Baraga, Gogebic, Houghton, Iron,
Keweenaw & Ontonagon Counties

Housing Study & Strategy

Western U.P.
PLANNING & DEVELOPMENT REGION

A look at housing issues and solutions in the Western U.P.

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Background and Structure of the Study

In late March 2021, the Western Upper Peninsula Planning and Development Region (WUPPDR) completed development of a Pandemic Response and Resiliency Plan (PRRP) funded by the U.S. Economic Development Administration from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The plan was a "rapid response" approach to mitigating the impacts of the pandemic even as the situation was still highly dynamic. At this point it was already clear that many preexisting social, economic, and infrastructure problems had been exacerbated by the pandemic, and these, along with some more recent issues, were addressed in the Action Plan.

When participants in the PRRP process were asked to prioritize more than a dozen implementation projects in the Action Plan, the top priority was a **Housing Study and Strategy**, described as follows:

> To gauge the demand for housing by different household types, and to identify roles and strategies for creating housing units that will meet that demand, the region needs a housing market analysis, accompanied by a housing strategy.
>
> - Conduct a Housing Market Analysis to show demand for housing units by price, household income, and demographics for communities within the region.
> - Develop a housing strategy to identify specific actions that communities can take to encourage new housing development, redevelopment, and rehabilitation, in order to meet the market demand identified in the Housing Market Analysis.

Upon completion of the PRRP, WUPPDR did not have adequate funds for a specialized consultant to perform a market analysis. Instead, we undertook a Study and Strategy based on public statistical sources; survey research; interviews of other organizations' staff; webinars and conferences; and extensive, comprehensive feedback in a series of county-by-county "discussion group" meetings. The strategy identifies several implementation items, including select state and federal housing programs to pursue further, at the countywide and regional levels. The intent is to give communities ammunition to begin to address their housing issues regardless of (but ideally in harmony with) actions taken by the private sector, with support from WUPPDR to the extent feasible.

Components

The study includes several components:

- Regional profile and trend analysis
- Individual county profiles and trend analyses
- Perspectives (via survey results) of employers, real estate agents, and the general public
- Regionwide strategies

- Individual county strategies
- Inventory of housing funding and resources programs

Data

Secondary data provided in this study are primarily from the following sources:

- U.S. Census Bureau
    - 2020 Decennial Census (DC) – Redistricting Data
    - 2016-2020 American Community Survey Five-Year Estimates (ACS)
    - Quarterly Census of Employment and Wages (QCEW)
    - Building Permits Survey
    - OnTheMap tool (OTM)
- Michigan Department of Technology, Management and Budget, Bureau of Labor Market Information and Strategic Initiatives (BLMISI)
    - Industry data
    - County population projections
    - Local Area Unemployment Statistics
- ALICE Report, United Way of Northwest Michigan
- Fourth Economy data report, Western U.P.: "Remote Work is Here to Stay," 2020
- Department of Housing and Urban Development (HUD) Fair Market Rents
- Upper Peninsula Multiple Listing Service
- AirDNA (short-term rental unit tracking)

It is important to note the differences of different U.S. Census Bureau products/datasets:

- The question set from the 2020 DC, an actual count of the population and housing units, is short and basic. The only DC data in this study is the "Redistricting Data" including total population, vacant and occupied housing units, and race.

- A much greater breadth of housing data is available from the ACS. However, the ACS is based on a statistical sample of the population, and the data's validity is problematic in small populations due to large margins of error[1]. The Census Bureau mitigates this by averaging ACS data for small (primarily meaning nonmetropolitan) geographies, meaning townships, cities, villages, and Census designated places (CDPs), over a five-year period. In this study, the 2016-2020 period (released in March 2022) is used. ACS data is provided and analyzed in this study only on the county level and for certain cities and townships that have 2,000 or more residents.

- Other Census data sources are based on different timeframes and methodologies

[1] See here for Census Bureau guidance on ACS margins of error: https://www.census.gov/content/dam/Census/programs-surveys/acs/guidance/training-presentations/20180418_MOE.pdf

This document contains a wide range of data, much of which is presented in tables. The regional overview section provides such data on a regionwide level, mainly in comparison to the State of Michigan and United States. The county profiles provide the same data on a countywide level in comparison to statewide (for most data) and certain local jurisdiction statistics.

Discrepancies in Housing Counts among Census Products

A significant caveat is a discrepancy between vacant, occupied, and total housing units between the DC and 2016-2020 ACS. For all of these geographies, ACS housing counts vary from DC housing counts – sometimes by large numbers. Compared to the 2020 Census, the ACS found 1,047 (3.1%) fewer occupied housing units, 3,042 (18.5%) more vacant units, and 1,995 (4.0%) more total units. The total unit count from the ACS is closer to the 2010 than to the 2020 DC; however, the pandemic is thought to have reduced the accuracy of both data sources, and it is unclear whether the 2020 DC or ACS data is more accurate. A complicating factor is that the DC is a recent snapshot in time whereas the ACS is a multi-year average.

For good measure, the State Demographer was consulted for advice and pointed out the Population Estimates Program (PEP) housing unit counts, which for 2010 and 2020 were both much closer to the 2016-20 ACS total unit count than to the 2020 Decennial Census. This would stand to reason, though, as both the 2010 and 2020 PEP counts are based on the 2010 Census.

Regionwide Housing Units and Population

Year	Housing Units					Total Population
	Total	Occupied		Vacant		
		#	%	#	%	
2000 Census	49,721	-	-	-	-	85,389
2010 Census	52,037	34,561	66.4%	17,476	33.6%	82,668
2010 PEP	52,048	-	-	-	-	-
2020 Census	50,469	33,988	67.3%	16,481	32.7%	79,392
2020 PEP	52,665	-	-	-	-	-
2016-20 ACS	52,464	32,941	62.8%	19,523	37.2%	

Since most data about the current housing stock is by necessity taken from the ACS, and the accuracy of unit numbers is unknown, the safest approach might be to give most attention to percentages within the numerous indicators (e.g. the percentage of different housing structure age ranges, adding up to 100%) rather than housing units counts. Nevertheless, housing unit counts derived from the ACS are included in the regional and county profiles, as some feedback at the draft stage of this study indicated counts were more meaningful to local stakeholders than percentages. Further research from other sources should be used to verify any housing unit numbers if they are to be used for action items rather than a broad understanding of characteristics of the housing stock.

Regional Profile

The Western Upper Peninsula (U.P.) of Michigan is among the most rural regions in the state. The region's six counties (Baraga, Gogebic, Houghton, Iron, Keweenaw, and Ontonagon) include the state's smallest county by land area and total population and the counties with the lowest and second-lowest population density. The total population of 79,392 is roughly the same as the Casper, Wyoming metropolitan area, spread over a land area of 14,964 square miles (5.3 persons per square mile, compared with 174.8 statewide in Michigan).

A dispersed population is challenging in itself, but in the Western U.P. this is exacerbated by many other factors. The population is aging and has experienced a long-term decline since 1920 (by nearly 50 percent), which was the height of a mining era boom. Many communities were built based on the population of that time and are overbuilt and difficult and expensive to maintain for the residents who remain.

A great deal of housing stock from the early 1900s remains, much of it still occupied by residents and often in substandard condition. In many communities, such housing is the norm rather than the exception. Turn-of-the-20th Century homes are common, and in several of the larger communities more than half of housing units' structures were built before 1940. Only two percent of occupied housing units were built from 2010 to 2019.

The region has many strengths, including certain robust and diversifying economic sectors and a powerful draw of natural resources and outdoor recreation opportunities. Despite a projected continuing population decline to 2045, there is a reasonable possibility for this trend to reverse or at least plateau. There is some evidence of a recent influx of remote workers and migrants from metropolitan areas. But the opportunity for employers to grow and for new residents to in-migrate is held back by a severely constrained and otherwise inadequate housing market.

The region has not escaped the high-demand nationwide market that emerged or accelerated with the pandemic's onset in early 2020. With historic underinvestment and a dearth of new construction activity, in some ways it will be even more difficult for the Western U.P. to adjust to the new market than for other areas.

Legacy of Extraction

All counties of the Western U.P. have a history of economic reliance on extractive industries. Why is this important? An extractive economy relies largely on the economic activities and financial resources of outside entities. Resources are taken when they are valued highly, and after a resource is diminished, the money goes away. This is the boom-and-bust cycle. Beautiful communities were built during the mining area, but when financial viability of the industry declined, many residents left along with the money. And communities that had perhaps been living beyond their long-term means were left to maintain infrastructure – and, notably for this study, housing stock – that was no longer financially possible for residents to support and maintain.

The region's extractive industries historically included forestry and mining. Forestry (logging) had devastating environmental impacts over a century ago, but forests have since entered a mature second or third growth, and the industry, now carried out in a much more responsible manner, continues to be an economic factor. But mining, because of the value of its commodities, was what built many communities.

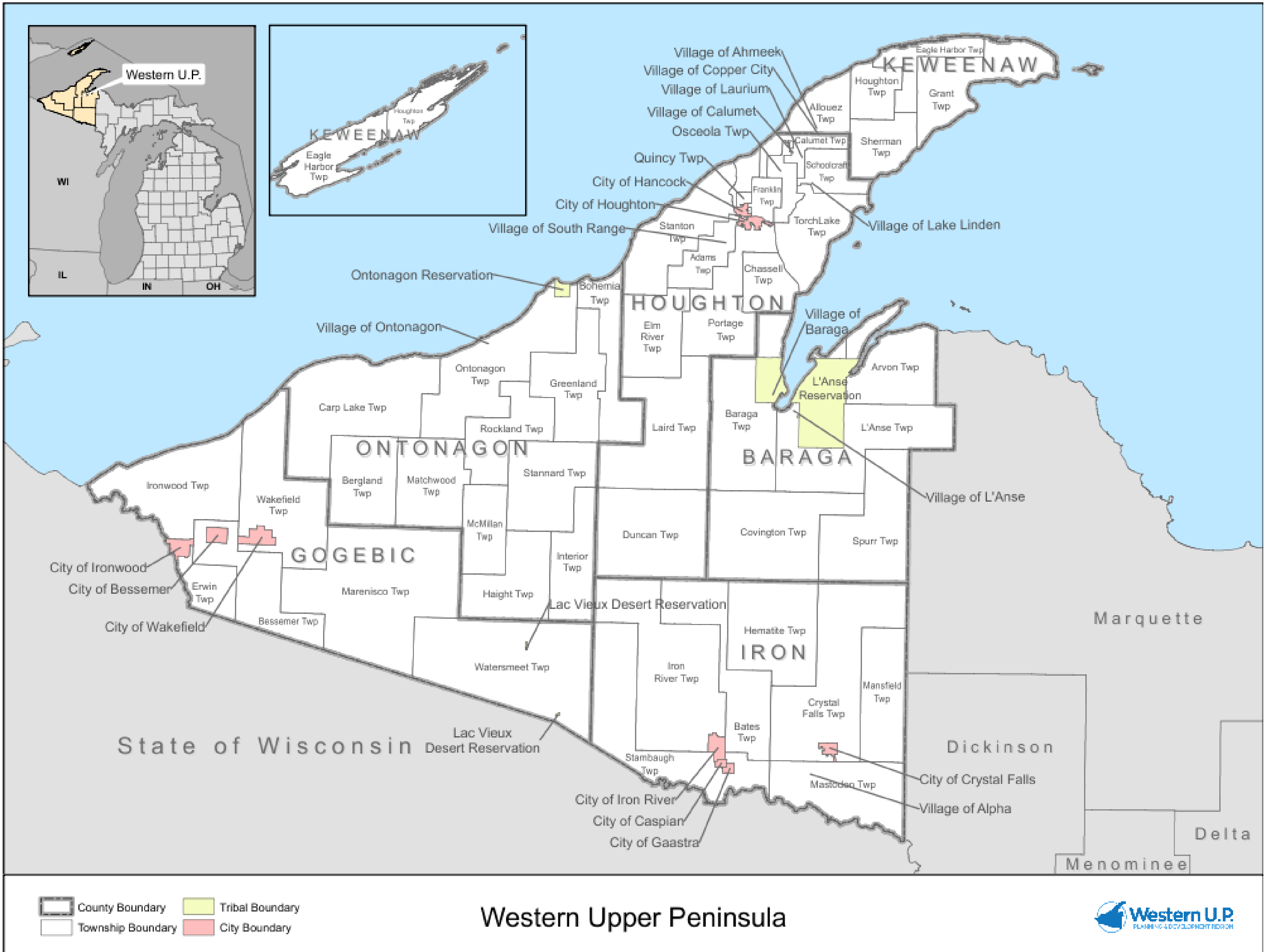
In Houghton and Keweenaw counties, copper mining was dominant. It began in the mid- to late 1800s and peaked in the early 1900s, and all mining activity stopped by the late 1960s. A slow but earnest recovery began in Houghton County in the 1970s, and today it has the region's greatest wealth and most diversified economy. Michigan Technological University is a nationally recognized doctoral-level research institution and is by far the region's largest employer. In conjunction with MTEC SmartZone, a high-tech business incubator/accelerator, research at Michigan Tech has resulted in the emergence of numerous high-technology companies. Houghton and Keweenaw counties still have legacy problems, but they are on a clear path to prosperity.

Where iron mining was dominant In Gogebic and Iron counties, ceasing by the 1960s, recovery has taken longer. Scars on communities are visible, and as of 2020 the population is in a continuing decline, but due largely to proactive community and business leaders, progress is evident. In Ontonagon County, the case was different. Mining remained in progress until 1995 at the White Pine Mine. The mine was the county's largest employer in a relatively small and undiversified economy. As the county began its recovery from the mining industry much later than the others, Ontonagon County continues to struggle, and some communities that once relied heavily on the White Pine Mine are in severe decline. With promises of new mining operations developing over the next several years in Gogebic and Ontonagon counties, housing availability will need to be addressed, along with careful planning to prevent or mitigate another catastrophic bust in the years ahead.

Bleak statistical population projections are only one side of the story: Ambitious pursuit and implementation of a housing program will be an important factor in defying the projections to slow, stop, and eventually reverse the region's population decline.

Region Versus State and United States

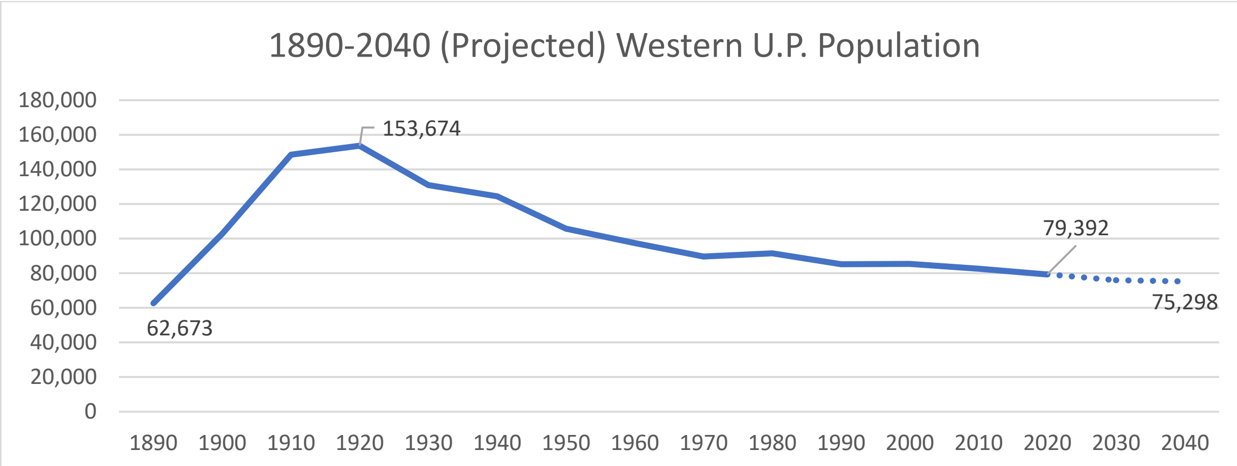
Most of the statistics in this chapter compare the Western U.P. to Michigan statewide and to the United States. By most indicators associated with housing quality and modernity, the U.S housing stock fares better than Michigan's, which fares better than the Western U.P.'s. "Better" is a subjective term, however. Oftentimes better means more expensive, and a suboptimal unit in the Western U.P. may be much more affordable than in other parts of the state while still offering adequate quality. All housing statistics should be interpreted accordingly.



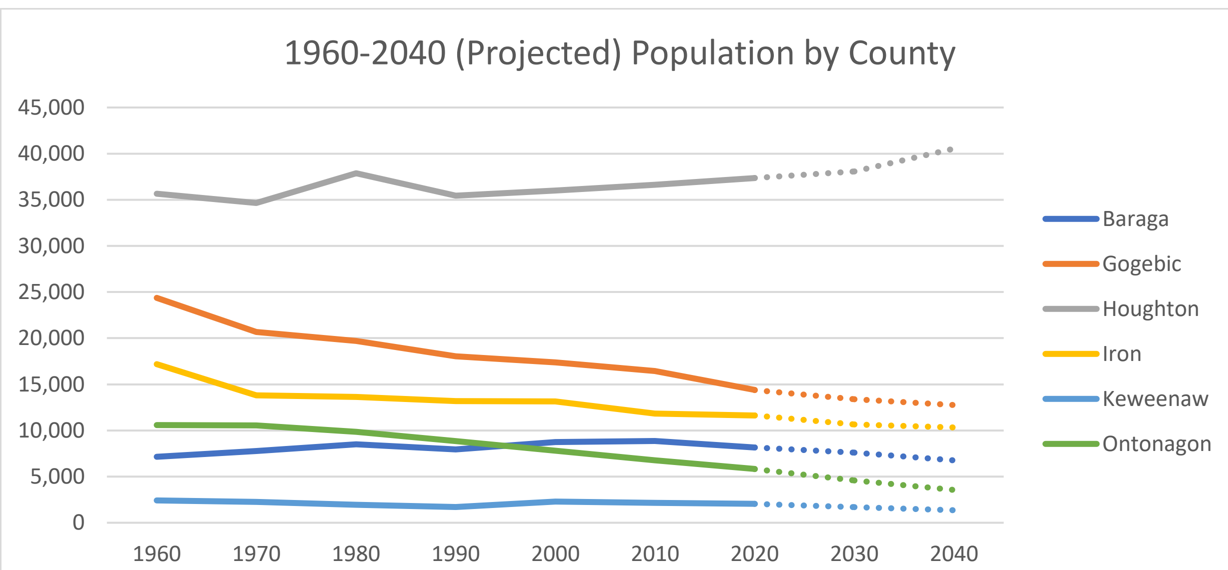
Western Upper Peninsula

Population and Housing Basics

The region's population has dropped from a high of 153,674 in 1920, at the height of the mining boom, to 79,392 in 2020 (a decrease of 4% since 2010) and is projected to drop further to 75,298 by 2040[1]. This would be a loss of 51% from 1920.



The population trend varies considerably by county, however. Houghton County is an outlier with a gradual but steady increase from 1990 to 2020, projected to continue to at least 2040. Gogebic, Iron, Keweenaw, and Ontonagon counties' populations have decreased since 1960 and are projected to continue to do so. Baraga County's increased during the 1990s, when a state prison opened (in 1993), and continued to increase until 2010; it has since declined, and this is projected to continue.



[1] Current projections developed in 2019 have not yet been adjusted to account for 2020 Census counts.

Despite the population loss in most counties and in the region overall, there is widespread recognition and evidence that the current housing stock is inadequate. But it is difficult to forecast future housing needs in a decreasing population. There are many complexities in the regional housing dynamic and characteristics of the housing stock that will be explored further in this study.

In 2020, according to the Decennial Census, 67.3 percent of housing units in the region were occupied as primary ("usual") residences – approximately the same percentage as in 2010. The total number of housing units, 50,469, is a decrease of 1,568 units (3%) since 2010.

As described in the following section, one of the region's most notable housing dynamics is its relatively large percentage of vacant properties. The **map on the following page** shows, based on the Decennial Census, the proportion of housing units that are *occupied* in each township, municipality, and CDP. Lighter shades indicate a smaller percentage of occupied properties.

Vacancy Types, Tenure, and Mobility

There are two different ways of assessing occupancy and vacancy levels of housing: the owner and renter vacancy rate and the "characteristics" (types) of vacant properties.

Note, again, that occupied and vacant unit counts of the 2020 Decennial Census do not coincide with those of the 2016-2020 American Community Survey, so any firm conclusions or actions to be taken based on these data should take other evidence and research into account.

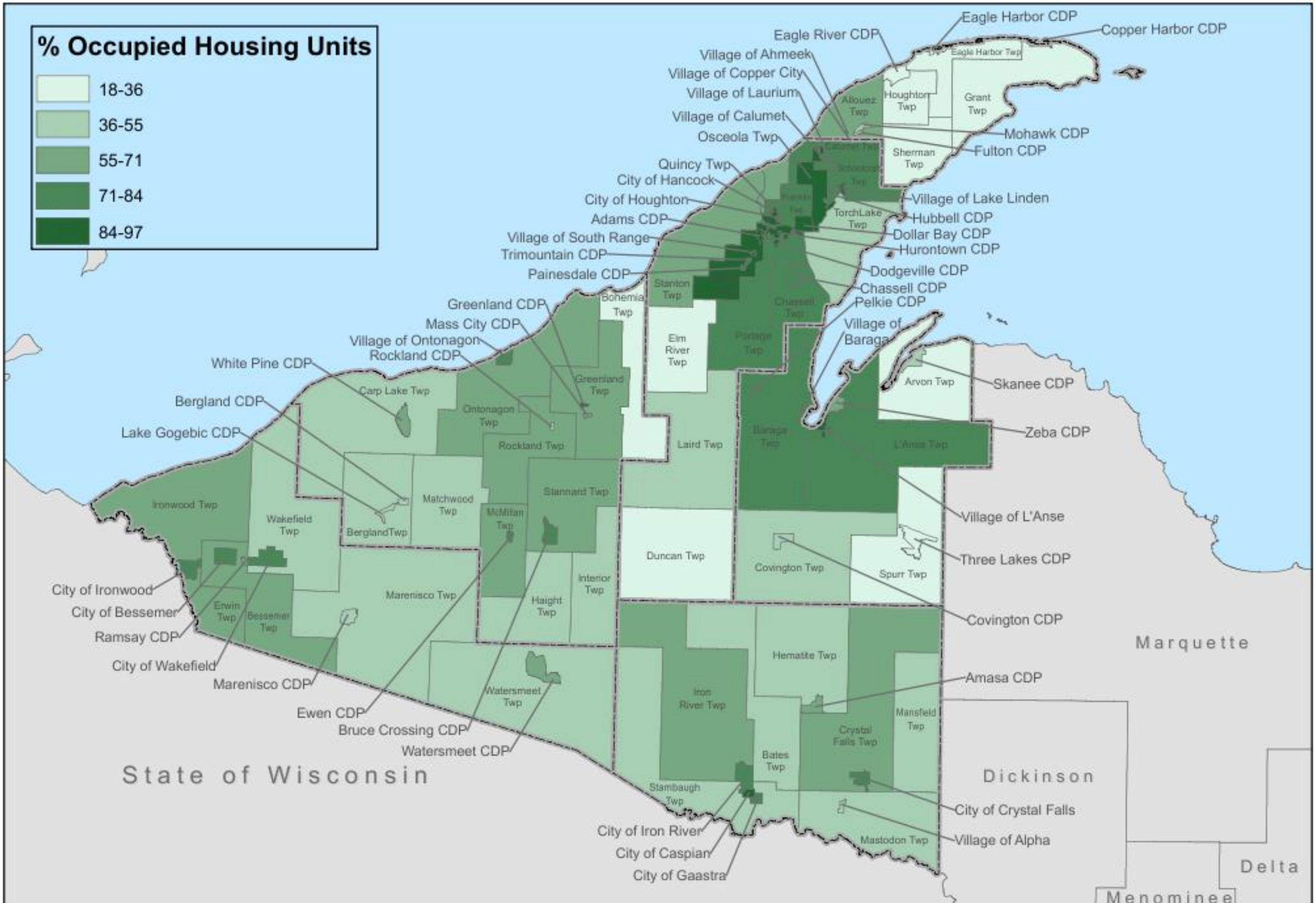
Vacancy Rates

Vacancy rates, as defined by ACS, account for the vacant share of units that are: 1) currently occupied; 2) rented or sold for year-round occupancy, but not yet occupied; and 3) available for rent or sale for year-round occupancy, and not occupied. Separate vacancy rates are available for rental and non-rental housing units.

The vacancy rate for intended owner-occupied housing units in the Western U.P. ranges from 1.7% in Baraga and Ontonagon counties to 3.3% in Houghton County. The rental vacancy rate ranges from 2.9% in Baraga County to 9.1% in Ontonagon County an outlier of 36.3% in Keweenaw County. The State of Michigan and U.S. vacancy rates are, respectively, 1.5% and 1.6% for homeowners – both slightly lower than the lowest Western U.P. county – and 6.0% and 5.1% for rentals.

Vacant Housing Units

Vacant housing units are those that are not occupied by any person or household as a usual residence – that which a household lives in for the majority of a year. Though the ratio of occupied versus vacant units various between the Decennial Census and ACS, in either case the percentage of vacant units in the region is far greater than in the state and U.S. Most of the



Percentage of Housing Units that are Occupied

Western U.P.

region's vacancies are units for "seasonal, recreational, or temporary use" (SRTU), such as second homes, cottages, or, colloquially, camps. (Intuitively many people may not consider these vacant per se, so it is important to be mindful of the terminology.) SRTUs account for 28.5% of all housing units and more than three-quarters of vacant units in the region. The SRTU category likely includes most properties that are primarily used as short-term/vacation rentals – but not those for which this use is secondary (e.g. rented out for an occasional weekend).

Vacancy Status (2016-2020 ACS)

Type of Vacancy	Region			State	U.S.
	Number of Units	% of Vacant Units	% of All Units	% of All Units	% of All Units
For rent	586	3.0%	1.1%	1.30%	2.0%
Rented, not occupied	131	0.7%	0.2%	0.30%	0.4%
For sale only	637	3.3%	1.2%	0.80%	0.8%
Sold, not occupied	48	0.2%	0.1%	0.50%	0.5%
For seasonal, recreational, or occasional use	14,967	76.7%	28.5%	6.30%	3.8%
Other	3,154	16.2%	6.0%	4.50%	4.2%
All vacancy types	19,523		37.2%	13.70%	11.6%

In general, the largest shares of vacant units and particularly of seasonally vacant units are in rural townships that are considered resort areas and have relatively little economic activity. In some geographies, well over half and as many as around 80% of housing units are vacant.

The ACS reveals 637 vacant housing units available for sale and 586 available for rent – a total of 1,223 units "on the market" – in the region. These account for 3.7% of all housing units in the region. However, the five-year normalized percentage that the ACS only encompasses one year (2020) of pandemic trends; thus, it is highly diluted as an indicator of current excess housing demand.

Tenure (Owners/Renters)

One of the key elements of occupied housing units is tenure: owner versus renter occupancy. The large majority of occupied housing units in the region are occupied by owners as opposed to renters. The region has a smaller share of renters than do the State and U.S. Renters generally are more prevalent in urban areas.

Tenure of Occupied Housing Units (2016-2020 ACS)

Tenure	Region		State	U.S.
	Number of Units	% of Units	% of Units	% of Units
Owner-occupied	24,764	81.0%	71.7%	64.4%
Renter-occupied	8,177	19.0%	28.3%	35.6%
All occupied housing units	32,941			

Within the region, Houghton County and particularly the cities of Houghton and Hancock have by far the largest shares of renters versus owners, due to a large transient population associated with a liberal arts college and a university.

Household Mobility

An optimal housing stock will match the housing type preferences of the population, which are based largely on socioeconomic factors. A market that is more mobile – allows people at different life stages to change housing types as they age and gain or lose resources – can be better at accommodating changing preferences. A market without much development activity results in households staying where they are for relatively long periods, even if they would prefer to live in a different type of housing – i.e. an upgraded, larger, or smaller house; a higher-end apartment; or a condominium instead of a single-family house.

By statewide and nationwide standards, residents of the Western U.P. reside in their housing units for a relatively long time. This is in part related to a relatively old population, as movement through the housing market decreases with age; however, regardless of the reasons, this reduces housing opportunities for younger and in-migrating residents.

The region has a higher percentage than the state and nation of households that have lived in their current housing units for more than 30 years and a lower percentage of those that have lived in their current housing units for less than 10 years.

Year Householder Moved into Unit (2016-2020 ACS)

Year	Region		State	U.S.
	Number of Units	% of Units	% of Units	% of Units
2019 or later	1,424	4.3%	4.3%	4.8%
2015 to 2018	7,769	23.6%	26.4%	28.5%
2010 to 2014	5,189	15.8%	19.8%	19.9%
2000 to 2009	7,567	23.0%	20.7%	22.2%
1990 to 1999	4,509	13.7%	13.6%	12.1%
Before 1990	6,483	19.7%	15.2%	12.5%
All occupied housing units	32,941			

County profile chapters in this study include data about geographic mobility of residents (mover-ship from within and outside of Michigan). Aggregation on a regionwide level is not very useful for this indicator.

Physical Characteristics

The region's population and economic state are clearly illustrated by the composition of the region's housing stock. The housing stock, the is relatively old and much of it in a state of significant disrepair. Such substandard units are in many cases occupied by necessity. There is high demand for relatively inexpensive (up to $100,000) houses in the region, but many existing in that price range are "fixer-uppers," and it is extremely rare for new construction of traditional housing types to be in this price range.

The oldest and poorest-condition houses are generally located in the historic mining communities. Homes were built at the time of community wealth, some by the mining companies themselves, and as residents left the area in subsequent decades there was little demand for new construction nor incentive for developers to build speculatively. Much of the higher-value and newer occupied homes are located in townships that encompass key communities and/or have significant Lake Superior or inland lake frontage. It is not unusual for residents of such outlying areas to commute to population centers in the region for work.

Housing Age and Type of Structure

Regionwide, 32.8% of all housing units were built in 1939 or earlier. Many other housing structures are evidently in such poor (unlivable) condition that the ACS does not count them as housing units. Only 2.5% of housing units were built in 2010 or later (roughly since the Great Recession).

Year Structure Built (2016-2020 ACS)

Year Structure Built	Region		State	U.S.
	Number of Units	% of Units	% of Units	% of Units
2010 or later	1,301	2.5%	3.0%	6.2%
2000 to 2009	3,986	7.6%	9.9%	13.6%
1980 to 1999	10,066	19.2%	23.1%	27.2%
1960 to 1979	11,373	21.7%	27.2%	25.5%
1940 to 1959	8,553	16.3%	22.2%	15.0%
1939 or earlier	17,185	32.8%	14.6%	12.4%
All housing units	52,464			

The age of housing structures is higher in Michigan than nationwide, but the Western U.P.'s housing stock is far older than that of the state overall.

Single-family detached housing units are the most common configuration nationwide, but the presence is even greater in the Western U.P., where these account for 82% of housing units. The region has a smaller percentage than the state and nation of every other configuration of housing units. Attached single-unit structures are rare in the region, accounting for just 582 units (1.1%).

Number of Occupied Units in Structure (2016-2020 ACS)

Units in Structure	Region		State	U.S.
	Number of Units	% of Units	% of Units	% of Units
1, detached	43,025	82.0%	72.1%	61.7%
1, attached	582	1.1%	4.6%	5.9%
2 apartments	1,109	2.1%	2.3%	3.5%
3 or 4 apartments	1,286	2.5%	2.6%	4.3%
5 to 9 apartments	1,342	2.6%	4.1%	4.6%
10 or more apartments	2,623	5.0%	8.8%	13.7%
Mobile home or other type	2,497	4.7%	5.4%	6.1%
All housing units	52,464			

According to the Census Bureau's Annual 2020 Characteristics of New Housing Highlights (ACNH)[2], 89.9% of new single-family homes *sold* in 2020 were detached and 10.1% were attached, and this is far out of line with the region's existing housing stock.

Bedrooms

Number of bedrooms is an important factor in the housing market and has increased over time. The region's percentage of housing units with two or fewer bedrooms is much greater than the state and U.S. percentages.

Number of Bedrooms (2016-2020 ACS)

Number of Bedrooms	Region		State	U.S.
	Number of Units	% of Units	% of Units	% of Units
None	2,120	4.0%	1.6%	2.6%
1	8,219	15.7%	8.9%	10.8%
2	15,891	30.3%	25.1%	25.7%
3	19,316	36.8%	43.9%	39.3%
4 or more	6,918	13.2%	20.6%	21.6%
All housing units	52,464			

Utilities

The region is well-served by basic utilities, including four investor-owned and cooperative electricity providers; four municipal electric utilities; three natural gas companies; and dozens of public drinking water and sanitary sewer utilities, including not just municipalities but many core population areas of townships.

[2] U.S. Census Bureau: https://www.census.gov/construction/chars/highlights.html, accessed May 16, 2022

However, even though the Upper Peninsula is generally considered a low cost-of-living area, utilities can be expensive: Some small water utilities are financially unhealthy and have required large rate increases to compensate for decades of underinvestment. Well water and septic systems are common outside of core communities – including along lakes where some of the most expensive housing is – and can add significant cost not just at time of insulation but when a pre-purchase inspection finds systems are out of compliance. Electricity is expensive in many areas due to the extensive distribution networks utilities must maintain to serve a widely dispersed population. Heating fuel is expensive due to long, cold winters, older homes that tend to be poorly insulated, and disproportionate reliance on bottled/LP gas, which is the region's second-most common heating fuel, mainly used outside of communities that have natural gas infrastructure.

Broadband internet is a critical factor in many home purchases. Development of this infrastructure has lagged in the Western U.P., and even before the pandemic, there was much anecdotal reporting of failed home searches and sales due to lack of availability of reliable service. This is especially important given that the region is attempting to recruit more remote workers, who need to have reliable high-speed connections. With the onset of the pandemic there was an increased recognition of the importance of broadband, including in rural areas, and many new state and federal expansion and affordability programs emerged to supplement several that already existed. Core population areas primarily in Gogebic, Iron, and Keweenaw counties are to receive fiber optic-to-home high-speed broadband over the next several years through the federal Rural Digital Opportunity Fund program, and more are to come. Meanwhile, fixed-wireless and LTE (mobile data) providers offer usable moderate-bandwidth service in many rural locations that do not have physical cabling. There is much more to be done, but broadband has become one of the lesser impediments in the current housing market of the region.

Housing Value and Affordability Factors

Housing affordability is an increasing socioeconomic problem. The Western U.P. historically has had much lower-cost housing – both for homeowners and renters – than the state and nation overall. Despite the region having relatively low incomes, considerably lower housing prices put homeownership within reach for many in the population. Livable homes available for purchase under $100,000 have been common in many communities, and as of the 2016-2020 ACS, more than half of owner-occupied housing units in the region were in that range.

Housing values as reported in the ACS are based on owners' estimates of current market value. In general, such values are far lower in the Western U.P. than the state and nation. Median home value varies widely among communities and counties in the region, but there is a distinct split between two groups of counties. Gogebic, Iron, and Ontonagon counties, which are associated with long-term declining economies and populations, have median home values of

$73,500 to $79,500, whereas the other three counties have median values over $100,000, up to $141,800 in Keweenaw County (where second homes are prominent). It is generally not recommended to compare five-year ACS datasets that are only one year apart, but it is worth noting that housing values increased substantially in every county from the 2015-2019 ACS to the 2016-2020 ACS. Still, even Keweenaw County's most recent value does not reach the state median of $162,600 let alone the national median of $229,800.

Value of Owner-Occupied Units (2016-2020 ACS)

Housing Value	Region		State	U.S.
	Number of Units	% of Units	% of Units	% of Units
Less than $50,000	5,841	23.6%	10.9%	6.6%
$50,000-$99,999	7,275	29.4%	16.4%	11.0%
$100,000-$149,999	3,499	14.1%	17.5%	12.3%
$150,000-$199,999	2,913	11.8%	17.1%	13.6%
$200,000-$299,999	2,937	11.9%	19.6%	20.0%
$300,000-$499,999	1,648	6.7%	13.5%	20.5%
$500,000 or more	651	2.6%	5.0%	16.0%
All owner-occupied units	24,764			
Median			$162,600	$229,800

Demand in the region remains highest for homes up to $150,000, which make up about two-thirds of the housing stock. Though this is a large share, it means about one-third of owner-occupied housing is out of reach of current and potential homeowners. And expected housing purchase costs have not kept pace with market realities, especially as inflation began to accelerate in late 2020.

The housing market boom that began around the onset of the pandemic – a culmination of years of inadequate housing starts since the Great Recession – and compounded by increased in-migration of residents from higher-cost housing areas has raised prices within the region. Price ranges that long-time residents have become accustomed to are now far less available. Due to the recency of this trend, it is not adequately reflected in ACS data.

Value to Income Ratio (VTI)

One broad measure of housing affordability focused on homeownership is the value to income ratio (VTI). The ratio is calculated by dividing median home value by median household income of a community. The optimal ratio is widely considered to be 2.5: a home purchase price that is 2.5 times an annual salary (30 months of total income). A ratio considerably lower than this indicates greater housing affordability but may correlate with lower-quality housing stock and lead to underinvestment in new development. A higher ratio verges on unaffordable.

The region's county-level VTI ranges from less than 2 in Gogebic, Iron, and Ontonagon counties to 2.5 in Houghton County. The Michigan and U.S. VTI ratios are 2.7 and 3.5 respectively.

The value to income ratio suggests an affordable housing stock in every county and community being considered in this study except the City of Houghton, whose ratio is an outlier of 7.9. This can be attributed largely to a concentration of low-income college students in conjunction with an insufficient homeowner housing stock. Many of the lower-cost housing structures in the city are used as rentals, skewing homeowner stock to higher price ranges.

Housing Stock Excesses and Shortages Based on Household Income and Price Ranges

Another approach is to associate an optimal home value and monthly rent range with each of several household income ranges. In the table below, each row includes a household income range, number of households within it, number of existing housing units with home values and rent ranges that are most suitable for that income, and the excess or shortage of corresponding units for each income range. The affordability threshold of owner-occupied housing values for this purpose is based roughly upon a value to income ratio of up to 2. Affordable rent ranges are somewhat more subjective and flexible in this assessment.

The assessment reveals how well the available housing stock in a community (or in this table's case, regionwide) fits the income ranges of residents. In the Western U.P., by this measure, there is a large shortage of housing with values and rents appropriate for a $50,000-$74,999 household income. These constitute houses costing $100,000-$149,000 or rentals with monthly contract rates of $1,000-$1,499. The assessment suggests a market opportunity for prices within those ranges. This is consistent with qualitative feedback and survey data collected for this study.

There are smaller shortages for the next two higher income ranges, and there are excesses of housing units suitable for income ranges under $50,000 and for $150,000 and over. The excesses suggest that many households are living in either less expensive (often lower quality) housing units than they would prefer or more expensive housing units than they can comfortably afford.

The assessment only accounts for housing stock that is available for current resident households. It does not forecast or project the needs and preferences of incoming residents. Assessment of the true market "potential" for different housing types and price ranges would require a complete market study or target market analysis. However, there is a discernable message that developers should consider constructing new units in price ranges that already have associated shortages.

Housing Shortage/Excess by Household Income, Regionwide (2016-2020 ACS)

Income Range	HH	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Rent	#		Number	%
$0-24,999	9,810	$0-49,999	5,841	$0-499	4,834	10,675	865	8.8%
$25,000-49,999	8,555	$50,000-99,999	7,275	$500-999	2,721	9,996	1,441	16.8%
$50,000-$74,999	5,850	$100,000-149,999	3,499	$1,000-1,499	394	3,696	-2,154	-36.8%
$75,000-99,999	3,449	$150,000-199,999	2,913			3,110	-339	-9.8%
$100,000-149,999	3,368	$200,000-299,999	2,937	$1,500-1,999	181	3,118	-250	-7.4%
$150,000+	1,909	$300,000+	2,299	$2,000+	47	2,346	437	22.9%
Total	**32,941**		**24,764**		**8,177**	**32,941**		

Shortages and excesses shown in the table are a combination of owner-occupied and rental units. In practice, in resolving an excess or shortage, actual market demands should inform the development of rental versus owned housing units. There are a variety of factors impacting these mismatches, and the excesses and shortages vary widely throughout the region; this is conveyed in the county profiles.

This assessment of affordability is somewhat theoretical and should be considered one of many informational tools. Adjusting thresholds – such as increasing the affordable owner-occupied VTI ratio from 2 to 3, or increasing the affordable rent range to be closer to 30% of household income – could yield a much different result.

Monthly Gross Rent

As opposed to contract rent, which is based only on actual rental fees (irrespective of utilities that may be included) and is the measure used to gauge housing stock excess and shortage, gross rent adds estimated utility and non-utility heating fuel costs that are not included in rent. Thus, it may be a preferable indicator of overall real-world housing costs.

In general, rents are much lower in the Western U.P. than in the state and nation. Regionwide, nearly 9 in 10 renter-occupied units are paying rent of under $1,000 or none at all. In the state, approximately two-thirds of rentals are in this range, but in the U.S., only slightly less than half. Median rents in the state and U.S. are $892 and $1,096 respectively. Median rents in the Western U.P. range from $476 in Gogebic County to $639 in Houghton County, with the other four counties around $550.

The region has far less disparity with the state and U.S. for the measure of gross rent as a percentage of monthly income. A common measure of burdensome housing cost is for it to exceed 30% of household income. The region, state, and U.S. all have roughly an equal percentage of rental households in that range: Among all three geographies, around half of rental households (among those for which such costs can be computed) are paying what is commonly considered excessive rent and utilities cost.

It may seem counterintuitive, but despite the region's relatively very low rental costs, lower household incomes and often relatively high utility prices mean that cost burdening is just as high as on the state and national levels.

Gross Rent (2016-2020 ACS)

Gross Rent Amount	Region		State	U.S.
	Number of Units	% of Units	% of Units	% of Units
None paid	863	10.6%	5.4%	5.2%
Paid up to $499	2,686	32.8%	11.4%	8.9%
$500-$999	3,677	45.0%	50.8%	34.3%
$1,000-1,499	658	8.0%	28.1%	30.2%
$1,500-$1,999	234	2.9%	6.6%	14.9%
$2,000 or more	59	0.7%	3.2%	11.6%
All renter-occupied units	8,177			
Median			$892	$1,096
Gross Rent % of Monthly Income	**Region**		**State**	**U.S.**
	Number of Units	**% of Units**	**% of Units**	**% of Units**
Less than 20%	1,874	26.9%	27.5%	26.3%
20-29.9%	1,729	24.8%	24.1%	24.5%
30-34.9%	550	7.9%	8.7%	9.1%
35% or more	2,825	40.5%	39.8%	40.0%
All units computed	6,978			

Monthly Costs for Homeowners with Mortgages

Housing affordability is a widespread problem for homeowners as well. Initial down payment and closing costs are a major obstacle, especially in a market with rapidly rising prices. But if those can be achieved, subsequent monthly mortgage and associated costs are generally more affordable for households than rental costs. (This does not account for the relatively lower incomes of renter households versus owner households, however.)

The following table displays, for these households, Selected Monthly Owner Costs (SMOC) and percentages of household income these costs consume. SMOC includes costs of mortgages and other property debt payments, hazard insurance, property taxes, basic utilities, and non-utility heating fuels. For comparison of overall housing cost burden for a household, SMOC is comparable to gross rent.

SMOC – Housing Units with a Mortgage (2016-2020 ACS)

SMOC Amount	Region		State	U.S.
	Number of Units	% of Units	% of Units	% of Units
Less than $500	673	6.1%	1.5%	1.2%
$500-$999	4,891	44.0%	25.3%	16.4%
$1,000-1,499	3,412	30.7%	35.2%	26.8%
$1,500-$1,999	1,246	11.2%	19.9%	21.1%
$2,000 or more	901	8.1%	18.1%	34.5%
All owner-occupied units with a mortgage	11,123			
Median			$1,312	$1,621

SMOC % of Monthly Income	Region		State	U.S.
	Number of Units	% of Units	% of Units	% of Units
Less than 20%	6,131	55.5%	53.4%	46.7%
20-29.9%	2,330	21.1%	24.0%	25.9%
30-34.9%	566	5.1%	5.9%	6.8%
35% or more	2,025	18.3%	16.7%	20.6%
All units computed	11,052			

Age and Disability

Characteristics like age and disabilities can impact both housing needs and housing preferences. The region has an older population than the state and nation. The county has a higher percentage than the state of persons with disabilities, persons aged 65 and older, households with one or more persons age 65 and older, and households with one person 65 or older living alone, along with a higher median age. The aging trend is projected to continue throughout the region in the near term.

The increasing older age mix and needs to accommodate persons with disabilities are important factors in estimating future housing needs. Anecdotal evidence suggests that some seniors who are long-time homeowners may choose to move to different housing types (such as condominiums or lifestyle communities) if they become available, and this would free up single-family housing stock for younger residents, workers, and families.

Households, Age, and Disability

	# Households/ Persons	% Households/Persons		
	Region	Region	State	U.S.
Noninstitutionalized civilian population with disability	11,030	14.2%	14.2%	12.7%
Population age 65+	18,180	23.3%	17.2%	16.0%
Households with one or more persons age 65+	12,558	38.1%	30.8%	30.1%
One person age 65+ living alone	5,321	16.2%	12.3%	11.3%
Households w/no persons age 65+	20,383	61.9%	69.2%	69.9%
Families w/no persons age 65+	11,838	35.9%	45.9%	47.4%
All households	32,941			

Source: 2016-2020 ACS 5-year estimates, tables DP05, B11007, and S1101

State Economic/Community Development Designations

MEDC has established several programs and designations for local governments that carry eligibility or preference for funding and technical assistance opportunities. These are described below, and any applicable designations for local governments in the region are listed in the county profiles.

- **Core Communities** provides communities with three economic development tools: Brownfield Redevelopment Incentives, Neighborhood Enterprise Zones, and Obsolete Property Rehabilitation Exemptions.
- **Low- to Moderate-Income (LMI) Communities** are those eligible for CDBG funds based on the low- to moderate-income National Objective. This designation is usually based on existing statistical sources, but it is possible for other communities to attain LMI designation by undergoing an income survey to validate residents fall under a certain income threshold. In order to be eligible for associated funding, communities must also have what MEDC recognizes as a “traditional downtown” or “traditional commercial center.”
- **Redevelopment Ready Communities** is a program focused on increasing developer-friendliness of a community based on good planning and zoning, availability of information about development requirements, and streamlining of regulatory processes. Typically, the formal RRC process requires a traditional downtown or commercial center but does not require LMI designation.

  MEDC provides tiered benefits based on the “Essentials” path, which requires a base level of effort by the community, and a “Certification” path, which has more extensive requirements. The latter brings MEDC resources to expose the community to developers on the national level.

Regional Market and Building Trends

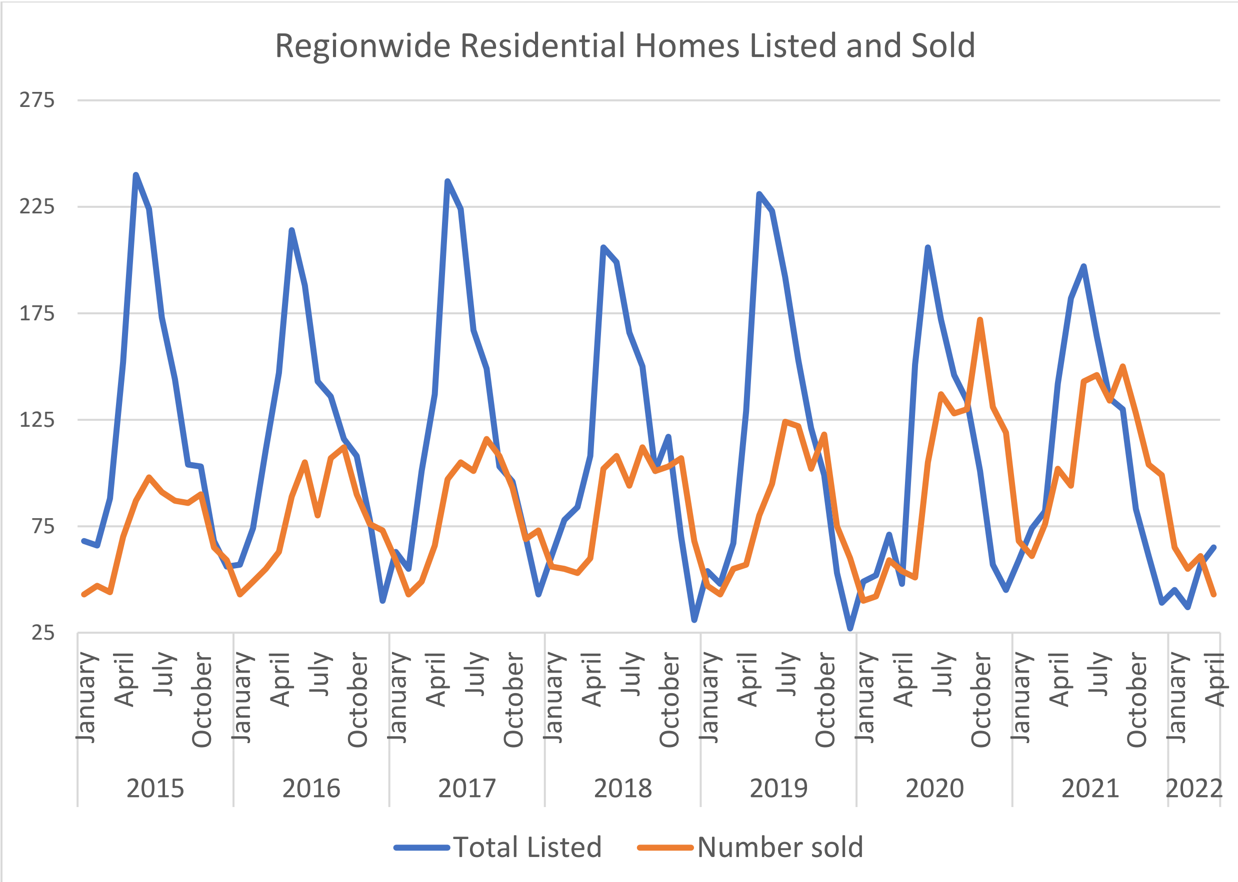
Statistics largely bear out the input given through various feedback opportunities during development of this study. In general, the region's housing market, like the overall economy, is becoming less independent and isolated and more subject to outside pressures. An increasing number of people outside of the region are becoming aware of what the region has to offer. While this bodes well for the economy in many ways, it is changing what current residents are accustomed to and in some ways negatively impacting quality of life.

Perhaps the most severe impacts are on young buyers who are just entering the market, as it can be difficult even to find moderate- to high-quality rentals let alone homes within their capacity to purchase. Employers and the broader economy experience secondary impacts of these hardships. This multiplying effect is the reason housing is now one of the region's most serious economic and quality of life issues.

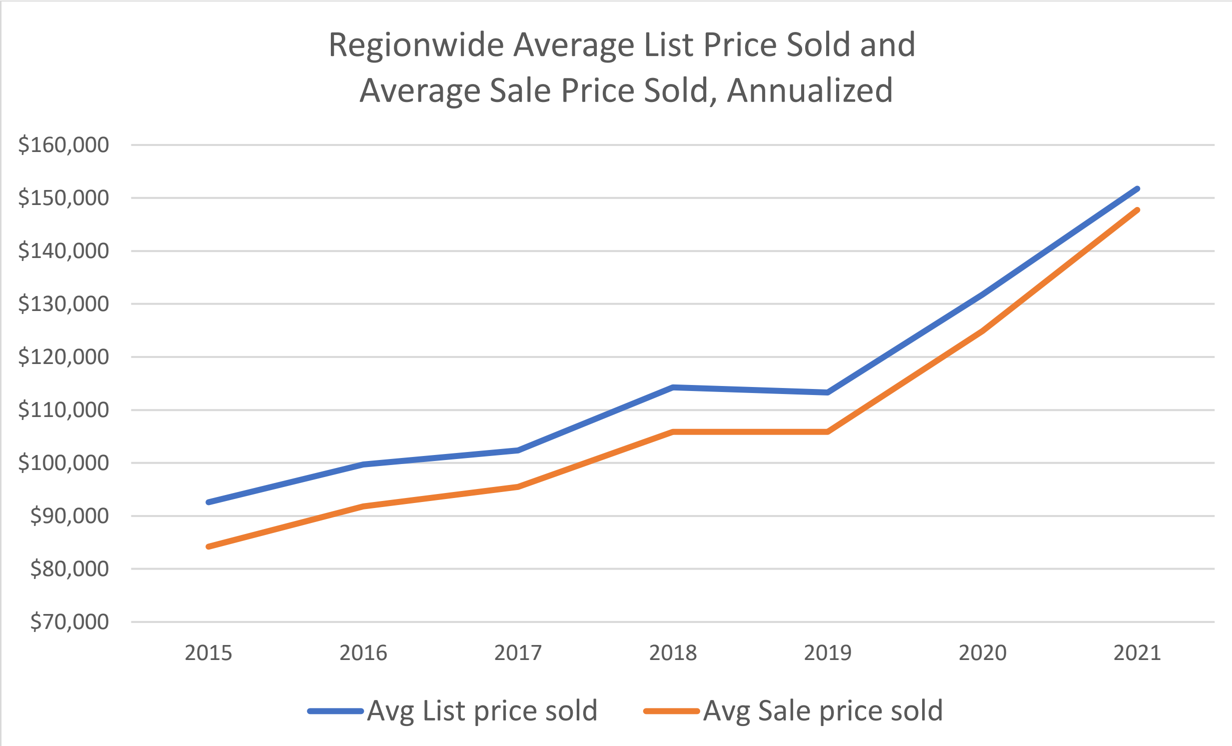
Multiple Listing Service (MLS)

Data provided by the Upper Peninsula Association of Realtor's MLS indicates the continued strain on the available housing in the region. Traditionally, the housing market in the region sees more homes listed and sold during the spring and summer months, tapering off during the winter months. In the years prior to the Pandemic, the market was considered a "buyers' market" since the margin between home shoppers and homes for sale was large enough to give buyers many options and purchasing power. Since the start of the pandemic, the average number of homes listed has not reached the peak of summer 2019. The average number of sales increased in the early days of the pandemic while the number of homes listed began a sustained decrease. Thus, for the purpose of this study, we consider April 2020 the start of the "sellers' market" as we know it today, burdening potential buyers with greater competition, fewer homes to choose from, and dramatically higher prices for those who have been able to purchase.

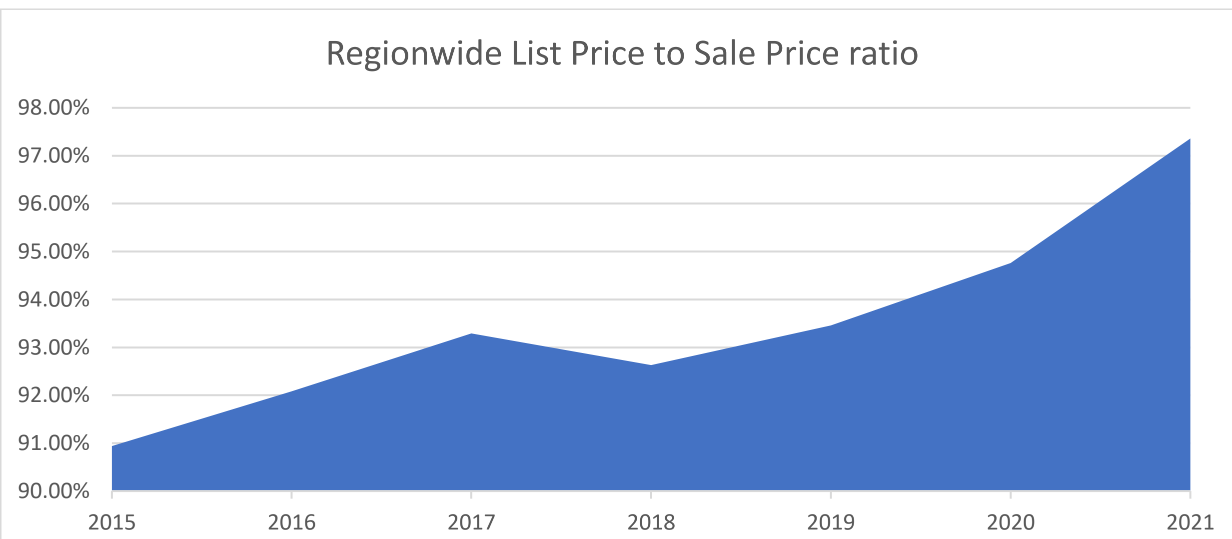
Today's market dynamics are aligned with simple supply and demand economics. The chart below shows a significant increase in peak sales numbers during the pandemic (especially in fall 2020) and relatively low listings, though not abnormally low.



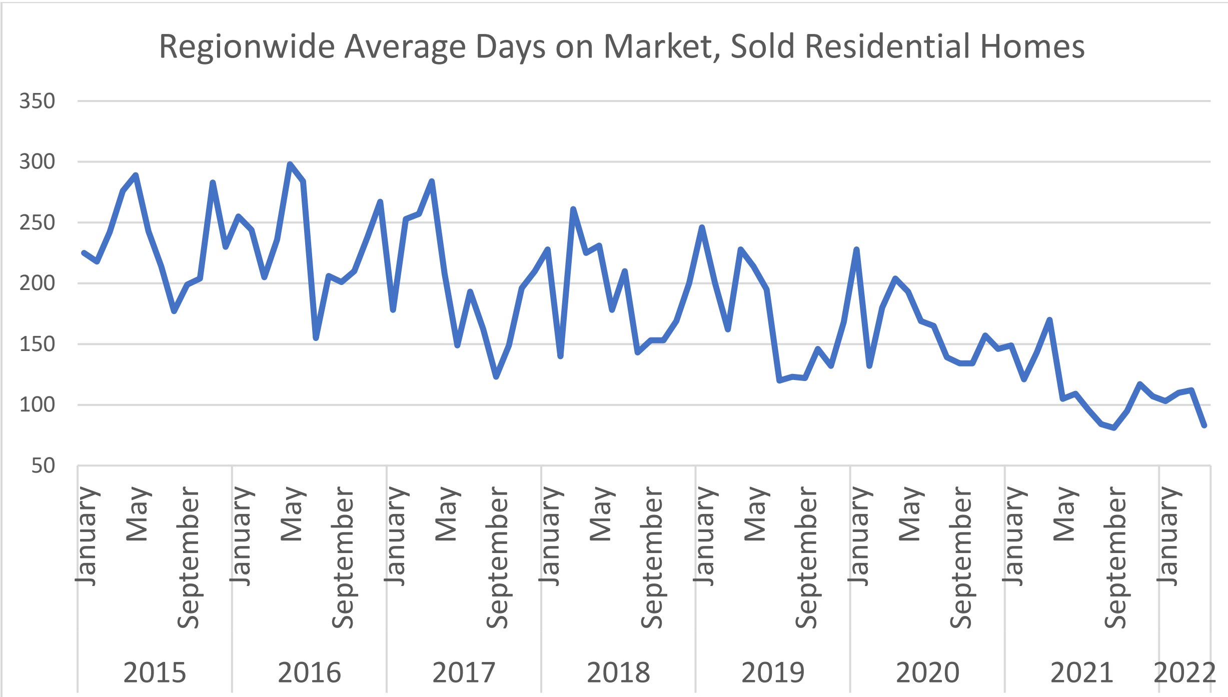
The next chart illustrates the magnitude of increase in both sale and list prices since 2015. In 2015 the average list and sale prices were $92,584 and $84,201 respectively – a price point at which buyers in the region had generally been comfortable with and accustomed to. Prices plateaued in 2019 but in 2020 and 2021 rose at a much greater rate than any other time since 2015, reaching list and sale prices of $151,755 and $147,747 respectively. These were increases of 63.9% and 75.5% since 2015. Increases were 34.0% and 39.6% over the course of just two years, from 2019 to 2021.



List and sale prices have noticeably converged since 2020, showing more competition. By the end of 2021, the ratio of list price to sold price had reached 97.4% across the region, compared with 92.6% in 2018 and 90.9% in 2015.



The increase in the ratio is just one indicator in the tightening seller's market. Another indicator of the highly competitive nature of the regionwide housing market is the number of days a home is on the market. The MLS calculates the number of days a home is on the market from the day it is input into the MLS until the deed to the property is transferred from seller to buyer. This measure has fallen steadily since 2015, but since the start of the pandemic the trend has become slightly more stable with less seasonal fluctuation. The low point of 2015, 177 days in August, has fallen to a 2021 low point of 81 days in September – a decrease of more than half.



Building Permits

Part of the reason for low inventory and excess demand is a dearth of construction activity in the region for more than a decade. Data on building permit issuance is the simplest, most standardized way to gauge annual construction activity. Though its data are imperfect, the U.S. Census Building Permits Survey is used in this chapter for full coverage of and uniformity among the region's counties. The survey collects residential permitting data directly from county building departments. (In some cases where there are gaps in reporting, imputations [estimates] are used to compensate, and the data used here include those imputations.)

From 2001 through 2020, an estimated at least 4,117 units in 3,858 buildings were permitted in the region[1], with a total value (estimated at time of permitting, and not inflation-adjusted) of approximately $560 million. During this period, 99% of permits were one-unit buildings, and 92.8% of units were in one-unit buildings. Only 38 buildings with more than one unit were reported to have been permitted, and 32 of these were in Houghton County. None were in Baraga, Keweenaw, or Ontonagon counties. This epitomizes the low supply of "missing middle" housing that has been promoted by community planners for many years and recently has been prioritized by the State of Michigan.

[1] Iron County data for 2019 and 2020 are omitted due to errors in Building Permit Survey reporting.

Western U.P. Residential Building Permits Issued, 2001-2020

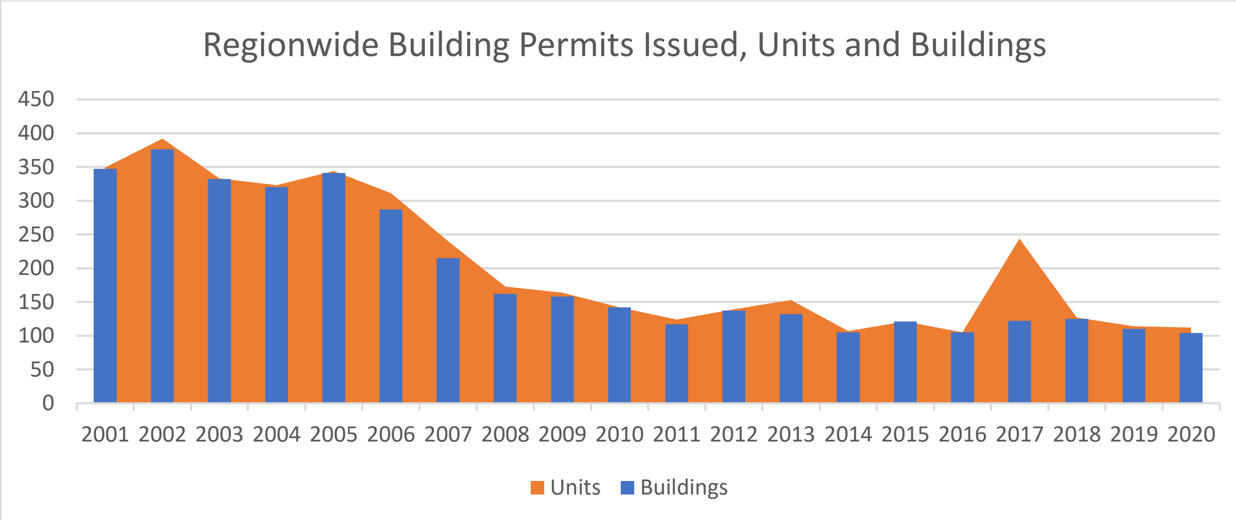
Year	1 unit			2-4 units			5+ units			TOTAL		
	Bldgs	Units	Value*	Bldgs	Units	Value*	Bldgs	Units	Value*	Bldgs	Units	Value*
2001	345	345	$31,064	2	4	$133	0	0	$0	347	349	$31,197
2002	375	375	$40,263	0	0	$0	1	17	$320	376	392	$40,583
2003	331	331	$36,796	1	2	$50	0	0	$0	332	333	$36,846
2004	319	319	$35,979	1	4	$279	0	0	$0	320	323	$36,258
2005	338	338	$43,741	3	6	$480	0	0	$0	341	344	$44,221
2006	282	282	$46,635	4	8	$530	1	21	$2,100	287	311	$49,265
2007	212	212	$33,679	2	8	$1,100	1	20	$1,568	215	240	$36,347
2008	161	161	$22,363	0	0	$0	1	12	$941	162	173	$23,304
2009	156	156	$21,405	1	2	$180	1	6	$400	158	164	$21,985
2010	142	142	$20,251	0	0	$0	0	0	$0	142	142	$20,251
2011	114	114	$17,894	2	5	$320	1	5	$300	117	124	$18,514
2012	135	135	$21,631	2	4	$165	0	0	$0	137	139	$21,796
2013	131	131	$21,919	0	0	$0	1	22	$4,000	132	153	$25,919
2014	103	103	$20,919	2	4	$800	0	0	$0	105	107	$21,719
2015	121	121	$18,108	0	0	$0	0	0	$0	121	121	$18,108
2016	105	105	$18,471	0	0	$0	0	0	$0	105	105	$18,471
2017	119	119	$21,208	0	0	$0	3	125	$5,500	122	244	$26,708
2018	123	123	$24,744	2	4	$500	0	0	$0	125	127	$25,244
2019	106	106	$20,380	4	8	$1,190	0	0	$0	110	114	$21,570
2020	102	102	$20,611	1	2	$270	1	8	$600	104	112	$21,481
TOTAL	**3,820**	**3,820**	**$538,061**	**27**	**61**	**$5,997**	**11**	**236**	**$15,729**	**3,858**	**4,117**	**$559,787**

** In thousands*

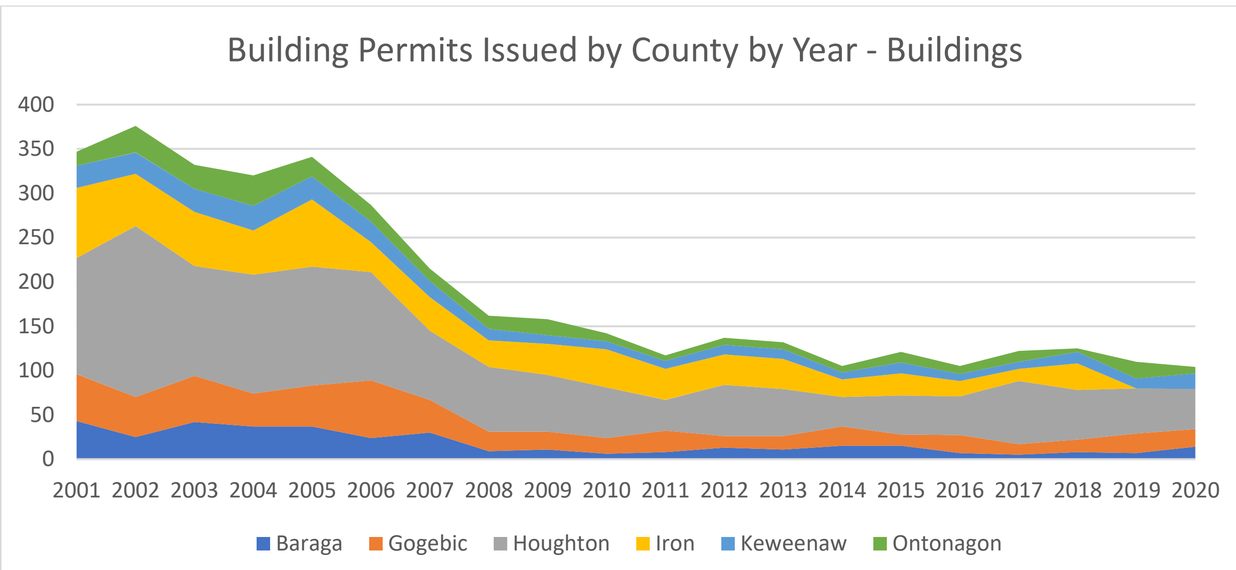
Permit data in 2019 and 2020 excludes Iron County due to reporting errors; actual regional numbers would be higher.

The current housing shortage has developed over the course of many years, and there is perhaps no better indicator of this than the change in building permit activity during the Great Recession, from 2006 to 2010. During this time there was a collapse in the housing market in much of the nation, resulting in an extreme decrease and downsizing of building contractors. Often the Western Upper Peninsula is less severely impacted by national trends than are other more “connected” parts of the United States, but for the housing component of this downturn that was not the case.

The chart below shows the number of units in buildings permitted regionwide from 2001 through 2020. The spike in units in 2017 was due to permitting of three 2- to 4-unit buildings with a total of 125 units in Houghton County.



Next is a stacked area chart that shows the number and distribution of building permits by county.



After a high point of 376 buildings permitted in 2002, from 2005 through 2008 there was a 52.5% drop in annual buildings permitted regionwide – from 341 to 162 buildings. A gradual decrease continued to 2011, with 117 buildings permitted that year. In 2018, the last year for which complete data was available, the total buildings permitted stood at 125. The cumulative drop from 2001 to 2018 was 64%. If not for the missing 2019-2020 Iron County data, the rate of buildings permitted regionwide those years would likely be flat or have increased since 2018.

Age of the Housing Stock

Western U.P. Building Permitting, Change from Previous Year

	Buildings	Units
2002	8.4%	12.3%
2003	-11.7%	-15.1%
2004	-3.6%	-3.0%
2005	6.6%	6.5%
2006	-15.8%	-9.6%
2007	-25.1%	-22.8%
2008	-24.7%	-27.9%
2009	-2.5%	-5.2%
2010	-10.1%	-13.4%
2011	-17.6%	-12.7%
2012	17.1%	12.1%
2013	-3.6%	10.1%
2014	-20.5%	-30.1%
2015	15.2%	13.1%
2016	-13.2%	-13.2%
2017	16.2%	132.4%
2018	2.5%	-48.0%
2001-18	**-64.0%**	**-63.6%**

Data on the year housing structures were built is another indicator of low building activity. Though it is easy to focus on the prevalence of very old houses, the age of housing is conveyed just as clearly on the other end of the age spectrum. According to the 2016-2020 ACS 5-year estimates, only 1,301 units were in structures built in 2010 or later. (This is a lower number than would be suggested by building permitting, which had 1,568 units permitted in these years. The discrepancy may be due in part to a time lag in construction completion. Either way, housing of that age range is disproportionately low in the region.)

Because of this, there is a widespread opinion, based on the general public survey and solution group discussions held for this study, that there is a great need for **rehabilitation of existing single-family homes.** In most of the region this seems to be an even more widely recognized need than new home construction. This presents a predicament for several reasons:

First, **there is little in the way of public subsidies for rehabilitation of existing single-family homes**. The most significant such program in recent years was MSHDA's Community Development Block Grant-funded County Allocation Program (CAP) for single-family owner-occupied housing rehabilitation. In the mid-2010s this program was transferred to MEDC for its final grant cycle, and it was phased out in favor of primarily mixed-use multi-family housing rehabilitation in downtown areas. MSHDA's Property Improvement Program loans, which were often used to leverage owners' funds for CAP, still exists, but as of the publishing of this study there is no longer any participating lending institution in the Upper Peninsula. Other homeowner housing rehabilitation programs, from agencies such as USDA Rural Development and community action agencies, have also been severely under-resourced. It is not uncommon for one agency to direct an inquiring homeowner to another agency, neither of which have any applicable funds.

With a shortage of contractors ever since the Great Recession, now exacerbated by factors like high costs of building materials and shortages of both materials and workers, there is a better business case for contractors to build higher-end housing units – in relatively small numbers – that have larger profit margins. This is out of alignment with the very high demand for "move-in-ready" starter homes in the $100,000-$150,000 price range. As another result of the impediments to single-family home rehabilitation, blight, which has been a perennial problem in the region's communities, continues to increase.

The good news is that in light of the greater housing demand across the market since 2020, **older homes that have languished for decades in struggling markets have begun to be purchased and improved at a greater rate, simply because nothing else is available**. Purchases and improvements are by homeowners themselves or piecemeal by small-scale, relatively novice developers.

Projection

Since the Western U.P.'s population is declining, a simple housing needs projection that depends upon population growth is not possible regionwide. Based on that trend, it may appear to an observer that new housing stock is not needed (outside of Houghton County, which is growing). This is not the case. As established throughout the study, a large portion of the housing stock is substandard, and deterioration of housing is happening more rapidly than on nationwide and even statewide levels. Many buyers are forced to purchase homes in need of major repairs and rehabilitation. This is a boon to the overall housing stock but not to entry-level buyers – especially those moving from other areas – who want, and may be accustomed to availability of, turnkey homes, especially when contractors are in short supply. Conversions to short-term rental use further complicate the housing supply irrespective of any population change.

A future housing market or target market analysis could provide more technical projections that assess the housing stock in the context of an aging, declining population, household composition trends, lifestyle sectors, and preference for various housing types versus what is available. But in lieu of that, ***based on building trends in recent years and an ongoing contractor shortage, it seems unlikely that new housing development – even at a modestly increased rate – will meet needs in most parts of the region for the foreseeable future.***

Short-Term Rentals

During the period of development of this study, and for several years prior, the growth and presence of short-term rental housing units (STRs) has been a topic of great interest and controversy within communities. These housing units are intended to serve as short-term accommodations for visitors to the area (whether for tourism/leisure or for other purposes) and are often listed on booking websites. Many travelers have come to prefer them over traditional accommodations such as motels, to the extent that STRs may be considered the "default" option.

Many STRs are used exclusively for short-term occupancy. Others, in the "vacation rental" category, may be used primarily as a household's primary or seasonal home but rented out to visitors at times when the household is not present. Both types are listed for booking on online platforms such as Airbnb and HomeAway.

The number of STRs throughout the region has increased greatly since 2016. Most of the increase has been due not to new construction but to conversion of existing housing units that were previously occupied as permanent residences. Thus, STRs have the effect of reducing the housing stock available to full-time residents. This also can detrimentally impact community cohesiveness.

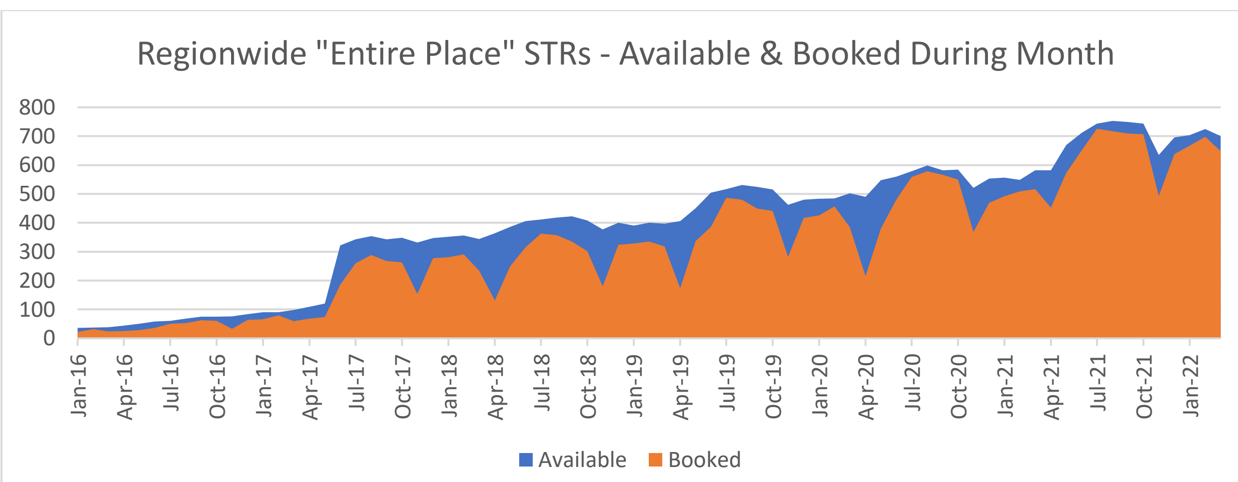
In some areas, STRs are also associated with negative neighborhood impacts such as noise and traffic. The nature of nuisances depends in part on an STR's location. Some feedback was given during development of this study that where the STR itself is a destination, such as in a resort community where occupants spend most of the day at the property, they may have a major impact on their surroundings – as opposed to an STR in an urban neighborhood whose occupants use it mainly for sleeping purposes and are away most of the time.

Despite these negative impacts, it became evident during development of this study that STRs also can have the positive effect of making possible major improvements to substandard or even blighted properties. The revenue from short-term rental fees can cumulatively be much higher than rent from long-term tenants, enabling a property owner to recover rehabilitation costs and still profit substantially from the enterprise. Furthermore, short-term rentals bolster the visitor economy and may be able to accommodate a number or type of visitors beyond who could be housed in traditional accommodations.

Backlash from the lodging industry and local government interests in recent years has been countered by interests in the real estate industry, leading to political conflicts and proposals for state preemption of local ordinances that would regulate STRs. At the time of this study, no state preemption has yet been effected, and some communities are considering regulations to limit STRs' prevalence and reduce their negative impacts. Mechanisms have also been considered that would help to fund local services such as first responders, search & rescue, and other public services through excise taxes on STRs.

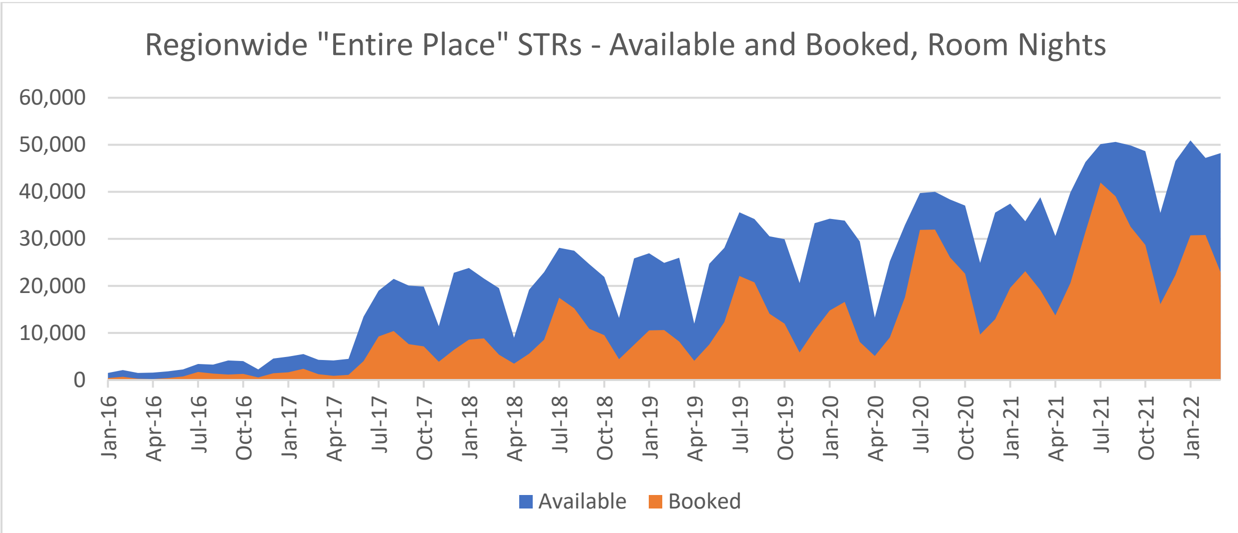
The chart below shows the number of "entire places" (that is, any unit listed in its entirety as opposed to individual spaces within it) that were listed and booked at least one night in each month from January 2016 through March 2022, based on data from AirDNA, which is combed from Airbnb and HomeAway listings. Available data begin in 2014, and the increase was slow from then until summer 2017, when listings drastically increased. A gradual increase continued until the start of the pandemic, after which the rate of increase again accelerated. In peak tourism season, the proportion of bookings to listings has slightly increased since 2019, even as the number of properties listed has increased. During the peak months of July and August, the proportion of booked to listed properties was 92.3% in 2019, 96.6% in 2020, and 96.4% in 2021.

Listings and bookings in other seasons have also increased. From January-February 2021 to the same months in 2022, the number of listings increased by 37.8% and the proportion of booked to available properties also increased – to 95.5%, similar to summer levels. The number and proportion of shoulder season (spring and fall) listings and proportion of bookings to listings also dramatically increased beginning in fall 2020.

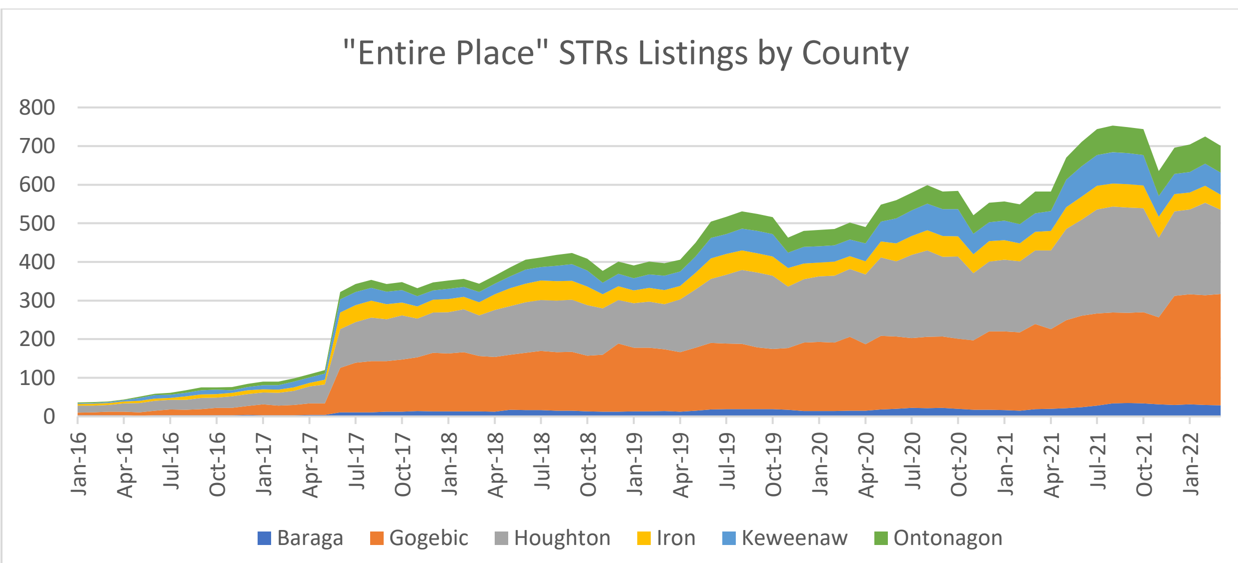


The picture is less dramatic with regard to "room nights" – that is, the total number of nights available for booking in any entire place during the month – but still shows a large increase beginning after 2016.

Occupancy in room nights was about 80% in July-August 2020 and the same period in 2021. The occupancy rate has been much lower in other seasons, including winter.



This stacked area chart shows the share of each county that totals the monthly entire places available as shown in the first chart. Notably, Gogebic and Houghton counties have very similar shares, probably in part reflecting the large amount of temporary/seasonal housing available at ski resorts.



The Future

Opinions are mixed regarding the future of the housing market. Some feel that the current state of the market is entirely a fluke, whereas others think it will slow somewhat in the near term but will remain more competitive than historically. Most statistical evidence suggests the latter is more likely, due to a continuing low level of construction activity, deterioration of existing housing, existing excess demand, and continuing inflow of new residents.

Interest rate increases beginning in early spring 2022 may slow the market, but only by reducing the buying capacity of borrowers and the viability of new development. The impact on cash resale purchasers will be minimal (if anything, likely positive), and investment purchasers will probably be affected less than individual mortgage borrowers. Therefore, housing may become increasingly out of reach of many low- and middle-income buyers for owner occupancy.

Baraga County Profile

Baraga County is located at the southeast corner of the Keweenaw Peninsula. It contains five townships, two villages, and five Census designated places (CDPs). The villages are located on opposite sides of the southernmost end of Keweenaw Bay of Lake Superior. The county is also home to the L'Anse Reservation, the main land base of the Keweenaw Bay Indian Community of Ojibwa. The reservation covers a large part of L'Anse Township, a smaller part of Baraga Township, almost all of the Village of Baraga, and a small part of the Village of L'Anse.

Population and Housing Basics

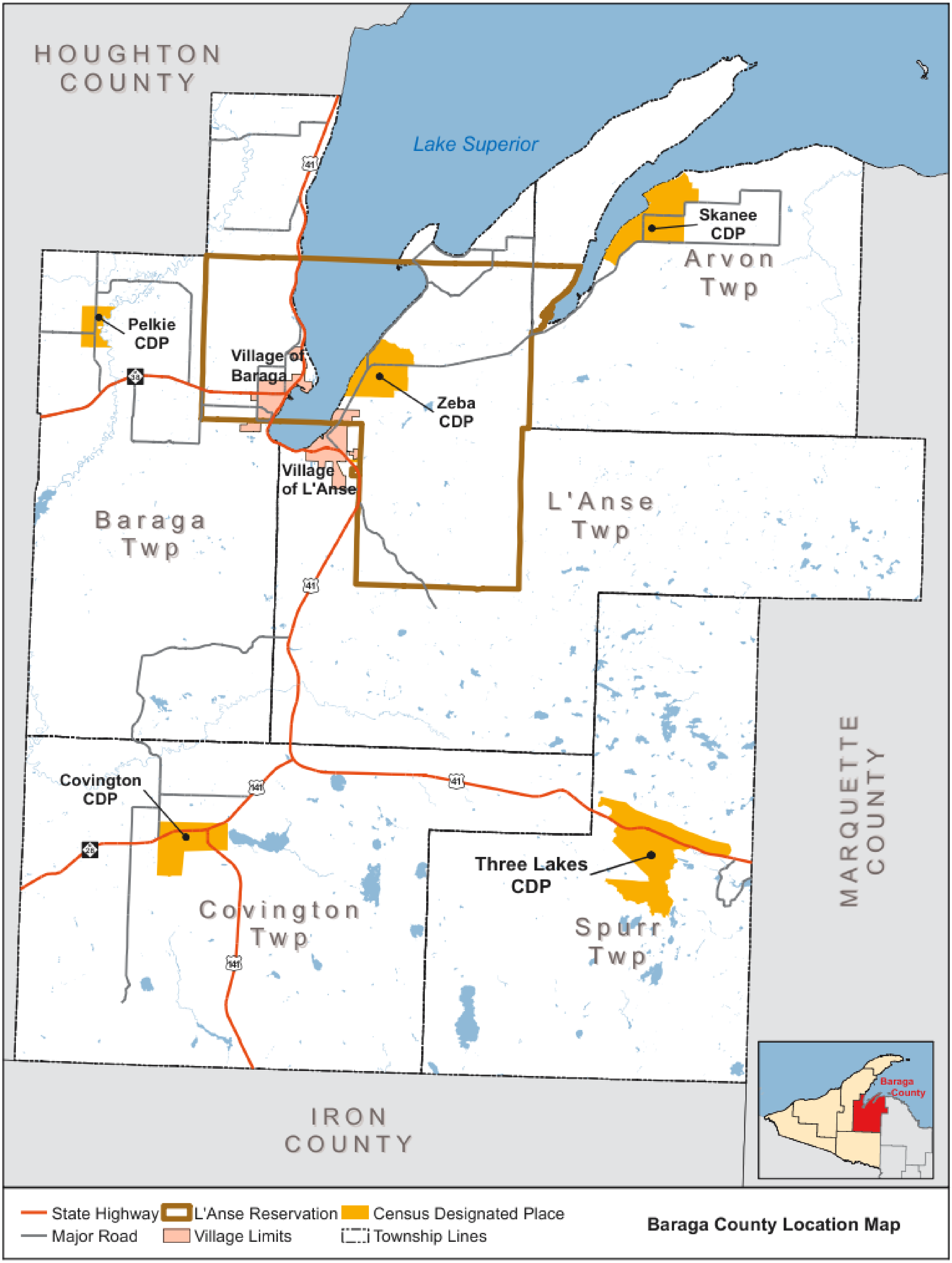
The 2020 total population of the county is 8,158 – a decrease of 6.7% since 2000 but an increase of 14.1% since 1960. A large increase during the 1990s, when the county's population may have otherwise been expected to remain static or decrease, was in part due to establishment of Baraga Branch Prison in 1993[1]. From 2000 to 2020 there was a dramatic increase in the Village of Baraga's population and a large decrease in Covington Township's. Population projections conducted in 2019 indicated the county's population would drop by 18.0% from 2020 to 2040[2].

Baraga County Population Counts and Change (Decennial Census)

Geography	2000	2010	2020	2000-2020 Change
Arvon township	482	450	492	2.1%
Baraga township	3,542	3,815	3,478	-1.8%
Covington township	569	476	375	-34.1%
L'Anse township	3,926	3,843	3,551	-9.6%
Spurr township	227	276	262	15.4%
TOTAL	8,746	8,860	8,158	-6.7%
Baraga village	1,285	2,053	1,883	46.5%
Covington CDP			99	
L'Anse village	2,107	2,011	1,874	-11.1%
Pelkie CDP			51	
Skanee CDP			102	
Three Lakes CDP			167	
Zeba CDP		480	397	-17.3%*

**2010-2020 change; Zeba was not a CDP in 2000*
Source: 2000, 2010, & 2020 Decennial Census

[1] The Baraga Branch Prison inmate population impacts many statistics of Baraga County – particularly Baraga Township where the facility is located – but does not impact household or housing statistics.
[2] Projections conducted in 2019 have not yet been adjusted for a 2020 Census baseline.



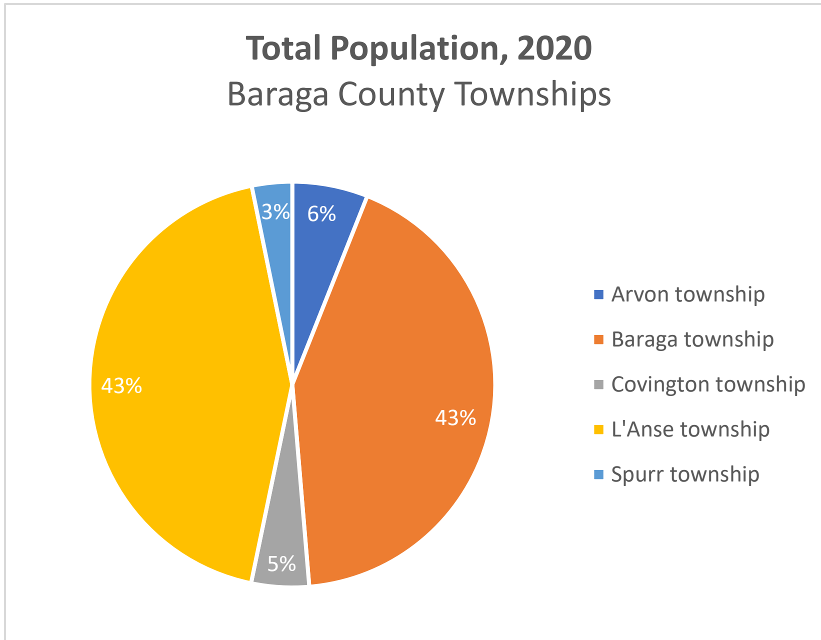
Baraga County Location Map

Baraga County has the most diverse racial mix of the region's counties. Whereas every other county is over 90% White of One Race, 13.4% of Baraga County's residents are American Indian & Alaska Native, 7.4% are Black or African American, and 7.7% are of Two or More Races.

As of 2020, 45.6% of housing units and 56.1% of Baraga County residents are located in the villages and CDPs, and thus may be considered "urban," with the remainder located in outlying areas of townships.

Housing Units & Occupancy

Baraga County had a total of 5,052 housing units according to the 2020 Census. This was a decrease of 4.1% since 2010. Of the 2020 total, 3,328 (65.9%) units were occupied and 1,724 vacant. The proportion of occupied to vacant units was nearly the same in 2020 as in 2010.

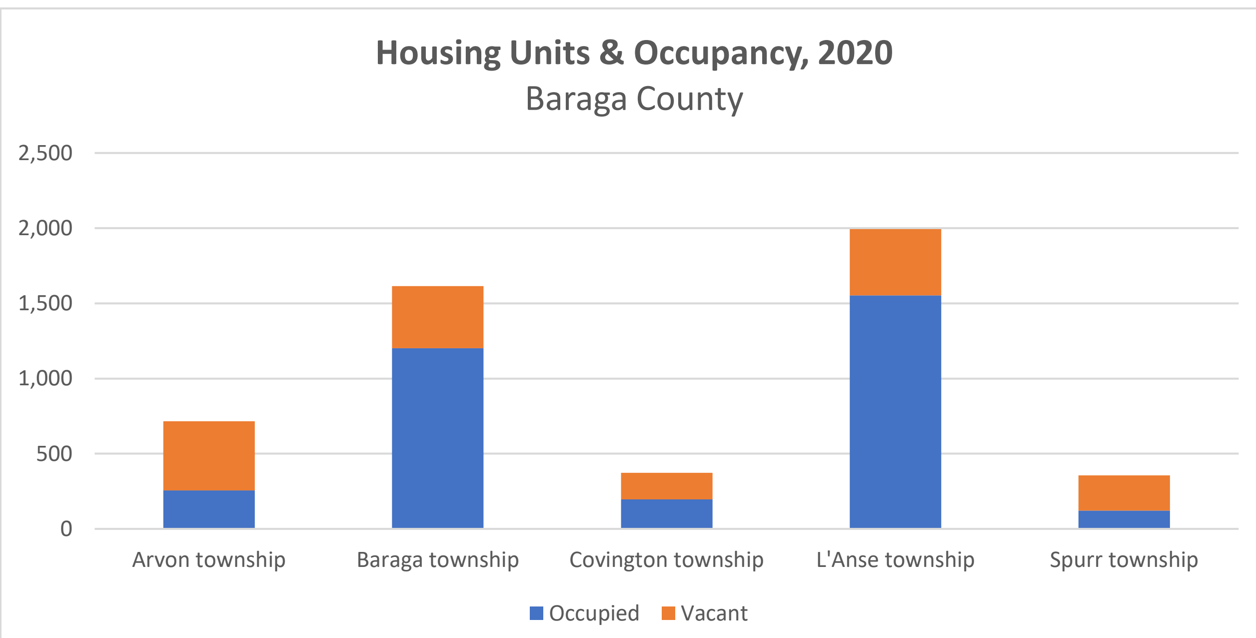


The vast majority of the county's housing units are within Baraga and L'Anse townships (which include the villages of the same names). In those two townships, about three-quarters of housing units are occupied.

Baraga County Occupied and Vacant Housing Units, 2010 & 2020

Geography	Occupied		Vacant		Total		
	2010	2020	2010	2020	2010	2020	2010-20 % Change
Arvon township	233	256	556	460	789	716	-9.3%
Baraga township	1,252	1,202	377	412	1,629	1,614	-0.9%
Covington township	215	196	195	178	410	374	-8.8%
L'Anse township	1,623	1,553	451	440	2,074	1,993	-3.9%
Spurr township	121	121	247	234	368	355	-3.5%
TOTAL	3,444	3,328	1,826	1,724	5,270	5,052	-4.1%
	65.4%	65.9%	34.6%	34.1%			
Baraga village	527	510	53	107	580	617	6.4%
Covington CDP		43		38		81	
L'Anse village	874	839	114	141	988	980	-0.8%
Pelkie CDP		28		6		34	
Skanee CDP		70		59		129	
Three Lakes CDP		72		195		267	
Zeba CDP	183	151	31	47	214	198	-7.5%

Source: 2010 & 2020 Decennial Census



The remainder of Census Bureau housing data in this chapter is from the 2016-2020 American Community Survey (ACS). This dataset is based on a random sample of the population. Even though corrections and adjustments are made to mitigate, the ACS is subject to large margins of error, particularly in smaller communities. In order to limit margins of error, the only communities within Baraga County that are separated out from countywide data are the larger (by population) townships of Baraga and L'Anse. The ACS comes with a further caveat that, as explained in the regional profile section, *housing and household counts that underlie all of the ACS housing data vary from the counts of the 2020 Census.*

Vacancy Types, Tenure, and Mobility

Vacancies

The vast majority of "vacant" housing units in the county are in the "seasonal, recreational, or occasional use" category, particularly in townships that do not have major core communities to support year-round residents. The category includes properties such as cabins/camps and second homes, as well as many properties used primarily as short-term rentals. Both the county's overall vacancy rate and the seasonal, recreational or occasional use category are much higher than the state's.

Baraga County has a much smaller percentage than the region overall of properties for rent and for sale.

Vacancy Status

Type of Vacancy	% of All Units (Occ & Vac)		# Units		
	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
For rent	0.4%	1.3%	21	16	5
Rented, not occupied	0.3%	0.3%	14	12	2
For sale only	0.8%	0.8%	44	23	3
Sold, not occupied	0.1%	0.5%	6	0	0
For seasonal, recreational, or occasional use	35.1%	6.3%	1,865	496	414
Other	3.3%	4.5%	176	50	82
All vacant units	40.0%	13.7%	2,126	597	506

Source: 2016-2020 ACS 5-year estimates, table B25004

Housing Tenure and Mobility

Among occupied housing units in the county, 78.6% are owner-occupied and 21.4% are renter-occupied. The owner-occupied share is 71.7% in Michigan and 64.4% in the U.S.

The homeowner vacancy rate in Baraga County is 1.7%; the renter vacancy rate is 2.9%. The latter is significantly lower than that of the state and U.S.

Tenure (Owners/Renters)

Tenure	% Units		# Units		
	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
Owner-occupied	78.6%	71.7%	2,506	849	1,179
Renter-occupied	21.4%	28.3%	682	277	377
All occupied units			3,188	1,723	2,062
Homeowner vacancy rate		1.3%	1.7%	2.6%	0.3%
Rental vacancy rate		5.0%	2.9%	4.2%	1.3%

Source: 2016-2020 ACS 5-year estimates, table DP04

Baraga County residents have lived in their current housing units for a relatively long time. Only 1.9% moved into their current residences in 2019 or later, compared with 4.3% in Michigan and 4.8% in the U.S. Conversely, 36.4% of Baraga County residents have lived in their current units since before 2000, compared with 28.8% in Michigan and 24.6% in the U.S.

Year Householder Moved into Unit

Year	% Units		# Units		
	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
2019 or later	1.9%	4.3%	61	38	16
2015 to 2018	22.1%	26.4%	703	252	377
2010 to 2014	15.2%	19.8%	485	198	221
2000 to 2009	24.4%	20.7%	777	333	304
1990 to 1999	17.4%	13.6%	555	155	284
Before 1990	19.0%	15.2%	607	150	354
All occupied units			3,188	1,723	2,062

Source: 2016-2020 ACS 5-year estimates, table DP04

Over the course of the 2016-2020 ACS, during the most recent 12-month period, 12% of Baraga County residents moved residences, and 1.2% of all residents moved from a different state. Future ACS datasets may show an increase in the latter, as much anecdotal feedback from Realtors and community leaders suggests that a much-increased number of purchasers have moved from other states, particularly metropolitan areas.

Physical Characteristics

Housing Age and Structure Type

Baraga County has the smallest percentage of units in very old housing structures of all counties in the region. This likely owes to its lower level of mining activity that was associated with widespread home construction in other parts of the region more than 100 years ago. Although the county's 17.7% share of occupied units built in 1939 or earlier is greater than that of the state (14.6%) and U.S. (12.4%), it is much lower than the region's overall (35%).

Year Structure Built

	% Units		# Units		
Year	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
2010 or later	1.8%	3.0%	97	26	43
2000 to 2009	10.4%	9.9%	550	254	146
1980 to 1999	22.8%	23.2%	1,215	410	424
1960 to 1979	28.9%	27.2%	1,535	414	619
1940 to 1959	18.3%	22.2%	975	334	377
1939 or earlier	17.7%	14.6%	942	285	453
All housing units			5,314	1,723	2,062

Source: 2016-2020 ACS 5-year estimates, table DP04

Single-family detached homes are the predominant structure unit-size in Baraga County, with 84.1% of all units. This is considerably greater than the state (72.1%) and U.S. (61.7%) shares but typical of the region. Apartments of all sizes only account for 6.9% of units in the county.

Number of Units in Structure

	% Units		# Units		
# Units in Structure	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
1, detached	84.1%	72.1%	4,469	1,375	1,739
1, attached	0.5%	4.6%	24	3	15
2 apartments	1.2%	2.3%	65	35	28
3 or 4 apartments	2.2%	2.6%	117	49	68
5 to 9 apartments	1.0%	4.1%	55	28	27
10 or more apartments	2.5%	8.8%	133	72	61
Mobile home or other type	8.5%	5.4%	451	161	124
All housing units			5,314	1,723	2,062

Source: 2016-2020 ACS 5-year estimates, table DP04

Some types of residential facilities, such as senior living facilities and correctional facilities, are considered group quarters rather than housing units. Group quarters are not considered in housing statistics of this chapter.

Bedrooms

Baraga County has approximately the same percentage of 2-bedroom housing units as the state but a larger share of units with fewer than two bedrooms (26.7% in county versus 10.5% in state) and smaller share of units with more than two bedrooms (47.9% in county versus 64.5% in state).

Number of Bedrooms in Unit

	% Units		# Units		
# Bedrooms	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
None	3.8%	1.6%	202	95	29
1	22.9%	8.9%	1,219	351	366
2	25.3%	25.1%	1,345	395	469
3	35.6%	43.9%	1,894	588	937
4 or more	12.3%	20.6%	654	294	261
All housing units			5,314	1,723	2,062

Source: 2016-2020 ACS 5-year estimates, table DP04

Utilities

Utilities and communication infrastructure are important elements in housing development. The county is served by several electric utilities, including municipal utilities in the villages of Baraga and L'Anse. Public water systems in Baraga and L'Anse serve a total retail population of 4,439. Wastewater systems are also available in these communities. Outlying areas rely on private wells and septic systems.

Natural gas, provided by a single utility, is the primary home heating fuel for about half of the county's households (considerably more in L'Anse Township) – much lower than the state's 76.1%. About a quarter of county households use on-site LP gas as the primary fuel, and most of the remainder use wood. The percentage of these types is much larger in the county than statewide.

Home Heating Fuel in Occupied Units

	% Units		# Units		
Fuel Type	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
Utility (natural) gas	49.8%	76.1%	1,589	519	1,045
Bottled/tank/LP gas	24.3%	8.4%	775	247	256
Electricity	5.6%	10.1%	180	98	76
Wood	14.2%	2.8%	452	202	107
Fuel oil	4.8%	1.0%	152	47	56
Other or none	1.3%	1.5%	40	13	16
Occupied units			3,188	1,126	1,556

Source: 2016-2020 ACS 5-year estimates, table DP04

Broadband internet has become a critical service for permanent residences and is prerequisite for many purchasers: If reliable, high-speed broadband is not available, many purchasers will not even consider a home purchase or rental. In Baraga County, 62.3% of households have subscriptions to broadband services such as cable, fiber optic, and digital subscriber line (DSL) (versus 67.5% in the state), most readily available in the villages; 11.5% rely on only a cellular data plan; and 21.3% of households have no internet subscription (versus 15.3% in the state). The traditional satellite service that a mere 6% in the county subscribe to is insufficient for many high-speed uses, but the burgeoning Starlink low-earth-orbit satellite service is a vast improvement and will fill gaps in availability as it becomes more widespread.

Internet Subscriptions in Households

Subscription Type	% Households		# Households		
	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
Broadband such as cable, fiber optic, DSL	62.3%	67.5%	1,987	715	1,002
Satellite	6.0%	6.7%	191	66	48
Dial-up with no other type	1.0%	0.3%	33	0	15
Cellular data plan with no other type	11.5%	12.3%	368	107	193
None	21.3%	15.3%	678	279	311
All households			3,188	1,126	1,556

Not all response options are mutually exclusive, so subscription type rows may not total all households.
Source: 2016-2020 ACS 5-year estimates, table S2801

Broadband services can be highly localized, even block by block within a community, so availability needs to be verified for any individual residence. And despite the large share of households that have a non-satellite, non-cellular broadband service, bandwidth and reliability can vary widely.

Housing Value and Affordability Factors

Baraga County has one of the higher median values of owner-occupied housing units in the region, at $108,200, but this is still much lower than the state median of $162,600. Within the county, median value is much higher in Baraga Township than in L'Anse Township.

Housing Value of Owner-Occupied Units

	% Units		# Units		
Value	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
Less than $50,000	12.3%	6.6%	309	75	172
$50,000-$99,999	34.0%	11.0%	853	212	544
$100,000-$149,999	16.6%	12.3%	417	225	135
$150,000-$199,999	13.4%	13.6%	337	115	141
$200,000-$299,999	14.5%	20.0%	363	140	93
$300,000-$499,999	5.2%	20.5%	131	32	70
$500,000 or more	3.7%	16.0%	96	50	24
Owner-occupied units			2,506	849	1,179
Median		$162,600	$108,200	$122,600	$88,300

Value is the current market value estimated by the respondent.
Source: 2016-2020 ACS 5-year estimates, table DP04

Household Income

Household incomes in Baraga County are relatively low: The countywide median household income of $46,581 compares to a state median of $59,234. Median household incomes of Baraga and L'Anse townships are slightly lower than the countywide median.

Household Income (2020 Inflation-Adjusted Dollars)

	% Households		# Households		
Income	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
Under $25,000	25.1%	19.7%	799	328	356
$25,000-$49,999	29.6%	22.9%	944	286	517
$50,000-$74,999	16.7%	18.2%	531	189	272
$75,000-$99,999	10.5%	12.9%	336	119	163
$100,000-$149,999	11.8%	14.6%	375	144	156
$150,000 or more	6.4%	11.7%	203	60	92
All households			3,188	1,126	1,556
Median		$59,234	$46,581	$45,769	$44,891

Source: 2016-2020 ACS 5-year estimates, table S2503

Value to income ratio (VTI) – the ratio of housing unit value to household income – is one measure of housing affordability for homeowners. The optimum VTI is 2.5, meaning a home's purchase price would equal two and a half years of total household income. Baraga County's overall VTI (based on median income and median owner-occupied housing unit value) of 2.2, Baraga Township's of 2.7, and L'Anse Township's of 2.0 are all within an acceptable range.

Housing Stock Excesses and Shortages Based on Household Income and Price Ranges

The following tables associate optimal home values and monthly contract rent (actual rental cost regardless of whether utilities are included) ranges with various household income ranges, as explained in the Regional Overview section of this study. The assessment reveals how well the occupied housing stock in a community fits the income ranges of residents.

It is important to understand that shortages and excesses in this analysis pertain only to the *mix* of housing value and rent price ranges among existing households; it is not intended to show a shortage or excess in the total number of housing units for residents. The number of households always equals the number of occupied housing units.

In Baraga County, similar to regionwide, there would is a shortage of housing with values and rents appropriate for a $50,000-$74,999 household income (houses costing $100,000-$149,000 and rentals with monthly contract rents $1,000-$1,499). Note that more than three-quarters of renter-occupied units have contract rents under $500/month and almost all are under $1,000/month.

Housing Shortage/Excess by Household Income, Baraga County

Income Range	House-holds	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Cont. Rent	#		Number	%
$0-24,999	799	$0-49,999	309	$0-499	529	838	39	4.9%
$25,000-49,999	944	$50,000-99,999	853	$500-999	136	989	45	4.8%
$50,000-$74,999	531	$100,000-149,999	417	$1,000-1,499	11	423	(109)	-20.4%
$75,000-99,999	336	$150,000-199,999	337			343	7	1.9%
$100,000-149,999	375	$200,000-299,999	363	$1,500-1,999	0	363	(12)	-3.2%
$150,000+	203	$300,000+	227	$2,000+	6	233	30	14.8%
Total	3,188		2,506		682	3,188		

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

In Baraga Township, there is a shortage of units suitable for household incomes under $50,000 and large excesses (on a percentage basis) of units for incomes $50,000-$74,999 and over $150,000. Despite the overall shortage of housing for low incomes, this does not ring true for the rental stock, as 84.1% of these units have contract monthly rents under $500/month.

Housing Shortage/Excess by Household Income, Baraga Township

Income Range	House-holds	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Cont. Rent	#		Number	%
$0-24,999	328	$0-49,999	75	$0-499	233	308	(20)	-6.1%
$25,000-49,999	286	$50,000-99,999	212	$500-999	40	252	(34)	-11.9%
$50,000-$74,999	189	$100,000-149,999	225	$1,000-1,499	4	227	38	20.1%
$75,000-99,999	119	$150,000-199,999	115			117	(2)	-1.7%
$100,000-149,999	144	$200,000-299,999	140	$1,500-1,999	0	140	(4)	-2.8%
$150,000+	60	$300,000+	82	$2,000+	0	82	22	36.7%
Total	1,126		849		277	1,126		

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

In L'Anse Township, there is a large excess of units suitable for household incomes under $50,000 and a very large shortage of units for households with incomes $50,000-$149,999. As in Baraga Township and the county overall, monthly rents in general are very low.

Housing Shortage/Excess by Household Income, L'Anse Township

Income Range	House-holds	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Cont. Rent	#		Number	%
$0-24,999	356	$0-49,999	172	$0-499	270	442	86	24.2%
$25,000-49,999	517	$50,000-99,999	544	$500-999	94	638	121	23.4%
$50,000-$74,999	272	$100,000-149,999	135	$1,000-1,499	7	139	(134)	-49.1%
$75,000-99,999	163	$150,000-199,999	141			145	(19)	-11.3%
$100,000-149,999	156	$200,000-299,999	93	$1,500-1,999	0	93	(63)	-40.4%
$150,000+	92	$300,000+	94	$2,000+	6	100	8	8.7%
Total	1,556		1,179		377	1,556		

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

This assessment is useful to the extent that a community functions as a closed ecosystem – truest for a larger geography such as a county. In reality there is somewhat free flow between and among adjacent communities that have complementary housing stocks, which is the case for some of Baraga and L'Anse townships' shortage and excess ranges. But this can be a disadvantage to both local governments and residents themselves, as disparities may prevent residents from staying in their preferred communities over the long term.

Affordability for Renters

The measure of gross rent adds to contract rent the estimated costs of basic utilities and any non-utility heating fuel costs. In Baraga County, 94.7% of gross rents are under $1,000/month, and this does not include units for which rent is not paid. Only 31 units countywide have rents $1,000/month or more.

Rents are also more affordable as a percentage of monthly income in Baraga County than statewide. Whereas 34.2% of renter households (excluding those that could not be computed) are rent-burdened (paying 30% or more of income for housing expenses) in Baraga County, 48.5% are rent-burdened statewide.

Monthly Gross Rent

Gross Rent Amount	% Units		# Units		
	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
None paid			92	20	52
Paid up to $499	40.5%	11.4%	239	117	119
$500-$999	54.2%	50.8%	320	124	193
$1,000-1,499	4.2%	28.1%	25	16	7
$1,500-$1,999	0.0%	6.6%	0	0	0
$2,000 or more	1.0%	3.2%	6	0	6
All renter-occupied units			682	277	377
Median		$892	$556	$541	$564

Gross Rent % of Monthly Income	% Units		# Units		
	County	State	County	Baraga Twp	L'Anse Twp
Less than 20%	37.3%	27.5%	213	71	139
20-29.9%	28.4%	24.1%	162	68	93
30-34.9%	5.6%	8.7%	32	17	15
35% or more	28.7%	39.8%	164	90	72
All units computed			571	246	319

Source: 2016-2020 ACS 5-year estimates, table DP04

The U.S. Department of Housing and Urban Development (HUD) annually calculates fair market rent (FMR) for every county and metropolitan area in Michigan. FMR is set at the 40th percentile – the dollar amount below which 40% of "standard quality" rental housing units fall within the county. FMR is based on a recent ACS subjected to additional statistical manipulation, including cost of living increases. Baraga County's 2022 and 2021 FMRs for various bedroom-number units are:

HUD Fair Market Rent, Baraga County

	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
2022	$572	$579	$757	$936	$1,080
2021	$534	$557	$734	$913	$1,040

Affordability for Homeowners with Mortgages

Home ownership is one of the greatest goals for many Americans. Down payment and closing costs can be a major obstacle, especially in a market with rapidly rising prices. But if and after these can be achieved, home ownership is associated with lower monthly housing costs as a percentage of income than renters enjoy. (This is due in part to the overall higher incomes of homeowners than renters, however.) Housing costs as a share of monthly income are lower for homeowners whether or not the home is subject to a mortgage. And home equity built over time presents an additional long-term financial benefit.

Selected Monthly Owner Costs (SMOC), as defined in the ACS, includes costs of mortgages and other property debt payments, hazard insurance, property taxes, basic utilities, and non-utility heating fuels. For comparison of overall housing cost burden for a household, SMOC is comparable to gross rent.

Monthly mortgagee costs are much lower in Baraga County than in the state: The percentage of households paying under $1,000/month is 45.2% in the county versus just 26.8% statewide. Only 4% of mortgagee households in Baraga County pay $2,000/month or more, versus 18.1% statewide. In Baraga County, 21.9% of mortgagee households are housing cost-burdened versus 34.2% of renter households. Mortgagee housing costs as a percentage of monthly income are similar in Baraga County to statewide.

SMOC – Housing Units with a Mortgage

SMOC Amount	% Units		# Units		
	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
Less than $500	5.2%	1.5%	62	15	33
$500 to $999	40.0%	25.3%	481	186	242
$1,000-$1,499	36.4%	35.2%	438	210	146
$1,500-$1,999	14.5%	19.9%	174	75	45
$2,000 or more	4.0%	18.1%	48	3	31
All owner-occupied units with a mortgage			1,203	489	497
Median		$1,312	$1,044	$1,057	$958

SMOC % of Monthly Income	% Units		# Units		
	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
Less than 20%	56.4%	53.4%	679	276	284
20-29.9%	21.6%	24.0%	260	114	105
30-34.9%	2.7%	5.9%	33	8	13
35% or more	19.2%	16.7%	231	91	95
All units computed			1,203	489	497

Source: 2016-2020 ACS 5-year estimates, table DP04

Monthly costs are even lower for homeowners who do not have a mortgage, so those statistics are not included here.

Housing Cost Burden by Income

The issue of cost burdening (paying 30 percent or more of household income toward housing costs) is more poignant when assessed by household income range. In Baraga County, in owner-occupied units, 75.9% of households earning under $20,000/year are housing cost-burdened, along with 28.7% of households earning $20,000-$34,999/year. These percentages, while unacceptably high for those incomes, are lower than the state equivalents of 80.3% and 43.5% respectively. In the county's renter-occupied units, burdening is slightly lower: 63.2% of households under $20,000/year and 26.6% of those earning $20,000-$34,999/year are rent-burdened – far less than the state levels of 88.2% and 74.9%.

Housing-Cost Burdened Households (Paying 30%+ of Income for Housing Costs)

Household Income	Owner-Occupied		Renter-Occupied	
	Baraga County	State	Baraga County	State
Less than $20,000	75.9%	80.3%	63.2%	88.2%
$20,000-$34,999	28.7%	43.5%	26.6%	74.9%
$35,000-$49,999	13.0%	26.3%	4.4%	33.9%
$50,000-$74,999	2.7%	12.6%	0.0%	10.6%
$75,000 or more	0.1%	3.0%	0.0%	2.7%

Source: 2016-2020 ACS 5-year estimates, table B25106

ALICE

The ALICE (Asset Limited Income Constrained Employed) threshold, as presented by United Way of Northwest Michigan, estimates a household survival budget in Michigan, including housing along with childcare, food, transportation, healthcare, and technology, plus taxes and a miscellaneous contingency budget. In Michigan, as of 2019, the thresholds in Michigan were $23,400 for a single adult, $26,244 for a single senior, and $64,116 for a family of four. Baraga

County's percentage of households living under these thresholds was 49% versus 38% statewide.

Age and Disability

Characteristics like age and disabilities can impact both housing needs and housing preferences. Baraga County has an older population than the state and nation but to a lesser degree than most counties. The county has a higher percentage than the state of persons with disabilities, persons aged 65 and older, and households with one or more persons aged 65 and older, and a higher median age. According to BLMISI, the population age 65 and older is projected to increase for at least the next 10 years, followed by movement of this cohort through higher age ranges through 2045.

The increasing older age mix and needs to accommodate persons with disabilities are important factors in estimating future housing needs. Anecdotal evidence suggests that some seniors who are long-time homeowners may choose to move to different housing types (such as condominiums or lifestyle communities) if they become available, and this would free up single-family housing stock for younger residents, workers, and families.

Due in part to the older age mix, average household size is lower in Baraga County and the two townships than statewide.

Households, Age, and Disability

	% Households/Persons		# Households/Persons		
	Baraga County	State	Baraga County	Baraga Twp	L'Anse Twp
Noninstitutionalized civilian population with disability	18.3%	14.2%	1,319	476	618
Population age 65+	22.6%	17.2%	1,887	508	962
Households with one or more persons age 65+	38.5%	30.8%	1,228	345	603
One person age 65+ living alone	12.6%	12.3%	401	124	217
Households w/no persons age 65+	61.5%	69.2%	1,960	781	953
Families w/no persons age 65+	40.8%	45.9%	1,301	552	566
All households			3,188	1,126	1,556
Average household size		2.5	2.3	2.3	2.3
Median age		39.8	45.8	38.6	46.8

Source: 2016-2020 ACS 5-year estimates, tables DP05, B11007, and S1101

The Economy

Industry

The industry mix and associated workforce characteristics of an area can impact its housing needs and demands. Baraga County has perhaps the most distinctive economic sector mix of the region's counties. It has the highest percentage of government employment and earnings of any county in the region. Half of earnings (by dollar amount) and 42 percent of employees in the county were governmental in 2019, according to the Bureau of Economic Analysis (BEA). This predominance likely owes to the presence of Keweenaw Bay Indian Community – the county's single largest employer – and a state correctional facility. But the county also has a significant manufacturing cluster, primarily of specialized fabricators in the villages and vicinities of Baraga and L'Anse, with around a dozen establishments employing over 200 people. The county hospital in L'Anse is another of the largest employers. And tourism (the hospitality industry) is another major economic factor.

Baraga County's annual civilian labor force in 2021 was 3,006 people – a decrease of 6.3% since 2019 (prior to the pandemic). Baraga County has historically had one of the highest unemployment rates in the region. Its 2021 annual, not-seasonally adjusted rate was the highest of the region's counties, at 7.9%. The 2020 rate of 11.7%, impacted more by the pandemic, was also the highest of counties.

Employment and Commuting

Most employees want to live relatively close to where they work, as this can reduce commute times and transportation monetary costs; additionally, when someone lives in the same area where s/he works, earnings can be allowed to circulate and multiply through the local economy. A smaller share of workers living in their county of employment may suggest a shortage in housing stock and vice versa.

The 2016-2020 ACS indicates that of Baraga County *residents* age 16 years and older who work, 69.2% work in Baraga County.

Looking at people who *work* in Baraga County, 62.4% of them live in Baraga County. The next most workers (16.2%) live in bordering Houghton County. The third-most workers live in bordering Marquette County (8.2%), followed by three other Western U.P. counties (7.3% total). Each other reported location is home to 15 or fewer Baraga County workers. (Census OnTheMap 2019 data)

According to ACS, Baraga County has the largest percentage of working residents of any Western U.P. county who carpool to work (11.2%), whereas 82.1% drive alone and 2.7% walk. The mean travel time to work is 19.3 minutes, compared with 24.6 minutes in Michigan and 26.9 minutes in the U.S. overall. Only 3.2% - the smallest percentage among the region's counties – of workers reported working from home, but this figure likely increased during the pandemic. A 2020 analysis by 4th Economy[3] suggested that 690 Baraga County workers (24.9%) had the ability to work remotely; however, the analysis found a median broadband internet speed/bandwidth of 5.4 Mbps download and 0.7 Mbps upload, generally considered too slow for remote work.

State Economic/Community Development Designations

Listed below are local units of government that have or are eligible for various MEDC programs and designations.

- **Low- to Moderate-Income (LMI) Community**: Village of Baraga
- **Redevelopment Ready Communities (RRC)**[4] engaged unit: Village of L'Anse, Essentials path

[3] The analysis used Bureau of Labor Statistics (2017-2018) and Measurement Lab Internet Speed (2020) data.
[4] The Village of Baraga has a traditional downtown and thus could be meaningful engaged in RRC, however, the villages lack of zoning is prohibitive for the program.

Baraga County Trends

Building Permits

Data on building permit issuance is the simplest, most standardized way to gauge annual construction activity. The U.S. Census Building Permits Survey is used for uniformity among the region's counties. The survey collects residential permitting data directly from county building departments. In some cases where there are gaps in reporting, imputations (estimates) are used to compensate.

The table below shows annual 2001-2020 permit data for Baraga County. During this period no multi-unit structures were reported in the Building Permit Survey. There were 367 single-unit new construction permits reported, with a total value of $43.6 million (at time of permitting, not adjusted for inflation). Nearly two-thirds of these of these were issued from 2001 through 2007, prior to the Great Recession. From 2001 through 2007 at least 24 permits were issued every year. This number dropped to 9 in 2008 and never again exceeded 15 up until 2020. In 2020, the average permit valuation of 1-unit buildings was about $237,000.

There is much demand and opportunity for high-quality multi-unit construction, but this relies on sporadic development activity by a small pool of developers.

Baraga County Residential Building Permits Issued, 2001-2020

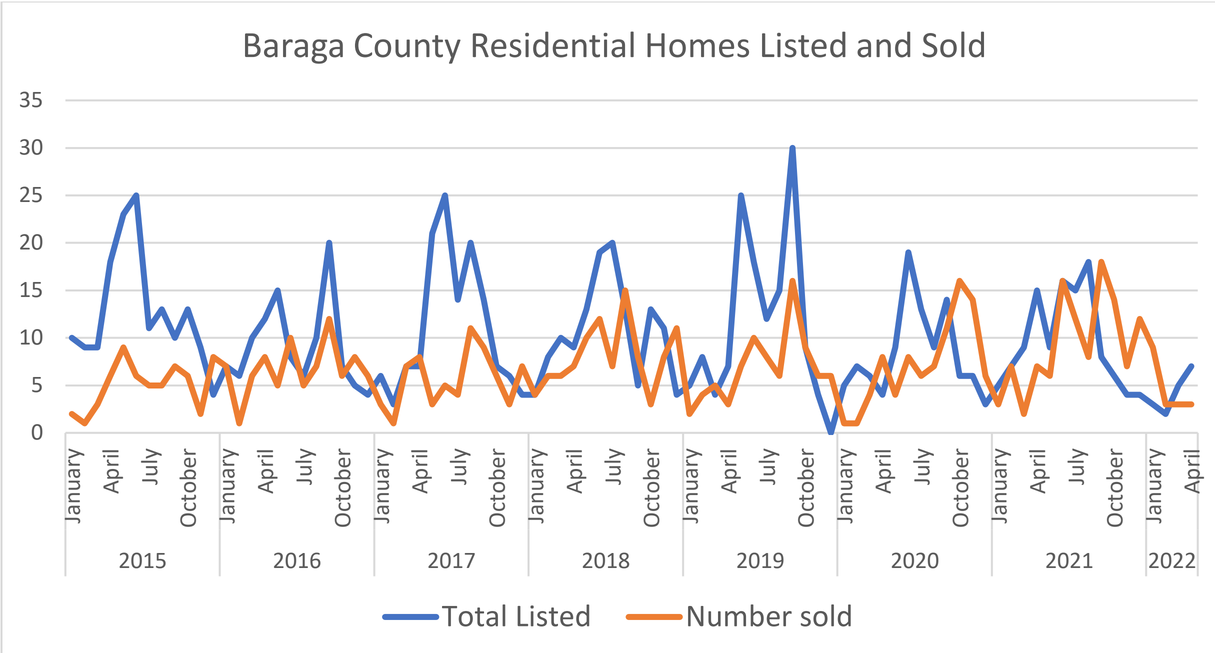
Year	1 unit		
	Bldgs	Units	Value*
2001	43	43	$3,759
2002	25	25	$2,414
2003	42	42	$4,421
2004	37	37	$4,042
2005	37	37	$4,568
2006	24	24	$3,050
2007	30	30	$3,968
2008	9	9	$984
2009	11	11	$977
2010	6	6	$888
2011	8	8	$797
2012	13	13	$1,515
2013	11	11	$923
2014	15	15	$1,897
2015	15	15	$1,519
2016	7	7	$1,013
2017	5	5	$686
2018	8	8	$1,264
2019	7	7	$1,550
2020	14	14	$3,323
TOTAL	**367**	**367**	**$43,558**

** In thousands*

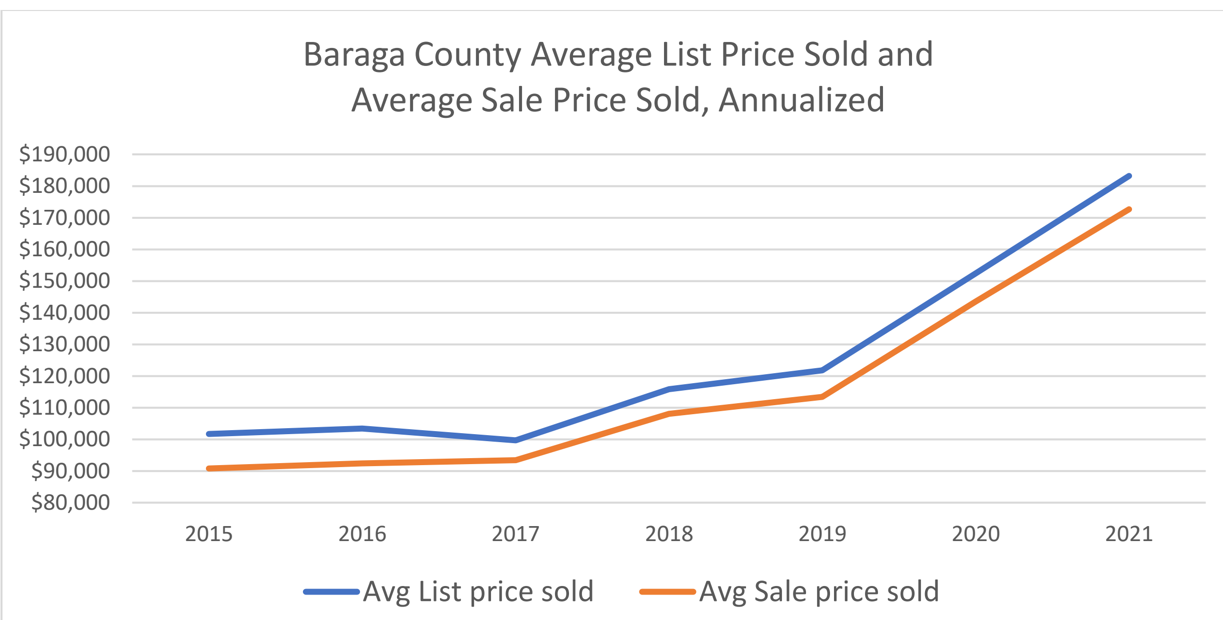
Multiple Listing Service (MLS)

Data from the Upper Peninsula Multiple Listing Service, used by Realtors to view and track housing sales activity, is one of the most immediate and reliable sources of data feedback on the resale market. Today's market dynamics are aligned with simple supply and demand economics.

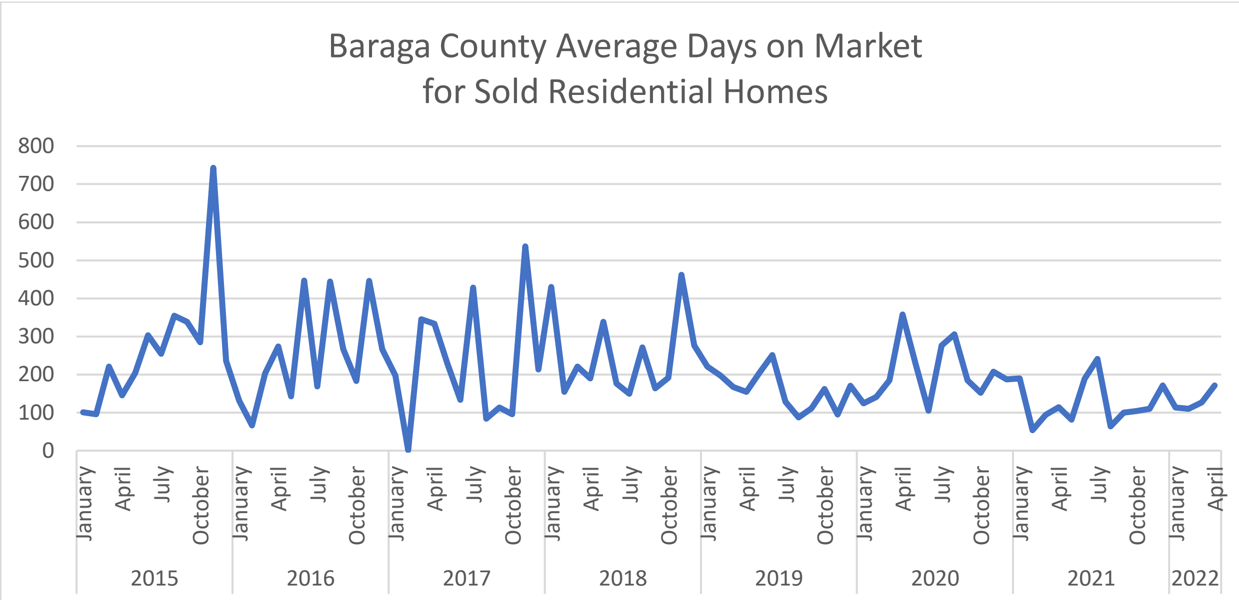
As shown in the following line chart, sales from mid-2018 through early 2021, accounting for seasonal patterns, were fairly stable; however, sales from summer 2021 to early 2022 saw slightly less fluctuation from month to month. Listings significantly decreased after summer 2019, reaching a low point of zero in December of that year, and ever since the number of listings has been lower than in previous years, including a dramatic drop from the peaks of 2019 to the peaks of 2020 and 2021. The number of listings and sales have generally equaled sales (with some time lag) from late 2020 until present, compared with previous years.



The chart below illustrates the magnitude of increase in both sale and list prices since 2015. In 2015 the average list and sale prices were $101,688 and $90,793 respectively – price points that buyers in the county had generally been comfortable with and accustomed to. These prices changed little until 2017, when both listings and sales began an upward trend. The rate of increase accelerated greatly from 2019 to 2021. All the while, the gap between list and sale prices has remained about the same. Average sale and list price each increased by about $60,000 - more than 50% – from 2019 to 2021, presenting a major shock to the county's housing market.

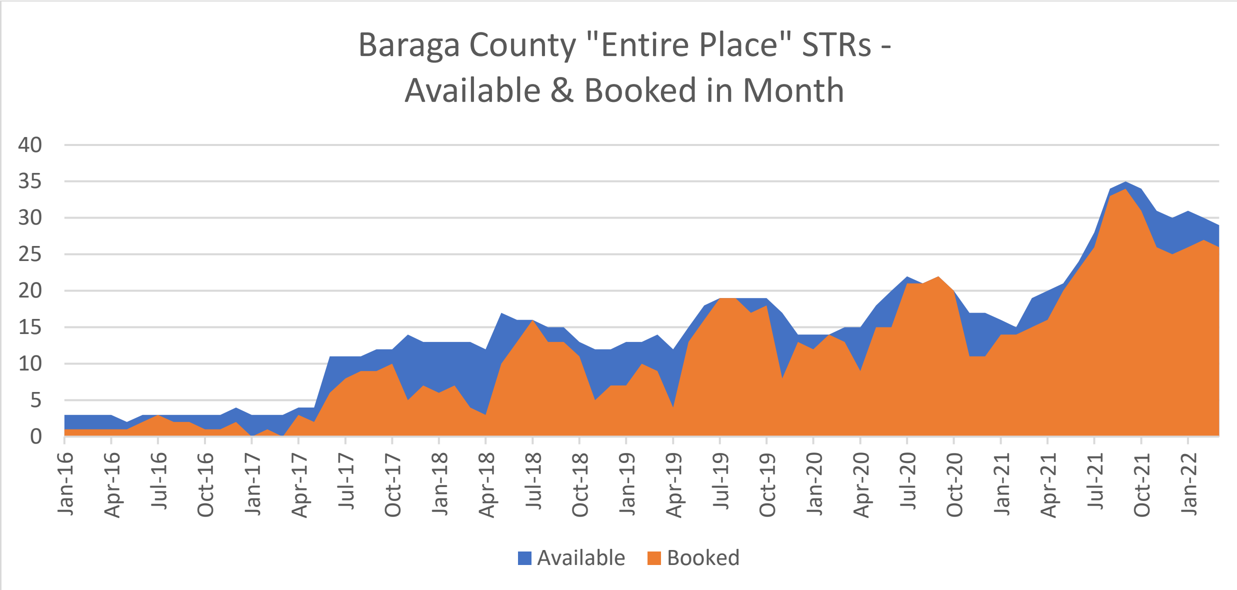


Another indicator of the highly competitive housing market is the number of days a home is on the market within the county. MLS calculates this from the day the home is entered into MLS until the deed to the property is transferred from seller to buyer. This measure, on a season-over-season basis, began to fall after 2018, reaching a low point of 54 days in spring 2021. (Prior to 2019 the seasonal pattern was much more volatile, with an isolated low point of just one day on market in early 2017.)

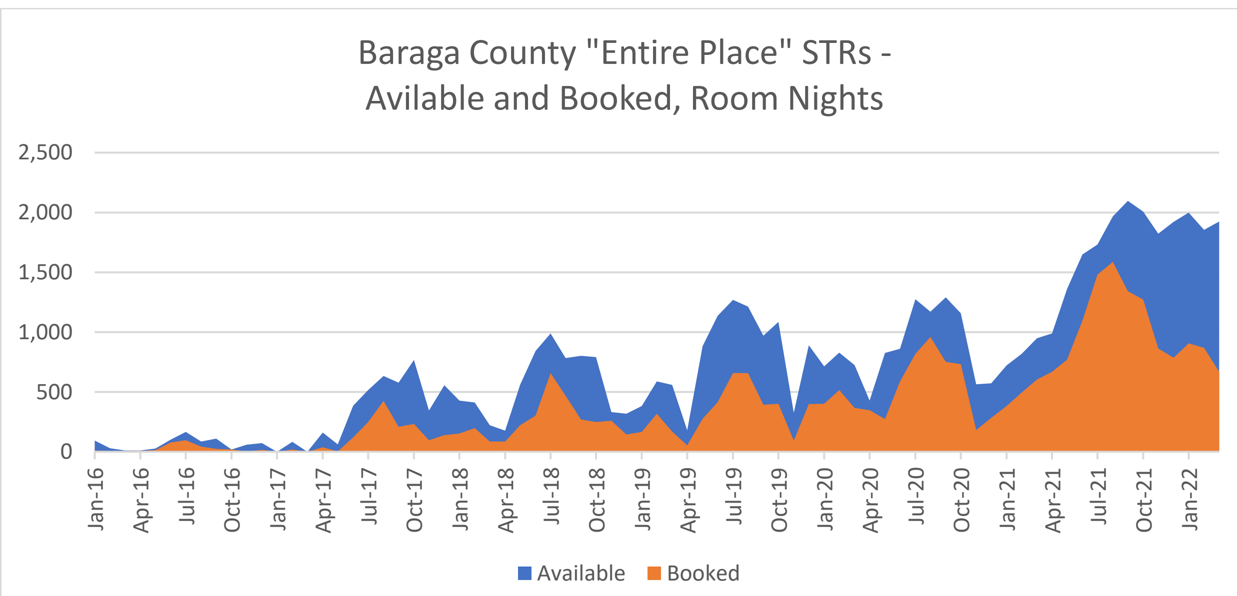


Short-Term Rentals

The chart below shows the number of "entire places" (that is, any unit listed in its entirety as opposed to individual spaces within it) that were listed and booked at least one night in each month from January 2016 through March 2022, based on data from AirDNA, which is combed from Airbnb and HomeAway listings. Available data begin in 2014, and the increase in Baraga County was slow from then until spring 2017, after which listings rapidly accelerated. The proportion of entire places that were booked out of those listed in a month was very high in midsummers of 2018 through 2021, reaching 100% in some months. Both bookings and listings of entire places reached high peaks in summer 2021. "Shoulder season" bookings and listings both greatly increased beginning in fall 2020.



The picture is more nuanced with regard to "room nights" – that is, the total number of nights available for booking in any entire place during the month. The proportion of booked to available room nights was fairly stable from late 2020 to summer 2021, but from spring to summer 2021 the number of listed and booked nights both increased dramatically from previous years, reaching a high peak in July. After this, the number of bookings began a normal seasonal decline, but the low point of bookings in 2021 was approximately equal to the high point of 2020. And unlike in previous years, the number of *listings* did not decline; indeed, the number of listings increased after the peak in bookings had been reached. The consistently high listings suggest that there is optimism about the prospects of STRs, and, though it is too early to know for sure, there may be ongoing excess supply in the STR market.



Gogebic County Profile

Gogebic County is the farthest-west county in the Upper Peninsula. The population is concentrated in and around three cities along a corridor at the west end of the county: Bessemer, Ironwood, and Wakefield. Ironwood, located on the Wisconsin state border, is the second-largest city in the Western U.P. and is the commercial and service hub for a large surrounding area of both states. It is also a hub of higher education, with a community college that is the second-largest institution of higher education in the region. In addition to the three cities, the county contains six townships and three Census designated places (CDPs).

Gogebic County has the most national forestland of any Michigan county, and the vast majority is located in the county's eastern half (Marenisco and Watersmeet townships). Only 13.3% of county residents live in this vast, minimally developed area. Watersmeet Township is home to the reservation of the Lac Vieux Desert Band of Lake Superior Chippewa, which comprises a large part of the population there.

All told, the county can be considered to have three components: the east end, the three cities, and the cities' surrounding townships.

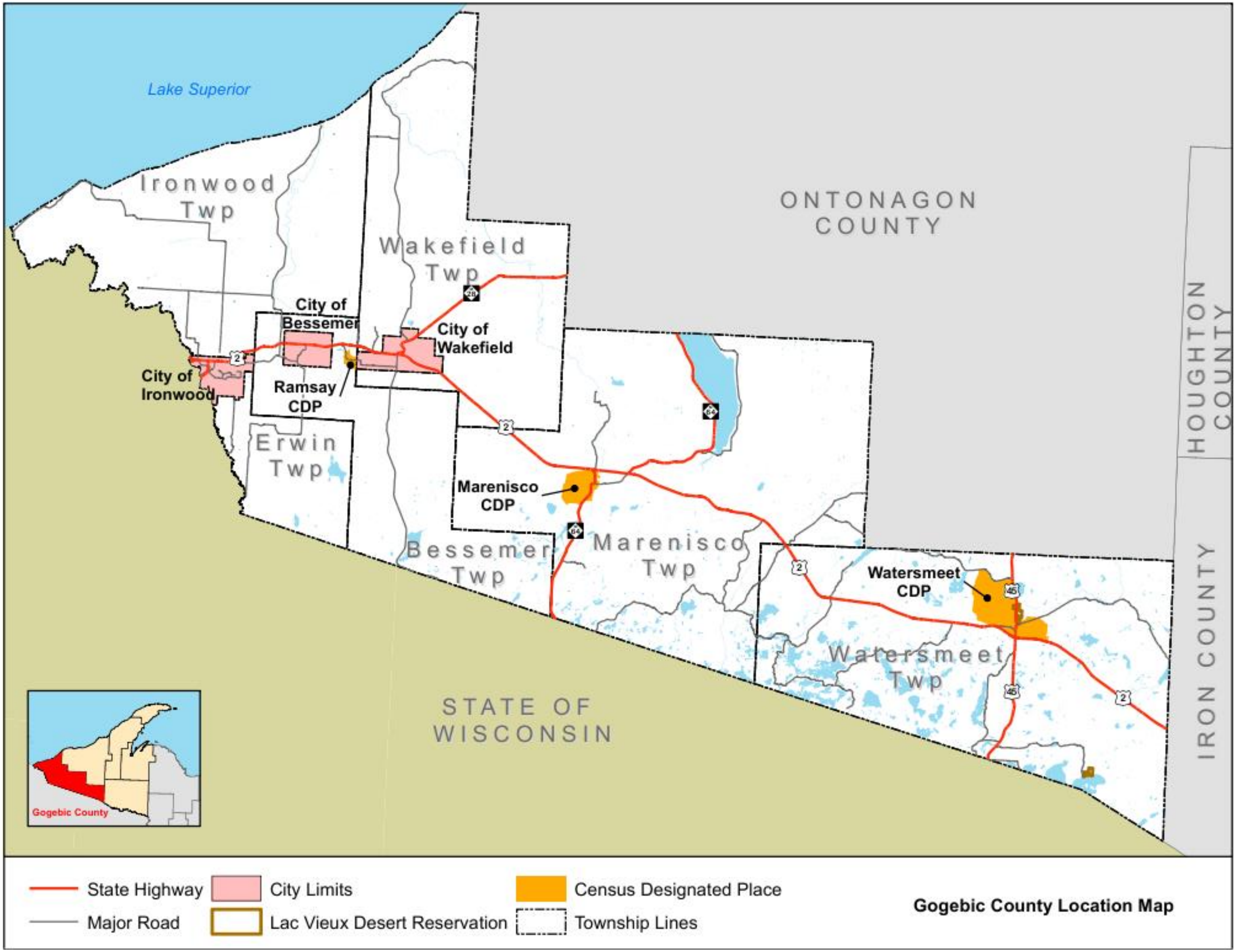
Population and Housing Basics

The 2020 total population of the county is 14,380. This is a decrease of 17.2% since 2000 and 12.5% since 2010. From 2000 to 2020, all units of government except two townships experienced double-digit percentage population losses. Watersmeet is the only township that grew from 2010 to 2020 (by 3.8%). Marenisco Township lost nearly three-quarters of its population during this period, due primarily to closure of a state correctional facility in 2019. That may also have factored into Marenisco and Watersmeet CDPs each losing about a third of their populations.

Population projections conducted in 2019 indicated the county's population would decrease by 8.3% from 2020 to 2040[1].

As of 2020, 55.5% of housing units and 65.5% of residents in the county are located in cities and CDPs and thus may be considered "urban." These are the largest urban percentages in the region.

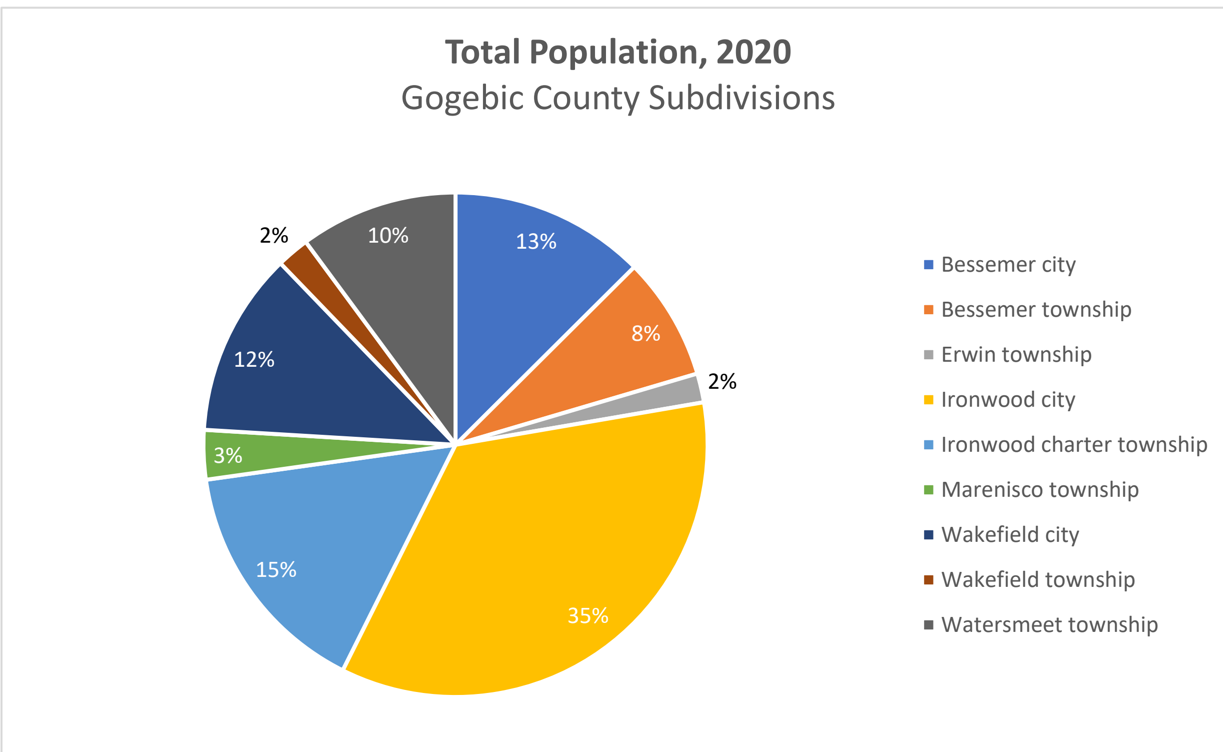
[1] Projections conducted in 2019 have not yet been adjusted for a 2020 Census baseline. Gogebic County's actual 2020 Census population was 3.3% higher than the 2020 population projected in 2019.


Lake Superior
Ironwood Twp
Wakefield Twp
ONTONAGON COUNTY
HOUGHTON COUNTY
City of Bessemer
City of Wakefield
City of Ironwood
Ramsay CDP
Erwin Twp
Marenisco CDP
Bessemer Twp
Marenisco Twp
Watersmeet CDP
Watersmeet Twp
IRON COUNTY
STATE OF WISCONSIN
Gogebic County
State Highway
Major Road
City Limits
Lac Vieux Desert Reservation
Census Designated Place
Township Lines
Gogebic County Location Map

Gogebic County Population Counts and Change (Decennial Census)

Geography	2000	2010	2020	2000-2020 Change
Bessemer city	2,148	1,905	1,805	-16.0%
Bessemer township	1,270	1,176	1,135	-10.6%
Erwin township	357	326	267	-25.2%
Ironwood city	6,293	5,387	5,045	-19.8%
Ironwood township	2,330	2,333	2,214	-5.0%
Marenisco township	1,051	1,727	455	-56.7%
Wakefield city	2,085	1,851	1,702	-18.4%
Wakefield township	364	305	301	-17.3%
Watersmeet township	1,472	1,417	1,456	-1.1%
TOTAL	17,370	16,427	14,380	-17.2%
Marenisco CDP		264	179	-32.2%
Ramsay CDP			278	
Watersmeet CDP		601	408	-32.1%

**2010-2020 change; Marenisco and Watersmeet were not CDPs in 2000*
Source: 2000, 2010, & 2020 Decennial Census



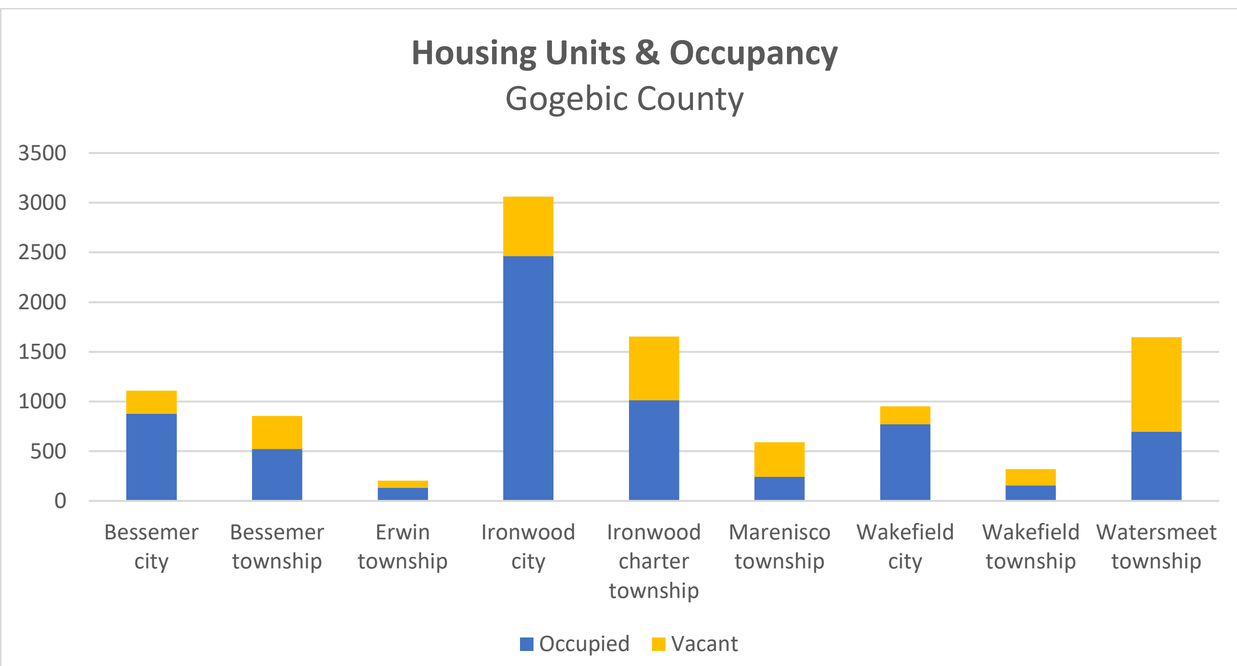
Housing Units & Occupancy

Gogebic County had a total of 10,393 housing units according to the 2020 Census – a 3.7% decrease since 2010. Of the 2020 total, 6,874 (66.1%) units were occupied and 3,519 (33.9%) were vacant. The share of units that were occupied was slightly less in 2010.

Gogebic County Occupied and Vacant Housing Units, 2010 & 2020

Geography	Occupied		Vacant		Total		
	2010	2020	2010	2020	2010	2020	2010-20 % Change
Bessemer city	888	877	252	232	1,140	1,109	-2.7%
Bessemer township	547	524	310	331	857	855	-0.2%
Erwin township	144	134	62	70	206	204	-1.0%
Ironwood city	2,520	2,462	655	601	3,175	3,063	-3.5%
Ironwood township	1,028	1,012	680	642	1,708	1,654	-3.2%
Marenisco township	275	242	408	349	683	591	-13.5%
Wakefield city	818	770	176	181	994	951	-4.3%
Wakefield township	147	157	222	162	369	319	-13.6%
Watersmeet township	670	696	993	951	1,663	1,647	-1.0%
TOTAL	7,037	6,874	3,758	3,519	10,795	10,393	-3.7%
	65.2%	66.1%	34.8%	33.9%			
Marenisco CDP	113	79	57	70	170	149	-12.4%
Ramsay CDP		124		75		199	
Watersmeet CDP	178	162	74	80	252	242	-4.0%

Source: 2010 & 2020 Decennial Census



The remainder of Census Bureau housing data in this chapter is from the 2016-2020 American Community Survey (ACS). This dataset is based on a random sample of the population. Even though corrections and adjustments are made to mitigate, the ACS is subject to large margins of error, particularly in smaller communities. In order to limit table size, the only communities within Gogebic County that are separated out from countywide data are the city and township of Ironwood. The ACS comes with a further caveat that, as explained in the regional profile section, *housing and household counts that underlie all of the ACS housing data vary from the counts of the 2020 Census.*

Vacancy Types, Tenure, and Mobility

Vacancies

The vast majority of "vacant" housing units in the county are in the "seasonal, recreational, or occasional use" category, particularly in townships that do not have major core communities to support year-round residents. The category includes properties such as cabins/camps and second homes, as well as many properties used primarily as short-term rentals. Due largely to the predominance of these property uses, the county's percentage of vacant units is much higher than the state's, and a much smaller share of the state's vacancies are in this category.

Vacancy Status

Type of Vacancy	% of All Units (Occ & Vac)		# Units		
	Gogebic County	State	Gogebic County	Ironwood City	Ironwood Township
For rent	1.2%	1.3%	124	50	35
Rented, not occupied	0.0%	0.3%	5	0	0
For sale only	1.0%	0.8%	106	0	17
Sold, not occupied	0.2%	0.5%	25	0	16
For seasonal, recreational, or occasional use	27.4%	6.3%	2,950	250	626
Other	6.2%	4.5%	673	205	44
All vacant units	36.0%	13.7%	3,883	505	738

Source: 2016-2020 ACS 5-year estimates, table B25004

Housing Tenure and Mobility

Among occupied housing units in Gogebic County, more than three-quarters are owner-occupied, compared with 71.7% statewide. The City of Ironwood has a greater proportion, and Ironwood Township has a smaller proportion, than the county of renter-occupied units. Countywide homeowner and rental vacancy rates are higher than the state's, but the City of Ironwood has a homeowner vacancy rate of zero.

Tenure (Owners/Renters)

Tenure	% Units		# Units		
	Gogebic County	State	Gogebic County	Ironwood City	Ironwood Township
Owner-occupied	77.6%	71.7%	5,348	1,701	910
Renter-occupied	22.4%	28.3%	1,548	888	144
All occupied units			6,896	2,589	1,054
Homeowner vacancy rate		1.3%	1.9%	0.0%	1.8%
Rental vacancy rate		5.0%	7.4%	5.3%	19.6%

Source: 2016-2020 ACS 5-year estimates, table DP04

This term refers to how often and between what locations people move housing. Gogebic County residents have lived in their current housing units for a relatively longer time than in the region's other counties; the percentage of units whose householder moved into their current units before 2010 (58.5%) is greater than statewide (49.5%).

Year Householder Moved in to Unit

Year	% Units		# Units		
	Gogebic County	State	Gogebic County	Ironwood City	Ironwood Township
2019 or later	2.90%	4.3%	198	112	23
2015 to 2018	22.20%	26.4%	1,530	718	232
2010 to 2014	16.40%	19.8%	1,133	545	145
2000 to 2009	23.60%	20.7%	1,628	470	264
1990 to 1999	15.30%	13.6%	1,052	212	169
Before 1990	19.60%	15.2%	1,355	532	221
All occupied units			6,896	2,589	1,054

Source: 2016-2020 ACS 5-year estimates, table DP04

Over the course of the 2016-2020 ACS, during the most recent 12-month period, 7.7% of Gogebic County residents moved residences, and 2.1% of all residents had moved from outside of Michigan. The latter figure will likely increase in the future, as much anecdotal feedback from Realtors and community leaders suggests that a much-increased number of purchasers have moved from other states, particularly metropolitan areas. Furthermore, Gogebic County's position as a Wisconsin border county may increase its inflow from that state.

Physical Characteristics

Housing Age and Structure Type

Gogebic County has a very old housing stock, with 36.5% of units located in structures built before 1940. This is one of the highest of the region's counties and far higher than the state share of 14.6%. The age of housing structures varies considerably around the county, with the oldest housing located in former mining locations. In the City of Ironwood more than half of all units were in structures built before 1940, versus only about one-quarter in Ironwood Township. If ACS data are fully accurate, no homes have been built in the city since 2010. The age of houses in the city has limited availability of quality housing, but in the recent strong housing market an increasing number of these homes have been rehabilitated – including some for conversion to short-term rental units.

Year Structure Built

	% Units		# Units		
Year	Gogebic County	State	Gogebic County	Ironwood City	Ironwood Township
2010 or later	1.2%	3.0%	130	0	25
2000 to 2009	4.7%	9.9%	505	42	75
1980 to 1999	19.0%	23.2%	2,051	172	502
1960 to 1979	20.3%	27.2%	2,191	492	484
1940 to 1959	18.3%	22.2%	1,967	689	235
1939 or earlier	36.5%	14.6%	3,935	1,699	471
All housing units			10,779	3,094	1,792

Source: 2016-2020 ACS 5-year estimates, table DP04

As in most of the region, Gogebic County has a greater share of units in single-unit detached structures, and a smaller share of units in single-unit attached structures, than statewide. Ironwood city and township combined have 88.0% of the county's units in structures with 10 or more apartments and 70.7% of the county's units in structures with 5 to 9 apartments.

Number of Units in Structure

	% Units		# Units		
# Units in Structure	Gogebic County	State	Gogebic County	Ironwood City	Ironwood Township
1, detached	84.8%	72.1%	9,142	2,358	1,473
1, attached	0.8%	4.6%	81	0	55
2 apartments	1.7%	2.3%	187	57	5
3 or 4 apartments	2.6%	2.6%	284	166	46
5 to 9 apartments	2.9%	4.1%	317	187	37
10 or more apartments	4.4%	8.8%	466	285	125
Mobile home or other type	2.8%	5.4%	302	41	51
All housing units			10,779	3,094	1,792

Source: 2016-2020 ACS 5-year estimates, table DP04

Some types of residential facilities, such as college-owned multi-unit housing (including dormitories) and senior living facilities, are considered group quarters rather than housing units. Group quarters are not considered in housing statistics of this chapter.

Bedrooms

Gogebic County has a larger percentage than the state of units with fewer than three bedrooms. Ironwood city and township do not deviate very significantly from the county in the proportions of various bedroom numbers.

Number of Bedrooms in Unit

	% Units		# Units		
# Bedrooms	Gogebic County	State	Gogebic County	Ironwood City	Ironwood Township
None	2.1%	1.6%	228	52	49
1	12.8%	8.9%	1,376	508	255
2	31.3%	25.1%	3,372	946	549
3	39.7%	43.9%	4,284	1,158	666
4 or more	14.1%	20.6%	1,519	430	273
All housing units			10,779	3,094	1,792

Source: 2016-2020 ACS 5-year estimates, table DP04

Utilities

Utilities and communication infrastructure are important elements in housing development. The county is served by one primary electric utility in addition to a municipal utility within and adjacent to the City of Wakefield. Public water systems serve all of the cities and parts of most townships. Outlying areas rely on private wells and septic systems.

Natural gas, provided by a single utility, is the primary home heating fuel for 64.7% of occupied units. It is available in the three cities and some other areas mainly near Highway US 2. The percentage is lower than the state's 76.1%; however, utilization in the City of Ironwood (84.5%) is higher than the state level.

Home Heating Fuel in Occupied Units

	% Units		# Units		
Fuel Type	**Gogebic County**	**State**	**Gogebic County**	**Ironwood City**	**Ironwood Township**
Utility (natural) gas	64.7%	76.1%	4,459	2,187	514
Bottled/tank/LP gas	17.6%	8.4%	1,215	59	323
Electricity	6.6%	10.1%	453	171	68
Wood	6.0%	2.8%	416	43	74
Fuel oil	4.4%	1.0%	303	98	70
Other or none	0.7%	1.5%	50	31	5
Occupied units			6,896	2,589	1,054

Source: 2016-2020 ACS 5-year estimates, table DP04

Broadband internet has become a critical service for permanent residences and is prerequisite for many purchasers: If reliable, high-speed broadband is not available, many purchasers will not even consider a home purchase or rental. Gogebic County has a smaller proportion of households with broadband such as cable, fiber optic, and DSL than statewide and a larger proportion of households with no internet service. Surprisingly, the City of Ironwood has a considerably larger proportion of households with no internet subscription than countywide and more than twice as large a proportion as statewide (32.4% versus 15.3%).

Internet Subscriptions in Households

	% Households		# Households		
Subscription Type	**Gogebic County**	**State**	**Gogebic County**	**Ironwood City**	**Ironwood Township**
Broadband such as cable, fiber optic, DSL	54.9%	67.5%	3,787	1,445	553
Satellite	8.2%	6.7%	563	60	135
Dial-up with no other type	0.8%	0.3%	58	24	5
Cellular data plan with no other type	13.7%	12.3%	942	253	146
None	24.5%	15.3%	1,692	838	198
All households			6,896	2,589	1,054

Not all response options are mutually exclusive, so subscription type rows may not total all households.
Source: 2016-2020 ACS 5-year estimates, table S2801

Broadband service availability can be highly localized, even block by block within a community, so availability needs to be verified for any individual residence. And even among traditional wired broadband services, bandwidth and reliability can vary widely. In spring 2022, the State of Michigan committed to a Broadband Infrastructure Audit and Validation project which will validate and map street- and neighborhood-level wired broadband service, improving information about service availability.

There are numerous state and federal broadband funding programs in effect. Perhaps most notably, the Rural Development Opportunity Fund will provide fiber optic-to-home service in parts of the county over the next several years.

Housing Value and Affordability Factors

Gogebic County has a median owner-occupied home value of just $73,500 – less than half the state median of $162,600. At $113,200, Ironwood Township has a much higher median value than the county and more than twice as high as the city's.

Housing Value of Owner-Occupied Units

	% Units		# Units		
Value	Gogebic County	State	Gogebic County	Ironwood City	Ironwood Township
Less than $50,000	34.4%	6.6%	1,839	823	122
$50,000-$99,999	29.1%	11.0%	1,556	616	243
$100,000-$149,999	12.0%	12.3%	644	133	210
$150,000-$199,999	11.0%	13.6%	590	73	158
$200,000-$299,999	7.3%	20.0%	390	45	108
$300,000-$499,999	3.5%	20.5%	185	8	52
$500,000 or more	2.6%	16.0%	144	3	17
Owner-occupied units			5,348	1,701	910
Median		$162,600	$73,500	$52,800	$113,200

Value is the current market value estimated by the respondent.
Source: 2016-2020 ACS 5-year estimates, table DP04

Household Income

Gogebic County's median household income of $38,625 is much lower than the state's $59,234. However, the median varies greatly throughout the county; the City of Ironwood's median income of $27,261 is less than half of the township's $58,750. In the City, 44% of households have incomes under $25,000.

Household Income (2020 Inflation-Adjusted Dollars)

Income	% Households		# Households		
	Gogebic County	State	Gogebic County	Ironwood City	Ironwood Township
Under $25,000	34.1%	19.7%	2,350	1,148	236
$25,000-$49,999	26.3%	22.9%	1,817	755	182
$50,000-$74,999	15.8%	18.2%	1,087	280	281
$75,000-$99,999	8.0%	12.9%	550	174	104
$100,000-$149,999	10.3%	14.6%	710	158	188
$150,000 or more	5.5%	11.7%	382	74	63
All households			6,896	2,589	1,054
Median		$59,234	$38,625	$27,261	$58,750

Source: 2016-2020 ACS 5-year estimates, table S2503

Value to income ratio (VTI) – the ratio of housing unit value to household income – is one measure of housing affordability for homeowners. The optimum VTI is 2.5, meaning a home's purchase price would equal two and a half years of total household income. The overall VTI (based on median income and median owner-occupied housing unit value) is a bit low at 1.9 in Gogebic County and Ironwood city and township – but, as described above, the numbers used to reach that ratio are much higher for the township than for the city and county.

Housing Stock Excesses and Shortages Based on Household Income and Price Ranges

The following tables associate optimal home values and monthly contract rent (actual rental cost regardless of whether utilities are included) ranges with various household income ranges, as explained in the Regional Overview chapter of this study. The assessment reveals how well the occupied housing stock in a community fits the income ranges of residents.

It is important to understand that shortages and excesses in this analysis pertain only to the *mix* of housing value and rent price ranges among existing households; it is not intended to show a shortage or excess in the total number of housing units for residents. The number of households always equals the number of occupied housing units.

In Gogebic County, similar to regionwide, there is a shortage of housing with values and rents appropriate for a $50,000-$74,999 household income (houses costing $100,000-$149,000 and rentals with monthly contract rents $1,000-$1,499). There is also a shortage of housing for incomes $100,000 and more. There is a large excess of housing with values and rents suited for very low household incomes. This combination suggests that many middle-income households may be living in relatively lower-value, likely lower-quality housing than they could afford.

Housing Shortage/Excess by Household Income, Gogebic County

Income Range	House-holds	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Cont. Rent	#		Number	%
$0-24,999	2,350	$0-49,999	1,839	$0-499	1,172	3,011	661	28.1%
$25,000-49,999	1,817	$50,000-99,999	1,556	$500-999	376	1,932	115	6.3%
$50,000-$74,999	1,087	$100,000-149,999	644	$1,000-1,499	0	644	(443)	-40.8%
$75,000-99,999	550	$150,000-199,999	590			590	40	7.3%
$100,000-149,999	710	$200,000-299,999	390	$1,500-1,999	0	390	(320)	-45.1%
$150,000+	382	$300,000+	329	$2,000+	0	329	(53)	-13.9%
Total	**6,896**		**5,348**		**1,548**	**6,896**		

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges. "No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

In the City of Ironwood, there is an excess of units suitable for household incomes under $50,000 and a shortage of units appropriate for every higher income level.

Housing Shortage/Excess by Household Income, City of Ironwood

Income Range	House-holds	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Cont. Rent	#		Number	%
$0-24,999	1,148	$0-49,999	823	$0-499	682	1,505	357	31.1%
$25,000-49,999	755	$50,000-99,999	616	$500-999	206	822	67	8.9%
$50,000-$74,999	280	$100,000-149,999	133	$1,000-1,499	0	133	(147)	-52.5%
$75,000-99,999	174	$150,000-199,999	73			73	(101)	-58.0%
$100,000-149,999	158	$200,000-299,999	45	$1,500-1,999	0	45	(113)	-71.5%
$150,000+	74	$300,000+	11	$2,000+	0	11	(63)	-85.1%
Total	**2,589**		**1,701**		**888**	**2,589**		

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges. "No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

In Ironwood Township, shortages and excesses are more irregularly distributed, the most notable being a large excess, in numerical terms, of housing suited to household incomes $25,000-$49,999.

Housing Shortage/Excess by Household Income, Ironwood Township

Income Range	House-holds	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Cont. Rent	#		Number	%
$0-24,999	236	$0-49,999	122	$0-499	95	217	(19)	-8.1%
$25,000-49,999	182	$50,000-99,999	243	$500-999	49	292	110	60.4%
$50,000-$74,999	281	$100,000-149,999	210	$1,000-1,499	0	210	(71)	-25.3%
$75,000-99,999	104	$150,000-199,999	158			158	54	51.9%
$100,000-149,999	188	$200,000-299,999	108	$1,500-1,999	0	108	(80)	-42.6%
$150,000+	63	$300,000+	69	$2,000+	0	69	6	9.5%
Total	**1,054**		**910**		**144**	**1,054**		

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

One reason for the shortage of housing for middle- and upper-income households, especially in the city, may be the lack of quality rental units. There are no units for rent in the entire county for more than $999/month.

This assessment is useful to the extent that a community functions as a closed ecosystem – truest for a larger geography such as a county. In reality there is somewhat free flow between and among nearby communities, and typically the price ranges of their housing stocks compensate for each other somewhat. In Gogebic County, Ironwood Township and the contiguous City of Ironwood would normally be expected to compensate for each other's disparities, but this is generally not the case, revealing a somewhat unusual dynamic in the county. A better understanding of the housing stock and income dynamics would require further analysis of nearby geographies.

Affordability for Renters

The measure of gross rent adds to contract rent the estimated costs of basic utilities and any non-utility heating fuel costs. In Gogebic County, 98.7% of gross rents are under $1,000/month, compared with 62.2% in the state, and this does not include units for which rent is not paid. The median rent of $476 is extremely low in comparison to the state's $892; the city's is even lower at $453.

Gogebic County has a lower incidence of rent burdening than the state, with 42.1% of Gogebic County renter households paying 30% or more of income on housing costs, compared with 48.5% in the state.

Monthly Gross Rent

Gross Rent Amount	% Units		# Units		
	Gogebic County	State	Gogebic County	Ironwood City	Ironwood Township
None paid			246	132	29
Paid up to $499	53.1%	11.4%	691	419	50
$500-$999	45.6%	50.8%	594	326	65
$1,000-1,499	1.3%	28.1%	17	11	0
$1,500-$1,999	0.0%	6.6%	0	0	0
$2,000 or more	0.0%	3.2%	0	0	0
All renter-occupied units			1,548	888	144
Median		$892	$476	$453	$542

Gross Rent % of Monthly Income	% Units		# Units		
	County	State	County	Ironwood City	Ironwood Township
Less than 20%	39.4%	27.5%	512	357	27
20-29.9%	18.4%	24.1%	239	145	17
30-34.9%	8.5%	8.7%	110	63	7
35% or more	33.6%	39.8%	436	191	64
All units computed			1,297	756	115

Source: 2016-2020 ACS 5-year estimates, table DP04

The U.S. Department of Housing and Urban Development (HUD) annually calculates fair market rent (FMR) for every county and metropolitan area in Michigan. FMR is set at the 40th percentile – the dollar amount below which 40% of "standard quality" rental housing units fall within the county. FMR is based on a recent ACS subjected to additional statistical manipulation, including cost of living increases. Gogebic County's 2022 and 2021 FMRs for various bedroom-number units are:

HUD Fair Market Rent, Gogebic County

	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
2022	$524	$606	$757	$1,075	$1,280
2021	$503	$611	$734	$1,050	$1,271

Affordability for Homeowners with Mortgages

Home ownership is one of the greatest goals for many Americans. Down payment and closing costs can be a major obstacle, especially in a market with rapidly rising prices. But if and after these can be achieved, home ownership is associated with lower monthly housing costs as a percentage of income than for renters. (This is due in part to the overall higher incomes of homeowners than renters, however.) Housing costs as a share of monthly income are lower for homeowners whether or not the home is subject to a mortgage. And home equity built over time presents an additional long-term financial benefit.

Selected Monthly Owner Costs (SMOC), as defined in the ACS, includes costs of mortgages and other property debt payments, hazard insurance, property taxes, basic utilities, and non-utility heating fuels. For comparison of overall housing cost burden for a household, SMOC is comparable to gross rent.

Monthly mortgagee costs are much lower in Gogebic County than in the state, with a median monthly cost of $911 compared with $1,312 respectively. However, cost burdening in the county by income percentage is roughly the same in Gogebic County as in the state.

SMOC – Housing Units with a Mortgage

SMOC Amount	% Units		# Units		
	Gogebic County	State	Gogebic County	Ironwood City	Ironwood Township
Less than $500	6.4%	1.5%	146	92	5
$500 to $999	51.5%	25.3%	1,167	417	159
$1,000-$1,499	30.8%	35.2%	697	172	165
$1,500-$1,999	6.3%	19.9%	142	11	29
$2,000 or more	4.9%	18.1%	112	3	32
All owner-occupied units with a mortgage			2,264	695	390
Median		$1,312	$911	$809	$1,091

SMOC % of Monthly Income	% Units		# Units		
	Gogebic County	State	Gogebic County	Ironwood City	Ironwood Township
Less than 20%	58.2%	53.4%	1,315	406	238
20-29.9%	18.1%	24.0%	409	101	108
30-34.9%	5.8%	5.9%	130	53	9
35% or more	17.9%	16.7%	405	135	35
All units computed			2,259	695	390

Source: 2016-2020 ACS 5-year estimates, table DP04

Monthly costs are even lower for homeowners who do not have a mortgage, so those statistics are not included here.

Housing Cost Burden by Income

The issue of cost burdening (paying 30 percent or more of household income toward housing costs) is more poignant when assessed by household income range. Although cost burdening is quite high among very low-income households in Gogebic County, the percentage burdened is much lower than state levels for all income ranges. Burdening is non-existent for renter households with incomes $35,000 and more (mainly due to extremely low rents) and nearly non-existent for homeowners with incomes $50,000 and more.

Housing-Cost Burdened Households (Paying 30%+ of Income for Housing Costs)

Household Income	Owner-Occupied		Renter-Occupied	
	Gogebic County	State	Gogebic County	State
Less than $20,000	62.0%	80.3%	74.6%	88.2%
$20,000-$34,999	30.3%	43.5%	22.6%	74.9%
$35,000-$49,999	16.5%	26.3%	0.0%	33.9%
$50,000-$74,999	1.7%	12.6%	0.0%	10.6%
$75,000 or more	0.7%	3.0%	0.0%	2.7%

Source: 2016-2020 ACS 5-year estimates, table B25106

ALICE

The ALICE (Asset Limited Income Constrained Employed) threshold, as presented by United Way of Northwest Michigan, estimates a household survival budget in Michigan, including housing along with childcare, food, transportation, healthcare, and technology, plus taxes and a miscellaneous contingency budget. In Michigan, as of 2019, the thresholds in Michigan were $23,400 for a single adult, $26,244 for a single senior, and $64,116 for a family of four. Gogebic County's percentage of households living under these thresholds was 51% versus 38% statewide.

Age and Disability

Characteristics like age and disabilities can impact both housing needs and housing preferences. Gogebic County has a much higher median age and a higher percentage than the state of persons aged 65 and older, 65 and older living alone, and households with one or more persons 65 and older. The county's percentages of households and families with no persons aged 65 and older are lower than the state's. Household size of the county, city, and township is lower than that of the state. The county has a higher percentage than the state of persons with disabilities.

According to BLMISI, the county's population age 65 and older is projected to increase for the next 5-10 years, and 75 and older to at least the year 2035, but ages 50 to 64 are projected to decrease continuously until at least 2030. Other age ranges vary widely over different time periods, but all age ranges under 45 are projected to be lower in 2045 than in 2020. Disability status and age-related changes in housing preferences are important considerations for future housing development. Making available senior-friendly housing will encourage upward mobility of younger residents and families through different types of housing stock.

Households, Age, and Disability

	% Households/ Persons		# Households/Persons		
	Gogebic County	**State**	**Gogebic County**	**Ironwood City**	**Ironwood Township**
Noninstitutionalized civilian population with disability	15.7%	14.2%	2,168	919	313
Population age 65+	26.5%	17.2%	3,905	1,366	667
Households with one or more persons age 65+	39.6%	30.8%	2,731	969	462
One person age 65+ living alone	19.8%	12.3%	1,367	617	152
Households w/no persons age 65+	60.4%	69.2%	4,165	1,620	592
Families w/no persons age 65+	35.7%	45.9%	2,462	854	347
All households			6,896	2,589	1,054
Average household size		2.5	2.0	1.9	2.1
Median age		39.8	50.0	49.6	51.6

Source: 2016-2020 ACS 5-year estimates, tables DP05, B11007, and S1101

The Economy

Industry

The industry mix and associated workforce characteristics of an area can impact its housing needs and demands. Gogebic County has a fairly diverse economy, with large employers in higher education (Gogebic Community College), healthcare (Aspirus Grand View), local government, and manufacturing. Large manufacturers include Jacquart Fabric Products, Ironwood Plastics, Bessemer Plywood, and Extreme (fabrication). Other significant employers include county and local governments, grocery stores, and a variety of service industry businesses.

Gogebic County's annual civilian labor force in 2021 was 5,582 people – a decrease of 7.0% since 2019 (prior to the pandemic). The county's 2021 annual, not-seasonally adjusted unemployment rate was 5.5%, compared with 7.7% in 2021 and 5.0% in 2019.

Employment and Commuting

Most employees want to live relatively close to where they work, as this can reduce commute times and transportation monetary costs; additionally, when someone lives in the same area where s/he works, earnings can be allowed to circulate and multiply through the local economy. A smaller share of workers living in their county of employment may suggest a shortage in housing stock and vice versa.

Reflecting Gogebic County's abundant job opportunities, the 2016-2020 ACS indicates that of Gogebic County *residents* aged 16 years and older who work, 79.8% work in the county.

Similarly, looking at people who *work* in Gogebic County, according to 2019 Census OnTheMap, 63.7% of them live in Gogebic County. The next-most workers, 10.3%, live in bordering Iron County, WI, followed by Ontonagon County with 5.1%.

According to ACS, 81.0% of Gogebic County workers drive to work alone, but 8.7% carpool. The mean travel time to work is 18.3 minutes, compared with 24.6 minutes in Michigan and 26.9 minutes in the U.S. overall.

Only 5.2% of workers reported working from home, but this figure likely increased during the pandemic. A 2020 analysis by 4th Economy[2] suggested that 1,495 Gogebic County workers (24.9%) had the ability to work remotely, and the median broadband internet speed/bandwidth of 18.0 Mbps download and 7.1 Mbps upload was above the minimum threshold considered suitable for remote work. Along with remote workers in jobs at existing employers in the region, there is much anecdotal evidence of an increasing number of fully remote workers moving to the county while retaining or seeking jobs based in other areas.

State Economic/Community Development Designations

MEDC has established several programs and designations for local governments that carry eligibility or preference for funding and technical assistance opportunities. These are outlined below with a list of designated, eligible, or participating communities in Ontonagon County.

- **Core Communities:** Cities of Bessemer, Ironwood, and Wakefield
- **Low- to Moderate-Income (LMI) Communities**: Cities of Bessemer and Ironwood
- **Redevelopment Ready Communities (RRC):**
    - **City of Bessemer** – Certified
    - **City of Ironwood** – Certified path
    - **City of Wakefield** – Essentials path

[2] The analysis used Bureau of Labor Statistics (2017-2018) and Measurement Lab Internet Speed (2020) data.

Gogebic County Trends

Building Permits

Data on building permit issuance is the simplest, most standardized way to gauge annual construction activity. The U.S. Census Building Permits Survey is used for uniformity among the region's counties. The survey collects residential permitting data directly from county building departments. In some cases where there are gaps in reporting, imputations (estimates) are used to compensate.

The table below shows annual 2001-2020 permit data for Gogebic County, with buildings categorized by the number of units in the building. During this period, a total of 570 buildings containing 591 units with a total estimated valuation (at time of permitting, not adjusted for inflation) of approximately $107 million were constructed. These permits include four of only six multi-unit buildings that were constructed outside of Houghton County within the region during this period.) In 2020, the average permit valuation of 1-unit buildings was $197,000.

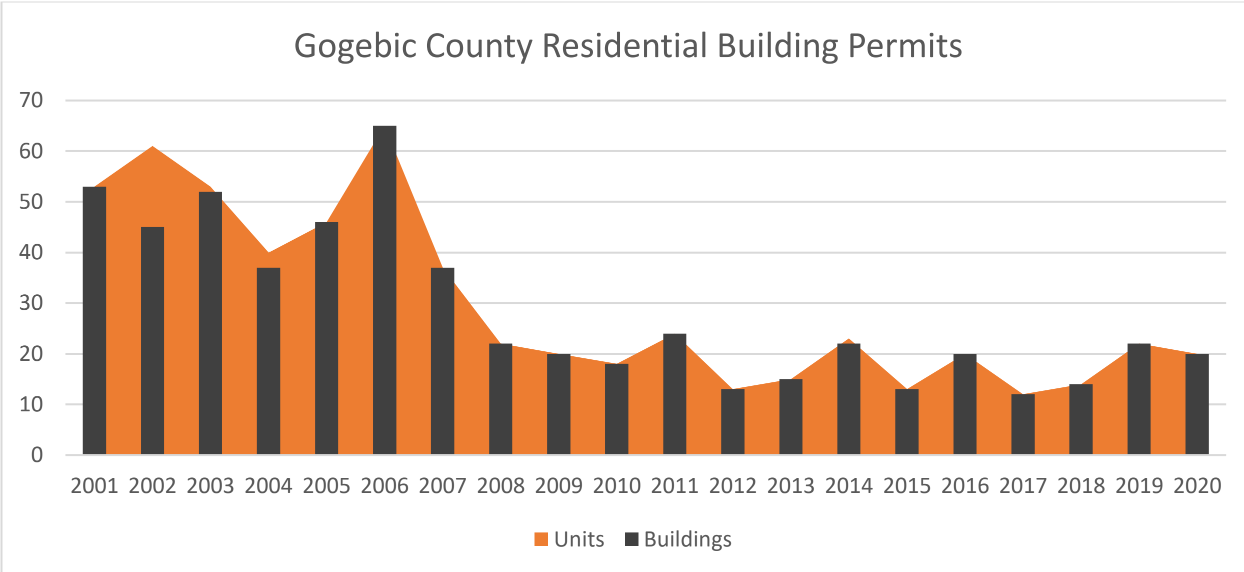
The data illustrate the dramatic impact of the Great Recession. The annual number of new buildings permitted ranged from 36 to 65 every year up to 2007, after which it dropped to 22 and never again exceeded 24 up to the year 2020. Also, while one multi-unit building per year was constructed from 2002 to 2004, with a total of 23 units, only one such building (a duplex) was permitted from 2005 to 2020. Multi-unit construction generally relies on occasional development activity by a small pool of developers.

Gogebic County Residential Building Permits Issued, 2001-2020

Year	1 unit			2-4 units			5+ units			TOTAL		
	Bldgs	Units	Value*	Bldgs	Units	Value*	Bldgs	Units	Value*	Bldgs	Units	Value*
2001	53	53	$5,698	0	0	$0	0	0	0	53	53	$5,698
2002	44	44	$4,956	0	0	$0	1	17	$320	45	61	$5,276
2003	51	51	$5,863	1	2	$50	0	0	0	52	53	$5,913
2004	36	36	$5,788	1	4	$279	0	0	$0	37	40	$6,067
2005	46	46	$9,358	0	0	$0	0	0	$0	46	46	$9,358
2006	65	65	$15,602	0	0	$0	0	0	$0	65	65	$15,602
2007	37	37	$7,038	0	0	$0	0	0	$0	37	37	$7,038
2008	22	22	$3,796	0	0	$0	0	0	$0	22	22	$3,796
2009	20	20	$3,715	0	0	$0	0	0	$0	20	20	$3,715
2010	18	18	$3,234	0	0	$0	0	0	$0	18	18	$3,234
2011	24	24	$4,778	0	0	$0	0	0	$0	24	24	$4,778
2012	13	13	$3,674	0	0	$0	0	0	$0	13	13	$3,674
2013	15	15	$3,507	0	0	$0	0	0	$0	15	15	$3,507
2014	21	21	$7,687	1	2	$420	0	0	$0	22	23	$8,107
2015	13	13	$2,280	0	0	$0	0	0	$0	13	13	$2,280
2016	20	20	$4,020	0	0	$0	0	0	$0	20	20	$4,020
2017	12	12	$3,102	0	0	$0	0	0	$0	12	12	$3,102
2018	14	14	$2,291	0	0	$0	0	0	$0	14	14	$2,291
2019	22	22	$5,282	0	0	$0	0	0	$0	22	22	$5,282
2020	20	20	$3,941	0	0	$0	0	0	$0	20	20	$3,941
TOTAL	**566**	**566**	**$105,610**	**3**	**8**	**$749**	**1**	**17**	**$320**	**570**	**591**	**$106,679**

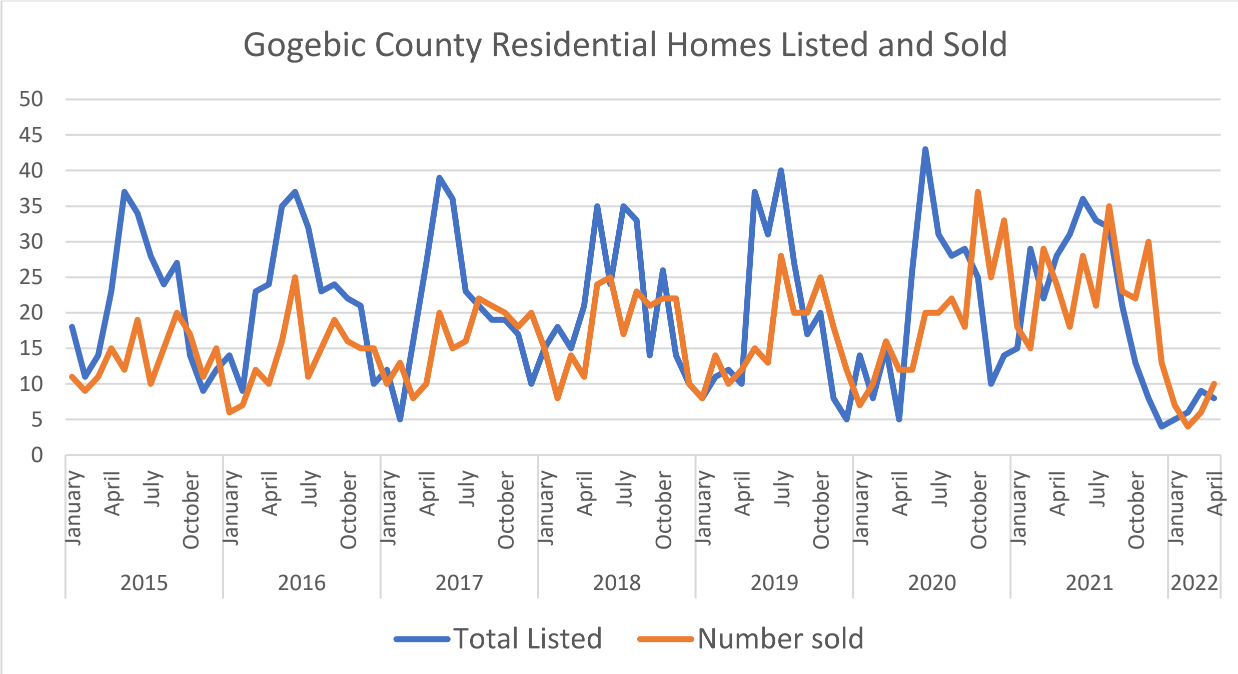
** In thousands*

The chart below illustrates the number of buildings permitted each year from 2001 to 2020 in the foreground and total of number of units in those buildings in the background. There was a spike in units permitted in 2017, attributed to construction of a 17-unit building.

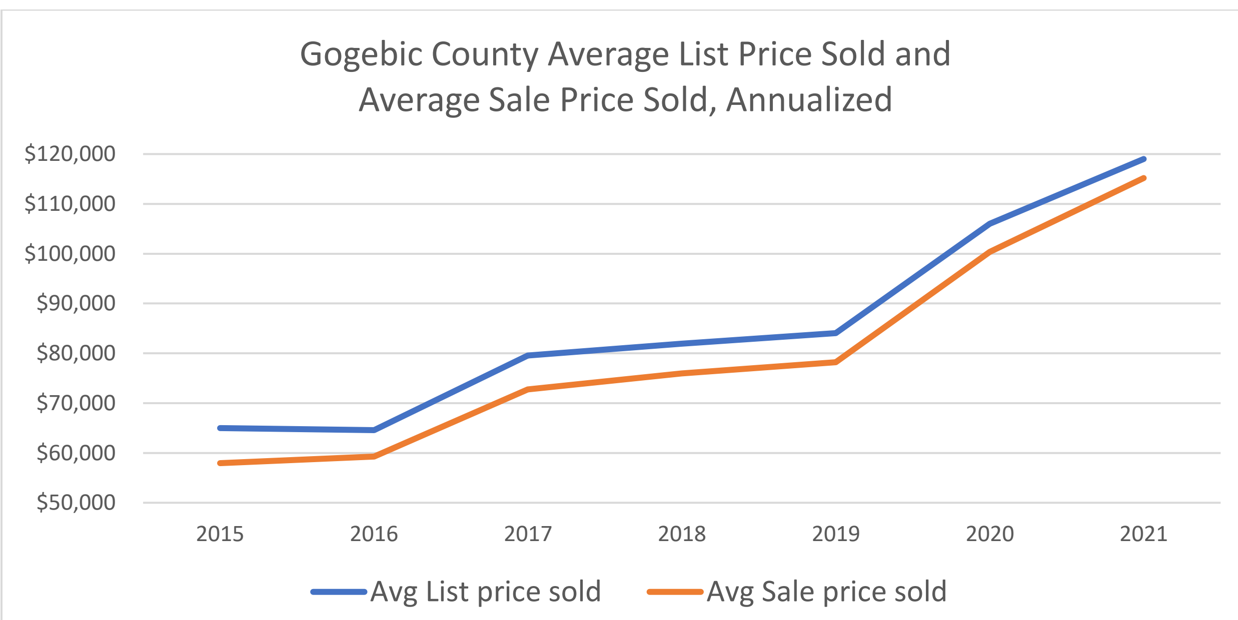


Multiple Listing Service (MLS)

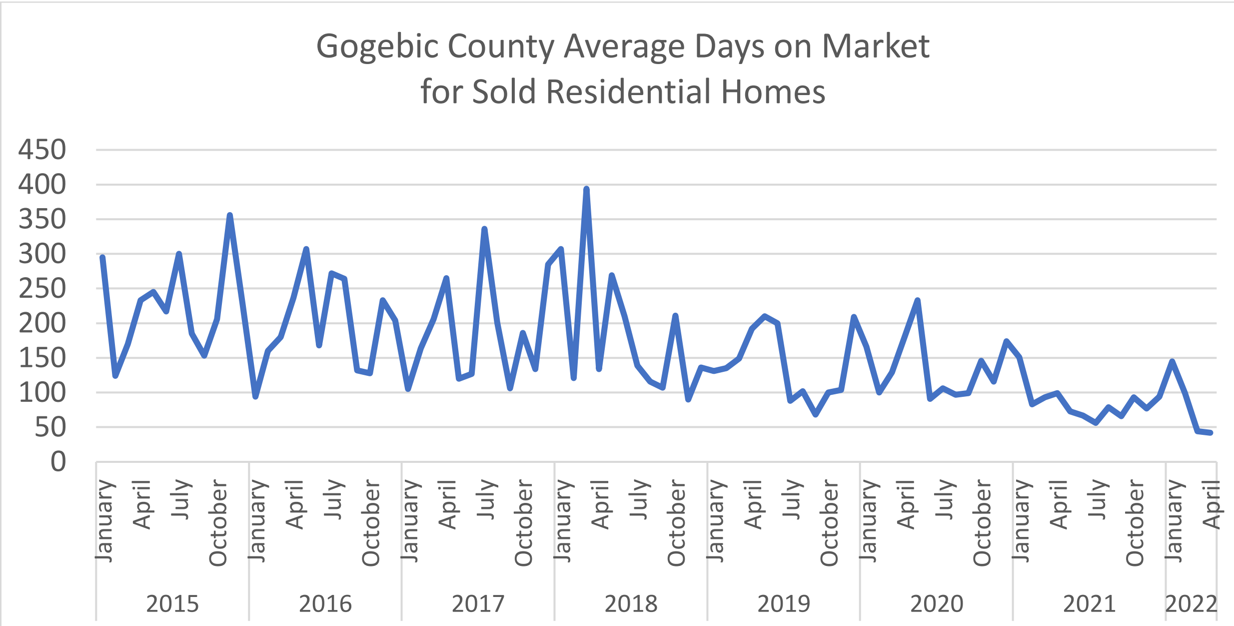
Data from the Upper Peninsula Multiple Listing Service, used by Realtors to view and track housing sales activity, is one of the most immediate and reliable sources of data feedback on the resale market. Today's market dynamics are aligned with simple supply and demand economics. The chart below shows the trend in number of homes listed and sold in Gogebic County by quarter from January 2015 through April 2022. The highest peak in listings during this period occurred in June 2020 – which was *before* the ramp-up in purchases associated with the pandemic. Sales quickly caught up, reaching their highest point in October of that year, and remained generally higher than in previous years through the end of 2021. However, listings decreased quickly and steadily from August to December 2021 – almost as quickly as they had increased in spring 2020. Listings and sales reached their lowest points during the entire period in December 2021 and February 2022 respectively. It is unclear what will occur in the remainder of 2022.



The chart below illustrates the magnitude of increase in both sale and list prices since 2015. In 2015 the average list and sale prices were $65,003 and $57,952 respectively – price points that buyers in the county had generally been comfortable with and accustomed to. Prices increased at variable rates until 2019 then rapidly to 2021. In 2021, the annualized average list price was $119,010 and sale price was $115,186. This sale price was an increase of 47.2% since 2019 and 98.8% since 2015.



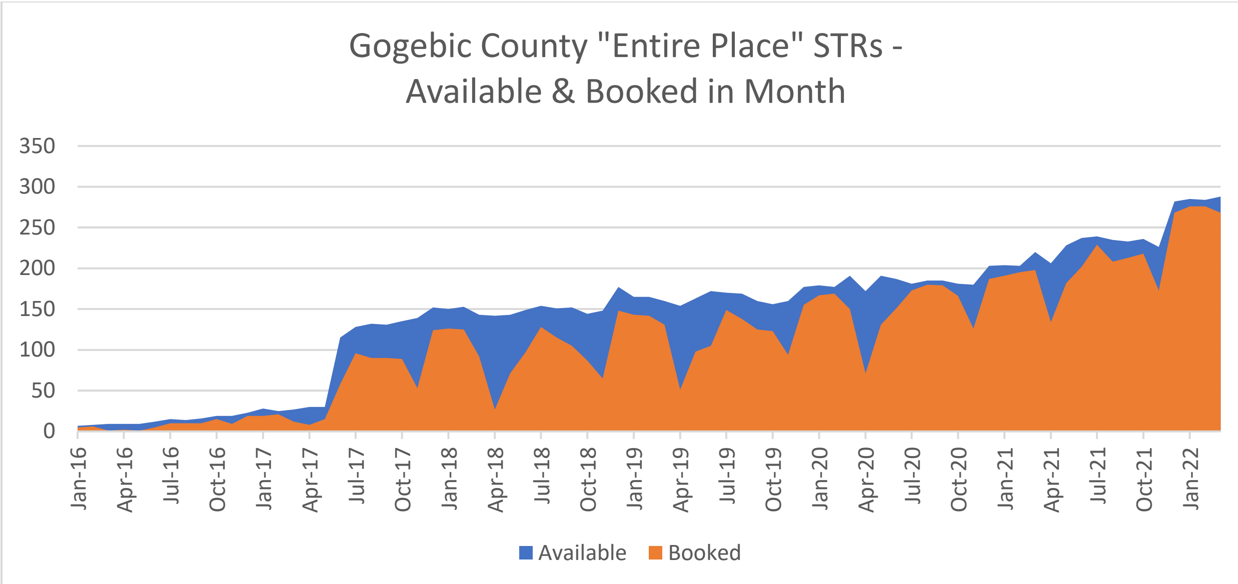
Another indicator of the highly competitive housing market is the number of days a home is on the market within the county. MLS calculates this from the day the home is entered into MLS until the deed to the property is transferred from seller to buyer. The most notable feature of this measure is month-to-month volatility. Volatility and days on market began to decrease in mid-2018 and then remained fairly regular until the onset of the pandemic in spring 2020. After that, volatility was reduced even more as the number of days on market declined, dropping below 100 days for almost all of 2021 and reaching a low point of 42 days in April 2022.



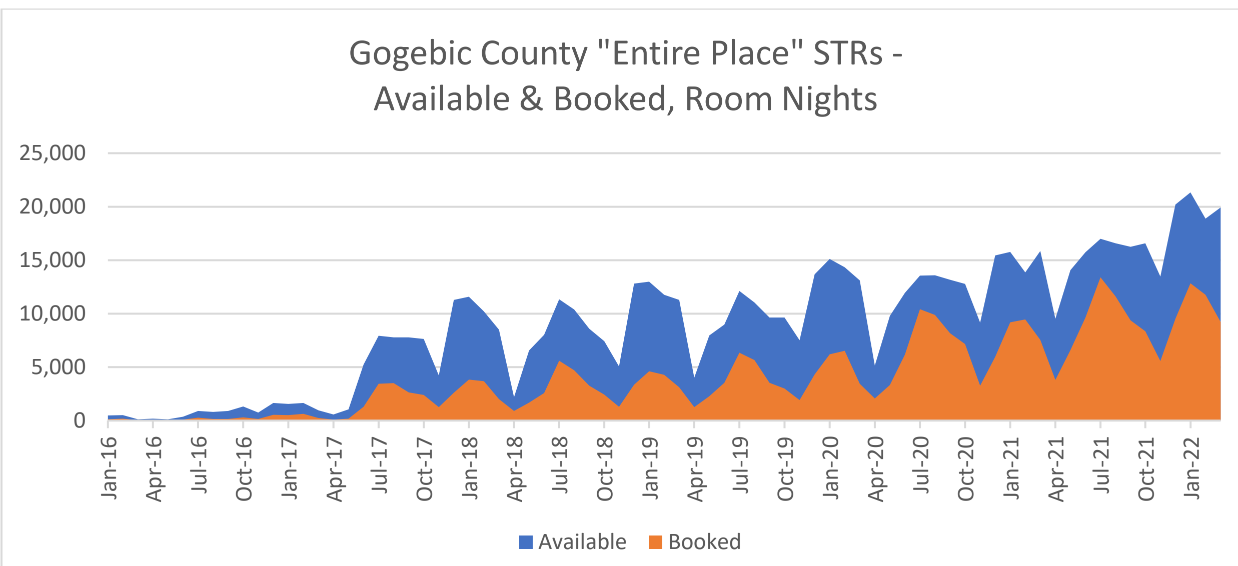
Short-Term Rentals

The chart below shows the number of "entire places" (that is, any unit listed in its entirety as opposed to individual spaces within it) that were listed and booked at least one night in each month from January 2016 through March 2022, based on data from AirDNA, which is combed from Airbnb and HomeAway listings. Available data begin in 2014. The increase in STR utilization was slow until spring 2017, after which listings increased substantially, followed by a gradual increase in year-round listings sustained until late 2021 and a jump in December 2021. Gogebic County's year-round stability of listings and peaks reached during some winter seasons, which is not the case in most other counties, probably results from a strong winter tourism base, including multiple ski resorts that have adjacent short-term rentals.

Peak-season bookings increased at about the same rate as listings, and are usually higher than 90% occupancy, but bookings have (as elsewhere in the region) been much more subject to seasonal fluctuations. There was a noticeable drop in bookings – but not listings – during pandemic travel restrictions in April 2020, but recovery was quick. Seasonal fluctuations decreased slightly beginning in fall 2021, and, like listings, rose to a high peak in December 2021.



There is much more seasonal volatility in both listings and bookings when looking at the measure of "room nights" – that is, the total number of nights available for booking in any entire place during the month. There was a gradual increase in both listings and bookings, with seasonal fluctuation, from spring 2017 until April 2020, after which the numbers accelerated. Peak occupancy rates from July 2020 to July 2021 were also higher than in previous peak seasons.



Houghton County Profile

Houghton County includes the majority of the Keweenaw Peninsula in addition to a rural southern half dominated by undeveloped forestland. It is the most highly populated county in the region and contains the core population area, comprised of the adjacent cities of Houghton and Hancock, located in the middle of the county's northern half. Houghton anchors a micropolitan statistical area comprised of Houghton and Keweenaw counties. In addition to the cities, the county contains 14 townships, 5 villages, and 8 Census designated places (CDPs).

The cities are the population center and regional commercial hub of the northwestern Upper Peninsula. Not surprisingly, given their size, diverse economies, well-utilized downtowns, and location in a picturesque valley intersected by the Lake Superior-connected Portage Waterway, the two cities draw the most significant new housing investment in the region. Housing data for each city is broken out from most of the countywide statistics in this chapter.

North of the cities, Calumet Township and its three villages are another major population core. Houghton County also serves as a southern gateway to Keweenaw County, which is a major tourism draw but has an insufficient housing stock of its own.

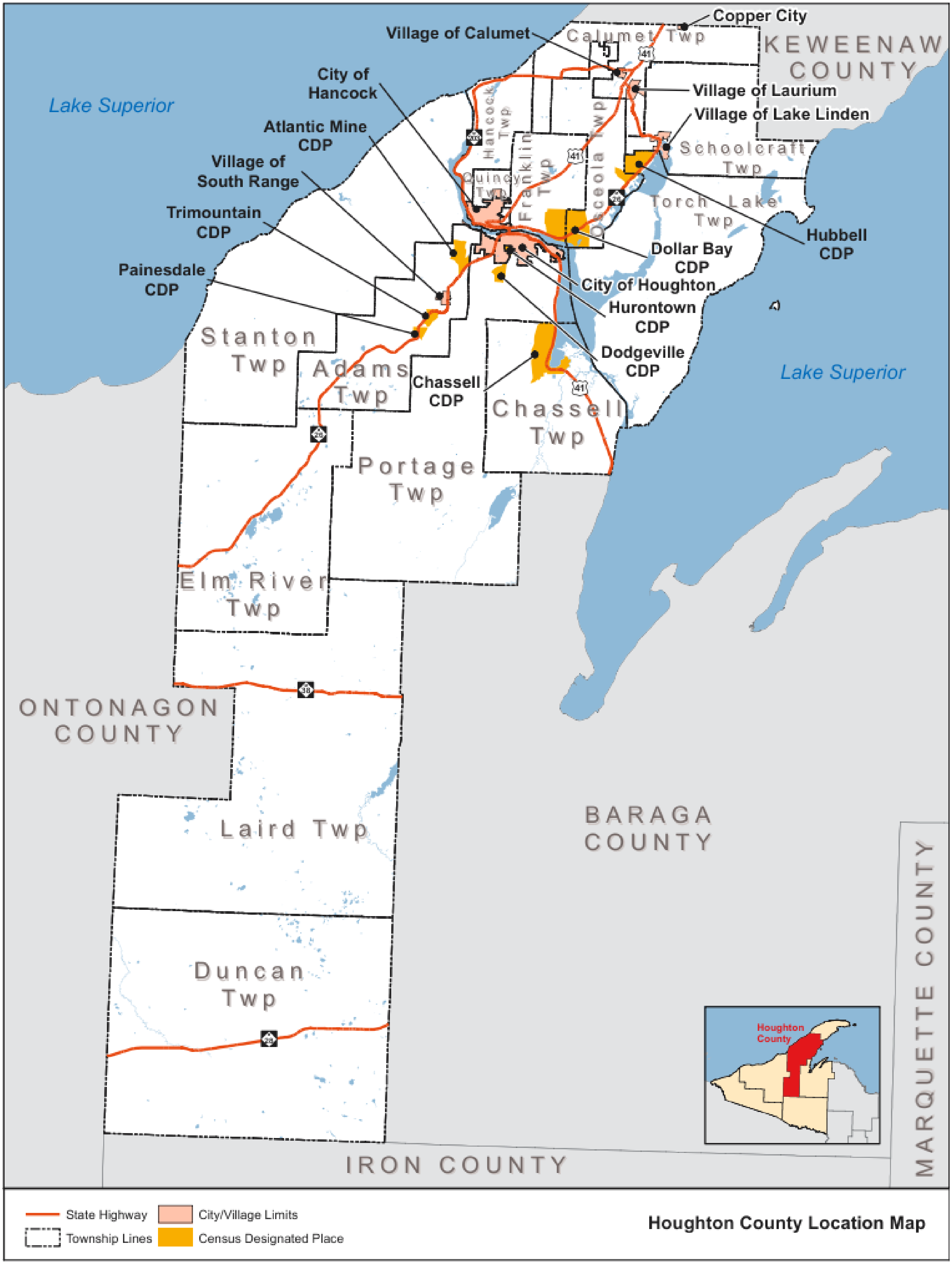
Population and Housing Basics

The 2020 total population of the county is 37,361. This is an increase of 3.7% since 2000 and 2% since 2010. Houghton County is the only county in Michigan's Upper Peninsula that grew from 2010 to 2020. Population changes from 2000 to 2020 varied dramatically among the county's townships and communities with no discernable broad pattern. However, the largest township population losses on a percentage basis were in the two townships in the southern half of the county (Duncan and Laird), which are most remote from any cities.

Population projections conducted in 2019 indicated the county's population would increase by 11.9% from 2020 to 2040[1] – the only projected increase among the region's counties. Recent Census Bureau population estimates indicate the population has indeed continued to increase since 2020.

As of 2020, 51.5% of housing units and 58.7% of Houghton County residents are located in cities, villages, and CDPs, and thus may be considered "urban." These percentage are second highest of the region's counties, likely related to population concentrations that grew around historic mine locations.

[1] Projections conducted in 2019 have not yet been adjusted for a 2020 Census baseline. Houghton County's actual 2020 population was 3% greater than the projected 2020 population.

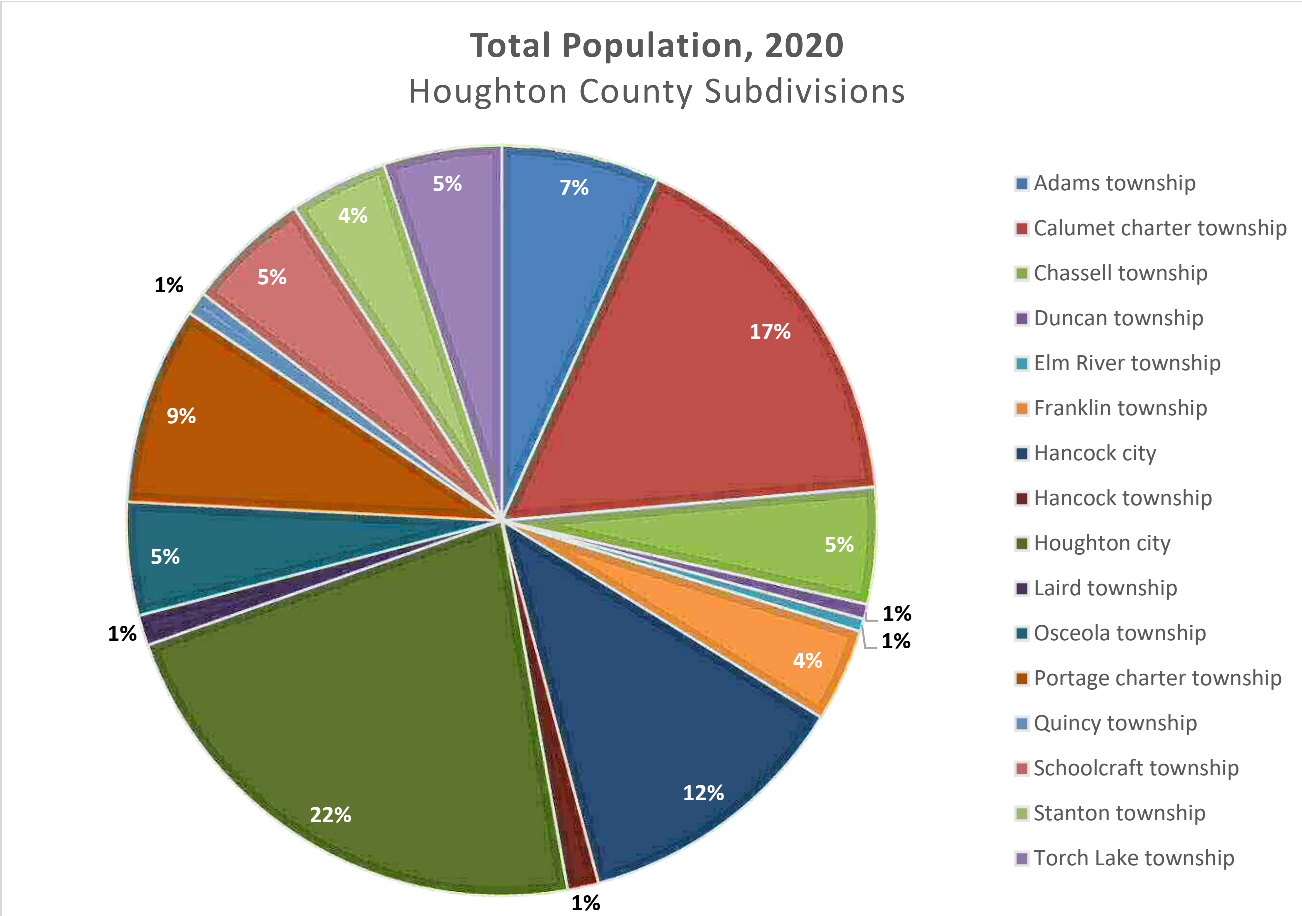


Houghton County Location Map

Houghton County Population Counts and Change
(Decennial Census)

Geography	2000	2010	2020	2000-2020 Change
Adams township	2,747	2,573	2,540	-7.5%
Calumet charter township	6,997	6,489	6,263	-10.5%
Chassell township	1,822	1,812	1,878	3.1%
Duncan township	280	236	234	-16.4%
Elm River township	169	177	204	20.7%
Franklin township	1,320	1,466	1,507	14.2%
Hancock city	4,323	4,634	4,501	4.1%
Hancock township	408	461	500	22.5%
Houghton city	7,010	7,708	8,386	19.6%
Laird township	634	555	487	-23.2%
Osceola township	1,908	1,888	1,822	-4.5%
Portage charter township	3,156	3,221	3,189	1.0%
Quincy township	251	270	375	49.4%
Schoolcraft township	1,863	1,839	1,992	6.9%
Stanton township	1,268	1,419	1,590	25.4%
Torch Lake township	1,860	1,880	1,893	1.8%
TOTAL	36,016	36,628	37,361	3.7%
Atlantic Mine CDP			565	
Calumet village	879	726	621	-29.4%
Chassell CDP			876	
Copper City village	205	190	187	-8.8%
Dodgeville CDP			391	
Dollar Bay CDP		821	1,061	29.2%*
Hubbell CDP		1,255	908	-27.6%*
Hurontown CDP			244	
Lake Linden village	1,081	1,007	1,014	-6.2%
Laurium village	2,126	1,977	1,864	-12.3%
Painesdale CDP			336	
South Range village	727	758	750	3.2%
Trimountain CDP			212	

**2010-2020 change; Dollar Bay and Hubbell were not CDPs in 2000*
Source: 2000, 2010, & 2020 Decennial Census



Housing Units & Occupancy

Houghton County had a total of 18,632 housing units according to the 2020 Census. This was practically identical to 2010. Of the 2020 total, 14,299 (76.7%) units were occupied and 4,333 (23.3%) were vacant. These percentages were also nearly the same as in 2010.

It is notable that in five townships, four of which do not contain or border any municipalities, the number of occupied housing units increased from 2010 to 2020 and the number of vacant units decreased. This is contrary to what may be expected as a result of short-term rental conversions; however, it is consistent with population increases in four of these townships and indicates that the proportion of full-time to part-time occupied housing units is increasing.

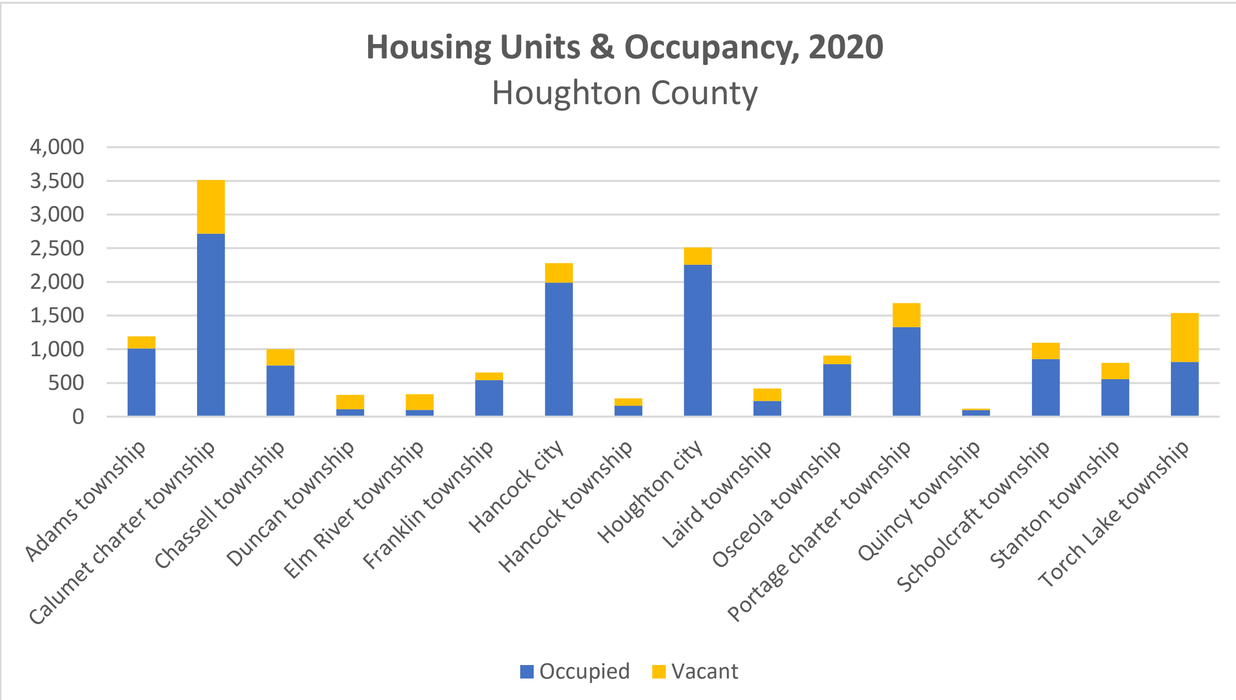
Houghton County Occupied and Vacant Housing Units, 2010 & 2020

Geography	Occupied		Vacant		Total		
	2010	2020	2010	2020	2010	2020	2010-20 % Change
Adams township	1,026	1,010	163	182	1,189	1,192	0.3%
Calumet charter township	2,721	2,715	874	800	3,595	3,515	-2.2%
Chassell township	755	760	228	243	983	1,003	2.0%
Duncan township	125	109	303	216	428	325	-24.1%
Elm River township	80	100	258	232	338	332	-1.8%
Franklin township	546	542	86	111	632	653	3.3%
Hancock city	1,882	1,988	229	289	2,111	2,277	7.9%
Hancock township	165	162	108	107	273	269	-1.5%
Houghton city	2,381	2,257	135	252	2,516	2,509	-0.3%
Laird township	244	231	201	186	445	417	-6.3%
Osceola township	764	777	157	128	921	905	-1.7%
Portage charter township	1,320	1,331	352	352	1,672	1,683	0.7%
Quincy township	112	97	16	21	128	118	-7.8%
Schoolcraft township	807	854	254	244	1,061	1,098	3.5%
Stanton township	515	555	272	243	787	798	1.4%
Torch Lake township	790	811	767	727	1,557	1,538	-1.2%
TOTAL	14,233	14,299	4,403	4,333	18,636	18,632	0.0%
	76.4%	76.7%	23.6%	23.3%			
Atlantic Mine CDP		204		31		235	
Calumet village	376	359	136	131	512	490	-4.3%
Chassell CDP		377		122		499	
Copper City village	80	85	32	28	112	113	0.9%
Dodgeville CDP		167		19		186	
Dollar Bay CDP	426	434	63	36	489	470	-3.9%
Hubbell CDP	385	409	82	76	467	485	3.9%
Hurontown CDP		101		15		116	
Lake Linden village	481	498	87	64	568	562	-1.1%
Laurium village	814	800	245	205	1,059	1,005	-5.1%
Painesdale CDP		139		33		172	
South Range village	343	324	52	51	395	375	-5.1%
Trimountain CDP		82		24		106	

Source: 2010 & 2020 Decennial Census

One of the standout points illustrated by the following chart is that Calumet Township has 40.1% more total housing units than the City of Houghton, even though the township has 25.3%

fewer residents than the city. This is explained primarily by the larger household size in the city and to a lesser extent the greater proportion of vacant housing units in the township.



The remainder of Census Bureau housing data in this chapter is from the 2016-2020 American Community Survey (ACS). This dataset is based on a random sample of the population. Even though corrections and adjustments are made to mitigate, the ACS is subject to by large margins of error, particularly in smaller communities. The ACS comes with a further caveat that, as explained in the regional profile section, *housing and household counts that underlie all of the ACS housing data vary significantly from the counts of the 2020 Census.*

Vacancy Types, Tenure, and Mobility

Vacancies

The vast majority of "vacant" housing units in the county are in the "seasonal, recreational, or occasional use" category, particularly in townships that do not have major core communities to support year-round residents. The category includes properties such as cabins/camps and second homes, as well as many properties used primarily as short-term rentals. Due largely to the predominance of these property uses, the county's percentage of vacant units is much higher than the state's, and a much smaller share of the state's vacancies are in this category. However, Houghton County has smallest percentage of this type of vacancy, and all vacancies, of the region's counties.

When ACS counts occurred, neither Hancock nor Houghton had any properties available for sale or sold and not occupied.

Vacancy Status

Type of Vacancy	% of All Units (Occ & Vac)		# Units		
	Houghton County	State	Houghton County	Hancock City	Houghton City
For rent	1.4%	1.3%	272	66	32
Rented, not occupied	0.3%	0.3%	64	22	20
For sale only	1.7%	0.8%	317	0	0
Sold, not occupied	0.0%	0.5%	6	0	0
For seasonal, recreational, or occasional use	16.0%	6.3%	3,021	35	28
Other	7.3%	4.5%	1,369	98	127
All vacant units	26.8%	13.7%	5,049	221	208

Source: 2016-2020 ACS 5-year estimates, table B25004

Housing Tenure and Mobility

Among occupied housing units in Houghton County, two-thirds are owner-occupied, compared with 71.7% statewide. The county has by far the largest percentage of renter- versus owner-occupied housing units among the region's counties.

Unlike all other Census geographies in the region with a population over 2,000, the cities of Hancock and Houghton have more renter-occupied than owner-occupied housing units. This can be attributed largely to the student populations of Michigan Tech University, Finlandia University, and a satellite campus of Gogebic Community College in the cities. In the City of Houghton, where Michigan Tech is located, renter units outnumber owner-occupied units approximately two to one, and the rental vacancy rate of 1.8 is much lower than the statewide rate. Both cities have a homeowner vacancy rate of zero.

Tenure (Owners/Renters)

Tenure	% Units		# Units		
	Houghton County	State	Houghton County	Hancock City	Houghton City
Owner-occupied	66.7%	71.7%	9,209	892	894
Renter-occupied	33.3%	28.3%	4,596	945	1,753
All occupied units			13,805	1,837	2,647
Homeowner vacancy rate		1.3%	3.3%	0.0%	0.0%
Rental vacancy rate		5.0%	5.5%	6.4%	1.8%

Source: 2016-2020 ACS 5-year estimates, table DP04

Houghton County residents have lived in their current housing units for a shorter time than in the region's other counties, and the percentage of units whose householder moved in in 2015 or later is greater than statewide. This is especially true in the City of Houghton, where more than half of housing units had a move-in 2015 or later – attributable, again, to the universities and college – versus 30.7% statewide. The percentage of units with a move-in before 1990 was approximately the same in Houghton County as statewide.

Year Householder Moved into Unit

Year	% Units		# Units		
	Houghton County	State	Houghton County	Hancock City	Houghton City
2019 or later	7.2%	4.3%	996	123	491
2015 to 2018	28.3%	26.4%	3,912	684	1,033
2010 to 2014	15.2%	19.8%	2,102	321	377
2000 to 2009	21.7%	20.7%	2,998	298	422
1990 to 1999	11.5%	13.6%	1,589	252	109
Before 1990	16.0%	15.2%	2,208	159	215
All occupied units			13,805	1,837	2,647

Source: 2016-2020 ACS 5-year estimates, table DP04

Over the course of the 2016-2020 ACS, during the most recent 12-month period, 18.2% of Houghton County residents moved residences, and 4.2% of all residents had moved from outside of Michigan. This is a larger percentage than in the rest of the region and will likely increase in the future, as much anecdotal feedback from Realtors and community leaders suggests that a much-increased number of purchasers have moved from other states, particularly metropolitan areas.

Physical Characteristics

Housing Age and Structure Type

Houghton County has a very old housing stock, with 37.6% of units located in structures built before 1940. This is highest of the region's counties and far higher than the state share of 14.6%. The age of housing structures varies considerably around the county, with the oldest housing located in former mining locations. In the City of Hancock, nearly half of housing units are in pre-1940 structures, versus only about a quarter in the City of Houghton, which became a city only in 1970 and has since seen considerably more construction activity.

Year Structure Built

	% Units		# Units		
Year	Houghton County	State	Houghton County	Hancock City	Houghton City
2010 or later	3.9%	3.0%	736	56	263
2000 to 2009	8.5%	9.9%	1,597	134	248
1980 to 1999	17.5%	23.2%	3,296	182	644
1960 to 1979	19.9%	27.2%	3,760	464	785
1940 to 1959	12.6%	22.2%	2,369	291	137
1939 or earlier	37.6%	14.6%	7,096	931	778
All housing units			18,854	2,058	2,855

Source: 2016-2020 ACS 5-year estimates, table DP04

Distribution of the number of housing units in various structure types in Houghton County is similar to statewide. The cities of Hancock and Houghton are notable exceptions, with only 57.2% and 47.4%, respectively, contained in single unit detached homes. The cities have relatively large numbers of apartments for the region. In Hancock nearly one-third of housing units are in structures with three or more units. In Houghton, these structures account for nearly half of all housing units, and 18.2% of the city's housing units are in apartment buildings with 20 or more units.

Number of Units in Structure

	% Units		# Units		
# Units in Structure	Houghton County	State	Houghton County	Hancock City	Houghton City
1, detached	73.8%	72.1%	13,914	1,177	1,352
1, attached	1.8%	4.6%	334	14	52
2 apartments	3.0%	2.3%	569	221	41
3 or 4 apartments	4.0%	2.6%	759	275	302
5 to 9 apartments	4.2%	4.1%	797	130	316
10 or more apartments	8.7%	8.8%	1,635	222	792
Mobile home or other type	4.5%	5.4%	846	19	0
All housing units			18,854	2,058	2,855

Source: 2016-2020 ACS 5-year estimates, table DP04

Some types of residential facilities, such as college- and university-owned multi-unit housing (including dormitories) and nursing homes, are considered group quarters rather than housing units. Group quarters are not considered in housing statistics of this chapter.

Bedrooms

Houghton County has a similar percentage of 2-bedroom housing units as the state but a larger share of units with fewer than two bedrooms (20.2% in county versus 10.5% in state) and smaller share of units with more than two bedrooms (51.4% in county versus 64.5% in state). The difference between the county and the state in units with more than two bedrooms is slightly smaller than in the region's other counties. Houghton County's most significant divergence is in units with zero or one bedroom in the two cities: These units account for 23.7% of all units in Hancock and about one-third in Houghton, compared with 10.5% statewide.

Number of Bedrooms in Unit

	% Units		# Units		
# Bedrooms	Houghton County	State	Houghton County	Hancock City	Houghton City
None	4.4%	1.6%	824	127	186
1	15.8%	8.9%	2,971	361	753
2	28.4%	25.1%	5,363	560	735
3	36.8%	43.9%	6,933	722	688
4 or more	14.6%	20.6%	2,763	288	493
All housing units			18,854	2,058	2,855

Source: 2016-2020 ACS 5-year estimates, table DP04

Utilities

Utilities and communication infrastructure are important elements in housing development. The county is served by two electric utilities. Public water systems serve all of the cities and villages and parts of Adams, Calumet, Chassell, Franklin, Osceola, Torch Lake, Portage, and Quincy townships. Outlying areas rely on private wells and septic systems.

Natural gas, provided by a single utility, is the primary home heating fuel for 61.3% of occupied units. This is lower than the state's 76.1%; however, utilization in the two cities is more similar to the state level. Electric heat is more prevalent in Houghton County than in the region's other counties, as it is a common heating source in apartment buildings.

Home Heating Fuel in Occupied Units

	% Units		# Units		
Fuel Type	Houghton County	State	Houghton County	Hancock City	Houghton City
Utility (natural) gas	61.3%	76.1%	8,457	1,448	1,911
Bottled/tank/LP gas	15.6%	8.4%	2,157	82	101
Electricity	10.6%	10.1%	1,461	284	555
Wood	7.6%	2.8%	1,043	15	13
Fuel oil	3.8%	1.0%	523	0	33
Other or none	1.2%	1.5%	164	8	34
Occupied units			13,805	1,837	2,647

Source: 2016-2020 ACS 5-year estimates, table DP04

Broadband internet has become a critical service for permanent residences and is prerequisite for many purchasers: If reliable, high-speed broadband is not available, many purchasers will not even consider a home purchase or rental. Internet subscription type prevalence is similar in Houghton County to statewide. Notably, the City of Hancock has more prevalent broadband such as cable, fiber optic, or DSL than statewide (72.9% versus 67.5%), and countywide this type is more prevalent than in all other counties in the region. The City of Houghton has a disproportionately large percentage of households with no internet subscription (24.2% in the city versus 15.3% in the state).

Internet Subscriptions in Households

Subscription Type	% Households		# Households		
	Houghton County	State	Houghton County	Hancock City	Houghton City
Broadband such as cable, fiber optic, DSL	63.6%	67.5%	8,774	1,340	1,687
Satellite	7.1%	6.7%	976	147	93
Dial-up with no other type	0.4%	0.3%	53	0	30
Cellular data plan with no other type	12.6%	12.3%	1,739	160	243
None	17.7%	15.3%	2,445	300	641
All households			13,805	1,837	2,647

Not all response options are mutually exclusive, so subscription type rows may not total all households.
Source: 2016-2020 ACS 5-year estimates, table S2801

Broadband service availability can be highly localized, even block by block within a community, so availability needs to be verified for any individual residence. And despite the large share of households that have a non-satellite, non-cellular broadband service, bandwidth and reliability can vary widely. In spring 2022, the State of Michigan committed to a Broadband Infrastructure Audit and Validation project which will validate and map street- and neighborhood-level wired broadband service, improving information about service availability.

There are numerous state and federal broadband funding programs in effect. Perhaps most notably, the Rural Development Opportunity Fund will provide fiber optic-to-home service in parts of the county over the next several years.

Housing Value and Affordability Factors

Houghton County has the second-highest median value of owner-occupied housing units in the region, at $113,700, but this is still much lower than the state median of $162,600. The City of Houghton is tied with Portage Township to have by far the highest median value of the region’s geographies with populations over 2,000, at $171,400; this is also higher than the state median. The cities have a much smaller share than countywide of units valued less than $50,000.

Housing Value of Owner-Occupied Units

	% Units		# Units		
Value	**Houghton County**	**State**	**Houghton County**	**Hancock City**	**Houghton City**
Less than $50,000	16.9%	6.6%	1,558	54	36
$50,000-$99,999	28.3%	11.0%	2,605	328	144
$100,000-$149,999	15.3%	12.3%	1,409	222	166
$150,000-$199,999	13.1%	13.6%	1,205	118	177
$200,000-$299,999	15.3%	20.0%	1,408	67	214
$300,000-$499,999	8.8%	20.5%	807	95	129
$500,000 or more	2.4%	16.0%	217	8	28
Owner-occupied units			9,209	892	894
Median		$162,600	$113,700	$110,500	$171,400

Value is the current market value estimated by the respondent.
Source: 2016-2020 ACS 5-year estimates, table DP04

Household Income

Houghton County's median household income of $44,839 is substantially less than the state median of $59,234. The City of Houghton's household incomes are heavily influenced by the student population: More than half of households have incomes under $25,000/year, and the median income of $21,802 is only about one-third of the state median and half of the county's.

Household Income (2020 Inflation-Adjusted Dollars)

	% Households		# Households		
Income	**Houghton County**	**State**	**Houghton County**	**Hancock City**	**Houghton City**
Under $25,000	31.2%	19.7%	4,307	587	1,463
$25,000-$49,999	23.0%	22.9%	3,177	465	384
$50,000-$74,999	17.3%	18.2%	2,390	228	265
$75,000-$99,999	10.3%	12.9%	1,421	113	107
$100,000-$149,999	11.1%	14.6%	1,539	257	259
$150,000 or more	7.0%	11.7%	971	187	169
All households			13,805	1,837	2,647
Median		$59,234	$44,839	$39,886	$21,802

Source: 2016-2020 ACS 5-year estimates, table S2503

Value to income ratio (VTI) – the ratio of housing unit value to household income – is one measure of housing affordability for homeowners. The optimum VTI is 2.5, meaning a home's purchase price would equal two and a half years of total household income. Houghton County's overall VTI (based on median income and median owner-occupied housing unit value) is 2.5, but VTI varies considerably around the county. The City of Hancock's is 2.8, but the City of Houghton's is 7.9 – an outlier within the region, owing to a combination of high housing prices and prevalence of low-income renters (median income only $16,391). Adjusting the City of Houghton's VTI to account only for owner-occupied household incomes brings it down to 2.2, close to the optimum. However, this reflects only affordability for current homeowners; not attainability of homeownership for current renters.

Housing Stock Excesses and Shortages Based on Household Income and Price Ranges

The following tables associate optimal home values and monthly contract rent (actual rental cost regardless of whether utilities are included) ranges with various household income ranges, as explained in the Regional Overview chapter of this study. The assessment reveals how well the occupied housing stock in a community fits the income ranges of residents.

It is important to understand that shortages and excesses in this analysis pertain only to the *mix* of housing value and rent price ranges among existing households; it is not intended to show a shortage or excess in the total number of housing units for residents. The number of households always equals the number of occupied housing units.

In Houghton County, similar to regionwide, there is a shortage of housing with values and rents appropriate for a $50,000-$74,999 household income (houses costing $100,000-$149,000 and rentals with monthly contract rents $1,000-$1,499). There is an excess of housing with values and rents appropriate for a $25,000-$49,999 household income. This combination suggests that many middle-income households may be living in relatively lower-value, likely lower-quality housing than they could afford.

Housing Shortage/Excess by Household Income, Houghton County

Income Range	House-holds	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Cont. Rent	#		Number	%
$0-24,999	4,307	$0-49,999	1,558	$0-499	2,107	3,665	(642)	-14.9%
$25,000-49,999	3,177	$50,000-99,999	2,605	$500-999	1,918	4,523	1346	42.4%
$50,000-$74,999	2,390	$100,000-149,999	1,409	$1,000-1,499	367	1,593	(798)	-33.4%
$75,000-99,999	1,421	$150,000-199,999	1,205			1,389	(33)	-2.3%
$100,000-149,999	1,539	$200,000-299,999	1,408	$1,500-1,999	173	1,581	42	2.7%
$150,000+	971	$300,000+	1,024	$2,000+	31	1,055	84	8.7%
Total	13,805		9,209		4,596	13,805		

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

In the City of Hancock, there is a shortage of units suitable for household incomes under $25,000, large excesses of units appropriate for incomes $25,000-$49,999 and over $75,000-$99,999, and a very large shortage (on a percentage basis) of units appropriate for incomes $100,000 and over.

Housing Shortage/Excess by Household Income, City of Hancock

Income Range	House-holds	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Cont. Rent	#		Number	%
$0-24,999	587	$0-49,999	54	$0-499	402	456	(131)	-22.3%
$25,000-49,999	465	$50,000-99,999	328	$500-999	454	782	317	68.2%
$50,000-$74,999	228	$100,000-149,999	222	$1,000-1,499	64	254	26	11.4%
$75,000-99,999	113	$150,000-199,999	118			150	37	32.7%
$100,000-149,999	257	$200,000-299,999	67	$1,500-1,999	25	92	(165)	-64.2%
$150,000+	187	$300,000+	103	$2,000+	0	103	(84)	-44.9%
Total	1,837		892		945	1,837		

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

In the City of Houghton, there is a large shortage of units appropriate for household incomes under $25,000. The numerical shortage of 792 units in this range suggests as many households are living in more expensive housing than they can comfortably afford. There are excesses for every income range higher than that, including very large excesses (on a percentage basis) of units appropriate for household incomes $25,000-$49,999 and $75,000-$99,999.

Housing Shortage/Excess by Household Income, City of Houghton

Income Range	House-holds	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Cont. Rent	#		Number	%
$0-24,999	1,463	$0-49,999	36	$0-499	635	671	(792)	-54.1%
$25,000-49,999	384	$50,000-99,999	144	$500-999	735	879	495	128.9%
$50,000-$74,999	265	$100,000-149,999	166	$1,000-1,499	210	271	6	2.3%
$75,000-99,999	107	$150,000-199,999	177			282	175	163.6%
$100,000-149,999	259	$200,000-299,999	214	$1,500-1,999	142	356	97	37.5%
$150,000+	169	$300,000+	157	$2,000+	31	188	19	11.2%
Total	2,647		894		1,753	2,647		

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

This assessment is useful to the extent that a community functions as a closed ecosystem – truest for a larger geography such as a county. In reality there is somewhat free flow between and among nearby communities that have complementary housing stocks. But this can be a disadvantage to both local governments and residents themselves, as disparities may prevent residents from staying in their preferred communities over the long term.

The cities of Houghton and Hancock function in many ways as a unified community. When their statistics for these measures are combined, shortages and excesses are moderated somewhat for middle income ranges, but there is still a stark numerical shortage of units affordable for household incomes under $25,000.

Housing Shortage/Excess by Household Income, Combined Cities of Hancock and Houghton

Income Range	House-holds	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Cont. Rent	#		Number	%
$0-24,999	2,050	$0-49,999	90	$0-499	1,037	1,127	(923)	-45.0%
$25,000-49,999	849	$50,000-99,999	472	$500-999	1,189	1,661	812	95.6%
$50,000-$74,999	493	$100,000-149,999	388	$1,000-1,499	2740	525	32	6.5%
$75,000-99,999	220	$150,000-199,999	295			432	212	96.4%
$100,000-149,999	516	$200,000-299,999	281	$1,500-1,999	167	448	(68)	-13.2%
$150,000+	356	$300,000+	260	$2,000+	31	291	(65)	-18.3%
Total	4,484		1,786		2,698	4,484		

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

Affordability for Renters

The measure of gross rent adds to contract rent the estimated costs of basic utilities and any non-utility heating fuel costs. In Houghton County, 80.8% of gross rents are under $1,000/month, compared with 62.2% in the state, and this does not include units for which rent is not paid. The median rent of $639 is highest among the region’s counties but much lower than the state’s $892.

Houghton County has a higher incidence of rent burdening than the state, with 54.3% of Houghton County renter households paying 30% or more of income on housing costs, compared with 48.5% in the state.

Monthly Gross Rent

Gross Rent Amount	% Units		# Units		
	Houghton County	State	Houghton County	Hancock City	Houghton City
None paid			297	69	19
Paid up to $499	29.9%	11.4%	1,287	222	523
$500-$999	50.9%	50.8%	2,190	521	736
$1,000-1,499	13.0%	28.1%	561	66	302
$1,500-$1,999	5.1%	6.6%	220	67	132
$2,000 or more	0.9%	3.2%	41	0	41
All renter-occupied units			4,596	945	1,753
Median		$892	$639	$630	$667

Gross Rent % of Monthly Income	% Units		# Units		
	County	State	County	Hancock City	Houghton City
Less than 20%	19.4%	27.5%	785	236	176
20-29.9%	26.2%	24.1%	1,056	217	359
30-34.9%	6.3%	8.7%	256	71	47
35% or more	48.0%	39.8%	1,936	343	954
All units computed			4,033	867	1,536

Source: 2016-2020 ACS 5-year estimates, table DP04

The U.S. Department of Housing and Urban Development (HUD) annually calculates fair market rent (FMR) for every county and metropolitan area in Michigan. FMR is set at the 40th percentile – the dollar amount below which 40% of "standard quality" rental housing units fall within the county. FMR is based on a recent ACS subjected to additional statistical manipulation, including cost of living increases. Houghton County's 2022 and 2021 FMRs for various bedroom-number units are:

HUD Fair Market Rent, Houghton County

	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
2022	$503	$612	$757	$1,075	$1,296
2021	$484	$582	$734	$993	$1,271

Affordability for Homeowners with Mortgages

Home ownership is one of the greatest goals for many Americans. Down payment and closing costs can be a major obstacle, especially in a market with rapidly rising prices. But if and after these can be achieved, home ownership is associated with lower monthly housing costs as a percentage of income than for renters. (This is due in part to the overall higher incomes of homeowners than renters, however.) Housing costs as a share of monthly income are lower for homeowners whether or not the home is subject to a mortgage. And home equity built over time presents an additional long-term financial benefit.

Selected Monthly Owner Costs (SMOC), as defined in the ACS, includes costs of mortgages and other property debt payments, hazard insurance, property taxes, basic utilities, and non-utility heating fuels. For comparison of overall housing cost burden for a household, SMOC is comparable to gross rent.

Monthly mortgagee costs are lower in Houghton County than in the state, with a median monthly cost of $1,072 compared with $1,312 respectively. However, cost burdening in the county by income percentage is roughly the same in Houghton County as in the state. Unintuitively, the percentage of mortgagee households paying 30% or more of monthly income toward housing costs is even lower in each of the two cities (19.9% and 16.9%) than countywide (20.6%).

SMOC – Housing Units with a Mortgage

SMOC Amount	% Units		# Units		
	Houghton County	State	Houghton County	Hancock City	Houghton City
Less than $500	5.6%	1.5%	252	1	6
$500 to $999	38.7%	25.3%	1,741	271	107
$1,000-$1,499	31.1%	35.2%	1,400	98	237
$1,500-$1,999	12.1%	19.9%	543	23	35
$2,000 or more	12.5%	18.1%	562	59	149
All owner-occupied units with a mortgage			4,498	452	534
Median		$1,312	$1,072	$930	$1,229

SMOC % of Monthly Income	% Units		# Units		
	Houghton County	State	Houghton County	Hancock City	Houghton City
Less than 20%	57.9%	53.4%	2,583	248	326
20-29.9%	21.5%	24.0%	961	114	91
30-34.9%	5.6%	5.9%	251	36	41
35% or more	15.0%	16.7%	669	54	44
All units computed			4,464	452	502

Source: 2016-2020 ACS 5-year estimates, table DP04

Monthly costs are even lower for homeowners who do not have a mortgage, so those statistics are not included here.

Housing Cost Burden by Income

The issue of cost burdening (paying 30 percent or more of household income toward housing costs) is more poignant when assessed by household income range. Although cost burdening is quite high among lower-income households in Houghton County, burdening for incomes $20,000-$49,999 is much lower in Houghton County than in the state for both owners and renters.

Housing-Cost Burdened Households (Paying 30%+ of Income for Housing Costs)

Household Income	Owner-Occupied		Renter-Occupied	
	Houghton County	State	Houghton County	State
Less than $20,000	71.3%	80.3%	84.6%	88.2%
$20,000-$34,999	28.7%	43.5%	40.4%	74.9%
$35,000-$49,999	12.5%	26.3%	27.1%	33.9%
$50,000-$74,999	6.1%	12.6%	11.7%	10.6%
$75,000 or more	2.9%	3.0%	0.0%	2.7%

Source: 2016-2020 ACS 5-year estimates, table B25106

ALICE

The ALICE (Asset Limited Income Constrained Employed) threshold, as presented by United Way of Northwest Michigan, estimates a household survival budget in Michigan, including housing along with childcare, food, transportation, healthcare, and technology, plus taxes and a miscellaneous contingency budget. In Michigan, as of 2019, the thresholds in Michigan were $23,400 for a single adult, $26,244 for a single senior, and $64,116 for a family of four. Houghton County's percentage of households living under these thresholds was 51% versus 38% statewide.

Age and Disability

Characteristics like age and disabilities can impact both housing needs and housing preferences. Among the region's counties, Houghton County has the smallest percentage of residents, households, and one-person households with persons aged 65 and older. Houghton County's percentages of these measures are similar to the state's. The county also has the region's smallest percentage – and smaller percentage than the state – of persons with disabilities.

According to BLMISI, the county's population age 75 and older is projected to increase to the year 2040, but ages 55 to 74 are projected to decrease, and, unlike most other counties in the region, most age ranges under 55 are expected to increase – many of them significantly. So as the county's total population grows, it will remain relatively young. Still, disability status and age-related changes in housing preferences are important considerations for future housing development. Making available senior-friendly housing will encourage upward mobility of younger residents and families through different types of housing stock.

Households, Age, and Disability

	% Households/ Persons		# Households/Persons		
	Houghton County	State	Houghton County	Hancock City	Houghton City
Noninstitutionalized civilian population with disability	11.5%	14.2%	4,078	482	430
Population age 65+	17.2%	17.2%	6,183	917	695
Households with one or more persons age 65+	31.7%	30.8%	4,381	488	561
One person age 65+ living alone	13.4%	12.3%	1,846	283	349
Households w/no persons age 65+	68.3%	69.2%	9,424	1,349	2,086
Families w/no persons age 65+	37.0%	45.9%	5,104	681	608
All households			13,805	1,837	2,647
Average household size		2.5	2.4	2.2	2.1
Median age		39.8	33.2	34.7	21.9

Source: 2016-2020 ACS 5-year estimates, tables DP05, B11007, and S1101

The Economy

Industry

The industry mix and associated workforce characteristics of an area can impact its housing needs and demands. Houghton County includes the region's two largest employers, Michigan Technological University and UP Health System Portage (the larger of two hospitals). These employers, along with the smaller Finlandia University in Hancock and Aspirus Keweenaw hospital in Laurium, are significant influences on the housing stock and needs, focusing on a younger student population along with relatively high-income faculty and staff.

Aside from healthcare and education, there is a strong and diverse presence of most industries, from hospitality and personal services to manufacturing and technology. Among the larger other employers are Calumet Electronics, which employs nearly 300 (and growing) to produce an innovative, nearly unique manufactured product. Many other employers, including manufacturers, employ a total of more than 500 in two industrial parks in the northern part of the county.

Houghton County's annual civilian labor force in 2021 was 15,678 people – a decrease of 3.5% since 2019 (prior to the pandemic). Houghton County has historically usually had the lowest unemployment rates in the region. This was the case in 2021, with an annual, not-seasonally adjusted rate of 5.0%. The 2020 rate of 7.2%, impacted more by the pandemic, was also the lowest of the region's counties.

Employment and Commuting

Most employees want to live relatively close to where they work, as this can reduce commute times and transportation monetary costs; additionally, when someone lives in the same area where s/he works, earnings can be allowed to circulate and multiply through the local economy. A smaller share of workers living in their county of employment may suggest a shortage in housing stock and vice versa.

Reflecting Houghton County's abundant job opportunities, the 2016-2020 ACS indicates that of Houghton County *residents* age 16 years and older who work, 92.3% work in the county.

Similarly, looking at people who *work* in Houghton County, according to 2019 Census OnTheMap, 77.7% of them live in Houghton County. The next-most workers, a far lower percentage of 3.5%, live in bordering Keweenaw County, followed by Marquette (3.2%) and Baraga (3.0%) counties.

According to ACS, Houghton County has the largest percentage of working residents of any Western U.P. county who walk to work, at 10.7%, which is also much higher than the state's percentage of 2.2%. The large number of walking commuters likely reflects the student population and compactness of several of the county's communities, particularly Houghton, where 36.8% walk to work. The remainder in the county mainly drive to work alone (71.2%), but 8.7% carpool. The mean travel time to work is 16.7 minutes – the lowest of the region's counties – compared with 24.6 minutes in Michigan and 26.9 minutes in the U.S. overall.

Only 7.1% of workers reported working from home, but this figure likely increased during the pandemic. A 2020 analysis by 4th Economy[2] suggested that 4,002 Houghton County workers (26.3%) had the ability to work remotely, and the median broadband internet speed/bandwidth of 30.7 Mbps download and 8.7 Mbps upload was, unlike most counties in the region, considered suitable for remote work. Along with remote workers in jobs at existing employers in the region, there is much anecdotal evidence of an increasing number of fully remote workers moving to the county while retaining or seeking jobs based in other areas.

[2] The analysis used Bureau of Labor Statistics (2017-2018) and Measurement Lab Internet Speed (2020) data.

State Economic/Community Development Designations

Listed below are local units of government that have or are eligible for various MEDC programs and designations.

- **Core Communities**: City of Houghton
- **Low- to Moderate-Income (LMI) Communities**: City of Houghton and villages of Calumet and Lake Linden
- **Redevelopment Ready Communities (RRC)** engaged units**:**
    - **City of Hancock:** Certified path
    - **City of Houghton:** Certified
    - **Village of Calumet:** Certified path
    - **Village of Lake Linden:** Essentials path
    - **Village of Laurium:** Essentials path
    - **Chassell Township:** Certified path

Houghton County Trends

Building Permits

Data on building permit issuance is the simplest, most standardized way to gauge annual construction activity. The U.S. Census Building Permits Survey is used for uniformity among the region's counties. The survey collects residential permitting data directly from county building departments. In some cases where there are gaps in reporting, imputations (estimates) are used to compensate.

The table below shows annual 2001-2020 permit data for Houghton County, with buildings categorized by the number of units in the building. During this period, a total of 1,568 buildings containing 1,814 units with a total estimated valuation (at time of permitting, not adjusted for inflation) of approximately $229 million were constructed. Though almost all of the buildings and the vast majority of the units were in one-unit construction (houses), 32 duplexes and apartment buildings were also built.[1] (Only six buildings of more than one unit were permitted in the rest of the region during this period.) In 2020, the average permit valuation of 1-unit buildings was $200,000.

The data illustrate the dramatic impact of the Great Recession beginning in 2007. The number of new buildings permitted was in triple digits every year before 2007, when it dropped to 78. The number continued to decrease until 2011, with 32 1-unit and 35 total structures permitted that year. Since then, there has been no discernible pattern. The years 2001 through 2006 account for more than half of all buildings permitted from 2001 to 2020.

The low level of multi-unit construction relies on occasional development activity by a small pool of developers, and thus there was no discernible pattern in this type of development during the entire 2001-2020 period.

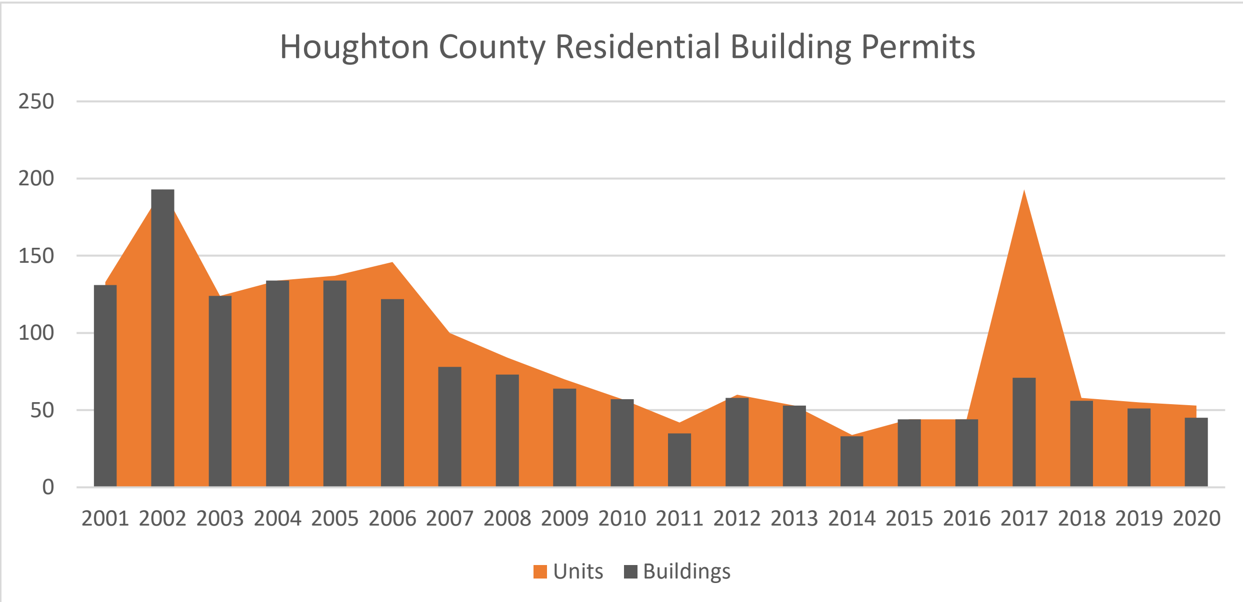
[1] Significant omissions of multi-unit construction have been identified in Houghton County's data, specifically in the City of Houghton. Thus, these data should be used primarily to understand general building trends and comparison to other counties in the region. Data were obtained directly from Houghton County for the years 2019 and 2020. 1-unit building counts were accurate for both years; however, the county's own data indicated one fewer duplex permitted in 2019 and lower total permit dollar values for both years.

Houghton County Residential Building Permits Issued, 2001-2020

Year	1 unit			2-4 units			5+ units			TOTAL		
	Bldgs	Units	Value*	Bldgs	Units	Value*	Bldgs	Units	Value*	Bldgs	Units	Value*
2001	129	129	$10,825	2	4	$133,000	0	0	$0	131	133	$10,958
2002	193	193	$20,486	0	0	$0	0	0	$0	193	193	$20,486
2003	124	124	$13,477	0	0	$0	0	0	$0	124	124	$13,477
2004	134	134	$13,479	0	0	$0	0	0	$0	134	134	$13,479
2005	131	131	$16,639	3	6	$480	0	0	$0	134	137	$17,119
2006	117	117	$18,205	4	8	$530	1	21	$2,100	122	146	$20,835
2007	76	76	$9,967	1	4	$250	1	20	$1,568	78	100	$11,785
2008	72	72	$9,954	0	0	$0	1	12	$941	73	84	$10,894
2009	62	62	$7,978	1	2	$180	1	6	$400	64	70	$8,558
2010	57	57	$8,236	0	0	$0	0	0	$0	57	57	$8,236
2011	32	32	$3,975	2	5	$320	1	5	$300	35	42	$4,595
2012	56	56	$9,236	2	4	$165	0	0	$0	58	60	$9,401
2013	53	53	$9,409	0	0	$0	0	0	$0	53	53	$9,409
2014	32	32	$6,119	1	2	$380	0	0	$0	33	34	$6,499
2015	44	44	$8,248	0	0	$0	0	0	$0	44	44	$8,248
2016	44	44	$7,267	0	0	0	0	0	$0	44	44	$7,267
2017	68	68	$11,591	0	0	0	3	125	$5,500	71	193	$17,091
2018	54	54	$11,162	2	4	$500	0	0	$0	56	58	$11,662
2019	47	47	$8,429	4	8	$1,190	0	0	$0	51	55	$9,619
2020	43	43	$8,598	1	2	$270	1	8	$600	45	53	$9,468
TOTAL	**1,568**	**1,568**	**$213,280**	**23**	**49**	**$4,398**	**9**	**197**	**$11,409**	**1,600**	**1,814**	**$229,086**

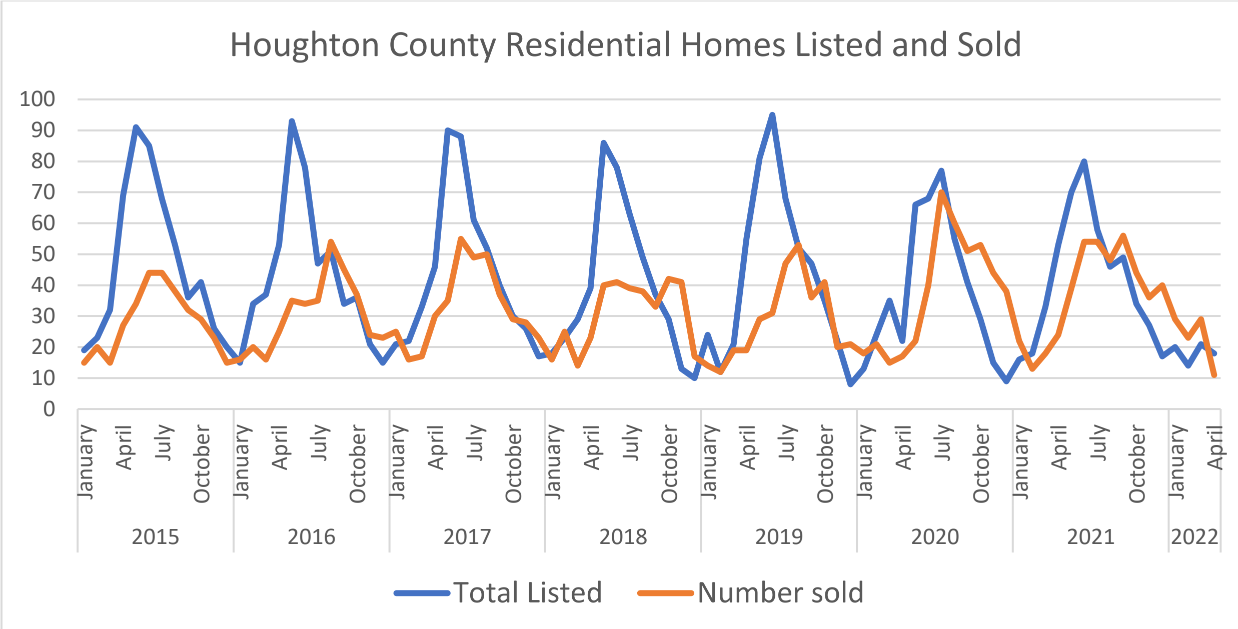
** In thousands*

The chart below illustrates the number of buildings permitted each year from 2001 to 2020 in the foreground and total of number of units in those buildings in the background. There was a major spike in units permitted in 2017, with the construction of three buildings with 5 or more units each.

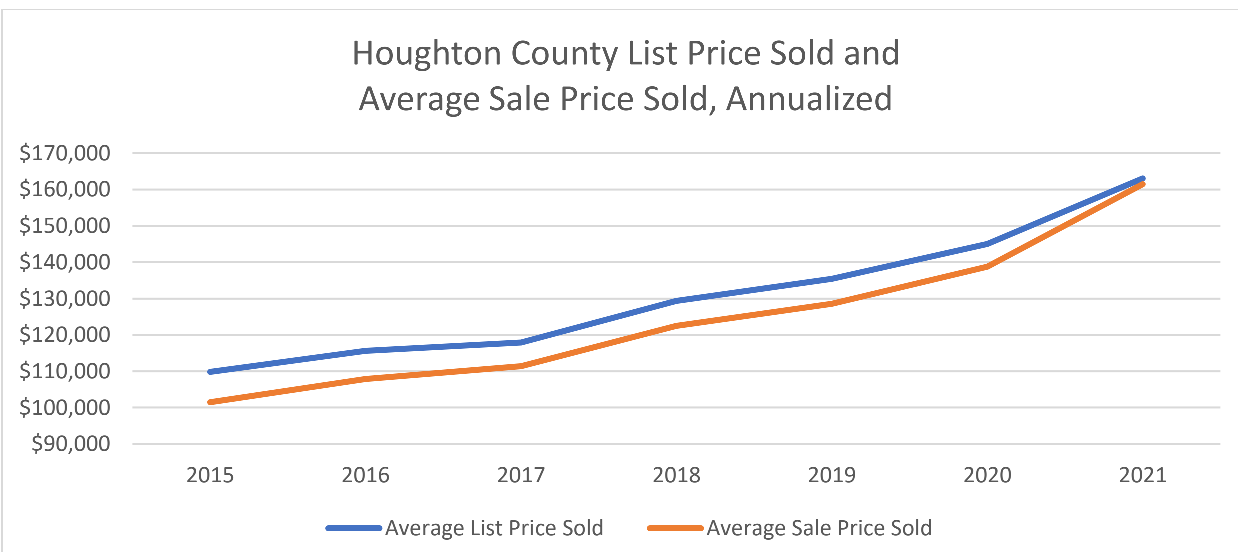


Multiple Listing Service (MLS)

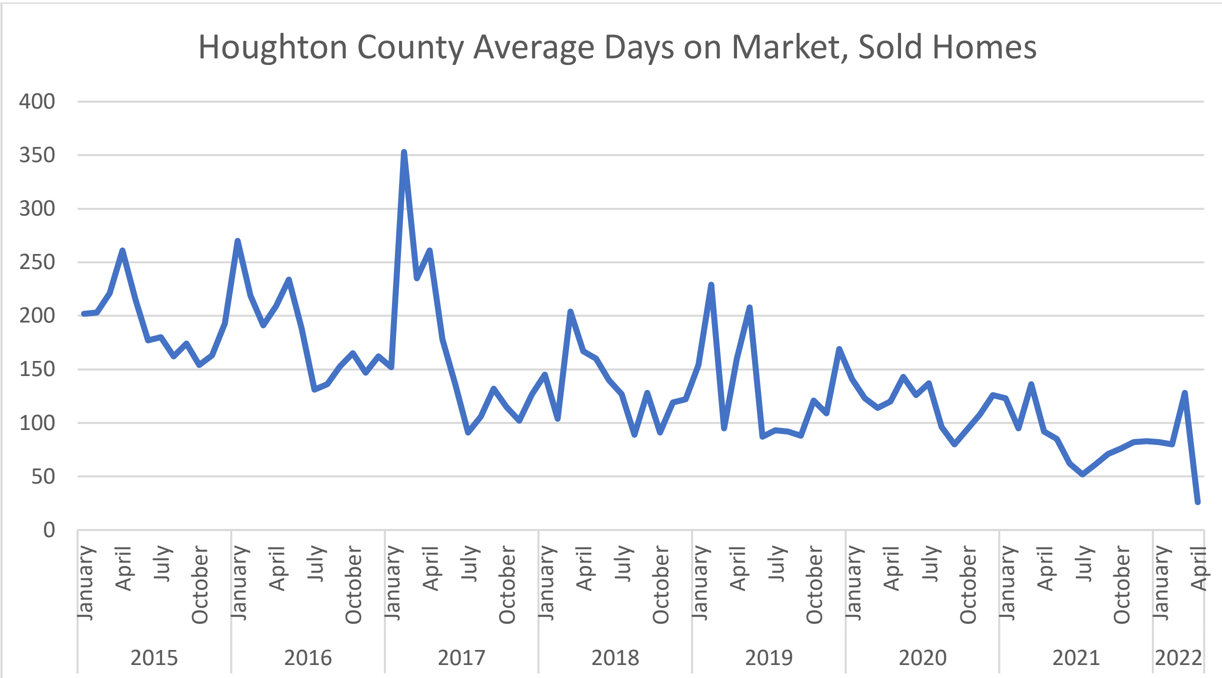
Data from the Upper Peninsula Multiple Listing Service, used by Realtors to view and track housing sales activity, is one of the most immediate and reliable sources of data feedback on the resale market. Today's market dynamics are aligned with simple supply and demand economics. The chart below shows the trend in number of homes listed and sold in Houghton County by quarter from January 2015 through April 2022. In July/summer 2020 there was a much greater peak in sales than any other month/quarter since 2015, and sales remained relatively high through 2021. The height of sales during this period was in October 2020. Peak-season listings also dropped considerably from summer 2019 to summer 2020, and listings at the 2020 and 2021 peaks were less than at all previous peaks back to 2015. The convergence in number of sales versus number of listings was greater in Houghton County than in the region overall.



The chart below illustrates the magnitude of increase in both sale and list prices since 2015. In 2015 the average list and sale prices were $109,821 and $101,466 respectively – price points that buyers in the county had generally been comfortable with and accustomed to. Prices increased gradually until 2017, more quickly until 2020, and rapidly from 2020 to 2021. The gap between list and sale prices was static from 2017 to 2020 but narrowed greatly by 2021, when list and sale prices were $163,062 and $161,478 respectively. Increases in list and sale prices were, respectively, 48.5% and 59.1% from 2015 to 2021, and 12.5% and 16.4% from 2020 to 2021.



Another indicator of the highly competitive housing market is the number of days a home is on the market within the county. MLS calculates this from the day the home is entered into MLS until the deed to the property is transferred from seller to buyer. This measure has fallen steadily since 2015 (outside of a large spike in February 2016) but has become more significant since the start of the pandemic as the number of days on market approaches zero. A recent low of 52 days in July 2021 was shattered by the near-current low of just 26 days in April 2022. This is exceptional considering that in 2015, April was the *peak* month of days on market, standing at 261. Thus, there has been a 90% decrease in year-over-year days on market for the month of April since 2015.



Projection

In Houghton County a relatively simple projection of the number of new housing units needed over time can be conducted, since, unlike the region's other counties, Houghton County's population is growing. The projection is based upon the current number and ratio of owner-occupied to renter-occupied housing units, household size, and projected population. It is estimated that a total number of 1,238 units for homeowner occupancy and 613 units for renters will be needed based merely on population and household growth. The need will fluctuate among five-year periods, with the greatest amount of construction needed from 2025 through 2040.

Population projections are only available on a countywide level; however, since growth of the City of Houghton was greater than in Houghton County overall from 2010 to 2020 (8.8% versus 2.0%), the city's rate of new housing need will be higher than that of the county overall.

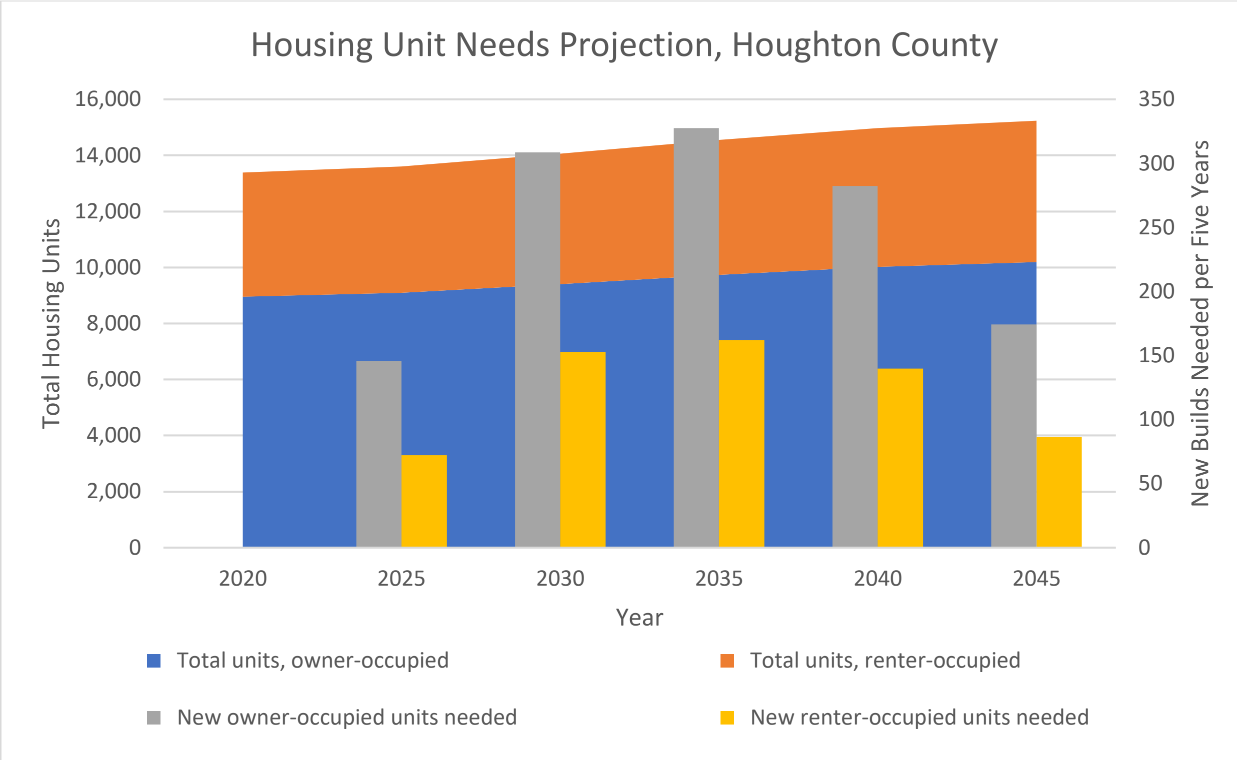
Housing projections should be continually revised as Census data are updated. The current 2020-2045 projections are based on 2019 population estimates for 2020 and have not been adjusted based on the 2020 Decennial Census. The actual 2020 county population of 37,361 was 3% greater than the 2020 estimated population used for the projections. The projected amount of new construction needed will thus vary depending on how population projections from 2025 through 2045 are adjusted.

Houghton County Housing New Construction Needs Projection, 2020-2045

	2020	2025	2030	2035	2040	2045	TOTAL
Total population	36,230	36,820	38,069	39,394	40,536	41,241	
% increase		1.63%	3.39%	3.48%	2.90%	1.74%	
HH population	33,465	34,010	35,164	36,388	37,442	38,094	
Constant average household size	2.50	2.50	2.50	2.50	2.50	2.50	
Occupied housing units/demand	13,386	13,604	14,065	14,555	14,977	15,237	
Owner-occupied (@ 66.9%)	8,954	9,100	9,408	9,736	10,018	10,192	
Renter-occupied (@ 33.1%)	4,432	4,504	4,657	4,819	4,959	5,045	
Cumulative need during period		218	461	490	422	260	**1,851**
Owner		146	309	327	282	174	1,238
Rental		72	153	162	140	86	613
Average annual construction		44	92	98	84	52	
Owner		29	62	65	56	35	
Rental		14	31	32	28	17	

Sources: Michigan Population Projections by County Through 2045, State of Michigan, September 2019; ACS 2015-2019 ACS 5-year estimates (used instead of 2016-2020 to align with 2019 population projection baseline)

The projection chart below corresponds to the table above. The left y-axis corresponds to the background area chart and indicates the total number of owner- and renter-occupied housing units in the county, whereas the right y-axis and foreground bar chart indicates the projected number of new-unit construction needs over each five-year period (x-axis). There is a projected need for more than 300 new owner-occupied units and half as many renter-occupied units during each period 2025-2030 and 2030-2025. The average need, based on exact projections, is 64 owner-occupied and half as many renter-occupied units per year.



There are many caveats associated with these projections. They are based on:

- Constant household size, which is subject to change, perhaps considerably
- Constant ratio of owner-occupied to renter-occupied units
- Population projections, which will not necessarily reflect future population; indeed, the projected 2020 population is considerably lower than the actual Census count

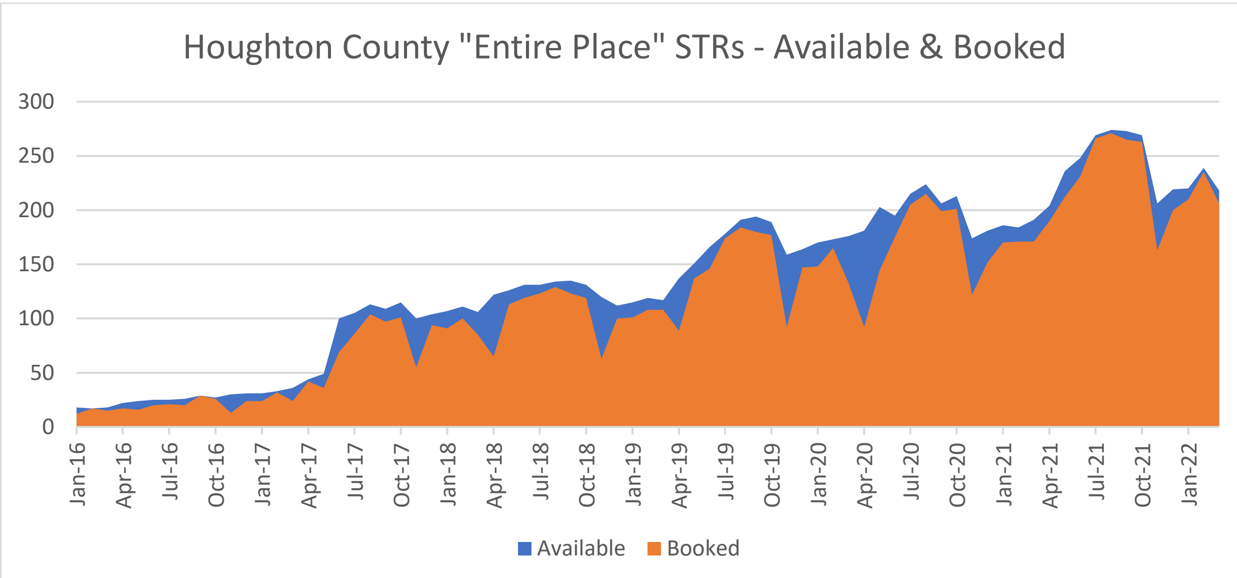
In addition:

- It does not account for household mobility within the existing housing stock
- It does not include replacements needed due to demolitions, disaster damage, obsolescence (a significant factor given the age of the housing stock), or for other reasons.
- It assumes the number of households will grow at the same rate as the total population.

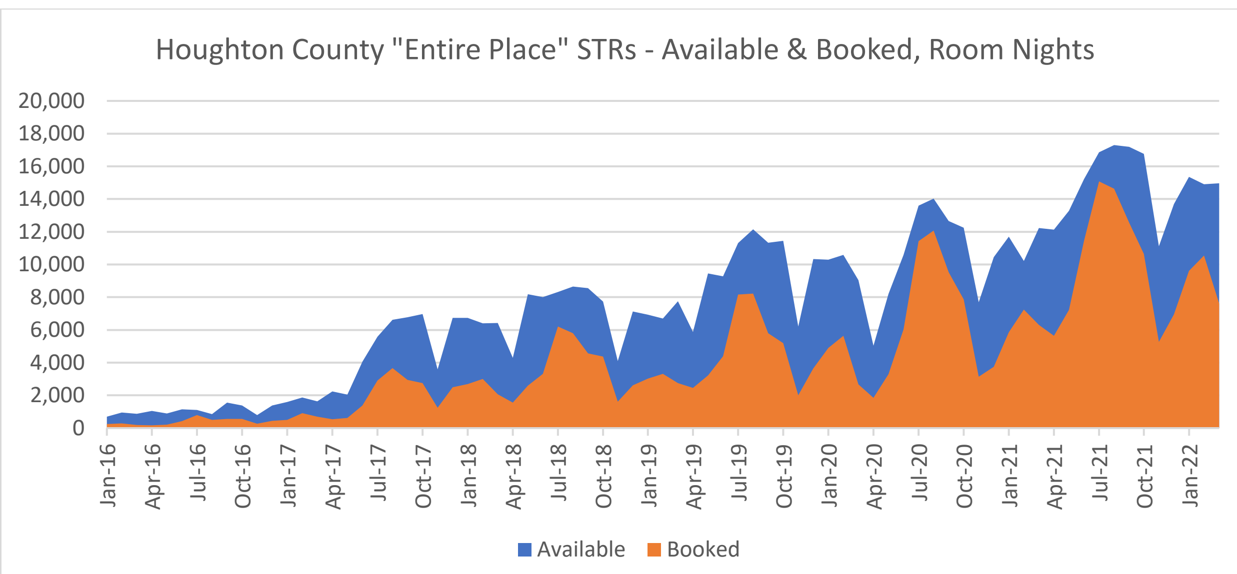
Still, the projection serves as a general illustration of the general trend and magnitude of need, based on a ballpark owner/renter split, and it provides a basis for further analysis.

Short-Term Rentals

The chart below shows the number of "entire places" (that is, any unit listed in its entirety as opposed to individual spaces within it) that were listed and booked at least one night in each month from January 2016 through March 2022, based on data from AirDNA, which is combed from Airbnb and HomeAway listings. Available data begin in 2014, and the increase was slow from then until 2016, after which listings rapidly accelerated. During the peak months of July and August, the proportion of these bookings to listings was extremely high in 2019 (97%), 2020 (96%), and 2021 (99%), even as the number of listings increased. Winter and shoulder season listings have also increased. In January and February 2022 the proportion of booked to listed properties reached usual summer levels, at 97%. As in the region overall, the number and proportion of "shoulder season" (spring and fall) listings and proportion of bookings to listings also dramatically increased beginning in fall 2020.



The picture is less dramatic with regard to "room nights" – that is, the total number of nights available for booking in any entire place during the month – but still shows a large increase since 2016. Occupancy in room nights was 85% in July-August 2020 and 87% in July-August 2021.



Iron County Profile

Iron County is at the southeastern corner of the region. It contains 7 townships, four cities, one village, and one Census designated place (CDP). Iron is the third-largest county in Michigan and has the second-smallest population; thus, residents are greatly dispersed over many small communities (often formed around former active mine locations) and outlying areas of townships.

Population and Housing Basics

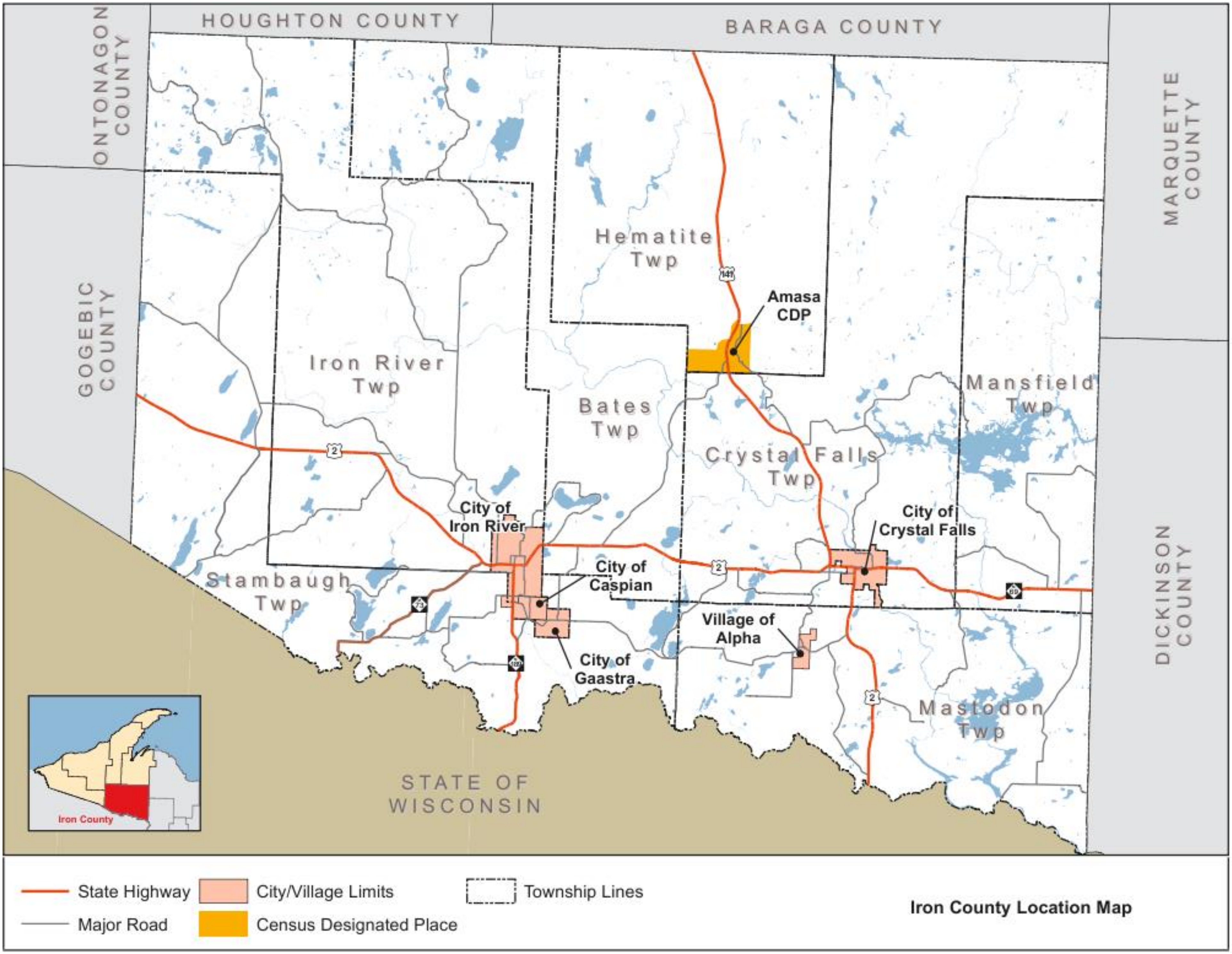
The 2020 total population of the county is 11,631 – a decrease of 11.5% since 2000 and about one-third since 1960. Every Census geography in the county that existed in 2000 decreased in population from 2000 to 2020. Amasa CDP lost 42% of its population from 2010 (when it was established) to 2020. Population projections conducted in 2019 indicated the county's population would drop by 5.4% from 2020 to 2040[1]. This is the lowest percentage decrease of the region's counties.

Iron County Population Counts and Change (Decennial Census)

Geography	2000	2010	2020	2000-2020 Change
Bates Township	1,021	921	925	-9.4%
Caspian City	997	906	805	-19.3%
Crystal Falls City	1,791	1,469	1,598	-10.8%
Crystal Falls Township	1,722	1,743	1,647	-4.4%
Gaastra City	339	347	316	-6.8%
Hematite Township	352	338	269	-23.6%
Iron River City	3,386	3,029	3,007	-11.2%
Iron River Township	1,585	1,027	1,052	-33.6%
Mansfield Township	243	241	236	-2.9%
Mastodon Township	668	656	576	-13.8%
Stambaugh Township	1,248	1,140	1,200	-3.8%
TOTAL	13,138	11,817	11,631	-11.5%
Alpha Village	198	145	126	-36.4%
Amasa CDP		336	195	-42.0%

**2010-2020 change; Amasa was not a CDP in 2000*
Source: 2000, 2010, & 2020 Decennial Census

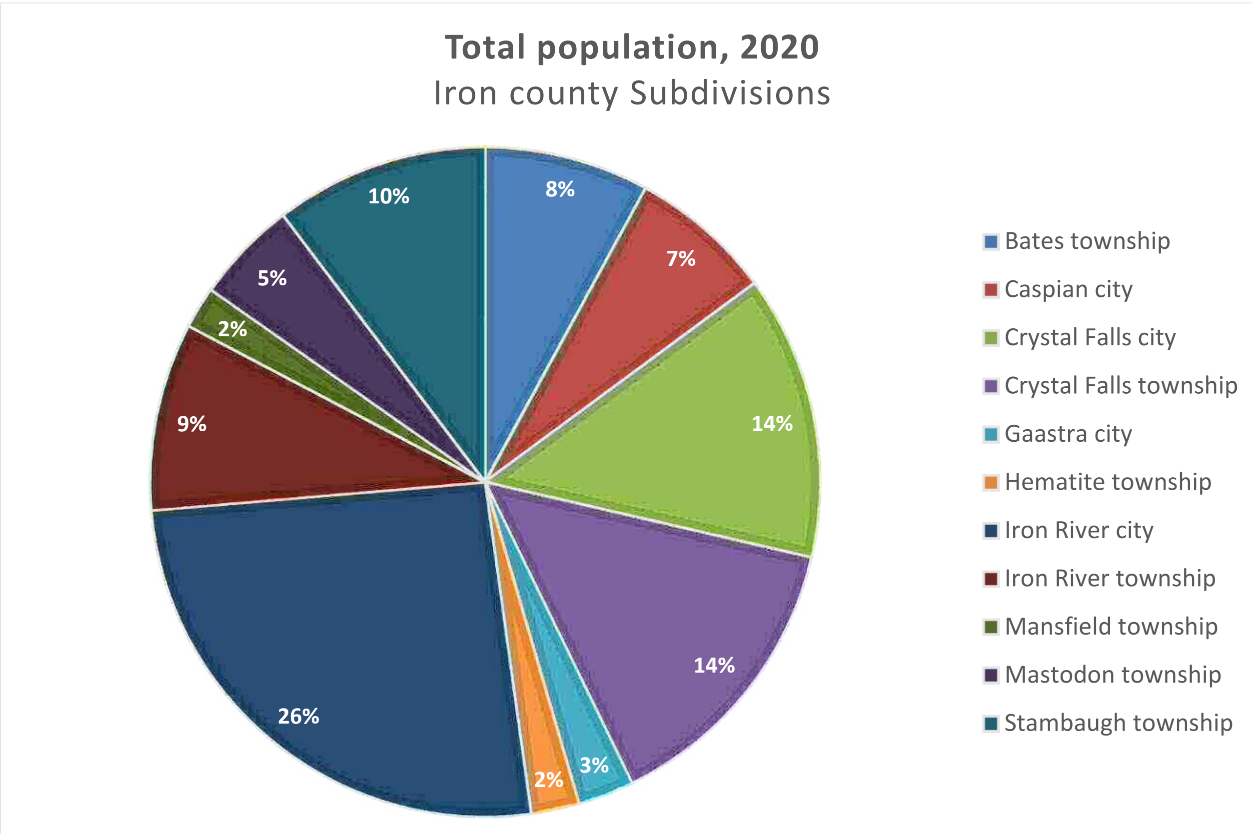
[1] Projections conducted in 2019 have not yet been adjusted for a 2020 Census baseline. The county's actual 2020 population was 6.5% greater than the 2020 population estimated in 2019, and this could greatly reduce the accuracy of the projection.



Iron County Location Map

The City of Iron River was consolidated in 2000 to incorporate the City of Stambaugh and Village of Mineral Hills. The population of those two municipalities was 1,481 in 1990.

As of 2020, 40.7% of housing units (lowest of the region's counties) and 52% of residents are located in the cities, CDP, and village, and thus may be considered "urban," with the remainder located in outlying areas of townships.



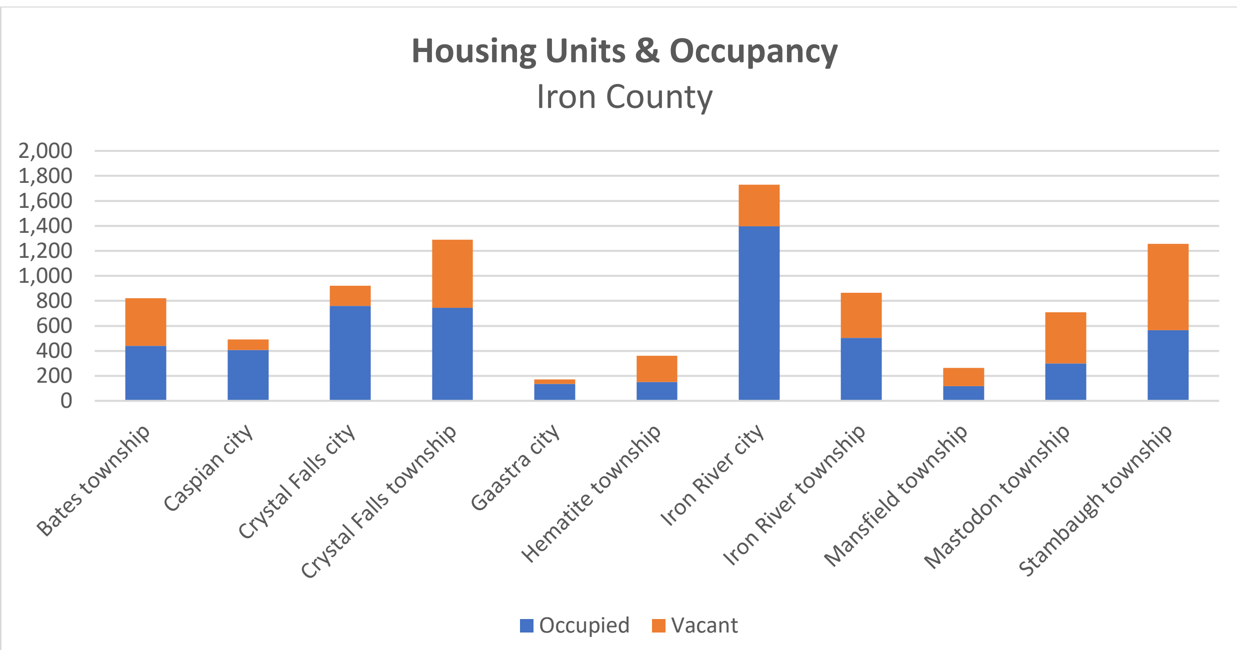
Housing Units & Occupancy

Iron County had a total of 8,878 housing units according to the 2020 Census. This was a decrease of 3.5% since 2010. Of the 2020 total, 5,521 (62.2%) units were occupied and 3,357 (37.8%) vacant. The proportion of occupied to vacant units was slightly higher in 2020 than in 2010. The City of Iron River has by far the most housing units of the county's Census geographies.

Iron County Occupied and Vacant Housing Units, 2010 & 2020

Geography	Occupied		Vacant		Total		
	2010	2020	2010	2020	2010	2020	2010-2020 % Change
Bates Township	434	440	414	382	848	822	-3.1%
Caspian City	430	408	97	83	527	491	-6.8%
Crystal Falls City	700	759	193	161	893	920	3.0%
Crystal Falls Township	775	744	541	546	1,316	1,290	-2.0%
Gaastra City	151	135	28	36	179	171	-4.5%
Hematite Township	170	150	207	210	377	360	-4.5%
Iron River City	1,446	1,397	324	333	1,770	1,730	-2.3%
Iron River Township	487	505	431	360	918	865	-5.8%
Mansfield Township	122	118	145	145	267	263	-1.5%
Mastodon Township	337	299	442	411	779	710	-8.9%
Stambaugh Township	525	566	798	690	1,323	1,256	-5.1%
TOTAL	5,577	5,521	3,620	3,357	9,197	8,878	-3.5%
	60.6%	62.2%	39.4%	37.8%			
Alpha Village	85	56	37	63	122	119	-2.5%
Amasa CDP	142	112	53	68	195	180	-7.7%

Source: 2010 & 2020 Decennial Census



The remainder of Census Bureau housing data in this chapter is from the 2016-2020 American Community Survey (ACS). This dataset is based on a random sample of the population. Even though corrections and adjustments are made to mitigate, the ACS is subject to by large margins of error, particularly in smaller communities. In order to limit margins of error, the City of Iron River is the only community within Iron County that is separated out from countywide data. The ACS comes with a further caveat that, as explained in the regional profile section, *housing and household counts that underlie all of the ACS housing data vary from the counts of the 2020 Census.*

Vacancy Types, Tenure, and Mobility

Vacancies

The vast majority of "vacant" housing units in the county are in the "seasonal, recreational, or occasional use" category, which includes properties such as cabins/camps and second homes, as well as many properties used primarily as short-term rentals. Due largely to the predominance of these property uses, the county's percentage of vacant units is much higher than the state's, and a much smaller share of the state's vacancies are in this category.

Vacancy Status

Type of Vacancy	% of All Units (Occ & Vac)		# Units	
	Iron County	State	Iron County	Iron River City
For rent	0.7%	1.3%	64	0
Rented, not occupied	0.4%	0.3%	34	26
For sale only	1.1%	0.8%	107	63
Sold, not occupied	0.1%	0.5%	5	0
For seasonal, recreational, or occasional use	36.1%	6.3%	3,369	169
Other	6.6%	4.5%	612	204
All vacant units	44.9%	13.7%	4,191	462

Source: 2016-2020 ACS 5-year estimates, table B25004

Housing Tenure and Mobility

Among occupied housing units in the county, 82.6% are owner-occupied and 17.4% are renter-occupied. The owner-occupied share is 71.7% in Michigan and 64.4% in the U.S.

The homeowner vacancy rate in Iron County is 2.4%; the renter vacancy rate is 6.5%.

Tenure (Owners/Renters)

	% Units		# Units	
Tenure	**Iron County**	**State**	**Iron County**	**Iron River City**
Owner-occupied	82.6%	71.7%	4,256	824
Renter-occupied	17.4%	28.3%	894	472
All occupied units			5,150	1,296
Homeowner vacancy rate		1.3%	2.4%	7.1%
Rental vacancy rate		5.0%	6.5%	0.0%

Source: 2016-2020 ACS 5-year estimates, table DP04

Iron County residents have lived in their current housing units for a relatively long time. Only 1.5% moved into their current residences in 2019 or later, compared with 4.3% in Michigan and 4.8% in the U.S. Conversely, 40% of Iron County residents have lived in their current units since before 2000, compared with 28.8% in Michigan and 24.6% in the U.S.

Year Householder Moved into Unit

	% Units		# Units	
Year	**Iron County**	**State**	**Iron County**	**Iron River City**
2019 or later	1.5%	4.3%	76	14
2015 to 2018	17.9%	26.4%	924	366
2010 to 2014	18.1%	19.8%	930	197
2000 to 2009	22.4%	20.7%	1,156	238
1990 to 1999	14.1%	13.6%	728	180
Before 1990	25.9%	15.2%	1,336	301
All occupied units			5,150	1,296

Source: 2016-2020 ACS 5-year estimates, table DP04

Over the course of the 2016-2020 ACS (table S0701), during the most recent 12-month period, 7.4% of Iron County residents moved residences, and 2.4% of all residents moved from a different state. Future ACS datasets may show an increase in the latter, as much anecdotal feedback from Realtors and community leaders suggests that a much-increased number of purchasers have moved from other states, particularly metropolitan areas. Furthermore, a 2021 study by Michigan Technological University found that Iron County had the greatest net inflow of any Upper Peninsula county in the year-long period ending August 2021, whereas net flow had been negative over the three prior years.[2]

[2] Pandemic Migration in Michigan's Upper Peninsula: Report for InvestUP (November 2021) – accessible at https://www.mtu.edu/social-sciences/research/publications/reports/full-report-up-pandemic-migration.pdf

Physical Characteristics

Housing Age and Structure Type

Iron County has a relatively old housing stock, associated somewhat with the iron mining era that ended in the mid-1900s in addition to relatively little construction activity in recent decades. The county's 28.6% share of occupied units built in 1939 or earlier is much greater than that of the state (14.6%) and U.S. (12.4%) but slightly lower than the region's overall (35%). The City of Iron River's percentage of this age is much older than the county's, at 42.5%.

Year Structure Built

	% Units		# Units	
Year	Iron County	State	Iron County	Iron River City
2010 or later	1.6%	3.0%	149	0
2000 to 2009	5.6%	9.9%	521	21
1980 to 1999	22.4%	23.2%	2,088	199
1960 to 1979	22.0%	27.2%	2,048	329
1940 to 1959	20.0%	22.2%	1,862	462
1939 or earlier	28.6%	14.6%	2,673	747
All housing units			9,341	1,758

Source: 2016-2020 ACS 5-year estimates, table DP04

Single-family detached homes are the predominant structure unit-size in Iron County, making up 87.1% of units. This is considerably greater than the state (72.1%) and U.S. (61.7%) shares but typical of the region. Attached single-family homes, which are one type promoted as "missing middle" housing, only comprise 0.5% of the county's housing units.

Number of Units in Structure

	% Units		# Units	
# Units in Structure	Iron County	State	Iron County	Iron River City
1, detached	87.1%	72.1%	8,133	1,354
1, attached	0.5%	4.6%	43	5
2 apartments	2.5%	2.3%	232	125
3 or 4 apartments	0.4%	2.6%	34	10
5 to 9 apartments	0.9%	4.1%	84	22
10 or more apartments	3.5%	8.8%	325	193
Mobile home or other type	5.2%	5.4%	490	49
All housing units			9,341	1,758

Source: 2016-2020 ACS 5-year estimates, table DP04

Some types of residential facilities, such as nursing homes, are considered group quarters rather than housing units. Group quarters are not considered in housing statistics of this chapter.

Bedrooms

Iron County has a larger percentage than the state of units with two or fewer bedrooms (52.5% versus 35.5%). Only 47.5% of units in the county have three or more bedrooms, compared with 64.5% in the state.

Number of Bedrooms in Unit

	% Units		# Units	
# Bedrooms	Iron County	State	Iron County	Iron River City
None	3.7%	1.6%	342	36
1	14.8%	8.9%	1,383	210
2	34.0%	25.1%	3,178	581
3	36.1%	43.9%	3,375	704
4 or more	11.4%	20.6%	1,063	227
All housing units			9,341	1,758

Source: 2016-2020 ACS 5-year estimates, table DP04

Utilities

Public utilities and other infrastructure are important elements in housing development. The county is served by two electric utilities in addition to a municipal utility for the City of Crystal Falls. Public water systems serve the vast majority of the county's population in all of the cities, the Village of Alpha, and parts of Bates, Crystal Falls, Hematite, Iron River, and Stambaugh townships. Outlying areas rely on private wells.

Natural gas, provided two utilities, is the primary home heating fuel for about half of households in the county versus the state's 76.1%. The second-most households in the county (28.8%) use on-site LP gas as the primary fuel, and most of the remainder (12.4%) use wood.

Home Heating Fuel in Occupied Units

	% Units		# Units	
Fuel Type	Iron County	State	Iron County	Iron River City
Utility (natural) gas	51.1%	76.1%	2,632	1,124
Bottled/tank/LP gas	28.8%	8.4%	1,483	30
Electricity	5.2%	10.1%	267	104
Wood	12.4%	2.8%	641	29
Fuel oil	2.1%	1.0%	106	0
Other or none	0.4%	1.5%	21	9
Occupied units			5,150	1,296

Source: 2016-2020 ACS 5-year estimates, table DP04

Broadband internet has become a critical service for permanent residences and is prerequisite for many purchasers: If reliable, high-speed broadband is not available, many purchasers will not even consider a home purchase or rental. In Iron County, only 46% of households have subscriptions to broadband services such as cable, fiber optic, and digital subscriber line (DSL) (versus 67.5% in the state); 14.8% rely on only a cellular data plan; and 27.4% of households have no internet subscription (versus 15.3% in the state). Iron County has the second-lowest subscribership to traditional broadband services such as Iron River Cable and AT&T in the region and the highest percentage of households with no internet subscription.

The traditional satellite service that serves 11% of the county's households is insufficient for many high-speed uses, but the burgeoning Starlink low-earth-orbit satellite service is a vast improvement and will fill gaps in availability as it becomes more widespread. Parts of Iron County had relatively early access to high-speed fiber optic broadband for commercial customers (mainly around Crystal Falls) and also includes some concentrated areas where residential fiber optic service will be provided through Rural Digital Opportunity Fund subsidies.

Internet Subscriptions in Households

Subscription Type	% Households		# Households	
	Iron County	State	Iron County	Iron River City
Broadband such as cable, fiber optic, DSL	46.0%	67.5%	2,369	671
Satellite	11.0%	6.7%	568	17
Dial-up with no other type	0.8%	0.3%	41	0
Cellular data plan with no other type	14.8%	12.3%	761	170
None	27.4%	15.3%	1,411	418
All households			5,150	1,296

Not all response options are mutually exclusive, so subscription type rows may not total all households.
Source: 2016-2020 ACS 5-year estimates, table S2801

Broadband services can be highly localized, even block by block within a community, so availability needs to be verified for any individual residence. And despite the large share of households that have a non-satellite, non-cellular broadband service, bandwidth and reliability can vary widely.

Housing Value and Affordability Factors

Iron County has one of the lower median values of owner-occupied housing units in the region, at $79,500 – less than half of the state median of $162,600. The City of Iron River's median of $53,100 is much lower even than the county's, with 88.7% of units valued under $100,000.

Housing Value of Owner-Occupied Units

	% Units		# Units	
Value	**Iron County**	**State**	**Iron County**	**Iron River City**
Less than $50,000	27.2%	6.6%	1,159	378
$50,000-$99,999	30.9%	11.0%	1,317	353
$100,000-$149,999	12.4%	12.3%	528	67
$150,000-$199,999	11.6%	13.6%	493	26
$200,000-$299,999	9.9%	20.0%	422	0
$300,000-$499,999	5.6%	20.5%	238	0
$500,000 or more	2.3%	16.0%	99	0
Owner-occupied units			4,256	824
Median		$162,600	$79,500	$53,100

Value is the current market value estimated by the respondent.
Source: 2016-2020 ACS 5-year estimates, table DP04

Household Income

Household incomes in Iron County are relatively low: The countywide median household income of $44,183 compares to a state median of $59,234. Just 11.4% of the county's households have incomes $100,000 or more, compared with 26.3% in the state. The city's median income is lower than the county's, at $37,452.

Household Income (2020 Inflation-Adjusted Dollars)

	% Households		# Households	
Income	**Iron County**	**State**	**Iron County**	**Iron River City**
Under $25,000	27.7%	19.7%	1,427	357
$25,000-$49,999	26.1%	22.9%	1,344	408
$50,000-$74,999	20.6%	18.2%	1,059	240
$75,000-$99,999	14.2%	12.9%	733	161
$100,000-$149,999	7.7%	14.6%	399	102
$150,000 or more	3.7%	11.7%	188	28
All households			5,150	1,296
Median		$59,234	$44,183	$37,452

Source: 2016-2020 ACS 5-year estimates, table S2503

Value to income ratio (VTI) – the ratio of housing unit value to household income – Is one measure of housing affordability for homeowners. The optimum VTI is generally considered to be 2.5, meaning a home's purchase price would equal two and a half years of total household income. Iron County's overall VTI (based on median income and median owner-occupied housing unit value) of 1.8 is quite low and the City of Iron River's of 1.4 is extremely low, reflecting long-term disinvestment.

Housing Stock Excesses and Shortages Based on Household Income and Price Ranges

The following tables associate optimal home values and monthly contract rent (actual rental cost regardless of whether utilities are included) ranges with various household income ranges, as explained in the Regional Overview section of this study. The assessment reveals how well the occupied housing stock in a community fits the income ranges of residents.

It is important to understand that shortages and excesses in this analysis pertain only to the *mix* of housing value and rent price ranges among existing households; it is not intended to show a shortage or excess in the total number of housing units for residents. The number of households always equals the number of occupied housing units.

In Iron County, similar to regionwide, there is a major shortage of housing with values and rents appropriate for a $50,000-$99,999 household income (houses costing $100,000-$199,000 and rentals with monthly contract rents $1,000-$1,499). There is a large excess of owner-occupied units appropriate for household incomes over $150,000. However, prices vary widely within the county, with very little high-value housing located in the municipalities and most high-value housing located in townships, much of it on lakefronts.

Housing Shortage/Excess by Household Income, Iron County

Income Range	House-holds	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Cont. Rent	#		Number	%
$0-24,999	1,427	$0-49,999	1,159	$0-499	654	1,813	386	27.0%
$25,000-49,999	1,344	$50,000-99,999	1,317	$500-999	228	1,545	201	15.0%
$50,000-$74,999	1,059	$100,000-149,999	528	$1,000-1,499	0	528	(531)	-50.1%
$75,000-99,999	733	$150,000-199,999	493			493	(240)	-32.7%
$100,000-149,999	399	$200,000-299,999	422	$1,500-1,999	2	424	25	6.3%
$150,000+	188	$300,000+	337	$2,000+	10	347	159	84.6%
Total	**5,150**		**4,256**		**894**	**5,150**		

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

In the city, there is a large excess of units suitable for household incomes under $25,000 and an extremely severe shortage of housing for middle- and high-income ($50,000 and more) households, both in owner-occupied and renter-occupied units. A great many households are likely living in lower-quality housing than they prefer or could afford.

Housing Shortage/Excess by Household Income, Iron River City

Income Range	House-holds	Owner-Occupied Units		Renter-Occupied Units		Total Units	Excess (Shortage) of Units	
		Affordable Value	#	Affordable Cont. Rent	#		Number	%
$0-24,999	357	$0-49,999	378	$0-499	353	731	374	104.8%
$25,000-49,999	408	$50,000-99,999	353	$500-999	119	472	64	15.7%
$50,000-$74,999	240	$100,000-149,999	67	$1,000-1,499	0	67	(173)	-72.1%
$75,000-99,999	161	$150,000-199,999	26			26	(135)	-83.9%
$100,000-149,999	102	$200,000-299,999	0	$1,500-1,999	0	0	(102)	-100.0%
$150,000+	28	$300,000+	0	$2,000+	0	0	(28)	-100.0%
Total	**1,296**		**824**		**472**	**1,296**		

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

This assessment is useful to the extent that a community functions as a closed ecosystem – truest for a larger geography such as a county. In reality there is somewhat free flow between and among adjacent communities that have complementary housing stocks – but this can be a disadvantage to both local governments and residents themselves, as disparities may prevent residents from staying in their preferred communities over the long term.

Affordability for Renters

The measure of gross rent adds to contract rent the estimated costs of basic utilities and any non-utility heating fuel costs. In Iron County, 94.1% of gross rents are under $1,000/month, and this does not include units for which rent is not paid.

Rents are also slightly more affordable as a percentage of monthly income in Iron County than statewide. Whereas 44.2% of renter households (excluding those that could not be computed) are rent-burdened (paying 30% or more of income for housing expenses) in Iron County, 48.5% are rent-burdened statewide.

Monthly Gross Rent

Gross Rent Amount	% Units		# Units	
	Iron County	State	Iron County	Iron River City
None paid			154	84
Paid up to $499	44.5%	11.4%	329	199
$500-$999	49.6%	50.8%	367	189
$1,000-1,499	4.3%	28.1%	32	0
$1,500-$1,999	0.0%	6.6%	0	0
$2,000 or more	1.6%	3.2%	12	0
All renter-occupied units			894	472
Median		$892	$562	$494

Gross Rent % of Monthly Income	% Units		# Units	
	County	State	County	Iron River City
Less than 20%	35.2%	27.5%	249	161
20-29.9%	20.6%	24.1%	146	70
30-34.9%	16.3%	8.7%	115	67
35% or more	27.9%	39.8%	197	58
All units computed			707	356

Source: 2016-2020 ACS 5-year estimates, table DP04

The U.S. Department of Housing and Urban Development (HUD) annually calculates fair market rent (FMR) for every county and metropolitan area in Michigan. FMR is set at the 40th percentile – the dollar amount below which 40% of "standard quality" rental housing units fall within the county. FMR is based on a recent ACS subjected to additional statistical manipulation, including cost of living increases. Iron County's 2022 and 2021 FMRs for various bedroom-number units are:

HUD Fair Market Rent, Iron County

	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
2022	$513	$592	$757	$1,068	$1,072
2021	$501	$598	$734	$1,021	$1,127

Affordability for Homeowners with Mortgages

Home ownership is one of the greatest goals for many Americans. Down payment and closing costs can be a major obstacle, especially in a market with rapidly rising prices. But if and after these can be achieved, home ownership is associated with lower monthly housing costs as a percentage of income than renters enjoy. (This is due in part to the overall higher incomes of homeowners than renters, however.) Housing costs as a share of monthly income are lower for homeowners whether or not the home is subject to a mortgage. And home equity built over time presents an additional long-term financial benefit.

Selected Monthly Owner Costs (SMOC), as used in the ACS, includes costs of mortgages and other property debt payments, hazard insurance, property taxes, basic utilities, and non-utility heating fuels. For comparison of overall housing cost burden for a household, SMOC is comparable to gross rent.

Monthly mortgagee costs are much lower in Iron County than in the state: The percentage of households paying under $1,000/month is 53.7% - twice as high as the state's 26.8%. Only 5.7% of mortgagee households in Iron County pay $2,000/month or more, versus 18.1% statewide. In Iron County, 28.1% of mortgagee households are housing cost-burdened versus 41.8% of renter households. However, the 29% of mortgagee households that are cost-burdened is slightly higher than the state's 22.6%.

SMOC monthly costs and percentage of monthly income are both lower in the City of Iron River than countywide. In the city, 78.5% of mortgagee households pay less than $1,000/month for housing, and only 19.4% are cost-burdened.

SMOC – Housing Units with a Mortgage

SMOC Amount	% Units		# Units	
	Iron County	State	Iron County	Iron River City
Less than $500	5.6%	1.5%	101	21
$500 to $999	48.1%	25.3%	875	283
$1,000-$1,499	28.7%	35.2%	522	66
$1,500-$1,999	12.0%	19.9%	218	17
$2,000 or more	5.7%	18.1%	103	0
All owner-occupied units with a mortgage			1,819	387
Median		$1,312	$957	$834

SMOC % of Monthly Income	% Units		# Units	
	Iron County	State	Iron County	Iron River City
Less than 20%	48.6%	53.4%	876	232
20-29.9%	22.4%	24.0%	404	80
30-34.9%	4.0%	5.9%	73	5
35% or more	25.0%	16.7%	451	70
All units computed			1,804	387

Source: 2016-2020 ACS 5-year estimates, table DP04

Monthly costs are even lower for homeowners who do not have a mortgage, so those statistics are not included here.

Housing Cost Burden by Income

The issue of cost burdening (paying 30 percent or more of household income toward housing costs) is more poignant when assessed by household income range. The comparative level of burdening for owners versus renters in the county varies across income ranges, but the percentage of households burdened in the county is lower than statewide for both owners and renters across all income levels. Perhaps the most notable comparison is that in Iron County, only 24.6% of renter households earning $20,000-$34,999 are housing cost-burdened, compared with 74.9% statewide.

Housing-Cost Burdened Households by Income (Paying 30%+ of Income for Housing)

Household Income	Owner-Occupied		Renter-Occupied	
	Iron County	State	Iron County	State
Less than $20,000	71.2%	80.3%	86.4%	88.2%
$20,000-$34,999	29.0%	43.5%	24.6%	74.9%
$35,000-$49,999	13.9%	26.3%	22.1%	33.9%
$50,000-$74,999	7.1%	12.6%	6.4%	10.6%
$75,000 or more	2.2%	3.0%	0.0%	2.7%

Source: 2016-2020 ACS 5-year estimates, table B25106

ALICE

The ALICE (Asset Limited Income Constrained Employed) threshold, as presented by United Way of Northwest Michigan, estimates a household survival budget in Michigan, including housing along with childcare, food, transportation, healthcare, and technology, plus taxes and a miscellaneous contingency budget. In Michigan, as of 2019, the thresholds in Michigan were $23,400 for a single adult, $26,244 for a single senior, and $64,116 for a family of four. Iron County's percentage of households living under these thresholds was 46% versus 38% statewide.

Age and Disability

Characteristics like age and disabilities can impact both housing needs and housing preferences. Iron County has an older population than the state and nation but to a lesser degree than most counties. The county has higher percentages than the state of persons with disabilities, persons age 65 and older, and households with one or more persons age 65 and older; smaller percentages of households and families with no persons age 65 and older; and a much higher median age. According to BLMISI, the population age 55-64 is projected to decrease until at least 2030 and population age 70-84 is projected to increase during the same period.

The increasing older age mix and needs to accommodate persons with disabilities are important factors in estimating future housing needs. Anecdotal evidence suggests that some seniors who are long-time homeowners may choose to move to different housing types (such as condominiums or lifestyle communities) if they become available, and this would free up single-family housing stock for younger residents, workers, and families.

Due in part to the older age mix, average household size is lower in Iron County and the City of Iron River than statewide.

Households, Age, and Disability

	% Households/Persons		# Households/Persons	
Value	Iron County	State	Iron County	Iron River City
Noninstitutionalized civilian population with disability	19.5%	14.2%	2,110	402
Population age 65+	30.2%	17.2%	3,347	577
Households with one or more persons age 65+	45.0%	30.8%	2,318	418
One person age 65+ living alone	21.3%	12.3%	1,096	238
Households w/no persons age 65+	55.0%	69.2%	2,832	878
Families w/no persons age 65+	34.1%	45.9%	1,754	558
All households			5,150	1,296
Average household size		2.5	2.1	2.1
Median age		39.8	53.6	46.6

Source: 2016-2020 ACS 5-year estimates, tables DP05, B11007, and S1101

The Economy

Industry

The industry mix and associated workforce characteristics of an area can impact its housing needs and demands. Iron County has a small but relatively diversified economy. The largest employers are Aspirus Iron River Hospital, Ski Brule (ski resort), and manufacturers including

Oldenberg Group, Trident Maritime Systems, and AGA Sport Flooring manufacturers. Hospitality businesses such as bars, restaurants, and accommodations are also important.

Iron County's annual civilian labor force in 2021 was 4,742 people – a decrease of 7.4% since 2019 (prior to the pandemic). Its 2021 annual, not-seasonally adjusted rate was 6.1%, middling among the region's counties, and the 2020 rate, more impacted by the pandemic, was 8.1%.

Employment and Commuting

Most employees want to live relatively close to where they work, as this can reduce commute times and transportation monetary costs; additionally, when someone lives in the same area where s/he works, earnings can be allowed to circulate and multiply through the local economy. A smaller share of workers living in their county of employment may suggest a shortage in housing stock and vice versa.

The 2016-2020 ACS indicates that of Iron County *residents* age 16 years and older who work, 83.4% work in Iron County – second-highest among the region's counties.

Looking at all people who *work* in Iron County, 65.6% of them live in Iron County. Marquette and Dickinson counties are each home to slightly more than 6% of Iron County workers. Each other reported location is home to less than 2% of Iron County workers. (Census OnTheMap 2019 data)

According to ACS, the large majority of Iron County residents who work drive alone (80.4%), with most of the remainder carpooling (8.7%) or walking (3.2%). The mean travel time to work of 20.6 minutes, which is less than Michigan's 24.6 minutes and the U.S.' 26.9 minutes. 7.5% reported working from home, but this figure likely increased during the pandemic. A 2020 analysis by 4th Economy[3] suggested that 1,112 Iron County workers (25.3%) had the ability to work remotely; however, the analysis found a median broadband internet speed/bandwidth of 5.9 Mbps download and 1.9 Mbps upload, which is one of the region's lower bandwidths and is generally considered too slow for remote work.

State Economic/Community Development Designations

Listed below are local units of government that have or are eligible for various MEDC programs and designations.

- **Core Communities**: Cities of Caspian, Crystal Falls, Gaastra, and Iron River
- **Low- to Moderate-Income (LMI) Communities**: Cities of Caspian and Iron River
- **Redevelopment Ready Communities (RRC)** engaged unit**:** City of Iron River, Essentials path

[3] The analysis used Bureau of Labor Statistics (2017-2018) and Measurement Lab Internet Speed (2020) data.

Iron County Trends

Building Permits

Data on building permit issuance is the simplest, most standardized way to gauge annual construction activity. The U.S. Census Building Permits Survey is used for uniformity among the region's counties. The survey collects residential permitting data directly from county building departments. In some cases where there are gaps in reporting, imputations (estimates) are used to compensate.

The table below shows annual 2001-2018 permit data for Iron County, with buildings categorized by the number of units in the building. During this period, a total of 714 buildings containing 738 units with a total estimated valuation (at time of permitting, not adjusted for inflation) of approximately $109 million were constructed. Though almost all of the buildings and the vast majority of the units were in one-unit construction (houses), a 22-unit building was constructed in 2013 and a 4-unit building in 2007.

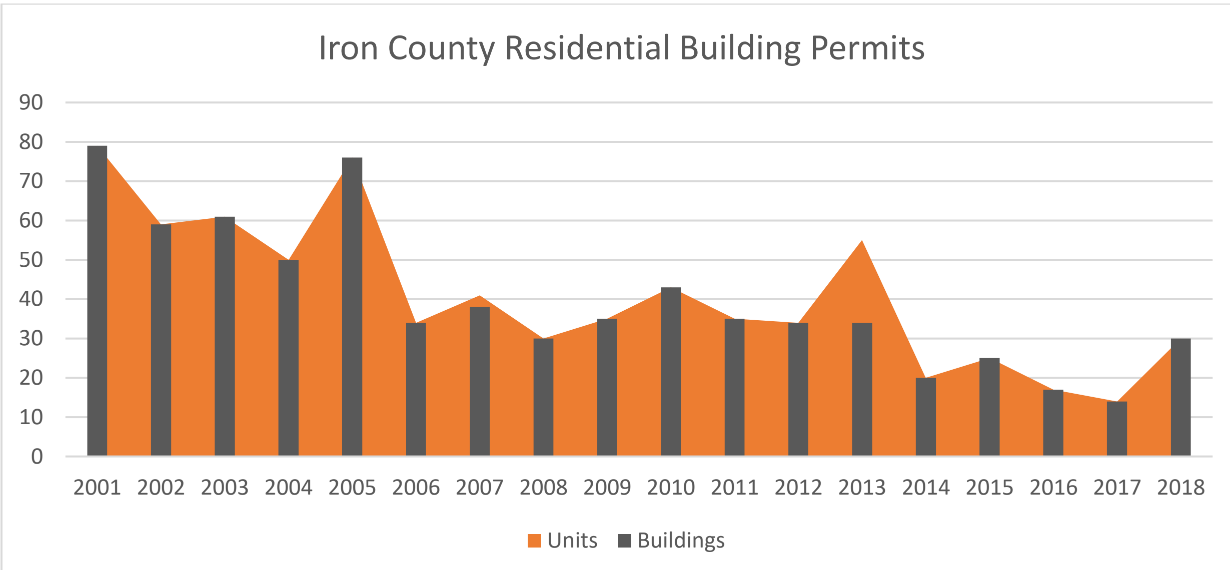
The data illustrate the impact of the Great Recession to a lesser degree in Iron County than in the region's other counties. Building construction was higher from 2001 through 2005 than in subsequent years, but there was not a precipitous drop in 2007 or 2008 as in other counties. The real low point in construction during the 20-year period was 2016-2017. The 30 buildings constructed in 2018 was fairly typical. The years 2019 and 2022 are omitted from the table due to errors in Census data.

Iron County Residential Building Permits Issued, 2001-2020

Year	1 unit			2-4 units			5+ units			TOTAL		
	Bldgs	Units	Value*	Bldgs	Units	Value*	Bldgs	Units	Value*	Bldgs	Units	Value*
2001	79	79	$7,061	0	0	$0	0	0	0	79	79	$7,061
2002	59	59	$7,969	0	0	$0	0	0	0	59	59	$7,969
2003	61	61	$7,757	0	0	$0	0	0	0	61	61	$7,757
2004	50	50	$6,564	0	0	$0	0	0	0	50	50	$6,564
2005	76	76	$8,683	0	0	$0	0	0	0	76	76	$8,683
2006	34	34	$5,068	0	0	$0	0	0	0	34	34	$5,068
2007	37	37	$9,086	1	4	$850	0	0	0	38	41	$9,936
2008	30	30	$4,538	0	0	$0	0	0	0	30	30	$4,538
2009	35	35	$5,294	0	0	$0	0	0	0	35	35	$5,294
2010	43	43	$5,540	0	0	$0	0	0	0	43	43	$5,540
2011	35	35	$5,669	0	0	$0	0	0	0	35	35	$5,669
2012	34	34	$4,184	0	0	$0	0	0	0	34	34	$4,184
2013	33	33	$4,990	0	0	$0	1	22	$4,000	34	55	$8,990
2014	20	20	$3,176	0	0	$0	0	0	$0	20	20	$3,176
2015	25	25	$3,741	0	0	$0	0	0	$0	25	25	$3,741
2016	17	17	$3,923	0	0	$0	0	0	$0	17	17	$3,923
2017	14	14	$3,661	0	0	$0	0	0	$0	14	14	$3,661
2018	30	30	$7,456	0	0	$0	0	0	$0	30	30	$7,456
TOTAL	**712**	**712**	**$104,360**	**1**	**4**	**$850**	**1**	**22**	**$4,000**	**714**	**738**	**$109,210**

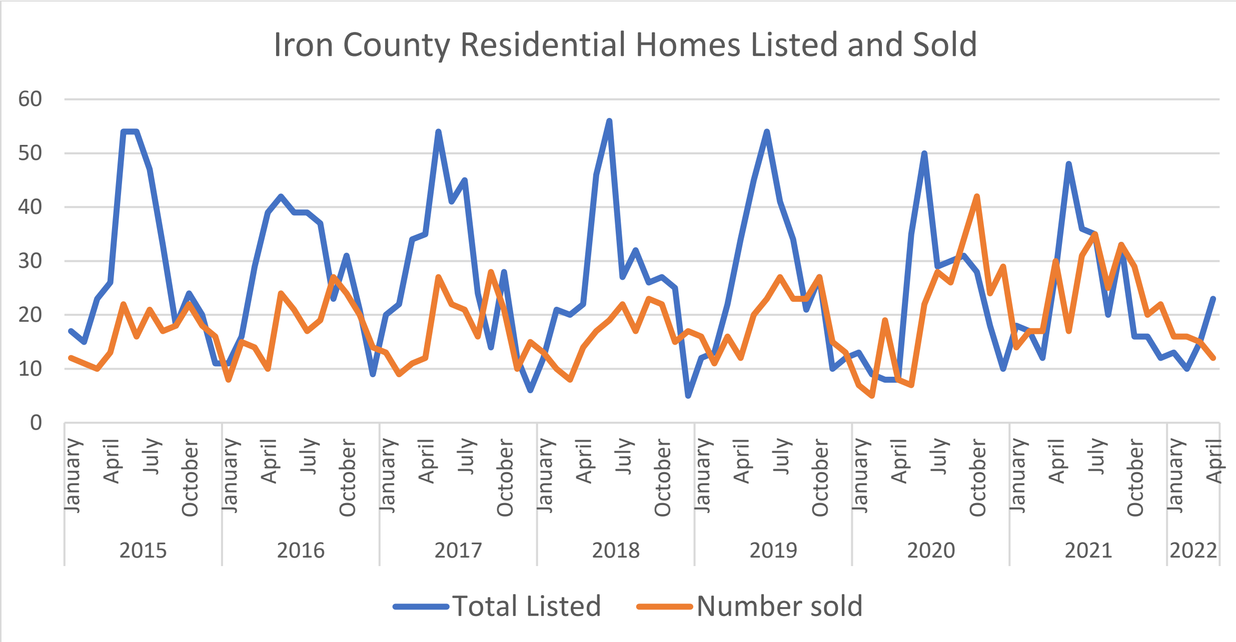
** In thousands*

The chart below illustrates the number of buildings permitted each year from 2001 to 2020 in the foreground and total of number of units in those buildings in the background. There was a post-recession spike in units permitted in 2013 due to construction of a 22-unit building.

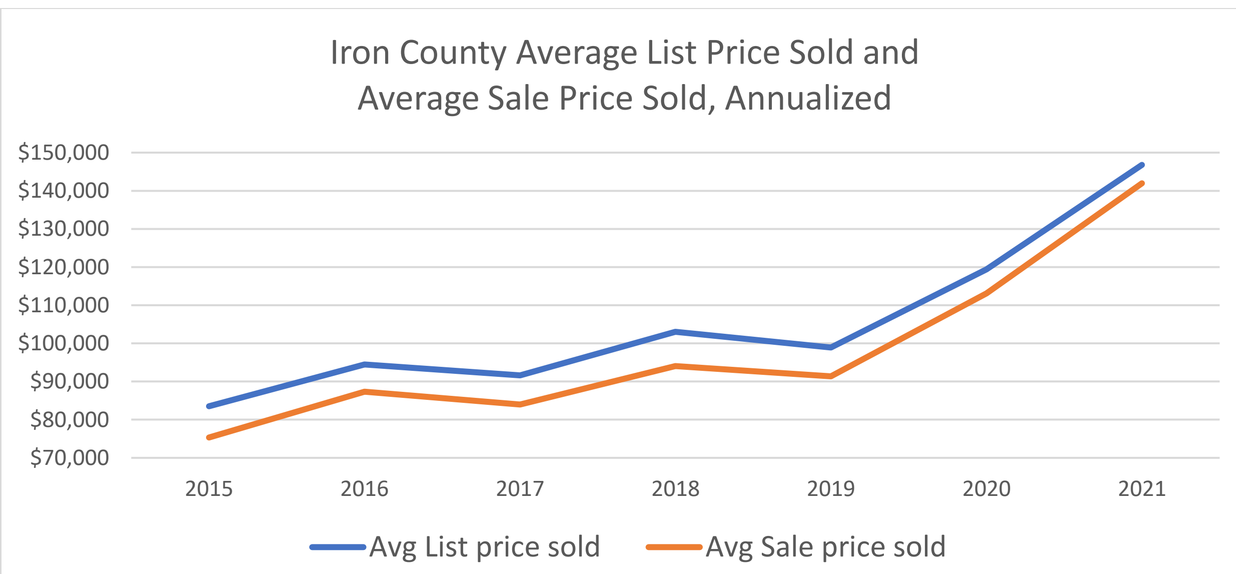


Multiple Listing Service (MLS)

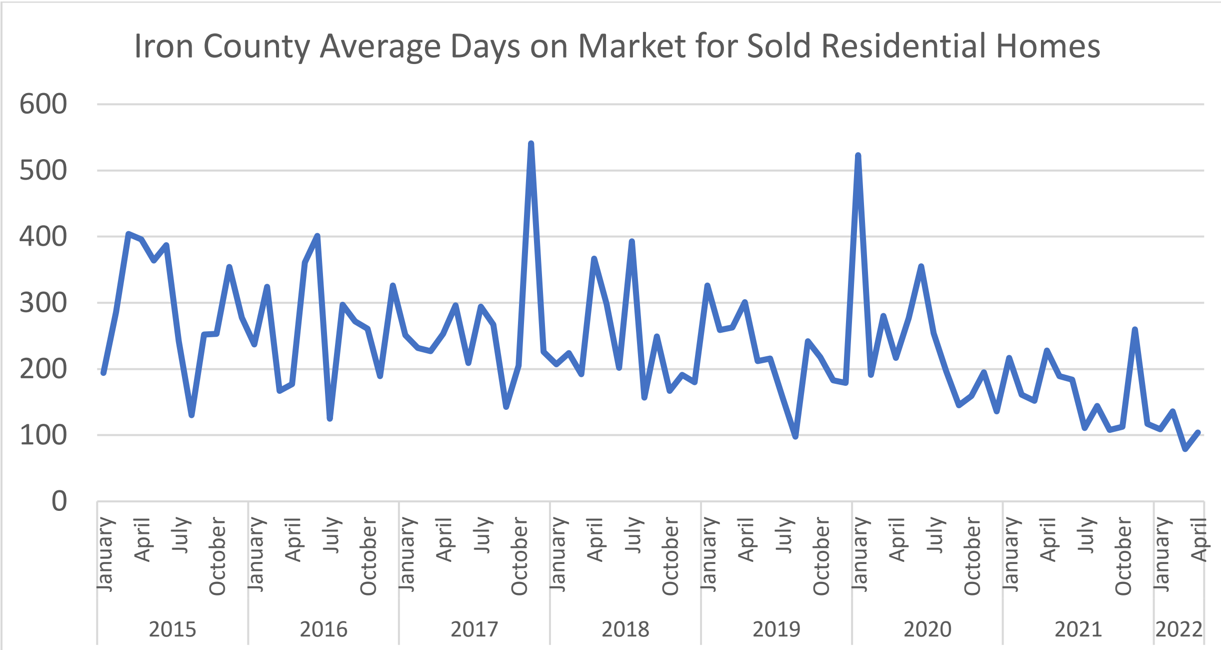
Data from the Upper Peninsula Multiple Listing Service, used by Realtors to view and track housing sales activity, is one of the most immediate and reliable sources of data feedback on the resale market. Today's market dynamics are aligned with simple supply and demand economics. The chart below shows the trend in number of homes listed and sold in Iron County by quarter from January 2015 through April 2022. The annual trend of listings and sales was fairly regular from 2015 through 2019 (other than a notable dip in listings in 2016). Since spring 2020, sales have increased to more closely match listings. The number of sales was highest in summer-fall 2020.



The chart below illustrates the magnitude of increase in both sale and list prices since 2015. In 2015 the average list and sale prices were $83,527 and $75,332 respectively – price points that buyers in the county had generally been comfortable with and accustomed to. Prices increased gradually until 2019 then rapidly to 2021 as sale and list prices noticeably converged. In 2021, the average list price of sold properties was $146,782 and average sale price was $141,957. The average sale price in 2021 was a 55.4% increase from 2019 and 88.4% increase from 2015. In 2015, the average sale price was 9.8% less than the average list price; by 2021, the discount had dropped to 3.3%.



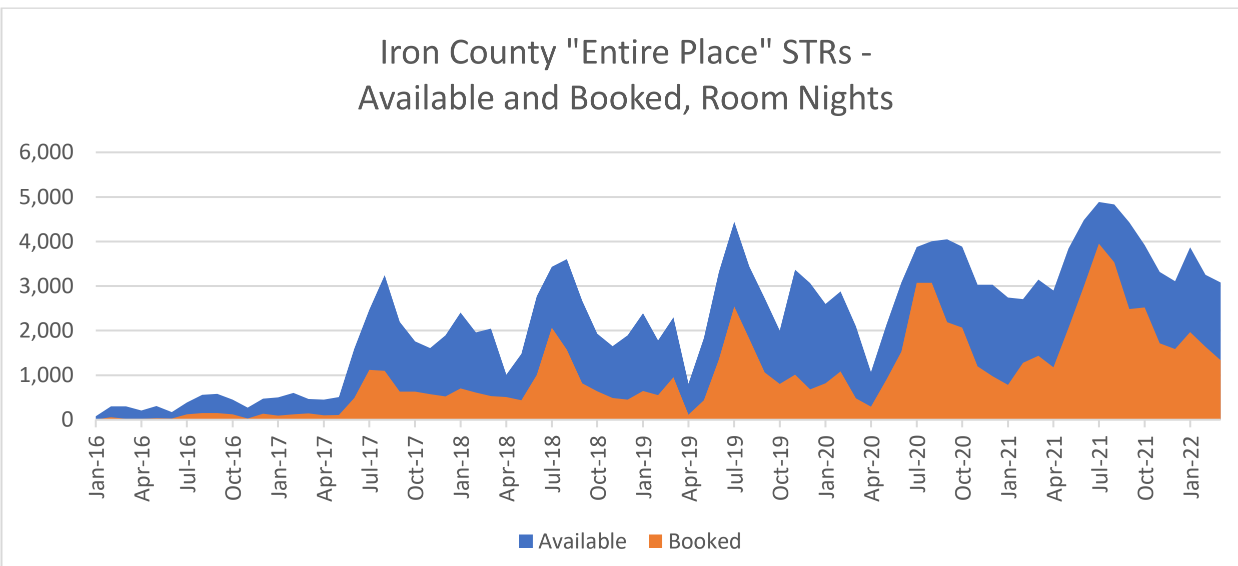
Another indicator of the highly competitive housing market is the number of days a home is on the market within the county. MLS calculates this from the day the home is entered into MLS until the deed to the property is transferred from seller to buyer. This measure has a high degree of seasonal volatility, but this volatility over the course of the year began to drop somewhat in mid-2020 as the days on market slowly (and irregularly) decreased. High peaks had exceeded 500 days on market in November 2017 and January 2020, but after the latter, as the pandemic set in, the number of days on market was always less than a year and reached a low of 78 days in March 2022.



Short-Term Rentals

The chart below shows the number of "entire places" (that is, any unit listed in its entirety as opposed to individual spaces within it) that were listed and booked at least one night in each month from January 2016 through March 2022, based on data from AirDNA, which is combed from Airbnb and HomeAway listings. Available data begin in 2014 and show a major, sudden increase in summer 2017 of Iron County properties listed and booked. In 2017 and 2018, bookings were much greater in summer than winter, but in 2019 high booking numbers began to be sustained more into winter. Bookings fell to a low point in April 2020 due to pandemic travel restrictions but increased rapidly thereafter, with 100% of available properties being booked in July and August 2020. Bookings and listings both were even higher in 2021 and sustained more into winter 2021-2022, with a very large proportion of listed properties booked all the way from June 2021 to March 2022.

With regard to "room nights" – that is, the total number of nights available for booking in any entire place during the month – Iron County's data show an odd trend. The "pointy" peaks in the chart below indicate more seasonal volatility in listings than in any of the region's other counties from summer 2017 until the start of the pandemic, and bookings followed the pattern of listings fairly closely during that period. Seasonal fluctuations in listings decreased beginning in summer 2020, but fluctuations in bookings remained considerable.



Keweenaw County Profile

Keweenaw County is the northernmost county in Michigan, located at the tip of the Keweenaw Peninsula. It is the smallest county in the state by both land area and population, though its jurisdiction also covers a large area of Lake Superior, including Isle Royale, a national park. The county contains five townships, one village, and five Census designated places (CDPs).

Population and Housing Basics

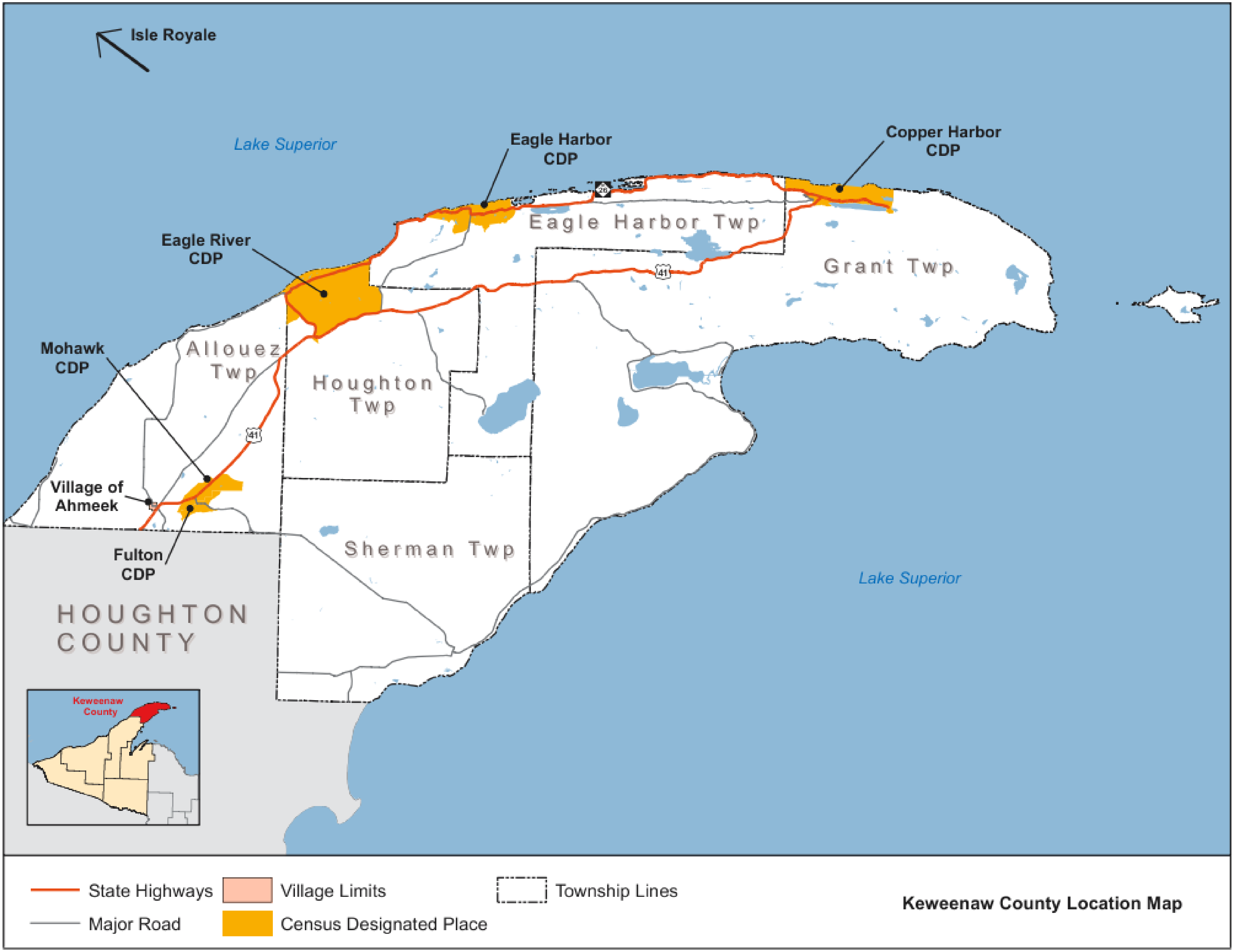
The county's population has hovered around 2,000 for several decades, and in 2020 it stands at 2,046. This is a decrease of 11.1% since 2000 but an increase from the population's low point of 1,701 in 1990. The large majority of the population is concentrated in Allouez Township in the southern part of the county, which was home to many historic mining locations and a string of communities that developed around them. Unlike in the rest of the county, most of Allouez Township's residents are full-time/permanent rather than seasonal. The northern part of the county receives a large influx not only of seasonal (nonwinter) residents but also visitors from throughout the Midwest.

Keweenaw County Population Counts and Change (Decennial Census)

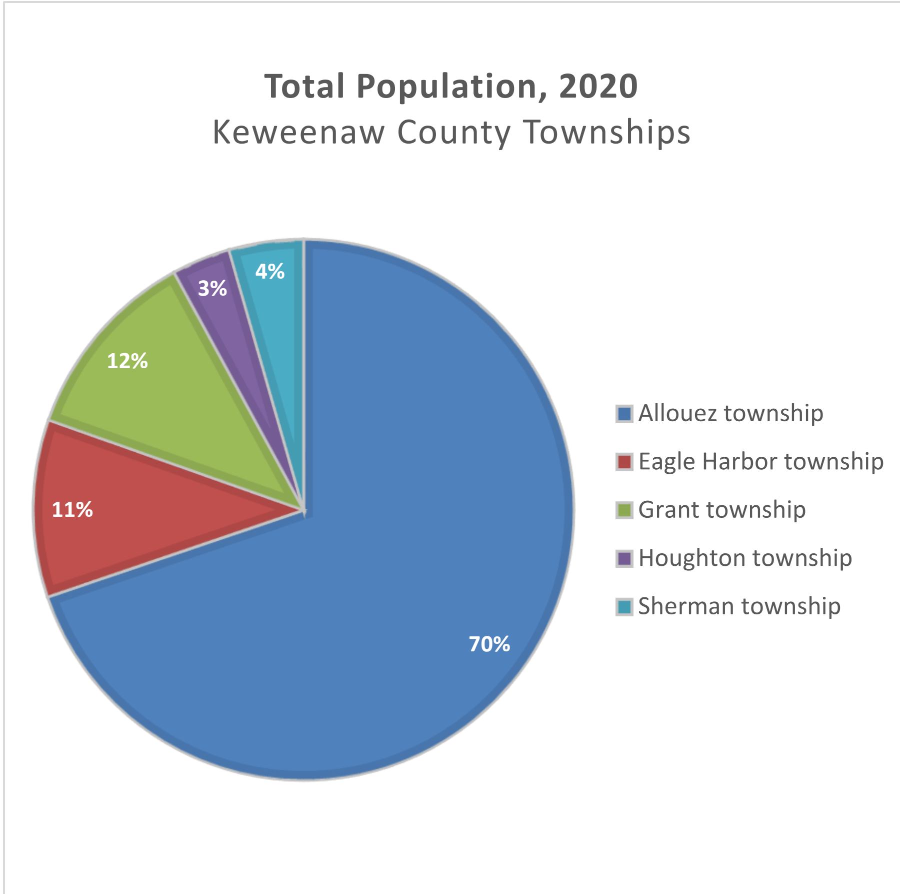
Geography	2000	2010	2020	2000-2020 Change
Allouez Township	1,584	1,571	1,428	-9.8%
Eagle Harbor Township	359	217	217	-39.6%
Grant Township	172	219	238	38.4%
Houghton Township	126	82	72	-42.9%
Sherman Township	60	67	91	51.7%
TOTAL	2,301	2,156	2,046	-11.1%
Ahmeek Village	157	146	127	-19.1%
Copper Harbor CDP		108	136	25.9%*
Eagle Harbor CDP		65	69	6.2%*
Eagle River CDP		66	65	-1.5%*
Fulton CDP			182	
Mohawk CDP			388	

**2010-2020 change; these CDPs did not exist in 2000*
Source: 2000, 2010, & 2020 Decennial Census

Most Census geographies in the county have decreased in population since 2000, but Sherman Township increased by more than half – moving up from the region's smallest township by population in 2010 to fourth smallest in 2020 – and Grant Township increased by 38.4%.



Keweenaw County Location Map



Copper Harbor CDP's 2010-2020 growth of 25.9% was enough to prevent a net loss in Grant Township overall, and the CDP now accounts for more than half of the township's population.

As of 2020, 41.5% of housing units and 47.3% of residents (second-lowest and lowest of the region's counties, respectively) are located in the CDPs and Village of Ahmeek, and thus may be considered "urban," with the remainder located in outlying areas of townships.

Housing Units & Occupancy

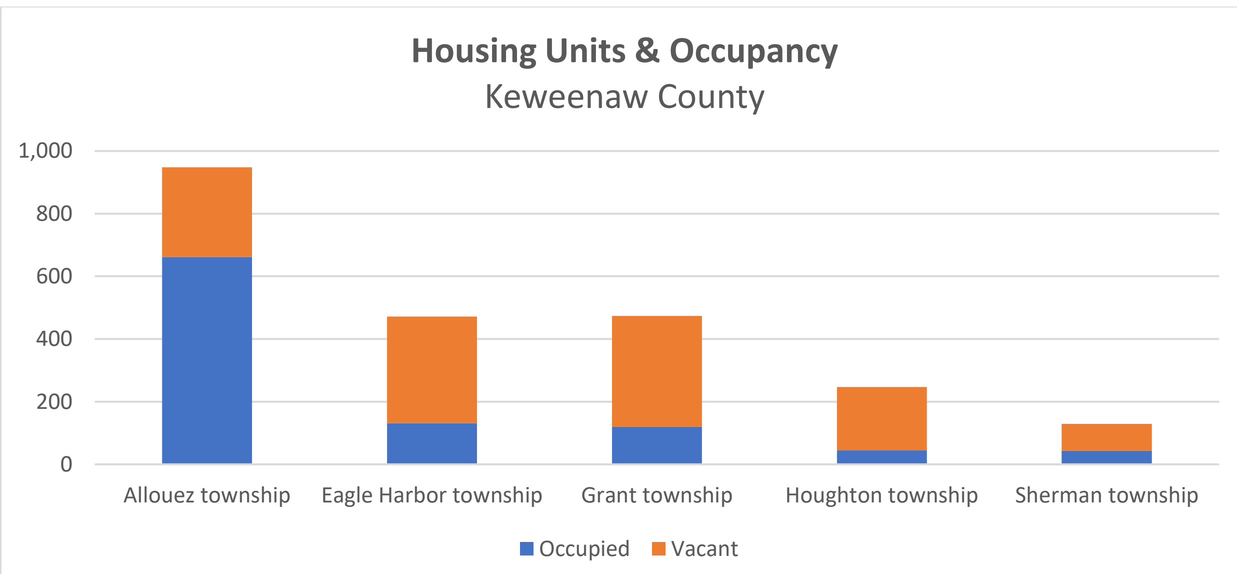
Keweenaw County had a total of 2,270 housing units according to the 2020 Census, making it the region's only county that had more housing units than full-time residents. This was an 8% decrease in units since 2010. Of the 2020 total, 1,000 (44.1%) units were occupied and 1,270 (55.9%) vacant, versus 41.1% and 58.9% respectively in 2010. The proportion of occupied versus vacant housing units is significantly increasing; however, this is due to a large decrease in the number of vacant units throughout the county rather than an increase in the number of occupied units. By far the largest overall percentage decrease in units was 24.4% in the Village of Ahmeek; 93.1% of the decrease was in vacant units.

The percentage of vacant versus occupied units is extremely high in the county's northern townships, ranging from 72.2% vacant in Eagle Harbor Township to 82.2% in Houghton Township, which has the highest proportion of vacant units in the entire region.

Keweenaw County Occupied and Vacant Housing Units, 2010 & 2020

Geography	Occupied		Vacant		Total		
	2010	2020	2010	2020	2010	2020	2010-2020 % Change
Allouez Township	689	662	323	286	1,012	948	-6.3%
Eagle Harbor Township	124	131	398	341	522	472	-9.6%
Grant Township	117	120	382	354	499	474	-5.0%
Houghton Township	46	44	236	203	282	247	-12.4%
Sherman Township	37	43	115	86	152	129	-15.1%
TOTAL	1,013	1,000	1,454	1,270	2,467	2,270	-8.0%
	41.1%	44.1%	58.9%	55.9%			
Ahmeek Village	73	71	46	19	119	90	-24.4%
Copper Harbor CDP	58	64	103	76	161	140	-13.0%
Eagle Harbor CDP	45	72	160	129	205	201	-2.0%
Eagle River CDP	39	35	110	133	149	168	12.8%
Fulton CDP		71		38		109	
Mohawk CDP		187		48		388	

Source: 2010 & 2020 Decennial Census



The remainder of Census Bureau housing data in this chapter is from the 2016-2020 American Community Survey (ACS). This dataset is based on a random sample of the population. Even though corrections and adjustments are made to mitigate, the ACS is subject to by large margins of error, particularly in smaller communities. Due to the small populations of Keweenaw County's subdivisions, only countywide data are included in the remainder of this chapter. The ACS comes with a further caveat that, as explained in the regional profile section, *housing and household counts that underlie all of the ACS housing data vary from the counts of the 2020 Census.*

Vacancy Types, Tenure, and Mobility

The vast majority of "vacant" housing units in the county are in the "seasonal, recreational, or occasional use" category, which includes properties such as cabins/camps and second homes, as well as many properties used primarily as short-term rentals. These make up half of all housing units in the county and 88.1% of vacant units. The equivalent statewide percentages are 6.3% and 46.0%.

Vacancy Status

Type of Vacancy	% of All Units (Occ & Vac)		# Units
	Keweenaw County	State	Keweenaw County
For rent	2.8%	1.3%	70
Rented, not occupied	0.0%	0.3%	0
For sale only	0.8%	0.8%	19
Sold, not occupied	0.0%	0.5%	0
For seasonal, recreational, or occasional use	49.7%	6.3%	1,228
Other	3.1%	4.5%	77
All vacant units	56.4%	13.7%	1,394

Source: 2016-2020 ACS 5-year estimates, table B25004

Housing Tenure and Mobility

Among occupied housing units in the county, 88.6% are owner-occupied and 11.4% are renter-occupied. The owner-occupied share is 71.7% in Michigan and 64.4% in the U.S. Keweenaw County has the smallest percentage of renter-occupied units of all the region's counties – only 123 units total.

The homeowner vacancy rate in Keweenaw County is 1.9%; the renter vacancy rate is estimated at 36.3%, many times higher than the state rate of 5.0% and an outlier among the region's counties, with Ontonagon County's being next highest at 9.1%.

Tenure (Owners/Renters)

Tenure	% Units		# Units
	Keweenaw County	State	Keweenaw County
Owner-occupied	88.6%	71.7%	956
Renter-occupied	11.4%	28.3%	123
All occupied units			1,079
Homeowner vacancy rate		1.3%	1.9%
Rental vacancy rate		5.0%	36.3%

Source: 2016-2020 ACS 5-year estimates, table DP04

Keweenaw County has a smaller percentage of households with recent (2010 or later) move-in dates than statewide, but the disparity is less than for most of the region's counties. The percentage of households who moved in before 2000 is about the same in Keweenaw County as statewide.

Year Householder Moved into Unit

Year	% Units		# Units
	Keweenaw County	State	Keweenaw County
2019 or later	3.2%	4.3%	35
2015 to 2018	20.9%	26.4%	225
2010 to 2014	18.1%	19.8%	195
2000 to 2009	27.9%	20.7%	301
1990 to 1999	17.7%	13.6%	191
Before 1990	12.2%	15.2%	132
All occupied units			1,079

Source: 2016-2020 ACS 5-year estimates, table DP04

Over the course of the 2016-2020 ACS (table S0701), during the most recent 12-month period, 11.7% of Keweenaw County residents moved residences, and 3.8% of all residents moved from outside of Michigan. Future ACS datasets may show an increase in the latter, as much anecdotal feedback from Realtors and community leaders suggests that a much-increased number of purchasers have moved from other states, particularly metropolitan areas.

Physical Characteristics

Housing Age and Structure Type

Keweenaw County has a different housing age distribution than the region's other counties. The county's percentage of units in structures built in 2000 or later (18.4%) is greater than the state's (12.9%), and highest of the region's counties, with Baraga and Houghton counties next-highest at 12.2% and 12.4%.

Year Structure Built

	% Units		# Units
Year	Keweenaw County	State	Keweenaw County
2010 or later	3.7%	3.0%	91
2000 to 2009	14.7%	9.9%	363
1980 to 1999	16.7%	23.2%	413
1960 to 1979	17.0%	27.2%	422
1940 to 1959	11.8%	22.2%	292
1939 or earlier	36.1%	14.6%	892
All housing units			2,473

Source: 2016-2020 ACS 5-year estimates, table DP04

Single-family detached homes are the predominant structure unit-size in Keweenaw County, making up 91.1% – highest of the region's counties and much higher than the state (72.1%) and U.S. (61.7%) shares. Only 2.1% of the county's units are in structures containing three or more units.

Number of Units in Structure

	% Units		# Units
# Units in Structure	Keweenaw County	State	Keweenaw County
1, detached	91.1%	72.1%	2,252
1, attached	3.5%	4.6%	86
2 apartments	0.4%	2.3%	11
3 or 4 apartments	0.8%	2.6%	20
5 to 9 apartments	1.1%	4.1%	28
10 or more apartments	0.2%	8.8%	4
Mobile home or other type	2.9%	5.4%	72
All housing units			2,473

Source: 2016-2020 ACS 5-year estimates, table DP04

Some types of residential facilities are considered group quarters rather than housing units. Group quarters are not considered in housing statistics of this chapter.

Bedrooms

Keweenaw County has a much larger percentage than the state of units with two or fewer bedrooms (54.9% versus 35.5%). Only 10.7% of units in the county have four or more bedrooms, compared with 20.6% in the state, reflecting the county's household composition.

Number of Bedrooms in Unit

	% Units		# Units
# Bedrooms	Keweenaw County	State	Keweenaw County
None	4.1%	1.6%	101
1	12.1%	8.9%	299
2	38.7%	25.1%	957
3	34.4%	43.9%	851
4 or more	10.7%	20.6%	265
All housing units			2,473

Source: 2016-2020 ACS 5-year estimates, table DP04

Utilities

Public utilities and other infrastructure are important elements in housing development. The county is served by one primary electric utility. Public water systems serve the Village of Ahmeek and parts of every township, but many outlying residences rely on private wells and septic systems.

Natural gas, provided by one utility, is the most prevalent primary home heating fuel in Keweenaw County; however, the 39.2% of households served is lowest of the region's counties and much lower than the state's 76.1%. Natural gas only extends as far north as Mohawk CDP in Allouez Township, and further extensions would be costly for potential customers. Nearly as high a percentage of households – 34% – uses on-site LP gas as the primary fuel, followed by wood at 13.5%.

Home Heating Fuel in Occupied Units

	% Units		# Units
Fuel Type	Keweenaw County	State	Keweenaw County
Utility (natural) gas	39.2%	76.1%	423
Bottled/tank/LP gas	34.0%	8.4%	367
Electricity	5.1%	10.1%	55
Wood	13.5%	2.8%	146
Fuel oil	6.8%	1.0%	73
Other or none	1.4%	1.5%	15
Occupied units			1,079

Source: 2016-2020 ACS 5-year estimates, table DP04

Broadband internet has become a critical service for permanent residences and is prerequisite for many purchasers: If reliable, high-speed broadband is not available, many purchasers will not even consider a home purchase or rental. In Keweenaw County, only 45.1% of households have subscriptions to broadband services such as cable, fiber optic, and digital subscriber line

(DSL) (versus 67.5% in the state), due largely to limited physical infrastructure. Another 16.9% rely on satellite service – the highest percentage of the region's counties. The 10.4% that rely only on a cellular data plan is lowest among the region's counties and attributable to limited mobile data coverage even in some of the CDPs. Close to one-quarter of households have no internet subscription, versus 15.3% statewide.

Traditional satellite internet service is insufficient for many high-speed uses, but the burgeoning Starlink low-earth-orbit satellite service is a vast improvement and will fill gaps in availability as it becomes more widespread.

Internet Subscriptions in Households

Subscription Type	% Households		# Households
	Keweenaw County	State	Keweenaw County
Broadband such as cable, fiber optic, DSL	45.1%	67.5%	487
Satellite	16.9%	6.7%	182
Dial-up with no other type	0.6%	0.3%	6
Cellular data plan with no other type	10.4%	12.3%	112
None	23.1%	15.3%	249
All households			1,079

Not all response options are mutually exclusive, so subscription type rows may not total all households.
Source: 2016-2020 ACS 5-year estimates, table S2801

Housing Value and Affordability Factors

Keweenaw County has by far the highest median value of owner-occupied housing units in the region, at $141,800, compared with the state median of $162,600. On the lower side of the median, however, there is a large percentage of units valued at less than $50,000 (23% versus 6.6% statewide), associated with older units mainly in communities in the south of the county. For this reason, discussions with Keweenaw County stakeholders have suggested that Allouez Township may be the best area to focus on affordable housing through rehabilitation and new development.

Housing Value of Owner-Occupied Units

	% Units		# Units
Value	Keweenaw County	State	Keweenaw County
Less than $50,000	23.0%	6.6%	220
$50,000-$99,999	15.4%	11.0%	147
$100,000-$149,999	13.8%	12.3%	132
$150,000-$199,999	10.3%	13.6%	98
$200,000-$299,999	14.2%	20.0%	136
$300,000-$499,999	16.0%	20.5%	153
$500,000 or more	7.3%	16.0%	70
Owner-occupied units			956
Median		$162,600	$141,800

Value is the current market value estimated by the respondent.
Source: 2016-2020 ACS 5-year estimates, table DP04

Household Income

The distribution of most household income ranges in Keweenaw County is similar to statewide. The countywide median household income of $51,750 is highest of the region's counties but still considerably lower than the state median of $59,234.

Household Income (2020 Inflation-Adjusted Dollars)

	% Households		# Households
Income	Keweenaw County	State	Keweenaw County
Under $25,000	18.0%	19.7%	194
$25,000-$49,999	29.8%	22.9%	321
$50,000-$74,999	19.2%	18.2%	207
$75,000-$99,999	11.4%	12.9%	123
$100,000-$149,999	12.5%	14.6%	135
$150,000 or more	9.2%	11.7%	99
All households			1,079
Median		$59,234	$51,750

Source: 2016-2020 ACS 5-year estimates, table S2503

Value to income ratio (VTI) – the ratio of housing unit value to household income – Is one measure of housing affordability for homeowners. The optimum VTI is generally considered to be 2.5, meaning a home's purchase price would equal two and a half years of total household income. Keweenaw County's overall VTI (based on median income and median owner-occupied housing unit value) is 2.7, near the optimum.

Housing Stock Excesses and Shortages Based on Household Income and Price Ranges

The following tables associate optimal home values and monthly contract rent (actual rental cost regardless of whether utilities are included) ranges with various household income ranges, as explained in the Regional Overview section of this study. The assessment reveals how well the occupied housing stock in a community fits the income ranges of residents.

It is important to understand that shortages and excesses in this analysis pertain only to the *mix* of housing value and rent price ranges among existing households; it is not intended to show a shortage or excess in the total number of housing units for residents. The number of households always equals the number of occupied housing units.

In Keweenaw County there is a shortage of housing with values and rents appropriate for incomes of $25,000 to $99,999 (houses costing $50,000-$199,000 and rentals with monthly contract rents $500-$1,499) but excesses of housing suitable for the highest and lowest incomes. Prices vary widely within the county, with relatively little high-value housing in the south of the county and much of the high-value housing located generally on waterfronts, particularly Lake Superior.

Housing Shortage/Excess by Household Income, Keweenaw County

<table>
<tr><th rowspan="2">Income Range</th><th rowspan="2">House-holds</th><th colspan="2">Owner-Occupied Units</th><th colspan="2">Renter-Occupied Units</th><th rowspan="2">Total Units</th><th colspan="2">Excess (Shortage) of Units</th></tr>
<tr><th>Affordable Value</th><th>#</th><th>Affordable Cont. Rent</th><th>#</th><th>Number</th><th>%</th></tr>
<tr><td>$0-24,999</td><td>194</td><td>$0-49,999</td><td>220</td><td>$0-499</td><td>89</td><td>309</td><td>115</td><td>59.3%</td></tr>
<tr><td>$25,000-49,999</td><td>321</td><td>$50,000-99,999</td><td>147</td><td>$500-999</td><td>32</td><td>179</td><td>(142)</td><td>-44.2%</td></tr>
<tr><td>$50,000-$74,999</td><td>207</td><td>$100,000-149,999</td><td>132</td><td rowspan="2">$1,000-1,499</td><td rowspan="2">2</td><td>133</td><td>(74)</td><td>-35.7%</td></tr>
<tr><td>$75,000-99,999</td><td>123</td><td>$150,000-199,999</td><td>98</td><td>99</td><td>(24)</td><td>-19.5%</td></tr>
<tr><td>$100,000-149,999</td><td>135</td><td>$200,000-299,999</td><td>136</td><td>$1,500-1,999</td><td>0</td><td>136</td><td>1</td><td>0.7%</td></tr>
<tr><td>$150,000+</td><td>99</td><td>$300,000+</td><td>223</td><td>$2,000+</td><td>0</td><td>223</td><td>124</td><td>125.3%</td></tr>
<tr><td>Total</td><td>1,079</td><td></td><td>956</td><td></td><td>123</td><td>1,079</td><td colspan="2"></td></tr>
</table>

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

Affordability for Renters

The measure of gross rent adds to contract rent the estimated costs of basic utilities and any non-utility heating fuel costs. In Keweenaw County, nine in ten gross rents are under $1,000/month, and this does not include units for which rent is not paid.

Rents are much more affordable as a percentage of monthly income in Keweenaw County than statewide. More than half of rental households pay less than 20% of monthly income for housing, compared with 27.5% statewide, and only 18.3% in the county are housing cost-burdened, compared with nearly half statewide.

Monthly Gross Rent

Gross Rent Amount	% Units		# Units
	Keweenaw County	State	Keweenaw County
None paid			14
Paid up to $499	26.6%	11.4%	29
$500-$999	63.3%	50.8%	69
$1,000-1,499	10.1%	28.1%	11
$1,500-$1,999	0.0%	6.6%	0
$2,000 or more	0.0%	3.2%	0
All renter-occupied units			123
Median		$892	$562
Gross Rent % of Monthly Income	% Units		# Units
	County	State	County
Less than 20%	53.2%	27.5%	58
20-29.9%	28.5%	24.1%	31
30-34.9%	5.5%	8.7%	6
35% or more	12.8%	39.8%	14
All units computed			109

Source: 2016-2020 ACS 5-year estimates, table DP04

The U.S. Department of Housing and Urban Development (HUD) annually calculates fair market rent (FMR) for every county and metropolitan area in Michigan. FMR is set at the 40th percentile – the dollar amount below which 40% of "standard quality" rental housing units fall within the county. FMR is based on a recent ACS subjected to additional statistical manipulation, including cost of living increases. Keweenaw County's 2022 and 2021 FMRs for various bedroom-number units are:

HUD Fair Market Rent, Keweenaw County

	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
2022	$524	$578	$757	$1,068	$1,072
2021	$503	$566	$734	$1,036	$1,040

Affordability for Homeowners with Mortgages

Home ownership is one of the greatest goals for many Americans. Down payment and closing costs can be a major obstacle, especially in a market with rapidly rising prices. But if and after these can be achieved, home ownership is associated with lower monthly housing costs as a percentage of income than renters enjoy. (This is due in part to the overall higher incomes of homeowners than renters, however.) Housing costs as a share of monthly income are lower for homeowners whether or not the home is subject to a mortgage. And home equity built over time presents an additional long-term financial benefit.

Selected Monthly Owner Costs (SMOC), as used in the ACS, includes costs of mortgages and other property debt payments, hazard insurance, property taxes, basic utilities, and non-utility heating fuels. For comparison of overall housing cost burden for a household, SMOC is comparable to gross rent.

The percentage of mortgagee households in Keweenaw County paying under $1,000/month for housing costs is greater than statewide, and the reverse is true for costs $1,000/month or more; however, the percentage who are and are not housing cost-burdened is virtually the same in the county as statewide.

SMOC – Housing Units with a Mortgage

SMOC Amount	**% Units**		**# Units**
	Keweenaw County	**State**	**Keweenaw County**
Less than $500	9.8%	1.5%	44
$500 to $999	36.1%	25.3%	162
$1,000-$1,499	26.5%	35.2%	119
$1,500-$1,999	18.5%	19.9%	83
$2,000 or more	9.2%	18.1%	41
All owner-occupied units with a mortgage			449
Median		$1,312	$1,072
SMOC % of Monthly Income	**% Units**		**# Units**
	Keweenaw County	**State**	**Keweenaw County**
Less than 20%	58.6%	53.4%	260
20-29.9%	18.7%	24.0%	83
30-34.9%	5.9%	5.9%	26
35% or more	16.9%	16.7%	75
All units computed			444

Source: 2016-2020 ACS 5-year estimates, table DP04

Monthly costs are even lower for homeowners who do not have a mortgage, so those statistics are not included here.

Housing Cost Burden by Income

Housing cost burdening (payment of 30 percent or more of household income toward housing costs) can also be assessed for individual income brackets. By this measure, burdening for homeowners in Keweenaw County is generally lower than statewide, and burdening for renters is much lower, with no renter households that have incomes $20,000 or higher being burdened.

Housing-Cost Burdened Households by Income (Paying 30%+ of Income for Housing)

Household Income	Owner-Occupied		Renter-Occupied	
	Keweenaw County	State	Keweenaw County	State
Less than $20,000	66.3%	80.3%	64.5%	88.2%
$20,000-$34,999	35.6%	43.5%	0.0%	74.9%
$35,000-$49,999	14.3%	26.3%	0.0%	33.9%
$50,000-$74,999	16.1%	12.6%	0.0%	10.6%
$75,000 or more	1.1%	3.0%	0.0%	2.7%

Source: 2016-2020 ACS 5-year estimates, table B25106

ALICE

The ALICE (Asset Limited Income Constrained Employed) threshold, as presented by United Way of Northwest Michigan, estimates a household survival budget in Michigan, including housing along with childcare, food, transportation, healthcare, and technology, plus taxes and a miscellaneous contingency budget. In Michigan, as of 2019, the thresholds in Michigan were $23,400 for a single adult, $26,244 for a single senior, and $64,116 for a family of four. Keweenaw County's percentage of households living under these thresholds was 35% - by far the lowest of the region's counties and lower than statewide (38%).

Age and Disability

Characteristics like age and disabilities can impact both housing needs and housing preferences. Keweenaw County has an older population than the state and nation but to a lesser degree than most counties. The county has more than twice as high a percentage as the state of persons age 65 and older, a much higher percentage of households with one or more persons age 65 and older, and much smaller percentages of households and families with no persons age 65 and older. Keweenaw County also has the highest median age of all the region's counties. However, Keweenaw County has the second-lowest percentage of disabled persons of the region's counties. BLMISI projects most age ranges up to age 64 to decrease steadily to 2045. The trend is more sporadic from 65 to 74, but age ranges 75 and older are projected to be uniformly greater in 2045 than in 2020, with the steadiest and greatest increase (by 223%) for ages 85 and older.

The increasing older age mix and needs to accommodate persons with disabilities are important factors in estimating future housing needs. Anecdotal evidence suggests that some seniors who are long-time homeowners may choose to move to different housing types (such as condominiums or lifestyle communities) if they become available, and this would free up single-family housing stock for younger residents, workers, and families.

Households, Age, and Disability

	% Households/Persons		# Households/Persons
Value	**Keweenaw County**	**State**	**Keweenaw County**
Noninstitutionalized civilian population with disability	12.8%	14.2%	269
Population age 65+	35.8%	17.2%	753
Households with one or more persons age 65+	48.4%	30.8%	522
One person age 65+ living alone	14.9%	12.3%	161
Households w/no persons age 65+	51.6%	69.2%	557
Families w/no persons age 65+	33.3%	45.9%	359
All households			1,079
Average household size		2.5	1.9
Median age		39.8	58.3

Source: 2016-2020 ACS 5-year estimates, tables DP05, B11007, and S1101

The Economy

The industry mix and associated workforce characteristics of an area can impact its housing needs and demands. Keweenaw County is highly dependent on small service businesses in the hospitality industry, with a few small manufacturers, but only 38% of Keweenaw County's working residents aged 16 and older work in Keweenaw County. Most others work in Houghton County, where major employers are within a reasonable commuting distance from southern Keweenaw County communities. Of all workers employed in Keweenaw County, the largest share (47.1%) live in Houghton County, and only 34.7% live in Keweenaw County. Other home locations of those workers are widely distributed.

Keweenaw County's annual civilian labor force in 2021 was 883 people – a decrease of 2.0% since 2019 (prior to the pandemic). This was the smallest percentage decrease of the region's counties. The county's 2021 annual, not-seasonally adjusted rate was 6.7%, middling among the region's counties, and the 2020 rate, more impacted by the pandemic, was 8.9%.

According to ACS, the large majority of Keweenaw County residents who work drive alone (77.3%), with most of the remainder carpooling (6.7%) or working from home (8.8%). For those who commute, the mean travel time to work is 22.8 minutes – less than the state's 24.6 minutes and the U.S.' 26.9 minutes.

The percentage of Keweenaw County residents who work from home is the greatest of the region's counties. This is understandable due to the isolation of much of the county – but also surprising, since a 2020 analysis by 4th Economy[1] indicated that the 203 residents in occupations able to work remotely there was the lowest percentage among the region's counties. Furthermore, the median broadband internet speed/bandwidth of 1.9 Mbps download and 1.1 Mbps upload was by far the lowest among the region's counties and generally considered too slow for remote work.

The disparity of broadband availability and quality against the prevalence of remote workers suggests there is a particular need in the county for improved broadband service. Thus, the planned Rural Digital Opportunity Fund expansion of fiber optic-to-home service in much of the county over the next several years will be highly impactful.

State Economic/Community Development Designations

Keweenaw County has only one unit of government that has a MEDC community development designation: The **Village of Ahmeek** is a **Low- to Moderate Income Community** and is considered to have a traditional downtown. Thus, it would also be eligible for participation in Redevelopment Ready Communities, but the village's small level of resources and lack of staff would be an obstacle.

[1] The analysis used Bureau of Labor Statistics (2017-2018) and Measurement Lab Internet Speed (2020) data.

Keweenaw County Trends

Building Permits

Data on building permit issuance is the simplest, most standardized way to gauge annual construction activity. The U.S. Census Building Permits Survey is used for uniformity among the region's counties. The survey collects residential permitting data directly from county building departments. In some cases where there are gaps in reporting, imputations (estimates) are used to compensate.

The table below shows annual 2001-2020 permit data for Keweenaw County. During this period no multi-unit structures were reported in the Building Permit Survey. There were 311 single-unit new construction permits reported, with a total value of about $40 million (at time of permitting, not adjusted for inflation). More than half of these of these were issued from 2001 through 2007, prior to the Great Recession. From 2001 through 2006 more than 20 permits were issued every year. The number dropped to 18 in 2007, continued to decline over the next three years, and fluctuated until 2020, when the number edged back up to 18 permits. The average permit valuation of 1-unit buildings in 2020 was about $167,000.

Keweenaw County Residential Building Permits Issued, 2001-2020

Year	1 unit		
	Bldgs	Units	Value*
2001	25	25	$2,704
2002	24	24	$2,596
2003	26	26	$2,813
2004	28	28	$3,029
2005	26	26	$2,813
2006	23	23	$2,488
2007	18	18	$1,947
2008	13	13	$1,406
2009	10	10	$1,082
2010	9	9	$974
2011	9	9	$1,800
2012	11	11	$2,200
2013	11	11	$2,200
2014	8	8	$1,400
2015	12	12	$1,200
2016	8	8	$1,143
2017	8	8	$940
2018	13	13	$1,896
2019	11	11	$2,049
2020	18	18	$3,009
TOTAL	311	311	$39,689

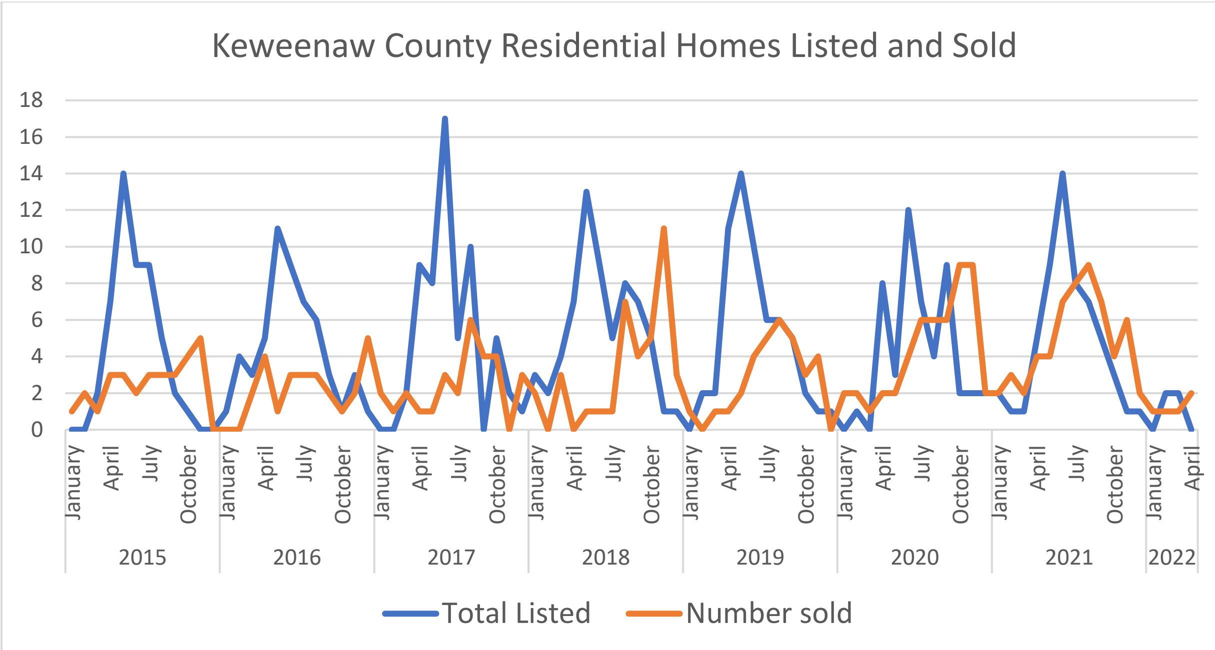
** In thousands*

There is demand and opportunity for multi-unit construction at various price points, especially "workforce housing" on the lower end, but on a regional level multi-unit construction has relied on sporadic development activity by a small pool of developers.

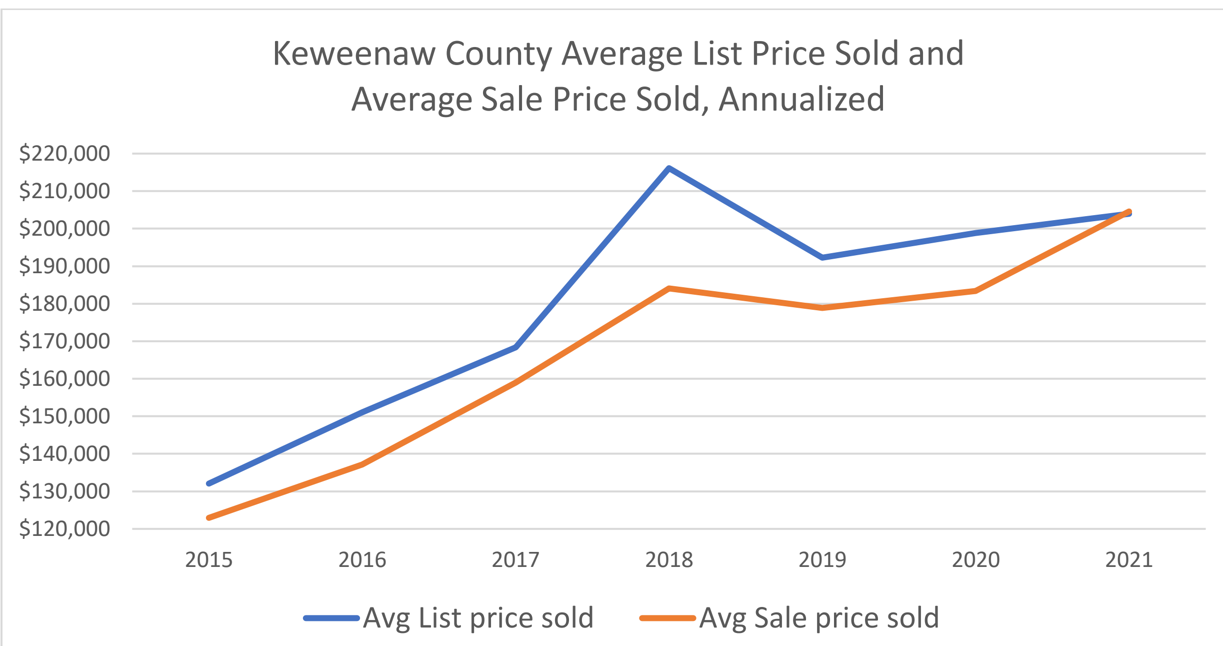
Multiple Listing Service (MLS)

Data from the Upper Peninsula Multiple Listing Service, used by Realtors to view and track housing sales activity, is one of the most immediate and reliable sources of data feedback on the resale market. Today's market dynamics are aligned with simple supply and demand economics.

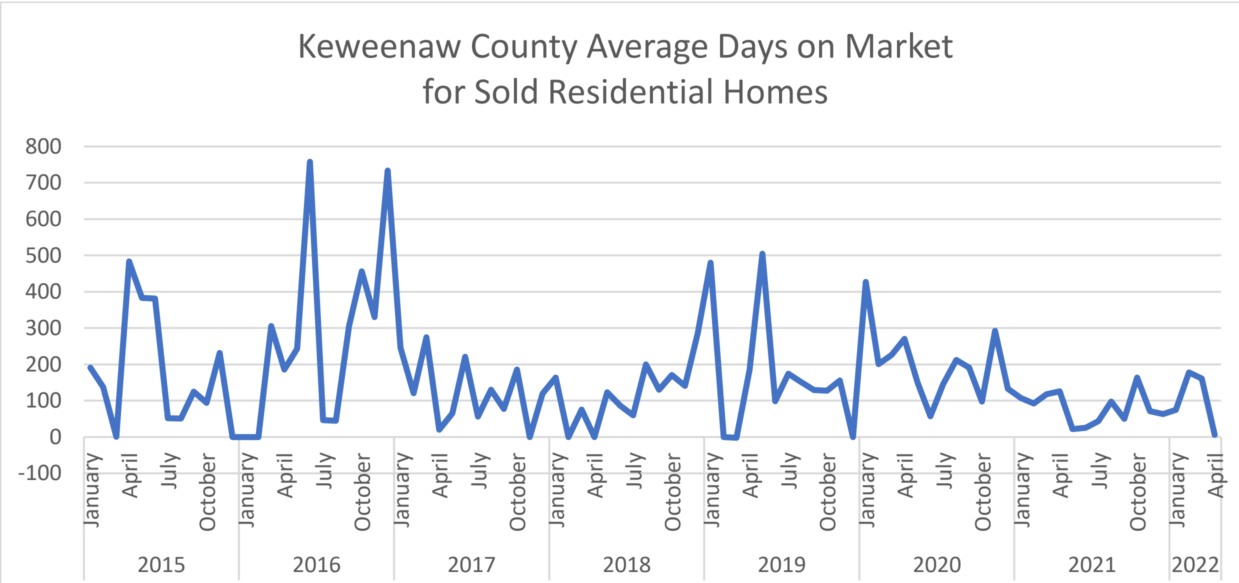
The following line chart shows extreme seasonal volatility in listings of homes within the county, with listings reaching low points of zero every year from 2015 through 2022 except in 2021, when the low point was one listing. The peak number of sales has been lower than peak listings in most years, though sale numbers became closer to listing numbers over the course of each year beginning in summer 2018.



The chart below illustrates the magnitude of increase in both sale and list prices since 2015. In 2015 the average list and sale prices were $132,063 and $122,933 respectively. These were among the highest in the region but still comfortable price points for many buyers. From 2015, list and sale prices increased rapidly to 2018, with a seven-year-high peak list price in 2018 (possibly due to a small number of high-value outliers). Sale price then plateaued until 2020 and rose again in 2021, while list price dropped in 2019 then rose gradually to 2021, equaling sale price that year. The average sale price of $204,574 in 2021 was a 11.5% increase from 2020 and a 66.4% increase from 2015.

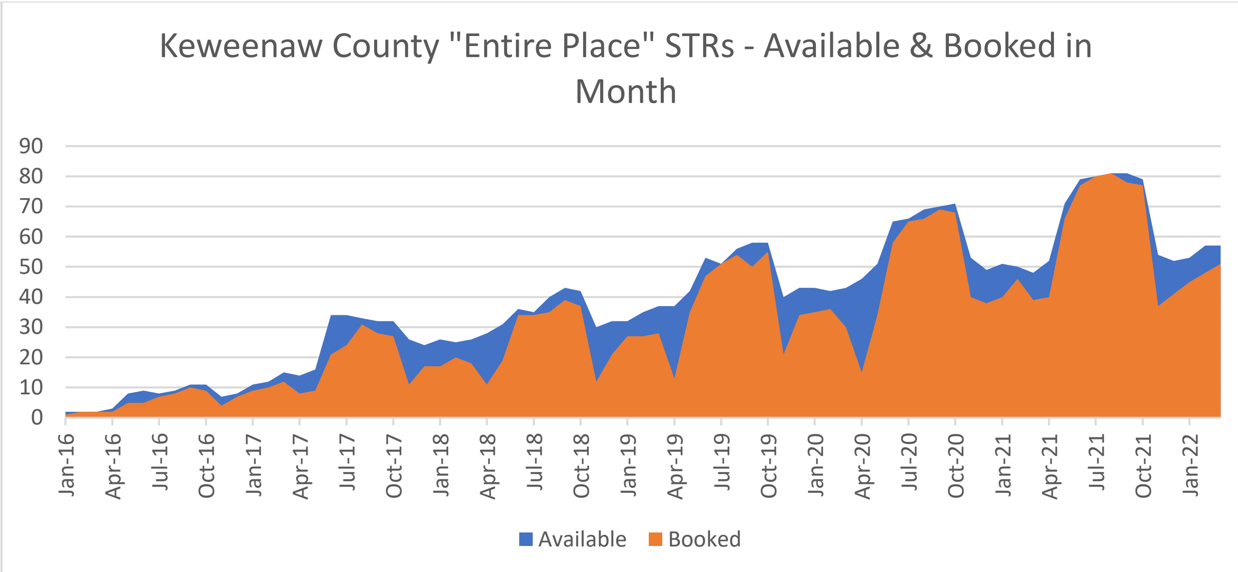


Another indicator of the highly competitive housing market is the number of days a home is on the market within the county. MLS calculates this from the day the home is entered into MLS until the deed to the property is transferred from seller to buyer. This measure has varied greatly from year to year in Keweenaw County. Monthly volatility from January 2021 through April 2022 was lower than in any other period of that length since at least 2015, indicating uniformly speedy sales.

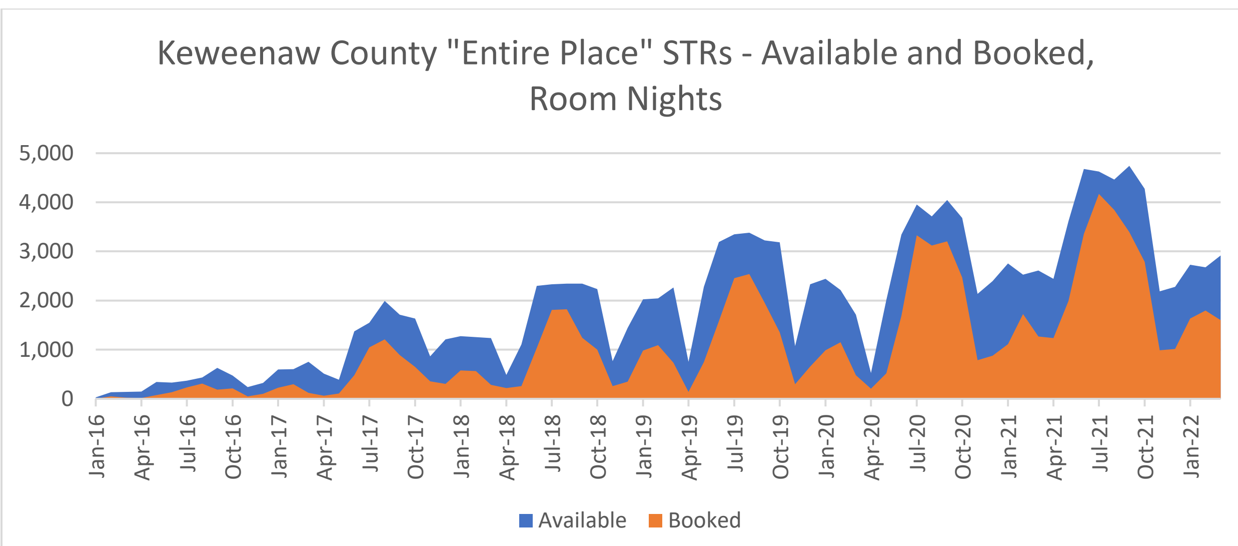


Short-Term Rentals

The chart below shows the number of “entire places” (that is, any unit listed in its entirety as opposed to individual spaces within it) that were listed and booked at least one night in each month from January 2016 through March 2022, based on data from AirDNA, which is combed from Airbnb and HomeAway listings. Available data begin in 2014, and the increase in Keweenaw County was slow from then until 2016, after which listings steadily accelerated over the years. The proportion of entire places that were booked out of those listed in a month was very high during the summer through fall peak seasons of 2018 through 2021, usually over 90% during those months. Bookings and listings reached their peaks thus far in July and August 2021, with 100% occupancy. The “low season” bookings, and to a lesser degree listings, beginning in late 2021 have been much higher than in previous years.



Another way to gauge STR utilization is "room nights" – the total number of nights available for booking in any entire place during the month. Similarly to the monthly listings and bookings explained above, the proportion of booked to available room nights has increased gradually since 2017, especially in peak seasons.



Ontonagon County Profile

Ontonagon County is the northern of two counties in the western half of the region. It contains 11 townships, a village (Ontonagon), and eight Census designated places (CDPs). Ontonagon is the third-largest county in Michigan by land area and has the second-smallest population; thus, residents are greatly dispersed over many small communities and outlying areas of townships.

Population and Housing Basics

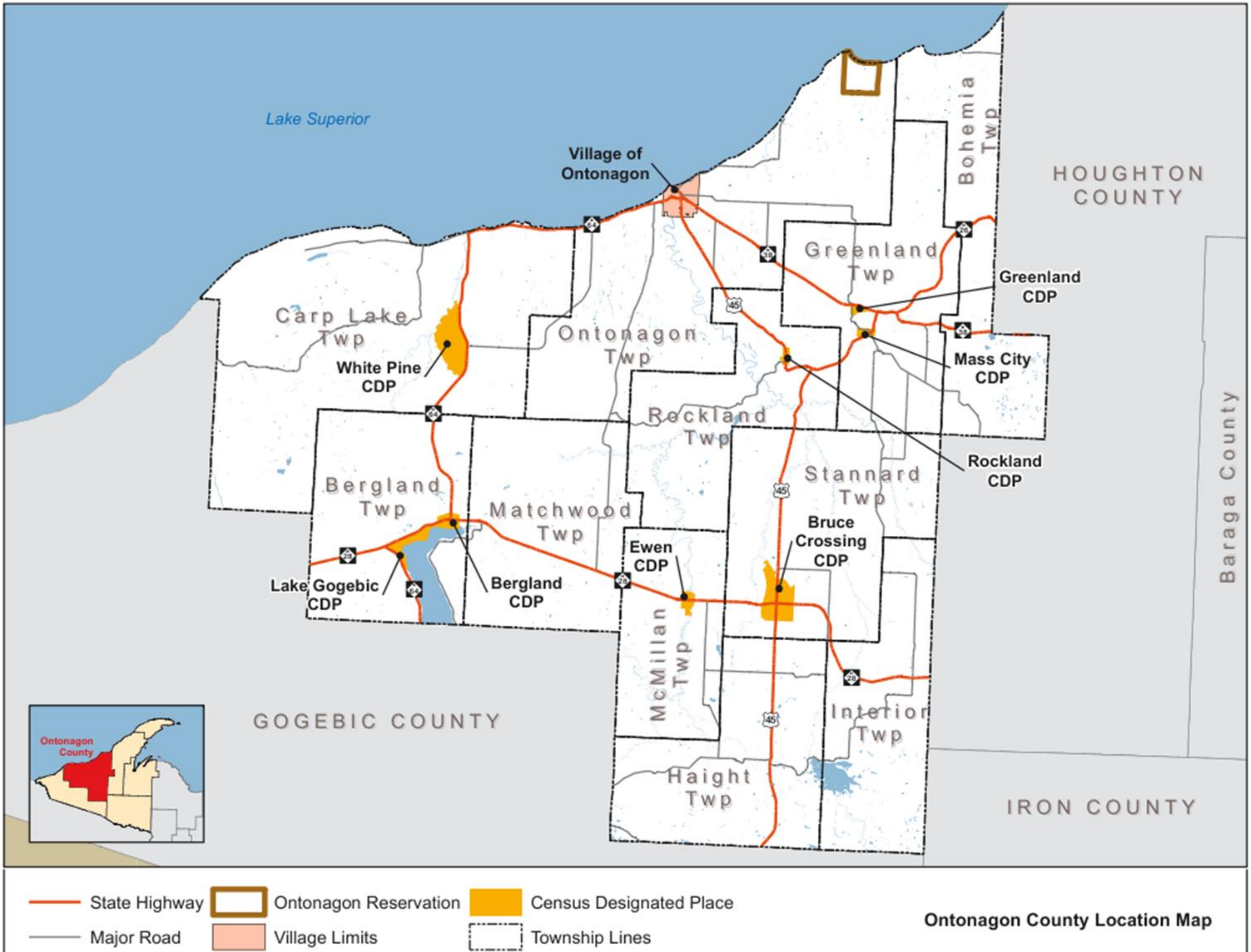
The 2020 total population of the county is 5,816 – a decrease of 25.6% since 2000 and 45% since 1960. Every unit of government decreased in population from 2000 to 2020. Population projections in 2019 indicated the county's population would drop by 36.1% from 2020 to 2040[1].

Ontonagon County Population Counts and Change (Decennial Census)

Geography	2000	2010	2020	2000-2020 Change
Bergland Township	550	467	438	-20.4%
Bohemia Township	77	82	75	-2.6%
Carp Lake Township	891	722	582	-34.7%
Greenland Township	870	792	628	-27.8%
Haight Township	228	212	203	-11.0%
Interior Township	375	336	270	-28.0%
Matchwood Township	115	94	90	-21.7%
McMillan Township	601	478	406	-32.4%
Ontonagon Township	2,954	2,579	2,253	-23.7%
Rockland Township	324	228	226	-30.2%
Stannard Township	833	790	645	-22.6%
TOTAL	7,818	6,780	5,816	-25.6%
Bergland CDP			141	
Bruce Crossing CDP			184	
Ewen CDP			229	
Greenland CDP			146	
Lake Gogebic CDP			122	
Mass City CDP			148	
Ontonagon village	1,769	1,494	1,285	-27.4%
Rockland CDP			173	
White Pine CDP		412	339	-17.7%*

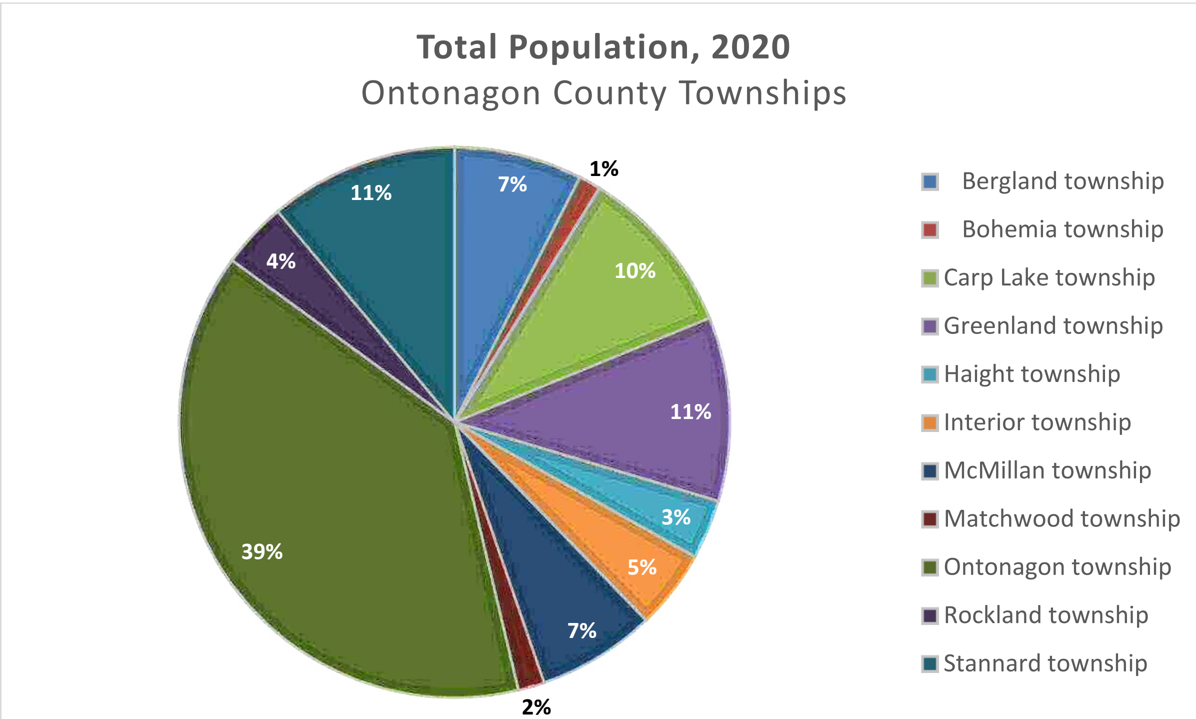
**2010-2020 change; White Pine was not a CDP in 2000*
Source: 2000, 2010, & 2020 Decennial Census

[1] Projections conducted in 2019 have not yet been adjusted for a 2020 Census baseline.



Ontonagon County Location Map

As of 2020, 41.3% of housing units and 47.6% of Ontonagon County residents are located in the Village of Ontonagon and CDPs, and thus may be considered “urban,” with the remainder located in outlying areas of townships.



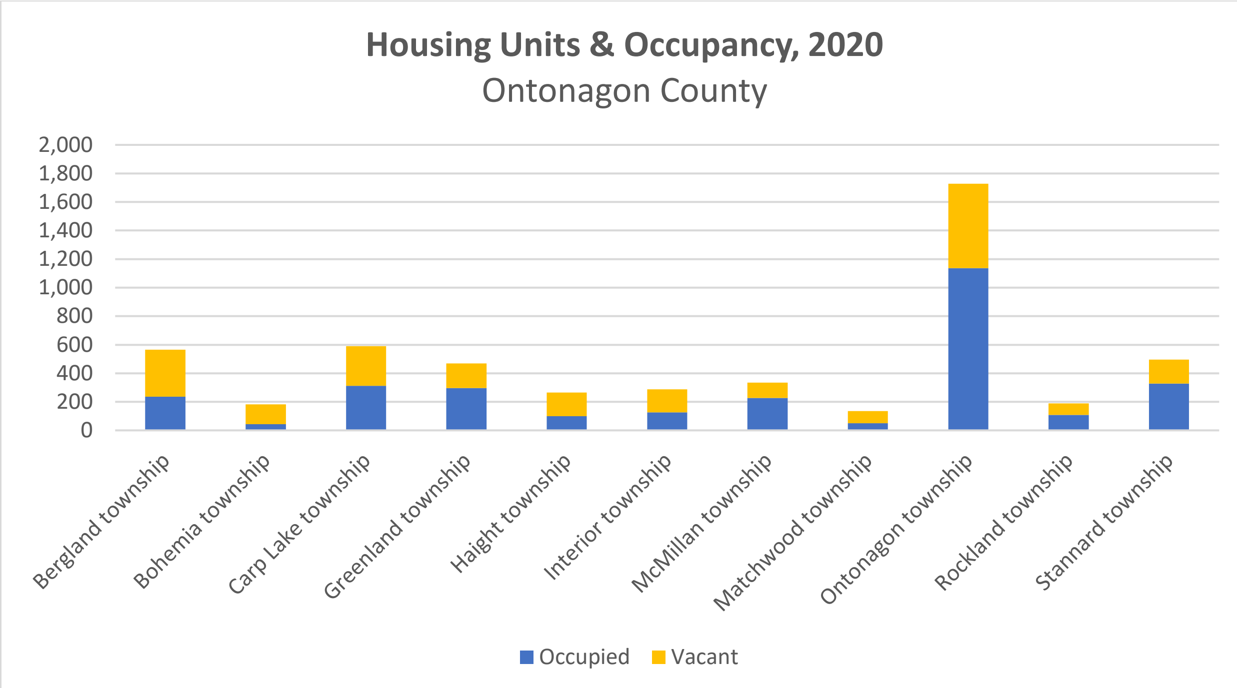
Housing Units & Occupancy

Ontonagon County had a total of 5,244 housing units according to the 2020 Census. This was a decrease of 7.5% since 2010. Of the 2020 total, 2,966 (59.7%) units were occupied and 2,278 (40.3%) vacant. The proportion of occupied to vacant units was slightly higher in 2020 than in 2010. Ontonagon Township has by far the most housing units of the county's townships.

Ontonagon County Occupied and Vacant Housing Units, 2010 & 2020

Geography	Occupied		Vacant		Total		
	2010	2020	2010	2020	2010	2020	2010-2020 % Change
Bergland Township	246	237	345	329	591	566	-4.2%
Bohemia Township	51	44	161	139	212	183	-13.7%
Carp Lake Township	347	312	259	278	606	590	-2.6%
Greenland Township	369	297	188	172	557	469	-15.8%
Haight Township	106	100	188	166	294	266	-9.5%
Interior Township	162	127	172	160	334	287	-14.1%
Matchwood Township	49	50	118	86	167	136	-18.6%
McMillan Township	244	227	136	108	380	335	-11.8%
Ontonagon Township	1,214	1,137	560	591	1,774	1,728	-2.6%
Rockland Township	116	108	94	81	210	189	-10.0%
Stannard Township	354	327	193	168	547	495	-9.5%
TOTAL	3,258	2,966	2,414	2,278	5,672	5,244	-7.5%
	57.4%	59.7%	42.6%	40.3%			
Bergland CDP		77		96		173	
Bruce Crossing CDP		121		28		149	
Ewen CDP		125		25		150	
Greenland CDP		69		8		77	
Lake Gogebic CDP		79		68		147	
Mass City CDP		74		42		116	
Ontonagon village	717	655	193	238	910	893	-1.9%
Rockland CDP		69		56		125	
White Pine CDP	225	205	121	130	346	335	-3.2%

Source: 2010 & 2020 Decennial Census



The remainder of Census Bureau housing data in this chapter is from the 2016-2020 American Community Survey (ACS). This dataset is based on a random sample of the population. Even though corrections and adjustments are made to mitigate, the ACS is subject to by large margins of error, particularly in smaller communities. In order to limit margins of error, the relatively large Ontonagon Township is the only community within Ontonagon County that is separated out from countywide data. The ACS comes with a further caveat that, as explained in the regional profile section, *housing and household counts that underlie all of the ACS housing data vary from the counts of the 2020 Census.*

Vacancy Types, Tenure, and Mobility

The vast majority of "vacant" housing units in the county are in the "seasonal, recreational, or occasional use" category, particularly in townships that do not have major core communities to support year-round residents. The category includes properties such as cabins/camps and second homes, as well as many properties used primarily as short-term rentals. Due largely to the predominance of these property uses, the county's percentage of vacant units is much higher than the state's, and a much smaller share of the state's vacancies are in this category.

Notably, Ontonagon County has a much smaller percentage than the region overall of properties for rent and for sale.

Ontonagon County Vacancy Status

Type of Vacancy	% of All Units (Occ & Vac)		# Units	
	Ontonagon County	State	Ontonagon County	Ontonagon Twp
For rent	0.6%	1.3%	35	16
Rented, not occupied	0.2%	0.3%	14	8
For sale only	0.8%	0.8%	44	12
Sold, not occupied	0.1%	0.5%	6	0
For seasonal, recreational, or occasional use	44.4%	6.3%	2,534	641
Other	4.3%	4.5%	247	68
All vacant units	50.5%	13.7%	2,880	745

Source: 2016-2020 ACS 5-year estimates, table B25004

Housing Tenure and Mobility

Among occupied housing units in the county, 88.2% are owner-occupied and 11.8% are renter-occupied. The owner-occupied share is 71.7% in Michigan and 64.4% in the U.S.

The homeowner vacancy rate in Ontonagon County is 1.7%; the renter vacancy rate is 9.1%.

Tenure (Owners/Renters)

Tenure	% Units		# Units	
	Ontonagon County	State	Ontonagon County	Ontonagon Twp
Owner-occupied	88.2%	71.7%	2,489	818
Renter-occupied	11.8%	28.3%	334	192
All occupied units			2,823	1,010
Homeowner vacancy rate		1.3%	1.7%	1.4%
Rental vacancy rate		5.0%	9.1%	7.4%

Source: 2016-2020 ACS 5-year estimates, table DP04

Ontonagon County residents have lived in their current housing units for a relatively long time. Only 2.1% moved into their current residences in 2019 or later, compared with 4.3% in Michigan and 4.8% in the U.S. Conversely, 43.9% of Ontonagon County residents have lived in their current units since before 2000, compared with 28.8% in Michigan and 24.6% in the U.S.

Year Householder Moved into Unit

	% Units		# Units	
Year	Ontonagon County	State	Ontonagon County	Ontonagon Twp
2019 or later	2.1%	4.3%	58	33
2015 to 2018	16.8%	26.4%	475	215
2010 to 2014	12.2%	19.8%	344	157
2000 to 2009	25.0%	20.7%	707	214
1990 to 1999	14.0%	13.6%	394	110
Before 1990	29.9%	15.2%	845	281
All occupied units			2,823	1,010

Source: 2016-2020 ACS 5-year estimates, table DP04

Over the course of the 2016-2020 ACS (table S0701), during the most recent 12-month period, 5.1% of Ontonagon County residents moved residences, and 2.3% of all residents moved from a different state. Future ACS datasets may show an increase in the latter, as much anecdotal feedback from Realtors and community leaders suggests that a much-increased number of purchasers have moved from other states, particularly metropolitan areas.

Physical Characteristics

Housing Age and Type of Structure

Ontonagon County has a relatively old housing stock, associated somewhat with the mining era more than 100 years ago in addition to relatively little construction activity in recent decades. The latter condition is especially apparent in Ontonagon Township, where it appears an average of only one housing unit per year has been constructed during the recovery from the Great Recession beginning in 2010. The county's 28.9% share of occupied units built in 1939 or earlier is much greater than that of the state (14.6%) and U.S. (12.4%) but slightly lower than the region's overall (35%).

Year Structure Built

	% Units		# Units	
Year	Ontonagon County	State	Ontonagon County	Ontonagon Twp
2010 or later	1.8%	3.0%	98	11
2000 to 2009	7.9%	9.9%	450	194
1980 to 1999	17.6%	23.2%	1,003	167
1960 to 1979	24.8%	27.2%	1,417	480
1940 to 1959	19.0%	22.2%	1,088	360
1939 or earlier	28.9%	14.6%	1,647	543
All housing units			5,703	1,755

Source: 2016-2020 ACS 5-year estimates, table DP04

White Pine is the only CDP that existed prior to 2020. It was built as a "company town" in association with the White Pine Mine and has a modern subdivision housing style. ACS data, though subject to a large margin of error in such a small geography, is likely accurate in indicating that 211 of White Pine's 350 housing units (60.3%) were built during the 1950s. Only 22 (6.3%) of homes there were built before 1940, compared with nearly half countywide. Despite the community's relatively young housing stock, due to the community's isolation and relatively poor infrastructure condition, many homes sat vacant or underutilized for years after the mine closed. As the pandemic has drawn on, buyers have looked to White Pine for affordable, available housing.

Single-family detached homes are the predominant structure unit-size in Ontonagon County, making up nine in ten units (95.7% in White Pine). This is considerably greater than the state (72.1%) and U.S. (61.7%) shares but typical of the region. Apartments of all sizes only account for 4.2% of units in the county.

Number of Units in Structure

	% Units		# Units	
# Units in Structure	Ontonagon County	State	Ontonagon County	Ontonagon Twp
1, detached	89.7%	72.1%	5,115	1,554
1, attached	0.2%	4.6%	14	8
2 apartments	0.8%	2.3%	45	18
3 or 4 apartments	1.3%	2.6%	72	65
5 to 9 apartments	1.1%	4.1%	61	38
10 or more apartments	1.0%	8.8%	60	11
Mobile home or other type	5.9%	5.4%	336	61
All housing units			5,703	1,755

Source: 2016-2020 ACS 5-year estimates, table DP04

Some types of residential facilities, such as senior living facilities and correctional facilities, are considered group quarters rather than housing units. Group quarters are not considered in housing statistics of this chapter.

Bedrooms

Ontonagon County has a larger percentage than the state of units with two or fewer bedrooms. Only 46.2% of units in the county have three or more bedrooms, compared with 64.5% in the state.

Number of Bedrooms in Unit

	% Units		# Units	
# Bedrooms	Ontonagon County	State	Ontonagon County	Ontonagon Twp
None	7.4%	1.6%	423	78
1	17.0%	8.9%	971	312
2	29.4%	25.1%	1,676	634
3	34.7%	43.9%	1,979	490
4 or more	11.5%	20.6%	654	241
All housing units			5,703	1,755

Source: 2016-2020 ACS 5-year estimates, table DP04

Utilities

Public utilities and other infrastructure are important elements in housing development. The county is served by three electric utilities. Public water systems in Ontonagon and in Bergland, Interior, McMillan, and Rockland townships serve a population of 3,758. Outlying areas rely on private wells.

Natural gas, provided by two utilities, is the primary home heating fuel for just 42.9% of households in the county versus the state's 76.1%. The second-most households in the county use on-site LP gas as the primary fuel, and most of the remainder use wood.

Home Heating Fuel in Occupied Units

	% Units		# Units	
Fuel Type	Ontonagon County	State	Ontonagon County	Ontonagon Twp
Utility (natural) gas	42.9%	76.1%	1,210	644
Bottled/tank/LP gas	30.4%	8.4%	858	194
Electricity	4.4%	10.1%	123	71
Wood	15.6%	2.8%	440	54
Fuel oil	6.3%	1.0%	177	47
Other or none	0.3%	1.5%	15	0
Occupied units			2,823	1,010

Source: 2016-2020 ACS 5-year estimates, table DP04

Broadband internet has become a critical service for permanent residences and is prerequisite for many purchasers: If reliable, high-speed broadband is not available, many purchasers will not even consider a home purchase or rental. In Ontonagon County, 58.9% of households have subscriptions to broadband services such as cable, fiber optic, and digital subscriber line (DSL) (versus 67.5% in the state); 12.8% rely on only a cellular data plan; and 22.2% of households have no internet subscription (versus 15.3% in the state). The traditional satellite service that a mere 5.2% in the county subscribe to is insufficient for many high-speed uses, but the burgeoning Starlink low-earth-orbit satellite service is a vast improvement and will fill gaps in availability as it becomes more widespread.

Internet Subscriptions in Households

Subscription Type	% Households		# Households	
	Ontonagon County	State	Ontonagon County	Ontonagon Twp
Broadband such as cable, fiber optic, DSL	58.9%	67.5%	1,662	641
Satellite	5.2%	6.7%	147	64
Dial-up with no other type	1.1%	0.3%	31	6
Cellular data plan with no other type	12.8%	12.3%	362	118
None	22.2%	15.3%	626	214
All households			2,823	1,010

Not all response options are mutually exclusive, so subscription type rows may not total all households.
Source: 2016-2020 ACS 5-year estimates, table S2801

Broadband services can be highly localized, even block by block within a community, so availability needs to be verified for any individual residence. And despite the large share of households that have a non-satellite, non-cellular broadband service, bandwidth and reliability can vary widely.

Housing Value and Affordability Factors

Ontonagon County has one of the lower median values of owner-occupied housing units in the region, at $74,400 – less than half of the state median of $162,600. Ontonagon Township's median is lower than the county's.

Housing Value of Owner-Occupied Units

Value	% Units		# Units	
	Ontonagon County	State	Ontonagon County	Ontonagon Twp
Less than $50,000	30.4%	6.6%	756	208
$50,000-$99,999	32.0%	11.0%	797	382
$100,000-$149,999	14.8%	12.3%	369	130
$150,000-$199,999	7.6%	13.6%	190	36
$200,000-$299,999	8.8%	20.0%	218	15
$300,000-$499,999	5.4%	20.5%	134	47
$500,000 or more	1.0%	16.0%	25	0
Owner-occupied units			2,489	818
Median		$162,600	$74,400	$68,000

Value is the current market value estimated by the respondent.
Source: 2016-2020 ACS 5-year estimates, table DP04

Household Income

Household incomes in Ontonagon County are relatively low: The countywide median household income of $41,776 compares to a state median of $59,234. Nearly two-thirds of the county's households have incomes under $50,000, compared with 42.6% in the state; and just 9.7% of the county's households have incomes $100,000 or more, compared with 26.3% in the state.

Household Income (2020 Inflation-Adjusted Dollars)

	% Households		# Households	
Income	Ontonagon County	State	Ontonagon County	Ontonagon Twp
Under $25,000	30.0%	19.7%	733	264
$25,000-$49,999	33.7%	22.9%	952	349
$50,000-$74,999	20.4%	18.2%	576	188
$75,000-$99,999	10.1%	12.9%	286	107
$100,000-$149,999	7.4%	14.6%	210	88
$150,000 or more	2.3%	11.7%	66	14
All households			2,823	1,010
Median		$59,234	$41,776	$41,364

Source: 2016-2020 ACS 5-year estimates, table S2503

Value to income ratio (VTI) – the ratio of housing unit value to household income – Is one measure of housing affordability for homeowners. The optimum VTI is generally considered to be 2.5, meaning a home's purchase price would equal two and a half years of total household income. Ontonagon County's overall VTI (based on median income and median owner-occupied housing unit value) of 1.8 and Ontonagon Township's of 1.6 are somewhat low, suggesting affordability for homeowners but risking a lack of interest in new investment by housing developers.

Housing Stock Excesses and Shortages Based on Household Income and Price Ranges

The following tables associate optimal home values and monthly contract rent (actual rental cost regardless of whether utilities are included) ranges with various household income ranges, as explained in the Regional Overview section of this study. The assessment reveals how well the occupied housing stock in a community fits the income ranges of residents.

It is important to understand that shortages and excesses in this analysis pertain only to the *mix* of housing value and rent price ranges among existing households; it is not intended to show a shortage or excess in the total number of housing units for residents. The number of households always equals the number of occupied housing units.

In Ontonagon County, similar to regionwide, there is a shortage of housing with values and rents appropriate for a $50,000-$99,999 household income (houses costing $100,000-$199,000 and rentals with monthly contract rents $1,000-$1,499). There is a very large excess of owner-occupied units appropriate for household incomes over $150,000. Contract rent is under $500/month for 84.7% of renter-occupied units.

Housing Shortage/Excess by Household Income, Ontonagon County

<table>
<tr><th rowspan="2">Income Range</th><th rowspan="2">House-holds</th><th colspan="2">Owner-Occupied Units</th><th colspan="2">Renter-Occupied Units</th><th rowspan="2">Total Units</th><th colspan="2">Excess (Shortage) of Units</th></tr>
<tr><th>Affordable Value</th><th>#</th><th>Affordable Cont. Rent</th><th>#</th><th>Number</th><th>%</th></tr>
<tr><td>$0-24,999</td><td>733</td><td>$0-49,999</td><td>756</td><td>$0-499</td><td>283</td><td>1,039</td><td>306</td><td>41.7%</td></tr>
<tr><td>$25,000-49,999</td><td>952</td><td>$50,000-99,999</td><td>797</td><td>$500-999</td><td>31</td><td>828</td><td>(124)</td><td>-13.0%</td></tr>
<tr><td>$50,000-$74,999</td><td>576</td><td>$100,000-149,999</td><td>369</td><td rowspan="2">$1,000-1,499</td><td rowspan="2">14</td><td>376</td><td>(200)</td><td>-34.7%</td></tr>
<tr><td>$75,000-99,999</td><td>286</td><td>$150,000-199,999</td><td>190</td><td>197</td><td>(89)</td><td>-31.1%</td></tr>
<tr><td>$100,000-149,999</td><td>210</td><td>$200,000-299,999</td><td>218</td><td>$1,500-1,999</td><td>6</td><td>224</td><td>14</td><td>6.7%</td></tr>
<tr><td>$150,000+</td><td>66</td><td>$300,000+</td><td>159</td><td>$2,000+</td><td>0</td><td>159</td><td>93</td><td>140.9%</td></tr>
<tr><td>Total</td><td>2,823</td><td></td><td>2,489</td><td></td><td>334</td><td>2,823</td><td colspan="2"></td></tr>
</table>

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

In Ontonagon Township, there are shortages of units suitable for household incomes $50,000-$74,999, $75,000-$99,999, and $100,000-$149,999, increasingly severe for the higher income ranges. However, there is an extremely large excess (on a percentage basis) of owner-occupied units for incomes $150,000 and more: more than three times as many units as necessary for this income range. This suggests many households may be living in housing beyond their affordable range. All renter-occupied units have contract rents under $1,000, 90% being under $500/month.

Housing Shortage/Excess by Household Income, Ontonagon Township

<table>
<tr><th rowspan="2">Income Range</th><th rowspan="2">House-holds</th><th colspan="2">Owner-Occupied Units</th><th colspan="2">Renter-Occupied Units</th><th rowspan="2">Total Units</th><th colspan="2">Excess (Shortage) of Units</th></tr>
<tr><th>Affordable Value</th><th>#</th><th>Affordable Cont. Rent</th><th>#</th><th>Number</th><th>%</th></tr>
<tr><td>$0-24,999</td><td>264</td><td>$0-49,999</td><td>208</td><td>$0-499</td><td>173</td><td>381</td><td>117</td><td>44.3%</td></tr>
<tr><td>$25,000-49,999</td><td>349</td><td>$50,000-99,999</td><td>382</td><td>$500-999</td><td>19</td><td>401</td><td>52</td><td>14.9%</td></tr>
<tr><td>$50,000-$74,999</td><td>188</td><td>$100,000-149,999</td><td>130</td><td rowspan="2">$1,000-1,499</td><td rowspan="2">0</td><td>130</td><td>(58)</td><td>-30.9%</td></tr>
<tr><td>$75,000-99,999</td><td>107</td><td>$150,000-199,999</td><td>36</td><td>36</td><td>(71)</td><td>-66.4%</td></tr>
<tr><td>$100,000-149,999</td><td>88</td><td>$200,000-299,999</td><td>15</td><td>$1,500-1,999</td><td>0</td><td>15</td><td>(73)</td><td>-83.0%</td></tr>
<tr><td>$150,000+</td><td>14</td><td>$300,000+</td><td>47</td><td>$2,000+</td><td>0</td><td>47</td><td>33</td><td>235.7%</td></tr>
<tr><td>Total</td><td>1,010</td><td></td><td>818</td><td></td><td>192</td><td>1,010</td><td colspan="2"></td></tr>
</table>

Number of existing rental units $1,000-1,500 is allocated equally to total affordable units for $50,000-$74,999 and $75,000-$99,999 income ranges."No cash rent" units are included in $0-499 affordable rent range.
Source: 2016-2020 ACS 5-year estimates, tables B25056, DP04, and S2503

This assessment is useful to the extent that a community functions as a closed ecosystem – truest for a larger geography such as a county. In reality there is somewhat free flow between and among adjacent communities that have complementary housing stocks – but this can be a disadvantage to both local governments and residents themselves, as disparities may prevent residents from staying in their preferred communities over the long term.

Affordability for Renters

The measure of gross rent adds to contract rent the estimated costs of basic utilities and any non-utility heating fuel costs. In Ontonagon County, 90.5% of gross rents are under $1,000/month, and this does not include units for which rent is not paid. Only 26 units countywide have rents $1,000/month or more.

Rents are also slightly more affordable as a percentage of monthly income in Ontonagon County than statewide. Whereas 41.8% of renter households (excluding those that could not be computed) are rent-burdened (paying 30% or more of income for housing expenses) in Ontonagon County, 48.5% are rent-burdened statewide.

Monthly Gross Rent

Gross Rent Amount	% Units		# Units	
	Ontonagon County	State	Ontonagon County	Ontonagon Twp
None paid			60	23
Paid up to $499	40.5%	11.4%	111	79
$500-$999	50.0%	50.8%	137	90
$1,000-1,499	4.4%	28.1%	12	0
$1,500-$1,999	5.1%	6.6%	14	0
$2,000 or more	0%	3.2%	0	0
All renter-occupied units			334	192
Median		$892	$550	$521
Gross Rent % of Monthly Income	**% Units**		**# Units**	
	County	**State**	**County**	**Ontonagon Twp**
Less than 20%	21.8%	27.5%	57	46
20-29.9%	36.4%	24.1%	95	67
30-34.9%	11.9%	8.7%	31	17
35% or more	29.9%	39.8%	78	26
All units computed			261	156

Source: 2016-2020 ACS 5-year estimates, table DP04

The U.S. Department of Housing and Urban Development (HUD) annually calculates fair market rent (FMR) for every county and metropolitan area in Michigan. FMR is set at the 40th percentile – the dollar amount below which 40% of "standard quality" rental housing units fall within the county. FMR is based on a recent ACS subjected to additional statistical manipulation, including cost of living increases. Ontonagon County's 2022 and 2021 FMRs for various bedroom-number units are:

HUD Fair Market Rent, Ontonagon County

	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
2022	$524	$647	$757	$936	$1,072
2021	$503	$614	$734	$913	$1,040

Affordability for Homeowners with Mortgages

Home ownership is one of the greatest goals for many Americans. Down payment and closing costs can be a major obstacle, especially in a market with rapidly rising prices. But if and after these can be achieved, home ownership is associated with lower monthly housing costs as a percentage of income than renters enjoy. (This is due in part to the overall higher incomes of homeowners than renters, however.) Housing costs as a share of monthly income are lower for homeowners whether or not the home is subject to a mortgage. And home equity built over time presents an additional long-term financial benefit.

Selected Monthly Owner Costs (SMOC), as used in the ACS, includes costs of mortgages and other property debt payments, hazard insurance, property taxes, basic utilities, and non-utility heating fuels. For comparison of overall housing cost burden for a household, SMOC is comparable to gross rent.

Monthly mortgagee costs are much lower in Ontonagon County than in the state: The percentage of households paying under $1,000/month is 59.8% - more than twice as high as the state's 26.8%. Only 3.9% of mortgagee households in Ontonagon County pay $2,000/month or more, versus 18.1% statewide. In Ontonagon County, 28.1% of mortgagee households are housing cost-burdened versus 41.8% of renter households. However, the 28.1% of mortgagee households that are cost-burdened is significantly higher than the state's 22.6%.

SMOC – Housing Units with a Mortgage

SMOC Amount	% Units		# Units	
	Ontonagon County	State	Ontonagon County	Ontonagon Twp
Less than $500	7.6%	1.5%	68	24
$500 to $999	52.2%	25.3%	465	173
$1,000-$1,499	26.5%	35.2%	236	86
$1,500-$1,999	9.7%	19.9%	86	6
$2,000 or more	3.9%	18.1%	35	11
All owner-occupied units with a mortgage			890	300
Median		$1,312	$870	$843

SMOC % of Monthly Income	% Units		# Units	
	Ontonagon County	State	Ontonagon County	Ontonagon Twp
Less than 20%	47.6%	53.4%	418	167
20-29.9%	24.2%	24.0%	213	56
30-34.9%	6.0%	5.9%	53	19
35% or more	22.1%	16.7%	194	58
All units computed			878	300

Source: 2016-2020 ACS 5-year estimates, table DP04

Monthly costs are even lower for homeowners who do not have a mortgage, so those statistics are not included here.

Housing Cost Burden by Income

The issue of cost burdening (paying 30 percent or more of household income toward housing costs) is more poignant when assessed by household income range. In Ontonagon County, in owner-occupied units, 65.4% of households earning under $20,000/year are housing cost-burdened, along with 27.4% of households earning $20,000-$34,999/year. These percentages, while unacceptably high for those incomes, are much lower than the state equivalents of 80.3% and 43.5% respectively. Only 10.3% with incomes $35,000-$74,999 are burdened in the county versus 38.9% in the state.

In the county's renter-occupied units, burdening is lower than owner-occupied units for incomes under $20,000/year, at 55.3%, but higher for incomes $20,000-$34,999, at 36.8%. These percentages are both far less than statewide (88.2% and 74.9% respectively).

The disparity of burdening for renter-occupied versus owner-occupied units in Ontonagon County is greatest for incomes $35,000-$49,999, with 35% of renters (similar to statewide) in this range burdened versus 8.9% of owners.

Housing-Cost Burdened Households by Income (Paying 30%+ of Income for Housing)

Household Income	Owner-Occupied		Renter-Occupied	
	Ontonagon County	State	Ontonagon County	State
Less than $20,000	65.4%	80.3%	55.3%	88.2%
$20,000-$34,999	27.4%	43.5%	36.8%	74.9%
$35,000-$49,999	8.9%	26.3%	35.0%	33.9%
$50,000-$74,999	1.4%	12.6%	0.0%	10.6%
$75,000 or more	0.4%	3.0%	0.0%	2.7%

Source: 2016-2020 ACS 5-year estimates, table B25106

ALICE

The ALICE (Asset Limited Income Constrained Employed) threshold, as presented by United Way of Northwest Michigan, estimates a household survival budget in Michigan, including housing along with childcare, food, transportation, healthcare, and technology, plus taxes and a miscellaneous contingency budget. In Michigan, as of 2019, the thresholds in Michigan were $23,400 for a single adult, $26,244 for a single senior, and $64,116 for a family of four. Ontonagon County's percentage of households living under these thresholds was 51% versus 38% statewide.

Age and Disability

Characteristics like age and disabilities can impact both housing needs and housing preferences. Ontonagon County has an older population than the state and nation but to a lesser degree than most counties. The county has a higher percentage than the state of persons with disabilities, more than twice as high a percentage of persons aged 65 and older, a higher percentage of households with one or more persons aged 65 and older, much smaller percentages of households and families with no persons aged 65 and older, and a much higher median age. According to BLMISI, the population under age 70 is projected to decrease for the foreseeable future as older populations move up through the age ranges through 2040.

The increasing older age mix and needs to accommodate persons with disabilities are important factors in estimating future housing needs. Anecdotal evidence suggests that some seniors who are long-time homeowners may choose to move to different housing types (such as condominiums or lifestyle communities) if they become available, and this would free up single-family housing stock for younger residents, workers, and families.

Due in part to the older age mix, average household size is lower in Ontonagon County and Township than statewide.

Households, Age, and Disability

Value	% Households/Persons		# Households/Persons	
	Ontonagon County	State	Ontonagon County	Ontonagon Twp
Noninstitutionalized civilian population with disability	18.9%	14.2%	1,086	367
Population age 65+	36.3%	17.2%	2,105	763
Households with one or more persons age 65+	48.8%	30.8%	1,378	480
One person age 65+ living alone	15.9%	12.3%	450	156
Households w/no persons age 65+	51.2%	69.2%	1,445	530
Families w/no persons age 65+	30.4%	45.9%	858	297
All households			2,823	1,010
Average household size		2.5	2.0	1.9
Median age		39.8	59.1	60.2

Source: 2016-2020 ACS 5-year estimates, tables DP05, B11007, and S1101

The Economy

Industry

Ever since closure of the White Pine Mine and two large manufacturers in the Village of Ontonagon, the county's economy has struggled. Most workers are widely dispersed in small service industry businesses. Most of the relatively large employers located in the village: Aspirus Ontonagon Hospital, the county government and road commission, Pat's Foods (grocery store), and Trident Maritime Systems (the county's most significant manufacturer). Settlers Co-Op, a grocery store and gas station in Bruce Crossing that also provides fuel delivery services, and Big Valley Ford in Ewen, are the largest employers farther south in the county. The vast majority of other workers are dispersed in small service industry businesses.

There are two new mining ventures on the horizon: a small refinery at White Pine (up to around 14 employees) and a much larger mine in northeastern Gogebic County near the Ontonagon County border (hundreds of employees). Due to its proximity, the latter project could present a significant opportunity for development of additional housing in Ontonagon County.

Ontonagon County's annual civilian labor force in 2021 was 2,012 people – a decrease of 3.4% since 2019 (prior to the pandemic). Ontonagon County has historically had one of the higher unemployment rates in the region. Its 2021 annual, not-seasonally adjusted rate was the second highest of the region's counties, at 7.6%. The 2020 rate of 10.3%, impacted more by the pandemic, was also second highest.

Employment and Commuting

Most employees want to live relatively close to where they work, as this can reduce commute times and transportation monetary costs; additionally, when someone lives in the same area where s/he works, earnings can be allowed to circulate and multiply through the local economy. A smaller share of workers living in their county of employment may suggest a shortage in housing stock and vice versa.

The 2016-2020 ACS indicates that of Ontonagon County *residents* aged 16 years and older who work, 69.2% work in Ontonagon County.

Looking at all people who *work* in Ontonagon County, 76.6% of them live in Ontonagon County. Another 10.5% live in Gogebic and Houghton counties. Baraga and Marquette counties are home to 3.8%. Each other reported location is home to fewer than 10 Ontonagon County workers. (Census OnTheMap 2019 data)

According to ACS, the large majority of Ontonagon County residents who work drive alone (78.9%), with most of the remainder carpooling (7.7%) or walking (4.8%). Reflecting the county's highly dispersed population and work sites, the mean travel time to work of 28.7 minutes is more than Michigan's 24.6 minutes and the U.S.' 26.9 minutes. 7.3% reported working from home, but this figure likely increased during the pandemic. A 2020 analysis by 4th Economy[2] suggested that 507 Ontonagon County workers (24.5%) had the ability to work remotely; however, the analysis found a median broadband internet speed/bandwidth of 8.1 Mbps download and 1.9 Mbps upload, which, while the third-highest bandwidth among the region's counties, is generally considered too slow for remote work.

State Economic/Community Development Designations

Listed below are local units of government that have or are eligible for various MEDC programs and designations.

- **Low- to Moderate-Income (LMI) Communities**: Village of Ontonagon and McMillan Township (including Ewen CDP)
- **Redevelopment Ready Communities (RRC):**
  - **Village of Ontonagon** is engaged on Essentials path
  - **McMillan Township** would be eligible as it is considered to have a traditional downtown, but its low level of resources may be an obstacle

[2] The analysis used Bureau of Labor Statistics (2017-2018) and Measurement Lab Internet Speed (2020) data.

Ontonagon County Trends

Building Permits

Data on building permit issuance is the simplest, most standardized way to gauge annual construction activity. The U.S. Census Building Permits Survey is used for uniformity among the region's counties. The survey collects residential permitting data directly from county building departments. In some cases where there are gaps in reporting, imputations (estimates) are used to compensate.

The table to the right shows annual 2001-2020 permit data for Ontonagon County. During this period no multi-unit structures were reported in the Building Permit Survey. There were 296 single-unit new construction permits reported, with a total value of $31.6 million (at time of permitting, not adjusted for inflation). Whereas in most of the region's counties there was a major drop in permits at the start of the Great Recession, in Ontonagon County the pattern was more variable. From peak years of 2002-2004, permitting trended mainly downward to 2009 then dropped by half (18 to 9) in 2010 and stayed in single digits until 2014. Numbers have been volatile since then. In 2020 7 permits were issued with an average valuation of about $249,000.

Ontonagon County Residential Building Permits Issued, 2001-2020

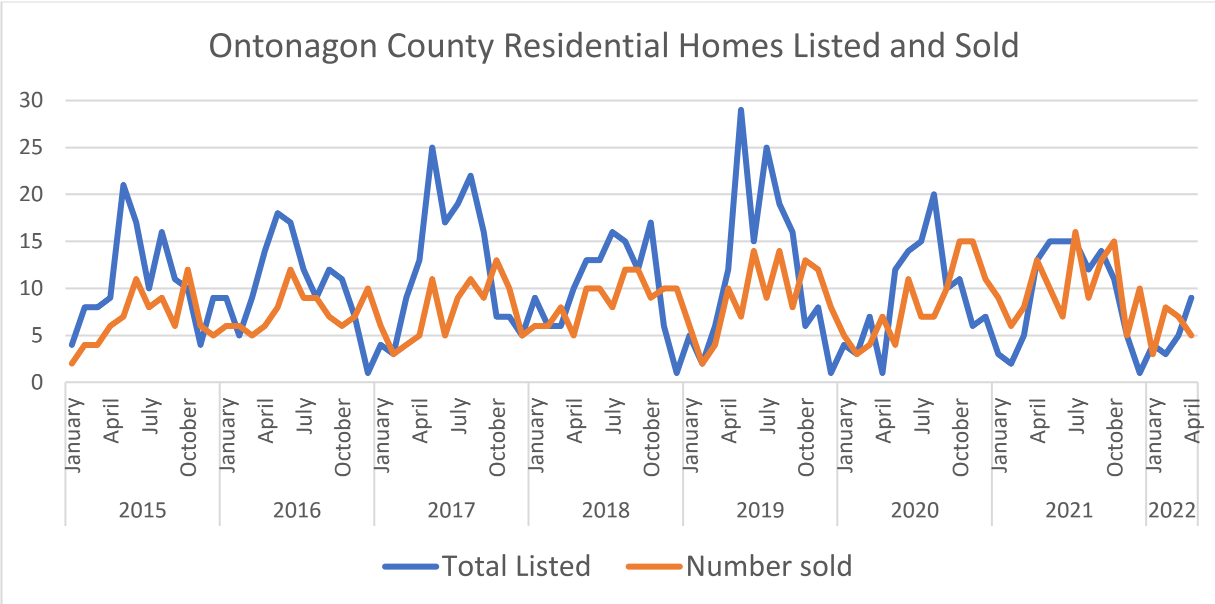
Year	1 unit		
	Bldgs	Units	Value*
2001	16	16	$1,017
2002	30	30	$1,842
2003	27	27	$2,465
2004	34	34	$3,077
2005	22	22	$1,680
2006	19	19	$2,222
2007	14	14	$1,673
2008	15	15	$1,685
2009	18	18	$2,359
2010	9	9	$1,379
2011	6	6	$875
2012	8	8	$822
2013	8	8	$890
2014	7	7	$640
2015	12	12	$1,120
2016	9	9	$1,105
2017	12	12	$1,228
2018	4	4	$675
2019	19	19	$3,070
2020	7	7	$1,740
TOTAL	296	296	$31,564

** In thousands*

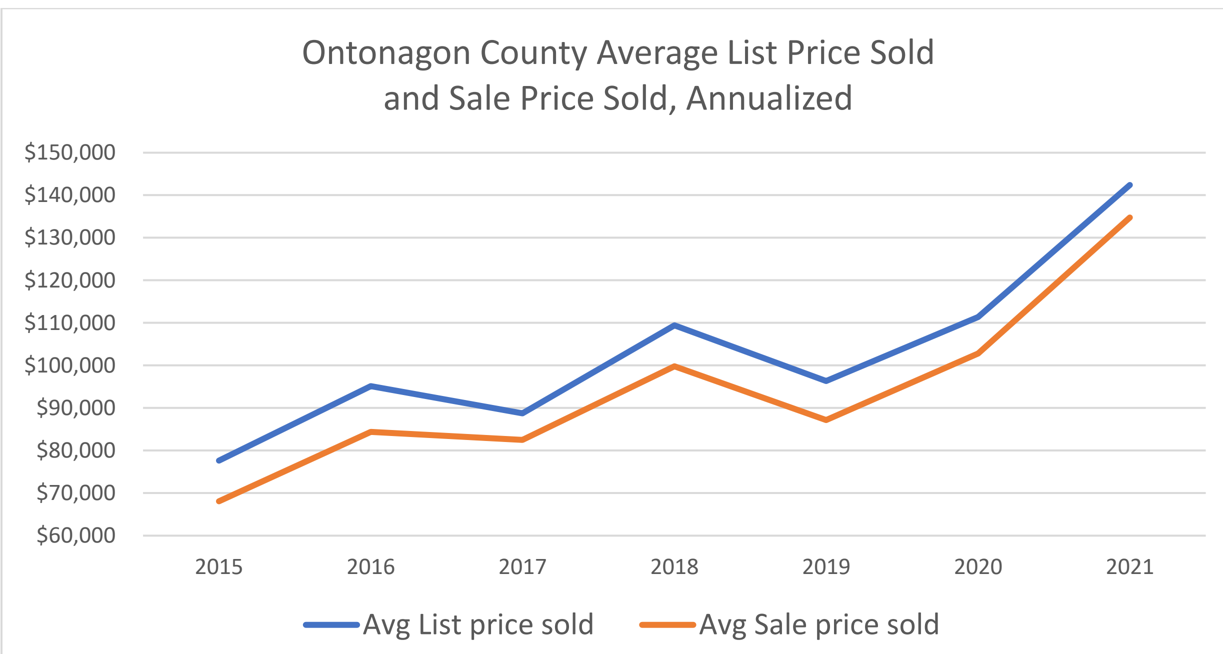
Multiple Listing Service (MLS)

Data from the Upper Peninsula Multiple Listing Service, used by Realtors to view and track housing sales activity, is one of the most immediate and reliable sources of data feedback on the resale market. Today's market dynamics are aligned with simple supply and demand economics.

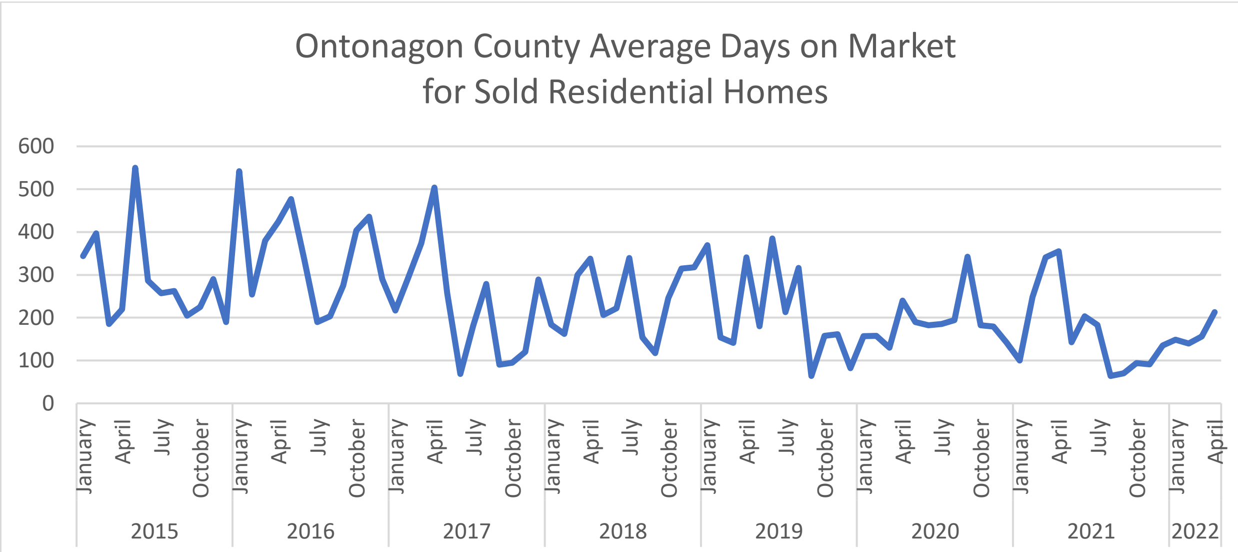
The following line chart shows considerable volatility in listings of homes within the county, with the highest volume of listings in 2017 and 2019. Listings and sales ran quite closely over the course of the year in 2018, 2021, and in 2020 except a major summer peak in listings that year.



The chart below illustrates the magnitude of increase in both sale and list prices since 2015. In 2015 the average list and sale prices were $77,637 and $68,080 respectively. Prices fluctuated but had a net increase of 30% from 2015 to 2019. The rate of increase was rapid and steady from 2019 to 2021, when list and sale prices reached $142,408 and $134,763 respectively. The average sale price of $134,763 in 2021 was a 54.6% increase from 2019 and nearly double the average sale price of 2015.

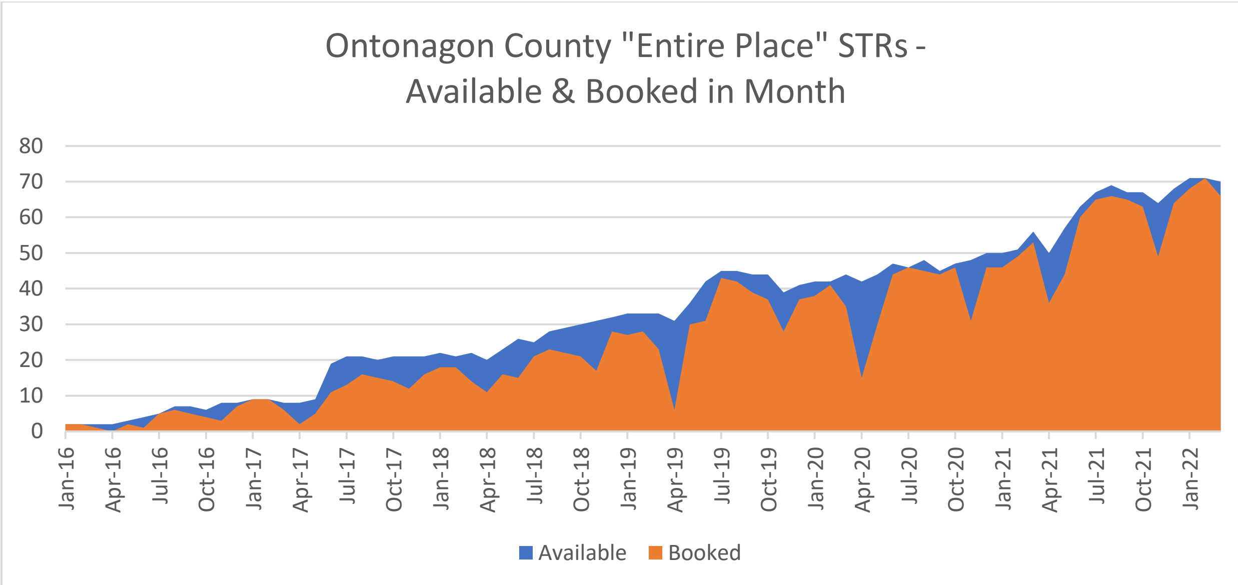


Another indicator of the highly competitive housing market is the number of days a home is on the market within the county. MLS calculates this from the day the home is entered into MLS until the deed to the property is transferred from seller to buyer. Days on market generally decreased over the course of 2017 and maintained a constant pattern until summer 2019, after which days on market decreased and became less volatile, maintaining lower volatility (and thus uniformly quicker sales activity) to April 2022.

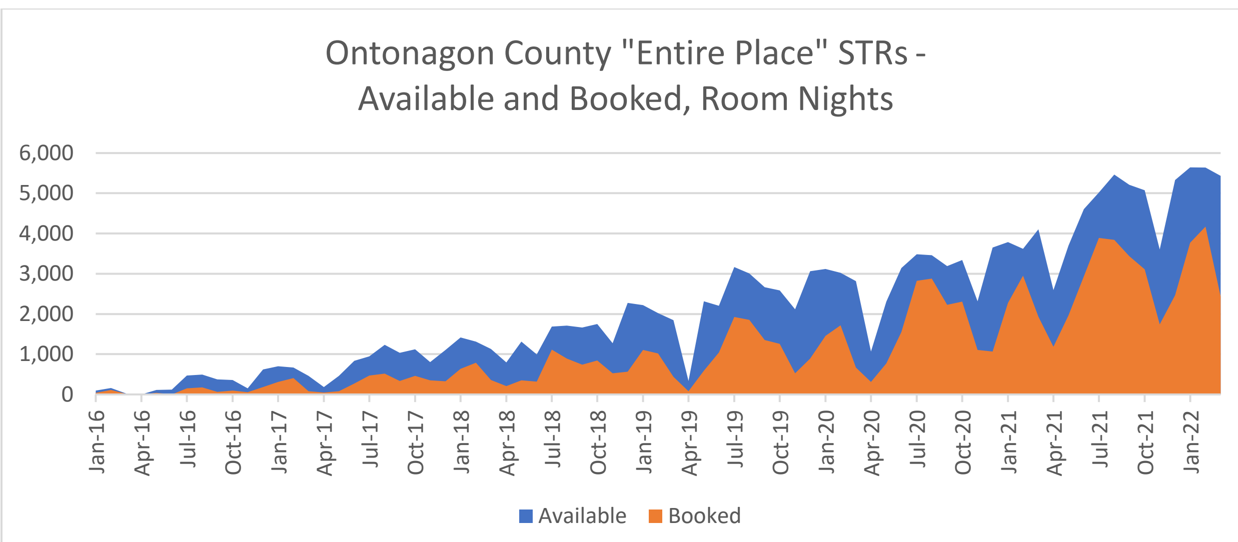


Short-Term Rentals

The chart below shows the number of "entire places" (that is, any unit listed in its entirety as opposed to individual spaces within it) that were listed and booked at least one night in each month from January 2016 through March 2022, based on data from AirDNA, which is combed from Airbnb and HomeAway listings. Available data begin in 2014, and the increase in Ontonagon County was slow from then until spring 2017, after which listings steadily accelerated over the years. The proportion of entire places that were booked out of those listed in a month has been high and fairly regular in both winters and summers since summer 2019, usually over 90% at the peaks of those seasons.



Another way to gauge STR utilization is "room nights" – the total number of nights available for booking in any entire place during the month. The number of bookings relative to listings was at its highest in summer 2020 and the following winter. After that, both listings and bookings increased in the following two peak seasons, but with a slightly lower occupancy rate.



Perspectives of Employers, Real Estate Agents, and the General Public

Prior to and during the early stages of this project, WUPPDR staff frequently heard anecdotes from community leaders of extreme increases in market activity since around the start of the pandemic. Anecdotes focused on market elements such as low numbers of houses available for purchase, rapid sales, increases in buyers from outside of the area, and increases in cash purchases. There were also widespread reports of employers unable to fill positions or expand due to the inability of prospective employees to find suitable housing in the job area. And through all of these trends, there had been growing discontent among current and incoming residents attempting to purchase or rent homes.

Much anecdotal information was validated and elaborated on through surveys of employers and real estate agents that were developed for this study, with input from local economic and workforce development organizations and members of the project committee. These surveys were conducted over the second half of 2021. A survey of the general public was conducted slightly later. Later secondary research validated statistical market and building trends. Our trend research, on a regional level, is summarized in Chapter 3.

Employer Survey

The employer survey was kept fairly short in order to garner the most responses possible from employers who had developed oft-cited "survey fatigue" since the start of the pandemic. The focus was on how housing issues were impacting employers' ability to hire and retain employees. There were some questions about demand for various housing types and ranges, along with questions about employer interest in supporting workforce housing development.

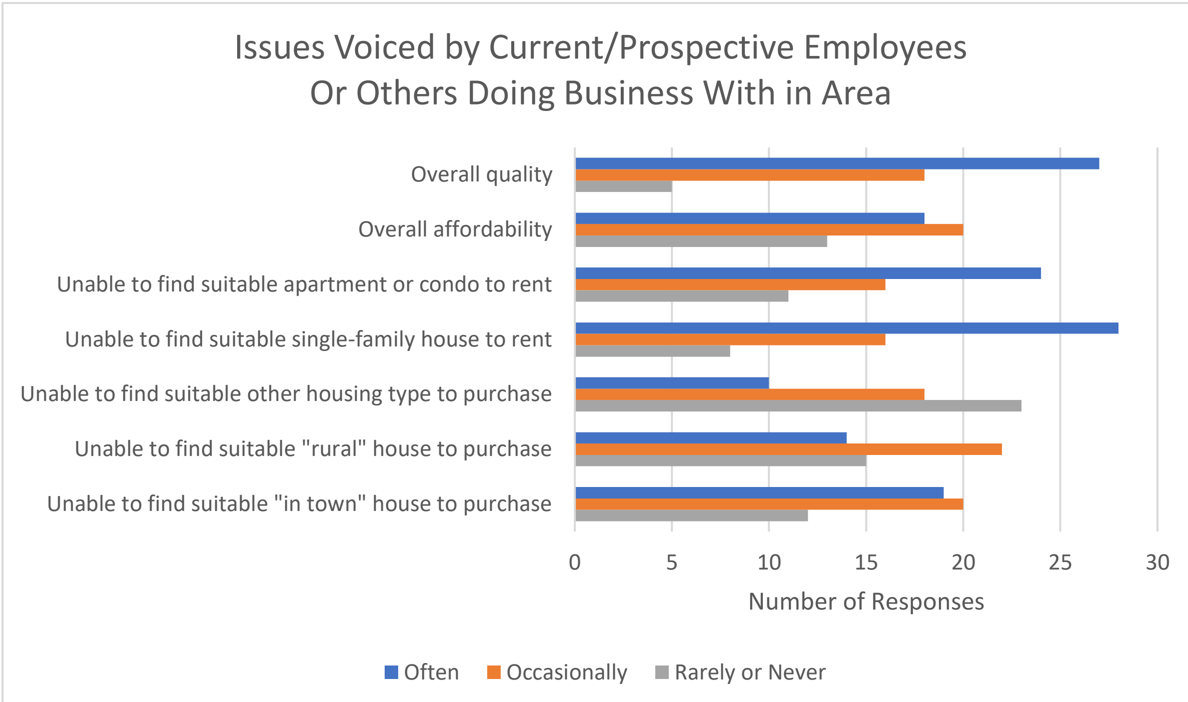
There were 52 responses regionwide. Of employers that indicated their primary facility's location, about most were in Houghton County, with five each in Baraga and Gogebic counties and fewer in others. Of respondents that included their business's industry, there were nine manufacturers and eight hospitality industry employers.

> *"Rentals have always been difficult, but it seems houses are selling much faster now, and we are hearing from candidates they are being outbid on houses."*
>
> - Employer Survey, Sept. 2021

Key takeaways included:

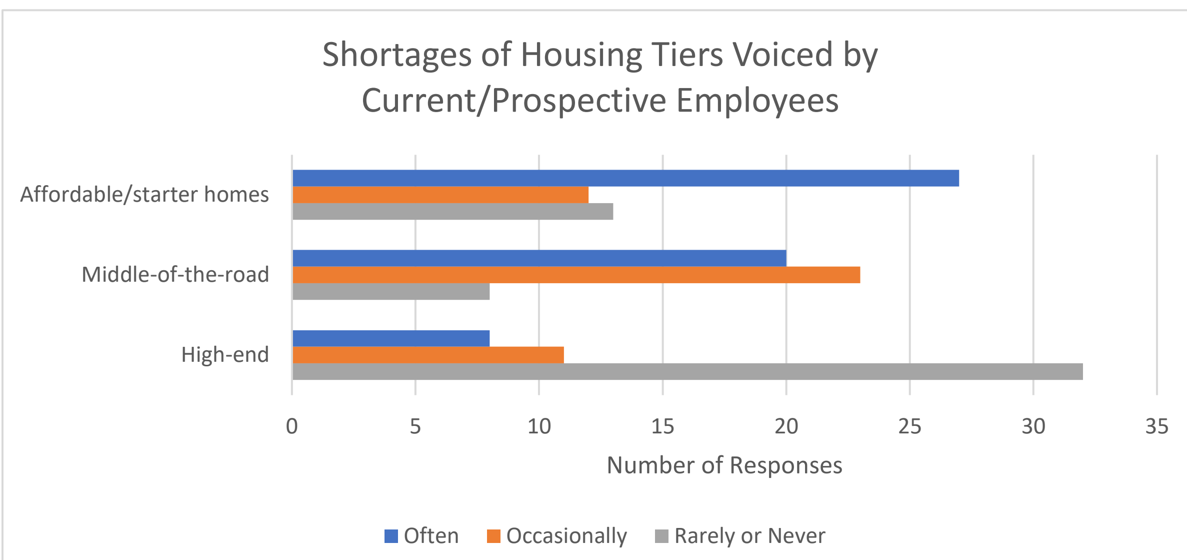
- More than half of respondents indicated current or prospective employees have had **trouble finding suitable housing**.
- More than half of respondents indicated current or prospective employees: 1) were "often" unable to find a suitable **single-family** house to rent, and 2) expressed **overall quality** as an issue

- The other most frequent issues experienced were: 1) unable to find suitable **houses to purchase**, either in town or rural; 2) unable to find suitable **apartment or condo to rent**; 3) **overall affordability**; and 4) **length of time** to find suitable unit. Current or prospective hires of

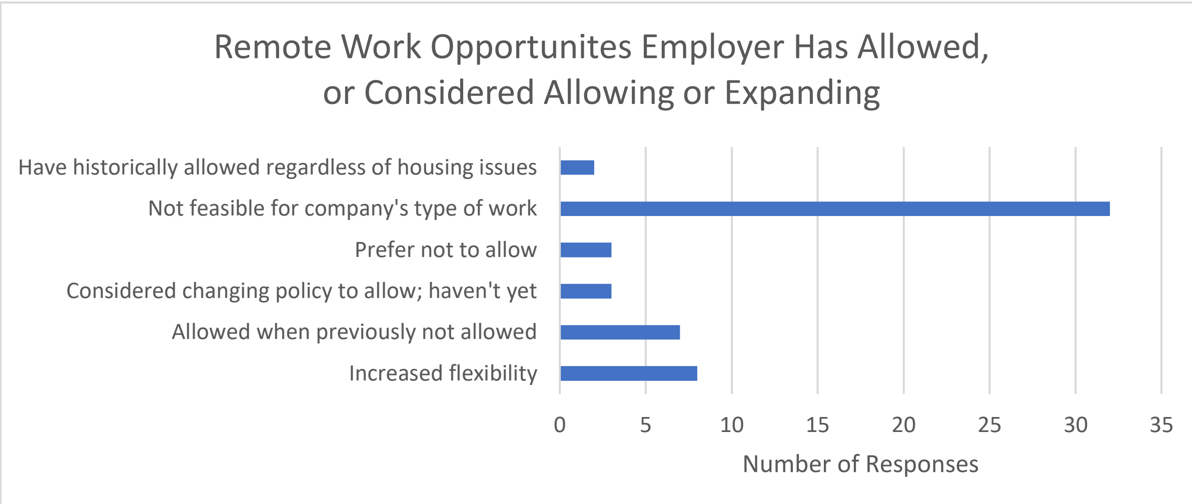


70% or more of respondents had experienced these issues at least "occasionally."

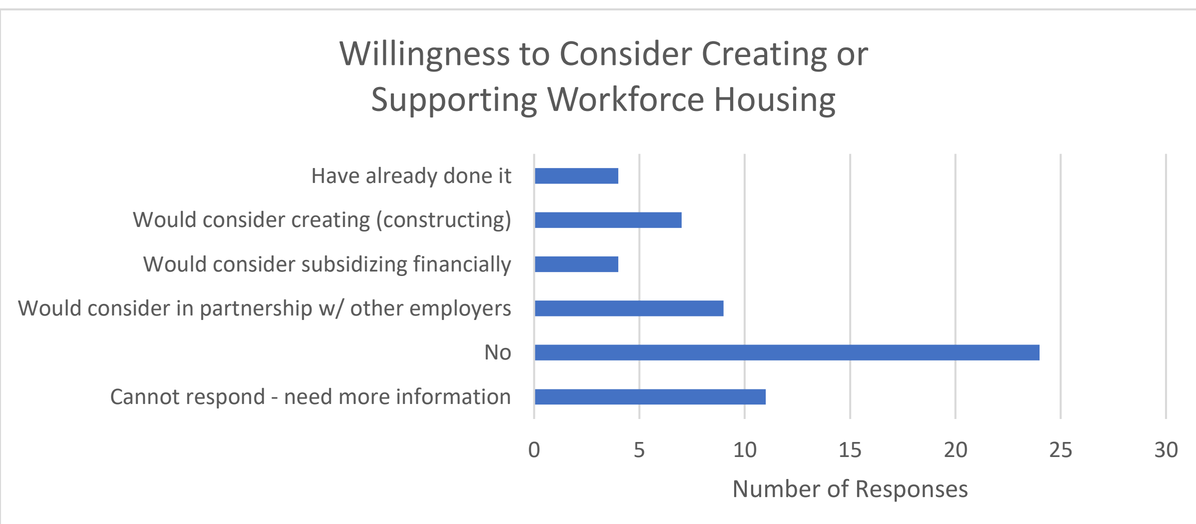
- Shortages of "**affordable/starter**" and "**middle-of-the-road**" housing were indicated by many more employers than "high-end" housing (for which 63% indicated "rarely or never").



- One-third of respondents said they had had at least one prospective employee **decline a position** due to difficulty in finding suitable housing. For several respondents this had occurred **frequently and/or in multiple years**. One employer noted eight candidates had declined due to relocation challenges with housing.
- More than 20 respondents said they had employees living **farther away from the workplace than they wanted** to due to difficulty finding suitable or affordable housing near the workplace, and almost all of these had had **one or more employees quit** for this reason.
- More than a dozen respondents had **begun to allow or increased flexibility of remote work** as a result of employee housing difficulties, but 63% of respondents said this was not feasible for their companies' type of work.



- More than 20 respondents indicated housing market difficulties had **increased since the start of the pandemic**. Several mentioned the difficulty of finding **quality rental units** specifically, some attributing this to **short-term rental conversions** and purchasers from **outside of the local area**.
- Four employers indicated they had already created or supported **workforce housing** to alleviate hiring difficulties, and several others responded they would consider constructing, subsidizing, or partnering with other employers to offer it.



- 10 employers said they assist new employees with finding housing, pay for **moving/relocation expenses**, or offer **other financial incentives**.

In general, the survey validated what various WUPPDR partner organizations had been attesting since at least the start of the pandemic. It is likely that employers who had experienced employee housing difficulties were more likely to respond to the survey. Even so, the sheer number of employers who had lost existing or prospective employees to housing difficulties was revelatory.

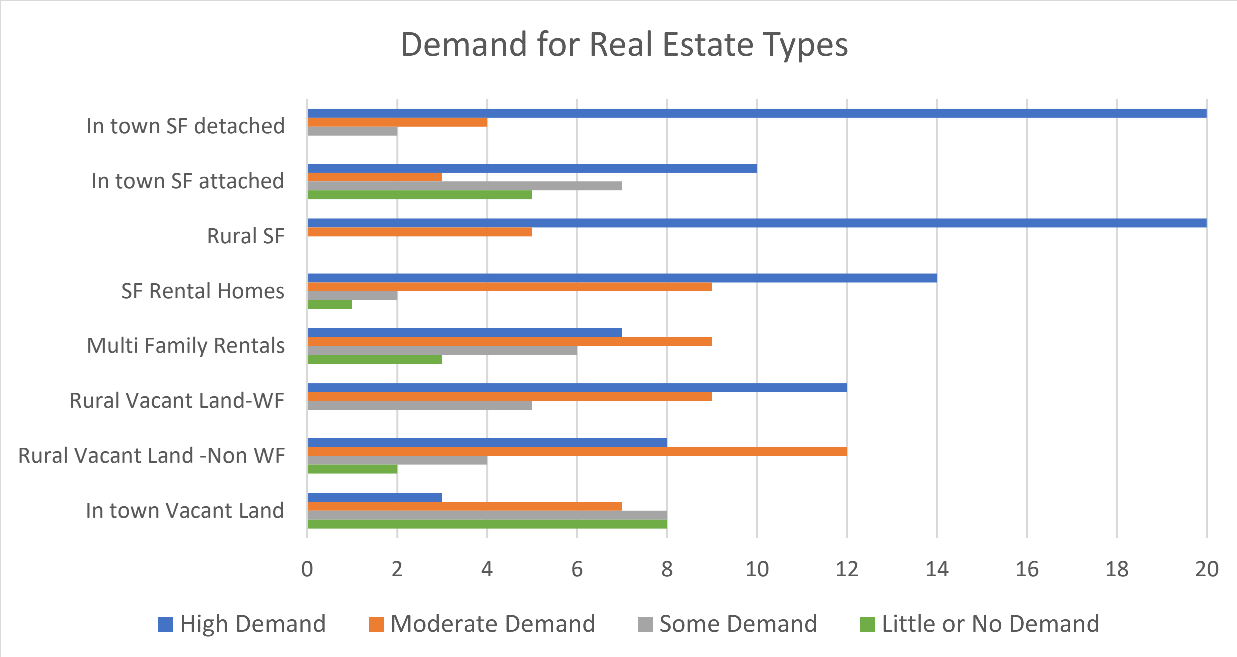
Real Estate Agent Survey

The real estate agent survey was comprehensive and detailed, with the intent of producing an unprecedented snapshot in time of the Western U.P. real estate market from those most intimately familiar with it. WUPPDR gained access to the Upper Peninsula Association of Realtors e-mail list and sent the survey to all members based in the Western U.P, garnering 27 responses. Of these, 14 of the respondents were based in Houghton County. However, respondents included Realtors active in every county of the region, with the least represented being Iron County with eight active Realtors. The respondents had a collective total of more than 350 years of real estate experience. Responses are summarized below.

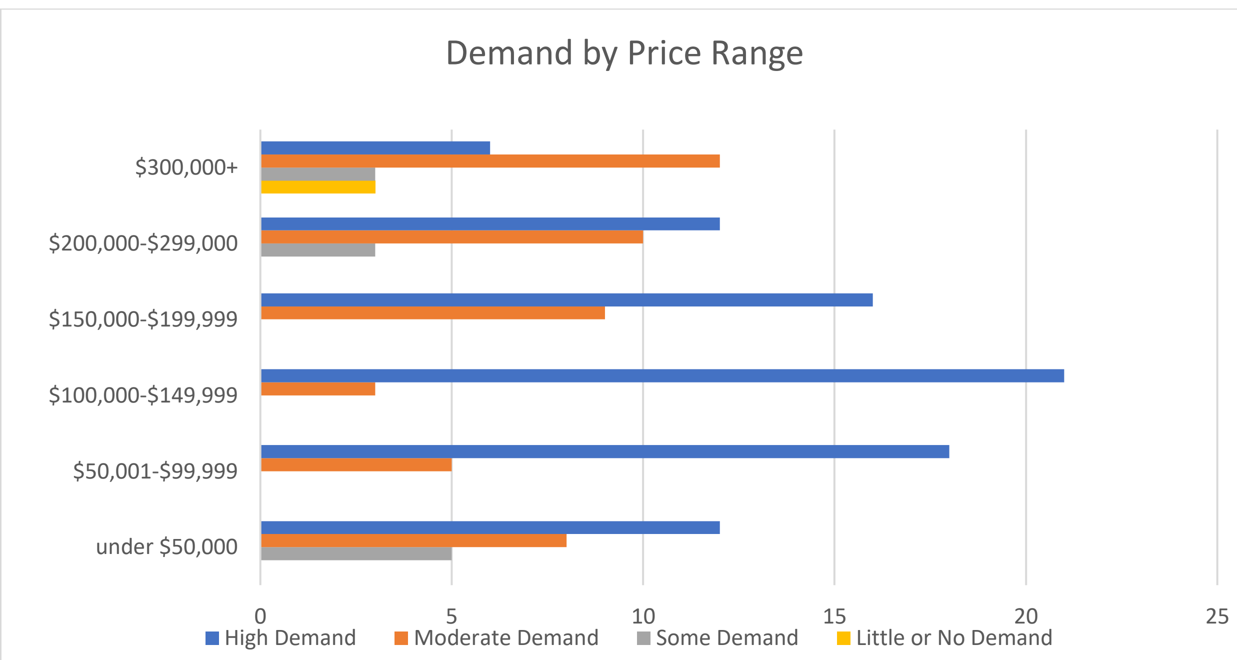
In questions about changes over time, two timeframes were used: 2015 - March 2020, which will be referred to here as “pre-pandemic,” and April 2020 - present, or “post pandemic” (meaning after the pandemic’s *onset*).

Supply and Demand

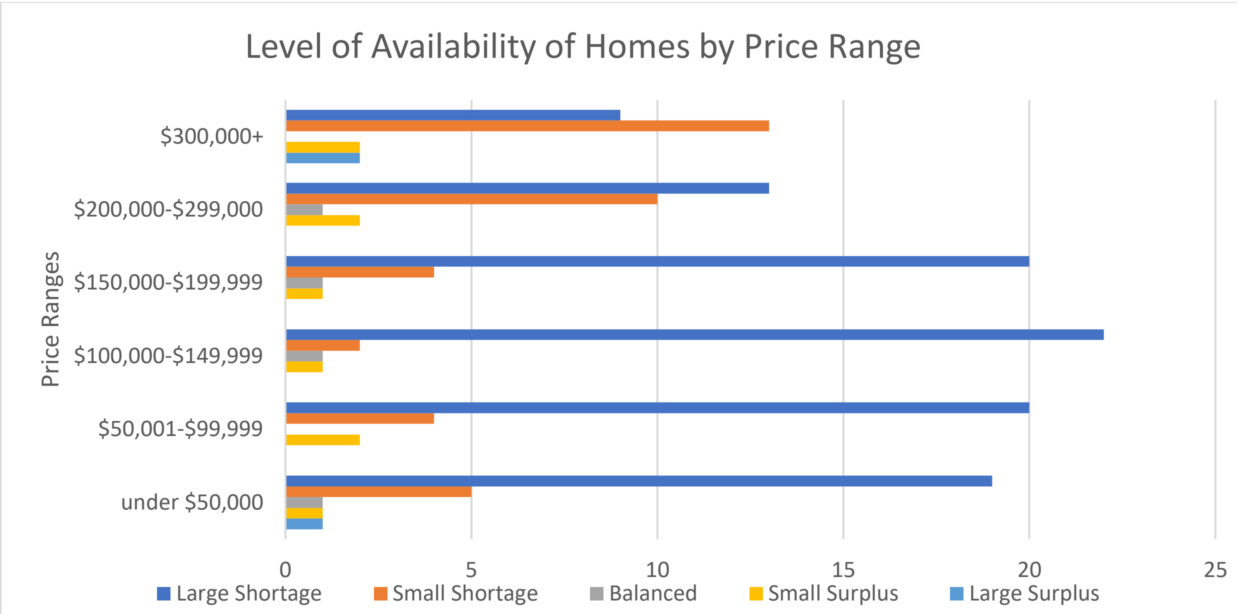
Among housing types, the highest demand was for in-town single-family detached and rural single-family houses for purchase. (Realtors are generally more likely to encounter prospective owners than renters.) Next highest demand was for single-family (SF in chart below) rental homes and rural single-family “second” vacation) homes. Demand was moderately high for rural vacant waterfront (WF) land and in-town single-family attached homes and lower for four other types of land and housing.



Among price ranges, demand was very high for homes to purchase in the \$50,000-\$99,999 and \$100,000-\$149,999 price ranges, with 78% and 88% of respondents, respectively, reporting "high" demand, as opposed to moderate, some, or little or no demand. About two-thirds of respondents reported high demand for the \$150,000-\$199,999 price range, and all reported at least moderate demand. Demand was much lower for homes costing \$300,000 or more; this was the only category for which any respondents (3) reported little or no demand.



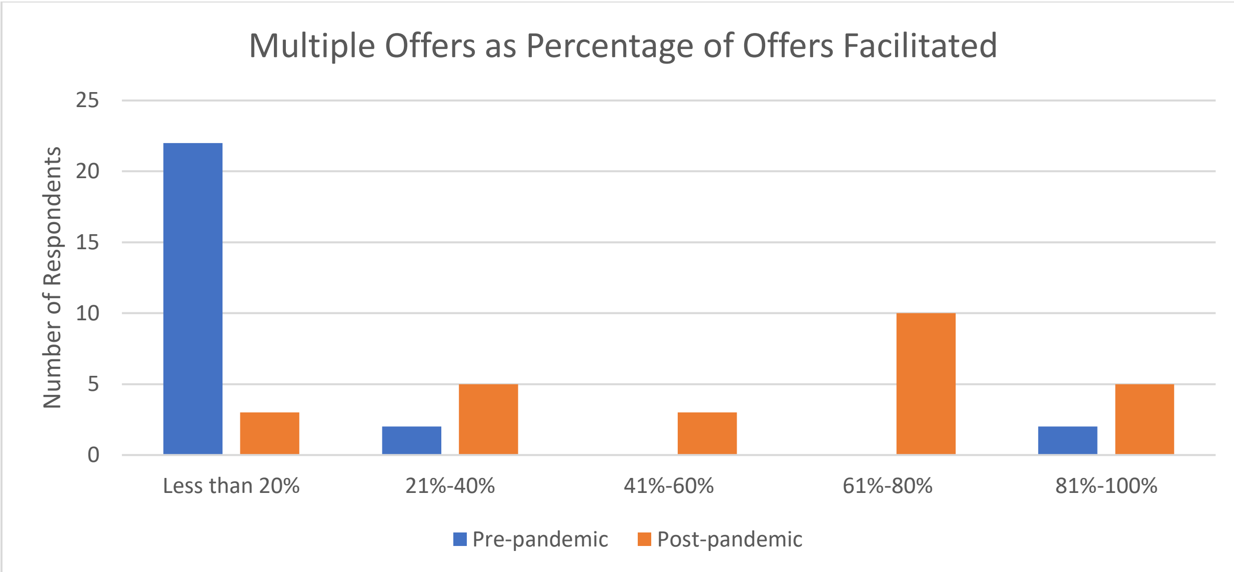
Asked about shortages of various price range homes to purchase, at least 70% of respondents reported a "large shortage" of homes in all price ranges up to $199,999, and more than 80% reported either a *large or small* shortage for price ranges $200,000 and more.



In open-ended responses regarding changes in demand and availability from pre- to post-pandemic, the most frequent theme in responses was lack of inventory. Increased prices, outside buyers, and multiple/competing offers were also cited frequently.

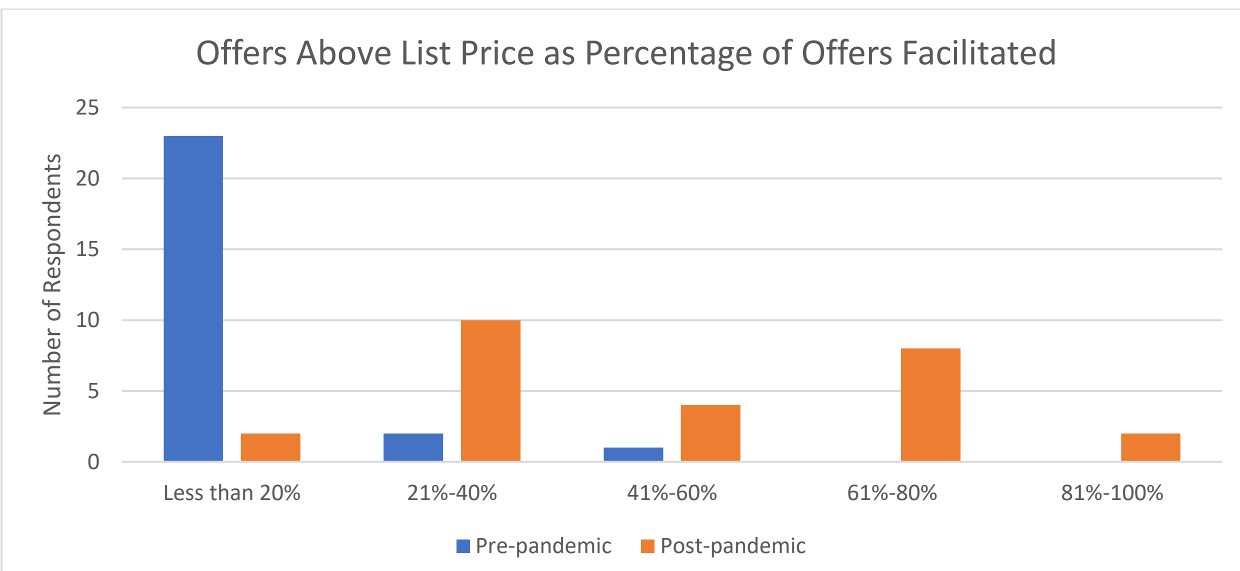
Multiple Competing Offers

For the pre-pandemic period, 85% of respondents reported that less than 20% of offers that they facilitated were in active competition with other offers. Post-pandemic, only 12% of respondents reported that less than 20% of offers were in competition, and more than half of respondents reported that more than 60% of their offers were in competition. The most common number of offers that respondents reported having to write when acting as buyer's agents was three. About half of respondents reported receiving an average of three or more competing offers when acting as seller's agents.



Offers and Sales Above List Price

For the pre-pandemic period, 88% of respondents reported that less than 20% of offers they had facilitated were above the list price of the property. Post-pandemic, only 8% of respondents reported that less than 20% of offers were above list price, and 38% reported more than 60% of offers were above list price.



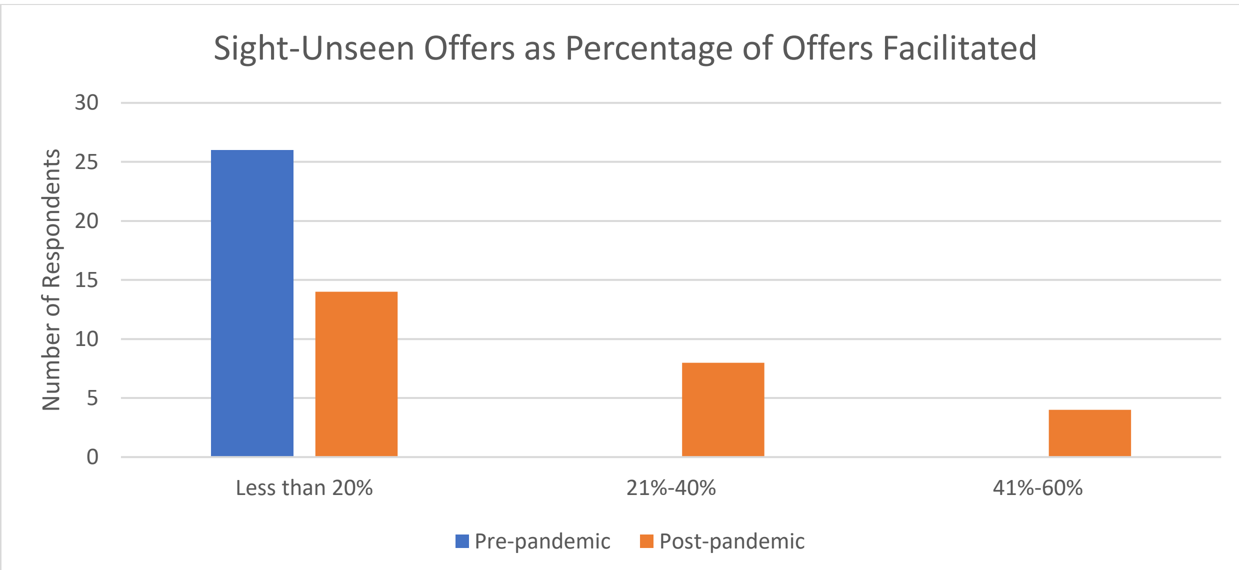
The trend was similar – only slightly less dramatic – for completed transactions. For the pre-pandemic period, 88% of respondents reported that less than 20% of their completed transactions were above the list price. Post-pandemic, only 16% reported less than 20% of completed transactions were above list.

Cash Purchases

For the period prior to the pandemic, more than half of respondents reported that less than 20% of their completed pre-pandemic transactions were paid in cash. Post-pandemic, only one respondent reported this level, with 60% of respondents reporting more than 40% of their transactions in cash.

Sight-Unseen Offers and Purchases

All respondents reported that less than 20% of pre-pandemic offers they had facilitated were by purchasers who had never seen the property in person. Post-pandemic, 46% of respondents reported that more than 20% of their offers were sight-unseen.

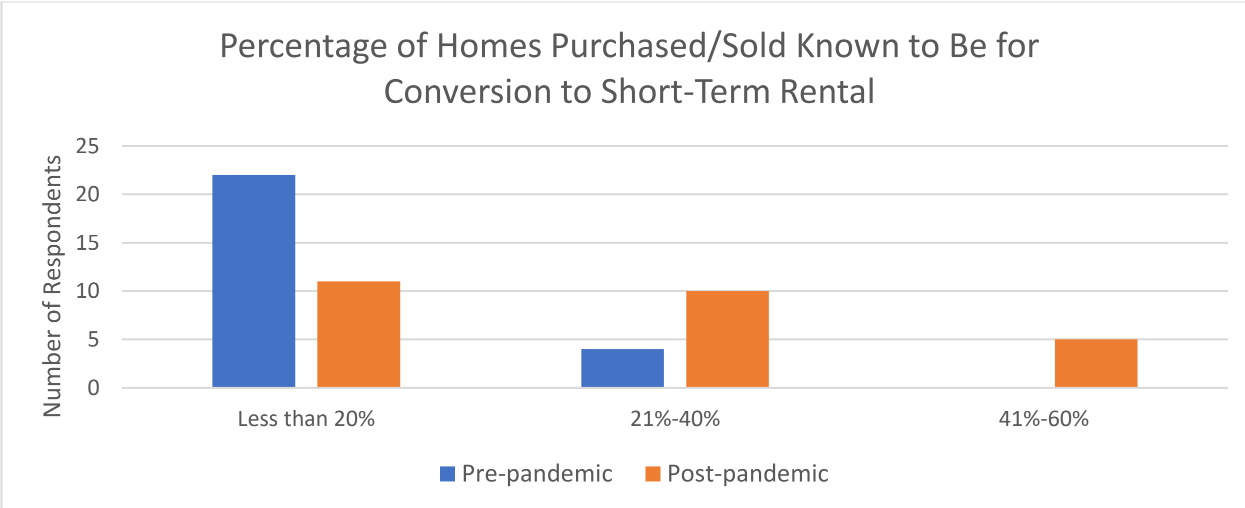


The percentage of these offers that resulted in a successful sale/purchase also rose considerably. Nearly one-quarter of respondents reported that more than 80% of their facilitated sight-unseen offers were successful; only one respondent reported this for offers prior to the pandemic.

For pre-pandemic offers, only 12% of respondents reported that more than 20% of sight-unseen offerors had never visited the area where the home was located. Post-pandemic, 42% of respondents reported more than 20% had never visited the area.

Purchases for Short-Term Rental

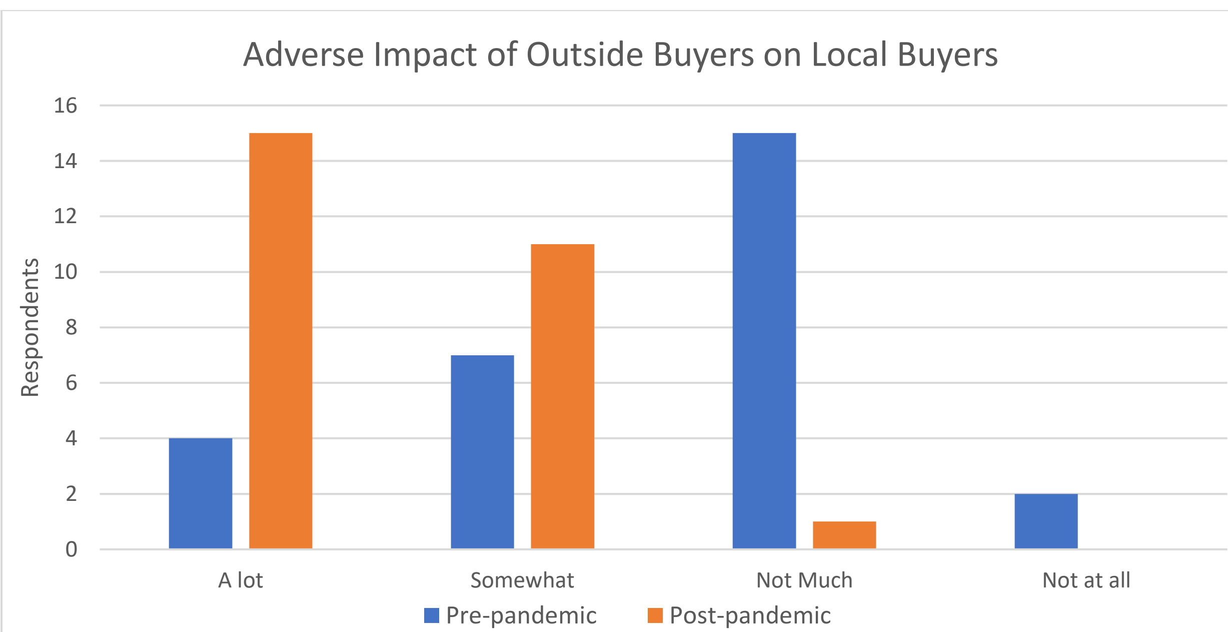
For the pre-pandemic period, 85% of respondents reported that less than 20% of the purchases/sales they had facilitated were for properties the respondent knew were intended to be marketed as short-term rentals. Post-pandemic, more than half of respondents reported that more than 20% of purchases/sales were of this type. The percentages and increase in prevalence were similar for home purchases intended to be for *conversion to short-term or long-term rentals*.



Non-Local Buyers

Respondents reported substantial increases in buyers from outside of the region from the pre- to post-pandemic periods. About half of respondents reported a “large” increase (as opposed to a moderate or small increase, a decrease, or no change) in buyers from metropolitan areas, and all but one of the other respondents reported a moderate increase. 81% of respondents reported a large or moderate increase in buyers from anywhere outside of the Western U.P. and its Wisconsin border counties.

Buyers from outside of the Western U.P. and its Wisconsin border counties were also seen as having an adverse impact on local buyers’ purchasing ability. For the pre-pandemic period, only about one-quarter of respondents reported that these outside buyers were having “somewhat” or “a lot” of impact on local buyers. Post-pandemic, all but one respondent reported somewhat or a lot of impact.



Contingency Waivers

For cash purchase offers, nearly half of respondents reported a large increase in waivers of an inspection contingency from the pre- to post-pandemic period, and most of the remainder reported a small increase. The change in these waivers was just slightly less for financed offers. Appraisal contingency waivers also increased – considerably more for cash than financed purchases, as could be expected, since lenders usually condition mortgages on a sufficient appraised value.

Government-Sponsored Loan Programs

The seller's market is also seen as impacting buyers' ability to purchase a home using government-sponsored mortgage programs such as Veteran's Administration and Rural Development loans. The share of respondents reporting "a lot" of adverse impact increased from 12% pre-pandemic to 63% post-pandemic. Only one respondent indicated no impact on these purchasers in the post-pandemic period.

Future Outlook

About half of open-ended responses foresaw a general continuation of current real estate market trends. Many responses predicted plateauing of prices and some balancing of supply and demand in the market. Buyer frustration and expected increases in listings and interest rates were cited as reasons for a predicted moderation of the market. However, the consensus seemed to be that the market had undergone a lasting change.

General Public Survey

In order to help develop a question mix most timely and relevant for the general public, this survey was released slightly later than the two others. It was distributed through many different venues, including media throughout the region and some in-person distribution by WUPPDR staff. The sample of respondents was not scientific, so results are of limited use, but the survey yielded valuable insights from a different perspective than from representatives of real estate and other industries. The following are key characteristics of respondents:

- Nine in ten respondents were year-round residents of the region – a disproportionately large share based on seasonal housing stock
- About half of all respondents were from Houghton County – slightly less than its population share of the region
- The most common household size was two, making up 44% of respondents (that is approximately the average household size in the region, state, and nation)
- Seniors age 65 and older made up 23% of respondents, and persons age 45 and older made up 60%; both of these are about the same as the general population. The 10% of respondents ages 18-24 was lower than the general population share of 16%.
- 47% of respondents were full-time workers and 22% retirees.
- Most respondent households had more than one income earner.

- High-income households were overrepresented and vice-versa. 28% of respondents had incomes of at least $100,000, much greater than the regional share of 16%; and 17% had incomes below $25,000, much less than the regional share of 30%.
- Educational attainment was much higher among respondents than the general population. 31% of all respondents had attained graduate or professional degrees, and 57% had a bachelor's degree or higher. Regionwide, the corresponding percentages among persons just age 25 and older are about 10% and 34%.
- 41% of respondents had housing costs of $800/month or more. There is no direct comparison for this measure for the general population of these region, but the relative affluence of survey respondents should be considered. ACS indicates approximately 21% of households in the region pay $1,000/month or more for housing expenses.
- 35% of respondents were outright owners of homes, 42% owners with a mortgage or land contract, and 19% renters. The renter percentage is the same as the percentage of renter-occupied housing units regionwide.
- The homes of 82% of respondents were single-family detached format – the same percentage as the share of this format regionwide. 75% of respondents' homes had three or more bedrooms – greater than the 50% of housing units regionwide with this number of bedrooms. 71% of respondents' homes had more than one finished story.

Some households may have submitted more than one response, since they were not instructed not to; however, we believe the occurrence of this was very low.

Physical Characteristics

Most respondents' reported lot sizes (both owners and renters) were less than half an acre, and 14% were five or more acres. 74% of respondents had a garage, more than half of these being two-car garages. About 45% of respondents indicated their home required at least one extensive repair. The most frequent repair needed was windows, reported by 26% of respondents, followed by interior non-structural repairs (21%) and siding (20%).

Home Shopping/Buying

About one-third of respondents said they had searched for a new home in the past two years. Of these, more than half had started to search in 2020. The vast majority (88%) were targeting their searches within their counties of current primary residence. Of 13 options offered as reasons for their searches, the greatest percentage (31%) were searching due to a general preference for location. Only 4% reported they had begun to search for pandemic-related reasons. By far the greatest difficulty reported in searching (of 10 response options) was a general inadequate supply of housing, followed by misalignment of home types with preferences, general low quality, and general lack of affordability.

> *"There are many retired people like me who are in need of a very nice townhome or condo to downsize into. I won't leave my lovely house to live in a substandard house or apartment."*
> -General Public Survey, Nov. 2021

Many shoppers in the region have had to resort to purchasing homes in need of extensive rehabilitation, and 42% of searchers responded in the survey they would consider doing this. Two-thirds of respondents who would purchase such a home said they would perform some of the work themselves. 54% of searchers said they would consider having a home custom-built, and 35% would consider pre-purchasing an unbuilt home based on a model home in a new development. The most common price range these purchasers would consider was $150,000-$199,999 (33%), but large numbers would consider purchasing more expensive homes, up to (at 14%) $300,000 or more.

Nearly one-third of respondents who had searched for a home in the past two years reported not ultimately purchasing one. Of those who did purchase, about one-third had to change the type or approach of home purchase from their original plans.

“We need a lot of solutions to address the growing demand: Accessory dwelling units, multi-family rentals, starter homes for purchase, ability for property owners to add density at a reasonable rate. “

- General Public Survey, Nov. 2021

Prospective Home Sellers

29 respondents (8%) said they planned to sell their homes within the next year, the most common reasons being downsizing or needing more space. Asked about the expected sale price of their homes if they planned to sell in the next year, there were far more respondents than the number who said they planned to sell in a previous question. Of 42% who offered a price range, more than one-third thought the price would be $200,000 or more, and only 10% thought it would be below $50,000.

Housing Needs

The survey included 11 categories of housing types that respondents could indicate perceived need for in their local areas. By far the greatest needs indicated (respondents could select more than one option) were single-family homes for purchase (44%), single-family homes for rent (39%), and rehabilitation of existing homes (35%).

Regional Strategies

Housing *is* Economic Development

Housing and the economy are intrinsically connected. Without adequate housing, there cannot be economic growth. Over the course of more than a year of study, including much localized input, it became clear that many commonly expressed housing issues could be addressed on a regionwide basis. Each of the strategies discussed in this chapter reflect the data collected, surveys completed, and input from the county discussion groups. These strategies are not new, but most are new to the region. Hence, there are models to follow and resources to refer to in the implementation of these strategies.

The strategies that follow are long-term solutions to the housing crisis – but by identifying flexible funding to support staff dedicated specifically to housing, WUPPDR will be able to initiate each of the strategies and develop new organizational structures for long-term sustainability. The five main regional strategies are:

- Community Housing Development Center (prerequisite for the others)
- Regional Community Development Corporation
- Regional Community Land Trust
- Housing Cooperatives
- Housing Trust Fund

Other regionally applicable strategies include Accessory Dwelling Units, Land Banks, and Redevelopment Ready Communities.

Community Housing Development Center

WUPPDR would provide seed funding and staffing for a regional housing clearinghouse and technical assistance provider, referred to for the purpose of this document as the **Community Housing Development Center.** The center would focus on increasing the housing opportunities in WUPPDR's six counties by collaborating with and aiding regional governmental partners, individuals, private housing developers, and builders.

One model for such a center is Housing North, which was formed in the Northwestern Lower Peninsula to "build awareness, influence policy, and expand capacity so communities can create housing solutions that meet their unique needs." Housing North was created within Networks Northwest, which functions in part as WUPPDR's counterpart in that region, demonstrating the feasibility of WUPPDR performing such a function.

(Housing North separated from Networks Northwest in part to allow it to perform political advocacy.)

WUPPDR's center would provide the capacity to achieve better overall coordinated efforts with investors, corporations, institutions, and the state and federal funding agencies. These efforts could also provide a significant increase in the promotion and implementation of additional housing opportunities. With increased visibility, the subsequent interest in the region could spur the creation of more housing units to address the crisis.

The Community Housing Development Center could help increase the supply of affordable and attainable market rate, rental, and for-sale housing units across the region. The organization would have three functional areas:

1. **Awareness:** The Community Housing Development Center would conduct outreach to local governments, builders, developers, citizens, and state and federal agencies to build a network of support and understanding about the ongoing housing crisis.
2. **Advocacy and Marketing:** The growth in the housing stock and the opportunity that presents to residents and businesses is key to the success of the region in the future. The Community Housing Development Center would support local governments in making policy and legislative decisions that would have positive impacts on housing development opportunities. The organization would also actively recruit and engage out-of-area developers to invest in the region. Marketing the area both within and without is a key strategy in creating new opportunities to grow the region's housing.
3. **Capacity and Resources:** The Community Housing Development Center, by maintaining up-to-date information and collaborations, would be a resource to educate and assist local entities, builders, developers, and the public in using various available state and federal funding tools. They could potentially also provide market analysis of housing needs. This information could assist the organization in identifying key development opportunities, assessing project feasibility, building partnerships, and coordinating housing development. The Community Housing Development Center could assist the counties WUPPDR serves in the action planning and capacity needed to implement the suggested county strategies listed in this document.

Additional Functions

The Community Housing Development Center would be the catalyst and coordinator to undertake the other strategies proposed: Community Development Corporation, Community Land Trust, and Housing Cooperatives, detailed later in this chapter. It would also explore the possibility of forming a Housing Trust Fund, which could enable pursuit of projects that may not be possible under the other mechanisms.

The Community Housing Development Center would assist counties with the strategies that fit their communities. There are many similarities between the counties, but with major variations in demographic makeup, socioeconomic status, industry, infrastructure, and other elements, and each community has its own plans and priorities. Whereas new cluster or garden court housing developments might make sense in one community, others might have a greater need for infill and redevelopment in built-up areas. In some communities, new developments of "stick-built" houses may be realistic, whereas in others, modular housing may be more viable. And there may be different appetites for "missing middle" types such as townhouses. The Community Housing Development Center can assist communities in implementing such unique strategies.

Forming the Community Housing Development Center

For a limited time, WUPPDR staff could be utilized to gain traction in the early formation of an organization by recruiting a governing board; setting up organizational structure and operational parameters; building regional support; and pursuing operational financing avenues from various local, state, federal, institutional, nonprofit, and private entities. Flexible and reliable outside funding will be essential for the center's sustainability, as WUPPDR does not have adequate unrestricted revenues to do so in the long term. This is another way in which Housing North can serve as a model, though the Western U.P. may not be able to match Northwest Michigan's access to nongovernmental funding.

Community Development Corporation

The Community Housing Development Center would work to create a Western Upper Peninsula Community Development Corporation (CDC). A CDC is a nonprofit tax-exempt organization, typically a 501(c)(3) corporation, that is created to support and revitalize communities. Most often, a CDC is involved with the development of affordable housing, but it can also be involved in community services such as education, job training, healthcare, commercial development, and other social programs that communities may need. Many of the responsibilities of the Community Housing Development Center could be transitioned to the CDC, reducing administrative burden and organizational duplication.

An example is Northern Homes CDC, founded in the 1990s with the intent "to create and preserve quality affordable housing opportunities for Northern Michigan residents through education, development, and partnering with local communities" Serving six counties in the Northern Lower Peninsula, the nonprofit assesses projects for feasibility, coordinates financing, locates sites, and hires contractors to build or rehabilitate homes.

Acting as a developer of affordable housing in the region, a CDC in the Western U.P. could acquire funding from the U.S. Department of Housing and Urban Development, other granting agencies, foundations, and private donations. Given adequate resources, the CDC could also continue the other functions of the Community Housing Development Center.

Community Land Trust

A Community Land Trust (CLT) is a private, nonprofit corporation created to provide secure, affordable access to land and housing for the benefit of the community. There are several regional Community Land Trusts in the State of Michigan. The success of these entities serves as testimony that housing can remain affordable and attainable in perpetuity.

CLTs are unique in that they treat the land and the buildings on the land separately. CLTs permanently own the land on which homes and other structures, or facilities are built. While individuals own the homes and other improvements on the land, the homeowners hold a long-term (usually 89 years) renewable ground lease with the CLT, providing access to land and housing - housing that may otherwise have been unattainable in the housing market.

The ground lease entered into by every CLT homeowner requires that owners live in their homes as their primary residences; they cannot be used as long- or short-term rentals. Homeowners are responsible for all maintenance and upkeep of the home, any improvements, and land. To protect the homeowner, their descendants have a right to occupy and use the leased land for as long as they wish, if they abide by the terms of the ground lease.

In exchange for an initial subsidy from the CLT that is built into the price of the home, there are some limitations on the resale of the home. The home must be sold to a low- or moderate-income prospect, and limits are placed on the sales price to keep it affordable while allowing the homeowner a share of the equity beyond the equity built from a mortgage payoff. The lease lays out a “resale formula” that determines the maximum allowable price that may be charged upon resale of the home. Each CLT set its own resale formula to give a fair return on investment for the homeowner. The CLT has the right to buy back each home for the amount limited by the resale formula.

Community Land Trust Basics

Here is a brief outline of the typical terms of a CLT purchase:

1. The homeowner purchases the CLT house but not the land (which results in a lower purchase price).
2. The homeowner leases the land from the CLT.
3. The term of the lease is usually 89 years; the lease can be renewed once for another 90 years (if descendants are to occupy).
4. When the homeowner sells his/her house, a portion of the appreciated value stays with the land under the ground lease, so the home price is affordable for the next buyer.
5. The CLT home can be inherited by immediate family members (with the single lease renewal).

Resale of a Community Land Trust Home

The basic element of a Community Land Trust's mechanism for preserving the affordability of a CLT home is the resale formula. Typically, the resale formula limits the CLT homeowner to some percentage of the gain in value of the CLT home. This determines the purchase option price. Typically, the formula provides that the purchase option price is equal to the total of these components:

i. What the CLT homeowner paid for the CLT home when s/he first bought it.
ii. The discounted cost (depreciation) of certain improvements the homeowner made to the home through licensed contractors, which will benefit the future owner. For example, if ten years before the date of the sale the homeowner installed a new roof with a 40-year warranty, the homeowner may recover 75% of the cost of installing the roof.
iii. Some percentage (usually 20-35% but varying widely based on community need) of the appreciation in value of the CLT home. Appreciation is determined by subtracting the original appraised value of the CLT home from the appraised value at the time of resale.

Here is an example in which a CLT homeowner retains 25% of the appreciation value of the CLT home:

- Homeowner paid $90,000 to purchase the home.
- At the time of purchase the home was appraised at $105,000.
- At the time the homeowner seeks to resell the home, the appraised value is $125,000 – an appreciation in value of $20,000.
- Twenty-five percent of $20,000 is $5,000.
- The homeowner spent $10,000 on qualified improvements and is entitled to a $5,000 credit for the remaining value of those improvements (based on depreciation).
- The purchase option price (PIP) equals what the homeowner originally paid ($90,000) plus the remaining value of qualified improvements ($5,000) and 25% of the appreciation in value ($5,000). Therefore, in this example, the homeowner can resell the CLT home (to either the CLT or another low- moderate-income purchaser) for the PIP of $100,000.

Funding and Creating a CLT

The funding of a CLT is a long-term initiative that will grow with time. An initial investment from crowdfunding, local units of government, and/or foundations and trust funds could provide necessary startup funds. Collaborations with other nonprofit organizations could be an avenue to build financial resources. The Community Housing Development Center would provide technical assistance in the CLT's formation.

Housing Cooperatives

A fourth initiative in the regional strategy would be for the Community Housing Development Center to assist developers, groups, and local units of government form Housing Cooperatives within the counties, cities, villages, and townships. A Housing Cooperative is a 501(c)(3) nonprofit corporation that is formed by a group of people that together own and democratically control the housing and/or related community facilities in which they live. Housing cooperatives can be high-rise apartments buildings, garden-style apartments, townhouses, single-family homes in a neighborhood, or senior housing.

Shares of the Cooperative

In a Housing Cooperative, a homeowner does not own real estate; instead, the occupant owns or leases a share or membership in a cooperative housing corporation. The corporation owns or leases all real estate. A member has an exclusive right to live in a specific unit with the right to vote in the affairs of the corporation. The cooperative charges residents a monthly carrying charge (maintenance fee). Most often, the charge covers a portion of the operating and maintenance of the cooperative, which can include blanket mortgage payments, property taxes, management fees, maintenance costs, insurance, utilities, and contributions to reserve funds.

Equity Models

There are three different equity models of housing cooperatives. The initial structure of the cooperative will dictate the type of equity that the organization would be offering on the housing unit.

1. *Market-rate housing cooperative*: In a market-rate housing cooperative, the shares trade in concert with the current economic conditions. Purchase prices function similarly to condominium and single-family home markets.
2. *Limited-equity housing cooperative (LEC):* In a LEC, there is a formula similar to a CLT that is set by the cooperative's bylaws that outgoing shareholders or members can get back from the sale of their shares. The equity limitation can be seen as an exchange for the benefits co-op members realize from elements like below-market interest rates, grants, and real estate tax abatement.
3. *Leasing (non-equity) cooperative:* In a leasing cooperative, the cooperative corporation leases the property from an outside investor, and the individual share is leased from the cooperative.

Housing cooperatives keep housing more affordable with lower down payments and closing costs, and, as the governing entity is nonprofit, it is less subject than the private market to subject occupants to cost increases. Shareholders may also be eligible for real estate and income tax deductions. Each shareholder has limited liability for a mortgage on the building of the cooperative.

Finally, housing cooperatives provide for community control. There are no outside landlords to which members are directly responsible. Often, cooperatives are able to provide services and amenities that an individual may not be able to maintain themselves otherwise. Examples might be community centers, exercise facilities, pools, athletic teams, pre-schools, day care, clubs, and other support services.

Housing Trust Fund

The Michigan Housing and Community Development Fund (HCDF) was established in 2004 with an amendment to Michigan Public Act 346 of 1966. The HCDF is essentially a statewide housing trust fund. The Michigan State Housing Development Authority (MSHDA) created by the 1966 Act, manages and grants money from this fund to support affordable housing and other priorities. The HCDF has an annual plan for the allocation of money from the fund when the legislature provides money to the fund. The HCDF must have a planned formula for distribution across the state that includes statutory requirements. MSHDA manages the fund and allocates grants and loans directly from the fund to projects around the state.

Provisions of Act 346 could support development of a regional or local housing trust fund(s) with the assistance of WUPPDR's Community Housing Development Center to help address the shortfall in public funding of affordable housing. Funds can be established by a city, county, or state government by ordinance or law and may annually budget funds allocated for housing. A fund can also accept private donations. In addition, county land bank authorities can take a proactive role in funding a housing trust fund by allocating proceeds from tax-foreclosed properties. The land bank authority could also be the administrative agency that would oversee the housing trust fund. Regardless of funding source(s) and operational structure, a housing trust fund should be flexible enough to adapt to changes in the needs of the residents it serves.

Other Regionally Relevant Strategies

There are several other strategies that could be pursued on a localized scale in any of the region's communities. Strategies described in this section can be implemented through mechanisms such as zoning ordinances (as with accessory dwelling units) or as instruments of county government (such as land banks).

Accessory Dwelling Units (ADUs)

An Accessory Dwelling Unit (ADU) is not a new idea; however, it has become more popular in recent years as a way to increase density and ease the growing demand for housing. An ADU can be either attached or detached and is part of the same property as the main housing unit but cannot be sold as a separate property. Sometimes called granny flats, in-law units, carriage houses, or guest cottages, these housing units can be an important tool to combat local communities' housing shortages. Because of the potential for increasing population density, all communities that have zoning ordinances should allow for ADUs. ADUs can be actively marketed as a tool for homeowners to build an income producing rental unit on their property, increasing community tax base and providing needed housing for family members or others in the community. Examples of ADUs might be an additional apartment unit above a new garage, a tiny house, or even a basement apartment.

County Land Bank

A land bank is generally defined as a public entity, usually a public nonprofit corporation or governmental entity. A land bank essentially “recycles” property into and puts it into productive use and back on the tax rolls. These vacant, abandoned, tax-foreclosed, blighted, or unproductive properties are sold to owners who want to repurpose them.

In the Western U.P., Baraga, Gogebic, Houghton, and Ontonagon counties already have land banks, with varying levels of activity. The Michigan State Land Bank Authority can provide support to Iron and Keweenaw counties, which do not (at least yet) have land banks.

Land banks can be funded by local governments, land sale proceeds, and even in-kind programs. There are numerous tools that land banks can use to help redevelop properties, such as a blight elimination grant program, Predevelopment Investment Program, Land Bank Housing Development Loan Program, and brownfield program. A land bank can intervene in what might otherwise be a decline in property values in a community by improving the community that will boost housing values and strengthen the tax base.

Partnerships are key to the success of land banks. Partners could be affordable housing developers, small local landlords, real estate agents, schools, human service organizations, and others. Land banks may also acquire property for other purposes as well, such as to provide parks or green space for existing neighborhoods. With this in mind, each county land bank should become more active in the pursuit of opportunities for renovation, rehabilitation, and development to stabilize and revitalize neighborhoods and communities.

Development Preparedness

Local governments can accommodate housing development by implementing regulatory regimes that accomplish their goals without being overly burdensome. Furthermore, communities should prioritize improvement and/or development of infrastructure (primarily streets and water and sewer utilities) in locations that are identified in community plans and zoning ordinances as being suitable for residential development. Availability of current or planned future broadband internet service must also be taken into consideration.

The planning, regulatory, and transparency elements can be furthered through Michigan Economic Development Corporation (MEDC)’s RRC program, which is geared toward development-friendliness. Communities with traditional downtown districts are eligible to formally engage in the process at either a basic “Essentials” level or a more advanced “Certified” level. Engagement at either level increases access to certain funding programs, and if the Certified level is achieved, MEDC provides certain pre-development services and actively markets the community to developers at state and national levels.

All eligible communities should pursue participation in RRC at either level. The speed of advancement in the program is flexible based on the community’s individual capacity; the important thing is to remain continuously engaged in pursuing the Best Practices. Even if a community (without an MEDC-designated downtown) is not eligible for official recognition in the RRC program, the community can still pursue some or all of RRC's Best Practices to enhance its attractiveness to developers.

Education and Workforce Engagement

There is strong opportunity in the near term for WUPPDR to engage with Michigan Works!, a close partner organization, to explore new options for partnerships among intermediate school districts, local school districts, community colleges, and contractors for growth of apprenticeships and other programs. This could help to reduce reliance on outside contractors. To meet the same need, a longer-term opportunity is to develop and implement a structured educational program for small Western U.P.-based contractors to scale up operations.

Action Items

Any plan needs action items to implement the strategies. The action items here are intended to be guided by community leaders and implemented with support from community members, particularly any with specialized expertise. Many action items identified through this planning process and listed below are relevant to all counties in the region, but each item should be evaluated by each community to determine its relevance, in conjunction with the individual county strategies. The action items are not intended to fully implement all of the strategies; they are only some of the most readily implementable and tangible efforts that can be made to begin progress

New Housing and Rehabilitation

1. Identify and prioritize local development or redevelopment projects on an individual community basis, anywhere this has not already occurred. Local governments will work with the Community Housing Development Center, once it is created, to identify projects and package resources to develop or rehabilitate individual properties.
2. Seek out underutilized homes by sending notices to owners. Local communities can send notices with tax bills or newsletters to actively seek out underutilized homes, reminding absentee homeowners that their vacant homes may help ease the housing crisis in the county by making them available for long-term rent or sale.
3. Seek out properties (land) for new development that have available infrastructure on site or easily reachable. Keep lists current and available on municipal websites.
4. Market properties through Zoom Prospector (WUPPDR can assist if needed).

Redevelopment Ready Communities (RRC)

1. Engage in RRC, if applicable and not already engaged (WUPPDR can assist with initiating the program if needed).

2. Continuously work toward Best Practices, and, once achieved, maintain and update required items as needed. Engagement or certification can lapse if community does not remain proactive.
3. Promote or require free RRC training for elected and appointed officials for clear understanding of the program benefits to the community.

Developer/Contractor Engagement

1. Lobby local contractors to become more involved in seeking out opportunities to develop housing.
2. Actively search for outside developers and seek to identify community members who have relationships with developers that can be built upon.

Land Banks

1. Make up-to-date list of properties available online.
2. Resume board meetings for boards that have become inactive or irregular.
3. Actively seek publicly owned and tax-foreclosed properties in reasonably good condition to be acquired and made marketable.
4. Continually revisit the status of all properties in current inventory and identify the best potential uses of each property.
5. Review Resources chapter from this study to identify programs that may be applicable to each property in inventory.
6. Network with staff/leaders of land banks that have been successful, such as Houghton and Marquette counties.
7. Allocate funds from property sales to a fund such as a housing trust fund to support housing development activities.

Housing Trust Fund

1. Work with the Community Housing Development Center, once it is created, to explore establishment of a housing trust fund(s) – either a regional fund or one or more local funds.

County Strategies

Besides the common issues and challenges identified throughout the region and the strategies to address them, discussion group meetings revealed some themes and differed in individual counties. The strategies in this chapter should inform and complement the regional strategies.

Baraga County

Baraga County has understood the lack of attainable housing that exists in all communities for several years. In 2019, the Baraga County Chamber of Commerce formed the Baraga County Housing Task Force to begin to look at the county's housing shortage. This group met to discuss housing needs and development opportunities but ramped down discussions somewhat as the pandemic got underway. After the inception of development of this planning process, the Baraga Housing Task Force reconvened to consider housing solutions anew.

One of the longest-standing issues considered by the Task Force is the lack of appropriate high-quality housing for aging seniors to downsize while still living independently. Not all seniors are interested in doing this, but enough are that enabling them to do so could free up a substantial number of single-family houses for younger professionals and families to locate in the county.

Another concern has been anecdotal evidence of workers recruited to Baraga County, particularly professionals, who have had to live outside of the county and commute long distances to reach work. This has the effect of discouraging long-term employment in Baraga County, challenging major employers to maintain their workforces; it also results in a lost opportunity for the county to new (sometimes particularly affluent) permanent residents.

The answer to both of these issues, of course, is additional housing inventory, potentially of a different mixture of types than what currently exists.

Rehabilitate and Revitalize

Baraga County has numerous buildings that could be renovated to provide both commercial and residential opportunities. Several buildings have been identified for potential redevelopment:

- Tapedeck building, corner Main & Baraga, L'Anse
- Great Lakes & Land building, Broad Street, L'Anse
- Sidetrack Tavern, Superior Ave., Baraga
- State Police Post, U.S. Highway 41, L'Anse

- Tony's Steak House, U.S. Highway 41, L'Anse
- Eagles Building corner of Dynamite Hill Rd. & U.S. Highway 41, L'Anse
- Pizza/fireworks building on US41, Baraga
- Winkler Building, former nursing home annex on Sicotte Ave., L'Anse

Develop New Housing

A lakeshore location, particularly on Lake Superior or a connected waterway, has proven to be a draw for development in many areas. Both Baraga and L'Anse have opportunities for development on Keweenaw Bay of Lake Superior. Modular or conventional have proven to be a good option for this type of development in some other areas of the region. These units would provide for higher density housing opportunities. There is also vacant land at the end of Tuttle Avenue in L'Anse Township, near Village utilities, that could provide for a single and/or multi-family housing development. The Village of L'Anse has expressed willingness to extend utility services to this property and to consider others as they may become available.

Advance the County Land Bank

The Baraga County Land Bank currently has no properties and should consider becoming more active in its pursuit of development opportunities. As recipients of properties from tax sale and donation, land banks have state and federal funding mechanisms available for potential developers to reduce development and redevelopment costs.

Continue or Initiate Participation in RRC

The Village of L'Anse is currently engaged in the Redevelopment Ready Communities (RRC) Essentials pathway that aligns the municipality with the best practices outlined by MEDC. L'Anse could then choose to pursue RRC certification. Once a community reaches the Certified level, MEDC provides pre-development services and actively markets the community to developers at the state and national levels. The Village of Baraga would benefit from pursuing RRC's best practices, though it cannot become certified since the L'Anse Reservation greatly limits the village's zoning authority.

Gogebic County

Gogebic County faces most of the same issues with its housing stock as the region's other counties, and this was validated in discussion group meetings. The county's strategies relate to the need for all types of housing. However, issues in the rental market are especially prominent. Rentals for full-time residents are largely substandard and low in price, with very few suitable units for high-income earners who are unable or do not wish to purchase a home.

Input from community officials and other stakeholders suggests the county is experiencing disproportionately large effects from the trend toward short-term rental units. Many homes have been purchased by investors, renovated, and marketed for this use. This is reflected by short-term rental data in the County Trends chapter that shows even greater availability and occupancy of units in the 2021-22 winter season than in Houghton County, which has a much greater population and is also considered a major tourism destination. It is important to take steps to preserve and expand availability of both renter- and owner-occupied housing for the permanent resident market; however, there is also much to be learned from the improvements to the physical housing stock that have occurred due to the short-term rental trend.

Rehabilitate and Revitalize

The downtowns of Ironwood, Bessemer, and Wakefield have numerous buildings that could be renovated to provide both commercial and residential opportunities. Currently a developer is seeking to renovate and provide mixed use commercial/retail space and long-term housing in a few of these underutilized buildings in the City of Ironwood. Another building that has received attention in Ironwood is the former Sleight School on East Arch Street. This 21,423-square-foot property on 2.6 acres just outside of downtown Ironwood has potential to fulfill a market for mixed income rental units. The former Gambles building on South Sophie Street in the City of Bessemer is a potential project worth noting as well as a number of other buildings in the community.

Develop New Housing

Because of intensive development associated with the area's early industries, many communities have sufficient infrastructure in place to support significant new housing development. Ironwood, Bessemer, and Wakefield all have extensive utility and street networks supporting populations much smaller than at their heights. Some areas of townships also have water and sewer utilities. With infrastructure and vacant lots available in and around the cities and townships, new multi-building developments could be supported.

The City of Bessemer is working with a local developer to construct up to three 8-to-12-unit apartment buildings with MSHDA funding. Currently, the developer is in Phase 1 of the low- to moderate-income project and expects the completion of the first phase to be sometime in early 2024. This is an example of how new relatively high-density dwellings could provide mixed-income housing facilities. Modular housing or manufactured housing are also good options for new single- and multifamily construction.

Identify and Leverage Vacant Homes

There are many vacant homes in every community in Gogebic County that could be made available for housing. Realtors have identified the existence of numerous vacant homes in good condition that could be put on the market, but they are unable to reach out to the owners. The communities can conduct vacancy inventories and request out-of-area owners to contact them if the owners are considering alternatives for their properties.

Adjust Market Rents

Contract rents in Gogebic County are generally very low in comparison to the state, and there are relatively few high-quality rental units sufficient for professionals or incoming workers with well-paying jobs. Rental costs should correspond to the quality of each unit; however, low rents can impede development of new rental units and improvement of existing ones. Rents that do not unduly burden residents but are sufficient to keep properties in a good state of repair are essential to maintaining a healthy rental market.

Focus on Low-Income Housing

Identified during the discussion group meetings was an immediate need for housing for low-income and homeless families. The greatest need is for family housing, specifically two- to three-bedroom units. The communities should collaborate with the local housing commissions, funded by MSHDA and HUD, to increase and enhance these types of housing units available to families. This could be accomplished through multifamily apartment complexes, townhomes, or rehabilitation of various large, underutilized buildings around the communities.

Advance the County Land Bank

Gogebic County Land Bank's list of properties should be updated on a regular basis and publicized, and the land bank may want to consider the feasibility of expanding its role. As a recipient of properties, both from tax sale and donation, there are more funding mechanisms available to a potential developer through the land bank. With funding tools provided by state and federal agencies, the land bank can assist developers in reducing development and redevelopment costs.

Continue Participation in RRC

The City of Bessemer is the only municipality in Gogebic County that has become certified as a Redevelopment Ready Community. Both Ironwood and Wakefield are engaged in the Certified and Essentials paths respectively, with Ironwood expecting certification in 2022. Once a community reaches the Certified level, MEDC provides pre-development services and actively markets the community to developers at the state and national levels.

Houghton County

Houghton County is the only county in the Western U.P. that has grown during each of the past two decades and the only county in the entire U.P. that grew from 2010 to 2020. Small manufacturing and technology companies have sprung up around the county, due in part to the MTEC SmartZone, a nonprofit business incubator-accelerator. Michigan Technological University itself has seen an increase in students, faculty, staff, and programs as well as tourism, service, and healthcare sectors have all grown over the past years, fueling the population increases. And there has been an influx of remote workers moving from other areas, thanks in part to the Remote Workforce Keweenaw initiative.

Houghton County's growth state made it possible to develop a growth-based housing projection for this study. In addition to any new housing development needed from the present until 2025, it is projected that 1,238 single-family housing units and 613 units in multi-family structures will be needed from 2025 to 2040. That would be an estimated average 83 single family homes that need to be built in the county, double the current trend. Likewise, 41 units in multi-family dwellings would need to be added annually during that same time. More information is in the Houghton County Profile chapter.

In 2022, a housing committee formed under the Team Peninsula initiative began to identify localized development opportunities and actively engage with developers, both local and outside of the area, to gain insight about how development activity can be increased. Promising meetings have resulted, and networking is underway to advance the committee's efforts.

Rehabilitate and Revitalize

Houghton County faces a unique challenge, since even though its population is growing, both current and incoming houses are subject to one of the oldest housing stocks in the region. Copper mining was king in Houghton County, beginning in the late 1800s – slightly earlier than the iron mining that thrived in southern parts of the region. Thus, a very large percentage of the housing stock was built not only before 1940 – which is the earliest timeframe captured by the Census Bureau – but before 1900. Many such single-family homes are in need of extensive repairs and updates, and in many cases may be beyond repair

The Keweenaw Economic Alliance has partnered with private developers and state agencies to renovate and stabilize buildings in various locations in Houghton County. The Hancock Housing Foundation is actively pursuing grants to renovate and build a 55 and over moderate income housing facility that is planned to be 51 one- and two-bedroom units. Another developer recently received a grant from the MEDC to rehabilitate a vacant lot and construct housing in the City of Hancock, and there are other buildings in the city that are candidates for rehabilitation funding. The City of Houghton has been awarded CDBG funds numerous times the past decade or more for rehabilitation of buildings in its downtown. Each local unit of government should actively take a role in cataloging vacant properties within their jurisdiction that could be targeted for rehabilitation.

Partner with Habitat for Humanity

Communities in the county can collaborate with Habitat for Humanity to make it feasible to renovate older existing homes. The organization has an excellent model for coordinating volunteers and prospective homeowners to build new homes. There is potential to expand services to use a similar model for home rehabilitation for low- to moderate-income households. Habitat can also partner with other area organizations that might be able to assist in finding funding sources for new homes and renovations.

Assess and Improve Parking

Parking availability and management is an issue of great public interest in most downtowns, and the prominence of housing in downtown Houghton and Hancock makes it even more important to give the matter attention. The cities have updated their zoning ordinances and should update the parking provisions as needed. The cities should also work closely with building owners and developers to assure that they can manage the parking demands of their developments and tenant needs.

Enhance Transportation Mobility

Improved multi-modal transportation would allow for students and other residents more flexibility in the locations of their housing. With individual public transit providers in the cities of Houghton and Hancock, supplemented in some outlying areas by Baraga-Houghton-Keweenaw Community Action Agency, there is an opportunity to provide higher-quality and more flexible service through an integrated regional transit system. There is also strong opportunity presented by improved pedestrian and bicyclist infrastructure and, in the long term, accommodation of automated vehicles. The National Association of Development Organizations (NADO) is currently providing technical assistance to study some of these issues and opportunities in the area. This work is expected to be completed by the end of 2023.

Continue Efforts of the County Land Bank

The Houghton County Land Bank in Houghton County is active and has worked with KEDA to secure site-specific state funding and clean out buildings to increase their preparedness for development. The land bank should continue to identify and pursue new development opportunities for its holdings, as well as keeping its list of properties updated and publicly accessible.

Continue and Expand Participation in RRC

The City of Houghton is the only municipality in Houghton County that has achieved the Certified level of RRC. The City of Hancock expects to be certified this year. The Village of Calumet and Chassell Township are both working on their certification. The Village of Larium is currently on the RRC Essentials path, while the Village of Lake Linden is expected to take action in the future. The Village of South Range is not yet engaged. All eligible communities in the county should consider engaging at either the Essentials or Certified level. This process would align them with the Best Practices as outlined by the MEDC and prioritize them for various funding sources. Once a community reaches the Certified level, MEDC provides pre-development services and actively markets the community to developers at the state and national levels.

Iron County

Housing inventory in Iron County is at an all-time low, while tourism and service and manufacturing employment opportunities are increasing. Almost all homes on the market either need extensive rehabilitation or are higher-priced properties. The shortage is with houses for working families, in the $95,000 to $200,000 range. Long -term leases for families in the $1,000 to $1,500/month range are also scarce.

During this planning process, the Iron County Economic Chamber Alliance (ICECA) formed a committee of individuals with a vested interest in resolving the housing shortage and/or having influence or capability to help resolve it. The committee has developed the following strategies to help resolve the housing issue.

Rehabilitate and Revitalize

The Housing Committee is compiling an inventory of buildings and homes that could be repurposed and renovated. Iron County has many buildings suited for renovation that could provide both commercial and residential mixed-use opportunities. This brings new vibrancy to the downtown areas. There is an abundance of housing inventory serving the low-income population through the efforts of the Housing Commission over the years, so the most pressing need is for market rate homes. Some Housing Commission homes are being rehabilitated and offered to their occupants for purchase. If residents are not interested in purchasing the home, they are placed on the market, presenting opportunities to expand attainable housing.

Enhance Transportation Mobility

Improvement of transportation access can increase options for where residents can live relative to their places of work and other activities. Iron County has among the lowest service levels of public transit service in the region, limited to small areas around the cities of Crystal Falls and Iron River during narrow windows of hours and days, and tailored primarily to seniors and persons with disabilities. Accommodating the general public during additional times and days, and perhaps along the U.S. 2 corridor between these two cities, would be greatly beneficial.

Establish Housing Cooperative(s)

ICECA hopes to engage developers and businesses in housing cooperatives throughout the county. With assistance and coordination, area businesses, individual developers, and non-profits could create for-sale or for-rent market rate housing units within the Cooperative structure. An older building could be transformed into a housing cooperative owned by a member-owned nonprofit organization that could be the managing entity of a building to lease or sell units. Employers in the area could jointly develop cooperatives as workforce housing to enable retention and recruitment of employees.

Explore Potential for a County Land Bank

Iron County does not currently have a land bank. A land bank establishes eligibility for certain state programs and also provides other valuable services and opportunities. County officials should explore the costs and benefits of creating a land bank and determine whether it is worthwhile for the county to do so. The Michigan State Land Bank Authority can provide technical assistance in this process and can perform certain land bank functions where a local/county land bank does not exist.

Initiate or Continue Participation in RRC

The City of Iron River is the only municipality in Iron County that is engaged in RRC. Currently it is engaged on the Essentials path. Iron River's adjoining cities of Caspian and Gaastra and the City of Crystal Falls are also eligible to engage and should consider doing so at either the Essentials or Certified level. This process would align them with the Best Practices as outlined by the MEDC and prioritize them for various funding sources. Once a community reaches the Certified level, MEDC provides pre-development services and actively markets the community to developers at the state and national levels.

Keweenaw County

Keweenaw County is a destination for people seeking solitude, beauty, and history. With a population of just 2,046 people – the smallest county population in Michigan – one might not think there would be a housing issue. But indeed, the state of housing here is as critical as anywhere in the region.

The southern part of the county is home to the vast majority of year-round residents and housing units, while most residents of the northern part are seasonal. Keweenaw County's predominance of seasonal, recreational, or occasional use homes, coupled with a median age of 58, reflect the county's prevalence of "snowbirds" who travel to the southern U.S. for winter. With the aging and transient population, the small communities serving the tourist-based economy, have found recruiting, hiring, and retaining service employees difficult. Copper Harbor in particular, with its many shops, restaurants, trails, and outdoor amenities, has been challenged in maintaining a stable workforce for many years. Providing attainable housing nearby for service workers has been a longstanding need of the business community.

Prioritize Workforce Housing

Workforce housing was the main topic of discussion during communications with Keweenaw County stakeholders during this planning process. The southernmost community and only village in the county, Ahmeek, is a distance of 12 miles to Eagle River and 30 miles to Copper

Harbor. Other viable residential communities in the southern portion of the county include Mohawk/Fulton and Allouez. Due to availability of land, infrastructure, and existing housing units available for rehabilitation, these communities present the relatively easiest opportunity for housing development (workforce and otherwise). However, distance, travel cost (particularly for low-income workers), and seasonal travel difficulties can be problematic when traveling to the northern part of the county to work. This dynamic creates unique challenges in Keweenaw County.

Rehabilitate and Revitalize

Ahmeek has “main street-style” buildings with zero-lot-line development that could be renovated to provide housing or mixed residential-commercial uses. Farther north, the former Air Force radar base at Mount Horace Greeley near Gratiot Lake was recently acquired by Open Skies, LLC. Although the complex is in need of utility upgrades, as well as general rehabilitation and revitalization, this complex has the potential to become a new residential community serving the workforce of the county.

Focus on Preexisting Infrastructure

Available utility water and sewer infrastructure is an attractive element for new housing development, and most of the county does not have these utilities in place. The Village of Ahmeek and Grant Township in Copper Harbor have sewer and drinking water infrastructure. Copper Harbor’s system has capacity issues that the township is hoping to address in the coming years, but regardless, a few housing units could be infilled within the utility service area. Mount Horace Greeley (Open Skies) also has some infrastructure and could be a site of future housing development. The community of Eagle Harbor in Eagle Harbor Township has drinking water infrastructure but requires septic systems for wastewater; however, the community has single family-zoned parcels in a subdivision just south of the community that are ready for new housing. Not only could these be housing for year-round and seasonal workforce but also could provide safe senior-friendly housing.

Expand Affordable Housing

The Keweenaw County Housing Authority should look to expand its housing capacity in and around Allouez township. Many seniors and individuals with disabilities living in Keweenaw County would benefit from additional safe housing options. This in turn could provide additional marketable homes that could expand housing options for those employees working in the growing businesses in Keweenaw County and neighboring Houghton County. Allouez Township is well situated between the economic hubs of northern Houghton County and northern Keweenaw County.

Enhance Transportation Mobility

Although transportation is not a strategy to develop housing, it is a strategy to alleviate the strain that the lack of housing for the workforce puts on the county employers. Keweenaw Mountain Lodge has been sponsoring a pilot transportation service to bring employees from Houghton, Hancock, and other nearby communities to work daily. This plan was offered as a temporary solution to the greater Copper Harbor businesses until the housing issues can begin to be resolved. There are also ongoing efforts to make public transit service available to the general public throughout Houghton County that could extend into Keweenaw.

Promote Accessory Dwelling Units (ADUs)

With such a large proportion of seasonal residences, Keweenaw County is especially well positioned to increase the number of ADUs and adjust the ordinances that accommodate them. ADUs can be actively marketed as a tool for homeowners to build an income -producing rental unit on their properties. Marketing the potential to develop ADUs as part of renovations and additions to the existing housing stock would be a method of increasing all types of housing within the villages and townships.

Establish Housing Cooperative(s)

Housing cooperatives are especially well suited to the need for workforce housing in Keweenaw County. Employers in the area could come together to form nonprofit cooperatives to house current and future employees. Cooperatives can take many forms, including single family homes, duplexes, and multi-unit apartment complexes. The consensus seems to be that having the workforce living within the community enriches the community and the workers' lives, and in turn would provide better retention and recruitment of employees for growing businesses.

Explore Potential for a County Land Bank

Keweenaw County does not currently have a land bank. A land bank establishes eligibility for certain state programs and also provides other valuable services and opportunities. County officials should explore the costs and benefits of creating a land bank and determine whether it is worthwhile for the county to do so. The Michigan State Land Bank Authority can provide technical assistance in this process and can perform certain land bank functions where a local/county land bank does not exist.

Consider Participation in RRC

Since it has a traditional downtown district, the Village of Ahmeek is the only community in Keweenaw County that is eligible to become formally engaged in RRC. Although the Village's capacity to take this process on seems limited, the village may be able to find volunteers within the community or organizations that could provide technical assistance to help the community begin the work to achieve the Essentials level. The RRC process would align the community with the Best Practices that would make future development and grant acquisition more manageable for interested developers.

Ontonagon County

Ontonagon County's population has been declining since closure of the mine in White Pine and later a paper mill in the Village of Ontonagon. As may be attested by the number of people aged 65 and over, employers who were close to retirement likely remained in the county rather than move for employment. The average size of households is smaller than regionwide and statewide averages, due largely to a smaller proportion of multi-generation families.

One factor that may mitigate a projected extreme decline in population (a near-halving of residents from 2020 to 2045) is the 2022 announcement that construction would begin on the Copperwood mine adjacent to Ontonagon County in 2023, with a planned hiring of hundreds of employees. Later, a smaller number of new employees are expected to be based at the White Pine Mine within Ontonagon County. A planned expansion of Lake Shore Industries, now Trident Maritime Systems, in the Village of Ontonagon may also have a beneficial impact on this projection.

As of 2020, an estimated nearly half of the county’s current residents in the county had lived in their homes for more than 22 years, with a similar number share of homes having been built prior to 1960. The county also has the region’s highest median age and largest percentage of residents 65 years and older. As the current population continues to age and potentially remain in their aging and often deteriorating homes, the need for livable, updated housing for newer residents will be an increasing concern. Physical accessibility elements will likely also prove to be inadequate for the aging population.

Although the declining population trend may seem contrary to the need for housing, actual market demand (as validated by MLS data) remains steady and has even increased since around the start of the pandemic. With expected growth in the economy and housing shortages in bordering counties, pressure on the existing housing stock will likely continue.

Finally, similarly to in Gogebic County, Ontonagon County stakeholders, particularly some local government representatives, have expressed major concerns about short-term rental development and particularly the proposed state preemption of local authority to regulate these units. The Village of Ontonagon has perhaps been more vocal than any other Western U.P. community about the threat presented by unrestricted growth of these units, due to both their neighborhood nuisances and reduction of the housing stock available for permanent residents. Other communities and townships in resort areas, such as Bergland, face similar threats, though many housing units in these areas have historically been occupied by temporary or seasonal residents.

Rehabilitate and Revitalize

Each community has buildings that are underutilized and/or vacant that could be rehabilitated for housing and mixed residential-commercial use. Most notably, the Village of Ontonagon is working on revitalizing the Greenland Road School one block from their main downtown corridor. The school could be revitalized for various types of housing, most notably senior or workforce housing. The property could also house the Village of Ontonagon offices and provide space for small businesses and other community amenities. The south-county communities of Ewen and Bergland are home to similar former schools that, with sufficient resources, could potentially be revitalized.

Reactivate the County Brownfield Redevelopment Authority (BRA)

Existence of a BRA is required for access to certain redevelopment funding. Ontonagon County has a BRA that is currently inactive for lack of adequate board membership. Efforts are underway to move the BRA out of dormancy so it can reestablish relevant funding eligibility.

Advance the County Land Bank

Ontonagon County Land Bank's list of properties should be updated on a regular basis and publicized, and the land bank may want to consider the feasibility of expanding its role. As a recipient of properties, both from tax sale and donation, there are more funding mechanisms available to a potential developer through the land bank. With funding tools provided by state and federal agencies, the land bank can assist developers in reducing development and redevelopment costs.

Initiative or Continue Participation in RRC

The Village of Ontonagon is engaged in RRC on the Essentials path. McMillan Township, which is considered to have a traditional downtown in the community of Ewen, is also eligible to engage. Engagement in RRC aligns communities with the Best Practices outlined by MEDC and prioritizes them for various funding sources. If a community reaches the Certified level, MEDC provides pre-development services and actively markets the community to developers at the state and national levels.

Resources for Housing Development, Redevelopment, and Rehabilitation

Public funding sources are often required to enable communities, organizations, developers, contractors, and individuals in the region to carry out the strategies previously identified. This list is by no means all-inclusive since programs continuously come and go. Programs included here are current as of August 2022.

Michigan State Housing Development Authority (MSHDA)

MSHDA was established in 1966 to provide financial and technical assistance through public and private partnerships to create affordable housing, as well as economic development to create vibrant cities, towns, and villages.

MSHDA is financed from the proceeds from the sale of tax-exempt and taxable bonds and notes to private investors, not state tax revenues. MSHDA also administers various federal housing programs.

MSHDA's Mission

"We serve the people of Michigan by partnering to provide quality housing that is affordable, a cornerstone of diverse, thriving communities"

MSHDA's Vision

"Make Michigan a place where all people have quality affordable housing as a foundation to reach their full potential"

Housing Initiatives Division

Tonya Young, Director of Neighborhood Housing Initiatives

1. **MSHDA Mod Program**
    - Modular homes/modified technology products for workforce housing
    - Provides up to $200,000 in financing for delivery, taxes, site preparation, on-site finishing, and related construction costs
2. **Low-Income Housing Tax Credit (LIHTC) – Permanent Supportive Housing Category**
    - Granted in accordance with Qualified Allocation Plan (QAP)
    - 35% of units for special needs households, homeless, domestic violence survivors, chronically homeless
    - Must partner with local service providers to tailor voluntary support

Rental Development Division

Chad Benson, Director of Development

1. **<u>Tax-Exempt and Table Bond Lending</u>**
    - For-profit and nonprofit developers
    - Construction and rehabilitation
    - 20% of rental units must be income-eligible
    - Can be used in conjunction with Low-Income Housing Tax Credits (LIHTC)
2. **<u>Gap Financing</u>**
    - Multifamily rental housing developments
    - Must obtain tax-exempt bond permanent financing from MSHDA
    - Includes new construction, adaptive reuse, acquisition/rehabilitation or preservation transactions
    - Two funding rounds each year
3. **<u>Equity Bridge Loans</u>**
    - Multifamily rental housing developments
    - Enables higher tax credit pricing, creating additional equity to make development more economically feasible
    - Available to proposals receiving permanent MSHDA tax-exempt bond financing and 4% LIHTC
4. **<u>Low Income Housing Tax Credit</u>**
    - Administered by MSHDA to create affordable rental housing
    - Includes new construction, acquisition, or rehabilitation
    - Low- to moderate-income households
    - Rent and income restrictions for 18 years; 20% of units for households up to 50% AMI or 40% of units for households with incomes up to 60% AMI

Example of LIHTC Financing	
Construction expenses	
Development costs	$6,000,000
Minus land cost	-$200,000
Eligible basis	$5,800,000
Percentage of low-income units	X 100%
Qualified basis	$5,800,000
Applicable credit percentage	X 9%
Annual credit	$522,000
Period of credit	X 10 years
Total credit over 10 years	**$5,220,000**

5. **<u>Housing Trust Fund</u>**
    - Federal program to assist in affordable housing for extremely low- and very low-income (ELI) households at or below 30% AMI or below federal poverty level (whichever is greater)
    - Includes new construction, adaptive reuse, acquisition/rehabilitation or preservation transaction
    - Awards annually

6. **<u>Workforce Housing Plan allocation (component of Housing Trust Fund)</u>**
    - Collaboration with Michigan Economic Development Corporation (MEDC)
    - Mixed use-commercial/residential
    - Households with incomes between 60% and 120% of AMI
    - Includes new construction, adaptive reuse, acquisition/rehabilitation or preservation transaction
    - Continuous awards – proposals accepted at any time

7. **<u>Missing Middle Program</u>**
   Chad Benson, Director

    - Rental and for-sale housing
        - Multifamily attached or detached
        - Minimum four units per grant allocation
    - Workforce/middle income housing initiative between 185% and 300% of the Federal Poverty Guidelines
    - Maximum grant $5 million
    - 501(c)(3) required; can be a nonprofit/for-profit partnership
    - Must have a record of completing multiple similar projects
    - Includes new construction, adaptive reuse, acquisition/rehabilitation, or preservation transaction
    - Local support in form of any of the following (or combination):
        - Financial contributions of at least $5,000
        - Tax abatement
        - Tax increment financing (TIF): Incremental increase in taxes resulting from new development
        - Land transfer from local government for sales price of not more than $1,000 per unit
    - Two funding rounds beginning in 2022

8. **<u>Housing and Community Development Funds</u>**
   Tiffany King, Director

    - Will be used for housing and community development
    - Affordable housing component will be for incomes below 60% AMI
    - Further program details forthcoming

Michigan Economic Development Corporation (MEDC)

MEDC has several divisions: Business Development Services, International Trade Services, Access to Capital for Michigan Companies, and Community Development. It is also the home to Pure Michigan, the division dedicated to promoting the state's travel industry. MEDC's housing-related programs are within the Community Development Division.

MEDC's Mission
The mission of the MEDC is to achieve long-term economic prosperity for Michiganders by investing in communities, enabling the growth of good jobs and promoting Michigan's strong image worldwide.

MEDC's Strategic Focus
MEDC's strategic focus aims to position Michigan at the leading edge of economic development in the nation.

MEDC Community Development Division

Jen Tucker, Senior Community Development Manager, Community Assistance Team, Region 1

The Community Development team focuses on *"creating vibrant, sustainable and unique places by providing economic development and programs to attract and retain talent in Michigan communities."*

MEDC offers grants and loans to redevelop downtowns and foster historic preservation. MEDC encourages compact mixed uses in an urban setting to reduce sprawling development.

All projects must be within the MEDC's definition of a downtown.

1. **Michigan Community Revitalization Program (CRP)**
   - Funded by the Michigan Strategic Fund, provides grants, direct loans and other economic assistance (cannot exceed 25% of the eligible investment)
     - Grants: up to $1,500,000
     - Direct Loans: below market interest rates, extended grace and repayment provisions, forgivable terms, and no security or partial security
     - Equity Investment: projects located in geographic markets that have not seen any recent investment
   - Redevelopment of functionally obsolete properties, blight elimination, and rehabilitation of historic resources
   - Project must support region-wide economic development; goals in local master, downtown, or capital improvements plan; or economic development strategy
   - Requires community financial support

- Emerging developers (Michigan-based developers with limited real estate experience and financial resources who support local initiatives and have completed commercial real estate training programs.)
- Open application window

2. **Build MI Community Grant Initiative**
   - Grants between $15,000 and $250,000 covering maximum 50% of project costs
   - Rehabilitation, infill, and historic revitalization projects or vacant space projects by developers and property owners with limited real estate development experience
   - Projects located in traditionally dense mixed-use area with multi-story elements and maintaining district character
   - Promotes mixed-income neighborhoods
   - Project must support region-wide economic development; goals in local master, downtown, or capital improvements plan; or economic development strategy
   - Long-term financial viability of project must be demonstrated
   - Must be located in a RRC-engaged community, designated Michigan Main Street (MMS) community, or Geographically Disadvantaged Area
   - Eligible costs include but are not limited to: acquisition fees/costs, alterations, new construction, improvement, demolition, rehabilitation, site improvements, professional fees, and costs for additional equipment or fixtures

3. **Resilient Lakeshore Heritage Grant Program**
   - Grant program "to support long-term investment in irreplaceable heritage assets of Michigan's rural lakeshore communities"
   - Redevelopment project must be within 10 miles of a Great Lake and located in traditional downtown
   - Community must have population of fewer than 50,000 persons (2020 census)
   - Community must be RRC-certified or participating in MMS or State Historic Preservation Office (SHPO) Certified Local Government program
   - Eligible awardees include local units of government, nonprofit organizations, public entities, Michigan business owners, owners of property of eligible types
   - Eligible Western U.P. communities as of June 1, 2022: Calumet and Houghton
   - Property must be listed in the National Register of Historic Places (individually or contributing to historic district), have agreement from property owner to list before end of project, or would become contributor to historic district at the end of project
   - Project can include:
     - Structural repairs and stabilization
     - Roof
     - Masonry repair
     - Wood siding & trim
     - Window and doors
     - Storefront rehabilitation

    - Replacement of missing historic features
    - Interior and exterior finishes
    - Building system upgrades
    - Painting
    - Accessibility improvements
    - Energy efficiency improvements

4. **<u>Community Development Block Grants (CDBG)</u>**
   HUD allocates CDBG funds to the State of Michigan through the Michigan Strategic Fund (MSF). Awards are made by MEDC to non-entitlement communities, defined as units of general local government, which include small cities, townships, and villages with less than 50,000 in population, as well as non-urban counties.
   - <u>Building Rehabilitation Initiative</u>
     - Funds the exterior and/or interior rehabilitation and revitalization of existing buildings to eliminate blight in traditionally dense mixed-use areas
     - Grants from $100,000 to $2,000,000 for blight elimination or historic preservation (in some cases) up to 50% of total project costs
     - Open application funding window
   - <u>Loan Program</u>
     - To provide loans to eligible small businesses or local units of government to address blight or other national objectives
     - $20,000 minimum loan amount
     - Can be used for acquisition, administration, architecture/Engineering, improvements, demotion, infrastructure improvements, machinery, planning, working capital.
     - Open application funding window
   - <u>Rental Rehabilitation</u>
     - Renovation of vacant/substandard rental units or conversion of vacant unoccupied space to affordable and market-rate residential units in traditional downtowns
     - Minimum project size of two units
     - Low- to moderate-income housing
     - Maximum Grant is $1,000,000; average support of unit must be less than $100,000/unit
     - Match requirement is 25% of total project cost
     - Open application funding window
   - <u>Unique/Innovative Grants</u>
     - For situations requiring innovative program approaches not specifically identified in funding initiatives: area benefit, area or spot blight, and housing
     - Examples include brownfield site redevelopment, demolition, conversion of school buildings, and planning
     - Grant amount is $50,000-$2,000,000
     - Match requirement is 25-50% of eligible project costs based on need
     - Open application window

United States Department of Agriculture (USDA) – Rural Development

USDA plays a major role in rural development, particularly housing. USDA is made up of 29 agencies and offices. It oversees and implements housing, farming, ranching, forestry, industrial, food quality and safety, and nutritional labeling programs.

1. **Multifamily Housing Loan Guarantees**
    - Rural areas with 35,000 or fewer people and federally recognized tribal lands
    - Rent capped at 30% of 115% of area median income
    - Minimum five units
    - Eligible: state and local governments, nonprofit organizations, and for-profit entities including Limited-Liability Corporations (LLCs)
    - USDA offers up to 90% of the loan amount to for-profit entities and up to 97% of total development cost or appraised value for nonprofit organizations
    - Loan term of 25 to 40 years
    - Fixed interest rate negotiated between lender and borrower
    - Open application window
2. **Off-Farm or On-Farm Labor Housing Direct Loans & Grants**
    - For farmers, associations of farmers, family farm corporations, nonprofit organizations, most state and local governments, and federally recognized tribes
    - Construction, improvement, repair, and purchase of housing for domestic farm laborers are the primary funding objective
    - Low-interest loans or grants based on need; may not exceed 90% of project cost
    - Loan terms up to 33-year payback with 1% fixed rate
    - Annual application window

Tax Abatement and Capture Programs

1. **Tax Increment Financing**
    - TIF allows a developer to be reimbursed for costs related to an eligible property (contaminated, functionally obsolete, or blighted) by the incremental increase in property taxes resulting from new development

Example of TIF Process	
Final taxable value (at end of project)	$5,000,000
Pre-project (base year) taxable value	- $3,000,000
“Captured” taxable value (increment)	$2,000,000
Property tax rate (36 mills)	0.036
Tax increment revenue (amount available for developer reimbursement)	$72,000

- Entities eligible to utilize:

  - **Brownfield Redevelopment Authority:** entity created by county or municipal government; TIF utilization must adhere to brownfield plan, which indicates eligible activities and time length of tax capture
  - **Downtown Development Authority**: entity created by municipal government; TIF utilized for improvements that generally benefit the tax-paying parcels within a designated downtown development area, encouraging further private investment

2. **NEZ (Neighborhood Enterprise Zone)**
   - Tax exemption for development and rehabilitation of residential housing located within eligible distressed communities
   - Freezes property taxes at pre-development/pre-construction rate for end users for periods up to 15 years
   - NEZs designated by local governments in eligible distressed areas
   - Promotes neighborhood revitalization
   - New and rehabilitated facilities applications are filed, reviewed, and approved by the LUG, but are also subject to review at the state level by the state Property Services Division; State Tax Commission (STC) is responsible for final approval and issuance of new and rehabilitated facility certificates

3. **PILOT (Payment In Lieu of Taxes)**
   - Temporary, partial reduction of future real and/or personal property taxes
   - In return for the reduction in taxes, the PILOT applicant commits to projects that benefit the community, but that would not occur without the PILOT
   - May include low-income housing

Tax Credit Programs

1. **New Market Tax Credits (NMTC)**
   Bring private investment into low-income communities by permitting individual and corporate investors to receive a federal income tax credit, in exchange for making equity investments in financial intermediaries called Community Development Entities (CDEs)
   - Unlike many other credits, NMTC is generated at the time a “qualified equity investment” (QEI) is made into a CDE *(as opposed to the low-income housing tax credit that is earned only after the placement in service of a qualifying building*)
   - The NMTC equals 39% of QEI and is spread out over seven years – 5% in first three years and 6% in the final four years.
   - Because the NMTC is based upon the QEI made to the CDE (*which then must invest the proceeds in the manner discussed below*), the tax credit investor in a NMTC transaction does not own an interest in the project, and the costs associated with the project have no bearing on the amount of the credit
   - Developments must be at least 20% commercial and 80% residential property components; this is based on revenue, not square footage

- Useful tool in bridging financing gaps and reducing financing risks by introducing additional equity from the syndication of the credits
- Can be paired with other federal tax incentives, most notably the historic rehabilitation tax credit, but cannot be paired with LIHTC

2. **Historic Tax Credits**
   State and federal Historic Tax Credits can both be utilized on the same project**.** While the requirements and materials needed to apply for each program are similar, the federal and state tax credit programs utilize two entirely separate and distinct applications and processes. Qualifying for one program does not guarantee automatic qualification for the other.
   - Federal Historic Tax Credit
     - 20% income tax credit for the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Park Service, to be "certified historic structures"
     - The State Historic Preservation Offices and the National Park Service review the rehabilitation work to ensure that it complies with the Secretary's Standards for Rehabilitation.
     - Building(s) must be listed on the National Historic Register individually or contributing property(s) located in a federal or local historic district
     - The developer or an investor (bank, corporation, etc.) obtains a dollar-for-dollar reduction in their *federal* tax liability
   - State of Michigan Historic Tax Credit
     - 25% of qualified rehabilitation expenditures
     - Designation Requirements:
       - National Register of Historic Places
       - State Register of Historic Sites
       - Local historic district (individually listed or contributing to a listed district)
     - $5 million in credits each calendar year, comprised of:
       - $2 million for commercial with expenses of $2 million or greater
       - $2 million for commercial with expenses of less than $2 million
       - $1 million for residential

       No project can receive more than $2 million in one calendar year
     - Awarded on a first-come, first-serve basis
     - Credit against *state* income tax liability

Brownfield Redevelopment and Blight Remediation Programs

Michigan Department of Environment, Great Lakes and Energy and the United States Environmental Protection Agency have numerous programs that can potentially be applied to housing projects on brownfield sites. Michigan State Land Bank Authority's Blight Elimination Program is used to stabilize vacant buildings against further deterioration in order to preserve for future rehabilitation to purposeful use, including housing. Visit agency websites for current programs and applicability.