



**GRAND HAVEN, MICHIGAN**

May 6, 2019

**CITY OF GRAND HAVEN  
CITY COUNCIL SPECIAL WORK SESSION**

6:30 PM

Grand Haven City Hall, 519 Washington Ave, Grand Haven, MI 49417

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- **Meeting Called to Order**
- **Housing Next Presentation**  
Ryan Kilpatrick
- **Adjournment of Meeting**

## Housing Needs - Unpacking the Data January 28, 2019

*Ryan Kilpatrick*

In 2018, Housing Next contracted with a national consulting firm to conduct a county-wide Housing Needs Assessment. This post is intended to highlight the most important, high-level data we gleaned from this study and to begin to set the table for the work ahead of us. The full report is available at [www.HousingNext.org](http://www.HousingNext.org) for those of you who like pouring over the data in detail.

Before we get into the data contained in the new report, it's important that we take a quick step back to the Ottawa Housing Next Report that was completed by the Greater Ottawa United way in 2017. This document set the stage for all of the work currently being done by Housing Next and also informed the work of several other critical organizations across the region. This report will be an important companion document to the Housing Needs Assessment.

### **So, What is a Housing Needs Assessment?**

The Housing Needs Assessment (HNA) provides an overview of the amount of housing that is currently available in the market place and how it compares to incomes and demand. The HNA gives us a detailed look at **rental housing** among all price points as well as **owner-occupied housing** at all price points. It also evaluates local and regional economic conditions and projects the estimated demand for additional housing over the next five years.

### **What does the Ottawa County Housing Needs Assessment call for?**

Again, if you're interested in digging in to all of the hard data and supporting information, the full HNA report is available [here](#). However, for those looking for a snapshot summary, here are the critical details.

#### **The High Cost of Housing**

Based on the data available for the four years immediately following the recession, there are more than 32,000 households living in housing that is more expensive than their incomes should allow. This breaks down as 9,785 renters and 12,785 home-owners spending more than 30% of their gross incomes on housing and 5,200 renters and 4,336 home-owners spending more than 50% of their gross income on housing.

#### **Price v Income**

Next, we look at the mismatch in household incomes compared to the availability of housing supply. Just over 55% of all households in Ottawa County are earning enough to afford a home that costs more than \$250,000. Yet, more than 68% of all homes on the market are priced above this mark. Meanwhile, just under 16% of all homes on the market are priced between \$150,000 and \$250,000. Almost 35% of households can afford homes in that price range. **This is a MAJOR takeaway. We knew anecdotally that there weren't enough moderately priced homes available, but we now know that there is less than 1 home for every 2 potential buyers in this price point.** I will explore how we can build more product below \$250,000 in an upcoming post.

### **We need more homes to purchase at all price points.**

A total of 3,373 new homes are expected to be required to meet demand for future homeowners in the market across Ottawa County by 2023. Once again, the largest need for new housing among homeowners is in the moderately priced category. Based upon historic growth patterns and economic characteristics of the region, Bowen Research projects a demand for up to 1,675 new homes priced between \$150,000 and \$250,000. This is a price point that has seen very little new supply since the great recession.

Not to be ignored is the level of demand for more owner occupied housing at either end of the spectrum as well. There is a lot of demand for additional homes priced above \$250,000, and a fairly significant demand for homes priced between \$100,000 and \$150,000. This is a more difficult price point to meet given the current restrictions in the market place, but we believe its possible with some creative partnerships.

### **We need more homes for rent at all price points.**

The need for more rental product in the market is significant. **Nearly 3,400 new apartments, townhomes, houses and condominiums are projected to be needed for rent across the County over the next five years.** Demand for rental housing is spread across the market at all price points but with a particularly acute need for more housing options priced below \$625 per month. This price level can be difficult to achieve for a variety of reasons, so we'll devote an entire post in the future to the different ways this need can be addressed.

### **What do we do now?**

The data above is not a huge surprise to many of us who have been working on this issue for the last couple of years - or decades in the case of a few of our community partners. Housing Next has been working with local municipalities, development groups and non-profits to define possible avenues to improve our collective ability to build more housing. With the data contained in the Housing Needs Assessment, as well as the work of the United Way and the Ottawa County Community Health Assessment, we have an extraordinary amount of data to support our efforts. The next steps are roughly grouped into three categories.

## **Communicate**

Even though the report is now completed and it backs up many of the pre-existing data and assumptions we all had about the state of the current housing market, this new data isn't worth much if we aren't sharing it with our community partners and influencers. We expect to form several partnerships across the region to make sure that this data is easily accessible and well understood.

## **Act**

There are at least a dozen factors influencing the housing market in Ottawa County. Some of these factors are rooted in national or global economics and difficult for us to control. However, many of the most influential factors are within our reach. We will be spending a significant amount of time working alongside our local units of government to create local policies and regulations that allow for more housing at all price points. We will also be seeking out partnerships with other regional organizations to move State policy in a way that allows for existing housing resources to be more accessible to those who need them most.

## **Build**

We need to get moving along in the process of building more housing supply. A typical housing development can take anywhere from 12 to 48 months to get through local approvals, financing and construction. There is no time to waste. We will be seeking out every opportunity to add more housing. Whether it is two homes or two-hundred homes at a time, every unit counts toward making the Ottawa County region a more livable and economically competitive market for local families and our workforce.

There is big work ahead and we're excited to find as many partnerships across the community to get it done as we can.

*"There is only one thing that makes a dream impossible to achieve: fear of failure." - Paolo Coelho*