



A HOUSING NEEDS
ASSESEMNT FOR
GRAND TRAVESE
COUNTY, MICHIGAN

2009 UPDATE

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Prepared for:
Community Housing Choices Advisory Committee/
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I. Introduction

Community Research Services, LLC (CRS) has been tasked by the Community Housing Choices Advisory Committee to update and revise the 2003 Housing Needs Assessment for Grand Traverse County. The original report, completed by Community Research Group, LLC in December 2003, provided a snapshot of housing conditions from a demographic, economic, and housing supply standpoint, and included a series of recommendations for the improvement of the housing stock over the balance of the decade.

This update will provide revised demographic and economic information (particularly for time-sensitive estimates and projections), survey results from local employers regarding housing needs as they relate the workforce development, and comments regarding potential housing needs as reflected in the comments and suggestions of local leaders within the Grand Traverse area. The original report contained a series of family budget scenarios that highlight the region's housing affordability; this information will also be updated from 2003.

In addition, we have been tasked to provide more specific recommendations that are tied to local market conditions. Within this update we have divided Grand Traverse County into two separate markets – the Traverse City area and rural Grand Traverse County. It is anticipated that these more specific recommendations, in addition to the updated data, will provide a useful tool for strategic planning from an affordable housing standpoint on the part of all interested parties.

For some background information, the original 2003 report may be useful as a reference. For any direct correlations or estimates originally discussed within the 2003 report, this update will make specific reference to that data.

The original report was organized by recognizing simple housing demand and supply factors. In terms of demand, the first of three primary considerations was demographic trends, and included a study of Grand Traverse County's household trends. Population trends were also covered in this section, but are not as important to housing studies as trends in the number of households. This is because housing is consumed at the household level, and not generally by individuals (except in single-person households). The second influence on housing demand was identified as household income. This is an important factor because a household's income determines in large part the amount and type of housing it can afford. The third influence identified in the original report was the local and regional economy. This region of northern Michigan is strongly influenced by tourism, as well as select agricultural products, professional services, and retirement-oriented services.

After the demand side of the equation was investigated, the supply of housing in the county was studied, ranging from available affordable rental units to the price trends for homeownership alternatives. Additional supply-oriented factors included the age of the housing stock, the size of typical units, the division of tenure (owner vs. renter), price points, structure type, and other characteristics. It should be noted that much of the data for both the demand and supply characteristics was based on 2000 Census information,

and only select demographic and supply-side information was updated for this report. Some of the 2000 Census information will be reiterated within this update; the balance of data can be referenced within the original 2003 document.

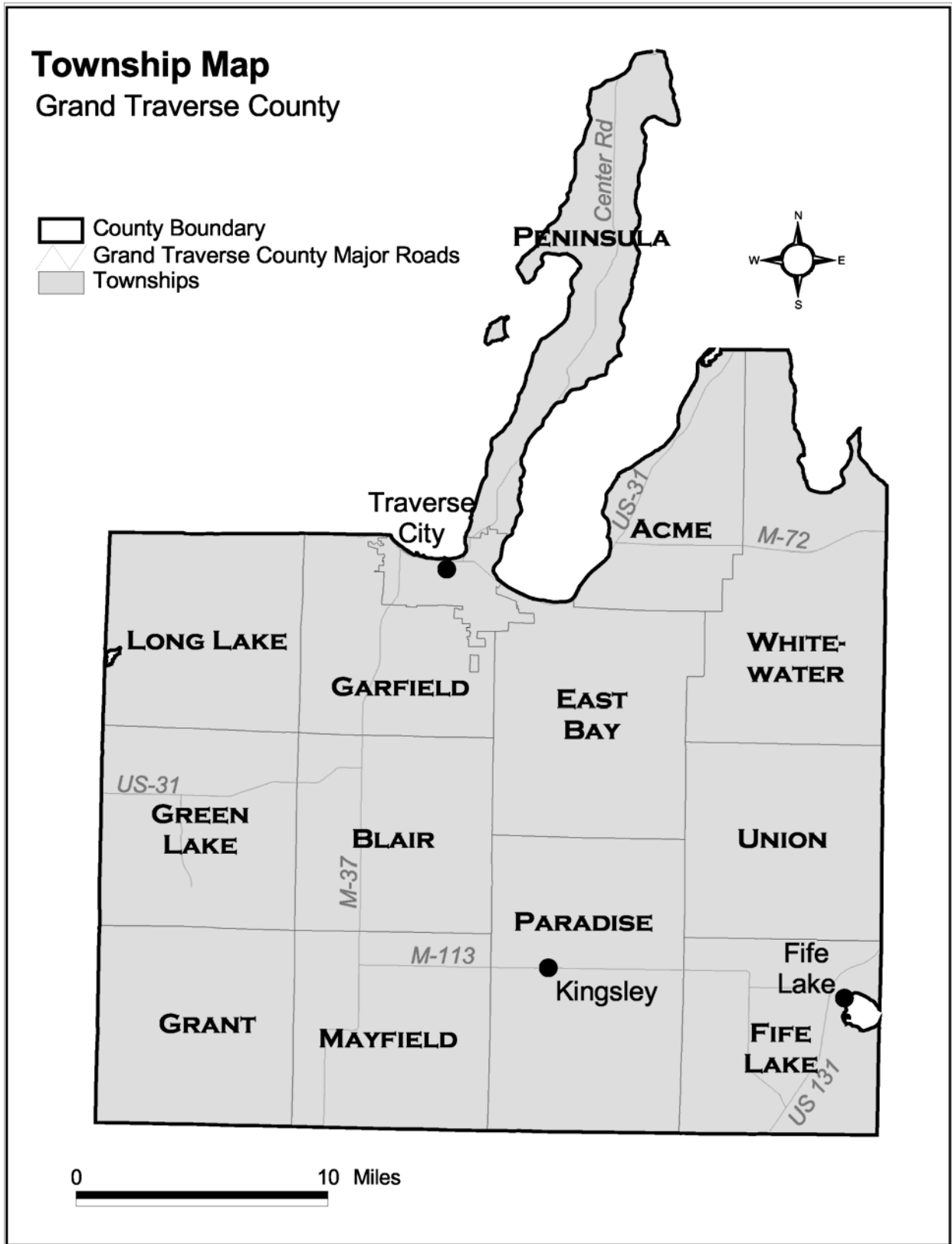
To illustrate the incomes needed to buy certain types of shelter in Grand Traverse County, a set of seven scenarios were developed within the 2003 report, taking a different family type with a different level of income, and determines how much shelter they can afford given other costs that they must meet (food, clothing, health expenditures, childcare, etc). This information and analysis has been updated to 2009, and included within this analysis.

A summary of the employers' survey of housing needs, as well as the interviews of local community leaders will also be included. This analysis will conclude with an update of recommendations from the 2003 report, in addition to specific recommendations for each sub-market identified within Grand Traverse County.

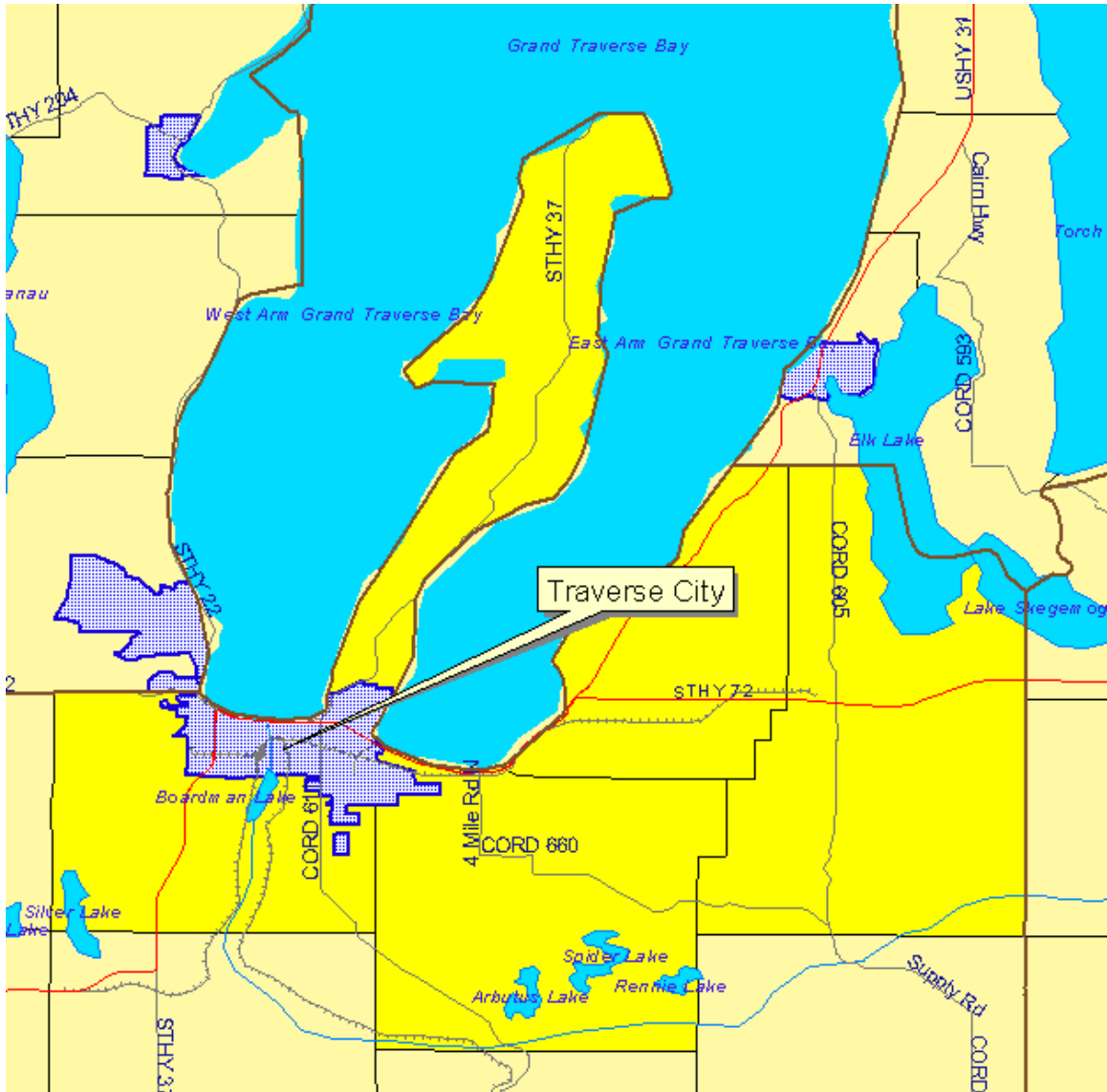
Please note the following:

- Claritas to ESRI – Community Research Services utilizes ESRI for demographic projections. The original report contained projections from Claritas. Both firms are considered leading sources of demographic data within the industry. The choice of utilizing ESRI was made in 2005 by CRS personnel due to product-related issues, as well as methodology preferences in favor of ESRI regarding demographic estimates and projections for small-sized communities. In any case, both organizations are highly regarded, and no unwarranted variations in population or household projections have been discovered. Most Claritas information has been replaced by ESRI, with the exception of some maps and tables that help illustrate key information within the analysis.
- Sub-Market definitions – as a part of the update, Community Research Services has provided separate sub-market areas within the county, to provide more specific information, analysis, and recommendations for individual communities. Much of the original report provided either countywide information or data at the township/city level. Data within the update will be included at the sub-market level, in addition to primary cities/villages, and county data. The two sub-market areas are illustrated within the following pages.

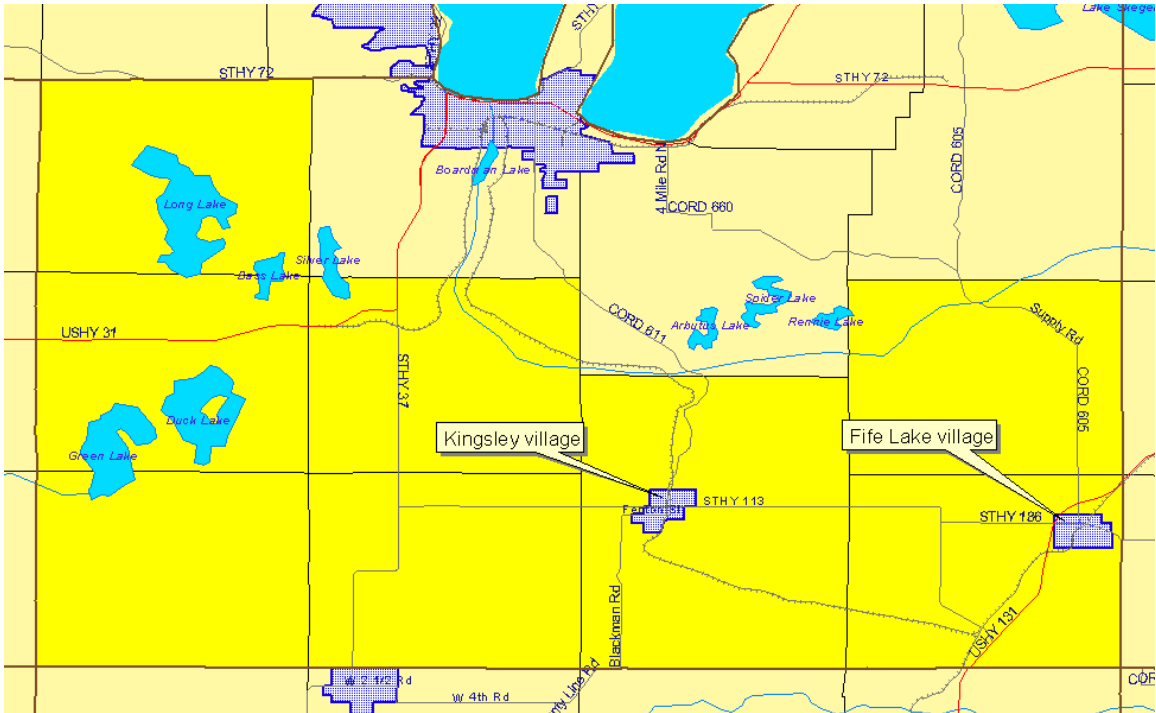
Map 1: Townships in Grand Traverse County



Map 2: Traverse City Sub-Market



Map 3: Rural Grand Traverse Sub-Market



II. Components of Housing Demand

Population Trends

As of the 2000 Census, a total of 77,654 persons resided in Grand Traverse County. This reflects growth of 21.0% from its 1990 population of 64,273. During the same period, the State of Michigan grew by about one-quarter of that rate, increasing from 9,295,297 to 9,938,444.

Most of the county's population is concentrated within the Traverse City area, which we identified as a separate sub-market, which includes Traverse City, Garfield Township, East Bay Township, Peninsula Township, Acme Township, and Whitewater Township. The balance of the county is grouped within a separate sub-market (Rural Grand Traverse).

Table One provides overall population trends for both sub-markets, as well as Traverse City, Kingsley Village, and Grand Traverse County. While it is true that the majority of employment, services, and other destination points are within Traverse City and the Traverse City Sub-Market, the strongest growth patterns are projected within the more rural areas of the county. By 2013, the rural sub-market will contain over 34,000 persons, representing a gain of nearly 25% from 2000. By comparison, Traverse City is projected to increase by over nine percent during the same period, to a total of 15,900 persons. Available land, affordability, and strong quality of life characteristics are all likely reasons for this trend, in addition to limited development options within the city itself.

Figure 1 shows population growth rates by township between 1990 and 2003. Overall, the county gained at least 32% more residents. Four townships in the county (Mayfield, Green Lake, Union and Paradise) increased in population by more than 50% during that period. In addition, the more heavily populated areas around Traverse City also grew by large amounts; Garfield Township's residents increased in number by 44%, while Acme Township grew by about 33%. The only jurisdiction to lose population was Traverse City itself; with a slight decline, primarily during the 1990s.

These trends are quite positive, particularly in light of the current economic climate and the population trends and projections for most other similarly sized communities within Michigan, in which significant population losses are anticipated into the next decade. An additional positive attribute of the region is the positive growth trends within key age segments, as illustrated within Table Two. As indicated within the table, significant gains in older age cohorts are projected by 2013, reflecting significant aging in place as well as migration from other parts of the state and region, either as a retirement destination or a work-related relocation. According to ESRI projections, the senior age cohort (age 65 and older), will experience significant gains within all geographic levels, ranging from a 33% increase within Traverse City (from 2000 levels) to a 49% gain within Kingsley. Overall, the senior age cohort is projected to grow by more than 37% countywide from 2000 to 2013.

The strongest age cohort has historically been the “young adult” segment (age 20 to 44). During the 1990s this segment represented the bulk of the post-war “Baby Boom” generation, and was by far the most influential segment from an economic and demographic standpoint. As this segment ages into the older adult cohort (age 45 to 64), the most encouraging trend is continued growth within the non-adult segment (age 20 and below) as well as the young adult segment. As demonstrated in Table Two, with the exception of the non-adult segment within Traverse City proper, all the non-adult and young adult segments are projected to increase into 2013, with the most notable gain anticipated within the Traverse City Sub-Market among young adults, with a projected increase in population of over 13%.

In light of the current economic climate within Michigan and across the nation, such trends are only possible within a community that features a great deal of positive characteristics. Unfortunately, this may also lead to continued affordability issues for low and moderate-income households, which has been identified in the past as a primary issue in terms of providing affordable housing for all income segments.

Table 1: Population Trends, 1990 to 2013

	City of Traverse City	Village of Kingsley	Rural Gd. Trav. Sub-Market	Traverse City Sub-Market	Grand Traverse County
1990 Population	15,155	738	20,722	43,551	64,273
2000 Population	14,532	1,469	27,448	50,206	77,654
Percent Change (1990-2000)	-4.1%	99.1%	32.5%	15.3%	20.8%
2008 Population Estimate	15,374	1,767	31,635	57,101	88,737
Percent Change (from 2000)	5.8%	20.3%	15.3%	13.7%	14.3%
2010 Population Forecast	15,584	1,842	32,682	58,825	91,508
Percent Change (from 2000)	7.2%	25.4%	19.1%	17.2%	17.8%
2013 Population Forecast	15,900	1,954	34,252	61,411	95,664
Percent Change (from 2000)	9.4%	33.0%	24.8%	22.3%	23.2%

SOURCE: 1990-2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; ESRI Business Analyst.

Map 4: Population Change by Township, 1990 to 2003

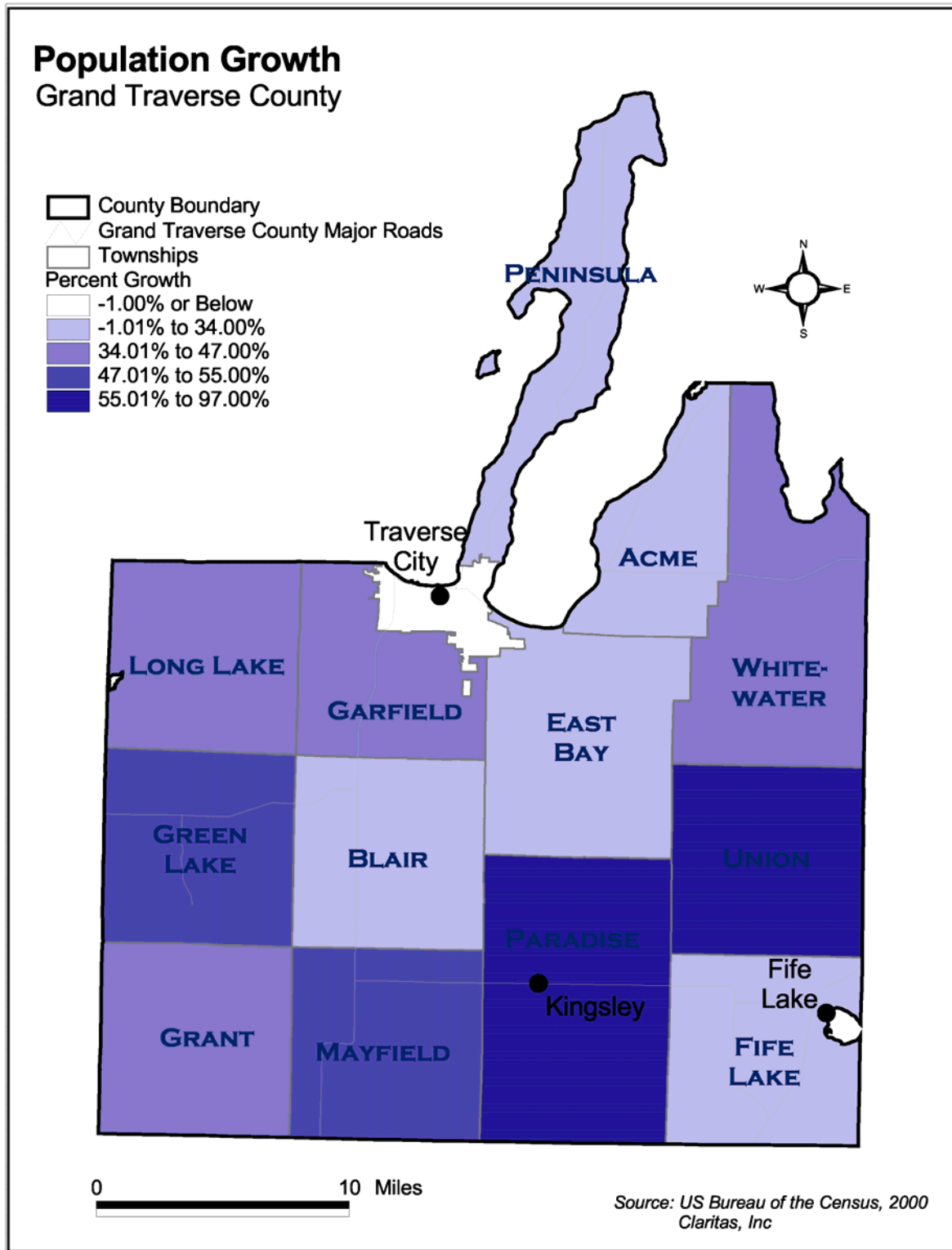


Table 2: Age Cohort Trends, 2000 to 2013

	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
Age Less than 20 - 2000	3,418	534	8,716	13,005	21,721
Percent of total 2000 population	23.5%	36.4%	31.8%	25.9%	28.0%
Age Between 20 and 44 - 2000	5,408	603	10,484	16,678	27,162
Percent of total 2000 population	37.2%	41.0%	38.2%	33.2%	35.0%
Age Between 45 and 64 - 2000	3,502	228	5,866	12,761	18,627
Percent of total 2000 population	24.1%	15.5%	21.4%	25.4%	24.0%
Age 65 and Over - 2000	2,204	104	2,382	7,762	10,144
Percent of total 2000 population	15.2%	7.1%	8.7%	15.5%	13.1%
Age Less than 20 - 2013	3,016	649	9,364	13,582	22,953
Percent of total 2013 population	19.0%	33.2%	27.3%	22.1%	24.0%
Percent change (2000 to 2013)	-11.8%	21.5%	7.4%	4.4%	5.7%
Age Between 20 and 44 - 2013	5,516	661	11,122	18,857	29,977
Percent of total 2013 population	34.7%	33.8%	32.5%	30.7%	31.3%
Percent change (2000 to 2013)	2.0%	9.6%	6.1%	13.1%	10.4%
Age Between 45 and 64 - 2013	4,444	489	10,282	18,522	28,801
Percent of total 2013 population	27.9%	25.0%	30.0%	30.2%	30.1%
Percent change (2000 to 2013)	26.9%	114.5%	75.3%	45.1%	54.6%
Age 65 and Over - 2013	2,925	155	3,478	10,448	13,933
Percent of total 2013 population	18.4%	7.9%	10.2%	17.0%	14.6%
Percent change (2000 to 2013)	32.7%	49.0%	46.0%	34.6%	37.4%

SOURCE: 2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; ESRI Business Analyst.

Household Trends

As discussed within the 2003 report, the rate of household growth (or decline) is the more direct measure of housing need. This is due to the fact that households are the actual consumers of housing, rather than individuals in most cases. In addition, it is entirely possible that household growth trends can be contrary to those observed in general population statistics in the same area. Outside of migration, the forces of household creation (divorces, new households formed by adult children moving out of their parent's homes, for example) do not necessarily move in tandem with the forces of population increase (births and deaths).

The growth rate of households in Grand Traverse County has been quite impressive. In 2000, 30,396 households resided in the county. By 2013, its estimated household count is 38,708, which is a change of 27%. Both sub-markets are projected to exhibit similarly strong growth rates, with the Traverse City area featuring a projected household growth of over 26% by 2013. The Rural Grand Traverse Sub-Market is anticipated to increase the household total by over 29% during the same period. This is not unexpected, given the affordability, land availability, and quality of life characteristics discussed previously.

The distribution of household size follows the general pattern of population settlement, with somewhat smaller households typically found within Traverse City or the Traverse City Sub-Market. Conversely, the most rural communities within the county feature significantly larger household sizes. This is a result of available housing options (as fewer apartments and smaller-sized units are present within the rural areas of the county), and the desire for many singles, couples, and senior citizens to reside closer to available services, places of employment, and transportation routes. These residential areas naturally feature more apartment and condominium development, and are able to cater to this desire. Traverse City has the lowest average household size as of 2000, at 2.15 persons. The rural sub-market features a notably higher average household size (2.75 persons), while Kingsley is even higher, at 2.90 persons per household. As of 2000, Grand Traverse County's average size was 2.49 persons, indicative of the degree of influence Traverse City has upon the county as a whole. The state's average household size in 2000 was 2.56 persons, providing an indication of prevailing household sizes within the region. By 2013, all household sizes within all geographic designations are projected to decline slightly, ranging from two percent to three percent.

Table 3: Household Trends, 1990-2013

	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
1990 Households	6,202	253	7,087	16,878	23,965
2000 Households	6,443	501	9,880	20,516	30,396
Percent Change (1990-2000)	3.9%	98.0%	39.4%	21.6%	26.8%
2008 Household Estimate	6,930	612	11,654	23,858	35,511
Percent Change (2000-2008)	7.6%	22.2%	18.0%	16.3%	16.8%
2010 Household Forecast	7,052	640	12,097	24,693	36,790
Percent Change (2000-2010)	9.5%	27.8%	22.4%	20.4%	21.0%
2013 Household Forecast	7,235	682	12,762	25,946	38,708
Percent Change (2000-2013)	12.3%	36.1%	29.2%	26.5%	27.3%

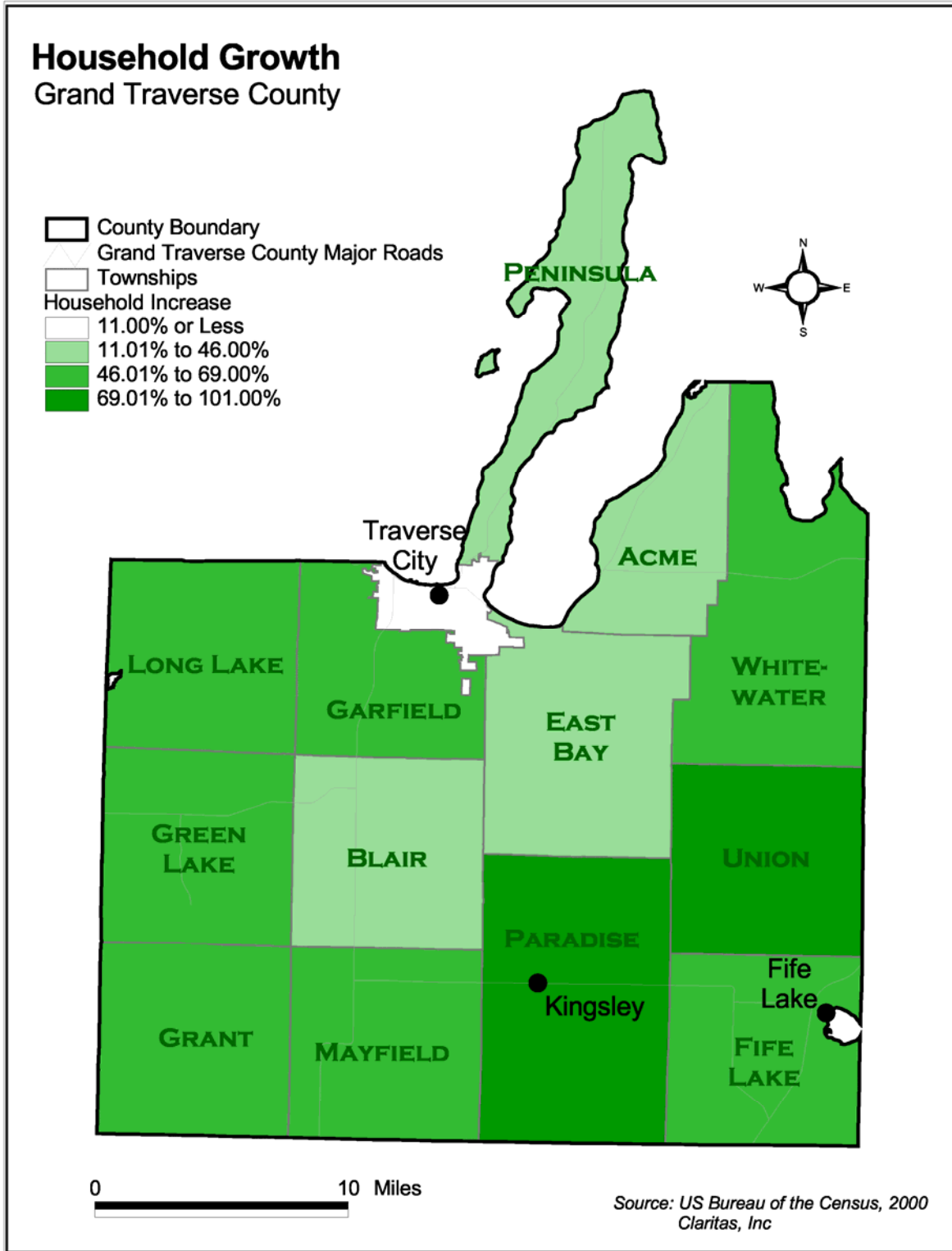
SOURCE: 1990-2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; ESRI Business Analyst.

Table 4: Average Household Size (Per Person), 1990-2013

	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
1990 Average Household Size	2.32	2.89	2.88	2.51	2.62
2000 Average Household Size	2.15	2.90	2.75	2.37	2.49
Percent Change (1990-2000)	-7.1%	0.4%	-4.6%	-5.4%	-4.7%
2008 Average Household Size Estimate	2.12	2.86	2.69	2.33	2.45
Percent Change (2000-2008)	-1.4%	-1.4%	-2.2%	-1.8%	-1.9%
2010 Average Household Size Forecast	2.12	2.85	2.68	2.32	2.44
Percent Change (2000-2010)	-1.7%	-1.6%	-2.6%	-2.2%	-2.3%
2013 Average Household Size Forecast	2.11	2.84	2.66	2.31	2.42
Percent Change (2000-2013)	-2.2%	-2.0%	-3.2%	-2.7%	-2.8%

SOURCE: 1990-2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; ESRI Business Analyst.

Map 5: Household Trends, 1990-2003



Income Trends

Income (defined as household income in this report) is an important contributor to housing demand, in that higher incomes enable households to purchase more shelter (bigger homes, special amenities such as waterfront property, or a vacation home).

In Grand Traverse County, the median household income in 2008 was estimated at \$53,903. This is an increase of 25% (2.8% on an average annual basis) from 1999's figure of \$43,169. As you can see within the following table, these figures and trends are similar to both sub-markets. The highest median was found within the rural sub-market, with an estimated median household income of \$54,963 for 2008. The urban sub-market featured an estimated median for 2008 of \$53,707.

The average annual rates of income growth among the geographic designations between 1999 and 2013 vary from a high of 4.6% in Kingsley Village to 2.4% within the Traverse City Sub-Market. The higher growth areas within the rural regions of the county are a direct reflection of continued population and household growth consisting primarily of families rather than singles or couples. With few exceptions higher incomes are prevalent within family households, rather than single-person or two-person households. As a result, Kingsley Village is projected to experience growth in household income of nearly 79% by 2013, as compared to 40% for the county as a whole during the same period.

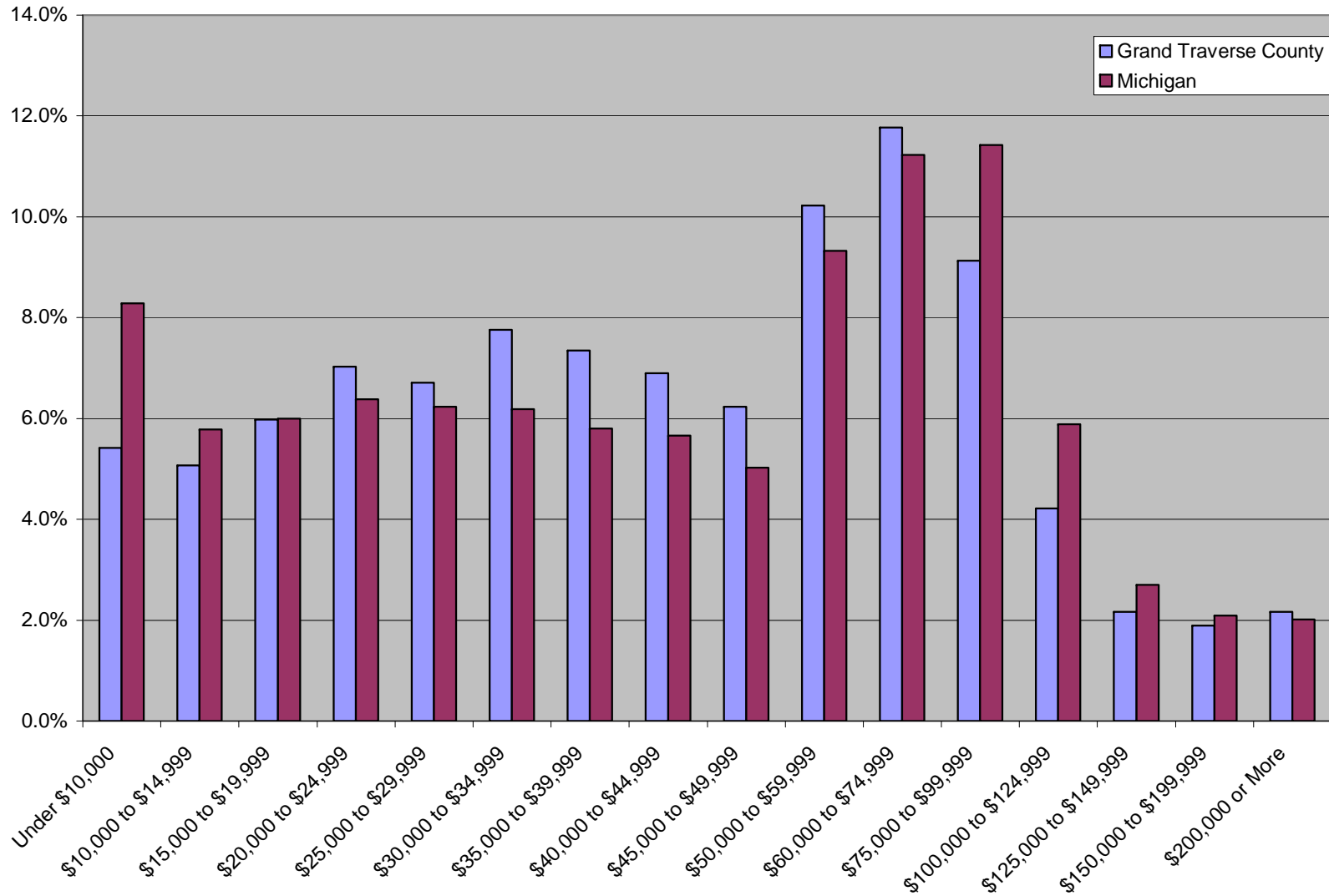
The income distribution in an area is also an important aspect of income to investigate. Chart 1 shows the situation in the state and county. While the county has a substantially lower percentage of households in the lowest income category, other indicators suggest that the county's distribution is approximately as affluent as the state in general. The distribution is similar for households making under \$30,000 per year (30.2% in the county vs. 32.7% in the state), but moves in favor of the county among households earning between \$30,000 and \$75,000 (50.2% in the county vs. 43.2% in the state). The county has a slightly lower percentage of households that make more than \$100,000 per year (10.4% vs. 12.7%). In addition, the modal category (the income range with the largest number of households) differs between the two geographies. In the county, the modal category includes households in the \$60,000 to \$74,999 range, while the state's mode is \$75,000 to \$99,999.

Table 5: Median Household Income Trends, 1989-2013

	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
1989 Median Household Income	\$27,396	\$23,750	\$27,641	\$30,660	\$29,034
1999 Median Household Income	\$37,330	\$32,614	\$44,221	\$43,918	\$43,169
Total percent change (1989 to 1999)	36.3%	37.3%	60.0%	43.2%	48.7%
Annual percent change (1989 to 1999)	3.1%	3.2%	4.8%	3.7%	4.0%
2008 Estimated Median Income	\$48,060	\$48,387	\$54,963	\$53,707	\$53,903
Total percent change (1999 to 2008)	28.7%	48.4%	24.3%	22.3%	24.9%
Annual percent change (1999 to 2008)	3.2%	5.1%	2.8%	2.5%	2.8%
2010 Estimated Median Income	\$50,743	\$52,330	\$57,649	\$56,154	\$56,587
Total percent change (1999 to 2010)	35.9%	60.5%	30.4%	27.9%	31.1%
Annual percent change (1999 to 2010)	3.1%	4.8%	2.7%	2.5%	2.7%
2013 Forecast Median Income	\$54,767	\$58,245	\$61,677	\$59,825	\$60,612
Total percent change (1999 to 2013)	46.7%	78.6%	39.5%	36.2%	40.4%
Annual percent change (1999 to 2013)	3.0%	4.6%	2.6%	2.4%	2.6%

SOURCE: 1990 and 2000 Census of Population and Housing, U.S. Census Bureau; ESRI Business Analyst.

Chart 1: Income Distribution in Grand Traverse County and Michigan, 1999



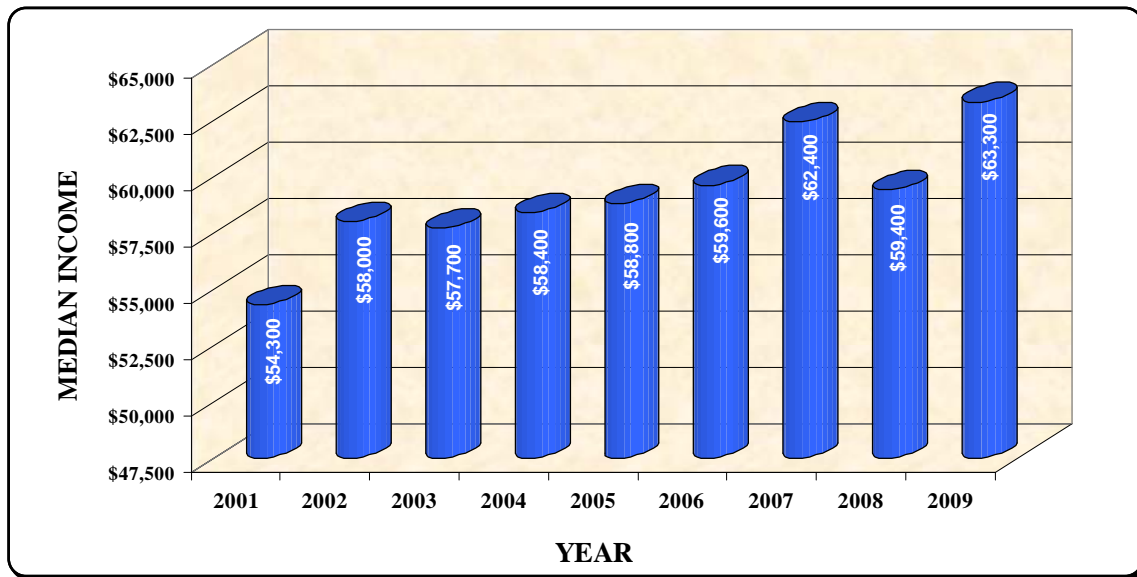
Income Levels and Household Growth

For many governmental housing programs, certain levels of income compared to an area’s median income (as defined by the US Department of Housing and Urban Development, or HUD) determine which households are qualified for participation. The table below shows median income estimates by HUD that essentially determine the number of eligible households that are potentially able to participate within various affordable housing programs.

Table 6: HUD Estimates of Median Income – Grand Traverse County – 2001-2009

<i>HUD MEDIAN INCOMES</i>		
<i>YEAR</i>	<i>MEDIAN INCOME</i>	<i>ANNUAL CHANGE</i>
2001	\$54,300	----
2002	\$58,000	6.8%
2003	\$57,700	-0.5%
2004	\$58,400	1.2%
2005	\$58,800	0.7%
2006	\$59,600	1.4%
2007	\$62,400	4.7%
2008	\$59,400	-4.8%
2009	\$63,300	6.6%
<i>Avg. Annual Change (2000-2007):</i>		1.9%

Chart 2: HUD Estimates of Median Income – Grand Traverse County – 2001-2009



These estimates over the decade are somewhat more conservative than the ESRI forecasts, on an average annual basis. Some of this is methodological changes by HUD, due to changes in how the information is collected. That alone may explain much of the differential between HUD and ESRI. Future estimates by HUD should be somewhat more consistent, and emulate the ESRI data.

What is important to note is that the general trend is upward, and this has not been the case for many Michigan metropolitan areas during the decade. According to HUD, most income trends within the Detroit area, Flint, Saginaw, and other larger communities have been essentially flat. The Grand Traverse region's ability to demonstrate positive income trends, even at an average annual rate of 1.9%, is a positive reflection of the community from an economic and long-term development standpoint.

III. Economic Patterns

Employment and Unemployment

The economy of an area is important to its housing market in a number of ways. First, the wages earned by work provide the income for most households to purchase shelter; therefore, the types of jobs that a local economy can provide have a direct impact on the type, age and price of stock that households can obtain. Second, the commuting patterns that a local economy generates determine both the location of new development and the desirability (and pricing) of residential areas close to major commuting routes. Third, in areas that are undergoing economic stress, home prices and rents can drop as demand falls.

Generally, the local economy in Grand Traverse County has performed reasonably well since the mid-1990s in terms of employment, with overall employment gains since 1997 and unemployment levels that have historically remained below the overall state level. Employment levels in the county and its townships increased steadily from the early 1990s through 2000, when the recessionary period at the 9/11 terrorist attacks resulted in a slight recessionary period regionally and nationally. From 2002 to 2006, however, the county experienced a sharp increase in employment, with a gain of more than 3,500 jobs during that period (an 8.1% increase). Since 2006, the state's economic climate has overtaken much of the region's positive demographic and economic characteristics, resulting in a loss of more than 1,500 jobs over the past two years.

Unemployment in the county has been historically lower than the state's level. Overall, Grand Traverse's unemployment rate for 2008 was 7.6%. This is lower than the state (8.4%) but higher than the national rate of 5.8%. Grand Traverse's highest level of unemployment over the past two decades was 9.4% in 1991. For 1999, the county unemployment rate was as low as 3.3% in 1998. The most recent monthly unemployment level (March 2009) is quite high, at 12.8%, as compared to 8.2% for March 2008. This is clearly a reflection of the national recession and the outright economic depression facing Michigan over much of the past eight years.

The tables and charts on the next page describe the employment trend in more detail.

Table 7: Employment Trends, 1997-Present

	Grand Traverse County				State of Michigan	United States
Year	Labor Force	Number Employed	Annual Change	Unemployment Rate	Unemployment Rate	Unemployment Rate
1997	44,497	42,769	---	3.9%	4.3%	4.9%
1998	44,804	43,274	505	3.4%	4.0%	4.5%
1999	45,428	43,941	667	3.3%	3.8%	4.2%
2000	45,549	43,997	56	3.4%	3.7%	4.0%
2001	45,792	43,658	(339)	4.7%	5.2%	4.7%
2002	45,577	43,020	(638)	5.6%	6.2%	5.8%
2003	46,612	43,717	697	6.2%	7.1%	6.0%
2004	47,643	44,542	825	6.5%	7.1%	5.5%
2005	48,604	45,732	1,190	5.9%	6.9%	5.1%
2006	49,475	46,521	789	6.0%	6.9%	4.6%
2007	49,353	46,147	(374)	6.5%	7.2%	4.6%
2008	48,734	45,010	(1,137)	7.6%	8.4%	5.8%
Mar-08	47,167	43,317	---	8.2%	7.6%	5.1%
Mar-09	46,710	40,736	(2,581)	12.8%	12.6%	8.5%

	<u>Number</u>	<u>Percent</u>
Change (1997-2008):	2,241	5.2%
Change (1997-2002):	251	0.6%
Change (2002-2008):	1,990	4.6%

SOURCE: Bureau of Labor Statistics.

Chart 3: Employment Trends, 1997-Present

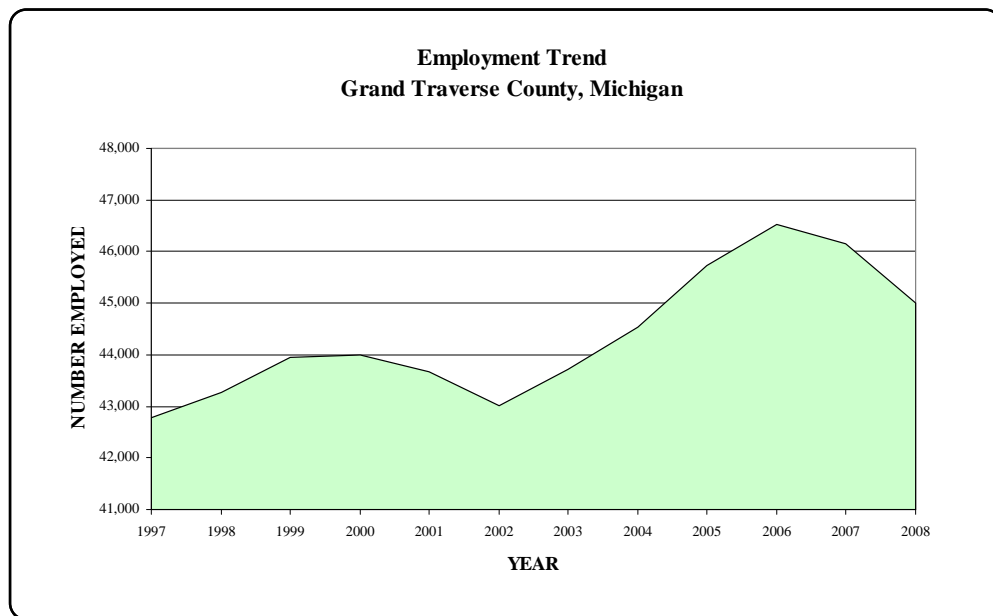
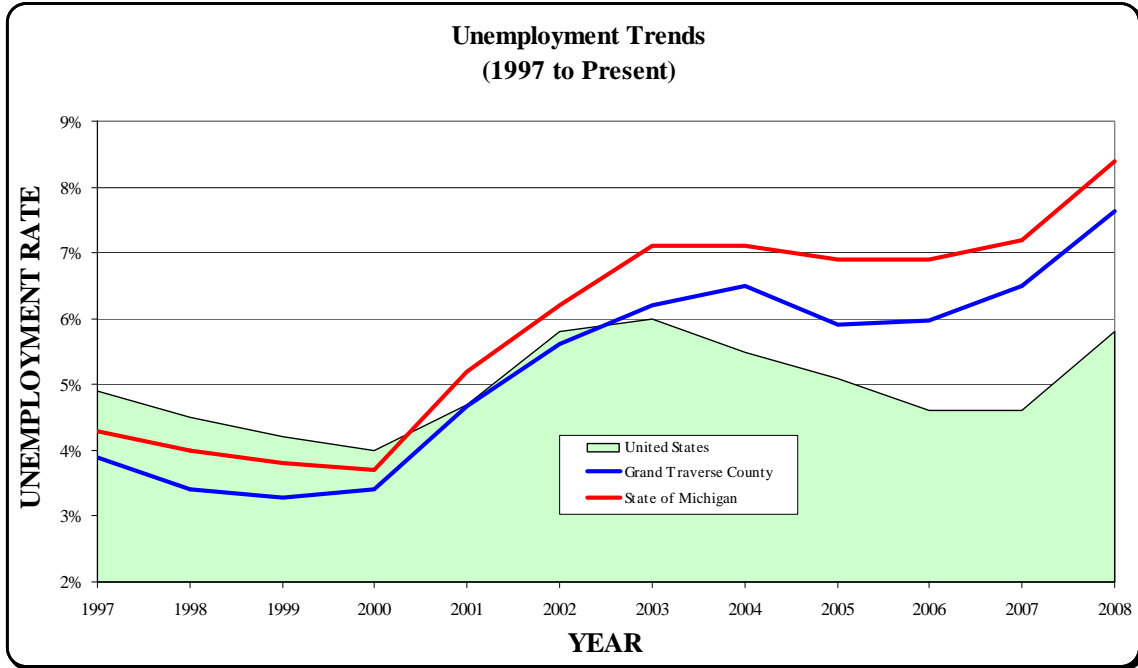


Chart 4: Unemployment Trends, 1997-Present



Commuting Patterns

Commuting to jobs within Grand Traverse County is an important fact of life for its resident workers. Statistics from the 2000 Census show that a large majority (88.7%) of workers who live in Grand Traverse County remained in Grand Traverse for their jobs. This is primarily because the region's economic focus is placed on Traverse City. However, it is also clear from the data that many workers (nearly 73%) do not work in the townships in which they live, as people from outlying areas in the county commute to the city for work.

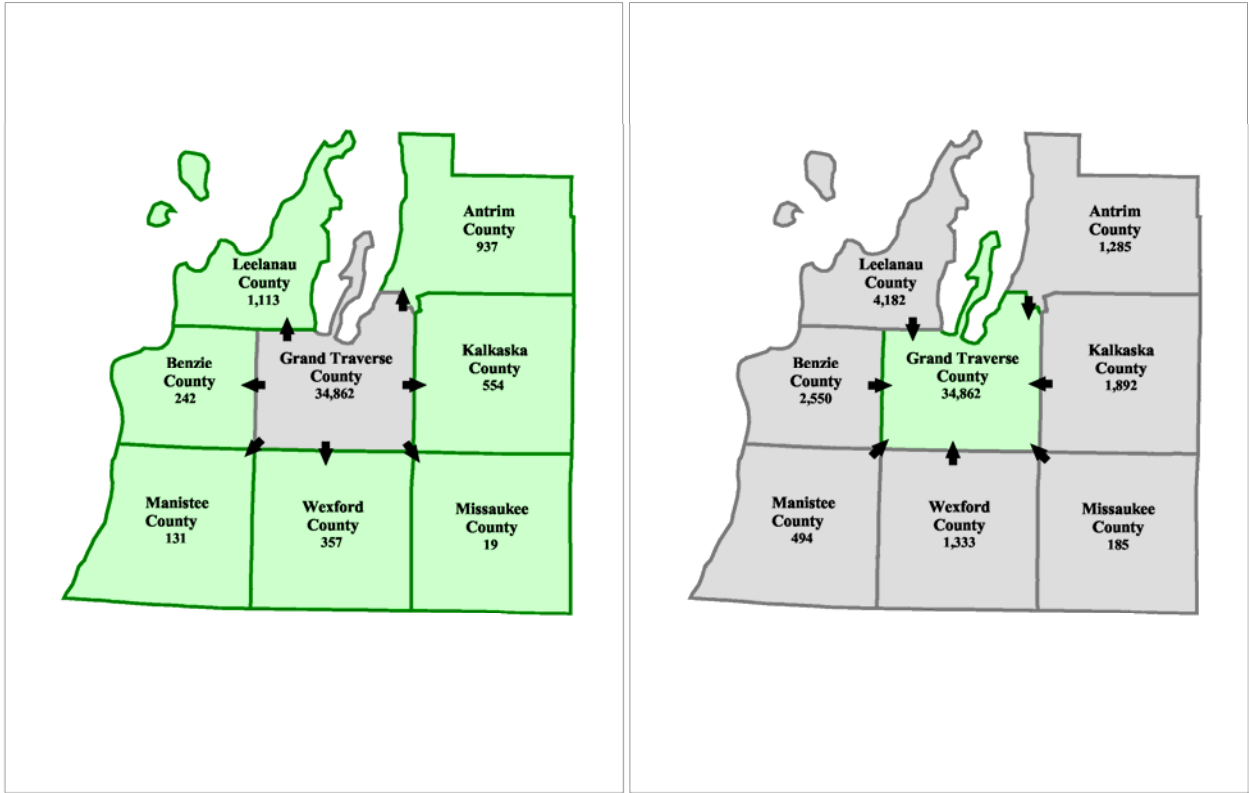
Commuting patterns between Grand Traverse County and the adjacent counties have also been analyzed utilizing data from the 2000 U.S. Census. In total, 34,862 persons reside and work in Grand Traverse County. When reviewing the workforce which resides in Grand Traverse County, 1,113 persons commuted to Leelanau County in 2000, representing the largest outward flow of workers from Grand Traverse County. It is also noteworthy to examine which of the adjacent counties provides the greatest number of employees to the Grand Traverse County employment base. In 2000, 4,182 persons resided in Leelanau County but worked within Grand Traverse County. Antrim, Kalkaska, Wexford, and Benzie Counties all had well over 1,000 residents that commuted to Grand Traverse County for employment.

Clearly, Grand Traverse County provides the widest range of employment opportunities in the region. The strong population and household growth discussed previously is fueled by the employment opportunities in the area. Development of a wider range of housing alternatives would most likely appeal to many workers currently commuting from neighboring counties. Particularly with a troubled Michigan economy and higher fuel costs than in the past, many regional workers are likely to be interested in housing closer to employment, assuming other barriers such as affordability and availability are addressed.

Table 8: Commuting Patterns - 2000

	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
Place of Work within County	6,931	629	12,327	22,535	34,862
Percent	89.7%	93.2%	88.8%	88.7%	88.7%
Place of Work Outside of County	723	46	1,496	2,684	4,180
Percent	9.4%	6.8%	10.8%	10.6%	10.6%
Place of Work Outside of State	76	0	62	188	250
Percent	1.0%	0.0%	0.4%	0.7%	0.6%
SOURCE: 2000 Census of Population and Housing, SF 3, U.S. Census Bureau					

Map 6: Commuting Patterns by County, 2000



Source: U.S. Census Bureau, 2000
Internet Release Date: July 25, 2003

County of Residence County of Employment

Wages by Occupation

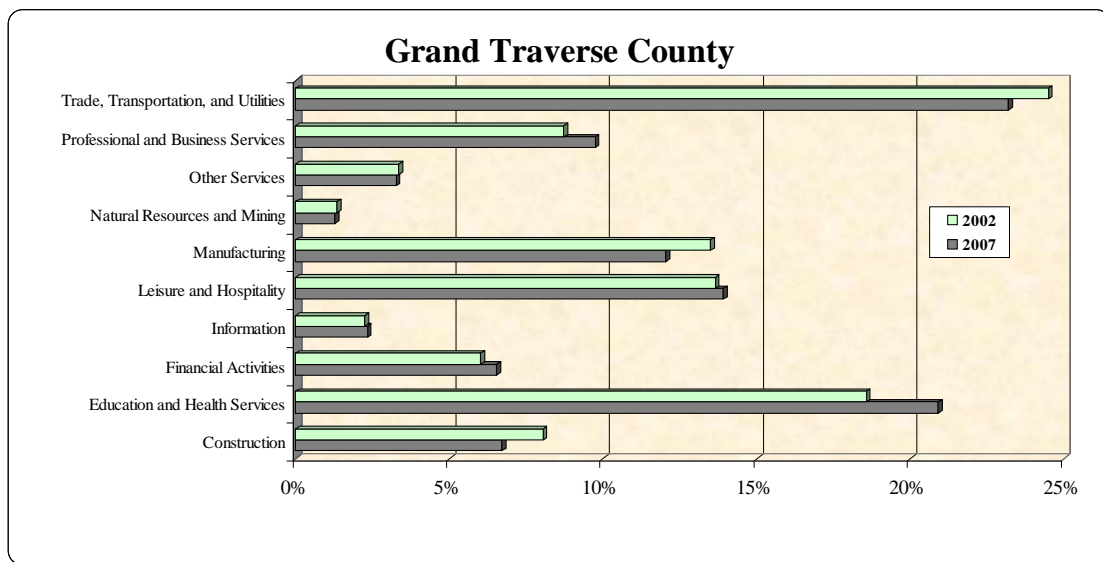
According to data acquired from the US Department of Labor – Bureau of Labor Statistics, the industry that employed the most persons in 2002 was the trade, transportation, and utilities sector. Substantial change was uncommon for any of the employment sectors between 2002 and 2007, with most reporting small negative or positive changes during that period. The most substantial increase occurred in the education and health services sector, which reported 13 percent more employees in 2007 than in 2002. On average, annual wages in the area fall between \$14,425 and \$67,355 (based on 2007 data). The highest annual wage was for workers in the natural resources and mining sector, while works in the leisure and hospitality sector earned the lowest wages.

Table 9: Industry Employment Change – Grand Traverse County, 2002-2007

	2002			2007		
	Number Employed	Percent	Annual Avg. Wage	Number Employed	Percent	Annual Avg. Wage
Construction	3,283	8.0%	\$35,540	2,748	6.7%	\$38,662
Education and Health Services	7,574	18.6%	\$34,144	8,561	20.9%	\$40,541
Financial Activities	2,457	6.0%	\$36,727	2,680	6.5%	\$44,929
Information	918	2.3%	\$38,651	961	2.3%	\$47,021
Leisure and Hospitality	5,569	13.7%	\$13,406	5,699	13.9%	\$14,245
Manufacturing	5,508	13.5%	\$35,195	4,934	12.1%	\$42,829
Natural Resources and Mining	554	1.4%	\$34,884	523	1.3%	\$67,355
Other Services	1,370	3.4%	\$24,466	1,343	3.3%	\$27,050
Professional and Business Services	3,561	8.7%	\$34,688	3,987	9.7%	\$38,905
Trade, Transportation, and Utilities	9,989	24.5%	\$24,687	9,493	23.2%	\$27,532
Total	40,783	100%		40,929	100%	

SOURCE: Bureau of Labor Statistics.

Chart 5: Industry Employment (2002 to 2007)



Employment by Industry

In general terms, service employment is the most important source of work for the residents of the county, according to the 2000 Census. Then, approximately 47% of county residents were employed in that economic sector. Most (22%) were in the educational and health services, but a significant proportion (10.7%) were employed in the arts, entertainment, recreation, accommodation and food services. Both the level of service employment and arts, entertainment, recreation, accommodation and food service employment were much higher in Grand Traverse than in the state, which indicates a local economy that is reliant on tourism for its economic health.

Manufacturing as a source of employment in Grand Traverse was much less important in terms of employment share than it is at the state level. In the county, 12.1% of employees worked in this sector, while the state's proportion was 22.5%.

The tables below detail the distribution of employment by industry for the townships in Grand Traverse County, as well as the sub-market areas. Most of the county's townships have between 35% and 45% of their workforces engaged in some type of service industry. The highest levels of service employment are Acme and Peninsula Townships and Traverse City, where about one-half of the workforce labors in this sector. Acme and Blair Townships, along with Traverse City, have the largest concentrations of workers in the arts, entertainment, recreation, accommodation and food services. Higher-end service jobs (those employed in the professional, scientific, management, administrative and waste management services) accounted for about 15% of employment among residents of Peninsula Township.

Three townships (Blair, Paradise and Union) had manufacturing employment percentages in excess of 17.7%. Grant, Union and Whitewater Townships had the highest levels of primary employment (Agriculture, Forestry, Fishing and Mining) in the county; all had over four percent of their workforce involved in this economic activity.

Table 10: Employment by Industry, 2000

	Minor Civil Divisions														Grand Traverse County
	Acme Township	Blair Township	East Bay Township	Fife Lake Township	Garfield Township	Grant Frankfort	Green Lake Township	Long Lake Township	Mayfield Township	Paradise Township	Peninsula Township	City of Traverse City	Union Township	Whitewater Township	
Agriculture and Mining	49	27	93	16	51	19	36	110	23	59	86	34	9	53	665
Percent	2.2%	0.8%	1.7%	2.4%	0.8%	4.2%	1.3%	2.7%	3.7%	2.8%	3.5%	0.4%	4.2%	4.1%	1.7%
Construction	136	394	560	69	624	52	244	347	77	278	124	551	17	152	3,625
Percent	6.0%	12.0%	10.4%	10.3%	9.4%	11.6%	9.0%	8.5%	12.3%	13.2%	5.0%	7.0%	7.9%	11.7%	9.1%
Manufacturing	187	582	597	107	772	74	423	460	103	403	106	767	39	201	4,821
Percent	8.3%	17.8%	11.1%	15.9%	11.6%	16.5%	15.7%	11.3%	16.5%	19.1%	4.3%	9.8%	18.1%	15.5%	12.1%
Transportation and Public Utilities	52	99	241	36	180	29	93	114	23	80	48	211	8	63	1,277
Percent	2.3%	3.0%	4.5%	5.3%	2.7%	6.5%	3.4%	2.8%	3.7%	3.8%	1.9%	2.7%	3.7%	4.9%	3.2%
Wholesale Trade	100	74	275	17	199	14	86	144	25	92	121	212	6	49	1,414
Percent	4.4%	2.3%	5.1%	2.5%	3.0%	3.1%	3.2%	3.5%	4.0%	4.4%	4.9%	2.7%	2.8%	3.8%	3.5%
Retail Trade	362	506	827	117	1,140	60	396	534	93	263	252	1,232	24	157	5,963
Percent	16.0%	15.4%	15.4%	17.4%	17.2%	13.4%	14.7%	13.1%	14.9%	12.5%	10.1%	15.7%	11.2%	12.1%	14.9%
Finance, Insurance, & Real Estate	181	148	282	21	444	13	118	220	23	96	253	411	7	56	2,273
Percent	8.0%	4.5%	5.2%	3.1%	6.7%	2.9%	4.4%	5.4%	3.7%	4.5%	10.2%	5.3%	3.3%	4.3%	5.7%
Services	1,119	1,374	2,395	259	3,009	168	1,254	1,973	243	770	1,414	4,149	98	527	18,752
Percent	49.6%	41.9%	44.6%	38.5%	45.3%	37.5%	46.5%	48.5%	38.9%	36.5%	56.8%	53.0%	45.6%	40.7%	46.9%
Public Administration	72	72	104	31	217	19	49	170	14	69	85	260	7	36	1,205
Percent	3.2%	2.2%	1.9%	4.6%	3.3%	4.2%	1.8%	4.2%	2.2%	3.3%	3.4%	3.3%	3.3%	2.8%	3.0%

SOURCE: 2000 Census of Population and Housing, SF 3, U.S. Census Bureau

Table 11: Employment by Industry (Sub-Markets), 2000

	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
Agriculture and Mining	34	9	299	366	665
Percent	0.5%	1.3%	2.2%	1.5%	1.7%
Construction	551	68	1,478	2,141	3,619
Percent	7.3%	9.9%	10.7%	8.5%	9.3%
Manufacturing	767	141	2,191	2,630	4,821
Percent	10.2%	20.5%	15.9%	10.5%	12.4%
Transportation and Public Utilities	211	21	482	795	1,277
Percent	2.8%	3.1%	3.5%	3.2%	3.3%
Wholesale Trade	212	29	458	956	1,414
Percent	2.8%	4.2%	3.3%	3.8%	3.6%
Retail Trade	1,232	118	1,993	3,970	5,963
Percent	16.4%	17.2%	14.5%	15.8%	15.3%
Finance, Insurance, & Real Estate	411	27	646	1,627	2,273
Percent	5.5%	3.9%	4.7%	6.5%	5.8%
Services	3,857	246	5,812	11,879	17,691
Percent	51.2%	35.8%	42.1%	47.3%	45.4%
Public Administration	260	29	431	774	1,205
Percent	3.5%	4.2%	3.1%	3.1%	3.1%
SOURCE: 2000 Census of Population and Housing, SF 3, U.S. Census Bureau					

Employment by Occupation

Another way to classify employment types in an area is by reference to what the job actually entails, rather than the part of the economy in which it exists. Occupational data describe employment in this manner.

A number of patterns are depicted in the following table on employment by occupational group. First, the level of employment in the highest-status jobs (those in the managerial and professional category) is approximately equal to the state's concentration (31.4% vs. 31.5%). Second, the level of blue-collar employment (measured by the sum of the construction/extraction/maintenance and the production/transportation/material moving occupations) is lower in the county (23.4%) than in the state (27.6%). Additionally, semi- or non-skilled positions (in the production/transportation/material moving occupations) are much less common in Grand Traverse (12.8% of all jobs) than in the state (18.5%).

The tables show the distribution of occupations within the county's townships and larger geographic divisions. Peninsula Township has nearly 56% of its residents employed in professional and management positions. This type of work employs more residents of Union Township than any other source of work as well. However, in all of the remaining townships as well as Traverse City, service and sales employment is the single largest source of work.

Table 12: Employment by Occupation, 2000

	Minor Civil Divisions														Grand Traverse County
	Acme Township	Blair Township	East Bay Township	Fife Lake Township	Garfield Township	Grant Frankfort	Green Lake Township	Long Lake Township	Mayfield Township	Paradise Township	Peninsula Township	City of Traverse City	Union Township	Whitewater Township	
Managerial and Professional	868	687	1,634	112	1,931	113	780	1,350	127	405	1,389	2,673	80	402	12,551
Percent	38.4%	21.0%	30.4%	16.6%	29.1%	25.2%	28.9%	33.2%	20.4%	19.2%	55.8%	34.2%	37.2%	31.1%	31.4%
Service and Sales	1,028	1,567	2,404	325	3,109	191	1,182	1,869	264	909	906	3,615	71	497	17,937
Percent	45.5%	47.8%	44.7%	48.3%	46.9%	42.6%	43.8%	45.9%	42.3%	43.1%	36.4%	46.2%	33.0%	38.4%	44.8%
Farming and Forestry	41	0	13	0	19	0	6	0	10	6	31	37	0	6	169
Percent	1.8%	0.0%	0.2%	0.0%	0.3%	0.0%	0.2%	0.0%	1.6%	0.3%	1.2%	0.5%	0.0%	0.5%	0.4%
Construction, Extraction and Maintenance	191	408	680	90	716	65	334	415	91	311	85	646	30	174	4,236
Percent	8.5%	12.5%	12.7%	13.4%	10.8%	14.5%	12.4%	10.2%	14.6%	14.7%	3.4%	8.3%	14.0%	13.4%	10.6%
Production, Transportation and Material Moving	130	614	643	146	861	79	397	438	132	479	78	856	34	215	5,102
Percent	5.8%	18.7%	12.0%	21.7%	13.0%	17.6%	14.7%	10.8%	21.2%	22.7%	3.1%	10.9%	15.8%	16.6%	12.8%

SOURCE: 2000 Census of Population and Housing, SF 3, U.S. Census Bureau

Table 13: Employment by Occupation (Sub-Markets), 2000

	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
Managerial and Professional	2,673	121	3,654	8,882	12,536
Percent	34.2%	17.4%	25.9%	34.4%	31.4%
Service and Sales	3,615	335	6,378	11,549	17,927
Percent	46.2%	48.2%	45.2%	44.7%	44.9%
Farming and Forestry	37	0	22	147	169
Percent	0.5%	0.0%	0.2%	0.6%	0.4%
Construction, Extraction and Maintenance	646	91	1,744	2,486	4,230
Percent	8.3%	13.1%	12.4%	9.6%	10.6%
Production, Transportation and Material Moving	856	148	2,319	2,783	5,102
Percent	10.9%	21.3%	16.4%	10.8%	12.8%

SOURCE: 2000 Census of Population and Housing, SF 3, U.S. Census Bureau

IV. Components of Housing Supply

Tenure

Tenure (whether a household owns or rents their housing unit) is an important factor to understand in gauging the supply of housing available in an area. Tenure depends on a number of factors, including the income of the market (lower incomes tend to rent, as that shelter is generally less expensive than owning), rural character of the area (rural dwellers tend to rent less often than urban residents), and life cycle issues (new households moving into rental apartments until they are ready to buy a home), among others.

To serve as many of its members as possible, a housing market must have a wide variety of shelter choices. Due to its cost, good quality rental housing is vital in ensuring that most segments of a local market can be housed.

As Grand Traverse is a mix between urban and rural settings, renting as a housing option is relatively more common than in other areas. According to the 2000 Census, 22.7% of Grand Traverse's households rented their shelter. This is still lower than the state's proportion of 26.2%. Both of these rates show a decline from 1990, when 25.2% of the county's and 29% of the state's households were renters. However, Grand Traverse's renter households increased in number by over 14% through the 1990s, far outstripping growth at the state level. Much of this pattern is also evident across the two sub-market areas, where the concentration of rental options has declined, despite steady growth within that segment.

The table below shows the renter percentages in each of the county's townships. In 2000, Traverse City had the largest proportion of renter households, at 40.9%. In addition, Garfield Township had a renter proportion of 27.8%. This is a considerably larger share than those of the other townships; the lowest level of renting is in Union Township, at 5.7%. In addition, decreases in the renter percentage occurred in all but one minor civil division; only Traverse City saw an increase over the decade. The largest drop took place in Union Township with a nearly seven percentage point decrease during the 1990s. Decreases in the number of renter households occurred in only four townships: East Bay, Green Lake, Peninsula and Union.

Table 14: Renter Households, 1990 and 2000

	Minor Civil Divisions														Grand Traverse County
	Acme Township	Blair Township	East Bay Township	Fife Lake Township	Garfield Township	Grant Frankfort	Green Lake Township	Long Lake Township	Mayfield Township	Paradise Township	Peninsula Township	City of Traverse City	Union Township	Whitewater Township	
1990 Renter Households	250	329	656	88	1,189	39	251	346	62	160	218	2,378	11	77	6,054
Percent of total 1990 households	20.0%	18.3%	21.8%	20.3%	28.7%	14.6%	18.8%	17.1%	19.5%	19.8%	13.0%	38.3%	12.2%	12.1%	25.2%
2000 Renter Households	303	375	629	98	1,596	41	244	421	64	202	210	2,638	9	82	6,912
Percent of total 2000 households	18.2%	16.3%	17.0%	17.4%	27.8%	11.1%	12.6%	15.4%	14.6%	14.7%	9.9%	40.9%	5.7%	9.2%	22.7%
Percent change (1990 to 2000)	21.2%	14.0%	-4.1%	11.4%	34.2%	5.1%	-2.8%	21.7%	3.2%	26.3%	-3.7%	10.9%	-18.2%	6.5%	14.2%

SOURCE: 1990 and 2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau

Table 15: Renter Households (Sub-Markets), 1990 and 2000

	City of Traverse City	Village of Kingsley	Rural Gd. Trav. Sub-Market	Traverse City Sub-Market	Grand Traverse County
1990 Renter-Occupied Households	2,378	77	1,286	4,757	6,043
Percent of total 1990 households	38.3%	30.4%	18.1%	28.2%	25.2%
2000 Renter-Occupied Households	2,638	100	1,454	5,421	6,875
Percent of total 2000 households	40.9%	20.0%	14.7%	26.4%	22.6%
Percent change (1990 to 2000)	10.9%	29.9%	13.1%	14.0%	13.8%

SOURCE: 1990 and 2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; CRS

Multifamily Rental Stock

Community Research Services contacted 25 multifamily rental establishments in Grand Traverse County during the first quarter of 2009. Most are located near Traverse City, while a few are located in East Bay, Garfield and Fife Lake Townships. All of these projects had more than five units, because smaller rental complexes and single-family rentals are not comparable with larger multifamily properties. Fifteen of the developments surveyed were conventionally financed and do not contain any subsidy. Two of the establishments were financed with a Low Income Housing Tax Credit (LIHTC) allocation from the Michigan State Housing Development Authority (MSHDA). These units have flat rental rates, but are targeted to households at or below 60% of Area Median Income (as defined by HUD). The remaining seven properties surveyed are subsidized in some manner, either through HUD, the USDA Rural Housing Service, the Traverse City Housing Commission, or MSHDA. With few exceptions, tenants at these units pay no more than 30% of their income for rent. All are described in depth in the table below:

As the table shows, the region is host to a variety of project sizes, from eight-unit developments to 336 at Arbors of Traverse. On average, the construction represented here is 21 years old. Five developments have been constructed during this decade; conversely, eight were developed during the 1970s.

The most common size of apartment in the county is a two-bedroom unit—about 58% of multifamily units surveyed are in this category. One-bedroom units accounted for 29% of the total, while three-bedroom apartments comprised 11%.

The occupancy rate for these apartment complexes is high. Overall, 98.0% of the units in these projects were occupied, according to survey results. As 95% occupancy is generally taken to signal a healthy rental market, the area seems to be progressing well in that regard. Please note that economic occupancy may not be the same as physical occupancy, with is always somewhat lower due to turnover or delays in occupying a unit. The survey totals from an overall standpoint, as well as within each separate rental housing sector, indicate stable occupancy trends.

The next tables show rents at these establishments. Among conventionally-funded projects, the average rent for a one-bedroom unit was \$624, with an average unit size of 649 square feet, resulting in a rent/sq. foot ratio of \$0.96. For two-bedroom units, the average rent was \$697, with an average unit size of 1,100 square feet, which yields a rent/sq. foot ratio of \$0.63. Conventionally-financed three-bedroom units featured an average rent of \$962, and an average unit size of 1,595 square feet. This results in a cost ratio of \$0.60. Rents at the LIHTC and other subsidized establishments were lower, due to required income targeting. The only exception to this would be many of the market-rate units placed within LIHTC developments, which are generally higher due to newer construction and larger unit sizes.

Information on typical amenities, utility data, and contact info are also presented within the following tables. In general, the pricing levels within the Traverse City rental market are some of the highest rents outside of Metropolitan Detroit or Grand Rapids, reflecting the high demand for housing options, and the relatively strong economic trends that allow many eligible households to afford higher rents. Unfortunately, for lower and moderate-income residents, this may preclude many rental housing options as unattainable, relegating those families to less-desirable alternatives, or remaining within roommate or family housing situations.

Table 16: Apartment Survey – Occupancy Levels

Property Name	Total Units	Number of Units by Bedroom Style					Vacant Units by Bedroom Style					Overall
		Eff.	One-bedroom	Two-bedroom	Three-bedroom	Four-bedroom	Eff.	One-bedroom	Two-bedroom	Three-bedroom	Four-bedroom	
ALPINE PARK APTS	24		2	22			0	0				100%
ARBORS OF TRAVERSE APTS	336	15	123	159	39							96%
ASPEN HILLS FAMILY TH	10		7	3			0	0				100%
BAY HILL APTS I & II	222		44	140	38		0	0	0			100%
BAY OAKS	8			8				1				88%
BOARDMAN LAKE APTS I	80		32	32	12	4	0	2	0	0		98%
BOARDMAN LAKE APTS II	32		18	14			0	1				97%
CENTER ROWE APTS	30		3	27			0	1				97%
CHATEAU HEIGHTS APTS	8			8				2				75%
COUNTRY EDEN	12		3	9			0	0				100%
EMERALD CREEK APTS	114			114				0				100%
HARBOUR RIDGE APTS	208		130	78			0	2				99%
HOLIDAY HILLS APTS	8			8				0				100%
HOME CENTER	19		4	15			0	0				100%
INCHOCHEE FARMS	48			48				3				94%
LAKE POINT VILLAGE	260		108	152								
LE GRAND VUE I & II	171		50	114	7							
MANITOU WOODS	99		22	55	22		0	0	0			100%
OAK PARK - TRAVERSE CITY	94		40	36	16	2	0	0	0	0		100%
ORCHARD VIEW	20				15	5			2	1		85%
RENNIE OAKS	24		2	22			0	2				92%
RIVERINE APTS	80		20	60			0	1				99%
TRADEWINDS TERRACE	122		16	35	46	25	0	0	0	0		100%
VILLAGE GLEN - TRAV. CITY	120			82	38			2	2			97%
VILLAGE WOODS TH	8				8				0			100%
OVERALL												
Totals and Averages	2,157	15	617	1,245	244	36	n/a	100%	98%	91%	97%	98.0%
Percentage of Total Units		1%	29%	58%	11%	2%						
MARKET RATE ONLY												
Totals and Averages	1,425	15	465	869	76		100%	89%	86%	91%	--	97.9%
Percentage of Total Units		1%	33%	61%	5%							
LIHTC ONLY												
Totals and Averages	342		44	222	76		--	100%	99%	97%	--	98.9%
Percentage of Total Units			13%	65%	22%							
OTHER AFFORDABLE												
Totals and Averages	336		106	125	74	31	--	100%	96%	100%	100%	98.6%
Percentage of Total Units			32%	37%	22%	9%						
SUBSIDIZED ONLY												
Totals and Averages	30			7	18	5	--	--	100%	89%	80%	90.0%
Percentage of Total Units				23%	60%	17%						

Table 17: Apartment Survey – Development Data

Property Name	Street Address	City	State	Zip	Population Served	Funding Type	Type of Design	Age (Year Built)	Waiting List	Length	Rental Absorption History (2 yrs)
ALPINE PARK APTS	612-620 Airport Access Rd	Traverse City	MI	49684	Family	Conv	Walk-up	1985	No	-	n/a
ARBORS OF TRAVERSE APTS	2955 Leggett	Traverse City	MI	49684	Family	Conv	Walk-up	2004	No	-	2 beds leased slowly
ASPEN HILLS FAMILY TH	1291 Oak Terrace	Traverse City	MI	49686	Family	HUD Sec 8	TH	1979	Yes	9 HH	n/a
BAY HILL APTS I & II	600 Bay Hill Drive	Traverse City	MI	48686	Family	LIHTC 70/30	TH/Walk-up	1997	Yes	15 HH	n/a
BAY OAKS	Aero Park Drive	Traverse City	MI	49686	Family	Conv	TH	2001	No	-	n/a
BOARDMAN LAKE APTS I	2900 Boardmand Lake Dr	Traverse City	MI	49686	Family	RHS 515	TH/Walk-up	1980	Yes	6-12 Mos	n/a
BOARDMAN LAKE APTS II	2978 Fieger Lane	Traverse City	MI	49684	Family	RHS 515	Walk-up	1988	Yes	6-9 Mos	n/a
CENTER ROWE APTS	828 Center Street	Traverse City	MI	49686	Family	Conv	Garden/WU	1986	No	-	n/a
CHATEAU HEIGHTS APTS	1835 Apartments Dr	Traverse City	MI	49684	Family	RHS 515	Walk-up	1978	Yes	6-9 Mos	n/a
COUNTRY EDEN	6031 Bamey Rd	Traverse City	MI	49684	Family	Conv	n/a	1994	No	-	n/a
EMERALD CREEK APTS	2516 Crossing Circle	Traverse City	MI	49686	Family	Conv	Elevator	2001	Yes	5 HH	n/a
HARBOUR RIDGE APTS	3686 Matador W	Traverse City	MI	49684	Family	Conv	Walk-up	1977	No	-	n/a
HOLIDAY HILLS APTS	2500 Holiday Hills Rd	Traverse City	MI	49684	Family	Conv	Walk-up	1970	No	-	n/a
HOME CENTER	4100 Wyatt Rd	Traverse City	MI	49686	Family	Conv	Walk-up	1979	No	-	n/a
INCHOCHEE FARMS	1459 Ramsdell	Traverse City	MI	49685	Family	Conv	Walk-up	1978	No	-	n/a
LAKE POINT VILLAGE	1646 Maple Ridge Way	Traverse City	MI	49686	Family	Conv	Walk-up	1988	No	-	n/a
LE GRAND VIEW I & II	2692 Harbor Hill Drive	Traverse City	MI	49686	Family	Conv	TH	1973	No	-	n/a
MANITOU WOODS	1020 Manitou Drive	Traverse City	MI	49686	Family	Conv	TH	1999	Yes	15 HH	n/a
OAK PARK - TRAVERSE CITY	1650 May Lane	Traverse City	MI	49686	Family	RHS 515/LIHTC	TH/Walk-up	1980	Yes	100 HH	n/a
ORCHARD VIEW	10200 E Carter Center	Traverse City	MI	49684	Family	PHA	TH	1994	Yes	62 HH	n/a
RENNIE OAKS	1530-1550 Veterans Dr	Traverse City	MI	49684	Family	Conv	Walk-up	1985	No	-	n/a
RIVERINE APTS	505 Riverine Dr	Traverse City	MI	49684	Family	Conv	Walk-up	1990	No	-	n/a
TRADEWINDS TERRACE	850 Fitzhugh Dr	Traverse City	MI	49684	Family	HUD 236	Walk-up	1971	Yes	n/a	n/a
VILLAGE GLEN - TRAV. CITY	1336 Birch Tree Lane	Traverse City	MI	49686	Family	LIHTC	TH/Walk-up	2006	No	-	<8 Mos
VILLAGE WOODS TH	1336 Birch Tree Lane	Traverse City	MI	49684	Family	Conv	TH	2007	No	-	<90 days
OVERALL	Total Number of Developments					25					
Totals and Averages									1988		
MARKET RATE ONLY	Total Number of Market Rate Developments					15					
Totals and Averages									1989		
LIHTC ONLY	Total Number of LIHTC Developments					2					
Totals and Averages									2002		
OTHER AFFORDABLE	Total Number of Other Affordable Developments					5					
Totals and Averages									1979		
SUBSIDIZED ONLY	Total Number of Subsidized Developments					2					
Totals and Averages									1987		

Table 18: Apartment Survey - One Bedroom Rents

Property Name	Number of Bedrooms	Number of Bathrooms	Rental Rate							Square Footage		Rent Per Square Foot		
			INCOME BASED	BASIC	30% AMI	50% AMI	60% AMI	MARKET	SPECIAL	Low	High	Low	High	
ALPINE PARK APTS	1	1						\$595			500		\$1.19	
ARBORS OF TRAVERSE APTS	1	1						\$610	\$745		714	792	\$0.85	\$0.94
ASPEN HILLS FAMILY TH	--	--												
BAY HILL APTS I & II	1	1			\$290	\$520	\$620	\$650	\$700		658	744	\$0.44	\$0.94
BAY OAKS	--	--												
BOARDMAN LAKE APTS I	1	1		\$430				\$573			601	601	\$0.72	\$0.95
BOARDMAN LAKE APTS II	1	1		\$450				\$611			601	601	\$0.75	\$1.02
CENTER ROWE APTS	1	1						\$605			600		\$1.01	
CHATEAU HEIGHTS APTS	--	--												
COUNTRY EDEN	1	1												
EMERALD CREEK APTS	--	--												
HARBOUR RIDGE APTS	1	1						\$615	\$835		453	935	\$1.36	\$0.89
HOLIDAY HILLS APTS	--	--												
HOME CENTER	1	1						\$470	\$490		600	600	\$0.78	\$0.82
INCHOCHEE FARMS	--	--												
LAKE POINT VILLAGE	1	1						\$604	\$730		590	700	\$1.02	\$1.04
LE GRAND VUE	1	1						\$520	\$585		686	686	\$0.76	\$0.85
MANITOU WOODS	1	1						\$620			720		\$0.86	
OAK PARK - TRAVERSE CITY	1	1		\$406				\$587			600	600	\$0.68	\$0.98
ORCHARD VIEW	--	--												
RENNIE OAKS	1	1						\$595			500		\$1.19	
RIVERINE APTS	1	1						\$670	\$690		650	650	\$1.03	\$1.06
TRADEWINDS TERRACE	1	1		\$382				\$461			550	550	\$0.69	\$0.84
VILLAGE GLEN - TRAV. CITY	--	--												
VILLAGE WOODS TH	--	--												
OVERALL														
Totals and Averages	1	1.0						\$574			634		\$0.91	
MARKET RATE ONLY	1	1						\$624			649		\$0.96	
LIHTC ONLY	1	1			\$290	\$520	\$620	\$675			701		\$0.41	\$0.96
OTHER AFFORDABLE	1	1		\$417				\$558			588		\$0.28	
SUBSIDIZED ONLY	--	--						INCOME BASED					-	

Table 19: Apartment Survey - Two Bedroom Rents

Property Name	Number of Bedrooms	Number of Bathrooms	Rental Rate							Square Footage		Rent Per Square Foot		
			INCOME BASED	BASIC	30% AMI	50% AMI	60% AMI	MARKET	SPECIAL	Low	High	Low	High	
ALPINE PARK APTS	2	1						\$695			900		\$0.77	
ARBORS OF TRAVERSE APTS	2	1-2						\$795	\$945		870	1,153	\$0.91	\$0.82
ASPEN HILLS FAMILY TH	2	1	X								800			
BAY HILL APTS I & II	2	1-2			\$350	\$620	\$720	\$709	\$925		942	1,032	\$0.37	\$0.90
BAY OAKS	2	1.5						\$494						
BOARDMAN LAKE APTS I	2	1		\$464				\$573			741	741	\$0.63	\$0.77
BOARDMAN LAKE APTS II	2	1		\$480				\$675			741	741	\$0.65	\$0.91
CENTER ROWE APTS	2	1						\$650			800		\$0.81	
CHATEAU HEIGHTS APTS	2	1		\$465				\$726			741	741	\$0.63	\$0.98
COUNTRY EDEN	2	1						\$725			1,020		\$0.71	
EMERALD CREEK APTS	2	1						\$650	\$680		800	800	\$0.81	\$0.85
HARBOUR RIDGE APTS	2	1-2						\$685	\$775		800	906	\$0.86	\$0.86
HOLIDAY HILLS APTS	2	1						\$495						
HOME CENTER	2	1						\$525	\$650		1,000		\$0.53	\$0.65
INCHOCHEE FARMS	2	1						\$695	\$750		800	900	\$0.87	\$0.83
LAKE POINT VILLAGE	2	1-2						\$756	\$882		860	1,070	\$0.88	\$0.82
LE GRAND VUE	2	1-1.5						\$605	\$725		986	986	\$0.61	\$0.74
MANITOU WOODS	2	1-1.5						\$700	\$720		1,107	1,107	\$0.63	\$0.65
OAK PARK - TRAVERSE CITY	2	1		\$436				\$635			725	725	\$0.60	\$0.88
ORCHARD VIEW	--	--												
RENNIE OAKS	2	1						\$595			900		\$0.66	
RIVERINE APTS	2	2						\$750	\$790		1,100	1,100	\$0.68	\$0.72
TRADEWINDS TERRACE	2	1		\$411				\$496			700	700	\$0.59	\$0.71
VILLAGE GLEN - TRAV. CITY	2	2							\$689		1,012		\$0.68	
VILLAGE WOODS TH	--	--												
OVERALL														
Totals and Averages	2	1.5						\$653			900		\$0.73	
MARKET RATE ONLY	2	1.5						\$697			1,100		\$0.63	
LIHTC ONLY	2	1.67			\$350	\$620	\$705		\$817		995		\$0.35	\$0.82
OTHER AFFORDABLE	2	1		\$451				\$621			730		\$0.24	
SUBSIDIZED ONLY	2	1						INCOME BASED			800		-	

Table 20: Apartment Survey - Three Bedroom Rents

Property Name	Number of Bedrooms	Number of Bathrooms	Rental Rate							Square Footage		Rent Per Square Foot	
			INCOME BASED	BASIC	30% AMI	50% AMI	60% AMI	MARKET	SPECIAL	Low	High	Low	High
ALPINE PARK APTS	--	--											
ARBORS OF TRAVERSE APTS	3	2						\$935	\$1,080	1,141	1,320	\$0.82	\$0.82
ASPEN HILLS FAMILY TH	3	1	X							840		--	--
BAY HILL APTS I & II	3	2			\$388	\$710	\$835	\$950		1,207	1,230	\$0.32	\$0.77
BAY OAKS	--	--											
BOARDMAN LAKE APTS I	3	1.5		\$541				\$700		1,040	1,040	\$0.52	\$0.67
BOARDMAN LAKE APTS II	--	--											
CENTER ROWE APTS	--	--											
CHATEAU HEIGHTS APTS	--	--											
COUNTRY EDEN	--	--											
EMERALD CREEK APTS	--	--											
HARBOUR RIDGE APTS	--	--											
HOLIDAY HILLS APTS	--	--											
HOME CENTER	--	--											
INCHOCHEE FARMS	--	--											
LAKE POINT VILLAGE	--	--											
LE GRAND VUE	--	--											
MANITOU WOODS	3	2-2.5						\$860	\$910	2,303	2,303	\$0.37	\$0.40
OAK PARK - TRAVERSE CITY	3	1.5								960	960		
ORCHARD VIEW	3	1.5	X										
RENNIE OAKS	--	--											
RIVERINE APTS	--	--											
TRADEWINDS TERRACE	3	1		\$439				\$530		867	867	\$0.51	\$0.61
VILLAGE GLEN - TRAV. CITY	3	2						\$793		1,214		\$0.65	
VILLAGE WOODS TH	3	1.5-2						\$900	\$1,100	1,100	1,400	\$0.82	\$0.79
OVERALL													
Totals and Averages	3	1.6						\$778			1237		\$0.63
MARKET RATE ONLY	3	1.75						\$962			1,595		\$0.60
LIHTC ONLY	3	2			\$388	\$710	\$814	\$950			1,217	\$0.32	\$0.78
OTHER AFFORDABLE	3	1.25		\$490				\$615			954	\$0.51	\$0.64
SUBSIDIZED ONLY	3	1						INCOME BASED			840		-

Table 21: Apartment Survey - Utility Information

Property Name	Heat		Hot Water		Cooking	
	Type	Included in Rent	Type	Included in Rent	Type	Included in Rent
ALPINE PARK APTS	GAS	X	GAS	X	ELE	
ARBORS OF TRAVERSE APTS	GAS		GAS/ELE		ELE	
ASPEN HILLS FAMILY TH	GAS		GAS		ELE	
BAY HILL APTS I & II	GAS		GAS		GAS/ELE	
BAY OAKS	GAS		GAS		ELE	
BOARDMAN LAKE APTS I	GAS/ELE	X	ELE		ELE	
BOARDMAN LAKE APTS II	ELE	X	ELE		ELE	
CENTER ROWE APTS	GAS	X	GAS	X	ELE	
CHATEAU HEIGHTS APTS	ELE		ELE		ELE	
COUNTRY EDEN	H2O	X	ELE		ELE	
EMERALD CREEK APTS	GAS		ELE		ELE	
HARBOUR RIDGE APTS	GAS	X	GAS		ELE	
HOLIDAY HILLS APTS	ELE		ELE		ELE	
HOME CENTER	GAS	X	GAS		ELE	
INCHOCHEE FARMS	GAS	X	GAS	X	ELE	
LAKE POINT VILLAGE	GAS		GAS		ELE	
LE GRAND VUE	GAS/H2O		GAS		ELE	
MANITOU WOODS	H2O		ELE		ELE	
OAK PARK - TRAVERSE CITY	H2O	Apt Only	H2O	Apt Only	GAS	
ORCHARD VIEW	ELE		ELE		ELE	
RENNIE OAKS	GAS	X	ELE		ELE	
RIVERINE APTS	GAS		ELE		ELE	
TRADEWINDS TERRACE	GAS	X	GAS	X	GAS	X
VILLAGE GLEN - TRAV. CITY	GAS		GAS		ELE	
VILLAGE WOODS TH	GAS		GAS		ELE	

Table 22: Apartment Survey - Amenities Information

Property Name	Kitchen Equipment					Unit Amenities										Development Amenities					
	Stove	Refrigerator	Garbage Disposal	Dish Washer	Microwave	Central Air	Coat Closet	Individual Entry	In-unit Laundry	Laundry Hookup	Mini Blinds	Patio/ Balcony	Storage	Walk-in Closet	Wall Unit Air	Club House	Coin Op Laundry	Exercise Room	Management On-Site	Play ground	Pool
ALPINE PARK APTS	X	X	X	X	X		X			X	X		X	X			X	X			
ARBORS OF TRAVERSE APTS	X	X	X	X	X	X	X	X		X	X	X							X	X	
ASPEN HILLS FAMILY TH	X	X	X				X	X	X		X	X	X					X	X	X	
BAY HILL APTS I & II	X	X	X	X	X	X	X	X		X	X		X			X		X	X	X	
BAY OAKS	X	X	X				X		X	X		X	X								
BOARDMAN LAKE APTS I	X	X	X				X	X	X	X	X	X	X	X			X	X	X	X	
BOARDMAN LAKE APTS II	X	X	X				X			X	X	X	X				X	X	X	X	
CENTER ROWE APTS	X	X	X	X		X	X			X	X	X					X	X	X	X	
CHATEAU HEIGHTS APTS	X	X	X				X			X	X		X				X	X	X	X	
COUNTRY EDEN	X	X		X			X		X	X	X		X							X	
EMERALD CREEK APTS	X	X	X	X	X	X	X	X	X	X	X	X	X	X				X			
HARBOUR RIDGE APTS	X	X	X	X	X	X	X	X	X	X	X		X		X	X	X	X	X		
HOLIDAY HILLS APTS	X	X	X	X			X			X	X		X				X				
HOME CENTER	X	X	X	X			X	X		X	X		X	X			X			X	
INCHOCHEE FARMS	X	X	X	X			X			X	X				X				X		
LAKE POINT VILLAGE	X	X	X	X	X	X	X	X	X	X	X		X		X	X	X	X	X	X	X
LE GRAND VUE	X	X	X	X		X	X	X		X	X	X	X	X			X	X	X	X	
MANITOU WOODS	X	X	X	X			X	X	X		X	X	X	X		X	X	X	X	X	
OAK PARK - TRAVERSE CITY	X	X	X				X	X	X	X	X		X				X	X	X	X	
ORCHARD VIEW	X	X					X	X		X	X	X	X							X	
RENNIE OAKS	X	X	X	X	X		X			X	X		X	X			X	X			
RIVERINE APTS	X	X	X	X	X	X	X		X	X	X						X	X			
TRADEWINDS TERRACE	X	X	X				X										X		X	X	
VILLAGE GLEN - TRAV. CITY	X	X	X	X		X	X	X	X	X	X		X			X		X	X	X	
VILLAGE WOODS TH	X	X	X	X	X	X	X	X	X	X	X		X			X		X	X	X	
OVERALL																					
Totals and Averages	100%	100%	92%	68%	36%	40%	96%	48%	24%	40%	80%	76%	32%	68%	28%	24%	52%	16%	80%	52%	4%
BREAKDOWN																					
Market Rate Only	100%	100%	93%	93%	47%	53%	93%	40%	27%	40%	80%	80%	27%	60%	40%	27%	47%	20%	73%	27%	7%
LIHTC Only	100%	100%	100%	100%	50%	100%	100%	100%	100%		100%	100%		100%		100%		50%	100%	100%	
Other Affordable Only	100%	100%	100%				100%	40%		40%	80%	80%	40%	80%			100%		100%	100%	
Subsidized Only	100%	100%	50%				100%	100%		100%	50%	50%	100%	50%					50%	100%	

Table 23: Apartment Survey – Contact Information

Property Name	Name of Property Contact	Address of Property Contact	City	Phone Number of Property Contact
ALPINE PARK APTS	Joan Keeger	612-620 Airport Access Rd	Traverse City	231-947-0422
ARBORS OF TRAVERSE APTS	Josh	2955 Leggett	Traverse City	231-932-9200
ASPEN HILLS FAMILY TH	Jeanne Rowe	1291 Oak Terrace	Traverse City	231-947-5704
BAY HILL APTS I & II	Kari McLain	600 Bay Hill Drive	Traverse City	231-933-9600
BAY OAKS	n/a	3104 Logan Valley Rd	Traverse City	231-944-9223
BOARDMAN LAKE APTS I	Sandra Carley	2900 Boardmand Lake Dr	Traverse City	231-941-5257
BOARDMAN LAKE APTS II	Sandra Carley	2978 Fieger Lane	Traverse City	231-941-5257
CENTER ROWE APTS	Assad Alshamma	870 E 8th St	Traverse City	231-947-7299
CHATEAU HEIGHTS APTS	Sandra Carley	1835 Apartments Dr	Traverse City	231-941-5257
COUNTRY EDEN	Stewart McDougall	Would not provide	Traverse City	231-534-4749
EMERALD CREEK APTS	Judy Galloway	2516 Crossing Circle	Traverse City	231-932-9350
HARBOUR RIDGE APTS	Debrah Mangrum	3686 Matador W	Traverse City	231-947-2902
HOLIDAY HILLS APTS	Renee	415 Union Street S	Traverse City	231-941-4838
HOME CENTER	Terri	4100 Wyatt Road	Traverse City	231-929-4299
INCHOCHEE FARMS	Gary Gielczyk	1459 Ramsdell	Traverse City	231-941-7830
LAKE POINT VILLAGE	Terri P	1646 Maple Ridge Way	Traverse City	231-941-2400
LE GRAND VUE	Carol Davis	2692 Harbor Hill Dr	Traverse City	231-947-7330
MANITOU WOODS	Glen Hensley	1020 Manitou Drive	Traverse City	231-922-0771
OAK PARK - TRAVERSE CITY	Kathy Blodgett	1650 May Lane	Traverse City	231-947-3621
ORCHARD VIEW	Ila	10200 E Carter Center	Traverse City	231-922-4915
RENNIE OAKS	Joan Keeger	1530-1550 Veterans Dr	Traverse City	231-947-0422
RIVERINE APTS	Joan Keeger	505 Riverine Dr	Traverse City	231-947-0422
TRADEWINDS TERRACE	Terri Wagner	850 Fitzhugh Dr	Traverse City	231-946-2050
VILLAGE GLEN - TRAV. CITY	Laurie Kirk	1336 Birch Tree Lane	Traverse City	231-932-9506
VILLAGE WOODS TH	Laurie Kirk	1336 Birch Tree Lane	Traverse City	231-932-9506

Age of Stock

The age of an area's housing stock has a direct bearing on many aspects of its housing market. First, it is common to consider older housing stock as more affordable than newer stock. Because of this, it is often used by new households or first-time homebuyers as a "starter home". Depending on its quality, however, older stock could prove more costly than new if a great deal of rehabilitation and repair is necessary. In addition, older housing stock might prove a problem to maintain for certain area submarkets (like frail elderly households, for example).

In general, Grand Traverse's owner housing stock varies in age a great deal from township to township, but overall tends to be younger than the state's. The largest age category at the county level among owner housing units is comprised of those built between 1970 and 1979. In the state as a whole, the largest owner housing age cohort includes units built between 1950 and 1959. In addition, about 26% of the state's owner units were built before 1950, while about 16% of the county's owner housing dates from that period. Approximately 28% of the county's owner units were built during the 1990s, while only about 15% of the state's owner units fall into that category.

The county's renter stock is older. The county's largest age cohort among this type of housing dates from between 1970 and 1979, like the owner-occupied stock. However, 22% of renter units were constructed before 1940,

The tables below show the age distribution of the housing stock in Grand Traverse County by township, as well as the sub-market designations. The yellow-tinted cells show the age category with the largest number of housing units. Using this cue, one can quickly see that there are major differences in the ages of owner and renter stock in many townships. In five cases (Acme, Garfield, Mayfield, Peninsula and Union Townships), the largest age categories for renter housing were younger than those for the owner stock. Over 51% of the owner stock in Peninsula Township was built after 1990 while Traverse City had the lowest concentration of this type of housing, at 2.4%. Traverse City also had the largest percentage of owner units that date to before 1940.

In terms of rentals, Union Township has the highest proportion of post-1990 construction, at about 84%. Less than 20% of the renter units in most other counties are of this vintage. Conversely, 37.5% of renter units in Grant Township are over 63 years of age.

Table 24: Year Structure Built, 2000

	Minor Civil Divisions														Grand Traverse County
	Acme Township	Blair Township	East Bay Township	Fife Lake Township	Garfield Township	Grant Township	Green Lake Township	Long Lake Township	Mayfield Township	Paradise Township	Peninsula Township	Traverse City City	Union Township	Whitewater Township	
Occupied housing units	1662	908	190	405	360	1203	783	403	324	670	1503	6439	864	314	16028
Owner-Occupied Housing Units	1335	1901	3075	490	4112	336	1653	2339	369	1189	1951	3800	142	815	23507
Built 1999 to March 2000	77	123	108	30	257	15	60	109	18	117	53	15	11	39	1032
Percent of Owner-Occupied units	5.8%	6.5%	3.5%	6.1%	6.3%	4.5%	3.6%	4.7%	4.9%	9.8%	2.7%	0.4%	7.7%	4.8%	4.4%
Built 1995 to 1998	167	363	258	65	605	50	326	222	59	258	231	44	20	111	2779
Percent of Owner-Occupied units	12.5%	19.1%	8.4%	13.3%	14.7%	14.9%	19.7%	9.5%	16.0%	21.7%	11.8%	1.2%	14.1%	13.6%	11.8%
Built 1990 to 1994	119	193	363	44	611	42	211	458	48	235	332	31	13	120	2820
Percent of Owner-Occupied units	8.9%	10.2%	11.8%	9.0%	14.9%	12.5%	12.8%	19.6%	13.0%	19.8%	17.0%	0.8%	9.2%	14.7%	12.0%
Built 1980 to 1989	312	273	762	72	841	27	341	644	58	89	329	226	21	138	4133
Percent of Owner-Occupied units	23.4%	14.4%	24.8%	14.7%	20.5%	8.0%	20.6%	27.5%	15.7%	7.5%	16.9%	5.9%	14.8%	16.9%	17.6%
Built 1970 to 1979	421	645	823	115	1109	64	430	570	51	196	424	481	42	210	5581
Percent of Owner-Occupied units	31.5%	33.9%	26.8%	23.5%	27.0%	19.0%	26.0%	24.4%	13.8%	16.5%	21.7%	12.7%	29.6%	25.8%	23.7%
Built 1960 to 1969	95	110	217	46	325	19	94	112	32	60	165	361	4	58	1698
Percent of Owner-Occupied units	7.1%	5.8%	7.1%	9.4%	7.9%	5.7%	5.7%	4.8%	8.7%	5.0%	8.5%	9.5%	2.8%	7.1%	7.2%
Built 1950 to 1959	38	53	267	29	134	22	104	99	19	60	165	659	9	27	1685
Percent of Owner-Occupied units	2.8%	2.8%	8.7%	5.9%	3.3%	6.5%	6.3%	4.2%	5.1%	5.0%	8.5%	17.3%	6.3%	3.3%	7.2%
Built 1940 to 1949	35	21	130	19	69	13	40	51	7	65	43	335	4	22	854
Percent of Owner-Occupied units	2.6%	1.1%	4.2%	3.9%	1.7%	3.9%	2.4%	2.2%	1.9%	5.5%	2.2%	8.8%	2.8%	2.7%	3.6%
Built 1939 or earlier	71	120	147	70	161	84	47	74	77	109	209	1648	18	90	2925
Percent of Owner-Occupied units	5.3%	6.3%	4.8%	14.3%	3.9%	25.0%	2.8%	3.2%	20.9%	9.2%	10.7%	43.4%	12.7%	11.0%	12.4%
Renter-Occupied Housing Units	327	377	608	81	1568	32	272	439	71	188	227	2639	44	90	6963
Built 1999 to March 2000	0	0	15	0	91	0	13	0	0	7	4	36	37	0	203
Percent of Renter-Occupied Units	0.0%	0.0%	2.5%	0.0%	5.8%	0.0%	4.8%	0.0%	0.0%	3.7%	1.8%	1.4%	84.1%	0.0%	2.9%
Built 1995 to 1998	87	18	53	3	188	0	18	40	0	9	5	223	0	11	655
Percent of Renter-Occupied Units	26.6%	4.8%	8.7%	3.7%	12.0%	0.0%	6.6%	9.1%	0.0%	4.8%	2.2%	8.5%	0.0%	12.2%	9.4%
Built 1990 to 1994	24	49	81	0	106	2	23	75	5	14	13	132	0	3	527
Percent of Renter-Occupied Units	7.3%	13.0%	13.3%	0.0%	6.8%	6.3%	8.5%	17.1%	7.0%	7.4%	5.7%	5.0%	0.0%	3.3%	7.6%
Built 1980 to 1989	57	75	120	11	527	4	18	163	23	70	58	303	0	4	1433
Percent of Renter-Occupied Units	17.4%	19.9%	19.7%	13.6%	33.6%	12.5%	6.6%	37.1%	32.4%	37.2%	25.6%	11.5%	0.0%	4.4%	20.6%
Built 1970 to 1979	54	117	138	15	360	8	59	113	9	23	54	559	4	5	1518
Percent of Renter-Occupied Units	16.5%	31.0%	22.7%	18.5%	23.0%	25.0%	21.7%	25.7%	12.7%	12.2%	23.8%	21.2%	9.1%	5.6%	21.8%
Built 1960 to 1969	8	53	72	10	111	4	75	33	2	7	23	182	0	21	601
Percent of Renter-Occupied Units	2.4%	14.1%	11.8%	12.3%	7.1%	12.5%	27.6%	7.5%	2.8%	3.7%	10.1%	6.9%	0.0%	23.3%	8.6%
Built 1950 to 1959	27	45	44	6	57	2	31	0	12	13	11	224	1	19	492
Percent of Renter-Occupied Units	8.3%	11.9%	7.2%	7.4%	3.6%	6.3%	11.4%	0.0%	16.9%	6.9%	4.8%	8.5%	2.3%	21.1%	7.1%
Built 1940 to 1949	37	0	52	8	82	0	5	8	5	9	20	208	2	2	438
Percent of Renter-Occupied Units	11.3%	0.0%	8.6%	9.9%	5.2%	0.0%	1.8%	1.8%	7.0%	4.8%	8.8%	7.9%	4.5%	2.2%	6.3%
Built 1939 or earlier	33	20	33	28	46	12	30	7	15	36	39	772	0	25	1096
Percent of Renter-Occupied Units	10.1%	5.3%	5.4%	34.6%	2.9%	37.5%	11.0%	1.6%	21.1%	19.1%	17.2%	29.3%	0.0%	27.8%	15.7%

Source: US Census of Population and Housing, SF3, 2000

Table 25: Owner-Occupied Households by Year Structure Built (Sub-Markets), As of 2000

	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural G.d. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
1999 to 2000	15	15	483	549	1,032
Percent of total renter units	0.4%	3.8%	5.7%	3.6%	4.4%
1995 to 1998	44	118	1,363	1,410	2,773
Percent of total renter units	1.2%	29.8%	16.2%	9.4%	11.8%
1990 to 1994	31	74	1,244	1,576	2,820
Percent of total renter units	0.8%	18.7%	14.8%	10.5%	12.0%
1980 to 1989	226	29	1,525	2,608	4,133
Percent of total renter units	5.9%	7.3%	18.1%	17.3%	17.6%
1970 to 1979	481	29	2,113	3,468	5,581
Percent of total renter units	12.7%	7.3%	25.1%	23.0%	23.8%
1960 to 1969	361	30	477	1,221	1,698
Percent of total renter units	9.5%	7.6%	5.7%	8.1%	7.2%
1950 to 1959	659	25	395	1,290	1,685
Percent of total renter units	17.3%	6.3%	4.7%	8.6%	7.2%
1940 to 1949	335	23	220	634	854
Percent of total renter units	8.8%	5.8%	2.6%	4.2%	3.6%
1939 or Earlier	1,648	53	599	2,319	2,918
Percent of total renter units	43.4%	13.4%	7.1%	15.4%	12.4%

SOURCE: 2000 Census of Population and Housing, SF3, U.S. Census Bureau

Table 26: Renter-Occupied Households by Year Structure Built (Sub-Markets), As of 2000

	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
1999 to 2000	36	2	20	146	166
Percent of total renter units	1.4%	1.9%	1.4%	2.7%	2.4%
1995 to 1998	223	9	88	559	647
Percent of total renter units	8.5%	8.7%	6.0%	10.3%	9.4%
1990 to 1994	132	9	168	351	519
Percent of total renter units	5.0%	8.7%	11.5%	6.5%	7.5%
1980 to 1989	303	42	364	1,069	1,433
Percent of total renter units	11.5%	40.8%	24.8%	19.7%	20.8%
1970 to 1979	559	8	348	1,170	1,518
Percent of total renter units	21.2%	7.8%	23.7%	21.5%	22.0%
1960 to 1969	182	5	184	417	601
Percent of total renter units	6.9%	4.9%	12.5%	7.7%	8.7%
1950 to 1959	224	7	110	382	492
Percent of total renter units	8.5%	6.8%	7.5%	7.0%	7.1%
1940 to 1949	208	3	37	393	430
Percent of total renter units	7.9%	2.9%	2.5%	7.2%	6.2%
1939 or Earlier	772	18	148	948	1,096
Percent of total renter units	29.3%	17.5%	10.1%	17.4%	15.9%

SOURCE: 2000 Census of Population and Housing, SF3, U.S. Census Bureau

Size of Housing Stock

This is an important variable on the supply side of the housing market equation. First, the size of the housing stock should correspond at least roughly with the size of households that are consuming the housing. If there is a mismatch between these two quantities, overcrowding and inaccurate pricing of the stock will result. Second, holding age and other factors equal, it is generally the case that larger housing units (either owner or renter) will cost more than smaller ones. Therefore, it is important to have a wide variety of price points for larger units, as less affluent but larger households also need shelter with an adequate amount of space.

In this report, the size of the unit will be measured in terms of the number of bedrooms. Overall, Grand Traverse's owner-occupied unit size distribution follows closely that of the state. In both cases, most of these units have three bedrooms. Also, in both the state and county two-bedroom rental apartments was the most numerous size category.

The next table shows the size distribution of the housing stock by township for Grand Traverse County. For the owner stock, all areas had three bedroom units as the most common. For renter units, slightly more variety exists. Larger rental stock is more likely found in Mayfield, Peninsula and Union Townships.

The following table provides an indication of housing size by the number of units within each structure. The vast majority of owner-occupied housing is single-unit structures, or single-family homes. The exception to this is found within the rural regions of the county, in which mobile homes account for up to 170% of all owner-occupied structures (and up to 44 within Kingsley). Rental units are somewhat more diverse, and represent a combination of single-family or duplex rentals (which represented 58% of the county's rental housing stock in 2000), and multiple-family structures (apartment buildings), accounting for 33% of the county total in 2000. Mobile homes represented approximately nine percent of all rental households in 2000. Much of these are likely substandard in some manner, are depreciation in value over time, and are in many cases the housing of last resort for those households facing affordability challenges.

Table 27: Size of Stock by Bedroom, 2000

	Minor Civil Divisions															Grand Traverse
	Acme Township	Blair Township	East Bay Township	Fife Lake Township	Garfield Township	Grant Township	Green Lake Township	Long Lake Township	Mayfield Township	Paradise Township	Peninsula Township	Traverse City Township	Union Township	Whitewater Township	County	
Owner-occupied Housing Units	1335	1901	3075	490	4112	336	1653	2339	369	1189	1951	3800	142	815	23507	
No bedroom	0	0	7	0	0	2	0	0	0	6	0	0	3	2	20	
Percent of Owner-Occupied units	0.0%	0.0%	0.2%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	2.1%	0.2%	0.1%	
1 bedroom	0	46	87	12	116	21	48	49	6	46	54	144	13	15	657	
Percent of Owner-Occupied units	0.0%	2.4%	2.8%	2.4%	2.8%	6.3%	2.9%	2.1%	1.6%	3.9%	2.8%	3.8%	9.2%	1.8%	2.8%	
2 bedrooms	164	386	681	181	1140	99	390	403	78	237	210	922	37	157	5085	
Percent of Owner-Occupied units	12.3%	20.3%	22.1%	36.9%	27.7%	29.5%	23.6%	17.2%	21.1%	19.9%	10.8%	24.3%	26.1%	19.3%	21.6%	
3 bedrooms	671	1165	1686	241	2224	168	989	1394	189	645	952	1833	66	481	12704	
Percent of Owner-Occupied units	50.3%	61.3%	54.8%	49.2%	54.1%	50.0%	59.8%	59.6%	51.2%	54.2%	48.8%	48.2%	46.5%	59.0%	54.0%	
4 bedrooms	409	272	519	43	542	36	179	429	75	203	543	704	17	134	4105	
Percent of Owner-Occupied units	30.6%	14.3%	16.9%	8.8%	13.2%	10.7%	10.8%	18.3%	20.3%	17.1%	27.8%	18.5%	12.0%	16.4%	17.5%	
5 or more bedrooms	91	32	95	13	90	10	47	64	21	52	192	197	6	26	936	
Percent of Owner-Occupied units	6.8%	1.7%	3.1%	2.7%	2.2%	3.0%	2.8%	2.7%	5.7%	4.4%	9.8%	5.2%	4.2%	3.2%	4.0%	
Renter-Occupied Housing Units	327	377	608	81	1568	32	272	439	71	188	227	2639	7	90	6926	
No bedroom	12	7	12	0	20	0	7	0	0	5	0	66	0	3	132	
Percent of Renter-Occupied Units	3.7%	1.9%	2.0%	0.0%	1.3%	0.0%	2.6%	0.0%	0.0%	2.7%	0.0%	2.5%	0.0%	3.3%	1.9%	
1 bedroom	45	54	85	28	594	4	57	57	4	28	62	801	1	5	1825	
Percent of Renter-Occupied Units	13.8%	14.3%	14.0%	34.6%	37.9%	12.5%	21.0%	13.0%	5.6%	14.9%	27.3%	30.4%	14.3%	5.6%	26.3%	
2 bedrooms	176	142	300	37	705	20	113	273	24	76	71	1152	2	42	3133	
Percent of Renter-Occupied Units	53.8%	37.7%	49.3%	45.7%	45.0%	62.5%	41.5%	62.2%	33.8%	40.4%	31.3%	43.7%	28.6%	46.7%	45.2%	
3 bedrooms	51	135	174	11	175	6	77	86	28	54	77	494	4	36	1408	
Percent of Renter-Occupied Units	15.6%	35.8%	28.6%	13.6%	11.2%	18.8%	28.3%	19.6%	39.4%	28.7%	33.9%	18.7%	57.1%	40.0%	20.3%	
4 bedrooms	31	21	30	5	58	0	18	23	13	18	11	111	0	4	343	
Percent of Renter-Occupied Units	9.5%	5.6%	4.9%	6.2%	3.7%	0.0%	6.6%	5.2%	18.3%	9.6%	4.8%	4.2%	0.0%	4.4%	5.0%	
5 or more bedrooms	12	18	7	0	16	2	0	0	2	7	6	15	0	0	85	
Percent of Renter-Occupied Units	3.7%	4.8%	1.2%	0.0%	1.0%	6.3%	0.0%	0.0%	2.8%	3.7%	2.6%	0.6%	0.0%	0.0%	1.2%	

Source: US Census of Population and Housing, SF3, 2000

Table 28: Size of Stock by Number of Units (Sub-Markets), 2000

<u>OWNER HOUSEHOLDS</u>	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
One Unit	3,591	221	6,999	13,325	20,324
Percent of total structures	94.5%	55.8%	83.1%	88.4%	86.5%
Two to Four Units	63	0	29	186	215
Percent of total structures	1.7%	0.0%	0.3%	1.2%	0.9%
Five to Nine Units	29	0	0	129	129
Percent of total structures	0.8%	0.0%	0.0%	0.9%	0.5%
Ten or More Units	114	0	2	126	128
Percent of total structures	3.0%	0.0%	0.0%	0.8%	0.5%
Mobile Home/Trailer	3	175	1,389	1,302	2,691
Percent of total structures	0.1%	44.2%	16.5%	8.6%	11.5%
Other	0	0	0	7	7
Percent of total structures	0.0%	0.0%	0.0%	0.0%	0.0%
<u>RENTER HOUSEHOLDS</u>	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
One Unit	848	34	717	1,865	2,582
Percent of total structures	32.1%	33.0%	48.9%	34.3%	37.4%
Two to Four Units	683	17	251	1,167	1,418
Percent of total structures	25.9%	16.5%	17.1%	21.5%	20.5%
Five to Nine Units	360	15	89	935	1,024
Percent of total structures	13.6%	14.6%	6.1%	17.2%	14.8%
Ten or More Units	740	12	34	1,250	1,284
Percent of total structures	28.0%	11.7%	2.3%	23.0%	18.6%
Mobile Home/Trailer	8	25	376	218	594
Percent of total structures	0.3%	24.3%	25.6%	4.0%	8.6%
Other	0	0	0	0	0
Percent of total structures	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: 2000 Census of Population and Housing, SF3, U.S. Census Bureau

Seasonal Housing

Vacation and second homes are a sizeable component of the overall housing stock in most of the townships of Grand Traverse County. This aspect of the county's housing stock has effects on the local housing market that can be sizeable. First, depending on its price, it could drive up other real estate properties in the neighborhood. Second, it is possible that the units used in this fashion are effectively taken out of the pool of housing available to year-round residents of the county.

The table below describes the number of seasonal units in the county's inventory. Overall, just under 31% of all housing units in Grand Traverse County were seasonal in nature, and vacant at least part of the year. The township that has the highest concentration of seasonal stock is Union; 27.9% of its housing falls into this category. At the other end of the spectrum, Traverse City had a rate of less than two percent.

Table 29: Seasonal Housing as a Proportion of Total Housing Stock, 2000

	Minor Civil Divisions														Grand Traverse County
	Acme Township	Blair Township	East Bay Township	Fife Lake Township	Garfield Township	Grant Township	Green Lake Township	Long Lake Township	Mayfield Township	Paradise Township	Peninsula Township	Traverse City City	Union Township	Whitewater Township	
Housing Units	2,215	2,482	4,339	779	6,150	467	2,457	3,210	480	1,481	2,613	6,842	222	1,176	10,312
Vacant seasonal units	437	55	452	181	149	75	450	367	15	34	395	117	62	240	3,181
Percent of all housing units	19.7%	2.2%	10.4%	23.2%	2.4%	16.1%	18.3%	11.4%	3.1%	2.3%	15.1%	1.7%	27.9%	20.4%	30.8%

Source: US Census of Population and Housing, SF1, 2000

V. Market Dynamics

Building Permits

Since 2000, a total of 6,499 units have been permitted by local officials, within more than 5,100 structures. Of these, 76% were for single family structures, with four percent represented by duplex to four-plex units. The remaining 20% of all units were within multiple-family structures (of at least five units or more), including both rental apartments and condominiums.

This level of permitting is in line with ESRI estimates of household growth.

Table 30: Building Permit History – Grand Traverse County, 2000 - 2008

Type of Structure	Number of Building Permits Reported Annually										Number of Units Reported Annually								
	2000	2001	2002	2003	2004	2005	2006	2007	2008		2000	2001	2002	2003	2004	2005	2006	2007	2008
Single Family	604	533	609	704	692	727	560	299	221		604	533	609	704	692	727	560	299	221
Two Family	3	2	5	32	17	15	14	12	0		6	4	10	64	34	30	28	24	0
Three and Four Family	4	7	5	0	2	0	0	1	2		14	26	15	0	8	0	0	4	8
Five or More Family	6	2	7	1	11	29	7	1	1		355	75	52	8	234	406	115	24	6
Total	617	544	626	737	722	771	581	313	224		979	638	686	776	968	1163	703	351	235

Source: U.S. Census Bureau. Building Permits.

Value of the Stock

As in any economic system, the combination of demand and supply forces described earlier result in prices. In this case, the prices are the selling price for the for-sale units in the market, and gross rents for its rental units. Prices are generally fixed for units that are actually on the market. As this is generally a small fraction of the total number of units at a single point in time, a reasonable surrogate for this dimension is contained in information on the value of owner-occupied housing. Information on this, as well as gross rents, is available from the Census.

A general trend in the data shows that Grand Traverse's owner-occupied units are expensive, and have quickly increased in value over the 1990s. In the county, the median value of owner-occupied housing was \$130,400 in 2000. This figure is 112.8% of the state's median value of \$115,600. Both county and state figures show a large amount of appreciation on an average annual basis since 1990. In that year, Grand Traverse's median value was \$66,700, and the growth over the 1990s was at a pace of 9.6% per year on average. The state experienced a rate of 9.2% during the same period.

The chart on the next page shows the township trends in housing values. The yellow-tinted cells show the price category that included the most units. While there is some variety in housing values from township to township, most areas in the county had their largest value categories in the neighborhood of \$100,000 to \$124,999. One township (Mayfield) had a modal category less than this value, at \$80,000 to \$89,999. Three others were above this level (Acme and Garfield at \$125,000 to \$149,999 and Peninsula at \$200,000 to \$249,999).

Table 31: Value of Owner-Occupied Housing, 2000

	Minor Civil Divisions														Grand Traverse County
	Acme	Blair	East Bay	Fife Lake	Garfield	Grant	Green Lake	Long Lake	Mayfield	Paradise	Peninsula	Traverse City	Union	Whitewater	
	Township	Township	Township	Township	Township	Township	Township	Township	Township	Township	Township	City	Township	Township	
Owner-Occupied Housing Units	1168	1102	2563	274	2623	128	1320	1944	117	666	1629	3489	60	593	3489
Less than \$10,000	0	5	6	0	0	0	0	0	0	0	0	0	0	2	0
Percent of Owner-Occupied Units	0.0%	0.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%
\$10,000 to \$14,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Percent of Owner-Occupied Units	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$15,000 to \$19,999	0	7	12	3	0	0	0	3	0	1	0	0	0	2	0
Percent of Owner-Occupied Units	0.0%	0.6%	0.5%	1.1%	0.0%	0.0%	0.0%	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.3%	0.0%
\$20,000 to \$24,999	0	0	0	0	0	4	0	5	0	5	0	0	0	0	0
Percent of Owner-Occupied Units	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	0.0%	0.3%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
\$25,000 to \$29,999	0	0	0	2	0	4	0	0	2	0	0	6	0	1	6
Percent of Owner-Occupied Units	0.0%	0.0%	0.0%	0.7%	0.0%	3.1%	0.0%	0.0%	1.7%	0.0%	0.0%	0.2%	0.0%	0.2%	0.2%
\$30,000 to \$34,999	0	0	3	15	0	0	0	0	2	2	0	7	0	4	7
Percent of Owner-Occupied Units	0.0%	0.0%	0.1%	5.5%	0.0%	0.0%	0.0%	0.0%	1.7%	0.3%	0.0%	0.2%	0.0%	0.7%	0.2%
\$35,000 to \$39,999	0	12	0	0	0	8	2	0	2	14	0	6	0	2	6
Percent of Owner-Occupied Units	0.0%	1.1%	0.0%	0.0%	0.0%	6.3%	0.2%	0.0%	1.7%	2.1%	0.0%	0.2%	0.0%	0.3%	0.2%
\$40,000 to \$49,999	0	28	0	21	42	4	14	9	2	27	12	21	2	13	21
Percent of Owner-Occupied Units	0.0%	2.5%	0.0%	7.7%	1.6%	3.1%	1.1%	0.5%	1.7%	4.1%	0.7%	0.6%	3.3%	2.2%	0.6%
\$50,000 to \$59,999	8	9	50	28	36	4	31	24	6	7	7	58	0	0	58
Percent of Owner-Occupied Units	0.7%	0.8%	2.0%	10.2%	1.4%	3.1%	2.3%	1.2%	5.1%	1.1%	0.4%	1.7%	0.0%	0.0%	1.7%
\$60,000 to \$69,999	10	87	88	33	64	2	18	48	6	29	0	135	2	13	135
Percent of Owner-Occupied Units	0.9%	7.9%	3.4%	12.0%	2.4%	1.6%	1.4%	2.5%	5.1%	4.4%	0.0%	3.9%	3.3%	2.2%	3.9%
\$70,000 to \$79,999	33	88	87	29	33	7	77	34	10	38	13	136	2	26	136
Percent of Owner-Occupied Units	2.8%	8.0%	3.4%	10.6%	1.3%	5.5%	5.8%	1.7%	8.5%	5.7%	0.8%	3.9%	3.3%	4.4%	3.9%
\$80,000 to \$89,999	4	191	157	32	97	10	151	146	25	80	22	279	0	46	279
Percent of Owner-Occupied Units	0.3%	17.3%	6.1%	11.7%	3.7%	7.8%	11.4%	7.5%	21.4%	12.0%	1.4%	8.0%	0.0%	7.8%	8.0%
\$90,000 to \$99,999	44	123	334	18	248	13	178	173	10	101	31	309	3	28	309
Percent of Owner-Occupied Units	3.8%	11.2%	13.0%	6.6%	9.5%	10.2%	13.5%	8.9%	8.5%	15.2%	1.9%	8.9%	5.0%	4.7%	8.9%
\$100,000 to \$124,999	193	208	630	38	512	23	330	439	16	191	63	801	17	109	801
Percent of Owner-Occupied Units	16.5%	18.9%	24.6%	13.9%	19.5%	18.0%	25.0%	22.6%	13.7%	28.7%	3.9%	23.0%	28.3%	18.4%	23.0%
\$125,000 to \$149,999	306	171	529	16	652	20	137	304	12	92	89	559	11	105	559
Percent of Owner-Occupied Units	26.2%	15.5%	20.6%	5.8%	24.9%	15.6%	10.4%	15.6%	10.3%	13.8%	5.5%	16.0%	18.3%	17.7%	16.0%
\$150,000 to \$174,999	164	61	164	13	259	5	77	231	9	38	123	365	4	58	365
Percent of Owner-Occupied Units	14.0%	5.5%	6.4%	4.7%	9.9%	3.9%	5.8%	11.9%	7.7%	5.7%	7.6%	10.5%	6.7%	9.8%	10.5%
\$175,000 to \$199,999	95	42	182	7	177	11	88	130	4	19	183	267	4	45	267
Percent of Owner-Occupied Units	8.1%	3.8%	7.1%	2.6%	6.7%	8.6%	6.7%	6.7%	3.4%	2.9%	11.2%	7.7%	6.7%	7.6%	7.7%
\$200,000 to \$249,999	145	47	203	9	264	7	74	111	7	13	291	222	4	46	222
Percent of Owner-Occupied Units	12.4%	4.3%	7.9%	3.3%	10.1%	5.5%	5.6%	5.7%	6.0%	2.0%	17.9%	6.4%	6.7%	7.8%	6.4%
\$250,000 to \$299,999	49	23	54	2	120	4	69	91	2	3	198	102	11	24	102
Percent of Owner-Occupied Units	4.2%	2.1%	2.1%	0.7%	4.6%	3.1%	5.2%	4.7%	1.7%	0.5%	12.2%	2.9%	18.3%	4.0%	2.9%
\$300,000 to \$399,999	57	0	37	8	71	0	60	85	2	0	242	112	0	19	112
Percent of Owner-Occupied Units	4.9%	0.0%	1.4%	2.9%	2.7%	0.0%	4.5%	4.4%	1.7%	0.0%	14.9%	3.2%	0.0%	3.2%	3.2%
\$400,000 to \$499,999	16	0	12	0	21	2	14	37	0	0	135	46	0	27	46
Percent of Owner-Occupied Units	1.4%	0.0%	0.5%	0.0%	0.8%	1.6%	1.1%	1.9%	0.0%	0.0%	8.3%	1.3%	0.0%	4.6%	1.3%
\$500,000 to \$749,999	33	0	15	0	27	0	0	61	0	6	147	31	0	11	31
Percent of Owner-Occupied Units	2.8%	0.0%	0.6%	0.0%	1.0%	0.0%	0.0%	3.1%	0.0%	0.9%	9.0%	0.9%	0.0%	1.9%	0.9%
\$750,000 to \$999,999	0	0	0	0	0	0	0	6	0	0	35	21	0	10	21
Percent of Owner-Occupied Units	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	2.1%	0.6%	0.0%	1.7%	0.6%
\$1,000,000 or more	11	0	0	0	0	0	0	7	0	0	38	6	0	2	6
Percent of Owner-Occupied Units	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	2.3%	0.2%	0.0%	0.3%	0.2%

Source: US Census of Population and Housing, 2000

Gross Rent

Gross rent is the payment made by renters for shelter plus utilities. This is a more accurate measure of shelter cost for renters than contract rent, which shows the cost of the rental unit itself.

In the county, the median gross rent in 2000 was \$614. This reflects an increase of about 3.2% on an average annual basis since 1990, when that figure was \$446. The state's increase was approximately 2.8% on an average annual basis during that same period. The state's 2000 median gross rent is \$546, up from \$426 in 1990.

The tables that follow show the distribution of rental units by gross rent in the county's townships and sub-markets. A few things are apparent from these figures. First, the low number of renter households is evident in the small numbers in the cells of the table. Second, the distribution of rents is uneven from township to township, a fact that is probably related to the small number of rentals to study. Most townships reported that the most common price category among rental units was between \$600 and \$699. The largest concentration of relatively expensive units was in Acme Township, where over 26% of units carried gross rents of over \$1,000. Grant and Fife Lake Townships had rents at the other end of the spectrum.

In the same table, median rents from both 1990 and 2000 are shown. The highest median rent level is found in Acme Township, at \$732. The lowest median rent is Fife Lake Township's \$453.

Table 32: Gross Rent Distribution, 2000

	Minor Civil Divisions														Grand Traverse County
	Acme Township	Blair Township	East Bay Township	Fife Lake Township	Garfield Township	Grant Frankfort	Green Lake Township	Long Lake Township	Mayfield Township	Paradise Township	Peninsula Township	City of Traverse City	Union Township	Whitewater Township	
Less than \$100	0	0	0	0	9	0	0	0	0	0	0	27	0	0	36
Percent of renter units	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.6%
Between \$100 and \$149	0	5	0	0	30	0	0	0	0	0	0	35	0	0	70
Percent of renter units	0.0%	1.5%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	0.0%	0.0%	1.1%
Between \$150 and \$199	0	0	0	0	95	0	0	0	0	2	20	118	0	0	235
Percent of renter units	0.0%	0.0%	0.0%	0.0%	6.3%	0.0%	0.0%	0.0%	0.0%	1.3%	11.5%	4.7%	0.0%	0.0%	3.7%
Between \$200 and \$249	0	0	8	2	44	0	0	0	0	3	13	28	0	0	98
Percent of renter units	0.0%	0.0%	1.4%	3.1%	2.9%	0.0%	0.0%	0.0%	0.0%	1.9%	7.5%	1.1%	0.0%	0.0%	1.5%
Between \$250 and \$299	0	12	8	0	11	2	7	8	2	12	0	87	0	5	154
Percent of renter units	0.0%	3.5%	1.4%	0.0%	0.7%	10.0%	3.1%	1.9%	3.8%	7.7%	0.0%	3.4%	0.0%	9.6%	2.4%
Between \$300 and \$349	0	0	12	14	52	0	0	0	0	22	11	72	0	2	185
Percent of renter units	0.0%	0.0%	2.1%	21.5%	3.4%	0.0%	0.0%	0.0%	0.0%	14.2%	6.3%	2.9%	0.0%	3.8%	2.9%
Between \$350 and \$399	0	24	33	3	55	6	21	0	0	9	0	77	0	0	228
Percent of renter units	0.0%	7.1%	5.8%	4.6%	3.6%	30.0%	9.3%	0.0%	0.0%	5.8%	0.0%	3.1%	0.0%	0.0%	3.6%
Between \$400 and \$449	0	31	5	13	51	0	12	17	4	10	9	159	2	0	313
Percent of renter units	0.0%	9.1%	0.9%	20.0%	3.4%	0.0%	5.3%	4.1%	7.5%	6.5%	5.2%	6.3%	33.3%	0.0%	4.9%
Between \$450 and \$499	25	31	86	10	53	0	40	5	10	15	6	174	3	10	468
Percent of renter units	9.1%	9.1%	15.1%	15.4%	3.5%	0.0%	17.6%	1.2%	18.9%	9.7%	3.4%	6.9%	50.0%	19.2%	7.3%
Between \$500 and \$599	31	129	83	10	295	2	45	77	10	28	32	462	1	12	1,209
Percent of renter units	11.3%	37.9%	14.6%	15.4%	19.5%	10.0%	19.8%	18.5%	18.9%	18.1%	18.4%	18.3%	16.7%	23.1%	19.0%
Between \$600 and \$699	58	47	106	7	313	6	59	175	2	26	18	514	0	17	1,340
Percent of renter units	21.2%	13.8%	18.6%	10.8%	20.6%	30.0%	26.0%	42.0%	3.8%	16.8%	10.3%	20.4%	0.0%	32.7%	21.0%
Between \$700 and \$799	58	23	125	6	309	0	22	67	6	14	21	459	0	6	1,116
Percent of renter units	21.2%	6.8%	22.0%	9.2%	20.4%	0.0%	9.7%	16.1%	11.3%	9.0%	12.1%	18.2%	0.0%	11.5%	17.5%
Between \$800 and \$999	29	38	65	0	179	2	12	56	11	11	20	271	0	0	694
Percent of renter units	10.6%	11.2%	11.4%	0.0%	11.8%	10.0%	5.3%	13.4%	20.8%	7.1%	11.5%	10.7%	0.0%	0.0%	10.9%
\$1,000 and Over	73	0	38	0	20	2	9	12	8	3	24	41	0	0	230
Percent of renter units	26.6%	0.0%	6.7%	0.0%	1.3%	10.0%	4.0%	2.9%	15.1%	1.9%	13.8%	1.6%	0.0%	0.0%	3.6%
No Cash Rent	10	21	21	2	27	2	23	0	5	21	27	115	0	12	278
1990 Median Rent	\$529	\$434	\$488	\$332	\$439	\$380	\$410	\$496	\$379	\$362	\$490	\$439	\$0	\$470	\$446
2000 Median Rent	\$732	\$558	\$640	\$453	\$619	\$575	\$585	\$656	\$613	\$532	\$589	\$605	\$467	\$575	\$614
Total percent change (1990 to 2000)	38.4%	28.6%	31.1%	36.4%	41.0%	51.3%	42.7%	32.3%	61.7%	47.0%	20.2%	37.8%	--	22.3%	37.7%
Annual percent change (1990 to 2000)	3.3%	2.5%	2.7%	3.2%	3.5%	4.2%	3.6%	2.8%	4.9%	3.9%	1.9%	3.3%	--	2.0%	3.2%

SOURCE: 1990 and 2000 Census of Population and Housing, STF 3A/SF3, U.S. Census Bureau

Table 33: Gross Rent Distribution (Sub-Markets), 2000

	<u>City of Traverse City</u>	<u>Village of Kingslev</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
Less than \$100	27	0	0	36	36
Percent of renter units	1.1%	0.0%	0.0%	0.7%	0.6%
Between \$100 and \$199	153	2	7	298	305
Percent of renter units	6.1%	2.1%	0.5%	5.9%	4.8%
Between \$200 and \$299	115	15	48	204	252
Percent of renter units	4.6%	16.0%	3.7%	4.0%	4.0%
Between \$300 and \$399	149	19	99	314	413
Percent of renter units	5.9%	20.2%	7.7%	6.2%	6.5%
Between \$400 and \$499	333	23	203	578	781
Percent of renter units	13.2%	24.5%	15.8%	11.3%	12.2%
Between \$500 and \$599	462	10	302	907	1,209
Percent of renter units	18.3%	10.6%	23.5%	17.8%	19.0%
Between \$600 and \$699	514	19	322	1,018	1,340
Percent of renter units	20.4%	20.2%	25.1%	20.0%	21.0%
Between \$700 and \$799	459	3	138	978	1,116
Percent of renter units	18.2%	3.2%	10.8%	19.2%	17.5%
Between \$800 and \$899	195	0	95	425	520
Percent of renter units	7.7%	0.0%	7.4%	8.3%	8.2%
Between \$900 and \$999	76	0	35	139	174
Percent of renter units	3.0%	0.0%	2.7%	2.7%	2.7%
\$1,000 and Over	41	3	34	196	230
Percent of renter units	1.6%	3.2%	2.7%	3.8%	3.6%
No Cash Rent	115	9	74	204	278
1990 Median Rent	\$439	\$341	\$422	\$453	\$446
2000 Median Rent	\$605	\$454	\$588	\$619	\$614
Total percent change (1990 to 2000)	37.8%	33.1%	39.4%	36.6%	37.7%
Annual percent change (1990 to 2000)	3.3%	2.9%	3.4%	3.2%	3.2%

SOURCE: 1990 and 2000 Census of Population and Housing, STF 3A/SF3, U.S. Census Bureau

For-Sale Market Trends

Information from Realtor.com regarding sales data within the county was collected for the 2003 analysis and this update. During the third quarter of 2003, 513 properties were listed as for sale on the Realtor.com website. The table below shows the asking price and size of these units. The cities mentioned in the table are actually zip code areas. These names were kept for identification purposes, but only listings within the Grand Traverse County portions of multi-county zips were studied.

Overall, three bedroom units accounted for the largest share of listings, at over one-half of the total. In terms of the average house price overall, the lowest value was found in the Fife Lake zip code. The 14 listings in this area averaged nearly \$143,000. The area with the most listings was the Traverse City zip code. It had 403 listings, and their average price was \$257,300. The most expensive zip code was in Williamsburg; its 20 listings averaged an asking price of \$400,335.

The same measurements from Realtor.com were taken during the fourth quarter of 2008. A number of differences are clearly evident, including:

- **Volume** – the number of listings countywide more than tripled from 2003. Unfortunately, this is a reflection of a historic slowdown in sales activity, resulting from the deflation of the housing bubble that was created during the decade both locally as well as nationally. While this appears to be a dramatic increase in the number of homes currently for sale, the local pattern pales in comparison to the number of homes available within the metropolitan and urban regions of greater Detroit, Flint, and portions of Grand Rapids. These regions of the state have been more severely impacted from an economic standpoint, and have also experienced a greater degree of foreclosure activity. These two factors have significantly increased the number of homes available well beyond the patterns observed locally. In fact, by comparison the Grand Traverse region as a whole, while certainly experiencing a significantly weaker housing market as compared to earlier this decade, has been perhaps one of the better-performing housing markets within Michigan over the past two years.
- **Pricing** – while we have only two points in time to examine, it is generally accepted that sales prices until approximately 2006 were continuing an upward trend. Since that point, home prices across the region, as well as nationally, have precipitously dropped, in many cases with average prices decreasing 10% to 15% on an annual basis. It is our opinion that the gains illustrated within the following chart may reflect a more realistic degree of housing price appreciation (and by association, value). However, as economic conditions within Michigan continue to be depressed, the demand potential for additional home sales is also diminished, and ultimately will continue to negatively influence homes sales and pricing for at least the next two years, at a minimum.

A summary of changes is included within the tables below. Median home pricing was also calculated from the 2008 data, as this is a better illustration of prevailing price trends as compared to average pricing (which may be unduly skewed upward or downward depending upon outlying price points).

It would appear that the rural regions of the county still command some degree of pricing appreciation, as compared to 2003 patterns, as indicated within the Fife Lake and Grawn zip codes. Conversely, the remaining larger zip codes exhibit weakening pricing trends, including a sizable decline in prevailing pricing within the Williamsburg area.

Table 34: Home Sales Trends – 2003 vs. 2008 (Realtor.com)

	Change in # of Listings	% Change # of Listings	Change in Average Price 2003-2008	% Change Average Price 2003-2008	Ave. Annual % Change 2003-2008
Fife Lake	16	114%	\$108,618	76%	12.0%
Grawn	43	195%	\$86,900	53%	8.9%
Interlochen	82	547%	\$12,158	7%	1.4%
Kingsley	37	97%	\$6,290	4%	0.8%
Traverse City	812	201%	\$31,685	12%	2.3%
Williamsburg	116	580%	-\$59,825	-15%	-3.2%
Total	1,157	226%	\$31,257	13%	2.4%

Table 35: Home Listings from Realtor.com, 3rd Quarter 2003

	No Bedrooms		One Bedroom		Two Bedrooms		Three Bedrooms		Four Bedrooms		Five Bedrooms		Six Bedrooms		Seven Bedrooms		Grand Total	
	Number	Average Cost	Number	Average Cost	Number	Average Cost	Number	Average Cost	Number	Average Cost	Number	Average Cost	Number	Average Cost	Number	Average Cost	Number	Average Cost
Fife Lake			1	\$49,900	4	\$125,975	8	\$112,100			1	\$549,000					14	\$142,829
Grawn					3	\$49,933	16	\$150,706	2	\$256,950	1	\$539,000					22	\$164,273
Interlochen					2	\$127,400	12	\$174,758	1	\$260,000							15	\$174,127
Kingsley					5	\$132,540	25	\$156,872	8	\$193,125							38	\$161,303
Thompsonville							1	\$168,900									1	\$168,900
Traverse City	2	\$154,450	17	\$195,059	62	\$214,902	204	\$229,093	92	\$335,034	20	\$316,810	5	\$490,760	1	\$389,900	403	\$257,287
Williamsburg							11	\$322,464	6	\$529,133	3	\$428,267					20	\$400,335
Grand Total	2	\$154,450	18	\$186,994	76	\$195,989	277	\$215,805	109	\$333,182	25	\$348,360	5	\$490,760	1	\$389,900	513	\$246,038

Table 36: Home Listings from Realtor.com, 4th Quarter 2008

Zip Code	No Bedroom		One Bedroom		Two Bedroom		Three Bedroom		Four Bedroom		Five Bedroom		Six Bedroom		Seven+ Bedroom		Grand Total		
	#	Average Price	#	Average Price	#	Average Price	#	Average Price	#	Average Price	#	Average Price	#	Average Price	#	Average Price	#	Median Price	
Acme	4	\$76,825	17	\$131,675	7	\$187,271	7	\$439,886			1	\$199,900					36	\$199,000	\$149,900
Buckley			1	\$749,900	1	\$398,750	6	\$199,783	3	\$150,000							11	\$254,305	\$209,000
Fife Lake					10	\$163,830	18	\$304,178	2	\$214,950							30	\$251,447	\$199,450
Grawn					7	\$147,000	40	\$204,944	13	\$313,960	3	\$240,833	1	\$295,500	1	\$2,000,000	65	\$251,173	\$144,900
Interlochen					27	\$120,770	54	\$181,746	11	\$213,785	2	\$406,450	1	\$895,000	2	\$467,500	97	\$186,285	\$139,900
Kingsley			2	\$133,700	5	\$111,960	56	\$168,488	11	\$198,814			1	\$120,000			75	\$167,593	\$149,000
Mayfield					2	\$81,450	1	\$164,900									3	\$109,267	\$110,000
Old Mission							1	\$649,900									1	\$649,900	\$649,900
Thompsonville									1	\$224,900							1	\$224,900	\$224,900
Traverse City	17	\$321,969	28	\$205,920	294	\$198,443	523	\$248,009	275	\$374,659	62	\$542,619	9	\$459,289	7	\$1,571,971	1215	\$288,972	\$199,900
Williamsburg			7	\$107,186	20	\$214,385	64	\$280,353	32	\$394,759	12	\$851,792	1	\$475,000			136	\$340,510	\$239,450
Grand Total	21	\$275,275	55	\$164,893	373	\$190,323	770	\$241,125	348	\$360,311	80	\$569,990	13	\$455,315	10	\$1,393,880	1670	\$277,295	\$189,900
Median Price by Bedroom Size		\$99,500		\$124,900		\$149,900		\$185,250		\$272,400		\$402,450		\$450,000		\$719,950		\$189,900	

Historical Appreciation of Housing Prices

In terms of owner-occupied housing, homes are purchased for two major uses. The first, and perhaps most obvious, is for shelter. The second is for its investment value. In the United States, one's house is often the largest and most lucrative investment a household makes. There are a number of reasons for this, but two are most important. First, owning a home provides a number of tax breaks for households. Second, real estate tends to appreciate in value under most conditions, adding to the assets of the household (albeit in an illiquid form).

Patterns of house value appreciation are presented in the table below for the townships of the county, the county itself, and the state. In addition to portraying the increase in home prices, the table also lists the amount of increase in household incomes over the same period.

In the county, home prices appreciated by 95.5% during the 1990s. This rate of increase is slightly larger than the state's, which was 92.3% over the same period. In seven of the county's townships the median value of owner-occupied stock at least doubled in size; the largest amount of increase occurred in Union Township. There, values increased by 120.6% over the decade. The lowest amount of value growth took place in Acme Township, where value moved from about \$85,600 to \$148,900 in 2000. This represents an increase of 73.9% during the decade.

When compared to the amount of income appreciation that took place between 1990 and 2000, it is plain that incomes did not keep pace with house value. In the county, the amount of appreciation in value was 206% of the appreciation in incomes. This rate was significantly slower than the state's, which was 221.2%. At the minor civil division level, the greatest difference was in Traverse City, where growth in housing value outstripped income growth by over 274%. Inland Township also had a large degree of difference between the two rates of increase. The smallest difference was in Mayfield Township, with 124.9%.

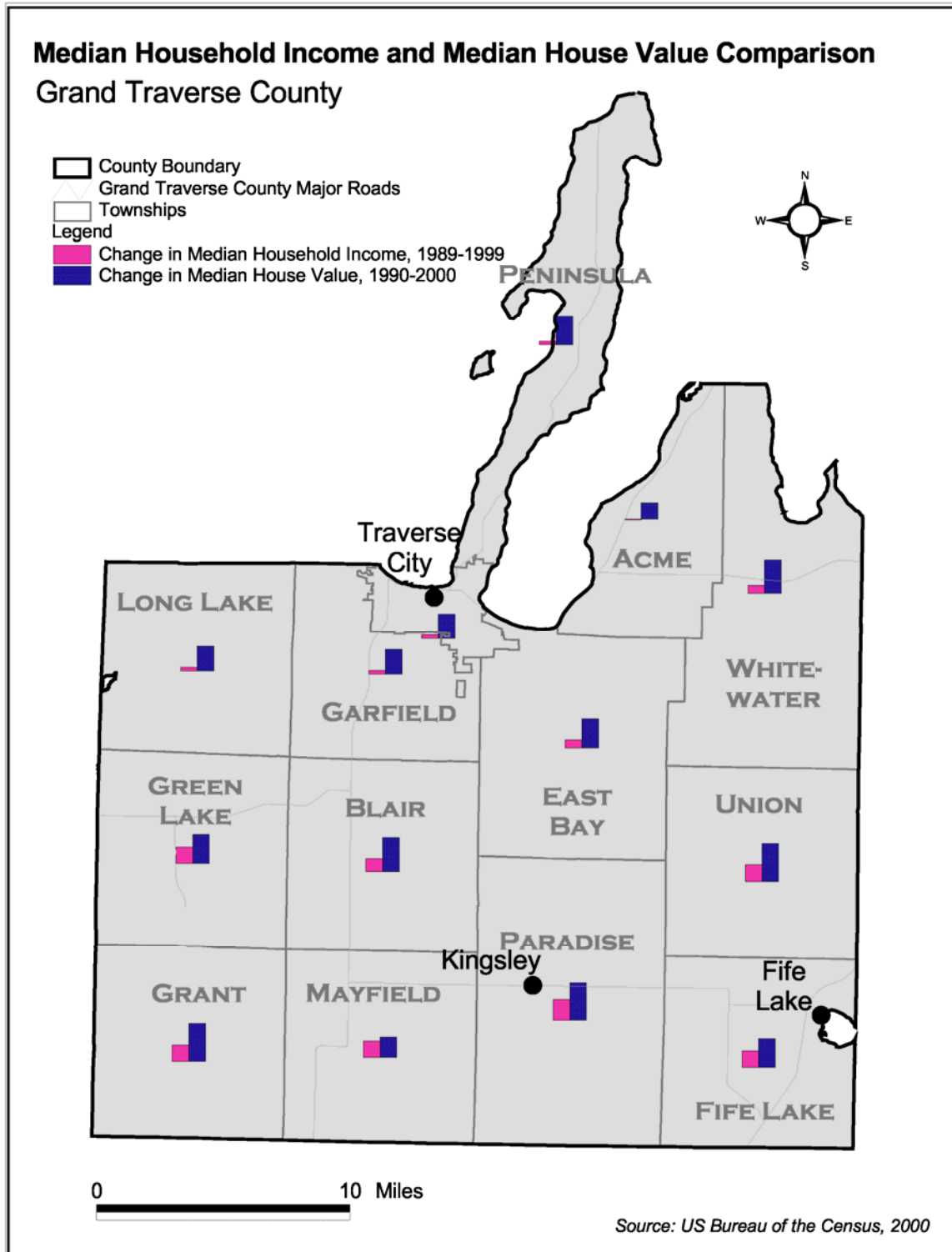
This information sets up a classic double-edged sword situation. The rates of home appreciation in Grand Traverse point to the fact that existing homeowners have likely done quite well over the last ten years in terms of returns to their initial investment in their homes. However, higher prices make it more difficult for many first-time homebuyers to purchase shelter in the county. These very high rates of increase, while lower than in neighboring counties, do point to an affordability crisis in the stock in most of the county, a topic that will be addressed in more detail in the next section of the report.

Table 37: Home Price Appreciation, 1990-2000

	1990		2000		Median Household Income	Median House Value	House Appreciation as a Percentage of Income Appreciation
	Median Household Income	Median House Value	Median Household Income	Median House Value	Appreciation, 1990- 2000	Appreciation, 1990- 2000	
Acme township	\$39,858	\$85,600	\$52,139	\$148,900	30.8%	73.9%	240.0%
Blair township	\$27,058	\$47,800	\$41,489	\$100,100	53.3%	109.4%	205.2%
East Bay township	\$32,964	\$60,000	\$49,186	\$121,600	49.2%	102.7%	208.6%
Fife Lake township	\$22,401	\$40,900	\$37,914	\$81,900	69.3%	100.2%	144.8%
Garfield township	\$27,944	\$72,200	\$38,746	\$135,700	38.7%	88.0%	227.5%
Grant township	\$22,393	\$49,400	\$38,536	\$108,700	72.1%	120.0%	166.5%
Green Lake township	\$27,838	\$57,600	\$47,444	\$114,300	70.4%	98.4%	139.8%
Long Lake township	\$35,522	\$68,600	\$50,486	\$132,500	42.1%	93.1%	221.1%
Mayfield township	\$25,445	\$51,300	\$42,208	\$93,500	65.9%	82.3%	124.9%
Paradise township	\$25,953	\$47,100	\$46,298	\$103,800	78.4%	120.4%	153.6%
Peninsula township	\$47,872	\$126,100	\$68,264	\$246,600	42.6%	95.6%	224.3%
Traverse City city	\$28,777	\$64,300	\$38,599	\$124,600	34.1%	93.8%	274.7%
Union township	\$32,169	\$60,800	\$52,993	\$134,100	64.7%	120.6%	186.2%
Whitewater township	\$33,650	\$65,400	\$51,257	\$137,000	52.3%	109.5%	209.2%
Grand Traverse County	\$30,497	\$66,700	\$44,637	\$130,400	46.4%	95.5%	206.0%
State of Michigan	\$32,583	\$60,100	\$46,186	\$115,600	41.7%	92.3%	221.2%

Source: US Census of Population and Housing, STF3 and SF3, 1990 and 2000

Map 7: Housing and Income Appreciation, 1990 to 2000



A similar analysis can be done with median gross rents. The table below shows this information. Rents have not increased as much as home values during this period of time. This could be caused by a number of factors, like older stock in the rental pool or the attraction of buying a home given the economic conditions over most of the 1990s. In any case, the county's median gross rent increased by 37.7% during the decade, while the state's grew more slowly, at 28.2%. The largest increase in this statistic was witnessed by Mayfield Township renters, whose gross rents increased by nearly 62% over that period. The lowest rate of increase is in Whitewater Township, where rents increased by 22.3%.

Many areas in the county had incomes growing at a substantially faster pace than rents over the 1990s. Countywide, growth in rents was 57.3% of the rate of income growth; this is slightly lower than the state's 68%. In five townships, the rate of rent appreciation was lower than 60% of income increases. However, in three areas (Acme, Garfield and Traverse City) rents increased more quickly than income levels.

Table 38: Median Gross Rent Appreciation, 1990-2000

	1990 Median Gross Rent	2000 Median Gross Rent	Median Household Income Appreciation, 1990-2000	Median Gross Rent Appreciation, 1990-2000	Rent Appreciation as a Percentage of Income Appreciation
Acme township	\$529	\$732	30.8%	38.4%	124.5%
Blair township	\$434	\$558	53.3%	28.6%	53.6%
East Bay township	\$488	\$640	49.2%	31.1%	63.3%
Fife Lake township	\$332	\$453	69.3%	36.4%	52.6%
Garfield township	\$439	\$619	38.7%	41.0%	106.1%
Grant township	\$380	\$575	72.1%	51.3%	71.2%
Green Lake township	\$410	\$585	70.4%	42.7%	60.6%
Long Lake township	\$496	\$656	42.1%	32.3%	76.6%
Mayfield township	\$379	\$613	65.9%	61.7%	93.7%
Paradise township	\$362	\$532	78.4%	47.0%	59.9%
Peninsula township	\$490	\$589	42.6%	20.2%	47.4%
Traverse City city	\$439	\$605	34.1%	37.8%	110.8%
Union township	\$0	\$467	64.7%	--	--
Whitewater township	\$470	\$575	52.3%	22.3%	42.7%
Grand Traverse County	\$446	\$614	65.7%	37.7%	57.3%
State of Michigan	\$426	\$546	41.7%	28.2%	67.5%

Source: US Census of Population and Housing, STF3 and SF3, 1990 and 2000

Table 39: Median Gross Rent Appreciation (Sub-Markets), 1990-2000

	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
1990 Median Gross Rent	\$439	\$341	\$422	\$453	\$446
2000 Median Gross Rent	\$605	\$454	\$588	\$619	\$614
Total percent change (1990 to 2000)	37.8%	33.1%	39.4%	36.6%	37.7%
Annual percent change (1990 to 2000)	3.3%	2.9%	3.4%	3.2%	3.2%
Total percent change in Median HH Income 1990 - 2000	36.3%	37.3%	60.0%	43.2%	48.7%
Rent Appreciation as a percentage of Median HH Income Appreciation - 1990-2000	104.3%	88.8%	65.7%	84.5%	77.4%
SOURCE: 1990 and 2000 Census of Population and Housing, STF3/SF3, U.S. Census Bureau					

Overall Affordability of the Housing Stock – Shelter Overburden

One basic method used to measure the affordability of an area's housing stock is through a comparison between household incomes and expenses on shelter. If a household spends over 30% of their incomes for housing, it is said to be overburdened. Households paying in excess of 50% of their income for shelter are said to be severely overburdened. These statistics are important in two major ways. First, the concept of overburden directly measures the affordability of housing stock; overburdened households by definition pay more for shelter than they can reasonably afford. Second, severe overburden is a likely precursor of homelessness, because the amount paid for shelter starts to crowd out other needed items in a household's budget, such as food or fuel. In addition, households in this condition are much more impacted by the vagaries of the job market in the area; often, one or two paychecks stand between shelter and homelessness for this group.

The table below shows the number of overburdened renter households in Grand Traverse County. The overall figures for the county show that roughly 32% of its renter households suffer from some degree of overburden. The largest category among these is composed of severely overburdened households; they make up just over 13% of the total. The state has a slightly lower percentage of overburdened households, and a larger percentage of severe overburden.

Among the townships, the lowest degree of overburden is found in Long Lake Township. There, over 71% of renter households have no overburden. On the other end of the spectrum, Union, Acme, Mayfield and Paradise Townships have the largest overburden problems; in these areas over 40% of renter households are in this situation. Finally, Union and Acme Townships both have highest levels of severely overburdened renter households. In Union, one-half of renters are in this situation, while over 31% of renters in Acme are severely overburdened.

Table 40: Rent Overburden, 2000

	Household where Gross Rent as a Percentage of Income is:										
	0% to 29.9%	% of Households	30% to 34.9%	% of Households	35% to 39.9%	% of Households	40% to 49.9%	% of Households	50% and Over	% of Households	Not Computed
Acme township	142	50.0%	14	4.9%	11	3.9%	9	3.2%	89	31.3%	19
Blair township	211	58.4%	18	5.0%	22	6.1%	25	6.9%	59	16.3%	26
East Bay township	375	63.6%	14	2.4%	29	4.9%	50	8.5%	101	17.1%	21
Fife Lake township	41	61.2%	7	10.4%	2	3.0%	8	11.9%	7	10.4%	2
Garfield township	988	64.0%	167	10.8%	111	7.2%	61	4.0%	183	11.9%	33
Grant township	14	63.6%	2	9.1%	0	0.0%	0	0.0%	4	18.2%	2
Green Lake township	162	64.8%	12	4.8%	7	2.8%	17	6.8%	29	11.6%	23
Long Lake township	297	71.2%	33	7.9%	26	6.2%	20	4.8%	41	9.8%	0
Mayfield township	28	48.3%	11	19.0%	5	8.6%	0	0.0%	9	15.5%	5
Paradise township	81	46.0%	25	14.2%	7	4.0%	25	14.2%	17	9.7%	21
Peninsula township	126	62.7%	18	9.0%	7	3.5%	7	3.5%	16	8.0%	27
Traverse City city	1704	64.6%	178	6.7%	120	4.5%	155	5.9%	325	12.3%	157
Union township	1	16.7%	2	33.3%	0	0.0%	0	0.0%	3	50.0%	0
Whitewater township	37	57.8%	3	4.7%	6	9.4%	4	6.3%	2	3.1%	12
Grand Traverse County	4170	63.0%	501	7.6%	347	5.2%	377	5.7%	883	13.4%	336
State of Michigan	567,497	58.1%	66,101	6.8%	46,351	4.7%	61,466	6.3%	169,827	17.4%	65,071

Source: US Census of Population and Housing, SF3, 2000

Table 41: Rent Overburden (Sub-Markets), 2000

	<u>City of Traverse City</u>	<u>Village of Kingsley</u>	<u>Rural Gd. Trav. Sub-Market</u>	<u>Traverse City Sub-Market</u>	<u>Grand Traverse County</u>
HH Income less than \$10,000	428	15	114	738	852
Less than 35 percent for housing	152	8	15	256	271
35 percent or more for housing	220	7	94	401	495
Not computed	56	0	5	81	86
Percent paying more than 35 percent	59.1%	46.7%	86.2%	61.0%	64.6%
HH Income \$10,000 to \$19,999	462	38	242	999	1,241
Less than 35 percent for housing	148	12	43	360	403
35 percent or more for housing	253	25	185	574	759
Not computed	61	1	14	65	79
Percent paying more than 35 percent	63.1%	67.6%	81.1%	61.5%	65.3%
HH Income \$20,000 to \$34,999	819	20	477	1,539	2,016
Less than 35 percent for housing	692	18	387	1,217	1,604
35 percent or more for housing	107	0	51	261	312
Not computed	20	2	39	61	100
Percent paying more than 35 percent	13.4%	0.0%	11.6%	17.7%	16.3%
HH Income \$35,000 to \$49,999	541	13	307	1,116	1,423
Less than 35 percent for housing	516	6	297	1,050	1,347
35 percent or more for housing	20	3	3	35	38
Not computed	5	4	7	31	38
Percent paying more than 35 percent	3.7%	33.3%	1.0%	3.2%	2.7%
HH Income \$50,000 to \$74,999	295	15	134	640	774
Less than 35 percent for housing	287	13	132	617	749
35 percent or more for housing	0	0	0	7	7
Not computed	8	2	2	16	18
Percent paying more than 35 percent	0.0%	0.0%	0.0%	1.1%	0.9%
HH Income \$75,000 to \$99,999	50	0	43	155	198
Less than 35 percent for housing	43	0	31	148	179
35 percent or more for housing	0	0	0	0	0
Not computed	7	0	12	7	19
Percent paying more than 35 percent	0.0%	0.0%	0.0%	0.0%	0.0%
HH Income \$100,000 or More	44	2	40	110	150
Less than 35 percent for housing	44	2	40	110	150
35 percent or more for housing	0	0	0	0	0
Not computed	0	0	0	0	0
Percent paying more than 35 percent	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: 2000 US Census of Population and Housing - STF3

Overburden can also be calculated for owner-occupied households. In this case, it is helpful to break that tenure group into two categories—one for households with a mortgage, and the other for those that do not have a mortgage. The quantity compared to income in both cases are selected owner costs, which include mortgage payments, insurance, utilities and other costs that most owners incur on a regular basis.

In general, it can be said that owners are in a better situation than renters on this statistic. This is likely due to the larger incomes that owners tend to earn. However, a large difference exists between households with mortgages and those without. In the county, 77% of owners with mortgages reported no overburden. This is lower than the state's figure of 78.1%. The township with the largest amount of overburden is Mayfield. There, the overburdened percentage was 32.1%. Union Township had the lowest level of overburden.

Owner households without mortgages predictably had much lower levels of overburden. Countywide, just fewer than 10% of these households were overburdened to some extent. The state's percentage was approximately nine percent. The largest overburden rates were found in five townships: East Bay, Garfield, Grant, Peninsula and Union. In these areas, at least 10% of owner households without mortgages were overburdened. The lowest rate of overburden was in Acme Township, where three percent of these households found themselves in this situation.

Table 42: Owner Cost Overburden, 2000

Owner Households with Mortgages:											
Households where Selected Monthly Costs as a Percentage of Income is:											
	0% to 29.9%	% of Households	30% to 34.9%	% of Households	35% to 39.9%	% of Households	40% to 49.9%	% of Households	50% and Over	% of Households	Not Computed
Acme township	717	77.0%	25	2.7%	44	4.7%	58	6.2%	79	8.5%	8
Blair township	738	80.9%	63	6.9%	31	3.4%	19	2.1%	54	5.9%	7
East Bay township	1540	78.4%	158	8.0%	71	3.6%	90	4.6%	98	5.0%	8
Fife Lake township	129	73.3%	12	6.8%	12	6.8%	4	2.3%	19	10.8%	0
Garfield township	1460	78.3%	123	6.6%	67	3.6%	92	4.9%	122	6.5%	0
Grant township	58	73.4%	6	7.6%	0	0.0%	4	5.1%	11	13.9%	0
Green Lake township	789	79.1%	48	4.8%	27	2.7%	68	6.8%	57	5.7%	8
Long Lake township	1183	78.1%	98	6.5%	86	5.7%	79	5.2%	63	4.2%	5
Mayfield township	57	67.9%	12	14.3%	4	4.8%	0	0.0%	11	13.1%	0
Paradise township	446	78.5%	48	8.5%	30	5.3%	15	2.6%	29	5.1%	0
Peninsula township	829	72.0%	83	7.2%	55	4.8%	40	3.5%	144	12.5%	0
Traverse City city	1643	73.9%	170	7.6%	99	4.5%	125	5.6%	181	8.1%	6
Union township	39	84.8%	0	0.0%	3	6.5%	2	4.3%	0	0.0%	2
Whitewater township	343	73.4%	38	8.1%	10	2.1%	21	4.5%	55	11.8%	0
Grand Traverse County	9,628	77.0%	846	6.8%	529	4.2%	596	4.8%	868	6.9%	44
State of Michigan	1,234,456	78.1%	96,970	6.1%	60,205	3.8%	65,497	4.1%	116,596	7.4%	7,104
Owner Households without Mortgages:											
Households where Selected Monthly Costs as a Percentage of Income is:											
	0% to 29.9%	% of Households	30% to 34.9%	% of Households	35% to 39.9%	% of Households	40% to 49.9%	% of Households	50% and Over	% of Households	Not Computed
Acme township	221	93.2%	0	0.0%	0	0.0%	0	0.0%	7	3.0%	9
Blair township	178	93.7%	6	3.2%	6	3.2%	0	0.0%	0	0.0%	0
East Bay township	532	89.0%	7	1.2%	18	3.0%	15	2.5%	21	3.5%	5
Fife Lake township	86	87.8%	0	0.0%	2	2.0%	0	0.0%	7	7.1%	3
Garfield township	670	88.3%	22	2.9%	16	2.1%	10	1.3%	41	5.4%	0
Grant township	42	85.7%	0	0.0%	0	0.0%	0	0.0%	5	10.2%	2
Green Lake township	301	93.2%	9	2.8%	0	0.0%	0	0.0%	6	1.9%	7
Long Lake township	380	88.4%	14	3.3%	13	3.0%	10	2.3%	5	1.2%	8
Mayfield township	31	93.9%	2	6.1%	0	0.0%	0	0.0%	0	0.0%	0
Paradise township	90	91.8%	6	6.1%	0	0.0%	2	2.0%	0	0.0%	0
Peninsula township	403	84.3%	31	6.5%	7	1.5%	12	2.5%	25	5.2%	0
Traverse City city	1139	90.0%	26	2.1%	28	2.2%	23	1.8%	37	2.9%	12
Union township	12	85.7%	0	0.0%	0	0.0%	0	0.0%	2	14.3%	0
Whitewater township	114	90.5%	0	0.0%	2	1.6%	0	0.0%	6	4.8%	4
Grand Traverse County	4,085	89.3%	123	2.7%	90	2.0%	72	1.6%	156	3.4%	46
State of Michigan	616,221	89.5%	15,457	2.2%	9,908	1.4%	12,402	1.8%	24,353	3.5%	10,006

Source: US Census of Population and Housing, SF3, 2000

A third method of understanding the level of affordability of the stock is to create a number of scenarios involving prevailing wage levels for various industries common in the county. This type of analysis was originally provided within the 2003 report. In order to maximize the comparability of that analysis to this update, only the total annual income assumptions will be adjusted for inflation; no other individual assumptions will be adjusted.

In addition, the following adjustments will be made to the mortgage affordability assumptions, based on current market characteristics:

- Monthly debt ranging from \$800 to \$500
- 5% to 15% down payment
- 6.0% to 5.5% interest rate
- 3% closing costs
- 1.25% property tax rate
- 1.25% home insurance rate

Please refer to the 2003 report for the original individual budget assumptions in detail.

The following tables lay out the updated scenarios and the associated housing values that may be available.

Scenario One

Scenario One:			
Fixed Income Single Person			
<i>Yearly Pay:</i>	\$7,311		
<i>Affordable Rent:</i>	\$183		
<i>Affordable Housing Price:</i>		<i>Monthly Payments:</i>	
Based on 2.5 time yearly income	\$18,277		
Based on monthly debt of \$300, 5% downpayment, 1.25% insurance 5.5% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax	not feasible	n/a	
Based on monthly debt of \$300, 10% downpayment, 1.25% insurance 5.5% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax	not feasible	n/a	
Based on monthly debt of \$300, 20% downpayment, 1.25% insurance 5.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax	not feasible	n/a	
County:	AMI	% of one-bedroom homes in range:	% of one-bedroom apartments in range:
Grand Traverse	Below 30% AMI	0%	40%

Scenario Two

Scenario Two:			
Single parent in Healthcare Industry with one school-age child			
Yearly Pay:		\$39,926	
Affordable Rent:		\$998	
Affordable Housing Price:			<u>Monthly Payments:</u>
Based on 2.5 time yearly income		\$99,816	
Based on monthly debt of \$800, 5% downpayment, 1.25% insurance 6.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$48,836	\$398
Based on monthly debt of \$600, 10% downpayment, 1.25% insurance 5.5% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$75,793	\$598
Based on monthly debt of \$500, 15% downpayment, 1.25% insurance 5.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$86,382	\$698
County:	AMI	% of two-bedroom homes in range:	% of two-bedroom apartments in range:
Grand Traverse	80% AMI	3% - 33%	100%

Scenario Three

Scenario Three:			
Single parent in Construction Industry with two school-age children			
Yearly Pay:		\$40,399	
Affordable Rent:		\$1,010	
Affordable Housing Price:			<u>Monthly Payments:</u>
Based on 2.5 time yearly income		\$100,998	
Based on monthly debt of \$800, 5% downpayment, 1.25% insurance 6.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$50,459	\$412
Based on monthly debt of \$600, 10% downpayment, 1.25% insurance 5.5% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$77,691	\$612
Based on monthly debt of \$500, 15% downpayment, 1.25% insurance 5.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$94,454	\$712
County:	AMI	% of two-bedroom homes in range:	% of two-bedroom apartments in range:
Grand Traverse	80% AMI	3% - 33%	100%

Scenario Four

Scenario Four:			
Single parent in Finance with three school-age children			
Yearly Pay:		\$47,202	
Affordable Rent:		\$1,180	
Affordable Housing Price:			<u>Monthly Payments:</u>
Based on 2.5 time yearly income		\$118,005	
Based on monthly debt of \$800, 5% downpayment, 1.25% insurance 6.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$74,155	\$616
Based on monthly debt of \$600, 10% downpayment, 1.25% insurance 5.5% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$102,575	\$816
Based on monthly debt of \$500, 15% downpayment, 1.25% insurance 5.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$120,499	\$916
County:	AMI	% of three-bedroom homes in range:	% of three-bedroom apartments in range:
Grand Traverse	80% AMI	3% - 12%	88%

Scenario Five

Scenario Five:			
Parents in Manufacturing and Accommodations, One school-age child			
Yearly Pay:		\$54,890	
Affordable Rent:		\$1,372	
Affordable Housing Price:			<u>Monthly Payments:</u>
Based on 2.5 time yearly income		\$137,225	
Based on monthly debt of \$1000, 5% downpayment, 1.25% insurance 6.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$78,012	\$647
Based on monthly debt of \$900, 10% downpayment, 1.25% insurance 5.5% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$94,914	\$747
Based on monthly debt of \$800, 15% downpayment, 1.25% insurance 5.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$112,896	\$847
County:	AMI	% of two-bedroom homes in range:	% of two-bedroom apartments in range:
Grand Traverse	110% of AMI	8% - 44%	100%

Scenario Six

Scenario Six:			
Parents in Retail Trade and Healthcare, two school-age children			
Yearly Pay:		\$64,060	
Affordable Rent:		\$1,602	
Affordable Housing Price:			<u>Monthly Payments:</u>
Based on 2.5 time yearly income		\$160,150	
Based on monthly debt of \$1200, 5% downpayment, 1.25% insurance 6.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$86,978	\$722
Based on monthly debt of \$1100, 10% downpayment, 1.25% insurance 5.5% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$104,546	\$822
Based on monthly debt of \$1000, 15% downpayment, 1.25% insurance 5.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$123,203	\$922
County:	AMI	% of three-bedroom homes in range:	% of three-bedroom apartments in range:
Grand Traverse	110% of AMI	5% - 38%	100%

Scenario Seven

Scenario Seven:			
Parents in Food Services and Professional Services, three school-age children			
Yearly Pay:		\$58,559	
Affordable Rent:		\$1,464	
Affordable Housing Price:			<u>Monthly Payments:</u>
Based on 2.5 time yearly income		\$146,398	
Based on monthly debt of \$1200, 5% downpayment, 1.25% insurance 6.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$67,795	\$557
Based on monthly debt of \$1100, 10% downpayment, 1.25% insurance 5.5% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$84,379	\$657
Based on monthly debt of \$1000, 15% downpayment, 1.25% insurance 5.0% interest rate on a 30-year mortgage, 3% closing costs and 1.25% property tax		\$102,112	\$757
County:	AMI	% of four-bedroom homes in range:	% of three-bedroom apartments in range:
Grand Traverse	90% of AMI	1% - 11%	100%

As stated in the 2003 report, the scenarios illustrate some key issues regarding homeownership and overall housing affordability:

- The size of down payments are critical, particularly when credit issues or debt levels necessitate a higher interest rate;
- The availability of mortgage products that significantly reduced or eliminated down payments are significantly scarce within the current marketplace. Traditional down payments and financing will be more prominent for the foreseeable future;
- Even slight shifts in debt loads will greater change the eligible mortgage total. Credit counseling, budgeting classes, and homeownership training are methods for advocates to make a positive impact upon the potential housing market;
- As in the 2003 report, housing affordability is a primary issue within the Grand Traverse region. Even under the most generous terms, less than 50% of available homes for sale would be within a normal income-eligible range for the seven scenarios exhibited. Opportunities to reduce housing costs for both the development community and potential homebuyers should be undertaken and encouraged by local governments, nonprofits, and those involved within the housing industry;
- Under the various scenarios listed, only one could be clearly eligible for existing housing-related programs, either through MSHDA, HUD, or the local housing authority. The region's relatively strong economy and ongoing income appreciation have unfortunately left many households that would benefit from housing programs ineligible (most of which from a homeownership perspective are based on 80% AMI eligibility or below).

Housing affordability remains the key issue, as indicated within this analysis, as well as a review of prior and updated demographic and economic data. The current and short-term economic climate may result in some degree of relief, as the demand for housing options lessens as a result of slower income appreciation, household growth, and employment losses. From a long-term perspective, however, these issues will remain, and perhaps return with even greater intensity with an economic recovery both locally and statewide. Ultimately, an unbalanced housing market, without sufficient residential alternatives for all current residents and potential residents, will create inefficiencies within the local labor market, unnecessarily skew land and home values upward, and eventually lead to economic distress.

VI. Responses to Housing Issues

Local companies were surveyed by telephone to gauge their opinions on housing issues. Within the 2003 report, approximately 200 employers who had over 50 workers were contacted, and 84 offered responses to the questions posed to them. The findings of that 2003 survey included the following:

- Forty-two respondents (50%) said that affordable housing was a major issue for their employees. Thirty-four (40%) answered no, while the remainder were not sure.
- Twenty respondents (24%) said that they were seasonal employers.
- Most respondents noted that most of their workforce is local in nature, involving mostly Traverse City residents. In addition, other areas in Kalkaska, Antrim, Leelanau and other counties were mentioned by a few respondents.

For the update, a few items have been adjusted:

- 1) Each county was surveyed separately, thus providing more specific information for each region;
- 2) A wider list of employers was utilized, including branch offices and subsidiaries that are able to provide separate information;
- 3) The following questions were part of the survey:
 - a. *Confirmation of contact info and number of employees.*
 - b. *Any change in the number of employees over the past 12 months?*
 - c. *Is a lack of local housing for your workforce a problem in regards to finding qualified workers?*
 - d. *Does your firm have a program to assist workers to find local housing?*
 - i. *If No – Would you consider such a program in the future if it would have a measurable improvement to your workforce?*
 - ii. *If Yes – What types of tools or services does the program provide?*

The survey results for Grand Traverse County included a total of 233 firms contacted. Of these, 107 provided a response, yielding a 46% response rate, slightly higher than the overall 2003 survey response rate. This is more than satisfactory, and provides a sufficient sample size for our analysis.

A total of 27 surveyed employers also employed seasonal help, representing 25% of the surveyed total. This is similar to the 2003 survey data (with 24% seasonal employment).

A summary of results from the survey is found within the following table:

Table 43: Local Employers – Housing Survey Results

Survey Questions:	%	%	%
	Yes	No	Other/Unsure
<i>Has there been a change in employment over the past 12 months?</i>	45.8%	52.3%	1.9%
<i>If Yes - Increase in employment?</i>	17.3%	---	---
<i>If Yes - Decrease in employment?</i>	82.7%	---	---
<i>Is a lack of housing a problem for finding qualified workers?</i>	6.5%	91.6%	1.9%
<i>Does your firm have a program to assist workers to find local housing?</i>	6.5%	91.6%	1.9%
<i>If No - would you consider such a program?</i>	15.0%	58.9%	26.2%
<i>If Yes - what types of tools do you use?</i>			Realtor referrals/assistance for home purchases
			Provide direct assistance seeking options for workers
			Apartment referrals for those seeking rental housing

The most notable change from the 2003 report is the relatively low response to the question regarding a lack of housing for qualified workers. In 2003, approximately 50% of the respondents indicated that affordable housing was a major issue for their employees. As indicated above, less than seven percent of respondents indicated that a lack of housing was an issue for workers. This is clearly a reflection of the current economic climate, relatively slow housing market, and the deflation of housing prices within many section of the county. It is evident from prior findings, however, that this trend is temporary at best, and continued issues regarding housing affordability, the availability of workforce housing, and the associated difficulty acquiring skilled and qualified workers by local employers will resume with any degree of economic stability or growth.

Short of a prolonged economic recession or outright depression, the economic and social conditions present within the Grand Traverse region will continue to place stress upon the affordability of the region’s housing stock, resulting in less-than-ideal housing conditions for those households with the fewest alternatives. Despite Michigan’s current and future economic trends, the NW Michigan region’s future economy will most likely fare notably better than the state as a whole, taking into consideration the diversity of the local employment base, strong quality of life amenities, and continued growth as a retirement/vacation destination, among other positive factors.

In addition, a survey among local community leaders was also undertaken, to determine the opinions regarding housing needs within the community. Survey participants were selected among local housing providers, advocates of housing, and appointed/elected officials. A summary of the findings is presented in the following table:

Table 44: Community Leaders/Officials – Survey Results

Survey Questions:	%	%
	Yes	No
<i>Do You feel that there are unmet housing needs in the community?</i>	90.0%	10.0%
<i>If Yes:</i>		
<i>Senior Affordable Housing</i>	40.7%	---
<i>Single Family Condos</i>	29.6%	---
<i>Supportive Housing</i>	48.1%	---
<i>Workforce Housing</i>	96.3%	---
<i>Assisted Living</i>	7.4%	---
<i>Transitional Housing</i>	18.5%	---
<i>Other</i>	Primarily lease-own	
<i>What are the most prominent barriers to affordable housing?</i>		
<i>Affordability</i>	33.3%	---
<i>Economic Issues</i>	30.0%	---
<i>Land Costs</i>	40.0%	---
<i>NIMBYism</i>	36.7%	---
<i>Other</i>	Primarily zoning and jobs	
<i>Do you foresee any opposition to the development of affordable housing?</i>	56.7%	43.3%

In all, thirty local leaders across the five-county region were surveyed. The overwhelming point made by most of the participants was the importance of entry-level or workforce housing, either homeownership options or rental housing that is attractive and attainable for those singles, couples or families that are categorized as entry-level households. The need for alternative housing options, ranging from senior housing to supportive housing/special needs housing, was also expressed by many of those surveyed. To some degree this is a reflection of priorities of the community leaders and the organizations they represent, but it is also broadly expressed by those without a specific advocacy standpoint, thus providing sufficient validity to the information collected.

VII. Conclusions and Recommendations

The findings of the report are summarized below. Each flows from the demographic information presented, as well as information from population and household projections, information on current for-sale listings, recent sales, and interviews with persons in the local housing industry.

2003 Recommendations Summary

Recommendation One: Zoning and Planning Issues

Suggested alternatives for local government to alleviate housing distress included the following:

- Density Bonus – in exchange for an affordable housing component;
- Inclusionary Zoning – mandating some degree of affordable housing;
- Local Regulatory Constraints – providing relief to the development community to help reduce costs;
- Long-term or Permanent Affordability Models – such as deed restrictions, land trusts, and various limited equity housing models;
- Lower Permit and Tap-in Fees, Tax Abatements, and encouragement of public donations for affordable housing

Many of these suggestions have been incorporated or discussed.

Recommendation Two: Expansion of Public Infrastructure

This would increase the available land for potential development, including affordable housing alternatives. It is assumed that these efforts are ongoing.

Recommendation Three: Expansion of Current Rehabilitation Efforts

Rehabilitation efforts would include encouragement of available homeownership programs through local governments or MSHDA, as well as a strong encouragement of rental rehabilitation by individual owners of single-family rentals as well as apartment developments. As illustrated previously, the local rental housing stock is aging and will ultimately become dated or substandard. Governmental programs can be brought to bear to make repairs economical for landlords, while the encouragement of ongoing inspections across the county would help ensure that rental housing remains safe and modern for its residents.

Recommendation Four: Creation of New Affordable Housing

The 2003 report identified countywide needs for the following:

- Owner-occupied housing – featuring price points that are achievable to those households within the 80% to 100% AMI range. Price points for these types of product should be in the range of \$100,000 to \$120,000, inflated from 2003 dollars);
- Renter-occupied housing – with modern amenities targeted to low and moderate-income households (generally at or below 60% AMI);
- Subsidized and Special Needs Housing – while not addressed directly within the 2003 report, this segment was considered underserved. Considering the availability of service providers located in Traverse City, the area near Traverse City is the most logical place for new special needs housing to be created.

The 2003 report concluded with the following statement:

“In sum, the data analyzed in this report point to a situation in which Grand Traverse’s housing market is impacted by higher-than-average prices. Even though the county has a relatively high wage structure, housing units are priced so that homeownership is out of the reach of many dual-income households. Because of this, the ability of households to acquire housing is limited. Action must be taken to ensure that housing affordable to many income levels is present in the county”.

This characterization of the county’s housing market is still accurate. While economic considerations at this point in time may temporarily inhibit housing demand growth, long-run demographic, economic, and social trends will ultimately lead to continued demand potential for all types of housing options for both existing residents and future residents of the region. This includes workforce housing, affordable single family homeownership options, senior citizen/retirement opportunities, and special needs units. All of these housing options should be considered in demand, and direct involvement by local community leaders and housing providers will be necessary to meet this need.

Sub-Market Recommendations

Community Research Services has provided specific recommendations for the two sub-market areas within Grand Traverse County:

Traverse City Sub-Market

- **Workforce Housing** – this may include both rental options and single family homes available for purchase. For rentals, the demand potential over the next five years ranges from an additional 300 to 500 units, targeted between 50% and 60% of AMI, with corresponding rents of \$650 to \$775 for a two-bedroom unit and \$720 to \$835 for a three-bedroom unit. These rental units should be competitive with recently-developed alternatives in terms of unit size, amenities, and project features. Among homeownership alternatives, assistance with credit worthiness, homeowner counseling, and other training is strongly encouraged. With a demand potential of approximately 1,100 homeownership units for the next five years, opportunities to directly or indirectly promulgate affordable homeownership is recommended. Targeting should strongly include those households with incomes between 80% and 100% of AMI, with price points ranging from \$120,000 to \$140,000, assuming a three-bedroom home with a minimum of 1,200 square feet.
- **Rehabilitation** – including single family homes (both owner and rental), along with apartment developments that are more than 25 years old (early 1980s construction or older). Considering the age of much of the housing stock, as discussed previously, the potential renovation of much of the housing stock will increase the value of such housing, and help to reinvigorate the oldest and most distressed neighborhoods within the sub-market. Consideration should also be given to any mobile homes that are present within the sub-market. These structures are often the housing of last resort, and options for either renovations or demolition should be explored.
- **Special Needs Housing** – as mentioned both within the 2003 report and this update, this segment of the housing market is clearly underserved, given the size of the region and the number of service organizations that are present to sponsor, service, and operate such facilities. Persons that are homeless or are in danger of homelessness, individuals with developmental disabilities, households that contain a member facing medically oriented difficulties (including those with AIDS or a severe mental illness) are all underserved categories within this region. Community Research has provided recommendations and analysis for many of these service providers over the past decade, and the need for additional housing targeted toward special needs individuals remains. In addition, senior-oriented housing is a separate category in which demand potential into the coming decade is evident. Independent-living and assisted-living options for those within the low- and moderate-income segments are acutely in demand. Given the strong attraction of the Grand Traverse area for retirees, as well as the ongoing aging in place of the local population, this segment also deserves fostering by local community leaders and housing organizations.

Rural Grand Traverse Sub-Market

- **Workforce Housing** – due to ongoing affordability issues within the rural areas of the county, the provision of both rental options and single family homes available for purchase for entry level and unskilled/semi-skilled workers is warranted. For rentals, the demand potential over the next five years is up to 75 units, targeted between 40% and 60% of AMI, with affordable rents that are commensurate with prevailing incomes found among the targeted group. As mentioned within the other sub-market, the encouragement of homeownership alternatives, assistance with credit worthiness, homeowner counseling, and other training is also recommended, as a demand potential exists for up to 300 homeownership units for the next five years, based on the demographic and economic trends discussed previously. Targeting should strongly include those households with incomes between 60% and 100% of AMI, with price points ranging from \$100,000 to \$140,000, assuming a three-bedroom home with a minimum of 1,200 square feet.
- **Rehabilitation** – considering the high concentrations of mobile homes within select section of this sub-market, it is suggested that attention be given to the improvement of such units, or the elimination of those mobile homes that are found to be substandard in some manner. While many older mobile homes are well-maintained and represent an affordable housing option, such housing options also account for the majority of substandard units within the community. In addition to single family renovations, rehabilitation efforts across the rural regions of Grand Traverse County will greatly improve the overall quality of the housing stock, and ensure that impacted units remain habitable, modern, and safe for future residents.

VIII. Bibliography

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US Bureau of the Census: 2000 Census of Population and Housing, SF1 and SF3

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Real estate listings from Realtor.com website

Historical real estate sales information from the Traverse Area Association of Realtors

HUD User – income and rent limits, 2000-present

ESRI – demographic and economic estimates/projections, 2008-2013

Boushey, Heather, Chauna Brocht, Bethney Gunderson and Jared Bernstein. *Hardships in America: The Real Story of Working Families*. Washington, DC: Economic Policy Institute, 2001.

Affordable Housing Technical Advisory Committee. *Regional Affordable Housing Strategy*. Portland, OR: Metro, 2000.

Interviews with local planners, assessors, housing specialists and property managers

IX. Background – Community Research Services, LLC

Community Research Services, LLC is a full-service community development consulting company, providing a wide variety of products and services ranging from market feasibility to development assistance. Over the years our organization is proud of the support provided to developers, non-profit organizations, government agencies and financial institutions regarding the improvement of our neighborhoods and communities. Providing expertise and analysis are the tools used by Community Research to make a positive impact upon our clients and the markets we service.

Relevant Expertise, Experience, and Resources

With market experience within over 31 states, CRS personnel have been conducting feasibility studies since the 1980s. This includes the preparation of some of the first affordable housing market feasibility studies for LIHTC rental projects in the Midwest.

Memberships and affiliations include:

- **Michigan Housing Council** – 20-year member of the council; Kelly Murdock is currently a member of the Board of Directors
- **National Housing and Rehabilitation Association** – affiliate member
- **National Council of Affordable Housing Market Analysts** – founding member of the organization; Kelly Murdock formerly served on the council's Board of Directors, and chaired the Membership Committee
- **Indiana Association for Community Economic Development** – affiliate member
- **Michigan Economic Developers Association** – affiliate member
- **Community Economic Development Association of Michigan** – affiliate member
- **Community Development Advocates of Detroit** – affiliate member

Personnel at CRS have significant research experience within the community development industry, including all housing/development programs at the state and federal level. This includes direct contracts with six state agencies, HUD, RHS/FmHA, several cities and other government entities, along with numerous for-profit and nonprofit organizations. Market studies by CRS personnel have been accepted within 23 separate state housing agencies, along with direct and indirect relationships with many equity funds and major syndicators.

Within all our studies, it is our goal to provide recommendations, direction and reports that lead to highly successful project and development strategies. With a tested and proven methodology integrated with the latest GIS mapping technology, our firm has the ability to quickly and accurately analyze demographic, supply, and demand characteristics, and translate this data into meaningful information and reports.

BACKGROUND – KELLY J. MURDOCK

Mr. Murdock has vast experience in the analysis of housing markets. Since 1988, he has provided market analyses and studies on single-family developments, apartment complexes, condominium proposals, senior citizen communities, and other community development opportunities. Mr. Murdock has also assisted numerous nonprofit groups and non-entitled communities with the use and regulations of the HOME program, as a technical assistance representative through the Michigan State Housing Development Authority (MSHDA). He has been featured within several published articles on housing research, and has served as a speaker at numerous housing seminars on market-related issues.

Mr. Murdock currently serves as the Managing Partner of Community Research Services, LLC (CRS). CRS was recently created to provide a wide variety of products and services to the affordable housing industry, ranging from market feasibility studies to development consulting. CRS provides consulting and research with for-profit firms, and nonprofit organizations, as well as state and local governments. At CRS Mr. Murdock is responsible for all day-to-day operations at the firm, client relations, and staff supervision, in addition to individual research assignments.

Prior to the establishment of CRS, Mr. Murdock was the founder of Community Research Group, LLC and Community Targeting Associates. Both companies provided a large degree of affordable housing research over a twelve year period (1992 to 2004) across 31 states for over 250 clients. This included research conducted under contract with Rural Housing Service, HUD, and six state housing agencies. Previously, Mr. Murdock served as the Senior Market Analyst of Target Market Systems, the market research division of First Centrum Corporation. At TMS, Mr. Murdock was responsible for market research services for all development and management divisions of the corporation, and completed some of the first market reviews and studies within Michigan under the LIHTC program (IRS Section 42).

A graduate of Eastern Michigan University, Mr. Murdock holds a degree in Economics and Business, with a concentration in economic modeling and analysis. Mr. Murdock is a member of the Michigan Housing Council, a statewide affordable housing advocacy group. He currently serves on the Council's Board of Directors. Mr. Murdock and CRS are also charter members of the National Council of Affordable Housing Market Analysts (NCAHMA), an organization dedicated to the establishment of standard practices and methods in affordable housing research across the nation. Mr. Murdock previously served on the executive committee of NCAHMA. CRS is also an affiliate member of the National Council of State Housing Agencies, Indiana Association of Community & Economic Development, and the Community & Economic Development Association of Michigan.