**A Housing Needs
Assessment of**

Mackinac County, MI

August 12, 2024

Prepared for:

Mackinac County
100 South Marley Street
St. Ignace, MI 49781

Prepared by:

Community Research Services, LLC
800 South US 27, #105
St. Johns, MI 48879
(517) 290-8116
kmurdock@cr-services.com

Table of Contents

I. INTRODUCTION

Community Research Services, LLC has been commissioned by Mackinac County to investigate housing market potential within St. Ignace and across Mackinac County. The county is located within the southeast section of Michigan's Upper Peninsula, and is adjacent to Chippewa County, Schoolcraft County, and Luce County, within the eastern section of the Upper Peninsula. St. Ignace is the largest community within the county, and is the county seat and primary economic/retail destination for the surrounding area. Mackinac Island is the other organized community within the county, and represents one of Michigan's primary tourism destination points and a significant source of leisure/tourism employment and income generation for the region. St. Ignace is approximately 66 miles from Gaylord, 125 miles from Traverse City, and nearly 300 miles from Detroit.

Community Research has been tasked to investigate the viability of various housing options, based on current and projected market conditions, identified target market segments, and the status of prevailing and projected economic conditions. Additional considerations regarding the viability of specific housing options will also be included within this report.

A specific investigation and analysis of workforce/market rate housing opportunities is also included within this analysis, based on a location just west of North State Street (Business I-75), within the northern section of St. Ignace.

The county's modern history predates the founding of the United States, with Mackinac Island's well-known heritage as a French fur trading center, then a military installation for the British. Mackinac County was first established in 1818 as Michilimackinac County, and included much of the territory north of the Detroit area. Over time the county was shifted to multiple counties across the region, to reflect increased population growth across the territory and then the State of Michigan. By 1882 the county seat was relocated from Mackinac Island to St. Ignace, and the Island shifted toward recreation and tourism. Lumber and agriculture, representing primary economic centers in the 19th Century, gave way to transportation and leisure/hospitality options at the beginning of the last century. Current economic conditions reflect a continued emphasis on tourism, along with transportation and retail services. Manufacturing occupations are a minimal portion of the local economy, while professional

Community
RESEARCH
Services, LLC

1

occupations reflect the medical and government-related options found within St. Ignace. The development of the Kewadin Casino provides further employment within the leisure/hospitality sector. As a county seat and regional retail destination point, St. Ignace will continue to exhibit professional and administrative employment. Prevailing population trends reflect a combination of an increasingly aging population, along with declining family sizes.

This analysis will attempt to quantify prevailing housing conditions, identify the community's strengths and weaknesses from a housing standpoint, ascertain gaps within the local housing marketplace, and provide recommendations for housing options that would ideally enhance the area's viability as a residential community for current and future residents.

Community
RESEARCH
Services, LLC

II. EXECUTIVE SUMMARY

The following overview highlights the major findings and conclusions reached from information collected through demographic analysis, economic observations, and primary research, resulting in recommendations for Mackinac County:

- The analysis uses St. Ignace and Mackinac County as the primary geographic areas for much of the statistical and demographic analysis. The county was also separated into eastern and western areas, providing an indication of various trends for specific sections of the county. Data on Mackinac Island is also presented and examined when necessary.

- A number of identifiable target market categories are present within the St. Ignace/Mackinac County area. While many target market categories overlap in terms of age, educational attainment, housing status, and incomes, the analysis will focus on the general categories, including:

  o Senior housing – for those persons or couples age 65 and older, that are able to live an independent lifestyle, and are primarily retired or work on a part-time basis.

  o Couples/families with moderate incomes, seeking homeownership options – for families of all ages, typically with some specialized training/education, within a wide range of occupational backgrounds.

  o Singles, couples, and small families seeking rental housing options - with moderate income levels, including both entry level and unskilled occupations, employed within retail trade, services, or leisure/hospitality positions.

- Findings within the analysis include the following:

  o St. Ignace and Mackinac County exhibit slowly declining population trends and generally stable household totals from 2020. The community is aging, and exhibits notably higher senior concentrations as compared to statewide levels. Seniors will reflect an increasing segment of the city and county's overall population, and exhibit the strongest growth patterns of any age segment.

  o Migration patterns are negative for St. Ignace, with a slight loss of population to nearly every other section of northern Michigan and the state as a whole. Conversely, migration trends for Mackinac County as a whole are slightly positive, negating these losses and featuring a surprising gain in population from outside of Michigan.

  o St. Ignace features both federal and state primary highways, providing necessary transportation linkages to destinations across the region, excellent community assets, and as part of the Straits region is a long-term tourism and retirement destination point. Mackinac Island is the state's primary tourism destination and the county's largest source of seasonal and temporary employment. All of these features are positive assets for the region.

Community
RESEARCH
Services, LLC

o Mackinac County exhibits a lower-than-average blue-collar component in terms of local employment composition, as manufacturing jobs are relatively rare. The county's professional employment sector is also a lower percentage as compared to most other regions of northern Michigan. The area's employment base is centered within leisure/hospitality occupations, and to a lesser extent retail jobs.

o The county's residential employment base is very much employed locally, within St. Ignace and other sections of Mackinac County, at approximately 80 percent countywide. Remaining employment options are located within adjacent counties.

o Information on commuting into St. Ignace indicates that the city's average daily daytime population exceeds 150 percent of the city's permanent resident total. While a positive indication of retail and service opportunities, these daily commuting totals are well below Mackinac Island, in which daytime population totals have exceeded 250 percent at times during the past decade. Given the small size of the Island's permanent population and the number of tourism jobs and attractions, these percentages are not surprising. Countywide, daytime population totals among all jurisdictions reflect approximately 120 percent of the overall population, reflecting a positive level of commuting into the area from other surrounding counties.

o County employment trends for 2023 demonstrate a recovery from the economic impacts of the pandemic. The most prominent employment segment is leisure/hospitality positions, which represented 40 percent of all jobs in 2023. Production (blue-collar) positions represented less than 14 percent of the county's employment.

o The number of senior households age 55+ will continue to increase over the balance of the decade, and is now estimated as the largest single household category within St. Ignace and across Mackinac County.

o Most renter households within St. Ignace are one-person units, either occupied by seniors or non-elderly single-person households. Conversely, the community's rental housing stock exhibits a small concentration of family-oriented rentals. Trends are somewhat more even across the county.

o Median gross rents for St. Ignace are forecast to vary little for the balance of the decade, while rents for Mackinac Island are projected to increase significantly for the next few years. These trends are primarily due to individual properties and the presence or lack of subsidies. Countywide, rental rates are forecast to increase by nearly eight percent on an average annual basis.

o Tapestry segmentation by ESRI reveals all seven segments found within Mackinac County are oriented toward seniors, and mostly lower-to-moderate incomes. With seniors aging in place and reflecting ongoing migration into the region, it would appear that prevailing incomes would reflect a combination of moderate-income households and to a lesser extent higher-income retirees.

o Home sales data for the past three months demonstrates decreasing numbers of homes sold and for sale, with a shift toward a seller's marketplace. Considering

Community
RESEARCH
Services, LLC

the increase in inflation and interest rates across the nation, these trends are not unexpected. However, the lack of supply for most housing options within Mackinac County will remain, resulting in continued housing deficiencies for most residential alternatives.

o   Existing apartments within St. Ignace are present for low-income and affordable segments. Just one market-rate rental apartment property is present within the community. Because of the degree of subsidy or income targeting within low-income and affordable facilities, affordability and price points are not problematic among existing units.

o   Seasonal/vacation homes are present throughout Mackinac County, with many found on individual lots within recreational areas, as well as part of resort communities. More than 4,500 such structures are present across the county, representing more than ½ of all housing units. Many of these units are currently being utilized as short-term rentals, and are not available for permanent residents. Compared to other communities in which short-term rentals are much more prominent, such units across Mackinac County are not as prevalent, but are very likely to increase over the next few years.

o   Similar to many other areas of Michigan, the prior decade experienced a significant drop in regard to housing development activity, reflective of the long-term impacts of the 2008 housing crisis, which resulted in the removal of housing development capacity across the state. Ultimately, such trends have led to an increasing lack of housing supply, particularly within the homeowner segment.

o   The city features a typical ratio of rental households, at 34 percent in 2024. Countywide, rental units represent an estimated 20 percent of all units, as of 2024. The western side of the county features the fewest rental units, representing just 12 percent of all households estimated for 2024.

o   Continued demand potential is present for assisted-living and memory care options, assuming a location within St. Ignace. Continued demographic growth within the senior segment, future migration by seniors from outside of the region, and aging in place by local residents that are no longer to maintain an independent living lifestyle all point to continued market potential for the balance of the decade.

o   An insufficient number of homes are available for purchase across Mackinac County, and the number of options at the key purchase range of $175,000 to $300,000 is especially inadequate. Homes within this segment of the housing market are rapidly sold, and the lack of such homes will have an increasingly unfavorable impact upon the local economy, school district, and labor force. Any opportunity for local housing development needs to place a strong emphasis on increasing the availability of these moderately-priced homes.

- Primary findings for this analysis include:
  - Mackinac County's ability to attract entry level individuals/families across the moderate-income and upper-income ranges is limited by a lack of supply of moderate and upper-moderate homes for purchase. These factors negate the strong level of placemaking assets found within the Straits area. Eventually, an increasing senior household segment and declining birthrates will lead a shift in the community's characteristics which will eventually negatively impact the school system, tax base, employment base, and retail/service availability. If the community does not find methods to attract additional families to the market area, by the early 2030s the region will rapidly age, face a shift in the local economy away from younger persons and families, and ultimately realize an unfortunate reduction in the size and earning potential of the local labor force.
  - The rental market for both St. Ignace and Mackinac Island exhibits positive characteristics, with additional demand factors present such as strong occupancy levels and a lack of new product. While economic and inflationary patterns would clearly influence the strength of the rental marketplace, the long-term pattern for this housing segment indicates ongoing market demand.
  - The placement of additional rental housing options within St. Ignace would be favorably received by potential residents. A focus upon workforce and market rate rental housing options would reflect the strongest demand levels and limited supply options. Continued demand for such units is also present for Mackinac Island, as the introduction of such units over the past three years has proven very successful.
  - Existing senior rental housing options are present within St. Ignace and Cedarville, serving both affordable and moderate-income levels. These facilities appear to adequately serve the current market demands of the community, so the demand for senior rental housing options should not be considered a primary need at this time. Future development plans for additional senior housing may become more prominent toward the end of the 2020s, and ongoing investigation of senior housing needs is encouraged, but such needs are clearly secondary to the lack of homeownership opportunities and workforce housing needs. This ongoing senior demand for housing includes both independent living and assisted living options, which should continue to demonstrate market potential over the balance of the decade within the moderate-income and higher-income segments.
  - An evaluation of a specific site for rental housing within St. Ignace was conducted, with a positive recommendation for workforce/market rate rental housing. Available evidence on the marketplace yields a positive recommendation, with suggestions regarding price points and project features indicative of moderate-income and higher-income households.

A need for additional homeownership options within the community for moderate income and higher income households is a primary recommendation from this analysis. Suggested features for such a proposal would include:

Project Type:	Single family or duplex structures with attached garage, targeted for couples and small families
Unit Mix:	Primarily 3BR/2bth structures
Targeted Incomes:	$60,000 - $150,000
Preliminary Pricing:	$175,000 - $300,000
Amenities/Features:	Commensurate with modern owner-occupied housing found across the community

Additional considerations:
- Collaboration with local employers to help streamline financing options, refer possible homebuyers to possible home alternatives, and streamline the introduction of new households into the area
- Development of additional community features or parks, assuming sufficient land/resources are present, proximate to any new housing opportunities
- Possible reduction in development-oriented costs, fees, or other barriers to the addition of new housing by local governments
- A portion of this housing demand could include some type of condominium-type development; while perhaps ideal in a downtown location, such development may not ideally fit the primary target market segments
- Suggested site locations are assumed to be proximate to St. Ignace, and the community's primary roadways, commercial centers, and retail/service outlets

A need for additional market rate rental housing is an additional recommendation from this analysis. This would address a combination of "workforce" housing and missing middle segments that are generally used for this segment's target market description. Suggested features for such a proposal would include:

Project Type:	Duplex or four-plex structures, with garage units available if feasible, targeted for singles, couples and small families
Unit Mix:	Ranging between one-bedroom/one bath and two-bedroom/two bath options

Community
RESEARCH
Services, LLC

Targeted Incomes: $35,000 - $120,000

Project Size: Between 40 to 56 units

Preliminary Pricing: Ranging between $1,375 to $1,650, depending on unit type

Suggested Features: Full kitchens with refrigerator, range, dishwasher, disposal, and microwave; central heat/air conditioning, private patio, washer/dryer units, and ample closet space. Premium kitchen fixtures and appliances. Some garage units are recommended, with available storage space. Project features to include multiple community rooms with flexible uses found throughout the site (including gaming area, theater, and exercise room), green space/walking paths, dog park, and on-site office/management. Wi-fi availability in all public areas.

Additional Considerations: The suggested location off South Airport Road in St. Ignace would be a reasonable location, preferrable to more rural locations within the surrounding townships. An alternative location proximate to the city's primary commercial corridor would also be appropriate, but such a location would likely utilize a multi-story structure on a smaller footprint.

These recommendations are preliminary only. A positive recommendation for a more specific proposal would be dependent upon the utilization of a specific targeting plan, inclusion of amenities and building design that reflects the market, availability of on-site services (if applicable), and professional preleasing and management. Assumptions also include a positive location with ample visibility and strong access from across the region, as well as no delays during the eventual development process.

Recommendations Summary Matrix

Target Market Segments – Open & Senior

Target Market	Income Eligibility Range	Approximate Demand Potential	Preliminary Recommendation
Subsidy/Affordable Rental	$20,000 to $43,000	16 units	Assumed that such units would be developed through MSHDA or a LIHTC allocation; Targeted between 40% and 60% AMI. Focus should be upon two-bedroom units; Ideal location is on west side of city, near employment & retail outlets
Workforce Housing Rental	$35,000 to $57,360	24 units	Units could be included in mixed-income property with affordable options, or options such as "Missing Middle" program; one-bedroom and two-bedroom unit mix, with community features; Ideal sites are near retail outlets
Market Rate Rental	$45,000 to $120,000	40 – 56 units	Combination of one-bedroom and two-bedroom units, perhaps studios depending on location; price points begin around $1,375; Focus on community features and options for work-at-home residents. Locations within the St. Ignace area would be ideal. Consider covered/garage parking options, on-site gym/recreation room, media center, ample community space, and services targeted for working singles.

Community
RESEARCH
Services, LLC

Target Market	Income Eligibility Range	Approximate Demand Potential	Preliminary Recommendation
Subsidy/Affordable Rental – Senior	$15,000 to $50,000	16 – 18 units	Demand for affordable senior units is primarily within the lower income bands (less than 50% AMI); a combination of affordable and market-rate units would ideally serve this market; a downtown location would be well-received; Existing properties are currently serving this target market.
Market Rate Rental - Senior	$50,500 to $120,000	20 - 24 units	Price points would begin above $1,200, with added consideration for larger unit sizes, unit location/view, and the inclusion of various personal care or in-unit services; combination of one-bedroom and two-bedroom units; a downtown location would maximize rent potential; target market would focus on independent living seniors, but those will minimal personal care needs are also of interest.
Assisted Living – Senior	Exhibits sufficient resources/wealth for assisted living residency	18 – 24 units	Base rental rate would begin at approximately $3,600, with added fees based on degree of personal care services needed, unit size, and single/double occupancy choices; Existing assisted living developments are currently meeting this segments' needs; Increasing market potential as population ages in place/migration trends continue.

Community
RESEARCH
Services, LLC

Target Market	Income Eligibility Range	Approximate Demand Potential	Preliminary Recommendation
Homeownership Options	Varies depending upon type of home, financial characteristics of the buyer, and other household or home purchase specific factors	Variable – dependent upon pricing, product, location, and target market – as the housing market does exhibit a clear lack of moderately-priced homes intended for both entry level workers or moderate-income families. This is most impactful for those households seeking to relocate to the Straits area.	The Mackinac County housing sales market is shifting into a sellers' market, based on recent sales volume trends and the short time most properties remain on the market. What is discernable is the lack of new construction for homeowners since 2010, which has led to a decreasing market volume as compared to prior decades, regardless of yearly economic factors, the pandemic, or permanent changes in the local employment base. In today's home sales marketplace, only high-end luxury-oriented homes are being produced, due to the combination of market and cost factors facing local and regional markets. Moderate-sized homes priced between $175,000 to $300,000 would represent a significant introduction to the local market that would be immediately absorbed. As such price points for homeownership development are quite difficult to create, this represents a sizable barrier in regard to increasing in-migration and positive movership trends by young adults and families – which represent the future of any community.

Community
RESEARCH
Services, LLC

Rankings – Housing Recommendations

A summary ranking of each housing recommendation discussed within the assessment:

Housing Option	Summary Comments
1) Homeownership Options	Mackinac County cannot progress economically, become more diverse demographically, or attract/maintain higher-wage positions within the area without additional homeownership options, serving primarily moderate to upper-moderate income families. At this time, this represents the primary challenge from a housing standpoint for the St. Ignace community and countywide.
2) Workforce Rental Housing	The introduction of new workforce housing will help to stabilize the local labor force and encourage long-term residency among moderate-income households
3) Market Rate Rental Housing	Such market rate options will serve new residents to the community and provide active empty nesters a new housing alternative
4) Affordable Rental Housing	Demand potential is present for additional units, but such options are present within the community, with future development dependent on continued economic stability
5) Market Rate Senior Rental Housing	Market potential for this segment will increase over time, with current demand indicative of the area's aging in place and migration by seniors from other parts of Michigan
6) Assisted Living Housing	Existing assisted living properties appear to have met demand levels, but future needs will point to added attention for this segment
7) Affordable Senior Rental Housing	Existing affordable developments are adequate for current needs, but future growth within the senior segment will necessitate additional units in the near future

Community
RESEARCH
Services, LLC

Map: Mackinac County
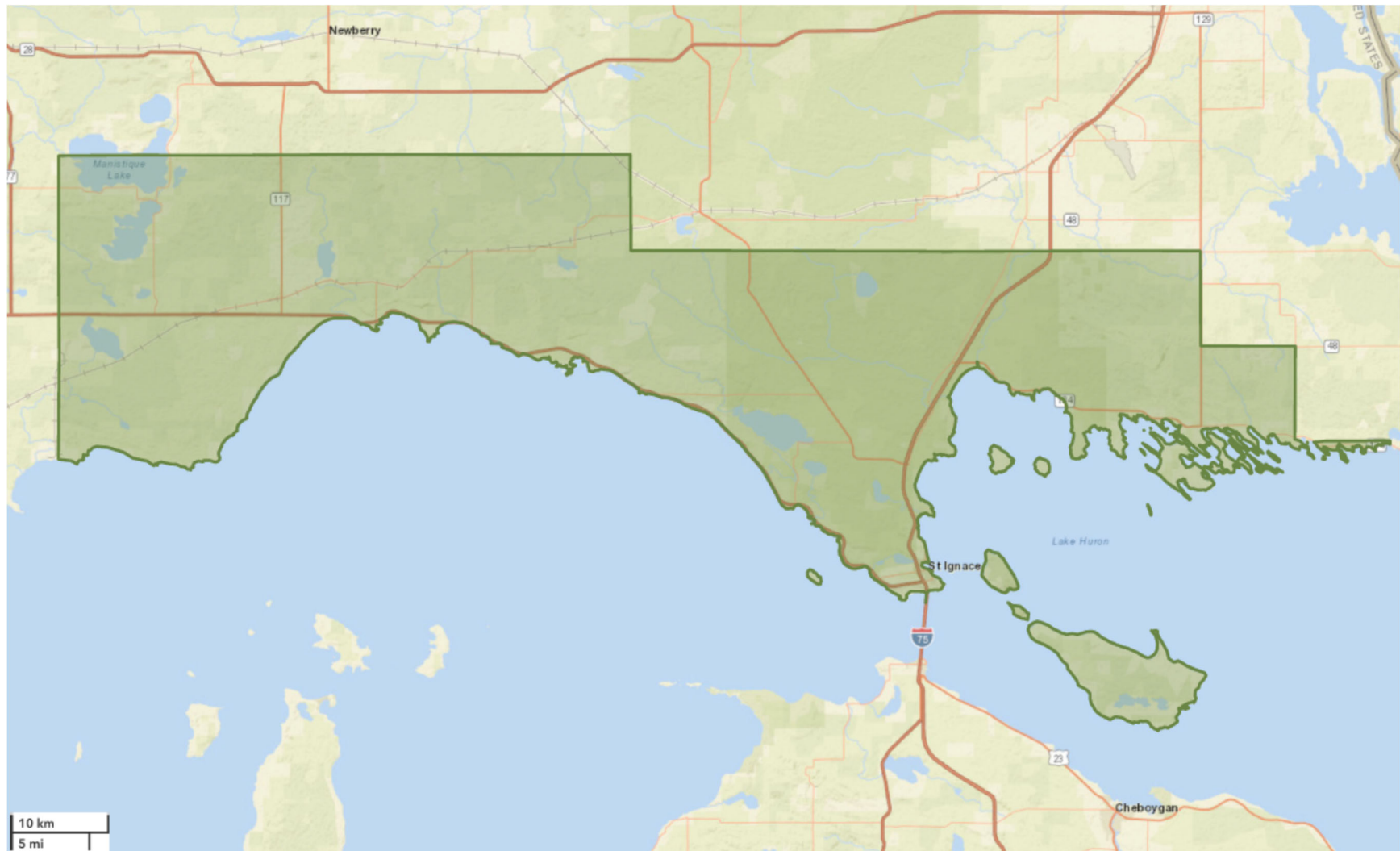
III. MARKET PROFILE

Target Market Identification

By dividing households within St. Ignace and across Mackinac County by various categories based on a combination of various factors, such as age, income, educational attainment, or employment segments, we can refine the research for this assessment with a focus on those categories that exhibit the greatest housing needs, or provide the strongest housing demand potential. Most target markets are similar across the state and nation, but identification of the specific characteristics of the St. Ignace area may point to any factors that result in the community's potentially unique housing needs.

Across Mackinac County from a demographic standpoint, no one segment of the local population is clearly dominant, as the area's population for non-adults (children), younger adults, older adults, and senior citizens is generally the same. Trends within each primary age cohort, however, are different, with notable declines forecast for younger adults and non-adults, as compared to significant gains within the senior segment. As for socio/economic categories, as a rural community Mackinac County exhibits somewhat greater concentrations of service and retail employment, with somewhat smaller concentrations of professional/managerial occupations (as compared to the more suburban/urban sections of Michigan). Prevailing incomes are a reflection of the region's industries and occupations, and outside of the Traverse City region, are generally similar to most sections of northern lower Michigan.

Ideally, a housing market that provides the widest range of choices for the broadest range of households will result in the strongest and most stable housing environment. For the Mackinac region, an imbalance appears present regarding the types of housing available as compared to the characteristics of the local/regional population. Available choices are mismatched as compared to those household segments that exhibit housing needs. This mismatch also appears present regarding the ideal household segments that would potentially relocate to the local area. Given the limited degree of migration and commuting exhibited by the Mackinac area, this lack of housing options is perhaps more impactful as compared to other northern Michigan communities.

From a local employment standpoint, a majority of the potential residents that are employed locally and currently commute from outside of the Mackinac area cannot find local residential options. This is a particularly acute problem for higher-skilled, managerial, or professional individuals/families that may wish to permanently relocate. A lack of housing diversity will also further complicate housing shortages, ultimately impacting the local economy and the viability of the community's labor force.

For this assessment, Community Research has narrowed the list of applicable target market segments to the following groups, based on the size, depth, or strength of the individual housing segment:

- Young adults with unskilled occupations in need of rental options
- Young couples/families with seeking first time home purchase
- Established couples/families interested in "move-up" homes
- Single-parent families seeking affordable housing options
- Empty nester couples seeking to downsize
- Moderate income households moving from rentals to homeownership options
- Working class households seeking non-subsidy rental housing options
- Senior citizens seeking independent living alternatives
- Senior citizens unable to live independently that are seeking a residential option

The likely market demand for housing types that may match the primary target market segments is evident to community leaders based on interviews conducted for this report. Correspondingly, the primary target market segments for this analysis will include:

- Lower-income to moderate-income non-senior households (including singles, couples, and small families), actively participating within the labor force, featuring occupations mostly within the services sector (such as retail or office positions) and leisure/hospitality sectors (hotel and resort positions), potentially seeking workforce housing options

- Moderate income households (all ages, and including singles, couples, and small families), with a wide range of backgrounds and educational attainment, many of which are relocating to the community, and feature either strong educational attainment or workforce experience that results in higher-than-average income potential. This is the "missing middle" most communities are lacking

- Moderate income to higher income senior households (age 55 and older), with minimal or no participation within the labor force, able to live an independent lifestyle, potentially seeking a rental housing option designated for senior occupancy

Community
RESEARCH
Services, LLC

- Moderate-income and higher-income seniors that are no longer able to live independently, are seeking to relocate to an assisted-living residential option, and are willing to utilize both income and wealth to support such a relocation

While vacation and second-home purchases are a definitive segment of the county's housing stock, such options are perhaps most available within the current housing market, and will not be a primary focus of this analysis.

<u>Primary and Secondary Market Area Determination</u>

St. Ignace is one of two cities within the county. Mackinac Island is also organized as a city. Remaining towns such as Cedarville, Moran, or other local areas within the county are not officially organized, with only Naubinway recognized as a Census Designated Place (CDP). As a result, the analysis will focus on St. Ignace, along with data from Mackinac Island – including both information collected for this report as well as summary information from a recently completed report conducted by our firm from earlier this year.

To evaluate the county's housing and economic statistics, the county was divided into an eastern area and western area. These two areas for some statistics will be a primary measure for demographic data. A depiction of these areas is found within the map on the following pages. For statistical demand functions, however, it was decided to utilize the entire county. Alternative communities are a notable distance away, and assuming that St. Ignace reflects a logical and historic destination point for those within the county, such assumptions was deemed logical and reasonable.

Secondary Market considerations may be somewhat more broadly defined, and at a minimum include adjacent sections of nearby counties. Contributions from outside of the county are not as likely, given the distance of other northern Michigan communities from which housing options are also somewhat lacking. While Secondary Market contributions clearly exist, it is difficult to quantify in a reasonable manner the degree of participation prior to the development of housing options. As a result, the focus for both open housing and senior housing will be Mackinac County as a whole.

Community
RESEARCH
Services, LLC

Map: City of St. Ignace

Map: Mackinac Island

Map: East Mackinac Area
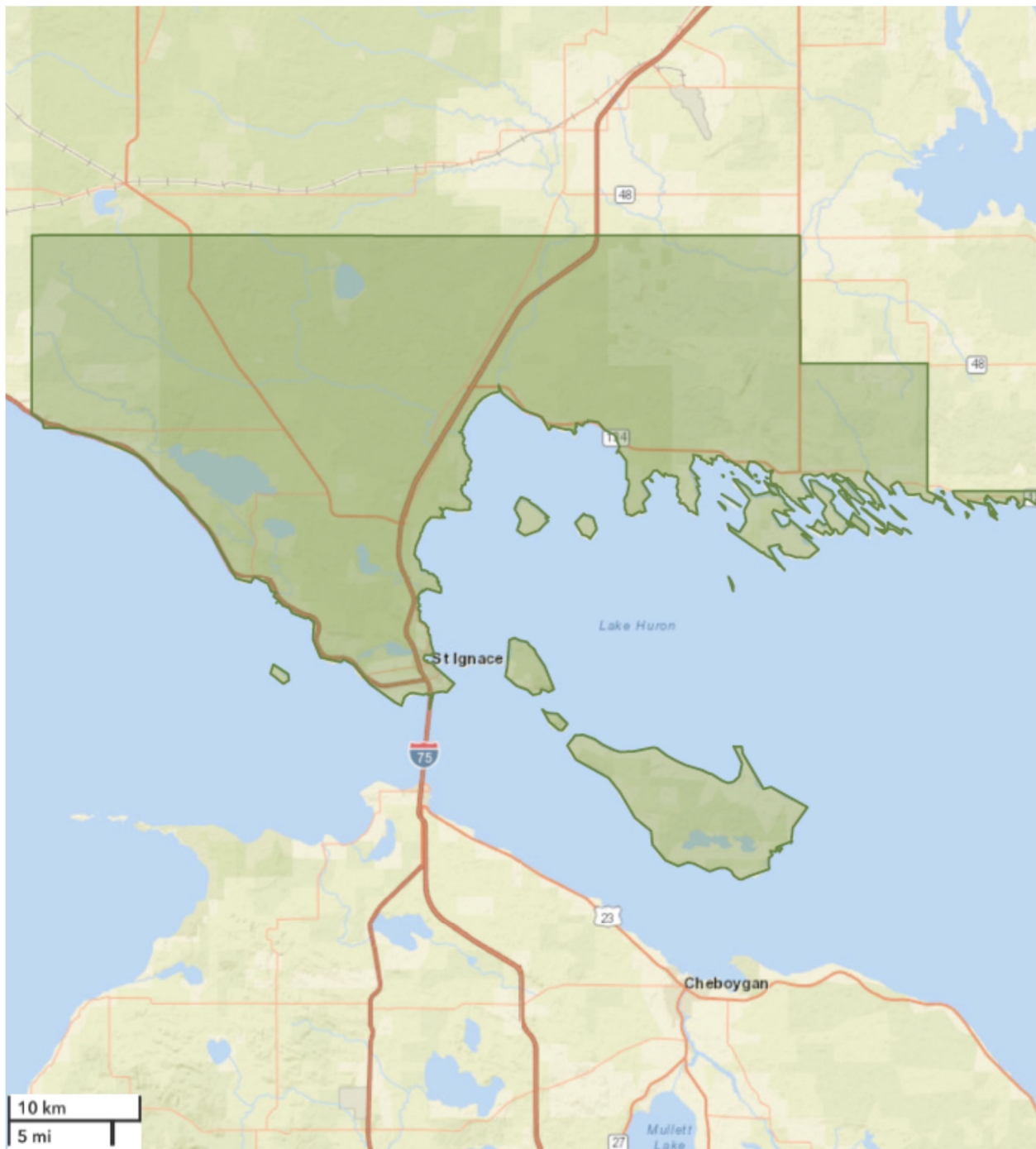
Map: West Mackinac Area

IV. DEMOGRAPHIC & ECONOMIC TRENDS

Economic Trends

Federal employment data can be categorized by the type of industry each position is based. Employment by industry data from the American Community Survey indicates the most common industry for employed residents to work in was services, which represented approximately 50 percent of local workers throughout Mackinac County. With the city this percentage was slightly higher, at 52 percent, reflective of a combination of concentrated service jobs and professional options within the city. Retail trade positions represented 13 percent of the county's labor force, while manufacturing jobs accounted for nearly 14 percent of the county's labor force. The percentage of public administration positions is approximately four percent.

Table: Employment by Industry

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
Agriculture and Mining	10	2	77	75	152
Percent	1.0%	0.4%	2.3%	7.9%	3.5%
Construction	69	34	262	83	345
Percent	7.0%	6.1%	7.7%	8.8%	7.9%
Manufacturing	21	7	137	68	205
Percent	2.1%	1.3%	4.0%	7.2%	4.7%
Wholesale Trade	10	10	26	9	35
Percent	1.0%	1.8%	0.8%	1.0%	0.8%
Retail Trade	289	53	483	94	577
Percent	29.2%	9.5%	14.2%	9.9%	13.3%
Transportation & Utilities	61	48	163	48	211
Percent	6.2%	8.6%	4.8%	5.1%	4.9%
Information	7	0	21	4	25
Percent	0.7%	0.0%	0.6%	0.4%	0.6%
Finance, Insurance, & Real Estate	24	16	240	37	277
Percent	2.4%	2.9%	7.1%	3.9%	6.4%
Services	350	370	1,617	341	1,958
Percent	35.6%	66.4%	47.8%	36.2%	45.3%
Professional & Mangerial Serv	50	31	186	17	203
Percent of All Services	14.3%	8.4%	11.5%	5.0%	10.4%
Educational & Healthcare Serv	123	17	491	254	745
Percent of All Services	35.1%	4.6%	30.4%	74.5%	38.0%
Arts/Entertainment Services	121	228	701	37	738
Percent of All Services	34.6%	61.6%	43.4%	10.9%	37.7%
Other Services	56	94	239	33	272
Percent of All Services	16.0%	25.4%	14.8%	9.7%	13.9%
Public Administration	150	17	377	187	564
Percent	15.2%	3.1%	11.1%	19.9%	13.0%

SOURCE: 2018-2022 American Community Survey, U.S. Census Bureau

Community
RESEARCH
Services, LLC

Mackinac County exhibits a minimal level of "blue collar" and manufacturing employment as compared to most other sections of northern Michigan. Leisure/hospitality jobs are most prominent.

Another way to categorize employment is by occupation categories, which reflect the type of job that a worker maintains, regardless of what type of industry it may arise. For example, a managerial or sales occupation/position may be found within a manufacturing entity. Employment by occupation data from the American Community Survey indicates the majority of workers are employed in professional, sales, or office positions. These sectors combined totaled 73 percent of the county's labor force, and 76 percent within St. Ignace. The area's concentration of "blue collar" positions represented approximately 27 percent of the labor force within Mackinac County, with a larger concentration for the county, at 28 percent. These blue-collar concentrations are higher than most nearby communities, and reflect positively upon the county with a diverse employment base for a wide range of educational backgrounds and experience levels.

A diverse employment base is an ideal goal from an economic standpoint, as no one sector of the local or regional labor force is vulnerable to downturns or other shocks to the economy. Within Mackinac County, a higher than typical concentration of blue-collar employment is clearly a positive attribute, as these manufacturing and construction positions are likely the highest wage positions within the community. It is important to differentiate these high-wage blue-collar occupations from low-skilled service-oriented positions, most of which feature lower wage levels and often are within part-time employment arrangements.

Graphic: Employment by Occupation Breakdown – Mackinac County
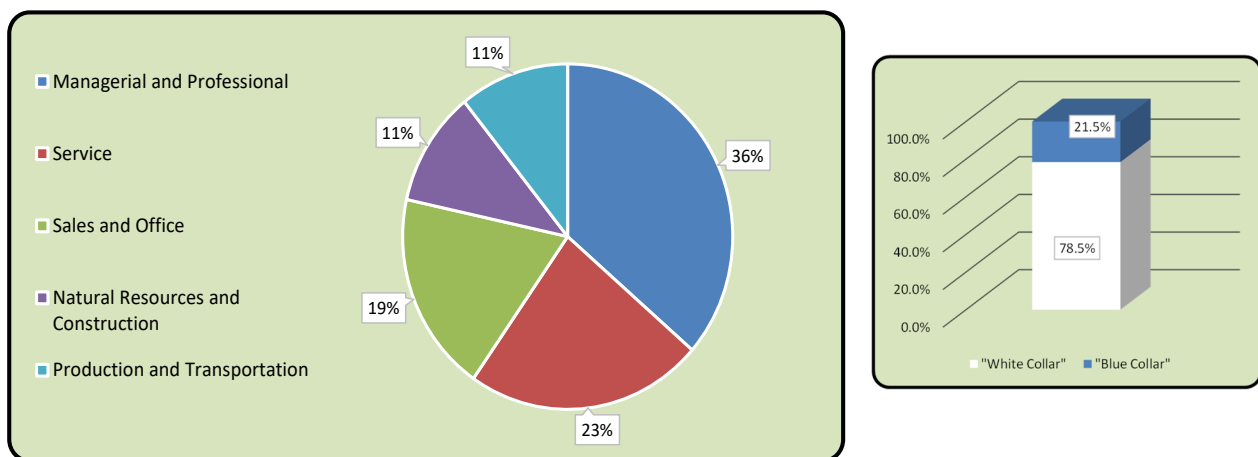
Table: Employment by Occupation

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
Managerial and Professional	**332**	**244**	**1,319**	**264**	**1,583**
Percent	33.5%	43.8%	38.8%	27.9%	36.4%
Service	**245**	**131**	**875**	**137**	**1,012**
Percent	24.7%	23.5%	25.7%	14.5%	23.3%
Sales and Office	**212**	**83**	**572**	**245**	**817**
Percent	21.4%	14.9%	16.8%	25.9%	18.8%
Natural Resources and Construction	**81**	**47**	**325**	**144**	**469**
Percent	8.2%	8.4%	9.6%	15.2%	10.8%
Production and Transportation	**121**	**52**	**312**	**156**	**468**
Percent	12.2%	9.3%	9.2%	16.5%	10.8%

SOURCE: 2018-2022 American Community Survey, U.S. Census Bureau

Commuting Patterns

The county's residential labor force is a combination of local and regional employment, with 76 percent of residential workers employed within Mackinac County. Not surprising, practically no commuters are found residing on Mackinac Island, and the percentages across the eastern area are also similarly low. The western section of the county features a nearly even combination of local and regional employment. The data within the following table reflects employed persons age 16 and older that reside within the referenced geographic area.

Graphic: Employment by Place of Work Breakdown – Mackinac County

Place of Work - Mackinac County

0%
24%
76%

■ Within County   ■ Outside of County   ■ Outside of State

Community RESEARCH Services, LLC
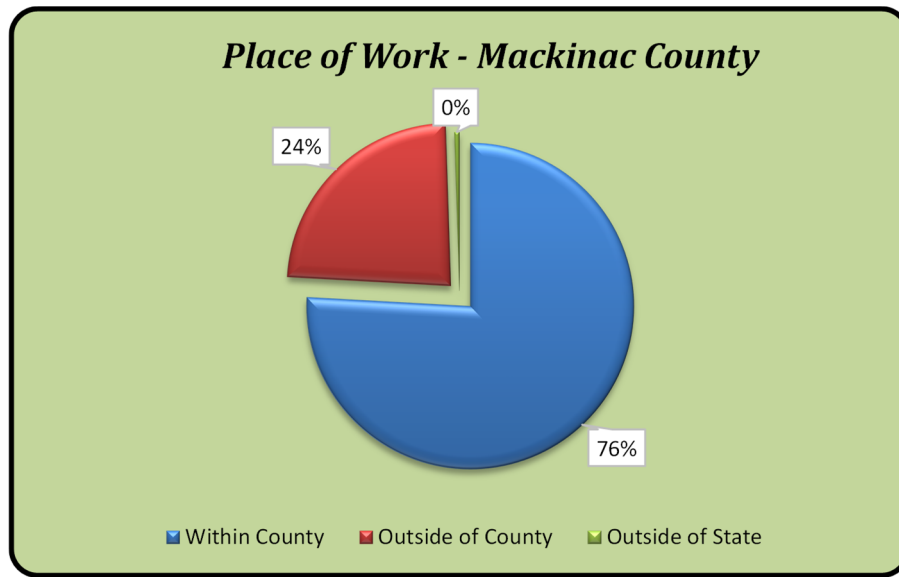
Table: Employment by Place of Work

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
Place of Work within County	**853**	**545**	**2,759**	**494**	**3,253**
Percent	87.6%	98.7%	81.7%	54.2%	75.9%
Place of Work Outside of County	**121**	**4**	**600**	**412**	**1,012**
Percent	12.4%	0.7%	17.8%	45.2%	23.6%
Place of Work Outside of State	**0**	**3**	**17**	**5**	**22**
Percent	0.0%	0.5%	0.5%	0.5%	0.5%

SOURCE: 2018-2022 American Community Survey, U.S. Census Bureau

Detailed commuting data from the American Community Survey provide an indication of the influx of workers on a daily basis, with total daytime population totals reflective of approximately 123 percent of the county's residential population. Such patterns are notably higher within retail concentrations such as St. Ignace and Mackinac Island. As indicated within the following map, St. Ignace workers are employed primarily within the city along with other sections of the county, based on comparisons of commuting data and residential employment. Residential workforce totals for the county are also concentrated within St. Ignace, as indicated within the following table and map.

Map: Daily Commuting Patterns by Minor Civil Division – Mackinac County
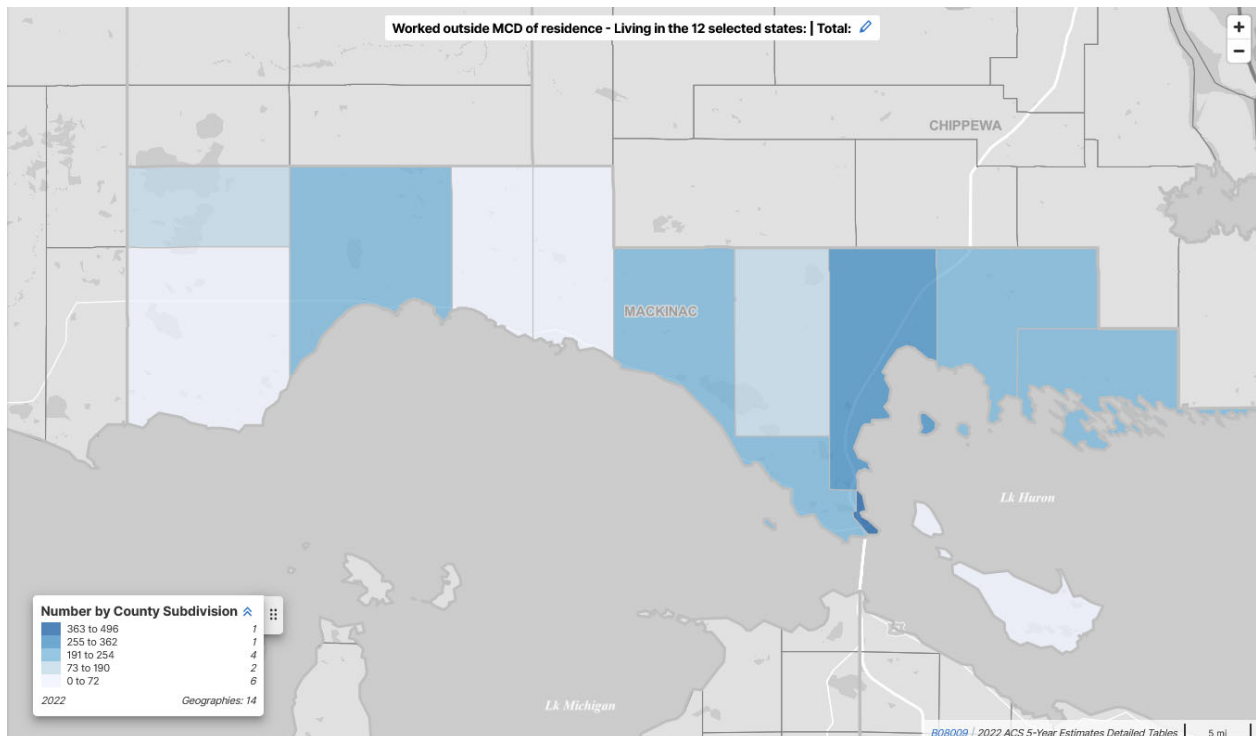
Table: Daily Commuting Patterns

	Mackinac County	Mackinac Island	St. Ignace City
Total Population - ACS Estimate	10,843	836	2,233
Total Daytime Population	13,278	1,430	3,137
Percent of Total Population	122.5%	171.1%	140.5%
Commuting Population	2,435	594	904
Percent of Total Population	22.5%	71.1%	40.5%
Resident Workforce	1,983	512	478
Percent of Total Workforce	46.3%	92.8%	49.1%

SOURCE: 2018-2022 American Community Survey, U.S. Census Bureau

Trends for commuting totals over the past decade reflect a stable pattern of residential and commuting workforce totals across Mackinac County. The ratio of daytime population to residential population has varied between 120 percent and 123 percent, with little variation across the decade. Trends within both Mackinac Island and St. Ignace, however, are notably different. On a percentage basis with Mackinac Island, the concentration of daytime population decreased over the decade, as population totals increased from 2011, with the daytime population reflecting between 160 percent and 264 percent. For St. Ignace, as population totals declined somewhat, the percentage of daytime population has increased somewhat, ranging between 132 percent and 158 percent over the past ten years. As the number of working residents within St. Ignace declines, the percentage of commuters from outside of the city has increased. This points to a potential unmet housing demand, assuming workers would prefer to reside close to their place of employment.

Graphic: Residential and Commuting Population Trends – Mackinac County

Community RESEARCH Services, LLC
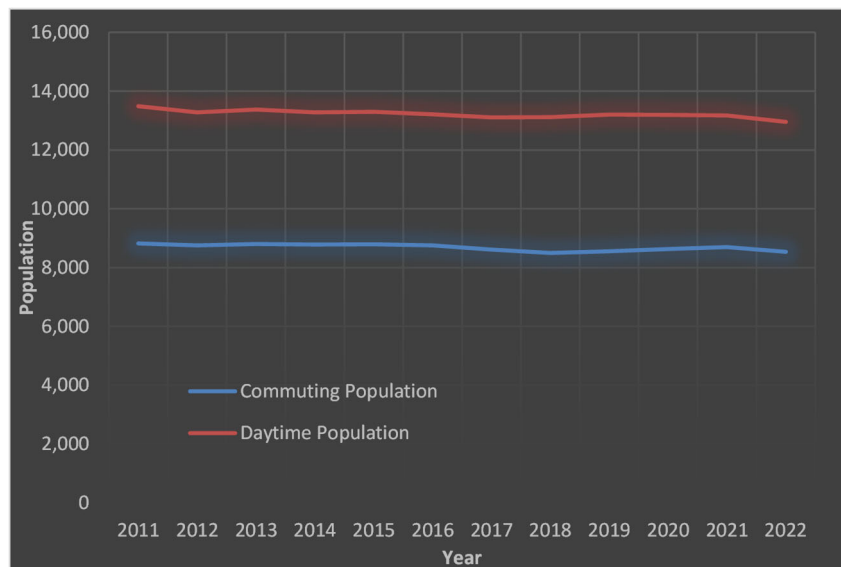
Graphic: Residential and Commuting Population Trends – Mackinac Island
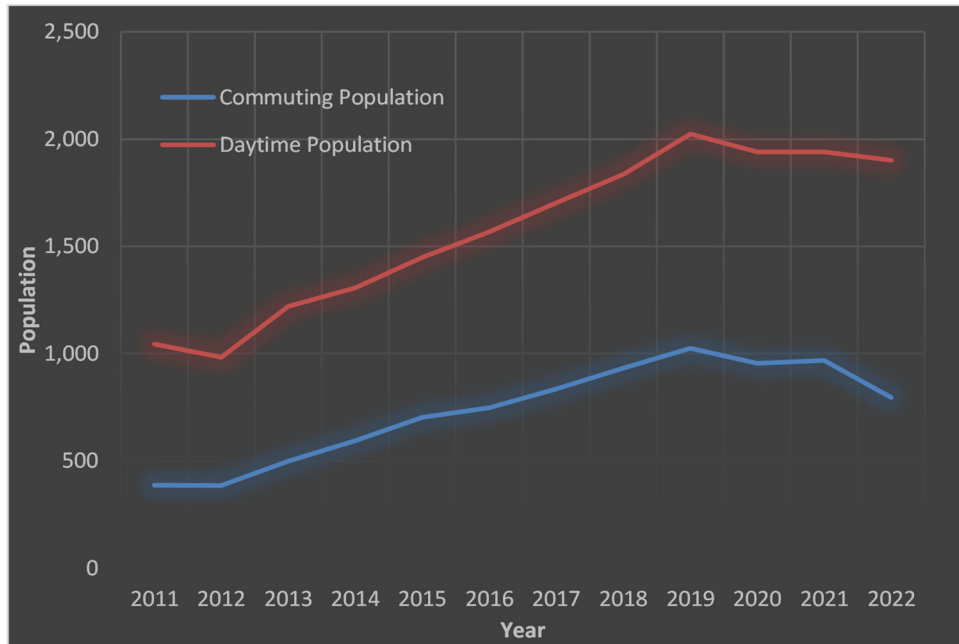
Graphic: Residential and Commuting Population Trends – St. Ignace

Community
RESEARCH
Services, LLC

26
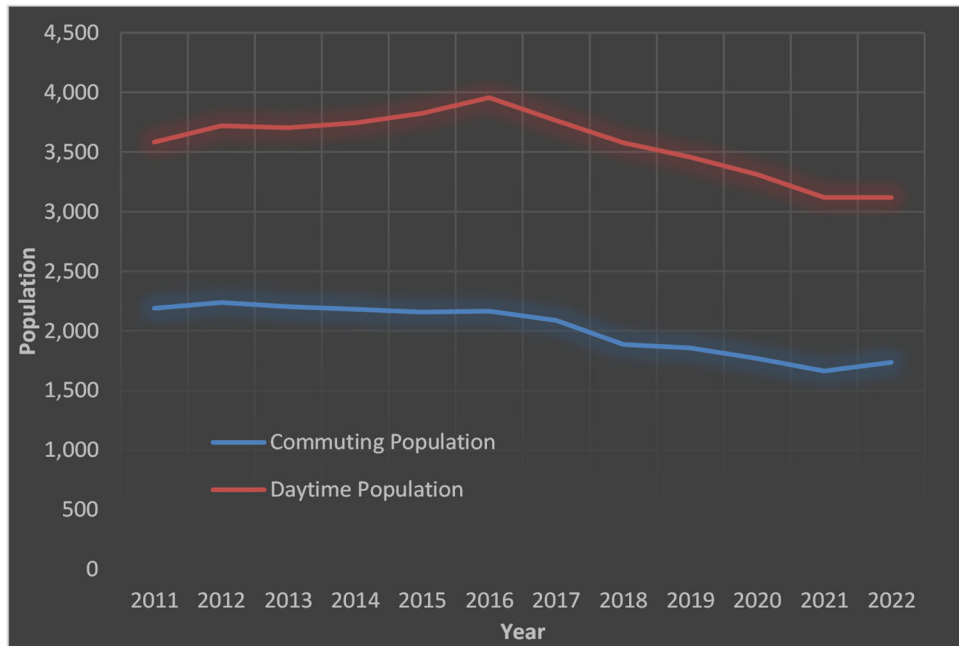
Migration Trends

Migration patterns for persons within the City of St. Ignace follow overall patterns of decline indicated by prior census data as well as ESRI forecasts. This includes losses to other portions of Mackinac County. With the exception of minimal gains from the Detroit area, St. Ignace has lost population to all nearby counties as well as other major urban centers within Michigan, including the Midland, Flint, Lansing, and Grand Rapids areas. These losses are likely due to employment shifts, and are somewhat larger on a percentage basis as compared to other migration patterns for other similarly-sized communities. The overall migration loss represents approximately 10 percent of the city's currently estimated population total.

Migration patterns are minimal for Mackinac County in comparison to adjacent counties, with slight gains from other sections of Michigan. St. Ignace demonstrates ongoing migration losses to nearly all other sections of the state and the nation overall.

This data was collected from the five-year estimates from the 2020 American Community Survey, so the migration trends are pre-pandemic, and are not influenced by the prevailing economic trends prevalent across Mackinac County and across the northern portion of the state. The data also reflects a surprisingly sizable margin of error, due to the relatively small size of St. Ignace and Mackinac County. As a result, reliance upon the specific data points is probably not suggestive, but the overall direction of the migration data is reliable, and corresponds with other population changes and shifts that have taken place over the past decade.

Graphic: Annual Net Migration – City of St. Ignace
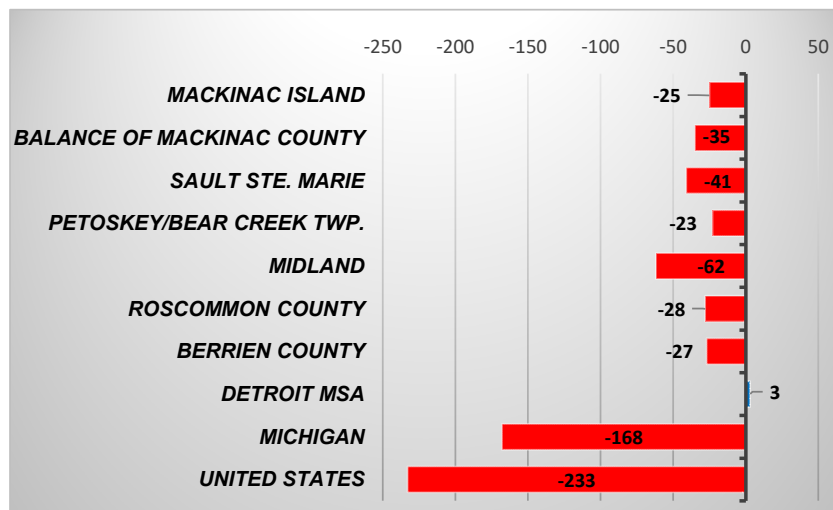
Table: Annual Migration Patterns – City of St. Ignace

	Flow Into St. Ignace	Flow Out of St. Ignace	Net Migration St. Ignace
Mackinac Island	0	25	-25
Percent of Total	0.0%	6.6%	---
Balance of Mackinac County	11	46	-35
Percent of Total	7.6%	12.2%	---
Sault Ste. Marie	0	41	-41
Percent of Total	0.0%	10.9%	---
Petoskey/Bear Creek Twp.	0	23	-23
Percent of Total	0.0%	6.1%	---
Midland	0	62	-62
Percent of Total	0.0%	16.4%	---
Roscommon County	0	28	-28
Percent of Total	0.0%	7.4%	---
Berrien County	0	27	-27
Percent of Total	0.0%	7.2%	---
Detroit MSA	21	18	3
Percent of Total	14.6%	4.8%	---
Michigan	133	301	-168
Percent of Total	92.4%	79.8%	---
United States	144	377	-233
Percent of Total	100.0%	100.0%	---

SOURCE: 2016/2020 American Community Survey, U.S. Census Bureau

An examination of migration patterns across Mackinac County provides a broader and perhaps more accurate depiction of movership patterns across the region. At the county level, migration patterns indicate net positive migration trends, negating the losses discussed previously within St. Ignace. These trends are exhibited within the following data and chart. Positive migration flows are found from nearly all counties across the state, with Chippewa County to the north one of the few exceptions.

Considering the level of net migration on an annual basis was relatively low (representing just one percent of the county's overall population), the influence of migration patterns is also low. What is also notable is that the concentration out migration was primarily within St. Ignace (at 65 percent of the county total). Such stability reflects positively upon the remaining sections of Mackinac County in terms of the employment base and placemaking/community assets.

The connection between commuting and migration patterns is telling, with generally muted or declining levels of both commuting and migration within St. Ignace, while the balance of the county features generally stable to slightly positive trends. With the size and characteristics of Mackinac County overall generally similar, it is likely that a lack of housing for those seeking to relocate to the region would yield such results in terms of longer-distance commuting, negative migration trends, and lower population totals over the last 10 to 12 years. Employment patterns for the county during the prior decade are also somewhat muted, which would also correspond with these trends. Post-pandemic trends are much more positive, and should be reflected within future migration and commuting data, which should be released within the following year by the Census Bureau. Continued employment gains will ultimately lead to an increased level of population within St. Ignace and across Mackinac County, but such improvements will not continue without the infusion of additional housing opportunities. Only through the development of housing options can migration patterns improve, resulting in the permanent relocation of new individuals and families.

It should be reiterated that the migration data is at the MCD and county level, with a high error rate. Even with this consideration, migration trends are only a small portion of the overall population base, but any trend that may impact housing demand potential would merit further examination.

Graphic: Annual Net Migration – Mackinac County

Region	Net Migration
LUCE COUNTY	21
CHIPPEWA COUNTY	-6
CHARLEVOIX COUNTY	0
CHEBOYGAN COUNTY	4
UPPER PENINSULA	21
GRAND RAPIDS MSA	12
DETROIT MSA	29
MICHIGAN	14
UNITED STATES	146

Community RESEARCH Services, LLC
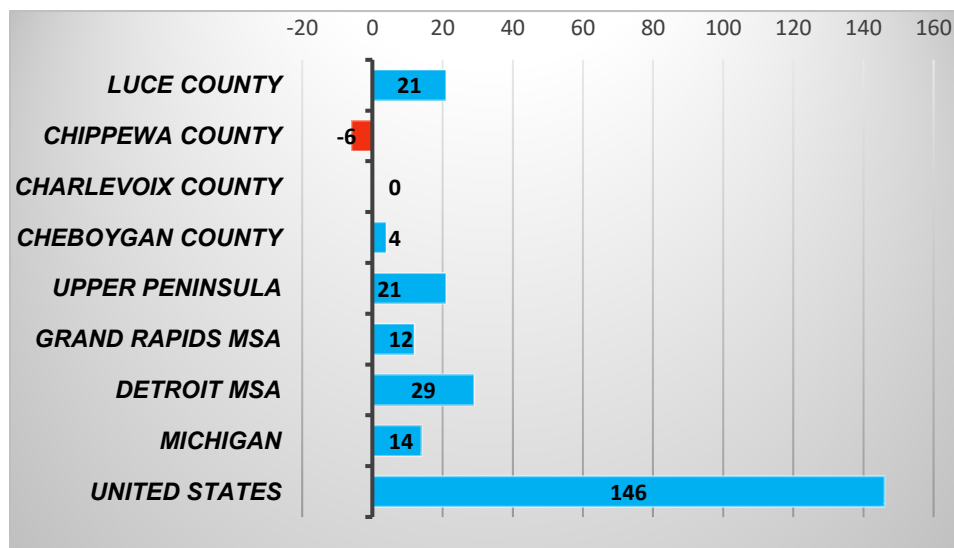
Table: Annual Migration Patterns – Mackinac County

	Flow Into Mackinac County	Flow Out of Mackinac County	Net Migration Mackinac County
Luce County	99	65	34
Percent of Total	13.6%	11.2%	---
Chippewa County	70	76	-6
Percent of Total	9.6%	13.1%	---
Charlevoix County	3	3	0
Percent of Total	0.4%	0.5%	---
Cheboygan County	4	0	4
Percent of Total	0.6%	0.0%	---
Upper Peninsula	189	168	21
Percent of Total	26.0%	28.9%	---
Grand Rapids MSA	16	4	12
Percent of Total	2.2%	0.7%	---
Detroit MSA	62	33	29
Percent of Total	8.5%	5.7%	---
Michigan	507	493	14
Percent of Total	69.7%	84.9%	---
United States	727	581	146
Percent of Total	100.0%	100.0%	---

SOURCE: 2016/2020 American Community Survey, U.S. Census Bureau

Employment Trends

Labor and employment data collected by the Bureau of Labor Statistics reflects residential employment, regardless of location (inside or outside of Mackinac County). The county has exhibited mostly stable employment trends over the past decade, but the data does reflect a decline from employment totals in the early 2000s. From the residential employment data collected from the US Bureau of Labor Statistics, a recovery from the pandemic-related decline in 2020 is reflected. Since the 2020 pandemic, the county's employment totals have increased by 14 percent, reflecting a recovery from the 2020 drop in jobs.

Mackinac County's employment base is notably lower than other northern Michigan communities such as Petoskey, Gaylord, or Sault Ste. Marie, and over the past two decades has lagged behind these areas in terms of job growth. Unemployment levels have also exceeded most other areas of northern Michigan, typical of any community with minimal manufacturing and professional employment, coupled with a higher degree of leisure/hospitality jobs.

Community
RESEARCH
Services, LLC

The county's unemployment rate for 2023 was recorded at 8.9 percent, much improved from the level of 13.6 percent recorded in 2020. Levels for the past two years are the lowest in the past two years, but are still notably higher than the state's overall unemployment levels for the same year. Michigan's unemployment rate was 3.9 percent for 2023; the national rate was reported at 3.6 percent for 2023.

For 2023, the Mackinac County employment base totaled 4,910 persons. This level is an increase of more than 600 jobs from 2020, representing the best three-year period since at least 2000. As with other sections of Michigan, the post-pandemic trends reflect a recovery of professional and most service-sector positions, with the leisure/hospitality and other unskilled jobs initially lagging in terms of recovery to pre-pandemic levels, but even this sector has improved from 2020. Monthly trends for Mackinac County reflect a high degree of seasonality, with summer employment yielding more than 6,000 total jobs and unemployment levels below four percent – significantly better than annual statistics for the county.

Graphic: Unemployment Rate Comparison
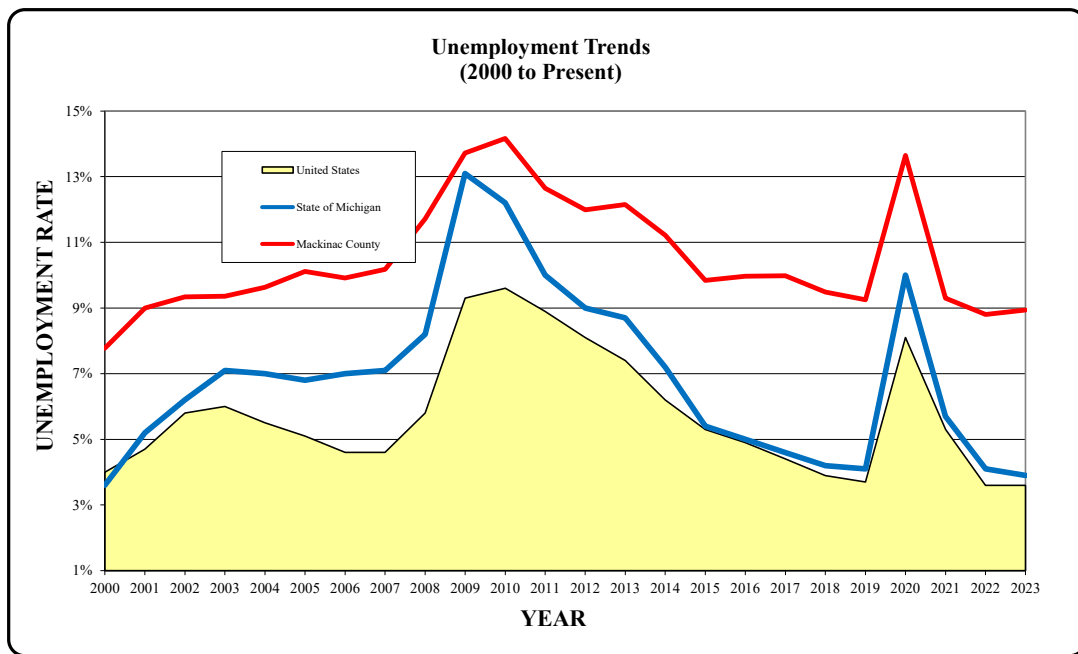
Graphic: Area Employment Trends – Mackinac County
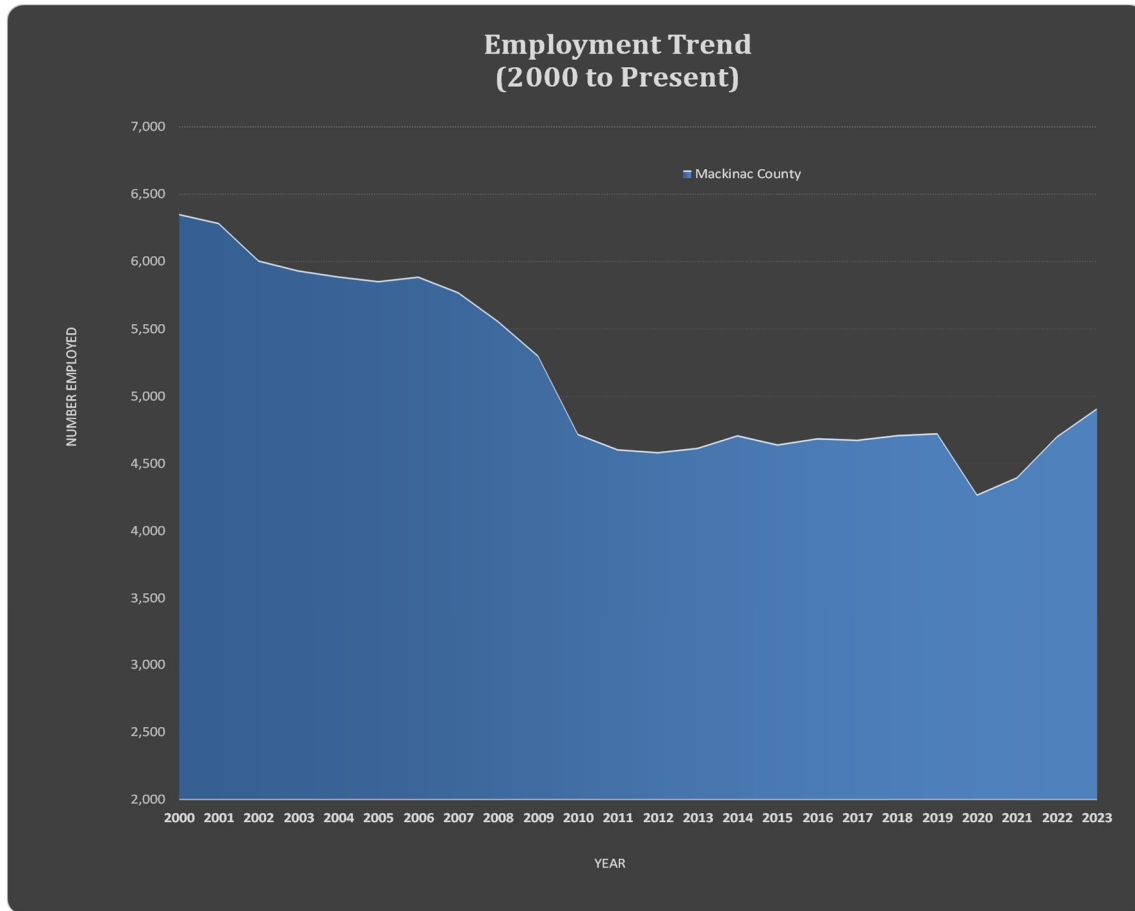
Graphic: Annual Change in Employment
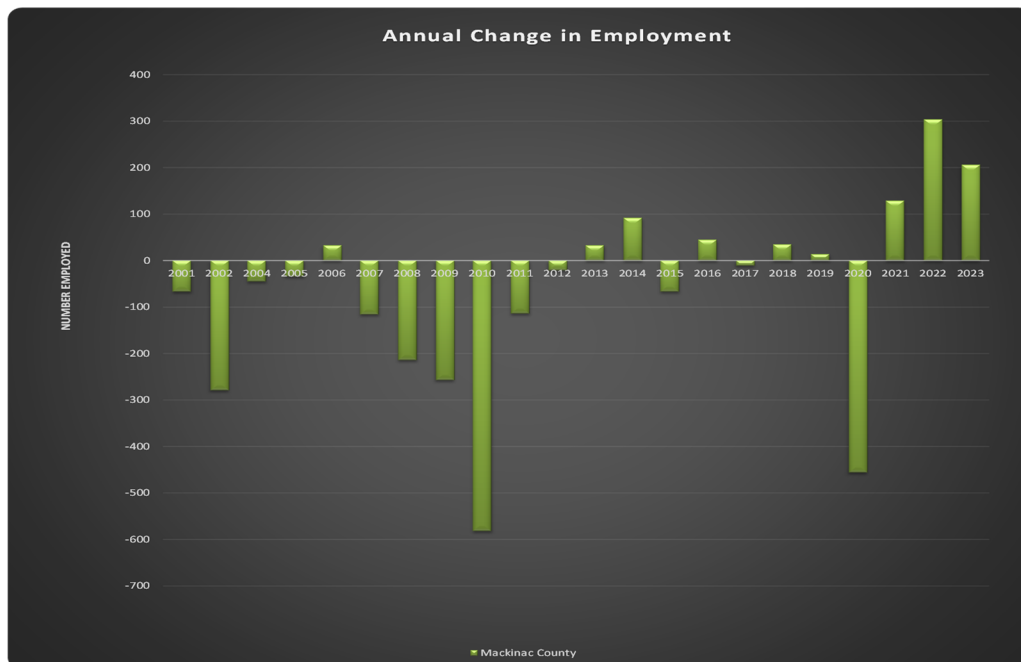
Table: Employment Trends (2000 to Present)

Year	Mackinac County				State of Michigan	United States
	Labor Force	Number Employed	Annual Change	Unemployment Rate	Unemployment Rate	Unemployment Rate
2000	6,892	6,356	---	7.8%	3.6%	4.0%
2001	6,911	6,289	(67)	9.0%	5.2%	4.7%
2002	6,629	6,010	(279)	9.3%	6.2%	5.8%
2003	6,549	5,936	(74)	9.4%	7.1%	6.0%
2004	6,519	5,891	(45)	9.6%	7.0%	5.5%
2005	6,516	5,857	(34)	10.1%	6.8%	5.1%
2006	6,538	5,890	33	9.9%	7.0%	4.6%
2007	6,428	5,774	(116)	10.2%	7.1%	4.6%
2008	6,298	5,560	(214)	11.7%	8.2%	5.8%
2009	6,146	5,303	(257)	13.7%	13.1%	9.3%
2010	5,500	4,721	(582)	14.2%	12.2%	9.6%
2011	5,274	4,607	(114)	12.6%	10.0%	8.9%
2012	5,211	4,586	(21)	12.0%	9.0%	8.1%
2013	5,258	4,619	33	12.2%	8.7%	7.4%
2014	5,306	4,711	92	11.2%	7.2%	6.2%
2015	5,151	4,644	(67)	9.8%	5.4%	5.3%
2016	5,208	4,689	45	10.0%	5.0%	4.9%
2017	5,197	4,678	(11)	10.0%	4.6%	4.4%
2018	5,207	4,713	35	9.5%	4.2%	3.9%
2019	5,209	4,727	14	9.3%	4.1%	3.7%
2020	4,946	4,271	(456)	13.6%	10.0%	8.1%
2021	4,851	4,400	129	9.3%	5.7%	5.3%
2022	5,158	4,704	304	8.8%	4.1%	3.6%
2023	5,392	4,910	206	8.9%	3.9%	3.6%
Jun-23	6,214	6,008	---	3.3%	4.1%	3.6%
Jun-24	6,711	6,465	457	3.7%	5.0%	4.1%

	Number	Percent
Change (2000-Present):	(1,446)	-22.8%
Change (2000-2008):	(796)	-12.5%
Change (2008-Present):	(650)	-11.7%

SOURCE: Bureau of Labor Statistics.

The Mackinac County employment base is highly focused within the leisure/hospitality sector, with minimal professional and manufacturing opportunities found within the county. The largest employers include the Grand Hotel, Kewadin Casino, and Mackinac Straights Hospital. Retail outlets are mostly oriented toward tourism, with few big box retailers located within the region. Local school districts, government positions at the state and local level, and smaller-sized leisure/hospitality operations reflect much of the employment base.

Wages and Income Data

At-Place employment and wage data obtained from the U.S. Census Bureau's Quarterly Census of Employment and Wages (QCEW) provides a current picture of employment distribution within Mackinac County (data is only available at the county level). This data measures both public and private sector employment trends that take place within a given county, regardless of the residence of the labor force. This is a different survey as compared to the Bureau of Labor Statistics information presented previously, and reflects local jobs within Mackinac County, regardless of the residence of the worker.

Comparisons between the residential labor force and at-place labor force reflect the county's minimal degree of commuting patterns

As can be seen within the figures on the following pages, over the past ten years Leisure/Hospitality positions remain the largest industry sector for the county, with a three percent gain in the number of jobs between 2013 and 2023. In 2023, this sector represented nearly 40 percent of the county's labor force. Trade/Transportation/Utilities jobs represented 17 percent of 2023 employment, reflecting seven percent increase from 2013. Education/Healthcare employment accounted for 13 percent of the job total, while Public Administration jobs represented nine percent of employment for 2023, within a 10 percent gain in positions within this sector. Two sectors reported declines in employment, but were minimal in terms of real numbers. Remaining categories demonstrated notable gains on a percentage basis, as indicated within the following table. Overall, public and private employment has increased by a combined nine percent between 2013 and 2023 – reflecting a recovery from the pandemic in terms of nearly all sectors from 2020.

An alternative way to illustrate employment trends within Mackinac County is a comparison of residential employment compared to at-place employment. Both statistics are collected by the U.S. Department of Labor, but are organized through separate surveys and are not meant for extensive comparisons. However, in a broad sense the total number of residential employment jobs, regardless of location (4,910 jobs, as of 2023) as compared to at-place employment (4,789 jobs, also as of 2023) shows the relatively small degree of commuting and the presence of local jobs for local residents. These trends were discussed previously, and are long-term patterns indicative of the area's characteristics regarding the proximity of other employment centers and the availability of local jobs.

Community
RESEARCH
Services, LLC

The Other Services sector exhibited the lowest average wages within the county ($29,822 in 2023). The highest average annual wages within Mackinac County are found within the professional/business services sector ($62,837), closely followed by education/healthcare ($61,820). Overall private-sector wages have increased over the past ten years, as the private sector average annual wage in 2023 was $45,702. Since 2013 this reflects an average annual rate of increase of 4.6 percent, which until recently was similar to prevailing inflationary patterns across much of Michigan.

For housing market trends to address the most attractive target market segments, the identification of gaps within the housing stock need to be identified and addressed, with the goal of providing the widest range possible of housing choices that will attract potential residents from across the region. The employment data suggests that workforce housing would represent the most likely housing option to exhibit the most prominent unmet housing needs, particularly those that reflect new residents to the community. The identification of such gaps in the housing stock will then provide local housing leaders/developers with potential pricing and amenities that would make the housing stock ideally competitive with neighboring communities.

Table: Mackinac County - Employment by Industry – 2013 to 2023

Employment Categories by Industry	*2013*		*2023*		*% Change*
	Number Employed	**Percent**	**Number Employed**	**Percent**	
Construction	246	5.6%	261	5.4%	*6.1%*
Manufacturing	87	2.0%	107	2.2%	*23.0%*
Natural Resources and Mining	158	3.6%	190	4.0%	*20.3%*
Total Production:	**491**	**11.1%**	**558**	**11.7%**	*13.6%*
Education and Health Services	522	11.8%	639	13.3%	*22.4%*
Financial Activities	102	2.3%	116	2.4%	*13.7%*
Information	22	0.5%	19	0.4%	**-13.6%**
Leisure and Hospitality	1,848	41.9%	1,905	39.8%	*3.1%*
Other Services	102	2.3%	179	3.7%	*75.5%*
Professional and Business Services	180	4.1%	135	2.8%	**-25.0%**
Trade, Transportation, and Utilities	758	17.2%	814	17.0%	*7.4%*
Public Administration	386	8.8%	424	8.9%	*9.8%*
Total Services:	**3,920**	**88.9%**	**4,231**	**88.3%**	*7.9%*
Overall Total:	**4,411**	**100%**	**4,789**	**100%**	*8.6%*

SOURCE: Bureau of Labor Statistics.

Community RESEARCH Services, LLC

Employment by Industry Trends 2013-2023

TOTAL AT-PLACE EMPLOYMENT TRENDS - 2013-2023

Community RESEARCH Services, LLC

Total At-Place Employment By Sector - 2013-2023

Legend:
- Employment - Federal Government
- Employment - State Government
- Employment - Local Government
- Employment - Private Sector

EMPLOYMENT DIFFERENTIAL - MACKINAC COUNTY

Legend:
- At Place Employment
- Residential Employment

Community
RESEARCH
Services, LLC

37

Graphic: Employment by Industry Breakdown – Mackinac County

Employment by Industry - 2023

Legend:
- Construction
- Manufacturing
- Natural Resources and Mining
- Education and Health Services
- Financial Activities
- Information
- Leisure and Hospitality
- Other Services
- Professional and Business Services
- Trade, Transportation, and Utilities

Values shown on pie: 5.4%, 2.2%, 4.0%, 13.3%, 2.4%, 0.4%, 39.8%, 3.7%, 2.8%, 17.0%
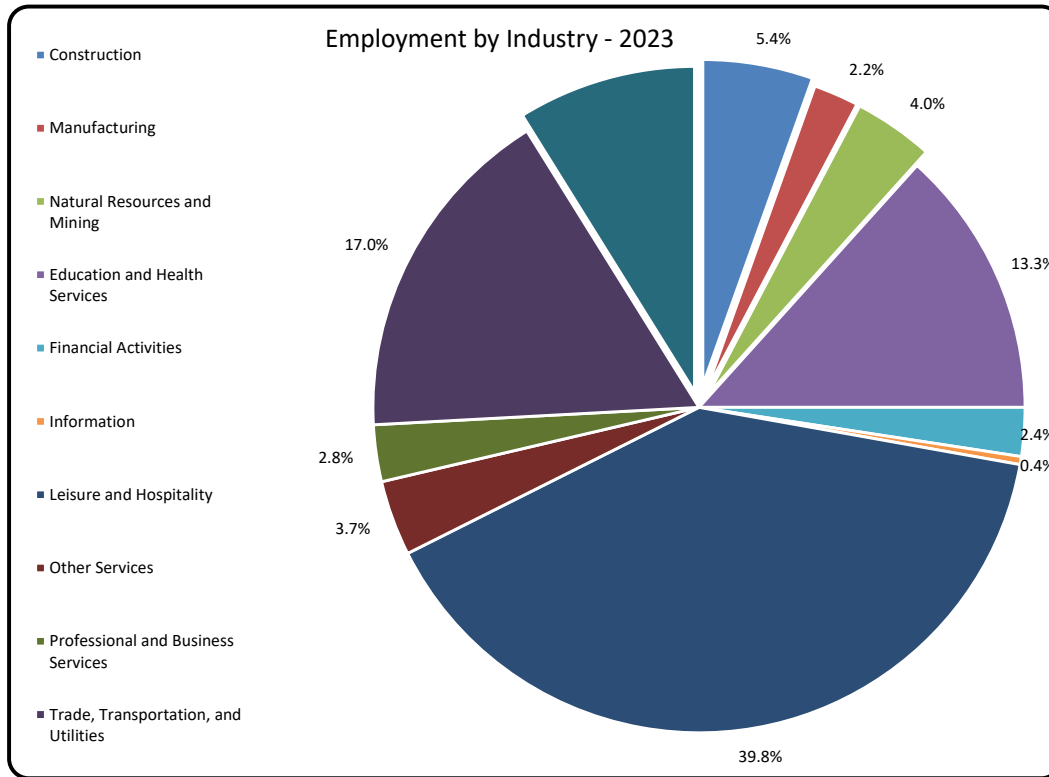
Table: Mackinac County Wage Trends by Industry – 2013 to 2023

Private Employment Categories by Industry	3Average Annual Pay - 2013	Average Annual Pay - 2023	% of Overall Average - 2023	Total % Change - 2013-2023	Average Annual % Change - 2013-2023
Construction	$32,267	$46,848	2.5%	45.2%	3.8%
Education and Health Services	$43,143	$61,820	35.3%	43.3%	3.7%
Financial Activities	$58,505	$57,926	26.7%	-1.0%	-0.1%
Information	N/A	$38,277	-16.2%	---	---
Leisure and Hospitality	$25,033	$41,550	-9.1%	66.0%	5.2%
Manufacturing	$30,794	$55,963	22.5%	81.7%	6.2%
Natural Resources and Mining	$39,422	$51,763	13.3%	31.3%	2.8%
Other Services	$17,370	$29,822	-34.7%	71.7%	5.6%
Professional and Business Services	$29,536	$62,837	37.5%	112.7%	7.8%
Trade, Transportation, and Utilities	$25,776	$42,924	-6.1%	66.5%	5.2%
Overall Average	**$29,258**	**$45,702**	---	56.2%	4.6%
SOURCE: Bureau of Labor Statistics.					

Community RESEARCH Services, LLC

Wage Trends by Sector - 2013-2023

Wage Trends by Production Industries - 2013-2023

Wage Trends by Service Industries - 2013-2023

Legend:
- Overall (Private)
- Trade/Trans./Utilities
- Information
- Finance
- Prof./Business Svs.
- Education/Healthcare
- Leisure/Hospitality
- Other Services
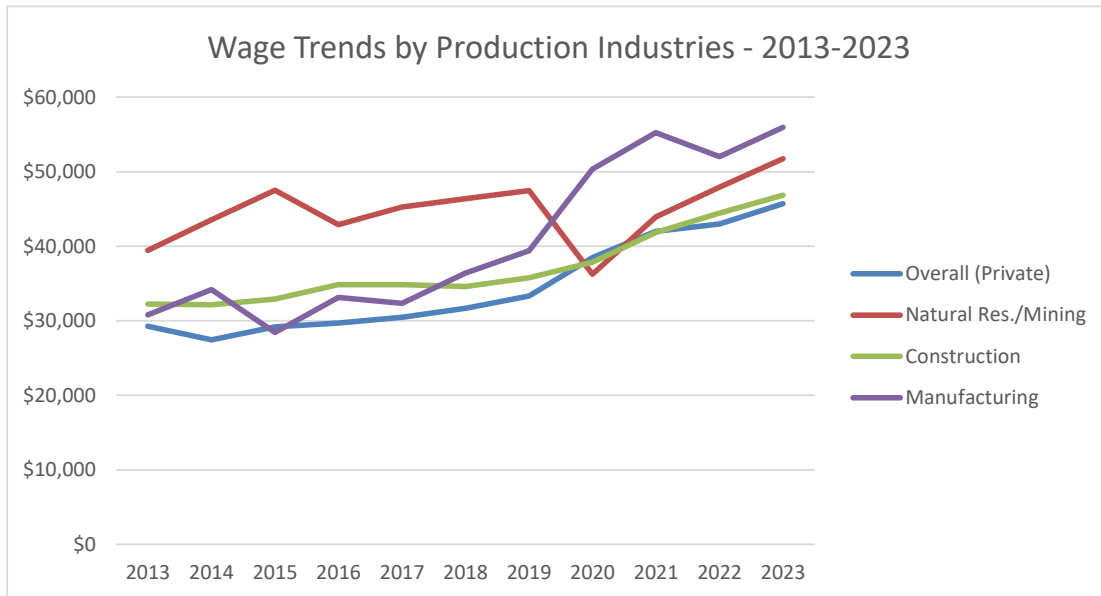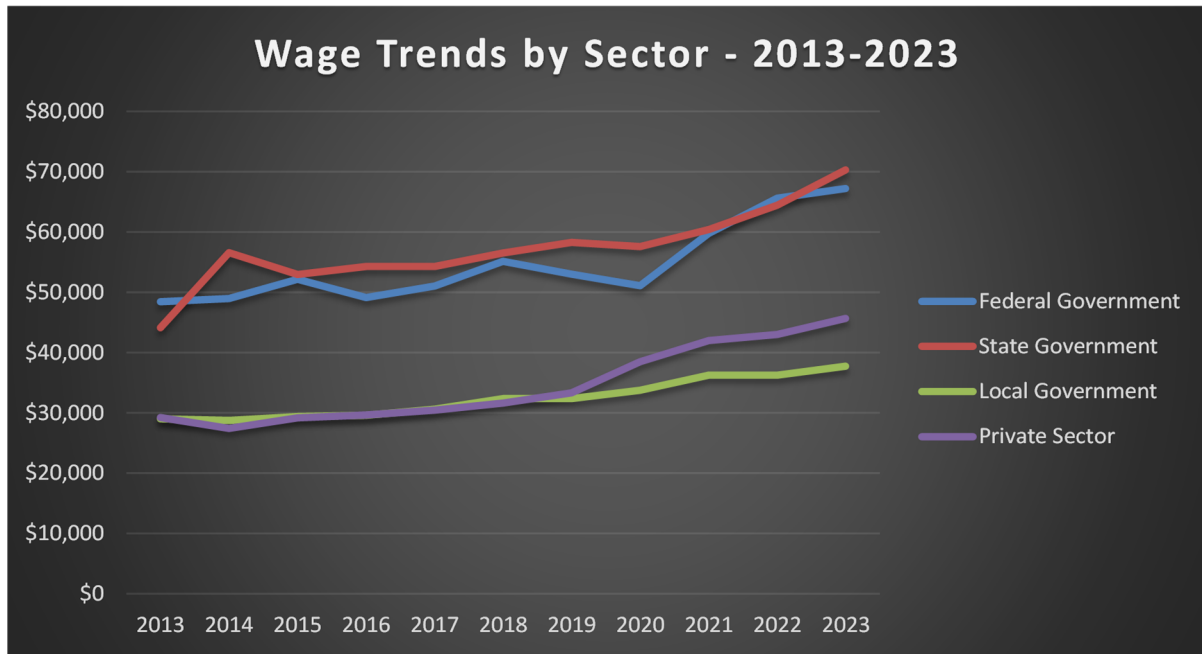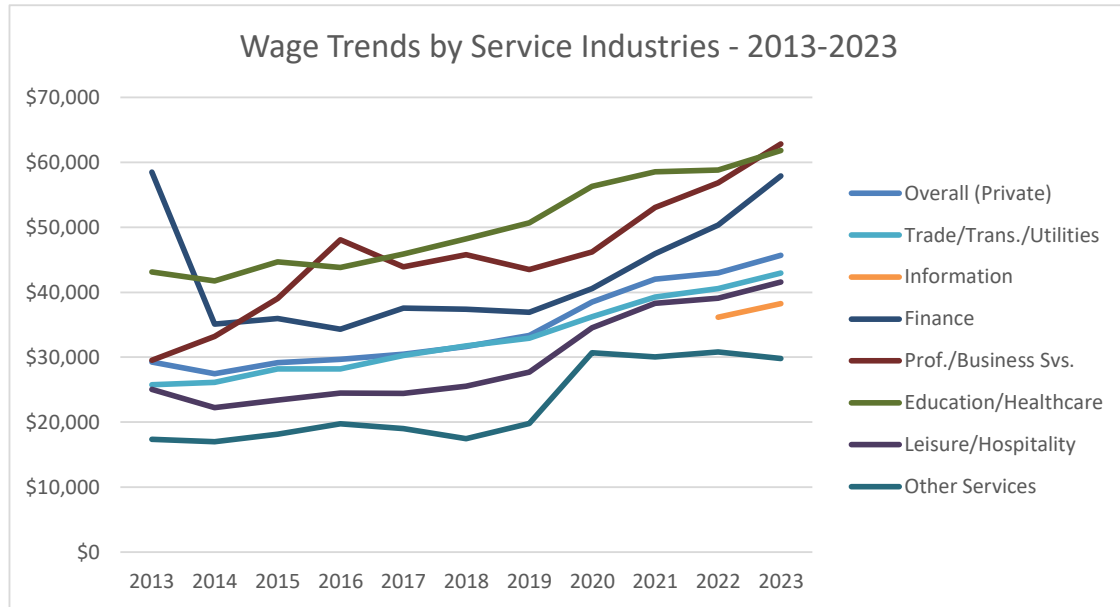
The most sizable increases in wage levels were found within the professional/business services, other services, and manufacturing segments. These wage gains were also found within the leisure/hospitality sector, with most of these gains found within the past three years. Prior years demonstrated generally flat wage/income trends, regardless of employment shifts. All but one employment category (finance) has demonstrated continued wage/income appreciation, particularly over the past three years.

Wage trends by sector illustrate the higher income levels found within federal and state government employment. By comparison, most local government and private sector jobs reflect more modest wage levels, influenced by income levels typica of leisure/hospitality and retail/service occupations.

Community
RESEARCH
Services, LLC

Population Trends

Population trends across most of the county are forecast to decline slightly, according to projections from ESRI. By 2029, population for St. Ignace is projected to total 2,189 persons, reflecting a decline of five three percent from 2020. Across the county, population totals will decline slightly by 2029, to a total of 10,740 persons. Mackinac Island is projected to increase in population, to 657 persons by 2029.

Table: Population Trends (2010 to 2029)

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
2010 Population	2,467	492	8,225	2,888	11,113
2020 Population	2,306	583	8,021	2,813	10,834
Percent Change (2010-2020)	-4.1%	11.7%	-0.1%	-1.2%	-0.4%
Average Annual Change (2010 to 2020)	-0.7%	1.7%	-0.3%	-0.3%	-0.3%
2024 Population Estimate	2,246	643	8,067	2,804	10,871
Percent Change (from 2020)	-2.6%	10.3%	0.6%	-0.3%	0.3%
Average Annual Change (2020 to 2024)	-0.7%	2.5%	0.1%	-0.1%	0.1%
2027 Population Forecast	2,212	651	8,014	2,778	10,792
Percent Change (from 2020)	-4.1%	11.7%	-0.1%	-1.2%	-0.4%
Average Annual Change (2020 to 2027)	-0.6%	1.6%	0.0%	-0.2%	-0.1%
2029 Population Forecast	2,189	657	7,979	2,761	10,740
Percent Change (from 2020)	-5.1%	12.7%	-0.5%	-1.8%	-0.9%
Average Annual Change (2020 to 2029)	-0.6%	1.3%	-0.1%	-0.2%	-0.1%

SOURCE: 2010/2020 Census of Population and Housing, U.S. Census Bureau; ESRI Business Analyst.

For this type of housing analysis, it is common to separate population totals into various age cohorts that reflect key age segments. In this analysis, this has been done as well, and include four key cohorts – Less than Age 20 (children), Age 20 to 44 (young adults), Age 45 to 65 (older adults), and Age 65 and older (seniors).

Growth in senior population, due to both aging in place and migration, represents the primary demographic change within Mackinac County.

The ideal distribution of age within a community has the largest concentrations among the younger adults and non-adult populations, which transition into increasing household totals and family creation, while allowing older adults to age in place. Across the county, the older adult segment was the largest segment, followed by seniors, both at approximately 30 percent, as of 2020. Younger adults (age 20 to 44) represented 22 percent, while non-adults (less than age 20), accounted for 18 percent in 2020, the smallest age segment

Community
RESEARCH
Services, LLC

across the region. For the sub-market segments and cities these percentages are generally similar.

According to ESRI forecasts, by 2029 the senior segment increased significantly, while non-adult/younger segments declined notably, along with the older adult segment. For Mackinac County, the senior segment increased by 16 percent, representing 35 percent of the projected 2029 population. The number of children across the county decreased by nine percent, while older adults declined by 19 percent. The younger adult segment, however, is forecast to increase by eight percent from 2020 to 2029 across Mackinac County. Much of this gain reflects an increase in the workforce on Mackinac Island. For St. Ignace, all but the senior segment is forecast to decline in terms of population by 2029, which reflects the prevailing trend in terms of persons aging in place and net migration indicative of empty nesters/retirees.

Increases within the senior segment are not surprising, and are prevalent across nearly all communities across northern Michigan. These trends are a reflection of seniors aging in place and migration of retirees and empty nesters from other sections of the state. Seniors age 55+ will soon represent essentially ½ of all persons across Mackinac County, along with most other sections of northern Michigan. Income data by age cohort indicates that the influx of retirees is a combination of lower and higher incomes, rather than a significant influx of higher-income elderly households.

The ideal trend would be continued gains within the young adult segment, coupled with non-adult/children leading to a permanent increase in the number of owner households. What is taking place across the county is a combination of seniors aging in place and in-migration of retirees from other sections of the state, coupled with young adult single households. Such trends in terms of the senior age cohort are certainly welcome, but continued pattens over time will ultimately weaken the tax base, reduce the variety of retail/commercial outlets, decrease the size and impact of the local school district, and negatively impact the size and composition of the Mackinac area's labor force. Balance and growth/stability for all age cohorts would be preferrable over the next decade and beyond.

Graphic: Mackinac County - Age Distribution (2020 to 2029)
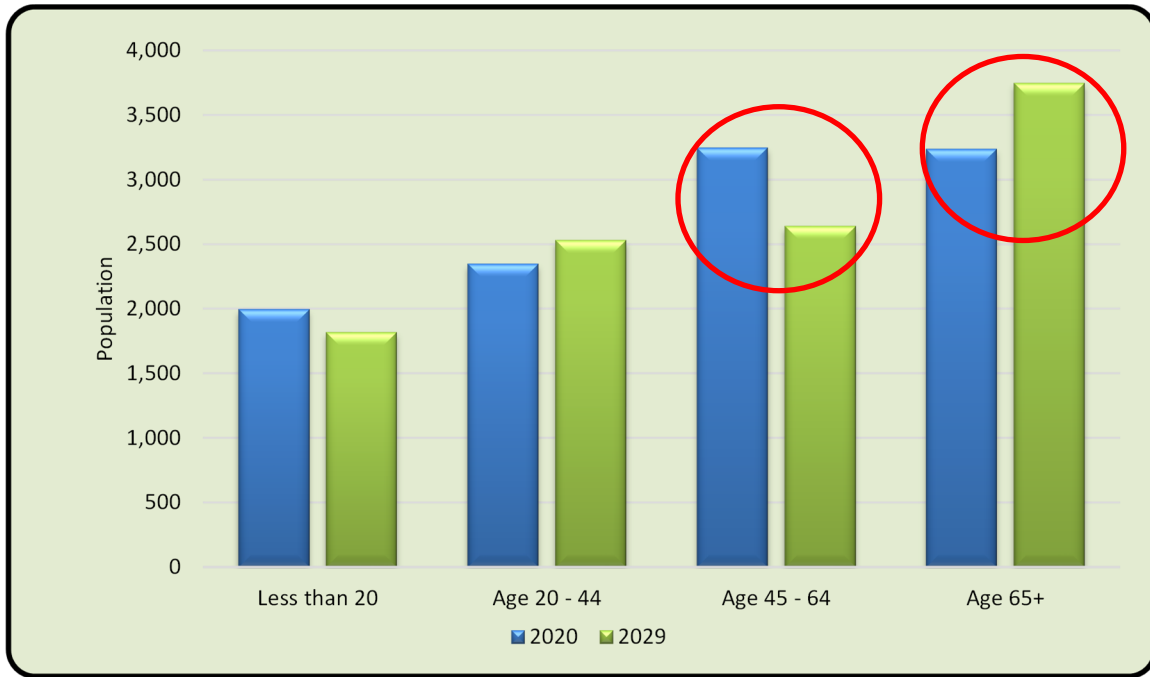
Table: Age Distribution (2020 to 2029)

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
Age Less than 20 - 2020	**448**	**87**	**1,482**	**515**	**1,997**
Percent of total 2020 population	19.4%	14.9%	18.5%	18.3%	18.4%
Age Between 20 and 44 - 2020	**590**	**182**	**1,840**	**509**	**2,349**
Percent of total 2020 population	25.6%	31.2%	22.9%	18.1%	21.7%
Age Between 45 and 64 - 2020	**644**	**181**	**2,444**	**805**	**3,249**
Percent of total 2020 population	27.9%	31.0%	30.5%	28.6%	30.0%
Age 65 and Over - 2020	**624**	**133**	**2,255**	**984**	**3,239**
Percent of total 2020 population	27.1%	22.8%	28.1%	35.0%	29.9%
Age Less than 20 - 2029	**369**	**89**	**1,365**	**455**	**1,820**
Percent of total 2029 population	16.9%	13.5%	17.1%	16.5%	16.9%
Percent change (2020 to 2029)	-17.6%	2.3%	-7.9%	-11.7%	-8.9%
Average Annual Change (2020 to 2029)	-2.1%	0.3%	-0.9%	-1.4%	-1.0%
Age Between 20 and 44 - 2029	**573**	**204**	**1,941**	**591**	**2,532**
Percent of total 2029 population	26.2%	31.1%	24.3%	21.4%	23.6%
Percent change (2020 to 2029)	-2.9%	12.1%	5.5%	16.1%	7.8%
Average Annual Change (2020 to 2029)	-0.3%	1.3%	0.6%	1.7%	0.8%
Age Between 45 and 64 - 2029	**512**	**187**	**2,000**	**641**	**2,641**
Percent of total 2029 population	23.4%	28.5%	25.1%	23.2%	24.6%
Percent change (2020 to 2029)	-20.5%	3.3%	-18.2%	-20.4%	-18.7%
Average Annual Change (2020 to 2029)	-2.5%	0.4%	-2.2%	-2.5%	-2.3%
Age 65 and Over - 2029	**735**	**177**	**2,673**	**1,074**	**3,747**
Percent of total 2029 population	33.6%	26.9%	33.5%	38.9%	34.9%
Percent change (2020 to 2029)	17.8%	33.1%	18.5%	9.1%	15.7%
Average Annual Change (2020 to 2029)	1.8%	3.2%	1.9%	1.0%	1.6%

SOURCE: 2020 Census of Population and Housing, U.S. Census Bureau; ESRI Business Analyst.

Community
RESEARCH
Services, LLC

Table: Senior Population Trends (2010 to 2029)

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
2010 Senior Population (55 years and Over)	**810**	**146**	**3,084**	**1,344**	**4,428**
Percent of total 2010 population	36.1%	22.7%	37.5%	47.9%	40.7%
2020 Senior Population (55 years and Over)	**1,008**	**236**	**3,743**	**1,498**	**5,241**
Percent of total 2020 population	43.7%	40.5%	46.7%	53.3%	48.4%
Percent change (2010 to 2020)	24.4%	61.6%	21.4%	11.5%	18.4%
Average Annual Change (2010 to 2020)	2.2%	4.9%	2.0%	1.1%	1.7%
2024 Senior Population (55 years and Over)	**994**	**262**	**3,796**	**1,499**	**5,295**
Percent of total 2024 population	44.3%	40.7%	47.1%	53.5%	48.7%
Percent change (2020 to 2024)	-1.4%	11.0%	1.4%	0.1%	1.0%
Average Annual Change (2020 to 2024)	-0.3%	2.6%	0.4%	0.0%	0.3%
2027 Senior Population (55 years and Over)	**996**	**271**	**3,795**	**1,461**	**5,255**
Percent of total 2027 population	45.0%	41.6%	47.4%	52.6%	48.7%
Percent change (2020 to 2027)	-1.2%	14.8%	1.4%	-2.5%	0.3%
Average Annual Change (2020 to 2027)	-0.2%	2.0%	0.2%	-0.4%	0.0%
2029 Senior Population (55 years and Over)	**998**	**277**	**3,794**	**1,435**	**5,229**
Percent of total 2029 population	45.6%	42.2%	47.5%	52.0%	48.7%
Percent change (2020 to 2029)	-1.0%	17.4%	1.4%	-4.2%	-0.2%
Average Annual Change (2020 to 2029)	-0.1%	1.8%	0.2%	-0.5%	0.0%
2010 Senior Population (65 years and Over)	**436**	**66**	**1,699**	**788**	**2,487**
Percent of total 2010 population	17.7%	13.4%	20.7%	27.3%	22.4%
2020 Senior Population (65 years and Over)	**624**	**133**	**2,255**	**984**	**3,239**
Percent of total 2020 population	27.1%	22.8%	28.1%	35.0%	29.9%
Percent change (2010 to 2020)	43.1%	101.5%	32.7%	24.9%	30.2%
Average Annual Change (2010 to 2020)	3.7%	7.3%	2.9%	2.2%	2.7%
2024 Senior Population (65 years and Over)	**653**	**156**	**2,470**	**1,056**	**3,526**
Percent of total 2024 population	29.1%	24.3%	30.6%	37.7%	32.4%
Percent change (2020 to 2024)	4.6%	17.3%	9.5%	7.3%	8.9%
Average Annual Change (2020 to 2024)	1.1%	4.1%	2.3%	1.8%	2.1%
2027 Senior Population (65 years and Over)	**702**	**169**	**2,592**	**1,067**	**3,659**
Percent of total 2027 population	31.7%	25.9%	32.3%	38.4%	33.9%
Percent change (2020 to 2027)	12.5%	26.8%	14.9%	8.4%	13.0%
Average Annual Change (2020 to 2027)	1.7%	3.4%	2.0%	1.2%	1.8%
2029 Senior Population (65 years and Over)	**735**	**177**	**2,673**	**1,074**	**3,747**
Percent of total 2029 population	33.6%	26.9%	33.5%	38.9%	34.9%
Percent change (2020 to 2029)	17.8%	33.1%	18.5%	9.1%	15.7%
Average Annual Change (2020 to 2029)	1.8%	3.2%	1.9%	1.0%	1.6%
2010 Senior Population (75 years and Over)	**233**	**24**	**757**	**308**	**1,065**
Percent of total 2010 population	9.4%	4.9%	9.2%	10.7%	9.6%
2020 Senior Population (75 years and Over)	**258**	**49**	**887**	**389**	**1,276**
Percent of total 2020 population	11.2%	8.4%	11.1%	13.8%	11.8%
Percent change (2010 to 2020)	10.7%	104.2%	17.2%	26.3%	19.8%
Average Annual Change (2010 to 2020)	1.0%	7.4%	1.6%	2.4%	1.8%
2024 Senior Population (75 years and Over)	**270**	**60**	**1,022**	**458**	**1,480**
Percent of total 2024 population	12.0%	9.3%	12.7%	16.3%	13.6%
Percent change (2020 to 2024)	4.7%	22.4%	15.2%	17.7%	16.0%
Average Annual Change (2020 to 2024)	1.1%	5.2%	3.6%	4.2%	3.8%
2027 Senior Population (75 years and Over)	**310**	**68**	**1,117**	**497**	**1,614**
Percent of total 2027 population	14.0%	10.4%	13.9%	17.9%	15.0%
Percent change (2020 to 2027)	33.1%	182.5%	26.0%	61.4%	51.6%
Average Annual Change (2020 to 2027)	2.7%	4.7%	3.4%	3.6%	3.4%
2029 Senior Population (75 years and Over)	**337**	**73**	**1,181**	**523**	**1,704**
Percent of total 2029 population	15.4%	11.1%	14.8%	18.9%	15.9%
Percent change (2020 to 2029)	30.6%	49.0%	33.1%	34.4%	33.5%
Average Annual Change (2020 to 2029)	3.0%	4.5%	3.2%	3.3%	3.3%

SOURCE: 2010/2020 Census of Population and Housing, U.S. Census Bureau; ESRI Business Analyst.

Community RESEARCH Services, LLC

Senior/Non-Senior Population Trends Mackinac County
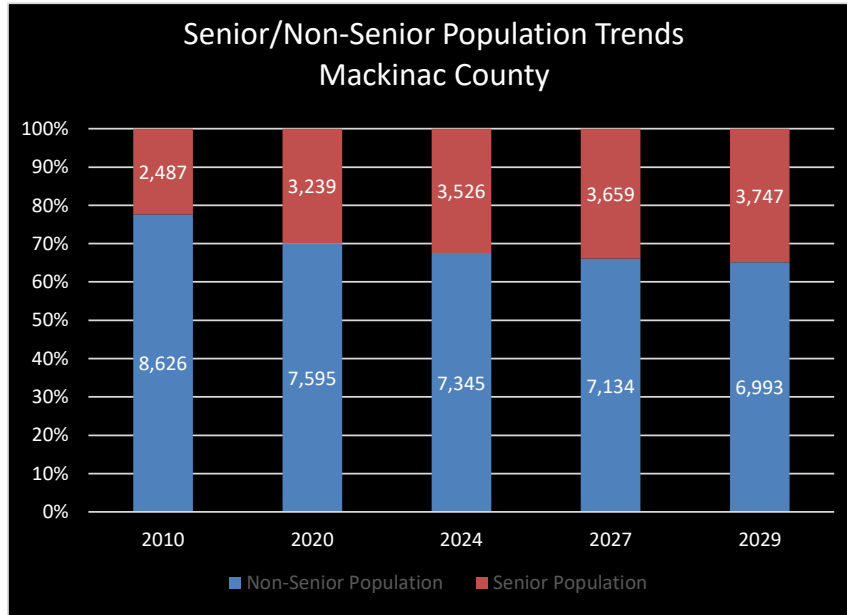
Table: Senior/Non-Senior Population Trends (2010 to 2029)

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
2010 Non-Senior Population	**2,031**	**426**	**6,526**	**2,100**	**8,626**
Percent of total 2010 population	82.3%	86.6%	79.3%	72.7%	77.6%
2020 Non-Senior Population	**1,682**	**450**	**5,766**	**1,829**	**7,595**
Percent of total 2020 population	72.9%	77.2%	71.9%	65.0%	70.1%
Percent change (2010 to 2020)	-17.2%	5.6%	-11.6%	-12.9%	-12.0%
2024 Non-Senior Population	**1,593**	**487**	**5,597**	**1,748**	**7,345**
Percent of total 2024 population	70.9%	75.7%	69.4%	62.3%	67.6%
Percent change (2020 to 2024)	-5.3%	8.2%	-2.9%	-4.4%	-3.3%
2027 Non-Senior Population	**1,510**	**483**	**5,422**	**1,711**	**7,134**
Percent of total 2027 population	68.3%	74.1%	67.7%	61.6%	66.1%
Percent change (2020 to 2027)	-10.2%	7.3%	-6.0%	-6.4%	-6.1%
2029 Non-Senior Population	**1,454**	**480**	**5,306**	**1,687**	**6,993**
Percent of total 2029 population	66.4%	73.1%	66.5%	61.1%	65.1%
Percent change (2020 to 2029)	-13.6%	6.7%	-8.0%	-7.8%	-7.9%
2010 Senior Population (65 years and Over)	**436**	**66**	**1,699**	**788**	**2,487**
Percent of total 2010 population	17.7%	13.4%	20.7%	27.3%	22.4%
2020 Senior Population (65 years and Over)	**624**	**133**	**2,255**	**984**	**3,239**
Percent of total 2020 population	27.1%	22.8%	28.1%	35.0%	29.9%
Percent change (2010 to 2020)	43.1%	101.5%	32.7%	24.9%	30.2%
2024 Senior Population (65 years and Over)	**653**	**156**	**2,470**	**1,056**	**3,526**
Percent of total 2024 population	29.1%	24.3%	30.6%	37.7%	32.4%
Percent change (2020 to 2024)	4.6%	17.3%	9.5%	7.3%	8.9%
2027 Senior Population (65 years and Over)	**702**	**169**	**2,592**	**1,067**	**3,659**
Percent of total 2027 population	31.7%	25.9%	32.3%	38.4%	33.9%
Percent change (2020 to 2027)	12.5%	26.8%	14.9%	8.4%	13.0%
2029 Senior Population (65 years and Over)	**735**	**177**	**2,673**	**1,074**	**3,747**
Percent of total 2029 population	33.6%	26.9%	33.5%	38.9%	34.9%
Percent change (2020 to 2029)	17.8%	33.1%	18.5%	9.1%	15.7%

SOURCE: 2010/2020 Census STF 1A/SF1, U.S. Census Bureau; ESRI Business Analyst.

Community
RESEARCH
Services, LLC

Another way to illustrate population shifts is to use a population pyramid, to reflect individual age group concentrations and shifts in how these groups move over time. The pyramid below is for Mackinac County, with sizable segments that reflect both the Baby Boom generation and the Millennials. As you can see, over time nearly all of the Baby Boom generation ages in place locally; the Millennials, however, appear to dissipate as the pyramid shifts from 2020 to 2029. This visualization also illustrates the increasing imbalance within the market area (along with most other sections of Michigan) in regard to increasing burdens placed upon a shrinking workforce population.

While these trends are not ideal for the St. Ignace/Mackinac area, please note that the prevailing population trends are not unique and are also found across nearly all other communities within northern Michigan and the Upper Peninsula. As discussed previously, the number of seniors and households headed by a senior citizen are to the point that school districts are rapidly depopulating, tax base issues are becoming prevalent, and the number of retail/service outlets and their composition/target market is shifting toward the senior segment. The implications for those communities are very serious into the next two decades in regard to local labor force, the availability of certain services, and the community's ability to provide public services. Without a change in such trends, Mackinac County's demographic composition in the coming decades will be heavily influenced by the senior population segment, to the detriment of other age cohorts. It is therefore important to recognize that a balanced and more diverse housing stock that would ideally stabilize the local population around a combination of families, singles, and seniors cannot be transformed quickly, but will take planned, time, and resources dedicated to the change.

Graphic: Population Pyramids by Sex – Mackinac County

	Mackinac County 2020				Mackinac County 2024				Mackinac County 2029		
Age	Male		Female	Age	Male		Female	Age	Male		Female
85+	142		189	85+	161		208	85+	199		222
80 - 84	177		195	80 - 84	203		207	80 - 84	244		279
75 - 79	312		261	75 - 79	359		342	75 - 79	369		391
70 - 74	441		430	70 - 74	454		467	70 - 74	473		484
65 - 69	536		556	65 - 69	561		564	65 - 69	539		547
60 - 64	527		548	60 - 64	515		528	60 - 64	406		405
55 - 59	460		467	55 - 59	375		351	55 - 59	348		323
50 - 54	328		316	50 - 54	332		300	50 - 54	303		252
45 - 49	310		293	45 - 49	307		251	45 - 49	310		294
40 - 44	257		219	40 - 44	260		250	40 - 44	278		248
35 - 39	240		247	35 - 39	273		232	35 - 39	264		249
30 - 34	268		235	30 - 34	264		244	30 - 34	260		236
25 - 29	216		240	25 - 29	235		230	25 - 29	282		290
20 - 24	222		205	20 - 24	266		251	20 - 24	239		186
15 - 19	294		297	15 - 19	273		221	15 - 19	224		249
10 - 14	299		219	10 - 14	252		265	10 - 14	267		241
5 - 9	219		238	5 - 9	244		202	5 - 9	229		180
0 - 4	244		187	0 - 4	241		183	0 - 4	244		186

Community RESEARCH Services, LLC

The average household size across Mackinac County is currently estimated at 2.10 persons – notably lower than statewide estimates. St. Ignace's average household size is smaller, at 1.98 persons for 2024, and 1.52 for Mackinac Island. In the future, household sizes will vary little from the current estimates.

Among seniors, the average household size is slowly rising across Mackinac County, indicative of increased senior lifespans and more senior couples continuing to reside as an independent household. Such trends should continue into the next decade and beyond.

Table: Average Household Size (2010 to 2029)

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
2010 Average Household Size	**2.24**	**2.05**	**2.22**	**2.11**	**2.19**
2020 Average Household Size	**2.10**	**1.96**	**2.12**	**2.13**	**2.13**
Percent Change (2010-2020)	-6.2%	-4.6%	-4.4%	1.0%	-3.0%
2024 Average Household Size Estimate	**1.98**	**1.52**	**2.10**	**2.11**	**2.10**
Percent Change (2020-2024)	-5.7%	-22.1%	-1.0%	-1.1%	-1.0%
2027 Average Household Size Forecast	**1.94**	**1.55**	**2.08**	**2.09**	**2.08**
Percent Change (2020-2027)	-7.8%	-20.8%	-2.0%	-2.1%	-2.0%
2029 Average Household Size Forecast	**1.91**	**1.57**	**2.07**	**2.07**	**2.07**
Percent Change (2020-2029)	-9.1%	-19.9%	-2.6%	-2.7%	-2.7%

SOURCE: 2010/2020 Census of Population & Housing, U.S. Census Bureau; ESRI Business Analyst.

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
2010 Average Household Size - Age 65+	**1.42**	**1.43**	**1.47**	**1.46**	**1.47**
2020 Average Household Size - Age 65+	**1.56**	**1.69**	**1.56**	**1.60**	**1.57**
Percent Change (2010-2020)	9.7%	17.7%	5.9%	9.6%	7.0%
2024 Average Household Size Estimate - Age 65+	**1.46**	**1.87**	**1.56**	**1.60**	**1.57**
Percent Change (2020-2024)	-6.8%	10.5%	-0.1%	0.3%	0.0%
2027 Average Household Size Forecast - Age 65+	**1.47**	**1.91**	**1.56**	**1.60**	**1.57**
Percent Change (2020-2027)	1.4%	3.6%	0.0%	-0.4%	-0.1%
2029 Average Household Size Forecast - Age 65+	**1.48**	**1.93**	**1.56**	**1.60**	**1.57**
Percent Change (2020-2029)	-5.5%	14.5%	0.0%	-0.1%	-0.1%

SOURCE: 2010/2020 Census of Population & Housing, SF1, U.S. Census Bureau; ESRI Business Analyst.

Household Trends

Households across Mackinac County are forecast to slowly increase over the balance of the decade. By 2029 the county is projected to contain 5,132 households, reflecting an increase of two percent from 2020. For St. Ignace, households are forecast to increase by three percent by 2029, totaling 1,083 households.

Community
RESEARCH
Services, LLC

Table: Household Trends (2010 to 2029)

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
2010 Households	**1,068**	**240**	**3,661**	**1,363**	**5,024**
2020 Households	**1,047**	**293**	**3,721**	**1,319**	**5,040**
Percent Change (2010-2020)	-2.0%	22.1%	1.6%	-3.2%	0.3%
Average Annual Change (2010 to 2020)	-0.2%	2.0%	0.2%	-0.3%	0.0%
2024 Household Estimate	**1,073**	**296**	**3,782**	**1,329**	**5,111**
Percent Change (2020-2024)	2.5%	1.0%	1.6%	0.8%	1.4%
Average Annual Change (2020 to 2024)	0.6%	0.3%	0.4%	0.2%	0.4%
2027 Household Forecast	**1,079**	**297**	**3,793**	**1,330**	**5,124**
Percent Change (2020-2027)	3.1%	1.2%	1.9%	0.8%	1.7%
Average Annual Change (2020 to 2027)	0.4%	0.2%	0.3%	0.1%	0.2%
2029 Household Forecast	**1,083**	**297**	**3,801**	**1,331**	**5,132**
Percent Change (2020-2029)	3.4%	1.4%	2.1%	0.9%	1.8%
Average Annual Change (2020 to 2029)	0.4%	0.2%	0.2%	0.1%	0.2%

SOURCE: 2010/2020 Census of Population and Housing, U.S. Census Bureau; ESRI Business Analyst.

St. Ignace's rental housing stock is a combination of subsidy units, senior-designated apartments, mobile homes, and single-family homes for rent. It is highly likely that the available supply of rentals does not match the characteristics of the market demand.

St. Ignace features an estimated occupied renter household percentage of 34 percent, with a total of 364 units, as estimated by ESRI for 2024. Across Mackinac County, rental units represent an estimated 20 percent of all households in 2024 (1,026 units). This concentration of rentals is typical of most communities the size and characteristics of the Mackinac area, and under normal conditions should be more than sufficient to meet the needs of the area. However, the lack of new housing supply over the past decade has resulted in an increasingly limited housing market across all types and price points; from a rental standpoint such trends result in longer residency within existing units, and a slower than typical turnover of units available for new households to the community.

Without a specific count and survey of all available rental units of all types, it is not possible to definitively qualify how many units are available for persons at various income levels, but this does correspond with the most current American Community Survey data. It is highly likely, however, based on field reviews, interviews with local housing leaders, and available data on the local rental market, that an insufficient number of these rental homes are available for moderate and higher-income households. This lack of housing options for the most sought-after population segments inhibits the community's ability to compete with nearby cities

Community
RESEARCH
Services, LLC

such as Traverse City or Sault Ste. Marie that may have a greater degree of housing options available. As a result, despite a large number of rental units within the community, an insufficient number of rental units are likely present for renters within key target market segments.

Graphic: Household Tenure Breakdown
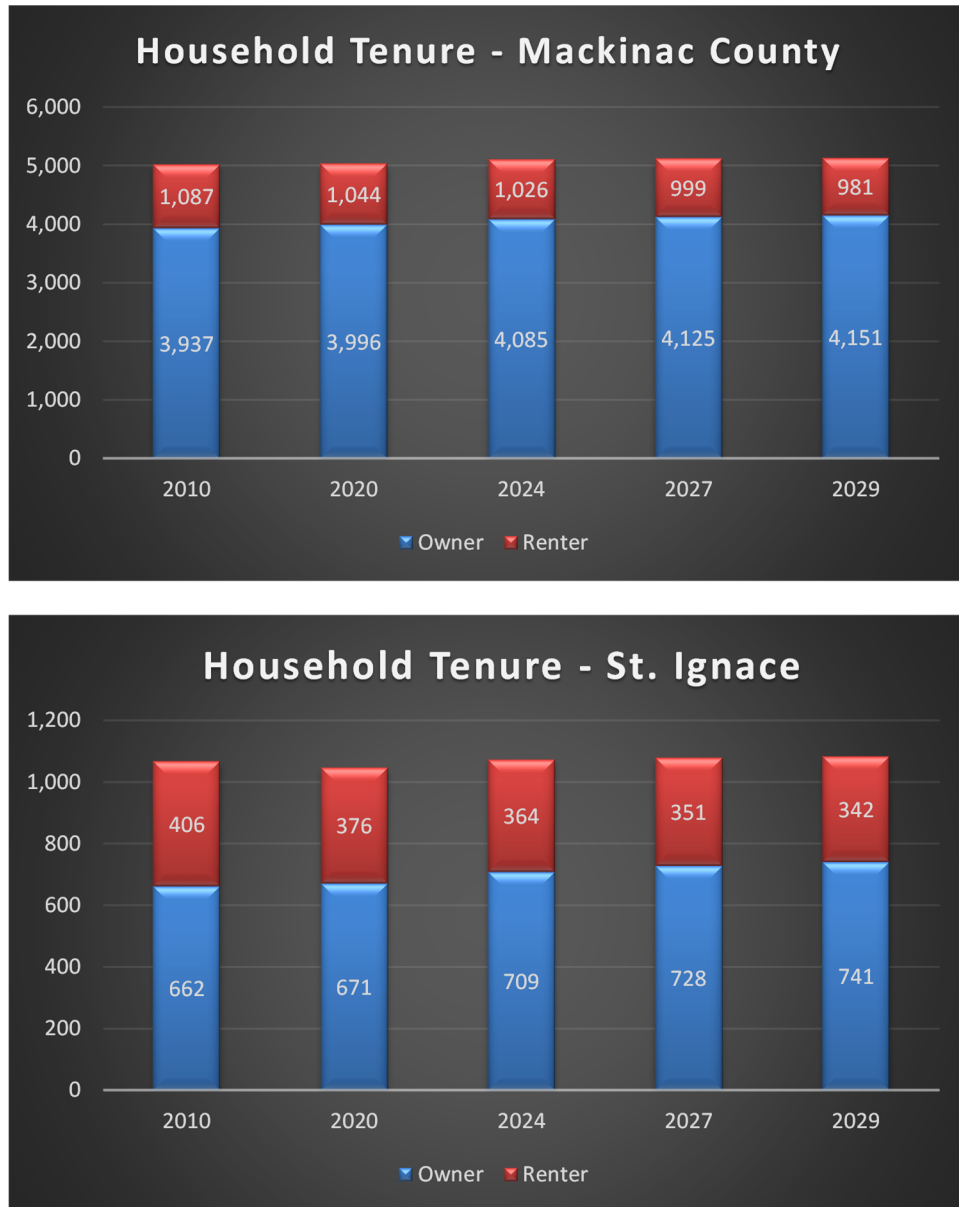
Table: Households by Tenure (2010 to 2029)

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
2010 Renter-Occupied Households	**406**	**104**	**893**	**194**	**1,087**
Percent of total 2010 households	38.0%	43.3%	24.4%	14.2%	21.6%
2020 Renter-Occupied Households	**376**	**123**	**867**	**177**	**1,044**
Percent of total 2020 households	35.9%	42.0%	23.3%	13.4%	20.7%
Percent change (2010 to 2020)	-7.4%	18.3%	-2.9%	-8.8%	-4.0%
2024 Renter-Occupied Households	**364**	**121**	**860**	**166**	**1,026**
Percent of total 2024 households	33.9%	40.9%	22.7%	12.5%	20.1%
Percent change (2020 to 2024)	-3.2%	-1.6%	-0.8%	-6.2%	-1.7%
2027 Renter-Occupied Households	**351**	**119**	**834**	**165**	**999**
Percent of total 2027 households	32.5%	40.0%	22.0%	12.4%	19.5%
Percent change (2020 to 2027)	-6.7%	-3.6%	-3.9%	-6.6%	-4.3%
2029 Renter-Occupied Households	**342**	**117**	**816**	**165**	**981**
Percent of total 2029 households	31.6%	39.4%	21.5%	12.4%	19.1%
Percent change (2020 to 2029)	-9.0%	-4.9%	-5.9%	-6.8%	-6.0%
2010 Owner-Occupied Households	**662**	**136**	**2,768**	**1,169**	**3,937**
Percent of total 2010 households	62.0%	56.7%	75.6%	85.8%	78.4%
2020 Owner-Occupied Households	**671**	**170**	**2,854**	**1,142**	**3,996**
Percent of total 2020 households	64.1%	58.0%	76.7%	86.6%	79.3%
Percent change (2010 to 2020)	1.4%	25.0%	3.1%	-2.3%	1.5%
2024 Owner-Occupied Households	**709**	**175**	**2,922**	**1,163**	**4,085**
Percent of total 2024 households	66.1%	59.1%	77.3%	87.5%	79.9%
Percent change (2020 to 2024)	5.7%	2.9%	2.4%	1.8%	2.2%
2027 Owner-Occupied Households	**728**	**178**	**2,960**	**1,165**	**4,125**
Percent of total 2027 households	67.5%	60.0%	78.0%	87.6%	80.5%
Percent change (2020 to 2027)	8.5%	4.7%	3.7%	2.0%	3.2%
2029 Owner-Occupied Households	**741**	**180**	**2,985**	**1,166**	**4,151**
Percent of total 2029 households	68.4%	60.6%	78.5%	87.6%	80.9%
Percent change (2020 to 2029)	10.4%	5.9%	4.6%	2.1%	3.9%

SOURCE: 2010/2020 Census of Population and Housing, U.S. Census Bureau: ESRI

Community RESEARCH Services, LLC

Table: Owner Households by Size

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
Total Occupied Owner Units	675	134	2,786	1,187	3,973
1 Unit	649	111	2,560	1,065	3,625
% of Total	96.1%	82.8%	91.9%	89.7%	91.2%
2 to 4 Units	9	5	20	0	20
% of Total	1.3%	3.7%	0.7%	0.0%	0.5%
5 to 19 Units	5	12	23	0	23
% of Total	0.7%	9.0%	0.8%	0.0%	0.6%
20 to 49 Units	0	0	0	2	2
% of Total	0.0%	0.0%	0.0%	0.2%	0.1%
50 or more Units	0	0	0	4	4
% of Total	0.0%	0.0%	0.0%	0.3%	0.1%
Mobile Home/Boat/Other	12	6	183	116	299
% of Total	1.8%	4.5%	6.6%	9.8%	7.5%

SOURCE: 2018-2022 American Community Survey, U.S. Census Bureau

Community RESEARCH Services, LLC
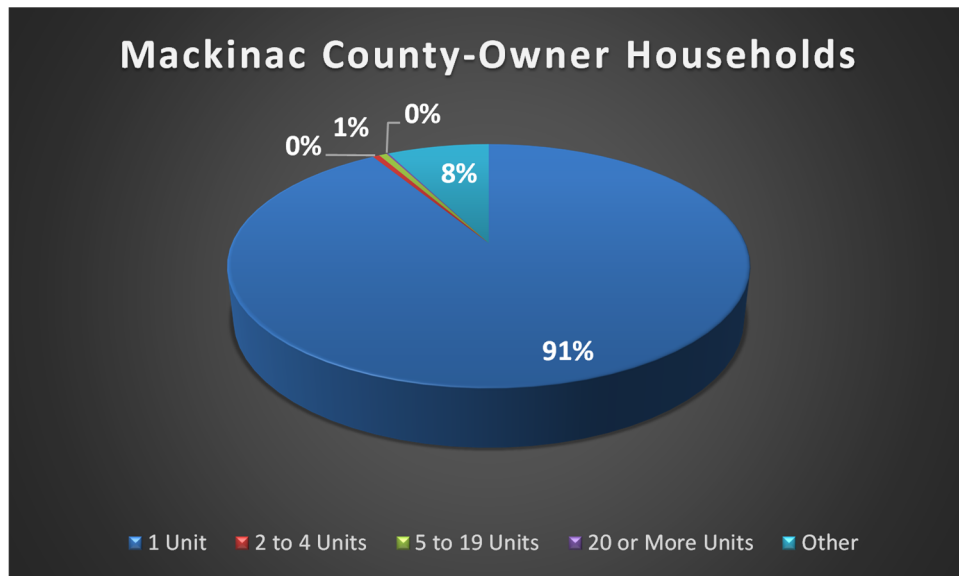
Table: Renter Households by Size

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
Total Occupied Rental Units	401	210	1,069	184	1,253
1 Unit	190	40	494	118	612
% of Total	47.4%	19.0%	46.2%	64.1%	48.8%
2 to 4 Units	60	76	163	41	204
% of Total	15.0%	36.2%	15.2%	22.3%	16.3%
5 to 19 Units	110	57	261	0	261
% of Total	27.4%	27.1%	24.4%	0.0%	20.8%
20 to 49 Units	26	22	54	7	61
% of Total	6.5%	10.5%	5.1%	3.8%	4.9%
50 or more Units	15	0	15	0	15
% of Total	3.7%	0.0%	1.4%	0.0%	1.2%
Mobile Home/Boat/Other	0	15	82	18	100
% of Total	0.0%	7.1%	7.7%	9.8%	8.0%

SOURCE: 2018-2022 American Community Survey, U.S. Census Bureau

Mackinac County-Renter Households

1 Unit 49%, 2 to 4 Units 16%, 5 to 19 Units 21%, 20 or More Units 6%, Other 8%
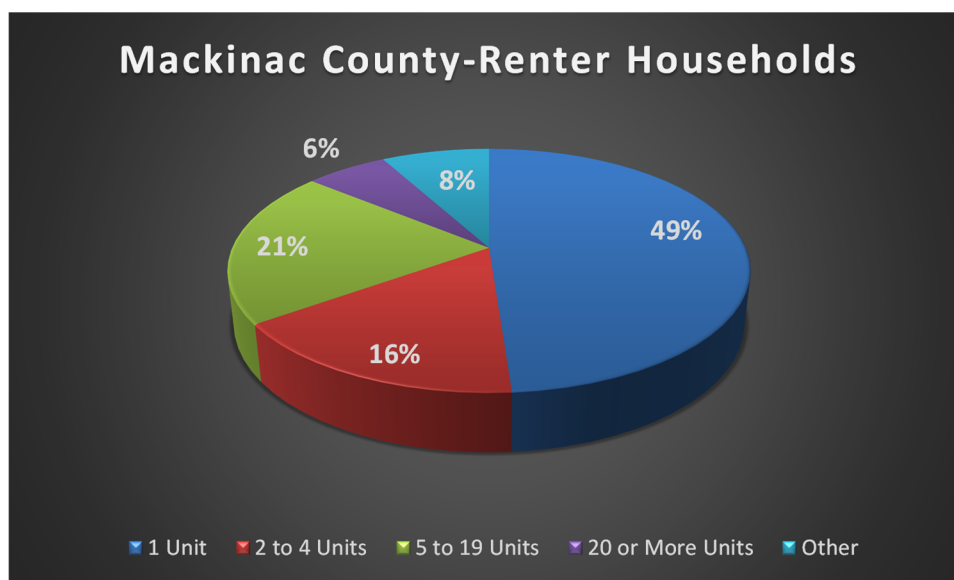
As with the senior population, senior households will exhibit the most robust gains across all geographic levels within Mackinac County for the foreseeable future. By 2029, the number of senior households age 65+ across the county will total 2,346 units, accounting for 46 percent of all households. The younger senior segment (age 55 and older) will represent a majority of Mackinac County's households by 2029, with 3,241

Senior households age 55+ across Mackinac County will represent 63 percent of all occupied units by 2029. Continued increasing concentrations of seniors will ultimately negatively impact the tax base and employment pool.

units (63 percent of all households across the county). The 2029 concentration of younger senior households within St. Ignace will also represent more than half of all households, at 59 percent.

Trends beyond 2030 from various demographic projections point to an increasingly elderly household count, decreased family concentrations, and greater dependence on outside economic/social inputs to maintain economic stability.

Graphic: Senior Household Trends – 2010 to 2029
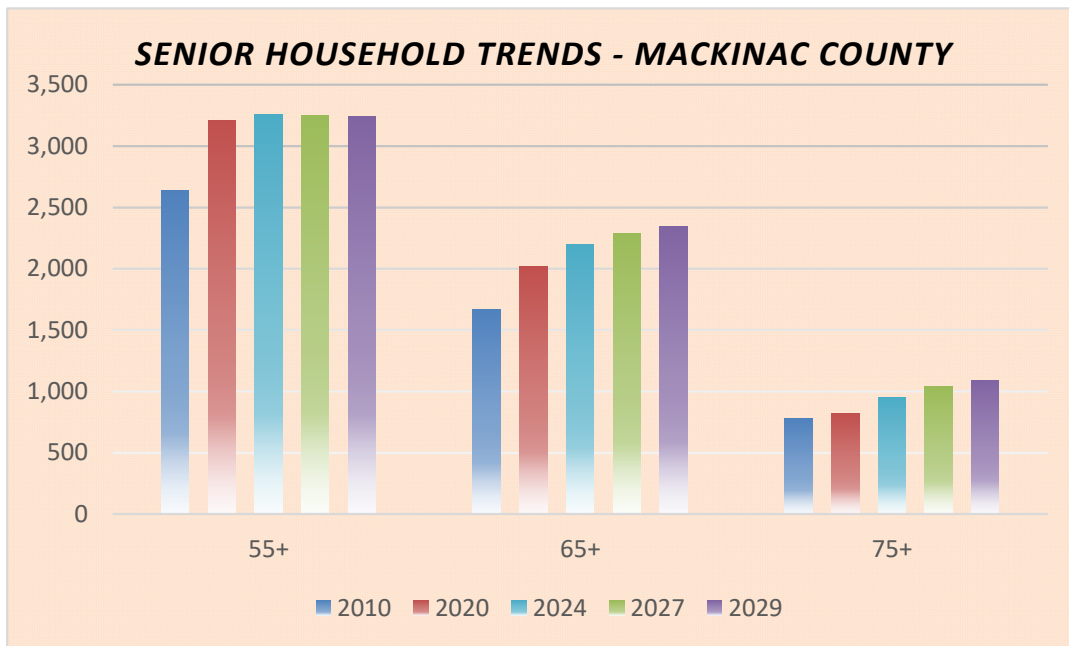
Table: Senior Household Trends (2010 to 2029)

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
2010 Senior Households (55 years and Over)	**457**	**98**	**1,829**	**811**	**2,640**
Percent of total 2010 households	42.8%	40.8%	50.0%	59.5%	52.5%
2020 Senior Households (55 years and Over)	**618**	**149**	**2,297**	**915**	**3,212**
Percent of total 2020 households	59.0%	50.9%	61.7%	69.4%	63.7%
Percent change (2010 to 2020)	35.2%	52.0%	25.6%	12.8%	21.7%
2024 Senior Households (55 years and Over)	**632**	**150**	**2,348**	**914**	**3,262**
Percent of total 2024 households	58.9%	50.7%	62.1%	68.8%	63.8%
Percent change (2020 to 2024)	2.3%	0.7%	2.2%	-0.1%	1.6%
Average Annual Change (2020 to 2024)	0.6%	0.2%	0.6%	0.0%	0.4%
2027 Senior Households (55 years and Over)	**633**	**152**	**2,355**	**895**	**3,249**
Percent of total 2027 households	58.7%	51.2%	62.1%	67.3%	63.4%
Percent change (2020 to 2027)	2.5%	1.9%	2.5%	-2.2%	1.2%
Average Annual Change (2020 to 2027)	0.3%	0.3%	0.4%	-0.3%	0.2%
2029 Senior Households (55 years and Over)	**634**	**153**	**2,359**	**882**	**3,241**
Percent of total 2029 households	58.5%	51.5%	62.1%	66.3%	63.2%
Percent change (2020 to 2029)	2.6%	2.7%	2.7%	-3.6%	0.9%
Average Annual Change (2020 to 2029)	0.3%	0.3%	0.3%	-0.4%	0.1%
2010 Senior Households (65 years and Over)	**284**	**46**	**1,130**	**540**	**1,670**
Percent of total 2010 households	26.6%	19.2%	30.9%	39.6%	33.2%
2020 Senior Households (65 years and Over)	**360**	**77**	**1,406**	**614**	**2,020**
Percent of total 2020 households	33.7%	32.1%	38.4%	45.0%	40.2%
Percent change (2010 to 2020)	26.8%	67.4%	24.4%	13.7%	21.0%
2024 Senior Households (65 years and Over)	**406**	**82**	**1,545**	**657**	**2,202**
Percent of total 2024 households	37.8%	27.7%	40.9%	49.4%	43.1%
Percent change (2020 to 2024)	12.8%	6.5%	9.9%	7.0%	9.0%
Average Annual Change (2020 to 2024)	3.1%	1.6%	2.4%	1.7%	2.2%
2027 Senior Households (65 years and Over)	**436**	**87**	**1,623**	**665**	**2,288**
Percent of total 2027 households	40.4%	29.3%	42.8%	50.0%	44.7%
Percent change (2020 to 2027)	21.1%	12.7%	15.4%	8.4%	13.3%
Average Annual Change (2020 to 2027)	2.8%	1.7%	2.1%	1.2%	1.8%
2029 Senior Households (65 years and Over)	**456**	**90**	**1,675**	**671**	**2,346**
Percent of total 2029 households	42.1%	30.3%	44.1%	50.4%	45.7%
Percent change (2020 to 2029)	26.7%	16.9%	19.1%	9.3%	16.1%
Average Annual Change (2020 to 2029)	2.7%	1.7%	2.0%	1.0%	1.7%
2010 Senior Households (75 years and Over)	**153**	**17**	**544**	**231**	**775**
Percent of total 2010 households	14.3%	7.1%	14.9%	16.9%	15.4%
2020 Senior Households (75 years and Over)	**143**	**26**	**573**	**246**	**819**
Percent of total 2020 households	13.7%	8.9%	15.4%	18.7%	16.3%
Percent change (2010 to 2020)	-6.5%	52.9%	5.3%	6.5%	5.7%
2024 Senior Households (75 years and Over)	**163**	**29**	**666**	**285**	**951**
Percent of total 2024 households	15.2%	9.8%	17.6%	21.4%	18.6%
Percent change (2020 to 2024)	14.0%	11.5%	16.2%	15.9%	16.1%
Average Annual Change (2020 to 2024)	3.3%	2.8%	3.8%	3.7%	3.8%
2027 Senior Households (75 years and Over)	**191**	**32**	**725**	**312**	**1,037**
Percent of total 2027 households	17.7%	10.8%	19.1%	23.5%	20.2%
Percent change (2020 to 2027)	33.3%	23.1%	26.5%	26.8%	26.6%
Average Annual Change (2020 to 2027)	4.2%	3.0%	3.4%	3.5%	3.4%
2029 Senior Households (75 years and Over)	**209**	**34**	**764**	**330**	**1,094**
Percent of total 2029 households	19.3%	11.4%	20.1%	24.8%	21.3%
Percent change (2020 to 2029)	46.2%	30.8%	33.3%	34.1%	33.6%
Average Annual Change (2020 to 2029)	4.3%	3.0%	3.2%	3.3%	3.3%

SOURCE: 2000/2010 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; ESRI Business Analyst.

Community RESEARCH Services, LLC

54

Table: Senior Renter Household Trends (2010 to 2020)

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
2010 Senior Renter Households (65 years and Over)	**79**	**10**	**179**	**42**	**221**
Percent of total 2010 senior households	27.8%	21.7%	15.8%	7.8%	13.2%
2020 Senior Renter Households (65 years and Over)	**74**	**13**	**161**	**31**	**192**
Percent of total 2020 senior households	20.6%	16.9%	11.5%	5.0%	9.5%
Percent change (2010 to 2020)	-6.3%	30.0%	-10.1%	-26.2%	-13.1%
Percent of Total 2020 Renter Households	19.7%	10.6%	18.6%	17.5%	18.4%
2010 Senior Renter Households (55 years and Over)	**123**	**25**	**277**	**62**	**339**
Percent of total 2010 senior households	43.3%	54.3%	15.1%	11.5%	20.3%
2020 Senior Renter Households (55 years and Over)	**161**	**41**	**336**	**74**	**410**
Percent of total 2020 senior households	26.1%	27.5%	14.6%	8.1%	12.8%
Percent change (2010 to 2020)	30.9%	64.0%	21.3%	19.4%	20.9%
Percent of Total 2020 Renter Households	42.8%	33.3%	38.8%	41.8%	39.3%

SOURCE: 2010/2020 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau

The division of renter households by size appears to be a function of the subsidy/affordable units, along with the somewhat higher than average concentration of senior rental units, as indicated by data reporting rental households by the number of occupants. Based on the most recent data from the American Housing Survey, 48 percent of the renter-occupied households across Mackinac County were one-person households. Within St. Ignace, this ratio is 77 percent of all rental units, while two-person households accounted for 17 percent. Larger renter households totaled seven percent within the city. On Mackinac Island, rental households are divided among single person and multi-person units.

The county exhibits a somewhat lower concentration of family-oriented rental units, particularly those units for larger-sized families. The balance of Mackinac County features a greater percentage concentration of single-family rentals, which is reflected within the larger-person rental units found within the following table. Overall percentages exhibit an imbalance of rental units, with insufficient options for larger-sized households.

Owner-occupied units across the county are focused among two-person households, as indicated within the following table. Homes for larger-sized families are relatively rare, representing just five percent across Mackinac County.

Community
RESEARCH
Services, LLC

Table: Rental Unit Size Distribution

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
One Person	**307**	**90**	**550**	**49**	**599**
Percent of total renter households	76.6%	42.9%	51.4%	26.6%	47.8%
Two Persons	**66**	**18**	**247**	**63**	**310**
Percent of total renter households	16.5%	8.6%	23.1%	34.2%	24.7%
Three or Four Persons	**16**	**96**	**201**	**50**	**251**
Percent of total renter households	4.0%	45.7%	18.8%	27.2%	20.0%
Five or More Person	**12**	**6**	**71**	**22**	**93**
Percent of total renter households	3.0%	2.9%	6.6%	12.0%	7.4%

SOURCE: 2018-2022 American Community Survey, U.S. Census Bureau

Graphic: Rental Unit Size Distribution – Mackinac County
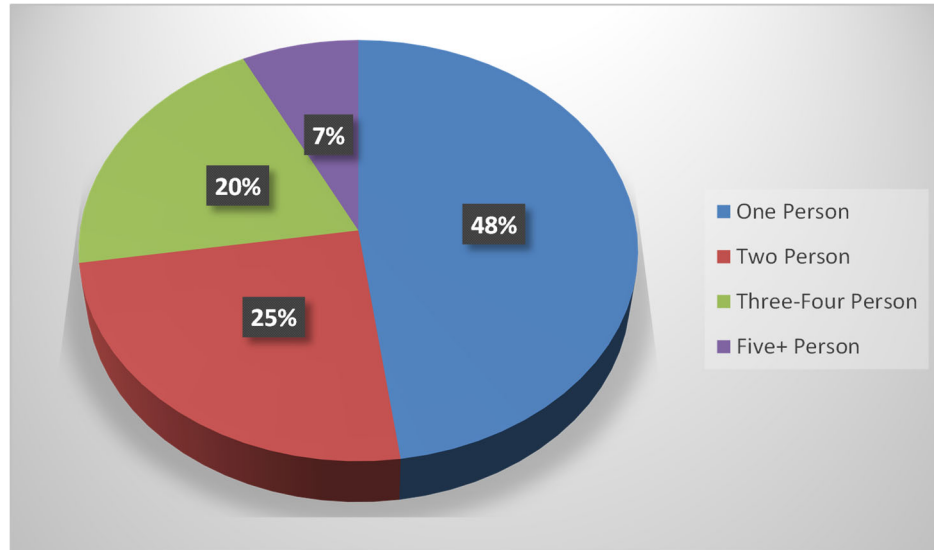
Table: Owner Unit Size Distribution

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
One Person	**142**	**61**	**750**	**309**	**1,059**
Percent of total owner households	21.0%	45.5%	26.9%	26.0%	26.7%
Two Persons	**306**	**43**	**1,254**	**660**	**1,914**
Percent of total owner households	45.3%	32.1%	45.0%	55.6%	48.2%
Three or Four Persons	**171**	**25**	**677**	**122**	**799**
Percent of total owner households	25.3%	18.7%	24.3%	10.3%	20.1%
Five or More Person	**56**	**5**	**105**	**96**	**201**
Percent of total owner households	8.3%	3.7%	3.8%	8.1%	5.1%

SOURCE: 2018-2022 American Community Survey, U.S. Census Bureau

Community RESEARCH Services, LLC

Graphic: Owner Unit Size Distribution – Mackinac County
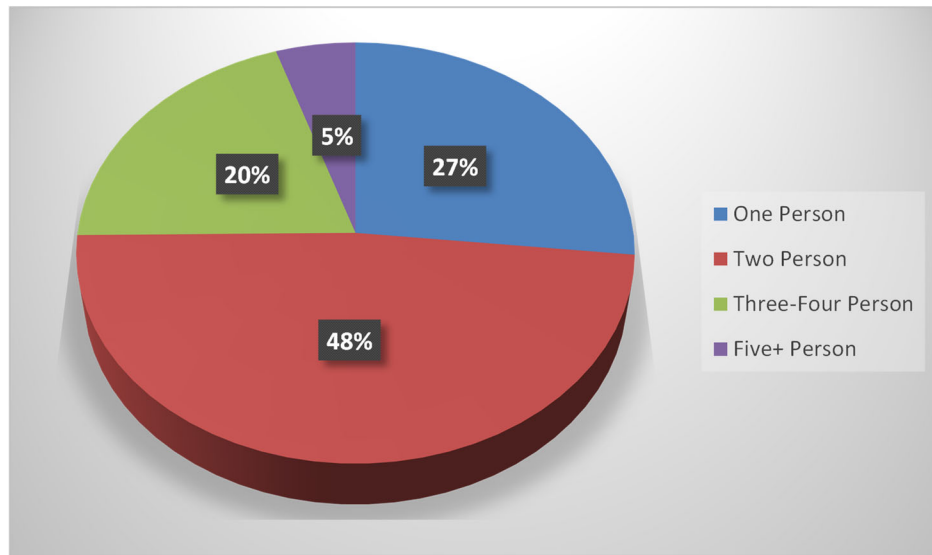
The best available statistic from the Census Bureau regarding rental pricing is the Median Gross Rent, which also includes the cost of any utilities paid the tenant. Rentals within St. Ignace vary greatly in terms of price, reflecting the combination of subsidy and market rate units. Prevailing rents within the city have stayed similar over the past decade. Conversely, rents on Mackinac Island reflect significant increases, indictive of new market rate rental options and increasing rental rates.

Average annual growth rates across the various geographic levels are significantly greater than most other communities, with the exception of St. Ignace. Such trends are impactful in terms of increasing rent-overburden, with fewer rental units available at reasonable rent levels.

Table: Median Gross Rent Trends

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
2010 Median Gross Rent Estimate	**$568**	**$715**	**$573**	**$340**	**$558**
2020 Median Gross Rent Estimate	**$604**	**$777**	**$655**	**$672**	**$637**
Total percent change (2010 to 2020)	6.3%	8.7%	14.3%	97.4%	14.2%
Annual percent change (2010 to 2020)	0.6%	0.8%	1.3%	7.0%	1.3%
2022 Median Gross Rent Estimate	**$599**	**$998**	**$766**	**$558**	**$749**
Total percent change (2020 to 2022)	-0.8%	28.4%	16.9%	-17.0%	17.6%
Annual percent change (2020 to 2022)	-0.4%	13.3%	8.1%	-8.9%	8.4%
2024 Median Gross Rent Estimate	**$594**	**$1,219**	**$877**	**$443**	**$861**
Total percent change (2020 to 2024)	-1.7%	56.9%	33.9%	-34.0%	35.2%
Annual percent change (2020 to 2024)	-0.4%	11.9%	7.6%	-9.9%	7.8%

SOURCE: American Community Survey, U.S. Census Bureau; CRS.

Community RESEARCH Services, LLC

Graphic: Median Gross Rent Trends
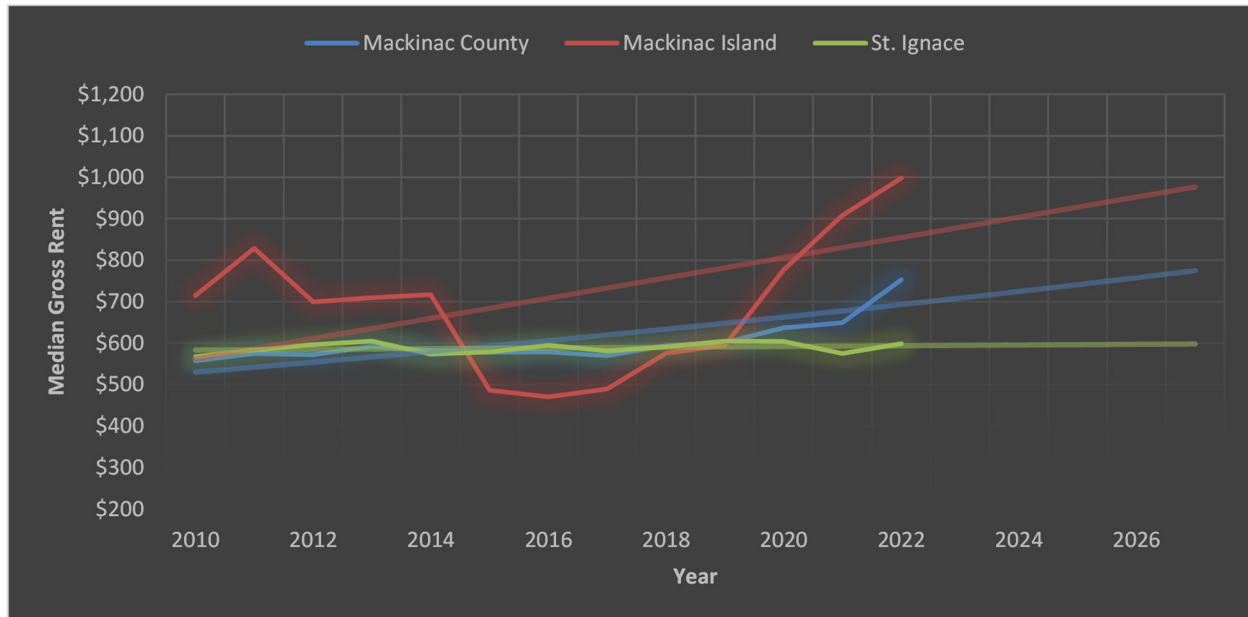
Household Income Trends

The median household income figures for Mackinac Island exhibit the strongest percentage increases, and exhibit the highest income levels. Such trends are not a surprise, given the history of the island and prevailing characteristics of most of the permanent population. For St. Ignace, prevailing incomes are notably lower, but are above average for most rural northern Michigan communities.

Prevailing median incomes are somewhat more modest within the western Mackinac area, which features notably fewer vacation/leisure locations and associated occupations and households. Most recently, the increase in inflationary pressure since 2020 has been impactful upon wage/income trends, and ongoing projections will demonstrate increasing trends for the next few years. If such trends continue, significant price-point pressure upon the existing housing market will further impact affordability for both homeowners and renters. Given the lack of new housing supply available across the county, the local housing marketplace is being squeezed from both sides of the demand equation.

At $63,306, the 2024 median household income estimate for Mackinac County is 26 percent greater than the 2020 median. For Mackinac Island, the 2024 median income estimate is $76,857 – significantly greater than the county median, and reflective of a 78 percent increase

from 2020. The median income for St. Ignace is estimated at $60,675, reflecting an increase of 26 percent from 2020.

ESRI forecasts predict that incomes across the county will continue to increase, with slowly increasing growth rates continuing across the county. By 2029, the St. Ignace median household income is forecast at $67,827, reflecting an average annual increase of 3.9 percent from 2020 totals. The Mackinac Island median income forecast for 2029 is projected at $80,148, reflecting an average annual increase of 7.1 percent. Median income projected for Mackinac County is forecast at $73,300 for 2029, an average annual increase of 4.3 percent from 2020. While positive, with continued inflation levels these increases in prevailing incomes are likely to continue into the next decade, resulting in essentially stagnant real wage/income levels for the balance of this decade and beyond.

Median income data separated by age provides a unique measure of the stability of various segments of the local demographic. Across Mackinac County, conventional trends in terms of age cohorts are found, with somewhat higher income levels found among the middle age adult segments, with seniors and younger adults (age 18 to 25) exhibit somewhat lower income levels as compared to overall levels. The overall increase in median incomes over this 10-year period is 54 percent; for the young adult segment median incomes varied greatly but yielded no gain. Conversely, seniors experienced a gain of 70 percent over the same period.

Graphic: Median Household Income – 2010 to 2022 – Mackinac County

Community RESEARCH Services, LLC
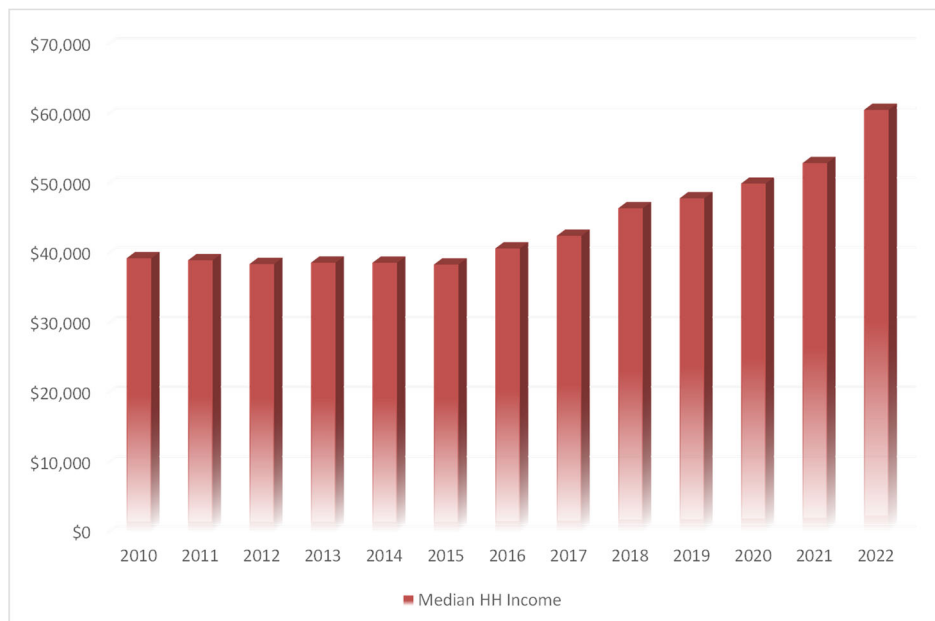
Graphic: Median Household Income by Age – 2010 to 2022 – Mackinac County
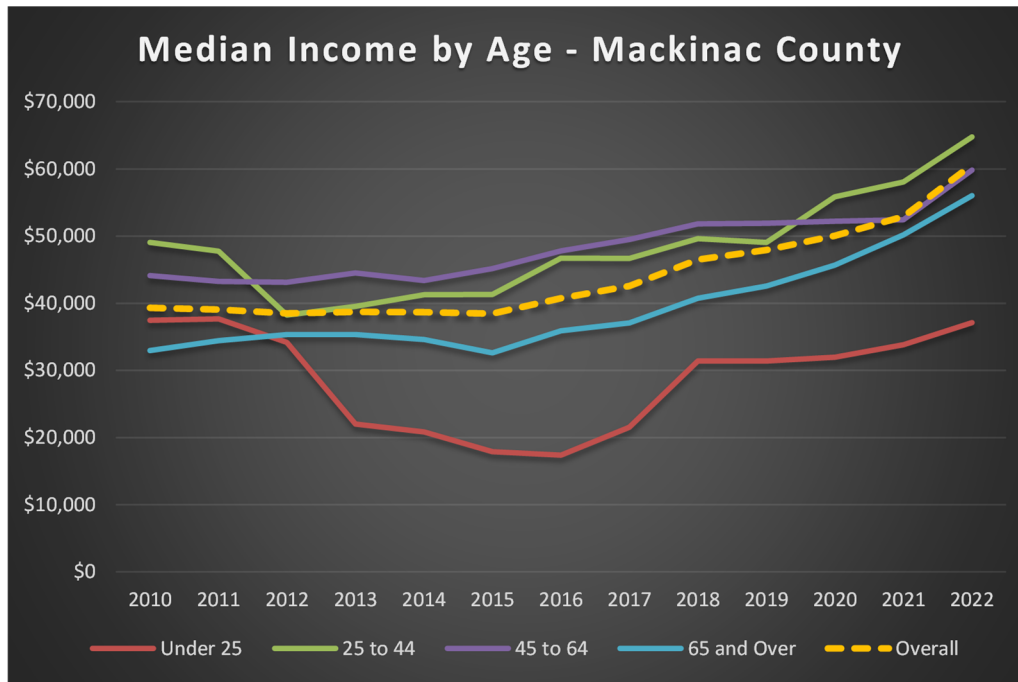
Table: Median Household Incomes (2010 to 2029)

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
2010 Median Household Income	**$36,510**	**$48,594**	**$42,514**	**$35,823**	**$39,339**
2020 Median Household Income	**$48,226**	**$43,125**	**$51,865**	**$46,934**	**$50,058**
Total percent change (2010 to 2020)	32.1%	-11.3%	22.0%	31.0%	27.2%
Annual percent change (2010 to 2020)	2.8%	-1.2%	2.0%	2.7%	2.4%
2024 Estimated Median Household Income	**$60,675**	**$76,857**	**$65,092**	**$58,274**	**$63,306**
Total percent change (2020 to 2024)	25.8%	78.2%	25.5%	24.2%	26.5%
Annual percent change (2020 to 2024)	5.9%	15.5%	5.8%	5.6%	6.0%
2027 Forecast Median Household Income	**$64,966**	**$78,832**	**$71,114**	**$64,081**	**$69,302**
Total percent change (2020 to 2027)	34.7%	82.8%	37.1%	36.5%	38.4%
Annual percent change (2020 to 2027)	4.3%	9.0%	4.6%	4.5%	4.8%
2029 Forecast Median Household Income	**$67,827**	**$80,148**	**$75,129**	**$67,952**	**$73,300**
Total percent change (2020 to 2029)	40.6%	85.9%	44.9%	44.8%	46.4%
Annual percent change (2020 to 2029)	3.9%	7.1%	4.2%	4.2%	4.3%

SOURCE: 2010/2020 Census; American Comm. Srvy., U.S. Census Bureau; ESRI Business Analyst.

Community RESEARCH Services, LLC

60

Graphic: Median Household Incomes – 2010 to 2029

Median Household Income Trends

West Market Area values: $35,823 (2010), $46,934 (2020), $58,274 (2024), $64,081 (2027), $67,952 (2029)

East Market Area values: $42,514 (2010), $51,865 (2020), $65,092 (2024), $71,114 (2027), $75,129 (2029)

Mackinac County values: $39,339 (2010), $50,058 (2020), $63,306 (2024), $69,302 (2027), $73,300 (2029)
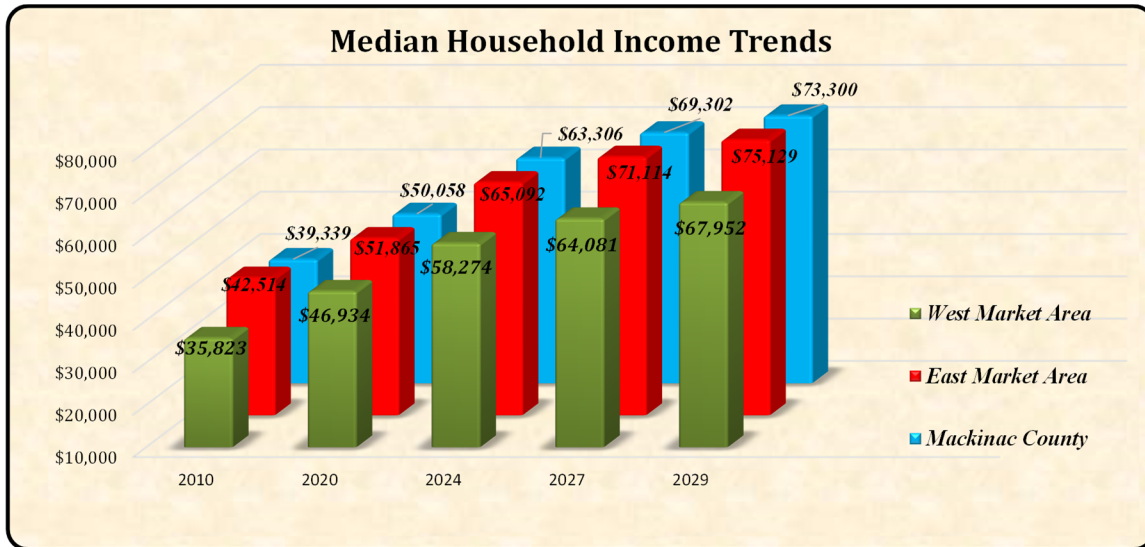
Household Income Distribution

The distribution of household income by tenure type (owner vs. renter) is illustrated in the following table and chart. The data exhibits the types of housing options present across Mackinac County. This would include a range of rental unit types, ranging from subsidy units to higher priced apartments and single-family rentals, along with a homeownership segment that is concentrated among moderate-income and higher-income households. Comparing this data to the available housing options across the county, it is likely that single family rentals and other non-apartment units represent a significant part of the community's rental housing stock. This is perhaps most inclusive within Mackinac Island, which exhibits unconventional housing market characteristics and associated income levels.

Also, the region's owner households exhibit an evident upper-income component – not necessarily unexpected, but indicative of a market rate potential for renter households by residents that may prefer a shift away from homeownership. Younger households are delaying a home purchase for various reasons (student debt load, marital status, career considerations, among others), and older households are increasingly seeking a rental housing alternative and leaving homeownership regardless of financial status or health considerations.

As a result, the demand potential for rental options among moderate-income and upper-income households is increasingly positive, despite uncertain economic conditions and increasing price points for both owner and rental options.

Community
RESEARCH
Services, LLC

Graphic: Household Income Distribution by Tenure – Mackinac County (2022)
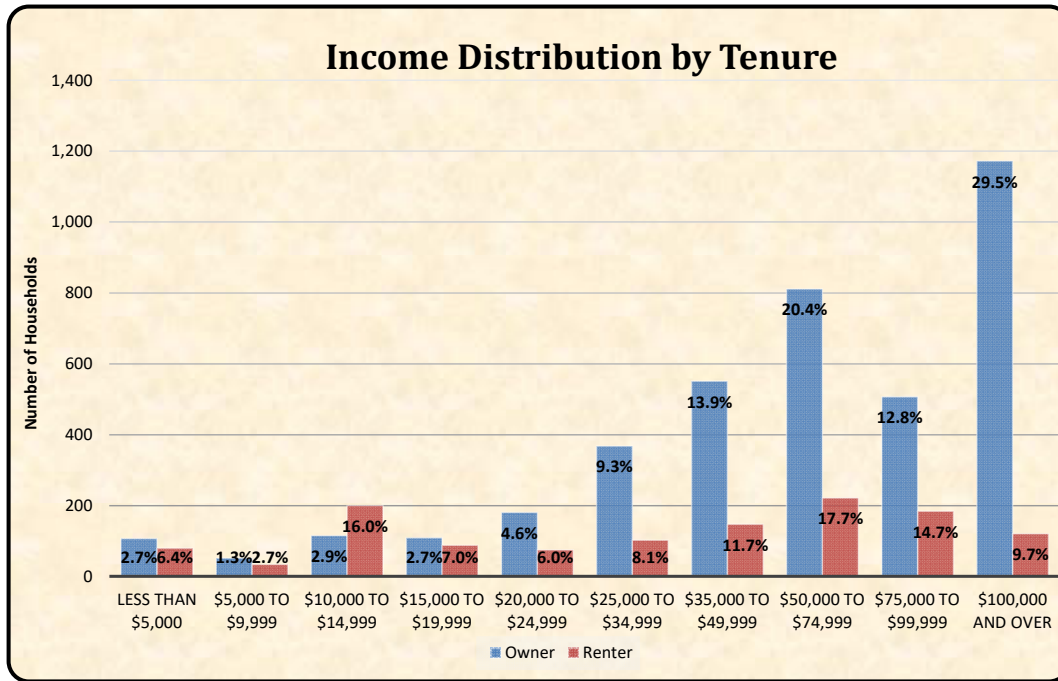
Table: Household Income Distribution by Tenure – Mackinac County (2022)

	Total Households	Owner Households	Renter Households
Less than $5,000	**187**	**107**	**80**
Percent of 2022 Households	3.6%	2.7%	6.4%
$5,000 to $9,999	**86**	**52**	**34**
Percent of 2022 Households	1.6%	1.3%	2.7%
$10,000 to $14,999	**315**	**115**	**200**
Percent of 2022 Households	6.0%	2.9%	16.0%
$15,000 to $19,999	**197**	**109**	**88**
Percent of 2022 Households	3.8%	2.7%	7.0%
$20,000 to $24,999	**256**	**181**	**75**
Percent of 2022 Households	4.9%	4.6%	6.0%
$25,000 to $34,999	**470**	**368**	**102**
Percent of 2022 Households	9.0%	9.3%	8.1%
$35,000 to $49,999	**698**	**551**	**147**
Percent of 2022 Households	13.4%	13.9%	11.7%
$50,000 to $74,999	**1,033**	**811**	**222**
Percent of 2022 Households	19.8%	20.4%	17.7%
$75,000 to $99,999	**691**	**507**	**184**
Percent of 2022 Households	13.2%	12.8%	14.7%
$100,000 and Over	**1,293**	**1,172**	**121**
Percent of 2022 Households	24.7%	29.5%	9.7%

SOURCE: 2018-2022 American Community Survey, U.S. Census Bureau

Community
RESEARCH
Services, LLC

A distribution of senior household income (age 65 and older) for Mackinac County is illustrated within the following table. The spread of households across various income levels is indicative of the high number of subsidy rental units. The movement of senior owners into a rental option is increasingly observed across much of Michigan and regionally, and has been a common aspect of the senior housing segment across most sections of northern Michigan. As mentioned previously, senior growth reflects a combination of aging in place within a historically senior-oriented community and movement by retirees from across other portions of Michigan.

Table: Senior Household Income Distribution by Tenure – Mackinac County (2022)

	Senior Owner	Senior Renter	Senior Total
Less than $5,000	**105**	**30**	**135**
Percent of Total	5.1%	10.7%	5.8%
$5,000 to $9,999	**115**	**75**	**190**
Percent of Total	5.6%	26.8%	8.1%
$10,000 to $14,999	**220**	**60**	**280**
Percent of Total	10.7%	21.4%	12.0%
$15,000 to $19,999	**245**	**10**	**255**
Percent of Total	11.9%	3.6%	10.9%
$20,000 to $24,999	**220**	**30**	**250**
Percent of Total	10.7%	10.7%	10.7%
$25,000 to $34,999	**125**	**10**	**135**
Percent of Total	6.1%	3.6%	5.8%
$35,000 to $49,999	**250**	**15**	**265**
Percent of Total	12.2%	5.4%	11.3%
$50,000 to $74,999	**235**	**30**	**265**
Percent of Total	11.4%	10.7%	11.3%
$75,000 to $99,999	**275**	**15**	**290**
Percent of Total	13.4%	5.4%	12.4%
$100,000 and Over	**265**	**5**	**270**
Percent of Total	12.9%	1.8%	11.6%

Source: US Census Bureau, HUDuser.org

Community
RESEARCH
Services, LLC

Graphic: Senior Household Income Distribution by Tenure – Mackinac County (2022)
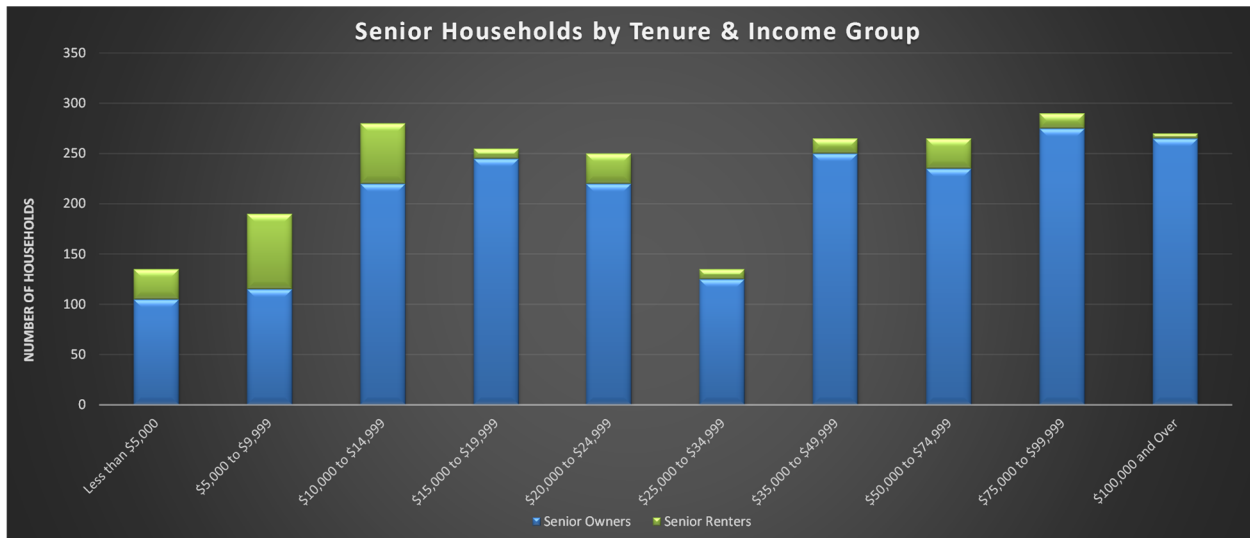
Other Demographic Factors

As indicated by both US Census data and ESRI forecasts, non-adult population totals across the county are projected to slowly decline over the balance of this decade, similar to most other northern Michigan communities. Based on data from the county's five public school districts, enrollment trends are clearly declining overall. Total enrollment within the school districts over the past ten years is as follows:
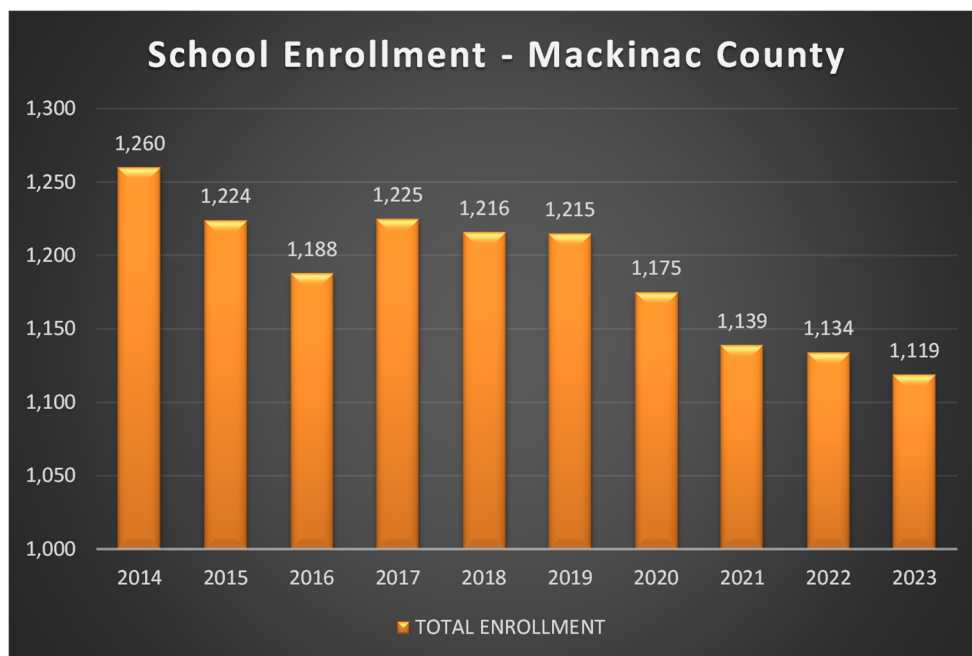
The ten-year trend reflects a decline of 11 percent from 2014, with just one school district exhibiting increasing enrollment over the decade (Engadine – with an increase of 26 percent, representing 71 additional students). Just one year – 2017 – reflecting an increase in countywide enrollment. Despite the impacts of the pandemic on nearly all facets of the economy, no noticeable change in these enrollment trends is present within the data. Many northern Michigan communities are facing significant declines in school enrollment over the coming years due to prevailing demographic trends, declining family sizes, and reduced fertility ratios.

School Enrollment Breakdown - 2014-2023

Year	Total
2014	1,260
2015	1,224
2016	1,188
2017	1,225
2018	1,216
2019	1,215
2020	1,175
2021	1,139
2022	1,134
2023	1,119

Legend: St. Ignace, Mackinac Island, Moran Township, Engadine, Les Cheneaux
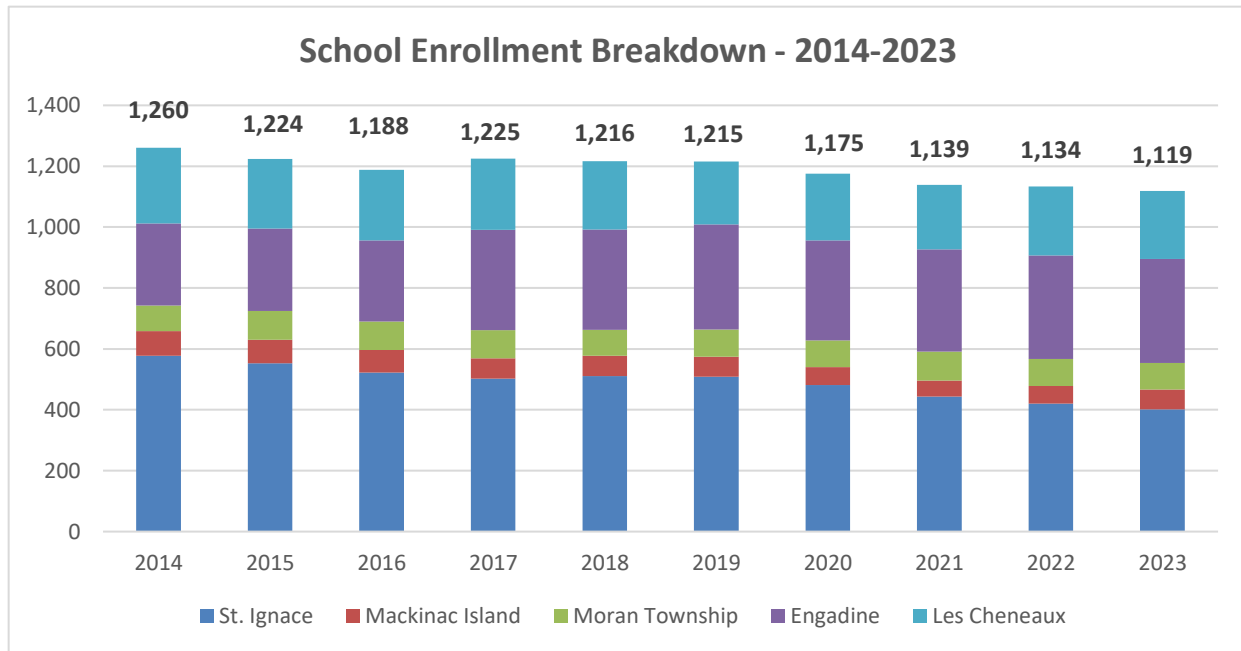
A summary of key demographic and economic statistics is presented within the following pages in an infographic format. While much of the information was previously presented, other considerations of note are worthy of mention. One is the prevailing poverty rate for St. Ignace and Mackinac County are higher than anticipated, but are an indication of the community's employment base, limited number of professional jobs, and small manufacturing segment.

Also, median home values are listed within the ESRI data, based in ACS surveys from the Census Bureau. Figures from Mackinac County reflect a combination of various housing options, ages, and occupancy. Within the surrounding townships and overall county data, prevailing home values are notably higher, reflective of mostly homeowners, larger structures, and the inclusion of high-end vacation/retirement homes found within sections of Mackinac County, especially along waterfront lots.

Community RESEARCH Services, LLC

Infographics: Key Demographic/Economic Data

City of St. Ignace

DEMOGRAPHIC SUMMARY

St. Ignace City, MI
Geography: Place

KEY FACTS

2,246
Population

50.1
Median Age

1,073
Households

$52,472
Median Disposable Income

EDUCATION

9.0%
No High School Diploma

42.4%
High School Graduate

29.1%
Some College/ Associate's Degree

19.5%
Bachelor's/Grad/Prof Degree

INCOME

$60,675
Median Household Income

$37,615
Per Capita Income

$164,022
Median Net Worth

HOUSEHOLD INCOME

EMPLOYMENT

55.9%
White Collar

23.3%
Blue Collar

21.0%
Services

3.7%
Unemployment Rate

Source: This infographic contains data provided by Esri (2024, 2029). © 2024 Esri

Community RESEARCH Services, LLC

66

DEMOGRAPHIC PROFILE

St. Ignace City, MI

Geography: Place

EDUCATION

9.0%
No High School Diploma

42.4%
High School Graduate

29.1%
Some College/ Associate's Degree

19.5%
Bachelor's/Grad/ Prof Degree

EMPLOYMENT

White Collar — 55.6%

Blue Collar — 23.3%

Services — 21.0%

3.7%
Unemployment Rate

KEY FACTS

2,246
Population

50.1
Median Age

1,073
Households

$52,472
Median Disposable Income

INCOME

$60,675
Median Household Income

$37,615
Per Capita Income

$164,022
Median Net Worth

HOUSEHOLD INCOME ($)

Income Range
200000+
150000-199999
100000-149999
75000-99999
50000-74999
35000-49999
25000-34999
15000-24999
0-14999

Community RESEARCH Services, LLC

Source: This infographic contains data provided by Esri (2024, 2029).

© 2024 Esri

Community RESEARCH Services, LLC

68

Mackinac County

DEMOGRAPHIC SUMMARY

Mackinac County, MI

Geography: County

KEY FACTS

10,871
Population

53.9
Median Age

5,111
Households

$53,707
Median Disposable Income

EDUCATION

7.3%
No High School Diploma

36.1%
High School Graduate

30.0%
Some College/ Associate's Degree

26.6%
Bachelor's/Grad/Prof Degree

INCOME

$63,306
Median Household Income

$39,981
Per Capita Income

$262,268
Median Net Worth

HOUSEHOLD INCOME

Income Range
200000+
150000-199999
100000-149999
75000-99999
50000-74999
35000-49999
25000-34999
15000-24999
0-14999

EMPLOYMENT

White Collar — 62.0%

Blue Collar — 19.4%

Services — 20.3%

6.2%
Unemployment Rate

Sault Ste Marie

Lake Huron

Community RESEARCH Services, LLC

69

Employment Overview

Mackinac County, MI

Geography: County

INCOME

$39,981
Per Capita Income

$63,306
Median Household Income

$262,268
Median Net Worth

BUSINESS

808
Total Businesses

9,203
Total Employees

COMMUTERS

12.7%
Spend 7+ hours commuting to and from work per week

63.0%
Drive Alone to Work

EDUCATION

7.3%
No High School Diploma

30.1%
High School Diploma

30.0%
Some College/Associate's Degree

26.6%
Bachelor's/Grad/Prof Degree

KEY FACTS

10,871
Population

53.9
Median Age

5,111
Households

$53,707
Median Disposable Income

EMPLOYMENT

60.4%
White Collar

19.4%
Blue Collar

20.3%
Services

6.2%
Unemployment Rate

Community RESEARCH Services, LLC

Source: This infographic contains data provided by Esri (2024, 2029), Esri-Data Axle (2024), Esri-MRI-Simmons (2024), ACS (2018-2022).

© 2024 Esri

Community RESEARCH Services, LLC

DEMOGRAPHIC PROFILE

Mackinac County, MI

Geography: County

Sault Ste Marie

Lake Huron

Community RESEARCH Services, LLC

Source: This infographic contains data provided by Esri (2024, 2029).

© 2024 Esri

EDUCATION

7.3%
No High School Diploma

36.1%
High School Graduate

30.0%
Some College/ Associate's Degree

26.6%
Bachelor's/Grad/ Prof Degree

EMPLOYMENT

White Collar	60.4%
Blue Collar	19.4%
Services	20.3%

6.2%
Unemployment Rate

KEY FACTS

10,871
Population

53.9
Median Age

5,111
Households

$53,707
Median Disposable Income

INCOME

$63,306
Median Household Income

$39,981
Per Capita Income

$262,268
Median Net Worth

HOUSEHOLD INCOME ($)

200000+	
150000-199999	
100000-149999	
75000-99999	
50000-74999	
35000-49999	
25000-34999	
15000-24999	
0-14999	

0 100 200 300 400 500 600 700 800 900

Community RESEARCH Services, LLC
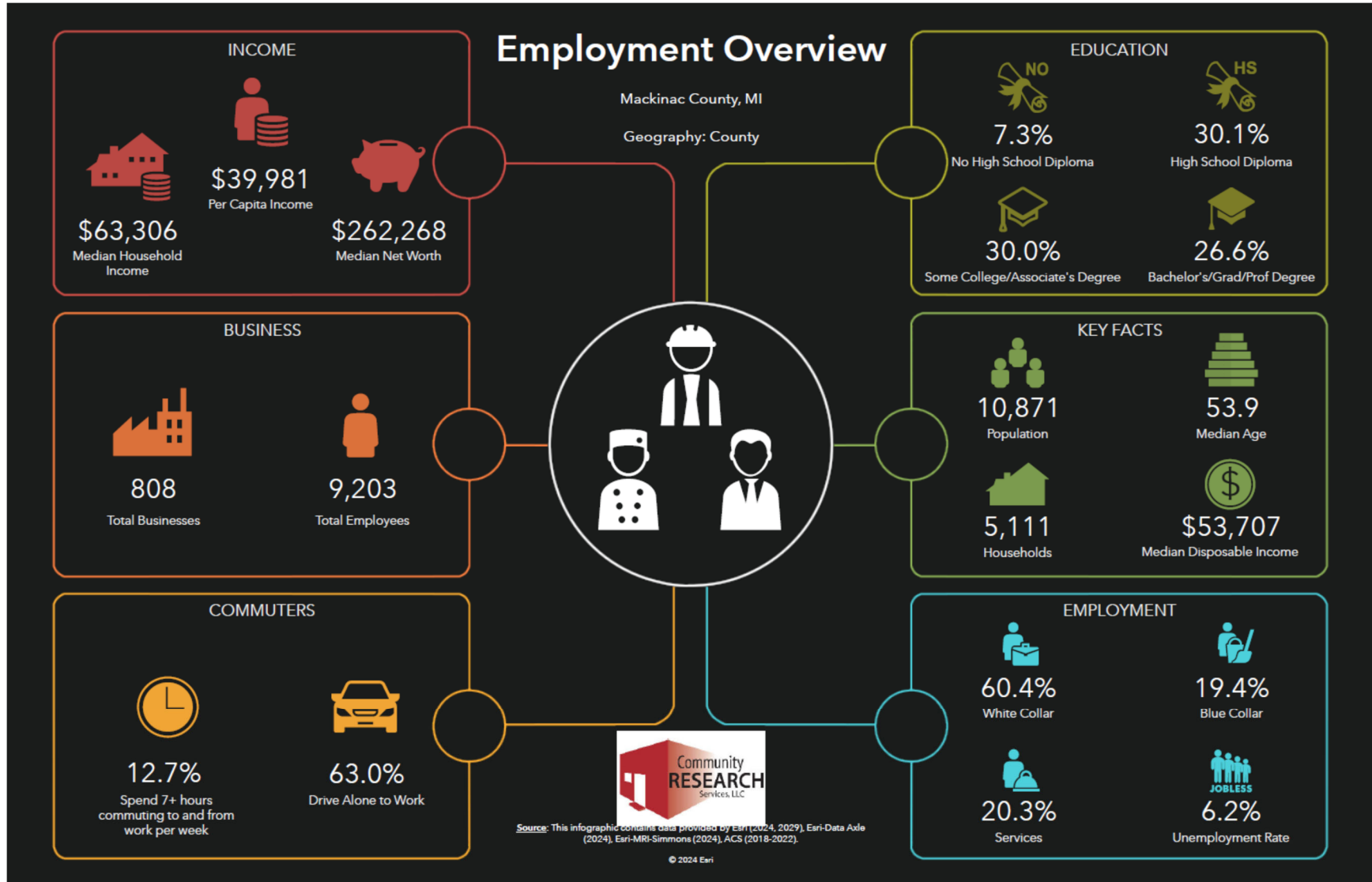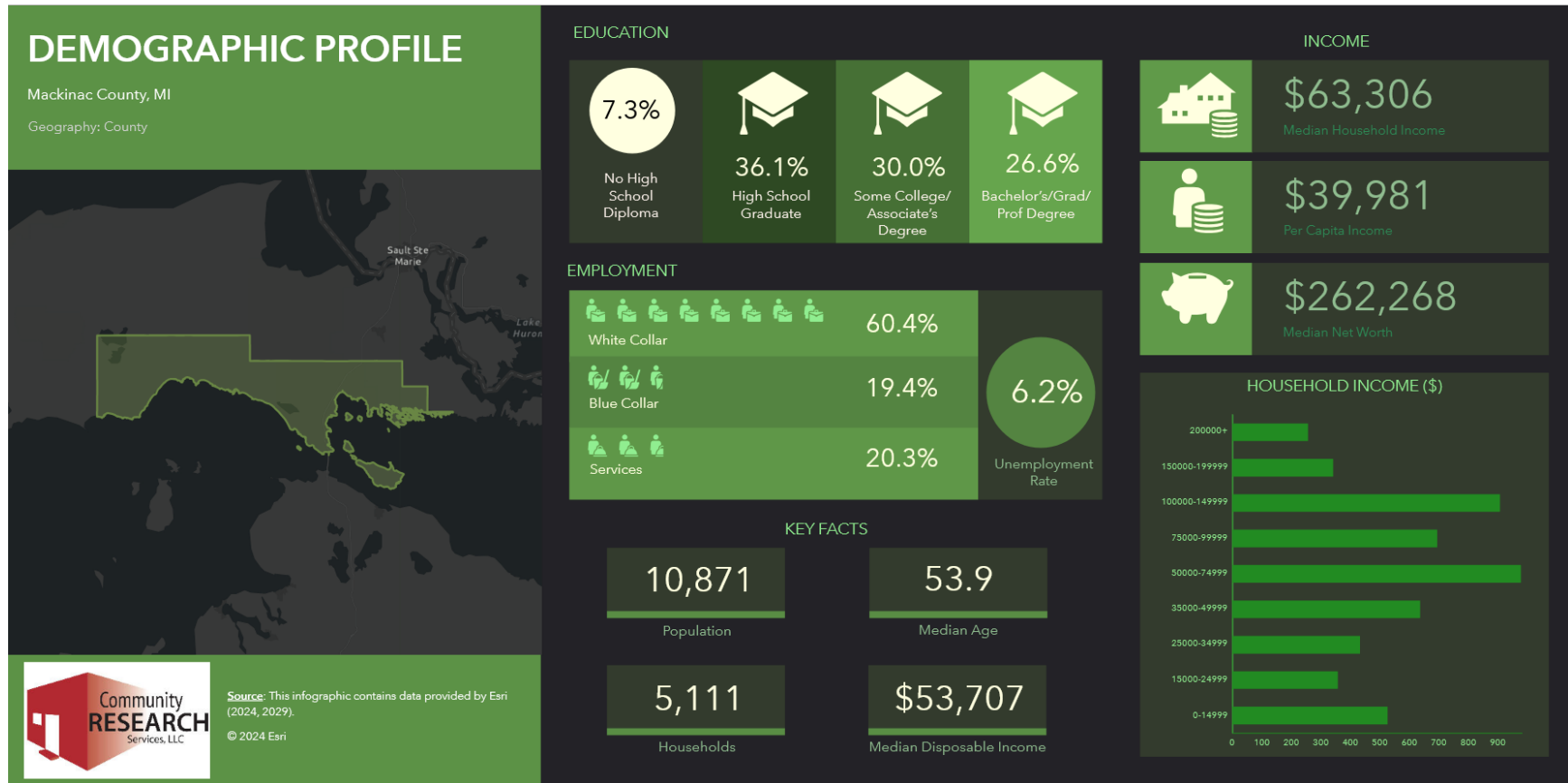
ESRI Tapestry Information

A method of describing the socio-economic patterns that are prevalent within a specific community has been developed by ESRI (Environmental Systems Research Institute, Inc.), a leading provider of demographic and economic data and forecasts. Called Tapestry, this type of analysis uses a set of pre-defined descriptions that provide a convenient way to examine areas. A total of 67 separate segments have been identified, based on unique demographic, economic, educational, housing, and purchasing characteristics. Some of these definitions are quite similar, but have been separated due to a key factor, such as urban/suburban/rural, preferred employment options, or typical housing choices, among other factors.

In addition, the 67 segments have been coordinated into 15 separate "LifeMode" groups, which permit cross tabulations of the segments by urban locations or senior citizens, for example. Thus, the Tapestry analysis can be based on either the identification of key segments within a specific area, or the collective review of various segments that may exist within a defined area. Either approach provides a new and interesting way to identify market demand and long-term market depth for a wide range of products and services.

While these definitions of population segments are broadly defined, this type of segmentation allows for a more target-market approach to the segmentation of a specific market area or community. Identification of specific Tapestry segments that matches a desired target market allows for a secondary identification of market depth, potential flexibility in regard to key project features, and a higher level of background information in regard to a defined market area.

Segmentation analysis is difficult to describe briefly, and caution should be used in regard to this tool being over-used as a primary determinant of market potential. Entire recommendations by inexperience analysts have been made primarily based on segmentation-type tools, without any significant examination of site, demographic, and economic factors. At best this tool helps to refine target market identification and provides a secondary source of market demand. A summary of the Tapestry data is present at the end of this report. Detailed descriptions of individual Tapestry segments are found at http://www.esri.com/landing-pages/tapestry.

Community
RESEARCH
Services, LLC

A brief description of these Tapestry Segments provides an indication of market potential for Mackinac County from a more qualitative standpoint:

Tapestry Segment	Brief Description	% of Mackinac County Households	% of U.S. Households
Rural Resort Dwellers	Moderate income singles/couples, empty nesters, mostly homeowners, near retirement	65.3%	1.0%
Small Town Sincerity	Lower-income singles/couples, mix of renters/owners, mix of ages but mostly 55+, still employed	8.0%	1.8%
Heartland Communities	Older couples, mostly empty nesters, semi-retired, moderate income/wealth	7.3%	2.2%
The Great Outdoors	Moderate income couples, mostly empty nesters, primarily homeowners, found in rural areas	7.0%	1.6%
In Style	Higher income singles/couples, homeowners, with professional backgrounds	5.8%	2.2%
Old and Newcomers	Mostly singles, with moderate incomes, primarily renters, combination of younger and older ages	5.4%	2.3%
Silver and Gold	Older singles/couples with higher incomes, retired, homeowners, often found in vacation communities	1.3%	0.8%
Total		**100.0%**	**11.9%**

Within Mackinac County, seven separate segments were identified by ESRI as representing a significant portion of the overall population. All but one are described as either moderate income or lower income household groups, with most described as established families or senior households. The one exception to this is the segment described as "In Style", representing approximately six percent of the county's households. The segments do reflect a

Community
RESEARCH
Services, LLC

range of incomes, economic status, and likely household types found within the market area, but the differences among these groups are not substantial when taking the entire range of possible household characteristics into consideration.

In terms of ideal segment characteristics, just the "In Style" segment is indicative of a group that would be ideal for market rate rentals or moderate/higher income homeownership housing units. This is not to say that such households are not readily present, but that the predominant household/family characteristics lean toward moderate pricing and characteristics in terms of housing opportunities. While individuals within these attractive segments are likely present, these categories are not sufficiently large to be clustered within other segments.

ESRI Tapestry segments found within the Mackinac area reflect a limited degree of key target market characteristics, while all segments indicating the increasing influence of senior households

According to ESRI, all seven of the Tapestry segments are either indirectly or directly oriented for senior households, which illustrates the county's highly prominent senior population and household segments. Continued aging in place and increasing migration of empty nesters and full retirees to the Straights area will result in an increasing concentration of senior and elderly community characteristics. The implications are mixed from an economic standpoint, as increasingly elderly populations are in many ways more homogenous and stable in terms of lifestyle and daily needs, but community features, retail/service options, labor force characteristics, and other quality of life aspects will continue to favor older persons, to the detriment of younger persons, couples, and families with children.

Most of these Tapestry categories feature commonalities that do not directly reflect the primary factors shared across the target markets, such as moderate/higher income levels, moderate to advanced educational attainment, and professional background ranging from entry-level positions to near retirement. Exact matches or comparisons to target market categories are always somewhat rarely made, with indirect comparisons to general target market descriptions perhaps more reasonable and readily understood.

Tapestry data is also ideally used for larger metropolitan areas, rather than rural communities or counties. This is why the use of Tapestry data to determine statistical demand is not advised. However, the data does indicate an evident increasing degree of senior influence, along with confirmation of Mackinac County's primary characteristics, including the shrinking influence of family households, the continued presence of lower income levels, and the employment base reflective of primarily non-professional occupations.

V: HOUSING CONDITIONS AND CHARACTERISTICS

Housing Market Characteristics

Housing across the Mackinac region ranges from individual cottages, apartment units, various single-family home options, condominiums, and vacation/luxury homes, all serving a wide range of incomes, household segments, and target market groups.

While not as diverse as housing options found within suburban and urban sections of Michigan, the housing stock within St. Ignace and across Mackinac County does feature a somewhat wider range of options, thanks to vacation/resort destinations within the County. What does appear lacking are options for moderate-income, workforce, and entry-level singles and households. Such deficiencies are not surprising, and are lacking across nearly all communities across the state. It is the combination of this deficiency in terms of housing stock, coupled with higher than typical housing prices that are often found within vacation/resort regions, that make such housing needs more acute than usually found within similarly-sized communities in northern Michigan.

Among owner-occupied units, one way to demonstrate the various segments of the home sales market and the various deficiencies and price trends is to broadly describe what is currently available across Mackinac County. According to www.Realtor.com a total of 91 homes are currently for sale with a Mackinac County address, including Moran, Naubinway, Gould City, Engadine, Germfask, Bois Blanc Island, Hessel, Cedarville, McMillan, Pointe Aux Pins, Mackinac Island, and St. Ignace. Of these 91 homes, just seven are priced at or below $100,000 (eight percent). A total of 34 homes are priced between $100,000 and $300,000 (37 percent), with 17 priced between $300,00 and $450,000 (19 percent). The balance (33 homes) priced above $450,000, with 12 priced over $1 million.

Based on 2024 ESRI estimates, 91 homes represent less than two percent of the county's occupied housing stock (1.8%), which reflects an incredibly small number of homes available for purchase, and well below prior years in terms of volume. This small total of homes available for sale is due to a combination of reduced development activity, increasing price levels, a focus on vacation/high-end construction rather than more moderately-priced options, and perhaps uncertain economic conditions over the past few (partially due to the pandemic, among other

factors). These trends reflect a highly-oriented sellers' market, with very limited choices available for purchase, inhibiting migration into the community and enhancing the continued trend toward longer-distance commuting for non-professional employment.

The sales data for Mackinac County reflects a severe lack of supply, particularly among moderately-priced homes for families.

Among the homes currently for sale, a plurality are one or two-bedroom homes, with a median unit size of 1,114 square feet. Median data is somewhat more reflective of the marketplace, due to the few outliers that exhibit extremely high price points and large unit sizes, thus skewing average data. Broken down by number of bedrooms, average and median data are as

follows:

	# For Sale	Median Price	Average Price	Median Size	Price Per Sq. Ft.	Average Year Built
One/Two-Bedroom	42	$254,500	$295,986	1,114	$228.46	1973
Three-Bedroom	30	$350,000	$430,713	1,625	$215.38	1981
Four+ Bedroom	19	$1,325,000	$1,251,505	3,500	$378.57	1976
TOTAL	**91**	**$320,000**	**$539,905**	**1,450**	**$220.69**	**1976**

The influence of the higher-priced homes upon this data is very evident. There are essentially no moderately-priced larger-sized homes (four+ bedrooms), and the three-bedroom data is also somewhat skewed by those homes found within resort areas or adjacent to water features. The lot size among the data also figures prominently in price, as any home found outside of St. Ignace or Mackinac Island is likely to include a sizable acreage. Among the 91 homes for sale, 29 homes also feature land totals of at least five acres, with 10 containing at least 40 acres of land.

The location of these homes is primarily within resort and vacation-related areas, rather than near primary commuting routes or major employers. Despite being the largest community within Mackinac County, the county's economic and professional center, and the crossroads of both I-75 and US 2, St. Ignace home listings represent just 19 percent of the total. With the less populated Western Mackinac Area, 24 homes are currently for sale (26 percent), while a total of 19 homes are currently available on either Bois Blanc Island or Mackinac Island. A summary of the geographic distribution and average price is as follows:

Community
RESEARCH
Services, LLC

Community	# of Listings	Average Price
Bois Blanc Island	11	$373,473
Cedarville	13	$377,846
Curtis	5	$313,480
Engadine	7	$495,700
Germfask	3	$283,933
Gould City	7	$195,657
Hessel	8	$505,288
Mackinac Island	8	$1,983,125
McMillan	1	$145,000
Moran	4	$672,450
Naubinway	5	$222,760
Pointe Aux Pins	2	$299,450
St. Ignace	17	$493,982
TOTAL	**91**	**$539,905**

The overall average year of construction among these homes is 1976 – indicative of the community's somewhat aged housing stock, and a lack of recently developed homeownership opportunities. The difference by age is within the smaller-sized homes, which tend to be older, traditional single-family structures or renovated cottages, and the larger, more expensive structures, many of which were constructed within the past two decades. Significant price drops ($10,000 or more) were noted among 11 percent of the listings, but no pattern was evident.

The current time on the market varies greatly among the for-sale data, ranging from one day to more than 400 days, with the median period at 60 days. The average for-sale period is 103 days, due to the long listing period for larger luxury homes within resort areas. Outside of these vacation homes and long for-sale listing period. The majority of homes for sale are standard stick-built structures, in addition to five condominiums and four mobile homes. None of these homes was specifically listed as a foreclosure.

The pattern of sales was mapped by price, to give an indication of any concentrations of activity. As seen within the following map, the higher priced structures are mostly found outside of St. Ignace, and are found primarily on Mackinac Island and the far northwestern section of the county, within the Curtis and Gould City zip codes with locations along lakefronts. Many of these options, however, also include larger sized lots that clearly impact the overall price, as

Community
RESEARCH
Services, LLC

mentioned previously. While certainly attractive for many households, those families seeking a reasonably priced and modern home closer to St. Ignace have limited choices, as few homes are found within the ideal range for market entry by the primary target market segment and are considered examples of modern residential homes. For those lower-priced homes, most are older and may lack amenities. As it currently exists, just like most other sections of northern Michigan, the local housing for-sale marketplace lacks reasonably priced opportunities for moderate-income households. Often referred to as the "missing middle" housing segment, the lack of such options clearly inhibits the rapid relocation of all but the highest-income households from outside of the region.

Available housing units for year-round use reflect less than 50 percent of all housing units across Mackinac County

Another factor within Mackinac County is the percentage of housing stock that is not available for year-round use, or is not suitable for year-round occupancy. The latest census data for the county indicates that less than 50 percent of housing units are currently utilized for year-round occupancy. Hunting cabins, seasonal cottages, and older structures that have been abandoned, among other vacant options, reflect 43 percent of all housing units currently present across Mackinac County. A summary of housing unit information is as follows:

Table: Housing Units by Occupancy

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
Total Housing Units	**1,266**	**957**	**7,481**	**3,091**	**10,572**
Occupied Units	**1,076**	**344**	**3,855**	**1,371**	**5,226**
Percent Occupied	85.0%	35.9%	51.5%	44.4%	49.4%
Vacant Units:	**190**	**613**	**3,626**	**1,720**	**5,346**
For Rent	25	48	88	53	141
Rented - Not Occupied	0	3	16	4	20
For Sale	24	7	62	27	89
Sold - Not Occupied	0	0	14	9	23
Seasonal/Recreational Use	82	288	3,035	1,527	4,562
For Migrant Workers	0	87	87	0	87
Other Vacant	59	180	324	100	424
Percent Vacant	15.0%	64.1%	48.5%	55.6%	50.6%

SOURCE: 2018-2022 American Community Survey, U.S. Census Bureau

Such trends are not unusual, as most northern Michigan counties features significant percentages of seasonal or recreational housing units. However, within a tight housing marketplace with few alternatives, singles and families in need of local housing options may consider use of such seasonal units that are not intended for permanent use. Renovations of such units into year-round housing options are also a consideration to increase the total number of available units, but it can be assumed that such decisions are dependent on other factors, including location, costs, intended use, and the motivations of the owner. As a result, the conversion of seasonal structures to year-round use should not be considered a reasonable alternative in terms of additional housing options.

A similar examination was conducted for those homes that have recently sold, which provides an indication of expectations vs. reality for the housing sales market over the past six months. For this time period (120 days), just 18 homes within Mackinac County have been sold, as reported by the website. Among these, just one was priced below $100,000, while four were priced above $350,000. The largest category of these sales are three-bedroom homes, representing 50 percent of all homes sold (nine homes). The primary finding comparing this data to the for-sale information is the generally reduced pricing levels found on average for the recently-sold information. A summary of the data includes the following:

	# Sold	Median Price	Average Price	Median Size	Price Per Sq. Ft.	Average Year Built
One/Two-Bedroom	5	$169,900	$160,080	1,000	$169.90	1980
Three-Bedroom	9	$250,000	$293,156	1,500	$166.67	1991
Four-Bedroom+	4	$352,500	$388,750	2,362	$149.24	1988
TOTAL	**18**	**$250,000**	**$277,433**	**1,545**	**$161.81**	**1980**
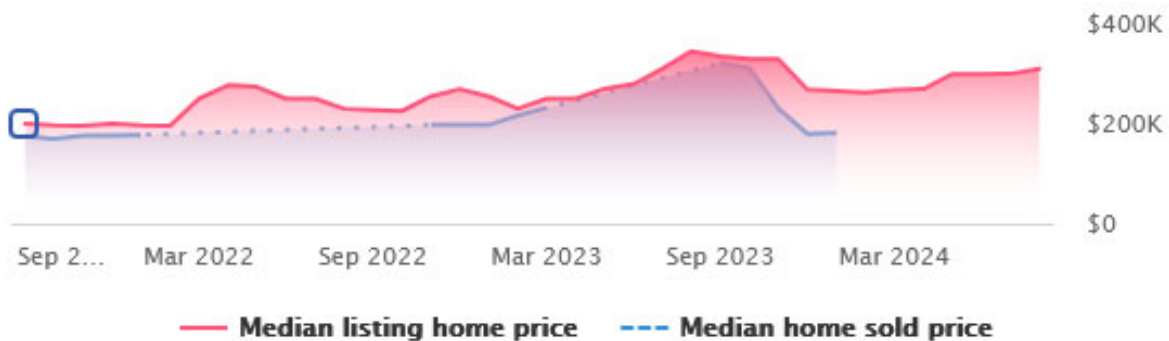
Other interesting notes from the data include:

- The median period on the marketplace for the recently sold properties was 61 days, ranging from 16 days to 245 days – 39 percent featured a sales period of more than 90 days; for the currently for-sale properties the median listing period is 60 days, ranging from two days to 439 days. A graph of these trends demonstrates the difference (removing the most extreme values):


The trend line shows the relationship between pricing and time on market, illustrating no discernable relationship between the two factors. The strongest potential relationships among the recently-sold data are the correlation between price and size, reflecting a reasonable relationship regardless of location or construction features. The other relationship noted within the data is the price to year built – which was discussed previously, as most of the higher-priced options reflect recently-constructed homes. From the realtor.com data, a graph of median days on the market:


- Average year of construction for the sold properties was 1980, slightly newer than the average for sale listing date of 1976. Both figures are reflective of an increasingly aged housing stock, and are notably older than prevailing figures regarding sales data from Gaylord and Traverse City, based on recently completed studies over the past two years.

- The distribution of recently sold properties by location favors properties within St. Ignace, representing ½ of all sold homes. Nearly all of the remaining homes are found within the northwest corner of the county (Moran/Gould City/Naubinway) – many of which are higher priced units within recreational areas, or as part of resort-oriented locations.

- The quite small number of homes available for sale is a direct reflection of the lack of housing supply within St. Ignace and across Mackinac County. These trends are illustrated within the annual construction data from the US Census Bureau, in which construction totals since 2010 reflect less than five percent of all currently occupied households.

Map: Homes Currently for Sale – Mackinac County
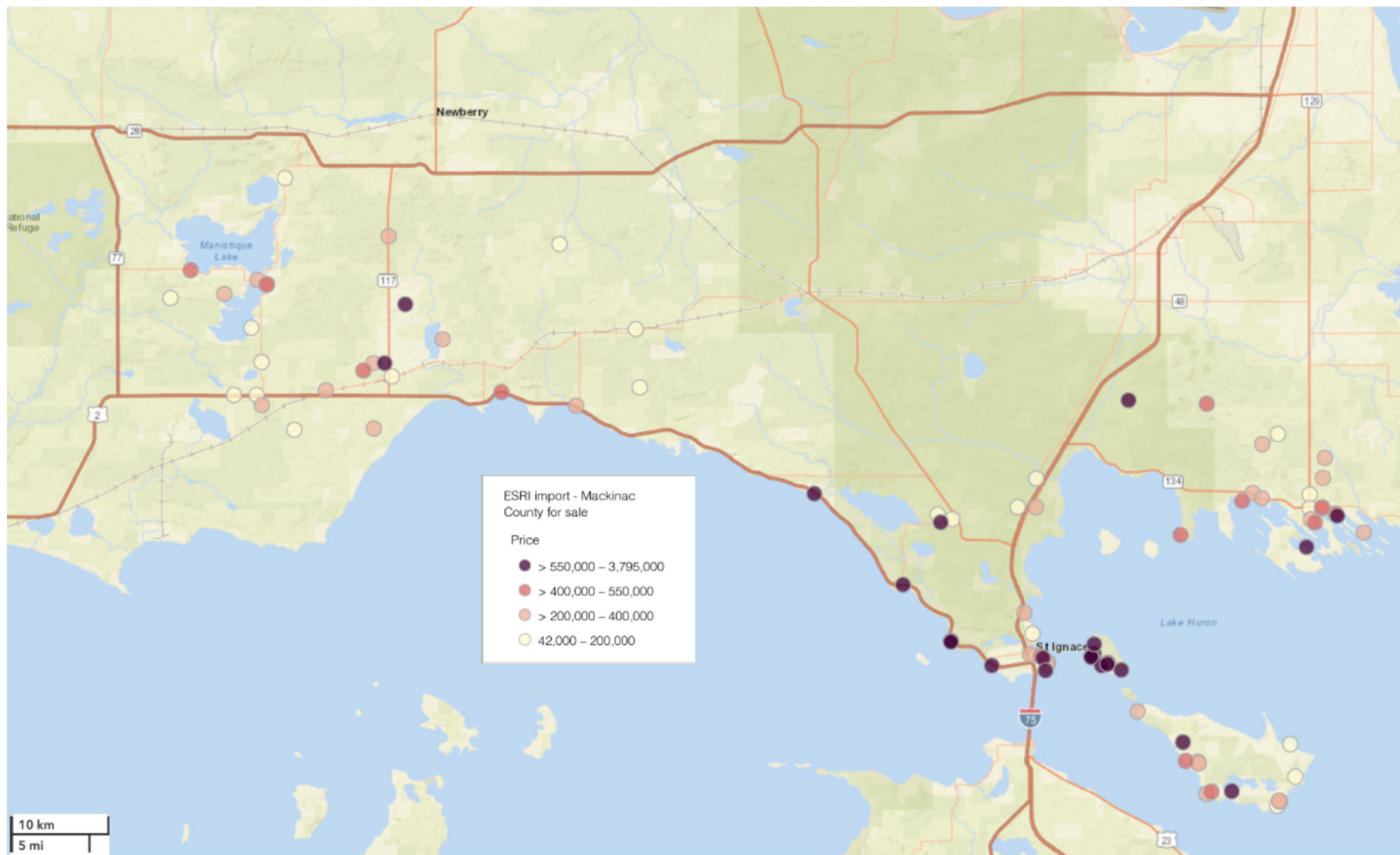
Map: Homes Recently Sold – Mackinac County
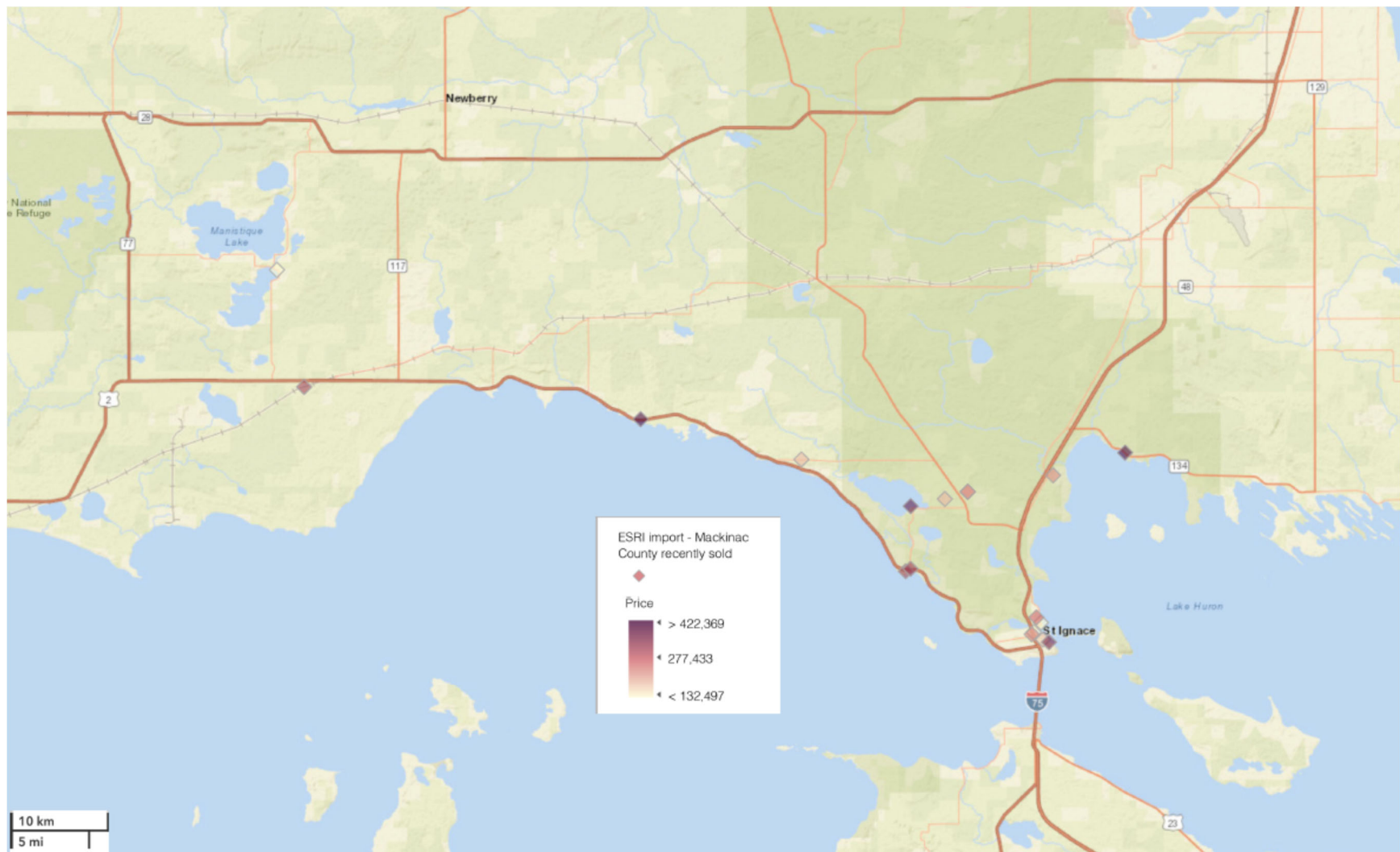
Across Mackinac County, relatively few apartment buildings are present, and most are located within St. Ignace. Five notable rental properties are found within the city, totaling 136 units – accounting for an estimated one-third of all rental units within the city. Three properties are intended for open occupancy, while two developments are targeted for seniors. All but one development either features subsidy units or income/rent restrictions for tenants. Among these units, bedroom options are generally even between the one-bedroom units and two-bedroom or more options, at 49 percent and 51 percent, respectively. These properties include:

- Bridgeview Greene – 40 units – LIHTC/RHS – built in 2012
- Charters Cove – 24 units (senior) – LIHTC/RHS – built in 2012
- St. Ignace Apartments – 28 units – RHS – built in 1987
- St. Ignace Senior Apartments (senior) – 24 units – LIHTC – built in 2007
- Mackinac Manor – 16 units – market rate – built in 1976

The average year of construction among this group is 1999 (average age of 25 years), indicative of a somewhat modern rental housing stock, for a rural Michigan community. No indication of chronic or long-lasting vacancies was reported, based on current and prior reviews of the market area by Community Research and examination of available rental housing research/studies completed by other firms over the past twenty years. Waiting lists are found at most developments.

The market for rental units overall is quite strong, and reflects essentially stabilized occupancy across various segments and types of units. The demand potential for market rate/unrestricted rental units is perhaps stronger than the affordable segment, which does reflect a somewhat narrow band of eligible incomes, generally between 40 percent of Area Median Income (AMI) and 60 percent AMI, assuming no subsidies are in use. Reflecting the age of the properties, most are good condition, and reflect positively upon the community.

Additional rental properties of note include Les Cheneaux Apartments, a 14-unit Rural Housing complex in Cedarville, developed through Rural Housing Service and targeted for senior occupancy. All available units are subsidized. Within Curtis and Engadine on the far western side of the county are Whispering Pines/Maple Leaf, a 48-unit public housing property in Curtis and 24-unit property in Engadine, constructed and operated by the Mackinac County Housing Commission. These single-story units are for open occupancy, but contain a majority of

senior residents. An exact construction date is not known, but the properties were likely developed in the late 1970s or early 1980s.

A third property of note is the recently developed complex on Mackinac Island, Forest Way Townhomes, consisting of 24 units (18 two-bedroom units and six three-bedroom units). Constructed for permanent residents of Mackinac Island that are employed on the island, the development has been extremely successful in providing an alternative for local families to remain on the island, rather than relocate to the mainland. The development features market rate rents for moderate-income households that would not qualify for alternative affordable units found on the mainland. An additional four units are planned for construction for 2025, consisting of four-bedroom duplex units, reflecting the prevailing characteristics of the project's waiting list.

Additional Rental Options

Much of the remaining apartment-style rental units across Mackinac County are senior assisted living facilities, which include Straits Area Senior Living/Castle Rock, along with Evergreen Living Center – a nursing home also located within St. Ignace. Combined with the traditional apartment properties listed previously, multi-family apartment units represent an estimated 43 percent of the current rental housing stock. This would include individual duplex to four-plex structures, most of which are renovated single-family homes converted for rental use. Single family rental homes represent an estimated 49 percent of all rental units across the county, while mobile homes, trailers, and other alternative rental housing options represent an estimated eight percent of all rental units within Mackinac County.

Pricing for single family homes varies depending on location, size, and other typical product-related factors, but few public listings are available for review. Such outlets as realtor.com, Zillow, Trulia, Craigslist, or Renter.com have no single-family listings for the county. However, Facebook marketplace lists four St. Ignace homes available for rent, with an average rent of $1,350 per month.

Just one organized mobile home park was listed within the region – Highland Hills, a 35-lot park located at 398 2nd Street, in St. Ignace. The nearest alternative mobile home parks are found near Sault Ste. Marie. This corresponds with the most recent census data, which shows

Community
RESEARCH
Services, LLC

just 400 mobile home/trailer units occupied across the entire county – a somewhat surprising total given the number of mobile homes found within adjacent counties across all of Northern Michigan. The market potential for mobile home alternatives is partially dependent upon the prevailing condition and opinion of value for such units. Assuming available options (within a park or on individual lots) are perceived as a strong or even reasonable value, mobile homes would help fulfill prevailing housing needs for both small families as well as seniors that exhibit incomes commensurate with local mobile home market potential.

As discussed previously, the Mackinac area also features a number of short-term/seasonal homes, ranging from the minimally modest single room structures to luxurious vacation homes with a wide range of amenities. Based on available short-term rental data such as VRBO, at least 30 structures are available for short-term lease to the public across mainland Mackinac County, with locations within the city, lakeshore, and interior. Pricing for summer/fall rentals vary somewhat, but ranges between $95 to $715 per night, with a wide range of sizes, locations, and features available. These short-term rental totals are not unreasonable, given the comparable price of hotels and traditional short-term leasing alternatives. A significant number of seasonal structures are not readily available to the public, but still reflect a segment of the overall housing stock. However, future concerns are present regarding the potential increase in short-term rental use, particularly if such rentals are removed from the permanent housing stock that would normally be available for long-term occupancy or for home purchase. Such conversions have taken place within Traverse City and other communities within southwest Lower Michigan, such as South Haven and St. Joseph, to the point that units removed from the permanent housing stock have exacerbated existing rental housing shortages for local residents.

One of the primary housing issues within Mackinac County and much of Michigan is simply a lack of supply. Up until the mid-2000s, housing construction trends were generally similar to prior decades, in which sufficient number of units were developed to meet the prevailing demand potential. While high-growth and high-income communities experienced some degree of limited supply, most sections of Michigan were in balance regarding development activity and market demand. After the housing crisis of 2008 and subsequent recession, a great deal of Michigan's construction and development talent and infrastructure was either forced out of business, retired, or, mostly relocated to other sections of the nation, such as

Community
RESEARCH
Services, LLC

Texas, Arizona, or Florida. Based on our firm's research and experience over the past decade, only a few sections of the Detroit Metro Area and Grand Rapids region have not experienced this reduction in development activity. Reduced development capacity, coupled with a slowly recovering economy over the next few years, has resulted in the lowest housing permit activity and construction trends in the past 70 years. These trends are clearly demonstrated within the following tables, and have been a primary factor in the current issues that most sections of Michigan are facing.
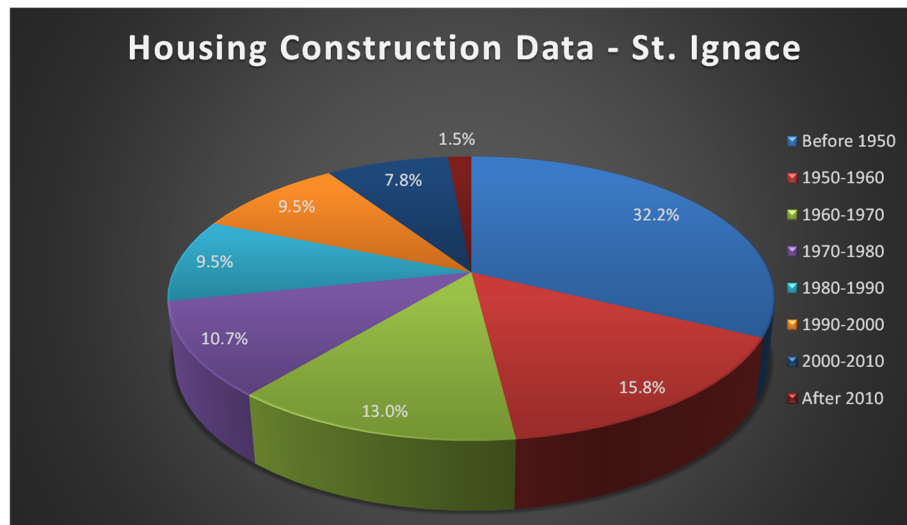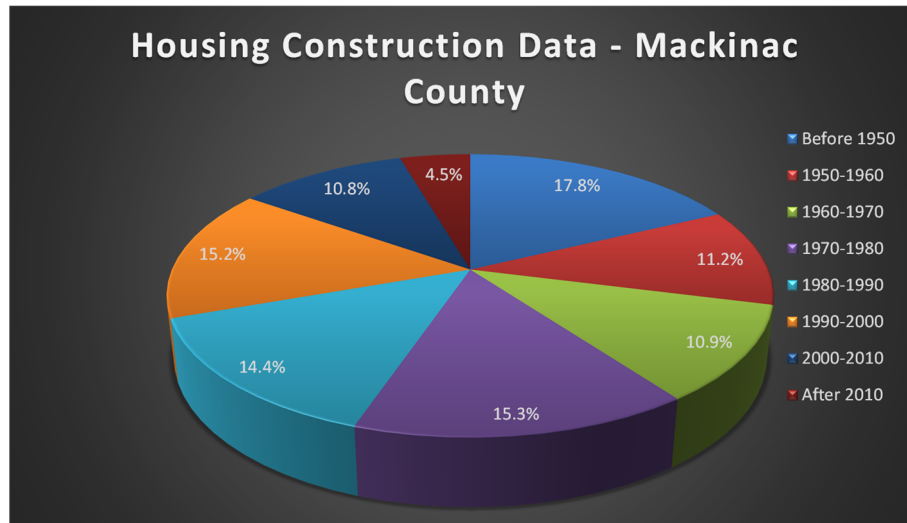
Table: Total Occupied Households by Year Built

TOTAL HOUSEHOLDS	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
Built Earlier than 1950	**347**	**76**	**729**	**201**	**930**
Percent of total households	32.2%	22.1%	18.9%	14.7%	17.8%
Built 1950 - 1959	**170**	**13**	**472**	**112**	**584**
Percent of total households	15.8%	3.8%	12.2%	8.2%	11.2%
Built 1960 - 1969	**140**	**75**	**412**	**160**	**572**
Percent of total households	13.0%	21.8%	10.7%	11.7%	10.9%
Built 1970 - 1979	**115**	**37**	**618**	**181**	**799**
Percent of total households	10.7%	10.8%	16.0%	13.2%	15.3%
Built 1980 - 1989	**102**	**71**	**504**	**246**	**750**
Percent of total households	9.5%	20.6%	13.1%	17.9%	14.4%
Built 1990 - 1999	**102**	**36**	**555**	**240**	**795**
Percent of total households	9.5%	10.5%	14.4%	17.5%	15.2%
Built 2000 - 2009	**84**	**29**	**390**	**172**	**562**
Percent of total households	7.8%	8.4%	10.1%	12.5%	10.8%
Built 2010 or Later	**16**	**7**	**175**	**59**	**234**
Percent of total households	1.5%	2.0%	4.5%	4.3%	4.5%

SOURCE: 2018-2022 American Community Survey, U.S. Census Bureau

The lack of supply is problematic within both owner and rental sides of the housing market, and is most evident within St. Ignace, with just 1.5 percent of all occupied units constructed since 2010. These figures are based on the latest American Community Survey data, with a 2022 baseline, so some subsequent development activity may have taken place, but certainly not enough to overcome the prior decade's minimal construction trends.

Community
RESEARCH
Services, LLC

Housing Construction Data - Mackinac County

Housing Construction Data - St. Ignace

VI: DEMAND ANALYSIS

Statistical Demand for Rental Housing Units

Demand calculations are presented for 2024 and three-year projections for households within the target market income ranges, defined across three segments by eligible income – affordable, workforce/moderate income, and market rate/unrestricted. For the open demand forecasts, the affordable income eligibility range is between $20,000 and $43,020, with actual eligibility based on household size and the desired income targeting (in this case such targeting would be between 40 percent of Area Median Income (AMI) and 60 percent of Area Median Income). The 60 percent to 80 percent AMI range, also referred to as the workforce housing segment, has an income range of $35,000 to $57,360. The market rate/unrestricted range is $45,000 to $120,000, with the upper range capped under the assumption that households with higher incomes would have a wider range of choices available, as well as providing a level of conservatism within the calculations. The income ranges are rounded on the lower end, but reflect actual HUD income limits for the 60 percent AMI and 80 percent AMI levels, as provided by HUD and the IRS. The eligibility ranges for the affordable and workforce segments reflect the current income and rent restrictions placed upon such units by the federal and state financing programs currently in use for the development affordable rental housing.

The three income bands have a degree of overlap, which reflects generally-accepted definitions for affordable and workforce housing income ranges. Many households may select a housing option purely based on price, while other households would consider the project's location, amenities, quality, or other considerations. Thus, each segment has some degree of overlap that takes such choices and alternative into consideration. As a result, the sum of the three demand forecasts does not reflect the overall market demand. Also, it is likely that annual movership ratios are different for each income band, but data at that level of detail is not readily available at the county level, so it is possible that the actual affordable demand is somewhat higher than the market rate demand. The impact of existing supply options is also greatly impactful, as discussed within the previous section's analysis of available housing within the Straights region.

The moderate-income segment of the housing marketplace includes the "Missing

Middle" or workforce housing segments commonly referred to within various media and housing studies. From an Area Median Income (AMI) standpoint, a conservative measure of workforce rental housing demand is the income band between 60 percent of AMI and 80 percent of AMI. At times the range up to 100 percent or even 120 percent of Area Median Income is used to broaden the income range, but for this rental housing demand, we will utilize the original definition (up to 80 percent AMI), and leave the balance of the segment to reflect an overall market rate (unrestricted) income band. These levels are measured within the following statistical demand forecasts.

By using the most recent income data, the percentage of owner and renter households that fall within the income-qualified range (adjusted to 2024) is calculated. This total is adjusted to exclude larger-sized households that would require more than a two-bedroom unit to house such a larger-sized family. This number is applied to the percentage of households that relocate to rental housing on an annual basis, using available information from the American Community Survey. This yields the annual demand for the current year. Future demand includes any additional renter households that are projected to be added to the marketplace. This results in a demand estimate for 2027.

Statistical demand forecasts point to additional demand potential for primarily workforce and market-rate rental units

The resulting demand forecast is 44 affordable units, 42 workforce housing units, and 112 market rate units. Based on an ideal penetration rate at approximately two to three percent, estimates of "ideal" unit sizes for each demand segment can be determined. The penetration rate ratio is a measure of recommended units compared to the number of age and income qualified households within the defined market area. Larger penetration ratios significantly greater than three percent reflect overly aggressive project sizes and/or relatively weak market trends from a statistical standpoint. A second statistical demand ratio commonly used is the capture rate, indicating how much statistical demand would be required to absorb a proposal. Capture rates that approach or exceed 50 percent typically exhibit questionable demand levels, as a majority of all households likely to move within a given year would be required to move into the proposed facility.

The results suggest sufficient demand for affordable and workforce units, but essentially all of the demand comes from movership within the market area, rather than a strong degree of

household growth. As affordable units are present within the St. Ignace area, and overlap in terms of eligible incomes is present, the affordable demand may be discounted somewhat in favor of the workforce housing segment, or included within a mixed-income proposal that maximizes the income-eligibility range. Based on these figures, the primary recommendation for rental development would include a combination of workforce housing and market rate units. Secondarily, sufficient demand is also present for a stand-alone affordable property, but would join other such units that target households at that income range.

Statistical Demand for Senior Rental Housing Units

A similar statistical method can be used to determine senior rental housing demand. In this case, the demand forecast is based on seniors age 65 and older, as this represents the broadest base of potential senior occupancy, assuming seniors can live an independent lifestyle. Using very similar methodology and two income ranges – affordable (approximately $15,000 to $50,960 – up to 80 percent AMI) and market rate ($50,000 and above), a 2027 demand for senior rental housing was calculated at 36 units within the affordable range and 34 units within the market rate income range. Under a senior demand forecast, the corresponding ideal penetration rate is six percent or below, and a capture rate less than 50 percent. Using these ratios, the suggested unit sizes are 18 affordable senior units and 24 market rate senior units. Both the demand levels are suggestive of a moderate level of demand.

Please note that the senior demand is not a complete subset of the overall open demand calculation, as it utilizes separate migration and income eligibility factors.

One other note is important to reiterate – the demand forecasts are based on seniors age 65 and older. Actual eligibility for most senior housing begins at age 55 and older, but the utilized age segment is reflective of the actual average age of most senior independent living facilities, which typically exceeds 75 years of age. Occupancy within a senior development is more dependent upon health and the condition of the prior residence than purely the age of the household. As a result, most analysts are wary of exceedingly strong demand forecasts based on the 55 and older age segment. For this analysis the demand equation utilized very cautious measures to maintain a degree of conservatism and avoid an overly optimistic demand forecast.

Other factors outside the demand forecasts' ability to measure should also be considered.

Community
RESEARCH
Services, LLC

These factors include the overall attractiveness of the subject's location, marketing and outreach efforts by the community and management agents, and ongoing economic changes that may take place within the market area. Any of these items could significantly alter the calculated demand for a given project. Please note that these demand forecasts are also dependent on the following assumptions:

- The demand forecasts should be considered preliminary. A more specific and definitive demand forecast can be determined when a specific site is determined, project characteristics are finalized, and price points are set

- Future demand forecasts would potentially utilize a broader area that many include portions of adjacent counties. Such scenarios are more likely for a senior proposal, depending up its characteristics and location

- The development team is experienced and no delays in construction will take place

- Proposed developments will be constructed at a location that maximizes visibility, access to the site, and is not adjacent to a detrimental feature (such as a landfill)

- Pre-leasing and outreach efforts are maximized to positively impact the planned development, by a management company with experience leasing affordable and market rate rental units

- Community support for the proposal is present

- If necessary, pricing and project features are adjusted to reflect ideal market conditions

Statistical demand forecasts exist within a "*ceteris paribus"* environment in which all other factors outside the equation are held constant. If any of these considerations are not present, however, or if a specific characteristic of the proposal is deemed excessively negative within the community, the demand potential for any proposal could be greatly changed in either direction.

Statistical Demand for Assisted-Living Units

The estimation of Assisted-Living senior units is somewhat different than the prior demand estimations, as age and income status are not the primary determinants of demand potential. Net worth, rather than annual income, is utilized to determine viability from a cost standpoint, as it is assumed that persons seeking an Assisted-Living alternative are near the end of their respective lifespans, so all resources are utilized toward the new housing option. Also, while the vast majority of Assisted-Living residents are quite aged, the assumption that all

persons beyond at 75 are seeking such an option is not reflective of true market potential. The primary determinant is actually health status, as seniors that are able to live independently, regardless of age, are not part of the market potential for Assisted-Living housing. A reasonable estimation for the likely Assisted-Living target market segment is a combination of age and health status.

An explanation of the demand forecast presented within the following pages for Assisted-Living units includes the following factors. The use of Mackinac County represents a conservative measure of likely draw, as assisted living options often draw residents due to a prior relationship or history to the area, or the presence of grown children that may be nearby. As senior facilities are often concentrated near service corridors and medical alternatives, a broader market area is often utilized to reflect this stronger degree of attraction. In terms of determining income-eligibility, assumptions regarding baseline costs, the anticipated number of years an assisted living household would remain within a complex, and the likely housing cost/net worth ratio providing a minimum net worth level for eligibility. For this analysis, the minimum monthly cost for assisted living units was estimated at $3,600 per month, with a maximum tenure at a complex of six years, and assuming that 95 percent of all household resources (net worth) would be dedicated toward assisted living costs. Under this scenario, a minimum net worth level of approximately $246,000 was determined. Based on net worth data for seniors age 75+ within Mackinac County, this reflects 67.7 percent of all households 75+, according to ESRI.

A senior household baseline of age 75+ is used for this estimate, reflective of most resident age levels. The 75+ household total is then adjusted by the percentage of households 75+ that exhibit an independent living difficulty, as defined by the American Community Survey. The percentage of households 75+ that exhibit an independent living difficulty was 16.5 percent, based on the most recent American Community Survey data. Applying the net worth and independent living difficulty percentages to the 75+ household baseline for Mackinac County yields a baseline demand potential of 106 households for 2024. With additional senior household growth among the 75+ age cohort, the forecast 2027 demand potential is 109 households.

Community
RESEARCH
Services, LLC

Other factors worthy of note include:

- Any senior-oriented housing option located within the St. Ignace area would desire a high degree of secondary-market participation, but considering the migration and commuting patterns for the community, such an assumption cannot be fully realized. Some secondary market boost will be likely, but perhaps not as impactful as may be expected in other northern lower Michigan cities/communities.

- This type of demand forecast does not include a movership assumption for eligible households into assisting living units, thus the description demand potential. As a result, using conservative capture and penetration ratios provides a stronger indication of suggested project size. For our example, a project size of 24 units yields a capture rate of 22 percent, and a penetration rate of just below four percent – indicating that continued demand potential is present, with additional considerations regarding secondary market potential likely pushing annual demand potential as beyond the 24-unit total.

- Location and marketing considerations are also important, but the reputation and overall impression of the various services related to an assisted living development are critical in terms of maximizing market potential for both local and secondary market sources.

- A broad degree of healthcare and personal care services typically found within assisted living developments would ideally appeal to the broadest number of potential senior households. A mixed-use option of both independent living and assisted living units would provide an option for seniors to age in place, rather than being forced to relocate when circumstances dictate such a decision.

Table: Statistical Demand Calculation – Open Rental Units

2024 Total Occupied Households	**5,111**		
2024 Owner-Occupied Households	**4,085**		
2024 Renter-Occupied Households	**1,026**		

	Affordable Range	Workforce Range	Market Rate Range
QUALIFIED-INCOME RANGE *(unduplicated)*			
Minimum Annual Income	$20,000	$35,000	$45,000
Maximum Annual Income	$43,020	$57,360	and Above
PERCENTAGE SMALL SIZED OWNER HH	87.2%	87.2%	87.2%
PERCENTAGE SMALL SIZED RENTER HH	84.8%	84.8%	84.8%
DEMAND FROM EXISTING HOUSEHOLDS			
Percent Income Qualified Owner Households	16.0%	16.9%	44.4%
Percent Income Qualified Renter Households	19.4%	14.5%	41.6%
Size-Adjusted Income Qualified Owner Households	570	603	1,583
Size-Adjusted Income Qualified Renter Households	169	126	362
Annual Movership Rate - Owner to Renter	5.0%	5.0%	5.0%
Annual Movership Rate - Renter to Renter	10.0%	10.0%	10.0%
Total Income-Qualified Owner to Renter Movers	28	30	79
Total Income-Qualified Renter to Renter Movers	17	13	36
Total Demand from Existing Households	**45**	**43**	**115**
DEMAND FROM NEW RENTER HOUSEHOLDS			
Projected 2027 Renter Households	**999**		
Annual Change in Renter Households, 2024-2027	**-9**		
Percent Qualified Renter Households	19.4%	14.5%	41.6%
Total Annual Demand From New Households	**(1)**	**(1)**	**(3)**
TOTAL DEMAND	**44**	**42**	**112**
LESS: Total Comparable Units Placed in Service Since 2023	0	0	0
LESS: Total Comparable Units Proposed/Under Construction	0	0	0
TOTAL NET DEMAND	**44**	**42**	**112**
IDEAL NUMBER OF UNITS	**16**	**24**	**56**
CAPTURE RATE	**36.5%**	**57.6%**	**49.9%**
PENETRATION RATE	**2.2%**	**3.3%**	**2.9%**

Note: Totals may not sum due to rounding or differences in income ranges

SOURCE: U.S. Census of Population and Housing, U.S. Census Bureau
            American Community Survey, U.S. Census Bureau
            ESRI Business Analyst

Community
RESEARCH
Services, LLC

Table: Statistical Demand Calculation – Senior Rental Units

	2024 figures					
2024 Total Occupied Households 65+	**2,202**					
2024 Owner-Occupied Households 65+	**2,091**					
2024 Renter-Occupied Households 65+	**111**					

	40% AMI	**60% AMI**	**80% AMI**	**Market Rate**	**Total Affordable**	**With Deep Subsidies**
QUALIFIED-INCOME RANGE *(unduplicated)*						
Minimum Annual Income	$15,000	$20,000	$35,000	$50,000	$15,000	Up to
Maximum Annual Income	$22,320	$38,220	$50,960	$120,000	$50,960	$38,220
DEMAND FROM EXISTING RENTER HOUSEHOLDS - AGE 65+						
Percent Income Qualified Owner Households	3.4%	14.2%	15.2%	38.6%	28.8%	22.9%
Percent Income Qualified Renter Households	16.0%	31.6%	8.3%	28.6%	47.5%	59.4%
Percentage of Seniors without Independent Living Difficulty	77.4%	77.4%	77.4%	77.4%	77.4%	77.4%
Income Qualified Owner Households	54	298	318	624	601	479
Income Qualified Renter Households	14	35	9	25	53	66
Annual Movership Rate - Owner to Renter	5%	5%	5%	5%	5%	5%
Annual Movership Rate - Renter to Renter	10%	10%	10%	10%	10%	10%
Total Income-Qualified Owner to Renter Movers	3	15	16	31	30	24
Total Income-Qualified Renter to Renter Movers	1	4	1	2	5	7
Total Demand from Existing Households	**4**	**18**	**17**	**34**	**35**	**31**
DEMAND FROM NEW HOUSEHOLD GROWTH - AGE 65+						
Annual Owner Household Growth, 2024-2027	27	27	27	27	27	27
Percent Income Qualified Owner Households	3.4%	14.2%	15.2%	38.6%	28.8%	22.9%
Annual Renter Household Growth, 2024-2027	1	1	1	1	1	1
Percent Income Qualified Renter Households	16.0%	31.6%	8.3%	28.6%	47.5%	59.4%
Total Demand From New Households	**0**	**0**	**0**	**1**	**0**	**0**
TOTAL DEMAND	**4**	**19**	**17**	**34**	**36**	**31**
LESS: Total Comparable Units Placed in Service Since 2023	0	0	0	0	0	0
LESS: Total Comparable Units Proposed/Under Construction	0	0	0	0	0	0
TOTAL NET DEMAND	**4**	**19**	**17**	**34**	**36**	**31**
SUGGESTED NUMBER OF UNITS	**2**	**9**	**7**	**24**	**18**	**16**
CAPTURE RATE	**48.1%**	**48.2%**	**41.1%**	**70.1%**	**50.3%**	**51.7%**
PENETRATION RATE	**2.9%**	**2.7%**	**2.1%**	**3.6%**	**2.7%**	**2.9%**

Note: Totals may not sum due to rounding

SOURCE: U.S. Census of Population and Housing, U.S. Census Bureau
American Community Survey, U.S. Census Bureau
ESRI Business Analyst

Community
RESEARCH
Services, LLC

Table: Statistical Demand Calculation – Assisted Living Senior Units

2024 Total Occupied Households 75+	**951**
2024 Owner-Occupied Households 75+	**785**
2024 Renter-Occupied Households 75+	**166**

	Market Rate
QUALIFIED NET WORTH RANGE *(unduplicated)*	
Minimum Net Worth	$246,000
Maximum Net Worth	And Above
DEMAND FROM EXISTING HOUSEHOLDS - AGE 75+	
Percent Qualified Net Worth Households 75+	67.7%
Percent with an Independent Living Difficulty	16.5%
Total Demand from Existing Households	**106**
DEMAND FROM NEW HOUSEHOLD GROWTH - AGE 75+	
Senior 75+ Household Annual Growth, 2024-2027	29
Percent Qualified Net Worth Households 75+	67.7%
Total Demand From New Households	**3**
TOTAL GROSS DEMAND	**109**
PROPOSED NUMBER OF UNITS	**24**
CAPTURE RATE	**21.9%**
PENETRATION RATE	**3.7%**

Note: Totals may not sum due to rounding

SOURCE: U.S. Census of Population and Housing, U.S. Census Bureau
              American Community Survey, U.S. Census Bureau
              ESRI Business Analyst

Community
RESEARCH
Services, LLC

Statistical Demand for Owner Housing Units

Statistical demand forecasts for homeownership analysis are rarely utilized, as the homeownership marketplace has numerous factors that are difficult to readily quantify within a simple algorithm such as the rental demand forecast. A regression analysis is typically provided for such an analysis, but Mackinac County is relatively small to provide this type of analysis with a high degree of confidence. However, the following information may shed light on the statistical aspects of the local homeownership market:

- Annual movership ratios for households into owner-occupied units was calculated as follows for Mackinac County, based on the latest American Community Survey data, estimated for 2024:

  - Previous Owner into Owner-Occupied Units: 1.6 Percent (65 units)
  - Previous Renter into Owner-Occupied Units: 3.3 Percent (34 units)

  For this data to reflect current conditions, the approximate number of homes purchased within the last year would need to total approximately 100 units, which is certainly conceivable based on current sales data, as examined within the housing supply section.

  Based on the number of homes currently for sale, the difference in the market area and the Realtor.com trade area, and closing data listed on Realtor.com, these statistics appear reasonable and indicative of prevailing market conditions, along with a reasonable depiction of the number of homes that are available for sale. It should be noted that annual movership levels for most of Michigan and surrounding states have been slowly declining over the past decade; the pandemic's influence upon these trends has furthered such trends, and an increasing segment of the labor force that works at home has also impacted movership rates. The "gig" economy also has impacted the movement of workers, but this is not a sizable portion of the Mackinac region's labor force, as compared to more urban sections of Michigan and the Midwest.

- Realtor.com describes the local housing market shifting rapidly to a sellers' market, after a period of generally balanced conditions, as homes over the past few months have rapidly sold with few to no adjustments in pricing levels (with the exception of higher-priced homes, vacation homes, or those homes located on Mackinac Island). The median number of days recently sold homes have been on the marketplace was reported at 61 days, well lower than prior months. These trends are also impacted by a few outliers in terms of time on the market, reflecting the high-priced/vacation homes that typically are on the market for more than 200 days. Removing these homes lowers the median days on the market to 47 days.

- An alternative method to determine demand potential for owner-occupied housing is to utilize the absorption rate, the period of time in which a home is available for sale. By separating the number of homes sold within a 30-day period and comparing this total to the number of homes available across all categories, we can illustrate the intensity of the

home sales market. Based on the recently sold data, the 30-day absorption rate was calculated at 16.7 percent. The limited growth in households and residential construction since 2010 does point to a supply-oriented limitation, not a deficiency in terms of demand potential.

- The number of owner-occupied homes is forecast to slowly increase over the next few years, based on ESRI data. Current trends would indicate that most of these new households will reflect higher-priced homes located within resort/vacation areas, rather than more moderately-priced homes suitable for families within the workforce housing segment.

- While some existing owner-occupied homes may convert to rental units, it is more likely that some of the lower-quality homes within the market area may be vacated or removed from the available housing stock. Based on the latest American Community Survey data, 1.7 percent of Mackinac County owner-occupied households are considered substandard, totaling an estimated 66 units for 2022. However, all of these substandard units are located outside of the city. Census data from the American Community Survey on substandard/overcrowded households is as follows:

Table: Substandard & Overcrowded Households by Tenure

	St. Ignace City	Mackinac Island	East Mackinac Market Area	West Mackinac Market Area	Mackinac County
Estimated Total Owner Households	**675**	**134**	**2,786**	**1,187**	**3,973**
Number Lacking Complete Plumbing Facilities	0	0	19	23	42
Percent Lacking	0.0%	0.0%	0.7%	1.9%	1.1%
Number of Over-crowded Units	0	0	7	17	24
Percent Over-crowded	0.0%	0.0%	0.3%	1.4%	0.6%
Total Owner Substandard Units	**0**	**0**	**26**	**40**	**66**
Percent Owner Substandard	0.0%	0.0%	0.9%	3.4%	1.7%
Estimated Total Renter Households	**401**	**210**	**1,069**	**184**	**1,253**
Number Lacking Complete Plumbing Facilities	0	0	6	5	11
Percent Lacking	0.0%	0.0%	0.6%	2.7%	0.9%
Number of Over-crowded Units	0	0	21	10	31
Percent Over-crowded	0.0%	0.0%	2.0%	5.4%	2.5%
Total Renter Substandard Units	**0**	**0**	**27**	**15**	**42**
Percent Renter Substandard	0.0%	0.0%	2.5%	8.2%	3.4%

SOURCE: 2018-2022 American Community Survey, U.S. Census Bureau

Community
RESEARCH
Services, LLC

VII: SPECIAL HOUSING TOPICS

Rental Market Potential – St. Ignace Site

A specific request was made for the review of workforce housing demand potential, based on a site location just west of North State Street, on the north side of South Airport Road, within the northern section of the city. As discussed previously within the demand section, demand potential within the Mackinac region is primarily based on annual movership and to a lesser extent migration patterns, rather than in-place growth among local households. The combination of commuting patterns into the St. Ignace area and migration trends across the county demonstrate the market potential that exists within the St. Ignace marketplace. Other factors of note include:

- The proposal's location is on the north side of South Airport Road, within a generally rural section of the city. Surrounding land uses are a combination of single-family homes, an apartment complex (St. Ignace Apartments), and vacant lots. The site is a very short distance from North State Street (Business 75) and the primary commercial corridor of St. Ignace. The site has a walk score of just 12 (out of 100), due to the lack of sidewalks and the distance from the city's primary retail and service outlets. However, the site's rural characteristics should prove advantageous for those residents seeking a rural setting. Photos of the site and adjacent lots are included below:

Community
RESEARCH
Services, LLC

- Considering the site's location and the demand potential for rental housing, it can be assumed that the primary target market would include singles, couples, and small families with moderate incomes, entry-level employment, with some managerial or professional occupations. Inclusion of an affordable segment is also conceivable from a market standpoint, but the actual development of a mixed-income property with either MSHDA financing or a LIHTC allocation is often difficult within a rural community such as St. Ignace. From an age standpoint, it is also conceivable that a portion of the resident base would include older households, likely empty nesters that no longer wish to maintain a home, but my still be actively employed or maintaining a business.

- Unit amenities should include a full kitchen with dishwasher and pantry, 2nd bathroom for larger units, walk-in closets, and patio/balcony; Project features recommended for inclusion include common areas, clubhouse with management office, exercise room, and sufficient landscaping. Garage units are also suggested for an additional fee. Recommended unit mix includes a combination of one-bedroom and two-bedroom units. Based on prevailing household size, an aging population, and likely target market characteristics, three-bedroom units are not suggested for inclusion.

- Assuming a workforce/market rate property and a 2027 market entry, suggested price points include:

  - One-bedroom/One bath: $1,375/month
  - Two-bedroom/Two bath: $1,650/month

- An ideal building option would be a single-story duplex/fourplex-type building, which would maximize the potential tenant pool. Other options, including two-story townhomes or multi-story garden apartments, are also acceptable assuming project-related features are included.

- Demand potential as examined within the prior section would be an appropriate estimation of statistical support. For 2027, a conservative proposal would total 40 to 56 total units, with a slight majority of units consisting of two-bedroom units.

- The ability to attract various workforce households or households able to afford a market rate rental option would positively impact the community's primary employers, such as the hospital, casino, county government, and other moderate wage-level occupations.

Mackinac Island – Housing Assessment Update - 2024

Community Research has previously examined the unique housing market on Mackinac Island, with the first report completed in 2017. This report provided the market evidence toward the development of additional housing options specifically for permanent Mackinac Island residents. This housing option is Forest Way Townhomes, a two-phased market rate rental facility located within the central section of the Island. It has successfully served permanent

Community
RESEARCH
Services, LLC

residents of the island, allowing these households to continue to work on Mackinac Island and avoid relocating to alternative housing options on the mainland.

Earlier this year, the Mackinac Island city government requested an update of the 2019 report, to confirm market potential for the third phase of Forest Way Townhomes, update data from the 2020 census, and provide ongoing direction regarding current and future housing needs for Mackinac Island residents.

While Mackinac Island is obviously a sub-market of Mackinac County, the island's unique economic, housing needs, and demographic composition make a separate analysis not only a reasonable request by city officials, but a unique opportunity to examine concurrently separate housing needs for individual communities across a countywide marketplace.

The inclusion of the entire Mackinac Island report within this analysis would be cumbersome and perhaps confusing. A summary of key findings from that report and subsequent findings from this countywide assessment including the following:

- *The analysis utilizes Mackinac Island as the primary market area, with no direct participation from secondary market sources from the mainland. Data is also presented for a secondary market area, that also includes St. Ignace and Mackinaw Township. Comparisons and data for Mackinac County is also presented within the analysis.*

- *The key target market segment includes moderate-income singles, couples, and families, employed on the Island, seeking a rental housing alternative. Some type of connection to Mackinac Island is also a primary consideration. Alternative target market considerations also include those persons seeking a homeownership option, but the lack of reasonably-priced homes makes this portion of the target market segment unlikely.*

- *Positive factors include the following:*

  - *Demographic trends reflect generally stable population totals. By 2028, the Island's population is forecast to total 633 persons, based on ESRI forecasts. This is an increase of nearly nine percent from 2020, but is primarily due to a temporary influx of temporary workers. Households on the Island are forecast at 293 occupied units, essentially unchanged from 2020.*

  - *The Island's youngest and oldest residents are forecast to increase over the next few years, while adult populations will vary little from 2020 totals. Persons age 19 and younger are forecast to increase by 36 percent from 2020 to 2028, reflecting in part the influx of workers. Senior age 65 and older are projected to increase by 25 percent over the same period.*

Community
RESEARCH
Services, LLC

- o *Placemaking considerations are very favorable, as the community's status and reputation as Michigan's most popular vacation destination point.*

- *Impediments and other problematic considerations include:*

  - o *Excessive pricing for most housing options, due to the prevalence of vacation/2nd homes, an insufficient number of rental housing options, and very few newly constructed housing units over the past 30 years. Some of these factors are also found in other Northern Michigan communities, but the unique circumstances found on the Island present difficult barriers to residential development. These barriers are both economic and geographic in nature, and have led to unfortunate gaps across the Island in terms of housing options.*

  - o *A majority of the housing units on Mackinac Island are seasonal, and represent a combination of vacation homes, 2nd homes, and seasonal/recreational cottages. Just 36 percent of all housing units on Mackinac Island are occupied by permanent residents, based on the latest American Community Survey data.*

- *Primary findings for this analysis include:*

  - o *The size of Mackinac Island makes even the smallest introduction of housing units into the community impactful. The introduction of any units would ideally alleviate to some degree the unmet demand potential across the community.*

  - o *Affordability is perhaps not as great a concern regarding housing needs as availability. While pricing is clearly important, the simple lack of any choices for moderate-income residents of the community is the most striking issue. Simple supply and demand considerations will lead to pricing levels that are not reasonable for most residents.*

  - o *An examination of the current residents at Forest Way Townhomes provides evidence of the market potential for additional units. The data provided the following information:*

    - ▪ *A majority of residents are long-term Mackinac Island natives, taking advantage of rental housing opportunities to remain on the Island*

    - ▪ *Those residents that are not native to Mackinac Island originated outside of the Straights region, despite the number of commuters that are present within St. Ignace and Mackinac City.*

    - ▪ *Residents of the townhomes reflect a combination of permanent employees on the island and workers from the mainland. Just five of the residents are from secondary market sources, with no prior connection to Mackinac Island.*

    - ▪ *The average household size at the townhomes is 2.42 persons, among the two-bedroom and three-bedroom units. Nine of the units are occupied by a single person. Demand potential for larger-sized units is evident among*

> both the three-bedroom units and the degree of interest in available units.

  - An additional phase of the townhomes is under development, featuring four four-bedroom units within a duplex-type design. These units will capture the demand potential present for larger-sized families.

  o Based on our prior research of island communities within Michigan and other parts of the nation, residents of Mackinac Island make a very specific and reasoned choice to reside within the community. Isolated by water, the community is not a reasonable choice based on traditional commuting patterns, a compromise between other regions, nor a destination point among the general population for employment opportunities. This makes the choice for residing on the Island perhaps one of the more binary choices for potential residents. Similarly, multi-generation residents are already aware of the unique characteristics of the community, with many selecting to stay. It is a lack of housing choices for both scenarios (new residents and multi-generation residents) that threatens the long-term viability of the community.

The findings point to sufficient statistical support and market depth for rental development that addresses a combination of "workforce housing" and market rate target markets.

Based on the findings, additional rental development should feature the following characteristics:

Project Size: Up to 12 units

Project Type: Duplex-style townhomes with attached garages, with a minimum 1,000 square feet, with single story and two-story options

Unit mix: Two-bedroom and three-bedroom options, with some variation based on site and floor plan differences

Preliminary Pricing: $1,200 - $1,600

Rents do not include utilities (heat, electric, garbage)

Amenities/features: – laundry hook-ups, storage space, full kitchen with modern appliances, full bath, cable/internet ready, and sufficient closet space.

The findings also indicate a definitive demand for homeownership options, but the development potential for owner-occupied alternatives is difficult for Island residents. It is unknown, however, if new for-sale homes can be easily constructed on Mackinac Island within a reasonable price point for likely residents. Existing for-sale data such as realtor.com does not show a market for such housing options, and development trends are also void of such options, with the exception of Edgewood, sponsored by the Mackinac Island Housing Corporation. These homes were priced at $250,000 and targeted for year-round Island residents employed on the Island, consisting of two-bedroom/two-bath units at 1,025 square feet.

Community
RESEARCH
Services, LLC

Thus, the focus on additional rental housing options for the target market segment is perhaps the most reasonable housing solution for the near term.

These recommendations should be considered preliminary. A positive final recommendation is dependent upon the utilization of a specific marketing plan, inclusion of amenities and building design that reflects the market's characteristics, and the presence of professional preleasing and management. Assumptions also include a positive location with sufficient visibility and access from across the Island. It is also assumed that no delays in the development process would take place that would essentially negate any marketing efforts.

VIII: DATA & SOURCES

BIBLIOGRAPHY

2010/2020 U.S. Census of Population and Housing, SF1/SF3, U.S. Census Bureau

2018-2022 American Housing Survey, U.S. Census Bureau and U.S. Department of Housing and Urban Development

2020 U.S. Census – PL 94-171 Redistricting Data

ESRI Business Analyst Online, 2024-2029 Demographic Estimates and Projections

Thematic maps and Tapestry data through ESRI Business Analyst

U.S. Department of Labor, Bureau of Labor Statistics

Aerial Photography from ESRI Business Analyst

Local housing sales trends/data - Realtor.com

Employment and economic data/trends – EUPRPDC Employer Surveys & interviews with local employers

CERTIFICATION

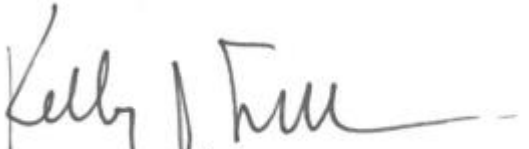**CONSULTANT CERTIFICATION/CERTIFICATE OF ACCURACY**

It is hereby attested to that the information in this report is true and accurate. Information gathered from other sources is considered to be reliable; however, the undersigned does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment.

While the sponsor has paid for the market research services rendered, the undersigned certifies that no fees will be collected or payments received contingent upon the success of the proposal. In addition, the undersigned further certifies that no ownership interest exists concerning the proposal.

While the document specifies Community Research Services, LLC, the certification is always signed by the individual completing the study and attesting to the certification.

COMMUNITY RESEARCH SERVICES, LLC

Kelly J. Murdock

Date: August 12, 2024

RESUME AND BACKGROUND

KELLY J. MURDOCK

COMMUNITY RESEARCH SERVICES, LLC

Mr. Murdock has vast experience in the analysis of housing markets. Since 1988, he has provided market analyses and studies on single-family developments, apartment complexes, condominium proposals, and senior citizen communities. Mr. Murdock has also assisted numerous nonprofit groups and non-entitled communities with the use and regulations of the HOME program, as a technical assistance representative through the Michigan State Housing Development Authority (MSHDA). He has been featured within several published articles on housing research, and has served as a speaker at numerous housing seminars on market-related issues.

Mr. Murdock currently serves as the Managing Partner of Community Research Services, LLC (CRS). CRS was created to provide a wide variety of products and services to the affordable housing industry, ranging from market feasibility studies to development consulting. CRS provides consulting and research with for-profit firms, nonprofit organizations, as well as state and local governments.

Prior to the establishment of CRS, Mr. Murdock was the founder of Community Research Group LLC and Community Targeting Associates. Both companies provided a large degree of affordable housing research over a twelve-year period (1992 to 2004) across 31 states for over 250 clients. This included research conducted under contract with Rural Housing Service, HUD, and six state housing agencies. Previously, Mr. Murdock served as the Senior Market Analyst of Target Market Systems, the market research division of First Centrum Corporation. At TMS, Mr. Murdock was responsible for market research services for all development and management divisions of the corporation, and completed some of the first market reviews and studies within Michigan under the LIHTC program (IRS Section 42).

A graduate of Eastern Michigan University, Mr. Murdock holds a degree in Economics and Business, with a concentration in economic modeling and analysis. Mr. Murdock is a member of the Michigan Housing Council, a statewide affordable housing advocacy group. He previously served on the Council's Board of Directors. Mr. Murdock and CRS are also charter members of the National Council of Housing Market Analysts (NCHMA), an organization dedicated to the establishment of standard practices and methods in housing research across the nation. Mr. Murdock currently serves on the executive committee of NCHMA as Past Chairman, having served as the Chair for the organization during the 2020-2022 term. Mr. Murdock has been awarded the Professional Member designation by NCHMA, the highest level of membership offered by the organization.