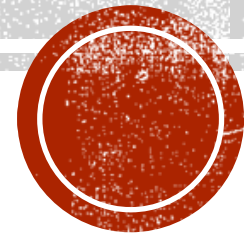


WESTERN U.P. PANDEMIC RECOVERY PROJECTS

Monthly combined project committees meeting

January 27, 2022



AGENDA

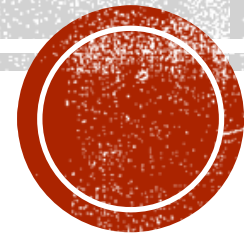
1. Welcome
2. Housing Strategy update (1:35)
3. Tourism Strategy update (2:15)
4. Labor Force Assessment update (3:00)



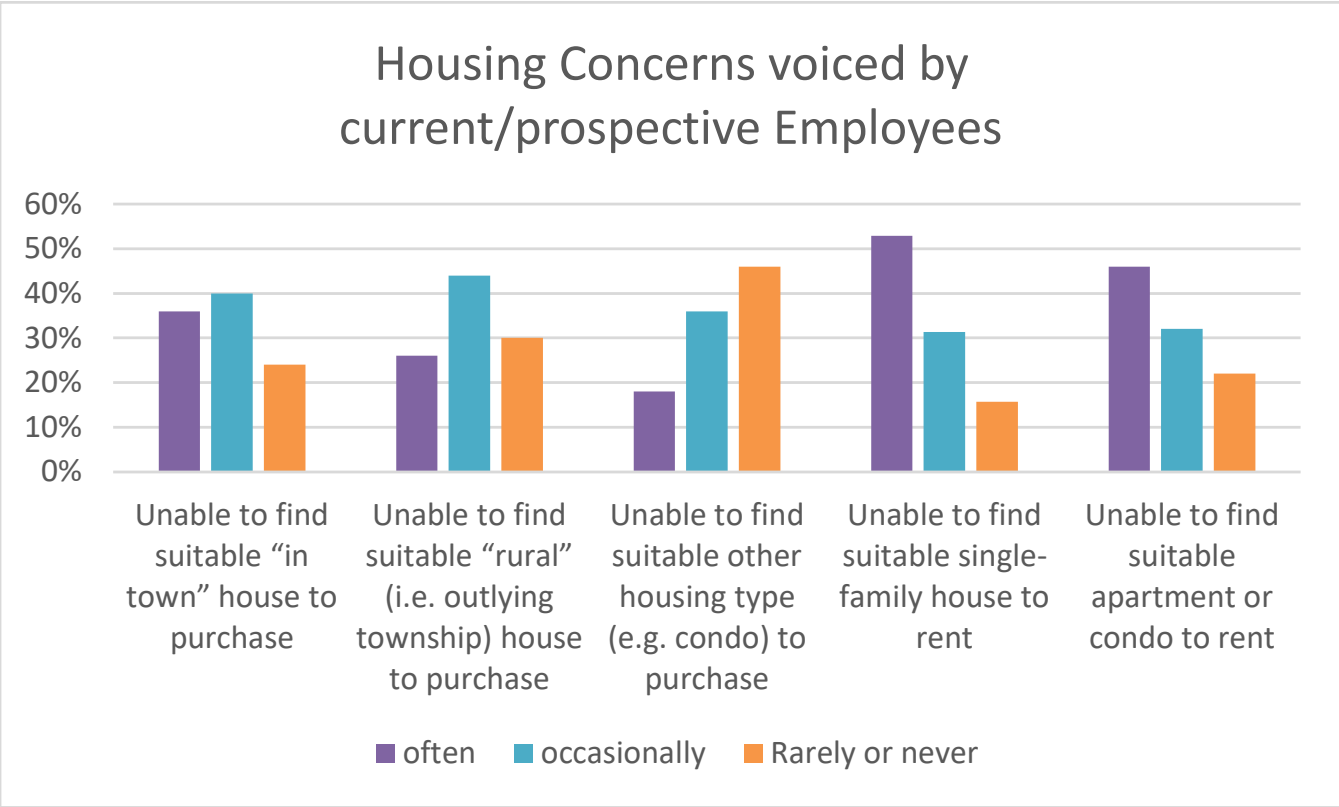
HOUSING STUDY & STRATEGY

Lisa McKenzie, Assistant Regional Planner

- Employer Survey
- Realtor Survey
- Public Survey



EMPLOYER SURVEY



OFTEN UNABLE
to find
single-family homes,
apartments, or condos to
RENT

OCCASIONALLY
AND OFTEN UNABLE
to find
single-family homes
BUY



EMPLOYER SURVEY

- **51%** of employers said shortages have been voiced by current or prospective employees of **affordable or starter homes**
- **46%** of employers said shortages have been voiced by current or prospective employees of **mid-priced homes**

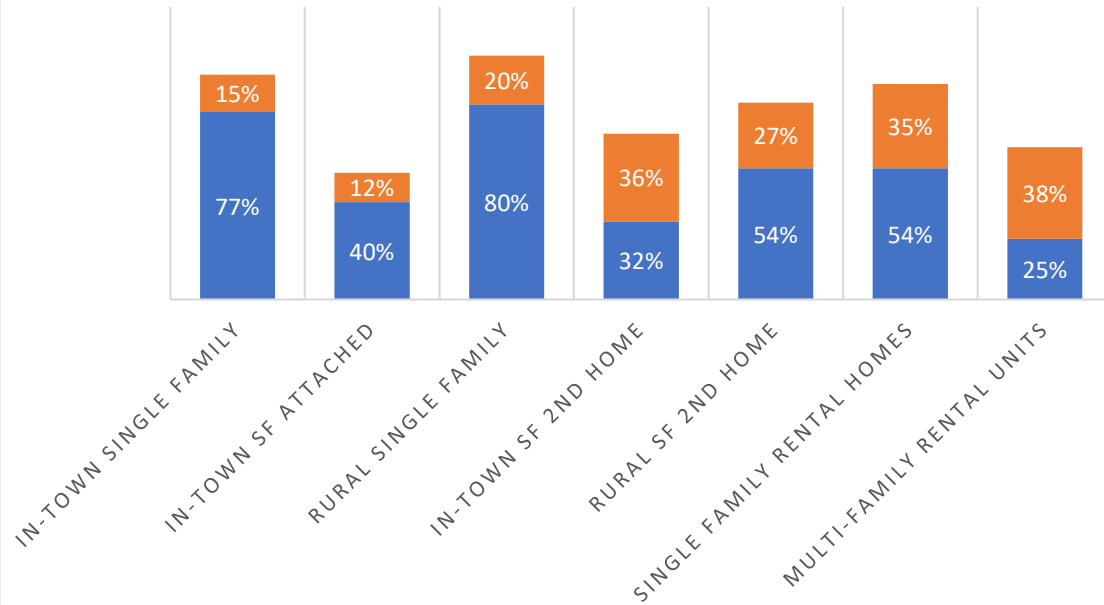


Employers *in general* report that they have lost potential talent because of the inability to find a home to rent or purchase



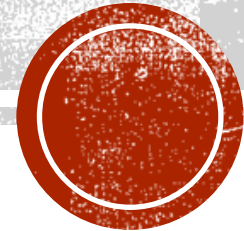
HOUSING TYPES AND LEVEL OF DEMAND

■ High ■ Moderate



REALTOR SURVEY

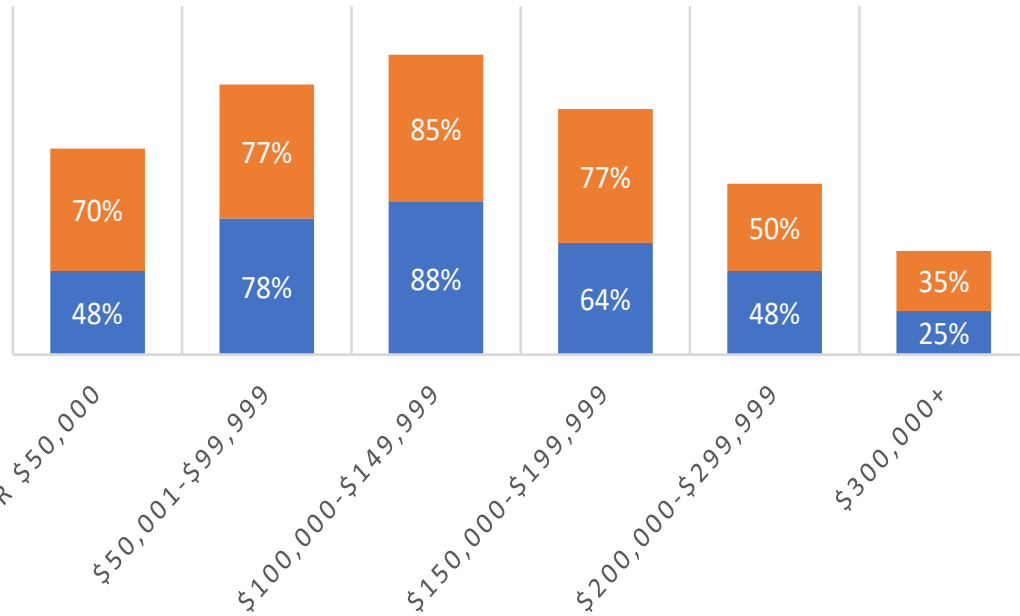
Single-family homes
both rural and in-town
are in the highest
demand



REALTOR SURVEY

DEMAND & AVAILABILITY OF HOMES BY PRICE RANGE

■ Demand High ■ Availability- Large Shortage



Homes in the

**\$100,000 to
\$149,999**

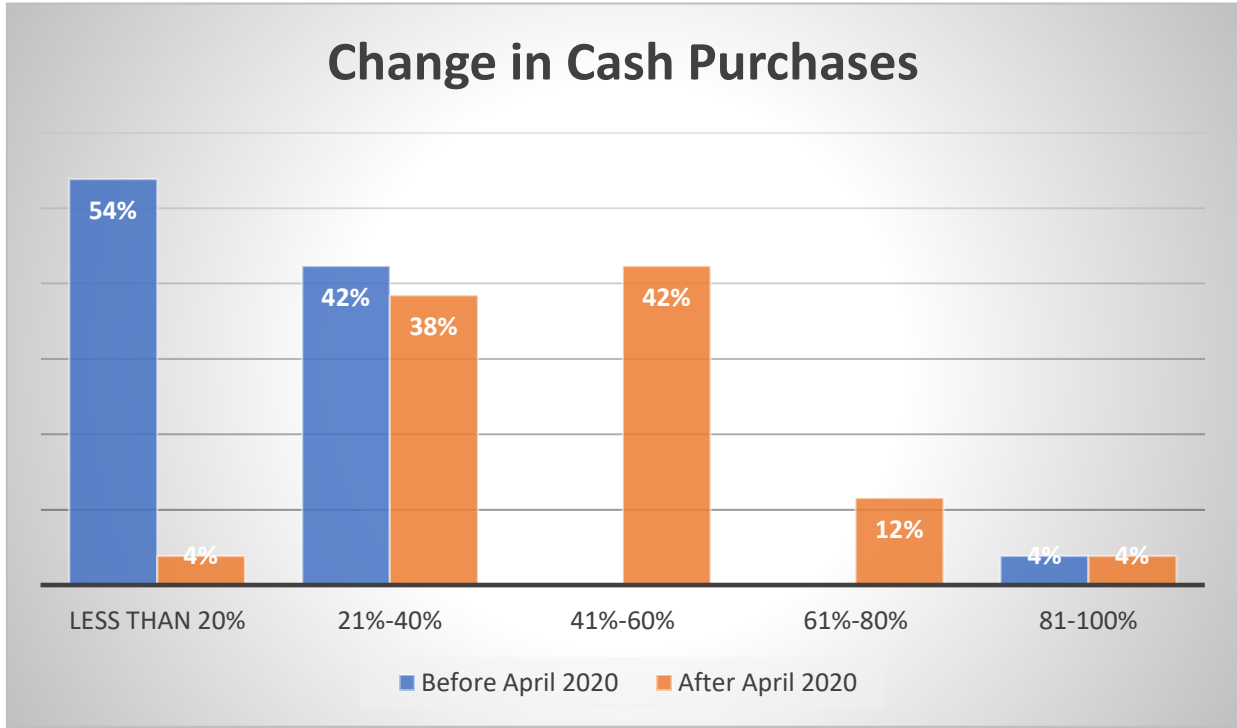
Price range are in the

HIGHEST DEMAND

And have the

LOWEST AVAILABILITY





CASH SALES HAVE BEEN INCREASING:

42% of Realtors said between

41% and 60%

Of completed SALES

after April 2020 have been

CASH

REALTOR SURVEY

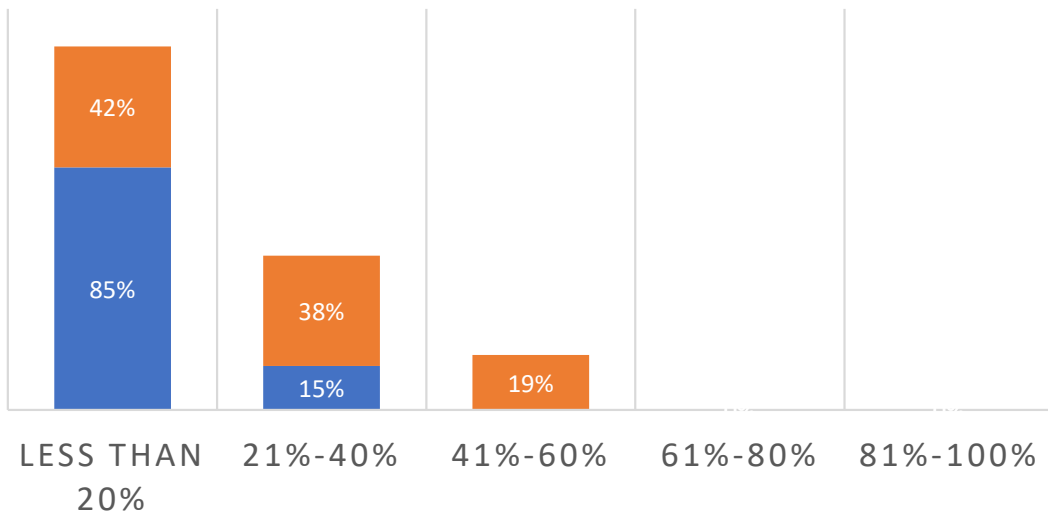


REALTOR SURVEY

More realtors say that the percentage of the buyers purchasing homes to market as short-term rentals has been increasing since April 2020

SALES KNOWN TO BE WITH INTENT FOR THE BUYER TO MARKET THE PROPERTY AS SHORT TERM RENTALS

■ Before April 2020 ■ After April 2020

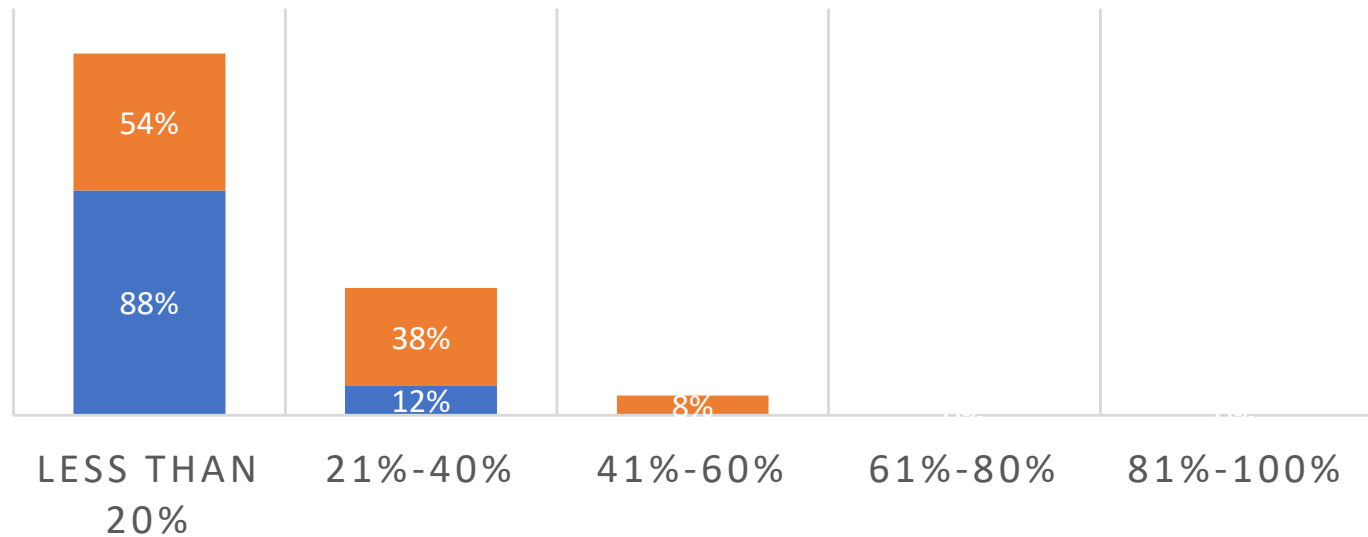


REALTOR SURVEY

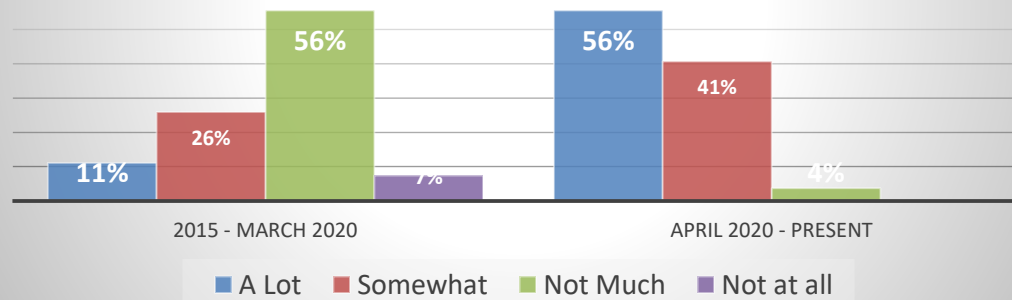
Realtors have seen more owner-occupied homes they have sold converted to short term rentals after April 2020 as compared to previous years

OWNER-OCCUPIED HOME SALES TO BUYERS THAT INTEND THE HOME TO BE CONVERTED TO A SHORT TERM RENTAL

■ Before April 2020 ■ After April 2020



How much has increased spending capacity of buyers from outside of the Western U.P. and Wisconsin border counties adversely impacted local buyers' ability to purchase a suitable house?



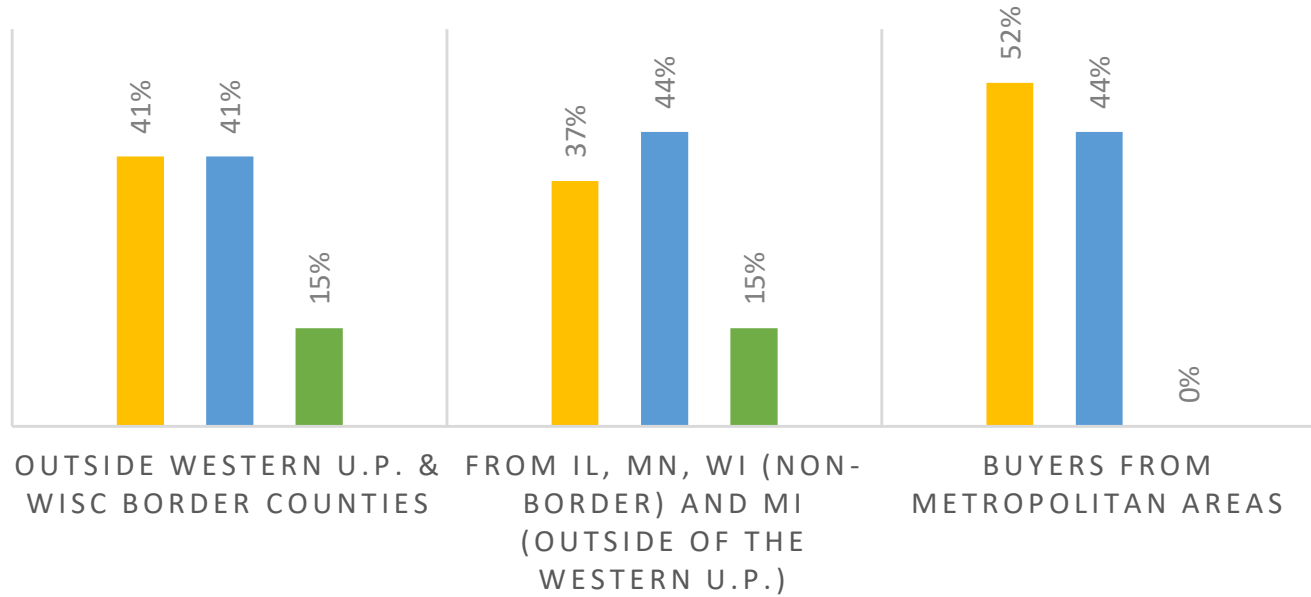
56% of realtors said that outside buyers did not have much impact on local buyers before April 2020 but impacted local buyers ***A LOT*** after April 2020

REALTOR SURVEY

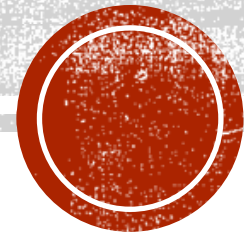


WHERE BUYERS ARE COMING FROM

■ Large Increase ■ Moderate increase ■ Small Increase



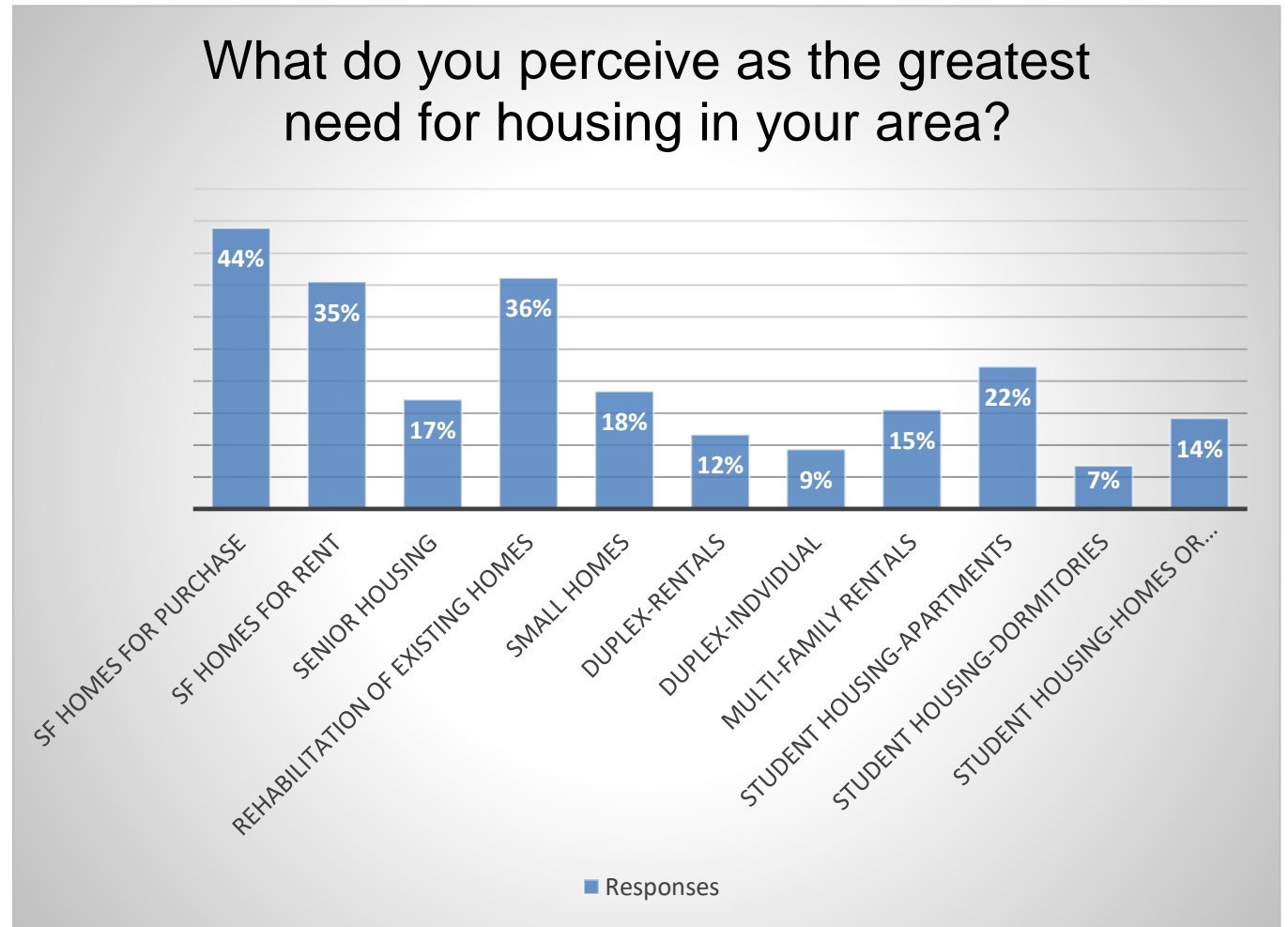
REALTOR SURVEY



PUBLIC SURVEY

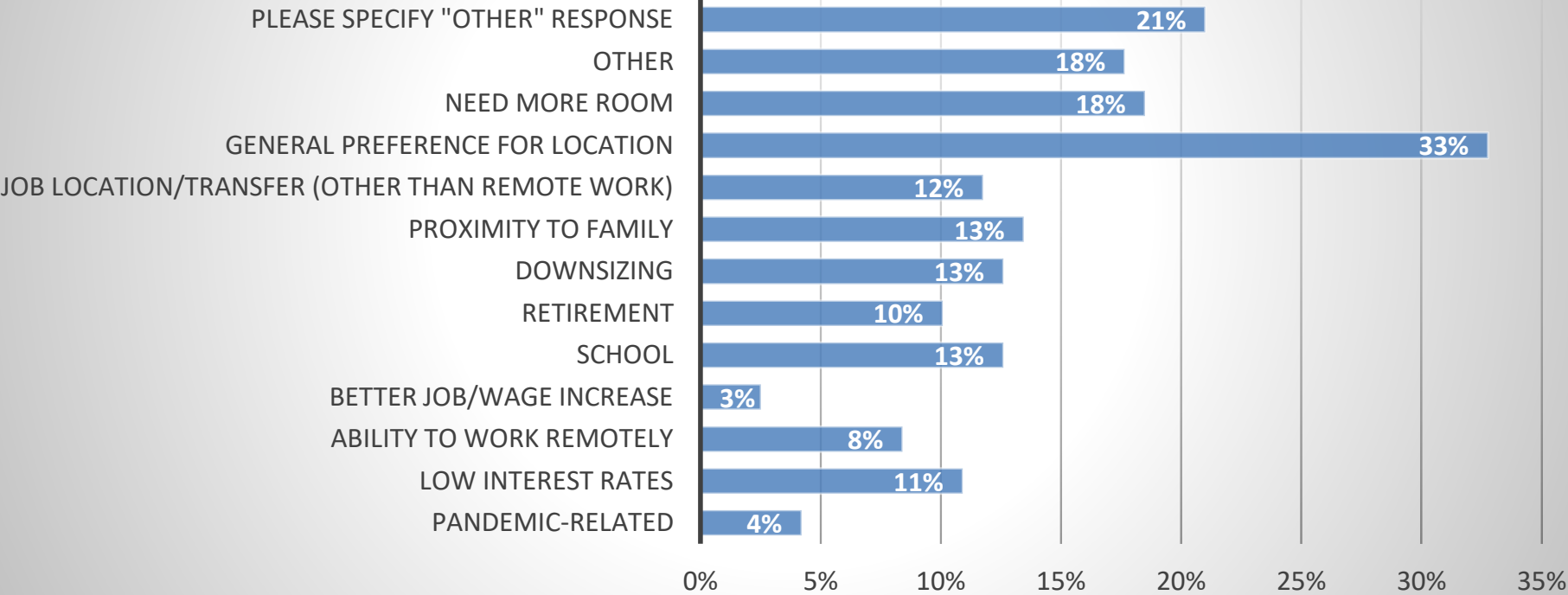
Greatest Perceived Needs:

- Single-family homes for purchase
- Rehabilitation of existing homes
- Single-family homes for rent

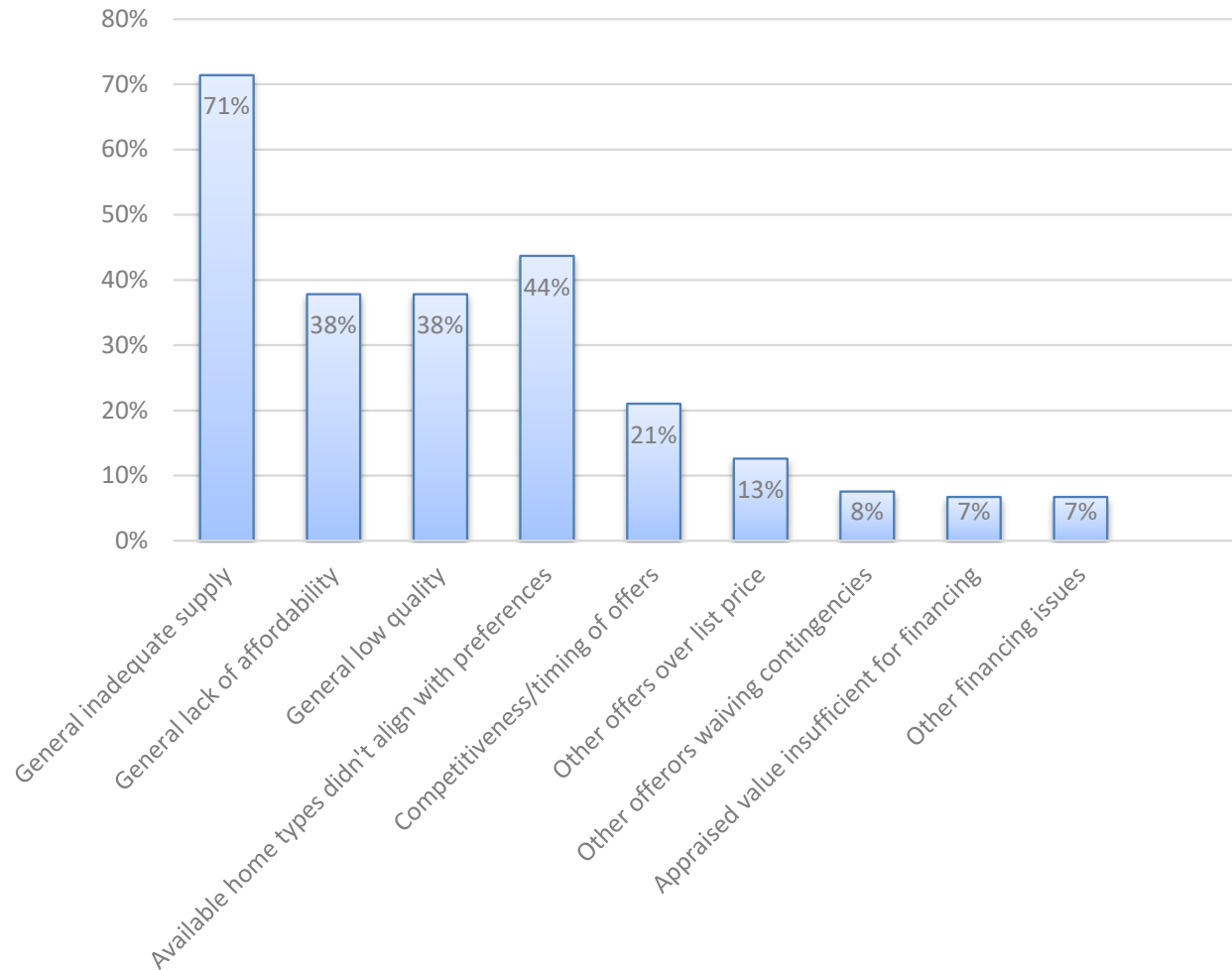


PUBLIC SURVEY

Why did you decide to begin your search for a home to purchase?



What difficulties have you or did you experience in your search for a home?



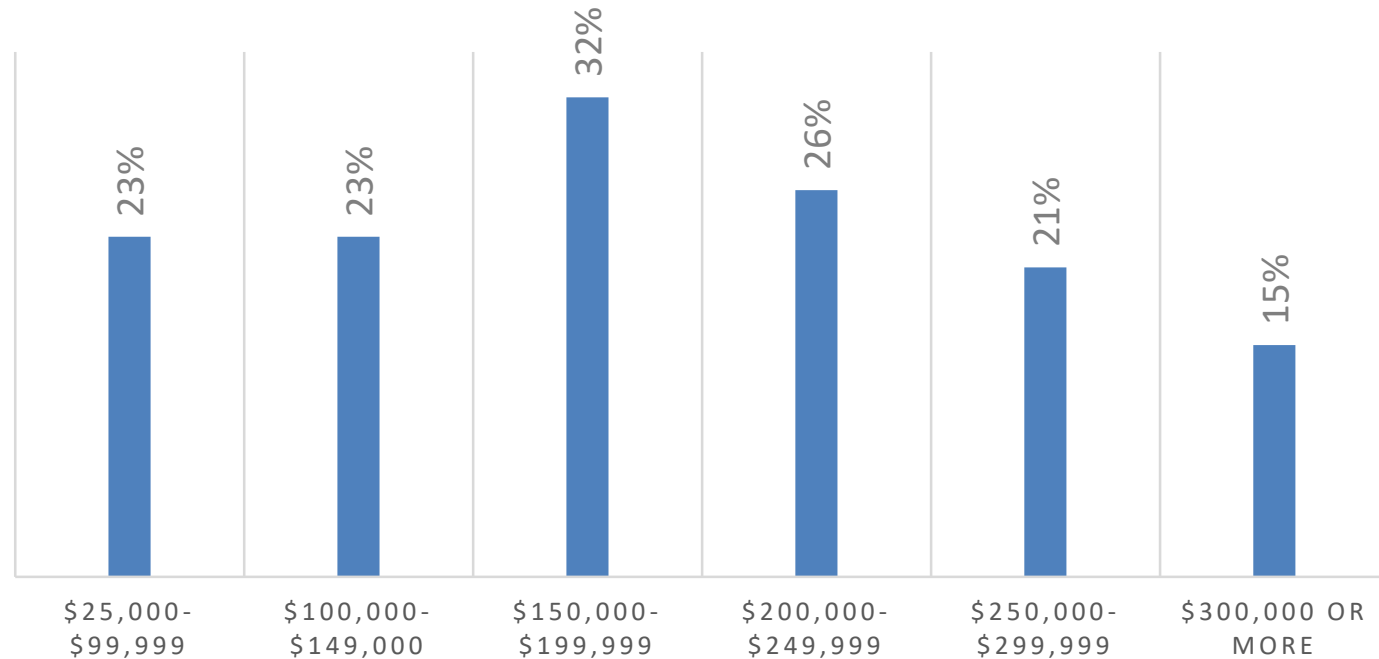
PUBLIC SURVEY

■ DIFFICULTIES ENCOUNTERED

- Lack of supply
- Homes did meet their preferences
- Low quality
- Lack of affordability



If you purchased a custom home or pre-purchased a home in a new development, what price range would you consider?



PUBLIC SURVEY

- 40% would consider purchasing a home in need of extensive rehabilitation
- 52% said they would consider having a custom home built



HOUSING STUDY & STRATEGY

**COUNTY DISCUSSION GROUP
MEETINGS**



MAIN TAKE-AWAYS

- **BARAGA COUNTY**
 - Existing Housing Task Force
 - Locations identified
 - Contractors
- **GOGEBIC COUNTY**
 - Finding a balance
 - Finding vacant properties
 - Contractors

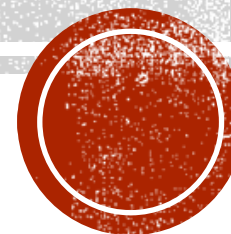
HOUGHTON COUNTY

- Infrastructure
- Contractor shortage
- Parking



HOUSING STUDY & STRATEGY

**IMPLEMENTATION:
COMMUNITY LAND TRUSTS**



WHAT IS A COMMUNITY LAND TRUST?

- Private nonprofit corporation
- Provides access to land and the buildings
- Ground leases



THE COMMUNITY LAND TRUST 'DEAL'

GIVES THE HOMEOWNER THE ABILITY TO PURCHASE AN AFFORDABLE HOME –TERMS OF THE DEAL

Purchases
the house
but not the
land

Enters into a
lease for the
land

A home can
be inherited



- **Exclusivity**
- **Responsible for maintenance and upkeep**
- **Upon resale, homeowner will not receive 100% of the increase in the home's value since purchase**



COMMUNITY LAND TRUST

WHAT HAPPENS IN A RESALE?

Example (CLT homeowner retains 25% of the appreciation in value per CLT lease)

Appraised at \$105,000

Home purchase \$90,000

Resale appraised at \$125,000

Equity-25% of difference \$5,000

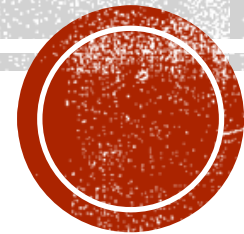
Improvements \$10,000 \$5,000 (Depreciated amount)

New Sale Price **\$100,000** (\$90,000 purchase price+\$5,000 improvements + \$5,000 equity)



TOURISM STRATEGY

Jerry Wuorenmaa, Executive Director



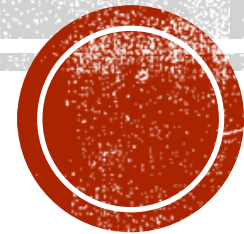
TOURISM STRATEGY UPDATE

- EDA ARPA grant submissions
- “Points of interest” public access assessment update
- Proposed Hancock-Lake Linden trail
- Tourism Statistics Data Portal overview – Brad Barnett
- Presentation/intro by Brad Garmon , Michigan Outdoor Recreation Industry Office



LABOR FORCE ASSESSMENT

**James Marusich, Assistant Regional
Planner**



LABOR FORCE ASSESSMENT

- Focus group plans
- Status of assessment document
- Update from Trisha Todd, U.P. Michigan Works!



Labor Force Issues Unique to Western U.P. Region

- 1) Potential workers who are recruited for jobs from outside the area are finding difficulty locating available housing
- 2) The workforce is older in the Western U.P. - therefore the rate of "accelerated early retirement" is affecting the region more than other parts of the state
- 3) Young talent is leaving the Western U.P. as the perception that the region does not have sufficient career opportunity
- 4) Public transportation issues
- 5) "Location Quotients" for the Western U.P. are higher for a number of occupations - hospitality, sales, tourism, education, health care, etc. (refer to "Hard to Fill Jobs Past 12 Month" worksheet) - Glen Ackerman-Berr (GCC) - "BurningGlass"
- 6) Inability to find work for many "trailing spouses" - remote workforce
- 7) Lack of promotion & awareness to present to youth & others in the Western U.P. that the area does have career and job potential
- 8) Declining population in all age groups in the Western U.P. Region (approaching "sansdemic")
- 9) Access/Awareness to Job Training, Job Counseling,
- 10) Disenfranchised former employee issue engagement

