

# NORTHWEST MICHIGAN NEEDS HOMES FOR OUR FUTURE



The 2019 Northwest Michigan Target Market Analysis studied the demand for housing through 2025 in communities throughout Northwest Michigan. Based on the potential for demand from current residents moving within the community, as well as people who would move here from outside the community, the study found that the market could support **15,540 additional housing** units through 2025. Those new units could be newly-constructed homes or apartments, or they could be the repair and conversion of existing homes or buildings.

## HOW MANY MORE RENTAL UNITS DO WE NEED IN NORTHWEST MICHIGAN?



**10,880**

RENTALS NEEDED

### Household Incomes

Up to \$26,000  
\$28,000 - \$40,000  
\$42,000 - \$60,000  
\$64,000+

### Affordable Rents

\$650 and less  
\$700 - \$1000  
\$1050 - \$1500  
\$1600 +

### # Units

6759  
2997  
970  
154

### % of Potential

62%  
28%  
9%  
1%

## HOW MANY MORE HOMEOWNERSHIP UNITS DO WE NEED IN NORTHWEST MICHIGAN?



**4,660** OWNER UNITS

### Household Incomes

Up to \$60,000  
\$70,000 - \$100,000  
\$110,000 - \$150,000  
\$160,000

### Affordable Home Values

\$150,000 and less  
\$175,000 - \$250,000  
\$275,000 - \$375,000  
\$400,000+

### # Units

2199  
1837  
432  
192

### % of Potential

47%  
39%  
9%  
4%

## WHY IS THE DEMAND SO HIGH?

The study takes into account homes that are available now, and what people are looking to buy and rent. Because our population has changed so much over the years, we don't have the type of housing that many people are looking for, like small homes, apartments, and other rental options. These units are needed by empty nesters, retirees, and young people just starting out—all of whom have smaller households. However, many homes currently available were designed for large families, and are often too big and expensive for many of today's homebuyers and renters.

## WHO CAN AFFORD THE RENT?

The "housing wage" is the amount a worker would need to earn in order to afford a typical rental. In Northwest Michigan, rents are far higher than what many renters can afford. The lack of affordable options contributes to a high demand for new units at different price points.

NORTHWEST MICHIGAN HOUSING WAGE

**\$14.78**

MINIMUM WAGE

**\$9.45**

AFFORDABLE RENT FOR RENTER EARNING MEAN WAGE

**\$768**

AFFORDABLE RENT FOR FULL-TIME MINIMUM WAGE WORKER

**\$491**

## LOCAL SOLUTIONS

"Missing middle" housing types like duplexes, fourplexes, and small apartments can be more affordable and more in line with what the region's households are looking for. Yet, funding, and sometimes local politics, limit options to build these housing types. Legislation authorizing new revenue sources and tax incentives can support these private-sector solutions, and local changes to zoning or other policies can streamline the process for builders.

More information and resources are available on [homesforourfuture.org](http://homesforourfuture.org) and [housingnorth.org](http://housingnorth.org)

