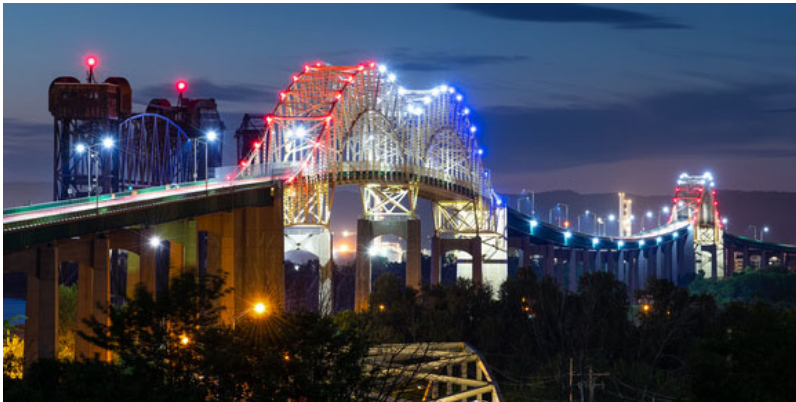




**A Housing Needs  
Assessment of  
Chippewa County, MI**



**May 18, 2021**

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## **I. INTRODUCTION**

Community Research Services, LLC (CRS) has been commissioned by the Chippewa County Economic Development Corporation and Sault Ste. Marie Economic Development Corporation to investigate housing market conditions for Sault Ste. Marie and across the Chippewa County region. Sault Ste. Marie, one of the oldest established communities within the nation, is found within the northern edge of the county, along the St. Marys River. The city is approximately 53 miles from the Mackinac Bridge, approximately 290 miles from Lansing, and approximately 350 miles from Detroit.

CRS has been tasked to investigate the viability of various housing options, based on current and projected market conditions, identified target market segments, and the status of prevailing and projected economic conditions. While the market conditions are measured for those within the Sault Ste. Marie/Chippewa County area, in some instances assumptions will be made regarding the likely participation of households outside of the immediate area.

Specific housing market analysis will be provided for the following market subsets:

- Affordable Rental Housing
- Market Rate Rental Housing (workforce/market rate)
- Single-Family owner-occupied homes
- Senior Housing (Independent Living)

This analysis will attempt to quantify prevailing housing conditions, identify the community's strengths and weaknesses from a housing standpoint, ascertain gaps within the local housing marketplace, and provide recommendations for housing options that would ideally enhance the area's viability as a residential community for current and future residents.

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



The primary purpose of the following market analysis is to provide sufficient evidence that market depth and demand may or may not exist for potential housing development. This will be demonstrated through an in-depth analysis of local and regional demographic and income trends, economic and employment patterns, and existing housing conditions, as well as a supply and demand analysis of available residential alternatives within the region.

## II. EXECUTIVE SUMMARY

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

- The analysis includes a review of Chippewa County, including the examination of Sault Ste. Marie, the city and surrounding townships, and the overall county. The city and surrounding townships reflect a Primary Market Area (PMA) from which most development activity may take place or generate the most notable interest. The market area is appropriate for the preliminary examination of housing options; however, the size and characteristics of any subsequent housing proposal would likely expand the market area beyond the city and townships. This is of course dependent upon assumptions regarding location and accessibility.
- Four primary target markets (market subsets) were examined for this analysis, including:
  - **Affordable rental housing** – for persons of all ages that fall within the generally defined income range of 60 percent of Area Median Income and below. Depending on household size, this may include persons at or below approximately \$40,000 in annual income.
  - **Senior independent rental housing** – for those persons or couples age 65 and older, that are able to live an independent lifestyle, and are primarily retired or work on a part-time basis. The segment is divided into an affordable band (with incomes between \$21,000 and \$31,000) and market rate band (\$36,000 to \$100,000).
  - **Workforce housing** – for singles, couples, or small families of all ages, with incomes between approximately \$30,000 and \$54,000 for developments that utilize federal and/or state funding resources (depending upon family size), and market rate eligible incomes between \$40,000 and \$100,000 for developments that do not use federal or state resources. This assumes inclusion of households with some degree of specialized training or educational attainment, employed within manufacturing, services, or other moderate-wage sectors.
  - **Market rate homeowner housing** – for singles, couples, or families, primarily between the ages of 30 and 55, with incomes of \$75,000 and above. Most households within this category are professional workers with advanced training or college education, professional designations, seeking to relocate to the community or find an upgrade in comparison to existing housing options.
- Positive factors include the following:
  - The city and market area exhibit stable slightly declining demographic trends. The community is somewhat older overall as compared to many similarly sized cities within Michigan, but generally younger than the county as a whole. Household sizes are well below statewide average, but typical for most

communities within the Upper Peninsula. While a small portion of the overall population at this time, the senior segment is the fastest growing age cohort, and will represent an increasing larger portion of the overall population into the 2020s and beyond.

- Sault Ste. Marie is an employment destination for a significant number of local and regional households across the eastern UP. The local employment options include high paying positions within light manufacturing and government services, along with educational employment, leisure/hospitality jobs, and healthcare options (including skilled and unskilled positions). The development of new, modern, and attractive home options would give potential commuters and new residents an additional reason to consider relocating to the Sault Ste. Marie area.
- Housing prices are relatively modest, with home purchase pricing and prevailing rental rates generally found within a reasonable price range. More expensive housing levels are found within mostly retirement and tourism-dominated sections of the region. It is assumed that pricing options for newly constructed housing would not overly burden potential residents, and reflect the prevailing wages and incomes of the community.
- Recently introduced rental housing options have demonstrated a pent-up demand for new residential opportunities. Much of the existing rental housing stock is aged, does not exhibit strong amenities, and is not considered modern in comparison to newly-constructed apartments or rental home options.
- The community features an active downtown district, tourism destinations, recreational opportunities, and primary and secondary educational options that appear to be high-quality opportunities for local residents and those from across the region. Many sections of the city are quite walkable, and various community features provide a clearly strong level of placemaking assets.
- Impediments and other problematic considerations include:
  - Income levels for the city and Chippewa County have not significantly changed since 2000 on a real income basis. Minimal gains have not maintained pace with overall inflation levels. It is hoped that future economic activity will spur ongoing wage and income gains.
  - The city features a higher-than-average rental household concentration, with many of these rentals consisting of single-family homes, or former single-family homes that have converted into multiple-unit structures. This conversation has taken place over a long period of time, with the end result of removing a larger portion of single-family homes out of the available housing stock for potential homeowners. This is especially unfortunate for those families from outside of the community seeking a moderately-priced or entry level home for purchase. In addition, the condition and quality of many of these homes is fair to poor, and detrimental to any direct or indirect efforts to improve the city's housing stock.
  - Chippewa County exhibits a somewhat larger economic footprint as compared to adjacent counties across the region. Ideally, this concentration of resources and

employment reflects positively in terms of interactions and migration patterns from other sections of the state. However, the county has lost residents to adjacent sections of the Upper Peninsula, as well as to the balance of the state as a whole. These trends are negated somewhat by the influx of non-Michigan residents into Chippewa County, but this trade-off likely results in a loss of younger and potentially higher-educated persons for primarily unskilled or semi-skilled blue-collar workers from the southern sections of the nation. Retaining the most talented and desirable portions of the local population is quite difficult under normal conditions; a lack of housing options would further exacerbate the issue.

- An insufficient number of homes are available for purchase across the Sault Ste Marie area, and the number of options at the key purchase range of \$150,000 to \$250,000 is especially inadequate. The differential between at-place employment potential and actual residential employment is primarily due to local workers continuing to prefer commuting rather than relocating to the Soo area – as affordability and placemaking are not impediments within Chippewa County. Homes within this pricing segment of the housing market are rapidly sold, and the lack of such homes will have an increasingly unfavorable impact upon the local economy, school district, and labor force. Any opportunity for local housing development needs to place a strong emphasis on increasing the availability of these moderately-priced homes.
- Available rental developments include both subsidized and market rate apartment structures. At this time the rental market for these types of units is stable, with occupancy levels maintained at or above 98 percent. Demand potential appears present for additional rental housing units, based on both statistical demand calculations and prevailing occupancy trends. The introduction of Osborn Commons has added additional low-income and moderate-income rental units to the city's downtown district, and has help fulfill a need for modern rental housing, but demand is present for additional unrestricted/market rate options.
- Primary findings for this analysis include:
  - Chippewa County's ability to attract entry level households across the moderate-income and upper-income ranges will significantly increase with the various infrastructure developments currently in the planning stage or initial development process. However, this economic transition is in danger of being delayed and muted in terms of providing the most positive economic impact to the region. This is primarily due to the lack of supply of moderate and upper-moderate homes for purchase, despite relatively reasonable price points across the community. A limited number of market rate rental units will also prove detrimental to the movement of new families and workers to the community. As with most communities across northern Michigan, an increasing senior household segment and declining birthrates will lead a shift in the community's characteristics which may negatively impact the school system, tax base, employment base, and retail/service availability. If the community does not find methods to attract additional families to the market area, other residential options that are less beneficial to the Sault Ste Marie region will take place. This will lead to a rapidly

aging population base, declining tax base, and a permanent reduction in the size and earning potential of the local labor force.

- The rental market within the city and Chippewa County should be considered stable, with additional market potential for either mixed income or market rate rental units. Household growth along with ongoing economic development activity should drive statistical demand, and occupancy rates are also supportive of additional demand potential.
- A focus of rental housing improvements should also be made by local leaders. Single family rentals are widely present across the Soo area, and any attempts to improve the condition and value of these options should be encouraged by local leaders.
- Tapestry segmentation by ESRI does not identify within Chippewa County in sufficient quantities any of the primary target market segments identified and investigated by this analysis. While some ESRI segments are somewhat near matches for the target market segments, the data indicates that it is likely that future residents with the most desirable economic characteristics will include persons from secondary market locations – from outside of the community.
- Existing senior rental housing options are present within the Sault Ste. Marie/Chippewa County area, serving both affordable and moderate-income levels. These facilities appear to adequately serve the current market demands of the community, so the demand for senior rental housing options should not be considered a primary need at this time. Future development plans for additional senior housing may become more prominent within the 2020s, and reinvestigation of senior housing needs should be undertaken at that time.

A need for additional homeownership options within the community for moderate income households is an additional recommendation from this analysis. This would include a combination of workforce housing and market rate housing options. Suggested features for such a proposal would include:

Project Type:	Single family or duplex structures with attached garage, targeted for couples and small families
Unit mix:	3BR/2bth structures
Targeted Incomes:	\$50,000 and above (However, this does not exclude higher income households seeking housing options that may prove popular regardless of income)
Preliminary Pricing:	Approximately \$175,000 - \$250,000
Amenities/features:	Commensurate with modern owner-occupied housing found across the community

Additional considerations: Collaboration with local employers to help sponsor financing options

A portion of this housing demand could include some type of condominium-type development, but such development would not ideally fit the primary target market segments

A need for additional rental housing within the community is also recommended, based on the following characteristics:

Project Type: Garden-style or walk-up apartment units  
A more compact site-plan may be possible on an urban-like site

Unit Mix: Combination of one-bedroom and two-bedroom units

Targeting: Affordable households w/incomes \$20,000 to \$40,000  
Market rate households w/incomes \$40,000 and above

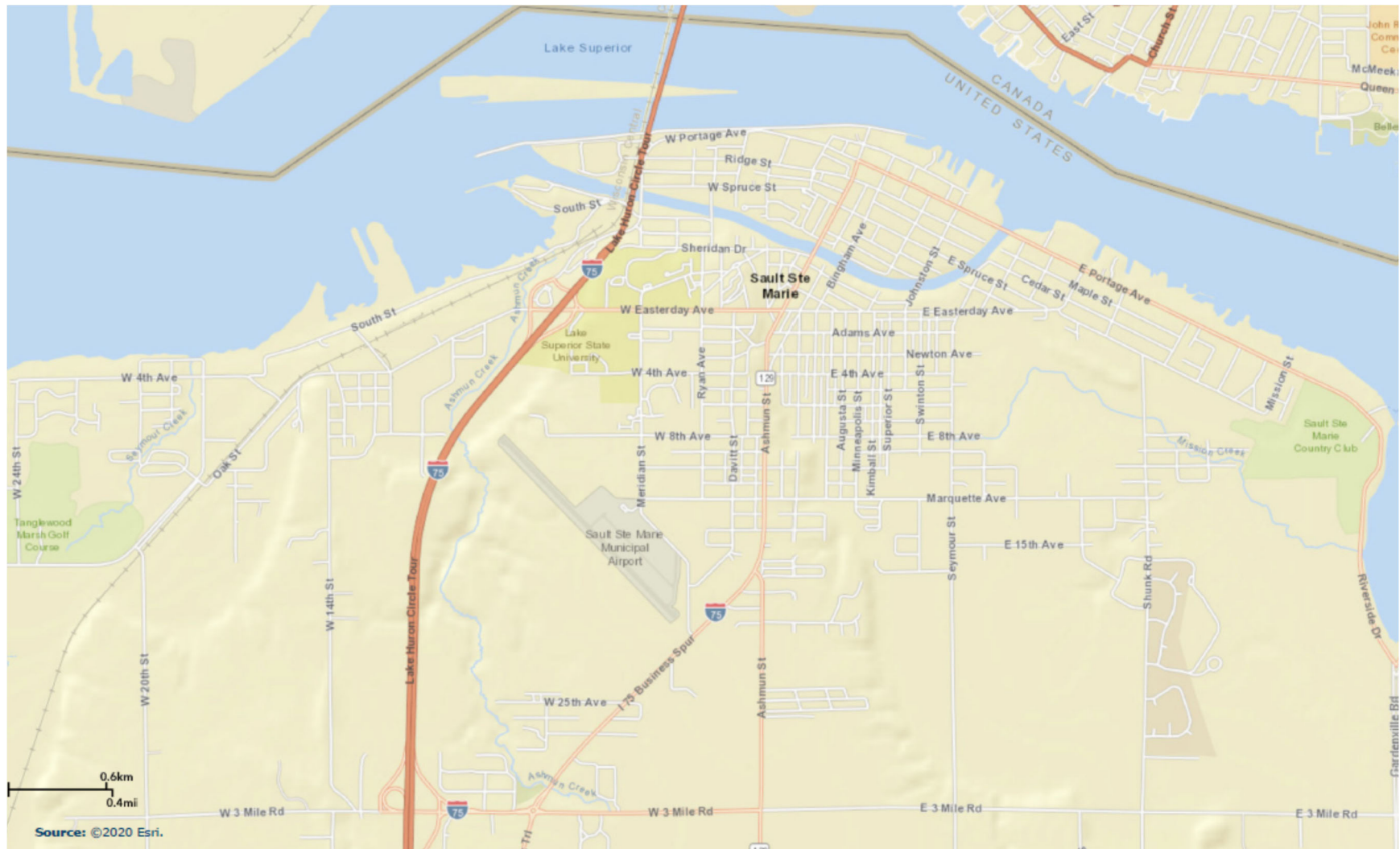
Initial Market Rents: \$995 – one-bedroom unit  
\$1,150 – two-bedroom unit

Variation in rents is possible with consideration of different unit sizes, in-unit amenities, and available project features that would be available for use by residents (garage units, common areas, etc.)

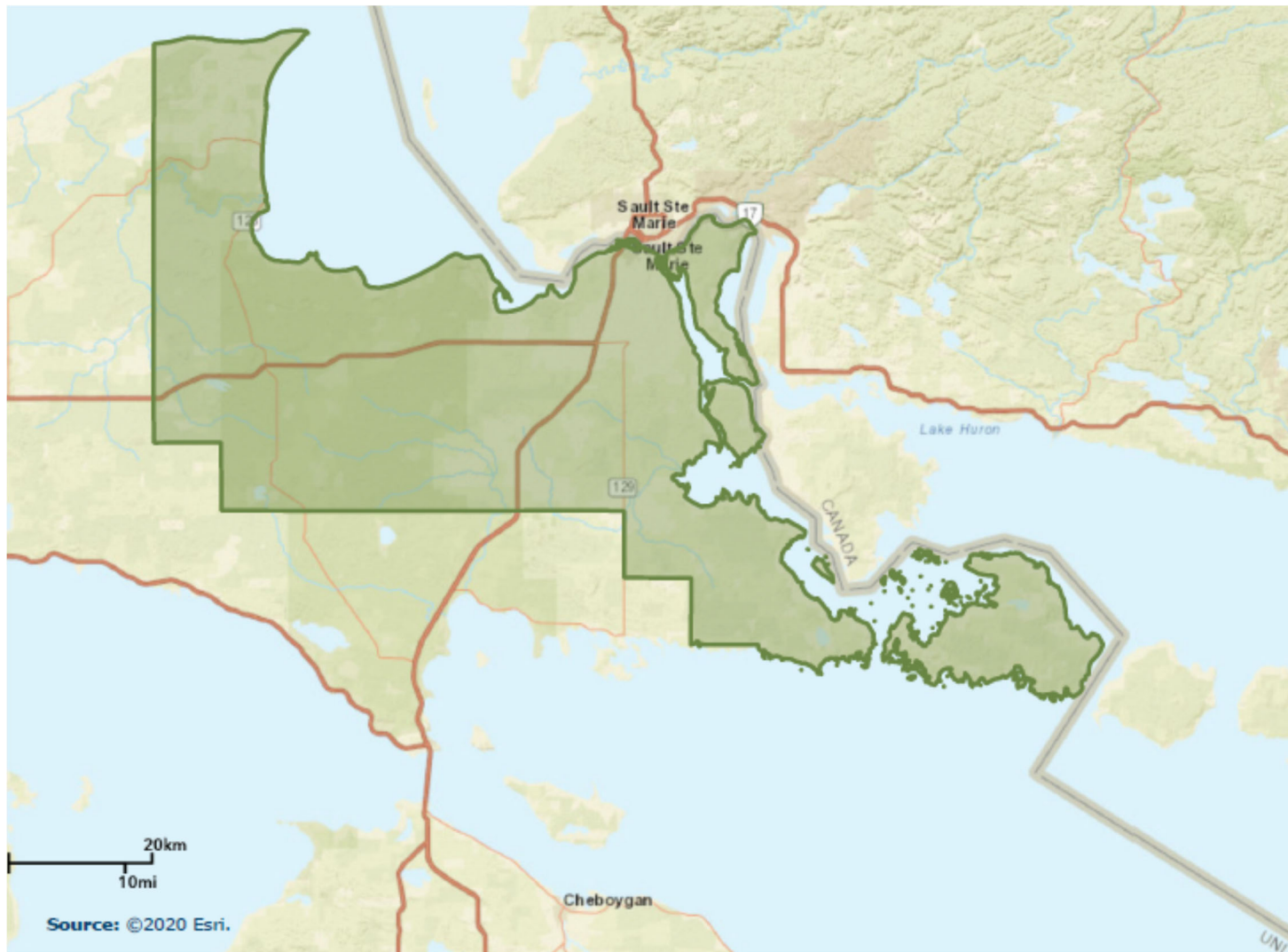
Amenities: High-quality features found in modern rental developments across the region

A need for additional senior rental housing cannot be confirmed at this time. As this market segment exhibits increasing market potential (primarily due to persons aging in place), ongoing evaluation of this market segment is recommended into the next decade.

### Map: Sault Ste. Marie & Surrounding Area



**Map: Chippewa County and Surrounding Area**





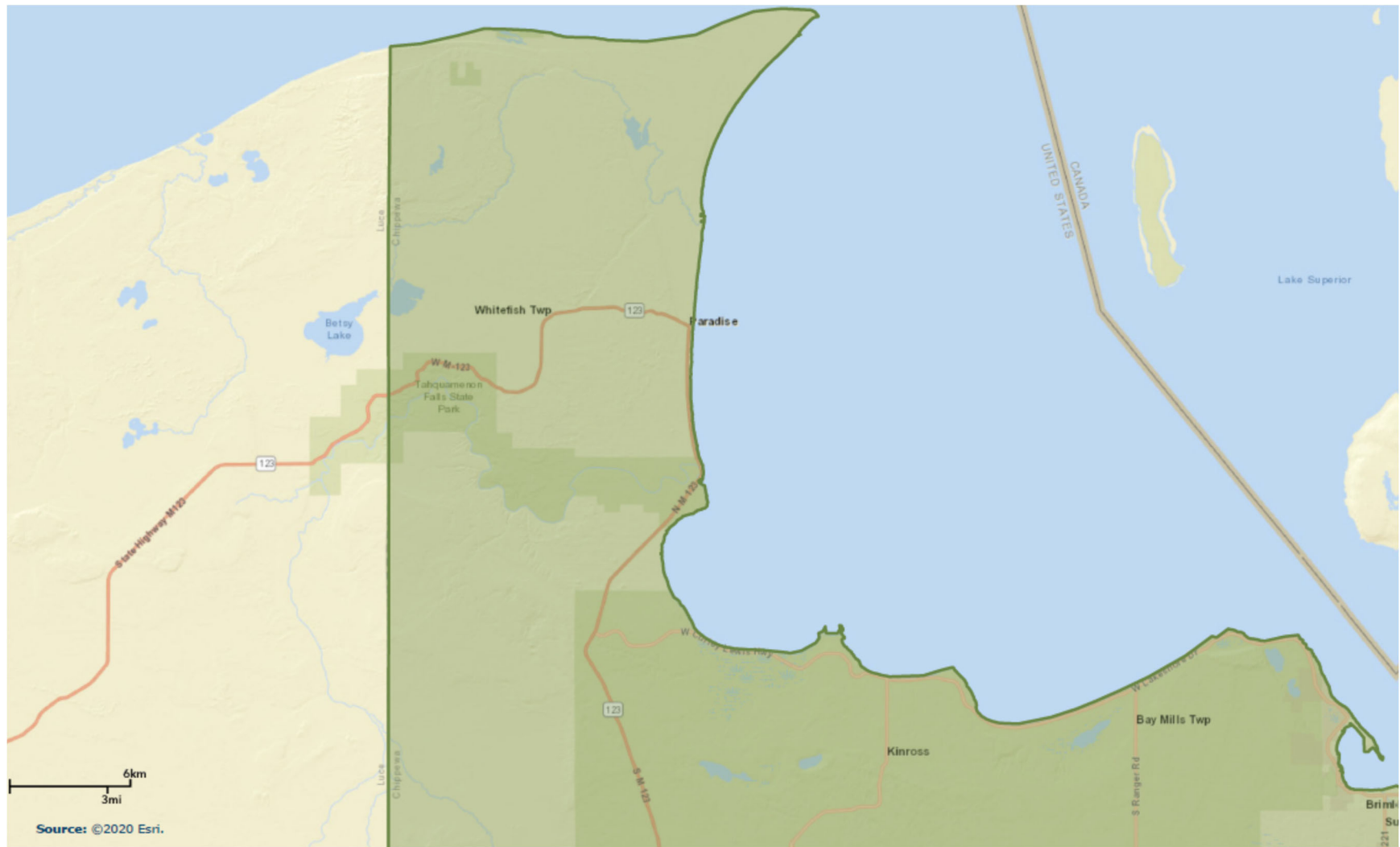
**Map: Southeast Chippewa County**



Map: Central Chippewa County



**Map: Northwest Chippewa County**



### III. MARKET PROFILE

#### Target Market Identification

In general, a housing market analysis will identify a key target market segment or segments as the primary focus for examination and market potential, taking into consideration associated demographic and economic features. By separating the overall rental market into separate target market segments based on age, income, or other unique and pertinent aspects, a more specific examination and recommendation can be made for the community that specifically reflects the area's characteristics.

*The number of seniors will soon exceed the number of children across Chippewa County – such shifts in population will result in significant impacts upon the community.*

From a purely demographic standpoint, within Chippewa County no one segment of the local population is clearly dominant, as the area's net population for younger adults, older adults, and senior citizens is generally similar in terms of growth potential. While the strongest growth trends are found within the senior age segment (age 65+), the largest age cohort across the county still remains the young adult segment (persons age 20-44). The older adult (non-senior) segment, consisting of persons age 45-64, is also notably larger than the senior segment, but both adult segments are demonstrating ongoing declines in population totals, due to migration trends over the past two decades along with prevailing demographic patterns that are found across the region and much of Michigan.

What is most concerning is the decline in non-adult children, defined as persons age 19 and below. By the year 2025, the number of seniors is forecast to exceed the number of children for the first time, reflecting a significant shift in the region's long-term economic and social characteristics, tax base, and employment pool. Thus, the importance to provide accurate and timely recommendations regarding housing needs is present for both older adults, existing households, and yet-to-be created first-time homebuyers or renters.

Describing the community from a very generalized social/economic standpoint (using the most recent demographic and economic data), the largest economically-oriented market segments within the county include blue-collar semi-skilled/unskilled laborers,

professional/managerial workers (including both public and private sector options), and retirees that most likely do not participate within the labor force. Income levels for the Sault Ste Marie region are somewhat below average in comparison to statewide levels, but are notably above most other nearby communities within the eastern Upper Peninsula. This is not entirely a negative aspect of the local marketplace, assuming prevailing home prices are appropriate for prevailing incomes within the community.

Ideally, a housing market that provides the widest range of choices for the broadest range of households will result in the strongest and most stable housing environment. For the Chippewa County area an imbalance appears present for moderate income households seeking primarily homeownership options. This lack of moderately priced households is common among most regions of the state, and is often referred to as the “Missing Middle” in terms of housing demand. From a local employment standpoint, a majority of the potential residents that may occupy such homes would have backgrounds within most employment sectors, and include a combination of entry level professionals, government employees, higher paid blue-collar workers, and managerial-level service and retail jobholders.

For this analysis, Community Research has narrowed the list of applicable target market segments to the following groups:

- Lower-income and moderate-income households seeking non-subsidy rental housing options (affordable and market rate) – Mixed Income Housing
- Moderate income households seeking rental or homeownership options – Workforce Housing
- Senior citizens seeking independent living rental alternatives – Senior Independent

The likely market demand for housing types that may match the primary target market segments is evident to community leaders based on interviews conducted for this report.

Correspondingly, the three primary target market segments for this analysis can be described as:

- **Mixed-Income Housing** - Lower-to-moderate income non-senior households (including singles, couples, and small families), actively participating within the labor force, featuring occupations mostly within the service and leisure/hospitality sectors, seeking affordable rental housing options – Overall incomes \$15,000 to \$40,000 for affordable range, and \$40,000 to \$100,000 for market rate units.

- **Workforce Housing** - Moderate income households (all ages, and including singles, couples, and small families), with a wide range of backgrounds and educational attainment, many of which are relocating to the community, and feature either strong educational attainment or workforce experience that results in higher-than-average income potential. This is the “missing middle” most communities are lacking – Overall incomes \$40,000 to \$100,000
- **Senior Independent** - Moderate income to higher income senior households (age 55 and older), with minimal or no participation within the labor force, able to live an independent lifestyle, potentially seeking a rental housing option designated for senior occupancy – income range from \$15,000 to \$30,000 (affordable) and \$30,000 to \$75,000 (market rate)

As a result, the target market segments studied for this analysis are specifically defined, and do not include other segments of the housing marketplace, such as the following:

- Larger-sized extremely-low income families seeking subsidized rental housing
- Higher income households seeking homeownership opportunities
- Senior households seeking assisted living/nursing care housing
- Households seeking 2<sup>nd</sup> home or vacation homes

Removing these alternative target markets from the analysis will also de-emphasize much of the rural sections of Chippewa County. While the entire county will be included as part of the analysis, sub-sections such as Drummond Island, Pickford, De Tour Village, and Paradise will not be a primary focus for this study, as they do not represent primary housing destination points within the county, do not exhibit significant population or household totals, nor are they notable employment sources. While these sections of the county are legitimate communities with certain areas with lower population characteristics, they do not fall within the primary function of this housing needs assessment as a separate primary market area.

### **Primary and Secondary Market Area Determination**

Chippewa County reflects a set of distinct market areas from an economic/development standpoint. With Sault Ste. Marie as the county seat, the largest city within the county, and the primary destination point within most of the eastern upper peninsula, carving out a separate market area for this section of the county was included as part of this housing analysis. This is traditionally done for housing reports, in which a likely Primary Market Area is identified as the most reasonable source of potential tenants that may reside within any new housing alternatives. However, with the traditional concept of commuting significantly tested due to the pandemic, and the number of potential residents that may come from outside of the region into Chippewa County, the need to utilize a Primary Market Area as a research tool may not be as important or pertinent as in prior years.

Typically, census tracts are used for most demographic examinations, but within Chippewa County the boundaries of the census tracts are overly broad and are not very useful for this examination. As a result, the most conservative measure of the local market would include Sault Ste. Marie and surrounding townships within the north-central section of the county. This is what this analysis will use as a baseline for demographic analysis and demand calculations. The Primary Market Area includes the following subdivisions of Chippewa County:

- Sault Ste. Marie City
- Bay Mills Township
- Bruce Township
- Dafter Township
- Soo Township
- Sugar Island Township
- Superior Township

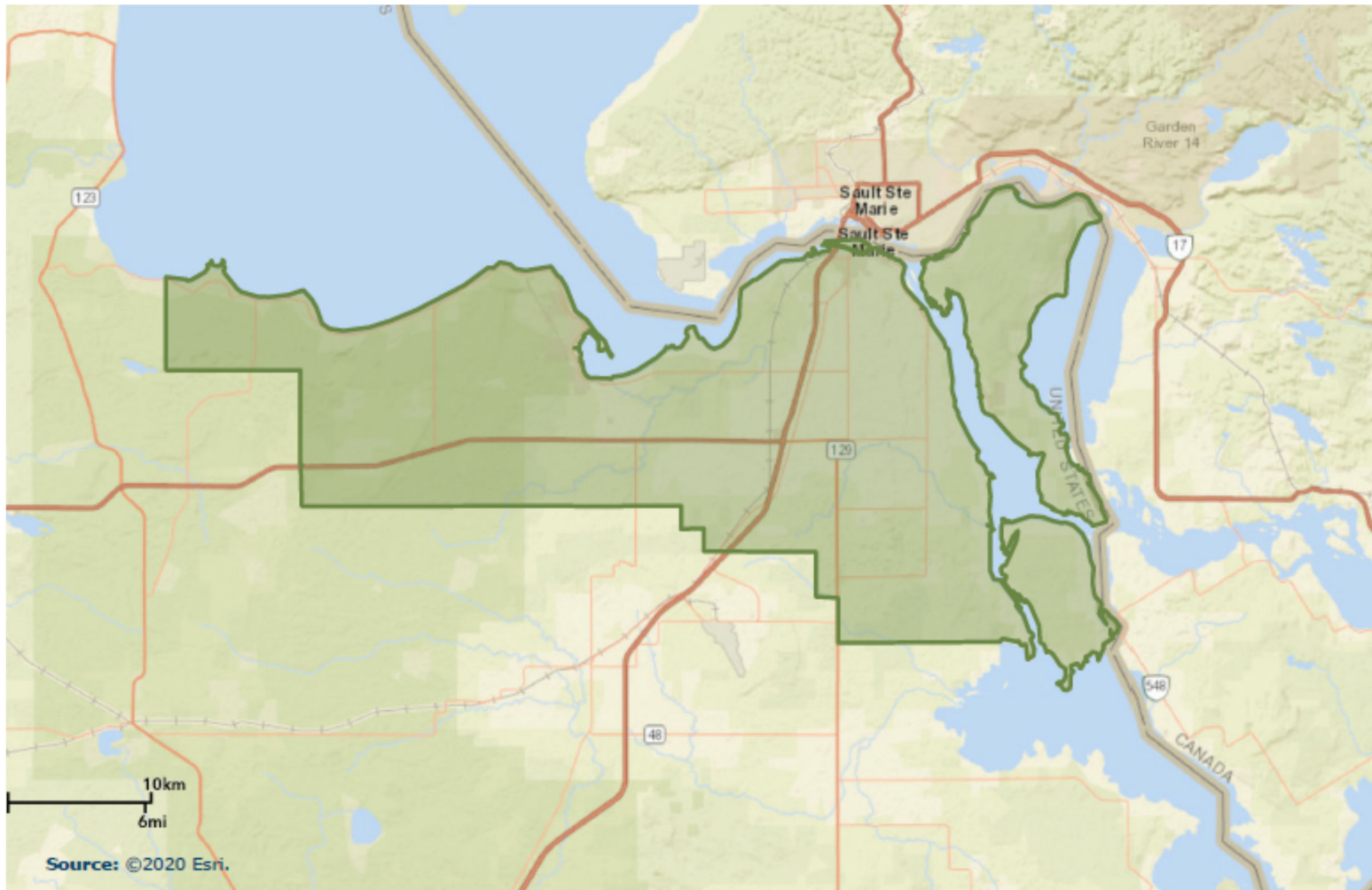
Secondary Market Area considerations are more important than usual, as adjacent sections of Mackinac and Luce Counties, along with other regions of the state, are perhaps more likely to contribute potential residents to the Chippewa County housing base over the next few years. However, it is not possible to determine any reliable pattern or method that would reliably contribute to the demand potential for either Sault Ste. Marie or Chippewa County. Recent data regarding both migration data and commuting patterns indicate very little movement from outside the county into Sault Ste. Marie. While these trends may change due to ongoing and

future economic events, outside of anecdotal evidence of significant movership into the region, the demand potential for housing options will need to remain primarily based on local movement rather than significant out-of-region migration.

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



**Map: Sault Ste. Marie Primary Market Area**



## IV. DEMOGRAPHIC & ECONOMIC TRENDS

### Economic Trends by Industry/Sector

Employment by industry data from the American Community Survey indicates the most common industry for employed residents to work in was services, which represented 52 percent of all county workers. With the city this percentage was somewhat higher, at more than 59 percent, reflective of a combination of concentrated service jobs and somewhat lower percentage of unskilled occupations. Manufacturing positions represented just six percent of all jobs across Chippewa County, while retail trade positions accounted for nearly 13 percent of the county's labor force. The percentage of public administration positions is also nearly 13 percent, higher than typical but not unusual given the types of positions present within the region.<sup>1</sup>

**Table: Employment by Industry**

	<u>City of Sault Ste. Marie</u>	<u>PMA</u>	<u>Chippewa County</u>
<b>Agriculture and Mining</b>	<b>58</b>	<b>262</b>	<b>431</b>
Percent	0.9%	2.3%	2.8%
<b>Construction</b>	<b>276</b>	<b>574</b>	<b>844</b>
Percent	4.5%	5.1%	5.4%
<b>Manufacturing</b>	<b>352</b>	<b>729</b>	<b>1,009</b>
Percent	5.7%	6.4%	6.5%
<b>Wholesale Trade</b>	<b>83</b>	<b>103</b>	<b>217</b>
Percent	1.3%	0.9%	1.4%
<b>Retail Trade</b>	<b>792</b>	<b>1,372</b>	<b>1,961</b>
Percent	12.8%	12.1%	12.6%
<b>Transportation &amp; Utilities</b>	<b>215</b>	<b>357</b>	<b>578</b>
Percent	3.5%	3.1%	3.7%
<b>Information</b>	<b>111</b>	<b>132</b>	<b>172</b>
Percent	1.8%	1.2%	1.1%
<b>Finance, Insurance, &amp; Real Estate</b>	<b>94</b>	<b>245</b>	<b>349</b>
Percent	1.5%	2.2%	2.3%
<b><u>Services</u></b>	<b>3,615</b>	<b>6,219</b>	<b>8,027</b>
Percent	59.4%	55.5%	52.3%
<b>Professional &amp; Managerial Serv</b>	<b>404</b>	<b>710</b>	<b>882</b>
Percent of All Services	11.2%	11.4%	11.0%
<b>Educational &amp; Healthcare Serv</b>	<b>1,752</b>	<b>2,937</b>	<b>3,757</b>
Percent of All Services	48.5%	47.2%	46.8%
<b>Arts/Entertainment Services</b>	<b>1,091</b>	<b>1,911</b>	<b>2,562</b>
Percent of All Services	30.2%	30.7%	31.9%
<b>Other Services</b>	<b>368</b>	<b>661</b>	<b>826</b>
Percent of All Services	10.2%	10.6%	10.3%
<b>Public Administration</b>	<b>602</b>	<b>1,350</b>	<b>1,935</b>
Percent	9.9%	12.0%	12.6%

SOURCE: 2015-2019 American Community Survey, U.S. Census Bureau

<sup>1</sup> The PMA column within the following data charts refers to the Primary Market Area, as defined within the previous section

*Chippewa County features a somewhat larger ratio of professional/service positions as compared to most other sections of the eastern Upper Peninsula.*

Employment by occupation data from the American Community Survey indicates the majority of workers are employed in professional, sales, or office positions.

These sectors combined totaled 78 percent of the county's labor force. The area's concentration of "blue collar" positions represented approximately 22 percent of

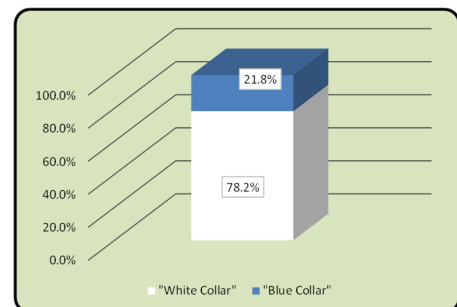
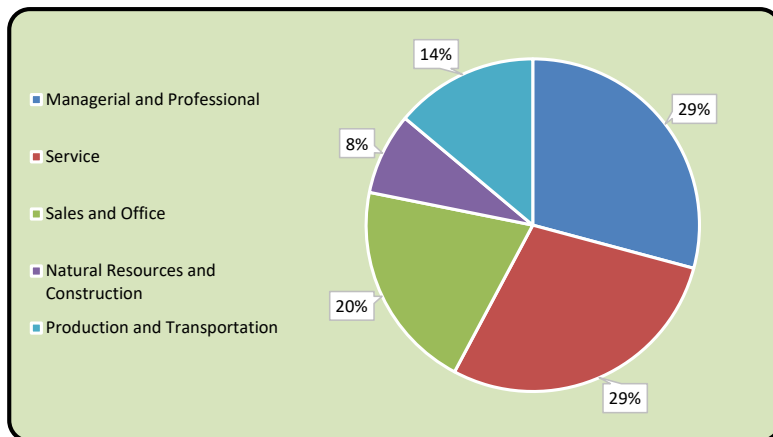
the labor force, with a slightly smaller concentration within the city, at approximately 19 percent. This is attributable to the relatively small concentration of manufacturing employment within the county as compared to most other regions of the state.

**Table: Employment by Occupation**

	City of <u>Sault Ste. Marie</u>	<u>PMA</u>	<u>Chippewa County</u>
<b>Managerial and Professional</b>	<b>1,876</b>	<b>3,507</b>	<b>4,531</b>
Percent	30.3%	30.9%	29.2%
<b>Service</b>	<b>1,930</b>	<b>3,191</b>	<b>4,439</b>
Percent	31.1%	28.1%	28.6%
<b>Sales and Office</b>	<b>1,189</b>	<b>2,271</b>	<b>3,162</b>
Percent	19.2%	20.0%	20.4%
<b>Natural Resources and Construction</b>	<b>399</b>	<b>798</b>	<b>1,234</b>
Percent	6.4%	7.0%	7.9%
<b>Production and Transportation</b>	<b>804</b>	<b>1,576</b>	<b>2,157</b>
Percent	13.0%	13.9%	13.9%

SOURCE: 2015-2019 American Community Survey, U.S. Census Bureau

**Chart: Employment by Occupation Breakdown – Chippewa County**



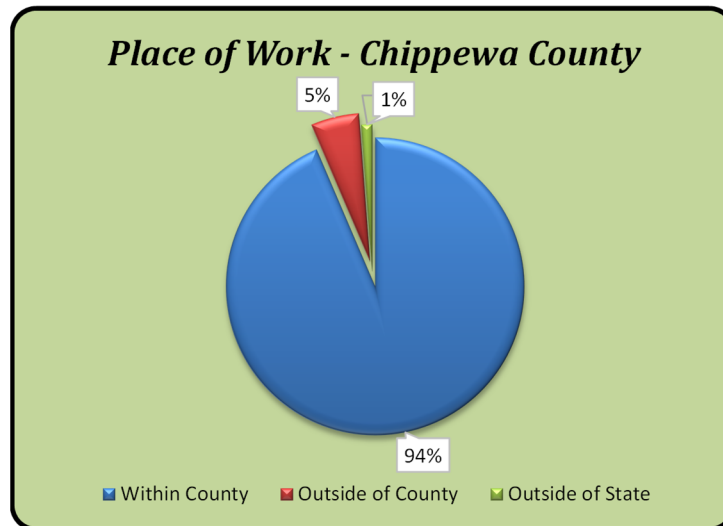
The county's labor force is overwhelmingly local, with patterns that reflect a limited degree of commuting significant distances. The county's resident labor force is 94 percent locally employed, with similar ratios for the city and market area. These trends are likely well-established workforce patterns that reflect both the concentration and value of local employment options as well as the degree of diversity in terms of residential options within Chippewa County and across the eastern Upper Peninsula.

**Table: Employment by Place of Work**

	<u>City of Sault Ste. Marie</u>	<u>PMA</u>	<u>Chippewa County</u>
<b>Place of Work within County</b>	<b>5,909</b>	<b>10,762</b>	<b>14,291</b>
Percent	97.1%	96.2%	93.6%
<b>Place of Work Outside of Coun</b>	<b>119</b>	<b>292</b>	<b>799</b>
Percent	2.0%	2.6%	5.2%
<b>Place of Work Outside of State</b>	<b>59</b>	<b>136</b>	<b>181</b>
Percent	1.0%	1.2%	1.2%

SOURCE: 2015-2019 American Community Survey, U.S. Census Bureau

**Chart: Employment by Place of Work Breakdown**



### **Migration Patterns**

Migration patterns for persons within Chippewa County provide another indication of the prevailing direction of overall demographic and economic trends as well as employment patterns for the community.

*Migration patterns show a net loss of population to other sections of Michigan and the nation as a whole.*

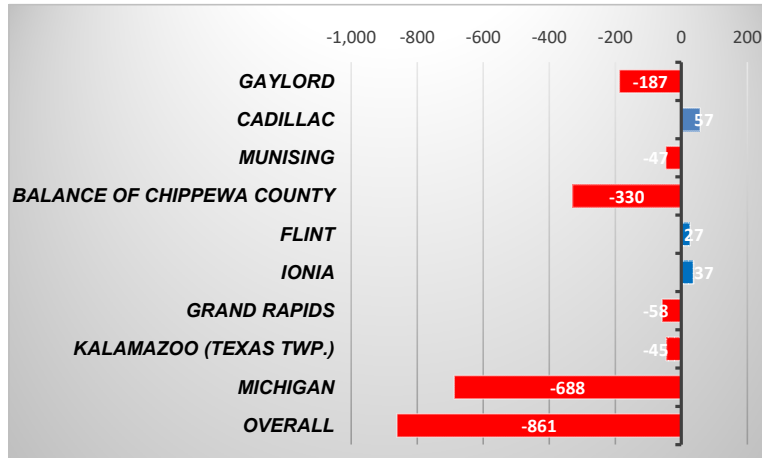
This data was collected from the most recent American Community Survey, and does include a surprisingly sizable margin of error. However, the prevailing trend indicates little change in population over the next few years, but the data for both the city and county indicate notable losses in population to many communities across Michigan, with a partial correction for migration with the balance of the United States, outside of Michigan.

Examining the data, the trends appear to reflect a net loss of population from migration, with an estimated annual loss of approximately 101 persons per year, based on the latest American Community Survey data. In general, this is a reflection of a slight population gain from other sections of the nation, including the southern states such as Tennessee and Georgia, along with Illinois. Most other sections of the nation are either neutral or slightly negative in terms of population trends into Chippewa County. As indicated above, the net loss to other communities across Michigan is approximately 183 persons, with relatively few instances of net positive migration from either specific cities or counties within the state.

These trends are exhibited within the following data and charts. Reviewing the city migration trends, the greatest outflow of residents from Sault Ste. Marie is into other sections of Chippewa County, primarily Bruce Township and Soo Township. Such trends are not common for a community that has limited housing alternatives, or exhibits an aging population that seeks to relocate to alternatives that are better suited for retirees or empty nesters. Such trends are simply a reflection of borders rather than markets, so the outflow across Chippewa County, while notable, should not reflect a significant relocation outside of the greater Sault Ste. Marie marketplace. Across Michigan, other sizable cities are gaining residents from the Soo area, including Gaylord, Munising, Grand Rapids, and Kalamazoo, most likely reflecting a wide range of explanations, including employment-related or retirement relocations. Slight net positive inflows from across Michigan include Cadillac, Flint, and Ionia, but are not significantly sizable to impact the overall trend, and are likely tied to the corrections system. All other major

communities across the state exhibit minimal impacts, some generally neutral, but mostly negative in terms of the city's net population.

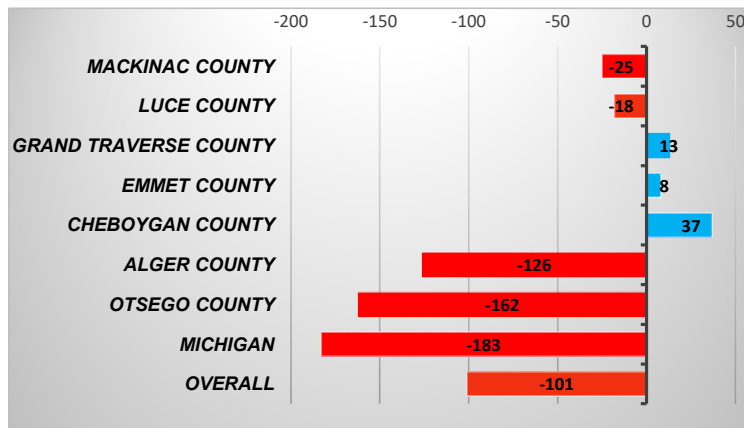
**Chart: Annual Net Migration – Sault Ste. Marie**



Examining the countywide trends, slight population losses are present with most of the neighboring counties within the eastern Upper Peninsula and northern Lower Peninsula, as indicated within the following chart and table. Additional population loss was also present in favor of Marquette County (loss of 78 persons), while the rest of the Upper Peninsula's population shifts were quite minimal. Small gains in favor of Chippewa County were reported with Grand Traverse, Emmet, and Cheboygan Counties – while only a fraction of the overall pattern, the trend is favorable and reflects positively upon Chippewa County's ability to bring in new residents. Other primary metropolitan areas within the state are minimal recipients of local residents, including the Grand Rapids region at a net loss of just 19 persons, and the Detroit area with a net migration flow of just five persons on an annual basis. As indicated previously, these losses at the county level are almost nearly negated by the influx of persons from outside of Michigan, reducing the overall net losses to 101 persons countywide.

These migration patterns help to partially explain the local population and household trends within the city and market area. Within the city, annual net migration totals from the city represent approximately 14 percent of the total population, while countywide the annual net migration totals from the county reflect just over seven percent. The numbers correspond with typical annual movership levels found within the American Community Survey. It should be reiterated that the migration data exhibits a somewhat high error rate.

**Chart: Annual Net Migration – Chippewa County**



While the overall net loss is relatively small at the county level, the pattern of population leakage to many adjacent sections of the region and the state of Michigan overall are indicative of an economic or placemaking disadvantage. Some potential explanations include an imbalance in the housing market, fewer employment opportunities, underdeveloped community services, or simply a somewhat less competitive environment that places the Soo area at a disadvantage regardless of the improvements made within the local community.

**Table: Annual Migration Patterns – Sault Ste. Marie**

	Flow Into Sault Ste. Marie	Flow Out of Sault Ste. Marie	Net Migration Sault Ste. Marie
<b>Gaylord</b>	<b>6</b>	<b>193</b>	<b>-187</b>
Percent of Total	0.6%	10.2%	---
<b>Cadillac</b>	<b>57</b>	<b>0</b>	<b>57</b>
Percent of Total	5.5%	0.0%	---
<b>Munising</b>	<b>0</b>	<b>47</b>	<b>-47</b>
Percent of Total	0.0%	2.5%	---
<b>Balance of Chippewa County</b>	<b>270</b>	<b>600</b>	<b>-330</b>
Percent of Total	26.1%	31.6%	---
<b>Flint</b>	<b>27</b>	<b>0</b>	<b>27</b>
Percent of Total	2.6%	0.0%	---
<b>Ionia</b>	<b>37</b>	<b>0</b>	<b>37</b>
Percent of Total	3.6%	0.0%	---
<b>Grand Rapids</b>	<b>127</b>	<b>295</b>	<b>-168</b>
Percent of Total	12.3%	15.6%	---
<b>Kalamazoo (Texas Twp.)</b>	<b>0</b>	<b>45</b>	<b>-45</b>
Percent of Total	0.0%	2.4%	---
<b>Michigan</b>	<b>817</b>	<b>1,505</b>	<b>-688</b>
Percent of Total	78.9%	79.4%	---
<b>Overall</b>	<b>1,035</b>	<b>1,896</b>	<b>-861</b>
Percent of Total	100.0%	100.0%	---

SOURCE: 2014/2018 American Community Survey, U.S. Census Bureau

**Table: Annual Migration Patterns – Chippewa County**

	<u>Flow Into Chippewa County</u>	<u>Flow Out of Chippewa County</u>	<u>Net Migration Chippewa County</u>
<b>Mackinac County</b>	<b>24</b>	<b>49</b>	<b>-25</b>
Percent of Total	0.9%	1.8%	---
<b>Luce County</b>	<b>14</b>	<b>32</b>	<b>-18</b>
Percent of Total	0.5%	1.2%	---
<b>Grand Traverse County</b>	<b>20</b>	<b>7</b>	<b>13</b>
Percent of Total	0.8%	0.3%	---
<b>Emmet County</b>	<b>23</b>	<b>15</b>	<b>8</b>
Percent of Total	0.9%	0.6%	---
<b>Cheboygan County</b>	<b>80</b>	<b>43</b>	<b>37</b>
Percent of Total	3.1%	1.6%	---
<b>Grand Rapids MSA</b>	<b>90</b>	<b>109</b>	<b>-19</b>
Percent of Total	3.5%	4.1%	---
<b>Detroit MSA</b>	<b>232</b>	<b>237</b>	<b>-5</b>
Percent of Total	9.0%	8.8%	---
<b>Michigan</b>	<b>1,837</b>	<b>2,020</b>	<b>-183</b>
Percent of Total	71.0%	75.1%	---
<b>United States</b>	<b>2,588</b>	<b>2,689</b>	<b>-101</b>
Percent of Total	100.0%	100.0%	---
SOURCE: 2014/2018 American Community Survey, U.S. Census Bureau			

## **Employment Trends**

Chippewa County's employment trends have generally followed statewide patterns, with somewhat more moderate employment losses on a percentage basis as compared to many other regions of the state. The county has not experienced a high degree of job growth found within many other sections of the state that have demonstrated full recoveries during the prior decade. Within Chippewa County, annual employment levels are slightly below the past few years, but have clearly recovered from the sharp decline in employment observed at the beginning of the pandemic. For 2020, the county reported an annual employment total of 14,684 jobs, with a corresponding unemployment rate for 2020 of 8.9 percent. Before 2020, the prior six years were mixed in terms of employment growth, with limited job gains coupled with a slowly declining size of the overall workforce.

Chippewa County historically exhibits somewhat higher unemployment ratios as compared to statewide and national rates. The county's unemployment rate for 2020 was the first exception to this trend, with a county rate of 8.9 percent, as compared to the State of



Michigan unemployment rate for 2020 of 9.9 percent. The annual rate is a clear recovery from the unemployment levels impacted by the pandemic, which reached a high of 20.6 percent in April of 2020. With the exception of the 2020 ratio, unemployment levels have steadily declined since 2013, and continued declines should be anticipated further into the current decade.

For 2020, the Chippewa County employment base totaled 14,990 persons. This level is less than a one percent decline from 2019, but does reflect the lowest employment total within the county since 2009, and a four percent decline from 2008. Such trends are not unusual across many portions of northern Michigan and the Upper Peninsula, but more prosperous sections of Michigan are experiencing continued employment gains even after the pandemic's impact is taken into consideration. These areas of higher employment growth are generally more diverse in terms of employment options, contain notably preferable quality-of-life assets, and feature the necessary infrastructure and educational assets to sustain economic activity despite prevailing regional or national trends.

**Chart: Area Employment Trends – Chippewa County**

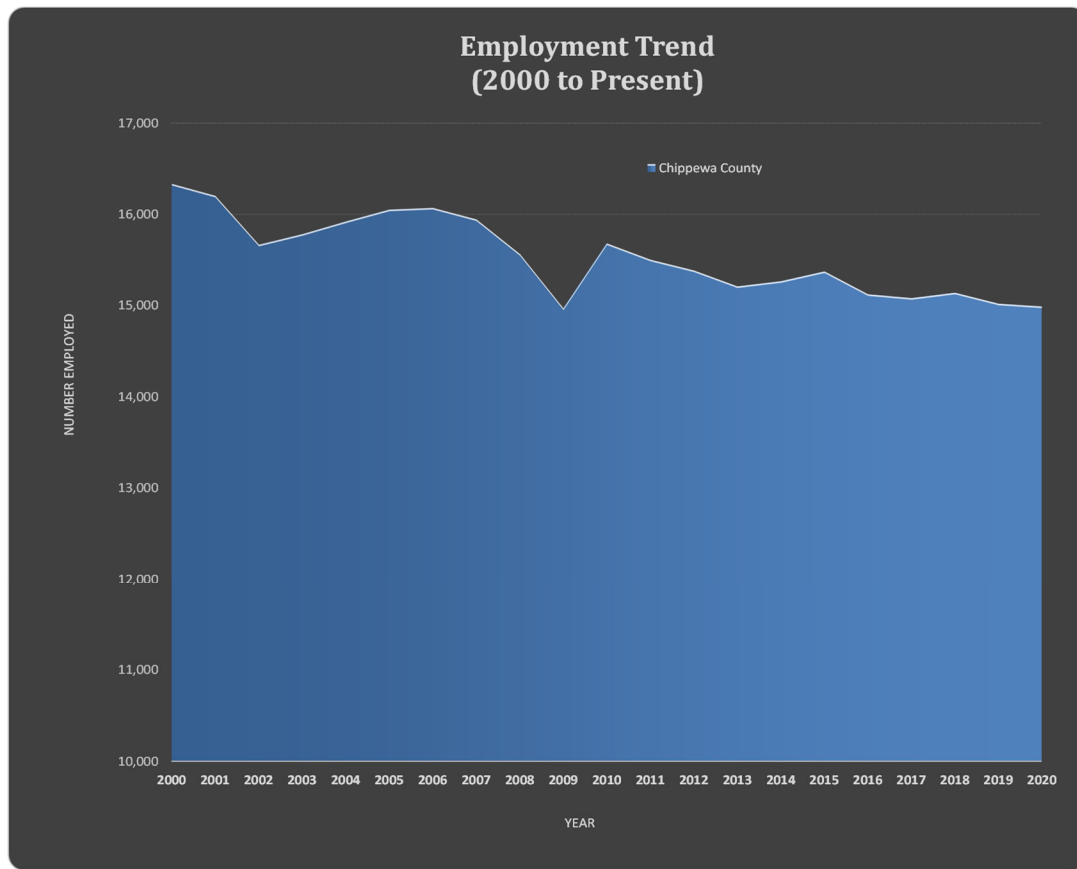


Chart: Annual Change in Employment – Chippewa County

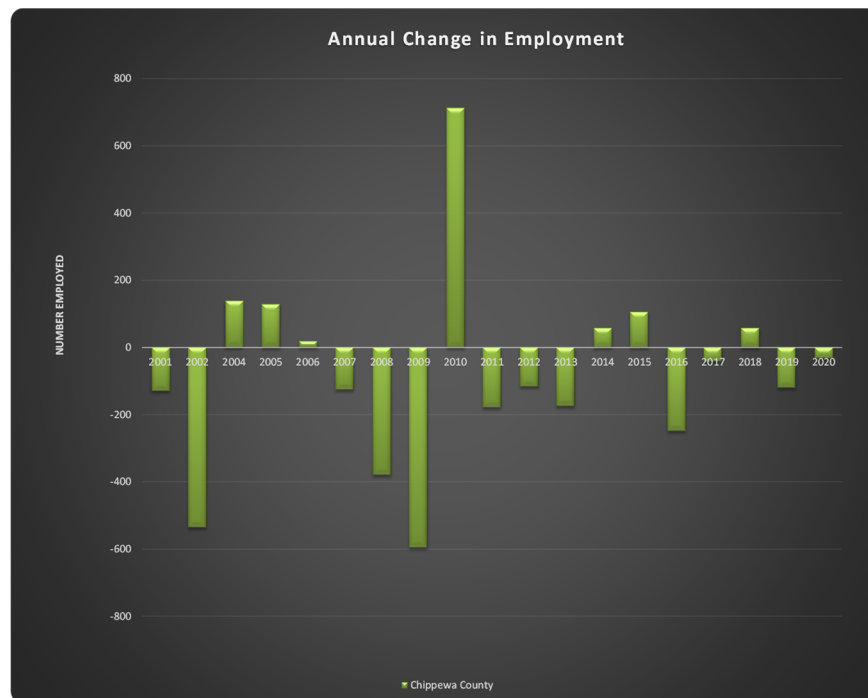
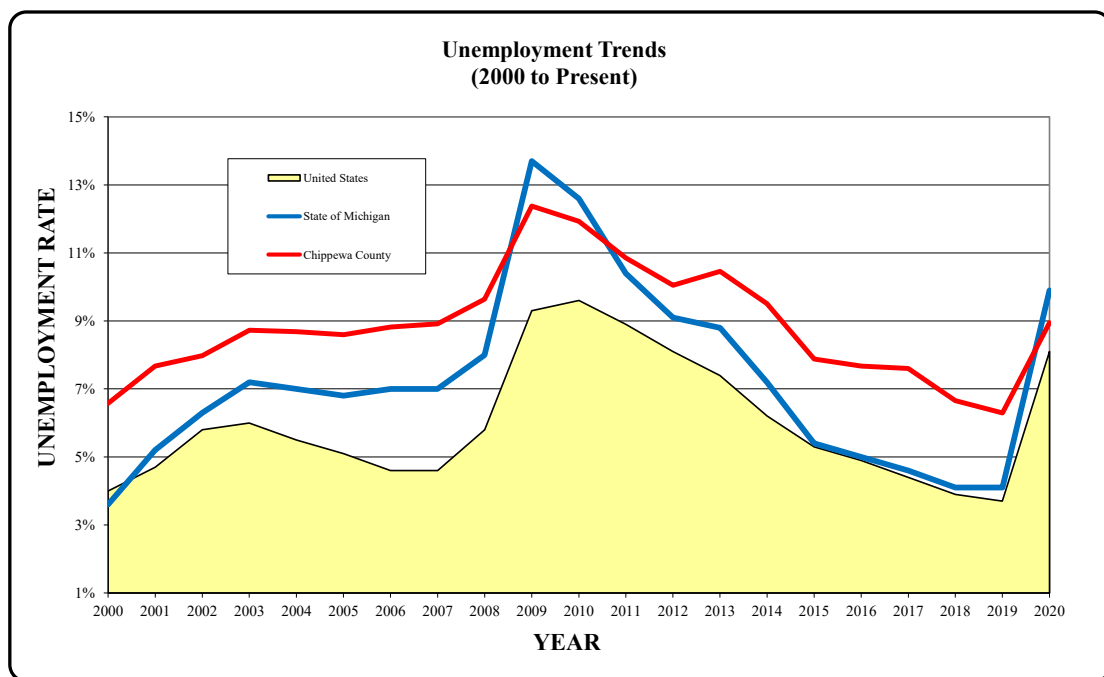


Chart: Unemployment Rate Comparison



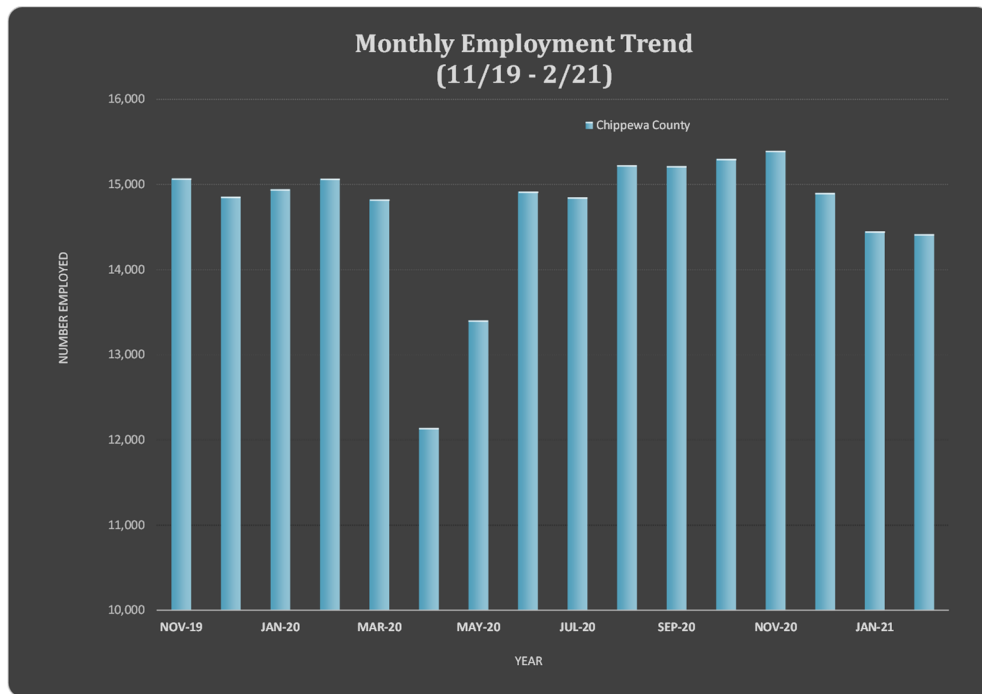
**Table: Employment Trends (2000 to Present)**

	Chippewa County				State of Michigan	United States
Year	Labor Force	Number Employed	Annual Change	Unemployment Rate	Unemployment Rate	Unemployment Rate
2000	17,485	16,335	---	6.6%	3.6%	4.0%
2001	17,552	16,205	(130)	7.7%	5.2%	4.7%
2002	17,028	15,669	(536)	8.0%	6.3%	5.8%
2003	17,293	15,784	115	8.7%	7.2%	6.0%
2004	17,437	15,923	139	8.7%	7.0%	5.5%
2005	17,561	16,052	129	8.6%	6.8%	5.1%
2006	17,626	16,071	19	8.8%	7.0%	4.6%
2007	17,505	15,945	(126)	8.9%	7.0%	4.6%
2008	17,225	15,565	(380)	9.6%	8.0%	5.8%
2009	17,083	14,969	(596)	12.4%	13.7%	9.3%
2010	17,806	15,682	713	11.9%	12.6%	9.6%
2011	17,390	15,503	(179)	10.9%	10.4%	8.9%
2012	17,105	15,386	(117)	10.0%	9.1%	8.1%
2013	16,987	15,211	(175)	10.5%	8.8%	7.4%
2014	16,873	15,269	58	9.5%	7.2%	6.2%
2015	16,690	15,375	106	7.9%	5.4%	5.3%
2016	16,383	15,126	(249)	7.7%	5.0%	4.9%
2017	16,325	15,084	(42)	7.6%	4.6%	4.4%
2018	16,222	15,142	58	6.7%	4.1%	3.9%
2019	16,031	15,022	(120)	6.3%	4.1%	3.7%
2020	16,463	14,990	(32)	8.9%	9.9%	8.1%
Feb-20	16,261	15,206	---	6.5%	3.8%	3.5%
Feb-21	15,570	14,407	(799)	7.5%	5.1%	6.2%
			Number	Percent		
Change (2000-Present):			(1,345)	-8.2%		
Change (2000-2008):			(770)	-4.7%		
Change (2008-Present):			(575)	-3.7%		
SOURCE: Bureau of Labor Statistics.						

With the sizable, but generally temporary, negative economic impact of the COVID-19 pandemic, it is important to demonstrate which sectors of the local and regional economy have been impacted, and how current trends may lead to the full recovery in terms of employment. Monthly trends for jobs and unemployment levels are presented within the following tables, providing an indication of the significant impact and strong degree of recovery observed within Chippewa County as well as most of Michigan.

Employment totals appear to demonstrate recovery, with the exception of specific job sectors such as hospitality/entertainment and retail trade occupations. Indications of a complete recovery for the region and nation appear to be much more prevalent as 2021 passes. A full depiction of the county's recovery will not be fully evident until the end of this year, assuming remaining service and retail occupation levels return to pre-pandemic totals.

**Chart: Monthly Employment Trends – Chippewa County**



**Chart: Monthly Change in Employment – Chippewa County**

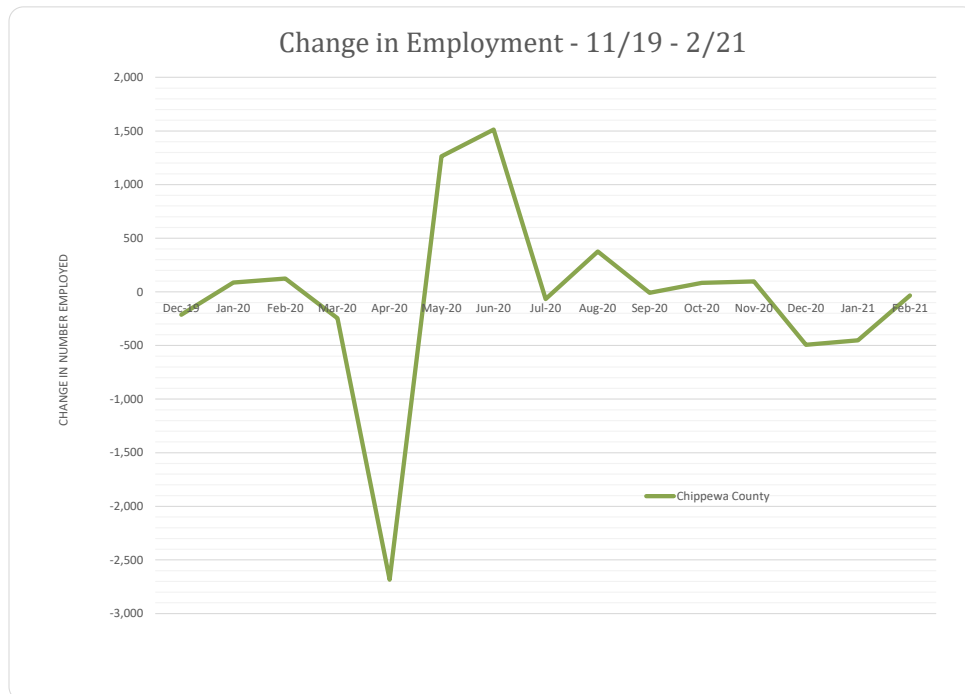
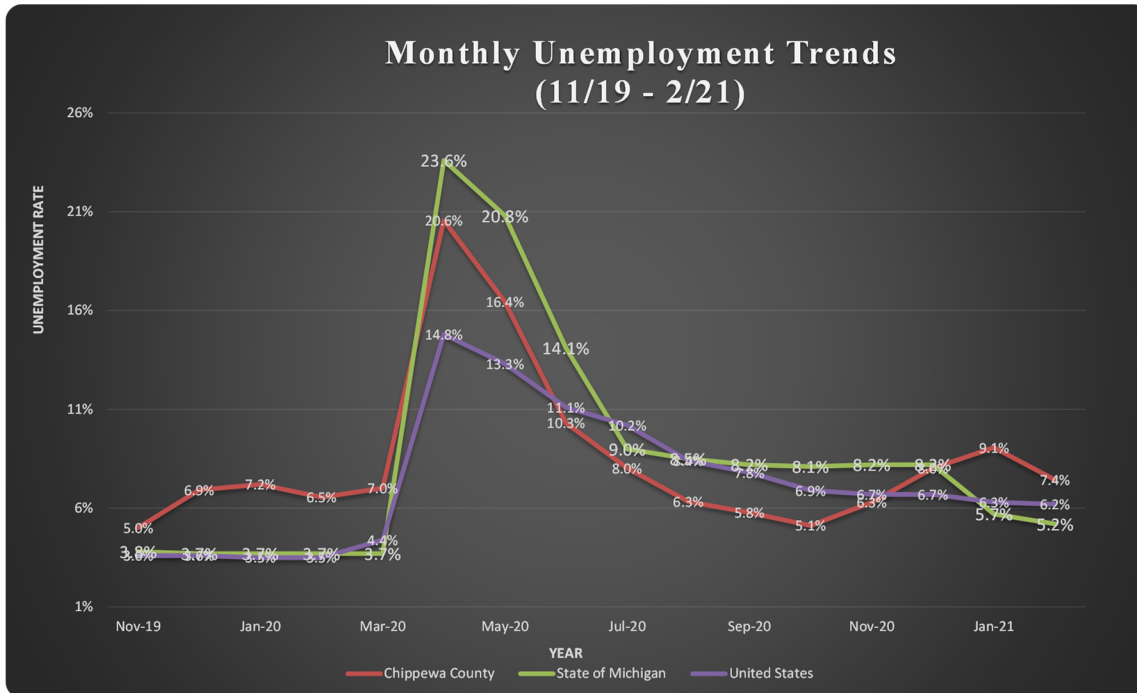


Chart: Monthly Unemployment Rate Comparison



### Wage and Income Data

Employment and wage data obtained from the U.S. Census Bureau's Quarterly Census of Employment and Wages (QCEW) provides a current picture of employment distribution within Chippewa County (data is only available at the county level). This data measures private and public sector employment trends that take place within a given county, regardless of the residence of the labor force. As can be seen within the figures on the following pages, over the past nine years few employment categories have demonstrated an increase of the decade (data reflects pre-pandemic trends). The most notable gains were reported within the construction and manufacturing sectors, and the entire production category increased by 18.5 percent between 2010 and 2019. Unfortunately, this portion of the labor force only accounts for eight percent of

*Comparisons between the residential labor force and in-place labor force are similar, as commuting levels are notably lower than most other cities/towns within Michigan.*

all jobs within the county. The largest segment within Chippewa County is the public administration sector (federal/state/local occupations), which represented 26 percent of all positions across the county in 2019.

This sector has declined by six percent since 2010. In addition, the combined services sector has declined by

four percent over the past nine years, with the only individual occupation category demonstrating an increase being the Trade/Transportation/Utilities sector, with a two percent increase.

Overall, at-place employment has declined by three percent between 2010 and 2019, with a 2019 total of 12,311 jobs within Chippewa County.

These trends correspond with the Bureau of Labor Statistics data previously illustrated, and are indicative of a local economy that has demonstrated little employment growth, lacks a high degree of diversity, and exhibits relatively low market wages. The community's concentration of public sector jobs has clearly helped to stabilize the local economy and labor force, and it is fortunate that continued growth within this sector is anticipated into the current decade.

With the low degree of commuting taking place among the county's population, the trends found within both the at-place labor force and the residential labor force are essentially the same. A primary way to illustrate the employment trends within Chippewa County is a comparison of private sector residential employment compared to at-place employment. Both statistics are collected by the U.S. Department of Labor, but are collected within separate surveys and are not meant for extensive comparisons. However, in a broad sense the total number of residential employment (14,291 jobs, as of 2019) as compared to at-place employment (12,311 jobs, also as of 2019) is a clear illustration of the dynamics of the Chippewa County labor market, in which it is likely that the commuting percentage is somewhat larger than reported by the U.S. Census Bureau, but still relatively low as compared to most other regions of Michigan. Thus, the availability of local housing options for a wide range of households with various occupational characteristics (and associated wage/income levels) is perhaps more important than typically indicated within a community that does exhibit a higher degree of commuting.

Wage levels across Chippewa County's private sector have not demonstrated significant gains on a real dollar basis over the past decade. The highest wages are found within the manufacturing and construction sectors (\$45,283 and \$43,567, respectively, as of 2019), while leisure/hospitality positions offer the lowest average annual wage, at \$17,509, as of 2019. Overall private sector average wage for 2019 is just \$31,317 – a reflection of the community's limited number of manufacturing/construction jobs, a high degree of public sector employment, and limited professional/business options, with that sector actually demonstrating a 20 percent

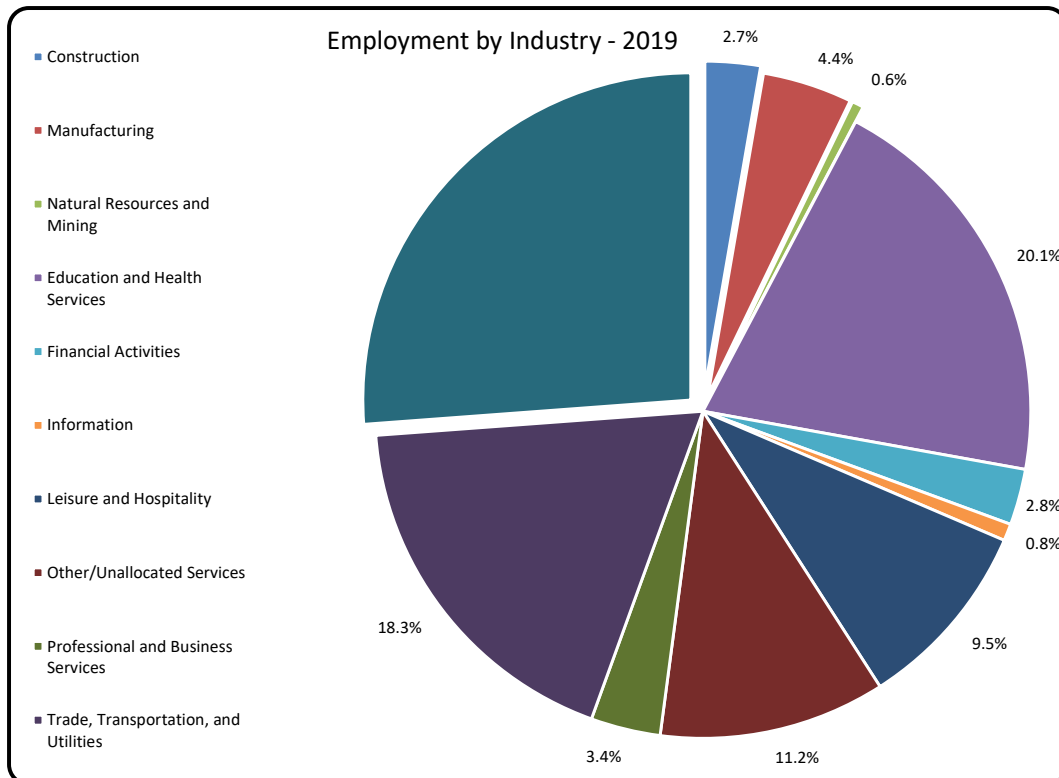
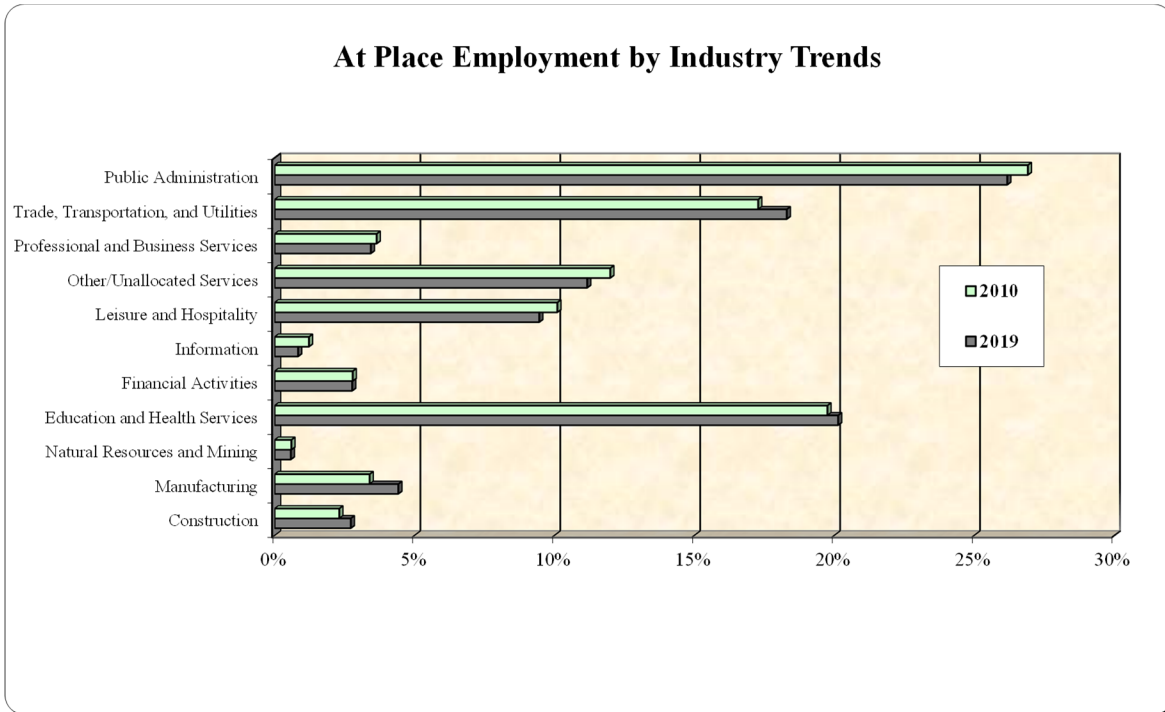
decline in average annual wage on a real basis. Overall private sector wages have slowly increased over the past eight years, as the average annual wage has grown by 1.8 percent on an annual basis. This rate of growth does not keep up with prevailing inflation levels, and is well below most other counties across northern Michigan.

For housing market trends to address the most attractive target market segments, the identification of gaps within the housing stock need to be identified and addressed, with the goal of providing the widest range possible of housing choices that will attract potential residents from across the region. The broadest available housing stock serves the broadest possible resident base. The identification of such gaps in the housing stock will then provide local housing leaders/developers with potential pricing and amenities that would make the local housing stock ideally competitive with neighboring communities. The size and diversity of housing demand is unfortunately negatively impacted by the limited wage levels, lack of income growth, and an insufficiently diverse labor force.

**Table: Chippewa County - Employment by Industry – 2010 to 2019**

<i><b>Employment Categories by Industry</b></i>	<i><b>2010</b></i>		<i><b>2019</b></i>		<i><b>% Change</b></i>
	<b>Number Employed</b>	<b>Percent</b>	<b>Number Employed</b>	<b>Percent</b>	
<b>Construction</b>	294	2.3%	335	2.7%	<b>13.9%</b>
<b>Manufacturing</b>	432	3.4%	544	4.4%	<b>25.9%</b>
<b>Natural Resources and Mining</b>	<u>76</u>	0.6%	<u>71</u>	0.6%	<b>-6.6%</b>
<b>Total Production:</b>	<b>802</b>	<b>6.3%</b>	<b>950</b>	<b>7.7%</b>	<b>18.5%</b>
<b>Education and Health Services</b>	2,515	19.8%	2,479	20.1%	<b>-1.4%</b>
<b>Financial Activities</b>	355	2.8%	341	2.8%	<b>-3.9%</b>
<b>Information</b>	156	1.2%	103	0.8%	<b>-34.0%</b>
<b>Leisure and Hospitality</b>	1,286	10.1%	1,164	9.5%	<b>-9.5%</b>
<b>Other/Unallocated Services</b>	1,527	12.0%	1,375	11.2%	<b>-10.0%</b>
<b>Professional and Business Services</b>	464	3.6%	423	3.4%	<b>-8.8%</b>
<b>Trade, Transportation, and Utilities</b>	<u>2,200</u>	17.3%	<u>2,253</u>	18.3%	<b>2.4%</b>
<b>Total Services:</b>	<b>8,503</b>	<b>66.8%</b>	<b>8,138</b>	<b>66.1%</b>	<b>-4.3%</b>
<b>Public Administration</b>	3,427	26.9%	3,223	26.2%	<b>-6.0%</b>
<b>Overall Total:</b>	<b>12,732</b>	<b>100%</b>	<b>12,311</b>	<b>100%</b>	<b>-3.3%</b>
SOURCE: Bureau of Labor Statistics.					

**Chart: Employment by Industry Breakdown – Chippewa County**





**Table: Chippewa County Wage Trends by Industry – 2010 to 2019**

<i>Private Employment Categories by Industry</i>	<i>Average Annual Pay - 2010</i>	<i>Average Annual Pay - 2019</i>	<i>% of Overall Average - 2019</i>	<i>Total % Change - 2010-2019</i>	<i>Average Annual % Change - 2010-2019</i>
Construction	\$33,139	\$43,567	39.1%	31.5%	3.1%
Education and Health Services	\$34,508	\$29,533	-5.7%	-14.4%	-1.7%
Financial Activities	\$32,957	\$39,191	25.1%	18.9%	1.9%
Information	\$24,823	\$35,138	12.2%	41.6%	3.9%
Leisure and Hospitality	\$12,415	\$17,509	-44.1%	41.0%	3.9%
Manufacturing	\$35,982	\$45,283	44.6%	25.8%	2.6%
Natural Resources and Mining	\$39,866	\$54,621	74.4%	37.0%	3.6%
Other Services	\$16,038	\$21,887	-30.1%	36.5%	3.5%
Professional and Business Services	\$40,975	\$32,848	4.9%	-19.8%	-2.4%
Trade, Transportation, and Utilities	\$26,814	\$32,692	4.4%	21.9%	2.2%
<b>Overall Average</b>	<b>\$26,687</b>	<b>\$31,317</b>	<b>---</b>	<b>17.3%</b>	<b>1.8%</b>

SOURCE: Bureau of Labor Statistics.

### Population Trends

Population totals within the Sault Ste. Marie area and across Chippewa County are forecast to slowly decline further into the decade, according to projections from ESRI. By 2025, the county's population is projected to total 37,132 persons, reflecting a decline of nearly four percent from 2010. Slight losses are also anticipated within the city and market area over the same period (seven percent and five percent, respectively).

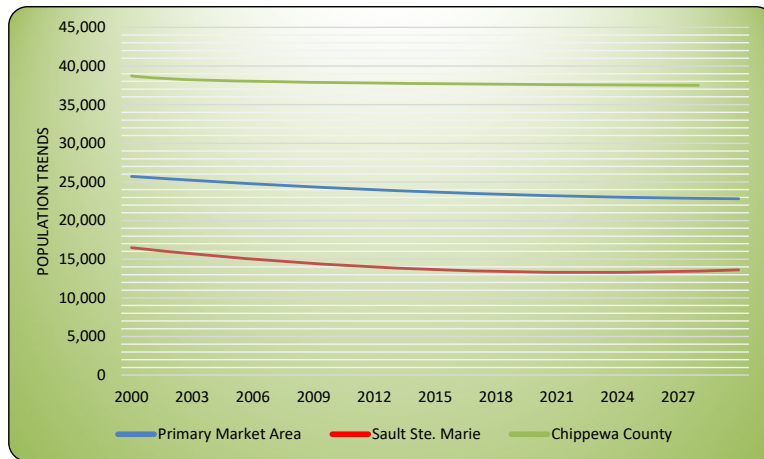
**Table: Population Trends (2000 to 2025)**

	<b>City of Sault Ste. Marie</b>	<b>PMA</b>	<b>Chippewa County</b>
<b>2000 Population</b>	16,539	25,735	38,543
<b>2010 Population</b>	14,144	24,142	38,520
Percent Change (2000-2010)	-14.5%	-6.2%	-0.1%
Average Annual Change (2000 to 2010)	-1.6%	-0.6%	0.0%
<b>2020 Population Estimate</b>	13,512	23,382	37,724
Percent Change (from 2010)	-4.5%	-3.1%	-2.1%
Average Annual Change (2010 to 2020)	-0.5%	-0.3%	-0.2%
<b>2023 Population Forecast</b>	13,319	23,096	37,369
Percent Change (from 2010)	-5.8%	-4.3%	-3.0%
Average Annual Change (2010 to 2023)	-0.5%	-0.3%	-0.2%
<b>2025 Population Forecast</b>	13,191	22,906	37,132
Percent Change (from 2010)	-6.7%	-5.1%	-3.6%
Average Annual Change (2010 to 2025)	-0.5%	-0.3%	-0.2%

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

The following chart shows a population projection for the Soo region, providing an indication of the prevailing trend forward from 2010, reflecting the decline in overall population previously discussed.

**Chart: Population Trends/Projections**



With two correctional facilities and a university within the county, the Soo area is somewhat unique from a population standpoint, as adjustments are generally needed to separate group quarters populations. In this instance, the Census Bureau’s American Community Survey forecasts indicate continued declines within the group quarters population. This does reflect lower prison population figures and on-campus student enrollments over the next few years, which appears logical given an aging prison population across all of Michigan’s correctional facilities and a de-emphasis on multiple-person boarding by most larger universities due to the pandemic (as of 2010 the number of student group quarters persons totaled 246 persons).

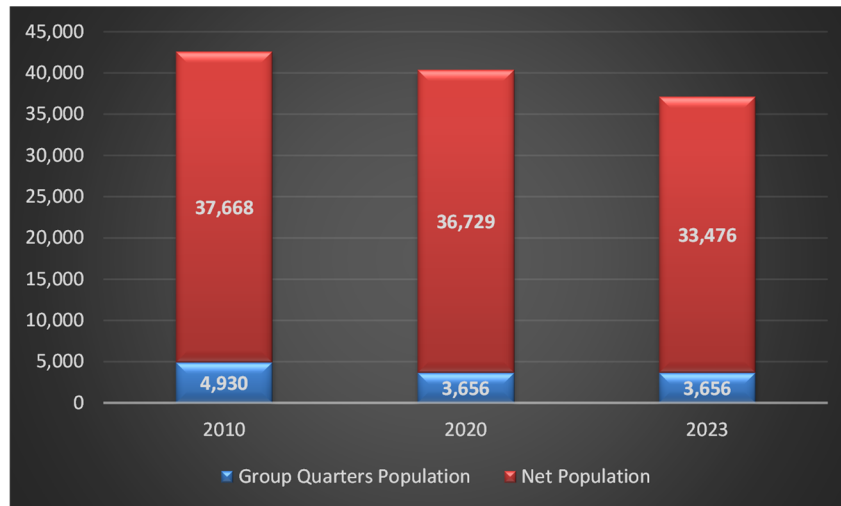
It is often that adjustments are needed due to changing conditions and local trends that are not readily reflected in group quarters projections provided by the Census Bureau or private firms such as ESRI, Inc. For this analysis, however, changes in the correctional facilities (including consolidation and reductions in overall prison population totals) and Lake Superior State University (with generally stable student population totals) point to the projected totals being indicative of prevailing overall population trends, with no evident need for adjustments. The most accurate results will not come until the full release of the 2020 Census, sometime after September of this year.

**Table: Group Quarters Population Trends (2010 to 2020)**

	City of <u>Sault Ste. Marie</u>	<u>PMA</u>	Chippewa <u>County</u>
2010 Group Quarters	846	852	4,930
2020 Group Quarters Estimate	988	995	3,656
2010 Group Quarters - Age 65+	127	127	127
2020 Group Quarters Estimate - Age 65+	147	150	226

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

**Chart: Group Quarters Population Trends – Chippewa County**



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

*Growth in senior population, primarily due to aging in place, represents the primary demographic change within Chippewa County.*

The ideal distribution of age within a community has the largest concentrations among the younger adults and non-adult populations, which transition into increasing household totals and family creation, while allowing older adults to age in place. As it would be necessary to remove the

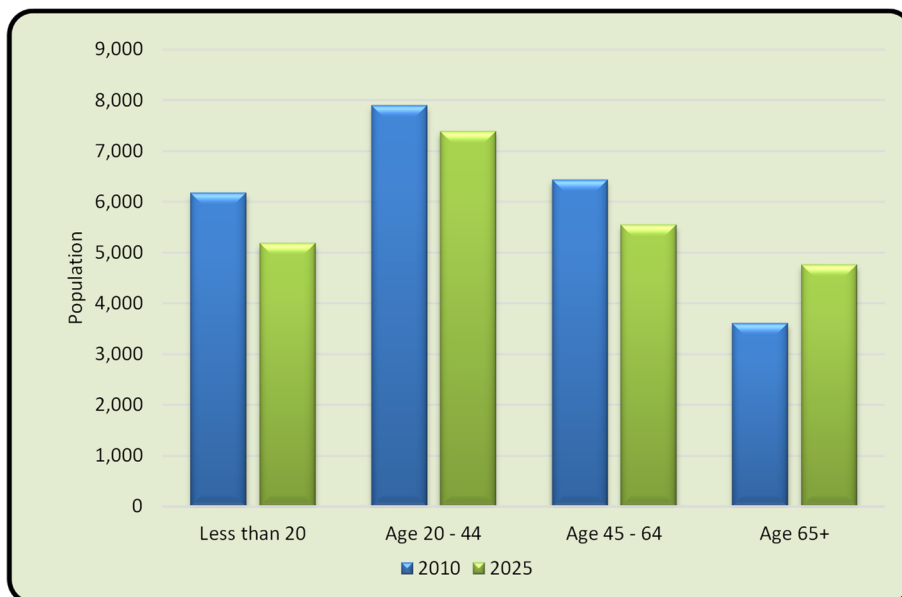
group quarters population from these statistics, the analysis will focus primarily upon the senior segment. The senior data is reflective of the non-prison population, as most of the prison population is below the age of 40, according to the most recent Michigan Department of Corrections data.

According to ESRI forecasts, by 2025 the size of the senior age segment will increase by 35 percent within Chippewa County, to a total of 7,598 persons. Trends for seniors within Sault Ste. Marie are not as positive, but still reflect strong growth trends. Within the city, the number of seniors age 65 and older is forecast to total 2,403 persons, an increase of 22 percent from 2010.

It also should be noted that non-adults (age 19 and younger) will decline across the county at a 1.5 percent annual rate – much stronger than the two adult (non-senior) segments. By 2025 the number of children will total 7,442 persons across the county – a loss of more than 1,400 persons from 2010. Such trends are generally found within a rapidly aging community with a declining birth rate. Considering how many communities are struggling with declining school enrollment and the corresponding problems with the labor force and tax base, any actions that would encourage new household creation and the establishment of more families with children should be undertaken.

The county's non-senior population will continue to decline by 2025 and beyond, projected to represent 79.5 percent of the 2025 population; in 2010, the non-senior population accounted for 87.3 percent of the total population. These shifts are similar across all sections of Chippewa County.

**Chart: Chippewa County Age Distribution (2010 to 2025)**

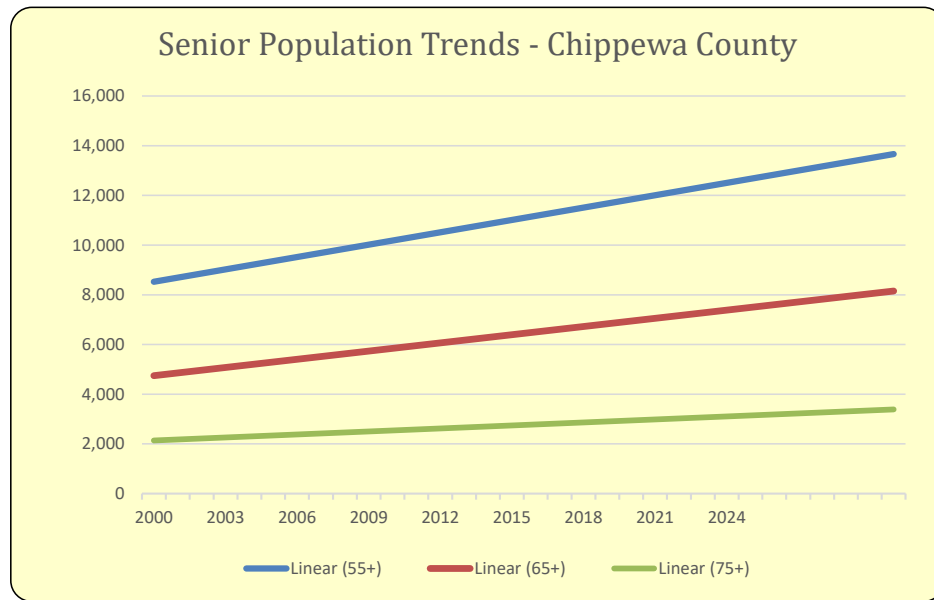


**Table: Age Distribution (2010 to 2025)**

	City of <u>Sault Ste. Marie</u>	<u>PMA</u>	Chippewa <u>County</u>
<b>Age Less than 20 - 2010</b>	<b>3,639</b>	<b>6,183</b>	<b>8,877</b>
Percent of total 2010 population	25.7%	25.6%	23.0%
<b>Age Between 20 and 44 - 2010</b>	<b>5,168</b>	<b>7,903</b>	<b>13,327</b>
Percent of total 2010 population	36.5%	32.7%	34.6%
<b>Age Between 45 and 64 - 2010</b>	<b>3,365</b>	<b>6,440</b>	<b>10,689</b>
Percent of total 2010 population	23.8%	26.7%	27.7%
<b>Age 65 and Over - 2010</b>	<b>1,972</b>	<b>3,616</b>	<b>5,627</b>
Percent of total 2010 population	13.9%	15.0%	14.6%
<b>Age Less than 20 - 2025</b>	<b>3,166</b>	<b>5,191</b>	<b>7,442</b>
Percent of total 2025 population	24.0%	22.7%	20.0%
Percent change (2010 to 2025)	-13.0%	-16.0%	-16.2%
Average Annual Change (2010 to 2025)	-1.2%	-1.4%	-1.5%
<b>Age Between 20 and 44 - 2025</b>	<b>4,807</b>	<b>7,394</b>	<b>12,745</b>
Percent of total 2025 population	36.4%	32.3%	34.3%
Percent change (2010 to 2025)	-7.0%	-6.4%	-4.4%
Average Annual Change (2010 to 2025)	-0.6%	-0.6%	-0.4%
<b>Age Between 45 and 64 - 2025</b>	<b>2,816</b>	<b>5,550</b>	<b>9,347</b>
Percent of total 2025 population	21.3%	24.2%	25.2%
Percent change (2010 to 2025)	-16.3%	-13.8%	-12.6%
Average Annual Change (2010 to 2025)	-1.5%	-1.2%	-1.1%
<b>Age 65 and Over - 2025</b>	<b>2,403</b>	<b>4,769</b>	<b>7,598</b>
Percent of total 2025 population	18.2%	20.8%	20.5%
Percent change (2010 to 2025)	21.9%	31.9%	35.0%
Average Annual Change (2010 to 2025)	1.7%	2.3%	2.5%

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

**Chart: Senior Population Trends/Projections**



**Table: Senior Population Trends (2010 to 2025)**

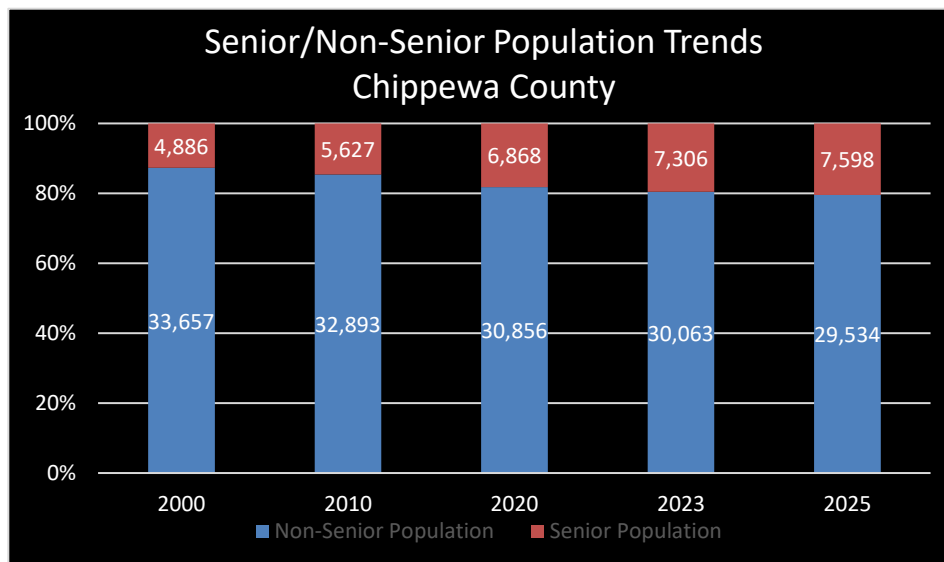
	<b>City of Sault Ste. Marie</b>	<b>PMA</b>	<b>Chippewa County</b>
<b>2000 Senior Population (55 years and Over)</b>	<b>3,139</b>	<b>5,368</b>	<b>8,307</b>
Percent of total 2000 population	22.2%	22.2%	21.6%
<b>2010 Senior Population (55 years and Over)</b>	<b>3,523</b>	<b>6,616</b>	<b>10,453</b>
Percent of total 2010 population	26.1%	28.3%	27.7%
Percent change (2000 to 2010)	12.2%	23.2%	25.8%
Average Annual Change (2000 to 2010)	1.2%	2.1%	2.3%
<b>2020 Senior Population (55 years and Over)</b>	<b>3,831</b>	<b>7,543</b>	<b>12,096</b>
Percent of total 2020 population	28.8%	32.7%	32.4%
Percent change (2010 to 2020)	8.7%	14.0%	15.7%
Average Annual Change (2010 to 2020)	1.2%	1.9%	2.1%
<b>2023 Senior Population (55 years and Over)</b>	<b>3,839</b>	<b>7,649</b>	<b>12,277</b>
Percent of total 2023 population	28.8%	33.1%	32.9%
Percent change (2010 to 2023)	9.0%	15.6%	17.5%
Average Annual Change (2010 to 2023)	0.9%	1.5%	1.6%
<b>2025 Senior Population (55 years and Over)</b>	<b>3,845</b>	<b>7,720</b>	<b>12,398</b>
Percent of total 2025 population	29.1%	33.7%	33.4%
Percent change (2010 to 2025)	9.1%	16.7%	18.6%
Average Annual Change (2010 to 2025)	0.7%	1.3%	1.4%
<b>2000 Senior Population (65 years and Over)</b>	<b>2,062</b>	<b>3,275</b>	<b>4,886</b>
Percent of total 2000 population	14.6%	13.6%	12.7%
<b>2010 Senior Population (65 years and Over)</b>	<b>1,972</b>	<b>3,616</b>	<b>5,627</b>
Percent of total 2010 population	14.6%	15.5%	14.9%
Percent change (2000 to 2010)	-4.4%	10.4%	15.2%
Average Annual Change (2000 to 2010)	-0.4%	1.0%	1.4%
<b>2020 Senior Population (65 years and Over)</b>	<b>2,230</b>	<b>4,344</b>	<b>6,868</b>
Percent of total 2020 population	16.7%	18.8%	18.4%
Percent change (2010 to 2020)	13.1%	20.1%	22.1%
Average Annual Change (2010 to 2020)	1.8%	2.7%	2.9%
<b>2023 Senior Population (65 years and Over)</b>	<b>2,334</b>	<b>4,599</b>	<b>7,306</b>
Percent of total 2023 population	17.5%	19.9%	19.6%
Percent change (2010 to 2023)	18.3%	27.2%	29.8%
Average Annual Change (2010 to 2023)	1.7%	2.4%	2.6%
<b>2025 Senior Population (65 years and Over)</b>	<b>2,403</b>	<b>4,769</b>	<b>7,598</b>
Percent of total 2025 population	18.2%	20.8%	20.5%
Percent change (2010 to 2025)	21.9%	31.9%	35.0%
Average Annual Change (2010 to 2025)	1.7%	2.3%	2.5%
<b>2000 Senior Population (75 years and Over)</b>	<b>1,109</b>	<b>1,533</b>	<b>2,178</b>
Percent of total 2000 population	7.8%	22.1%	25.1%
<b>2010 Senior Population (75 years and Over)</b>	<b>1,093</b>	<b>1,746</b>	<b>2,521</b>
Percent of total 2010 population	8.1%	7.5%	6.7%
Percent change (2000 to 2010)	-1.4%	13.9%	15.7%
Average Annual Change (2000 to 2010)	-0.1%	1.3%	1.5%
<b>2020 Senior Population (75 years and Over)</b>	<b>1,075</b>	<b>1,909</b>	<b>2,819</b>
Percent of total 2020 population	8.1%	8.3%	7.5%
Percent change (2010 to 2020)	-1.6%	9.3%	11.8%
Average Annual Change (2010 to 2020)	-0.2%	1.3%	1.6%
<b>2023 Senior Population (75 years and Over)</b>	<b>1,130</b>	<b>2,061</b>	<b>3,075</b>
Percent of total 2023 population	8.5%	8.9%	8.2%
Percent change (2010 to 2023)	3.4%	18.1%	22.0%
Average Annual Change (2010 to 2023)	0.3%	1.7%	2.0%
<b>2025 Senior Population (75 years and Over)</b>	<b>1,167</b>	<b>2,163</b>	<b>3,245</b>
Percent of total 2025 population	8.8%	9.4%	8.7%
Percent change (2010 to 2025)	6.8%	23.9%	28.7%
Average Annual Change (2010 to 2025)	0.5%	1.8%	2.1%
SOURCE: 2000/2010 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; ESRI Business Analyst.			

**Table: Senior/Non-Senior Population Trends (2010 to 2025)**

	City of <u>Sault Ste. Marie</u>	<u>PMA</u>	Chippewa <u>County</u>
<b>2000 Non-Senior Population</b>	<b>14,477</b>	<b>22,460</b>	<b>33,657</b>
Percent of total 2000 population	85.4%	86.4%	87.3%
<b>2010 Non-Senior Population</b>	<b>12,172</b>	<b>20,526</b>	<b>32,893</b>
Percent of total 2010 population	85.4%	84.5%	85.1%
<b>2020 Non-Senior Population</b>	<b>11,282</b>	<b>19,038</b>	<b>30,856</b>
Percent of total 2020 population	83.3%	81.2%	81.6%
Percent change (2010 to 2020)	-7.3%	-7.2%	-6.2%
<b>2023 Non-Senior Population</b>	<b>10,986</b>	<b>18,497</b>	<b>30,063</b>
Percent of total 2023 population	82.5%	80.1%	80.4%
Percent change (2010 to 2023)	-9.7%	-9.9%	-8.6%
<b>2025 Non-Senior Population</b>	<b>10,788</b>	<b>18,137</b>	<b>29,534</b>
Percent of total 2025 population	81.8%	79.2%	79.5%
Percent change (2010 to 2025)	-11.4%	-11.6%	-10.2%
<b>2000 Senior Population (65 years and Over)</b>	<b>2,062</b>	<b>3,275</b>	<b>4,886</b>
Percent of total 2000 population	14.6%	13.6%	12.7%
<b>2010 Senior Population (65 years and Over)</b>	<b>1,972</b>	<b>3,616</b>	<b>5,627</b>
Percent of total 2010 population	14.6%	15.5%	14.9%
Percent change (2000 to 2010)	-4.4%	10.4%	15.2%
<b>2020 Senior Population (65 years and Over)</b>	<b>2,230</b>	<b>4,344</b>	<b>6,868</b>
Percent of total 2020 population	16.7%	18.8%	18.4%
Percent change (2010 to 2020)	13.1%	20.1%	22.1%
<b>2023 Senior Population (65 years and Over)</b>	<b>2,334</b>	<b>4,599</b>	<b>7,306</b>
Percent of total 2023 population	17.5%	19.9%	19.6%
Percent change (2010 to 2023)	18.3%	27.2%	29.8%
<b>2025 Senior Population (65 years and Over)</b>	<b>2,403</b>	<b>4,769</b>	<b>7,598</b>
Percent of total 2025 population	18.2%	20.8%	20.5%
Percent change (2010 to 2025)	21.9%	31.9%	35.0%

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

**Chart: Senior/Non-Senior Population Trends**



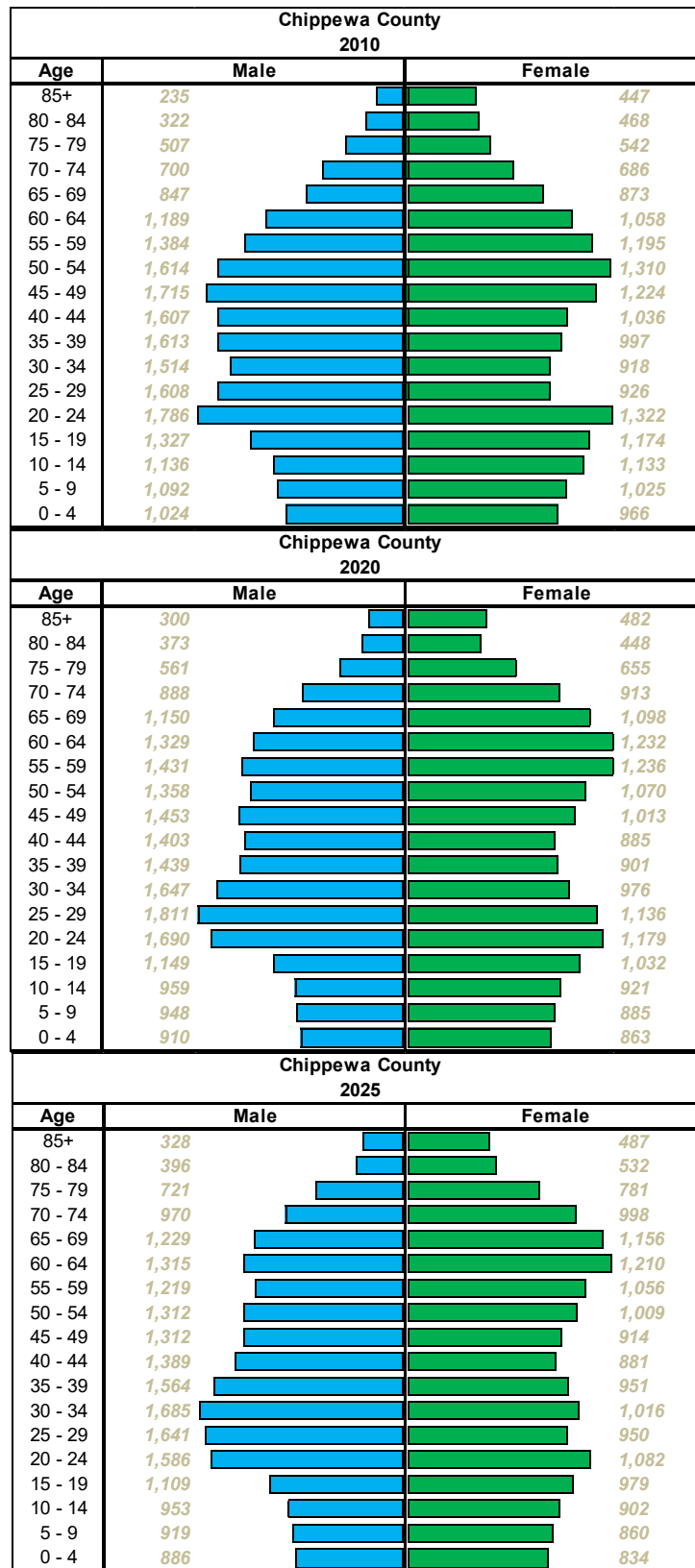
Another way to illustrate population shifts is to use a population pyramid, to reflect individual age group concentrations and shifts in how these groups move over time. The pyramid below is for Chippewa County, with sizable segments that reflect both the Baby Boom generation and the Millennials, as well as the male prison population, which remains relatively constant throughout the time series. As you can see, over time nearly all of the Baby Boom generation ages in place locally; the Millennials, however, appear to dissipate as the pyramid shifts from 2010 to 2025. This visualization also illustrates the increasing imbalance within the market area (along with most other sections of Michigan) in regard to increasing burdens placed upon a shrinking workforce population.

Most communities are struggling with what are becoming inverted population pyramids – with an insufficient number of non-seniors supporting an ever-increasing senior population. In such instances the pyramid now resembles a column and eventually, an inverted pyramid – such trends are already present across many of northern Michigan’s small towns, in which the number of seniors and households headed by a senior citizen are to the point that school districts are rapidly depopulating, tax base issues are becoming prevalent, and the number of retail/service outlets and their composition/target market is shifting toward the senior segment.

While Chippewa County is not as aged as most other Upper Peninsula counties, economic development and employment alternatives that encourage younger households to stay or relocate to the Soo area would greatly help to stabilize the region’s overall population. Increasing the number and variety of housing options would also greatly influence the population base of the community in a positive manner, increase opportunities for families to relocate to Chippewa County, and expand the local employment base toward a greater degree of diversification. Such changes are difficult without a modern, diverse, and reasonably priced housing stock, serving a wide range of persons, including families, singles, and seniors.



Chart: Population Pyramids by Sex – Chippewa County



The average household size across Chippewa County is currently estimated at 2.39 persons – lower than the statewide estimate of 2.55 persons. The city’s average household size is even lower, at 2.16 persons. In the future, household sizes will remain essentially constant, as changes in population and household totals are projected to be relatively similar. This is contrary from most other communities in the state, in which family and household sizes are slowly declining.

Among seniors, the average household size is slowly rising across Chippewa County, indicative of increased senior lifespans and more senior couples continuing to reside as an independent household. Such trends should continue into the balance of the decade and beyond, and are being observed across much of the state.

**Table: Average Household Size (2000 to 2025)**

	<u>City of Sault Ste. Marie</u>	<u>PMA</u>	<u>Chippewa County</u>
<b>2000 Average Household Size</b>	<b>2.28</b>	<b>2.38</b>	<b>2.42</b>
<b>2010 Average Household Size</b>	<b>1.79</b>	<b>2.06</b>	<b>2.27</b>
Percent Change (2000-2010)	-21.7%	-13.5%	-6.0%
<b>2020 Average Household Size Estimate</b>	<b>2.16</b>	<b>2.27</b>	<b>2.39</b>
Percent Change (2010-2020)	20.9%	10.2%	5.2%
<b>2023 Average Household Size Forecast</b>	<b>2.15</b>	<b>2.26</b>	<b>2.38</b>
Percent Change (2000-2023)	20.6%	10.0%	5.0%
<b>2025 Average Household Size Forecast</b>	<b>2.15</b>	<b>2.26</b>	<b>2.38</b>
Percent Change (2010-2025)	20.4%	9.8%	4.8%
SOURCE: 2000/2010 Census of Population & Housing, SF1, U.S. Census Bureau; ESRI Business Analyst.			

	<u>City of Sault Ste. Marie</u>	<u>PMA</u>	<u>Chippewa County</u>
<b>2000 Average Household Size - Age 65+</b>	<b>1.34</b>	<b>1.40</b>	<b>1.44</b>
<b>2010 Average Household Size - Age 65+</b>	<b>1.36</b>	<b>1.44</b>	<b>1.49</b>
Percent Change (2000-2010)	1.9%	2.9%	3.1%
<b>2020 Average Household Size Estimate - Age 65+</b>	<b>1.39</b>	<b>1.50</b>	<b>1.52</b>
Percent Change (2010-2020)	2.3%	3.8%	2.1%
<b>2023 Average Household Size Forecast - Age 65+</b>	<b>1.40</b>	<b>1.51</b>	<b>1.53</b>
Percent Change (2010-2023)	2.7%	1.0%	1.4%
<b>2025 Average Household Size Forecast - Age 65+</b>	<b>1.40</b>	<b>1.51</b>	<b>1.54</b>
Percent Change (2010-2025)	2.7%	1.0%	1.4%
SOURCE: 2000/2010 Census of Population & Housing, SF1, U.S. Census Bureau; ESRI Business Analyst.			

## Household Trends

Households within the PMA follow trends similar to that of the population, with slight losses in household totals for all three geographic levels. By 2025 the county is projected to contain 14,058 households, reflecting a decline of nearly two percent from 2010. A larger decline is projected for Sault Ste. Marie by 2025, to 5,673 households, a drop of five percent from 2010.

**Table: Household Trends (2000 to 2025)**

	<u>City of Sault Ste. Marie</u>	<u>PMA</u>	<u>Chippewa County</u>
<b>2000 Households</b>	<b>5,742</b>	<b>9,363</b>	<b>13,474</b>
<b>2010 Households</b>	<b>5,995</b>	<b>10,056</b>	<b>14,329</b>
Percent Change (2000-2010)	4.4%	7.4%	6.3%
Average Annual Change (2000 to 2010)	0.4%	0.7%	0.6%
<b>2020 Household Estimate</b>	<b>5,799</b>	<b>9,865</b>	<b>14,259</b>
Percent Change (2010-2020)	-3.3%	-1.9%	-0.5%
Average Annual Change (2010 to 2020)	-0.3%	-0.2%	0.0%
<b>2023 Household Forecast</b>	<b>5,723</b>	<b>9,759</b>	<b>14,138</b>
Percent Change (2010-2023)	-4.5%	-2.9%	-1.3%
Average Annual Change (2000 to 2023)	-0.4%	-0.2%	-0.1%
<b>2025 Household Forecast</b>	<b>5,673</b>	<b>9,689</b>	<b>14,058</b>
Percent Change (2010-2025)	-5.4%	-3.6%	-1.9%
Average Annual Change (2010 to 2025)	-0.4%	-0.2%	-0.1%
SOURCE: 2000/2010 Census of Population and Housing, SF1, U.S. Census Bureau; ESRI Business Analyst.			

*Most of the city's rental stock consists of multiple-unit structures, apartments, and mobile homes. Single-family homes for rent are much more prevalent across the balance of Chippewa County.*

Sault Ste. Marie features an estimated occupied renter household percentage of 49 percent, with a total of 2,822 units, per ESRI for 2020. Across Chippewa County, rental units represent an estimated 32 percent of all households in 2020 (4,553 units). The city's concentration of rentals is somewhat higher than most smaller-sized Michigan communities, but reflects the presence of LSSU, a number of senior-designated rental developments, and a sizable number of rental homes and mobile homes available for rent.

Much of the rental stock for the city are found within apartment developments, but number of rentals across Chippewa County are generally divided between single-family homes for rent and apartment structures (including duplex and four-plex structures, traditional garden-

style apartments, and single-family homes converted into multiple-unit buildings). Based on the latest American Housing Survey data, among all rental units within Sault Ste. Marie, 36 percent are single family homes, while the balance reflects other rental options, as listed within the following tables.

Across Chippewa County, single family homes account for an estimated 49 percent of all rental units, duplex/fourplex units represent 17 percent, and 28 percent are larger-sized apartments. The remaining four percent are mobile homes available for rent. Relatively few apartment buildings are found outside of the city, and are primarily clustered within the county's smaller-sized villages and unincorporated towns.

Based on the estimated 2020 data, approximately 66 percent of available rental units estimated to exist for 2020 are single family rental units or structures with two to four units – with likely target markets ranging from lower-income ranges to upper-income households. This would total approximately 3,000 rental units that are single family homes or multiple unit rentals within renovated single-family structures. Without a specific count and survey of all available rental units of all types, it is not possible to definitively qualify how many units are available for persons at various income levels, but this does correspond with the most current American Community Survey data. While vacancies are relatively rare, it does not appear that this total of rental opportunities is insufficient for the entire marketplace. It is more likely that specific market segments are lacking in rental opportunities that match the price points that such households can reasonably afford, or are not considered the most modern rental housing options in terms of amenities, size, or structural characteristics.

The total housing stock within Sault Ste. Marie (occupied and vacant) in 2010 was approximately eight percent vacant, which includes units for rent, homes for sale, part-time residences, and residential structures that are no longer occupied. The county's vacancy rate among housing units was notably greater, at 33 percent – primarily due to the large number of seasonal homes and recreational structures found.

As expected, most single person households are found within the city, representing nearly 42 percent of all households. Much of these are seniors, as well as college students. By comparison, single households across Chippewa County represent 32 percent of all households.

Chart: Household Tenure Trends

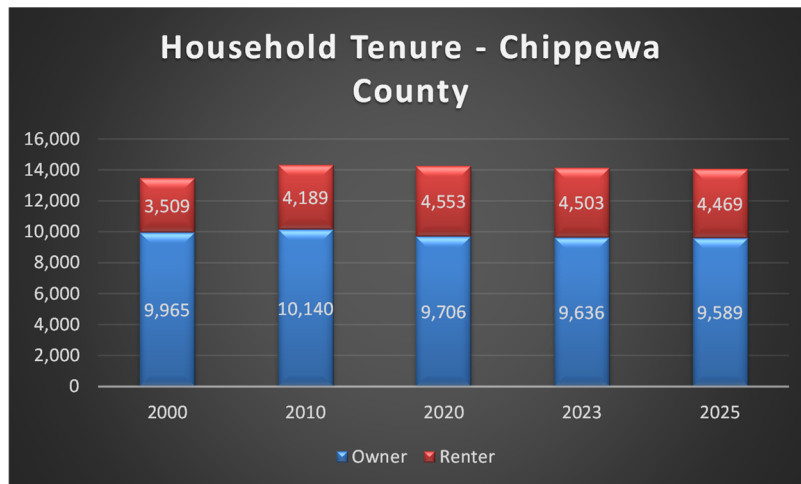
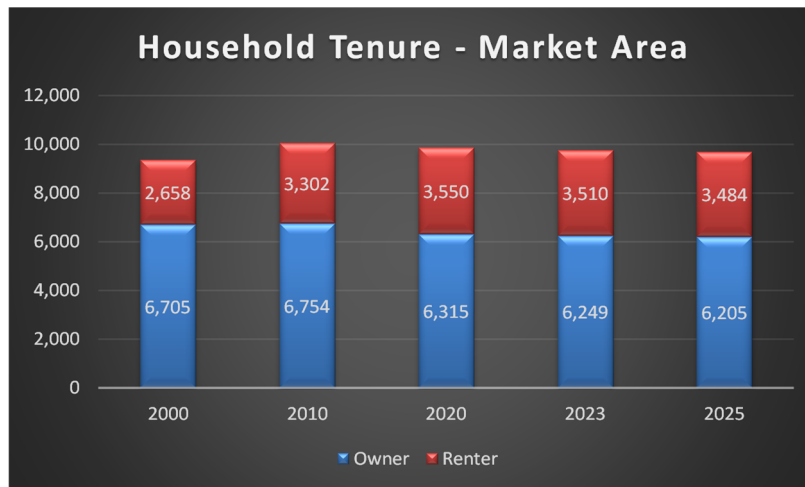


Table: Persons by Household Characteristics

	City of Sault Ste. Marie	PMA	Chippewa County
<b>In Households</b>	<b>12,603</b>	<b>23,124</b>	<b>33,973</b>
Percent of Total Population	92.7%	95.9%	90.3%
Householder	5,674	9,734	13,999
Living Alone	2,374	3,428	4,547
Not Living Alone	3,300	6,306	9,452
Male	2,681	5,037	7,377
Female	2,993	4,697	6,622
Spouse	1,678	4,064	6,383
Unmarried Partner	606	892	1,186
Children	3,349	6,339	9,428
Other Relative	708	1,242	1,747
Non-Relative	588	853	1,230
<b>In Group Quarters</b>	<b>988</b>	<b>995</b>	<b>3,656</b>
Percent of Total Population	7.3%	4.1%	9.7%

SOURCE: 2015-2019 American Community Survey, U.S. Census Bureau

**Table: Households by Tenure (2000 to 2025)**

	<u>City of Sault Ste. Marie</u>	<u>PMA</u>	<u>Chippewa County</u>
<b>2000 Renter-Occupied Households</b>	<b>2,184</b>	<b>2,658</b>	<b>3,509</b>
Percent of total 2000 households	38.0%	28.4%	26.0%
<b>2010 Renter-Occupied Households</b>	<b>2,686</b>	<b>3,302</b>	<b>4,189</b>
Percent of total 2010 households	44.8%	32.8%	29.2%
Percent change (2000 to 2010)	23.0%	24.2%	19.4%
<b>2020 Renter-Occupied Households</b>	<b>2,822</b>	<b>3,550</b>	<b>4,553</b>
Percent of total 2020 households	48.7%	36.0%	31.9%
Percent change (2010 to 2020)	5.1%	7.5%	8.7%
<b>2023 Renter-Occupied Households</b>	<b>2,788</b>	<b>3,510</b>	<b>4,503</b>
Percent of total 2023 households	48.7%	36.0%	31.8%
Percent change (2010 to 2023)	3.8%	6.3%	7.5%
<b>2025 Renter-Occupied Households</b>	<b>2,766</b>	<b>3,484</b>	<b>4,469</b>
Percent of total 2025 households	48.8%	36.0%	31.8%
Percent change (2010 to 2025)	3.0%	5.5%	6.7%
<b>2000 Owner-Occupied Households</b>	<b>3,558</b>	<b>6,705</b>	<b>9,965</b>
Percent of total 2000 households	62.0%	71.6%	74.0%
<b>2010 Owner-Occupied Households</b>	<b>3,309</b>	<b>6,754</b>	<b>10,140</b>
Percent of total 2010 households	55.2%	67.2%	70.8%
Percent change (2000 to 2010)	-7.0%	0.7%	1.8%
<b>2020 Owner-Occupied Households</b>	<b>2,977</b>	<b>6,315</b>	<b>9,706</b>
Percent of total 2020 households	51.3%	64.0%	68.1%
Percent change (2010 to 2020)	-10.0%	-6.5%	-4.3%
<b>2023 Owner-Occupied Households</b>	<b>2,935</b>	<b>6,249</b>	<b>9,636</b>
Percent of total 2023 households	51.3%	64.0%	68.2%
Percent change (2010 to 2023)	-11.3%	-7.5%	-5.0%
<b>2025 Owner-Occupied Households</b>	<b>2,907</b>	<b>6,205</b>	<b>9,589</b>
Percent of total 2025 households	51.2%	64.0%	68.2%
Percent change (2010 to 2025)	-12.1%	-8.1%	-5.4%
SOURCE: 2000/2010 Census of Population and Housing, SF1, U.S. Census Bureau: ESRI			

**Table: Households by Size**

	<b>City of Sault Ste. Marie</b>	<b>Market Area</b>	<b>Chippewa County</b>
<b>Total Occupied Owner Units</b>	2,865	6,256	9,442
<b>1 Unit</b>	2,576	5,673	8,552
% of Total	89.9%	90.7%	90.6%
<b>2 to 4 Units</b>	17	27	56
% of Total	0.6%	0.4%	0.6%
<b>5 to 19 Units</b>	16	16	16
% of Total	0.6%	0.3%	0.2%
<b>20 to 49 Units</b>	0	0	0
% of Total	0.0%	0.0%	0.0%
<b>50 or more Units</b>	16	16	17
% of Total	0.6%	0.3%	0.2%
<b>Mobile Home/Boat/Other</b>	240	524	801
% of Total	8.4%	8.4%	8.5%
SOURCE: 2015-2019 American Community Survey, U.S. Census Bureau			

	<b>City of Sault Ste. Marie</b>	<b>Market Area</b>	<b>Chippewa County</b>
<b>Total Occupied Rental Units</b>	2,809	3,478	4,557
<b>1 Unit</b>	1,013	1,309	2,216
% of Total	36.1%	37.6%	48.6%
<b>2 to 4 Units</b>	500	696	787
% of Total	17.8%	20.0%	17.3%
<b>5 to 19 Units</b>	410	522	548
% of Total	14.6%	15.0%	12.0%
<b>20 to 49 Units</b>	247	278	278
% of Total	8.8%	8.0%	6.1%
<b>50 or more Units</b>	547	550	554
% of Total	19.5%	15.8%	12.2%
<b>Mobile Home/Boat/Other</b>	92	123	174
% of Total	3.3%	3.5%	3.8%
SOURCE: 2015-2019 American Community Survey, U.S. Census Bureau			

As with the senior population, senior households will exhibit the most robust gains within the Soo Area for the foreseeable future. By 2025, the number of senior households age 65+ across the county will total 4,791 units, accounting for 34 percent of all households. The younger senior segment (age 55 and older) will represent a majority of the county's households by 2025, with 7,371 units. The 2025 concentration of younger

*Senior households age 55+ across Chippewa County will represent 52 percent of all occupied units by 2025. Such an increasingly high concentration of seniors will ultimately negatively impact the tax base and employment base.*

senior households within the county will represent 52 percent of all households. The implications regarding schools, the local tax base, the labor force, and the future of the community overall are quite evident within this statistic. While the Soo area is somewhat “younger” in terms of overall population as compared to many other Upper Peninsula towns, households and families are the primary drivers of economic activity. An aging household base with an increasing number of seniors will eventually transform the community without an infusion of younger families.

Senior rental housing appears present across the Soo region. Rental developments solely designated for senior independent living occupancy represent approximately 10 percent of all apartment rental units currently estimated to exist within the city. All senior households (age 55 and older), regardless of structure type or specific designation, represented approximately 18 percent of all renters across Chippewa County in 2010. These households would include those within assisted living developments, conventional apartment units, and rental homes of any type. Higher priced senior rental units are also present within the community, along with assisted living facilities that allow for individuals to age in place without concerns regarding daily living needs.

The senior rental rate within the city for 2010 was 32.1 percent for persons age 55 and older, and 35.0 percent for seniors age 65 and older. Senior rental units outside of the city (but still within the market area) are mostly single-family rentals or mobile homes. Within the city, senior rental options are mostly apartment developments, with other options accounting for a minimal number of senior rental units.



**Table: Senior Household Trends (2000 to 2025)**

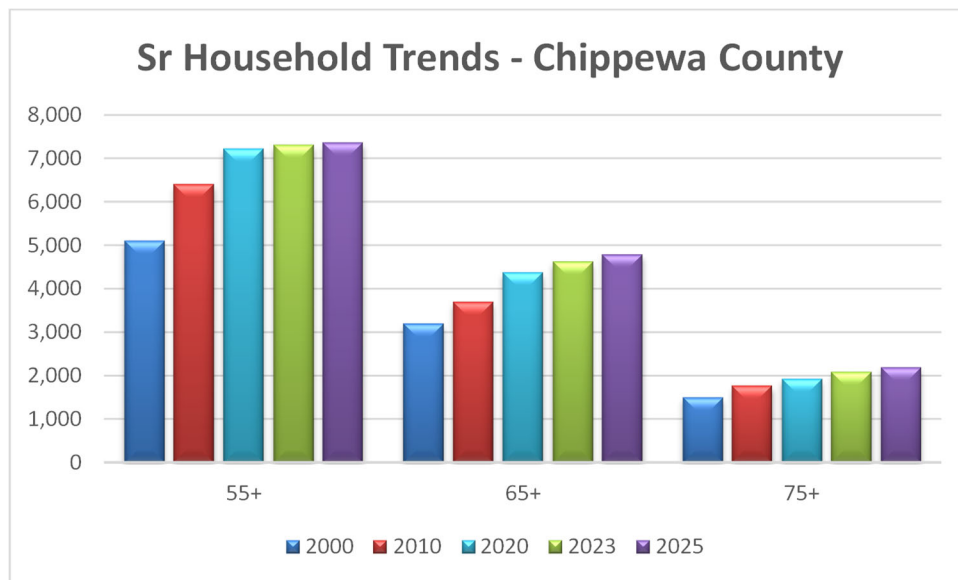
	<b>City of Sault Ste. Marie</b>	<b>PMA</b>	<b>Chippewa County</b>
<b>2000 Senior Households (55 years and Over)</b>	<b>1,981</b>	<b>3,368</b>	<b>5,105</b>
Percent of total 2000 households	34.5%	36.0%	37.9%
<b>2010 Senior Households (55 years and Over)</b>	<b>2,330</b>	<b>4,230</b>	<b>6,408</b>
Percent of total 2010 households	38.9%	42.1%	44.7%
Percent change (2000 to 2010)	17.6%	25.6%	25.5%
<b>2020 Senior Households (55 years and Over)</b>	<b>2,474</b>	<b>4,668</b>	<b>7,228</b>
Percent of total 2020 households	42.7%	47.3%	50.7%
Percent change (2010 to 2020)	6.2%	10.4%	12.8%
Average Annual Change (2010 to 2020)	0.9%	1.4%	1.7%
<b>2023 Senior Households (55 years and Over)</b>	<b>2,484</b>	<b>4,726</b>	<b>7,314</b>
Percent of total 2023 households	43.4%	48.4%	51.7%
Percent change (2010 to 2023)	6.6%	11.7%	14.1%
Average Annual Change (2010 to 2023)	0.6%	1.1%	1.3%
<b>2025 Senior Households (55 years and Over)</b>	<b>2,491</b>	<b>4,765</b>	<b>7,371</b>
Percent of total 2025 households	43.9%	49.2%	52.4%
Percent change (2010 to 2025)	6.9%	12.6%	15.0%
Average Annual Change (2010 to 2025)	0.6%	1.0%	1.2%
<b>2000 Senior Households (65 years and Over)</b>	<b>1,367</b>	<b>2,170</b>	<b>3,203</b>
Percent of total 2000 households	23.8%	23.2%	23.8%
<b>2010 Senior Households (65 years and Over)</b>	<b>1,355</b>	<b>2,421</b>	<b>3,698</b>
Percent of total 2010 households	22.6%	24.1%	25.8%
Percent change (2000 to 2010)	-0.9%	11.6%	15.5%
<b>2020 Senior Households (65 years and Over)</b>	<b>1,495</b>	<b>2,803</b>	<b>4,376</b>
Percent of total 2020 households	25.8%	28.4%	30.7%
Percent change (2010 to 2020)	10.3%	15.8%	18.3%
Average Annual Change (2010 to 2020)	1.4%	2.1%	2.4%
<b>2023 Senior Households (65 years and Over)</b>	<b>1,563</b>	<b>2,955</b>	<b>4,625</b>
Percent of total 2023 households	27.3%	30.3%	32.7%
Percent change (2010 to 2023)	15.4%	22.1%	25.1%
Average Annual Change (2010 to 2023)	1.4%	2.0%	2.3%
<b>2025 Senior Households (65 years and Over)</b>	<b>1,609</b>	<b>3,057</b>	<b>4,791</b>
Percent of total 2025 households	28.4%	31.6%	34.1%
Percent change (2010 to 2025)	18.7%	26.3%	29.6%
Average Annual Change (2010 to 2025)	1.4%	2.0%	2.2%
<b>2000 Senior Households (75 years and Over)</b>	<b>743</b>	<b>1,052</b>	<b>1,500</b>
Percent of total 2000 households	12.9%	11.2%	11.1%
<b>2010 Senior Households (75 years and Over)</b>	<b>765</b>	<b>1,224</b>	<b>1,770</b>
Percent of total 2010 households	12.8%	12.2%	12.4%
Percent change (2000 to 2010)	3.0%	16.3%	18.0%
<b>2020 Senior Households (75 years and Over)</b>	<b>741</b>	<b>1,304</b>	<b>1,927</b>
Percent of total 2020 households	12.8%	13.2%	13.5%
Percent change (2010 to 2020)	-3.1%	6.5%	8.9%
Average Annual Change (2010 to 2020)	-0.5%	0.9%	1.2%
<b>2023 Senior Households (75 years and Over)</b>	<b>779</b>	<b>1,401</b>	<b>2,087</b>
Percent of total 2023 households	13.6%	14.4%	14.8%
Percent change (2010 to 2023)	1.9%	14.5%	17.9%
Average Annual Change (2010 to 2023)	0.2%	1.4%	1.7%
<b>2025 Senior Households (75 years and Over)</b>	<b>805</b>	<b>1,466</b>	<b>2,194</b>
Percent of total 2025 households	21.0%	19.2%	17.9%
Percent change (2010 to 2025)	5.2%	19.8%	24.0%
Average Annual Change (2010 to 2025)	0.4%	1.5%	1.8%
SOURCE: 2000/2010 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; ESRI Business Analyst.			

**Table: Senior Renter Household Trends (2000 to 2010)**

	City of <u>Sault Ste. Marie</u>	<u>PMA</u>	<u>Chippewa County</u>
<b>2000 Senior Renter Households (65 years and Over)</b>	<b>381</b>	<b>438</b>	<b>514</b>
Percent of total 2000 senior households	27.9%	20.2%	16.0%
<b>2010 Senior Renter Households (65 years and Over)</b>	<b>474</b>	<b>568</b>	<b>681</b>
Percent of total 2010 senior households	35.0%	23.5%	18.4%
Percent change (2000 to 2010)	24.4%	29.7%	32.5%
Percent of Total 2010 Renter Households	17.6%	17.2%	16.3%
<b>2000 Senior Renter Households (55 years and Over)</b>	<b>529</b>	<b>625</b>	<b>780</b>
Percent of total 2000 senior households	26.7%	28.8%	24.4%
<b>2010 Senior Renter Households (55 years and Over)</b>	<b>747</b>	<b>913</b>	<b>1,134</b>
Percent of total 2010 senior households	32.1%	21.6%	17.7%
Percent change (2000 to 2010)	41.2%	46.1%	45.4%
Percent of Total 2010 Renter Households	27.8%	27.6%	27.1%

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

**Chart: Senior Household Trends**

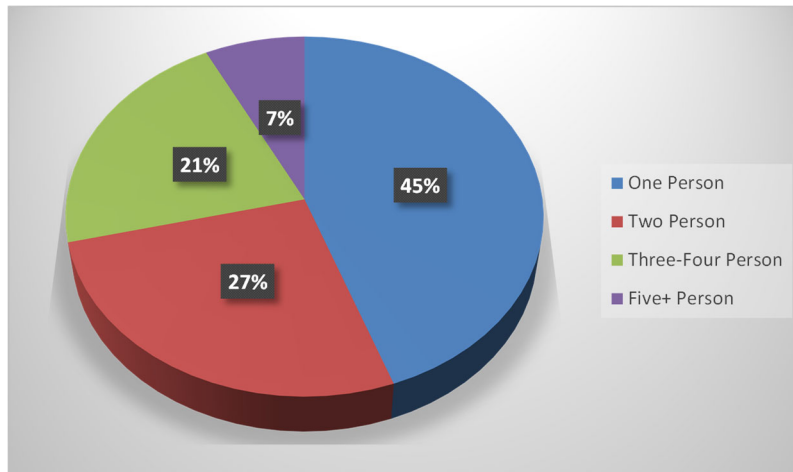


The division of renter households by size is simply due to the prior needs of the community and corresponding building patterns, and may not reflect prevailing needs for today or the future. For the county, this would include apartments as well as rental homes generally suited for family occupancy. Based on the most recent data from the American Housing Survey, 45 percent of the renter-occupied households in the market area were one-person households, while two-person households accounted for 27 percent. Three-and four-person renter households totaled 21 percent, while five or more-person renters represented seven percent of renter households. The percentage of three-four person units is much larger than typically found within

similar communities, which usually indicates a higher than typical concentration of either larger apartment units or rental homes.

**Table: Rental Unit Size Distribution**

	City of <u>Sault Ste. Marie</u>	<u>PMA</u>	Chippewa <u>County</u>
<b>One Person</b>	<b>1,421</b>	<b>1,763</b>	<b>2,026</b>
Percent of total renter household	50.6%	50.7%	44.5%
<b>Two Persons</b>	<b>729</b>	<b>895</b>	<b>1,219</b>
Percent of total renter household	26.0%	25.7%	26.8%
<b>Three or Four Persons</b>	<b>495</b>	<b>625</b>	<b>974</b>
Percent of total renter household	17.6%	18.0%	21.4%
<b>Five or More Person</b>	<b>164</b>	<b>195</b>	<b>338</b>
Percent of total renter household	5.8%	5.6%	7.4%
SOURCE: 2015-2019 American Community Survey, U.S. Census Bureau			

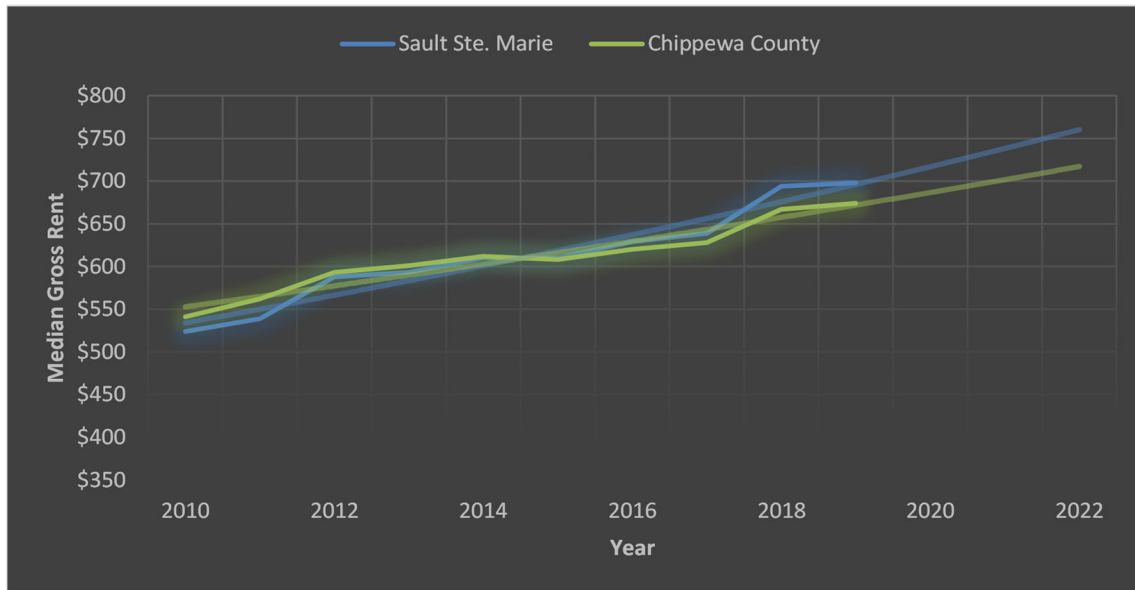


The best available statistic from the Census Bureau regarding rental pricing is the Median Gross Rent, which also includes the cost of any utilities paid the tenant. These trends appear to indicate that most rental units are found within the city, but the impact of rental pricing outside of the city is having a decreasing level of influence. The projected pricing for rental housing exceeds anticipated growth in prevailing incomes, further squeezing affordability and potentially forcing possible renters to consider housing outside of Soo Area.



**Table: Median Gross Rent Trends**

	City of Sault Ste. Marie	PMA	Chippewa County
2010 Median Gross Rent Estimate	\$524	\$523	\$541
2019 Median Gross Rent Estimate	\$698	\$677	\$674
2022 Median Gross Rent Estimate	\$756	\$729	\$718
Total percent change (2010 to 2022)	44.3%	39.5%	32.8%
Annual percent change (2010 to 2022)	3.1%	2.8%	2.4%
SOURCE: American Community Survey, U.S. Census Bureau; CRS.			



### Household Income Trends

The median household income figures for the Sault Ste. Marie area have historically demonstrated lower trends as compared to countywide patterns. This is evident from the overall rate of growth for the various geographic levels. Income growth within the market area and across Chippewa County is essentially stagnant, as inflation-adjusted levels would reflect little to no income appreciation since the late 1990s. Such patterns are not unique to the Sault Ste. Marie

*Chippewa County exhibits minimal income growth, with real income trends essentially stagnant after inflation is taken into consideration.*

community, but are found within many communities across Michigan and the Midwest, as wage gains and prevailing income trends have been minimal over the past two decades.

At \$48,964, the 2020 median household income estimate for the county is a 22 percent gain from the 2010 median, which is an average annual increase of 2.0 percent. Limited growth was present within the city, with 2020 estimated median income of \$41,288. This reflects an increase of 1.6 percent on an average annual basis from 2010.

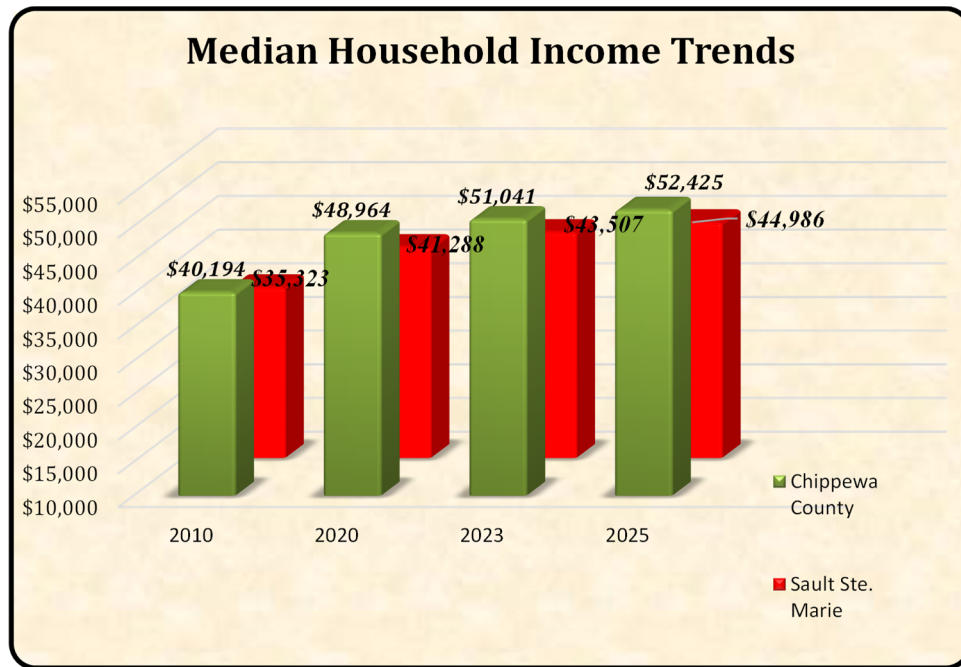
ESRI forecasts predict that incomes in the region will slowly increase, but this growth will not likely exceed the prevailing rate of inflation. By 2025 the county's median household income is forecast at \$52,425, reflecting an average annual increase of 1.8 percent from 2010 totals. Median income projected for Sault Ste. Marie is forecast at \$44,986 for 2025, an average annual increase of 1.6 percent.

As the overall annual inflation rate for the nation has averaged 1.7 percent since 2010, it is highly likely that very little real income growth has taken place across the Soo area since at least 2000.

**Table: Median Household Incomes (2010 to 2025)**

	<b>City of Sault Ste. Marie</b>	<b>PMA</b>	<b>Chippewa County</b>
<b>2010 Median Household Income</b>	<b>\$35,323</b>	<b>\$40,549</b>	<b>\$40,194</b>
<b>2020 Estimated Median Household Income</b>	<b>\$41,288</b>	<b>\$49,207</b>	<b>\$48,964</b>
Total percent change (2010 to 2020)	16.9%	21.4%	21.8%
Annual percent change (2010 to 2020)	1.6%	2.0%	2.0%
<b>2023 Forecast Median Household Income</b>	<b>\$43,507</b>	<b>\$51,125</b>	<b>\$51,041</b>
Total percent change (2010 to 2023)	23.2%	26.1%	27.0%
Annual percent change (2010 to 2023)	1.6%	1.8%	1.9%
<b>2025 Forecast Median Household Income</b>	<b>\$44,986</b>	<b>\$52,404</b>	<b>\$52,425</b>
Total percent change (2010 to 2025)	27.4%	29.2%	30.4%
Annual percent change (2010 to 2025)	1.6%	1.7%	1.8%
SOURCE: 2010 Census; American Comm. Srvy., U.S. Census Bureau; ESRI Business Analyst.			

Chart: Median Household Incomes – 2010 to 2025



### Household Income Distribution

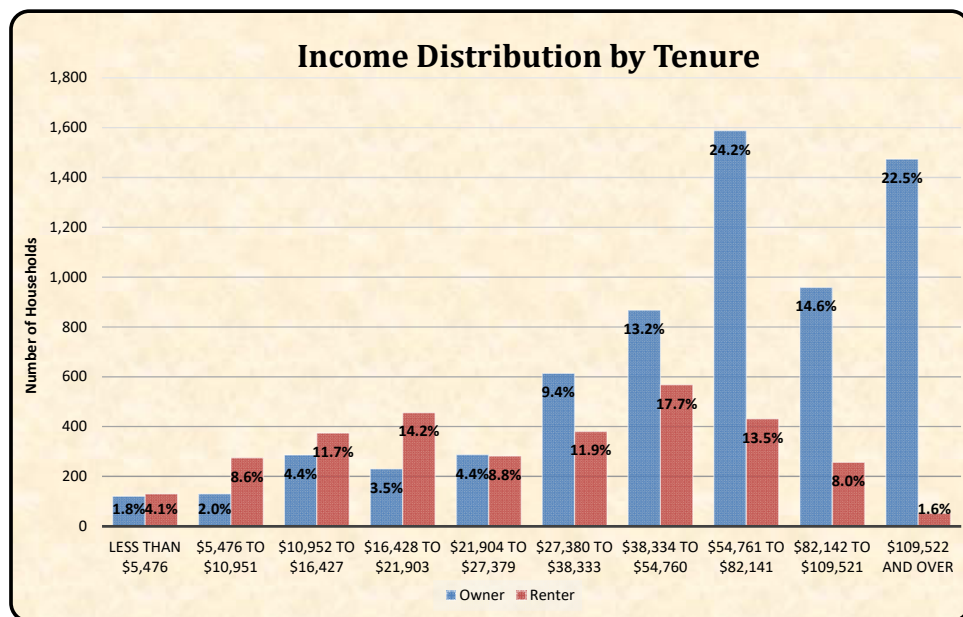
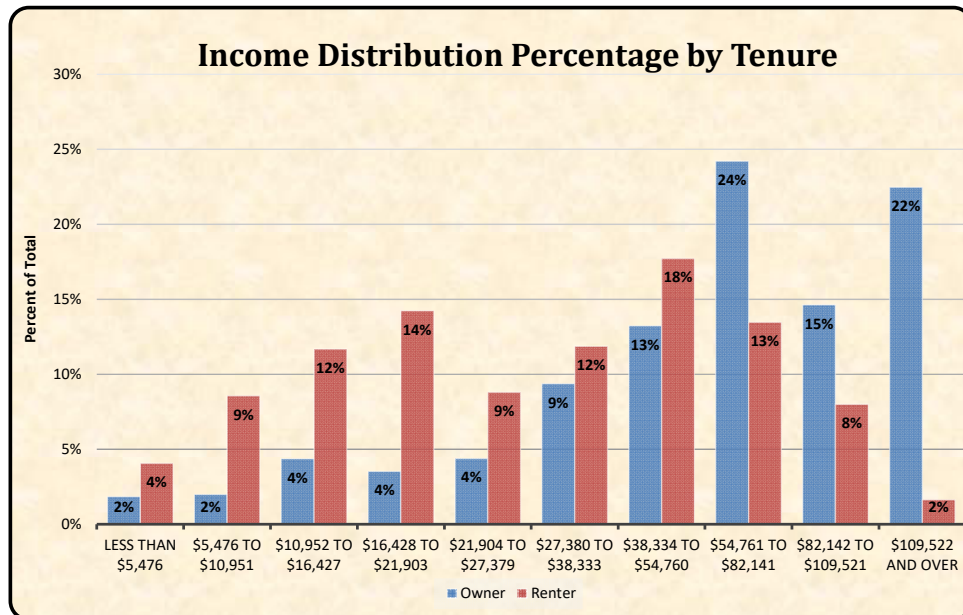
The distribution of household income by tenure type (owner vs. renter) is illustrated in the following table and chart. The data does exhibit from an income standpoint the types of housing options present across the Sault Ste. Marie market area. This would include a range of rental unit types, ranging from subsidy units to higher priced apartments and single-family rentals, along with a homeownership segment that is concentrated among moderate income and higher income households. Comparing this data to the available apartments found within the community, it is likely that single family rentals and other non-apartment units represent a significant part of the community's rental housing stock.

Also, the community's owner households exhibit an evident upper-income component – not necessarily unexpected, but indicative of a market rate potential for renter households by residents that may prefer a shift away from homeownership. The data also indicates that the concentration of owner households is found within the moderate/upper-moderate income range, rather than the higher income levels. This is not uncommon within rural Michigan communities, but does also reflect the generally lower income and wealth levels found within the market area.

Since the housing bubble and subsequent recession of the last decade, the rate of homeownership has fallen each year, and will likely continue to do so into the next decade.

Younger households are delaying a home purchase for various reasons (student debt load, marital status, career considerations, among others), and older households are increasingly seeking a rental housing alternative and leaving homeownership regardless of financial status or health considerations. These trends are compounded by a sharp reduction in housing development activity as compared to prior decades. As a result, the demand potential for rental options among moderate-income and upper-income households is increasingly positive.

**Chart: Household Income Distribution by Tenure – Market Area (2023)**

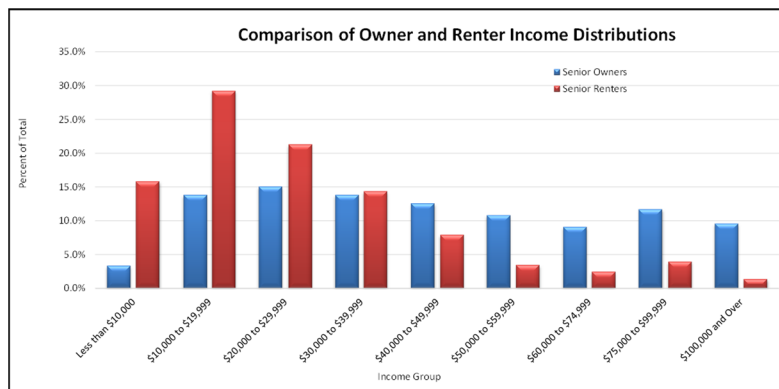


**Table: Household Income Distribution by Tenure – Market Area (2023)**

	<b>Total Households</b>	<b>Owner Households</b>	<b>Renter Households</b>
<b>Less than \$5,476</b>	<b>250</b>	<b>120</b>	<b>130</b>
Percent of 2023 Households	2.6%	1.8%	4.1%
<b>\$5,476 to \$10,951</b>	<b>404</b>	<b>130</b>	<b>275</b>
Percent of 2023 Households	4.3%	2.0%	8.6%
<b>\$10,952 to \$16,427</b>	<b>660</b>	<b>286</b>	<b>374</b>
Percent of 2023 Households	7.0%	4.4%	11.7%
<b>\$16,428 to \$21,903</b>	<b>687</b>	<b>231</b>	<b>456</b>
Percent of 2023 Households	7.3%	3.5%	14.2%
<b>\$21,904 to \$27,379</b>	<b>569</b>	<b>287</b>	<b>282</b>
Percent of 2023 Households	6.0%	4.4%	8.8%
<b>\$27,380 to \$38,333</b>	<b>995</b>	<b>614</b>	<b>381</b>
Percent of 2023 Households	10.3%	9.4%	11.9%
<b>\$38,334 to \$54,760</b>	<b>1,435</b>	<b>868</b>	<b>568</b>
Percent of 2023 Households	14.8%	13.2%	17.7%
<b>\$54,761 to \$82,141</b>	<b>2,019</b>	<b>1,587</b>	<b>431</b>
Percent of 2023 Households	20.4%	24.2%	13.5%
<b>\$82,142 to \$109,521</b>	<b>1,215</b>	<b>959</b>	<b>256</b>
Percent of 2023 Households	12.3%	14.6%	8.0%
<b>\$109,522 and Over</b>	<b>1,526</b>	<b>1,473</b>	<b>53</b>
Percent of 2023 Households	15.0%	22.5%	1.6%

SOURCE: 2015-2019 American Community Survey, U.S. Census Bureau; BLS Consumer Price Index

A distribution of senior household income (age 65 and older) for Chippewa County is illustrated within the following table (data is only available at the county level and larger). The spread of rental households across the lower income levels is indicative of the high number of subsidy rental units dedicated to senior occupancy. The movement of senior owners into a rental option is increasingly observed across much of Michigan and regionally, and a definitive segment is present at the higher income levels. It is likely that most of these trends reflect local residents aging in place, rather than a significant degree of senior migration from other areas into the Soo community.



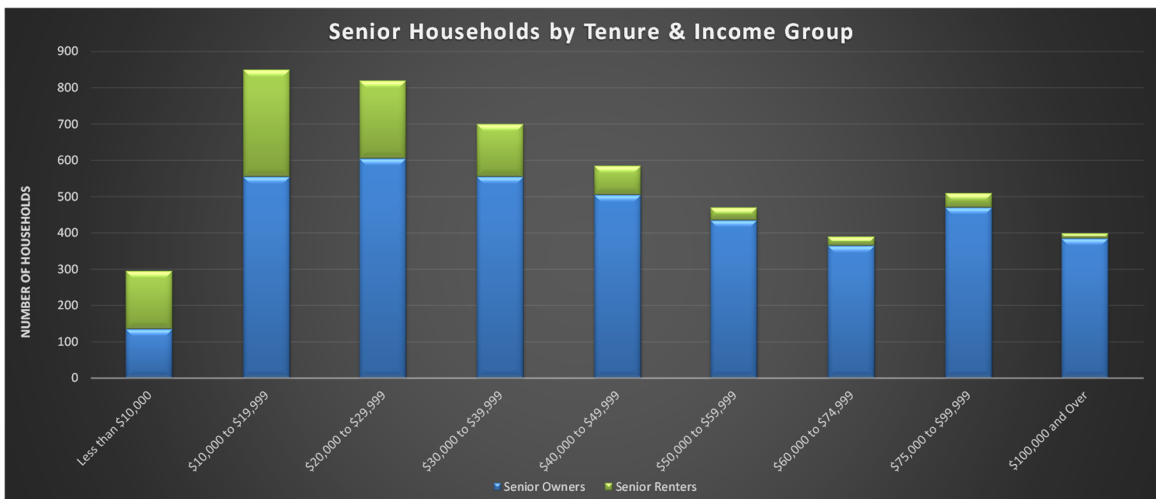


**Table: Senior Household Income Distribution by Tenure – Chippewa County (2018)**

	<b>Senior Owner</b>	<b>Senior Renter</b>	<b>Senior Total</b>
<b>Less than \$10,000</b>	<b>135</b>	<b>160</b>	<b>295</b>
Percent of Total	3.4%	15.9%	5.9%
<b>\$10,000 to \$19,999</b>	<b>555</b>	<b>295</b>	<b>850</b>
Percent of Total	13.8%	29.2%	16.9%
<b>\$20,000 to \$29,999</b>	<b>605</b>	<b>215</b>	<b>820</b>
Percent of Total	15.1%	21.3%	16.3%
<b>\$30,000 to \$39,999</b>	<b>555</b>	<b>145</b>	<b>700</b>
Percent of Total	13.8%	14.4%	13.9%
<b>\$40,000 to \$49,999</b>	<b>505</b>	<b>80</b>	<b>585</b>
Percent of Total	12.6%	7.9%	11.7%
<b>\$50,000 to \$59,999</b>	<b>435</b>	<b>35</b>	<b>470</b>
Percent of Total	10.8%	3.5%	9.4%
<b>\$60,000 to \$74,999</b>	<b>365</b>	<b>25</b>	<b>390</b>
Percent of Total	9.1%	2.5%	7.8%
<b>\$75,000 to \$99,999</b>	<b>470</b>	<b>40</b>	<b>510</b>
Percent of Total	11.7%	4.0%	10.2%
<b>\$100,000 and Over</b>	<b>385</b>	<b>14</b>	<b>399</b>
Percent of Total	9.6%	1.4%	7.9%

Source: US Bureau of the Census, HUDuser.org

**Chart: Senior Household Income Distribution by Tenure – Chippewa County (2018)**

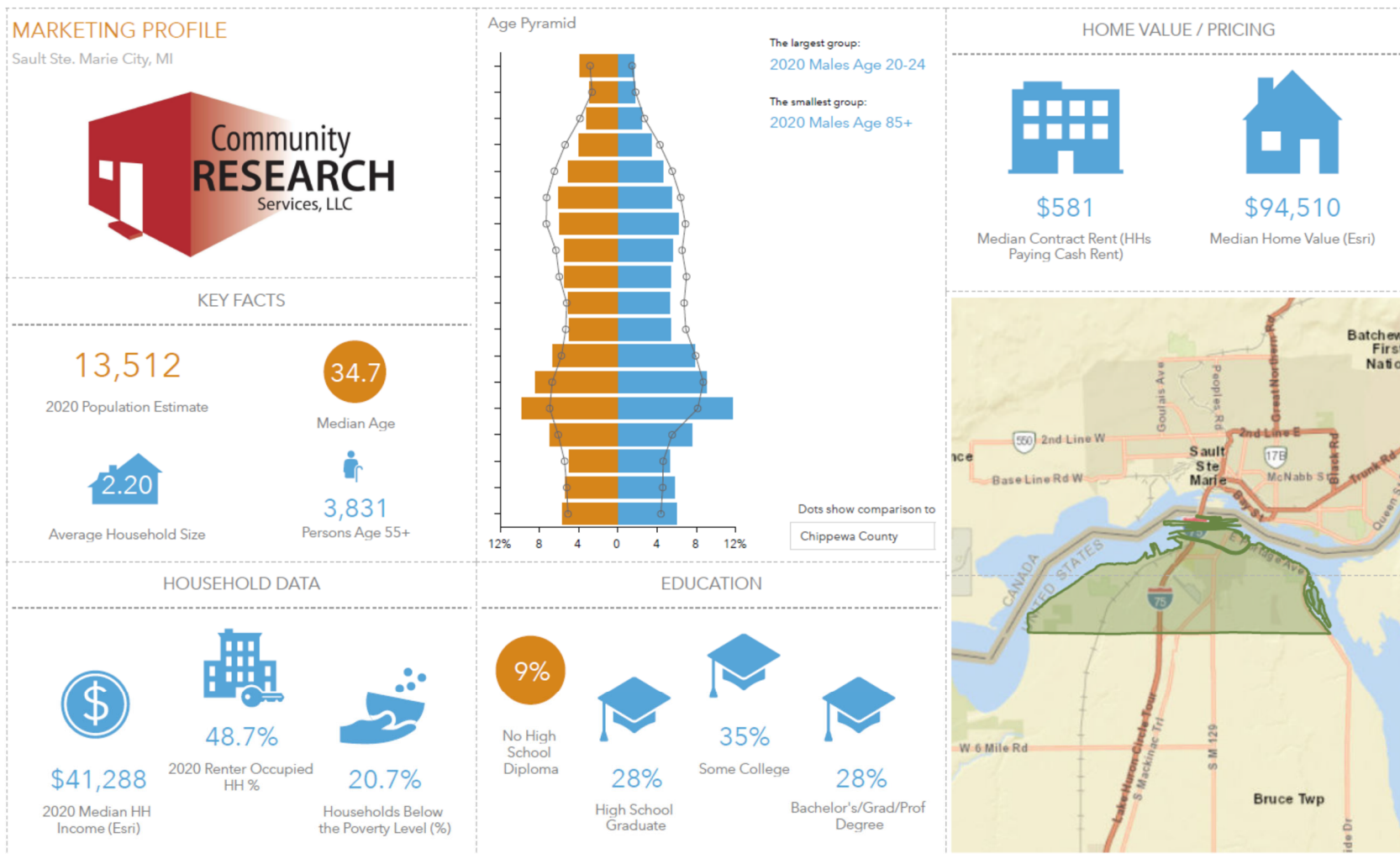


A summary of key demographic and economic statistics is presented within the following pages in an infographic format. While much of the information was previously presented, two considerations of note are worthy of mention. One, the prevailing poverty rate for Sault Ste. Marie and Chippewa County are notably higher than anticipated – at 20.7 percent for 2018, but understandable given the number of deep-subsidy units found within the city. Across the market area the poverty rate is lower, closer to statewide levels.

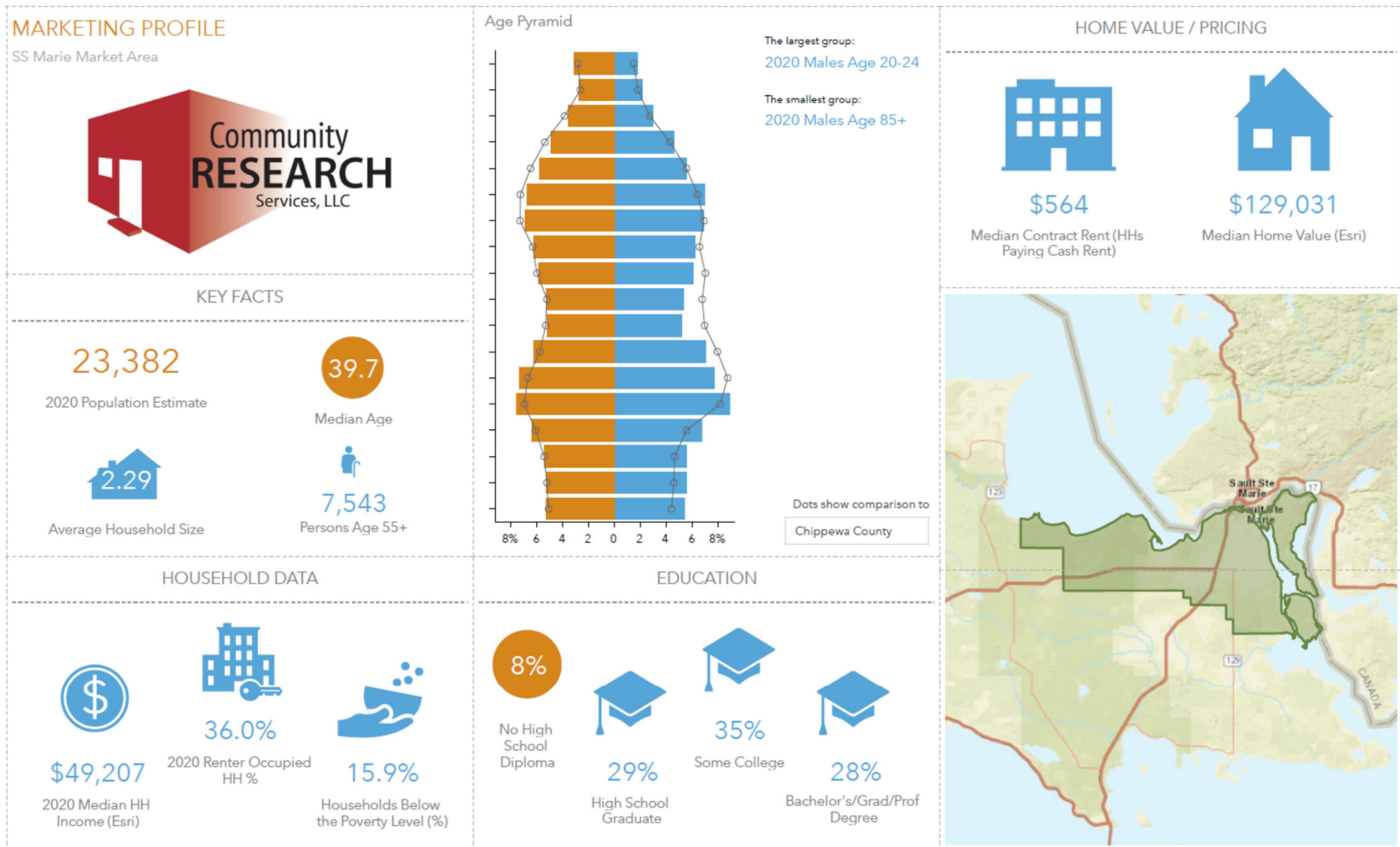
Secondly, the median housing prices for the city (both owner-occupied housing value and median gross rents) are lower across the city, while the market area and Chippewa County as a whole exhibit notable stronger pricing for homeownership options. Prevailing values within the city may be a reflection of a higher concentration of generally substandard housing options, particularly in comparison to adjacent communities within Chippewa County. The inclusion of higher-priced vacation and second homes found in rural sections of the county also explains this differential.

## Infographics: Key Demographic/Economic Data

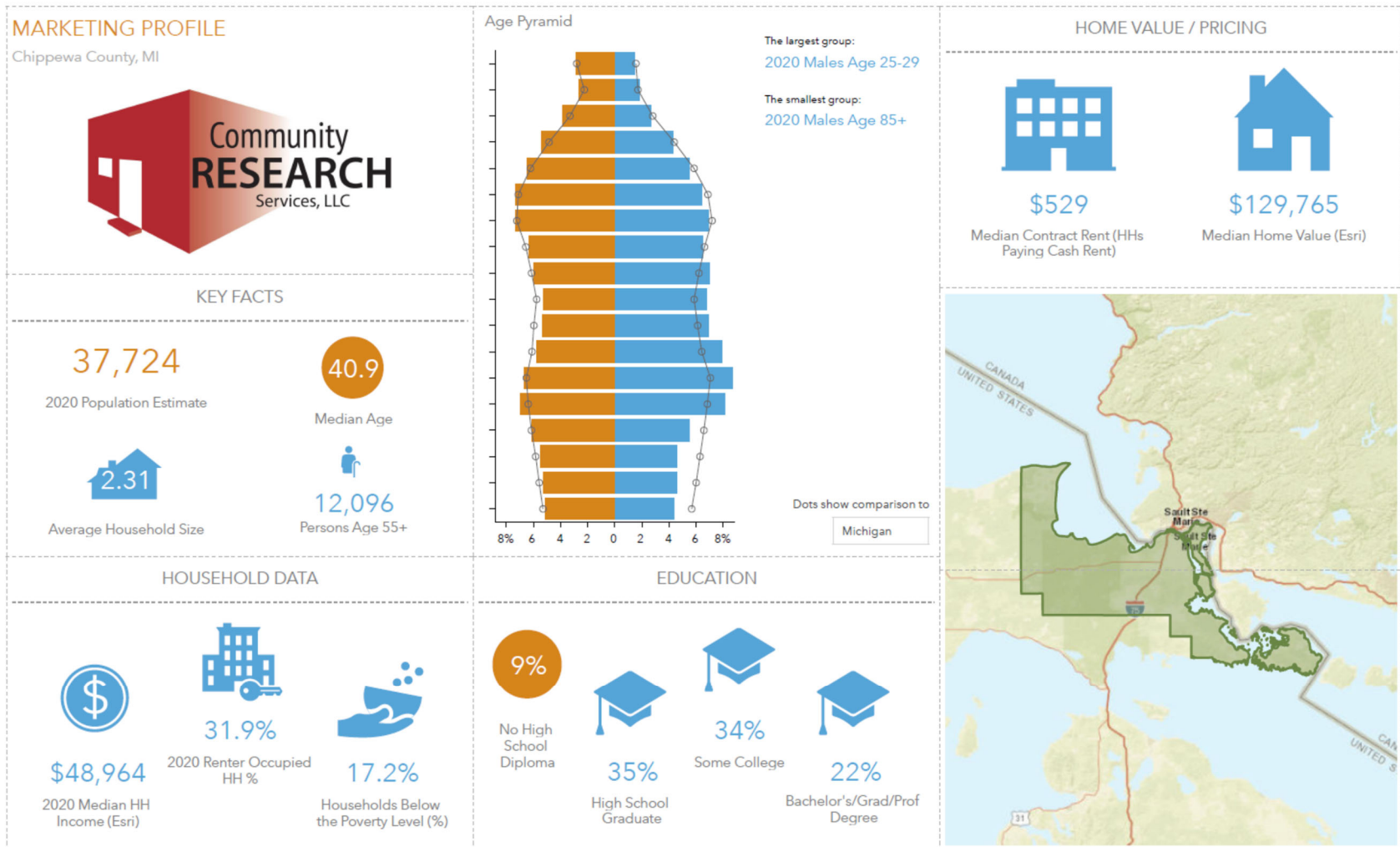
### City of Sault Ste. Marie



**Sault Ste. Marie Primary Market Area**



## Chippewa County



### **ESRI Tapestry Information**

A method of describing the socio-economic patterns that are prevalent within a specific community has been developed by ESRI<sup>2</sup>. Called Tapestry, this type of analysis uses a set of pre-defined descriptions that provide a convenient way to examine areas. A total of 67 separate segments have been identified, based on unique demographic, economic, educational, housing, and purchasing characteristics. Some of these definitions are quite similar, but have been separated due to a key factor, such as urban/suburban/rural, preferred employment options, or typical housing choices, among other factors.

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

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

Segmentation analysis is difficult to describe briefly, and caution should be used in regard to this tool being over-used as a primary determinant of market potential. Entire recommendations by inexperienced analysts have been made primarily based on segmentation-type tools, without any significant examination of site, demographic, and economic factors. At best this tool helps to refine target market identification and provides a secondary source of market demand. A summary of the Tapestry data is present at the end of this report. Detailed descriptions of individual Tapestry segments are found at <http://www.esri.com/landing-pages/tapestry>.

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<sup>2</sup> ESRI (Environmental Systems Research Institute) has become a leading supplier of geographic information system software, web GIS and geodatabase management applications. The firm is a primary source for U.S. Census data distribution, mapping, segmentation data, and GIS software for both the public and private sectors.

For this analysis the entire county was utilized, as the broadest geographic region would provide the strongest sample size. For the city and market area, it is unlikely that significant differences would be found. Across the county, 14 separate segments were identified by ESRI as representing a significant portion of the overall population. According to ESRI definitions, it is likely that five of the fourteen segments are either directly or indirectly associated to the workforce housing or affordable target market segments target markets discussed previously. Of these Tapestry segments, moderate-income and higher-income potential segments are present, including some that are indicative of higher incomes households, younger households, or those with a high degree of educational attainment – all of which are representative of highly sought-after target market segments that most communities would ideally welcome. These associated segments include *College Towns*, *Middleburg*, *Set to Impress*, *Old and Newcomers*, and *Dorms to Diplomas* – all of which could be described as likely matches with the workforce housing target market. Combined, these five segments represent an estimated 19.3 percent of all households within the county. Most of the other categories appear to be essentially variations on the same general segment – lower-income families that are not likely to move, change status, or seek housing alternatives at the current time.

While individuals within these attractive segments are likely present, these categories are not sufficiently large to be clustered within this analysis. A brief description of these Tapestry Segments provides an indication of market potential from a more qualitative standpoint:

<b>Tapestry Segment</b>	<b>Brief Description</b>	<b>% Chippewa County Households</b>	<b>% U.S. Households</b>
<i>Salt of the Earth</i>	Moderate incomes, families w/children, mostly homeowners, lower educational attainment	18.0%	2.9%
<i>Rural Resort Dwellers</i>	Older, rural owners, close to retirement, with moderate incomes	16.3%	1.0%
<i>Traditional Living</i>	Low-moderate incomes, families w/small children, mixed housing types, generally lower educational attainment	16.3%	1.9%



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<i>Rustbelt Traditions</i>	Moderate incomes, with one or no children, moderate educational attainment	10.1%	2.2%
<i>Small Town Simplicity</i>	Older homeowners, mostly singles or couples, with low/moderate incomes	9.1%	1.8%
<i>College Towns</i>	Younger singles/couples in student housing or off campus options, mostly renters	8.3%	1.0%
<i>Middleburg</i>	Younger families with children, moderate incomes, seeking homeownership, willing to move	4.1%	2.9%
<i>Set to Impress</i>	Younger singles or couples, with moderate incomes, educated, mostly renters	3.7%	1.4%
<i>The Great Outdoors</i>	Older homeowners, mostly empty nesters, with modest incomes, within rural areas	3.5%	1.6%
<i>Comfortable Empty Nesters</i>	Older couples ready for retirement, homeowners, moderate/higher incomes, still active	3.4%	2.4%
<i>Old and Newcomers</i>	Urban renters/condominium options, combination of younger/older singles/couples, with moderate incomes	3.0%	2.3%
<i>Hardscrabble Road</i>	Lower income families, with children, mostly renters/mobile homes, minimal educational attainment	2.1%	1.2%
<i>Prairie Living</i>	Rural homeowners with few or no children, moderate incomes	2.0%	1.1%
<i>Dorms to Diplomas</i>	Young singles/couples, mostly renters, in college or recent graduates, with mostly professional occupations	0.2%	0.5%
<b>Total (Rounded)</b>		<b>100.0%</b>	<b>24.2%</b>

Source: ESRI Tapestry



*ESRI Tapestry segments found within Chippewa County are at best indirect reflections of the key target market segments identified previously. Also, no specifically senior-oriented Tapestry segments are present.*

As for the senior target market segment, no specific match was found among the fourteen Tapestry segments. However, at least three segments (*Rural Resort Dwellers, The Great Outdoors, and Comfortable Empty Nesters*) include older adults that will join the senior age segment within the near future. This is a reflection of the community's increasing degree of aging in place, ultimately emulating many other northern Michigan

towns which have exhibited significant aging-in-place trends, in which the senior segments exhibit the highest levels of growth.

Most of these Tapestry categories feature commonalities that do not directly reflect the primary factors shared across the target markets, such as sufficient income levels, moderate to advanced educational attainment, and professional background ranging from entry-level positions to near retirement. Exact matches or comparisons to target market categories are always somewhat rarely made, with indirect comparisons to general target market descriptions perhaps more reasonable and readily understood.

Tapestry data is also ideally used for larger metropolitan areas, rather than rural communities or counties. This is why the use of Tapestry data to determine statistical demand is not advised. However, the data does demonstrate that primary target markets within Chippewa County are likely present to some degree. Thus, new housing options will likely exhibit occupancy by both new residents to the region as well as local households that would ideally take advantage of a residential choice that ideally suits their current lifestyle and needs. This does suggest a cautious approach to new development options, as potential residents will likely come from both primary and secondary market sources.

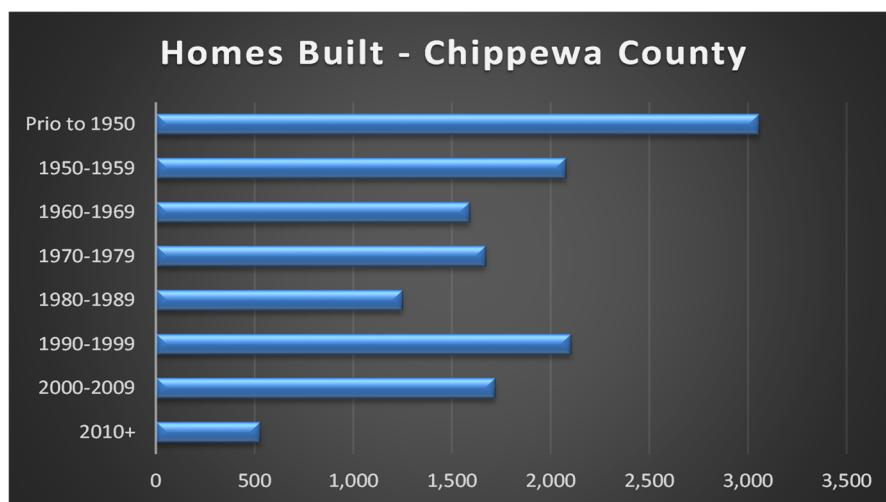
## V: HOUSING CONDITIONS AND CHARACTERISTICS

### Housing Market Characteristics

Housing across Chippewa County is somewhat diverse in terms of which target market are served, but these are also mostly tied to specific sections of the county, and may be somewhat mismatched in terms of demand and supply. Larger homes are found across much of the “rural” sections of the county, with notable concentrations of vacation-style homes found within Drummond Island and nearby sections of the southeast corner of the county. To a lesser extent such options are also found within the northwest corner, near Paradise. While not a primary focus of this analysis, the presence of such larger and higher-value homes does provide the community a greater degree of diversity, opening the marketplace to higher-income households, leading to a degree of stability that reflects more permanent vacation destination for many households and extended families. Such options should always be encouraged, as the likelihood of any negative impacts or crowding out by the segment upon the more traditional housing development options is quite minimal.

The Sault Ste. Marie housing market, and by extension Chippewa County, lacks diversity in comparison to many other communities of a similar size and type across the state. Within the city, limited new housing construction has taken place since at least 2010, and countywide data indicates that all new housing constructed this decade represents less than four percent of available occupied units.

**Chart: Occupied Housing Units by Age - Chippewa County**



**Table: Occupied Housing by Year Built - Chippewa County**

	City of <u>Sault Ste. Marie</u>	<u>PMA</u>	Chippewa <u>County</u>
<b>Total Occupied Housing Units</b>	<b>5,674</b>	<b>9,734</b>	<b>13,999</b>
<b>Built 2014 or later</b>	<b>41</b>	<b>143</b>	<b>183</b>
% of Total	0.7%	1.5%	1.3%
<b>Built 2010 to 2013</b>	<b>119</b>	<b>250</b>	<b>346</b>
% of Total	2.1%	2.6%	2.5%
<b>Built 2000 to 2009</b>	<b>441</b>	<b>1,284</b>	<b>1,719</b>
% of Total	7.8%	13.2%	12.3%
<b>Built 1990 to 1999</b>	<b>521</b>	<b>1,401</b>	<b>2,104</b>
% of Total	9.2%	14.4%	15.0%
<b>Built 1980 to 1989</b>	<b>485</b>	<b>912</b>	<b>1,250</b>
% of Total	8.5%	9.4%	8.9%
<b>Built 1970 to 1979</b>	<b>528</b>	<b>1,116</b>	<b>1,671</b>
% of Total	9.3%	11.5%	11.9%
<b>Built 1960 to 1969</b>	<b>603</b>	<b>876</b>	<b>1,591</b>
% of Total	10.6%	9.0%	11.4%
<b>Built 1950 to 1959</b>	<b>874</b>	<b>1,327</b>	<b>2,078</b>
% of Total	15.4%	13.6%	14.8%
<b>Built 1940 to 1949</b>	<b>438</b>	<b>565</b>	<b>804</b>
% of Total	7.7%	5.8%	5.7%
<b>Built 1939 or earlier</b>	<b>1,624</b>	<b>1,860</b>	<b>2,253</b>
% of Total	28.6%	19.1%	16.1%
<b>Median Year Structure Built</b>	<b>1959</b>	<b>1971</b>	<b>1972</b>

SOURCE: 2015-2019 American Community Survey, U.S. Census Bureau

The area's housing stock is quite aged, with approximately 37 percent of all occupied housing units across the county constructed prior to 1950. The age of housing is much more acute within the city, as nearly 52 percent of all occupied households were constructed prior to 1950. If unoccupied or vacant units were included, it is clear that the city's housing stock is aged, most likely lacks many modern features, and is increasing uncompetitive with newly constructed alternatives found both locally or in other sections of the state. Home prices and associated values appear quite reasonable, so it is surprising the overall housing demand levels are not corresponding to an increased interest in new residential development. Various construction impediments, such as lumber costs, lack of available land that is ideally suited for development, and (most recently) uncertain economic conditions all have contributed to this lack of housing development. It should be noted as well that these construction trends are found across nearly every community within Michigan, which points to a more regional/national set of conditions that have limited housing development, rather than a more local set of circumstances unique to one community.

Existing housing options seem to be moderately priced, based on a review of available sales data from [www.realtor.com](http://www.realtor.com). As stated previously, the county does contain a sizable number of vacation/2<sup>nd</sup> homes, so these options were removed from the data set whenever possible. The results should reflect homes that are hopefully ideally suited for our key target market segments.

While this analysis does not examine blight or overall housing conditions, considering the age of much of the housing stock, such issues may be a key component to overall home value. In addition, while specific structures may not appear blighted, many may be considered substandard based on smaller unit sizes, a lack of modern features, or the inability to retrofit various amenities upon older structures. Such homes are to some extent a drag upon the housing market, as these units are mostly priced to reflect the limited degree of competitiveness within the marketplace, either from a rental standpoint or as a for-sale opportunity.

One way to demonstrate the various segments of the home sales market is to broadly describe what is currently available within Chippewa County. According to [www.Realtor.com](http://www.Realtor.com) a total of 161 homes are currently for sale within the county. This includes locations within the city and the adjacent townships. Of these homes, 45 (28 percent) are priced at or below \$100,000, while 64 are priced between \$100,00 and \$200,000 (40 percent). A total of 29 homes (18 percent) are priced between \$200,00 and \$300,00. The remaining 23 homes are priced above \$300,000, representing 14 percent.

Among the homes currently for sale, a plurality are three-bedroom homes, which features an average size of 1,495 square feet. Broken down by number of bedrooms, average and median data are as follows:

	# For Sale	Median Price	Average Price	Average Size	Price Per Sq. Ft.
One-Bedroom	5	\$89,900	\$138,520	813	\$170.38
Two-Bedroom	55	\$119,900	\$137,422	1,028	\$133.68
Three-Bedroom	72	\$172,500	\$206,439	1,506	\$137.08
Four+ Bedroom	29	\$199,900	\$245,521	2,492	\$98.52
<b>TOTAL</b>	<b>161</b>	<b>\$159,000</b>	<b>\$187,792</b>	<b>1,495</b>	<b>\$125.61</b>

Within this marketplace, location and property characteristics are the primary factors of pricing, as compared to unit size or age. This reflects a broadly-aged housing stock across the

county and the different target markets for most of Sault Ste. Marie as compared to Drummond Island and other areas that exhibit a more retirement/vacation home characteristic. The strongest value appears among the three-bedroom homes, despite the smaller unit sizes as compared to the overall data.

The overall average year of construction among these homes is 1970 – indicative of an older than typical housing stock, and in-line with the U.S. Census data on construction date discussed previously. Within Sault Ste. Marie, the average year is much lower – at 1955. It is not surprising then that the average sales price within the city is \$146,432 – more than \$40,000 lower than the countywide average price.

*A lack of housing supply is clearly present within Sault Ste. Marie and most of Chippewa County – some housing options that are likely in demand are simply not sufficiently present within the marketplace.*

However, the most telling statistic is the time on the market, in which significant variation is found based on location. Those sections of Chippewa County that are primarily traditional homeownership markets feature extremely short sale periods. The for-sale data for Sault Ste Marie yields an average time-on-market period of 60 days. Conversely, a community such as Drummond

Island that is considered more oriented toward a vacation/2<sup>nd</sup> home market, the average time-on-market period is 281 days – more than four times the city’s average. What should be taken from this data is the relatively short sales period found within the city and nearby towns, rather than the longer period found on Drummond Island and De Tour Village (longer sales periods should be anticipated for higher-priced vacation homes that are much more of an investment/disposable funds decision rather than a relocation/primary housing decision found across the balance of the county). Overall, the average time-on-market for Chippewa County is 150 days – which points to a high degree of difference depending on location and housing characteristics. Most homes are standard stick-built structures, with some older brick structures also present. Twelve of the homes for sale were mobile homes, with an average price of \$75,092 – just two of these were found within the city.

The pattern of sales was mapped by price, to give an indication of any concentrations of activity. As seen within the following pages, the higher priced structures are mostly found outside of the city, with a few exceptions on the city’s periphery. Many of these options,

however, also include larger sized lots that clearly impact the overall price. While certainly attractive for many households, those families seeking a reasonably priced and modern home closer to the city have generally limited choices, as few homes are found within the ideal range for market entry by the primary target market segment and are considered examples of modern residential homes. This “missing middle” is not unusual, and is problematic within many other communities across Michigan. The county’s primary issue from a home sales standpoint is a lack of adequate and diverse supply.

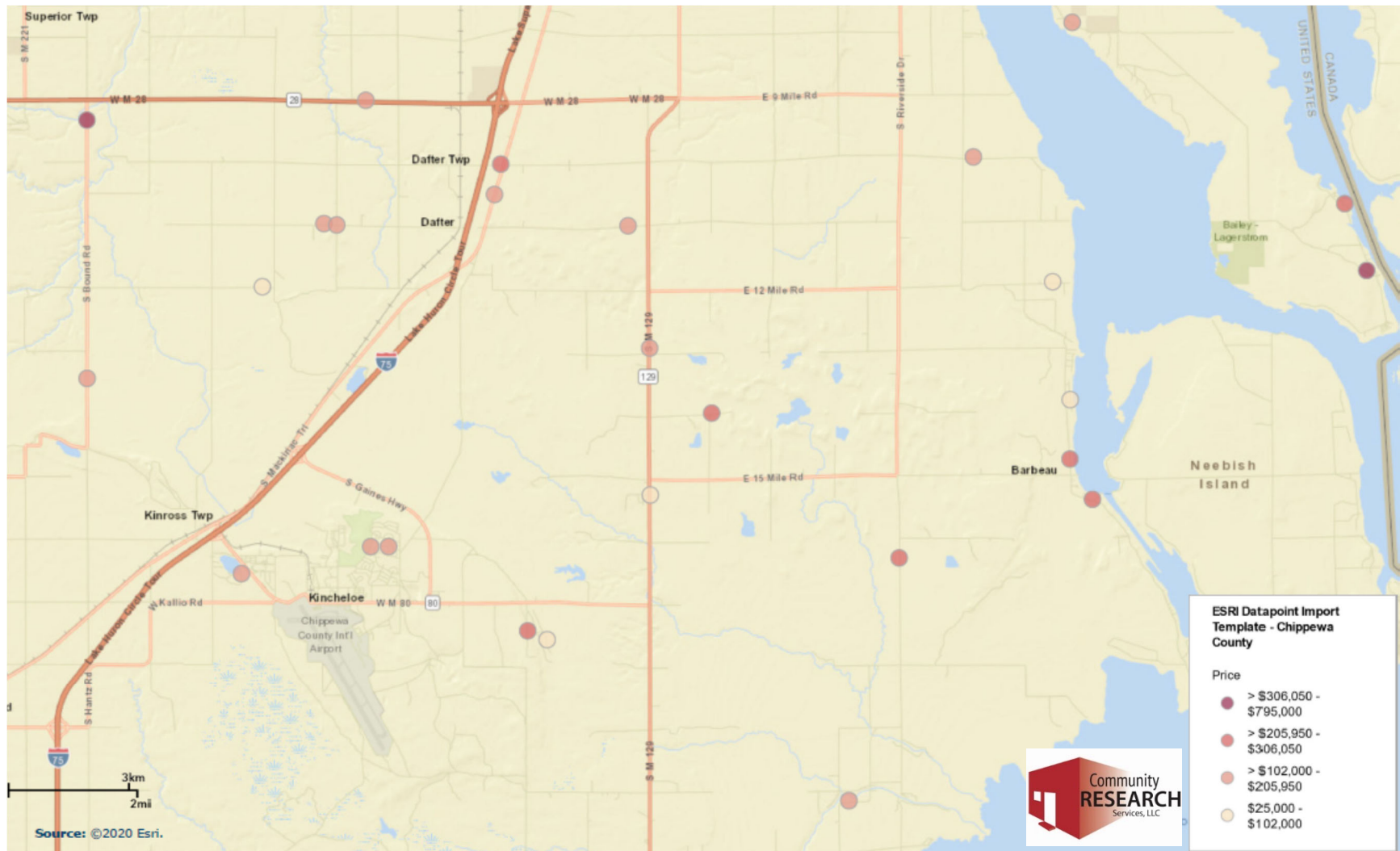
A similar examination was conducted for those homes that have recently sold, which provides an indication of expectations vs. reality for the housing sales market over the past six months. Exhibiting the strongest indication that the current for-sale housing market within Chippewa County (as well as much of the nation) is highly oriented toward unmet demand exhibits a lack of supply, just nine homes have been identified as sold over the past six months, based on [www.realtor.com](http://www.realtor.com) data; just one was located within Sault Ste. Marie, and it was sold within three days of being listed. It is extremely likely that the COVID-19 pandemic has negatively impacted the housing market, but such a broad difference between the for-sale and recently-sold totals is extremely unusual. While it is likely that other homes have been sold via a land contract or other arms-length transaction, or that sales have taken place and not recorded on the realtor.com database, it is quite clear that a lack of supply is greatly inhibiting the local housing marketplace from ideally serving current and potential future residents. Stating the issue in a different way, the 161 homes currently for sale within Chippewa County do not match the current demand characteristics of potential buyers, regardless of their current residence, income level, or desired relocation destination.

Map: Homes Currently for Sale – Sault Ste. Marie & Chippewa County

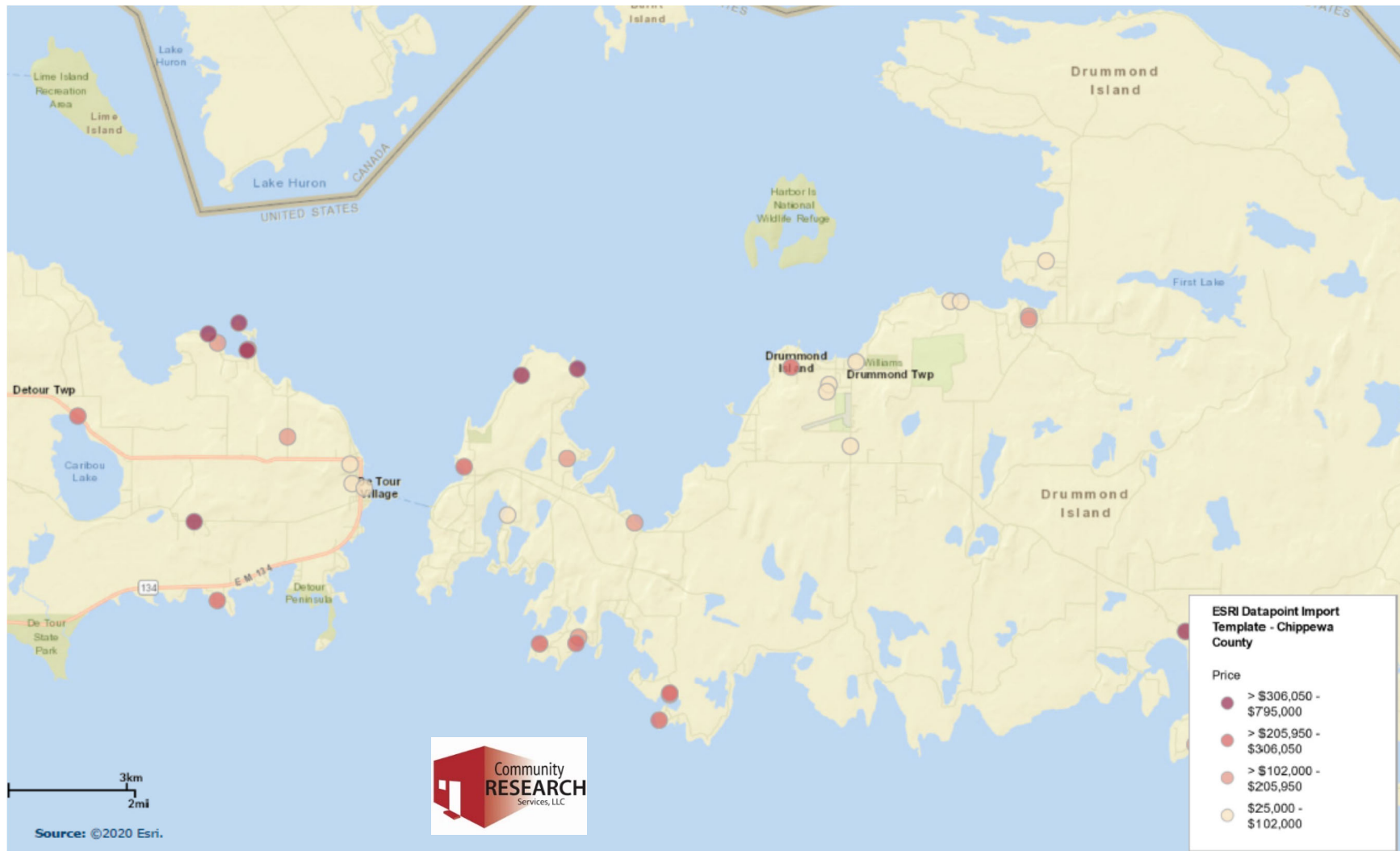




## Chippewa County - Housing Needs Assessment – May 18, 2021

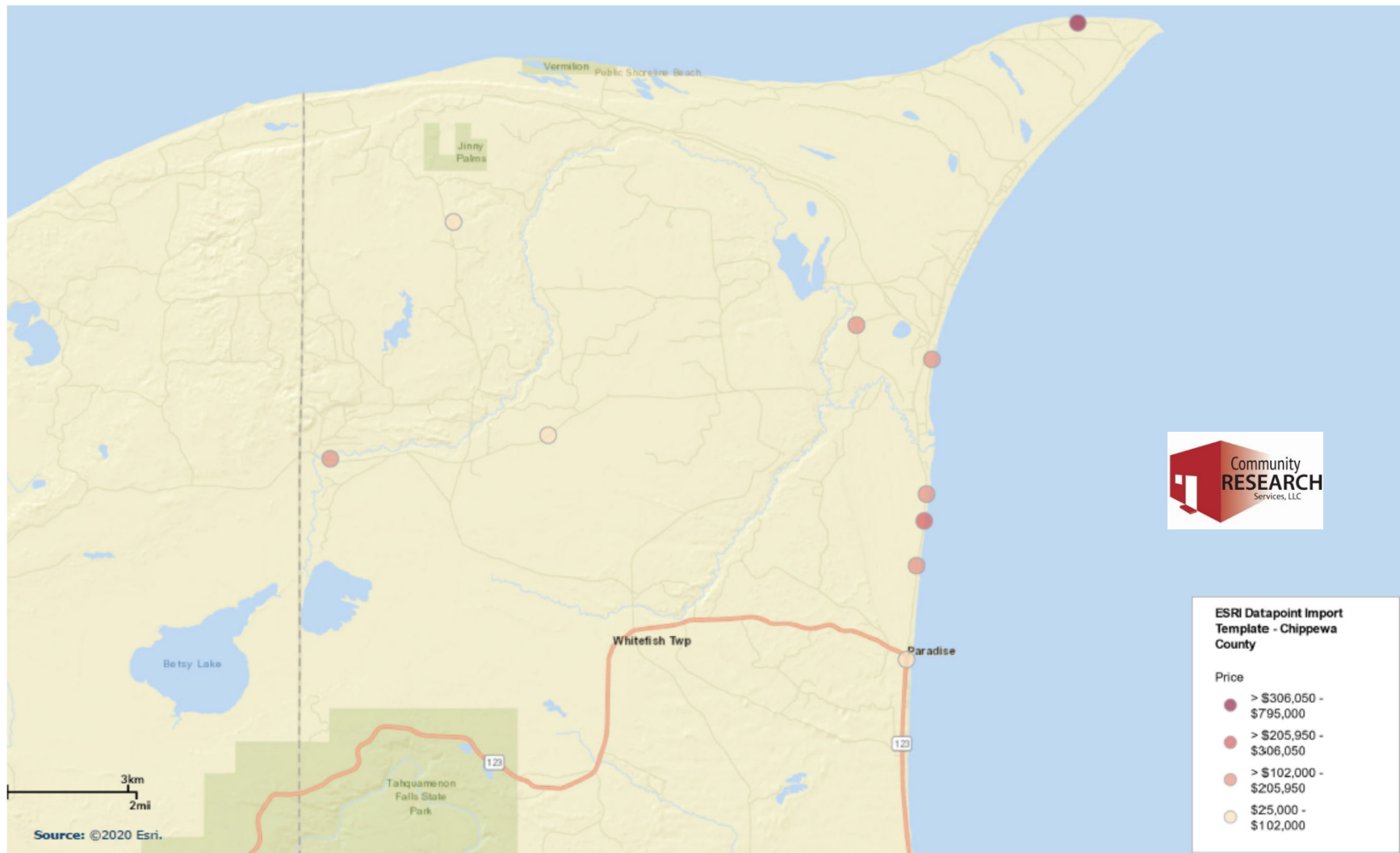


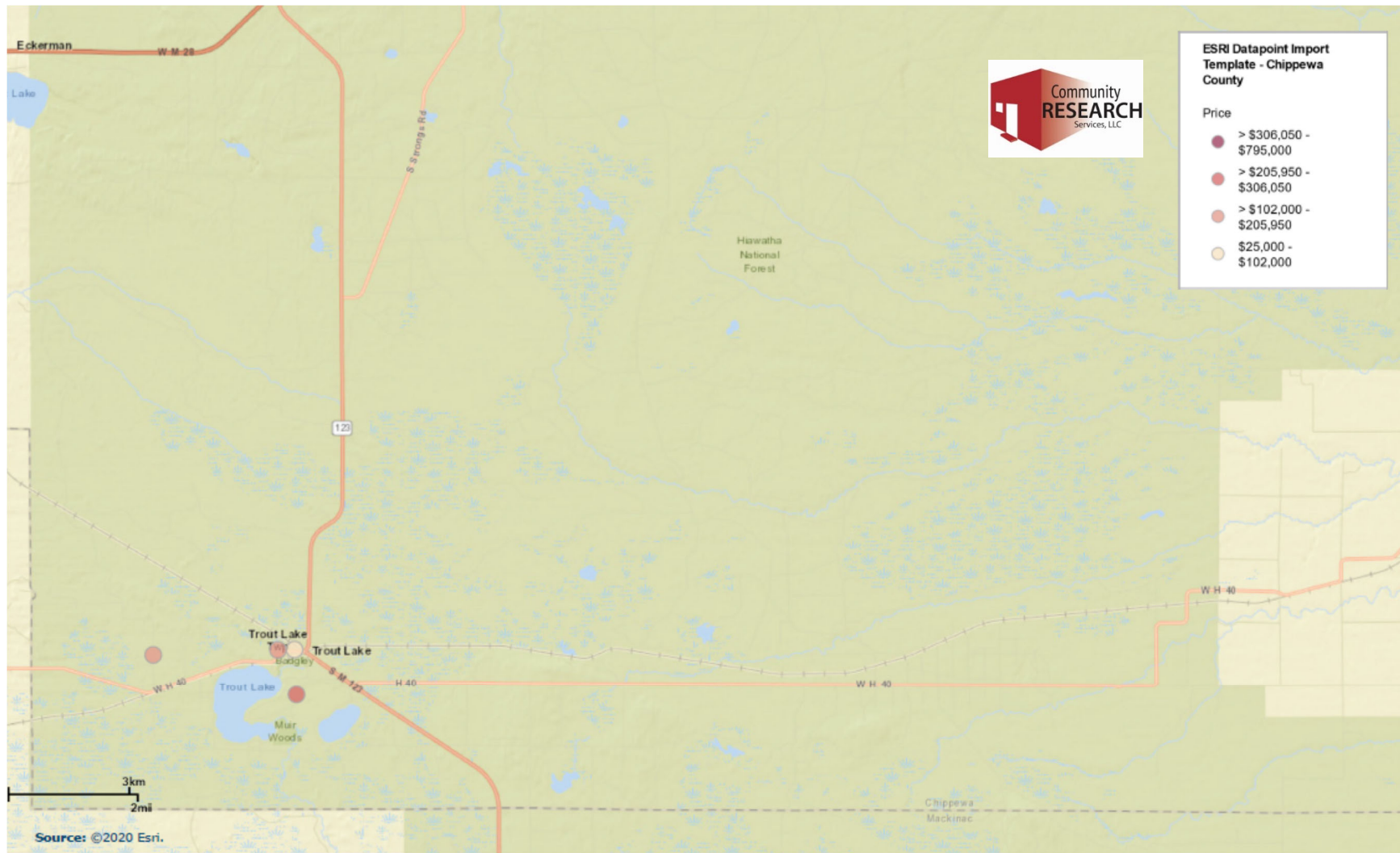




## Chippewa County - Housing Needs Assessment – May 18, 2021







Rental trends across the county are perhaps more influenced by the number of single family and duplex-type rentals, as apartments across the market area only account for a minority of the area's rental options. Existing apartments are a combination of market rate units and affordable options, mostly subsidized through HUD or MSHDA, but also utilizing the Low Income Housing Tax Credit, in which rents are reduced and targeted for households at or below 60 percent of Area Median Income (AMI).

Subsidy units within the area are in generally fair to good condition, and always are at or near full occupancy. These units are constructed through HUD, Rural Housing Service, or the local housing commission. These units include:

- Sault Ste. Marie Housing (scattered sites) (Public Housing) – 140 units
- Pine Street (Public Housing) – 12 units
- Edge of the Woods (HUD) – 12 units
- West Bridge Apartments (HUD/MSHDA) – 28 units
- Bridge Village (HUD) – 70 units (family)

Apartments deemed “affordable” are not subsidized based on rent, but are income-restricted through the use of tax credits or subsidized financing. Three properties of this type are present within the city. One is Park Place City Center, a 24-unit adaptive reuse of a downtown building, located at 416 Ashmun Street. First constructed in 1900, the building was renovated in 2011. It contains 14 one-bedroom units, seven two-bedroom units, and three three-bedroom units. Six of the units feature project-based subsidies, targeted for distressed families. The remaining units are targeted for households at 50 percent AMI or 60 percent AMI. The development has historically remained at full occupancy, and provides residential options for non-seniors within the downtown district.

The second affordable development is Woodcreek Apartments, which was initially developed in 1987 through the Rural Housing Service (USDA), and was subsequently renovated in 2009 with a LIHTC allocation. It is located at 1708 Meridian Street. The development contains 48 units, consisting of 20 one-bedroom units and 28 two-bedroom units. It also features 21 units with Rental Assistance subsidy, providing options for those with very low incomes to reside at the property. Prior research indicates that the complex has remained at or near full occupancy.



The newest tax credit property within the city is Osborn Commons, a 65-unit four-story apartment complex with a ground floor commercial component – a grocery/convenience outlet that provides limited grocery options for those that reside within the downtown district. The property opened in December of 2020 – which is not exactly the ideal month for maximum absorption, much less in the middle of the COVID-19 pandemic.

Osborn Commons features a broad range of income targeting, with available units between 30 percent of Area Median Income (AMI) and 80 percent AMI, along with two units that are unrestricted in terms of rent or income. In addition, 10 units (all one-bedroom units) are designated deep subsidy units through the federal Section 811 program, targeted for persons with disabilities. As a result, depending on the unit, everyone within the county is potentially eligible for nearly every unit available at Osborn Commons. The unit mix within the facility includes 10 one-bedroom units, 29 two-bedroom units, and 25 three-bedroom units. The unit sizes are generally above average, and reflect modern rental housing in comparison to apartments found in other Michigan communities. One-bedroom units are on average 758 square feet, while two-bedroom units are approximately 994 square feet in size. Three-bedroom units average 1,129 square feet. Amenities and unit features reflect the most modern rental options available within Chippewa County, including full kitchens with dishwasher and microwave, in-unit laundry, central heat/air, elevator, and community space with an exercise facility.

Pricing for Osborn Commons reflects restrictions of the Low Income Housing Tax Credit (LIHTC) program, as operated by the Michigan State Housing Development Authority (MSHDA). While some units are eligible for persons up to 80 percent of Area Median Income (AMI), pricing of such units was made at the 65 percent AMI level. Two three-bedroom units are market rate units with no rent/income restrictions, but the remaining units are targeted for persons between 30 percent AMI and 60 percent AMI. As a result of these restrictions, the property's rents are genuinely affordable, but do not reflect the likely price potential that is likely present within the community. While the Soo community's maximized pricing for modern rental housing is likely less than prevailing rents found in Traverse City or other major Michigan markets such as Grand Rapids, it is likely somewhat higher than the rents currently being charged within Osborn Commons, as well as the other non-subsidy rental developments found within the city.

The lease-up of Osborn Commons provides a clear indication of the likely demand for various housing options, since nearly all target markets are represented within the property. According to the developer, all eight of the 80 percent AMI units and two market rate units were rapidly leased and have remained at full occupancy. The development is currently at 85 percent occupancy, only because the management and cooperating nonprofit groups have had difficulty filling the Section 811 units with qualified extremely low-income disabled persons. At this time eight of the ten Section 811 units are still vacant, despite marketing and outreach efforts that were initiated prior to opening. This has included outreach to local and regional governmental organizations and local nonprofits that serve those in need of supportive housing. It is likely that these units would be leased if available for general occupancy, particularly if these units were targeted between 60 percent AMI and 80 percent AMI.

As vacancies are attributable to the requirements of the Section 811 program, the lease-up of Osborn Commons confirms the demand potential for mixed-income and workforce housing rental units. Such trends are found in many other communities across Michigan, but the Sault Ste. Marie/Chippewa County rental market lacks a sufficient number of options, despite the recent construction of Osborn Commons. Additional market demand appears present, and will only increase due to prevailing demographic trends and specific economic impacts from anticipated community development activities.

Existing market rate apartment developments include fourteen properties and management entities that operate various scattered-site rentals. These scattered-site rentals include single family homes for rent, duplex units, smaller apartment buildings, and larger homes that have been renovated into multiple-unit structures. The largest of these include:

- Ashmun Creek – 90 units
- West Pier Place – 218 units
- Woodfield Terrace – 104 units

Unit pricing at West Pier Place is \$605 to \$760 for a studio, \$650 to \$700 for a one-bedroom unit, \$845 to \$900 for a two-bedroom unit, and \$1,005 to \$1,030 for a three-bedroom apartment. Rents at Woodfield Terrace are \$630 to \$685 for a one-bedroom unit, and \$770 to \$830 for a two-bedroom unit. No rental information was available for Ashmun Creek, but prior surveys indicate similar rental rates as compared to other market rate apartment developments.

Occupancy levels are essentially at full occupancy, with any vacant unit quickly filled from an existing waiting list or recent inquiry. Most apartment properties are in good condition overall, but amenities vary greatly depending on the age of the development, whether the property has been recently rehabilitated, and to a lesser extent location. Other information regarding the rental market includes:

- While some larger-sized rental properties are found within the downtown district, such as Avery Square, Osborn Commons, and Park Place City Center, among others, little information is available regarding 2<sup>nd</sup> story downtown rental units, typically found above ground floor commercial establishments. Such options are increasingly popular in more urban communities, favoring occupancy by younger adults without children. The most recent such addition was at 221 West Portage Avenue, with the construction of six apartment units last year. One-bedroom rents were initially priced at \$850 and two-bedroom rents initially priced at \$1,150.
- The age of various rental options should be an increasing concern, with the overall local housing stock relatively aged. A lack of modern amenities, outdated unit features, and inefficient heating/cooling options all place limitations on the highest value available for rental housing.
- While rental homes are found across the market area, many of these are not listed publicly, are utilized within families or farms, and may not include cash rent. Public listing such as [www.realtor.com](http://www.realtor.com) list a few rental homes, ranging from \$650 and above. Another site, [www.craigslist.org](http://www.craigslist.org), provides only nine listings, which also include apartments as well as single family homes. Local ads within the Sault News are also minimal, with just one advertisement for a seasonal rental.

Across Chippewa County, mobile homes represent an estimated four percent of rental units (174 rental units), based on the latest data from the American Community Survey. Among owner occupied homes, mobile homes/trailers represent an estimated 8.5 percent of all owner units (a total of 801 units). Most of these housing types are found within the rural sections of the County. Five mobile home parks are found within Chippewa County, containing approximately 500 spaces for either renters or owners. As mentioned previously, 12 homes currently listed for sale through [www.realtor.com](http://www.realtor.com) are mobile homes.

According to the latest ACS data, approximately 49 percent of all occupied rental units within Chippewa County are single family homes (both attached and detached structures), while 17 percent are duplex to four-plex style units. This would include both duplex-style units as well



as single family home conversions into duplex or four-plex rentals.

**Table: Households by Structure Size & Tenure**

	<u>City of Sault Ste. Marie</u>	<u>Market Area</u>	<u>Chippewa County</u>
<b>Total Occupied Rental Units</b>	2,809	3,478	4,557
<b>1 Unit</b>	1,013	1,309	2,216
% of Total	36.1%	37.6%	48.6%
<b>2 to 4 Units</b>	500	696	787
% of Total	17.8%	20.0%	17.3%
<b>5 to 19 Units</b>	410	522	548
% of Total	14.6%	15.0%	12.0%
<b>20 to 49 Units</b>	247	278	278
% of Total	8.8%	8.0%	6.1%
<b>50 or more Units</b>	547	550	554
% of Total	19.5%	15.8%	12.2%
<b>Mobile Home/Boat/Other</b>	92	123	174
% of Total	3.3%	3.5%	3.8%
SOURCE: 2015-2019 American Community Survey, U.S. Census Bureau			

	<u>City of Sault Ste. Marie</u>	<u>Market Area</u>	<u>Chippewa County</u>
<b>Total Occupied Owner Units</b>	2,865	6,256	9,442
<b>1 Unit</b>	2,576	5,673	8,552
% of Total	89.9%	90.7%	90.6%
<b>2 to 4 Units</b>	17	27	56
% of Total	0.6%	0.4%	0.6%
<b>5 to 19 Units</b>	16	16	16
% of Total	0.6%	0.3%	0.2%
<b>20 to 49 Units</b>	0	0	0
% of Total	0.0%	0.0%	0.0%
<b>50 or more Units</b>	16	16	17
% of Total	0.6%	0.3%	0.2%
<b>Mobile Home/Boat/Other</b>	240	524	801
% of Total	8.4%	8.4%	8.5%
SOURCE: 2015-2019 American Community Survey, U.S. Census Bureau			

A majority of duplex-style units are found within Sault Ste. Marie, but the number of single-family rentals is nearly equally divided between the city and the balance of Chippewa County.

Senior rental housing options for those persons able to live an independent lifestyle

include subsidized and affordable developments. In all, these include:

- Avery Square – MSHDA/LIHTC – 57 units
- Bridge Village – MSHDA – 30 units
- Woodcreek Manor – RHS – 32 units
- Arlington Towne Apartments – Public Housing – 20 units
- James Terrace – Public Housing – 28 units
- Riverview Terrace – Public Housing – 60 units
- Edge of the Woods Apartments – HUD - 60 units

This is a total of 287 rental units dedicated to low-income seniors within Sault Ste. Marie, approximately 10 percent of all rentals within the city. Relatively few of these rental units are targeted for non-subsidy households, and a smaller fraction are non-restricted units. None are recently constructed, and the deep subsidy units are limited in terms of unit amenities and project features.

Based on the available units for seniors – ranging from subsidy to affordable options – and considering prevailing demographic trends discussed previously, the need for additional senior rental units will continue to increase over the next five years, but does not appear to be substantial. This is both a reflection of the community’s existing senior options, along with the size of the local senior rental marketplace. It is likely that senior market demand will increase into the mid-2020s to a level that would justify increasingly larger development size, primarily due to local seniors aging in place.

## **VI: DEMAND ANALYSIS**

### **Statistical Demand for Rental Housing Units**

Demand calculations are presented for 2020 and three-year projections for households within the target market income ranges, defined within two segments – open occupancy and independent living seniors age 65 and older. Both target markets will be divided into affordable and market rate income levels. To reflect the most likely geographic region from which statistical demand can be reliably measured, demand calculations will be based on the Sault Ste. Marie market area.

Senior properties are in most markets not as prevalent as open rental facilities, and are typically constructed within a site or neighborhood that would readily attract a wide range of senior households from across a broad area. This would reflect close proximity to healthcare options or senior-oriented services that are typically a highly important component of the decision-making process for older adults to relocate. While such items are also important for non-senior households, employment, transportation, and retail locations are typically more important as part of the non-senior household's decision-making process to consider alternative residential options. However, due to the county's size, varying characteristics in terms of prevailing housing options, and existing properties that are available primarily within the Soo area, a countywide market area was not considered the most realistic option for this analysis.

For the open segment the affordable income range is between \$24,000 and \$40,000, based on a rounding of income limits from HUD for households up to 60 percent of Area Median Income (AMI). The workforce housing range is shifted upward to reflect slightly higher rent potentials as well as an income limit based on 80 percent of AMI. The eligibility ranges for these segments reflect the current income and rent restrictions placed upon such units by the federal and state financing programs currently in use for the development affordable and workforce rental housing. The market rate segment is between \$40,000 and \$100,000 annual income. The upper range of \$100,000 is used as a measure of conservatism and assumes that those households above that income level would have a broader set of housing alternatives.

By using the most recent income data, the percentage of owner and renter households that fall within the income-qualified range (adjusted to 2020) is calculated. This total is adjusted to

exclude larger-sized households that would require more than a three-bedroom unit to house such a larger-sized family. This number is applied to the percentage of households that relocate to rental housing on an annual basis, using available information from the American Community Survey. This yields the annual demand for the current year. Future demand includes any additional renter households that are projected to be added to the marketplace. This results in a demand estimate for 2023.

***Statistical demand forecasts are most prominent for market rate rental housing options.***

The resulting demand forecast is 103 affordable units, 141 workforce housing units, and 199 market rate units. It should be reiterated that these income bands for each targeted segment overlap, so the true demand forecast using this type of model would require a specific indication of proposed rents and income limits, if any are applicable. Assuming the development of 45 units of market-rate housing, the penetration rate is 1.6 percent – indicating that less than two percent of eligible households would be required to absorb the proposal. Among the affordable and workforce housing options, based on a 24-unit proposal the resulting penetration rates are 2.2 percent and 1.6 percent. However, it is necessary to account for the recently-completed Osborn Commons project, so the adjusted ratio, referred to as the saturation rate, is notable higher. For the affordable demand the saturation rate is 7.3 percent, while the workforce housing demand yields a saturation rate of 2.2 percent. The ideal penetration rate is below three percent, with larger ratios indicative of overly aggressive project sizes and/or relatively weak market trends from a statistical standpoint. Also, saturation rates above six percent are considered somewhat questionable in terms of market depth. As a result, additional affordable units are perhaps not as needed for the next few years, while a greater statistical demand is present for both workforce rental housing and market rate rental housing options.

A second statistical demand ratio commonly used is the capture rate, indicating how much statistical demand would be required to absorb a proposal. Based on a 45-unit market rate proposal, the capture rate was calculated at 22.6 percent, while the affordable and workforce options yielded ratios of 49.8 percent and 18.3 percent. Capture rates that approach or exceed 50 percent typically exhibit questionable demand levels, as a majority of all households likely to move within a given year would be required to move into the proposed facility.

The results suggest a minimal demand currently for affordable units, but essentially all of the demand comes from movership within the market area, rather than a strong degree of household growth. Based on these figures, the ideal suggested option for rental development would include both market rate and workforce rental units, within either one development or separate facilities. This result corresponds with prevailing market trends discussed previously.

A similar method can be used to determine senior rental housing demand. In this case, the demand forecast is based on seniors age 65 and older, as this represents the broadest base of potential senior occupancy, assuming seniors can live an independent lifestyle. Using the same methodology and two primary income ranges – affordable (approximately \$21,000 to \$31,000) and market rate (\$36,000 to \$100,000), a 2023 demand for senior rental housing was calculated at 20 units within the affordable range and 56 units within the market rate income range. Assuming the ideal penetration rate of 3.0 percent is the development objective, the resulting project sizes are just eight units for the affordable range and 24 units for the market rate range. Both the demand levels and ratios are not indicative of sufficient market depth; however, the demand equation utilizes an independent living qualifier, in which the percentage of seniors that are considered eligible for independent living senior housing do not have any type of disability. In this case the ratio of disability for seniors within Chippewa County is much higher than many other Michigan counties, at 38.1 percent. It is likely that this rate not realistic, and that many of these seniors could still live an independent lifestyle.

Please note that the senior demand is not a complete subset of the overall open demand calculation, as it utilizes separate migration and income eligibility factors.

One other note is important to reiterate – the demand forecasts are based on seniors age 65 and older. Actual eligibility for most senior housing begins at age 55 and older, but the utilized age segment is reflective of the actual average age of most senior independent living facilities, which typically exceeds 75 years of age. Occupancy within a senior development is more dependent upon health and the condition of the prior residence than purely the age of the household. As a result, most analysts are wary of exceedingly strong demand forecasts based on the 55 and older age segment. For this analysis the demand equation utilized very cautious measures to maintain a degree of conservatism and avoid an overly optimistic demand forecast.

Other factors outside the demand forecasts' ability to measure should also be considered.

These factors include the overall attractiveness of the subject's location, marketing and outreach efforts by the community and management agents, and ongoing economic changes that may take place within the market area. Any of these items could significantly alter the calculated demand for a given project. Please note that these demand forecasts are also dependent on the following assumptions:

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

Statistical demand forecasts exist within a “*ceteris paribus*” environment in which all other factors outside the equation are held constant. If any of these considerations are not present, however, or if a specific characteristic of the proposal is deemed excessively negative within the community, the demand potential for any proposal could be greatly changed in either direction.

**Table: Statistical Demand Calculation – Open Rental Units**

<b>2020 Total Occupied Households</b>	<b>9,865</b>			
<b>2020 Owner-Occupied Households</b>	<b>6,315</b>			
<b>2020 Renter-Occupied Households</b>	<b>3,550</b>			
		<b>LIHTC/ Affordable Range</b>	<b>Workforce Housing Range</b>	<b>Total Market Rate Range</b>
<b>QUALIFIED-INCOME RANGE</b> <i>(unduplicated)</i>				
Minimum Annual Income		\$24,000	\$30,000	\$40,000
Maximum Annual Income		\$40,000	\$54,000	\$100,000
<b>PERCENTAGE SMALL SIZED OWNER HH</b>		67.3%	67.3%	67.3%
<b>PERCENTAGE SMALL SIZED RENTER HH</b>		76.4%	76.4%	76.4%
<b>DEMAND FROM EXISTING HOUSEHOLDS</b>				
Percent Income Qualified Owner Households		13.4%	19.7%	45.6%
Percent Income Qualified Renter Households		19.1%	25.9%	34.6%
Income Qualified Owner Households		570	840	1,941
Income Qualified Renter Households		518	703	938
Annual Movership Rate - Owner to Renter		2.0%	2.0%	2.0%
Annual Movership Rate - Renter to Renter		18.1%	18.1%	18.1%
Total Income-Qualified Owner to Renter Movers		11	17	39
Total Income-Qualified Renter to Renter Movers		94	127	170
<b>Total Demand from Existing Households</b>		<b>105</b>	<b>144</b>	<b>209</b>
<b>DEMAND FROM NEW RENTER HOUSEHOLDS</b>				
Projected 2023 Renter Households	<b>3,510</b>			
Annual Change in Renter Households, 2020-2023	<b>-13</b>			
Percent Qualified Renter Households		19.1%	25.9%	34.6%
<b>Total Annual Demand From New Households</b>		<b>(2)</b>	<b>(3)</b>	<b>(3)</b>
<b>TOTAL DEMAND</b>		<b>103</b>	<b>141</b>	<b>205</b>
<b>LESS: Total Comparable Units Placed in Service Since 2019</b>		55	10	6
<b>LESS: Total Comparable Units Proposed/Under Construction</b>		0	0	0
<b>TOTAL NET DEMAND</b>		<b>48</b>	<b>131</b>	<b>199</b>
<b>PROPOSED NUMBER OF UNITS</b>		<b>24</b>	<b>24</b>	<b>45</b>
<b>CAPTURE RATE</b>		<b>49.8%</b>	<b>18.3%</b>	<b>22.6%</b>
<b>PENETRATION RATE</b>		<b>2.2%</b>	<b>1.6%</b>	<b>1.6%</b>
<b>SATURATION RATE</b>		<b>7.3%</b>	<b>2.2%</b>	<b>1.8%</b>
Note: Totals may not sum due to rounding or differences in income ranges				
SOURCE: U.S. Census of Population and Housing, U.S. Census Bureau American Community Survey, U.S. Census Bureau ESRI Business Analyst				

**Table: Statistical Demand Calculation – Senior Rental Units**

2020 Total Occupied Households 65+	2,803		
2020 Owner-Occupied Households 65+	2,145		
2020 Renter-Occupied Households 65+	658		
\			
		<b>Affordable/ Moderate Income</b>	<b>Market Rate</b>
<b>QUALIFIED-INCOME RANGE (unduplicated)</b>			
Minimum Annual Income		\$21,000	\$36,000
Maximum Annual Income		\$31,000	\$100,000
<b>DEMAND FROM EXISTING RENTER HOUSEHOLDS - AGE 65+</b>			
Percent Income Qualified Owner Households		13.3%	50.1%
Percent Income Qualified Renter Households		20.0%	27.4%
Percentage of Seniors without Independent Living Difficulty		61.9%	61.9%
Income Qualified Owner Households		177	666
Income Qualified Renter Households		81	112
Annual Movership Rate - Owner to Renter		6%	6%
Annual Movership Rate - Renter to Renter		10%	10%
Total Income-Qualified Owner to Renter Movers		11	43
Total Income-Qualified Renter to Renter Movers		9	12
<b>Total Demand from Existing Households</b>		<b>20</b>	<b>54</b>
<b>DEMAND FROM NEW HOUSEHOLD GROWTH - AGE 65+</b>			
Annual Owner Household Growth, 2020-2023		39	39
Percent Income Qualified Owner Households		13.3%	50.1%
Annual Renter Household Growth, 2020-2022		12	12
Percent Income Qualified Renter Households		20.0%	27.4%
<b>Total Demand From New Households</b>		<b>0</b>	<b>1</b>
<b>TOTAL DEMAND</b>		<b>20</b>	<b>56</b>
<b>LESS: Total Comparable Units Placed in Service Since 2019</b>		0	0
<b>LESS: Total Comparable Units Proposed/Under Construction</b>		0	0
<b>TOTAL NET DEMAND</b>		<b>20</b>	<b>56</b>
<b>PROPOSED NUMBER OF UNITS</b>		<b>8</b>	<b>24</b>
<b>CAPTURE RATE</b>		<b>39.3%</b>	<b>43.0%</b>
<b>PENETRATION RATE</b>		<b>3.0%</b>	<b>3.0%</b>
<b>SATURATION RATE</b>		<b>3.0%</b>	<b>3.0%</b>
Note: Totals may not sum due to rounding			
SOURCE: U.S. Census of Population and Housing, U.S. Census Bureau American Community Survey, U.S. Census Bureau ESRI Business Analyst			



### **Statistical Demand for Owner Housing Units**

Statistical demand forecasts for homeownership analysis are rarely utilized, as the homeownership marketplace has numerous factors that are difficult to readily quantify within a simple algorithm such as the rental demand forecast. A regression analysis is typically provided for such an analysis, but Chippewa County is relatively small to provide this type of analysis with a high degree of confidence. However, the following information may shed light on the statistical aspects of the local homeownership market:

- Annual movership ratios for households into owner-occupied units was calculated as follows for Chippewa County, based on the latest American Community Survey data:
  - Previous Owner into Owner-Occupied Units: 2.2 Percent
  - Previous Renter into Owner-Occupied Units: 3.1 Percent

For this data to reflect current conditions, the approximate number of homes purchased within the last year would need to total approximately 180 to 220 units. Based on the number of homes currently for sale, the difference in the market area and the Realtor.com trade area, and closing data listed on Realtor.com, these statistics appear slightly higher than the most recent sales data. It is hoped that this reflects a temporary reduction in home sales activity (a much more reasonable conclusion) rather than a permanent shift in residential activity (less likely, given the various data collected within this report). In any case, continued monitoring of home sales trends over the balance of 2021 and into 2022 will provide sufficient data and trends regarding prevailing movership for the county.

- The relatively short period of time for homes to sell is the clearest indication of owner housing demand, and such trends are strongest within the Sault Ste. Marie portion of Chippewa County. The median number of days homes have been on the marketplace was relatively short for the city, at 57 days as compared to 150 days for the entire county. This data is indicative of a strong marketplace with a clear imbalance with a lack of supply.
- Both renter households and owner households are forecast to vary little over the next few years, based on ESRI data. While some of these homes may convert to rental units, it is more likely that some of the lower-quality homes within the market area may be vacated or removed from the available housing stock. Based on the latest American Community Survey data, 1.5 percent of the county's owner-occupied households are considered substandard, totaling 142 units for 2019.

## **Specific Housing Options – Research/Analysis**

Additional community information regarding economic development across Chippewa County is worthy of mention, along with potential development activities that may be under consideration. As the primary clients for this report are the CCEDC and Sault Ste. Marie EDC, a lengthy review of these activities is not necessary, so a brief summary will be provided.

The most notable development activity is the reconstruction of the Soo Locks, with the addition of another larger-sized lock to further facilitate movement of materials across the upper Great Lakes. The project is being coordinated at the federal level by the U.S. Army Corps of Engineers. Per the corps' initial press release in 2018:

*The Soo Locks are located in Sault St. Marie, MI. in Chippewa County. The Soo Locks are situated on the St. Marys River at Sault Ste. Marie, Michigan and allow vessels to transit the 21' elevation change at the St. Marys Falls. This project would construct a second Poe-sized lock (110' by 1,200') on the site of the existing Davis and Sabin Locks. The Soo Locks are nationally critical infrastructure and the reliability of this critical node in the Great Lakes Navigation system (GLNS) is essential to U.S. manufacturing and National Security.*

Development of the new lock will result in a significant economic impact throughout most of the 2020s, not only in terms of financial investments within the region, but the introduction of over 1,000 jobs across a wide range of occupations and backgrounds. The infusion of this many jobs into the Chippewa County economy should ultimately result in a reversal of population and household forecasts that have projected slightly declining totals further into the decade. However, such trends cannot be fully realized by the community without additional residential options for any new arrivals to utilize. Without such options in place locally, existing residential options will be extended beyond reason, resulting in overcrowding, occupancy of substandard and seasonal housing options, and increasing commuting patterns from outside of Chippewa County. Such a scenario would result in a greatly reduced economic impact, particularly if significant increases take place in the level of commuting within the region (which have traditionally been minimal as compared to other sections of Michigan).

While it is not likely that the more than 1,000 jobs from the Soo Locks initiative would result in permanent employment opportunities within Chippewa County, the eventual increase in permanent employment will only provide a positive impact upon the region if these workers are

able to find safe, modern, and reasonably-priced housing options, including rental housing as well as homeownership opportunities.

Information sheets from the U.S. Army Corps of Engineers regarding the Soo Locks project are provided on the following pages. Positive economic impacts will be present throughout the balance of the decade, and can be a strong impetus toward not only increased economic activity but also new housing creation – an issue that nearly all communities across Michigan will struggle with for the foreseeable future.

The other notable economic impact to the community is the recent announcement that the Chippewa County International Airport, has been chosen as the command-and-control center for future satellite-launching operations within Michigan, coordinated by the State of Michigan and the Michigan Aerospace Manufactures Association (MAMA). Actual launch sites for future satellites will take place in Marquette County for vertical launches and Alpena for horizontal launches.

The location was deemed ideal for this selection based on location, available facilities, and proximity to the two launch locations. While it is not certain how many permanent jobs will be created as a result of this selection over the next few years, the type of positions and occupations associated with the command-and-control center are highly-attractive jobs. According to a local article on the selection:

*"The median salary for a research and development senior systems engineer is approximately \$103,900 per year. A senior mechanical system engineer makes approximately \$97,800 per year. Other construction, manufacturing, and trade jobs are also anticipated to be created."*

As with the Locks project, an increased demand potential for new housing alternatives will be increasingly evident, making an already compromised housing market even more limited in terms of the community's ability to serve current and future residents.

### **Housing Initiatives to Address Current and Future Needs**

A brief review and commentary on specific housing development proposals is worthy of attention, given the above information. One proposal is the redevelopment of the K-Mart site within the city into a mixed-use location for specialty warehousing facilities, sit-down and fast-food restaurants, a self-storage facility, and market rate apartments.

The development of market rate apartments as broadly defined within this redevelopment proposal matches very well with the prevailing demand potential for such housing within Sault Ste. Marie and Chippewa County. Existing market rate rental housing is essentially fully occupied, and new apartment development for this market segment has not taken place since 2005. Since that time, preferences regarding in-unit features and project amenities for modern rental development have greatly changed, reflecting a tenant base that is generally younger, more mobile, but still interested in key project features such as community space, high-speed internet capabilities, and proximity to local retail/services and primary roadways. The K-Mart site would be ideal for such development in terms of location, and the emulation of various features found within newly-constructed market rate rental properties located in Traverse City or metropolitan Grand Rapids and Detroit would best serve new residents to the community as well as current residents that would seek out a modern rental option.

Another residential development under consideration is the construction of single-family homes on the western side of the city, within existing lots found proximate to a local recreational/golf course, west of I-75. The prior review of home sales trends from [www.realtor.com](http://www.realtor.com) provides more than sufficient evidence of the acute lack of homes available for sale, regardless of price. Unfortunately, no recent sales or current for-sale information for that immediate section of the county was present among the reviewed data discussed previously. Without more specifics regarding unit size, features, and construction options, a specific discussion of market potential is not possible within this analysis. However, a strong recommendation can be forwarded regarding the additional investigation and finalization of development options of single-family homes for potential homeowners, with likely demand found across a wide range of pricing options and development choices.

It is also suggested that the development of additional affordable rental housing within the Soo community should not be an immediate focus. It appears that the recent construction of Osborn Commons has satisfied the demand potential for those households within the low-income segment of the housing market. Along with other existing properties this segment does not exhibit the same lack of options as found within the market rate housing markets at this time.



US Army Corps  
of Engineers ®  
Detroit District

## New Lock at the Soo

Current total project cost \$1.375 billion\* (Fiscal Year 2020 Price Level)  
\$411.2 million funded to date (30 percent funded)

MARCH 2021



### IMPORTANCE

- Construction of a new lock with dimensions equal to the Poe Lock (1,200 feet long x 110 feet wide) will provide much needed resiliency in the Great Lakes Navigation System.
- Nearly all domestically produced advanced high strength steel used to manufacture products like automobiles and appliances is made with taconite (iron ore) that transits the Poe Lock.
- A 30 day outage of the Poe Lock has a greater impact on the nation than a 30 day outage of any other USACE lock.
- The New Lock is expected to provide annual benefits of \$77.4 million and a benefit-cost ratio of 2.32 at a 7.0 percent discount rate.



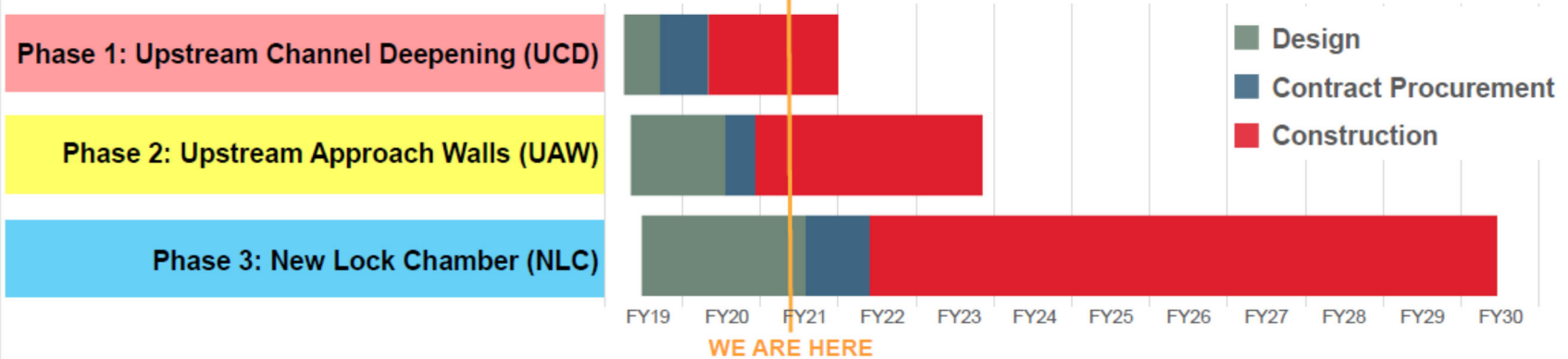
\*Current total project cost based on 70% design and based on shift from use of CCC to Base and Options. Certified cost estimate to be updated in July 2021

BUILDING STRONG ®





## NEW LOCK STATUS



\* Early completion could be realized with approval of continuing contracts clause, efficient funding, and favorable weather conditions





## PROJECT'S ECONOMIC IMPACT

24



- **\$1.375B** Total Project Cost
- Estimated **7-10** years of construction
- **1,240** jobs created on an annual basis
  - 600 direct jobs
  - 210 indirect jobs
  - 430 induced jobs
- **950,000** tons of limestone or granite
- **55,000** tons of American-made cement
- **25,000** tons of American-made steel



Menominee Unloading Aggregate on Northwest Pier in support of Upstream Channel Deepening Contract

# MICHIGAN LAUNCH INITIATIVE COMMAND & CONTROL CENTER AND SPACEPORTS







FOR IMMEDIATE RELEASE

Contact: John Geisler 734.478.5533  
info@MichMan.org  
or  
Mary Ann Sabo, 616.485.1432  
maryann@sabo-pr.com

**MAMA Selects Chippewa County for New Command and Control Center**  
*Upper Peninsula Community Is Third and Final Site In Michigan Launch Initiative*

**Sterling Heights, Michigan, January 28, 2021** – The Michigan Aerospace Manufacturers Association, or MAMA, today announced the selection of Chippewa County in the state's Upper Peninsula as the site of its new command and control center.

Chippewa was among four communities across the state considered for the command and control center. Site selection – co-led by spaceport consultants BRPH and Kimley-Horn – was based on many factors, including community support, constructability, existing communication infrastructure and established workforce and aerospace industry.

Chippewa was chosen as the third and final site in the Michigan Launch Initiative, a public-private partnership organized by MAMA that is expected to bring an estimated 40,000 new jobs and solidify the state's place as a premier commercial aerospace destination. The new command and control center will enable the MLI to interface with the U.S. Department of Defense, or DOD, and other related agencies on highly sensitive and defense-related projects.

The Michigan Launch Initiative, or MLI, also includes a horizontal space launch site in Oscoda and a vertical space launch site in Marquette. Both sites were announced in 2020 as part of a yearlong selection process that included the command and control center.

The command and control center will support both launch sites and provide classified and unclassified capabilities for the DOD and commercial space organizations. It will manage satellite operations once rockets carrying small and midsize satellites are launched from the horizontal and vertical launch sites into low Earth orbit, or LEO, which about 1,200 miles above the Earth. It also will manage research and development for high-speed suborbital flights.

"This large and contiguous site in Chippewa has existing facilities that can easily be converted to support the command and control center's mission," said MAMA Executive Director Gavin Brown. "It also has early radar line of sight tracking for the horizontal and vertical launch sites to support our Michigan Launch Initiative. The Chippewa community's strong partnerships within the aerospace industry and its established aerospace labor market will allow for immediate support for the center.

"Upon future determination, a military aspect will be key in the MLI, enabling us to interface with the Department of Defense on projects that utilize satellites and other space assets. Michigan's new launch sites and our evolving space ecosystem will help position our state to be a true leader. We are thrilled to welcome Chippewa to the MLI team."

Now that the command and control center site has been selected, MAMA will work with community, local and state partners on environmental permitting, site design and construction.

“We are extremely pleased with and excited about the selection of Chippewa County for the command and control center location,” said Chippewa County Economic Development President Chris Olson. “Chippewa’s proposal provides an ideal balance of industry expertise, local know-how and national security space proficiency necessary for the successful implementation of a premier command and control center.”

The DOD plans to add 17,000 LEO satellites over the next decade – a significant increase over the 1,200 satellites currently there. Michigan’s new launch sites will help meet this demand while providing a multibillion dollar impact on the state’s economy.

The MLI is working to obtain licensing approvals for the Oscoda horizontal launch site and the Marquette vertical launch site. Operations are expected to begin at the horizontal space launch site in late 2023 or early 2024 and at the vertical space launch site by early 2025.

In June 2019, the Michigan Legislature appropriated \$2 million to assess the feasibility of developing one or more low-orbit launch sites in the state. Michigan is uniquely positioned to meet the demand for commercial, government and defense space launches. Specifically, Northern Michigan – north of the Earth’s 45th parallel – is perfectly situated for polar orbit launches and it has ideal infrastructure for logistics and technical support.

“These are exciting times in the space industry,” Brown said. “The space domain is critical to both our national security and economic viability. Space is a significant growth area for both the DOD and commercial sectors for the foreseeable future. We are honored to be leading this effort.”

#### **ABOUT MAMA**

Michigan Aerospace Manufacturers Association is a member-supported organization that serves the interests of Michigan’s aerospace and defense manufacturing firms with a single unified voice, promoting the state of Michigan’s aerospace and defense manufacturing community within the global industry. [www.michman.org](http://www.michman.org).

###

## **VII: DATA & SOURCES**

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Aerial Photography from ESRI Business Analyst

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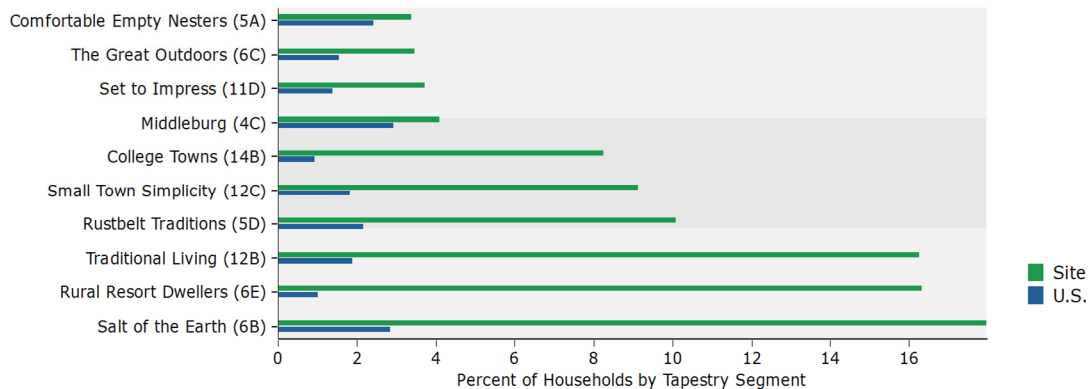
“*MAMA Selects Chippewa County for New Command and Control Center*” – Michigan Aerospace Manufacturing Association press release – January 2021

“*Chippewa County Airport Chosen as Rocket Launch Command Centre*” – David Helwig, [www.SooToday.com](http://www.SooToday.com), January 29, 2021

**ESRI TAPESTRY DATA**

		Tapestry Segmentation Area Profile				
		Chippewa County, MI				Prepared by Esri
		Chippewa County, MI (26033)				
		Geography: County				
Top Twenty Tapestry						
		2020 Households		2020 U.S. Households		
			Cumulative		Cumulative	
Rank	Tapestry Segment	Percent	Percent	Percent	Percent	Index
1	Salt of the Earth (6B)	18.0%	18.0%	2.9%	2.9%	627
2	Rural Resort Dwellers (6E)	16.3%	34.3%	1.0%	3.9%	1,609
3	Traditional Living (12B)	16.3%	50.6%	1.9%	5.8%	852
4	Rustbelt Traditions (5D)	10.1%	60.7%	2.2%	8.0%	463
5	Small Town Simplicity (12C)	9.1%	69.8%	1.8%	9.8%	498
	Subtotal	69.8%		9.8%		
6	College Towns (14B)	8.3%	78.1%	1.0%	10.8%	865
7	Middleburg (4C)	4.1%	82.2%	2.9%	13.7%	140
8	Set to Impress (11D)	3.7%	85.9%	1.4%	15.1%	270
9	The Great Outdoors (6C)	3.5%	89.4%	1.6%	16.7%	220
10	Comfortable Empty Nesters (5A)	3.4%	92.8%	2.4%	19.1%	139
	Subtotal	23.0%		9.3%		
11	Old and Newcomers (8F)	3.0%	95.8%	2.3%	21.4%	130
12	Hardscrabble Road (8G)	2.1%	97.8%	1.2%	22.6%	174
13	Prairie Living (6D)	2.0%	99.8%	1.1%	23.7%	184
14	Dorms to Diplomas (14C)	0.2%	100.0%	0.5%	24.2%	41
	Subtotal	7.3%		5.1%		
Total		100.0%		24.2%		414

**Top Ten Tapestry Segments Site vs. U.S.**



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

Source: Esri



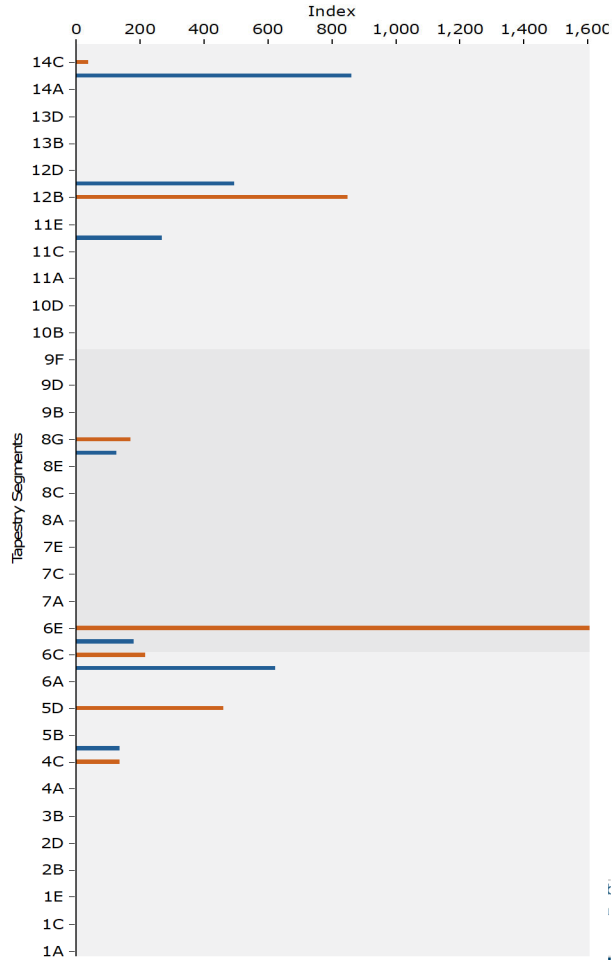
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## Tapestry Segmentation Area Profile

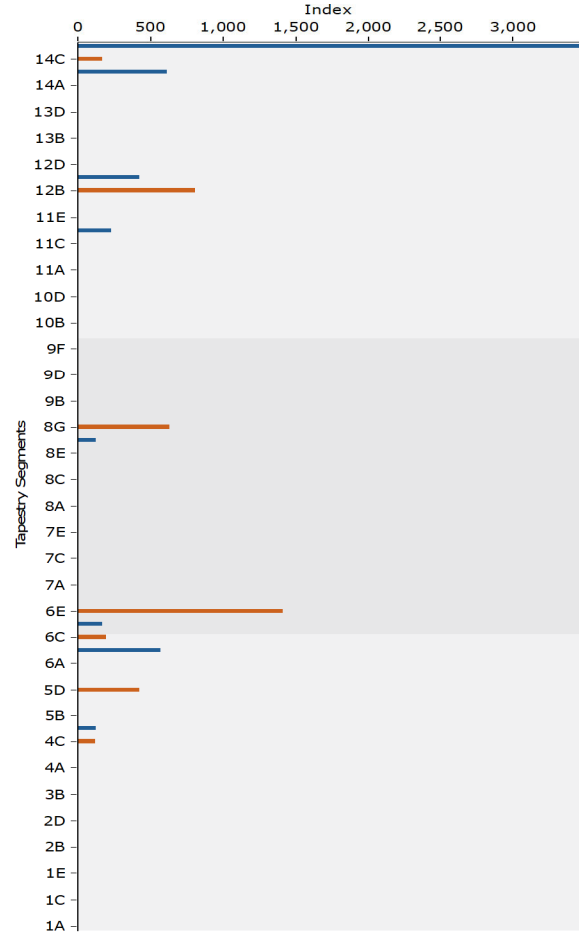
Chippewa County, MI  
Chippewa County, MI (26033)  
Geography: County

Prepared by Esri

2020 Tapestry Indexes by Households



2020 Tapestry Indexes by Total Population 18+



# Chippewa County - Housing Needs Assessment – May 18, 2021



**esri**

## Tapestry Segmentation Area Profile

Chippewa County, MI  
Chippewa County, MI (26033)  
Geography: County

Prepared by Esri

Tapestry LifeMode Groups	2020 Households			2020 Adult Population		
	Number	Percent	Index	Number	Percent	Index
<b>Total:</b>	14,259	100.0%		31,108	100.0%	
<b>1. Affluent Estates</b>	0	0.0%	0	0	0.0%	0
Top Tier (1A)	0	0.0%	0	0	0.0%	0
Professional Pride (1B)	0	0.0%	0	0	0.0%	0
Boomburbs (1C)	0	0.0%	0	0	0.0%	0
Savvy Suburbanites (1D)	0	0.0%	0	0	0.0%	0
Exurbanites (1E)	0	0.0%	0	0	0.0%	0
<b>2. Upscale Avenues</b>	0	0.0%	0	0	0.0%	0
Urban Chic (2A)	0	0.0%	0	0	0.0%	0
Pleasantville (2B)	0	0.0%	0	0	0.0%	0
Pacific Heights (2C)	0	0.0%	0	0	0.0%	0
Enterprising Professionals (2D)	0	0.0%	0	0	0.0%	0
<b>3. Uptown Individuals</b>	0	0.0%	0	0	0.0%	0
Laptops and Lattes (3A)	0	0.0%	0	0	0.0%	0
Metro Renters (3B)	0	0.0%	0	0	0.0%	0
Trendsetters (3C)	0	0.0%	0	0	0.0%	0
<b>4. Family Landscapes</b>	585	4.1%	54	1,125	3.6%	46
Soccer Moms (4A)	0	0.0%	0	0	0.0%	0
Home Improvement (4B)	0	0.0%	0	0	0.0%	0
Middleburg (4C)	585	4.1%	140	1,125	3.6%	123
<b>5. GenXurban</b>	1,925	13.5%	119	3,766	12.1%	112
Comfortable Empty Nesters (5A) (	486	3.4%	139	1,002	3.2%	132
In Style (5B)	0	0.0%	0	0	0.0%	0
Parks and Rec (5C)	0	0.0%	0	0	0.0%	0
Rustbelt Traditions (5D)	1,439	10.1%	463	2,764	8.9%	434
Midlife Constants (5E)	0	0.0%	0	0	0.0%	0
<b>6. Cozy Country Living</b>	5,666	39.7%	330	10,782	34.7%	292
Green Acres (6A)	0	0.0%	0	0	0.0%	0
Salt of the Earth (6B)	2,563	18.0%	627	5,124	16.5%	574
The Great Outdoors (6C)	494	3.5%	220	961	3.1%	200
Prairie Living (6D)	279	2.0%	184	544	1.7%	171
Rural Resort Dwellers (6E)	2,330	16.3%	1,609	4,153	13.4%	1,420
Heartland Communities (6F)	0	0.0%	0	0	0.0%	0
<b>7. Ethnic Enclaves</b>	0	0.0%	0	0	0.0%	0
Up and Coming Families (7A)	0	0.0%	0	0	0.0%	0
Urban Villages (7B)	0	0.0%	0	0	0.0%	0
American Dreamers (7C)	0	0.0%	0	0	0.0%	0
Barrios Urbanos (7D)	0	0.0%	0	0	0.0%	0
Valley Growers (7E)	0	0.0%	0	0	0.0%	0
Southwestern Families (7F)	0	0.0%	0	0	0.0%	0

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


Source: Esri



# Chippewa County - Housing Needs Assessment – May 18, 2021

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Tapestry Segmentation Area Profile

Chippewa County, MI

Chippewa County, MI (26033)

Geography: County

Prepared by Esri


Tapestry LifeMode Groups	2020 Households			2020 Adult Population		
	Number	Percent	Index	Number	Percent	Index
<b>Total:</b>	14,259	100.0%		31,108	100.0%	
8. Middle Ground	723	5.1%	47	3,089	9.9%	99
City Lights (8A)	0	0.0%	0	0	0.0%	0
Emerald City (8B)	0	0.0%	0	0	0.0%	0
Bright Young Professionals (8C)	0	0.0%	0	0	0.0%	0
Downtown Melting Pot (8D)	0	0.0%	0	0	0.0%	0
Front Porches (8E)	0	0.0%	0	0	0.0%	0
Old and Newcomers (8F)	426	3.0%	130	820	2.6%	133
Hardscrabble Road (8G)	297	2.1%	174	2,269	7.3%	637
9. Senior Styles	0	0.0%	0	0	0.0%	0
Silver & Gold (9A)	0	0.0%	0	0	0.0%	0
Golden Years (9B)	0	0.0%	0	0	0.0%	0
The Elders (9C)	0	0.0%	0	0	0.0%	0
Senior Escapes (9D)	0	0.0%	0	0	0.0%	0
Retirement Communities (9E)	0	0.0%	0	0	0.0%	0
Social Security Set (9F)	0	0.0%	0	0	0.0%	0
10. Rustic Outposts	0	0.0%	0	0	0.0%	0
Southern Satellites (10A)	0	0.0%	0	0	0.0%	0
Rooted Rural (10B)	0	0.0%	0	0	0.0%	0
Diners & Miners (10C)	0	0.0%	0	0	0.0%	0
Down the Road (10D)	0	0.0%	0	0	0.0%	0
Rural Bypasses (10E)	0	0.0%	0	0	0.0%	0
11. Midtown Singles	532	3.7%	61	878	2.8%	52
City Strivers (11A)	0	0.0%	0	0	0.0%	0
Young and Restless (11B)	0	0.0%	0	0	0.0%	0
Metro Fusion (11C)	0	0.0%	0	0	0.0%	0
Set to Impress (11D)	532	3.7%	270	878	2.8%	239
City Commons (11E)	0	0.0%	0	0	0.0%	0
12. Hometown	3,621	25.4%	420	6,727	21.6%	379
Family Foundations (12A)	0	0.0%	0	0	0.0%	0
Traditional Living (12B)	2,318	16.3%	852	4,499	14.5%	814
Small Town Simplicity (12C)	1,303	9.1%	498	2,228	7.2%	433
Modest Income Homes (12D)	0	0.0%	0	0	0.0%	0
13. Next Wave	0	0.0%	0	0	0.0%	0
International Marketplace (13A)	0	0.0%	0	0	0.0%	0
Las Casas (13B)	0	0.0%	0	0	0.0%	0
NeWest Residents (13C)	0	0.0%	0	0	0.0%	0
Fresh Ambitions (13D)	0	0.0%	0	0	0.0%	0
High Rise Renters (13E)	0	0.0%	0	0	0.0%	0
14. Scholars and Patriots	1,207	8.5%	526	2,506	8.1%	354
Military Proximity (14A)	0	0.0%	0	0	0.0%	0
College Towns (14B)	1,177	8.3%	865	1,982	6.4%	617
Dorms to Diplomas (14C)	30	0.2%	41	524	1.7%	173
Unclassified (15)	0	0.0%	0	2,235	7.2%	3,471

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

# Chippewa County - Housing Needs Assessment – May 18, 2021

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Tapestry Segmentation Area Profile

Chippewa County, MI

Chippewa County, MI (26033)

Geography: County

Prepared by Esri

Tapestry Urbanization	2020 Households			2020 Adult Population		
	Number	Percent	Index	Number	Percent	Index
<b>Total:</b>	14,259	100.0%		31,108	100.0%	
<b>1. Principal Urban Center</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
Laptops and Lattes (3A)	0	0.0%	0	0	0.0%	0
Metro Renters (3B)	0	0.0%	0	0	0.0%	0
Trendsetters (3C)	0	0.0%	0	0	0.0%	0
Downtown Melting Pot (8D)	0	0.0%	0	0	0.0%	0
City Strivers (11A)	0	0.0%	0	0	0.0%	0
NeWest Residents (13C)	0	0.0%	0	0	0.0%	0
Fresh Ambitions (13D)	0	0.0%	0	0	0.0%	0
High Rise Renters (13E)	0	0.0%	0	0	0.0%	0
<b>2. Urban Periphery</b>	<b>1,439</b>	<b>10.1%</b>	<b>61</b>	<b>2,764</b>	<b>8.9%</b>	<b>50</b>
Pacific Heights (2C)	0	0.0%	0	0	0.0%	0
Rustbelt Traditions (5D)	1,439	10.1%	463	2,764	8.9%	434
Urban Villages (7B)	0	0.0%	0	0	0.0%	0
American Dreamers (7C)	0	0.0%	0	0	0.0%	0
Barrios Urbanos (7D)	0	0.0%	0	0	0.0%	0
Southwestern Families (7F)	0	0.0%	0	0	0.0%	0
City Lights (8A)	0	0.0%	0	0	0.0%	0
Bright Young Professionals (8C)	0	0.0%	0	0	0.0%	0
Metro Fusion (11C)	0	0.0%	0	0	0.0%	0
Family Foundations (12A)	0	0.0%	0	0	0.0%	0
Modest Income Homes (12D)	0	0.0%	0	0	0.0%	0
International Marketplace (13A)	0	0.0%	0	0	0.0%	0
Las Casas (13B)	0	0.0%	0	0	0.0%	0
<b>3. Metro Cities</b>	<b>4,780</b>	<b>33.5%</b>	<b>185</b>	<b>10,972</b>	<b>35.3%</b>	<b>211</b>
In Style (5B)	0	0.0%	0	0	0.0%	0
Emerald City (8B)	0	0.0%	0	0	0.0%	0
Front Porches (8E)	0	0.0%	0	0	0.0%	0
Old and Newcomers (8F)	426	3.0%	130	820	2.6%	133
Hardscrabble Road (8G)	297	2.1%	174	2,269	7.3%	637
Retirement Communities (9E)	0	0.0%	0	0	0.0%	0
Social Security Set (9F)	0	0.0%	0	0	0.0%	0
Young and Restless (11B)	0	0.0%	0	0	0.0%	0
Set to Impress (11D)	532	3.7%	270	878	2.8%	239
City Commons (11E)	0	0.0%	0	0	0.0%	0
Traditional Living (12B)	2,318	16.3%	852	4,499	14.5%	814
College Towns (14B)	1,177	8.3%	865	1,982	6.4%	617
Dorms to Diplomas (14C)	30	0.2%	41	524	1.7%	173

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


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Tapestry Segmentation Area Profile

Chippewa County, MI

Chippewa County, MI (26033)

Geography: County

Prepared by Esri

Tapestry Urbanization	2020 Households			2020 Adult Population		
	Number	Percent	Index	Number	Percent	Index
<b>Total:</b>	14,259	100.0%		31,108	100.0%	
4. Suburban Periphery	486	3.4%	11	1,002	3.2%	10
Top Tier (1A)	0	0.0%	0	0	0.0%	0
Professional Pride (1B)	0	0.0%	0	0	0.0%	0
Boomburbs (1C)	0	0.0%	0	0	0.0%	0
Savvy Suburbanites (1D)	0	0.0%	0	0	0.0%	0
Exurbanites (1E)	0	0.0%	0	0	0.0%	0
Urban Chic (2A)	0	0.0%	0	0	0.0%	0
Pleasantville (2B)	0	0.0%	0	0	0.0%	0
Enterprising Professionals (2D)	0	0.0%	0	0	0.0%	0
Soccer Moms (4A)	0	0.0%	0	0	0.0%	0
Home Improvement (4B)	0	0.0%	0	0	0.0%	0
Comfortable Empty Nesters (5A)	486	3.4%	139	1,002	3.2%	132
Parks and Rec (5C)	0	0.0%	0	0	0.0%	0
Midlife Constants (5E)	0	0.0%	0	0	0.0%	0
Up and Coming Families (7A)	0	0.0%	0	0	0.0%	0
Silver & Gold (9A)	0	0.0%	0	0	0.0%	0
Golden Years (9B)	0	0.0%	0	0	0.0%	0
The Elders (9C)	0	0.0%	0	0	0.0%	0
Military Proximity (14A)	0	0.0%	0	0	0.0%	0
5. Semirural	1,888	13.2%	141	3,353	10.8%	119
Middleburg (4C)	585	4.1%	140	1,125	3.6%	123
Heartland Communities (6F)	0	0.0%	0	0	0.0%	0
Valley Growers (7E)	0	0.0%	0	0	0.0%	0
Senior Escapes (9D)	0	0.0%	0	0	0.0%	0
Down the Road (10D)	0	0.0%	0	0	0.0%	0
Small Town Simplicity (12C)	1,303	9.1%	498	2,228	7.2%	433
6. Rural	5,666	39.7%	235	10,782	34.7%	205
Green Acres (6A)	0	0.0%	0	0	0.0%	0
Salt of the Earth (6B)	2,563	18.0%	627	5,124	16.5%	574
The Great Outdoors (6C)	494	3.5%	220	961	3.1%	200
Prairie Living (6D)	279	2.0%	184	544	1.7%	171
Rural Resort Dwellers (6E)	2,330	16.3%	1,609	4,153	13.4%	1,420
Southern Satellites (10A)	0	0.0%	0	0	0.0%	0
Rooted Rural (10B)	0	0.0%	0	0	0.0%	0
Diners & Miners (10C)	0	0.0%	0	0	0.0%	0
Rural Bypasses (10E)	0	0.0%	0	0	0.0%	0
Unclassified (15)	0	0.0%	0	2,235	7.2%	3,471

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

Source: Esri

**CERTIFICATION**

**CONSULTANT CERTIFICATION/CERTIFICATE OF ACCURACY**

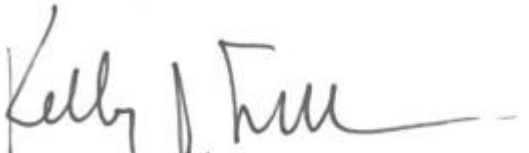
It is hereby attested to that the information in this report is true and accurate. Information gathered from other sources is considered to be reliable; however, the undersigned does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment.

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

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



**COMMUNITY RESEARCH SERVICES, LLC**

  
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Kelly J. Murdock

Date: May 18, 2021

**RESUME AND BACKGROUND**

***KELLY J. MURDOCK***

***COMMUNITY RESEARCH SERVICES, LLC***

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

Mr. Murdock currently serves as the Managing Partner of Community Research Services, LLC (CRS). CRS was created to provide a wide variety of products and services to the affordable housing industry, ranging from market feasibility studies to development consulting. CRS provides consulting and research with for-profit firms, nonprofit organizations, as well as state and local governments.

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

A graduate of Eastern Michigan University, Mr. Murdock holds a degree in Economics and Business, with a concentration in economic modeling and analysis. Mr. Murdock is a member of the Michigan Housing Council, a statewide affordable housing advocacy group. He previously served on the Council's Board of Directors. Mr. Murdock and CRS are also charter members of the National Council of Housing Market Analysts (NCHMA), an organization dedicated to the establishment of standard practices and methods in housing research across the nation. Mr. Murdock previously led the peer-review committee, and currently serves as Chairman of the organization. Mr. Murdock has been awarded the Professional Member designation by NCHMA, the highest level of membership offered by the organization.