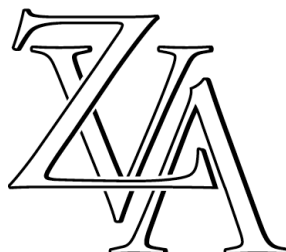

AN ANALYSIS
of
RESIDENTIAL MARKET POTENTIAL

For
The Urban Core and Urban Center Study Areas

City of Kalamazoo, Kalamazoo County, Michigan

March, 2024

Conducted by
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Residential Market Analysis Across the Urban-to-Rural Transect

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AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

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INTRODUCTION

The analysis to determine the market potential for new rental and for-sale housing units that could be created through new construction/renovation or adaptive re-use of existing buildings within the Urban Core and Urban Center (the Study Areas) of the City of Kalamazoo included: delineation of the draw areas; determination of the depth of the potential market for new and existing housing units in the city and in the Study Areas; determination of the target households who make up the study areas' annual potential market; and the target residential mix of rental and for-sale housing types corresponding to the housing preferences of those target households; and the optimum market position, derived from the financial capabilities of the target households, for both newly-created rental and for-sale housing units in the Study Areas.

The extent and characteristics of the potential market for newly-created and existing housing units in Kalamazoo and in the Study Areas were identified using Zimmerman/Volk Associates' proprietary target market methodology and extensive experience with urban development and redevelopment. The target market methodology is particularly effective in defining housing potential because it encompasses not only basic demographic characteristics, such as income qualification and age, but also less-frequently analyzed attributes such as mobility rates, lifestage, lifestyle patterns, and neighborhood preferences.

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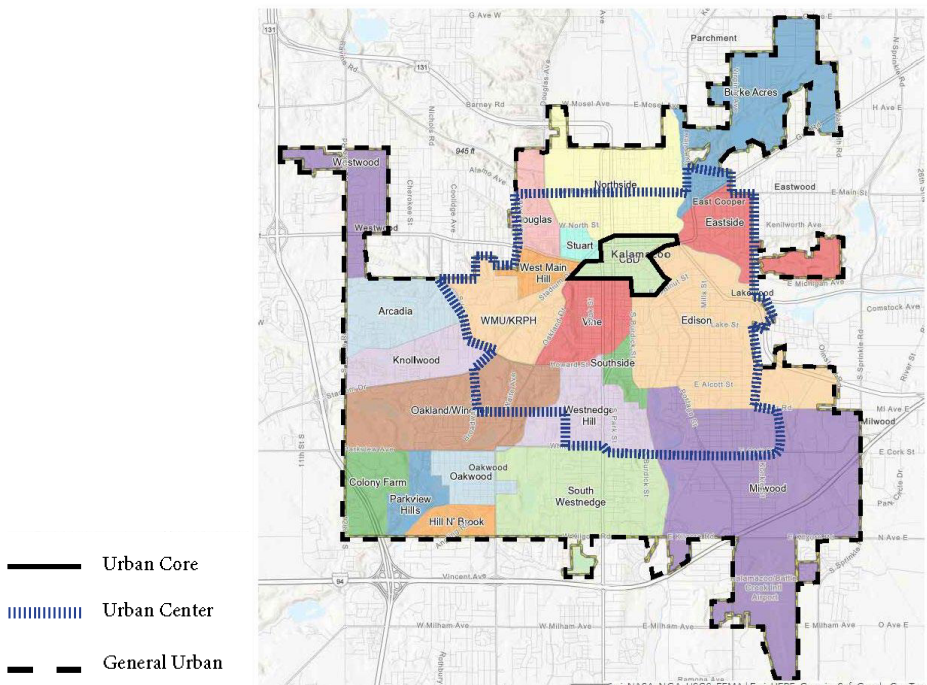
In brief, this study determined:

- Where the potential renters and buyers of newly-created and existing housing units in the City of Kalamazoo and the Urban Core and Urban Center Study Areas are likely to move from (the draw areas);
- What their current housing alternatives are (rental and for-sale residential development in the Kalamazoo market area);
- How many households have the potential to move within and to Kalamazoo and to the Urban Core and Urban Center Study Areas each year if appropriate housing units, both new construction and adaptive-reuse of existing buildings, were to be made available (depth and breadth of the market);
- Who the households are that represent the potential market for new housing units in the Urban Core and Urban Center Study Areas (the target markets);
- What their housing preferences are in aggregate (rental or ownership, multi-family or single-family);
- What their range of affordability is by housing type (income qualifications)
- What the market-entry rents and prices are that correspond to the financial capabilities of the target households (optimum market position); and
- How quickly the new units will lease or sell (absorption forecasts).

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DEMOGRAPHICS OF THE CITY OF KALAMAZOO AND THE STUDY AREAS

For purposes of this analysis, the City of Kalamazoo has been divided into three study areas: the Urban Core Study Area, which covers the Central Business District (the Downtown); the Urban Center Study Area, which includes all or part of the neighborhoods surrounding the Core: Northside, Eastside, Edison, Millwood, Westnedge Hill, Southside, Vine, Oakland/Winchell, Western Michigan University/KRPH, West Main Hill, Stuart, and Douglas; and the General Urban Study Area, which makes up the balance of the City of Kalamazoo. (See Study Area map below.) Although the demographics of the General Urban Study Area have been included in the study, the analysis of residential market potential and the optimum market position for newly-created housing units will only be developed for the Urban Core and Urban Center Study Areas.



KALAMAZOO STUDY AREA MAP

Based on past demographic trends, Claritas, Inc., a national provider of Census-based demographic data, estimates that the City of Kalamazoo’s 2023 population of 73,061 persons represents a small loss of less than one percent from the 2020 Census count of 73,598 people. Most of that loss occurred in the Urban Center Study Area, which fell from 36,122 persons in 2020 to an estimated 35,625 persons

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in 2023. The General Urban Study Area population fell only slightly, from 35,935 persons in 2020 to an estimated 35,830 persons in 2023. In comparison, the Urban Core Study Area gained population over that same time frame, from 1,565 people in 2020 to 1,606 people in 2023.

In 2023, there are an estimated 29,842 households living in the City of Kalamazoo, a number that increased only slightly from 29,831 households at the time of the 2020 Census. The Urban Core gained an estimated 32 households between 2020 and 2023 (from 884 in 2020 to 916 in 2023) and the General Urban Study Area increased by 29 households over the same time frame (16,240 households in 2020 and 16,269 in 2023), compared to the Urban Center Study Area, where there are an estimated 61 fewer households in 2023 than in 2020 (from 12,718 in 2020 to 12,657 in 2023).

The number of persons per household has a direct impact on the type of housing needed, with smaller households requiring fewer bedrooms and less square footage than larger households.

- An estimated 67.7 percent of all households in the City of Kalamazoo in 2023 contain just one or two persons. For this household configuration, the Urban Center and General Urban Study Areas are only slightly below that of the city. However, as is typical of a majority of downtowns, 87 percent of the households in the Urban Core Study Area have just one or two persons.
- Just under 13 percent of all households in the city contain three persons (9.6 percent in the Urban Core Study Area, 14.4 percent in the Urban Center Study Area, and 11.9 percent in the General Urban Study Area).
- The remaining 19.4 percent of all households in the city contain four or more persons, with just 3.4 percent in the Urban Core, where there are very few families living, and 20.5 percent in the General Urban, with the highest concentration of family households. At 19.3 percent, the Urban Center Study Area is comparable to the city as a whole.

The composition of those households can also influence housing decisions, affecting the type of housing required. Households with children typically prefer single-family detached units located in a good school district; older and younger households without children represent the bulk of the

potential market for urban neighborhoods and they are more likely to select smaller units, often in multi-family buildings.

- In 2023, 11.4 percent of households living in the City of Kalamazoo could be characterized as traditional families, *e.g.*, married couples with children under age 18. Only two percent of households living in the Urban Core are married couples with children; 12.6 percent in the Urban Center, and 11 percent in the General Urban Study Area.
- Non-traditional families with children, *e.g.*, single persons or unmarried couples with children under 18 represent 14.5 percent of all households living in the City of Kalamazoo, with just 4.3 percent living in the Urban Core, 16.9 percent in the Urban Center, and 13.1 percent in General Urban.
- In contrast to households with children under 18, households *without* children comprise the largest percentage, at 93.7 percent, of households in the Urban Core. City-wide, households without children represent just over 74 percent of all households; 75.9 percent of General Urban households do not have children, and 70.5 percent in the Urban Center.

Median household incomes range between \$39,850 in the Urban Core and \$47,350 in the General Urban Study Area. The city-wide median income is \$45,900. An estimated 36 percent of the households living in the Urban Core have annual incomes of \$25,000 or less, 28 percent in the Urban Center, 23.9 percent in General Urban, and 26 percent city-wide. An estimated 24.5 percent have incomes above \$75,000 per year in the Urban Core, with 26.2 percent in the Urban Center and 29 percent in General Urban, compared to over 27.7 percent in the city.

Although the population of the City of Kalamazoo is majority White (59 percent of the population), the city is becoming increasingly diverse.

- 59 percent of the city's residents are White, 23 percent are African American, two percent are Asian, and 16 percent are other races. Over 10 percent are Hispanic/Latino by ethnicity.

- In contrast, over 70 percent of the Urban Core population is White, just 12.3 percent are African American, four percent Asian, and 13.5 percent other races. Just 7.5 percent are Hispanic/Latino by ethnicity.
- The Urban Center population is 54.9 percent White (lowest percentage of the Study Areas), 24.3 percent African American (highest percentage of the Study Areas), just 1.6 percent Asian, and 19.2 percent other races. Over 13 percent are also Hispanic/Latino by ethnicity.
- The General Urban population is 62.5 percent White (next highest percentage after the Urban Core), 24.3 percent African American (again, next percentage after the Urban Core), 2.2 percent Asian, and 13 percent other races (lowest of all the Study Areas). Seven percent are also Hispanic/Latino by ethnicity.

Kalamazoo's housing stock is currently estimated at 32,272 dwelling units, with 1,091 units (over three percent of all units) located in the Urban Core, 13,731 units (42.5 percent of all units) in the Urban Center, and 17,450 units in General Urban (over 54 percent).

Just over three percent (or slightly less than 1,000 new units) have been built throughout the City of Kalamazoo since 2014. An estimated four percent of the new units in the Urban Core have been built over the same time frame, 1.3 percent in the Urban Center, and 4.4 percent in the General Urban Study Area. Just under half of Kalamazoo's housing stock are single-family detached houses. An estimated 5.7 percent of the units in the Urban Core are detached, 61 percent of the Urban Center units (highest of the Study Areas), and 43.4 percent in General Urban.

- In Kalamazoo, 4.6 percent of all units are single-family attached units—townhouses or rowhouses—0.5 percent in the Urban Core, 2.6 percent in the Urban Center, and 6.6 percent in General Urban.
- An estimated five percent of all housing units are in two-unit buildings in the city (2.7 percent in the Urban Core, 10.2 percent in the Urban Center, and 0.8 percent in the General Urban Study Area—the smallest share of the Study Areas).

The Urban Core and Urban Center Study Areas
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- 23.7 percent of the housing units in Kalamazoo are located in buildings of three to 19 units, 57.5 percent in the Urban Core—the highest percentage of the Study Areas, 17.4 percent in the Urban Center, and 26.7 percent in the General Urban Study Area.
- 15.7 percent of the housing units in the city are located in buildings of 20 or more units, with 32.2 percent of the units in the Urban Core, just 8.2 percent in the Urban Center, and 20.6 percent in the General Urban Study Area.

Based on Census and Claritas 2023 estimates, just 7.5 percent of the city's 32,272 housing units are vacant (16 percent of the 1,091 units in the Urban Core, 7.8 percent of the 13,731 units in the Urban Center, and 6.8 percent of the 17,450 units in the General Urban Study Area).

Of the estimated 29,842 *occupied* units in the City of Kalamazoo, just under 56 percent are rented, and just over 44 percent are owner-occupied. The tenure ratio for the Urban Core's 916 occupied units is 85.8 percent rented, 14.2 percent owned; for the Urban Center's 12,657 occupied units, 51.8 percent are rented and 48.2 percent owned; and for the General Urban Study Area's 16,269 occupied units, 57.2 percent are rented, and 42.8 percent are owned.

The median value of owner-occupied dwelling units in the City of Kalamazoo is estimated at \$144,600 in 2023, while the median value in the Urban Core is \$247,350, the highest of the three Study Areas. The median value of owner-occupied units in the Urban Center is \$120,750, the lowest of the three Study Areas, and the median housing value in the General Urban Study Area is \$158,700.

As would be expected, vehicle-ownership rates are generally lower in the Urban Core and Urban Center Study Areas.

- An estimated 16.4 percent of Urban Core households and 15.2 percent of Urban Center households do not own a vehicle, considerably higher than the 8.7 percent in the General Urban Study Area (11.7 percent city-wide).
- 47.3 percent in the Urban Core and 39.2 percent in the Urban Center own only one vehicle, with 42.3 percent in the General Urban Study Area (41.1 percent in the City of Kalamazoo as a whole).

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- 36.3 percent of Urban Core households own two or more vehicles, a much lower share than the 45.6 percent in the Urban Center and the 49 percent in the General Urban Study Area (47.2 percent city-wide).

Driving alone to work is the most significant means of commutation for workers aged 16 and older living in the city as a whole and in the General Urban Study Area, but is less important in the Urban Core and Urban Center.

- Just under three-quarters of households living in the City of Kalamazoo drive alone to work and an even higher percentage—81.8 percent—drive alone in the General Urban Study Area (57.3 percent in the Urban Core and 58.3 percent in the Urban Center).
- 9.2 percent car-pool city-wide (compared to the low of 2.8 percent in the Urban Core, the high of 9.8 percent in the Urban Center, and 8.9 percent in the General Urban Study Area).
- Eight percent of the population take public transportation to work in the Urban Core, considerably higher than the 4.9 percent in the Urban Center and the 2.3 percent in the General Urban Study Area; just 2.7 percent city-wide.
- Nearly 27 percent walk to work in the Urban Core (9.8 percent in the Urban Center, and just 2.4 percent in the General Urban Study Area, for an average 6.5 percent city-wide).
- Just 2.2 percent work at home in the Urban Core (compared to 5.3 percent in the Urban Center, and 3.1 percent in the General Urban Study Area, for an average 4.2 percent city-wide)..
- The remaining 2.9 percent of the Urban Core’s residents either bike to work, or have other means of getting to work (over five percent in the Urban Center, just 1.5 percent in the General Urban Study Area, and 2.5 percent in the City of Kalamazoo).

An estimated 34.5 percent of the City of Kalamazoo’s residents aged 25 or older have a Bachelor’s Degree, the same percentage as residents in the Urban Core. Just over 29 percent of the Urban Center’s residents have a Bachelor’s degree or higher, with the highest percentage of 39.4 percent for residents of the General Urban Study Area.

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In 2023, 53 percent of the City of Kalamazoo’s employment was concentrated in white-collar jobs, 18.3 percent in blue-collar occupations, and 28.7 percent in service/farm employment. In the Urban Core, 48.2 percent are white-collar workers, 23.3 percent are blue-collar workers, and 28.5 percent are service/farm workers. In the Urban Center, 50.3 percent have white-collar jobs, 18 percent blue-collar jobs, and 31.7 percent service/farm jobs. In the General Urban Study Area, white-collar jobs comprise 55.8 percent of all employment, blue-collar jobs account for 18.3 percent, and service/farm occupations comprise 25.9 percent.

In 2023, the number of employed civilians 16 years of age and older by worker class in the City of Kalamazoo stands at 35,840 persons, with nearly 70 percent of them working for for-profit private employers. Government work (federal, state, and local) in the city represents an estimated 13.2 percent of all civilian employees.

In the Urban Core Study Area, an estimated 766 persons over 16 years of age are employed civilians, and nearly 78 percent of them work for for-profit private employers; just 7.3 percent work in government.

The number of employed civilians 16 years of age and older by worker class in the Urban Center Study Area is 16,988 persons, with over 68 percent of them employed by for-profit private employers. Government work in the Urban Center comprises 13.4 percent of all civilian employees.

In the General Urban Study Area, an estimated 18,086 persons over 16 years of age are employed civilians, and almost 71 percent of them work for for-profit private employers; 13.4 percent work in government.

Food preparation/serving jobs make up the largest number of civilian workers in the city and all three Study Areas, followed by office/administrative support city-wide and in the Urban Center Study Area, sales and related occupations in the General Urban Study Area, and transportation/moving jobs in the Urban Core.

DATA SOURCES: Table 1: Claritas, Inc.; U.S. Census Bureau;
Zimmerman/Volk Associates, Inc.

AVERAGE ANNUAL MARKET POTENTIAL FOR NEW AND EXISTING HOUSING UNITS IN THE CITY OF KALAMAZOO

An analysis of migration, mobility and geo-demographic characteristics of households currently living within defined draw areas is integral to the determination of the depth and breadth of the potential market for newly-created and existing primary housing units within the City of Kalamazoo.

An understanding of these mobility trends, as well as the socio-economic and lifestyle characteristics of households currently living within defined draw areas, is the first step in the analysis. The draw areas are derived primarily through household migration analysis (using the latest taxpayer data provided by the Internal Revenue Service). To refine the draw areas for the city, the IRS migration data have been supplemented by population migration and mobility data from the American Community Survey.

Where are the potential renters and buyers of new and existing housing units in the City of Kalamazoo likely to move from?

As noted above, taxpayer migration data obtained from the Internal Revenue Service provide the framework for the delineation of the draw areas—the principal counties of origin for households that are likely to move to Kalamazoo County and the City of Kalamazoo. These data are maintained at the county and “county equivalent” level by the Internal Revenue Service and provide a clear representation of mobility patterns. The IRS migration data have been supplemented by migration and mobility data for both the City of Kalamazoo and Kalamazoo County from the most recent American Community Survey.

As detailed in the METHODOLOGY, provided in a separate document, the draw areas for new and existing housing units in the City of Kalamazoo have been determined as follows:

- The local draw area, covering households moving within the City of Kalamazoo.
- The Kalamazoo County draw area, covering households with the potential to move from the balance of Kalamazoo County to the city.
- The regional draw area, covering households with the potential to move to the city from the surrounding counties of Van Buren, Calhoun, Allegan, and Kent, Michigan.

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- The national draw area, covering households with the potential to move to the City of Kalamazoo from all other U.S. cities and counties.

The distribution of the draw areas as a percentage of the annual potential market for newly-created and existing housing units in the City of Kalamazoo is shown on the following table:

Annual Average Market Potential by Draw Area
City of Kalamazoo, Kalamazoo County, Michigan

City of Kalamazoo:	45.7%
Kalamazoo County:	18.3%
Regional Draw Area	10.1%
Balance of the U.S.:	<u>25.9%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

The target market methodology accounts for household mobility within the City of Kalamazoo, as well as mobility patterns for households currently living in all other counties. The methodology has determined that an annual average of 8,040 households of all incomes represent the potential market for newly-created and existing housing units within the city each year over the next five years (*see also Table 2 following the text*).

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CITY OF KALAMAZOO INCOME LIMITS

The income limits in Kalamazoo by household size and percent of median family income, based on the Kalamazoo-Portage, MI MSA HUD median family income (AMI), which, as determined by the U.S. Department of Housing and Urban Development (HUD) in 2023 is \$92,200 for a family of four, are shown on the following table:

Fiscal Year 2023 Income Limits
City of Kalamazoo, Kalamazoo County, Michigan

NUMBER OF PERSONS IN HOUSEHOLD	EXTREMELY LOW 30% OF MEDIAN	VERY LOW 50% OF MEDIAN	LOW 80% OF MEDIAN
One	\$19,250	\$32,100	\$51,350
Two	\$22,000	\$36,700	\$58,650
Three	\$24,860	\$41,300	\$66,000
Four	\$30,000	\$45,850	\$73,300
Five	\$35,140	\$49,550	\$79,200
Six	\$40,280	\$53,200	\$85,050
Seven	\$45,420	\$56,900	\$90,900
Eight	\$50,560	\$60,550	\$96,800

SOURCE: U.S. Department of Housing and Urban Development, 2023.

This study is examining the incomes and financial capabilities of the potential housing market based on income distributions at less than 30 percent AMI, between 30 and 60 percent AMI, between 60 and 80 percent AMI, between 80 and 120 percent AMI, and above 120 percent AMI. The incomes of households at 60 and 120 percent of the median are shown on the following table:

Additional Income Limits
City of Kalamazoo, Kalamazoo County, Michigan

NUMBER OF PERSONS IN HOUSEHOLD	60% OF MEDIAN	120% OF MEDIAN
One	\$38,500	\$77,500
Two	\$44,000	\$88,550
Three	\$49,500	\$99,600
Four	\$55,000	\$110,650
Five	\$59,400	\$119,550
Six	\$63,800	\$128,400
Seven	\$68,200	\$137,250
Eight	\$72,600	\$146,100

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

THE MARKET CONTEXT

What are the current housing alternatives?

Summary information for selected rental properties located in the Kalamazoo market area is provided on Table 3 following the text. A summary of selected for-sale multi-family and single-family attached properties is provided on Table 4 and for-sale single-family detached properties on Table 5.

Redfin’s Walk Score has been included with each property listing. Although Walk Score measures only distance, and metrics such as intersection density and block lengths to grade the walkability of a specific address or neighborhood, it has grown in importance as a value criterion. Walk Scores above 90 indicate a “Walker’s Paradise,” where daily errands do not require a car. Walk Scores between 70 and 90 are considered to be very walkable, where most errands can be accomplished on foot, and Walk Scores between 50 and 69 are regarded as somewhat walkable, where some errands can be accomplished on foot. Walk Scores below 50 indicate that most or almost all errands require an automobile.

The impact on housing values of walkability as calculated by Walk Score only begins to be measurable when Walk Scores reach 70 or above. Eleven of the 14 rental properties located in Downtown/Near Downtown included in the survey have Walk Scores of 90 or higher. Only one of the other properties located elsewhere in the city had a Walk Score above 60; most had scores below 50.

—MULTI-FAMILY RENTAL PROPERTIES—

Base rent, unit sizes and rents per square foot for the 27 rental properties included in the survey, covering 5,174 apartments, are summarized on the following pages.

—*Studio Units (Seven properties)*—

- Rents for studio apartments start at \$800 per month at Clayborne Flatz on Clayborne Drive outside of Downtown and at \$880 per month at Gilmore Apartments on Portage Street in Downtown; the highest studio rent of \$1,775 per month is being achieved at The Exchange on West Michigan Avenue, also in Downtown.
- Studio units range in size from 280 square feet at Clayborne Flatz and 424 square feet at Gilmore Apartments to 704 square feet at The Exchange.

- Studio rents per square foot fall between \$1.61 at Woodstone on Greeneleaf Boulevard, to \$2.86 at Clayborne Flatz.

—One-Bedroom Units (18 properties)—

- Rents for one-bedroom apartments start at \$755 per month at Nottingham Place, built in 1979, located on South Drake Road in western Kalamazoo; the highest one-bedroom rent of \$2,900 per month is at Peregrine 100, built in 2016, on West Michigan Avenue in Downtown.
- One-bedroom units range in size from 541 square feet at Peppertree Apartments on South 11th Street in far western Kalamazoo to 1,400 square feet for a one-bedroom, one-and-a-half bath apartment at Peregrine Tower on South Kalamazoo Mall in Downtown.
- One-bedroom rents per square foot run between \$1.13 at Coopers Landing on Coopers Landing Drive at the edge of Kalamazoo in the northeast, to \$2.38 at 400 Rose on South Rose Avenue in the Vine neighborhood. A furnished one-bedroom in Peregrine Square on the Mall has a rent-per-square-foot of \$2.82.

—Two-Bedroom Units (24 properties)—

- Rents for two-bedroom apartments with one, one-and-a-half, or two baths, start at \$800 per month for a two-bedroom, one-bath apartment at Nottingham Place, up to \$3,900 per month for a two-bedroom, two-bath unit at The Exchange.
- Two-bedrooms range in size from 657 square feet for two bedrooms and one bath at Peppertree Apartments, to 2,000 square feet for a two-bedroom, two-bath unit at Peregrine Downtown Lofts on East Michigan Avenue.
- Rents per square foot for two-bedrooms fall between \$0.88 for a two-bedroom, two-and-a-half bath townhouse at Gull Prairie/Gull Run on Gull Run Drive in northeast Kalamazoo and \$2.53 at The Exchange.

—Three-Bedroom Units (Nine properties)—

- Rents for three-bedroom apartments start at \$1,790 per month for a three-bedroom, one-and-a-half-bath apartment at Nottingham Place, up to just over \$2,600 per month

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for a three-bedroom, two-bath unit at Greenbriar Apartments on West Lovell Street in the Vine neighborhood.

- Three-bedrooms range in size from 1,045 square feet at Kalamazoo Commons on the Mall, to over 2,000 square feet for a three-bedroom, two-and-a-half bath townhouse at Gull Prairie/Gull Run.
- Rents per square foot for three-bedrooms range between \$0.92 for a three-bedroom, two-bath apartment at Coopers Landing and \$2.08 at Greenbriar Apartments.

Four-bedroom apartments are only available at Candlewyck on East Candlewyck Drive in the southern area of Kalamazoo. Rents range between \$1,515 and \$1,585 per month for units with two baths containing 1,540 square feet (\$0.98 and \$1.03 per square foot).

Reported occupancy rates range from the low of 75 percent at Peregrine Square to 100 percent at Woodstone; most are at or above functional full occupancy (95 percent occupied).

Most of the properties provide some amenities, typically clubhouses and fitness centers, and occasionally, pools and media centers.

—MULTI-FAMILY AND SINGLE-FAMILY ATTACHED FOR-SALE PROPERTIES—

In recent years, no new condominium buildings have been constructed, and, at the time of the survey in October, only two condominiums were listed in Downtown Kalamazoo: a one-bedroom, one-bath loft at the Arcadia, developed in 2002, containing 1,185 square feet and priced at \$309,900 (\$262 per square foot); and a two-bedroom, two-bath unit in the Marlborough Building, developed in 1982, priced at \$415,000 with 1,657 square feet of living space (\$250 per square foot). Both units were in buildings with a Walk Score of 90 or above.

Outside of Downtown, three properties were marketing newly-constructed attached villas: Interra's West Point Condominiums located just outside the western edge of the city; Interra's Redstone Farms, southeast of West Point Condominiums; and AVB Homes' Walden Woods, located not far from the other two properties.

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At West Point Condominiums, asking prices ranged between \$289,900 and \$309,900, for two-bedroom, two-and-a-half bath attached villas containing 1,780 or 1,861 square feet of living space (\$163 or \$167 per square foot).

Attached villas at Redstone Farms are priced at \$327,900 for a two-bedroom, two-and-a-half bath unit containing 1,743 square feet and at \$379,900, for a three-bedroom, three-bath unit with 2,145 square feet of living space (\$188 and \$177 per square foot, respectively).

The most expensive units are the duplex villas at Walden Woods, where the two-bedroom, two-bath unit containing 1,694 square feet is priced at \$528,320, and the 2,627-square-foot four-bedroom, three-bath unit is priced at just under \$606,700 (\$312 and \$231 per square foot, respectively).

—SINGLE-FAMILY DETACHED FOR-SALE PROPERTIES—

Single-family detached houses listed for sale in the central Kalamazoo neighborhoods—the Downtown, Vine, West Main Hill, Stuart, Northside, Eastside, Edison, Southside, and West Douglas—are older houses, with some dating to the 19th century. Two-thirds of the listings had asking prices under \$150,000 and prices per square foot under \$150.

Only one detached house is on the market in the Downtown. The sole remnant of the once-residential area is now surrounded by commercial and medical uses and borders an open parking lot. The two-story, 4,797-square-foot six-bedroom brick house built in 1867 has an asking price of \$995,000 (\$207 per square foot). More typical of the detached houses on the market in the core neighborhoods is a three-bedroom, one-bath 1,469-square-foot house built in 1905 located just two blocks away in the Vine neighborhood with an asking price of \$129,900 (\$88 per square foot).

Of the 84 core neighborhood houses on the market in October, 2023, only eight had asking prices over \$200,000: the 1867 house in the Downtown, three houses in the Vine neighborhood priced between \$204,000 and \$525,000, three houses in Stuart and Northside with asking prices from \$219,000 to \$249,000, and one house in West Main Hill priced at just over \$466,000. The house priced at \$525,000 in Vine was a three-bedroom, two-and-two-half-bath with 2,093 square feet built in 1929

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(\$251 per square foot). The house priced at \$466,000 in West Main Hill was a 3,466-square-foot, four-bedroom, one-and-two-half-bath unit built in 1944 (\$135 per square foot).

Nineteen resales had asking prices between \$150,000 and \$200,000, 37 had prices between \$100,000 and \$150,000 and 20 had asking prices under \$100,000. Only two houses had prices per square foot above \$200, four had prices per square foot between \$150 and \$200, 33 had square-foot prices between \$100 and \$150, and the remaining 45 had asking prices below \$100 per square foot—a few under \$30.

Three subdivisions are included in the survey that are located near Kalamazoo but outside the city limits. The closest, Muirfield, just outside the City of Parchment northwest of Kalamazoo, is a small new subdivision of commodity-priced three- and four-bedroom houses with 1,416 and 1,684 square feet priced from \$272,500 to \$292,500 (\$174 to \$200 per square foot).

South of Kalamazoo in the City of Portage, the large Copperleaf subdivision has been selling somewhat higher-end houses since 2015. Three- and four-bedroom houses with 1,870 to 3,420 square feet are priced from \$380,000 to \$511,000 (\$149 to \$211 per square foot).

In Texas Charter Township, the three- and four-bedroom floorplans at the very large Applegate Trails subdivision range between 1,658 and 3,423 square feet in size for \$522,800 to \$700,000 (\$177 to \$315 per square foot), having escalated in value considerably since market introduction nearly two decades ago.

AVERAGE ANNUAL MARKET POTENTIAL FOR NEW AND EXISTING HOUSING UNITS IN THE URBAN CORE STUDY AREA

Where are the potential renters and buyers of newly-created and existing housing units in the Urban Core Study Area likely to move from?

Zimmerman/Volk Associates has filtered the target households for the Urban Core Study Area to include only those with preferences for the highest-density housing units usually found in a vibrant downtown. Typical household sizes in most downtowns range between one and two persons, whereas larger households, most often families with three to five persons per household, are mostly located in lower-density neighborhoods with higher percentages of single-family detached housing.

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(It should be noted that there is an overlap in neighborhood preference in that some of the households that represent the average annual potential market for the Urban Core Study Area would also be likely to move to the Urban Center Study Area, as long as appropriate housing options, both new construction and adaptive re-use of existing buildings, are available.)

After eliminating those segments of the potential city-wide market that have preferences for new or existing housing in suburban or lower-density areas, the distribution of draw area market potential for newly-created and existing housing units within the Urban Core Study Area each year over the next five years is summarized as follows:

Annual Average Market Potential by Draw Area
URBAN CORE STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

City of Kalamazoo:	39.8%
Kalamazoo County:	4.3%
Regional Draw Area	4.7%
Balance of the U.S.:	<u>51.2%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

Based on the target market analysis, then, an annual average of 1,280 younger singles and couples, empty nesters and retirees, and compact families of all incomes represent the annual potential market for newly-created and existing housing units of every kind within the Urban Core Study Area each year over the next five years.

Given the composition of households currently living in the Urban Core Study Area, where 87 percent contain just one or two persons, as well as of the existing housing stock, where over 32 percent of all units are in buildings that contain 20 or more units, this study is therefore targeting households that would prefer higher-density multi-family rental apartments and condominiums (multi-family for-sale), as well as rowhouses or townhouses (single-family attached units) in the Urban Core. Households with preferences for single-family detached houses have been excluded from the Urban Core analysis. As determined by the target market methodology, then, an annual average of 1,058 households of the 1,280 target households of all incomes for the Urban Core Study Area—excluding those with

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preferences for single-family detached housing types—comprise the average annual potential market for the Urban Core (see Table 2).

What are their propensities for higher-density housing in the Urban Core Study Area?

The housing preferences of the 1,058 target draw area households of all incomes that represent the average annual market potential for the Urban Core Study Area are derived from their tenure (rental/ownership) propensities and are summarized on the following table (see again Table 2):

Average Annual Market Potential
By Tenure/Housing Type Propensities
URBAN CORE STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent (lofts/apartments, leasehold)	828	78.2%
Multi-family for-sale (lofts/apartments, condo/co-op)	114	10.8%
Single-family attached for-sale (townhouses/duplexes, fee-simple/condo)	<u>116</u>	<u>11.0%</u>
Total	1,058	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

As noted above, a large majority (over 78 percent) of the 1,058 target households comprise the market for rental dwelling units. An increasing percentage are renters by choice; many, however, would prefer to own but cannot afford the type of housing they want in neighborhoods where they would consider living. Younger people in particular are challenged by the burden of significant education debt as well as lack of an adequate down payment.

The remaining 21.8 percent of the market would choose some form of ownership housing (significantly higher than the current estimated homeownership rate in the Urban Core Study Area of approximately 14 percent). An estimated 49.6 percent of the higher-density ownership market would prefer for-sale multi-family (condominium/co-operative units) and the remaining 50.4 percent would likely prefer for-sale single-family attached (rowhouse/townhouse units).

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What is their range of affordability by housing type?

The combined tenure and housing type preferences and financial capabilities of the target households for the Urban Core Study Area are shown on the following table (*see again* Table 2):

Tenure/Housing Type Propensities by Income
Annual Average Market Potential for New and Existing Housing Units
URBAN CORE STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	..... HOUSEHOLDS	
	NUMBER	PERCENT
Multi-family for-rent (lofts/apartments, leaseholder)	<u>828</u>	<u>78.2%</u>
< 30% AMI	195	18.4%
30% to 60% AMI	162	15.3%
60% to 80% AMI	87	8.2%
80% to 120% AMI	150	14.2%
> 120% AMI	234	22.1%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	<u>114</u>	<u>10.8%</u>
< 30% AMI	23	2.2%
30% to 60% AMI	20	1.9%
60% to 80% AMI	8	0.8%
80% to 120% AMI	17	1.6%
> 120% AMI	46	4.3%
Single-family attached for-sale (townhouses, townhouses, fee-simple ownership)	<u>116</u>	<u>11.0%</u>
< 30% AMI	23	2.2%
30% to 60% AMI	21	2.0%
60% to 80% AMI	11	1.0%
80% to 120% AMI	16	1.5%
> 120% AMI	45	4.3%
Total	1,058	100.0%

NOTE: For fiscal year 2023, the Kalamazoo-Portage, MI MSA HUD Median Family Income for a family of four is \$92,200.

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

Summarizing the income ranges of the 1,058 households that represent the annual potential market for newly-created and existing housing units in the Urban Core Study Area, 22.8 percent (241 households) have incomes at 30 percent or less than the AMI; 19.2 percent (203 households) have incomes between 30 and 60 percent AMI; 10.0 percent (106 households) have incomes between 60 and 80 percent AMI; 17.3 percent (183 households) have incomes between 80 and 120 percent AMI; and 30.7 percent (325 households) have incomes at or above 120 percent AMI.

TARGET MARKET ANALYSIS: URBAN CORE STUDY AREA

The evolution of market preferences has continued to shift away from single-use subdivisions and toward more walkable, mixed-use neighborhoods, particularly in downtowns, where multi-family is the principal housing type, and in-town neighborhoods, where there is also a larger share of higher-density housing types. The preference for walkable neighborhoods evidenced by both younger and older one- and two-person households continues as a primary force in urban development and redevelopment across the country, despite some skepticism about the strength of the multi-family market as viable housing during a pandemic as well as the increased number of households working at home rather than at the office.

Who are the households that represent the potential market for newly-created and existing housing units in the Urban Core Study Area?

As determined by the target market analysis, then, the general market segments, by lifestage and income bracket, that represent the potential market for newly-created and existing housing units in the Urban Core Study Area are as follows (see also Table 6 following the text):

Annual Market Potential by Lifestage and Income
URBAN CORE STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSEHOLD TYPE	PERCENT OF TOTAL	BELOW 30% AMI	30% TO 60% AMI	60% TO 80% AMI	80% TO 120% AMI	ABOVE 120% AMI
Empty-Nesters & Retirees	15.8%	11.6%	13.3%	12.3%	13.7%	22.8%
Traditional & Non-Traditional Families	10.4%	11.2%	10.8%	9.4%	9.8%	10.1%
Younger Singles & Couples	<u>73.8%</u>	<u>77.2%</u>	<u>75.9%</u>	<u>78.3%</u>	<u>76.5%</u>	<u>67.1%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

YOUNGER SINGLES AND COUPLES

At nearly 74 percent of all households, younger singles and couples of all incomes comprise the largest share of the market for multi-family and single-family attached housing types in the Urban Core, illustrating the dominance of the Millennial and Zoomer generations in urban markets. These one- and two-person households are predominantly trailing-edge Millennials and leading-edge Zoomers

(also known as Generation Z) and include young professionals, knowledge workers, office, retail, and restaurant staff, and other young education- and hospital-related employees, significant numbers of students, as well as those who struggle to find full-time employment.

An estimated 43.5 percent of the younger singles and couples that comprise the target markets for the Urban Core Study Area have incomes that fall below 60 percent of AMI (at or below \$38,500 for a single-person household and at or below \$44,000 for a two-person household).

Another 10.7 percent of the households in this market segment have incomes that fall within the 60-to-80 percent income band (approximately \$38,500 to \$51,350 for a single-person household and \$44,000 to \$58,650 for a two-person household).

Up to 17.9 percent of the younger singles and couples have incomes that are between 80 and 120 percent of the AMI (from \$51,350 at 80 percent AMI to \$77,500 at 120 percent AMI for a single-person household, and from \$58,650 at 80 percent AMI to \$88,550 at 120 percent AMI for a two-person household).

The remaining 27.9 percent of the younger singles and couples have incomes that are above 120 percent of the AMI (from \$77,500 and up for a single-person household, and from \$88,550 and up for a two-person household).

An estimated 41.7 percent of the younger singles and couples that represent the market for newly-created and existing housing units in the Urban Core Study Area would be moving from elsewhere in the city; 5.9 percent would be moving from the balance of Kalamazoo County; another 5.9 percent would be moving from the regional draw area; and 46.5 percent would be moving from another county in the United States.

EMPTY NESTERS AND RETIREES

At 15.8 percent of the annual potential market for newly-created and existing housing units in the Urban Core Study Area, older households (empty nesters and retirees) represent the second largest share of the market. A significant number of these target households have grown children who have recently moved out of the family home; another large percentage are retired. Some are retired with

incomes from social security alone, others who also have pensions, savings and investments, and the remainder who are still working are predominantly Baby Boomers and the oldest Gen Xers.

In this general market segment, just under one-third of these older households have incomes at or below 60 percent of AMI. (This is a range of at or below \$38,500 for a single-person household and at or below \$44,000 for a two-person household.)

An estimated 7.8 percent of the older target households have incomes between 60 and 80 percent of the area median. (Approximately \$38,500 to \$51,350 for a single-person household and \$44,000 to \$58,650 for a two-person household.)

Older households with incomes between 80 and 120 percent of AMI comprise 15 percent of the target empty nester and retiree market segment (from \$51,350 at 80 percent AMI to \$77,500 at 120 percent AMI for a single-person household, and from \$58,650 at 80 percent AMI to \$88,550 at 120 percent AMI for a two-person household).

The remaining 44.3 percent of older households have incomes above 120 percent of AMI (from \$77,500 and up for a single-person household, and from \$88,550 and up for a two-person household).

Over 46 percent of empty nesters and retirees would be moving from elsewhere within the City of Kalamazoo; 1.8 percent would be moving from elsewhere in Kalamazoo County; and the remaining 51.8 percent would be moving from elsewhere in the U.S.

TRADITIONAL AND NON-TRADITIONAL FAMILIES

Family-oriented households, including the youngest Gen Xers and the leading-edge Millennials who are now pairing up and having children, represent just 10.4 percent of the market for newly-created and existing dwelling units in the Urban Core Study Area. A portion of the family-oriented households are non-traditional families, notably single parents with one to three children. Non-traditional families, which, starting in the 1990s, have become an increasingly larger proportion of all U.S. households, encompass a wide range of family households, from a single mother or father with one or more children, an adult taking care of younger siblings, to a grandparent responsible for grandchildren. Non-traditional families generally require different unit configurations than traditional families. The

“traditional family household” of a married couple with children, which once comprised the majority of American households, has now fallen to 22 percent nationally (and just two percent in the Urban Core).

Approximately 44.5 percent of the family households that comprise the annual potential market for the study area have incomes below 60 percent of AMI and are typically spending more than 40 percent of their incomes on housing costs. (General income ranges at 60 percent AMI are at or below \$49,500 for a three-person household and at or below \$59,400 for a five-person household.)

Just over nine percent of the family-oriented households have incomes that fall within the 60-to-80 percent income band. (At 60 to 80 percent AMI, incomes for three-person households range between \$49,500 and \$66,000, and incomes for five-person households range between \$59,400 and \$79,200.)

Another 16.4 percent of the family-oriented households have incomes that fall within the 80-to-120 percent income band. (At 80 to 120 percent AMI, incomes for three-person households range between \$66,000 and \$99,600, and incomes for five-person households range between \$79,200 and \$119,550.)

The remaining 30 percent of the traditional and non-traditional families have incomes above 120 percent of the AMI. (At or above 120 percent AMI, incomes for three-person households range from \$99,600 or more, and incomes for five-person households range from \$119,550 and up.)

An estimated 16.7 percent of the family households are already living in the City of Kalamazoo; 6.7 percent are likely to arrive from one of the counties in the regional draw area; and 76.6 percent would be moving from elsewhere in the U.S.

APPENDIX THREE, TARGET MARKET DESCRIPTIONS, contains detailed descriptions of each of these target market groups and is provided in a separate document. The METHODOLOGY, APPENDICES ONE AND TWO, TARGET MARKET TABLES document describes how the target market groups for new and existing housing in the City of Kalamazoo and the Urban Core Study Area have been determined.

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FINANCIAL CAPABILITIES: URBAN CORE STUDY AREA

What are the rents and prices that correspond to target household financial capabilities?

The analysis is focusing on those renter households with incomes at or above 60 percent AMI and those owner households with incomes at or above 80 percent AMI who represent the market for newly-created housing units in the Urban Core Study Area. The combined higher-density housing preferences by tenure and by income of the 595 target households with incomes at or above 60 percent AMI (renters) and at or above 80 percent AMI (owners) are shown on the following table (*reference again Table 2*):

Tenure/Housing Type Propensities by Income
Annual Average Market Potential for New and Existing Housing Units
URBAN CORE STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	..... HOUSEHOLDS	
	NUMBER	PERCENT
Multi-family for-rent (lofts/apartments, leasehold)	<u>471</u>	<u>79.1%</u>
60% to 80% AMI	87	14.6%
80% to 120% AMI	150	25.2%
> 120% AMI	234	39.3%
Multi-family for-sale (lofts/apartments, condo/co-op)	<u>63</u>	<u>10.6%</u>
80% to 120% AMI	17	2.9%
> 120% AMI	46	7.7%
Single-family attached for-sale (townhouses, rowhouses, fee-simple)	<u>61</u>	<u>10.3%</u>
80% to 120% AMI	16	2.7%
> 120% AMI	45	7.6%
Total	595	100.0%

NOTE: For fiscal year 2023, the Kalamazoo-Portage, MI MSA HUD Median Family Income for a family of four is \$92,200.

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

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—Multi-Family Distribution by Rent Range—

The number of households able to afford the specified rent ranges detailed on the following table was determined by calculating a monthly rental payment excluding utilities and ranging between 25 and 30 percent of annual gross income. (Although it is quite possible that many households will pay up to 40 percent of their annual gross incomes in rent, HUD recommends that a tenant pay no more than 30 percent of gross income for rent *including* utilities.)

As noted above, an annual average of 471 households per year with incomes above 60 percent of the area median income represent the target markets for newly-created rental housing units within the Urban Core Study Area, yielding the rent distribution shown on the following table (*see also* Table 7 *following the text*):

New Multi-Family For-Rent
Distribution by Rent Range
HOUSEHOLDS WITH ANNUAL INCOMES AT OR ABOVE 60% AMI
URBAN CORE STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

MONTHLY RENT RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$750–\$1,000	45	9.6%
\$1,000–\$1,250	63	13.4%
\$1,250–\$1,500	76	16.1%
\$1,500–\$1,750	88	18.7%
\$1,750–\$2,000	73	15.5%
\$2,000–\$2,250	63	13.4%
\$2,250–\$2,500	33	7.0%
\$2,500–\$2,750	19	4.0%
\$2,750 and up	<u>11</u>	<u>2.3%</u>
Total:	471	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

- By far, the largest group of target renters are younger singles and couples, at 75.6 percent of the market for newly-created rental units within the Urban Core Study Area. Over eight percent have careers that provide them with the financial capacity to afford rents at or above \$2,250 per month. Half of the younger singles and couples represent the market for units with rents between \$1,500 and \$2,250 per month, and just under 42 percent of the younger cohort could only support rents between \$750 and \$1,500 per month.

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- Empty nesters and retirees represent 15.9 percent of the market for newly-created rental units within the Urban Core Study Area. A third of the target empty nester and retiree market have the incomes and assets that enable them to support rents above \$2,250 per month. Another 40 percent represent the market for new units with rents between \$1,500 and \$2,250 per month. The remaining 26.7 percent can afford rents between \$750 and \$1,500 per month.
- Traditional and non-traditional families make up the remaining 8.5 percent of the market for newly-created rental units within the Urban Core. Twenty percent of the family market have the financial capabilities to pay rents at or above \$2,250 per month; 40 percent can support rents between \$1,500 and \$2,250 per month; and 40 percent can only afford rents between \$750 and \$1,500 per month.

—Multi-Family Distribution by Price Range—

An annual average of 63 households with incomes above 80 percent of the area median income represent the target markets for newly-created for-sale multi-family housing units (condominiums) within the Urban Core Study Area (as shown on Table 8 following the text). Supportable price points have been determined by assuming a down payment of 10 percent, a mortgage interest rate of seven percent and a monthly mortgage payment, including taxes and insurance, that does not exceed 25 to 30 percent of gross income for each of the 63 households that represent the annual potential for-sale multi-family market, yielding the distribution shown on the table following this page.

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New Multi-Family For-Sale
Distribution by Price Range
HOUSEHOLDS WITH ANNUAL INCOMES AT OR ABOVE 80% AMI
URBAN CORE STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$200,000–\$225,000	9	14.3%
\$225,000–\$250,000	6	9.5%
\$250,000–\$275,000	5	7.9%
\$275,000–\$300,000	4	6.3%
\$300,000–\$325,000	7	11.1%
\$325,000–\$350,000	10	15.9%
\$350,000–\$400,000	5	7.9%
\$400,000–\$425,000	6	9.6%
\$425,000 and up	<u>11</u>	<u>17.5%</u>
Total:	63	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

- Younger singles and couples comprise 63.5 percent of the market for newly-created for-sale multi-family units (condominiums) within the Urban Core Study Area. One-quarter of the younger singles and couples have the income and assets to purchase new condominiums with base prices above \$350,000. The remaining three-quarters of the younger market are evenly divided between those with the capacity to purchase new units priced between \$275,000 and \$350,000, those able to buy new units priced between \$200,000 and \$275,000.
- Empty nesters and retirees represent 23.8 percent of the market for newly-created condominiums within the Urban Core. An estimated 53.3 percent of the empty nesters and retirees could afford new units priced over \$350,000. Forty percent would be in the market for new condominiums with base prices between \$275,000 and \$350,000 and the remaining 6.7 percent could only afford new condominiums priced between \$200,000 and \$275,000.
- Traditional and non-traditional families are the smallest market segment at just 12.7 percent of the market for newly-created condominiums in the Urban Core Study Area. Half have the income and assets to purchase new condominiums priced over \$350,000 and half could only afford new condominiums priced between \$200,000 and \$275,000.

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—Single-Family Attached Distribution by Price Range—

An annual average of 61 households with incomes above 80 percent of the area median income represent the target markets for newly-constructed for-sale single-family attached housing units (rowhouses/townhouses) within the Urban Core Study Area (as shown on Table 9 following the text). Again, supportable price points have been determined by assuming a down payment of 10 percent, a mortgage rate of seven percent, and a monthly mortgage payment, including taxes and insurance, that does not exceed 25 to 30 percent of gross income for each of the 61 households that represent the annual potential market for-sale single-family attached units, yielding the distribution shown on the following table:

New Single-Family Attached For-Sale
Distribution by Price Range
HOUSEHOLDS WITH ANNUAL INCOMES AT OR ABOVE 80% AMI
URBAN CORE STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$200,000–\$225,000	8	13.1%
\$225,000–\$250,000	6	9.8%
\$250,000–\$275,000	3	4.9%
\$275,000–\$300,000	3	4.9%
\$300,000–\$325,000	5	8.2%
\$325,000–\$350,000	10	16.5%
\$350,000–\$400,000	6	9.8%
\$400,000–\$425,000	6	9.8%
\$425,000 and up	<u>14</u>	<u>23.0%</u>
Total:	61	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

- Younger singles and couples are again the largest market, making up just under half (49.2 percent) of the market for new for-sale single-family attached units (rowhouses/townhouses) within the Urban Core Study Area. A third of the younger singles and couples have the income and assets to purchase new rowhouses/townhouses with base prices at or above \$350,000. Another 23.4 percent would be in the market for new units priced between \$275,000 and \$350,000, and a plurality, 43.3 percent, can afford new rowhouses/townhouses with base prices between \$200,000 and \$275,000.
- Empty nesters and retirees represent just under a third of the market for new rowhouses/townhouses within the Urban Core. An estimated 55 percent of empty nesters

and retirees could afford new units priced over \$350,000. Forty percent would be in the market for new rowhouses/townhouses with base prices between \$275,000 and \$350,000, and just five percent could only afford new single-family attached units priced between \$200,000 and \$275,000.

- Traditional and non-traditional families are again the smallest market segment at 18 percent of the market for new single-family attached units in the Urban Core Study Area. Just over 45 percent have the income and assets to purchase new rowhouses/townhouses priced over \$350,000, 27.3 percent would be in the market for new rowhouses/townhouses with base prices between \$275,000 and \$350,000, and another 27.3 percent could pay between \$200,000 and \$275,000.

—OPTIMUM MARKET POSITION: URBAN CORE STUDY AREA—

Like most downtowns in cities of all sizes across the country, Downtown Kalamazoo has experienced post-pandemic office vacancies, as well as increases in the cost of housing. These problems are not insurmountable. Significant increases in Downtown housing can help in many ways: by converting vacant offices to housing, thereby reducing the office vacancy rate which would support the feasibility of targeted new office development; by providing increases in the residential population who represent “eyes on the street;” and by supplying significant support for downtown retail, entertainment, and restaurants.

The optimum market position for new housing units created through new construction and adaptive re-use of existing buildings in the Urban Core Study Area has therefore been developed based on a variety of factors, including but not limited to:

- The tenure and housing preferences, financial capabilities, and lifestages of the target households;
- The assets and amenities located in the Urban Core; and
- Current market area residential market dynamics.

The optimum market position for new housing units within the Urban Core Study Area is summarized on the table on the following pages. (*See also* Table 10 *following the text for greater detail.*)

The Urban Core and Urban Center Study Areas
 The City of Kalamazoo, Kalamazoo County, Michigan
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Optimum Market Position
 URBAN CORE STUDY AREA
 City of Kalamazoo, Kalamazoo County, Michigan

PERCENT MIX	UNIT CONFIGURATION	BASE RENT/PRICE	UNIT SIZE	BASE RENT/PRICE PER SQ. FT.
MULTI-FAMILY FOR-RENT				
<i>Small-Scale Apartment Buildings <25 du</i>				
. Households with incomes between 60% and 80% AMI				
30%	Studio/1ba	\$950 to \$1,000	500 to 550 sf	\$1.82 to \$1.90
40%	1br/1ba	\$1,050 to \$1,100	600 to 700 sf	\$1.57 to \$1.75
30%	2br/1ba	\$1,250 to \$1,300	800 to 900 sf	\$1.44 to \$1.56
<i>Small-Scale Apartment Buildings <25 du</i>				
. Households with incomes between 80% and 120% AMI				
30%	Studio/1ba	\$1,300 to \$1,400	500 to 550 sf	\$2.55 to \$2.60
35%	1br/1ba	\$1,550 to \$1,650	650 to 750 sf	\$2.20 to \$2.38
35%	2br/2ba	\$1,800 to \$1,900	1,000 to 1,100 sf	\$1.73 to \$1.80
<i>Mid-Rise Apartment Buildings <25 du</i>				
. Households with incomes at or above 120% AMI				
40%	1br/1ba	\$1,850 to \$2,050	700 to 800 sf	\$2.56 to \$2.64
50%	2br/2ba	\$2,500 to \$2,850	1,000 to 1,250 sf	\$2.28 to \$2.50
10%	3br/2ba	\$3,300 to \$3,500	1,450 to 1,600 sf	\$2.19 to \$2.28
MULTI-FAMILY FOR-SALE				
<i>Small-Scale Apartment Buildings <25 du</i>				
. Households with incomes between 80% and 120% AMI				
60%	1br/1ba	\$215,000 to \$230,000	700 to 800 sf	\$288 to \$307
40%	2br/1ba	\$240,000 to \$265,000	850 to 900 sf	\$282 to \$294

continued on the following page

The Urban Core and Urban Center Study Areas
 The City of Kalamazoo, Kalamazoo County, Michigan
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... continued from the preceding page

PERCENT MIX	UNIT CONFIGURATION	BASE PRICE	UNIT SIZE	BASE PRICE PER SQ. FT.
MULTI-FAMILY FOR-SALE {CONTINUED}				
<i>Mid-Rise Apartment Buildings < 25 du</i>				
. Households with incomes above 120% AMI				
30%	1br/1ba	\$295,000 to \$325,000	800 to 900 sf	\$361 to \$369
50%	2br/2ba	\$365,000 to \$395,000	1,100 to 1,250 sf	\$316 to \$332
20%	3br/2ba	\$450,000 to \$495,000	1,400 to 1,600 sf	\$309 to \$321
SINGLE-FAMILY ATTACHED FOR-SALE				
<i>Rowhouses</i>				
. Households with incomes between 80% and 120% AMI				
60%	2br/1.5ba	\$225,000 to \$245,000	950 to 1,100 sf	\$223 to \$237
40%	3br/1.5ba	\$260,000 to \$275,000	1,250 to 1,350 sf	\$204 to \$208
. Households with incomes above 120% AMI				
<i>Rowhouses</i>				
35%	2br/2.5ba	\$375,000 to \$375,000	1,200 to 1,300 sf	\$308 to \$313
40%	2br/2.5ba/den	\$440,000 to \$475,000	1,500 to 1,700 sf	\$279 to \$293
25%	3br/2.5ba	\$500,000 to \$515,000	1,750 to 1,850 sf	\$284 to \$286

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

Based on the mix of unit types, sizes, and rents/prices outlined in the optimum market position, the weighted average rents and prices for each of the housing types are shown on the table following this page (see again Table 10 following the text).

The Urban Core and Urban Center Study Areas
The City of Kalamazoo, Kalamazoo County, Michigan
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Weighted Average Base Rents/Prices and Size Ranges
URBAN CORE STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	WEIGHTED AVERAGE BASE RENTS/PRICES	WEIGHTED AVERAGE UNIT SIZE	WEIGHTED AVERAGE BASE RENTS/PRICES PER SQ. FT.
MULTI-FAMILY FOR-RENT			
60% to 80% AMI	\$1,105	673 sf	\$1.64 psf
80% to 120% AMI	\$1,612	769 sf	\$2.10 psf
Above 120% AMI	\$2,458	1,015 sf	\$2.42 psf
MULTI-FAMILY FOR-SALE			
80% to 120% AMI	\$234,500	800 sf	\$293 psf
Above 120% AMI	\$377,500	1,143 sf	\$330 psf
SINGLE-FAMILY ATTACHED FOR-SALE			
80% to 120% AMI	\$248,000	1,135 sf	\$219 psf
Above 120% AMI	\$446,500	1,527 sf	\$292 psf

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

The proposed rents and prices are in year 2023 dollars and are exclusive of location or floor premiums and consumer-added options or upgrades. Location will have a significant impact on values, ranging from as much as a 10 percent premium on new properties located in the most walkable and amenity-laden areas to a reduction of up to five percent on new properties located in less walkable parts of the Downtown.

MARKET CAPTURE: URBAN CORE STUDY AREA

How fast will the units lease or sell?

Based on 36 years’ experience using the target market methodology in 47 states, Zimmerman/Volk Associates has developed and refined a capture rate methodology scaled to study area size and context. Zimmerman/Volk Associates has determined that, for urban areas, a capture rate of between 15 and 20 percent of the annual average number of potential renters and condominium and townhouse buyers is supportable each year over the next five years, assuming the production of appropriately-positioned new housing, including both adaptive re-use of existing buildings as well as new construction.

Based on these capture rates, annual average absorption of new housing units in the Urban Core Study Area is forecast as shown on the table following this page (see again Table 10 following the text).

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Annual Forecast Absorption
URBAN CORE STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	NUMBER OF HOUSEHOLDS	CAPTURE RATE	NUMBER OF NEW UNITS
MULTI-FAMILY FOR-RENT	471	15%-20%	71 - 94
60% to 80% AMI	87		13 - 17
80% to 120% AMI	150		23 - 30
Above 120% AMI	234		35 - 47
MULTI-FAMILY FOR-SALE	63	15%-20%	10 - 12
80% to 120% AMI	17		3 - 3
Above 120% AMI	46		7 - 9
SINGLE-FAMILY ATTACHED FOR-SALE	61	15%-20%	9 - 12
80% to 120% AMI	16		2 - 3
Above 120% AMI	45		7 - 9
Total	595		90 - 118

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

If new development could achieve these capture rates, between 90 and 118 new units per year could be leased or sold in the Study Area over a five-year timeframe, or a five-year total of 450 to 590 new rental and for-sale housing units.

New or adaptive re-use housing units, configured according to target market preferences, can not only attract new households to the Urban Core Study Area and to the City of Kalamazoo, but can also provide appropriate alternatives to households that, due to a change in household composition or economic status, might otherwise have moved out of the city.

The capture rates of the annual potential market used here fall within the target market methodology’s parameters of feasibility.

NOTE: Target market capture rates are a unique and highly-refined measure of feasibility.

Target market capture rates are *not* equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** is derived by dividing the *annual* forecast absorption—in aggregate and by housing type—by the number of households that have the potential to purchase or rent new housing within a specified area *in a given year*.

The **penetration rate** is derived by dividing the *total* number of dwelling units planned for a property by the *total* number of draw area households, sometimes qualified by income.

The **traffic conversion rate** is derived by dividing the *total* number of buyers or renters by the *total* number of prospects that have visited a site.

Because the prospective market for a location is more precisely defined, target market capture rates are higher than the more grossly-derived penetration rates. However, the resulting higher capture rates are well within the range of prudent feasibility.

URBAN CORE BUILDING TYPES

Building types most appropriate for the Urban Core Study Area include:

—MULTI-FAMILY BUILDINGS—

- Courtyard Apartment Building: In new construction, an urban-scale, pedestrian-oriented equivalent to conventional garden apartments. An urban courtyard building is at minimum three, and typically four or more stories, often combined with non-residential uses on the ground floor, or with a ground floor configured for later conversion from residential to retail use. The building should be built to the sidewalk edge and when the ground-floor serves a permanent residential use it should be elevated significantly above grade to provide privacy and a sense of security. Parking is either below grade, at grade behind or in a parking courtyard, or in an integral structure.
- Liner Building: An apartment building with apartments and/or lofts lining two to four sides of a multi-story parking structure. Units are typically served from a single-loaded corridor that often includes access to parking. Ground floors typically include a traditional urban apartment lobby and can also include maisonette apartments, retail or some combination of the two.
- Mixed-Use Building: A pedestrian-oriented building, either attached or free-standing, with apartments and/or offices over flexible ground floor uses that can range from retail to office to residential.

- Podium Building: An apartment building construction type with three to five stories of stick-frame residential units (lofts or apartments) built over one or two levels of above-grade structured parking, usually constructed with reinforced concrete. With a well-conceived street pattern, a podium building can include ground-level non-residential uses lining one or more sides of the parking deck.

—SINGLE-FAMILY ATTACHED—

- Rowhouses/Townhouses: Similar in form to conventional suburban townhouses except that the garage—either attached or detached—or parking spaces are located to the rear of the unit and accessed from an alley or auto court. Unlike conventional townhouses, urban rowhouses/townhouses conform to the pattern of streets, typically with shallow front-yard setbacks. To provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk.

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AVERAGE ANNUAL MARKET POTENTIAL FOR NEW AND EXISTING HOUSING UNITS IN THE URBAN CENTER STUDY AREA

Where are the potential renters and buyers of newly-created and existing housing units in the Urban Center Study Area likely to move from?

Zimmerman/Volk Associates has filtered the target households for the Urban Center Study Area to include the full range of housing units, from rental apartments to owner-occupied single-family houses. Typical household size in the Urban Center Study Area includes a majority of one and two persons (66.3 percent of all households), as well as a higher percentage of households with four or more persons (19.3 percent) than the Urban Core (*see DEMOGRAPHICS OF THE STUDY AREAS AND THE CITY OF KALAMAZOO*).

Single-family detached houses in the Urban Center Study Area comprise an estimated 61 percent of all units—the highest percentage of the Study Areas—whereas buildings that contain 20 or more units represent just 8.2 of all units—the lowest percentage of the Study Areas. This section of the analysis therefore includes households that would prefer single-family houses as well as lower-density multi-family rental and for-sale apartments (condominiums) and rowhouses or townhouses (single-family attached units).

The distribution of draw area market potential for newly-created and existing housing units within the Urban Center Study Area each year over the next five years is summarized as follows:

Annual Average Market Potential by Draw Area
URBAN CENTER STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

City of Kalamazoo:	57.8%
Kalamazoo County:	14.6%
Regional Draw Area	4.4%
Balance of the U.S.:	<u>23.1%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

Based on the target market analysis, then, an annual average of 4,175 younger singles and couples, families, and empty nesters and retirees of all incomes represent the annual potential market for newly-

created and existing housing units of every kind within the Urban Center Study Area each year over the next five years.

(As noted in AVERAGE ANNUAL MARKET POTENTIAL FOR NEW AND EXISTING HOUSING UNITS IN THE URBAN CORE STUDY AREA, there is an overlap in neighborhood preferences, with a number of target households as likely to move to the Urban Core Study Area as to the Urban Center Study Area, as long as appropriate housing options are available.)

What are their housing preferences in aggregate for the Urban Center Study Area?

The housing preferences of the target 4,175 draw area households of all incomes that represent the average annual market potential for the Urban Center Study Area are derived from their tenure (rental/ownership) propensities and are summarized on the following table (see again Table 2):

Average Annual Market Potential
By Tenure/Housing Type Propensities
URBAN CENTER STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent (lofts/apartments, leasehold)	2,570	61.6%
Multi-family for-sale (lofts/apartments, condo/co-op)	330	7.9%
Single-family attached for-sale (townhouses/duplexes, fee-simple/condo)	381	9.1%
Single-family detached for-sale (houses, fee-simple)	<u>894</u>	<u>21.4%</u>
Total	4,175	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

Nearly a third of the 4,175 target households would prefer rental dwelling units (just under 52 percent of the households in the Study Area are renters). Just under eight percent would choose for-sale multi-family (condominium/co-operative units), just over nine percent would prefer for-sale single-family attached (townhouse/duplex units), and 21.4 percent of the annual potential market would prefer single-family detached units. As noted previously, single-family detached houses are currently estimated to comprise 61 percent of the existing housing stock in the Study Area.

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What is their range of affordability by housing type?

The combined tenure and housing type preferences and financial capabilities of the target households for the Urban Center Study Area are shown on the following table (*see again* Table 2):

Tenure/Housing Type Propensities by Income
Annual Average Market Potential for New and Existing Housing Units
URBAN CENTER STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	..... HOUSEHOLDS	
	NUMBER	PERCENT
Multi-family for-rent (lofts/apartments, leasehold)	<u>2,570</u>	<u>61.6%</u>
< 30% AMI	744	17.8%
30% to 60% AMI	597	14.3%
60% to 80% AMI	312	7.5%
80% to 120% AMI	415	9.9%
> 120% AMI	502	12.1%
Multi-family for-sale (lofts/apartments, condo/co-op)	<u>330</u>	<u>7.9%</u>
< 30% AMI	87	2.1%
30% to 60% AMI	73	1.7%
60% to 80% AMI	35	0.8%
80% to 120% AMI	52	1.3%
> 120% AMI	83	2.0%
Single-family attached for-sale (townhouses, townhouses, fee-simple)	<u>381</u>	<u>9.1%</u>
< 30% AMI	98	2.3%
30% to 60% AMI	83	2.0%
60% to 80% AMI	43	1.0%
80% to 120% AMI	60	1.5%
> 120% AMI	97	2.3%
Single-family detached for-sale (houses, fee-simple)	<u>894</u>	<u>21.4%</u>
< 30% AMI	193	4.6%
30% to 60% AMI	183	4.4%
60% to 80% AMI	103	2.5%
80% to 120% AMI	160	3.8%
> 120% AMI	255	6.1%
Total	4,175	100.0%

NOTE: For fiscal year 2023, the Kalamazoo-Portage, MI MSA HUD Median Family Income for a family of four is \$92,200.

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

Summarizing the income ranges of the 4,175 households that represent the annual potential market for newly-created and existing housing units in the Urban Center Study Area, 26.9 percent (1,122 households) have incomes at 30 percent or less of the AMI; 22.4 percent (936 households) have incomes between 30 and 60 percent AMI; 11.8 percent (493 households) have incomes between 60 and 80 percent AMI; 16.5 percent (687 households) have incomes between 80 and 120 percent AMI; and 22.4 percent (937 households) have incomes at or above 120 percent AMI.

TARGET MARKET ANALYSIS: URBAN CENTER STUDY AREA

Who are the households that represent the potential market for newly-created and existing units in the Urban Center Study Area?

The general market segments, by lifestage and income bracket, that represent the potential market for newly-created and existing housing units in the Urban Center Study Area are as follows (see also Table 11 following the text):

Annual Market Potential by Lifestage and Income
URBAN CENTER STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSEHOLD TYPE	PERCENT OF TOTAL	BELOW 30% AMI	30% TO 60% AMI	60% TO 80% AMI	80% TO 120% AMI	ABOVE 120% AMI
Empty-Nesters & Retirees	12.2%	9.1%	10.2%	9.3%	11.8%	19.7%
Traditional & Non-Traditional Families	24.6%	22.8%	24.5%	25.2%	25.8%	25.5%
Younger Singles & Couples	<u>63.2%</u>	<u>68.1%</u>	<u>65.3%</u>	<u>65.5%</u>	<u>62.4%</u>	<u>54.8%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

YOUNGER SINGLES AND COUPLES

Slightly less than one-third of the market for newly-created and existing housing units in the Urban Center Study Area includes younger singles and couples of all incomes. These one- and two-person households also include young professionals, office and retail workers, knowledge workers, as well as students and other young college- and hospital-related employees.

Over half of the younger singles and couples that comprise the target markets for the Urban Center Study Area have incomes that fall below 60 percent of AMI (at or below \$38,500 for a single-person household and at or below \$44,000 for a two-person household).

Over 12 percent of the households in this market segment have incomes that fall within the 60-to-80 percent income band (approximately \$38,500 to \$51,350 for a single-person household and \$44,000 to \$58,650 for a two-person household).

An estimated 16.3 percent of the households in this market segment have incomes that fall within the 80-to-120 percent income band (from \$51,350 at 80 percent AMI to \$77,500 at 120 percent AMI for a single-person household, and from \$58,650 at 80 percent AMI to \$88,550 at 120 percent AMI for a two-person household).

The remaining 19.4 of younger singles and couples have incomes that are above 120 percent of the AMI (from \$77,500 and up for a single-person household, and from \$88,550 and up for a two-person household).

Approximately 70 percent of younger singles and couples that represent the market for new housing units in the Urban Center Study Area would be moving from elsewhere in the city; 12.9 percent would be moving from elsewhere in Kalamazoo County; 2.5 percent would be moving from the regional draw area; and approximately 15 percent would be moving from another county in the United States.

TRADITIONAL AND NON-TRADITIONAL FAMILIES

In contrast to the Urban Core Study Area, where families make up just 10.4 percent of that market, in the Urban Center Study Area, family-oriented households represent nearly a quarter of the market for newly-created dwelling units. Like the Urban Core family market, they are a mix of traditional and non-traditional family households.

Over 47 percent of family households that comprise the annual potential market for the Study Area have incomes below 60 percent of AMI. (General income ranges at 60 percent AMI are at or below \$49,500 for a three-person household and at or below \$59,400 for a five-person household.)

Approximately 12.1 percent of family-oriented households have incomes that fall within the 60-to-80 percent income band. (At 60 to 80 percent AMI, incomes for three-person households range between \$49,500 and \$66,000, and incomes for five-person households range between \$59,400 and \$79,200.)

Approximately 17.3 percent of family-oriented households have incomes that fall within the 80-to-120 percent income band. (At 80 to 120 percent AMI, incomes for three-person households range between \$66,000 and \$99,600, and incomes for five-person households range between \$79,200 and \$119,550.)

The remaining 23.3 of traditional and non-traditional families have incomes above 120 percent of AMI. (At or above 120 percent AMI, incomes for three-person households range from \$99,600 or more, and incomes for five-person households range from \$119,550 and up.)

Almost 43 percent of family households are already living in the City of Kalamazoo; just over 16 percent would be moving from Kalamazoo County; 7.3 percent are likely to arrive from one of the counties in the regional draw area; and the remaining 32.2 percent would be moving from elsewhere in the U.S.

EMPTY NESTERS AND RETIREES

Older households (empty nesters and retirees) are the smallest market in the Urban Center Study Area at 12.2 percent of the annual potential market. Again, these households are a mix of retirees and still employed.

Just under 39 percent of older singles and couples have incomes at or below 60 percent of AMI (\$38,500 for a single-person household and at or below \$44,000 for a two-person household).

Older households with incomes between 60 and 80 percent of AMI comprise nine percent of the target empty nester and retiree market segment (with annual incomes ranging between \$38,500 and \$51,350 for a single-person household and \$44,000 and \$58,650 for a two-person household).

Approximately 15.9 percent of older target households have incomes between 80 and 120 percent of the area median (from \$51,350 at 80 percent AMI to \$77,500 at 120 percent AMI for a single-person

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household, and from \$58,650 at 80 percent AMI to \$88,550 at 120 percent AMI for a two-person household).

Older households with incomes at or above 120 percent of AMI comprise 36.3 percent of the target empty nester and retiree market segment (from \$77,500 and up for a single-person household, and from \$88,550 and up for a two-person household).

Approximately one quarter of empty nesters and retirees would be moving from elsewhere within the City of Kalamazoo; 20.6 percent would be moving from elsewhere in Kalamazoo County; 8.8 percent from one of the regional draw area counties; and the remaining 45 percent would be moving from elsewhere in the U.S.

Again, please refer to APPENDIX THREE, TARGET MARKET DESCRIPTIONS for detailed descriptions of each of these target market groups, and to METHODOLOGY, APPENDICES ONE AND TWO, TARGET MARKET TABLES which describes how the target market groups for new and existing housing in the City of Kalamazoo and the Urban Center Study Area have been determined.

FINANCIAL CAPABILITIES: URBAN CENTER STUDY AREA

What are the rents and prices that correspond to target household financial capabilities?

The rents and price points for the newly-created affordable/workforce and market-rate rental housing units that could be developed in the Urban Center Study Area have been derived from the financial capabilities of those target households with annual incomes at or above 60 percent AMI. For affordable/workforce and market-rate for-sale housing units, the target households have annual incomes at or above 80 percent AMI. The combined preferences by tenure and by income of the 1,936 target households with incomes at or above 60 percent AMI (80 percent AMI for the for-sale housing types) are shown on the following table (*reference again* Table 2):

Tenure/Housing Type Propensities by Income
Annual Average Market Potential for New and Existing Housing Units
URBAN CENTER STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	.....HOUSEHOLDS.....	
	NUMBER	PERCENT
Multi-family for-rent (lofts/apartments, leasehold)	<u>1,229</u>	<u>63.5%</u>
60% to 80% AMI	312	16.1%
80% to 120% AMI	415	21.5%
> 120% AMI	502	25.9%
Multi-family for-sale (lofts/apartments, condo/co-op)	<u>135</u>	<u>7.0%</u>
80% to 120% AMI	52	2.7%
> 120% AMI	83	4.3%
Single-family attached for-sale (townhouses, rowhouses, fee-simple)	<u>157</u>	<u>8.1%</u>
80% to 120% AMI	60	3.1%
> 120% AMI	97	5.0%
Single-family detached for-sale (houses, fee-simple)	<u>415</u>	<u>21.4%</u>
80% to 120% AMI	160	8.3%
> 120% AMI	255	13.1%
Total	1,936	100.0%

NOTE: For fiscal year 2023, the Kalamazoo-Portage, MI MSA HUD Median Family Income for a family of four is \$92,200.

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

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—Multi-Family Distribution by Rent Range—

As in the Urban Core Study Area, the number of households able to afford the specified rent ranges detailed on the following table was determined by calculating a monthly rental payment excluding utilities and ranging between 25 and 30 percent of annual gross income.

As noted above, an annual average of 1,229 households per year with incomes above 60 percent of the area median income represent the target markets for newly-constructed or adaptive re-use rental housing units within the Urban Center Study Area, yielding the rent distribution shown on the following table (see also Table 12 following the text):

New Multi-Family For-Rent
Distribution by Rent Range
HOUSEHOLDS WITH ANNUAL INCOMES AT OR ABOVE 60% AMI
URBAN CENTER STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

MONTHLY RENT RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$750–\$1,000	266	21.6%
\$1,000–\$1,250	256	20.8%
\$1,250–\$1,500	186	15.1%
\$1,500–\$1,750	147	12.0%
\$1,750–\$2,000	149	12.1%
\$2,000–\$2,250	122	9.9%
\$2,250–\$2,500	45	3.7%
\$2,500–\$2,750	38	3.1%
\$2,750 and up	<u>20</u>	<u>1.7%</u>
Total:	1,229	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

- As in the Urban Core, the largest group of target renters are younger singles and couples, at just under 74 percent of the market for newly-created rental units within the Urban Center Study Area. An estimated 5.6 percent have careers that provide them with the financial capacity to afford rents at or above \$2,250 per month. Just over 32 percent of younger singles and couples represent the market for units with rents between \$1,500 and \$2,250 per month, and a majority, 62.1 percent of the younger cohort, would only be able to support rents between \$750 and \$1,500 per month.

- Traditional and non-traditional families make up the second largest segment, at 17.5 percent of the market for newly-created rental units within the Urban Center Study Area. An estimated 13.5 percent of the family market have the financial capabilities to pay rents at or above \$2,250 per month; nearly 44 percent can support rents between \$1,500 and \$2,250 per month; and the remaining 42.8 percent can only afford rents between \$750 and \$1,500 per month.
- Empty nesters and retirees are the smallest cohort, representing just 8.8 percent of the market for newly-created rental units within the Urban Center Study Area. Over 21 percent of the target empty nester and retiree market have the incomes that enable them to support rents above \$2,250 per month. Just under 30 percent represent the market for new units with rents between \$1,500 and \$2,250 per month. The remaining 49.1 percent can support rents between \$750 and \$1,500 per month.

—Multi-Family Distribution by Price Range—

An annual average of 135 households with incomes above 80 percent of the area median income represent the target markets for newly-constructed for-sale multi-family housing units (condominiums) within the Urban Center Study Area (*as shown on Table 13 following the text*). Supportable price points have been determined by assuming a down payment of 10 percent, mortgage interest of seven percent, and a monthly mortgage payment, including taxes and insurance, that does not exceed 25 to 30 percent of gross income for each of the 135 annual households that represent the annual potential market for new for-sale multi-family units, yielding the distribution shown on the table following this page.

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The City of Kalamazoo, Kalamazoo County, Michigan
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New Multi-Family For-Sale
Distribution by Price Range
HOUSEHOLDS WITH ANNUAL INCOMES AT OR ABOVE 80% AMI
URBAN CENTER STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$200,000–\$225,000	25	18.5%
\$225,000–\$250,000	22	16.3%
\$250,000–\$275,000	13	9.6%
\$275,000–\$300,000	25	18.5%
\$300,000–\$325,000	21	15.6%
\$325,000–\$350,000	8	5.9%
\$350,000–\$375,000	5	3.7%
\$375,000–\$400,000	7	5.2%
\$400,000 and up	<u>9</u>	<u>6.7%</u>
Total:	135	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

- At 60.7 percent, younger singles and couples are the largest market for new for-sale multi-family units (condominiums) within the Urban Center Study Area. Just 7.3 percent of the younger singles and couples have the income and assets to purchase new condominiums with base prices over \$350,000. Another 41.5 percent would be in the market for new units priced between \$275,000 and \$350,000, and the majority, 51.2 percent, can afford new condominiums with base prices between \$200,000 and \$275,000.
- Traditional and non-traditional families are the second largest market segment at 22.2 percent of the market for new condominiums in the Urban Center Study Area. Over 23 percent have the income and assets to purchase new condominiums priced over \$350,000, and forty percent would be in the market for new condominiums with base prices between \$275,000 and \$350,000. The remaining 36.7 percent would only be able to support condominium base prices between \$200,000 and \$275,000.
- Empty nesters and retirees represent 17 percent of the market for new condominiums within the Urban Center. Nearly 35 percent of empty nesters and retirees could afford new units priced over \$350,000. Just under 35 percent would be in the market for new condominiums with base prices between \$275,000 and \$350,000 and the remaining 30.4 percent could afford new condominiums priced between \$200,000 and \$275,000.

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—Single-Family Attached Distribution by Price Range—

An annual average of 157 households with incomes above 80 percent of the area median income represent the target markets for newly-constructed for-sale single-family attached housing units (rowhouses/townhouses) within the Urban Center Study Area (as shown on Table 14 following the text). Again, supportable price points have been determined by assuming a down payment of 10 percent, a mortgage rate of seven percent, and a monthly mortgage payment, including taxes and insurance, that does not exceed 25 to 30 percent of gross income for each of the 157 annual households that represent the annual potential for-sale multi-family market, yielding the distribution shown on the following table:

New Single-Family Attached For-Sale
Distribution by Price Range
HOUSEHOLDS WITH ANNUAL INCOMES AT OR ABOVE 80% AMI
URBAN CENTER STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$200,000–\$225,000	25	15.9%
\$225,000–\$250,000	25	15.9%
\$250,000–\$275,000	21	13.4%
\$275,000–\$300,000	20	12.7%
\$300,000–\$325,000	19	12.1%
\$325,000–\$350,000	15	9.6%
\$350,000–\$375,000	6	3.8%
\$375,000–\$400,000	9	5.7%
\$400,000 and up	<u>17</u>	<u>10.9%</u>
Total:	157	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

- Younger singles and couples are again the largest market, making up just over half of the market for new for-sale single-family attached units (rowhouses/townhouses) within the Urban Center Study Area. Just over 6.3 percent of younger singles and couples have the income and assets to purchase new rowhouses/townhouses with base prices over \$350,000. Another 38.8 percent would be in the market for new units priced between \$275,000 and \$350,000, and the majority, 55 percent, can afford new rowhouses/townhouses with base prices between \$200,000 and \$275,000.

- Traditional and non-traditional families are the next largest market segment at 31.2 percent of the market for new single-family attached units in the Urban Center. Just under 35 percent of the families have the income and assets to purchase new rowhouses/townhouses priced over \$350,000, and 28.6 percent would be in the market for new rowhouses/townhouses with base prices between \$275,000 and \$350,000. The remaining 36.7 percent can afford new rowhouses/townhouses with base prices between \$200,000 and \$275,000.
- Empty nesters and retirees represent 17.8 percent of the market for new rowhouses/townhouses within the Study Area. Nearly 36 percent of the empty nesters and retirees could afford new units priced over \$350,000. Another 32.1 percent would be in the market for new rowhouses/townhouses with base prices between \$275,000 and \$350,000 and the same percentage could afford new single-family attached units priced between \$200,000 and \$275,000.

—Single-Family Detached Distribution by Price Range—

An annual average of 415 households with incomes above 80 percent of the area median income represent the target markets for newly-constructed/renovated for-sale single-family detached housing units (houses) within the Urban Center Study Area (as shown on Table 15 following the text). Again, supportable price points have been determined by assuming a down payment of 10 percent, a mortgage rate of seven percent, and a monthly mortgage payment, including taxes and insurance, that does not exceed 25 to 30 percent of gross income for each of the 415 households that represent the annual potential for-sale single-family detached market, yielding the distribution shown on the table following this page.

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New/Renovated Single-Family Detached For-Sale
Distribution by Price Range
HOUSEHOLDS WITH ANNUAL INCOMES AT OR ABOVE 80% AMI
URBAN CENTER STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$200,000–\$225,000	35	8.4%
\$225,000–\$250,000	60	14.5%
\$250,000–\$275,000	66	15.9%
\$275,000–\$300,000	63	15.2%
\$300,000–\$325,000	32	7.7%
\$325,000–\$350,000	19	4.6%
\$350,000–\$375,000	23	5.5%
\$375,000–\$400,000	32	7.7%
\$400,000 and up	<u>85</u>	<u>20.5%</u>
Total:	415	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

- Traditional and non-traditional families are the largest market segment at 43.6 percent of the market for new/renovated single-family detached units in the Urban Center Study Area. Just under 46 percent have the income and assets to purchase new/renovated houses priced over \$350,000, another 31 percent would be in the market for new/renovated houses with base prices between \$275,000 and \$350,000, and 23.2 percent can afford new/renovated houses with base prices between \$200,000 and \$274,000.
- Empty nesters and retirees represent the second largest group, at just under 31 percent of the market for new/renovated detached houses in the Urban Center Study Area. Forty-three percent of the most affluent empty nesters and retirees are able to purchase new detached houses priced over \$350,000. An estimated 23.4 percent would be in the market for new/renovated houses with base prices between \$275,000 and \$350,000, and the remaining third could afford new/renovated single-family houses priced between \$200,000 and \$275,000.
- Younger singles and couples are the smallest market, comprising 25.5 percent of the market for new/renovated for-sale single-family detached houses within the Urban Center Study Area. Less than two percent of the younger singles and couples have the income and assets to purchase new/renovated houses with base prices over \$350,000, 26.4 percent are able to purchase new/renovated houses priced between \$275,000 and \$350,000, and the clear

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The City of Kalamazoo, Kalamazoo County, Michigan
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majority, 71.7 percent, can afford new/renovated detached houses with base prices between \$200,000 and \$275,000.

—OPTIMUM MARKET POSITION: URBAN CENTER STUDY AREA—

For purposes of this analysis, the Urban Center Study Area includes all or part of the neighborhoods surrounding the Core: Northside, Eastside, Edison, Millwood, Westnedge Hill, Southside, Vine, Oakland/Winchell, Western Michigan University/KRPH, West Main Hill, Stuart, and Douglas. The Study Area is home to Kalamazoo’s “eds and meds”—Western Michigan University and Kalamazoo College in the west, and Bronson Methodist Hospital and Bronson Children’s Hospital in the east.

The optimum market position for new housing units in the Urban Center Study Area has been developed based on a variety of factors, including but not limited to:

- The tenure and housing preferences, financial capabilities, and lifestyles of the target households;
- The assets and amenities located in the Urban Center Study Area; and
- Current residential market dynamics.

Based on these factors, the optimum market position for new affordable/workforce and market-rate rental and for-sale multi-family and for-sale single-family attached and detached housing units within the Urban Center Study Area is summarized on the table on the following pages. (*See also* Table 16 *following the text for greater detail.*)

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Optimum Market Position
 URBAN CENTER STUDY AREA
 City of Kalamazoo, Kalamazoo County, Michigan

PERCENT MIX	UNIT CONFIGURATION	BASE RENT/PRICE	UNIT SIZE	BASE RENT/PRICE PER SQ. FT.
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MULTI-FAMILY FOR-RENT

Mansion Apartment Buildings 4-6 du per building

. Households with incomes between 60% and 80% AMI

30%	Studio/1ba	\$900 to \$925	500 to 550 sf	\$1.68 to \$1.80
35%	1br/1ba	\$1,000 to \$1,050	650 to 750 sf	\$1.40 to \$1.54
35%	2br/1ba	\$1,150 to \$1,200	850 to 950 sf	\$1.26 to \$1.35

. Households with incomes above 80% AMI

30%	Studio/1ba	\$1,250 to \$1,350	500 to 600 sf	\$2.25 to \$2.50
30%	1br/1ba	\$1,500 to \$1,600	700 to 800 sf	\$2.00 to \$2.14
25%	2br/2ba	\$1,700 to \$1,750	1,100 to 1,200 sf	\$1.46 to \$1.55
15%	3br/2ba	\$1,950 to \$2,000	1,350 to 1,400 sf	\$1.43 to \$1.44

MULTI-FAMILY FOR-SALE

Mansion Apartment Buildings 4-6 du per building

. Households with incomes between 80% and 120% AMI

35%	1br/1ba	\$200,000 to \$225,000	800 to 850 sf	\$250 to \$265
40%	2br/1ba	\$230,000 to \$240,000	900 to 1,000 sf	\$240 to \$256
25%	3br/1ba	\$250,000 to \$260,000	1,300 to 1,400 sf	\$186 to \$192

. Households with incomes above 120% AMI

35%	1br/1ba	\$285,000 to \$315,000	850 to 950 sf	\$332 to \$335
40%	2br/2ba	\$355,000 to \$385,000	1,150 to 1,300 sf	\$296 to \$309
25%	3br/2ba	\$440,000 to \$485,000	1,450 to 1,650 sf	\$294 to \$303

continued on the following page

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 March, 2024

... continued from the preceding page

PERCENT MIX	UNIT CONFIGURATION	BASE PRICE	UNIT SIZE	BASE PRICE PER SQ. FT.
SINGLE-FAMILY ATTACHED FOR-SALE				
<i>Townhouses</i>				
. Households with incomes between 80% and 120% AMI				
50%	2br/1.5ba	\$215,000 to \$235,000	1,000 to 1,150 sf	\$204 to \$215
50%	3br/1.5ba	\$255,000 to \$265,000	1,350 to 1,450 sf	\$183 to \$189
<i>Townhouses/ Duplexes</i>				
. Households with incomes above 120% AMI				
40%	2br/2.5ba	\$365,000 to \$390,000	1,300 to 1,400 sf	\$279 to \$281
30%	3br/2.5ba	\$430,000 to \$465,000	1,550 to 1,750 sf	\$266 to \$277
30%	3br/2.5ba/den	\$495,000 to \$515,000	1,850 to 1,950 sf	\$264 to \$268
SINGLE-FAMILY DETACHED FOR-SALE				
<i>Cottages/ Bungalows (New and Renovated)</i>				
. Households with incomes between 80% and 120% AMI				
40%	2br/1.5ba	\$230,000 to \$260,000	1,100 to 1,400 sf	\$186 to \$209
60%	3br/2ba	\$275,000 to \$285,000	1,450 to 1,550 sf	\$184 to \$190
<i>Cottages/ Bungalows/ Houses (New and Renovated)</i>				
. Households with incomes above 120% AMI				
35%	3br/2ba	\$370,000 to \$400,000	1,350 to 1,500 sf	\$267 to \$274
40%	3br/2.5ba	\$410,000 to \$425,000	1,500 to 1,700 sf	\$250 to \$273
25%	4br/2.5ba	\$475,000 to \$525,000	1,800 to 2,150 sf	\$244 to \$264

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

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Based on the mix of unit types, sizes, and rents/prices outlined in the optimum market position, the weighted average rents and prices for each of the housing types are shown on the following table:

Weighted Average Base Rents/Prices and Size Ranges
URBAN CENTER STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	WEIGHTED AVERAGE BASE RENTS/PRICES	WEIGHTED AVERAGE UNIT SIZE	WEIGHTED AVERAGE BASE RENTS/PRICES PER SQ. FT.
MULTI-FAMILY FOR-RENT			
60% to 80% AMI	\$1,043	717 sf	\$1.46 psf
Above 80% AMI	\$1,582	883 sf	\$1.79 psf
MULTI-FAMILY FOR-SALE			
80% to 120% AMI	\$231,950	1,006 sf	\$231 psf
Above 120% AMI	\$368,300	1,191 sf	\$309 psf
SINGLE-FAMILY ATTACHED FOR-SALE			
80% to 120% AMI	\$247,500	1,238 sf	\$200 psf
Above 120% AMI	\$436,750	1,605 sf	\$272 psf
SINGLE-FAMILY DETACHED FOR-SALE			
80% to 120% AMI	\$266,000	1,400 sf	\$190 psf
Above 120% AMI	\$426,350	1,630 sf	\$262 psf

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

The proposed rents and prices are in year 2023 dollars and are exclusive of location or floor premiums and consumer-added options or upgrades. As in the Urban Core, location will have a significant impact on values ranging from negative five percent to positive five percent.

MARKET CAPTURE: URBAN CENTER STUDY AREA

How fast will the units lease or sell?

Based on 35 years’ experience using the target market methodology in 47 states, Zimmerman/Volk Associates has developed and refined a capture rate methodology scaled to study area size and context. Zimmerman/Volk Associates has determined that, for urban areas, a capture rate of between 15 and 20 percent of the annual average number of potential renters and condominium and townhouse buyers is supportable each year over the next five years, assuming the production of appropriately-positioned new housing, including adaptive re-use of existing buildings as well as new construction. For new

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single-family detached houses, a capture rate of between 10 and 12.5 percent of the annual potential single-family homebuyers is supportable.

Based on these capture rates, annual average absorption of new housing units in the Urban Center Study Area is forecast as follows (*see again Table 16 following the text*):

Annual Forecast Absorption
URBAN CENTER STUDY AREA
City of Kalamazoo, Kalamazoo County, Michigan

HOUSING TYPE	NUMBER OF HOUSEHOLDS	CAPTURE RATE	NUMBER OF NEW UNITS
MULTI-FAMILY FOR-RENT	<u>1,229</u>	15%-20%	<u>185 - 245</u>
60% to 80% AMI	312		47 - 62
Above 80% AMI	917		138 - 183
MULTI-FAMILY FOR-SALE	<u>135</u>	15%-20%	<u>20 - 27</u>
80% to 120% AMI	52		8 - 10
Above 120% AMI	83		12 - 17
SINGLE-FAMILY ATTACHED FOR-SALE	<u>157</u>	15%-20%	<u>24 - 31</u>
80% to 120% AMI	60		9 - 12
Above 120% AMI	97		15 - 19
SINGLE-FAMILY DETACHED FOR-SALE	<u>415</u>	10%-12.5%	<u>42 - 52</u>
80% to 120% AMI	160		16 - 20
Above 120% AMI	255		26 - 32
Total	1,936		271 - 355

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

If new development could achieve these capture rates, between 271 and 355 new units per year could be leased or sold in the Study Area over a five-year timeframe, or a five-year total of 1,355 to 1,775 new rental and for-sale housing units.

As in the Urban Core, new housing units, configured according to target market preferences, can not only attract new households to the Urban Center Study Area and to the City of Kalamazoo, but can also provide appropriate alternatives to households that, due to a change in household composition or economic status, might otherwise have moved out of the city.

The capture rates of the annual potential market used here fall within the target market methodology’s parameters of feasibility.

NOTE: As noted above in the Urban Core Study Area, target market capture rates are a unique and highly-refined measure of feasibility. Target market capture rates are *not* equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** is derived by dividing the *annual* forecast absorption—in aggregate and by housing type—by the number of households that have the potential to purchase or rent new housing within a specified area *in a given year*.

The **penetration rate** is derived by dividing the *total* number of dwelling units planned for a property by the *total* number of draw area households, sometimes qualified by income.

The **traffic conversion rate** is derived by dividing the *total* number of buyers or renters by the *total* number of prospects that have visited a site.

Because the prospective market for a location is more precisely defined, target market capture rates are higher than the more grossly-derived penetration rates. However, the resulting higher capture rates are well within the range of prudent feasibility.

URBAN CENTER BUILDING AND UNIT TYPES

Building and unit types most appropriate for the Urban Center Study Area include:

—MULTI-FAMILY BUILDINGS—

- **Mansion Apartment Building**: A two- to three-story flexible-use structure with a street façade resembling a large detached or attached house (hence, “mansion”). The attached version of the mansion, typically built to a sidewalk on the front lot line, is most appropriate for downtown locations. Because of the small number of units, mansion buildings are particularly well-suited to condominium development since meeting pre-sales financing requirements is less challenging. The mansion building can also accommodate a variety of uses—from apartments, professional offices, any of these uses over ground-floor retail, a bed and breakfast inn, or a large single-family detached house—and its physical structure complements other buildings within a neighborhood.

Parking behind the mansion buildings can be either alley-loaded, or front-loaded served by shared drives. The form of the parking can be in open lots, in garages with units above, or integral to the building.

Mansion buildings should be strictly regulated in form, but flexible in use. However, flexibility in use is somewhat constrained by the handicapped accessibility regulations in both the Fair Housing Amendments Act and the Americans with Disabilities Act.

- Mixed-Use Building: A pedestrian-oriented building, either attached or free-standing, with apartments and/or offices over flexible ground floor uses that can range from retail to office to residential.

—SINGLE-FAMILY ATTACHED—

- Townhouses: Similar in form to conventional suburban townhouses except that the garage—either attached or detached—or parking spaces are located to the rear of the unit and accessed from an alley or auto court. Unlike conventional townhouses, urban rowhouses/townhouses conform to the pattern of streets, typically with shallow front-yard setbacks. To provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk.
- Duplexes/Triplexes: Two- and three-unit side-by-side rowhouses/townhouses with the garages—either attached or detached—or parking spaces are located to the rear of the units. Like the rowhouses/townhouses, urban duplexes/triplexes conform to the pattern of streets, typically with shallow front-yard setbacks. In a corner location, duplex units can each front a different street.

—SINGLE-FAMILY DETACHED—

- Cottage/Bungalow: A relatively small one- or one-and-a-half-story single-family detached house on a small lot with rear-loaded parking accessed from a rear lane, alley, or auto court. As distinct from the cottage, a bungalow always includes a large porch, usually spanning the full width of the front façade.

- House: A one-and-a-half- or two-story single-family detached unit situated relatively close to the street. The structure can be disposed on a narrow lot as a sideyard house, with one side wall of the unit having no setback from the lot line. (An equivalent alternative has conventional sideyard setbacks, but combines adjoining sideyards through use easements.) Parking can be in attached or detached garages or open, and located at the rear of the lot well back from the front façade. Parking must be accessed from a rear lane, alley, or auto court on lots narrower than 50 feet.
- Large House: A typically two- to two-and-a-half-story detached house, the largest of which is compatible in scale with similar-sized flexible-use structures. Parking is attached or detached, and—whether rear-loaded or not—set at least 20 feet back from the front façade.

—Miscellaneous Types—

- Accessory Dwelling Unit: A small residential unit associated with a principal residence on a single lot. An accessory unit is typically located over the detached garage of an attached or detached house. Utilities for accessory units are not typically metered separately. Also known as “garage apartment,” “ancillary apartment,” “accessory apartment,” “granny flat,” “outbuilding” or “casita” when detached, and “backbuilding” when attached to the principal residence.



Key Demographic Data
City of Kalamazoo, Kalamazoo County, Michigan
2023 Estimates

	Urban Core	Urban Center	General Urban	City of Kalamazoo
Population	1,606	35,625	35,830	73,061
Households	916	12,657	16,269	29,842
Housing Units	1,091	13,731	17,450	32,272
1&2 pp HHst	87.0%	66.3%	67.6%	67.7%
3 pp HHs	9.6%	14.4%	11.9%	12.9%
4+ pp HHs	3.4%	19.3%	20.5%	19.4%
Married couples w/ children	2.0%	12.6%	11.0%	11.4%
Other HHs w/ children	4.3%	16.9%	13.1%	14.5%
HHs without children	93.7%	70.5%	75.9%	74.1%
Median HH income	\$39,850	\$44,550	\$47,350	\$45,900
HHs below \$25,000	36.0%	28.0%	23.9%	26.0%
HHs above \$75,000	24.5%	26.2%	29.0%	27.7%
White	70.2%	54.9%	62.5%	59.0%
African American	12.3%	24.3%	22.3%	23.0%
Asian	4.0%	1.6%	2.2%	2.0%
Other /2 or more races	13.5%	19.2%	13.0%	16.0%
Hispanic/Latino	7.5%	13.3%	7.0%	10.1%
Single-family attached units	0.5%	2.6%	6.6%	4.6%
Single-family detached units	6.7%	61.0%	43.4%	49.8%
Units in 2-unit bldgs.	2.7%	10.2%	0.8%	5.0%
Units in 3- to 19-unit bldgs.	57.9%	17.4%	26.7%	23.7%
Units in 20+-unit bldgs.	32.2%	8.2%	20.6%	15.6%
Mobile home or trailer	0.0%	0.6%	1.9%	1.3%
Vacant units	16.0%	7.8%	6.8%	7.5%
Renter-occupied units	85.8%	51.8%	57.2%	55.8%
Owner-occupied units	14.2%	48.2%	42.8%	44.2%
Units new since 2014	4.0%	1.3%	4.4%	3.1%
Median housing value	\$247,350	\$120,750	\$158,700	\$144,000
No vehicle ownership	16.4%	15.2%	8.7%	11.7%
Own 1 vehicle	47.3%	39.2%	42.3%	41.1%
Own 2 or more vehicles	36.3%	45.6%	49.0%	47.2%
Drive alone to work	57.3%	68.3%	81.8%	74.9%
Car-pool	2.8%	9.8%	8.9%	9.2%
Public transportation	8.0%	4.9%	2.3%	2.7%
Walk to work	26.8%	9.8%	2.4%	6.5%
Work at home	2.2%	5.3%	3.1%	4.2%
Other	2.9%	1.9%	1.5%	2.5%
White-collar employment	48.2%	50.3%	55.8%	53.0%
Blue-collar employment	23.3%	18.0%	18.3%	18.3%
Service / farm employment	28.5%	31.7%	25.9%	28.7%
Persons 25+ With College Degree	34.5%	29.2%	39.4%	34.5%

SOURCES: U.S. Bureau of Census; Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Employment Information
City of Kalamazoo, Kalamazoo County, Michigan
2023 Estimates

	Urban Core	Urban Center	General Urban	City of Kalamazoo
Population 16+				
By Employment Status	1,461	28,968	29,017	59,446
In Armed Forces	0	20	0	20
Employed Civilians	762	16,927	18,569	36,258
Unemployed Civilians	61	1,281	1,167	2,509
Not in Labor Force	638	10,740	9,281	20,659
Employed Civilian				
By Worker Class	766	16,988	18,086	35,840
For-Profit Private	596	11,630	12,773	24,999
Non-Profit Private	91	1,896	1,840	3,827
Local Government	23	726	944	1,693
State Government	29	1,254	1,095	2,378
Federal Government	4	297	388	689
Self-Employed	23	1,174	1,033	2,230
Unpaid Family	0	11	13	24
Employed Civilian				
By Occupation	765	16,990	18,085	35,840
Architect/Engineer	35	176	282	493
Arts/Entertainment/Sports	17	512	541	1,070
Building Grounds Maintenance	26	683	921	1,630
Business/Financial	11	611	775	1,397
Community/Social Services	38	328	590	956
Computer/Mathematical	9	222	241	472
Construction/Extraction	19	440	583	1,042
Education/Training/Library	16	1,037	1,002	2,055
Farming/Fishing/Forestry	1	295	64	360
Food Preparation/Serving	141	2,364	1,984	4,489
Health Practitioner/Technician	24	765	1,048	1,837
Healthcare Support	30	1,094	864	1,988
Maintenance/Repair	12	217	239	468
Legal	4	115	91	210
Life/Physical/Social Sciences	14	250	510	774
Management	68	1,268	1,401	2,737
Office/Administrative Support	53	1,934	1,761	3,748
Production	24	1,379	1,467	2,870
Protective Services	2	246	330	578
Sales/Related	80	1,332	1,845	3,257
Personal Care/Services	18	696	522	1,236
Transportation/Moving	123	1,026	1,024	2,173

SOURCES: U.S. Bureau of Census; Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Table 2

Annual Market Potential For New And Existing Housing Units
 Distribution Of Annual Average Number Of Draw Area Households With The Potential
 To Move Within/To The Urban Core And Urban Center Each Year Over The Next Five Years
 Based On Housing Preferences And Income Levels
The Urban Core and the Urban Center
City of Kalamazoo, Kalamazoo County, Michigan

*City of Kalamazoo; Balance of Kalamazoo County;
 Regional Draw Area; and Balance of U.S.
 Draw Areas*

Annual Number Of Households
 With The Potential To Rent/Purchase Within The City of Kalamazoo: 8,040

Annual Number Of Target Market Households
 With Potential To Rent/Purchase Within The Urban Core and Urban Center: 5,233

Urban Core Annual Market Potential

(Excluding Single-Family Detached)

	<i>Below 30% AMI</i>	<i>30% to 60% AMI</i>	<i>60% to 80% AMI</i>	<i>80% to 120% AMI</i>	<i>Above 120% AMI</i>	<i>Subtotal</i>
<i>Multi-Family For-Rent:</i>	195	162	87	150	234	828
<i>Multi-Family For-Sale:</i>	23	20	8	17	46	114
<i>Single-Family Attached For-Sale:</i>	23	21	11	16	45	116
<i>Total:</i>	241	203	106	183	325	1,058
<i>Percent:</i>	22.8%	19.2%	10.0%	17.3%	30.7%	100.0%

Urban Center Annual Market Potential

	<i>Below 30% AMI</i>	<i>30% to 60% AMI</i>	<i>60% to 80% AMI</i>	<i>80% to 120% AMI</i>	<i>Above 120% AMI</i>	<i>Subtotal</i>
<i>Multi-Family For-Rent:</i>	744	597	312	415	502	2,570
<i>Multi-Family For-Sale:</i>	87	73	35	52	83	330
<i>Single-Family Attached For-Sale:</i>	98	83	43	60	97	381
<i>Single-Family Detached For-Sale:</i>	193	183	103	160	255	894
<i>Total:</i>	1,122	936	493	687	937	4,175
<i>Percent:</i>	26.9%	22.4%	11.8%	16.5%	22.4%	100.0%

Note: For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

SOURCE: Claritas, Inc.;
 Zimmerman/Volk Associates, Inc.

Summary Of Selected Rental Properties
The City of Kalamazoo, Kalamazoo County, Michigan
October, 2023

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>	
. Downtown/Near Downtown							
Gilmore Apartments 100 Portage Street Phoenix Properties, LLC 92 Walk score	26	....Apartments.... Studio/1ba 1br/1ba	\$880 \$980 \$1,100 \$1,350	to to to	424 572 675 968	to \$1.71 to \$2.08 to \$1.39 to \$1.63	95% occupancy Fitness center, electronic security, washer/dryer in each unit.
Greenbriar Apartments (1968) 813 West Lovell Street Tricap Residential Group 82 Walk score	61	....Apartments.... 2br/1ba 3br/2ba	\$1,046 \$1,326 \$2,105 \$2,605	to to	860 1,250	\$1.22 \$1.54 \$1.68 \$2.08	95% occupancy Fitness center, controlled access, bike storage, laundry facilities.
Norbridge Building (2014) 510 East Butler Court NoMi Developers, LLC 62 Walk score	5	....Lofts.... 1ba/1ba....Apartments.... 1 br/1ba	\$1,080 n/a \$1,400	to to	600 1,000 850	to \$1.80 to n/a \$1.65	Deck, and utilities included.
Metropolitan Center (1900) 107-123 East Michigan Ave 90 Walk score	24	1br/1ba 2br/2ba	\$1,100 \$1,130 \$1,800	to to	599 \$603 1,058	to \$1.84 to \$1.87 to \$1.70	92% occupancy Controlled access.
400 Rose (2020) 400 South Rose Street Hinman 91 Walk score	237	....Apartments.... Studio/1ba 1br/1ba 2br/2ba	\$1,160 \$1,430 \$1,230 \$1,885 \$1,945 \$3,125	to to to	471 554 547 791 933 1,544	to \$2.46 to \$2.58 to \$2.25 to \$2.38 to \$2.02 to \$2.08	95% occupancy LEED Gold, bike storage/repair, game lounge, fitness center, dog spa/run, rooftop lounge, courtyard, grills.
The Exchange (2019) 155 West Michigan Avenue Plaza Corp 94 Walk score	55	....Apartments.... Studio/1ba 1br/1ba 2br/2ba	\$1,225 \$1,775 \$1,425 \$1,825 \$2,700 \$3,900	to to to	651 704 793 842 1,398 1,544	to \$1.88 to \$2.52 to \$1.80 to \$2.17 to \$1.93 to \$2.53	n/a Secured access, rooftop terrace, clubroom, fitness center, yoga space, bike storage.

Summary Of Selected Rental Properties
The City of Kalamazoo, Kalamazoo County, Michigan
October, 2023

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
. Downtown/Near Downtown (continued)						
Lovell Square (1979;1997) 475 West Lovell Street ROCO Real Estate 86 Walk score	47	....Apartments.... 1br/1ba	\$1,295	795	\$1.63	98% occupancy Fitness center, courtyard, picnic area.
Kalamazoo Commons (2007) 125 South Kalamazoo Mall Meyer C. Weiner Company 92 Walk score	17	....Apartments.... 2br/1ba 3br/1.5ba 3br/2ba	\$1,500 to \$1,750 \$1,700 to \$2,150	713 to 1,132 1,045 to 1,482	\$1.55 to \$2.10 \$1.45 to \$1.63	94% occupancy Laundry facilities, wifi, cable, security system.
Mall Plaza Apartments (1980) 157 South Kalamazoo Mall The Vernon Group 92 Walk score	21	....Apartments.... 1br/1ba 2br/2ba	\$1,600 to \$1,790 \$2,250 to \$2,270	702 to 958 1,305 to 1,362	\$1.87 to \$2.28 \$1.67 to \$1.72	94% occupancy Pool, fitness center, sauna, roof terrace, bicycle storage, key fob entry.
Peregrine Downtown Lofts (1990) 200 East Michigan Ave Peregrine Company 89 Walk score	12	2br/2ba	\$1,950	2,000	\$0.98	92% occupancy Secure building, roof top deck.
Peregrine Tower (1941; 2000) 336 South Kalamazoo Mall Peregrine Company 94 Walk score	28	....Apartments.... 1br/1.5ba 2br/2ba	\$1,950 to \$2,200 \$1,950 to \$2,850	1,400 1,250 to 1,750	\$1.39 to \$1.57 \$1.56 to \$1.63	93% occupancy Fitness room, community room.
Skyrise (1985) 525 South Burdick Street Hinman Company 90 Walk score	55	....Apartments.... 2br/2ba	\$1,970 to \$1,995	1,580	\$1.25 to \$1.26	95% occupancy Fitness center, gathering space, business center, bike storage.
Peregrine 100 (2016) 108 & 110 West Michigan Avenue Peregrine Company 94 Walk score	16	....Apartments.... 1br/1ba 2br/2ba	\$2,200 to \$2,900 \$2,400 to \$3,100	1,472 1,600	\$1.49 to \$1.97 \$1.50 to \$1.94	n/a Fitness center, concierge, controlled access, EV charging stations, rooftop deck.

Summary Of Selected Rental Properties
The City of Kalamazoo, Kalamazoo County, Michigan
October, 2023

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
. Downtown/Near Downtown (continued)						
Peregrine Square (1945; 2008) 350 South Kalamazoo Mall Peregrine Company 94 Walk score	8	....Furnished Apartments.... 1br/1ba	\$2,500	886	\$2.82	75% occupancy Gated.
		.... Apartments.... 2br/2ba	\$2,200	1,383 to 1,406	to \$1.56 to \$1.59	
(2000; 2014) 316 South Kalamazoo Mall Peregrine Company 94 Walk score		2br/2ba	\$2,750 to \$2,800	1,355 to 1,750	to \$1.60 to \$2.03	Terrace, and controlled access.
. Other Kalamazoo						
Nottingham Place (1979) 704 South Drake Road Eighteen Capital Group 52 Walk score	283	....Apartments.... 1br/1ba	\$755 to \$800	625 to 650	to \$1.21 to \$1.23	99% occupancy Indoor/outdoor pool, fitness center, laundry facilities, business center.
		2br/1ba	\$800 to \$850	950	\$0.84 to \$0.89	
		2br/1.5ba	\$810 to \$850	1,010	\$0.80 to \$0.84	
		3br/1.5ba	\$1,195	1,150	\$1.04	
Peppertree Apts (1968; 2000) 1842 South 11th Street Group Five Management 39 Walk score	70	....Apartments.... 1br/1ba	\$778 to \$913	541	\$1.44 to \$1.69	94% occupancy Laundry rooms, bark park.
		2br/1ba	\$958 to \$1,018	657	\$1.46 to \$1.55	
Clayborne Flatz (1986) 4651 Clayborne Drive Simtob Management 55 Walk score	140	....Apartments.... Studio/1ba	\$800	280	\$2.86	95% occupancy Laundry facilities, courtyard.
		1br/1ba	\$950	560	\$1.70	
		2br/1ba	\$1,200	850	\$1.41	
		2br/2ba	\$1,300	850	\$1.53	
Woodstone (1968; 2013) 3707 Greeneleaf Boulevard Gardner Group 7 Walk score	99	....Apartments.... Studio/1ba	\$865	538	\$1.61	100% occupancy Pools, spa, fitness center, sports courts, walking trails, game room.
		1br/1ba	\$980 to \$1,095	700 to 825	to \$1.33 to \$1.40	
		2br/2ba	\$1,285	1,075	\$1.20	
		3br/2ba	\$1,590	1,505	\$1.06	

Summary Of Selected Rental Properties
The City of Kalamazoo, Kalamazoo County, Michigan
October, 2023

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
. Other Kalamazoo (continued)						
Coopers Landing (2000) 5001 Coopers Landing Drive Land & Company 3 Walk score	716	....Apartments....				n/a Fitness center, playground, tennis court, disc golf course, BBQ/picnic area clubhouse, dog park.
		1br/1ba	\$880 to \$1,135	670 to 1,004	\$1.13 to \$1.31	
		2br/1.5ba	\$1,020 to \$1,130	864 to 950	\$1.18 to \$1.19	
		2br/2ba	\$1,150 to \$1,260	962 to 1,144	\$1.10 to \$1.20	
		3br/2ba	\$1,425 to \$1,450	1,552	\$0.92 to \$0.93	
		....Lofts....				
		1br/1ba	\$1,025 to \$1,035	822 to 884	\$1.17 to \$1.25	
		2br/1.5ba	\$1,130 to \$1,250	950 to 1,117	\$1.12 to \$1.19	
		2br/2ba	\$1,240 to \$1,275	1,095 to 1,180	\$1.08 to \$1.13	
		....Townhouses....				
		1br/1.5ba	\$1,065 to \$1,130	844 to 968	\$1.17 to \$1.26	
		3br/2ba	\$1,555 to \$1,570	1,260	\$1.23 to \$1.25	
Candlewyck (1971) 100 East Candlewyck Drive Zidan Management Group, Inc. 43 Walk score	487	....Apartments....				96% occupancy Business center, two pools, fitness center, playground, BBQ/picnic area, courtyard, laundry facilities.
		Studio/1ba	n/a	600	n/a	
		1br/1ba	\$917 to \$979	718 to 734	\$1.28 to \$1.33	
		2br/1ba	\$1,070 to \$1,129	931	\$1.15 to \$1.21	
		2br/2ba	\$1,135 to \$1,203	967 to 1,014	\$1.17 to \$1.19	
		3br/2ba	\$1,387 to \$1,415	1,254	\$1.11 to \$1.13	
		4br/2ba	\$1,515 to \$1,585	1,540	\$0.98 to \$1.03	
Hunters Ridge (1988; 2000) 4130 West Michigan Avenue ROCO 35 Walk score	294	....Student Apartments....				98% occupancy Fitness center, picnic area.
		1br/1ba	\$925	750	\$1.23	
		2br/2ba	\$1,100	1,000	\$1.10	

Summary Of Selected Rental Properties
The City of Kalamazoo, Kalamazoo County, Michigan
October, 2023

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
. Other Kalamazoo (continued)						
Gull Prairie/Gull Run (1997)	1146	....Apartments....				99% occupancy
4495 Gull Run Drive	1br/1ba	\$943	to	686	to \$1.33	Pool, sundeck,
Edward Rose & Sons		\$1,122		842	\$1.37	fitness center,
60 Walk score	2br/1ba	\$1,209	to	890	to \$1.33	smart home
		\$1,224		919	\$1.36	technology,
	2br/2ba	\$1,210	to	958	to \$1.26	community
		\$1,296		1,022	\$1.27	building,
		....Townhomes....				ponds.
	2br/2ba	\$1,782		1,829	\$0.97	
	2br/2.5ba	\$1,705	to	1,942	\$0.88	to
		\$1,859			\$0.96	
	3br/2.5ba	\$2,020	to	2,003	\$1.01	to
		\$2,122			\$1.06	
The Landing (1964; 2016)	180	....Apartments....				97.2% occupancy
3200 West Main Street	1br/1ba	\$980	to	745	\$1.32	to Pool, dog park,
Trillium Ventures MSV, LLC		\$1,030			\$1.38	laundry facilities,
50 Walk score	2br/1ba	\$985	to	775	to \$1.27	to fitness center,
		\$1,105		830	\$1.33	grilling area.
Abbey42 Apartments (2023)	344	....Apartments....				In lease-up.
5283 East O Avenue	Studio/1ba	\$1,175		567	\$2.07	Pool, fitness center,
Beach Tree Partners	1br/1ba	\$1,350	to	701	to \$1.84	to playground,
1 Walk score		\$1,620		881	\$1.93	clubhouse, business
	2br/2ba	\$1,905		1,106	\$1.72	center,
	3br/2ba	\$2,075		1,533	\$1.35	grilling area.
Drakes Pond (1987)	497	....Apartments....				98.4% occupancy
555 South Drake Road	1br/1ba	\$1,175	to	780	\$1.51	to Swimming pools,
Monarch Investment		\$1,250			\$1.60	spa, grilling area,
and Management Group	2br/1ba	\$1,505	to	1,000	to \$1.51	to fitness center, yoga
41 Walk score		\$1,590		1,020	\$1.56	room, sports courts,
	2br/2ba	\$1,445	to	1,125	\$1.28	to playground,
		\$1,665			\$1.48	clubhouse,
	3br/2ba	\$1,820		1,300	\$1.40	business center.
Wildwood Off Main (1987)	292	....Apartments....				99.7% occupancy
200 Lake Forest Boulevard	1br/1ba	\$1,350	to	760	to \$1.58	to Pool, sundeck,
New Earth Residential		\$1,585		1,005	\$1.78	fitness center,
46 Walk score	2br/1.5ba	\$1,610		1,170	\$1.38	sports courts,
		....Townhomes....				sauna, clubhouse,
	2br/2ba	\$1,800	to	1,330	to \$1.35	to dog parks, and
		\$1,980		1,395	\$1.42	grilling areas.

Table 4

**Summary Of Selected For-Sale Multi-Family
And Single-Family Attached Developments**

*Kalamazoo Market Area, City of Kalamazoo, Kalamazoo County, Michigan
October, 2023*

<u>Development (Date Opened)</u> <u>Developer/Builder/Address</u>	<u>Unit</u> <u>Type</u>	<u>Base Price</u> <u>Range</u>	<u>Unit Size</u> <u>Range</u>	<u>Base</u> <u>Price Per</u> <u>Sq. Ft.</u>
. Downtown/Near Downtown				
. Resale Listings				
. Loft				
Arcadia (2002) 222 N Kalamazoo Mall 90 Walk score	1br/1ba	\$309,900	1,185	\$262
. Condominium				
Marlborough Building (1982) 471 West South Street 92 Walk score	2br/2ba	\$415,000	1,657	\$250
. Other Kalamazoo				
. New Construction Listings				
. Attached Villas				
West Point Condos (2022) 10th St N and W Village Blvd Interra Homes 16 Walk score	2br/2.5ba 2br/2.5ba 2br/2.5ba	\$289,900 \$289,900 \$309,900	1,780 1,780 1,861	\$163 \$163 \$167
. Attached Villas				
Redstone Farms (2023) Hickory Valley Drive Interra Homes 24 Walk score	2br/2.5ba 3br/3ba	\$327,900 \$379,900	1,743 2,145	\$188 \$177
. Attached Villas				
Walden Woods (2023) Alianca Terrace 5 Walk score	2br/2ba 4br/3ba	\$528,320 \$606,668	1,694 2,627	\$312 \$231

Summary of Selected Listings
Single-Family Detached Houses
City of Kalamazoo, Kalamazoo County, Michigan
October, 2023

<u>Property Address</u>	<u>Lot Size</u>	<u>Sale/Asking Price</u>	<u>Unit Size</u>	<u>Price psf</u>	<u>Configuration</u>	<u>Year Built</u>
<i>... City of Kalamazoo ...</i>						
<i>... Central Business District ...</i>						
427 S. Burdick St	0.27 ac.	\$995,000	4,797	\$207	6br/4.5.5ba	1867
<i>... Vine ...</i>						
817 Hoffman Ct	0.02 ac.	\$114,900	1,013	\$113	2br/1ba	1920
1419 Oak St	n/a	\$117,000	1,350	\$87	2br/1ba	1905
421 Bellevue Pl	0.07 ac.	\$129,900	1,604	\$81	4br/2ba	1904
517 Walnut Ct	0.07 ac.	\$129,900	1,469	\$88	3br/1ba	1905
813 Hoffman Ct	0.08 ac.	\$129,900	950	\$137	4br/1ba	1920
817 Normal Ct	0.05 ac.	\$135,000	1,319	\$102	3br/1ba	1912
715 David St	0.12 ac.	\$144,900	1,500	\$97	5br/2ba	1905
828 Davis St	0.17 ac.	\$146,900	1,640	\$90	5br/2ba	1909
617 W. Walnut St	0.1 ac.	\$150,000	1,937	\$77	5br/1.5.5ba	1915
618 Oak St	0.1 ac.	\$159,900	1,615	\$99	5br/2ba	1911
429 W. Dutton St	0.16 ac.	\$165,000	1,534	\$108	4br/2ba	1875
935 Osborne St	0.13 ac.	\$179,000	2,305	\$78	4br/2ba	1885
916 S. Park St	0.25 ac.	\$189,900	3,925	\$48	9br/3ba	1905
1321 S. Westnedge Ave	0.38 ac.	\$189,900	1,512	\$126	3br/1.5.5ba	1900
935 W. Lovell St	0.13 ac.	\$190,000	2,633	\$72	7br/3.5.5ba	1871
912 Osborne St	0.09 ac.	\$197,000	1,627	\$121	4br/2ba	1905
831 W. Cedar St	0.11 ac.	\$204,000	1,981	\$103	4br/2ba	1910
1112 Merrill St	0.07 ac.	\$219,900	2,162	\$102	3br/1ba	1909
1136 Long Rd	0.42 ac.	\$525,000	2,093	\$251	3br/2.5.5ba	1929
<i>... West Main Hill ...</i>						
1545 Grand Ave	0.33 ac.	\$466,329	3,466	\$135	4br/1.5.5ba	1944
<i>... Stuart ...</i>						
823 Lucas Ct	0.04 ac.	\$115,000	1,203	\$96	3br/1ba	1911
422 Elm St	0.12 ac.	\$169,000	1,974	\$86	5br/2ba	1885
712 Eleanor St	0.12 ac.	\$219,000	2,348	\$93	8br/4.5.5ba	1899
412 Douglas Ave	0.05 ac.	\$249,000	1,866	\$133	4br/2ba	1895

Summary of Selected Listings
Single-Family Detached Houses
City of Kalamazoo, Kalamazoo County, Michigan
October, 2023

<i>Property Address</i>	<i>Lot Size</i>	<i>Sale/Asking Price</i>	<i>Unit Size</i>	<i>Price psf</i>	<i>Configuration</i>	<i>Year Built</i>
<i>... Northside ...</i>						
1002 N. Church St	0.15 ac.	\$33,777	1,456	\$27	3br/1ba	1890
1338 N. Church St	0.23 ac.	\$39,900	1,066	\$52	2br/1ba	1893
1717 Union St	0.1 ac.	\$55,000	528	\$104	1br/1ba	1927
602 W., Paterson St	0.07 ac.	\$66,888	689	\$97	2br/1ba	1938
1628 N. Edwards St	0.2 ac.	\$69,900	784	\$89	2br/1ba	1900
1335 Princeton Ave	0.13 ac.	\$79,900	1,079	\$74	3br/1.5.5ba	1900
708 Elizabeth St	0.1 ac.	\$80,000	1,128	\$71	3br/1.5.5ba	1905
1704 Union St	0.1 ac.	\$80,000	768	\$104	2br/1ba	1926
718 Harrison St	0.1 ac.	\$85,000	1,092	\$78	3br/1ba	1916
1323 Krom St	0.2 ac.	\$99,988	1,467	\$68	3br/2ba	1900
618 W. North St	0.11 ac.	\$110,000	1,312	\$84	3br/1.5.5ba	1890
411 W. Frank St	0.09 ac.	\$130,000	1,400	\$93	3br/1.5.5ba	1907
1316 Douglas Ave	0.14 ac.	\$155,000	1,500	\$103	4br/2.5.5ba	1926
1814 N. Burdick St	0.49 ac.	\$249,000	1,645	\$151	2br/2ba	1895
<i>... Eastside ...</i>						
1015 Hotop Ave	0.1 ac.	\$79,900	1,364	\$59	3br/2ba	1910
809 Wallace Ave	0.1 ac.	\$124,900	1,832	\$68	3br/1ba	1928
1001 Hazard Ave	0.09 ac.	\$127,900	1,312	\$97	2br/2ba	1913
1617 Henry Ct	0.08 ac.	\$135,000	1,200	\$113	3br/1ba	1900
427 Wallace Ave	0.07 ac.	\$153,500	1,441	\$107	3br/2ba	1928
940 Fairbanks Ave	0.19 ac.	\$160,000	1,456	\$110	3br/2ba	1940
610 Gilbert Ave	0.2 ac.	\$199,900	1,285	\$156	3br/2ba	2000
<i>... Edison ...</i>						
223 Reed Ave	0.26 ac.	\$13,000	678	\$19	3br/1ba	1930
1411 Bryant St	0.18 ac.	\$35,000	1,240	\$28	3br/2.5.5ba	1911
1227 Hays Ave	0.09 ac.	\$69,000	1,356	\$51	4br/1ba	1908
730 Millard Ct	0.13 ac.	\$84,888	978	\$87	3br/1ba	1901
444 Terrace Ct	0.09 ac.	\$89,900	1,095	\$82	3br/2ba	1905
1514 Clinton Ave	0.09 ac.	\$90,000	1,336	\$67	3br/2ba	1926
1717 Egleston Ave	0.14 ac.	\$99,900	1,212	\$82	3br/1ba	1937
1315 James St	0.14 ac.	\$100,000	1,544	\$65	3br/1.5.5ba	1910
1202 Lay Blvd	0.11 ac.	\$105,900	816	\$130	2br/1ba	1951
1110 Hays Ave	0.09 ac.	\$114,500	1,446	\$79	4br/1ba	1906
1512 Fulford St	0.05 ac.	\$114,500	978	\$117	2br/1ba	1920

SOURCE: Greater Kalamazoo Multiple Listing Service;
 Zimmerman/Volk Associates, Inc.

Summary of Selected Listings
Single-Family Detached Houses
City of Kalamazoo, Kalamazoo County, Michigan
October, 2023

<i>Property Address</i>	<i>Lot Size</i>	<i>Sale/Asking Price</i>	<i>Unit Size</i>	<i>Price psf</i>	<i>Configuration</i>	<i>Year Built</i>
<i>... Edison (continued) ...</i>						
1412 Reed Ave	0.15 ac.	\$116,500	1,072	\$109	3br/1ba	1923
1305 E. Alcott St	0.12 ac.	\$119,900	864	\$139	3br/1ba	1931
1028 Clinton Ave	0.1 ac.	\$124,000	1,200	\$103	3br/1ba	1940
601 Lay Blvd	0.1 ac.	\$129,900	1,210	\$107	3br/1ba	1921
1812 March St	0.09 ac.	\$134,900	1,362	\$99	3br/1.5.5ba	1929
1506 Egleston Ave	0.14 ac.	\$134,900	1,017	\$133	3br/1ba	1920
1322 Palmer Ave	0.16 ac.	\$134,900	743	\$182	2br/1ba	1946
532 Bryant St	0.08 ac.	\$134,999	1,650	\$82	3br/1ba	1900
1723 Clinton Ave	0.05 ac.	\$135,000	1,578	\$86	4br/1.5.5ba	1906
1522 E. Stockbridge Ave	0.11 ac.	\$139,000	1,353	\$103	3br/2ba	1904
134 E Stockbridge Ave	0.07 ac.	\$139,900	1,592	\$88	4br/2ba	1913
1302 Lay Blvd	0.13 ac.	\$139,900	1,502	\$93	3br/1.5.5ba	1925
1207 Lane Blvd	0.13 ac.	\$139,900	1,355	\$103	3br/2ba	1911
1309 Egleston Ave	0.14 ac.	\$145,000	1,388	\$104	3br/1.5.5ba	1910
1415 Lane Blvd	0.13 ac.	\$149,900	1,512	\$99	3br/2ba	1918
1003 Lay Blvd	0.12 ac.	\$149,900	1,144	\$131	3br/1ba	1915
1020 E. Stockbridge Ave	0.16 ac.	\$150,000	2,272	\$66	5br/1.5.5ba	1915
1522 Hays Ave	0.11 ac.	\$165,000	1,883	\$88	4br/1.5.5ba	1910
1212 Hays Ave	0.09 ac.	\$169,900	1,456	\$117	4br/2ba	1909
902 Palmer Ave	0.34 ac.	\$177,500	1,020	\$174	3br/1ba	1950
<i>... Southside ...</i>						
2026 S. Burdick St	0.45 ac.	\$90,000	1,197	\$75	4br/1ba	1902
114 E. Alcott St	0.05 ac.	\$117,000	1,120	\$104	3br/1ba	1921
<i>... West Douglas ...</i>						
1306 Alamo Ave	0.14 ac.	\$89,900	876	\$103	3br/1ba	1875
1211 Ogden Ave	0.15 ac.	\$112,900	1,679	\$67	4br/1.5.5ba	1910
1311 Alamo Ave	0.41 ac.	\$114,988	1,073	\$107	3br/1ba	1900
1439 Jefferson Ave	0.15 ac.	\$189,900	1,291	\$147	4br/1.5.5ba	1905
219 Ingleside Ter	0.11 ac.	\$199,900	1,887	\$106	5br/1.5.5ba	1928

Summary of Selected Listings
Single-Family Detached Houses
City of Kalamazoo, Kalamazoo County, Michigan
October, 2023

<u>Property</u> <u>Address</u>	<u>Lot</u> <u>Size</u>	<u>Sale/Asking</u> <u>Price</u>	<u>Unit</u> <u>Size</u>	<u>Price</u> <u>psf</u>	<u>Configuration</u>	<u>Year Built</u>
<i>... New Construction Near Kalamazoo City ...</i>						
Muirfield (2023)						
		<i>... New Construction ...</i>				
<i>Polaris St</i>		\$272,490	to 1,416	\$192	to 3br/2ba	
<i>Century Communities</i>		\$283,490		\$200		
		\$292,490	1,684	\$174	4br/2ba	
<i>... City of Portage ...</i>						
Copperleaf (2015)						
		<i>... New Construction ...</i>				
<i>Copperleaf Trail</i>		\$379,990	to 1,870	to \$201	to 3br/3ba	
<i>Allen Edwin Homes</i>		\$419,900	2,089	\$203		
		<i>... Floorplans ...</i>				
		\$380,760	to 1,805	to \$170	to 3br/2.5ba	
		\$471,585	2,780	\$211		
		\$431,440	to 2,735	to \$149	to 4br/2.5ba	
		\$511,230	3,420	\$158		
		<i>... Individual Spec Unit ...</i>				
<i>5916 Oakland Dr</i>	<i>0.45 ac.</i>	\$193,000	1,000	\$193	2br/1ba	
<i>... Texas Charter Township ...</i>						
Applegate Pines (2005)						
		<i>... New Construction ...</i>				
<i>Boxthorn Trail</i>		\$634,900	to 3,070	to \$204	to 4br/3ba	
<i>Allen Edwin Homes</i>		\$699,900	3,423	\$207		
		<i>... Floorplans ...</i>				
		\$522,770	to 1,658	to \$243	to 3br/2ba	
		\$559,465	2,300	\$315		
		\$552,945	2,780	\$199	3br/2.5ba	
		\$563,220	to 2,948	to \$177	to 4br/2.5ba	
		\$605,595	3,423	\$191		

Table 6

Annual Market Potential By Lifestage And Income Range

Derived From Purchase And Rental Propensities Of Draw Area Households With The Potential To Move Within/To The Urban Core Study Area Each Year Over The Next Five Years
Based On Housing Preferences And Income Levels

The Urban Core Study Area

City of Kalamazoo, Kalamazoo County, Michigan

	Total	<i>Below 30% AMI</i>	<i>30% to 60% AMI</i>	<i>60% to 80% AMI</i>	<i>80% to 120% AMI</i>	<i>Above 120% AMI</i>
Number of Households:	1,058	241	203	106	183	325
Empty Nesters & Retirees	15.8%	11.6%	13.3%	12.3%	13.7%	22.8%
Traditional & Non-Traditional Families	10.4%	11.2%	10.8%	9.4%	9.8%	10.1%
Younger Singles & Couples	73.8%	77.2%	75.9%	78.3%	76.5%	67.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Target Groups For New Multi-Family For Rent
The Urban Core Study Area
City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Empty Nesters & Retirees**	<u>60% to 80% AMI†</u>	<u>80% to 120% AMI†</u>	<u>Above 120% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
The One Percenters	0	0	1	1	0.2%
Old Money	0	0	1	1	0.2%
Affluent Empty Nesters	0	0	1	1	0.2%
The Social Register	0	0	1	1	0.2%
Urban Establishment	1	3	10	14	3.0%
Suburban Establishment	0	1	3	4	0.8%
Second City Establishment	0	0	2	2	0.4%
Multi-Ethnic Empty Nesters	1	1	2	4	0.8%
Mainstream Empty Nesters	1	2	5	8	1.7%
Middle-American Retirees	1	2	3	6	1.3%
Cosmopolitan Couples	3	4	12	19	4.0%
Blue-Collar Retirees	2	3	3	8	1.7%
Second City Seniors	2	2	2	6	1.3%
Subtotal:	11	18	46	75	15.9%
Traditional & Non-Traditional Families††					
e-Type Families	0	0	3	3	0.6%
Unibox Transferees	1	1	1	3	0.6%
Multi-Ethnic Families	1	2	3	6	1.3%
Uptown Families	0	0	2	2	0.4%
Multi-Cultural Families	0	0	2	2	0.4%
Single-Parent Families	3	6	2	11	2.3%
Inner-City Families	2	3	2	7	1.5%
In-Town Families	0	1	1	2	0.4%
New American Strivers	1	2	1	4	0.8%
Subtotal:	8	15	17	40	8.5%

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

†† Predominantly three- to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Target Groups For New Multi-Family For Rent
The Urban Core Study Area
City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Younger Singles & Couples**	<u>60% to 80% AMI†</u>	<u>80% to 120% AMI†</u>	<u>Above 120% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
New Power Couples	0	1	4	5	1.1%
New Bohemians	5	11	43	59	12.5%
Cosmopolitan Elite	0	1	2	3	0.6%
Fast-Track Professionals	9	19	38	66	14.0%
The VIPs	6	11	24	41	8.7%
Downtown Couples	4	9	6	19	4.0%
Small-City Singles	4	5	4	13	2.8%
Downtown Proud	7	15	10	32	6.8%
Second-City Strivers	8	10	8	26	5.5%
Twentysomethings	23	33	31	87	18.5%
Multi-Ethnic Singles	2	2	1	5	1.1%
Subtotal:	68	117	171	356	75.6%
Total Households:	87	150	234	471	100.0%
Percent of Total:	18.5%	31.8%	49.7%	100.0%	

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
 Zimmerman/Volk Associates, Inc.

**Target Groups For New Multi-Family For Sale
The Urban Core Study Area**

City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Empty Nesters & Retirees**	<u>80% to 120% AMI†</u>	<u>Above 120% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
The Social Register	0	1	1	1.6%
Urban Establishment	1	3	4	6.3%
Suburban Establishment	0	1	1	1.6%
Second City Establishment	0	1	1	1.6%
Multi-Ethnic Empty Nesters	0	1	1	1.6%
Mainstream Empty Nesters	1	1	2	3.2%
Middle-American Retirees	0	2	2	3.2%
Cosmopolitan Couples	1	1	2	3.2%
Blue-Collar Retirees	<u>1</u>	<u>0</u>	<u>1</u>	<u>1.6%</u>
Subtotal:	4	11	15	23.8%
Traditional & Non-Traditional Families††				
e-Type Families	0	1	1	1.6%
Unibox Transferees	0	1	1	1.6%
Multi-Ethnic Families	0	2	2	3.2%
Single-Parent Families	0	1	1	1.6%
Inner-City Families	0	1	1	1.6%
In-Town Families	0	1	1	1.6%
New American Strivers	<u>0</u>	<u>1</u>	<u>1</u>	<u>1.6%</u>
Subtotal:	0	8	8	12.7%

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

†† Predominantly three- to five-person households.

**Target Groups For New Multi-Family For Sale
The Urban Core Study Area**

City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Younger Singles & Couples**	<i>80% to 120% AMI†</i>	<i>Above 120% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
New Power Couples	0	2	2	3.2%
New Bohemians	2	7	9	14.3%
Cosmopolitan Elite	0	1	1	1.6%
Fast-Track Professionals	2	4	6	9.5%
The VIPs	2	5	7	11.1%
Downtown Couples	1	2	3	4.8%
Small-City Singles	1	0	1	1.6%
Downtown Proud	1	1	2	3.2%
Second-City Strivers	1	1	2	3.2%
Twentysomethings	3	3	6	9.5%
Multi-Ethnic Singles	0	1	1	1.6%
Subtotal:	13	27	40	63.5%
Total Households:	17	46	63	100.0%
Percent of Total:	27.0%	73.0%	100.0%	

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Target Groups For New Single-Family Attached For Sale
The Urban Core Study Area

City of Kalamazoo, Kalamazoo County, Michigan

. *Number of Households*

Empty Nesters & Retirees**	<u>80% to 120% AMI†</u>	<u>Above 120% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
The One Percenters	0	1	1	1.6%
Affluent Empty Nesters	0	1	1	1.6%
The Social Register	0	1	1	1.6%
Urban Establishment	0	2	2	3.3%
Suburban Establishment	0	2	2	3.3%
Second City Establishment	0	2	2	3.3%
Multi-Ethnic Empty Nesters	1	2	3	4.9%
Mainstream Empty Nesters	1	1	2	3.3%
Middle-American Retirees	0	2	2	3.3%
Cosmopolitan Couples	0	2	2	3.3%
Blue-Collar Retirees	1	1	2	3.3%
Subtotal:	3	17	20	32.8%
Traditional & Non-Traditional Families††				
e-Type Families	0	2	2	3.3%
Unibox Transferees	0	2	2	3.3%
Multi-Ethnic Families	1	0	1	1.6%
Uptown Families	0	1	1	1.6%
Multi-Cultural Families	0	1	1	1.6%
Single-Parent Families	1	1	2	3.3%
Inner-City Families	1	0	1	1.6%
In-Town Families	0	1	1	1.6%
Subtotal:	3	8	11	18.0%

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

†† Predominantly three- to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

**Target Groups For New Single-Family Attached For Sale
The Urban Core Study Area**

City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Younger Singles & Couples**	<u>80% to 120% AMI†</u>	<u>Above 120% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
New Power Couples	0	2	2	3.3%
New Bohemians	1	3	4	6.6%
Cosmopolitan Elite	0	2	2	3.3%
Fast-Track Professionals	1	1	2	3.3%
The VIPs	2	5	7	11.5%
Downtown Couples	2	2	4	6.6%
Small-City Singles	1	1	2	3.3%
Downtown Proud	0	1	1	1.6%
Second-City Strivers	1	1	2	3.3%
Twentysomethings	2	2	4	6.6%
Subtotal:	10	20	30	49.2%
Total Households:	16	45	61	100.0%
Percent of Total:	26.2%	73.8%	100.0%	

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

Optimum Market Position
The Urban Core Study Area
City of Kalamazoo, Kalamazoo County, Michigan
December, 2023

<u>Target Households</u>	<u>Housing Type/ Unit Configuration</u>	<u>Percent Mix</u>	<u>Base Rent/Price Range*</u>	<u>Base Unit Size Range</u>	<u>Base Rent/Price Per Sq. Ft.*</u>	<u>Annual Market Capture</u>	
471	Multi-Family For Rent					71 to 94	
<i>Small-Scale Apartment Buildings <25du</i>							
87	Households With Incomes Between 60% And 80% AMI					13	17
	Studio/1ba	30%	\$950 to \$1,000	500 to 550	\$1.82 to \$1.90		
	1br/1ba	40%	\$1,050 to \$1,100	600 to 700	\$1.57 to \$1.75		
	2br/1ba	30%	\$1,250 to \$1,300	800 to 900	\$1.44 to \$1.56		
	Weighted Averages:		\$1,105	673	\$1.64		
<i>Small-Scale Apartment Buildings <25du</i>							
150	Households With Incomes Between 80% and 120%AMI					23	30
	Studio/1ba	30%	\$1,300 to \$1,400	500 to 550	\$2.55 to \$2.60		
	1br/1ba	35%	\$1,550 to \$1,650	650 to 750	\$2.20 to \$2.38		
	2br/2ba	35%	\$1,800 to \$1,900	1,000 to 1,100	\$1.73 to \$1.80		
	Weighted Averages:		\$1,612	769	\$2.10		
<i>Mid-Rise Apartment Buildings >25du</i>							
234	Households With Incomes At Or Above 120% AMI					35	47
	1br/1ba	40%	\$1,850 to \$2,050	700 to 800	\$2.56 to \$2.64		
	2br/2ba	50%	\$2,500 to \$2,850	1,000 to 1,250	\$2.28 to \$2.50		
	3br/2ba	10%	\$3,300 to \$3,500	1,450 to 1,600	\$2.19 to \$2.28		
	Weighted Averages:		\$2,458	1,015	\$2.42		

NOTE: For fiscal year 2023, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200. Base rents/prices in year 2023 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Optimum Market Position
The Urban Core Study Area
City of Kalamazoo, Kalamazoo County, Michigan
December, 2023

<u>Targeted Households</u>	<u>Housing Type/ Unit Configuration</u>	<u>Percent Mix</u>	<u>Base Rent/Price Range*</u>	<u>Base Unit Size Range</u>	<u>Base Rent/Price Per Sq. Ft.*</u>	<u>Annual Market Capture</u>	
63	Multi-Family For-Sale					10 to 12	
<i>Small-Scale Apartment Buildings <25du</i>							
17	Households With Incomes Between 80% And 120% AMI					3	3
	1br/1ba	60%	\$215,000 to \$230,000	700 to 800	\$288 to \$307		
	2br/1ba	40%	\$240,000 to \$265,000	850 to 900	\$282 to \$294		
	Weighted Averages:		\$234,500	800	\$293		
<i>Mid-Rise Apartment Buildings >25du</i>							
46	Households With Incomes Above 120% AMI					7	9
	1br/1ba	30%	\$295,000 to \$325,000	800 to 900	\$361 to \$369		
	2br/2ba	50%	\$365,000 to \$395,000	1,100 to 1,250	\$316 to \$332		
	3br/2ba	20%	\$450,000 to \$495,000	1,400 to 1,600	\$309 to \$321		
	Weighted Averages:		\$377,500	1,143	\$330		

NOTE: For fiscal year 2023, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200. Base rents/prices in year 2023 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Optimum Market Position
The Urban Core Study Area
City of Kalamazoo, Kalamazoo County, Michigan
December, 2023

<u>Targeted Households</u>	<u>Housing Type Unit Configuration</u>	<u>Percent Mix</u>	<u>Base Rent/Price Range*</u>	<u>Base Unit Size Range</u>	<u>Base Rent/Price Per Sq. Ft.*</u>	<u>Annual Market Capture</u>
<u>61</u>	Single-Family Attached For-Sale					<u>9 to 12</u>
			<i>Rowhouses</i>			
16	Households With Incomes Between 80% and 120% AMI					2 to 3
	2br/1.5ba	60%	\$225,000 to \$245,000	950 to 1,100	\$223 to \$237	
	3br/1.5ba	40%	\$260,000 to \$275,000	1,250 to 1,350	\$204 to \$208	
	Weighted Averages:		\$248,000	1,135	\$219	
			<i>Rowhouses</i>			
45	Households With Incomes Above 120% AMI					7 to 9
	2br/2.5ba	35%	\$375,000 to \$400,000	1,200 to 1,300	\$308 to \$313	
	2br/2.5ba/den	40%	\$440,000 to \$475,000	1,500 to 1,700	\$279 to \$293	
	3br/2.5ba	25%	\$500,000 to \$525,000	1,750 to 1,850	\$284 to \$286	
	Weighted Averages:		\$446,500	1,527	\$292	

NOTE: For fiscal year 2023, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200. Base rents/prices in year 2023 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Table 11

Annual Market Potential By Lifestage And Income Range

Derived From Purchase And Rental Propensities Of Draw Area Households With The Potential To Move Within/To The Urban Center Study Area Each Year Over The Next Five Years
Based On Housing Preferences And Income Levels

The Urban Center Study Area

City of Kalamazoo, Kalamazoo County, Michigan

	Total	<i>Below 30% AMI</i>	<i>30% to 60% AMI</i>	<i>60% to 80% AMI</i>	<i>80% to 120% AMI</i>	<i>Above 120% AMI</i>
Number of Households:	4,175	1,122	936	493	687	937
Empty Nesters & Retirees	12.2%	9.1%	10.2%	9.3%	11.8%	19.7%
Traditional & Non-Traditional Families	24.6%	22.8%	24.5%	25.2%	25.8%	25.5%
Younger Singles & Couples	63.2%	68.1%	65.3%	65.5%	62.4%	54.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Target Groups For New Multi-Family For Rent
The Urban Center Study Area
City of Kalamazoo, Kalamazoo County, Michigan

. *Number of Households*

Empty Nesters & Retirees**	<i>60% to 80% AMI†</i>	<i>80% to 120% AMI†</i>	<i>Above 120% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
The One Percenters	0	0	1	1	0.1%
Old Money	0	0	1	1	0.1%
Affluent Empty Nesters	0	0	1	1	0.1%
The Social Register	0	0	1	1	0.1%
Urban Establishment	1	2	6	9	0.7%
Small-Town Patriarchs	0	0	2	2	0.2%
Suburban Establishment	0	1	3	4	0.3%
New Empty Nesters	0	0	2	2	0.2%
Pillars of the Community	0	1	2	3	0.2%
Second City Establishment	0	1	2	3	0.2%
Multi-Ethnic Empty Nesters	0	1	2	3	0.2%
Mainstream Empty Nesters	2	3	6	11	0.9%
Middle-American Retirees	2	3	4	9	0.7%
Cosmopolitan Couples	2	3	8	13	1.1%
Blue-Collar Retirees	2	3	3	8	0.7%
Middle-Class Move-Downs	1	1	0	2	0.2%
Village Elders	1	1	0	2	0.2%
Small-Town Seniors	2	3	2	7	0.6%
Hometown Seniors	1	1	2	4	0.3%
Second City Seniors	7	8	7	22	1.8%
Subtotal:	21	32	55	108	8.8%

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Target Groups For New Multi-Family For Rent
The Urban Center Study Area
City of Kalamazoo, Kalamazoo County, Michigan

. *Number of Households*

Traditional & Non-Traditional Families††	<u>60% to 80% AMI†</u>	<u>80% to 120% AMI†</u>	<u>Above 120% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
Corporate Establishment	0	0	1	1	0.1%
e-Type Families	0	0	3	3	0.2%
Ex-Urban Elite	0	0	3	3	0.2%
Nouveau Money	0	1	3	4	0.3%
Button-Down Families	1	1	2	4	0.3%
New Town Families	0	1	2	3	0.2%
Unibox Transferees	1	3	5	9	0.7%
Fiber-Optic Families	0	1	2	3	0.2%
Late-Nest Suburbanites	2	3	7	12	1.0%
Full-Nest Suburbanites	1	2	2	5	0.4%
Small-Town Families	5	7	9	21	1.7%
Multi-Ethnic Families	2	3	3	8	0.7%
Traditional Families	0	1	0	1	0.1%
Kids 'r' Us	4	5	5	14	1.1%
Uptown Families	7	10	10	27	2.2%
Multi-Cultural Families	0	0	2	2	0.2%
Single-Parent Families	3	4	3	10	0.8%
Inner-City Families	2	2	2	6	0.5%
Hometown Families	5	5	4	14	1.1%
In-Town Families	9	9	5	23	1.9%
New American Strivers	17	16	9	42	3.4%
Subtotal:	59	74	82	215	17.5%

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

†† Predominantly three- to five-person households.

SOURCE: Claritas, Inc.;
 Zimmerman/Volk Associates, Inc.

Target Groups For New Multi-Family For Rent
The Urban Center Study Area
City of Kalamazoo, Kalamazoo County, Michigan

. *Number of Households*

Younger Singles & Couples**	<i>60% to 80% AMI†</i>	<i>80% to 120% AMI†</i>	<i>Above 120% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
New Power Couples	0	0	3	3	0.2%
New Bohemians	3	6	25	34	2.8%
Cosmopolitan Elite	0	0	2	2	0.2%
Fast-Track Professionals	10	20	40	70	5.7%
The VIPs	5	9	20	34	2.8%
Hometown Sweethearts	1	1	1	3	0.2%
Suburban Achievers	5	6	7	18	1.5%
Suburban Strivers	38	49	55	142	11.6%
Downtown Couples	2	3	5	10	0.8%
Small-City Singles	8	10	8	26	2.1%
Downtown Proud	4	5	8	17	1.4%
Second-City Strivers	37	45	37	119	9.7%
Twentysomethings	108	144	146	398	32.4%
Multi-Ethnic Singles	11	11	8	30	2.4%
Subtotal:	232	309	365	906	73.7%
Total Households:	312	415	502	1,229	100.0%
Percent of Total:	25.4%	33.8%	40.8%	100.0%	

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
 Zimmerman/Volk Associates, Inc.

Target Groups For New Multi-Family For Sale
The Urban Center Study Area

City of Kalamazoo, Kalamazoo County, Michigan

. *Number of Households*

Empty Nesters & Retirees**	<i>80% to 120% AMI†</i>	<i>Above 120% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
The Social Register	0	1	1	0.7%
Urban Establishment	0	2	2	1.5%
Suburban Establishment	0	2	2	1.5%
New Empty Nesters	0	1	1	0.7%
Pillars of the Community	0	1	1	0.7%
Second-City Establishment	0	2	2	1.5%
Multi-Ethnic Empty Nesters	0	1	1	0.7%
Mainstream Empty Nesters	1	1	2	1.5%
Middle-American Retirees	1	1	2	1.5%
Cosmopolitan Couples	0	2	2	1.5%
Middle-Class Move-Downs	0	2	2	1.5%
Small-Town Seniors	1	0	1	0.7%
Blue-Collar Retirees	1	0	1	0.7%
Hometown Seniors	0	1	1	0.7%
Second City Seniors	1	1	2	1.5%
Subtotal:	5	18	23	17.0%

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

Target Groups For New Multi-Family For Sale
The Urban Center Study Area

City of Kalamazoo, Kalamazoo County, Michigan

. *Number of Households*

Traditional & Non-Traditional Families††	<u>80% to 120% AMI†</u>	<u>Above 120% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
e-Type Families	0	1	1	0.7%
Ex-Urban Elite	0	1	1	0.7%
Nouveau Money	0	1	1	0.7%
Unibox Transferees	1	2	3	2.2%
Late-Nest Suburbanites	1	2	3	2.2%
Full-Nest Suburbanites	0	2	2	1.5%
Small-Town Families	2	2	4	3.0%
Multi-Ethnic Families	0	2	2	1.5%
Traditional Families	0	1	1	0.7%
Kids 'r' Us	1	0	1	0.7%
Uptown Families	2	2	4	3.0%
Single-Parent Families	0	1	1	0.7%
Inner-City Families	0	1	1	0.7%
Hometown Families	1	0	1	0.7%
In-Town Families	1	1	2	1.5%
New American Strivers	2	0	2	1.5%
Subtotal:	11	19	30	22.2%

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

†† Predominantly three- to five-person households.

Target Groups For New Multi-Family For Sale
The Urban Center Study Area

City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Younger Singles & Couples**	<u>80% to 120% AMI†</u>	<u>Above 120% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
New Power Couples	0	1	1	0.7%
New Bohemians	1	4	5	3.7%
Cosmopolitan Elite	0	1	1	0.7%
Fast-Track Professionals	2	5	7	5.2%
The VIPs	2	5	7	5.2%
Hometown Sweethearts	0	1	1	0.7%
Suburban Achievers	1	1	2	1.5%
Suburban Strivers	8	8	16	11.9%
Downtown Couples	1	0	1	0.7%
Small-City Singles	1	1	2	1.5%
Downtown Proud	1	1	2	1.5%
Second-City Strivers	4	3	7	5.2%
Twentysomethings	14	15	29	21.5%
Multi-Ethnic Singles	<u>1</u>	<u>0</u>	<u>1</u>	<u>0.7%</u>
Subtotal:	36	46	82	60.7%
Total Households:	52	83	135	100.0%
Percent of Total:	38.5%	61.5%	100.0%	

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

**Target Groups For New Single-Family Attached For Sale
The Urban Center Study Area**

City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Empty Nesters & Retirees**	<i>80% to 120% AMI†</i>	<i>Above 120% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
The One Percenters	0	1	1	0.6%
Affluent Empty Nesters	0	1	1	0.6%
The Social Register	0	1	1	0.6%
Urban Establishment	0	1	1	0.6%
Small-Town Patriarchs	0	1	1	0.6%
Suburban Establishment	0	3	3	1.9%
New Empty Nesters	0	1	1	0.6%
Pillars of the Community	0	1	1	0.6%
Second-City Establishment	1	2	3	1.9%
Multi-Ethnic Empty Nesters	0	2	2	1.3%
Mainstream Empty Nesters	1	3	4	2.5%
Middle-American Retirees	1	1	2	1.3%
Cosmopolitan Couples	0	1	1	0.6%
Middle-Class Move-Downs	0	2	2	1.3%
Small-Town Seniors	1	0	1	0.6%
Blue-Collar Retirees	1	1	2	1.3%
Second City Seniors	1	0	1	0.6%
Subtotal:	6	22	28	17.8%

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

Target Groups For New Single-Family Attached For Sale
The Urban Center Study Area

City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Traditional & Non-Traditional Families††	<u>80% to 120% AMI†</u>	<u>Above 120% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
Corporate Establishment	0	1	1	0.6%
e-Type Families	0	2	2	1.3%
Ex-Urban Elite	0	1	1	0.6%
Nouveau Money	1	2	3	1.9%
Button-Down Families	0	2	2	1.3%
New Town Families	0	1	1	0.6%
Unibox Transferees	1	1	2	1.3%
Fiber-Optic Families	0	2	2	1.3%
Late-Nest Suburbanites	1	3	4	2.5%
Full-Nest Suburbanites	1	0	1	0.6%
Small-Town Families	2	3	5	3.2%
Multi-Ethnic Families	1	0	1	0.6%
Traditional Families	0	1	1	0.6%
Kids 'r' Us	2	2	4	2.5%
Uptown Families	3	3	6	3.8%
Multi-Cultural Families	0	1	1	0.6%
Single-Parent Families	1	0	1	0.6%
Inner-City Families	1	0	1	0.6%
Hometown Families	1	1	2	1.3%
In-Town Families	2	2	4	2.5%
New American Strivers	2	2	4	2.5%
 Subtotal:	 19	 30	 49	 31.2%

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

†† Predominantly three- to five-person households.

Target Groups For New Single-Family Attached For Sale
The Urban Center Study Area

City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Younger Singles & Couples**	<u>80% to 120% AMI†</u>	<u>Above 120% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
New Power Couples	0	1	1	0.6%
New Bohemians	0	2	2	1.3%
Cosmopolitan Elite	0	1	1	0.6%
Fast-Track Professionals	1	1	2	1.3%
The VIPs	2	3	5	3.2%
Hometown Sweethearts	0	1	1	0.6%
Suburban Achievers	2	3	5	3.2%
Suburban Strivers	11	12	23	14.6%
Downtown Couples	1	2	3	1.9%
Small-City Singles	2	2	4	2.5%
Downtown Proud	0	1	1	0.6%
Second-City Strivers	4	3	7	4.5%
Twentysomethings	11	11	22	14.0%
Multi-Ethnic Singles	<u>1</u>	<u>2</u>	<u>3</u>	<u>1.9%</u>
Subtotal:	35	45	80	51.0%
Total Households:	60	97	157	100.0%
Percent of Total:	38.2%	61.8%	100.0%	

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

Target Groups For New Single-Family Detached For Sale
The Urban Center Study Area

City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Empty Nesters & Retirees**	<u>80% to 120% AMI†</u>	<u>Above 120% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
The One Percenters	1	5	6	1.4%
Old Money	0	4	4	1.0%
Affluent Empty Nesters	1	5	6	1.4%
The Social Register	0	2	2	0.5%
Urban Establishment	0	1	1	0.2%
Small-Town Patriarchs	1	4	5	1.2%
Suburban Establishment	4	14	18	4.3%
New Empty Nesters	2	6	8	1.9%
Pillars of the Community	3	8	11	2.7%
Second-City Establishment	5	11	16	3.9%
Multi-Ethnic Empty Nesters	1	2	3	0.7%
Mainstream Empty Nesters	4	7	11	2.7%
Middle-American Retirees	5	8	13	3.1%
Cosmopolitan Couples	0	1	1	0.2%
Middle-Class Move-Downs	1	1	2	0.5%
Small-Town Seniors	3	3	6	1.4%
Village Elders	1	1	2	0.5%
Blue-Collar Retirees	4	5	9	2.2%
Hometown Seniors	1	1	2	0.5%
Second City Seniors	1	1	2	0.5%
Subtotal:	38	90	128	30.8%

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

**Target Groups For New Single-Family Detached For Sale
The Urban Center Study Area**

City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Traditional & Non-Traditional Families††	<u>80% to 120% AMI†</u>	<u>Above 120% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
Corporate Establishment	1	5	6	1.4%
e-Type Families	1	3	4	1.0%
Ex-Urban Elite	2	10	12	2.9%
Nouveau Money	2	7	9	2.2%
Button-Down Families	6	11	17	4.1%
New Town Families	4	6	10	2.4%
Unibox Transferees	4	8	12	2.9%
Fiber-Optic Families	5	8	13	3.1%
Late-Nest Suburbanites	3	5	8	1.9%
Full-Nest Suburbanites	2	4	6	1.4%
Small-Town Families	5	8	13	3.1%
Multi-Ethnic Families	3	3	6	1.4%
Traditional Families	2	3	5	1.2%
Kids 'r' Us	9	10	19	4.6%
Uptown Families	9	8	17	4.1%
Multi-Cultural Families	0	2	2	0.5%
Single-Parent Families	1	0	1	0.2%
Inner-City Families	1	0	1	0.2%
Hometown Families	2	1	3	0.7%
In-Town Families	9	6	15	3.6%
New American Strivers	2	0	2	0.5%
Subtotal:	73	108	181	43.6%

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

†† Predominantly three- to five-person households.

Target Groups For New Single-Family Detached For Sale
The Urban Center Study Area

City of Kalamazoo, Kalamazoo County, Michigan

. Number of Households

Younger Singles & Couples**	<i>80% to 120% AMI†</i>	<i>Above 120% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
New Bohemians	0	1	1	0.2%
Cosmopolitan Elite	0	1	1	0.2%
Fast-Track Professionals	0	2	2	0.5%
The VIPs	2	4	6	1.4%
Hometown Sweethearts	2	1	3	0.7%
Suburban Achievers	8	10	18	4.3%
Suburban Strivers	18	21	39	9.4%
Downtown Couples	1	1	2	0.5%
Small-City Singles	8	7	15	3.6%
Second-City Strivers	3	2	5	1.2%
Twentysomethings	6	5	11	2.7%
Multi-Ethnic Singles	1	2	3	0.7%
Subtotal:	49	57	106	25.5%
Total Households:	160	255	415	100.0%
Percent of Total:	38.6%	61.4%	100.0%	

† For fiscal year 2023, the Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
 Zimmerman/Volk Associates, Inc.

Optimum Market Position: New Housing Units
The Urban Center Study Area
City of Kalamazoo, Kalamazoo County, Michigan
December, 2023

<u>Targeted Households</u>	<u>Housing Type Unit Configuration</u>	<u>Percent Mix</u>	<u>Base Rent/Price Range*</u>	<u>Base Unit Size Range</u>	<u>Base Rent/Price Per Sq. Ft.*</u>	<u>Annual Market Capture</u>
<u>1,229</u>	Multi-Family For Rent					<u>185 to 245</u>
	<i>Mansion Apartment Buildings 4-6 du per building</i>					
312	Households With Incomes Between 60% and 80% AMI					47 to 62
	Studio/1ba	30%	\$900 to \$925	500 to 550	\$1.68 to \$1.80	
	1br/1ba	35%	\$1,000 to \$1,050	650 to 750	\$1.40 to \$1.54	
	2br/1ba	35%	\$1,150 to \$1,200	850 to 950	\$1.26 to \$1.35	
	Weighted Averages:		\$1,043	717	\$1.46	
	<i>Mansion Apartment Buildings 4-6 du per building</i>					
917	Households With Incomes Above 80% AMI					138 to 183
	Studio/1ba	30%	\$1,250 to \$1,350	500 to 600	\$2.25 to \$2.50	
	1br/1ba	30%	\$1,500 to \$1,600	700 to 800	\$2.00 to \$2.14	
	2br/2ba	25%	\$1,700 to \$1,750	1,100 to 1,200	\$1.46 to \$1.55	
	3br/2ba	15%	\$1,950 to \$2,000	1,350 to 1,400	\$1.43 to \$1.44	
	Weighted Averages:		\$1,582	883	\$1.79	

NOTE: For fiscal year 2023, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200. Base rents/prices in year 2023 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Optimum Market Position: New Housing Units
The Urban Center Study Area
City of Kalamazoo, Kalamazoo County, Michigan
December, 2023

<u>Targeted Households</u>	<u>Housing Type Unit Configuration</u>	<u>Percent Mix</u>	<u>Base Rent/Price Range*</u>	<u>Base Unit Size Range</u>	<u>Base Rent/Price Per Sq. Ft.*</u>	<u>Annual Market Capture</u>
135	Multi-Family For-Sale					20 to 27
	<i>Mansion Apartment Buildings 4-6 du per building</i>					
52	Households With Incomes Between 80% and 120% AMI					8 to 10
	1br/1ba	35%	\$200,000 to \$225,000	800 to 850	\$250 to \$265	
	2br/1ba	40%	\$230,000 to \$240,000	900 to 1,000	\$240 to \$256	
	3br/1ba	25%	\$250,000 to \$260,000	1,300 to 1,400	\$186 to \$192	
	Weighted Averages:		\$231,950	1,006	\$231	
	<i>Mansion Apartment Buildings 4-6 du per building</i>					
83	Households With Incomes Above 120% AMI					12 to 17
	1br/1ba	35%	\$285,000 to \$315,000	850 to 950	\$332 to \$335	
	2br/2ba	40%	\$355,000 to \$385,000	1,150 to 1,300	\$296 to \$309	
	3br/2ba	25%	\$440,000 to \$485,000	1,450 to 1,650	\$294 to \$303	
	Weighted Averages:		\$368,250	1,191	\$309	

NOTE: For fiscal year 2023, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200. Base rents/prices in year 2023 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Optimum Market Position: New Housing Units
The Urban Center Study Area
City of Kalamazoo, Kalamazoo County, Michigan
December, 2023

<u>Targeted Households</u>	<u>Housing Type Unit Configuration</u>	<u>Percent Mix</u>	<u>Base Rent/Price Range*</u>	<u>Base Unit Size Range</u>	<u>Base Rent/Price Per Sq. Ft.*</u>	<u>Annual Market Capture</u>
157	Single-Family Attached For-Sale					24 to 31
			<i>Townhouses</i>			
60	Households With Incomes Between 80% and 120% AMI					9 to 12
	2br/1.5ba	50%	\$215,000 to \$235,000	1,000 to 1,150	\$204 to \$215	
	3br/1.5ba	50%	\$255,000 to \$265,000	1,350 to 1,450	\$183 to \$189	
	Weighted Averages:		\$247,500	1,238	\$200	
			<i>Townhouses/Duplexes</i>			
97	Households With Incomes Above 120% AMI					15 to 19
	2br/2.5ba	40%	\$365,000 to \$390,000	1,300 to 1,400	\$279 to \$281	
	3br/2.5ba	30%	\$430,000 to \$465,000	1,550 to 1,750	\$266 to \$277	
	3br/2.5ba/den	30%	\$495,000 to \$515,000	1,850 to 1,950	\$264 to \$268	
	Weighted Averages:		\$436,750	1,605	\$272	

NOTE: For fiscal year 2023, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200. Base rents/prices in year 2023 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Optimum Market Position: New Housing Units
The Urban Center Study Area
City of Kalamazoo, Kalamazoo County, Michigan
December, 2023

<u>Targeted Households</u>	<u>Housing Type Unit Configuration</u>	<u>Percent Mix</u>	<u>Base Rent/Price Range*</u>	<u>Base Unit Size Range</u>	<u>Base Rent/Price Per Sq. Ft.*</u>	<u>Annual Market Capture</u>
<u>415</u>	Single-Family Detached For-Sale					<u>42 to 52</u>
	<i>Cottages/Bungalows (New and Renovated)</i>					
160	Households With Incomes Between 80% and 120% AMI					16 to 20
	2br / 1.5ba	40%	\$230,000 to \$260,000	1,100 to 1,400	\$186 to \$209	
	3br / 2ba	60%	\$275,000 to \$285,000	1,450 to 1,550	\$184 to \$190	
	Weighted Averages:		\$266,000	1,400	\$190	
	<i>Cottages/Bungalows/Houses (New and Renovated)</i>					
255	Households With Incomes Above 120% AMI					26 to 32
	3br / 2ba	35%	\$370,000 to \$400,000	1,350 to 1,500	\$267 to \$274	
	3br / 2.5ba	40%	\$410,000 to \$425,000	1,500 to 1,700	\$250 to \$273	
	4br / 2.5ba	25%	\$475,000 to \$525,000	1,800 to 2,150	\$244 to \$264	
	Weighted Averages:		\$426,350	1,630	\$262	

NOTE: For fiscal year 2023, Kalamazoo-Portage, MI MSA Median Family Income for a family of four is \$92,200. Base rents/prices in year 2023 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.



ZIMMERMAN/VOLK ASSOCIATES, INC.

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Residential Market Analysis Across the Urban-to-Rural Transect

ASSUMPTIONS AND LIMITATIONS—

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at the national, state, and county levels. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. However, this information cannot be warranted by Zimmerman/Volk Associates, Inc. While the proprietary Residential Target Market Methodology™ employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of the subject property. Absorption paces are likely to be slower during recessionary periods and faster during periods of recovery and high growth. Absorption scenarios are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this report and that the developer will apply high-caliber design, construction, marketing, and management techniques to the development of the property.

Recommendations are subject to compliance with all applicable regulations. Relevant accounting, tax, and legal matters should be substantiated by appropriate counsel.





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Residential Market Analysis Across the Urban-to-Rural Transect

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