We equip change agents with the tools to build better communities and stronger economies.
5 Trends to Follow

01 Pre-existing (Housing) Conditions

02 The Nature of Work and Economic Vulnerability

03 What a Pandemic Fueled Recession Means for Evictions

04 Remote Work is Here to Stay

05 A Changing Housing Landscape
Pre-existing (housing) conditions

What was the housing situation in Northwest Michigan before the pandemic?
Steady Population Growth in NWMI

Population by County (% change, 2010-2018, noted)

- Grand Traverse: 91,700 (6.6%)
- Wexford: 33,100 (1.4%)
- Emmet: 33,000 (0.7%)
- Charlevoix: 26,200 (0.0%)
- Manistee: 24,400 (-2.0%)
- Antrim: 23,200 (-3.3%)
- Leelanau: 21,600 (-0.5%)
- Benzie: 17,600 (-0.9%)
- Kalkaska: 17,500 (0.4%)
- Missaukee: 15,000 (0.3%)

10-County Region: 303,400
+1.6% from 2010
Population Mix Requires Different Housing Types

Age Distribution
Northwest Michigan

- 50% is working age, 25 to 64
- 33% is young working age, 15-44
- 20% over the age of 65

These population segments at the edges (retirees, young people just starting out) want smaller homes, ADUs, and apartments. Much of the region's housing stock was designed for larger family units.
Nearly 50% of households in the region earn less than $50,000 annually.
More than half of households in Manistee, Kalkaska, Missaukee, and Wexford have household incomes of less than $50,000.
WHO CAN AFFORD THE RENT?
The “housing wage” is the amount a worker would need to earn in order to afford a typical rental. In Northwest Michigan, rents are far higher than what many renters can afford. The lack of affordable options contributes to a high demand for new units at different price points.

<table>
<thead>
<tr>
<th>Type</th>
<th>Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORTHWEST MICHIGAN HOUSING WAGE</td>
<td>$14.78</td>
</tr>
<tr>
<td>MINIMUM WAGE</td>
<td>$9.45</td>
</tr>
<tr>
<td>AFFORDABLE RENT FOR RENTER EARNING MEAN WAGE</td>
<td>$768</td>
</tr>
<tr>
<td>AFFORDABLE RENT FOR FULL-TIME MINIMUM WAGE WORKER</td>
<td>$491</td>
</tr>
</tbody>
</table>

47% of new owner units needed (2,199) are for households making under $60,000 per year.

99% of new rental units needed (10,726) are for households making under $60,000 per year.

2019 Target Market Analysis was conducted by LandUseUSA, on behalf of Housing North and Networks Northwest.
The Nature of Work & Economic Vulnerability

Vulnerable workers are most susceptible to negative housing impacts like evictions. What is the state of these workers in NWMI?
Who is ALICE?

Asset Limited, Income Constrained, Employed

ALICE Workers

Rarely make enough income to cover basic household necessities

Work in industries like construction, education, service, and caretaking

Basic Household Necessities

- Housing
- Transportation
- Health Care
- Food
- Child Care
- Basic Smart Phone Plan
ALICE in Northwest Michigan

49,800 households in Northwest Michigan are below the ALICE threshold:

- $25,000 for a single adult
- $61,000 for a family of 4

That’s 40% of all households in the region.
ALICE Households by County

Poverty and ALICE Households

<table>
<thead>
<tr>
<th>County</th>
<th>Poverty Households</th>
<th>ALICE Households</th>
<th>Above ALICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leelanau</td>
<td>632</td>
<td>2,346</td>
<td></td>
</tr>
<tr>
<td>Grand Traverse</td>
<td>3,821</td>
<td>9,171</td>
<td></td>
</tr>
<tr>
<td>Antrim</td>
<td>1,168</td>
<td>2,336</td>
<td></td>
</tr>
<tr>
<td>Charlevoix</td>
<td>1,236</td>
<td>2,921</td>
<td></td>
</tr>
<tr>
<td>Emmet</td>
<td>1,595</td>
<td>4,494</td>
<td></td>
</tr>
<tr>
<td>Benzie</td>
<td>691</td>
<td>2,212</td>
<td></td>
</tr>
<tr>
<td>Kalkaska</td>
<td>1,193</td>
<td>2,036</td>
<td></td>
</tr>
<tr>
<td>Wexford</td>
<td>2,097</td>
<td>4,194</td>
<td></td>
</tr>
<tr>
<td>Missaukee</td>
<td>832</td>
<td>2,020</td>
<td></td>
</tr>
<tr>
<td>Manistee</td>
<td>1,373</td>
<td>3,434</td>
<td></td>
</tr>
<tr>
<td>NWMI Region</td>
<td>14,637</td>
<td>35,161</td>
<td></td>
</tr>
</tbody>
</table>

More than four in ten households in Manistee, Kalkaska, Missaukee, and Wexford counties fall below the ALICE threshold.

Source: United Way, ALICE data for Michigan
Economic Vulnerability by Industry

2018 estimates based on Census PUMS data, BLS OES data, and Census LEHD data.
Economically Vulnerable Workers

Source: Estimates were created by combining Census PUMS data, BLS OES data, and Census LEHD data. Estimates represent 2018 annual averages.
What a Pandemic-Fueled Recession Means for Evictions

How are low to moderate wage earners in the region affected by housing and economic issues?
### Missed Payments
- 29% of Americans failed to pay their rent or mortgage in September.
- 10% of renters had not yet paid their August rent in full.

### Eviction Risk
29 to 43% of households in the US may be at risk of late payment or eviction by the end of 2020.

### Unemployment Rates
**Michigan**
- April - 23%
- June - 14.8%
- **August - 8.7%**

**National**
- April - 14.7%
- June - 11.2%
- **August - 8.4%**

Evictions in the Region

431 Annual Evictions, 2000 to 2016

Approximately 35 evictions per month, pre-covid

Backlog of evictions because of the moratorium, before applying COVID-related housing impacts

Source: Eviction Lab data compiled by Fourth Economy
In the ten-county region, 211 requests for housing support were 79% higher from March 15-September 30 of 2020 than they were in the same time period of 2019.

Source: MI 211 Counts, 10-county region.
Remote Work is Here to Stay

For another segment of the economy, remote work is changing the landscape for good. Is NWMI prepared to take advantage of this trend?
People are moving
- 24% have thought about moving as a result of spending more time at home
- 22% have moved or know someone who has

Changing Preferences
If given the flexibility to work from home, nearly one-third say they would consider moving:
- to a home with a dedicated office space (31%)
- to a larger home with more rooms (29%)

Remote Work Continues
- 47% of company leaders said they intend to allow employees to work remotely full time going forward
- 82% plan to allow for at least part-time remote work
- 30% of executives anticipate they’ll need less total office space in three years
Remote Work Ability by Occupation In NWMI

We estimate that at least 27,700 jobs can be done remotely in Northwest Michigan (22.6%). The national average for remote work capability is 28.8% — 6 percentage points higher than Northwest Michigan.

At least 28,800 people work in jobs that are not “critical” or able to be done remotely.

At least 66,200 people work in jobs that are “critical.”

Occupation profiles were classified using BLS and O*NET data.
Potential remote workers live throughout the region, with employees who hold jobs that have the potential to work remotely in every county and zip code.

A University of Chicago analysis revealed that 34% of U.S. jobs can plausibly be performed at home, with significant variation across geographies.

An estimated 23% of the region’s workforce is employed in jobs that have the potential to work remotely.

“With much of U.S. staying at home, how many jobs can be done remotely?” news.uchicago.edu/story/much-us-staying-home-how-many-jobs-can-be-done-remotely

Broadband internet access varies throughout the region

The ability of workers to work remotely is impacted by access to broadband internet at home.

There are many areas throughout the region where upwards of 20% to 30% or more of households do not have subscription service to broadband internet.

Data source: American Community Survey, 2018, Households without broadband subscription service.
Highlight: areas with at least 500 remote workers

Many areas where a large number of remote workers live are places where home access to broadband may be an issue.

A Changing Housing Landscape

Between second homes becoming primary residences, to impacted hospitality and tourism, what can we expect to see as the “new normal”?
COVID-19 Impact on Rentals Nationally

- **Large early impact** - Airbnb allows guests to cancel bookings for trips starting before May 31 with a full refund.
- **Summer rebound** - Bookings in short-term rentals, which had fallen in March and April, began to rise again in summer.
- **Short-term rentals less impacted than hotels** - Short term rental occupancy fell 45-46% and average daily rate fell 4-12%. Hotel occupancy fell 77% and average daily rate fell 50% at the height of the pandemic.
- **Easier social distancing** with residential, larger units and in more rural / remote vacation markets—allowed travelers to escape dense urban areas where cases were spiking.
- **Shift to longer-term rentals** - Full-service amenities (kitchens and living space) allow for longer-term stays. Average length of stay increased by 58% during the crisis.
  - Searches for three- or four-week stays have grown relative to the total number of searches 15% compared to the same time last year.
  - 21% of respondents to a Vrbo survey say that working from anywhere creates big opportunities for travel during the second half of 2020.
Short-term Rentals
Active Listings in the Networks Northwest Region

<table>
<thead>
<tr>
<th>Location</th>
<th>Active Listings, Fall 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Traverse (Traverse City)</td>
<td>1,218</td>
</tr>
<tr>
<td>Emmet (Harbor Springs)</td>
<td>465</td>
</tr>
<tr>
<td>Charlevoix (Charlevoix)</td>
<td>386</td>
</tr>
<tr>
<td>Antrim (Bellaire)</td>
<td>354</td>
</tr>
<tr>
<td>Manistee (Manistee)</td>
<td>175</td>
</tr>
<tr>
<td>Leelanau (Lake Leelanau)</td>
<td>142</td>
</tr>
<tr>
<td>Benzie (Beulah)</td>
<td>130</td>
</tr>
<tr>
<td>Wexford (Cadillac)</td>
<td>76</td>
</tr>
<tr>
<td>Kalkaska (Kalkaska)</td>
<td>63</td>
</tr>
<tr>
<td>Missaukee (Lake City)</td>
<td>46</td>
</tr>
</tbody>
</table>

Source: AirDNA data compiled by Fourth Economy Consulting
Seasonal Housing: more than 1 in 4 units

### Seasonal Units

<table>
<thead>
<tr>
<th>County</th>
<th>Seasonal Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antrim</td>
<td>7,220</td>
</tr>
<tr>
<td>Emmet</td>
<td>5,922</td>
</tr>
<tr>
<td>Charlevoix</td>
<td>5,592</td>
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<tr>
<td>Leelanau</td>
<td>5,098</td>
</tr>
<tr>
<td>Benzie</td>
<td>5,018</td>
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<tr>
<td>Manistee</td>
<td>4,640</td>
</tr>
<tr>
<td>Kalkaska</td>
<td>4,477</td>
</tr>
<tr>
<td>Grand Traverse</td>
<td>4,225</td>
</tr>
<tr>
<td>Wexford</td>
<td>2,793</td>
</tr>
<tr>
<td>Missaukee</td>
<td>2,760</td>
</tr>
</tbody>
</table>

Source: American Community Survey, 5-year estimates, 2018
Units *For seasonal, recreational, or occasional use*
Seasonal Housing

**Short-term Rentals:** 1 in 44 units totalling **3,055** units

In the past three years, seasonal housing listings in the region have increased by 79%, from 1,716 units in fall 2017 to 3,055 units in fall 2020.

**Seasonal Housing:** 1 in 4 units totalling **47,745** units

Even with the dramatic increase in short-term rentals in the region, **more than 90% of all seasonal housing in the region is non-short-term rental.**

Source: AirDNA data compiled by Fourth Economy Consulting
American Community Survey, 5-year estimates, 2018
Units "For seasonal, recreational, or occasional use"
11,400 children need child care in Northwest Michigan

Before COVID-19, there was a gap in childcare supply for about 900 children.

In early spring there were few to no child care centers open due to closures.

As of July, 40 percent of childcare facilities nationwide said they would close without public assistance.

43 percent of remote workers said they currently need child care.

Sources: KIDS COUNT Data Center and MI Department of Licensing & Regulatory Affairs
Focus Areas for the Future:

Remote Readiness
Ensure broadband and other infrastructure is in place to support remote workers

Balance Tourism & Regional Housing Needs
Build a supply of housing that fits local needs while maintaining a strong tourism economy

Childcare Solutions
Fill existing gap in care and account for new full time residents

Living Wage Jobs
Decrease the number of vulnerable workers by creating new work opportunities

Keep Residents in their Homes
Provide support to reduce evictions
Thanks!

Any questions?

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