

# Ottawa County, Michigan Housing Needs Assessment

*Prepared For:*

HOUSING NEXT  
115 Clover Street, Suite 300  
Holland, Michigan 49423

**FINAL**



*Prepared By:*

Bowen National Research  
Author: Patrick M. Bowen, President  
155 E. Columbus Street, Ste. 220  
Pickerington, Ohio 43147  
(614) 833-9300  
patrickb@bowennational.com

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# I. Introduction

## A. Purpose

HOUSING NEXT retained Bowen National Research in June of 2018 for the purpose of conducting a Housing Needs Assessment of Ottawa County, Michigan.

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

- Provide an overview of present-day Ottawa County.
- Present and evaluate past, current and projected detailed demographic characteristics.
- Present and evaluate employment characteristics and trends, as well as the economic drivers impacting the area.
- Determine current characteristics of all major housing components within the market (for-sale/ownership and rental housing alternatives).
- Calculate a housing gap by tenure and income segment.
- Evaluate ancillary factors that affect housing market conditions and development.
- Conduct a supplemental analysis of five predetermined submarkets (Northwest Submarket, Southwest Submarket, East Submarket, Downtown Holland and City of Holland).
- Compile local stakeholder perceptions of housing market conditions and trends, opinions on future housing needs, and identify barriers to residential development in the area.

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

## **B. Methodologies**

The following methods were used by Bowen National Research:

### **Study Area Delineation**

The primary geographic scope of this study is Ottawa County. As such, the Primary Study Area (PSA) is the area within the limits of Ottawa County. Based on a request by the client, we also conducted supplemental analysis of various submarkets within the county.

### **Demographic Information**

Demographic data for population, households, housing, crime, and employment was secured from ESRI, Incorporated, the 2000 and 2010 United States Census, Applied Geographic Solutions, U.S. Department of Commerce, and the American Community Survey. This data has been used in its primary form and by Bowen National Research for secondary calculations. All sources are referenced throughout the report and in Addendum H of this report.

### **Employment Information**

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

### **Housing Component Definitions**

This study is concerned with two major housing components: (1) for-sale/ownership and (2) rental. For-sale/ownership housing includes single-family homes and condominiums. Rentals include multifamily apartments (generally five+ units per building), senior care facilities (assisted living and nursing homes), and non-conventional rentals such as single-family homes, duplexes, units over storefronts, etc.

### Housing Supply Documentation

From July to October of 2018, Bowen National Research conducted telephone research, as well as on-line research, of the area's housing supply. Additionally, market analysts from Bowen National Research traveled to the area in the fall of 2018, conducting research on the housing properties identified in this study, as well as obtaining other on-site information relative to this analysis. The following data was collected on each multifamily rental property:

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

Information regarding for-sale housing was collected by Bowen National Research in-office staff during the aforementioned research period. Home listings were obtained from realtor.com. Information regarding the for-sale housing inventory includes property address, sales/asking price, square footage, number of bedrooms and bathrooms, price per square feet, and the number of days on market.

We also surveyed senior care facilities including assisted living facilities and nursing homes within the county. Information gathered on these communities include total beds, vacancies, fees/rents, unit mix by bedroom type, square footage, unit features/amenities, services, project/community amenities, project age and other design elements.

### Stakeholder/Interviews

Bowen National Research staff conducted interviews of area stakeholders, as well as allowed stakeholders to partake in an online survey. These stakeholders included individuals from a variety of trades. Questions were structured to elicit opinions on a variety of matters including current housing conditions, housing challenges for area residents, barriers to housing development, future housing needs and recommendations to improve housing in the area. These interviews afforded participants an opportunity to voice their opinions and provide anecdotal insights about the study's subject matter. Overall, 16 individual interviews and/or surveys were completed and evaluated. Please note that individual names and organizations have not been disclosed in order to protect the confidentiality of

participants and encourage their candor. The aggregate results from these interviews are presented and evaluated in this report in Section X. The questions used in this analysis are shown in Addendum E.

### Housing Demand

Based on the demographic data for both 2017 and 2022, and taking into consideration the housing data from our field survey of area housing alternatives, we are able to project the potential number of new units the PSA (Ottawa County) can support. The following summarizes the metrics used in our demand estimates.

- Rental Housing – We included renter household growth, the number of units required for a balanced market, the need for replacement housing and external market support as the demand components in our estimates for new rental housing units. As part of this analysis, we accounted for vacancies reported among all rental alternatives. We concluded this analysis by providing the number of units that the market can support by different income segments and rent levels.
- For-Sale Housing – We considered potential demand from new owner-occupied household growth, renters converting to homeowners, need for replacement housing and external market support in our estimates for new for-sale housing. We accounted for the available supply of for-sale housing to yield a net support base of potential for-sale housing. Demand estimates were provided for multiple income stratifications and corresponding price points.

### **C. Report Limitations**

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

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

## II. Executive Summary

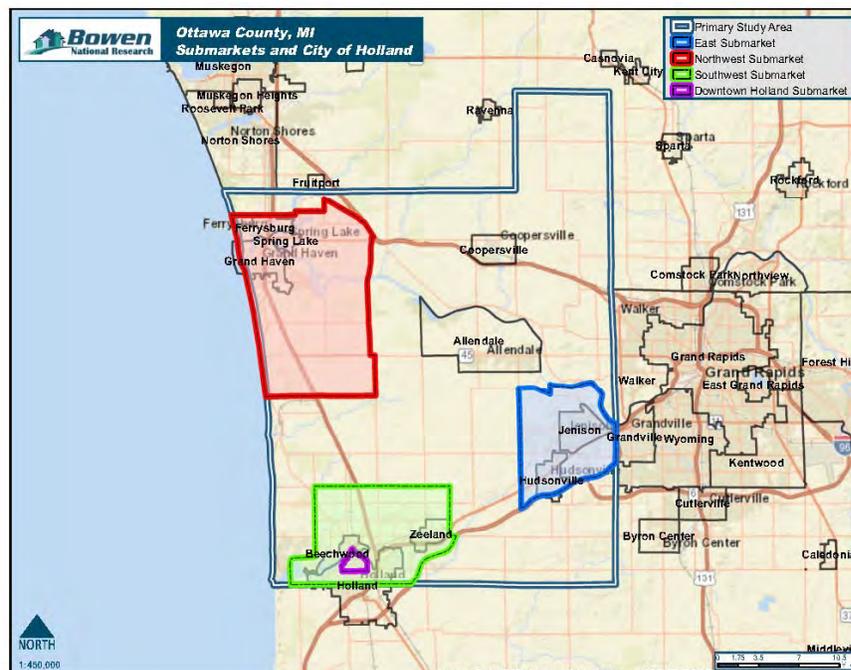
The purpose of this report is to evaluate the housing needs of Ottawa County, Michigan and to recommend priorities and strategies to address such housing needs. To that end, we have conducted a comprehensive Housing Needs Assessment that considered the following:

- Demographic Characteristics and Trends
- Economic Conditions and Initiatives
- Existing Housing Stock Costs, Performance, Conditions and Features
- Various “Other” Housing Factors (Crime, Transportation, and Proximity to Community Services)
- Input from Community Stakeholders
- Quantifiable Housing Demand Estimates

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

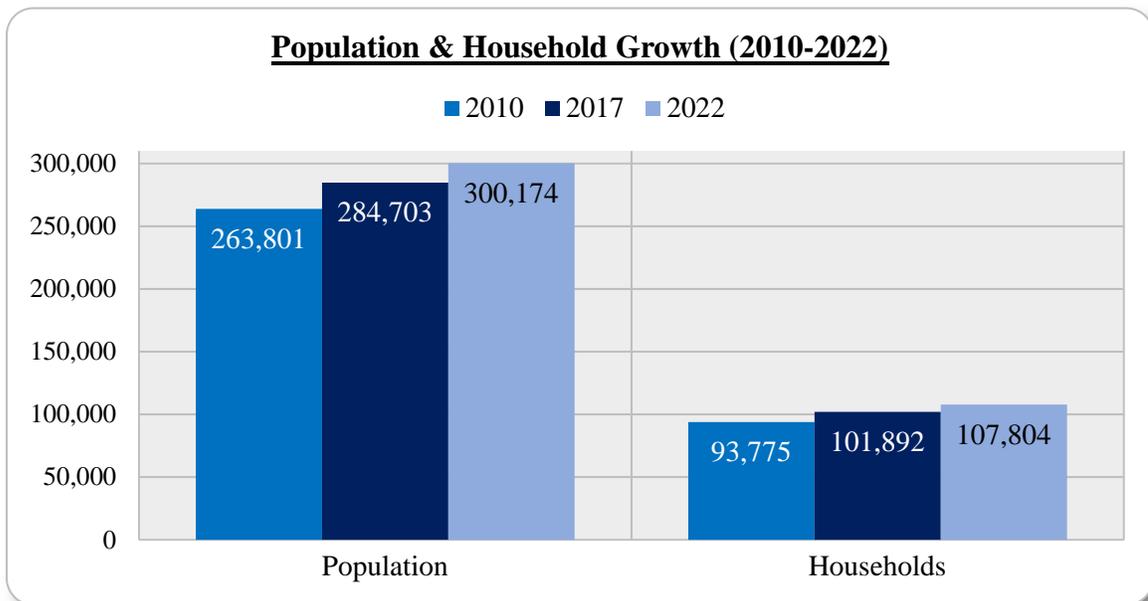
### Geographic Study Areas

This report focuses on the Primary Study Area (PSA), which consists of Ottawa County. We have also provided a cursory analysis of three regional submarkets, as well as the city of Holland and Downtown Holland.



## Demographics

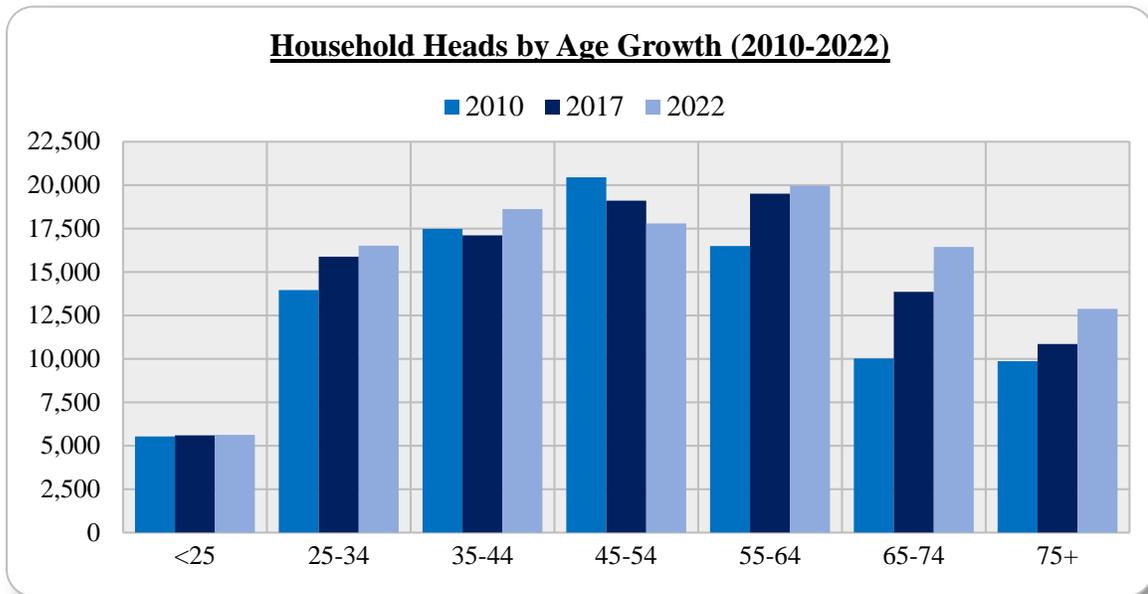
**Population and Household Growth in the County have been Very Positive, Outpacing State Averages since 2000 and are Projected to Grow Rapidly Through 2022** - The County's population increased by 46,389 (19.5%) between 2000 and 2017, while adding 20,230 (24.8%) households, far outpacing state growth trends (less than 5%). Between 2017 and 2022, the County's population is projected to increase by 15,471 (5.4%), while at the same time the number of households is expected to increase by 5,912 (5.8%). This is significant growth that will add to the demand for housing.



**Owner and Renter Household Growth is Projected to be Positive, as is Growth Among all Household Sizes** – Between 2017 and 2022, the number of owner households is projected to increase by 4,396 (5.6%), while the number of renter households is projected to increase by 1,516 (6.3%). This growth will add to the need for both new for-sale and rental housing. Both smaller (one- and two-person) and larger (three-person+) households are projected to grow, adding to the demand for both smaller and larger unit types (number of bedrooms).

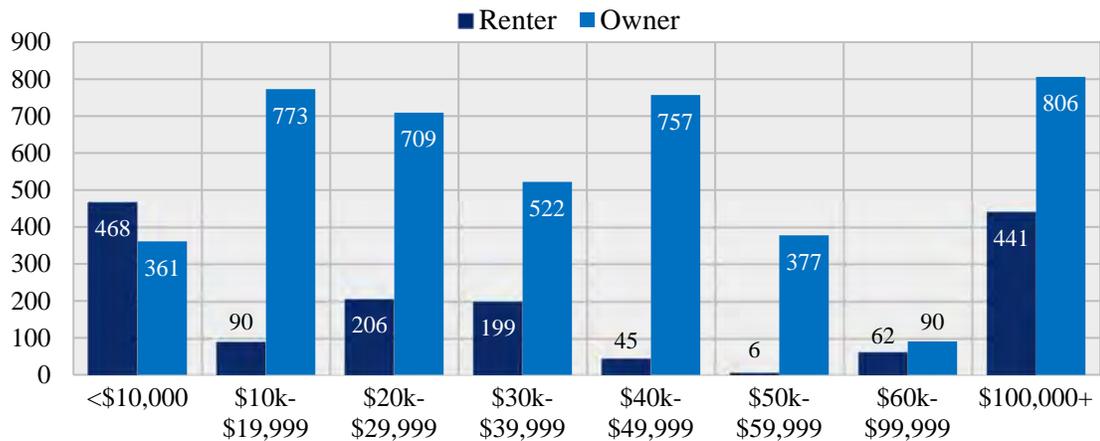
**While the County's Poverty Rate is Lower than the State Average, Over 26,000 People in the County Live in Poverty** – Despite the fact that Ottawa County's poverty rate of 9.9% is well below the state average of 16.4%, a total of 26,511 people in the county live in poverty. A total of 7,680 children under age 18 and 1,657 seniors age 65 and older live in poverty, representing 11.4% of all children and 4.7% of seniors in the county. As such, affordable housing for families and seniors in the county remains important.

**Household Growth is Projected to Remain Positive Among Most Household Age Groups Through 2022, with Senior (age 65 and older) Growth Projected to be the Greatest** – Virtually all household age groups are projected to increase between 2017 and 2022, which will add to the demand for a variety of housing product types and designs. However, the greatest growth is projected to occur among households ages 65 and older, increasing by 4,602 (18.6%). This is significant growth and will contribute to the demand for senior-oriented housing.



**Household Income Growth is Projected to Occur Among All Household Income Segments** – All *renter* household income segments are projected to increase between 2017 and 2022, with most of the growth expected to occur among renter households earning less than \$40,000 (963 households). However, notable growth is also projected to occur among renter households earning \$100,000 or more (441 households). Meanwhile, most *owner* household growth is projected to occur among those earning less than \$50,000 annually (3,122 households), though notable growth is projected to occur among households earning \$100,000 or more annually (806 households). This projected growth will contribute to the demand for product at a variety of price/rent levels.

### Household Growth by Income & Tenure (2017-2022)



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

#### Economy & Workforce

**Key Economic Metrics in Ottawa County have been Positive Over the Past Decade, Contributing to Demographic Growth and Ongoing Housing Demand**

– The Ottawa County economy has been positive for several years, with the employment base growing and the unemployment rate declining each of the past nine years. The County has added nearly 40,000 jobs since 2009, representing an overall increase of 34.8%. This is significant growth that added to demographic growth, which has contributed to the demand for additional housing.

**Due to the Prevalence of Manufacturing and Tourism-Related Job Sectors, the Market is Vulnerable to Economy Volatility, which Adds to the Need for the Presence of Affordable Housing Alternatives**

– Ottawa County has a broad mix of employment sectors, though nearly one-quarter of all employed persons in the county work within the Manufacturing job sector. Other job sectors of notable size include Retail Trade (12.2%), Health Care & Social Assistance (10.2%), and Accommodations & Food Service (8.0%). The large influence that Manufacturing and tourism-related job sectors have on the local economy does add to the area’s vulnerability to economic fluctuations and downturns. This adds to the importance of having a base of housing alternatives that are affordable to low-income households who may experience unemployment or underemployment. However, recent and planned expansions in Technology, Logistics and Healthcare job sectors are expected to diversify the economy, adding to the market’s stability.

**The Region has a Broad Mix of Wages by Occupation, which Contributes to the Need for a Variety of Housing Affordability Levels**

– Most annual blue-collar salaries range from \$23,870 to \$46,710 within the Grand Rapids-Wyoming MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$77,204. It is important to note that most

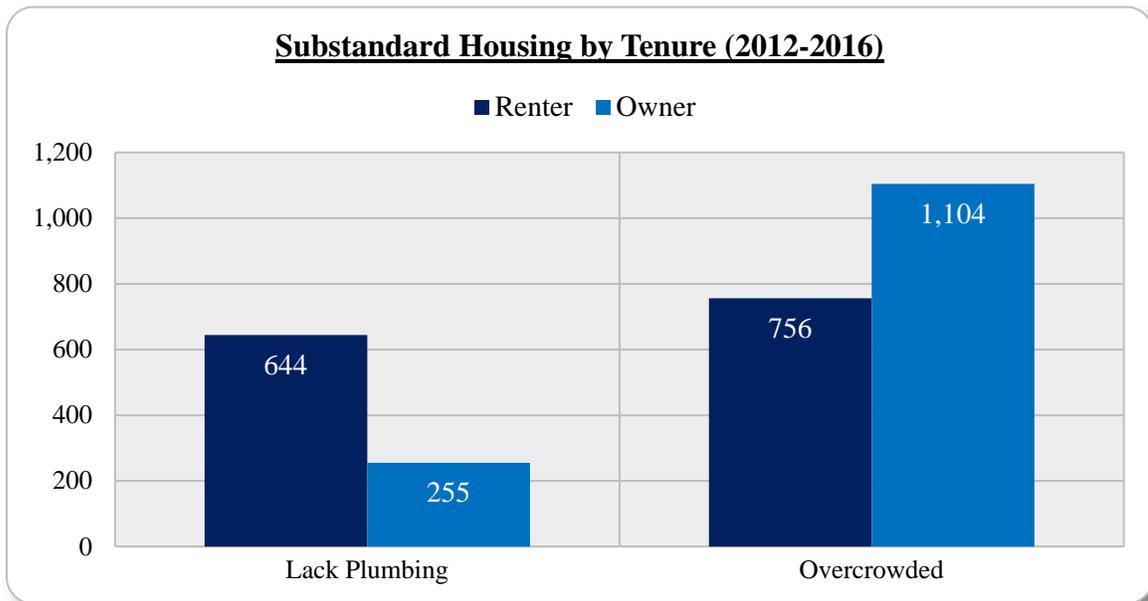
occupational types within the Grand Rapids-Wyoming MSA have slightly lower typical wages than the state of Michigan's typical wages.

**Public and Private Sector Investment has been Positive, with Additional Investment Planned that will Contribute to the Expanding Economy and Ongoing Housing Demand** – The County has undergone and is expected to undergo a large amount of public and private sector investment. With hundreds of millions of dollars in investments and numerous business expansions scheduled for the county, several hundred new jobs are expected to be added to the market in the near term. Additionally, an Amazon fulfillment center involving approximately \$150 million in investments will be built in adjacent Kent County in 2019 and bring in approximately 1,000 new jobs to the region. This will contribute to the ongoing demand for additional housing throughout the county.

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

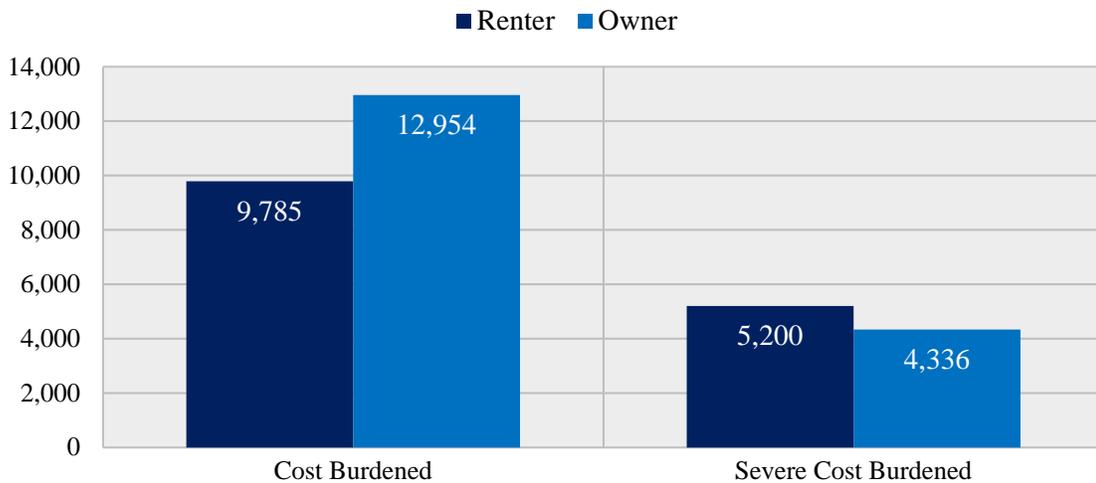
### Housing Supply

**More Than 1,100 Housing Units in the PSA are Considered “Substandard”** – Based on ACS 2012-2016 estimates, at least 644 renter-occupied and 255 owner-occupied housing units in the county lack full indoor plumbing in their kitchens or bathrooms and 756 renter-occupied and 1,104 owner-occupied units are overcrowded. As a result, it is clear that many households are living in housing conditions that are considered to be below modern-day housing standards. Housing policies and strategies for the PSA should include efforts to remedy such housing.



**Despite the Inventory of Affordable Rentals and Housing Assistance Provided in the Market, Many PSA Residents are Still Cost/Rent Burdened** – Households that are “cost burdened” (typically paying 30% or more of their income towards housing costs) often find it difficult paying for both their housing and meeting other financial obligations. While the shares of cost burdened *renters* (43.9%) and *homeowners* (17.2%) in the county are below the state averages (47.6% renters, 22.2% owners), approximately 9,785 *renter* households in the county are cost burdened and 12,954 homeowners are cost burdened. The number of cost burdened households in the PSA indicates that affordable housing programs and homebuyer assistance will be important to help alleviate cost burdened housing situations in the county.

**Rent/Cost Burdened Households by Tenure (2012-2016)**



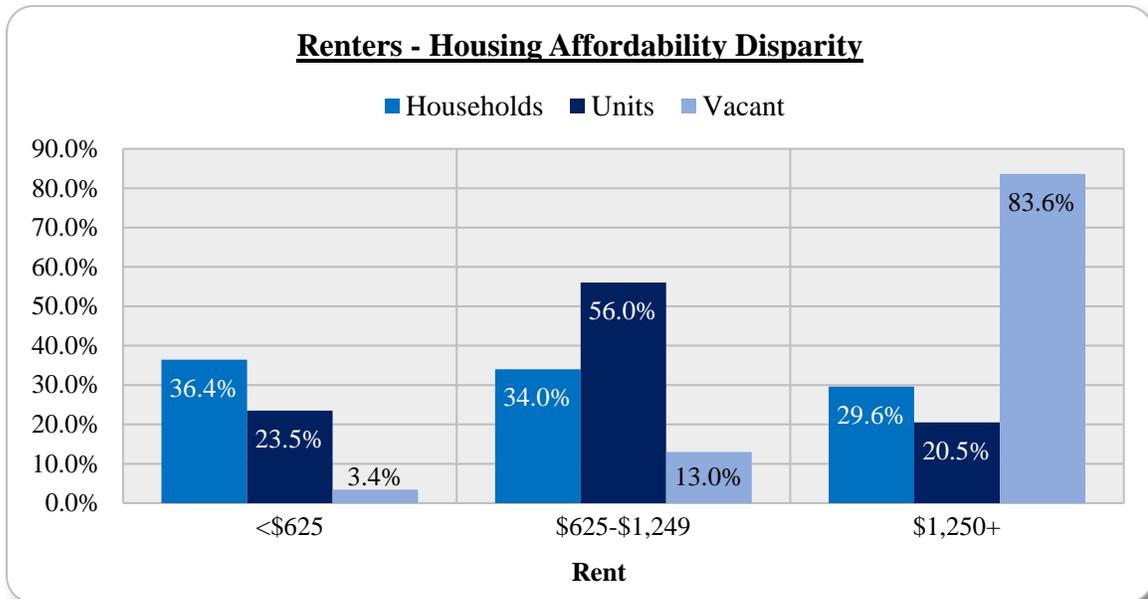
**There is Limited Available Inventory Among Multifamily Rentals and Pent-Up Demand for Housing Serving Very Low- and Low-Income Renter Households** – Based on Bowen National Research’s survey of multifamily apartment rentals in the county, there are very few vacant rentals. The few multifamily vacancies that do exist are primarily among the market-rate inventory, with 242 vacant units representing 2.8% of the market-rate supply. The challenge of finding available multifamily rental housing among the government-subsidized and Tax Credit multifamily housing supply in the county that serves households making no more than 80% of the area’s median household income level is far greater, as evidenced by the fact that there were only five (0.7%) vacant Tax Credit units and only one (0.1%) vacant government-subsidized unit identified in the county. Most government-subsidized and Tax Credit projects have wait lists, with up to 182 households at any one surveyed project, indicating there is pent-up demand for housing that is affordable to lower income households. The lack of available housing serving low-income households is likely contributing to the large number of renters living in substandard and/or cost burdened housing situations in the county.

The table below summarizes the surveyed multifamily rental supply.

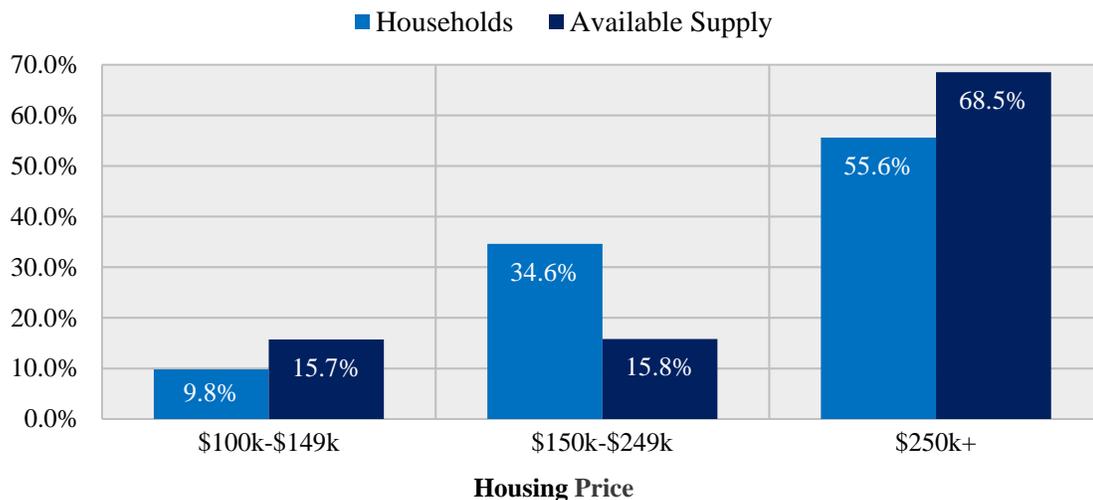
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	68	8,215	242	97.1%
Market-rate/Tax Credit	8	637	0	100.0%
Market-rate/Government-Subsidized	1	126	0	100.0%
Tax Credit	4	368	5	98.6%
Tax Credit/Government-Subsidized	2	186	0	100.0%
Government-Subsidized	9	481	1	99.8%
Total	92	10,013	248	97.5%

**While There are Some Non-Conventional Rentals and For-Sale Housing Alternatives Available, Such Housing is Not Affordable to a Large Number of Low-Income Households** – Based on Bowen National Research’s research and analysis of the non-conventional rental market (e.g. single-family homes, duplexes, mobile homes, etc.), a majority of these rentals have rents over \$1,000, which are not affordable to many of the low-income households in the market. Most (68.4%) of the existing inventory of for-sale housing that is available to purchase in the county primarily consists of product priced over \$250,000. While this available inventory of for-sale product represents 68.4% of the available supply, only 38.0% of the households in the market have sufficient incomes to afford such product. As such, there appears to be an imbalance between available product and households that can afford it.

The table below illustrates the relationship between the share of households that can afford product within a certain rent/price range and the share of housing units offered and/or available at such rents/price points.



### Owners - Housing Affordability Disparity



**The Large and Growing Base of Seniors will Increase the Demand for Senior Care Housing, which is Already Operating at High Occupancy Levels** – The overall occupancy rates of senior care housing facilities (e.g. assisted living and nursing homes) are above national averages, indicating that the existing senior care housing facilities have limited availability. As shown in the Demographics portion of this report, seniors age 65 and older are expected to increase the most over the next five years. As such, it is anticipated that the demand for senior care housing will grow over the foreseeable future.

Surveyed Senior Care Facilities					
Project Type	Projects	Beds	Vacant	Occupancy Rate	National Occupancy Rate*
Independent Living	2	126	0	100.0%	92.4%
Congregate Care	3	408	19	95.3%	92.4%
Assisted Living	17	1,094	65	94.1%	90.6%
Nursing Homes	9	606	46	92.4%	86.4%
Total	31	2,234	130	94.2%	-

\*Source: American Seniors Housing Association: The State of Seniors Housing 2017

### **Overall County-wide Housing Needs**

Based on the findings contained in this report, there are a variety of housing needs in Ottawa County. The following is a summary of *high* and *moderate* needs for the county.

***Rental Housing for Low-Income Seniors and Families (High Need)*** – The largest number of *renter* households in Ottawa County make less than \$25,000 annually. This income segment is projected to increase by 661 (7.6%) households between 2017 and 2022, representing the largest growth among renter households. Adding to the challenges facing these lower income households is the fact that multifamily apartments affordable to them (government-subsidized or Tax Credit) have limited availability and long wait lists. Given the fact that much of the demographic growth will be among seniors and that nearly 7,700 children in the county live in poverty, it will be important that rental housing is developed that meets the affordability needs of low-income seniors and families.

***Affordable Workforce Rental Housing (High Need)*** – Our survey of Tax Credit apartment projects, which can serve households with incomes up to 80% of Area Median Household Income, indicates a lack of available rental housing that is affordable to many workforce households (generally earning between \$25,000 and \$50,000 annually). Given the large number of workers commuting into the county on a daily basis, the anticipated growth in blue collar occupations, and large household growth projected for households earning between \$25,000 and \$50,000, there is an opportunity for the county to attract and retain such workers. This is particularly true of millennials (persons between the ages of 25 and 34), young, blue collar workers and young professionals who may be interested in living in or near any one of the several downtown areas of the county. The development of affordable workforce housing with rents generally between \$625 and \$1,249 should be supported. Product should be designed to meet the needs and expectations of working families and young professionals, near employment centers, along/near public transit routes, or near major arterial highways.

***Moderate and Higher end Modern For-Sale Housing (High Need)*** – The county is projected to experience significant growth among moderate-income owner households (earning between \$40,000 and \$74,999) and high-income owner households (earning \$75,000 or more) between 2017 and 2022. While housing product priced at \$150,000 or higher (much of which is above \$250,000) represents the majority of the available for-sale housing supply, growth projections of the moderate- and high-income owner households are expected to far exceed the available supply of for-sale housing units. As a result, potential home buyers may have limited choices if new residential development does not keep pace with household growth projections. This may ultimately limit the county’s ability to retain and attract moderate- and high-income households. The development of modern for-sale housing starting at \$150,000 should be considered in the county. Product types would include condominiums (primarily with two-bedroom units) for seniors (wishing to downsize) and young professionals, as well as single-family home product (primarily with three-bedroom units) for families.

***Modern Market-Rate Rental Housing (Moderate Need)*** – Despite the fact that most of the vacant rental units in the market are market-rate, generally priced well over \$1,000 a month, the county is expected to continue to experience significant growth among higher income households. It will be important for Ottawa County to continue to add to its inventory of higher end market-rate product to keep pace with such growth. The failure to keep development on pace with demographic growth trends may make it difficult for Ottawa County to attract and retain higher income households. The development of well-designed market-rate product would enable the county to attract and retain such groups as young professionals and independent seniors. This would include product priced around \$1,250 or higher per month that primarily includes one- and two-bedroom units, possibly in a mixed-use and/or mixed-income product.

***Entry Level For-Sale Housing (Moderate Need)*** – While lower income households, generally earning between \$30,000 and \$39,999 annually, represent a smaller base of potential homebuyers than the higher income segments considered in this report, this segment is projected to experience notable growth of more than 500 households during the five-year projection period. Households in this income segment can generally afford product priced between \$100,000 and \$149,999, which appears to have the smallest inventory of available product in the county. Because it will likely be difficult for developers to build product within this price range, it is recommended that the county look at ways to help developers reduce their development costs so that lower priced product can be developed. Additionally, the county should look to offering first-time homebuyer assistance to help low- and moderate-income renter households transition into homeownership.

***Assisted Living Senior Care Product (Moderate Need)*** – Given the very large and growing base of seniors age 75 and older within the county, the area would benefit from the development of housing that is designed to meet the needs of its aging population, particularly seniors requiring assistance with Activities of Daily Living (e.g. dressing, hygiene, medication reminders, etc.). The development of assisted living senior care housing would serve this senior population, allowing seniors to transition into such facilities as their physical needs increase, enable seniors to relocate to Ottawa County to be closer to families, or seniors to transition out of nursing care facilities as their health conditions improve.

The table below summarizes the approximate potential number of new residential units that could be supported in Ottawa County over the next few years.

<b>Ottawa County Housing Needs Estimates (2017 to 2022)</b>			
<b>Housing Segment</b>		<b>Number of Units*</b>	<b>Priority</b>
<b>Rentals</b>	Low-Income Rental Housing (<\$625/Month Rent)	~1,515	<b>High</b>
	Affordable Workforce Rental Housing (\$625-\$1,249/Month Rent)	~1,065	<b>High</b>
	Market-rate Rental Housing (\$1,250/Month Rent)	~818	<b>Moderate</b>
<b>For-Sale</b>	Entry-Level For-Sale Homes (\$100K-\$149K)	~771	<b>Moderate</b>
	Moderate-Income For-Sale Homes (\$150K-\$249K)	~1,659	<b>High</b>
	High-Income For-Sale Homes (\$250K+)	~927	<b>High</b>
<b>Senior Care</b>	Senior Care Housing (Assisted Living)	~524 (Beds)	<b>Moderate</b>
	Senior Care Housing (Nursing Care)	~191 (Beds)	<b>Low</b>

\*Number of units assumes product is marketable, affordable and in an appropriate location. Variations of product types will impact the actual number of units that can be supported. Additionally, incentives and/or government policy changes could encourage support for additional units that exceed the preceding projections.

The preceding estimates are based on current government policies and incentives, recent and projected demographic trends, current and anticipated economic trends, and available and planned residential units. Numerous factors impact a market’s ability to support new housing product. This is particularly true of individual housing projects or units. Certain design elements, pricing structures, target market segments (e.g. seniors, workforce, families, etc.), product quality and location all influence the actual number of units that can be supported. The estimates shown in the preceding table provide the approximate maximum number of units that could potentially be supported. As such, the preceding estimates should be used as a guideline for establishing housing priorities and goals for Ottawa County. Demand estimates could exceed those shown in the preceding table if the community changes policies or offers incentives to encourage people to move into the market or for developers to develop new housing product.

**Overall Housing Strategies**

The following summarizes key strategies that should be considered by the county (and its individual communities) to address housing issues and needs of the market. These strategies do not need to be done concurrently, nor do all strategies need implemented to create an impact. Instead, the following housing strategies should be used as a guide by the local government, stakeholders, developers and residents to help make housing development decisions.



***Set Realistic/Obtainable Short-Term Housing Goals and Outline Long-Term Objectives*** – Using the housing needs estimates and recommendations provided in this report as a guide, the county should set realistic short-term (2-3 years) housing development goals along with long-term (5 years or longer) objectives to support housing. Short-term goals should be focused on establishing an Action Plan that outlines priorities for the county, such as broad housing policies, initiatives, and incentives that support the preservation and development of residential units. The recommendations included in this section should serve as a guide for developing an Action Plan. Long-term objectives should include establishing a goal for the number of housing units that should be built and broadly outline the types of housing that should be considered, such as rentals and for-sale housing, as well as geographical locations (e.g. within walkable communities, along public transit corridors, etc.). The goals should also broadly outline affordability (e.g. income levels) objectives and market segments (e.g. families, seniors, and disabled) that should be served. From such goals, the county can monitor progress and adjust efforts to support stated goals.

***Develop Regional-Level Housing Plans with Input from Local Communities*** – While this study focused on county-wide demographics, economics and housing, we also conducted a cursory analysis of five predetermined submarkets within the county (See Section IX). While each of these five submarkets have unique attributes and trends that differ from each other, it is clear that each region is facing the same rapid growth trends and the corresponding housing issues associated with them (e.g. lack of availability and affordability). While we provided data and analysis of each of the submarkets and outlined potential priorities for each, it will be important that the submarkets and other portions of the county work together to address mutual housing issues.

***Consider Establishing a Housing Committee and/or Hiring a Housing Director to Help Define and Implement Housing Policies, Programs and Goals for the County and for Individual Communities*** – Given the scope and complexity of housing issues and needs facing the county and the various communities within it, the county should consider establishing a housing committee to provide oversight on various housing issues and efforts. This committee would be responsible for collecting and assessing information on housing issues, provide direction and/or recommendations to the county and communities, and help coordinate housing efforts within the county. Such a committee should be comprised of a broad mix of both public and private sector representatives. The county may also want to explore hiring a housing director with knowledge and experience in overseeing housing programs, developing policies, and securing housing funding. This position may be merged with an existing position already within the local government entities.

***Support Efforts to Develop Residential Units Along or Near Public Transportation Corridors and/or within Walkable Communities*** –The national trend of developing multifamily housing near public transit routes and within walkable downtowns continues. Several areas within Ottawa County have public transit routes (See: Section VII) and/or walkable downtowns that would serve as ideal locals for new multifamily residential development. In addition to supporting new residential developments, local governments should work towards improving *access* from potential residential sites to public transit routes and/or to walkable downtowns. We believe multifamily projects, both apartments and condominiums, serving seniors, young professionals, low-income households, and Millennials, should be encouraged in these areas.

***Consider Implementing/Modifying Policies to Encourage or Support the Development of New Residential Units*** – One of the key findings from this report is that there is *limited availability* among the existing housing stock in the county. While there are a notable amount of residential units in the development pipeline, projected job and demographic growth over the next few years will be significant and will require a steady introduction of new residential units to keep pace with the growing housing demand. The local governments should support housing policies such as expanding residential density, modifying unit size requirements (allowing for smaller units), requiring fewer parking spaces, expanding tax abatements, supporting or expanding TIF districts, waiving/deferring/lowering government fees, and exploring other measures specifically targeted to the types of housing (e.g. affordable, senior, etc.) and the geographic locations (e.g. near transit routes, near employment centers, etc.) that lead to meeting housing goals.

***Explore Programs, Funding Sources and Initiatives that Support the Development and Preservation of Housing, Particularly Affordable Housing*** – A significant challenge in the county is the imbalance between the costs/rents associated with the existing housing stock and the ability of households to pay for such housing. As shown in this report, there appears to be a relatively large inventory of higher priced for-sale homes and rental units that most households in the market cannot reasonably afford. In an effort to support the development and preservation of more affordable housing alternatives, local governments should consider supporting projects being developed with affordable housing development programs (e.g. Tax Credit and HUD programs), providing pre-development financial assistance, implementing inclusionary zoning (requiring market-rate developers to include some affordable housing units), supporting a Housing Trust Fund, and providing low-interest loans (and/or forgivable loans/grants) to lower income households that can be used for covering costs directly associated with the repairs and maintenance of the existing housing stock. Focus should be placed on those programs that support low-income households (seniors and families), workforce households, and first-time homebuyers. Additional housing is needed in order to have a healthy housing market, which will ultimately contribute to the local economy, quality of life and overall prosperity of Ottawa County.

***Support Efforts to Enable Area Seniors to Transition into Housing to Meet Their Changing Needs*** – Ottawa County has a very large base of older adults, with significant growth projected to occur among senior households ages 65 and older over the next several years. Currently, there is a very limited inventory of available housing in the market, and the few senior-restricted rental housing projects in the county are typically fully occupied with long wait lists. As a result, seniors in the county who wish to downsize into small, more maintenance-free housing, or seniors seeking affordable rentals will have difficulty finding housing that meet their needs. Based on the Bowen National Research survey of housing alternatives in the market, an assessment of area demographic characteristics and trends, and input from area stakeholders, it is evident that senior-oriented, independent living housing is and will be an important component to the overall housing market. New housing product for seniors that should be considered include affordable (low-income) rentals, market-rate independent living rentals, for-sale condominiums that include accessibility design elements, and senior care housing (assisted living and nursing homes).

***Preservation and Renovation of Existing Housing Should be an Area of Focus*** – Based on an analysis of published secondary data and Bowen National Research’s on-site observations of the county’s existing housing stock, it is evident that Ottawa County has a large inventory (more than 1,000 units) of housing that is classified as “substandard housing”. This includes units that lack complete indoor plumbing or are overcrowded. It is likely that many of these substandard housing units suffer from deferred maintenance and neglect and are likely in need of repairs and modernization. Priorities should be placed on means to preserve and renovate the existing housing stock. Housing plans and priorities should focus on efforts to help with the weatherization, modernization and repairs of the existing housing stock. This may involve establishing a low-interest revolving loan program to allow eligible homeowners to borrow the necessary funds to improve or repair their homes. Code compliance/enforcement efforts should continue to be an integral part of the county’s efforts to ensure housing is brought up to and maintained at expected standards.

***Identify and Market Ottawa County to Potential Residential Developers*** – Using a variety of sources, the county should attempt to identify and market itself to the residential developers active in the region. Identification could be through trade associations, published lists of developers, real estate agents or brokers and other real estate entities in the region. Marketing of the community through trade publications, direct solicitation or public venues (e.g. housing and economic conferences) should be considered. The promotion of market data (including this Housing Needs Assessment), development opportunities, housing programs and incentives should be the focus of such efforts.

***Explore and Encourage Development Partnerships*** – Government entities within the county may want to establish formal relationships with other entities to support housing development efforts. This may include relationships with non-profit groups (e.g. Ottawa County Community Action Agency, Habitat for Humanity, etc.) local businesses and private sector developers. The consolidation between the public and private sectors can lead to improved efficiencies, larger financial capacities, and more cohesive residential development efforts.

***Develop Next-Steps Plans*** – Using the findings and recommendations of this report, the county should begin to prioritize housing objectives and refine housing strategies that best fit the overarching goals of the county and its communities. Input from stakeholders and residents should be solicited. From these efforts a specific Action Plan could be put together with measurable goals and a timeline to follow.

**Note:** Analyses and recommendations pertaining to the five submarkets considered in this Housing Needs Assessment are included in Section IX of this report.

### III. Community Overview and Study Areas

#### A. Ottawa County, Michigan

This report focuses on the housing needs of Ottawa County, Michigan. Ottawa County is located on the western edge of Michigan, within the southwest portion of the lower peninsula. It is bounded by Muskegon County to the north, Kent County to the east, Allegan County to the south and Lake Michigan to the west. The county contains approximately 1,631 square miles, and was organized as a county in 1837.

While just over a third of the county's land is farmland and generally rural in nature, there are several cities within the county including Grand Haven (the county seat), Holland (largest city), Coopersville, Ferrysburg, Hudsonville and Zeeland. There is also one village (Spring Lake) within the county, along with several townships including (but not limited to) Allendale Township, Georgetown Township, Holland Township, and Park Township. Besides the adjoining Lake Michigan, notable waterways include Bass River, Grand River, Spring Lake, Lake Macatawa, Macatawa River, and Pigeon River. Notable highways that serve the county include Interstate Highways 96 and 196, as well as U.S. Highway 31 and several state and county routes.

With more than a quarter of a million people residing in the county, Ottawa County is the 8<sup>th</sup> largest county in the state of Michigan. The greatest concentration of people is located within the southwest portion of the county. According to 2017 estimates by the Census Bureau, Ottawa County was Michigan's fastest growing county.

The county is significantly influenced by tourism, in large part due to the beaches along the Lake Michigan coast and various events and festivals that take place in the county each year. The county also offers two state parks and more than 5,000 acres of county parks, along with numerous rivers and smaller lakes that attract visitors. The county's largest employment sectors include Manufacturing (23.3%), Retail Trade (12.2%) and Health Care & Social Assistance (10.2%). Some of the area's largest employers include Gentex Corporation, Herman Miller, Grand Valley State University, Haworth Incorporated, and Holland Hospital. Another influence on Ottawa County's growth is the residual impact the county is getting from the rapid growth occurring in the Greater Grand Rapids area, which continues to undergo significant economic growth and development.

The county's housing stock is dominated by for-sale/owner-occupied housing, representing roughly 80% of the supply. The market has a good balance of product by age, with around 60% being constructed prior to 1990 and approximately 40% built in the past 27 years. However, the county also has a large number of vacation or second homes, with more than 2,000 units of such housing.

Additional information regarding the county's demographic characteristics and trends, economic conditions, housing supply, community services and other attributes and challenges are included throughout this report.

## **B. Study Areas - PSA & SSA Delineations**

This report addresses the residential housing needs of Ottawa County, Michigan. To this end, we focused our evaluation on the demographic and economic characteristics, as well as the existing housing stock, of Ottawa County. Additionally, because of the unique characteristics that exist within certain areas of the county, we provided supplemental analysis of areas within the county and established by the client to understand trends and attributes that affect these designated areas. The following summarizes the various study areas used in this analysis.

***Primary Study Area*** - The Primary Study Area (PSA) includes all of Ottawa County.

***Submarket Study Areas*** - The Submarket Study Areas (SSA) are comprised of geographic regions within the county that were predetermined by the client. These include the Northwest Submarket, Southwest Submarket, East Submarket, Downtown Holland and city of Holland.

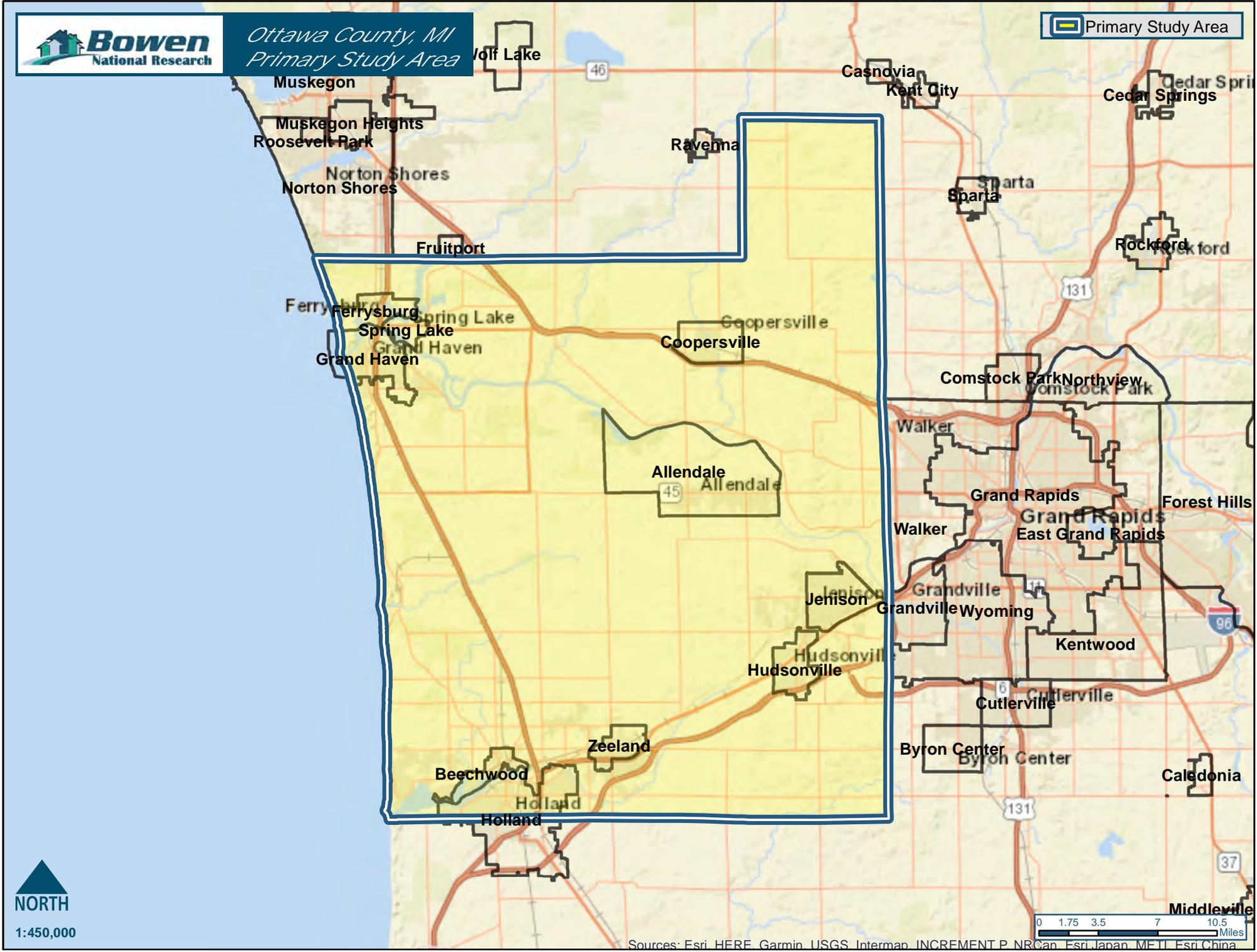
Maps delineating the boundaries of the various study areas are shown on the following pages.



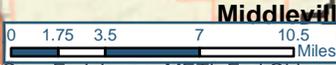


Ottawa County, MI  
Primary Study Area

Primary Study Area

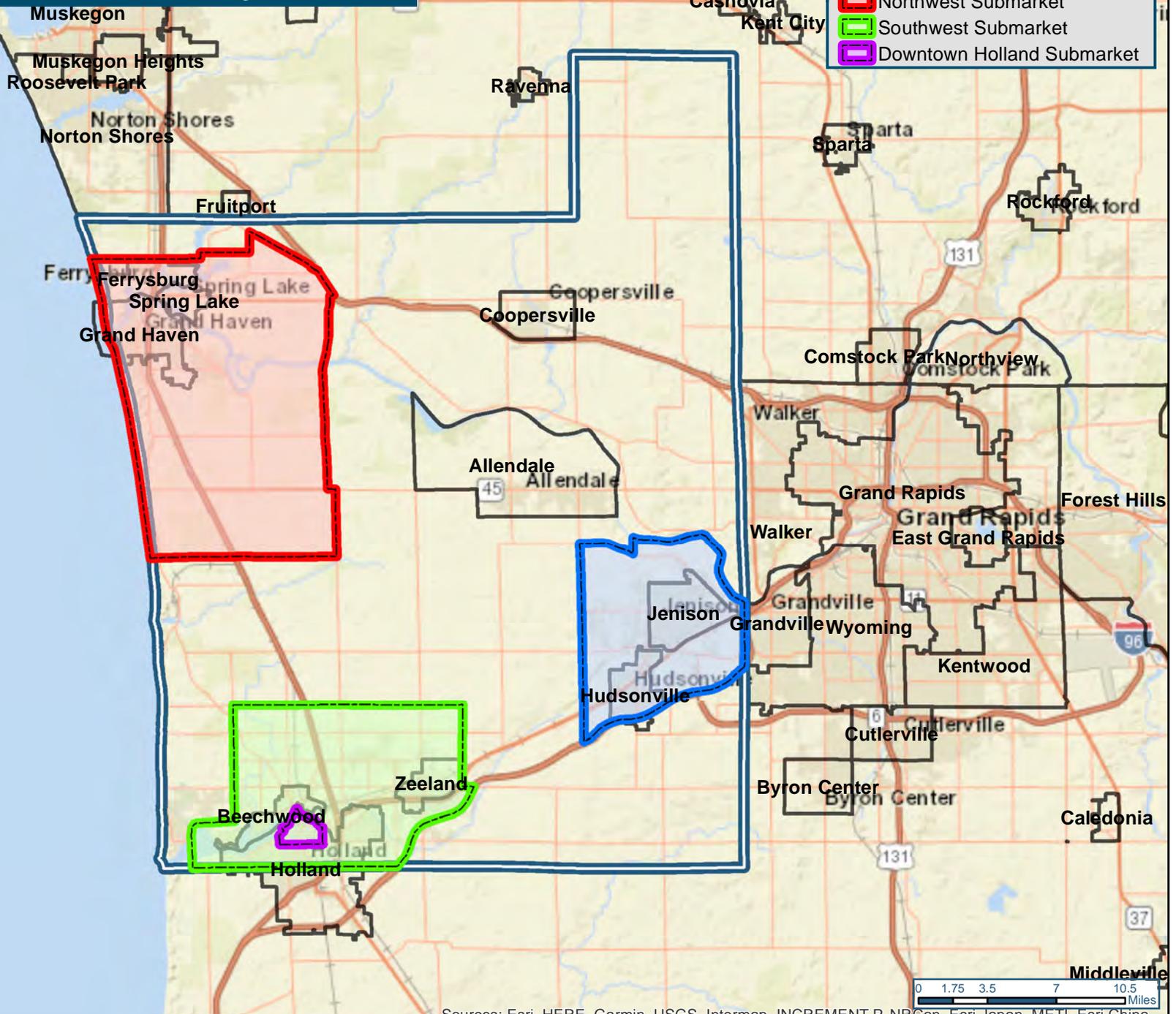


NORTH  
1:450,000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

-  Primary Study Area
-  East Submarket
-  Northwest Submarket
-  Southwest Submarket
-  Downtown Holland Submarket



## IV. Demographic Analysis

### A. Introduction

This section of the report evaluates key demographic characteristics for the Primary Study Area (Ottawa County) and the state of Michigan overall. Through this analysis, unfolding trends and unique conditions are often revealed regarding populations and households residing in the selected geographic areas. Demographic comparisons among these geographies provide insights into the human composition of housing markets. Critical questions, such as the following, can be answered with this information:

- Who lives in Ottawa County and what are these people like?
- In what kinds of household groupings do Ottawa County residents live?
- What share of people rent or own their Ottawa County residence?
- Are the number of people and households living in Ottawa County increasing or decreasing over time?
- How do Ottawa County residents compare with residents in the state of Michigan overall?

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

It is important to note that 2000 and 2010 demographics are based on U.S. Census data (actual count), while 2017 and 2022 data are based on calculated estimates provided by ESRI, a nationally recognized demography firm. The accuracy of these estimates depends on the realization of certain assumptions:

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

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

It should be noted that some total numbers and percentages may not match the totals within or between tables in this section due to rounding.

**B. Population Characteristics**

Population by numbers and percent change (growth or decline) for selected years is shown in the following table:

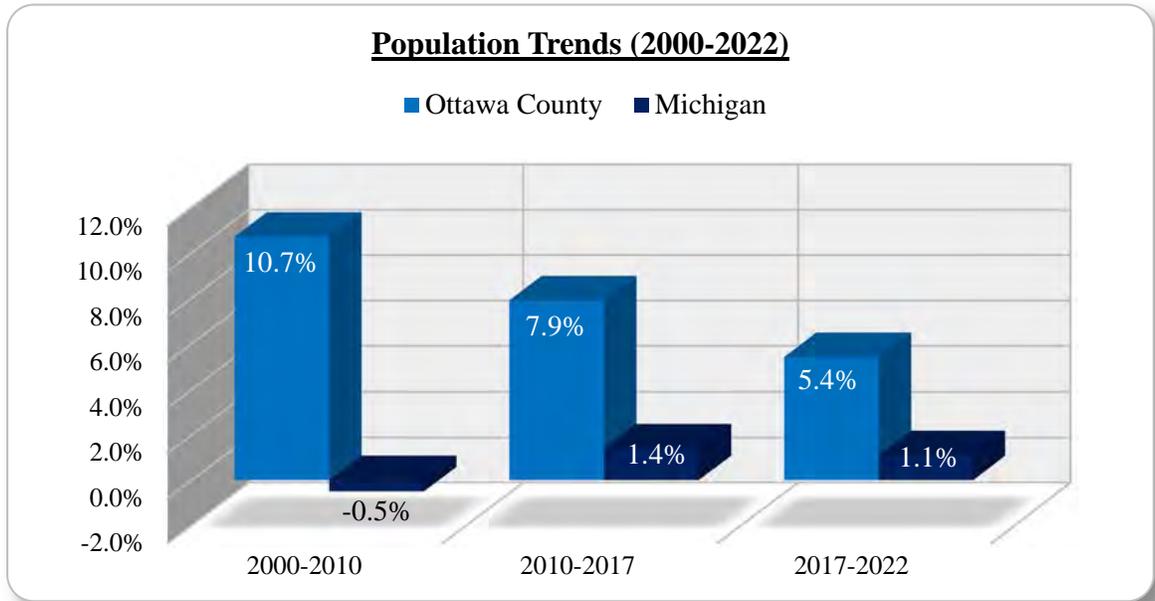
	Total Population									
	2000 Census	2010 Census	Change 2000-2010		2017 Estimated	Change 2010-2017		2022 Projected	Change 2017-2022	
			#	%		#	%		#	%
<b>Ottawa County</b>	238,314	263,801	25,487	10.7%	284,703	20,902	7.9%	300,174	15,471	5.4%
<b>Michigan</b>	9,937,740	9,883,636	-54,104	-0.5%	10,024,782	141,146	1.4%	10,131,030	106,248	1.1%

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

Noteworthy observations from the preceding table include:

- From 2000 to 2010, the Ottawa County population increased by 25,487, or 10.7%, while the population base within the state of Michigan declined by over 54,100 people, or 0.5%.
- Over the past seven years (2010 to 2017), the Ottawa County population base continued to experience positive growth, increasing by over 20,900 people, or 7.9%. During the same time frame, the state also experienced positive growth, increasing by 141,146, or 1.4%.
- Between 2017 and 2022, it is projected that the Ottawa County population base will continue to experience positive trends, increasing by 15,471, or 5.4%. This growth rate is projected to be more rapid than that of the state (1.1%) during the same time period.

The following graph compares percent change in population (growth) for various time periods.



Population by age cohorts for selected years is shown in the following table:

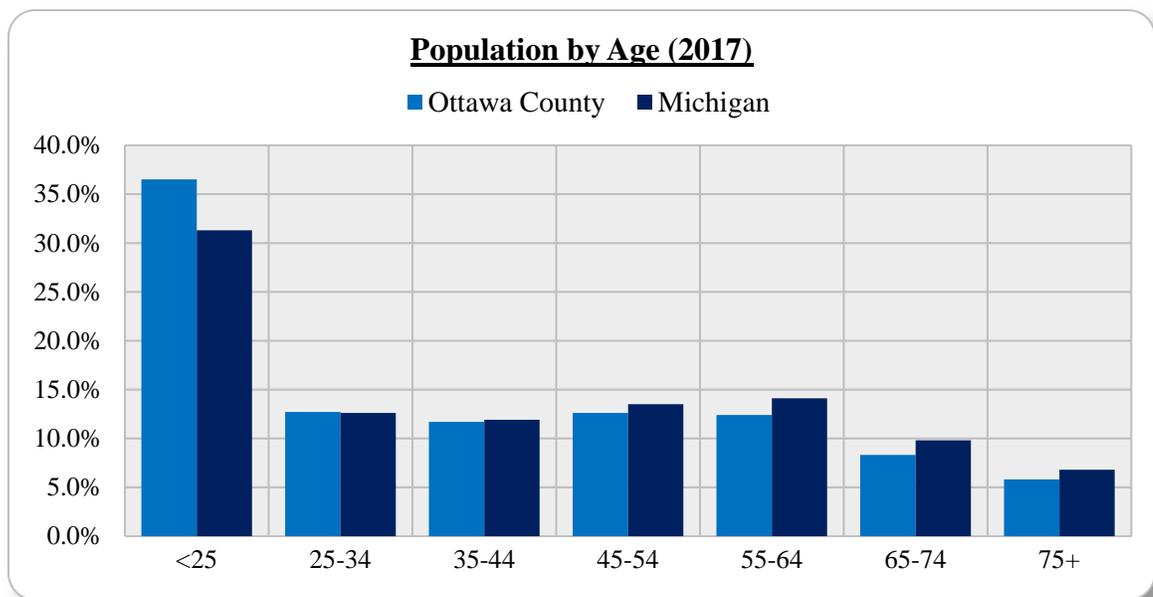
		Population by Age							Median Age
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+	
<b>Ottawa County</b>	2010	102,583 (38.9%)	30,765 (11.7%)	33,212 (12.6%)	37,340 (14.2%)	28,878 (10.9%)	16,599 (6.3%)	14,424 (5.5%)	34.5
	2017	103,955 (36.5%)	36,153 (12.7%)	33,285 (11.7%)	35,892 (12.6%)	35,335 (12.4%)	23,681 (8.3%)	16,402 (5.8%)	35.7
	2022	105,625 (35.2%)	38,203 (12.7%)	36,889 (12.3%)	33,980 (11.3%)	36,859 (12.3%)	28,720 (9.6%)	19,898 (6.6%)	36.6
	Change 2017-2022	1,670 (1.6%)	2,050 (5.7%)	3,604 (10.8%)	-1,912 (-5.3%)	1,524 (4.3%)	5,039 (21.3%)	3,496 (21.3%)	N/A
<b>Michigan</b>	2010	3,317,955 (33.6%)	1,164,149 (11.8%)	1,277,974 (12.9%)	1,510,033 (15.3%)	1,251,996 (12.7%)	724,708 (7.3%)	636,821 (6.4%)	38.8
	2017	3,137,831 (31.3%)	1,262,554 (12.6%)	1,193,884 (11.9%)	1,348,764 (13.5%)	1,415,768 (14.1%)	983,932 (9.8%)	682,049 (6.8%)	40.1
	2022	3,041,570 (30.0%)	1,272,484 (12.6%)	1,234,894 (12.2%)	1,240,375 (12.2%)	1,399,552 (13.8%)	1,151,594 (11.4%)	790,561 (7.8%)	41.0
	Change 2017-2022	-96,261 (-3.1%)	9,930 (0.8%)	41,010 (3.4%)	-108,389 (-8.0%)	-16,216 (-1.1%)	167,662 (17.0%)	108,512 (15.9%)	N/A

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research  
N/A – Not Applicable

Noteworthy observations from the preceding table include:

- The median age (35.7) for Ottawa County’s population in 2017 is younger than the overall state of Michigan (40.1). It is projected that the Ottawa County’s median age will increase slightly to 36.6 by 2022.
- Excluding the under age 25 cohort, the largest share of the Ottawa County population in 2017 falls between the ages of 25 and 34, which comprise 12.7% of the population. By 2022, this age cohort is projected to still comprise 12.7% of the overall population within the county.
- Between 2017 and 2022, the greatest change in population by age within Ottawa County is projected to occur among persons ages 65 and older, increasing by 8,535, or 21.3%. The county’s population between the ages of 35 and 44 is also projected to experience significant growth, increasing by over 3,600 individuals, or 10.8%, during the same time period.
- The only age cohort within the county that is projected to experience a decline between 2017 and 2022 will be among those between the ages of 45 and 54, decreasing by 1,912, or 5.3%.
- In 2017, Ottawa County had a higher share (36.5%) of people under the age of 25, which includes children, than that of the state of Michigan (31.3%).

The following graph compares county and state population age cohort shares for 2017:



Population by race for 2010 is shown in the following table:

		Population by Race					
		White Alone	Black or African American Alone	Asian Alone	Some Other Race Alone	Two or More Races	Total
<b>Ottawa County</b>	Number	237,638	3,874	6,738	10,213	5,338	263,801
	Percent	90.1%	1.5%	2.6%	3.9%	2.0%	100.0%
<b>Michigan</b>	Number	7,803,116	1,400,362	238,199	211,640	230,319	9,883,636
	Percent	78.9%	14.2%	2.4%	2.1%	2.3%	100.0%

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

Noteworthy observations from the preceding table include:

- Over 90% of the population within Ottawa County was categorized as “White Alone”. This specific race represented 78.9% of the entire population of the state, which was well below that of the county.

Population by marital status for 2018 is shown in the following table:

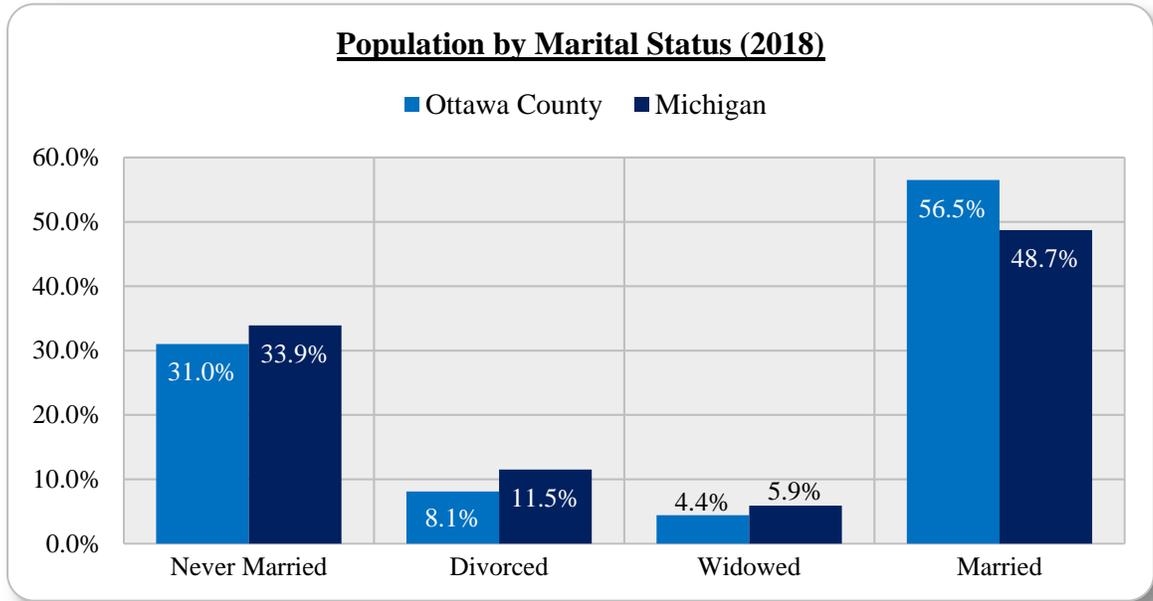
		Population by Marital Status				
		Not Married			Married	Total
		Never Married	Divorced	Widowed		
<b>Ottawa County</b>	Number	70,890	18,417	10,086	128,927	228,320
	Percent	31.0%	8.1%	4.4%	56.5%	100.0%
<b>Michigan</b>	Number	2,790,601	947,667	486,869	4,017,052	8,242,189
	Percent	33.9%	11.5%	5.9%	48.7%	100.0%

Source: 2018 Estimated; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- Ottawa County had a higher share (56.5%) of married people when compared with the state (48.7%).
- Nearly one-third of Ottawa County residents have never been married, which is generally comparable to the state.

The following graph compares county and state marital status shares for 2018:



Population by highest educational attainment for 2018 is shown below:

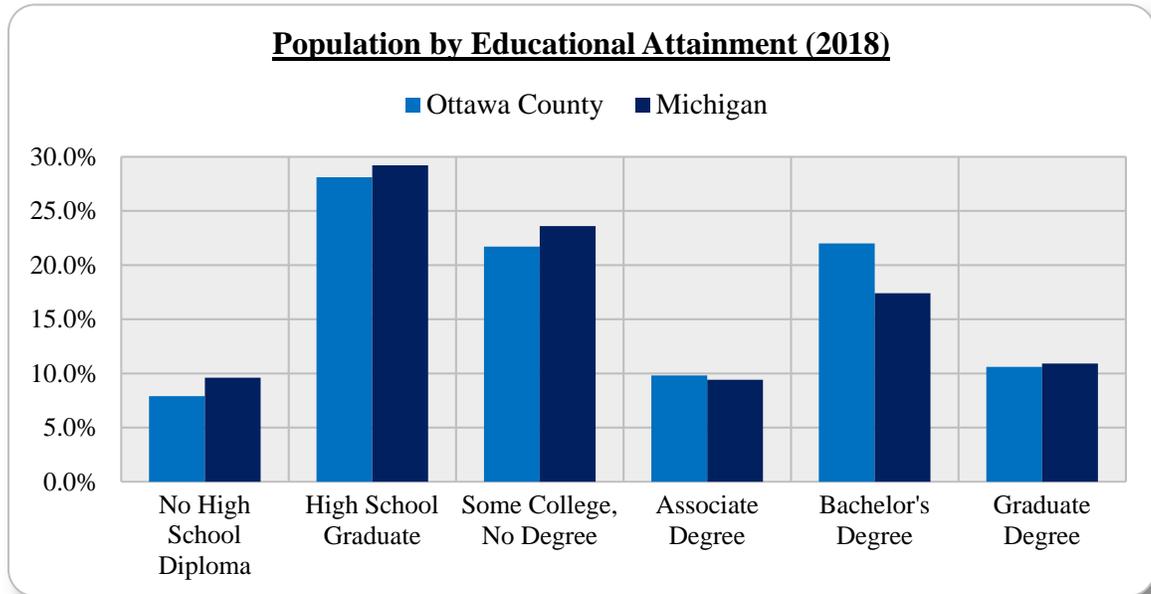
		Population by Educational Attainment						
		No High School Diploma	High School Graduate	Some College, No Degree	Associate Degree	Bachelor Degree	Graduate Degree	Total
Ottawa County	Number	14,221	50,843	39,210	17,692	39,676	19,106	180,748
	Percent	7.9%	28.1%	21.7%	9.8%	22.0%	10.6%	100.0%
Michigan	Number	658,050	2,010,699	1,627,853	644,437	1,196,788	749,122	6,886,949
	Percent	9.6%	29.2%	23.6%	9.4%	17.4%	10.9%	100.0%

Source: 2018 Estimated; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- Ottawa County had a lower share (7.9%) of people without high school diplomas than that of the state (9.6%).
- Over two-fifths (42.4%) of Ottawa County residents have received a college degree, which is above the share (37.7%) of college degree holders in Michigan overall.

The following graph compares county and state educational attainment for 2018:



Population by poverty status is shown in the following table:

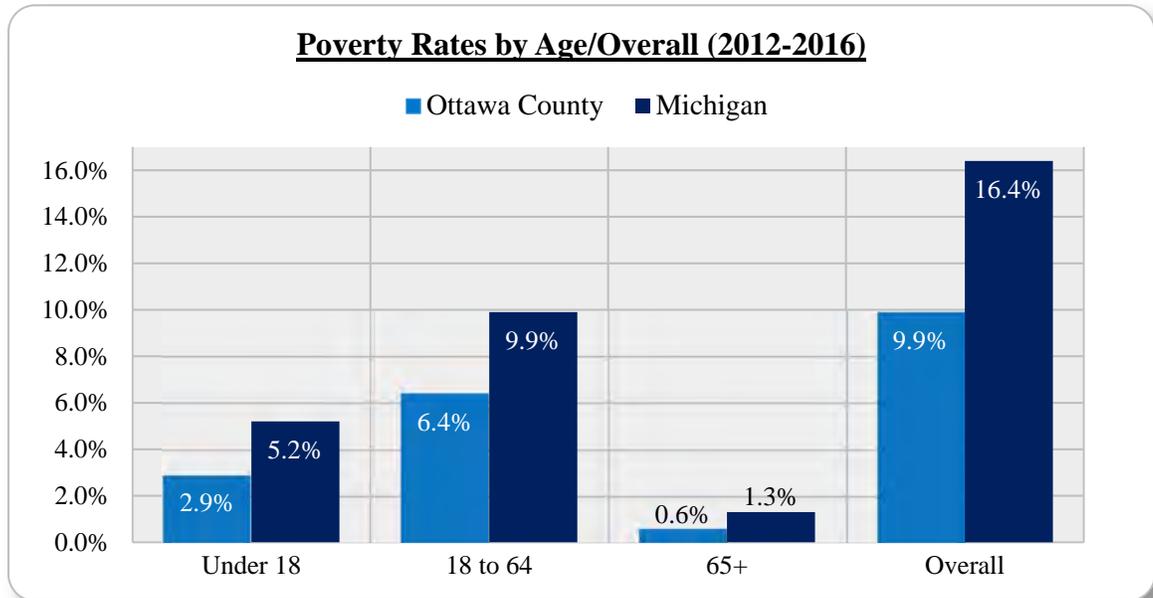
		Population by Poverty Status						
		Income below poverty level:			Income at or above poverty level:			
		<18	18 to 64	65+	<18	18 to 64	65+	Total
<b>Ottawa County</b>	Number	7,680	17,174	1,657	59,441	146,954	33,959	266,865
	Percent	2.9%	6.4%	0.6%	22.3%	55.1%	12.7%	100.0%
<b>Michigan</b>	Number	499,145	954,631	121,290	1,686,374	5,054,589	1,367,836	9,683,865
	Percent	5.2%	9.9%	1.3%	17.4%	52.2%	14.1%	100.0%

Source: U.S. Census Bureau, 2012-2016 American Community Survey; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- Ottawa County had a much lower share (9.9%) of people living below the poverty level than the state (16.4%).
- Overall, 26,511 of Ottawa County's population was comprised of individuals with incomes below the poverty level, 7,680 of which are children.

The following graph compares county and state poverty status for each geographic area.



Population by migration (previous residence one year prior to survey) for years 2012-2016 is shown in the following table:

		Population by Migration					
		Same House	Different House in Same County	Different County In Same State	Different State	Moved from Abroad	Total
Ottawa County	Number	230,974	21,508	15,390	4,020	1,246	273,138
	Percent	84.6%	7.9%	5.6%	1.5%	0.5%	100.0%
Michigan	Number	8,354,507	881,995	368,593	144,849	48,594	9,798,538
	Percent	85.3%	9.0%	3.8%	1.5%	0.5%	100.0%

Source: U.S. Census Bureau, 2012-2016 American Community Survey; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- Ottawa County had a slightly higher share (15.4%) of people changing residences annually than that of the state of Michigan (14.7%).
- Of the number of Ottawa County residents who had changed residences over the preceding year, most moved from within the county.

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

		Population Densities			
		Year			
		2000	2010	2017	2022
<b>Ottawa County</b>	Population	238,314	263,801	284,703	300,174
	Area in Square Miles	577.07	577.07	577.07	577.07
	Density	413.0	457.1	493.4	520.2
<b>Michigan</b>	Population	9,937,740	9,883,636	10,024,782	10,131,030
	Area in Square Miles	58,143.72	58,143.72	58,143.72	58,143.72
	Density	170.9	170.0	172.4	174.2

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

Noteworthy observations from the preceding table include:

- In 2017, the population density in Ottawa County of 493.4 people per square mile is significantly greater than the state’s density of 172.4.
- Ottawa County’s population density is projected to increase to 520.2 through 2022.

### C. Household Characteristics

Households by numbers and percent change (growth or decline) for selected years are shown in the following table:

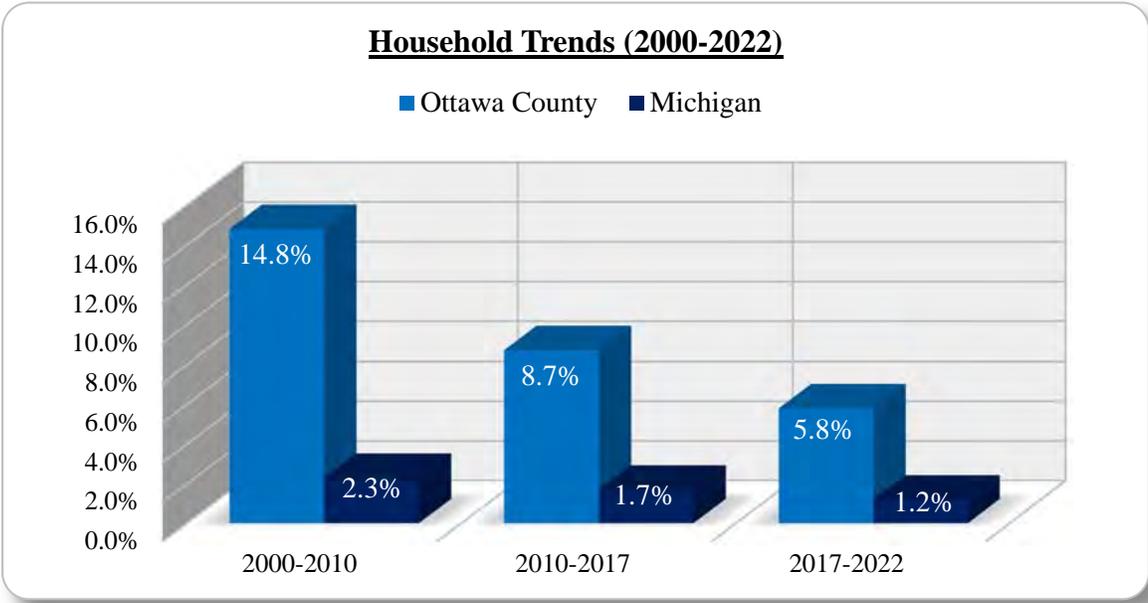
	Total Households									
	2000 Census	2010 Census	Change 2000-2010		2017 Estimated	Change 2010-2017		2022 Projected	Change 2017-2022	
			#	%		#	%		#	%
<b>Ottawa County</b>	81,662	93,775	12,113	14.8%	101,892	8,117	8.7%	107,804	5,912	5.8%
<b>Michigan</b>	3,785,098	3,872,380	87,282	2.3%	3,940,023	67,643	1.7%	3,986,472	46,449	1.2%

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

Noteworthy observations from the preceding table include:

- From 2000 to 2010, the number of households in Ottawa County increased by 12,113, or 14.8%. The rate of growth within the county far exceeded that of the state of 2.3% during the same time frame. These positive trends continued through 2017.
- Between 2017 and 2022, the number of households in Ottawa County is expected to increase by over 5,900, or 5.8%, still well above that expected for the state of Michigan overall of just 1.2%.

The following graph compares county and state percent change in households (growth +/-decline -) for various time periods.



Household heads by age cohorts for selected years are shown in the following table:

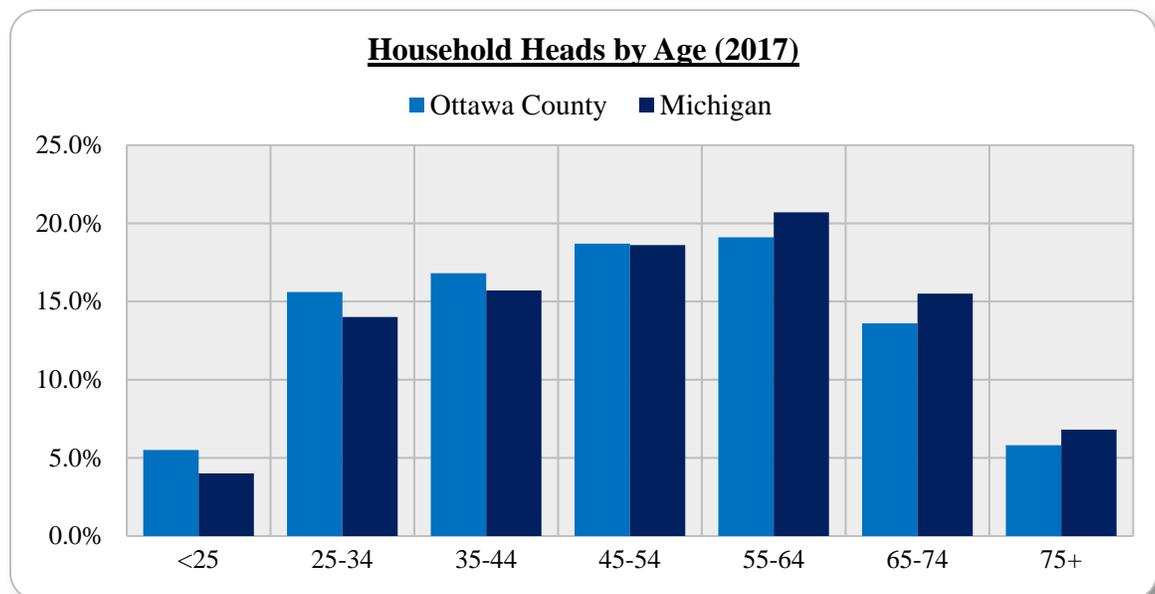
		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
<b>Ottawa County</b>	2010	5,531 (5.9%)	13,959 (14.9%)	17,478 (18.6%)	20,449 (21.8%)	16,490 (17.6%)	10,015 (10.7%)	9,858 (10.5%)
	2017	5,593 (5.5%)	15,882 (15.6%)	17,101 (16.8%)	19,099 (18.7%)	19,507 (19.1%)	13,856 (13.6%)	10,854 (10.7%)
	2022	5,622 (5.2%)	16,507 (15.3%)	18,615 (17.3%)	17,796 (16.5%)	19,952 (18.5%)	16,436 (15.2%)	12,876 (11.9%)
	<b>Change 2017-2022</b>	29 (0.5%)	625 (3.9%)	1,514 (8.9%)	-1,303 (-6.8%)	445 (2.3%)	2,580 (18.6%)	2,022 (18.6%)
<b>Michigan</b>	2010	170,985 (4.4%)	525,857 (13.6%)	678,290 (17.5%)	844,934 (21.8%)	746,430 (19.3%)	463,597 (12.0%)	442,415 (11.4%)
	2017	156,609 (4.0%)	550,352 (14.0%)	617,037 (15.7%)	731,375 (18.6%)	816,534 (20.7%)	609,539 (15.5%)	458,577 (11.6%)
	2022	147,970 (3.7%)	545,643 (13.7%)	626,183 (15.7%)	660,134 (16.6%)	789,510 (19.8%)	697,470 (17.5%)	519,562 (13.0%)
	<b>Change 2017-2022</b>	-8,639 (-5.5%)	-4,709 (-0.9%)	9,146 (1.5%)	-71,241 (-9.7%)	-27,024 (-3.3%)	87,931 (14.4%)	60,985 (13.3%)

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

Noteworthy observations from the preceding table include:

- The largest share (19.1%) of households by age in Ottawa County in 2017 is among those between the ages of 55 and 64. By 2022, it is projected that households between this same age group will still represent the largest share (18.5%) of households and those between the ages of 35 and 44 will represent the second largest share (17.3%).
- Between 2017 and 2022, households ages 65 and older in the county are projected to experience significant growth, increasing by over 4,600, or 18.6%. The growth in senior households is primarily attributed to seniors aging in place. With the exception of households between the ages of 45 and 54, all other age cohorts within Ottawa County are projected to experience growth during the same time period.

The following graph compares county and state household age cohort shares for 2017:



Households by tenure for selected years are shown in the following table:

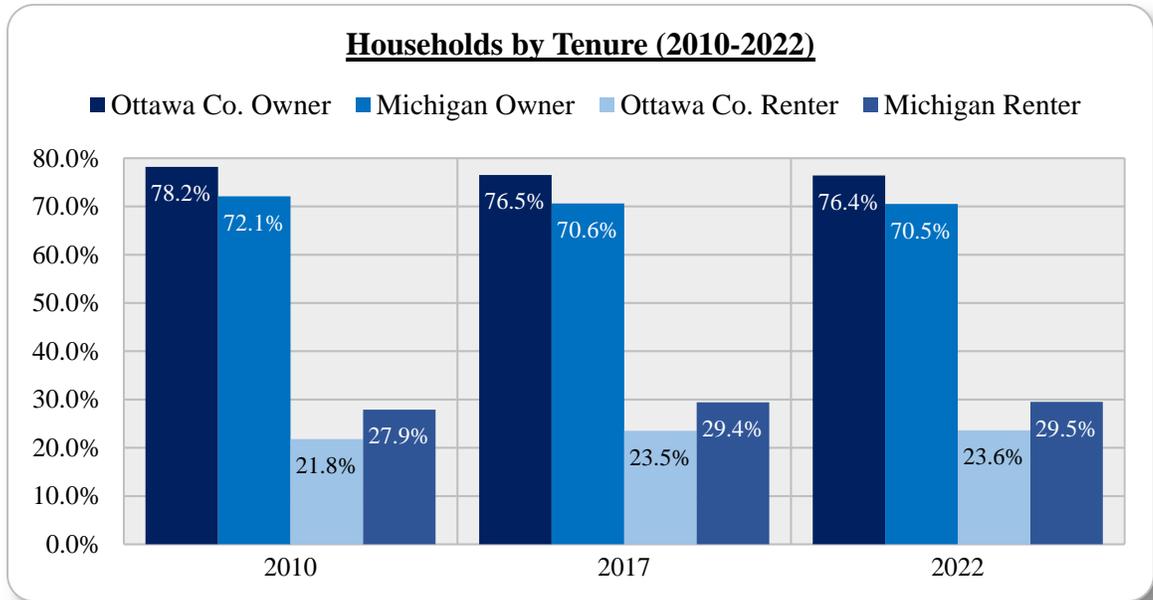
		Households by Tenure							
		2000		2010		2017		2022	
Household Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Ottawa County</b>	Owner-Occupied	65,918	80.7%	73,303	78.2%	77,974	76.5%	82,370	76.4%
	Renter-Occupied	15,744	19.3%	20,472	21.8%	23,918	23.5%	25,434	23.6%
	Total	81,662	100.0%	93,775	100.0%	101,892	100.0%	107,804	100.0%
<b>Michigan</b>	Owner-Occupied	2,793,058	73.8%	2,793,338	72.1%	2,779,758	70.6%	2,810,453	70.5%
	Renter-Occupied	992,040	26.2%	1,079,042	27.9%	1,160,265	29.4%	1,176,019	29.5%
	Total	3,785,098	100.0%	3,872,380	100.0%	3,940,023	100.0%	3,986,472	100.0%

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

Noteworthy observations from the preceding table include:

- While both owner and renter households within Ottawa County have been increasing since 2000, renter households have done so at a much faster pace. As of 2017, renter households represented nearly a quarter (23.5%) of all households within the county, an increase from 21.8% reported in 2010.
- Between 2017 and 2022, owner and renter households within the county are projected to increase by 4,396 (5.6%) and 1,516 (6.3%), respectively. These trends indicate that there will be an increasing need for all types of housing within Ottawa County.

The following graph compares county and state household tenure shares for 2017:



Renter households by size for selected years are shown in the following table:

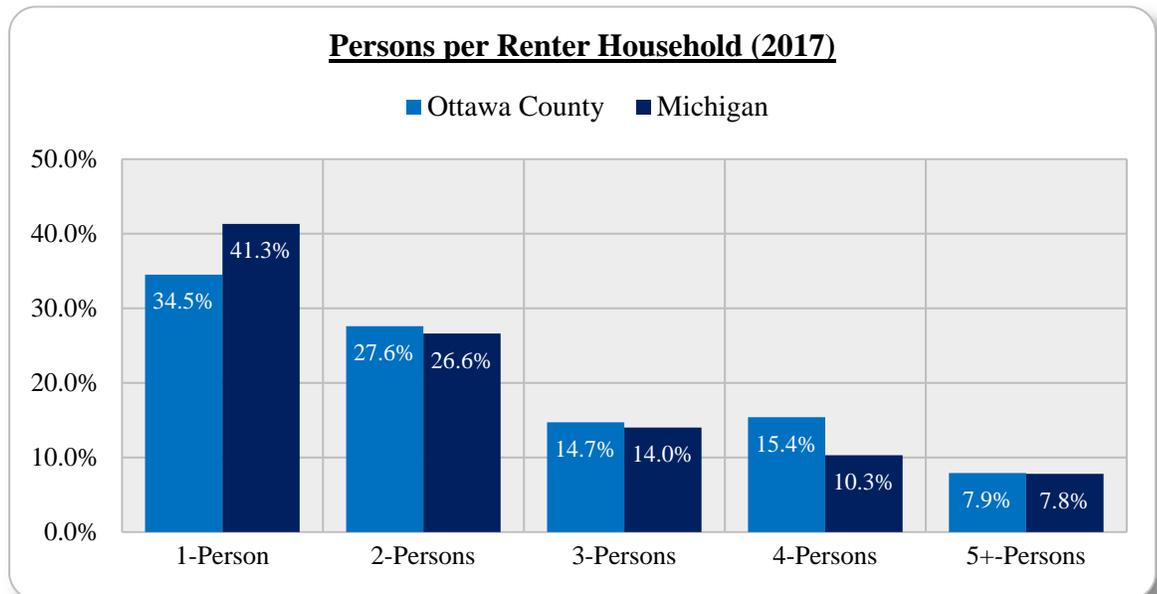
		Persons Per Renter Household					Total	Average H.H. Size
		1-Person	2-Person	3-Person	4-Person	5-Person		
Ottawa County	2010	7,157 (35.0%)	5,808 (28.4%)	2,985 (14.6%)	2,733 (13.4%)	1,789 (8.7%)	20,472 (100.0%)	2.33
	2017	8,247 (34.5%)	6,592 (27.6%)	3,516 (14.7%)	3,683 (15.4%)	1,880 (7.9%)	23,918 (100.0%)	2.35
	2022	8,618 (33.9%)	6,954 (27.3%)	3,708 (14.6%)	4,131 (16.2%)	2,023 (8.0%)	25,434 (100.0%)	2.37
Michigan	2010	448,933 (41.6%)	282,202 (26.1%)	152,162 (14.1%)	109,104 (10.1%)	86,765 (8.0%)	1,079,166 (100.0%)	2.17
	2017	478,841 (41.3%)	308,979 (26.6%)	162,553 (14.0%)	119,275 (10.3%)	90,617 (7.8%)	1,160,265 (100.0%)	2.17
	2022	483,332 (41.1%)	314,830 (26.8%)	164,695 (14.0%)	121,948 (10.4%)	91,214 (7.8%)	1,176,019 (100.0%)	2.17

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

Noteworthy observations from the preceding table include:

- In 2017, the largest share (34.5%) of renter households in Ottawa County consisted of one person, while two-person households represented the second largest share (27.6%) of renter households. In 2022, these shares are projected to be generally comparable to those reported in 2017.
- All renter households, regardless of size, within the county are projected to experience growth through 2022. However, larger household sizes (four-person+) are expected to increase at a more rapid rate (10.6%) than smaller household sizes (5.0%) from 2017.
- The overall median renter household size is expected to remain virtually unchanged over the next five years in Ottawa County.

The following graph compares county and state renter household sizes for 2017:



Owner households by size for selected years are shown on the following table:

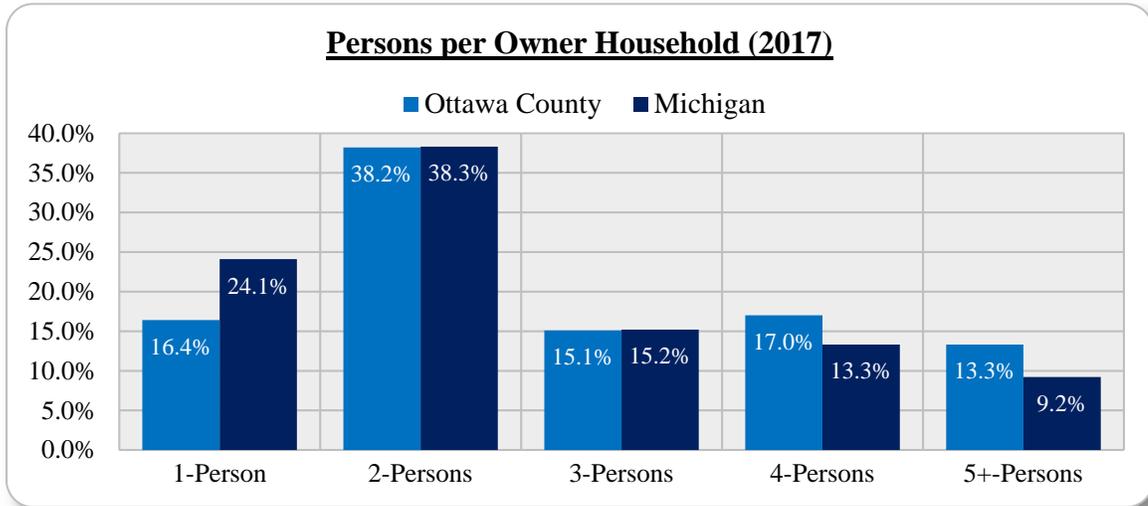
		Persons Per Owner Household						Average H.H. Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
<b>Ottawa County</b>	2010	12,499 (17.0%)	26,823 (36.6%)	11,260 (15.4%)	12,565 (17.1%)	10,160 (13.9%)	73,308 (100.0%)	2.74
	2017	12,819 (16.4%)	29,778 (38.2%)	11,751 (15.1%)	13,224 (17.0%)	10,402 (13.3%)	77,974 (100.0%)	2.73
	2022	13,389 (16.3%)	31,808 (38.6%)	12,359 (15.0%)	13,821 (16.8%)	10,993 (13.3%)	82,370 (100.0%)	2.72
<b>Michigan</b>	2010	662,581 (23.7%)	1,048,900 (37.6%)	431,013 (15.4%)	390,789 (14.0%)	260,060 (9.3%)	2,793,342 (100.0%)	2.48
	2017	671,034 (24.1%)	1,064,091 (38.3%)	421,133 (15.2%)	369,152 (13.3%)	254,348 (9.2%)	2,779,758 (100.0%)	2.45
	2022	682,292 (24.3%)	1,080,414 (38.4%)	423,674 (15.1%)	368,258 (13.1%)	255,815 (9.1%)	2,810,453 (100.0%)	2.44

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

Noteworthy observations from the preceding table include:

- One- and two-person owner households represent nearly 55% of all Ottawa County owner households in 2017. The share of one- and two-person owner households is not expected to change much over the next five years.
- The median owner household size is projected to remain virtually unchanged through 2022 for Ottawa County.
- While all owner household sizes within the county are projected to increase between 2017 and 2022, two-person owner households are expected to do so at the fastest rate (6.8%).

The following graph compares owner household sizes for 2017:



The distribution of households by income is illustrated below:

		Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
<b>Ottawa County</b>	2010	4,470 (4.8%)	9,526 (10.2%)	9,642 (10.3%)	9,908 (10.6%)	10,130 (10.8%)	9,505 (10.1%)	24,649 (26.3%)	15,950 (17.0%)
	2017	4,804 (4.7%)	7,878 (7.7%)	9,172 (9.0%)	9,863 (9.7%)	9,952 (9.8%)	9,199 (9.0%)	26,840 (26.3%)	24,184 (23.7%)
	2022	5,633 (5.2%)	8,741 (8.1%)	10,087 (9.4%)	10,584 (9.8%)	10,754 (10.0%)	9,582 (8.9%)	26,992 (25.0%)	25,431 (23.6%)
	Change 2017-2022	829 (17.3%)	863 (11.0%)	915 (10.0%)	721 (7.3%)	802 (8.1%)	383 (4.2%)	152 (0.6%)	1,247 (5.2%)
<b>Michigan</b>	2010	335,117 (8.7%)	480,124 (12.4%)	455,980 (11.8%)	432,133 (11.2%)	385,692 (10.0%)	334,697 (8.6%)	823,581 (21.3%)	625,184 (16.1%)
	2017	285,526 (7.2%)	413,117 (10.5%)	409,952 (10.4%)	403,978 (10.3%)	366,124 (9.3%)	325,723 (8.3%)	889,207 (22.6%)	846,396 (21.5%)
	2022	311,353 (7.8%)	451,208 (11.3%)	417,473 (10.5%)	412,066 (10.3%)	364,232 (9.1%)	324,157 (8.1%)	853,514 (21.4%)	852,469 (21.4%)
	Change 2017-2022	25,827 (9.0%)	38,091 (9.2%)	7,521 (1.8%)	8,088 (2.0%)	-1,892 (-0.5%)	-1,566 (-0.5%)	-35,693 (-4.0%)	6,073 (0.7%)

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

Noteworthy observations from the preceding table include:

- In 2017, the largest number of households in Ottawa County had incomes of \$60,000 or higher, representing 50.0% of all households within the county. This share of higher income households within Ottawa County is higher than that of the state of 44.1%.
- Between 2017 and 2022, while all income cohorts within the county are projected to experience growth, those earning below \$10,000 are expected to increase at a more rapid rate of 17.3%. This far exceeds low-income household growth projected for the state at 9.0% during the same time period. These trends indicate that the need for housing within Ottawa County will increase in the foreseeable future, with greater emphasis on affordable housing.

The distribution of *renter* households by income is illustrated below:

		Renter Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
<b>Ottawa County</b>	2010	2,335 (11.4%)	4,660 (22.8%)	3,597 (17.6%)	2,696 (13.2%)	2,591 (12.7%)	1,383 (6.8%)	2,611 (12.8%)	599 (2.9%)
	2017	2,861 (12.0%)	3,964 (16.6%)	3,794 (15.9%)	3,326 (13.9%)	2,901 (12.1%)	1,759 (7.4%)	3,823 (16.0%)	1,490 (6.2%)
	2022	3,329 (13.1%)	4,054 (15.9%)	4,000 (15.7%)	3,525 (13.9%)	2,946 (11.6%)	1,765 (6.9%)	3,885 (15.3%)	1,930 (7.6%)
	Change 2017-2022	468 (16.3%)	90 (2.3%)	206 (5.4%)	199 (6.0%)	45 (1.6%)	6 (0.4%)	62 (1.6%)	441 (29.6%)
<b>Michigan</b>	2010	199,790 (18.5%)	246,645 (22.9%)	177,616 (16.5%)	132,088 (12.2%)	102,301 (9.5%)	60,178 (5.6%)	120,823 (11.2%)	39,725 (3.7%)
	2017	175,708 (15.1%)	224,541 (19.4%)	177,821 (15.3%)	142,915 (12.3%)	114,689 (9.9%)	76,260 (6.6%)	172,915 (14.9%)	75,415 (6.5%)
	2022	181,104 (15.4%)	232,549 (19.8%)	173,518 (14.8%)	140,842 (12.0%)	111,166 (9.5%)	77,583 (6.6%)	174,025 (14.8%)	85,233 (7.2%)
	Change 2017-2022	5,396 (3.1%)	8,008 (3.6%)	-4,303 (-2.4%)	-2,073 (-1.5%)	-3,523 (-3.1%)	1,323 (1.7%)	1,109 (0.6%)	9,817 (13.0%)

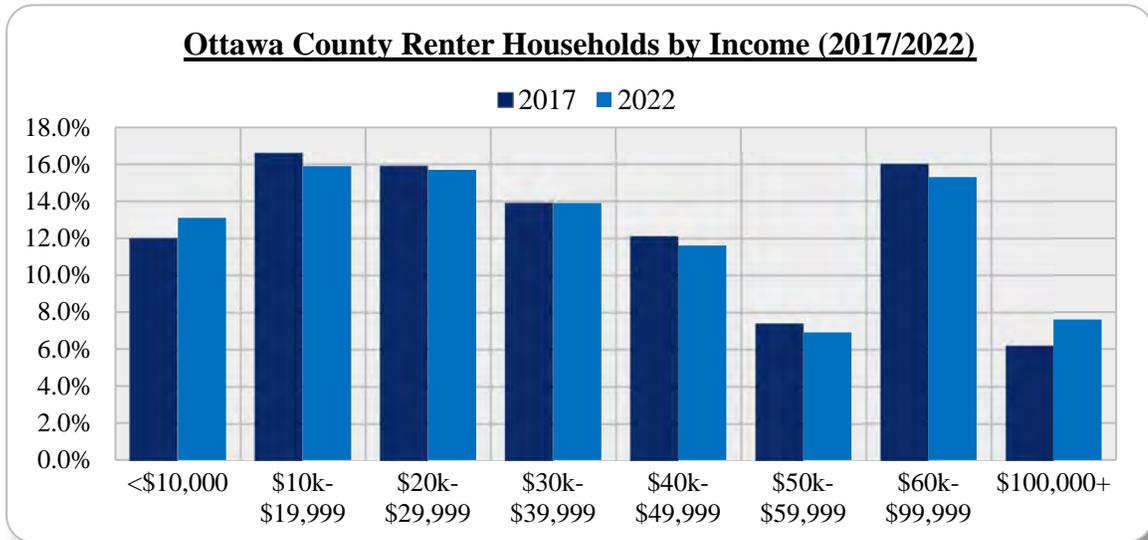
Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- In 2017, the largest share (32.5%) of renter households in Ottawa County had incomes between \$10,000 and \$29,999, with the next largest share (16.0%) making between \$60,000 and \$99,999. The share of low-income renter households (earning less than \$20,000) within the county is slightly below that of the state, while the share of higher income renter households (earning \$60,000 or more) is slightly above that of the state.

- Between 2017 and 2022, most renter household growth within Ottawa County is projected to be among those earning below \$10,000, increasing by 468, or 16.3%. Renter households earning \$100,000 or more within the county are projected to increase by 441, or 29.6%. These trends illustrate that there will likely be an increasing need for both affordable and market-rate rental housing within Ottawa County.

The following graphs compare *renter* household income shares for 2017 and 2022:



The distribution of *owner* households by income is included below:

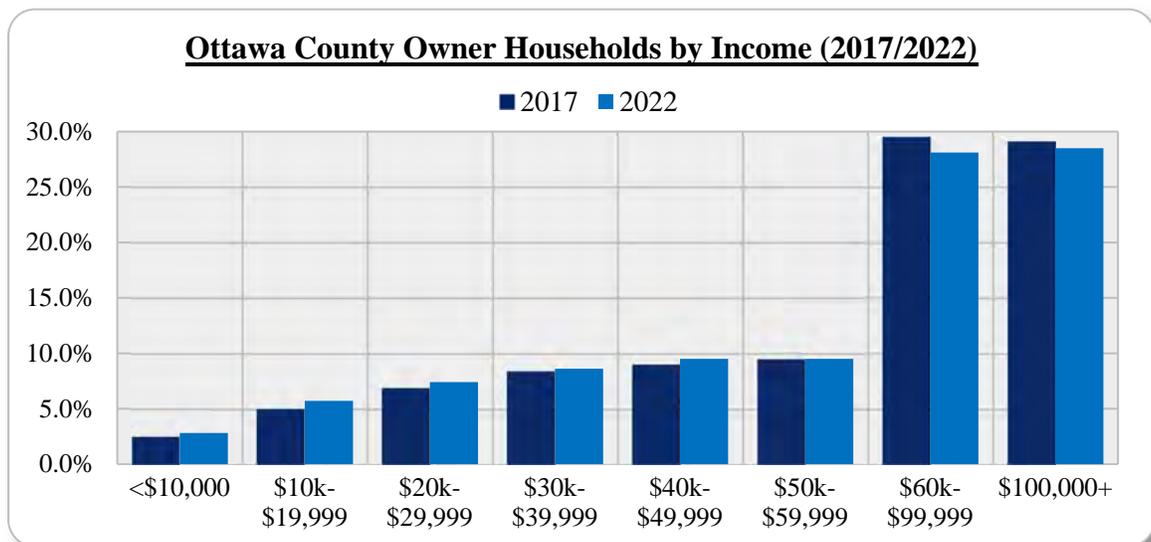
		Owner Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
<b>Ottawa County</b>	2010	2,135 (2.9%)	4,866 (6.6%)	6,045 (8.2%)	7,212 (9.8%)	7,539 (10.3%)	8,122 (11.1%)	22,038 (30.1%)	15,351 (20.9%)
	2017	1,943 (2.5%)	3,914 (5.0%)	5,378 (6.9%)	6,537 (8.4%)	7,051 (9.0%)	7,440 (9.5%)	23,017 (29.5%)	22,694 (29.1%)
	2022	2,304 (2.8%)	4,687 (5.7%)	6,087 (7.4%)	7,059 (8.6%)	7,808 (9.5%)	7,817 (9.5%)	23,107 (28.1%)	23,501 (28.5%)
	Change 2017-2022	361 (18.6%)	773 (19.7%)	709 (13.2%)	522 (8.0%)	757 (10.7%)	377 (5.1%)	90 (0.4%)	806 (3.6%)
<b>Michigan</b>	2010	135,327 (4.8%)	233,479 (8.4%)	278,364 (10.0%)	300,045 (10.7%)	283,391 (10.1%)	274,519 (9.8%)	702,758 (25.2%)	585,459 (21.0%)
	2017	109,818 (4.0%)	188,576 (6.8%)	232,131 (8.4%)	261,063 (9.4%)	251,435 (9.0%)	249,463 (9.0%)	716,292 (25.8%)	770,981 (27.7%)
	2022	130,249 (4.6%)	218,659 (7.8%)	243,955 (8.7%)	271,224 (9.7%)	253,066 (9.0%)	246,574 (8.8%)	679,489 (24.2%)	767,236 (27.3%)
	Change 2017-2022	20,431 (18.6%)	30,083 (16.0%)	11,824 (5.1%)	10,161 (3.9%)	1,631 (0.6%)	-2,889 (-1.2%)	-36,802 (-5.1%)	-3,744 (-0.5%)

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

Noteworthy observations from the preceding table include:

- In 2017, the largest share (29.5%) of owner households in Ottawa County had incomes between \$60,000 and \$99,999, with the next largest share (29.1%) making \$100,000 or more. The shares of higher income owner households within the county are above that of the state.
- Between 2017 and 2022, while most owner household growth within Ottawa County is projected to be among those earning \$100,000 or more, lower income owner households earning below \$30,000 are projected to increase at a more rapid rate.

The following graphs compare *owner* household income shares for 2017 and 2022:



The following table shows the distribution of *senior (age 55+) renter* households by income:

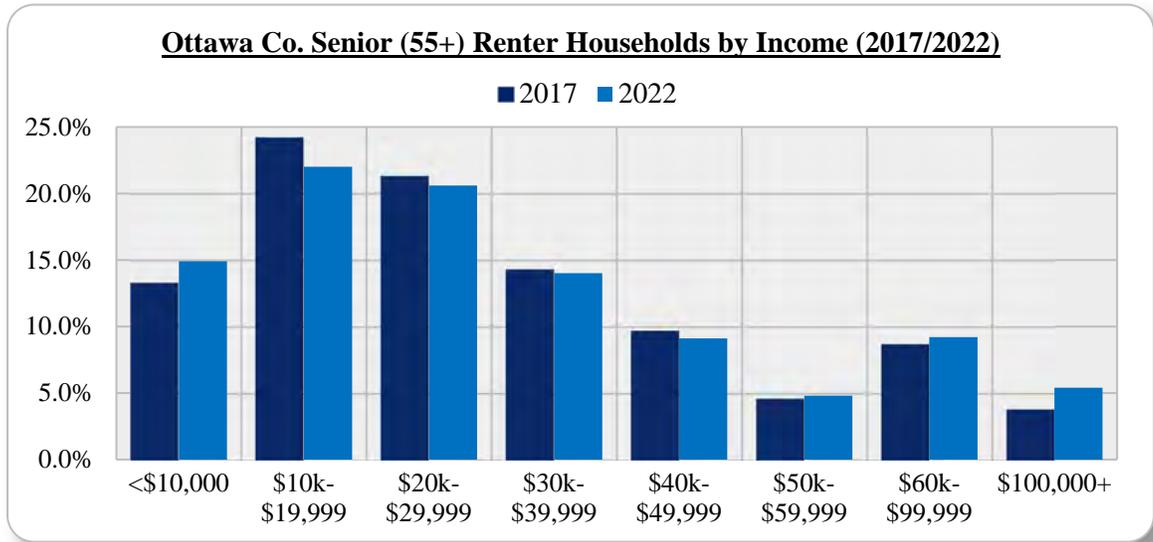
		Age 55+ Renter Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
<b>Ottawa County</b>	2010	601 (12.8%)	1,833 (38.9%)	1,023 (21.7%)	467 (9.9%)	374 (7.9%)	129 (2.7%)	230 (4.9%)	57 (1.2%)
	2017	897 (13.3%)	1,625 (24.2%)	1,434 (21.3%)	964 (14.3%)	655 (9.7%)	307 (4.6%)	588 (8.7%)	258 (3.8%)
	2022	1,184 (14.9%)	1,746 (22.0%)	1,630 (20.6%)	1,110 (14.0%)	725 (9.1%)	381 (4.8%)	729 (9.2%)	426 (5.4%)
	Change 2017-2022	287 (32.0%)	121 (7.4%)	196 (13.7%)	146 (15.1%)	70 (10.6%)	75 (24.3%)	141 (24.0%)	168 (65.2%)
<b>Michigan</b>	2010	58,272 (20.2%)	95,081 (33.0%)	54,261 (18.8%)	29,881 (10.4%)	19,277 (6.7%)	8,922 (3.1%)	16,731 (5.8%)	5,987 (2.1%)
	2017	60,487 (17.0%)	98,659 (27.8%)	64,351 (18.1%)	40,778 (11.5%)	28,782 (8.1%)	15,377 (4.3%)	32,071 (9.0%)	14,320 (4.0%)
	2022	64,774 (17.2%)	107,893 (28.6%)	65,006 (17.2%)	42,645 (11.3%)	28,519 (7.6%)	16,333 (4.3%)	34,446 (9.1%)	17,601 (4.7%)
	Change 2017-2022	4,287 (7.1%)	9,234 (9.4%)	656 (1.0%)	1,867 (4.6%)	-263 (-0.9%)	956 (6.2%)	2,375 (7.4%)	3,280 (22.9%)

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

Noteworthy observations from the preceding table include:

- In 2017, the largest number of Ottawa County senior renter households are earning between \$10,000 and \$19,999, with the second largest number among those making between \$20,000 and \$29,999. Overall, senior renter households making less than \$30,000 a year represent nearly three-fifths (58.8%) of all senior renter households within the county.
- Between 2017 and 2022, most senior renter household growth within the county is projected to be among those earning below \$10,000, increasing by 287, or 32.0%. Senior renters earning at least \$100,000 within Ottawa County are also projected to experience significant growth during the same time period, increasing by 168, or 65.2%.

The following graphs compare senior renter household income shares for 2017 and 2022:



The distribution of *senior (age 55+) owner* households by income are below:

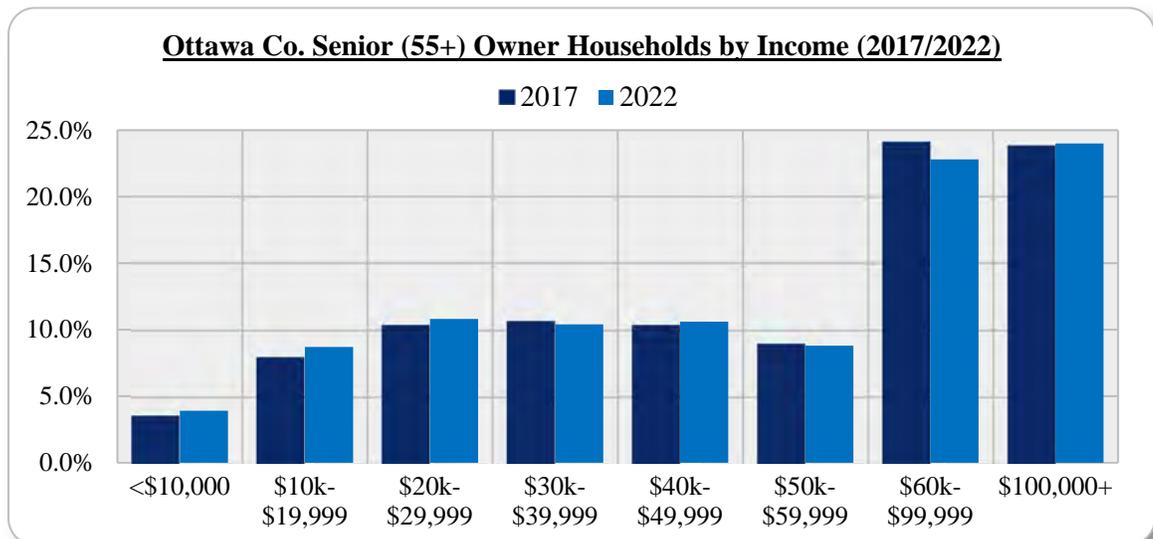
		Age 55+ Owner Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
<b>Ottawa County</b>	2010	1,465 (4.6%)	3,755 (11.9%)	4,102 (13.0%)	3,900 (12.3%)	3,613 (11.4%)	2,913 (9.2%)	7,043 (22.3%)	4,858 (15.3%)
	2017	1,344 (3.6%)	2,997 (8.0%)	3,892 (10.4%)	3,998 (10.7%)	3,909 (10.4%)	3,387 (9.0%)	9,038 (24.1%)	8,924 (23.8%)
	2022	1,595 (3.9%)	3,607 (8.7%)	4,462 (10.8%)	4,305 (10.4%)	4,367 (10.6%)	3,637 (8.8%)	9,438 (22.8%)	9,924 (24.0%)
	Change 2017-2022	251 (18.7%)	610 (20.4%)	570 (14.6%)	307 (7.7%)	458 (11.7%)	249 (7.4%)	400 (4.4%)	1,000 (11.2%)
<b>Michigan</b>	2010	87,801 (6.4%)	174,650 (12.8%)	188,241 (13.8%)	172,219 (12.6%)	144,340 (10.6%)	117,530 (8.6%)	265,364 (19.5%)	213,885 (15.7%)
	2017	77,256 (5.0%)	149,113 (9.7%)	171,306 (11.2%)	170,219 (11.1%)	151,505 (9.9%)	131,233 (8.6%)	339,562 (22.2%)	339,713 (22.2%)
	2022	94,161 (5.8%)	177,867 (10.9%)	184,021 (11.3%)	182,873 (11.2%)	155,032 (9.5%)	132,474 (8.1%)	340,697 (20.9%)	362,244 (22.2%)
	Change 2017-2022	16,905 (21.9%)	28,754 (19.3%)	12,714 (7.4%)	12,654 (7.4%)	3,527 (2.3%)	1,241 (0.9%)	1,135 (0.3%)	22,532 (6.6%)

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

Noteworthy observations from the preceding table include:

- In 2017, the largest number of senior homeowners within Ottawa County was among those making between \$60,000 and \$99,999 annually, while the second largest number was among those earning \$100,000 or more. Together, higher income senior homeowners (earning \$60,000+) represented nearly half (47.9%) of all senior homeowners within the county.
- Between 2017 and 2022, while senior homeowners earning \$100,000 or more a year are projected to experience the most growth within the county, those earning below \$30,000 are projected to experience a more rapid growth rate, increasing by 1,431, or 17.4%.

The following graph compare senior owner household income shares for 2017 and 2022:



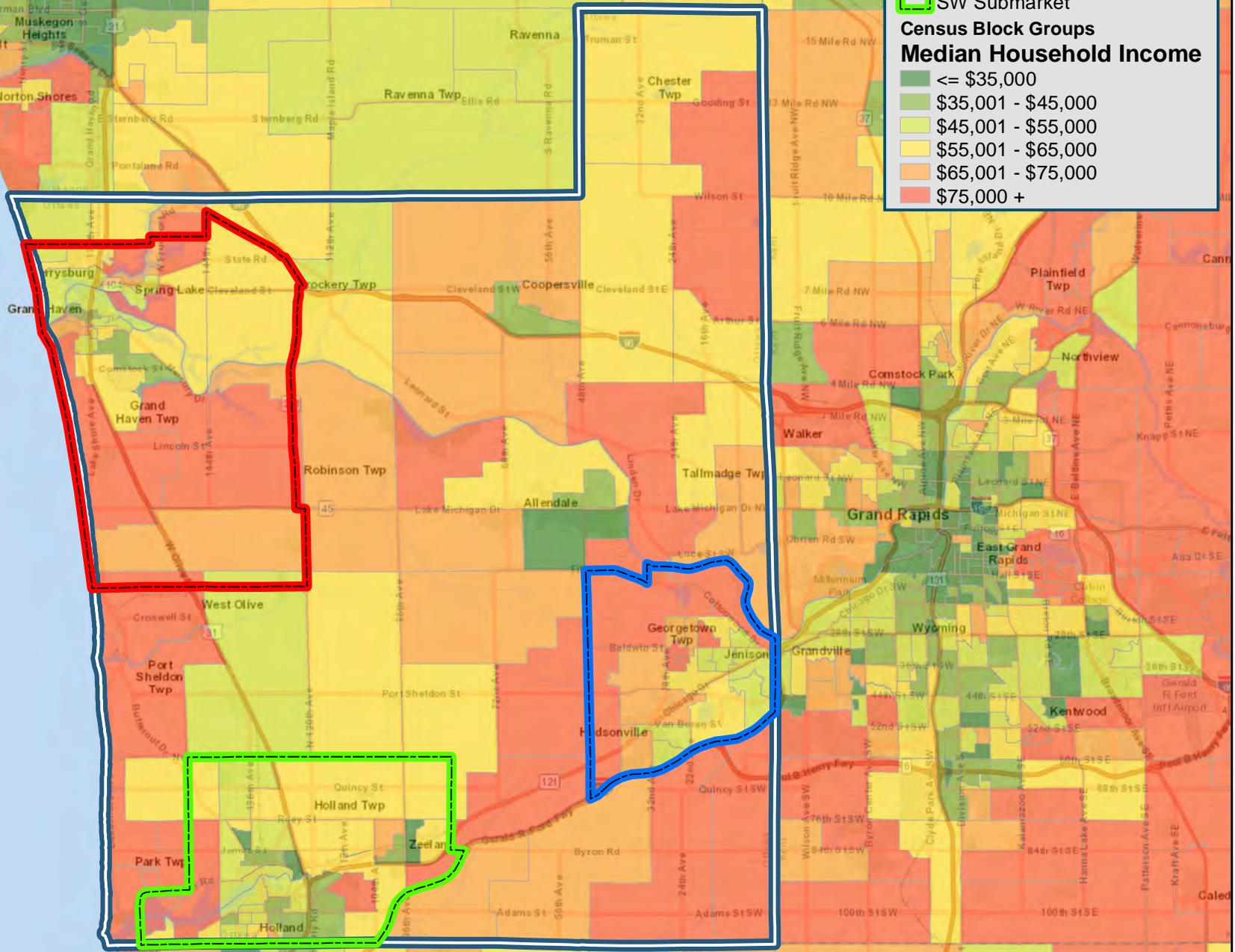
#### **D. Demographic Theme Maps**

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

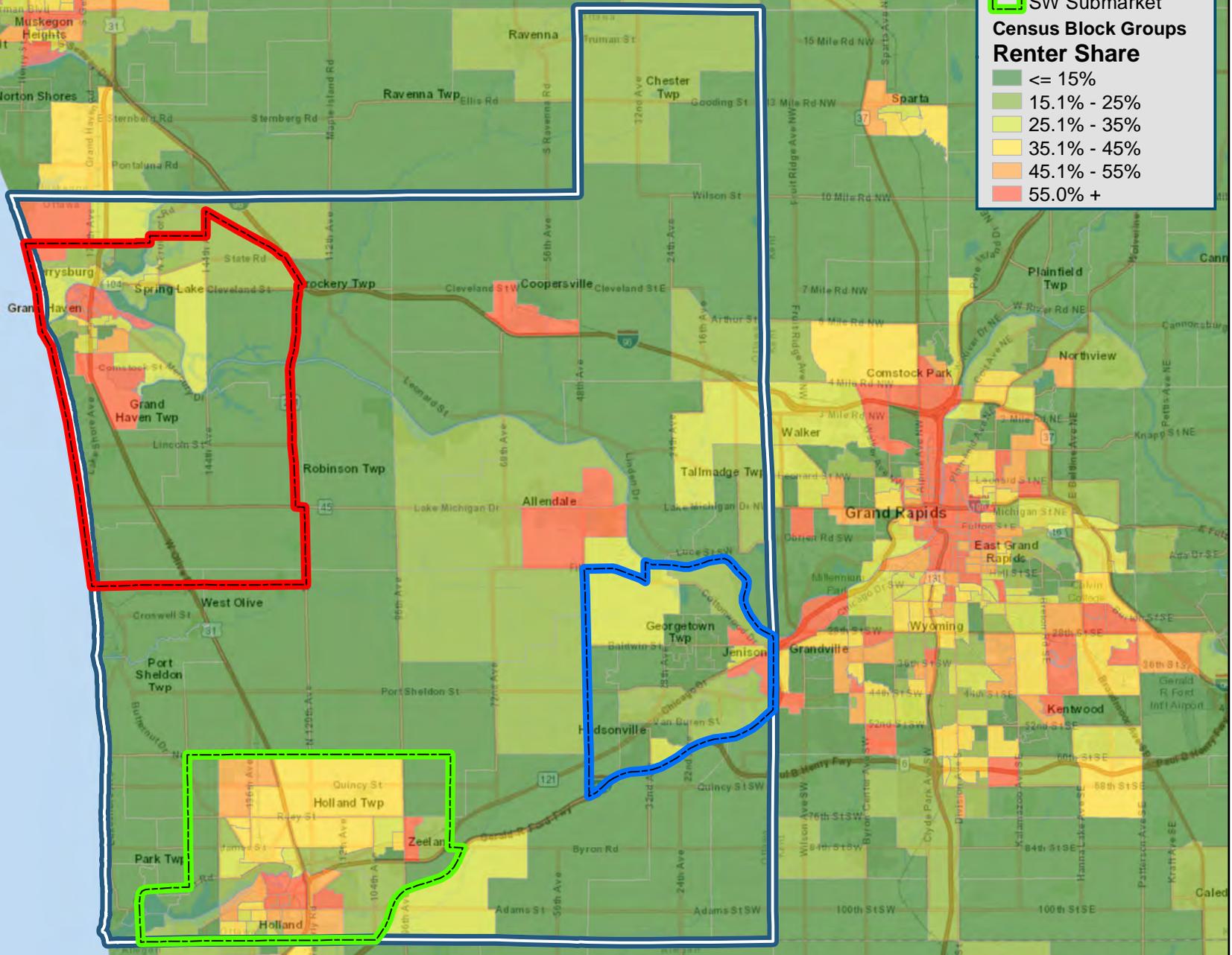
- Median Household Income
- Renter Household Share
- Owner Household Share
- Older Adult Population Share (55 + years)
- Younger Adult Population Share (20 to 34 years)
- Population Density

The demographic data used in these maps is based on U.S. Census, ACS and ESRI data sets.

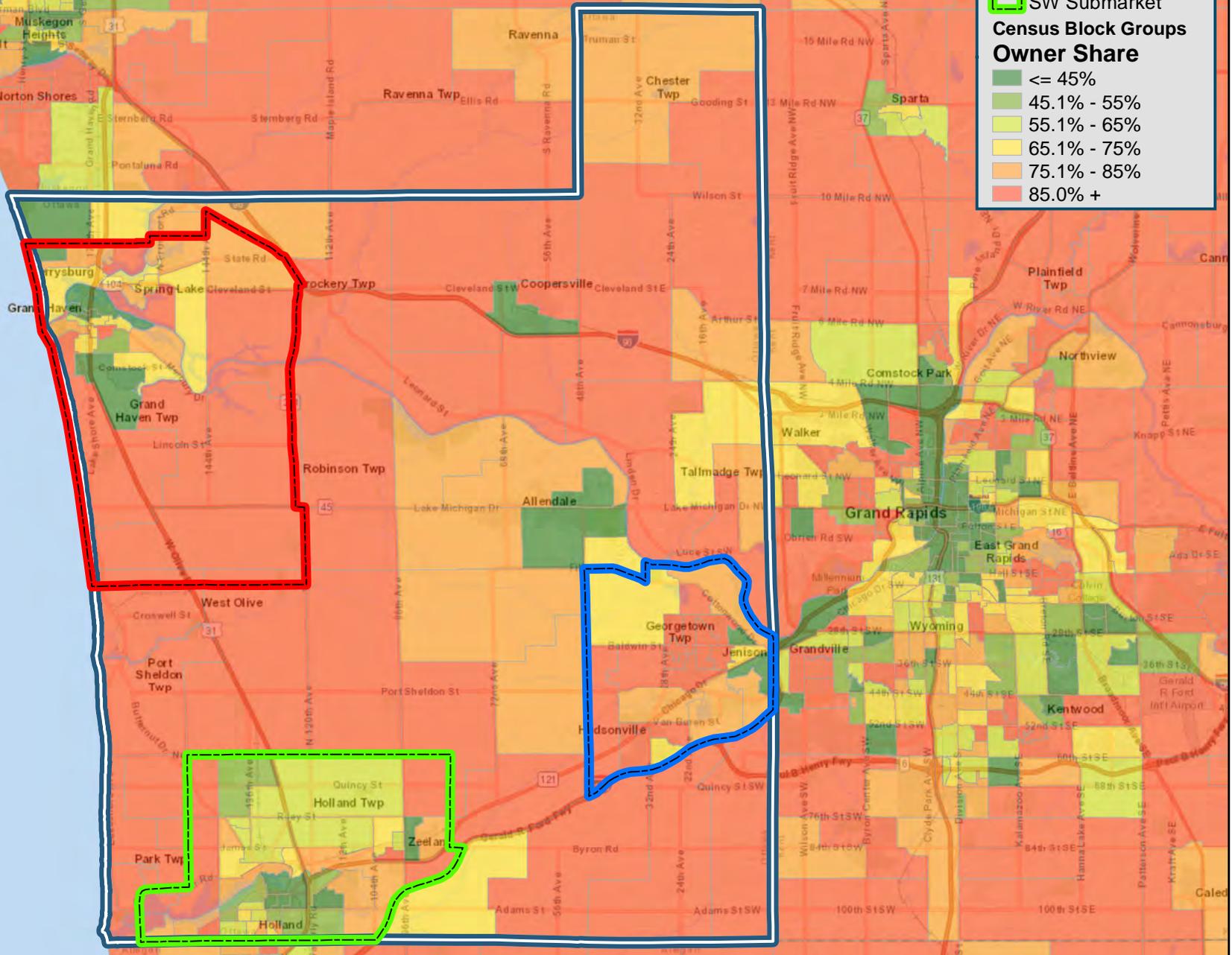
Primary Study Area  
 East Submarket  
 NW Submarket  
 SW Submarket  
**Census Block Groups**  
**Median Household Income**  
 <= \$35,000  
 \$35,001 - \$45,000  
 \$45,001 - \$55,000  
 \$55,001 - \$65,000  
 \$65,001 - \$75,000  
 \$75,000 +



Primary Study Area  
  East Submarket  
  NW Submarket  
  SW Submarket  
**Census Block Groups  
Renter Share**  
 <= 15%  
 15.1% - 25%  
 25.1% - 35%  
 35.1% - 45%  
 45.1% - 55%  
 55.0% +



Primary Study Area  
  East Submarket  
  NW Submarket  
  SW Submarket  
**Census Block Groups  
Owner Share**  
 <= 45%  
 45.1% - 55%  
 55.1% - 65%  
 65.1% - 75%  
 75.1% - 85%  
 85.0% +



NORTH  
 1:400,000



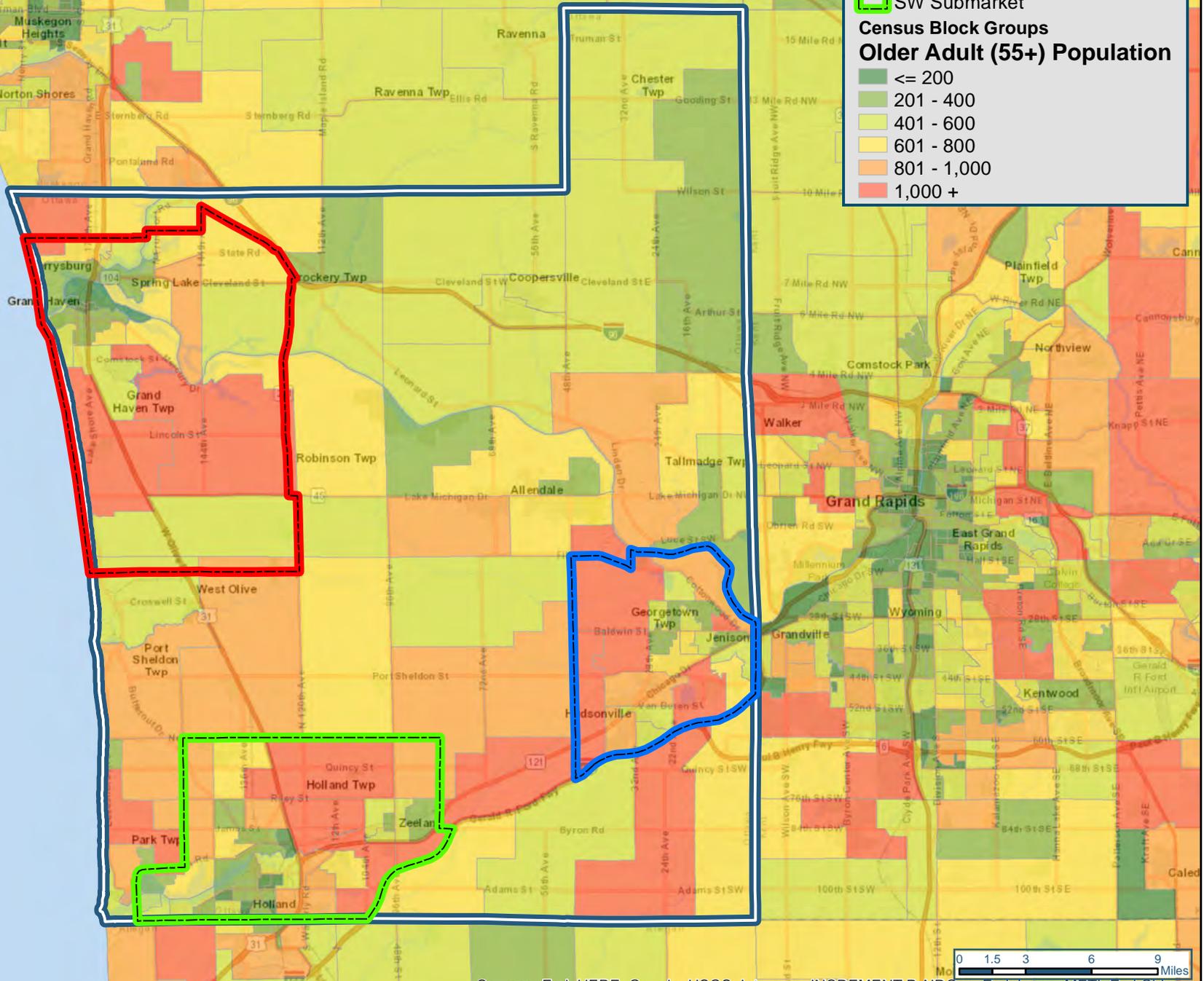


Ottawa County, MI  
2018 Older Adult (55+) Population

**Primary Study Area**  
**East Submarket**  
**NW Submarket**  
**SW Submarket**

**Census Block Groups  
Older Adult (55+) Population**

- <= 200
- 201 - 400
- 401 - 600
- 601 - 800
- 801 - 1,000
- 1,000 +



**NORTH**  
1:400,000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

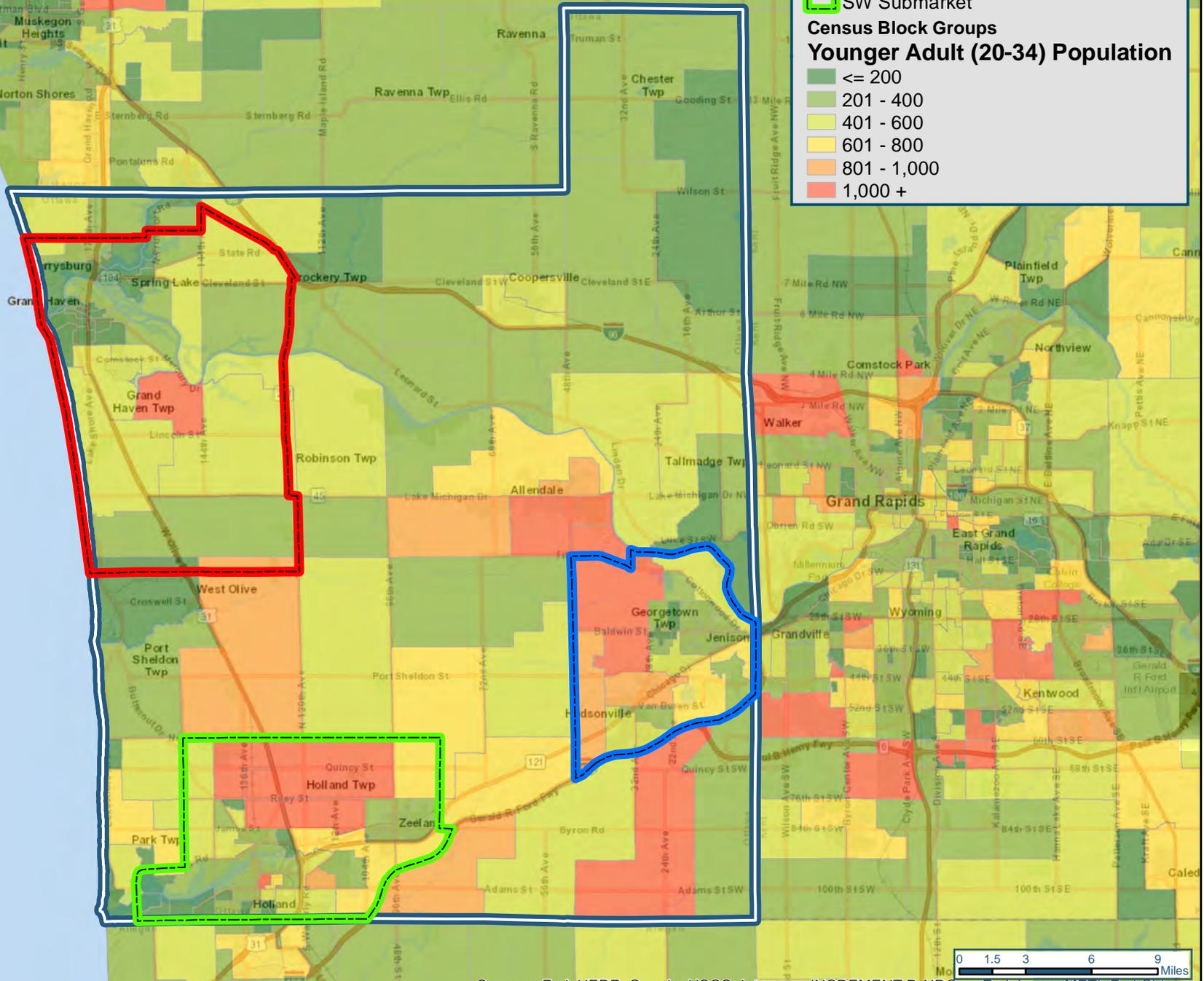


Ottawa County, MI  
2018 Younger Adult (20-34) Population

**Primary Study Area**  
**East Submarket**  
**NW Submarket**  
**SW Submarket**

**Census Block Groups  
Younger Adult (20-34) Population**

- <= 200
- 201 - 400
- 401 - 600
- 601 - 800
- 801 - 1,000
- 1,000 +



**NORTH**  
1:400,000

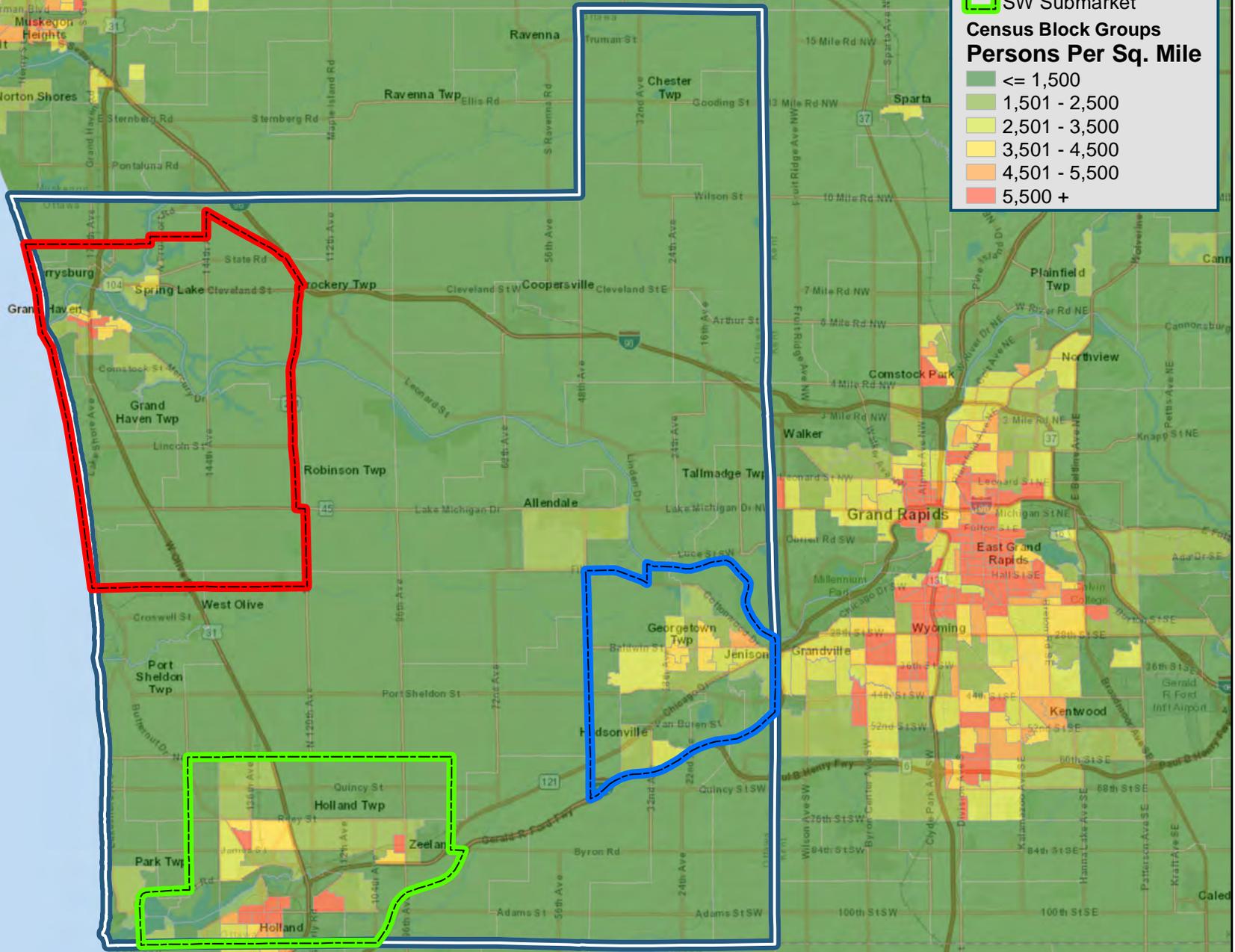


Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

 Primary Study Area  
 East Submarket  
 NW Submarket  
 SW Submarket

**Census Block Groups  
Persons Per Sq. Mile**

-  <= 1,500
-  1,501 - 2,500
-  2,501 - 3,500
-  3,501 - 4,500
-  4,501 - 5,500
-  5,500 +



## **E. Summary**

**Population and Household Growth in the County have been Very Positive, Outpacing State Averages since 2000 and are Projected to Grow Rapidly Through 2022** - The County's population increased by 46,389 (19.5%) between 2000 and 2017, while adding 20,230 (24.8%) households, far outpacing state growth trends (less than 5%). Between 2017 and 2022, the County's population is projected to increase by 15,471 (5.4%), while at the same time the number of households is expected to increase by 5,912 (5.8%). This is significant growth that will add to the demand for housing.

**Owner and Renter Household Growth is Projected to be Positive, as is Growth Among all Household Sizes** – Between 2017 and 2022, the number of owner households is projected to increase by 4,396 (5.6%), while the number of renter households is projected to increase by 1,516 (6.3%). This growth will add to the need for both new for-sale and rental housing. Both smaller (one- and two-person) and larger (three-person+) households are projected to grow, adding to the demand for both smaller and larger unit types (number of bedrooms).

**While the County's Poverty Rate is Lower than the State Average, Over 26,000 People in the County Live in Poverty** – Despite the fact that Ottawa County's poverty rate of 9.9% is well below the state average of 16.4%, a total of 26,511 people in the county live in poverty. A total of 7,680 children under age 18 and 1,657 seniors age 65 and older live in poverty, representing 11.4% of all children and 4.7% of seniors in the county. As such, affordable housing for families and seniors in the county remains important.

**Household Growth is Projected to Remain Positive Among Most Household Age Groups Through 2022, with Senior (age 65 and older) Growth Projected to be the Greatest** – Virtually all household age groups are projected to increase between 2017 and 2022, which will add to the demand for a variety of housing product types and designs. However, the greatest growth is projected to occur among households ages 65 and older, increasing by 4,602 (18.6%). This is significant growth and will contribute to the demand for senior-oriented housing.

**Household Income Growth is Projected to Occur Among All Household Income Segments** – All *renter* household income segments are projected to increase between 2017 and 2022, with most of the growth expected to occur among renter households earning less than \$40,000 (963 households). However, notable growth is also projected to occur among renter households earning \$100,000 or more (441 households). Meanwhile, most *owner* household growth is projected to occur among those earning less than \$50,000 annually (3,122 households), though notable growth is projected to occur among households earning \$100,000 or more annually (806 households). This projected growth will contribute to the demand for product at a variety of price/rent levels.

## V. Economic Analysis

### A. Introduction

The need for housing within a given geographic area is influenced by the number of households choosing to live there. Although the number of households in Ottawa County at any given time is a function of many factors, one of the primary reasons for residency is job availability. In this section, the workforce and employment of Ottawa County are examined.

In Section B below, an overview of the Ottawa County workforce is provided through several overall metrics: employment by industry, wages by occupation, total employment, unemployment rates and in-place employment trends. When available, county employment data is evaluated in detail and compared statistically with the state of Michigan and the United States. We also evaluated the area's largest employers, new and expanding employers, and both contracting and closing businesses. Some submarket economic data is also provided.

Finally, in Section C, conclusions of economic conditions and trends are provided, along with our opinion as to how employment factors will influence future housing needs within Ottawa County.

### B. Workforce Analysis

While Ottawa County has an employment base of over 122,000 people, the County economy and population are greatly influenced by the surrounding area's economy and employment sectors. Ottawa County is part of and influenced by the Grand Rapids-Kentwood Metropolitan Statistical Area (MSA). Given the close proximity and convenient access to employment within the overall MSA, it is important to understand the type of employment opportunities that exist for Ottawa County residents, both within and outside of the county. According to the 2010 Census, the subject MSA, which includes Grand Rapids, had an approximate total of 547,127 persons employed. The largest job sectors in the broader MSA include Healthcare & Social Assistance, Retail Trade, and Manufacturing, each of which represent just over 14% of the overall MSA's employment base. The following evaluates key economic metrics within the various study areas considered in this report.

## Employment by Industry

The distribution of employment by industry sector in Ottawa County and its designated regional submarkets is listed below:

NAICS Group	Employment by Industry							
	East Submarket		Northwest Submarket		Southwest Submarket		Ottawa County	
	Employees	Percent	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	122	0.9%	56	0.2%	143	0.2%	1,635	1.3%
Mining	0	0.0%	0	0.0%	8	0.0%	26	0.0%
Utilities	13	0.1%	114	0.5%	13	0.0%	146	0.1%
Construction	754	5.3%	805	3.4%	1,953	3.3%	5,648	4.6%
Manufacturing	938	6.6%	4,920	20.5%	17,112	28.6%	28,661	23.3%
Wholesale Trade	655	4.6%	667	2.8%	4,493	7.5%	9,438	7.7%
Retail Trade	2,490	17.6%	3,077	12.8%	7,349	12.3%	14,959	12.2%
Transportation & Warehousing	441	3.1%	397	1.7%	1,284	2.1%	2,876	2.3%
Information	276	1.9%	233	1.0%	841	1.4%	1,583	1.3%
Finance & Insurance	496	3.5%	552	2.3%	1,410	2.4%	2,672	2.2%
Real Estate & Rental & Leasing	376	2.7%	543	2.3%	952	1.6%	2,260	1.8%
Professional, Scientific & Technical Services	579	4.1%	1,268	5.3%	2,136	3.6%	4,838	3.9%
Management of Companies & Enterprises	3	0.0%	6	0.0%	48	0.1%	60	0.0%
Administrative, Support, Waste Management & Remediation Services	1,115	7.9%	815	3.4%	1,230	2.1%	3,804	3.1%
Educational Services	1,490	10.5%	1,642	6.8%	4,320	7.2%	8,899	7.2%
Health Care & Social Assistance	1,844	13.0%	3,166	13.2%	6,264	10.5%	12,540	10.2%
Arts, Entertainment & Recreation	326	2.3%	461	1.9%	895	1.5%	2,161	1.8%
Accommodation & Food Services	1,004	7.1%	2,618	10.9%	4,791	8.0%	9,779	8.0%
Other Services (Except Public Administration)	1,006	7.1%	1,152	4.8%	2,458	4.1%	5,905	4.8%
Public Administration	233	1.6%	1,521	6.3%	1,945	3.3%	4,724	3.8%
Non-classifiable	16	0.1%	11	0.0%	104	0.2%	231	0.2%
<b>Total</b>	<b>14,177</b>	<b>100.0%</b>	<b>24,024</b>	<b>100.0%</b>	<b>59,749</b>	<b>100.0%</b>	<b>122,845</b>	<b>100.0%</b>

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

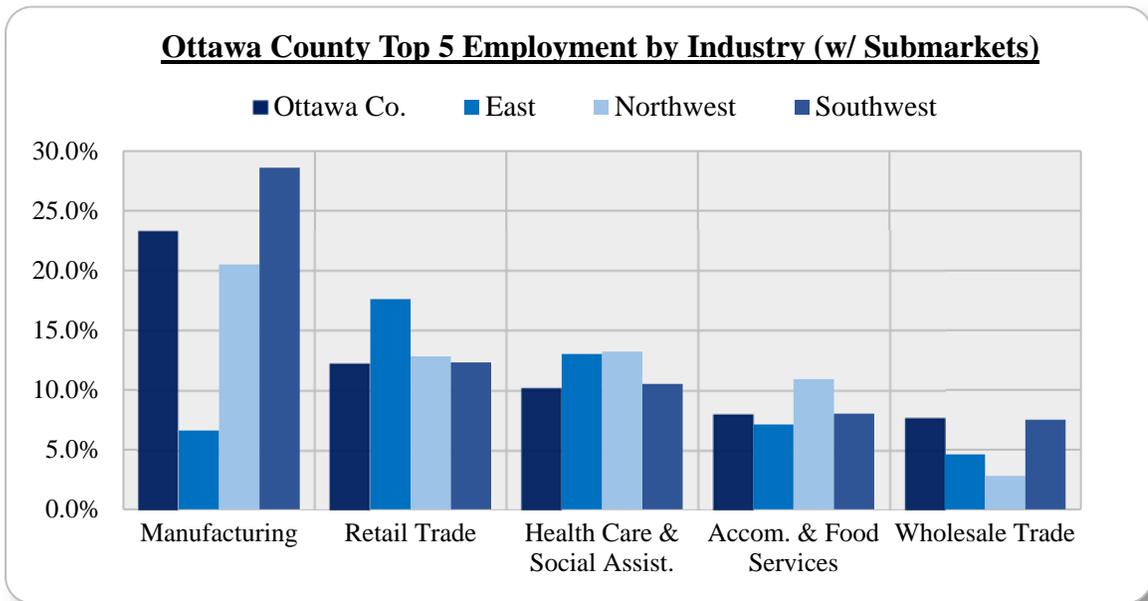
E.P.E. - Average Employees Per Establishment

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

The labor force within Ottawa County is based primarily in four sectors. The largest share of employees within Ottawa County work in the Manufacturing sector (23.3%). Retail Trade (12.2%) and Health Care & Social Assistance (10.2%) also comprise at least a 10.0% share of Ottawa County total employment. Combined, these three job sectors represent over 45.0% of the county employment base. The prevalence of Manufacturing jobs makes the county somewhat vulnerable to potential fluctuations and downturns in economic conditions.

The Southwest Submarket, which includes the City of Holland and Holland Charter Township, has a much larger employment base than the East Submarket and the Northwest Submarket. Manufacturing (28.6%) is the largest employment sector in the Southwest Submarket, with a higher share of employment in this job sector than Ottawa County as a whole. Note that Manufacturing is also the largest employment sector in the Northwest Submarket, accounting for more than a 20.0% share of employment in this submarket. In the East Submarket, the Manufacturing sector represents a much smaller share (6.6%) of overall employment. The largest employment sectors in the East Submarket include Retail Trade (17.6%), Health Care & Social Assistance (13.0%), and Educational Services (10.5%).

The following graph illustrates the distribution of employment by job sector for the five largest employment sectors in the PSA (county) compared to the three regional submarkets by the share they represent of their overall respective markets.



The Manufacturing job sector is the largest within the county, with this same sector representing the largest share in the Southwest Submarket. Retail Trade and Health Care & Social Assistance represent the next largest shares in the county. Retail Trade appears to be prominent in each of the three regional submarkets.

Typical wages by job category for the Grand Rapids-Wyoming Metropolitan Statistical Area (MSA) are compared with those of Michigan in the following table:

Typical Wage by Occupation Type		
Occupation Type	Grand Rapids-Wyoming MSA	Michigan
Management Occupations	\$111,230	\$114,830
Business and Financial Occupations	\$63,410	\$71,130
Computer and Mathematical Occupations	\$66,190	\$78,810
Architecture and Engineering Occupations	\$71,000	\$82,170
Community and Social Service Occupations	\$46,710	\$45,810
Art, Design, Entertainment and Sports Medicine Occupations	\$40,820	\$51,100
Healthcare Practitioners and Technical Occupations	\$74,190	\$78,990
Healthcare Support Occupations	\$30,680	\$30,080
Protective Service Occupations	\$41,140	\$42,930
Food Preparation and Serving Related Occupations	\$23,870	\$23,520
Building and Grounds Cleaning and Maintenance Occupations	\$26,770	\$27,710
Personal Care and Service Occupations	\$26,870	\$26,260
Sales and Related Occupations	\$41,250	\$39,640
Office and Administrative Support Occupations	\$36,570	\$36,530
Construction and Extraction Occupations	\$45,560	\$49,930
Installation, Maintenance and Repair Occupations	\$45,360	\$47,310
Production Occupations	\$34,780	\$38,720
Transportation and Moving Occupations	\$33,300	\$35,360

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

Most annual blue-collar salaries range from \$23,870 to \$46,710 within the Grand Rapids-Wyoming MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$77,204. It is important to note that most occupational types within the Grand Rapids-Wyoming MSA have slightly lower typical wages than the state of Michigan's typical wages.

#### Employment Base and Unemployment Rates

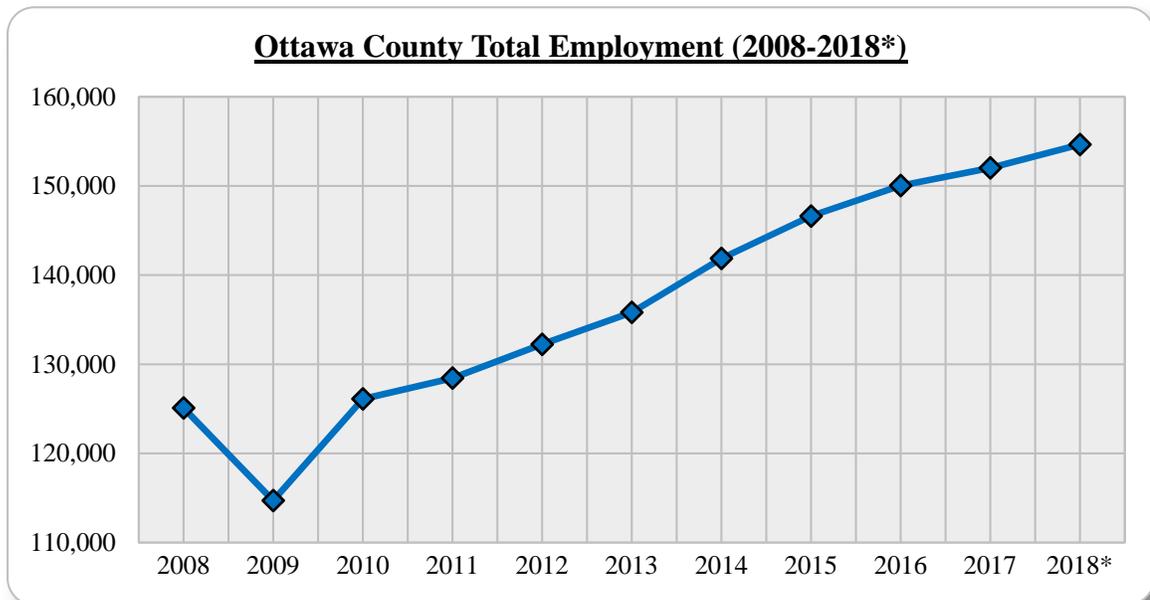
Excluding 2018, the employment base has increased by 11.9% over the past five years in Ottawa County, more than the Michigan state increase of 8.1%. Total employment reflects the number of employed persons who live within the county, regardless of where they work.

The following illustrates the total employment base for Ottawa County, the state of Michigan and the United States.

Year	Total Employment					
	Ottawa County		Michigan		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2008	125,097	-	4,529,289	-	146,047,748	-
2009	114,716	-8.3%	4,233,803	-6.5%	140,696,560	-3.7%
2010	126,112	9.9%	4,194,041	-0.9%	140,469,139	-0.2%
2011	128,452	1.9%	4,198,349	0.1%	141,791,255	0.9%
2012	132,241	2.9%	4,246,658	1.2%	143,621,634	1.3%
2013	135,820	2.7%	4,308,030	1.4%	145,017,562	1.0%
2014	141,869	4.5%	4,409,394	2.4%	147,446,676	1.7%
2015	146,621	3.3%	4,493,447	1.9%	149,733,744	1.6%
2016	150,038	2.3%	4,599,266	2.4%	152,169,822	1.6%
2017	152,022	1.3%	4,657,272	1.3%	154,577,364	1.6%
2018*	154,644	1.7%	4,674,060	0.4%	155,022,925	0.3%

Source: Department of Labor; Bureau of Labor Statistics

\*Through June



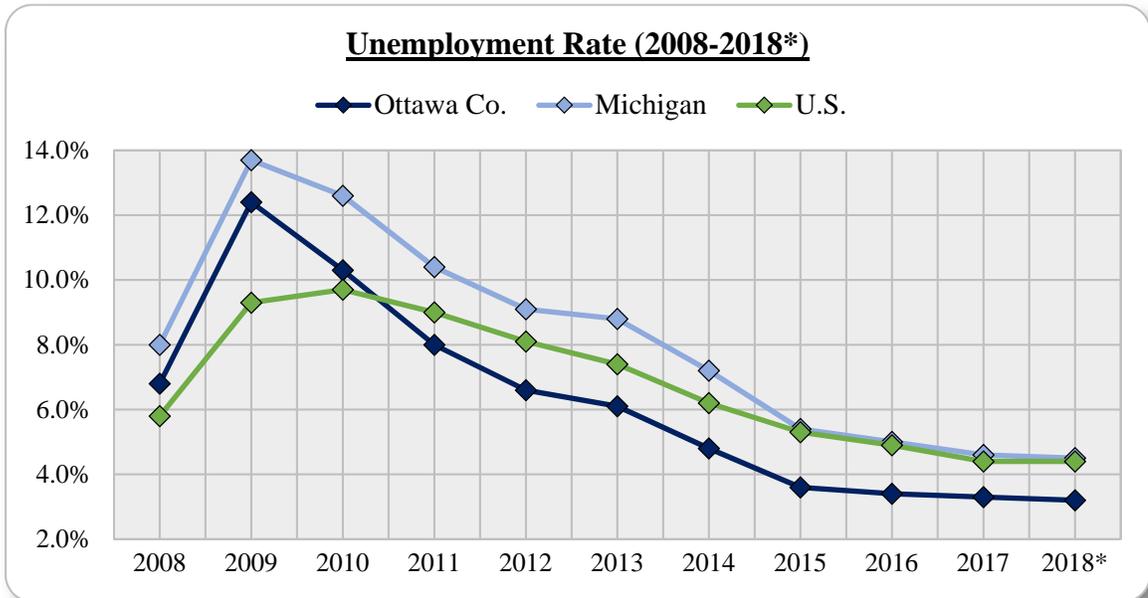
\*Through June

As the preceding illustrates, the Ottawa County employment base has increased by 26,926 employees since 2008. Aside from a decrease of over 10,000 jobs between 2008 and 2009, the Ottawa County employment base has increased every year since 2009. The total employment figure as of June 2018 (154,644) is higher than the 2017 employment figure for Ottawa County, indicating that the total employment figure is likely to increase through 2018.

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

Year	Unemployment Rate		
	Ottawa County	Michigan	United States
2008	6.8%	8.0%	5.8%
2009	12.4%	13.7%	9.3%
2010	10.3%	12.6%	9.7%
2011	8.0%	10.4%	9.0%
2012	6.6%	9.1%	8.1%
2013	6.1%	8.8%	7.4%
2014	4.8%	7.2%	6.2%
2015	3.6%	5.4%	5.3%
2016	3.4%	5.0%	4.9%
2017	3.3%	4.6%	4.4%
2018*	3.2%	4.5%	4.4%

Source: Department of Labor, Bureau of Labor Statistics  
\*Through June

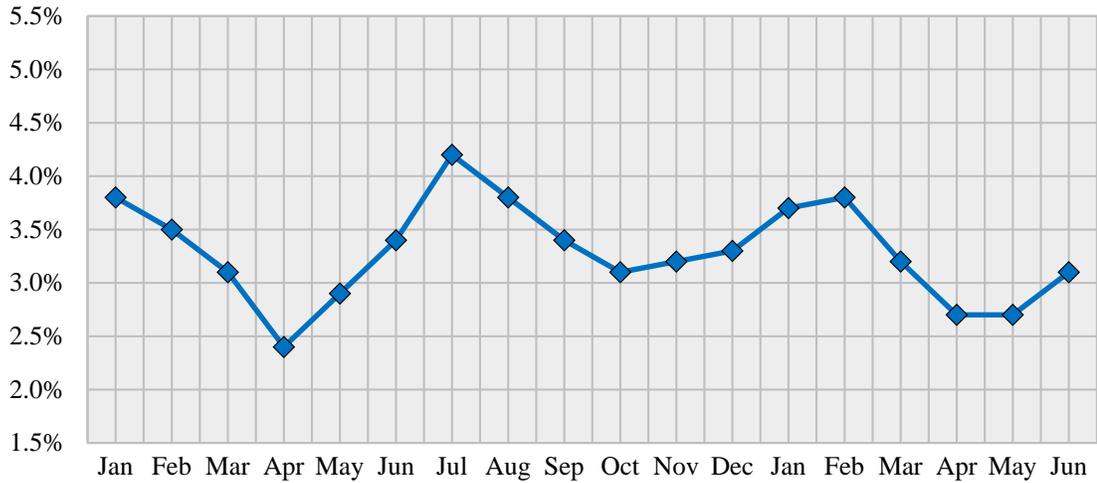


\*Through June

The unemployment rate in Ottawa County has ranged between 3.2% and 12.4%, below the state average range since 2008. The Ottawa County unemployment rate in 2009 was 12.4%. Since 2009, the unemployment rate has dropped sharply. As of 2017, the unemployment rate in Ottawa County was 3.3%. The most recent unemployment rate (as of June 2018) was 3.2% for Ottawa County, meaning that the very low unemployment rate appears likely to continue through 2018.

The following table illustrates the monthly unemployment rate in Ottawa County for the most recent 18-month period for which data is currently available.

**Ottawa County Monthly Unemployment Rate (Jan. 2017 to June 2018)**



The monthly unemployment rate for Ottawa County has ranged from a high of 4.2% (July 2017) to a low of 2.4% (April 2017) in the last 18 months. While the county’s unemployment has fluctuated within this 18-month period, its unemployment rate has stayed below 4.0% in 17 out of the last 18 months. The most recent unemployment rate of 3.2%, recorded in June 2018, is at the lower end of the 18-month rate range.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Ottawa County.

In-Place Employment Ottawa County			
Year	Employment	Change	Percent Change
2007	109,724	-	-
2008	107,180	-2,544	-2.3%
2009	98,575	-8,605	-8.0%
2010	99,646	1,071	1.1%
2011	105,098	5,452	5.5%
2012	108,723	3,625	3.4%
2013	110,706	1,983	1.8%
2014	115,679	4,973	4.5%
2015	119,793	4,114	3.6%
2016	122,467	2,674	2.2%
2017	124,921	2,454	2.0%

Source: Department of Labor, Bureau of Labor Statistics

The number of jobs in the county has increased over each of the past eight years, with over 2,400 new jobs added in each of the past four years.

**Economic Drivers & Major Employers**

The ten largest Manufacturing employers within the Ottawa County area comprise a total of 20,725 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Gentex Corporation	Automotive Mirrors	5,670
Herman Miller	Office Furniture	3,797
Haworth Inc.	Office Furniture	2,116
Magna Mirrors	Automotive Mirrors	1,909
Yanfeng	Automotive Interiors	1,800
Shape Corporation	Metal Roll Forming	1,697
Tyson Foods	Food Processing	1,075
Request Foods	Food Processing	908
JR Automation	Automation	880
Royal Technologies	Injection Molded Plastics	873
Total		20,725

Source: Lakeshore Advantage (April 2018)

The ten largest Non-Manufacturing employers within the Ottawa County area comprise a total of 14,033 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Grand Valley State University	Higher Education	3,546
Holland Hospital	Health Care	2,110
Meijer	Retail/Grocery	1,274
Ottawa County	Government	1,176
Hudsonville Public Schools	Education	1,145
Zeeland Public Schools	Education	1,075
Grand Haven Public Schools	Education	1,014
Hope College	Higher Education	912
SpartanNash	Retail	847
West Ottawa Public Schools	Education	934
Total		14,033

Source: Lakeshore Advantage (April 2018)

According to a representative with Lakeshore Advantage, a non-profit economic development organization for Ottawa and Allegan Counties, the Ottawa County economy is doing extremely well. Ottawa County has the lowest unemployment rate in the state of Michigan and the highest net migration percentage, with approximately 45% of the county's population growth over the past eight years coming from people moving to the area. In 2017 Ottawa County was the fastest growing county in Michigan, with population growth of over 8% from 2010 to 2017. Ottawa County is one of only four Michigan counties to hold two triple A credit ratings, which has made businesses access to capital easier. The county has rebounded from the recession of 2008 in a strong way. This can be attributed to the diverse range of manufacturers and industries, such as automotive, office furniture, food processing, pharmaceuticals, and automation. Manufacturing is over 65% of the area's base economy. Companies in the county were interviewed by Lakeshore Advantage in early 2018 and 69% of them said they were planning expansions over the next three years. In 2017 businesses invested approximately \$90 million and created 650 new jobs. For 2018, announced and completed expansions equaled \$367 million in private investments and 1,916 added jobs. The southern part of Ottawa County is seeing the most development, in the towns of Holland and Zeeland. Grand Haven is also seeing quite a bit of new development.

One of the negative impacts to Ottawa County's growing economy is the lack of a skilled labor supply. Area stakeholders are addressing this issue through work with local school districts to educate students about the in-demand careers in the area. Students will be encouraged to develop a skill that is pertinent to the area's growing employment sectors. The goal is to retain these students in Ottawa County after graduation. The local stakeholders are also working with the Cooley Law School to develop a talent pipeline, and with Michigan Smart Coast to help attract skilled workers to the area. More than 50 local businesses were granted over \$2 million from the Skilled Trades Training Fund to teach and improve the necessary skills of their current and new employees.

Another road block to attracting or keeping talent in the area is the lack of affordable housing for entry level employees, teachers, firemen and young professionals or for low-, and middle-income individuals and families. But the development of high-end, single-family homes and condominiums are booming in Ottawa County and the development of high-end rental housing is also strong.

Summarized on the following page are some of the positive economic projects that are impacting Ottawa County.

## **Holland**

The city of Holland has been seeing great growth and downtown revitalization over the past several years. The downtown has always been in the forefront of the community's priorities since the late 1980's. One of the great successes of the 1980's revitalization was an underground snowmelt system that was put in place to keep the sidewalks clear of snow. It has allowed the community and tourists the ability to utilize the downtown services and amenities throughout the winter seasons. There are currently no first-floor commercial spaces available in downtown Holland. They hope to keep growing the downtown to the west until it reaches the Lake Macatawa waterfront. With the new Holland Civic Center and the ongoing West Eighth Street Development, the western riverfront is only one-quarter mile away. There are also 17 acres available for development north of downtown and on the waterfront. The former James DeYoung Power Plant is currently owned by the Holland Board of Public Works and they are working with the community and considering their input on how to develop the land.

The George and Lucile Heeringa Civic Center reopened in Holland in fall of 2018 after a \$16.5 million, yearlong, renovation. The renovation created a viewing tower, an indoor farmer's market, a full-service kitchen, larger offices, as well as some flex space with balconies on the second level. Furthermore, spectator seating was replaced, an expansive fireplace was built near the entrance and air conditioning was added. The building is also now compliant with the Americans with Disabilities Act.

A local developer is investing over \$30 million and revitalizing a whole block of downtown Holland. The West Eighth Street Development is about 50% completed. When it is done there will be approximately 100 new rental units and an unspecified number of for-sale condominium units above new and existing retail spaces. The redevelopment includes a new movie theater (Sperry's Moviehouse, with 11-screens and 500 seats), and approximately 12 new retail and/or restaurants and a three-story parking deck with 380 spaces. The estimated completion of the entire project is mid-2019. Some of the new and planned businesses in the project include: Tulip Time (reception area, box office, festival merchandise, a conference room and staff offices); Canterbury Cottage (home decor and interior design); Hop Cat (restaurant); Cakabakery (bakery); Seventy-Six (restaurant).

The Big Lake Brewing Company relocated to downtown Holland and added a new production facility on 19<sup>th</sup> Street. The new facility has allowed it to triple production capabilities.

In 2017, a developer invested \$1.5 million for the adaptive-reuse of an old warehouse in downtown to create 13 apartments. All units were rented within one month of the property's completion. According to local sources, there is a high level of interest from people wanting to live in downtown Holland.

The Hudsonville Ice Cream company expanded in 2018 with an approximately \$1.5 million investment. A silo alcove was added as well as a pilot plant for the research and development of creative flavors. It also added 25 new jobs. The company has been in business in Holland since 1924 and distributes ice cream throughout Michigan and 12 states. There are approximately 84 employees.

JR Automation, a company that provides intelligent automated manufacturing and technology solutions, is investing \$4 million to expand and renovate several of its local facilities. It will be investing in more computers and Information Technology and will be adding 100 high-wage jobs through this expansion.

There will be a new three-story, 20,000 square-foot office building at 177 College Avenue soon. The developer and the main tenant is @Home Realty. This will be a \$4.5 million investment. The location is designated as a brownfield site and will allow the developer to use tax increment financing. The developer will also be reimbursed for the cost of environmental cleanup. The design plan includes a modern, mini Silicon Valley-type building with an arcade and a two-story spiral slide from the second floor to the first.

LG Chem Michigan Incorporated, which manufactures lithium ion polymer battery cells and packs for electric vehicles, is in the midst of adding 100,000 square feet and 150 new employees. In spring and summer of 2018, it hired 126 new technical operators, maintenance technicians, production engineers and journeyman electricians. Over the past two years, more than 290 new jobs have been created.

### **Hudsonville and Jamestown Charter Township**

Hudsonville and city stakeholders are in the process of creating a new pedestrian-friendly downtown. A developer has invested \$4.2 million to create the Hudson Center in downtown Hudsonville. The Hudson Center will be a three-story, 25,000 square-foot building with ground floor retail, second floor offices and third floor apartments. The new center holds a farmer's market (open two days a week, June through September), Sonder Eatery (open seven days a week), a prep kitchen, a membership only co-work space, and indoor and outdoor event space.

The city is also revitalizing Harvey Street to create a new "Main Street". With multiple public investments, the Terra Square Community and Events Center was developed in 2017 through the adaptive-reuse of a vacant car dealership/repair shop which was originally built in 1949. There are multiple public events held at Terra Square.

A new Meijer was completed in the summer of 2018 in Hudsonville/Jamestown Charter Township. The Meijer Marketplace is 155,000 square feet and includes a Meijer gas station. The store created 300 new jobs in the area.

Mercy Health opened a new medical facility in Jamestown Charter Township in the fall of 2018. The 20,000 square-foot outpatient center includes primary care services, urgent care, X-ray and ultrasound, a lab and pharmacy.

### **Grand Haven**

Grand Haven was named a Redevelopment Ready city by the Michigan Economic Development Corp (MEDC). The local government in Grand Haven is working to redevelop empty buildings in the city and has made it easier for private developers to get projects approved by relaxing the approval process and zoning regulations. Properties that have been identified for redevelopment include a former bank, a former Wendy's, a former jewelry store and the Stanco site. These properties will be profiled for in-state and out-of-state developers. The city is looking for the addition of affordable housing or hotels.

A plan for the Stanco site was submitted for 129 residential units, a mix of for-sale homes and at least 60 rental housing units. The Planning Commission will hold a public meeting December 11, 2018 regarding this project.

The Grand Haven's Lynne Sherwood Waterfront Stadium, which was renovated and modernized, reopened in June 2018. The new open stadium can hold 3,000 people inside and hold 500 people outside on lawn areas and the Brass River Plaza. The renovation replaced aluminum bleachers with tiered lawn seating and added a multipurpose area for volleyball or dancing, fire pits, concession stands, and a seasonal ice rink. The project's cost was \$3 million.

A new development called Robbins Centre Point is under construction in Grand Haven Township. The plans call for a 15,000 square-foot retail building. One tenant is secured, as Pizza Hut is relocating to the building. Additional phases for the development include adding a 20,000 square-foot anchor store, an auto store, various other retail stores and a restaurant.

### **Coopersville**

Belkins Service Center and Warehouse, an appliance and electronics company that opened in 2015, expanded in 2018 due to unexpected growth. The company has two modern showrooms in Grand Haven and Grand Rapids.

Due to planned improvements to the water system in Coopersville, three local companies have announced expansions. Fairlife, Conveyor Concepts and Ranger Die are investing over \$54 million and plan to add 70 new jobs over the next two years.

## **Zeeland**

Gentex Corporation, the county's largest employer, announced in September 2018 that it will invest \$100 million and expand production facilities in Zeeland which will create 250 additional jobs. The company also expanded in 2017 with a \$36 million investment and added 250 jobs.

Zeeland Farm Services (ZFS), a company that provides products and services to the agricultural and transportation industries, is investing \$5 million to expand its headquarters and operations. The building should be complete in early 2019 and add 12 new jobs.

Plascore Inc. has four facilities at the Zeeland Industrial Park and employs more than 300 full-time workers. The company invested \$6 million to add 73,000 square feet of space to expand manufacturing of honeycomb cores used by the aerospace industry, the mass transportation industry and the marine and construction industries. It plans to hire 10 to 15 more employees by 2019.

Park Place is a proposed mixed-use development in Zeeland near Byron Road and Interstate 96. Plans include 6,500 square feet of retail space, a full-service chain restaurant, a bank and other commercial businesses. In addition, plans were recently announced for a new Avid hotel with 92 rooms and an indoor pool. The hotel construction is slated to begin in the spring of 2019 and will take one year to complete. The retail portion is planned to open late 2019.

## **Allendale Charter Township**

Ottawa County is the fastest growing county in Michigan. Allendale Charter Township was the fastest growing community in Ottawa County from 2010 to 2016 and it is estimated to grow by over 98% by 2033.

## **Georgetown Township**

A developer plans to redevelop the former K-Mart site in Georgetown Township as well as four acres at 200 Baldwin Street. Plans for the K-Mart site include a hotel, residential units and retail space while the Baldwin Street site includes the construction of two stand-alone restaurants.

### Spring Lake

A developer bought multiple buildings in downtown Spring Lake and has proposed a new development called Epicurean Village. After demolition of two buildings, the developer plans to construct two (2) three-story buildings with retail on the first floor and apartments or condominiums on the upper floors. A third building will be adaptively reused as a restaurant with a rooftop deck. The developer's goal is to create a destination spot in the downtown area for patrons to enjoy all year long. Estimated completion of the project is the spring of 2020. Three other buildings were also purchased but no plans have been announced for their redevelopment.

### Outside of Ottawa County

Another positive economic factor that is not in Ottawa County, but in Gaines Charter Township in Kent County, just five miles from Ottawa County's southeast border, is that construction began on Amazon's \$150 million fulfillment center in the summer 2018. The construction of the custom facility is expected to be complete by mid-2019 and will employ 70 ironworkers from the Iron Workers Local 25, whose training center is in Hudsonville. The fulfillment center is expected to create 1,000 full time jobs with benefits. Amazon will also offer employees a 95% reimbursement for college tuition.

Notable investments and job creation in Ottawa County in 2017 and 2018 are included in the following tables:

2017 Economic Development Activity at a Glance			
Project Name	Location	Investment Dollars	Jobs Created
Gentex	Zeeland Charter Township	\$36,634,000	250
Walters Gardens	Zeeland Charter Township	\$1,493,000	2
Zeeland Farm Services, Inc	Zeeland Charter Township	\$2,200,000	2
Davon Manufacturing	Zeeland Charter Township	\$2,275,000	21
Plascore	City of Zeeland	\$6,000,000	12
ITC	City of Hudsonville	\$1,335,000	20
HTC Logistics	City of Hudsonville	\$7,156,000	17
Constructive Sheet Metal Allendale	Allendale Charter Township	\$1,065,000	12
JIMDI Plastics	Allendale Charter Township	\$586,000	5
Apex Spring and Stamping	Tallmadge Charter Township	\$2,244,000	8
Sure-loc/Wolverine Tools	City of Holland	\$1,887,000	6
Trigon Steel	City of Holland	\$1,894,000	22
LG Chem	City of Holland	\$18,991,000	250
GNS America	Holland Charter Township	\$3,100,000	30
Conveyor Concepts	City of Coopersville	\$1,892,000	8
Permaloc	Olive Township	\$1,126,000	10

Source: Lakeshore Advantage

2018 Economic Development Activity at a Glance			
Project Name	Location	Investment Dollars	Jobs Created
Fairlife	City of Coopersville	\$50,000,000	70
Gentex	Zeeland Charter Township	\$100,000,000	250
Zeeland Farm Services, Inc	Zeeland Charter Township	\$5,000,000	12
Herman Miller	Zeeland Charter Township	\$30,000,000	0
Tyson	Zeeland Charter Township	\$1,799,520	64
AllRout	Zeeland Charter Township	\$511,801	6
Dutch Treat Foods	Zeeland Charter Township	\$579,222	6
Midway Machine Technologies	City of Zeeland	\$1,697,250	5
RapidTek	Jamestown Charter Township,	\$2,087,350	10
Automated Machine Systems	Georgetown Township	\$908,453	10
Bekins	City of Grand Haven	\$2,200,000	20
Cedar Crest Dairy	City of Hudsonville	\$2,785,387	18
JR Automation	Holland Charter Township	\$9,538,162	116
Creative Products International	City of Holland	\$5,235,747	8
Hudsonville Creamery	City of Holland	\$1,599,552	25
Denso	City of Holland	\$527,815	20
Kiss Technologies	City of Holland	\$780,223	4
Formed Solutions	City of Holland	\$3,563,572	10
Red Wing Bags	City of Holland	\$1,799,520	3
Skyline Fall Protection	West Olive	\$729,000	2

Source: Lakeshore Advantage

### **Parks and Recreation**

Ottawa County has become known as the destination place for outdoor activities in Western Michigan. There are 27 designated parks throughout Ottawa County and nine open space land designations. Ottawa County has multiple lakeshore parks that continue to attract summer tourists to the area. The daily permits sold to tourists grew by over 3,000 from 2016 to 2017. Revenue from the lakeshore summer and winter activities also grew by almost 80% during the same time period.

The Ottawa County Parks Department's Grand River Greenway Campaign has been a 20-year effort to protect thousands of acres of forests and undeveloped land throughout Ottawa County, to provide ways to connect all the communities with ecofriendly infrastructure, and to create many opportunities for outdoor activities and appreciation from the area residents and tourists. An investment of \$20 million has been made so far which preserved upwards of 2,400 acres of land and developed 13 parks. Plans are to invest \$21 million, purchase 1,000 more acres and build a 27-mile multi-modal pathway. The goal is to protect some of the most ecologically important land that remains along the Grand River. One major focus of the Grand River Greenway Campaign is the Idema Explorers Trail, a 35-mile trail that will connect Grand Haven to Grand Valley State University campus in Allendale to the campus in Grand Rapids. The entire Grand River Greenway project is expected to be complete by 2023. The goal is for Ottawa

County to be known as one of the best places to live and to boast that Ottawa County has the best outdoor activity destinations in the Midwest.

There is a large network of scenic non-motorized pathways throughout the county and this year work began on the last five miles of the 18-mile expanded and paved four-foot shoulder along Lakeshore Drive. The final 5-mile stretch starts in Park Township and extends from New Holland to 168th Avenue. The estimated completion date is 2021. This project was made possible with help from public and private area partnerships and community fundraising.

The Ottawa County Parks division plans to invest over \$4 million to buy over 350 acres of the Lake Michigan dunes in Ferrysburg for preservation. The land will link 2,000 acres of area parks with other preserved land. The land was a sand mining operation that is now inactive. There is also an 80-acre lake on the property. They hope to create a park with camping, swimming, hiking, fishing, kayaking within the preserve, though this will take years to complete. The goal is to connect this land with all the other parks and establish a five-mile coastal greenway along Lake Michigan creating a safe place for migrating birds and other wildlife.

The Tulip Time Festival in Holland has been a tradition for 90 years and attracts many tourists to the area. The event was recognized as the “Best Small-Town Festival” by Readers Digest and named 2016’s Best Flower Festival by USA Today. The festival is held in May every year and includes nine days of parades, ethnic Dutch food, demonstrations, and activities for young and old. The festival also offers an arts and crafts fair, rides, concerts, theater performances and fireworks. The event has approximately 500,000 attendees every year.

Another popular festival is the nationally recognized Grand Haven Coast Guard Festival, which has been held every summer since 1924. The festival honors those in the U.S. Coast Guard and draws over 350,000 people every year. It includes parades, food, picnics, rides, crafts, activities, demonstrations and memorials.

### **Infrastructure**

In an effort to attract more economic development to the area and allow existing companies to expand, the Michigan Department of Transportation (MDOT) is in the midst of the Zeeland Gateway Interchange project. This is an investment of over \$7.5 million of public and private funds to improve the intersections of three major highways in Zeeland. The project will transform the I-196 BL from a boulevard to a six-lane road with a large median, improve intersections, add direct left turns, add more right turn free flow, create a new intersection and improve the M-121/Main Street intersection.

In Coopersville, \$6 million is being invested to create a sustainable water supply for existing business and to attract new developments. Due to this project, two area manufacturers now have plans to expand.

WARN (layoff notices):

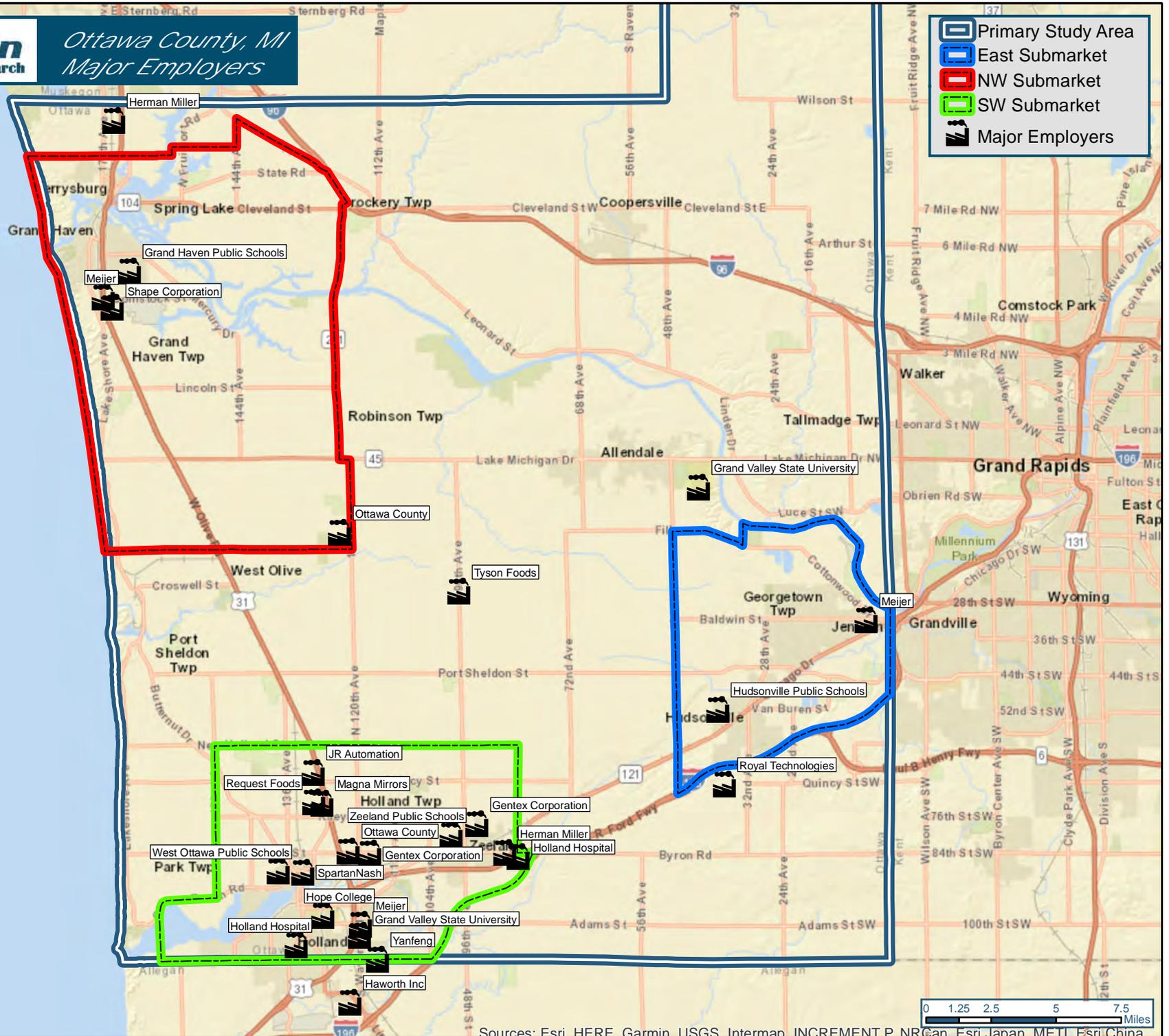
WARN Notices were reviewed on November 14, 2018 and according to the Michigan Bureau of Labor Market Information and Strategic Initiatives there have been three WARN notices of large-scale closures or layoffs reported in Ottawa County over the past 18 months. Below is a table summarizing these notices.

<b>Company</b>	<b>Location</b>	<b>Jobs</b>	<b>Notice Date</b>
Gardens Alive! Farms	Grand Haven	295	6-04-2018
Izzyplus	Spring Lake	72	4-23-2018
Huntington Bank	Holland	115	5-12-2017

Despite these job losses of less than 500 total jobs, Ottawa County's employment base continues to grow at a relatively rapid rate.

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

-  Primary Study Area
-  East Submarket
-  NW Submarket
-  SW Submarket
-  Major Employers



## C. Conclusions

**Key Economic Metrics in Ottawa County have been Positive Over the Past Decade, Contributing to Demographic Growth and Ongoing Housing Demand** – The Ottawa County economy has been positive for several years, with the employment base growing and the unemployment rate declining each of the past nine years. The County has added nearly 40,000 jobs since 2009, representing an overall increase of 34.8%. This is significant growth that added to demographic growth, which has contributed to the demand for additional housing.

**Due to the Prevalence of Manufacturing and Tourism-Related Job Sectors, the Market is Vulnerable to Economy Volatility, which Adds to the Need for the Presence of Affordable Housing Alternatives** – Ottawa County has a broad mix of employment sectors, though nearly one-quarter of all employed persons in the county work within the Manufacturing job sector. Other job sectors of notable size include Retail Trade (12.2%), Health Care & Social Assistance (10.2%), and Accommodations & Food Service (8.0%). The large influence that Manufacturing and tourism-related job sectors have on the local economy does add to the area's vulnerability to economic fluctuations and downturns. This adds to the importance of having a base of housing alternatives that are affordable to low-income households who may experience unemployment or underemployment. However, recent and planned expansions in Technology, Logistics and Healthcare job sectors are expected to diversify the economy, adding to the market's stability.

**The Region has a Broad Mix of Wages by Occupation, which Contributes to the Need for a Variety of Housing Affordability Levels** – Most annual blue-collar salaries range from \$23,870 to \$46,710 within the Grand Rapids-Wyoming MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$77,204. It is important to note that most occupational types within the Grand Rapids-Wyoming MSA have slightly lower typical wages than the State of Michigan's typical wages.

**Public and Private Sector Investment has been Positive, with Additional Investment Planned that will Contribute to the Expanding Economy and Ongoing Housing Demand** – The County has undergone and is expected to undergo a large amount of public and private sector investment. With hundreds of millions of dollars in investments and numerous business expansions scheduled for the county, several hundred new jobs are expected to be added to the market in the near term. Additionally, an Amazon fulfillment center involving approximately \$150 million in investments will be built in adjacent Kent County in 2019 and bring in approximately 1,000 new jobs to the region. This will contribute to the ongoing demand for additional housing throughout the county.

## VI. Housing Supply Analysis

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

While there are a variety of housing alternatives offered in the overall market (Ottawa County), we focused our analysis on the most common alternatives. The housing structures included in this analysis are:

- **Rental Housing** – Rental properties consisting of multifamily apartments (generally with 8 or more units) were identified and surveyed. A sample survey of non-conventional rentals (typically with only one or two units in a structure) was also conducted and analyzed.
- **For-Sale Housing** – We identified attached and detached for-sale housing. Some of these include individual homes, while others were part of a planned development or community, as well as attached multifamily housing such as condominiums. Our analysis includes both historical sales transactions and currently available for-sale housing inventory.
- **Senior Care Facilities** – We surveyed senior care facilities that provide both shelter and care housing alternatives to seniors requiring some level of personal care (e.g. dressing, bathing, medical reminders, etc.).

For the purposes of this analysis, the housing supply information is first presented for the Primary Study Area (Ottawa County) and, when applicable, compared with the overall state of Michigan. This analysis includes secondary Census housing data (renter- and owner-occupied), Bowen National Research's survey of area rental alternatives, and for-sale housing data (both historical sales and available housing alternatives) obtained from secondary data sources (Realtor.com). In addition, we have included data and analyses of senior care facilities (i.e. assisted living and nursing homes). Finally, other housing dynamics such as planned or proposed housing and residential foreclosures were considered for their potential impact on housing market conditions and demand. Please note, the totals in some charts may not equal the sum of individual columns or rows or may vary from the total reported in other tables due to rounding.

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

**A. Overall Housing Supply (Secondary Data)**

This section of area housing supply is based on secondary data sources such as the U.S. Census, American Community Survey and ESRI, and is provided for the Primary Study Area (Ottawa County) and the state of Michigan, when applicable.

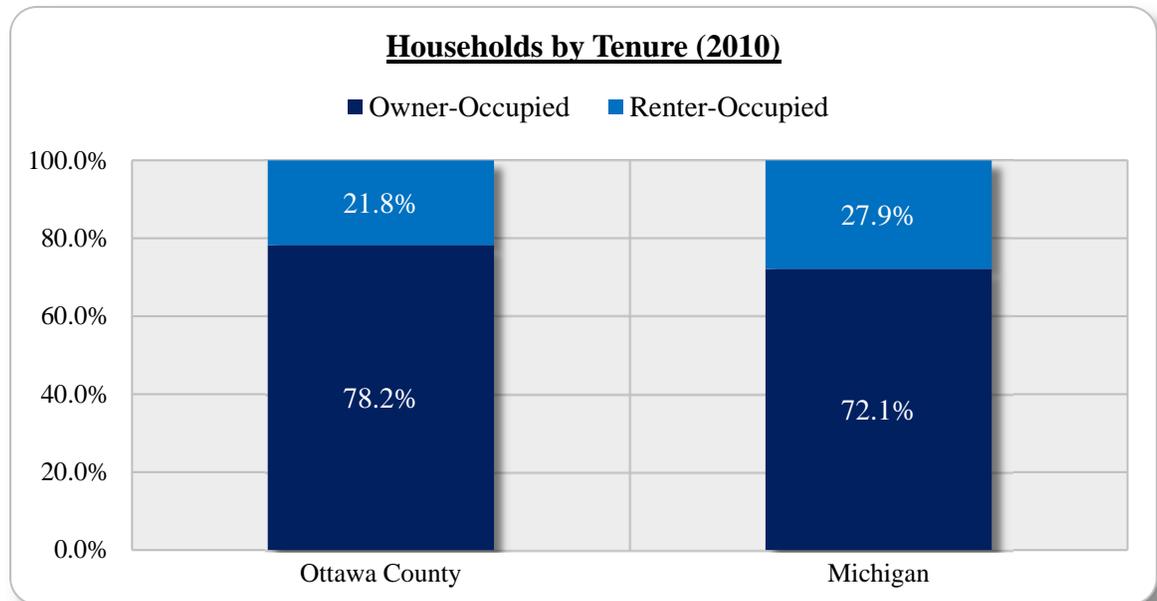
Housing Characteristics

The distributions of the area housing stock within each study area in 2010 are summarized in the following table:

		Households by Tenure - 2010				
		Total Occupied	Owner-Occupied	Renter-Occupied	Vacant	Total
<b>Ottawa County</b>	Number	93,775	73,303	20,472	8,720	102,495
	%	91.5%	78.2%	21.8%	8.5%	100.0%
<b>Michigan</b>	Number	3,872,380	2,793,338	1,079,042	659,712	4,532,092
	%	85.4%	72.1%	27.9%	14.6%	100.0%

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

Based on the 2010 U.S. Census, of the estimated 93,775 total occupied housing units in the PSA (Ottawa County), a little more than three quarters (78.2%) are owner-occupied while the balance consists of renter-occupied housing. Based on these Census estimates, the share of housing by tenure (renter vs. owner) is slightly more concentrated with owner-occupied units than the state average. While the Census data shows that 8.5% of the housing in the Ottawa County is vacant, this likely includes homes that were vacation homes, abandoned/uninhabitable or were temporarily vacant for-sale or for-rent housing structures.



Based on the 2012-2016 ACS data (the latest data available), the following is a distribution of all *renter*-occupied housing units in each study area by year of construction.

		Renter-Occupied Housing by Year Built								
		2014 or Later	2010 to 2013	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1950 to 1969	1949 or Earlier	Total
<b>Ottawa County</b>	Number	183	369	3,962	4,775	3,734	3,282	2,687	3,287	22,279
	%	0.8%	1.7%	17.8%	21.4%	16.8%	14.7%	12.1%	14.8%	100.0%
<b>Michigan</b>	Number	2,170	11,971	89,860	129,399	136,498	212,950	288,848	256,647	1,128,343
	%	0.2%	1.1%	8.0%	11.5%	12.1%	18.9%	25.6%	22.7%	100.0%

Source: American Community Survey (2012-2016); ESRI; Urban Decision Group; Bowen National Research

As evidenced by the table above, the largest share of rental housing supply in Ottawa County was built between 1990 and 1999. More than half (58.4%) of the existing supply was built prior to 1990, while just over 20.3% of the rental supply was built since 2000. Based on this analysis, Ottawa County has a good mix of product by age.

Based on the 2012-2016 ACS data, the following is a distribution of all *owner*-occupied housing units in each study area by year of construction.

		Owner-Occupied Housing by Year Built								
		2014 or Later	2010 to 2013	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1950 to 1969	1949 or Earlier	Total
<b>Ottawa County</b>	Number	384	1,492	12,499	15,610	10,549	10,999	13,857	10,018	75,408
	%	0.5%	2.0%	16.6%	20.7%	14.0%	14.6%	18.4%	13.3%	100.0%
<b>Michigan</b>	Number	5,564	23,882	318,006	392,147	248,697	392,810	770,623	580,322	2,732,051
	%	0.2%	0.9%	11.6%	14.4%	9.1%	14.4%	28.2%	21.2%	100.0%

Source: American Community Survey (2012-2016); ESRI; Urban Decision Group; Bowen National Research

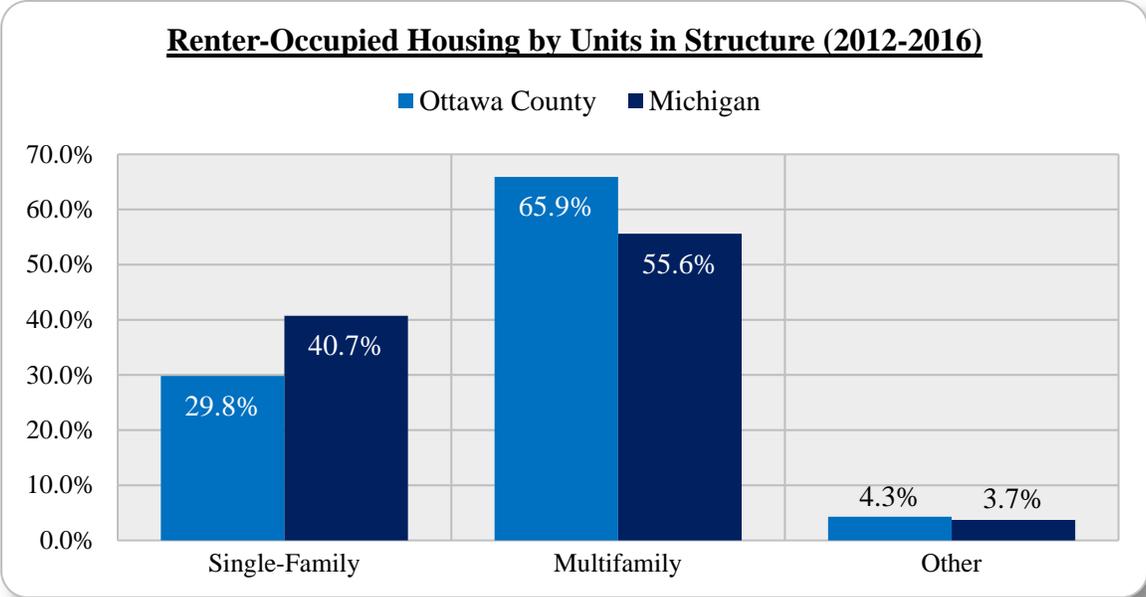
As reported by ACS, the largest share (20.7%) of the owner-occupied housing stock in Ottawa County was constructed between 1990 and 1999. The ACS data also indicates that nearly 20% of the owner-occupied housing stock in Ottawa County was constructed since 2000, though over 60% of the supply was built prior to 1990. Based on this analysis, Ottawa County has a good mix of older and newer owner-occupied housing stock.

Based on the 2012-2016 ACS data, the following is a distribution of all *renter*-occupied housing by units in structure for each study area.

		Renter-Occupied Housing by Units in Structure									
		1; Detached	1; Attached	2 to 4	5 to 9	10 to 19	20 to 49	50+	Mobile Homes	Boat, RV, Vans	Total
<b>Ottawa County</b>	Number	4,966	1,673	4,775	3,418	3,033	1,504	1,946	964	0	22,279
	%	22.3%	7.5%	21.4%	15.3%	13.6%	6.8%	8.7%	4.3%	0.0%	100.0%
<b>Michigan</b>	Number	387,526	72,365	150,985	153,831	135,363	75,477	110,936	41,361	499	1,128,343
	%	34.3%	6.4%	13.4%	13.6%	12.0%	6.7%	9.8%	3.7%	0.0%	100.0%

Source: American Community Survey (2012-2016); ESRI; Urban Decision Group; Bowen National Research

More than half (51.2%) of the rental units in the PSA are within structures of four units or less. Nearly one-third (29.1%) of the rental supply is within multifamily structures with 10 or more units. The distribution of the rental units in the PSA is slightly more concentrated toward multifamily structures than Michigan.

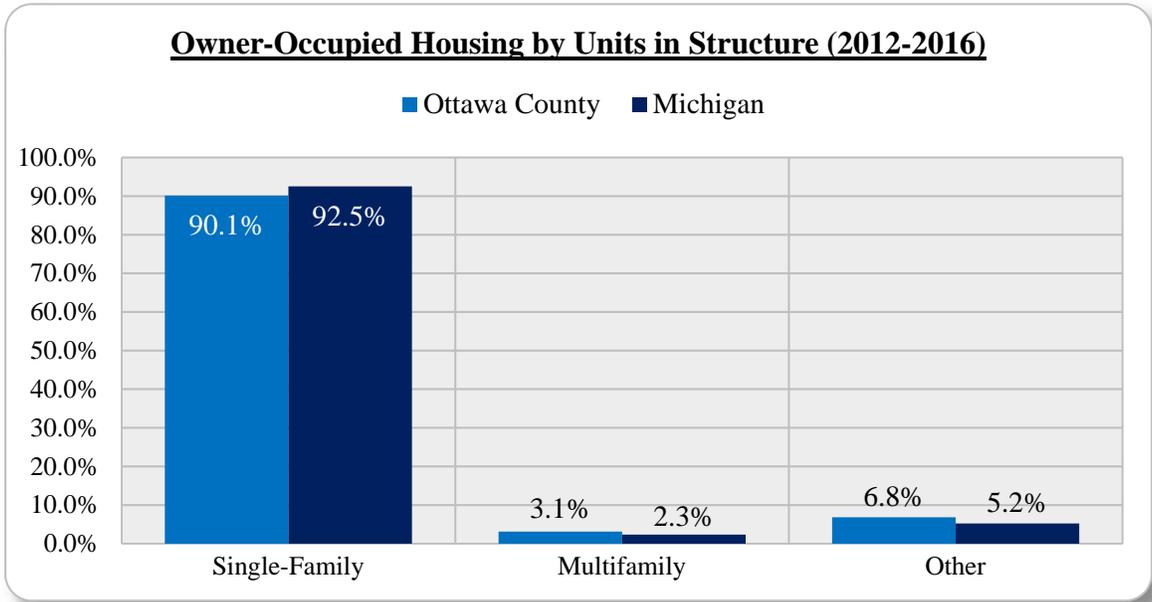


Based on the 2012-2016 ACS data, the following is a distribution of all *owner-*occupied housing by units in structure for each study area.

		Owner-Occupied Housing by Units in Structure									
		1; Detached	1; Attached	2 to 4	5 to 9	10 to 19	20 to 49	50+	Mobile Homes	Boat, RV, Vans	Total
<b>Ottawa County</b>	Number	63,431	4,559	1,104	462	179	216	323	5,119	15	75,408
	%	84.1%	6.0%	1.5%	0.6%	0.2%	0.3%	0.4%	6.8%	0.0%	100.0%
<b>Michigan</b>	Number	2,412,899	115,968	28,021	14,102	7,893	3,784	5,457	143,415	512	2,732,051
	%	88.3%	4.2%	1.0%	0.5%	0.3%	0.1%	0.2%	5.2%	0.0%	100.0%

Source: American Community Survey (2012-2016); ESRI; Urban Decision Group; Bowen National Research

Virtually all (90.1%) of the owner-occupied housing stock in Ottawa County consists of single-family homes, while a notable share (6.8%) consists of mobile homes. This is very comparable to the state of Michigan. We do believe that with a large number of condominium product in the development pipeline, there may be a slight shift toward multifamily for-sale housing in the county.



The following table summarizes the distribution of owner-occupied housing values within the county using 2012-2016 American Community Survey estimates and 2017 estimates.

Home Value	2012-2016 (ACS)		2017 (Estimated)	
LESS THAN \$20,000	4,062	5.4%	4,286	5.5%
\$20,000-\$39,999	1,635	2.2%	1,725	2.2%
\$40,000-\$59,999	1,538	2.0%	1,463	1.9%
\$60,000-\$79,999	2,229	3.0%	1,971	2.5%
\$80,000-\$99,999	4,196	5.6%	3,711	4.8%
\$100,000-\$149,999	19,243	25.6%	16,872	21.6%
\$150,000-\$199,999	18,065	24.1%	16,914	21.7%
\$200,000-\$299,999	15,132	20.2%	16,403	21.0%
\$300,000-\$399,999	5,297	7.1%	6,952	8.9%
\$400,000-\$499,999	1,514	2.0%	3,000	3.8%
\$500,000-\$749,999	1,275	1.7%	3,241	4.2%
\$750,000-\$999,999	501	0.7%	766	1.0%
\$1,000,000 +	347	0.5%	667	0.9%
Total	75,034	100.0%	77,971	100.0%
Median Value	\$162,771		\$176,480	

Source: American Community Survey

The largest concentration of estimated home values are between \$100,000 and \$299,999. The estimated median home value in 2017 was \$176,480. This differs from the currently available supply identified in the county, which primarily consists of product priced at \$300,000 or higher.

Substandard housing is an important component to consider when evaluating a housing market and potential housing need. Substandard housing is generally considered housing that 1.) Lacks complete kitchen and/or bathroom facilities, 2.) Is overcrowded, and 3.) Has a rent/cost over-burden situation. Markets with a disproportionately high share of any of the preceding substandard housing characteristics may be in need of replacement housing. As a result, we have evaluated each of these characteristics for the county.

The following tables demonstrate the share of substandard housing found in the study areas, based on the presence or absence of kitchen and bathroom facilities:

		Renter-Occupied Housing by Kitchen & Bathroom Characteristics					
		Kitchens			Plumbing		
		Complete	Incomplete	Total	Complete	Incomplete	Total
<b>Ottawa County</b>	Number	21,635	644	22,279	22,032	247	22,279
	%	97.1%	2.9%	100.0%	98.9%	1.1%	100.0%
<b>Michigan</b>	Number	1,109,643	18,700	1,128,343	1,122,807	5,536	1,128,343
	%	98.3%	1.7%	100.0%	99.5%	0.5%	100.0%

Source: American Community Survey (2012-2016); ESRI; Urban Decision Group; Bowen National Research

Based on the 2012-2016 ACS estimates, the percentage of renter-occupied housing with incomplete kitchen facilities was 2.9% in Ottawa County. An additional 1.1% of renter-occupied units had incomplete bathroom plumbing facilities. While representing small shares, there are 891 renter-occupied units in Ottawa County that have either incomplete bathrooms or kitchens.

The share of owner-occupied housing units that lack complete kitchen or plumbing facilities for each of the study areas is summarized below:

		Owner-Occupied Housing by Kitchen & Bathroom Characteristics					
		Kitchens			Plumbing		
		Complete	Incomplete	Total	Complete	Incomplete	Total
<b>Ottawa County</b>	Number	75,153	255	75,408	75,189	219	75,408
	%	99.7%	0.3%	100.0%	99.7%	0.3%	100.0%
<b>Michigan</b>	Number	2,722,297	9,754	2,732,051	2,724,483	7,568	2,732,051
	%	99.6%	0.4%	100.0%	99.7%	0.3%	100.0%

Source: American Community Survey (2012-2016); ESRI; Urban Decision Group; Bowen National Research

Owner-occupied housing units which lack complete kitchen or bathroom facilities comprise only 0.6% of all owner-occupied housing units in Ottawa County.

The following table illustrates the percentage of households that are living in crowded quarters by tenure, as defined by the presence of 1.01 or more occupants per room.

		Occupied Housing by Household Size (Occupants Per Room)					
		Renter			Owner		
		< 1.0	1.01+	Total	< 1.0	1.01+	Total
<b>Ottawa County</b>	Number	21,523	756	22,279	74,304	1,104	75,408
	%	96.6%	3.4%	100.0%	98.5%	1.5%	100.0%
<b>Michigan</b>	Number	1,095,860	32,483	1,128,343	2,701,305	30,746	2,732,051
	%	97.1%	2.9%	100.0%	98.9%	1.1%	100.0%

Source: American Community Survey (2012-2016); ESRI; Urban Decision Group; Bowen National Research

Of the 22,279 *renter*-occupied housing units in the Ottawa County, 756 (3.4%) have 1.01 or more occupants per room and are considered overcrowded. A total of 1,104 (1.5%) owner-occupied housing units are considered overcrowded.

Overcrowded housing is considered a housing unit with 1.01 or more persons per room, while severely overcrowded housing is considered a unit with 1.51 or more persons per room. The following table illustrates the overcrowded households by tenure for Ottawa County and Michigan.

County	Overcrowded				Severe Overcrowded			
	Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ottawa County	756	3.4%	1,104	1.5%	97	0.4%	179	0.2%
Michigan	32,483	2.9%	30,746	1.1%	9,471	0.8%	5,367	0.2%

Source: 2012-2016 American Community Survey

While small in share, 3.4% of renter households and 1.5% of owner households are considered overcrowded households within the county. Overall, these households total 1,860 units that are substandard.

Households that are cost burdened (typically paying more than 30% of income towards housing costs) often find it difficult paying for housing and meeting other financial obligations. The following compares the percent of household income that is applied to housing costs based on data provided by American Community Survey.

		Occupied Housing by Percent of Income Paid Towards Rent									
		Renter					Owner				
		< 20%	20%-30%	30% +	Unknown	Total	< 20%	20%-30%	30% +	Unknown	Total
Ottawa County	Number	6,296	5,044	9,785	1,154	22,279	46,369	15,845	12,954	240	75,408
	%	28.3%	22.6%	43.9%	5.2%	100.0%	61.5%	21.0%	17.2%	0.3%	100.0%
Michigan	Number	258,591	242,662	536,595	90,495	1,128,343	1,538,166	565,486	605,990	22,409	2,732,051
	%	22.9%	21.5%	47.6%	8.0%	100.0%	56.3%	20.7%	22.2%	0.8%	100.0%

Source: American Community Survey (2012-2016); ESRI; Urban Decision Group; Bowen National Research

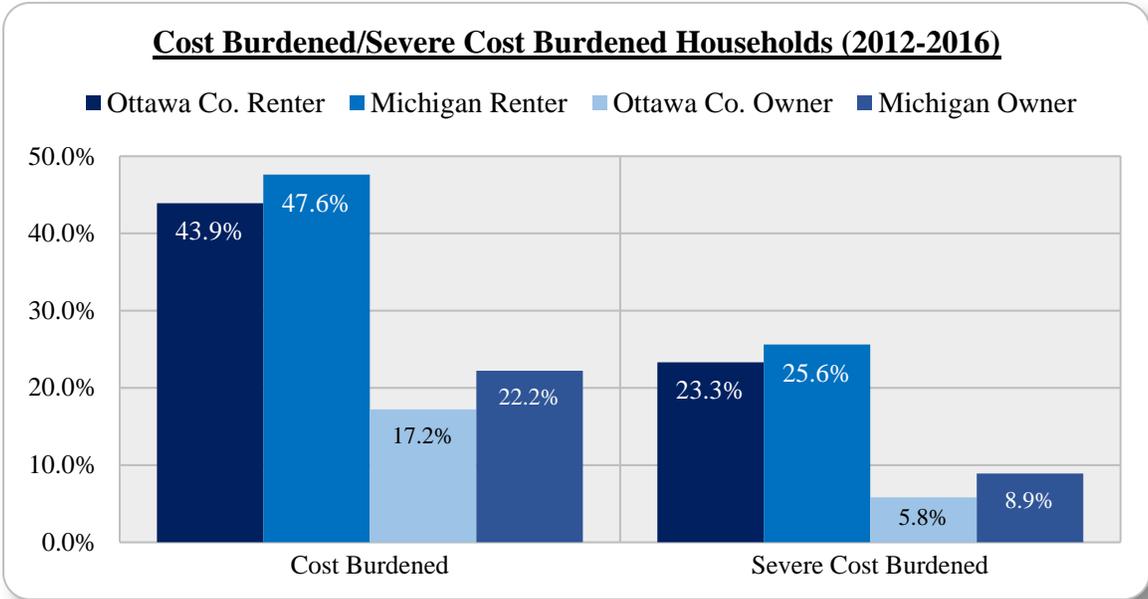
An estimated 43.9% of *renter*-occupied households in Ottawa County are paying more than 30% of their income towards rent. This is a slightly lower share of rent burdened households when compared with the state of Michigan (47.6%). With nearly half of all renters paying a disproportionately high share of their income towards rent, it is clear that many renter households in Ottawa County are likely struggling to meet their housing costs. The *homeowner* housing cost burdened challenges for Ottawa County homeowners are less pronounced at 17.2%, which is comparable to the state average (22.2%).

*Severe* cost burdened households are considered as those paying over 50% of their income towards housing costs. The following table illustrates the severe cost burdened households in the county and the state.

County	Severe Cost Burdened			
	Renter		Owner	
	Number	Percent	Number	Percent
Ottawa County	5,200	23.3%	4,336	5.8%
Michigan	288,308	25.6%	243,300	8.9%

Source: 2012-2016 American Community Survey

Among Ottawa County’s *renter* households, a total of 5,200 (23.3%) are *severe* cost burdened. Within Michigan, this ratio is 25.6%. The share of severe cost burdened *owner* households is 5.8% in the county, which is lower than the state (8.9%).



**B. Housing Supply Analysis (Bowen National Survey)**

1. Multifamily Rental Housing

During the fall of 2018, Bowen National Research surveyed (both by telephone and in-person) numerous multifamily rental housing projects within Ottawa County. While these rentals do not represent all multifamily rental housing projects in the market, they provide significant insight as to the market conditions of commonly offered multifamily rental product. We believe this survey represents a good base from which characteristics and trends of multifamily rental housing can be evaluated and from which conclusions can be drawn.

Projects identified, inventoried, and surveyed operate under a number of affordable housing programs including the Low-Income Housing Tax Credit (LIHTC), HUD Section 8, and Rural Development Section 515 programs, as well as market-rate. Definitions of each housing program are included in Addendum G: Glossary.

Managers and leasing agents at each project were surveyed to collect a variety of property information including vacancies, rental rates, design characteristics, amenities, utility responsibility, and other features. Each project was also rated based on quality and upkeep. Each surveyed property was photographed and mapped as part of this survey.



Data collected during our survey is presented in aggregate format for the Primary Study Area (PSA). Overviews of the rental supply of the submarkets are included in Section IX.

We identified and personally surveyed 92 conventional housing projects containing a total of 10,013 units within the PSA (Ottawa County). This survey was conducted to establish the overall strength of the rental market and to identify potential housing needs in the county. These rentals have a combined occupancy rate of 97.5%, a high rate for rental housing.

The table below summarizes the surveyed multifamily rental supply.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	68	8,215	242	97.1%
Market-rate/Tax Credit	8	637	0	100.0%
Market-rate/Government-Subsidized	1	126	0	100.0%
Tax Credit	4	368	5	98.6%
Tax Credit/Government-Subsidized	2	186	0	100.0%
Government-Subsidized	9	481	1	99.8%
Total	92	10,013	248	97.5%

Among these projects, 83 are non-subsidized (market-rate and Tax Credit) projects containing 9,246 units. These non-subsidized units are 97.3% occupied. The remaining nine projects contain 767 government-subsidized units, which are 99.9% occupied. Overall, demand for multifamily rental housing is very strong and there do not appear to be many vacancies in the market. Even with 242 vacant market-rate units, the overall vacancy rate for market-rate supply is less than 3.0%. Virtually all affordable rentals (Tax Credit and government-subsidized) in the county are occupied, indicating that households with low or very low incomes have extremely limited options in the county, at least among the multifamily supply. As such, there appears to be a development opportunity for a variety of rental products, particularly for affordable rentals. Each multifamily rental housing segment is evaluated in detail in this section.

#### Market-Rate Apartments

A total of 77 multifamily projects with at least some market-rate units were surveyed in the county. Overall, these properties contain 8,502 market-rate units. The following table summarizes the units by bedroom/bathroom type. It should be noted that gross rents include tenant-paid rents and estimated tenant-paid utility costs.

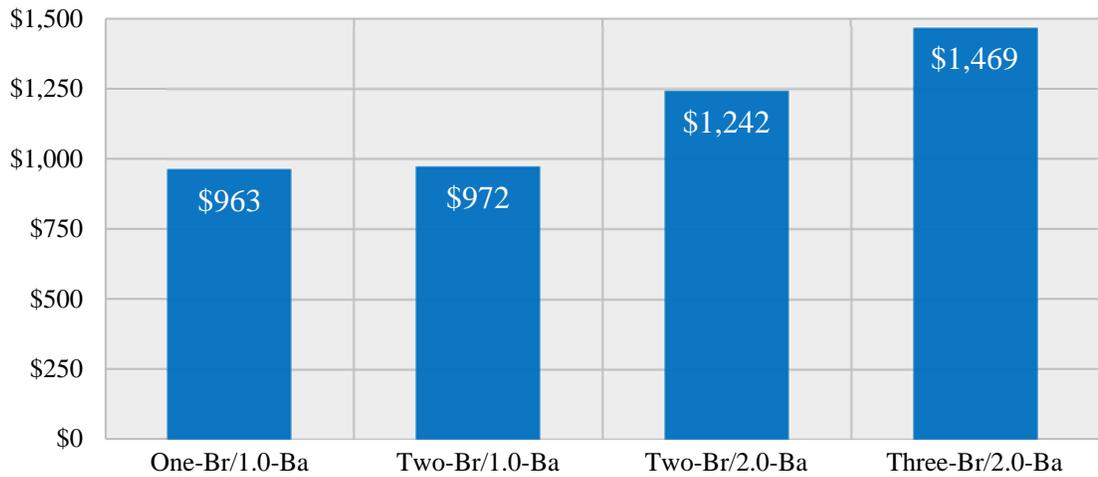
Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	68	0.8%	0	0.0%	\$775
One-Bedroom	1.0	1,774	20.9%	25	1.4%	\$963
One-Bedroom	1.5	28	0.3%	0	0.0%	\$1,038
Two-Bedroom	1.0	1,910	22.5%	33	1.7%	\$972
Two-Bedroom	1.5	375	4.4%	3	0.8%	\$899
Two-Bedroom	2.0	2,032	23.9%	69	3.4%	\$1,242
Two-Bedroom	2.5	56	0.7%	2	3.6%	\$1,264
Three-Bedroom	1.0	72	0.8%	0	0.0%	\$924
Three-Bedroom	1.5	77	0.9%	1	1.3%	\$1,374
Three-Bedroom	2.0	441	5.2%	8	1.8%	\$1,469
Three-Bedroom	3.0	152	1.8%	0	0.0%	\$1,582
Three-Bedroom	3.5	138	1.6%	51	37.0%	\$1,660
Four-Bedroom	1.75	182	2.1%	0	0.0%	\$1,757
Four-Bedroom	2.0	187	2.2%	0	0.0%	\$1,551
Four-Bedroom	2.5	128	1.5%	1	0.8%	\$1,783
Four-Bedroom	3.0	35	0.4%	0	0.0%	\$2,103
Four-Bedroom	3.5	8	0.1%	0	0.0%	\$1,585
Four-Bedroom	4.0	390	4.6%	24	6.2%	\$2,557
Four-Bedroom	4.5	430	5.1%	21	4.9%	\$2,117
Five-Bedroom	5.25	15	0.2%	4	26.7%	\$3,205
Five-Bedroom	5.5	4	0.0%	0	0.0%	\$3,705
<b>Total Market-Rate</b>		<b>8,502</b>	<b>100.0%</b>	<b>242</b>	<b>2.8%</b>	-

The market-rate units are 97.2% occupied, which is a very high occupancy rate for market-rate rentals. Vacancy rates by bedroom and bathroom type are low among most unit types. The high vacancy rates among the three-bedroom/3.5 bathroom units (37.0% vacant) and five-bedroom/5.25 bathroom units (26.7% vacant) are attributed to vacant units at some student housing projects, two of which recently opened and are in their initial lease-up phases.

The unit mix by bedroom type within the PSA is generally well balanced when compared to similar sized markets, though the 16.2% share of four-bedroom or larger units is unusual. However, given the presence of higher education institutions in the market, there are some student rental housing alternatives in the market which often include many three-bedroom or larger units.

The following graph illustrates median market-rate rents among common bedroom types offered in the PSA.

**Ottawa County Market-Rate Median Gross Rents by Beds/Baths**



The following is a distribution of market-rate product surveyed by year built for the PSA:

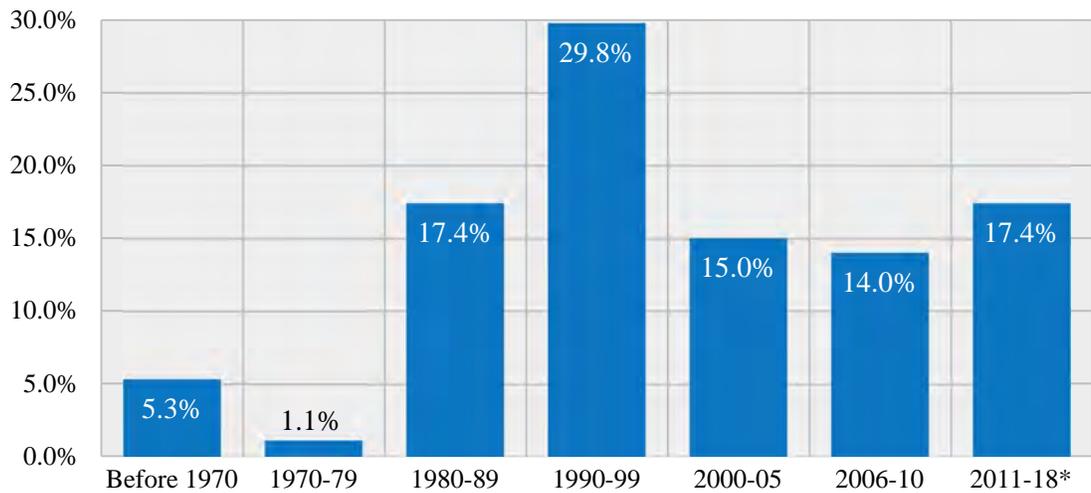
Year Built – Market-rate			
Year Built	Projects	Units	Share of Units
Before 1970	2	450	5.3%
1970 to 1979	2	99	1.1%
1980 to 1989	18	1,482	17.4%
1990 to 1999	16	2,532	29.8%
2000 to 2005	9	1,273	15.0%
2006 to 2010	13	1,190	14.0%
2011 to 2018*	17	1,476	17.4%

\*As of October

The largest share of market-rate product in the PSA was built in the 1990’s, with nearly a third of all product developed during this time. Overall, the PSA has a relatively modern inventory of multifamily rentals.

The distribution of surveyed market-rate units in the county by development period is shown in the graph on the following page.

### Ottawa County Share of Market-Rate Units by Year Built



\*Through October

Representatives of Bowen National Research personally visited the surveyed rental projects within the overall county and rated the exterior quality of each property. We rated each property surveyed on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). The following is a distribution of the surveyed market-rate supply by quality rating.

Quality Rating	Market-Rate Properties			Median Gross Rent				
	Projects	Total Units	Vacancy Rate	Studio	One-Br.	Two-Br.	Three-Br.	Four+-Br.
A	11	1,439	6.9%	-	\$1,035	\$1,364	\$1,660	\$2,385
A-	9	1,084	3.8%	\$1,088	\$988	\$1,242	\$1,635	\$1,303
B+	9	1,174	3.3%	-	\$893	\$1,123	\$1,907	\$2,476
B	15	1,477	2.1%	\$703	\$1,012	\$1,115	\$1,514	\$1,837
B-	13	2,475	0.6%	-	\$963	\$1,066	\$1,274	\$1,551
C+	3	111	0.9%	\$775	\$883	\$809	\$1,624	-
C	9	378	0.8%	\$1,400	\$988	\$1,021	\$1,284	\$1,415
C-	5	310	4.2%	-	\$745	\$972	\$1,224	\$1,232
D+	2	54	0.0%	-	\$745	\$789	-	-

The majority of the surveyed market-rate supply in the PSA consists of product in the "B" range of quality levels, with a notable amount of "A" quality product. Vacancies are generally low among all quality levels. Given that vacancies are low among lower quality product indicates that demand is strong regardless of the quality of housing.

The amenities offered at a project are often influenced by such things as target market (i.e. families, seniors, young professionals, etc.) and the household income segment the project seeks to serve. The most common amenities offered at the market-rate units in the PSA include a range, refrigerator, dishwasher, garbage disposal, central air conditioning, carpeted floors, washers/dryers, patio/balcony, and window blinds. As such, the unit amenities at a majority of the market-rate supply are comprehensive and comparable to modern rental housing standards. Project amenities are relatively limited, as the only amenity standard at most market-rate projects is on-site management. Some other notable project amenities offered at about a quarter of the projects include swimming pools, laundry facilities, clubhouses, fitness centers, and sports courts.

Tax Credit Apartments

Tax Credit housing is housing that is developed under the Low-Income Housing Tax Credit (LIHTC) program. Typically, these projects serve households with income of up to 60% of Area Median Household Income (AMHI), though recent legislation allows for some units to target households with incomes of up to 80% of AMHI. A total of 12 surveyed multifamily projects in the county offer Low-Income Housing Tax Credit (LIHTC or Tax Credit) units. Some of the supply operates as mixed-income properties, with market-rate and/or government-subsidized units. It is worth noting that nine of the 12 properties are age-restricted. As such, families seeking Tax Credit housing have limited options. This section focuses only on the non-subsidized Tax Credit units, while the Tax Credit units operating with concurrent subsidies are discussed in the government-subsidized section of this report (starting on page VI-17).

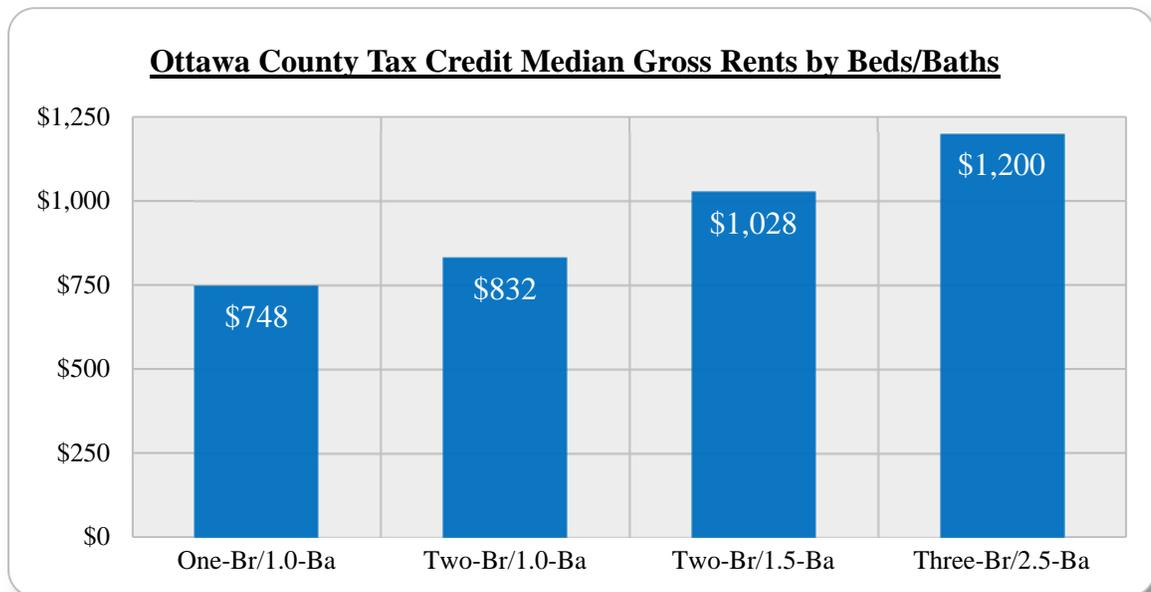
The following table summarizes the breakdown of non-subsidized Tax Credit units surveyed within Ottawa County.

Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	242	32.5%	0	0.0%	\$748
Two-Bedroom	1.0	180	24.2%	1	0.6%	\$832
Two-Bedroom	1.5	156	21.0%	2	1.3%	\$1,028
Two-Bedroom	2.0	36	4.8%	0	0.0%	\$1,028
Three-Bedroom	1.5	40	5.4%	0	0.0%	\$916
Three-Bedroom	2.0	42	5.6%	0	0.0%	\$994
Three-Bedroom	2.5	48	6.5%	2	4.2%	\$1,200
<b>Total Tax Credit</b>		<b>744</b>	<b>100.0%</b>	<b>5</b>	<b>0.7%</b>	<b>-</b>

The non-subsidized Tax Credit units are 99.3% occupied within the PSA, evidence of the market’s strong demand for affordable rental housing. In fact, there is pent-up demand for this type of housing, as all but one of the Tax Credit projects maintain a wait list, with up to 182 households on any one wait list.

The 744 Tax Credit units in the PSA consist of a broad mix of unit types. While the largest share (50.0%) of units consist of two-bedroom units, a notable share (32.5%) consist of one-bedroom units and 17.5% consist of three-bedroom units. The distribution of Tax Credit units by bedroom type is similar to other well-balanced markets. As a result, the Tax Credit supply is able to accommodate a variety of household types and sizes. These units have median gross rents ranging from \$748 to no more than \$1,200. The median rents of the Tax Credit supply are well below the median rents of the market-rate multifamily supply. As such, Tax Credit housing is a value in the market, which is likely contributing to its strong level of demand.

The graph below illustrates median Tax Credit rents among common bedroom types offered in the PSA.



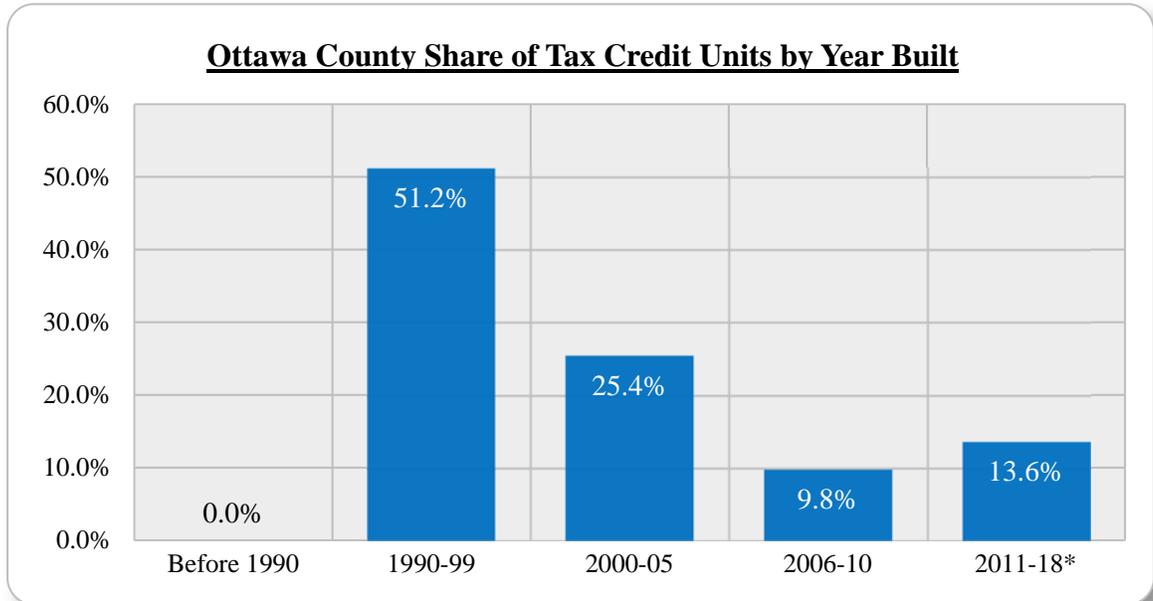
The following is a distribution of Tax Credit product surveyed by year built for the PSA (note: the Tax Credit program started in 1986):

Year Built - Tax Credit, Non-Subsidized			
Year Built	Projects	Units	Share of Units
Before 1990	-	-	-
1990 to 1999	4	381	51.2%
2000 to 2005	3	189	25.4%
2006 to 2010	2	73	9.8%
2011 to 2018*	4	101	13.6%

\*As of October

While more than half of all surveyed Tax Credit supply was built in the 1990's, nearly a quarter was built in the past decade. Overall, the Tax Credit supply in the PSA is relatively modern.

The distribution of Tax Credit units in the county by year built is shown in the following graph:



\*Through October

Representatives of Bowen National Research personally visited the surveyed rental projects within the market and rated the exterior quality of each property. We rated each property surveyed on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). The following is a distribution of the Tax Credit properties by quality rating.

Quality Ratings - Tax Credit, Non-Subsidized			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	4	258	0.4%
B	3	150	0.0%
B-	3	132	0.0%
C	2	204	2.0%

Most of the surveyed Tax Credit projects have a quality rating of B- or better. While vacancies are low among all quality levels, they are the highest (2.0%) among the lowest rated properties. Regardless of quality, however, demand for affordable housing is strong in the PSA.

The most common amenities offered at the Tax Credit projects in the market include a range, refrigerator, dishwasher, garbage disposal, carpeted flooring, window treatments, central air conditioning, washer/dryer hookups, patio/balcony and an intercom system. As such, the existing Tax Credit supply offers relatively modern unit amenity packages. The most common project amenities among the LIHTC supply include on-site management, laundry facilities, community space, and elevators.

Government-Subsidized Housing

There was a total of 12 projects surveyed within the county that offer at least some units that operate with a government-subsidy. Government-subsidized housing typically requires residents to pay 30% of their adjusted gross income towards rents and generally qualifies households with incomes of up to 50% of Area Median Household Income (AMHI). The 12 projects with a subsidy include 767 units, of which 161 units also operate with Tax Credits.

The government-subsidized units surveyed within Ottawa County are summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	66	41.0%	0	0.0%
Two-Bedroom	1.0	95	59.0%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>161</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	495	81.7%	1	0.2%
Two-Bedroom	1.0	92	15.2%	0	0.0%
Three-Bedroom	1.5	19	3.1%	0	0.0%
<b>Total Subsidized</b>		<b>606</b>	<b>100.0%</b>	<b>1</b>	<b>0.2%</b>

The subsidized Tax Credit units are 100.0% occupied and the government-subsidized units are 99.8% occupied. Given that most subsidized projects have long wait lists, very low-income renter households (making 50% or less of Area Median Household Income) have limited options available and likely must choose from either the non-subsidized multifamily housing options or non-conventional housing options, such as single-family homes and duplexes, or even mobile homes. Based on this analysis, it is clear that there is pent-up demand for subsidized housing in the county.

Eleven properties in the county operate as a subsidized project under a current HUD contract. Because these contracts have a designated renewal date, it is important to understand if any of these projects are at risk of an expiring contract in the near future that could result in the reduction of affordable rental housing stock within the county. These 11 properties are summarized in the following table.

Property Name	City	Assisted Units	Total Units	Program Type	Renewal Date
Bay Pointe Apts.	Holland	47	156	Section 8	12/31/2029
Evergreen Village	Spring Lake	59	60	Section 202/8	6/1/2032
Grand Haven Apts.	Grand Haven	0	190	N/A	N/A
Greenbriar Apts.	Holland	125	125	HFDA/8	7/14/2036
Harrison Avenue Group Home	Holland	8	8	Section 202/8	3/25/2022
Haven Huis	Zeeland	45	46	Section 202/8	2/2/2033
McIntosh Manor	Holland	32	32	Section 202/8	8/9/2035
Pinewood Place/Pinewood Apts.	Grand Haven	124	124	HFDA/8	1/21/2030
River Village	Coopersville	40	40	Section 202/8	9/28/2031
Riverbend	Jenison	46	46	HFDA/8	1/30/2034
Wildwood Creek Manor	Holland	75	76	Section 8	6/30/2030

Source: HUDUser.gov

N/A – Not Available

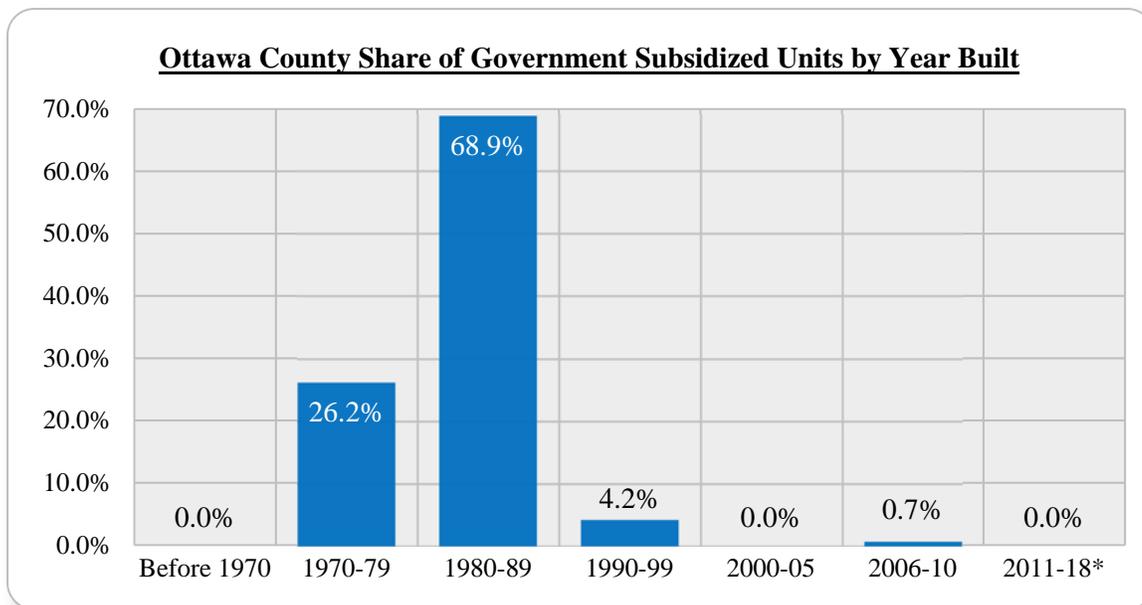
While all HUD supported projects are subject to annual appropriations by the Federal Government, it appears that only one project has a renewal date prior to 2029. This project, Harrison Avenue Group Home, offers only eight units and has an expiring contract in March of 2022. Therefore, it does not appear the market is currently at risk of losing any notable-sized HUD projects in the near term.

The following is a distribution of government-subsidized product surveyed by year built for the overall market:

Year Built – Government-Subsidized			
Year Built	Projects	Units	Share of Units
Before 1970	-	-	-
1970 to 1979	2	201	26.2%
1980 to 1989	8	529	68.9%
1990 to 1999	1	32	4.2%
2000 to 2005	-	-	-
2006 to 2010	1	5	0.7%
2011 to 2018*	-	-	-

\*As of October

The development of government-subsidized product primarily occurred in the 1980's, with nearly two-thirds of the units built during this time. Of the surveyed properties, only five subsidized units have been added to the market over the past twenty years.



\*As of October

Representatives of Bowen National Research personally visited the surveyed rental projects within the county and rated the exterior quality of each property. We rated each property surveyed on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). The following is a distribution of subsidized housing by quality rating, units, and vacancies for the county.

Quality Ratings – Government Subsidized			
Year Built	Projects	Units	Share of Units
B	1	5	0.7%
C+	9	574	74.8%
C	2	188	24.5%

While the overall PSA's subsidized rental properties have a diverse mix of rental product by quality rating, virtually all (99.3%) of the subsidized product was rated "C+" or lower, meaning that these projects are generally considered to be in fair or poor condition.

The most common unit amenities offered among the subsidized projects in the county include a range, refrigerator, garbage disposal, carpet flooring, patio/balconies and window blinds. As such, the existing government-subsidized supply offers modest unit amenity packages. Project amenities are relatively limited at the government-subsidized properties in the county but generally include on-site management, laundry facilities, and community space. Given that most of the surveyed subsidized product in the market is lower quality, built prior to 1990 and are relatively small, it is not surprising that project amenities are relatively limited at the subsidized projects.

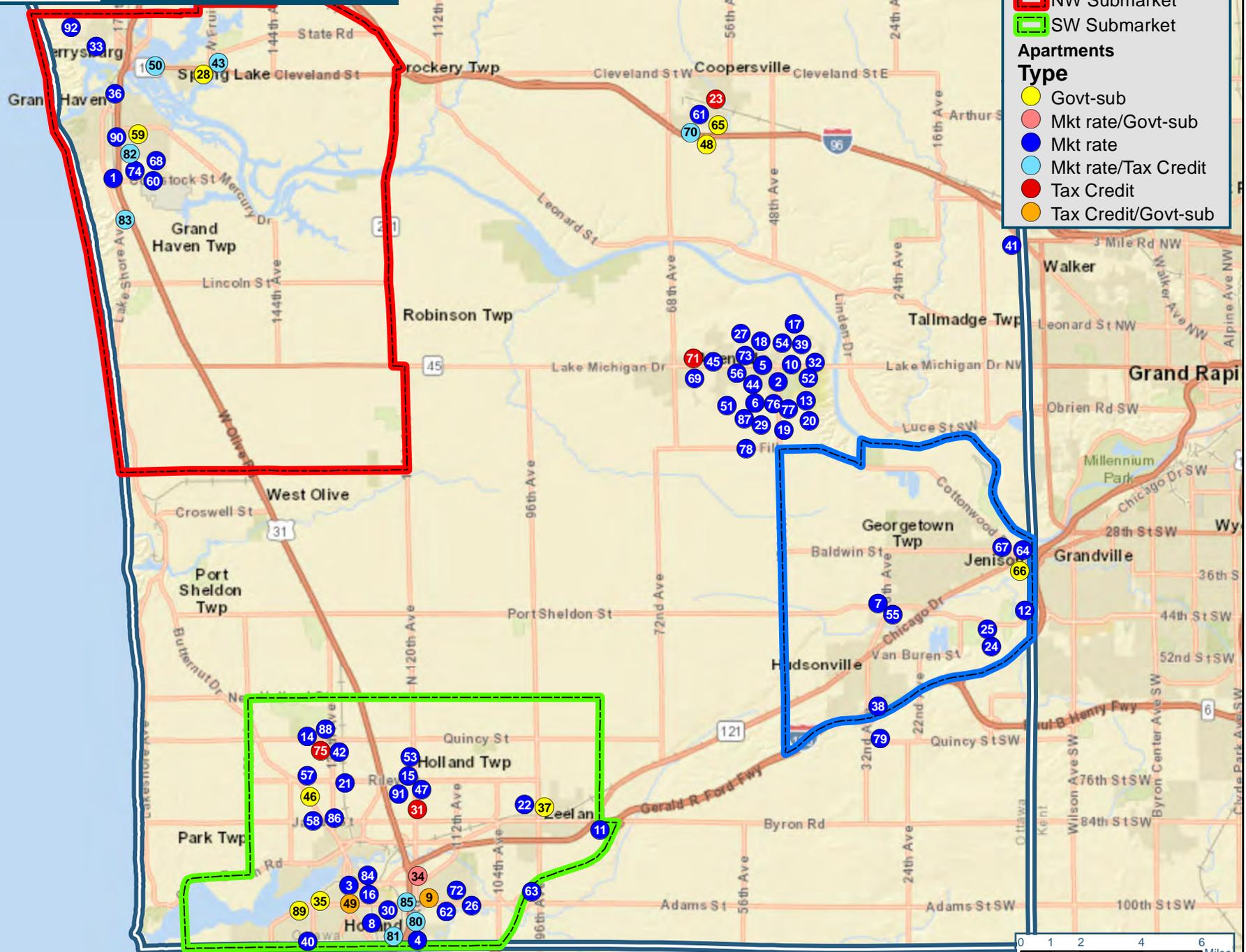
A map illustrating the location of all multifamily apartments surveyed within the overall PSA is included on the following page.

**Legend**

- Primary Study Area
- East Submarket
- NW Submarket
- SW Submarket

**Apartments Type**

- Govt-sub
- Mkt rate/Govt-sub
- Mkt rate
- Mkt rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-sub



## 2. Non-Conventional Rental Housing

Non-conventional rentals are considered rental units typically consisting of single-family homes, duplexes, units over store fronts, mobile homes, etc. For the purposes of this particular analysis, we have assumed that rental properties consisting of four or less units are non-conventional rentals.

Non-conventional rentals comprise a notable portion of the rental housing stock in the PSA, as evidenced by that fact that rental occupied units within structures with one to four units represent just over one-half (51.2%) of all renter-occupied units. The following summarizes the distribution of renter-occupied units by the number of units in a structure for the PSA.

PSA - Renter Occupied Housing by Units in Structure		
Units in Structure	Total Units	Percent
1 to 4 Units	11,414	51.2%
5 or More Units	9,901	44.4%
Mobile Homes	964	4.3%
Total	22,279	100.0%

Source: American Community Survey (2012-2016); ESRI; Urban Decision Group; Bowen National Research

With a large portion of the rental housing stock in the PSA consisting of non-conventional rentals, it is clear that this segment is significant and warrants additional analysis.

The following summarizes monthly gross rents for area rental alternatives based on American Community Survey estimates. These rents are for all rental product types including apartments, non-conventional rentals, and mobile homes. Since more than half of all rentals in the market are considered non-conventional rentals, the rents below provide insight as to likely rents for non-conventional rentals in the PSA.

Gross Rents		
Gross Rent	PSA	
	Number of Units	Percent of Units
Less than \$300	450	2.0%
\$300 to \$499	1,196	5.4%
\$500 to \$749	7,155	32.1%
\$750 to \$999	6,924	31.1%
\$1,000 to \$1,499	3,937	17.7%
\$1,500 to \$2,000	1,021	4.6%
\$2,000 and Higher	657	2.9%
No Cash Rent	939	4.2%
Total	22,279	100.0%

Source: American Community Survey (2012-2016); Bowen National Research

As the preceding table illustrates, the largest share of rental units in the PSA have rents that fall between \$500 and \$749, which comprise 32.1% of all rental units. A nearly equal share (31.1%) of PSA rental units have rents between \$750 and \$999. Very few rentals have rents above \$1,500.

Bowen National Research identified 63 non-conventional rentals in the PSA that were listed as *available* for rent. While these rentals do not represent all non-conventional rentals, these units are representative of common characteristics of the various non-conventional rental alternatives available in the market. As a result, these rentals provide a good baseline to compare the rental rates, number of bedrooms, number of bathrooms, and other attributes of non-conventional rentals.

The table below summarizes the available non-conventional rentals identified in the PSA.

Bedroom Type	Units	Average Number of Baths	Average Square Feet	Rent Range	Average Rent	Average Rent Per Square Foot
One-Bedroom	5	1.0	717	\$675-\$900	\$800	\$1.14
Two-Bedroom	22	1.0	965	\$675-\$1,500	\$1,016	\$1.13
Three-Bedroom	28	1.5	1,590	\$849-\$2,500	\$1,382	\$0.91
Four-Bedroom	7	2.0	2,005	\$1,395-\$2,350	\$1,720	\$0.89
Five-Bedroom	1	2.0	1,500	\$1,500	\$1,500	\$1.00

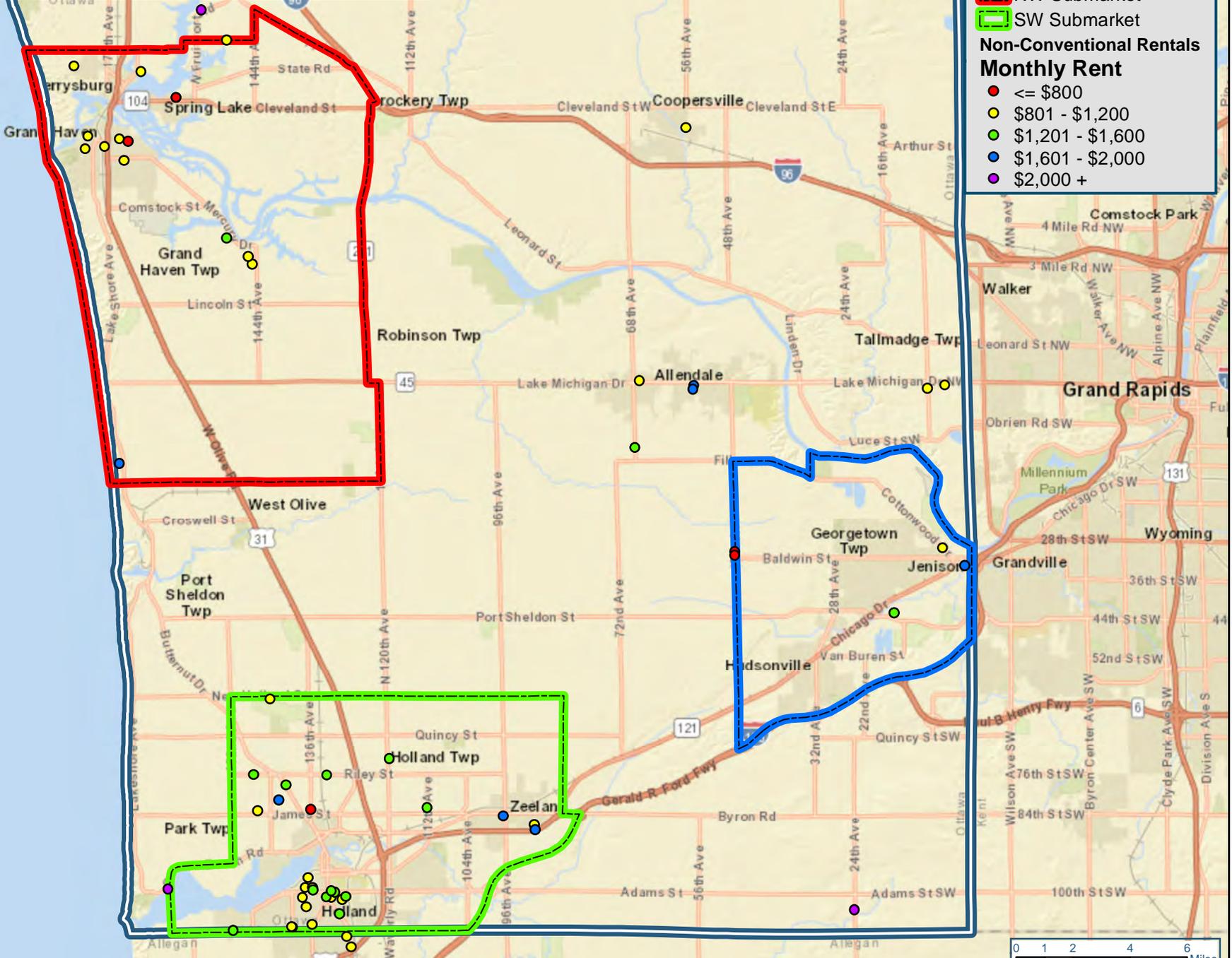
The identified non-conventional rentals consist of one- to five-bedroom units. Overall, rents range from \$675 to \$2,500. The average collected rent by bedroom type for the most common bedroom types is \$1,016 for a two-bedroom unit and \$1,382 for a three-bedroom unit. General trends include an increase in average rent as the number of bedrooms increase, while there is a decrease in average rent per square foot as the number of bedrooms increase. When typical tenant utility costs are also considered, these units have *gross* average rents likely ranging from around \$775 to \$2,700, which are comparable to many of the conventional apartments surveyed in the area. As such, it is unlikely that many low-income residents would be able to afford non-conventional rental housing in the area.

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

Primary Study Area  
  East Submarket  
  NW Submarket  
  SW Submarket

**Non-Conventional Rentals  
Monthly Rent**

- ≤ \$800
- \$801 - \$1,200
- \$1,201 - \$1,600
- \$1,601 - \$2,000
- \$2,000 +



### 3. Vacation Rentals & Seasonal Housing

Ottawa County’s housing market is greatly influenced by tourism and seasonal residents and short-term visitors. While the actual number of seasonal homes and vacation rentals is unknown, the U.S. Census and the American Community Survey (ACS) provide estimates of the number of vacant housing units in the county, including housing units classified as “Seasonal or Recreational”. These are summarized as follows:

	2010 (Census)		2012-2016 (ACS)	
	Number	Percent	Number	Percent
For Rent	2,254	25.8%	934	13.2%
For-Sale Only	1,727	19.8%	688	9.7%
Renter/Sold, Not Occ.	408	4.7%	495	7.0%
Seasonal or Recreational	2,752	31.6%	2,506	35.5%
Other Vacant	1,579	18.1%	2,445	34.6%
<b>Total</b>	<b>8,720</b>	<b>100.0%</b>	<b>7,068</b>	<b>100.0%</b>

Source: American Community Survey; 2010 Census

According to ACS, of the estimated 7,068 vacant units in the county, approximately 2,506 are seasonal or recreational units. These units comprise 35.5% of the county’s vacant units, representing the largest share of the vacant supply.

Short-term housing alternatives, including vacation rentals are prominent in the county. According to data available via HomeAway.com there are approximately 440 housing units listed as available for rent. These range from individual bedrooms in a house to entire houses. The table below provides an inventory of available housing units by bedroom type that were advertised as available for rent in the county. It is important to keep in mind that the amount of short-term inventory varies from month to month and among the different seasons. As such, availability and lease rates will likely vary throughout the year.

Bedroom Type	Units	Average Number of Baths	Average Square Feet	Rent Range (Avg. Per Night)	Average Rent (Per Night)	Average Guest Size
Studio	2	1.0	N/A	\$44-\$59	\$52	3
One-Bedroom	41	1.0	753 (20 listed)	\$50-\$275	\$172	4
Two-Bedroom	111	1.5	1,129 (68 listed)	\$53-\$507	\$216	6
Three-Bedroom	140	2.0	1,595 (72 listed)	\$33-\$1,195	\$288	8
Four-Bedroom	91	2.0	2,044 (36 listed)	\$40-\$1,750	\$352	10
Five-Bedroom +	57	3.0	3,235 (27 listed)	\$45-\$2,066	\$611	15

Source: HomeAway.com  
N/A – Not Available

As the preceding table illustrates, the identified vacation rentals range from studios to units that consist of greater than five bedrooms. The largest bedroom size listed as an available rental unit according to HomeAway is eight bedrooms. Overall, rents range from as low as \$33 average price-per-night to over \$2,000 average price-per-night. The average nightly price for the most common bedroom types is \$216 for a two-bedroom, \$288 for a three-bedroom and \$352 for a four-bedroom. The average accommodated guest size for the most common bedroom types is six guests for a two-bedroom, eight guests for a three-bedroom and 10 guests for a four-bedroom. The largest accommodated number of guests listed for an available rental unit is 25.

According to HomeAway, 189 of the available 440 units are listed as a house, 121 are listed as an apartment or condo and 120 are listed as a cabin, cottage or bungalow. Additional listed unit types include townhome (5), studio (2), boat/yacht (2), farm house (1), chateau/country house (1) and estate (1). The available units are located throughout Ottawa County; however, certain portions of the County hold a higher concentration of rental units than others, most notably those in the proximity of Lake Michigan. Using maps offered by HomeAway an estimated 225 of the available 440 units are in Grand Haven, an estimated 140 are in the Lake Macatawa area, an estimated 40 are in Port Sheldon Township and an estimated 30 are in Holland. The remaining units are scattered throughout other areas of the County.

As is typical for vacation rentals, property type, location and on-site amenities play a role in a unit's average nightly price. It should be noted that one singular unit can have multiple location types and/or property amenities; for example, one unit can have both a beach and a lake view or both a pool and a hot tub. A total of 156 of the available 440 units are listed as having a lake view, 126 units are listed as a downtown location, 112 are listed as having a beachfront or beach view and 108 are listed as having waterfront access. Additionally, 178 units are listed as having a fireplace, 108 units are listed as having a king-sized bed, 94 units are listed as having a pool, 70 units are listed as having a hot tub and 31 units are listed as having a gym or fitness equipment. Most available vacation rental units are listed as having air conditioning, laundry machines, Wi-Fi, an outdoor patio area and available parking.

Due to the seasonal nature of vacation rentals, another factor to consider when examining this market is the time of year in which they are utilized and the variation of pricing. Using data available via Airbnb.com, the following table provides an example of the average nightly price for a non-holiday, one week stay for each month of the year and the total number of rental units available during that week. All bedroom types were included.

Year	Month	Average Nightly Price	Total Number of Available Rental Units
2018	November	\$178	149
2018	December	\$172	209
2019	January	\$174	209
2019	February	\$199	209
2019	March	\$186	226
2019	April	\$193	237
2019	May	\$224	200
2019	June	\$231	205
2019	July	\$277	177
2019	August	\$244	198
2019	September	\$237	222
2019	October	\$228	245

Source: Airbnb.com

As demonstrated by the preceding table the average nightly price for a vacation rental unit is highest between the months of June through September, the typical time period for vacations in the United States. It should also be noted that the number of available rental units during these months is lower when compared to the rest of the calendar year. This may be a result of a greater quantity of vacation rental-unit owners choosing to live at their property in the warmer months. The table also demonstrates that the average nightly price for a one-week stay generally decreases as seasonal temperatures decrease, while it starts to increase once the warmer months begin to come around.

Overall, while vacation rentals are abundant in the county, they comprise a relatively small share of the county’s housing inventory. As such, we do not believe vacation rentals are impacting the overall housing market.

### C. **For-Sale Housing Supply**

#### 1. **Introduction**

Bowen National Research, obtained for-sale housing data from Realtor.com for the PSA (Ottawa County). This included historical for-sale residential data and currently available for-sale housing stock. While this sales data does not include all for-sale residential transactions or supply in the county, it does consist of the majority of such product and therefore, it is representative of market norms for for-sale housing product.

The following table summarizes the available and recently sold (between April 2018 to October 2018) housing stock for the PSA (Ottawa County).

<b>Sold/Currently Available For-Sale Housing Supply – Ottawa County, MI</b>		
<b>Status</b>	<b>Homes</b>	<b>Median Price</b>
Sold*	1,798	\$210,000
Available	770	\$309,900

Source: Realtor.com

\*Sales from April to October 2018

Within the PSA, the available for-sale housing stock consists of 770 units with a median asking price of \$309,900, while the historical sales consist of 1,798 homes and have a median sales price of \$210,000.

## 2. Historical For-Sale Analysis

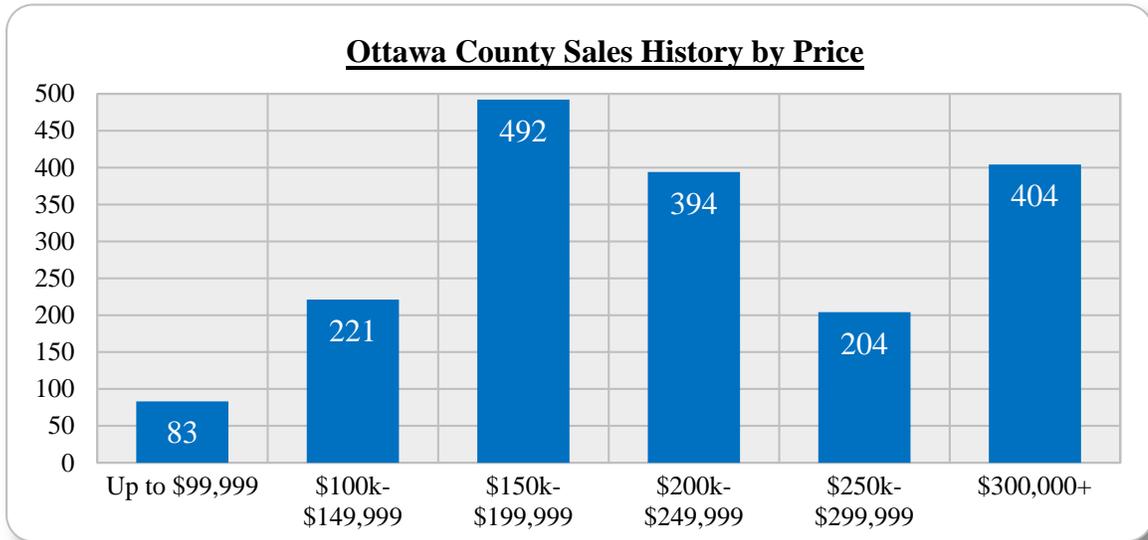
The distribution of homes recently sold between April 2018 and October 2018 by price for the PSA is summarized in the table below.

<b>Ottawa County, MI</b>		
<b>Sales History by Price</b>		
<b>(April 2018 to October 2018)</b>		
<b>Sale Price</b>	<b>Number Sold</b>	<b>Percent of Supply</b>
Up to \$99,999	83	4.6%
\$100,000 to \$149,999	221	12.3%
\$150,000 to \$199,999	492	27.4%
\$200,000 to \$249,999	394	21.9%
\$250,000 to \$299,999	204	11.3%
\$300,000+	404	22.5%
Total	1,798	100.0%

Source: Realtor.com

As the preceding table illustrates, home sales by price point within the PSA over the past six months were primarily concentrated among product priced between \$150,000 and \$199,999 (27.4%). Product below \$150,000 represents just 16.9% of the supply sold in the PSA. Meanwhile, more than one-third of the homes sold in the PSA were priced above \$250,000.

The sample survey of recent home sales by price point in the county is shown in the graph below:



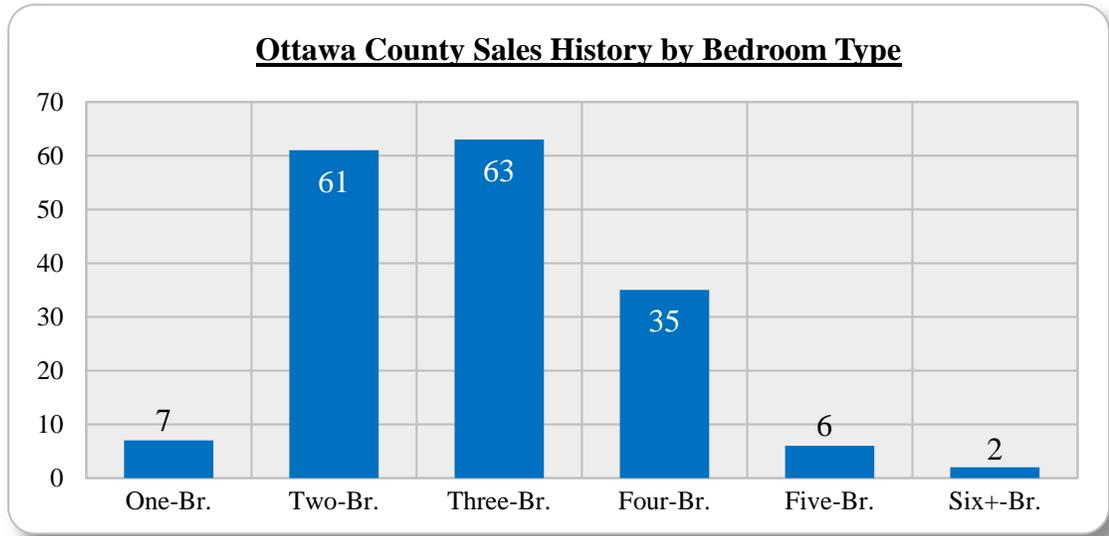
Details related to the bedroom types, number of bathrooms, square footage, and year built of recently sold homes were only available on a limited number of home transactions. However, these 174 homes provide some insight into the characteristics of homes sold over the past six months and, therefore, were evaluated.

Ottawa County, MI							
Sales History by Bedrooms – (April 2018 to October 2018)							
Bedrooms	Number Sold	Average Baths	Average Sq. Ft.	Average Year Built	Price Range	Median Sales Price	Median Price per Sq. Ft.
One-Br.	7	1.5	1,106	1978	\$95,000 - \$267,000	\$176,000	\$156.84
Two-Br.	61	1.25	1,061	1956	\$65,000 - \$1,325,000	\$165,000	\$154.90
Three-Br.	63	1.5	1,399	1943	\$89,000 - \$319,900	\$164,000	\$129.88
Four-Br.	35	1.75	1,600	1928	\$101,000 - \$385,000	\$175,000	\$118.16
Five-Br.	6	2.5	2,007	1932	\$78,900 - \$339,900	\$217,500	\$111.34
Six-Br.	2	3.25	3,119	1979	\$295,000 - \$315,000	\$305,000	\$98.41
Total	174	1.5	1,350	1946	\$65,000 - \$1,325,000	\$168,950	\$137.12

Source: Realtor.com

Much of the recent sales activity in the PSA involves the resale of older homes, as evidenced by the fact that the average year built of recent home sales is 1946. These homes have a median sales price of \$168,950. As shown on the following page, more modern homes have been selling at much higher prices.

The sample survey of recent home sales by bedroom type in the county is shown in the following graph:



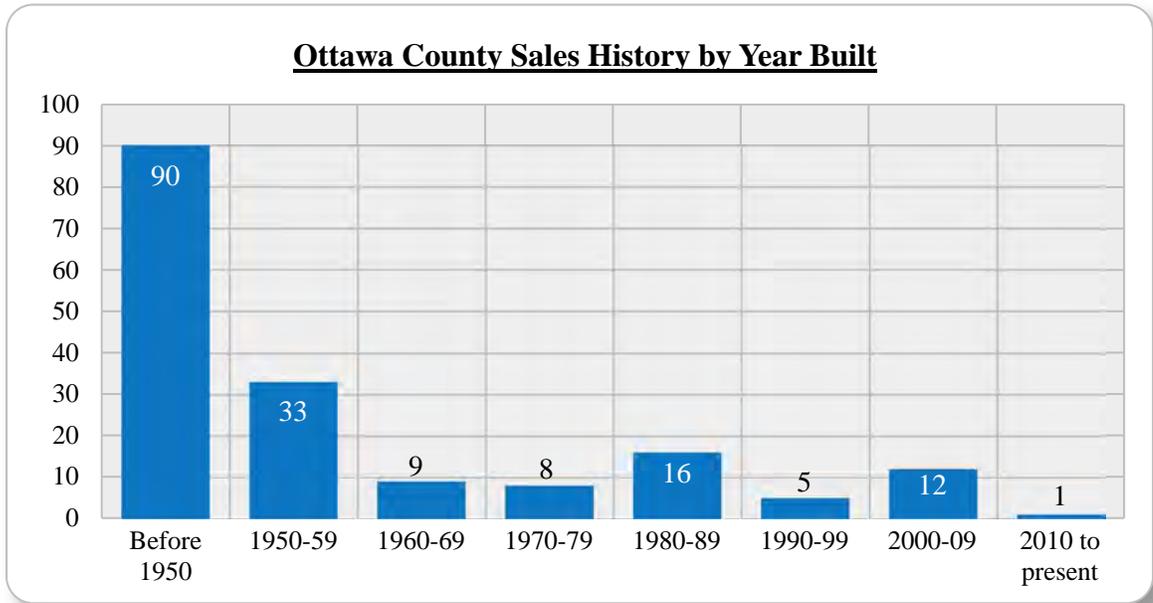
Recent home sales by year built in the PSA is shown in the table below:

<b>Ottawa County, MI</b>						
<b>Sales History by Year Built – (April 2018 to October 2018)</b>						
<b>Year Built</b>	<b>Number Sold</b>	<b>Average Beds/Baths</b>	<b>Average Square Feet</b>	<b>Price Range</b>	<b>Median Sales Price</b>	<b>Median Price per Sq. Ft.</b>
Before 1950	90	3/1.5	1,271	\$65,000 - \$385,000	\$160,450	\$129.77
1950 to 1959	33	3/1.25	1,279	\$98,500 - \$319,900	\$184,000	\$155.97
1960 to 1969	9	3/1.5	1,601	\$111,000 - \$245,000	\$150,000	\$102.69
1970 to 1979	8	3/2.25	1,976	\$117,500 - \$425,000	\$217,500	\$109.74
1980 to 1989	16	2/1.5	1,200	\$83,000 - \$228,250	\$170,000	\$146.71
1990 to 1999	5	2/2.25	1,652	\$104,500 - \$307,000	\$218,500	\$153.33
2000 to 2009	12	2/1.75	1,473	\$115,000 - \$1,325,000	\$204,950	\$153.92
2010 to present	1	5/4.0	2,900	\$339,900	\$339,900	\$117.21
<b>Total</b>	<b>174</b>	<b>3/1.5</b>	<b>1,350</b>	<b>\$65,000 - \$1,325,000</b>	<b>\$168,950</b>	<b>\$137.12</b>

Source: Realtor.com

Generally, product built prior to 1990 has a sales price under \$200,000, while anything built in 1990 or later is priced over \$200,000. Product built after 2010 is most often priced above \$300,000.

The sample survey of recent home sales by year built in the county is shown in the following graph:



A map illustrating the location of all homes sold between April 2018 and October 2018 within the PSA is included on the following page.

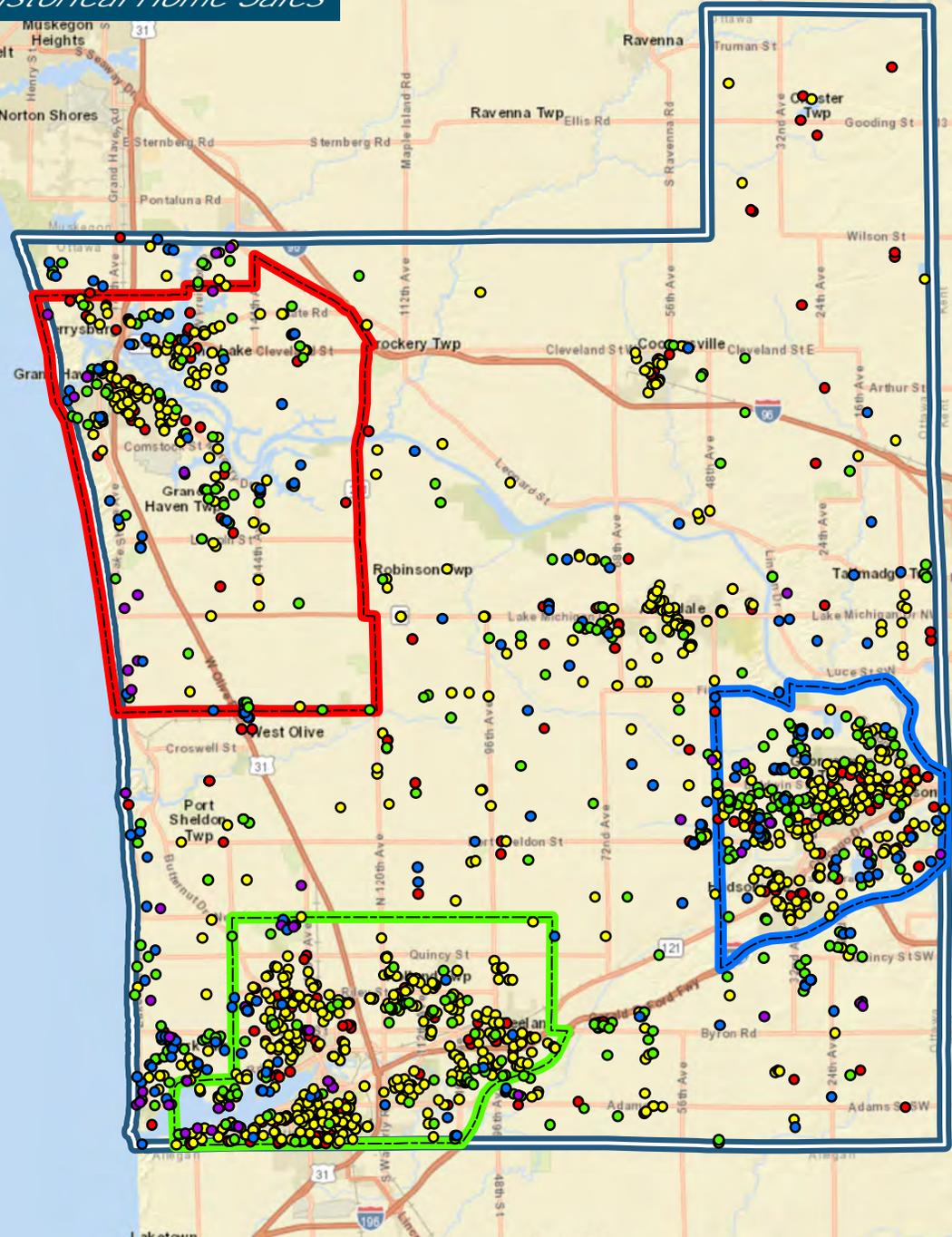


# Ottawa County, MI Historical Home Sales

**Primary Study Area** (Blue outline)  
**East Submarket** (Blue outline)  
**NW Submarket** (Red outline)  
**SW Submarket** (Green outline)

**Historical Sales Sold Price**

- ≤ \$150,000 (Red)
- \$150,001 - \$250,000 (Yellow)
- \$250,001 - \$350,000 (Green)
- \$350,001 - \$500,000 (Blue)
- \$500,001+ (Purple)



**NORTH**  
1:400,000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri/Japan, MFTI, Esri/China

### 3. Available For-Sale Housing Supply

Through online sources (Realtor.com), we identified 770 housing units within the overall county that were listed as available for purchase as of October 2018. Virtually all of the product we evaluated included single-family home listings, while a limited number of duplexes, condominiums and other non-conventional product were identified. While there are likely some other for-sale residential units available for purchase, such homes were not identified during our research due to the method of advertisement or simply because the product was not actively marketed. Regardless, the available inventory of for-sale product identified in this analysis provides a good baseline for evaluating the for-sale housing alternatives offered in the county.

The available for-sale data we collected and analyzed includes the following:

- Distribution of Housing by Bedrooms
- Distribution of Housing by Price Point
- Distribution of Housing by Year Built

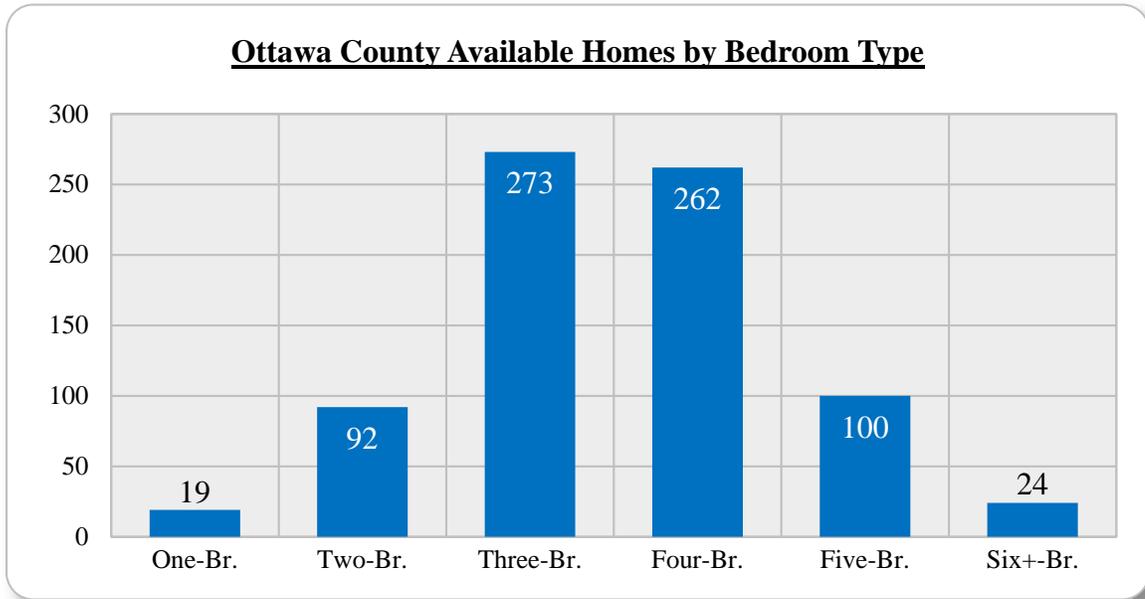
The available for-sale housing by bedroom type in the PSA is summarized in the following table.

Ottawa County, MI								
Available For-Sale Housing by Bedrooms (As of October 2018)								
Bedrooms	Number Available	Average Baths	Average Square Feet	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	19	1.5	1,251	2012	\$82,000 - \$414,900	\$237,500	\$187.01	73
Two-Br.	92	2.0	1,622	1992	\$34,600 - \$1,299,999	\$289,950	\$153.83	72
Three-Br.	273	2.25	1,928	1991	\$13,000 - \$5,600,000	\$259,900	\$133.50	65
Four-Br.	262	2.75	2,634	1988	\$34,999 - \$3,995,000	\$339,995	\$137.59	72
Five-Br.	100	3.5	3,720	1989	\$140,000 - \$3,499,900	\$434,900	\$128.83	84
Six+-Br.	24	4.25	5,119	1976	\$314,500 - \$3,850,000	\$739,900	\$147.51	95
Total	770	2.5	2,447	1990	\$13,000 - \$5,600,000	\$309,900	\$137.73	72

Source: Realtor.com

The available for-sale supply in the PSA has an average year built of 1990. The average unit size of available product in the PSA is 2,447 square feet. Approximately 35.5% of the identified available for-sale residential units in the PSA consist of three-bedroom units, with the next largest share (34.0%) among the four-bedroom units. While the range of price points for available supply in the PSA is relatively wide, ranging from \$13,000 to \$5,600,000, the median list price is \$309,900.

The number of available homes by bedroom type in the county is shown in the following graph:



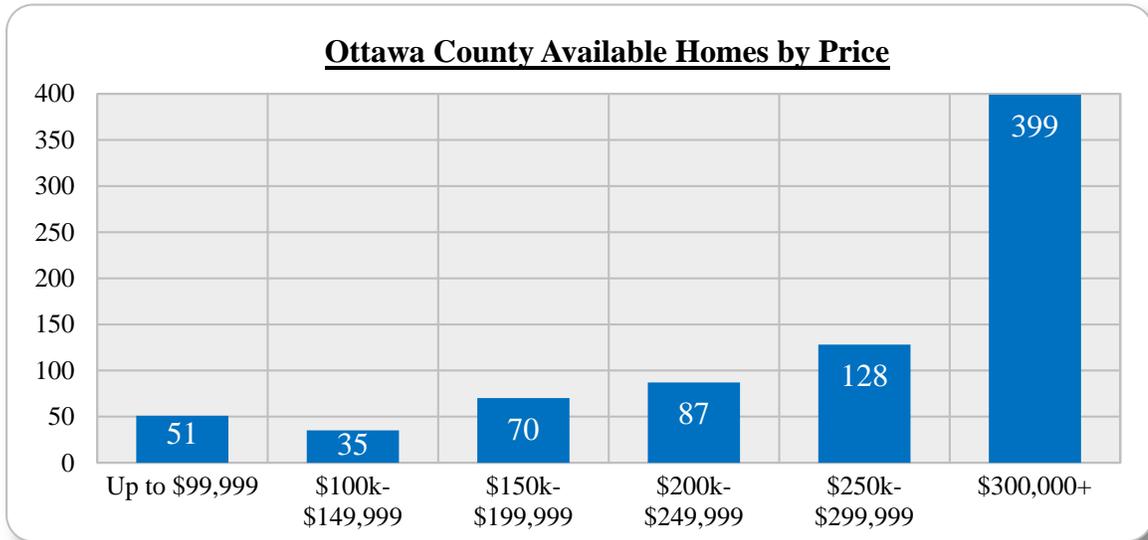
The table below summarizes the distribution of available for-sale residential units by *price point* for the PSA:

Ottawa County, MI			
Available For-Sale Housing by Price (As of October 2018)			
Sale Price	Number Available	Percent of Supply	Average Days on Market
Up to \$99,999	51	6.6%	45
\$100,000 to \$149,999	35	4.5%	26
\$150,000 to \$199,999	70	9.1%	39
\$200,000 to \$249,999	87	11.3%	11
\$250,000 to \$299,999	128	16.6%	82
\$300,000+	399	51.8%	95
Total	770	100.0%	72

Source: Realtor.com

Over one-half (51.8%) of the available for-sale housing supply in the PSA is priced at \$300,000 or higher, with the next largest share (16.6%) of available product priced between \$250,000 and \$299,999. The market has only 86 units priced under \$150,000, representing just 11.1% of the available supply. The limited supply of product priced under \$150,000 may make it difficult for low-income households, including first-time homebuyers, to find affordable housing. With just over 20% of the available supply priced between \$150,000 and \$299,999 even moderate-income households may find it challenging to find housing to meet their needs. The lowest priced product is in very high demand, as evidenced by the very short number of days on market among such homes.

The number of available homes in the PSA by price point are illustrated in the following graph:



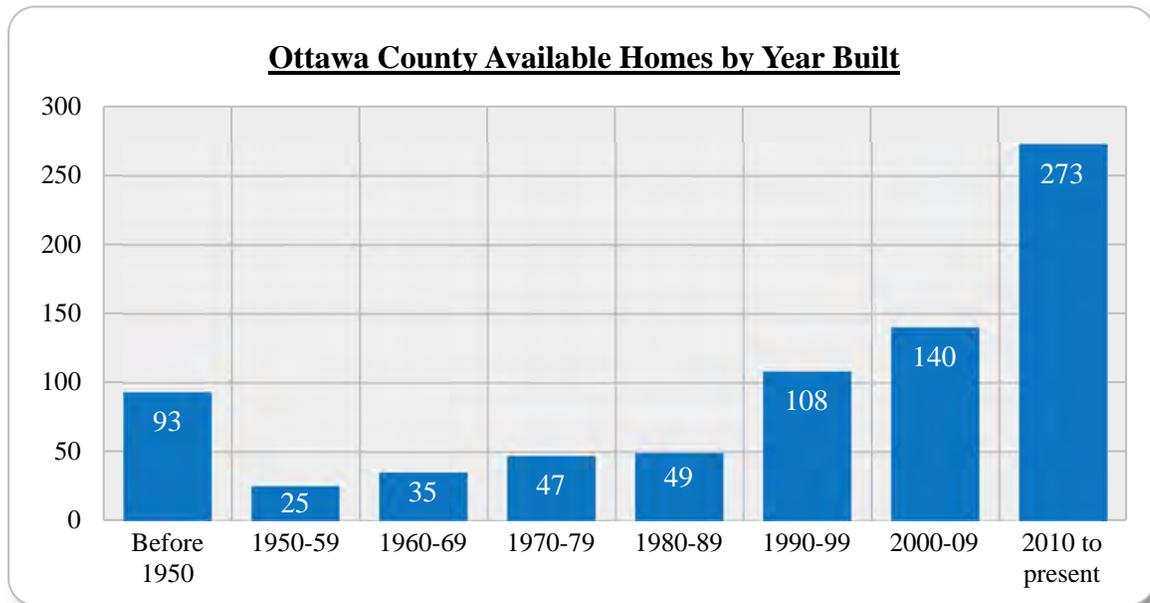
The distribution of available homes by year built for the PSA is summarized in the table below.

Ottawa County, MI							
Available For-Sale Housing by Year Built – (As of October 2018)							
Year Built	Number Available	Average Beds/Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	93	4/2.0	2,134	\$102,500 - \$3,950,000	\$263,500	\$142.89	69
1950 to 1959	25	3/1.75	1,840	\$125,000 - \$3,995,000	\$189,900	\$133.93	46
1960 to 1969	35	4/2.0	2,109	\$169,900 - \$2,875,000	\$277,100	\$135.99	74
1970 to 1979	47	3/2.5	2,440	\$134,900 - \$1,450,000	\$274,900	\$117.69	58
1980 to 1989	49	4/2.5	2,688	\$115,000 - \$3,000,000	\$349,000	\$135.49	78
1990 to 1999	108	4/3.0	3,138	\$13,000 - \$2,200,000	\$352,400	\$116.77	63
2000 to 2009	140	4/3.0	2,808	\$16,995 - \$3,495,000	\$339,900	\$125.84	65
2010 to present	273	3/2.5	2,153	\$24,995 - \$5,600,000	\$314,900	\$150.95	83
<b>Total</b>	<b>770</b>	<b>4/2.5</b>	<b>2,447</b>	<b>\$13,000 - \$5,600,000</b>	<b>\$309,900</b>	<b>\$137.73</b>	<b>72</b>

Source: Realtor.com

As shown in the preceding tables, just over one-half of the available for-sale housing product in the PSA was built after 2000. These newer homes are generally priced over \$300,000, while product priced under \$200,000 is typically built prior to 1960.

The number of available homes in the county by year built is shown in the graph below:



A map illustrating the location of available for-sale homes in the PSA is included on the following page.

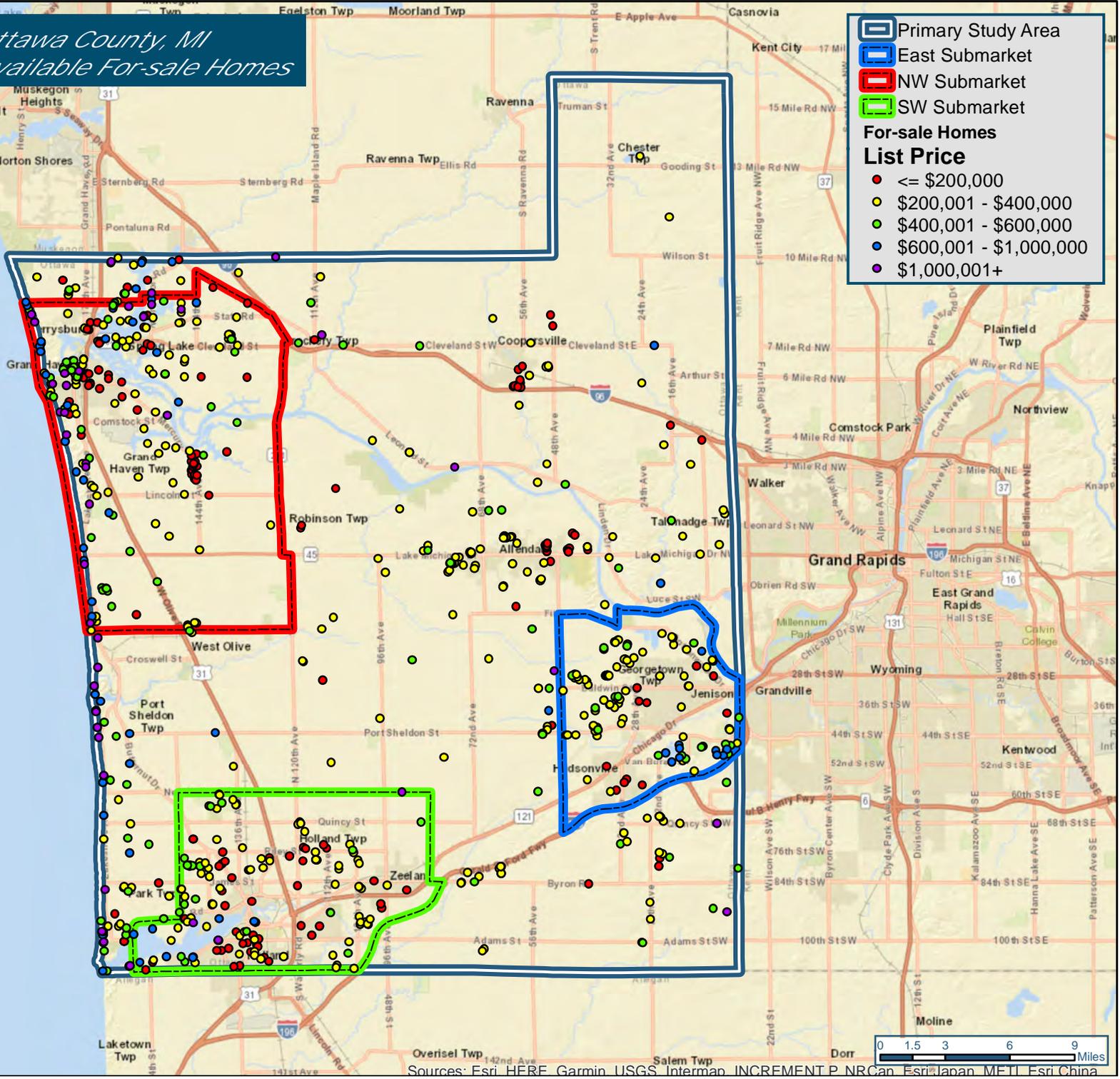


Ottawa County, MI  
Available For-sale Homes

**Primary Study Area**  
**East Submarket**  
**NW Submarket**  
**SW Submarket**

**For-sale Homes List Price**

- ≤ \$200,000
- \$200,001 - \$400,000
- \$400,001 - \$600,000
- \$600,001 - \$1,000,000
- \$1,000,001+



NORTH  
1:400,000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri/Japan, MFTI, Esri/China

#### **D. Senior Care Housing Alternatives**

The overall county, like larger communities throughout the country, has a diverse population that has a variety of housing needs specific to certain populations. Some of these special needs populations include seniors requiring care. This portion of the Housing Needs Assessment provides an overview of housing alternatives available to meet specific needs of these seniors.

Unlike traditional rental housing alternatives, senior care housing, such as nursing homes or assisted living, often draw support from a relatively large geographic area such as a county or region. For the purpose of this analysis, we surveyed senior care housing alternatives in the PSA (Ottawa County). The overall region has a relatively large senior population that requires a variety of senior housing alternatives to meet its diverse needs. Among seniors, generally age 65 or older, some individuals are either seeking a more leisurely lifestyle or need assistance with Activities of Daily Living (ADLs), such as assistance with bathing, dressing and medication reminders. As part of this analysis, we evaluated two levels of care that typically respond to older adults seeking, or who need, alternatives to their current living environment. They include assisted living and nursing care. These housing types, from least assisted to most assisted, are summarized below. We have also surveyed independent living and congregate care (independent living with basic housekeeping or laundry services and meals) facilities as part of this analysis.

*Assisted Living* – The Michigan Department of Licensing and Regulatory Affairs (LARA) licenses senior care facilities throughout the state. The different types of licensing include Adult Foster Care (AFC) and Homes for the Aged (HFA). An AFC is for facilities with 20 or fewer people and serves adults in need of foster care services for 24 hours per day, 5 days a week, or for two or more consecutive weeks. Additionally, an AFC can be licensed under various size umbrellas: Family Home (1-6 Persons), Small Group (1-6 persons), Medium Group (7-12 persons) and Large Group (13-20 persons). An HFA is for seniors ages 55 and older and is for 21 or more people, unless they are operated as part of a nursing home. For the purposes of this analysis, we refer to these facilities as “assisted living”. It is also important to note that Michigan offers unlicensed senior care and that on-site services are provided by outside home health agencies.

*Nursing Homes* – A nursing home provides nursing care and related services for people who need nursing, medical, rehabilitation or other special services. These facilities are licensed by the Michigan Department of Licensing and Regulatory Affairs (LARA) and may be certified to participate in the Medicaid and/or Medicare programs. Certain nursing homes may also meet specific standards for sub-acute care or dementia care.

We referenced the Medicare.com and the Michigan Department of Licensing and Regulatory Affairs (LARA) websites for all licensed senior care facilities and cross referenced this list with other senior care facility resources. As such, we believe that we identified most licensed facilities in the region, though not all were surveyed as part of this Housing Needs Assessment.

We identified and surveyed 31 senior care facilities in the county. While these do not represent all senior care facilities in the county, they are representative of market norms and represent a good base from which to evaluate the senior care housing market. Overall, these facilities that were surveyed contain a total of 2,234 beds. The following table summarizes the surveyed facilities by property type.

Surveyed Senior Care Facilities					
Project Type	Projects	Beds	Vacant	Occupancy Rate	National Occupancy Rate*
Independent Living	2	126	0	100.0%	92.4%
Congregate Care	3	408	19	95.3%	92.4%
Assisted Living	17	1,094	65	94.1%	90.6%
Nursing Homes	9	606	46	92.4%	86.4%
Total	31	2,234	130	94.2%	-

\*Source: American Seniors Housing Association: The State of Seniors Housing 2017

The subject county is reporting overall occupancy rates of 92.4% (nursing homes) to 100.0% (independent living). All of the occupancy rates among surveyed senior housing product types are higher than national averages. These occupancy rates indicate that there is a very strong level of demand for such housing in the county and that it appears the existing inventory may not be meeting the *current* demands of the senior care market segment. With the projected growth among seniors over the next several years, there may be an opportunity to develop additional senior care housing in the market. Demand estimates for senior care housing are provided in Section VIII of this report.

The monthly fees for senior care housing are shown below (note: some housing options that charge daily rates were converted to monthly rates).

Surveyed Senior Care Facilities – Base Monthly Rates	
Project Type	Room Rates
Independent Living	\$1,500-\$9,850
Congregate Care	\$1,600-\$4,500
Assisted Living	\$1,927-\$9,048
Nursing Homes	\$7,452-\$13,931

These rental rates should be considered as a base of comparison for the future projects considered in the PSA. It is important to note that many of the senior care facilities with services (e.g. assisted living and nursing care) accept Medicaid payments from eligible residents, which reduces their costs.

A map illustrating the location of surveyed senior care facilities in the overall market area is on the following page.

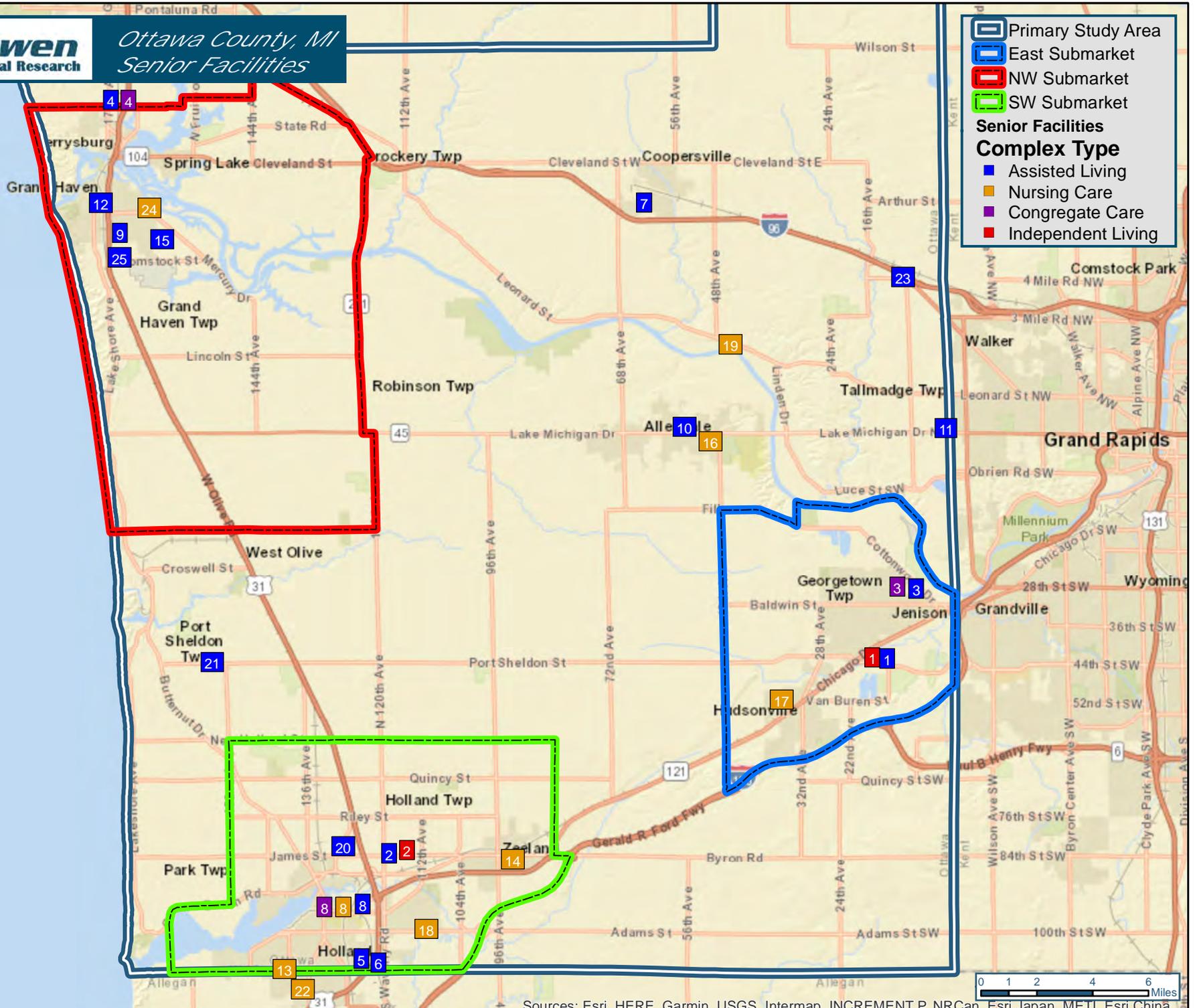


# Ottawa County, MI Senior Facilities

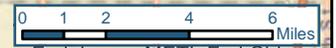
**Primary Study Area**  
**East Submarket**  
**NW Submarket**  
**SW Submarket**

**Senior Facilities Complex Type**

- Assisted Living
- Nursing Care
- Congregate Care
- Independent Living



**NORTH**  
 1:290,000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, MFTI, Esri China

## E. Planned & Proposed

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

The following table illustrates single-family and multifamily residential building permits issued in the past ten years within Ottawa County.

Housing Unit Building Permits for Ottawa County:										
Permits	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Multifamily Permits	211	47	39	140	149	57	464	601	475	640
Single-Family Permits	460	361	395	471	622	809	843	971	1,158	1,235
Total Units	671	408	434	611	771	866	1,307	1,572	1,633	1,875

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

As the preceding table illustrates, residential permit activity has increased over each of the past eight years. The 1,875 units permitted in 2017 represents a 10-year high. Approximately two-thirds of the residential building permit activity since 2014 has involved single-family homes.

### Apartments

According to planning and building representatives, there are currently about 18 rental apartment projects planned and/or under construction within the County. These projects are summarized in the table that follows.

Project Name & Address	Type	Units	Developer	Status/Details
Heritage Towne Square 6101 Lake Michigan Drive <b>Allendale Charter Township</b>	Market-rate	N/A	Gillespie Group	<b>Proposed:</b> Applied to allow residential apartments on the first floor of two existing and two future buildings within the project; 45 existing units in two buildings upper floors; Part of existing Loft 45 multifamily development
South Blendon Vista Apartments Port Sheldon Street West of 48 <sup>th</sup> Avenue <b>Blendon Township</b>	Market-rate	204	Koetje Builders	<b>Proposed:</b> Applying for a special use permit; 500 parking spaces: One- and two-bedroom apartments with proposed monthly rent \$720-\$1,095
TBD Land adjacent to City Hall <b>Ferrysburg</b>	Affordable	N/A	Gracious Grounds	<b>Proposed:</b> March 2018 City Council rezoned eight acres east of City Hall for a housing project for residents with disabilities. The non-profit organization seeks grants and other fundraising opportunities to raise money for the project and may take 2-5 years
Haven at Grand Landing 591 Miller Drive <b>Grand Haven</b>	Market-rate	60	Legacy Management	<b>Under Construction:</b> An existing complex of 108 units built in 2015 is currently adding 60 units of one- and two-bedroom units; Rents will range from \$760 to \$1,200; Adding dog park and a boardwalk along the river; ECD is spring 2019

TBD-To be determined

N/A-Not Available

(Continued)

Project Name & Address	Type	Units	Developer	Status/Details
Piper Lakes 48020 Piper Land <b>Grand Haven Township</b>	Market-rate	36	Cherette Group	<b>Under Construction:</b> Property opened late 2017 with 168 units and now adding 36 units of one- and two-bedroom units; The additional units ECD is November 2018
Village at Rosy Mound 17283 Rosy Mound Lane <b>Grand Haven Township</b>	Senior Market-rate & Tax-credit	113	Heritage Properties	<b>Under Construction:</b> A senior, age 55 and over, mixed-income project with 51 LIHTC units at 30% & 60% AHMI and 62 market-rate units; One- and two-bedroom units, and two-bedroom cottages; One meal provided daily; 90% preleased; ECD December 2018; An assisted living phase is also planned
Lakeshore Gardens 17114 Robins Road <b>Grand Haven Township</b>	Market-rate	156	Main Street Capital Group	<b>Planned:</b> Developer plans rents to be lower than market-rate due to fewer amenities, smaller units; Starting at 496 sq. ft. and rents would begin around \$600; Possibly will have 12 units for seniors; Six apartment buildings and 318 parking spaces
North Pointe 3688 North Pointe Drive <b>Holland Charter Township</b>	Market-rate	96	L & C Management	<b>Under Construction:</b> An existing complex of 155 units is adding 96 units of one-, two- and three-bedroom units renting for \$930 to \$1,010
Former Courthouse Square 68 W 8th Street <b>Holland</b>	Market-rate	30	Geenan DeKock Properties	<b>Planned:</b> Demolition of existing building and new construction of apartments and retail space; 15 one-bedroom and 15 two-bedroom apartments; Planned outdoor rooftop patio and a rooftop gym and community room; Part of Lofts on West Eighth
Lofts on West Eighth 60 W 8 <sup>th</sup> Street <b>Holland</b>	Market-rate	21	Geehan DeKock Properties	<b>Under Construction:</b> Mixed-use, four-story building with retail and 21 units above with a roof-top deck, fitness center and community space; ECD spring 2019
Kensington Place 2123 Sherwood Drive <b>Holland</b>	Market-rate	216	Northern Capital Investments	<b>Planned:</b> Kensington Place master planned community; Most units will be two-bedrooms, with mix of one- and three-bedroom units; All zoning and development plans are approved
TBD 159 River Avenue <b>Holland</b>	Tax-credit	72	General Capital	<b>Planned:</b> Received zoning and development plan approval, but still need approval of local PILOT ordinance and LIHTC allocation from MSHDA
40 West 16 <sup>th</sup> Street <b>Holland</b>	Tax-credit Senior	46	Samaritas	<b>Planned:</b> Received zoning and development plan approval, but still need approval of local PILOT ordinance and LIHTC allocation from MSHDA
TBD 328 Maple Avenue <b>Holland</b>	Market-rate	2	Jubilee Ministries	<b>Under Construction:</b> Rehabilitation of 6-unit building built in 1908; two units will be rentals and four will be for-sale condominiums; ECD unknown
Adams Ridge Southwest corner of Adams Street and 104th Avenue <b>Holland Charter Township</b>	Market-rate	72	Lynnelle Berkenpas	<b>Planned:</b> Approved in 2018 but no construction to date; 72 townhomes with attached garages; Plans to be built between spring 2019-December 2022

TBD-To be determined

ECD- Estimated completion date

(Continued)

Project Name & Address	Type	Units	Developer	Status/Details
Valley Vista 4075 Marvista Avenue <b>Hudsonville</b>	Market-rate	54	Valley Vista	<b>Under Construction:</b> An existing complex of 264 units is adding 54 units and opening November 2018 thru March 2019; One- and two-bedrooms renting for \$850 to \$2,000
The Hudson Center 3424 Chicago Drive <b>Hudsonville</b>	Market-rate	9	Midwest Construction	<b>Under Construction:</b> Mixed-use building with retail and office space on first two floors; One- and two-bedroom units on the third floor; ECD fall 2018
Spring Lake Townhomes 14840 Cleveland Street <b>Spring Lake Township</b>	Market-rate	44	Cusp Group	<b>Planned:</b> Received Planning Commission approval; Planned to be rentals for a while and then sold as condominiums

ECD- Estimated completion date

Although the 18 multifamily rental projects in the development pipeline have the potential to add approximately 1,300 units to the county’s rental housing stock, not all of these projects have the required zoning, approved plans or financing to move forward at this time. We have confirmed that at least seven projects with approximately 389 units are under construction or will likely be built within the next year. These units have been considered in our housing gap estimates shown in section VIII of this report.

### Senior Facilities

According to planning and building representatives, there are currently three senior living projects planned within the county. These projects are summarized in the table that follows.

Project Name & Address	Units/Beds	Developer	Status/Details
Village at Rosy Mound 17283 Rosy Mound Lane <b>Grand Haven Township</b>	110	Heritage Property Management	<b>Planned:</b> Assisted living planned on campus with independent living campus; Some units may be affordable through the Medicaid Waiver Program
Regency at Grand Haven Comstock Street and 172 <sup>nd</sup> Avenue <b>Grand Haven Township</b>	120	Ciena/Laurel Health Care	<b>Planned:</b> 120 beds in a state licensed nursing care facility; Number of beds may decrease
Kensington Place South Kensington Drive and 143 <sup>rd</sup> Avenue <b>Holland</b>	110+	SJ & R Land Development	<b>Planned:</b> Large subdivision with 33 homes built; 700 to 800 planned housing units to be built in multiple phases; Phase II will be 216 apartments; Phase III is 110 senior housing units

While it is unknown if all beds will be developed at these projects or their timeline, we have accounted for the potential 230 assisted living and nursing home beds in our housing gap estimates.

## For-Sale Housing

According to planning and building representatives, there are nearly 60 for-sale projects planned and/or under construction within the PSA. These projects are summarized in the table that follows.

Subdivision/Condominium	Units	Product Type	Developer	Status/ Details
Hidden Shores West Hawkin Street & 78 <sup>th</sup> Avenue <b>Allendale Charter Township</b>	60	Single-Family Homes	Interra Homes	<b>Under Construction:</b> 35 lots/homes sold, five homes for sale, 15 lots available; Price from \$297,900 to \$359,900
Trader's View East end of Lincoln Street <b>Allendale Charter Township</b>	52	Single-Family Homes	Nederveld Engineering	<b>Planned:</b> Still in need of approvals by the Planning Commission; If approved infrastructure construction hoped to begin June 2019
Springfield West 5487 Pierce Street <b>Allendale Charter Township</b>	20	Condominium	Merestone Group	<b>Planned:</b> In early approval stages
Placid Waters Wake Drive <b>Allendale Charter Township</b>	43	Single-Family Homes	Eastbrook Homes	<b>Under Construction:</b> 43 SFH sites in Phase I; Multiple homes completed; Priced from \$289,900 to \$445,400; Range from 1,357 to 2,751 sq. ft; 100 more lots planned in two more phases; 34 completed condos also; \$220 HOA fees
The Dales 60th and Wilmington Drive <b>Allendale Charter Township</b>	41	Condominiums	Interra Homes	<b>Under Construction: Phase II:</b> Almost all units sold; 32 units planned in Phase III; Priced from \$217,900 to \$250,000
Kennedy Lake Estates 12451 60th Avenue <b>Allendale Charter Township</b>	30	Single-Family Home Lots	N/A	<b>Active:</b> 13- ½ acre lots for sale, priced from \$60,000 to \$100,000; Large pond
Wood View Estates 11078 60th Avenue <b>Allendale Charter Township</b>	28	Single-Family Homes	Bosgraaf Homes	<b>Under Construction:</b> Lots starting at \$65,900; Homes range in price from \$290,100 to \$430,200; Homes from 1,506 to 3,118 sq. ft;
Reserve of Coopersville 664 Norway Lane <b>Coopersville</b>	36	Condominiums & Single-Family Homes	VB Development	<b>Under Construction:</b> Phase I; Plans call for 20 condominiums and 16 SFH; Prices for homes start at \$279,000; Lots for sale from \$60,000; In total, plans call for 64 condos & 79 single-family homes
Highpoint View Rosewood Street & Camrose Drive <b>Georgetown Township</b>	26	Single-Family Homes	Bosgraaf Homes	<b>Under Construction:</b> Phase III, 10 home sites available
Eagles Ridge 6377 Eaglewood Drive 3358 Bauer Rd. <b>Georgetown Township</b>	71	Single-Family Homes	Interra Homes	<b>Under Construction;</b> Six homes/lots sold, five lots available, one spec home for-sale at \$329,900; Homes start at \$280,000; 1,562 to 2,466 sq. ft.

N/A – Not Available

SFH – Single-Family Home

HOA – Home Owners Association

Sq. Ft. – Square Feet

(Continued)

Subdivision/Condominium	Units	Product Type	Developer	Status/ Details
Summerset South Located off 8th Avenue <b>Georgetown Township</b>	21	Single-Family Homes	Jeff Kremers	<b>Planned:</b> Phase II fully improved lots now for sale and ready for construction; Nine lots sold, priced \$98,900 to \$159,000; Phase I 38 lots with 36 sold, remaining lots priced \$129,000 or \$137,000
Summerset Villas Condominiums Located off 8th Avenue <b>Georgetown Township</b>	50	Condominiums	Jeff Kremers	<b>Under Construction:</b> Phase I 26 units: Seven units are reserved; Two- and three-bedroom units at 1,400 to 1,642 sq. ft; Priced from \$319,384 to \$368,695+
Alward Estates 3 40 <sup>th</sup> Avenue & Chester Street <b>Georgetown Township</b>	23	Single-Family Homes	Jim Tibbe Homes	<b>Under Construction:</b> Third addition; 20 lots available, three homes for-sale priced from \$334,900 to \$421,400; 31 lots/homes sold
Lowing Woods Bauer Road & Twin Lakes Drive <b>Georgetown Township</b>	81	Single-Family Homes	Eastbrook Homes	<b>Under Construction:</b> Phase 10 and 11 include 81 available lots; 12 homes for-sale priced from \$299,990 to \$440,000; 1,500 to 3,893 sq. ft.; 215 previous homes/lots sold; Community clubhouse with lounge, fireplace and kitchen facilities
City View 6808 City View Drive <b>Georgetown Township</b>	25	Single-Family Homes	Todd Stuive, Exxel Engineering	<b>Under Construction:</b> Phase 5; No more information is available
Cedar Lakes 2600 Fillmore and 8900 24th Avenue <b>Georgetown Township</b>	38	Single-Family Homes	N/A	<b>Under Construction:</b> Phase 13 with new waterfront sites available; Prices starting at \$370,000 (off the lake) and \$470s+ (on the lake)
Jackson Ridge 4958 4th Avenue <b>Georgetown Township</b>	10	Single-Family Homes	Todd Stuive, Exxel Engineering	<b>Approved:</b> No further information is available
Crosswinds South of Baldwin East of 48 <sup>th</sup> <b>Georgetown Township</b>	12	Single-Family Homes	N/A	<b>Planned:</b> No further information is available
Lincoln Pines Lincoln Street- west of 144 <sup>th</sup> Avenue <b>Grand Haven Township</b>	162	Single-Family & Condominiums	Eastbrook Homes	<b>Under Construction:</b> 114 single-family home lots and 48 planned condominium units; First 38 SFH lots under construction; Priced from \$284,528 to \$372,433; ECD unavailable
Stonewater Lincoln Street and W Olive Road <b>Grand Haven Township</b>	181	Single-Family & Condominiums	Jim Tibbe Homes	<b>Under Construction:</b> 106 single-family home lots and 75 condominium units; 30 lots currently for sale; Two ponds; Home prices start at \$350,000; ECD 2019
Millhouse Bayou 152 <sup>nd</sup> Avenue near Bayou Point Place <b>Grand Haven Township</b>	26	Condominiums	Bosgraaf Homes	<b>Planned:</b> Duplex style buildings; Moving through the approval process; ECD and price unavailable

ECD – Estimated Completion Date

N/A – Not Available

SFH – Single-Family Home

Sq. Ft. – Square Feet

(Continued)

Subdivision/Condominium	Units	Product Type	Developer	Status/ Details
Brucker Beach Woods Brucker Street west of Pine Island Dr. <b>Grand Haven Township</b>	7	Single-Family Homes	Steve Davis	<b>Under Construction:</b> Priced around \$500,000
Copperstone Ferris Street (at the dead end) <b>Grand Haven Township</b>	73	Single-Family Homes	Jake Hogeboom	<b>Under Construction:</b> 36 lots sold; Wooded lots: Luxury community with tennis courts, custom playground, covered pavilion and grill area; Lot prices from \$79,900 to \$119,900
Franklin Row 301, 303, 305, 307 Franklins <b>Grand Haven</b>	4	Condominiums	Renew Construction	<b>Under Construction:</b> Three-bedrooms and 3.5 baths, attached two-stall garage; Priced at \$589,900; ECD spring 2019
Kensington Place South Kensington Drive and 143 <sup>rd</sup> Avenue <b>Holland</b>	27	Single-Family Homes	SJ & R Land Development	<b>Planned:</b> Large subdivision with 33 homes built with three for sale starting at \$239,000; 27 lots for sale at \$29,900 to \$44,000; 700 to 800 planned housing units to be built in multiple phases; Phase II will be 216 apartments; Phase III is 110 senior housing units
100 East 40 <sup>th</sup> Street <b>Holland</b>	46	Condominiums	Jerry & Sue Overbeek	<b>Planned:</b> 23 duplex buildings; All zoning and development plans are approved; Trying to keep the units “affordable” to middle-income people and sell for about \$265,000.
328 Maple Avenue <b>Holland</b>	4	Condominiums	Jubilee Ministries	<b>Planned:</b> Rehabilitation of 6-unit building built in 1908; two units will be rentals and four will be for-sale condominiums; ECD unknown
West 8 <sup>th</sup> Street between River & Pine Avenues <b>Holland</b>	30+	Condominiums	Geenen DeKock Properties	<b>Under Construction &amp; Planned:</b> Multiple mixed-use development projects under construction and planned; Unknown # of condominiums and retail space; ECD and prices unavailable
110 Central Avenue & 1 West 5 <sup>th</sup> Street <b>Holland</b>	11	Condominiums	Dan Terpstra	<b>Under Construction:</b> No further information is available; ECD and price unavailable
N/A 532 West 16 <sup>th</sup> Street <b>Holland</b>	4	Condominiums	BDR Construction	<b>Under Construction:</b> 1 <sup>st</sup> floor retail; Priced between \$489,000 and \$539,000; ECD December 2018
Legend View Condos 136 <sup>th</sup> Avenue Macatawa Legends Golf Course <b>Holland</b>	34	Condominiums	Bosgraff Homes	<b>Under Construction:</b> Two duplex buildings under construction; Priced at \$230,000 to \$296,408; HOA fees \$195 monthly; 34 units planned in total

ECD – Estimated Completion Date

N/A – Not Available

HOA – Home Owners Association

Sq. Ft. – Square Feet

(Continued)

Subdivision/Condominium	Units	Product Type	Developer	Status/ Details
Point Lake Village 11414 E. Lake Drive <b>Holland</b>	70	Condominiums	T2 Construction	<b>Under Construction:</b> Waterfront condominium community; Clubhouse, 24 Hour fitness center; Seven available; From 1,300 to 2,500 sq. ft; Priced from \$226,900 to \$400,000; HOA fees \$175 monthly
Berryfield Condominiums 3001 Raspberry Lane <b>Holland Charter Township</b>	28	Condominiums	Interra Homes	<b>Under Construction;</b> Ranch style with garages; 34 units completed, 28 sold, four available, 28 under construction; Priced starting at \$179,000
Macatawa Legends New Holland Street East of 144 <sup>th</sup> Avenue <b>Holland Charter Township</b>	122	Condominiums & Single-Family Homes	Eastbrook Homes	<b>Under Construction:</b> Some existing homes and condos; 64 attached condos planned, 58 SFH sites available; Attached townhomes also; Priced \$350,000 to over \$411,000; Large future development planned
Sawgrass Condominium 2491 Nuttall Court <b>Holland Charter Township</b>	18	Condominiums	N/A	<b>Planned:</b> Phase IV planned: Final Phase
Savannah Lakes Condos 10055 Grass Court <b>Holland Charter Township</b>	64	Condominiums	Home Realty	<b>Under Construction:</b> Targeting seniors; Some completed; One- and two-bedrooms; Priced starting at \$249,800; Total of 64 when all completed
Hickory Woods Farm 3831 Elm Ridge Drive <b>Holland Charter Township</b>	50	Single-Family Homes	Baumann Building	<b>Under Construction:</b> Phase 4 and 5 of a conceptual 9 phases; Lots ranging from \$52,900-\$62,900; Three quick move in homes around \$288,500.
Hillcrest Place Starflower Drive and Barkton Drive <b>Holland Charter Township</b>	33	Single-Family Homes	Baumann Building	<b>Under Construction:</b> 33 custom homesites; 26 lots sold
Jonker Estates 11814 Jonker Way <b>Holland Charter Township</b>	24	Single-Family Homes	Redstone Homes	<b>Planned:</b> 24 custom Homes starting at \$250,000, development is sold out
Knollwood Ottogan Street and Knollwood Parkway <b>Holland Charter Township</b>	N/A	Single-Family Homes	N/A	<b>Under Construction:</b> Phase 3 of 4; Three- and four-bedrooms; Some homes priced at \$249,999 to \$289,900 Pool, playground, covered pavilion, picnic tables and grill
Mason Lake Estates Country Club Road & E 24 <sup>th</sup> Street <b>Holland Charter Township</b>	55	Single-Family Homes	Bauman Builders	<b>Under Construction:</b> Roads are in and lots will be available for purchase soon; Lot pricing starts at \$60,000 with home pricing starting at \$275,000.
Quincy Meadows 11883 Quincy Meadow Court <b>Holland Charter Township</b>	37	Condominiums	Lifestyle Homes	<b>Under Construction:</b> Three sold, nine for sale, 16 available for presale; Prices start at \$208,500

N/A – Not Available

SFH – Single family home

HOA – Home Owners Association

Sq. Ft. – Square Feet

(Continued)

Subdivision/Condominium	Units	Product Type	Developer	Status/ Details
Savannah Lakes Homes 1379 Shenandoah Drive <b>Holland Charter Township</b>	9	Single-Family Homes	Baumann Building	<b>Planned:</b> Older subdivision with nine lots for sale
Summerlin South 32nd St. near Country Club Road <b>Holland Charter Township</b>	13	Condominiums	N/A	<b>Planned:</b> Phase II; HOA fees \$200
Waverly Shores Village 11777 Riley Street <b>Holland Charter Township</b>	89	Manufactured Homes	N/A	<b>In Process:</b> Infrastructure for 89 lot expansion in manufactured home community completed 2017, approximately 50% filled
Creekside Shores N of New Holland Street W of 32 <sup>nd</sup> Avenue <b>Hudsonville</b>	59	Single-Family Homes	Allen Edwin Homes	<b>Under Construction:</b> Three- and four-bedrooms priced starting at \$271,720
TBD Hillcrest Street and 36th Avenue <b>Hudsonville</b>	24	Condominiums	Doug Butterworth	<b>Planned:</b> Detached condos; Approved but resident opposition and challenged with lawsuit
White Oaks 144 <sup>th</sup> Street and Lazy Oaks Trail <b>Park Township</b>	51	Single-Family Homes	Bosgraff Homes	<b>Under Construction:</b> Construction of new subdivision recently began; 17 lots currently for sale priced from \$62,900 to \$79,900; No further information is available
Ventura Shores Between Filmore St. & Stanton St. W of SR 31 <b>Port Sheldon Township</b>	50	Single-Family Homes	N/A	<b>Approved:</b> Currently digging pond on land and infrastructure should be under construction soon
Arborwood 146 <sup>th</sup> & Stanton <b>Port Sheldon Township</b>	75	Single-Family Homes	Alan Edwin Homes	<b>Under Construction:</b> Phase I includes 41 homesites; Two completed, 10 under construction; Priced from \$225,000 to \$279,000
Spring Ridge Van Wagoner near 168 <sup>th</sup> Street <b>Spring Lake Township</b>	55	Single-Family Homes	Jim Tibbe Homes	<b>Under Construction:</b> Four homes sold, four homes for sale, 36 lots for sale; Wooded and waterfront building sites; 1,938 to 3,066 sq. ft; Priced from \$350,000 to \$474,900
Villas of Arcadia 148 <sup>th</sup> Avenue near Leonard Road <b>Spring Lake Township</b>	112	Single-Family Homes	MB&G	<b>Under Construction:</b> 49 home sites, three models for sale, \$279,900 to \$349,900; Nine lots sold; 37 lots for sale priced from \$59,900 to \$99,900; 39 villas, two models for sale \$292,000 to \$295,000; Four lots sold, 33 lots for sale \$59,900 to \$82,900; 12 condos N/A, playground, covered pavilion and community fire pit
Spring Lake Townhomes 14840 Cleveland Street <b>Spring Lake Township</b>	44	Townhomes	Cusp Group	<b>Planned:</b> Received Planning Commission approval; Planned to be rentals for a period then sold

N/A – Not Available

SFH – Single family home

HOA – Home Owners Association

Sq. Ft. – Square Feet

(Continued)

Subdivision/Condominium	Units	Product Type	Developer	Status/ Details
The Villas at Spring Lake Near Spring Lake Country Club <b>Spring Lake Township</b>	87	Condominiums	Eastbrook Homes	<b>Proposed:</b> Luxury condominium development on land currently owned by the Spring Lake Country Club; The master plan was amended for them but no action since spring 2018
Manen Meadows Off Leonard between 8 <sup>th</sup> & 14 <sup>th</sup> Avenue <b>Talmadge Township</b>	7	Single-Family Homes	Ver Woert Construction	<b>Under Construction:</b> Private executive lot development; Road & infrastructure in place; Lots will be served by wells and septic.
Meadow Verde Katie Drive & Nicole Court <b>Talmadge Township</b>	20	Single-Family Homes	Ver Woert Construction	<b>Under Construction:</b> Final phase of 63 units in beginning stages of review
Tallmadge Pointe Private Road –Off Leonard between Crowley Dr. and Elm St <b>Talmadge Township.</b>	28	Single-Family Homes	BCI Construction LLC	<b>Proposed:</b> Density approved
Cottages at Riverbend Paw Paw Drive east of 104 <sup>th</sup> Avenue <b>Zeeland</b>	24	Condominiums	T2 Construction	<b>Under Construction:</b> 10 units completed, 14 more planned; Three- and four-bedrooms; 2,221 to 2,477 sq. ft.; Priced above \$336,480

N/A – Not Available

SFH – Single family home

HOA – Home Owners Association

Sq. Ft. – Square Feet

Based on the preceding tables, there are approximately 57 for-sale housing developments that include single-family homes, condominiums or manufactured homes. While these developments have a total potential for more than 2,500 residential units, many of these projects include future phases and/or lots that may never be built over the next year. Of the units confirmed to be under construction or likely to be built over the next one to two years, it is believed that no units will be priced below \$150,000, approximately 228 will be priced between \$150,000 and \$250,000, and roughly 318 will be at \$250,000 or higher.

## F. Foreclosure Data

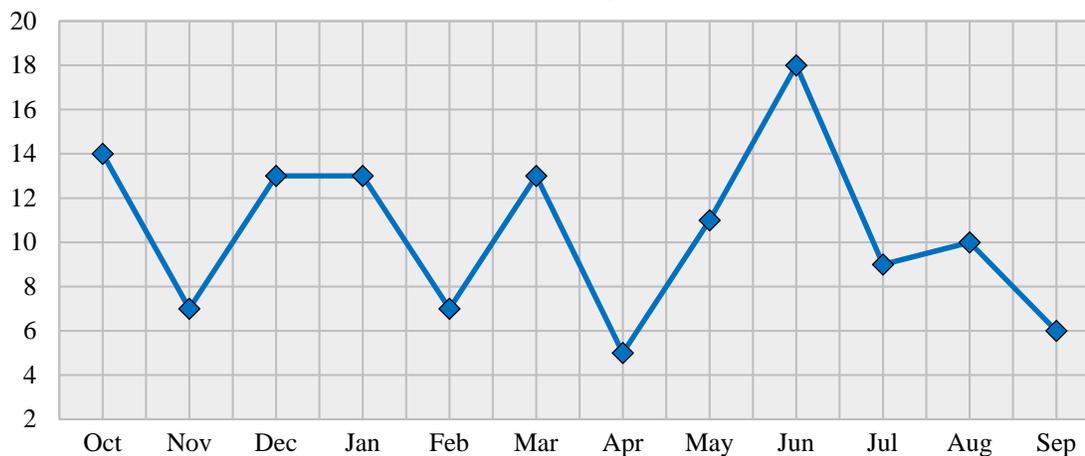
The prevalence of residential foreclosures is an important element to understand. The following table summarizes monthly residential foreclosure activity over the past 12 months within Ottawa County.

<b>Residential Foreclosure Filings – Ottawa County</b>		
<b>Month</b>	<b>Filings</b>	<b>Monthly Change</b>
October 2017	14	-
November	7	-7
December	13	+6
January 2018	13	0
February	7	-6
March	13	+6
April	5	-8
May	11	+6
June	18	+7
July	9	-9
August	10	+1
September	6	-4
<b>Total Foreclosures</b>	<b>126</b>	<b>-</b>
<b>Avg. Monthly</b>	<b>10.5</b>	<b>-</b>

Source: RealtyTrac.com

Note: The number of monthly filings is approximated

**Ottawa County Residential Foreclosures**  
(Oct. 2017 to Sept. 2018)



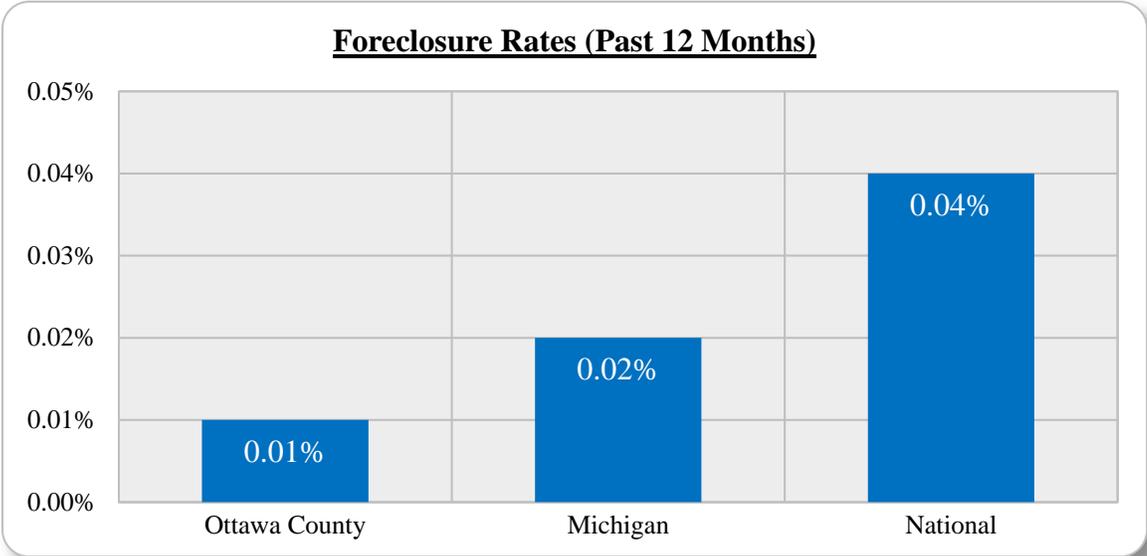
Since October 2017, there have been 126 residential foreclosure filings in the county, with an average of 10.5 foreclosures a month. The number of residential foreclosures within the county have fluctuated between five and 18 units a month, which is considered low and stable.

The overall foreclosure rates over the past 12 months for Ottawa County,

Michigan, and the United States are compared in the following table and graph.

Data	Geographic Comparison		
	Ottawa County	Michigan	National
Annual Foreclosure Rate	0.01%	0.02%	0.04%

Source: RealtyTrac.com (October 2018)



The 0.01% annual foreclosure rate for Ottawa County as of October 2018 is extremely low and lower than both state and national averages.

Based on the preceding analysis, residential foreclosure activity over the past 12 months appears to be minimal and likely has had little impact on housing supply trends and characteristics within Ottawa County.

**G. Summary**

**More Than 1,100 Housing Units in the PSA are Considered “Substandard”** – Based on ACS 2012-2016 estimates, at least 644 renter-occupied and 255 owner-occupied housing units in the county lack full indoor plumbing in their kitchens or bathrooms and 756 renter-occupied and 1,104 owner-occupied units are overcrowded. As a result, it is clear that many households are living in housing conditions that are considered to be below modern-day housing standards. Housing policies and strategies for the PSA should include efforts to remedy such housing.

**Despite the Inventory of Affordable Rentals and Housing Assistance Provided in the Market, Many PSA Residents are Still Cost/Rent Burdened** – Households that are “cost burdened” (typically paying 30% or more of their income towards housing costs) often find it difficult paying for both their housing and meeting other financial obligations. While the shares of cost burdened *renters* (43.9%) and *homeowners* (17.2%) in the county are below the state averages (47.6% renters, 22.2% owners), approximately 9,785



*renter* households in the county are cost burdened and 12,954 homeowners are cost burdened. The number of cost burdened households in the PSA indicates that affordable housing programs and homebuyer assistance will be important to help alleviate cost burdened housing situations in the county.

**There is Limited Available Inventory Among Multifamily Rentals and Pent-Up Demand for Housing Serving Very Low- and Low-Income Renter Households** – Based on Bowen National Research’s survey of multifamily apartment rentals in the county, there are very few vacant rentals. The few multifamily rentals that do exist are primarily among the market-rate inventory, with 242 vacant units representing 2.8% of the market-rate supply. The challenge of finding available multifamily rental housing among the government-subsidized and Tax Credit multifamily housing supply in the county that serves households making no more than 80% of the area’s median household income level is far greater, as evidenced by the fact that there were only five (0.7%) vacant Tax Credit units and only one (0.1%) vacant government-subsidized unit identified in the county. Most government-subsidized and Tax Credit projects have wait lists, with up to 182 households at any one surveyed project, indicating there is pent-up demand for housing that is affordable to lower income households. The lack of available housing serving low-income households is likely contributing to the large number of renters living in substandard and/or cost burdened housing situations in the county.

**While There are Some Non-Conventional Rentals and For-Sale Housing Alternatives Available, Such Housing is Not Affordable to a Large Number of Low-Income Households** – Based on Bowen National Research’s research and analysis of the non-conventional rental market (e.g. single-family homes, duplexes, mobile homes, etc.), a majority of these rentals have rents over \$1,000, which are not affordable to many of the low-income households in the market. Most (68.4%) of the existing inventory of for-sale housing that is available to purchase in the county primarily consists of product priced over \$250,000. While this available inventory of for-sale product represents 68.4% of the available supply, only 38.0% of the households in the market have sufficient incomes to afford such product. As such, there appears to be an imbalance between available product and households that can afford it.

**The Large and Growing Base of Seniors will Increase the Demand for Senior Care Housing, which is Already Operating at High Occupancy Levels** – The overall occupancy rates of senior care housing facilities (e.g. assisted living and nursing homes) are above national averages, indicating that the existing senior care housing facilities have limited availability. As shown in the Demographics portion of this report, seniors age 65 and older are expected to increase the most over the next five years. As such, it is anticipated that the demand for senior care housing will grow over the foreseeable future.

## VII. Other Housing Market Factors

### A. Introduction

Factors other than demography, employment, and supply (all analyzed earlier in this study) can affect the strength or weakness of a given housing market. The following additional factors influence a housing market's performance, and are discussed relative to the PSA and Michigan, whenever applicable:

- Personal Mobility & Transportation
- Crime Risk
- Community Services

### B. Personal Mobility & Transportation

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

The following tables show two commuting pattern attributes (mode and time) for each study area:

		Commuting Mode						
		Drove Alone	Carpooled	Public Transit	Walked	Other Means	Worked at Home	Total
<b>Ottawa County</b>	Number	113,257	11,819	1,082	3,539	2,076	4,629	136,402
	Percent	83.0%	8.7%	0.8%	2.6%	1.5%	3.4%	100.0%
<b>Michigan</b>	Number	3,594,640	385,311	61,812	95,720	55,988	163,030	4,356,501
	Percent	82.5%	8.8%	1.4%	2.2%	1.3%	3.7%	100.0%
<b>East Submarket</b>	Number	24,215	1,832	38	204	134	791	27,214
	Percent	89.0%	6.7%	0.1%	0.7%	0.5%	2.9%	100.0%
<b>Northwest Submarket</b>	Number	18,797	1,858	75	331	537	891	22,489
	Percent	83.6%	8.3%	0.3%	1.5%	2.4%	4.0%	100.0%
<b>Southwest Submarket</b>	Number	32,760	4,677	481	1,472	700	1,278	41,368
	Percent	79.2%	11.3%	1.2%	3.6%	1.7%	3.1%	100.0%

Source: U.S. Census Bureau, 2012-2016 American Community

		Commuting Time						
		Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes	Worked at Home	Total
<b>Ottawa County</b>	Number	48,249	52,863	21,878	4,930	3,853	4,629	136,402
	Percent	35.4%	38.8%	16.0%	3.6%	2.8%	3.4%	100.0%
<b>Michigan</b>	Number	1,211,989	1,609,422	812,475	304,450	255,135	163,030	4,356,501
	Percent	27.8%	36.9%	18.6%	7.0%	5.9%	3.7%	100.0%
<b>East Submarket</b>	Number	6,984	12,684	5,315	558	882	791	27,214
	Percent	25.7%	46.6%	19.5%	2.1%	3.2%	2.9%	100.0%
<b>Northwest Submarket</b>	Number	7,998	7,908	3,610	1,284	798	891	22,489
	Percent	35.6%	35.2%	16.1%	5.7%	3.5%	4.0%	100.0%
<b>Southwest Submarket</b>	Number	19,481	14,243	4,125	1,252	989	1,278	41,368
	Percent	47.1%	34.4%	10.0%	3.0%	2.4%	3.1%	100.0%

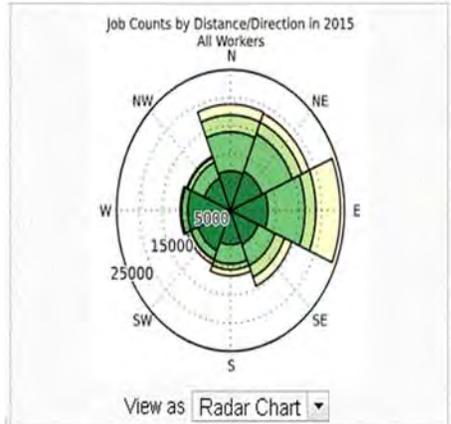
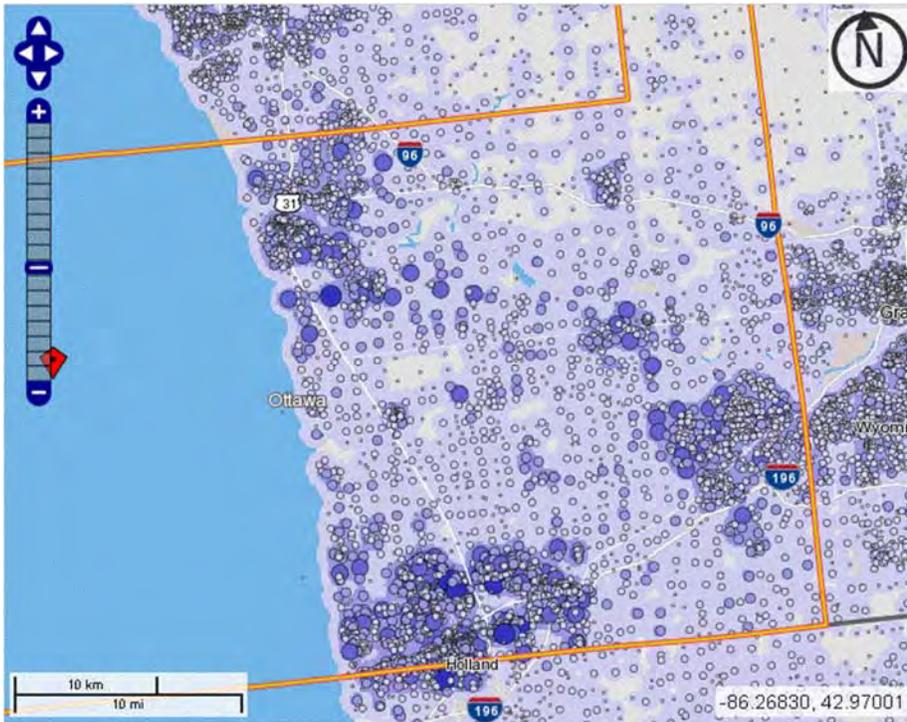
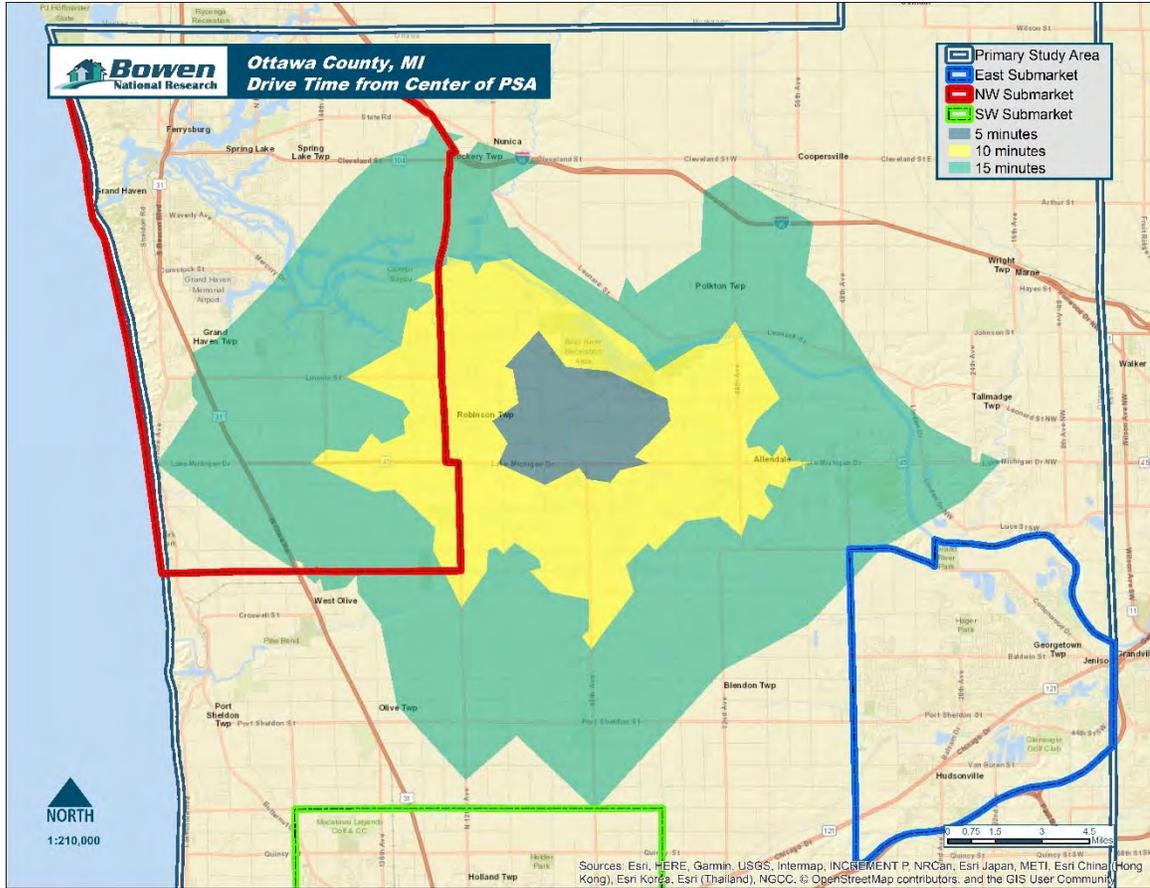
Source: U.S. Census Bureau, 2012-2016 American Community

Noteworthy observations from the preceding tables follow:

- The share of commuters in Ottawa County that either drive alone or carpool is over 90.0%. The three designated regional submarkets (East, Northwest, and Southwest) also have similar shares of commuters that either drive alone to work or carpool. Less than 1.0% of Ottawa County workers used public transportation.
- Most Ottawa County workers (74.2%) have a typical commute of less than 30 minutes. The three regional submarkets also have a similar share of workers with commutes of 30 minutes or less. Note that the Southwest Submarket has a larger share (47.1%) of workers that have a commute time of less than 15 minutes compared to the East Submarket (25.7%) and Northwest Submarket (35.6%).

The preceding analysis indicates that a high share of Ottawa County residents have relatively short commutes to employment and rely on their own vehicles or carpools for these commutes.

Maps showing travel times from the center of the county and the location of area employment follows this page.

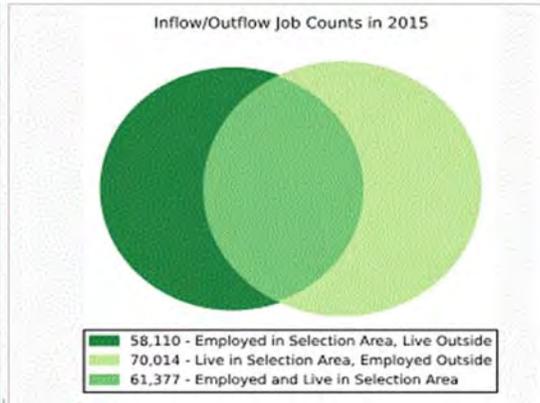
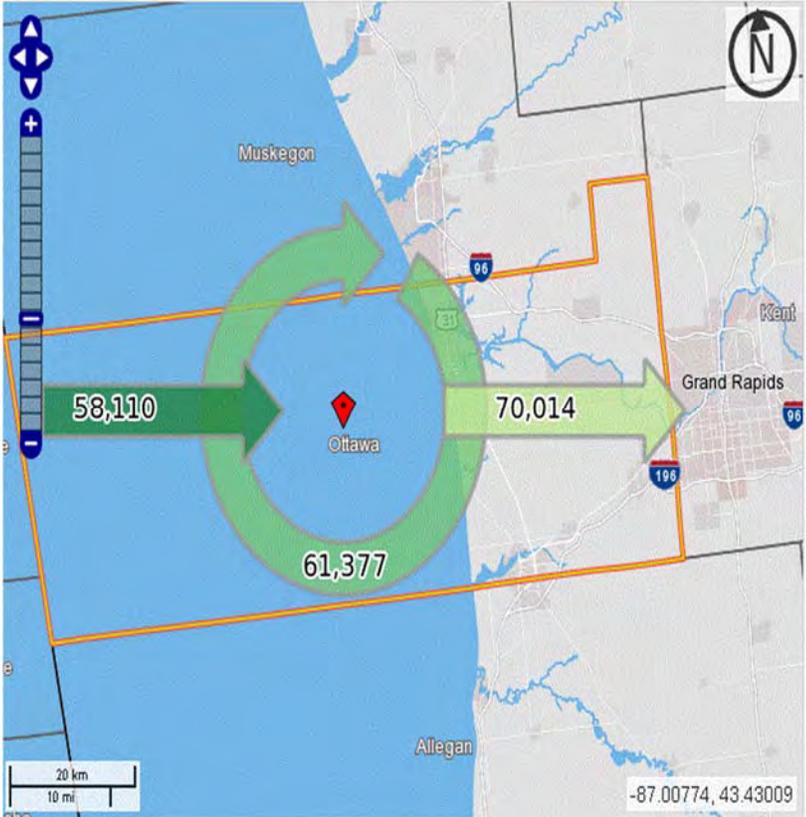


**Jobs by Distance - Work Census Block to Home Census Block**

	2015	
	Count	Share
<b>Total All Jobs</b>	119,487	100.0%
<b>Less than 10 miles</b>	58,736	49.2%
<b>10 to 24 miles</b>	35,754	29.9%
<b>25 to 50 miles</b>	11,898	10.0%
<b>Greater than 50 miles</b>	13,099	11.0%

As shown in the map and table below, there were a total of 119,487 persons employed within the county in 2015. While 61,377 (51.4%) of these employed persons also live in the county, the county has a notable inflow and outflow of employed persons. A total of 70,014 workers leave the county for employment during the day, while 58,110 people that work in the county commute from outside of the county. This inflow of 58,110 workers represents an opportunity for the county to retain such commuters as permanent residents.

The map and data below illustrate the inflow and outflow of the daily workforce traveling in and out of Ottawa County:



**Inflow/Outflow Job Counts (All Jobs)**  
2015

	Count	Share
<u>Employed in the Selection Area</u>	119,487	100.0%
<u>Employed in the Selection Area but Living Outside</u>	58,110	48.6%
<u>Employed and Living in the Selection Area</u>	61,377	51.4%
<u>Living in the Selection Area</u>	131,391	100.0%
<u>Living in the Selection Area but Employed Outside</u>	70,014	53.3%
<u>Living and Employed in the Selection Area</u>	61,377	46.7%

## Public Transit Availability

Below is a summary of transit options available within Ottawa County:

### **Southwest Submarket:**

Macatawa Area Express (MAX) provides public transportation via fixed routes, coordinated routes and a demand response option. Nine fixed route options, which connect Holland, Zeeland and portions of Holland Township, operate hourly Monday through Friday 6:00am-7:00pm, and Saturday 8:00am-7:00pm. Additionally, two twilight fixed routes are offered Monday through Saturday from 7:00pm-10:00pm. Reserve-A-Max bus service is an on-demand option that requires advance reservations and connects ADA cardholders, persons over 70 and residents whose origins and/or destinations are farther than 0.50 miles from a bus stop throughout its service area and into Park Township. Its hours of operation are Monday through Friday 6:00am-11:59pm and Saturdays 8:00am-11:59pm. MAX and Reserve-A-Max do not operate on Sundays or nationally recognized holidays.

<b>Fixed Route Fares:</b>	
Under 5	Free
Ages 5-17	\$0.50
Ages 18-64	\$1.00
Seniors 65+	Free
ADA	Free
Medicare	Free

<b>Reserve-A-Max Fares:</b>	
Under 5 (with adult)	Free
Ages 5-17	\$2.00
Ages 18-69	\$5.00
Seniors 70+	\$2.00
ADA	\$2.00
Medicare	\$5.00

### **Northwest Submarket:**

Harbor Transit provides public transportation via a “Dial-A-Ride” demand response service which serves the communities of Grand Haven, Grand Haven Charter Township, Ferrysburg, the Village of Spring Lake and Spring Lake Township. Its coverage area includes Wilson Road to the north; 144<sup>th</sup> Avenue to the east; Fillmore Street to the south; and Lake Michigan to the west.

It operates all year Monday through Friday from 6:00am-6:00pm; Saturday 9:00am-4:00pm and Sunday (with advance reservation only) 8:00am-12:30pm. Harbor Transit does not operate on nationally recognized holidays. Harbor Transit also offers seasonal transportation via the Harbor Trolley in Grand Haven, each summer from Memorial Day through Labor Day. The Trolley service runs seven days a week during the aforementioned months from

11:00am to 10:00pm, with pick-up/drop-off locations at Chinook Pier, the boardwalk, Grand Haven State Park, The Bookman and Pfaff Pharmacy. Its route includes the waterfront, downtown and east town areas of Grand Haven. In addition to the above referenced transit services, Harbor Transit offers the Harbor Beach Express also in Grand Haven, running from Memorial Day through Labor Day only on Saturdays and Sundays every 15 minutes from noon to 6:00pm (weather permitting). The fare for this service is \$1.00 per person for the round trip. Parking is available across from 803 Taylor Avenue, with directional signs indicating pick up areas.

Regular Service Fares	
Ages 4 and under (with paying adult and limit 2)	Free
Ages 5-18	\$0.75
Ages 19-59	\$1.50
Seniors 60+	\$0.75
ADA	\$0.75
Medicare	\$0.75

Trolley Fares	
Ages 2 and under (with paying adult and limit 2)	Free
Ages 3-18	\$0.75
Ages 19-59	\$1.50
Seniors 60+	\$0.75
ADA	\$0.75
Medicare	\$0.75

**Eastern Submarket:**

The Rapid provides public transportation to limited areas within this submarket. Specifically, there are four campus connector routes that provide access between the Grand Valley State University campus in Allendale and the Robert C. Pew campus in Grand Rapids. These routes are free to ride with student or faculty/staff identification cards. Additionally, there is a northern route in Walker and a southern route in Grandville that are within proximity of this submarket. These routes in turn, provide access throughout the greater metro Grand Rapids area. There are no ADA or Dial-a-Ride public transportation options available within this submarket.

The Rapid Ticket/Pass Fare Prices are as follows:

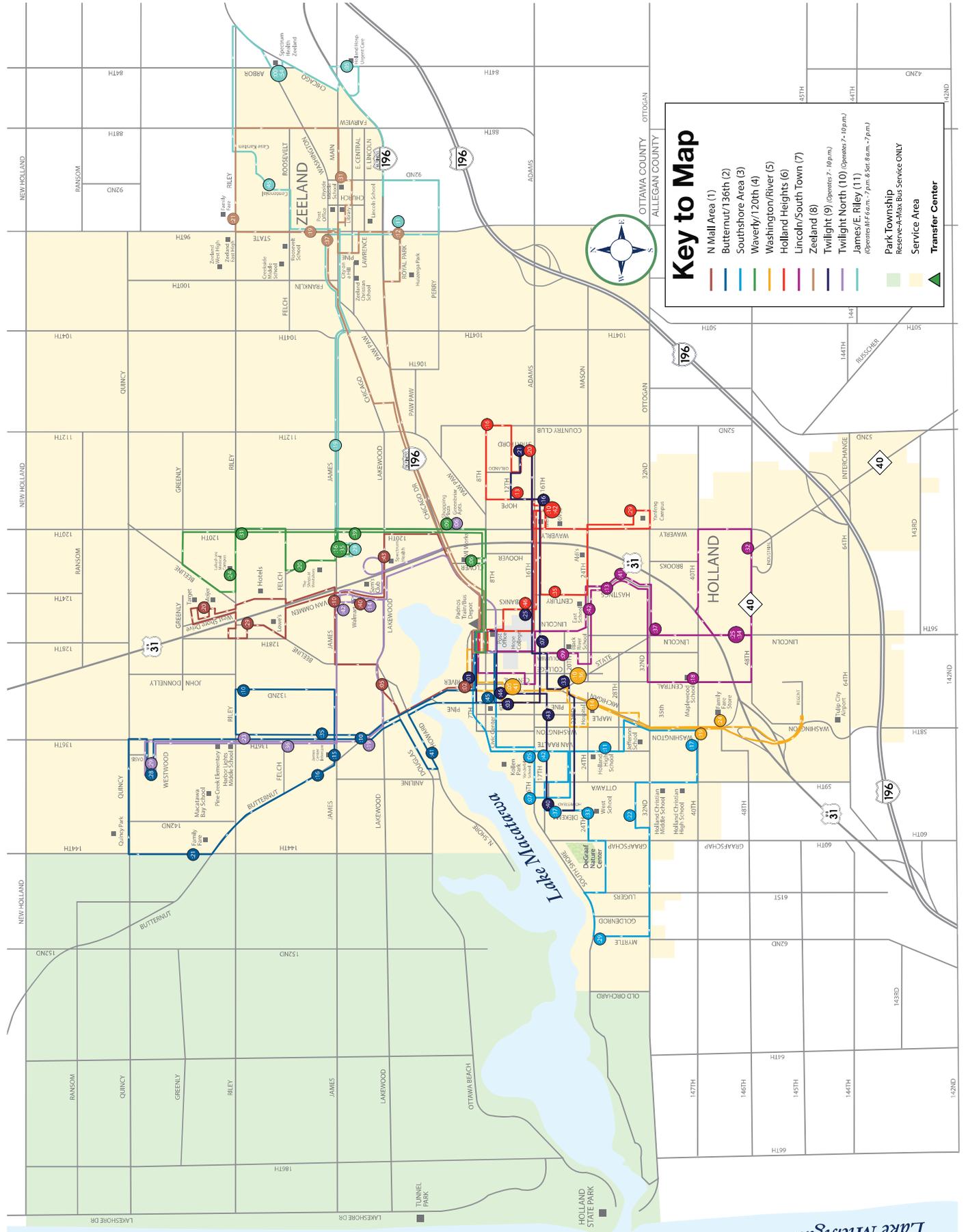
	Unlimited Passes				
	1-Ride	10-Ride	1-Day	7-Day	31-Day
Child under 42" (with paying adult and limit 2)	Free	N/A	N/A	N/A	N/A
Adult	\$1.75	\$13.50	\$3.50	\$16.00	\$47.00
Students: K-College (with valid school ID)	Free	\$10.50	N/A	N/A	N/A
Seniors 65+	\$0.85	\$8.50	N/A	N/A	\$30.00
ADA	\$0.85	\$8.50	N/A	N/A	\$30.00
Medicare Card Holders	Half-fare	N/A	N/A	N/A	N/A

N/A – Not Available



Ottawa County is generally well served by public transportation options. It appears the Southwest Submarket is served by Macatawa Express, which connects the communities of Holland, Zeeland, and portions of Holland Township, while the Northwest Submarket is served by Harbor Transit, which is a “Dial-A-Ride” service. While limited in scope, The Rapid provides public transportation in the East Submarket and connects to Grand Rapids. Given that each of the public transportation offerings operate on dedicated routes, it is believed that new residential development should be considered along or are within reasonable walking distance (generally within one-half mile) of public transit sites. We believe residential product developed along or near these transit corridors should include product serving seniors, low-income households, millennials and young professionals.

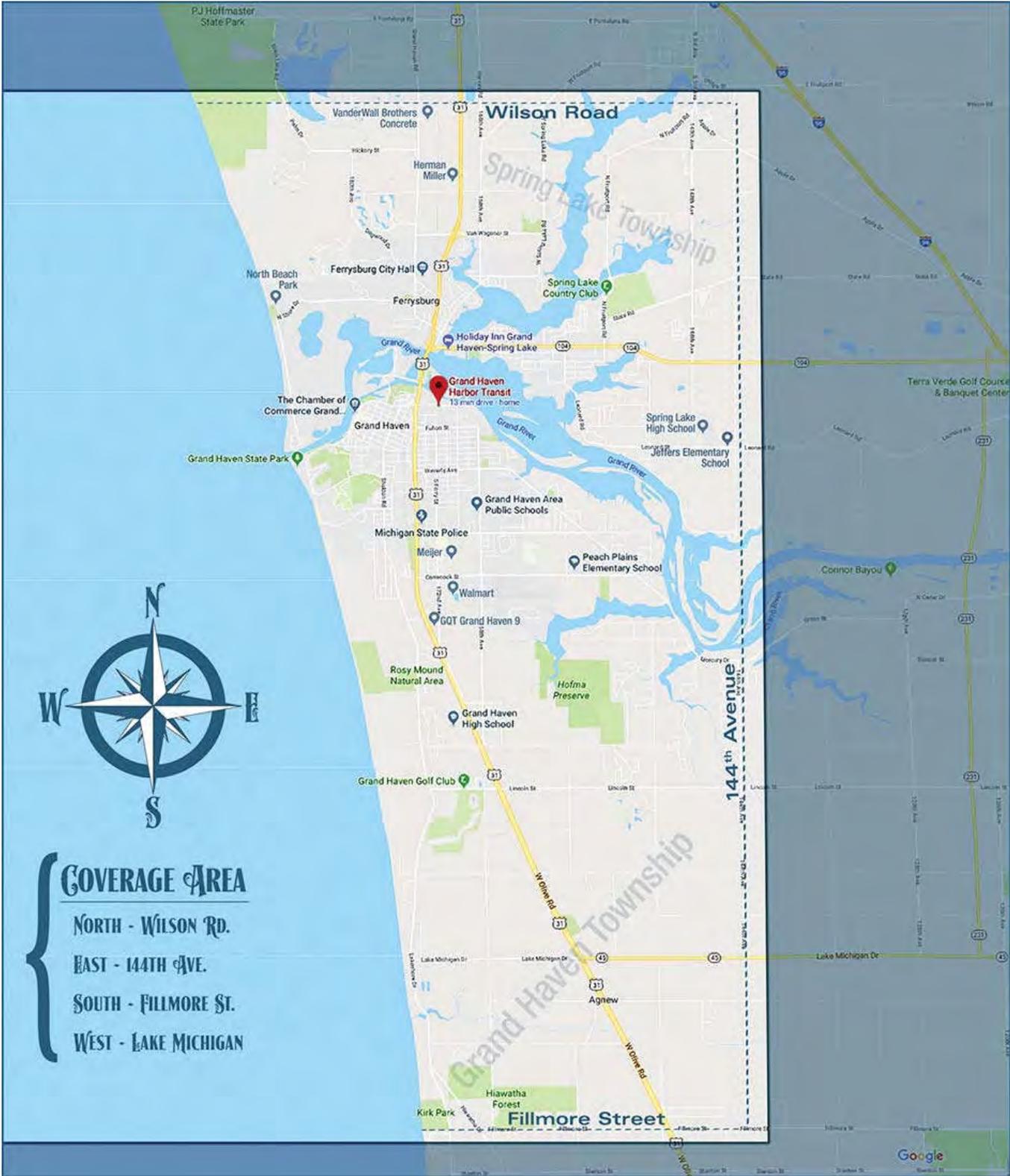
Maps illustrating Macatawa Area Express, Harbor Transit and The Rapid routes can be found the following pages.



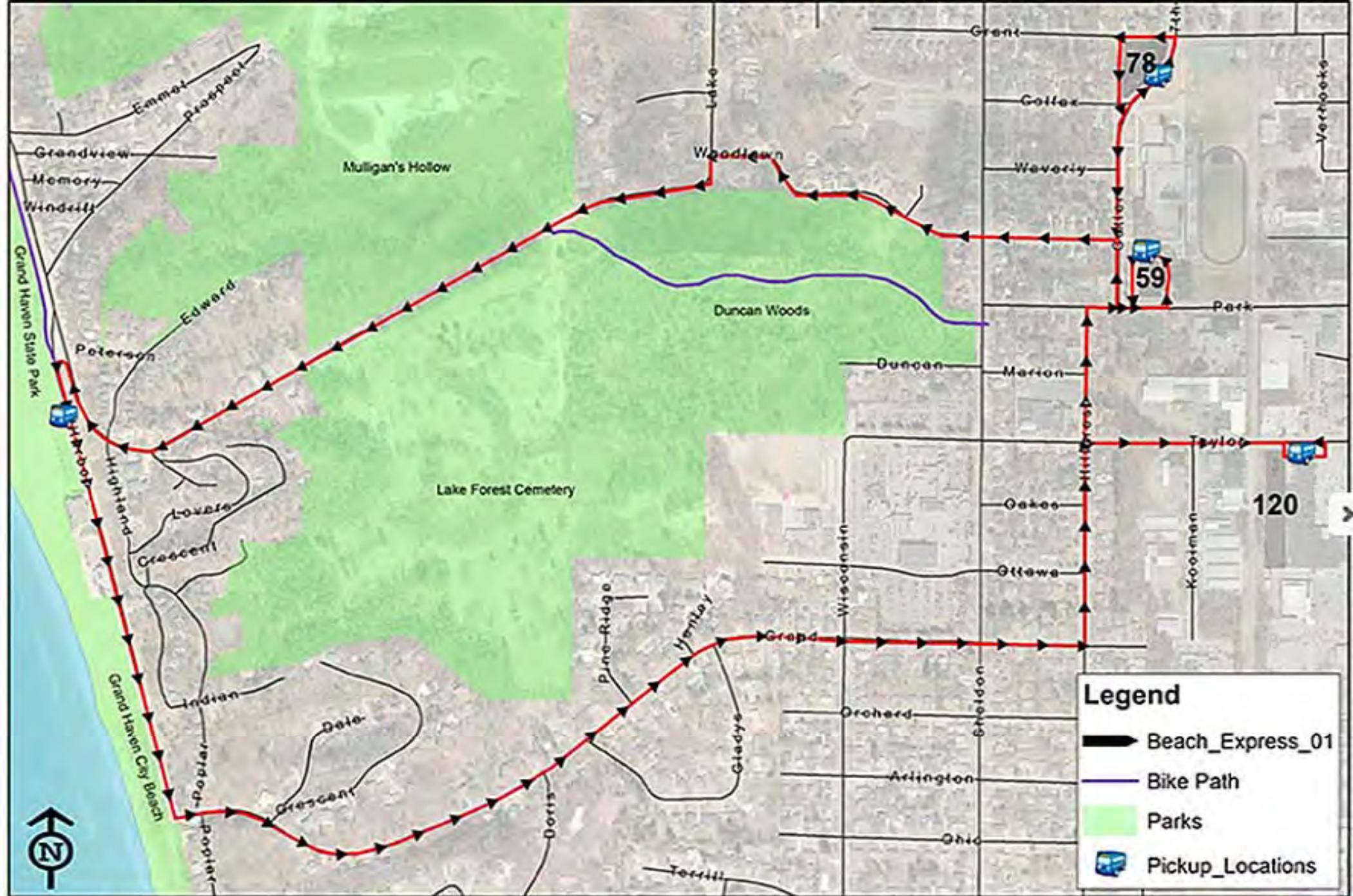
### Key to Map

- N Mall Area (1)
- Butternut/136th (2)
- Southshore Area (3)
- Waverly/120th (4)
- Washington/River (5)
- Holland Heights (6)
- Lincoln/South Town (7)
- Zeeland (8)
- Twilight (9) (Operates 7-10pm)
- Twilight North (10) (Operates 7-10pm)
- James/E. Riley (11) (Operates W.F. 6 a.m. - 7 p.m. & Sat. 8 a.m. - 7 p.m.)
- Park Township Reserve-A-Max Bus Service ONLY
- Service Area
- ▲ Transfer Center





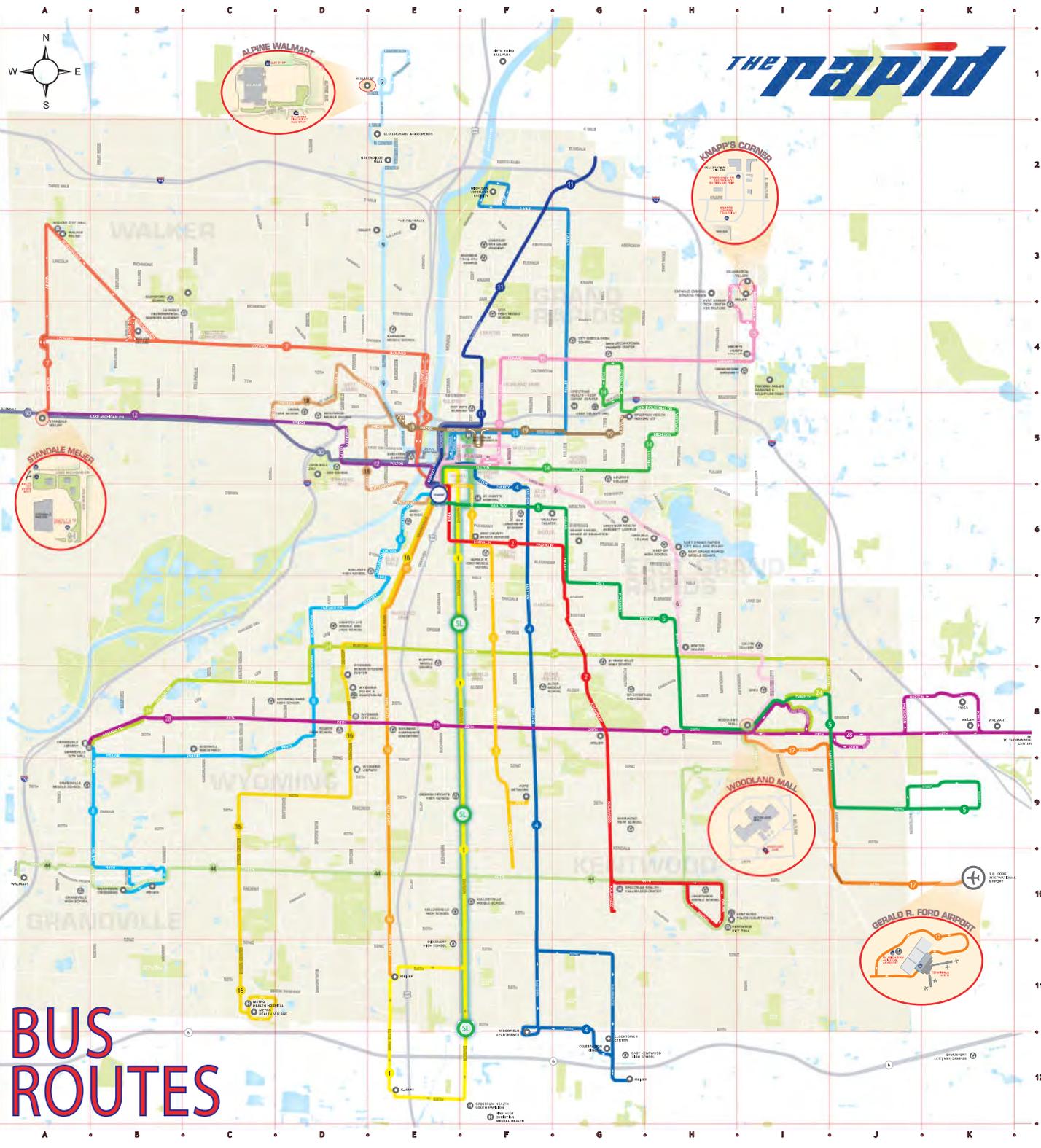




## Beach Express - Route and Parking Locations

0 287.5 575 1,150 1,725 2,300 Feet





ROUTE	WALKER	WYOMING	WYOMING METRO HEALTH VILLAGE	WOODLAND	WOODLAND MALL	WYOMING CITY HALL	WYOMING PUBLIC LIBRARY
1 Silverline	10	30	30	30	30	30	30
2	30	30	30	30	30	30	30
3	30	30	30	30	30	30	30
4	15	30	30	30	30	30	30
5	15	30	30	30	30	30	30
6	15	30	30	30	30	30	30
7	15	30	30	30	30	30	30
8	15	30	30	30	30	30	30
9	15	30	30	30	30	30	30
10	30	30	30	30	30	30	30
11	30	30	30	30	30	30	30
12	30	30	30	30	30	30	30
13	30	30	30	30	30	30	30
14	30	30	30	30	30	30	30
15	30	30	30	30	30	30	30
16	30	30	30	30	30	30	30
17	30	30	30	30	30	30	30
18	30	30	30	30	30	30	30
19	30	30	30	30	30	30	30
24	30	30	30	30	30	30	30
28	30	30	30	30	30	30	30
29	30	30	30	30	30	30	30
44	30	30	30	30	30	30	30
45	30	30	30	30	30	30	30
50	30	30	30	30	30	30	30
60	30	30	30	30	30	30	30

**POPULAR DESTINATIONS**

DESTINATION	ROUTE(S)	GRID
20 Monroe Live	SL, 9, 11, 14	E5
Aviation Station	Central Station	E6
Amway Grand Plaza Hotel	SL, 9, 11	E5
Aquinas College	14	G5
Blindford Nature Center	7	S4-C3
Blodgett Hospital (Spectrum Health)	6	G6
Britten Village Mall	5, 6, 24	H7
Butterworth Hosp. (Spectrum Health)	SL, 11, 13, 19	F5
Calvin College	6, 24	I7
Catholic Central High School	1, 2, 5	E6
Celebration Village - North	15	I3
Celebration Village - Rivertown	8, 44	B10
Celebration Village - South	4	G12
Centerspace Mall	5, 24, 28	H8
Central High School	6, 14, 15	F5
City High/Middle School	11	F4
Civic Theater	9	F5
Coit Arts & Sciences Academy	11, 13	F5
DeLaplex	9	E3
DeVos Place Convention Center	SL, 11	E5
East Grand Rapids City Hall	6	H6
East Grand Rapids High School	6	H6
East Kentwood High School	4	G12
Eastown	6	G6
Ferris State University	6, 13	E5
Ford Fieldhouse	6	F5
Gaslight Village	6	H6
Gerald R. Ford Airport	17	K10
Gerald R. Ford Museum	9	E5
Godfrey Lee High School	8, 24	D7
Grand Rapids Art Museum	SL, 6, 11, 13	E5
Grand Rapids Children's Museum	1, 4, 6, 14, 15	F5
Grand Rapids City Hall	11, 13	E5
Grand Rapids Community College	SL, 6, 60	F5
Grand Rapids Police Department	1, 4, 6, 14, 15	E5
Grand Rapids Public Library-Main	4, 6, 14	F5
Grandville City Hall	8, 24, 28	B8
Greyhound	Central Station	E6
GVSU Center for Health Sciences	11, 13, 19, 50	F5
GVSU Eberhard Center/Pew Campus	9, 12, 50	E5
GVSU Kinross/Hendricks Campus	50	E5
John Ball Park & Zoo	12, 50	D5
Kendall College	6, 9, 13	E5
Kent Career Technical Center	15	H4
Kent County Courthouse	13	E5
Kent Transition Center	15	H4
Kentwood City Hall	2, 44	H10
Knapp Charter Academy	15	H4
Mary Free Bed Rehabilitation Hospital	3, 5	F6
Metro Health Hospital	15	C11
MSU Secchia Center	SL, 11, 13, 19	E5
Ottawa Hills High School	2, 24	G7
Pine Rest Christian Mental Health	1	F12
Rivertown Crossings Mall	8, 44	B10
Mercy Health Hospital	SL, 3, 5	F6
Spectrum Kalamazoo Center	2, 44	G10
Spectrum North (Kent Comm. Hosp.)	15	G5
Union High School	15	D5
Union Institute for Contemporary Arts	1, 4, 6, 14, 15	E5
Van Andel Arena	1, 4, 6, 13, 14, 15	F5
Van Andel Institute	SL, 11, 13, 19	F5
Van Andel Museum Center	9	E5
Waters Building	13	E5
Wealthy Theater	5	F6
Western Michigan University	6	E8, 18
Woodland Mall	5, 6, 17, 24, 28, 44	I8
Wyoming City Hall	16, 28	D8
Wyoming Public Library	16	D9

**BUS ROUTES**

### C. Crime Risk

Crime risk, whether perceived or real, can influence a person’s decision to move to, leave, or remain at, a particular location. The desirability of a housing market, whether citywide or neighborhood-specific, is often judged by its level of security and safety. Existing and potential residents constantly monitor crime risk, both on a “personal” and “property” basis. When certain geographic areas exhibit higher crime rates, potential residents tend to move elsewhere and existing residents relocate. Conversely, areas with lower crime rates tend to attract potential residents and retain existing ones. Stronger housing markets normally enjoy low or decreasing crime rates, while weaker housing markets usually suffer from high or increasing crime rates.

For this study, the FBI Uniform Crime Report (UCR) was used. The FBI collects data from roughly 16,000 separate law enforcement agencies across the country and compiles it into the UCR. The most recent data shows a 95% coverage rate of all jurisdictions nationwide. Applied Geographic Solutions uses the UCR at the jurisdictional level to model seven crime types for specific geographic areas. Risk indexes are standardized based on national averages. A Risk Index value of 100 for a particular crime type in a certain area means that the probability of the risk is consistent with the national average. It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and a murder is no more significant statistically than petty theft. Therefore, caution should be exercised when using them.

The following table compares the UCR crime risk probabilities for the selected geographies in this study. Note that because crime risk data is only available by zip code, we have presented such data for zip codes that fall within the respective submarkets.

	Total Crime	Personal Crime					Property Crime			
		Murder	Rape	Robbery	Assault	Total	Burglary	Larceny	Vehicular Theft	Total
East Submarket (49418)	103	19	98	44	32	42	62	137	33	112
East Submarket (49426)	31	8	156	5	10	23	13	40	12	32
East Submarket (49428)	37	10	265	12	15	38	21	45	14	37
Northwest Submarket (49417)	62	54	247	21	50	61	45	71	26	62
Northwest Submarket (49448)	38	34	228	3	34	44	23	45	6	38
Northwest Submarket (49456)	82	43	296	23	57	71	69	94	37	84
Northwest Submarket (49460)	33	15	174	9	28	37	30	35	18	32
Southwest Submarket (49423)	88	42	275	31	76	82	68	102	32	89
Southwest Submarket (49424)	63	51	222	35	65	72	59	65	43	62
Southwest Submarket (49464)	45	16	180	10	28	38	41	51	15	46
Ottawa County	56	30	218	24	42	54	47	61	43	57
Michigan	86	121	172	82	118	113	90	77	94	82

Source: Applied Geographic Solutions

The overall Crime Index for the PSA (Ottawa County) is 56. The PSA's index is well below the state of Michigan (86). By comparison, the national average Crime Index is 100. Therefore, it is believed that the perception of crime for the PSA may have a positive impact on attracting new residents.

The overall Crime Index for the zip codes of the three selected submarkets range from 31 to 103, which are below or near the national average of 100. Zip code 49418, which is the southeast part of the county and extends into Kent County, has the highest crime risk index. This is very comparable to the national average. Overall, incidents of crime appear to be low throughout the county and should not have a negative impact on the appeal of any individual community.

A map illustrating crime risk within the PSA follows this page.



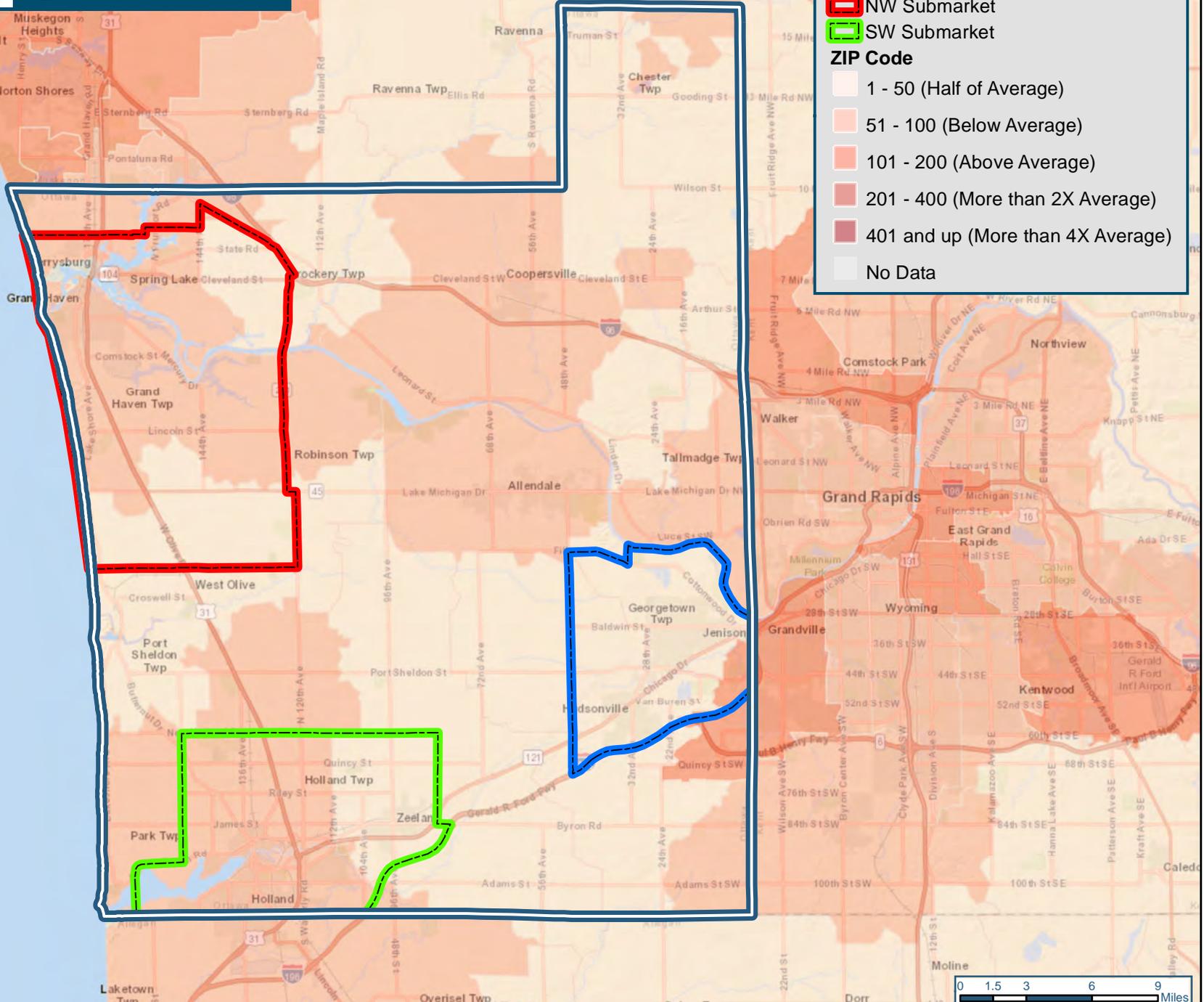
# Ottawa County, MI 2018 Crime Risk

**Legend**

- Primary Study Area
- East Submarket
- NW Submarket
- SW Submarket

**ZIP Code**

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)
- No Data



**NORTH**  
1:400,000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

#### **D. Community Services**

The location, type, and number of community attributes (both services and amenities) can have a significant impact on housing market performance and the ability of a market to support existing and future residential development. Typically, a geographic area served by an abundance of amenities and services should be more desirable than one with minimal offerings, and its housing market should perform better accordingly. As a result, community attributes were examined throughout Ottawa County and for each of the three regional submarkets.

The Ottawa County area features several major thoroughfares that serve residents and commuters within most parts of the county. Interstate Highway 96 is located along the northwestern and northeastern peripheries of the Ottawa County limits. There are seven interchanges for I-96, providing convenient access on the northern and northeastern portions of the county. Interstate Highway 196 is located along the southern and southeastern portions of the Ottawa County limits. There are four interchanges for I-196, providing convenient access on the southern and southeastern portions of the county. U.S. Highway 31 runs north-south and generally bisects the western side of the county. There are four main access points to U.S. Highway 31, on the northern, central and southern portions of the county. Additionally, U.S. Highway 31 interlinks I-96 and I-196 with each other and provides convenient access for area motorists. State Route 45 runs east-west bisecting the central portion of Ottawa County, providing alternative access points to many parts of the county and direct access to Grand Rapids to the east. Notable streets that extend through much of the county include Chicago Drive, Beacon Boulevard, Lake Michigan Drive, Butternut Drive, Fillmore Street, Sheldon Road, Port Sheldon Street, Cleveland Street, Lake Shore Avenue, Leonard Street, 148<sup>th</sup> Avenue, 120<sup>th</sup> Avenue and 68<sup>th</sup> Avenue. Residential areas typically encompass large portions of these areas and there is excellent access to services within all submarkets.

Of the three regional submarkets, a summary of notable community attributes is provided that includes a brief narrative describing their collective scope and a map indicating their locations. These overviews should not be considered exhaustive evaluations of attributes offered within each area, since data and marketplace conditions change constantly. However, our overview provides insight as to the sufficiency, or lack of key community services.

## **Southwest Submarket**

The Southwest Submarket contains the Ottawa County portion of Holland (it is bisected by the county boundary), Holland Township, Zeeland, Zeeland Township, Park Township and is the most populous of the three regional submarkets. Both Interstates 96 and 196, as well as U.S. Highway 31 and State Route 121, are accessible within this submarket, providing convenient access to the area's community services. All of the major community services are available within the submarket, including but not limited to grocery stores, financial institutions, schools, a state college, medical facilities, pharmacies, fitness facilities, gas stations, convenience stores and churches.

The Shops at Westshore, Holland Town Center, North Park Plaza and Felch Street Plaza are conveniently located within 3.0 miles of downtown Holland and contain staple stores such as Walmart Supercenter, Meijer, Target, TJ Maxx, Old Navy, Home Goods, Bed Bath & Beyond, Burlington Coat Factory, Kohl's, CATO, Dollar Tree, Staples, Big Lots, Gap Outlet, B2 Outlet Store, Lowe's, Dunham's Sports and Dick's Sporting Goods. There are numerous restaurants, financial institutions, fitness and entertainment options including Planet Fitness and AMC Holland 8, in the aforementioned shopping centers.

Public schools are ample throughout the submarket and include Holland, Zeeland and West Ottawa public school districts. Additionally, Hope College a four-year liberal arts college, is conveniently located just south of Holland's central business district, offering 91 majors, minors and pre-professional programs for continued higher education opportunities.

Points of interest and activities including, but not limited to, the Eighth Street Holland Farmers Market, Craig's Cruisers Family Fun Center, Lost City Laser Tag, BAM!, Captain Sundae/Pirate's Landing Miniature Golf, Nelis' Dutch Village, Windmill Island Gardens, Veldheer Tuplip Gardens and Deklomp Wooden Shoe & Delft Factory, Holland Princess Dinner Boat Cruises, Holland Aquatic Center, Griff's Icehouse West, Northland Lanes Bowling, The Rink Roller Skating, Degraaf Nature Center, Outdoor Discovery Center Macatawa Greenway, Macatawa Legends Golf Course and Country Club, Crest View Golf Course and West Ottawa Golf Club.

Parks and recreational areas within this submarket include Kollen Park, Quincy Park & Dog Park, Tunnel Park, Riley Trails Park, Holland State Park, Stu Visser Trails, Winstrom Park, Paw Paw Park, Van Raalte Farm Park, Ottawa County Fairgrounds, Ottawa Beach and the Big Red Lighthouse at the Holland Harbor, Moran Tennis Center and the Matt Urban Sports Complex and offer activities including charter fishing, swimming, boating, kayaking, stand-up paddle boarding, sailing, hiking, cycling, frisbee golf courses, tennis, basketball and sand volleyball courts, softball and baseball diamonds, soccer fields, playgrounds, picnic shelters, public boat launches, fishing decks and boardwalks.

Medical facilities located within this submarket include the Holland Hospital, Holland Free Health Clinic, Spectrum Health Zeeland Community Hospital and Holland Urgent Care-Zeeland.

As for the current state of the submarket, the community services are believed to be adequate to serve the residents of the submarket and potential new residential projects. The submarket does not appear to be lacking any notable community services that would limit its ability to support future residential development.

### **Northwest Submarket**

The Northwest Submarket contains Robinson Township, West Olive, Olive Township, Port Sheldon Township, Polkton Township, Grand Haven and Grand Haven Township, Ferrysburg, Crockery Township, the Village of Spring Lake and Spring Lake Township. Interstate 96 and U.S. Highway 31, as well as State Routes 45, 104 and 231, are accessible within this submarket, providing convenient access to the area's community services. All of the major community services are available within the submarket, including but not limited to grocery stores, financial institutions, schools, parks and recreation facilities, medical facilities, pharmacies, fitness facilities, gas stations, convenience stores and churches.

While there are no major shopping centers/malls located within the Northwest Submarket, notable shopping areas include staple stores such as Walmart Supercenter, Meijer, D&W Fresh Market, Family Fare Supermarket, Home Depot, Dollar Tree and Walgreens. Additionally, various boutique and antique shopping options are available within this submarket.

Public schools are ample within this submarket and include Grand Haven City, Spring Lake and West Ottawa public school districts.

The Grand Haven area offers numerous options for activities and entertainment. Namely, the Grand River Boardwalk and Lighthouse, Grand Haven State Park and City Beach, Grand Haven State Game Area, Grand Haven Musical Fountain, Tri-Cities Family YMCA, Grand Haven Skate Park, Mulligan's Hollow Ski Bowl and Harbor Island in addition to various other local parks and recreational opportunities along the Grand River.

Additional points of interest and parks in the submarket include the Coast Guard Park, Ferrysburg Nature Preserve, Hofma Park and Preserve, Odawa Battle Point Park, Pottawattomie Park, Lakeshore Disc Golf Course, Water Tower Park, Central Park, Cutler Street Park, Lakeside Beach, Mill Point Park and Boat Launch, Tanglefoot Park, Whistle Stop Playground, Kirk Park, Rosy Mound Natural Area, North Ottawa Dunes, Hiawatha Forest, Bass River Recreation Area, Grand Haven 9 Cinemas, Anytime Fitness, Powerhouse Gym, Grand Haven Fit Body Boot Camp, Pheasant Golf Course, Terra Verde Golf

Course, Pigeon Creek Golf Course, Evergreen Golf Course, Wuskowhan Players Club, Grand Haven Golf Club, Grand Haven Resorts Outdoor Adventures Fun Zone, North Ottawa Rod and Gun Club, Bob Andrews Fishing Charters and Marsh Ridge River Guide Service.

Medical facilities located within this submarket include the North Ottawa Community Health Systems Hospital, Mercy Health Urgent Care-Lakes Village and Health Pointe Urgent Care.

As for the current state of the submarket, the community services are believed to be adequate to serve the residents of the submarket and potential new residential projects. Though some areas of the submarket may be farther from community services, the majority of vital services are within proximity of most residents. Those community services that cannot be found within the Northwest Submarket can be found within the Southwest Submarket and are therefore not considered to be negatively impacting the Northwest Submarket. Overall, the proximity and availability of community services within the Northwest Submarket is believed to be adequate to support area residents.

### **Eastern Submarket**

The Eastern Submarket contains Chester Township, Coopersville, Polkton Township, Wright Township, Tallmadge Township, Allendale and Allendale Township, Blendon Township, Georgetown Township, Jenison, Jamestown Township, Hudsonville and Hudsonville Township. The area has numerous community services and benefits from its proximity to Grand Rapids. Both Interstates 96 and 196, as well as State Routes 45 and 121, are accessible within this submarket, providing convenient access to the area's community services. All of the major community services are available within the submarket, including but not limited to grocery stores, financial institutions, schools, a state university, medical facilities, pharmacies, fitness facilities, gas stations, convenience stores and churches.

Notable shopping areas throughout the submarket include staple stores such as Walmart Supercenter, Meijer, ALDI, Family Fare Supermarket, Daily Deals Food Outlet, Family Dollar, Dollar Tree, At Home, Tractor Supply Co., Walgreens and Rite Aid. While traditional shopping malls are not present in this submarket, ample shopping is available nearby due to its proximity to Grand Rapids.

Additional points of interest and activities including, but not limited to, Grand Rapids Indoor Soccer, Rebounderz Indoor Trampoline Arena, Fitness 19, Snap Fitness, Sand Creek Golf Course, Western Greens Country Club, Gleneagle Golf Club, Meadows Golf Club at GVSU, Sunnybrook Country Club, Wallinwood Springs Golf Club and numerous parks offering off-trail hiking, fishing, cross-country skiing, archery deer hunting, rentable trellis' and picnic buildings, picnic tables and grills, playgrounds, ball fields, horseshoe pits, fire pits with benches and dog parks. These parks include Bend Area, 8<sup>th</sup> Avenue Community Park, Rosewood Park, Woodcrest Park, Pioneer Park, Maplewood Park, Spring Grove Park, Grand River Park, Grand Ravines Park & Dog Park, Hager Park, Deer Creek Park, along with various other parks, open spaces and bayous.

Public schools are ample throughout this submarket and include Allendale, Coopersville, Hudsonville and Jenison public school districts. Additionally, this submarket is within proximity to select schools in the Grand Rapids, Wyoming and Grandville public school districts. The Grand Valley State University, located in Allendale, has nearly 25,000 total students and employs over 3,500 faculty members and support staff, making it one of the largest employers in the Eastern Submarket.

Medical facilities in the submarket include MedExpress Urgent Care, Metro Health-Allendale, Metro Health-GVSU Campus Health Center, Metro Health-Jenison and Georgetown Medical Center.

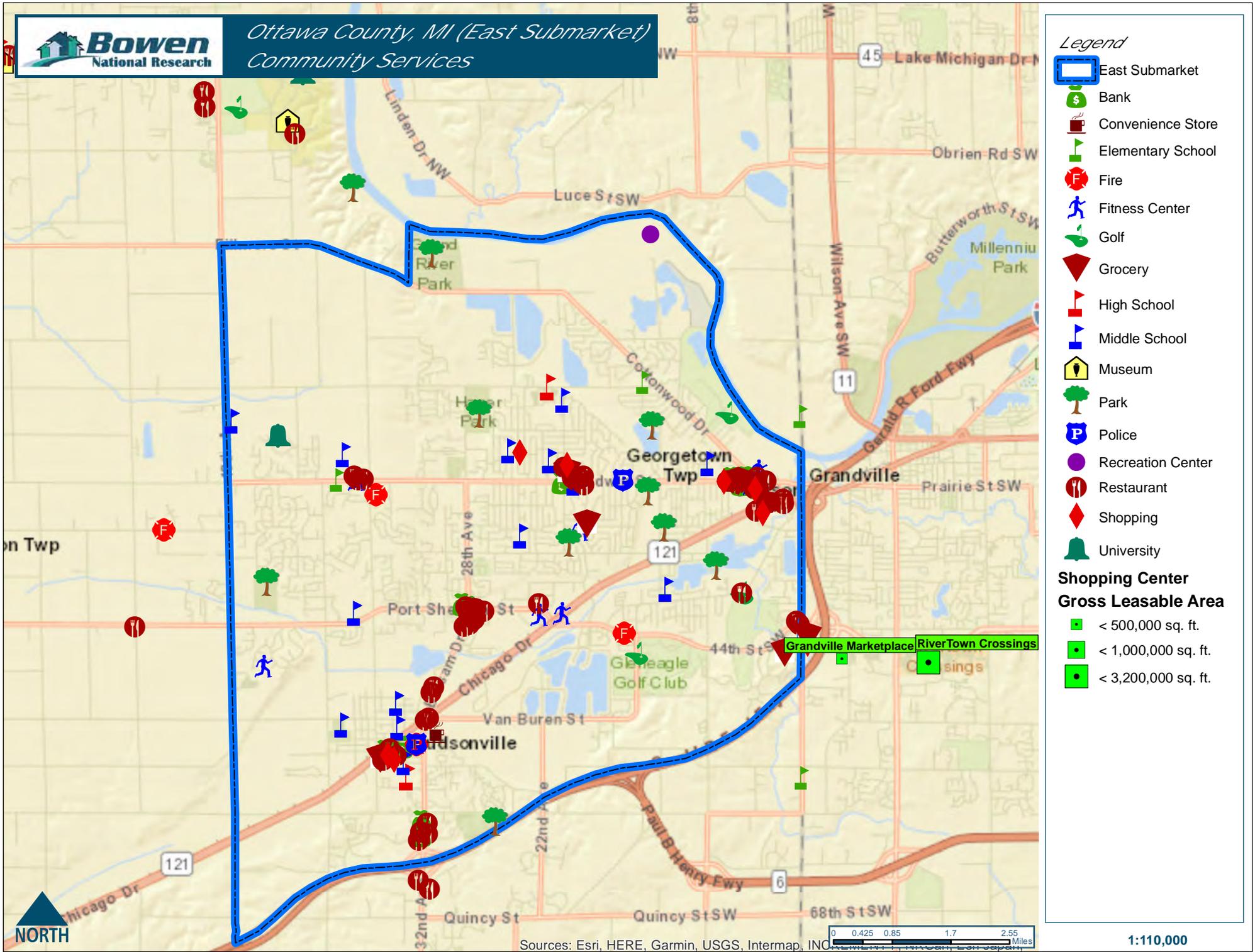
As for the current state of the submarket, the community services are believed to be adequate to serve the residents of the submarket and potential new residential projects. Though some areas of the submarket may be farther from community services, the majority of vital services are within proximity of most residents. Those community services that cannot be found within the Eastern Submarket can be found within the Southwest Submarket and are therefore not considered to be negatively impacting the Eastern Submarket. Overall, the proximity and availability of community services within the Eastern Submarket is believed to be adequate to support housing.

### **Overall PSA (Ottawa County) Community Services Evaluation**

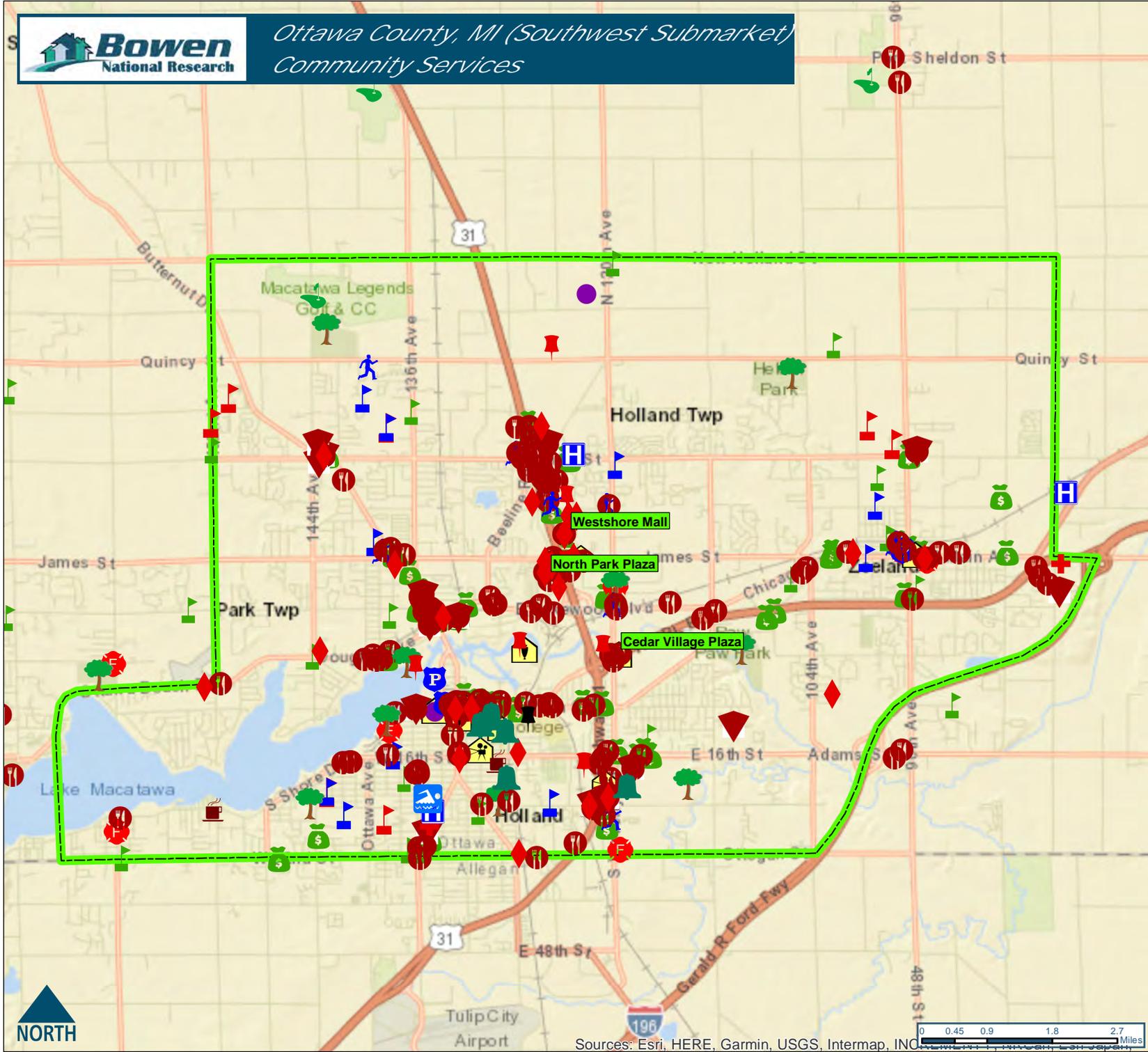
Overall, the three regional submarkets of Ottawa County are well served by community services, offering numerous services throughout each area. Grocery stores, pharmacies, schools, employment opportunities, and shopping choices are located throughout the PSA and conveniently serve residents throughout Ottawa County.

While not all portions of each submarket are fully served by the typical community services required by area residents, the several major thoroughfares provide convenient access to most community services for residents throughout the county. Public transit options also increase access to community services. As a result, we believe access to community services is adequate for each submarket and will not influence housing choices towards one submarket over another.

Maps of notable community services within the PSA are included on the following pages.







**Legend**

- SW Submarket
- Entertainment
- Bank
- Cinema
- Convenience Store
- Elementary School
- Fire
- Fitness Center
- Golf
- Grocery
- High School
- Hospital
- Medical Center
- Middle School
- Museum
- Park
- Police
- Recreation Center
- Restaurant
- Shopping
- Stadium
- Swimming
- University

**Shopping Center Gross Leasable Area**

- < 500,000 sq. ft.
- < 1,000,000 sq. ft.
- < 3,200,000 sq. ft.



## VIII. Housing Gap/Demand Estimates

### Introduction

Since the development of new housing in the PSA (Ottawa County) could include a variety of financing options, our estimates for the number of new residential units that can be supported consider a variety of income levels. For the purposes of this analysis, we have segmented *rental* housing demand into three income segments (less than \$25,000, \$25,000 to \$49,999, and \$50,000 and higher). The for-sale housing demand evaluates households making between \$30,000 and \$39,999, between \$40,000 and \$74,999, and those earning \$75,000 and higher.

### 1. Rental Housing Needs

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

We have evaluated the market's ability to support rental housing based on three levels of income/affordability. While there may be overlap among these three levels due to program targeting and rent levels charged, we have established specific income stratifications that are exclusive of each other in order to eliminate double-counting demand. The three levels of affordability are described below:

- **Very Low-Income Households** – There are a variety of federal housing programs that assist in meeting the needs of very low- and low-income households. While the actual parameters for qualifying housing based on income levels are affected by the program type, household size limits, and other programmatic restrictions, most projects using federal housing program financing or assistance are occupied by households with annual incomes under \$25,000. This income level generally represents 40% of Area Median Household Income levels (depending upon household sizes) and is often associated with federally assisted projects. For the purposes of this analysis, we have limited our demand estimates for housing that serves very low-income households to households with income up to 40% of Area Median Household Income (AMHI).

- **Low-Income Households** – Development of housing for low-income households is often financed through state issued (but federally financed) Tax Credits under the Section 42 program. Such housing is restricted to households with incomes of up to 80% of AMHI. While the minimum income requirement is usually based on the lowest gross rent that a Tax Credit project would charge, for the purposes of this analysis, we have limited the minimum income requirement to the maximum income limit (\$25,000) used for the very low-income households demand estimates. The maximum income limit used for this housing segment is \$49,999.
- **High-Income Households** - Projects that are not limited by federal and state government programs are considered market-rate housing. Market-rate units can fall within the entire spectrum of affordability, as it is up to ownership and management of a market-rate project to determine the rents to charge and the corresponding income qualifications of prospective residents. For the purposes of this analysis, we assume households with incomes above 80% of AMHI will respond to market-rate housing. The income level used for this housing segment is \$50,000 and higher.

The following table summarizes the income segments used in this analysis to estimate potential rental housing demand.

Household Type (% AMHI)	Income Range
Very Low-Income (<40% of AMHI)	<\$25,000
Low-Income (40% to 80% of AMHI)	\$25,000 to \$49,999
High-Income (Above 80% of AMHI)	\$50,000+

AMHI – Area Median Household Income

While different state and federal housing programs establish income and rent restrictions for their respective programs, in reality, there is potential overlap between windows of affordability between the programs. Further, those who respond to a certain product or program type vary. This is because housing markets are highly dynamic, with households entering and exiting by tenure and economic profile. Further, qualifying policies of property owners and management impact the households that may respond to specific project types. As such, while a household may prefer a certain product, ownership/management qualifying procedures (i.e. review of credit history, current income verification, criminal background checks, etc.) may affect housing choices that are available.

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

There are generally five primary sources of demand for new rental housing. These sources include the following:

- New Housing Needed to Meet Projected Household Growth
- Additional Units Required for a Balanced Market
- New Household Formations
- Replacement Housing for Demolished and Substandard Housing
- External Market Support

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

### **New Renter Household Growth**

The first source of demand is generally easily quantifiable and includes the net change in renter households between the baseline year of 2017 and the projection year of 2022.

### **Units Required for a Balanced Market**

The second demand component considers the number of units a market requires to offer balanced market conditions, including some level of vacancies. Healthy markets require approximately 4% to 6% of the rental market to be available in order to allow for inner-market mobility and encourage competitive rental rates. Markets with vacancy rates below a healthy rate often suffer from rapid rent increases, minimal tenant turnover (which may result in deferred maintenance), and residents being forced into housing situations that do not meet their housing needs. Markets with low vacancy rates often require additional units, while markets with high vacancy rates often indicate a surplus of rental housing. The vacancy rates by program type and/or affordability level used to determine if there is a deficit or surplus of rental units are based on our survey of area rental alternatives. We used vacancy rates of 3% to 5% to establish balanced market conditions.

### **New Household Formations**

In market situations where there is no available housing to which people can move, households either become overcrowded as families grow through marriage or births, or they choose to leave the market. However, when new product is introduced, new households are either created (households split as a portion of the family now has available housing they can move into) or residents living outside the market move to the market now that there is available housing. This is particularly true in markets where new housing units are rarely added to the market or household growth far outpaces the introduction of new units.

Based on U.S. Census data, an estimated 3.4% of renter households are living in overcrowded housing situations, which likely includes many multigenerational households and could create a new household if housing became available. We have applied this share to the base of renter households by income to estimate the potential support for new housing that could originate from new household formations.

### **Replacement Housing**

Demand for new units as replacement housing takes into consideration that while some properties are adequately maintained and periodically updated, a portion of the existing stock reaches a point of functional obsolescence over time and needs to be replaced. This comes in the form of either units that are substandard (lacking complete plumbing and/or are overcrowded) or units expected to be removed from the housing stock through demolitions. Based on Census demographic data included in this report, approximately 2.9% of renter households living in the county are living in substandard housing (e.g. lacking complete plumbing).

### **External Market Support**

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

Based on our experience in evaluating rental housing in markets throughout the country, it is not uncommon for new product in a rapidly developing area such as Ottawa County to attract as much as 10% to 20% of its support from outside the county limits. As a result, we have assumed that 10% of the demand for new housing will originate from people moving from outside the county.

The table on the following page includes demand calculations for rental units targeting the income segments considered in this analysis.

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

## Rental Demand Projections

<b>2017 - 2022 Rental Demand Potential by Income Level &amp; Rent Ottawa County, Michigan Primary Study Area</b>			
Household Income Range	< \$25K	\$25K-\$50K	\$50K+
Rent Affordability	< \$625	\$625-\$1,249	\$1,250+
<b>I. Growth Demand (Household-Based):</b>			
2017 Renter Households	8,722	8,124	7,072
2022 Total Estimated Renter Households	9,383	8,471	7,580
New Renter Household Growth Over Projection Period (5 Years)	<b>661</b>	<b>347</b>	<b>508</b>
<b>II. Total Units Needed For Balanced Market</b>			
2017 Occupied Rental Housing Units	8,722	8,124	7,072
Percent of Vacant Units Required to Reach a Balanced Market	2.0%	5.0%	5.0%
Estimated Vacant Units for Balanced Market	174	406	354
Estimated Vacant Units Currently in Market*	18	68	437
Additional/Fewer Rental Housing Units Needed for Balanced Market	<b>166</b>	<b>338</b>	<b>-83</b>
<b>III. New Household Formations</b>			
Total Occupied Rental Units in 2017	8,722	8,124	7,072
Estimated Share of Overcrowded or Multigenerational Housing**	3.4%	3.4%	3.4%
Total Potential Household Formation 2022	<b>297</b>	<b>276</b>	<b>240</b>
<b>IV. Replacement Housing</b>			
Total Occupied Rental Units in 2017	8,722	8,124	7,072
Percent of Replacement Housing Needed ***	2.9%	2.9%	2.9%
Total Replacement Housing Needed by 2022	<b>253</b>	<b>236</b>	<b>205</b>
<b>V. External Market Support</b>			
Total Internal Market Demand (From II to IV)	1,377	1,197	870
Percent of Housing Support Expected to Originate Outside of PSA^	10%	10%	10%
Total Potential External Market Support for Rental Housing	<b>138</b>	<b>120</b>	<b>87</b>
<b>VI. Housing Needs Summary</b>			
New Income-Qualified Renter Household	661	347	508
Units Needed for Balanced Market	166	338	-83
New Household Formations	297	276	240
Replacement Housing Needed	253	236	205
Total External Market Support	138	120	87
Gross Demand of Units Needed	1,515	1,317	957
Units in the Development Pipeline (Planned Projects)	-0	-252	-139
<b>Total Potential PSA (Ottawa County) Support for New Units</b>	<b>1,515</b>	<b>1,065</b>	<b>818</b>

\*Based on Bowen National Research's survey of area rentals

\*\*Based on ESRI/ACS estimates for overcrowded/multigenerational households

\*\*\*Based on ESRI/ACS estimates of units lacking complete indoor plumbing

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

Based on the preceding demand estimates, it is clear that there is a notable level of demand among all household income levels within Ottawa County over the five-year projection period. There is an overall housing need for approximately 3,398 additional rental units in the county over the next five years, even when nearly 400 rental housing units currently in the development pipeline are considered. While the greatest need appears to be for the lowest income households, there is also a significant need for moderate-income and high-income households. As such, future rental housing development should consider a variety of rent and income-eligibility levels.

Based on the demographics of the market, including projected household growth estimates, it appears that approximately one-quarter to one-third of the demand for new rental housing could be specifically targeted to meet the needs of area seniors, though a project could be built to meet the housing needs of both seniors and families concurrently. A unit mix of around 25% to 35% one-bedroom units, 50% to 60% two-bedroom units, and 10% to 20% three-bedroom units should be the general goal for future rental housing, though senior-oriented projects should consider unit mixes closer to 50% for both one- and two-bedroom units each.

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

## **2. For-Sale Housing Demand Estimates**

This section of the report addresses the market demand for for-sale housing alternatives in the PSA (Ottawa County). Like the rental housing demand analysis, the for-sale housing analysis considers three income segments: households making between \$30,000 and \$39,999, between \$40,000 and \$74,999, and those earning \$75,000 and higher. The lowest income segment should generally be able to afford product priced between \$100,000 and \$149,999, the middle-income segment should be able to afford product generally priced between \$150,000 and \$249,999, while the higher income segment should be able to afford product priced at \$250,000 and higher.

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

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

While new household growth alone is often the primary contributor to demand for new for-sale housing, the age and condition of the existing housing stock can be indicators that demand for new housing will also be generated from the need to replace some of the older housing stock. Overall, we have considered the following specific sources of demand for new for-sale housing in the PSA (Ottawa County).

- Household Growth
- Units Required for a Balanced Market
- New Household Formations (Renters Converting to Homeowners)
- Replacement Housing for Functionally Obsolete/Substandard Housing
- External Market Support

### **New Household Growth**

In this report, owner household growth projections from 2017 to 2022 are based on ESRI estimates for Ottawa County. This projected growth was evaluated for each of the targeted income segments.

It should be noted that changes in the number of households within a specific income segment does not necessarily mean that households are coming to or leaving the market, but instead, many of these households are likely to experience income growth or loss that would move them into a higher or lower income segment. Additionally, should additional for-sale housing become available, either through new construction or conversion of rental units, demand for new for-sale housing could increase.

### **Units Required for a Balanced Market**

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

### **Renters Converting to Homeowners**

A common component for for-sale housing demand originates from renters that convert to homeowners. This is typically renters whose incomes have increased to a point that they can afford a home purchase and households whose housing situation has changed due to marriage and having children. Based on secondary data sources, it is estimated that approximately 4% of renters will convert to homeowners in a given year. We have used this 4% in our conversion rate of renters to owners.

### **Replacement Housing**

Demand for new units as replacement housing takes into consideration that while some properties are adequately maintained and periodically updated, a portion of the existing stock reaches a point of functional obsolescence over time and needs to be replaced. This comes in the form of either units that are substandard (lacking complete plumbing or are overcrowded) or units expected to be removed from the housing stock through demolitions. Based on Census data, 1.5% of owner households live in substandard housing. Given that it is more likely lower income households live in such substandard housing, we have applied 1.5% share to the lowest income households and lower shares to the higher income households.

### **External Market Support**

Market support can originate from households not currently living in the market. As shown on page VII-4 of this report, approximately 58,000 people commute into Ottawa County on a daily basis. While these people do not live in Ottawa County, they represent potential future residents that may move to the county if adequate, desirable and marketable housing was developed in the county.

For purposes of this analysis, we have used a very conservative demand ratio of 1.0% to estimate the demand that could originate from outside of Ottawa County.

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

**2017-2022 For-Sale Housing Demand by Income Level & Price Point  
Ottawa County Primary Study Area**

<b>Household Income Range</b>	<b>\$30K-\$39K</b>	<b>\$40K-\$74K</b>	<b>\$75K+</b>
<b>Housing Price Affordability</b>	<b>\$100,000-\$149,999</b>	<b>\$150,000-\$249,999</b>	<b>\$250,000+</b>
<b>I. Growth of Owner-Occupied Households:</b>			
2017 Total Income-Qualified Owner-Occupied Households	6,537	23,122	37,080
2022 Total Income-Qualified Owner-Occupied Households	7,059	24,290	37,943
New Owner-Occupied Household Growth (2017 to 2022)	<b>522</b>	<b>1,168</b>	<b>863</b>
<b>II. Units Required for a Balanced Market</b>			
2017 Owner Households	6,537	23,122	37,080
Vacant Units Required to Reach a Balanced Market (2.0%)	131	462	742
Estimated Vacant Units Currently in Market*	-121	-122	-527
Additional/Fewer Rental Housing Units Needed for Balanced Market	<b>10</b>	<b>340</b>	<b>215</b>
<b>III. Renters Converting to Homeowners</b>			
2017 Income-Qualified Renter Households	3,326	6,094	3,879
Estimated Share of Renters Converting to Homeowners**	4%	4%	4%
Total Potential Household Formations	<b>133</b>	<b>244</b>	<b>155</b>
<b>IV. Replacement of Existing For-Sale Product</b>			
2017 Total Occupied Owner Units	6,537	23,122	37,080
Percent of Replacement Housing Needed***	1.5%	0.5%	0%
Total Replacement Housing Needed	<b>98</b>	<b>116</b>	<b>0</b>
<b>V. External Market Support</b>			
Total Demand from Sections II to IV	763	1,868	1,233
Share of External Market Support ^	1.0%	1.0%	1.0%
Total Potential External Market Support for For-Sale Housing	<b>8</b>	<b>19</b>	<b>12</b>
<b>VI. Total Demand Estimates</b>			
New Owner-Occupied Household Growth (2017 to 2022)	522	1,168	863
Units Required for a Balanced Market	10	340	215
Total Potential Household Formations	133	244	155
Total Replacement Housing	98	116	0
Total External Market Support	8	19	12
Gross Demand of Units Needed	771	1,887	1,245
Units in the Development Pipeline (Planned Projects)	-0	-228	-318
<b>Total Potential PSA Five-Year Support for New Units</b>	<b>771</b>	<b>1,659</b>	<b>927</b>

\*Based on Bowen National Research of available for-sale housing supply

\*\*Based on national estimates of renters converting to homeowners annually

\*\*\*Based on share of units lacking complete indoor plumbing

^Based on typical share of owner households that move from outside a market when new product is built

The overall for-sale housing gap in the county is approximately 3,357 units over the five-year projection period. There is a potential to develop up to 771 for-sale housing units priced between \$100,000 and \$149,999 within Ottawa County over the next five years. There is potential support for 1,659 housing units priced between \$150,000 and \$249,999, which represents the greatest need among for-sale product. Despite the fact that the greatest number of housing units currently available to purchase in the county is product priced at \$250,000 and higher, this product pricing level will still be in high demand with a projected gap of 927 units.

In most markets, if there is support for new housing at a particular price point or concept, and such product is not offered in a specific area, households may leave the area seeking this housing alternative elsewhere, defer their purchase decision, or seek another housing alternative. Additionally, households considering relocating to the PSA (Ottawa County) may not move to the PSA if the housing product offered does not meet their needs in terms of pricing, quality, product design, or location. Currently, the PSA's for-sale housing stock is dominated by higher priced product (\$300,000 and higher), which will be needed to meet the large growing base of high-income households expected over the next several years. However, there appears to be a deficit of product among all price points. As such, the PSA housing stock may not be able to meet future demand, which may limit the market's ability to serve many of the households seeking to purchase a home in Ottawa County. Based on the preceding estimates, we believe opportunities exist to develop a variety of product types and price points. The addition of such housing will better enable Ottawa County to attract and retain residents, including seniors, families and younger adults.

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

In terms of product design, we believe a variety of product could be successful in Ottawa County. Based on current and projected demographics, as well as the available inventory of for-sale housing, we believe a combination of one- and two-bedroom condominium units could be successful, particularly if it is located in or near the walkable areas of the various downtowns within the county or along or near a public transit corridor. Additionally, detached or attached single-story cottage-style condominium product, primarily

consisting of two-bedroom units, could be successful in attracting area seniors, particularly those seeking to downsize from their single-family homes. Larger, traditional detached single-family homes catering to moderate and higher income households could be successful in this market. Such product should primarily consist of three-bedroom units, with a smaller share of four-bedroom units. Given the projected growth of households with moderate and higher income in Ottawa County, it will be important that such housing is part of future housing development, as such product will help retain and attract some of these households.

**Senior Care Housing Demand**

Senior care housing encompasses a variety of alternatives including assisted living facilities and nursing homes. Such housing typically serves the needs of seniors requiring some level of care to meet their personal needs, often due to medical or other physical issues. However, there will be seniors seeking independent living with services, such as congregate care housing. Our analysis attempts to quantify the estimated senior care housing needed in the PSA (Ottawa County).

Our estimates account for persons age 75 and older (assisted living) and age 85 and older (nursing care) that would require some level of services or assistance with Activities of Daily Living, if not full nursing care services. While a variety of product types, bedroom/unit types and pricing structures could be offered, we have assumed a base price model of \$2,500 per month for assisted living and \$6,000 per month for nursing care housing based on the existing local market supply. We have used all of the PSA (Ottawa County) when assessing the base of potential support for senior care housing in Ottawa County.

Senior Care Housing Needs Estimates		
Senior Care Housing Demand Components	Assisted Living (Age 75+)	Nursing Homes (Age 85+)
Household Income Requirement	\$37,500+	\$90,000+
Household Assets Required	\$93,750	\$225,000
Total Population by Age (2022)	32,568	5,630
Multiplied by Share of Total Income & Asset Qualified Households	80.3%	66.5%
Equals Income & Asset Qualified Population	26,152	3,744
Multiplied by Share of Housing Requiring ADL or NC*	17.0%	32.7%
Total Senior Population with Affliction	4,446	1,224
Plus External Market Support (20%**)	889	245
Gross Total Senior Population with Affliction	5,335	1,469
Multiplied by Typical Institutionalization Rate	33.3%	80.0%
Total Gross Beds Needed	1,761	1,175
Less Existing Beds	-1,127	-864
Less Beds in the Development Pipeline	-110	-120
<b>Net Total Beds Needed</b>	<b>524</b>	<b>191</b>

ADL – Activities of Daily Living

NC – Nursing Care

\*Share of ADL was based on data provided by the U.S. Centers for Disease Control and Prevention’s *Summary Health Statistics for U.S. Population National Health Interview Survey*

\*\*Assumes at least 20% of the support will originate from outside of Ottawa County

Based upon senior population characteristics and trends, applying the ratio of persons requiring ADL services and considering income/asset requirements, we estimate that there is potential support for up to 715 total senior care housing units that provide ADL services in Ottawa County over the next five years. The largest need will be for housing offering assisted living services, but nursing care services will also be an important housing need for seniors in the years ahead.

It is recommended that any senior-oriented product developed in the market offer competitive designs and features, along with a fee structure, that is comparable to the newer inventory included in the market (see Addendum B).

## IX. Submarket / Neighborhood Analysis

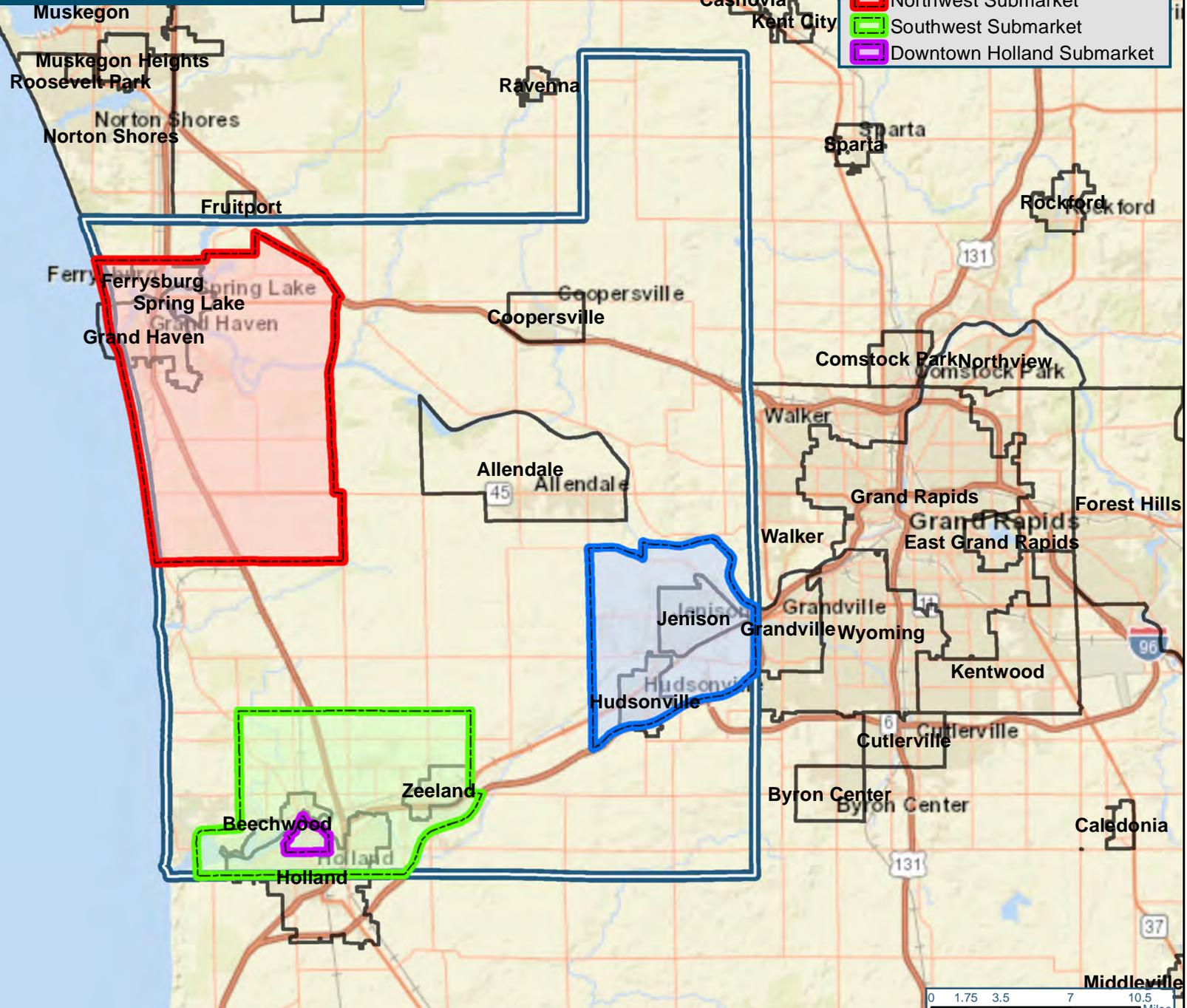
While the primary focus of this Housing Needs Assessment is on Ottawa County, this section of the report includes a cursory overview of key demographic and housing metrics of four pre-determined submarkets within Ottawa County and a fifth submarket (City of Holland) that includes portions of both Ottawa and Allegan Counties. The following is a summary of the submarkets evaluated in this section:

- East Submarket includes Georgetown Charter Township, the unincorporated community of Jenison, and the City of Hudsonville. Approximate boundaries of the East Submarket are Fillmore Street and the Grand River to the north; Kent County Line to the east; Interstate 196 to the south; and 48<sup>th</sup> Avenue to the west.
- Northwest Submarket includes the City of Ferrysburg, Village of Spring Lake, City of Grand Haven, Grand Haven Charter Township, and portions of Spring Lake Township, Crockery Township, and Robinson Township. Approximate boundaries of the Northwest Submarket are Van Wagoner Road, Kelly Street, 144<sup>th</sup> Avenue, and Apple Drive to the north; State Route 231 and 120<sup>th</sup> Avenue to the east; Stanton Street to the south; and Lake Michigan to the west.
- Southwest Submarket includes Holland Charter Township, the northern portion of the City of Holland, the City of Zeeland, plus portions of Park Township and Zeeland Charter Township. Approximate boundaries of the Southwest Submarket are New Holland Street to the north; 84<sup>th</sup> Avenue and Interstate 196 to the east; Allegan County Line to the south; Ottawa Beach Road and 152<sup>nd</sup> Avenue to the west.
- Downtown Holland, for the purposes of this study, is bounded by the Macatawa River to the north, Fairbanks Avenue to the east, 18<sup>th</sup> Street to the south, and Kollen Park Drive to the west. This market area may not follow any formal delineation of the downtown but was provided by Housing Next.
- City of Holland includes the entire city, including portions that fall within either Ottawa or Allegan Counties. It is important to note that data pertaining to areas falling within Allegan County were not used in the overall Ottawa County data and analysis.

The analyses on the following pages provide overviews of key demographic data within each submarket, summaries of the multifamily rental market and for-sale housing supply, general conclusions on the housing needs of each area, and areas of focus that should be considered to address housing needs. It is important to note that the demographic projections included in this section assume no significant government policies, programs or incentives are enacted that would drastically alter residential development or economic activity.

A map of the submarkets is on the following page.

-  Primary Study Area
-  East Submarket
-  Northwest Submarket
-  Southwest Submarket
-  Downtown Holland Submarket



## **East Submarket Analysis**

The following data and analyses focus on the East Submarket of Ottawa County, Michigan and is part of the overall *Ottawa County Housing Needs Assessment Survey*. It includes key data relating to demographics, labor force, transportation, and housing supply within this submarket. A map of the East Submarket is also included in this section.

### **Area Overview**

The East Submarket is located in the far eastern portion of Ottawa County. This submarket includes Georgetown Charter Township, the unincorporated community of Jenison, and the City of Hudsonville. Boundaries of the East Submarket generally include Fillmore Street and the Grand River to the north; Kent County Line to the east; Interstate 196 to the south; and 48<sup>th</sup> Avenue to the west.

Primary arteries within the East Submarket include Interstate 196 and State Route 121 (Chicago Drive). The Grand Rapids Central Business District is approximately 8.0 miles northeast of the Jenison area and approximately 13.0 miles northeast of Hudsonville. The proximity of Grand Rapids to the East Submarket has enhanced the popularity of this submarket as a residential location.

The East Submarket contains a variety of community services for residents. The commercial center of the submarket is along Chicago Drive (State Route 121), immediately west of the Interstate 196 interchange. This area includes a Meijer supermarket, Aldi grocery store, and Walgreens. This area also includes a variety of fast food and traditional restaurants. A secondary commercial area is located immediately west of the Interstate 196/44<sup>th</sup> Street South interchange. Walmart is the major retail store at this location. Restaurants in this area include Cracker Barrel, Panera Bread, and Steak & Shake. Additional shopping is available nearby due to the submarket's proximity to the Grand Rapids area. The largest shopping center (RiverTown Crossings) is in Grandville, approximately 3.0 miles southeast of the Jenison area and approximately 7.0 miles east of Hudsonville.

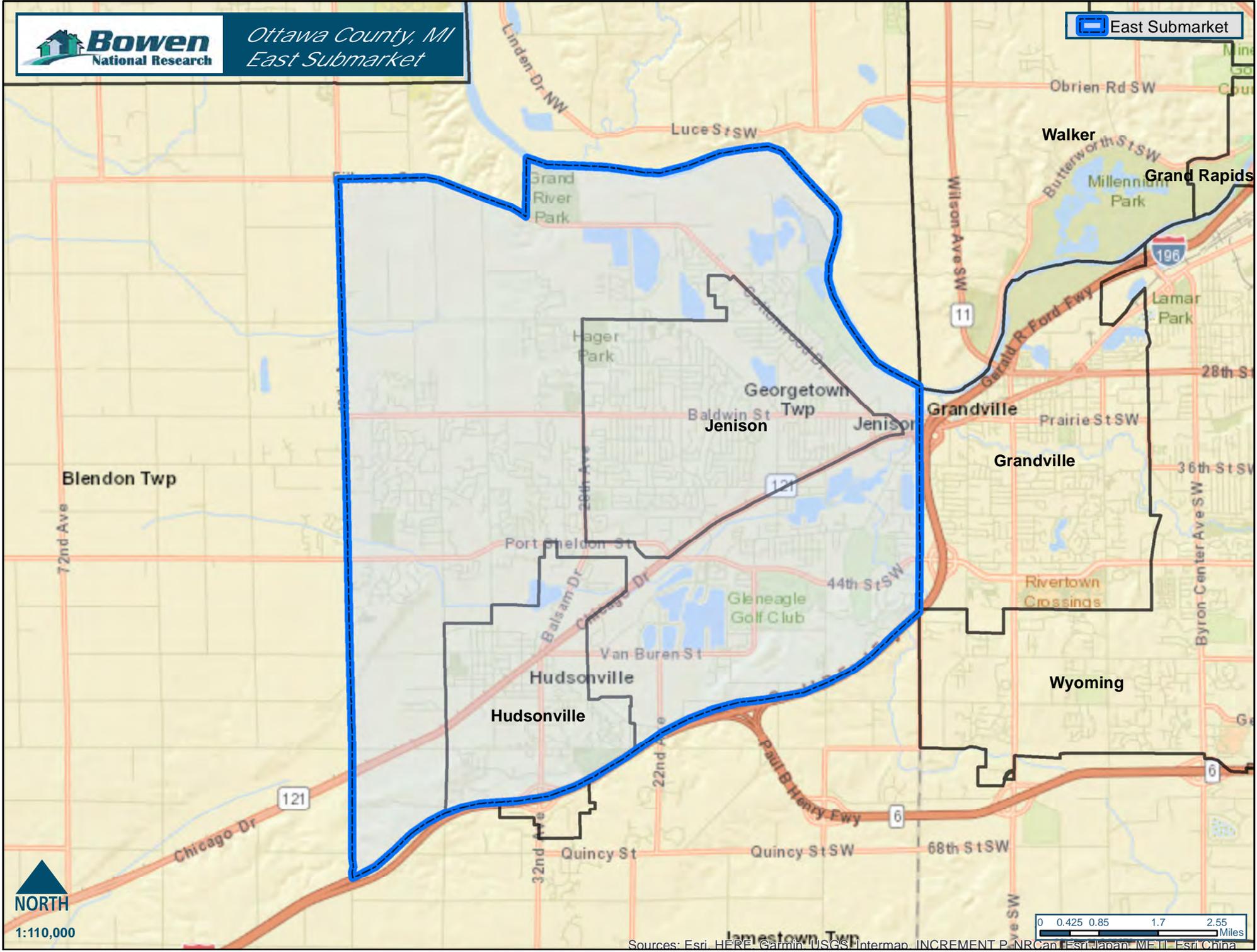
Recreation facilities in the East Submarket include Fitness 19 and Rebounderz Indoor Trampoline Arena. Parks within the East Submarket include 8<sup>th</sup> Avenue Community Park, Rosewood Park, Woodcrest Park, Pioneer Park, Maplewood Park, and Hager Park. Grand Valley State University is located in Allendale, immediately north of the East Submarket. This public university has an enrollment of over 24,000 students and offers degrees in over 130 academic programs. This university employs over 3,500 faculty and staff. Medical facilities within or near the East Submarket include MedExpress Urgent Care, Metro Health-Allendale, Metro Health-GVSU Campus Health Center, Metro Health-Jenison and Georgetown Medical Center. The nearest hospital with an emergency room is Metro Health Hospital in Wyoming (Kent County).

A map showing the location of the East Submarket (and its boundaries) is on the following page.



Ottawa County, MI  
East Submarket

East Submarket



NORTH  
1:110,000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, MEIT, Esri China

## Population

The East Submarket population was 47,614, per the 2000 Census. The submarket population base increased by 4,623 between 2000 and 2010. This represents a 9.7% increase from the 2000 population, or an annual rate of nearly 1.0%. Between 2010 and 2017, the submarket population increased by 4,118, or 7.9%. It is projected that the population will increase by 3,045, or 5.4%, between 2017 and 2022. The population of the East Submarket in 2022 is projected to be 59,400.

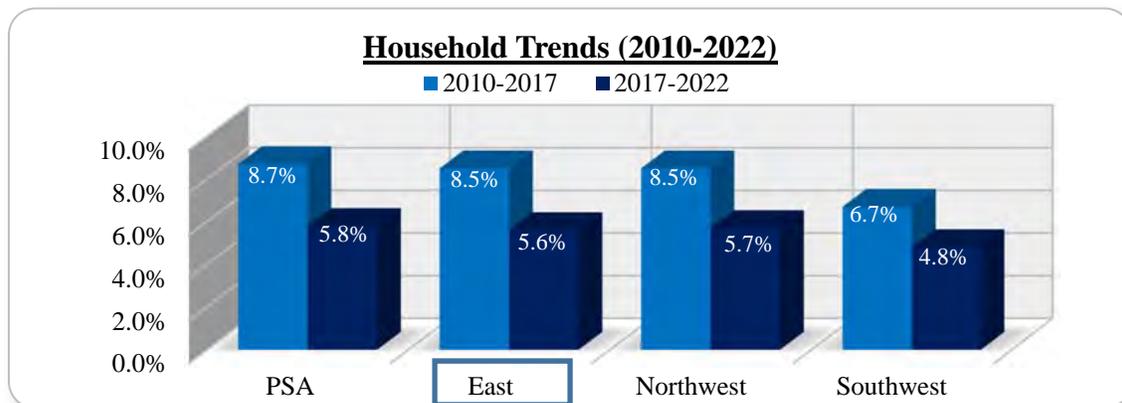
Excluding people under the age of 25, most of the submarket population (13.4%) was between 25 and 34 years old in 2017. By 2022, it is projected that the 35- to 44-year old age group will represent the largest share (13.5%) of the submarket population. Among individual age groups, the only population decrease is projected to occur among the 45- to 54-year old age group (decrease of 406, or 5.7%). The remaining age groups in the East Submarket are projected to increase in population between 2017 and 2022. The largest population increase (1,056) is projected for the 35- to 44-year old age group during this period.

## Socio-Economic Snapshot

- 62.7% of the population is married (56.5% in Ottawa County).
- 45.0% of the adult population has a college degree (42.4% in Ottawa County).
- 5.4% of the population lives below the poverty level (9.9% in Ottawa County).
- 10.0% of the population moved during the past year (15.4% in Ottawa County).

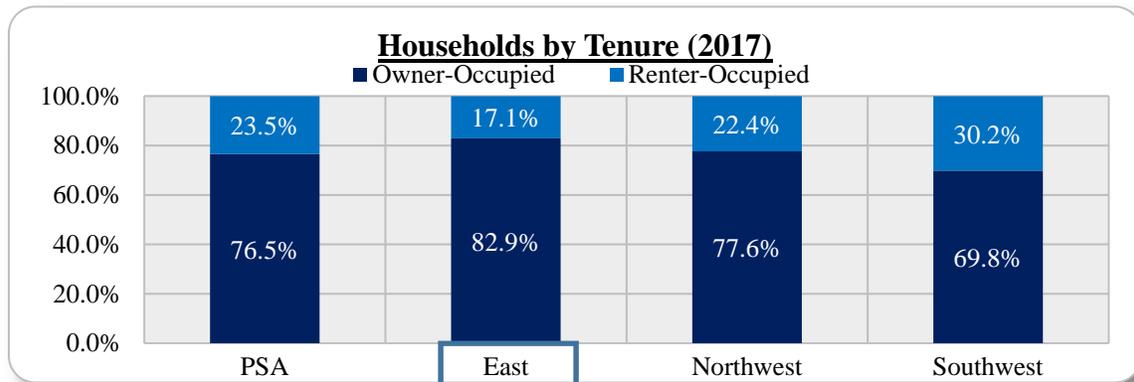
## Households

The East Submarket had a total of 18,692 households per the 2010 Census. Between 2010 and 2017, households increased by 1,589, or 8.5%. By 2022, it is projected that there will be 21,424 households in the submarket, an increase of 1,143 households, or 5.6%, from 2017 levels. The graph below illustrates the projected household growth for each submarket and the County (PSA).



### Households by Tenure

In the East Submarket, most households (82.9%) were owner-occupied, while the remaining 17.1% were occupied by renters in 2017. Owner-occupied households are projected to increase by 938 and renter households are projected to increase by 205 between 2017 and 2022. The graph below illustrates the share of housing by tenure for the various submarkets that were included in this analysis, including the East Submarket.



### Household Distribution by Income

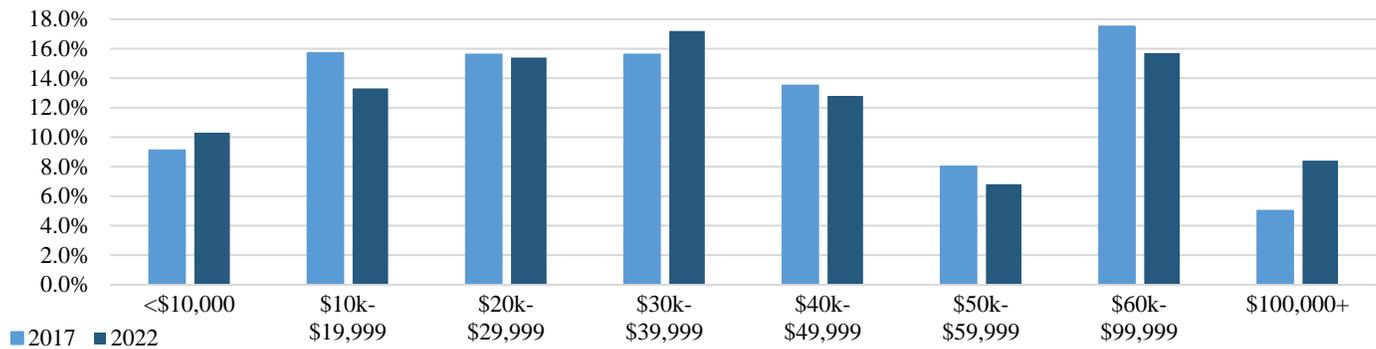
The median household income in the East Submarket was \$66,362 in 2017. Most households in the East Submarket (55.3%) earned \$60,000 or more in 2017. Note that a significant share of submarket households (26.2%) earned \$100,000 or more in 2017. By 2022, the largest increase in total households (223) will be among those households earning \$100,000 or more. The largest percent increase (26.0%) is projected among households that earn less than \$10,000 per year.

The largest share (17.5%) of *renter* households in the East Submarket had incomes between \$60,000 and \$99,999 in 2017. The next largest share (15.7%) earned between \$10,000 and \$19,999. Between 2017 and 2022, the greatest renter household growth is projected to occur among households earning \$100,000 or more (increase of 124, or 77.1%). Renter households earning between \$30,000 and \$39,999 are projected to represent the largest share (17.2%) by 2022. Among *homeowners*, the largest share of households (32.1%) in 2017 was among those earning between \$60,000 and \$99,999. The next largest share (30.6%) of owner households earned \$100,000 or more in 2017. By 2022, the largest owner household increase (169 households, or 25.2%) is projected to be among homeowners earning between \$10,000 and \$19,999. This is likely the result of many older adults retiring and experiencing a decline in income.

The graphs on the following page illustrate the distribution of household income by tenure in the East Submarket for 2017 and 2022.

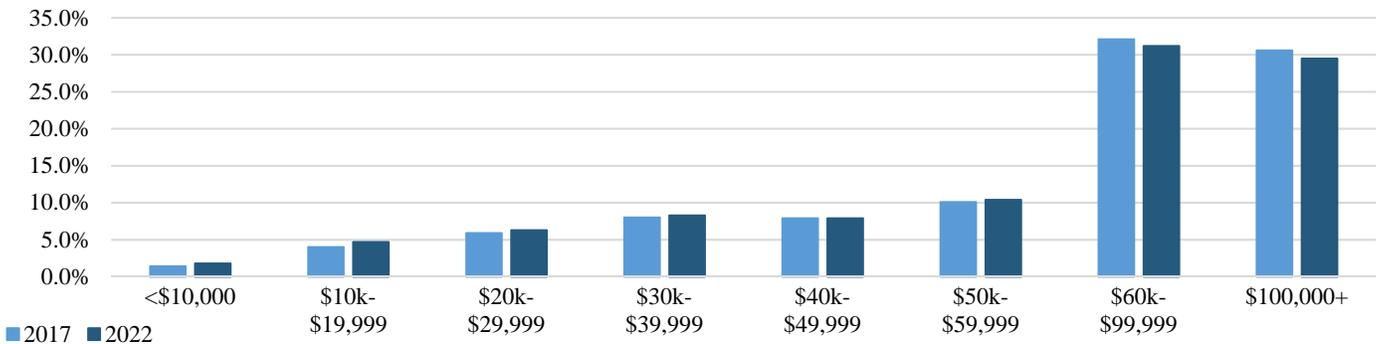
### Renter Households By Income (2017/2022)

#### East Submarket



### Owner Households By Income (2017/2022)

#### East Submarket



### Household Distribution by Age

In 2017, the largest share of households by age in the East Submarket (18.4%) was between the ages of 55 and 64, though the shares are also notable among households between the ages of 45 and 54 (18.1%) and between the ages of 35 and 44 (17.4%). Between 2017 and 2022, the largest increase among household age groups is projected to be among households between the ages of 35 and 44 years old (462 households). The largest percent increase among households is projected to be within the age 75 and older group (15.0% increase) and the 65- to 74-year old age group (14.3%). Based on these trends, the East Submarket is becoming slightly older, as middle-aged persons and seniors age in place.

### Labor Force

According to 2010 Census figures, approximately 14,177 people work within the East Submarket. The labor force within the submarket is primarily concentrated in Retail Trade (17.6%), Health Care and Social Assistance (13.5%), and Educational Services (10.5%). Combined, the three largest employment sectors represent over 40.0% of the submarket employment base.

### Mode of Transportation to Work & Drive Times

Most workers in the East Submarket neighborhood commuted by vehicle. A large share of workers (89.0%) drove alone, while 6.7% of all workers carpooled. A much smaller share (2.9%) worked from home. The submarket is generally considered to be car dependent. The largest share (46.6%) of commuters have drivetimes to work between 15 and 30 minutes. Note that the Grand Rapids Central Business District is within a 30-minute drive for many workers that live in the East Submarket.

### Housing Supply Overview

In 2010, 95.9% of the total housing stock in the East Submarket was occupied. Of the occupied housing stock in the submarket, 84.5% was owner-occupied and 15.5% was renter-occupied. The share of renter-occupied units in the East Submarket is lower than the overall share (21.8%) in Ottawa County. Note that the submarket has a much larger share of renter-occupied units contained within 50+ unit structures (18.2%) than Ottawa County as a whole (8.7%).

Most renter-occupied units (50.1%) in the East Submarket were built between 1970 and 1989, while the largest share of owner-occupied units (23.0%) were built between 1950 and 1969. Despite the presence of older owner-occupied units in the submarket, over one-third of owner-occupied units were constructed from 1990 through 2016. Most of the owner-occupied units (82.9%) in the East Submarket are single detached units. Note that the submarket has a higher share of owner-occupied attached units (10.2%) than Ottawa County (6.0%).

Substandard housing is defined as housing that either lacks complete plumbing and/or kitchen facilities or is overcrowded (1.01+ persons per room). Based on 2012 – 2016 ACS estimates, there are 278 rental units that lack complete indoor plumbing and/or kitchen facilities. The share of renter housing units that lack complete kitchen facilities (6.0%) and plumbing facilities (2.5%) are larger shares than Ottawa County as a whole (2.9% and 1.1% of units, respectively). By comparison, only 77 owner-occupied units lack complete plumbing and/or kitchen facilities in the East Submarket.

There are 161 overcrowded housing units in the East Submarket, representing 2.4% of the occupied housing stock. Of the 161 overcrowded housing units, 14 are considered severely overcrowded (1.51 or more persons per room). Finally, we evaluated the number of cost-burdened households within the submarket, which are households that pay 30% or more of their income towards housing costs. Within the submarket, 38.9% of renters and 15.3% of owners are considered cost burdened. By comparison, 43.9% of renter households and 17.2% of owner-occupied households are cost burdened in Ottawa County. Based on this overview, the East Submarket has a significant, but not unusually high, share of cost burdened renter households.

## Rental Supply

A field survey of conventional apartment properties was conducted as part of this Housing Needs Analysis. In the East Submarket, a total of nine (9) apartment properties were surveyed. Eight of the properties were market-rate, which accounted for a total of 1,037 units. The eight market-rate properties had a combined occupancy of 99.6%, a very high occupancy rate indicative of a strong market for apartments. The remaining property is a 46-unit complex containing government-subsidized units. This property was 100.0% occupied with a waiting list for the next available units. As such, there is pent-up demand for rental product that is affordable to lower income households.

## For-Sale Housing

Information was also obtained on the for-sale housing market in Ottawa County. Prior sales activity was collected on Realtor.com between April 2018 and October 2018. Current listings of available homes were also obtained for the East Submarket. According to Realtor.com, a total of 413 housing units were sold in the East Submarket between April and October 2018. The average sales prices of homes sold in this submarket during this period was \$231,566.

In addition, 113 properties were listed for sale in the East Submarket as of October 2018. The average list price for homes within this neighborhood is \$354,426, or \$181.18 per square foot. The typical listed property is a four-bedroom/2.5-bathroom single-family home built in 2004 with an average of 2,639 square feet. The average days on market for these homes is 61 days, indicative of a seller's market with low inventory.

## Housing Gap Analysis (Demand Estimates)

The following tables summarize the housing gaps by income and affordability levels for the subject submarket. Details of the methodology used in this analysis are provided in Section VIII of this report.

### **Rental Housing Demand Projections**

<b>2017 - 2022 Rental Demand Potential by Income Level &amp; Rent East Submarket</b>			
<b>Household Income Range</b>	<b>&lt; \$25K</b>	<b>\$25K-\$50K</b>	<b>\$50K+</b>
<b>Rent Affordability</b>	<b>&lt; \$625</b>	<b>\$625-\$1,249</b>	<b>\$1,250+</b>
New Income-Qualified Renter Household	17	107	80
Units Needed for Balanced Market	23	70	52
New Household Formations	39	47	39
Replacement Housing Needed	33	40	33
Total External Market Support (30%)	34	79	61
Gross Demand of Units Needed	146	343	265
Units in the Development Pipeline (Planned Projects)	0	-27	-36
<b>Total Potential PSA (Ottawa County) Support for New Units</b>	<b>146</b>	<b>316</b>	<b>229</b>

## For-Sale Housing Demand Projections

2017-2022 For-Sale Housing Demand by Income Level & Price Point East Submarket			
Household Income Range	\$30K-\$39K	\$40K-\$74K	\$75K+
Housing Price Affordability	\$100,000-\$149,999	\$150,000-\$249,999	\$250,000+
New Owner-Occupied Household Growth (2017 to 2022)	120	366	76
Units Required for a Balanced Market	26	99	73
Total Potential Household Formations	25	43	22
Total Replacement Housing	22	29	0
Total External Market Support (30%)	58	161	51
Gross Demand of Units Needed	251	698	222
Units in the Development Pipeline (Planned Projects)	0	0	-35
<b>Total Potential PSA Five-Year Support for New Units</b>	<b>251</b>	<b>698</b>	<b>187</b>

As the preceding tables illustrate, the projected housing gaps over the next five years cover a variety of affordability levels for both rental and for-sale housing product. Development within the submarket should be prioritized to the housing product showing the greatest gaps, which appears to be middle-income households.

### Recommendations

Based on the various market metrics evaluated within the East Submarket, it is recommended that the following recommendations be considered for this submarket:

***Support Senior Residential Alternatives*** – The submarket is projecting an increase of very low-income and high-income senior households between 2017 and 2022. A variety of housing options will need to be developed within the submarket to meet this projected demand. A range of housing options for seniors should be considered (i.e. Tax Credit senior apartments, market-rate independent living apartments, assisted-living). As such, senior-oriented housing should be one of the housing segments given priority in this submarket.

***Support Additional Development of Multifamily Apartments*** – Our field survey of conventional rentals in the submarket identified eight (8) properties with a combined total of over 1,000 units. At the time of our survey, only four (4) units were vacant, indicative of a strong market for rental housing. The housing gap estimates demonstrate a notable need for rental units priced between \$625 and \$1,249, and at \$1,250 or higher. As such, the submarket could benefit from the introduction of new multifamily rental housing targeting moderate- and high-income renter households. The strong for-sale housing market (average of 61 days on market) combined with the projected growth among higher income households will likely contribute to additional demand for rental housing as well, as limited inventory of available product may not allow higher income households to locate and purchase for-sale housing.

***Support Development of Affordable Housing Alternatives*** – Based on Bowen National Research’s survey of multifamily apartments, the East Submarket only has 48 units of low-income (government-subsidized) housing and lacks affordable Tax Credit rental housing alternatives. Although the submarket has a large share of households that can afford market-rate rental housing, growth of very low-income households is also projected between 2017 and 2022. In addition, nearly 40.0% of renter households in the submarket are considered cost-burdened. The submarket would benefit from the introduction of product that is affordable to households earning less than 60% of Area Median Income for Ottawa County (\$49,920 for a five-person household).

***Support Moderate Priced For-Sale Residential Product*** – While there are more than 100 residential units currently available for purchase in the market, most of these homes are priced over \$300,000. With 61.4% of the available supply priced at or above \$300,000, yet only 36.2% of households have sufficient incomes (\$90,000 annually) to afford such product, there is an imbalance in the for-sale housing market. Additionally, the housing gap estimates show a significant for-sale housing need for product priced between \$150,000 and \$249,999. Therefore, the market would benefit from the development of for-sale housing priced under \$250,000. This should include both condominium and single-family home product.

### **Northwest Submarket Analysis**

The Northwest Submarket is located in the northwest portion of Ottawa County, adjacent to Lake Michigan. This submarket includes the City of Ferrysburg, Village of Spring Lake, City of Grand Haven, Grand Haven Charter Township, and portions of Spring Lake Township, Crockery Township, and Robinson Township. Approximate boundaries of the Northwest Submarket are Van Wagoner Road, Kelly Street, 144<sup>th</sup> Avenue, and Apple Drive to the north; State Route 231 and 120<sup>th</sup> Avenue to the east; Stanton Street to the south; and Lake Michigan to the west.

#### **Area Overview**

Primary arteries within the Northwest Submarket include U.S. Highway 31, State Route 104, and State Route 231. Interstate 96 is accessible at the northeast corner of the submarket. Grand Haven, the largest city in the Northwest Submarket, is approximately 22.0 miles north of the Holland Central Business District and approximately 34.0 miles northwest of the Grand Rapids Central Business District.

Community services for submarket residents are concentrated in the Grand Haven area. Commercial areas in Grand Haven include U.S. Highway 31 and Downtown Grand Haven. All major community services are available within the submarket, including but not limited to grocery stores, financial institutions, schools, parks/recreation facilities, medical facilities, pharmacies, fitness facilities, gas stations, convenience stores and churches. There are no major shopping centers or malls located within the Northwest Submarket, however, notable shopping areas include staple stores such as Walmart Supercenter, Meijer, D&W Fresh Market, Family Fare Supermarket, Home Depot, Dollar

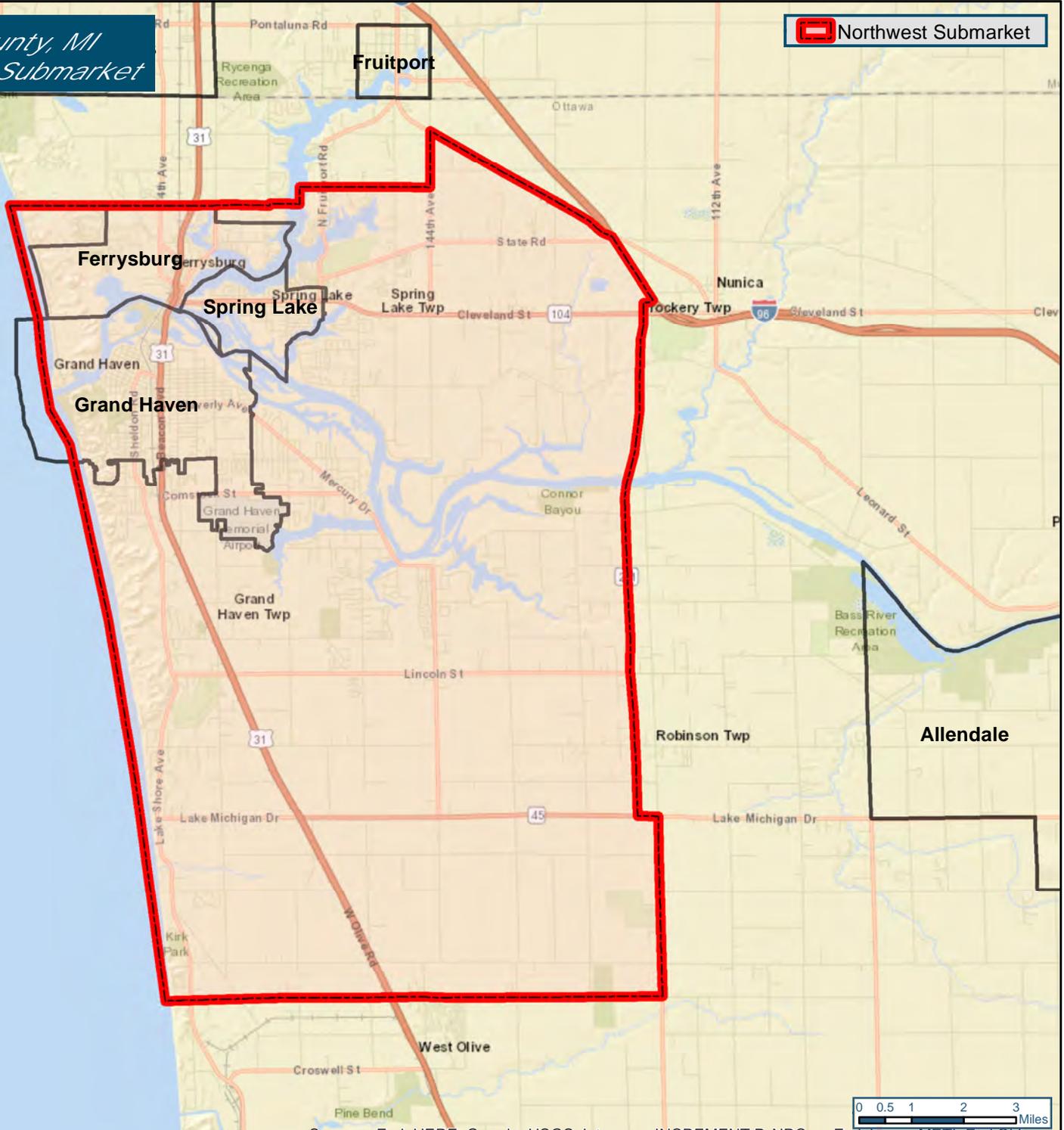
Tree and Walgreens. Additionally, various boutique and antique shopping options are available within this submarket. Recreation facilities in the Northwest Submarket include Grand Haven Musical Fountain, Tri-Cities Family YMCA, Grand Haven Skate Park, Mulligan's Hollow Ski Bowl and Harbor Island. Parks within this submarket include Grand Haven State Park, Rosy Mound Natural Area, Hofma Preserve, and William Hatton Park. Grand Haven also has a municipal marina and a waterfront sports stadium on the Grand River. Medical facilities located within this submarket include the North Ottawa Community Health Systems Hospital, Mercy Health Urgent Care-Lakes Village and Health Pointe Urgent Care.

A map showing the location of the Northwest Submarket (and its boundaries) is on the following page.



Ottawa County, MI  
Northwest Submarket

 Northwest Submarket



  
NORTH  
1:175,000

0 0.5 1 2 3 Miles

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## Population

The Northwest Submarket population was 42,651, per the 2000 Census. The submarket population base increased by 1,752 between 2000 and 2010. This represents a 4.1% increase from the 2000 population, or an annual rate of over 0.4%. Between 2010 and 2017, the submarket population increased by 3,322, or 7.5%. It is projected that the population will increase by 2,480, or 5.2%, between 2017 and 2022. The population of the East Submarket in 2022 is projected to be 50,205.

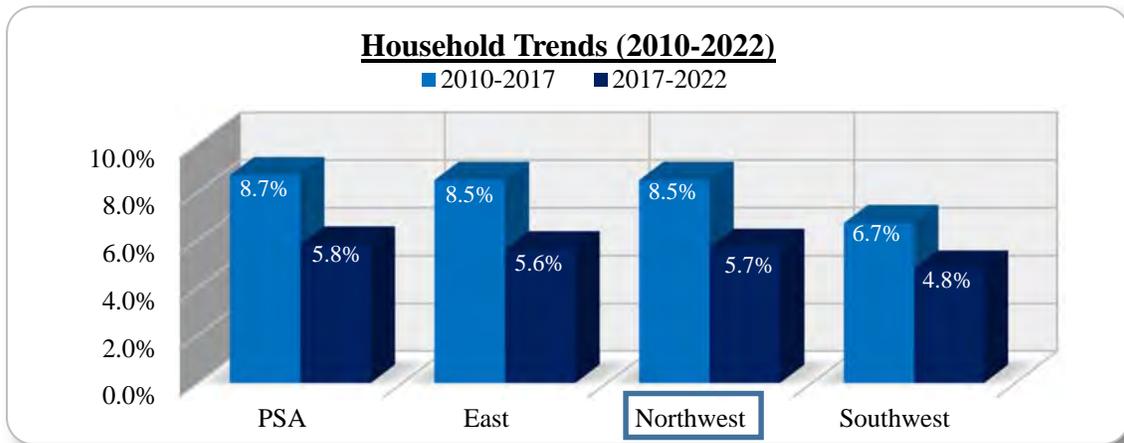
The median age of the population in the Northwest Submarket was 43.3 years old in 2017. Excluding people under the age of 25, the largest share of the submarket population (15.3%) was between 55 and 64 years old in 2017. By 2022, it is projected that the 55- to 64-year old age group will still represent the largest share (15.0%) of the submarket population. However, the 65- to 74-year old age group is projected to increase by 1,138 between 2017 and 2022, representing the largest population increase among all age groups. A population decrease is projected to occur among the 45- to 54-year old age group (decrease of 462, or 6.9%) and the under 25 age group (decrease of 77, or 0.6%). The remaining age groups in the Northwest Submarket are projected to increase in population between 2017 and 2022.

## Socio-Economic Snapshot

- 60.5% of the population is married (56.5% in Ottawa County).
- 47.8% of the adult population has a college degree (42.4% in Ottawa County).
- 7.3% of the population lives below the poverty level (9.9% in Ottawa County).
- 13.8% of the population moved during the past year (15.4% in Ottawa County).

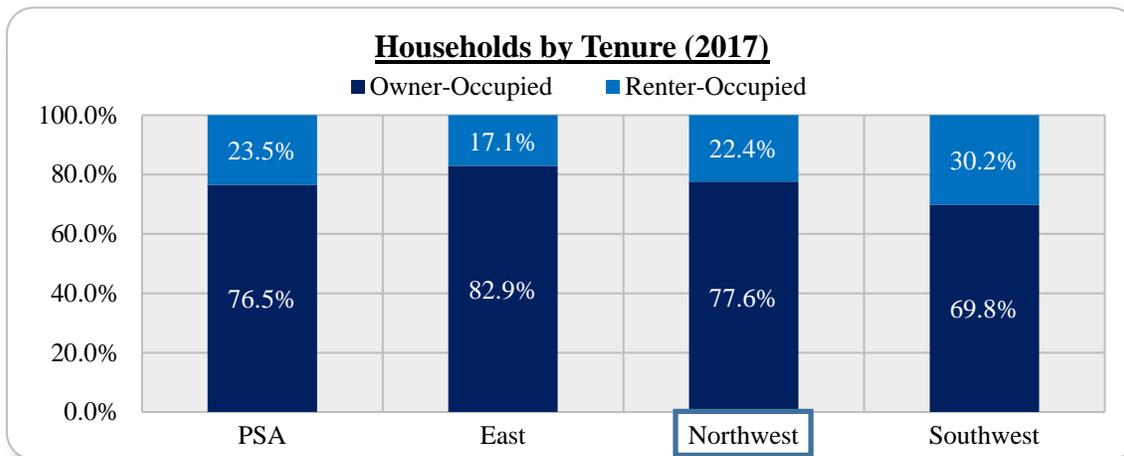
## Households

The Northwest Submarket had a total of 17,710 households per the 2010 Census. Between 2010 and 2017, households increased by 1,513, or 8.5%. By 2022, it is projected that there will be 20,315 households in the submarket, an increase of 1,092 households, or 5.7%, from 2017 levels. The graph below illustrates the projected household growth for the overall County (PSA) and the various submarkets, including the Northwest Submarket.



## Households by Tenure

In the Northwest Submarket, most households (77.6%) were owner-occupied, while the remaining 22.4% were occupied by renters in 2017. Owner-occupied households are projected to increase by 825 and renter households are projected to increase by 267 between 2017 and 2022. The graph below illustrates the share of housing by tenure for the various submarkets that were included in this analysis, including the Northwest Submarket.



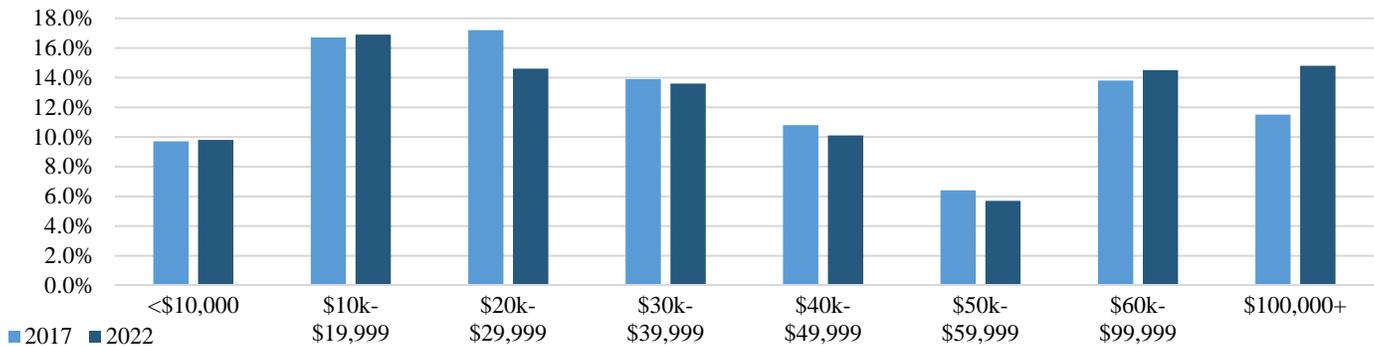
### Household Distribution by Income

The median household income in the Northwest Submarket was \$59,851 in 2017. The largest share of submarket households (26.9%) earned \$100,000 or more in 2017, while nearly half of all households earned at least \$60,000. By 2022, the largest share of households (26.5%) is still projected to earn \$100,000 or more. However, the largest projected increase in households (372) will be among households that earn between \$10,000 and \$19,999.

The largest share (17.2%) of *renter* households in the Northwest Submarket had incomes between \$20,000 and \$29,999. The next largest share (16.7%) earned between \$10,000 and \$19,999. Between 2017 and 2022, the greatest renter household growth is projected to occur among households earning \$100,000 or more (increase of 180, or 36.3%) and between \$60,000 and \$99,999 (71 new households, or 12.0% growth). Renter households earning between \$10,000 and \$19,999 are projected to represent the largest share (16.9%) by 2022. Among *homeowners*, the largest share of households (31.3%) in 2017 was among those earning \$100,000 or more. The next largest share (25.6%) of owner households earned between \$60,000 and \$99,999. By 2022, the largest household increase (316 households, or 33.1%) is projected to be among homeowners earning between \$10,000 and \$19,999.

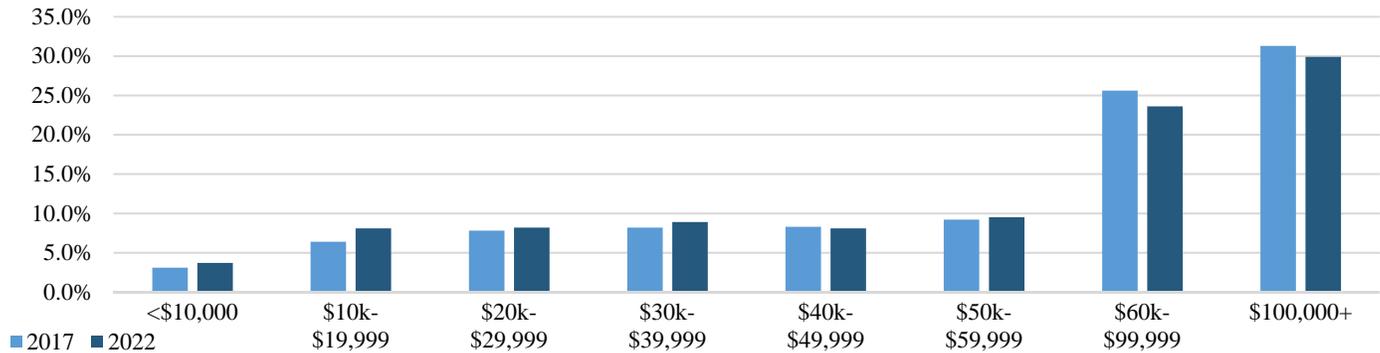
The following graphs illustrate the distribution of household income by tenure in the Northwest Submarket for 2017 and 2022.

**Renter Households By Income (2017/2022)**  
Northwest Submarket



## Owner Households By Income (2017/2022)

### Northwest Submarket



### Household Distribution by Age

In 2017, the largest share of households by age in the Northwest Submarket (21.7%) was between the ages of 55 and 64, though the shares are also notable among households between the ages of 45 and 54 (19.1%) and between the ages of 65 and 74 (17.3%). Between 2017 and 2022, the largest increase among household age groups is projected to be among households between the ages of 65 and 74 years old (617 households) and ages 75 and above (517 households). Conversely, negative household growth is projected among the 45- to 54-year old age group, as well as the under 25 age group. Based on these trends, the Northwest Submarket is becoming older, as middle-aged persons and seniors age in place.

### Labor Force

According to 2010 Census figures, approximately 24,024 people work within the Northwest Submarket. The labor force within the submarket is primarily concentrated in Manufacturing (20.5%), Health Care and Social Assistance (13.2%), and Educational Services (12.8%). Combined, the three largest employment sectors represent over 45.0% of the submarket employment base.

### Mode of Transportation to Work & Drive Times

Most workers in the Northwest Submarket neighborhood commuted by vehicle. A large share of workers (83.6%) drove alone, while 8.3% of all workers carpoolled. A much smaller share (4.0%) worked from home. The submarket is generally considered to be car dependent. Over 70.0% of workers have a commute of less than 30 minutes to employment.

## Housing Supply Overview

In 2010, 86.3% of the total housing stock in the Northwest Submarket was occupied. Of the occupied housing stock in the submarket, 79.7% was owner-occupied and 20.3% was renter-occupied. The share of renter-occupied units in the Northwest Submarket is slightly lower than the overall share (21.8%) in Ottawa County. Note that rental units in the submarket are primarily contained in single-family detached units (23.3% share) and two-to-four family buildings (23.8% share). Less than 10.0% of rental units are contained within large (50+ unit) structures.

The largest share (20.7%) of rental units in the Northwest Submarket were built in the 1990s, while the next largest share of rental units (19.0%) were built in the 2000s. The Northwest Submarket has an older supply of owner-occupied units. The largest share (21.2%) of owner-occupied units in the submarket were constructed from 1950 to 1969. This submarket does have a notable share of newer owner-occupied housing, as nearly 20.0% of owner-occupied units were constructed in the 1990s. Most of the owner-occupied units (85.3%) in the Northwest Submarket are single-family detached units. Note that the submarket also has a notable share (7.5%) of mobile homes.

Substandard housing is defined as housing that either lacks complete plumbing and/or kitchen facilities or is overcrowded (1.01+ persons per room). Based on 2012 – 2016 ACS estimates, there are 81 rental units that lack complete indoor plumbing and/or kitchen facilities. The share of renter housing units that lack complete kitchen facilities (1.8%) and plumbing facilities (0.3%) are smaller shares than Ottawa County as a whole (2.9% and 1.1% of units, respectively). The lower shares of substandard renter housing indicate a submarket with primarily newer rental units. By comparison, only 42 owner-occupied units lack complete plumbing and/or kitchen facilities in the Northwest Submarket.

There are 192 overcrowded housing units in the Northwest Submarket, representing 2.8% of the occupied housing stock. Of the 192 overcrowded housing units in the submarket, 50 units are considered severely overcrowded (1.51 or more persons per room). Finally, we evaluated the number of cost-burdened households within the submarket, which are households that pay 30% or more of their income towards housing costs. Within the submarket, 35.5% of renters and 19.5% of owners are considered cost burdened. By comparison, 43.9% of renter households and 17.2% of owner-occupied households are cost burdened in Ottawa County. Despite the lower share of cost-burdened households in the submarket, more than a third of renters and a fifth of homeowners still pay disproportionately high shares of income towards housing.

## Rental Supply

A survey of conventional rentals was conducted in Ottawa County as part of this analysis. Of the 92 conventional rental properties surveyed countywide, 13 properties are in the Northwest Submarket. These 13 properties contain a total of 1,827 units, of which 1,675 units are market-rate, 92 are Tax Credit non-subsidized, and 60 are government-subsidized. The 1,675 market-rate units are 96.0% occupied, indicative of a healthy, stable rental market. The 92 Tax Credit units and 60 government-subsidized units are 100.0% occupied and are located within properties with a waiting list for the next available units. Based on an on-site exterior inspection of the existing supply, 168 units were considered excellent quality (A rating), 1,461 units were considered good quality (B+/B/B- rating), and the remaining 138 units were considered fair to poor quality (C+/C-rating). The median gross rent (including utilities) ranges from \$775 per month for a studio unit to \$1,405 per month at market-rate properties in the submarket, and ranges from \$748 per month for a one-bedroom unit to \$946 for a two-bedroom unit at Tax Credit properties. The largest share (28.2%) of conventional apartment properties was built between 1990 and 1999 in the Northwest Submarket.

## For-Sale Housing

Information was also obtained on the for-sale housing market in Ottawa County. Prior sales activity was collected on Realtor.com between April 2018 and October 2018. Current listings of available homes were also obtained for the Northwest Submarket. According to Realtor.com, a total of 273 housing units were sold in the Northwest Submarket between April and October 2018. The average sales price of homes sold in this submarket during this period was \$252,180.

In addition, 229 properties were listed for sale in the Northwest Submarket as of October 2018. The average list price for homes within this submarket is \$491,771, or \$206.21 per square foot. The median list price is \$339,999. The typical listed property is a four-bedroom/2.5-bathroom single-family home built in 1993 with an average of 2,385 square feet. The average days on market for these homes is 81 days, indicative of a seller's market with low inventory.

## Housing Gap Analysis (Demand Estimates)

The following tables summarize the housing gaps by income and affordability levels for the subject submarket. Details of the methodology used in this analysis are provided in Section VIII of this report.

## Rental Housing Demand Projections

2017 - 2022 Rental Demand Potential by Income Level & Rent Northwest Submarket			
Household Income Range	< \$25K	\$25K-\$50K	\$50K+
Rent Affordability	< \$625	\$625-\$1,249	\$1,250+
New Income-Qualified Renter Household	50	-15	233
Units Needed for Balanced Market	31	71	21
New Household Formations	53	48	54
Replacement Housing Needed	45	41	46
Total External Market Support (30%)	54	44	106
Gross Demand of Units Needed	233	189	460
Units in the Development Pipeline (Planned Projects)	0	-129	-80
<b>Total Potential PSA (Ottawa County) Support for New Units</b>	<b>233</b>	<b>60</b>	<b>380</b>

## For-Sale Housing Demand Projections

2017-2022 For-Sale Housing Demand by Income Level & Price Point Northwest Submarket			
Household Income Range	\$30K-\$39K	\$40K-\$74K	\$75K+
Housing Price Affordability	\$100,000-\$149,999	\$150,000-\$249,999	\$250,000+
New Owner-Occupied Household Growth (2017 to 2022)	181	145	-49
Units Required for a Balanced Market	20	47	-22
Total Potential Household Formations	56	176	272
Total Replacement Housing	21	22	0
Total External Market Support (30%)	83	117	60
Gross Demand of Units Needed	361	507	261
Units in the Development Pipeline (Planned Projects)	0	0	-136
<b>Total Potential PSA Five-Year Support for New Units</b>	<b>361</b>	<b>507</b>	<b>125</b>

As the preceding tables illustrate, the projected housing gaps over the next five years cover a variety of affordability levels for both rental and for-sale housing product. Development within the submarket should be prioritized to the housing product showing the greatest gaps. It is worth pointing out that while there is potential support for approximately 60 rental units priced between \$625 and \$1,249, the actual demand for such units is likely higher, as higher income households that can afford rents above \$1,250 would rent units priced below \$1,250. The demand for for-sale product priced under \$250,000 is greatly influenced by the projected growth of households earning below \$75,000 annually and the limited supply available to such households.

### Recommendations

Based on the various market metrics evaluated within the Northwest Submarket, it is recommended that the following recommendations be considered for this submarket:

***Support Affordable Workforce Rental Housing*** – With a large portion of the submarket’s employment base within the Manufacturing, Retail Trade, Healthcare & Social Assistance, and Accommodations & Food Service job sectors, traditionally lower or moderately paying jobs, combined with projected growth among households earning less than \$40,000 a year, it will be important that housing affordable to such households is supported. Such housing could be developed through the Low-Income Tax Credit program or with some other affordable housing assistance.

***Support Senior Residential Alternatives*** – The submarket is projected to add more than 1,100 households age 65 and older between 2017 and 2022, with much of this growth expected to occur among renters earning below \$20,000 a year and those earning at or above \$60,000 a year. Among senior homeowners, most growth is projected to occur among households earning below \$40,000 and at or above \$100,000. As a result, there will be a growing need for both lower priced and high-end senior-oriented housing product. Based on our survey of various housing alternatives, there appears to be an opportunity to develop a wide range of housing options for seniors (i.e. Subsidized/Tax Credit senior apartments and market-rate independent living apartments or condominiums). Given that this submarket is expected to experience the greatest increase of seniors age 75 and older among the five submarkets, this market will likely see a growing need for senior care housing (assisted-living and nursing). As such, a variety of senior-oriented housing should be considered as a priority in this submarket.

***Support Development of High-End Multifamily Apartments*** – The greatest projected growth among renter household income groups within this submarket is expected to occur among households earning at or above \$60,000. Our field survey of conventional rentals in the submarket identified 13 market-rate properties with a combined total of over 1,600 units, which are 96.0% occupied. This is considered to be a relatively high occupancy rate and a likely indication that the market can support additional market-rate rental housing. As such, the submarket could benefit from the introduction of new multifamily rental housing targeting higher income renter households, as well as rentals for young professionals. The housing gap estimates show the greatest rental housing gap among the highest income households, with a potential need for approximately 380 new rental units priced at or above \$1,250.

***Support Development of For-Sale Housing Affordable to Lower and Middle-Income Households*** – This submarket is expected to experience notable growth among households earning less than \$60,000 annually, over the next few years. While this household income segment represents 51.8% of all households, only 24.5% of the available for-sale housing stock is priced at a level (less than \$200,000) that these households could afford. This imbalance of affordable for-sale housing indicates that this submarket could support additional product priced under \$200,000 and could benefit from programs that could assist many low-income first-time homebuyers. The housing gap estimates show the greatest need for for-sale product priced between \$150,000 and \$250,000.

## **Southwest Submarket Analysis**

The Southwest Submarket is located in the southwest portion of Ottawa County, adjacent to Lake Michigan and bordering Allegan County to the south. This submarket includes Holland Charter Township, the northern portion of the City of Holland, the City of Zeeland, plus portions of Park Township and Zeeland Charter Township. Approximate boundaries of the Southwest Submarket are New Holland Street to the north; 84<sup>th</sup> Avenue and Interstate 196 to the east; Allegan County Line to the south; Ottawa Beach Road and 152<sup>nd</sup> Avenue to the west.

### **Area Overview**

Primary arteries within the Southwest Submarket include Interstates 96 and 196, U.S. Highway 31 and State Route 121. Each of these major roadways provides convenient access to community services within the submarket. All major community services are available within the submarket, including but not limited to grocery stores, financial institutions, schools, a state college, medical facilities, pharmacies, fitness facilities, gas stations, convenience stores and churches.

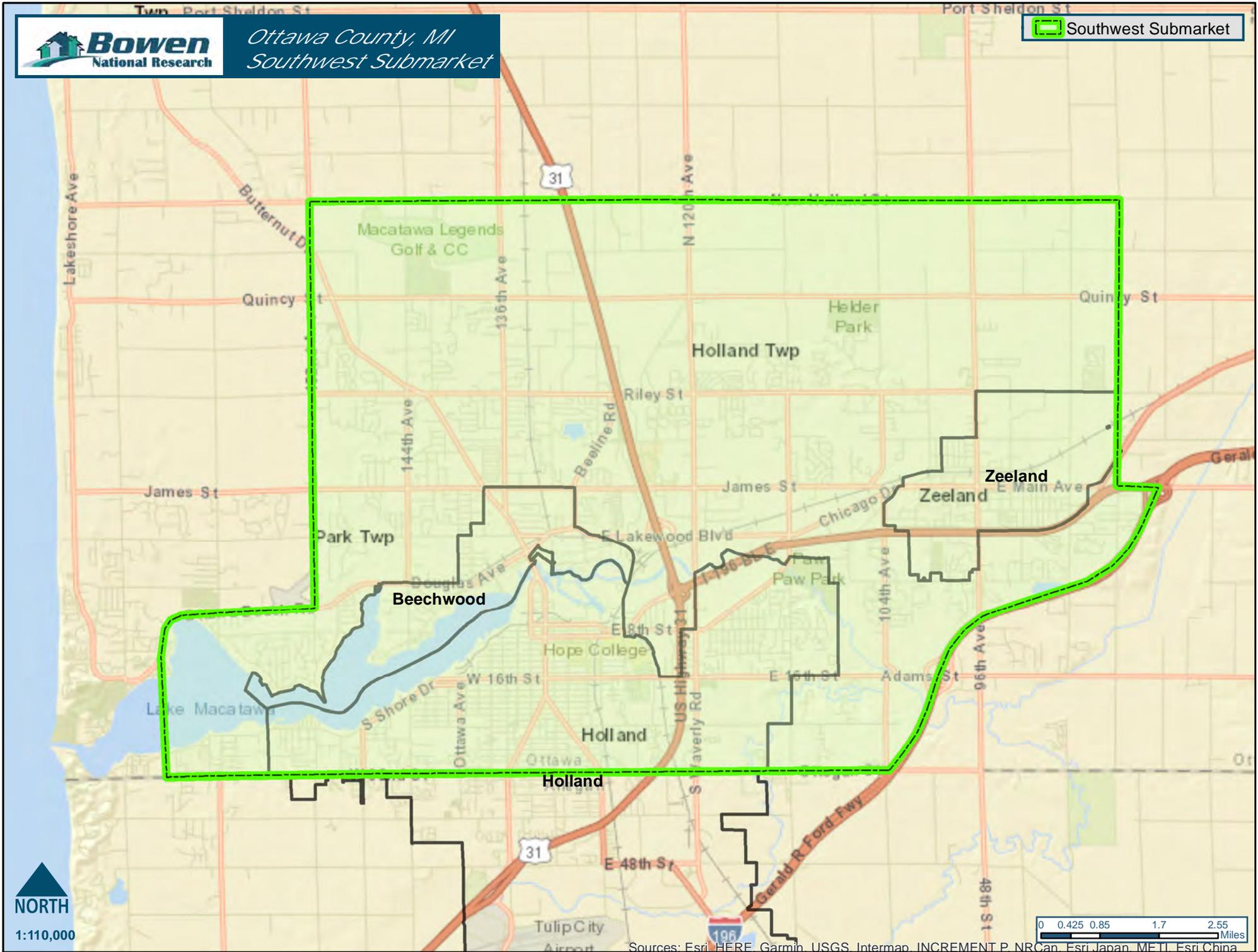
The city of Holland features the main commercial areas within the Southwest Submarket. The Shops at Westshore, Holland Town Center, North Park Plaza and Felch Street Plaza are conveniently located within 3.0 miles of downtown Holland. Major stores and retailers within these shopping centers include Walmart Supercenter, Meijer, Target, TJ Maxx, Old Navy, Home Goods, Bed Bath & Beyond, Burlington Coat Factory, Kohl's, CATO, Dollar Tree, Staples, Big Lots, Gap Outlet, B2 Outlet Store, Lowe's, Dunham's Sports and Dick's Sporting Goods. There are numerous restaurants, financial institutions, fitness and entertainment options within these shopping centers.

A map showing the location of the Southwest Submarket (and its boundaries) is on the following page.



Ottawa County, MI  
Southwest Submarket

Southwest Submarket



NORTH  
1:110,000

0 0.425 0.85 1.7 2.55 Miles

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## Population

The Southwest Submarket population was 74,565, per the 2000 Census. The submarket population base increased by 5,506 between 2000 and 2010. This represents a 7.4% increase from the 2000 population, or an annual rate of over 0.7%. Between 2010 and 2017, the submarket population increased by 4,938, or 6.2%. It is projected that the population will increase by 3,836, or 4.5%, between 2017 and 2022, making it the fastest growing population of the three regional submarkets. The population of the Southwest Submarket in 2022 is projected to be 88,845.

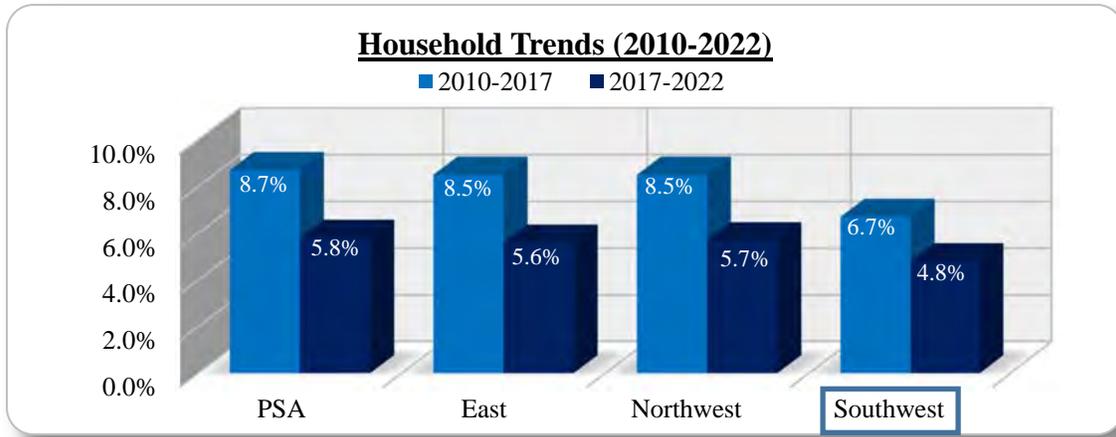
The median age of the population in the Southwest Submarket was 34.0 years old in 2017, making it the youngest of the three regional submarkets. Excluding people under the age of 25, the largest share of the submarket population (13.7%) was between 25 and 34 years old in 2017. By 2022, it is projected that the 25- to 34-year old age group will still represent the largest share (13.8%) of the submarket population, increasing by 546 people during this five-year period. However, the greatest increase in population is projected to be among the 65- to 74-year old age group, which is expected to increase by 1,072 people between 2017 and 2022.

## Socio-Economic Snapshot

- 53.1% of the population is married (56.5% in Ottawa County).
- 38.6% of the adult population has a college degree (42.4% in Ottawa County).
- 12.7% of the population (10,075 people) lives below the poverty level (9.9% in Ottawa County).
- 16.2% of the population moved during the past year (15.4% in Ottawa County).

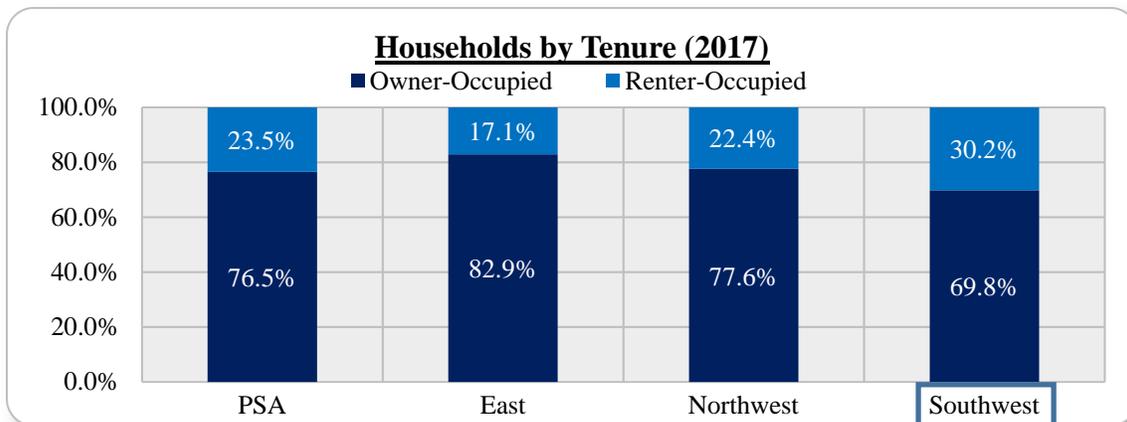
## Households

The Southwest Submarket had a total of 28,374 households per the 2010 Census. Between 2010 and 2017, households increased by 1,889, or 6.7%. By 2022, it is projected that there will be 31,729 households in the submarket, an increase of 1,466 households, or 4.8% from 2017 levels. The 1,466 new households expected to be added to this submarket represent the largest increase among the three regional submarkets. The graph below illustrates the projected household growth for the county (PSA) and the three regional submarkets, including the Southwest Submarket.



## Households by Tenure

In the Southwest Submarket, most households (69.8%) were owner-occupied, while the remaining 30.2% were occupied by renters in 2017. Owner-occupied households are projected to increase by 931 and renter households are projected to increase by 536 between 2017 and 2022. The following graph illustrates the share of housing by tenure for the various submarkets that were included in this analysis, including the Southwest Submarket.

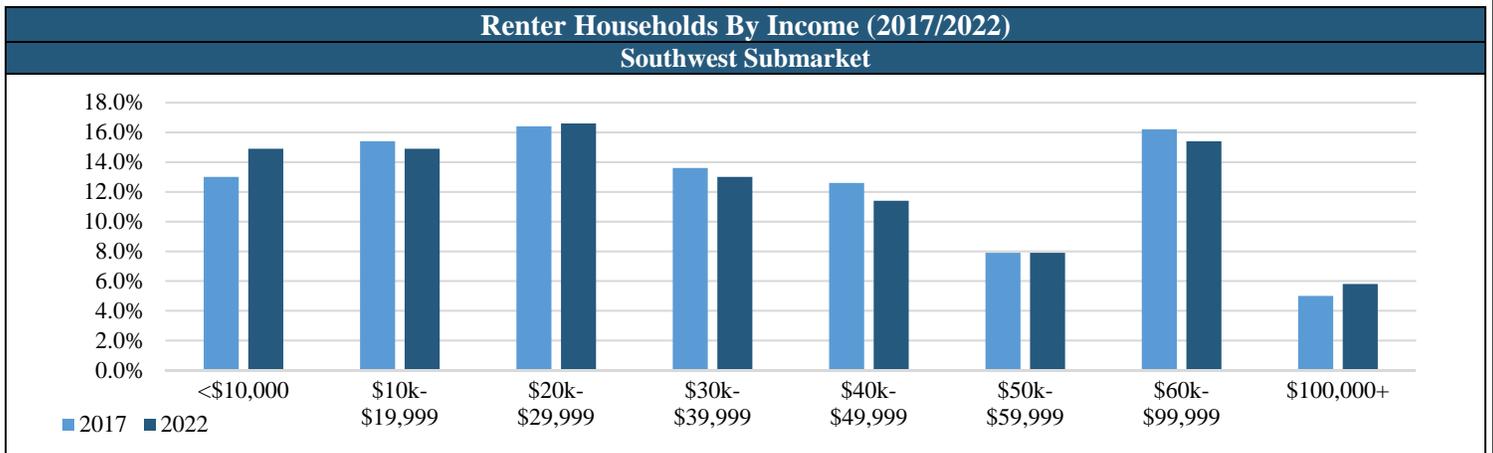


### Household Distribution by Income

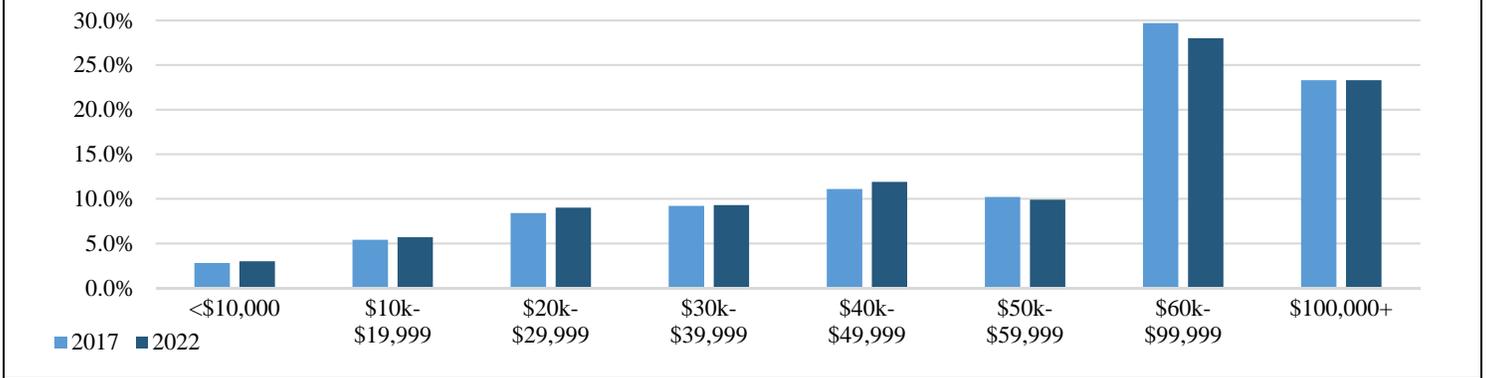
The median household income in the Southwest Submarket was \$52,997 in 2017, the lowest of the three regional submarkets. The largest share of submarket households (25.6%) earned between \$60,000 and \$99,999 in 2017, while a notable share (17.8%) of all households earned \$100,000 or more. By 2022, the two preceding household income segments will still represent the largest shares of households by income. The largest projected increase in households (328) will be among households that earn \$100,000 or more, though nearly equal growth (326 households) is projected to occur among households earning below \$10,000. Virtually, all household income segments are projected to increase through at least 2022.

The largest share (16.4%) of *renter* households in the Southwest Submarket had incomes between \$20,000 and \$29,999 in 2017. The next largest share (16.2%) earned between \$60,000 and \$99,999. Between 2017 and 2022, the greatest renter household growth is projected to occur among households earning below \$10,000 (increase of 260, or 21.9%) and \$100,000 or more (98, or 21.2%). Renter households earning between \$20,000 and \$29,999 are projected to represent the largest share (16.6%) by 2022. Among *homeowners*, the largest share of households (29.7%) in 2017 was among those earning between \$60,000 and \$99,999 and there was a notable share (23.3%) among those earning \$100,000 or more. By 2022, the largest owner household increase is projected to occur among households earning between \$40,000 and \$49,999 (266 households, 11.3%), households earning \$100,000 or more (230 households, or 4.7%), and households earning between \$20,000 and \$29,999 (203 households, 11.4%).

The following graphs illustrate the distribution of household income by tenure in the Southwest Submarket for 2017 and 2022.



**Owner Households By Income (2017/2022)**  
**Southwest Submarket**



Household Distribution by Age

In 2017, the largest share of households by age in the Southwest Submarket (18.9%) was between the ages of 45 and 54, though a nearly equal share is among households between the ages of 35 and 44 (18.8%). Between 2017 and 2022, the largest increase among household age groups is projected to be among households between the ages of 65 and 74 years old (556 households) and ages 75 and above (354 households). However, most other household age groups are projected to increase by roughly 200 or more households during this five-year period. Based on these trends, while the Southwest Submarket is becoming older, it still contains a large base of younger and middle-aged households.

Labor Force

The Southwest Submarket, which includes the City of Holland and Holland Charter Township, has a much larger employment base 59,749 than the East Submarket and the Northwest Submarket. Manufacturing (28.6%) is also the largest employment sector in the Southwest Submarket, with a higher share of employment in this job sector than Ottawa County as a whole. Other notable employment sectors include Retail Trade (12.3%) and Health Care & Social Assistance (10.5%).

Mode of Transportation to Work & Drive Times

Most workers in the Southwest Submarket commuted by vehicle. A large share of workers (79.2%) drove alone, while 11.3% of all workers carpooled. A much smaller share (3.6%) walked to work, and an additional 3.1% worked from home. The submarket is generally considered to be car dependent. Over 81.0% of workers have a commute of less than 30 minutes to employment.

## Housing Supply Overview

Based on the 2010 Census, 91.5% of the total housing stock in the Southwest Submarket was occupied. Of the occupied housing stock in the submarket, 71.5% was owner-occupied and 28.5% was renter-occupied. The share (28.5%) of renter-occupied units in the Southwest Submarket is higher than the overall share (21.8%) in Ottawa County. Note that rental units in the submarket are primarily contained in multifamily structures (42.7% share) with five or more units, while nearly a quarter are in single-family homes and another quarter is within two- to four-unit structures.

The largest share (25.3%) of rental units in the Southwest Submarket were built in the 1990s, while the next largest share of rental units (19.4%) were built prior to 1950. The Southwest Submarket has a similar distribution of owner-occupied units, with the largest share (22.6%) of owner-occupied units in the submarket constructed in the 1990s and a notable share (18.4%) between 1950 and 1969. Most of the owner-occupied units (79.2%) in the Southwest Submarket are single-family detached units. Note that the submarket also has a notable share (8.7%) of mobile homes.

Substandard housing is defined as housing that either lacks complete plumbing and/or kitchen facilities or is overcrowded (1.01+ persons per room). Based on 2012 – 2016 ACS estimates, there are 512 rental units that lack complete indoor plumbing and/or kitchen facilities. The share of renter housing units that lack complete kitchen facilities (4.1%) and plumbing facilities (1.6%) are larger shares than Ottawa County as a whole (2.9% and 1.1% of units, respectively). The higher shares of substandard renter housing may indicate the need for some home repairs or modernization. By comparison, only 198 *owner*-occupied units lack complete plumbing and/or kitchen facilities in the Southwest Submarket.

There are 964 overcrowded housing units in the Southwest Submarket, representing 3.3% of the occupied housing stock. Of the 964 overcrowded housing units in the submarket, 112 units are considered severely overcrowded (1.51 or more persons per room). Finally, we evaluated the number of cost-burdened households within the submarket, which are households that pay 30% or more of their income towards housing costs. Within the submarket, 44.9% of renters and 16.9% of owners are considered cost burdened. By comparison, 43.9% of renter households and 17.2% of owner-occupied households are cost burdened in Ottawa County.

## Rental Supply

A survey of multifamily rentals was conducted in Ottawa County as part of this analysis. Of the 92 conventional rental properties surveyed countywide, 35 properties are in the Southwest Submarket. These 35 properties contain a total of 3,429 units, of which 2,518 units are market-rate, 463 are non-subsidized Tax Credit, and 448 are government-subsidized. The 2,518 market-rate units are 97.7% occupied, indicative of a high level of demand for such product. The 463 non-subsidized Tax Credit units are 98.9% occupied, while the 448 government-subsidized units are 99.8% occupied. Most of the Tax Credit and subsidized units are in properties that are fully occupied and maintain wait lists. As such, this market segment has pent-up demand and likely in need of additional housing. Based on an on-site exterior inspection of the existing supply, most units were considered good quality (B+/B/B- rating). Only a couple of smaller and older rental properties had ratings below C-, which are often representative of product in disrepair. The median gross rent (including utilities) among market-rate product ranges from \$949 per month for a two-bedroom unit to \$1,785 per month for a four-bedroom unit. The largest share of multifamily apartment properties was built between 1990 and 1999 in the Southwest Submarket.

## For-Sale Housing

Information was also obtained on the for-sale housing market in Ottawa County. Prior sales activity was collected on Realtor.com between April 2018 and October 2018. Current listings of available homes were also obtained for the Southwest Submarket. According to Realtor.com, a total of 601 housing units were sold in the Southwest Submarket between April and October 2018. The average sales price of homes sold in this submarket during this period was \$224,898.

In addition, 154 properties were listed for sale in the Southwest Submarket as of October 2018. The average list price for homes within this neighborhood is \$328,845, or \$146.09 per square foot. The typical listed property is a three-bedroom/2.5-bathroom single-family home built in 1985 with an average of 2,251 square feet. The average days on market for these homes is 62 days, indicative of a strong level of demand for for-sale housing.

## Housing Gap Analysis (Demand Estimates)

The following tables summarize the housing gaps by income and affordability levels for the subject submarket. Details of the methodology used in this analysis are provided in Section VIII of this report.

### **Rental Housing Demand Projections**

<b>2017 - 2022 Rental Demand Potential by Income Level &amp; Rent Southwest Submarket</b>			
<b>Household Income Range</b>	<b>&lt; \$25K</b>	<b>\$25K-\$50K</b>	<b>\$50K+</b>
<b>Rent Affordability</b>	<b>&lt; \$625</b>	<b>\$625-\$1,249</b>	<b>\$1,250+</b>
New Income-Qualified Renter Household	356	21	160
Units Needed for Balanced Market	63	123	76
New Household Formations	126	108	96
Replacement Housing Needed	107	92	82
Total External Market Support (30%)	196	103	124
Gross Demand of Units Needed	848	447	538
Units in the Development Pipeline (Planned Projects)	0	-96	-23
<b>Total Potential PSA (Ottawa County) Support for New Units</b>	<b>848</b>	<b>351</b>	<b>515</b>

### **For-Sale Housing Demand Projections**

<b>2017-2022 For-Sale Housing Demand by Income Level &amp; Price Point Southwest Submarket</b>			
<b>Household Income Range</b>	<b>\$30K-\$39K</b>	<b>\$40K-\$74K</b>	<b>\$75K+</b>
<b>Housing Price Affordability</b>	<b>\$100,000-\$149,999</b>	<b>\$150,000-\$249,999</b>	<b>\$250,000+</b>
New Owner-Occupied Household Growth (2017 to 2022)	105	203	228
Units Required for a Balanced Market	28	97	90
Total Potential Household Formations	50	112	44
Total Replacement Housing	31	37	0
Total External Market Support (30%)	64	135	109
Gross Demand of Units Needed	278	584	471
Units in the Development Pipeline (Planned Projects)	0	-144	-165
<b>Total Potential PSA Five-Year Support for New Units</b>	<b>278</b>	<b>440</b>	<b>306</b>

This submarket appears to have the greatest *rental* housing gap within the county, with a notable gap for for-sale housing as well. The housing gaps appear to be among a variety of affordability levels. Development within the submarket should be prioritized to the housing product showing the greatest gaps.

## Recommendations

Based on the various market metrics evaluated within the Southwest Submarket, it is recommended that the following recommendations be considered for this submarket:

***Support Millennial and Senior Residential Alternatives*** – This submarket has the largest number of Millennials (generally between ages 25 and 34) and seniors (ages 65 and older) among the three regional submarkets. Both of these age cohorts are projected to experience notable growth between 2017 and 2022, with seniors leading the way. It is projected that during this time, the base of senior (age 65 and older) households in the submarket will increase by 910 households, while the number of Millennials is projected to increase by nearly 200 households. Based on household income growth projections, it is believed housing affordable to those earning below \$40,000 and those earning at or above \$100,000 will be in the greatest need of housing, though moderate-income households falling between these two ranges will also experience growth.

***Support Additional Development of Higher End Rentals and For-Sale Housing Alternatives*** – Renter- and owner-occupied households within the submarket earning \$50,000 or more are projected to increase between 2017 and 2022. Based on our survey of apartments and inventory of available for-sale alternatives, there appears to be limited availability that will not meet the needs of these growing bases of higher income households. Therefore, the submarket would benefit from the introduction of higher end rental and for-sale product, with rental rates starting at \$1,200 and for-sale product priced at \$200,000. Without the introduction of new high-end housing product, the submarket risks losing out on attracting more affluent households who will choose other markets offering such product.

***Support Development of Affordable Rental Housing Alternatives*** – The Southwest Submarket has the largest number of lower income renter households (earning less than \$40,000 annually) among the three regional submarkets. This lower income renter household income segment is projected to grow the most between 2017 and 2022, increasing by 427 households. Among the 911 affordable (Tax Credit and government-subsidized) units surveyed in this submarket, only six are available, representing a vacancy rate of just 0.7%. This extremely low vacancy rate and wait lists with as many as 182 households on any one property's wait list, there is clearly pent-up demand for affordable rental housing. This submarket shows the largest housing gap (approximately 850 units) for product priced below \$625. The submarket would benefit from affordable rental housing assistance and/or the introduction of new rental product that is affordable to lower income households.

## **Downtown Holland Submarket Analysis**

The following data and analyses focus on the Downtown Holland Submarket. It includes key data relating to demographics, economics, transportation, and housing supply of this submarket. Downtown Holland, for the purposes of this study, is bounded by the Macatawa River to the north, Fairbanks Avenue to the east, 18<sup>th</sup> Street to the south, and Kollen Park Drive to the west. This market area may not follow any formal delineation of the downtown but was provided by Housing Next.

### **Area Overview**

The Downtown Holland Submarket contains a broad mix of residential, office and commercial space uses. Shopping opportunities include many antique, specialty, general merchandise and boutique stores. The area also offers several eating and drinking establishments including restaurants, pubs, bakeries and coffee shops. Business entities in the submarket consist of a wide range of businesses, including those within professional and service industry job sectors. Area attractions include numerous arts and cultural opportunities, parks and a splashpad, and a farmers' market. Overall, the Downtown Holland Submarket provides numerous community services that add to its appeal.

While most (59.0%) residents in the area use their own vehicles for transportation to work, notable amounts of residents walk to work (22.8%) or work from home (3.3%). Public transportation is offered through Macatawa Area Express Bus, which has numerous weekday runs and operates on Saturdays. This public transportation service enables people to commute within and beyond the submarket.

The downtown area has undergone notable revitalization, investment and growth over the past couple of decades. A notable recent improvement is the reopening of The George and Lucile Heeringa Civic Center, which involved \$16.5 million in renovations. According to local sources, the commercial strength of the downtown is evident by the fact there are currently no first-floor commercial spaces available in downtown. Local sources indicated that they will continue efforts to grow the downtown further west, possibly reaching the Lake Macatawa waterfront, which is only one-quarter mile away from downtown. A local developer is investing over \$30 million and revitalizing an entire block of downtown Holland. This endeavor, the West Eighth Street Development, involves development of apartments and for-sale condominium units above new and existing retail spaces. The project will also include a movie theater, additional retail and restaurants and a parking garage. There are approximately 17 acres available for development north of downtown and on the waterfront. The former James DeYoung Power Plant is currently owned by the Holland Board of Public Works and is being evaluated for potential development uses.

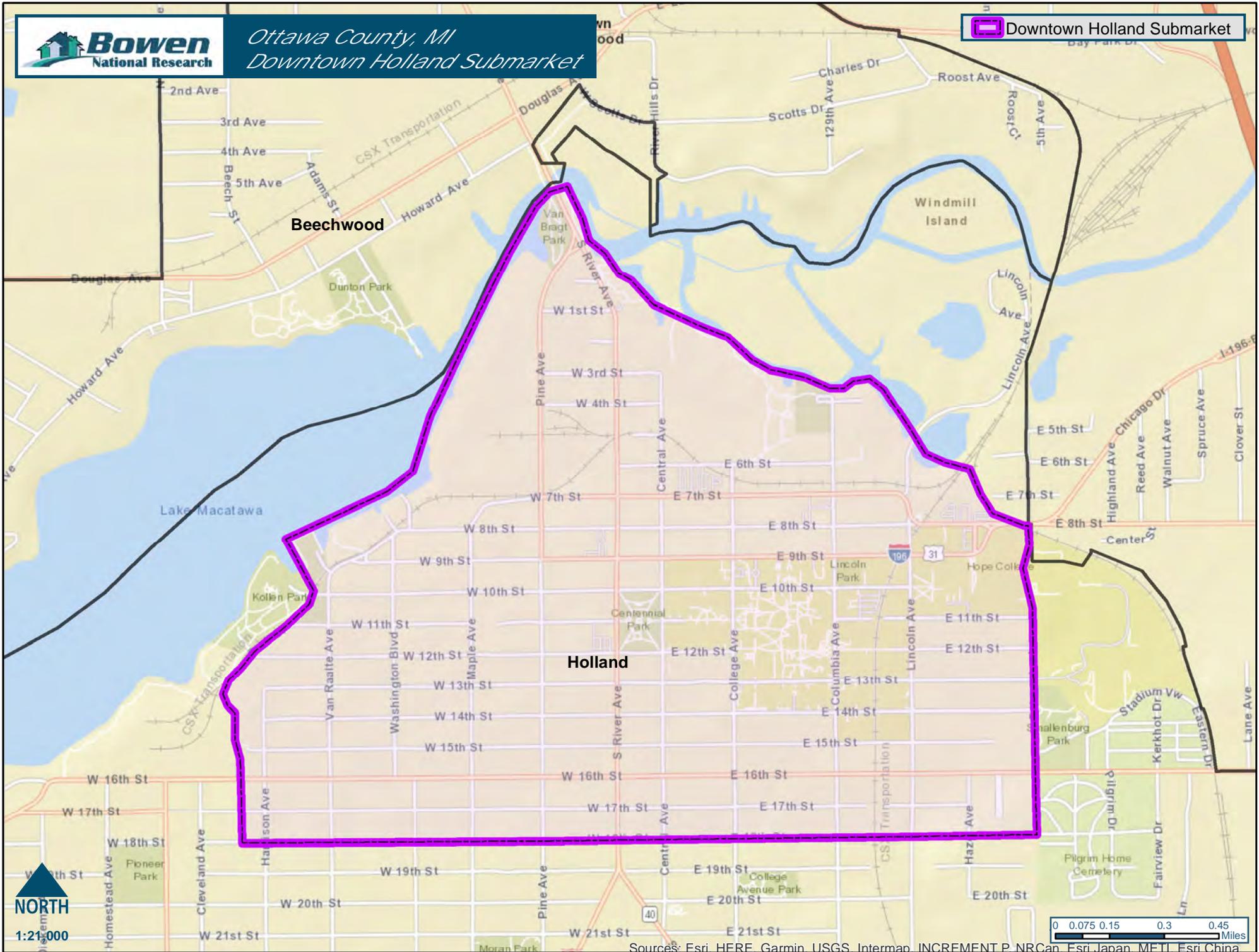
Based on the preceding information, it is clear that the Downtown Holland Submarket is thriving, with numerous investments and new developments that continue to spur growth in this area.

A map of the Downtown Holland Submarket is on the following page.

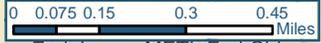


Ottawa County, MI  
Downtown Holland Submarket

Downtown Holland Submarket



1:21,000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## Demographics

While this submarket experienced decreases in its total population and households between 2000 and 2010, these two key demographic segments experienced growth since 2010. The submarket's total population increased to 8,652 in 2017, representing an increase of 282 or 3.4% over 2010. At the same time, the total number of households increased to 2,162, representing an increase of 109, or 5.3%. It is projected that the population will increase by 217 (2.5%), while the number of households will increase by 78 (3.6%), between 2017 and 2022. This projected growth will add to the demand for housing within the submarket.

The distribution of renter households by income in 2017 was more heavily weighted towards lower income households, with 64.1% of renter households earning less than \$50,000 annually. It is worth pointing out that higher income households earning \$60,000 or more a year are projected to increase by 23 between 2017 and 2022, adding to the demand for higher end rental product. Growth among lower income renter households (earning under \$30,000 annually) is also projected to increase, with an additional 35 households expected during the five-year projection period. Like renter households, owner household growth is projected to occur among the lowest income households (earning less than \$50,000 annually) and higher income households (earning \$100,000 or more). The lower income owner households are projected to increase by 34 households and higher income owner households are projected to increase by 12, between 2017 and 2022. These growth trends will add to the need for new product affordable to the lowest and highest income households.

The market is relatively evenly split between renter- and owner-occupied households, with renters representing 48.3% of all households and owners representing 51.7%. It is projected that between 2017 and 2022, the number of renter households will increase by 48, while the number of owner households will increase by 30. It is important to point out that these projections take into account recent growth trends, which are likely stymied due to the limited supply of available product in the market. The introduction of new housing units would likely encourage additional household growth in this submarket.

## Housing Supply Overview

Based on ACS estimates, there were an estimated 2,160 housing units in the submarket, of which 243 (11.3%) were vacant in 2017. A majority of the existing housing units were built prior to 1950 and just over half of all units are single-family detached housing structures. Based on secondary data sources, most rental units (67.1%) have rents that fall between \$500 and \$1,500, while most homes (22.5%) have estimated values between \$100,000 and \$149,999.

While not large in numbers, the submarket does have some units that are classified as substandard, representative of units that lack complete indoor plumbing and/or that are overcrowded. An estimated 67 renter households and 23 owner households lack completed indoor plumbing, while 55 renter households and 47 owner households are considered overcrowded. Therefore, modernizing and replacing such housing should be part of future housing plans for this submarket.

Cost burdened households are those paying over 30% of their income towards housing costs. Within this submarket, a large amount of renters are paying a disproportionately high share of their income towards housing cost, with 526 renters representing over half (51.5%) of renter households classified as cost burdened. Cost burdened owner households are not as pronounced as renter households, with 173 (17.9%) of owner households classified as cost burdened. Based on these findings, it is clear that affordability of rental housing in the submarket should be an important priority moving forward.

### Rental Housing Supply

We were able to survey six multifamily apartment properties within the Downtown Holland Submarket. These projects include a mix of market-rate, Tax Credit and government-subsidized units, with a total of 167 units. Median gross rents (includes tenant-paid rents and utilities) by bedroom type start at \$1,400, while median gross rents for Tax Credit units start at \$784. Only two of the surveyed units were vacant, resulting in an extremely low vacancy rate of 1.2%. One vacancy was identified among the market-rate supply and one vacancy was among the government-subsidized supply. None of the 25 Tax Credit units surveyed in the market were vacant. According to apartment managers, only the project operating with concurrent Tax Credits and a subsidy has a wait list (49 households). This is evidence of the pent-up demand for such housing. Regardless, with all surveyed multifamily rental housing segments operating with very limited availability, there is a strong level of demand for multifamily rentals in the Downtown Holland Submarket.

### For-Sale Housing Supply

Only 13 for-sale housing units were identified in the submarket as available for purchase. These 13 available homes represent an estimated vacancy rate of just 1.2%, which is below what is typically considered a healthy vacancy rate (2% to 3%). These homes range in price from \$132,000 to \$625,000, and have an average price of \$267,160. Six of the homes are priced under \$175,000 that would be affordable to households with incomes generally no greater than \$55,000. Nine of the available units are single-family homes, while the remaining four units are condominiums. Interestingly, the condominium units are priced at \$244,000 or higher, which represents four of the six highest priced housing units available for purchase. With the relatively high prices of much of the product and limited availability of for-sale housing product, there appears to be an opportunity to develop additional for-sale product in this submarket.

## Housing Gap Analysis (Demand Estimates)

The following tables summarize the housing gaps by income and affordability levels for the subject submarket. Details of the methodology used in this analysis are provided in Section VIII of this report.

### **Rental Housing Demand Projections**

<b>2017 - 2022 Rental Demand Potential by Income Level &amp; Rent Downtown Holland Submarket</b>			
<b>Household Income Range</b>	<b>&lt; \$25K</b>	<b>\$25K-\$50K</b>	<b>\$50K+</b>
<b>Rent Affordability</b>	<b>&lt; \$625</b>	<b>\$625-\$1,249</b>	<b>\$1,250+</b>
New Income-Qualified Renter Household	30	-4	23
Units Needed for Balanced Market	-7	21	12
New Household Formations	14	14	10
Replacement Housing Needed	12	12	8
Total External Market Support (50%)	25	22	27
Gross Demand of Units Needed	74	65	80
Units in the Development Pipeline (Planned Projects)	0	0	-23
<b>Total Potential PSA (Ottawa County) Support for New Units</b>	<b>74</b>	<b>65</b>	<b>57</b>

### **For-Sale Housing Demand Projections**

<b>2017-2022 For-Sale Housing Demand by Income Level &amp; Price Point Downtown Holland Submarket</b>			
<b>Household Income Range</b>	<b>\$30K-\$39K</b>	<b>\$40K-\$74K</b>	<b>\$75K+</b>
<b>Housing Price Affordability</b>	<b>\$100,000-\$149,999</b>	<b>\$150,000-\$249,999</b>	<b>\$250,000+</b>
New Owner-Occupied Household Growth (2017 to 2022)	2	-6	13
Units Required for a Balanced Market	-2	4	3
Total Potential Household Formations	5	17	16
Total Replacement Housing	2	2	0
Total External Market Support (50%)	4	9	16
Gross Demand of Units Needed	11	26	48
Units in the Development Pipeline (Planned Projects)	0	-20	-25
<b>Total Potential PSA Five-Year Support for New Units</b>	<b>11</b>	<b>6</b>	<b>23</b>

The housing gap in this submarket appears to be greatest for rental product among a variety of affordability levels. The for-sale housing gap appears to be slightly diminished due to the amount of product in the development pipeline. Development within the submarket should be prioritized to the housing product showing the greatest gaps.

## Recommendations

**Support the Development of Multifamily Rental Housing** - The multifamily rental housing stock within this submarket is operating at a very high occupancy rate and has extremely limited availability. With nearly 50 more renter households expected to be added to this submarket between 2017 and 2022, the market will need to increase its inventory of rental housing supply. Additionally, due to the lack of *available* rental housing, the market needs additional rental product in order for the market to attract new households, provide current households the ability to move within the market, and attract additional investment. The addition of more housing options will likely increase interest in this submarket and increase household growth beyond what is already projected. The

housing gap estimates show a potential overall need for roughly 200 new rental housing units.

***Support the Preservation of Housing and Invest in the Remediation of Substandard Housing*** – Much of the submarket’s existing housing stock is relatively old, with a majority of the existing housing stock built prior to 1950. There are nearly 100 housing units in the submarket that lack complete indoor plumbing and just over 100 housing units that are overcrowded. These homes are considered substandard and below modern-day housing standards. It is recommended that future housing plans address repairing, modernizing or removing/replacing much of the substandard housing stock. Such efforts would improve the housing stock, increase property values and improve the quality of life within the submarket.

***Support a Broad and Balanced Approach to Future Residential Development*** – It appears that the projected household growth will be among virtually all income levels, as well as among all household age segments. Additionally, growth is projected to occur among both renter- and owner-occupied households. Therefore, we recommend that future housing development plans include support for a variety of product types and price points to serve the diverse growing needs of the submarket.

### **City of Holland Submarket Analysis**

The following data and analyses focus on the city of Holland and is part of the overall *Ottawa County Housing Needs Assessment Survey*. It includes key data relating to demographics, labor force, transportation, and housing supply within this submarket. A map of the city is also included in this section. Because the city of Holland falls within both Ottawa and Allegan Counties, we have included the data and analysis for the entire city in this section but have excluded the data relative to the Allegan County portion of the city in our overall Ottawa County analysis.

#### **Area Overview**

Located in the far southwest portion of Ottawa County, the city of Holland is the largest city within the county. The city contains a broad mix of residential, office, commercial and warehouse space uses. Numerous large employers in the manufacturing and distribution facility job sectors are located in the middle and southern portions of the city of Holland including Herman Miller Design Yard, Haworth Distribution Facility, Yanfeng Automotive Interiors, Sherwin-Williams Manufacturing Plant, Johnson Controls, Motus Integrated Technologies, Challenge Manufacturing, LG Chem Michigan Inc., and Great Lakes Warehousing to name a few. Additionally, the West Michigan Regional Airport, offering charter services, rentals, flight school, cargo/ground handling and airplane storage is conveniently located in the southern portion of the city of Holland and accessible from both Interstate 196 and U.S. Highway 31. Primary arteries within this submarket include Interstates 96 and 196, U.S. Highway 31 and State Route 40 and include the Holland Historic District, Downtown Holland, Holland Heights and the Waterfront districts.

As previously noted in the Southwest Submarket Analysis, the city of Holland features commercial areas with shopping opportunities including antique, specialty, general merchandise, boutique stores and big box merchandisers conveniently located within 3.0 miles of downtown Holland. Downtown Holland also provides several eating and drinking establishments including restaurants, pubs, bakeries and coffee shops. Area attractions include numerous arts and cultural opportunities, parks and a splashpad, waterfront activities, a farmers' market, M-40 Paintball Indoor and Outdoor Fields and the Matt Urban Sports Complex. Overall, the City of Holland Submarket provides numerous community services that add to its appeal.

While most (73.9%) residents in the area use their own vehicles for transportation to work, notable amounts of residents carpool (11.4%) or walk to work (8.1%). Public transportation is offered through Macatawa Area Express Bus, which has numerous weekday runs and operates on Saturdays. This public transportation service enables people to commute within and beyond the submarket.

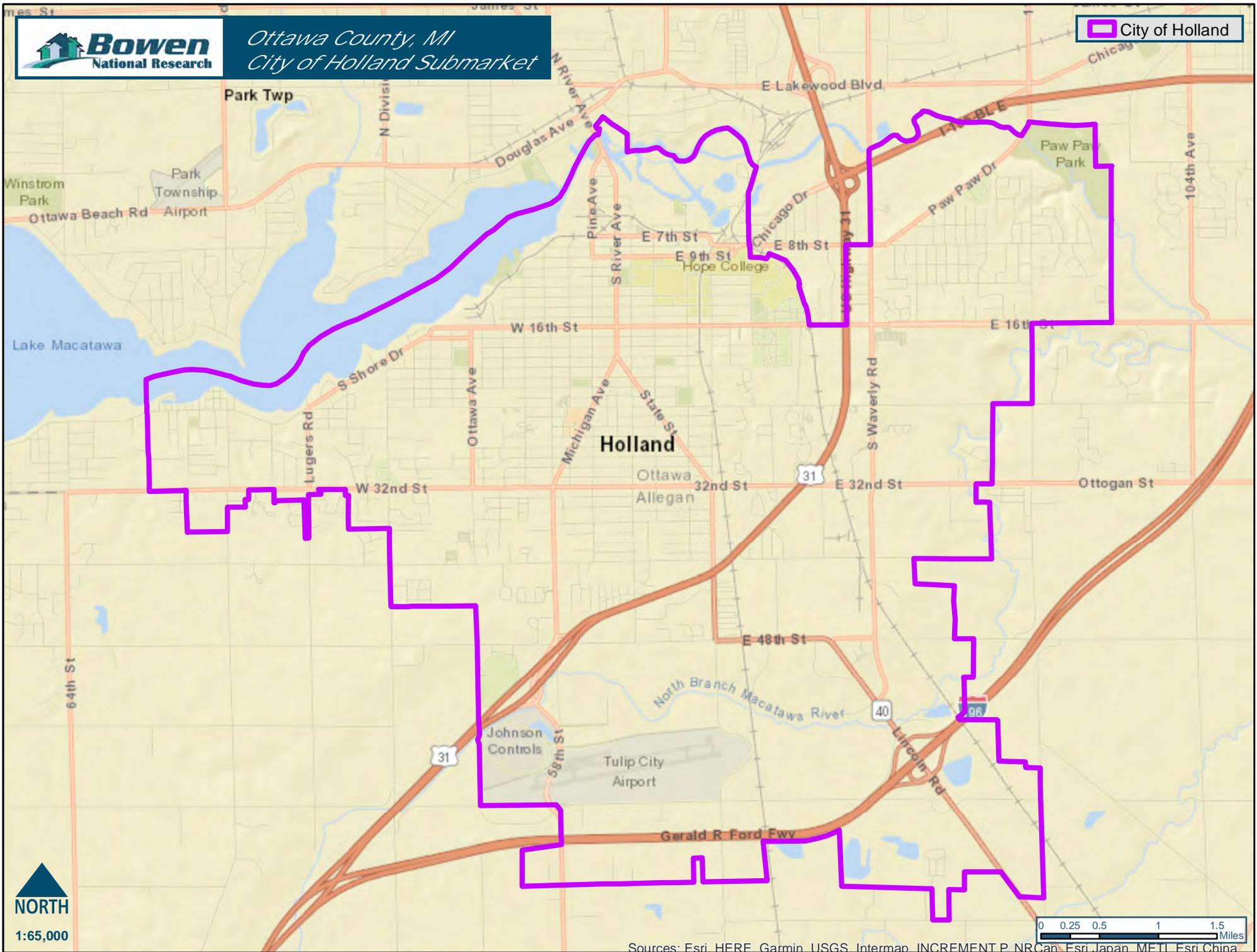
Based on the preceding information, it is clear that the city of Holland Submarket is thriving, with numerous investments and new developments that continue to spur growth in this area.

A map of city of Holland Submarket is on the following page.



Ottawa County, MI  
City of Holland Submarket

City of Holland



NORTH  
1:65,000

0 0.25 0.5 1 1.5 Miles

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## Demographics

While this submarket experienced decreases in its total population and households between 2000 and 2010, these two key demographic segments experienced growth since 2010. The submarket's total population increased to 34,707 in 2017, representing an increase of 1,614, or 4.9%, over 2010. At the same time, the total number of households increased to 12,662, representing an increase of 628, or 5.2%. It is projected that the population will increase by 1,363 (3.9%), while the number of households will increase by 618 (4.9%), between 2017 and 2022. This projected growth will add to the demand for housing within the submarket.

The distribution of *renter* households by income in 2017 was more heavily weighted towards lower income households, with 73.7% of renter households earning less than \$50,000 annually. It is worth pointing out that higher income households earning \$75,000 or more a year are projected to increase by 103 between 2017 and 2022, adding to the demand for higher end rental product. Growth among lower income renter households (earning under \$30,000 annually) is also projected to increase, with an additional 125 households expected during the five-year projection period. *Owner* household growth is projected to occur among the lowest income households (earning less than \$50,000 annually), which are projected to increase by 368, and higher income households (earning \$100,000 or more) that are projected to increase by 96, between 2017 and 2022. These growth trends will add to the need for new product affordable to the lowest and highest income households.

The market has a greater share of owner-occupied households (60.4%), as compared with the share of renters (39.6%). It is projected that between 2017 and 2022, the number of owner households will increase by 424 (5.5%), while the number of renter households will increase by 194 (3.9%). It is important to point out that these projections take into account recent growth trends, which are likely stymied due to the limited supply of available product in the market. The introduction of new housing units would likely encourage additional household growth in this submarket.

## Housing Supply Overview

Based on ACS estimates, there were an estimated 13,967 housing units in the submarket, of which 1,305 (9.3%) were vacant in 2017. A majority of the existing housing units were built prior to 1970 and over half (57.2%) of all units are single-family detached housing structures. Based on secondary data sources, most rental units (61.9%) have rents that fall between \$500 and \$1,000, while most homes (32.6%) have estimated values between \$100,000 and \$149,999.

While not large in numbers, the submarket does have some units that are classified as substandard, representative of units that lack complete indoor plumbing and/or that are overcrowded. An estimated 89 renter households and 105 owner households lack completed indoor plumbing, while 217 renter households and 296 owner households are considered overcrowded. Therefore, modernizing and replacing such housing should be part of future housing plans for this submarket.

Cost burdened households are those paying over 30% of their income towards housing costs. Within this submarket, a large amount of renters are paying a disproportionately high share of their income towards housing cost, with 1,978 renters representing 42.5% of renter households classified as cost burdened. Cost burdened owner households are not as pronounced as renter households, with 1,459 (21.0%) of owner households classified as cost burdened. Based on these findings, it is clear that affordability of rental housing in the submarket should be important priority moving forward.

### Rental Housing Supply

We were able to survey 22 multifamily apartment properties within the City of Holland Submarket. These projects include a mix of market-rate, Tax Credit and government-subsidized units, with a total of 1,659 units. Median market-rate gross rents (includes tenant-paid rents and utilities) by bedroom type start at \$909 (two-bedroom/one-bathroom), while median gross rents for Tax Credit units start at \$853 (one-bedroom/one bathroom). Only five of the surveyed units were vacant, resulting in an extremely low vacancy rate of 0.3%. Four vacancies were identified among the market-rate supply and one vacancy was among the government-subsidized supply. None of the 199 non-subsidized Tax Credit units surveyed in the market were vacant. According to apartment managers, several Tax Credit projects have wait lists with as many as many as 182 names. This is evidence of the pent-up demand for such housing. Regardless, with all surveyed multifamily rental housing segments operating with very limited availability, there is a strong level of demand for multifamily rentals in the Holland Submarket.

### For-Sale Housing Supply

A total of 59 for-sale housing units were identified in the submarket as available for purchase. These 59 available homes represent an estimated vacancy rate of 4.7%, which is above what is typically considered a healthy vacancy rate (2% to 3%). These homes range in price from \$81,000 to \$5,600,000, and have an average price of \$352,542. A total of 23 (39.0%) of the homes are priced under \$175,000 that would be affordable to households with incomes generally no greater than \$55,000. A total of 20 listings were for condominium units, which were priced between \$115,000 and \$625,000, with an average price of \$284,685. As such, it appears that condominiums are generally more affordable than single-family home alternatives in the market. It is worth pointing out that the available for-sale housing product is relatively old, with an average year built of 1965. While there is a relatively large base of homes available for purchase in the market, much of this product is priced over \$200,000 and over 50 years old. Such product may not be affordable to many lower income households, particularly first-time homebuyers. As a result, there appears to be an opportunity to develop additional for-sale product in this submarket.

## Housing Gap Analysis (Demand Estimates)

The following tables summarize the housing gaps by income and affordability levels for the subject submarket. Details of the methodology used in this analysis are provided in Section VIII of this report.

### **Rental Housing Demand Projections**

<b>2017 - 2022 Rental Demand Potential by Income Level &amp; Rent City of Holland Submarket</b>			
<b>Household Income Range</b>	<b>&lt; \$25K</b>	<b>\$25K-\$50K</b>	<b>\$50K+</b>
<b>Rent Affordability</b>	<b>&lt; \$625</b>	<b>\$625-\$1,249</b>	<b>\$1,250+</b>
New Income-Qualified Renter Household	113	-17	98
Units Needed for Balanced Market	54	89	64
New Household Formations	69	60	48
Replacement Housing Needed	59	52	41
Total External Market Support (30%)	89	55	75
Gross Demand of Units Needed	384	239	326
Units in the Development Pipeline (Planned Projects)	0	0	-23
<b>Total Potential PSA (Ottawa County) Support for New Units</b>	<b>384</b>	<b>239</b>	<b>303</b>

### **For-Sale Housing Demand Projections**

<b>2017-2022 For-Sale Housing Demand by Income Level &amp; Price Point City of Holland Submarket</b>			
<b>Household Income Range</b>	<b>\$30K-\$39K</b>	<b>\$40K-\$74K</b>	<b>\$75K+</b>
<b>Housing Price Affordability</b>	<b>\$100,000-\$149,999</b>	<b>\$150,000-\$249,999</b>	<b>\$250,000+</b>
New Owner-Occupied Household Growth (2017 to 2022)	56	107	66
Units Required for a Balanced Market	-1	31	41
Total Potential Household Formations	28	54	27
Total Replacement Housing	12	13	0
Total External Market Support (30%)	29	62	40
Gross Demand of Units Needed	124	267	174
Units in the Development Pipeline (Planned Projects)	0	-20	-25
<b>Total Potential PSA Five-Year Support for New Units</b>	<b>124</b>	<b>247</b>	<b>149</b>

As the preceding tables illustrate, the projected housing gaps over the next five years cover a variety of affordability levels for both rental and for-sale housing product. The gap appears to be greater for rental housing than for-sale housing. Development within the submarket should be prioritized to the housing product showing the greatest gaps.

## Recommendations

***Support the Development of Multifamily Rental Housing*** - The multifamily rental housing stock within this submarket is operating at a very high occupancy rate and has extremely limited availability. With nearly 200 more renter households expected to be added to this submarket between 2017 and 2022, the market will need to increase its inventory of rental housing supply. Additionally, due to the lack of *available* rental housing, the market needs additional rental product in order for the market to attract new households, provide current households the ability to move within the market, and attract additional investment. The addition of more housing options will likely increase interest in this submarket and increase household growth beyond what is already projected.

***Support the Development of New For-Sale Housing, with Emphasis Towards Product Affordable to Moderate-Income Households*** – The combination of limited availability among the for-sale housing stock and projected owner household growth will increase the demand for additional for-sale housing product. Based on the housing gap estimates, the greatest gap appears to be for product priced between \$150,000 and \$249,999, which is affordable to households generally earning between \$40,000 and \$75,000.

***Support the Preservation of Housing and Invest in the Remediation of Substandard Housing*** - Much of the submarket's existing housing stock is relatively old, with a majority of the existing housing stock built prior to 1970. There are nearly 200 housing units in the submarket that lack complete indoor plumbing and over 500 housing units that are overcrowded. These homes are considered substandard and below modern-day housing standards. It is recommended that future housing plans address repairing, modernizing or removing/replacing much of the substandard housing stock. Such efforts would improve the housing stock, increase property values and improve the quality of life within the submarket.

***Support a Broad and Balanced Approach to Future Residential Development*** – It appears that the projected household growth will be among virtually all income levels, as well as among all household age segments. Additionally, growth is projected to occur among both renter- and owner-occupied households. As shown in the housing gap estimates, there appears to be housing needs among all household income segments. Therefore, we recommend that future housing development plans include support for a variety of product types and price points to serve the diverse growing needs of the submarket.

## X. Stakeholder Survey Summary

Associates of Bowen National Research solicited input from 16 stakeholders throughout Ottawa County, Michigan regarding the local housing market. Input from stakeholders was provided in the form of an online survey. The 16 total respondents represent a wide range of industries that deal with housing issues, including local government and municipal officials, economic development officials, housing developers, and local business owners. The purpose of these interviews was to gather input regarding the need for specific types and styles of housing, the income segments housing should target, and if there is a lack of housing or housing assistance within Ottawa County. The following is a summary of key input gathered:

### Housing Needs & Issues

- Stakeholders were asked to rank the degree of overall housing need within specific areas of Ottawa County. These specific areas were Coopersville, Ferrysburg, Grand Haven, Holland, Hudsonville, Jenison, Marne, Spring Lake, and Zeeland. Most respondents (56.25%) indicated that there is high demand for housing in Grand Haven and Holland. Seven respondents (43.75%) indicated high demand for housing in Zeeland. Note that only two respondents indicated that low demand existed for housing within any of the listed areas of Ottawa County.
- Stakeholders were also asked to rank the degree of overall housing need within proximity to/or close to the following: along a highway, in a rural area, within walkable proximity to daily needs/job centers, close to schools, close to public transportation, close to a hospital, or close to a grocery store. Among the choices given, most respondents (at least 53.3%) stated that there is high demand for housing close to public transportation, close to schools, within walkable proximity to daily needs/job centers, and close to a grocery store. Most respondents also stated that there is moderate demand for housing close to a hospital and in a rural area. Six (6) respondents indicated that there is low demand for housing along a highway and in a rural area.
- Stakeholders were asked what level of demand there is for the following housing *types*: rental, for-sale (homeowner), single-person/young professionals, student, workforce, senior apartments (independent living), senior care facilities (assisted and nursing), and seasonal housing. Most stakeholders (at least 73.3%) indicated high demand for rental housing, workforce housing, and for-sale housing. Half of all respondents stated that there is moderate demand for student housing, senior apartments, and seasonal housing. Five (5) respondents stated that there is low demand for student housing and seasonal housing.

- Stakeholders were asked to rank the level of demand for the following housing *styles*: apartments, duplex/triplex/townhome rentals, for-sale condominiums, for-sale single-family homes, and mobile homes/manufactured housing. Most respondents (at least 53.3%) indicated that the highest demand was for for-sale single-family homes, apartments, duplex/triplex/townhome rentals, and for-sale condominiums. Note that the largest number of respondents (13) stated that there was high demand for single-family homes, while 12 respondents indicated high demand for apartments. Six (6) respondents stated that moderate housing demand exists for duplex/triplex/townhome rentals and for-sale condominiums, while five (5) respondents indicated low demand for mobile homes/manufactured housing.
- This survey asked stakeholders to rank the level of demand for *for-sale* housing by income level in Ottawa County. Stakeholder responses indicated high demand for for-sale housing at all income levels. However, the highest demand for for-sale housing was for households earning between \$50,000 and \$74,999, followed by those households earning under \$50,000. Seven (7) stakeholders indicated high demand for for-sale housing among those earning \$100,000 and above, while six (6) stakeholders indicated moderate demand among high-income households (\$100,000 and above). Four (4) stakeholders indicated low demand for for-sale housing among households earning less than \$50,000.
- Stakeholders were asked to rank the level of demand for *rental* housing by income level: A large majority (86.7%) of respondents indicated high demand exists for renters earning less than \$50,000 a year. At least two-thirds (66.7%) of respondents indicated high demand for rental housing among households earning between \$50,000 and \$75,000 per year. Five (5) respondents indicated moderate demand for rental housing among those households earning \$75,000 or more, while most respondents (60.0%) indicated low demand for rental housing for high-income households (\$100,000 and above).
- Stakeholders were asked to what degree specific housing issues are experienced in Ottawa County. Most respondents (at least 73.3%) indicated that limited availability and housing affordability are issues experienced to a high degree among Ottawa County residents. Most respondents (53.3%) also indicated that maintenance/renovation costs are an issue experienced to a moderate degree. The largest number of stakeholders (14) indicated that foreclosure is experienced to a low degree by Ottawa County residents. Most respondents (at least 73.3%) also indicated that high crime, blight, and lack of community services are experienced to a low degree.
- Stakeholders were also asked to rank the priority for the following types of housing construction in Ottawa County: adaptive reuse, new construction, and renovation/revitalization of existing housing. Most respondents (60.0%) assigned high priority to new construction, while at least 46.7% of respondents assigned moderate priority to adaptive reuse and renovation/revitalization of existing housing.

- Stakeholders were asked to prioritize the following types of housing assistance programs: Homebuyer assistance, Project-based rental subsidy, Tax Credit financing, other rental housing assistance (Vouchers), and other homeowner/homebuyer assistance. Seven respondents (46.7%) stated that project-based rental subsidy and Tax Credit financing should be given high priority. Seven respondents also indicated that Homebuyer assistance should be given moderate priority, while six respondents (40.0%) indicated that Project-based rental subsidy should be given low priority. One stakeholder also noted that higher paying jobs and market-rate housing should be prioritized.
- Stakeholders were also asked to provide open-ended responses as to whether there are specific housing programs that should be given priority in Ottawa County. Eight (8) stakeholders submitted responses. A variety of responses were received from stakeholders, including incentives for affordable workforce housing and transportation, programs that target households earning 30% to 80% of Area Median Household Income, low-income senior housing, a coordinated regional strategy, low-income apartment units with three or more bedrooms, and high-end housing in Downtown Holland.
- Stakeholders were also asked if there are specific housing development programs at the local or state level not currently offered that should be explored. Five (5) stakeholders provided open-ended responses to this question. Development programs mentioned by respondents included co-ops, affordable and sustainable housing for older adults, access to public transportation that aligns with workforce schedules, Housing Trust Fund, and simplifying the permitting and entitlement process to reduce the cost of building a house.

### **Barriers to Housing Development**

- Stakeholders were also asked what common barriers or obstacles exist in Ottawa County that limit residential development. At least 75.0% of respondents indicated that cost of labor/materials, cost of land, availability of land, and development costs were each barriers or obstacles that limit residential development. Most respondents also stated that cost of infrastructure, land/zoning regulations, and local government regulations were also barriers or obstacles.
- Respondents to the previous question were also asked how they believed these obstacles or barriers to development could be reduced or eliminated. Eight (8) stakeholders provided open-ended responses to this question. Stakeholder responses included: additional education to make the need of affordable housing visible to the community, programs that help bridge to the gap for developers to build more affordable housing, allow for higher density and smaller square footage requirements, require less parking spaces for apartments, the need for shared ride services (i.e. Uber, Lyft) in the city of Holland, ask local government decision makers to support new/renovated developments, access to the state Housing Trust Fund to invest in local affordable housing development, and low interest loans and

grants to promote income-appropriate housing in target areas. One stakeholder indicated that a coordinated regional strategy should be implemented by Housing Next, while another stakeholder stated that the County should disassociate from Housing Next.