



Everyone needs housing.



# 34,699

**Total new units needed county-wide  
by 2027 to accommodate household  
growth and older home replacement.**

# 14,106

**Total new units needed in the City of  
Grand Rapids by 2027.**







A shortage of housing impacts every household differently.

# 2022 VACANCY AND AVAILABILITY RATES

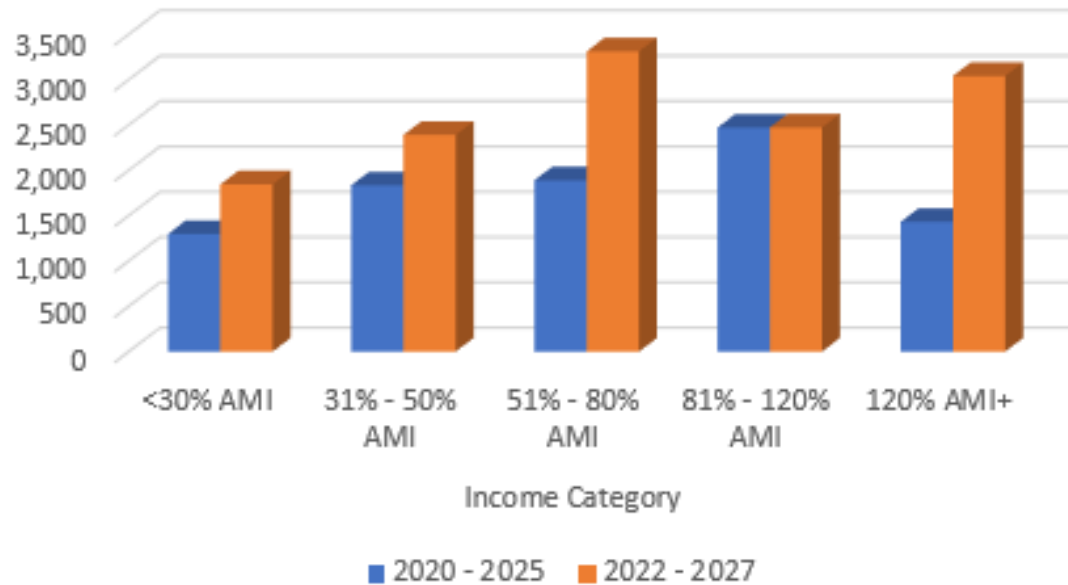
*Healthy vacancy rate = 5% to 6%*

	Units Surveyed	% Vacant
<b>Market Rate Rental</b>		
Grand Rapids	8,347	2.90%
Kent County	20,580	2.50%
	<b>Units Surveyed</b>	<b>% Vacant</b>
<b>Subsidized Rental</b>		
Grand Rapids	3,167	0.00%
Kent County	2,142	0.00%
	<b>Total Units</b>	<b>% For Sale</b>
<b>Market Rate For-Sale</b>		
Grand Rapids	44,302	0.40%
Kent County	132,698	0.50%
	<b>2020</b>	<b>2022</b>
<b>Homes for Sale &amp; Priced below \$200,000</b>		
City of Grand Rapids	69.60%	24.10%
Kent County	22.30%	6.10%

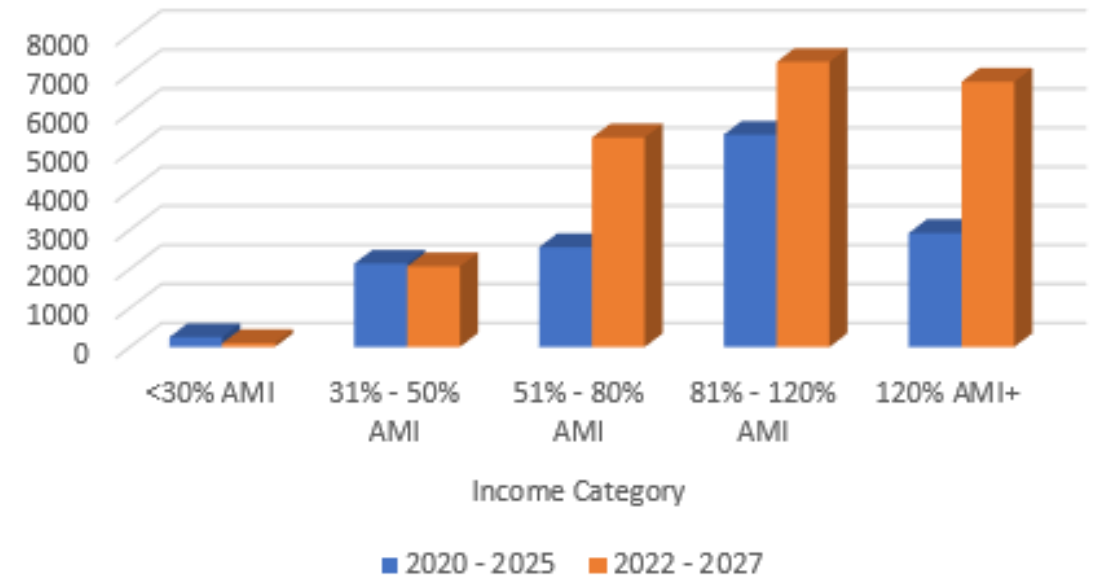


# Units Needed by Income Segment 2020 versus 2022

Kent County | Rental



Kent County | For Sale



*The Median Sale Price of Homes Increased 99.2% in Grand Rapids and 74.8% in the Balance of Kent County Since 2016, Making Housing More Difficult to Attain, Particularly for Lower-Income Households*



**Zillow** Save Share Hide More

**\$259,900** 3 bd | 2 ba | 1,623 sqft

1051 Edna St SE, Grand Rapids, MI 49507

● **For sale** Zestimate®: **\$270,704**

Est. payment: \$1,754/mo ⓘ [Get pre-qualified](#)

[Request a tour](#)  
as early as tomorrow at 10:00 am

[Contact agent](#)

[Overview](#) [Facts and features](#) [Home value](#) [Price and tax](#) | >

[Schedule a tour](#)

[Single family residence](#)

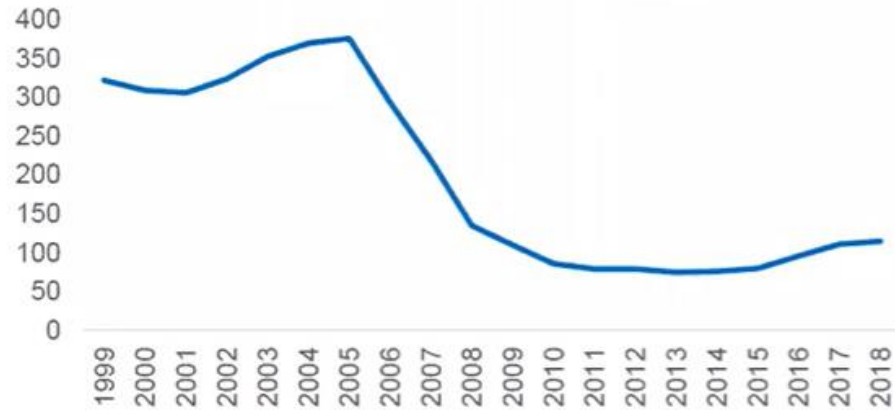
[Built in 1947](#)

[Radiant](#)



## New Starter Homes Declining to Very Low Levels...

New 'Starter' Home Sales (Ths)



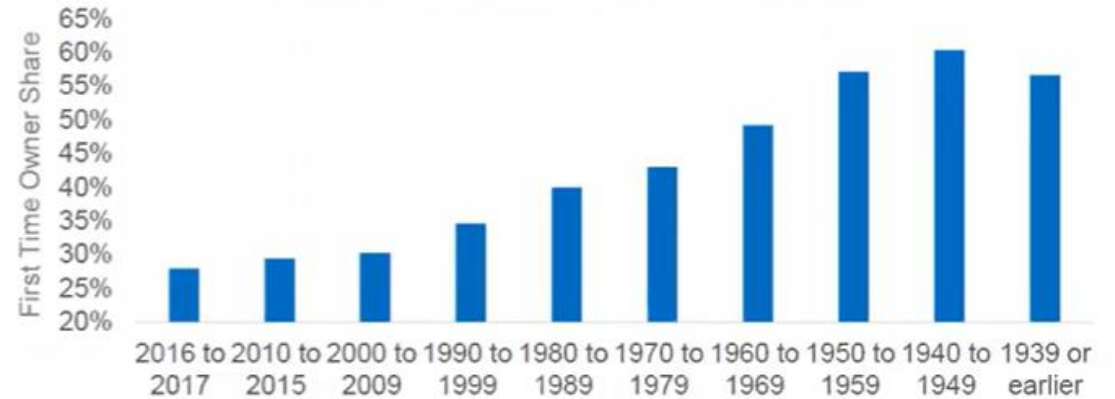
'Starter' Home Share of All New Sales



Source: Bureau of the Census. Starter homes defined as those under 1,800 square feet.

## ...Which Leads First Time Buyers to Purchase an Older Home

Share of First Time Owners by Year Built



First Time Owner Share vs Value of Property





# *Upward Economic Filtering* threatens low-and-moderate-income households.

When there are too few homes and apartments available for everyone, local residents with the most money to spend are able to out-compete against everyone else. The greater the scarcity of housing, the more this competition will drive rents and home prices up.

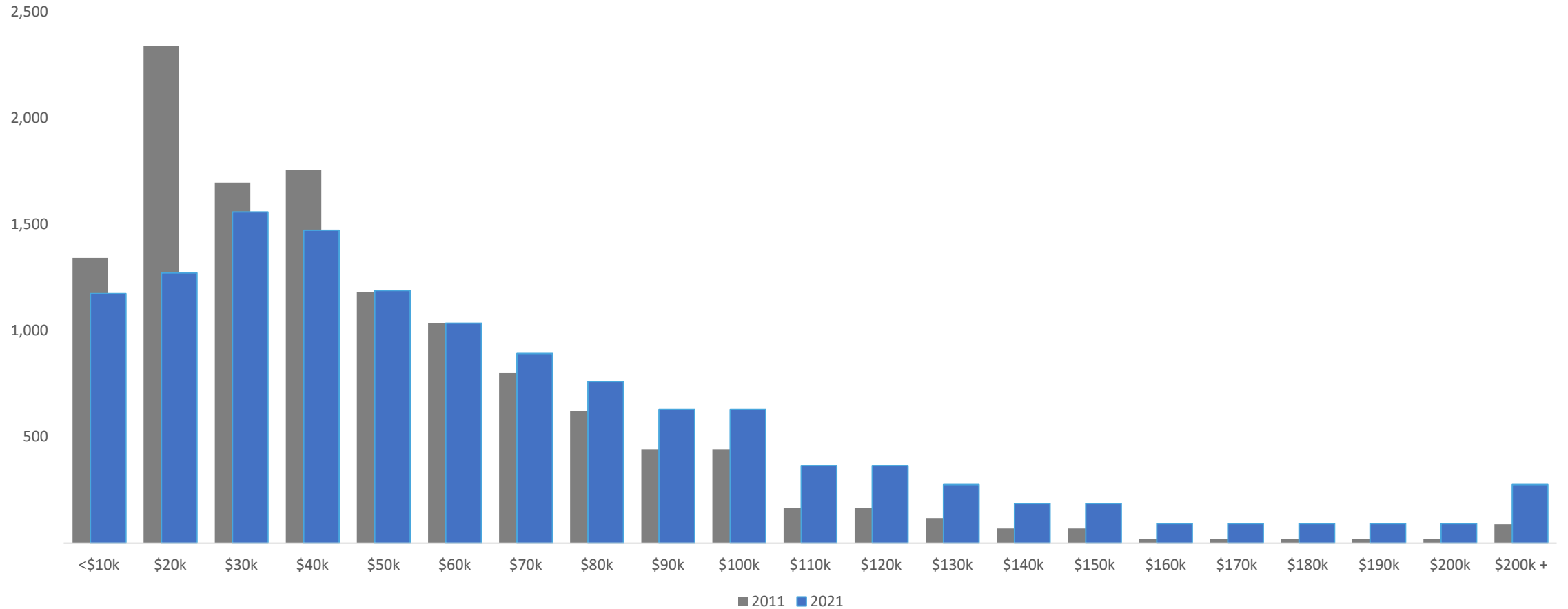
- National data source from HUD USER, [\*Impacts of Filtering and Rent Control\*](#)



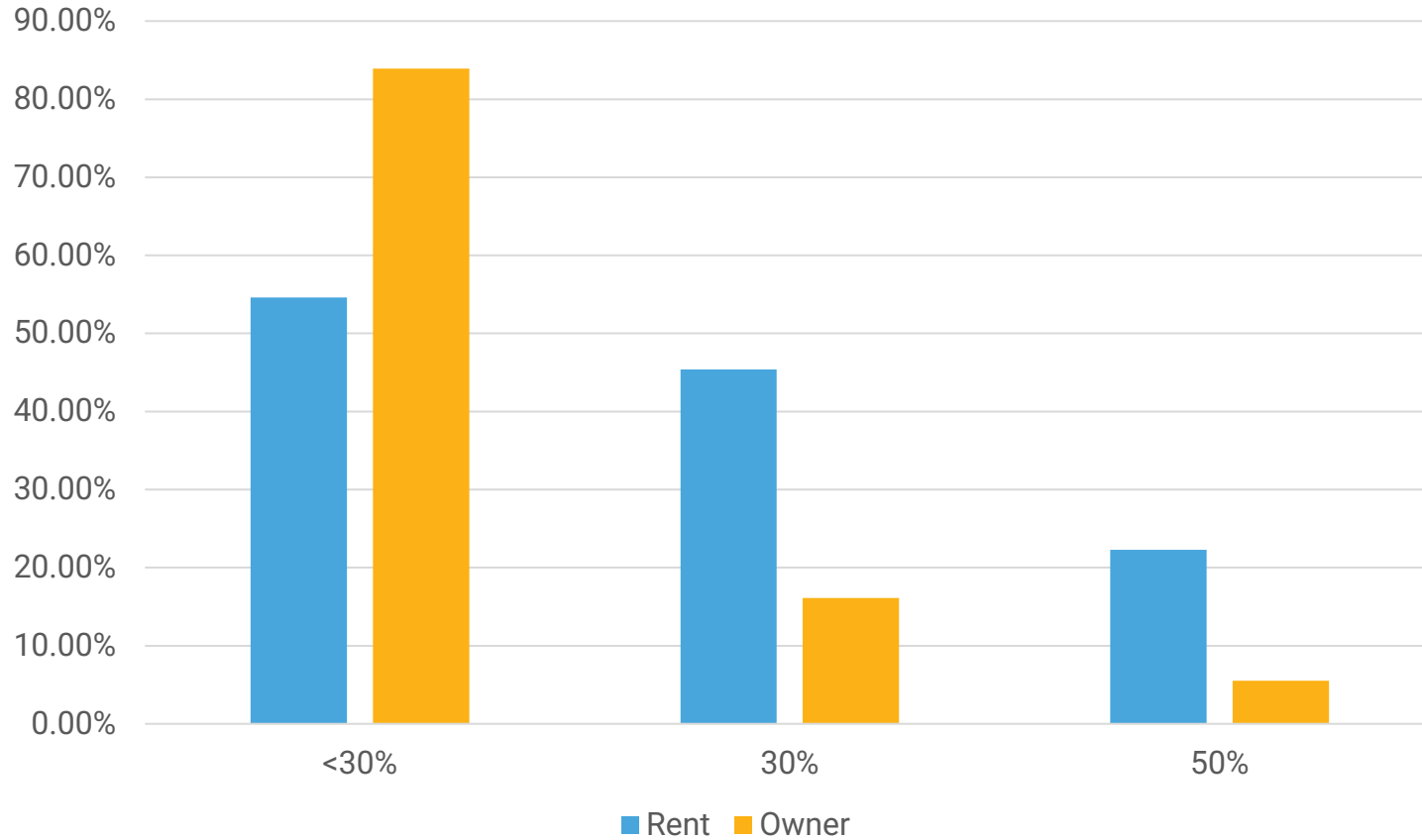
# Example: Changes in 49507 zip code demographics since 2011

	<b>2021 Renter- Occupied</b>	Change since 2011	<b>2021 Owner- Occupied</b>	Change since 2021
<b>Single Family Home</b>	<b>2,747</b>	+220	<b>7,350</b>	+424
<b>All Others</b>	<b>2,252</b>	-180	<b>337</b>	-167
<b>Other types:</b>				
Attached Townhouses	<b>190</b>	-5	<b>99</b>	-33
Duplex, Triplex, Quadplex	<b>1,068</b>	-410	<b>204</b>	-151
Small Complex (5 - 49 units)	<b>423</b>	+50	<b>0</b>	-
Large Complex (50+ units)	<b>522</b>	+136	<b>22</b>	+22
Mobile Home	<b>30</b>	+30	<b>52</b>	-5
Boat, RV, Van, Other	<b>19</b>	+19	<b>0</b>	-

# Example: Changes in 49507 zip code demographics since 2011

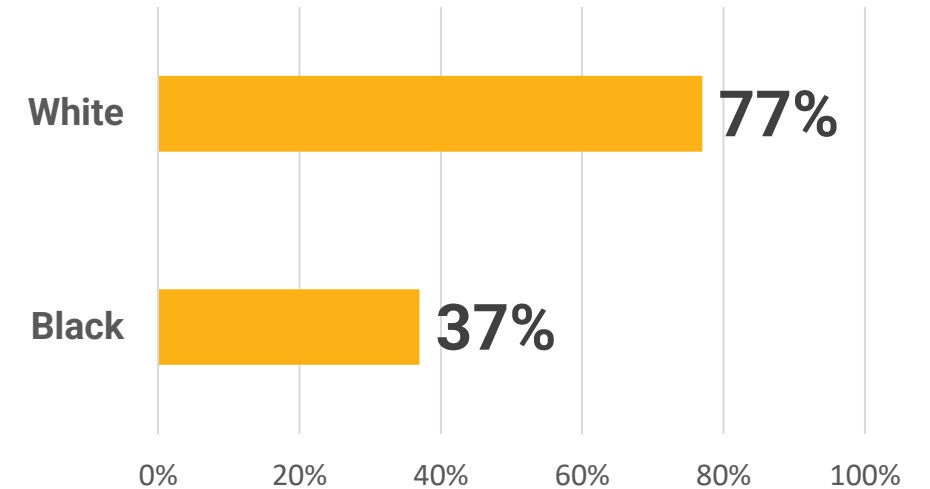


### Housing by Percent Income Paid Toward Rent



Bowen Housing Needs Assessment, 2022

### Homeownership Rate by Race



Urban Institute, 2018

Homeowners, generally, are far more likely to spend less than 30% of their income on housing. Yet, White households are far more likely to be homeowners than Black households in Grand Rapids.



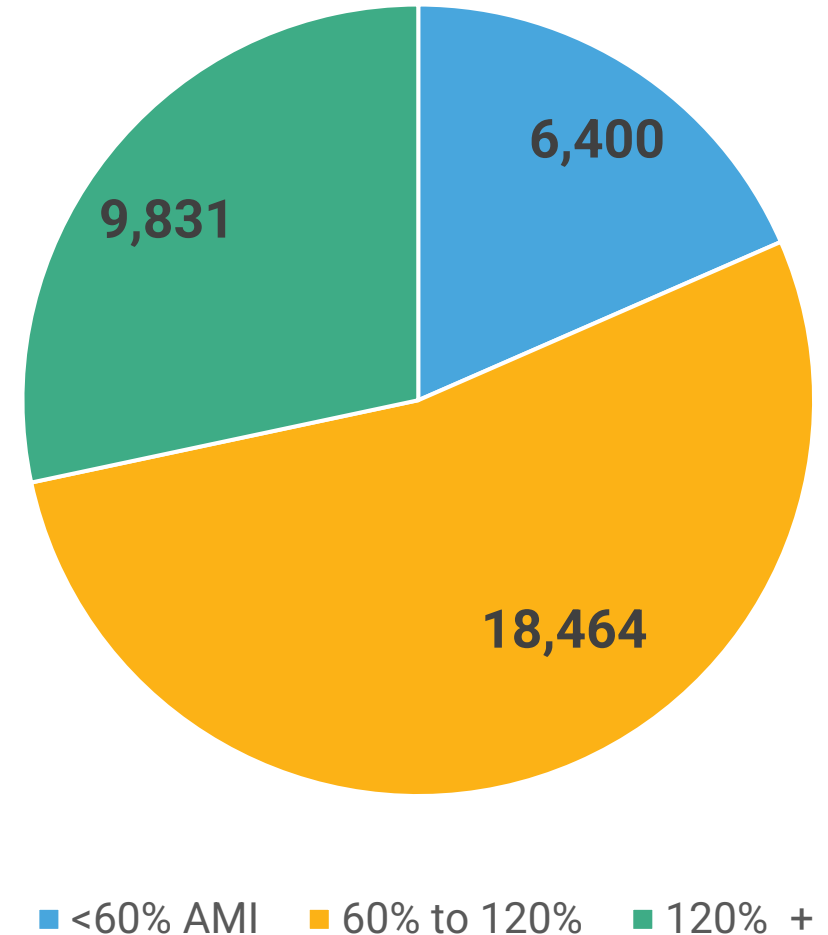
# Housing Continuum Gaps – Kent Co.

Affordable Housing	Attainable Housing	Market Rate Housing
Below 60% AMI	60 - 120% AMI	120% AMI +

## Funding Resources Available

Eligible for public vouchers  HOME Funds, CDBG Funds  Eligible for LIHTC-funded units	MSHDA Missing Middle  Brownfield TIF  Neighborhood Enterprise Zone	Capable of affording market rate prices without subsidy or support.
1/3 of eligible households receive support	Unknown share of households receive support. Likely less than 1/10 <sup>th</sup> .	No financial support currently needed.

## Rental and For-Sale Needs 2022 - 2027



# We are making progress as a region...

- ✓ Kent County Homes Fund  
\$17.5M Invested – Expect to leverage MINIMUM of \$180M+ housing investments
- ✓ Kent County zoning reform grants  
\$500,000 direct support for zoning updates
- ✓ City of Grand Rapids Affordable Housing Fund  
\$5M, HOME-ARP Funds \$4.25M
- ✓ Zoning Changes

City of Grand Rapids  
Plainfield Township  
Gaines Township

City of Walker  
City of Wyoming  
City of Kentwood



- New Tools Include:**
- Attainable Housing and Rehabilitation Act
    - Residential Facilities Exemption

- Expanded Tools**
- Neighborhood Enterprise Zone (NEZ)
  - Payment in Lieu of Taxes (PILOT)

**2023**

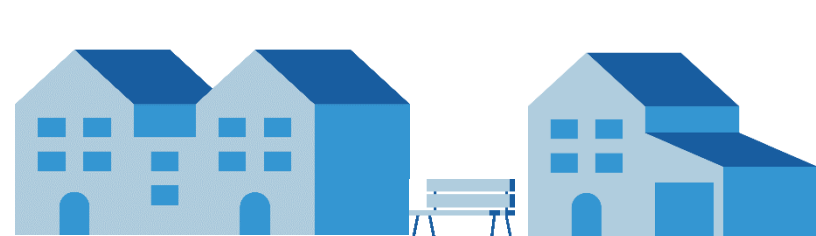
Residential TIF Legislation  
Statewide Source of Income Protections



# There is more to be done...

## County-wide areas of focus should include building the tools necessary to:

- 3x total new housing starts county-wide to keep up with household growth year over year.
- Preserve existing affordable housing wherever possible.
- Increase short-term supports for households who are unstably housed or at-risk of losing housing.





# Status quo

\$120,000+ subsidy per home for affordable homeownership.

\$60,000+ subsidy per apartment for affordable rents

\$1.8 Billion subsidy would be needed over just 5 years to produce adequate housing at the needed price points in Kent county alone.

*An additional \$1.5 Billion subsidy would be needed over 5 years to support all cost burdened households in Kent Co*

# General rules of thumb: Part 1

- Average land cost is \$1,000 to \$2,000 per front foot of improved lot in West Michigan – variations depending on local market.
- Value of the home should be roughly 4x - 5x the value of the land.
- Cost to maintain local infrastructure (sewer, roads and water), using only general tax revenue, requires at least 7-10 units per acre.
- A typical year-round rental is about 1% of the total cost of the housing unit.
- Avg cost for residential construction is currently \$220/ft



- 75 ft lot width requirement x \$1,500 per front foot of land value = \$112,500 Cost of Land.
- \$112,500 x 4 = \$450,000 min home value
- Minimum household income required to afford this home is \$120,000 per year.



**\$529,900** 4 bd | 3 ba | 2,645 sqft

3086 Deer Haven Dr, Jenison, MI 49428

● New construction | [View Zestimate®](#)

Est. payment: \$3,338/mo ⓘ [\\$ Get pre-qualified](#)

**Request tour**

as early as tomorrow at 10:00 am

**Contact builder**

[Visit the Lowing Woods website](#) ↗

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## Rules of thumb: Part 2

- At 6.5% interest, a household must earn at least \$82,000 per year to afford a \$250,000 home.
- Value of the improved lot should be no more than \$50k, including raw land value + infrastructure improvements.
- This leaves \$200k for construction, divided by \$220/ft, results in a home no larger than 900 sq ft.
- Lot sizes must be no more than 36' to 50' in width to justify this price point.



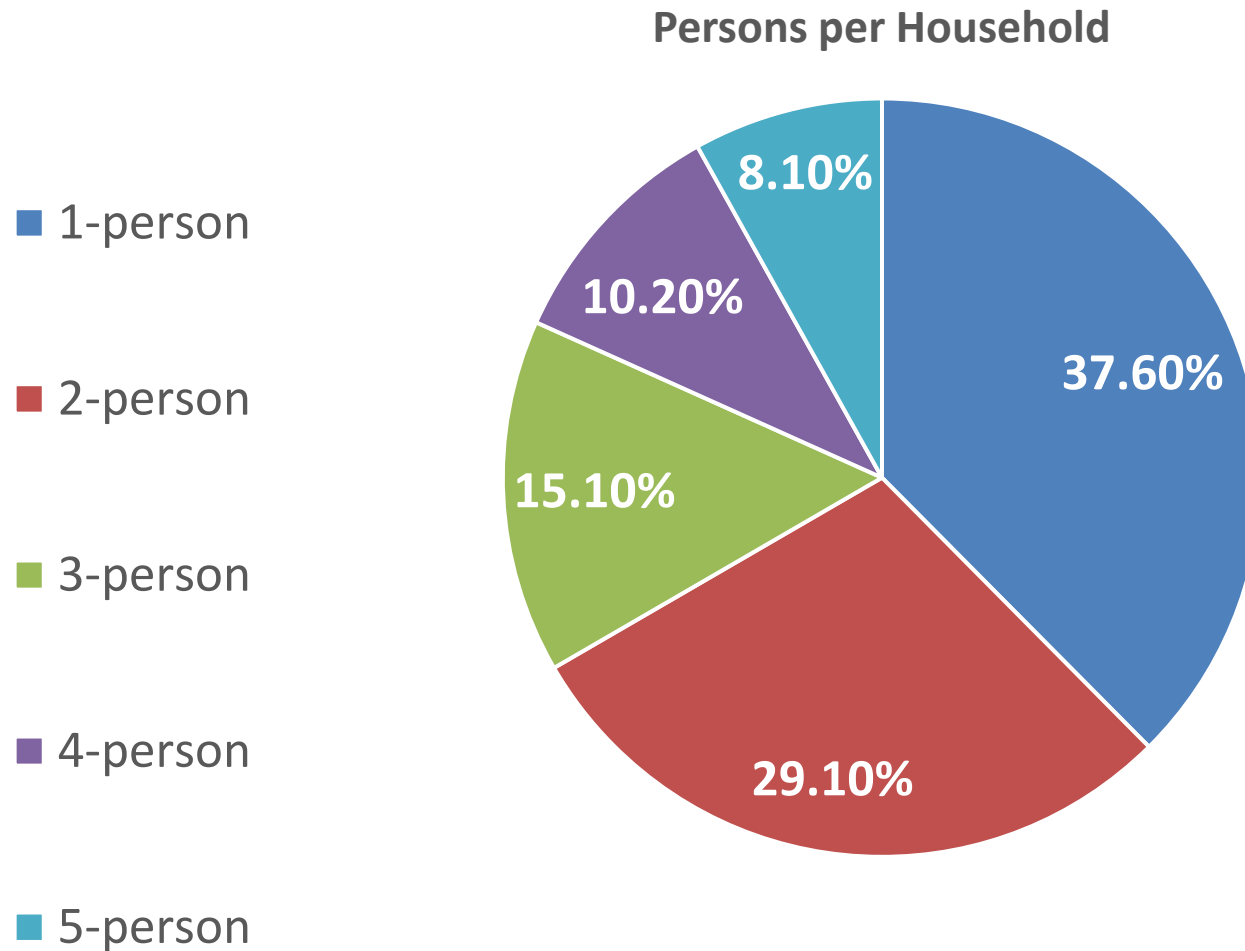




56% of Millennials and 46% of Baby Boomers express strong preference for walkable neighborhoods & less maintenance.

-National Association of Realtors

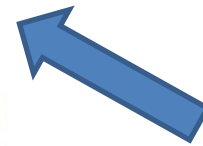
67% of all households in Michigan are comprised of just 1 or 2 people.







It is possible to provide greater variety of housing options while maintaining neighborhood character.

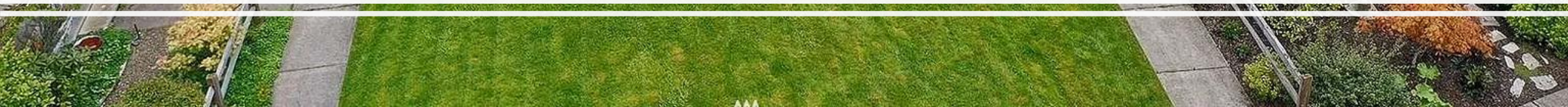


4 condos – two up, two down





Smaller cottages on smaller lots.





15 buildings  
on 1.72 acres





18 townhomes  
on 1.23 acres



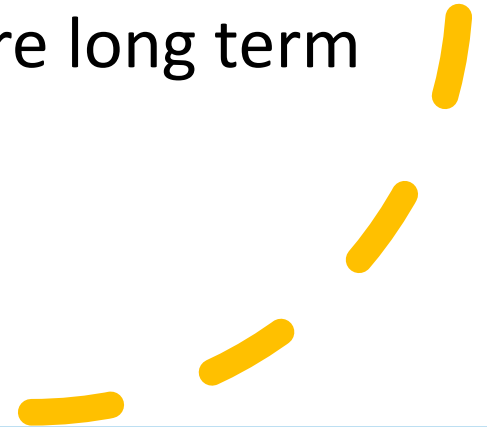




48 homes on 7 acres

# Making the math work for moderate-income households.

- High demand and relative housing scarcity will keep prices out of reach for middle income households without a market intervention + cost offset.
- Tax increment financing tools can be used to offset not only infrastructure costs, but also a portion of construction costs for homeownership options.
- A time-limited deed restriction or Community Land Trust can ensure long term affordability for middle-income homeowners.





# Tools to maintain reasonable housing prices.

- Brownfield TIF
- Neighborhood Enterprise Zones
- Residential Facilities Exemptions
- Sale of publicly owned land
- Community Land Trusts / Deed Restrictions
- State/Federal financing programs
- County level revolving loan funds



# Case Study: Robinson Landing

- Robinson Landing (City of Grand Haven) serves as a best practice for the region, showcasing incremental changes that make a big difference in increasing the accessibility and affordability of housing in West Michigan.
- 30 single-family homes (16 income-restricted, 14 market-rate)
- The smaller unit and lot sizes along with key partnerships allowed Robinson Landing to create sustainable homeownership in a local market where the average price of a home is \$450,000+.
- **Prices range from \$159,900 to \$299,000**





# Flywheel

MOMENTUM TO BUILD COMMUNITY.

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