



# A Housing Market Analysis of Benzie County

Final Draft Report

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## **I. INTRODUCTION**

Community Research Services, LLC (CRS) has been commissioned by the Alliance for Economic Success to investigate the market conditions present for both affordable and market rate rental housing options across Benzie County. Benzie County is found within northwest lower Michigan, and is considered a part of the Grand Traverse region. The county is approximately 30 miles from Traverse City, approximately 45 miles from Cadillac, and approximately 180 miles from Lansing.

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

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

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

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

## II. EXECUTIVE SUMMARY

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

- The analysis assumes two sub-market areas within Benzie County. One reflects the Frankford/Elberta section, consisting of these two communities and the surrounding townships that are on Lake Michigan and Crystal Lake. The other sub-market area consists of the balance of Benzie County, including the communities of Beulah, Benzonia, Honor, Lake Ann, and Thompsonville. The two sub-markets are appropriate for the examination of open (family) housing options; however, the size and characteristics of Benzie County point to the utilization of the entire county as a potential market area for senior housing alternatives. This is of course dependent upon assumptions regarding location and accessibility.
- Three primary target markets (market subsets) were examined for this analysis, including:
  - Senior rental housing – for those persons or couples age 55 and older, that are able to live an independent lifestyle, and exhibit moderate incomes that generally range from \$30,000 to \$60,000, and are primarily retired or work on a part-time basis;
  - Affordable rental housing – for singles, couples, or small families of all ages, with incomes up to approximately \$35,000 (depending on family size), typically with low to moderate educational attainment, generally employed either part-time or full time within unskilled or entry-level positions typically within the services or hospitality sectors;
  - Workforce rental housing – for singles, couples, or small families of all ages, with incomes between \$35,000 and \$60,000 (depending upon family size), with some degree of specialized training or educational attainment, employed within manufacturing, services, or other moderate-wage sectors.
- Positive factors include the following:
  - Demographic trends reflect an aging, stable population with most of the anticipated growth coming from retirees and other older adults, rather than younger families with children. By 2021 the county’s population will total 18,513 persons, based on ESRI forecasts.
  - Employment trends are positive, as nearly all employment losses due to the recessionary period at the end of the last decade have been regained. The county’s 2016 unemployment rate was estimated at 5.9 percent. By comparison, the Grand Traverse region (Benzie, Grand Traverse, Leelanau, and Kalkaska Counties) exhibited an unemployment rate of 4.5 percent for 2016. The state and national unemployment rates for 2016 were both at 4.9 percent. Employment losses during the last decade were severe, but not as crippling as compared to

other sections of the state that are more dependent upon manufacturing and professional employment.

- Placemaking considerations are generally favorable, as the region’s natural attractions are clearly an asset. Parkland, water access, and other outdoor features are clearly responsible for a degree of interest by those households that value such natural resources. However, a wide range of retail outlets and non-outdoor entertainment options are not prevalent across Benzie County, but are readily available in nearby Grand Traverse County. Along with limited infrastructure outside of the county’s towns (including natural gas and conventional broadband access), this places the Benzie area at a clear disadvantage in comparison to Grand Traverse County for those households that value such infrastructure.
- Impediments and other problematic considerations include:
  - Excessive pricing for most housing options, due to vacation/2<sup>nd</sup> homes along Lake Michigan and Crystal Lake. This trend is most evident within prevailing sales pricing for homes found within the Frankfort/Elberta sub-market.
  - Diversity within the employment base is lacking within Benzie County, due to a larger than average leisure/hospitality sector (representing 34 percent of private sector employment, as of 2016). While any employment creation is welcome, leisure/hospitality positions historically provide only low-wage, part-time employment. The county also exhibits a smaller than average production sector, with a low ratio of construction/manufacturing jobs as compared to other portions of northern Michigan. Core professional services (finance/healthcare/business) are also less than ideal in terms of concentration. It is a combination of manufacturing and professional employment options that provide a base of moderate-income households that are readily able to raise families and age in place.
  - Development costs are somewhat prohibitive, reflecting a range of conditions that make affordable housing more difficult. These include environmental concerns, zoning requirements, permit costs, and other factors that are becoming more common across the region and statewide. The ability to reduce the cost of development is critical to the ability of a community to provide affordable housing.
  - Declining birth rates are prevalent across Michigan, but this trend within Benzie County is exacerbated by the community’s history as a vacation destination. As a result, local school districts will increasingly rely on school-of-choice from other sections of the Grand Traverse region to stabilize enrollment.
  - Seasonal economic patterns are very evident, and make permanent affordable housing demand somewhat difficult to quantify. The increased need for housing options for the influx of workers during the summer months has been well documented. The reduced demand for such housing and the associated reduction in economic activity provide a degree of doubt regarding the true demand for workforce housing on an annual basis.

- Proximity to Traverse City, from an affordable housing standpoint, is perhaps detrimental to the ability of the Benzie area to provide such options. Particularly for those commuters that are not troubled by a commute of more than 30 minutes (which is quite common across the metropolitan regions of the state), the availability of various affordable and market rate housing options near Traverse City decreases the demand potential within Benzie County. Thus any new housing options need to be competitive with those developments currently found within the Traverse City area, particularly in terms of in-unit amenities, unit design, and project features.
- Lack of housing options for key target markets is a reflection of available services, particularly senior housing. While some options are present within Benzie County, the significantly greater degree of retail and service outlets in and around Traverse City results in a clear disadvantage, especially for younger, more mobile seniors that maintain a generally active lifestyle.
- Primary findings for this analysis include:
  - The Benzie County area's ability to attract entry level households across the moderate-income range is limited by a lack of supply, higher than average development costs, and available options closer to Traverse City that are near a strong level of services and retail outlets. While local school systems are a positive reflection upon the community, declining birthrates and smaller family sizes will lead to a decreasing emphasis on family-oriented characteristics, toward a combination of features that are preferable to young adults, empty nesters, and retirees.
  - Assuming locations for workforce housing can be found within both sub-market areas, the county's natural resources should greatly aide in attracting moderate income households to the region.
  - Relatively few affordable rental developments are present within the County. The most recent entry into the local marketplace services the affordable income segment (at or below 60 percent of Area Median Income), but most entry-level households would not eligible for residency, due to income restrictions. Thus future development should reflect either market rate options with no restrictions, or a mixed-income development that services both the moderate and lower income bands.
  - The collaboration within the development and leasing process of local employers would greatly enhance the viability of the proposal. This would ensure that sufficient pre-leasing efforts are maximized within the key target market segments.

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

Project Size:	Approximately 40-60 units (with additional phases possible)
Project Type:	Mixed-income, combination of garden apartments and townhomes
Unit mix:	Mostly one-bedroom / two-bedroom options, with a few three-bedroom units
Targeted Incomes: (based on household size)	\$20,000 - \$35,000 – Low-Income \$35,000 - \$60,000 – Moderate-Income

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

Preliminary Pricing:	\$550 - \$750 – 1BR
(Affordable/Market Rate)	\$675 - \$895 – 2BR \$765 - \$1,005 – 3BR

Rents do not include utilities

Amenities/features – commensurate with those properties found within the Traverse City area

Considering the long-term trends regarding seniors, aging in place, and the high level of attraction to Benzie County and the Grand Traverse region by retirees, a senior residential facility for independent-living households age 55 and older can be demonstrated. While affordability is always important, it is recommended that the senior facility target moderate income households, with no rent or income restrictions.

The following preliminary recommendation for senior housing includes the following:

Project Size:	Approximately 20 to 30 apartment units
Unit Type:	Independent Living units with one-bedroom/two-bedroom combinations – options for personal care services contracted separately
Additional phases:	Uncertain – primarily dependent upon the lease-up and ongoing occupancy levels of the initial phase
Suggested Structure type:	Duplex or four-plex style units with attached garage, along with a community building/office



- Unit Mix: 20% one-bedroom / 80% two-bedroom (approx.)
- Preliminary Pricing:  
(Average) \$950 – one-bedroom unit  
\$1,200 – two-bedroom unit
- Does not include utilities, or any optional personal care services that may be provided separately
- Proposed Amenities: Full kitchens with refrigerator, range, dishwasher, and disposal; central air conditioning, in-unit laundry, and ample closet space.
- Project Features: Ample green space, sufficient community space for resident use, and on-site management.

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

### **III. BACKGROUND – BENZIE COUNTY**

As part of this analysis, an examination of prior research regarding affordable housing issues was undertaken. Unlike many markets across northern Michigan, the Benzie area has been the subject of recent research on the subject; subsequently this report and analysis will benefit from such prior research as both a starting point and review of historical trends.

Much of this work was completed by Community Research over the past decade, including specific research assignments for proposals within Frankfort and Thompsonville. Unfortunately, none of these various proposals was developed by the sponsors, mostly due to the constraints and difficulties of obtaining an affordable housing tax credit allocation, financing through various organizations (mostly the Michigan State Housing Development Authority), and changes within the local and regional housing markets during the past decade.

In 2009, Community Research completed a series of Housing Needs Assessment updates for the five-county Grand Traverse region, with separate documents for each county. This work was sponsored by Community Housing Choices Advisory Committee/Northwest Michigan Council of Governments (now Networks Northwest). The update not only provided data and analysis regarding demographic and economic trends, it also included a survey of local employers regarding housing needs, along with a series of affordability scenarios regarding various household types and income levels which illustrated the lack of options for many scenarios that existed at the time across Benzie County.

The 2009 Update examined the four primary recommendations that were stated within the original 2003 report, which included:

- Suggested zoning/planning adjustments to facilitate additional housing;
- Expansion of public infrastructure, to increase the number of potential sites suitable for development;
- Expansion of ongoing housing rehabilitation efforts;
- The development of additional housing options, including owner-occupied homes, rental developments, and Special Needs units;

The key revision from the 2003 report to the 2009 update was a shift from market impediments primarily focused as an affordability issue, to a more wide-range problem of a lack of housing options in general, leading to an increasing workforce housing issue within Benzie County.

Also, the 2009 update provided more specific recommendations for the local housing markets, including the following for the

Frankfort/Elberta area:

- Workforce housing (including “starter” homes and rental units), with owner-occupied units targeted at 80 percent to 100 percent of Area Median Income, and rental options at or below 60 percent of Area Median Income;
- Rehabilitation of existing units;
- Senior/Special Needs rental housing, including on-site services if necessary;

*Few of the recommendations from the 2009 Needs Assessment have been realized across Benzie County*

For the eastern section of Benzie County:

- Workforce housing, with a greater emphasis on rental options;
- Rehabilitation of existing units;

Since the report was completed, some of the recommendations have come to fruition. An affordable rental development was constructed in Frankfort (Gateway Village – 36 units, constructed in 2010), but the other recommendations were not fully addressed. While the recessionary trends at the end of the last decade did alleviate some housing market pressure, the recent recovery of housing demand and pricing has clearly indicated that ongoing housing needs still remain not only for market rate households but those within the affordable income range.

A much more comprehensive examination of housing needs was recently sponsored by Networks Northwest, via a 2014 Target Market Analysis (TMA) authored by Land Use/USA. A TMA uses a combination of placemaking impacts and target market clusters to determine market potential, rather than a more conventional algorithm that directly uses Census information and demographic projections to determine a statistical demand forecast.

The 2014 report for Benzie County concluded that sufficient market depth is present for a minimum of 335 housing units to a maximum of 860 housing units over a full five-year period. Broken down by tenure, the TMA recommendations from the executive summary and subsequent exhibits for market potential are as follows (figures are directly from the report and totals may not reflect sums of the data:

Tenure	Conservative Annual Demand	Conservative Five-Year Demand	Aggressive Annual Demand	Aggressive Five-Year Demand
Owner Households	32	160	52	260
Renter Households	36	180	120	600
TOTAL	67	335	172	860

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

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

While the TMA does contain some valuable information, based on prior experience and the utilization of generally accepted methodology, the recommendations somewhat to significantly overstate the likely market demand for housing options that may appeal to those within the target market segments of importance. For example, the aggressive five-year

demand for housing implies a population growth rate of more than 1,800 persons (assuming household sizes remain constant) for the target market segments that reflect just 25 percent of the county’s total population (as indicated within the TMA’s executive summary). This would result in a 2021 overall population increase to approximately 22,500 persons (an aggressive forecast that assumes the remaining 75 percent of the county’s population demonstrates more reasonable growth rate). By comparison, ESRI forecasts the 2021 population for Benzie County at 18,513 persons. The conservative scenario within the TMA, resulting in an estimated 2021 population of approximately 19,650 persons (following the same criteria as previously listed), is clearly more reasonable, but still not commensurate with ESRI forecasts.

The only other potentially reasonable method to justify the TMA’s demand forecasts would be a sizable increase in the average household size; based on census data this is not the case, and in fact overall household sizes are projected to further decline over the balance of the decade. This is widely accepted by analysts familiar with demographic trends across the vast

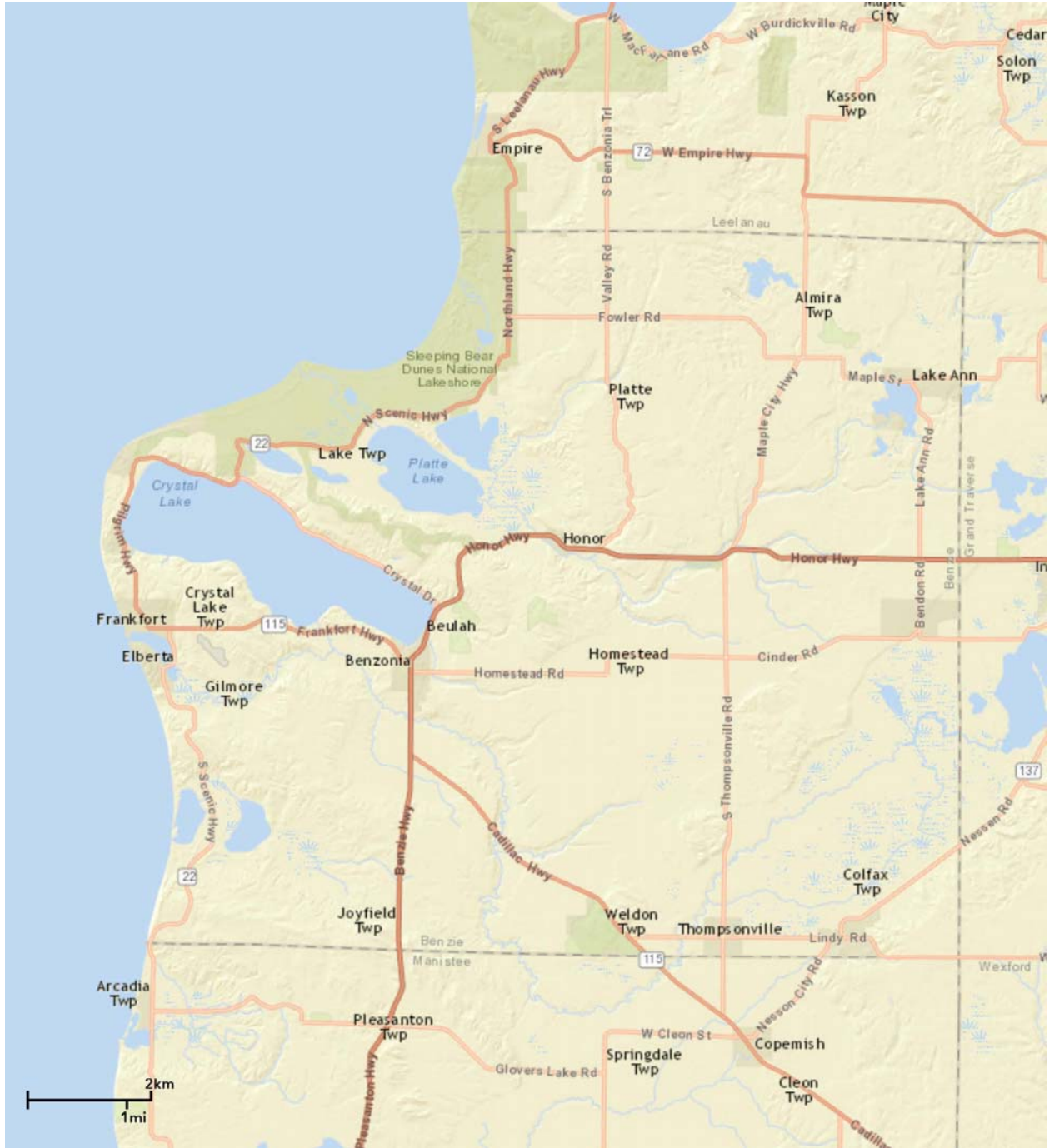
majority of markets within Michigan and the Midwest. These conditions also correspond with the region's aging population, smaller family sizes, and a shift away from larger-sized homeownership options into generally smaller rental units.

In addition, it is unclear how income qualification of the demand potential within the Target Market Analysis report was determined, placing the demand totals listed above in further doubt. Without any such assumptions regarding which target market segments exhibit reasonable income-qualification criteria, the reliability of the results cannot be verified by more conventional market demand statistics.

Based on these reasons, the perception of housing demand potential across Benzie County by many community leaders and residents may be overly generous. As a result, this Housing Market Analysis will utilize both placemaking concepts found within the TMA as well as more traditional and established methods used for the examination and determination of housing market demand. Comparisons to available housing options currently available across Benzie County will also be made, in order to provide a more direct supply vs. demand examination.

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

Map: Benzie County Communities



## **IV. MARKET PROFILE**

Typical market analysis will identify a key target market segment as the primary focus for examination and market potential, taking into consideration associated demographic and economic features. For this analysis, the characteristics of Benzie County point to more than one single target market segment. While millennials will reflect the largest age cohort into the next decade regionally and statewide, older adults and seniors are perhaps more reasonable segments of the population in terms of potential residents for the Benzie Area. From an employment standpoint, most of the likely residents will have backgrounds within the service and leisure/hospitality sectors, as well as sales/retail occupations.

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

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

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

- Higher-Income households
- Larger-sized Moderate-Income families
- Moderate-Income households seeking homeownership opportunities
- Senior households seeking assisted living/nursing care housing
- Households seeking 2<sup>nd</sup> home or vacation homes

**Primary and Secondary Market Area Delineation**

While Benzie County is the smallest county within Michigan (based on area), a division of the county into two separate market areas provides an opportunity to examine demographic and economic characteristics that may be somewhat unique to a specific section of the county. A logical division of the county can be justified based on an east-west partition. The eastern section includes Frankfort, Elberta, and adjacent townships:

<b>Frankfort/Elberta Market Area:</b>
Blaine Township
Gilmore Township
Crystal Lake Township
Frankfort City
Elberta Village
Lake Township

The balance of Benzie County reflects the central and eastern section of the county, and is generally rural in terms of characteristics. Along with the villages of Thompsonville, Benzonia, Beulah, Honor, and Lake Ann, this market area includes the following areas:

<b>Rural Benzie Market Area:</b>
Joyfield Township
Weldon Township
Colfax Township
Benzonia Township
Homestead Township
Platte Township
Almira Township
Inland Township

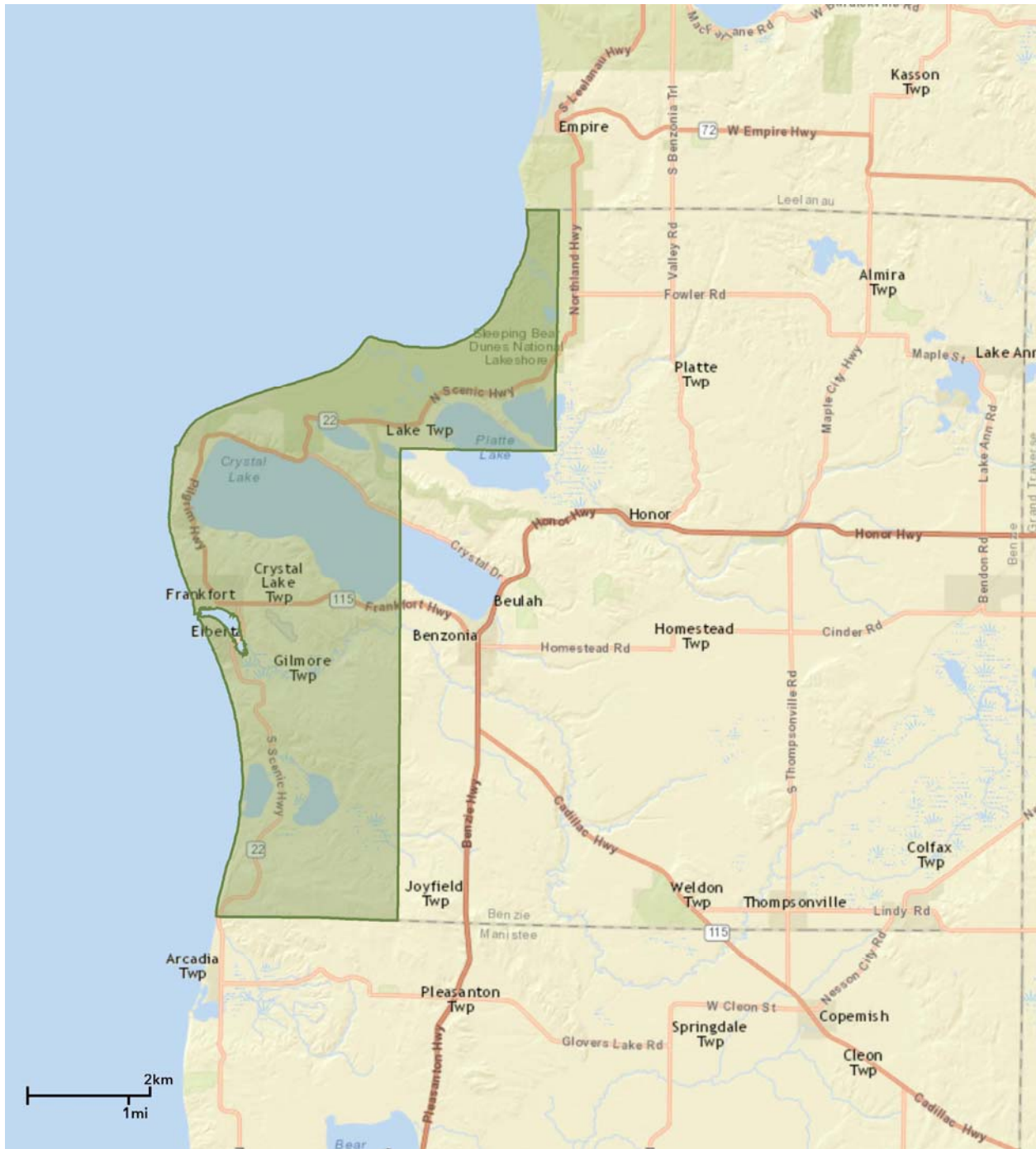
Separation of the county into two sub-markets is perhaps most useful as a tool for this analysis, as some market segments may not exhibit a significant degree of difference. This would perhaps be most true for senior housing, as larger market areas are typically utilized for elderly housing options. While the final location of various housing developments would greatly influence pricing and marketing efforts, it could be assumed that many housing alternatives



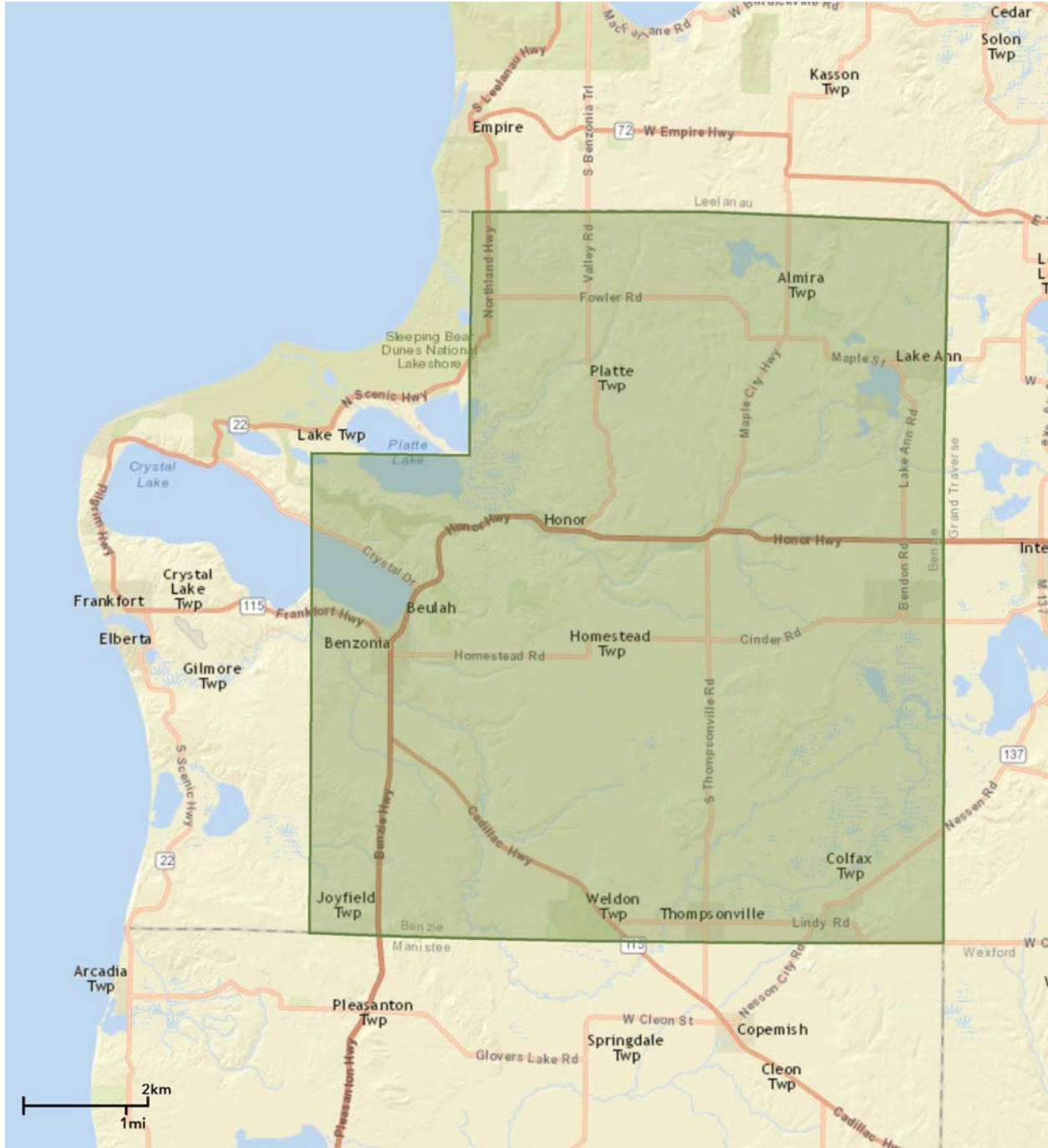
reasonably located within various sections of Benzie County would be attractive to a wide range of potential residents. As a result, the Primary Market Area (PMA) utilized for most of this analysis will include all of Benzie County, unless separately noted within the report. A PMA typically includes approximately 60 percent to 80 percent of all likely residents for a given housing proposal.

Secondary Market Area considerations are worthy of note as well, due to the region's commuting patterns, the proximity of Traverse City (the region's primary source of employment, retail outlets, entertainment options, and public services), and Benzie County's employment base. The county's strong vacation and 2<sup>nd</sup> residence market, while not a focus of the key target market segments of this analysis, will also impact Secondary Market considerations. From a senior housing standpoint, Secondary Market considerations may be quite broad, and include former residents of the Benzie area, regardless of their current address, that would strongly consider relocating to the Benzie area 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: Benzie County Sub-Market Areas  
Frankfort-Elberta Area



Rural Benzie Area



## V. DEMOGRAPHIC & ECONOMIC TRENDS

### Economic Trends

Employment by Industry data from the American Community Survey indicates the most common industry for employed residents of the county to work in was services, which represented 49 percent of all market area workers, and 51 percent of all workers within the Frankfort/Elberta area. Retail trade employment within the county represented 13 percent of the local labor force, while manufacturing positions accounted for nearly 10 percent of the local labor force.

**Table: Employment by Industry**

	<b><u>Frankfort/ Elberta Area</u></b>	<b><u>Rural Benzie Area</u></b>	<b><u>Benzie County</u></b>
<b>Agriculture and Mining</b>	<b>13</b>	<b>133</b>	<b>146</b>
Percent	0.8%	2.2%	1.9%
<b>Construction</b>	<b>168</b>	<b>467</b>	<b>635</b>
Percent	10.1%	7.9%	8.4%
<b>Manufacturing</b>	<b>170</b>	<b>582</b>	<b>752</b>
Percent	10.3%	9.8%	9.9%
<b>Wholesale Trade</b>	<b>23</b>	<b>35</b>	<b>58</b>
Percent	1.4%	0.6%	0.8%
<b>Retail Trade</b>	<b>180</b>	<b>851</b>	<b>1,031</b>
Percent	10.9%	14.4%	13.6%
<b>Transportation &amp; Utilities</b>	<b>85</b>	<b>305</b>	<b>390</b>
Percent	5.1%	5.1%	5.1%
<b>Information</b>	<b>16</b>	<b>40</b>	<b>56</b>
Percent	1.0%	0.7%	0.7%
<b>Finance, Insurance, &amp; Real Estate</b>	<b>85</b>	<b>299</b>	<b>384</b>
Percent	5.2%	5.1%	5.1%
<b><u>Services</u></b>	<b>838</b>	<b>2,862</b>	<b>3,700</b>
Percent	51.1%	48.6%	49.2%
<b>Professional &amp; Managerial Services</b>	<b>142</b>	<b>477</b>	<b>619</b>
Percent of All Services	16.9%	16.7%	16.7%
<b>Educational &amp; Healthcare Services</b>	<b>389</b>	<b>1,372</b>	<b>1,761</b>
Percent of All Services	46.4%	47.9%	47.6%
<b>Arts/Entertainment Services</b>	<b>242</b>	<b>755</b>	<b>997</b>
Percent of All Services	28.9%	26.4%	26.9%
<b>Other Services</b>	<b>65</b>	<b>258</b>	<b>323</b>
Percent of All Services	7.8%	9.0%	8.7%
<b>Public Administration</b>	<b>78</b>	<b>349</b>	<b>427</b>
Percent	4.8%	5.9%	5.7%

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

*Benzie County’s residential employment base is primarily within the service sector, mostly “white collar” positions, evenly distributed between local entities and firms outside of the county.*

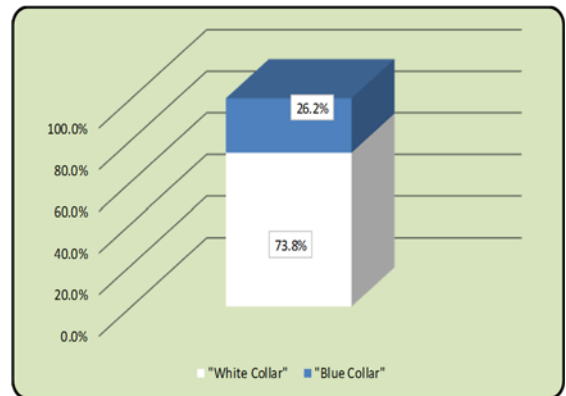
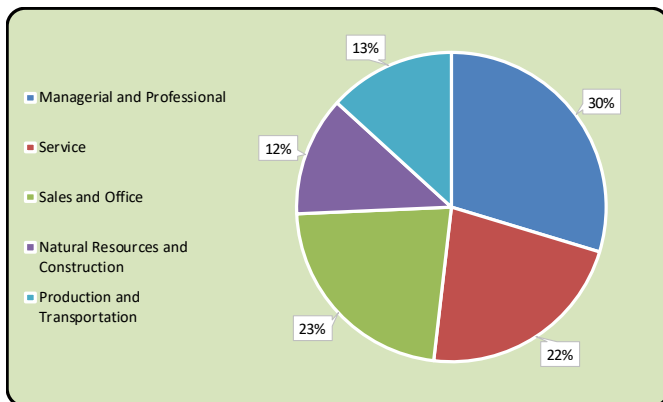
Employment by Occupation data from the American Community Survey indicates the majority of workers are employed in professional, sales, or office positions. These sectors combined totaled 74 percent of the county’s labor force. The county’s concentration of “blue collar” positions represented approximately 26 percent of the labor force, with only slight differences between the two sub markets.

**Table: Employment by Occupation**

	<u>Frankfort/ Elberta Area</u>	<u>Rural Benzie Area</u>	<u>Benzie County</u>
<b>Managerial and Professional</b>	<b>568</b>	<b>1,681</b>	<b>2,249</b>
Percent	34.3%	28.4%	29.7%
<b>Service</b>	<b>391</b>	<b>1,288</b>	<b>1,679</b>
Percent	23.6%	21.7%	22.2%
<b>Sales and Office</b>	<b>300</b>	<b>1,403</b>	<b>1,703</b>
Percent	18.1%	23.7%	22.5%
<b>Natural Resources and Construction</b>	<b>202</b>	<b>743</b>	<b>945</b>
Percent	12.2%	12.5%	12.5%
<b>Production and Transportation</b>	<b>195</b>	<b>808</b>	<b>1,003</b>
Percent	11.8%	13.6%	13.2%

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

**Figure One: Employment by Occupation Breakdown – Benzie County**



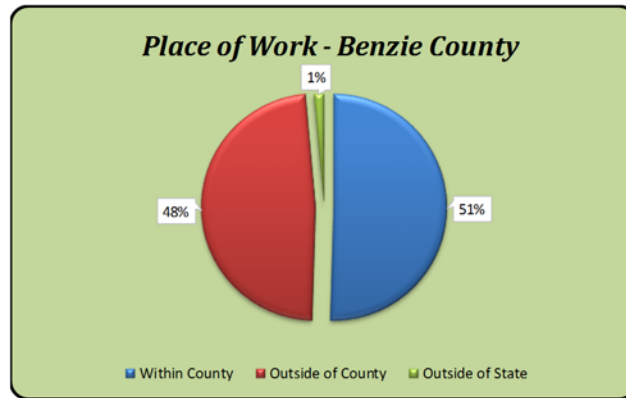
The county’s labor force is divided between local employment within Benzie County and positions across the region. The sub markets exhibit different commuting patterns, most likely due to the proximity of employment options within each area. The high percentage of people working outside of Benzie County is not surprising, with the wider range of opportunities within the Traverse City area.

**Table: Employment by Place of Work**

	<b>Frankfort/ Elberta Area</b>	<b>Rural Benzie Area</b>	<b>Benzie County</b>
<b>Place of Work within County</b>	<b>1,198</b>	<b>2,552</b>	<b>3,750</b>
Percent	74.3%	43.9%	50.5%
<b>Place of Work Outside of County</b>	<b>377</b>	<b>3,196</b>	<b>3,573</b>
Percent	23.4%	54.9%	48.1%
<b>Place of Work Outside of State</b>	<b>37</b>	<b>69</b>	<b>106</b>
Percent	2.3%	1.2%	1.4%

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

**Figure Two: Employment by Place of Work Breakdown**



Migration patterns for Benzie County provide another indication of the prevailing direction of overall demographic and economic trends. This data was collected from the most recent American Community Survey, and does include a surprisingly sizable margin of error. However, the prevailing direction is that a

*Trends regarding commuting and migration appear to indicate that Benzie County remains competitive as a potential residential and employment destination.*

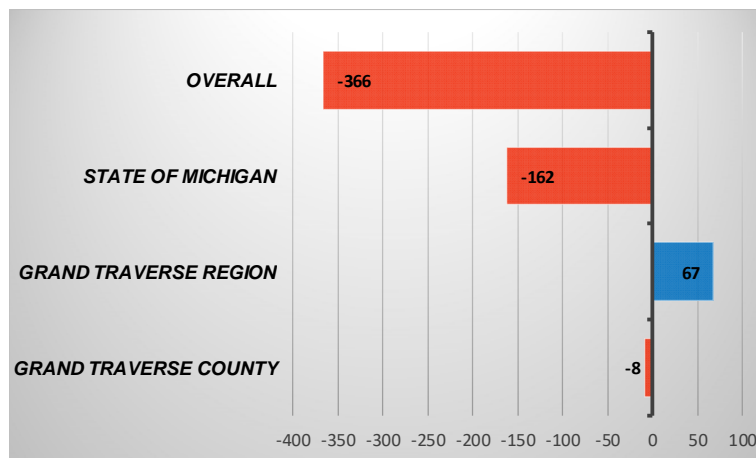
loss of population over the next few years should be anticipated, despite an increasingly favorable economy. Examining the data, much of the net migration should not be a strict reflection of Benzie County, but perhaps more of Michigan’s prospects as compared to other sections of the nation that are currently exhibiting more favorable employment and quality of life factors. One favorable consideration, however, is the positive annual net migration from across the Grand Traverse region, which points to Benzie’s favorable placemaking assets and reasonable commuting distances.

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

	<b>Flow Into Benzie County</b>	<b>Flow Out of Benzie County</b>	<b>Net Migration Benzie County</b>
<b>Grand Traverse County</b>	<b>158</b>	<b>166</b>	<b>-8</b>
Percent of Total	17.3%	13.0%	2.2%
<b>Grand Traverse Region</b>	<b>280</b>	<b>213</b>	<b>67</b>
Percent of Total	30.7%	16.7%	18.3%
<b>State of Michigan</b>	<b>654</b>	<b>816</b>	<b>-162</b>
Percent of Total	71.7%	63.8%	44.3%
<b>Overall (Including Overseas)</b>	<b>912</b>	<b>1,278</b>	<b>-366</b>
Percent of Total	100.0%	100.0%	100.0%

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

**Figure Three: Annual Net Migration – Benzie County**



## **Employment Trends**

Benzie County employment totals have nearly recovered from the decline in jobs due to the Great Recession of the last decade. As with most areas of Michigan, the recent recession led to a notable reduction in overall employment. However, the Grand Traverse region fared relatively well by comparison to other sections of Michigan over the past eight years, with the most severe job losses experienced in 2009. Since that time, the county and regional employment trend has been mostly positive, as 2016 employment totals are near the high points demonstrated during the last decade.

Unemployment ratios for both Benzie County and the Grand Traverse Region are at the lowest point since 2000. The county's unemployment rate for 2016 was recorded at 5.9 percent, much improved from the high level of 13.8 percent recorded in 2009. The region's unemployment rate for 2016 was notably lower, at 4.5 percent (as compared to 4.9 percent for Michigan and the nation during the same period). This ratio indicates a recovery from the last decade's recessionary period, in which the unemployment rate for the region was at a high point of 12.1 percent in 2010.

For 2016, Benzie County employment base totaled 8,338 persons. This represented the largest total since 2006, but the county only accounts for 11 percent of the region's employment totals. The Grand Traverse region in 2016 totaled 73,107 jobs, which is the largest total employment base since 2006. Trends for 2017 regarding job totals and unemployment are mixed thus far, but on an annual basis it is assumed that continued gains in the labor force will result in lower unemployment levels by the end of the year. These trends over the past few years are quite encouraging, and reflect ongoing economic recovery across Northwest Lower Michigan, with a level of improvement superior to overall national trends.



Figure Four: Area Employment Trends – Benzie County and Grand Traverse Region

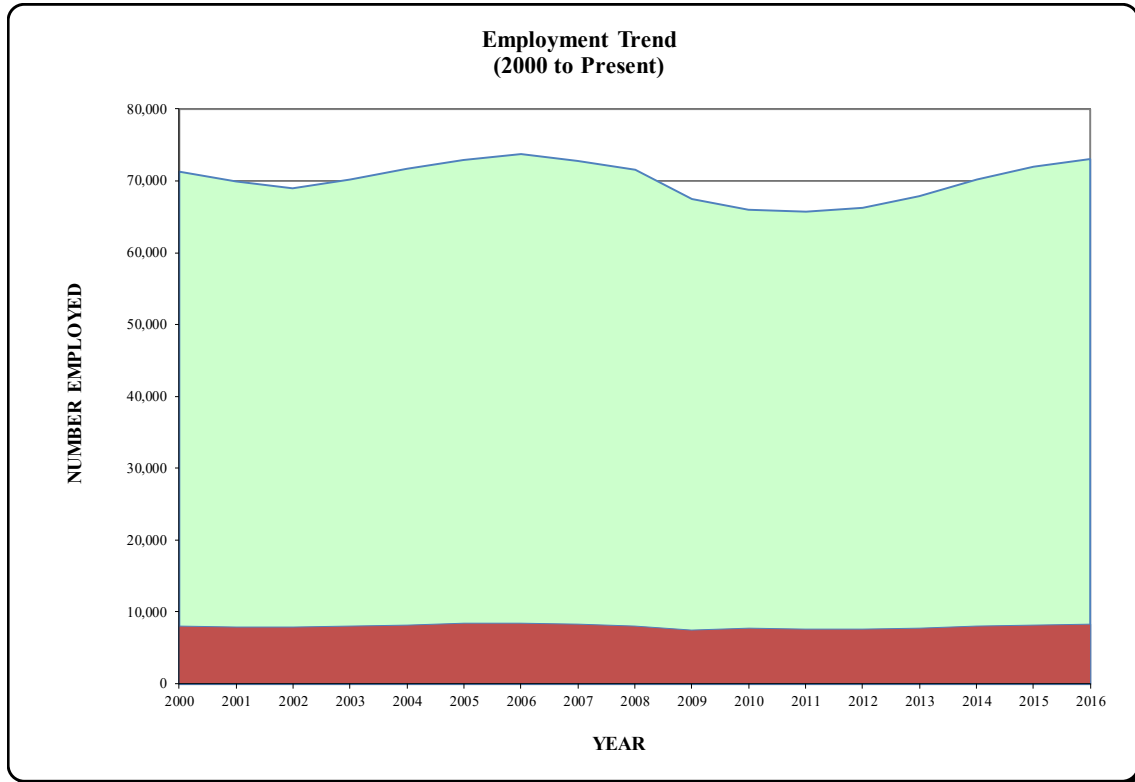


Figure Five: Annual Change in Employment



Figure Six: Unemployment Rate Comparison

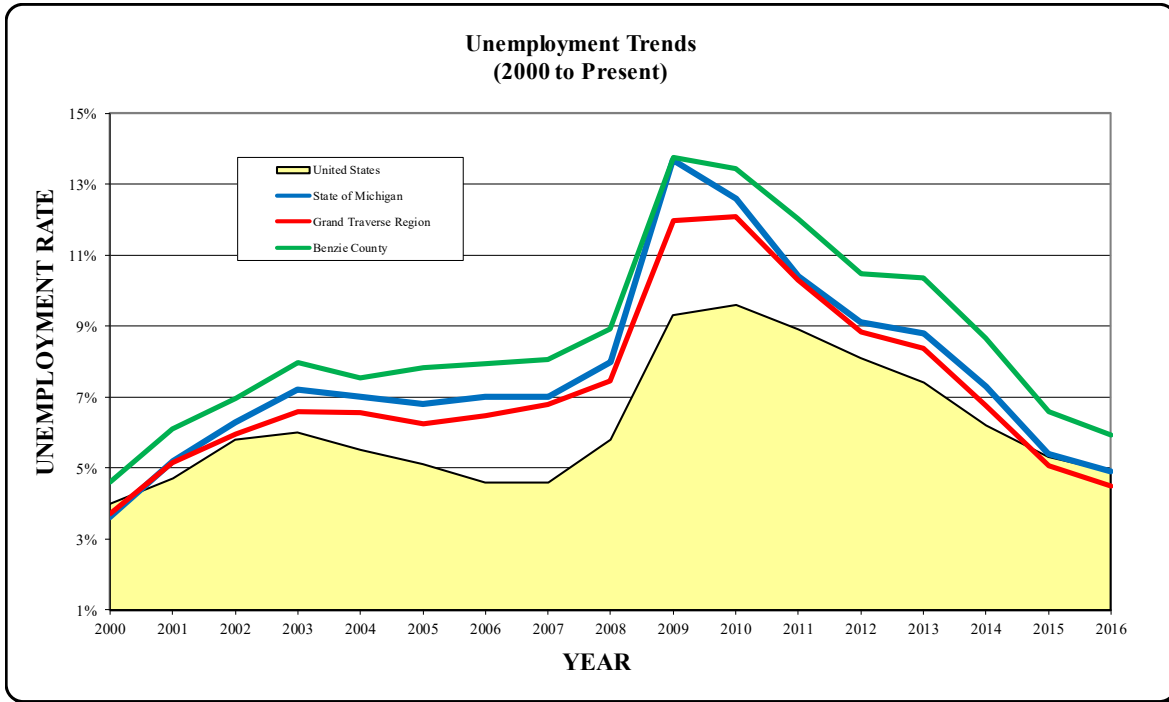


Table: Employment Trends (2000 to Present)

	Benzie County				Grand Traverse Region				State of Michigan	United States
Year	Labor Force	Number Employed	Annual Change	Unemployment Rate	Labor Force	Number Employed	Annual Change	Unemployment Rate	Unemployment Rate	Unemployment Rate
2000	8,420	8,031	---	4.6%	74,065	71,310	---	3.7%	3.6%	4.0%
2001	8,412	7,899	(132)	6.1%	73,768	69,963	(1,347)	5.2%	5.2%	4.7%
2002	8,415	7,828	(71)	7.0%	73,419	69,037	(926)	6.0%	6.3%	5.8%
2003	8,742	8,044	216	8.0%	75,182	70,227	1,190	6.6%	7.2%	6.0%
2004	8,897	8,227	183	7.5%	76,686	71,649	1,422	6.6%	7.0%	5.5%
2005	9,135	8,420	193	7.8%	77,832	72,966	1,317	6.3%	6.8%	5.1%
2006	9,174	8,445	25	7.9%	78,812	73,710	744	6.5%	7.0%	4.6%
2007	8,995	8,271	(174)	8.0%	78,126	72,821	(889)	6.8%	7.0%	4.6%
2008	8,841	8,053	(218)	8.9%	77,263	71,512	(1,309)	7.4%	8.0%	5.8%
2009	8,724	7,523	(530)	13.8%	76,671	67,499	(4,013)	12.0%	13.7%	9.3%
2010	8,961	7,755	232	13.5%	75,020	65,940	(1,559)	12.1%	12.6%	9.6%
2011	8,693	7,646	(109)	12.0%	73,268	65,713	(227)	10.3%	10.4%	8.9%
2012	8,545	7,649	3	10.5%	72,669	66,252	539	8.8%	9.1%	8.1%
2013	8,667	7,769	120	10.4%	74,073	67,874	1,622	8.4%	8.8%	7.4%
2014	8,766	8,007	238	8.7%	75,264	70,163	2,289	6.8%	7.3%	6.2%
2015	8,794	8,214	207	6.6%	75,809	71,968	1,805	5.1%	5.4%	5.3%
2016	8,865	8,338	124	5.9%	76,538	73,107	1,139	4.5%	4.9%	4.9%
Feb-16	8,786	8,047	---	8.4%	74,993	70,584	---	5.9%	5.1%	5.0%
Feb-17	8,868	7,994	(53)	9.9%	75,803	70,677	93	6.8%	5.7%	4.7%
		<b>Number</b>		<b>Percent</b>		<b>Number</b>		<b>Percent</b>		
	Change (2000-Present):	307		3.7%	Change (2000-Present):	1,797		2.5%		
	Change (2000-2008):	22		0.3%	Change (2000-2008):	202		0.3%		
	Change (2008-Present):	285		3.4%	Change (2008-Present):	1,595		2.2%		

SOURCE: Bureau of Labor Statistics.

The region's employment base is centered within the Healthcare, Professional Services, and Leisure/Hospitality sectors – all of which provide a wide range of incomes, employment trends, and long-term growth potential. A limited emphasis on heavy manufacturing across the region is one reason prevailing trends over the past decade were not as severe as other sections of Michigan.

### **Wages and Income Data**

Employment and wage data obtained from the U.S. Census Bureau's Quarterly Census of Employment and Wages (QCEW) provides a current picture of employment distribution within Benzie County. This data measures employment trends that take place within a given county, regardless of the residence of the labor force. As can be seen within the figures on the following pages, over the past seven years Leisure/Hospitality positions remain the largest industry sector for the County, with an increase of 13 percent from 2008 to 2015. In 2015, this sector represented nearly 34 percent of the county's labor force. Trade/Transportation/Utilities employment accounted for 20 percent of the total, while education/healthcare and manufacturing jobs both represented 11 percent of employment. Separated by the type of employment category, production positions have declined by nearly 19 percent, while service positions have increased by seven percent. Overall, private-sector employment has increased by nearly one percent between 2008 and 2015 (the totals do not include public sector jobs), reflective of the increase in overall employment observed within the prior labor force tables.

The number of production-related jobs declined over the seven-year period, including construction (down 19 percent) and manufacturing (down 25 percent). Other sectors with a net loss in employment are relatively minimal, but do include the Information, Other Services, and Trade/Transportation/Utilities sectors. Overall figures are an improvement from prior years, in which most categories were significantly impacted after the recessionary period of the last decade. Those sectors with notable percentage increases include Natural Resources (up 54 percent), Education/Healthcare (up 15 percent), Leisure/Hospitality (up 13 percent), and Professional/Business Services (up 18 percent). Apart from Professional/Business services, many portions of the state are experiencing increases within these specific employment sectors, reflecting both a general economic recovery as well as specific gains due to the positive

characteristics of the local area (such as an increase in tourism in Benzie County, for example). These trends are quite conventional, and are found within most other regions of the state.

*The county's employment base has shifted away from production-oriented positions with generally higher wages, to an employment base centered around various service and leisure/hospitality categories. Such options offer generally lower wages and are more sensitive to economic shifts.*

Information positions currently offer the lowest average wages within the county (\$13,662 in 2015), followed by Leisure/Hospitality position (\$19,253 in 2015). The trend within the Information sector is not surprising, as Benzie County lacks a significant number of high-tech employment, and ongoing automation and technological improvements are reducing in some cases the number of positions within this employment sector. What is unfortunate is the higher than average concentration of jobs within the Leisure/Hospitality sector and the relatively low wages that are attached to the large

majority of such positions. The highest average annual wages within Benzie County are found within two production-oriented sectors – Manufacturing (\$41,094) and Construction (\$47,899). The only other sector with a similar average wage is Financial Activities, at \$40,579 as of 2015. Remaining positions are strongly concentrated in moderate and lower-wage positions, regardless of the employment sector. Overall wages have slowly increased over the past seven years, as the private sector average annual wage in 2015 was \$29,758. Since 2008 this reflects an average annual rate of increase of 2.9 percent.

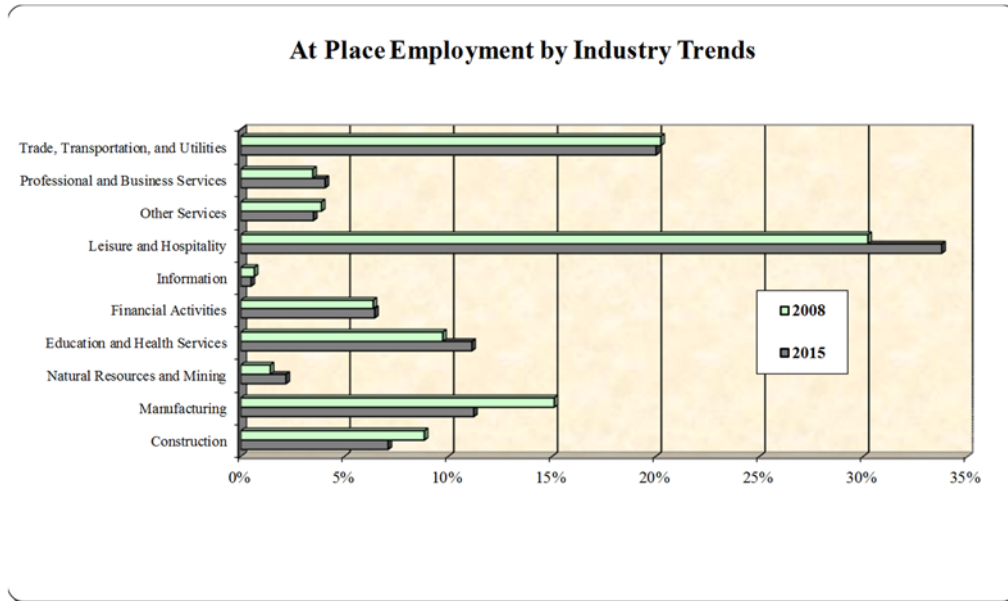
For housing needs to match these characteristics, pricing and project features need to reflect these recent changes within the target market segments. This may include a greater emphasis on rental housing as compared to homeownership, a reduced emphasis on larger-sized units, and recognizing that a portion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

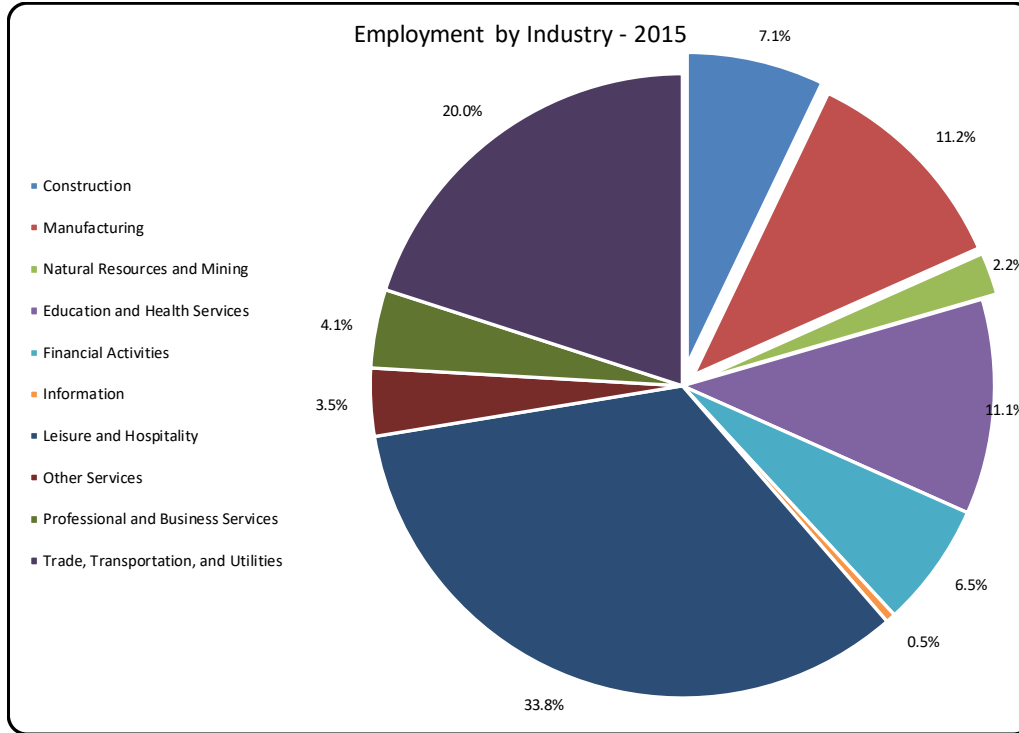
**Table: Benzie County - Employment by Industry – 2008 to 2015**

<i>Employment Categories by Industry</i>	2008		2015		% Change
	Number Employed	Percent	Number Employed	Percent	
<b>Construction</b>	298	8.8%	241	7.1%	<b>-19.1%</b>
<b>Manufacturing</b>	509	15.1%	381	11.2%	<b>-25.1%</b>
<b>Natural Resources and Mining</b>	48	1.4%	74	2.2%	<b>54.2%</b>
<b>Total Production:</b>	<b>855</b>	<b>25.4%</b>	<b>696</b>	<b>20.5%</b>	<b>-18.6%</b>
<b>Education and Health Services</b>	328	9.7%	378	11.1%	<b>15.2%</b>
<b>Financial Activities</b>	215	6.4%	219	6.5%	<b>1.9%</b>
<b>Information</b>	22	0.7%	17	0.5%	<b>-22.7%</b>
<b>Leisure and Hospitality</b>	1,018	30.2%	1,146	33.8%	<b>12.6%</b>
<b>Other Services</b>	131	3.9%	119	3.5%	<b>-9.2%</b>
<b>Professional and Business Services</b>	117	3.5%	138	4.1%	<b>17.9%</b>
<b>Trade, Transportation, and Utilities</b>	682	20.2%	679	20.0%	<b>-0.4%</b>
<b>Total Services:</b>	<b>2,513</b>	<b>74.6%</b>	<b>2,696</b>	<b>79.5%</b>	<b>7.3%</b>
<b>Overall Total:</b>	<b>3,368</b>	<b>100%</b>	<b>3,392</b>	<b>100%</b>	<b>0.7%</b>

SOURCE: Bureau of Labor Statistics.

**Figure Seven: Employment by Industry Breakdown – Benzie County**





**Table: Benzie County Wage Trends by Industry – 2008 to 2015**

<i>Employment Categories by Industry</i>	<i>Average Annual Pay - 2008</i>	<i>Average Annual Pay - 2015</i>	<i>% of Overall Average - 2015</i>	<i>Total % Change - 2008-2015</i>	<i>Average Annual % Change - 2008-2015</i>
<b>Construction</b>	\$35,113	\$47,899	61.0%	36.4%	4.5%
<b>Education and Health Services</b>	\$33,963	\$41,095	38.1%	21.0%	2.8%
<b>Financial Activities</b>	\$35,346	\$40,579	36.4%	14.8%	2.0%
<b>Information</b>	\$23,219	\$13,662	-54.1%	-41.2%	-7.3%
<b>Leisure and Hospitality</b>	\$15,847	\$19,253	-35.3%	21.5%	2.8%
<b>Manufacturing</b>	\$28,828	\$41,094	38.1%	42.5%	5.2%
<b>Natural Resources and Mining</b>	\$20,768	\$27,326	-8.2%	31.6%	4.0%
<b>Other Services</b>	\$23,125	\$22,648	-23.9%	-2.1%	-0.3%
<b>Professional and Business Services</b>	\$24,660	\$31,783	6.8%	28.9%	3.7%
<b>Trade, Transportation, and Utilities</b>	\$21,533	\$26,301	-11.6%	22.1%	2.9%
<b>Overall Average</b>	<b>\$24,379</b>	<b>\$29,758</b>	<b>---</b>	<b>22.1%</b>	<b>2.9%</b>

SOURCE: Bureau of Labor Statistics.

**Population Trends**

Population across Benzie County is anticipated to increase in the next few years, according to forecasts from ESRI. By 2021, the market area’s population is projected to total 18,513 persons, reflecting an increase of 5.6 percent from 2010 totals. A slightly greater percentage increase is forecast for the Frankfort/Elberta area.

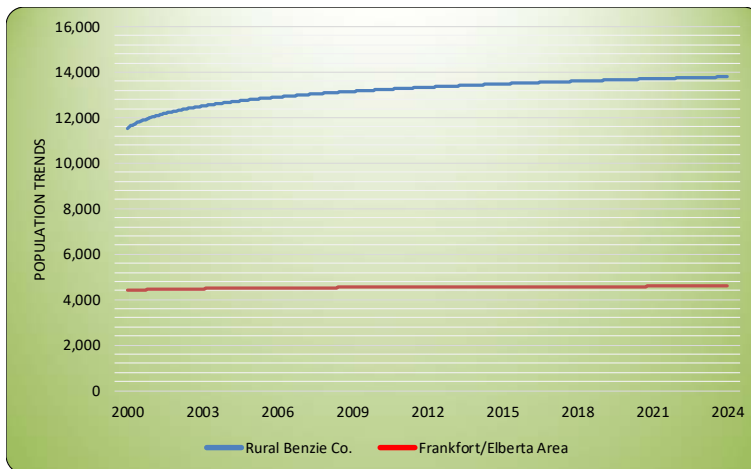
**Table: Population Trends (2000 to 2021)**

	<b>Frankfort/ Elberta Area</b>	<b>Rural Benzie Area</b>	<b>Benzie County</b>
<b>2000 Population</b>	<b>4,444</b>	<b>11,555</b>	<b>15,998</b>
<b>2010 Population</b>	<b>4,374</b>	<b>13,151</b>	<b>17,525</b>
Percent Change (2000-2010)	-1.6%	13.8%	9.5%
Average Annual Change (2000 to 2010)	-0.2%	1.3%	0.9%
<b>2016 Population Estimate</b>	<b>4,551</b>	<b>13,520</b>	<b>18,072</b>
Percent Change (from 2010)	4.0%	2.8%	3.1%
Average Annual Change (2010 to 2016)	0.7%	0.5%	0.5%
<b>2019 Population Forecast</b>	<b>4,628</b>	<b>13,709</b>	<b>18,337</b>
Percent Change (from 2010)	5.8%	4.2%	4.6%
Average Annual Change (2010 to 2019)	0.6%	0.5%	0.5%
<b>2021 Population Forecast</b>	<b>4,680</b>	<b>13,835</b>	<b>18,513</b>
Percent Change (from 2010)	7.0%	5.2%	5.6%
Average Annual Change (2010 to 2021)	0.6%	0.5%	0.5%

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 two sub-market areas, providing an indication of the prevailing trend forward from 2010. This illustrates the stability of the local population, net of various inflows and outflows as discussed previously.

**Figure Eight: Population Trends/Projection**



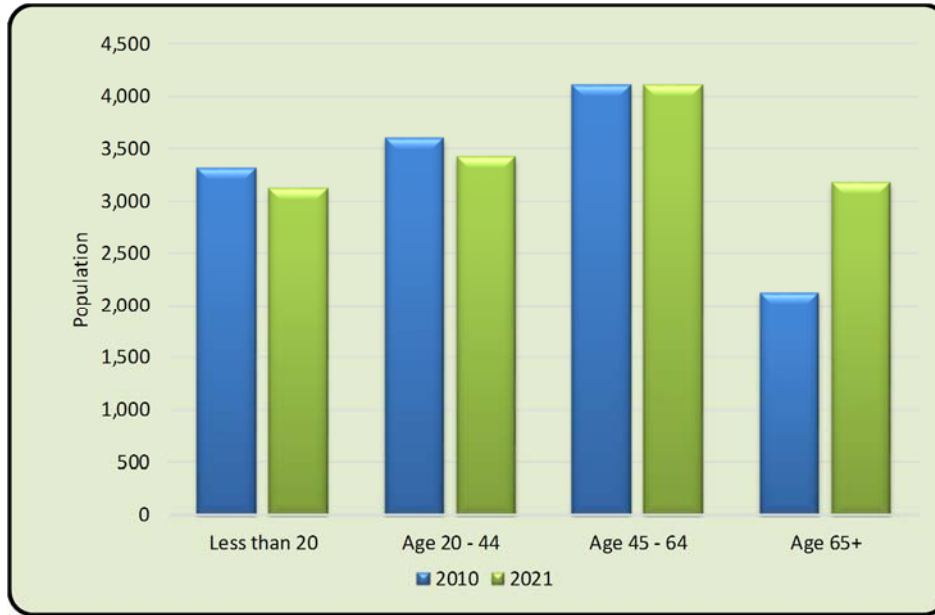
It is common to separate population totals into various age cohorts that reflect key age segments. In this analysis, this has been done as well, and include four key cohorts – Less than Age 20, Age 20 to 44, Age 45 to 65, and Age 65 and older.

The largest age cohort in 2010 across Benzie County included persons Age 45 to 64, with 31 percent of the total population. This is also the case within the two sub-market areas, and is indicative of a region that has already experienced a sizable degree of aging in place without a sufficient local birth rate to maintain a stable population trend. This is found within many northern Michigan communities, and is a legacy of prior economic uncertainties during the past two decades in which migration to southern and western sections of the nation was common for those unable to find stable employment during the 1970s and 1980s. The second largest age group in the county in 2010 included persons age 20 to 44, comprising much of the “Baby Boom” generation born between 1945 and 1964. This segment was also prominent within the Rural Benzie sub-market (at 27 percent), but represented just 18 percent of the Frankfort/Elberta area in 2010. This is due to a significant concentration of seniors within that submarket, representing 34 percent of the 2010 total. Conversely, the Rural Benzie submarket’s senior cohort accounted for just 16 percent of the 2010 total.

According to ESRI forecasts, by 2021 the size of each age cohort will be much more similar. Across the county, the largest cohort will remain the older adult segment (age 45 to 64), representing 29.3 percent of the total population. However, all age segments except the senior segment are projected to decline in size, ranging from one percent to four percent losses (depending on the cohort). Seniors age 65 and older across Benzie County will represent 26.3 percent of all persons by 2021, reflecting an increase of more than 34 percent from 2010. This growth is mostly a reflection of local seniors aging in place, but such trends can only be explained by a sizable migration of seniors into the county over the balance of the decade. For both sub-market areas, seniors will represent by far the largest population gains among the four primary age cohorts. Correspondingly, the county’s non-senior population will continue to decline, projected to represent 77 percent of the 2021 population; in 2010, the non-senior population accounted for 84 percent of the total population.



**Figure Nine: PMA Age Distribution (2010 to 2021)**



**Table: Age Distribution (2010 to 2021)**

	<u>Frankfort/ Elberta Area</u>	<u>Rural Benzie Area</u>	<u>Benzie County</u>
<b>Age Less than 20 - 2010</b>	<b>737</b>	<b>3,316</b>	<b>4,053</b>
Percent of total 2010 population	16.8%	25.2%	23.1%
<b>Age Between 20 and 44 - 2010</b>	<b>779</b>	<b>3,600</b>	<b>4,379</b>
Percent of total 2010 population	17.8%	27.4%	25.0%
<b>Age Between 45 and 64 - 2010</b>	<b>1,366</b>	<b>4,110</b>	<b>5,476</b>
Percent of total 2010 population	31.2%	31.3%	31.2%
<b>Age 65 and Over - 2010</b>	<b>1,492</b>	<b>2,125</b>	<b>3,617</b>
Percent of total 2010 population	34.1%	16.2%	20.6%
<b>Age Less than 20 - 2021</b>	<b>761</b>	<b>3,126</b>	<b>3,885</b>
Percent of total 2021 population	16.3%	22.6%	21.0%
Percent change (2010 to 2021)	3.3%	-5.7%	-4.1%
Average Annual Change (2010 to 2021)	0.3%	-0.5%	-0.4%
<b>Age Between 20 and 44 - 2021</b>	<b>922</b>	<b>3,425</b>	<b>4,341</b>
Percent of total 2021 population	19.7%	24.8%	23.4%
Percent change (2010 to 2021)	18.4%	-4.9%	-0.9%
Average Annual Change (2010 to 2021)	1.5%	-0.5%	-0.1%
<b>Age Between 45 and 64 - 2021</b>	<b>1,315</b>	<b>4,110</b>	<b>5,427</b>
Percent of total 2021 population	28.1%	29.7%	29.3%
Percent change (2010 to 2021)	-3.7%	0.0%	-0.9%
Average Annual Change (2010 to 2021)	-0.3%	0.0%	-0.1%
<b>Age 65 and Over - 2021</b>	<b>1,686</b>	<b>3,175</b>	<b>4,860</b>
Percent of total 2021 population	36.0%	22.9%	26.3%
Percent change (2010 to 2021)	13.0%	49.4%	34.4%
Average Annual Change (2010 to 2021)	1.1%	3.7%	2.7%

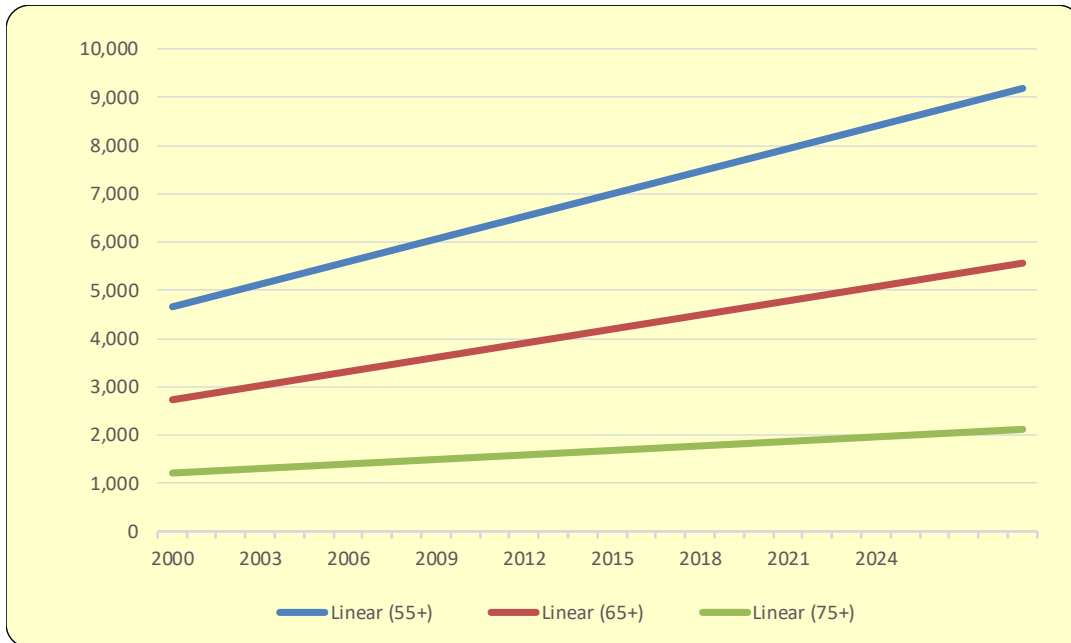
SOURCE: 2010 Census of Population and Housing, SF1, U.S. Census Bureau; ESRI Business Analyst.

**Table: Senior Population Trends (2010 to 2021)**

	<b><u>Frankfort/ Elberta Area</u></b>	<b><u>Rural Benzie Area</u></b>	<b><u>Benzie County</u></b>
<b>2000 Senior Population (55 years and Over)</b>	<b>1,821</b>	<b>2,835</b>	<b>4,656</b>
Percent of total 2000 population	41.6%	21.6%	26.6%
<b>2010 Senior Population (55 years and Over)</b>	<b>2,227</b>	<b>4,019</b>	<b>6,246</b>
Percent of total 2010 population	48.9%	29.7%	34.6%
Percent change (2000 to 2010)	22.3%	41.8%	34.1%
Average Annual Change (2000 to 2010)	2.0%	3.6%	3.0%
<b>2016 Senior Population (55 years and Over)</b>	<b>2,313</b>	<b>4,829</b>	<b>7,142</b>
Percent of total 2016 population	50.0%	35.2%	38.9%
Percent change (2010 to 2016)	3.9%	20.2%	14.3%
Average Annual Change (2010 to 2016)	0.6%	3.1%	2.3%
<b>2019 Senior Population (55 years and Over)</b>	<b>2,426</b>	<b>5,193</b>	<b>7,617</b>
Percent of total 2019 population	52.4%	37.9%	41.5%
Percent change (2010 to 2019)	8.9%	29.2%	21.9%
Average Annual Change (2010 to 2019)	1.0%	2.9%	2.2%
<b>2021 Senior Population (55 years and Over)</b>	<b>2,501</b>	<b>5,435</b>	<b>7,933</b>
Percent of total 2021 population	53.4%	39.3%	42.9%
Percent change (2010 to 2021)	12.3%	35.2%	27.0%
Average Annual Change (2010 to 2021)	1.1%	2.8%	2.2%
<b>2000 Senior Population (65 years and Over)</b>	<b>1,187</b>	<b>1,616</b>	<b>2,803</b>
Percent of total 2000 population	27.1%	12.3%	16.0%
<b>2010 Senior Population (65 years and Over)</b>	<b>1,492</b>	<b>2,125</b>	<b>3,617</b>
Percent of total 2010 population	32.8%	15.7%	20.0%
Percent change (2000 to 2010)	25.7%	31.5%	29.0%
Average Annual Change (2000 to 2010)	2.3%	2.8%	2.6%
<b>2016 Senior Population (65 years and Over)</b>	<b>1,525</b>	<b>2,691</b>	<b>4,215</b>
Percent of total 2016 population	32.9%	19.6%	23.0%
Percent change (2010 to 2016)	2.2%	26.6%	16.5%
Average Annual Change (2010 to 2016)	0.4%	4.0%	2.6%
<b>2019 Senior Population (65 years and Over)</b>	<b>1,622</b>	<b>2,981</b>	<b>4,602</b>
Percent of total 2019 population	35.0%	21.7%	25.1%
Percent change (2010 to 2019)	8.7%	40.3%	27.2%
Average Annual Change (2010 to 2019)	0.9%	3.8%	2.7%
<b>2021 Senior Population (65 years and Over)</b>	<b>1,686</b>	<b>3,175</b>	<b>4,860</b>
Percent of total 2021 population	36.0%	22.9%	26.3%
Percent change (2010 to 2021)	13.0%	49.4%	34.4%
Average Annual Change (2010 to 2021)	1.1%	3.7%	2.7%

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

**Figure Ten: Senior Population Trends/Projections – Benzie County**

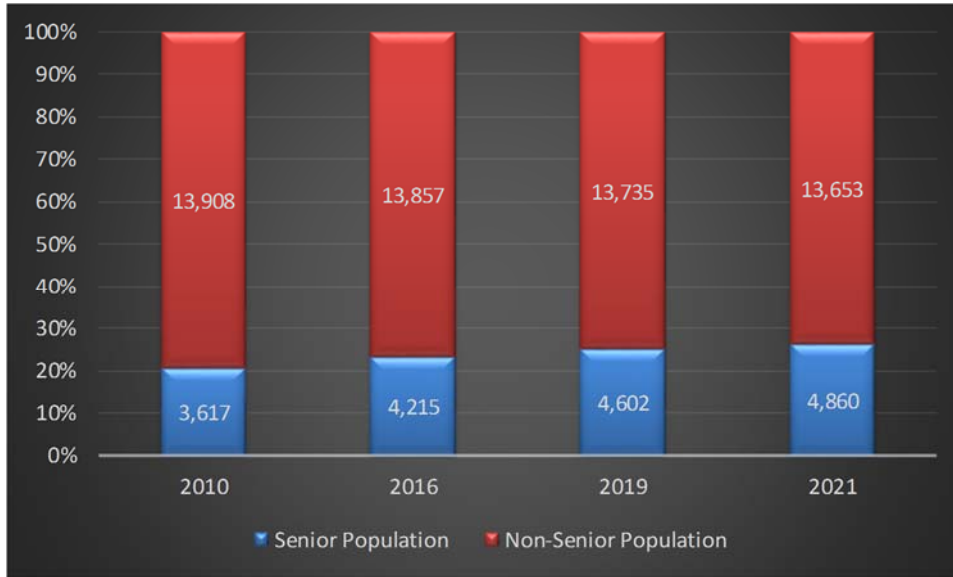


**Table: Senior/Non-Senior Population Trends (2010 to 2021)**

	<u>Frankfort/ Elberta Area</u>	<u>Rural Benzie Area</u>	<u>Benzie County</u>
<b>2010 Non-Senior Population</b>	<b>2,882</b>	<b>11,026</b>	<b>13,908</b>
Percent of total 2010 population	67.2%	84.3%	80.0%
<b>2016 Non-Senior Population</b>	<b>3,026</b>	<b>10,829</b>	<b>13,857</b>
Percent of total 2016 population	67.1%	80.4%	77.0%
Percent change (2010 to 2016)	5.0%	-1.8%	-0.4%
<b>2019 Non-Senior Population</b>	<b>3,007</b>	<b>10,728</b>	<b>13,735</b>
Percent of total 2019 population	65.0%	78.3%	74.9%
Percent change (2010 to 2019)	-0.6%	-0.9%	-0.9%
<b>2021 Non-Senior Population</b>	<b>2,994</b>	<b>10,660</b>	<b>13,653</b>
Percent of total 2021 population	64.0%	77.1%	73.7%
Percent change (2010 to 2021)	-0.4%	-0.6%	-0.6%
<b>2010 Senior Population (65 years and Over)</b>	<b>1,492</b>	<b>2,125</b>	<b>3,617</b>
Percent of total 2010 population	32.8%	15.7%	20.0%
<b>2016 Senior Population (65 years and Over)</b>	<b>1,525</b>	<b>2,691</b>	<b>4,215</b>
Percent of total 2016 population	32.9%	19.6%	23.0%
Percent change (2010 to 2016)	2.2%	26.6%	16.5%
<b>2019 Senior Population (65 years and Over)</b>	<b>1,622</b>	<b>2,981</b>	<b>4,602</b>
Percent of total 2019 population	35.0%	21.7%	25.1%
Percent change (2010 to 2019)	8.7%	40.3%	27.2%
<b>2021 Senior Population (65 years and Over)</b>	<b>1,686</b>	<b>3,175</b>	<b>4,860</b>
Percent of total 2021 population	36.0%	22.9%	26.3%
Percent change (2010 to 2021)	13.0%	49.4%	34.4%

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

**Figure Eleven: Senior/Non-Senior Population – Benzie County**



The average household size across the county is currently estimated at 2.35 persons – somewhat lower than statewide estimates. The two sub-markets are quite different regarding this statistic, due to the high concentration of seniors within the Frankfort/Elberta area. In the future, household sizes will vary little from 2016 estimates, but will continue to reflect very different population characteristics.

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

**Table: Average Household Size (2000 to 2021)**

	<u>Frankfort/ Elberta Area</u>	<u>Rural Benzie Area</u>	<u>Benzie County</u>
<b>2000 Average Household Size</b>	2.21	2.51	2.42
<b>2010 Average Household Size</b>	2.11	2.46	2.37
Percent Change (2000-2010)	-4.7%	-1.8%	-2.3%
<b>2016 Average Household Size</b>	2.08	2.45	2.35
Percent Change (2010-2016)	-1.1%	-0.6%	-0.8%
<b>2019 Average Household Size Forecast</b>	2.08	2.44	2.34
Percent Change (2000-2019)	-1.4%	-0.8%	-1.0%
<b>2021 Average Household Size Forecast</b>	2.07	2.44	2.34
Percent Change (2010-2021)	-1.6%	-1.0%	-1.2%

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

	<b><u>Frankfort/ Elberta Area</u></b>	<b><u>Rural Benzie Area</u></b>	<b><u>Benzie County</u></b>
<b>2000 Average Household Size - Age 65+</b>	<b>1.49</b>	<b>1.51</b>	<b>1.50</b>
<b>2010 Average Household Size - Age 65+</b>	<b>1.56</b>	<b>1.55</b>	<b>1.55</b>
Percent Change (2000-2010)	4.4%	2.9%	3.5%
<b>2016 Average Household Size Estimate - Age 65+</b>	<b>1.53</b>	<b>1.60</b>	<b>1.58</b>
Percent Change (2010-2016)	-1.8%	3.1%	1.4%
<b>2019 Average Household Size Forecast - Age 65+</b>	<b>1.55</b>	<b>1.62</b>	<b>1.59</b>
Percent Change (2010-2019)	-0.8%	1.9%	1.8%
<b>2021 Average Household Size Forecast - Age 65+</b>	<b>1.55</b>	<b>1.63</b>	<b>1.60</b>
Percent Change (2010-2021)	-0.8%	1.9%	1.8%

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

**Household Trends**

Households within the PMA follow trends similar to that of the population, with steady gains throughout the county. By 2021 the county is projected to contain 7,813 households, reflecting an increase of seven percent from 2010. Within the Frankfort/Elberta area the projected growth is also positive, forecast at nearly nine percent by 2021.

**Table: Household Trends (2000 to 2021)**

	<b><u>Frankfort/ Elberta Area</u></b>	<b><u>Rural Benzie Area</u></b>	<b><u>Benzie County</u></b>
<b>2000 Households</b>	<b>1,956</b>	<b>4,545</b>	<b>6,500</b>
<b>2010 Households</b>	<b>2,020</b>	<b>5,278</b>	<b>7,298</b>
Percent Change (2000-2010)	3.3%	16.1%	12.3%
Average Annual Change (2000 to 2010)	0.3%	1.5%	1.2%
<b>2016 Household Estimate</b>	<b>2,122</b>	<b>5,471</b>	<b>7,592</b>
Percent Change (2010-2016)	5.0%	3.7%	4.0%
Average Annual Change (2010 to 2016)	1.0%	0.7%	0.8%
<b>2019 Household Forecast</b>	<b>2,166</b>	<b>5,560</b>	<b>7,725</b>
Percent Change (2010-2019)	7.2%	5.3%	5.8%
Average Annual Change (2000 to 2019)	0.9%	0.7%	0.7%
<b>2021 Household Forecast</b>	<b>2,195</b>	<b>5,619</b>	<b>7,813</b>
Percent Change (2010-2021)	8.7%	6.5%	7.1%
Average Annual Change (2010 to 2021)	0.8%	0.6%	0.7%

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

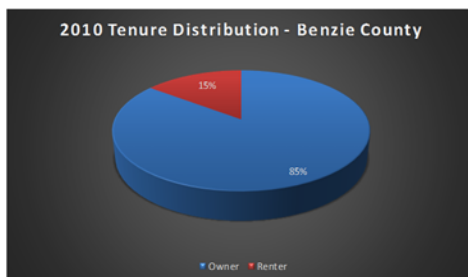
*Rental units within Benzie County represented just 15 percent of all units in 2010. This is not sufficient for a growing economy that seeks to attract a diverse labor force.*

One of the issues for Benzie County that impede the target markets is quite simple - a lack of rental options, regardless of the structure type. While rental options within a rural community rarely exceed 30 percent of the total housing stock, across the county rental units only account for 15 percent of the total, as of 2010. The ratio of rental units is slightly greater for the Frankfort/Elberta area, at nearly 19 percent. Many reasons are possible for this, including a lack of available land, available utilities, land costs, financing difficulties, and a housing market primarily driven by vacation/luxury homes, among other factors. While affordability is clearly a long-term issue for the target market segments, a simple lack of available options is perhaps the most logical housing-related concern within Benzie County. This does not imply a “Build It and They Will Come” type of market is present (as indicated by the prevailing occupancy trends found at Gateway Village), but a simple supply-related deficit appears to be present.

**Table: Households by Tenure (2000 to 2010)**

	<u>Frankfort/ Elberta Area</u>	<u>Rural Benzie Area</u>	<u>Benzie County</u>
<b>2000 Renter-Occupied Households</b>	<b>369</b>	<b>559</b>	<b>928</b>
Percent of total 2000 households	18.9%	12.3%	14.3%
<b>2010 Renter-Occupied Households</b>	<b>377</b>	<b>698</b>	<b>1,075</b>
Percent of total 2010 households	18.7%	13.2%	14.7%
Percent change (2000 to 2010)	2.2%	24.9%	15.8%
<b>2000 Owner-Occupied Households</b>	<b>1,587</b>	<b>3,986</b>	<b>5,572</b>
Percent of total 2000 households	81.1%	87.7%	85.7%
<b>2010 Owner-Occupied Households</b>	<b>1,643</b>	<b>4,580</b>	<b>6,223</b>
Percent of total 2010 households	81.3%	86.8%	85.3%
Percent change (2000 to 2010)	3.5%	14.9%	11.7%

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



As with the senior population, senior households will exhibit the most robust gains across Benzie County for the foreseeable future. By 2021, the number of senior households across the county will total 2,972 units, accounting for 38 percent of all households. The younger senior segment (age 55 and older) will represent a majority of the county's households by 2021,

*Senior households age 55+ across the Frankfort/Elberta area will represent 69 percent of all occupied units by 2021. By 2040, if such trends continue, the viability of the community may be in doubt.*

with 4,712 units. The 2021 concentration of younger senior households within the Frankfort/Elberta area will represent nearly 69 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. Even with increased longevity, by 2040 the Frankfort/Elberta area may be significantly depopulated to the point where the viability of the community may be in question.

As with overall rental housing across Benzie County, the marketplace lacks rental housing options that would be attractive to the senior target market segments under examination within this analysis. As of 2010, the county's senior renter households accounted for just nine percent of all senior households, and represented just 18 percent of all rental households. The percentages are slightly better within the Frankfort/Elberta area (due to existing senior housing options), but given the explosive growth across all segments of the senior population, more options will be required. What is also interesting within the available statistics (from 2010) is an increasing utilization of available affordable rental units by seniors typically available for non-senior occupancy. This has already crowded-out non-seniors from available units that would potentially be available, but this also results in seniors residing in units that were not designed for their use. Thus, an infusion of additional senior housing would most likely prove beneficial to both seniors and non-seniors seeking rental housing options.

**Table: Senior Household Trends (2000 to 2021)**

	<b><u>Frankfort/ Elberta Area</u></b>	<b><u>Rural Benzie Area</u></b>	<b><u>Benzie County</u></b>
<b>2000 Senior Households (55 years and Over)</b>	<b>1,080</b>	<b>1,749</b>	<b>2,829</b>
Percent of total 2000 households	55.2%	38.5%	43.5%
<b>2010 Senior Households (55 years and Over)</b>	<b>1,327</b>	<b>2,473</b>	<b>3,800</b>
Percent of total 2010 households	65.7%	46.9%	52.1%
Percent change (2000 to 2010)	22.9%	41.4%	34.3%
<b>2016 Senior Households (55 years and Over)</b>	<b>1,409</b>	<b>2,899</b>	<b>4,301</b>
Percent of total 2016 households	66.4%	53.0%	56.7%
Percent change (2010 to 2016)	6.2%	17.2%	13.2%
Average Annual Change (2010 to 2016)	1.0%	2.7%	2.1%
<b>2019 Senior Households (55 years and Over)</b>	<b>1,466</b>	<b>3,086</b>	<b>4,548</b>
Percent of total 2019 households	67.7%	55.5%	58.9%
Percent change (2010 to 2019)	10.5%	24.8%	19.7%
Average Annual Change (2010 to 2019)	1.1%	2.5%	2.0%
<b>2021 Senior Households (55 years and Over)</b>	<b>1,504</b>	<b>3,210</b>	<b>4,712</b>
Percent of total 2021 households	68.5%	57.1%	60.3%
Percent change (2010 to 2021)	13.3%	29.8%	24.0%
Average Annual Change (2010 to 2021)	1.1%	2.4%	2.0%
<b>2000 Senior Households (65 years and Over)</b>	<b>732</b>	<b>1,048</b>	<b>1,780</b>
Percent of total 2000 households	37.4%	23.1%	27.4%
<b>2010 Senior Households (65 years and Over)</b>	<b>916</b>	<b>1,353</b>	<b>2,269</b>
Percent of total 2010 households	45.3%	25.6%	31.1%
Percent change (2000 to 2010)	25.1%	29.1%	27.5%
<b>2016 Senior Households (65 years and Over)</b>	<b>954</b>	<b>1,666</b>	<b>2,616</b>
Percent of total 2016 households	45.0%	30.5%	34.5%
Percent change (2010 to 2016)	4.1%	23.1%	15.3%
Average Annual Change (2010 to 2016)	0.7%	3.5%	2.4%
<b>2019 Senior Households (65 years and Over)</b>	<b>1,007</b>	<b>1,826</b>	<b>2,830</b>
Percent of total 2019 households	46.5%	32.8%	36.6%
Percent change (2010 to 2019)	10.0%	34.9%	24.7%
Average Annual Change (2010 to 2019)	1.1%	3.4%	2.5%
<b>2021 Senior Households (65 years and Over)</b>	<b>1,043</b>	<b>1,932</b>	<b>2,972</b>
Percent of total 2021 households	47.5%	34.4%	38.0%
Percent change (2010 to 2021)	13.9%	42.8%	31.0%
Average Annual Change (2010 to 2021)	1.2%	3.3%	2.5%

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)**

	<b>Frankfort/ Elberta Area</b>	<b>Rural Benzie Area</b>	<b>Benzie County</b>
<b>2000 Senior Renter Households (65 years and Over)</b>	<b>75</b>	<b>99</b>	<b>174</b>
Percent of total 2000 senior households	10.2%	9.4%	9.8%
<b>2010 Senior Renter Households (65 years and Over)</b>	<b>103</b>	<b>94</b>	<b>197</b>
Percent of total 2010 senior households	11.2%	6.9%	8.7%
Percent change (2000 to 2010)	37.3%	-5.1%	13.2%
Percent of Total 2010 Renter Households	27.3%	13.5%	18.3%
<b>2000 Senior Renter Households (55 years and Over)</b>	<b>103</b>	<b>146</b>	<b>249</b>
Percent of total 2000 senior households	9.5%	13.9%	14.0%
<b>2010 Senior Renter Households (55 years and Over)</b>	<b>150</b>	<b>183</b>	<b>333</b>
Percent of total 2010 senior households	11.3%	7.4%	8.8%
Percent change (2000 to 2010)	45.6%	25.3%	33.7%
Percent of Total 2010 Renter Households	39.8%	26.2%	31.0%

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

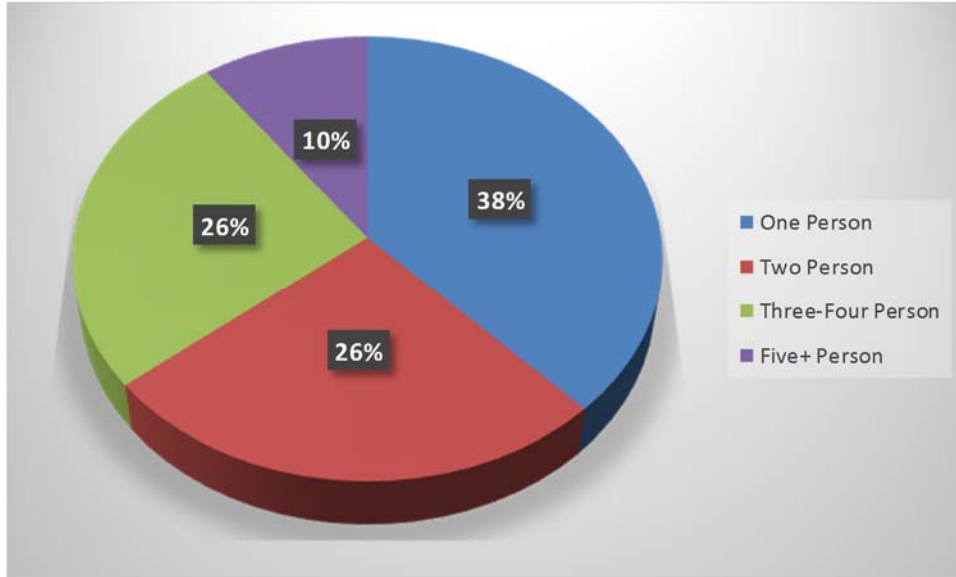
The division of renter households by size appears to be a combination of smaller and larger-sized units, as indicated by data reporting rental households by the number of occupants. For the county, this would include apartments as well as rental homes generally suited for family occupancy. In 2010, 38 percent of the renter-occupied households for Benzie County were one-person households, while two-person households accounted for 26 percent. Three- and four-person renter households totaled 26 percent as well, while five or more person renters represented 10 percent of renter households in 2010.

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

**Table: Rental Unit Size Distribution (2010)**

	<b>Frankfort/ Elberta Area</b>	<b>Rural Benzie Area</b>	<b>Benzie County</b>
<b>One Person</b>	<b>167</b>	<b>241</b>	<b>408</b>
Percent of total renter households	44.3%	34.5%	38.0%
<b>Two Persons</b>	<b>95</b>	<b>186</b>	<b>281</b>
Percent of total renter households	25.2%	26.6%	26.1%
<b>Three or Four Persons</b>	<b>85</b>	<b>193</b>	<b>278</b>
Percent of total renter households	22.5%	27.7%	25.9%
<b>Five or More Person</b>	<b>30</b>	<b>78</b>	<b>108</b>
Percent of total renter households	8.0%	11.2%	10.0%

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



The best available statistic from the Census Bureau regarding rental pricing is the Median Gross Rent, which also includes the cost of any utilities paid the tenant. The impact of Gateway Village may help to explain the trends within the table for the two sub-market areas, but the overall cost of rental housing across Benzie County, according to this statistic, has not changed significantly since 2010.

**Table: Median Gross Rent Trends**

	<b>Frankfort/ Elberta Area</b>	<b>Rural Benzie Area</b>	<b>Benzie County</b>
<b>2010 Median Gross Rent Estimate</b>	\$589	\$862	\$737
<b>2015 Median Gross Rent Estimate</b>	\$736	\$725	\$727
<b>2017 Median Gross Rent Forecast</b>	\$866	\$745	\$786
Total percent change (2010 to 2017)	17.7%	2.8%	8.1%
Annual percent change (2010 to 2017)	2.4%	0.4%	1.1%

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

**Household Income Trends**

The median household income figures for the Benzie area are surprisingly similar for both sub-market areas. What is also slightly surprising is the slowly increasing income levels over the past few years. Most communities across Michigan experienced both real and nominal declines in median household income since 2010; however, no such trend was found across the Benzie area – mostly likely reflecting the stable economic conditions found across most of Northwest lower Michigan. At \$48,506, the 2016 median household income estimate for Benzie County is an 8.5 percent gain from 2010. A similar increase was found within the Rural Benzie area, while income appreciation was much more moderate within the Frankfort/Elberta area.

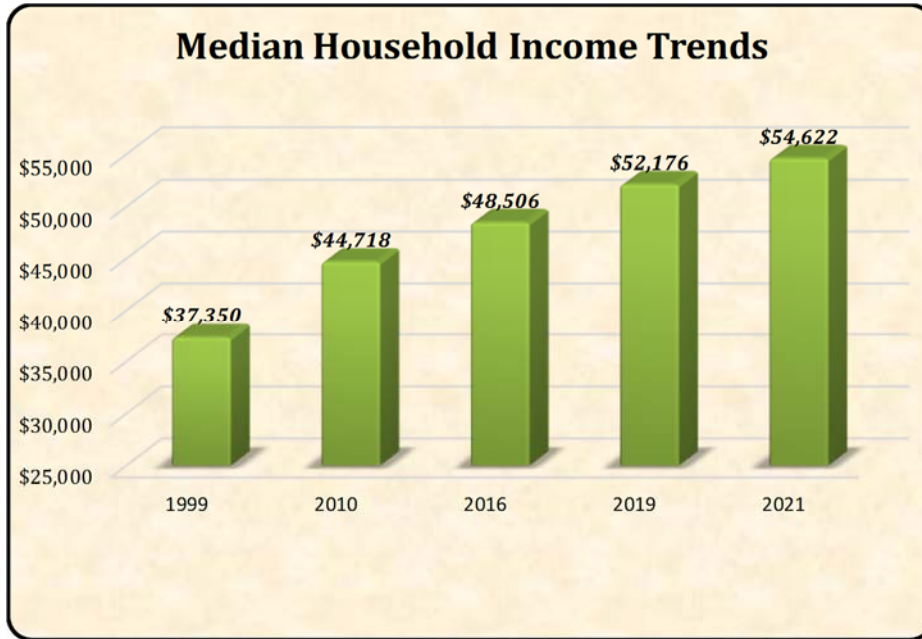
ESRI forecasts predict that incomes in the region will slowly increase, but this growth will not likely exceed the prevailing rate of inflation. By 2021 the county’s median household income is forecast at \$54,622, reflecting an average annual increase of 1.8 percent from 2010 totals. Median income levels for the two sub-market areas will be nearly identical to the countywide forecast.

**Table: Median Household Incomes (1999 to 2021)**

	<b><u>Frankfort/ Elberta Area</u></b>	<b><u>Rural Benzie Area</u></b>	<b><u>Benzie County</u></b>
<b>1999 Median Household Income</b>	<b>\$36,728</b>	<b>\$37,809</b>	<b>\$37,350</b>
<b>2010 Median Household Income</b>	<b>\$46,073</b>	<b>\$44,150</b>	<b>\$44,718</b>
Total percent change (1999 to 2010)	25.4%	16.8%	19.7%
Annual percent change (1999 to 2010)	2.1%	1.4%	1.7%
<b>2016 Estimated Median Household Income</b>	<b>\$47,941</b>	<b>\$48,718</b>	<b>\$48,506</b>
Total percent change (2010 to 2016)	4.1%	10.3%	8.5%
Annual percent change (2010 to 2016)	0.7%	1.7%	1.4%
<b>2019 Forecast Median Household Income</b>	<b>\$51,948</b>	<b>\$52,248</b>	<b>\$52,176</b>
Total percent change (2010 to 2019)	12.8%	18.3%	16.7%
Annual percent change (2010 to 2019)	1.3%	1.9%	1.7%
<b>2021 Forecast Median Household Income</b>	<b>\$54,620</b>	<b>\$54,602</b>	<b>\$54,622</b>
Total percent change (2010 to 2021)	18.6%	23.7%	22.1%
Annual percent change (2010 to 2021)	1.6%	2.0%	1.8%

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

**Figure Twelve: Median Household Incomes – Benzie County (1999 to 2021)**



**Household Income Distribution**

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

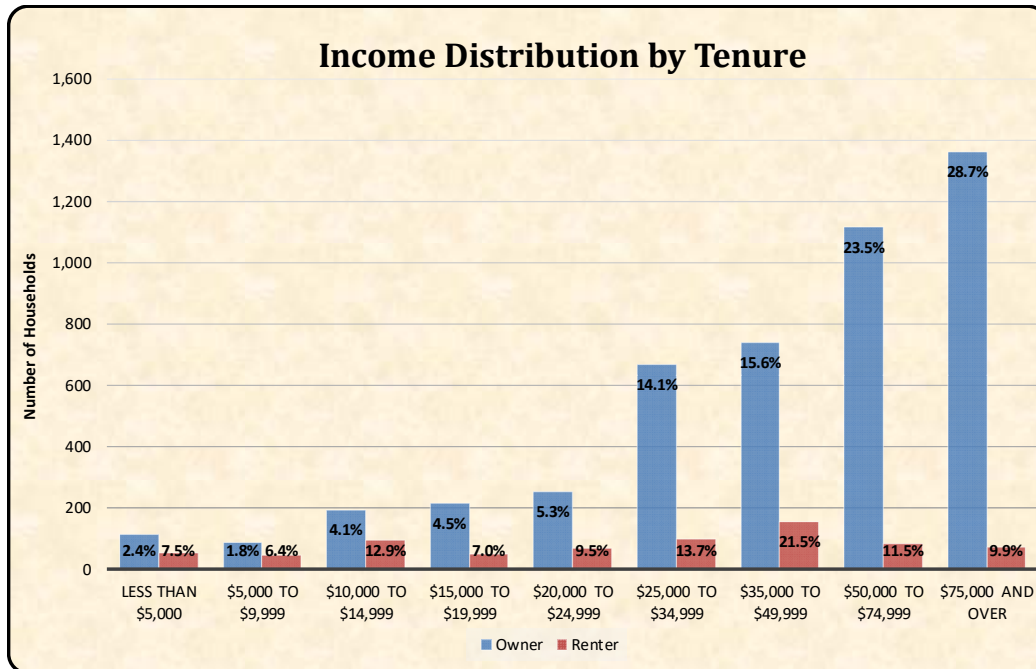
Secondly, the community’s owner households exhibit a strong upper-income component – not necessary unexpected, but indicative of a market rate potential for renter households by residents that may prefer a shift away from homeownership. Since the housing bubble and subsequent recession of the last decade,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

**Table: Household Income Distribution by Tenure – Benzie County (2016)**

	<b>Total Households</b>	<b>Owner Households</b>	<b>Renter Households</b>
<b>Less than \$5,000</b>	<b>166</b>	<b>112</b>	<b>54</b>
Percent of 2016 Households	3.1%	2.4%	7.5%
<b>\$5,000 to \$9,999</b>	<b>133</b>	<b>87</b>	<b>46</b>
Percent of 2016 Households	2.5%	1.8%	6.4%
<b>\$10,000 to \$14,999</b>	<b>288</b>	<b>195</b>	<b>94</b>
Percent of 2016 Households	5.4%	4.1%	12.9%
<b>\$15,000 to \$19,999</b>	<b>266</b>	<b>216</b>	<b>51</b>
Percent of 2016 Households	4.9%	4.5%	7.0%
<b>\$20,000 to \$24,999</b>	<b>322</b>	<b>253</b>	<b>69</b>
Percent of 2016 Households	5.9%	5.3%	9.5%
<b>\$25,000 to \$34,999</b>	<b>768</b>	<b>669</b>	<b>99</b>
Percent of 2016 Households	14.0%	14.1%	13.7%
<b>\$35,000 to \$49,999</b>	<b>895</b>	<b>739</b>	<b>156</b>
Percent of 2016 Households	16.4%	15.6%	21.5%
<b>\$50,000 to \$74,999</b>	<b>1,199</b>	<b>1,116</b>	<b>83</b>
Percent of 2016 Households	21.7%	23.5%	11.5%
<b>\$75,000 and Over</b>	<b>1,433</b>	<b>1,361</b>	<b>72</b>
Percent of 2016 Households	25.9%	28.7%	9.9%

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

**Figure Thirteen: Household Income Distribution by Tenure – Benzie County (2016)**



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

**Table: Senior Household Income Distribution by Tenure – Benzie County (2016)**

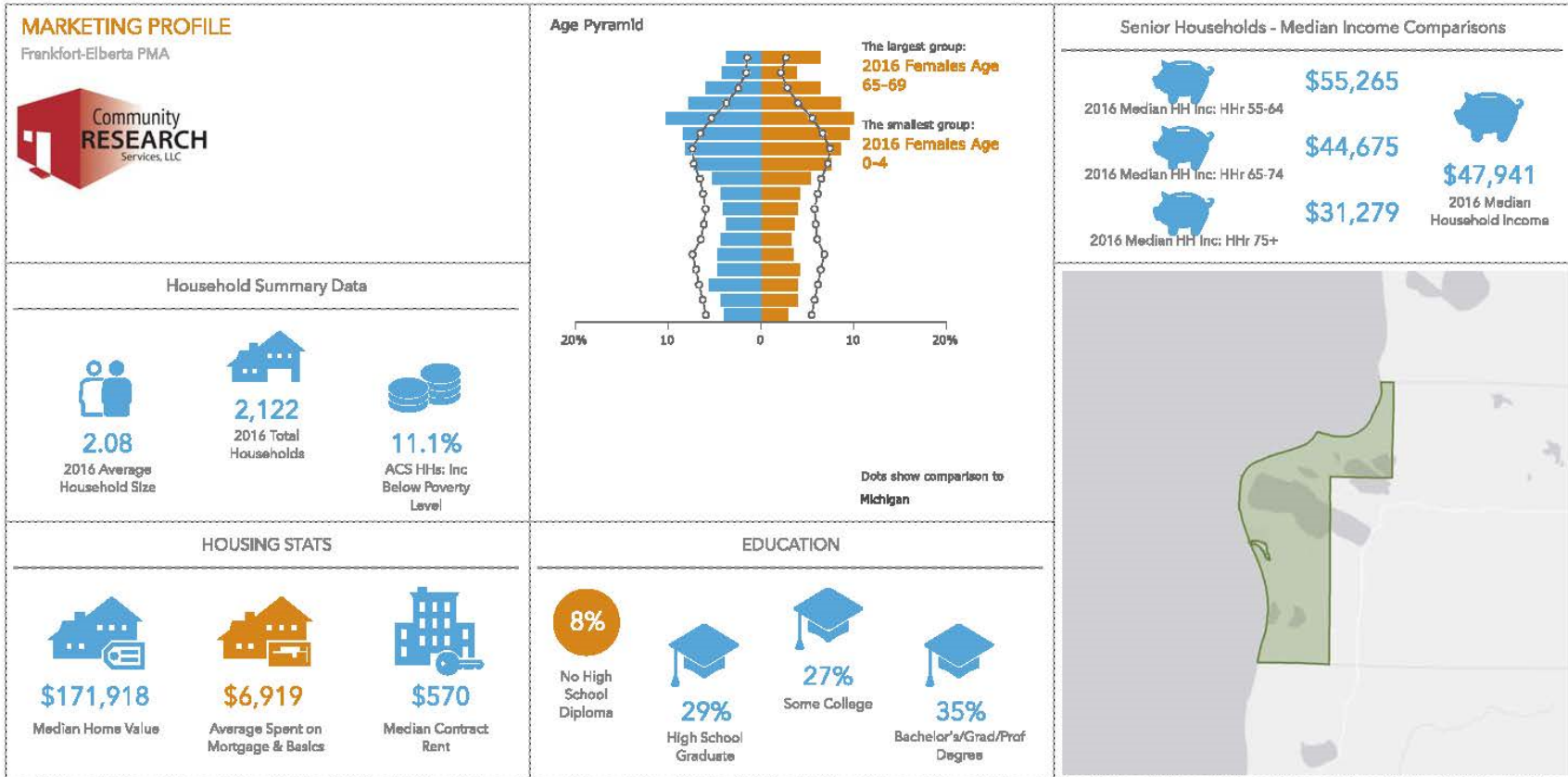
	<b><u>Total Households</u></b>	<b><u>Owner Households</u></b>	<b><u>Renter Households</u></b>
<b>Less than \$10,323</b>	<b>57</b>	<b>50</b>	<b>7</b>
Percent of 2016 Households (65+)	3.5%	3.2%	6.0%
<b>\$10,323 to \$15,483</b>	<b>111</b>	<b>83</b>	<b>28</b>
Percent of 2016 Households (65+)	6.9%	5.4%	24.2%
<b>\$15,484 to \$20,644</b>	<b>133</b>	<b>114</b>	<b>19</b>
Percent of 2016 Households (65+)	8.1%	7.4%	16.1%
<b>\$20,645 to \$25,805</b>	<b>110</b>	<b>89</b>	<b>21</b>
Percent of 2016 Households (65+)	6.8%	5.7%	18.1%
<b>\$25,806 to \$30,967</b>	<b>158</b>	<b>153</b>	<b>5</b>
Percent of 2016 Households (65+)	9.4%	9.9%	4.0%
<b>\$30,968 to \$36,128</b>	<b>116</b>	<b>111</b>	<b>5</b>
Percent of 2016 Households (65+)	6.9%	7.2%	4.0%
<b>\$36,129 to \$41,289</b>	<b>104</b>	<b>97</b>	<b>7</b>
Percent of 2016 Households (65+)	6.3%	6.3%	6.0%
<b>\$41,290 to \$46,450</b>	<b>94</b>	<b>92</b>	<b>2</b>
Percent of 2016 Households (65+)	5.6%	5.9%	1.6%
<b>\$46,451 to \$51,612</b>	<b>99</b>	<b>95</b>	<b>5</b>
Percent of 2016 Households (65+)	5.9%	6.1%	4.0%
<b>\$51,613 to \$61,934</b>	<b>161</b>	<b>156</b>	<b>5</b>
Percent of 2016 Households (65+)	9.6%	10.1%	4.0%
<b>\$61,935 to \$77,418</b>	<b>199</b>	<b>195</b>	<b>5</b>
Percent of 2016 Households (65+)	11.9%	12.6%	4.0%
<b>\$77,419 to \$103,225</b>	<b>138</b>	<b>136</b>	<b>2</b>
Percent of 2016 Households (65+)	8.2%	8.8%	1.6%
<b>\$103,226 and Over</b>	<b>185</b>	<b>178</b>	<b>7</b>
Percent of 2016 Households (65+)	11.0%	11.5%	6.0%

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

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 Benzie County is generally similar across the sub-market areas, ranging from 10 percent to 11 percent. This ratio has not changed significantly since the last decade.

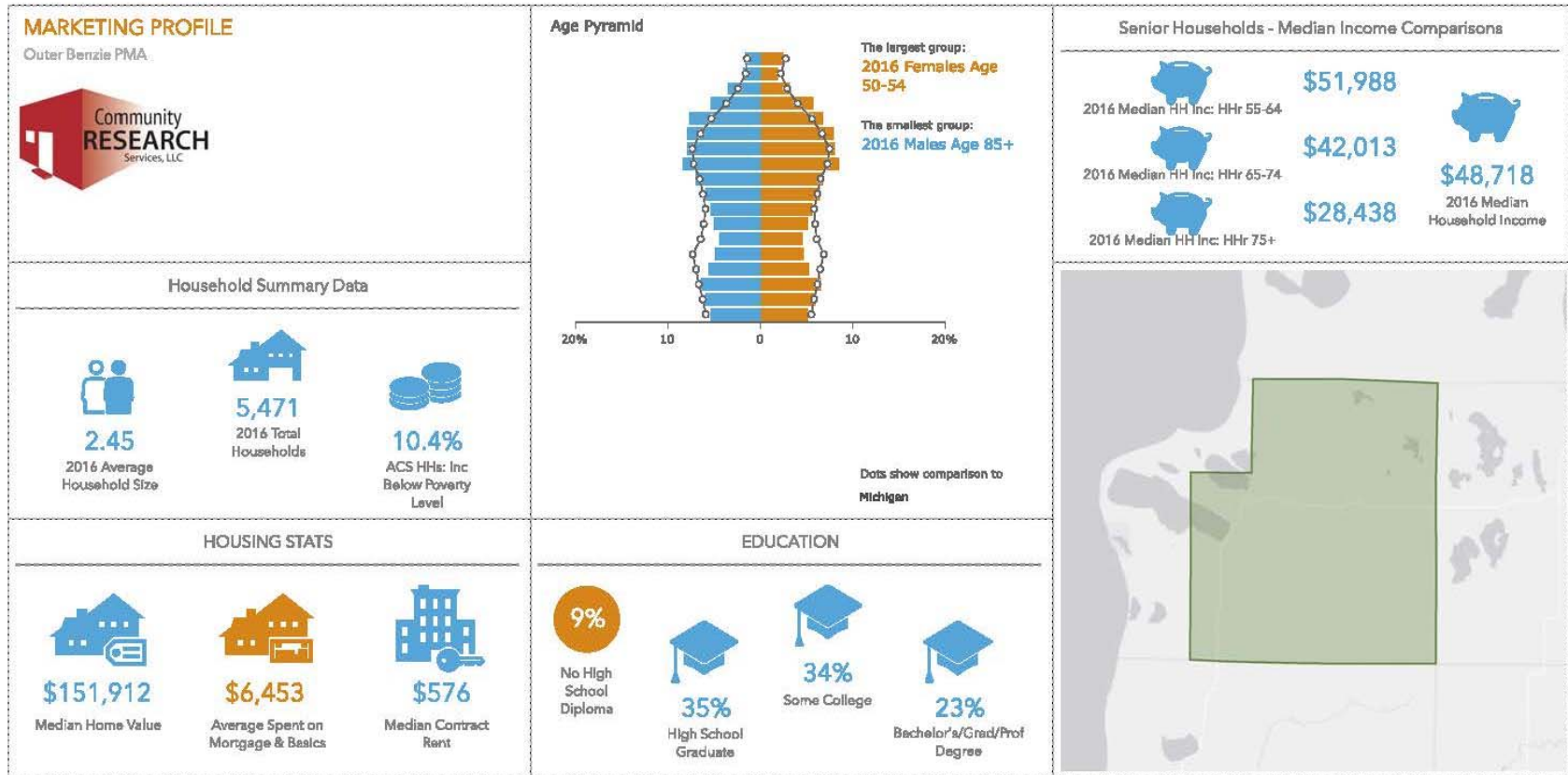
Secondly, the population for Benzie County and the two sub-market areas is illustrated within a population pyramid format, with comparisons to the State of Michigan illustrated by connected line segments. This is an excellent illustration of the high concentration of seniors across the county, and specifically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

**Infographics: Key Demographic/Economic Data**  
**Frankfort/Elberta Area**

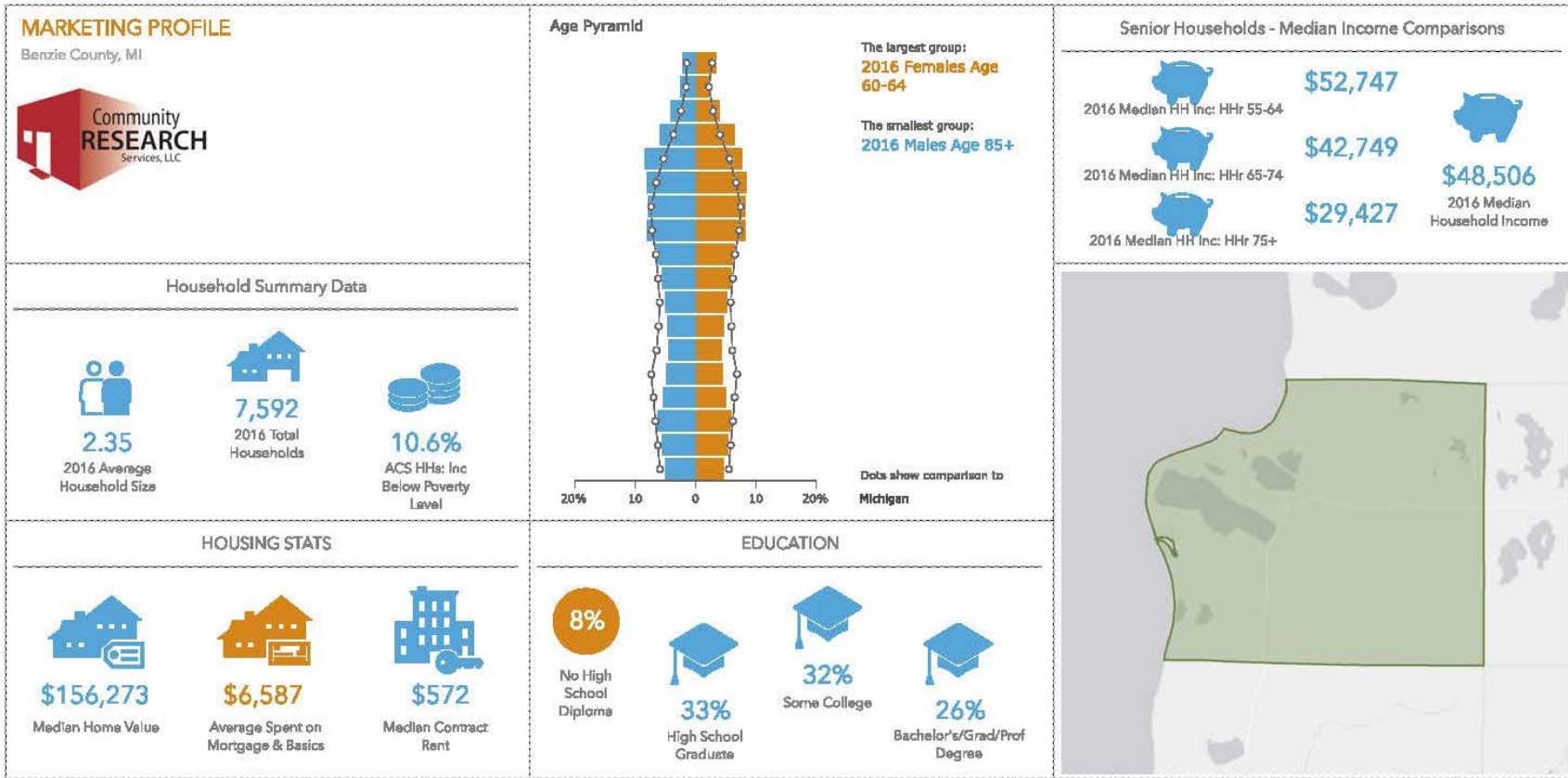




Rural Benzie Area



Benzie County



### **ESRI Tapestry Information**

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

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

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

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

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

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

market segments discussed previously discussed:

<b>Tapestry Segment</b>	<b>Brief Description</b>	<b>% of Benzie County Households</b>	<b>% of U.S. Households</b>
Rural Resort Dwellers	Empty nesters near retirement	43.4%	1.0%
Southern Satellites	Older, smaller, less wealthy families	16.2%	3.2%
The Great Outdoors	Empty nesters near retirement w/ wealth	14.8%	1.6%
Middleburg	Rural families with children	13.7%	2.8%
Midlife Constants	Seniors with some wealth	6.8%	2.5%
Silver & Gold	Older seniors with wealth	5.1%	0.8%
<b>Total</b>		<b>100.0%</b>	<b>11.8%</b>

Source: ESRI Tapestry

Upon review of these categories, apart from “Middleburg”, the listed segments appear to be a potential match for the target market segments previously defined, with a stronger than anticipated concentration within the senior sector. Given the size of the local senior population segment, this is not surprising, as nearly all six Tapestry segments could potentially contribute residents to a senior housing development (depending on various pricing levels, amenities, location, and other factors).

Most of these categories feature commonalities that reflect the primary factors shared across the target markets, including sufficient income levels, moderate to advanced educational attainment, and a professional background ranging from market entry to near retirement. Exact matches or comparisons to target market categories are readily made, but indirect comparisons to general target market descriptions are perhaps more reasonable and readily understood.

What is perhaps more important to note is that key Tapestry segments that reflect younger, entry level or professional households, that are mobile, and would potentially consider the Benzie County area as a residential option are not sufficiently present within Benzie County to justify a separate Tapestry segment. This would indicate a few things:

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

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

## **VI: HOUSING CONDITIONS AND CHARACTERISTICS**

### **Housing Market Characteristics**

Housing across Benzie County is quite diverse, based on target market, location, and structure type as well as other factors. While luxury and vacation homes are the primary focus for much of the county’s homeownership marketplace, such options are not a focus of this analysis. The impact of these higher-priced homes upon the target market segments of interest, however, is very worthy of mention within this section. As perhaps the most profitable portion of the county’s housing landscape, the luxury sector continues to place pressure upon other housing alternatives, both in terms of reducing available land for development, as well lowering the incentive for local builders to broaden new home opportunities for more moderate-income households.

Across Benzie County, 270 homes are currently for sale, according to information on [www.realtor.com](http://www.realtor.com). Of these homes currently for sale, 62 are priced between \$500,000 and \$2.5M (23 percent). The large majority of these homes are within the Frankfort/Elberta area. Conversely, 32 of the homes currently for sale are priced below \$100,000 (12 percent). Among all homes for sale, the median closing price was \$154,000, over the past 60 days. This data appears reasonable, as higher priced homes may be more difficult to sell within a shorter period of time, thus skewing the median closing price toward the lower end of homes that may be for sale.

While some homes may be available for those persons within the target market segment, the number of homes that are reasonably priced should be further qualified by condition, location, features, and preferred structure types. Within a housing environment that increasingly favors modern rental housing, the appeal of a homeownership opportunity may not be a strong alternative, particularly if the home available for purchase does not meet the qualitative requirements assumed by most households.

As discussed previously, the Benzie area does not contain a large number of rental housing units. According to the most recent American Housing Survey, a total of 1,058 occupied rental units were identified in 2015. This is actually a slight decline from 2010 totals. Of the 2015 totals, 67 percent were single family rentals, six percent were duplex rentals, 15

percent were larger rental buildings, and 11 percent were mobile home rentals. These figures correspond with historical data on recent apartment construction, as Gateway Village was the most recently developed apartment property (2010).

Rental housing opportunities openly listed are relatively rare. At this time, a two-bedroom apartment in Elberta is listed as available for \$600/month. A one-bedroom unit in Benzonia is listed for \$650/month. The other available listings for rent are at Gateway Village, in Frankfort, which has four vacancies at this time. This property has experienced vacancies since opening in 2010, mostly within the property's two-bedroom and three-bedroom units. It is likely that the property's unit mix (8 one-bedroom units, 20 two-bedroom units, and 8 three-bedroom units) does not match the community's needs, which are primarily within smaller-sized rental options (and especially within the Frankfort/Elberta area).

Rental developments across Benzie County contain some type of federal subsidy and/or tax credits, either through Rural Housing, HUD, or as a result of a LIHTC allocation. These are:

- Gateway Village – Frankfort (36 units - 2010) – LIHTC
- Patterson Crossing – Frankfort (56 units – 1980) – Rural Housing/HUD
- Brook Apartments – Benzonia (18 units – 1982) – Rural Housing
- Diamond House Apartments – Thompsonville (12 units - 1980) – Rural Housing

### **Placemaking Characteristics**

One positive aspect of Benzie County is presence of generally positive Placemaking characteristics, with most notable features found in and around the Frankfort/Elberta area. The 2014 Target Market Analysis (TMA), available online at the following address, <http://www.networksnorthwest.org/planning/planning-policy/housing/reports-and-documents.html> provides an excellent summary of the county's various features and amenities that yield positive influences upon the housing marketplace. Rather than reiterate these aspects, it is suggested that the reader examine the TMA for Benzie County. In general, these include:

- Excellent school districts – both the Frankfort-Elberta Area School District and Benzie Central school districts have excellent reputations, despite the challenges facing smaller-sized rural school districts

- Local hospital – Paul Oliver Memorial Hospital, located in Frankfort, is a part of the Munson Healthcare system. Considering the size of Frankfort, the presence of a full-service hospital is quite rare
- Downtown Frankfort – while clearly seasonal, the city’s downtown district remains active year round, providing the community a wider range of retail outlets and community assets typically not found within towns of this size
- Public/natural assets – including the Sleeping Bear Dunes National Lakeshore, Crystal Lake, Pere Marquette State Forest, Betsie River State Game Area, Crystal Mountain, as well as golf courses, walking trails, parkland, and other tourism-related outlets
- Local roadways – including US 31, M-22, M-115, and M-168, providing close proximity to adjacent communities such as Traverse City, Northport, Leland, Manistee, and Cadillac



## **VII: DEMAND ANALYSIS**

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

Demand calculations are presented for 2016 and three-year projections for households within the target market income range, defined within two segments – affordable (assuming use of the Low Income Housing Tax Credit) and market rate (with no income restrictions). The overall income-eligibility range is approximately \$19,000 to \$100,000. The upper range of \$100,000 is used as a measure of conservatism and assumes that those households above \$100,000 income 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 2016) is calculated. This is applied to the percentage of households that relocate to rental housing on an annual basis, using available information from the American Community Survey. This yields the annual demand for the current year. Future demand includes any additional renter households that are projected to be added to the marketplace. This results in a demand estimate for 2019. The resulting demand forecast is 67 units within the affordable income range, and 83 units within the market rate income range.

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

A similar method can be used to determine senior demand. In this case, the demand forecast is based on seniors age 55 and older, as this represents the broadest base of potential senior occupancy, assuming seniors can live an independent lifestyle. Using the same methodology, the 2019 demand for senior rental housing was calculated at 21 units within the affordable income range, and 75 units within the market rate income range.

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

It is worth noting at this time that these movership calculations do not consider the

additional interest or marketing efforts of a new rental facility, which could greatly increase the interest for moving into the subject proposal. This would be especially true for a mixed-income property with a popular set of amenities and features. Such an option would naturally increase traffic and marketing results, yielding a larger pool of potentially interested residents.

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

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

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

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

<b>2016 Total Occupied Households</b>	<b>5,471</b>				
<b>2016 Owner-Occupied Households</b>	<b>4,747</b>				
<b>2016 Renter-Occupied Households</b>	<b>724</b>				
		<b>50%</b>	<b>60%</b>	<b>Market</b>	<b>Total</b>
		<u>AMI</u>	<u>AMI</u>	<u>Rate</u>	<u>LIHTC</u>
<b>QUALIFIED-INCOME RANGE (unduplicated)</b>					
Minimum Annual Income		\$18,857	\$25,001	\$30,000	\$18,857
Maximum Annual Income		\$25,000	\$35,220	\$100,000	\$35,220
<b>DEMAND FROM EXISTING HOUSEHOLDS</b>					
Percent Income Qualified Owner Households		5.8%	13.0%	48.7%	18.8%
Percent Income Qualified Renter Households		9.8%	14.0%	42.4%	23.8%
Income Qualified Owner Households		274	616	1,488	891
Income Qualified Renter Households		71	101	188	172
Annual Movership Rate - Owner to Renter		2.0%	2.0%	2.0%	2.0%
Annual Movership Rate - Renter to Renter		28.0%	28.0%	28.0%	28.0%
Total Income-Qualified Owner to Renter Movers		5	12	30	18
Total Income-Qualified Renter to Renter Movers		20	28	53	48
<b>Total Demand from Existing Households</b>		<b>25</b>	<b>41</b>	<b>82</b>	<b>66</b>
<b>DEMAND FROM NEW RENTER HOUSEHOLDS</b>					
Projected 2019 Renter Households	735				
Annual Change in Renter Households, 2016-2019	4				
Percent Qualified Renter Households		9.8%	14.0%	42.4%	23.8%
<b>Total Annual Demand From New Households</b>		<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>TOTAL DEMAND</b>		<b>26</b>	<b>41</b>	<b>83</b>	<b>67</b>
<b>LESS: Total Comparable Units Placed in Service Since 2015</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>LESS: Total Comparable Units Proposed/Under Construction</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL NET DEMAND</b>		<b>26</b>	<b>41</b>	<b>83</b>	<b>67</b>
<b>PROPOSED NUMBER OF UNITS</b>		<b>20</b>	<b>10</b>	<b>30</b>	<b>30</b>
<b>CAPTURE RATE</b>		<b>78.1%</b>	<b>24.3%</b>	<b>36.0%</b>	<b>44.8%</b>
<b>PENETRATION RATE</b>		<b>5.8%</b>	<b>1.4%</b>	<b>1.8%</b>	<b>2.8%</b>
<b>SATURATION RATE</b>		<b>5.8%</b>	<b>1.4%</b>	<b>1.8%</b>	<b>2.8%</b>
Note: Totals may not sum due to rounding or differences in income ranges					
SOURCE: 2010 U.S. Census of Population and Housing, U.S. Census Bureau					
American Community Survey, U.S. Census Bureau					
ESRI Business Analyst					

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

2016 Total Occupied Households 55+	2,899				
2016 Owner-Occupied Households 55+	2,684				
2016 Renter-Occupied Households 55+	215				
		<u>60%</u>	<u>0%</u>	<u>Market</u>	<u>Total</u>
		<u>AMI</u>	<u>AMI</u>	<u>Rate</u>	<u>LIHTC</u>
<b>QUALIFIED-INCOME RANGE</b> ( <i>unduplicated</i> )					
Minimum Annual Income		\$15,300	\$21,001	\$27,000	\$15,300
Maximum Annual Income		\$21,000	\$27,120	And Above	\$27,120
<b>DEMAND FROM EXISTING RENTER HOUSEHOLDS - AGE 55+</b>					
Percent Income Qualified Owner Households		7.4%	6.7%	78.3%	14.1%
Percent Income Qualified Renter Households		18.4%	20.1%	35.7%	38.5%
Income Qualified Owner Households		199	181	2,103	380
Income Qualified Renter Households		39	43	77	83
Annual Movership Rate - Owner to Renter		3%	3%	3%	3%
Annual Movership Rate - Renter to Renter		10%	10%	10%	10%
Total Income-Qualified Owner to Renter Movers		6	5	63	11
Total Income-Qualified Renter to Renter Movers		4	4	8	8
<b>Total Demand from Existing Households</b>		<b>10</b>	<b>10</b>	<b>71</b>	<b>20</b>
<b>DEMAND FROM NEW HOUSEHOLD GROWTH - AGE 55+</b>					
Owner Household Growth, 2016-2019		173		173	
Percent Income Qualified Owner Households		7.4%	6.7%	78.3%	14.1%
Renter Household Growth, 2016-2019		14		14	
Percent Income Qualified Renter Households		18.4%	20.1%	15.9%	38.5%
<b>Total Demand From New Households</b>		<b>1</b>	<b>1</b>	<b>4</b>	<b>1</b>
<b>TOTAL DEMAND</b>		<b>11</b>	<b>10</b>	<b>75</b>	<b>21</b>
<b>LESS: Total Comparable Units Placed in Service Since 2015</b>		0	0	0	0
<b>LESS: Total Comparable Units Proposed/Under Construction</b>		0	0	0	0
<b>TOTAL NET DEMAND</b>		<b>11</b>	<b>10</b>	<b>75</b>	<b>21</b>
<b>PROPOSED NUMBER OF UNITS</b>		<b>6</b>	<b>6</b>	<b>18</b>	<b>12</b>
<b>CAPTURE RATE</b>		<b>56.9%</b>	<b>57.9%</b>	<b>24.0%</b>	<b>57.4%</b>
<b>PENETRATION RATE</b>		<b>2.4%</b>	<b>2.5%</b>	<b>0.8%</b>	<b>2.4%</b>
Note: Totals may not sum due to rounding					
SOURCE: 2010 U.S. Census of Population and Housing, U.S. Census Bureau American Community Survey, U.S. Census Bureau ESRI Business Analyst					

## **VIII: DATA & SOURCES**

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**ESRI TAPESTRY DATA**



**Tapestry Segmentation Area Profile**

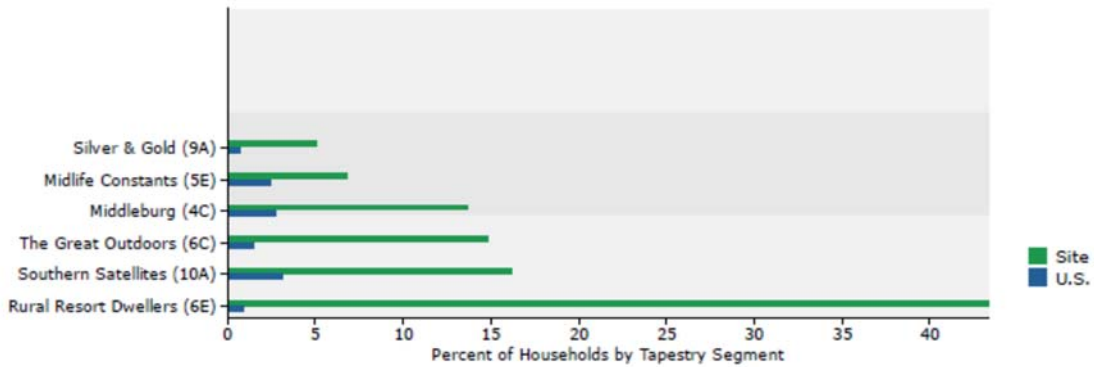
Benzie County, MI  
 Benzie County, MI (26019)  
 Geography: County

Prepared by Esri

**Top Twenty Tapestry**

Rank	Tapestry Segment	2016 Households		2016 U.S. Households		Index
		Percent	Cumulative Percent	Percent	Cumulative Percent	
1	Rural Resort Dwellers (6E)	43.4%	43.4%	1.0%	1.0%	4266
2	Southern Satellites (10A)	16.2%	59.6%	3.2%	4.2%	513
3	The Great Outdoors (6C)	14.8%	74.4%	1.6%	5.8%	955
4	Middleburg (4C)	13.7%	88.1%	2.8%	8.6%	485
5	Midlife Constants (5E)	6.8%	94.9%	2.5%	11.1%	269
	<b>Subtotal</b>	<b>94.9%</b>		<b>11.1%</b>		
6	Silver & Gold (9A)	5.1%	100.0%	0.8%	11.9%	673
	<b>Subtotal</b>	<b>5.1%</b>		<b>0.8%</b>		
	<b>Total</b>	<b>100.0%</b>		<b>11.8%</b>		<b>845</b>

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



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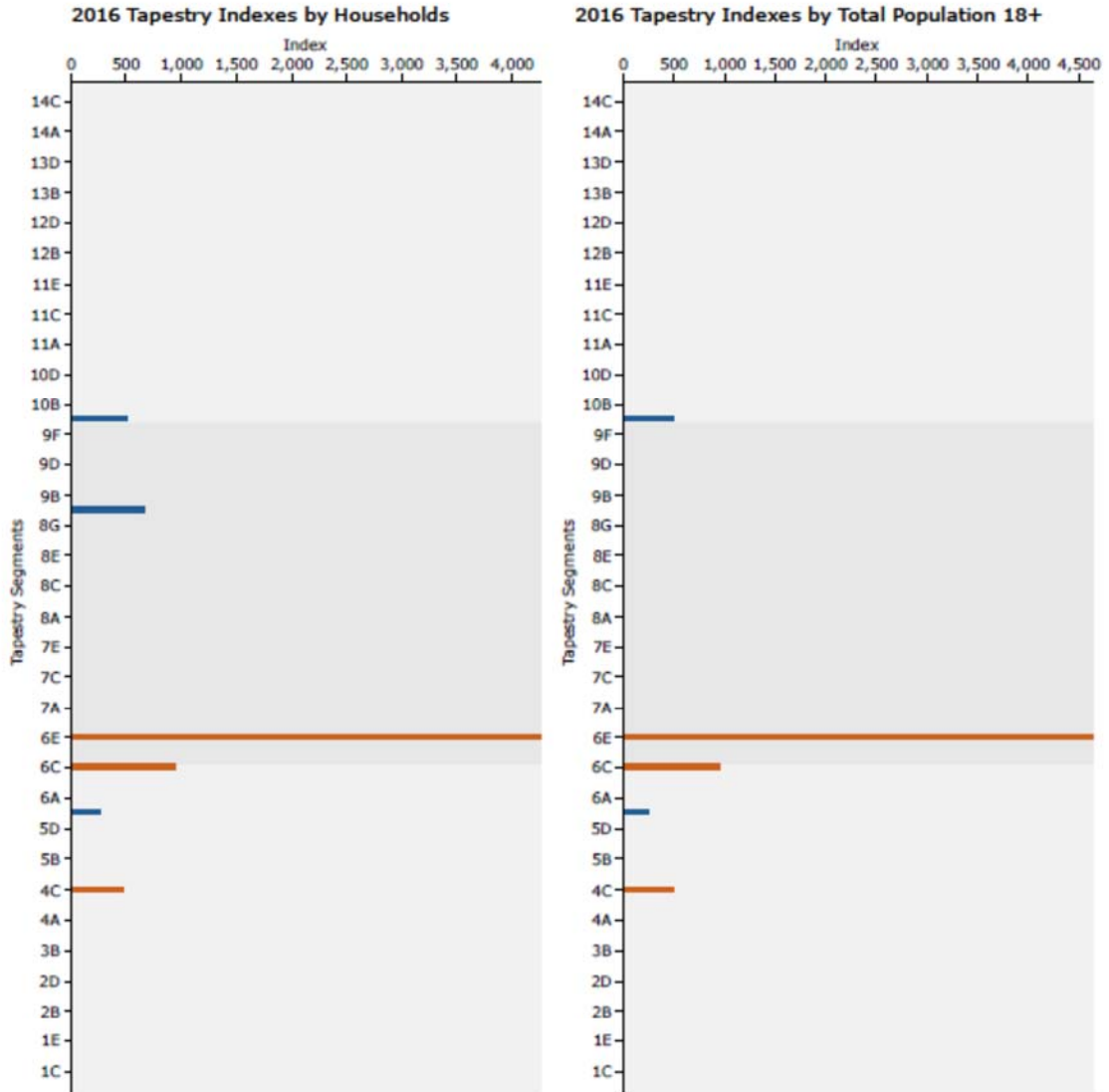
April 21, 2017



**Tapestry Segmentation Area Profile**

Benzie County, MI  
 Benzie County, MI (26019)  
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*Benzie County Housing Market Analysis – May 5, 2017*



1A

<b>1. Affluent Estates</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
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>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
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	0	0.0%	0	0	0.0%	0
<b>3. Uptown Individuals</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
<b>4. Family Landscapes</b>	<b>1,041</b>	<b>13.7%</b>	<b>185</b>	<b>2,068</b>	<b>14.2%</b>	<b>185</b>
Soccer Moms (4A)	0	0.0%	0	0	0.0%	0
Home Improvement (4B)	0	0.0%	0	0	0.0%	0
Middleburg (4C)	1,041	13.7%	485	2,068	14.2%	505
<b>5. GenXurban</b>	<b>515</b>	<b>6.8%</b>	<b>59</b>	<b>915</b>	<b>6.3%</b>	<b>57</b>
Comfortable Empty Nesters	0	0.0%	0	0	0.0%	0
In Style (5B)	0	0.0%	0	0	0.0%	0
Parks and Rec (5C)	0	0.0%	0	0	0.0%	0
Rustbelt Traditions (5D)	0	0.0%	0	0	0.0%	0
Midlife Constants (5E)	515	6.8%	269	915	6.3%	264
<b>6. Cozy Country Living</b>	<b>4,419</b>	<b>58.2%</b>	<b>480</b>	<b>8,485</b>	<b>58.3%</b>	<b>489</b>
Green Acres (6A)	0	0.0%	0	0	0.0%	0
Salt of the Earth (6B)	0	0.0%	0	0	0.0%	0
The Great Outdoors (6C)	1,127	14.8%	955	2,120	14.6%	957
Prairie Living (6D)	0	0.0%	0	0	0.0%	0
Rural Resort Dwellers (6E)	3,292	43.4%	4,266	6,365	43.7%	4,638
Heartland Communities (6F)	0	0.0%	0	0	0.0%	0
<b>7. Ethnic Enclaves</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
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

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**Source:** Esri





## Tapestry Segmentation Area Profile

Benzie County, MI  
Benzie County, MI (26019)  
Geography: County

Prepared by Esri

Tapestry LifeMode Groups	2016 Households			2016 Adult Population		
	Number	Percent	Index	Number	Percent	Index
<b>Total:</b>	<b>7,592</b>	<b>100.0%</b>		<b>14,554</b>	<b>100.0%</b>	
<b>8. Middle Ground</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
City Lights (8A)	0	0.0%	0	0	0.0%	0
Emerald City (8B)	0	0.0%	0	0	0.0%	0
Bright Young Professionals	0	0.0%	0	0	0.0%	0
Downtown Melting Pot (8D)	0	0.0%	0	0	0.0%	0
Front Porches (8E)	0	0.0%	0	0	0.0%	0
Old and Newcomers (8F)	0	0.0%	0	0	0.0%	0
Hardscrabble Road (8G)	0	0.0%	0	0	0.0%	0
<b>9. Senior Styles</b>	<b>388</b>	<b>5.1%</b>	<b>89</b>	<b>690</b>	<b>4.7%</b>	<b>95</b>
Silver & Gold (9A)	388	5.1%	673	690	4.7%	688
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
<b>10. Rustic Outposts</b>	<b>1,229</b>	<b>16.2%</b>	<b>194</b>	<b>2,396</b>	<b>16.5%</b>	<b>195</b>
Southern Satellites (10A)	1,229	16.2%	513	2,396	16.5%	515
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
<b>11. Midtown Singles</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
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)	0	0.0%	0	0	0.0%	0
City Commons (11E)	0	0.0%	0	0	0.0%	0
<b>12. Hometown</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
Family Foundations (12A)	0	0.0%	0	0	0.0%	0
Traditional Living (12B)	0	0.0%	0	0	0.0%	0
Small Town Simplicity (12C)	0	0.0%	0	0	0.0%	0
Modest Income Homes (12D)	0	0.0%	0	0	0.0%	0
<b>13. Next Wave</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
International Marketplace	0	0.0%	0	0	0.0%	0
Las Casas (13B)	0	0.0%	0	0	0.0%	0
NeWest Residents (13C)	0	0.0%	0	0	0.0%	0
Fresh Ambitions (13D)	0	0.0%	0	0	0.0%	0
High Rise Renters (13E)	0	0.0%	0	0	0.0%	0
<b>14. Scholars and Patriots</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
Military Proximity (14A)	0	0.0%	0	0	0.0%	0
College Towns (14B)	0	0.0%	0	0	0.0%	0
Dorms to Diplomas (14C)	0	0.0%	0	0	0.0%	0
<b>Unclassified (15)</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>

**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.

April 21, 2017



## Tapestry Segmentation Area Profile

Benzie County, MI  
 Benzie County, MI (26019)  
 Geography: County

Prepared by Esri

Tapestry Urbanization	2016 Households			2016 Adult Population		
	Number	Percent	Index	Number	Percent	Index
<b>Total:</b>	7,592	100.0%		14,554	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>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
Pacific Heights (2C)	0	0.0%	0	0	0.0%	0
Rustbelt Traditions (5D)	0	0.0%	0	0	0.0%	0
Urban Villages (7B)	0	0.0%	0	0	0.0%	0
American Dreamers (7C)	0	0.0%	0	0	0.0%	0
Barrios Urbanos (7D)	0	0.0%	0	0	0.0%	0
Southwestern Families (7F)	0	0.0%	0	0	0.0%	0
City Lights (8A)	0	0.0%	0	0	0.0%	0
Bright Young Professionals (8C)	0	0.0%	0	0	0.0%	0
Metro Fusion (11C)	0	0.0%	0	0	0.0%	0
Family Foundations (12A)	0	0.0%	0	0	0.0%	0
Modest Income Homes (12D)	0	0.0%	0	0	0.0%	0
International Marketplace (13A)	0	0.0%	0	0	0.0%	0
Las Casas (13B)	0	0.0%	0	0	0.0%	0
<b>3. Metro Cities</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</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)	0	0.0%	0	0	0.0%	0
Hardscrabble Road (8G)	0	0.0%	0	0	0.0%	0
Retirement Communities (9E)	0	0.0%	0	0	0.0%	0
Social Security Set (9F)	0	0.0%	0	0	0.0%	0
Young and Restless (11B)	0	0.0%	0	0	0.0%	0
Set to Impress (11D)	0	0.0%	0	0	0.0%	0
City Commons (11E)	0	0.0%	0	0	0.0%	0
Traditional Living (12B)	0	0.0%	0	0	0.0%	0
College Towns (14B)	0	0.0%	0	0	0.0%	0
Dorms to Diplomas (14C)	0	0.0%	0	0	0.0%	0

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	Number	Percent	Index	Number	Percent	Index
<b>Total:</b>	<b>7,592</b>	<b>100.0%</b>		<b>14,554</b>	<b>100.0%</b>	
<b>4. Suburban Periphery</b>	<b>903</b>	<b>11.9%</b>	<b>38</b>	<b>1,605</b>	<b>11.0%</b>	<b>34</b>
Top Tier (1A)	0	0.0%	0	0	0.0%	0
Professional Pride (1B)	0	0.0%	0	0	0.0%	0
Boomburbs (1C)	0	0.0%	0	0	0.0%	0
Savvy Suburbanites (1D)	0	0.0%	0	0	0.0%	0
Exurbanites (1E)	0	0.0%	0	0	0.0%	0
Urban Chic (2A)	0	0.0%	0	0	0.0%	0
Pleasantville (2B)	0	0.0%	0	0	0.0%	0
Enterprising Professionals (2D)	0	0.0%	0	0	0.0%	0
Soccer Moms (4A)	0	0.0%	0	0	0.0%	0
Home Improvement (4B)	0	0.0%	0	0	0.0%	0
Comfortable Empty Nesters	0	0.0%	0	0	0.0%	0
Parks and Rec (5C)	0	0.0%	0	0	0.0%	0
Midlife Constants (5E)	515	6.8%	269	915	6.3%	264
Up and Coming Families (7A)	0	0.0%	0	0	0.0%	0
Silver & Gold (9A)	388	5.1%	673	690	4.7%	688
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
<b>5. Semirural</b>	<b>1,041</b>	<b>13.7%</b>	<b>146</b>	<b>2,068</b>	<b>14.2%</b>	<b>157</b>
Middleburg (4C)	1,041	13.7%	485	2,068	14.2%	505
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)	0	0.0%	0	0	0.0%	0
<b>6. Rural</b>	<b>5,648</b>	<b>74.4%</b>	<b>438</b>	<b>10,881</b>	<b>74.8%</b>	<b>440</b>
Green Acres (6A)	0	0.0%	0	0	0.0%	0
Salt of the Earth (6B)	0	0.0%	0	0	0.0%	0
The Great Outdoors (6C)	1,127	14.8%	955	2,120	14.6%	957
Prairie Living (6D)	0	0.0%	0	0	0.0%	0
Rural Resort Dwellers (6E)	3,292	43.4%	4,266	6,365	43.7%	4,638
Southern Satellites (10A)	1,229	16.2%	513	2,396	16.5%	515
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	0	0.0%	0

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**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 5, 2017

**RESUME AND BACKGROUND**

***KELLY J. MURDOCK***

***COMMUNITY RESEARCH SERVICES, LLC***

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

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

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

A graduate of Eastern Michigan University, Mr. Murdock holds a degree in Economics and Business, with a concentration in economic modeling and analysis. Mr. Murdock is a member of the Michigan Housing Council, a statewide affordable housing advocacy group. He previously served on the Council's Board of Directors. Mr. Murdock and CRS are also charter members of the National Council of Housing Market Analysts (NCHMA), an organization dedicated to the establishment of standard practices and methods in housing research across the nation. Mr. Murdock serves on the executive committee of NCHMA as Vice-Chair, and will lead the council as Chairman during the upcoming 2017-2018 term. Mr. Murdock has been awarded the Professional Member designation by NCHMA, the highest level of membership offered by the organization.