

ADDENDUM E: CHEBOYGAN COUNTY OVERVIEW

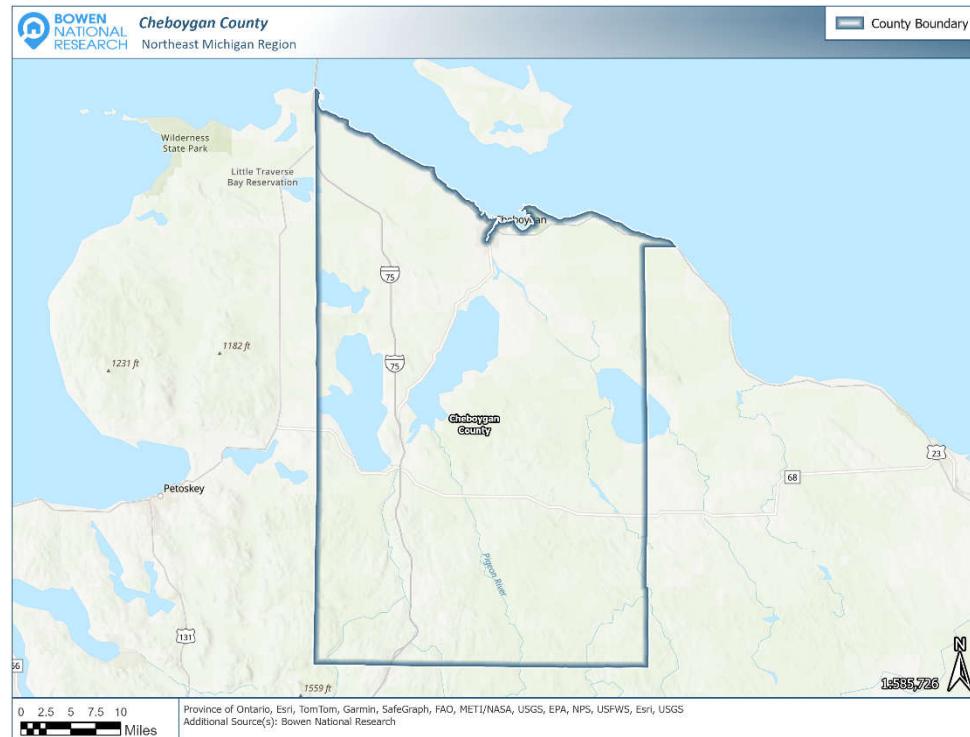
While the primary focus of this Housing Needs Assessment is on the entirety of the Primary Study Area, or PSA (Northeast Michigan Region), this section of the report is an overview of demographic, economic, and housing metrics specific to Cheboygan County. To provide a base of comparison, various metrics of Cheboygan County were compared with the regional and statewide numbers.

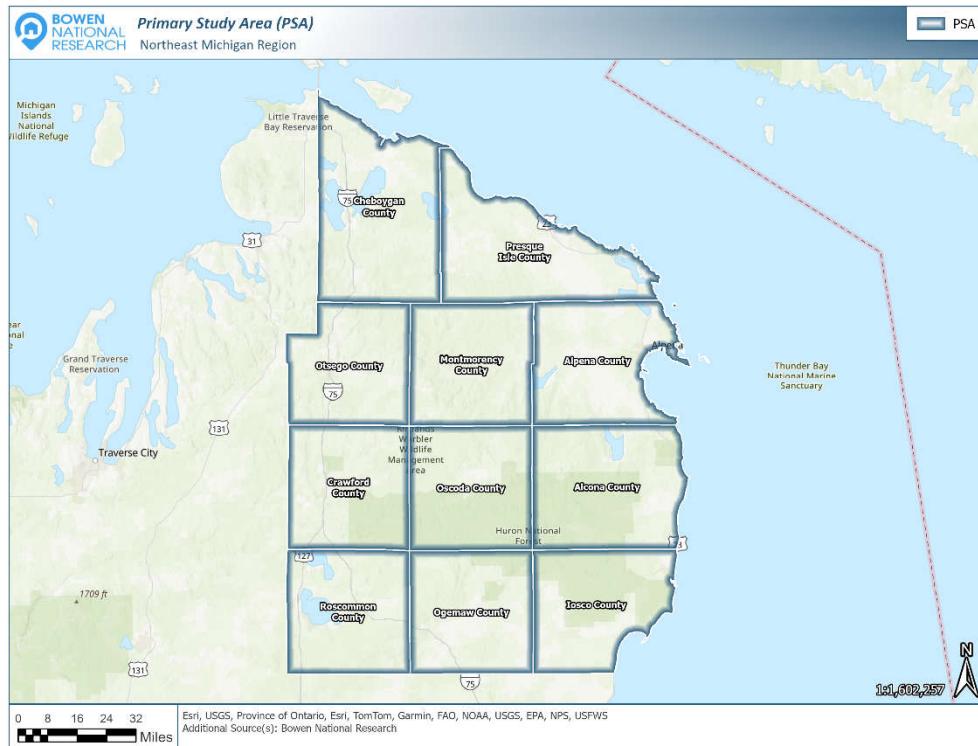
The analyses on the following pages provide overviews of key demographic and economic data, summaries of the multifamily rental market and for-sale housing supply, and general conclusions on the housing needs of the area. It is important to note that the demographic projections included in this section assume no significant government policies, programs or incentives are enacted that would drastically alter residential development or economic activity.

A. INTRODUCTION

Cheboygan County is located in the Northeast Michigan Region alongside Lake Huron, approximately 213 miles north of the state capital of Lansing. Cheboygan County contains approximately 715 square miles and has an estimated population of 25,734 in 2024. The city of Cheboygan serves as the county seat. Interstate 75, U.S. Highway 23 and State Route 33 serve as the primary thoroughfares for the county. Other notable population centers within the county include Mackinaw City and Indian River.

The following maps illustrate Cheboygan County and the Northeast Michigan Region.

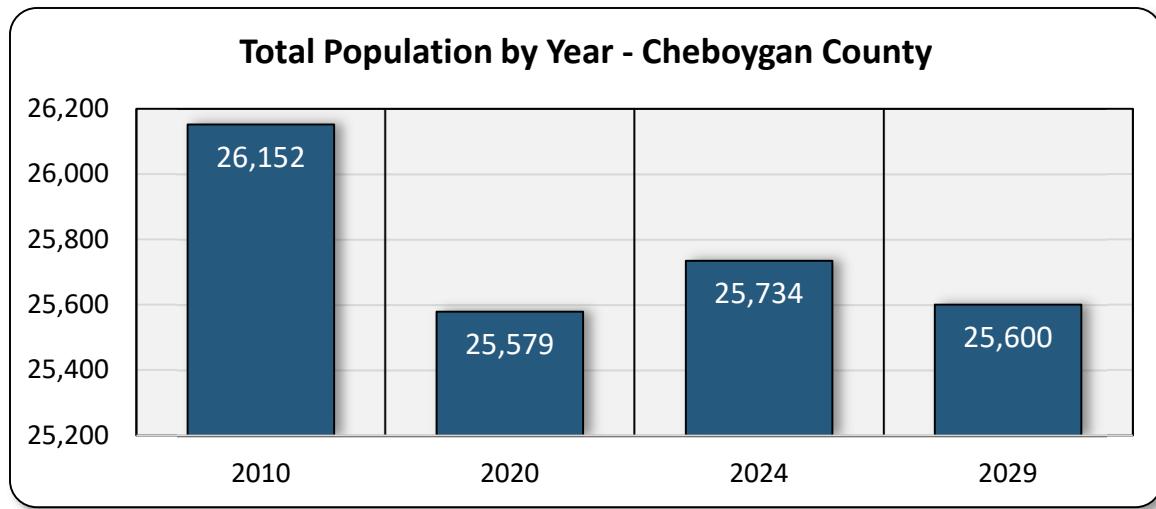




B. DEMOGRAPHIC ANALYSIS

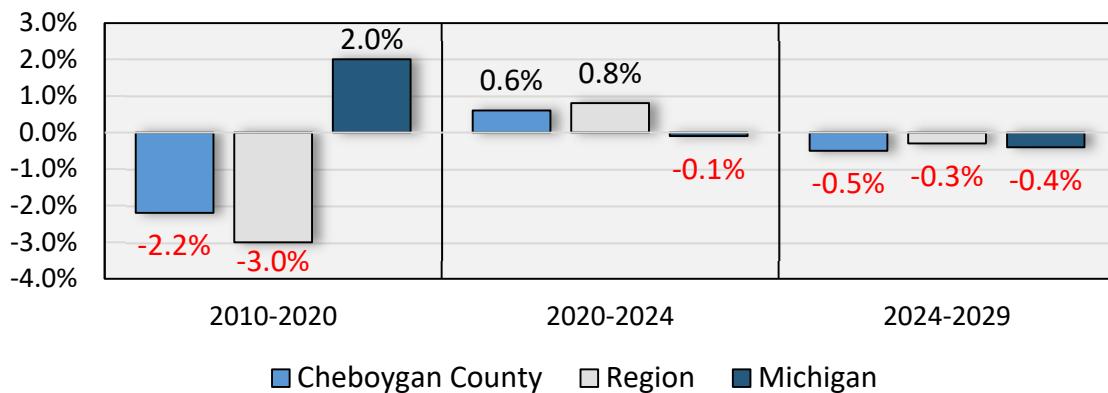
This section of the report evaluates key demographic characteristics for Cheboygan County. Demographic comparisons provide insights into the human composition of housing markets. It should be noted that some total numbers and percentages may not match the totals within or between tables/graphs in this section due to rounding.

The following graphs illustrate ***total population*** by year for Cheboygan County and population *percent* changes between 2010 and 2029 for each of the study areas.



Source: 2010, 2020 Census; ESRI; Bowen National Research

Population Percent Change (2010-2029)

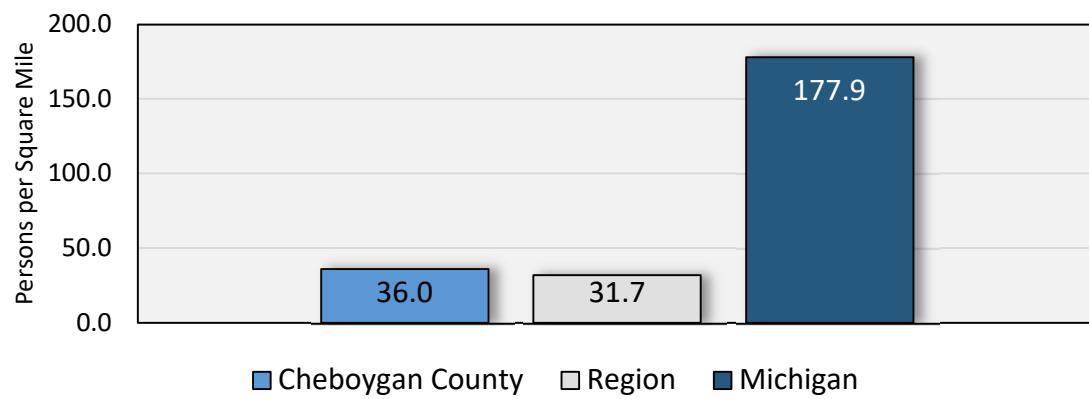


Source: 2010, 2020 Census; ESRI; Bowen National Research

The population in Cheboygan County decreased by 573 (2.2%) between 2010 and 2020. This represents a smaller percent decline as compared to the region (3.0%). Between 2020 and 2024, the population in Cheboygan County increased by 0.6%; however, the population within the area is projected to decline by 0.5% over the next five years. This projected decline is similar to the declines projected for the region and state (0.3% and 0.4%, respectively) during this time period.

The following graph illustrates the *population density* for each study area in 2024.

2024 Population Density by Area

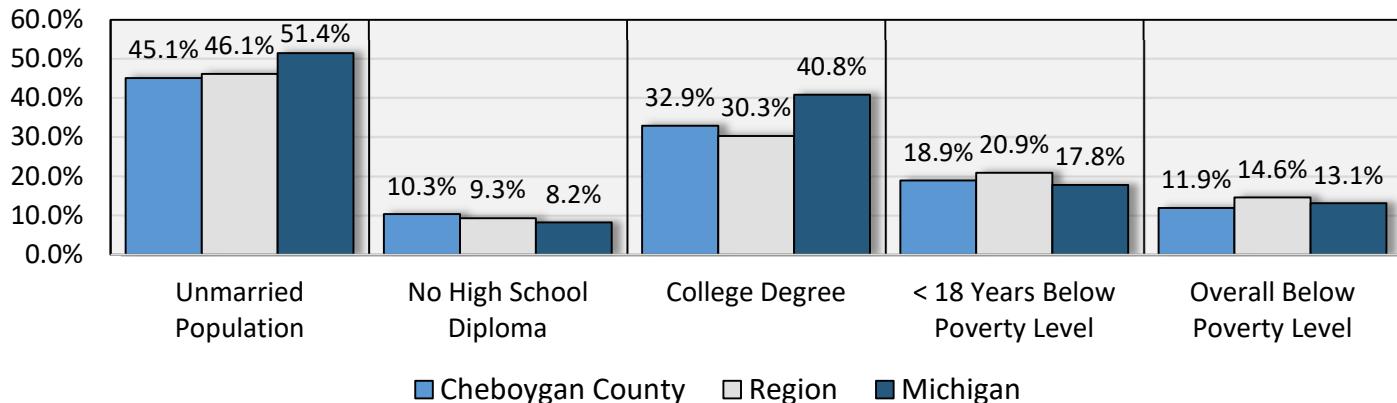


Source: 2010, 2020 Census; ESRI; Bowen National Research

With a population density of 36.0 persons per square mile, Cheboygan County is more densely populated than the Northeast Michigan Region and has a significantly lower density compared to the state of Michigan.

The following graph illustrates *select population characteristics* that typically influence housing affordability for each of the study areas. Note that data included within the graph is derived from the 2018-2022 American Community Survey, which is the most recent time period available for this source.

Select Population Characteristics by Area (2022)

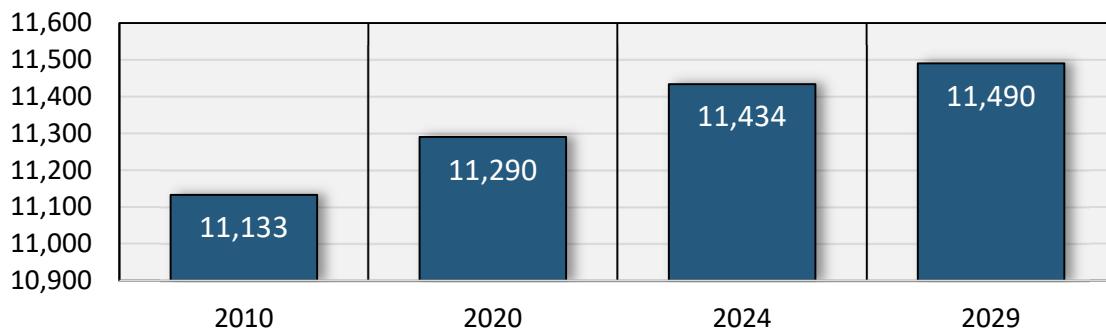


Source: 2018-2022 American Community Survey; ESRI; Bowen National Research

As the data illustrates, Cheboygan County has a slightly lower share of unmarried population (45.1%), a slightly higher share of the population without a high school diploma (10.3%), and a lower share of individuals with a college degree (32.9%) compared to the state of Michigan. The two educational attainment factors likely have a negative influence on housing affordability in the county as compared to the state. Overall, Cheboygan County has a similar poverty rate for children less than 18 years of age (18.9%) and a similar poverty rate for the overall population (11.9%) when compared to both the region and state.

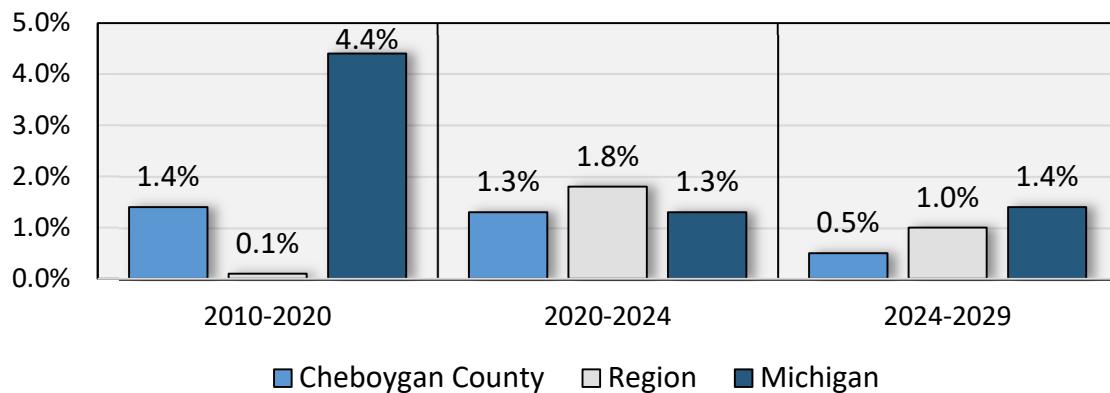
The following graphs illustrate the number of *total households* in Cheboygan County by year and household *percent* changes between 2010 and 2029 for each of the study areas.

Total Households by Year - Cheboygan County



Source: 2010, 2020 Census; ESRI; Bowen National Research

Households Percent Change (2010-2029)

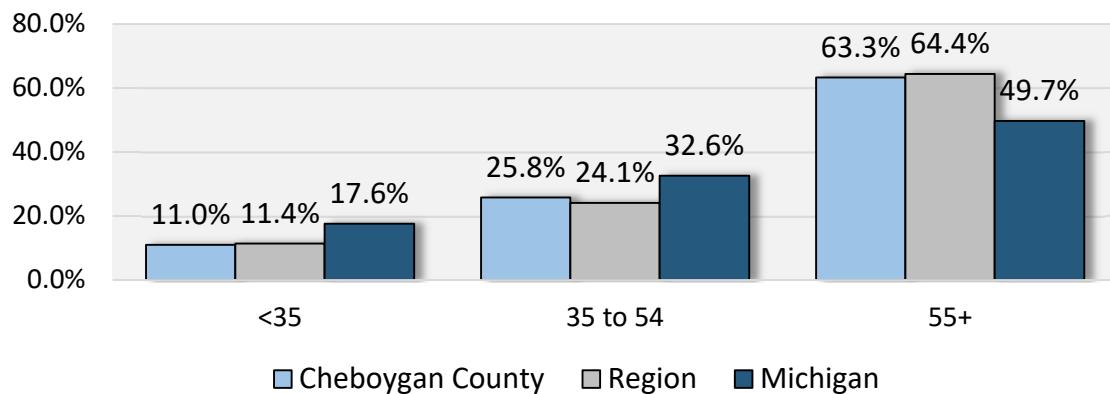


Source: 2010, 2020 Census; ESRI; Bowen National Research

The number of households in Cheboygan County increased by 157 (1.4%) between 2010 and 2020. This is higher than the increase for the region (0.1%) and lower than the increase for the state (4.4%) during this time period. Between 2020 and 2024, the number of households in Cheboygan County increased by 1.3%, and it is projected that the number of households in the area will increase by 0.5% over the next five years. While household growth can heavily influence the total housing needs of a market, factors such as households living in substandard or cost-burdened housing, people commuting into the area for work, pent-up demand, and availability of existing housing all affect housing needs. These factors are addressed throughout this overview.

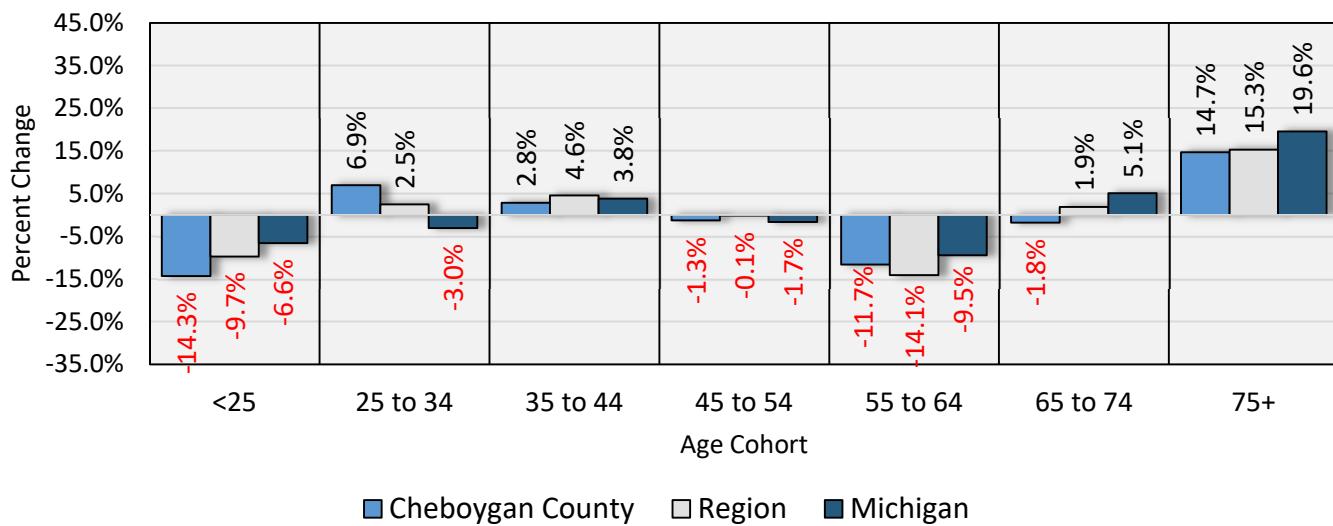
The following graphs compare the share of **household heads by age** for each of the study areas in 2024 and the projected *percent* change in household heads by age cohort between 2024 and 2029.

Distribution of Household Heads by Age (2024)



Source: ESRI; Bowen National Research

Projected Percent Change in Household Heads by Age (2024-2029)

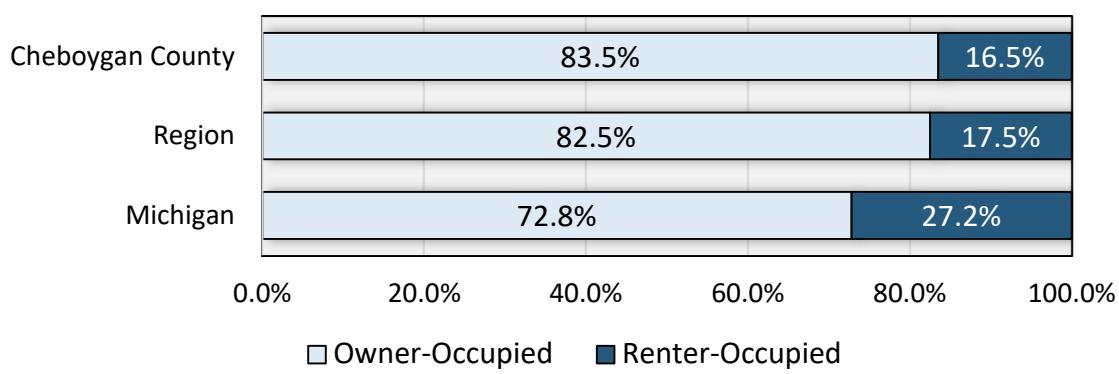


Source: ESRI; Bowen National Research

Overall, the data shows that Cheboygan County households in 2024 are heavily concentrated among seniors (aged 55 and older) when compared to the region and state. While households aged 75 and older are projected to increase by 14.7% in Cheboygan County over the next five years, households between the ages of 25 and 44 are also expected to increase. The overall projected changes in households by age in Cheboygan County are broadly consistent with the projections for the Northeast Michigan Region and state during this time, although it is worth noting that the increase in the 25 to 34 age cohort is projected to outpace that of the region and state.

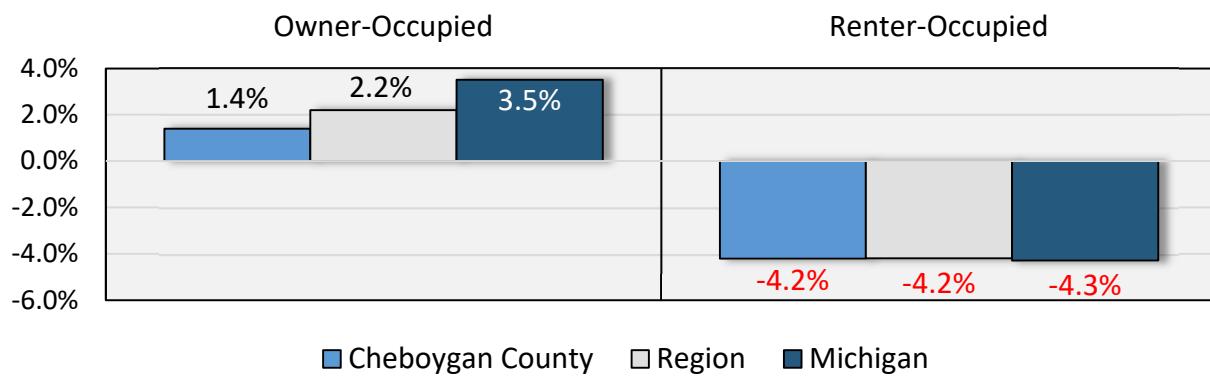
The following graphs compare the share of **households by tenure** (renters and owners) for 2024 and the projected *percent* change in households by tenure between 2024 and 2029 for each of the study areas.

Households by Tenure (2024)



Source: 2010 Census; ESRI; Bowen National Research

Projected Percent Change in Households by Tenure (2024-2029)

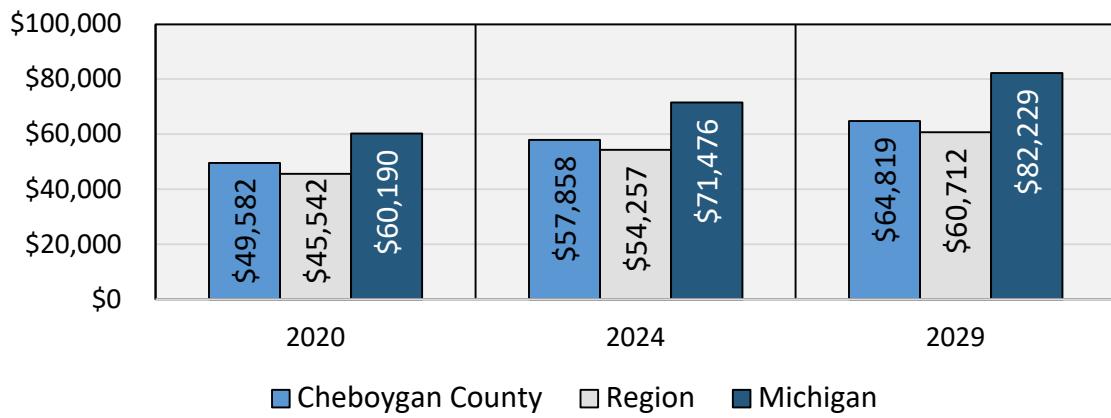


Source: 2010 Census; ESRI; Bowen National Research

In 2024, the distribution of households by tenure in Cheboygan County (83.5% owners and 16.5% renters) is more heavily weighted toward owners compared to the distribution within the region and state. Over the next five years, it is projected that the number of owner households in Cheboygan County will increase by 1.4%, while the number of renter households will decline by 4.2%. This is a smaller increase in owner households and a similar *decline* in renter households as compared to the region and state. However, it is important to understand that housing demand is influenced by a variety of factors, which may include existing pent-up demand, substandard housing, housing cost burden, and/or other factors. The *increase* among owner households in Cheboygan County will likely contribute to an increase in demand within the for-sale housing market over the next five years.

The following compares the **median household income** for each of the study areas from 2020 to 2029.

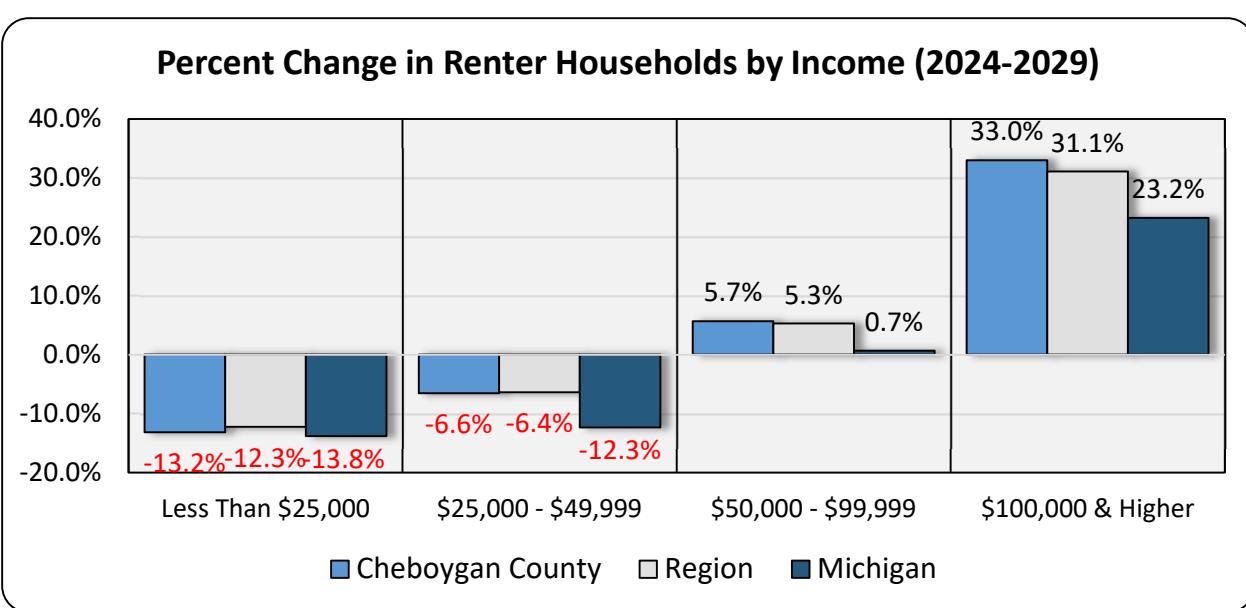
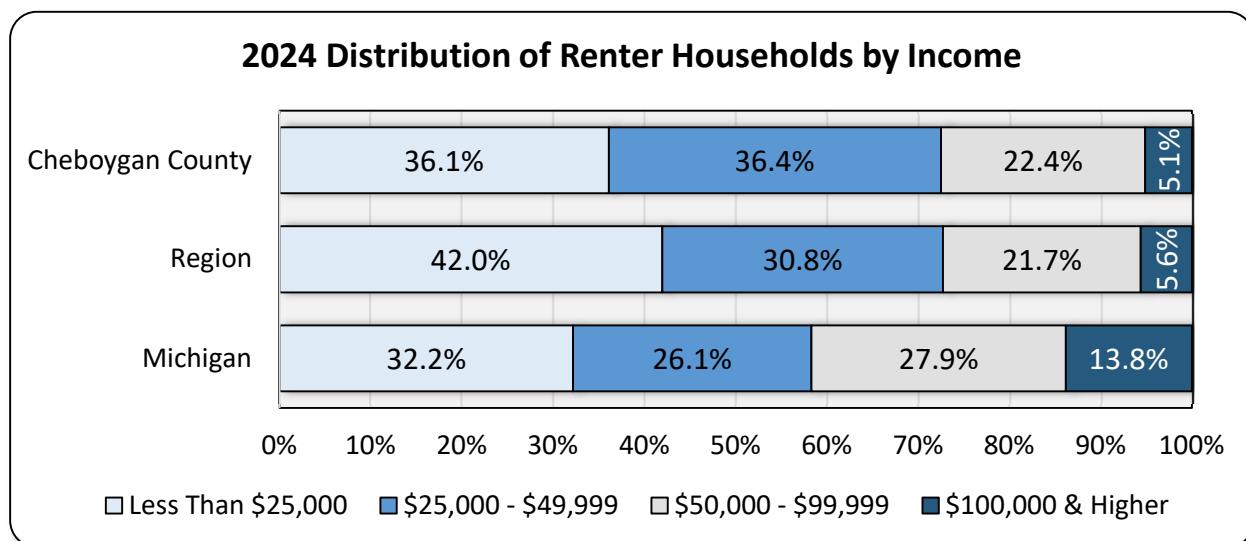
Median Household Income by Year



Source: 2020 Census; ESRI; Bowen National Research

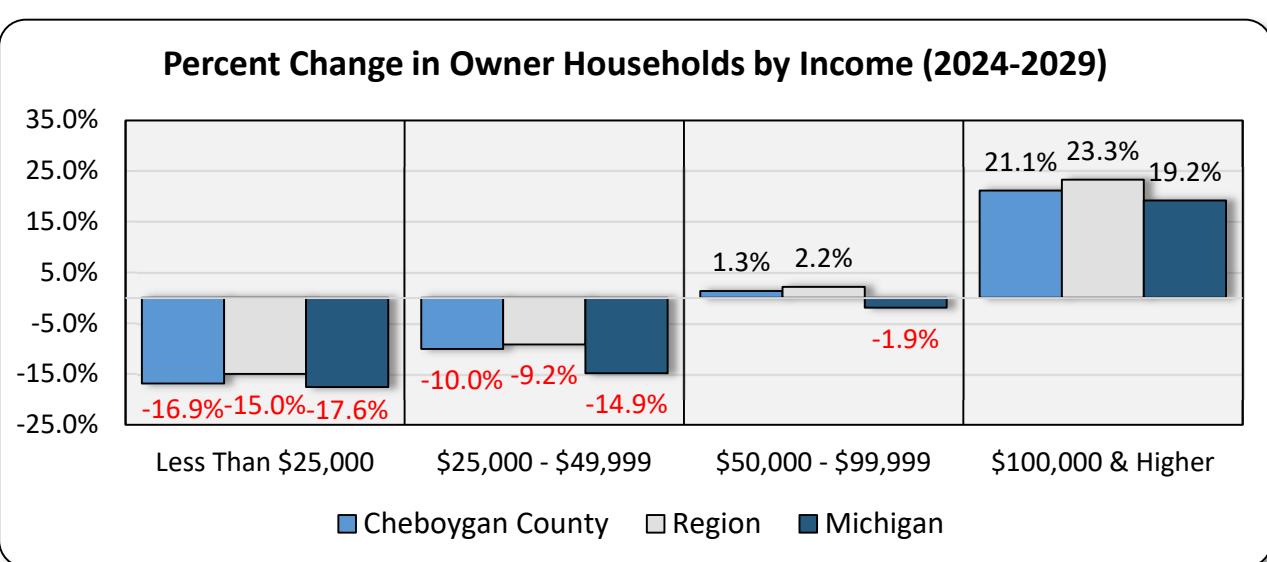
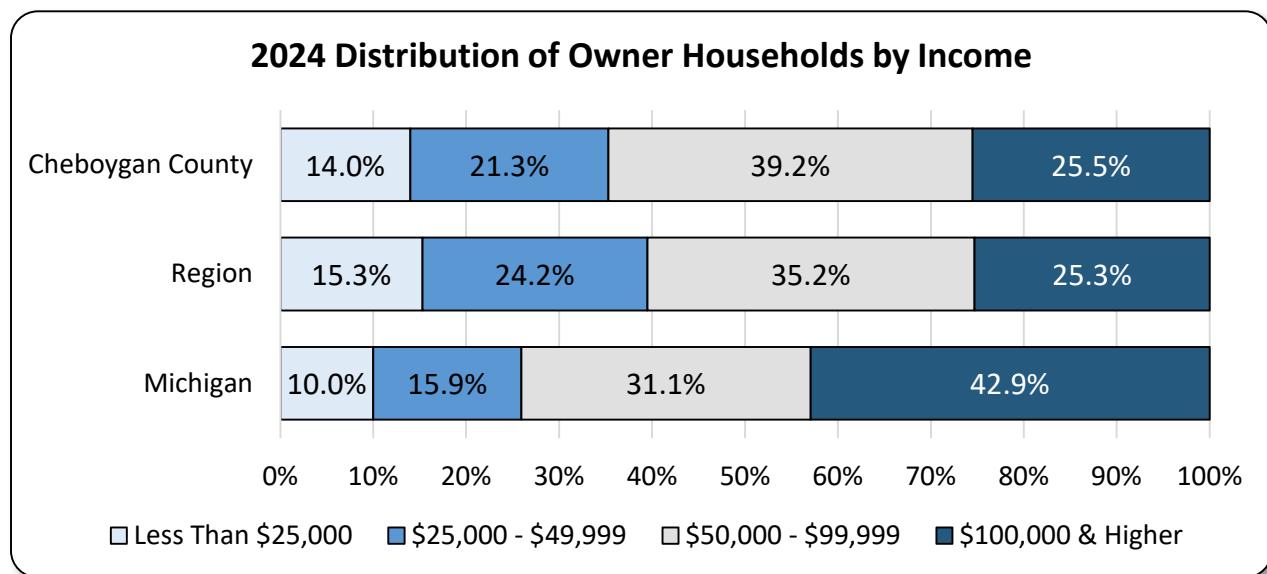
As the preceding illustrates, the 2024 median household income in Cheboygan County (\$57,858) is 19.1% lower than the statewide median household income. Over the next five years, it is projected that the median household income in Cheboygan County will increase to \$64,819, or an increase of 12.0%. As such, the median household income in Cheboygan County will remain well below that of the state, but slightly higher than that of the Northeast Michigan Region.

The following graphs compare *renter households by income* for 2024 and the projected *percent change* in renter households by income between 2024 and 2029 for each of the study areas.



In 2024, Cheboygan County has a notably larger share of renter households with low to moderate incomes (less than \$50,000) when compared to the state of Michigan. Between 2024 and 2029, renter household growth in Cheboygan County is projected to be among households earning \$50,000 or higher, with the most significant growth (33.0%) among households earning \$100,000 or higher. Despite the increase among higher income renter households and decrease among lower income households, a substantial share of renter households in Cheboygan County will continue to earn less than \$50,000.

The following graphs compare *owner households by income* for 2024 and the projected *percent change* in owner households by income between 2024 and 2029 for each of the study areas.



In 2024, the majority (64.7%) of Cheboygan County owner households earn \$50,000 or more; however, this is a smaller share of such households when compared to the state share (74.0%). Between 2024 and 2029, the most substantial owner household growth (21.1%) is projected to occur among households earning \$100,000 or higher. While modest growth is also projected for households earning between \$50,000 and \$99,999, those earning less than \$50,000 are projected to decrease. This is broadly consistent with regional and statewide projections for this time period.

The following table illustrates the *components of population change* for Cheboygan County between April 2010 and July 2023.

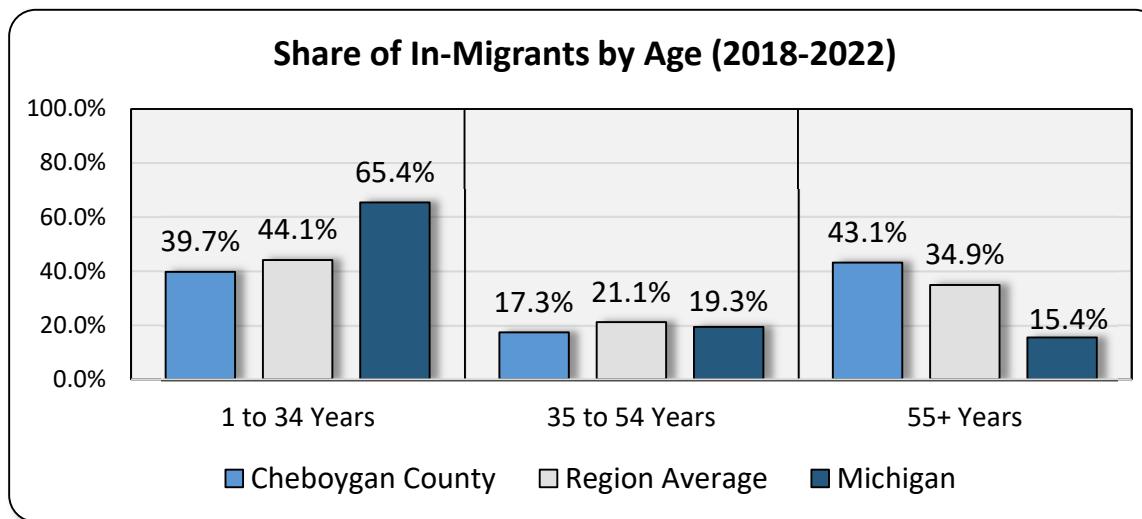
Estimated Components of Population Change by County for Cheboygan County April 1, 2010 to July 1, 2023							
	Years	Population Change*	Percent Change	Natural Change	Net Domestic Migration	Net International Migration	Total Net Migration
Cheboygan County	2010-2020	-778	-3.0%	-1,270	483	28	511
	2020-2023	462	1.8%	-746	1,187	26	1,213

Source: U.S. Census Bureau, Population Division, June 2024

*Includes residuals representing the change that cannot be attributed to any specific demographic component

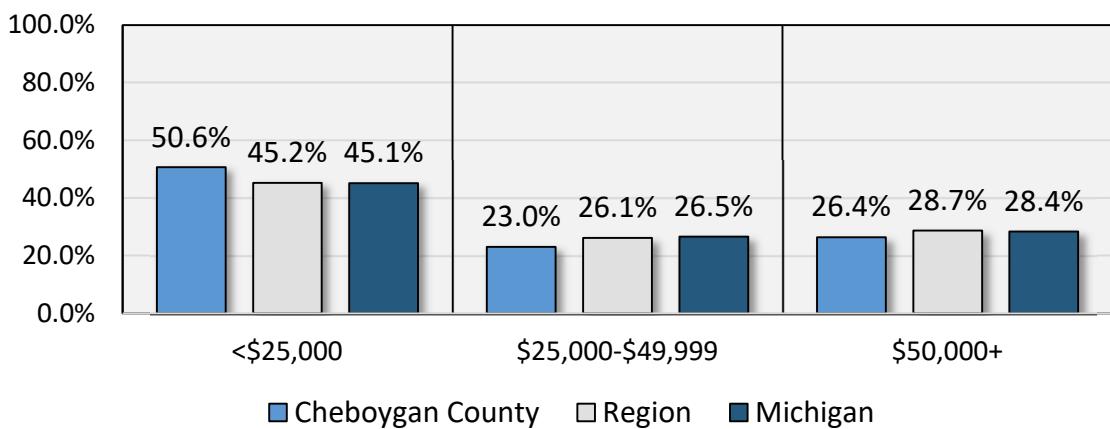
Based on the preceding data, the population decline within Cheboygan County between 2010 and 2020 was heavily influenced by natural decrease (more deaths than births). Conversely, both domestic and international migration have been positive components of population change in Cheboygan County since 2010. It is notable that net migration has increased significantly on an *annual* basis since 2020, and this component resulted in a slight population increase for the county in the last few years.

The following graphs illustrate the distribution of *in-migrants by age* and *by income* for each study area from 2018 to 2022. Note that the data illustrated in both graphs is based on *population*, not households.



Source: U.S. Census Bureau, 2022 5-Year ACS Estimates (S0701); Bowen National Research

In-Migrants by Income (2018-2022)*



Source: U.S. Census Bureau, 2022 5-Year American Community Survey (B07010); Bowen National Research

*Excludes population with no income

As the preceding data illustrates, the distribution of in-migrants by age for Cheboygan County is more heavily weighted toward individuals aged 55 years or older. While a notable share of individuals are also less than 35 years of age, the share of this age cohort is significantly less than the corresponding share for the state. When examining in-migrants by income, the data illustrates a similar distribution for all three areas, with Cheboygan County having a slightly larger share (50.6%) of in-migrants earning less than \$25,000 annually.

C. ECONOMY AND WORKFORCE ANALYSIS

Labor Force

The following table illustrates *the employment base by industry* for Cheboygan County, the Northeast Michigan Region, and the state of Michigan. The top five industries by share of employment for each area are highlighted in **red** text.

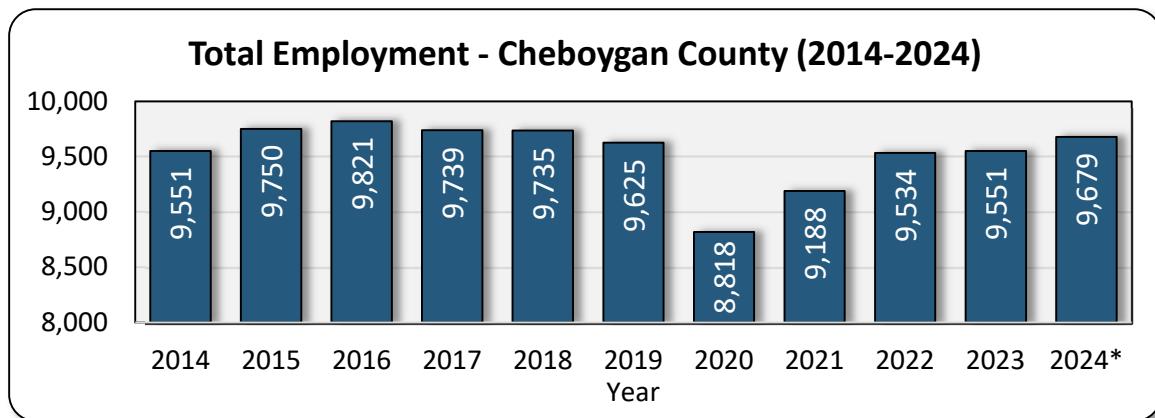
NAICS Group	Employment by Industry					
	Cheboygan County		Region		Michigan	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	31	0.3%	477	0.6%	21,368	0.4%
Mining	0	0.0%	563	0.7%	6,107	0.1%
Utilities	9	0.1%	297	0.4%	12,428	0.3%
Construction	601	6.2%	3,394	4.1%	179,280	3.8%
Manufacturing	604	6.3%	7,061	8.5%	538,139	11.3%
Wholesale Trade	201	2.1%	1,844	2.2%	201,841	4.2%
Retail Trade	1,468	15.2%	12,982	15.7%	570,332	11.9%
Transportation & Warehousing	413	4.3%	2,537	3.1%	105,253	2.2%
Information	269	2.8%	1,283	1.5%	90,769	1.9%
Finance & Insurance	197	2.0%	1,918	2.3%	171,388	3.6%
Real Estate & Rental & Leasing	168	1.7%	1,590	1.9%	103,287	2.2%
Professional, Scientific & Technical Services	204	2.1%	1,996	2.4%	350,203	7.3%
Management of Companies & Enterprises	40	0.4%	97	0.1%	13,672	0.3%
Administrative, Support, Waste Management & Remediation Services	180	1.9%	1,704	2.1%	117,126	2.5%
Educational Services	467	4.8%	7,387	8.9%	396,805	8.3%
Health Care & Social Assistance	1,079	11.2%	12,502	15.1%	774,486	16.2%
Arts, Entertainment & Recreation	561	5.8%	2,378	2.9%	119,333	2.5%
Accommodation & Food Services	1,710	17.8%	9,818	11.8%	411,553	8.6%
Other Services (Except Public Administration)	800	8.3%	6,378	7.7%	314,012	6.6%
Public Administration	602	6.3%	6,274	7.6%	255,898	5.4%
Non-classifiable	25	0.3%	427	0.5%	25,230	0.5%
Total	9,629	100.0%	82,907	100.0%	4,778,510	100.0%

Source: 2020 Census; ESRI; Bowen National Research

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within each market. These employees, however, are included in our labor force calculations because their places of employment are located within each market.

Cheboygan County has an employment base of approximately 9,600 individuals within a broad range of employment sectors. The labor force within the area is based primarily in five sectors: Accommodation and Food Services (17.8%), Retail Trade (15.2%), Health Care and Social Assistance (11.2%), Other Services (8.3%), and Manufacturing (6.3%). Combined, the top five job sectors represent 58.8% of the county's employment base. While Accommodation and Food Services is among the top five sectors in the region, Cheboygan County has a notably higher share of individuals working within this sector compared to the region.

Total employment reflects the number of employed persons who live within an area regardless of where they work. The following illustrates the ***total employment*** base for Cheboygan County between 2014 and 2024.

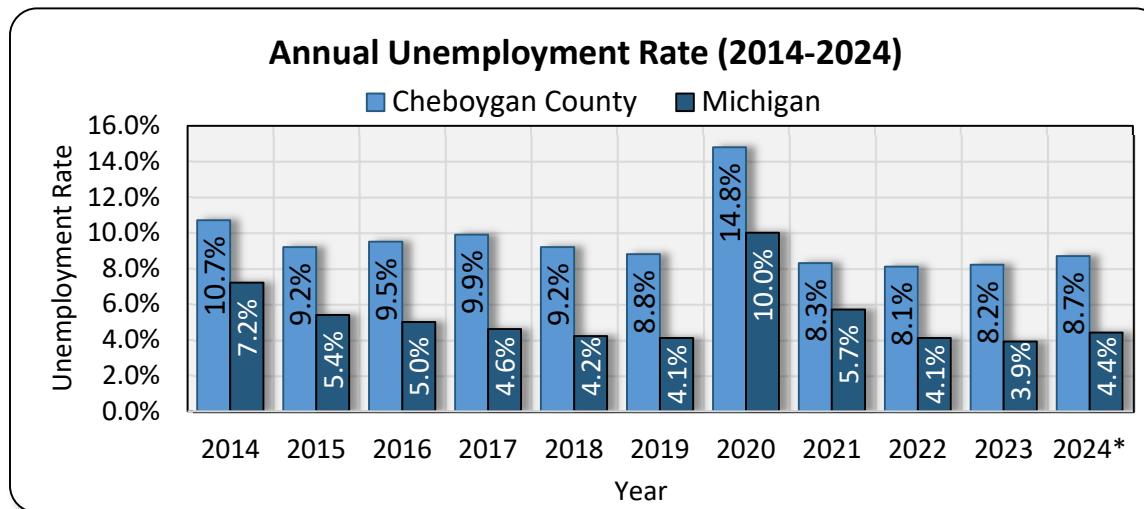


Source: Department of Labor; Bureau of Labor Statistics

*Through August

As the preceding illustrates, total employment within Cheboygan County increased or remained stable between 2014 and 2019. In 2020, total employment decreased by roughly 8.4%, which can be largely attributed to the economic impact of the COVID-19 pandemic. As of August 2024, total employment in Cheboygan County has exceeded the 2019 total employment level. A representative from Northern Lakes Economic Alliance cited a new Health Center as contributing to the growth in the county in 2024 and there have been no mass layoffs impacting employers in the county over the previous year.

The following illustrates the ***annual unemployment rate*** for Cheboygan County and the state of Michigan from 2014 to 2024.

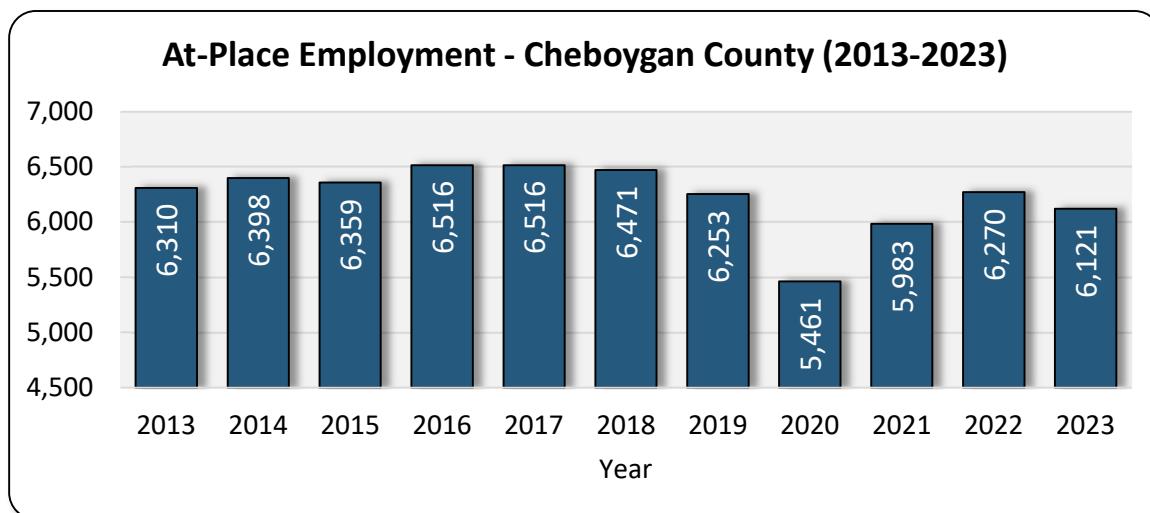


Source: Department of Labor, Bureau of Labor Statistics

*Through August

As the preceding data shows, the unemployment rate in Cheboygan County declined from 10.7% in 2014 to 8.8% in 2019. After the sharp increase in 2020, the unemployment rate in the county declined, and as of August 2024, is at 8.7%. It is also noteworthy that the unemployment rate in the county has been above the state unemployment rate in each year since 2014.

At-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total *at-place employment* base for Cheboygan County from 2013 to 2023.



Source: Department of Labor; Bureau of Labor Statistics

As the preceding illustrates, at-place employment within Cheboygan County decreased by 0.9% between 2013 and 2019. Following a 12.7% decline in 2020, at-place employment increased in both 2021 and 2022. However, at-place employment in the county decreased by 149 jobs between 2022 and 2023. Note that at-place employment through 2023 is at 97.9% of the 2019 level.

Economic Outlook

The Worker Adjustment and Retraining Notification (WARN) Act requires advance notice of qualified plant closings and mass layoffs. WARN notices were reviewed in October 2024. According to the Michigan Department of Labor and Economic Opportunity and Michigan Department of Technology, Management & Budget, there have been no WARN notices reported for Cheboygan County over the past 12 months.

The following table summarizes economic development activity and infrastructure projects in Cheboygan County that were identified through online research and/or through communication with local economic development officials.

Economic Development Activity – Cheboygan County			
Project Name	Investment	Job Creation	Scope of Work/Details
Justin A. Borra Behavioral Health Center Cheboygan	\$7.3 million	N/A	Completed: McLaren Northern Michigan, part of McLaren Health Care, opened the Justin A. Borra Behavioral Health Center in 2023. The facility offers resources and provides additional access to intensive behavioral health care.
Pfc. Justin T. Paton Department of Veterans Affairs Clinic Indian River	N/A	N/A	Completed: Opened in 2023 and replaces a facility that was in Mackinaw City. The new facility is larger and offers exam rooms, telehealth, women's health, primary care procedure rooms and more.
Cheboygan Commons Cheboygan	\$50 million	N/A	Proposed: A mixed-use development proposed in fall 2024. Plans include hotel, commercial and office space, apartments, upscale for-sale condominiums, and a restaurant. If approved, construction to begin in spring 2025.
Infrastructure Projects – Cheboygan County			
Project Name	Scope of Work, Status, Investment		
U.S. Highway 23 Cheboygan	Under Construction: A portion of U.S. Highway 23 is being rebuilt and is expected to cost \$17 million. The project is to be complete by late 2025.		
Interstate 75 and U.S. Highway 31 Cheboygan	Under Construction: A \$52 million project that will rebuild nine miles of I-75 from Levering Road to U.S. 31 due to deterioration. The project is expected to be complete in November 2024.		
Sewer Expansion Cheboygan	Under Construction: In summer 2024, a \$15 million sewer expansion project began north of Indian River and west of Straits Highway (Tuscarora Township) and is expected to be complete in summer 2025. Phase 2 will begin construction in spring 2025 and will run west of South Straits Highway to the Sturgeon River.		
Ball Street and Bailey Street Sanitary Sewer & Water Main Replacement Project Cheboygan	Under Construction: A \$4.5 million improvement project began in summer 2024. The project includes roadway reconstruction, sanitary sewer replacement, water main replacement and storm sewer work.		
Spectrum Broadband Expansion Cheboygan	Completed: In 2024, an additional 375 homes and small businesses in Burt, Mullett, Koehler and Tuscarora townships are now able to access the internet, mobile TV, and voice services. This expansion is part of a \$5 billion investment to underserved rural communities across twenty-four states.		
Wastewater Facility Cheboygan	Completed: In 2023, the clarifier tank was replaced and is designed to improve the quality of treated water.		

N/A – Not Available

As the preceding illustrates, three noteworthy economic development projects were identified as recently completed or proposed within Cheboygan County. These projects are expected to create additional jobs within the county once completed. In addition, several infrastructure projects were recently completed or currently under construction in Cheboygan County.

Commuting Data

The ability of a person or household to travel easily, quickly, safely, and affordably throughout a market influences the desirability of a housing market. In addition, the individuals commuting into a market from neighboring markets represent a potential base of support for future residential development.

The following table summarizes two ***commuting pattern attributes*** (mode and time) for Cheboygan County.

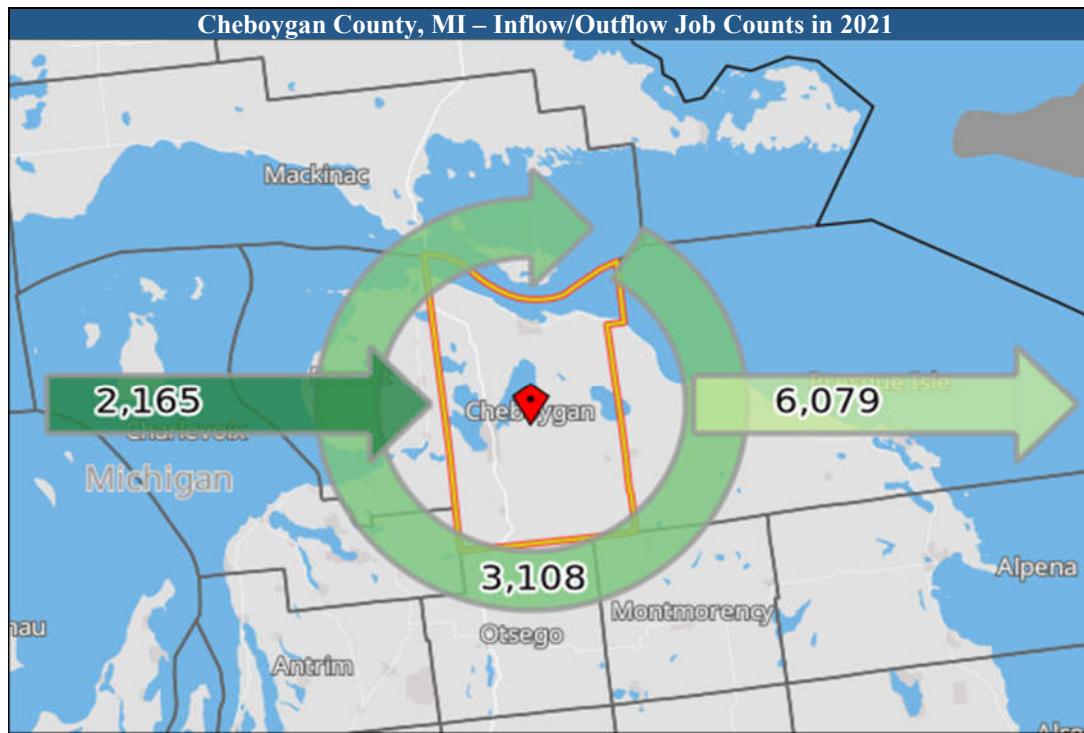
Commuting Attributes – Cheboygan County, Michigan							
	Mode						
	Drove Alone	Carpooled	Public Transit	Walked	Other Means	Worked at Home	Total
Number	7,829	1,195	59	130	134	878	10,225
Percent	76.6%	11.7%	0.6%	1.3%	1.3%	8.6%	100.0%

	Time						
	Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes	Worked at Home	Total
Number	3,242	2,884	1,728	884	609	878	10,225
Percent	31.7%	28.2%	16.9%	8.6%	6.0%	8.6%	100.0%

Source: ESRI; Bowen National Research

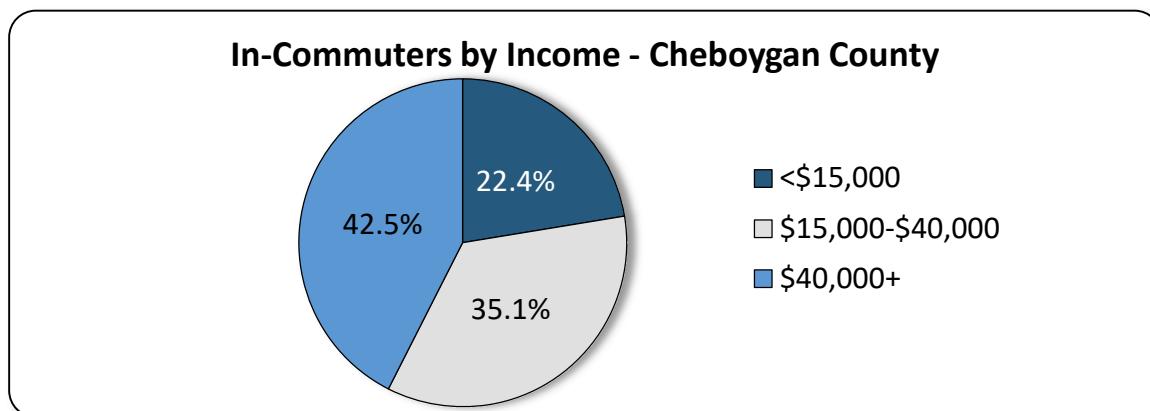
As the preceding illustrates, 88.3% of individuals in Cheboygan County utilize their own vehicles or carpool to work. Overall, 59.9% of residents have commute times of less than 30 minutes to their place of employment, with an additional 8.6% working from home. While the majority of commuters have relatively short commute times, 6.0% of commuters in the area have commute times of 60 minutes or more.

The following illustrates the overall **commuter flow** for Cheboygan County based on 2021 U.S. Census Longitudinal Origin-Destination Employment Statistics (LODES) data.



Of the approximately 5,273 persons *employed* in Cheboygan County, 41.1% (2,165) originate from outside the county, while 58.9% (3,108) live and work within the county. Over 6,000 residents of the county commute outside the county daily for employment. Regardless, the 2,165 non-residents who work in the area represent a base of potential support for future residential development within Cheboygan County.

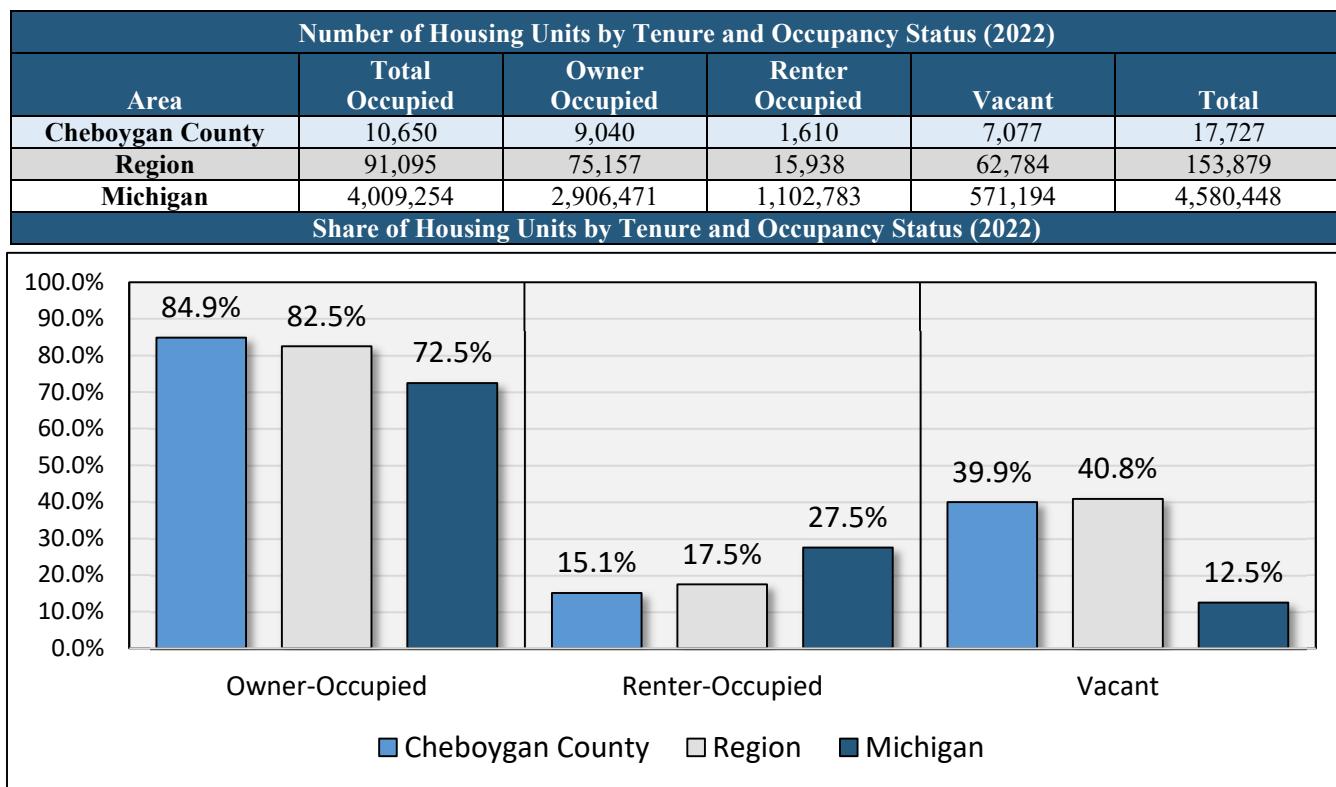
The following illustrates the distribution of **in-commuters by annual income** for Cheboygan County.



The preceding shows that the largest share (42.5%) of in-commuters to Cheboygan County earn \$40,000 or more annually, while 35.1% earn between \$15,000 and \$40,000, and 22.4% earn less than \$15,000 or more annually. Overall, this is a balanced distribution of incomes, and a variety of housing types could be developed to potentially attract some of the more than 2,100 in-commuters to live within Cheboygan County.

D. HOUSING METRICS

The estimated distribution of the area ***housing stock by occupancy/tenure status*** for each study area for 2022 is illustrated in the following table and graph:



Source: American Community Survey (2018-2022); ESRI; Bowen National Research

Of the 10,650 total *occupied* housing units in Cheboygan County, 84.9% are owner occupied and 15.1% are renter occupied. This distribution of occupied units by tenure in Cheboygan County is more heavily weighted toward owner-occupied housing when compared to the state. Among the 17,727 total housing units in Cheboygan County, 39.9% (7,077 units) are classified as vacant. It should be noted that vacant units are comprised of a variety of units including abandoned properties, unoccupied rentals, for-sale homes, and seasonal housing units. Within Cheboygan County and the Northeast Michigan Region, a notable share of the vacant units are comprised of short-term rentals and/or second homes. As such, the share of vacant units in Cheboygan County is significantly larger than the share (12.5%) for the state.

The following table illustrates the number and share of seasonal/recreational units as compared to both vacant and total housing units for each of the study areas.

		Seasonal/Recreational Housing Units			
		Seasonal/ Recreational Units	Total Vacant Units	Total Housing Units	Seasonal/ Recreational % of Total Vacant Units
Cheboygan County		6,080	7,077	17,727	85.9%
Region		55,548	62,784	153,879	88.5%
Michigan		265,328	571,194	4,580,448	46.5%

Source: 2018-2022 American Community Survey (B25002/B25004); Bowen National Research

As the preceding illustrates, 34.3% of the total housing units in Cheboygan County are comprised of seasonal/recreational units. While this is a similar share of such units when compared to the Northeast Michigan Region, it is a substantially larger share of units when compared to the state. Overall, the data shows the significant influence that seasonal/recreational housing has on the housing market in both the county and region.

The following table compares key ***housing age and conditions*** based on 2018-2022 American Community Survey data. Housing units built over 50 years ago (pre-1970), overcrowded housing (1.01+ persons per room), or housing that lacks complete indoor kitchens or bathroom plumbing are illustrated by tenure. It is important to note that some occupied housing units may have more than one housing issue.

	Housing Age and Conditions (2022)											
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Cheboygan County	639	39.7%	2,698	29.8%	115	7.1%	70	0.8%	18	1.1%	60	0.7%
Region	6,432	40.4%	27,560	36.7%	437	2.7%	729	1.0%	379	2.4%	592	0.8%
Michigan	497,389	45.1%	1,382,346	47.6%	32,210	2.9%	32,437	1.1%	21,749	2.0%	17,880	0.6%

Source: American Community Survey (2018-2022); ESRI; Bowen National Research

In Cheboygan County, 39.7% of the renter-occupied housing units and 29.8% of the owner-occupied housing units were built prior to 1970. This represents a slightly more modern inventory of renter-occupied and owner-occupied units compared to the state. While the share of overcrowded renter housing units (7.1%) is higher than the regional and statewide shares, the share of owner housing units with this issue (0.8%) is marginally lower than the comparison areas. The shares of renter-occupied (1.1%) and owner-occupied (0.7%) housing units with incomplete plumbing or kitchens is similar to, or less than, the regional and statewide shares. As a result, the most prevalent housing issue in terms of *share* within Cheboygan County is overcrowding among renter households. However, due to the limited overall number of renter-occupied units in the county, this results in a relatively low number of households that experience the issue.

The following table compares key household income, housing cost, and housing affordability metrics. It should be noted that cost burdened households pay over 30% of income toward housing costs, while severe cost burdened households pay over 50% of income toward housing.

	Household Income, Housing Costs and Affordability							
	2024 Households	2024 Median HH Income	2024 Median Home Value	2022 Median Gross Rent	2022 Share of Cost Burdened HH*		2022 Share of Severe Cost Burdened HH**	
					Renter	Owner	Renter	Owner
Cheboygan County	11,434	\$57,858	\$218,487	\$787	38.9%	18.2%	18.4%	8.5%
Region	93,180	\$54,257	\$179,587	\$759 [^]	41.4%	18.8%	17.7%	8.5%
Michigan	4,095,144	\$71,476	\$249,290	\$1,037	45.3%	18.8%	23.2%	7.7%

Source: American Community Survey (2018-2022); ESRI; Bowen National Research

HH – Households; *Paying more than 30% of income toward housing costs; **Paying more than 50% of income toward housing costs

[^]Reflects average of 11 PSA county medians, not actual median of region.

The estimated median home value in Cheboygan County of \$218,487 is 12.4% lower than the median home value for the state, while the median gross rent of \$787 in the area is 24.1% lower than the state. With a median household income of \$57,858 in Cheboygan County, approximately 38.9% of renter households and 18.2% of owner households are housing cost burdened. As a result, there are roughly 626 renter households and 1,645 owner households in Cheboygan County that are housing cost burdened, of which more than 1,000 *total* households are severe cost burdened (paying more than 50% of income toward housing costs). As such, affordable housing alternatives should be an integral part of future housing solutions.

Bowen National Research's Survey of Housing Supply

Multifamily Rental Housing

A field survey of multifamily rental properties was conducted as part of the Northeast Michigan Region Housing Needs Assessment. The following table summarizes the surveyed ***multifamily rental supply by project type*** for Cheboygan County and the Northeast Michigan Region. Note that vacancy rates below 1% are illustrated in red text.

	Surveyed Multifamily Rental Housing Supply by Area									
	Projects Surveyed	Total Units	Vacant Units	Overall Vacancy Rate	Vacancy Rate by Program Type			Wait Lists by Type (HH/Mo)		
					Market- Rate	Tax Credit	Government Subsidized	Market- Rate	Tax Credit	Government Subsidized
Cheboygan County	8	316	0	0.0%	0.0%	0.0%	0.0%	30 HH	15 HH	8-30 HH
Region	93	3,485	10	0.3%	0.8%	0.0%	0.1%	1-12 Mo. 2-60 HH	12 Mo. 15-100 HH	1-12 Mo. 3-100 HH

Source: Bowen National Research

HH – Households; Mo. – Months

In Cheboygan County, eight multifamily apartment properties were surveyed, comprising a total of 316 units. Overall, the multifamily units are 100% occupied with no vacancies. Typically, in a well-balanced and healthy market, multifamily rentals should have an overall occupancy rate between 94% and 96%. As such, both Cheboygan County and the Northeast Michigan Region have occupancy rates that are considered very high. The high occupancy rates among the various program types in both the county and region, and the presence of notable wait lists, are evidence of pent-up demand for multifamily rentals. This likely represents a future development opportunity within Cheboygan County and the larger region.

The following table illustrates the **median rent by bedroom/bathroom type** for the surveyed *market-rate* and *Tax Credit* units in Cheboygan County and the corresponding median rent ranges within the Northeast Michigan Region.

Median Rents by Program Type and Bedroom/Bathroom Type				
Area	One-Br/ 1.0-Ba	Two-Br/ 1.0-Ba	Two-Br/ 2.0-Ba	Three-Br/ 2.0-Ba
Market-Rate				
Cheboygan County	\$700	\$735	-	-
Region (Ranges)	\$575-\$1,275	\$600-\$1,338	\$709-\$1,605	\$800-\$1,943
Tax Credit				
Cheboygan County	-	-	\$666	\$757
Region (Ranges)	\$554-\$678	\$512-\$717	\$666	\$701-\$990

Source: Bowen National Research

As the preceding illustrates, the median rents for the market-rate and Tax Credit units in Cheboygan County are in the low to moderate range of respective rates in the Northeast Michigan Region. Regardless of program type, the median rents generally increase for each subsequently larger unit configuration for both study areas. With virtually no availability among the multifamily rentals in Cheboygan County, residents are likely to seek rental alternatives among the non-conventional supply, which also has extremely limited availability in the county, or search for housing options outside the county. This can result in a higher share of cost burdened households in an area, or in some instances, may cause households to relocate outside of an area to find more affordable housing choices.

Housing Choice Vouchers, which are administered by local housing authorities, can be utilized to increase rental housing options for lower-income households. The following table summarizes the number of Housing Choice Vouchers (HCVs) issued, the estimated number of unused vouchers in each area, and the number of households on the housing authorities' wait list for the next available vouchers.

	Voucher Use by Study Area				
	HCV Issued	Estimated Unused Vouchers	Unused Voucher Share	Annual Program Turnover	Wait List
Cheboygan County	39	8	20.5%	3	225
Region	468	63	13.5%	53	5,893

Source: Michigan State Housing Development Authority (MSHDA); HCV – Housing Choice Voucher

There are currently 39 HCVs issued in Cheboygan County, 31 (79.5%) of which are currently being utilized. In addition, there are 225 households currently on the wait list for additional vouchers. As such, it appears there is extremely high demand for affordable housing in Cheboygan County and this segment of the market is likely severely underserved.

Non-Conventional Rental Housing

Non-conventional rentals are considered rental units typically consisting of single-family homes, duplexes, units over store fronts, mobile homes, etc. For the purposes of this particular inventory and analysis, we have assumed that rental properties consisting of four or less units within a structure or mobile homes are non-conventional rentals. The following is a distribution of *renter-occupied* housing by **units in structure** for each of the study areas based on 2018-2022 American Community Survey (ACS).

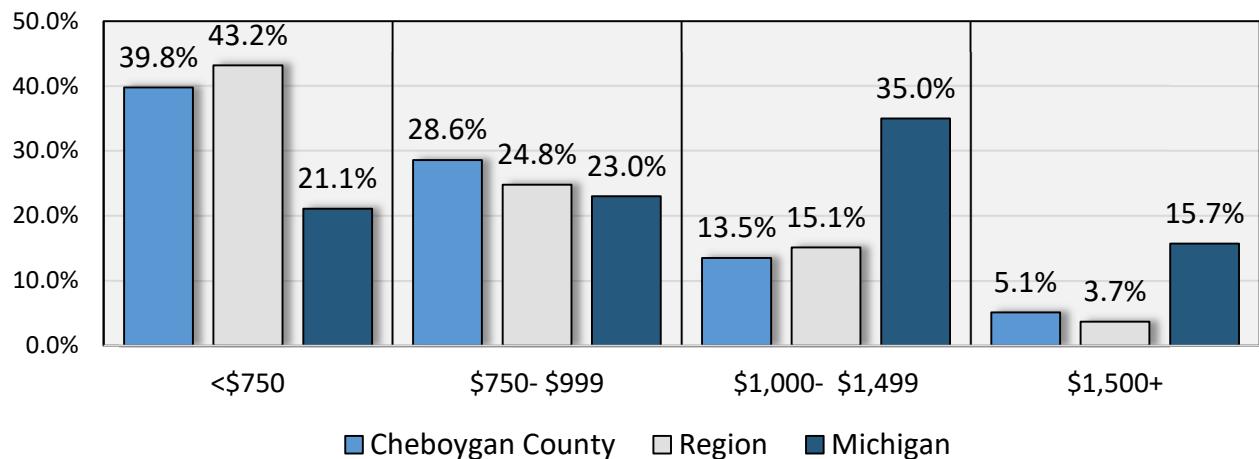
		Renter-Occupied Housing by Units in Structure			
		1 to 4 Units	5 or More Units	Mobile Homes/Boats/RVs	Total Units
Cheboygan County	Number	993	349	268	1,610
	Percent	61.7%	21.7%	16.6%	100.0%
Region	Number	10,112	4,142	1,684	15,938
	Percent	63.4%	26.0%	10.6%	100.0%
Michigan	Number	559,210	497,223	46,361	1,102,794
	Percent	50.7%	45.1%	4.2%	100.0%

Source: American Community Survey (2018-2022); ESRI; Bowen National Research

Approximately 78.3% of the rental units in Cheboygan County are classified as non-conventional rentals (within structures of four units or less and mobile homes). Cheboygan County has a higher share of non-conventional rental housing when compared to the region (74.0%) and the state (54.9%).

The following graph illustrates the ***distribution of monthly gross rents*** (per unit) for rental alternatives within each of the study areas. Note that this data includes both multifamily rentals and non-conventional rentals. However, with 78.3% of all rental units in Cheboygan County classified as non-conventional, this data provides some insight into the overall distribution of rents among the non-conventional rental supply. Note that gross rents include tenant-paid rents and tenant-paid utilities.

Distribution of Monthly Gross Rents by Area



Source: American Community Survey (2018-2022); ESRI; Bowen National Research

*Excludes rentals classified as "No Cash Rent"

As the preceding illustrates, the largest share (39.8%) of Cheboygan County rental units have rents of less than \$750, followed by units with rents between \$750 and \$999 (28.6%). Although considerably less in share, 5.1% of rentals in the area have rents of \$1,500 or more. Notably, both the county and region have much higher shares of rental units with rents less than \$750 compared to the state.

During September and October 2024, Bowen National Research conducted an online survey and identified one non-conventional rental that was listed as *available* for rent in Cheboygan County.

The following table illustrates the vacancy rates, which compares the number of identified *vacant* non-conventional rentals to the *total number* of non-conventional rentals based on the American Community Survey, for Cheboygan County and the Northeast Michigan Region.

Surveyed Non-Conventional Rentals Overview			
Area	Non-Conventional Rentals*	Identified Vacant Units	Vacancy Rate
Cheboygan County	1,261	1	<0.1%
Region	11,796	38	0.3%

Source: American Community Survey (2018-2022); ESRI; Bowen National Research

*ACS reported number of rental units within structures of four units or less and mobile homes

With only one available unit identified, Cheboygan County has an overall vacancy rate of less than 0.1% for non-conventional rentals, which is lower than the vacancy rate of 0.3% for the Northeast Michigan Region. Regardless, this is well below the optimal range of 4% to 6% for non-conventional rentals and indicates a significant lack of available non-conventional supply in the area.

A summary of the available *non-conventional rental* unit in Cheboygan County, which includes bedroom type, rent range, and median rent, follows:

Available Surveyed Non-Conventional Rental Supply – Cheboygan County			
Bedroom	Vacant Units	Rent	Median Rent
Three-Bedroom	1	\$2,500	\$2,500
Total	1		

Source: Zillow; Apt.com; Trulia; Realtor.com; Facebook

The only available non-conventional rental identified in Cheboygan County is a three-bedroom unit with a rent of \$2,500. Although it is impossible to draw general conclusions about the typical non-conventional rentals in the market based on such limited data, the lack of available units and a vacancy rate of less than 0.1% indicates there is a notable shortage of non-conventional rentals in the area. Given that the multifamily rental units surveyed in the county are 100.0% occupied and only one available non-conventional rental unit was identified, there appears to be very limited options available for households seeking to rent in Cheboygan County.

For-Sale Housing

The following table summarizes the *available* (as of September 2024) and *recently sold* (between January 2020 and September 2024) for-sale housing stock for Cheboygan County and the Northeast Michigan Region.

Cheboygan County - Owner For-Sale/Sold Housing Supply		
Type	Number of Homes	Median Price
Cheboygan County		
Available*	73	\$439,900
Sold**	1,253	\$230,000
Region		
Available*	895	\$249,900
Sold**	12,456	\$168,000

Source: Redfin.com & Bowen National Research

*As of September 19, 2024

**Sales from January 1, 2020 to September 16, 2024

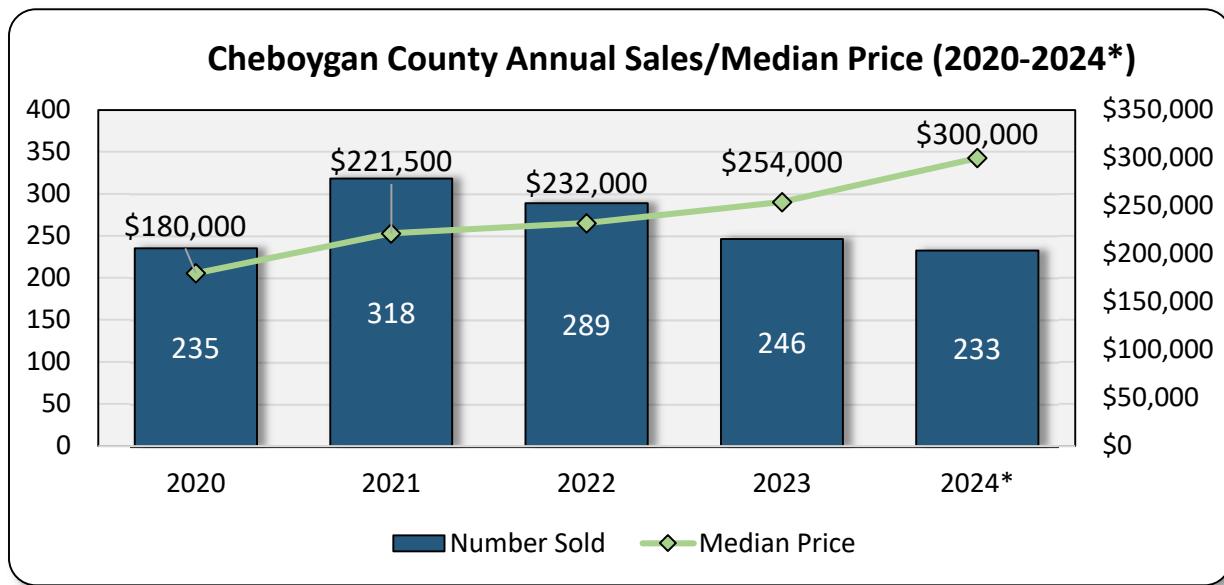
The available for-sale housing stock in Cheboygan County as of September 19, 2024 consists of 73 total units with a median list price of \$439,900. This represents a much higher median list price compared to the available for-sale homes in the Northeast Michigan Region (\$249,900). Historical sales from January 2020 to September 2024 in Cheboygan County consisted of 1,253 homes with a median sales price of \$230,000.

The following table and graph summarize ***historical sales volume*** and ***median sales price*** by year from January 2020 through September 2024.

Sales History/Median Sales Price by Year – Cheboygan County (January 1, 2020 to September 16, 2024)				
Year	Number Sold	Percent Change	Median Sales Price	Percent Change
2020	235	-	\$180,000	-
2021	318	35.3%	\$221,500	23.1%
2022	289	-9.1%	\$232,000	4.7%
2023	246	-14.9%	\$254,000	9.5%
2024*	165 (233)	(-5.5%)	\$300,000	18.1%

Source: Redfin.com & Bowen National Research

*As of September 16, 2024; Volume projected through the remainder of 2024 (in parenthesis)



*2024 full year volume projection

As the preceding illustrates, home sales in Cheboygan County increased by 35.3% between 2020 and 2021, followed by a 9.1% *decrease* in 2022. Home sales continued to decrease by 14.9% in 2023 and projections indicate that sales volume will decrease 5.5% in 2024. It should be noted that the current year's projection is based solely on transactions year-to-date, which may not account for seasonality in the market that can influence the projection. Regardless, with the median sales price of homes sold in the county steadily increasing since 2020, this has likely put downward pressure on sales volume. Collectively, the median sales price of homes sold in Cheboygan County increased significantly by 66.7% between January 2020 and September 2024.

The following table provides various housing market metrics for the available for-sale homes in Cheboygan County and the Northeast Michigan Region as of September 19, 2024. Note that availability rates and Months Supply of Inventory (MSI) numbers that are indicative of limited availability are highlighted in **red** text.

Available For-Sale Housing (As of September 19, 2024)								
Area	Total Available Units	Share of Region	Availability Rate	Months Supply of Inventory	Average List Price	Median List Price	Average Days on Market	Average Year Built*
Cheboygan County	73	8.2%	0.8%	3.3	\$614,821	\$439,900	64	1992
Region	895	100.0%	1.2%	4.1	\$358,766	\$249,900	75	1978

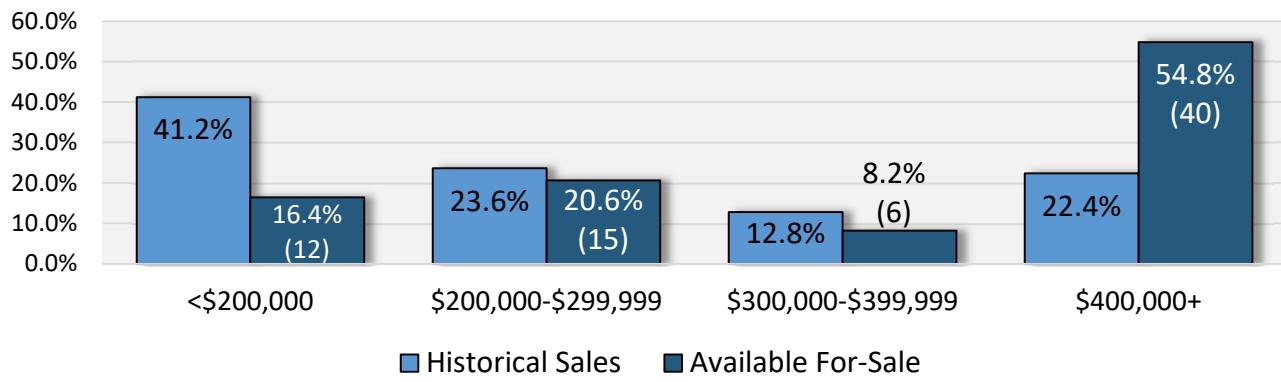
Source: Redfin.com & Bowen National Research

*Excludes listings that are missing year built data

The 73 available for-sale homes in Cheboygan County represent 8.2% of the total available for-sale homes in the Northeast Michigan Region. These homes equate to an availability rate of 0.8% when compared to the 9,544 owner-occupied units in the county. Based on recent sales history, this inventory represents 3.3 *Months Supply of Inventory* (MSI). Typically, in healthy, well-balanced markets, approximately 2% to 3% of the for-sale housing stock should be available for purchase and there should be between four and six months of available inventory to allow for inner-market mobility and household growth. The available for-sale homes in Cheboygan County have a median list price of \$439,900, an average number of days on market of 64 days, and an average year built of 1992. The data illustrates that there is a limited number of homes available for sale in the county compared to the overall inventory of owner-occupied homes, with the MSI below the range of a healthy, well-balanced market. This limited inventory of available for-sale homes combined with a low average number of days on market has likely contributed to the steady increase in for-sale pricing since 2020.

The following graph compares the distribution of *historical* and *available* for-sale residential units by *price point* for Cheboygan County:

Distribution of For-Sale Homes by Price Point - Cheboygan County Historical vs Available (Number Available)



Source: Redfin.com & Bowen National Research

As the preceding illustrates, the share of *available* for-sale homes priced under \$200,000 (16.4%) is lower than the corresponding share of recent *historical* sales (41.2%). This represents a small share of affordably priced homes. Regardless, the 73 available homes in the county indicate there is an overall limited supply from which homebuyers can choose, and the distribution of homes by price point has shifted toward homes in the higher price cohorts.

Planned & Proposed

In addition to the surveys of each housing type within this overview, Bowen National Research conducted interviews with representatives of area building and permitting departments and performed extensive online research to identify residential projects either planned for development or currently under construction within the Northeast Michigan Region. The following summarizes the known details for the housing developments by type that are planned, proposed, or under construction within Cheboygan County.

Planned Residential Housing Development - Cheboygan County				
Project Name & Address	Product Type	Units	Developer	Status/Details
Multifamily Rental Housing				
Cheboygan Commons 502 South Main Street Cheboygan	Market-Rate	N/A	Pulte Homes	Proposed: Mixed-use; Proposed in 2024; If approved, construction to begin in spring 2025
For-Sale Rental Housing				
Cheboygan Commons 502 South Main Street Cheboygan	Condominium	N/A	Pulte Homes	Proposed: Mixed-use; Proposed in 2024; If approved, construction to begin in spring 2025

N/A – Not Available

As the preceding illustrates, there is one multifamily rental housing project and one for-sale housing project currently in the preliminary phases of development in Cheboygan County.

E. HOUSING GAP

Based on ESRI household projections from 2024 to 2029, which is the most up-to-date version available, and taking into consideration the housing data from our field survey of area housing alternatives, we are able to project the potential number of new housing units that are needed (housing gap) in Cheboygan County. The following paragraph summarizes the metrics used in our demand estimates.

We included renter and owner household growth, the number of units required for a balanced market, the need for replacement of substandard housing, commuter/external market support, severe cost-burdened households, and step-down support as the demand components in our estimates for new rental and for-sale housing units. As part of this analysis, we accounted for vacancies reported among both renter- and owner-occupied housing alternatives, considered applicable units in the development pipeline, and concluded this analysis by providing the number of units that are needed

by different income segments, rent levels, and purchase price points.

Cheboygan County has an overall *five-year* housing gap of 1,300 units, with a gap of 406 rental units and a gap of 894 for-sale units. The following table summarizes the rental and for-sale housing gaps by income and affordability levels for Cheboygan County.

Percent AMHI*	Cheboygan County Housing Gap Estimates (2024-2029)				Total Housing Gap
	≤50%	51%-80%	81%-120%	121%+	
Household Income	<\$39,800	\$39,801-\$63,680	\$63,681-\$95,520	\$95,521+	
Rent Range	≤ \$995	\$996-\$1,592	\$1,593-\$2,388	\$2,389+	
Price Range	≤ \$132,667	\$132,668-\$212,267	\$212,268-\$318,400	\$318,401+	
Rental Housing Gap	212	106	68	20	406
For-Sale Housing Gap	0	156	490	248	894

Source: Bowen National Research

AMHI – Area Median Household Income

*Based on HUD limits for Cheboygan County (4-person limit)

As the preceding table illustrates, the projected housing gaps encompass a variety of affordability levels for both rental and for-sale housing product. It appears the greatest *rental* housing gaps in the county are for the lowest housing affordability segment (rents at or below \$995 that are affordable to households earning up to 50% of AMHI) and for product serving households earning between 51% and 80% of AMHI. The greatest *for-sale* housing gap in the county is for product priced between \$212,268 and \$318,400, which is affordable to households earning between 81% and 120% of AMHI, though notable gaps also exist for for-sale product serving households earning between 51% and 80% of AMHI and 121% of AMHI or higher. Although development within Cheboygan County should be prioritized to the housing product showing the greatest gaps, it appears efforts to address housing should consider most rents and price points across the housing spectrum. The addition of a variety of housing product types and affordability levels would enhance the subject market's ability to attract potential workers and help meet the changing and growing housing needs of the local market.

F. STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

A SWOT analysis often serves as the framework to evaluate an area's competitive position and to develop strategic planning. It considers internal and external factors, as well as current and future potential. Ultimately, such an analysis is intended to identify core strengths, weaknesses, opportunities, and threats that can lead to strategies that can be developed and implemented to address local housing issues.

The following is a summary of key findings from this SWOT analysis for Cheboygan County.

SWOT Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> Household growth of 2.7% (2010-2024) 1.4% projected increase in <i>owner</i> households over the next five years Projected increase in moderate to higher income renter and owner households and senior households aged 65 and older Strong rental and for-sale demand 	<ul style="list-style-type: none"> 4.2% projected decrease in <i>renter</i> households over the next five years Low area median household income (\$57,858) Low share of population with a college degree compared to state Very low vacancy/availability rates among both rental and for-sale housing alternatives High share of overcrowded renter households
Opportunities	Threats
<ul style="list-style-type: none"> Housing need of 406 rental units (2024-2029) Housing need of 894 for-sale units (2024-2029) Attract some of the 2,165 commuters coming into the county for work to live in the county With notable job growth projected within the immediate region in the near term, opportunities will likely exist to attract additional households to the county 	<ul style="list-style-type: none"> Lack of housing availability may result in households seeking options outside the county County risks losing some of the 6,079 residents that commute out of the county for employment The projected 14.7% increase in seniors aged 75 and older over the next five years may create additional housing issues for area seniors

Cheboygan County has experienced positive household growth since 2010. County residents typically have a low level of educational attainment, which likely results in a relatively low median household income when compared to the state. Both factors contribute to a high poverty rate among the overall population and children less than 18 years of age. There is strong demand in the county for a variety of housing alternatives, and household incomes are projected to increase over the next five years. Despite these strengths, renter households within the county are projected to decline by 4.2% between 2024 and 2029. Overall, there is currently limited housing availability among the multifamily apartments, non-conventional rentals, and for-sale housing supply. As such, the county risks losing residents to nearby areas that may have a more adequate supply of housing options. However, the county's housing gap of 406 rental units and 894 for-sale units, and the projected increase in senior households aged 65 and older likely represent significant development opportunities. In addition, there is a notable commuter base and projected job growth in the region which will contribute to housing demand for the foreseeable future.