Accept Housing Choice Voucher Holders	76.1
Low-Income Workforce (<\$30,000)	87.0	Senior Living (Independent Living)	73.9
Moderate Workforce (\$30,000-\$60,000)	87.0	Senior Living (Assisted Living, Nursing Care)	72.7
Housing for Millennials (Ages 25-39)	79.3	Higher Income Workforce (\$60,000+)	64.8
Single-Person (Studio/One-Bedroom)	76.1		

*High Need = 100.0, Moderate Need = 50.0, Minimal Need = 25.0

Stakeholder respondents were asked to provide the level of demand for specific housing styles in the county. A total of 23 respondents provided feedback to this question with the following results:

Housing Needs by Style			
Housing Style	Weighted Score*	Housing Style	Weighted Score*
Ranch Homes/Single Floor Plan Units	84.8	Low Cost Fixer-Uppers (Single-Family Homes)	61.4
Traditional Two-Story Single-Family Homes	81.5	Accessory Dwelling Units/Tiny Houses	52.3
Multifamily Apartments	69.0	Mixed-Use/Units Above Retail (Downtown Housing)	51.1
Duplex/Triplex/Townhomes	68.5	Condominiums	45.2
Manufactured/Mobile Homes	64.1	Single-Room Occupancy (SRO)	44.0

*High Need = 100.0, Moderate Need = 50.0, Minimal Need = 25.0

Stakeholder respondents were asked to what extent specific housing issues are experienced in the county. A total of 23 respondents provided insight to this question with the following distribution:

Housing Issues Experienced	
Issue	Weighted Score*
Lack of Down Payment for Purchase	95.7
Substandard Housing (Quality/Condition)	95.5
Limited Availability	90.9
Lack of Rental Deposit (or First/Last Month Rent)	89.1
High Cost of Renovation	89.1
Home Purchase Affordability	87.0
Rent Affordability	84.8
High Cost of Maintenance/Upkeep	80.4
Absentee Landlords	77.5
Failed Background Checks	76.1
Overcrowded Housing	69.6
Foreclosure	59.5
Investors Buying Properties and Increasing Rents/Prices	54.3
Lack of Access to Public Transportation	52.4

*Often = 100.0, Somewhat = 50.0, Not at All = 0.0

Stakeholder respondents were asked to rank the priority that should be given to specific housing construction types in the county. A total of 23 respondents provided insight to this question with the following results:

Priority of Housing Construction Types	
Construction Type	Weighted Score*
Repair/Renovation/Revitalization of Existing Housing	89.1
Clear Blighted/Unused Structures to Create Land for New Development	88.0
New Construction	80.4
Mixed-Use	65.9
Adaptive Reuse (i.e., Warehouse Conversion to Residential)	44.3

*High Priority = 100.0, Moderate Priority = 50.0, Low Priority = 25.0

Stakeholder respondents were asked to rank the priority that should be given to certain funding types for housing development or preservation. A total of 23 respondents provided insight to this question with the following results:

Priority of Funding Types	
Funding Type	Weighted Score*
Home Repair/Loan	90.2
Homebuyer Assistance	84.8
Tax Credit Financing	76.1
Housing Choice Vouchers	73.8
Project-Based Rental Subsidy	72.7

*High Priority = 100.0, Moderate Priority = 50.0, Low Priority = 25.0

In addition to the feedback listed in the previous table, five respondents provided reasonings for their answers and/or suggestions for other housing funding types that should be considered through an open-ended response, which include:

- The lack of sustainable jobs in the county creates affordability issues for working, full-time residents of the county, while part-time summer residents do not experience these issues.
- The lack of a down payment and poor credit are primary barriers to home ownership. Poor credit also prevents homeowners from obtaining home improvement loans.
- Majority of homes in Lake County are older and in need of repair.
- There is a lack of resources and funding within the county.

Stakeholder respondents were asked to identify common barriers or obstacles (all that apply) that exist in the county that limit residential development. A total of 23 respondents provided feedback to this question. The following is a list of the most commonly cited barriers per stakeholder respondents:

Common Barriers/Obstacles to Residential Development		
Barrier/Obstacle	Number of Respondents	Share of Respondents
Cost of Labor/Materials	21	91.3%
Development Costs	17	73.9%
Neighborhood Blight	17	73.9%
Financing	16	69.6%
Cost of Infrastructure	14	60.9%
Cost of Land	13	56.5%
Lack of Infrastructure	12	52.2%
Land/Zoning Regulations	11	47.8%
Availability of Land	7	30.4%
Crime/Perception of Crime	7	30.4%
Lack of Buildable Sites	7	30.4%
Community Support	6	26.1%
Lack of Community Services	6	26.1%
Local Government Regulations ("red tape")	6	26.1%

In addition to the feedback listed in the previous table, three respondents noted other barriers/obstacles that limit residential development within the county through open-ended responses. Feedback included: *it is difficult to work with some utility companies in pursuing new developments or expanding infrastructure, there is a lack of developers, and the mismatch of incomes and material and labor costs.*

Stakeholder respondents were asked to identify up to five initiatives that represent the best options to reduce or eliminate the area's greatest barriers to residential development. A total of 23 respondents provided insight to this question. The following is a list of the most cited initiatives per stakeholder respondents:

Best Options to Reduce Barriers/Obstacles to Residential Development		
Initiatives to Reduce Barriers/Obstacles	Number of Respondents	Share of Respondents
Collaboration between Public and Private Sectors	12	52.2%
Government Assistance with Infrastructure	11	47.8%
Housing Gap/Bridge Financing	10	43.5%
Establishment of a Housing Trust Fund (Focuses on Preservation/Development of Affordable Housing)	9	39.1%
Establish Rental Registry	8	34.8%
Expanding Grant Seeking Efforts	8	34.8%
Educating the Public on Importance of Housing	7	30.4%
Educate the Public on the Importance of Different Types of Housing	7	30.4%
Establish Centralized Developer/Builder Resource Center	7	30.4%
Establish Rental Inspection Program	7	30.4%
Government Sale of Public Land/Buildings at Discount or Donated	6	26.1%
Waiving/Lowering Development Fees	6	26.1%
Building Consensus among Communities/Advocates	5	21.7%
Support/Expand Code Enforcement	5	21.7%

Stakeholder respondents were given a list of initiatives and asked to identify three that should be areas of focus for the county. A total of 23 respondents provided insight to this question. The following is a list of the most cited initiatives per stakeholder respondents:

Top Areas of Focus for the County		
Initiatives	Number of Respondents	Share of Respondents
Removal/Mitigation of Residential Blight	18	78.3%
Developing New Housing	17	73.9%
Critical Home Repair	15	65.2%
Renovating/Repurposing Buildings for Housing	12	52.2%
Addressing Crime	6	26.1%
Unit Modifications to Allow Aging in Place	3	13.0%

In addition to the answers listed in the previous table, one respondent noted through an open-ended response that there is a *need for housing and programs to address substance abuse issues in the county.*

Stakeholder respondents were asked to approximate the degree that housing impacts local residents. A total of 23 respondents provided insight to this question with the following results:

Housing Impacts on Local Residents	
Impact	Weighted Score*
Causes People to Live in Substandard Housing	100.0
Causes People to Live in Unsafe Housing or Neighborhoods	91.3
Limits the Ability of Families to Grow/Thrive	88.6
Causes People to Live in Housing they Cannot Afford	82.6
Prevents Seniors from Living in Housing that Fits their Needs	82.6

*Significant Impact = 100.0, Minor Impact = 50.0, No Impact = 0.0

Stakeholder respondents were asked to what degree, if any, that second homes and/or vacation rentals are adversely impacting the local housing market. A total of 23 respondents provided insight to this question with the following results:

Degree to Which Second Homes/Vacation Rentals Adversely Impact the Housing Market		
Degree	Number of Respondents	Share of Respondents
Significantly	12	52.2%
Somewhat	7	30.4%
Not at All	3	13.0%
Unknown	1	4.4%

Stakeholder respondents were asked in what ways, if any, second homes and/or vacation rentals are adversely impacting the local housing market. A total of 21 respondents provided insight to this question. The following is a list of the most commonly cited impacts per stakeholder respondents. Note that respondents could select more than one answer.

Specific Impacts of Second Homes/Vacation Rentals on the Housing Market		
Impact	Number of Respondents	Share of Respondents
Diminishing Inventory Available to Permanent Residents	17	81.0%
Causing People to Convert Housing to Seasonal Housing	16	76.2%
Increasing Home Prices	14	66.7%
Increasing Rents	12	57.1%
Encouraging Homeowners to Sell to Investors	8	38.1%
Causing Neighborhoods/Towns to Lose Character	5	23.8%
Other	3	14.3%

Three stakeholders provided an open-ended response to the previous question. Responses from these stakeholders included: *second home buyers are a benefit to the local economy and short-term rentals (Airbnb's) are occupying too many homes that could be used for permanent housing.*

Stakeholder respondents were asked to identify priorities to assist *renters* in the area. A total of 23 respondents provided feedback to this question. The following is a list of the most commonly cited assistance types per stakeholder respondents. Note that respondents could select up to five answers.

Top Priorities to Assist Renters		
Assistance Type	Number of Respondents	Share of Respondents
Properties that Meet Code/Life Safety Compliance	19	82.6%
Renter Security Deposit Assistance	16	69.6%
Rental Housing Inspection Program	14	60.9%
Housing Resource Center	13	56.5%
Rental Registry	11	47.8%
Credit Repair Assistance	10	43.5%
Housing Counselor	7	30.4%
Landlord/Tenant Conflict Resolution	5	21.7%
Housing Placement Service	4	17.4%

Stakeholder respondents were asked to identify priorities to assist *homeowners* or buyers in the area. A total of 23 respondents provided feedback to this question. The following table summarizes the top responses from stakeholders. Note that respondents could select up to five answers.

Top Priorities to Assist Homeowners		
Assistance Type	Number of Respondents	Share of Respondents
Home Repair Assistance	19	82.6%
Homebuyer Downpayment Assistance	18	78.3%
Credit Repair Assistance	15	65.2%
Homebuyer/Homeowner Education	13	56.5%
Property Maintenance Education	13	56.5%
Home Weatherization Assistance	10	43.5%
Home Modification Assistance	9	39.1%
Foreclosure Avoidance Education	9	39.1%
Housing Counselor	8	34.8%

Stakeholder respondents were asked to provide any additional information about housing challenges in the county in the form of an open-ended response. A total of three respondents provided additional insight. Some key points from the responses are summarized below:

- There is a lack of interest in seeing housing expand within the county.
- There is a quality issue with the existing housing in the county that deters developers from working in the county. Ways to bring buyers and developers together should be pursued.
- The local market value does not allow developers to make profit without subsidies. As such, subsidies are critical to new inventory development.
- Blight and the condition of existing inventory is a key concern.

Stakeholder Survey Conclusions

Based on the feedback provided by area stakeholders, it appears that Lake County is most in need of affordable rental (\$500 to \$999/month) and for-sale housing (\$150,000 to \$199,999) for families (two or more bedrooms) and low- to moderate-income workers (earning at or below \$60,000). In addition, it appears that there is a significant need for affordable senior-oriented housing for all income/asset levels. While single-family homes are considered the top need, multifamily and non-conventional rental housing are also high priorities. The lack of down payment for purchase and rental deposit, housing quality, and limited availability are among the most common issues experienced. While the cost of labor/materials, development costs, and blight were the most cited barriers to residential development, the repairs of existing housing, the clearing of blighted structures, home repair loans, and homebuyer assistance programs were the top priorities by stakeholder respondents. Stakeholder respondents indicated that collaboration between public and private sectors and government assistance with infrastructure development were key components in reducing the barriers to residential development. While a slight majority of respondents believe short-term rentals and second homes have a significant adverse impact on the housing market by diminishing inventory for permanent residents, other respondents noted they were important in the local economy. A vast majority of respondents indicated that the current housing issues result in people living in substandard and unsafe housing in Lake County.

The following table summarizes the top stakeholder responses to critical questions contained within this survey.

Lake County, Michigan Summary of Stakeholder Survey Results		
Category	Top Needs / Issues	Consensus
Housing Needs by Price Point	<ul style="list-style-type: none"> Rental Housing (\$500-\$999/month) For-Sale Housing (\$150,000-\$199,999) Senior Care (incomes/assets <\$25,000) Senior Care (incomes/assets >\$25,000) 	<p>96.7*</p> <p>85.9*</p> <p>80.7*</p> <p>70.5*</p>
Housing Needs by Population Served	<ul style="list-style-type: none"> Family Housing (2+ Bedrooms) Low-Income Workforce (<\$30,000) Moderate-Income Workforce (\$30,000-\$60,000) Housing for Millennials (Ages 25-39) Single-Person (Studio/One-Bedroom) Rentals that Accept Housing Choice Voucher Holders 	<p>95.5*</p> <p>87.0*</p> <p>87.0*</p> <p>79.3*</p> <p>76.1*</p> <p>76.1*</p>
Housing Needs by Style	<ul style="list-style-type: none"> Ranch Homes/Single Floor Plan Units Traditional Two-Story Single-Family Homes Multifamily Apartments Duplex/Triplex/Townhomes 	<p>84.8*</p> <p>81.5*</p> <p>69.0*</p> <p>68.5*</p>
Housing Issues Experienced	<ul style="list-style-type: none"> Lack of Down Payment for Purchase Substandard Housing (Quality/Condition) Limited Availability Lack of Rental Deposit (or First/Last Month Rent) High Cost of Renovation Home Purchase Affordability Rent Affordability 	<p>95.7*</p> <p>95.5*</p> <p>90.9*</p> <p>89.1*</p> <p>89.1*</p> <p>87.0*</p> <p>84.8*</p>
Priority by Construction Type	<ul style="list-style-type: none"> Repair/Renovation/Revitalization of Existing Housing Clear Blighted/Unused Structures to Create Land for New Development New Construction 	<p>89.1*</p> <p>88.0*</p> <p>80.4*</p>
Priority by Funding Types	<ul style="list-style-type: none"> Home Repair/Loan Homebuyer Assistance Tax Credit Financing Housing Choice Vouchers Project-Based Rental Subsidy 	<p>90.2*</p> <p>84.8*</p> <p>76.1*</p> <p>73.8*</p> <p>72.7*</p>
Common Residential Development Barriers	<ul style="list-style-type: none"> Cost of Labor/Materials Development Costs Neighborhood Blight Financing Cost of Infrastructure 	<p>91.3%</p> <p>73.9%</p> <p>73.9%</p> <p>69.6%</p> <p>60.9%</p>
Options to Reduce Residential Development Barriers	<ul style="list-style-type: none"> Collaboration Between Public and Private Sectors Government Assistance with Infrastructure Housing Gap/Bridge Financing Establishment of a Housing Trust Fund 	<p>52.2%</p> <p>47.8%</p> <p>43.5%</p> <p>39.1%</p>
Top Areas of Focus	<ul style="list-style-type: none"> Removal/Mitigation of Residential Blight Developing New Housing Critical Home Repair Renovating/Repurposing Buildings for Housing 	<p>78.3%</p> <p>73.9%</p> <p>65.2%</p> <p>52.2%</p>

*Denotes weighted score

(Continued)

**Lake County, Michigan
Summary of Stakeholder Survey Results**

Category	Top Needs / Issues	Consensus
Housing Impact on Residents	• Causes People to Live in Substandard Housing	100.0*
	• Causes People to Live in Unsafe Housing or Neighborhoods	91.3*
	• Limits the Ability of Families to Grow/Thrive	88.6*
	• Causes People to Live in Housing They Cannot Afford	82.6*
	• Prevents Seniors from Living in Housing that Fits Their Needs	82.6*
Adverse Market Impact from Second Homes/Vacation Rentals	• Significantly	52.2%
	• Somewhat	30.4%
	• Not at All	13.0%
Specific Impacts of Second Homes/Vacation Rentals	• Diminishing Inventory Available to Permanent Residents	81.0%
	• Causing People to Convert Housing to Seasonal Housing	76.2%
	• Increasing Home Prices	66.7%
	• Increasing Rents	57.1%
Renter Assistance Priorities	• Properties that Meet Code/Life Safety Compliance	82.6%
	• Renter Security Deposit Assistance	69.6%
	• Renter Housing Inspection Program	60.9%
	• Housing Resource Center	56.5%
Homeowner Assistance Priorities	• Home Repair Assistance	82.6%
	• Homebuyer Downpayment Assistance	78.3%
	• Credit Repair Assistance	65.2%
	• Homebuyer/Homeowner Education	56.5%
	• Property Maintenance Education	56.5%

*Denotes weighted score

C. EMPLOYER SURVEY RESULTS

A total of 12 representatives from area employers responded to the housing survey. Note that percentages may not add up to 100.0% due to rounding or because respondents were able to select more than one answer.

Employer respondents were asked to describe the primary business activity of their company. All 12 respondents provided feedback to this question with the following distribution of responses:

Employer Respondents by Business Type		
Type	Number	Share
Professional (Accounting, Legal, Etc.)	4	33.3%
Retail	2	16.7%
Nonprofit/Religious Organization	2	16.7%
Public/Government	1	8.3%
Healthcare	1	8.3%
Restaurant	1	8.3%
Tourism/Hospitality	1	8.3%

Employer respondents were asked to approximate the number of people they employ locally. A total of 11 respondents provided feedback to this question. Based on the survey responses, approximately 228 individuals are employed by these companies with the following distribution of firms by number of employees:

- 1 to 10 Employees: **6 (54.5%)**
- 11 to 25 Employees: **1 (9.1%)**
- 26 to 50 Employees: **2 (18.2%)**
- 50+ Employees: **2 (18.2%)**

Employer respondents were asked to approximate the number of employees by employment status (part-time, full-time, seasonal). A total of 11 respondents provided feedback to this question with the following distribution:

- Part-Time: **18.9%**
- Full-Time: **53.1%**
- Seasonal: **28.1%**

Employer respondents were asked to approximate the percentage of their employees who reside in Lake County. A total of 11 respondents provided feedback to this question with the following distribution:

Share of Employees That Live Within County		
Response	Number of Respondents	Share of Respondents
Less than 10%	0	0.0%
Between 10% and 25%	1	9.1%
Between 26% and 50%	0	0.0%
Between 51% and 75%	2	18.2%
More than 75%	8	72.7%

Employer respondents were asked to estimate the number of *new jobs by annual wages* that their company expects to create over the next three years. A total of 10 respondents provided insight to this question. The following table summarizes the employer responses and provides the estimated total number of new jobs by annual salary:

Estimated New Jobs Created by Employers by Annual Salary (Next Three Years)	
Annual Salary	Estimated Total Number of New Jobs (Share)
Less than \$25,000	14 (34.1%)
\$25,000 to \$50,000	17 (41.5%)
\$51,000 to \$75,000	4 (9.8%)
\$76,000 to \$100,000	6 (14.6%)
Over \$100,000	0 (0.0%)
Estimated Total of New Jobs Created by Employers	41 (100.0%)

As the preceding table illustrates, employer respondents estimate job creation over the next three years of approximately 41 new jobs. New jobs in the county that are expected to pay annual salaries between \$25,000 and \$50,000 account for the largest share (41.5%) of the new jobs, followed by those with expected salaries of less than \$25,000 (34.1%). It is important to note, however, that these are estimates provided by respondents based on current economic conditions and these estimates can change for a variety of reasons at any point in time.

Employer respondents were asked to identify the three most common housing issues/challenges experienced by their employees. Employers could select options from a list of common housing issues that was provided. A total of 11 respondents provided feedback to this question. The following table illustrates the top responses:

Top Housing Issues Experienced by Employees	
Issue	Share of Respondents
Lack of Quality Housing	63.6%
Unaffordable For-Sale Housing	54.6%
Lack of Available Housing	36.4%
Unaffordable Rental Housing	36.4%
Housing is Far From Work	27.3%
Lack of Deposit/Down Payment	27.3%
Housing is Not Near Transit	18.2%
Renovation/Repair Costs	18.2%

Employer respondents were asked if and how the housing issues that their employees or prospective employees experience are impacting the company. A total of seven (63.6%) respondents indicated that housing was adversely impacting their business. Employers could then select from a list of options on the ways housing is impacting their business. A total of 11 respondents provided feedback to this question. The following table illustrates the top responses:

Top Impacts for Employers Resulting from Housing Issues	
Response	Share of Respondents
Difficulty Attracting Employees	54.6%
Difficulty Retaining Employees	36.4%
Unknown	27.3%
Other	18.2%

Employer respondents were then asked if additional housing was provided in Lake County that adequately served the needs of employees, to what degree would this increase the likelihood that their company would employ more people over the next three years. A total of 11 respondents supplied answers to this question with the following distribution:

- Much More Likely: **2 (18.2%)**
- Somewhat Likely: **4 (36.4%)**
- Not Likely/No Impact: **4 (36.4%)**
- Unknown: **1 (9.1%)**

Employer respondents were also asked if housing was not an issue, how many additional employees would their company hire in the next three years. A total of 11 respondents provided insight to this question. Although seven of the 11 respondents (63.6%) indicated that they “did not know” the effect, and two respondents (18.2%) indicated they would not hire any additional employees, **two** respondents (18.2%) indicated that they would hire more staff (one additional employee each).

Employer respondents were then asked what type of housing assistance, if any, they would consider providing for their employees. Note that respondents could select more than one type of program. A total of 11 respondents provided insight to this question with the following distribution:

Potential Employer Provided Housing Assistance Programs	
Program	Share of Respondents
Rental Security Deposit Assistance	27.3%
Housing Counseling/Placement Services	27.3%
Homebuyer Downpayment Assistance	9.1%
Rental Assistance/Subsidy	9.1%
Salary Advance for Housing Costs	9.1%
None	63.6%

Employer respondents were asked to indicate the level of importance of future government housing programs, policies or incentives that could be implemented to assist employees with housing or addressing the market’s housing issues. A total of 11 respondents provided feedback to this question. The following table provides a weighted summary of the responses:

Housing Programs, Policies, and Initiatives by Degree of Importance	
Program	Weighted Score*
New Housing Development/Redevelopment	81.8
Renter Assistance	75.0
Homebuyer Assistance	70.5
Development of More Public Housing	65.0
Direct Government Investment in Land for Workforce Housing (Land Banking)	57.5
Housing Assistance for Public Employees (Police, Fire, Teachers, Etc.)	50.0

*Most Important = 100.0, Somewhat Important = 50.0, Least Important = 25.0

Employer respondents were asked, in terms of product pricing, what are the three most needed housing price points for their employees. Employers could select from a list of pricing options that was provided. A total of 11 respondents provided feedback to this question, with the results illustrated in the following table:

Most Needed Housing Price Points for Employees	
Type of Housing Product (Price)	Share of Respondents
Entry Level/Workforce For-Sale Housing (Below \$200,000)	90.9%
Affordable Rental Housing (Under \$750/month)	81.8%
Moderate Market-Rate Rental Housing (\$750-\$1,250/month)	45.5%
Moderate For-Sale Housing (\$200,000-\$300,000)	9.1%
Higher-End Market-Rate Rental Housing (Above \$1,250/month)	0.0%
Higher-End For-Sale Housing (Above \$300,000)	0.0%

Employer respondents were then asked, in terms of product type, what are the most needed types of housing for their employees. Employers could select from a list of housing product types that was provided. A total of 11 respondents provided feedback to this question, with the results illustrated in the following table:

Most Needed Housing Types for Employees	
Type of Housing Product	Share of Respondents
Single-Family Homes (Owner)	90.9%
Single-Family Homes (Rental)	81.8%
Multifamily Apartments	27.3%
Duplex/Townhome (Owner)	18.2%
Condominiums (Rental)	18.2%
Duplex/Townhome (Rental)	9.1%
Condominiums (Owner)	9.1%
Mobile Homes	9.1%
Dormitories/Shared Living	0.0%
Short-Term/Seasonal Housing	0.0%

Employer respondents were asked to provide any additional comments regarding housing issues and needs that impact employees within Lake County. A total of five respondents provided feedback in the form of an open-ended response. Feedback from respondents included topics related to *the need for clean, affordable housing, the lack of jobs with competitive wages and lack of infrastructure to support large-scale employers, and the need to improve overall housing conditions, particularly rental housing.*

Employer Survey Conclusions

Based on the feedback provided by area employers, the lack of quality housing and affordable for-sale housing are the top issues experienced by employees in the area. This has resulted in difficulty attracting employees for over one-half (54.6%) of the employer respondents, while over one-third (36.4%) of employer respondents have had issues retaining employees. A majority (54.6%) of employer respondents indicated that they would be at least “somewhat” more likely to hire new employees if adequate housing were available in the county. Despite the issues that housing can create for employers, it is noteworthy that the majority (81.8%) of the surveyed employers currently do not provide any type of housing assistance, and 63.6% would not consider providing such programs in the future. However, two of the employer respondents did note that they do currently offer some type of housing assistance and 27.3% of respondents would consider offering either rental security deposit assistance or housing counseling/placement services. Among various future

government housing programs and initiatives, employer respondents consider new housing development/redevelopment and renter/homebuyer assistance to be the most important. Overall, the consensus among area employers is that Lake County is most in need of entry level for-sale housing (below \$200,000) and affordable rental housing (under \$750/month). Among product types, it appears that employers consider single-family homes (both rental and for-sale) to be the most critical need in the area.

The following table summarizes the top employer responses to critical questions contained within this survey:

Lake County, Michigan Summary of Employer Survey Results		
Category	Top Needs / Issues	Consensus
Difficulty Attracting/Retaining Employees Due to Housing	<ul style="list-style-type: none"> • Yes • No • Unknown 	27.3% 27.3% 45.5%
Housing Issues for Employees	<ul style="list-style-type: none"> • Lack of Quality Housing • Unaffordable For-Sale Housing • Lack of Available Housing • Unaffordable Rental Housing 	63.6% 54.6% 36.4% 36.4%
Impacts for Employers	<ul style="list-style-type: none"> • Difficulty Attracting Employees • Difficulty Retaining Employees 	54.6% 36.4%
Effects of Adequate Housing Supply	<ul style="list-style-type: none"> • Somewhat/Much More Likely to Hire New Employees 	54.6%
Employer Housing Assistance	<ul style="list-style-type: none"> • Rental, Down Payment, Utility, and Home Repair Assistance • Do Not Currently Provide Housing Assistance to Employees 	18.2% 81.8%
Housing Assistance Program Consideration	<ul style="list-style-type: none"> • Rental Security Deposit Assistance • Housing Counseling/Placement Services • Would Not Consider Housing Assistance 	27.3% 27.3% 63.6%
Housing Program or Policy Importance	<ul style="list-style-type: none"> • New Housing Development/Redevelopment • Renter Assistance • Homebuyer Assistance • Development of More Public Housing 	81.8* 75.0* 70.5* 65.0*
Housing Needs by Price	<ul style="list-style-type: none"> • Entry Level/Workforce For-Sale Housing (Below \$200,000) • Affordable Rental Housing (Under \$750/month) • Moderate Market-Rate Rental Housing (\$750-\$1,250/month) 	90.9% 81.8% 45.5%
Housing Needs by Product Type	<ul style="list-style-type: none"> • Single-Family Homes (Owner) • Single-Family Homes (Rental) • Multifamily Apartments 	90.9% 81.8% 27.3%

*Denotes weighted score

D. RESIDENT/COMMUTER SURVEY RESULTS

A total of 175 individuals responded to the housing survey with the following results. Note that percentages may not add up to 100.0% due to rounding or because respondents were able to select more than one answer.

Current Housing Situation

Respondents were asked if they *live* in Lake County. A total of 175 respondents provided feedback to this question with the following results:

Respondents by Area of Residence		
Response	Number of Respondents	Share of Respondents
Yes (Resident of Lake County)	110	62.9%
No (Non-Resident)	65	37.1%

Respondents were asked to provide the ZIP code of their current residence. A total of 140 respondents provided feedback to this question with the following distribution:

Respondents by ZIP Code (City/County)		
Response	Number of Respondents	Share of Respondents
49304 (Baldwin/Lake)	43	30.7%
49309 (Bitely/Newaygo)	10	7.1%
49677 (Reed City/Osceola)	10	7.1%
49644 (Irons/Lake)	9	6.4%
49656 (Luther/Lake)	8	5.7%
49402 (Branch/Mason)	6	4.3%
49642 (Idlewild/Lake)	6	4.3%
49431 (Ludington/Mason)	5	3.6%
49307 (Big Rapids/Mecosta)	4	2.9%
49655 (Leroy/Osceola)	4	2.9%
All Others	35	25.0%

Resident respondents were asked if they work in Lake County. A total of 109 resident respondents provided feedback to this question with the following results:

Resident Respondents by Area of Employment		
Response	Number of Respondents	Share of Respondents
Yes (Work in Lake County)	75	68.8%
No (Work Outside Lake County)	34	31.2%

Non-resident respondents were asked if they commute to Lake County for work. A total of 65 non-resident respondents answered this question with the following distribution:

Non-Resident Respondents by Commuting Status		
Response	Number of Respondents	Share of Respondents
Yes (Commute to Lake County)	60	59.9%
No (Do Not Commute to Lake County)	5	40.1%

Respondents were asked to estimate their typical commute to work (one way). A total of 139 respondents (74 residents and 60 non-resident commuters) responded to this question with the following distribution:

Commute Time by Residency and Commuter Status							
Residency/Commuter Status		Commute Time					Work From Home
		<15 Minutes	15-30 Minutes	31-45 Minutes	46-60 Minutes	Over 1 Hour	
Lake County Resident/ Work in Lake County	Number	52	18	2	0	0	2
	Share	70.3%	24.3%	2.7%	0.0%	0.0%	2.7%
Non-Resident/ Work in Lake County	Number	7	21	18	9	5	0
	Share	11.7%	35.0%	30.0%	15.0%	8.3%	0.0%

Respondents were asked if they rent or own their place of residence. A total of 114 respondents (58 residents and 56 non-resident commuters) answered this question with the following distribution:

Respondents by Tenure				
Tenure	Lake County Residents		Non-Resident Commuters	
	Number of Respondents	Share of Respondents	Number of Respondents	Share of Respondents
Rent	4	6.9%	7	12.5%
Own	51	87.9%	44	78.6%
I'm a caretaker and do not pay rent	1	1.7%	1	1.8%
I live with family and/or friends	0	0.0%	1	1.8%
Other	2	3.4%	3	5.4%
Total	58	100.0%	56	100.0%

Respondents were asked to choose the type of structure that best describes their current residence. A total of 113 respondents (57 residents and 56 non-resident commuters) provided feedback to this question with the following distribution:

Respondents by Residence Type				
Housing Structure	Lake County Residents		Non-Resident Commuters	
	Number of Respondents	Share of Respondents	Number of Respondents	Share of Respondents
Apartment Building	2	3.5%	2	3.6%
Mobile Home	4	7.0%	2	3.6%
Room Rental	0	0.0%	1	1.8%
Single-Family Home	50	87.7%	50	89.3%
Other	1	1.8%	1	1.8%
Total	57	100.0%	56	100.0%

Respondents were asked how many people (including themselves) lived in their current home. A total of 113 respondents (57 residents and 56 non-resident commuters) gave answers to the question with the following distribution:

Respondents by Household Size				
Household Size	Lake County Residents		Non-Resident Commuters	
	Number of Respondents	Share of Respondents	Number of Respondents	Share of Respondents
1-Person	13	22.8%	4	7.1%
2-Person	25	43.9%	22	39.3%
3-Person	7	12.3%	15	26.8%
4-Person	7	12.3%	11	19.6%
5+-Person	5	8.8%	4	7.1%
Total	57	100.0%	56	100.0%

Respondents were asked to approximate their total monthly housing expenses (including rent/mortgage costs, utilities, taxes, insurance, etc.). A total of 112 respondents (57 residents and 55 non-resident commuters) provided insight to this question with the following distribution:

Respondents by Monthly Housing Expenses				
Total Monthly Housing Expenses	Lake County Residents		Non-Resident Commuters	
	Number of Respondents	Share of Respondents	Number of Respondents	Share of Respondents
No Expense	0	0.0%	1	1.8%
Below \$500	10	17.5%	4	7.3%
\$500 - \$749	5	8.8%	3	5.5%
\$750 - \$999	11	19.3%	10	18.2%
\$1,000 - \$1,249	5	8.8%	8	14.5%
\$1,250 - \$1,499	9	15.8%	9	16.4%
\$1,500 or Higher	17	29.8%	20	36.4%
Total	57	100.0%	55	100.0%

A list of common housing issues was provided and respondents were asked to specify whether they have experienced, or are currently experiencing, any of the issues as they relate to their place of residence. A total of 106 respondents (54 residents and 52 non-resident commuters) provided feedback to this question with the following distribution.

Housing Issues Experienced				
Housing Issue	Lake County Residents		Non-Resident Commuters	
	Number of Respondents	Share of Respondents	Number of Respondents	Share of Respondents
Paying More Than 30% of Income Toward Housing Cost	13	24.1%	11	21.2%
Substandard Housing (I Couldn't Afford to Maintain)	5	9.3%	0	0.0%
Insufficient Deposit/Down Payment	3	5.6%	7	13.5%
Had to Move in with Family and/or Friends	2	3.7%	4	7.7%
Credit Score Too Low for Lease/Mortgage	2	3.7%	6	11.5%
Overcrowded Housing	1	1.9%	1	1.9%
Substandard Housing (Landlord Did Not Maintain)	1	1.9%	1	1.9%
Expiring Lease/Eviction	0	0.0%	2	3.8%
Housing/Lending Discrimination	0	0.0%	1	1.9%
Homelessness	1	1.9%	1	1.9%
None	34	63.0%	35	67.3%

Current Housing Market

Respondents were asked how they would describe the overall housing market in Lake County. A total of 98 respondents provided feedback to this question with the following distribution:

Overall Housing Market Rating		
Rating	Number of Respondents	Share of Respondents
Good, No Issues	4	4.1%
Fair, Some Issues	15	15.3%
Poor, Many Issues	54	55.1%
No Opinion	25	25.5%

Respondents were asked to identify the top three issues that negatively impact the local housing market. Respondents could select issues from a list and/or provide an open-ended response. A total of 103 respondents provided feedback to this question. The following table illustrates the top issues cited by respondents:

Issues Negatively Impacting the Local Housing Market		
Issue	Number of Respondents	Share of Respondents
Neglected/Blighted Properties/Neighborhood (Poor Condition)	46	44.7%
Not Enough Housing/Rental Options (Few Vacancies)	46	44.7%
High Prices or Rents	33	32.0%
Owners Unable to Afford Home Maintenance/Upkeep	31	30.1%
Mismatch Between Local Jobs/Wages and Housing Costs	23	22.3%
Lack of Jobs	19	18.5%
Housing Being Converted to Short-Term/Vacation Rentals	13	12.6%
Inconvenient/Lack of Community Services (Healthcare, Pharmacies, Shopping, Etc.)	9	8.7%
Lack of Quality Schools	9	8.7%
Excessive/Rising Utility Costs	8	7.8%

Respondents were also given an opportunity to provide open-ended feedback to the previous question. A total of seven respondents provided feedback related to issues negatively impacting the local housing market. Topics cited by respondents included *the prevalence of drug use in certain neighborhoods, presence of lead in old plumbing systems, lack of support for working parents, lack of good paying jobs, lack of high-speed internet service, and overall cleanliness around major roadways.*

Respondents were asked if they believe it is difficult to find suitable housing in Lake County. A total of 102 respondents provided feedback to this question with the following distribution:

Difficult to Find Suitable Housing		
Response	Number of Respondents	Share of Respondents
Yes	55	53.9%
Somewhat	28	27.5%
No	7	6.9%
Don't Know	12	11.8%

Respondents that answered “Yes” or “Somewhat” to the previous question were asked why they believe it is difficult to find suitable housing in the county. A total of 84 respondents provided feedback to this question with the following results:

Reasons for Difficulty in Finding Suitable Housing		
Reason	Number of Respondents	Share of Respondents
Not Enough Housing (Limited Availability)	53	63.1%
Poor Quality of Housing	44	52.4%
Housing Not Affordable	42	50.0%
Lack of Housing to Meet Specific Needs (such as number of bedrooms)	35	41.7%
Lack of Down Payment or Rental Deposit	31	36.9%
Undesirable Location/Neighborhood	28	33.3%
Age of Housing (too old)	26	31.0%
Previous Record of Felony/Incarceration/Eviction	16	19.1%
Landlords Not Accepting Housing Choice Vouchers	15	17.9%
Lack of Advertising/Resources to Find Available Housing	11	13.1%
Other	6	7.1%
Discrimination	5	6.0%

Respondents were asked to rate the degree of need (high need, minimal need, or no need) for certain *housing types* in Lake County. A total of 94 respondents provided insight to this question. The following table provides a *weighted* summary of respondent feedback.

Degree of Need for Housing Types			
Housing Type	Weighted Score*	Housing Type	Weighted Score*
Family Housing (2+ Bedrooms)	85.8	Senior Condominiums (For-Sale Housing)	54.7
For-Sale Housing (Less than \$100,000)	83.7	Single-Person (Studio/One-Bedroom)	54.5
Rental Housing (Less than \$500/month)	81.3	For-Sale Housing (\$100,000-\$200,000)	51.8
Senior Apartments (Independent Living)	75.0	Communal Housing (Shared Living Space)	29.5
Housing for Ages 25-40	74.1	Rental Housing (\$1,001-\$1,500/month)	29.0
Rentals that Accept Housing Choice Vouchers	73.8	For-Sale Housing (\$201,000-\$300,000)	19.6
Senior Care Facilities (Assisted Living/Nursing Care)	71.1	Rental Housing (Over \$1,500/month)	13.8
Rental Housing (\$500-\$1,000/month)	70.5	For-Sale Housing (Over \$300,000)	12.2

*High Need = 100.0, Minimal Need = 25.0, No Need = 0.0

Respondents were asked to rate the degree of need (high need, minimal need, or no need) for certain *housing styles* in Lake County. A total of 90 respondents provided feedback to this question. The following table provides a *weighted* distribution of respondent feedback.

Degree of Need for Housing Styles	
Housing Style	Weighted Score*
Modern Move-In Ready Single-Family Homes	78.8
Ranch Homes/Single Floor Plan Units	78.5
Apartments	72.6
Duplex/Triplex/Townhomes	69.3
Low Cost Fixer-Uppers (Single-Family Homes)	66.7
Condominiums	43.4
Single-Room Occupancy (SRO)	42.5
Accessory Dwelling Unit (Above Garage, Income Suite, Etc.)	35.6

*High Need = 100.0, Minimal Need = 25.0, No Need = 0.0

Respondents were asked what they believe is the most significant housing issue in Lake County today. A total of 70 respondents provided insight through an open-ended response. While the most common issues cited by respondents were *general availability, affordability, the poor quality and age of many homes, neighborhood blight, and the mismatch of wages and housing costs*, some respondents also noted the *need for additional housing for specific populations (large families, low-income households, households with children present, and seniors), high taxes and rising utility costs, investors purchasing available properties, and the conversion of housing to short-term rentals.*

Respondents were asked to share additional comments and concerns about housing in Lake County. A total of 22 respondents provided additional feedback. While many of the respondents reaffirmed the presence of blight and/or lack of affordable housing, a number of respondents specifically cited the *quality of rentals and lack of code enforcement for these units* as a primary issue. Other respondents noted the *quality of schools (inability to pass school levy in the area), the lack of rural internet and cellular service, the abundance of Airbnb rentals, and the need to develop mobile home/manufactured home parks in the area.*

Respondents that do not currently live in Lake County were asked if they have any interest in living in Lake County, should housing be available. A total of 49 non-residents responded to the question with the following distribution:

Level of Interest for Residing in Lake County (Non-Resident Respondents)		
Interested in Relocating	Number of Respondents	Share of Respondents
Yes	10	20.4%
No	39	79.6%
Total	49	100.0%

Non-resident respondents that indicated an interest in relocating to Lake County were asked what style of housing they would be interested in living in within Lake County. The following summarizes the distribution of responses:

Preferred Housing Style (Non-Resident Respondents Interested in Relocating to Lake County)	
Housing Style	Share of Respondents
Modern, Move-In Ready Single-Family Home	72.7%
Ranch Homes or Single Floor Plan Unit	72.7%
Low-Cost Fixer-Upper	36.4%
Duplex/Triplex/Townhome	27.3%
Apartment	18.2%
Condominium	18.2%

Non-resident respondents that indicated an interest in relocating to Lake County were asked how many bedrooms they would require if they were to live in Lake County. The following summarizes the distribution of responses:

Number of Bedrooms Required (Non-Resident Respondents Interested in Relocating to Lake County)	
Bedroom Type	Share of Respondents
Studio	0.0%
One-Bedroom	0.0%
Two-Bedroom	27.3%
Three-Bedroom	36.4%
Four-Bedroom+	36.4%

Non-resident respondents that indicated an interest in relocating to Lake County were asked how much they would be willing to pay per month (including utility costs) to live in Lake County. The following summarizes the distribution of responses:

Housing Cost Willing to Pay (Non-Resident Respondents Interested in Relocating to Lake County)	
Housing Cost	Share of Respondents
No Expense	0.0%
Up to \$500	0.0%
\$501 - \$750	9.1%
\$751 - \$1,000	18.2%
\$1,001 - \$1,250	0.0%
\$1,251 - \$1,500	45.5%
\$1,501 - \$2,000	18.2%
Over \$2,000	9.1%

Non-resident respondents were asked if there was anything, besides housing, that could be addressed that would increase the likelihood that they would move to Lake County. One respondent noted *better schools, more employment opportunities, and more convenient shopping*.

Demographic Distribution

Respondents were asked to provide their age. A total of 99 respondents provided answers to this question. The distribution of responses is illustrated in the following table.

Survey Respondent Age Distribution		
Age Range	Number of Respondents	Share of Respondents
17 years or younger	0	0.0%
18 to 22 years	0	0.0%
23 to 29 years	7	7.1%
30 to 39 years	16	16.2%
40 to 49 years	16	16.2%
50 to 59 years	27	27.3%
60 to 75 years	30	30.3%
76 years or older	2	2.0%
Prefer Not to Answer	1	1.0%

Respondents were asked to provide their ethnicity. A total of 98 respondents provided feedback to this question with the following distribution of responses.

Survey Respondent Ethnicity Distribution		
Ethnicity	Number of Respondents	Share of Respondents
American Indian/Alaskan Native	0	0.0%
Asian/Pacific Islander	3	3.1%
Black/African American	9	9.2%
Hispanic/Latino	2	2.0%
White/Caucasian	71	72.5%
Prefer Not to Answer	8	8.2%
Other	5	5.1%

Respondents were asked to provide the estimated gross annual income of all residents living in their household. A total of 97 respondents provided feedback to this question with the following distribution:

Survey Respondent Income Distribution		
Income Range	Number of Respondents	Share of Respondents
Less than \$15,000	3	3.1%
\$15,000-\$24,999	3	3.1%
\$25,000-\$39,999	18	18.6%
\$40,000-\$59,999	15	15.5%
\$60,000-\$74,999	12	12.4%
\$75,000-\$99,999	11	11.3%
\$100,000-\$149,999	12	12.4%
\$150,000-\$199,999	9	9.3%
\$200,000 or more	6	6.2%
Prefer Not to Answer	8	8.3%

Resident/Commuter Survey Conclusions

Based on the feedback provided by Lake County residents, the most common housing issues experienced by residents include housing cost burden (paying more than 30% of income toward housing costs), substandard housing (owner cannot afford to maintain), and insufficient deposits or down payments. Over one-half (55.1%) of respondents rated the current housing market as poor, and most commonly attributed neglected or blighted properties and the lack of availability as issues that negatively impact the market. Approximately 81.4% of respondents believe it is at least “somewhat” difficult to locate suitable housing in the county, and attributed limited availability, poor quality, affordability, and the lack of housing to meet specific needs as the most common reasons for this difficulty. Respondents indicated a variety of housing types as being highly needed in the county, which included family housing (two or more bedrooms), affordable for-sale and rental housing (less than \$100,000 or \$500 per month), and independent living apartments for seniors. Modern, move-in ready single-family homes, ranch style homes, and apartments were rated as the top styles needed within Lake County. Additionally, 20.4% of non-resident commuters would be interested in relocating to the county if suitable housing were available.

Resident/Commuter Summary

**Lake County, Michigan
Summary of Resident/Commuter Survey Results**

Category	Top Needs / Issues	Consensus
Housing Issues Experienced (Lake County Residents Only)	<ul style="list-style-type: none"> • Paying more than 30% of income toward housing costs • Substandard Housing (Owner Couldn't Afford to Maintain) • Insufficient Deposit/Down Payment 	<p>24.1%</p> <p>9.3%</p> <p>5.6%</p>
Overall Housing Market Rating	<ul style="list-style-type: none"> • Good, No Issues • Fair, Some Issues • Poor, Many Issues • No Opinion 	<p>4.1%</p> <p>15.3%</p> <p>55.1%</p> <p>25.5%</p>
Issues Negatively Impacting the Local Housing Market	<ul style="list-style-type: none"> • Neglected/Blighted Properties/Neighborhood (Poor Condition) • Not Enough Housing/Rental Options (Few Vacancies) • High Prices or Rents • Owners Unable to Afford Home Maintenance/Upkeep 	<p>44.7%</p> <p>44.7%</p> <p>32.0%</p> <p>30.1%</p>
Difficulty Locating Suitable Housing	<ul style="list-style-type: none"> • Yes • Somewhat 	<p>53.9%</p> <p>27.5%</p>
Reasons for Difficulty Locating Suitable Housing	<ul style="list-style-type: none"> • Not Enough Housing (Limited Availability) • Poor Quality of Housing • Housing Not Affordable • Lack of Housing to Meet Specific Needs (Such as Number of Bedrooms) 	<p>63.1%</p> <p>52.4%</p> <p>50.0%</p> <p>41.7%</p>
Degree of Need for Specific Housing Types	<ul style="list-style-type: none"> • Family Housing (2+ Bedrooms) • For-Sale Housing (Less than \$100,000) • Rental Housing (Less than \$500/Month) • Senior Apartments (Independent Living) 	<p>85.8*</p> <p>83.7*</p> <p>81.3*</p> <p>75.0*</p>
Degree of Need for Housing Styles	<ul style="list-style-type: none"> • Modern Move-In Ready Single-Family Homes • Ranch Homes/Single Floor Plan Units • Apartments • Duplex/Triplex/Townhomes • Low Cost Fixer-Uppers (Single-Family Homes) 	<p>78.8*</p> <p>78.5*</p> <p>72.6*</p> <p>69.3*</p> <p>66.7*</p>
Non-Residents Interested in Relocating to Lake County	<ul style="list-style-type: none"> • Yes 	<p>20.4%</p>

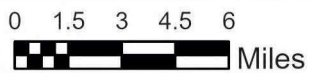
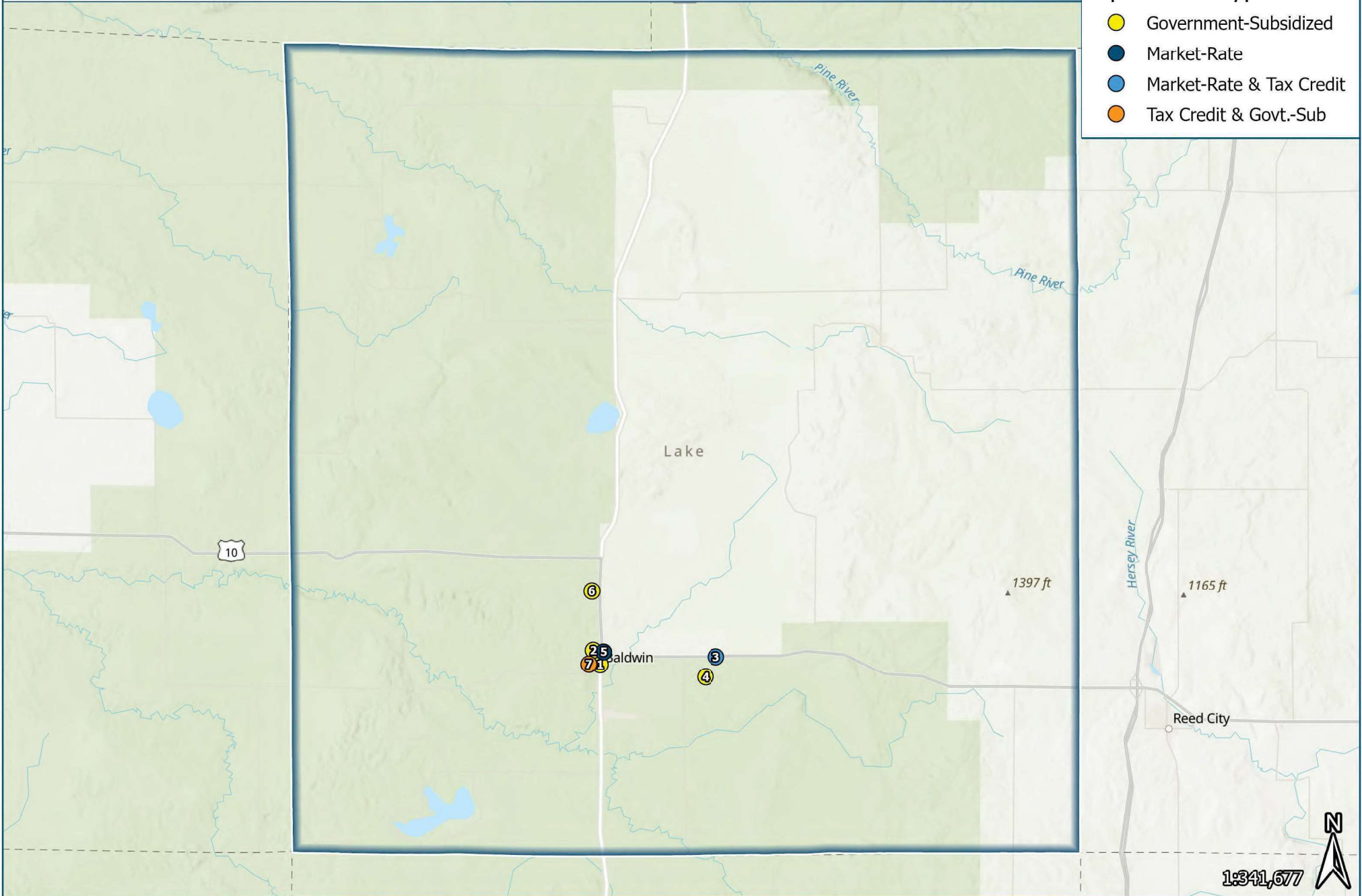
*Denotes weighted score

ADDENDUM A:
FIELD SURVEY OF
CONVENTIONAL RENTALS






PSA


Apartment Type


- Government-Subsidized
- Market-Rate
- Market-Rate & Tax Credit
- Tax Credit & Govt.-Sub





Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate
1	Baldwin Housing Commission (Family)	GSS	C+	1974	10	0	100.0%
2	Baldwin Housing Commission I - III (Senior)	GSS	B-	1974	76	0	100.0%
3	Duvernay Park	MRT	B+	2003	24	0	100.0%
4	Idlewild Gardens	GSS	B-	1981	23	0	100.0%
5	Majestic Pines	MRR	C	1990	72	0	100.0%
6	Oaks	GSS	B	2010	4	0	100.0%
7	Oakwood Manor	TGS	B	1980	32	0	100.0%


 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	


















1	Baldwin Housing Commission (Family) 1012 N. Beech St., Baldwin, MI 49304	Contact: Kathy Phone: (231) 745-7441
	Total Units: 10 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1974 BR: 3, 4 Vacant Units: 0 Waitlist: 36-48 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Public Housing; Scattered single family homes; Square footage estimated by mgr.	


2	Baldwin Housing Commission I - III (Senior) 105 Fournier Dr., Baldwin, MI 49304	Contact: Kathy Phone: (231) 745-7441
	Total Units: 76 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1974 BR: 1 Vacant Units: 0 Waitlist: 7 HH AR Year: Target Population: Senior 50+, Disabled Yr Renovated: Rent Special: None Notes: Public Housing; Phase II & III built in 1984; Phase III includes water, sewer, trash (28 units), lower rent for 28 units that tenants pay utilities	


3	Duvernay Park 1036 E. Duvernay Park Dr., Idlewild, MI 49642	Contact: Kelly Phone: (231) 745-3578
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2003 BR: 2, 3 Vacant Units: 0 Waitlist: 70 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Market-rate (5 units); Tax Credit (19units); HOME Funds (11 units)	


















4	Idlewild Gardens 723 E. Lansing, Idlewild, MI 49642	Contact: Audry Phone: (231) 745-2262
	Total Units: 23 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1981 BR: 1, 2 Vacant Units: 0 Waitlist: 5 HH AR Year: Target Population: Senior 62+, Disabled Yr Renovated: 2004 Rent Special: None Notes: HUD Section 8; RD 515, no RA; 2-br have washer/dryer hookups	

5	Majestic Pines 670 Kahlil Dr., Baldwin, MI 49304	Contact: Ken Phone: (231) 745-7691
	Total Units: 72 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1990 BR: 1, 2 Vacant Units: 0 Waitlist: 25 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: HCV (43 units); Phase II built in 1996; Former Tax Credit property; Number of HCV holders estimated by manager (approx. 60% of units).	

 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	

6	Oaks 2271 W 32nd St, Baldwin, MI 49304	Contact: Debra Kelly Phone: (616) 293-3632
		
Total Units: 4 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2010 BR: 3 Vacant Units: 0 Waitlist: Yes AR Year: Target Population: Homeless, Permanent Supportive Housing, Other Yr Renovated: Rent Special: None Notes:		

7	Oakwood Manor 401 Washington St., Baldwin, MI 49304	Contact: Audry Phone: (231) 745-2582
		
Total Units: 32 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1980 BR: 1, 2 Vacant Units: 0 Waitlist: 15 HH AR Year: Target Population: Senior 62+, Disabled Yr Renovated: 2003 Rent Special: None Notes: 60% AMHI; RD 515, has RA (31 units); Transportation, home health care & available; Meals-on-Wheels site Monday-Friday		

 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	

ADDENDUM B:
NON-CONVENTIONAL RENTAL SURVEY

Address	City	Type	Price	Square Feet	Price Per Square Foot	Bed	Bath	Year Built	Source
10437 N Parkway Street	Irons	Single-Family	\$1,100	960	\$1.15	2	1.0	1973	Zillow
King Point Road	Irons	Single-Family	\$1,440	2,300	\$0.63	3	3.0	-	Rentalsource
Cass Road	Baldwin	Single-Family	\$1,050	-	-	1	1.0	-	Rentalsource
North Bass Lake Road	Irons	Single-Family	\$649	1,350	\$0.48	2	1.0	-	Rentalsource

ADDENDUM C: QUALIFICATIONS

The Company

Bowen National Research employs an expert staff to ensure that each market study includes the highest standards. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has national experience and knowledge to assist in evaluating a variety of product types and markets.



Primary Contact and Report Author

Patrick Bowen, President of Bowen National Research, has conducted numerous housing needs assessments and provided consulting services to city, county and state development entities as it relates to residential development, including affordable and market-rate housing, for both rental and for-sale housing, and retail development opportunities. He has also prepared and supervised thousands of market feasibility studies for all types of real estate products, including housing, retail, office, industrial and mixed-use developments, since 1996. Mr. Bowen has worked closely with many state and federal housing agencies to assist

them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida and currently serves as Vice Chair and Trustee of the National Council of Housing Market Analysts (NCHMA).

Housing Needs Assessment Experience		
Location	Client	Completion Year
Dublin, GA	City of Dublin Purchasing Departments	2018
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2018
Beaufort County, SC	Beaufort County	2018
Burke County, NC	Burke County Board of REALTORS	2018
Ottawa County, MI	HOUSING NEXT	2018
Bowling Green, KY	City of Bowling Green Kentucky	2019
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2019
Zanesville, OH	City of Zanesville Department of Community Development	2019
Buncombe County, NC	City of Asheville Community and Economic Development Department	2019
Cleveland County, NC	Cleveland County Government	2019
Frankstown Twp., PA	Woda Cooper Companies, Inc.	2019
Taylor County, WV	Taylor County Development Authority	2019
Lac Courte Oreilles Reservation, WI	Lac Courte Oreilles Ojibwa Community College	2019
Owensboro, KY	City of Owensboro	2019
Asheville, NC	City of Asheville Community and Economic Development Department	2020

(continued)

Housing Needs Assessment Experience		
Location	Client	Completion Year
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2020
Youngstown, OH	Youngstown Neighborhood Development Corporation (YNDC)	2020
Richlands, VA	Town of Richlands, Virginia	2020
Elkin, NC	Elkin Economic Development Department	2020
Grand Rapids, MI	Grand Rapids Area Chamber of Commerce	2020
Morgantown, WV	City of Morgantown	2020
Erwin, TN	Unicoi County Economic Development Board	2020
Ferrum, VA	County of Franklin (Virginia)	2020
Charleston, WV	Charleston Area Alliance	2020
Wilkes County, NC	Wilkes Economic Development Corporation	2020
Oxford, OH	City of Oxford - Community Development Department	2020
New Hanover County, NC	New Hanover County Finance Department	2020
Ann Arbor, MI	Smith Group, Inc.	2020
Austin, IN	Austin Redevelopment Commission	2020
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2021
Giddings, TX	Giddings Economic Development Corporation	2021
Georgetown County, SC	Georgetown County	2021
Western North Carolina (18 Counties)	Dogwood Health Trust	2021
Carteret County, NC	Carteret County Economic Development Foundation	2021
Ottawa County, MI	HOUSING NEXT	2021
Dayton, OH	Miami Valley Nonprofit Housing Collaborative	2021
High Country, NC (4 Counties)	NC REALTORS	2022
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2022
Barren County, KY	The Barren County Economic Authority	2022
Kirksville, MO	City of Kirksville	2022
Rutherfordton, NC	Town of Rutherfordton	2022
Spindale, NC	Town of Spindale	2022
Wood County, WV	Wood County Development Authority & Parkersburg-Wood County Area Development Corporation	2022
Yancey County, NC	Yancey County	2022
Cherokee County, NC	Economic and Workforce Development, Tri-County Community College	2022
Rowan County, KY	Morehead-Rowan County Economic Development Council	2022
Avery County, NC	Avery County	2022
Muskegon, MI	City of Muskegon	2023
Firelands Region, OH	Firelands Forward	2023
Marshall County, WV	Marshall County Commission	2023
Lebanon County, PA	Lebanon County Coalition to End Homelessness	2023
Northern, MI	Housing North	2023
Muskegon County, MI	Community Foundation for Muskegon County	2023
Mason County, MI	Mason County Chamber Alliance	2023
Oceana County, MI	Dogwood Community Development	2023
Allegan County, MI	Allegan County Community Foundation	2023
Bowling Green, KY	City of Bowling Green	2023
Fayette County, PA	Fay-Penn Economic Development Council	2023
Tarboro, NC	Town of Tarboro	2023
Southwest Region, WV (10 Counties)	Advantage Valley	2023

The following individuals provided research and analysis assistance:

Christopher Bunch, Market Analyst, has more than a decade of experience in conducting both site-specific market feasibility studies and broader housing needs assessments. He has conducted on-site market research of a variety of housing product, conducted stakeholder interviews and completed specialized research on housing market attributes including the impact of military personnel, heirs and estates and other unique factors that impact housing needs.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. Ms. Johnson also coordinates and oversees research staff and activities. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Pat McDavid, Research Specialist, has conducted housing research for housing needs assessments completed throughout the country. Additionally, he is experienced in analyzing demographic and economic data in rural, suburban and metropolitan communities. Mr. McDavid has been a part of the development of market strategies, operational and fiscal performance analysis, and commercial, industrial and government (local, state, and federal) client consultation within the construction and manufacturing industries. He holds a bachelor's degree in Secondary Earth Science from Western Governors University.

Jody LaCava, Research Specialist, has nearly a decade of real estate research experience. She has extensive experience in surveying a variety of housing alternatives, including rental, for-sale, and senior housing. She has experience in conducting on-site research of real estate, evaluating existing housing properties, conducting interviews, and evaluating community services. She has been involved in industry leading case studies, door-to-door resident surveys and special needs housing research.

In-House Researchers – Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices and chambers of commerce, housing authorities and residents.

No subconsultants were used as part of this assessment.

ADDENDUM D: GLOSSARY

Various key terms associated with issues and topics evaluated in this report are used throughout this document. The following provides a summary of the definitions for these key terms. It is important to note that the definitions cited below include the source of the definition, when applicable. Those definitions that were not cited originated from the National Council of Housing Market Analysts (NCHMA).

Area Median Household Income (AMHI) is the median income for families in metropolitan and non-metropolitan areas, used to calculate income limits for eligibility in a variety of housing programs. HUD estimates the median family income for an area in the current year and adjusts that amount for different family sizes so that family incomes may be expressed as a percentage of the area median income. For example, a family's income may equal 80% of the area median income, a common maximum income level for participation in HUD programs. (Bowen National Research, Various Sources)

Available rental housing is any rental product that is currently available for rent. This includes any units identified through Bowen National Research survey of affordable rental properties identified in the study areas, published listings of available rentals, and rentals disclosed by local realtors or management companies.

Basic Rent is the minimum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and the HUD Section 223 (d) (3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Contract Rent is (1) the actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease (HUD & RD) or (2) the monthly rent agreed to between a tenant and a landlord (Census).

Cost overburdened households are households that pay more than 30% or 35% (depending upon source) of their annual household income toward housing costs. Typically, such households will choose a comparable property (including new affordable housing product) if it is less of a cost burden.

Elderly Person is a person who is at least 62 years of age as defined by HUD.

Elderly or Senior Housing is housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely low-income is a person or household with income below 30% of Area Median Income adjusted for household size.

Fair Market Rent (FMR) are the estimates established by HUD of the gross rents (contract rent plus tenant paid utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally sets FMR so that 40% of the rental units have rents below the FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Frail Elderly is a person who is at least 62 years of age and is unable to perform at least three “activities of daily living” comprising of eating, bathing, grooming, dressing or home management activities as defined by HUD.

Garden apartments are apartments in low-rise buildings (typically two to four stories) that feature low density, ample open space around buildings, and on-site parking.

Gross Rent is the monthly housing cost to a tenant which equals the Contract Rent provided for in the lease plus the estimated cost of all tenant paid utilities.

Household is one or more people who occupy a housing unit as their usual place of residence.

Housing Choice Voucher (Section 8 Program) is a federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenant’s contribution of 30% of adjusted gross income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenant’s income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing unit is a house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

HUD Section 8 Program is a federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenants’ adjusted income.

HUD Section 202 Program is a federal program, which provides direct capital assistance (i.e., grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of the Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

HUD Section 236 Program is a federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of Area Median Income who pay rent equal to the greater of Basic Rent or 30% of their adjusted income. All rents are capped at a HUD approved market rent.

HUD Section 811 Program is a federal program, which provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization.

Income Limits are the Maximum Household Income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income (AMI) for the purpose of establishing an upper limit for eligibility for a specific housing program. Income Limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI.

Low-Income Household is a person or household with gross household income between 50% and 80% of Area Median Income adjusted for household size.

Low-Income Housing Tax Credit is a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 80% or less of Area Median Income, and that the rents on these units be restricted accordingly.

Market vacancy rate (physical) is the average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage. Bowen National Research considers only these vacant units in its rental housing survey.

Mixed income property is an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e., low-income Tax Credit property with income limits of 30%, 50% and 60%).

Moderate Income is a person or household with gross household income between 40% and 60% of Area Median Income adjusted for household size.

Multifamily are structures that contain more than two housing units.

New owner-occupied household growth within a market is a primary demand component for new for-sale housing. For the purposes of this analysis, we have evaluated growth between 2023 and 2028. The 2023 households by income level are based on ESRI estimates that account for 2020 Census counts of total households for each study area. The 2023 and 2028 estimates are also based on growth projections by income level by ESRI. The difference between the two household estimates represents the new owner-occupied households that are projected to be added to a study area between 2023 and 2028. These estimates of growth are provided by each income level and corresponding price point that can be afforded.

Non-Conventional Rentals are structures with four or fewer rental units.

Overcrowded housing is often considered housing units with 1.01 or more persons per room. These units are often occupied by multi-generational families or large families that are in need of more appropriately sized and affordable housing units. For the purposes of this analysis, we have used the share of overcrowded housing from the American Community Survey.

Pipeline housing is housing that is currently under construction or is planned or proposed for development. We identified pipeline housing during our telephone interviews with local and county planning departments and through a review of published listings from housing finance entities such as NCHFA, HUD and USDA.

Population trends are changes in population levels for a particular area over a specific period of time which is a function of the level of births, deaths, and net migration.

Potential support is the equivalent to the *housing gap* referenced in this report. The *housing gap* is the total demand from eligible households that live in certain housing conditions (described in Section VIII of this report) less the available or planned housing stock that was inventoried within each study area.

Project-based rent assistance is rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Public Housing or Low-Income Conventional Public Housing is a HUD program administered by local (or regional) Housing Authorities which serves Low- and Very Low-Income households with rent based on the same formula used for HUD Section 8 assistance.

Rent burden is gross rent divided by adjusted monthly household income.

Rent burdened households are households with rent burden above the level determined by the lender, investor, or public program to be an acceptable rent-to-income ratio.

Replacement of functionally obsolete housing is a demand consideration in most established markets. Given the limited development of new housing units in the study area, homebuyers are often limited to choosing from the established housing stock, much of which is considered old and/or often in disrepair and/or functionally obsolete. There are a variety of ways to measure functionally obsolete housing and to determine the number of units that should be replaced. For the purposes of this analysis, we have applied the highest share of any of the following three metrics: cost burdened households, units lacking complete plumbing facilities, and overcrowded units. This resulting housing replacement ratio is then applied to the existing (2023) owner-occupied housing stock to estimate the number of for-sale units that should be replaced in the study areas.

Restricted rent is the rent charged under the restrictions of a specific housing program or subsidy.

Single-Family Housing is a dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

Standard Condition: A housing unit that meets HUD's Section 8 Housing Quality Standards.

Subsidized Housing is housing that operates with a government subsidy often requiring tenants to pay up to 30% of their adjusted gross income toward rent and often limiting eligibility to households with incomes of up to 50% or 80% of the Area Median Household Income. (Bowen National Research)

Subsidy is monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's contract rent and the amount paid by the tenant toward rent.

Substandard housing is typically considered product that lacks complete indoor plumbing facilities. Such housing is often considered to be of such poor quality and in disrepair that it should be replaced. For the purposes of this analysis, we have used the share of households living in substandard housing from the American Community Survey.

Substandard conditions are housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Tenant is one who rents real property from another.

Tenant paid utilities are the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

Tenure is the distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House) is a single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called a row house.

Vacancy Rate – Economic Vacancy Rate (physical) is the maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

Very Low-Income Household is a person or household with gross household income between 30% and 50% of Area Median Income adjusted for household size.

Windshield Survey references an on-site observation of a physical property or area that considers only the perspective viewed from the "windshield" of a vehicle. Such a survey does not include interior inspections or evaluations of physical structures.