

ADDENDUM E: COMMUNITY OVERVIEW (SHELBY TOWNSHIP)

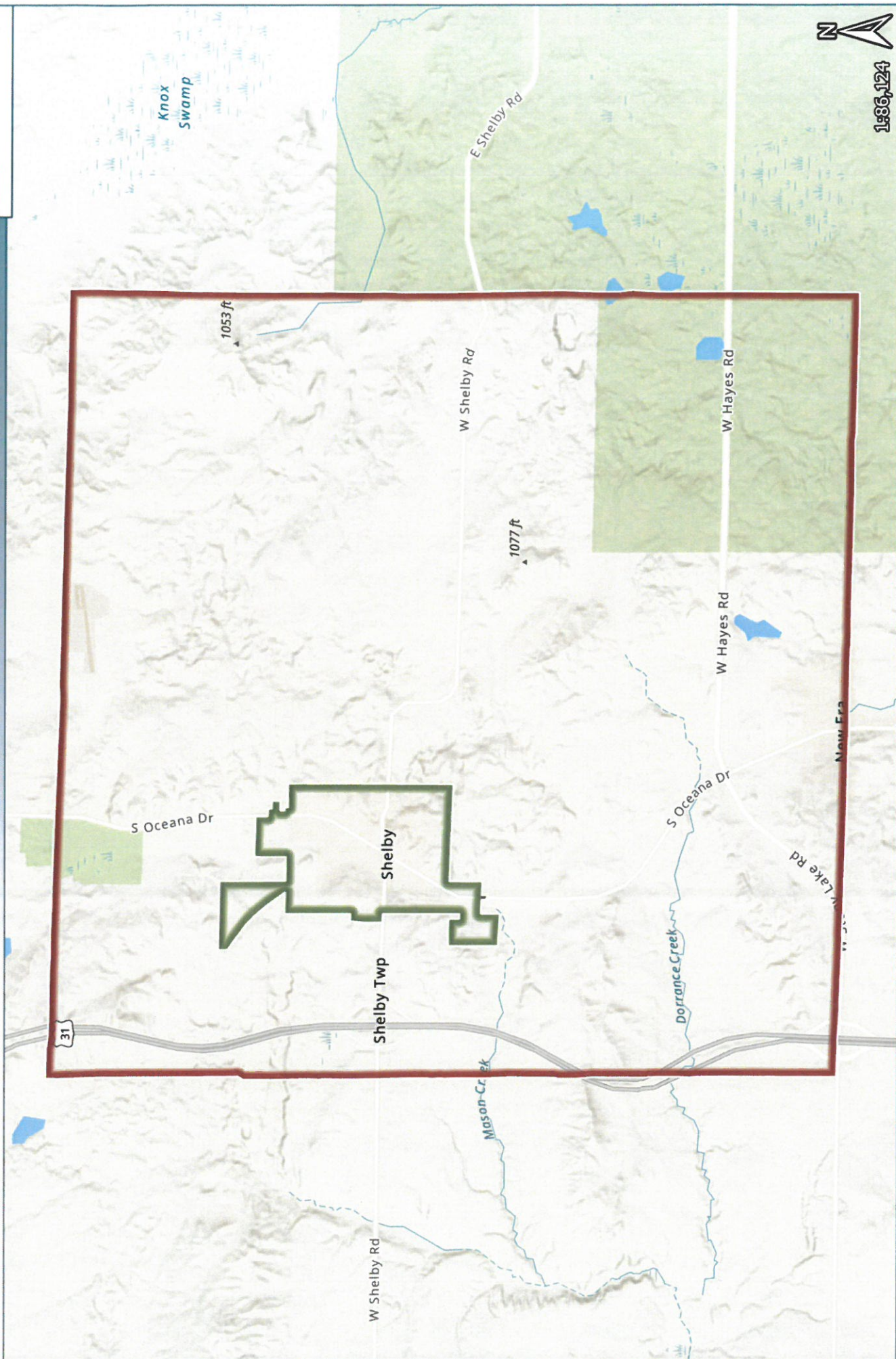
The primary focus of this Community Overview and Housing Market Summary is on the community of Shelby Township, Michigan. Note that for the purposes of this overview, the village of Shelby is *excluded* from Shelby Township. The analyses on the following pages provide overviews of key demographic data, summaries of the multifamily and non-conventional rental market, for-sale housing supply, and general conclusions on the housing needs of the overall community. For comparison purposes, the demographic and housing characteristics of Oceana County and the state of Michigan are also included, when applicable. 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.

It is important to note that 2010 and 2020 demographic data are based on U.S. Census data (actual count), while 2022 and 2027 data are based on calculated estimates provided by ESRI, a nationally recognized demography firm. Additionally, secondary housing data included within this analysis uses a combination of ESRI estimates and data obtained from the 2017-2021 American Community Survey (ACS). As such, differences in totals and shares among various tables within this analysis may exist. Lastly, due to the fact that some demographic data is not available on the township level, we have used some combination of published data on other adjacent or overlapping geographies (e.g. village/townships, Census Tracts, or county data) to extrapolate estimates for the subject township.

A. INTRODUCTION

Shelby Township is located in the central portion of Oceana County, Michigan. Shelby Township is accessible via U.S. Highway 31 and contains approximately 34.4 square miles. The 2022 estimated population is 2,128, representative of approximately 8.0% of the population in Oceana County.

A map illustrating Shelby Township, Michigan is included on the following page.



B. DEMOGRAPHICS

This section of the report evaluates key demographic characteristics for the community of Shelby Township. Demographic comparisons provide insights into the human composition of housing markets.

Population by numbers and percent change (growth or decline) for selected years is shown in the following table. It should be noted that some total numbers and percentages may not match the totals within or between tables in this section due to rounding. Note that declines are illustrated in **red** text, while increases are illustrated in **green** text:

	Total Population									
	2010 Census	2020 Census	Change 2010-2020		2022 Estimated	Change 2020-2022		2027 Projected	Change 2022-2027	
			Number	Percent		Number	Percent		Number	Percent
Shelby Township	2,122	2,145	23	1.1%	2,128	-17	-0.8%	2,123	-5	-0.2%
Oceana County	26,570	26,659	89	0.3%	26,441	-218	-0.8%	26,403	-38	-0.1%
Michigan	9,883,297	10,077,094	193,797	2.0%	10,077,929	835	0.0%	10,054,166	-23,763	-0.2%

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the population within Shelby Township increased by 1.1%, which is larger than the population increase in Oceana County (0.3%), but less than the state (2.0%) during this time period. The population in Shelby Township declined by 0.8% between 2020 and 2022, and it is projected that the population within the area will further decline by 0.2% between 2022 and 2027. The projected population decline in Shelby Township during this time period represents a marginally larger rate of decrease as compared to Oceana County (0.1%) and equal to the projected decrease for the state of Michigan (0.2%). It is critical to point out that *household* changes, as opposed to population, are more material in assessing housing needs and opportunities. As illustrated on the following page, Shelby Township experienced positive *household* growth between 2010 and 2020 and the number of households is projected to remain stable between 2022 and 2027.

Other notable population statistics for Shelby Township include the following:

- Minorities comprise 23.8% of the community's population, which is a much larger share than the share for Oceana County (16.5%) and less than the share in the state (26.1%).
- Married persons represent 55.4% of the adult population in Shelby Township, which is lower than the share reported for Oceana County (57.1%), but higher than the state of Michigan (49.0%).
- The share of the adult population without a high school diploma is 13.0%, which is higher than the shares reported for Oceana County (10.7%) and the state of Michigan (7.7%).
- Approximately 11.3% of the population lives in poverty, which is lower than the respective shares in Oceana County (13.0%) and the state of Michigan (13.3%).
- The annual movership rate (population moving within or to Shelby Township) is 13.6%, which is higher than the shares in the county (10.0%) and the state (12.7%).

Households by numbers and percent change (growth or decline) for selected years are shown in the following table. Note that declines are illustrated in **red** text, while increases are illustrated in **green** text:

	Total Households									
	2010 Census	2020 Census	Change 2010-2020		2022 Estimated	Change 2020-2022		2027 Projected	Change 2022-2027	
			Number	Percent		Number	Percent		Number	Percent
Shelby Township	716	726	10	1.4%	722	-4	-0.6%	722	0	0.0%
Oceana County	10,174	10,320	146	1.4%	10,266	-54	-0.5%	10,300	34	0.3%
Michigan	3,872,302	4,041,552	169,250	4.4%	4,055,460	13,908	0.3%	4,067,324	11,864	0.3%

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the total number of households within Shelby Township increased by 1.4% (10 households), which is equal to the growth rate for Oceana County (1.4%) but less than the statewide growth rate of 4.4%. Shelby Township experienced household decline of 0.6% between 2020 and 2022, which is comparable to Oceana County (0.5%) and contrasts with the 0.3% increase in households within the state. Households are projected to remain unchanged in Shelby Township between 2022 and 2027, which contrasts with the projected increases in Oceana County (0.3%) and the state of Michigan (0.3%) during this time period. This lack of projected household growth may be attributed to, in part, the lack of *available* rental and for-sale housing in the market.

It should be noted that household growth alone does not dictate 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, availability of existing housing, and product in the development pipeline all affect housing needs.

Household heads by age cohorts for selected years are shown in the following table. Note that five-year declines are in **red**, while increases are in **green**:

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Shelby Township	2010	28 (3.9%)	95 (13.3%)	122 (17.0%)	167 (23.3%)	132 (18.4%)	87 (12.2%)	85 (11.9%)
	2022	21 (2.9%)	110 (15.2%)	109 (15.1%)	121 (16.8%)	149 (20.6%)	127 (17.6%)	85 (11.8%)
	2027	19 (2.6%)	92 (12.7%)	120 (16.6%)	113 (15.7%)	137 (19.0%)	137 (19.0%)	104 (14.4%)
	Change 2022-2027	-2 (-9.5%)	-18 (-16.4%)	11 (10.1%)	-8 (-6.6%)	-12 (-8.1%)	10 (7.9%)	19 (22.4%)
Oceana County	2010	294 (2.9%)	1,165 (11.5%)	1,520 (14.9%)	2,201 (21.6%)	2,121 (20.8%)	1,590 (15.6%)	1,283 (12.6%)
	2022	240 (2.3%)	1,250 (12.2%)	1,449 (14.1%)	1,586 (15.4%)	2,262 (22.0%)	2,027 (19.7%)	1,452 (14.1%)
	2027	238 (2.3%)	1,082 (10.5%)	1,476 (14.3%)	1,539 (14.9%)	2,091 (20.3%)	2,156 (20.9%)	1,718 (16.7%)
	Change 2022-2027	-2 (-0.8%)	-168 (-13.4%)	27 (1.9%)	-47 (-3.0%)	-171 (-7.6%)	129 (6.4%)	266 (18.3%)
Michigan	2010	170,982 (4.4%)	525,833 (13.6%)	678,259 (17.5%)	844,895 (21.8%)	746,394 (19.3%)	463,569 (12.0%)	442,370 (11.4%)
	2022	150,466 (3.7%)	572,672 (14.1%)	630,554 (15.5%)	677,148 (16.7%)	814,827 (20.1%)	695,910 (17.2%)	513,883 (12.7%)
	2027	144,849 (3.6%)	535,146 (13.2%)	653,008 (16.1%)	642,114 (15.8%)	736,410 (18.1%)	749,254 (18.4%)	606,543 (14.9%)
	Change 2022-2027	-5,617 (-3.7%)	-37,526 (-6.6%)	22,454 (3.6%)	-35,034 (-5.2%)	-78,417 (-9.6%)	53,344 (7.7%)	92,660 (18.0%)

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2022, the distribution of household heads in Shelby Township is relatively balanced among the various age cohorts, with households between the ages of 55 and 64 comprising the largest share (20.6%) of households by age. In total, household heads ages 55 and older comprise 50.0% of all households within the area, which represents a smaller share of senior households as compared to Oceana County (55.8%) and an equal share compared to the state of Michigan (50.0%). Household heads under the age of 35, which are typically more likely to be renters or first-time homebuyers, comprise 18.1% of Shelby Township households, which represents a larger share of such households when compared to the county (14.5%) and state (17.8%). Between 2022 and 2027, household growth within Shelby Township is projected to occur among households between the ages of 35 and 44 and 65 and older, with the most significant growth (22.4%) projected for households ages 75 and older. Households under the age of 35 are projected to decline by 15.3% over the next five years, while those between the ages of 45 and 64 are projected to decline by 7.4%.

Households by tenure (renters versus owners) for selected years are shown in the following table. Note that 2027 numbers which represent a decrease from 2022 are illustrated in **red** text, while increases are illustrated in **green** text:

		Households by Tenure							
		2000		2010		2022		2027	
Household Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Shelby Township	Owner-Occupied	570	82.7%	557	77.8%	590	81.7%	593	82.1%
	Renter-Occupied	119	17.3%	159	22.2%	132	18.3%	129	17.9%
	Total	689	100.0%	716	100.0%	722	100.0%	722	100.0%
Oceana County	Owner-Occupied	8,087	82.7%	8,271	81.3%	8,439	82.2%	8,512	82.6%
	Renter-Occupied	1,691	17.3%	1,903	18.7%	1,827	17.8%	1,788	17.4%
	Total	9,778	100.0%	10,174	100.0%	10,266	100.0%	10,300	100.0%
Michigan	Owner-Occupied	2,792,684	73.8%	2,793,208	72.1%	2,895,751	71.4%	2,936,335	72.2%
	Renter-Occupied	991,785	26.2%	1,079,094	27.9%	1,159,709	28.6%	1,130,990	27.8%
	Total	3,784,469	100.0%	3,872,302	100.0%	4,055,460	100.0%	4,067,325	100.0%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2022, Shelby Township has an 81.7% share of owner households and an 18.3% share of renter households. This represents an increase in the share of owner households as compared to 2010 (77.8%) and is slightly less than the respective share of owner households in Oceana County (82.2%). However, this is a notably higher share of owner households as compared to the state of Michigan (71.4%). Overall, Shelby Township owner households represent 7.0% of all owner households within Oceana County, while Shelby Township renter households comprise 7.2% of the county's renter households. Between 2022 and 2027, the number of owner households in the area is projected to increase by 0.5%, while the number of renter households is projected to decline by 2.3%.

Median household income for selected years is shown in the following table:

	Median Household Income				
	2010 Census	2022 Estimated	% Change 2010-2022	2027 Projected	% Change 2022-2027
Shelby Township	\$40,000	\$63,077	57.7%	\$71,713	13.7%
Oceana County	\$37,021	\$58,499	58.0%	\$66,009	12.8%
Michigan	\$46,042	\$65,522	42.3%	\$75,988	16.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2022, the estimated median household income in Shelby Township is \$63,077, which is 7.8% higher than the median household income in Oceana County. Between 2010 and 2022, Shelby Township experienced a 57.7% increase in median household income. The increase in Shelby Township was slightly less than the increase within Oceana County (58.0%), but much greater than the increase statewide (42.3%). The median household income in Shelby Township is projected to increase by an additional 13.7% between 2022 and 2027, resulting in a projected median household income of \$71,713 in 2027, which will remain above the projected median household income for the county (\$66,009), but below that for the state (\$75,988) during this time period.

The distribution of *renter* households by income is illustrated below. Note that declines between 2022 and 2027 are in **red**, while increases are in **green**:

		Renter Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Shelby Township	2010	25 (15.8%)	39 (24.5%)	34 (21.2%)	20 (12.4%)	15 (9.7%)	9 (5.5%)	15 (9.3%)	3 (1.6%)
	2022	14 (10.6%)	21 (16.2%)	23 (17.5%)	15 (11.7%)	13 (10.0%)	10 (7.5%)	22 (16.9%)	13 (9.6%)
	2027	10 (7.9%)	15 (11.7%)	19 (14.7%)	15 (11.5%)	13 (10.4%)	14 (10.5%)	29 (22.2%)	14 (11.1%)
	Change 2022-2027	-4 (-28.6%)	-6 (-28.6%)	-4 (-17.4%)	0 (0.0%)	0 (0.0%)	4 (40.0%)	7 (31.8%)	1 (7.7%)
Oceana County	2010	339 (17.8%)	515 (27.1%)	406 (21.3%)	226 (11.9%)	169 (8.9%)	82 (4.3%)	141 (7.4%)	24 (1.3%)
	2022	182 (10.0%)	280 (15.3%)	321 (17.6%)	239 (13.1%)	186 (10.2%)	162 (8.9%)	330 (18.1%)	127 (6.9%)
	2027	140 (7.8%)	207 (11.6%)	299 (16.7%)	234 (13.1%)	184 (10.3%)	186 (10.4%)	384 (21.5%)	155 (8.7%)
	Change 2022-2027	-42 (-23.1%)	-73 (-26.1%)	-22 (-6.9%)	-5 (-2.1%)	-2 (-1.1%)	24 (14.8%)	54 (16.4%)	28 (22.0%)
Michigan	2010	199,712 (18.5%)	246,606 (22.9%)	177,623 (16.5%)	132,096 (12.2%)	102,309 (9.5%)	60,184 (5.6%)	120,836 (11.2%)	39,728 (3.7%)
	2022	126,236 (10.9%)	162,922 (14.0%)	158,818 (13.7%)	141,901 (12.2%)	118,492 (10.2%)	91,450 (7.9%)	233,472 (20.1%)	126,418 (10.9%)
	2027	96,335 (8.5%)	124,306 (11.0%)	134,987 (11.9%)	129,810 (11.5%)	112,280 (9.9%)	96,092 (8.5%)	267,397 (23.6%)	169,784 (15.0%)
	Change 2022-2027	-29,901 (-23.7%)	-38,616 (-23.7%)	-23,831 (-15.0%)	-12,091 (-8.5%)	-6,212 (-5.2%)	4,642 (5.1%)	33,925 (14.5%)	43,366 (34.3%)

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2022, renter households earning between \$20,000 and \$29,999 (17.5%) and between \$60,000 and \$99,999 (16.9%) comprise the largest shares of renter households by income level within Shelby Township. Over one-half (56.0%) of all renter households within the area earn less than \$40,000 which is an equal share as compared to Oceana County (56.0%), but larger than the state of Michigan (50.8%). Renter households earning \$60,000 or more comprise 26.5% of all Shelby Township renter households, which is a moderately larger share as compared to Oceana County (25.0%). As a result, the distribution of renter households by income in Shelby Township is slightly more weighted toward the higher income cohorts as compared to the county. Projected growth among renter households within Shelby Township is limited to households earning \$50,000 or more (26.7% growth) between 2022 and 2027, while renter households earning less than \$30,000 are projected to decline by 24.1%. Shelby Township's projected growth of renter households by income among the higher earning households is consistent with the projected trends for the county and state during this time period. While the overall number of renter households in Shelby Township is projected to moderately decline, the increase among households earning \$50,000 or more will likely affect demand for premium rental product over the next five years. It should be noted that 45.8% of Shelby Township renter households will continue to earn less than \$40,000, which illustrates the need for affordable rental options in the area.

The distribution of *owner* households by income is included below. Note that declines between 2022 and 2027 are in **red**, while increases are in **green**:

		Owner Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Shelby Township	2010	28 (5.0%)	56 (10.1%)	79 (14.2%)	77 (13.9%)	78 (13.9%)	63 (11.4%)	125 (22.5%)	50 (9.1%)
	2022	19 (3.2%)	35 (5.9%)	50 (8.5%)	46 (7.7%)	50 (8.4%)	49 (8.3%)	165 (27.9%)	177 (30.0%)
	2027	14 (2.3%)	24 (4.0%)	36 (6.1%)	36 (6.1%)	41 (6.8%)	55 (9.3%)	187 (31.5%)	201 (33.8%)
	Change 2022-2027	-5 (-26.3%)	-11 (-31.4%)	-14 (-28.0%)	-10 (-21.7%)	-9 (-18.0%)	6 (12.2%)	22 (13.3%)	24 (13.6%)
Oceana County	2010	513 (6.2%)	1,007 (12.2%)	1,304 (15.8%)	1,199 (14.5%)	1,145 (13.8%)	803 (9.7%)	1,638 (19.8%)	661 (8.0%)
	2022	270 (3.2%)	490 (5.8%)	748 (8.9%)	763 (9.0%)	754 (8.9%)	895 (10.6%)	2,624 (31.1%)	1,900 (22.5%)
	2027	215 (2.5%)	370 (4.4%)	645 (7.6%)	642 (7.5%)	619 (7.3%)	862 (10.1%)	2,778 (32.6%)	2,380 (28.0%)
	Change 2022-2027	-55 (-20.4%)	-120 (-24.5%)	-103 (-13.8%)	-121 (-15.9%)	-135 (-17.9%)	-33 (-3.7%)	154 (5.9%)	480 (25.3%)
Michigan	2010	135,263 (4.8%)	233,420 (8.4%)	278,350 (10.0%)	300,038 (10.7%)	283,387 (10.1%)	274,521 (9.8%)	702,775 (25.2%)	585,454 (21.0%)
	2022	80,319 (2.8%)	131,782 (4.6%)	185,563 (6.4%)	220,625 (7.6%)	218,468 (7.5%)	235,521 (8.1%)	748,158 (25.8%)	1,075,315 (37.1%)
	2027	62,603 (2.1%)	99,802 (3.4%)	149,805 (5.1%)	186,195 (6.3%)	189,502 (6.5%)	216,728 (7.4%)	736,291 (25.1%)	1,295,408 (44.1%)
	Change 2022-2027	-17,716 (-22.1%)	-31,980 (-24.3%)	-35,758 (-19.3%)	-34,430 (-15.6%)	-28,966 (-13.3%)	-18,793 (-8.0%)	-11,867 (-1.6%)	220,093 (20.5%)

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2022, 57.9% of *owner* households in Shelby Township earn \$60,000 or more annually, which represents a larger share of such households compared to the share within Oceana County (53.6%), but smaller than the state of Michigan (62.9%). Approximately 16.7% of owner households in Shelby Township earn between \$40,000 and \$59,999, and the remaining 25.3% earn less than \$40,000. As such, the overall distribution of owner households by income in Shelby Township is more weighted toward the higher income cohorts (earning \$60,000 or more) as compared to households within Oceana County. Between 2022 and 2027, owner household growth in Shelby Township is projected to occur among households earning \$50,000 or more, collectively increasing by 13.3%. By comparison, the projected growth of owner households by income within Oceana County is limited to households earning \$60,000 or more during this time period, which is projected to increase by 14.0% within the county. By contrast, owner households in Shelby Township earning less than \$50,000 annually are projected to decline by 24.5% between 2022 and 2027.

C. HOUSING METRICS

The estimated distribution of the area housing stock by tenure for Shelby Township in 2022 is summarized in the following table:

		Occupied and Vacant Housing Units by Tenure 2022 Estimates				
		Total Occupied	Owner Occupied	Renter Occupied	Vacant	Total
Shelby Township	Number	722	590	132	103	825
	Percent	87.5%	81.7%	18.3%	12.5%	100.0%
Oceana County	Number	10,266	8,439	1,827	5,265	15,531
	Percent	66.1%	82.2%	17.8%	33.9%	100.0%
Michigan	Number	4,055,460	2,895,751	1,159,709	533,313	4,588,773
	Percent	88.4%	71.4%	28.6%	11.6%	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In total, there are an estimated 825 housing units within Shelby Township in 2022. Based on ESRI estimates and 2020 Census data, of the 722 total *occupied* housing units in the area, 81.7% are owner occupied, while the remaining 18.3% are renter occupied. Approximately 12.5% of the housing units within Shelby Township are classified as vacant, which is a much lower share than that reported for Oceana County (33.9%). Vacant units are comprised of a variety of units including abandoned properties, unoccupied rentals, for-sale homes, and seasonal housing units. Based on 2017-2021 American Community Survey (ACS) data, approximately 5.0% of the total housing units in Shelby Township are classified as “Seasonal or Recreational,” which is a much lower share as compared to Oceana County (30.6%). As such, the housing market in Shelby Township appears to be much less influenced by seasonal/recreational units than the overall housing market in Oceana County.

The following table compares key housing age and conditions based on 2017-2021 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											
	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
Shelby Township	54	40.9%	321	54.4%	14	10.9%	17	2.9%	0	0.0%	14	2.3%
Oceana County	598	44.1%	3,231	38.3%	161	11.9%	198	2.3%	22	1.6%	53	0.6%
Michigan	507,318	45.9%	1,373,751	47.9%	31,824	2.9%	32,450	1.1%	22,356	2.0%	16,775	0.6%

Source: American Community Survey (2017-2021); ESRI; Urban Decision Group; Bowen National Research

In Shelby Township, 40.9% of the renter-occupied housing units and 54.4% of the owner-occupied units were built prior to 1970. This represents a newer inventory of rental units and an older stock of owner units as compared to Oceana County, where 44.1% of renter-occupied units and 38.3% of owner-occupied units were built prior to 1970. Older housing units may require additional maintenance and repairs compared to newer homes, which can adversely affect affordability for owners and prospective buyers. The respective shares of renter households (10.9%) and owner households (2.9%) in Shelby Township that experience overcrowding are similar to the shares in Oceana County, but much higher than the shares at the statewide level (2.9% and 1.1%, respectively). Overcrowding can result from a combination of multiple demographic (e.g., average household size) and housing (e.g., mixture of bedroom types) factors. While renter households in Shelby Township do not appear to have issues related to incomplete plumbing or kitchens, the share (2.3%) of owner households with this issue is markedly larger than the corresponding shares for the county (0.6%) and state (0.6%). Overall, the data suggests that households in Shelby Township, particularly renter households, are much more likely to be affected by overcrowding, and owner households are more likely to have incomplete facilities as compared to households in the county and state.

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							
	2022 Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
					Renter	Owner	Renter	Owner
Shelby Township	722	\$63,077	\$123,214	\$747	30.4%	10.8%	15.4%	5.4%
Oceana County	10,266	\$58,499	\$150,985	\$771	33.2%	18.5%	16.7%	8.1%
Michigan	4,055,460	\$65,522	\$204,371	\$1,023	44.9%	18.6%	23.1%	7.4%

Source: American Community Survey (2017-2021); ESRI; Urban Decision Group; Bowen National Research

*Paying more than 30% of income toward housing costs

**Paying more than 50% of income toward housing costs

The estimated median home value in Shelby Township of \$123,214 is 18.4% lower than the median home value for the county (\$150,985) and 39.7% lower than that reported for the state. The average gross rent in Shelby Township (\$793) is 3.1% lower than the county average gross rent (\$771) and 27.0% lower than the state average (\$1,023). Overall, the shares of cost burdened renter households (30.4%) and owner households (10.8%) in Shelby Township are lower than the respective shares for the county and state. Regardless, there are an estimated 40 renter households and 64 owner households that are housing cost burdened in Shelby Township, of which approximately 20 renter households and 32 owner households are severe cost burdened. As such, affordable housing alternatives should continue to be part of future housing solutions.

Rental Housing

The renter-occupied housing in a market is generally classified in one of two categories: *multifamily apartments* or *non-conventional rentals*. Multifamily apartments are typically properties consisting of five or more rental units within a structure, while non-conventional rentals are usually defined as rental properties with four or less units within a structure. The following pages provide an analysis of the rental market within Shelby Township based on secondary data from sources such as the American Community Survey (ACS) and U.S. Census Bureau, and when applicable, includes primary data collected directly by Bowen National Research.

Multifamily Apartments

A survey of multifamily apartment properties was conducted as part of this Community Overview. The following summarizes the surveyed multifamily rental supply within Shelby Township and Oceana County. It should be noted that there were no multifamily apartment projects identified or surveyed within Shelby Township. As a result, we included information of five properties surveyed within the village of Shelby as well as within overall Oceana County as proxies for multifamily rental housing for Shelby Township.

Multifamily Supply by Product Type				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Shelby Township				
Tax Credit/Government-Subsidized	2	47	3	93.6%
Government-Subsidized	3	80	0	100.0%
Total	5	127	3	97.6%
Oceana County (Overall)				
Tax Credit	1	10	0	100.0%
Tax Credit/Government-Subsidized	4	85	3	96.5%
Market-rate/Tax Credit/Government-Subsidized	1	24	1	95.8%
Government-Subsidized	4	96	0	100.0%
Total	10	215	4	98.1%

The multifamily apartments surveyed within the village of Shelby and Oceana County illustrate the overall market conditions in the area for this segment of the housing supply. Within the village of Shelby, a total of five multifamily apartment properties were surveyed, comprising a total of 127 units. The surveyed units within the village of Shelby represent 59.1% of the total surveyed units within Oceana County. Among these, two are subsidized Tax Credit properties and three are government-subsidized (non-Tax Credit) properties. A vast majority (90.6%) of the units surveyed operate as government-subsidized units without Tax Credits (100 units) or government-subsidized units with concurrent Tax Credits (15 units). Only 12 of the surveyed units (9.4%) operate strictly under a Tax Credit program. Overall, the multifamily apartments surveyed in the village of Shelby are operating at an occupancy rate of 97.6%, which is a slightly lower occupancy rate compared to the multifamily apartments surveyed within the entirety of Oceana County, but still represents a high

occupancy rate and is indicative of a strong market for apartments. Typically, healthy, well-balanced markets have rental housing vacancy rates generally between 4% and 6%. As such, it appears the Shelby Township market has a shortage of multifamily apartments, which may represent a potential future development opportunity.

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. and account for 69.7% of the total rental units in Shelby Township. The following table illustrates the distribution of renter-occupied housing by the number of units in the structure for Shelby Township, Oceana County, and the state of Michigan.

		Renter-Occupied Housing by Units in Structure		
		1 to 4 Units*	5 Units or More	Total
Shelby Township	Number	92	40	132
	Percent	69.7%	30.3%	100.0%
Oceana County	Number	1,130	226	1,356
	Percent	83.3%	16.7%	100.0%
Michigan	Number	613,854	492,131	1,105,985
	Percent	55.5%	44.5%	100.0%

Source: American Community Survey (2017-2021); ESRI; Urban Decision Group; Bowen National Research
*Includes mobile homes and other structures

In Shelby Township, over two-thirds (69.7%) of all renter-occupied housing are non-conventional rental units (structures containing one to four units and mobile homes). This represents a smaller share of such units when compared to Oceana County (83.3%) but a much larger share as compared to the state (55.5%). While non-conventional rentals comprise a vast majority of all rental units in Shelby Township, the share (30.3%) of multifamily apartments (structures containing five or more units) in Shelby Township is notably higher than the share (16.7%) within Oceana County. Regardless, a disproportionate share of the overall rental housing stock in Shelby Township is comprised of non-conventional rentals, and this housing segment warrants additional analysis.

The following summarizes monthly gross rents for area rental alternatives based on American Community Survey estimates. These rents are for all rental product types including apartments, non-conventional rentals, and mobile homes. Since over two-thirds (69.7%) of all rentals in Shelby Township are considered non-conventional rentals, the rents in the following table provide some insight as to likely rents for non-conventional rentals in the area.

		Estimated Monthly Gross Rents by Market								
		<\$300	\$300 - \$500	\$500 - \$750	\$750 - \$1,000	\$1,000 - \$1,500	\$1,500 - \$2,000	\$2,000+	No Cash Rent	Total
Shelby Township	Number	7	34	25	31	27	2	6	0	132
	Percent	5.7%	25.5%	19.0%	23.5%	20.6%	1.2%	4.5%	0.0%	100.0%
Oceana County	Number	66	158	369	326	226	5	11	195	1,356
	Percent	4.9%	11.7%	27.2%	24.0%	16.7%	0.4%	0.8%	14.4%	100.0%
Michigan	Number	47,234	62,363	186,604	294,005	333,601	85,842	40,126	56,211	1,105,986
	Percent	4.3%	5.6%	16.9%	26.6%	30.2%	7.8%	3.6%	5.1%	100.0%

Source: American Community Survey (2017-2021); ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, over two-fifths (42.5%) of the rental units in Shelby Township have rents between \$500 and \$1,000, which is a smaller share of rents within this price range compared to Oceana County (51.2%) and the state of Michigan (43.5%). Approximately one-fifth (20.6%) of Shelby Township rental units have rents between \$1,000 and \$1,500, which is a higher share compared to the county (16.7%) and provides evidence that rent premiums can be achieved. It is also noteworthy that 31.2% of rentals in the area have rents less than \$500. It is important to understand, however, that this distribution of gross rents includes multifamily apartments, which represents 30.3% of the total rental supply in Shelby Township. As a result, it is likely that a significant share of the units with rents below \$750, particularly those under \$500, are multifamily apartments.

During the survey of Oceana County, Bowen National Research contacted several rental management companies in Oceana County for information regarding non-conventional rentals. While there were no *available* non-conventional rentals identified during our research, typical rental data was collected from each of the management companies surveyed. The following table illustrates the typical rent range of non-conventional rentals by bedroom type. Note that this data includes all of Oceana County and is not limited to Shelby Township.

Non-Conventional Rent Range	
Bedrooms	Typical Rent Range
One-bedroom	\$500 - \$800
Two-bedroom	\$600 - \$750
Three-bedroom	\$700 - \$900
Four-bedroom	\$1,400

Source: Bowen National Research

In order to gain additional perspective on the rental alternatives offered in the Shelby Township market, the following table illustrates the distribution of the renter-occupied housing by number of bedrooms based on 2017-2021 American Community Survey data.

Renter-Occupied Housing by Number of Bedrooms		
Bedroom	Number	Percent
Studio	6	4.5%
One-Bedroom	29	21.9%
Two-Bedroom	43	32.8%
Three-Bedroom+	54	40.9%
Total	132	100.0%

Source: American Community Survey (2017-2021); ESRI; Urban Decision Group; Bowen National Research

As the preceding illustrates, the largest share (40.9%) of renter-occupied housing units in Shelby Township is three-bedroom or larger units, followed by two-bedroom units (32.8%). Although the share of three-bedroom or larger units is slightly elevated compared to many markets, the rental supply in Shelby Township is reasonably well distributed among the various bedroom types.

For-Sale Housing

The following table summarizes the total number of homes sold and median sale prices during the study period.

Historical Sales (Jan. 1, 2020 through Dec. 31, 2022)		
Study Area	Homes Sold	Median Price
Shelby Township	54	\$181,000
Oceana County	1,097	\$182,900

Source: MLS (Multiple Listing Service)

As the preceding table illustrates, 54 homes were sold in Shelby Township between 2020 and 2022. This equates to approximately 18 homes sold on an annual basis, or 1.5 homes sold per month, based on the recent historical sales volume. The homes sold during this period of time had a median sale price of \$181,000, which is only marginally lower (1.0%) than the median sale price of homes sold within Oceana County during this time period.

The following table illustrates sales activity by *price point* from January 1, 2020 to December 31, 2022 for Shelby Township.

Sales History by Price (Jan. 1, 2020 through Dec. 31, 2022)		
Sale Price	Number Sold	Percent of Supply
Up to \$99,999	6	11.1%
\$100,000 to \$149,999	10	18.5%
\$150,000 to \$199,999	20	37.0%
\$200,000 to \$249,999	6	11.1%
\$250,000 to \$299,000	6	11.1%
\$300,000+	6	11.1%
Total	54	100.0%

Source: MLS (Multiple Listing Service)

Approximately two-thirds (66.6%) of the recent homes sold in Shelby Township had a sale price of less than \$200,000. Nearly two-fifths (37.0%) of homes sold during this time period were priced between \$150,000 and \$199,999, which is a price point that is typically affordable to many first-time homebuyers. Overall, 33.3% of homes sold during this time had a sale price of \$200,000 or more. As such, recent home sales in the area have been more heavily concentrated among lower- to mid-priced product. Although it appears that recent home sales within the area can accommodate home ownership for a variety of income levels, sales activity since 2020 has been relatively limited.

To better understand the overall value of the existing inventory of homes in Shelby Township, the following table illustrates the distribution of homes in the area by *estimated* home value for 2022. Note that these are estimated values provided by the owners through the American Community Survey, and as such, these values can be highly subjective. Regardless, this provides a reasonable estimate of the overall distribution of owner-occupied home values in the area.

2022 Estimated Home Value of Owner-Occupied Homes		
Estimated Home Value	Number	Percent
Up to \$99,999	274	46.5%
\$100,000 to \$199,999	213	36.1%
\$200,000 to \$299,999	73	12.4%
\$300,000 to \$399,999	18	3.0%
\$400,000+	12	2.1%
Total	590	100.0%

Source: American Community Survey (2017-2021); ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, over four-fifths (82.6%) of homes in Shelby Township have estimated values of less than \$200,000. The majority share of homes valued under \$200,000 means that home ownership in the area is likely attainable for many low- to moderate-income households and first-time homebuyers. This data indicates that there is a high likelihood that future available for-sale homes may be able to accommodate a variety of affordability levels should owners place them on the market, although there appears to be a limited inventory of homes among the higher value cohorts.

Based on information provided by the Multiple Listing Service, we identified four housing units within Shelby Township that were listed as *available* for purchase as of April 6, 2023. While it is possible that additional for-sale residential units are available for purchase, such homes were not identified during our research due to the method of advertisement or simply because the product was not actively marketed.

There are two inventory metrics most often used to evaluate the health of a for-sale housing market. This includes *Months Supply of Inventory* (MSI) and availability rate. Overall, based on the recent absorption rate of 1.5 homes sold per month in Shelby Township, the four homes listed as available for purchase represent 2.7 months of supply. Typically, healthy and well-balanced markets have an available supply that should take about four to six months to absorb (if no other units are added to the market). This means the area currently has a limited supply of for-sale homes available in the market. The four available for-sale units in Shelby Township represent 0.7% of the 590 owner-occupied units in the area. Typically, in healthy, well-balanced markets, approximately 2% to 3% of the for-sale housing stock should be available for purchase to allow for inner-market mobility and to enable the market to attract households, though due to recent national housing market pressures it is not uncommon for most markets to have an availability rate below 2.0%. Overall, the available for-sale supply in the Shelby Township market is considered very limited and indicates a likely shortage of for-sale options in the market.

The following table summarizes key attributes of the four *available* for-sale residential units for Shelby Township.

Available For-Sale Housing (As of April 6, 2023)						
Bedrooms	Bathrooms	Year Built	Square Feet	List Price	Price per Sq. Ft.	Days on Market
Three-Br.	1.5	1993	1,234	\$249,000	\$201.78	50
Three-Br.	3.0	1975	1,916	\$399,900	\$208.72	7
Four-Br.	2.0	1962	2,184	\$199,900	\$91.53	5
Four-Br.	3.0	1924	2,112	\$349,900	\$165.67	130
Average	2.5	1964	1,862	\$299,675	\$166.93	48

Source: MLS (Multiple Listing Service)

As the preceding illustrates, the four available for-sale residential units are comprised of two (2) three-bedroom units and two (2) four-bedroom units. These units have an average year built of 1964, average 1,862 square feet, and have an average list price of \$299,675. While this is a limited number of available units, the average list price of these units is considerably higher than the median sale price (\$181,000) of the recent historical sales in the area. As a result, a majority of these available homes are unaffordable to a large portion of area households.

D. CONCLUSIONS AND RECOMMENDATIONS

Demographics – Moderate overall household growth has occurred in the market since 2010; however, the number of households is projected to remain unchanged in the market through 2027. The market has a notable and growing base of seniors aged 65 and older, and there is a growing base of households between the ages of 35 and 44 in the area. Projected growth among *renter* and *owner* households over the next five years is isolated to those earning \$50,000 or more. The preceding attributes and trends will influence the area’s housing needs.

Housing Supply – The local housing supply is dominated by owner-occupied housing units. While seasonal/recreational housing is present within the market, it is much less prevalent as compared to Oceana County as a whole. Overcrowding among renter households is the most common housing issue within the market. Housing cost burden among renters and owners, while notable, is less widespread compared to the county level. Non-conventional (e.g., houses, duplexes, mobile homes, etc.) rentals represent over two-thirds of the rental supply within the market. Regardless of rental type, there appears to be very few available rentals in the market. There were four homes available for purchase in the market at the time of the survey. This represents limited available for-sale housing stock as compared to the total number of owner-occupied units in the market, and likely indicates a shortage of for-sale housing in the market.

While this is not a comprehensive Housing Needs Assessment and therefore does not include a detailed action plan, we do believe there are some initial steps the community can take to help address local housing issues.

Recommendations – Based on this analysis of the Shelby Township market, we recommend local officials, stakeholders and housing advocates consider the following to address local housing issues:

- Support efforts to encourage residential development of both rental and for-sale housing product. This can be done through such things as tax abatement, lowering or waiving development fees, donation of land, etc.
- Emphasize and support projects that consider a variety of affordability levels and target segments (e.g., seniors, individuals, young families, professionals, etc.).
- Identify and reach out to advocates, foundations, developers and investors that could be potential residential development partners.
- Reach out to and work with housing organizations and professionals that can bring expertise and increase capacity to address housing issues.
- Consider identifying possible sites for residential development and determine if the sites' appeal could be enhanced with land preparation, pre-development assistance or infrastructure help.