

ADDENDUM I: LEELANAU COUNTY OVERVIEW

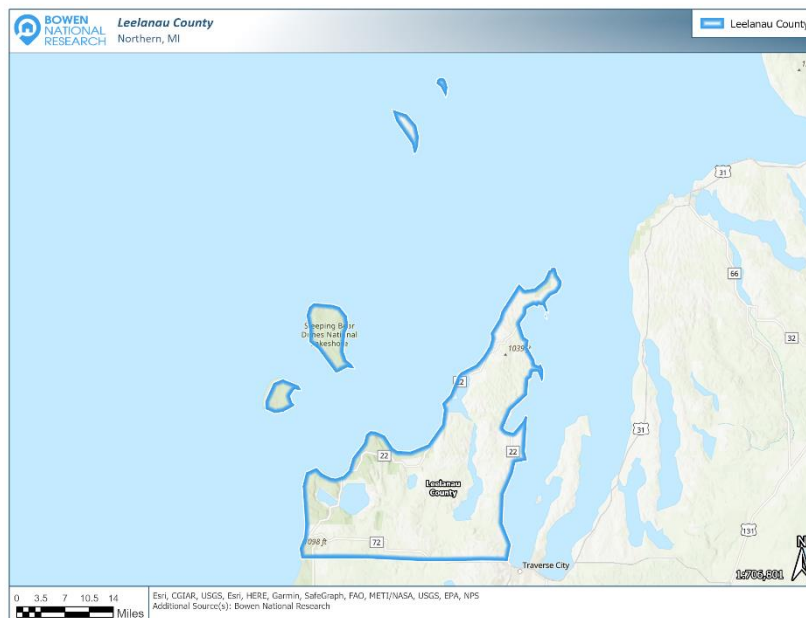
While the primary focus of this Housing Needs Assessment is on the Northern Michigan Region, this section of the report includes a cursory overview of demographic and housing metrics of Leelanau County. To provide a base of comparison, various metrics of Leelanau County were compared with overall statewide numbers. A comparison of the subject county in relation with other counties in the state is provided in the Regional Overview portion of the Northern Michigan Housing Needs Assessment.

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

A. INTRODUCTION

Leelanau County is located in the northwestern portion of the Lower Peninsula of Michigan along the eastern shores of Sleeping Bear and Good Harbor bays and western shores of West Arm Grand Traverse and Sutton bays. Leelanau County contains approximately 375.76 square miles and has an estimated population of 22,289 for 2022, which is representative of approximately 7.2% of the total population for the 10-county Northern Michigan Region. Suttons Bay Township serves as the county seat and is accessible via State Routes 22 and 204. Other notable population centers within the county include the villages of Empire, Northport, and a portion of Traverse City. Major arterials that serve the county include State Routes 22, 72, 109, 201, and 204.

A map illustrating Leelanau County is below.



B. DEMOGRAPHICS

This section of the report evaluates key demographic characteristics for Leelanau County. Demographic comparisons provide insights into the human composition of housing markets.

Population by numbers and percent change (growth or decline) for selected years is shown in the following table. It should be noted that some total numbers and percentages may not match the totals within or between tables in this section due to rounding. Note that declines are illustrated in red text, while increases are illustrated in green text:

	Total Population									
	2010 Census	2020 Census	Change 2010-2020		2022 Estimated	Change 2020-2022		2027 Projected	Change 2022-2027	
			Number	Percent		Number	Percent		Number	Percent
Leelanau	21,708	22,301	593	2.7%	22,289	-12	-0.1%	22,453	164	0.7%
Region	297,912	310,802	12,890	4.3%	311,690	888	0.3%	313,166	1,476	0.5%
Michigan	9,883,297	10,077,094	193,797	2.0%	10,077,929	835	0.0%	10,054,166	-23,763	-0.2%

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the population within Leelanau County increased by 593 (2.7%). This increase in population for Leelanau County is less than the 4.3% population growth within the PSA and slightly higher than the 2.0% growth in the state during this time period. In 2022, the estimated total population of Leelanau County is 22,289, which comprises 7.2% of the total PSA population. Between 2022 and 2027, the population of Leelanau County is projected to increase by 0.7%, which is a slightly higher growth rate than the PSA (0.5%) during this time. It is critical to point out that *household* changes, as opposed to population, are more material in assessing housing needs and opportunities. As illustrated on the following page, Leelanau County is projected to have a 1.0% increase in households between 2022 and 2027.

Other notable population statistics for Leelanau County include the following:

- Minorities comprise 10.1% of the county's population, which is higher than the Northern Michigan Region share of 8.7% and lower than the statewide share of 26.1%.
- Married persons represent 60.4% of the adult population, which is higher than the shares reported for the Northern Michigan Region (55.3%) and state of Michigan (49.0%).
- The adult population without a high school diploma is 4.0%, which is lower than shares reported for the Northern Michigan Region (6.1%) and the state of Michigan (7.7%).
- Approximately 6.4% of the population lives in poverty, which is lower than the Northern Michigan Region and statewide shares of 10.7% and 13.7%, respectively.

- The annual movership rate (population moving within or to Leelanau County) is 11.3%, which is lower than both the Northern Michigan Region (12.1%) and statewide (13.4%) shares.

Households by numbers and percent change (growth or decline) for selected years are shown in the following table. Note that declines are illustrated in red text, while increases are illustrated in green text:

	Total Households									
	2010 Census	2020 Census	Change 2010-2020		2022 Estimated	Change 2020-2022		2027 Projected	Change 2022-2027	
			Number	Percent		Number	Percent		Number	Percent
Leelanau	9,255	9,728	473	5.1%	9,740	12	0.1%	9,839	99	1.0%
Region	122,388	131,151	8,763	7.2%	131,968	817	0.6%	133,293	1,325	1.0%
Michigan	3,872,302	4,041,552	169,250	4.4%	4,055,460	13,908	0.3%	4,067,324	11,864	0.3%

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the number of households within Leelanau County increased by 473 (5.1%), which represents a smaller rate of increase compared to the region (7.2%), but greater than that of the state (4.4%). In 2022, there is an estimated total of 9,740 households in Leelanau County, which represents a 0.1% increase in households compared to 2020. In total, the households within Leelanau County account for 7.4% of all households within the region. Between 2022 and 2027, the number of households in Leelanau County is projected to increase by 1.0%, or 99 households. The projected increase in households within Leelanau County over the next five years is equal to the projected rate of increase in households for the region (1.0%) and higher than the moderate increase in the state (0.3%).

It should be noted that household growth alone does not dictate the total housing needs of a market. Factors such as households living in substandard or cost-burdened housing, people commuting into the county for work, pent-up demand, availability of existing housing, and product in the development pipeline all affect housing needs. These factors are addressed throughout this report.

Household heads by age cohorts for selected years are shown in the following table. Note that five-year declines are in red, while increases are in green:

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Leelanau	2010	152 (1.6%)	629 (6.8%)	1,089 (11.8%)	1,878 (20.3%)	2,333 (25.2%)	1,620 (17.5%)	1,554 (16.8%)
	2022	127 (1.3%)	759 (7.8%)	1,030 (10.6%)	1,359 (14.0%)	2,309 (23.7%)	2,382 (24.5%)	1,774 (18.2%)
	2027	116 (1.2%)	714 (7.3%)	1,125 (11.4%)	1,260 (12.8%)	1,991 (20.2%)	2,549 (25.9%)	2,084 (21.2%)
	Change 2022-2027	-11 (-8.7%)	-45 (-5.9%)	95 (9.2%)	-99 (-7.3%)	-318 (-13.8%)	167 (7.0%)	310 (17.5%)
Region	2010	3,841 (3.1%)	13,648 (11.2%)	18,314 (15.0%)	26,363 (21.5%)	26,039 (21.3%)	18,114 (14.8%)	16,069 (13.1%)
	2022	3,249 (2.5%)	15,367 (11.6%)	17,843 (13.5%)	20,514 (15.5%)	28,678 (21.7%)	26,939 (20.4%)	19,378 (14.7%)
	2027	3,134 (2.4%)	14,210 (10.7%)	18,674 (14.0%)	19,693 (14.8%)	25,393 (19.1%)	29,053 (21.8%)	23,136 (17.4%)
	Change 2022-2027	-115 (-3.5%)	-1,157 (-7.5%)	831 (4.7%)	-821 (-4.0%)	-3,285 (-11.5%)	2,114 (7.8%)	3,758 (19.4%)
Michigan	2010	170,982 (4.4%)	525,833 (13.6%)	678,259 (17.5%)	844,895 (21.8%)	746,394 (19.3%)	463,569 (12.0%)	442,370 (11.4%)
	2022	150,466 (3.7%)	572,672 (14.1%)	630,554 (15.5%)	677,148 (16.7%)	814,827 (20.1%)	695,910 (17.2%)	513,883 (12.7%)
	2027	144,849 (3.6%)	535,146 (13.2%)	653,008 (16.1%)	642,114 (15.8%)	736,410 (18.1%)	749,254 (18.4%)	606,543 (14.9%)
	Change 2022-2027	-5,617 (-3.7%)	-37,526 (-6.6%)	22,454 (3.6%)	-35,034 (-5.2%)	-78,417 (-9.6%)	53,344 (7.7%)	92,660 (18.0%)

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

In 2022, household heads between the ages of 65 and 74 within Leelanau County comprise the largest share of all households (24.5%). Household heads between the ages of 55 and 64 (23.7%) and those ages 75 and older (18.2%) comprise the next largest shares of the total households in Leelanau County. Overall, senior households (age 55 and older) constitute nearly two-thirds (66.4%) of all households within the county. This is a notably higher share of senior households as compared to the Northern Michigan Region (56.8%) and the state of Michigan (50.0%). Household heads under the age of 35, which are typically more likely to be renters or first-time homebuyers, comprise only 9.1% of all Leelanau County households, which represents a much smaller share of such households when compared to the region (14.1%) and the state (17.8%). Between 2022 and 2027, household growth within Leelanau County is projected to occur primarily among the age cohorts of 35 to 44 years and 65 years and older. The most significant growth will occur among households ages 75 and older, with Leelanau County experiencing a 17.5% increase within this age cohort. Aside from the age cohort of 35 to 44, which is projected to increase by 9.2%, households under the age of 65 are projected to decline over the next five years within the county.

Households by tenure (renter and owner) for selected years are shown in the following table. Note that 2027 numbers which represent a decrease from 2022 are illustrated in red text, while increases are illustrated in green text:

		Households by Tenure							
		2000		2010		2022		2027	
Household Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Leelanau	Owner-Occupied	7,831	84.6%	7,842	84.7%	8,615	88.4%	8,734	88.8%
	Renter-Occupied	1,424	15.4%	1,413	15.3%	1,125	11.6%	1,105	11.2%
	Total	9,255	100.0%	9,255	100.0%	9,740	100.0%	9,839	100.0%
Region	Owner-Occupied	98,506	80.5%	96,114	78.5%	105,039	79.6%	106,857	80.2%
	Renter-Occupied	23,882	19.5%	26,274	21.5%	26,929	20.4%	26,436	19.8%
	Total	122,388	100.0%	122,388	100.0%	131,968	100.0%	133,293	100.0%
Michigan	Owner-Occupied	2,857,499	73.8%	2,793,208	72.1%	2,895,751	71.4%	2,936,335	72.2%
	Renter-Occupied	1,014,803	26.2%	1,079,094	27.9%	1,159,709	28.6%	1,130,990	27.8%
	Total	3,872,302	100.0%	3,872,302	100.0%	4,055,460	100.0%	4,067,325	100.0%

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

In 2022, Leelanau County has an 88.4% share of owner households and an 11.6% share of renter households. Leelanau County has a notably larger share of owner households as compared to the Northern Michigan Region (79.6%) and the state (71.4%). Overall, Leelanau County renter households represent 4.2% of all renter households within the Northern Michigan Region. Between 2022 and 2027, the number of owner households in Leelanau County is projected to increase by 119 households (1.4%), while the number of renter households is projected to decrease by 20 households (1.8%). The increase among owner households in the county will likely contribute to an increase in demand within the for-sale housing market over the next five years.

Median household income for selected years is shown in the following table:

		Median Household Income				
		2010 Census	2022 Estimated	% Change 2010-2022	2027 Projected	% Change 2022-2027
Leelanau		\$53,799	\$71,232	32.4%	\$80,913	13.6%
Region		\$44,261	\$63,085	42.5%	\$71,177	12.8%
Michigan		\$46,042	\$65,507	42.3%	\$75,988	16.0%

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

In 2022, the estimated median household income in Leelanau County is \$71,232. Between 2010 and 2022, the county experienced an increase of 32.4% in median household income. The increase in Leelanau County was less than the increases for both the region (42.5%) and the state of Michigan (42.3%). The median household income within the county in 2022 is 12.9% higher than that reported in the region (\$63,085). The median household income in the county is projected to increase by an additional 13.6% between 2022 and 2027, resulting in a projected median income of \$80,913 by 2027, which will remain well above the projected median income for the region (\$71,177) and state (\$75,988).

The distribution of *renter* households by income is illustrated below. Note that declines between 2022 and 2027 are in **red**, while increases are in **green**:

		Renter Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Leelanau	2010	164 (11.6%)	293 (20.7%)	245 (17.3%)	191 (13.5%)	169 (12.0%)	106 (7.5%)	200 (14.2%)	46 (3.3%)
	2022	113 (10.0%)	153 (13.6%)	175 (15.6%)	187 (16.6%)	151 (13.4%)	82 (7.3%)	187 (16.6%)	78 (6.9%)
	2027	101 (9.1%)	126 (11.4%)	155 (14.0%)	202 (18.3%)	136 (12.3%)	80 (7.2%)	205 (18.5%)	101 (9.2%)
	Change 2022-2027	-12 (-10.6%)	-27 (-17.6%)	-20 (-11.4%)	15 (8.0%)	-15 (-9.9%)	-2 (-2.4%)	18 (9.6%)	23 (29.5%)
Region	2010	3,632 (13.8%)	6,097 (23.2%)	4,944 (18.8%)	3,611 (13.7%)	2,920 (11.1%)	1,464 (5.6%)	2,903 (11.1%)	702 (2.7%)
	2022	2,324 (8.6%)	3,845 (14.3%)	4,696 (17.4%)	4,084 (15.2%)	2,979 (11.1%)	2,099 (7.8%)	4,829 (17.9%)	2,074 (7.7%)
	2027	1,965 (7.4%)	3,032 (11.5%)	4,394 (16.6%)	4,134 (15.6%)	2,829 (10.7%)	2,222 (8.4%)	5,265 (19.9%)	2,596 (9.8%)
	Change 2022-2027	-359 (-15.4%)	-813 (-21.1%)	-302 (-6.4%)	50 (1.2%)	-150 (-5.0%)	123 (5.9%)	436 (9.0%)	522 (25.2%)
Michigan	2010	199,712 (18.5%)	246,606 (22.9%)	177,623 (16.5%)	132,096 (12.2%)	102,309 (9.5%)	60,184 (5.6%)	120,836 (11.2%)	39,728 (3.7%)
	2022	130,946 (11.3%)	162,366 (14.0%)	160,440 (13.8%)	142,557 (12.3%)	118,579 (10.2%)	91,322 (7.9%)	228,712 (19.7%)	124,786 (10.8%)
	2027	101,174 (8.9%)	121,966 (10.8%)	136,822 (12.1%)	131,187 (11.6%)	112,648 (10.0%)	96,571 (8.5%)	262,502 (23.2%)	168,120 (14.9%)
	Change 2022-2027	-29,772 (-22.7%)	-40,400 (-24.9%)	-23,618 (-14.7%)	-11,370 (-8.0%)	-5,931 (-5.0%)	5,249 (5.7%)	33,790 (14.8%)	43,334 (34.7%)

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

In 2022, renter households earning between \$30,000 and \$39,999 (16.6%) and between \$60,000 and \$99,999 (16.6%) comprise the largest shares of renter households by income level within the county. Over half (55.8%) of all renter households within the county earn less than \$40,000 which is comparable to the regional (55.5%) share. Between 2022 and 2027, growth among renter households within Leelanau County is projected to be concentrated among households earning \$60,000 or more, with more moderate growth projected for those earning between \$30,000 and \$39,999. While the Northern Michigan Region will primarily experience growth among the same income cohorts, households earning between \$50,000 and \$59,999 are also projected to increase (5.9%) within the region. The largest growth (29.5%, or 23 households) within the county is projected to occur within renter households earning \$100,000 or more. Despite the projected growth among higher-income renter households between 2022 and 2027, over half (52.8%) of renter households within Leelanau County will continue to earn less than \$40,000 annually.

The distribution of *owner* households by income is included below. Note that declines between 2022 and 2027 are in red, while increases are in green:

		Owner Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Leelanau	2010	262 (3.3%)	564 (7.2%)	685 (8.7%)	813 (10.4%)	851 (10.8%)	922 (11.8%)	2,043 (26.1%)	1,701 (21.7%)
	2022	183 (2.1%)	306 (3.6%)	463 (5.4%)	834 (9.7%)	773 (9.0%)	663 (7.7%)	2,327 (27.0%)	3,065 (35.6%)
	2027	146 (1.7%)	223 (2.6%)	337 (3.9%)	792 (9.1%)	671 (7.7%)	597 (6.8%)	2,280 (26.1%)	3,687 (42.2%)
	Change 2022-2027	-37 (-20.2%)	-83 (-27.1%)	-126 (-27.2%)	-42 (-5.0%)	-102 (-13.2%)	-66 (-10.0%)	-47 (-2.0%)	622 (20.3%)
Region	2010	4,344 (4.5%)	9,146 (9.5%)	11,100 (11.5%)	12,022 (12.5%)	11,861 (12.3%)	10,277 (10.7%)	23,379 (24.3%)	13,986 (14.6%)
	2022	2,552 (2.4%)	4,891 (4.7%)	7,765 (7.4%)	9,550 (9.1%)	8,967 (8.5%)	9,135 (8.7%)	30,773 (29.3%)	31,405 (29.9%)
	2027	2,034 (1.9%)	3,540 (3.3%)	6,333 (5.9%)	8,594 (8.0%)	7,858 (7.4%)	8,551 (8.0%)	31,453 (29.4%)	38,493 (36.0%)
	Change 2022-2027	-518 (-20.3%)	-1,351 (-27.6%)	-1,432 (-18.4%)	-956 (-10.0%)	-1,109 (-12.4%)	-584 (-6.4%)	680 (2.2%)	7,088 (22.6%)
Michigan	2010	135,263 (4.8%)	233,420 (8.4%)	278,350 (10.0%)	300,038 (10.7%)	283,387 (10.1%)	274,521 (9.8%)	702,775 (25.2%)	585,454 (21.0%)
	2022	79,236 (2.7%)	127,936 (4.4%)	183,925 (6.4%)	219,479 (7.6%)	219,662 (7.6%)	236,316 (8.2%)	752,251 (26.0%)	1,076,947 (37.2%)
	2027	62,652 (2.1%)	95,491 (3.3%)	147,512 (5.0%)	184,824 (6.3%)	191,349 (6.5%)	215,963 (7.4%)	741,472 (25.3%)	1,297,072 (44.2%)
	Change 2022-2027	-16,584 (-20.9%)	-32,445 (-25.4%)	-36,413 (-19.8%)	-34,655 (-15.8%)	-28,313 (-12.9%)	-20,353 (-8.6%)	-10,779 (-1.4%)	220,125 (20.4%)

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

In 2022, 62.6% of *owner* households in Leelanau County earn \$60,000 or more annually, which represents a slightly larger share compared to the Northern Michigan Region (59.2%) and a similar share to the state of Michigan (63.2%). Over one-fourth (26.4%) of owner households in Leelanau County earn between \$30,000 and \$59,999, and the remaining 11.1% earn less than \$30,000. As such, the overall distribution of owner households by income in the county is slightly more concentrated among the higher income cohorts as compared to that within the Northern Michigan Region. Between 2022 and 2027, owner household growth is projected to be concentrated among households earning \$100,000 or more within both Leelanau County and the state of Michigan, whereas owner household growth is also projected in the Northern Michigan Region for households earning between \$60,000 and \$99,999. Specifically, owner households in the county earning \$100,000 or more are projected to increase by 20.3%, or 622 households, while all income cohorts earning less than this are projected to decline in the county over the next five years.

The following table illustrates the cumulative change in total population for Leelanau County and the PSA (Northern Michigan Region) between April 2010 and July 2020.

Estimated Components of Population Change for Leelanau County and the PSA (Northern Michigan Region) April 1, 2010 to July 1, 2020								
Area	Population		Change*		Components of Change			
	2010	2020	Number	Percent	Natural Increase	Domestic Migration	International Migration	Net Migration
Leelanau County	21,711	21,743	32	0.1%	-765	689	118	807
Region	297,921	307,719	9,798	3.3%	-3,601	12,217	1,320	13,537

Source: U.S. Census Bureau, Population Division, October 2021

*Includes residuals (-10, Leelanau County; -138, Region) representing the change that cannot be attributed to any specific demographic component

Based on the preceding data, the moderate population increase (0.1%) within Leelanau County from 2010 to 2020 was primarily the result of domestic migration. While natural decrease (more deaths than births) had a negative influence (-765) on the population within Leelanau County between 2010 and 2020, positive domestic migration (689) and international migration (118) resulted in an overall slight increase in population (32) during this time period. This trend of positive domestic and international migration combined with natural decrease in Leelanau County is consistent with the regionwide trends within the PSA (Northern Michigan Region). In order for Leelanau County to continue benefiting from positive net migration, it is important that an adequate supply of income-appropriate rental and for-sale housing is available to accommodate migrants and to retain young families in the county, which can contribute to natural increase in an area.

The following table illustrates the top 10 gross migration counties (total combined inflow and outflow) for Leelanau County with the resulting net migration (difference between inflow and outflow) for each. Note that data for counties contained within the PSA (Northern Michigan Region) are highlighted in red text.

County-to-County Domestic Population Migration for Leelanau County Top 10 Gross Migration Counties*			
County	Gross Migration		Net-Migration
	Number	Percent	
Grand Traverse County, MI	724	26.2%	-126
Ingham County, MI	128	4.6%	-60
Oakland County, MI	97	3.5%	53
Kent County, MI	85	3.1%	13
Benzie County, MI	68	2.5%	18
Antrim County, MI	64	2.3%	-12
Livingston County, MI	63	2.3%	63
Cook County, IL	54	2.0%	54
Hendricks County, IN	53	1.9%	53
Lenawee County, MI	46	1.7%	-46
All Other Counties	1,380	50.0%	200
Total Migration	2,762	100.0%	210

Source: U.S. Census Bureau, 2019 5-Year American Community Survey; Bowen National Research

*Only includes counties within the state and bordering states

As the preceding illustrates, one-half (50.0%) of the gross migration for Leelanau County is among the top 10 counties listed. Grand Traverse County, which is the top gross migration county and is within the PSA (Northern Michigan Region), has an overall negative net-migration (-126) influence for Leelanau County. In total, three of the top 10 migration counties (Grand Traverse, Benzie, and Antrim) for Leelanau County are within the PSA. Combined, these three PSA counties have a negative net-migration (-120) influence for Leelanau County. Among the counties to which Leelanau County has the largest net loss of residents are Grand Traverse County (-126), Ingham County (-60), and Lenawee County (-46). It is also noteworthy that the counties outside the top 10 gross migration counties account for 95.2% of the net-migration gain for Leelanau County.

The following table details the *shares* of domestic in-migration by three select age cohorts for Leelanau County from 2012 to 2021.

Leelanau County Domestic County Population In-Migrants by Age, 2012 to 2021		
Age	2012-2016	2017-2021
1 to 24	22.2%	34.8%
25 to 64	64.4%	53.1%
65+	13.3%	12.1%
Median Age (In-state migrants)	43.3	37.0
Median Age (Out-of-state migrants)	53.8	51.2
Median Age (County Population)	53.6	54.9

Source: U.S. Census Bureau, 2016 and 2021 5-Year ACS Estimates (S0701); Bowen National Research

The American Community Survey five-year estimates from 2012 to 2016 in the preceding table illustrate that 64.4% of in-migrants to Leelanau County were between the ages of 25 and 64, while 22.2% were less than 25 years of age, and 13.3% were ages 65 and older. The share of in-migrants under the age of 25 increased to 34.8% during the time period between 2017 and 2021, while the share of in-migrants ages 25 to 64 decreased to 53.1%. The data between 2017 and 2021 also illustrates that the median age of in-state migrants (37.0 years) is notably less than out-of-state migrants (51.2 years) and the existing population of the county (54.9 years).

Geographic mobility by *per-person* income is distributed as follows (Note that this data is provided for the county *population*, not households, ages 15 and above):

Leelanau County: Income Distribution by Mobility Status for Population Age 15+ Years*						
2021 Inflation Adjusted Individual Income	Moved Within Same County		Moved From Different County, Same State		Moved From Different State	
	Number	Percent	Number	Percent	Number	Percent
<\$10,000	42	7.4%	180	16.3%	67	22.2%
\$10,000 to \$14,999	39	6.9%	39	3.5%	9	3.0%
\$15,000 to \$24,999	111	19.6%	220	19.9%	53	17.5%
\$25,000 to \$34,999	99	17.5%	78	7.1%	35	11.6%
\$35,000 to \$49,999	163	28.8%	113	10.2%	32	10.6%
\$50,000 to \$64,999	16	2.8%	103	9.3%	9	3.0%
\$65,000 to \$74,999	22	3.9%	89	8.1%	7	2.3%
\$75,000+	74	13.1%	281	25.5%	90	29.8%
Total	566	100.0%	1,103	100.0%	302	100.0%

Source: U.S. Census Bureau, 2021 5-Year American Community Survey (B07010); Bowen National Research
 *Excludes population with no income

According to data provided by the American Community Survey, nearly two-fifths (39.7%) of the population that moved to Leelanau County from a different county within Michigan earned less than \$25,000 per year. While a much smaller number of individuals moved to Leelanau County from out-of-state, a slightly larger share (42.7%) of these individuals earned less than \$25,000 per year. By comparison, the share of individuals earning \$50,000 or more per year is slightly larger for in-migrants from a different county within Michigan (42.9%) and slightly less for those from outside the state (35.1%). Although it is likely that a significant share of the population earning less than \$25,000 per year consists of children and young adults considered to be dependents within a larger family, this illustrates that housing at a variety of affordability levels is needed to accommodate households moving into Leelanau County.

Labor Force

The following table illustrates the employment base by industry for Leelanau County, the PSA (Northern Michigan Region), and the state of Michigan.

NAICS Group	Employment by Industry					
	Leelanau County		Region		Michigan	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	261	2.7%	1,037	0.6%	18,094	0.4%
Mining	61	0.6%	416	0.2%	6,059	0.1%
Utilities	25	0.3%	566	0.3%	14,450	0.3%
Construction	561	5.7%	8,709	4.9%	163,027	3.6%
Manufacturing	404	4.1%	16,371	9.1%	513,197	11.2%
Wholesale Trade	179	1.8%	4,703	2.6%	193,695	4.2%
Retail Trade	991	10.1%	25,115	14.0%	576,665	12.6%
Transportation & Warehousing	132	1.3%	2,863	1.6%	95,658	2.1%
Information	122	1.2%	2,773	1.5%	91,050	2.0%
Finance & Insurance	279	2.8%	4,834	2.7%	168,540	3.7%
Real Estate & Rental & Leasing	258	2.6%	3,412	1.9%	95,407	2.1%
Professional, Scientific & Technical Services	425	4.3%	7,617	4.3%	295,491	6.5%
Management of Companies & Enterprises	0	0.0%	227	0.1%	8,827	0.2%
Administrative, Support, Waste Management & Remediation Services	619	6.3%	4,042	2.3%	111,717	2.4%
Educational Services	604	6.1%	9,834	5.5%	378,891	8.3%
Health Care & Social Assistance	607	6.2%	38,645	21.6%	765,165	16.7%
Arts, Entertainment & Recreation	967	9.8%	7,845	4.4%	139,513	3.1%
Accommodation & Food Services	2,106	21.4%	20,986	11.7%	398,782	8.7%
Other Services (Except Public Administration)	465	4.7%	8,794	4.9%	270,042	5.9%
Public Administration	724	7.4%	9,313	5.2%	238,652	5.2%
Non-classifiable	47	0.5%	914	0.5%	30,131	0.7%
Total	9,837	100.0%	179,016	100.0%	4,573,053	100.0%

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

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

Leelanau County has an employment base of approximately 9,837 individuals within a broad range of employment sectors. The labor force within the county is based primarily in four sectors: Accommodation & Food Services (21.4%), Retail Trade (10.1%), Arts, Entertainment & Recreation (9.8%), and Public Administration (7.4%). It is interesting to note that only two of these sectors (Retail Trade and Accommodation & Food Services) comprise the largest sectors of employment within the PSA (Northern Michigan Region) and the state of Michigan. Combined, these four job sectors represent nearly half (48.7%) of the county employment base. This represents a smaller concentration of employment within the top four sectors compared to the top four sectors in the PSA (56.4%) and state (49.2%). Areas with a heavy concentration of employment within a limited number of industries can be more vulnerable to economic downturns with greater fluctuations in unemployment rates and total employment. With a slightly less concentrated overall distribution of employment, the economy within Leelanau County may be slightly less vulnerable to economic downturns compared to the PSA and state overall. However, it should be noted that Arts, Entertainment & Recreation, Accommodation & Food Services, and

Retail Trade are typically more vulnerable to economic downturns, and as the largest sectors of employment in the county, this may offset the advantage of having a less concentrated employment base. Although some occupations within these top sectors offer competitive wages, it is important to understand that a significant number of the occupations within these industries typically have lower average wages. This can contribute to demand for affordable housing options.

Data of overall total employment and unemployment rates of the county and the overall state since 2013 are compared in the following tables.

Year	Total Employment					
	Leelanau County		Michigan		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2013	9,518	-	4,323,410	-	143,929,000	-
2014	9,848	3.5%	4,416,017	2.1%	146,305,000	1.7%
2015	10,068	2.2%	4,501,816	1.9%	148,833,000	1.7%
2016	10,083	0.1%	4,606,948	2.3%	151,436,000	1.7%
2017	10,005	-0.8%	4,685,853	1.7%	153,337,000	1.3%
2018	9,989	-0.2%	4,739,081	1.1%	155,761,000	1.6%
2019	10,089	1.0%	4,773,453	0.7%	157,538,000	1.1%
2020	9,411	-6.7%	4,379,122	-8.3%	147,795,000	-6.2%
2021	9,561	1.6%	4,501,562	2.8%	152,581,000	3.2%
2022	9,861	3.1%	4,632,539	2.9%	158,291,000	3.7%
2023*	9,507	-3.6%	4,624,229	-0.2%	159,715,000	0.9%

Source: Department of Labor; Bureau of Labor Statistics

*Through March

Year	Unemployment Rate		
	Leelanau County	Michigan	United States
2013	7.6%	8.7%	7.4%
2014	6.7%	7.2%	6.2%
2015	5.4%	5.4%	5.3%
2016	5.0%	5.0%	4.9%
2017	4.8%	4.6%	4.4%
2018	4.3%	4.2%	3.9%
2019	3.8%	4.1%	3.7%
2020	8.3%	10.0%	8.1%
2021	5.2%	5.8%	5.4%
2022	4.3%	4.2%	3.7%
2023*	5.3%	4.5%	3.8%

Source: Department of Labor, Bureau of Labor Statistics

*Through March

From 2013 to 2019, the employment base in Leelanau County increased by 571 employees, or 6.0%, which was less than the state increase of 10.4% during that time. In 2020, which was largely impacted by the economic effects related to COVID-19, total employment decreased in Leelanau County by 6.7%, which was a smaller decline compared to the state (8.3%). In 2021, total employment for the county increased by 1.6%, followed by an additional increase of 3.1% in 2022. Although total employment in Leelanau County declined 3.6% through March 2023, which may be due, in part,

to seasonality, the increases in total employment over the last two full years are a positive sign that the local economy is recovering from the effects of the COVID-19 pandemic. While total employment still remains below the 2019 level, Leelanau County has recovered to within 97.7% (2022 full year) of the total employment in 2019, which represents a recovery rate slightly above that for the state of Michigan (97.0%).

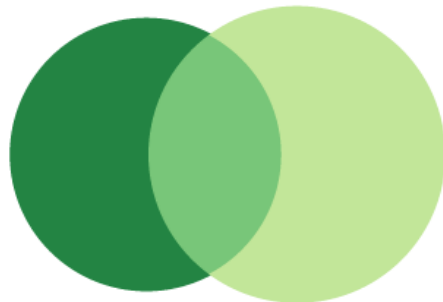
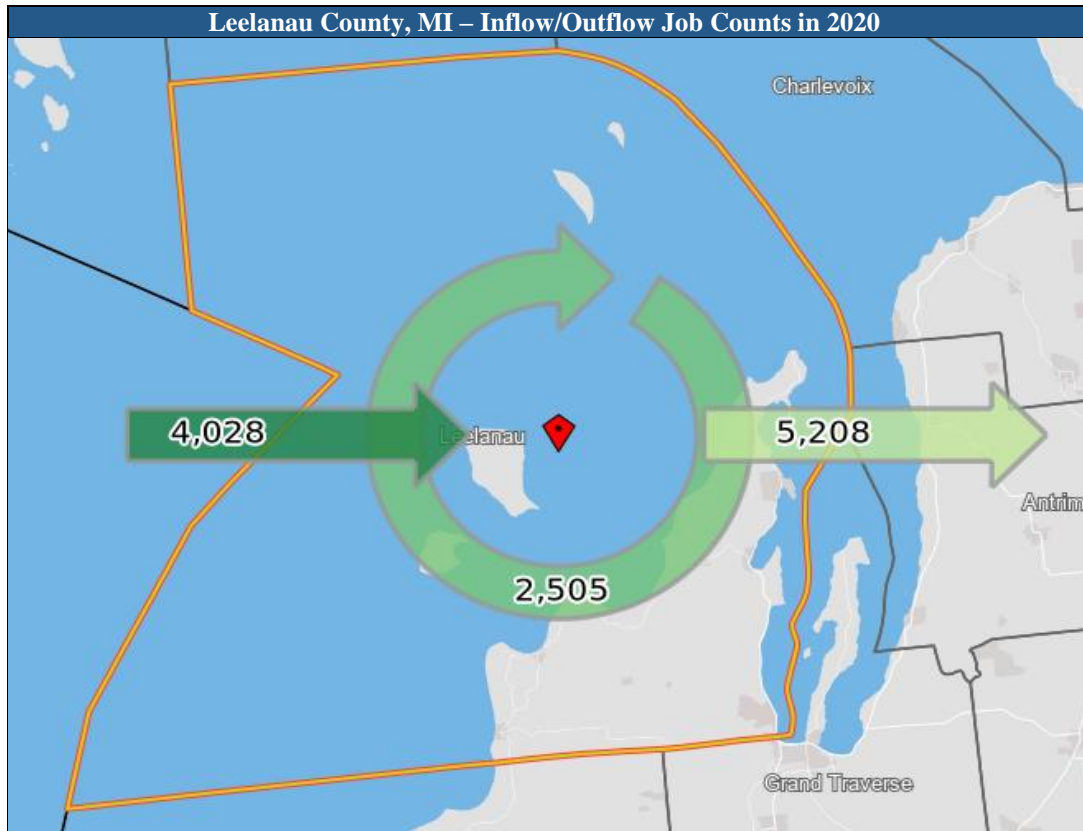
The unemployment rate within Leelanau County steadily declined from 2013 (7.6%) to 2019 (3.8%). It is noteworthy that the unemployment rate within the county has typically been comparable to, and in some cases lower than, the rate within the state since 2013. In 2020, the unemployment rate increased sharply to 8.3%, which represents an unemployment rate below that of the state (10.0%) during this time. In 2021, the unemployment rate within the county decreased to 5.2%. As of 2022, the unemployment rate within the county decreased to 4.3%. This represents an unemployment rate that is marginally higher than the state (4.2%) and nation (3.7%). Additionally, the 4.3% unemployment rate within the county is much more comparable to the rate in 2019 (3.8%) and is a positive sign of continuing recovery in the local economy.

Commuting Data

According to the 2016-2020 American Community Survey (ACS), 85.8% of Leelanau County commuters either drive alone or carpool to work, 2.2% walk to work and 10.3% work from home. ACS also indicates that 64.9% of Leelanau County workers have commute times of less than 30 minutes, while 3.6% have commutes of 60 minutes or more. This represents slightly shorter commute times compared to the state, where 62.6% of workers have commute times of less than 30 minutes and 6.0% have commutes of at least 60 minutes. Tables illustrating detailed commuter data are provided on pages V-18 and V-19 in Section V: Economic Analysis.

According to 2020 U.S. Census Longitudinal Origin-Destination Employment Statistics (LODES), of the 7,713 employed residents of Leelanau County, 5,208 (67.5%) are employed outside the county, while the remaining 2,505 (32.5%) are employed within Leelanau County. In addition, 4,028 people commute into Leelanau County from surrounding areas for employment. These 4,028 non-residents account for over three-fifths (61.7%) of the people employed in the county and represent a notable base of potential support for future residential development.

The following illustrates the number of jobs filled by in-commuters and residents, as well as the number of resident out-commuters. The distribution of age and earnings for each commuter cohort is also provided.



■ 4,028 - Employed in Selection Area, Live Outside
■ 5,208 - Live in Selection Area, Employed Outside
■ 2,505 - Employed and Live in Selection Area

Inflow/Outflow Job Counts (All Jobs)

	2020	
	Count	Share
Employed in the Selection Area	6,533	100.0%
Employed in the Selection Area but Living Outside	4,028	61.7%
Employed and Living in the Selection Area	2,505	38.3%
Living in the Selection Area	7,713	100.0%
Living in the Selection Area but Employed Outside	5,208	67.5%
Living and Employed in the Selection Area	2,505	32.5%

Commuting Flow Analysis by Age and Earnings (2020, All Jobs)

Worker Characteristics	Resident Outflow		Workers Inflow		Resident Workers	
	Number	Share	Number	Share	Number	Share
Ages 29 or younger	956	18.4%	917	22.8%	443	17.7%
Ages 30 to 54	2,639	50.7%	2,081	51.7%	1,157	46.2%
Ages 55 or older	1,613	31.0%	1,030	25.6%	905	36.1%
Earning <\$1,250 per month	1,295	24.9%	1,110	27.6%	817	32.6%
Earning \$1,251 to \$3,333	1,458	28.0%	1,607	39.9%	904	36.1%
Earning \$3,333+ per month	2,455	47.1%	1,311	32.5%	784	31.3%
Total Worker Flow	5,208	100.0%	4,028	100.0%	2,505	100.0%

Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES)

Note: Figures do not include contract employees and self-employed workers

Of the county’s 4,028 in-commuters, over one-half (51.7%) are between the ages of 30 and 54, 25.6% are age 55 or older, and 22.8% are under the age of 30. This is a generally similar distribution of workers by age compared to the resident outflow workers. Approximately two-fifths (39.9%) of inflow workers earn between \$1,251 and \$3,333 per month (approximately \$15,000 to \$40,000 annually), nearly one-third (32.5%) earn more than \$3,333 per month, and the remaining 27.6% earn \$1,250 or less per month. By comparison, nearly one-half (47.1%) of outflow workers earn more than \$3,333 per month, over one-fourth (28.0%) earn between \$1,251 and \$3,333 per month, and the remaining 24.9% earn \$1,250 or less per month. Based on the preceding data, people that commute *into* Leelanau County for employment are typically similar in age and more likely to earn low to moderate wages (less than \$3,333 per month) when compared to residents commuting out of the county for work. Regardless, given the diversity of incomes and ages of the nearly 4,030 people commuting into the area for work each day, a variety of housing product types could be developed to potentially attract these commuters to live in Leelanau County.

C. HOUSING METRICS

The estimated distribution of the area housing stock by tenure for Leelanau County for 2022 is summarized in the following table:

		Occupied and Vacant Housing Units by Tenure 2022 Estimates				
		Total Occupied	Owner Occupied	Renter Occupied	Vacant	Total
Leelanau County	Number	9,740	8,615	1,125	5,832	15,572
	Percent	62.5%	88.4%	11.6%	37.5%	100.0%
Region	Number	131,968	105,039	26,929	52,017	183,985
	Percent	71.7%	79.6%	20.4%	28.3%	100.0%
Michigan	Number	4,055,460	2,895,751	1,159,709	533,313	4,588,773
	Percent	88.4%	71.4%	28.6%	11.6%	100.0%

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

In total, there are an estimated 15,572 housing units within Leelanau County in 2022. Based on ESRI estimates and 2020 Census data, of the 9,740 total *occupied* housing units in Leelanau County, 88.4% are owner occupied, while the remaining 11.6% are renter occupied. As such, Leelanau County has a much higher share of owner-occupied housing units when compared to the Northern Michigan Region (79.6%) and the state of Michigan (71.4%). Leelanau County also has a higher share (37.5%) of housing units classified as vacant compared to the region (28.3%) and state (11.6%). Vacant units are comprised of a variety of units including abandoned properties, unoccupied rentals, for-sale homes, and seasonal housing units.

The following table compares key housing age and conditions based on 2016-2020 American Community Survey data. Housing units built over 50 years ago (pre-1970), overcrowded housing (1.01+ persons per room), or housing that lacks complete indoor kitchens or bathroom plumbing are illustrated by tenure. It is important to note that some occupied housing units may have more than one housing issue.

	Housing Age and Conditions											
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Leelanau County	356	34.8%	2,364	28.9%	41	4.0%	48	0.6%	41	4.0%	1	< 0.1%
Region	7,662	31.6%	30,923	30.2%	781	3.2%	1,204	1.2%	619	2.5%	605	0.6%
Michigan	526,133	46.8%	1,373,485	48.1%	32,741	2.9%	31,181	1.1%	24,376	2.2%	16,771	0.6%

Source: American Community Survey (2016-2020); ESRI; Urban Decision Group; Bowen National Research

In Leelanau County, 34.8% of the renter-occupied housing units and 28.9% of the owner-occupied housing units were built prior to 1970. Based on these figures, the housing stock in Leelanau County appears to be similar in age compared to housing within the region but newer compared to housing units statewide. The share of renter housing units (4.0%) in the county that experience overcrowding are above rates within the region and state, while the share of overcrowded owner-occupied units (0.6%) is lower than regional and state shares of similar housing units. The share of renter housing units (4.0%) in the county with incomplete plumbing or kitchens is higher than in the region and state, while the share of owner housing units (<0.1%) in Leelanau County with incomplete plumbing or kitchens is lower than regional and statewide rates.

The following table compares key household income, housing cost, and housing affordability metrics. It should be noted that cost burdened households pay over 30% of income toward housing costs, while severe cost burdened households pay over 50% of income toward housing.

	Household Income, Housing Costs and Affordability						
	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
				Renter	Owner	Renter	Owner
Leelanau County	\$71,232	\$307,877	\$966	43.3%	22.6%	15.9%	9.3%
Region	\$63,085	\$209,788	\$888	43.3%	20.4%	20.0%	7.7%
Michigan	\$65,507	\$204,371	\$968	44.9%	18.8%	23.1%	7.4%

Source: American Community Survey (2016-2020); ESRI; Urban Decision Group; Bowen National Research

*Paying more than 30% of income toward housing costs

**Paying more than 50% of income toward housing costs

The median household income of \$71,232 within Leelanau County is higher than the median household income for the Northern Michigan Region (\$63,085) and the state of Michigan (\$65,507). The estimated median home value in Leelanau County (\$307,877) is significantly higher than estimated median home values in the region and state, while the county's average gross rent is higher than in the region but similar to the statewide average gross rent. In Leelanau County, 43.3% of renter households and 22.6% of owner households are cost burdened. Each of these figures are generally consistent with regional and state shares. Overall, Leelanau County has an estimated 443 renter households and 1,848 owner households that are housing cost burdened. As such, affordable housing alternatives should be part of future housing solutions.

Based on the 2016-2020 American Community Survey (ACS) data, the following is a distribution of all occupied housing by units in structure by tenure (renter or owner) for Leelanau County, the Northern Michigan Region and the state of Michigan.

		Renter-Occupied Housing by Units in Structure				Owner-Occupied Housing by Units in Structure			
		4 Units or Less	5 Units or More	Mobile Home/ Other	Total	4 Units or Less	5 Units or More	Mobile Home/ Other	Total
Leelanau County	Number	787	135	101	1,023	7,948	50	180	8,178
	Percent	76.9%	13.2%	9.9%	100.0%	97.2%	0.6%	2.2%	100.0%
Region	Number	13,338	8,236	2,710	24,284	93,237	969	7,958	102,164
	Percent	54.9%	33.8%	11.1%	100.0%	91.3%	1.0%	7.8%	100.0%
Michigan	Number	588,520	488,828	47,520	1,124,868	2,669,942	35,543	149,878	2,855,363
	Percent	52.3%	43.5%	4.2%	100.0%	93.5%	1.2%	5.2%	100.0%

Source: American Community Survey (2016-2020); ESRI; Urban Decision Group; Bowen National Research

In Leelanau County, over three-quarters (76.9%) of the *rental* units are within structures of four units or less, while mobile homes comprise an additional 9.9% of county rental units. The combined share of these two types of structures (86.8%) is much higher when compared to that of the region (66.0%) and state (56.5%). Leelanau County also has a much lower share (13.2%) of multifamily rental housing (five or more units within a structure) when compared to the region (33.8%) and state (43.5%). Among *owner*-occupied units in the county, there is a higher share (97.2%) of units within structures of four units or less and a lower share (2.2%) of mobile home units compared to the shares of such units in the region and state. According to ACS data, there is a very small share (0.6%) of owner-occupied housing units in Leelanau County within structures of five or more units.

The following table summarizes monthly gross rents (per unit) for area rental alternatives within Leelanau County, the Northern Michigan Region, and the state of Michigan. While this data encompasses all rental units, which includes multifamily apartments, a sizable majority (86.8%) of the county's rental supply consists of non-conventional rentals. Therefore, it is reasonable to conclude that the following provides insight into the overall distribution of rents among the non-conventional rental housing units. It should be noted, gross rents include tenant-paid rents and tenant-paid utilities.

		Estimated Monthly Gross Rents by Market								
		<\$300	\$300 - \$500	\$500 - \$750	\$750 - \$1,000	\$1,000 - \$1,500	\$1,500 - \$2,000	\$2,000+	No Cash Rent	Total
Leelanau County	Number	69	59	195	175	361	74	9	81	1,023
	Percent	6.7%	5.8%	19.1%	17.1%	35.3%	7.2%	0.9%	7.9%	100.0%
Region	Number	1,235	2,176	5,475	6,155	6,264	794	375	1,810	24,284
	Percent	5.1%	9.0%	22.5%	25.3%	25.8%	3.3%	1.5%	7.5%	100.0%
Michigan	Number	51,846	69,698	227,872	314,293	299,877	70,403	33,633	57,245	1,124,867
	Percent	4.6%	6.2%	20.3%	27.9%	26.7%	6.3%	3.0%	5.1%	100.0%

Source: American Community Survey (2016-2020); ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, the largest share (35.3%) of Leelanau County rental units has gross rents between \$1,000 and \$1,500. There are also notable shares of rental units with gross rents between \$500 and \$750 (19.1%) and between \$750 and \$1,000 (17.1%). Overall, nearly half (48.7%) of rental units in the county have gross rents that are \$1,000 or less, which is a significantly lower share of these units compared to the region (61.9%) and state (59.0%). The smaller share of units with lower gross rents in Leelanau County likely indicates a lack of housing choices for low- and moderate-income households in the market.

Bowen National Research’s Survey of Housing Supply

Multifamily Rental Housing

A field survey of conventional apartment properties was conducted as part of this Housing Needs Assessment. The following table summarizes the county’s surveyed multifamily rental supply.

Multifamily Supply by Product Type – Leelanau County				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Government-Subsidized	1	18	0	100.0%
Total	1	18	0	100.0%

In Leelanau County, one government-subsidized apartment property was surveyed with a total of 18 units. The 18-unit subsidized property is 100% occupied with a wait list of eight households for the next available units. This property has a quality rating of “B,” reflective of housing in good condition. No market-rate or Tax Credit properties were surveyed in the county.

Non-Conventional Rental Housing

Non-conventional rentals are considered rental units typically consisting of single-family homes, duplexes, units over store fronts, mobile homes, etc. and account for 86.8% of the total rental units in Leelanau County. The following table illustrates the distribution of renter-occupied housing by the number of units in the structure for Leelanau County.

		Renter-Occupied Housing by Units in Structure			
		1 to 4 Units	5 or More Units	Mobile Homes/ Boats/RVs	Total Units
Leelanau County	Number	787	135	101	1,023
	Percent	76.9%	13.2%	9.9%	100.0%
Region	Number	13,338	8,236	2,710	24,284
	Percent	54.9%	33.9%	11.2%	100.0%
Michigan	Number	588,520	488,828	47,520	1,124,868
	Percent	52.3%	43.5%	4.2%	100.0%

Source: American Community Survey (2016-2020); ESRI; Urban Decision Group; Bowen National Research

In Leelanau County, over three-quarters (76.9%) of non-conventional rental units are within structures containing one to four units. This is a much higher rate of rental units within one- to four-unit structures compared to the Northern Michigan Region (54.9%) and the state of Michigan (52.3%). Note that only 13.2% of rental units in the county are in structures that contain five or more units, which are typically referred to as conventional rental units. This is a much lower share of conventional rental units compared to the region (33.9%) and state (43.5%). As a significant share of the rental housing stock in Leelanau County is comprised of non-conventional rentals, it is clear that this housing segment warrants additional analysis.

Bowen National Research conducted an online survey between March and May 2023 and identified two non-conventional rentals that were listed as *available* for rent in Leelanau County. While these rentals do not represent all non-conventional rentals, they are representative of common characteristics of the various non-conventional rental alternatives available in the market. As a result, these rentals provide a good baseline to compare the rental rates, number of bedrooms, number of bathrooms, and other characteristics of non-conventional rentals.

The following table summarizes the sample survey of *available* non-conventional rentals identified in Leelanau County.

Surveyed Non-Conventional Rental Supply – Leelanau County				
Bedroom	Vacant Units	Rent Range	Median Rent	Median Rent Per Square Foot
Studio	0	-	-	-
One-Bedroom	0	-	-	-
Two-Bedroom	1	\$2,300	\$2,300	\$1.53
Three-Bedroom	1	\$2,600	\$2,600	\$1.44
Four-Bedroom+	0	-	-	-
Total	2			

Source: Zillow; Apt.com; Trulia; Realtor.com; Facebook

When compared with all non-conventional rentals in the county, the two available rentals represent an occupancy rate of 99.8%. This is an extremely high occupancy rate. The identified non-conventional rentals in Leelanau County consist of a two-bedroom unit renting for \$2,300 and a three-bedroom unit renting for \$2,600. These are very high rents that are unlikely to be affordable to most households in the county. Note that there were no market-rate or Tax Credit conventional properties surveyed in Leelanau County as part of this Housing Needs Assessment, and that the only affordable housing property surveyed in the county was 100% occupied at the time of this survey. Therefore, prospective tenants seeking to rent units in the county have very few options.

For-Sale Housing

The following table summarizes the available (as of February 2023) and recently sold (between September 2022 and March 2023) housing stock for Leelanau County.

Leelanau County - Owner For-Sale/Sold Housing Supply		
Type	Homes	Median Price
Available*	33	\$975,000
Sold**	103	\$520,000

Source: Realtor.com and Bowen National Research

*As of Feb. 28, 2023

**Sales from Sept. 12, 2022 to Mar. 15, 2023

The available for-sale housing stock in Leelanau County as of February 2023 consists of 33 total units with a median list price of \$975,000. Note that 14 of the 33 listed homes have asking prices of at least \$1,000,000. The 33 available units represent 6.0% of the 551 available units within the Northern Michigan Region. Historical sales ranging from September 2022 to March 2023 consisted of 103 homes sold during this period with a median sale price of \$520,000. Note that the median list price of available product (\$975,000) is significantly higher than the median sale price of recently sold homes. The 33 available homes represent only 0.4% of the estimated 8,615 owner-occupied units in Leelanau County. Typically, in healthy, well-balanced markets, approximately 2% to 3% of the for-sale housing stock should be available for purchase to allow for inner-market mobility and to enable the market to attract households. Leelanau County appears to have a disproportionately low number of housing units available to purchase.

The following table illustrates sales activity from September 2022 to March 2023 for Leelanau County.

Leelanau County Sales History by Price (Sept. 12, 2022 to Mar. 15, 2023)		
Sale Price	Number Available	Percent of Supply
Up to \$99,999	4	3.9%
\$100,000 to \$199,999	5	4.9%
\$200,000 to \$299,999	9	8.7%
\$300,000 to \$399,999	15	14.6%
\$400,000+	70	68.0%
Total	103	100.0%

Source: Realtor.com and Bowen National Research

Recent sales activity in Leelanau County primarily favors homes at price points that generally target high-income buyers. Note that over two-thirds (68.0%) of the 103 homes sold between September 2022 and March 2023 were priced at \$400,000 or above, while 14.6% of recent sales were priced between \$300,000 and \$399,999. By comparison, only 17.5% of sales were for units priced below \$300,000, which is a price point sought after by first-time and middle-class home buyers.

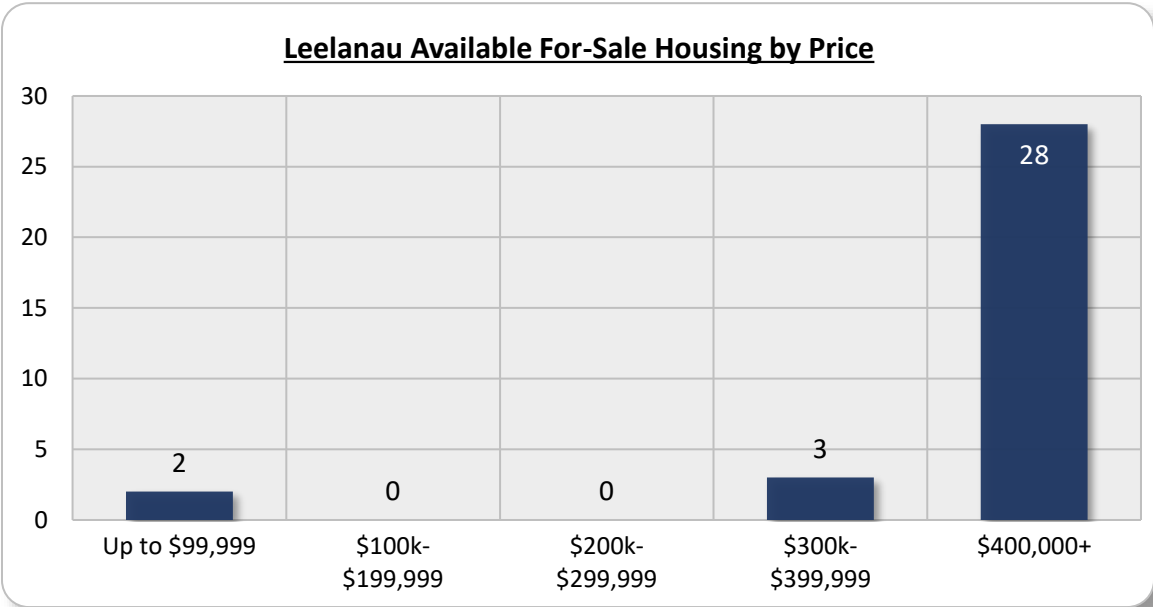
The following table summarizes the distribution of *available* for-sale residential units by *price point* for Leelanau County:

Leelanau County Available For-Sale Housing by Price (As of Feb. 28, 2023)		
List Price	Number Available	Percent of Supply
Up to \$99,999	2	6.1%
\$100,000 to \$199,999	0	0.0%
\$200,000 to \$299,999	0	0.0%
\$300,000 to \$399,999	3	9.1%
\$400,000+	28	84.8%
Total	33	100.0%

Source: Realtor.com and Bowen National Research

Homes available for-sale in Leelanau County as of February 2023 almost exclusively target higher price points. Note that 28 of 33 listings are priced at \$400,000 or more in the current housing market. In addition, there are only two homes offered for sale below \$100,000 and *no homes offered for sale* between \$100,000 and \$299,999. Based on the lack of lower priced home listings in the county, it appears that first-time homebuyers and middle-class households are largely shut out of the for-sale housing market in Leelanau County.

The distribution of available homes in Leelanau County by *price point* is illustrated in the following graph:



The distribution of available homes by *bedroom type* for Leelanau County is summarized in the following table.

Leelanau County Available For-Sale Housing by Bedrooms (As of Feb. 28, 2023)					
Bedrooms	Number Available	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.
One-Br.	2	650	\$99,000 - \$642,000	\$370,500	\$752.52
Two-Br.	6	1,093	\$300,000 - \$1,395,000	\$633,000	\$710.50
Three-Br.	9	2,306	\$99,000 - \$1,309,000	\$659,000	\$337.43
Four-Br.+	16	3,498	\$385,000 - \$4,250,000	\$1,212,500	\$342.25
Total	33	2,563	\$99,000 - \$4,250,000	\$975,000	\$339.12

Source: Realtor.com and Bowen National Research

As shown in the preceding table, nearly half (48.5%) of the available for-sale housing product in the county are four-bedroom or larger units, while over one-quarter (27.3%) of available homes in the county are three-bedroom units. The remaining eight units are either one-bedroom or two-bedroom units. Median list prices range from \$370,500 for one-bedroom units to \$1,212,500 for four bedroom or larger homes. At these median prices, even the smallest units (one-bedroom) would be unaffordable to many households.

D. HOUSING GAP

Based on the demographic data for both 2022 and 2027 and taking into consideration the housing data from our field survey of area housing alternatives, we are able to project the potential number of new housing units Leelanau County can support. The following summarizes the metrics used in our demand estimates.

- **Rental Housing** – We included renter household growth, the number of units required for a balanced market, the need for replacement housing, commuter/external market support, severe cost-burdened households, and step-down support as the demand components in our estimates for new rental housing units. As part of this analysis, we accounted for vacancies reported among all rental alternatives. We concluded this analysis by providing the number of units that the market can support by different income segments and rent levels.
- **For-Sale Housing** – We considered potential demand from owner household growth, the number of units required for a balanced market, the need for replacement housing, commuter/external market support, severe cost-burdened households, and step-down support in our estimates for new for-sale housing. As part of this analysis, we accounted for vacancies reported among all surveyed for-sale alternatives. We concluded this analysis by providing the number of units that the market can support by different income segments and price points.

The county has an overall housing gap of 2,335 units, with a gap of 382 rental units and a gap of 1,953 for-sale units. The following tables summarize the rental and for-sale housing gaps by income and affordability levels for Leelanau County. Details of the methodology used in this analysis are provided in Section VII of this report.

Leelanau County, Michigan				
Rental Housing Gap Estimates (2022-2027)				
Percent of Median Income	≤ 50%	51%-80%	81%-120%	121%+
Household Income Range	≤\$46,700	\$46,701-\$74,720	\$74,721-\$112,080	\$112,081+
Monthly Rent Range	≤\$1,167	\$1,168-\$1,867	\$1,868-\$2,802	\$2,803+
Household Growth	-54	-6	25	15
Balanced Market*	36	12	5	3
Replacement Housing**	58	10	2	0
External Market Support^	60	20	16	9
Severe Cost Burdened^^	107	54	18	0
Step-Down Support	9	4	-5	-8
Less Pipeline Units	-4	-4	0	0
Overall Units Needed	212	90	61	19

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

**Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for the county

^^Based on ACS estimates of households paying in excess of 50% of income toward housing costs

Leelanau County, Michigan				
For-Sale Housing Gap Estimates (2022-2027)				
Percent of Median Income	≤ 50%	51%-80%	81%-120%	121%+
Household Income Range	≤\$46,700	\$46,701-\$74,720	\$74,721-\$112,080	\$112,081+
Price Point	≤\$155,667	\$155,668-\$249,066	\$249,067-\$373,600	\$373,601+
Household Growth	-357	-147	77	546
Balanced Market*	67	55	55	49
Replacement Housing**	28	11	6	4
External Market Support^	480	241	80	0
Severe Cost Burdened^^	214	171	175	241
Step-Down Support	66	52	218	-336
Less Pipeline Units	0	0	30	13
Overall Units Needed	498	383	581	491

*Based on Bowen National Research's analysis of for-sale product within county

**Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for the county

^^Based on ACS estimates of households paying in excess of 50% of income toward housing costs

As the preceding tables illustrate, the projected housing gaps over the next five years encompass a variety of affordability levels for both rental and for-sale housing product. It appears the greatest *rental* housing gaps in the county are for the two lowest housing affordability segments (rents below \$1,867 that are affordable to households earning up to 80% of AMHI). While the greatest *for-sale* housing gap in the county is for product priced between \$249,067 and \$373,600, which is affordable to households earning between \$74,721 and \$112,080, there are substantial gaps among all price segments. Although development within Leelanau County should be prioritized to the product showing the greatest gaps, it appears efforts to address housing should consider most rents and price points across the housing spectrum. The addition of a variety of housing product types and affordability levels would enhance the subject county's ability to attract potential workers and help meet the changing and growing housing needs of the local market.

E. STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

A SWOT analysis often serves as the framework to evaluate an area’s competitive position and to develop strategic planning. It considers internal and external factors, as well as current and future potential. Ultimately, such an analysis is intended to identify core strengths, weaknesses, opportunities, and threats that can lead to strategies that can be developed and implemented to address local housing issues.

The following is a summary of key findings from this SWOT analysis for Leelanau County.

SWOT Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> • High level of rental housing demand • Strong demand for for-sale housing • Positive projected household growth • Positive median household income growth 	<ul style="list-style-type: none"> • Limited available rentals and for-sale housing • Disproportionately low share of rentals • Lack of affordable workforce and senior housing alternatives
Opportunities	Threats
<ul style="list-style-type: none"> • Housing need of 382 rental units • Housing need of 1,953 for-sale units • Attract some of the 4,028 commuters coming into the county for work to live in the county • Nearly 50 parcels that could potentially support residential development (see page VI-56) 	<ul style="list-style-type: none"> • The county risks losing residents to other areas/communities • Vulnerable to deteriorating and neglected housing stock • Inability to attract businesses to county • Inability of employers to attract and retain workers due to local housing issues • Influence of seasonal/recreational housing

The county’s housing market has availability and affordability issues, particularly among housing that serves lower income households. These housing challenges expose the county to losing residents to surrounding areas, making the community vulnerable to the existing housing stock becoming neglected, discouraging potential employers coming to the area, and creating challenges for local employers to retain and attract workers. There are housing gaps for both rental and for-sale housing alternatives at a variety of rents and price points. As such, county housing plans should encourage and support the development of a variety of product types at a variety of affordability levels.