

News Release

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New Study Shows Amount of Housing Needed in Northwest Michigan

TRAVERSE CITY, MI – A new study shows how much housing is needed to meet the demand in communities throughout northwest Michigan. Networks Northwest and Housing North contracted with LandUse USA, a real estate analysis firm, to conduct the target market analysis for communities in the ten-county region.

The study was based on analysis of demographic groups and “movership” rates within and outside the region or study area. It includes consideration of people moving within a community, as well as those that might move to a community if the circumstances were right – that is, for example, if they can find housing. Those “movers” are sorted by income, age, spending patterns, and more to identify the price points and other characteristics of the types of housing they are looking for.

The market analysis points to a regional total demand for 10,880 new rental units in 2020 and 4,660 new ownership units in 2020. Most of the demand is for lower-priced housing units: about two-thirds of ownership housing demand was for units priced below \$200,000, and 83 percent of the demand for rentals was for rents of \$800 per month and less.

“These housing units and prices largely aren’t available in our communities now,” said Sarah Lucas, Housing North Executive Director. “This demand represents the homes that people like teachers, health care workers, emergency responders, restaurant and hospitality workers, and construction workers are looking for, and not finding – so they’re not moving to the community, or they’re traveling long distances to get to work. This has huge impacts on our schools, our businesses, and our economy’s long-term sustainability.”

(MORE)

Lucas noted that in most cases, it is not possible to build homes at these prices and make a profit. “That’s why it’s so important for communities and other partners to consider what tools and incentives we can use to offset development costs and make homes more affordable,” said Lucas.

She added that there continues to be a demand for higher-valued housing units, but that, for the most part, the market is able to meet those needs.

Not all of the demand has to be filled by new construction. The study suggests that some housing needs can be met by rehabilitating existing homes and subdividing large homes into duplexes or other multi-family types of housing.

“We have examples of communities that are looking to that approach as a partial solution,” said Kathy Egan, Networks Northwest Community Development Manager. “For instance, the City of Charlevoix just passed some zoning changes that give property owners more flexibility, allowing them to convert single family homes to two-family homes and use rooms in their houses for long-term rentals.”

“Looking at ways to convert single-family homes is especially important in light of our demographic changes,” said Egan. “As household sizes shrink, we often have only one or two people living in these large homes – which become more difficult to maintain as people age.”

The complete study, and county and community-specific studies, are available on housingnorth.org in the Resources section and networksnorthwest.org/tma.

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NOTE to Media: Images are oftentimes available upon request by e-mailing Dan Boss at dan.boss@networksnorthwest.org and stating preferences for resolution (300 dpi?), file format (.tif? .jpg?) and file size (1MB or less?). Or, phone (231) 929-5047. Check our online Media Room at: networksnorthwest.org/media

Founded in 1974, Networks Northwest facilitates and manages various programs and services for the 10 county region. These programs include Northwest Michigan Works, Small Business Development Center, Procurement Technical Assistance Center, various business services, and many different regional planning initiatives in response to our communities’ requests and needs. You will see the broad spectrum of workforce, business and community services Networks Northwest offers if you visit our web site, networksnorthwest.org

Networks Northwest’s member counties are: Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford.