



**A Housing Market
Analysis of
Ionia, MI**

Final Report

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I. INTRODUCTION

Community Research Services, LLC (CRS) has been commissioned by Beckett & Raeder, Inc. to investigate housing market conditions across the Ionia area. The city is located within the central section of Ionia County, found between Lansing and Grand Rapids within the central section of lower Michigan. The city is approximately 30 miles from Lansing, approximately 50 miles from Grand Rapids, and approximately 130 miles from Detroit.

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

The Ionia community hosted a number of Chippewa, Pottawatomie, and Ottawa Indians, prior to the first white settlement in 1831. The town was incorporated in 1865 as a village and in 1873 as a city. The state's first prison was constructed near Ionia in 1877; today four correctional facilities are found within the community. Agricultural products, medical services, and financial services are also primary employment occupations for the community. The city's location along M-21 and M-66 provides access to all nearby communities, and the proximity of I-96 also benefits the Ionia community as a commuting corridor and commercial/industrial destination. Today's local economy exhibits greater concentrations of blue-collar employment compared to most Michigan cities, but most residents are employed within service-oriented occupations or managerial/sales positions across the region. Prevailing population trends reflect a somewhat younger population than many other similarly-sized communities, but seniors represent the fastest-growing age cohort within the community.

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

No assumptions or analysis will be made regarding the separate market viability of higher-priced homeownership options, luxury homes (rental or owner), nor the potential for 2nd

homes/vacation residences. Comments and market criteria for these segments will be included when necessary as part of an examination of overall housing market conditions.

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

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

II. EXECUTIVE SUMMARY

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

- The analysis assumes the examination of Ionia city and the four townships within the central section of Ionia County as one combined market area. Other geographic measures used throughout the analysis include Ionia City and Ionia County. The market area is appropriate for the preliminary examination of housing options; however, the size and characteristics of any subsequent housing proposal would likely expand the market area beyond the city and townships. This is of course dependent upon assumptions regarding location and accessibility.
- Three primary target markets (market subsets) were examined for this analysis, including:
 - **Senior independent rental housing** – for those persons or couples age 65 and older, that are able to live an independent lifestyle, and are primarily retired or work on a part-time basis. The segment is divided into an affordable band (with incomes between \$15,000 and \$35,000) and market rate band (\$35,000 to \$75,000).
 - **Mixed income rental housing** – for singles, couples, or small families of all ages, with incomes between \$15,000 and \$50,000 for affordable units and higher incomes for market rate units (depending on family size), typically with low to moderate educational attainment, generally employed either part-time or full time within unskilled or entry-level positions typically within the services or hospitality sectors;
 - **Workforce housing** – for singles, couples, or small families of all ages, with incomes between approximately \$35,000 and \$75,000 (depending upon family size), with some degree of specialized training or educational attainment, employed within manufacturing, services, or other moderate-wage sectors. Rental and homeownership considerations will be included.
- Positive factors include the following:
 - The city and market area exhibit stable demographic trends. The community is somewhat younger overall as compared to many similarly sized cities within Michigan, with a higher than typical concentration of family households. While a small portion of the overall population at this time, the senior segment is the fastest growing age cohort, and will represent an increasing larger portion of the overall population into the 2020s and beyond.
 - Ionia is both a strong bedroom community and a destination point for employment opportunities. Situated between Lansing and Grand Rapids, the community is an ideal location for commuters that may go in either direction. The local employment options include high paying positions within manufacturing and government services, which bring in workforce options for

persons across the region. The development of new, modern, and attractive home options would give commuters an additional reason to consider relocating to the Ionia area.

- Housing prices are relatively modest, with home purchase pricing and prevailing rental rates generally found within a reasonable price range. More expensive housing levels are found within many nearby communities, providing Ionia with a potential competitive advantage when housing affordability is a primary concern.
- The community features an active downtown district, historic theater, the Ionia Free Fair, a school district with numerous positive attributes, parks and nearby recreational areas, and reasonable travel times to regional destination points in Grand Rapids and Lansing/East Lansing. Most sections of the city are quite walkable, and various community features provide a clearly strong level of placemaking assets. While the Ionia area would not be characterized as a recreational destination point (as compared to many northern Michigan or Lake Michigan coastal communities), local parks and riverscapes are pleasant and a community asset.
- Impediments and other problematic considerations include:
 - Income levels for Ionia have not significantly changes since 2000 on a real income basis. Minimal gains have not maintained pace with overall inflation levels. It is hoped that future economic activity will spur ongoing wage and income gains.
 - Approximately 5,000 persons within the Ionia area are within group quarters, mostly prisoners at the four correctional facilities found within the market area. While providing a primary employment resource, the facilities concentrate any shifts in local employment as a primary determinant of economic conditions. The stability of corrections employment is the key factor for Ionia’s current and future economic health.
 - The city features a higher than average rental household concentration, with many of these rentals consisting of single-family homes, or former single-family homes that have converted into multiple-unit structures. This conversation has taken place over a long period of time, with the end result of removing a larger portion of single-family homes out of the available housing stock for potential homeowners. This is especially unfortunate for those families from outside of the community seeking a moderately-priced or entry level home for purchase. In addition, the condition and quality of many of these homes is fair to poor, and detrimental to any direct or indirect efforts to improve the city’s housing stock.
 - The Ionia area is the county seat, and generally benefits from interactions and migration patterns with its neighbors across the county. However, the community has lost residents to nearby most adjacent sections of lower Michigan, and to the state of Michigan as a whole. These trends are negated by the influx of non-Michigan residents into the Ionia area, but this trade-off likely results in a loss of younger and potentially higher-educated persons for primarily unskilled or semi-skilled blue-collar workers from the southern sections of the nation. Retaining the

most talented and desirable portions of the local population is quite difficult under normal conditions; a lack of housing options would further exacerbate the issue.

- An insufficient number of homes are available for purchase across the Ionia area, and the number of options at the key purchase range of \$150,000 to \$250,000 is especially inadequate. The differential between at-place employment potential and actual residential employment is primarily due to local workers continuing to prefer commuting rather than relocating to the Ionia area – as affordability and placemaking are not impediments within the Ionia area. Homes within this pricing segment of the housing market are rapidly sold, and the lack of such homes will have an increasingly unfavorable impact upon the local economy, school district, and labor force. Any opportunity for local housing development needs to place a strong emphasis on increasing the availability of these moderately-priced homes.
- Available rental developments include both subsidized and market rate apartment structures. At this time the rental market for these types of units is stable, with occupancy levels maintained at or above 98 percent. Demand potential appears present for additional rental housing units, based on both statistical demand calculations and prevailing occupancy trends.
- Primary findings for this analysis include:
 - The Ionia Area’s ability to attract entry level households across the moderate-income and upper-income ranges is limited by a lack of supply of moderate and upper-moderate homes for purchase, despite relatively reasonable price points across the community. Eventually, an increasing senior household segment and declining birthrates will lead a shift in the community’s characteristics which may negatively impact the school system, tax base, employment base, and retail/service availability. If the Ionia community does not find methods to attract additional families to the market area, By the early 2030s the Ionia community will rapidly age, face a decline in tax base, and ultimately realize an unfortunate reduction in the size and earning potential of the local labor force.
 - The rental market within Ionia should be considered stable, with additional market potential for either mixed income or market rate rental units. Household growth is sufficient to drive statistical demand, and occupancy rates are also supportive.
 - A focus of rental housing improvements should also be made by local leaders. Single family rentals are widely present across the Ionia area, and any attempts to improve the condition and value of these options should be encouraged by local leaders.
 - Tapestry segmentation by ESRI does not identify within the Ionia market area in sufficient quantities any of the primary target market segments identified and investigated by this analysis. While some ESRI segments are somewhat near matches for the target market segments, the data indicates that it is likely that future residents will include persons from both primary and secondary market locations – from both the Ionia area and outside of the community.

- Existing senior rental housing options are present within the Ionia area, serving both affordable and moderate-income levels. These facilities appear to adequately serve the current market demands of the community, so the demand for senior rental housing options should not be considered a primary need at this time. Future development plans for additional senior housing may become more prominent within the 2020s, and reinvestigation of senior housing needs should be undertaken at that time.

A need for additional homeownership options within the community for moderate income households is an additional recommendation from this analysis. Suggested features for such a proposal would include:

Project Type:	Single family or duplex structures with attached garage, targeted for couples and small families
Unit mix:	3BR/2bth structures
Targeted Incomes:	\$35,000 - \$75,000 (However, this does not exclude higher income households seeking housing options that may prove popular regardless of income)
Preliminary Pricing:	\$150,000 - \$225,000
Amenities/features:	Commensurate with modern owner-occupied housing found across the community
Additional considerations:	Collaboration with local employers to help sponsor financing options, or establishment of a sponsored down-payment assistance program to rapidly move families into desirable homes for permanent occupancy A portion of this housing demand could include some type of condominium-type development, but such development would not ideally fit the primary target market segments

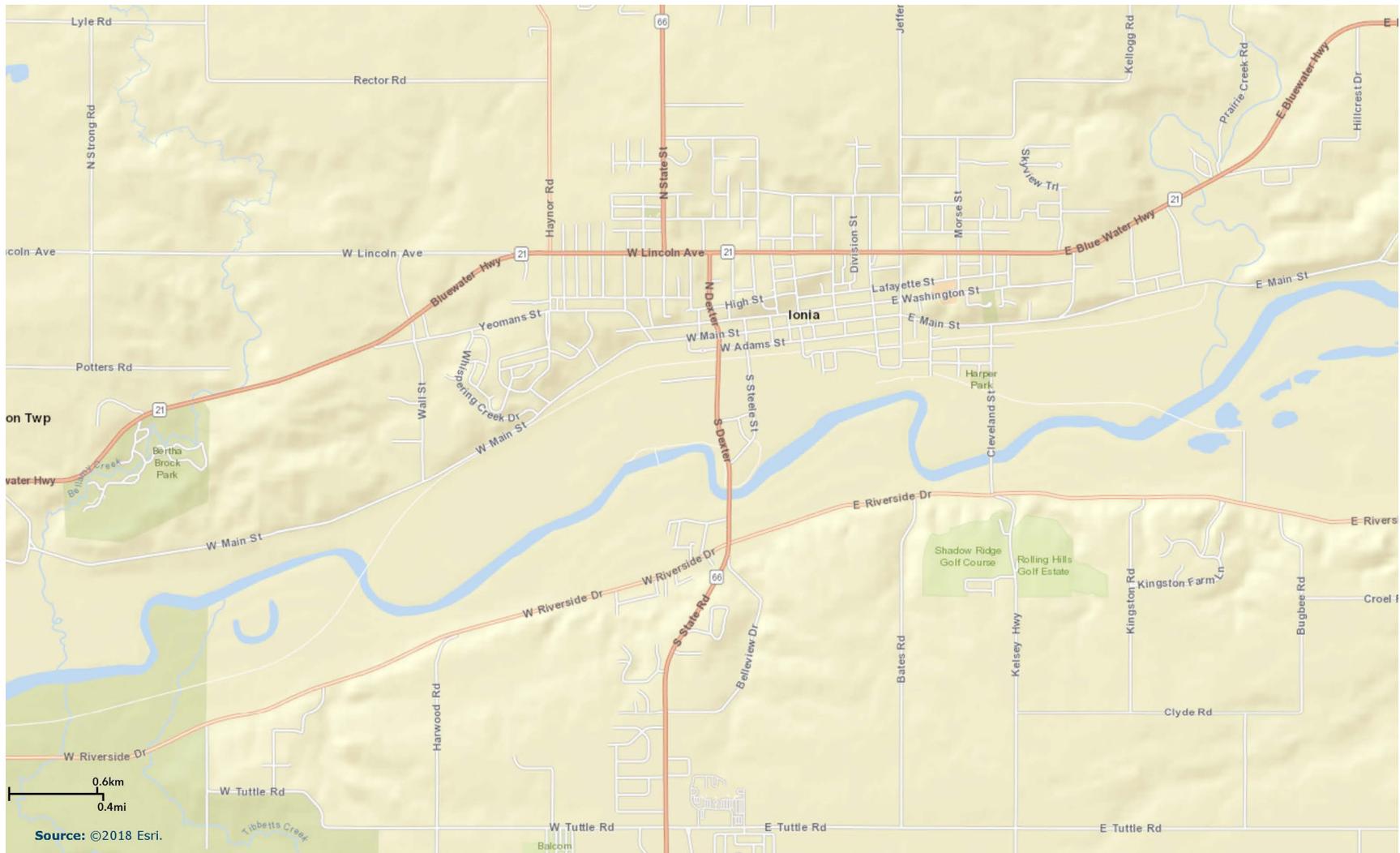
A need for additional rental housing within the community is also recommended, based on the following characteristics:

Project Type:	Garden-style or walk-up apartment units A more compact site-plan may be possible on an urban-like site
Unit Mix:	Primarily one-bedroom and two-bedroom units, with a small number of three-bedroom units
Targeting:	Affordable households w/incomes \$15,000 to \$50,000 Market rate households w/incomes \$35,000 to \$75,000
Initial Market Rents:	\$800 – one-bedroom unit \$1,050 – two-bedroom unit \$1,150 – three-bedroom unit
Amenities:	High-quality features found in modern rental developments across the region

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

These recommendations are preliminary only. A positive recommendation for a more specific proposal would be 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 eventual development process.

Map: Ionia City & Surrounding Area



III. MARKET PROFILE

Target Market Identification

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

From a purely demographic standpoint, no one segment of the local population is clearly dominant, as the area's net population for younger adults, older adults, and senior citizens is generally similar in terms of growth potential. Describing the community from a very generalized social/economic standpoint, the largest segments include blue-collar unskilled laborers, professional/managerial workers, and retirees that most likely do not participate within the labor force. Income levels for the Ionia area are somewhat below average in comparison to statewide levels, and are somewhat lower than many neighboring communities, such as Lowell, Portland, and DeWitt, among others. This is not entirely a negative aspect of the local marketplace, assuming prevailing home prices are appropriate for prevailing incomes within the community.

Ideally, a housing market that provides the widest range of choices for the broadest range of households will result in the strongest and most stable housing environment. For the Ionia area an imbalance appears present for moderate income households seeking primarily homeownership options. From a local employment standpoint, a majority of the potential residents that may occupy such homes would have backgrounds within the service and leisure/hospitality sectors, as well as sales/retail occupations. This may also include entry level professionals that are employed both locally and across the Lansing and Grand Rapids areas.

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

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

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

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

- **Mixed-Income Housing** - Lower-to-moderate income non-senior households (including singles, couples, and small families), actively participating within the labor force, featuring occupations mostly within the service and leisure/hospitality sectors, seeking affordable rental housing options – Overall incomes \$15,000 to \$50,000 for affordable range, and \$35,000 to \$75,000 for market rate units.
- **Workforce Housing** - Moderate income households (all ages, and including singles, couples, and small families), with a wide range of backgrounds and educational attainment, many of which are relocating to the community, and feature either strong educational attainment or workforce experience that results in higher than average income potential. This is the “missing middle” most communities are lacking – Overall incomes \$35,000 to \$75,000
- **Senior Independent** - Moderate income to higher income senior households (age 55 and older), with minimal or no participation within the labor force, able to live an independent lifestyle, potentially seeking a rental housing option designated for senior occupancy – income range from \$15,000 to \$35,000 (affordable) and \$35,000 to \$75,000 (market rate)

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

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

Primary and Secondary Market Area Determination

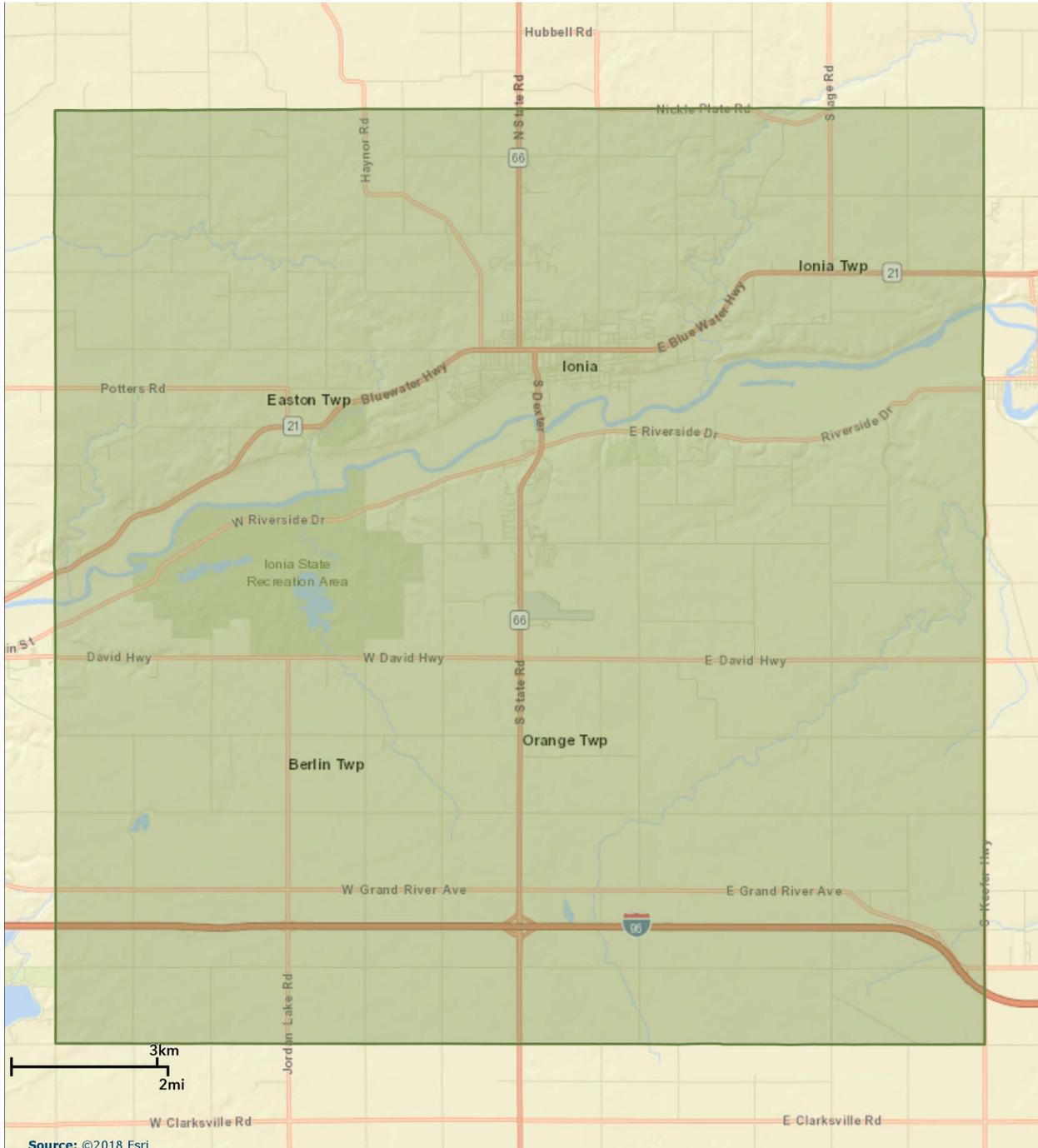
The Ionia area is a distinct market, with adjacent communities within and adjacent to Ionia County representing generally separate regions. Typically, census tracts are used for most demographic examinations, but within Ionia County the boundaries of the census tracts are overly broad and are not very useful for this examination. As a result, the most conservative measure of the local market would include the City of Ionia and the four townships that surround the city within the central section of Ionia County. Due to proximity to the city and the existing roadways, it would be difficult to exclude these townships from the market area designation. This is what this analysis will use as a baseline for demographic analysis and demand calculations. The Primary Market Area includes the following subdivisions of Ionia County:

- Ionia City
- Ionia Township
- Easton Township
- Berlin Township
- Orange Township

Secondary Market Area considerations are more important than usual, as adjacent sections of Ionia, Kent, and Montcalm Counties are competitive alternatives for potential residents within the target market segments. The most proximate of these options include Portland (17 miles distant), Saranac (nine miles), Belding (15 miles), Lowell (15 miles), Greenville (23 miles) and Pewamo (12 miles). Both migration data and commuting patterns indicate a surprisingly strong degree of movement from these areas into Ionia city. In addition, these alternative areas exhibit strong transportation-related characteristics, with multiple state roadways and federal highways present, making some of these communities equally attractive to potential commuters.

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

Map: Ionia Primary Market Area



IV. DEMOGRAPHIC & ECONOMIC TRENDS

Economic Trends

Employment by industry data from the American Community Survey indicates the most common industry for employed residents to work in was services, which represented nearly 40 percent of all market area workers. With the city this percentage was 43 percent, reflective of a combination of concentrated service jobs and a limited number of other options within the community. Manufacturing positions represented 21 percent of the market area’s labor force, while retail trade jobs accounted for nearly 13 percent of the area’s labor force. The percentage of public administration positions is six percent, higher than typical but not usual given the types of positions present within the region.

Table: Employment by Industry

	City of <u>Ionian</u>	PMA	Ionian <u>County</u>
Agriculture and Mining	115	430	1,352
Percent	3.5%	5.3%	4.8%
Construction	47	421	1,636
Percent	1.4%	5.2%	5.8%
Manufacturing	715	1,696	5,643
Percent	21.9%	20.9%	20.2%
Wholesale Trade	28	136	719
Percent	0.9%	1.7%	2.6%
Retail Trade	549	1,030	3,199
Percent	16.8%	12.7%	11.4%
Transportation & Utilities	100	299	1,189
Percent	3.1%	3.7%	4.2%
Information	22	73	352
Percent	0.7%	0.9%	1.3%
Finance, Insurance, & Real Estate	176	393	1,587
Percent	5.4%	4.9%	5.7%
Services	1,389	3,121	10,371
Percent	42.9%	38.9%	37.5%
Professional & Managerial Serv	265	503	1,774
Percent of All Services	19.1%	16.1%	17.1%
Educational & Healthcare Serv	794	1,733	5,206
Percent of All Services	57.2%	55.5%	50.2%
Arts/Entertainment Services	234	588	2,046
Percent of All Services	16.8%	18.8%	19.7%
Other Services	96	297	1,345
Percent of All Services	6.9%	9.5%	13.0%
Public Administration	122	500	1,932
Percent	3.8%	6.2%	7.0%

SOURCE: 2013-2017 American Community Survey, U.S. Census Bureau

Ionia Area exhibits a notably higher than typical level of “blue collar” and manufacturing employment as compared to most other cities across Michigan.

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 68 percent of the area’s labor force. The area’s concentration of “blue collar” positions represented approximately 32 percent of the labor force, with a similar concentration within the city and across

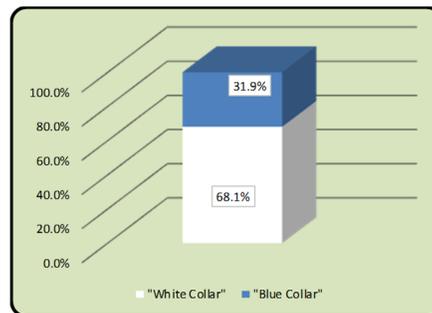
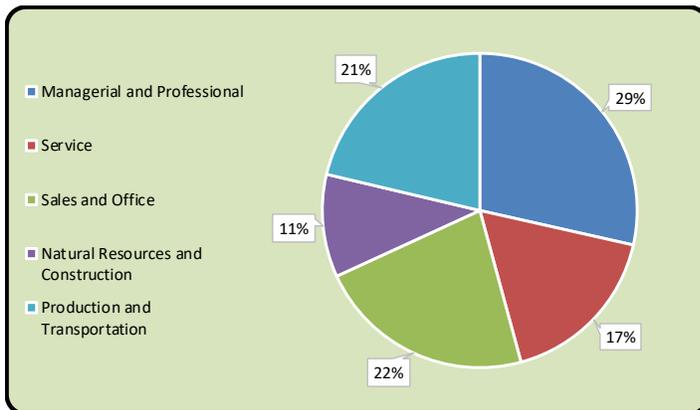
Ionia County (both at approximately 33 percent).

Table: Employment by Occupation

	<u>City of Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
Managerial and Professional	885	2,311	7,557
Percent	27.1%	28.5%	27.0%
Service	564	1,397	4,837
Percent	17.3%	17.2%	17.3%
Sales and Office	750	1,810	6,468
Percent	23.0%	22.3%	23.1%
Natural Resources and Constructio	250	856	3,261
Percent	7.7%	10.6%	11.7%
Production and Transportation	814	1,725	5,857
Percent	24.9%	21.3%	20.9%

SOURCE: 2013-2017 American Community Survey, U.S. Census Bureau

Figure: Employment by Occupation Breakdown – Ionia Area



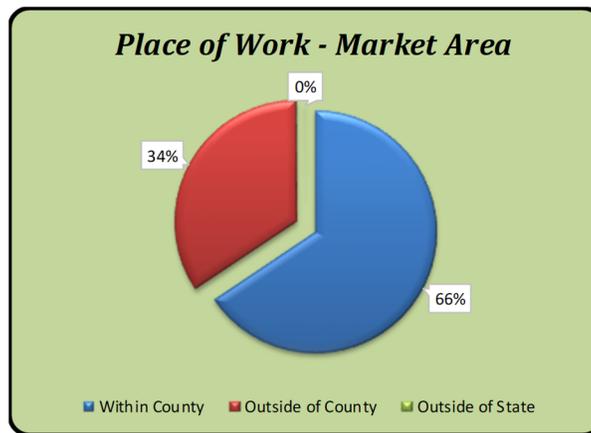
The area’s labor force is primarily local, with patterns that are similar to most other communities across the Lansing area. The percentage of people working outside of Ionia County reflects mostly commuting opportunities within the Lansing and Grand Rapids areas, and to a lesser extent the Battle Creek area.

Table: Employment by Place of Work

	City of <u>Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
Place of Work within County	2,428	5,214	12,794
Percent	75.0%	65.6%	46.8%
Place of Work Outside of Coun	809	2,725	14,509
Percent	25.0%	34.3%	53.1%
Place of Work Outside of State	0	8	46
Percent	0.0%	0.1%	0.2%

SOURCE: 2013-2017 American Community Survey, U.S. Census Bureau

Figure: Employment by Place of Work Breakdown



Migration patterns for persons within Ionia 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 trend indicates little change in population over the next few years.

Migration patterns are generally negative across Michigan, with increased population shifts in favor of other communities, including Battle Creek and Lowell, among others.

However, the data for both the city and county indicate notable losses in population to many nearby communities across Michigan, but movement within Ionia County should be favorable to

the city. Examining the data, the trends appear to reflect a preference for Ionia County residents to relocate within the city, despite a net loss of more than 400 persons on an annual basis to other regions of the state. However, these losses are nearly offset by movement from outside of Michigan into the Ionia area, much of which is from southern states rather than adjacent sections of the Midwest.

These trends are exhibited within the following data and charts. Many of the city's neighbors are drawing former residents of Ionia outside of the community, including Belding, Battle Creek, and Lowell, among others. However, generally positive trends are present for migration to and from the greater Lansing area, and movership across Ionia clearly favors the city, despite reasonable residential alternatives that may exist within Portland, Saranac, and other smaller-sized communities, along with a negative movership rate with Belding. Examining the countywide trends, Kent County, Muskegon County, and Isabella County are three of the primary recipients of former Ionia County residents. Other primary metropolitan areas within the state are minimal recipients of local residents, including the Detroit area with a net migration flow of just 10 persons on an annual basis. The statewide trend is the largest shift, with a net loss of 409 persons from Ionia and 468 persons across Ionia County. As indicated previously, these losses are almost nearly negated by the influx of persons from outside of Michigan, reducing the overall net losses to 29 persons within Ionia and 54 persons countywide. These migration patterns help to partially explain the local population and household trends within the city and market area, along with changes in average family size and non-adult populations.

While the overall net loss is relatively small, the larger losses of population to adjacent sections of the region and the state of Michigan overall are indicative of an economic or placemaking disadvantage. Some potential explanations include an imbalance in the housing market, limited employment opportunities, less attractive community services, reputation-related reasons, or simply a less competitive environment that places the Ionia area at a disadvantage regardless of the improvements made within the local community.

It should be reiterated that the migration data is at the Minor Civil Division level, with a high error rate. Even with this consideration, migration trends are only a small portion of the overall population base, but any trend that may reflect poorly on the community requires examination.

Figure: Annual Net Migration – Ionia City

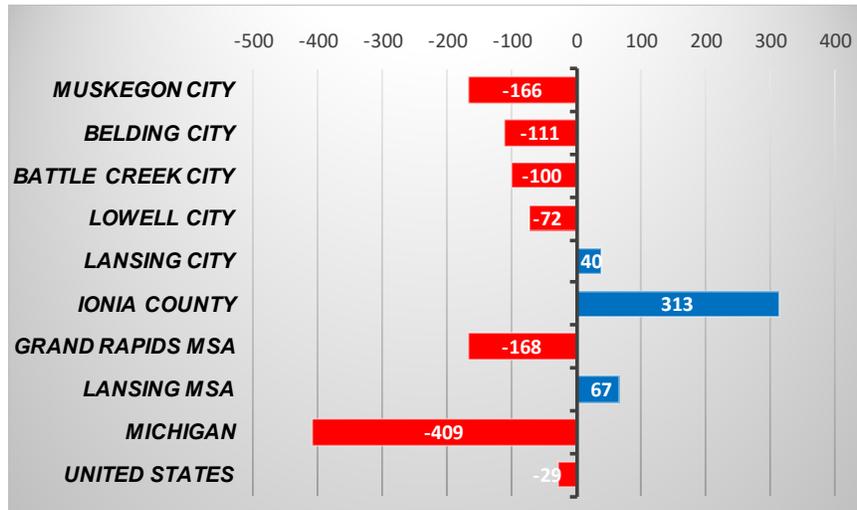


Table: Annual Migration Patterns – Ionia City

	Flow Into <u>Ionia</u>	Flow Out of <u>Ionia</u>	Net Migration <u>Ionia</u>
Muskegon City	4	170	-166
Percent of Total	0.2%	7.6%	---
Belding City	4	115	-111
Percent of Total	0.2%	5.1%	---
Battle Creek City	0	100	-100
Percent of Total	0.0%	4.4%	---
Lowell City	22	94	-72
Percent of Total	1.0%	4.2%	---
Lansing City	40	0	40
Percent of Total	1.8%	0.0%	---
Ionia County	819	506	313
Percent of Total	36.9%	22.5%	---
Grand Rapids MSA	127	295	-168
Percent of Total	5.7%	13.1%	---
Lansing MSA	102	35	67
Percent of Total	4.6%	1.6%	---
Michigan	1,768	2,177	-409
Percent of Total	79.6%	96.7%	---
United States	2,222	2,251	-29
Percent of Total	100.0%	100.0%	---

SOURCE: 2012/2016 American Community Survey, U.S. Census Bureau

Figure: Annual Net Migration – Ionia County

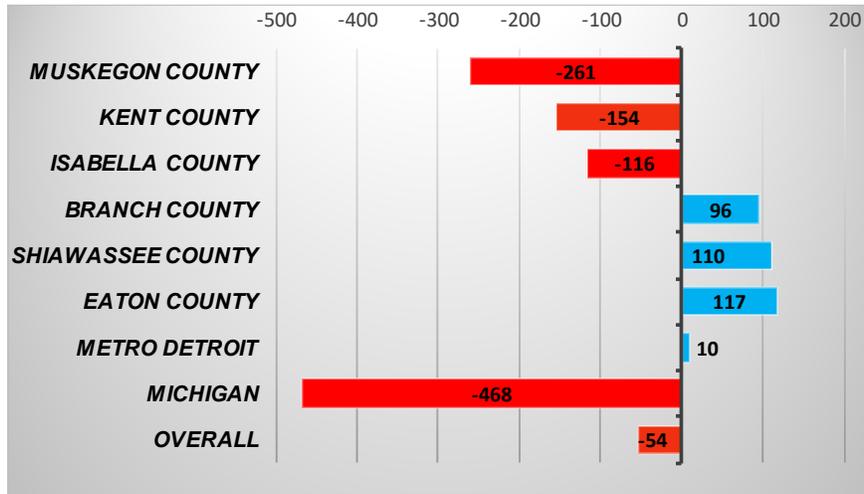


Table: Annual Migration Patterns – Ionia County

	Flow Into <u>Ionia County</u>	Flow Out of <u>Ionia County</u>	Net Migration <u>Ionia County</u>
Kent County	894	1,048	-154
Percent of Total	19.9%	23.0%	---
Barry County	91	60	31
Percent of Total	2.0%	1.3%	---
Eaton County	327	210	117
Percent of Total	7.3%	4.6%	---
Ingham County	267	204	63
Percent of Total	5.9%	4.5%	---
Clinton County	73	149	-76
Percent of Total	1.6%	3.3%	---
Montcalm County	409	382	27
Percent of Total	9.1%	8.4%	---
Metropolitan Detroit	161	151	10
Percent of Total	3.6%	3.3%	---
Michigan	3,623	4,091	-468
Percent of Total	80.6%	89.9%	---
United States	4,497	4,551	-54
Percent of Total	100.0%	100.0%	---

SOURCE: 2012/2016 American Community Survey, U.S. Census Bureau

Employment Trends

Ionia County's employment trends have generally followed statewide patterns, with somewhat more moderate employment losses on a percentage basis as compared to many other regions of the state. The degree of state government employment certainly had a positive impact upon the local economy, helping to minimize employment losses during the end of the last decade. However, the county has not experienced a high degree of job growth found within many other sections of the state that have demonstrated full recoveries from the 2008-2010 period. Within Ionia County, employment have just this year regained levels observed during the year 2000, at 29,082 jobs, with a corresponding unemployment rate of just 3.4 percent. The most recent period of employment growth began in 2013, and has led to an increase of nearly 2,900 jobs, most of which are found within the private sector.

As mentioned, Ionia County exhibits relatively low unemployment ratios, with recent trends an improvement from even pre-recession data. The county's unemployment rate for 2018 was recorded at 3.4 percent, much improved from the high level of 14.1 percent recorded in 2009. Since 2014 the annual unemployment rate has remained below five percent, with steady increases in both the labor force and employment levels over the past four years. By comparison, Michigan's unemployment rate was 4.1 percent for 2018, while the national unemployment rate was reported at 3.9 percent.

For 2018, the Ionia County employment base totaled 29,082 persons. This level is an increase of just one percent from 2017, but is indicative of the region's slow-but-steady employment patterns. Such trends across mid-Michigan generally similar, but other metropolitan sections of the state are exhibiting higher levels of employment recovery, as many have exceeded employment and unemployment levels found prior to the 2008-2010 recession. As most of these recent gains are within the private sector, it is hoped that continued growth should be anticipated into the early part of the next decade.

Figure: Area Employment Trends – Ionia County

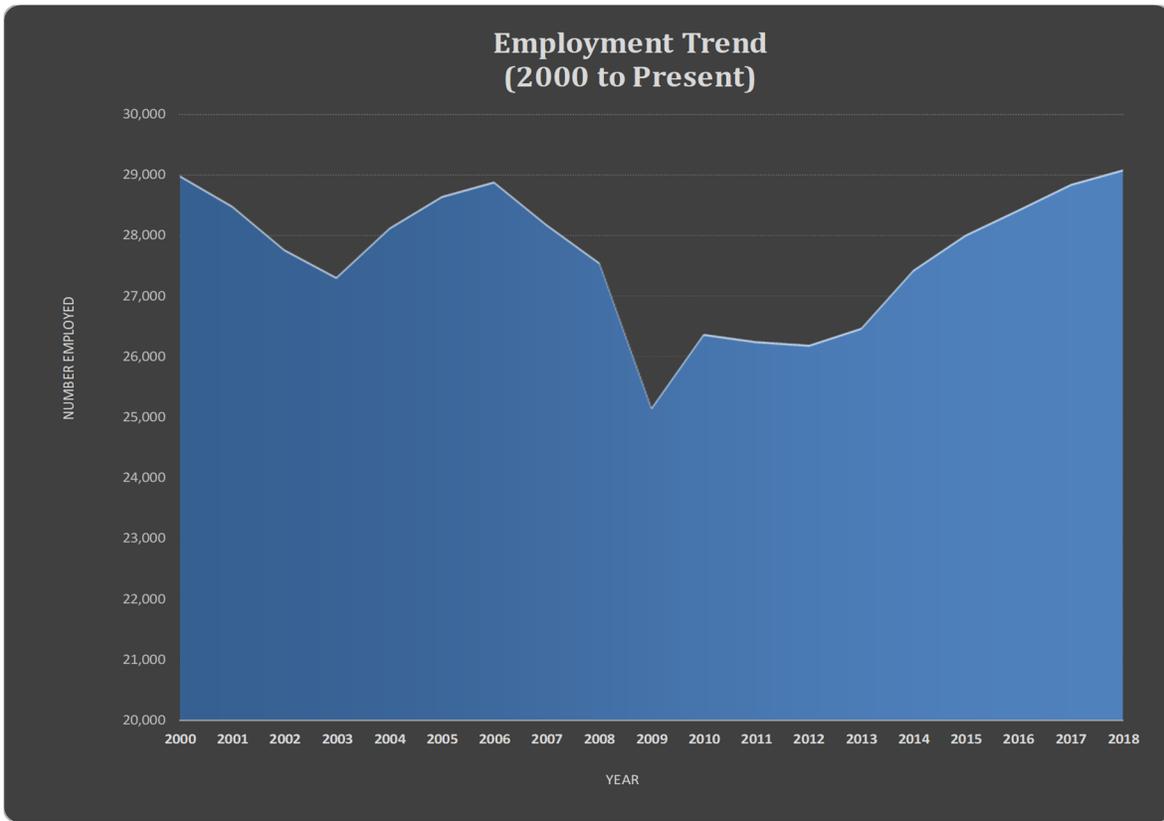


Figure: Annual Change in Employment

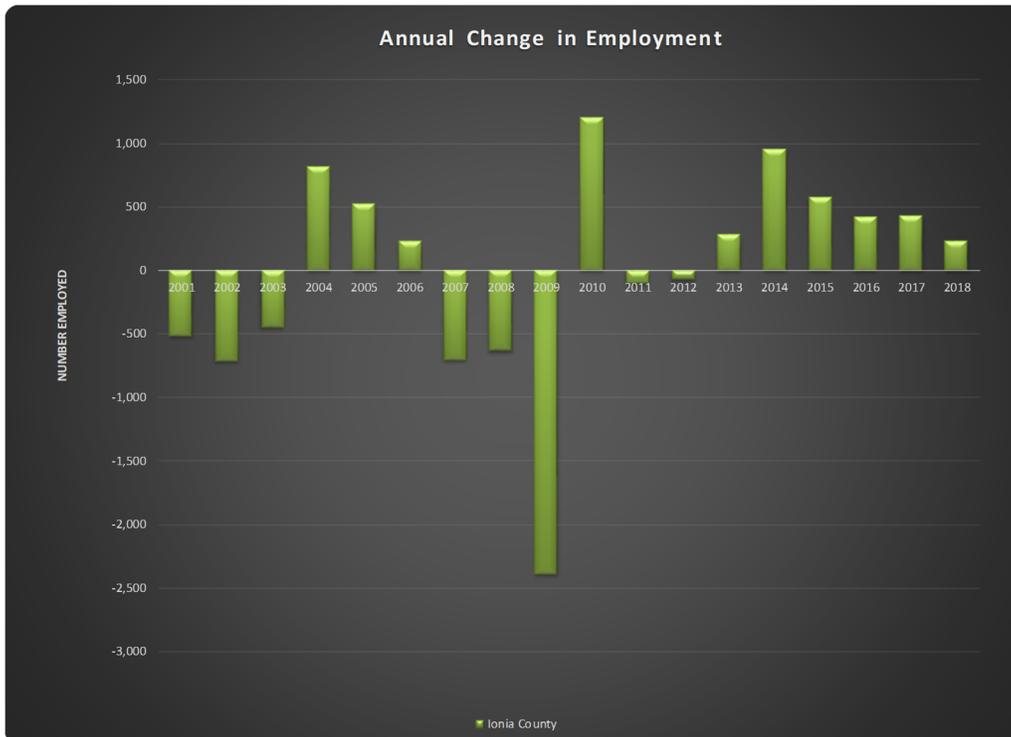


Figure: Unemployment Rate Comparison

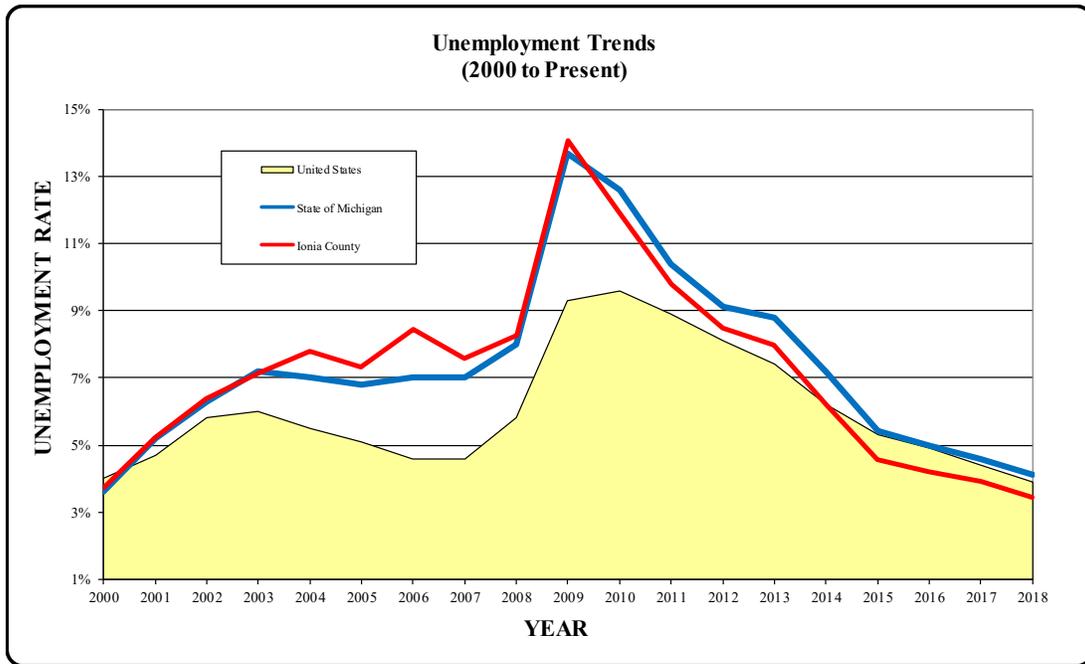


Table: Employment Trends (2000 to Present)

	<i>Ionia County</i>				<i>State of Michigan</i>	<i>United States</i>
<i>Year</i>	<i>Labor Force</i>	<i>Number Employed</i>	<i>Annual Change</i>	<i>Unemployment Rate</i>	<i>Unemployment Rate</i>	<i>Unemployment Rate</i>
2000	30,120	28,992	---	3.7%	3.6%	4.0%
2001	30,044	28,478	(514)	5.2%	5.2%	4.7%
2002	29,655	27,764	(714)	6.4%	6.3%	5.8%
2003	29,418	27,317	(447)	7.1%	7.2%	6.0%
2004	30,515	28,133	816	7.8%	7.0%	5.5%
2005	30,924	28,656	523	7.3%	6.8%	5.1%
2006	31,552	28,883	227	8.5%	7.0%	4.6%
2007	30,484	28,179	(704)	7.6%	7.0%	4.6%
2008	30,027	27,549	(630)	8.3%	8.0%	5.8%
2009	29,284	25,163	(2,386)	14.1%	13.7%	9.3%
2010	29,931	26,363	1,200	11.9%	12.6%	9.6%
2011	29,106	26,261	(102)	9.8%	10.4%	8.9%
2012	28,620	26,190	(71)	8.5%	9.1%	8.1%
2013	28,765	26,474	284	8.0%	8.8%	7.4%
2014	29,239	27,423	949	6.2%	7.2%	6.2%
2015	29,343	27,999	576	4.6%	5.4%	5.3%
2016	29,666	28,418	419	4.2%	5.0%	4.9%
2017	30,021	28,850	432	3.9%	4.6%	4.4%
2018	30,119	29,082	232	3.4%	4.1%	3.9%
Apr-18	30,058	29,117	---	3.1%	3.7%	3.9%
Apr-19	30,419	29,534	417	2.9%	3.7%	3.3%
			<i>Number</i>	<i>Percent</i>		
			Change (2000-Present): 90	0.3%		
			Change (2000-2008): (1,443)	-5.0%		
			Change (2008-Present): 1,533	5.6%		

SOURCE: Bureau of Labor Statistics.

The region’s employment base features concentrations within manufacturing, financial services, and public service occupations. Despite the volatility of some of the employment sectors, the county’s employment trends are still much preferable to other sections of rural Michigan. Like most regions of Michigan and the Midwest, employment trends reflect an ongoing shift away from higher-wage manufacturing jobs toward an increasing level of lower-wage service employment. While manufacturing employment positions remain a primary component of the labor force, the shift toward service positions is clearly present across the area.

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 Ionia County (data is only available at the county level). This data measures private and public sector employment trends that take place within a given county, regardless of the residence of the labor force. As can be seen within the figures on the following pages, over the past eight years Professional/Business Services positions have grown notably, and are now the largest industry sector for the county, with an increase of 37 percent from 2010 to 2018. In 2018, this sector represented 23 percent of the county’s labor force. Public Sector jobs represented 22 percent of 2018 employment, down by 14 percent since 2010. Manufacturing employment accounted for 19 percent of the total, while Trade/Transportation/Utilities jobs represented 11 percent of employment for 2018. Four sectors reported a decline in employment, the most notable being the loss of more than 700 jobs within the public administration sector. Overall, private-sector employment has increased by 20 percent between 2010 and 2018, while public sector employment declined by 14 percent over the same period. Overall, the county’s at-place

Comparisons between the residential labor force and in-place labor force are readily explained by commuting patterns, but the Ionia are should not be defined solely as a bedroom community.

employment grew by 11 percent. These trends are not reflective of the labor force data discussed previously, which points to a likely difference in the local labor force as compared to the jobs that are available locally. Approximately one-third of the residential labor force are commuters, a

trend that has likely remained within the region for many years.

A primary way to illustrate the employment trends within Ionia County is a comparison of private sector residential employment compared to at-place employment. Both statistics are collected by the U.S. Department of Labor, but are collected within separate surveys and are not meant for extensive comparisons. However, in a broad sense the total number of residential employment (30,119 jobs, as of 2018) as compared to at-place employment (21,211 jobs, also as of 2018) is a clear illustration of the dynamics of the Ionia County labor market. While a segment of the residential labor force does commute, it would not be accurate to describe the Ionia area as a bedroom community, as significant employment concentrations are found within Ionia and the balance of Ionia County.

Wage levels across Ionia County have not demonstrated significant gains over the past decade. Professional/Business Service positions currently offer the lowest average wages within the county (\$13,033 in 2018). This is unusual, as the segment's prevailing wage was notably higher in 2010; the additional employment gains within this sector clearly reflect the introduction of numerous lower-wage positions over the past few years. The highest average annual wages within Ionia County are found within the Manufacturing sector (\$52,030) and Financial sector (\$50,881). Overall wages have slowly increased over the past eight years, as the private sector average annual wage in 2018 was \$32,418. Since 2010 this reflects an average annual rate of increase of 1.2 percent, which is well below statewide trends.

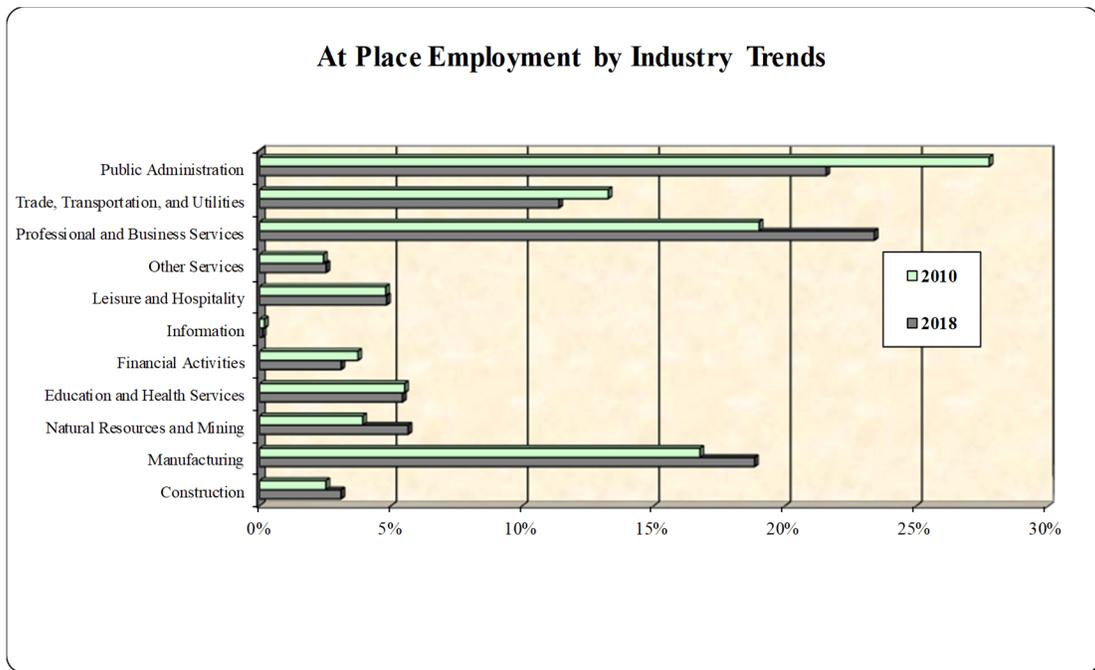
For housing market trends to address the most attractive target market segments, the identification of gaps within the housing stock need to be identified and addressed, with the goal of providing the widest range possible of housing choices that will attract potential residents from across the region. The broadest available housing stock serves the broadest possible resident base. The identification of such gaps in the housing stock will then provide local housing leaders/developers with potential pricing and amenities that would make the local housing stock ideally competitive with neighboring communities.

Table: Ionia County - Employment by Industry – 2010 to 2018

Employment Categories by Industry	2010		2018		% Change
	Number Employed	Percent	Number Employed	Percent	
Construction	484	2.5%	658	3.1%	36.0%
Manufacturing	3,207	16.8%	3,997	18.8%	24.6%
Natural Resources and Mining	752	3.9%	1,200	5.7%	59.6%
Total Production:	4,443	23.2%	5,855	27.6%	31.8%
Education and Health Services	1,057	5.5%	1,155	5.4%	9.3%
Financial Activities	717	3.7%	659	3.1%	-8.1%
Information	37	0.2%	23	0.1%	-37.8%
Leisure and Hospitality	919	4.8%	1,027	4.8%	11.8%
Other Services	466	2.4%	538	2.5%	15.5%
Professional and Business Services	3,637	19.0%	4,963	23.4%	36.5%
Trade, Transportation, and Utilities	2,539	13.3%	2,417	11.4%	-4.8%
Total Services:	9,372	49.0%	10,782	50.8%	15.0%
Public Administration	5,311	27.8%	4,574	21.6%	-13.9%
Overall Total:	19,126	100%	21,211	100%	10.9%

SOURCE: Bureau of Labor Statistics.

Figure: Employment by Industry Breakdown – Ionia County



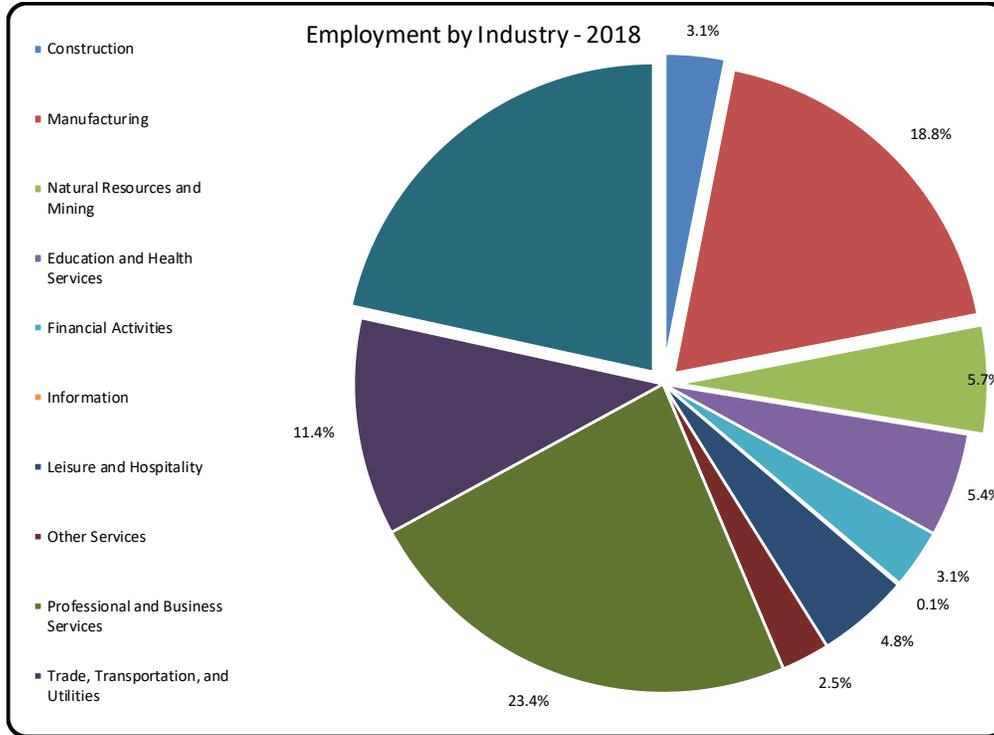


Table: Ionia County Wage Trends by Industry – 2010 to 2018

Private Employment Categories by Industry	Average Annual Pay - 2010	Average Annual Pay - 2018	% of Overall Average - 2018	Total % Change - 2010-2018	Average Annual % Change - 2010-2018
Construction	\$42,186	\$51,636	59.3%	22.4%	2.6%
Education and Health Services	\$30,036	\$39,837	22.9%	32.6%	3.6%
Financial Activities	\$37,812	\$50,881	57.0%	34.6%	3.8%
Information	\$28,368	\$43,319	33.6%	52.7%	5.4%
Leisure and Hospitality	\$10,448	\$15,129	-53.3%	44.8%	4.7%
Manufacturing	\$44,855	\$52,030	60.5%	16.0%	1.9%
Natural Resources and Mining	\$32,501	\$43,774	35.0%	34.7%	3.8%
Other Services	\$17,799	\$20,232	-37.6%	13.7%	1.6%
Professional and Business Services	\$20,488	\$13,033	-59.8%	-36.4%	-5.5%
Trade, Transportation, and Utilities	\$25,600	\$30,376	-6.3%	18.7%	2.2%
Overall Average	\$29,391	\$32,418	---	10.3%	1.2%

SOURCE: Bureau of Labor Statistics.

Population Trends

Population totals within the Ionia area and across Ionia County are forecast to slowly increase into the next decade, according to projections from ESRI. By 2023, the market area’s population is projected to total 21,972 persons, reflecting a gain of nearly three percent from 2010. Gains are also anticipated within the city (1.5 percent) and across the county, at approximately four percent for the same time period. Please note that these population totals include all group quarters population, including the area’s prison population totals.

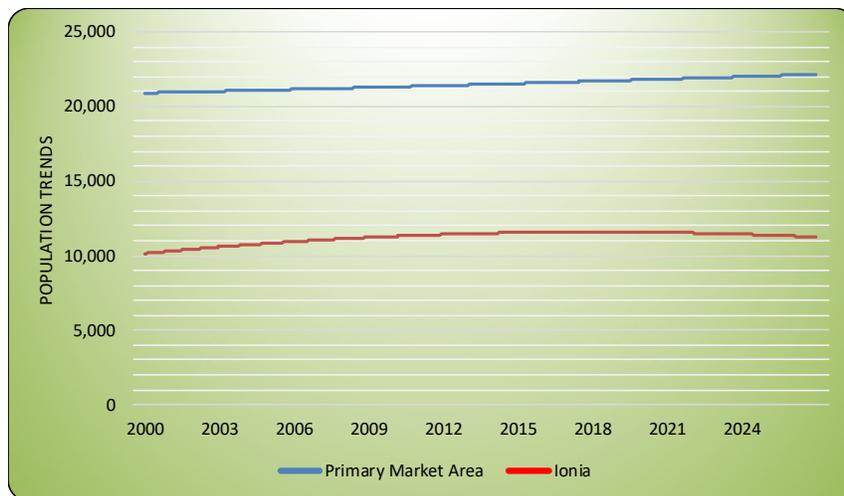
Table: Population Trends (2000 to 2023)

	City of <u>Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
2000 Population	10,118	20,892	61,518
2010 Population	11,394	21,358	63,905
Percent Change (2000-2010)	12.6%	2.2%	3.9%
Average Annual Change (2000 to 2010)	1.2%	0.2%	0.4%
2018 Population Estimate	11,452	21,614	65,544
Percent Change (from 2010)	0.5%	1.2%	2.6%
Average Annual Change (2010 to 2017)	0.1%	0.2%	0.4%
2021 Population Forecast	11,520	21,829	66,421
Percent Change (from 2010)	1.1%	2.2%	3.9%
Average Annual Change (2010 to 2020)	0.1%	0.2%	0.4%
2023 Population Forecast	11,566	21,972	67,006
Percent Change (from 2010)	1.5%	2.9%	4.9%
Average Annual Change (2010 to 2022)	0.1%	0.2%	0.4%

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

The following chart shows a population projection for the city and market area, providing an indication of the prevailing trend forward from 2010, reflecting generally stable forecasts.

Figure: Population Trends/Projections



Ionia is somewhat unique from a population standpoint, as adjustments are generally needed to separate group quarters populations, most of which reflect prisoners within the community’s four prisons. In this instance, the Census Bureau’s American Community Survey forecasts indicate continued declines within the group quarters population; however, the estimates for 2018 and beyond do not correspond with the most recent data published by the Department of Corrections, which show no sizable decline in prison populations. Thus the 2018 estimate and 2021/2023 forecasts have been adjusted to reflect this data, while still utilizing overall population projections from ESRI.

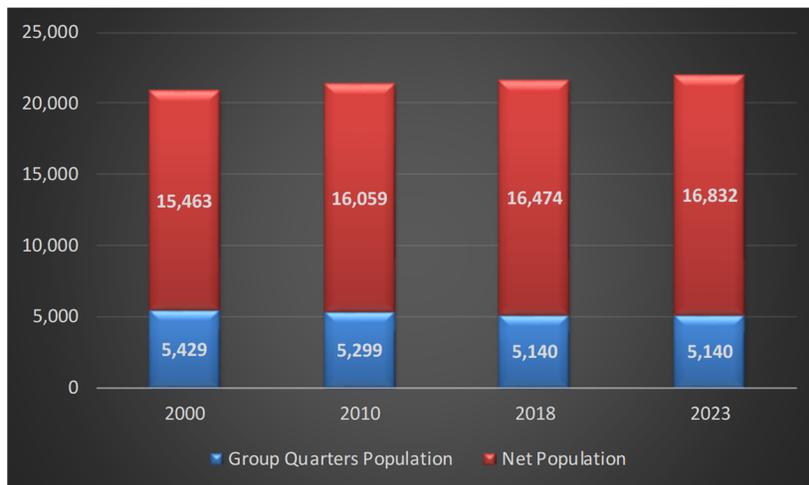
After this adjustment, future population and household size data return to “normal” trending, corresponding with other population forecasts, prison population totals, and trends and projections from the local school district. Additional adjustments may be justified later in the 2020s, but the ESRI forecasts and other projections will have 2020 Census information to use for a baseline, rather than the extensive trending currently being utilized based partially on 2010 data.

Table: Group Quarters Population Trends (2000 to 2023)

	<u>City of Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
2000 Group Quarters	4,447	5,429	5,789
2010 Group Quarters	5,262	5,299	5,524
2018 Group Quarters Estimate	5,104	5,140	5,358
2023 Group Quarters Forecast	5,104	5,140	5,358

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

Figure: Group Quarters Population Trends – Ionia Market Area



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

Growth in senior population, primarily due to aging in place, represents a primary demographic change in the Ionia Area.

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

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

According to ESRI forecasts, by 2023 the size of the senior age segment will increase by more than 45 percent, to a total of 3,058 persons. Trends for seniors both within Ionia and across the county are even stronger, with percentage gains between 55 and 57 percent. For all of Ionia County, the number of seniors age 65 and older is forecast to total 11,268 persons.

It also should be noted that non-adults (age 19 and younger) will decline across the region, but at a rate of loss that is much more minimal than many other communities. By 2023 the number of children will total 4,880 persons across the market area – a loss of just 125 persons. Considering how many communities are struggling with declining school enrollment, it would appear that this issue may be greatly minimized, with little impact upon the local schools into the early portion of the next decade.

Including group quarters totals, the Ionia Area's non-senior population will continue to decline, projected to represent 82 percent of the 2023 population; in 2010, the non-senior population accounted for 88 percent of the total population. These shifts are more notable across Ionia County as a whole.

Figure: Ionia Area Age Distribution (2010 to 2023)

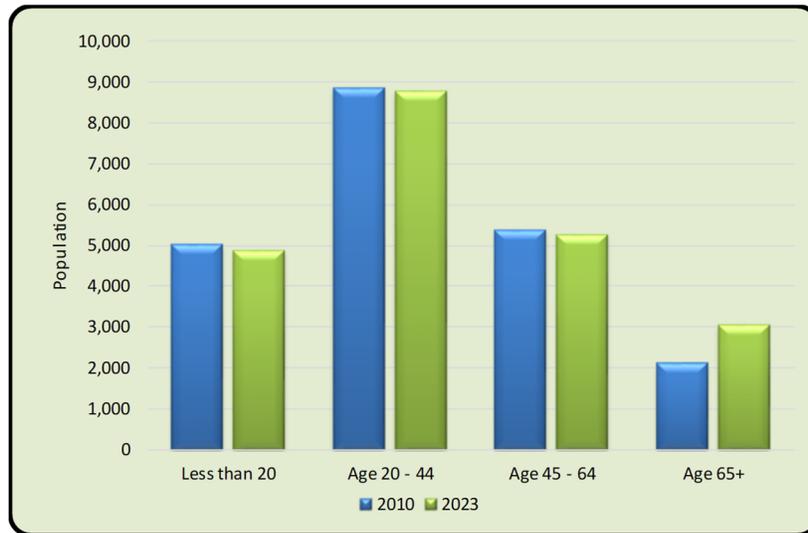


Table: Age Distribution (2010 to 2023)

	<u>City of Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
Age Less than 20 - 2010	2,209	5,005	17,375
Percent of total 2010 population	19.4%	23.4%	27.2%
Age Between 20 and 44 - 2010	5,970	8,862	21,930
Percent of total 2010 population	52.4%	41.5%	34.3%
Age Between 45 and 64 - 2010	2,485	5,384	17,347
Percent of total 2010 population	21.8%	25.2%	27.1%
Age 65 and Over - 2010	730	2,107	7,253
Percent of total 2010 population	6.4%	9.9%	11.3%
Age Less than 20 - 2023	2,198	4,880	16,452
Percent of total 2023 population	19.0%	22.2%	24.6%
Percent change (2010 to 2023)	-0.5%	-2.5%	-5.3%
Average Annual Change (2010 to 2023)	0.0%	-0.2%	-0.5%
Age Between 20 and 44 - 2023	5,624	8,768	21,993
Percent of total 2023 population	48.6%	39.9%	32.8%
Percent change (2010 to 2023)	-5.8%	-1.1%	0.3%
Average Annual Change (2010 to 2023)	-0.5%	-0.1%	0.0%
Age Between 45 and 64 - 2023	2,596	5,265	17,293
Percent of total 2023 population	22.4%	24.0%	25.8%
Percent change (2010 to 2023)	4.5%	-2.2%	-0.3%
Average Annual Change (2010 to 2023)	0.4%	-0.2%	0.0%
Age 65 and Over - 2023	1,149	3,058	11,268
Percent of total 2023 population	9.9%	13.9%	16.8%
Percent change (2010 to 2023)	57.4%	45.1%	55.4%
Average Annual Change (2010 to 2023)	3.9%	3.2%	3.7%

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

Table: Senior Population Trends (2010 to 2023)

	City of <u>Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
2000 Senior Population (55 years and Over)	1,214	3,280	10,918
Percent of total 2000 population	10.7%	15.4%	17.1%
2010 Senior Population (55 years and Over)	1,650	4,387	14,702
Percent of total 2010 population	14.4%	20.3%	22.4%
Percent change (2000 to 2010)	35.9%	33.8%	34.7%
Average Annual Change (2000 to 2010)	3.1%	3.0%	3.0%
2018 Senior Population (55 years and Over)	2,137	5,181	18,244
Percent of total 2018 population	18.5%	23.7%	27.5%
Percent change (2010 to 2018)	29.5%	18.1%	24.1%
Average Annual Change (2010 to 2018)	3.8%	2.4%	3.1%
2021 Senior Population (55 years and Over)	2,196	5,373	19,307
Percent of total 2021 population	19.1%	24.6%	29.1%
Percent change (2010 to 2021)	33.1%	22.5%	31.3%
Average Annual Change (2010 to 2021)	2.9%	2.0%	2.8%
2023 Senior Population (55 years and Over)	2,236	5,501	20,015
Percent of total 2023 population	19.3%	25.0%	29.9%
Percent change (2010 to 2023)	35.5%	25.4%	36.1%
Average Annual Change (2010 to 2023)	2.6%	1.9%	2.6%
2000 Senior Population (65 years and Over)	761	1,879	6,165
Percent of total 2000 population	6.7%	8.8%	9.6%
2010 Senior Population (65 years and Over)	730	2,107	7,253
Percent of total 2010 population	6.4%	9.7%	11.1%
Percent change (2000 to 2010)	-4.1%	12.1%	17.6%
Average Annual Change (2000 to 2010)	-0.4%	1.2%	1.6%
2018 Senior Population (65 years and Over)	1,028	2,633	9,367
Percent of total 2018 population	8.9%	12.1%	14.1%
Percent change (2010 to 2018)	40.8%	25.0%	29.1%
Average Annual Change (2010 to 2018)	5.0%	3.2%	3.7%
2021 Senior Population (65 years and Over)	1,101	2,888	10,508
Percent of total 2021 population	9.6%	13.2%	15.8%
Percent change (2010 to 2021)	50.8%	37.1%	44.9%
Average Annual Change (2010 to 2021)	4.2%	3.2%	3.8%
2023 Senior Population (65 years and Over)	1,149	3,058	11,268
Percent of total 2023 population	9.9%	13.9%	16.8%
Percent change (2010 to 2023)	57.4%	45.1%	55.4%
Average Annual Change (2010 to 2023)	3.9%	3.2%	3.7%
2000 Senior Population (75 years and Over)	439	916	2,863
Percent of total 2000 population	3.9%	29.2%	35.3%
2010 Senior Population (75 years and Over)	350	958	3,121
Percent of total 2010 population	3.1%	4.4%	4.8%
Percent change (2000 to 2010)	-20.3%	4.6%	9.0%
Average Annual Change (2000 to 2010)	-2.2%	0.4%	0.9%
2018 Senior Population (75 years and Over)	397	1,023	3,490
Percent of total 2018 population	3.4%	4.7%	5.3%
Percent change (2010 to 2018)	13.4%	6.8%	11.8%
Average Annual Change (2010 to 2018)	1.8%	0.9%	1.6%
2021 Senior Population (75 years and Over)	429	1,127	3,961
Percent of total 2021 population	3.7%	5.2%	6.0%
Percent change (2010 to 2021)	22.7%	17.6%	26.9%
Average Annual Change (2010 to 2021)	2.1%	1.6%	2.4%
2023 Senior Population (75 years and Over)	451	1,196	4,275
Percent of total 2023 population	3.9%	5.4%	6.4%
Percent change (2010 to 2023)	28.9%	24.8%	37.0%
Average Annual Change (2010 to 2023)	2.1%	1.9%	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 – Ionia Area

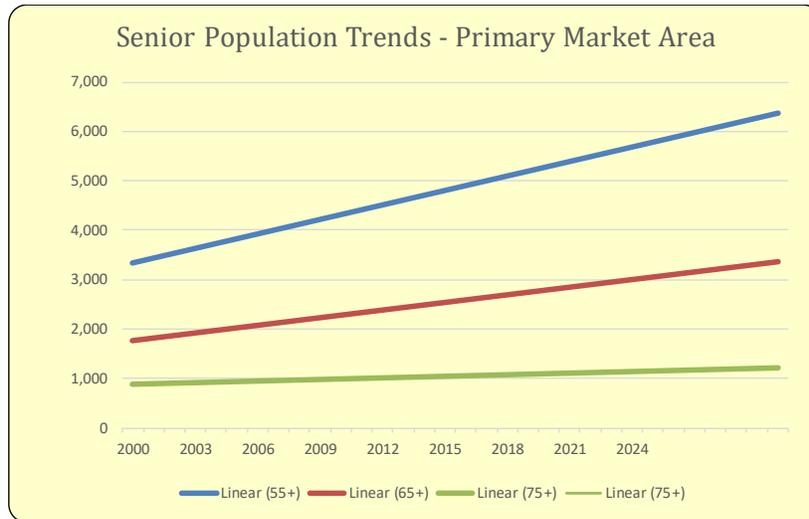
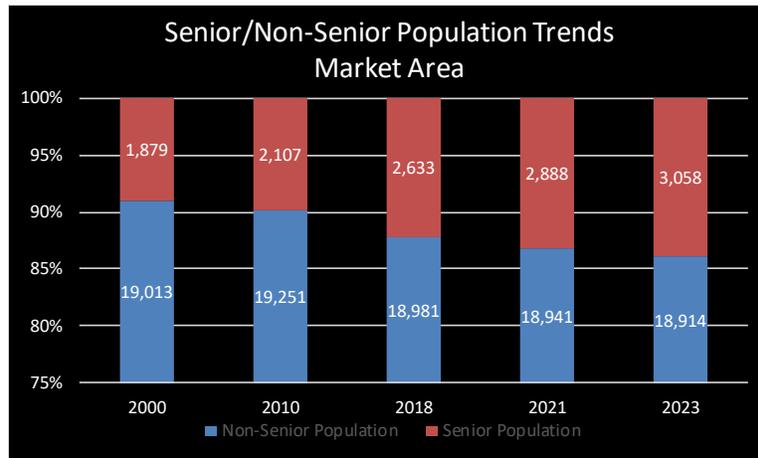


Table: Senior/Non-Senior Population Trends (2010 to 2023)

	<u>City of</u> Ionia	<u>PMA</u>	Ionia <u>County</u>
2000 Non-Senior Population	9,357	19,013	55,353
Percent of total 2000 population	93.3%	91.2%	90.4%
2010 Non-Senior Population	10,664	19,251	56,652
Percent of total 2010 population	93.6%	90.3%	88.9%
2018 Non-Senior Population	10,424	18,981	56,177
Percent of total 2018 population	91.1%	87.9%	85.9%
Percent change (2010 to 2018)	-2.3%	-1.4%	-0.8%
2021 Non-Senior Population	10,420	18,941	55,914
Percent of total 2021 population	90.4%	86.8%	84.2%
Percent change (2010 to 2021)	0.0%	-0.2%	-0.5%
2023 Non-Senior Population	10,417	18,914	55,738
Percent of total 2023 population	90.1%	86.1%	83.2%
Percent change (2010 to 2023)	0.0%	-0.1%	-0.3%
2000 Senior Population (65 years and Over)	761	1,879	6,165
Percent of total 2000 population	6.7%	8.8%	9.6%
2010 Senior Population (65 years and Over)	730	2,107	7,253
Percent of total 2010 population	6.4%	9.7%	11.1%
Percent change (2000 to 2010)	-4.1%	12.1%	17.6%
2018 Senior Population (65 years and Over)	1,028	2,633	9,367
Percent of total 2018 population	8.9%	12.1%	14.1%
Percent change (2010 to 2018)	40.8%	25.0%	29.1%
2021 Senior Population (65 years and Over)	1,101	2,888	10,508
Percent of total 2021 population	9.6%	13.2%	15.8%
Percent change (2010 to 2021)	50.8%	37.1%	44.9%
2023 Senior Population (65 years and Over)	1,149	3,058	11,268
Percent of total 2023 population	9.9%	13.9%	16.8%
Percent change (2010 to 2023)	57.4%	45.1%	55.4%

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

Figure Eleven: Senior/Non-Senior Population – Ionia Area

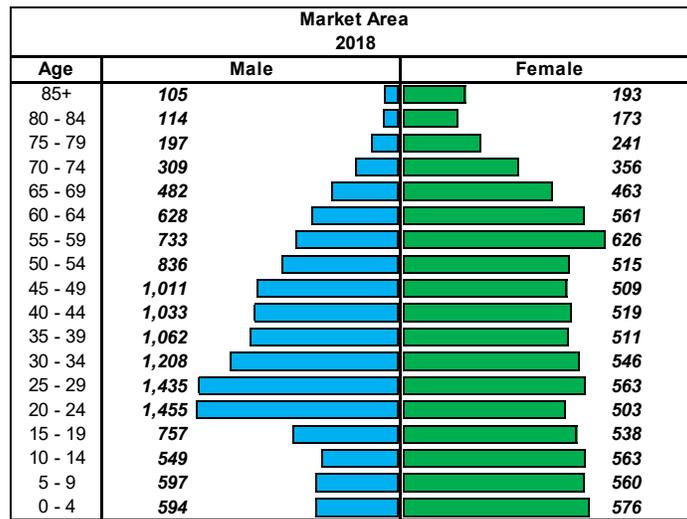
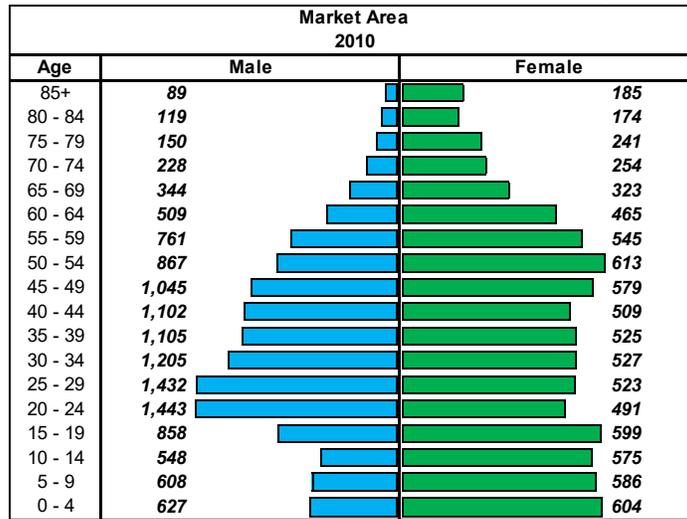


Another way to illustrate population shifts is to use a population pyramid, to reflect individual age group concentrations and shifts in how these groups move over time. The pyramid below is for the Ionia Market Area, with sizable segments that reflect both the Baby Boom generation and the Millennials, as well as the male prison population, which remains relatively constant throughout the time series. As you can see, over time nearly all of the Baby Boom generation ages in place locally; the Millennials, however, appear to dissipate as the pyramid shifts from 2010 to 2023. This visualization also illustrates the increasing imbalance within the market area (along with most other sections of Michigan) in regard to increasing burdens placed upon a shrinking workforce population.

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

Fortunately, the Ionia area is not remotely close to these conditions (even after adjusting for group quarters population), but the foundation for such dramatic changes is being made today – thus the importance of a more balanced housing stock that would ideally stabilize the local population around a beneficial combination of families, singles, and seniors.

Figure Twelve: Population Pyramids by Sex - Ionia Area



The average household size across the Ionia Area is currently estimated at 2.69 persons – quite similar to statewide estimates. The county’s average household size is similar, while the city’s ratio is slightly larger. In the future, household sizes will continue to slowly increase from the current estimates. This is contrary from most other communities, in which family and household sizes are slowly declining. Such trends are only possible due to an influx of younger families with larger family sizes, resulting in the increasingly higher ratios. The change in group quarters population does not fully result in such trends.

Among seniors, the average household size is slowly rising within Ionia and across Ionia 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, and are being observed across much of the state.

Table: Average Household Size (2000 to 2023)

	City of <u>Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
2000 Average Household Size	2.31	2.61	2.70
2010 Average Household Size Percent Change (2000-2010)	2.86 23.7%	2.57 -1.6%	2.62 -3.0%
2018 Average Household Size Estimate Percent Change (2010-2018)	2.56 -10.5%	2.62 1.9%	2.66 1.4%
2021 Average Household Size Forecast Percent Change (2000-2021)	2.57 -10.3%	2.63 2.1%	2.67 1.6%
2023 Average Household Size Forecast Percent Change (2010-2023)	2.57 -10.2%	2.63 2.3%	2.67 1.7%

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

	City of <u>Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
2000 Average Household Size - Age 65+	1.31	1.42	1.44
2010 Average Household Size - Age 65+ Percent Change (2000-2010)	1.49 13.6%	1.49 4.7%	1.49 4.0%
2018 Average Household Size Estimate - Age 65+ Percent Change (2010-2018)	1.46 -2.4%	1.47 -1.2%	1.55 3.6%
2021 Average Household Size Forecast - Age 65+ Percent Change (2010-2021)	1.49 -0.5%	1.50 3.1%	1.58 2.9%
2023 Average Household Size Forecast - Age 65+ Percent Change (2010-2023)	1.50 -0.5%	1.52 3.1%	1.59 2.9%

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

Household Trends

Households within the PMA follow trends similar to that of the population, with gains across the three geographic levels. By 2023 the market area is projected to contain 6,399 households, reflecting an increase of three percent from 2010. Somewhat larger gains are projected for the city and across Ionia County.

Table: Household Trends (2000 to 2023)

	City of <u>Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
2000 Households	2,451	5,914	20,606
2010 Households	2,428	6,193	22,144
Percent Change (2000-2010)	-0.9%	4.7%	7.5%
Average Annual Change (2000 to 2010)	-0.1%	0.5%	0.7%
2018 Household Estimate	2,478	6,288	22,625
Percent Change (2010-2018)	2.1%	1.5%	2.2%
Average Annual Change (2010 to 2018)	0.3%	0.2%	0.3%
2021 Household Forecast	2,500	6,355	22,908
Percent Change (2010-2021)	2.9%	2.6%	3.4%
Average Annual Change (2000 to 2021)	0.3%	0.3%	0.3%
2023 Household Forecast	2,514	6,399	23,096
Percent Change (2010-2023)	3.5%	3.3%	4.3%
Average Annual Change (2010 to 2023)	0.3%	0.3%	0.4%

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

Most of the market area’s rental stock consists of single-family rentals and home conversions into multiple unit buildings. Apartment units only account for approximately 30 percent of the area’s total.

Ionia features an estimated occupied renter household percentage of 38 percent, with a total of 939 units, as estimated by ESRI for 2018. Across the Ionia Area, rental units represent an estimated 29 percent of all households in 2018 (1,869 units). This concentration of rentals is just slightly higher than most communities the size and characteristics of Ionia, and under normal

conditions should be more than sufficient to meet the needs of the area.

Another issue with the ESRI data concerns the household composition by tenure – as ESRI’s forecast for the city is notably lower than the American Community Survey information collected over the past five years, which is generally similar to 2010 information. This may be a simple allocation issue, as the market area data is nearly identical. As a result, we will focus on the market area data for much of the housing analysis.

Much of the rental stock are found within apartment developments, but the majority of local rentals are within single family structures or duplex-style options. Based on 2010 information and adjusting to the 2018 estimated data from ESRI, among all rental units across the market area, within the city, 30 percent are traditional apartment units. Of these, approximately 461 units (81 percent of the total) are subsidized or rent restricted, either by the local housing authority or other entities. In addition, approximately 11 percent of the Ionia Area's rentals are mobile homes, typically occupied by lower-income households or seniors with fixed incomes. Conversely, just 19 percent reflect non-subsidized (market rate) apartments rentals.

As a result, the remaining 59 percent of available rental units estimated to exist for 2018 are single family rental units or structures with two to four units – with likely target markets ranging from lower-income ranges to upper-income households. This would total approximately 1,100 rental units that are single family homes or multiple unit rentals within renovated single-family structures. Without a specific count and survey of all available rental units of all types, it is not possible to definitively qualify how many units are available for persons at various income levels, but this does correspond with the most current American Community Survey data. While vacancies are relatively rare, it does not appear that this total of rental opportunities is insufficient for the entire marketplace. It is more likely that specific market segments are lacking in rental opportunities that match the price points that such households can reasonably afford. This lack of rental housing options for the most sought-after population segments may inhibit the community's ability to compete with nearby towns and cities that do have a greater degree of housing options available.

The Ionia Area's total housing stock (occupied and vacant) in 2010 was approximately 12 percent vacant, which includes units for rent, homes for sale, part-time residences, and residential structures that are no longer occupied. The city's vacancy rate among housing units was also 12 percent in 2010. This percentage is reasonable, and reflects prevailing market conditions at that time.

Figure Twelve: Household Tenure Trends – Ionia Area

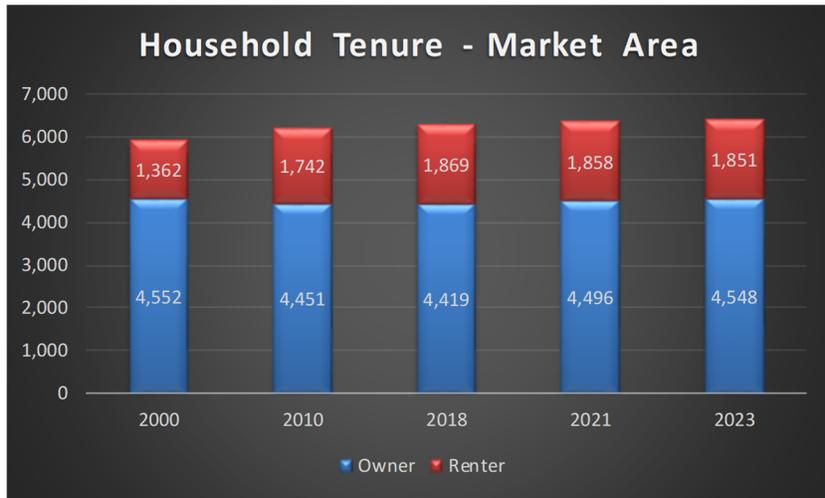


Table: Households by Tenure (2000 to 2023)

	City of Ionia	PMA	Ionia County
2000 Renter-Occupied Households	950	1,362	4,125
Percent of total 2000 households	38.8%	23.0%	20.0%
2010 Renter-Occupied Households	1,121	1,742	4,935
Percent of total 2010 households	46.2%	28.1%	22.3%
Percent change (2000 to 2010)	18.0%	27.9%	19.6%
2018 Renter-Occupied Households	939	1,869	5,367
Percent of total 2018 households	37.9%	29.7%	23.7%
Percent change (2010 to 2018)	-16.2%	7.3%	8.8%
2021 Renter-Occupied Households	931	1,858	5,362
Percent of total 2021 households	37.2%	29.2%	23.4%
Percent change (2010 to 2021)	-17.0%	6.7%	8.6%
2023 Renter-Occupied Households	925	1,851	5,358
Percent of total 2023 households	36.8%	28.9%	23.2%
Percent change (2010 to 2023)	-17.5%	6.3%	8.6%
2000 Owner-Occupied Households	1,501	4,552	16,481
Percent of total 2000 households	61.2%	77.0%	80.0%
2010 Owner-Occupied Households	1,307	4,451	17,209
Percent of total 2010 households	53.8%	71.9%	77.7%
Percent change (2000 to 2010)	-12.9%	-2.2%	4.4%
2018 Owner-Occupied Households	1,539	4,419	17,258
Percent of total 2018 households	62.1%	70.3%	76.3%
Percent change (2010 to 2018)	17.8%	-0.7%	0.3%
2021 Owner-Occupied Households	1,569	4,496	17,546
Percent of total 2021 households	62.8%	70.8%	76.6%
Percent change (2010 to 2021)	20.0%	1.0%	2.0%
2023 Owner-Occupied Households	1,589	4,548	17,738
Percent of total 2023 households	63.2%	71.1%	76.8%
Percent change (2010 to 2023)	21.6%	2.2%	3.1%

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

Table: Households by Size

	City of <u>Ionia</u>	Market <u>Area</u>	Ionia <u>County</u>
Total Occupied Rental Units	1,296	1,863	4,991
1 Unit	281	486	1,759
% of Total	21.7%	26.1%	35.2%
2 to 4 Units	538	596	1,024
% of Total	41.5%	32.0%	20.5%
5 to 19 Units	171	261	663
% of Total	13.2%	14.0%	13.3%
20 to 49 Units	103	114	366
% of Total	7.9%	6.1%	7.3%
50 or more Units	203	203	389
% of Total	15.7%	10.9%	7.8%
Mobile Home/Boat/Other	0	203	790
% of Total	0.0%	10.9%	15.8%

SOURCE: 2013-2017 American Community Survey, U.S. Census Bureau

	City of <u>Ionia</u>	Market <u>Area</u>	Ionia <u>County</u>
Total Occupied Owner Units	1,487	4,797	17,634
1 Unit	1,351	4,119	15,418
% of Total	90.9%	85.9%	87.4%
2 to 4 Units	119	125	128
% of Total	8.0%	2.6%	0.7%
5 to 19 Units	17	22	35
% of Total	1.1%	0.5%	0.2%
20 to 49 Units	0	0	0
% of Total	0.0%	0.0%	0.0%
50 or more Units	0	0	0
% of Total	0.0%	0.0%	0.0%
Mobile Home/Boat/Other	0	531	2,053
% of Total	0.0%	11.1%	11.6%

SOURCE: 2013-2017 American Community Survey, U.S. Census Bureau

As with the senior population, senior households will exhibit the most robust gains within the Ionia Area for the foreseeable future. By 2023, the number of senior households age 65+ across the market area will total 1,875 units, accounting for 29 percent of all households. The younger senior segment (age 55 and older) will nearly represent a majority of the market area's households by 2023, with 3,061 units. The 2023

Senior households age 55+ across the Ionia Area will represent 48 percent of all occupied units by 2023. Such an increasingly high concentration of seniors will ultimately negatively impact the tax base and employment base.

concentration of younger senior households within the Ionia Area will represent 48 percent of all households. The implications regarding schools, the local tax base, the labor force, and the future of the community overall are quite evident within this statistic. While the Ionia area is much “younger” in terms of overall population, households and families are the primary drivers of economic activity. An aging household base with an increasing number of seniors will eventually transform the community without an infusion of younger families.

Senior rental housing appears present across the Ionia community. Three rental developments solely designated for senior independent living occupancy are present, representing 20 percent of all apartment rental units currently estimated to exist within the city. All senior households (age 55 and older), regardless of structure type or specific designation, represented approximately 28 percent of all renters across the market area in 2010. These households would include those within assisted living developments, conventional apartment units, and rental homes of any type. Higher priced senior rental units are also present within the community, along with assisted living facilities that allow for individuals to age in place without concerns regarding daily living needs.

The senior rental rate within the market area for 2010 was 19.5 percent for persons age 55 and older, and 20.7 percent for seniors age 64 and older. Senior rental units outside of the city (but still within the market area) are mostly single-family rentals or mobile homes. Within the city, senior rental options are mostly apartment developments, with other options accounting for approximately 40 percent of senior rentals (age 65 and older).

Table: Senior Household Trends (2000 to 2023)

	<u>City of Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
2000 Senior Households (55 years and Over)	738	1,974	6,763
Percent of total 2000 households	30.1%	33.4%	32.8%
2010 Senior Households (55 years and Over)	867	2,539	8,915
Percent of total 2010 households	35.7%	41.0%	40.3%
Percent change (2000 to 2010)	17.5%	28.6%	31.8%
2018 Senior Households (55 years and Over)	1,046	2,903	10,544
Percent of total 2018 households	42.2%	46.2%	46.6%
Percent change (2010 to 2018)	20.6%	14.3%	18.3%
Average Annual Change (2010 to 2018)	2.7%	1.9%	2.4%
2021 Senior Households (55 years and Over)	1,074	2,998	11,056
Percent of total 2021 households	43.0%	47.2%	48.3%
Percent change (2010 to 2021)	23.9%	18.1%	24.0%
Average Annual Change (2010 to 2021)	2.2%	1.7%	2.2%
2023 Senior Households (55 years and Over)	1,093	3,061	11,397
Percent of total 2023 households	43.5%	47.8%	49.3%
Percent change (2010 to 2023)	26.1%	20.6%	27.8%
Average Annual Change (2010 to 2023)	1.9%	1.6%	2.1%
2000 Senior Households (65 years and Over)	479	1,208	4,036
Percent of total 2000 households	19.5%	20.4%	19.6%
2010 Senior Households (65 years and Over)	455	1,380	4,761
Percent of total 2010 households	18.7%	22.3%	21.5%
Percent change (2000 to 2010)	-5.0%	14.2%	18.0%
2018 Senior Households (65 years and Over)	574	1,645	5,821
Percent of total 2018 households	23.2%	26.2%	25.7%
Percent change (2010 to 2018)	26.2%	19.2%	22.3%
Average Annual Change (2010 to 2018)	3.4%	2.5%	2.9%
2021 Senior Households (65 years and Over)	612	1,783	6,440
Percent of total 2021 households	24.5%	28.1%	28.1%
Percent change (2010 to 2021)	34.5%	29.2%	35.3%
Average Annual Change (2010 to 2021)	3.0%	2.6%	3.1%
2023 Senior Households (65 years and Over)	637	1,875	6,852
Percent of total 2023 households	25.3%	29.3%	29.7%
Percent change (2010 to 2023)	40.0%	35.9%	43.9%
Average Annual Change (2010 to 2023)	2.8%	2.6%	3.1%
2000 Senior Households (75 years and Over)	267	601	1,947
Percent of total 2000 households	10.9%	10.2%	9.4%
2010 Senior Households (75 years and Over)	226	667	2,188
Percent of total 2010 households	9.3%	10.8%	9.9%
Percent change (2000 to 2010)	-15.4%	11.0%	12.4%
2018 Senior Households (75 years and Over)	229	677	2,337
Percent of total 2018 households	9.2%	10.8%	10.3%
Percent change (2010 to 2018)	1.3%	1.5%	6.8%
Average Annual Change (2010 to 2018)	0.2%	0.2%	0.9%
2021 Senior Households (75 years and Over)	247	741	2,618
Percent of total 2021 households	9.9%	11.7%	11.4%
Percent change (2010 to 2021)	9.3%	11.0%	19.7%
Average Annual Change (2010 to 2021)	0.9%	1.1%	1.8%
2023 Senior Households (75 years and Over)	259	783	2,806
Percent of total 2023 households	11.8%	14.6%	14.5%
Percent change (2010 to 2023)	14.6%	17.4%	28.2%
Average Annual Change (2010 to 2023)	1.1%	1.3%	2.1%

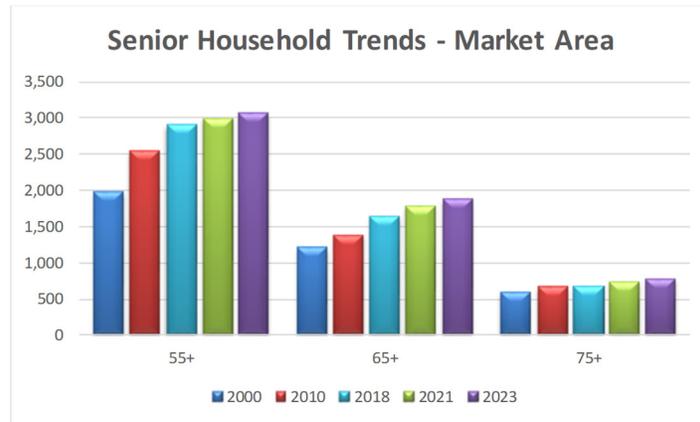
SOURCE: 2000/2010 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; ESRI Business Analyst.

Table: Senior Renter Household Trends (2000 to 2010)

	City of <u>Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
2000 Senior Renter Households (65 years and Over)	147	200	732
Percent of total 2000 senior households	30.7%	16.6%	18.1%
2010 Senior Renter Households (65 years and Over)	169	286	816
Percent of total 2010 senior households	37.1%	20.7%	17.1%
Percent change (2000 to 2010)	15.0%	43.0%	11.5%
Percent of Total 2010 Renter Households	15.1%	16.4%	16.5%
2000 Senior Renter Households (55 years and Over)	217	305	1,040
Percent of total 2000 senior households	29.4%	25.2%	25.8%
2010 Senior Renter Households (55 years and Over)	311	494	1,433
Percent of total 2010 senior households	35.9%	19.5%	16.1%
Percent change (2000 to 2010)	43.3%	62.0%	37.8%
Percent of Total 2010 Renter Households	27.7%	28.4%	29.0%

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

Figure Thirteen: Senior Household Trends – Ionia Area

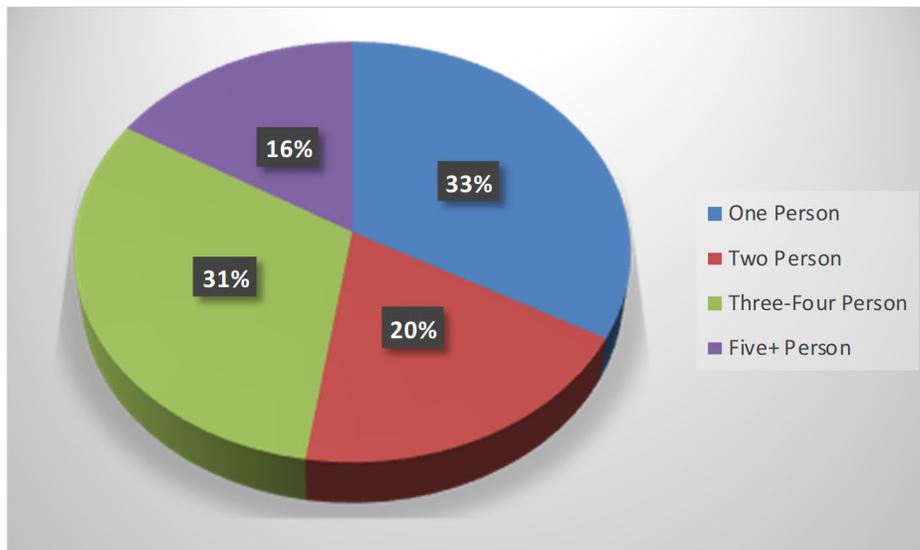


The division of renter households by size is simply due to the prior needs of the community and corresponding building patterns, and may not reflect prevailing needs for today or the future. For the market area, this would include apartments as well as rental homes generally suited for family occupancy. Based on the most recent data from the American Housing Survey, 33 percent of the renter-occupied households in the market area were one-person households, while two-person households accounted for 19 percent. Three-and four-person renter households totaled 31 percent as well, while five or more-person renters represented 16 percent of renter households. The percentage of three-four person units is much larger than typically found within similar communities, which usually indicates a higher than typical concentration of either larger apartment units or rental homes.

Table: Rental Unit Size Distribution

	City of Ionia	PMA	Ionia County
One Person	446	617	1,721
Percent of total renter household	34.4%	33.1%	34.5%
Two Persons	250	360	1,222
Percent of total renter household	19.3%	19.3%	24.5%
Three or Four Persons	339	583	1,414
Percent of total renter household	26.2%	31.3%	28.3%
Five or More Person	261	303	634
Percent of total renter household	20.1%	16.3%	12.7%

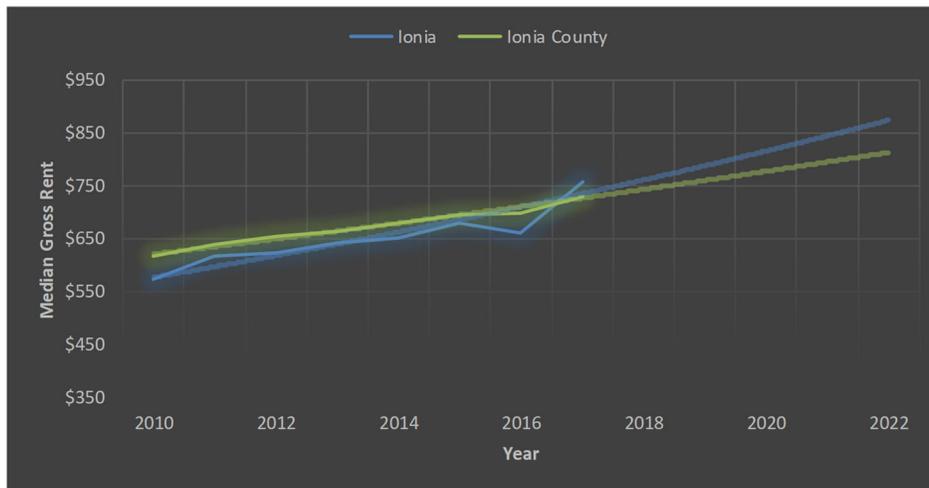
SOURCE: 2013-2017 American Community Survey, U.S. Census Bureau



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

Table: Median Gross Rent Trends

	City of <u>Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
2010 Median Gross Rent Estimate	\$574	\$605	\$616
2017 Median Gross Rent Estimate	\$758	\$761	\$731
2020 Median Gross Rent Forecast	\$837	\$828	\$780
Total percent change (2010 to 2020)	45.8%	36.8%	26.7%
Annual percent change (2010 to 2020)	3.8%	3.2%	2.4%
SOURCE: American Community Survey, U.S. Census Bureau; CRS.			



Household Income Trends

The median household income figures for the Ionia Area have historically exceeded trends within the city, with higher incomes found outside of the market area. This is evident from the overall rate of growth for the various geographic levels. Income growth within the Ionia Area and across Ionia County is essentially stagnant, as inflation-adjusted levels would reflect little to no income appreciation since the late 1990s. Such patterns are not unique to Ionia, but are found within nearly all communities across Michigan and the Midwest, as wage

The Ionia area exhibits minimal income growth, with real income trends essentially stagnant after inflation is taken into consideration.

gains and prevailing income trends have been minimal over the past two decades. In fact, like many communities, the Ionia area experienced both real and nominal income declines during sections of the prior decade, as economic trends across Michigan were stagnant at best prior to the national recession.

At \$45,401, the 2018 median household income estimate for the market area is less than 14 percent greater than the 2010 median, over an eight-year period. Limited growth was present across all of Ionia County, with real incomes slowly declining when adjustments for inflation are made. Within Ionia, the estimated median is currently \$37,098 – an increase of 22 percent from 2010 levels.

ESRI forecasts predict that incomes in the region will slowly increase, but this growth will not likely exceed the prevailing rate of inflation. By 2023 the market area’s median household income is forecast at \$51,662, reflecting an average annual increase of 2.0 percent from 2010 totals. Median income projected for Ionia County is forecast at \$58,992 for 2023, an average annual increase of 1.9 percent. Income levels within the city are stronger, but still lag behind market area and countywide median levels.

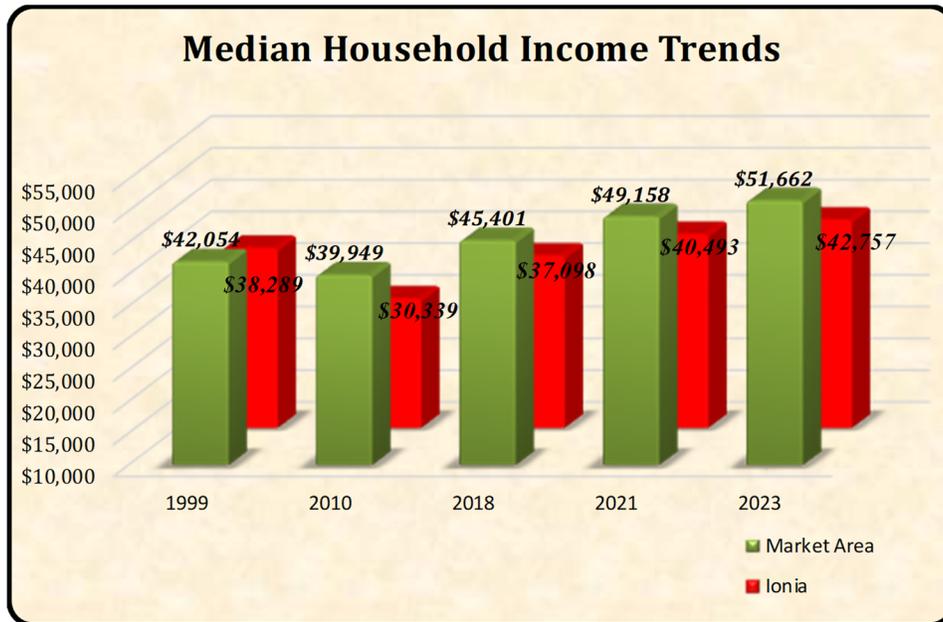
As the overall annual inflation rate for the nation has averaged 1.7 percent since 2010, it is highly likely that very little real income growth has taken place across the Ionia area since at least 2000.

Table: Median Household Incomes (1999 to 2023)

	<u>City of Ionia</u>	<u>PMA</u>	<u>Ionia County</u>
1999 Median Household Income	\$38,289	\$42,054	\$43,074
2010 Median Household Income	\$30,339	\$39,949	\$46,454
Total percent change (1999 to 2010)	-20.8%	-5.0%	7.8%
Annual percent change (1999 to 2010)	-2.1%	-0.5%	0.7%
2018 Estimated Median Household Income	\$37,098	\$45,401	\$53,698
Total percent change (2010 to 2018)	22.3%	13.6%	15.6%
Annual percent change (2010 to 2018)	2.5%	1.6%	1.8%
2021 Forecast Median Household Income	\$40,493	\$49,158	\$56,874
Total percent change (2010 to 2021)	33.5%	23.1%	22.4%
Annual percent change (2010 to 2021)	2.7%	1.9%	1.9%
2023 Forecast Median Household Income	\$42,757	\$51,662	\$58,992
Total percent change (2010 to 2023)	40.9%	29.3%	27.0%
Annual percent change (2010 to 2023)	2.7%	2.0%	1.9%

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

Figure Twelve: Median Household Incomes – 1999 to 2023



Household Income Distribution

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

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

Since the housing bubble and subsequent recession of the last decade, the rate of homeownership has fallen each year, and will likely continue to do so into the next decade. Younger households are delaying a home purchase for various reasons (student debt load, marital status, career considerations, among others), and older households are increasingly seeking a

rental housing alternative and leaving homeownership regardless of financial status or health considerations. As a result, the demand potential for rental options among moderate-income and upper-income households is increasingly positive.

Figure Thirteen: Household Income Distribution by Tenure – Ionia Area (2018)

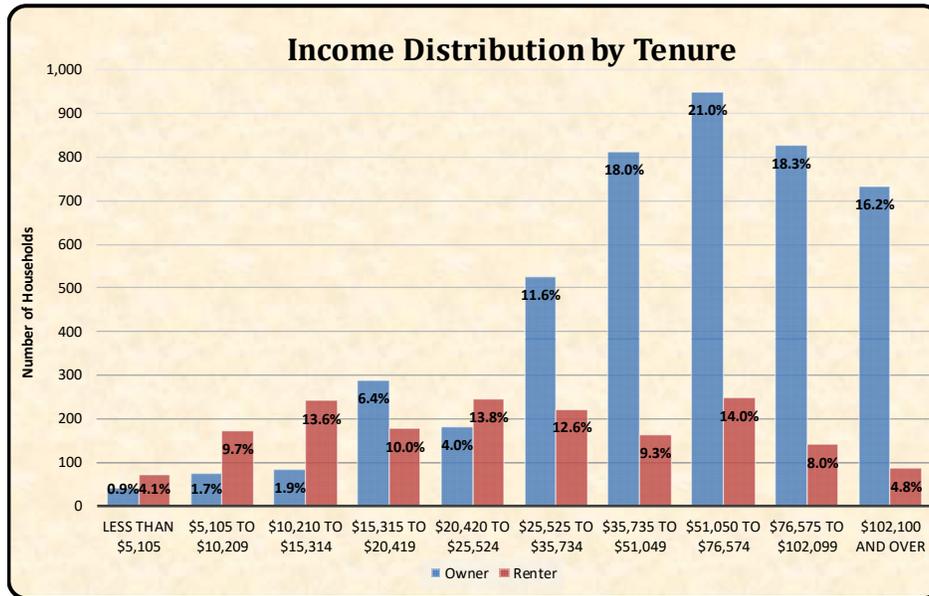


Table: Household Income Distribution by Tenure – Ionia Area (2018)

	Total Households	Owner Households	Renter Households
Less than \$5,105	115	42	72
Percent of 2018 Households	1.8%	0.9%	4.1%
\$5,105 to \$10,209	247	75	172
Percent of 2018 Households	3.9%	1.7%	9.7%
\$10,210 to \$15,314	326	85	241
Percent of 2018 Households	5.2%	1.9%	13.6%
\$15,315 to \$20,419	466	288	178
Percent of 2018 Households	7.4%	6.4%	10.0%
\$20,420 to \$25,524	426	181	245
Percent of 2018 Households	6.8%	4.0%	13.8%
\$25,525 to \$35,734	748	526	222
Percent of 2018 Households	11.9%	11.6%	12.6%
\$35,735 to \$51,049	976	812	164
Percent of 2018 Households	15.5%	18.0%	9.3%
\$51,050 to \$76,574	1,196	949	248
Percent of 2018 Households	19.0%	21.0%	14.0%
\$76,575 to \$102,099	969	827	141
Percent of 2018 Households	15.4%	18.3%	8.0%
\$102,100 and Over	819	734	85
Percent of 2018 Households	13.0%	16.2%	4.8%

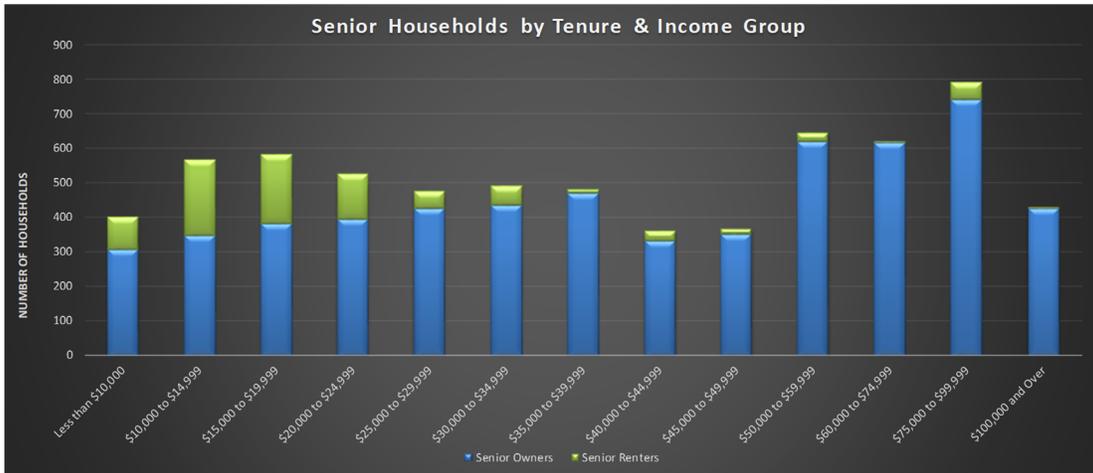
SOURCE: 2013-2017 American Community Survey, U.S. Census Bureau; BLS Consumer Price Index

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

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

	<u>Senior Owner</u>	<u>Senior Renter</u>	<u>Senior Total</u>
Less than \$10,000	305	95	400
Percent of Total	5.2%	10.7%	5.9%
\$10,000 to \$14,999	345	220	565
Percent of Total	5.9%	24.8%	8.4%
\$15,000 to \$19,999	380	200	580
Percent of Total	6.5%	22.5%	8.6%
\$20,000 to \$24,999	395	130	525
Percent of Total	6.8%	14.6%	7.8%
\$25,000 to \$29,999	425	50	475
Percent of Total	7.3%	5.6%	7.1%
\$30,000 to \$34,999	435	55	490
Percent of Total	7.5%	6.2%	7.3%
\$35,000 to \$39,999	470	10	480
Percent of Total	8.1%	1.1%	7.1%
\$40,000 to \$44,999	330	30	360
Percent of Total	5.7%	3.4%	5.4%
\$45,000 to \$49,999	350	15	365
Percent of Total	6.0%	1.7%	5.4%
\$50,000 to \$59,999	620	25	645
Percent of Total	10.6%	2.8%	9.6%
\$60,000 to \$74,999	615	4	619
Percent of Total	10.5%	0.5%	9.2%
\$75,000 to \$99,999	740	50	790
Percent of Total	12.7%	5.6%	11.8%
\$100,000 and Over	425	4	429
Percent of Total	7.3%	0.5%	6.4%

Source: US Bureau of the Census, HUDuser.org



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 Ionia is notably higher than anticipated – at 27.5 percent for 2017, but reflective of the number of subsidy units found within the city. Across the market area the poverty rate is lower, closer to statewide levels.

Secondly, the median housing prices for the city (both owner-occupied housing value and median gross rents) are lower across the city, somewhat higher for the market area, and increasingly higher for the county as a whole. Prevailing values within the city may be a reflection of generally substandard housing options, particularly in comparison to adjacent communities within Ionia County.

Infographics: Key Demographic/Economic Data

City of Ionia

MARKETING PROFILE

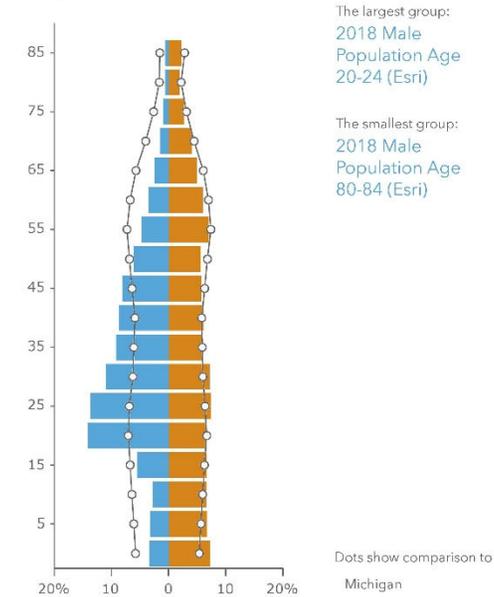
Ionia City, MI



KEY FACTS



Age Pyramid



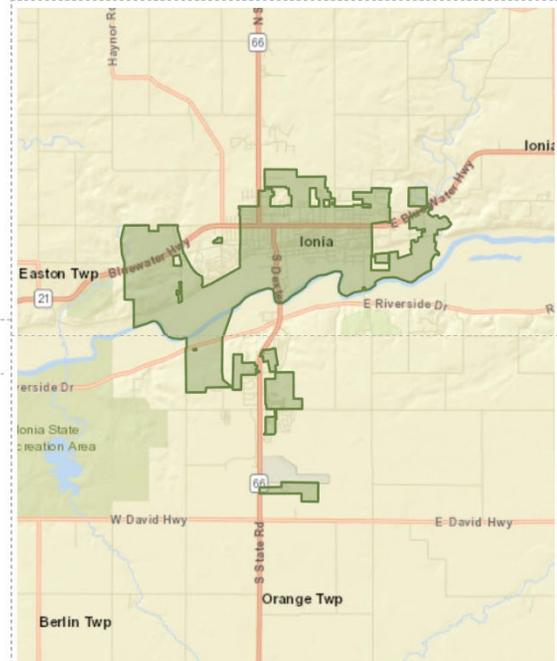
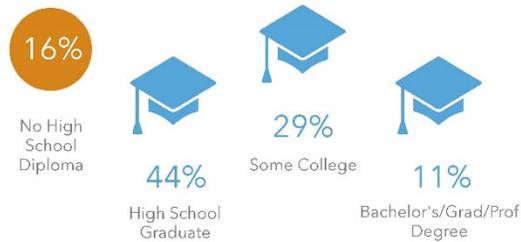
HOME VALUE / PRICING



HOUSEHOLD DATA



EDUCATION



Ionia Market Area

MARKETING PROFILE

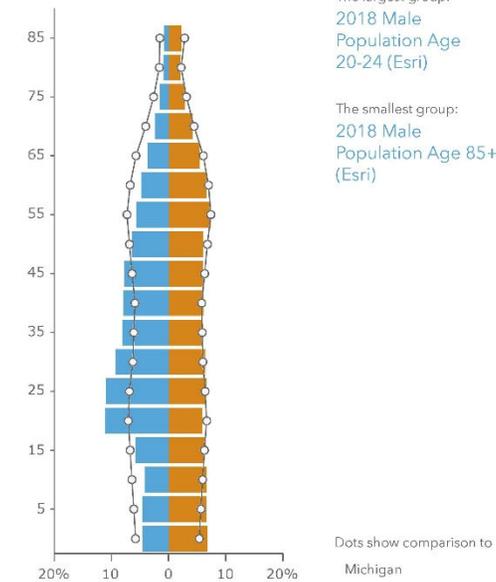
Ionia Market Area



KEY FACTS



Age Pyramid



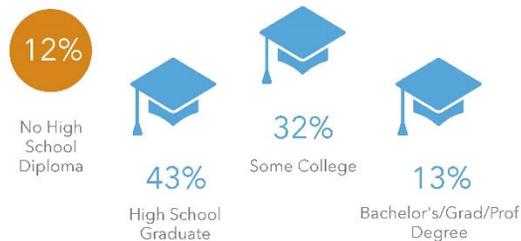
HOME VALUE / PRICING



HOUSEHOLD DATA



EDUCATION



Ionia County

MARKETING PROFILE

Ionia County, MI



KEY FACTS

65,544

2018 Population Estimate

38.4

Median Age

2.66

Average Household Size



18,244

2018 Population Age 55+

HOUSEHOLD DATA



\$53,698

2018 Median HH Income (Esri)



23.7%

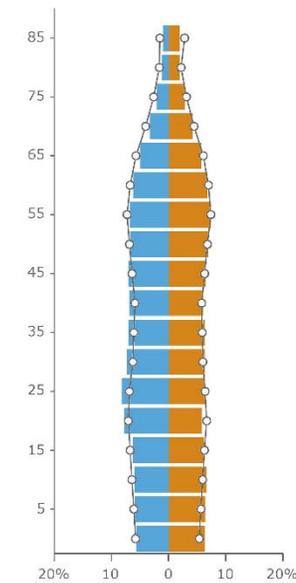
2018 Renter Occupied HH %



13.7%

Households Below the Poverty Level (%)

Age Pyramid



The largest group:
2018 Male
Population Age
25-29 (Esri)

The smallest group:
2018 Male
Population Age 85+
(Esri)

Dots show comparison to
Michigan

HOME VALUE / PRICING



\$138,213

2018 Median Home Value (Esri)



\$539

Median Contract Rent (HHs
Paying Cash Rent)

EDUCATION

10%

No High School Diploma



39%

High School Graduate



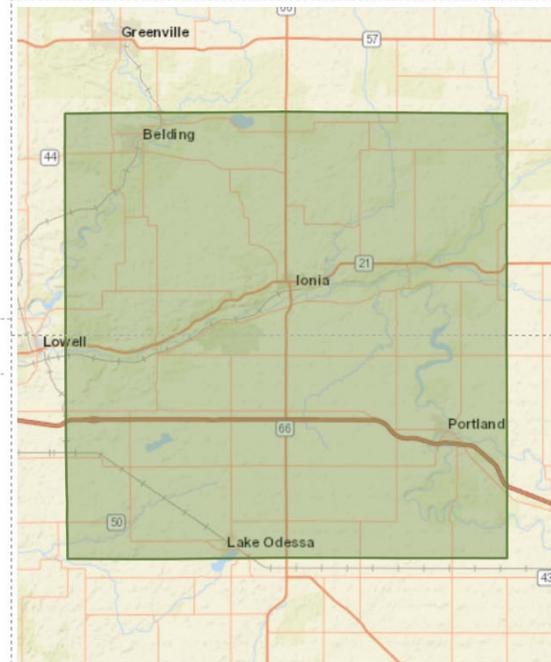
35%

Some College



16%

Bachelor's/Grad/Prof Degree



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 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>.

For this analysis the Ionia market area was deemed too small to obtain a sufficiently useful Tapestry Forecast, so Ionia County will be used for this examination. Across the county, 10 separate segments were identified by ESRI as representing a significant portion of the overall population. According to ESRI definitions, none of the 10 segments are clearly and directly tied to the workforce housing or affordable target market segments target markets discussed previously. Of these Tapestry segments, none are indicative of higher incomes households, younger households, or those with a high degree of educational attainment – all of which are representative of highly sought-after target market segments that most communities would ideally welcome. In the most broadly stated definitions, one Tapestry segment – *Middleburg* – could be described as an indirect match, with perhaps *Rustbelt Traditions* under some circumstances. Most of the other categories appear to be essentially variations on the same general segment – lower-income families that are not likely to move, change status, or seek housing alternatives at the current time.

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

Tapestry Segment	Brief Description	% of Ionia County Households	% of U.S. Households
<i>Salt of the Earth</i>	Moderate incomes, families w/children, mostly homeowners, lower educational attainment	33.0%	2.9%
<i>Southern Satellites</i>	Lower incomes, mostly empty nesters, mostly homeowners	17.1%	3.1%
<i>Traditional Living</i>	Low-moderate incomes, families w/small children, mixed housing types, generally lower educational attainment	15.8%	1.9%
<i>Heartland Communities</i>	Lower/moderate incomes, empty nesters, mostly homeowners, not ready to retire	13.8%	2.3%
<i>Rustbelt Traditions</i>	Moderate incomes, with one or no children, moderate educational attainment	6.7%	2.2%

<i>Green Acres</i>	Moderate incomes, empty nesters, mostly homeowners, moderate education levels	5.5%	3.2%
<i>Middleburg</i>	Younger families with children, moderate incomes, seeking homeownership, willing to move	2.7%	2.9%
<i>Hardscrabble Road</i>	Lower income families, with children, mostly renters/mobile homes, minimal educational attainment	2.5%	1.2%
<i>Rural Bypass</i>	Lower income couples, no children, older, own homes or mobile homes, minimal educational attainment	1.5%	1.3%
<i>Down the Road</i>	Lower incomes, families with children, mobile homes/rental homes, lower educational attainment	1.3%	1.1%
Total (Rounded)		100.0%	22.2%

Source: ESRI Tapestry

ESRI Tapestry segments found within the Ionia Area are at best indirect reflections of the key target market segments identified previously. Also, no specifically senior Tapestry segments are present.

As for the senior target market segment, no specific match was found among the 10 Tapestry segments. However, at least two segments (*Heartland Communities* and *Green Acres*) includes older adults that will join the senior age segment within the near future. This is a reflection of the community’s increasing degree of aging in place, ultimately emulating most other communities

across Michigan in which the senior segments exhibit the highest levels of growth. While not a significant housing issue at this time, in the near future the importance of senior housing will increase to the point where additional housing will be necessary for these senior residents to remain within the Ionia area.

Most of these Tapestry categories feature commonalities that do not directly reflect the primary factors shared across the target markets, such as sufficient income levels, moderate to advanced educational attainment, and professional background ranging from entry-level positions to near retirement. Exact matches or comparisons to target market categories are

always somewhat rarely made, with indirect comparisons to general target market descriptions perhaps more reasonable and readily understood.

Tapestry data is also ideally used for larger metropolitan areas, rather than rural communities or counties. This is why the use of Tapestry data to determine statistical demand is not advised. However, the data does demonstrate that primary target markets within the Ionia area are not directly in-line with the key target market segments identified earlier. This does suggest a cautious approach to new development options, as potential residents will likely come from both primary and secondary market sources.

V: HOUSING CONDITIONS AND CHARACTERISTICS

Housing Market Characteristics

Housing across the Ionia area lacks diversity in comparison to many other communities of a similar size and type across the state. Within the city, virtually no new housing construction has taken place since at least 2010, and countywide data indicates that all new housing constructed this decade represents less than one percent of available occupied units. The area's housing stock is quite aged, with approximately 25 percent of all occupied housing units across the county constructed prior to 1940. Home prices and associated values appear quite reasonable, so it is surprising the overall housing demand levels are not corresponding to an increased interest in new residential development.

Existing housing options seem to be moderately priced, based on a review of available sales data from www.realtor.com. This region of the state does not contain a significant number of vacation/2nd homes, nor are there a sizable number of seasonal structures for part-time use. Thus, the current marketplace is not skewed significantly by a large concentration of higher-priced homes that do not reflect the homes ideally suited for our key target market segments.

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

One way to demonstrate the various segments of the home sales market is to broadly describe what is currently available within the Ionia area. According to www.Realtor.com a total of 31 homes are currently for sale with an Ionia address. This includes locations within the city and the adjacent townships. Of these 31 homes, just six (19 percent) are priced at or below \$100,000. The balance of homes researched are primarily between \$100,000 and \$300,000, with just one home priced greater than \$300,000. Excluding this higher priced home, pricing on these homes currently ranges from \$49,900 to \$299,999.

Among the homes currently for sale, a plurality are three-bedroom homes, which features an average size of 1,728 square feet. Broken down by number of bedrooms, average and median data are as follows:

	# For Sale	Median Price	Average Price	Average Size	Price Per Sq. Ft.
Two-Bedroom	5	\$109,900	\$139,240	1,598	\$87.13
Three-Bedroom	12	\$167,400	\$163,050	1,817	\$89.74
Four+ Bedroom	14	\$194,900	\$227,543	2,770	\$82.15
TOTAL	31	\$179,900	\$188,335	2,212	\$85.14

Within this marketplace, the relative age of the property, along with the square footage, are stronger determinants of pricing than to a certain extent location and style. This reflects the relatively small set of for-sale homes, along with a limited degree of housing choices from a structure standpoint. This set of homes is aged, and in some cases is limited due to the current state of the structure. The strongest value appears among the three-bedroom homes, despite the smaller unit sizes as compared to the overall data.

The overall average year of construction among these homes is 1955 – indicative of an older than typical housing stock. However, the most telling statistic is the time on the market. Overall, the average time is 73 days, primarily due to a few long-term outliers. Remove these outliers, and the time on the marketplace is a very efficient and short 45 days. Most homes are standard stick-built structures, with many older brick structures also present. Eight of the homes were mobile homes. None were specifically listed as a foreclosure.

The pattern of sales was mapped by price, to give an indication of any concentrations of activity. As seen within the following pages, the higher priced structures are mostly found outside of the city. Many of these options, however, also include larger sized lots that clearly impact the overall price. While certainly attractive for many households, those families seeking a reasonably priced and modern home closer to the city have generally limited choices, as few homes are found within the ideal range for market entry by the primary target market segment and are considered examples of modern residential homes. This “missing middle” is not unusual, and is problematic within many other communities across Michigan. Ionia’s primary issue from a home sales standpoint is a lack of adequate and diverse supply.

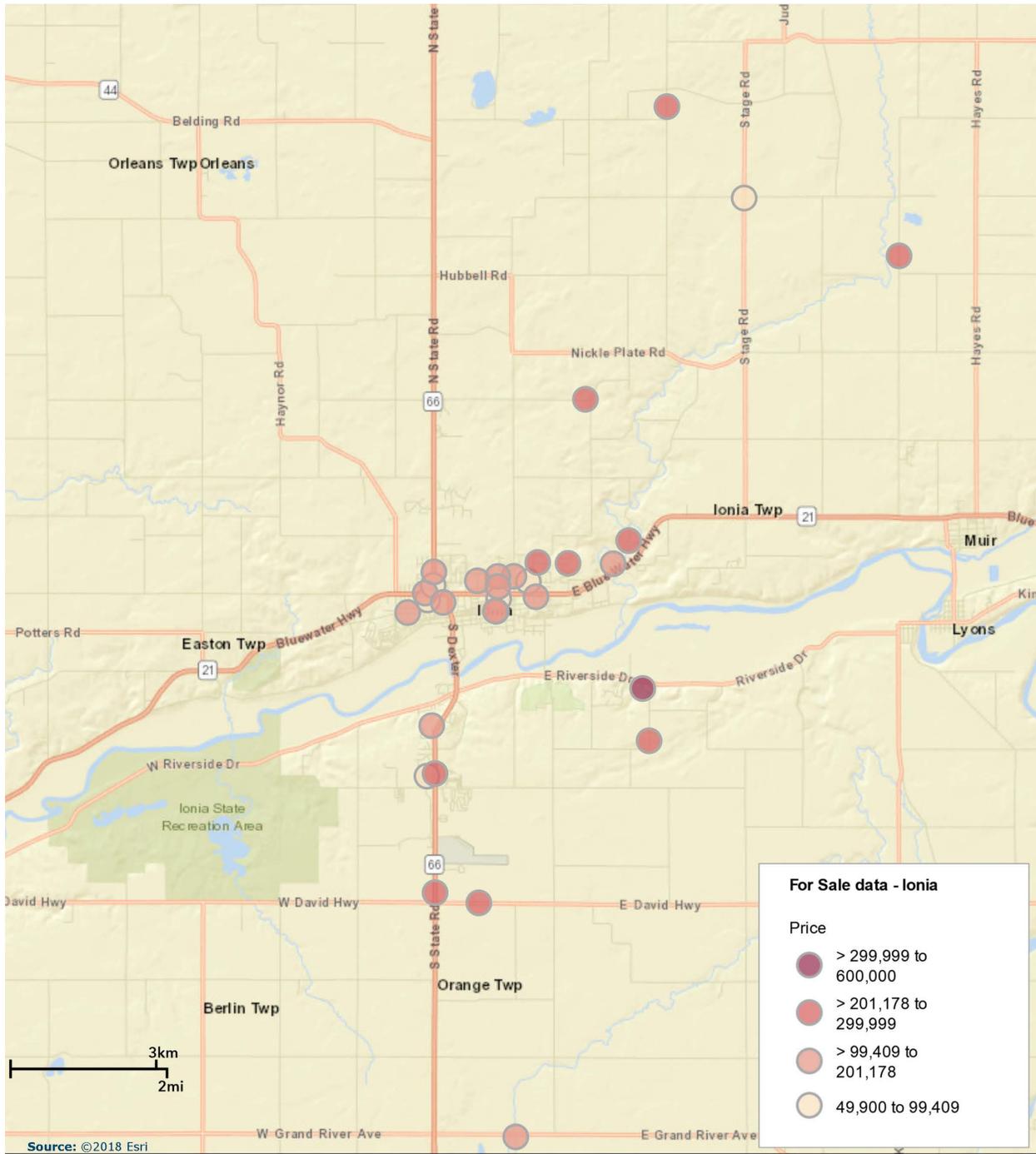
A similar examination was conducted for those homes that have recently sold, which provides an indication of expectations vs. reality for the housing sales market over the past six months. For this time period, a total of 80 homes with an Ionia address have closed. Among these, 10 were priced below \$100,000 (13 percent), while just one was priced above \$300,000. The largest category of these sales are three-bedroom homes, representing 50 percent of all homes sold. Pricing, unit sizes, and price ratios are all lower among the sold homes as compared to the for-sale data. A summary of the data includes the following:

	# Sold	Median Price	Average Price	Average Size	Price Per Sq. Ft.
Two-Bedroom	23	\$105,000	\$104,162	1,092	\$95.39
Three-Bedroom	40	\$125,500	\$133,816	1,572	\$85.12
Four-Bedroom+	17	\$129,000	\$138,665	2,059	\$67.45
TOTAL	80	\$120,500	\$126,321	1,537	\$82.19

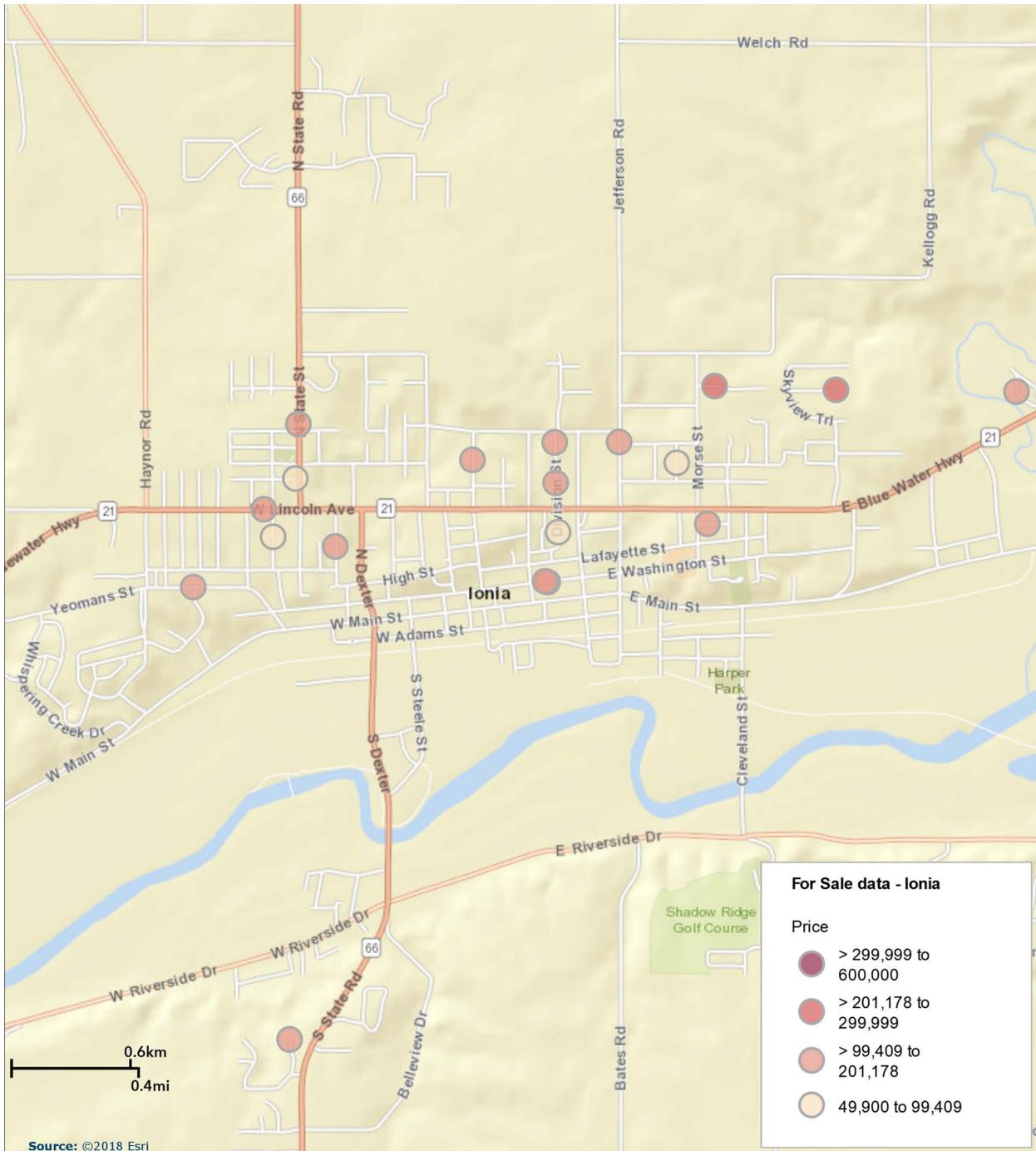
Other interesting notes from the data include:

- Time on the marketplace for the recently sold homes was incomplete, but examining both data sets it is evident that the housing market is strong, with popular home times relatively short. However, this does not appear to have impacted pricing, as the for-sale levels are still notably higher than the recently sold group.
- Average year of construction for the sold properties was 1939 – 80 years. This is a clear indication of a lack of product, a limited degree of modern housing, and a market that is incomplete in terms of available housing options.
- The distribution of recently sold properties by location is similar to the listing currently for sale – higher priced units are generally located across the townships, with select homes exhibiting strong value within the city limits.
- The relative popularity of three-bedroom homes is not unusual, and such pricing preferences are found within other communities. However, this pricing preference represents more than \$10/sq. ft. for homes currently for sale. This difference is reduced to approximately \$3/sq. ft. for the recently sold homes. This size home best matches the prevailing demographic composition of the Ionia area, which favors family-oriented residential options over single-person and two-person households.
- The difference between the number of homes for sale (31) and recently sold (80) is another clear indication of the lack of supply within the Ionia housing market. These trends are typically reversed within “healthier” housing markets. A lack of supply is present, and sufficient choices are found across the region within adjacent communities to prevent a significant premium from being attached to Ionia residences. School of choice options, commuting patterns, and convenient highway alternatives also contribute to such trends.

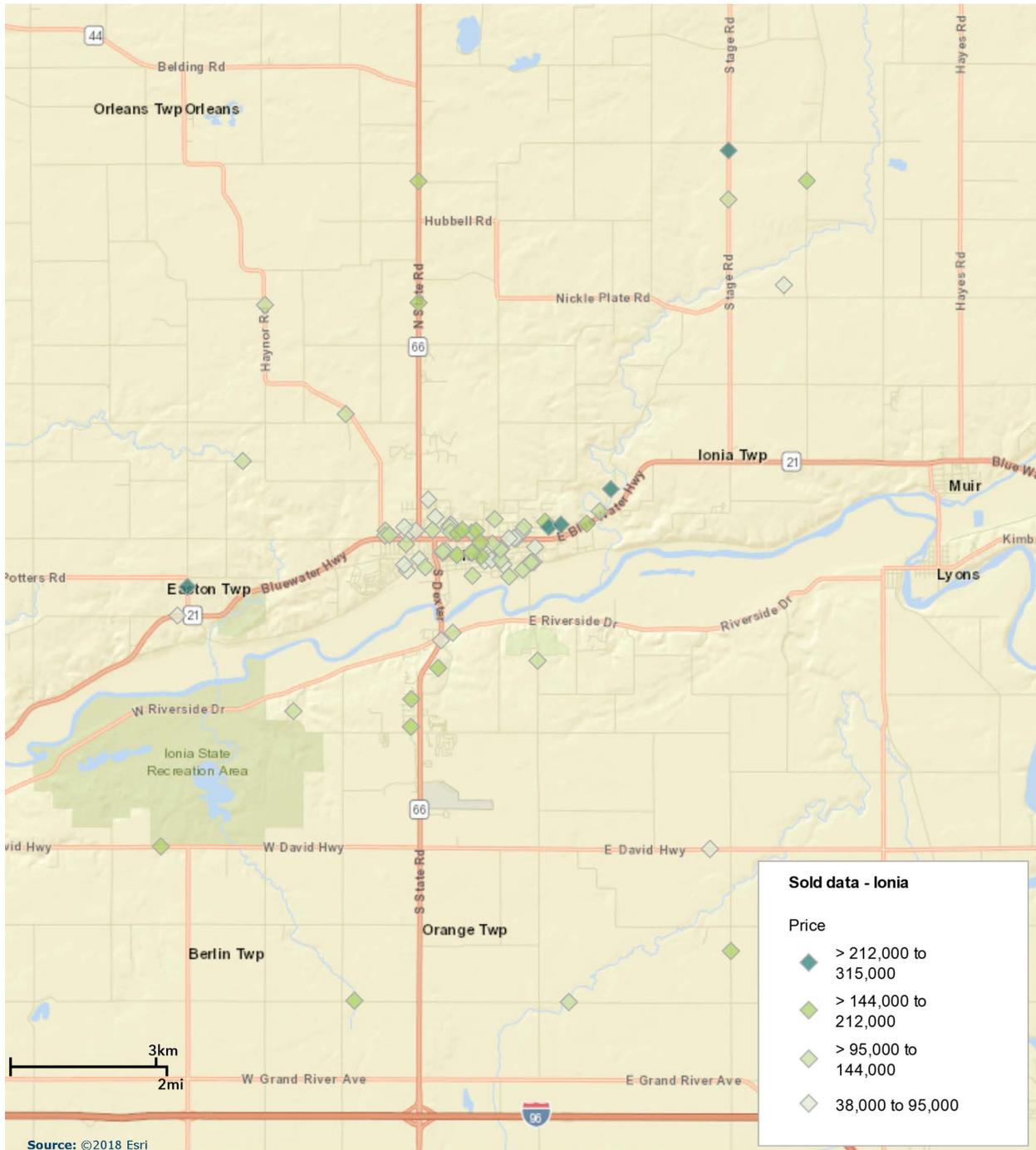
Map: Homes Currently For Sale - Ionia Area



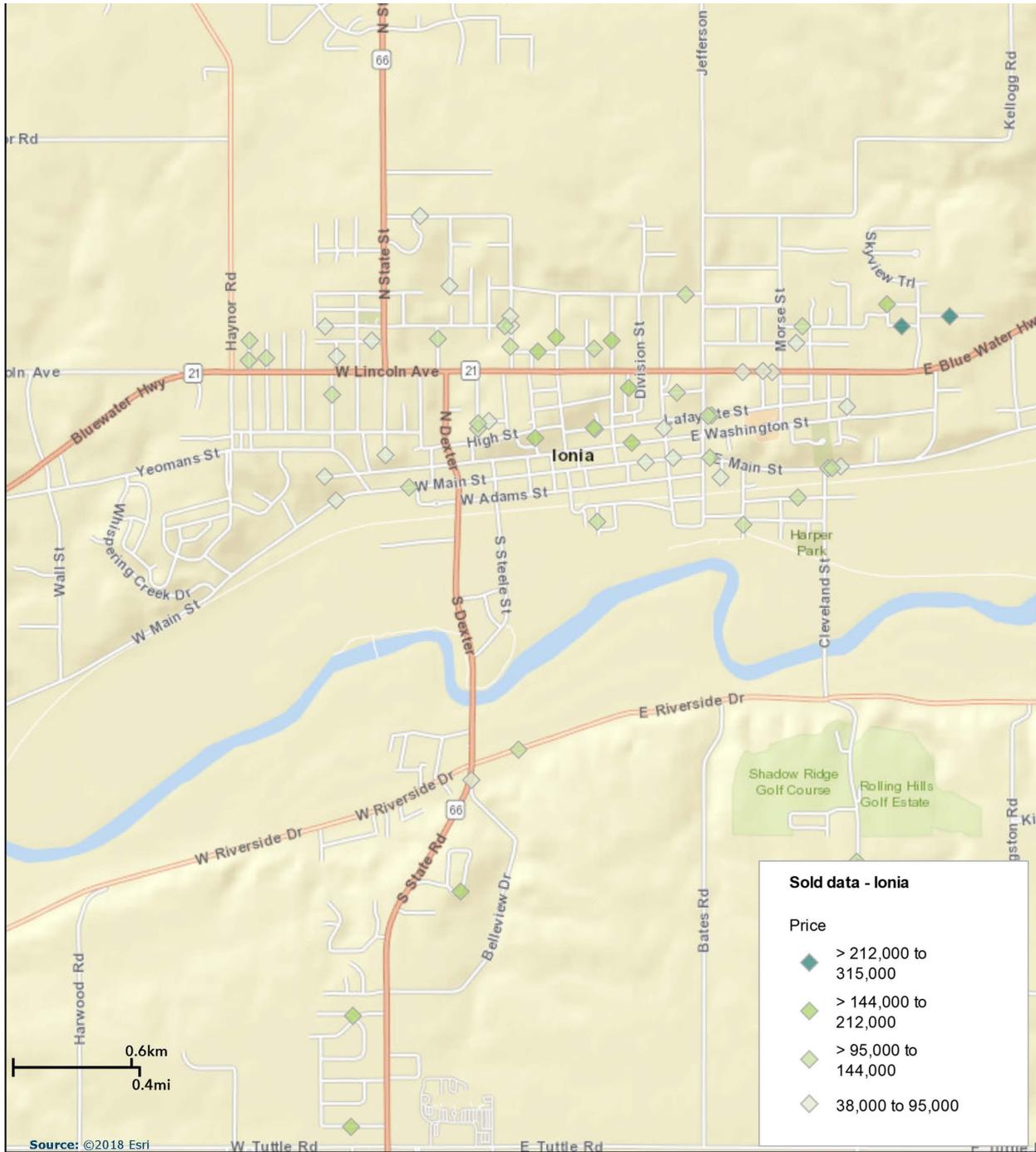
Ionia Housing Needs Assessment – June 4, 2019



Map: Homes Recently Sold - Ionia Area



Ionia Housing Needs Assessment – June 4, 2019



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

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

- Crosswinds Apartments (Rural Housing) – 48 units
- Wooded View (Rural Housing) – 40 units
- Robertson Court (Public Housing) – 16 units
- West Meadows (Public Housing) – 40 units

Apartments deemed “affordable” are not subsidized based on rent, but are income-restricted through the use of tax credits or subsidized financing. Two properties of this type are present within the Ionia area. One is Belleview Place I & II, a 96-unit complex located on the city’s south side, east of M-66 and south of Riverside Drive. The apartments are targeted for persons between 30 percent AMI and 60 percent AMI, along with five market rate units. The first phase was constructed in 2002, with an additional 49 units constructed in 2006. It is at 98 percent occupancy at this time, with a waiting list.

The other tax credit property within Ionia is Valley View I & II, a 108-unit development first constructed in 1991. This development contains 32 affordable units targeted between 30 percent AMI and 50 percent AMI, and 76 market rate units with no rent or income restrictions. The property is found on the northwest corner of the city, off M-66, north of M-21. Recently renovated, the property is fully occupied with a waiting list.

Conversations with the leasing agents of these two properties revealed the following:

- Traffic is generally moderate, with one development averaging 15-20 visits per week and 20-30 calls per week;
- A majority of traffic are interested and/or quality for the market rate units, as most vacancies are found within the affordable units, primarily due to income qualification issues;

- Most tenants remain at these two complexes for more than two years, and the primary reason for leaving is to relocate to a recently purchased home;
- Relatively few units are utilizing a Housing Choice Voucher or Homeless targeted subsidy. Each property has six HCV holders at this time;
- At Valley View an ongoing demand is for larger-sized units – a trend that has somewhat been reduced across many other rental markets that have experienced a decline in family-oriented rental needs. It would appear that demand for multiple-bedroom rentals remains a primary demand within the Ionia rental market;
- Both properties have waiting lists that do not contain a large number of persons, but vacancies are relatively rare. A four-month wait for an open unit is not unusual, with the exception of some affordable units;

Existing market rate apartment developments were also contacted. Two primary developments include Charter Oaks (36 units), an older property with a total of 36 units; and The Abbey, a 56-unit complex constructed in 2002. The Abbey, along with the two affordable developments, are perhaps the most immediate examples of modern rental housing within the Ionia marketplace. Unit pricing at The Abbey exceeds \$1,000 per month, while Charter Oaks exhibits somewhat lower rents (between \$565 and \$700). Other rental options include smaller individual apartment buildings, single family homes, and multiple-unit rentals that are primarily renovated single family homes that now contain between two and four units.

Occupancy levels vary among this group, ranging from 95 percent to 100 percent. Pricing appears generally reasonable, with variation mostly due to age and condition. Most apartment properties are in good condition overall, but amenities vary greatly depending on the age of the development, whether the property has been recently rehabilitated, and to a lesser extent location. Other information regarding the rental market includes:

- Little information is available regarding downtown rental units, typically found above ground floor commercial establishments. Such options are increasingly popular in more urban communities, favoring occupancy by younger adults without children. Given the available commercial establishments downtown, the prevailing demographic trends within the Ionia area, and the limited concentrations of professional/entrepreneurial opportunities indicated within current and future economic data, the demand potential for such units may be somewhat limited. From a revitalization standpoint as well as expansion of market potential for the community, such opportunities should be pursued even within relatively minimal demand markets.

- As mentioned previously, demand potential was noted for both smaller and larger-sized rental units, indicating the market potential for three-bedroom units has not waned from prior years. This is not entirely surprising, as family sizes across Ionia are still at or above both the statewide average and the ratios observed within many adjacent communities, in which smaller family/household sizes are much more common. Exceptions to this may be found within Portland and DeWitt, which both feature continued rental market demand for families.
- While rental homes are found across the market area, many of these are not listed publicly, are utilized within families or farms, and may not include cash rent. Public listing such as www.realtor.com list a few rental homes, ranging from \$900 and above. Given the price points for market rate rentals, comparisons to a single-family rental unit at a similar rate appear quite reasonable. Of course, likely price points will vary greatly depending upon the size of the home, location, and overall quality.

Mobile homes are prevalent throughout the Ionia area, totaling 734 units as of the 2017 American Community Survey. None are located within the city, and many are found within four mobile home parks found within the market area:

- Canterbury Estates – 290 sites
- Sherwood Forest – 238 sites
- Evergreen Mobile Home Community – 110 sites
- Hidden Valley Mobile Home Park – 50 sites

Among the four parks, two are actively listing available mobile homes for sale, totaling 20 units. Pricing among this group ranges from \$39,900 to \$84,340, mostly depending on style and age. Many of these listings are also offered for rent, with pricing ranging between \$849 and \$999 per month. Additional sites are available for purchase or rent, and are currently vacant. One of these parks is senior-restricted (Sherwood Forest), and many of the tenants tend to fall within the senior age cohort at all four sites.

Across the market area, mobile homes represent an estimated 11 percent of rental units (203 rental units), based on the latest data from the American Community Survey. Among owner occupied homes, mobile homes/trailers also account for approximately 11 percent of the total (531 units).

Remaining rentals consist of single-family homes for rent. Most of these rentals are listed on local or internet sources, or are made known via word-of-mouth. The community does not feature a significant number of seasonal or vacation rentals that may elevate prevailing price

levels. This is fortunate from an affordability and availability standpoint, as some Michigan communities with some degree of vacation occupations are struggling with home rentals that are removing potential permanent residences from the housing stock in favor of part-time/seasonal rentals.

According to the latest American Community Survey data, approximately 26 percent of all occupied rental units within the market area are single family homes (both attached and detached structures), while 32 percent are duplex to four-plex style units. This would include both duplex-style units originally constructed in that style as well as single family home conversions into duplex or four-plex rentals. The vast majority of duplex-style units are found within Ionia, but the number of single-family rentals is nearly equally divided between the city and the surrounding townships.

Table: Rental Households by Structure Size

	City of <u>Ionia</u>	Market <u>Area</u>	Ionia <u>County</u>
Total Occupied Rental Units	1,296	1,863	4,991
1 Unit	281	486	1,759
% of Total	21.7%	26.1%	35.2%
2 to 4 Units	538	596	1,024
% of Total	41.5%	32.0%	20.5%
5 to 19 Units	171	261	663
% of Total	13.2%	14.0%	13.3%
20 to 49 Units	103	114	366
% of Total	7.9%	6.1%	7.3%
50 or more Units	203	203	389
% of Total	15.7%	10.9%	7.8%
Mobile Home/Boat/Other	0	203	790
% of Total	0.0%	10.9%	15.8%
SOURCE: 2013-2017 American Community Survey, U.S. Census Bureau			

Senior rental housing options for those persons able to live an independent lifestyle include subsidized and affordable developments. The most notable of these is Valley View Senior, the third phase at the Valley View location. It contains 39 units, and is affordable for seniors up to 60 percent of Area Median Income, with the exception of one market rate unit. According the property manager, the development is always full, and waiting lists are always

maintained. Constructed in 2002, the building is in excellent condition. Two other senior properties within Ionia are present. Pine Vista is a 50-unit, four-story building operated by the housing commission. Oak Hill is a 24-unit single story building, development through Rural Housing Service. All units at these two properties are subsidized for extremely low-income seniors.

Based on the available units for seniors – ranging from subsidy to affordable options – and considering prevailing demographic trends discussed previously, the need for additional senior rental units will continue to increase over the next five years, but does not appear to be substantial. This is both a reflection of the community’s relatively young overall population, along with the size of the Ionia senior marketplace. It is likely that senior market demand will increase into the mid 2020s to a level that would justify a re-examination of market potential, as by that date the concentration of seniors will be much more substantial, primarily due to local seniors age in place.

VI: DEMAND ANALYSIS

Statistical Demand for Rental Housing Units

Demand calculations are presented for 2018 and three-year projections for households within the target market income ranges, defined within two segments – open occupancy and independent living seniors age 65 and older. Both target markets will be divided into affordable and market rate income levels. For the open segment the affordable income range is between \$15,000 and \$50,000, with actual eligibility based on household size and the desired income targeting (in this case such targeting would be between 60 percent of Area Median Income (AMI) and 80 percent of Area Median Income). The eligibility range for the affordable segment reflects the current income and rent restrictions placed upon such units by the federal and state financing programs currently in use for the development affordable rental housing. The market rate segment is between \$35,000 and \$75,000 annual income. The upper range of \$75,000 is used as a measure of conservatism and assumes that those households above \$75,000 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 2018) is calculated. This total is adjusted to exclude larger-sized households that would require more than a three-bedroom unit to house such a larger-sized family. This number is applied to the percentage of households that relocate to rental housing on an annual basis, using available information from the American Community Survey. This yields the annual demand for the current year. Future demand includes any additional renter households that are projected to be added to the marketplace. This results in a demand estimate for 2021.

Statistical demand forecasts are somewhat insufficient in terms of additional rental units.

The resulting demand forecast is 345 affordable units and 267 market rate units. Assuming the development of a 60-unit property across three income ranges, the penetration rate is 2.8 percent – indicating that nearly three percent of eligible households would be required to absorb the proposal. Among market rate eligible households, the penetration rate is 2.9 percent. The ideal penetration rate is below three percent, with larger ratios indicative of overly aggressive project sizes and/or

relatively weak market trends from a statistical standpoint. A second statistical demand ratio commonly used is the capture rate, indicating how much statistical demand would be required to absorb a proposal. Based on a 60-unit proposal, the capture rate for the affordable range is 21.7 percent, while the market rate capture rate is 22.5 percent. Capture rates that approach or exceed 50 percent typically exhibit questionable demand levels, as a majority of all households likely to move within a given year would be required to move into the proposed facility.

The results suggest a minimal demand currently for affordable units, but essentially all of the demand comes from movership within the market area, rather than a strong degree of household growth. Such a forecast is overly sensitive to prevailing occupancy levels, and is not the ideal statistical demand for a new development opportunity. Based on these figures, the ideal suggested option for rental development would include both market rate and affordable units within one facility. This result corresponds with prevailing market trends discussed previously.

A similar method can be used to determine senior demand. In this case, the demand forecast is based on seniors age 65 and older, as this represents the broadest base of potential senior occupancy, assuming seniors can live an independent lifestyle. Using the same methodology and two primary income ranges – affordable (approximately \$15,000 to \$35,000) and market rate (\$35,000 to \$75,000), a 2021 demand for senior rental housing was calculated at 22 units within the affordable range and 18 units within the market rate income range. The corresponding capture rate for this calculation was 82 percent for the affordable range and 102 percent for the market rate range, assuming an 18-unit proposal. The penetration rates were both reported at 3.5 percent. Both the demand levels and ratios are not indicative of sufficient market depth.

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

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

the 55 and older age segment. For this analysis the demand equation utilized very cautious measures to maintain a degree of conservatism and avoid an overly optimistic demand forecast.

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

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

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

Table: Statistical Demand Calculation – Open Rental Units

	2018 Total Occupied Households 2018 Owner-Occupied Households 2018 Renter-Occupied Households	Range of			Workforce	Mixed-Income
		Low/Moderate	Income	Target Market	Target Market	Target Market
		40%	60%	80%	Total	Total
		AMI	AMI	AMI	Market Rate	Affordable
					Range	
QUALIFIED-INCOME RANGE (unduplicated)						
	Minimum Annual Income	\$15,000	\$24,000	\$35,000	\$35,000	\$15,000
	Maximum Annual Income	\$24,000	\$35,000	\$50,000	\$75,000	\$50,000
DEMAND FROM EXISTING HOUSEHOLDS						
	Percent Income Qualified Owner Households	8.6%	10.9%	16.6%	37.3%	36.0%
	Percent Income Qualified Renter Households	19.3%	17.0%	10.2%	23.4%	46.5%
	Income Qualified Owner Households	380	481	733	1,650	1,593
	Income Qualified Renter Households	360	317	191	438	519
	Annual Movership Rate - Owner to Renter	11.0%	11.0%	11.0%	11.0%	11.0%
	Annual Movership Rate - Renter to Renter	19.8%	19.8%	19.8%	19.8%	19.8%
	Total Income-Qualified Owner to Renter Movers	42	53	80	181	175
	Total Income-Qualified Renter to Renter Movers	71	63	38	87	103
	Total Demand from Existing Households	113	115	118	268	277
DEMAND FROM NEW RENTER HOUSEHOLDS						
	Projected 2021 Renter Households	1,858				
	Annual Change in Renter Households, 2018-2021	-4				
	Percent Qualified Renter Households	19.3%	17.0%	10.2%	23.4%	46.5%
	Total Annual Demand From New Households	(1)	(1)	0	(1)	(1)
	TOTAL DEMAND	112	115	118	267	276
	LESS: Total Comparable Units Placed in Service Since 2017	0	0	0	0	0
	LESS: Total Comparable Units Proposed/Under Construction	0	0	0	0	0
	TOTAL NET DEMAND	112	115	118	267	276
	PROPOSED NUMBER OF UNITS	20	20	20	60	60
	CAPTURE RATE	17.8%	17.4%	16.9%	22.5%	21.7%
	PENETRATION RATE	2.7%	2.5%	2.2%	2.9%	2.8%
	SATURATION RATE	2.7%	2.5%	2.2%	2.9%	2.8%
Note: Totals may not sum due to rounding or differences in income ranges						
SOURCE: U.S. Census of Population and Housing, U.S. Census Bureau American Community Survey, U.S. Census Bureau ESRI Business Analyst						

Table: Statistical Demand Calculation – Senior Rental Units

2018 Total Occupied Households 65+	1,645				
2018 Owner-Occupied Households 65+	1,304				
2018 Renter-Occupied Households 65+	341				
		40%	60%	80%	
		AMI	AMI	AMI	
QUALIFIED-INCOME RANGE <i>(unduplicated)</i>				Market	Total
Minimum Annual Income		\$15,000	\$19,001	\$25,001	\$35,000
Maximum Annual Income		\$19,000	\$25,000	\$35,000	\$75,000
				Rate	Affordable
DEMAND FROM EXISTING RENTER HOUSEHOLDS - AGE 65+					
Percent Income Qualified Owner Households		4.7%	7.4%	13.4%	40.8%
Percent Income Qualified Renter Households		17.2%	20.0%	14.0%	12.4%
Percentage of Seniors without Independent Living Difficulty		85.9%	85.9%	85.9%	85.9%
Income Qualified Owner Households		53	97	175	457
Income Qualified Renter Households		50	68	48	36
Annual Movership Rate - Owner to Renter		3%	3%	3%	3%
Annual Movership Rate - Renter to Renter		6%	6%	6%	6%
Total Income-Qualified Owner to Renter Movers		2	3	6	15
Total Income-Qualified Renter to Renter Movers		3	4	3	2
Total Demand from Existing Households		5	7	9	17
DEMAND FROM NEW HOUSEHOLD GROWTH - AGE 65+					
Annual Owner Household Growth, 2018-2021		36	36	36	36
Percent Income Qualified Owner Households		4.7%	7.4%	13.4%	40.8%
Annual Renter Household Growth, 2018-2021		10	10	10	10
Percent Income Qualified Renter Households		17.2%	20.0%	14.0%	12.4%
Total Demand From New Households		0	0	0	1
TOTAL DEMAND		5	7	9	18
LESS: Total Comparable Units Placed in Service Since 2018		0	0	0	0
LESS: Total Comparable Units Proposed/Under Construction		0	0	0	0
TOTAL NET DEMAND		5	7	9	18
PROPOSED NUMBER OF UNITS		6	6	6	18
CAPTURE RATE		123.6%	80.8%	68.1%	101.6%
PENEIRATION RATE		5.6%	3.5%	2.6%	3.5%
SATURATION RATE		5.6%	3.5%	2.6%	3.5%
Note: Totals may not sum due to rounding					
SOURCE: U.S. Census of Population and Housing, U.S. Census Bureau American Community Survey, U.S. Census Bureau ESRI Business Analyst					

Statistical Demand for Owner Housing Units

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

- Annual movership ratios for households into owner-occupied units was calculated as follows for the Ionia market area, based on the latest American Community Survey data:
 - Previous Owner into Owner-Occupied Units: 1.4 Percent
 - Previous Renter into Owner-Occupied Units: 2.5 Percent

For this data to reflect current conditions, the approximate number of homes purchased within the last year would need to total approximately 100 to 120 units. Based on the number of homes currently for sale, the difference in the market area and the Realtor.com trade area, and closing data listed on Realtor.com, these statistics appear slightly higher than the most recent sales data. It is hoped that this reflects a temporary reduction in home sales activity (a much more reasonable conclusion) rather than a permanent shift in residential activity (less likely, given the various data collected within this report). In any case, continued monitoring of home sales trends over the balance of 2019 will provide sufficient data and trends regarding prevailing movership within the Ionia community.

- Realtor.com describes the local housing market slightly favorable to buyers, as homes over the past few months have sold generally below asking price. The median number of days homes have been on the marketplace was relatively short (73 days overall, and an adjusted level of just 45 days). This data is indicative of a strong and improving marketplace, as it is likely that listing periods were significantly longer during the early portion of this decade.
- Both renter households and owner households are forecast to slowly increase over the next few years, based on ESRI data. While some of these homes may convert to rental units, it is more likely that some of the lower-quality homes within the market area may be vacated or removed from the available housing stock. Based on the latest American Community Survey data, 2.7 percent of market area owner-occupied households are considered substandard, totaling 129 units for 2018.

Homeless Data – Ionia County

Homelessness within Ionia and across the county does not appear to be a significant issue, thanks to the programs and efforts of local leaders. While some degree of homelessness does exist, local agencies and nonprofit groups have provided solutions and alternatives for those individuals and families that are facing homelessness.

Homeless data is typically organized either as an annual census of how many persons/families have been served over a given year, or a Point in Time (PIT) count, providing a snapshot of the degree of homelessness on a specific date. As Ionia county shares a service area within Montcalm County, no separate PIT data is available just for the Ionia community. However, separate data for Ionia County and Montcalm County was provided by EightCAP, Inc., the regional social services agency for this section of Michigan. EightCAP, Inc. has an excellent reputation with housing issues and homelessness across its entire service agency, so the data provided is very reliable. In addition, Have Mercy is a local nonprofit that coordinates screenings, data collection, and housing services for those in danger of homelessness. A summary of 2018 trends is included below:

County	Overall Unduplicated Category 1 Homeless	Adult Single (25 and Over)	Total Unaccompanied Youth (18-24)	Unaccompanied Youth (Under 18)	Total Adults in Families	Total Children in Families	Total Veterans	Total Seniors (55+)
Ionia	541	179	19	5	160	193	23	42
Montcalm	437	205	22	6	112	116	8	44
Sum (duplicated):	978	384	41	11	272	309	31	86
Consumers Served in Multiple CoCs	208	84	11	4	50	65	6	23
Unduplicated Count	770	300	30	7	222	244	25	63

The 541 persons served within Ionia County does reflect duplicated services for some persons, so the actual number of homeless last year at any point during 2018 is somewhat smaller. For this report, persons included are either living on the street, are within an emergency shelter, transitional housing, and those living with family/friends due to a housing emergency (considered Category 2 Homeless).

So, while the total number does represent just less than one percent of the county’s population, it does also reflect those persons that are transitioning from a homeless status into a more permanent housing arrangement. In fact, the “chronic” homeless total for Ionia County for 2018 was just 12 persons, meaning that just 12 persons were unable to find a permanent housing arrangement after a 12-month period, as indicated in the following table:

Ionia Housing Needs Assessment – June 4, 2019

County	Overall Unduplicated Chronic Homeless	Adult Single	Total Unaccompanied Youth	Total Adults in Families	Total Chronic Veterans	Total Seniors
Ionia	12	8		4	2	4
Montcalm	16	15		5	1	3
Sum (duplicated):	28	23		9	3	7
Consumers Served in Multiple CoCs	6	6		0	0	2
Unduplicated Count	22	17		9	3	5

This is both a positive reflection upon EightCAP, Inc. and Have Mercy’s efforts to alleviate homelessness across the region, and the improving economic conditions that are ideally leading to a broader level of housing choices available for all income ranges, especially those with the least resources.

VII: DATA & SOURCES

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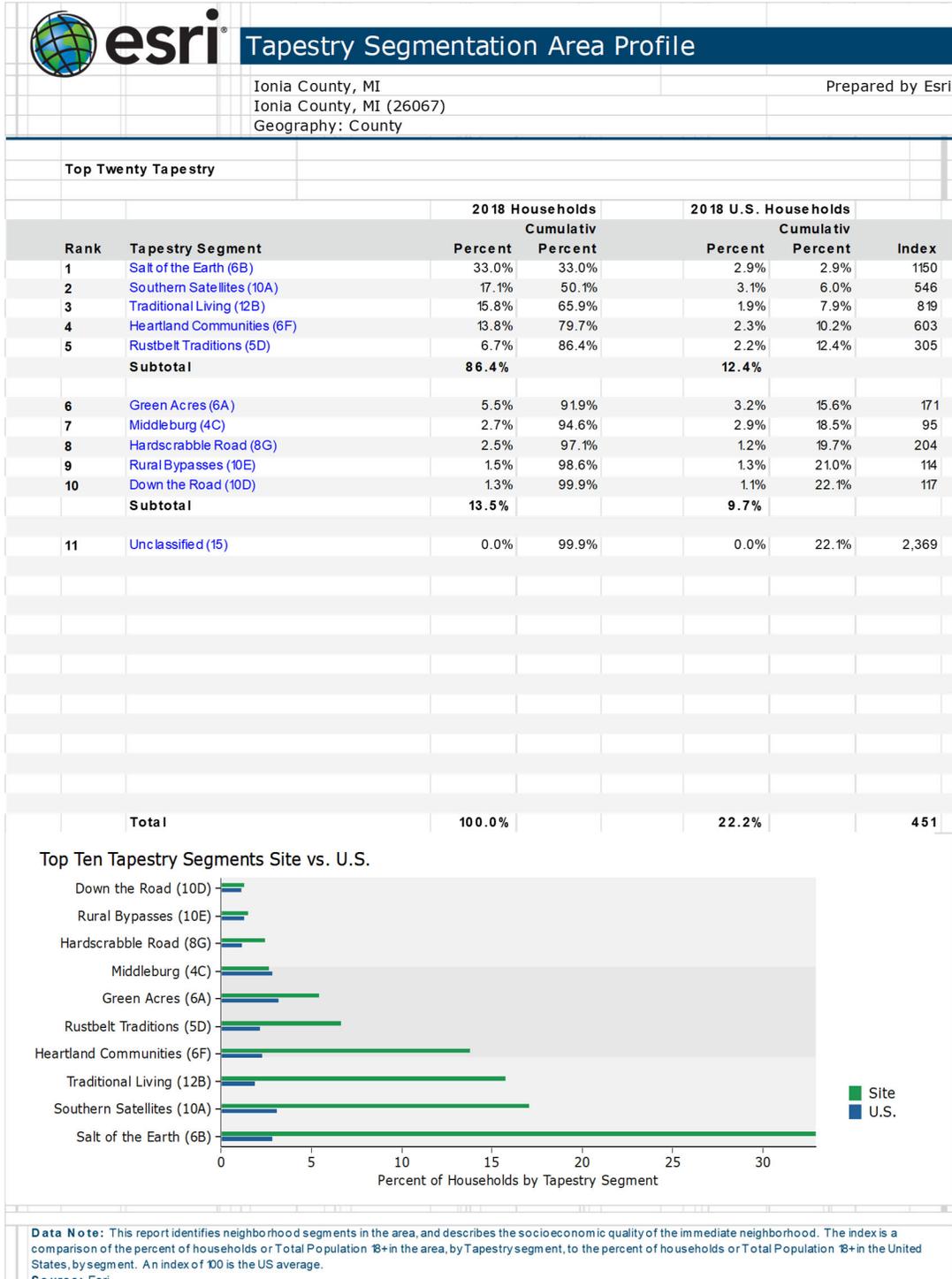
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Interviews with local community leaders, government officials, and housing specialists

ESRI TAPESTRY DATA



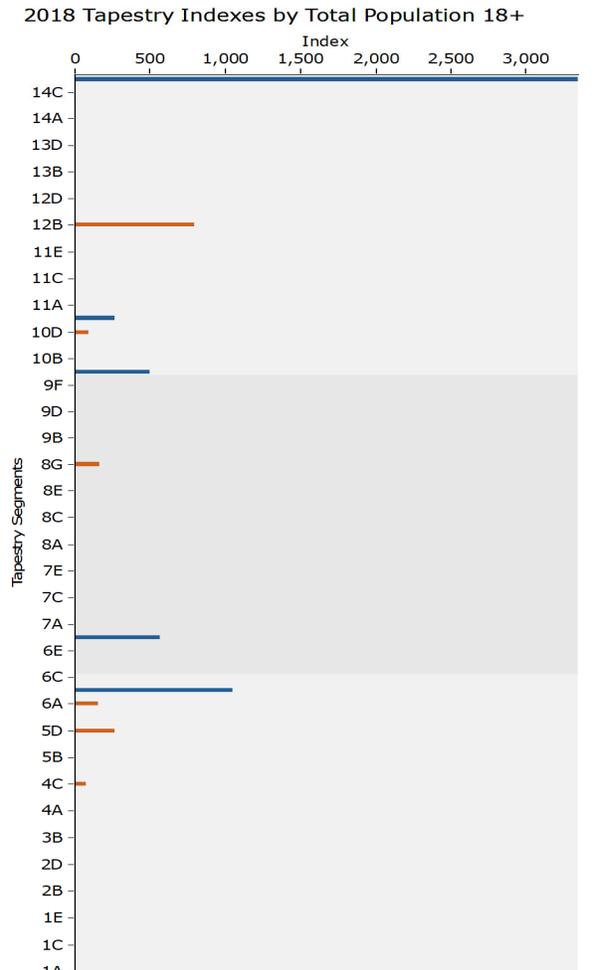
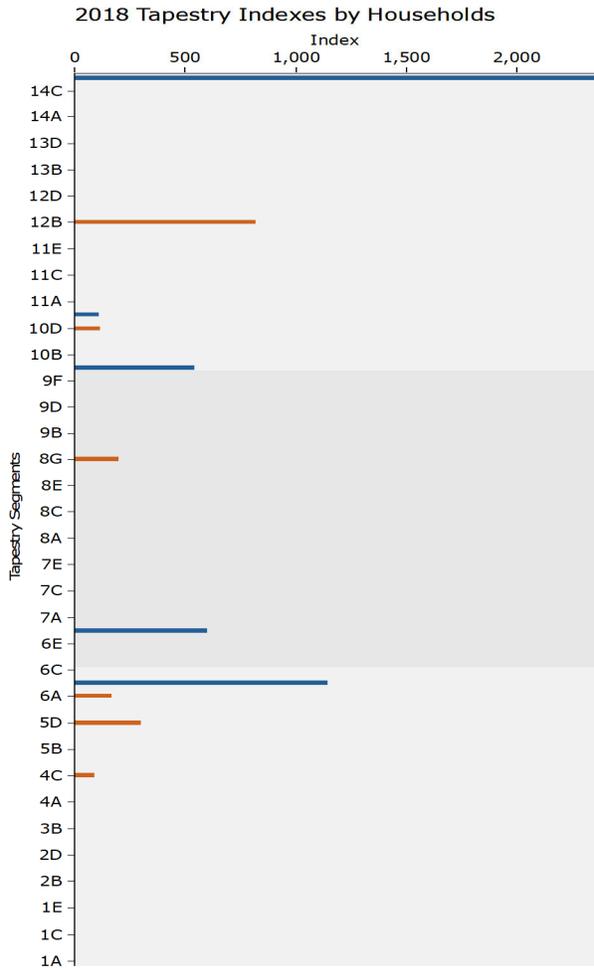


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Tapestry Segmentation Area Profile

Ionia County, MI
 Ionia County, MI (26067)
 Geography: County

Prepared by Esri



Ionia Housing Needs Assessment – June 4, 2019

Tapestry LifeMode Groups		2018 Households			2018 Adult Population		
	Number	Percent	Index	Number	Percent	Index	
Total:	22,625	100.0%		51,080	100.0%		
1. Affluent Estates	0	0.0%	0	0	0.0%	0	
Top Tier (1A)	0	0.0%	0	0	0.0%	0	
Professional Pride (1B)	0	0.0%	0	0	0.0%	0	
Boomburbs (1C)	0	0.0%	0	0	0.0%	0	
Savvy Suburbanites (1D)	0	0.0%	0	0	0.0%	0	
Exurbanites (1E)	0	0.0%	0	0	0.0%	0	
2. Upscale Avenues	0	0.0%	0	0	0.0%	0	
Urban Chic (2A)	0	0.0%	0	0	0.0%	0	
Pleasantville (2B)	0	0.0%	0	0	0.0%	0	
Pacific Heights (2C)	0	0.0%	0	0	0.0%	0	
Enterprising Professionals (2D)	0	0.0%	0	0	0.0%	0	
3. Uptown Individuals	0	0.0%	0	0	0.0%	0	
Laptops and Lattes (3A)	0	0.0%	0	0	0.0%	0	
Metro Renters (3B)	0	0.0%	0	0	0.0%	0	
Trendsetters (3C)	0	0.0%	0	0	0.0%	0	
4. Family Landscapes	615	2.7%	36	1,219	2.4%	31	
Soccer Moms (4A)	0	0.0%	0	0	0.0%	0	
Home Improvement (4B)	0	0.0%	0	0	0.0%	0	
Middleburg (4C)	615	2.7%	95	1,219	2.4%	83	
5. GenXurban	1,515	6.7%	59	2,863	5.6%	51	
Comfortable Empty Nesters (5A)	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)	1,515	6.7%	305	2,863	5.6%	271	
Midlife Constants (5E)	0	0.0%	0	0	0.0%	0	
6. Cozy Country Living	11,833	52.3%	436	24,401	47.8%	404	
Green Acres (6A)	1,240	5.5%	171	2,678	5.2%	158	
Salt of the Earth (6B)	7,460	33.0%	1,150	15,472	30.3%	1,053	
The Great Outdoors (6C)	0	0.0%	0	0	0.0%	0	
Prairie Living (6D)	0	0.0%	0	0	0.0%	0	
Rural Resort Dwellers (6E)	0	0.0%	0	0	0.0%	0	
Heartland Communities (6F)	3,133	13.8%	603	6,251	12.2%	571	
7. Ethnic Enclaves	0	0.0%	0	0	0.0%	0	
Up and Coming Families (7A)	0	0.0%	0	0	0.0%	0	
Urban Villages (7B)	0	0.0%	0	0	0.0%	0	
American Dreamers (7C)	0	0.0%	0	0	0.0%	0	
Barrios Urbanos (7D)	0	0.0%	0	0	0.0%	0	
Valley Growers (7E)	0	0.0%	0	0	0.0%	0	
Southwestern Families (7F)	0	0.0%	0	0	0.0%	0	

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

Ionia Housing Needs Assessment – June 4, 2019

 Tapestry Segmentation Area Profile						
Ionia County, MI					Prepared by Esri	
Ionia County, MI (26067)						
Geography: County						
Tapestry LifeMode Groups	2018 Households			2018 Adult Population		
	Number	Percent	Index	Number	Percent	Index
Total:	22,625	100.0%		51,080	100.0%	
8. Middle Ground	560	2.5%	23	979	1.9%	19
City Lights (8A)	0	0.0%	0	0	0.0%	0
Emerald City (8B)	0	0.0%	0	0	0.0%	0
Bright Young Professionals (8C)	0	0.0%	0	0	0.0%	0
Downtown Melting Pot (8D)	0	0.0%	0	0	0.0%	0
Front Porches (8E)	0	0.0%	0	0	0.0%	0
Old and Newcomers (8F)	0	0.0%	0	0	0.0%	0
Hardscrabble Road (8G)	560	2.5%	204	979	1.9%	165
9. Senior Styles	0	0.0%	0	0	0.0%	0
Silver & Gold (9A)	0	0.0%	0	0	0.0%	0
Golden Years (9B)	0	0.0%	0	0	0.0%	0
The Elders (9C)	0	0.0%	0	0	0.0%	0
Senior Escapes (9D)	0	0.0%	0	0	0.0%	0
Retirement Communities (9E)	0	0.0%	0	0	0.0%	0
Social Security Set (9F)	0	0.0%	0	0	0.0%	0
10. Rustic Outposts	4,517	20.0%	242	10,630	20.8%	250
Southern Satellites (10A)	3,868	17.1%	546	8,182	16.0%	505
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)	304	1.3%	117	567	1.1%	96
Rural Bypasses (10E)	345	1.5%	114	1,881	3.7%	266
11. Midtown Singles	0	0.0%	0	0	0.0%	0
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
12. Hometown	3,578	15.8%	258	7,343	14.4%	248
Family Foundations (12A)	0	0.0%	0	0	0.0%	0
Traditional Living (12B)	3,578	15.8%	819	7,343	14.4%	800
Small Town Simplicity (12C)	0	0.0%	0	0	0.0%	0
Modest Income Homes (12D)	0	0.0%	0	0	0.0%	0
13. Next Wave	0	0.0%	0	0	0.0%	0
International Marketplace (13A)	0	0.0%	0	0	0.0%	0
Las Casas (13B)	0	0.0%	0	0	0.0%	0
NeWest Residents (13C)	0	0.0%	0	0	0.0%	0
Fresh Ambitions (13D)	0	0.0%	0	0	0.0%	0
High Rise Renters (13E)	0	0.0%	0	0	0.0%	0
14. Scholars and Patriots	0	0.0%	0	0	0.0%	0
Military Proximity (14A)	0	0.0%	0	0	0.0%	0
College Towns (14B)	0	0.0%	0	0	0.0%	0
Dorms to Diplomas (14C)	0	0.0%	0	0	0.0%	0
Unclassified (15)	7	0.0%	2,369	3,645	7.1%	3,353

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

Source: Esri



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Tapestry Segmentation Area Profile

Ionia County, MI
 Ionia County, MI (26067)
 Geography: County

Prepared by Esri

Tapestry Urbanization	2018 Households			2018 Adult Population		
	Number	Percent	Index	Number	Percent	Index
Total:	22,625	100.0%		51,080	100.0%	
1. Principal Urban Center	0	0.0%	0	0	0.0%	0
Laptops and Lattes (3A)	0	0.0%	0	0	0.0%	0
Metro Renters (3B)	0	0.0%	0	0	0.0%	0
Trendsetters (3C)	0	0.0%	0	0	0.0%	0
Downtown Melting Pot (8D)	0	0.0%	0	0	0.0%	0
City Strivers (11A)	0	0.0%	0	0	0.0%	0
NeWest Residents (13C)	0	0.0%	0	0	0.0%	0
Fresh Ambitions (13D)	0	0.0%	0	0	0.0%	0
High Rise Renters (13E)	0	0.0%	0	0	0.0%	0
2. Urban Periphery	1,515	6.7%	40	2,863	5.6%	31
Pacific Heights (2C)	0	0.0%	0	0	0.0%	0
Rustbelt Traditions (5D)	1,515	6.7%	305	2,863	5.6%	271
Urban Villages (7B)	0	0.0%	0	0	0.0%	0
American Dreamers (7C)	0	0.0%	0	0	0.0%	0
Barios Urbanos (7D)	0	0.0%	0	0	0.0%	0
Southwestern Families (7F)	0	0.0%	0	0	0.0%	0
City Lights (8A)	0	0.0%	0	0	0.0%	0
Bright Young Professionals (8C)	0	0.0%	0	0	0.0%	0
Metro Fusion (11C)	0	0.0%	0	0	0.0%	0
Family Foundations (12A)	0	0.0%	0	0	0.0%	0
Modest Income Homes (12D)	0	0.0%	0	0	0.0%	0
International Marketplace (13A)	0	0.0%	0	0	0.0%	0
Las Casas (13B)	0	0.0%	0	0	0.0%	0
3. Metro Cities	4,138	18.3%	100	8,322	16.3%	97
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)	560	2.5%	204	979	1.9%	165
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)	3,578	15.8%	819	7,343	14.4%	800
College Towns (14B)	0	0.0%	0	0	0.0%	0
Dorms to Diplomas (14C)	0	0.0%	0	0	0.0%	0

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.
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Ionia Housing Needs Assessment – June 4, 2019



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Tapestry Segmentation Area Profile

Ionia County, MI
 Ionia County, MI (26067)
 Geography: County

Prepared by Esri

Tapestry Urbanization	2018 Households			2018 Adult Population		
	Number	Percent	Index	Number	Percent	Index
Total:	22,625	100.0%		51,080	100.0%	
4. Suburban Periphery	0	0.0%	0	0	0.0%	0
Top Tier (1A)	0	0.0%	0	0	0.0%	0
Professional Pride (1B)	0	0.0%	0	0	0.0%	0
Boomburbs (1C)	0	0.0%	0	0	0.0%	0
Savvy Suburbanites (1D)	0	0.0%	0	0	0.0%	0
Exurbanites (1E)	0	0.0%	0	0	0.0%	0
Urban Chic (2A)	0	0.0%	0	0	0.0%	0
Pleasantville (2B)	0	0.0%	0	0	0.0%	0
Enterprising Professionals (2D)	0	0.0%	0	0	0.0%	0
Soccer Moms (4A)	0	0.0%	0	0	0.0%	0
Home Improvement (4B)	0	0.0%	0	0	0.0%	0
Comfortable Empty Nesters (5A)	0	0.0%	0	0	0.0%	0
Parks and Rec (5C)	0	0.0%	0	0	0.0%	0
Midlife Constants (5E)	0	0.0%	0	0	0.0%	0
Up and Coming Families (7A)	0	0.0%	0	0	0.0%	0
Silver & Gold (9A)	0	0.0%	0	0	0.0%	0
Golden Years (9B)	0	0.0%	0	0	0.0%	0
The Elders (9C)	0	0.0%	0	0	0.0%	0
Military Proximity (14A)	0	0.0%	0	0	0.0%	0
5. Semirural	4,052	17.9%	192	8,037	15.7%	175
Middleburg (4C)	615	2.7%	95	1,219	2.4%	83
Heartland Communities (6F)	3,133	13.8%	603	6,251	12.2%	571
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)	304	1.3%	117	567	1.1%	96
Small Town Simplicity (12C)	0	0.0%	0	0	0.0%	0
6. Rural	12,913	57.1%	340	28,213	55.2%	328
Green Acres (6A)	1,240	5.5%	171	2,678	5.2%	158
Salt of the Earth (6B)	7,460	33.0%	1,150	15,472	30.3%	1,053
The Great Outdoors (6C)	0	0.0%	0	0	0.0%	0
Prairie Living (6D)	0	0.0%	0	0	0.0%	0
Rural Resort Dwellers (6E)	0	0.0%	0	0	0.0%	0
Southern Satellites (10A)	3,868	17.1%	546	8,182	16.0%	505
Rooted Rural (10B)	0	0.0%	0	0	0.0%	0
Diners & Miners (10C)	0	0.0%	0	0	0.0%	0
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Source: Esri

CERTIFICATION

CONSULTANT CERTIFICATION/CERTIFICATE OF ACCURACY

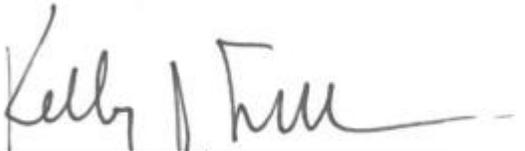
It is hereby attested to that the information in this report is true and accurate. Information gathered from other sources is considered to be reliable; however, the undersigned does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment.

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

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



COMMUNITY RESEARCH SERVICES, LLC



Kelly J. Murdock

Date: June 4, 2019

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, is the co-chair of the Peer Review committee, and will lead the council as Chairman during the upcoming 2019-2020 term. Mr. Murdock has been awarded the Professional Member designation by NCHMA, the highest level of membership offered by the organization.