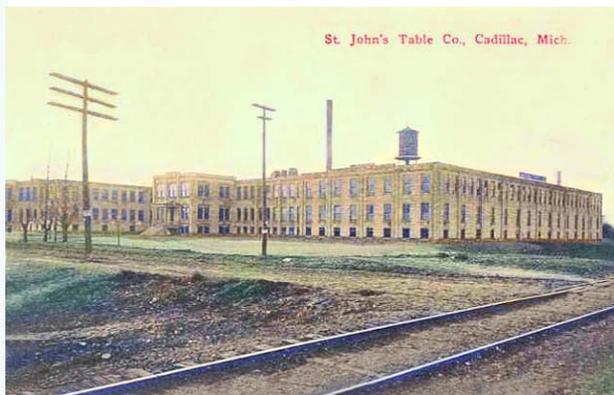
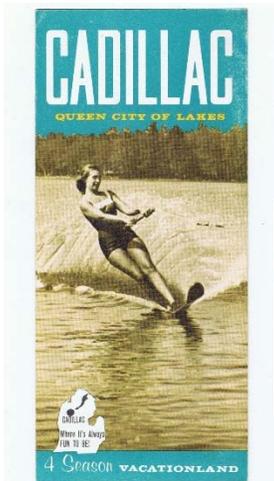




**A Housing Market
Analysis of
Wexford County**

August 18, 2017



Prepared for:
Alliance for Economic Success
395 Third Street
Manistee, MI 49660

Prepared by:
Community Research Services, LLC
800 South US 27, #105
St. Johns, MI 48879
(517) 290-8116
kmurdock@cr-services.com



Table of Contents

I. INTRODUCTION.....	1
II. EXECUTIVE SUMMARY	2
III. BACKGROUND – CADILLAC/WEXFORD COUNTY.....	6
<i>Map: Wexford County Communities</i>	<i>11</i>
IV. MARKET PROFILE.....	16
PRIMARY AND SECONDARY MARKET AREA DELINEATION.....	17
<i>Map: Wexford County Sub-Market Areas</i>	<i>20</i>
V. DEMOGRAPHIC & ECONOMIC TRENDS.....	22
ECONOMIC TRENDS	22
<i>Table: Employment by Industry</i>	<i>22</i>
<i>Table: Employment by Occupation</i>	<i>23</i>
<i>Figure One: Employment by Occupation Breakdown – Wexford County.....</i>	<i>23</i>
<i>Table: Employment by Place of Work.....</i>	<i>24</i>
<i>Figure Two: Employment by Place of Work Breakdown – Wexford County</i>	<i>24</i>
<i>Table: Migration Patterns – Wexford County.....</i>	<i>25</i>
<i>Figure Three: Migration Patterns – Wexford County.....</i>	<i>26</i>
EMPLOYMENT TRENDS	26
<i>Figure Four: Area Employment Trends – Wexford County</i>	<i>27</i>
<i>Figure Five: Annual Change in Employment – Wexford County.....</i>	<i>27</i>
<i>Figure Six: Unemployment Rate Comparison.....</i>	<i>28</i>
<i>Table: Employment Trends (2000 to Present).....</i>	<i>28</i>
WAGES AND INCOME DATA.....	29
<i>Table: Wexford County - Employment by Industry – 2009 to 2016</i>	<i>30</i>
<i>Figure Seven: Employment by Industry Breakdown – Wexford County.....</i>	<i>31</i>
<i>Table: Wexford County Wage Trends by Industry – 2009 to 2016</i>	<i>32</i>
POPULATION TRENDS	33
<i>Table: Population Trends (2000 to 2022).....</i>	<i>33</i>
<i>Figure Eight: Population Trends/Projections.....</i>	<i>33</i>
<i>Figure Nine: Wexford County Age Distribution (2010 to 2022).....</i>	<i>35</i>
<i>Table: Age Distribution (2010 to 2022).....</i>	<i>35</i>
<i>Table: Senior Population Trends (2000 to 2022).....</i>	<i>36</i>
<i>Figure Ten: Senior Population Trends/Projections – Wexford County</i>	<i>37</i>
<i>Table: Senior/Non-Senior Population Trends (2010 to 2022)</i>	<i>37</i>
<i>Figure Eleven: Senior/Non-Senior Population – Wexford County</i>	<i>38</i>
<i>Table: Average Household Size (2000 to 2022).....</i>	<i>38</i>
HOUSEHOLD TRENDS	39
<i>Table: Household Trends (2000 to 2022)</i>	<i>39</i>
<i>Table: Households by Tenure (2000 to 2010).....</i>	<i>41</i>
<i>Table: Senior Household Trends (2000 to 2022).....</i>	<i>43</i>
<i>Table: Senior Renter Household Trends (2000 to 2010).....</i>	<i>44</i>
<i>Table: Rental Unit Size Distribution (2010)</i>	<i>45</i>
<i>Table: Median Gross Rent Trends</i>	<i>45</i>
HOUSEHOLD INCOME TRENDS	46
<i>Table: Median Household Incomes (1999 to 2022).....</i>	<i>46</i>
<i>Figure Twelve: Median Household Incomes – Wexford County.....</i>	<i>47</i>
<i>Table: Median Household Incomes – Age 55+ (2010 to 2022)</i>	<i>48</i>
<i>Figure Thirteen: Median Household Incomes – Age 55+ – Wexford County.....</i>	<i>48</i>

HOUSEHOLD INCOME DISTRIBUTION	49
<i>Table: Household Income Distribution by Tenure – Wexford County (2017).....</i>	<i>49</i>
<i>Figure Fourteen: Household Income Distribution by Tenure – Wexford County (2017).....</i>	<i>50</i>
<i>Table: Senior Household Income Distribution by Tenure – Wexford County (2017).....</i>	<i>51</i>
<i>Figure Fifteen: Households Age 55+ Income Distribution by Tenure – Wexford County.....</i>	<i>52</i>
<i>Infographics: Key Demographic/Economic Data</i>	<i>53</i>
ESRI TAPESTRY INFORMATION.....	57
VI: HOUSING CONDITIONS AND CHARACTERISTICS	60
HOUSING MARKET CHARACTERISTICS	60
<i>Table: Wexford County For-Sale Home Data – August 2017.....</i>	<i>61</i>
<i>Map: Current Pricing - For-Sale Homes - Cadillac</i>	<i>62</i>
<i>Map: Current Pricing - For-Sale Homes – Cadillac Area.....</i>	<i>63</i>
<i>Map: Current Pricing - For-Sale Homes – Rural Wexford County.....</i>	<i>64</i>
<i>Table: Occupied Units by Structure Type</i>	<i>65</i>
PLACEMAKING CHARACTERISTICS	71
VII: DEMAND ANALYSIS.....	72
STATISTICAL DEMAND FOR RENTAL UNITS.....	72
<i>Table: Statistical Demand Calculation – Open/Family Units.....</i>	<i>74</i>
<i>Table: Statistical Demand Calculation – Senior Units</i>	<i>75</i>
VIII: DATA & SOURCES.....	76
BIBLIOGRAPHY.....	76
ESRI TAPESTRY DATA.....	77
CERTIFICATION.....	83
RESUME AND BACKGROUND.....	84

I. INTRODUCTION

Community Research Services, LLC (CRS) has been commissioned by the Alliance for Economic Success to investigate the market conditions present for both affordable and market rate rental housing options across Wexford County. Wexford County is found within northwest lower Michigan, and is adjacent to the greater Grand Traverse region. The county is approximately 65 miles from Mt. Pleasant, approximately 45 miles from Traverse City, and approximately 135 miles from Lansing.

CRS has been tasked to investigate the viability of various rental options, based on the current and projected market conditions, identified target market segments, and the status of prevailing and projected economic conditions. While the market conditions are measured for those within Wexford County, assumptions will be made regarding the likely participation of households outside of Wexford County, found within adjacent sections of the community.

No assumptions or analysis will be made regarding the separate market viability of higher-priced homeownership options, luxury homes (rental or owner), nor the potential for 2nd homes/vacation residences. Comments and market criteria for these segments will be included when necessary as part of an examination of overall housing market conditions.

A discussion of the likely target market segments that match the product types under examination will be included, using standard demographic/economic data as well as Tapestry information provided by ESRI, which examines local population segments within a series of generalized categories based on prevailing incomes, educational attainment, and other factors. This review will include the relative size and strength of each target market segment, individual characteristics of each target market, and the potential contribution of each segment.

The primary purpose of the following market analysis is to provide sufficient evidence that market depth and demand may or may not exist for potential rental development. This will be demonstrated through an in-depth analysis of local and regional demographic and income trends, economic and employment patterns, and existing housing conditions, as well as a supply and demand analysis of available residential alternatives within the region. No assumptions regarding site location, sponsorship, or financing options will be made, unless specifically stated within the analysis.

II. EXECUTIVE SUMMARY

The following overview highlights the major findings and conclusions reached from information collected through demographic analysis, economic observations, and primary research of the community:

- The analysis assumes two sub-market areas within Wexford County. One reflects the Cadillac area and southeast Wexford County. The other sub-market area consists of the balance of Wexford County, including the communities of Manton, Mesick, Buckley, and Harrietta. At times within the analysis the City of Cadillac will be examined separately for any key trends or data. The two sub-markets are appropriate for the examination of open (family) housing options; however, the size and characteristics of Wexford County point to the utilization of the entire county as a potential market area for senior housing alternatives. This is of course dependent upon assumptions regarding location and accessibility.
- Three primary target markets (market subsets) were examined for this analysis, including:
 - Senior rental housing – for those persons or couples age 55 and older, that are able to live an independent lifestyle, and exhibit moderate incomes that generally range from \$20,000 to \$30,000 for those within the affordable income range, and 30 and above for those seniors within the moderate/upper income range. This assumes seniors are primarily retired or work on a part-time basis;
 - Affordable rental housing – for singles, couples, or small families of all ages, with incomes up to approximately \$35,000 (depending on family size), typically with low to moderate educational attainment, generally employed either part-time or full time within unskilled or entry-level positions typically within the services or hospitality sectors;
 - Workforce housing – for singles, couples, or small families of all ages, with incomes between \$35,000 and up (depending upon family size), with some degree of specialized training or educational attainment, employed within manufacturing, services, or other moderate-wage sectors. Households may be seeking rental options or a homeownership opportunity, if a more permanent residence is desired;
- Positive factors include the following:
 - Demographic trends reflect an aging, slowing growing population with most of the anticipated growth coming from retirees and other older adults, rather than younger families with children. By 2022 the county’s population will total 34,239 persons, based on ESRI forecasts.
 - Employment trends are positive, as nearly all employment losses due to the recessionary period at the end of the last decade have been regained. The county’s 2016 unemployment rate was estimated at 5.6 percent. By comparison, the Grand Traverse region (Benzie, Grand Traverse, Leelanau, and Kalkaska Counties) exhibited an unemployment rate of 4.5 percent for 2016. The state and

national unemployment rates for 2016 were both at 4.9 percent. Employment losses during the last decade were notable, but not as crippling as compared to other sections of the state that lack a diverse workforce as exhibited across Wexford County.

- Placemaking considerations are generally favorable, as the region’s natural attractions and community features are clearly an asset. Parkland, water access, and other outdoor features are clearly responsible for a degree of interest by those households that value such natural resources. The community contains essentially all of the retail outlets, services, and professional options that most residents would utilize.
- Impediments and other problematic considerations include:
 - A lack of market rate rental housing for persons above the “affordable” income range. Along with a limited number of rental homes that this target market would desire (particularly within the Cadillac area), it is difficult for new residents to find a housing alternative that best suits their needs and expectations.
 - The Cadillac/Wexford area does not contain an independent-living senior housing development, targeted for affordable and/or moderate/upper income households age 55 and older, that are able to live an independent lifestyle. Sufficient demand appears present for such a facility, and a location within Cadillac’s downtown district would be ideal. Such a location would draw not only across Wexford County, but would clearly be perceived as an ideal destination for seniors across much of northern lower Michigan.
 - Excessive pricing for owner occupied housing options, due to vacation/2nd homes along/near Lake Cadillac and Lake Mitchell. The size and impact of this higher-end market segment has helped to “crowd out” the market potential for more affordable starter homes within desirable locations within the Cadillac area. While this trend is not present within the Rural Wexford area, such locations are not as sought-after and are subsequently in less demand. Any assistance by the public or private sector to improve the viability and affordability of reasonably priced starter homes would be advantageous for the entire community.
 - Development costs are somewhat prohibitive, reflecting a range of conditions that make affordable housing more difficult. These include environmental concerns, zoning requirements, permit costs, and other factors that are becoming more common across the region and statewide. The ability to reduce the cost of development is critical to the ability of a community to provide affordable housing.
- Primary findings for this analysis include:
 - The Wexford County area’s ability to attract entry level households across the moderate-income range is very positive, given the county’s economy, diverse, employment base, and outdoor amenities of various types. However, this advantage is being negated to a great degree by a lack of housing options for not only new residents, but also various households that wish to remain within the community, downsize, or seek a rental housing alternative. Thus, the primary

issue within Wexford County is supply-related, and exogenous factors outside of the typical demand/supply equation are impacting the housing marketplace.

- Assuming locations for workforce housing can be found within both sub-market areas, the county’s natural resources, economy, and positive community assets should greatly aide in attracting moderate income households to the region.
- An insufficient number of affordable and market rate rental options are present within the area. Prevailing occupancy levels for rental housing are high, and vacancies are quickly filled. Considering the stable population base and the strengthening economy, demand for additional units appears to be present. This also includes a need for senior rental housing, targeting independent-living seniors. This segment is clearly underserved, given the size of the Cadillac area.
- The collaboration within the development and leasing process of local employers would greatly enhance the viability of the proposal. This would ensure that sufficient pre-leasing efforts are maximized within the key target market segments, including current residents in need of housing as well as new households and families from outside the area seeking a local residential alternative.

The findings point to sufficient statistical support and market depth for rental development that addresses both the low-income band (up to 60 percent of Area Median Income) and moderate-income (“Workforce”) band, generally described by households up to 120 percent of Area Median Income. Based on the preliminary findings, such a development should feature the following characteristics:

Project Size:	Approximately 60 units (with additional phases possible)
Project Type:	Mixed-income, combination of garden apartments and townhomes
Unit mix:	Mostly one-bedroom / two-bedroom options, with a few three-bedroom units
Targeted Incomes: (based on household size)	\$20,000 - \$35,000 – Low-Income \$35,000 & above – Moderate/Upper Income

It can be assumed that some degree of overlap in these designations will be present

Preliminary Pricing:	\$500 - \$750 – 1BR
(Affordable/Market Rate)	\$650 - \$895 – 2BR \$725 - \$985 – 3BR

Rents do not include utilities

Amenities/features – commensurate with modern rental housing from other sections of the state

Considering the long-term trends regarding seniors, aging in place, and the likely positive view of Cadillac and Wexford County by retirees across the region, a need for a senior residential facility for independent-living households age 55 and older can be demonstrated. While affordability is always important, it is recommended that the senior facility utilize a mixed-income plan, with both affordable and market rate units.

The following preliminary recommendation for senior housing includes the following:

- Project Size: Approximately 40 apartment units
- Unit Type: Independent Living units with one-bedroom/two-bedroom combinations – options for personal care services contracted separately
- Additional phases: Primarily dependent upon the lease-up of the initial phase
- Suggested Structure type: Highly suggest a multi-story building within the downtown area of Cadillac; ground floor commercial use is also a possibility
- Unit Mix: 20% one-bedroom / 80% two-bedroom (approx.)
- Preliminary Pricing: \$600/\$850 – one-bedroom unit
(Affordable/Market) \$725/\$1,050 – two-bedroom unit
- Does not include utilities, or optional personal care services that may be provided separately
- Proposed Amenities: Full kitchens with refrigerator, range, dishwasher, and disposal; central air conditioning, in-unit laundry, and ample closet space.
- Project Features: Ample green space, sufficient community space for resident use, and on-site management.

It is also recommended that support, resources, and other potential assistance be given to encourage additional single family home development, targeted for families that wish to move up beyond existing housing or for new households that have relocated to the community. Pricing between \$160,000 to \$220,000 for a modern home within a location or neighborhood that is proximate to local highways, retail outlets, and other services. This lack of such housing options that are readily available, despite the positive Placemaking assets within the community, may impact recruitment and retention of persons within key professional and service positions.

These recommendations are preliminary only. A positive recommendation is dependent upon the utilization of a specific targeting plan, inclusion of amenities and building design that reflects the market, availability of on-site services (if applicable), and professional preleasing and management. Assumptions also include a positive location with ample visibility and strong access from across the region, as well as no delays during the development process.

III. BACKGROUND – CADILLAC/WEXFORD COUNTY

As part of this analysis, an examination of prior research regarding affordable housing issues was undertaken. The Cadillac/Wexford area has been the subject of pertinent research regarding housing and economic development over the past decade. A review of these prior assignments will provide additional insight on the history of potential development opportunities and long-term objectives for the community.

Community Research provided market feasibility studies for two affordable housing developments during the last decade. These assignments led to the construction of two separate rental properties in 2006 and 2007. One is Sunnyside Estates, a 48-unit rental complex with two-bedroom and three-bedroom apartments and townhomes. These units are targeted for households between 50 percent of Area Median Income (AMI) and 60 percent of AMI. It has performed well over the years, and is currently fully occupied.

The second development is Northland Meadow Apartments, an 80-unit apartment complex with two-bedroom and three-bedroom units. This development has a wider range of target market segments, including very-low income households, affordable households, and moderate/upper income households. The property features fifteen project-based vouchers that allow for targeting of households at 30 percent AMI and below. The remaining 53 affordable units target incomes up to 60 percent of AMI, while 12 units are unrestricted and targeted for moderate and upper income households. As a result, this property services a wide range of local households that reflect the various target market segments found within the Cadillac and Wexford County areas.

Community Research has also completed preliminary work for senior affordable housing and senior assisted living units within Cadillac during the past decade. Despite demonstrated market support, unfortunately, none of these preliminary research projects resulted in any specific development opportunities, despite positive recommendations for such options within the area.

Prior housing research by Community Research Services resulted in the development of two apartment communities within Cadillac that service a wide range of target market segments.

In 2012, the City of Cadillac sponsored an analysis of “marketable opportunities” for the city and Wexford County, completed by The Chesapeake Group, Inc. While mostly covering economic development possibilities for the region, the analysis did identify new housing as a potential need for the community over the next five years. Most of the study’s research was conducted by local surveys, which indicated the following:

- Approximately 30 percent indicated a potential move was likely within the next five years
- Nearly 38 percent of respondents plan on downsizing; nearly 40 percent plan on similar-sized units, while 15 percent wished to upsize, with eight percent unsure
- Of those respondents that were senior households, 29 percent planned to move within the next five years; of these senior movers, just 34 percent anticipated such a move to be local.

While the analysis did not dwell on these responses, it would appear that increased demand for senior housing could be indicated within the survey responses. It was also clear that a greater percentage of potential senior movers would consider a local relocation if attractive and reasonable senior housing options were present within the Cadillac area.

A much more comprehensive examination of housing needs was recently sponsored by Networks Northwest, via a 2014 Target Market Analysis (TMA) authored by Land Use/USA. A TMA uses a combination of placemaking impacts and target market clusters to determine market potential, rather than a more conventional algorithm that directly uses Census information and demographic projections to determine a statistical demand forecast. CRS has examined other TMA reports provided for other sections of northern Michigan by Land Use/USA, and has become familiar with the methods used and the relative usefulness of the information provided. What is of most concern is that the 2014 report provides an overly optimistic determination of statistical demand, applying a quantitative demand function to a qualitative measure of market depth.

The 2014 report for Wexford County concluded that sufficient market depth is present for a minimum of 1,620 housing units to a maximum of 4,810 housing units over a full five-year period. Broken down by tenure, the TMA recommendations from the executive summary and subsequent exhibits for market potential are as follows (figures are directly from the report and totals may not reflect sums of the data:

Tenure	Conservative Annual Demand	Conservative Five-Year Demand	Aggressive Annual Demand	Aggressive Five-Year Demand
Owner Households	121	605	220	1,100
Renter Households	203	1,015	742	3,710
TOTAL	324	1,620	962	4,810

The TMA provides additional information on the relative strength of Cadillac and Wexford County as a whole in regard to various placemaking features, including such items as the status of local planning documents, the degree of organization present within a city or village’s downtown district, and unique downtown amenities (such as shopping outlets, entertainment options, and the presence of any festivals or celebrations).

The 2014 Target Market Analysis for Wexford County yields some useful information on community assets, but provided demand estimates that clearly overstated housing market potential

While the TMA does contain some valuable information, based on prior experience and the utilization of generally accepted methodology, the recommendations somewhat to significantly overstate the likely market demand for housing options that may appeal to those within the target market segments of importance, depending upon which scenario is utilized.

For example, the aggressive five-year demand for housing across Wexford County implies a population growth of nearly 12,000 persons over a five-year period (assuming household sizes remain constant) for the target market segments that reflect just 33 percent of the county’s total population (as indicated within the TMA’s executive summary). This would result in a 2022 overall population increase to approximately 45,467 persons (an aggressive forecast that assumes the remaining 75 percent of the county’s population demonstrates more reasonable growth rate). By comparison, ESRI forecasts the 2022 population for Wexford County at 34,239 persons. The conservative demand scenario within the TMA, resulting in an estimated 2022 population of approximately 37,556 persons (following the same criteria as previously listed), is clearly more reasonable, but still not commensurate with ESRI forecasts.

The only other potentially reasonable method to justify the TMA’s demand forecasts would be a sizable increase in the average household size; based on census data this quite unlikely, and in fact overall household sizes are projected to further decline over the balance of

the decade. This is widely accepted by analysts familiar with demographic trends across the vast majority of markets within Michigan and the Midwest. These conditions also correspond with the region's aging population, smaller family sizes, and a shift away from larger-sized homeownership options into generally smaller rental units.

In addition, it is unclear how income qualification of the demand potential within the Target Market Analysis report was determined, placing the demand totals listed above in further doubt. The individual target market descriptions do not include a specific household income range that corresponds with prevailing housing costs. This could lead to a widely divergent depiction of the number of actual families or households that would essentially qualify for various housing alternatives. Without any such assumptions regarding which target market segments exhibit reasonable income-qualification criteria, the reliability of the results cannot be verified by more conventional market demand statistics. Essentially, the generalization required by the use of target market designations within a demand forecast results in such a wide target that the demand analysis results are somewhat useless for those that require more specific and realistic figures that reflect actual market conditions.

Based on these reasons, the perception of housing demand potential across Wexford County by many community leaders and residents may be overly generous. This critique of the 2014 report is included within the report not to be malicious in any manner, but to provide and demonstrate a more reasonable statistical demand forecast that should be acceptable to not only the community as a whole, but to various development entities and financial institutions that require the utilization of standard methodologies that have demonstrated a high degree of accuracy over the past two decades.

However, the inclusion of a target market examination is quite useful in the review of key segments of a community's housing market base. As a result, this Housing Market Analysis will utilize both placemaking concepts found within the TMA as well as more traditional and established methods used for the examination and determination of housing market demand. The target market data, as well as all demographic projections for this report, will come from ESRI, a leading source of demographic and mapping resources across the nation, and a trusted source of such data by this firm for nearly 20 years. The use of this data will remove any possible data bias from the report, as no such calculations will be made by Community Research. In addition,

comparisons to available housing options currently available across Wexford County will be made within the report, in order to provide a more direct supply vs. demand examination. Such data is perhaps the best measure of market viability and short-term potential.

Without specific product types, locations, and knowledge of the quality and experience of the potential development team(s), assumptions regarding the likely impact of such characteristics upon overall housing demand will not be included. This will introduce an additional level of conservatism for the resulting demand projections.

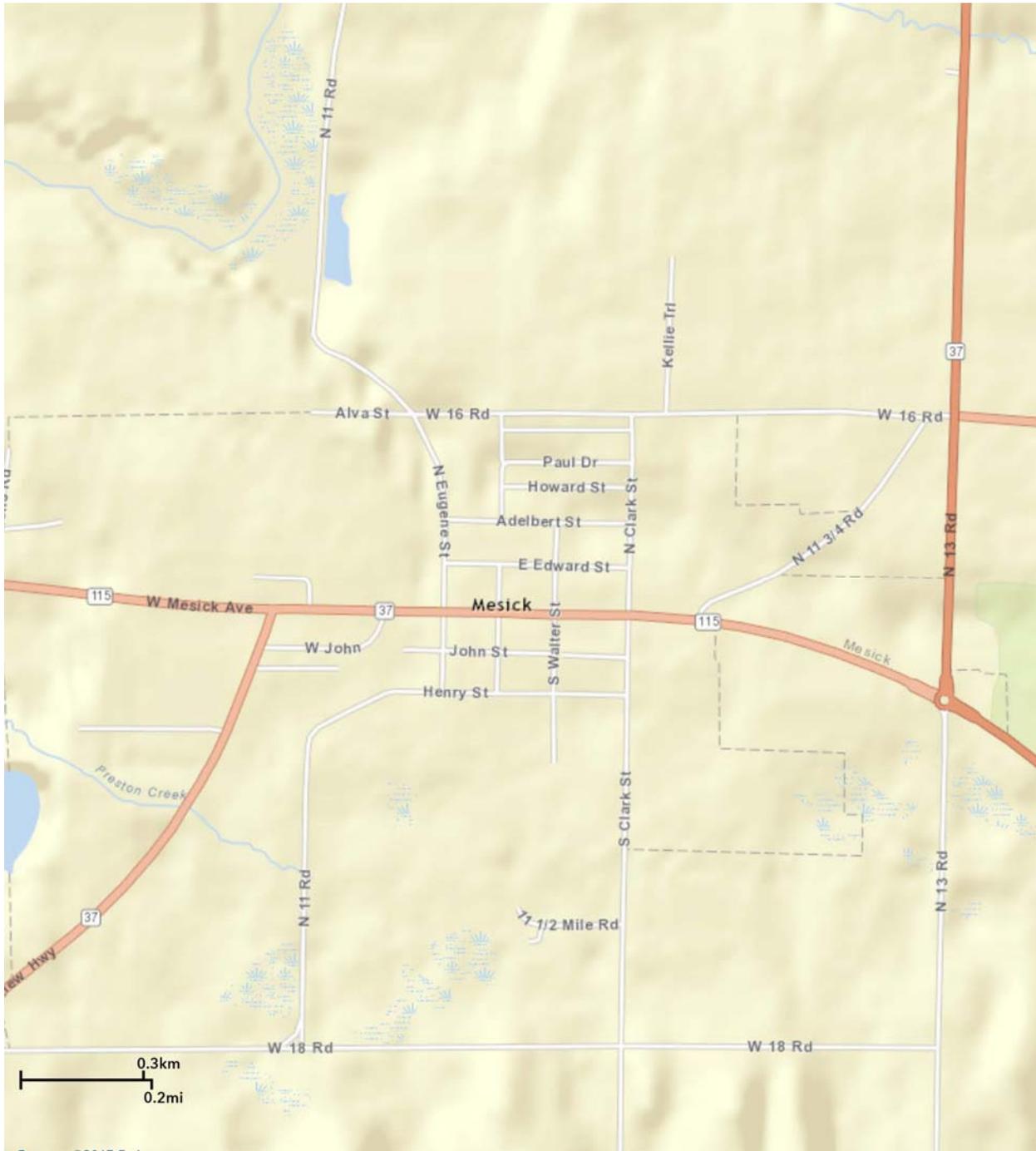
Map: Wexford County Communities
City of Cadillac



City of Manton



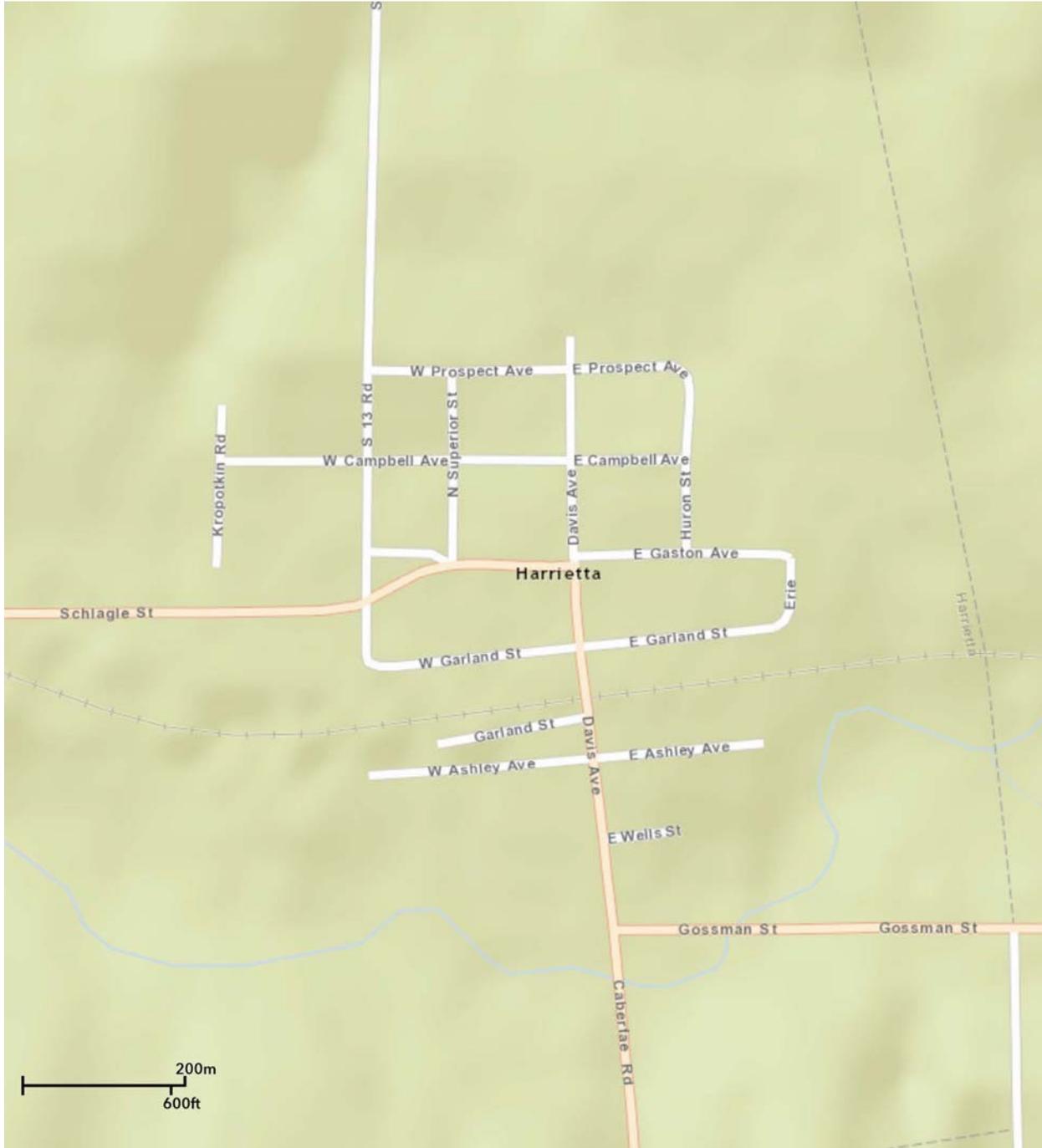
Village of Mesick



Village of Buckley



Village of Harrietta



IV. MARKET PROFILE

Typical market analysis will identify a key target market segment as the primary focus for examination and market potential, taking into consideration associated demographic and economic features. For this analysis, the characteristics of Wexford County point to more than one single target market segment worthy of examination. Considering the housing market by generational definitions, millennials will very soon reflect the largest age cohort into the next decade regionally and statewide. However, older adults and seniors are perhaps more reasonable segments of the population in terms of potential residents for the area. From an employment standpoint, the Cadillac/Wexford area exhibits a strong combination of blue collar, white collar, and professional employment. This results in multiple housing market demands over a wider than usual range of incomes and structural preferences. I believe this is the primary issue within the local housing market – the demand for housing within the community is more diverse than usual, and as a result it is difficult to meet these various needs in a timely and efficient manner.

This report was initiated to determine market viability for rental housing options intended for those households that feature lower- to moderate-incomes, as well as affordable senior rental housing. A third point of examination for this report is the market potential for moderately-priced owner-occupied homes that reflect a reasonable workforce housing alternative. The likely market demand for these housing types is evident to community leaders, and has been repeatedly identified within prior research as the primary housing types that exhibit the greatest demand potential by the most-needy population segments. Correspondingly, the primary target market segments for this analysis will include:

- Moderate-Income non-senior households (including singles, couples, and small families), actively participating within the labor force, featuring occupations mostly within the service and leisure/hospitality sectors, potentially seeking workforce housing options
- Extremely-Low Income households (all ages, and including singles, couples, and small families), with minimal or no participation within the labor force, potentially seeking affordable rental housing options
- Lower-Income to Moderate-Income senior households (age 55 and older), with minimal or no participation within the labor force, able to live an independent lifestyle, potentially seeking a rental housing option designated for senior occupancy

As a result, the target market segments studied for this analysis do not include the following:

- Higher-Income households
- Senior households seeking assisted living/nursing care housing
- Households seeking 2nd home or vacation homes

Primary and Secondary Market Area Delineation

Cadillac is the primary community within Wexford County. It is the county seat, and contains the large majority of local businesses, services, and entertainment options. However, residents within the rural sections of Wexford County are not as directly tied to Cadillac, and the outer edges of the county are closer to other communities in adjacent counties.

It is important to realize the influence of Cadillac upon the county, but to also recognize that rural sections of Wexford County exhibit somewhat different reasons for residency within these townships and villages. As a result, it was logical to divide the county into separate market areas for the examination of housing needs. The Cadillac Area consists of the city and surrounding townships within southeast Wexford County:

Cadillac Area:
City of Cadillac
Clam Lake Township
Haring Charter Township
Cherry Grove Township
Selma Township

The balance of Wexford County reflects the more rural aspects of the region, and demographic, economic, and social variables do reflect this. Along with the City of Manton, and the Villages of Buckley, Mesick, and Harrietta, this market segment includes the following areas:

Rural Wexford:
City of Manton
Wexford Township
Hanover Township
Greenwood Township
Liberty Township
Springville Township
Antioch Township
Colfax Township
Slagle Township
Boon Township
South Branch Township
Henderson Township

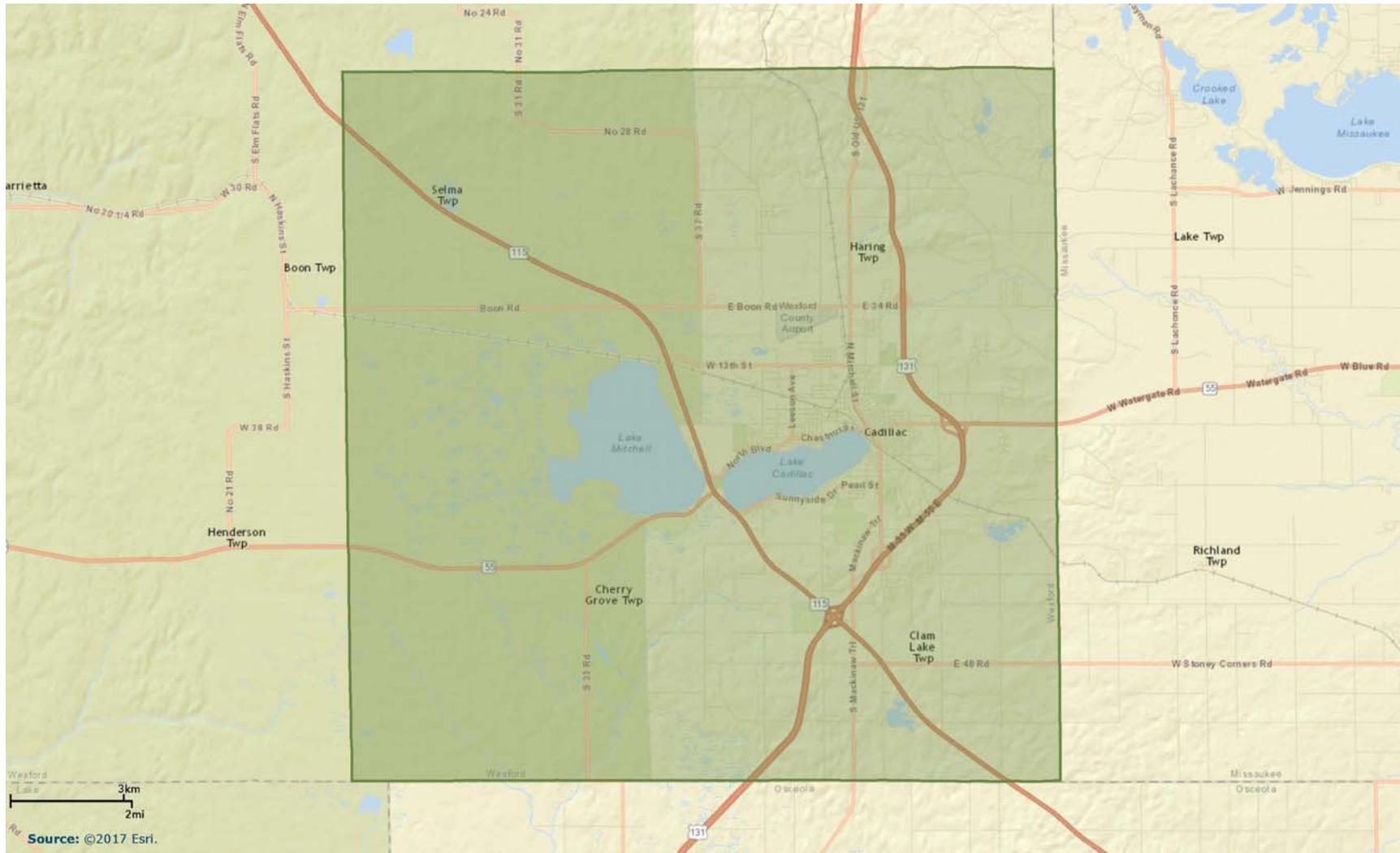
Separation of the county into two sub-markets is perhaps most useful as a tool for this analysis, as some market segments may not exhibit a significant degree of difference. This would perhaps be most true for senior housing, as larger market areas are typically utilized for elderly housing options. While the final location of various housing developments would greatly influence pricing and marketing efforts, it could be assumed that many housing alternatives reasonably located within various sections of Wexford County would be attractive to a wide range of potential residents. As a result, the Primary Market Area (PMA) utilized for non-senior examinations will include both market areas. Senior housing will most likely use all, or a majority of, Wexford County. A PMA typically includes approximately 60 percent to 80 percent of all likely residents for a given housing proposal.

Secondary Market Area considerations are worthy of note as well, due to the region's commuting patterns, the proximity of Traverse City (the region's largest source of employment, retail outlets, entertainment options, and public services), and Wexford County's employment base. The county's vacation and 2nd residence market, while not a focus of the key target market segments of this analysis, will also impact Secondary Market considerations.

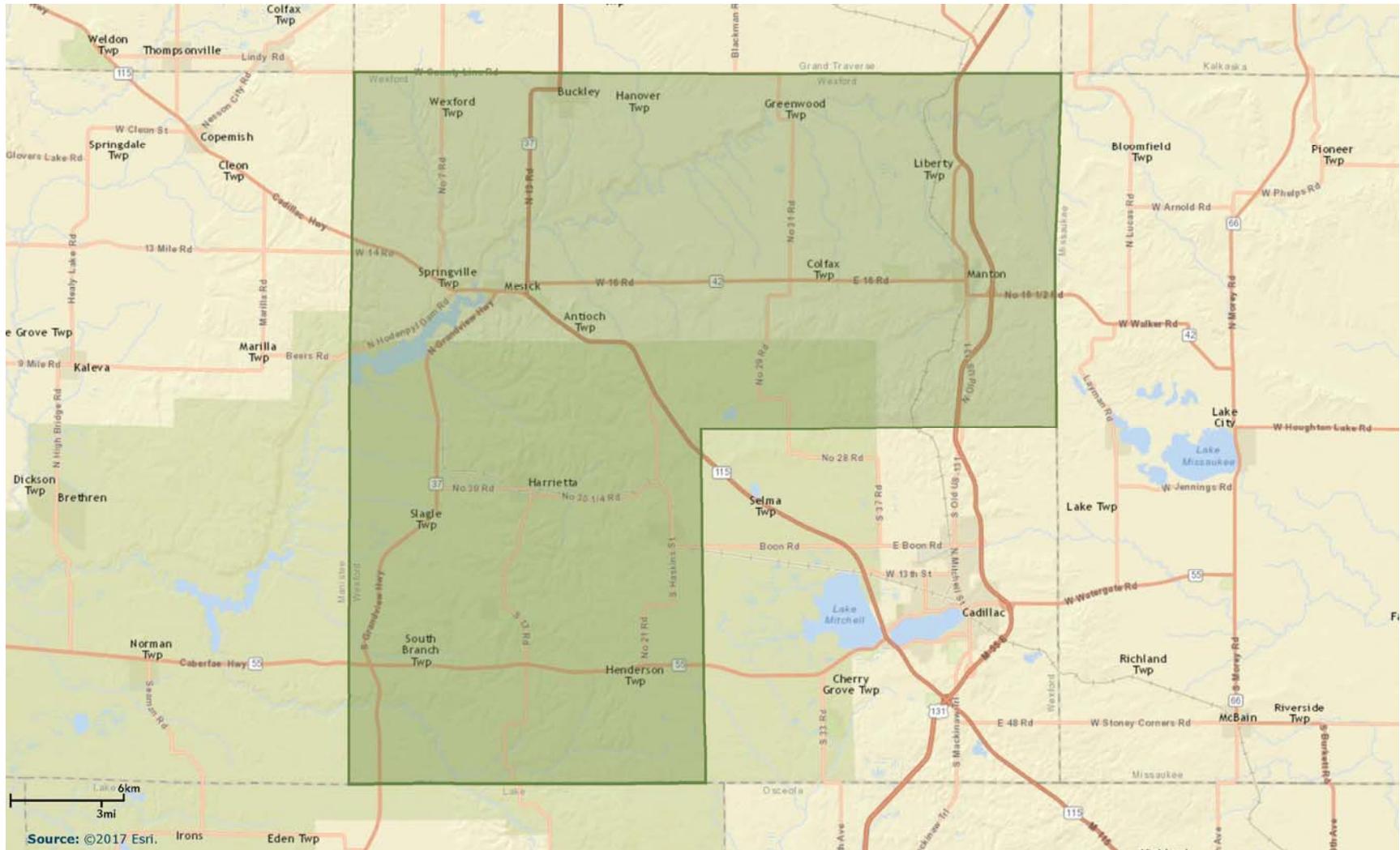
From a senior housing standpoint, Secondary Market considerations may be quite broad, and include former residents of the Cadillac area, regardless of their current address, that would strongly consider relocating to the Wexford region if a residential option was available. While Secondary Market contributions clearly exist, it is difficult to quantify in a reasonable manner the degree of participation prior to the development of housing options. Such factors are readily determined after the development process, based on traffic patterns, inquiries, and the eventual relocation of residents from outside of the region.

Map: Wexford County Sub-Market Areas

Cadillac Area



Rural Wexford Area



V. DEMOGRAPHIC & ECONOMIC TRENDS

Economic Trends

Employment by Industry data from the American Community Survey indicates the most common industry for employed residents of the county to work in was services, which represented 44 percent of all market area workers, with little variation within the sub-market areas. Manufacturing employment across Wexford County is notably stronger than most rural sections of northern Michigan, at nearly 21 percent across the county, and nearly 24 percent within Cadillac. This clearly bodes well for prevailing income trends, job stability, and migration potential from other nearby areas of the region. Retail trade employment within the county represented 13 percent of the local labor force, which is a typical ratio for most communities within northern Michigan.

Table: Employment by Industry

	<u>City of Cadillac</u>	<u>Cadillac Area</u>	<u>Rural Wexford</u>	<u>Wexford County</u>
Agriculture and Mining	38	151	188	339
Percent	0.9%	1.8%	3.9%	2.5%
Construction	26	163	382	545
Percent	0.6%	1.9%	7.9%	4.1%
Manufacturing	1,027	2,027	761	2,788
Percent	23.9%	23.6%	15.7%	20.7%
Wholesale Trade	50	107	112	219
Percent	1.2%	1.2%	2.3%	1.6%
Retail Trade	620	1,098	644	1,742
Percent	14.4%	12.8%	13.3%	13.0%
Transportation & Utilities	210	480	245	725
Percent	4.9%	5.6%	5.0%	5.4%
Information	119	161	39	200
Percent	2.8%	1.9%	0.8%	1.5%
Finance, Insurance, & Real Estate	203	360	166	526
Percent	4.9%	4.3%	3.4%	4.0%
Services	1,846	3,690	2,186	5,876
Percent	44.2%	43.8%	45.4%	44.4%
Professional & Managerial Serv	276	694	286	980
Percent of All Services	15.0%	18.8%	13.1%	16.7%
Educational & Healthcare Serv	913	1,789	1,062	2,851
Percent of All Services	49.5%	48.5%	48.6%	48.5%
Arts/Entertainment Services	398	721	607	1,328
Percent of All Services	21.6%	19.5%	27.8%	22.6%
Other Services	259	486	231	717
Percent of All Services	14.0%	13.2%	10.6%	12.2%
Public Administration	153	346	135	481
Percent	3.7%	4.1%	2.8%	3.6%

SOURCE: 2011-2015 American Community Survey, U.S. Census Bureau

Wexford County’s residential employment base is primarily within the service sector, but the region exhibits a higher than average “blue collar” segment, including manufacturing and construction jobs.

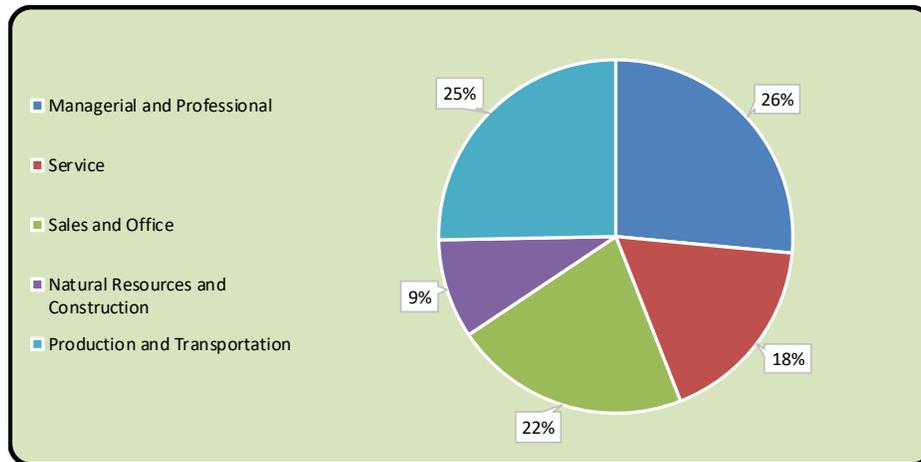
Employment by Occupation data from the American Community Survey indicates most workers are employed in professional, sales, or office positions. These sectors combined totaled 65 percent of the county’s labor force. The county’s concentration of “blue collar” positions represented approximately 35 percent of the labor force; again, substantially greater concentrations as compared to nearby areas.

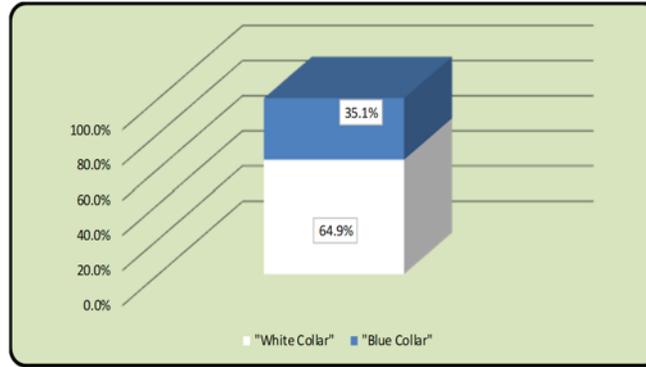
Table: Employment by Occupation

	<u>City of Cadillac</u>	<u>Cadillac Area</u>	<u>Rural Wexford</u>	<u>Wexford County</u>
Managerial and Professional	1,095	2,329	1,233	3,562
Percent	25.5%	27.1%	25.4%	26.5%
Service	778	1,368	990	2,358
Percent	18.1%	15.9%	20.4%	17.5%
Sales and Office	951	1,872	1,026	2,898
Percent	22.2%	21.8%	21.1%	21.6%
Natural Resources and Constructi	276	613	608	1,221
Percent	6.4%	7.1%	12.5%	9.1%
Production and Transportation	1,192	2,401	1,001	3,402
Percent	27.8%	28.0%	20.6%	25.3%

SOURCE: 2011-2015 American Community Survey, U.S. Census Bureau

Figure One: Employment by Occupation Breakdown – Wexford County





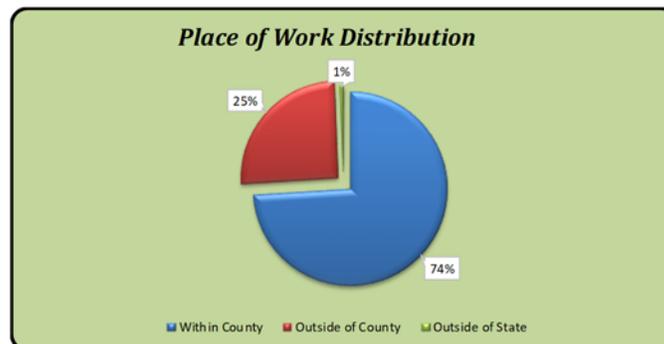
The county’s labor force is primarily employed locally, but nearly ¼ of all local workers are employed outside of Wexford County. The sub markets exhibit different commuting patterns, most likely due to the proximity of employment options within each area. The percentage of people working outside of Wexford County is not surprising, with the wider range of opportunities within the Traverse City area and the presence of US 131, making commuting somewhat easier for many residents.

Table: Employment by Place of Work

	<u>City of Cadillac</u>	<u>Cadillac Area</u>	<u>Rural Wexford</u>	<u>Wexford County</u>
Place of Work within County	3,649	7,143	2,659	9,802
Percent	86.1%	84.1%	56.0%	74.0%
Place of Work Outside of Coun	582	1,328	2,032	3,360
Percent	13.7%	15.6%	42.8%	25.4%
Place of Work Outside of State	7	25	57	82
Percent	0.2%	0.3%	1.2%	0.6%

SOURCE: 2011-2015 American Community Survey, U.S. Census Bureau

Figure Two: Employment by Place of Work Breakdown – Wexford County



Migration patterns for Wexford County provide another indication of the prevailing direction of overall demographic and economic trends. This data was collected from the most recent American Community Survey, and does include a surprisingly sizable margin of error. However, the prevailing direction is that a slight loss of population over the next few years should

Trends regarding commuting and migration appear to indicate that Wexford County remains competitive as a potential residential and employment destination within the region.

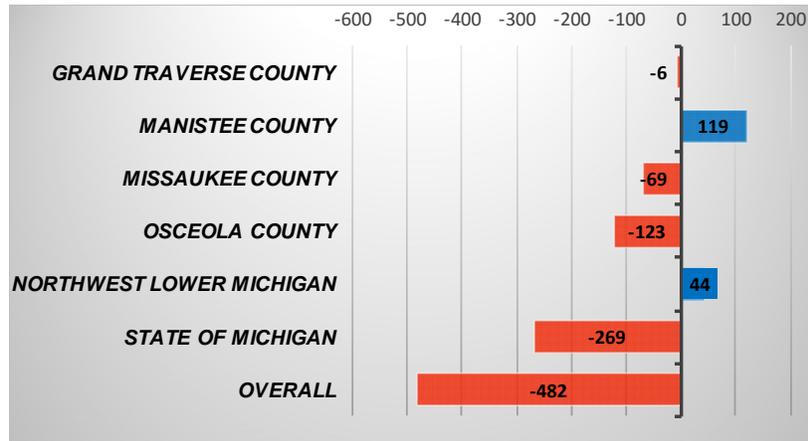
be anticipated due to movership, despite an increasingly favorable economy. Examining the data, much of the net migration should not be a strict reflection of Cadillac or Wexford County, but perhaps more of Michigan’s prospects as compared to other sections of the nation that are currently exhibiting more favorable employment and quality of life factors. One favorable consideration, however, is the positive annual net migration from some nearby counties, as well as across northwest lower Michigan, which points to the community’s favorable economic trends, placemaking assets, and somewhat reasonable commuting distances.

Table: Migration Patterns – Wexford County

	Flow Into Wexford County	Flow Out of Wexford County	Net Migration Wexford County
Grand Traverse County	147	153	-6
Percent of Total	8.4%	6.8%	1.2%
Manistee County	170	51	119
Percent of Total	9.7%	2.3%	-24.7%
Missaukee County	298	367	-69
Percent of Total	16.9%	16.4%	14.3%
Osceola County	134	257	-123
Percent of Total	7.6%	11.5%	25.5%
Northwest Lower Michigan	731	687	44
Percent of Total	41.5%	30.6%	9.1%
State of Michigan	1,516	1,785	-269
Percent of Total	86.1%	79.6%	55.8%
Overall (Including Overseas)	1,760	2,242	-482
Percent of Total	100.0%	100.0%	100.0%

SOURCE: 2011/2015 American Community Survey, U.S. Census Bureau

Figure Three: Migration Patterns – Wexford County



Employment Trends

Wexford County employment totals have recovered from the decline in jobs due to the Great Recession of the last decade. As with most areas of Michigan, the recent recession led to a notable reduction in overall employment. Wexford County experienced a sharp drop in employment from 2007 to 2009, but a sizable recovery beginning in 2010 has led to the current employment status. Over this time, the county’s employment totals have slowly increased, providing ongoing momentum for the local economy. As of 2016 the county’s employment totals are the highest since 2001, at nearly 14,000.

Unemployment ratios for Wexford County are at the lowest point since at least the year 2000. The county’s unemployment rate for 2016 was recorded at 5.6 percent, much improved from the high level of 17.6 percent recorded in 2009. The Grand Traverse region’s unemployment rate for 2016 was notably lower, at 4.5 percent (as compared to 4.9 percent for Michigan and the nation during the same period). This ratio indicates a recovery from the last decade’s recessionary period, in which the unemployment rate for the region was at a high point of 12.1 percent in 2010.

Trends for 2017 regarding job totals and unemployment indicate continued improvement, with the June 2017 unemployment rate at 4.8 percent for the county, and a slight increase in employment from June of last year. It is assumed that continued gains in the labor force will result in still lower unemployment levels by the end of the year. These trends over the past few years are quite encouraging, and reflect ongoing economic recovery across Northwest Lower Michigan, with a level of improvement superior to overall national trends.

Figure Four: Area Employment Trends – Wexford County

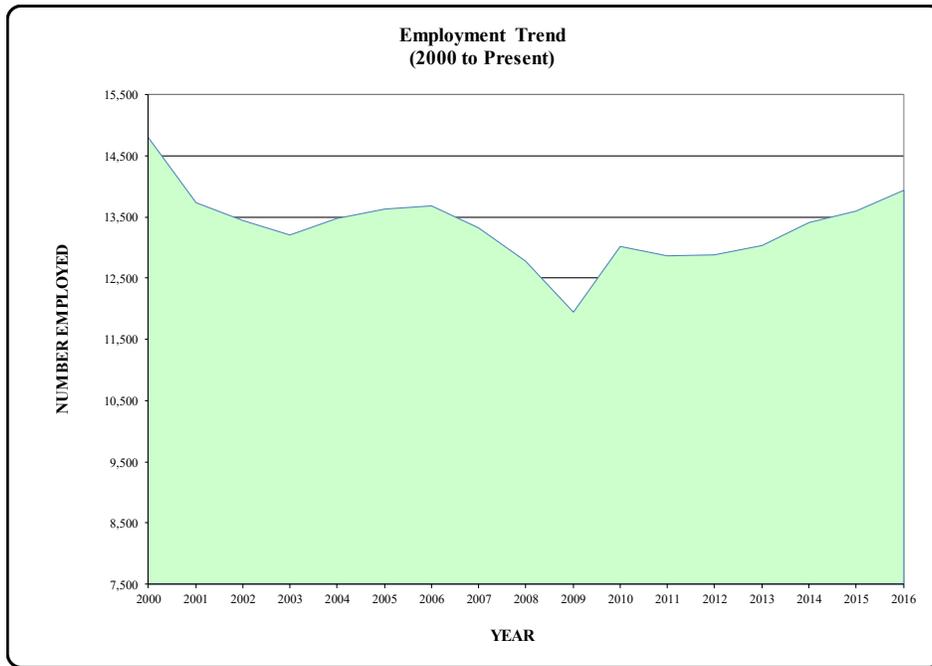


Figure Five: Annual Change in Employment – Wexford County

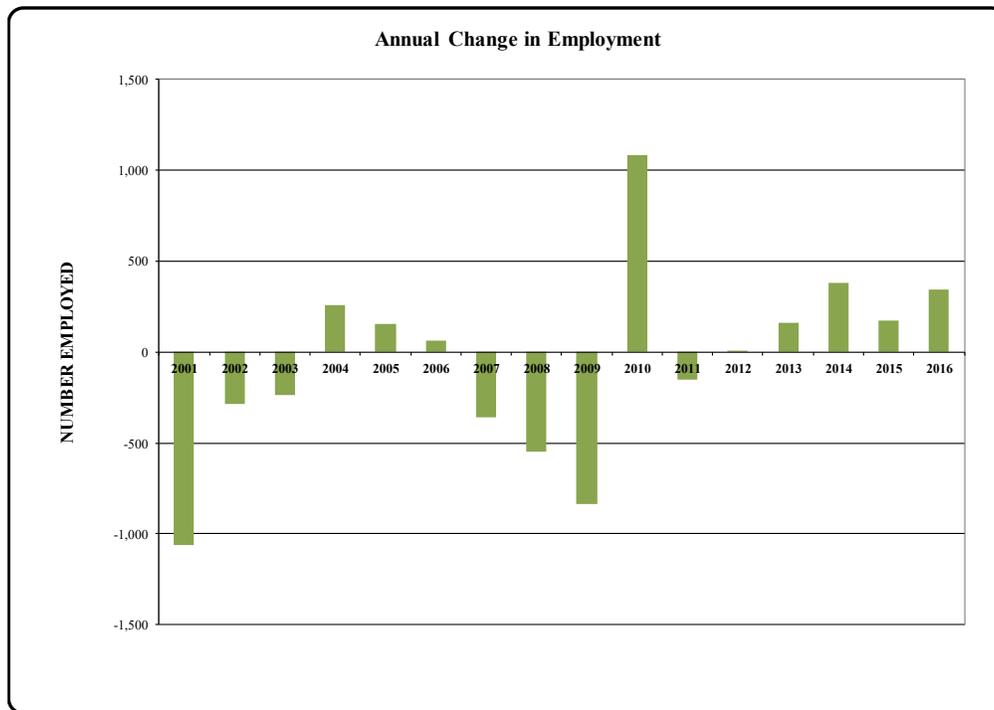


Figure Six: Unemployment Rate Comparison

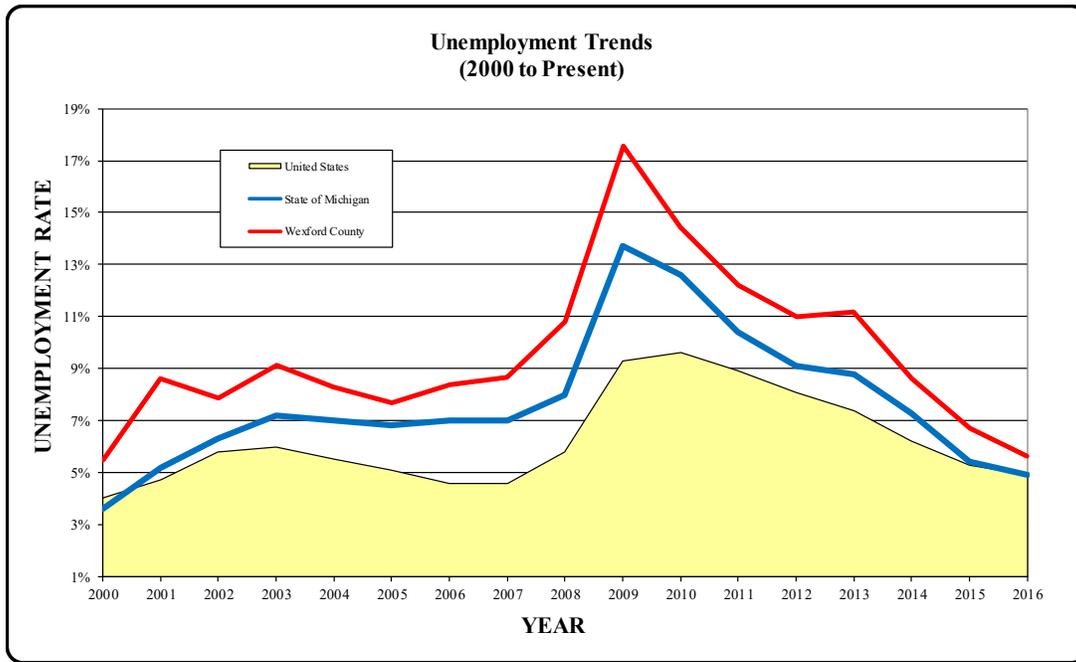


Table: Employment Trends (2000 to Present)

Year	Wexford County				State of Michigan	United States
	Labor Force	Number Employed	Annual Change	Unemployment Rate	Unemployment Rate	Unemployment Rate
2000	15,654	14,795	---	5.5%	3.6%	4.0%
2001	15,031	13,735	(1,060)	8.6%	5.2%	4.7%
2002	14,595	13,447	(288)	7.9%	6.3%	5.8%
2003	14,542	13,212	(235)	9.1%	7.2%	6.0%
2004	14,686	13,468	256	8.3%	7.0%	5.5%
2005	14,753	13,622	154	7.7%	6.8%	5.1%
2006	14,939	13,684	62	8.4%	7.0%	4.6%
2007	14,590	13,325	(359)	8.7%	7.0%	4.6%
2008	14,319	12,775	(550)	10.8%	8.0%	5.8%
2009	14,482	11,938	(837)	17.6%	13.7%	9.3%
2010	15,218	13,023	1,085	14.4%	12.6%	9.6%
2011	14,656	12,870	(153)	12.2%	10.4%	8.9%
2012	14,469	12,876	6	11.0%	9.1%	8.1%
2013	14,677	13,037	161	11.2%	8.8%	7.4%
2014	14,677	13,414	377	8.6%	7.3%	6.2%
2015	14,567	13,589	175	6.7%	5.4%	5.3%
2016	14,764	13,933	344	5.6%	4.9%	4.9%
Jun-16	15,163	14,331	---	5.5%	5.2%	4.9%
Jun-17	15,094	14,365	34	4.8%	4.0%	4.4%

	Number	Percent
Change (2000-Present):	(862)	-6.2%
Change (2000-2008):	(2,020)	-15.8%
Change (2008-Present):	1,158	8.3%

SOURCE: Bureau of Labor Statistics.

The region's employment base is centered within the Manufacturing, Healthcare, Trade, and Leisure/Hospitality sectors – all of which provide a wide range of incomes, employment trends, and long-term growth potential. As stated previously, the county's higher than typical concentration of manufacturing employment has resulted in a stronger degree of wage stability across the labor force; most rural communities do not benefit from the presence of this many blue-collar opportunities.

Wages and Income Data

Employment and wage data obtained from the U.S. Census Bureau's Quarterly Census of Employment and Wages (QCEW) provides a current picture of employment distribution within Wexford County. This data measures employment trends that take place within a given county, regardless of the residence of the labor force. As can be seen within the figures on the following pages, over the past seven years Manufacturing positions remain the largest industry sector for the County, with an increase of 13 percent from 2009 to 2016. In 2016, this sector represented more than 27 percent of the county's labor force. Trade/Transportation/Utilities employment accounted for 23 percent of the total, while education/healthcare jobs represented nearly 15 percent of employment. Separated by the type of employment category, production positions have increased by nearly 11 percent, while service positions have increased by four percent. Overall, private-sector employment has increased by six percent between 2009 and 2016 (the totals do not include public sector jobs), reflective of the increase in overall employment observed within the prior labor force tables.

However, a few industry categories have experienced declines over the past seven years, including Construction (down 22 percent), Education/Healthcare (down six percent), and Financial Activities (down six percent). Overall figures are an improvement from prior years, in which most categories were significantly impacted after the recessionary period of the last decade. Those sectors with notable percentage increases include Natural Resources (up 46 percent) and Other Services (up 39 percent). These trends are more likely a reflection of the Cadillac area's economic composition, and to a lesser extent the overall economic trends across the region and Michigan as a whole.

Wexford County’s employment base continues to feature a higher than average concentration of Manufacturing employment, with wage levels that are notably higher than countywide averages. This level of “Blue Collar” jobs has provided the county a greater degree of stability in wages and employment as compared to most nearby sections of Northern Michigan.

Leisure/hospitality positions currently offer the lowest average wages within the county (\$15,648 in 2016). Such levels are typical of most other counties, and are not unexpected. Other Services positions and Construction wages (on an average annual basis) are relatively low as compared to the overall mean, but not surprising. The industries with the highest average wages are Information (\$47,663), Manufacturing (\$45,920) and Financial Activities (\$46,509). Overall wages have slowly increased over the past seven years, as the private sector average annual wage in 2016 was \$36,052. Since 2009 this reflects an average annual rate of increase of 2.7 percent.

For housing needs to match these characteristics, pricing and project features need to reflect these recent changes within the target market segments. This may include a greater emphasis on rental housing as compared to homeownership, a reduced emphasis on larger-sized units, and recognizing that a portion of the target market segments may be more mobile and less willing to establish a more permanent residence.

Table: Wexford County - Employment by Industry – 2009 to 2016

<i>Employment Categories by Industry</i>	<i>2009</i>		<i>2016</i>		<i>% Change</i>
	<i>Number Employed</i>	<i>Percent</i>	<i>Number Employed</i>	<i>Percent</i>	
Construction	272	2.6%	212	1.9%	-22.1%
Manufacturing	2,672	25.5%	3,021	27.2%	13.1%
Natural Resources and Mining	82	0.8%	120	1.1%	46.3%
Total Production:	3,026	28.9%	3,353	30.2%	10.8%
Education and Health Services	1,767	16.9%	1,657	14.9%	-6.2%
Financial Activities	361	3.4%	338	3.0%	-6.4%
Information	238	2.3%	245	2.2%	2.9%
Leisure and Hospitality	1,475	14.1%	1,519	13.7%	3.0%
Other Services	323	3.1%	448	4.0%	38.7%
Professional and Business Services	933	8.9%	972	8.7%	4.2%
Trade, Transportation, and Utilities	2,341	22.4%	2,580	23.2%	10.2%
Total Services:	7,438	71.1%	7,759	69.8%	4.3%
Overall Total:	10,464	100%	11,112	100%	6.2%

SOURCE: Bureau of Labor Statistics.

Figure Seven: Employment by Industry Breakdown – Wexford County

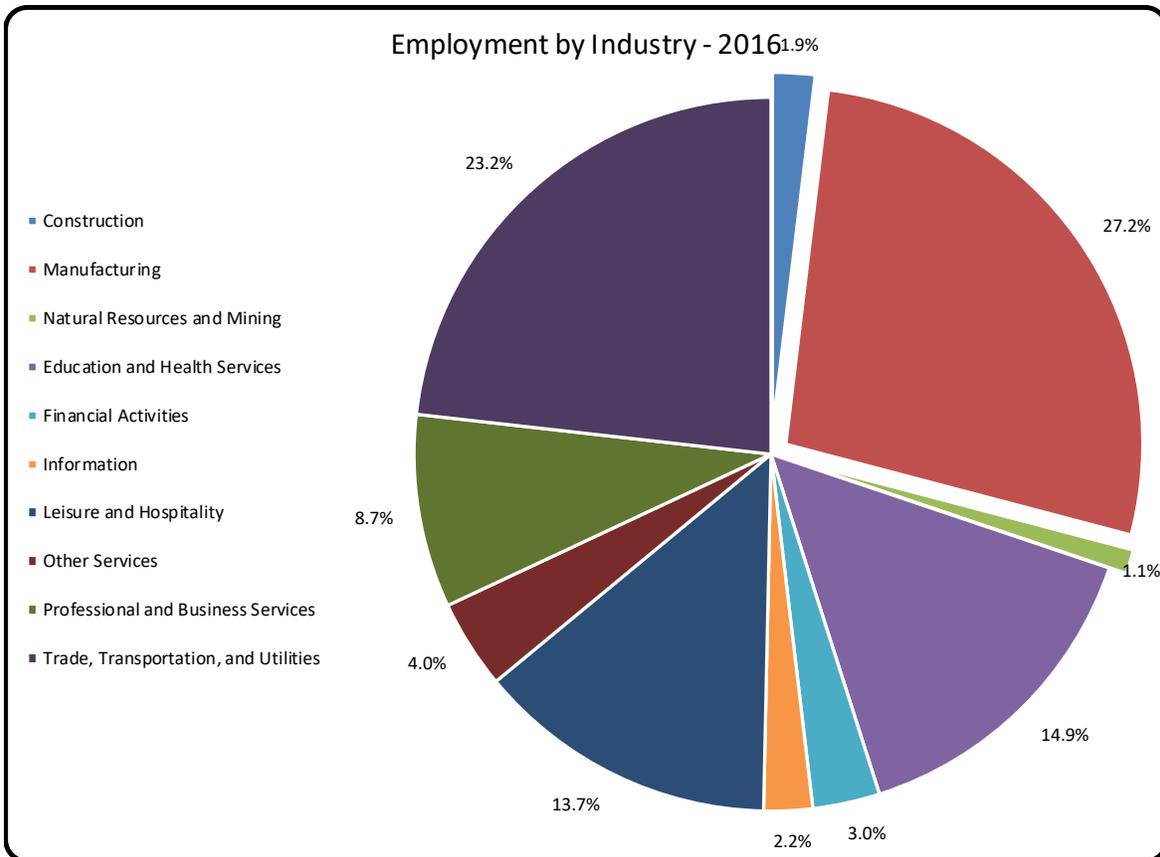
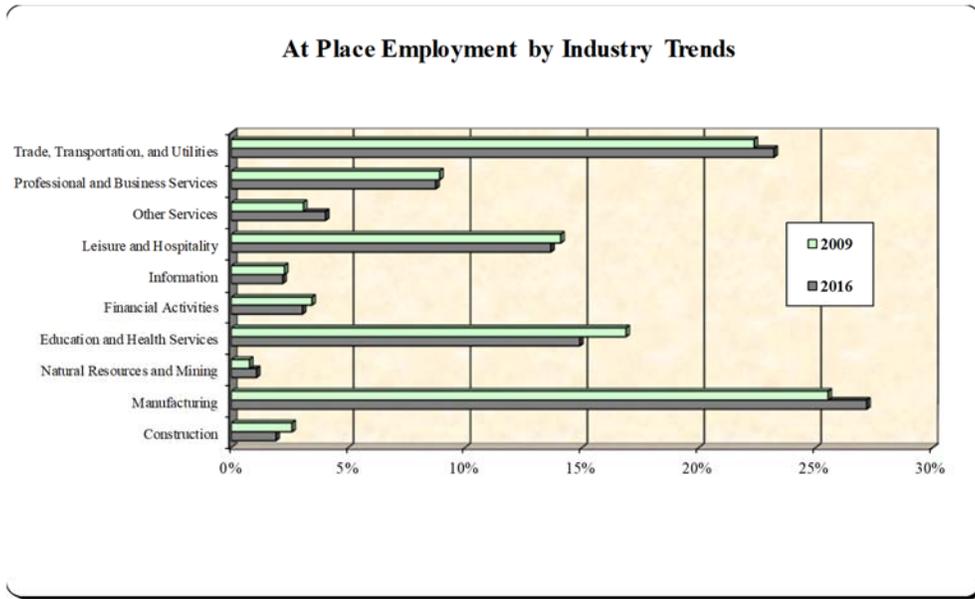


Table: Wexford County Wage Trends by Industry – 2009 to 2016

<i>Employment Categories by Industry</i>	<i>Average Annual Pay - 2009</i>	<i>Average Annual Pay - 2016</i>	<i>% of Overall Average - 2016</i>	<i>Total % Change - 2009-2016</i>	<i>Average Annual % Change - 2009-2016</i>
Construction	\$27,436	\$31,959	-11.4%	16.5%	2.2%
Education and Health Services	\$33,626	\$41,527	15.2%	23.5%	3.1%
Financial Activities	\$35,650	\$46,509	29.0%	30.5%	3.9%
Information	\$39,271	\$47,663	32.2%	21.4%	2.8%
Leisure and Hospitality	\$11,802	\$15,648	-56.6%	32.6%	4.1%
Manufacturing	\$37,471	\$45,920	27.4%	22.5%	2.9%
Natural Resources and Mining	\$28,254	\$36,049	0.0%	27.6%	3.5%
Other Services	\$27,886	\$26,407	-26.8%	-5.3%	-0.8%
Professional and Business Services	\$33,579	\$36,565	1.4%	8.9%	1.2%
Trade, Transportation, and Utilities	\$27,482	\$32,310	-10.4%	17.6%	2.3%
Overall Average	\$29,970	\$36,052	---	20.3%	2.7%

SOURCE: Bureau of Labor Statistics.

Population Trends

Population across Wexford County is anticipated to increase in the next few years, according to forecasts from ESRI. By 2022, the market area’s population is projected to total 34,239 persons, reflecting an increase of 4.6 percent from 2010 totals. The strongest percentage gains are anticipated within the Rural Wexford area, but growth should be demonstrated across all portions of the county.

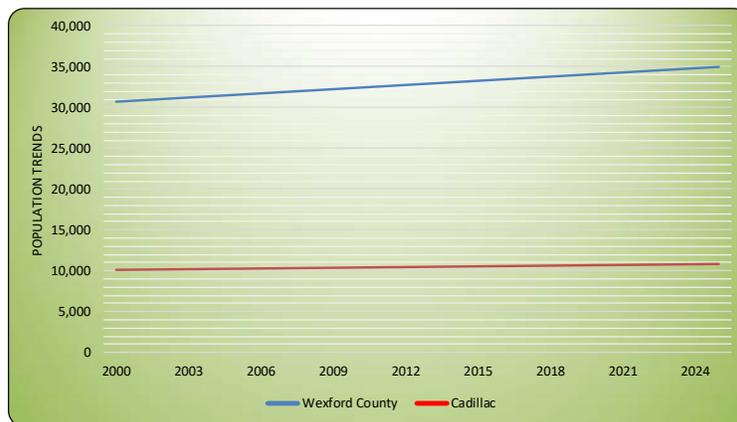
Table: Population Trends (2000 to 2022)

	City of Cadillac	Cadillac Area	Rural Wexford	Wexford County
2000 Population	10,069	19,468	11,016	30,484
2010 Population	10,356	20,465	12,270	32,735
Percent Change (2000-2010)	2.9%	5.1%	11.4%	7.4%
Average Annual Change (2000 to 2010)	0.3%	0.5%	1.1%	0.7%
2017 Population Estimate	10,547	20,684	12,854	33,538
Percent Change (from 2010)	1.8%	1.1%	4.8%	2.5%
Average Annual Change (2010 to 2017)	0.3%	0.2%	0.7%	0.3%
2020 Population Forecast	10,651	20,853	13,105	33,959
Percent Change (from 2010)	2.9%	1.9%	6.8%	3.7%
Average Annual Change (2010 to 2020)	0.3%	0.2%	0.7%	0.4%
2022 Population Forecast	10,721	20,966	13,273	34,239
Percent Change (from 2010)	3.5%	2.4%	8.2%	4.6%
Average Annual Change (2010 to 2022)	0.3%	0.2%	0.7%	0.4%

SOURCE: 2000/2010 Census of Population and Housing, SF1, U.S. Census Bureau; ESRI Business Analyst.

The following chart shows a population projection for Wexford County and Cadillac City, providing an indication of the prevailing trend forward from 2010. This illustrates the stability of the local population, net of various inflows and outflows as discussed previously.

Figure Eight: Population Trends/Projections



It is common to separate population totals into various age cohorts that reflect key age segments. In this analysis, this has been done as well, and include four key cohorts – Less than Age 20, Age 20 to 44, Age 45 to 65, and Age 65 and older.

Wexford County featured generally equal non-senior age cohorts, as the 20 to 44 segment represented 28.7 percent of the population, while the age 45 to 64 segment represented 28.8 percent of the 2010 population. Non-adults (age 19 and younger) as of 2010 accounted for 26.7 percent of the population. The remaining segment (seniors age 65 and older) accounted for 15.9 percent of the 2010 population. This degree of balance was somewhat unusual for 2010, as most nearby counties exhibited higher “older-adult” percentages. One reason for this balance is perhaps the higher than average concentration of blue-collar employment within Cadillac and Wexford County, which resulted in a somewhat more stable population base, rather than a higher degree of migration to other sections of the nation typically observed within other rural Michigan counties over the past three decades.

According to ESRI forecasts, by 2022 the size of each age cohort will favor seniors and, to a lesser extent, younger adults. Across the county, the largest cohort will be the younger adult cohort (age 20 to 44), with an expected increase of approximately one percent from 2010. However, the strongest trend will be among the senior segment, with a forecasted gain of 36.9 percent from 2010 (7,116 persons), representing 20.8 percent of the total 2022 population. This growth is mostly a reflection of local seniors aging in place, but some degree of migration by seniors is also anticipated over the balance of the decade. The remaining age segments are forecast to decline, ranging from one percent to five percent. For both sub-market areas, seniors will represent by far the largest population gains among the four primary age cohorts, but the Cadillac area will continue to remain generally younger in terms of overall population. By contrast, Rural Wexford is continuing to rapidly age in place, with substantial gains among the senior segment. Correspondingly, the county’s non-senior population will continue to decline, projected to represent 79 percent of the 2022 population; in 2010, the non-senior population accounted for approximately 85 percent of the total population.

Figure Nine: Wexford County Age Distribution (2010 to 2022)

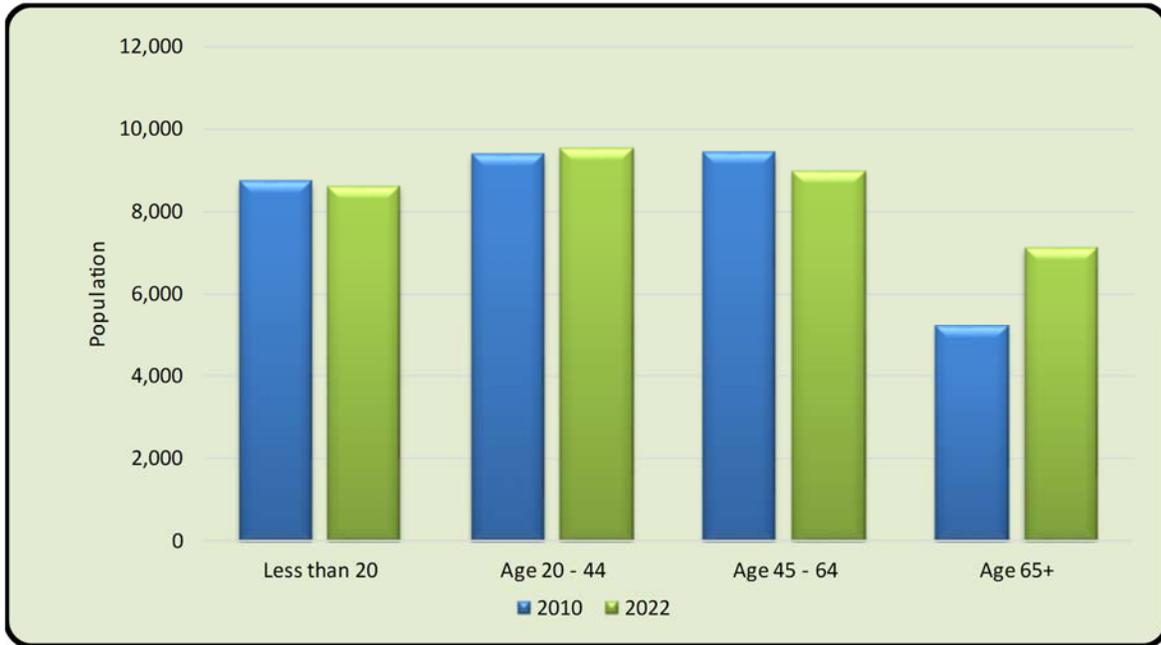


Table: Age Distribution (2010 to 2022)

	City of <u>Cadillac</u>	Cadillac <u>Area</u>	Rural <u>Wexford</u>	Wexford <u>County</u>
Age Less than 20 - 2010	2,798	5,244	3,484	8,728
Percent of total 2010 population	27.0%	25.6%	28.4%	26.7%
Age Between 20 and 44 - 2010	3,326	5,957	3,436	9,393
Percent of total 2010 population	32.1%	29.1%	28.0%	28.7%
Age Between 45 and 64 - 2010	2,459	5,823	3,592	9,415
Percent of total 2010 population	23.7%	28.5%	29.3%	28.8%
Age 65 and Over - 2010	1,773	3,441	1,758	5,199
Percent of total 2010 population	17.1%	16.8%	14.3%	15.9%
Age Less than 20 - 2022	2,875	5,192	3,424	8,616
Percent of total 2022 population	26.8%	24.8%	25.8%	25.2%
Percent change (2010 to 2022)	2.8%	-1.0%	-1.7%	-1.3%
Average Annual Change (2010 to 2022)	0.2%	-0.1%	-0.1%	-0.1%
Age Between 20 and 44 - 2022	3,293	5,826	3,703	9,529
Percent of total 2022 population	30.7%	27.8%	27.9%	27.8%
Percent change (2010 to 2022)	-1.0%	-2.2%	7.8%	1.4%
Average Annual Change (2010 to 2022)	-0.1%	-0.2%	0.6%	0.1%
Age Between 45 and 64 - 2022	2,446	5,439	3,539	8,978
Percent of total 2022 population	22.8%	25.9%	26.7%	26.2%
Percent change (2010 to 2022)	-0.5%	-6.6%	-1.5%	-4.6%
Average Annual Change (2010 to 2022)	0.0%	-0.6%	-0.1%	-0.4%
Age 65 and Over - 2022	2,106	4,509	2,607	7,116
Percent of total 2022 population	19.6%	21.5%	19.6%	20.8%
Percent change (2010 to 2022)	18.8%	31.0%	48.3%	36.9%
Average Annual Change (2010 to 2022)	1.4%	2.3%	3.3%	2.7%

SOURCE: 2010 Census of Population and Housing, SF1, U.S. Census Bureau; ESRI Business Analyst.

Table: Senior Population Trends (2000 to 2022)

	<u>City of Cadillac</u>	<u>Cadillac Area</u>	<u>Rural Wexford</u>	<u>Wexford County</u>
2000 Senior Population (55 years and Over)	2,501	4,757	2,501	7,258
Percent of total 2000 population	24.2%	23.2%	22.7%	22.2%
2010 Senior Population (55 years and Over)	2,854	6,132	3,394	9,526
Percent of total 2010 population	27.1%	29.6%	27.7%	28.4%
Percent change (2000 to 2010)	14.1%	28.9%	35.7%	31.2%
Average Annual Change (2000 to 2010)	1.3%	2.6%	3.1%	2.8%
2017 Senior Population (55 years and Over)	3,250	7,034	4,126	11,160
Percent of total 2017 population	30.5%	33.7%	32.1%	32.9%
Percent change (2010 to 2017)	13.9%	14.7%	21.6%	17.2%
Average Annual Change (2010 to 2017)	1.9%	2.0%	2.8%	2.3%
2020 Senior Population (55 years and Over)	3,348	7,329	4,392	11,720
Percent of total 2020 population	31.4%	35.1%	33.5%	34.5%
Percent change (2010 to 2020)	17.3%	19.5%	29.4%	23.0%
Average Annual Change (2010 to 2020)	1.6%	1.8%	2.6%	2.1%
2022 Senior Population (55 years and Over)	3,414	7,525	4,569	12,094
Percent of total 2022 population	31.8%	35.9%	34.4%	35.3%
Percent change (2010 to 2022)	19.6%	22.7%	34.6%	27.0%
Average Annual Change (2010 to 2022)	1.5%	1.7%	2.5%	2.0%
2000 Senior Population (65 years and Over)	1,668	2,891	1,387	4,278
Percent of total 2000 population	16.1%	14.1%	12.6%	13.1%
2010 Senior Population (65 years and Over)	1,773	3,441	1,758	5,199
Percent of total 2010 population	16.8%	16.6%	14.3%	15.5%
Percent change (2000 to 2010)	6.3%	19.0%	26.7%	21.5%
Average Annual Change (2000 to 2010)	0.6%	1.8%	2.4%	2.0%
2017 Senior Population (65 years and Over)	1,942	4,044	2,165	6,209
Percent of total 2017 population	18.2%	19.4%	16.8%	18.3%
Percent change (2010 to 2017)	9.5%	17.5%	23.2%	19.4%
Average Annual Change (2010 to 2017)	1.3%	2.3%	3.0%	2.6%
2020 Senior Population (65 years and Over)	2,040	4,323	2,430	6,753
Percent of total 2020 population	19.2%	20.7%	18.5%	19.9%
Percent change (2010 to 2020)	15.1%	25.6%	38.2%	29.9%
Average Annual Change (2010 to 2020)	1.4%	2.3%	3.3%	2.7%
2022 Senior Population (65 years and Over)	2,106	4,509	2,607	7,116
Percent of total 2022 population	19.6%	21.5%	19.6%	20.8%
Percent change (2010 to 2022)	18.8%	31.0%	48.3%	36.9%
Average Annual Change (2010 to 2022)	1.4%	2.3%	3.3%	2.7%
2000 Senior Population (75 years and Over)	884	1,414	569	1,983
Percent of total 2000 population	8.5%	7.3%	5.2%	6.5%
2010 Senior Population (75 years and Over)	980	1,650	678	2,328
Percent of total 2010 population	9.3%	8.0%	5.5%	6.9%
Percent change (2000 to 2010)	10.9%	16.7%	19.2%	17.4%
Average Annual Change (2000 to 2010)	1.0%	1.6%	1.8%	1.6%
2017 Senior Population (75 years and Over)	936	1,732	787	2,519
Percent of total 2017 population	8.8%	8.3%	6.1%	7.4%
Percent change (2010 to 2017)	-4.5%	5.0%	16.1%	8.2%
Average Annual Change (2010 to 2017)	-0.7%	0.7%	2.2%	1.1%
2020 Senior Population (75 years and Over)	955	1,854	905	2,759
Percent of total 2020 population	9.0%	8.9%	6.9%	8.1%
Percent change (2010 to 2020)	-2.5%	12.4%	33.5%	18.5%
Average Annual Change (2010 to 2020)	-0.3%	1.2%	2.9%	1.7%
2022 Senior Population (75 years and Over)	968	1,935	984	2,919
Percent of total 2022 population	9.0%	9.2%	7.4%	8.5%
Percent change (2010 to 2022)	-1.2%	17.3%	45.1%	25.4%
Average Annual Change (2010 to 2022)	-0.1%	1.3%	3.2%	1.9%

SOURCE: 2000/2010 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; ESRI Business Analyst.

Figure Ten: Senior Population Trends/Projections – Wexford County

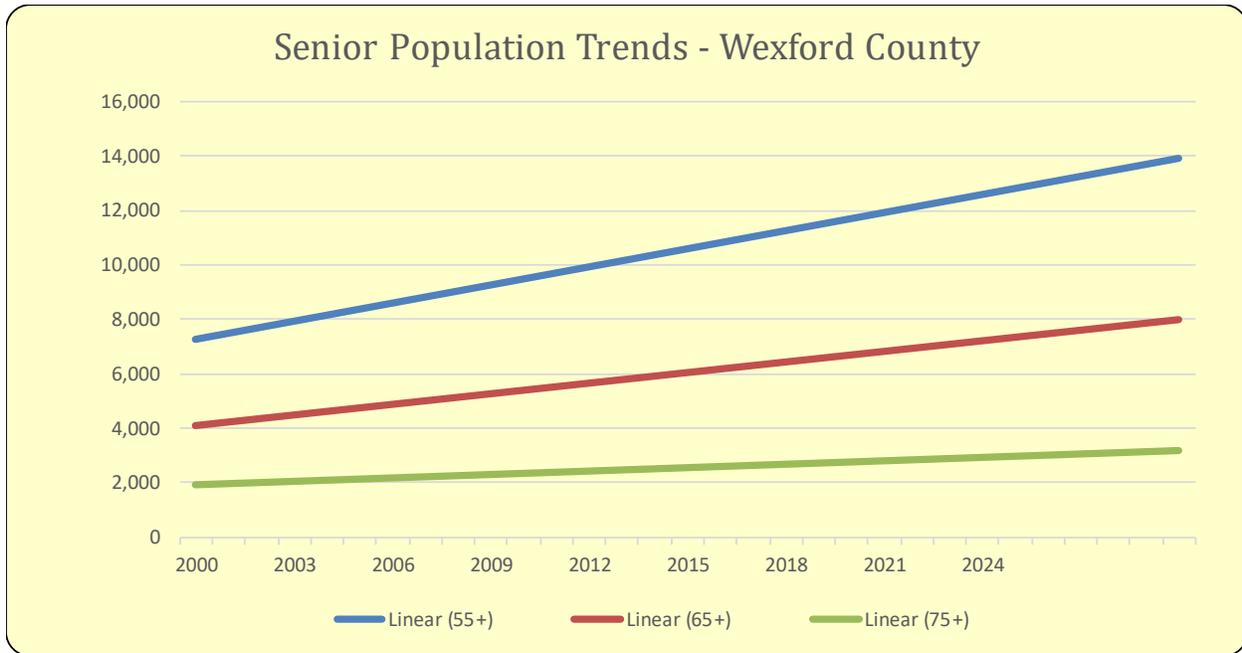
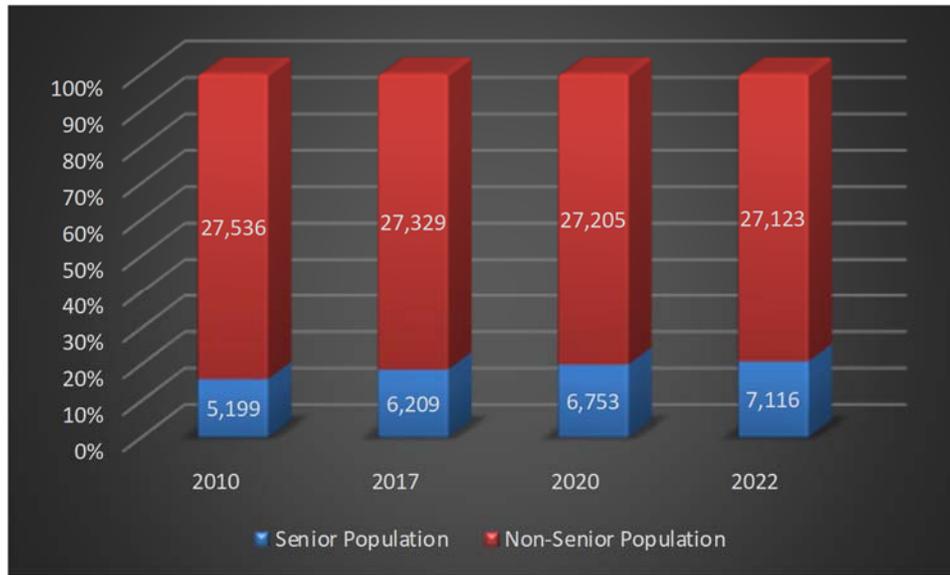


Table: Senior/Non-Senior Population Trends (2010 to 2022)

	City of <u>Cadillac</u>	Cadillac <u>Area</u>	Rural <u>Wexford</u>	Wexford <u>County</u>
2010 Non-Senior Population	8,583	17,024	10,512	27,536
Percent of total 2010 populatio	83.2%	83.4%	85.7%	84.5%
2017 Non-Senior Population	8,605	16,640	10,689	27,329
Percent of total 2017 populatio	81.8%	80.6%	83.2%	81.7%
Percent change (2010 to 2017)	0.3%	-2.3%	1.7%	-0.8%
2020 Non-Senior Population	8,611	16,530	10,675	27,205
Percent of total 2020 populatio	80.8%	79.3%	81.5%	80.1%
Percent change (2010 to 2020)	0.1%	-0.7%	1.6%	-0.5%
2022 Non-Senior Population	8,615	16,457	10,666	27,123
Percent of total 2022 populatio	80.4%	78.5%	80.4%	79.2%
Percent change (2010 to 2022)	0.0%	-0.4%	1.5%	-0.3%
2010 Senior Population (65 years and Over)	1,773	3,441	1,758	5,199
Percent of total 2010 populatio	16.8%	16.6%	14.3%	15.5%
2017 Senior Population (65 years and Over)	1,942	4,044	2,165	6,209
Percent of total 2017 populatio	18.2%	19.4%	16.8%	18.3%
Percent change (2010 to 2017)	9.5%	17.5%	23.2%	19.4%
2020 Senior Population (65 years and Over)	2,040	4,323	2,430	6,753
Percent of total 2020 populatio	19.2%	20.7%	18.5%	19.9%
Percent change (2010 to 2020)	15.1%	25.6%	38.2%	29.9%
2022 Senior Population (65 years and Over)	2,106	4,509	2,607	7,116
Percent of total 2022 populatio	19.6%	21.5%	19.6%	20.8%
Percent change (2010 to 2022)	18.8%	31.0%	48.3%	36.9%

SOURCE: 2000-2010 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; ESRI Business Analyst.

Figure Eleven: Senior/Non-Senior Population – Wexford County



The average household size across the county is currently estimated at 2.48 persons – somewhat lower than statewide estimates, at approximately 2.6 persons. The two sub-markets are quite different regarding this statistic, due to the high concentration of singles and smaller families within the Cadillac area. In the future, household sizes will vary little from 2017 estimates, but will continue to reflect very different population characteristics.

Among seniors, the average household size is slowly rising across Wexford County, indicative of increased senior lifespans and more senior couples continuing to reside as an independent household. Such trends should continue into the next decade and beyond.

Table: Average Household Size (2000 to 2022)

	City of <u>Cadillac</u>	Cadillac <u>Area</u>	Rural <u>Wexford</u>	Wexford <u>County</u>
2000 Average Household Size	2.38	2.49	2.66	2.55
2010 Average Household Size	2.37	2.43	2.58	2.49
Percent Change (2000-2010)	-0.6%	-2.3%	-2.7%	-2.4%
2017 Average Household Size	2.35	2.43	2.58	2.48
Percent Change (2010-2017)	-0.8%	-0.2%	-0.2%	-0.1%
2020 Average Household Size Forecast	2.35	2.42	2.58	2.48
Percent Change (2000-2020)	-0.8%	-0.2%	-0.2%	-0.1%
2022 Average Household Size Forecast	2.35	2.42	2.58	2.48
Percent Change (2010-2022)	-0.8%	-0.2%	-0.3%	-0.1%

SOURCE: 2000/2010 Census of Population & Housing, SF1, U.S. Census Bureau; ESRI Business Analyst.

	City of Cadillac	Cadillac Area	Rural Wexford	Wexford County
2000 Average Household Size - Age 65+	1.35	1.44	1.44	1.46
2010 Average Household Size - Age 65+ Percent Change (2000-2010)	1.44 6.6%	1.51 4.8%	1.48 2.8%	1.50 2.7%
2017 Average Household Size Estimate - Age Percent Change (2010-2017)	1.48 2.6%	1.55 2.9%	1.54 4.1%	1.55 3.2%
2020 Average Household Size Forecast - Age Percent Change (2010-2020)	1.48 2.6%	1.56 1.0%	1.55 5.0%	1.56 1.1%
2022 Average Household Size Forecast - Age Percent Change (2010-2022)	1.48 2.6%	1.57 1.0%	1.56 5.5%	1.57 1.1%

SOURCE: 2000/2010 Census of Population & Housing, SF1, U.S. Census Bureau; ESRI Business Analyst.

Household Trends

Households across Wexford County follow trends similar to that of the population, with steady gains throughout the area. By 2022 the county is projected to contain 13,639 households, reflecting an increase of nearly five percent from 2010. Within Cadillac area the projected growth is also positive, but Rural Wexford will likely have stronger trends into the next decade. Across the county, household growth slightly exceeds population gains, except within Cadillac.

Table: Household Trends (2000 to 2022)

	City of Cadillac	Cadillac Area	Rural Wexford	Wexford County
2000 Households	4,135	7,687	4,137	11,824
2010 Households Percent Change (2000-2010) Average Annual Change (2000 to 201)	4,281 3.5% 0.3%	8,279 7.7% 0.7%	4,742 14.6% 1.4%	13,021 10.1% 1.0%
2017 Household Estimate Percent Change (2010-2017) Average Annual Change (2010 to 201)	4,353 1.7% 0.2%	8,373 1.1% 0.2%	4,979 5.0% 0.7%	13,352 2.5% 0.4%
2020 Household Forecast Percent Change (2010-2020) Average Annual Change (2000 to 202)	4,398 2.7% 0.3%	8,446 2.0% 0.2%	5,078 7.1% 0.7%	13,524 3.9% 0.4%
2022 Household Forecast Percent Change (2010-2022) Average Annual Change (2010 to 202)	4,428 3.4% 0.3%	8,495 2.6% 0.2%	5,144 8.5% 0.7%	13,639 4.7% 0.4%

SOURCE: 2000/2010 Census of Population and Housing, SF1, U.S. Census Bureau; ESRI Business Analyst.

Rental units within Wexford County represented 24 percent of all units in 2010. These units were rapidly absorbed within the marketplace, and additional demand appears present.

Cadillac and Wexford County have experienced notable gains for both homeowners and renters over the past decade, with rental units readily absorbed within the marketplace. However, new rental housing options have not been recently developed, while an increasing preference for such rental options has continued to grow,

not only within the Cadillac area but across much of Michigan and the nation as a whole. Preferences for rental options have been observed within most household segments, including younger persons unwilling to purchase a home due to work status or debt loads, older adults seeking to downsize, and seniors that no longer desire a homeownership alternative. As the millennial generation (generally described as persons born between 1981 and 1999) becomes a greater portion of the region’s economy and more established within the workforce, the demand for homeownership options will likely increase; however, this may not occur for at least another five to seven years, and such a shift will not be a “landslide” shift, but a gradual turnover of households toward a more permanent situation.

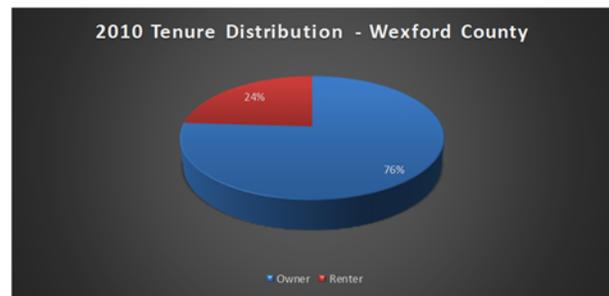
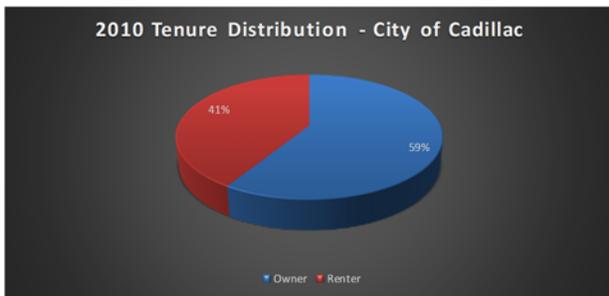
As home prices recover from the Great Recession, demand potential for rental units continues to remain, as evidenced by high occupancy levels, continuing gains in rental rates, and a lack of new rental product. The last notable rental facility constructed within Wexford County was in 2006.

A majority of the county’s rental units are found within Cadillac, in which rentals represented 41 percent of all occupied households in 2010. By comparison, Rural Wexford’s rental ratio is just 17 percent, consisting of smaller-sized apartments, duplexes, and rental homes/trailers.

Table: Households by Tenure (2000 to 2010)

	<u>City of Cadillac</u>	<u>Cadillac Area</u>	<u>Rural Wexford</u>	<u>Wexford County</u>
2000 Renter-Occupied Households	1,456	1,855	593	2,448
Percent of total 2000 households	35.2%	24.1%	14.3%	20.7%
2010 Renter-Occupied Households	1,762	2,318	815	3,133
Percent of total 2010 households	41.2%	28.0%	17.2%	24.1%
Percent change (2000 to 2010)	21.0%	25.0%	37.4%	28.0%
Average Annual Change (2000 to 2010)	1.9%	2.3%	3.2%	2.5%
2000 Owner-Occupied Households	2,679	5,832	3,544	9,376
Percent of total 2000 households	64.8%	75.9%	85.7%	79.3%
2010 Owner-Occupied Households	2,519	5,961	3,927	9,888
Percent of total 2010 households	58.8%	72.0%	82.8%	75.9%
Percent change (2000 to 2010)	-6.0%	2.2%	10.8%	5.5%
Average Annual Change (2000 to 2010)	-0.6%	0.2%	1.0%	0.5%

SOURCE: 2000/2010 Census of Population and Housing, SF1, U.S. Census Bureau



As with the senior population, senior households will exhibit the most robust gains across Wexford County for the foreseeable future. By 2022, the number of senior households across the county (age 65+) will total 4,466 units, accounting for 33 percent of all households. The younger senior segment (age 55 and older) will represent a majority of the county’s households by 2022, with 7,218 units. The 2022 concentration of younger senior households within Cadillac will represent 48 percent of all households, slightly lower than the county, but still a substantial total. The implications regarding schools, the local tax base, the labor force, and the future of the community overall are quite evident within this statistic. The ongoing aging of the population,

Senior households age 55+ across Wexford County will represent 53 percent of all occupied units by 2022. These trends reflect significant aging in place, with impacts upon the labor force and overall economy.

coupled with declining family sizes and lower fertility rates, will place an increasing strain upon the school system, labor force, and the tax base.

As with overall rental housing across Wexford County, the marketplace lacks rental housing options that would be attractive to key senior target market segments under examination within this analysis. As of 2010, the county's senior renter households accounted for just 15 percent of all senior households, and represented just 17 percent of all rental households. The percentages are slightly better within Cadillac (due to existing senior housing options), but given the explosive growth across all segments of the senior population, more options will be required. What is also interesting within the available statistics (from 2010) is an increasing utilization of available affordable rental units by seniors typically available for non-senior occupancy. This has already crowded-out non-seniors from available units that would potentially be available, but this also results in seniors residing in units that were not designed for their use. Thus, an infusion of additional senior housing would most likely prove beneficial to both seniors and non-seniors seeking rental housing options.

Table: Senior Household Trends (2000 to 2022)

	<u>City of Cadillac</u>	<u>Cadillac Area</u>	<u>Rural Wexford</u>	<u>Wexford County</u>
2000 Senior Households (55 years and Over)	1,612	2,946	1,569	4,515
Percent of total 2000 households	39.0%	38.3%	37.9%	38.2%
2010 Senior Households (55 years and Over)	1,807	3,727	2,134	5,861
Percent of total 2010 households	42.2%	45.0%	45.0%	45.0%
Percent change (2000 to 2010)	12.1%	26.5%	36.0%	29.8%
2017 Senior Households (55 years and Over)	2,016	4,187	2,510	6,697
Percent of total 2017 households	46.3%	50.0%	50.4%	50.2%
Percent change (2010 to 2017)	11.6%	12.3%	17.6%	14.3%
Average Annual Change (2010 to 2017)	1.6%	1.7%	2.3%	1.9%
2020 Senior Households (55 years and Over)	2,084	4,356	2,654	7,010
Percent of total 2020 households	47.4%	51.6%	52.3%	51.8%
Percent change (2010 to 2020)	15.4%	16.9%	24.4%	19.6%
Average Annual Change (2010 to 2020)	1.4%	1.6%	2.2%	1.8%
2022 Senior Households (55 years and Over)	2,130	4,468	2,750	7,218
Percent of total 2022 households	48.1%	52.6%	53.5%	52.9%
Percent change (2010 to 2022)	17.9%	19.9%	28.9%	23.2%
Average Annual Change (2010 to 2022)	1.4%	1.5%	2.1%	1.8%
2000 Senior Households (65 years and Over)	1,110	1,848	912	2,760
Percent of total 2000 households	26.8%	24.0%	22.0%	23.3%
2010 Senior Households (65 years and Over)	1,165	2,211	1,176	3,387
Percent of total 2010 households	27.2%	26.7%	24.8%	26.0%
Percent change (2000 to 2010)	5.0%	19.6%	28.9%	22.7%
2017 Senior Households (65 years and Over)	1,250	2,538	1,394	3,932
Percent of total 2017 households	28.7%	30.3%	28.0%	29.4%
Percent change (2010 to 2017)	7.3%	14.8%	18.5%	16.1%
Average Annual Change (2010 to 2017)	1.0%	2.0%	2.5%	2.2%
2020 Senior Households (65 years and Over)	1,315	2,700	1,552	4,252
Percent of total 2020 households	29.9%	32.0%	30.6%	31.4%
Percent change (2010 to 2020)	12.9%	22.1%	32.0%	25.6%
Average Annual Change (2010 to 2020)	1.2%	2.0%	2.8%	2.3%
2022 Senior Households (65 years and Over)	1,359	2,808	1,658	4,466
Percent of total 2022 households	30.7%	33.1%	32.2%	32.7%
Percent change (2010 to 2022)	16.7%	27.0%	41.0%	31.9%
Average Annual Change (2010 to 2022)	1.3%	2.0%	2.9%	2.3%
2000 Senior Households (75 years and Over)	587	905	379	1,284
Percent of total 2000 households	14.2%	11.8%	9.2%	10.9%
2010 Senior Households (75 years and Over)	665	1,099	475	1,574
Percent of total 2010 households	15.5%	13.3%	10.0%	12.1%
Percent change (2000 to 2010)	13.3%	21.4%	25.3%	22.6%
2017 Senior Households (75 years and Over)	624	1,135	529	1,664
Percent of total 2017 households	14.3%	13.6%	10.6%	12.5%
Percent change (2010 to 2017)	-6.2%	3.3%	11.4%	5.7%
Average Annual Change (2010 to 2017)	-0.9%	0.5%	1.6%	0.8%
2020 Senior Households (75 years and Over)	640	1,210	605	1,815
Percent of total 2020 households	14.6%	14.3%	11.9%	13.4%
Percent change (2010 to 2020)	-3.7%	10.1%	27.3%	15.3%
Average Annual Change (2010 to 2020)	-0.4%	1.0%	2.4%	1.4%
2022 Senior Households (75 years and Over)	651	1,260	655	1,915
Percent of total 2022 households	19.4%	17.2%	12.7%	16.3%
Percent change (2010 to 2022)	-2.1%	14.6%	37.9%	21.7%
Average Annual Change (2010 to 2022)	-0.2%	1.1%	2.7%	1.6%

SOURCE: 2000/2010 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; ESRI Business Analyst.

Table: Senior Renter Household Trends (2000 to 2010)

	City of Cadillac	Cadillac Area	Rural Wexford	Wexford County
2000 Senior Renter Households (65 years and Over)	279	321	83	404
Percent of total 2000 senior households	25.1%	17.4%	9.1%	14.6%
2010 Senior Renter Households (65 years and Over)	341	404	116	520
Percent of total 2010 senior households	29.3%	18.3%	9.9%	15.4%
Percent change (2000 to 2010)	22.2%	25.9%	39.8%	28.7%
Percent of Total 2010 Renter Households	19.4%	17.4%	14.2%	16.6%
2000 Senior Renter Households (55 years and Over)	408	481	127	608
Percent of total 2000 senior households	25.3%	26.0%	8.1%	22.0%
2010 Senior Renter Households (55 years and Over)	513	636	198	834
Percent of total 2010 senior households	28.4%	17.1%	9.3%	14.2%
Percent change (2000 to 2010)	25.7%	32.2%	55.9%	37.2%
Percent of Total 2010 Renter Households	29.1%	27.4%	24.3%	26.6%

SOURCE: 2000/2010 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau

The division of renter households by size appears to be a combination of smaller and larger-sized units, as indicated by data reporting rental households by the number of occupants. For the county, this would include apartments as well as rental homes generally suited for family occupancy. In 2010, 36 percent of the renter-occupied households for Wexford County were one-person households, while two-person households accounted for 26 percent. Three- and four-person renter households totaled 28 percent, while five or more person renters represented nine percent of renter households in 2010.

This data comes from 2010 Census, based on what rental units were present at that time. Given the increasing presence of seniors and the smaller family sizes that are more likely in the near future, a decreasing emphasis on larger-sized rental units may be warranted.

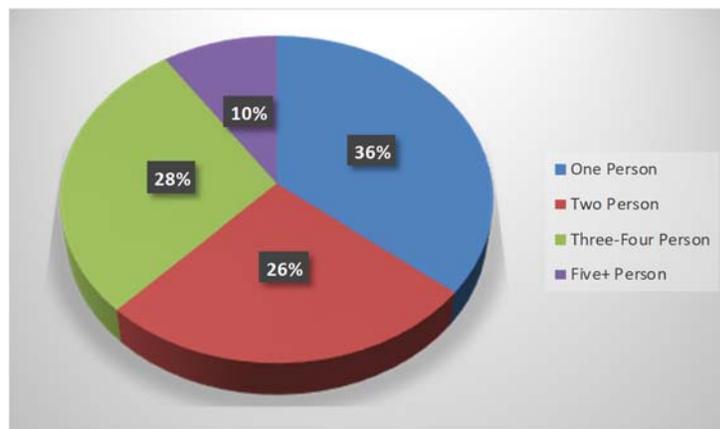


Table: Rental Unit Size Distribution (2010)

	City of <u>Cadillac</u>	Cadillac <u>Area</u>	Rural <u>Wexford</u>	Wexford <u>County</u>
One Person	708	882	241	1,123
Percent of total renter household	40.2%	38.1%	29.6%	35.8%
Two Persons	450	613	210	823
Percent of total renter household	25.6%	26.4%	25.8%	26.3%
Three or Four Persons	480	646	245	891
Percent of total renter household	27.3%	27.9%	30.1%	28.4%
Five or More Person	123	177	119	296
Percent of total renter household	7.0%	7.6%	14.6%	9.4%
SOURCE: 2010 Census of Population and Housing, SF1, U.S. Census Bureau				

The best available statistic from the Census Bureau regarding rental pricing is the Median Gross Rent, which also includes the cost of any utilities paid the tenant. The impact of the latest rental properties constructed in the last decade has had some impact, but a steady gain in rental rates has been observed since 2010. Average annual change in gross rent, based on American Community Survey data, ranges from 3.5 percent within Cadillac to 2.6 percent across Wexford County. These increases are in many cases exceeding the rate of income growth.

Table: Median Gross Rent Trends

	City of <u>Cadillac</u>	Cadillac <u>Area</u>	Rural <u>Wexford</u>	Wexford <u>County</u>
2010 Median Gross Rent Estimate	\$579	\$602	\$626	\$624
2015 Median Gross Rent Estimate	\$699	\$711	\$755	\$717
2020 Median Gross Rent Forecast	\$819	\$820	\$884	\$810
Total percent change (2010 to 2020)	41.5%	36.2%	41.2%	29.8%
Annual percent change (2010 to 2015)	3.5%	3.1%	3.5%	2.6%
SOURCE: American Community Survey, U.S. Census Bureau; CRS.				

Household Income Trends

The median household income figures for Wexford County are generally similar across all areas, with Cadillac city exhibiting somewhat lower incomes. However, the rate of growth is strongest within the city, forecast at 2.5 percent on an average annual basis up through 2022. The balance of the county exhibits lower levels of income appreciation that are essentially flat when inflation is taken into consideration. Most communities across Michigan experienced both real and nominal declines in median household income since 2010; however, no such trend was found across the Wexford area – mostly likely reflecting the generally stable economic conditions found across most of Northwest lower Michigan. At \$44,243, the 2017 median household income estimate for Wexford County is a 11 percent gain from 2010. Cadillac’s 2017 median income was estimated at \$40,075, an increase of 27 percent from 2010.

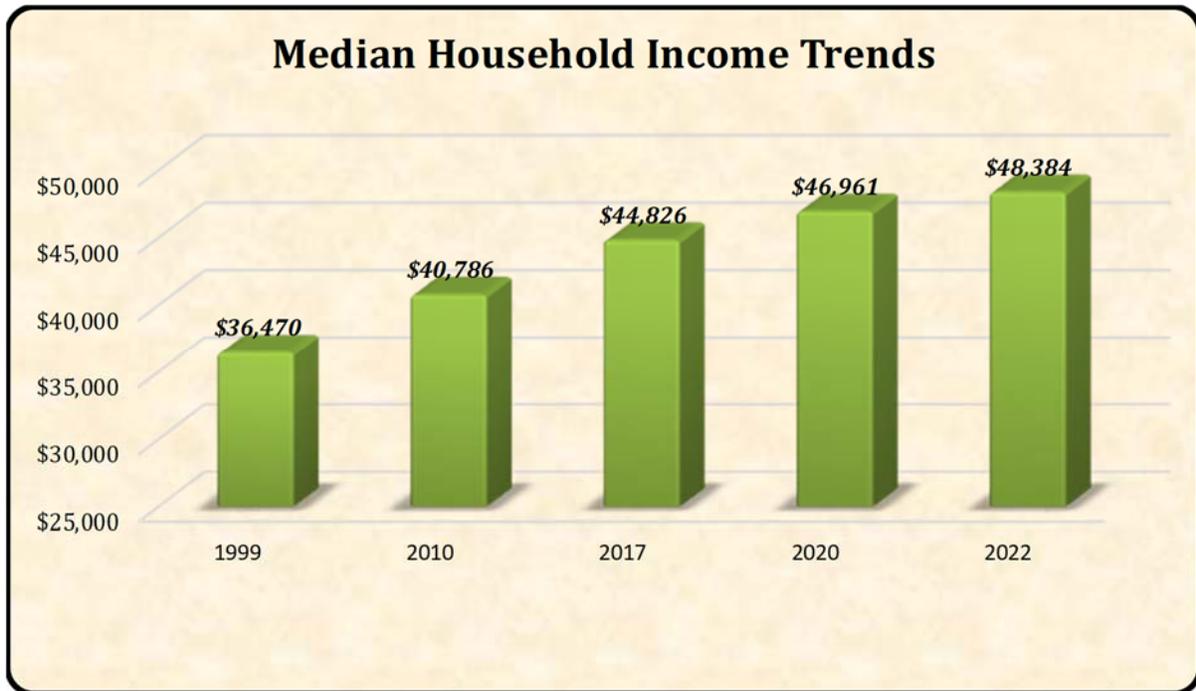
ESRI forecasts predict that incomes in the region will remain similar, with growth not likely exceed the prevailing rate of inflation. By 2022 the county’s median household income is forecast at \$47,331, reflecting an average annual increase of 1.4 percent from 2010 totals.

Table: Median Household Incomes (1999 to 2022)

	<u>City of Cadillac</u>	<u>Cadillac Area</u>	<u>Rural Wexford</u>	<u>Wexford County</u>
1999 Median Household Income	\$29,899	\$36,470	\$33,884	\$35,363
2010 Median Household Income	\$31,452	\$40,786	\$38,815	\$39,997
Total percent change (1999 to 2010)	5.2%	11.8%	14.6%	13.1%
Annual percent change (1999 to 2010)	0.5%	1.0%	1.2%	1.1%
2017 Estimated Median Household Income	\$40,075	\$44,826	\$43,371	\$44,243
Total percent change (2010 to 2017)	27.4%	9.9%	11.7%	10.6%
Annual percent change (2010 to 2017)	3.5%	1.4%	1.6%	1.5%
2020 Forecast Median Household Income	\$41,447	\$46,961	\$44,928	\$46,096
Total percent change (2010 to 2020)	31.8%	15.1%	15.7%	15.2%
Annual percent change (2010 to 2020)	2.8%	1.4%	1.5%	1.4%
2022 Forecast Median Household Income	\$42,362	\$48,384	\$45,966	\$47,331
Total percent change (2010 to 2022)	34.7%	18.6%	18.4%	18.3%
Annual percent change (2010 to 2022)	2.5%	1.4%	1.4%	1.4%

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

Figure Twelve: Median Household Incomes – Wexford County



ESRI has provided estimates and forecasts for median household income by age. For seniors age 55 and older, median income levels across Wexford County are approximately 83 percent to 86 percent of the overall median household income level. Senior incomes, depending upon the area, range from 60 percent to more than 100 percent of overall median household incomes, with variation depending mostly upon the type of seniors residing within the community, as well as the status of the overall labor force (professional vs. blue collar, for example).

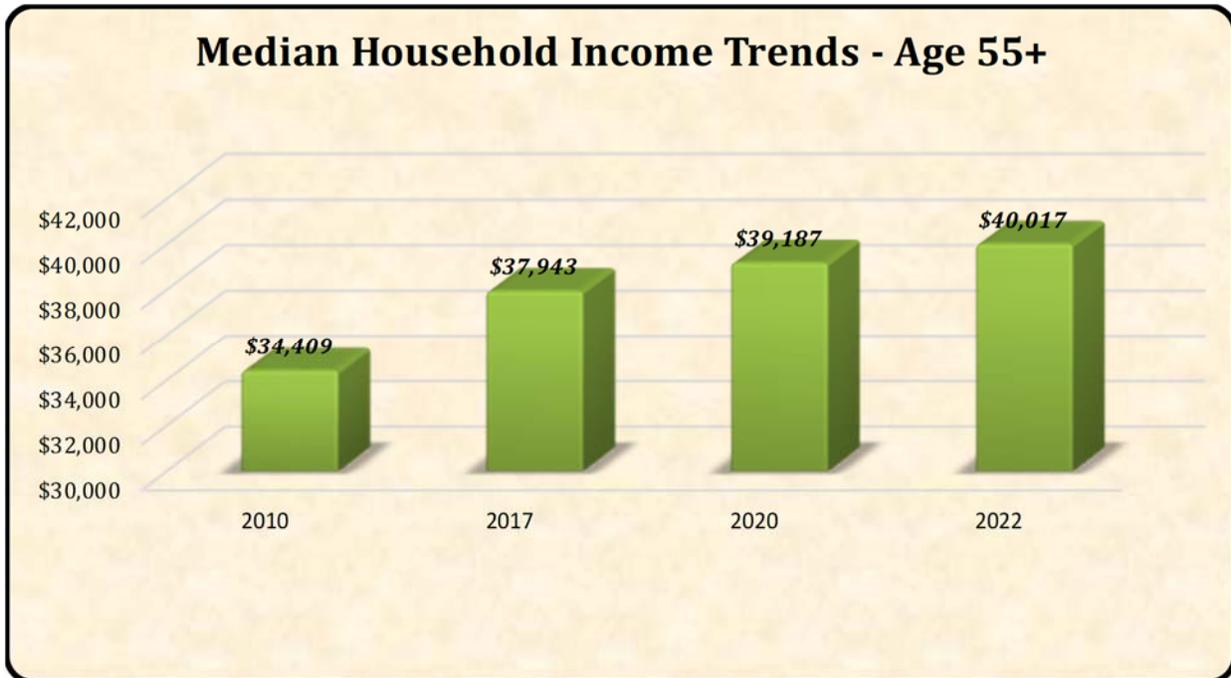
For 2017, the county’s senior median income was estimated at \$37,943, reflecting an increase of 10 percent from 2010. Senior incomes within Cadillac are lower, mostly likely due to the higher concentration of subsidy units dedicated for senior occupancy within the city. By 2022, the county’s senior median is forecast at \$40,017 – approximately 85 percent of the overall median forecast for 2022. Please note that median incomes do not measure overall wealth that may be present across the senior segment.

Table: Median Household Incomes – Age 55+ (2010 to 2022)

	<u>City of Cadillac</u>	<u>Cadillac Area</u>	<u>Rural Wexford</u>	<u>Wexford County</u>
2010 Estimated Median Household Income - Age 55+	\$30,079	\$35,730	\$33,715	\$34,409
2017 Estimated Median Household Income - Age 55+	\$33,572	\$38,360	\$37,392	\$37,943
Total percent change (2010 to 2017)	11.6%	7.4%	10.9%	10.3%
Annual percent change (2010 to 2017)	1.6%	1.0%	1.5%	1.4%
Percent of Overall Median Income	83.8%	85.6%	86.2%	85.8%
2020 Forecast Median Household Income - Age 55+	\$34,597	\$39,768	\$38,394	\$39,187
Total percent change (2010 to 2020)	3.1%	3.7%	2.7%	3.3%
Annual percent change (2010 to 2020)	1.4%	1.1%	1.3%	1.3%
Percent of Overall Median Income	83.5%	84.7%	85.5%	85.0%
2022 Forecast Median Household Income - Age 55+	\$35,281	\$40,706	\$39,062	\$40,017
Total percent change (2010 to 2022)	5.1%	6.1%	4.5%	5.5%
Annual percent change (2010 to 2022)	1.3%	1.1%	1.2%	1.3%
Percent of Overall Median Income	83.3%	84.1%	85.0%	84.5%

SOURCE: 2010 Census of Population and Housing; American Comm. Srvy., U.S. Census Bureau; ESRI Business Analyst.

Figure Thirteen: Median Household Incomes – Age 55+ – Wexford County



Household Income Distribution

The distribution of household income by tenure type (owner vs. renter) is illustrated in the following table and chart. Two items of note are evident. One is the larger than typical concentration of renter households at the moderate and upper income levels. Most rural sections of Michigan contain a high concentration of rental units targeted at the affordable and subsidized income ranges. Across the Wexford area, however, a sizable component of higher-income renters can be observed.

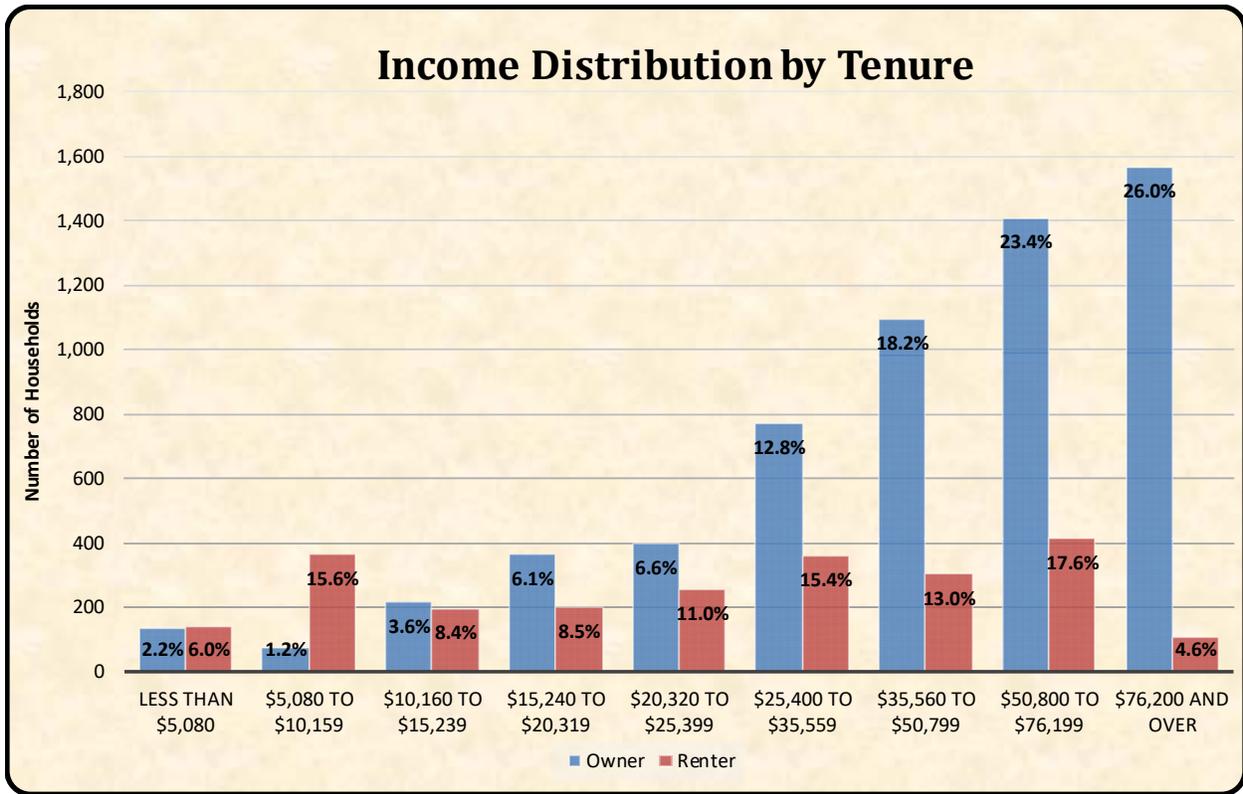
Secondly, the community’s owner households exhibit a strong upper-income component – not necessary unexpected, but indicative of a market rate potential for renter households by residents that may prefer a shift away from homeownership. Since the housing bubble and subsequent recession of the last decade, the rate of homeownership has fallen each year, and continues to do so. Younger households are delaying a home purchase for various reasons (debt load, marital status, career considerations, among others), and older households are increasingly seeking a rental housing alternative and leaving homeownership regardless of financial status or health considerations. As a result, the demand potential for rental options among moderate-income and upper-income households in non-traditional rental market such as Wexford County is increasingly positive.

Table: Household Income Distribution by Tenure – Wexford County (2017)

	<u>Total Households</u>	<u>Owner Households</u>	<u>Renter Households</u>
Less than \$5,080	276	134	141
Percent of 2017 Households	3.2%	2.2%	6.0%
\$5,080 to \$10,159	440	74	365
Percent of 2017 Households	5.0%	1.2%	15.6%
\$10,160 to \$15,239	412	216	196
Percent of 2017 Households	4.8%	3.6%	8.4%
\$15,240 to \$20,319	565	365	200
Percent of 2017 Households	6.7%	6.1%	8.5%
\$20,320 to \$25,399	655	398	257
Percent of 2017 Households	7.7%	6.6%	11.0%
\$25,400 to \$35,559	1,131	771	360
Percent of 2017 Households	13.5%	12.8%	15.4%
\$35,560 to \$50,799	1,398	1,094	304
Percent of 2017 Households	16.8%	18.2%	13.0%
\$50,800 to \$76,199	1,822	1,409	413
Percent of 2017 Households	21.9%	23.4%	17.6%
\$76,200 and Over	1,675	1,567	109
Percent of 2017 Households	20.4%	26.0%	4.6%

SOURCE: 2011-2015 American Community Survey, U.S. Census Bureau; BLS Consumer Price Index

Figure Fourteen: Household Income Distribution by Tenure – Wexford County (2017)



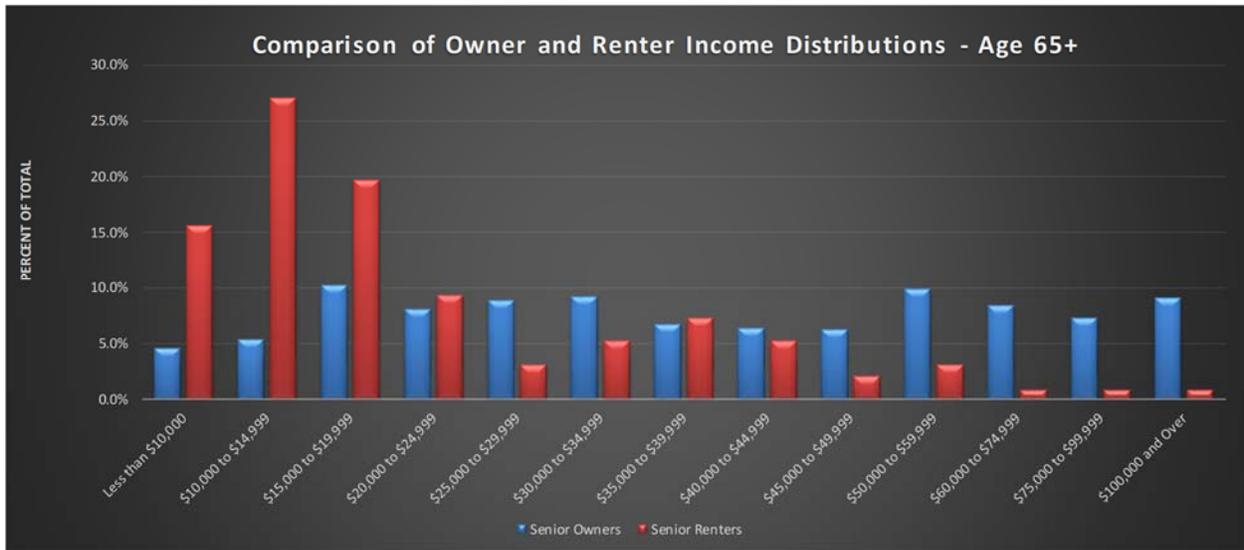
A distribution of senior household income (age 65 and older) for Wexford County is illustrated within the following table. The lack of renter households is the classic chicken vs. egg situation, but prior experience in such market environments points to the likely success of rental options for seniors, assuming all other market related considerations are positively addressed.

Table: Senior Household Income Distribution by Tenure – Wexford County (2017)

	Total <u>Households</u>	Owner <u>Households</u>	Renter <u>Households</u>
Less than \$10,826	259	147	112
Percent of 2017 Households (65+)	5.8%	4.6%	15.6%
\$10,826 to \$16,238	367	173	194
Percent of 2017 Households (65+)	7.9%	5.4%	27.0%
\$16,239 to \$21,651	470	329	142
Percent of 2017 Households (65+)	11.3%	10.2%	19.7%
\$21,652 to \$27,064	327	260	67
Percent of 2017 Households (65+)	8.2%	8.1%	9.3%
\$27,065 to \$32,477	308	285	22
Percent of 2017 Households (65+)	8.2%	8.9%	3.1%
\$32,478 to \$37,890	331	294	37
Percent of 2017 Households (65+)	8.7%	9.2%	5.2%
\$37,891 to \$43,303	268	216	52
Percent of 2017 Households (65+)	6.8%	6.7%	7.3%
\$43,304 to \$48,716	241	203	37
Percent of 2017 Households (65+)	6.2%	6.3%	5.2%
\$48,717 to \$54,129	214	199	15
Percent of 2017 Households (65+)	5.7%	6.2%	2.1%
\$54,130 to \$64,955	338	316	22
Percent of 2017 Households (65+)	9.1%	9.8%	3.1%
\$64,956 to \$81,194	274	268	6
Percent of 2017 Households (65+)	7.5%	8.3%	0.8%
\$81,195 to \$108,259	240	234	6
Percent of 2017 Households (65+)	6.5%	7.3%	0.8%
\$108,260 and Over	296	290	6
Percent of 2017 Households (65+)	8.1%	9.0%	0.8%

SOURCE: American Community Survey, U.S. Census Bureau; BLS Consumer Price Index

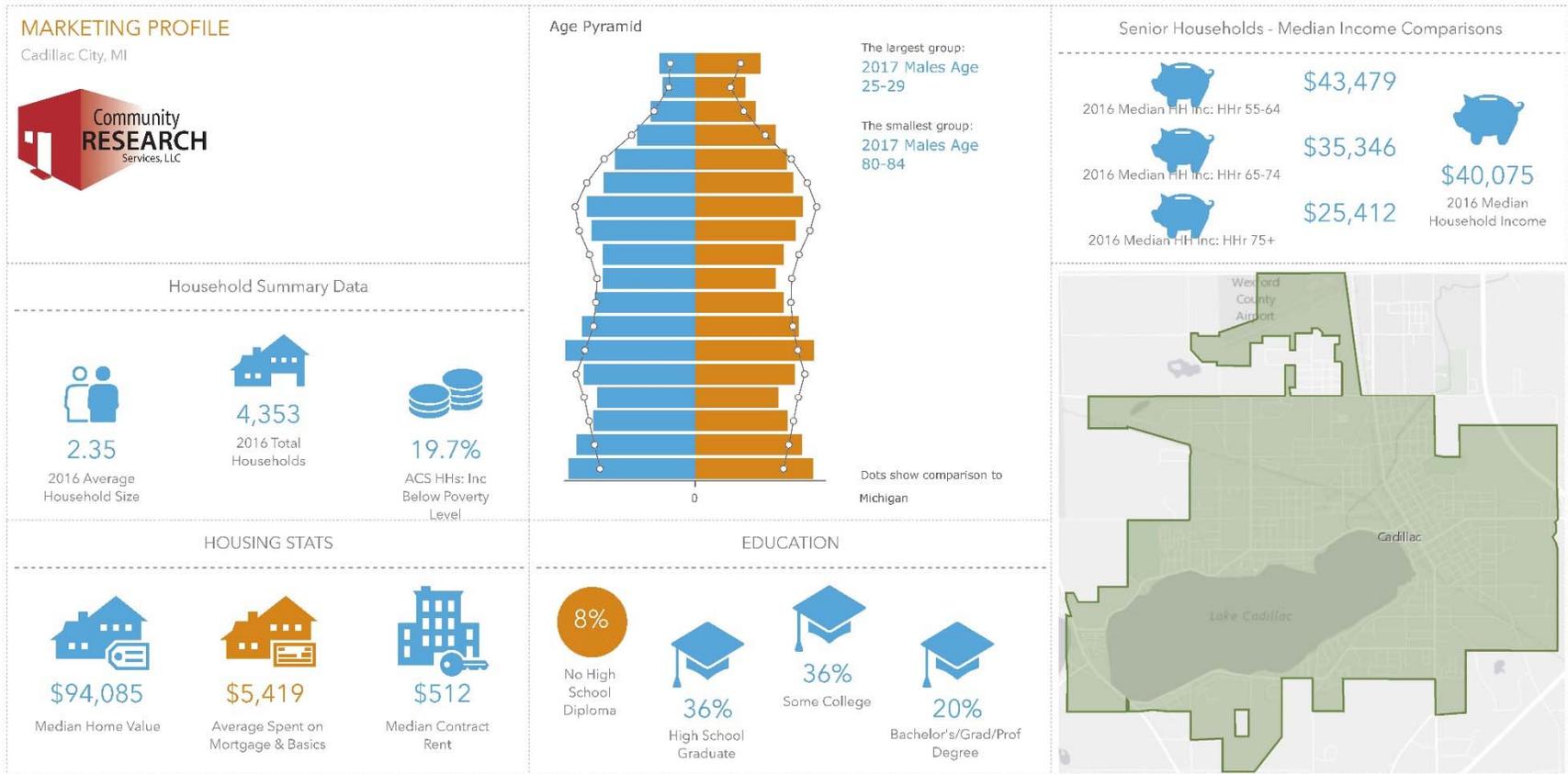
Figure Fifteen: Households Age 55+ Income Distribution by Tenure – Wexford County



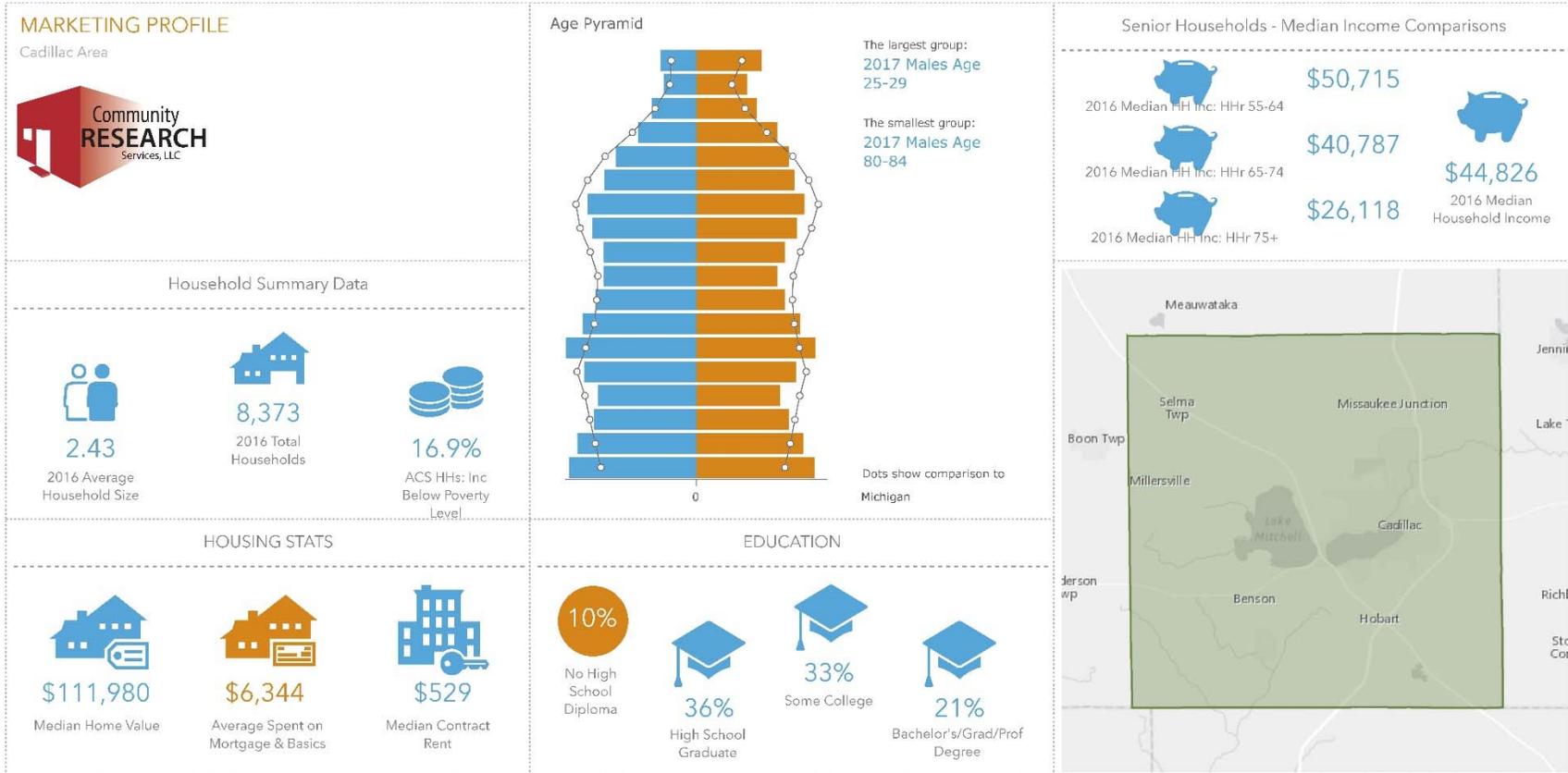
A summary of key demographic and economic statistics is presented within the following pages in an infographic format. While much of the information was previously presented, two considerations of note are worthy of mention. One, the prevailing poverty rate for Wexford County is somewhat higher than many northwest Michigan counties, such as Benzie County or Grand Traverse County. While Wexford County is favorably compared to the Traverse City region in many ways, this higher rate of poverty clearly differentiates the Cadillac area.

Secondly, the population for Wexford County and the two sub-market areas is illustrated within a population pyramid format, with comparisons to the State of Michigan illustrated by connected line segments. This is an excellent illustration of the high concentration of seniors across the county, and specifically within the Rural Wexford area. A “healthy” population pyramid will actually resemble a pyramid, with ample younger population to support a reasonable percentage of older adults. The Wexford area features population pyramids that are becoming insufficient to readily support the community’s economy, employment base, and other characteristics. As a result, an increasing reliance will be required upon positive net migration to augment these demographic trends; along with other community and economic factors, this cannot be achieved unless sufficient housing options are present.

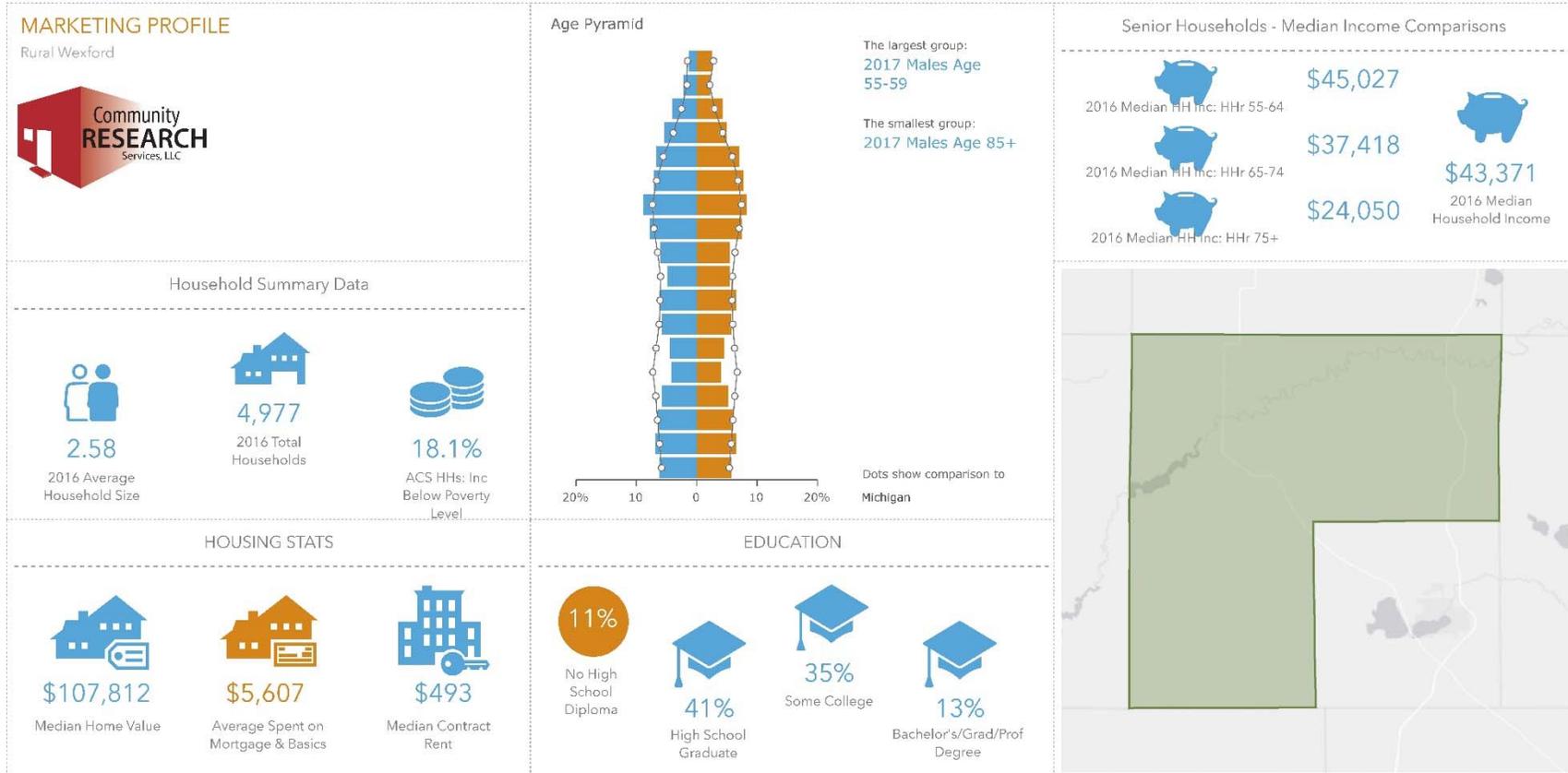
Infographics: Key Demographic/Economic Data
City of Cadillac



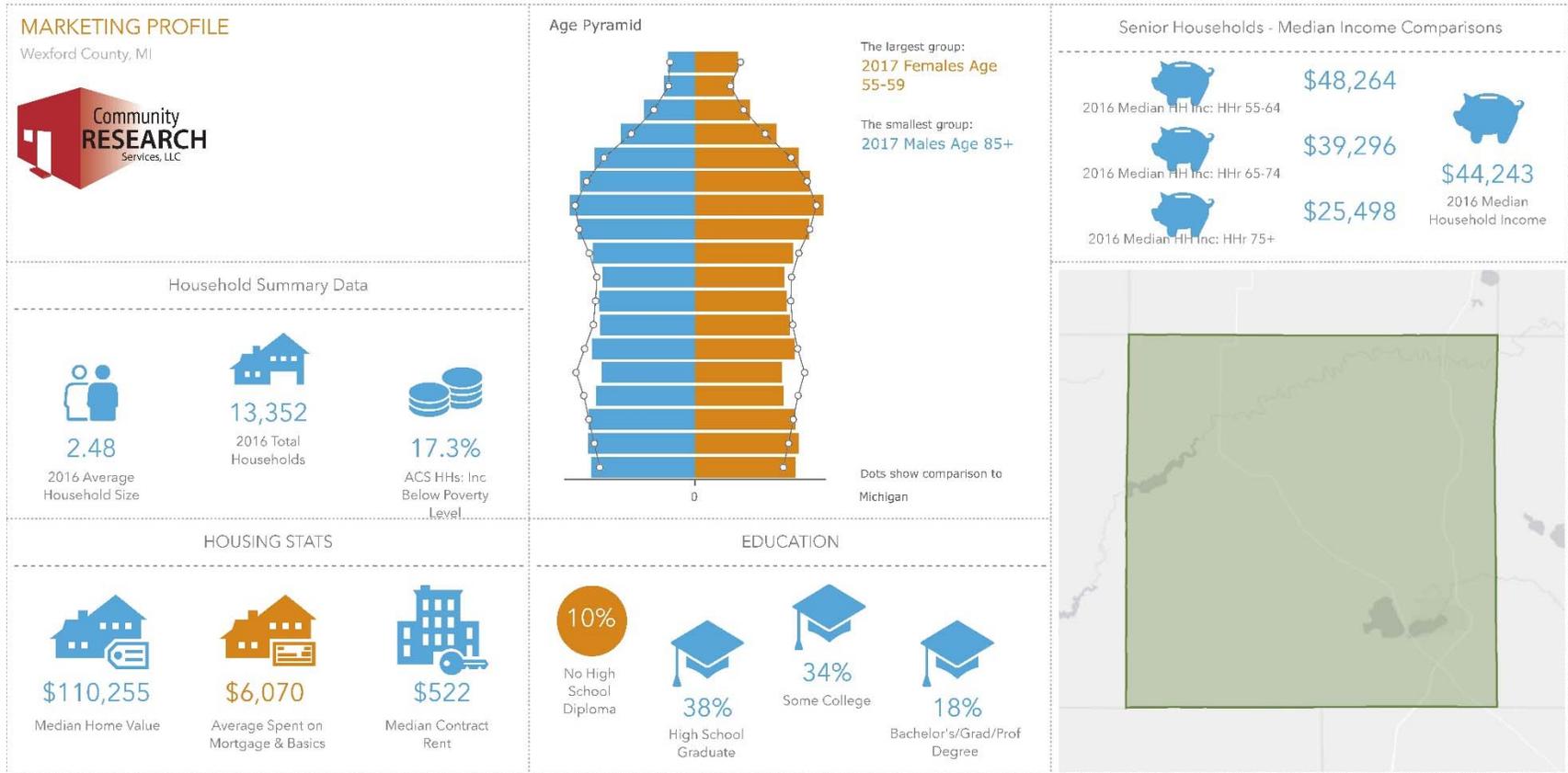
Cadillac Area



Rural Wexford Area



Wexford County



ESRI Tapestry Information

A method of describing the socio-economic patterns that are prevalent within a specific community has been developed by ESRI. Called Tapestry, this type of analysis uses a set of pre-defined descriptions that provide a convenient way to examine areas. A total of 67 separate segments have been identified, based on unique demographic, economic, educational, housing, and purchasing characteristics. Some of these definitions are quite similar, but have been separated due to a key factor, such as urban/suburban/rural, preferred employment options, or typical housing choices, among other factors.

In addition, the 67 segments have been coordinated into 15 separate “LifeMode” groups, which permit cross tabulations of the segments by urban locations or senior citizens, for example. Thus, the Tapestry analysis can be based on either the identification of key segments within a specific area, or the collective review of various segments that may exist within a defined area. Either approach provides a new and interesting way to identify market demand and long-term market depth for a wide range of products and services.

While these definitions of population segments are broadly defined, this type of segmentation allows for a more target-market approach to the segmentation of a specific market area or community. Identification of specific Tapestry segments that matches a desired target market allows for a secondary identification of market depth, potential flexibility in regard to key project features, and a higher level of background information in regard to a defined market area.

Segmentation analysis is difficult to describe briefly, and caution should be used in regard to this tool being over-used as a primary determinant of market potential. Entire recommendations by inexperienced analysts have been made primarily based on segmentation-type tools, without any significant examination of site, demographic, and economic factors. At best this tool helps to refine target market identification and provides a secondary source of market demand. A complete description of each Tapestry segmentation and the 15 LifeMode groups can be found at <http://desktop.arcgis.com/en/arcmap/10.3/guide-books/extensions/business-analyst/tapestry-descriptions.htm> or at www.ESRI.com.

ESRI Tapestry segments found within Wexford County are clearly a strong match for potential senior development, but the county lacks segments that reflect the most desirable younger adult/professional population groups.

Within Wexford County, ten separate segments were identified by ESRI as representing a portion of the overall population. According to ESRI, these segments reflect much of the key target markets of interest within this analysis in regard to senior housing. A brief identification and description of these segments provides an indication of market potential from a more qualitative standpoint, with a probable Tapestry segment match to

one of the target market segments discussed previously discussed:

Tapestry Segment	Brief Description	% of Wexford County Households	% of U.S. Households
Salt of the Earth	Rural households, empty nesters with moderate incomes	19.4%	2.9%
Rooted Rural	Rural households with lower incomes	16.2%	2.0%
Heartland Communities	Rural households, empty nesters that are semi-retired	14.9%	2.3%
Traditional Living	Families with children, mostly blue collar, lower/moderate incomes	14.7%	1.9%
Southern Satellites	Older, smaller, less wealthy families	13.8%	3.1%
Small Town Simplicity	Older, mostly single, lower incomes	8.2%	1.9%
Middleburg	Rural families with children, moderate incomes	5.4%	2.9%
Senior Escapes	Senior households, moderate incomes, active lifestyles	2.7%	0.9%
Rural Resort Dwellers	Empty nesters near retirement, moderate incomes	2.5%	1.0%
Set to Impress	Young singles/couples, entry level employment, moderate incomes	2.2%	1.4%
Total		100.0%	20.3%

Source: ESRI Tapestry

Upon review of these categories, apart from “Middleburg” and “Set to Impress”, the listed segments appear to be a potential match for the target market segments previously defined, with a stronger than anticipated concentration within the senior sector. Some segments may primarily reflect lower income seniors, but some overlap in terms of incomes may be likely (depending on various pricing levels, amenities, location, and other factors).

It is important to note that exact matches or comparisons to target market categories are readily made, but indirect comparisons to general target market descriptions are perhaps more reasonable and readily understood. Thus, caution should be given to applying exact numbers to these Tapestry segments.

What is perhaps more important to note is that key Tapestry segments that reflect younger, entry level or professional households, that are mobile, and would potentially consider the Wexford County area as a residential option are not sufficiently present within Wexford County, as just two segments may reflect younger, moderate/upper income households. This would indicate a few things:

- *A higher than typical percentage of potential residents for open (non-senior) housing options will likely come from secondary market sources, thus making location-related decisions quite critical;*
- *Amenities, features, and pricing options will need to overcome the likely advantage found within most adjacent communities (such as Traverse City);*
- *Any successful housing development that targets younger adults and small families will need to establish a strong marketing/pre-leasing effort, initiate a wide range of outreach options that reflect the preferences and demands of the desired target market segment, coordinate marketing efforts with local employers, and realize that a competitive advantage is perhaps more important than typically observed within a traditional housing development.*

A summary of the Tapestry data is present at the end of this report. Detailed descriptions of individual Tapestry segments are found at <http://www.esri.com/landing-pages/tapestry>.

VI: HOUSING CONDITIONS AND CHARACTERISTICS

Housing Market Characteristics

Housing across Wexford County is quite diverse, based on target market, location, and structure type as well as other factors. In addition to a historically strong homeowner market, the community also contains mobile/manufactured homes, rental properties, and a wide range of vacation/2nd homes, mostly along the lakeshores. The focus of this analysis is workforce housing, and opportunities that match both the desires and the abilities of potential new residents are mixed at best. While luxury and vacation homes are the primary focus for much of the county's homeownership marketplace, such options are not a focus of this analysis. The impact of these higher-priced homes upon the target market segments of interest, however, is very worthy of mention within this section. As perhaps the most profitable portion of the county's housing landscape, the luxury sector continues to place pressure upon other housing alternatives, both in terms of reducing available land for development, as well lowering the incentive for local builders to broaden new home opportunities for more moderate-income households.

Across Wexford County, 232 homes are currently for sale, according to information on www.realtor.com. Of these homes currently for sale, eight are priced more than \$400,000 (three percent) – thus the large majority of homes reflect mostly “1st homes” rather than vacation or 2nd homes. Most of these homes are within the Cadillac area. Conversely, 89 of the homes currently for sale are priced below \$100,000 (34 percent). Among all homes for sale, the median sale price was \$129,900. This is over a 60-day window, and includes homes that have been listed and may have reduced price. The average sale price across the county was calculated at \$160,300 – which indicates a skewing of pricing above the median level. This data appears reasonable, as higher priced homes may be more difficult to sell within a shorter period of time. It also is a general reflection of the type of homes that are available to the public, which mostly include previously sold homes, with an average size of 1,826 square feet with three bedrooms.

The following maps illustrate current pricing trends across Cadillac and Wexford County. Due to limitations in the mapping software, the scales for each map are not identical, but the color coding for each area is quite similar. Lower pricing areas are clustered within older neighborhoods that generally feature smaller-sized homes with lower overall market potential.

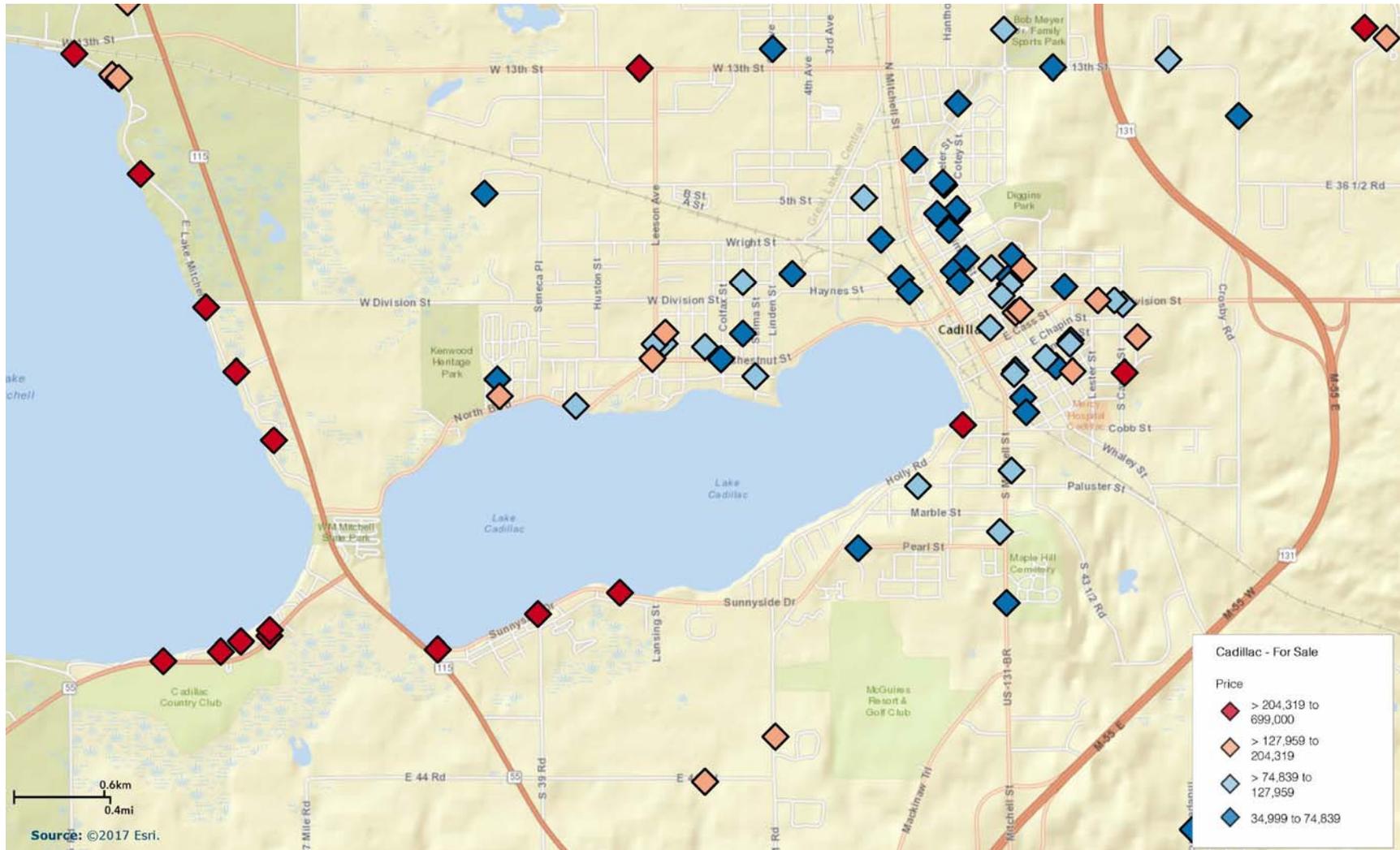
The following table provides average and median sales information across Wexford County, including the two sub-regions. The information was collected from www.realtor.com, as of mid-August of this year. Of the 232 single family homes listed as for sale, the data excludes mobiles/trailers, land-only purchases, farmland, and other non-residential for-sale aspects.

Table: Wexford County For-Sale Home Data – August 2017

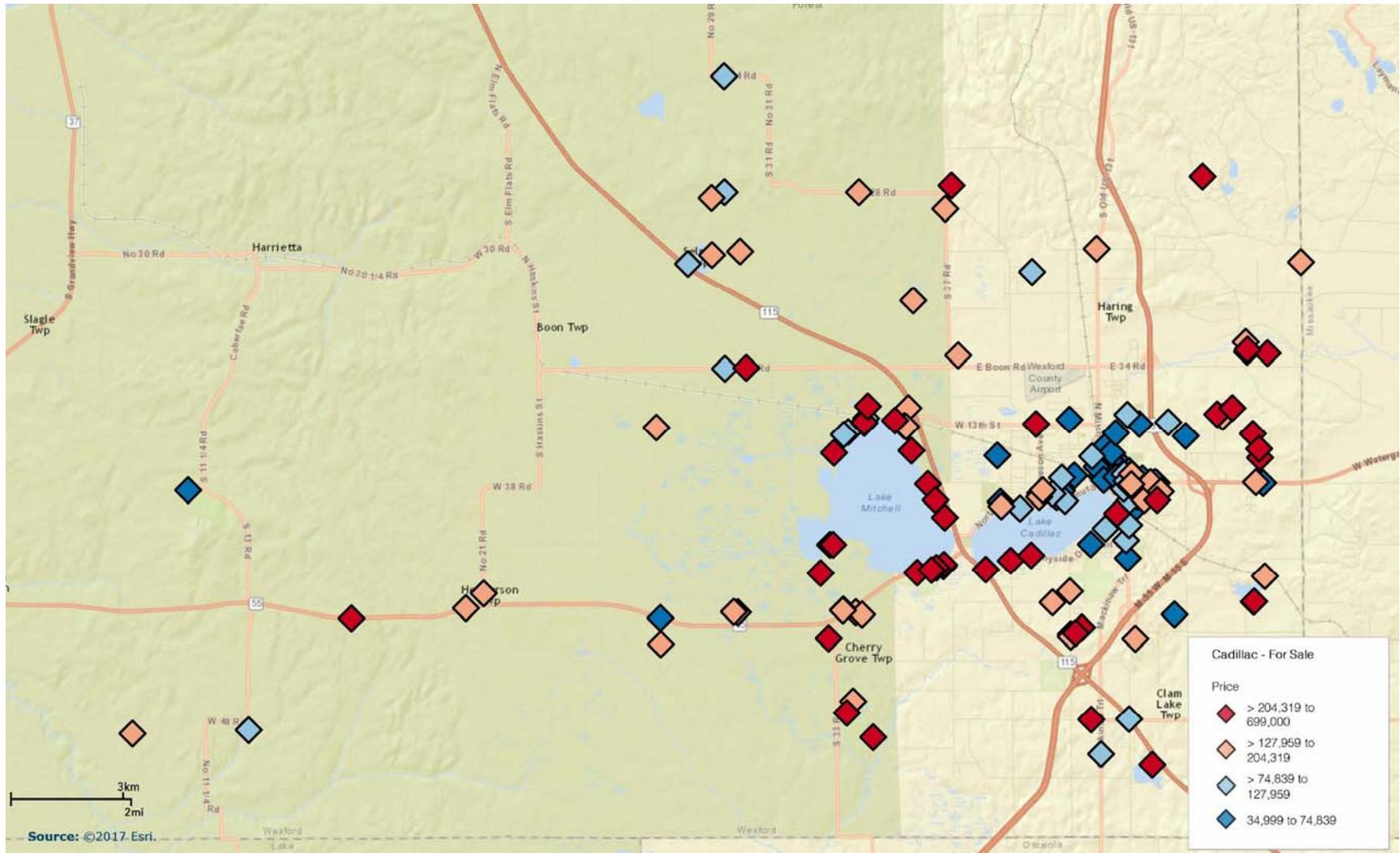
	Cadillac Area	Rural Wexford	Wexford County
Median Price	\$138,156	\$117,000	\$129,900
Median Size (sq. ft.)	1,735	1,400	1,600
Average Price	\$171,173	\$137,983	\$160,300
Average Size (sq. ft.)	1,953	1,567	1,826

While some homes may be available for those persons within the target market segment, the number of homes that are reasonably priced should be further qualified by condition, location, features, and preferred structure types. Within a housing environment that increasingly favors modern rental housing, the appeal of a homeownership opportunity may not be a strong alternative, particularly if the home available for purchase does not meet the qualitative requirements assumed by most households. In comparison to other counties, however, pricing does not appear to be a primary deterrent for households seeking to relocate to the community. This is not to say that affordability is not a key concern, particularly for those households that have modest incomes or limited wealth. It appears that affordability is just one many issues that are preventing a healthy housing marketplace within the Cadillac/Wexford area. Location, amenities, age, and availability are also key considerations within this marketplace.

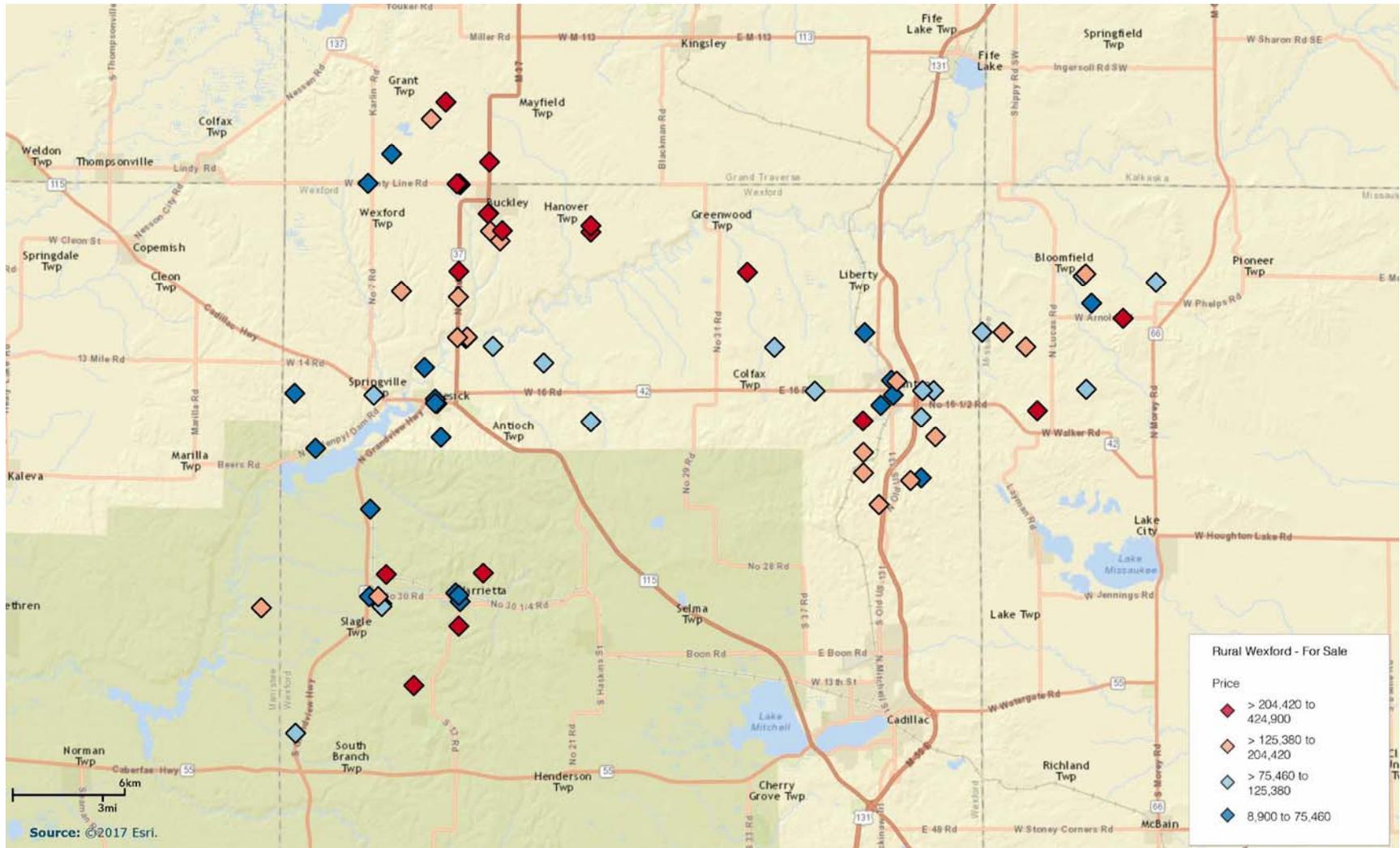
Map: Current Pricing - For-Sale Homes - Cadillac



Map: Current Pricing - For-Sale Homes – Cadillac Area



Map: Current Pricing - For-Sale Homes – Rural Wexford County



Mobile homes/manufactured homes represent approximately 15 percent of all occupied units (owner and renter) within Wexford County, according to the 2015 American Community Survey. Approximately 22 percent of these are found within Cadillac, primarily within three larger mobile home communities. These include Pheasant Ridge (196 lots), Country Acres (200 lots), and Cadillac Leisure Mobile Home Park (98 lots). Pricing for purchase ranges from \$24,000 to nearly \$60,000. In addition, available units for rent are currently available (at Pheasant Ridge) from \$679 to \$699. Relatively few lots are vacant, and the units at all three properties are in generally fair to good condition. The three parks are also well maintained. The balance of mobile homes (78 percent) are found within the Rural Wexford area. While no direct information is available regarding the quality of these units, it can be assumed that a wide range of unit types, sizes, ages, and overall condition can be found. However, more than 700 mobile homes units identified within the American Housing Survey are listed as vacant, either for rent, for sale, vacant vacation homes, vacant temporary use units, or abandoned. This would be normally quite troubling, but most of these are found within the rural sections of the county, and reflect a wide range of uses, including temporary and permanent housing options.

Table: Occupied Units by Structure Type

	<u>City of Cadillac</u>	<u>Cadillac Area</u>	<u>Rural Wexford</u>	<u>Wexford County</u>
Total Occupied Households	4,226	8,013	4,660	12,673
1 Unit, detached	2,745	6,005	3,518	9,523
% of Total	65.0%	74.9%	75.5%	75.1%
1 Unit, attached	162	261	24	285
% of Total	3.8%	3.3%	0.5%	2.2%
2 Units	114	151	22	173
% of Total	2.7%	1.9%	0.5%	1.4%
3 or 4 Units	244	244	45	289
% of Total	5.8%	3.0%	1.0%	2.3%
5 to 9 Units	103	112	51	163
% of Total	2.4%	1.4%	1.1%	1.3%
10 to 19 Units	90	110	31	141
% of Total	2.1%	1.4%	0.7%	1.1%
20 or more Units	309	322	39	361
% of Total	7.3%	4.0%	0.8%	2.8%
Mobile home	495	841	891	1,732
% of Total	11.7%	10.5%	19.1%	13.7%
Boat, RV, van, etc.	0	3	3	6
% of Total	0.0%	0.0%	0.1%	0.0%

SOURCE: American Community Survey, U.S. Census Bureau

Mobile homes by tenure across Wexford County are mostly owner-occupied (68 percent), with most rental mobile home units found outside of Cadillac.

As discussed previously, the Wexford area contains a typical combination of rental options as well as homeownership units. According to ESRI estimates, a total of 3,408 rental units are currently present across Wexford County. This is an increase of more than eight percent from the 2010 total. Within Cadillac, however, the ESRI estimate is for 1,712 occupied rental units. This is a slight decline from 2010 (three percent). Across Wexford County the rental housing stock is a combination of rental homes, apartments, and mobile homes. Based on the most recent census data (2015 American Housing Survey), 46 percent of rentals within Wexford County were single family rentals, five percent were duplex rentals, 30 percent were larger rental buildings, and 19 percent were mobile home rentals.

Rental housing opportunities openly listed include a combination of subsidy units (rent based on income), affordable units (rents restricted to households with incomes at or below 60 percent of Area Median Income), and market rate units (with no occupancy restrictions). A listing of the community's primary rental developments for moderate and higher income households is included on the following pages. What is not listed are the region's subsidy units, financed either through Rural Housing Service, the Cadillac Housing Commission, or MSHDA (Michigan State Housing Development Authority), as well as those units within the area that truly substandard and reflect the "housing of last choice" within the area. Some of these units are clearly in need of either substantial renovation or should be demolished in favor of new, safe, and modern alternatives.

For senior households, the community contains two large subsidized facilities (Kirtland Terrace – 75 units and Harborview – 131 units), assisted living developments, and nursing homes. Also, a portion of Springfield Apartments in Manton is dedicated for senior occupancy. It is surprising, considering the size of Cadillac and Wexford County as a whole, that no independent living senior options are present for seniors either within the affordable income range or above. As this community ages in place, without new housing options for seniors, those with resources will migrate to other communities, while those without such resources will reside in rental options primarily designed for families, or continue to live within their original residences. Both options are not ideal for the community's overall housing market.

Wexford County Housing Market Analysis – August 18, 2017

ALPINE HILLS APARTMETNS	Family/Open Property
--------------------------------	-----------------------------

328 PEARL STREET Phone: (231) 779-2805

CADILLAC MI 49601

28 Units **100.0% Occupancy** **As of: 8/15/17**

Condition: GOOD **Comment:**

Market Served/Type: MARKET RATE	Program: MARKET RATE
Structure Type: GARDEN	Subsidy? NONE
Exterior Type: MIXED	# of Subsidy Units: 0
Year Constructed: 1975	Rehab? Rehab Yr:



Unit Mix				
Type	#	Ave. Rnt	Ave. Sq Ft.	Ratio
Studio	2	\$350	450	\$0.78
1BR	14	\$380	550	\$0.69
2BR	12	\$518	800	\$0.65
3BR	0	---	---	---
4BR	0	---	---	---
Comments: Unit size an estimate				



Community Features			
Clubhouse:	NO	Community Space:	NO
Basketball:	NO	Tennis Courts:	NO
Laundry:	YES	Volleyball:	NO
Elevator:	NO	Sauna/Jacuzzi:	NO
Fitness:	NO	Walking Trails:	NO
Pool:	NO	Business Center:	NO
Playground:	NO	Computer Center:	NO
Gazebo:	NO	Educational Services:	NO
Car Wash:	NO	Special Nds Services:	NO
Garden:	NO	Management Office:	YES
Other:			
Other:			
Other:			

Unit Features				Utilities Included	
Kitchen Features	Unit Amenities	Parking/Other	Security/Other	Heat:	NO
Stove: YES	Central A/C: NO	Surface: YES	Intercom: NO	Source:	GAS
Refrigerator: YES	Wall A/C: YES	Carport: NO	Cameras: NO	Electric:	NO
Disposal: YES	Patio/Balc: YES	Garage: NO	Gated Pking: NO	Hot Water:	NO
Dishwasher: NO	Ceiling Fan: NO	Undergrd: NO	Guards: NO	Cooking:	NO
Microwave: NO	Lndry Hk-Up: NO	Fee: \$0	Entry Security: NO	Source:	ELECTRIC
Pantry: NO	Washer/Dryer: NO			Water:	YES
Other:	Blinds/Drapes: YES	Indiv. Entry: YES	# of Stories: 2	Sewer:	YES
	Storage: YES	Fireplace: NO		Trash:	YES
	Walk-in Clsts: NO				

Survey Data:								
Unit Type:	#	Rent	Size	Ratio	# Vacant	% Occ	Wait List?	Targeting:
Studio								
0.1	2	\$350	450	\$0.78	0	100.0%	Yes	MARKET
One-Bedroom								
1.1	14	\$380	550	\$0.69	0	100.0%	Yes	MARKET
Two-Bedroom								
2.2	8	\$485	800	\$0.61	0	100.0%	Yes	MARKET
2.2	4	\$585	800	\$0.73	0	100.0%	Yes	MARKET
Three-Bedroom								
Four-Bedroom								
On Site Mgt:		YES	Contact:		JOSHUA			

WHITE PINE VILLAGE

Family/Open Property

204 WHITE PINE VILLAGE DRIVE

Phone: (231) 775-5599

CADILLAC MI 49601

42 Units

100.0% Occupancy

As of: 8/15/17

Condition: EXCELLENT

Comment:

Market Served/Type: MARKET RATE

Program: MARKET RATE

Structure Type: TOWNHOME

Subsidy? NONE

Exterior Type: VINYL SIDING

of Subsidy Units: 0

Year Constructed: 2006

Rehab?

Rehab Yr:

0



Unit Mix

Type	#	Ave. Rnt	Ave. Sq Ft.	Ratio
Studio	0	---	---	---
1BR	0	---	---	---
2BR	42	\$725	992	\$0.73
3BR	0	---	---	---
4BR	0	---	---	---

Comments:

Community Features

Clubhouse:	NO	Community Space:	NO
Basketball:	NO	Tennis Courts:	NO
Laundry:	NO	Volleyball:	NO
Elevator:	NO	Sauna/Jacuzzi:	NO
Fitness:	NO	Walking Trails:	NO
Pool:	NO	Business Center:	NO
Playground:	YES	Computer Center:	NO
Gazebo:	NO	Educational Services:	NO
Car Wash:	NO	Special Nds Services:	NO
Garden:	NO	Management Office:	NO

Other:

Other:

Other:

Unit Features

Utilities Included

Kitchen Features	Unit Amenities	Parking/Other	Security/Other	Heat:
Stove: YES	Central A/C: YES	Surface: YES	Intercom: NO	NO
Refrigerator: YES	Wall A/C: NO	Carport: NO	Cameras: NO	Source: GAS
Disposal: YES	Patio/Balc: NO	Garage: NO	Gated Pking: NO	Electric: NO
Dishwasher: YES	Ceiling Fan: NO	Undergrd: NO	Guards: NO	Hot Water: NO
Microwave: NO	Lndry Hk-Up: YES	Fee: \$0	Entry Security: NO	Cooking: NO
Pantry: NO	Washer/Dryer: YES			Source: ELECTRIC
Other:	Blinds/Drapes: YES	Indiv. Entry: YES	# of Stories: 2	Water: YES
	Storage: NO	Fireplace: NO		Sewer: YES
	Walk-in Clsts: YES			Trash: YES

Survey Data:

Unit Type:	#	Rent	Size	Ratio	# Vacant	% Occ	Wait List?	Targeting:
Studio								
One-Bedroom								
Two-Bedroom								
	2.2	\$725	992	\$0.73	0	100.0%	No	MARKET
Three-Bedroom								
Four-Bedroom								
On Site Mgt:		NO		Contact:		N/A		

Wexford County Housing Market Analysis – August 18, 2017

NORTHLAND MEADOW	Family/Open Property
-------------------------	-----------------------------

100 MATTHEW DRIVE Phone: (231) 876-9830

CADILLAC MI 49601
80 Units **100.0% Occupancy** **As of: 8/5/17**

Condition: EXCELLENT **Comment:**

Market Served/Type: MIXED INCOME	Program: LIHTC/MKT
Structure Type: GARDEN	Subsidy? SECTION 8
Exterior Type: MIXED	# of Subsidy Units: 15
Year Constructed: 2006	Rehab? Rehab Yr: 0



Unit Mix				
----------	--	--	--	--

Type	#	Ave. Rnt	Ave. Sq Ft.	Ratio
Studio	0	---	---	---
1BR	0	---	---	---
2BR	40	\$677	949	\$0.71
3BR	40	\$752	1,207	\$0.62
4BR	0	---	---	---

Comments: 15 units are subsidized; 12 units are market rate



Community Features			
--------------------	--	--	--

Clubhouse: YES	Community Space: YES
Basketball: NO	Tennis Courts: NO
Laundry: NO	Volleyball: NO
Elevator: NO	Sauna/Jacuzzi: NO
Fitness: YES	Walking Trails: YES
Pool: NO	Business Center: NO
Playground: YES	Computer Center: NO
Gazebo: NO	Educational Services: NO
Car Wash: NO	Special Nds Services: NO
Garden: NO	Management Office: YES

Other: _____
 Other: _____
 Other: _____

Unit Features				Utilities Included	
---------------	--	--	--	--------------------	--

Kitchen Features	Unit Amenities	Parking/Other	Security/Other	Heat:	NO
Stove: YES	Central A/C: YES	Surface: YES	Intercom: NO	Source:	GAS
Refrigerator: YES	Wall A/C: NO	Carport: NO	Cameras: NO	Electric:	NO
Disposal: YES	Patio/Balc: YES	Garage: YES	Gated Pking: NO	Hot Water:	NO
Dishwasher: YES	Ceiling Fan: YES	Undergrd: NO	Guards: NO	Cooking:	NO
Microwave: NO	Lndry Hk-Up: YES	Fee: \$0	Entry Security: NO	Source:	ELECTRIC
Pantry: NO	Washer/Dryer: YES			Water:	YES
Other:	Blinds/Drapes: YES	Indiv. Entry: YES	# of Stories: 2	Sewer:	YES
	Storage: NO	Fireplace: NO		Trash:	YES
	Walk-in Clsts: NO				

Survey Data:								
--------------	--	--	--	--	--	--	--	--

Unit Type:	#	Rent	Size	Ratio	# Vacant	% Occ	Wait List?	Targeting:
Studio								
One-Bedroom								
Two-Bedroom								
2.1	4	\$295	949	\$0.31	0	100.0%	Yes	30% AMI
2.1	28	\$694	949	\$0.73	0	100.0%	Yes	60% AMI
2.1	5	\$800	949	\$0.84	0	100.0%	Yes	MARKET
2.2	3	\$820	949	\$0.86	0	100.0%	Yes	MARKET
Three-Bedroom								
3.2	4	\$337	1207	\$0.28	0	100.0%	Yes	30% AMI
3.2	32	\$785	1207	\$0.65	0	100.0%	Yes	60% AMI
3.2	4	\$900	1207	\$0.75	0	100.0%	Yes	MARKET
Four-Bedroom								

On Site Mgt: YES **Contact:** KASHA

SUNNYSIDE ESTATES	Family/Open Property
--------------------------	-----------------------------

600 STATE DRIVE Phone: (231) 577-4206

CADILLAC MI 49601
48 Units **100.0% Occupancy** **As of: 8/15/17**

Condition: GOOD **Comment:**

Market Served/Type: AFFORDABLE	Program: LIHTC
Structure Type: GARDEN	Subsidy? NONE
Exterior Type: MIXED	# of Subsidy Units: 0
Year Constructed: 2006	Rehab? Rehab Yr:



Unit Mix				
Type	#	Ave. Rnt	Ave. Sq Ft.	Ratio
Studio	0	---	---	---
1BR	0	---	---	---
2BR	24	\$565	896	\$0.63
3BR	24	\$662	1,207	\$0.55
4BR	0	---	---	---

Comments: Rents targeted between 50% AMI and 60% AMI

Community Features			
Clubhouse:	NO	Community Space:	YES
Basketball:	NO	Tennis Courts:	NO
Laundry:	NO	Volleyball:	NO
Elevator:	NO	Sauna/Jacuzzi:	NO
Fitness:	NO	Walking Trails:	YES
Pool:	NO	Business Center:	NO
Playground:	YES	Computer Center:	NO
Gazebo:	NO	Educational Services:	NO
Car Wash:	NO	Special Nds Services:	NO
Garden:	NO	Management Office:	YES
Other:			
Other:			
Other:			

Unit Features				Utilities Included	
Kitchen Features	Unit Amenities	Parking/Other	Security/Other	Heat:	NO
Stove: YES	Central A/C: YES	Surface: YES	Intercom: NO	Source:	GAS
Refrigerator: YES	Wall A/C: NO	Carpport: NO	Cameras: NO	Electric:	NO
Disposal: YES	Patio/Balc: YES	Garage: NO	Gated Pking: NO	Hot Water:	NO
Dishwasher: YES	Ceiling Fan: NO	Undergrd: NO	Guards: NO	Cooking:	NO
Microwave: YES	Lndry Hk-Up: YES	Fee: \$0	Entry Security: NO	Source:	ELECTRIC
Pantry: NO	Washer/Dryer: YES			Water:	YES
Other:	Blinds/Drapes: YES	Indiv. Entry: NO	# of Stories: 2	Sewer:	YES
	Storage: YES	Fireplace: NO		Trash:	YES
	Walk-in Clsts: YES				

Survey Data:									
Unit Type:	#	Rent	Size	Ratio	# Vacant	% Occ	Wait List?	Targeting:	
Studio									
One-Bedroom									
Two-Bedroom									
	2.1	12	\$549	896	\$0.61	0	100.0%	No	50% AMI
	2.1	12	\$580	896	\$0.65	0	100.0%	Yes	60% AMI
Three-Bedroom									
	3.1	4	\$631	1126	\$0.56	0	100.0%	No	50% AMI
	3.1	4	\$631	1288	\$0.49	0	100.0%	No	50% AMI
	3.2	8	\$688	1126	\$0.61	0	100.0%	No	60% AMI
	3.2	8	\$668	1288	\$0.52	0	100.0%	No	60% AMI
Four-Bedroom									
On Site Mgt:		YES							
Contact:		DAVE							

Placemaking Characteristics

One strong aspect of Wexford County is the presence of generally positive Placemaking characteristics, with many notable features found in and around the Cadillac area. The 2014 Target Market Analysis (TMA), available online at the following address,

[http://www.networksnorthwest.org/planning/planning-policy/housing/reports-and-](http://www.networksnorthwest.org/planning/planning-policy/housing/reports-and-documents.html)

[documents.html](http://www.networksnorthwest.org/planning/planning-policy/housing/reports-and-documents.html) provides an excellent summary of the county's various features and amenities that yield positive influences upon the housing marketplace. Rather than reiterate these aspects, it is suggested that the reader examine the TMA for Wexford County. In general, these include:

- Tourism – the region is a four-season destination, offering visitors and residents opportunities for fishing, hunting, camping, boating, golfing, skiing, and other activities. Lake Cadillac and Lake Mitchell are clearly positive aspects that providing the Wexford area a high degree of visibility for both visitors and residents from across the state.
- Downtown Cadillac – provides the region with a destination point for services, retail options, restaurants, and entertainment opportunities. The district also includes a theater, specialty shops, and views of Lake Cadillac.
- Professional/Health Services – Munson Healthcare/Cadillac Hospital is within the city, as are Baker College and the government offices for Wexford County. This enhances the community as a destination point for those in need of such services.
- Public/natural assets – including Lake Cadillac, Lake Mitchell, Caberfae Peaks Ski and Golf Resort, William Mitchell State Park, Manistee National Forest, as well as other golf courses, public walking trails, parkland, and other tourism-related outlets.
- Local roadways – including US 131, M-115, M-37, M-55, and M-42, providing convenient access to nearby communities such as Traverse City, Manistee, Clare, Roscommon, and Frankfort.

VII: DEMAND ANALYSIS

Statistical Demand for Rental Units

Demand calculations are presented for 2017 and three-year projections for households within the target market income range, defined within two segments – affordable (assuming use of the Low Income Housing Tax Credit) and market rate (with no income restrictions). The overall income-eligibility range is approximately \$17,000 to \$100,000. The upper range of \$100,000 is used as a measure of conservatism and assumes that those households above that income level would have a broader set of housing alternatives.

For the open/family demand forecast, the calculations used data from just the Cadillac Area sub-market, rather than all of Wexford County. It was assumed that a likely location would be within the Cadillac area, and any assumptions regarding a strong degree of participation across all of Wexford County was possible, but not likely. This provides the calculation with a level of conservatism, and makes the Rural Wexford area a strong secondary market from which potential residents may arise, but are not assumed.

Statistical demand forecasts using standard housing demand methodology indicates sufficient support for both open and senior rental housing, targeting a combination of affordable and market rate households.

By using the most recent income data, the percentage of owner and renter households that fall within the income-qualified range (adjusted to 2017) is calculated. This is applied to the percentage of households that relocate to rental housing on an annual basis, using available information from the American Community Survey. This yields the annual demand for the current year. Future demand includes any additional renter households that are projected to be added to the marketplace. This results in a demand estimate for 2020. The resulting demand forecast is 221 units within the affordable income range, and 179 units within the market rate income range.

A similar method can be used to determine senior demand. In this case, the demand forecast is based on seniors age 55 and older, as this represents the broadest base of potential senior occupancy, assuming seniors can live an independent lifestyle. This forecast does use all of Wexford County, as any likely location would potentially draw seniors from across the region –

assuming the location itself was visible, accessible, and near various services and retail outlets that seniors would find attractive. Using the same methodology, the 2020 demand for senior rental housing was calculated at 69 units within the affordable income range, and 165 units within the market rate income range.

The inclusion of affordable units is deemed necessary, based on the distribution of senior household incomes mentioned within a prior section. While use of the Low Income Housing Tax Credit (LIHTC) is typically assumed, as long as price points are similar to the LIHTC calculations, applying for a LIHTC allocation is not specifically required.

It is worth noting at this time that these movership calculations do not consider the additional interest or marketing efforts of a new rental facility, which could greatly increase the interest for moving into the subject proposal. This would be especially true for a mixed-income property with a popular set of amenities and features. Such an option would naturally increase traffic and marketing results, yielding a larger pool of potentially interested residents.

The demand forecasts represent the minimum demand potential for the proposed facility. Other factors outside the demand forecasts' ability to measure should also be considered. These factors include the overall attractiveness of the subject's location, and marketing and outreach efforts by the community and management agents. Any of these items could significantly raise the actual demand for a given project.

Please note that these demand forecasts are based on the following assumptions:

- The demand forecasts should be considered preliminary. A more specific and definitive demand forecast can be determined when a specific site is determined, project characteristics are finalized, and price points are set.
- The development team is experienced and no delays in construction will take place
- Proposed developments will be constructed at a location that maximizes visibility, access to the site, and is not adjacent to a detrimental feature (such as a landfill)
- Pre-leasing and outreach efforts are maximized to positively impact the planned development, by a management company with experience leasing affordable and market rate rental units
- Community support for the proposal is present
- If necessary, pricing and project features are adjusted to reflect ideal market conditions for the planned target market segments

Table: Statistical Demand Calculation – Open/Family Units

2016 Total Occupied Households	8,373				
2016 Owner-Occupied Households	6,029				
2016 Renter-Occupied Households	2,344				
		50%	60%	Market	Total
		AMI	AMI	Range	Affordable
QUALIFIED-INCOME RANGE <i>(unduplicated)</i>					
Minimum Annual Income		\$17,143	\$24,001	\$35,000	\$17,143
Maximum Annual Income		\$24,000	\$34,830	\$100,000	\$34,830
DEMAND FROM EXISTING HOUSEHOLDS					
Percent Income Qualified Owner Households		8.1%	13.1%	44.3%	21.2%
Percent Income Qualified Renter Households		12.2%	17.2%	33.9%	29.4%
Income Qualified Owner Households		487	790	1,712	1,276
Income Qualified Renter Households		286	404	512	690
Annual Movership Rate - Owner to Renter		2.0%	2.0%	2.0%	2.0%
Annual Movership Rate - Renter to Renter		28.0%	28.0%	28.0%	28.0%
Total Income-Qualified Owner to Renter Movers		10	16	34	26
Total Income-Qualified Renter to Renter Movers		80	113	143	193
Total Demand from Existing Households		90	129	178	219
DEMAND FROM NEW RENTER HOUSEHOLDS					
Projected 2019 Renter Households	2,365				
Annual Change in Renter Households, 2016-2019	7				
Percent Qualified Renter Households		12.2%	17.2%	33.9%	29.4%
Total Annual Demand From New Households		1	1	1	2
TOTAL DEMAND		90	130	179	221
LESS: Total Comparable Units Placed in Service Since 2015		0	0	0	0
LESS: Total Comparable Units Proposed/Under Construction		0	0	0	0
TOTAL NET DEMAND		90	130	179	221
PROPOSED NUMBER OF UNITS		20	20	60	40
CAPTURE RATE		22.2%	15.4%	33.5%	18.1%
PENEIRATION RATE		2.6%	1.7%	2.7%	2.0%
SATURATION RATE		2.6%	1.7%	2.7%	2.0%
Note: Totals may not sum due to rounding or differences in income ranges					
SOURCE: 2010 U.S. Census of Population and Housing, U.S. Census Bureau American Community Survey, U.S. Census Bureau ESRI Business Analyst					

Table: Statistical Demand Calculation – Senior Units

2017 Total Occupied Households 55+	6,697		
2017 Owner-Occupied Households 55+	5,554		
2017 Renter-Occupied Households 55+	1,143		
		<u>Market</u>	<u>Total</u>
		<u>Rate</u>	<u>Affordable</u>
QUALIFIED-INCOME RANGE <i>(unduplicated)</i>			
Minimum Annual Income		\$27,000	\$18,000
Maximum Annual Income		And Above	\$26,820
DEMAND FROM EXISTING RENTER HOUSEHOLDS - AGE 55+			
Percent Income Qualified Owner Households		45.3%	14.6%
Percent Income Qualified Renter Households		27.9%	22.2%
Income Qualified Owner Households		2,516	812
Income Qualified Renter Households		318	254
Annual Movership Rate - Owner to Renter		5%	5%
Annual Movership Rate - Renter to Renter		10%	10%
Total Income-Qualified Owner to Renter Movers		126	41
Total Income-Qualified Renter to Renter Movers		32	25
Total Demand from Existing Households		158	66
DEMAND FROM NEW HOUSEHOLD GROWTH - AGE 55+			
Owner Household Growth, 2017-2020		259	
Percent Income Qualified Owner Households		45.3%	14.6%
Renter Household Growth, 2017-2020		53	
Percent Income Qualified Renter Households		20.9%	22.2%
Total Demand From New Households		7	3
TOTAL DEMAND		165	69
LESS: Total Comparable Units Placed in Service Since 2016		0	0
LESS: Total Comparable Units Proposed/Under Construction		0	0
TOTAL NET DEMAND		165	69
PROPOSED NUMBER OF UNITS		40	40
CAPTURE RATE		24.3%	57.9%
PENETRATION RATE		1.4%	3.6%
Note: Totals may not sum due to rounding			
SOURCE: 2010 U.S. Census of Population and Housing, U.S. Census Bureau American Community Survey, U.S. Census Bureau ESRI Business Analyst			

VIII: DATA & SOURCES

BIBLIOGRAPHY

2000 U.S. Census of Population and Housing, SF1/SF3, U.S. Census Bureau

2010 U.S. Census of Population and Housing, SF1, U.S. Census Bureau

2011-2015 American Housing Survey, U.S. Census Bureau and U.S. Department of Housing and Urban Development

ESRI Business Analyst Online, 2017-2022 Demographic Estimates and Projections

Thematic maps and Tapestry data through ESRI Business Analyst

U.S. Department of Labor, Bureau of Labor Statistics

Aerial Photography from ESRI Business Analyst

Local housing trends/data - Realtor.com

Target Market Analysis – Wexford County, Michigan – Land/Use USA – November 2014

ESRI TAPESTRY DATA



Tapestry Segmentation Area Profile

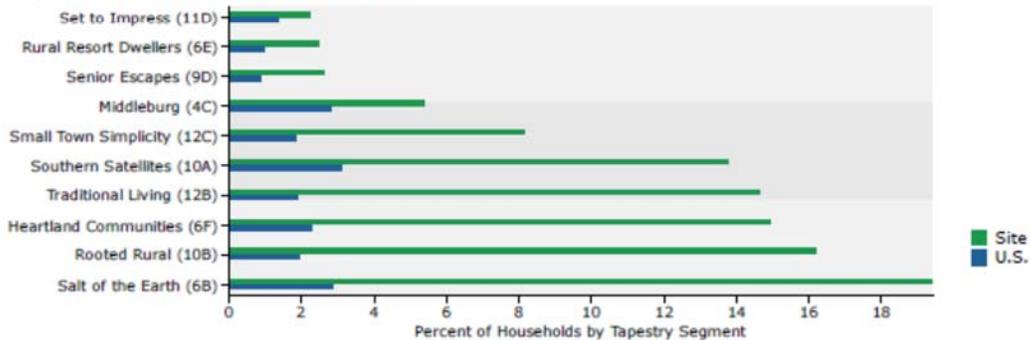
Wexford County, MI
 Wexford County, MI (26165)
 Geography: County

Prepared by Esri

Top Twenty Tapestry Segments

Rank	Tapestry Segment	2017 Households		2017 U.S. Households		Index
		Percent	Cumulative Percent	Percent	Cumulative Percent	
1	Salt of the Earth (6B)	19.4%	19.4%	2.9%	2.9%	675
2	Rooted Rural (10B)	16.2%	35.6%	2.0%	4.9%	822
3	Heartland Communities (6F)	14.9%	50.5%	2.3%	7.2%	645
4	Traditional Living (12B)	14.7%	65.2%	1.9%	9.1%	754
5	Southern Satellites (10A)	13.8%	79.0%	3.1%	12.2%	440
Subtotal		79.0%		12.2%		
6	Small Town Simplicity (12C)	8.2%	87.2%	1.9%	14.1%	436
7	Middleburg (4C)	5.4%	92.6%	2.9%	17.0%	190
8	Senior Escapes (9D)	2.7%	95.3%	0.9%	17.9%	294
9	Rural Resort Dwellers (6E)	2.5%	97.8%	1.0%	18.9%	250
10	Set to Impress (11D)	2.2%	100.0%	1.4%	20.3%	161
Subtotal		21.0%		8.1%		
Total		100.0%		20.3%		494

Top Ten Tapestry Segments Site vs. U.S.



Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.

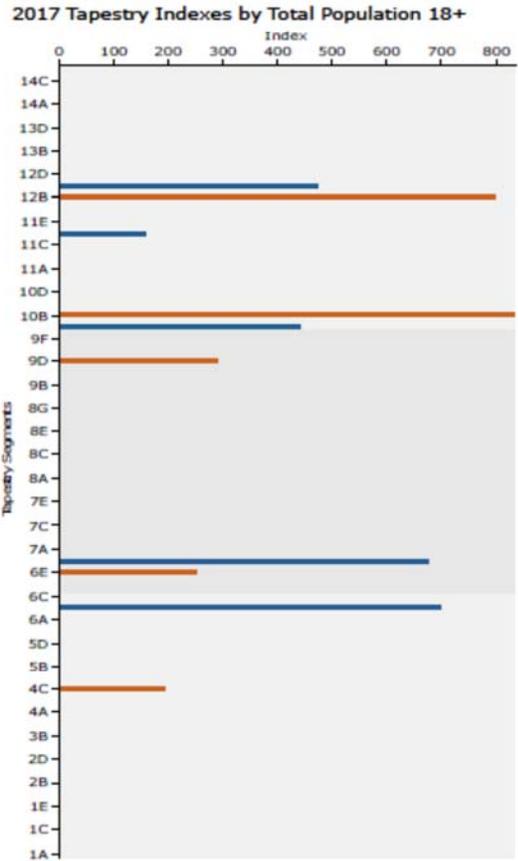
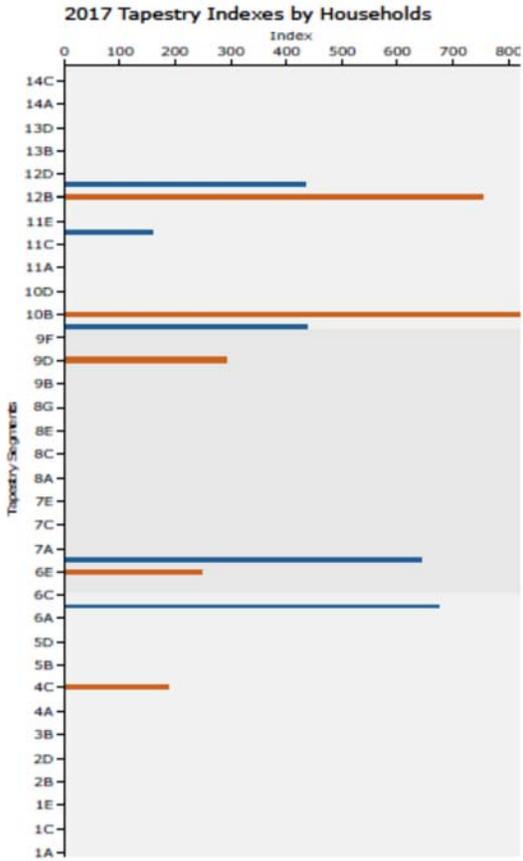
Source: Esri



Tapestry Segmentation Area Profile

Wexford County, MI
 Wexford County, MI (26165)
 Geography: County

Prepared by Esri





Tapestry Segmentation Area Profile

Wexford County, MI
 Wexford County, MI (26165)
 Geography: County

Prepared by Esri

Tapestry LifeMode Groups	2017 Households			2017 Adult Population		
	Number	Percent	Index	Number	Percent	Index
Total:	13,352	100.0%		25,946	100.0%	
1. Affluent Estates	0	0.0%	0	0	0.0%	0
Top Tier (1A)	0	0.0%	0	0	0.0%	0
Professional Pride (1B)	0	0.0%	0	0	0.0%	0
Boomburbs (1C)	0	0.0%	0	0	0.0%	0
Savvy Suburbanites (1D)	0	0.0%	0	0	0.0%	0
Exurbanites (1E)	0	0.0%	0	0	0.0%	0
2. Upscale Avenues	0	0.0%	0	0	0.0%	0
Urban Chic (2A)	0	0.0%	0	0	0.0%	0
Pleasantville (2B)	0	0.0%	0	0	0.0%	0
Pacific Heights (2C)	0	0.0%	0	0	0.0%	0
Enterprising Professionals (2D)	0	0.0%	0	0	0.0%	0
3. Uptown Individuals	0	0.0%	0	0	0.0%	0
Laptops and Lattes (3A)	0	0.0%	0	0	0.0%	0
Metro Renters (3B)	0	0.0%	0	0	0.0%	0
Trendsetters (3C)	0	0.0%	0	0	0.0%	0
4. Family Landscapes	722	5.4%	72	1,440	5.5%	70
Soccer Moms (4A)	0	0.0%	0	0	0.0%	0
Home Improvement (4B)	0	0.0%	0	0	0.0%	0
Middleburg (4C)	722	5.4%	190	1,440	5.5%	196
5. GenXurban	0	0.0%	0	0	0.0%	0
Comfortable Empty Nesters	0	0.0%	0	0	0.0%	0
In Style (5B)	0	0.0%	0	0	0.0%	0
Parks and Rec (5C)	0	0.0%	0	0	0.0%	0
Rustbelt Traditions (5D)	0	0.0%	0	0	0.0%	0
Midlife Constants (5E)	0	0.0%	0	0	0.0%	0
6. Cozy Country Living	4,921	36.9%	304	9,658	37.2%	310
Green Acres (6A)	0	0.0%	0	0	0.0%	0
Salt of the Earth (6B)	2,594	19.4%	675	5,242	20.2%	700
The Great Outdoors (6C)	0	0.0%	0	0	0.0%	0
Prairie Living (6D)	0	0.0%	0	0	0.0%	0
Rural Resort Dwellers (6E)	333	2.5%	250	607	2.3%	253
Heartland Communities (6F)	1,994	14.9%	645	3,809	14.7%	679
7. Ethnic Enclaves	0	0.0%	0	0	0.0%	0
Up and Coming Families (7A)	0	0.0%	0	0	0.0%	0
Urban Villages (7B)	0	0.0%	0	0	0.0%	0
American Dreamers (7C)	0	0.0%	0	0	0.0%	0
Barrios Urbanos (7D)	0	0.0%	0	0	0.0%	0
Valley Growers (7E)	0	0.0%	0	0	0.0%	0
Southwestern Families (7F)	0	0.0%	0	0	0.0%	0

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The Index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.

Source: Esri

August 08, 2017



Tapestry Segmentation Area Profile

Wexford County, MI
 Wexford County, MI (26165)
 Geography: County

Prepared by Esri

Tapestry LifeMode Groups	2017 Households			2017 Adult Population		
	Number	Percent	Index	Number	Percent	Index
Total:	13,352	100.0%		25,946	100.0%	
8. Middle Ground	0	0.0%	0	0	0.0%	0
City Lights (8A)	0	0.0%	0	0	0.0%	0
Emerald City (8B)	0	0.0%	0	0	0.0%	0
Bright Young Professionals	0	0.0%	0	0	0.0%	0
Downtown Melting Pot (8D)	0	0.0%	0	0	0.0%	0
Front Porches (8E)	0	0.0%	0	0	0.0%	0
Old and Newcomers (8F)	0	0.0%	0	0	0.0%	0
Hardscrabble Road (8G)	0	0.0%	0	0	0.0%	0
9. Senior Styles	356	2.7%	46	638	2.5%	48
Silver & Gold (9A)	0	0.0%	0	0	0.0%	0
Golden Years (9B)	0	0.0%	0	0	0.0%	0
The Elders (9C)	0	0.0%	0	0	0.0%	0
Senior Escapes (9D)	356	2.7%	294	638	2.5%	291
Retirement Communities (9E)	0	0.0%	0	0	0.0%	0
Social Security Set (9F)	0	0.0%	0	0	0.0%	0
10. Rustic Outposts	4,005	30.0%	360	7,874	30.3%	359
Southern Satellites (10A)	1,840	13.8%	440	3,636	14.0%	442
Rooted Rural (10B)	2,165	16.2%	822	4,238	16.3%	836
Diners & Miners (10C)	0	0.0%	0	0	0.0%	0
Down the Road (10D)	0	0.0%	0	0	0.0%	0
Rural Bypasses (10E)	0	0.0%	0	0	0.0%	0
11. Midtown Singles	300	2.2%	36	494	1.9%	34
City Strivers (11A)	0	0.0%	0	0	0.0%	0
Young and Restless (11B)	0	0.0%	0	0	0.0%	0
Metro Fusion (11C)	0	0.0%	0	0	0.0%	0
Set to Impress (11D)	300	2.2%	161	494	1.9%	160
City Commons (11E)	0	0.0%	0	0	0.0%	0
12. Hometown	3,048	22.8%	364	5,842	22.5%	378
Family Foundations (12A)	0	0.0%	0	0	0.0%	0
Traditional Living (12B)	1,957	14.7%	754	3,766	14.5%	801
Small Town Simplicity (12C)	1,091	8.2%	436	2,076	8.0%	474
Modest Income Homes (12D)	0	0.0%	0	0	0.0%	0
13. Next Wave	0	0.0%	0	0	0.0%	0
International Marketplace	0	0.0%	0	0	0.0%	0
Las Casas (13B)	0	0.0%	0	0	0.0%	0
NeWest Residents (13C)	0	0.0%	0	0	0.0%	0
Fresh Ambitions (13D)	0	0.0%	0	0	0.0%	0
High Rise Renters (13E)	0	0.0%	0	0	0.0%	0
14. Scholars and Patriots	0	0.0%	0	0	0.0%	0
Military Proximity (14A)	0	0.0%	0	0	0.0%	0
College Towns (14B)	0	0.0%	0	0	0.0%	0
Dorms to Diplomas (14C)	0	0.0%	0	0	0.0%	0
Unclassified (15)	0	0.0%	0	0	0.0%	0

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.

Source: Esri

August 08, 2017



Tapestry Segmentation Area Profile

Wexford County, MI
 Wexford County, MI (26165)
 Geography: County

Prepared by Esri

Tapestry Urbanization	2017 Households			2017 Adult Population		
	Number	Percent	Index	Number	Percent	Index
Total:	13,352	100.0%		25,946	100.0%	
1. Principal Urban Center	0	0.0%	0	0	0.0%	0
Laptops and Lattes (3A)	0	0.0%	0	0	0.0%	0
Metro Renters (3B)	0	0.0%	0	0	0.0%	0
Trendsetters (3C)	0	0.0%	0	0	0.0%	0
Downtown Melting Pot (8D)	0	0.0%	0	0	0.0%	0
City Strivers (11A)	0	0.0%	0	0	0.0%	0
NeWest Residents (13C)	0	0.0%	0	0	0.0%	0
Fresh Ambitions (13D)	0	0.0%	0	0	0.0%	0
High Rise Renters (13E)	0	0.0%	0	0	0.0%	0
2. Urban Periphery	0	0.0%	0	0	0.0%	0
Pacific Heights (2C)	0	0.0%	0	0	0.0%	0
Rustbelt Traditions (5D)	0	0.0%	0	0	0.0%	0
Urban Villages (7B)	0	0.0%	0	0	0.0%	0
American Dreamers (7C)	0	0.0%	0	0	0.0%	0
Barrios Urbanos (7D)	0	0.0%	0	0	0.0%	0
Southwestern Families (7F)	0	0.0%	0	0	0.0%	0
City Lights (8A)	0	0.0%	0	0	0.0%	0
Bright Young Professionals (8C)	0	0.0%	0	0	0.0%	0
Metro Fusion (11C)	0	0.0%	0	0	0.0%	0
Family Foundations (12A)	0	0.0%	0	0	0.0%	0
Modest Income Homes (12D)	0	0.0%	0	0	0.0%	0
International Marketplace (13A)	0	0.0%	0	0	0.0%	0
Las Casas (13B)	0	0.0%	0	0	0.0%	0
3. Metro Cities	2,257	16.9%	92	4,260	16.4%	95
In Style (5B)	0	0.0%	0	0	0.0%	0
Emerald City (8B)	0	0.0%	0	0	0.0%	0
Front Porches (8E)	0	0.0%	0	0	0.0%	0
Old and Newcomers (8F)	0	0.0%	0	0	0.0%	0
Hardscrabble Road (8G)	0	0.0%	0	0	0.0%	0
Retirement Communities (9E)	0	0.0%	0	0	0.0%	0
Social Security Set (9F)	0	0.0%	0	0	0.0%	0
Young and Restless (11B)	0	0.0%	0	0	0.0%	0
Set to Impress (11D)	300	2.2%	161	494	1.9%	160
City Commons (11E)	0	0.0%	0	0	0.0%	0
Traditional Living (12B)	1,957	14.7%	754	3,766	14.5%	801
College Towns (14B)	0	0.0%	0	0	0.0%	0
Dorms to Diplomas (14C)	0	0.0%	0	0	0.0%	0

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The Index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.

Source: Esri

August 08, 2017



Tapestry Segmentation Area Profile

Wexford County, MI
 Wexford County, MI (26165)
 Geography: County

Prepared by Esri

Tapestry Urbanization	2017 Households			2017 Adult Population		
	Number	Percent	Index	Number	Percent	Index
Total:	13,352	100.0%		25,946	100.0%	
4. Suburban Periphery	0	0.0%	0	0	0.0%	0
Top Tier (1A)	0	0.0%	0	0	0.0%	0
Professional Pride (1B)	0	0.0%	0	0	0.0%	0
Boomburbs (1C)	0	0.0%	0	0	0.0%	0
Savvy Suburbanites (1D)	0	0.0%	0	0	0.0%	0
Exurbanites (1E)	0	0.0%	0	0	0.0%	0
Urban Chic (2A)	0	0.0%	0	0	0.0%	0
Pleasantville (2B)	0	0.0%	0	0	0.0%	0
Enterprising Professionals (2D)	0	0.0%	0	0	0.0%	0
Soccer Moms (4A)	0	0.0%	0	0	0.0%	0
Home Improvement (4B)	0	0.0%	0	0	0.0%	0
Comfortable Empty Nesters	0	0.0%	0	0	0.0%	0
Parks and Rec (5C)	0	0.0%	0	0	0.0%	0
Midlife Constants (5E)	0	0.0%	0	0	0.0%	0
Up and Coming Families (7A)	0	0.0%	0	0	0.0%	0
Silver & Gold (9A)	0	0.0%	0	0	0.0%	0
Golden Years (9B)	0	0.0%	0	0	0.0%	0
The Elders (9C)	0	0.0%	0	0	0.0%	0
Military Proximity (14A)	0	0.0%	0	0	0.0%	0
5. Semirural	4,163	31.2%	330	7,963	30.7%	335
Middleburg (4C)	722	5.4%	190	1,440	5.5%	196
Heartland Communities (6F)	1,994	14.9%	645	3,809	14.7%	679
Valley Growers (7E)	0	0.0%	0	0	0.0%	0
Senior Escapes (9D)	356	2.7%	294	638	2.5%	291
Down the Road (10D)	0	0.0%	0	0	0.0%	0
Small Town Simplicity (12C)	1,091	8.2%	436	2,076	8.0%	474
6. Rural	6,932	51.9%	306	13,723	52.9%	309
Green Acres (6A)	0	0.0%	0	0	0.0%	0
Salt of the Earth (6B)	2,594	19.4%	675	5,242	20.2%	700
The Great Outdoors (6C)	0	0.0%	0	0	0.0%	0
Prairie Living (6D)	0	0.0%	0	0	0.0%	0
Rural Resort Dwellers (6E)	333	2.5%	250	607	2.3%	253
Southern Satellites (10A)	1,840	13.8%	440	3,636	14.0%	442
Rooted Rural (10B)	2,165	16.2%	822	4,238	16.3%	836
Diners & Miners (10C)	0	0.0%	0	0	0.0%	0
Rural Bypasses (10E)	0	0.0%	0	0	0.0%	0
Unclassified (15)	0	0.0%	0	0	0.0%	0

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The Index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.

Source: Esri

August 08, 2017

CERTIFICATION

CONSULTANT CERTIFICATION/CERTIFICATE OF ACCURACY

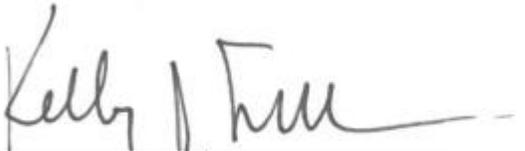
It is hereby attested to that the information in this report is true and accurate. Information gathered from other sources is considered to be reliable; however, the undersigned does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment.

While the sponsor has paid for the market research services rendered, the undersigned certifies that no fees will be collected or payments received contingent upon the success of the proposal. In addition, the undersigned further certifies that no ownership interest exists concerning the proposal.

While the document specifies Community Research Services, LLC, the certification is always signed by the individual completing the study and attesting to the certification.



COMMUNITY RESEARCH SERVICES, LLC



Kelly J. Murdock

Date: August 18, 2017

RESUME AND BACKGROUND

KELLY J. MURDOCK

COMMUNITY RESEARCH SERVICES, LLC

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, and senior citizen communities. 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 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, nonprofit organizations, as well as state and local governments.

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 previously served on the Council's Board of Directors. Mr. Murdock and CRS are also charter members of the National Council of Housing Market Analysts (NCHMA), an organization dedicated to the establishment of standard practices and methods in housing research across the nation. Mr. Murdock serves on the executive committee of NCHMA as Vice-Chair, and will lead the council as Chairman during the upcoming 2017-2018 term. Mr. Murdock has been awarded the Professional Member designation by NCHMA, the highest level of membership offered by the organization.