

Looking forward to sufficient housing

The new year is a great time to take stock, and to look forward to what's next for our economy and communities.

Our yearly reflection has a little help from a study just released this fall, which provided estimates on the demand for homes in Northwest Michigan. It told us that our region could add more than 15,500 homes — including 4,660 homes for sale and 10,880 rentals — through both new construction, and through conversions of existing homes into additional units.

As an update to a 2014 study, which called for about 14,000 units, the new study shows us the extent to which construction wasn't able to keep up with housing demand over the last five years.

It also tells us that demand continues to grow, as our population changes and businesses expand.

Some of that growing demand is a by-product of our aging population and shrinking household sizes: with only one or two people living in many homes region-wide, our population is spread out over more homes, and we need more housing even for the same number of people. What's more,



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many of those smaller households are looking for smaller homes — which largely haven't been built yet, and aren't available.

Demand is also coming from those who would move to the area for jobs — but can't, because they can't find a place to live. Employers have countless tales to tell about new recruits they couldn't hire because of housing costs or availability. And, of course, there's short-term rentals: with a strong market for weekly rentals, homes are being converted into seasonal housing, taking units off the market for year-round residents and creating more demand for new units.

What could we gain if we were actually able to build all the homes that study calls for — if we had the construction labor, the land, the political will,

and the financial means? Well, the short answer is: jobs, income, and tax revenue. According to 2015 information from the National Association of Home Builders, building 100 affordable homes generates \$11 million in local income, 161 jobs in just the first year, and \$2.2 million in local taxes and other revenue for local governments.

To put it another way — what do we stand to lose if we don't build those homes? The National Low Income Housing Coalition cites research that shows that, because it prevents lower income households from moving to areas with better jobs, affordable housing shortages in metro areas cost \$2 trillion a year, nationally, in lower wages and productivity.

But the full impact is hard to quantify — not just because the potential economic loss is so huge, but because some community impacts are immeasurable. What does it mean to a community when a school closes because families need to leave town to look for housing elsewhere? What does that do to our future workforce? What does it mean to you when your kids and grandkids can't move home because they can't find a

place to live? How do you retain staff when they're overworked because you can't recruit more employees? Who waits tables and cleans hotel rooms during the busy summer seasons, who provides day care for working families, who answers 9-1-1 calls, and who meets the health care needs of our aging population when workers can't afford to live here?

It's hard to fully comprehend all the ways our housing shortages impact our economy — and our future. But as we enter a new decade, we should take the time to consider those questions, and to decide how we want to shape that shared future.

Fortunately, we have a lot of best practices to look to, and proven strategies for success.

Housing North is building local and regional coalitions and working statewide to put those strategies into action and meet our region's housing demand — and citizens, local leaders, businesses, and community organizations can all be a part of the solutions. Visit housingnorth.org for more information, and stay tuned for upcoming information on ways to get involved in building homes for our future.