

1. Welcome
2. Headline #s
3. Summarization
4. Document Walk Through



Prepared by  
czbLLC



**Ann Arbor Area**  
Community Foundation

# 1. Welcome and Thanks

- ✓ AAACF, Song Foundation, Herrick Foundation
- ✓ Shannon Polk
- ✓ Khalilah Burt Gaston
- ✓ Wendy Brightman
- ✓ Howard Hanna Real Estate Services



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## 2. Headline #s



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1. 150,000 households (92,000 home owners) (62%); 29,000 are 65+
2. 65,000 students – 45,000 off campus :: 22,500 student households off campus (1 HH=1 unit)
3. 70% (108,000) of all housing units in county is single family detached
4. 15,000 more households by 2045 were projected; now? **ALL BETS ARE OFF**
5. 5.8% of the county's households live in Ypsilanti, but 12.6% of the subsidized units are there.
6. \$225/SF is the cost for new construction, excl of land, predevelopment, contingency, profit
7. >85% of the housing engine is in the core of just five townships (Scio, A2, Superio, Pittsfield, Ypsilanti)
8. 55,210 employees at UM+ System – 11.4% increase since just 2020 **ALL BETS ARE OFF**
9. 4,500 single parent households are the net in real trouble
- 10.85-12-3. 85% of households are coping well, 12% are vulnerable; 3 % really hard hit



- 150,000 households
  - ✓ 125,000+/- are doing well (if not perfectly)
  - ✓ 20,000+/- are vulnerable (cost and quality burdened)
  - ✓ 5,000 +/- are especially vulnerable

# 3. Summarization



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1. Pricey but, *countywide*, NOT an exorbitantly expensive housing market
2. Short\*\* -11,000 (-10,895) affordable rental; and -4,000 (-4,010) affordable ownership units
3. Several interconnected transitions are now complete
4. 2025 housing market is very different in complexion than 20, 30, or 40 years ago
5. About 90% of households have found a very capable coping mechanism/workaround
6. Balance are truly on the outside looking in – single earner HHs w/o BA
7. For this 10% without BA as sole earner/HH it truly is a crisis
8. Unless the crisis faced by the 10% is tantamount to there being a crisis, there is no crisis
9. Important policy and program implications: land use and role of subsidy
10. A return to too much supply may be a real risk

\*\*Not so much "short" as mismatched

1. Pricey but, *countywide*, **NOT an exorbitantly expensive** housing market
  - A. **Ownership:** 4.1 Value to Income Ratio (King County WA 6:1; Boulder County CO 6.9)
    - ✓ 2024 SF\$ \$423,352 (\$141,117 HHI needed)
      1. @ Orange County/Chapel Hill ratios, Washtenaw would be \$639,770 (\$213,256)
      2. @ Albemarle/Charlottesville, Washtenaw would be \$463,857
      3. @ Boulder, Boulder, Washtenaw would be \$633,919
      4. @ Alameda/Berkeley, Washtenaw would be \$790,507
    - ✓ Note – Price to Income Ratio in Washtenaw 19% higher @ 5.1
  - B. **Rents:** It takes \$50,909 to rent in Washtenaw County
    - ✓ 2024 Rents in Peer Markets
      1. \$50,436 to rent in Orange County/Chapel Hill
      2. \$59,028 to rent in Albemarle/Charlottesville
      3. \$68,836 to rent in Boulder, Boulder
      4. \$84,291 to rent in Alameda/Berkeley
    - ✓ Still, median renter HH has not been able to afford median rent for 10+ years
  - C. **Policy implications**
    - ✓ What problem are you *really* trying to solve?

2. Short -11,000 (-10,895) affordable rental; and -4,000 (-4,010) affordable ownership units
- A. When we look at owner household incomes and renter household incomes, and compare those to the value of homes that are owned and the rents charged for rental units, there's a total shortage of almost -15,000 affordable units.
- B. In actuality it's not so much a shortage as a number of mismatches.
- ✓ **Mismatch #1** is the county is short -6,307 ownership units that households making at least \$150,000 can afford, so they buy down and impose pressure downladder
  - ✓ **Mismatch #2** is the county is short at the other end, having -4,010 too few homes affordable for purchase to HHs making less than \$50,000; most rent instead
  - ✓ **Mismatch #3** is the county is short -8,739 rental units that households making at least \$150,000 can afford, so they rent longer *and* paying less
  - ✓ **Mismatch #4** is the county is short -10,895 at the other end for those with less than \$35,000 in annual income, so they overpay and usually for lesser quality
  - ✓ **Mismatch 1+2+3+4** = about 4,500-5,000 single parent HHs in (permanent?) trouble
- C. Policy implications:
- ✓ Is home ownership a sensible goal for HHs w incomes <\$50,000/yr? Even <\$100,000?
  - ✓ Who really is the target market for policy?

### 3. Several interconnected transitions are now complete.....lots of *but*s

#### A. From and To

- ✓ Manufacturing → eds/meds .....*but* (see *Boston/Cambridge*)
- ✓ Big UM → **ginormous** UM+ system .....*but* (see *Boston/Cambridge*)
- ✓ 1 earner/HH market → a 2+ earner/HH market (period, the end)
- ✓ Reasonable development cost market → a high development cost market .....*but see tariffs*
- ✓ Young renting and owning county → an aging and increasingly rental county
- ✓ Community where generations weren't colliding → one where now they are .....*but, wait*
- ✓ Community where the step from renting → owning was small but no longer is .....*but wait*
- ✓ Good quality of life acceptable to who you used to be → a high Q/L required by who you have become .....*but wait*

#### Policy implications

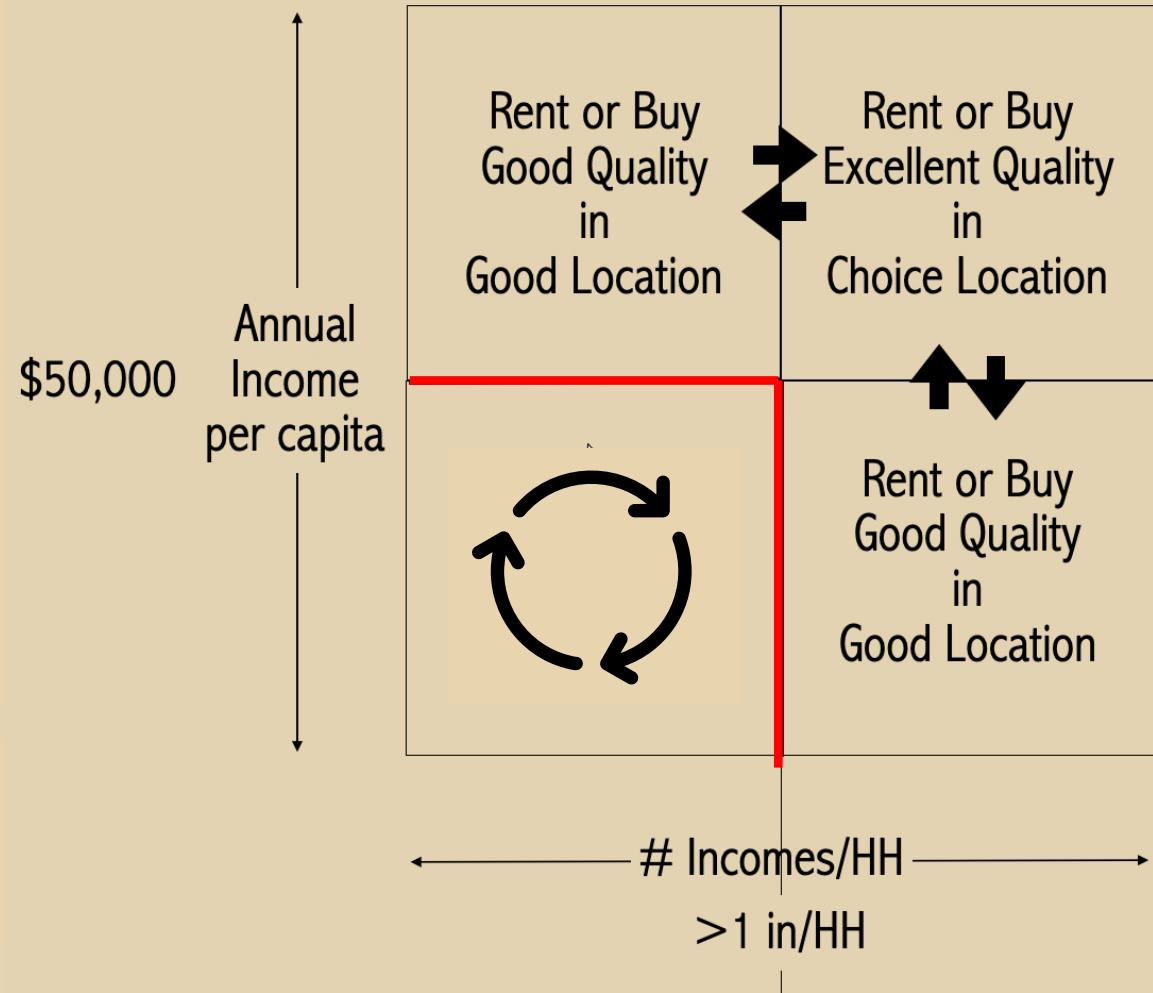
- ✓ What is the trajectory for UM+ system?
- ✓ What kind of a county do you want to be in 2045?

4. 2025 housing market is very different in complexion than 20, 30, or 40 years ago
- A. 1 earner/HH market → a 2+ earner/HH market – this is now priced in
  - B. Reasonable development cost market → a high development cost market
    - ✓ \$200<sup>\*\*</sup>/SF x 1,800 SF = \$360,000 + predevelopment + financing + land (excl garage)
    - ✓ \$550,000 single family detached new (high 300s/low 400s double)
    - ✓ \$250,000 TDC 850 SqFt 2 BR 2 BA apartment; 20-40 du/a
    - ✓ \$2,500 b/e
  - C. 1975-2005 the market was much more fluid; since 2005 it has really migrated towards the two well educated high-income earner household county it is now
  - D. Policy implications
    - ✓ The < 2 earner non-student HH is who is cost-burdened; especially single parent HHs in need of larger units that can only be delivered with extensive subsidy
    - ✓ These are not the households easily welcomed into any community – which highlights the Ypsilanti problem

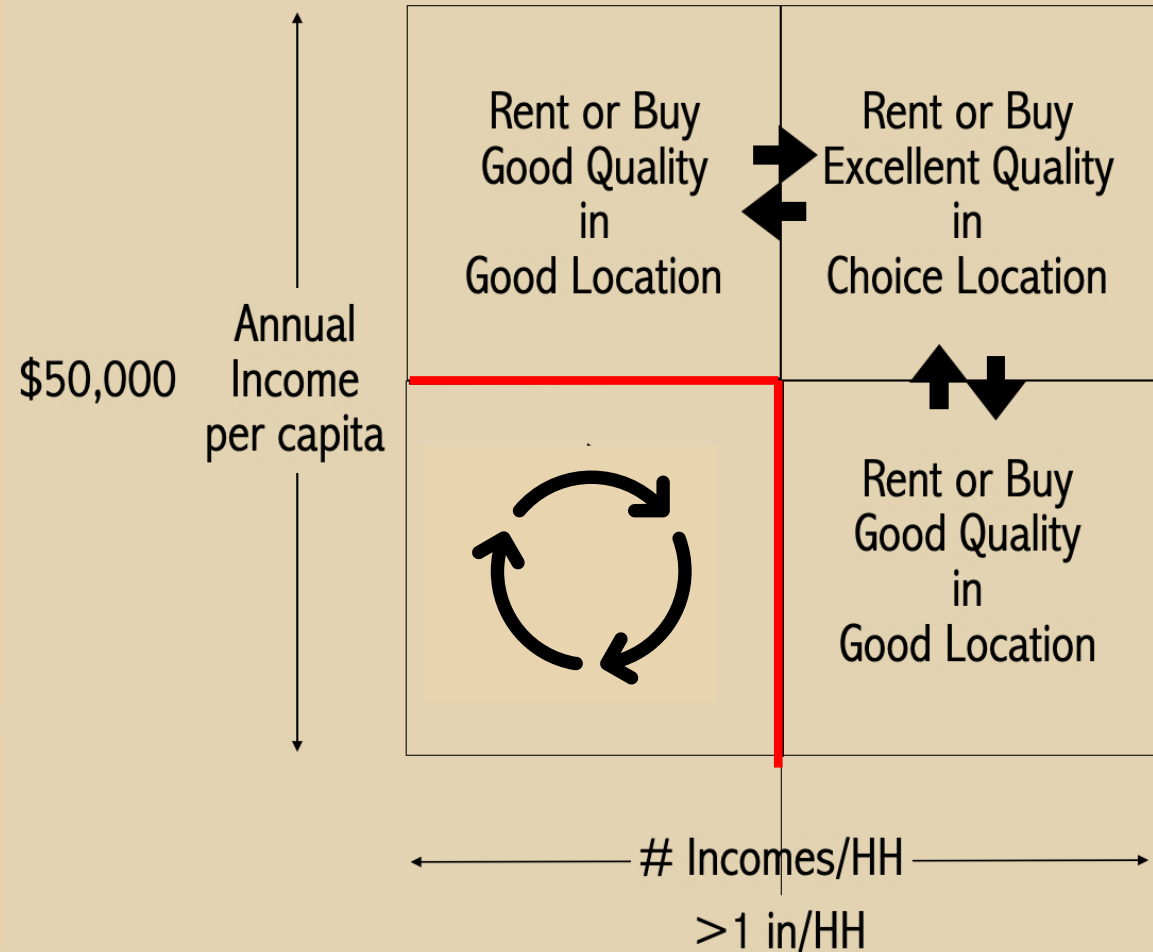


5. About 85% of households have found a very capable coping mechanism/workaround
- A. Overwhelming majority of county households are coping with rents and the costs of buying/owning by pooling incomes, unless they bought years ago
    - ✓ Students/roommates pool incomes to obtain otherwise unaffordable apartments or homes; couples pool incomes to rent and buy
  - B. *LOW while housing is competitive, it's a subset of renters that are stressed*
  - C. Policy implication
    - ✓ Do you have a problem? If so, what is it?
    - ✓ 85% doing well + good quality LIHTC + your IZ efforts have also born fruit and are good
    - ✓ The big coping mechanism – pooling income – is itself part of a feedback loop. Pooled income raises buying power, which induces rent increases to which pooled incomes respond.
      - ✓ About 20,000 student households living off campus are the tail wagging the rental dog;
      - ✓ Meanwhile 30,000 married households with >\$150,000 in income are pulling the ownership market further out of reach, ensuring a clogged upper end rental market

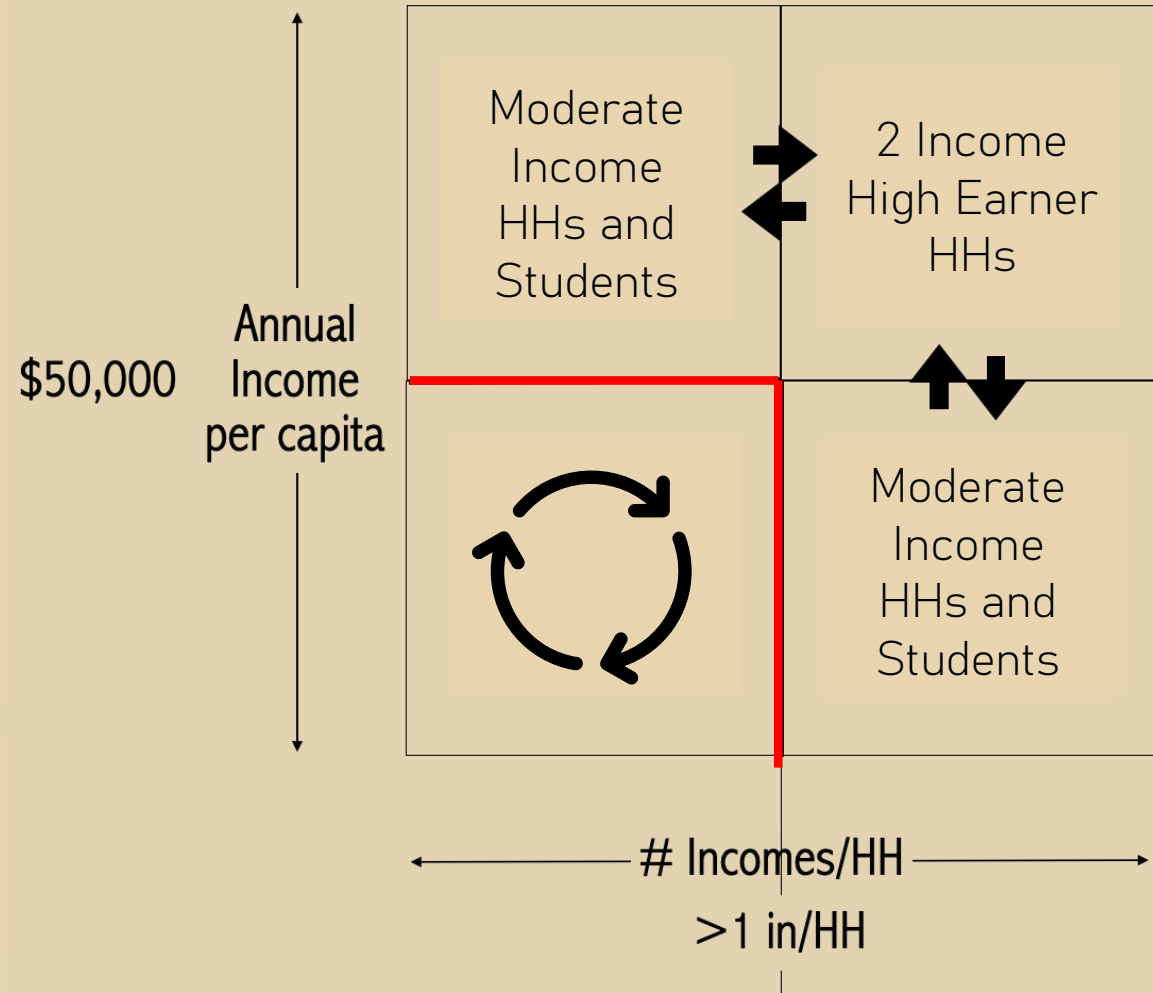
6. Balance are truly on the outside looking in – single earner HHs where earned lacks BA
- A. > 58% of all county residents have at least a BA
- ✓ 64% in Boulder County (CU); 62% in Orange County (UNC-Chapel Hill); etc
  - ✓ In such markets this leads to an important phenomenon
- B. Policy implication
- ✓ If/as UM+ System expands, holds steady, or contracts, this will play a large role in determining demand for off campus rentals by students and employees of UM and related medical



7. Some households are truly in a crisis
- A. Firewall in the housing market; steps are simply too steep
  - B. Geography-wise, **working low-income households are basically trapped**
  - C. Policy implication
    - ✓ Where will future LIHTCs go?
    - ✓ How many jurisdictions will say YES to IZ/MF?
    - ✓ How many jurisdictions can help financing IZ/MF (where >5% will likely require \$)



7. Some households are **truly in a crisis**
- A. Firewall in the housing market; steps are simply too steep
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    - ✓ How many jurisdictions can help financing IZ/MF (where >5% will likely require \$)



8. There is **no county housing crisis at the systems level**
- A. With reasonable value and price – income ratios, the market is rather healthy
- ✓ It takes rising values to create home equity, *and the market is providing this*
  - ✓ It takes demand to justify new development, *and the market is providing this*
  - ✓ It takes subsidy to offset cost burdens and *LIHTCs and other programs are doing this*
- B. BUT, there are **real area where attention might be focused**
- ✓ Senior housing development (market and below-market)
  - ✓ Continued development of well conceived LIHTC in partnership w MSHDA
  - ✓ Well conceived BY RIGHT IZ MF outside the core
  - ✓ Well conceived traditional (8-12 du/a) and MISSING MIDDLE (12-24 du/a) products
  - ✓ Grappling with UM's footprint on the market
  - ✓ Geographic exclusion
- C. Policy implication
- ✓ Which partnership of jurisdictions can work together on one or more BY RIGHT mechanisms

9. Important policy and program implications: land use and role of subsidy

A. Subsidy

- ✓ If you are “short” -15,000 units (or mismatched), and each = -\$75,000 in gap financing, you have \$1.125B subsidy to raise; over 20 years that’s \$56M/yr for 750 units as a county wide catch-up goal
- ✓ Woods and Poole projects +15,000\* by 2045 so 750 net new
- ✓ Total 1,500/yr 2025-2045 (catch up and keep up)
  - ✓ Question 1: can your systems scale to these volumes?
  - ✓ Question 2: should you try, or work more surgically and wait for demographics shake out?

B. Land

- ✓ At average du/a 1 acre/unit = 47 square miles
- ✓ 10 units/acre = 4.7 square miles (3,000 acres)
  - ✓ Question 1: what are your jurisdictions’ tolerances for moderate densities?
  - ✓ Question 2: what is your capacity to collaborate on development rights?

C. Form and Codes

- ✓ Invariably, density and height will factor into determinations of feasibility
  - ✓ Question 1: how ready are your plans and codes to cope with these challenges?

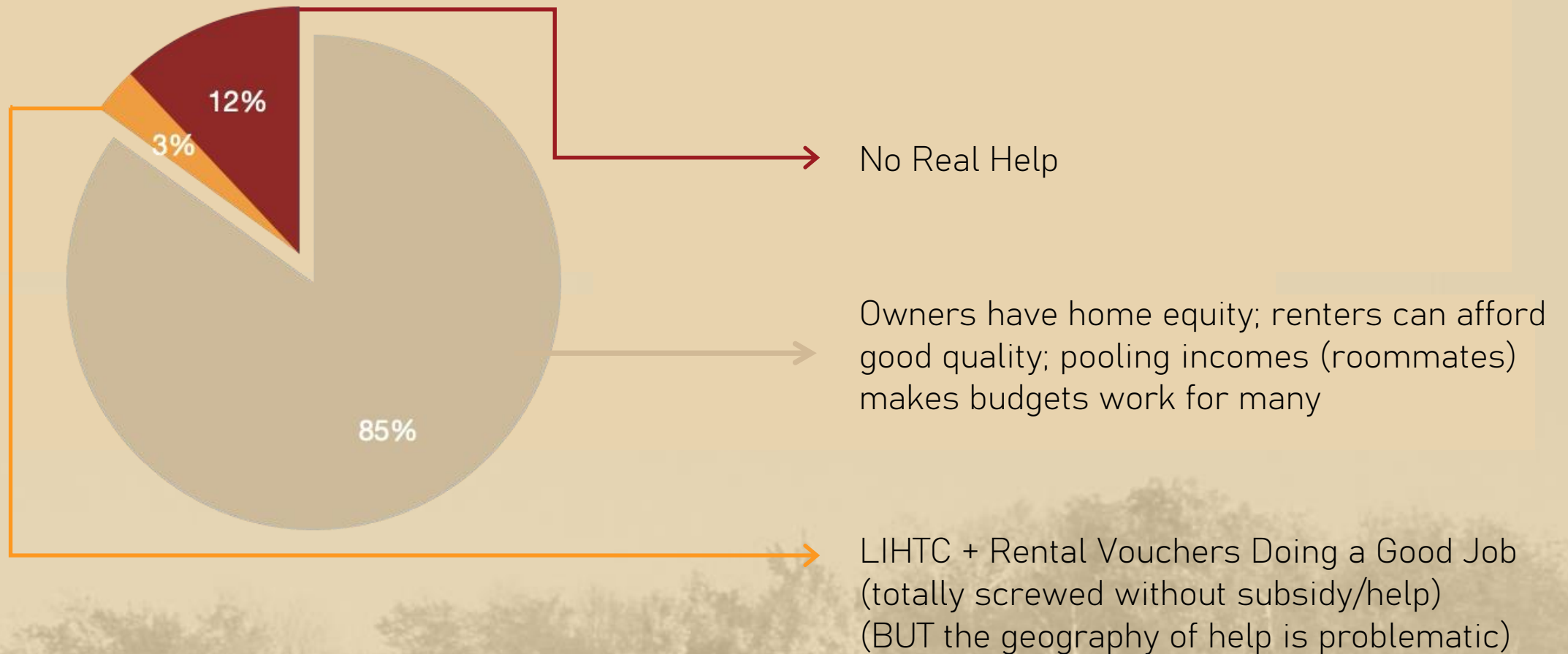


10. A return to too much supply may be a real risk
- A. A year ago this might have seemed a distant concern
  - B. Current turmoil + demographics suggests overbuilding may be a risky bet
  - C. Policy implication
    - ✓ How much, *if any* growth to incentivize?



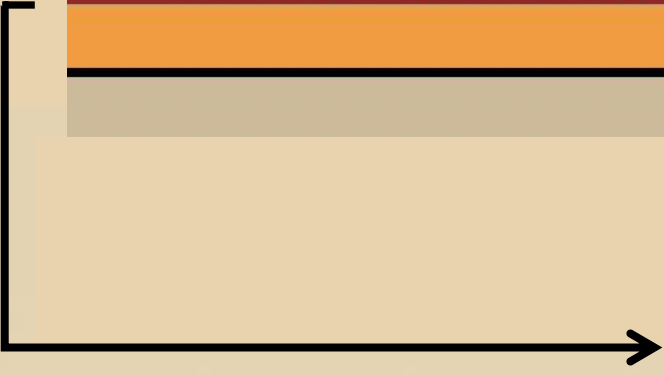
## Washtenaw County Housing Market in One Slide

- PCT HHs Successfully Coping with a Competitive Market
- PCT HHs Totally Screwed Without Subsidy
- PCT HHs Vulnerable to Exigent Circumstances and Not Generally Coping Well with a Competitive Market



Washtenaw County Housing Market in One Slide

TOTAL HOUSEHOLDS		149,256	
- Rental HHs w Incomes <\$50,000 LESS Estimated Student Group Households LESS 1-Earner Parent HHs	12.0%	17,911	?
- 1-Earner Parent HHs	3.0%	4,478	✓
= HHs (More or Less) Successfully Coping with a Competitive Market	85.0%	126,868	✓



20,000 – 25,000 households to focus policy on

# 4. Document Walk Through



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Community Foundation

2025

# Washtenaw County

## HOUSING STUDY



Prepared by  
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**Ann Arbor Area**  
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PART 1

# The Washtenaw Housing Market

PART 2

# Key Issues and Strategic Considerations

PART 3

# Community Profiles



PART 1

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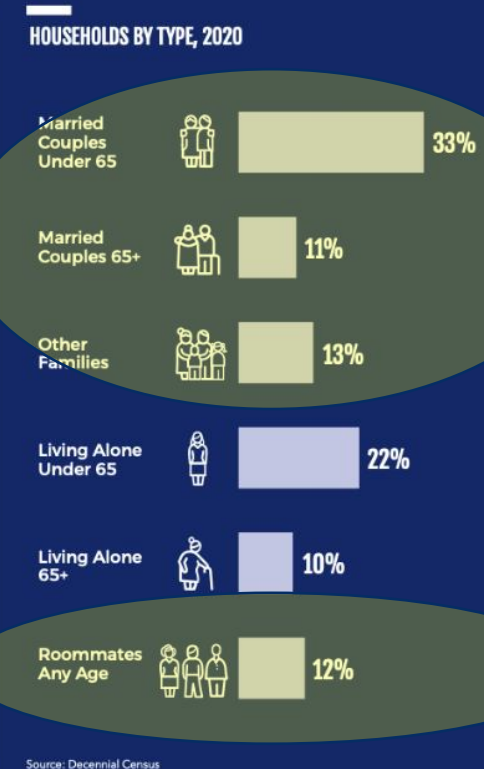
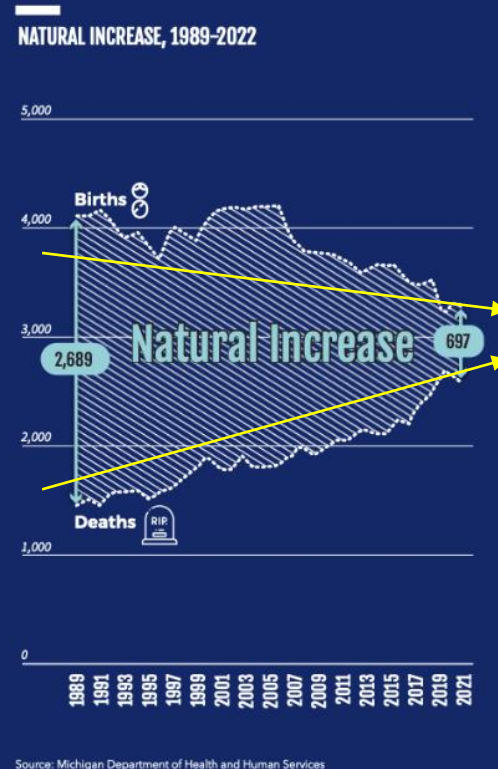
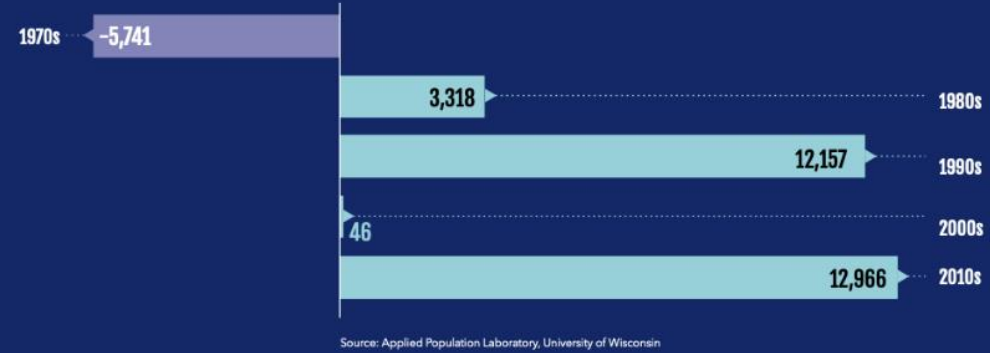
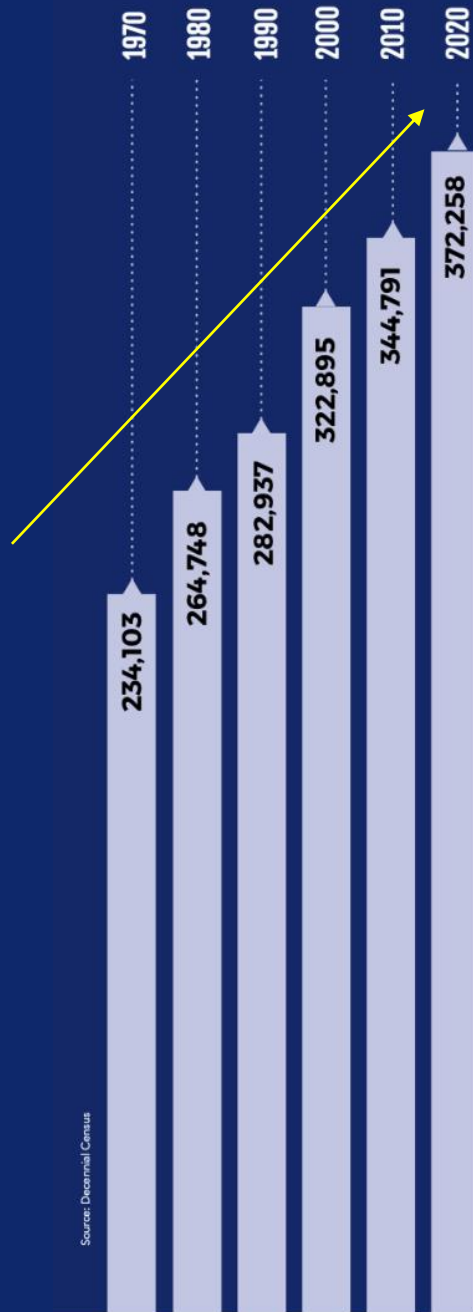
# The Washtenaw Housing Market

The Transition is Complete

These slides are embargoed; they may not be used, distributed, copied, or otherwise utilized with notification present.

Consistent Growth

Mainly Through UM+ System Growth, Student Retention, In-Migration



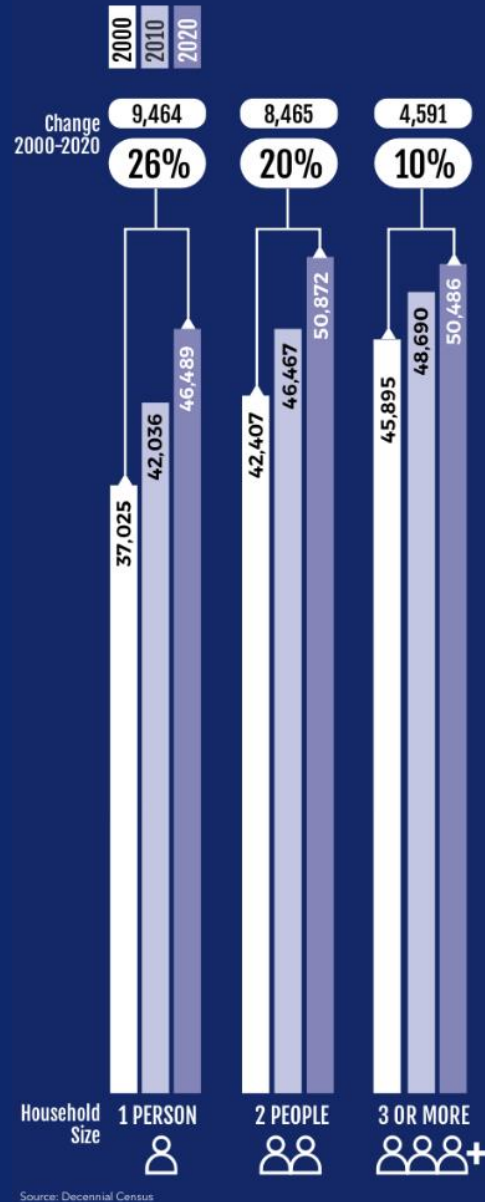
2 income HHs are driving the market on the ownership side

and

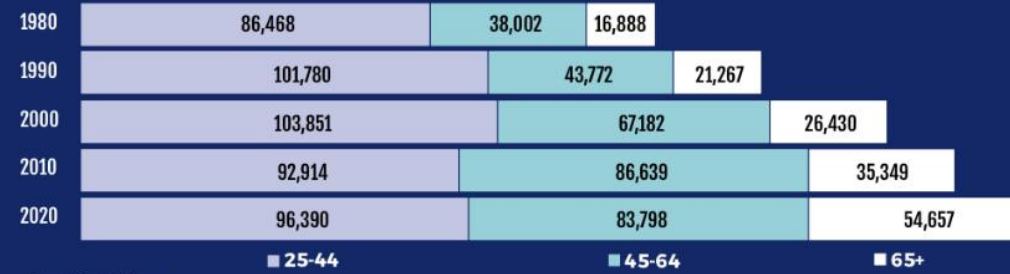
Roommates on the rental side



## HOUSEHOLDS BY SIZE, 2000-2020



## POPULATION AGED 25+, BY SELECTED AGE GROUPS, 1980-2020

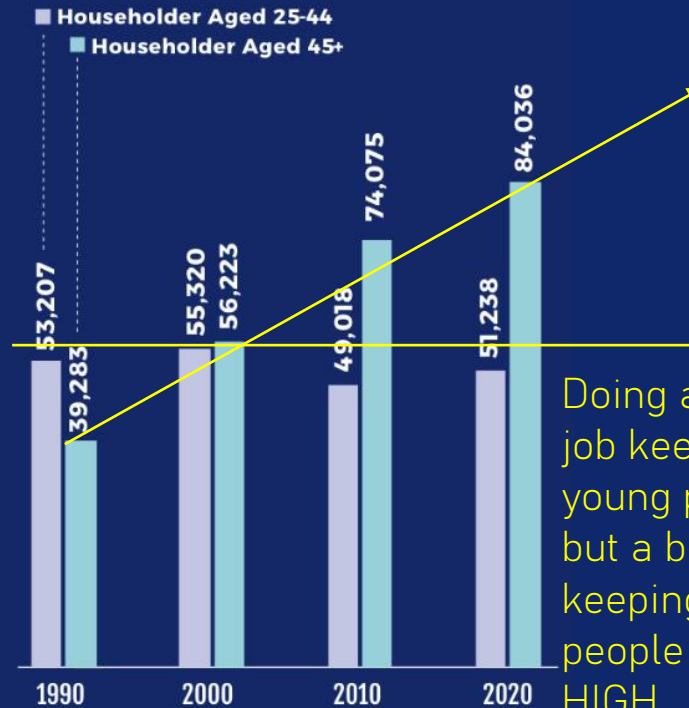


## MEDIAN AGE

YEAR	MEDIAN AGE
1980	25.8
1990	28.7
2000	32.7
2010	30.9
2020	33.6

Source: Decennial Census

## HOUSEHOLDS BY AGE OF HOUSEHOLDER, AGES 25+, 1990-2020



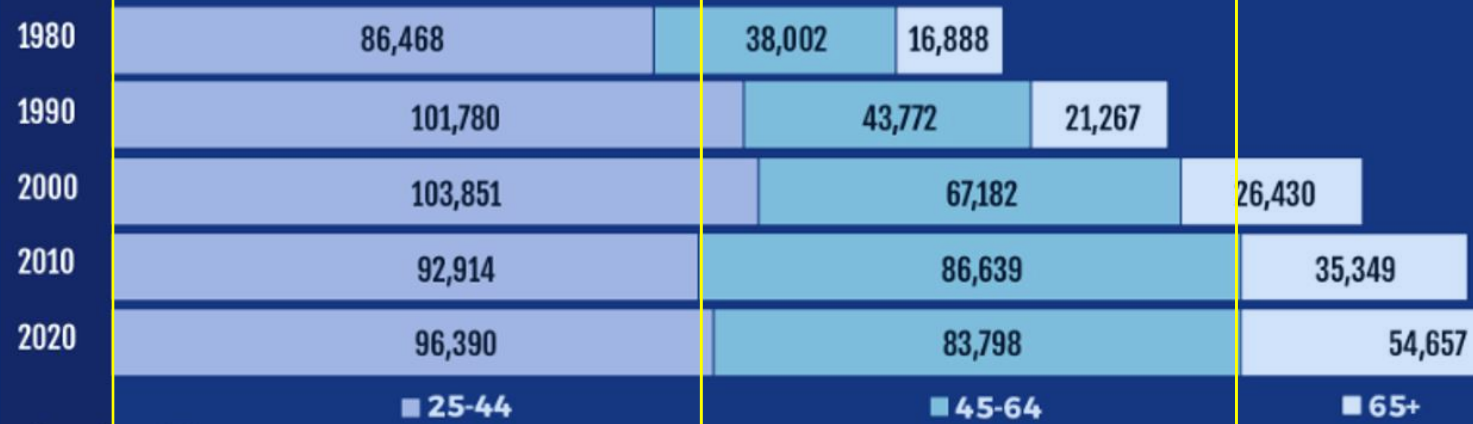
Source: Decennial Census

Student Demand  
(Pooled Roommates)  
Driving Up Rents

Development Costs  
Are Up  
Across the Board

Not Selling  
Not Dying  
(Yet)

POPULATION AGED 25+, BY SELECTED AGE GROUPS, 1980-2020



Source: Decennial Census

Wants  
Apartments  
And Stuff

Wants  
Homes w  
Yards

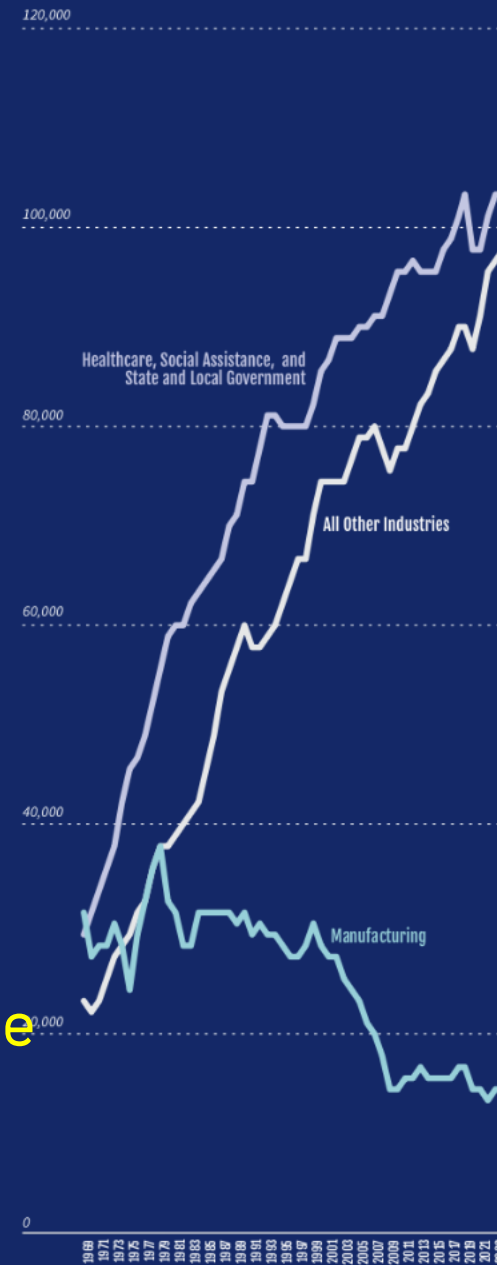
Wants to Stay  
As Long As  
Possible

(not much change)

(real change)

(real change)

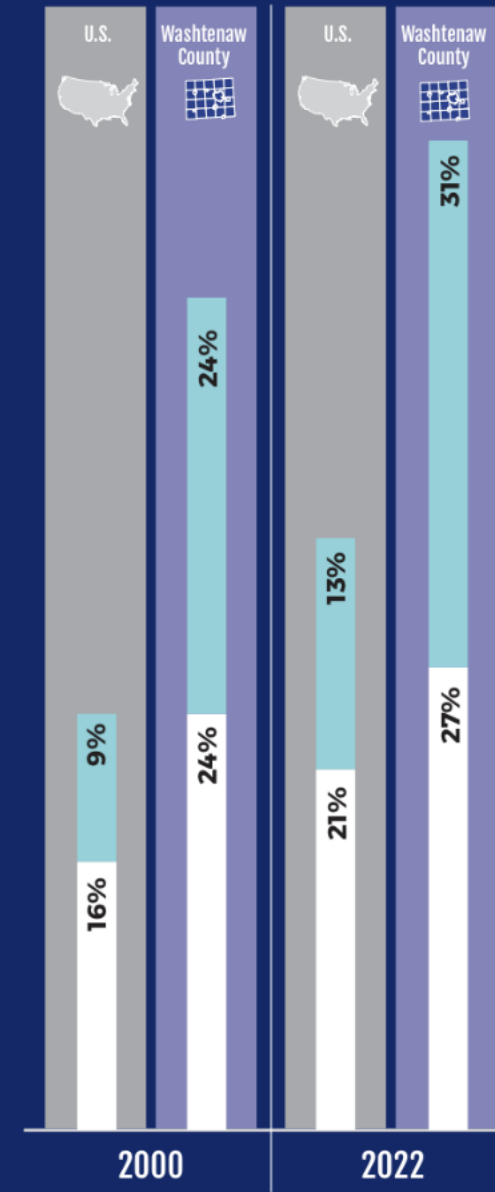
## COUNTY EMPLOYMENT BY INDUSTRY, 1969-2024



Source: Bureau of Economic Analysis

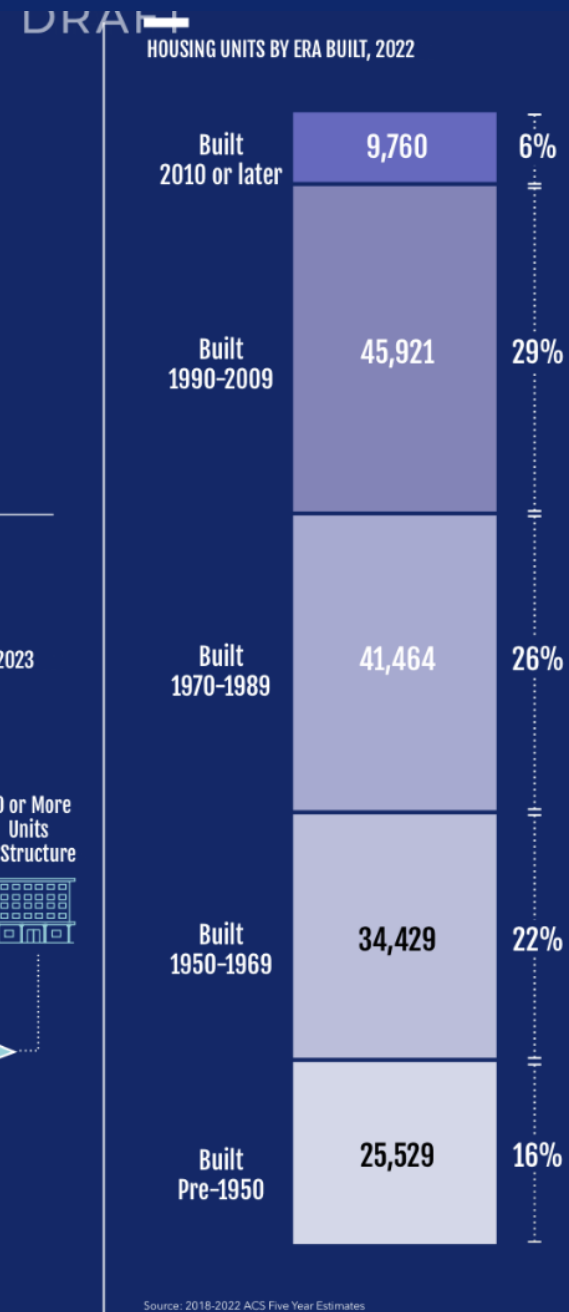
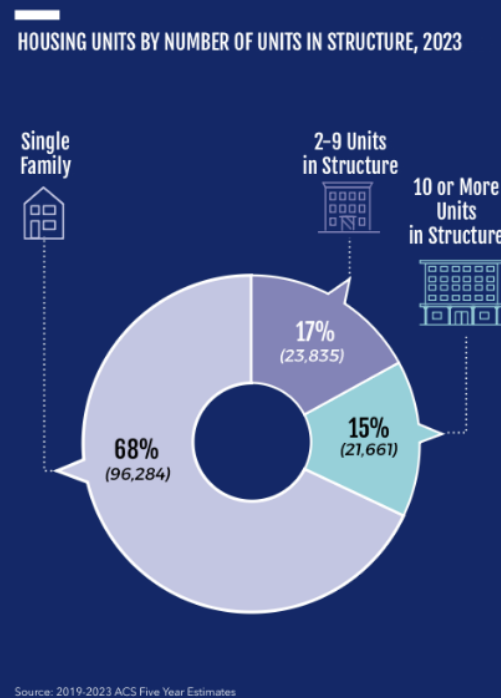
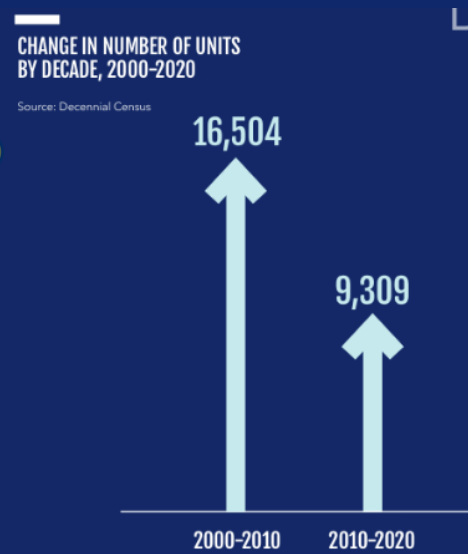
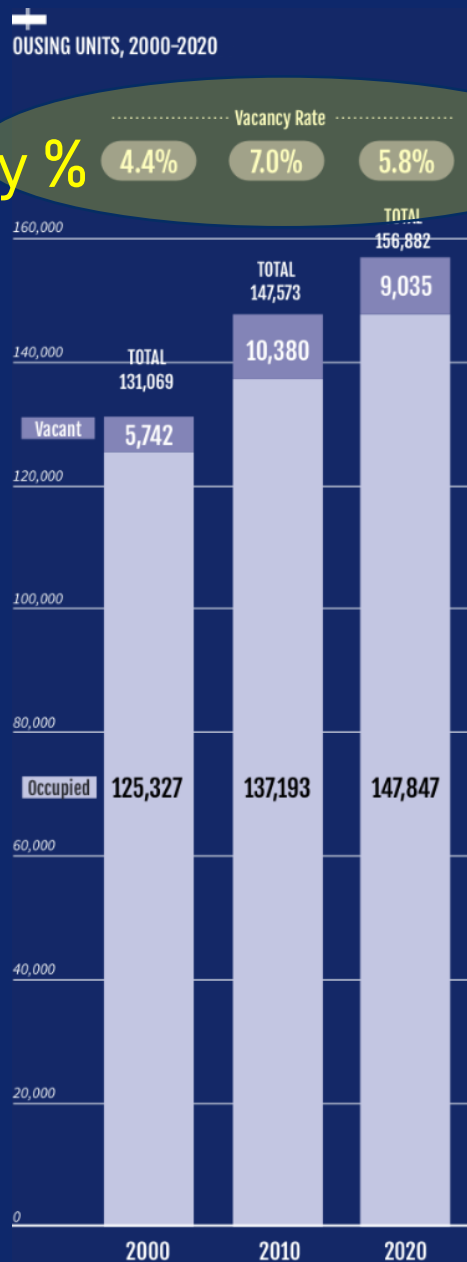
## COLLEGE DEGREE ATTAINMENT FOR POPULATION AGED 25+, 2000 VS 2022

Four Year Degree Only Graduate or Professional Degree



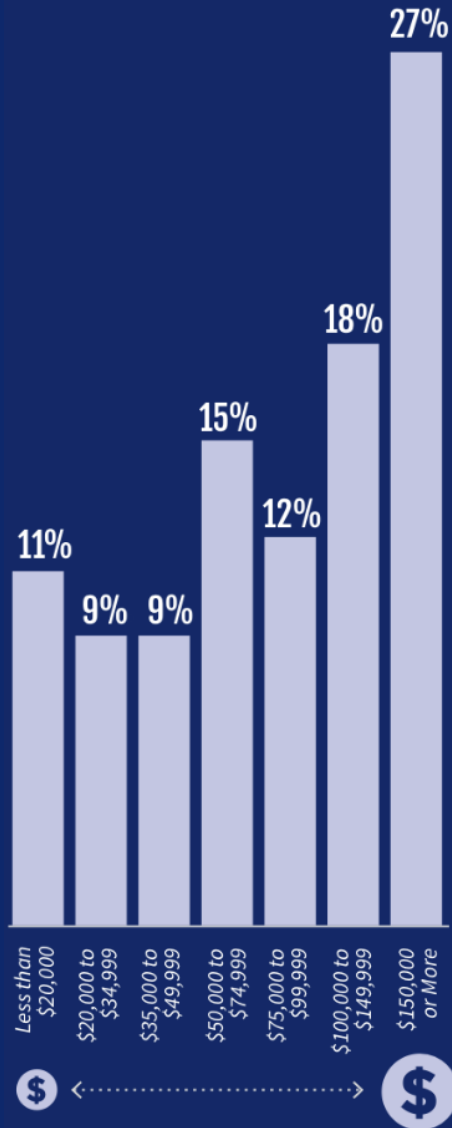
Source: Decennial Census and 2018-2022 ACS Five Year Estimates

# Healthy Vacancy %



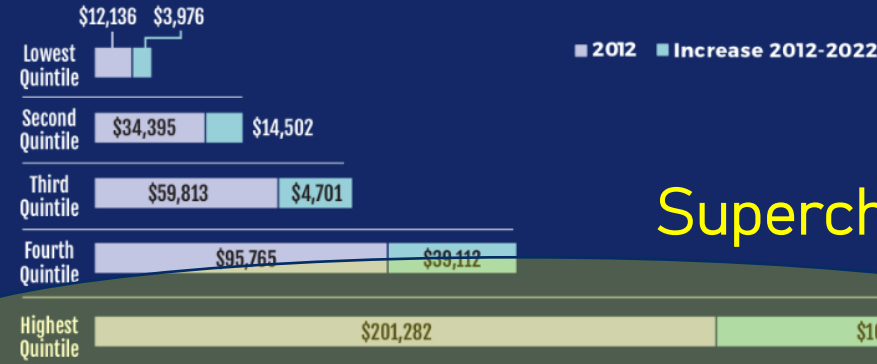
+ 42,000 BRs

HOUSEHOLDS BY INCOME, 2023



Source: 2019-2023 ACS Five Year Estimates

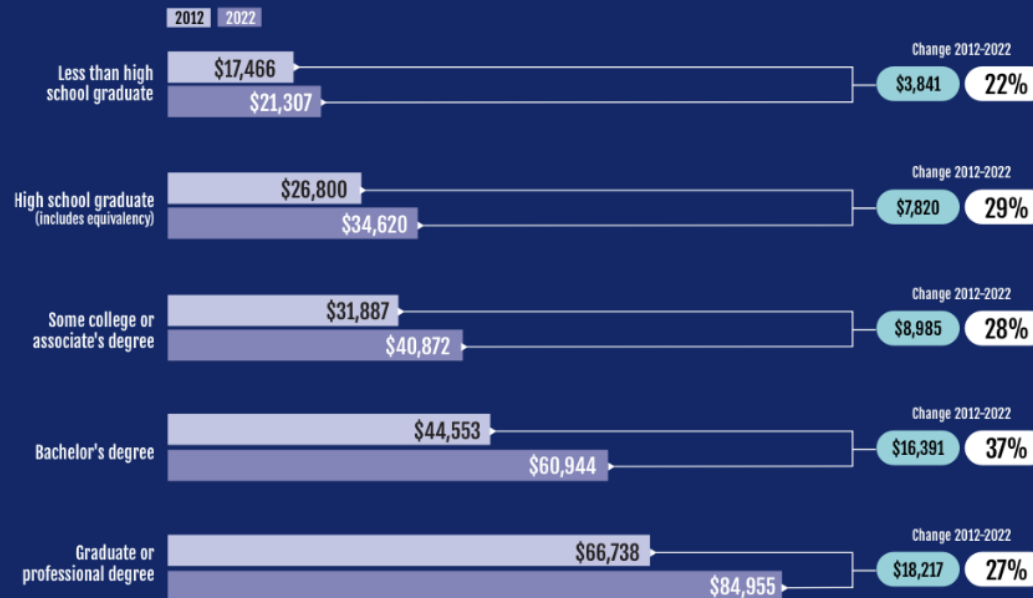
AVERAGE HOUSEHOLD INCOME BY INCOME QUINTILE, 2012 VS 2022



Source: ACS Five Year Estimates

Supercharged Top Quintile

MEDIAN EARNINGS IN WASHTENAW COUNTY BY EDUCATIONAL ATTAINMENT FOR POPULATION AGED 25+, 2012 VS 2022



Source: ACS Five Year Estimates

kinda/sorta all ya need to know

58% at least BA

# RATIO OF MEDIAN HOME VALUE TO MEDIAN HOUSEHOLD INCOME, SELECTED COUNTIES, 2023

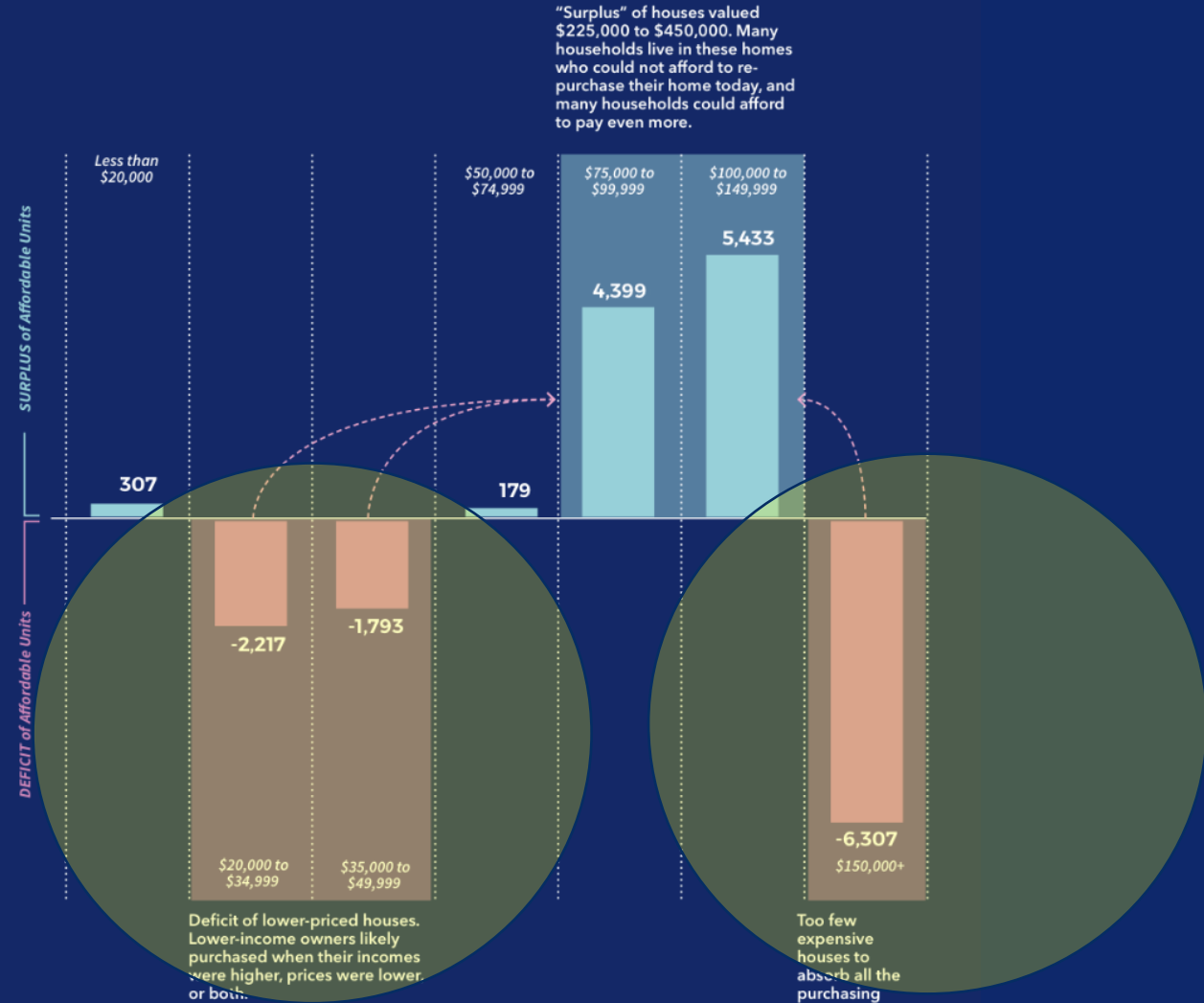
CORE CITY	KING COUNTY, WA	SUFFOLK COUNTY, MA	BOULDER COUNTY, CO	WASHTENAW COUNTY, MI	WAYNE COUNTY, MI	ERIE COUNTY, NY	CUYAHOGA COUNTY, OH
SEATTLE	BOSTON	BOULDER	ANN ARBOR	DETROIT	BUFFALO	CLEVELAND	
MEDIAN HOME VALUE	\$811,200	\$680,700	\$713,900	\$353,000	\$170,200	\$217,400	\$183,200
MEDIAN HOUSEHOLD INCOME	\$122,148	\$92,859	\$102,772	\$87,156	\$59,521	\$71,175	\$62,823
RATIO	6.6	7.3	6.9	4.1	2.9	3.1	2.9

Source: 2019-2023 ACS Five Year Estimates

Ratios are NOT unreasonable

# DRAFT GAPS BETWEEN OWNER HOUSEHOLDS AND AFFORDABLE UNITS, BY INCOME, 2022

Source: 2018-2022 ACS Five Year Estimates

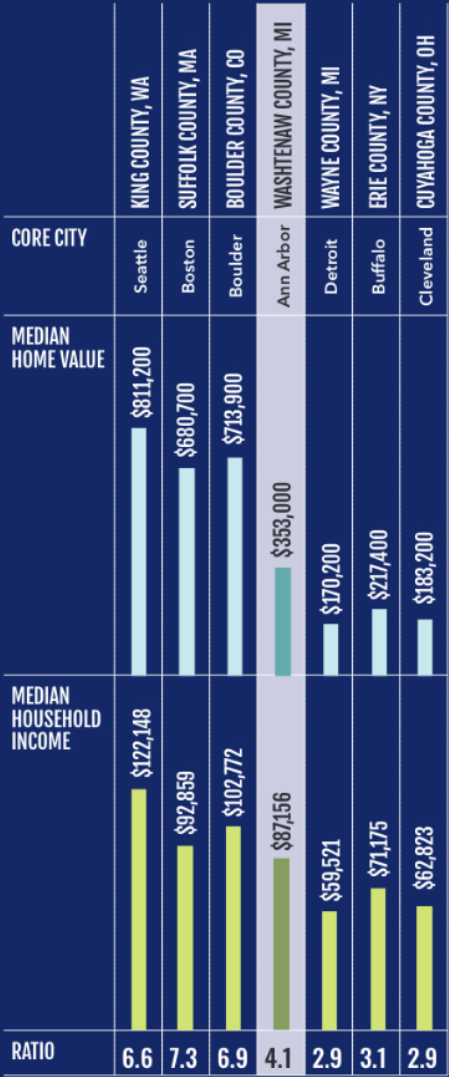


Mismatch #2  
-4,010

Mismatch #1  
- 6,307

Ratios are not unreasonable

RATIO OF MEDIAN HOME VALUE TO MEDIAN HOUSEHOLD INCOME, SELECTED COUNTIES, 2023



Source: 2019-2023 ACS Five Year Estimates

If sales prices for SF homes in Washtenaw County were at the ratios they are in peer communities, they would be:

- \$790,507 to match Cal-Berkeley
- \$639,770 to match UNC Chapel Hill
- \$633,919 to match CU Boulder
- \$463,857 to match UVA Charlottesville

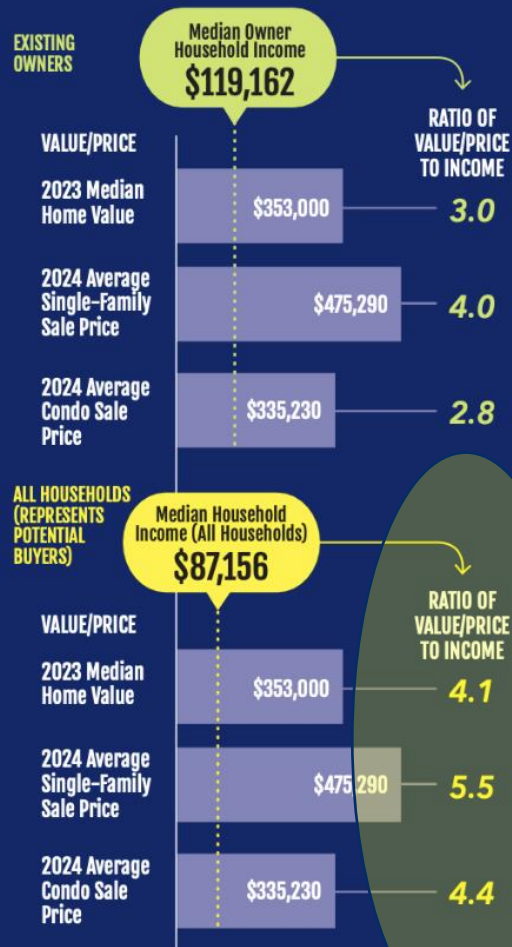
Instead of

- \$423,352 for UM Ann Arbor



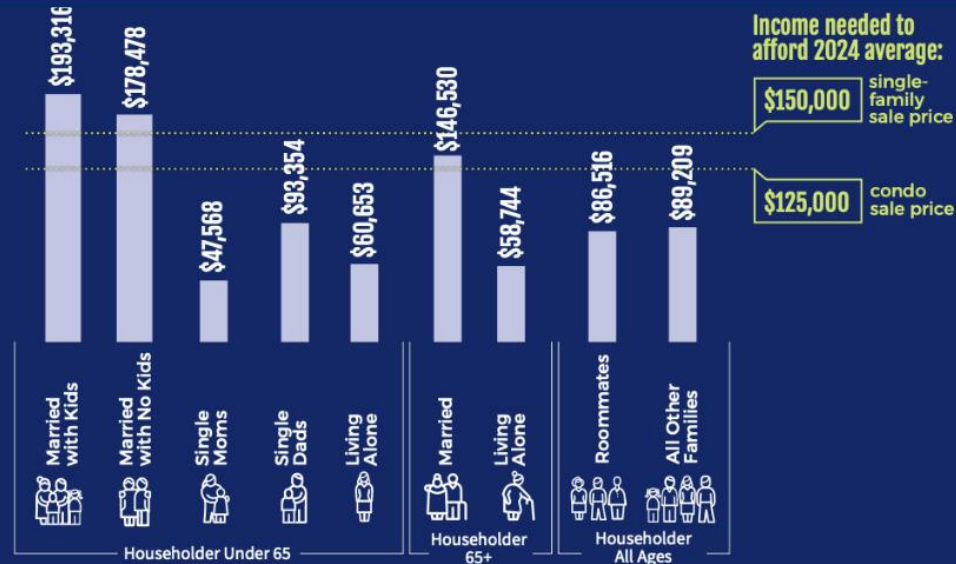
# AFFORDABILITY FOR EXISTING OWNERS VS POTENTIAL BUYERS, 2024

Source: 2019-2023 ACS Five Year Estimates, Multiple Listing Service, and czb analysis



Ratios are not unreasonable  
...but...

- Buying is becoming more and more expensive
  - Older owners (more of them) are staying put
  - No arbitrage opportunities
  - Living longer
  - Short supply of desirable options
  - Interest rates are no longer low
- New construction is now prohibitive
  - Again, financing is expensive (and going to get worse)
  - Materials are expensive (and going to get worse)
  - Labor is expensive



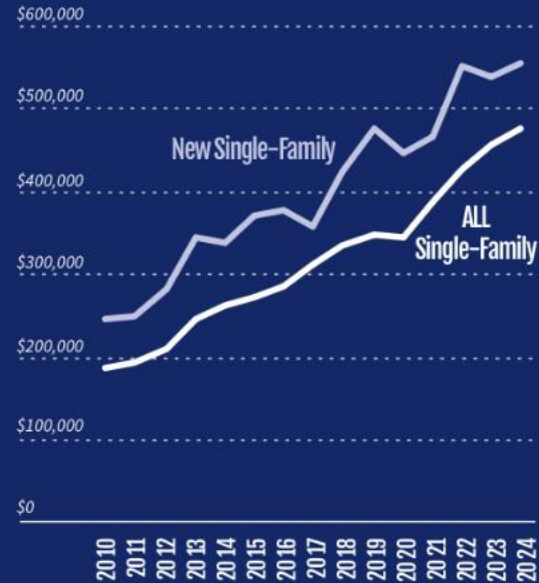
NEW SINGLE-FAMILY HOME SALES, 2010-2024

Source: Multiple Listing Service



AVERAGE SALE PRICE OF NEW SINGLE-FAMILY HOMES, 2010-2024

Source: Multiple Listing Service



&gt;\$550,000 new SF\*\*

## Why is this important?

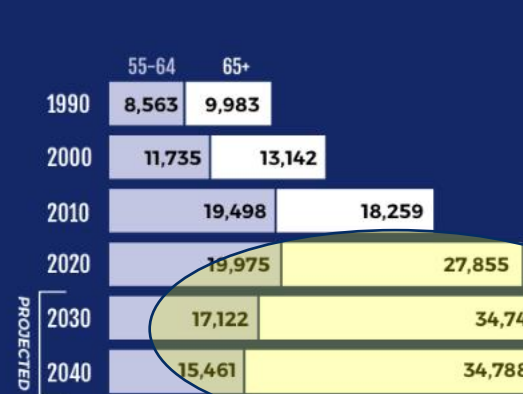
- \$550K requires \$180K
- To get this price lower means homes either get smaller or less well built if outside a few jurisdictions where land is objectively expensive
- It will mean there's pressure on rural/farmlands you may have to cope with

~35,000 seniors

## Why is this important?

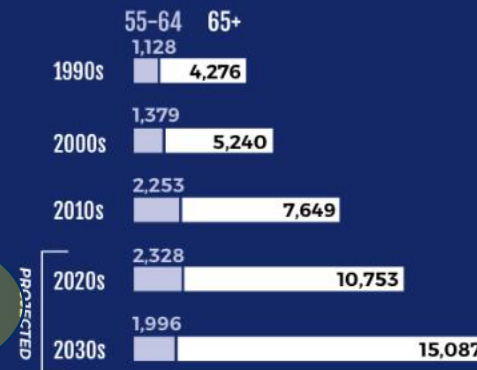
- A lot of households
  - Clogging the pipes
  - Needing senior housing
  - Will depart the county

OWNER HOUSEHOLDS AGED 55+, 1990-2040



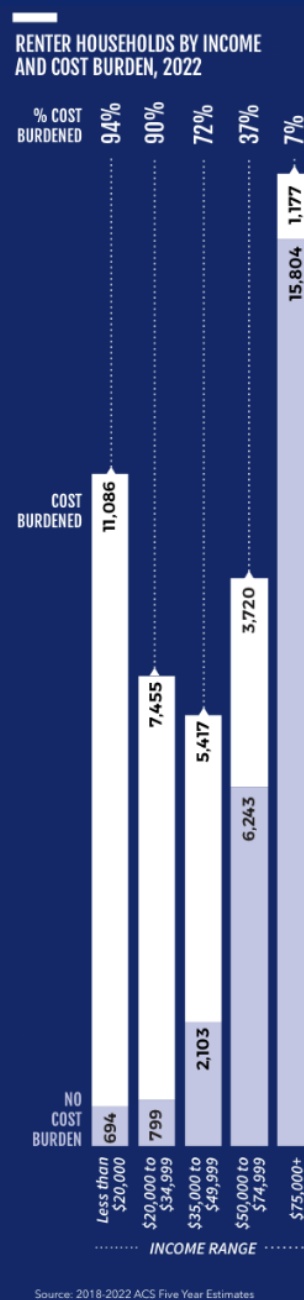
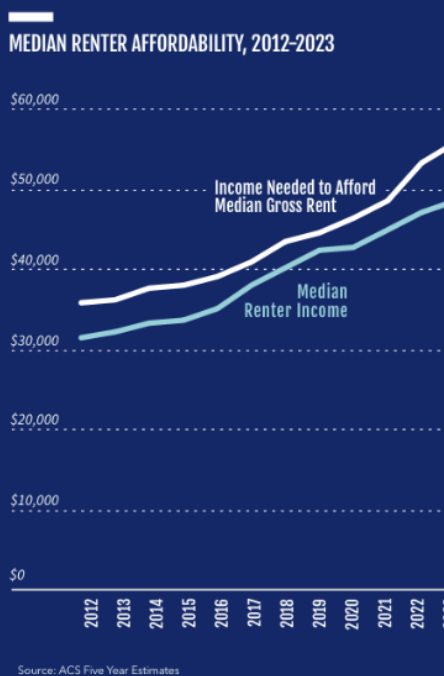
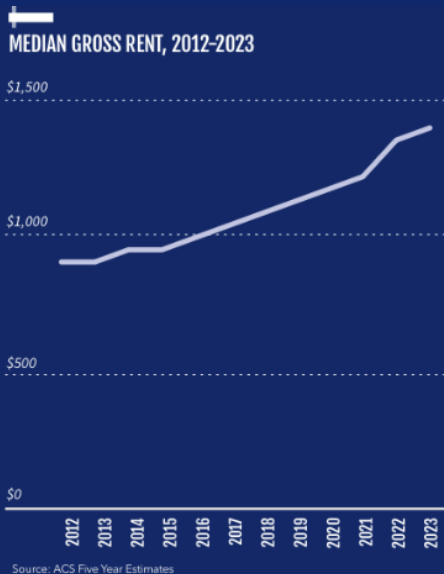
Source: czb analysis of data from Decennial Census

HOUSEHOLDS AGED 55+ EXITING OWNERSHIP MARKET, BY DECADE, 1990-2040



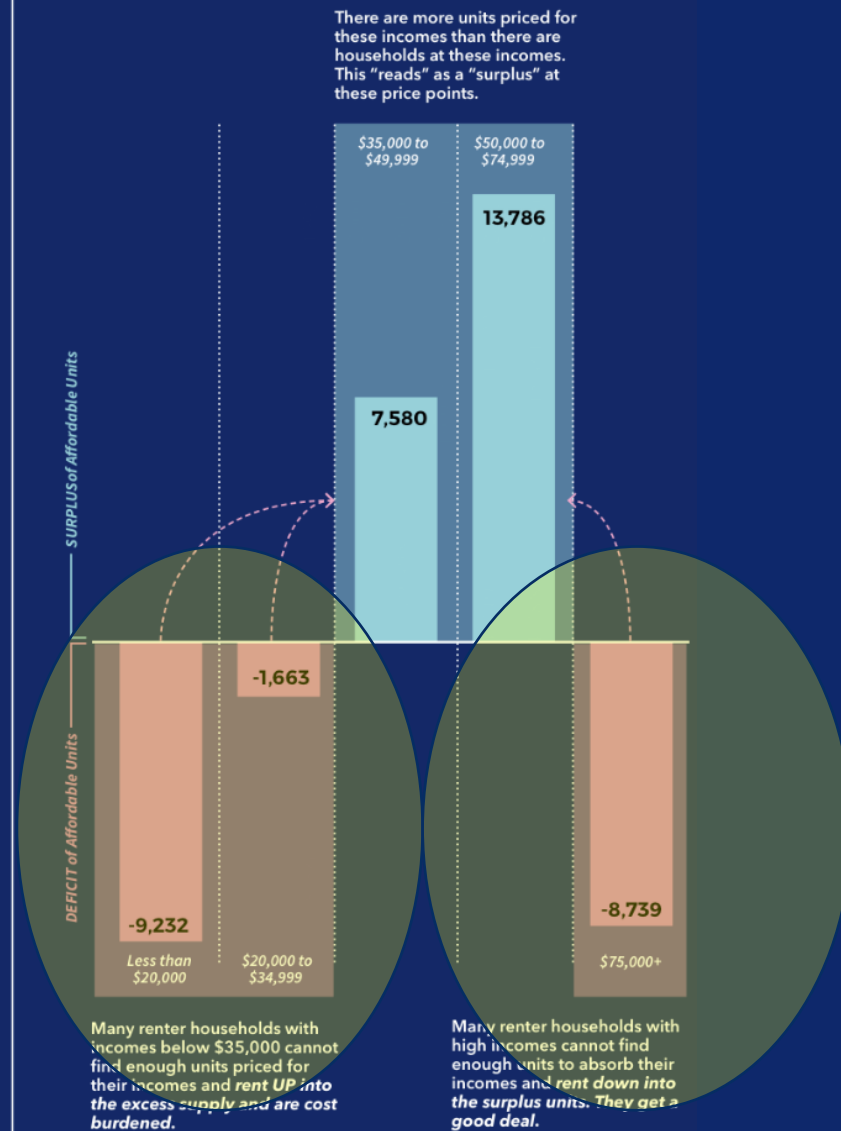
Source: czb analysis of data from Decennial Census

# Rents Rising Faster Renter HH Incomes



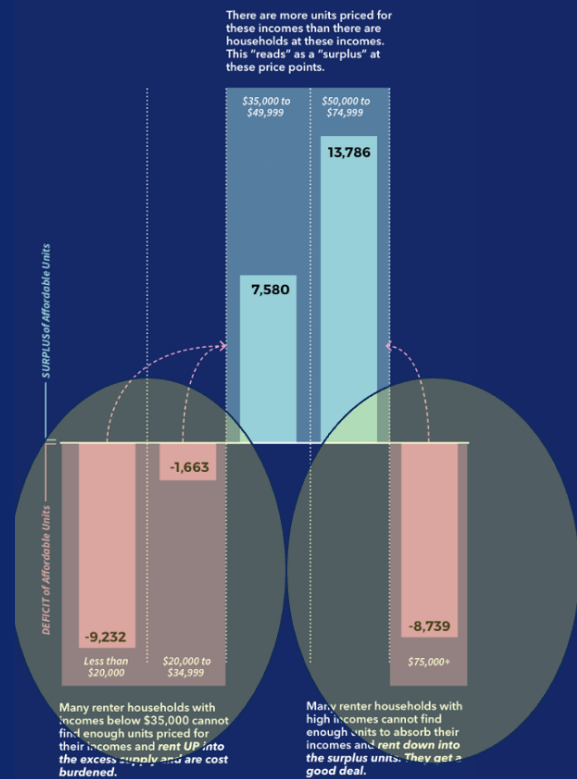
### DRAFT GAPS BETWEEN RENTER HOUSEHOLDS AND AFFORDABLE UNITS, BY INCOME, 2022

Source: 2018-2022 ACS Five Year Estimates



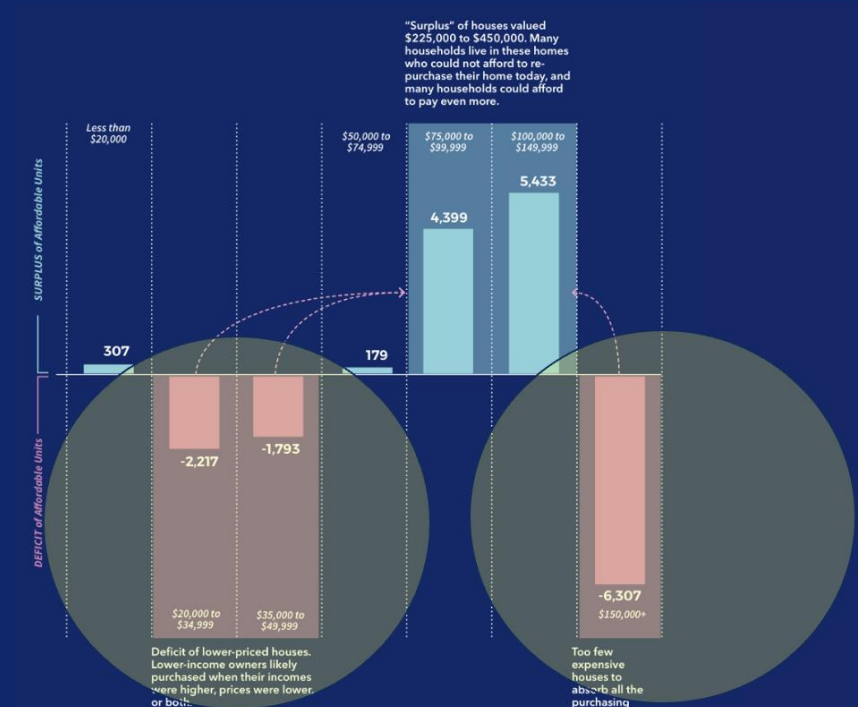
Mismatch #4 -10.895

Mismatch #3 -8.739



Mismatch #4  
-10,895

Mismatch #3  
-8,739



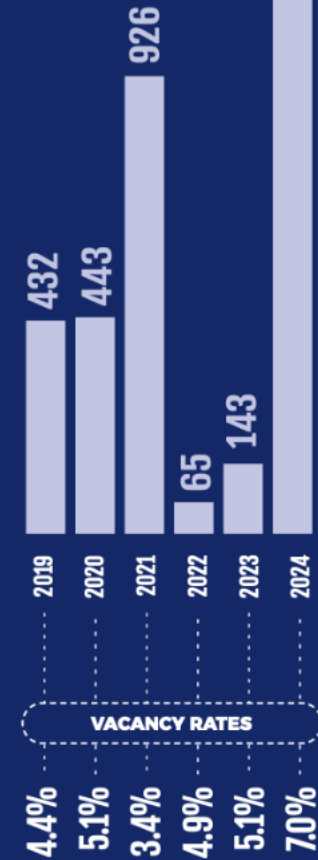
Mismatch #2  
-4,010

Mismatch #1  
-6,307

Always going to get about 3x units/\$ by focusing on supply at upper end

Not politically popular, but if your dollars go further

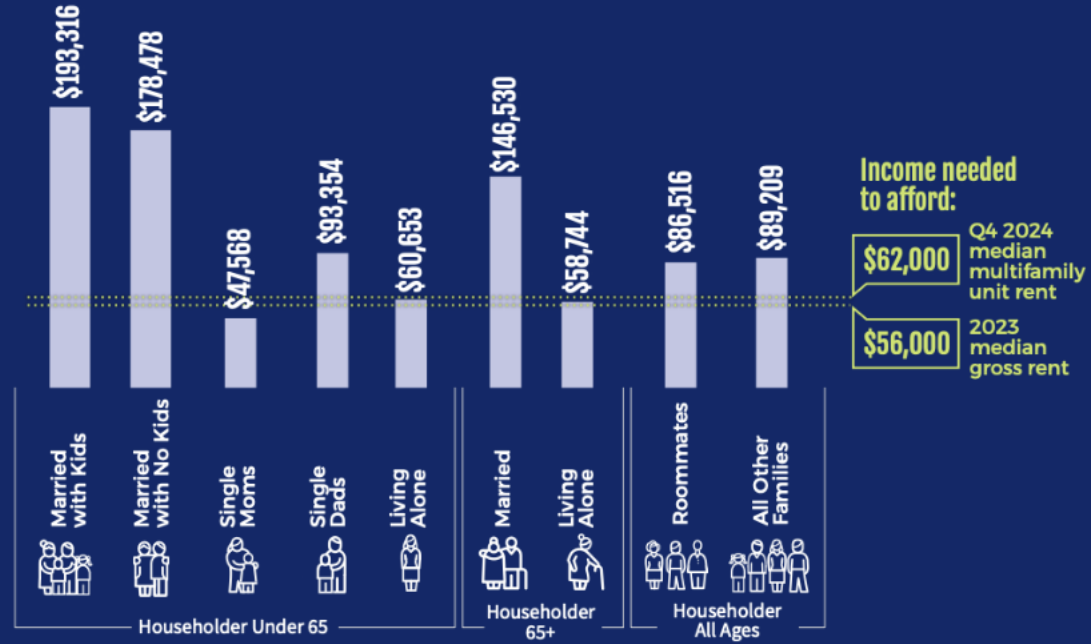
# NEW MULTIFAMILY UNITS AND Q4 VACANCY RATES IN MULTIFAMILY UNITS, BY YEAR, 2019-2024



Source: Costar

# HOUSEHOLD TYPES BY AVERAGE HOUSEHOLD INCOME, 2022

Source: czb analysis of data from 2018-2022 ACS Five Year Estimates

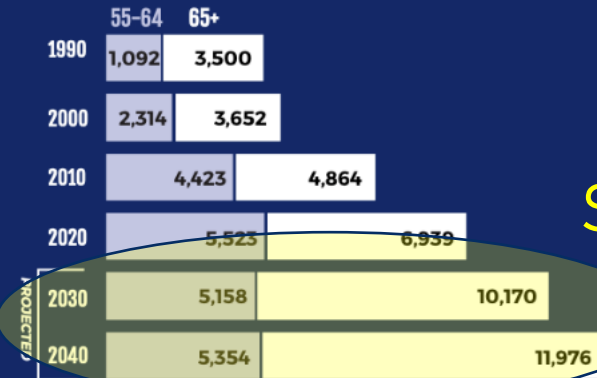


# RENTER AFFORDABILITY IN MULTIFAMILY UNITS, 2019-2024

	Q4 MEDIAN MULTIFAMILY UNIT RENT	INCOME NEEDED TO AFFORD
2019	\$1,305	\$52,200
2020	\$1,317	\$52,680
2021	\$1,417	\$56,680
2022	\$1,474	\$58,960
2023	\$1,510	\$60,400
2024	\$1,546	\$61,840

Source: Costar and czb analysis

# RENTER HOUSEHOLDS AGED 55+, 1990-2040



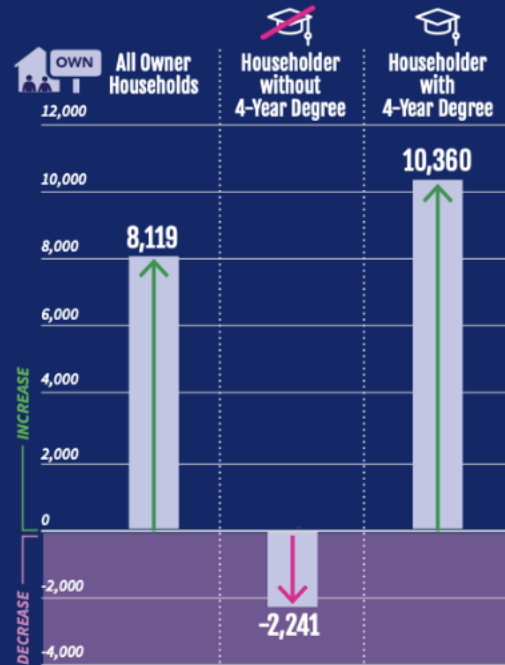
Source: czb analysis of data from Decennial Census

Expecting Increase In Senior Renter HHs



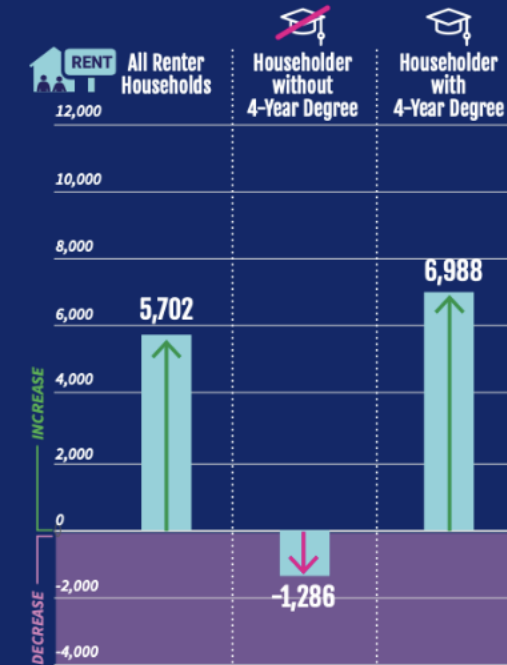
# CHANGE IN OWNER HOUSEHOLDS BY EDUCATIONAL ATTAINMENT OF HOUSEHOLDER, 2012-2022

Source: ACS Five-Year Estimates



# CHANGE IN RENTER HOUSEHOLDS BY EDUCATIONAL ATTAINMENT OF HOUSEHOLDER, 2012-2022

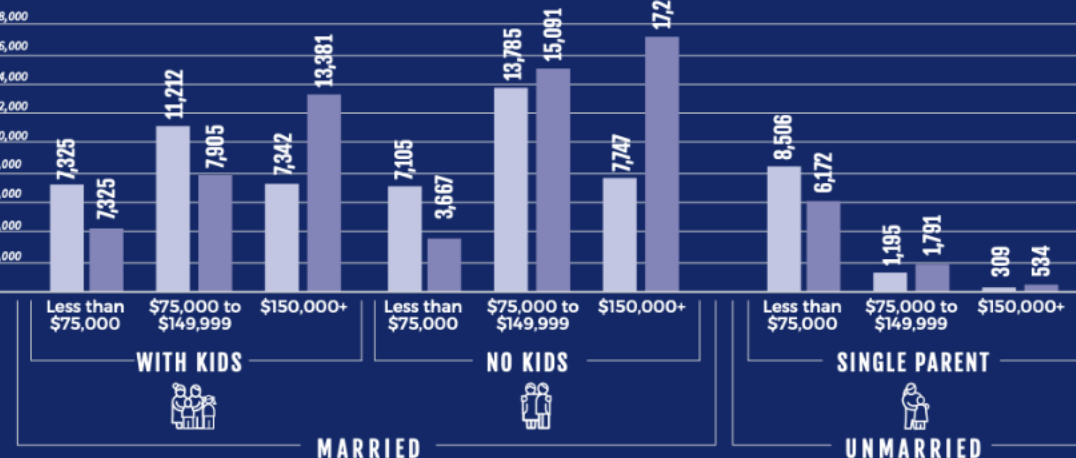
Source: ACS Five-Year Estimates



Shifts in HHs w different levels of formal education

+

# SELECTED FAMILY HOUSEHOLDS BY MARRIAGE STATUS, PRESENCE OF CHILDREN, AND INCOME, 2013 VS 2023



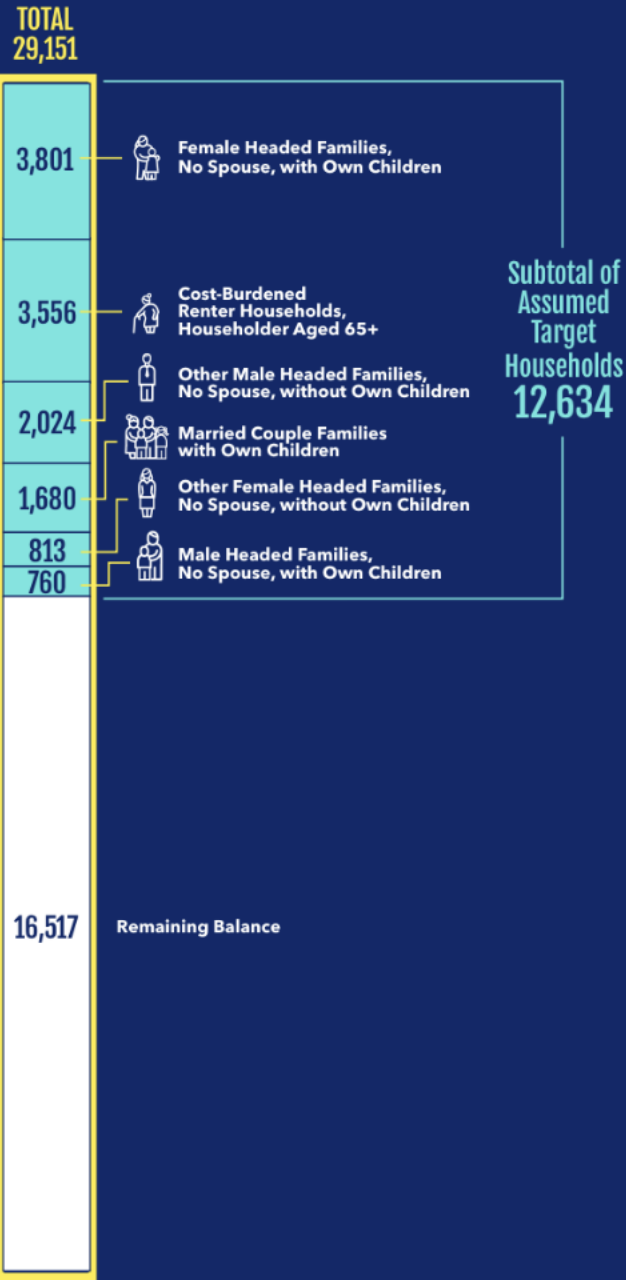
Source: ACS Five-Year Estimates

Shifts in HHs w formed in different ways



RENTER HOUSEHOLDS WITH INCOMES UNDER \$50,000, BY HOUSEHOLD TYPE, 2023

Source: 2019-2023 ACS Five-Year Estimates



Finally, it follows that the unexplained remaining balance of 16,517 households must consist of the following types that fall outside the immediate zone of affordability concern:

- Other senior (aged 65+) renter households with incomes under \$50,000 not facing a cost burden, and therefore not assumed to be an affordability concern.
- Student households, not assumed to be an affordability concern.
- Non-student person living alone, under age 65, not assumed to be an affordability concern because finding a roommate is an option which could result in two able-bodied adult workers earning sufficient income.
- Non-student roommates, any age, not assumed to be an affordability concern because they almost certainly represent two able-bodied adult workers with potential to earn sufficient income.

# What is the bottom line for a changing Washtenaw County housing market?



Increasingly dominated by a powerful set of Eds and Meds industries driven by the University of Michigan and its spillover effects.



A growing number of high-income families, both with kids and without, bidding up prices in the homebuyer market.



Attracting growing numbers of young people who impact housing demand both in the short- and medium-term as they get older.



A supply of housing stocks better matched to the middle of the 20th Century than to the 2020s and beyond, including a large supply of single-family houses that are home to only one or two people.



An economy and quality of life attractive to highly-educated people who can command good salaries in the 21st century economy.



A growing number of senior renters.



A large number of underserved high-income renters putting pressure on rents for lower-income households.



A large number of non-student low-income renters and aspiring homebuyers at various incomes left on the outside looking in.



A large number of low-income renters facing limited options and paying more than they can afford.

An aerial photograph of a university campus, featuring various buildings, roads, and green spaces, all overlaid with a semi-transparent teal filter.

PART 2

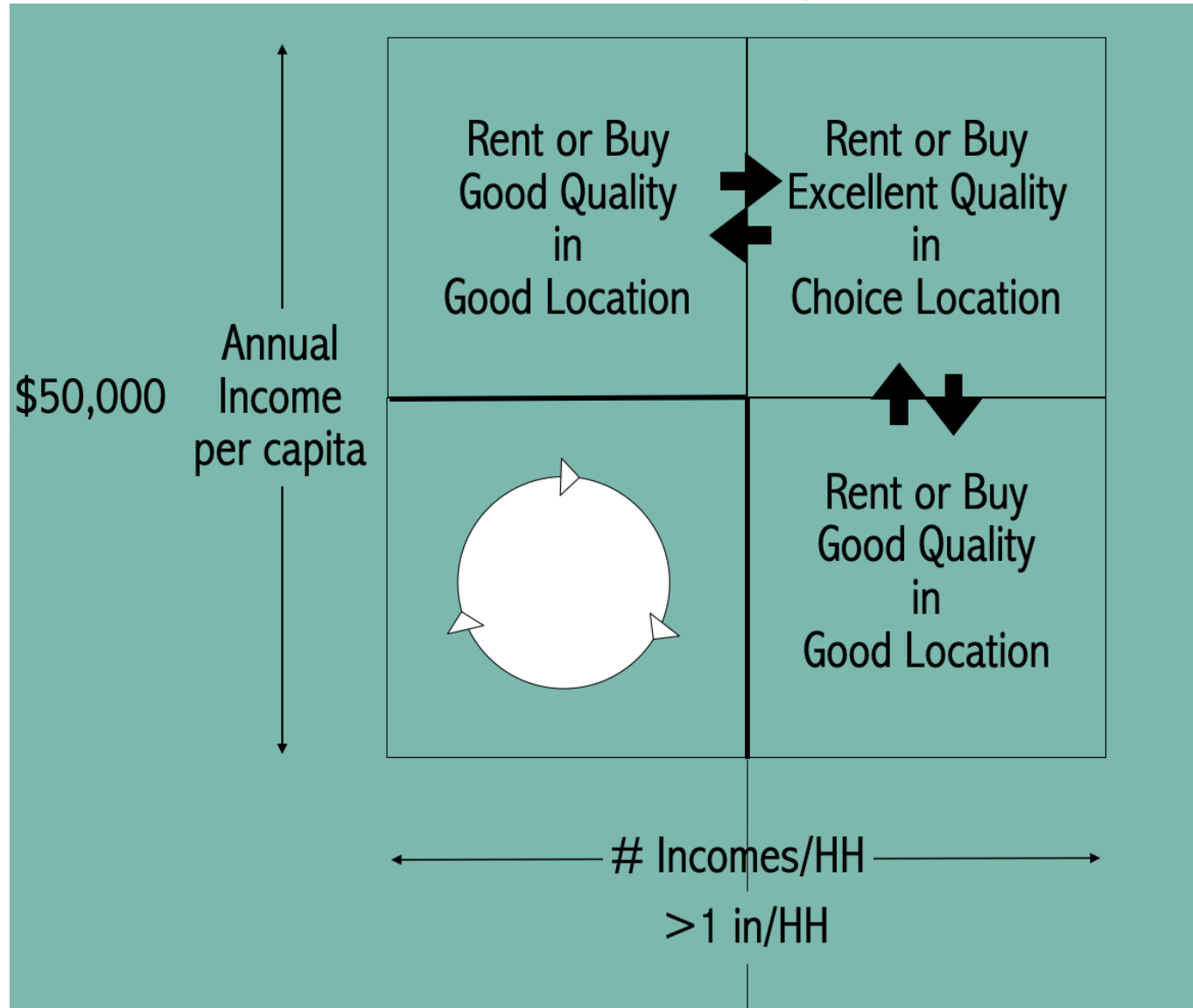
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# Key Issues and Strategic Considerations

## ISSUE #1

# The Washtenaw market is not a traditional housing ladder.

1. <\$50,000 income without another earner puts a HH in a real bind
2. This bind has become solidly geographical
3. As previously noted, choice locations are moving further away from good locations in terms of price, so William Fischel's Homevoter Hypothesis is solidifying



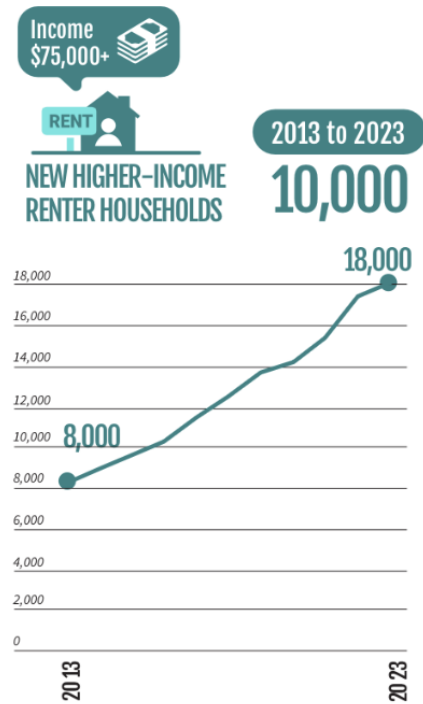


## ISSUE #2

# Renter households with incomes of at least \$75,000 are underserved, with implications for lower-income households.

### RENTER HOUSEHOLDS WITH INCOMES OF \$75,000+, 2013-2023

Source: ACS Five-Year Estimates



### NEW MARKET RATE MULTIFAMILY RENTAL UNITS



2013 to 2023

3,400

2024

1,600

2025

1,000

UNDER  
CONSTRUCTION

3,000

"IN THE  
PIPELINE"

1. A significant number of apartments have been developed, but more will be needed to match the sizable and growing cohort of well-educated \$75,000+ renter households
2. As older owners begin to age out, pressure will ease in some respects, and grow in others.
3. Which jurisdictions are prepared to work together in what ways to facilitate *by right* MF IZ?

### ISSUE #3

**Non-student renter households with incomes under \$50,000 have few options, and single parents are hardest hit.**

1. Most are estimated to be student households, but without accurate information from the universities and colleges, an exact count is not knowable.
2. czb estimates 4,500 are single parent households.





## ISSUE #4

The county will likely have thousands more senior renters by 2040.

RENTER HOUSEHOLDS  
AGE 55+



2020

12,500

2040 PROJECTED

17,300+

1. Net need for +4,800 rental units for older households (all else being equal) needed as current owners age/convert
2. They will exit their owned homes, so that inventory will expand
3. But they can't exit until pick-up units are in service or an undertaker intervenes (about 400/yr)



**12,000**  
units



Ann  
Arbor

Ypsilanti

Washtenaw Ave

On net, the  
county may  
**add 16,000  
households  
by 2045.**



**About 12,000  
could be absorbed**  
on underutilized  
land along  
Washtenaw Ave.

**12,000** units



**Majority of  
housing needed  
is rental,** which  
should be allowed  
by-right.



**Ownership  
products should be  
attached,** built at  
higher densities than  
the norm.



**Intermunicipal  
land use  
cooperation** is  
required.





1

Making sure there are sufficient resources and a regulatory framework to facilitate the development of **mixed income, multifamily rental housing** production throughout the county, but disproportionately where jobs are.

2

**Providing assistance to senior households in their move from current homes** to senior living facilities.

3

**Prioritizing the economic diversification of the housing stocks in the City of Ypsilanti and in Ypsilanti Township** to become more market-rate oriented, and stronger.

4

**Redeveloping Washtenaw Avenue** into a high-performing, mixed use corridor able to absorb 15,000-20,000 housing units the next several decades.



**Establishment of a county-wide housing trust fund** able to receive private donations and public resources via levy or other means, and distribute them in a strategic manner towards objectives implicit in the four lines of work stated above. It is estimated for Washtenaw County, this fund should be capitalized at \$250M. It is recommended that within this fund, the capacity to carve out a revolving loan fund to facilitate development, redevelopment, and senior transitions will be invaluable.



**Establishment of a county-wide land use agreement** on multifamily by-right development regulations. It is estimated this agreement would include provisions on the transfer of development rights in exchange for open space/farmland preservation, efficient use of infrastructure, revenue sharing, and inclusionary provisions.



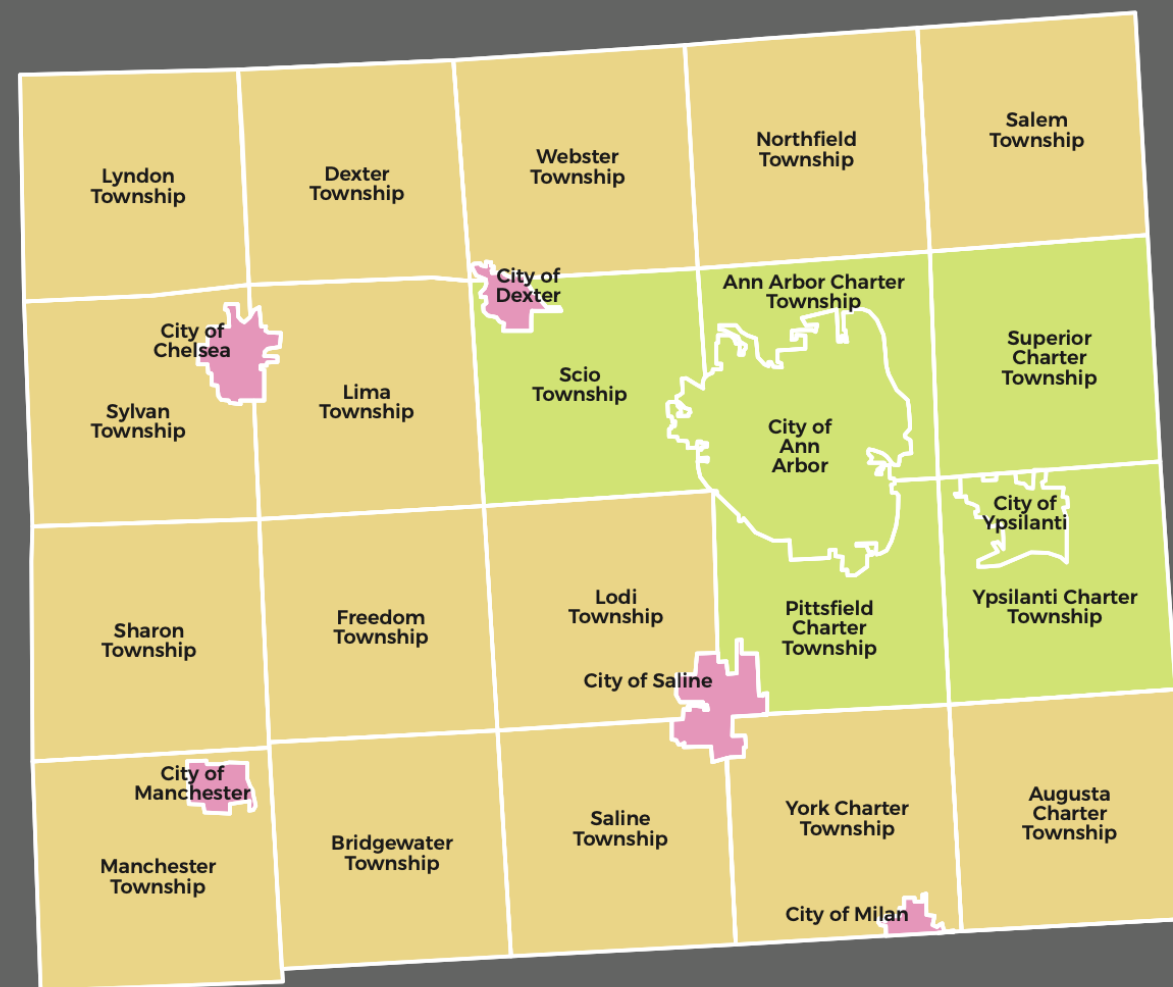
**Establishment of a robust incentive package to strengthen the Ypsilanti submarket**, to be resourced by a new housing trust fund. With twice the amount of subsidized units in Ypsilanti than would be the city's fair share based on equal distribution across the county, it is virtually impossible for Ypsilanti to obtain fiscal strength in any durable, meaningful way unless this changes. It is estimated that as many as 3,000 new market-rate units in Ypsilanti would be the amount needed to begin properly rebalancing the city, so an additive approach is recommended.



**Establishment of a Washtenaw Avenue Redevelopment Corporation** empowered by multiple jurisdictions to creatively up-zone and otherwise incentivize and redevelop the Avenue. The work is to redevelop the corridor to absorb significant multifamily housing production and related commercial real estate in a transit-oriented manner, and do so using both resources from a new trust fund, and negotiated development rights transferred from throughout the county. The active pursuit of a proper transect into each of the county's cities will help to preserve farmland and also maintain the character of small communities as they transition to open countryside.

# Community Profiles

Washtenaw County's housing market is not monolithic because its communities are not monolithic. In the eastern part of the county, only a small handful of the county's more than two dozen municipalities represent about three-quarters of the market. Meanwhile, the county's smaller cities have distinctly different conditions from both the larger urbanized area and the more rural townships by which they are surrounded. The county can be more deeply understood by examining these distinct sub-market types, and by diving deeper into each individual municipality.



COMMUNITY PROFILES

County Core

Small Cities

Small Townships

## County Core PG 48

County Core is home to roughly 75% of the county's households and 90% of its renter households. It represents the majority of the county's urbanized area.

PG 52 City of Ann Arbor

PG 54 City of Ypsilanti

PG 56 Ann Arbor Charter Township

PG 58 Ypsilanti Charter Township

PG 60 Pittsfield Charter Township

PG 62 Superior Charter Township

PG 64 Scio Township

## Small Cities PG 66

The Small Cities are home to about 7% of all county households.

PG 70 City of Chelsea

PG 72 City of Dexter

PG 74 City of Manchester

PG 76 City of Milan

PG 78 City of Saline

## Small Townships PG 80

The Small Township are largely rural or exurban in nature, and are home to about 18% of all county households.

PG 84 Augusta Charter Township

PG 86 Bridgewater Township

PG 88 Dexter Township

PG 90 Freedom Township

PG 92 Lima Township

PG 94 Lodi Township

PG 96 Lyndon Township

PG 98 Manchester Township

PG 100 Northfield Township

PG 102 Salem Township

PG 104 Saline Township

PG 106 Sharon Township

PG 108 Sylvan Township

PG 110 Webster Township

PG 112 York Charter Township



## COMMUNITY PROFILES

# County Core

In many ways, **County Core** is the **Washtenaw market**.

County Core is home to roughly 75% of the county's households and 90% of its renter households. In 2020, the area had over 111,000 households living in about 118,000 housing units. County Core represents the majority of the county's urbanized area. Because County Core so dominates the Washtenaw County market, many of its data points will mostly match those of the county's. For example, the income distribution is roughly similar.

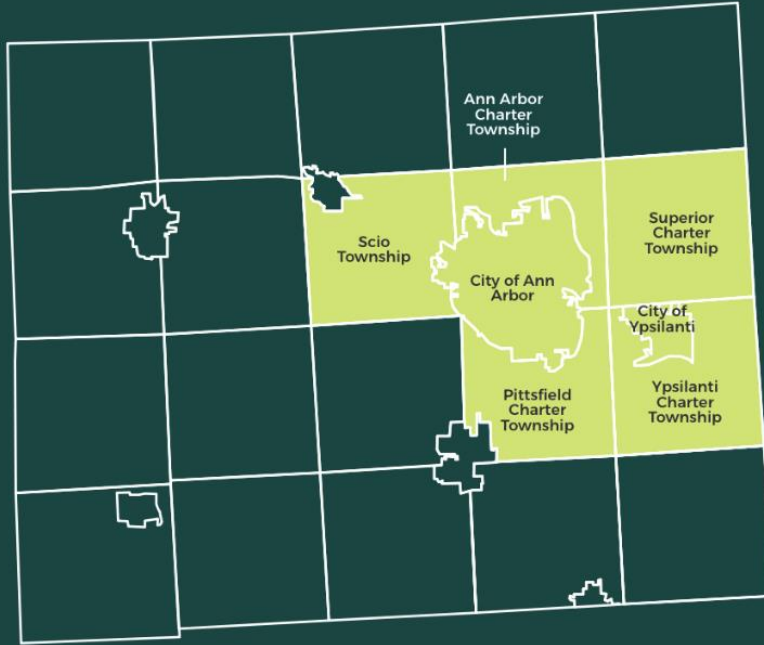
**County Core's households differ from the county's overall.**

There are some notable differences, however, between County Core and the rest of the county. County Core has relatively fewer married couple families and relatively more non-elderly people

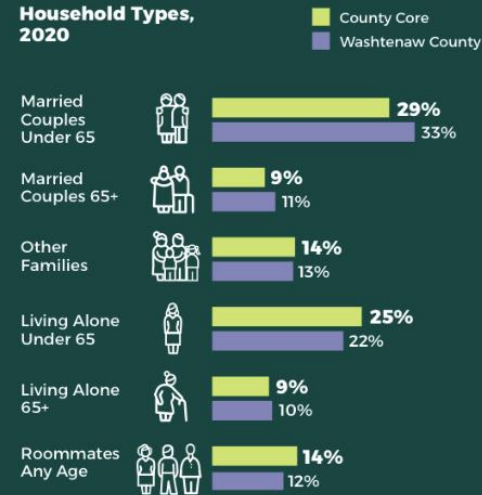
living alone and households living in roommate arrangements. This reflects the area's urban university-dominated environment.

**County Core continues to specialize in renting.**

It also has a substantially lower homeownership rate than the county as a whole. As of 2020, slightly more than half of Core County households were homeowners, while 60% were homeowners countywide. County Core has been closely split between ownership and rental dating at least back to 2000, but the difference in trends over the last few decades is worth noting. In the 2000s, two-thirds of household growth was amongst homeowners but in the 2010s, only about 28% of new households were homeowners. Renter household growth dominated in the 2010s.



## Household Types, 2020



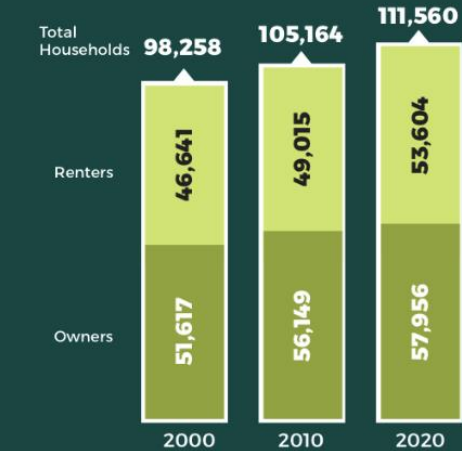
Source: U.S. Decennial Census

## Households by Income, 2023



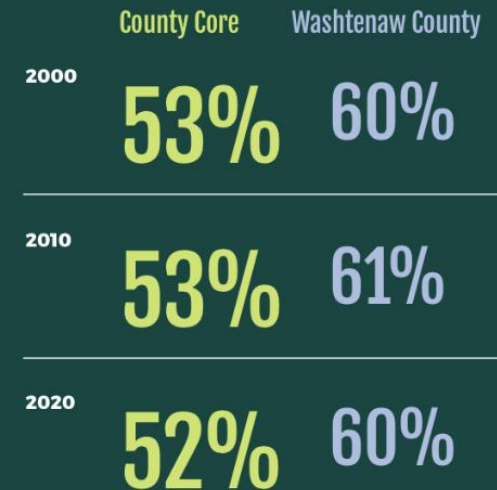
Source: 2019-2023 ACS Five Year Estimates

## Households by Tenure, 2000-2020



Source: U.S. Decennial Census

## Homeownership Rate, 2000-2020



Source: U.S. Decennial Census

County Core has most of the county's housing units.

County Core has the vast majority of the county's housing units, but a decreasing share over time. In 2000, the area had 78% of the county's housing units, but by 2020 the share had dropped to 75% as housing unit production occurred in greater numbers elsewhere. County Core's units tend to be occupied or vacant about in line with the rest of the county.

County Core has a rental affordability challenge.

County Core is home to 90% of the county's renter households, inclusive of renters of all kinds. Thousands of renter households face a cost burden, meaning they spend at least 30% of their gross income on housing. The rates of cost burden are especially steep for households with incomes of less than \$50,000. For higher-income renters with incomes of \$75,000 or more, the rate of cost burden falls to fewer than one in ten.

County Core's home sale prices have increased steadily since 2010.

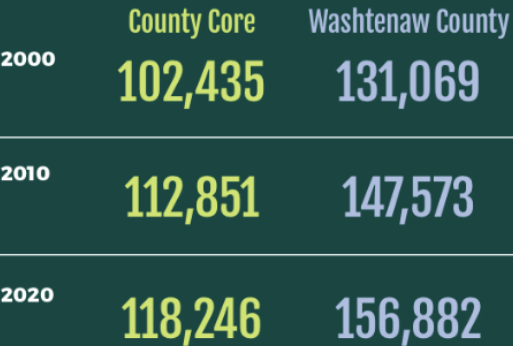
In the wake of the 2008 housing crash and the Great Recession, a household with an income of only \$60,000 could afford to purchase the average house in County Core. The market recovered during the 2010s, and then prices jumped again after 2020. As of 2024, the average house in County Core generally requires an income of about \$150,000 to purchase.

County Core's householders are aging.

County Core's number of households headed by someone aged 55 or older has increased in recent decades. These households represented about 37% of all area households in 2020, up from a little less than one-quarter in 2000.

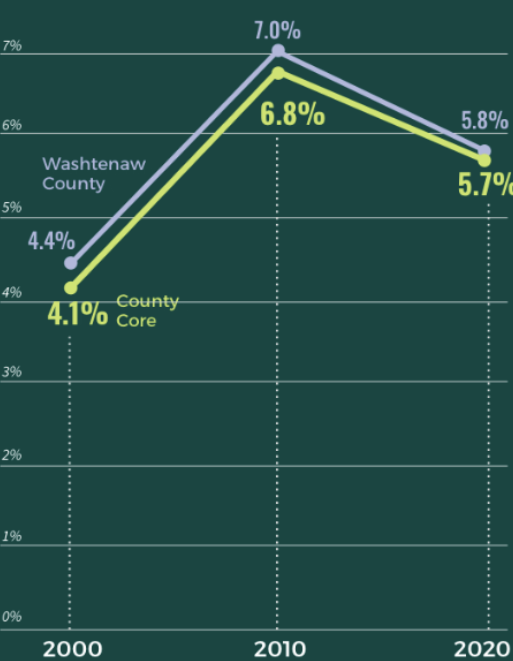
In the 2000s, on average, about 380 senior homeowners aged 65+ exited the ownership market each year. That figure grew to about 540 in the 2010s, and should continue to grow throughout the 2020 and 2030s. The rates at which homeowners of various ages exit the ownership market is fairly stable over decades, which enables speculation about the future of older homeowners.

Housing Units, 2000-2020



Source: U.S. Decennial Census

Unit Vacancy Rate, 2000-2020



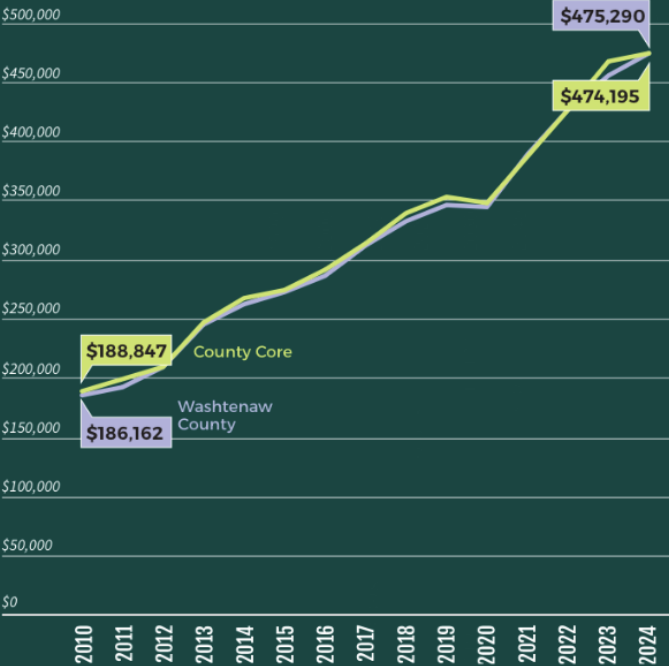
Source: U.S. Decennial Census

Renter Households by Cost Burden and Income, 2022



Source: 2018-2022 ACS Five Year Estimates

Average Single-Family Sale Price by Year, 2010-2024



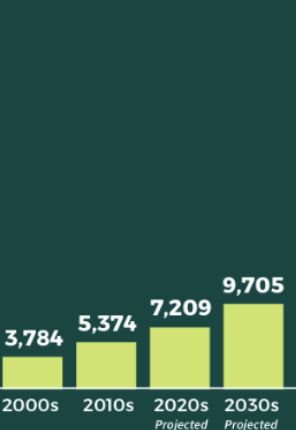
Source: Multiple Listing Service.

Households Headed by Someone Aged 55 or Older, 2000-2020



Source: U.S. Decennial Census

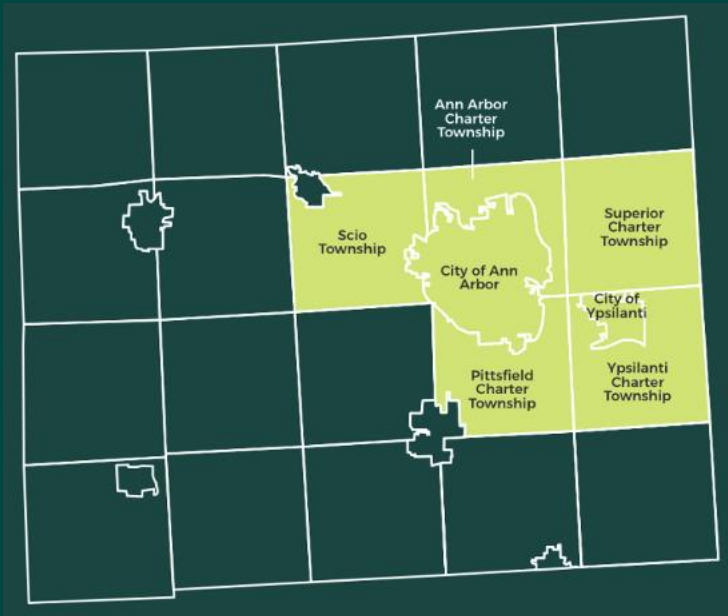
Households Aged 65+ Exiting Ownership Market, by Decade



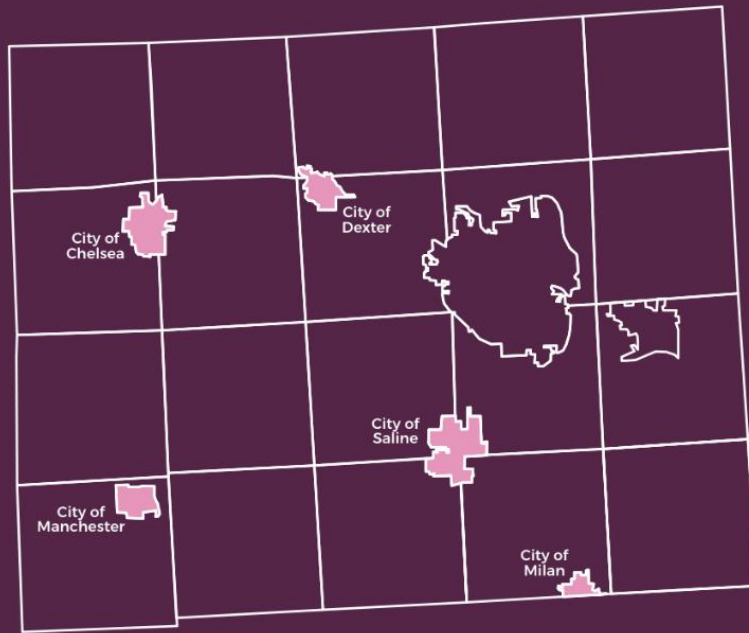
Source: U.S. Decennial Census



# County Core



- ✓ Getting more more difficult in the core; each deal illustrates land assembly and cost issues, entitlement process complexities, and resulting escalation of costs.
- ✓ To cope with costs, products will become ever more pointed towards higher end consumers
- ✓ BUT, from a fiscal point of view, directing countywide demand into the core is sound in terms of infrastructure costs and taxes



#### COMMUNITY PROFILES

# Small Cities

*Data Note: Data for all years include Chelsea, Dexter, and Manchester, both pre- and post-incorporation.*

**The Small Cities are a small piece of the overall county market.**

The Small Cities are home to about 7% of all county households. In 2020, the cities were home to over 10,000 households living in about 11,000 housing units.

**The Small Cities' households differ from the county's overall**

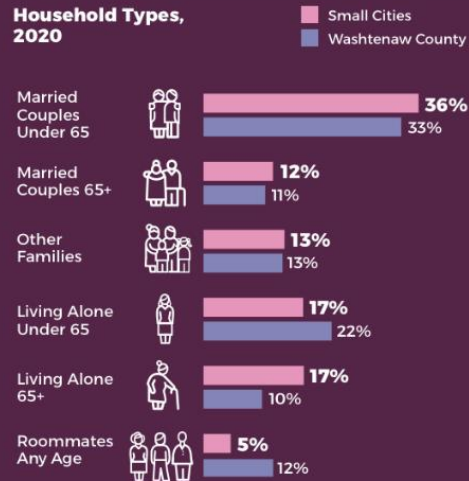
The Small Cities have relatively more married couple families and elderly people living alone than the county. And they have relatively fewer non-elderly people living alone and households living in roommate arrangements.

This is attributable in particular to the difference from the urban university-dominated market in Core County. The Small Cities also have a larger proportion of households with incomes between \$35,000 and \$149,999 and a smaller proportion of households at the very bottom and very top of the income distribution.

**Rates of homeownership have been growing in the Small Cities.**

The Small Cities have been majority ownership since at least 2000, but household growth has been disproportionately in that direction. The collected cities added about 1,500 owners in the 2000s alongside over 300 renter households. But in the 2010s, the Small Cities added over 600 new owners without adding any renters at all.

#### Household Types, 2020



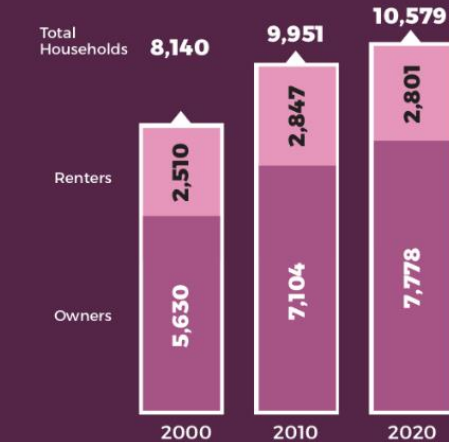
Source: U.S. Decennial Census

#### Households by Income, 2023



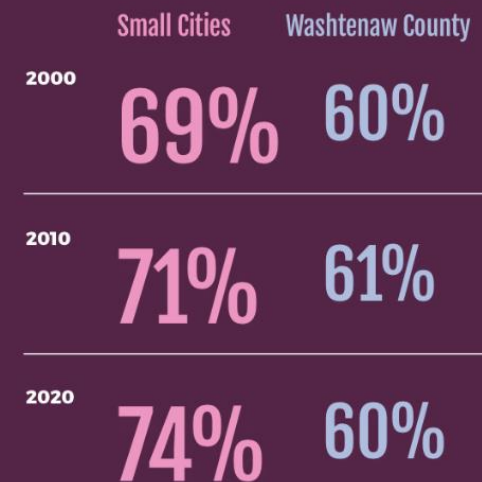
Source: 2019-2023 ACS Five Year Estimates

#### Households by Tenure, 2000-2020



Source: U.S. Decennial Census

#### Homeownership Rate, 2000-2020



Source: U.S. Decennial Census

**Small Cities housing unit growth tracks the county's.**

The Small Cities had about 6.5% of the county's housing units in 2000 and about 7% in 2020. The cities are adding units at roughly the same pace as the rest of the county.

**Small Cities housing stocks are not diverse.**

Perhaps it is no surprise for a collection of jurisdictions that collectively boast almost a 75% homeownership rate, but the same proportion of housing units are single-family structures. Less than a quarter of all Small Cities housing units are in structures with two or more units. The overwhelming single-family nature of the stocks makes it difficult to support much of a rental market.

**Small Cities home sale prices lag the county's.**

The average home sale price in the Small Cities has consistently been around 70% of the county's, making them a more affordable option for homebuyers. (The one exception is the City of Dexter. See individual Community Profiles for more information.)

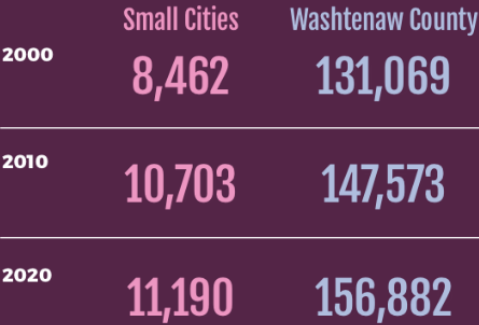
In the wake of the 2008 housing crash and the Great Recession, a household with an income of less than \$50,000 could afford to purchase the average house in the Small Cities. The market recovered during the 2010s, and then prices jumped again after 2020. As of 2024, the average house in the Small Cities generally requires an income of at least \$100,000 to purchase.

**Small Cities householders are aging.**

The Small Cities' number of households headed by someone aged 55 or older has increased in recent decades. These households represented half of all area households in 2020, up from about one-third in 2000.

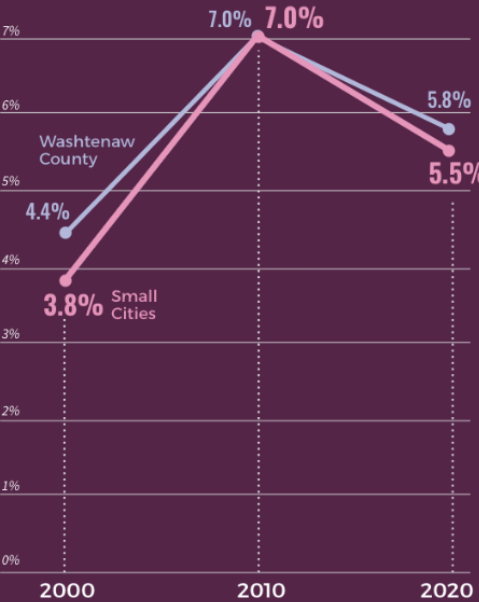
In the 2000s, on average, about 47 senior homeowners aged 65+ exited the ownership market each year. That figure grew to about 57 in the 2010s, and should continue to grow throughout the 2020 and 2030s. In the 2030s, the figure is expected to increase to about 125 per year on average. The rates at which homeowners of various ages exit the ownership market is fairly stable over decades, which enables speculation about the future of older homeowners.

**Housing Units, 2000-2020**



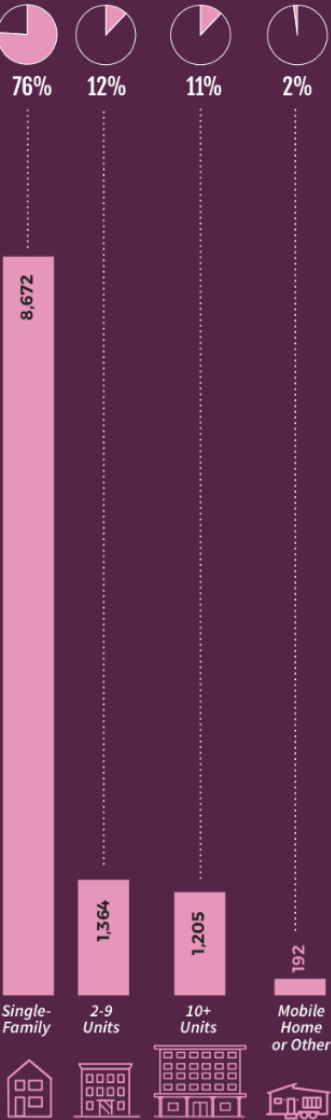
Source: U.S. Decennial Census

**Unit Vacancy Rate, 2000-2020**



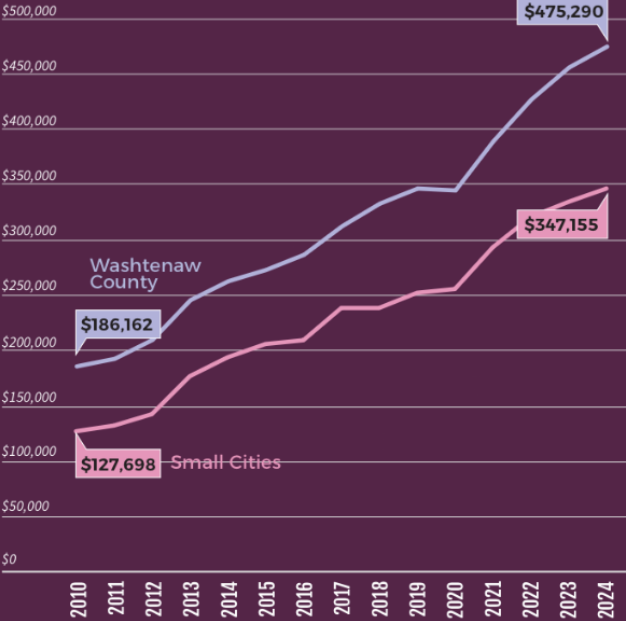
Source: U.S. Decennial Census

**Housing Units by Number of Units in Structure, 2023**



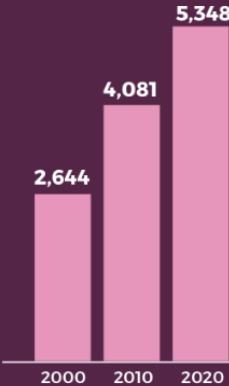
Source: 2018-2022 ACS Five Year Estimates

**Average Single-Family Sale Price by Year, 2010-2024**



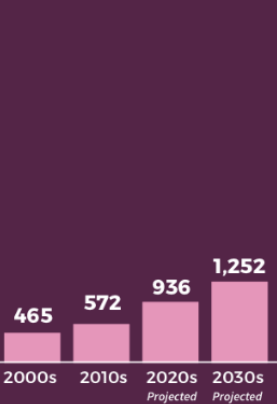
Source: Multiple Listing Service

**Households Headed by Someone Aged 55 or Older, 2000-2020**



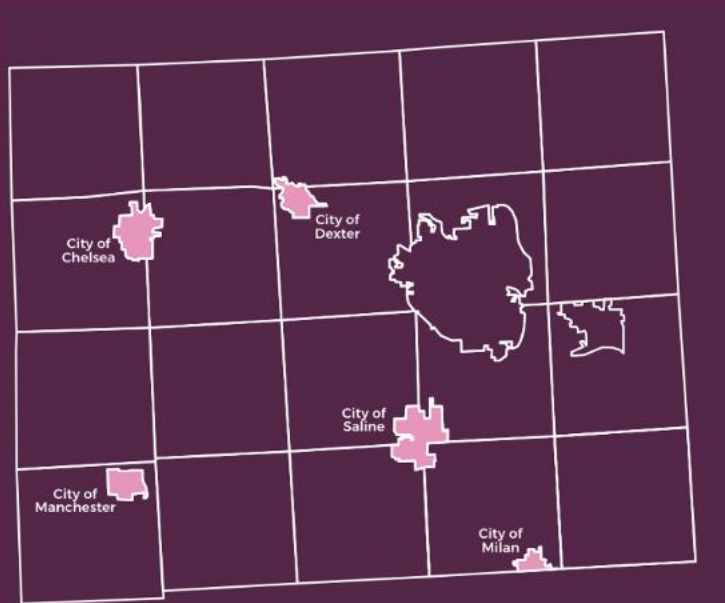
Source: U.S. Decennial Census

**Households Aged 65+ Exiting Ownership Market, by Decade**



Source: U.S. Decennial Census

# Small Cities



- ✓ Where the CORE is comparatively fat at the top and bottom, SMALL CITIES are fat in the middle
- ✓ 75% of homes are SFD; and HO% is high @ 74
- ✓ Affordable for buyers; exception is Dexter
  - ✓ 2008 crash wake it took \$50K to buy
  - ✓ Today it takes about \$110K
- ✓ Growing older, with implications for aging in place



## COMMUNITY PROFILES

# Small Townships

*Data Note: Data for all years exclude cities of Chelsea, Dexter, and Manchester, both pre- and post-incorporation.*

**The Small Townships are a small piece of the overall county market.**

The Small Cities are home to about 18% of all county households. In 2020, the townships were home to over 25,000 households living in just over 27,000 housing units.

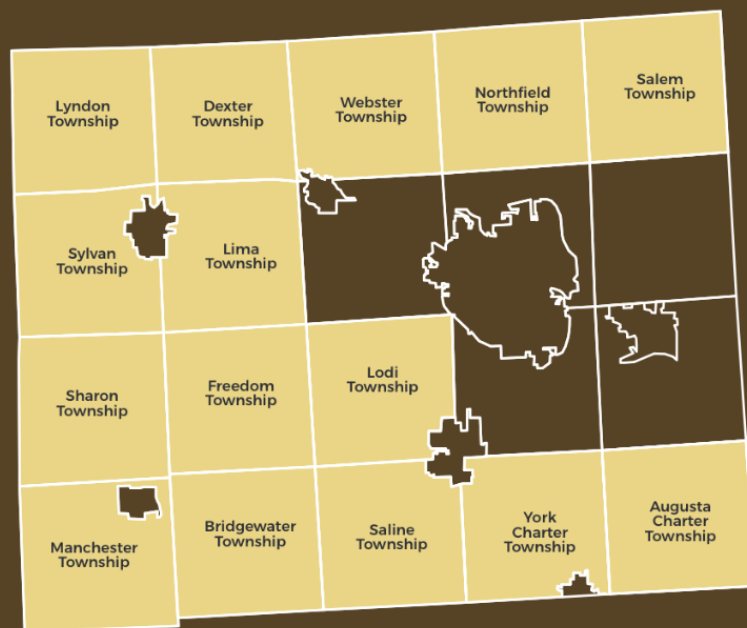
**The Small Townships' households differ from the county's overall.**

Compared to the county as a whole, the Small Townships have relatively far more married couple families of all ages and far fewer non-family households, whether people living alone or households living in roommate arrangements. This is attributable in particular to the difference

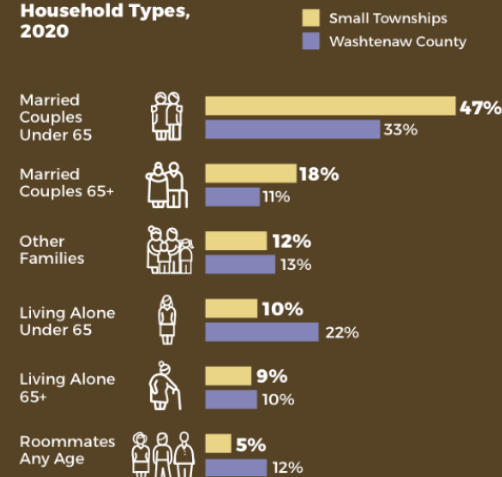
from the urban university-dominated market in Core County. The Small Townships have a larger proportion of households with incomes above \$100,000 and a smaller proportion of households with incomes under \$50,000.

**The Small Townships have very little rental market to speak of.**

The Small Townships have been 90% ownership since at least 2000, and household growth has been fully aimed in that direction. Despite having only about 16% of all county households in 2010, the townships were responsible for over 50% of all owner household growth from 2010 to 2020. This collection of jurisdictions added over 2,600 new owner households during the 2000s and over 3,100 in the 2010s. During each of those decades, the number of renter households only grew by about 500.

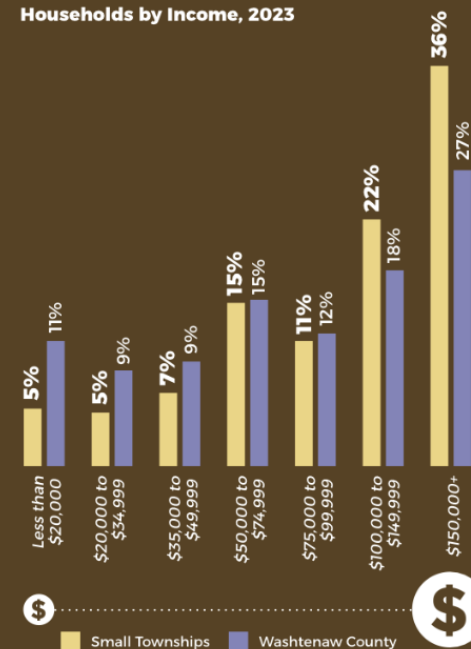


## Household Types, 2020



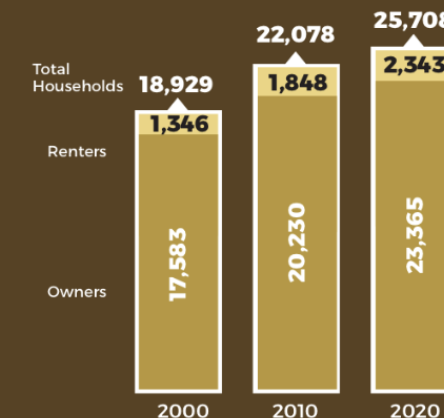
Source: U.S. Decennial Census

## Households by Income, 2023



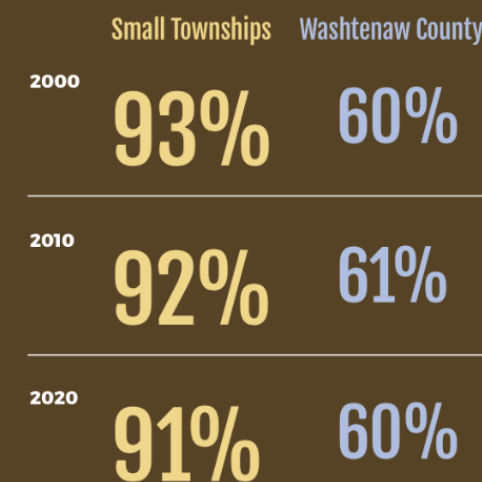
Source: 2019-2023 ACS Five Year Estimates

## Households by Tenure, 2000-2020



Source: U.S. Decennial Census

## Homeownership Rate, 2000-2020



Source: U.S. Decennial Census

**Small Townships housing unit growth outpaces the county's.**

The Small Townships had about 15% of the county's housing units in 2000 and more than 17% in 2020. The townships are adding units at a faster pace than the rest of the county.

**Small Townships housing stocks are not diverse.**

Perhaps it is no surprise for a collection of jurisdictions that collectively boast almost a 90% homeownership rate, but the same proportion of housing units are single-family structures. Only a few hundred Small Townships housing units are in structures with two or more units. The overwhelming single-family nature of the stocks makes it difficult to support much of a rental market.

**Small Townships average sale prices are somewhat higher than the county's overall.**

The average home sale price in the Small Townships has consistently been a bit higher than the county's, though there is significant diversity in the market strength of fourteen different jurisdictions. (See individual Community Profiles for more information.)

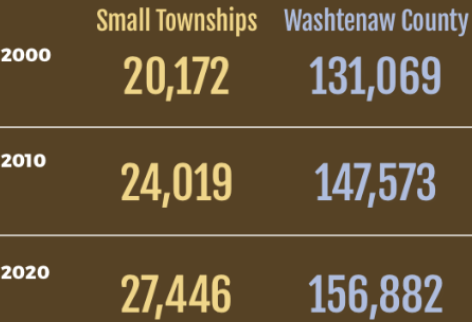
In the wake of the 2008 housing crash and the Great Recession, a household with an income of less than \$75,000 could afford to purchase the average house in the Small Townships. The market recovered during the 2010s, and then prices jumped again after 2020. As of 2024, the average house in the Small Townships generally requires an income of more than \$150,000 to purchase.

**Small Townships householders are aging.**

The Small Townships' number of households headed by someone aged 55 or older has increased in recent decades. These households represented over half of all area households in 2020, up from less than one-third in 2000.

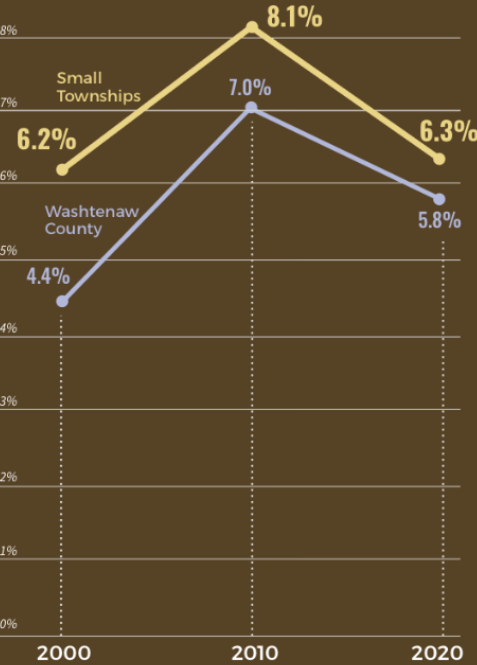
In the 2000s, on average, about 100 senior homeowners aged 65+ exited the ownership market each year. That figure grew to about 175 in the 2010s, and should continue to grow throughout the 2020s and 2030s. The rates at which homeowners of various ages exit the ownership market is fairly stable over decades, which enables speculation about the future of older homeowners.

**Housing Units, 2000-2020**



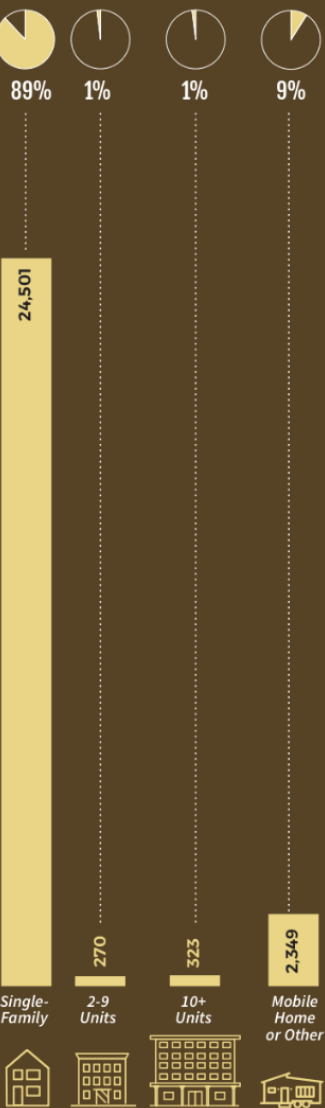
Source: U.S. Decennial Census

**Unit Vacancy Rate, 2000-2020**



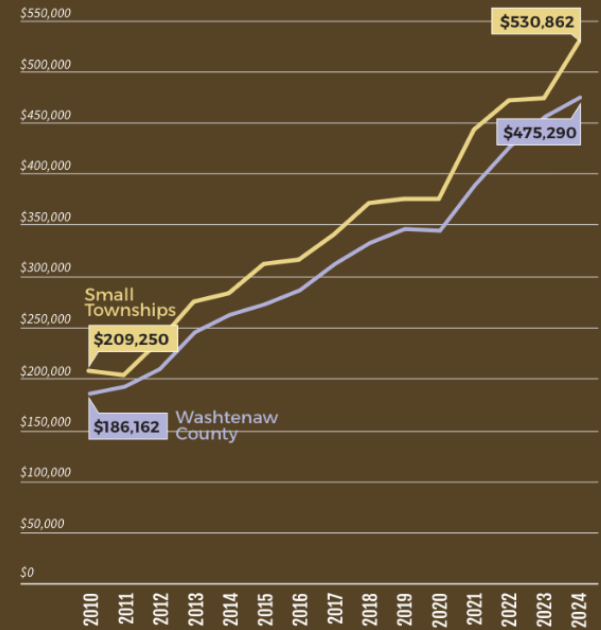
Source: U.S. Decennial Census

**Housing Units by Number of Units in Structure, 2023**



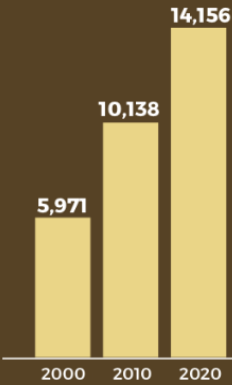
Source: 2018-2022 ACS Five Year Estimates

**Average Single-Family Sale Price by Year, 2010-2024**



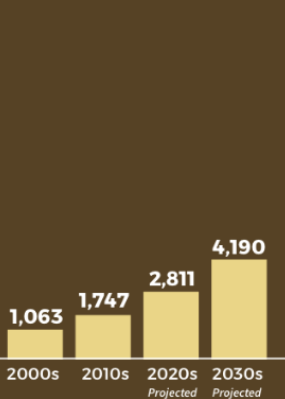
Source: Multiple Listing Service

**Households Headed by Someone Aged 55 or Older, 2000-2020**



Source: U.S. Decennial Census

**Households Aged 65+ Exiting Ownership Market, by Decade**



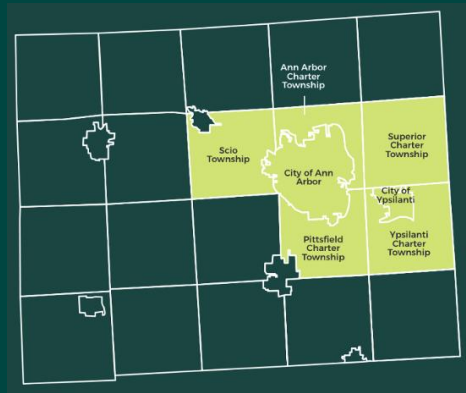
Source: czb analysis of data from U.S. Decennial Census



# Small Townships

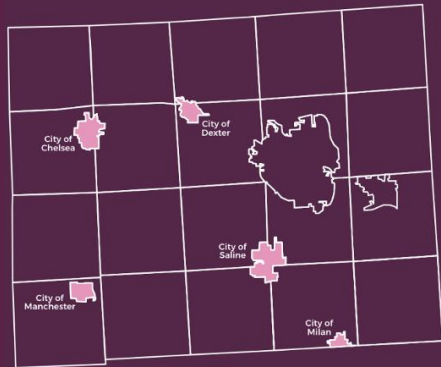


- ✓ Very family HH dominant
- ✓ Very high HO% @ 91%
- ✓ This is where new homeowner growth has been in the county last decade
- ✓ 98% of all homes are SFD or mobile homes
- ✓ Higher % than county of HHs w \$100,000+ income



## County Core

- ✓ 15,000 new households by 2045 expected
  - ✓ 75% = 11,250
    - ✓ 55% HO% x 11,250 = 6,188 new homes for buyers
    - ✓ 45% R x 11,250 = 5,062 new apartments
  - ✓ 6,188 homes at AVG du/a 8 = 773 acres needed
  - ✓ 5062 apartments at AVG du/a 35 = 145 acres needed
- ✓ 917 acres needed across the CORE



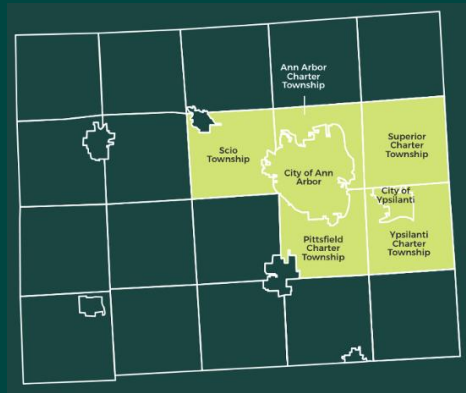
## Small Cities

- ✓ 15,000 new households by 2045 expected
  - ✓ 7% = 1,050
    - ✓ 74% HO% x 1,050 = 777 new homes for buyers
    - ✓ 26% R x 1,050 = 273 new apartments
  - ✓ 777 homes at AVG du/a 5.5 = 141 acres needed
  - ✓ 273 apartments at AVG du/a 25 = 11 acres needed
- ✓ 152 acres needed across FIVE SMALL CITIES



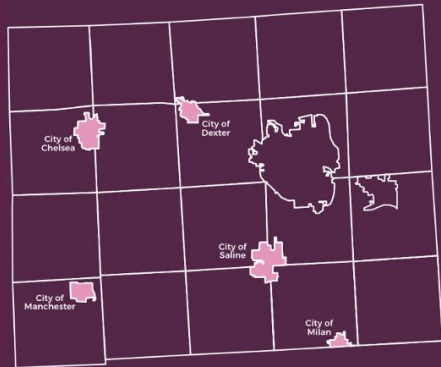
## Small Townships

- ✓ 15,000 new households by 2045 expected
  - ✓ 18% = 2,700
    - ✓ 91% HO% x 2,700 = 2,457 new homes for buyers
    - ✓ 9% R x 1,050 = 243 new rental options
  - ✓ 2,457 homes at AVG du/a .5 = 4,914 acres needed
  - ✓ 243 rental options at AVG du/a 4 = 61 acres needed
- ✓ 4,974 acres needed across 15 SMALL TOWNSHIPS



## County Core

✓ 917 acres needed across the CORE



## Small Cities

✓ 152 acres needed across FIVE SMALL CITIES



## Small Townships

✓ 4,974 acres needed across 15 SMALL TOWNSHIPS

# Closing Notes

1. Market (overall) is strong but structurally exclusive
2. Affordability stress is real but not universal by any means
3. Market has shifted from fluid to rigid
4. Coping mechanism mask stress
5. Structural exclusion is geographic
6. Shortfall is quantifiable
7. Subsidy is necessary
8. Land use reform is the lever
9. Overbuilding is a risk