



Target Market Analysis

Otsego County Michigan

2016

Prepared by:



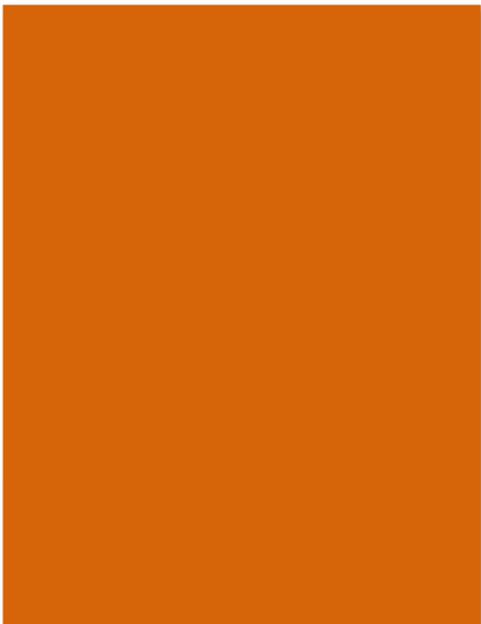
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MSHDA
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Table of Contents	Page
Executive Summary	1
Report Outline	4
The Target Markets	6
Prevalent Lifestyle Clusters	9
Conservative Scenario	11
Aggressive Scenario	11
“Slide” by Building Format	13
Gaylord and Vanderbilt	14
Non-Residents and Seasonality	16
Rents and Square Feet	17
Comparison to Supply	18
Market Assessments – Introduction	20
Otsego County – Overview	20
The Gaylord Advantage	21
The Vanderbilt Advantage	23
Analysis of PlaceScores™	23
Contact Information	24

Executive Summary

Through a collaborative effort among public and private stakeholders, and with funding assistance from the Michigan State Housing Development Authority (MSHDA), LandUse|USA has been engaged to conduct this Residential Target Market Analysis (TMA) for the Northeast Michigan Prosperity Region 3, including Otsego County and 10 other counties.

This study has involved rigorous data analysis and modeling, and is based on in-migration into the City of Gaylord and the Village of Vanderbilt. It is also based on internal migration within those places, movership rates by tenure and lifestyle cluster, and housing preferences among target market households. This Executive Summary highlights the results and is followed by a more complete explanation of the market potential under conservative (minimum) and aggressive (maximum) scenarios.

Based on the Target Market Analysis results, there is an annual market potential for 569 attached units throughout Otsego County, plus 731 detached houses. Among the 569 attached units, the majority of the market potential will be captured by the City of Gaylord (218 units annually), and the Village of Vanderbilt will capture a smaller share with 19 units annually.

Summary Table A

Annual Market Potential – Attached and Detached Units
Renters and Owners – Aggressive (Maximum) Scenario
Otsego County, Michigan – 2016

Annual Market Potential Aggressive Scenario	Detached Houses	Attached Formats
The City of Gaylord	284	218
The Village of Vanderbilt	8	19
<u>All Other Places</u>	<u>439</u>	<u>332</u>
Otsego County Total	731	569

There will also be 332 migrating households in Otsego County each year seeking attached units in locations other than Gaylord and Vanderbilt. They are more likely to choose townhouses near the county's inland lakes (particularly Otsego Lake), near Interstate 75 interchanges, and along other important highway connectors.

Each county and community in the region is unique with varying degrees of market potential across a range of formats. Results of the analysis are intended to help communities and developers focus on Missing Middle Housing choices (see www.MissingMiddleHousing.com for building typologies), which include triplexes and fourplexes; townhouses and row houses; and other multiplexes like courtyard apartments, and flats/lofts above street-front retail. Depending on the unique attributes and size of each community, a variety of strategies can be used:

Missing Middle Housing Formats – Recommended Strategies

1. Conversion of high-quality, vacant buildings (such as schools, city halls, hospitals, hotels, theaters, and/or warehouses) into new flats and lofts.
2. New-builds among townhouses and row houses, particularly in infill locations near lakes (including inland lakes) to leverage waterfront amenities.
3. Rehab of upper level space above street-front retail within downtown districts.
4. New-builds with flats and lofts in mixed-use projects, above new merchant space with frontage along main street corridors.
5. New-builds among detached houses arranged around cottage courtyards, and within established residential neighborhoods.
6. The addition of accessory dwelling units on existing residential properties.

Consistent with these objectives, target market households have been identified based on a) their propensity to choose urban settings over suburban or rural places, and b) propensity to choose attached building formats rather than detached houses. Within any group of households sharing similar lifestyles, there are variances in their preferences across building formats. For example, 52% of the “Bohemian Grooves” households, but only 11% of the “Digital Dependent” households are inclined to choose attached housing formats. Both groups are among the top target markets the State of Michigan and its Northeast Region.

In general, moderate-income renters tend to have higher movership rates, are more likely to live in compact urban places, and are more likely to choose attached units. However, there are many exceptions and better-income households and owners are also showing renewed interest in attached products. Across the nation, single householders now represent the majority (albeit by a narrow margin). Households comprised of unrelated members, and multi-generational households are also gaining shares. These diverse householders span all ages, incomes, and tenures; and many are seeking urban alternatives to detached houses.

As shown in the following summary table, the aggregate market potential for Otsego County is high compared to other counties in the region, and is in second place only after Alpena County. About 141 units (25%) of its annual market potential will be supported by Upscale Target Markets, which is a high share compared to the other counties.

In addition, 396 units (70%) will be generated by Moderate Target Markets. The remaining 32 units (5%) will be generated by other households that are more prevalent in the county, which is low relative to other counties in the region. Households in this later group are less inclined to choose attached formats and are more likely to compromise by choosing detached houses.

Summary Table B

Annual Market Potential – Attached Units Only
Renters and Owners – Aggressive Scenario
Northeast Michigan Prosperity Region 3 – 2016

Renters and Owners Aggressive Scenario Attached Units Only	Upscale Target Markets	Moderate Target Markets	Most Prevalent Clusters	All 71 Lifestyle Clusters
Otsego County	141	396	32	569
Share of County Total	25%	70%	5%	100%
Others in the Region				
Alpena County	59	597	59	715
Roscommon County	30	287	100	417
Cheboygan County	76	264	38	378
Ogemaw County	47	181	51	279
Iosco County	43	178	49	270
Crawford County	24	130	34	188
Presque Isle County	20	110	22	152
Oscoda County	7	38	11	56
Montmorency County	5	24	9	38
Alcona County	5	13	20	38

There are a few other variations between other counties in the region. For example, Roscommon County has relatively high movership rates among its most prevalent lifestyle clusters, and relatively low movership rates among the Upscale Target Markets. Details for each county in the region are provided in their respective Market Strategy Reports, independent from this document.

Report Outline

This draft narrative accompanies the Market Strategy Report with results of a Residential Target Market Analysis (TMA) for Otsego County, Michigan. The outline and contents of this report are intentionally replicated for each of the 11 counties in the Northeast Michigan Prosperity Region 3. This leverages work economies, helps keep the reports succinct, and enables easy comparisons between counties in the region.

Results of the TMA and study are presented by lifestyle cluster and target markets (upscale and moderate), scenario (conservative and aggressive), tenure (renter and owner), building format (detached and missing middle housing), place (Gaylord and Vanderbilt), price point (rent and value), and unit sizes (square feet). These topics are also shown in the following list and supported by attachments with tables and exhibits that detail the numerical and quantitative results:

Variable	General Description
Target Markets	Upscale and Moderate
Lifestyle Clusters	71 Total and Most Prevalent
Scenario	Conservative and Aggressive
Tenure	Renter and Owner Occupied
Building Sizes	Number of Units per Building
Building Formats	Missing Middle Housing, Attached and Detached
Geography	County, City and Village
Prices	Monthly Rents, Rent per Square Foot, Home Values
Unit Sizes	Square Feet and Number of Bedrooms

This Market Strategy Report is designed to focus on data results from the target market analysis. It does not include detailed explanations of the analytic methodology and approach, determination of the target markets, derivation of migration and movership rates, Missing Middle Housing typologies, or related terminology. Each of these topics is fully explained in the Methods Book, which is part of the Regional Workbook.

The Regional Workbook (including the Methods Book) is more than a supporting and companion document to this Market Strategy Report. Rather, it is essential for an accurate interpretation of the target market analysis and results, and should be carefully reviewed by every reader and interested stakeholder.

This Market Strategy Report also includes a series of attached exhibits in [Section A](#) through [Section H](#), and an outline is provided in the following [Table 1](#).

Table 1
TMA Market Strategy Report – Outline
Otsego County, Michigan – Prosperity Region 3

The Market Strategy Report		Geography
Narrative	Executive Summary	County and Places
Narrative	Technical Report	County and Places
Narrative	Market Assessment	County and Places
Section A	Investment Opportunities	Places
Section B	Summary Tables and Charts	County
Section C	Conservative Scenario	County
Section D	Aggressive Scenario	County
Section E	Aggressive Scenario	Places
Section F ₁	Contract Rents	County and Places
Section F ₂	Home Values	County and Places
Section G	Existing Households	County and Places
Section H	Market Assessment	County and Places

Again, this report is accompanied by a Regional Workbook with additional narrative in a Methods Book. The Regional Workbook includes the following: a) advisory report of recommended next-steps, b) target market profiles, and c) real estate analysis of existing housing choices, which includes forecasts for new-builds and rehabs. It is essential for stakeholders to review the Regional Workbook alongside this Market Strategy Report. An outline is provided in [Table 2](#) on the following page.

Table 2

TMA Regional Workbook – Outline
 Otsego County, Michigan – Prosperity Region 3

The Regional Workbook

Narrative	The Advisory Report
Narrative	The Methods Book

Target Market Profiles

Section J	Formats by Target Market
Section K	Building Typologies
Section L	Lifestyle Clusters
Section M	Narrative Descriptions

Real Estate Analysis

Section N	Renter Choices
Section O	Owner Choices

The Target Markets

To complete the market potential, 8 upscale and 8 moderate target markets were selected based on their propensity to a) live in Michigan, and b) choose attached housing formats in small and large urban places. Among the 8 upscale target markets, those moving into and within Otsego County include the Bohemian Grooves and Digital Dependents.

In addition, 5 of the 8 moderate target markets are also moving into and within the county, including the Family Troopers, Senior Discounts, Dare to Dream, and Tight Money. The following Table 3 provides a succinct overview of the target market inclinations for attached units, renter tenure, and renter movership rate. Detailed profiles are included in Section B attached to this report, and also in the Regional Workbook.

Table 3
Upscale and Moderate Target Markets
Otsego County, Michigan – Year 2016

Group	Lifestyle Cluster Name	Share in Attached Units	Renters as a Share of Total	Renter Movership Rate
Upscale	K40 Bohemian Groove	52%	91%	38%
Upscale	O51 Digital Dependents	11%	34%	80%
Moderate	O55 Family Troopers	64%	99%	87%
Moderate	Q65 Senior Discounts	100%	71%	28%
Moderate	R66 Dare to Dream	37%	98%	58%
Moderate	S70 Tight Money	92%	100%	78%

Upscale Target Markets – Otsego County

- K40 Bohemian Groove – Settled in second-tier cities and scattered across the country; living in affordable attached units, including low-rise courtyard apartments and row houses of varying vintage. Head of householder’s age: 48% are between the ages of 51 and 65.
- O51 Digital Dependents – Most are located in second-tier cities scattered across the country and in a mix of urban areas that include transient neighborhoods. They usually choose a mix of attached products, townhouses, and small houses. Head of householder’s age: 90% are 19 to 35 years.

Moderate Target Markets – Otsego County

- O55 Family Troopers – Families living in small cities, villages, and places. They tend to live in older attached formats like duplexes and low-rise buildings, and in ranch houses. Head of householder's age: 85% are 19 to 35 years.
- Q65 Senior Discounts – Seniors living throughout the country and particularly in metro communities, big cities, and inner-ring suburbs. They tend to live in large multiplexes geared for seniors, and prefer that security over living on their own. Head of householder's age: 98% are over 51 years, and 84% are over 66 years.
- R66 Dare to Dream – Young households scattered in mid-sized cities across the country, particularly in the Midwest, and within older transient city neighborhoods. They are sharing crowded attached units to make ends meet; in buildings built before 1925 that offer few amenities. Some are growing families living in older ranch-style houses and duplexes. Head of householder's age: 71% are younger than 45 years, and 32% are younger than 30 years.
- S70 Tight Money – Centered in the Midwest and located in exurban and small cities and villages, including bedroom communities to larger metro areas, and in transitioning and challenging neighborhoods. They are living in low-rises and some in duplexes, but few can afford to own a house. Head of householder's age: 53% are between 36 and 50 years.

The other upscale and moderate target markets are choosing other counties in the region – although not always in large numbers. Otsego County must be proactive in order to intercept these other target markets. Placemaking initiatives, job creation, and reinvestment are good strategies, and others are discussed in the Methods Book within the Regional Workbook.

Prevalent Lifestyle Clusters

The upscale and moderate target markets represent a small share of the annual market potential for Otsego County, but the model also measures the potential among other and more prevalent lifestyle clusters. The most prevalent lifestyle clusters for Otsego County are documented in [Section G](#) of this report, with details for the City of Gaylord and Village of Vanderbilt.

As shown in [Exhibit G.3](#), the most prevalent lifestyle clusters in Otsego County include Unspoiled Splendor, Town Elders, Stockcars and State Parks, True Grit Americans, Homemade Happiness, Rural Escape, and Red White Bluegrass, Sports Utility Families. Only through their large numbers do these households collectively generate much of the market potential for attached units. Otsego County is the only county in the region where the Stockcars and State Parks is among the top 3 most prevalent clusters.

The following [Table 4](#) shows the propensity of the most prevalent lifestyle clusters to choose attached units, renter tenure, and renter movership rates. For example, only 4% of the True Grit American households will choose attached units, about 9% are renters, and 25% of those renters are inclined to move each year. Few of the other households in that same cluster will choose an attached housing unit – particularly if offered quality alternatives among detached houses. So, targeting these households with new attached units may involve some higher-than-usual risks.

Table 4
Most Prevalent Lifestyle Clusters
Otsego County, Michigan –Year 2016

Lifestyle Cluster Name	Share in Attached Units	Renters as a Share of Total	Renter Movership Rate	Otsego County Hhlds.
E21 Unspoiled Splendor	2%	2%	4%	1,700
Q64 Town Elders	3%	4%	5%	1,200
I30 Stockcars State Parks	3%	3%	10%	1,150
N46 True Grit Americans	4%	9%	25%	1,100
L43 Homemade Happiness	3%	5%	13%	800
J35 Rural Escape	3%	3%	9%	700
M44 Red, White, Bluegrass	5%	11%	12%	500

Prevalent Lifestyle Clusters – Otsego County

- E21 Unspoiled Splendor – Scattered locations across small remote rural communities in the Midwest. Most live in detached houses that are relatively new and built since 1980, on sprawling properties with at least 2 acres. Head of householder’s age: 87% are between 51 and 65 years.
- Q64 Town Elders – Seniors living in small and rural communities; in detached ranch houses and bungalows typically situated on small lots and built more than half a century ago. Head of householder’s age: 98% are over 66 years.
- I30 Stockcars and State Parks – Scattered locations across the country and Midwest states, mostly in small cities, villages, and exurban suburbs. Neighborhoods are stable with settled residents that have put down roots. Houses are usually recently built on large lots with carefully tended gardens. Head of householder’s age: 80% are between 36 and 65 years; and 22% are between 46 to 50 years.
- N46 True Grit Americans – Typically in scenic settings and small cities and villages throughout the Midwest, and in remote rural areas. Living in older houses and cottages, mainly ranch or craftsman-style houses built before 1970. Head of householder’s age: Diverse age profile with 36% between 36 and 50 years.
- L43 Homemade Happiness – Empty nesters living in Midwest heartland; in houses built in 1970 (with 15% in manufactured homes), but on large lots in rustic settings to enjoy the quiet country. Head of householder’s age: 97% are over 51 years, including 88% between 51 and 65 years.
- J35 Rural Escape – Empty nesters living in remote and quiet communities, and retirement havens; and choosing detached houses on large lots, or manufactured homes. Head of householder’s age: 69% are over 51 years, and 49% are over 66 years.
- M44 Red, White, and Bluegrass – Families living in scattered locations across the Eastern States; and choosing detached family-style ranches, farmhouses, and bungalows on large lots, or manufactured homes. Head of householder’s age: 74% are between 25 and 45 years.

Conservative Scenario

The TMA model for Otsego County has been conducted for two scenarios, including a conservative (minimum) and aggressive (maximum) scenario. The conservative scenario is based on in-migration into the county and each of its local places, and is unadjusted for out-migration. It does not include households that are already living in and moving within the local communities.

Results of the conservative scenario are presented in three exhibits in [Section C](#) attached to this report, with a focus on county totals. [Exhibit C.1](#) is a summary table showing the county-wide, annual market potential for all 71 lifestyle clusters, the 8 upscale target markets, and the 8 moderate target markets. The 71 lifestyle clusters include all existing households currently living in Otsego County, whether they are prevalent or represent a small share of the total.

Under the conservative scenario, Otsego County has an annual market potential for at least 274 attached units (excluding detached houses), across a range of building sizes and formats. Of these 274 attached units, 65 will be occupied by households among the upscale target markets, and 196 will be occupied by moderate target market households. The remaining 13 units will be occupied by other lifestyle clusters that are more prevalent in the county – but that also have a lower propensity to choose Missing Middle Housing Formats.

[Exhibit C.2](#) and [Exhibit C.3](#) show these same figures with owners at the top of the table and renters at the bottom of the table. Also shown are the detailed results for each of the upscale target markets ([Exhibit C.2](#)) and moderate target markets ([Exhibit C.3](#)).

Aggressive Scenario

The aggressive scenario represents a maximum or not-to-exceed threshold based on current migration patterns within and into Otsego County, and unadjusted for out-migration. It also assumes that every household moving into and within Otsego County would prefer to trade-up into a refurbished or new unit rather than occupy a unit that has not been unimproved.

Attached [Section D](#) of this report includes a series of tables that detail the market potential under the aggressive (maximum) scenario. The following [Table 5](#) provides a summary and comparison between the aggressive and conservative scenarios, with a focus on attached units only. As shown, the aggressive scenario for Otsego County is about twice as large as the conservative scenario.

Under the aggressive scenario, a small share of the annual market potential (32 units, or about 6%) can be attributed to households that are prevalent in Otsego County (i.e., they are the “Most Prevalent Clusters”). Although they are prevalent in the county, they have a low inclination to choose attached units.

The vast majority (94%) of market potential is generated by households that have a higher propensity to choose attached units (thus, they are the “Target Markets”). They are living in Otsego County in relatively few numbers, but have high movership rates and are good targets for Missing Middle Housing formats.

Table 5
Annual and Five-Year Market Potential – Attached Units Only
71 Lifestyle Clusters by Scenario
Otsego County, Michigan – 2016

Renters and Owners Attached Units Only	Conservative Scenario (Minimum)		Aggressive Scenario (Maximum)	
	Annual # Units	5 Years # Units	Annual # Units	5 Years # Units
Upscale Targets	65	325	141	705
Moderate Targets	196	980	396	1,980
Most Prevalent Clusters	13	65	32	160
71 Lifestyle Clusters	274	1,370	569	2,845

All figures for the five-year timeline assume that the annual potential is fully captured in each year through the rehabilitation of existing units, plus conversions of vacant buildings (such as vacant warehouses or schools), and some new-builds. If the market potential is not captured in each year, then the balance does not roll-over to the next year. Instead, the market potential will dissipate into outlying areas or be intercepted by competing counties in the region.

Note: Additional narrative is included in the Methods Book within the Regional Workbook, with explanations of the conservative and aggressive scenarios, upscale and moderate target markets, and the annual and 5-year timelines.

“Slide” by Building Format

All exhibits in the attached [Section B](#) through [Section F](#) show the model results before any adjustments are made for the magnitude of market potential relative to building size. For example, under the aggressive scenario, Otsego County has an annual market potential for up to 67 units among buildings with 100 or more units each. This is not enough to support development of a 100+ unit building. However, the units can “slide” down into smaller buildings, and the following [Table 6](#) demonstrates those adjusted results:

Table 6
Annual Market Potential – “Slide” along Formats (in Units)
71 Lifestyle Clusters – Conservative and Aggressive Scenarios
Otsego County, Michigan – 2016

Number of Units by Building Format/Size	Conservative Scenario		Aggressive Scenario	
	Unadjusted w/out Slide	Adjusted with Slide	Unadjusted w/out Slide	Adjusted with Slide
1 Detached Houses	361	361	731	731
2 Side-by-Side & Stacked	16	16	35	36
3 Side-by-Side & Stacked	31	30	66	66
4 Side-by-Side & Stacked	18	20	39	40
5-9 Townhouse, Live-Work	92	91	187	185
10+ Multiplex: Small	26	26	54	54
20+ Multiplex: Large	35	35	71	71
50+ Midrise: Small	23	56	50	117
100+ Midrise: Large	33	.	67	.
Subtotal Attached	274	274	569	569

Note: Additional explanations for “sliding” the market potential along building formats are provided in the Methods Book within the Regional Workbook. Significant portions of the Methods Book are also dedicated to explanations of building formats, Missing Middle Housing typologies, and recommended branding strategies for developers and builders.

Gaylord and Vanderbilt

Section E attached to this Market Strategy Report details the annual market potential and model results for the City of Gaylord and Village of Vanderbilt, which are Otsego County's only incorporated places. Results are shown for the aggressive scenario only, which is based on both in-migration and internal movership within each community.

Table 7 on the following page shows the annual results, including a) unadjusted model results for the aggressive scenario, and b) adjustments with a "slide" along building sizes. The conservative scenario (reflecting in-migration only) is not provided for the local places, but it can be safely assumed that results would be about half (1/2) that of the aggressive scenario.

Intercepting Migrating Households – The market potential for each place is based on the known inclination for those households to move into and within that place. When few if any households are moving into or within a given place, then the market potential will be zero. To experience population growth, Otsego County's small communities (i.e., Vanderbilt) must do a better job of competing with other communities in the region and intercepting migrating households. This can best be accomplished with a combination of job creation, placemaking processes, and real estate investment.

As demonstrated in the prior section of this report, there is an annual market potential of 569 attached units throughout Otsego County (under the aggressive scenario). The City of Gaylord and the Village of Vanderbilt can each compete for households that are migrating throughout the county and seeking those attached choices. Some (albeit not all) of these households will be seeking choices in downtown Gaylord, and others will seek waterfront choices along the Otsego Lake shoreline.

The City of Gaylord – Based on the magnitude and profile of households already moving into and within the City of Gaylord, it has an annual market potential for 218 attached units, each year through the year 2020, and across a spectrum of building sizes and formats. Additional units could be added if the city demonstrates an ability to intercept households that might choose other locations in Otsego County, or by creating new jobs.

Table 7
 Annual Market Potential – “Slide” along Formats (in Units)
 71 Lifestyle Clusters – Aggressive Scenario
 Otsego County, Michigan – 2016

Number of Units Unadjusted Model Results	City of Gaylord	Village of Vanderbilt	Otsego County Totals
1 Detached Houses	284	8	731
2 Side-by-Side & Stacked	11	1	35
3 Side-by-Side & Stacked	25	2	66
4 Side-by-Side & Stacked	15	.	39
5-9 Townhouse, Live-Work	64	5	187
10-19 Multiplex: Small	21	3	54
20-49 Multiplex: Large	28	4	71
50-99 Midrise: Small	22	2	50
100+ Midrise: Large	32	2	67
Subtotal Attached	218	19	569

Number of Units Adjusted with “Slide”	City of Gaylord	Village of Vanderbilt	Otsego County Totals
1 Detached Houses	284	8	731
2 Side-by-Side & Stacked	12	.	36
3 Side-by-Side & Stacked	27	3	66
4 Side-by-Side & Stacked	16	.	40
5-9 Townhouse, Live-Work	60	5	185
10-19 Multiplex: Small	21	11	54
20-49 Multiplex: Large	28	.	71
50-99 Midrise: Small	54	.	117
100+ Midrise: Large	.	.	.
Subtotal Attached	218	19	569

The Village of Vanderbilt – The market potential for Vanderbilt is significantly less and a reflection of its small market size relative to Gaylord. Based also on the magnitude and profile of households already moving into and within the village, it has an annual market potential for no more than 19 attached units, each year through the year 2020. On an annual basis, this is enough to support up to one triplex building with 3 units, one townhouse or row house building with 5 units, and one small multiplex with about 11 units.

Non-Residents and Seasonality

In many of Michigan’s counties, seasonal residents and non-residents comprise a significant share of total households. Seasonal residents are captured in the market potential, but seasonal non-residents are not. So, in some unique markets with exceptionally high seasonality, even the aggressive scenario can be viewed as being more than reasonable.

In some unique markets, local developers may be particularly interested in understanding the upside market potential for new housing units that could be specifically designed for seasonal non-resident households. To provide some perspective, LandUse|USA has calculated an adjustment factor for each place in Otsego County and based on data and assumptions that are described in the Methods Book (see narrative within the Regional Workbook). Results may be applied to the market potential within some of the markets – but some care and discretion are still recommended to avoid over-building.

Seasonal Non-Residents	Market Potential “Premium”
The City of Gaylord	+ 2%
The City of Vanderbilt	+ 3%
Otsego COUNTY	+17%

Rents and Square Feet

This section of the report focuses on contract rents and unit sizes, and stakeholders are encouraged to review the materials in [Section F₁](#) for information on rents (and [Section F₂](#) for home values). [Exhibit F_{1.1}](#) and [Exhibit F_{1.4}](#) demonstrate the general tolerance of the upscale and moderate target markets to pay across contract rent brackets, with averages for the State of Michigan.

[Exhibit F_{1.2}](#) and [Exhibit F_{1.5}](#) document the allocation of annual market potential across rent brackets for Otsego County, and [Exhibit F_{1.3}](#) and [Exhibit F_{1.6}](#) show the market potential results. Results are also shown in the following [Table 8](#), with a summary for the upscale and moderate target markets under the aggressive scenario.

Table 8
Annual Market Potential by Contract Rent Bracket
71 Lifestyle Clusters – Aggressive Scenario
Otsego County, Michigan – 2016 Constant Dollars

Units by Rent Bracket	Renter-Occupied Contract (Cash) Rent Brackets					Total Potential
	\$ 0 \$600	\$600 \$800	\$800 \$1,000	\$1,000 \$1,500	\$1,500- \$2,000+	
Attached and Detached						
Upscale Targets	64	101	74	25	8	272
Moderate Targets	168	139	76	28	21	432
Other Clusters	81	68	33	8	2	192
Otsego County	313	308	183	61	31	896

Note: Figures in Table 8 might not perfectly match the figures in prior tables due to rounding.

[Exhibit F_{1.7}](#) shows median contract rents for Otsego County’s local places, which can be used to make local level adjustments as needed. [Exhibit F_{1.8}](#) can be used to convert contract rents into gross rents. For general reference, [Exhibit F_{1.9}](#) demonstrates the direct relationship between contract rents and median household incomes across all 71 lifestyle clusters.

Lastly, [Exhibit F_{1.10}](#) shows forecast rents per square foot, with averages for attached units that are newly built, rehabilitated, or significantly remodeled. These figures are based on existing choices throughout Otsego County, and are used to estimate the amount of supportable square feet within each rent bracket. The following [Table 9](#) summarizes the results, and supporting documentation is provided in [Section N](#) (renter choices only) in the Regional Workbook.

Table 9
Typical Unit Sizes by Contract Rent Bracket
Attached Units Only
Otsego County, Michigan – 2016 Constant Dollars

Contract Rent Brackets (Attached Units Only)	Renter-Occupied Contract (Cash) Rent Brackets				
	\$ 0- \$600	\$600- \$800	\$800- \$1,000	\$ 1,000- \$1,500	\$1,500- \$2,000+
Minimum Square Feet	425	500	1,000	1,500	1,500 sq. ft.
Maximum Square Feet	600	1,100	1,600	1,900	1,900 sq. ft.

The analysis is also conducted for owner-occupied choices, and stakeholders are encouraged to review the materials in [Section O](#) for those results. Again, additional explanations of the methodology and approach are also provided within the Methods Book included in the Regional Workbook.

Comparison to Supply

This last step of the TMA compares the market potential to Otsego County’s existing supply of housing by building format, and for all 71 lifestyle clusters. The attached [Exhibit B.1](#) is a histogram displaying the results.

To complete the comparison, it is first determined that among all renters and owners in Michigan, a weighted average of about 14% will move each year. Theoretically, this suggests that it will take roughly 7 years for 100% of the housing stock to turn-over. Therefore, the annual market potential is multiplied by 7 before comparing it to the existing housing stock.

Results reveal that there is no need for building new detached houses in Otsego County. However, 5,117 households will be seeking existing houses to move into – and it is assumed that most would prefer one that has been refurbished or significantly remodeled. The results also indicate that net magnitude of attached units is insufficient to meet the needs of households that are on the move and seeking those choices (1,201 existing units v. 3,983 migrating households).

Among the migrating households seeking attached units, 1,309 will be inclined to choose a townhouse, row house, or similar format over the next 7 years, which significantly more than five times the number of existing choices (237 units). Similarly, 980 households will be seeking duplexes, triplexes, and fourplexes over the next 7 years, but there currently are only 591 units available. These figures are detailed in the following [Table 10](#).

The histogram comparing the 7-year market potential with Otsego County’s existing housing units is intended only to provide a general sense of magnitude. Direct comparisons will be imperfect for a number reasons described on the following page.

Table 10
Seven-Year Cumulative Market Potential v. Existing Units
71 Lifestyle Clusters – Aggressive Scenario
Otsego County, Michigan – 2016 - 2022

Number of Units by Building Format	Potential 7-Year Total	Existing Housing Units	Implied Gap for New-Builds
1 Detached Houses	5,117	13,555	--
2 Duplex, Subdivided House	245	395	-150
3-4 Side-by-Side, Stacked	735	196	539
Subtotal Duplex – Fourplex	980	591	389
5-9 Townhouse, Live-Work	1,309	237	1,072
10-19 Multiplex: Small	378	167	211
20-49 Multiplex: Large	497	147	350
50+ Midrise: Small	819	59	760
Subtotal Multiplex & Midrise	1,694	373	1,321
Total Attached Units	3,983	1,201	2,782

Exhibit B.1 – Some Cautionary Observations

1. The market potential has not been refined to account for the magnitude of market potential among building sizes, and is not adjusted for a “slide” along building formats.
2. The histogram relies on data for existing housing units as reported by the American Community Survey (ACS) and based on five-year estimates through 2013. The data and year for the market potential is different, so comparisons will be imperfect.
3. On average, the existing housing stock should be expected to turnover every 7 years, with variations by tenure and lifestyle cluster. However, owner-occupied units have a slower turnover rate (about 15 years), whereas renter occupied units tend to turn-over at least every 3 years. Again, these differences mean that direct comparisons are imperfect.
4. The 7-year market potential assumes that the market potential is fully met within each consecutive year. However, if Otsego County cannot meet the market potential in any given year, then that opportunity will dissipate.

Market Assessments – Introduction

The following sections of this report provide a qualitative market assessment for Otsego County and the City of Gaylord, Michigan. It begins with an overview of county-wide economic advantages, followed by a market assessment for Gaylord. The last section provides results of a PlaceScore™ analysis for Gaylord and based on placemaking attributes relative to other cities and villages.

Materials attached to this report include Section A with downtown aerials and a photo collages, and Section H with demographic profiles and the comparative analysis of PlaceScores™. Interested stakeholders are encouraged to study these resources for additional perspective and local context, and the following narrative provides a summary of some key observations.

Otsego County – Overview

Otsego County is centrally located in Northeast Michigan and benefits from easy access along the Interstate 75, which has heavy traffic during summer weekends by tourists driving north from larger cities like Lansing, Saginaw, Flint, Detroit, and Toledo. Highway 32 helps Otsego County with Antrim County to the west and Montmorency County to the east. According to the Michigan Department of Transportation (2014), average daily traffic along Interstate 75 is peaks at 35,000, or about twice that of Highway 127.

Average Daily Traffic (ADT)		Adjacent County	Adjacent County
➤ Interstate 75	35,000	Cheboygan (north)	Crawford (south)
➤ Highway 127	12,700	Cheboygan (north)	Crawford (south)
➤ Highway 32	5,900	Antrim (west)	Montmorency (east)

Otsego County’s economic portfolio is largely supported by healthcare, education, retailers, and manufacturing. As with most other counties in the region, tourism is also important to the local economy, and some of its acclaimed amenities are shown in the following list.

Otsego County – Amenities (examples)

- Otsego Lake and County Park Beach | 100+ lakes
- Louis M. Groen Nature Preserve | Free-range elk herd
- Pigeon River Country State Forest
- Ski and golf resorts

The Gaylord Advantage

Geographic Setting – The City of Gaylord is located just east of the I-75 corridor that provides good access to the region (see aerial photo in [Section A](#)). Its downtown is located along Highway 32 and has been designed as an Alpine Village with chalet-style architecture. This has helped distinguishing it from other Northern Michigan communities and capitalizing on the four-season climate.

Gaylord Amenities (examples)

- Downtown Alpine Village theme
- Alpenfest and Alpenfrost festivals
- Gaylord City Elk Park and herd

Economic Profile – The north arm of the Lake State Railway ends in Gaylord and transports commodities from Flint. The county seat is also in Gaylord, which provides jobs and supports small businesses in the legal, insurance, title, surveying, real estate, and related professions.

Advanced education is supported by the University Center of Gaylord and Kirtland-Northwestern Michigan College Manufacturing Technology Center. This joint program provides a range of higher education services and training in high-tech and high-demand occupations, particularly manufacturing.

Gaylord | Major Employers (examples)

- Otsego Memorial Hospital
- University Center of Gaylord
- Kirtland-Northwestern Technology Center
- Cooper-Standard Automotive
- Johnson Oil and Propane
- Treetops Resort | Accommodations
- Otsego Club and Resort | Accommodations
- Meijer | Retailer
- Sunfrog | Retail Printing

A variety of national retail chains have successfully leveraged Gaylord’s regional setting to intercept shopper traffic along Interstate 75. This is the only city in the region that includes a Kohl’s Department Store, Art Van, ABC Warehouse, Home Depot, Hobby Lobby, plus both Meijer and Walmart. Although they leverage and intercept significant volumes of shopper traffic among seasonal vacationers, the collective mass of these big box formats can also have a negative impact on the long-term potential for local merchants in downtown Gaylord.

Gaylord | Destination Retail (examples)

Sears Hometown	Kohl’s Department Store
Home Depot	Walmart
Meijer, Inc.	Office Max
Art Van	ABC Warehouse
MC Sport	Dunham’s Sports
TJ Maxx Cos.	Gordon Food Service
Hobby Lobby	Kay Jewelers
Pet Supplies Plus	Save-A-Lot
Family Fare	Big Lots
Ulta Cosmetics	

Investment Opportunities – Many of the buildings in Gaylord have been rehabbed and renovated, and there are opportunities for more upper level rehabs of existing buildings for lofts or flats (see photo collages in [Section A](#)). A few vacant lots exist in the downtown that can be developed as mixed-use projects that incorporate condos or lofts.

The Vanderbilt Advantage

Geographic Setting – The Village of Vanderbilt is small (just over 300 households) and its downtown lacks critical mass or scale. However, its residential neighborhoods are compact and stable, and they follow a traditional street grid pattern (see aerial photo in [Section A](#)). The community is located about 8 miles north of Gaylord, and it has its own I-75 and I-127 interchange at Mill Street.

Economic Profile – Vanderbilt was strategically developed along the Central Michigan Railroad, which has since been converted into the North Central State Trail and links trail enthusiasts north to Gaylord, and south to the City of Cheboygan. It holds claim to being a gateway to the trail and the Pigeon River Country State Forest, and leverages these resources for tourism and visitor traffic.

Vanderbilt | Major Employers (examples)

- Mec Tube & Manufacturing
- H & H Tube & Manufacturing
- Ell-Tron Manufacturing | Safety Insulations

Analysis of PlaceScores™

Introduction – Placemaking is a key ingredient for achieving the City of Gaylord’s full residential market potential, particularly under the aggressive or maximum scenario. Extensive internet research was conducted to evaluate the success of the City of Gaylord relative to other communities throughout Michigan. PlaceScore™ criteria are tallied for a possible 30 total points, and based on an approach that is explained in the Methods Book (see the Regional Workbook). Results are detailed in [Section H](#) of this report.

Summary of the PlaceScores – The City of Gaylord is the largest community in Otsego County, and was the focus of the PlaceScore analysis. Gaylord scores high for overall PlaceScore with 24 points out of 30 possible.

PlaceScore v. Market Size – There tends to be a correlation between PlaceScore and the market size in population. If the scores are adjusted for the market size (or calculated based on the score per 1,000 residents), then the results reveal an inverse logarithmic relationship. Smaller markets may have lower scores, but their points per 1,000 residents tend to be higher.

Larger markets have higher scores, but their points per 1,000 residents tend to be lower. While the City of Gaylord's adjusted PlaceScore for market size is lower than its unadjusted PlaceScore, it still scores within a range that is expected of a city of its size. These relationships are also shown in [Exhibit H.12](#) and [Exhibit H.13](#).

Contact Information

This concludes the Draft Market Strategy Report for the Otsego County Target Market Analysis. Questions regarding economic growth, downtown development initiatives, and implementation of these recommendations can be addressed to Denise Cline, with the Northeast Michigan Council of Governments.

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Northeast Michigan Council of Governments
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Gaylord, MI 49734

Questions regarding the work approach, methodology, TMA terminology, analytic results, strategy recommendations, and planning implications should be directed to Sharon Woods at LandUse|USA.

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A - H

Otsego County

Prepared by:



LandUseUSA

Prepared for:

Northeast Michigan Prosperity Region 3
Michigan State Housing Development Authority



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Table of Contents

Investment Opportunities	A
Summary Tables and Charts	B
Conservative Scenario County Totals	C
Aggressive Scenario County Totals	D
Aggressive Scenario Places	E
Contract Rents County and Places	F ₁
Home Values County and Places	F ₂
Existing Households County and Places	G
Market Assessment County and Places	H



A

Investment Opportunities

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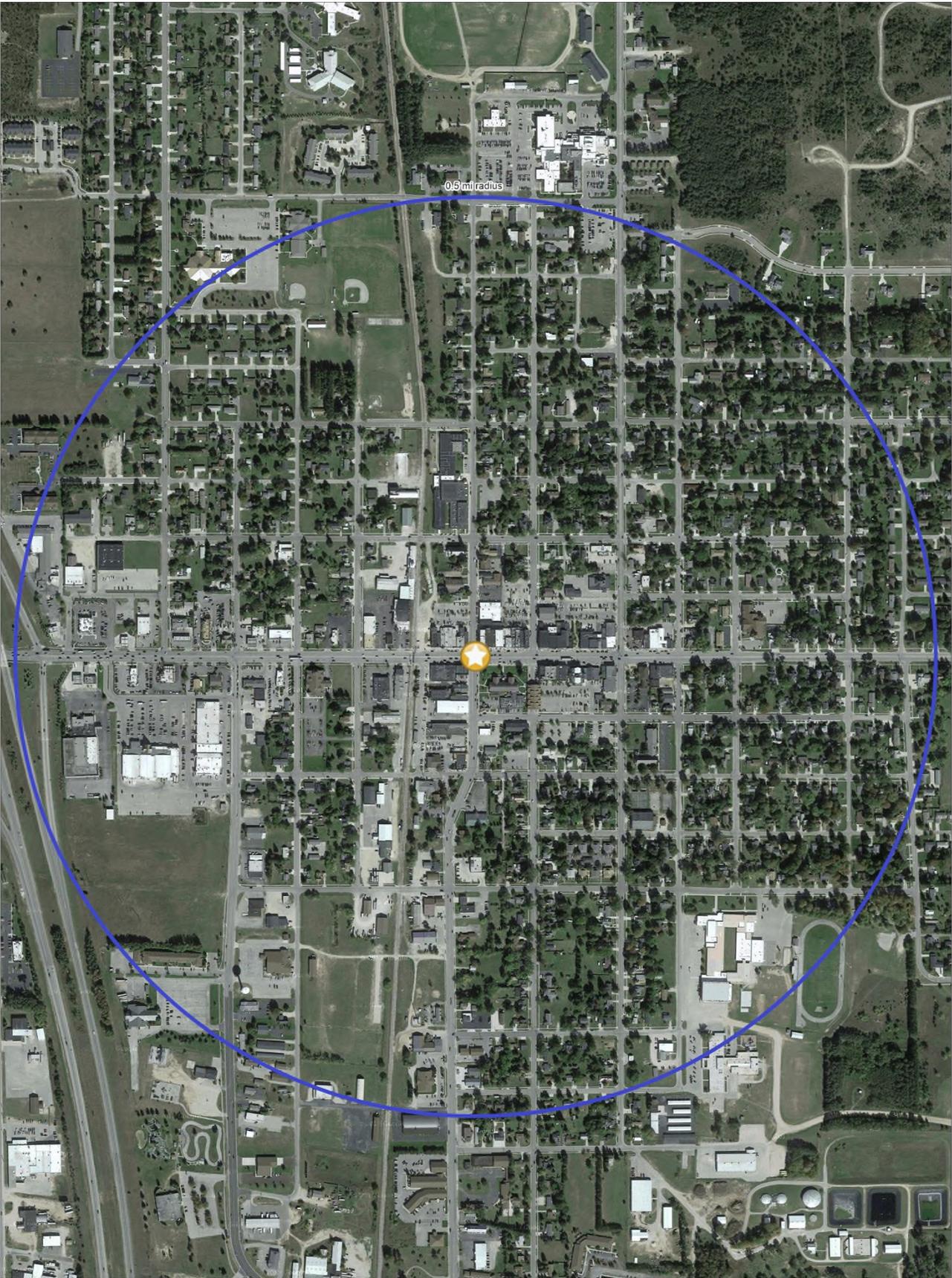
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Scale and Character of Existing Downtown Buildings
The City of Gaylord | Otsego County | NE Michigan Prosperity Region 3



The Few Downtown Buildings Offering Space for Rent or Sale
The City of Gaylord | Otsego County | NE Michigan Prosperity Region 3



Above | Credit to Otsego Co. Economic Alliance



Credit | Most are original photos by LandUse | USA, 2016.

Representative examples only; prospective investors are encouraged to contact the community for more information.

Possible Opportunities for Expansion Above Existing One-Level Buildings
The City of Gaylord | Otsego County | NE Michigan Prosperity Region 3



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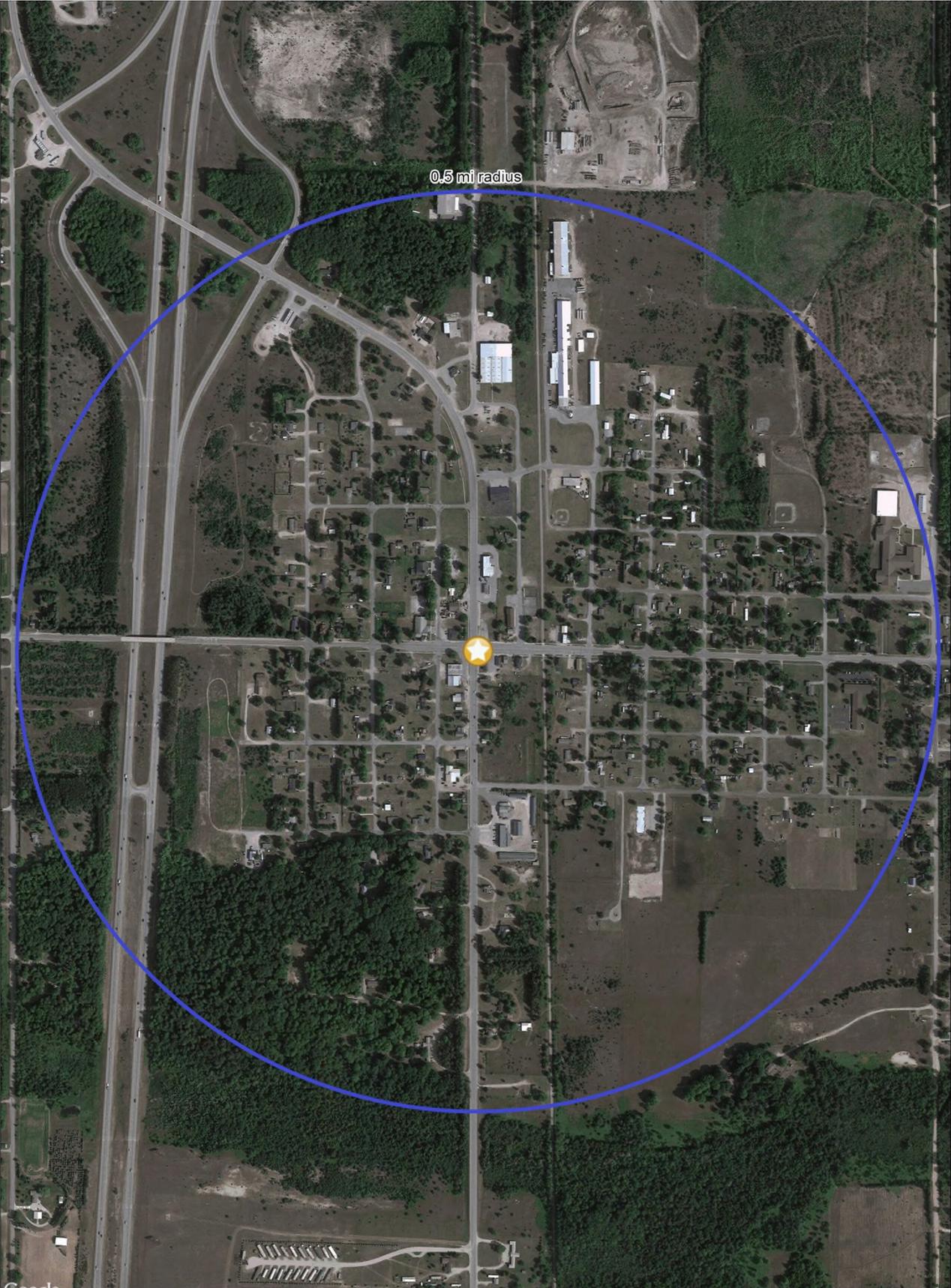
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Speculation on Downtown Expansion and Urban Infill along the Railroad Tracks
The City of Gaylord | Otsego County | NE Michigan Prosperity Region 3



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Representative examples only; prospective investors are encouraged to contact the community for more information.



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B

**Summary
Tables and Charts**

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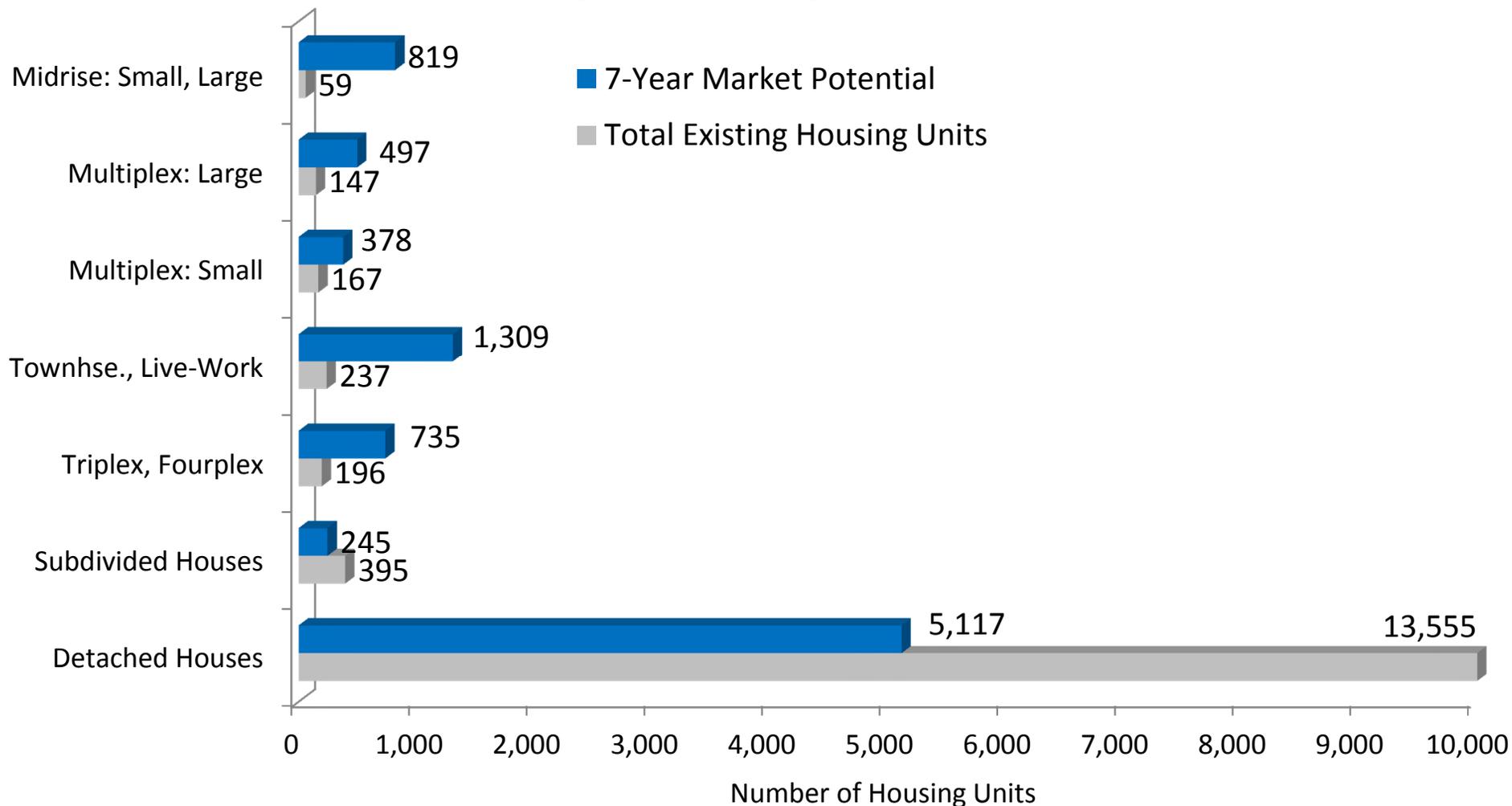
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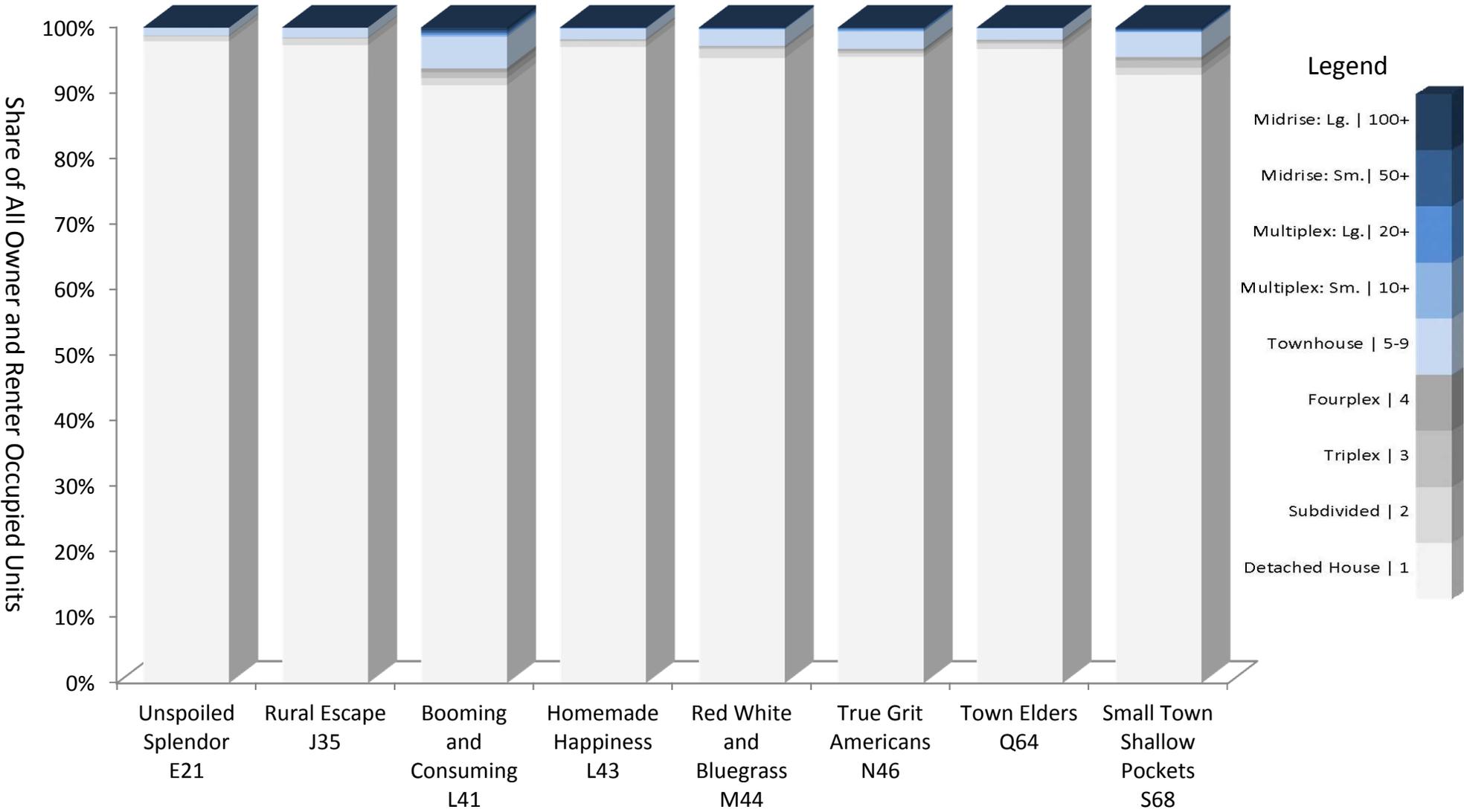
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7-Year Market Potential v. Total Existing Housing Units
 All 71 Lifestyle Clusters - Aggressive Scenario
 Otsego County, Michigan - 2016 - 2022



Source: Based on analysis and target market analysis modelling conducted exclusively by LandUse|USA; 2016 (c) with all rights reserved. Unadjusted for seasonally occupied houses.

Missing Middle Housing Formats v. Detached Houses Preferences of Most Prevalent Lifestyle Clusters Northeast Michigan Prosperity Region 3 - Year 2016



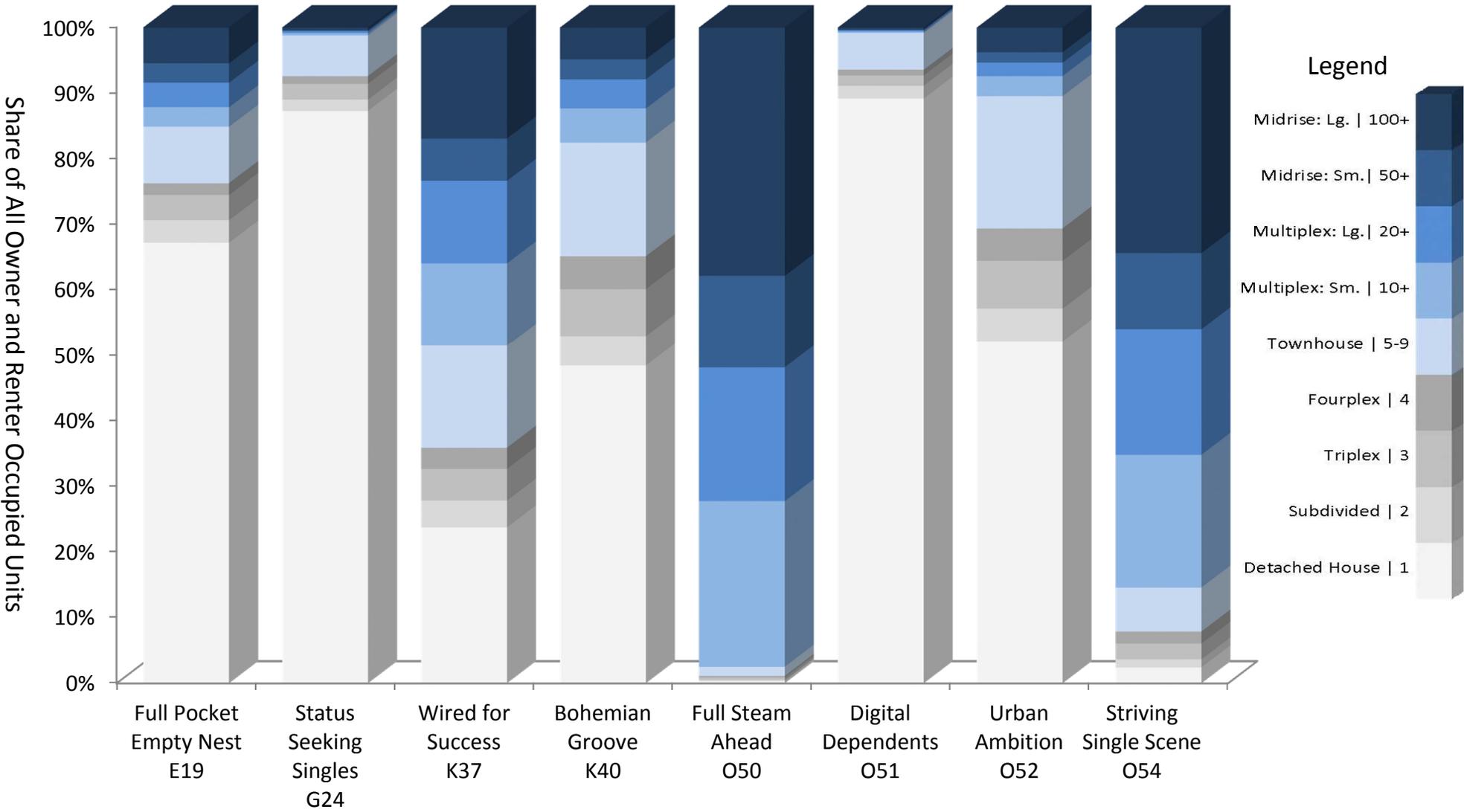
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Residential Market Parameters for Most Prevalent Lifestyle Clusters
 High Preference for Detached Houses - Northeast Michigan Prosperity Region 3
 With Data Averages for the State of Michigan - 2015

Lifestyle Cluster Code	Detached House 1 Unit	Duplex		Townhse., Live-Work 6+ Units	Midplex 20+ Units	Renters Share of Hhlds.	Owners Share of Hhlds.	Renters Mover Rate	Owners Mover Rate	Blended Mover- ship Rate
		Triplex Fourplex 2-4 Units								
MOST PREVALENT CLUSTERS										
Unspoiled Splendor E21	98%	1%	1%	0%	0%	2%	98%	4%	1%	2%
Rural Escape J35	97%	1%	1%	0%	0%	3%	97%	9%	2%	4%
Booming and Consuming L41	91%	3%	5%	1%	1%	17%	83%	32%	8%	14%
Homemade Happiness L43	97%	1%	2%	0%	0%	5%	95%	13%	3%	6%
Red White and Bluegrass M44	95%	2%	3%	0%	0%	11%	89%	12%	3%	6%
True Grit Americans N46	96%	1%	3%	1%	1%	9%	91%	25%	6%	11%
Town Elders Q64	97%	1%	2%	0%	0%	4%	96%	5%	1%	2%
Small Town Shallow Pockets S68	93%	3%	4%	1%	1%	34%	66%	33%	8%	15%
INTERMITTENTLY PREVALENT										
Touch of Tradition N49	98%	1%	1%	0%	0%	6%	94%	22%	5%	10%
Settled and Sensible J36	98%	1%	1%	0%	0%	3%	97%	10%	2%	4%
Infants and Debit Cards M45	95%	2%	3%	0%	0%	30%	70%	34%	9%	15%
Stockcars and State Parks I30	97%	1%	2%	0%	0%	3%	97%	10%	3%	5%
Sports Utility Families D15	98%	1%	2%	0%	0%	3%	97%	5%	1%	2%

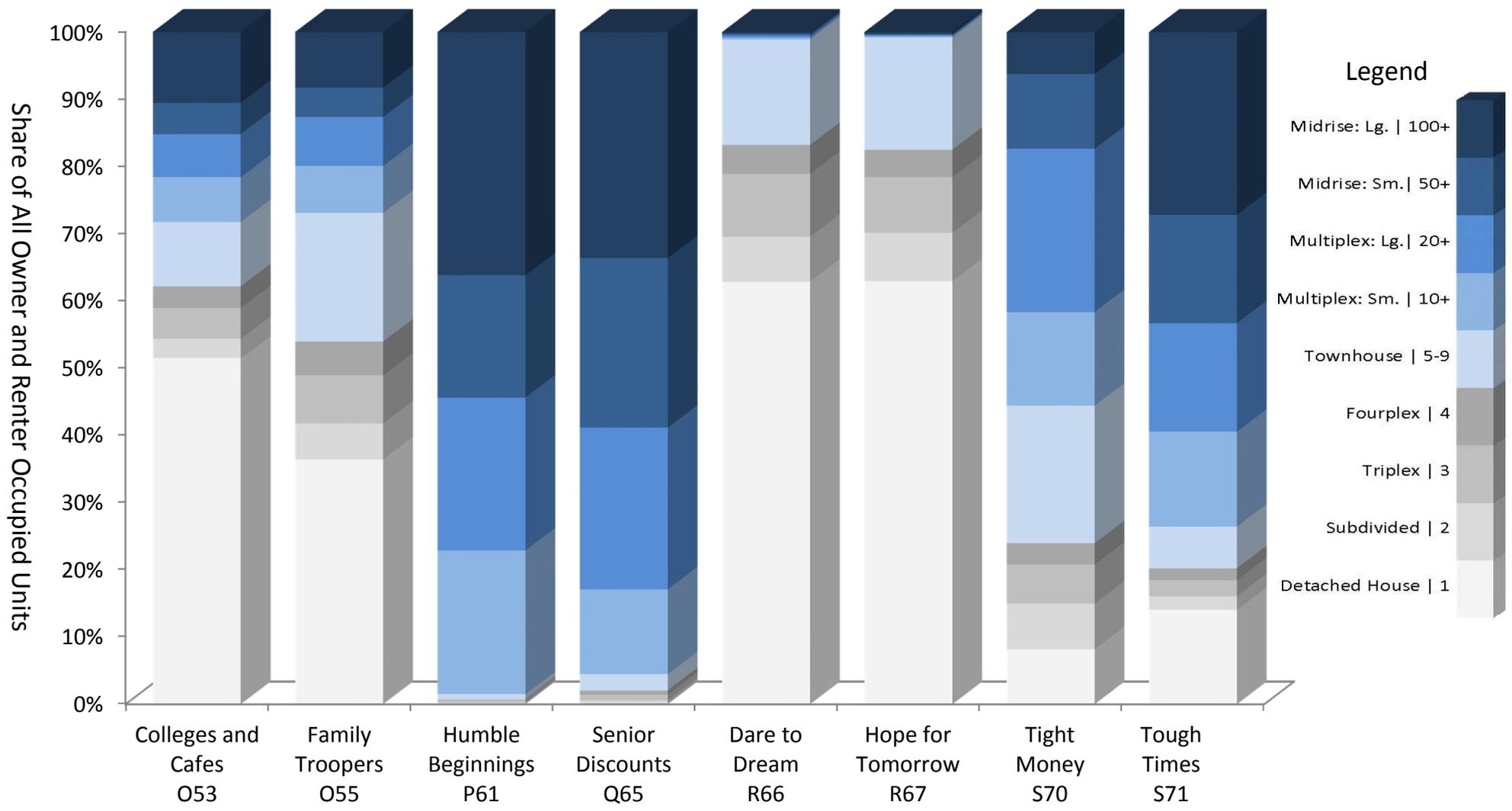
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Missing Middle Housing Formats v. Houses Preferences of Upscale Target Markets Northeast Michigan Prosperity Region 3 - Year 2016



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Missing Middle Housing Formats v. Houses Preferences of Moderate Target Markets Northeast Michigan Prosperity Region 3 | Year 2016



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Residential Market Parameters for Upscale and Moderate Target Markets
 Some Preference for Missing Middle Housing - Northeast Michigan Prosperity Region 3
 With Data Averages for the State of Michigan - 2015

Lifestyle Cluster Code	Detached House 1 Unit	Duplex		Townhse., Live-Work 6+ Units	Midplex 20+ Units	Renters Share of Hhlds.	Owners Share of Hhlds.	Renters Mover Rate	Owners Mover Rate	Blended Mover- ship Rate
		Triplex Fourplex 2-4 Units								
UPSCALE TARGET MARKETS										
Full Pockets - Empty Nests E19	67%	9%	9%	15%	22%	78%	18%	4%	8%	
Status Seeking Singles G24	87%	5%	6%	1%	30%	70%	37%	9%	17%	
Wired for Success K37	24%	12%	16%	49%	80%	20%	87%	22%	40%	
Bohemian Groove K40	48%	17%	17%	18%	91%	9%	38%	10%	17%	
Full Steam Ahead O50	0%	1%	1%	97%	98%	2%	90%	30%	54%	
Digital Dependents O51	89%	4%	6%	1%	34%	66%	80%	20%	36%	
Urban Ambition O52	52%	17%	20%	10%	95%	5%	76%	19%	34%	
Striving Single Scene O54	2%	5%	7%	85%	96%	4%	90%	28%	50%	
MODERATE TARGET MARKETS										
Colleges and Cafes O53	51%	11%	10%	28%	83%	17%	55%	14%	25%	
Family Troopers O55	36%	18%	19%	27%	99%	1%	87%	22%	40%	
Humble Beginnings P61	0%	1%	1%	99%	97%	3%	84%	21%	38%	
Senior Discounts Q65	0%	2%	2%	96%	71%	29%	28%	7%	13%	
Dare to Dream R66	63%	20%	16%	1%	98%	2%	58%	14%	26%	
Hope for Tomorrow R67	63%	20%	17%	1%	99%	1%	65%	16%	30%	
Tight Money S70	8%	16%	20%	56%	100%	0%	78%	20%	36%	
Tough Times S71	14%	6%	6%	74%	95%	5%	41%	10%	19%	

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C

Conservative
Scenario

Prepared by:



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Prepared for:

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Annual Market Potential for Selected Target Markets - CONSERVATIVE SCENARIO
 Number of Units (New and/or Rehab) by Tenure and Building Form
 Otsego COUNTY, Michigan - 2016 - 2020

CONSERVATIVE SCENARIO	Otsego COUNTY 71 Lifestyle Clusters			Otsego COUNTY Upscale Target Markets			Otsego COUNTY Moderate Target Markets		
	Total	Owners	Renters	Total	Owners	Renters	Total	Owners	Renters
Total Housing Units	635	203	432	173	40	133	218	3	215
1 Detached Houses	361	200	161	108	40	68	22	0	22
2 Side-by-Side & Stacked	16	0	16	6	0	6	10	0	10
3 Side-by-Side & Stacked	31	0	31	9	0	9	20	0	20
4 Side-by-Side & Stacked	18	0	18	6	0	6	12	0	12
5-9 Townhse., Live-Work	92	0	92	30	0	30	51	0	51
10-19 Multiplex: Small	26	0	26	4	0	4	22	0	22
20-49 Multiplex: Large	35	1	34	4	0	4	31	1	30
50-99 Midrise: Small	23	1	22	2	0	2	21	1	20
100+ Midrise: Large	33	1	32	4	0	4	29	1	28
Total Units	635	203	432	173	40	133	218	3	215
Detached	361	200	161	108	40	68	22	0	22
Attached	274	3	271	65	0	65	196	3	193

Source: Target Market Analysis and exhibit prepared exclusively by LandUses|USA © 2016, all rights reserved.
 Notes: Not intended to imply absolutes or exclusive building formats, and may be qualified for unique projects.

Annual Market Potential for Selected Target Markets - CONSERVATIVE SCENARIO
 Number of Units (New and/or Rehab) by Tenure and Building Form
 Otsego COUNTY, Michigan - 2016 - 2020

Exhibit C.2

	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Full Pockets Empty Nests E19	Status Seeking Singles G24	Wired for Success K37	Bohem- ian Groove K40	Full Steam Ahead O50	Digital Depend- ents O51	Urban Ambit- ion O52	Striving Single Scene O54
Target Market - Level	All 71	Upscale	Moderate	U	U	U	U	U	U	U	U
Year of Data	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
Otsego COUNTY - Total	635	173	218	0	0	0	38	0	136	0	0
Otsego COUNTY - Owners	203	40	3	0	0	0	1	0	40	0	0
1 Detached Houses	200	40	0	0	0	0	1	0	39	0	0
2 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
3 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
4 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
5-9 Townhse., Live-Work	0	0	0	0	0	0	0	0	0	0	0
10-19 Multiplex: Small	0	0	0	0	0	0	0	0	0	0	0
20-49 Multiplex: Large	1	0	1	0	0	0	0	0	0	0	0
50-99 Midrise: Small	1	0	1	0	0	0	0	0	0	0	0
100+ Midrise: Large	1	0	1	0	0	0	0	0	0	0	0
Otsego COUNTY - Renters	432	133	215	0	0	0	37	0	96	0	0
1 Detached Houses	161	68	22	0	0	0	6	0	62	0	0
2 Side-by-Side & Stacked	16	6	10	0	0	0	2	0	4	0	0
3 Side-by-Side & Stacked	31	9	20	0	0	0	4	0	5	0	0
4 Side-by-Side & Stacked	18	6	12	0	0	0	3	0	3	0	0
5-9 Townhse., Live-Work	92	30	51	0	0	0	11	0	19	0	0
10-19 Multiplex: Small	26	4	22	0	0	0	3	0	1	0	0
20-49 Multiplex: Large	34	4	30	0	0	0	3	0	1	0	0
50-99 Midrise: Small	22	2	20	0	0	0	2	0	0	0	0
100+ Midrise: Large	32	4	28	0	0	0	3	0	1	0	0

Source: Results of a Target Market Analysis prepared exclusively by LandUse|USA © 2016 with all rights reserved.

Note: Due only to rounding, these figures might not sum exact and might not perfectly match summary tables in the narrative report.

Qualifiers: Houses may include rehabs of existing mansion-style houses, carriage-style expansions, and accessory dwelling units.

Duplexes (2), triplexes (3), and fourplexes (4) may include units that are either stacked or side-by-side, and may be subdivided houses.

Townhouses may include row houses and brownstones; and multiplexes may include bungalow courts and courtyard "apartments".

Annual Market Potential for Selected Target Markets - CONSERVATIVE SCENARIO
 Number of Units (New and/or Rehab) by Tenure and Building Form
 Otsego COUNTY, Michigan - 2016 - 2020

Exhibit C.3

CONSERVATIVE SCENARIO (Per In-Migration Only)	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Colleges Cafes O53	Family Troopers O55	Humble Begin- nings P61	Senior Discount Q65	Dare to Dream R66	Hope for Tomor- row R67	Tight Money S70	Tough Times S71
Target Market - Level	All 71	Upscale	Moderate	M	M	M	M	M	M	M	M
Year of Data	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
Otsego COUNTY - Total	635	173	218	0	108	0	39	34	0	36	2
Otsego COUNTY - Owners	203	40	3	0	0	0	3	0	0	0	0
1 Detached Houses	200	40	0	0	0	0	0	0	0	0	0
2 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
3 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
4 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
5-9 Townhse., Live-Work	0	0	0	0	0	0	0	0	0	0	0
10-19 Multiplex: Small	0	0	0	0	0	0	0	0	0	0	0
20-49 Multiplex: Large	1	0	1	0	0	0	1	0	0	0	0
50-99 Midrise: Small	1	0	1	0	0	0	1	0	0	0	0
100+ Midrise: Large	1	0	1	0	0	0	1	0	0	0	0
Otsego COUNTY - Renters	432	133	215	0	108	0	36	34	0	36	2
1 Detached Houses	161	68	22	0	12	0	0	9	0	1	0
2 Side-by-Side & Stacked	16	6	10	0	5	0	0	3	0	2	0
3 Side-by-Side & Stacked	31	9	20	0	11	0	0	7	0	2	0
4 Side-by-Side & Stacked	18	6	12	0	8	0	0	3	0	1	0
5-9 Townhse., Live-Work	92	30	51	0	31	0	1	11	0	8	0
10-19 Multiplex: Small	26	4	22	0	11	0	5	0	0	6	0
20-49 Multiplex: Large	34	4	30	0	11	0	9	0	0	10	0
50-99 Midrise: Small	22	2	20	0	7	0	9	0	0	4	0
100+ Midrise: Large	32	4	28	0	13	0	12	0	0	2	1

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Note: Due only to rounding, these figures might not sum exact and might not perfectly match summary tables in the narrative report.

Qualifiers: Houses may include rehabs of existing mansion-style houses, carriage-style expansions, and accessory dwelling units.

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Townhouses may include row houses and brownstones; and multiplexes may include bungalow courts and courtyard "apartments".



D

**Aggressive Scenario
County Totals**

Prepared by:



LandUseUSA

Prepared for:

Northeast Michigan Prosperity Region 3
Michigan State Housing Development Authority



MSHDA
MICHIGAN STATE HOUSING
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Annual Market Potential for Selected Target Markets - AGGRESSIVE SCENARIO
 Number of Units (New and/or Rehab) by Tenure and Building Form
 Otsego COUNTY, Michigan - 2016 - 2020

AGGRESSIVE SCENARIO	Otsego COUNTY 71 Lifestyle Clusters			Otsego COUNTY Upscale Target Markets			Otsego COUNTY Moderate Target Markets		
	Total	Owners	Renters	Total	Owners	Renters	Total	Owners	Renters
Total Housing Units	1,300	398	902	354	80	274	440	6	434
1 Detached Houses	731	391	340	213	78	135	44	1	43
2 Side-by-Side & Stacked	35	1	34	13	1	12	19	0	19
3 Side-by-Side & Stacked	66	0	66	20	0	20	41	0	41
4 Side-by-Side & Stacked	39	0	39	13	0	13	25	0	25
5-9 Townhse., Live-Work	187	1	186	64	1	63	100	0	100
10-19 Multiplex: Small	54	0	54	9	0	9	45	0	45
20-49 Multiplex: Large	71	1	70	8	0	8	63	1	62
50-99 Midrise: Small	50	2	48	5	0	5	45	2	43
100+ Midrise: Large	67	2	65	9	0	9	58	2	56
Total Units	1,300	398	902	354	80	274	440	6	434
Detached	731	391	340	213	78	135	44	1	43
Attached	569	7	562	141	2	139	396	5	391

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 Notes: Not intended to imply absolutes or exclusive building formats, and may be qualified for unique projects.

Annual Market Potential for Selected Target Markets - AGGRESSIVE SCENARIO
 Number of Units (New and/or Rehab) by Tenure and Building Form
 Otsego COUNTY, Michigan - 2016 - 2020

Exhibit D.2

	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Full Pockets Empty Nests E19	Status Seeking Singles G24	Wired for Success K37	Bohem- ian Groove K40	Full Steam Ahead O50	Digital Depend- ents O51	Urban Ambit- ion O52	Striving Single Scene O54
AGGRESSIVE SCENARIO (Per In-Migration Only)	All 71	Upscale	Moderate	U	U	U	U	U	U	U	U
Target Market - Level	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
Otsego COUNTY - Total	1,300	354	440	0	0	0	86	0	267	0	0
Otsego COUNTY - Owners	398	80	6	0	0	0	1	0	79	0	0
1 Detached Houses	391	78	1	0	0	0	1	0	77	0	0
2 Side-by-Side & Stacked	1	1	0	0	0	0	0	0	1	0	0
3 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
4 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
5-9 Townhse., Live-Work	1	1	0	0	0	0	0	0	1	0	0
10-19 Multiplex: Small	0	0	0	0	0	0	0	0	0	0	0
20-49 Multiplex: Large	1	0	1	0	0	0	0	0	0	0	0
50-99 Midrise: Small	2	0	2	0	0	0	0	0	0	0	0
100+ Midrise: Large	2	0	2	0	0	0	0	0	0	0	0
Otsego COUNTY - Renters	902	274	434	0	0	0	85	0	188	0	0
1 Detached Houses	340	135	43	0	0	0	14	0	121	0	0
2 Side-by-Side & Stacked	34	12	19	0	0	0	4	0	8	0	0
3 Side-by-Side & Stacked	66	20	41	0	0	0	10	0	10	0	0
4 Side-by-Side & Stacked	39	13	25	0	0	0	7	0	6	0	0
5-9 Townhse., Live-Work	186	63	100	0	0	0	25	0	38	0	0
10-19 Multiplex: Small	54	9	45	0	0	0	8	0	1	0	0
20-49 Multiplex: Large	70	8	62	0	0	0	6	0	2	0	0
50-99 Midrise: Small	48	5	43	0	0	0	4	0	1	0	0
100+ Midrise: Large	65	9	56	0	0	0	7	0	2	0	0

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Qualifiers: Houses may include rehabs of existing mansion-style houses, carriage-style expansions, and accessory dwelling units.

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Annual Market Potential for Selected Target Markets - AGGRESSIVE SCENARIO
 Number of Units (New and/or Rehab) by Tenure and Building Form
 Otsego COUNTY, Michigan - 2016 - 2020

Exhibit D.3

AGGRESSIVE SCENARIO (Per In-Migration Only)	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Colleges Cafes O53	Family Troopers O55	Humble Begin- nings P61	Senior Discount Q65	Dare to Dream R66	Hope for Tomor- row R67	Tight Money S70	Tough Times S71
Target Market - Level	All 71	Upscale	Moderate	M	M	M	M	M	M	M	M
Year of Data	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
Otsego COUNTY - Total	1,300	354	440	0	197	0	89	77	0	73	4
Otsego COUNTY - Owners	398	80	6	0	1	0	6	0	0	0	0
1 Detached Houses	391	78	1	0	1	0	0	0	0	0	0
2 Side-by-Side & Stacked	1	1	0	0	0	0	0	0	0	0	0
3 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
4 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
5-9 Townhse., Live-Work	1	1	0	0	0	0	0	0	0	0	0
10-19 Multiplex: Small	0	0	0	0	0	0	0	0	0	0	0
20-49 Multiplex: Large	1	0	1	0	0	0	1	0	0	0	0
50-99 Midrise: Small	2	0	2	0	0	0	2	0	0	0	0
100+ Midrise: Large	2	0	2	0	0	0	2	0	0	0	0
Otsego COUNTY - Renters	902	274	434	0	196	0	83	77	0	73	4
1 Detached Houses	340	135	43	0	21	0	0	21	0	1	0
2 Side-by-Side & Stacked	34	12	19	0	9	0	0	7	0	3	0
3 Side-by-Side & Stacked	66	20	41	0	20	0	1	15	0	5	0
4 Side-by-Side & Stacked	39	13	25	0	14	0	1	7	0	3	0
5-9 Townhse., Live-Work	186	63	100	0	55	0	2	26	0	17	0
10-19 Multiplex: Small	54	9	45	0	21	0	11	0	0	12	1
20-49 Multiplex: Large	70	8	62	0	21	0	20	1	0	19	1
50-99 Midrise: Small	48	5	43	0	12	0	21	0	0	9	1
100+ Midrise: Large	65	9	56	0	23	0	27	0	0	5	1

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Qualifiers: Houses may include rehabs of existing mansion-style houses, carriage-style expansions, and accessory dwelling units.

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Townhouses may include row houses and brownstones; and multiplexes may include bungalow courts and courtyard "apartments".



E

**Aggressive Scenario
Places**

Prepared by:



LandUseUSA

Prepared for:

Northeast Michigan Prosperity Region 3
Michigan State Housing Development Authority



MSHDA
MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY

Annual Market Potential for Selected Target Markets - AGGRESSIVE SCENARIO
 Number of Units (New and/or Rehab) by Tenure and Building Form
 Otsego COUNTY, Michigan - 2016 - 2020

AGGRESSIVE SCENARIO	City of Gaylord 71 Lifestyle Clusters			Village of Vanderbilt 71 Lifestyle Clusters		
	Total	Owners	Renters	Total	Owners	Renters
Total Housing Units	502	216	286	27	3	24
1 Detached Houses	284	206	78	8	3	5
2 Side-by-Side & Stacked	11	0	11	1	0	1
3 Side-by-Side & Stacked	25	0	25	2	0	2
4 Side-by-Side & Stacked	15	0	15	0	0	0
5-9 Townhse., Live-Work	64	0	64	5	0	5
10-19 Multiplex: Small	21	1	20	3	0	3
20-49 Multiplex: Large	28	2	26	4	0	4
50-99 Midrise: Small	22	3	19	2	0	2
100+ Midrise: Large	32	4	28	2	0	2
Total Units	502	216	286	27	3	24
Detached	284	206	78	8	3	5
Attached	218	10	208	19	0	19

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Notes: Not intended to imply absolutes or exclusive building formats, and may be qualified for unique projects.

Annual Market Potential for Selected Target Markets - AGGRESSIVE SCENARIO
 Number of Units (New and/or Rehab) by Tenure and Building Form
 City of Gaylord - Otsego COUNTY, Michigan - 2016 - 2020

Exhibit E.2

	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Full Pockets Empty Nests E19	Status Seeking Singles G24	Wired for Success K37	Bohem- ian Groove K40	Full Steam Ahead O50	Digital Depend- ents O51	Urban Ambit- ion O52	Striving Single Scene O54
AGGRESSIVE SCENARIO (Per In-Migration Only)	All 71	Upscale	Moderate	U	U	U	U	U	U	U	U
Target Market - Level	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
City of Gaylord - Total	502	104	190	0	0	0	40	0	65	0	0
City of Gaylord - Owners	216	38	11	0	0	0	2	0	37	0	0
1 Detached Houses	206	38	1	0	0	0	2	0	36	0	0
2 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
3 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
4 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
5-9 Townhse., Live-Work	0	0	0	0	0	0	0	0	0	0	0
10-19 Multiplex: Small	1	0	1	0	0	0	0	0	0	0	0
20-49 Multiplex: Large	2	0	2	0	0	0	0	0	0	0	0
50-99 Midrise: Small	3	0	3	0	0	0	0	0	0	0	0
100+ Midrise: Large	4	0	4	0	0	0	0	0	0	0	0
City of Gaylord - Renters	286	66	179	0	0	0	38	0	28	0	0
1 Detached Houses	78	24	19	0	0	0	6	0	18	0	0
2 Side-by-Side & Stacked	11	3	8	0	0	0	2	0	1	0	0
3 Side-by-Side & Stacked	25	7	17	0	0	0	5	0	2	0	0
4 Side-by-Side & Stacked	15	4	11	0	0	0	3	0	1	0	0
5-9 Townhse., Live-Work	64	17	42	0	0	0	11	0	6	0	0
10-19 Multiplex: Small	20	3	17	0	0	0	3	0	0	0	0
20-49 Multiplex: Large	26	3	23	0	0	0	3	0	0	0	0
50-99 Midrise: Small	19	2	17	0	0	0	2	0	0	0	0
100+ Midrise: Large	28	3	25	0	0	0	3	0	0	0	0

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Annual Market Potential for Selected Target Markets - AGGRESSIVE SCENARIO
 Number of Units (New and/or Rehab) by Tenure and Building Form
 City of Gaylord - Otsego COUNTY, Michigan - 2016 - 2020

Exhibit E.3

AGGRESSIVE SCENARIO (Per In-Migration Only)	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Colleges Cafes O53	Family Troopers O55	Humble Begin- nings P61	Senior Discount Q65	Dare to Dream R66	Hope for Tomor- row R67	Tight Money S70	Tough Times S71
Target Market - Level	All 71	Upscale	Moderate	M	M	M	M	M	M	M	M
Year of Data	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
City of Gaylord - Total	502	104	190	0	106	0	50	30	0	6	0
City of Gaylord - Owners	216	38	11	0	1	0	11	0	0	0	0
1 Detached Houses	206	38	1	0	1	0	0	0	0	0	0
2 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
3 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
4 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
5-9 Townhse., Live-Work	0	0	0	0	0	0	0	0	0	0	0
10-19 Multiplex: Small	1	0	1	0	0	0	1	0	0	0	0
20-49 Multiplex: Large	2	0	2	0	0	0	2	0	0	0	0
50-99 Midrise: Small	3	0	3	0	0	0	3	0	0	0	0
100+ Midrise: Large	4	0	4	0	0	0	4	0	0	0	0
City of Gaylord - Renters	286	66	179	0	105	0	39	30	0	6	0
1 Detached Houses	78	24	19	0	11	0	0	8	0	0	0
2 Side-by-Side & Stacked	11	3	8	0	5	0	0	3	0	0	0
3 Side-by-Side & Stacked	25	7	17	0	11	0	0	6	0	0	0
4 Side-by-Side & Stacked	15	4	11	0	8	0	0	3	0	0	0
5-9 Townhse., Live-Work	64	17	42	0	30	0	1	10	0	1	0
10-19 Multiplex: Small	20	3	17	0	11	0	5	0	0	1	0
20-49 Multiplex: Large	26	3	23	0	11	0	10	0	0	2	0
50-99 Midrise: Small	19	2	17	0	6	0	10	0	0	1	0
100+ Midrise: Large	28	3	25	0	12	0	13	0	0	0	0

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Annual Market Potential for Selected Target Markets - AGGRESSIVE SCENARIO
 Number of Units (New and/or Rehab) by Tenure and Building Form
 Village of Vanderbilt - Otsego COUNTY, Michigan - 2016 - 2020

Exhibit E.4

	Total 71	Upscale	Moderate	Full	Status	Wired	Bohemian	Full	Digital	Urban	Striving
AGGRESSIVE SCENARIO (Per In-Migration Only)	Lifestyle	Target	Target	Pockets	Seeking	for	ian	Steam	Depend-	Ambit-	Single
Target Market - Level	Clusters	Markets	Markets	Empty	Singles	Success	Groove	Ahead	ents	ion	Scene
Year of Data	All 71	Upscale	Moderate	Nests	G24	K37	K40	O50	O51	O52	O54
	2015	2015	2015	U	U	U	U	U	U	U	U
Village of Vanderbilt - Total	27	5	19	0	0	0	0	0	5	0	0
Village of Vanderbilt - Owners	3	1	0	0	0	0	0	0	1	0	0
1 Detached Houses	3	1	0	0	0	0	0	0	1	0	0
2 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
3 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
4 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
5-9 Townhse., Live-Work	0	0	0	0	0	0	0	0	0	0	0
10-19 Multiplex: Small	0	0	0	0	0	0	0	0	0	0	0
20-49 Multiplex: Large	0	0	0	0	0	0	0	0	0	0	0
50-99 Midrise: Small	0	0	0	0	0	0	0	0	0	0	0
100+ Midrise: Large	0	0	0	0	0	0	0	0	0	0	0
Village of Vanderbilt - Renters	24	4	19	0	0	0	0	0	4	0	0
1 Detached Houses	5	3	1	0	0	0	0	0	3	0	0
2 Side-by-Side & Stacked	1	0	1	0	0	0	0	0	0	0	0
3 Side-by-Side & Stacked	2	0	2	0	0	0	0	0	0	0	0
4 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
5-9 Townhse., Live-Work	5	1	4	0	0	0	0	0	1	0	0
10-19 Multiplex: Small	3	0	3	0	0	0	0	0	0	0	0
20-49 Multiplex: Large	4	0	4	0	0	0	0	0	0	0	0
50-99 Midrise: Small	2	0	2	0	0	0	0	0	0	0	0
100+ Midrise: Large	2	0	2	0	0	0	0	0	0	0	0

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Annual Market Potential for Selected Target Markets - AGGRESSIVE SCENARIO
 Number of Units (New and/or Rehab) by Tenure and Building Form
 Village of Vanderbilt - Otsego COUNTY, Michigan - 2016 - 2020

Exhibit E.5

AGGRESSIVE SCENARIO (Per In-Migration Only)	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Colleges Cafes O53	Family Troopers O55	Humble Begin- nings P61	Senior Discount Q65	Dare to Dream R66	Hope for Tomor- row R67	Tight Money S70	Tough Times S71
Target Market - Level	All 71	Upscale	Moderate	M	M	M	M	M	M	M	M
Year of Data	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
Village of Vanderbilt - Total	27	5	19	0	5	0	1	0	0	13	0
Village of Vanderbilt - Owners	3	1	0	0	0	0	0	0	0	0	0
1 Detached Houses	3	1	0	0	0	0	0	0	0	0	0
2 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
3 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
4 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
5-9 Townhse., Live-Work	0	0	0	0	0	0	0	0	0	0	0
10-19 Multiplex: Small	0	0	0	0	0	0	0	0	0	0	0
20-49 Multiplex: Large	0	0	0	0	0	0	0	0	0	0	0
50-99 Midrise: Small	0	0	0	0	0	0	0	0	0	0	0
100+ Midrise: Large	0	0	0	0	0	0	0	0	0	0	0
Village of Vanderbilt - Renters	24	4	19	0	5	0	1	0	0	13	0
1 Detached Houses	5	3	1	0	1	0	0	0	0	0	0
2 Side-by-Side & Stacked	1	0	1	0	0	0	0	0	0	1	0
3 Side-by-Side & Stacked	2	0	2	0	1	0	0	0	0	1	0
4 Side-by-Side & Stacked	0	0	0	0	0	0	0	0	0	0	0
5-9 Townhse., Live-Work	5	1	4	0	1	0	0	0	0	3	0
10-19 Multiplex: Small	3	0	3	0	1	0	0	0	0	2	0
20-49 Multiplex: Large	4	0	4	0	1	0	0	0	0	3	0
50-99 Midrise: Small	2	0	2	0	0	0	0	0	0	2	0
100+ Midrise: Large	2	0	2	0	1	0	0	0	0	1	0

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Contract Rents County and Places

Prepared by:



LandUseUSA

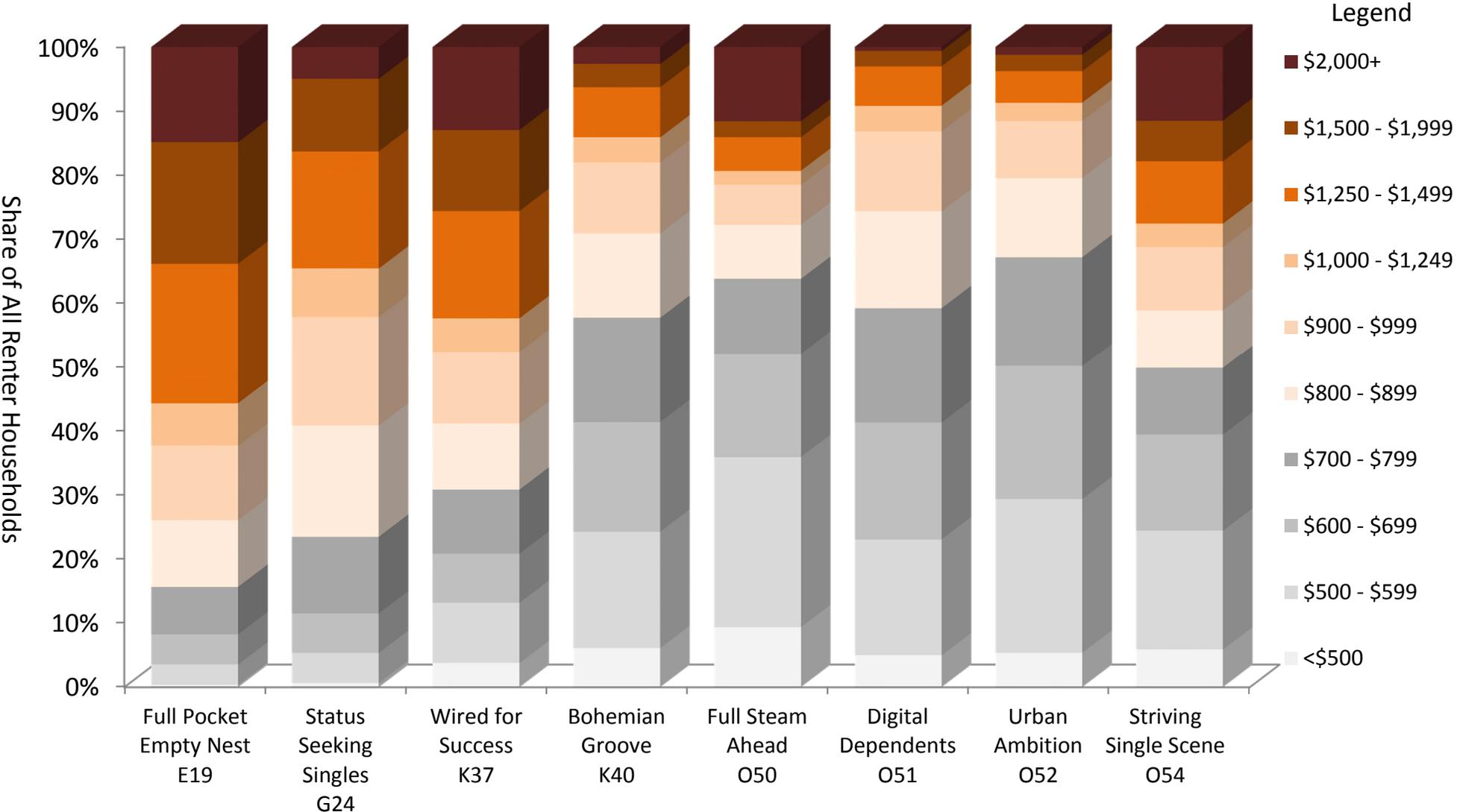
Prepared for:

Northeast Michigan Prosperity Region 3
Michigan State Housing Development Authority



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Upscale Target Markets for Missing Middle Housing Formats Stacked by Contract Rent Brackets Averages for the State of Michigan - 2016



Source: Underlying Mosaic|USA data provided by Experian Decision Analytics and powered by Sites|USA. Michigan estimates, analysis, and exhibit prepared exclusively by LandUse|USA © 2016 with all rights reserved.

Contract Rent Brackets | Existing Households by Upscale Target Market
Otsego County | Northeast Michigan Prosperity Region 3 | Year 2015

Contract Rent Brackets	All 71		Status						
	Mosaic Lifestyle Clusters	Full Pocket Empty Nest E19	Seeking Singles G24	Wired for Success K37	Bohemian Groove K40	Full Steam Ahead O50	Digital Dependents O51	Urban Ambition O52	Striving Single Scene O54
<\$500	4.8%	0.3%	0.6%	3.3%	4.9%	7.7%	3.9%	4.2%	4.9%
\$500 - \$599	15.4%	3.8%	5.3%	10.9%	19.4%	29.2%	19.0%	25.2%	20.8%
\$600 - \$699	11.2%	5.2%	6.4%	8.2%	16.8%	16.3%	17.6%	20.1%	15.4%
\$700 - \$799	12.2%	9.7%	14.6%	12.6%	19.0%	14.0%	20.5%	19.4%	12.7%
\$800 - \$899	11.5%	12.7%	19.8%	12.2%	14.4%	9.4%	16.2%	13.2%	10.3%
\$900 - \$999	10.5%	12.9%	17.8%	12.1%	11.0%	6.4%	12.2%	8.7%	10.3%
\$1,000 - \$1,249	4.2%	6.2%	6.5%	4.7%	3.2%	1.8%	3.2%	2.3%	3.1%
\$1,250 - \$1,499	12.8%	21.2%	16.6%	15.7%	6.8%	4.6%	5.2%	4.2%	8.8%
\$1,500 - \$1,999	8.7%	15.7%	8.7%	10.1%	2.6%	1.9%	1.7%	1.8%	4.9%
\$2,000+	8.7%	12.2%	3.8%	10.3%	2.0%	8.7%	0.5%	0.9%	8.8%
Summation		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Median	\$546	\$812	\$698	\$717	\$548	\$553	\$531	\$510	\$617

Source: Underlying data provided by Experian Decision Analytics and the American Community Survey (ACS) with 1-yr estimates through 2014. Analysis, forecasts, and exhibit prepared exclusively by LandUse|USA; 2016 © with all rights reserved.

These rents are for a base year of 2015, and have not yet been forecast to 2016 or "boosted" for the market analysis and model.

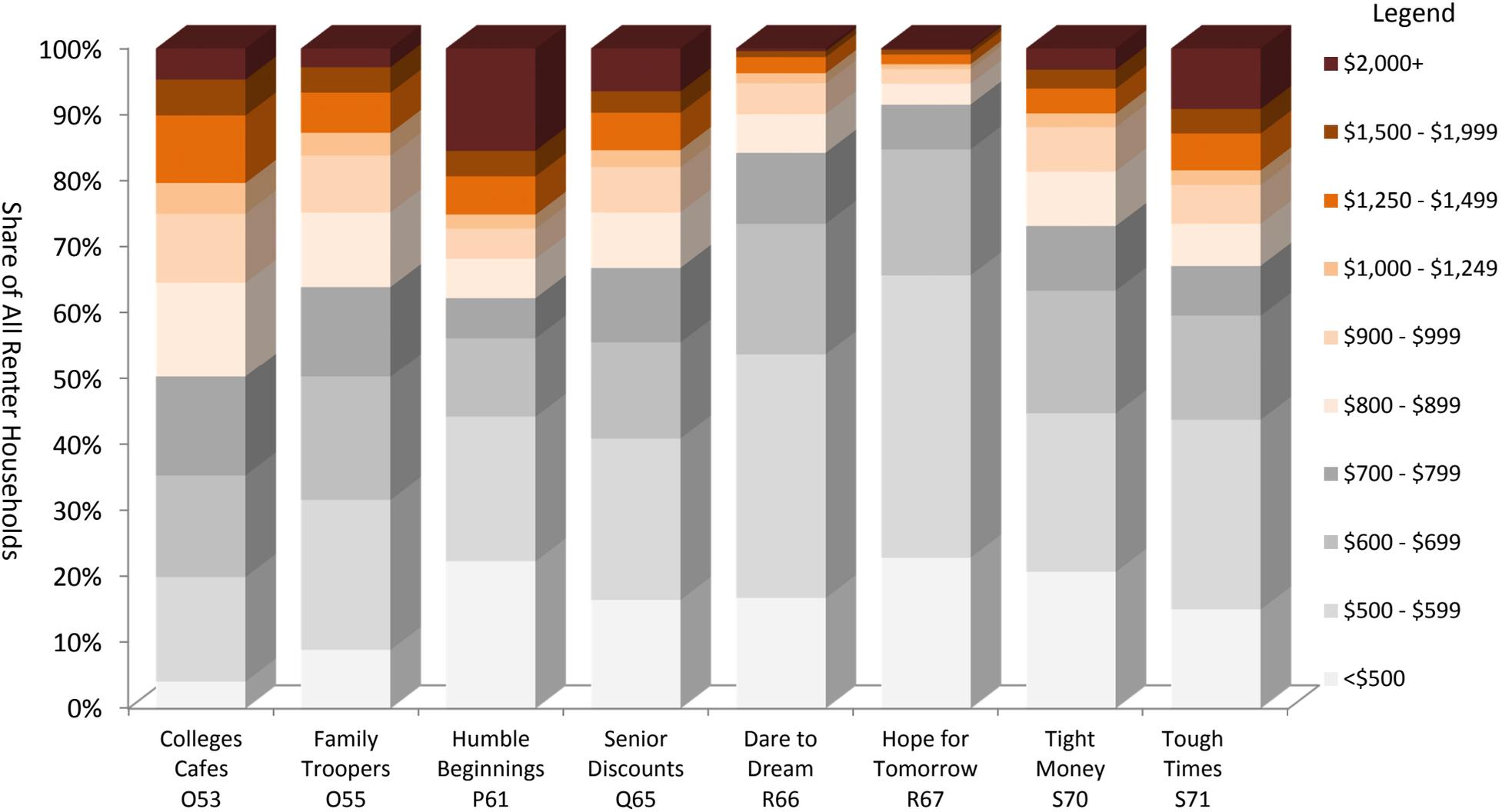
Annual Market Potential for Selected Target Markets - AGGRESSIVE SCENARIO
 Number of Units (New and/or Rehab) by Contract Rent Bracket
 Otsego COUNTY, Michigan - 2016 - 2020

Exhibit F1.3

AGGRESSIVE SCENARIO (Per In-Migration Only)	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Full	Status	Wired	Bohem-	Full	Digital	Urban	Striving
				Empty Nests E19	Seeking Singles G24	for Success K37	ian Groove K40	Steam Ahead O50	Depend- ents O51	Ambit- ion O52	Single Scene O54
Target Market	All 71	Upscale	Moderate	U	U	U	U	U	U	U	U
Year of Data	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
Otsego COUNTY - Total	1,277	352	437	0	0	0	86	0	267	0	0
Otsego COUNTY - Renters	896	272	432	0	0	0	85	0	188	0	0
<\$500	80	11	48	0	0	0	4	0	7	0	0
\$500 - \$599	233	53	120	0	0	0	17	0	36	0	0
\$600 - \$699	164	47	78	0	0	0	14	0	33	0	0
\$700 - \$799	144	54	61	0	0	0	16	0	38	0	0
\$800 - \$899	105	42	44	0	0	0	12	0	30	0	0
\$900 - \$999	78	32	32	0	0	0	9	0	23	0	0
\$1,000 - \$1,249	22	9	10	0	0	0	3	0	6	0	0
\$1,250 - \$1,499	39	16	18	0	0	0	6	0	10	0	0
\$1,500 - \$1,999	18	5	11	0	0	0	2	0	3	0	0
\$2,000+	13	3	10	0	0	0	2	0	1	0	0
Summation	896	272	432	0	0	0	85	0	187	0	0
Med. Contract Rent	\$705	--	--	\$974	\$837	\$861	\$658	\$663	\$637	\$612	\$740

Source: Results of a Target Market Analysis prepared exclusively by LandUse|USA © 2016 with all rights reserved.
 Contract rent typically excludes some or all utilities and extra fees for deposits, parking, pets, security, memberships, etc.
 Note: Due only to rounding, these figures might not sum exact and might not perfectly match summary tables in the narrative report.
 Median Contract Rents include a +20% boost and assumes new-builds; quality rehabs; and housing market recovery.

Moderate Target Markets for Missing Middle Housing Formats
 Stacked by Contract Rent Brackets
 Averages for the State of Michigan - 2016



Source: Underlying Mosaic|USA data provided by Experian Decision Analytics and powered by Sites|USA.
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Contract Rent Brackets | Existing Households by Moderate Target Market
Otsego County | Northeast Michigan Prosperity Region 3 | Year 2015

Contract Rent Brackets	All 71								
	Mosaic Lifestyle Clusters	Colleges Cafes O53	Family Troopers O55	Humble Beginnings P61	Senior Discounts Q65	Dare to Dream R66	Hope for Tomorrow R67	Tight Money S70	Tough Times S71
<\$500	4.8%	3.3%	7.2%	19.4%	13.6%	13.4%	18.5%	17.1%	12.5%
\$500 - \$599	15.4%	17.2%	24.4%	25.5%	27.0%	39.6%	46.4%	26.5%	32.1%
\$600 - \$699	11.2%	15.3%	18.5%	12.8%	14.9%	19.4%	18.9%	18.9%	16.2%
\$700 - \$799	12.2%	17.6%	15.9%	7.7%	13.5%	12.4%	8.0%	11.7%	9.1%
\$800 - \$899	11.5%	15.8%	12.4%	7.1%	9.4%	6.4%	3.5%	9.3%	7.2%
\$900 - \$999	10.5%	10.5%	8.6%	4.9%	7.0%	4.6%	2.2%	6.8%	6.0%
\$1,000 - \$1,249	4.2%	3.9%	2.8%	1.9%	2.2%	1.3%	0.6%	1.7%	1.9%
\$1,250 - \$1,499	12.8%	8.9%	5.3%	5.5%	5.0%	2.1%	1.3%	3.3%	5.0%
\$1,500 - \$1,999	8.7%	4.0%	2.9%	3.1%	2.5%	0.7%	0.5%	2.2%	2.8%
\$2,000+	8.7%	3.5%	2.1%	12.3%	4.9%	0.3%	0.2%	2.4%	7.0%
Summation		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Median	\$546	\$587	\$524	\$565	\$519	\$433	\$398	\$480	\$528

Source: Underlying data provided by Experian Decision Analytics and the American Community Survey (ACS) with 1-yr estimates through 2014. Analysis, forecasts, and exhibit prepared exclusively by LandUse|USA; 2016 © with all rights reserved.

These rents are for a base year of 2015, and have not yet been forecast to 2016 or "boosted" for the market analysis and model.

Annual Market Potential for Selected Target Markets - AGGRESSIVE SCENARIO
 Number of Units (New and/or Rehab) by Contract Rent Bracket
 Otsego COUNTY, Michigan - 2016 - 2020

Exhibit F1.6

AGGRESSIVE SCENARIO (Per In-Migration Only)	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Colleges Cafes O53	Family Troopers O55	Humble Begin- nings P61	Senior Discount Q65	Dare to Dream R66	Hope for Tomor- row R67	Tight Money S70	Tough Times S71
Target Market	All 71	Upscale	Moderate	M	M	M	M	M	M	M	M
Year of Data	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
Otsego COUNTY - Total	1,277	352	437	0	197	0	89	77	0	73	4
Otsego COUNTY - Renters	896	272	432	0	196	0	83	77	0	73	4
<\$500	80	11	48	0	14	0	11	10	0	12	1
\$500 - \$599	233	53	120	0	48	0	22	30	0	19	1
\$600 - \$699	164	47	78	0	36	0	12	15	0	14	1
\$700 - \$799	144	54	61	0	31	0	11	10	0	9	0
\$800 - \$899	105	42	44	0	24	0	8	5	0	7	0
\$900 - \$999	78	32	32	0	17	0	6	4	0	5	0
\$1,000 - \$1,249	22	9	10	0	6	0	2	1	0	1	0
\$1,250 - \$1,499	39	16	18	0	10	0	4	2	0	2	0
\$1,500 - \$1,999	18	5	11	0	6	0	2	1	0	2	0
\$2,000+	13	3	10	0	4	0	4	0	0	2	0
Summation	896	272	432	0	196	0	82	78	0	73	3
Med. Contract Rent	\$705	--	--	\$704	\$629	\$678	\$623	\$520	\$478	\$575	\$634

Source: Results of a Target Market Analysis prepared exclusively by LandUse|USA © 2016 with all rights reserved.

Contract rent typically excludes some or all utilities and extra fees for deposits, parking, pets, security, memberships, etc.

Note: Due only to rounding, these figures might not sum exact and might not perfectly match summary tables in the narrative report.

Median Contract Rents include a +20% boost and assumes new-builds; quality rehabs; and housing market recovery.

Market Parameters and Forecasts - Median Contract Rent
 Otsego County and Selected Communities - Michigan Prosperity Region 3

Order	County Name	2010 ACS 1-yr Median Contract Rent	2011 ACS 1-yr Median Contract Rent	2012 ACS 1-yr Median Contract Rent	2013 ACS 1-yr Median Contract Rent	2014 Estimate Median Contract Rent	2016 Forecast Median Contract Rent	2020 Forecast Median Contract Rent
	Otsego Co.	\$538	\$526	\$539	\$531	\$539	\$550	\$565
1	Gaylord City	\$488	\$493	\$508	\$508	\$523	\$556	\$605
2	Vanderbilt Village	\$529	\$529	\$539	\$539	\$549	\$570	\$601

Source: Underlying data provided by the U.S. Decennial Census and the American Community Survey for 2010 - 2014 (1- and 5-year estimates). Analysis, interpolations, and forecasts by LandUse|USA; 2016. Contract rent excludes utilities and extra fees (security deposits, pets, storage, etc.)

Market Parameters - Contract and Gross Rents
Counties in Northeast Michigan Prosperity Region 3 - Year 2016

Geography		Median Household Income (Renters)	Monthly Median Contract Rent	Monthly Median Gross Rent	Gross v. Contract Rent Index	Monthly Utilities and Fees	Fees as a Share of Gross Rent	Gross Rent as a Share of Renter Income
The State of Michigan		\$28,834	\$658	\$822	1.25	\$164	20.0%	34.2%
Prosperity Region 3								
1	Alcona County	\$25,343	\$437	\$664	1.52	\$226	34.1%	31.4%
2	Alpena County	\$21,242	\$459	\$593	1.29	\$134	22.5%	33.5%
3	Cheboygan County	\$24,390	\$503	\$644	1.28	\$141	21.9%	31.7%
4	Crawford County	\$30,780	\$599	\$785	1.31	\$187	23.8%	30.6%
5	Iosco County	\$28,671	\$456	\$625	1.37	\$169	27.0%	26.2%
6	Montmorency County	\$20,001	\$489	\$669	1.37	\$180	26.9%	40.1%
7	Ogemaw County	\$20,146	\$504	\$686	1.36	\$182	26.6%	40.9%
8	Oscoda County	\$17,820	\$492	\$646	1.31	\$154	23.8%	43.5%
9	Otsego County	\$28,135	\$556	\$724	1.30	\$168	23.2%	30.9%
10	Presque Isle County	\$28,923	\$489	\$625	1.28	\$137	21.9%	26.0%
11	Roscommon County	\$22,979	\$528	\$742	1.40	\$213	28.7%	38.7%

Source: Underlying data provided by the U.S. Census and American Community Survey (ACS) through 2014. Analysis, forecasts, and exhibit prepared by LandUse|USA; 2016 ©.

Median Contract Rent v. Median Household Income 71 Lifestyle Clusters (Mosaic|USA) The State of Michigan - 2015



Source: Underlying Mosaic|USA data provided by Experian Decision Analytics and licensed to LandUse|USA through Sites|USA. Michigan estimates, analysis, and exhibit prepared by LandUse|USA (c) 2016 with all rights reserved.

Cash or Contract Rents by Unit Size - Attached Units
 Forecast for New-Builds, Rehabs, and Significant Remodels Only
 Northeast Michigan Prosperity Region 3 - Year 2016

Total Sq. Ft.	Cheboygan County		Alcona County		Otsego County		Montmorency County	
	Presque Isle County	Alpena County	Iosco County	Roscommon County	Crawford County	Ogemaw County	Rent per Sq. Ft.	Cash Rent
500	\$1.09	\$545	\$1.19	\$595	\$1.07	\$535	\$1.22	\$610
600	\$1.01	\$605	\$1.12	\$670	\$1.01	\$605	\$1.09	\$655
700	\$0.93	\$655	\$1.06	\$740	\$0.95	\$665	\$0.98	\$690
800	\$0.87	\$695	\$1.01	\$805	\$0.91	\$725	\$0.89	\$710
900	\$0.81	\$735	\$0.96	\$865	\$0.86	\$775	\$0.80	\$725
1,000	\$0.76	\$765	\$0.92	\$920	\$0.83	\$825	\$0.73	\$730
1,100	\$0.72	\$790	\$0.88	\$970	\$0.79	\$870	<i>\$0.67</i>	<i>\$735</i>
1,200	\$0.68	\$815	\$0.85	\$1,015	\$0.76	\$915	<i>\$0.62</i>	<i>\$740</i>
1,300	\$0.64	\$830	\$0.82	\$1,060	\$0.73	\$955	<i>\$0.57</i>	<i>\$745</i>
1,400	\$0.60	\$845	\$0.79	\$1,100	\$0.71	\$990	<i>\$0.54</i>	<i>\$750</i>
1,500	\$0.57	\$860	\$0.76	\$1,140	\$0.68	\$1,025	<i>\$0.50</i>	<i>\$755</i>
1,600	\$0.54	\$865	\$0.74	\$1,175	\$0.66	\$1,055	<i>\$0.48</i>	<i>\$760</i>
1,700	\$0.51	\$870	\$0.71	\$1,210	\$0.64	\$1,085	<i>\$0.45</i>	<i>\$765</i>
1,800	\$0.49	\$875	\$0.69	\$1,240	\$0.62	\$1,110	<i>\$0.43</i>	<i>\$770</i>
1,900	<i>\$0.46</i>	<i>\$880</i>	\$0.67	\$1,270	\$0.60	\$1,135	<i>\$0.41</i>	<i>\$775</i>
2,000	<i>\$0.44</i>	<i>\$885</i>	\$0.65	\$1,295	\$0.58	\$1,160	<i>\$0.39</i>	<i>\$780</i>

Source: Estimates and forecasts prepared exclusively by LandUse|USA; 2016 ©.

Underlying data gathered by LandUse|USA; 2015.

Based on market observations, phone surveys, and assessor's records.

Figures that are italicized with small fonts have relatively high variances in statistical reliability.



F₂

Home Values County and Places

Prepared by:



LandUseUSA

Prepared for:

Northeast Michigan Prosperity Region 3
Michigan State Housing Development Authority



MSHDA
MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY

Annual Market Potential for Selected Target Markets - AGGRESSIVE SCENARIO
 Number of Units (New and/or Rehab) by Home Value Bracket
 Otsego COUNTY, Michigan - 2016 - 2020

Exhibit F2.1

AGGRESSIVE SCENARIO (Per In-Migration Only)	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Full	Status	Wired	Bohem-	Full	Digital	Urban	Striving
				Pockets Empty Nests E19	Seeking Singles G24	for Success K37	ian Groove K40	Steam Ahead O50	Depend- ents O51	Ambit- ion O52	Single Scene O54
Target Market	All 71	Upscale	Moderate	U	U	U	U	U	U	U	U
Year of Data	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
Otsego COUNTY - Total	1,277	352	437	0	0	0	86	0	267	0	0
Otsego COUNTY - Owners	381	80	5	0	0	0	1	0	79	0	0
< \$50,000	44	6	1	0	0	0	0	0	6	0	0
\$50 - \$74,999	60	11	1	0	0	0	0	0	11	0	0
\$75 - \$99,999	83	17	1	0	0	0	0	0	17	0	0
\$100 - \$149,999	72	16	1	0	0	0	0	0	16	0	0
\$150 - \$174,999	49	12	1	0	0	0	0	0	12	0	0
\$175 - \$199,999	29	7	0	0	0	0	0	0	7	0	0
\$200 - \$249,999	18	4	0	0	0	0	0	0	4	0	0
\$250 - \$299,999	17	4	0	0	0	0	0	0	4	0	0
\$300 - \$349,999	5	1	0	0	0	0	0	0	1	0	0
\$350 - \$399,999	3	1	0	0	0	0	0	0	1	0	0
\$400 - \$499,999	1	1	0	0	0	0	0	0	1	0	0
\$500 - \$749,999	0	0	0	0	0	0	0	0	0	0	0
\$750,000+	0	0	0	0	0	0	0	0	0	0	0
Summation	381	80	5	0	0	0	0	0	80	0	0
Med. Home Value	\$109,265	--	--	\$305,705	\$233,370	\$253,598	\$146,661	\$162,537	\$134,453	\$122,863	\$197,195

Source: Results of a Target Market Analysis prepared exclusively by LandUse|USA © 2016 with all rights reserved.

Note: Due only to rounding, these figures might not sum exact and might not perfectly match summary tables in the narrative report.

Median Home Values include a +20% boost and assumes new-builds; quality rehabs; and housing market recovery.

Annual Market Potential for Selected Target Markets - AGGRESSIVE SCENARIO
 Number of Units (New and/or Rehab) by Home Value Bracket
 Otsego COUNTY, Michigan - 2016 - 2020

Exhibit F2.2

AGGRESSIVE SCENARIO (Per In-Migration Only)	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Colleges Cafes O53	Family Troopers O55	Humble Begin- nings P61	Senior Discount Q65	Dare to Dream R66	Hope for Tomor- row R67	Tight Money S70	Tough Times S71
Target Market	All 71	Upscale	Moderate	M	M	M	M	M	M	M	M
Year of Data	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
Otsego COUNTY - Total	1,277	352	437	0	197	0	89	77	0	73	4
Otsego COUNTY - Owners	381	80	5	0	1	0	6	0	0	0	0
< \$50,000	44	6	1	0	0	0	1	0	0	0	0
\$50 - \$74,999	60	11	1	0	0	0	1	0	0	0	0
\$75 - \$99,999	83	17	1	0	0	0	1	0	0	0	0
\$100 - \$149,999	72	16	1	0	0	0	1	0	0	0	0
\$150 - \$174,999	49	12	1	0	0	0	1	0	0	0	0
\$175 - \$199,999	29	7	0	0	0	0	0	0	0	0	0
\$200 - \$249,999	18	4	0	0	0	0	0	0	0	0	0
\$250 - \$299,999	17	4	0	0	0	0	0	0	0	0	0
\$300 - \$349,999	5	1	0	0	0	0	0	0	0	0	0
\$350 - \$399,999	3	1	0	0	0	0	0	0	0	0	0
\$400 - \$499,999	1	1	0	0	0	0	0	0	0	0	0
\$500 - \$749,999	0	0	0	0	0	0	0	0	0	0	0
\$750,000+	0	0	0	0	0	0	0	0	0	0	0
Summation	381	80	5	0	0	0	5	0	0	0	0
Med. Home Value	\$109,265	--	--	\$170,991	\$133,905	\$171,559	\$136,082	\$80,118	\$62,266	\$111,308	\$143,561

Source: Results of a Target Market Analysis prepared exclusively by LandUse|USA © 2016 with all rights reserved.

Note: Due only to rounding, these figures might not sum exact and might not perfectly match summary tables in the narrative report.

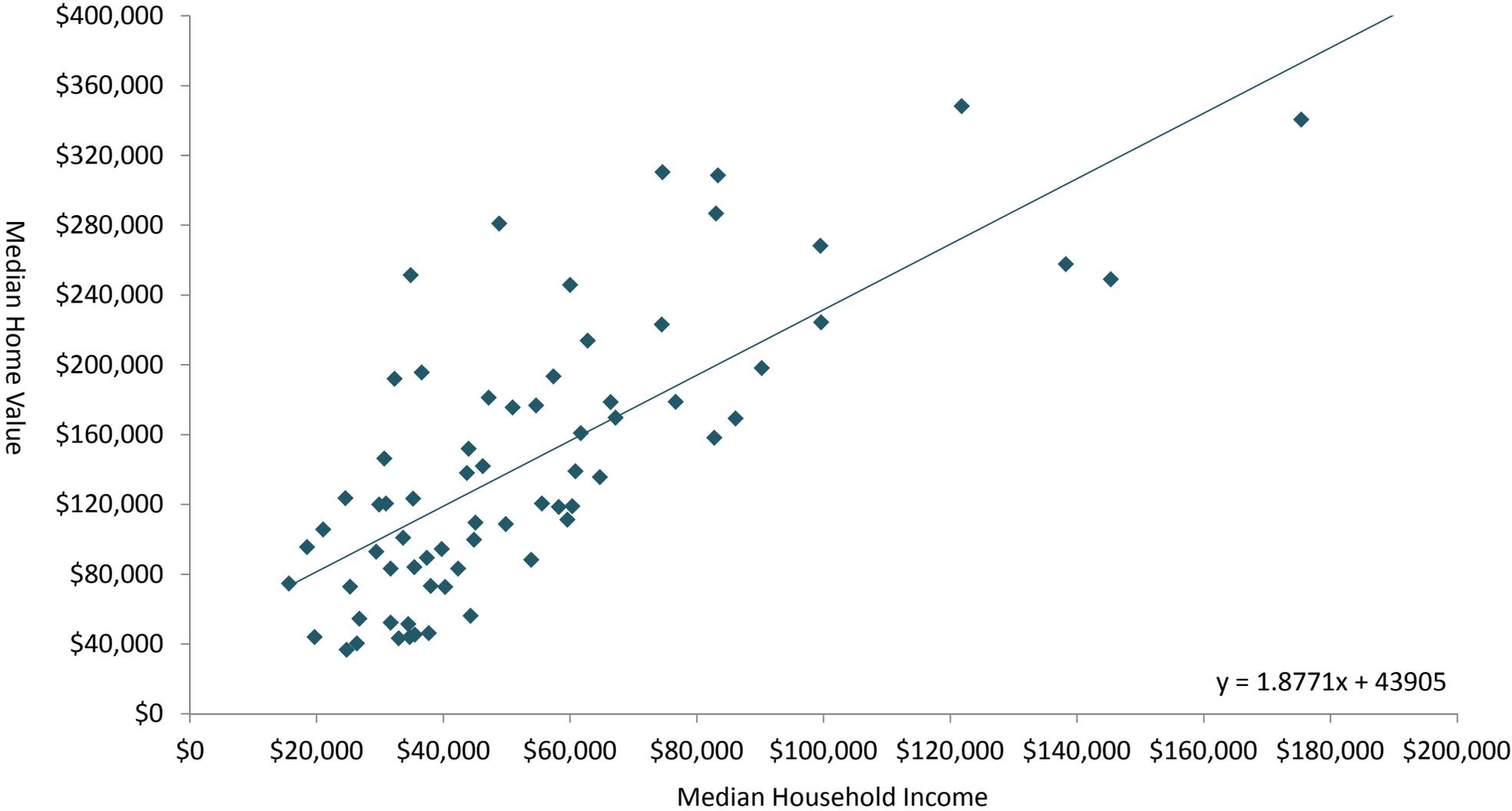
Median Home Values include a +20% boost and assumes new-builds; quality rehabs; and housing market recovery.

Market Parameters and Forecasts - Median Home Value
 Otsego County and Selected Communities - Michigan Prosperity Region 3

Order	County Name	2010	2011	2012	2013	2014	2016	2020
		ACS 1-yr Median Home Value	ACS 1-yr Median Home Value	ACS 1-yr Median Home Value	ACS 1-yr Median Home Value	Estimate Median Home Value	Forecast Median Home Value	Forecast Median Home Value
	Otsego Co.	\$122,300	\$120,500	\$117,500	\$116,600	\$117,766	\$120,133	\$123,532
1	Gaylord City	\$86,900	\$86,800	\$84,900	\$91,300	\$92,213	\$94,066	\$96,728
2	Vanderbilt Village	\$86,600	\$84,200	\$81,400	\$73,800	\$74,538	\$76,036	\$78,188

Source: Underlying data provided by the U.S. Decennial Census and the American Community Survey for 2010 - 2014 (1- and 5-year estimates). Analysis, interpolations, and forecasts by LandUse|USA; 2016.

Median Home Value v. Median Household Income
71 Lifestyle Clusters (Mosaic|USA)
The State of Michigan - 2015



Source: Underlying Mosaic|USA data provided by Experian Decision Analytics and licensed to LandUse|USA through Sites|USA. Michigan estimates, analysis, and exhibit prepared by LandUse|USA (c) 2016 with all rights reserved.

Market Parameters and Forecasts - Total Housing Units, Including Vacancies
 Otsego County and Selected Communities - Michigan Prosperity Region 3

Order	County Name	2010 ACS 1-yr Total Housing Units	2011 ACS 1-yr Total Housing Units	2012 ACS 1-yr Total Housing Units	2013 ACS 1-yr Total Housing Units	2014 Forecast Total Housing Units	2016 Forecast Total Housing Units	2020 Forecast Total Housing Units
	Otsego Co.	14,718	14,727	14,749	14,718	14,738	14,738	14,738
1	Gaylord City	1,870	1,976	1,950	1,885	1,888	1,888	1,888
2	Vanderbilt Village	286	291	302	343	357	357	357

Source: Underlying data provided by the U.S. Decennial Census and the American Community Survey for 2010 - 2014 (1- and 5-year estimates). Analysis, interpolations, and forecasts by LandUse|USA; 2016.

Total Investment Per Approved Building Permits
Otsego County, Michigan - 2000 through 2014

Year	Detached			Attached			Detach. v. Attach. Cost Index
	Units (Single-Fam.)	Investment (Single-Fam.)	Invest./Unit (Single-Fam.)	Units (Multi-Fam)	Investment (Multi-Fam)	Invest./Unit (Multi-Fam)	
2014	17	\$1,377,000	\$81,000	--	--	--	--
2013	15	\$1,215,000	\$81,000	--	--	--	--
2012	24	\$3,558,320	\$148,300	42	\$2,800,000	\$66,700	0.45
2011	28	\$5,537,808	\$197,800	50	\$2,500,000	\$50,000	0.25
2010	17	\$2,818,167	\$165,800	--	--	--	--
2009	36	\$7,677,035	\$213,300	--	--	--	--
2008	51	\$11,904,870	\$233,400	--	--	--	--
2007	66	\$15,486,924	\$234,700	32	\$2,834,727	\$88,600	0.38
2006	73	\$14,836,648	\$203,200	10	\$981,819	\$98,200	0.48
2005	102	\$15,097,600	\$148,000	4	\$354,009	\$88,500	0.60
2004	187	\$22,060,828	\$118,000	--	--	--	--
2003	181	\$21,661,443	\$119,700	32	\$1,938,300	\$60,600	0.51
2002	176	\$21,091,489	\$119,800	48	\$2,876,686	\$59,900	0.50
2001	303	\$32,625,694	\$107,700	24	\$1,509,651	\$62,900	0.58
2000	297	\$37,940,466	\$127,700	20	\$1,289,450	\$64,500	0.51
All Years	1,573	\$214,889,292	\$136,600	262	\$17,084,642	\$65,200	0.48
2007-14	254	\$49,575,124	\$195,200	124	\$8,134,727	\$65,600	0.34
2000-06	1,319	\$165,314,168	\$125,300	138	\$8,949,915	\$64,900	0.52

Source: Underlying data collected by the U.S. Bureau of the Census.
Analysis and exhibit prepared by LandUse|USA, 2015.



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**Existing Households
County and Places**

Prepared by:



LandUseUSA

Prepared for:

Northeast Michigan Prosperity Region 3
Michigan State Housing Development Authority



MSHDA
MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY

Selected Target Markets - Forecast Households with BOOST
 Otsego COUNTY, Michigan and Selected Communities - 2016

Exhibit G.1

	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Full Pockets Empty Nests E19	Status Seeking Singles G24	Wired for Success K37	Bohem- ian Groove K40	Full Steam Ahead O50	Digital Depend- ents O51	Urban Ambit- ion O52	Striving Single Scene O54
EXISTING HOUSEHOLDS	All 71	Upscale	Moderate	U	U	U	U	U	U	U	U
Target Market Level	All 71	Upscale	Moderate	U	U	U	U	U	U	U	U
Year of Data	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
Otsego COUNTY	11,019	718	653	0	0	0	167	0	551	0	0
Owners	9,477	377	87	0	0	0	14	0	363	0	0
Renters	1,542	340	566	0	0	0	152	0	188	0	0
City of Gaylord	1,787	197	351	0	0	0	101	0	96	0	0
Owners	1,219	72	55	0	0	0	9	0	63	0	0
Renters	568	125	296	0	0	0	92	0	33	0	0
Village of Vanderbilt	287	12	24	0	0	0	0	0	12	0	0
Owners	246	8	2	0	0	0	0	0	8	0	0
Renters	41	4	22	0	0	0	0	0	4	0	0

Source: Results of a Target Market Analysis prepared exclusively by LandUse|USA © 2016 with all rights reserved.

Note: Due only to rounding, these figures might not sum exact and might not perfectly match summary tables in the narrative report.

The boost varies between +3% and +8%, depending on the share of existing households within the lifestyle cluster.

Clusters with the smallest share of households are given a big boost, and those with a largest share are given a minor boost.

Selected Target Markets - Forecast Households with BOOST
 Otsego COUNTY, Michigan and Selected Communities - 2016

Exhibit G.2

	Total 71 Lifestyle Clusters	Upscale Target Markets	Moderate Target Markets	Colleges Cafes O53	Family Troopers O55	Humble Begin- nings P61	Senior Discount Q65	Dare to Dream R66	Hope for Tomor- row R67	Tight Money S70	Tough Times S71
EXISTING HOUSEHOLDS											
Target Market Level	All 71	Upscale	Moderate	M	M	M	M	M	M	M	M
Year of Data	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
Otsego COUNTY	11,019	718	653	0	198	0	281	93	0	74	8
Owners	9,477	377	87	0	2	0	82	2	0	0	0
Renters	1,542	340	566	0	196	0	199	91	0	73	7
City of Gaylord	1,787	197	351	0	113	0	181	49	0	8	0
Owners	1,219	72	55	0	1	0	53	1	0	0	0
Renters	568	125	296	0	112	0	128	48	0	7	0
Village of Vanderbilt	287	12	24	0	5	0	5	0	0	14	0
Owners	246	8	2	0	0	0	1	0	0	0	0
Renters	41	4	22	0	5	0	3	0	0	14	0

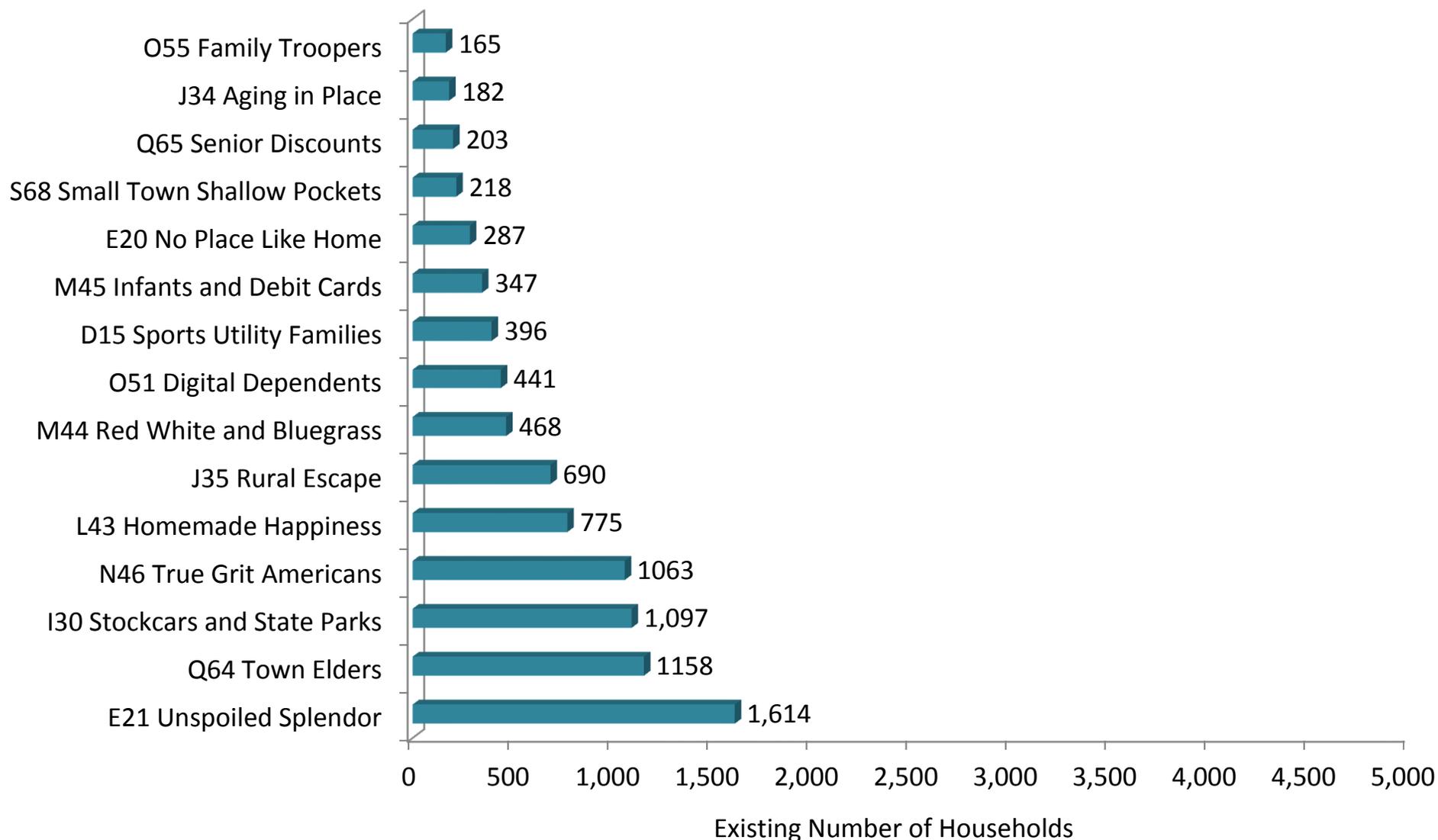
Source: Results of a Target Market Analysis prepared exclusively by LandUse|USA © 2016 with all rights reserved.

Note: Due only to rounding, these figures might not sum exact and might not perfectly match summary tables in the narrative report.

The boost varies between +3% and +8%, depending on the share of existing households within the lifestyle cluster.

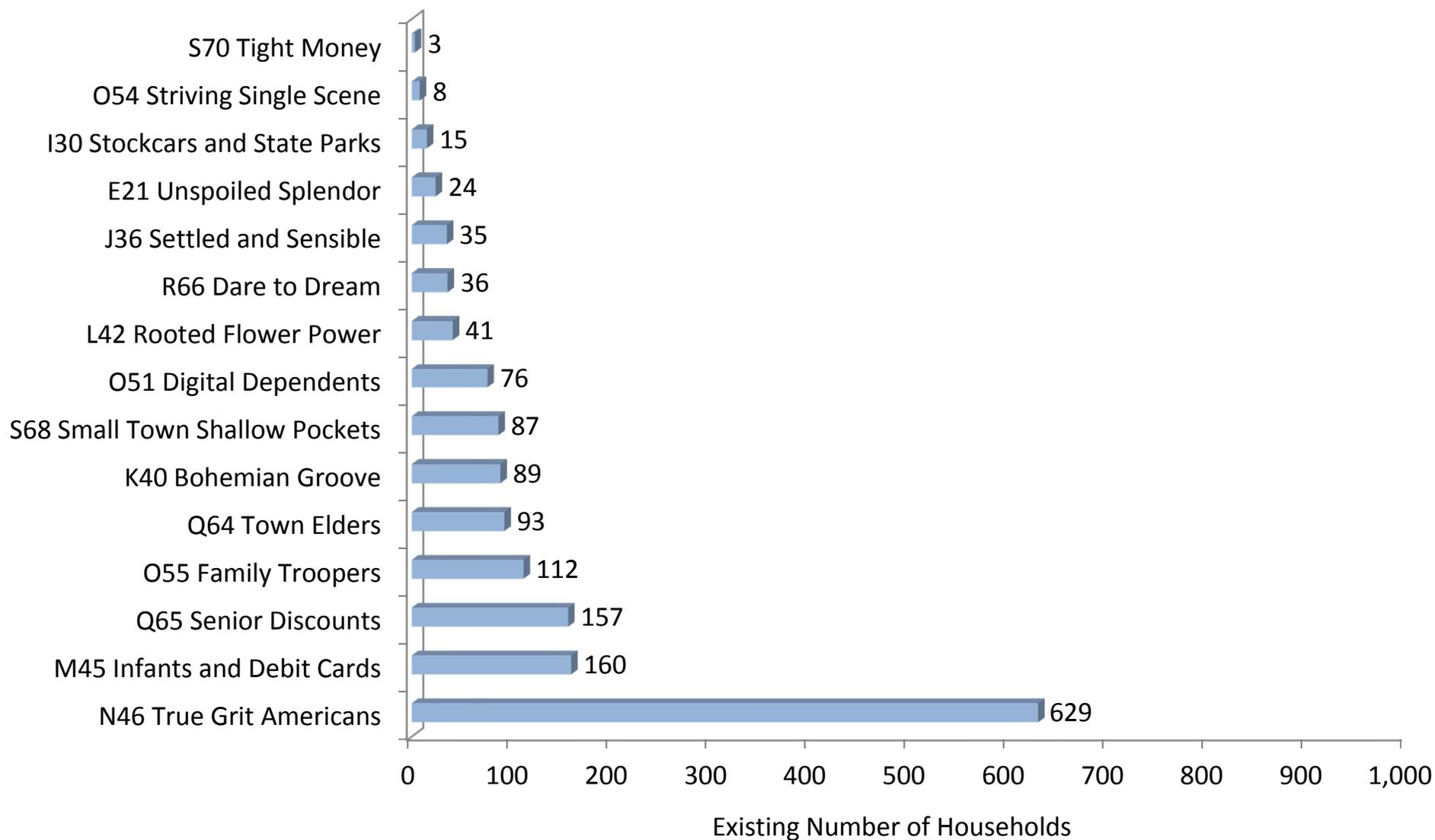
Clusters with the smallest share of households are given a big boost, and those with a largest share are given a minor boost.

Existing Households by Predominant Lifestyle Cluster Otsego COUNTY, Michigan - 2015 (Base Year)



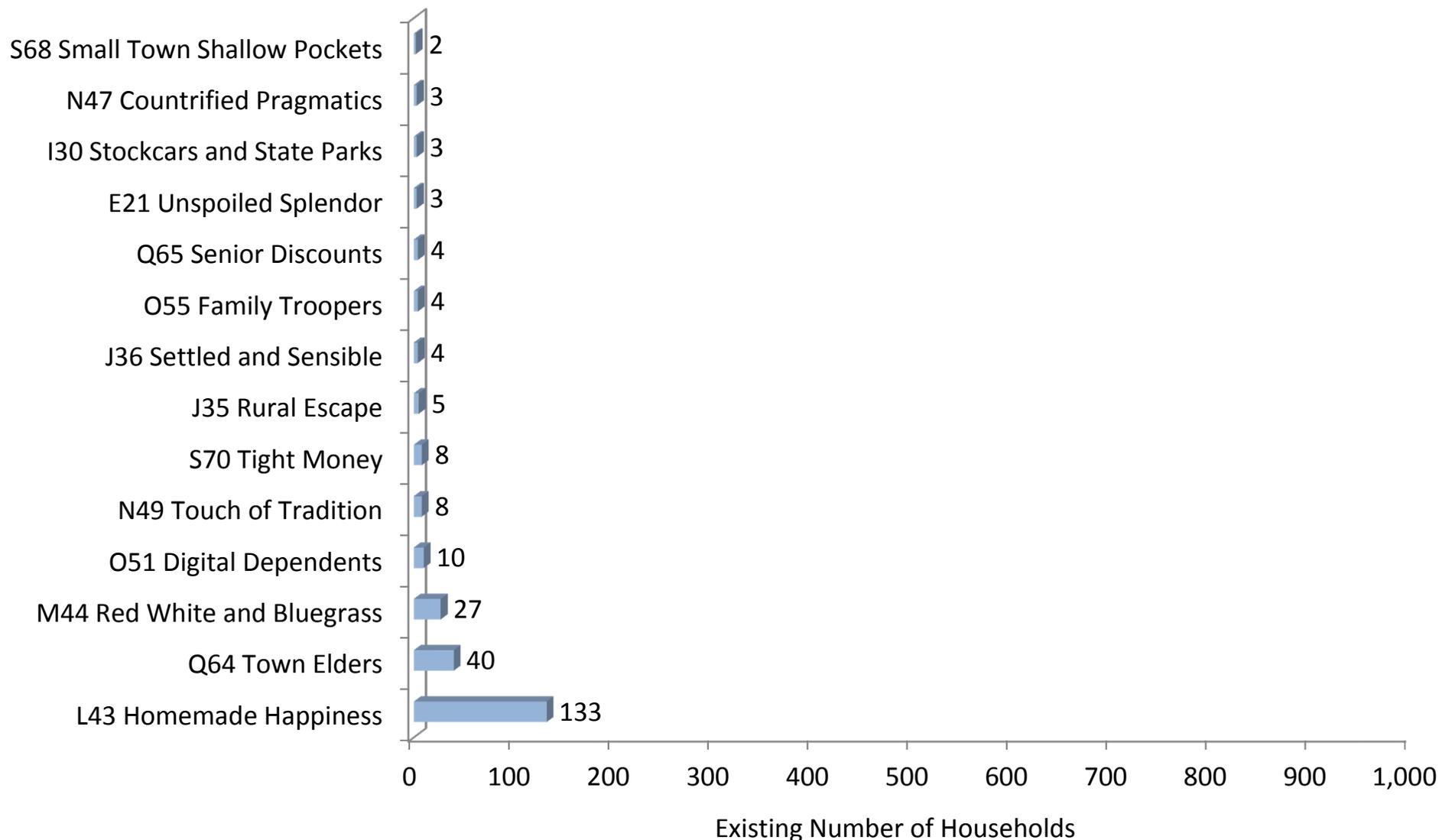
Source: Underlying Mosaic|USA data provided by Experian Decision Analytics and powered by Sites|USA, with results through year-end 2015. Analysis and exhibit prepared by LandUse|USA; 2016.

Existing Households by Predominant Lifestyle Cluster The City of Gaylord - Otsego County, MI - 2015 (Base Year)



Source: Underlying Mosaic|USA data provided by Experian Decision Analytics and powered by Sites|USA, with results through year-end 2015. Analysis and exhibit prepared by LandUse|USA; 2016.

Existing Households by Predominant Lifestyle Cluster The Village of Vanderbilt - Otsego County, MI - 2015 (Base Year)



Source: Underlying Mosaic|USA data provided by Experian Decision Analytics and powered by Sites|USA, with results through year-end 2015. Analysis and exhibit prepared by LandUse|USA; 2016.



H

**Market Assessment
County and Places**

Prepared by:



LandUseUSA

Prepared for:

**Northeast Michigan Prosperity Region 3
Michigan State Housing Development Authority**



MSHDA
MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY

Market Parameters and Forecasts - Households
 Otsego County and Selected Communities - Michigan Prosperity Region 3

Order	County Name	2010	2010	2011	2012	2013	2014	2016	2020
		Census	ACS 5-yr	ACS 5-yr	ACS 5-yr	ACS 5-yr	Estimate	Forecast	Forecast
		Total Hhlds.							
	Otsego Co.	9,756	9,753	9,692	9,807	9,818	9,827	9,841	9,864
1	Gaylord City	--	1,624	1,690	1,674	1,685	1,694	1,708	1,731
2	Vanderbilt Village	--	267	268	279	306	330	372	451

Source: Underlying data provided by the U.S. Decennial Census and the American Community Survey for 2010 - 2014 (1- and 5-year estimates). Analysis, interpolations, and forecasts by LandUse|USA; 2016.

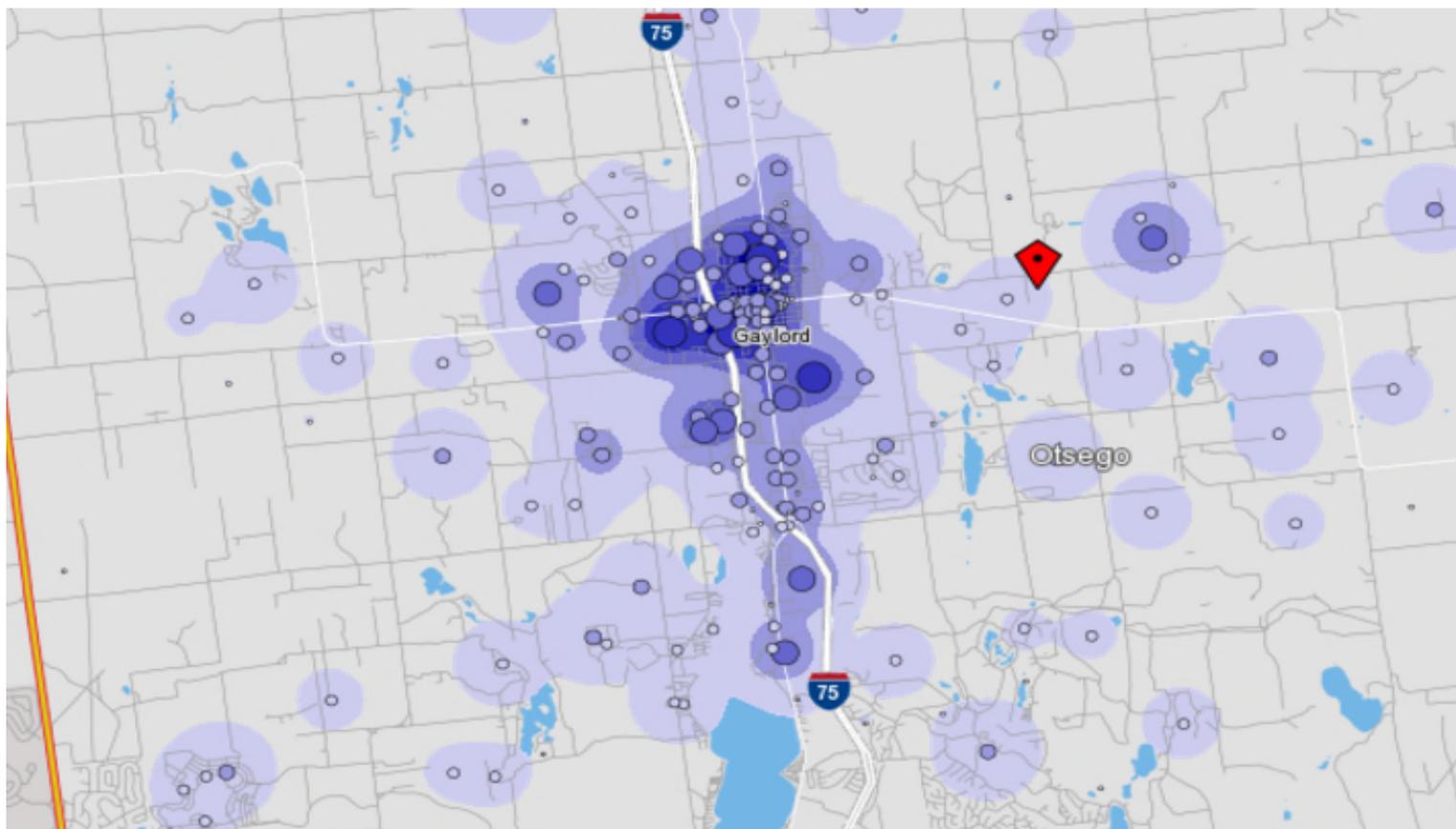
Demographic Profiles - Population and Employment
 Otsego County, Michigan with Selected Communities - 2010 - 2015

Exhibit H.2

	Otsego COUNTY	The City of Gaylord	The Village of Vanderbilt
Households Census (2010)	9,756	1,610	237
Households ACS (2013)	9,818	1,685	306
Population Census (2010)	24,164	3,645	562
Population ACS (2013)	24,127	3,643	672
Group Quarters Population (2013)	367	181	0
Correctional Facilities	35	31	0
Nursing/Mental Health Facilities	140	120	0
College/University Housing	89	27	0
Military Quarters	0	0	0
Other	103	4	0
Daytime Employees Ages 16+ (2015)	16,539	2,416	175
Unemployment Rate (2015)	3.9%	5.6%	4.6%
Employment by Industry Sector (2013)	100.0%	100.0%	100.0%
Agric., Forest, Fish, Hunt, Mine	4.9%	0.0%	12.4%
Arts, Ent. Rec., Accom., Food Service	13.8%	18.7%	15.1%
Construction	4.8%	4.4%	0.9%
Educ. Service, Health Care, Soc. Asst.	19.5%	21.3%	10.1%
Finance, Ins., Real Estate	4.9%	6.0%	0.0%
Information	1.7%	2.7%	0.9%
Manufacturing	7.8%	3.6%	22.0%
Other Services, excl. Public Admin.	6.3%	2.5%	3.2%
Profess., Sci., Mngmt., Admin., Waste	5.7%	5.1%	5.5%
Public Administration	5.6%	11.7%	1.4%
Retail Trade	16.8%	15.9%	19.3%
Transpo., Wrhse., Utilities	5.3%	4.4%	4.1%
Wholesale Trade	3.1%	3.8%	5.0%

Source: U.S. Census 2010; American Community Survey (ACS) 2008 - 2013; and Applied Geographic Solutions (AGS) for 2015. Analysis and exhibit prepared by LandUse|USA; 2016.

Spatial Distribution of Worker Population by Place of Work
Otsego County - The City of Gaylord, Michigan - 2013



Source: U.S.Census Bureau, Center for Economic Studies; 2013. The red marker just indicates the county.
Exhibit and analysis prepared by LandUse|USA; 2016.

Market Parameters and Forecasts - Median Household Income
 Otsego County and Selected Communities - Michigan Prosperity Region 3

Order	County Name	2010 ACS 1-yr Median Household Income	2011 ACS 1-yr Median Household Income	2012 ACS 1-yr Median Household Income	2013 ACS 1-yr Median Household Income	2014 Estimate Median Household Income	2016 Forecast Median Household Income	2020 Forecast Median Household Income
	Otsego Co.	\$45,531	\$46,303	\$47,140	\$47,584	\$48,289	\$49,731	\$51,826
1	Gaylord City	\$27,115	\$37,356	\$40,057	\$37,618	\$38,175	\$39,315	\$40,972
2	Vanderbilt Village	\$34,766	\$35,132	\$33,750	\$33,611	\$34,109	\$35,127	\$36,607

Source: Underlying data provided by the U.S. Decennial Census and the American Community Survey for 2010 - 2014 (1- and 5-year estimates). Analysis, interpolations, and forecasts by LandUse|USA; 2016.

Market Parameters and Forecasts - Households in Renter-Occupied Units
 Otsego County and Selected Communities - Michigan Prosperity Region 3

		2010 Census	2010 ACS 1-yr	2011 ACS 1-yr	2012 ACS 1-yr	2013 ACS 1-yr	2014 Estimate	2016 Forecast	2020 Forecast
Order	County Name	Renter Hhlds.							
	Otsego Co.	1,980	1,852	1,816	1,974	2,137	2,146	2,160	2,183
1	Gaylord City	--	788	686	703	758	767	781	804
2	Vanderbilt Village	--	45	54	64	67	74	95	147

Source: Underlying data provided by the U.S. Decennial Census and the American Community Survey for 2010 - 2014 (1- and 5-year estimates). Analysis, interpolations, and forecasts by LandUse|USA; 2016. Owner- and renter-occupied households have been adjusted by LandUse|USA.

Market Parameters and Forecasts - Households in Owner-Occupied Units
 Otsego County and Selected Communities - Michigan Prosperity Region 3

Order	County Name	2010	2010	2011	2012	2013	2014	2016	2020
		Census	ACS 1-yr	ACS 1-yr	ACS 1-yr	ACS 1-yr	Estimate	Forecast	Forecast
		Owner	Owner	Owner	Owner	Owner	Owner	Owner	Owner
		Hhlds.	Hhlds.	Hhlds.	Hhlds.	Hhlds.	Hhlds.	Hhlds.	Hhlds.
	Otsego Co.	7,776	7,901	7,876	7,833	7,681	7,681	7,681	7,681
1	Gaylord City	--	836	1,004	971	927	927	927	927
2	Vanderbilt Village	--	222	214	215	239	255	277	304

Source: Underlying data provided by the U.S. Decennial Census and the American Community Survey for 2010 - 2014 (1- and 5-year estimates). Analysis, interpolations, and forecasts by LandUse|USA; 2016. Owner- and renter-occupied households have been adjusted by LandUse|USA.

Demographic Profiles - Total and Vacant Housing Units
 Otsego County, Michigan with Selected Communities - 2013

Exhibit H.7

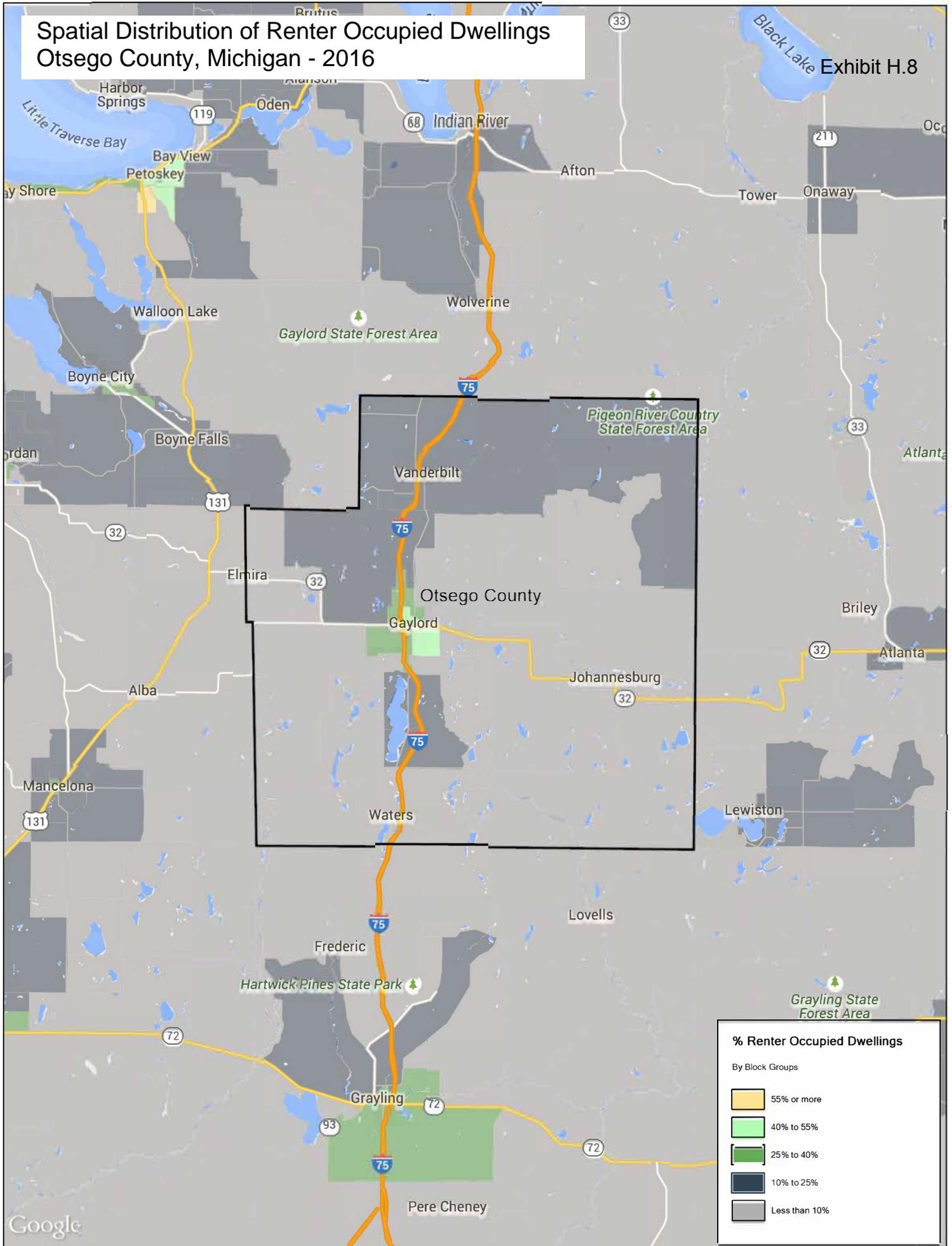
	Otsego COUNTY	The City of Gaylord	The Village of Vanderbilt
Total Housing Units (2013)	14,718	1,885	343
1, mobile, other	13,545	1,189	323
1 attached, 2	349	97	2
3 or 4	248	134	9
5 to 9	222	123	2
10 to 19	110	105	0
20 to 49	147	140	7
50 or more	97	97	0
Premium for Seasonal Households	17%	2%	3%
Vacant (incl. Seasonal, Rented, Sold)			
1, mobile, other	4,753	200	30
1 attached, 2	68	0	0
3 or 4	44	0	7
5 to 9	35	0	0
10 to 19	0	0	0
20 to 49	0	0	0
50 or more	0	0	0
Avail. (excl. Seasonal, Rented, Sold)			
1, mobile, other	516	76	13
1 attached, 2	7	0	0
3 or 4	5	0	3
5 to 9	4	0	0
10 to 19	0	0	0
20 to 49	0	0	0
50 or more	0	0	0
Reason for Vacancy (2013)	4,900	200	37
For Rent	115	26	7
For Sale	156	0	5
Others	<u>261</u>	<u>50</u>	<u>4</u>
For Sale or Rent	532	76	16
Seasonal, Recreation	4,288	70	21
Migrant Workers	9	0	0
Rented, Not Occupied	0	0	0
Sold, Not Occupied	<u>71</u>	<u>54</u>	<u>0</u>
Not Yet Occupied	71	54	0

Source: American Community Survey (ACS) 2008 - 2013.

Analysis and exhibit prepared by LandUse | USA; 2016.

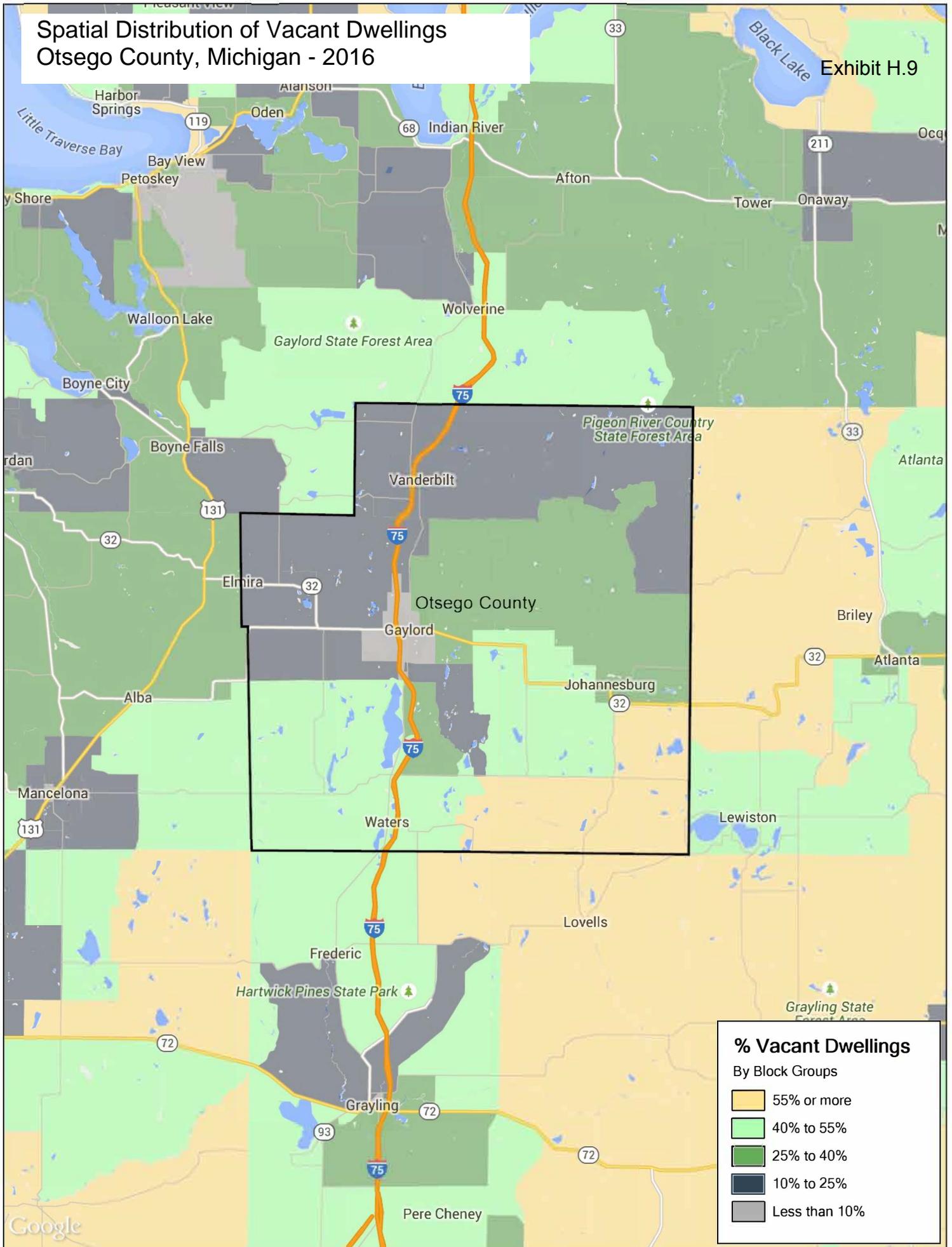
Spatial Distribution of Renter Occupied Dwellings Otsego County, Michigan - 2016

Exhibit H.8



Spatial Distribution of Vacant Dwellings Otsego County, Michigan - 2016

Exhibit H.9



PlaceScores™ - Local Placemaking Initiatives and Amenities
 (As evident through Online Search Engines)
 Otsego County, Michigan and Selected Communities - 2016

Primary County	Otsego
Jurisdiction Name	City of Gaylord
2010 Population (Decennial Census)	3,645
2013 Population (ACS 2009-13 Estimate)	3,643
City/Village-Wide Planning Documents	
1 City-Wide Master Plan (not county)	1
2 Has a Zoning Ordinance Online	1
3 Considering a Form Based Code	0
4 Parks & Rec. Plan and/or Commiss.	1
Downtown Planning Documents	
5 Established DDA, BID, or Similar	1
6 DT Master Plan, Subarea Plan	1
7 Streetscape, Transp. Improv. Plan	1
8 Retail Market Study or Strategy	0
9 Residential Market Study, Strategy	1
10 Façade Improvement Program	1
Downtown Organization and Marketing	
11 Designation: Michigan Cool City	0
12 Member of Michigan Main Street	1
13 Main Street 4-Point Approach	1
14 Facebook Page	1
Listing or Map of Merchants and Amenities	
15 City/Village Main Website	0
16 DDA, BID, or Main Street Website	1
17 Chamber or CVB Website	1
Subtotal Place Score (17 points possible)	13

This PlaceScore assessment is based only on internet research, and has not been field verified.

Analysis and assessment by LandUse|USA; © 2016.

If a community's amenities and resources are not listed, then the challenge is to improve marking efforts, and ensure that the resources are available and easy to find through mainstream online search engines.

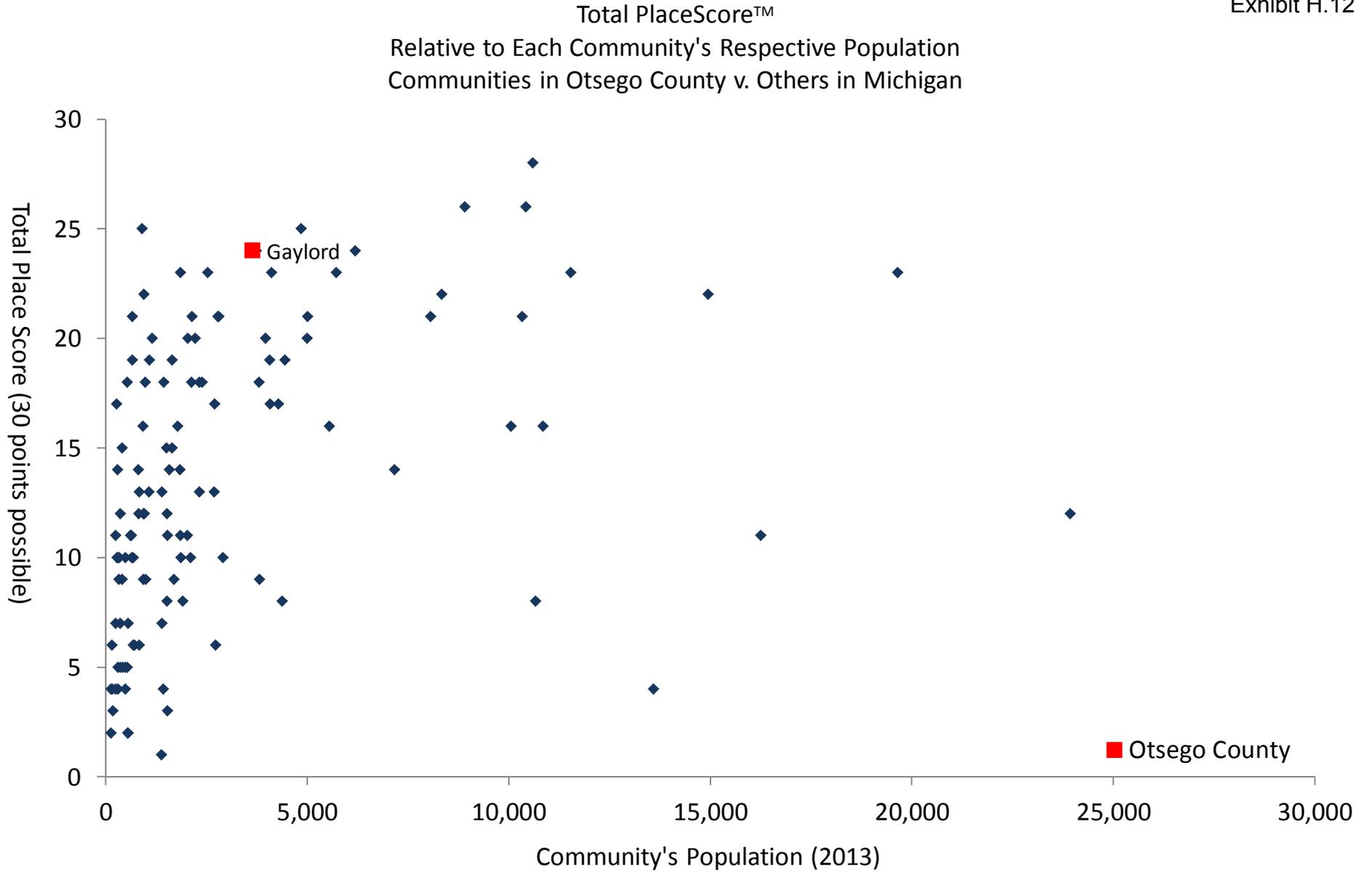
The PlaceScore term and methodology is trademarked by LandUse|USA with all rights reserved.

PlaceScores™ - Local Placemaking Initiatives and Amenities
 (As evident through Online Search Engines)
 Otsego County, Michigan and Selected Communities - 2016

Primary County	Otsego
Jurisdiction Name	City of Gaylord
2010 Population (Decennial Census)	3,645
2013 Population (ACS 2008-13 Estimate)	3,643
Unique Downtown Amenities	
1 Cinema/Theater, Playhouse	1
2 Waterfront Access/Parks	1
3 Established Farmer's Market	1
4 Summer Music in the Park	1
5 National or Other Major Festival	1
Downtown Street and Environment	
6 Angle Parking (not parallel)	0
7 Reported Walk Score is 50+	1
8 Walk Score/1,000 Pop is 40+	0
9 Off Street Parking is Evident	1
10 2-Level Scale of Historic Buildings	1
11 Balanced Scale 2 Sides of Street	1
12 Pedestrian Crosswalks, Signaled	1
13 Two-way Traffic Flow	1
Subtotal Place Score (13 points possible)	11
Total Place Score (30 Points Possible)	24
Total Place Score per 1,000 Population	7
Reported Walk Score (avg. = 42)	77
Walk Score per 1,000 Population	21

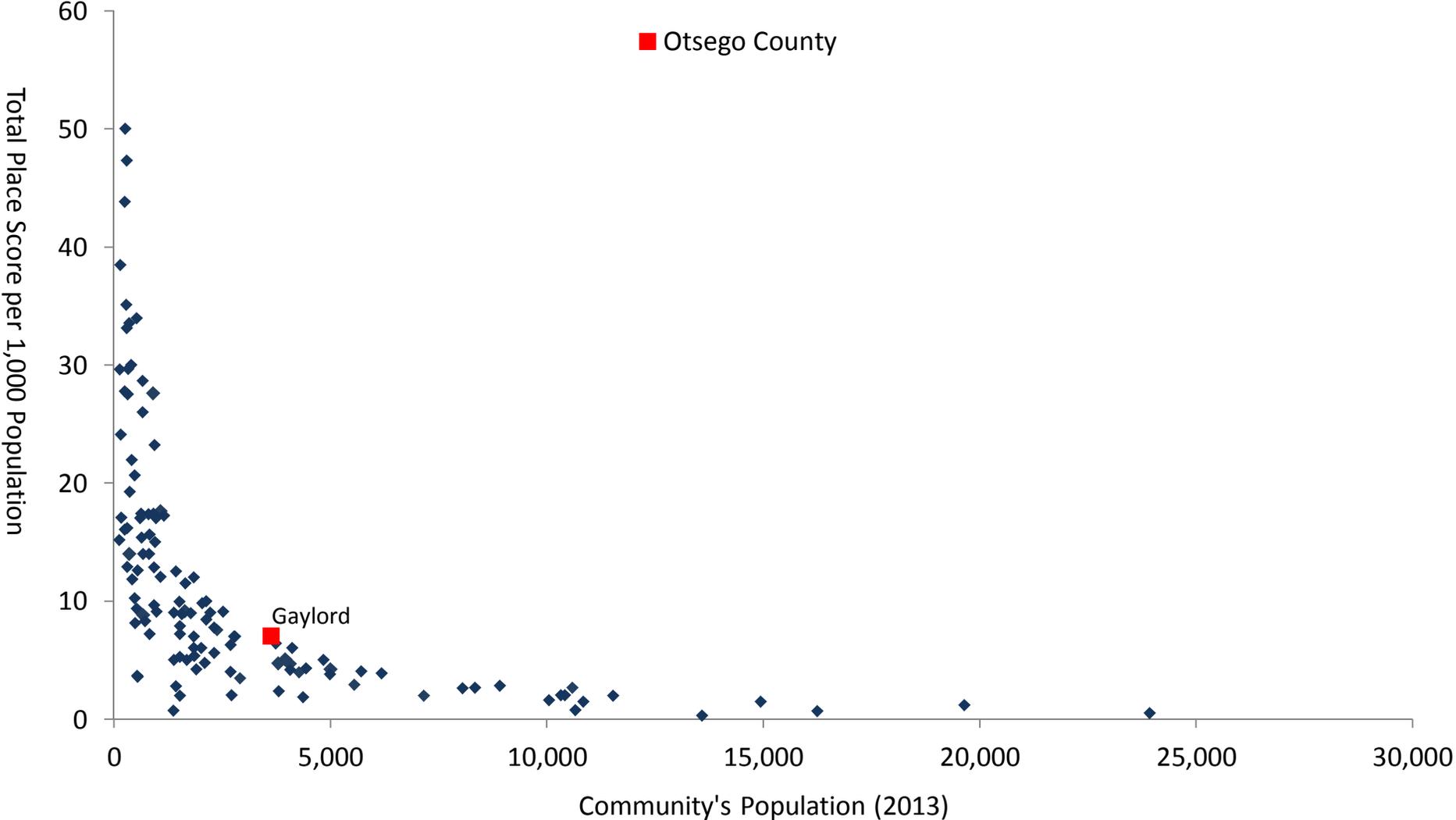
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 Analysis and assessment by LandUse|USA; © 2016.

If a community's amenities and resources are not listed, then the challenge is to improve marking efforts, and ensure that the resources are available and easy to find through mainstream online search engines. The PlaceScore term and methodology is trademarked by LandUse|USA with all rights reserved.



Source: Based on a subjective analysis of 30 Placemaking criteria using internet research only, and have not been field-verified. Analysis by LandUse|USA, 2016. Population is ACS 5-year estimates for 2009 - 2013. The PlaceScore term and methodology is trademarked by LandUse|USA as-of January 2014, with all rights reserved.

Total PlaceScore™ per 1,000 Population Relative to Each Community's Respective Population Communities in Otsego County v. Others in Michigan



Source: Based on a subjective analysis of 30 Placemaking criteria using internet research only, and have not been field-verified. Analysis by LandUse|USA, 2016. Population is ACS 5-year estimates for 2009 - 2013. The PlaceScore term and methodology is trademarked by LandUse|USA as-of January 2014, with all rights reserved.