The Lake Center Subarea
The City of Portage, Michigan
Residential Market Analysis

PORTAGE

A Great Place to Live

Draft Report
August 10, 2020

Market Analysis Prepared by:

LandUseUSA UrbanStrategies

Planning Support Provided by:

Farr Associates

Acknowledgements
Residential Market Study
Portage Lake Center Subarea

Introduction – This 2020 Residential Market Study has been commissioned by the City of Portage, located in Kalamazoo County, Michigan and part of the Southwest Michigan region. This document is the first of three that collectively focus on housing, retail, and commercial uses for the City of Portage's Lake Center Subarea and District.

A fourth document is also available and focuses on housing for the entire City of Portage and each of its five subareas (Northwest, Westnedge, Northeast, Southwest, and Lake Center). The attached exhibits are all replicated in that city-wide report. The city-wide report has a narrative that focuses on the entire city; whereas this report focuses on the Lake Center Subarea.

Acknowledgements – Stakeholders are invited to contact LandUseUSA | Urban Strategies directly with any questions regarding the work approach, methodology, findings, and conclusions on this housing study. Similarly, the city's economic development and planning staff can be contacted directly with any questions regarding its plans or community vision; the stakeholder engagement process; planning for pilot projects; and next-steps for prospective developers and potential investors. In addition, Farr Associates may be contacted directly about any planning related questions for the Lake Center District. The team's contact information is provided below:

The City of Portage
Christopher Forth, Interim Director
Community Development
(269) 329-4474 direct
forthc@portagemi.gov

LandUseUSA | Urban Strategies
Sharon Woods, CRE, CNUa
Principal, Market Analyst
(517) 290-5531 direct
sharonwoods@landuseusa.com

Farr Associates
Douglas Farr, FAIA, FCNU
Principal | Architect & Urbanist
(312) 408-1661 x 201
doug@farrside.com

Reporting Format | Infographics
Residential Market Study
Portage Lake Center Subarea

Reporting Format – This narrative report for the City of Portage's residential market study is designed to be as succinct as possible, and it focuses on key observations and conclusions rather than methodologies, data sources, or analytic approach. It also focuses mainly on the Lake Center Subarea, which is essentially equivalent to the southeast quadrant of the City. It also discusses recommendations for the Lake Center District, which extends along Portage Road from the north side of Centre Avenue, to the south side of Osterhout Avenue.

Any number of the enclosed Infographics may be extracted, shuffled, and printed to facilitate meetings and discussions. Developers are welcome to include a copy of the entire report and narrative in loan and/or grant applications. Individual graphs can also be converted into .jpg images, cropped, and inserted into slide presentations. However, we respectfully ask that all extracted Infographics, analytic results, and conclusions be fully credited to LandUseUSA | Urban Strategies and on behalf of the City of Portage.

For readers unfamiliar with the enclosed materials and Infographics, it is recommended that the Table of Contents be reviewed first. Then, the information on each page should be read in this order: main title, graph or chart title, x-axis title and labels, y-axis title and labels, the data shown in the chart, the footnote with the data source, and then any summary paragraphs on the page.

Data Correlations – Readers are encouraged to study all of the attached Infographics and strive to draw some conclusions on their own. They are also encouraged to identify direct and indirect relationships between the variables, because many of them are indeed correlated. For example, renters tend to be young singles with low-to-moderate incomes, and they are on the move. They also tend to seek attached housing formats (like lofts and townhouses) in urban places. In comparison, owners tend to be married couples; they have higher household incomes (with two wage earners); and they tend to be relatively settled into traditional houses.

Years, Numbers, and Percentages – The years of the data shown in the exhibits vary; usually with actual reported data for year-end 2019; estimates for 2020; and some forecasts for 2025. All estimates are based on market trends and data prior to the 2020 pandemic and economic crisis; and have not been adjusted for those unexpected events. Depending on the variable, the information might also be reported as actual numbers or as percentages. Footnotes at the bottom of each page also provide the data sources.

The Work Approach
Residential Market Study
Portage Lake Center Subarea

Field Work and Stakeholder Interviews – LandUseUSA made several trips to the City of Portage, the Lake Center District, and surrounding markets in 2014 and 2020; and has toured the local market numerous times over the past two decades. During these trips we gathered photo inventories of existing housing choices; observed the choices among attached formats; noted the quality and mix of retailers; toured the neighborhoods, conducted a review of municipally owned lots with city staff; and considered the overall marketability of the Lake Center Subarea and District to prospective developers, residents, and businesses.

Stakeholder Engagement – Due to the Michigan State Governor's Executive Orders during the health and economic crisis attributed to COVID-19, all stakeholder engagement for the project has been postponed until the summer of 2020. We will participate in events that will be coordinated and facilitated by Farr Associates. These will include video reviews of draft reports and a virtual workshop followed by an in-person workshop, design studio, and additional video reviews over the summer. Stakeholder input and questions will be documented during these events and used to refine this draft market study.

Analytic Approach – This housing study for the City of Portage's Lake Center Subarea and District has involved quantitative data analysis and the application of empirical models to measure the annual market potential for new housing units. The work has also included a conventional supply-demand analysis, real estate analysis, Target Market Analysis (TMA), and study of the origins of in-migrating households.

Results from these various models have been triangulated to measure the magnitude of market potential for new and missing housing formats with prices and rents. The analyses have also been used to measure the market potential for attainably-priced choices among for-rent and for-sale units. Many other supporting analyses are also documented among the attached Sections (i.e., chapters) with numerous Infographics, maps, and other supporting exhibits.

Geographic Perspective – This comprehensive analysis was completed for the City of Portage and each of five subareas. However, this narrative report focuses only on the Lake Center Subarea, which also includes the Lake Center District (which generally spans from Centre Avenue south to Osterhout Avenue). Results for the city and four other subareas (Northwest, Westnedge, Northeast, and Southwest) are provided in a separate report.

To help the reader navigate through the attached exhibits, we have provided maps for the corresponding data. For example, wherever there is a map provided of Kalamazoo County, then the corresponding exhibits pertain to that county. Similarly, wherever there is a map of the City of Portage, the following data pertains to the entire city.

Six Geographic Levels – Listed Largest to Smallest

1. The State of Michigan = The Primary State
2. Kalamazoo County, Michigan = The Primary County
3. The City of Portage, Michigan = The Primary City
4. The Lake Center Subarea = The southeast quadrant of the City of Portage.
5. The Lake Center District = The Portage Rd Corridor from Centre to Osterhout Aves.
6. The Lake Center Hub = The "pinch point" between West and Austin Lakes.

Target Market Analysis – The TMA analysis involves a study of lifestyle clusters that are moving into the City of Portage's Lake Center Subarea; plus existing households that are moving within that same quadrant of the city. The lifestyle cluster data has been used to study movership rates, tenure, income, and inclination to seek new urban housing formats like townhouses, urban lofts, cottages, and accessory dwellings like studios attached to houses or above garages.

Conservative v. Aggressive Scenarios – The TMA approach measures the annual market potential under a conservative scenario that reflects in-migration of new households; and an aggressive scenario that reflects both in-migration and internal movership among existing households. This distinction is important and is restated several times in this narrative report.

In general, the market potential under the aggressive scenario is at least three times larger than the conservative scenario. Developers may pursue the conservative scenario with confidence; and should purse the aggressive scenario with caution and only after gaining some experience in the local market.

Michigan's Missing Middle – A four-page article is enclosed near the end of this report (see Section O, attached) for additional perspective on statewide trends over the past five years. The article explains the Target Market Analysis methodology, approach, results, and implications from a statewide perspective. Readers interested in learning more about missing middle housing formats are encouraged to visit the URL at www.MissingMiddleHousing.com

Incremental Development Alliance – Developers interested in small-scale projects and urban infill projects are also encouraged to attend workshops in Michigan conducted by the Incremental Development Alliance. These include some webinars and other virtual events that are currently being planned for mid-to-late 2020. Additional information is available online: www.IncrementalDevelopment.org https://www.mismallbuildings.org

The Housing Paradox – The migration of households into the City of Portage's Lake Center Subarea has resulted in a housing paradox – it is difficult to measure the in-migration of better income home buyers when they are not yet moving into the market. This housing paradox is adjusted for in the study and forecasts of annual market potential among both for-sale and for-rent units.

The adjustment has been made by measuring the market "bonus" that could be achieved by intercepting households that seem more inclined to choose other places in the City of Portage and Kalamazoo County. In general, the "bonus" is about +10% of the annual market potential under each (conservative and aggressive) scenario.

Housing Mismatch – Based on national and statewide trends, most households migrating into and within Michigan are renters seeking new choices among for-lease, attached housing formats. Across the State of Michigan, there is a mismatch between the supply of detached houses and the demand among migrating singles of all ages seeking townhouses, lofts, and walk-ups. Again, see the four-page article in <u>Section O</u> attached to this report.

With state-wide trends in mind, the housing mismatch is exacerbated in the Lake Center Subarea, and there are few choices among for-lease formats like townhouses, walkups, urban lofts, courtyard apartments, attached cottages around shared courtyards, and accessory dwellings. This mismatch is fully reflected in the forecasts of annual market potential for missing housing formats.

The Conclusion
Residential Market Study
Portage Lake Center Subarea

Market Potential – This housing study and market analysis were conducted with a cautious, conservative, and pragmatic view of the City of Portage, the Lake Center Subarea (the southeast quadrant), and the Lake Center District. We have carefully weighed the evidence and concluded that there is solid and good merit in developing a significant number of new housing units for both owners and renters within the southeast Lake Center Subarea and District.

In general, the market potential for new-build for-lease units is nearly equal to the market potential for new-build for-sale units. In contrast, the market potential for detached units is nearly six times larger than that of attached units. All of the new owners will be inclined to buy detached houses or modestly-sized alternatives like cottages, patio homes, and "condominiums". Two-thirds of the renters will also seek to lease these same formats; and only one-third will opt for attached units like a townhouses and lofts.

The following narrative focuses on for-sale owner-occupied units, with an annual market potential of at least 44 new-builds houses, plus 110 remodeled houses (for a total of 154 houses each year) for the Lake Center Subarea. Again, these new units represent the market potential for infill opportunities within Lake Center Subarea (the southeast quadrant of the city), which includes the Lake Center District.

This is followed by additional narrative describing the market potential among for-lease renter-occupied units, with 46 new-builds plus 80 rehabs (a total of 126 units annually) for the Lake Center Subarea. These could represent good opportunities for adding a variety of attached and missing housing formats within the Lake Center Subarea.

Minimum For-Sale Market Potential – Throughout the Lake Center Subarea there is a minimum market potential for at least 44 new-build for-sale houses annually. This is the number of new households moving into the subarea each year that are seeking choices to purchase.

The minimum market potential of 44 new houses reflects the current migration of new households moving into the Lake Center Subarea. It has not been adjusted for out-migration. It also has not been adjusted downward to assume that all for-sale houses in the subarea are also absorbed.

Maximum For-Sale Market Potential – In addition to 44 new households moving into the Lake Center Subarea each year, 110 existing households are also moving within that same area. In other words, a total of 154 households (44 + 110) households are moving into and within the subarea each year and seeking choices to buy. Among all of these households on the move, about 25% will be able to afford a minimum price of at least $200,000; and the remaining 75% will seek lower prices.

For-Sale "Bonus" or Upside – There is also a possible "bonus" to the market potential that could add at least 4 for-sale houses annually; plus 12 existing remodeled houses. This bonus assumes that land owners and developers are very effective in attracting buyers that are otherwise more inclined to move into other parts of the City of Portage and Kalamazoo County.

Recommended Formats – Each for-sale unit may be developed as a traditional house or cottage designed for one household. Some of them may be houses with attached or detached accessory dwellings (i.e., a studio or efficiency); or a larger building that has the appearance of a house with an attached "duplex" or sublet unit for lease. Additional accessory dwellings may be detached in the back yard or placed above the garages.

The property owner (i.e., the home buyer) should occupy the largest unit and may sublet the smaller duplex or accessory dwellings to generate rental income. The duplex or accessory dwelling may also be used to provide housing for extended family members, such as a grown child (and his/her family) or an aging parent. For example, the home owner could live in the lower half of the house, and a renter could sublet the upper half. The sublet unit(s) should have monthly rents that more than offset the higher mortgage.

Housing Typology – Section M attached to this report includes some diagrams that demonstrate the recommended housing typology, with image contributions from the Incremental Development. Exhibits show the allocation of recommended formats by tenure and to each of seven sites located in and near the Lake Center District. These exhibits may be refined based on stakeholder input during upcoming workshops.

Owner Target Markets – Based on the profiles of home buyers moving into and within the City of Portage, there are four primary lifestyle clusters most inclined to buy new-build houses in the city. They include "Aging of Aquarius", "No Place Like Home", "Fast Track Couples", and "Digital Dependents". These four target markets are also shown on the first page of Section E, along with 8 secondary target markets.

Owner target market profiles are also provided among the other pages in Section E. For example, the very last page in that section is a profile for the "Digital Dependents". The various charts on that last page demonstrate that 38% of these households are inclined to be renters; 68% of those renters move every year (which is exceptionally high); but only 10% will choose an attached unit over a detached house.

For-Sale Price Ranges – The five target markets are listed on the following page, and most of them will seek for-sale prices of $275,000 or less. (Note: All figures are for the year 2020.) The following table demonstrates the median prices that each of the target markets will accept and tolerate.

Lifestyle Clusters or Target Markets
For-Sale Units Only, Excluding Accessory Dwellings
Portage Lake Center Subarea | Year 2020

	Annual Market Potential		Minimum
	Minimum	Maximum	Price
C11 | Aging of Aquarius	3 units	12 units	$275,000
E20 | No Place Like Home	4 units	14 units	$250,000
F22 | Fast Track Couples	8 units	27 units	$225,000
O51 | Digital Dependents	6 units	20 units	$175,000
… | Secondary Targets	17 units	60 units	varies
… | Tertiary Targets	6 units	21 units	varies
Total Target Markets	44 units	154 units	varies

The relationships between price per square foot, total price, and unit size are also shown in attached Section C (see the last two pages of that section). Houses on the lakes will have significant price premiums. The potential rents for accessory dwellings (excluding short-term rentals) are also shown, and they have the potential to generate rental income for the home owners.

The peak price per square foot would be $275 for small cottages with about 700 square feet; and $145 for large mansion-style houses. These prices and square footages are based on current market conditions as documented in the Section I attached to this report).

Minimum For-Lease Market Potential – The annual market potential described in the previous narrative in this report focused on for-sale houses only, with or without attached accessory dwellings or sublet duplexes. The following narrative shifts the focus onto other formats and for-lease units only.

Based on new renters moving into the Lake Center Subarea and adjusted for vacancies (but not adjusted for out-migration), there is a minimum market potential for 46 new-build and/or rehabbed for-lease units annually. It is assumed that all of these new renters will prefer units that are new and modern.

Maximum For-Lease Market Potential – In addition to in-migration by new renters, there is an even larger number of existing households who are moving from one address to another within the city. This internal movership generates a market potential that is almost twice as large as in-migration. The combination of in-migration and internal migration generates a maximum market potential for 126 new and/or rehabbed for-lease units annually.

For-Lease "Bonus" or Upside – There is also a possible "bonus" to the market potential that could add up to 14 for-lease units annually. This bonus assumes that land owners and developers are very effective in attracting renters that are otherwise more inclined to move into other parts of Kalamazoo County.

Caution on the Maximum – Adding internal movers in the market potential is an aggressive approach, and adding a bonus can amplify the risk. Success would depend on the development of new and missing housing formats that are truly unique to the Lake Center Subarea and District; plus aggressive advertisement throughout the City of Portage and the Greater Kalamazoo metropolitan area. It is also a bold and riskier approach, so developers are advised to test its limits with caution.

Renter Target Markets – Compared to buyers of new houses, renters are a more diverse group of households for the city overall – but not for the Lake Center Subarea. There are only four primary target markets looking for places to lease in the Lake Center Subarea (with 3 or more households each). In addition, there are three secondary target markets (with 2 households each) and twelve tertiary target markets (with only 1 household each).

The most significant target market is the "Digital Dependents" and they represent 16 of the new households moving into the Lake Center Subarea each year. They are followed by the "Wired for Success" (5 households), "Fast Track Couples" (4 households); and the "Family Troopers" (3 households). All four of the primary target markets are shown below, and their profiles are also enclosed in attached Section F.

Lifestyle Clusters or Target Markets
For-Lease Units Only, Including Accessory Dwellings
Portage Lake Center Subarea | Year 2020

	Annual Market Potential Minimum	Annual Market Potential Maximum	Minimum Monthly Rent
F22 | Fast Track Couples	4 units	11 units	$1,125
K37 | Wired for Success	5 units	13 units	$950
O51 | Digital Dependents	16 units	43 units	$700
O55 | Family Troopers	3 units	8 units	$600
… | Secondary Targets	6 units	18 units	varies
… | Tertiary Targets	12 units	33 units	varies
Total Target Markets	46 units	126 units	varies

Recommended Rents – All of the new for-lease housing units can have contract (cash or net) rents of at least $700 per month; a range of $700 to $850 for most units; and a maximum of $1,200 for a few of the units. Singles seeking lower rents may need to settle for an existing unit that is vacant and available (and hopefully remodeled or rehabbed within the past few years); or by sharing a new unit and rent with a roommate.

The rents will vary by building format and location as well as unit size. For example, lakefront townhouses will have higher rents than lofts overlooking Westnedge Avenue. Similarly, lofts and accessory dwellings located near the lakes will have higher rents than conventional apartments located within nearby neighborhoods. The last few pages of attached Section D include tables with the optimal unit sizes by rent and rent per square foot.

Caution on Prices – The for-rent and for-sale prices per square foot and total prices documented in this study are intended only as market-wide averages and as benchmarks. They should not be used as the sole basis for planning, locating, building, or developing site-specific projects. Site specific projects should include detailed cost-benefit, profit, and pro forma analyses that carefully consider all of its unique attributes, including location, views, and proximity to city amenities; land configuration and terrain; project design and architecture; and related considerations.

The market potential for new for-lease units is significantly larger than the market potential for new for-sale houses. The magnitude of risk generally increases with larger numbers. For example, building a few houses or duplexes would carry little if any risk – but building a large number of lofts all at once can be a riskier undertaking.

Some caution is recommended for the developers and investors, and they are advised to work closely with their builders to stage and sequence new developments carefully. Builders can be experts at gauging the success of formats, prices, and unit sizes; and most are talented at making refinements while stepping up incrementally into each build-out schedule.

It would be wise for each developer to test the market with fewer units in the first years, and then ramp up to more units in subsequent years. For example, the conservative or minimum market potential is for adding 46 new for-lease units annually through the year 2025. However, it would be pragmatic to begin with 10 new-build units in the first year (construction in 2020 and opening in 2021); constructing another 20 units in the second year; and incrementally adding up to 46 units by the fifth year.

Recommended Ramp-Up to the Year 2025
For-Lease Units Only | New-Builds and Rehabs
Portage Lake Center Subarea, Michigan

	Annual Market Potential	
	Minimum	Maximum
2020 – Assumed First Partial Year of Investment	0 units	0 units
2021 – First Year of Completed Projects	10 units	30 units
2022 – Second Year of Completed Projects	20 units	60 units
2023 – Third Year of Completed Projects	30 units	90 units
2024 – Fourth Year of Completed Projects	40 units	120 units
2025 – Fifth Year of Completed Projects	46 units	126 units
Ramp up to Annual Market Potential	46 units	126 units

Building Sizes and Formats
Residential Market Study
Portage Lake Center Subarea

Recommended Building Sizes – Although they may be correlated, building sizes are not the same as building formats. For example, duplexes (2 units) can include side-by-side townhouses, stacked lofts, a subdivided house, or an accessory to a main house. The full spectrum of building sizes includes the following: 1 unit; 2 units or duplex, 3 units or triplex, 4 units or fourplex, six units or sixplex, and twelve units or twelveplex.

Across the nation, building formats typically include traditional houses (for sale only); detached and attached cottages and accessory dwellings; townhouses and row houses; courtyard apartments; and urban lofts, including those above street-front retail.

Among larger buildings, six is the maximum number of private entrances or units that should be built along any single building façade. A row of two-level townhouses with private entrances, porches, stoops, or patios should have no more than six units in a row. If they are built back-to-back, then the building could have a maximum of twelve units.

A walk-up building (usually with a foyer inside of a main entrance) could have four units on each of three levels, for a total of twelve units. In walk-ups, every unit should have a corner of the building with windows on two sides – not just one. This is very different from lofts above street-front retail, which usually have large bay windows overlooking a main street (like Portage Avenue), a few smaller windows overlooking the rear alley, and neighbors on both sides that prevent any side windows.

Note: The maximum recommended building size of twelve units is intentional for aesthetics, providing sunshine into courtyards, and ensuring that the massing and scale of new buildings do not over-shadow nearby houses.

Recommended Formats – Based on the known preferences of renters moving into and within the City of Portage, it is recommended that a variety of housing formats be developed with no more than twelve units in any given building. The building types (listed in the table on the following page) are suggestions only, and they may include a variety of building sizes. For example, townhouses could be triplexes, cottages could be duplexes, and lofts over retail could be four-plexes.

The maximum market potential (subtotal) assumes that many of the existing households migrating within the city will trade-up as soon as new choices become available. Units vacated by those moving renters should be temporarily removed from the market and then rehabbed, refurbished, or remodeled. These additional rehabs would not count toward the annual market potential documented in the following table.

Annual Market Potential
New-Build and Rehab Units, All Formats
Portage Lake Center Subarea

All New and Rehab Building Formats	Minimum In-Migration	Plus Internal Movers	Maximum Subtotal	Plus "Bonus" Intercept	Grand Total
Owners Detached – Duplex Houses, Detached Traditional Houses	44	110	154	16	170
Renters Detached – Duplex Houses, Cottages, Accessory Dwellings	32	54	86	10	96
Renters Attached – Townhouses, Urban Lofts, Courtyard Apartments	14	26	40	4	44
Renters - Subtotal	46	80	126	14	310
Grand Total	90	190	280	30	310

. . .

Guide to Additional Attachments
Residential Market Study
Portage Lake Center Subarea

Introduction – The balance of this narrative is intended as a guide to the remaining data analyses provided in attached Section G through Section L. It does not include a detailed explanation of the data sources, methodologies, or analytic results. Rather, it focuses on key observations, relationships between the variables, conclusions, and possible implications for the market potential, rents, values, and building formats. Again, readers are encouraged to browse the attached Infographics, study the data, and strive to deduce the implications for the new housing in the City of Portage's Lake Center Subarea and District.

Section G – 71 Lifestyle Clusters

LandUseUSA subscribes to lifestyle cluster data that is provided by Experian Decision Analytics – the same company that provides credit reports to consumers and lenders. Each of 71 lifestyle clusters has a unique profile based on socio-economic, demographic, and locational data. In general, the clusters with the lowest numbers (like A01 – American Royalty) have the highest incomes and are most inclined be settled into houses.

Lifestyle clusters with the highest numbers (like S71 – Tough Times) have the lowest incomes and are most likely to be on the move and seeking affordable housing choices. They are often forced to settle for conventional apartments in multiplexes, often located at city edges. In comparison, lifestyle clusters in the K, L, M, O groups have moderate incomes, relatively high movership rates, and are able to afford new-builds among townhouses and urban lofts.

Across all of Kalamazoo County, and among all owners and renters combined, the most prevalent existing lifestyle cluster is the "Colleges and Cafes" group, with 9,698 households. This group includes singles living outside of university dormitories; university faculty and staff; and recent alumni and other households with strong affiliations with the universities and their sports teams.

Within the City of Portage, the most prevalent existing lifestyle cluster is the "Aging in Place" group with 1,783 households, followed by "Aging of Aquarius" with 1,639 households. The third largest group is "No Place Like Home" (1,313 households), followed by "Picture Perfect Families" (1,083 households) and the "Digitally Dependent" (1,064 households). The majority of these households are settled into detached houses and not very inclined to move. Therefore, they do not necessarily represent target markets for the development of *new* housing units.

Section H – Migration

Based only on survey data provided by the American Community Survey (through the U.S. Census) for the years 2013 through 2017, the City of Portage appears to have experienced an average net out-migration and loss of -1,000 residents annually. However, other data also provided by the American Community Survey reveals that the city actually gained population during that same period – albeit at a slow rate of about +250 residents annually.

Population growth aside, the more important observation is the geographic origins and sources of migration for the City of Portage. The neighboring City of Kalamazoo is the largest destination and origin of Portage's population migration, which can be attributed to its proximity and large size. The other leading destinations of out-migration are Oshtemo Township and Texas Township; and additional contributors of in-migration include Kalamazoo Township and Schoolcraft Township.

These geographic relationships can help developers and management companies focus their marketing strategies when advertising to prospective new home buyers and renters. In general, the advertisement of new projects should be focused on Kalamazoo County. Some secondary advertising could also be targeted at Calhoun, Van Buren, Oakland, and St. Joseph Counties; and in that order of importance.

Section I – Available Housing Choices | For-Sale Units

The estimates of market potential by home value, size in square feet, and value per square foot are based on a "real estate analysis" with results that are documented in attached Section I. The first page is a scatter plot demonstrating the relationship between asking prices per square foot (y-axis) and available square feet (x-axis) among attached and semi-attached units.

Each dot on the scatter plot represents one townhouse, condominium, or other attached unit that is available in the City of Portage and nearby parts of Kalamazoo County. The observations in Kalamazoo County include Texas Township, Oshtemo Township, and the western and southern portions of the City of Kalamazoo.

In general, the prices among available for-sale units in Portage are among the highest in the region. There appear to be two clusters of data within Portage, as follows:

- For-sale choices with 1,200 square feet or less, which tend to have asking prices of $75 to $175 per square foot. Most of these are probably pre-owned or relatively outdated home, or with limited amenities.

- For-sale choices with 1,300 square feet or more. The smaller units have prices of about $225 per square foot; and the larger units having prices of about $175 per square foot. Most of these are probably newer homes with relatively modern amenities.

All other pages in Section I are lists of the for-sale observations located throughout the City of Portage. These lists include the names of the projects; the years that the units were built; the number of included bedrooms and bathrooms; and the square feet, value, and price per square foot.

Section J – Available Housing Choices | For-Lease Units

The estimates of market potential by for-lease contract rent, size in square feet, and rent per square foot are also based on a "real estate analysis" with results that are documented in the attached Section J. Again, the first page is a scatter plot demonstrating the relationship between asking contract rent per square foot (y-axis) and available square feet (x-axis) among attached units.

Each dot on the scatter plot represents one townhouse, lofts, apartment, or other attached unit that is available in the City of Portage and nearby parts of Kalamazoo County. In general, the prices among for-lease units in Portage are among the highest in the region.

There is a clear inverse relationship between rent and available square feet. In general, smaller units have a higher rent per square foot; and larger units have a lower rent per square foot. In other words, smaller units are more "efficient" in generating rents.

Section K – Conventional Approach | Demand – Supply = Gap

Two pages of histograms in Section K are intended to provide a glimpse into the conventional approach to a supply, demand, and gap analysis for the existing housing market. In general, the first page demonstrates the income brackets of existing owner households (see the histogram at the top of the page); and the value brackets of existing owner-occupied housing units for the City of Portage (the bottom histogram).

The comparison suggests that some (but not all) owner households in the City of Portage could theoretically afford home values with higher prices than what currently exists throughout the market. This is generally a positive indicator to support the development of some new houses that have higher price points than the current median home value of about $185,000. Said another way, the City of Portage's home values are relatively affordable compared to its owner incomes.

The second page demonstrates the income brackets of existing renter households and the contract rent brackets of existing renter-occupied housing units. In general, some (but not all) renter households in the City of Portage could theoretically afford higher rents than what currently exists throughout the market. Again, this is a positive indicator to support the development of some new attached units that have higher rents than the current median price of $775 per month. Said another way, the City of Portage's contract rents are relatively affordable compared to is renter incomes.

This conventional approach should not be relied on as the only measure of market potential or opportunity. It does not take into account the different movership rates of households that are actually migrating into and within the city; and it has not been aligned with HUD's low-to-moderate income (LMI) brackets based on Kalamazoo County's Area Median Income (AMI). Therefore, the generalizations provided in this narrative do not fully consider the needs of the lowest income households who are seeking affordable choices.

<u>Section L</u> – Existing Households and Units | Market Parameters

An assortment of histograms and tables in <u>Section L</u> are intended to document the demographic parameters and forecasts among key variables used in this housing study and target market analysis. Key variables include a) number of households by tenure over time; b) household income by tenure over time; c) and values and rents over time.

Some of the demographic tables also provide additional variables that are interesting but not necessarily essential to the analysis. These include a) number of vehicles available to the households; b) educational attainment of the population aged 25 years or more; c) employment among the population aged 16 years or more; and d) white collar and blue collar employment.

<u>Section L</u> – Vacancies

The last two pages in <u>Section L</u> provide information on housing vacancies for the City of Portage, with comparisons to Kalamazoo County. The histograms demonstrate the number of for-sale and for-sale vacancies; and seasonal vacancies. In general, available vacancies reached a new low in 2014, 2015 and 2016; and then increased again in 2017 and 2018. Vacancy rates should also be expected to increase as new housing choices are developed and become available. The increases in vacancies are not alarming but should continue to be monitored over time.

. . .

Closing and Next-Steps – This concludes the draft, interim, and preliminary narrative report for the Residential Market Study and for the City of Portage's Lake Center Subarea and District. This narrative will remain in draft format until Farr Associates has completed the process of stakeholder engagement. Some events have already taken place during the first week of August; and the timing of additional events may depend on the Governor's executive orders as they pertain to the current health and economic crisis.

LandUseUSA | Urban Strategies will participate in the stakeholder engagement process; listen to comments and questions; take notes; and then refine this narrative report. Until then, stakeholders are also welcome to contact LandUseUSA directly with any questions, information, or suggestions.

Table of Contents

Section A

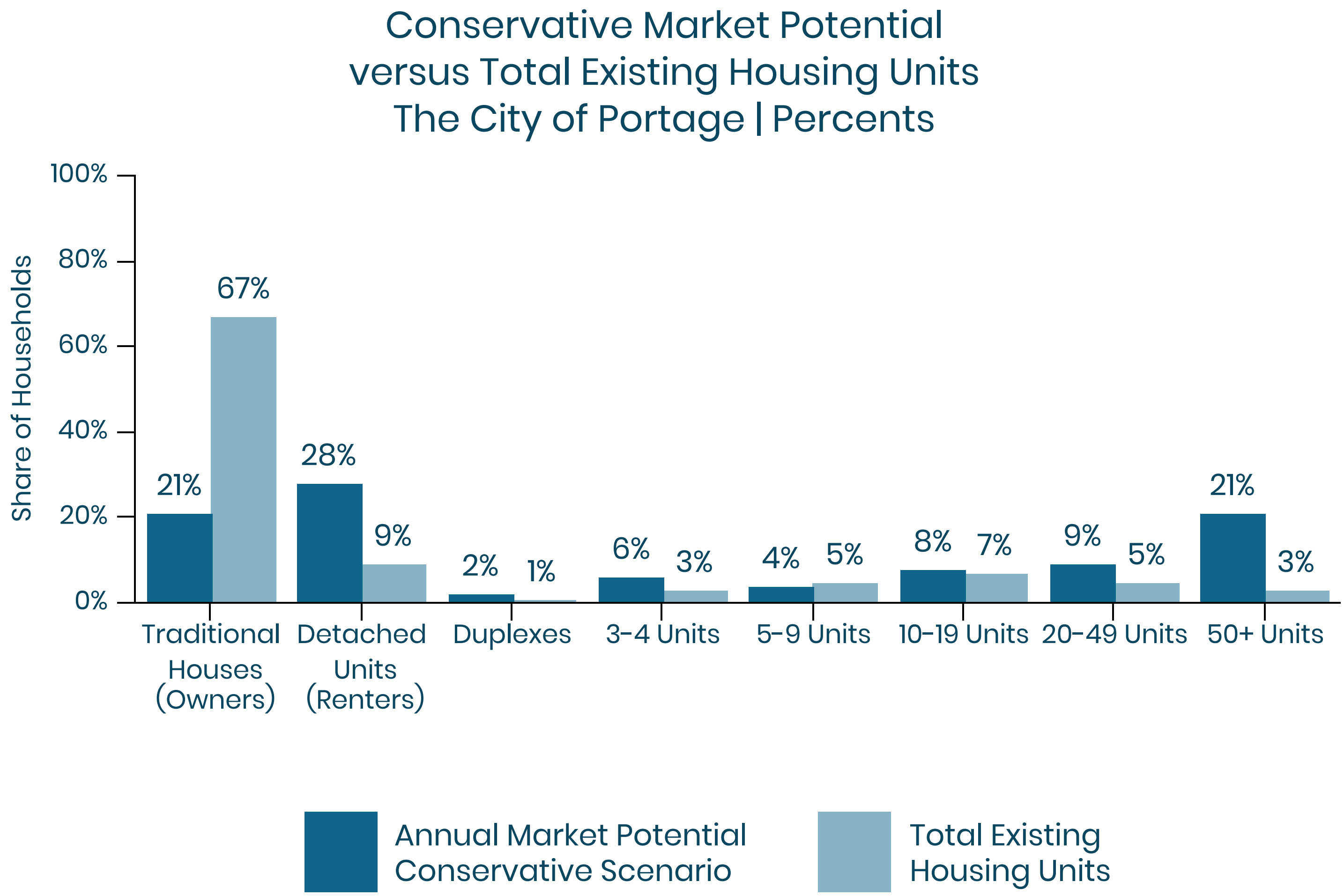
The Housing Mismatch

PORTAGE

A Great Place to Live

Housing Mismatch | Portage City

The minimum annual market potential compared to all existing housing units.



The minimum annual market potential numbers are based on in-migration only, and do not include households moving within the City of Portage or from from one address to another. The market potential is also unadjusted for out-migration.

Overall, the comparison indicates that there is a need to develop more for-lease detached units, which could include small houses or cottages arranged around common courtyards, accessory dwellings units, detached "condos", and/or patio homes. There is also a need to develop more attached for-lease units, such as townhouses or urban lofts.

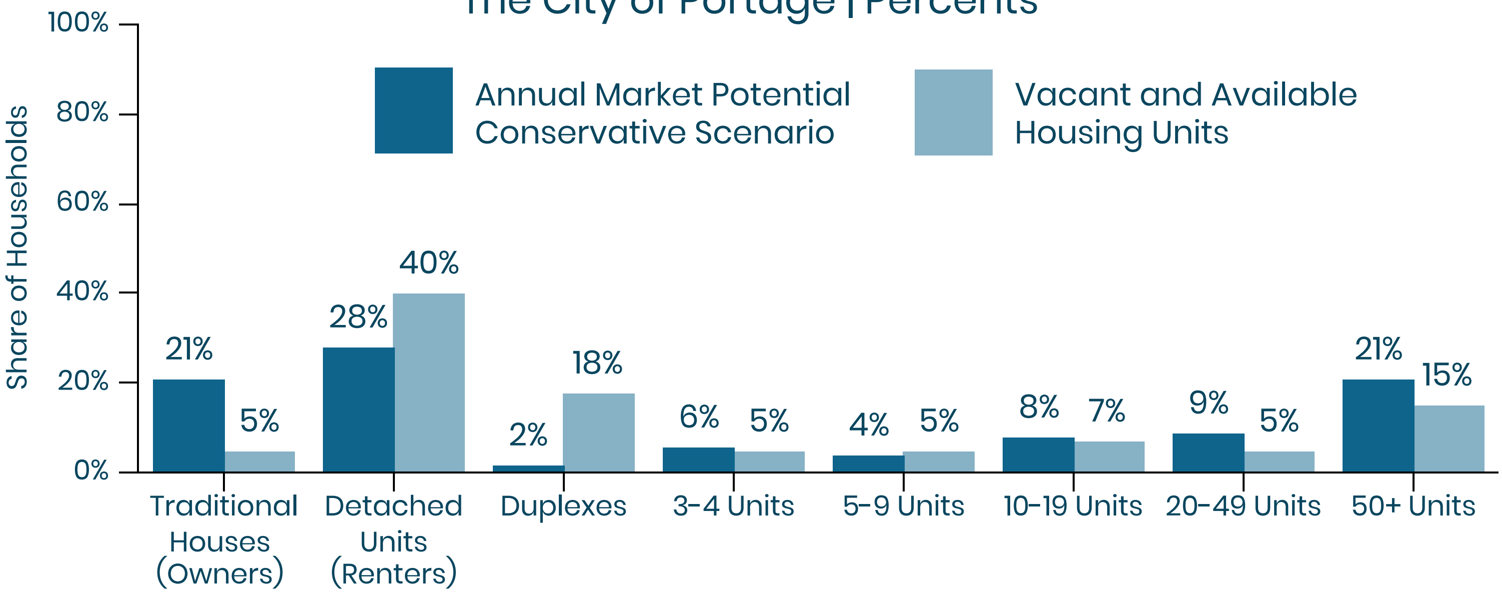
Underlying target market analysis and exhibit prepared by LandUseUSA Urban Strategies for the City of Portage; May 2020.

LandUseUSA
UrbanStrategies

Housing Mismatch | Portage City

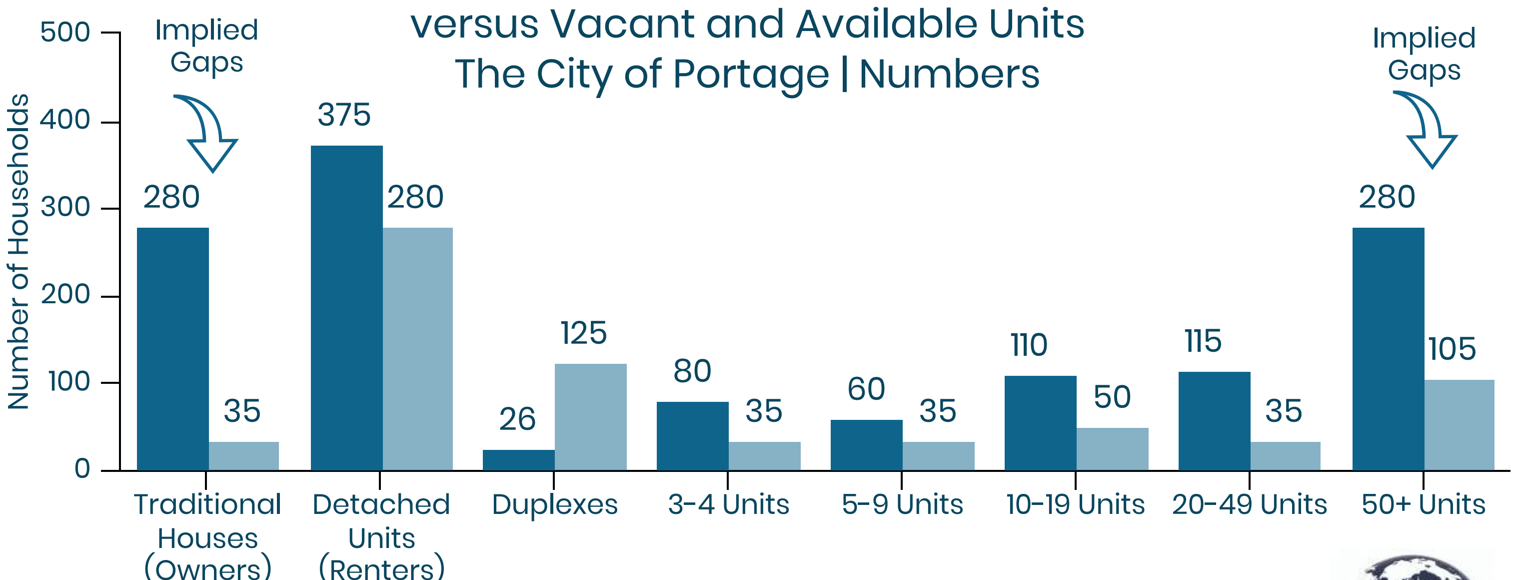
The minimum annual market potential compared to vacant and available housing units.

Conservative Market Potential versus Vacant and Available Units The City of Portage | Percents



The minimum annual market potential numbers are based on in-migration only, and do not include households moving within the City of Portage, or from one address to another. The market potential is also unadjusted for out-migration.

Conservative Market Potential versus Vacant and Available Units The City of Portage | Numbers



Underlying target market analysis and exhibit prepared by LandUseUSA Urban Strategies for the City of Portage; May 2020.

LandUseUSA UrbanStrategies

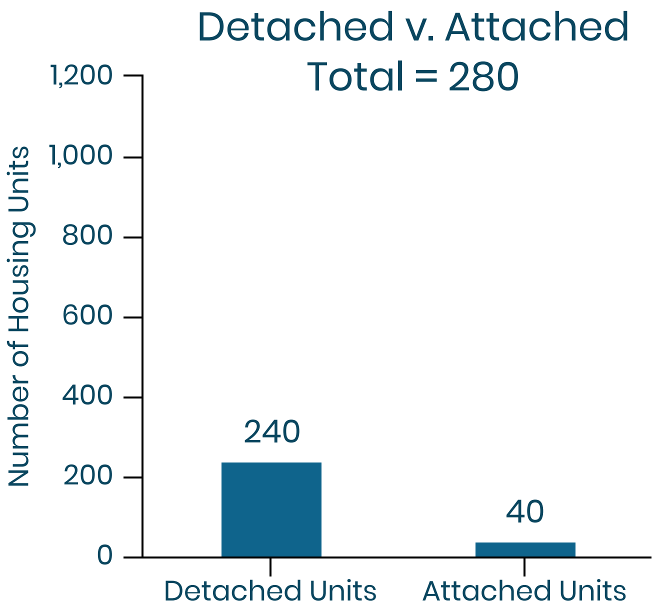
Section B

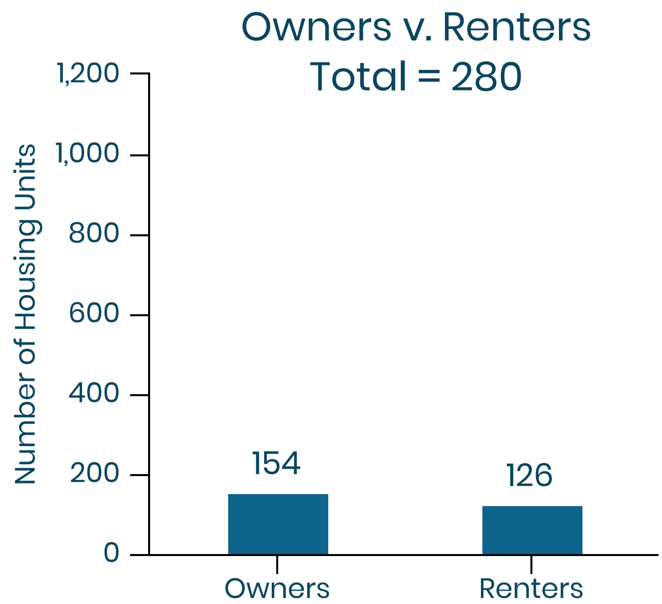
Annual Market Potential
Minimum and Maximum

PORTAGE

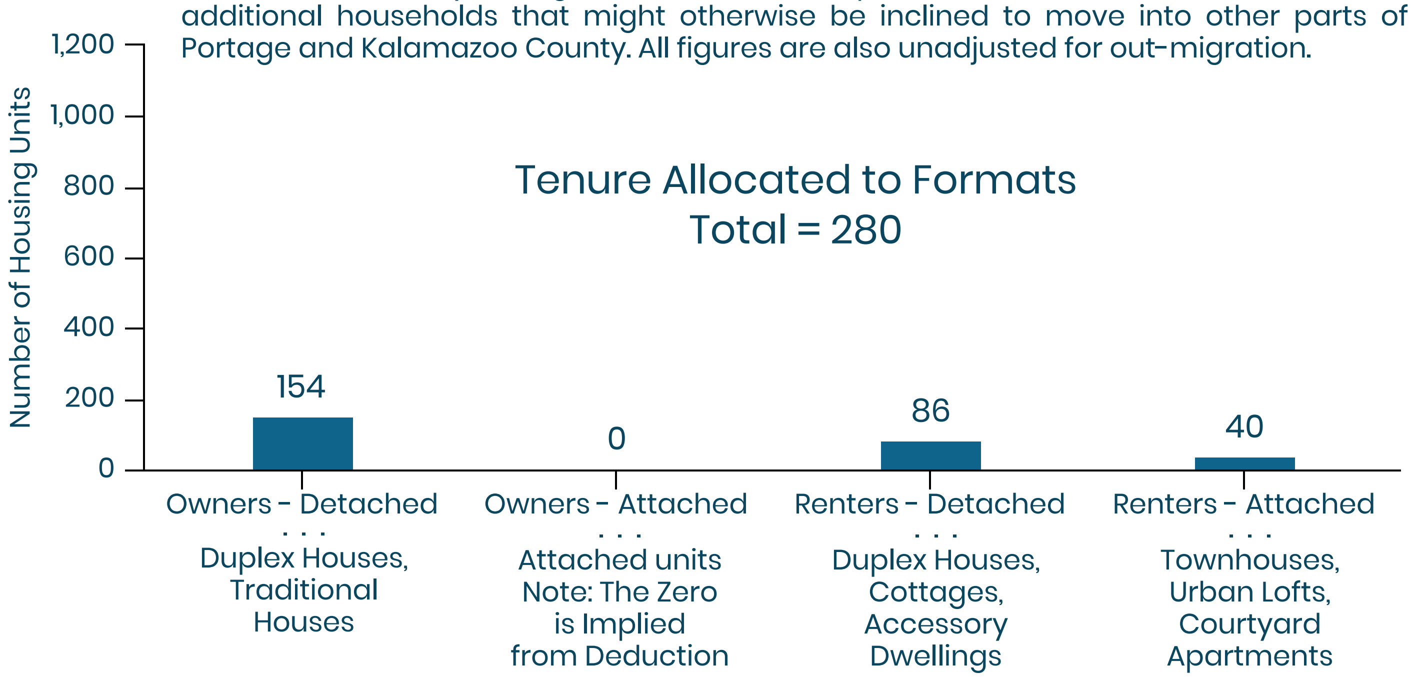
A Great Place to Live

Annual Market Potential | Lake Center New Builds and Rehabs | Year 2020





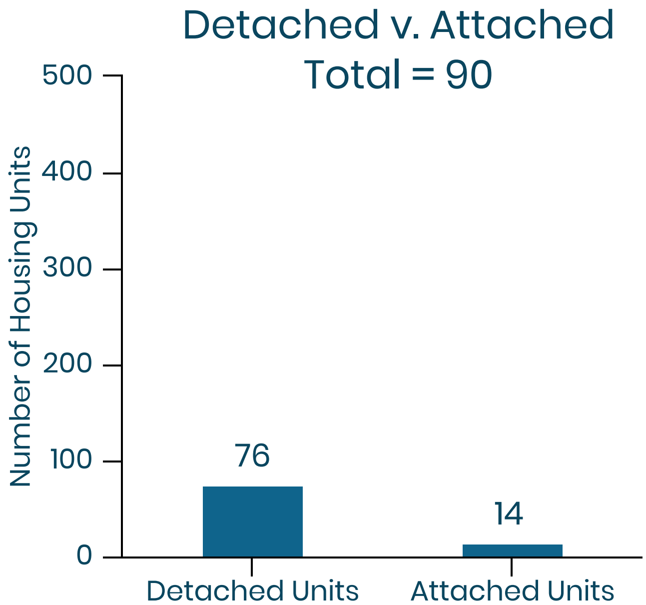
All figures represent the maximum market potential based on in-migration <u>and</u> internal movership; and they also represent an aggressive scenario. There is a need to <u>CAPTURE</u> new households that are moving into the Lake Center District by building new units every year. In addition, <u>RETAIN</u> existing households moving within the district by adding new choices each year. Figures do not include possible diversion and <u>INTERCEPTION</u> of additional households that might otherwise be inclined to move into other parts of Portage and Kalamazoo County. All figures are also unadjusted for out-migration.

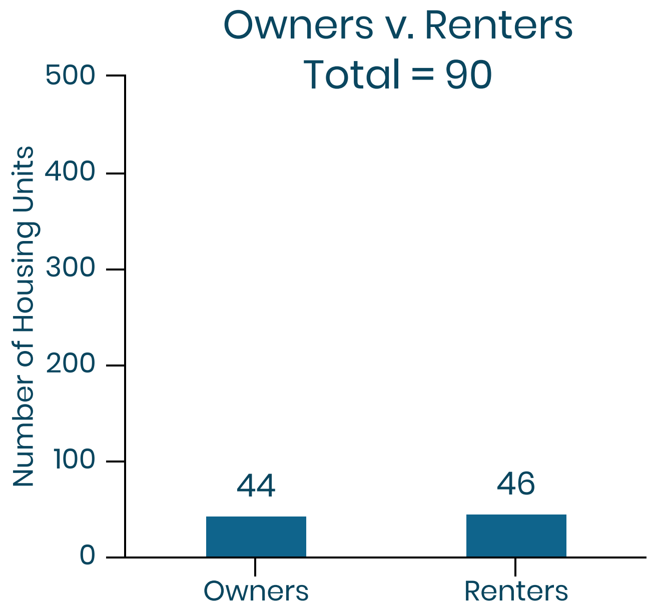


All figures have not been adjusted downward for existing vacancies, and they also have not been adjusted for out-migration. Underlying target market analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; May 2020.

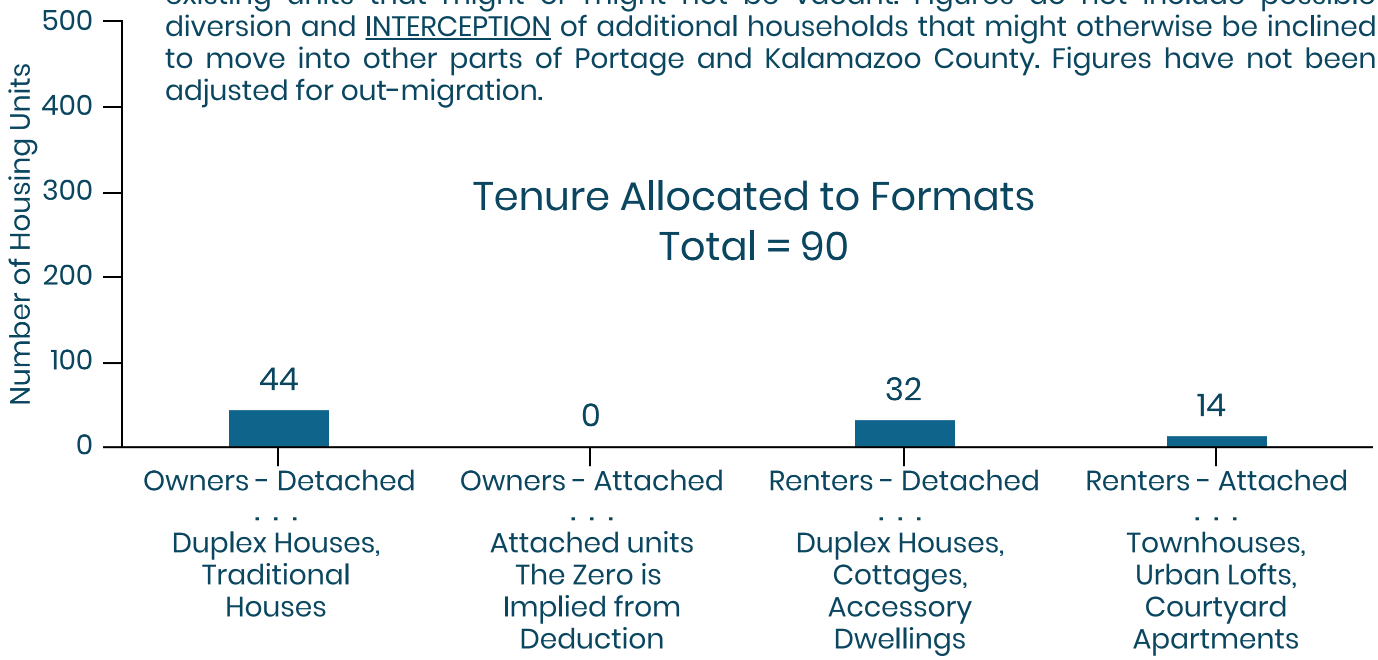
LandUseUSA
UrbanStrategies

Annual Market Potential | Lake Center
New Builds Only | Year 2020





All figures represent the minimum and conservative market potential based on in-migration only, and excluding internal movership. There is a need to CAPTURE these new households that are moving into the Lake Center District by building new units every year. The figures in these charts do not include additional units that may be needed to RETAIN existing households moving within the district, usually by rehabbing existing units that might or might not be vacant. Figures do not include possible diversion and INTERCEPTION of additional households that might otherwise be inclined to move into other parts of Portage and Kalamazoo County. Figures have not been adjusted for out-migration.



All figures have not been adjusted downward for existing vacancies, and they also have not been adjusted for out-migration. Underlying target market analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; May 2020.

LandUseUSA
UrbanStrategies

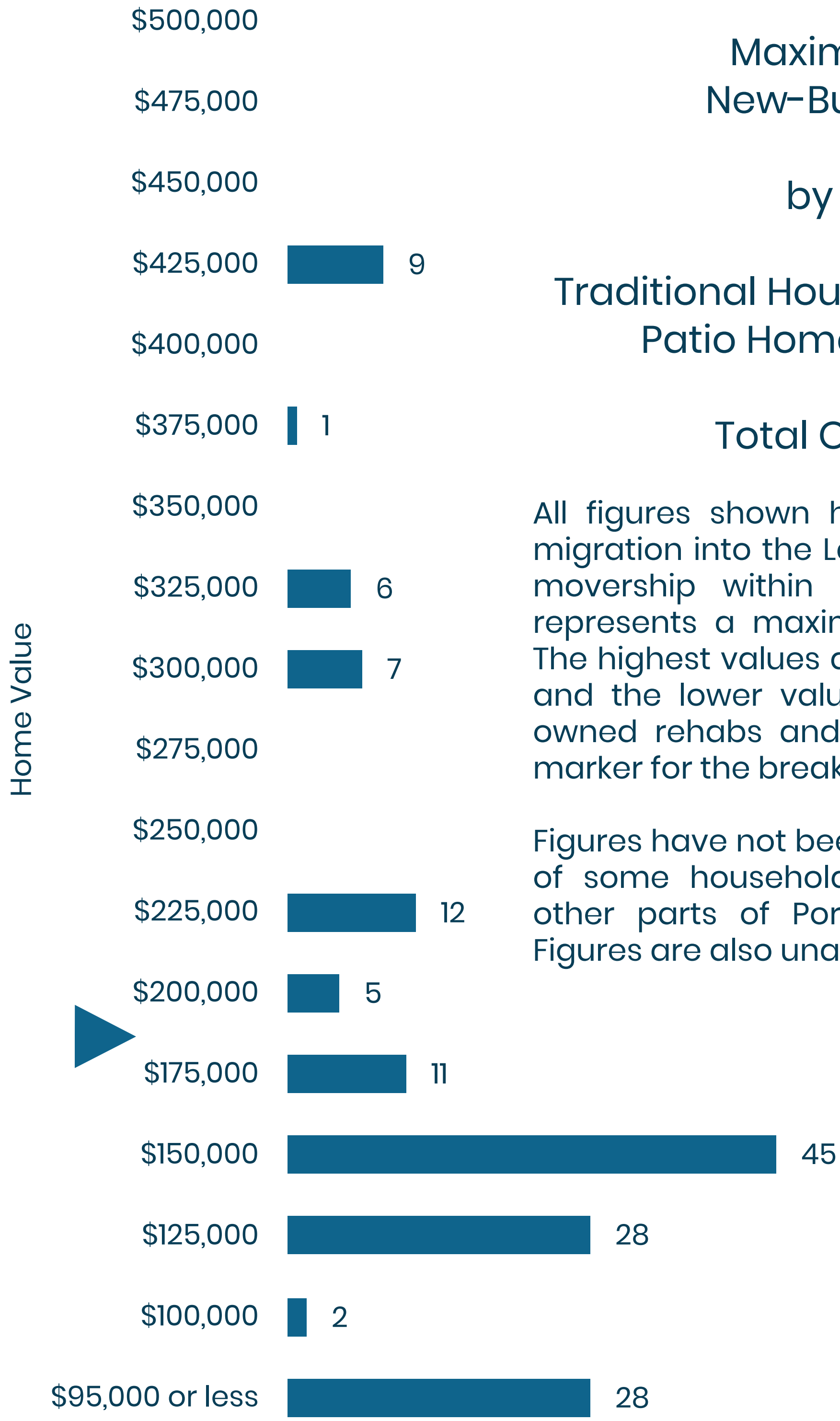
Section C

Annual Market Potential Owners and Values

PORTAGE

A Great Place to Live

Owners & Values | Lake Center District Annual Market Potential | Year 2020



Maximum Number of
New-Builds and Rehabs
Annually
by Home Value
. . .
Traditional Houses, detached "Condos",
Patio Homes, and/or Cottages.
. . .
Total Owner Units = 154

All figures shown here are based on annual in-migration into the Lake Center District, plus internal movership within that same district. This also represents a maximum and aggressive scenario. The highest values are most likely to be new-builds; and the lower values are more likely to be pre-owned rehabs and/or remodels (see the triangle marker for the break-point).

Figures have not been "boosted" for the interception of some households inclined to seek options in other parts of Portage and Kalamazoo County. Figures are also unadjusted for out-migration.

Based on the results of a Target Market Analysis and study of households moving into the City of Portage. Analysis & exhibit prepared by LandUseUSA | Urban Strategies on behalf of the City of Portage; May 2020.

LandUseUSA
UrbanStrategies

New For-Sale Houses and Sublet Accessory Dwellings
Square Feet and Prices for Market Rate New-Builds
Lakefront Locations in the City of Portage | Year 2020

Total Sq. Ft.	For-Sale New Houses Lakefront $ / Sq. Ft.	For-Sale New Houses Lakefront Values	Total Sq. Ft.	For-Lease Accessory Dwellings $ / Sq. Ft.	For-Lease Accessory Dwellings Rents
700	$275	$193,000	300	.	.
800	$260	$208,000	350	.	.
900	$246	$221,000	400	$2.25	$900
1,000	$233	$233,000	450	$2.03	$915
1,100	$221	$243,000	500	$1.86	$930
1,200	$210	$252,000	550	$1.72	$945
1,300	$200	$260,000	600	$1.60	$960
1,400	$191	$267,000	650	$1.50	$975
1,500	$183	$275,000	700	$1.41	$990
1,600	$176	$282,000	750	$1.34	$1,005
1,700	$170	$289,000	800	$1.28	$1,020
1,800	$165	$297,000	850	$1.22	$1,035
1,900	$161	$306,000	900	$1.17	$1,050
2,000	$158	$316,000	950	$1.12	$1,065
2,100	$156	$328,000	1,000	.	.
2,200	$155	$341,000	1,050	.	.
2,300	$154	$354,000	1,100	.	.
2,400	$153	$367,000	1,150	Larger	Larger
2,500	$152	$380,000	1,200	ADU's	ADU's
2,600	$151	$393,000	1,250	are not	are not
2,700	$150	$405,000	1,300	recomm-	recomm-
2,800	$149	$417,000	1,350	ended	ended
2,900	$148	$429,000	1,400	.	.
3,000	$147	$441,000	1,450	.	.
3,100	$146	$453,000	1,500	.	.
3,200	$145	$464,000	1,550	.	.
3,300	$144	$475,000	1,600	.	.

Estimates and forecasts prepared by LandUseUSA | Urban Strategies; May 2020. Based on field observations, phone interviews, assessor's records, and some internet research. Intended for demonstrative purposes only, and not to be used or appraisals pricing of individual properties.

New For-Sale Houses and Sublet Accessory Dwellings
Square Feet and Prices for Market Rate New-Builds
Others (not Lakefront) in the City of Portage | Year 2020

Total Sq. Ft.	For-Sale New Houses not Lakefront $ / Sq. Ft.	For-Sale New Houses not Lakefront Values	Total Sq. Ft.	For-Lease Accessory Dwellings $ / Sq. Ft.	For-Lease Accessory Dwellings Rents
700	$200	$140,000	300	.	.
800	$186	$149,000	350	.	.
900	$173	$156,000	400	$2.00	$800
1,000	$161	$161,000	450	$1.81	$815
1,100	$150	$165,000	500	$1.66	$830
1,200	$140	$168,000	550	$1.54	$845
1,300	$131	$170,000	600	$1.43	$860
1,400	$123	$172,000	650	$1.35	$875
1,500	$116	$174,000	700	$1.27	$890
1,600	$110	$176,000	750	$1.21	$905
1,700	$105	$179,000	800	$1.15	$920
1,800	$101	$182,000	850	$1.10	$935
1,900	$98	$186,000	900	$1.06	$950
2,000	$96	$192,000	950	$1.02	$965
2,100	$95	$200,000	1,000	.	.
2,200	$94	$207,000	1,050	.	.
2,300	$93	$214,000	1,100	.	.
2,400	$92	$221,000	1,150	Larger	Larger
2,500	$91	$228,000	1,200	ADU's	ADU's
2,600	$90	$234,000	1,250	are not	are not
2,700	$89	$240,000	1,300	recomm-	recomm-
2,800	$88	$246,000	1,350	ended	ended
2,900	$87	$252,000	1,400	.	.
3,000	$86	$258,000	1,450	.	.
3,100	$85	$264,000	1,500	.	.
3,200	$84	$269,000	1,550	.	.
3,300	$83	$274,000	1,600	.	.

Estimates and forecasts prepared by LandUseUSA | Urban Strategies; May 2020. Based on field observations, phone interviews, assessor's records, and some internet research. Intended for demonstrative purposes only, and not to be used or appraisals pricing of individual properties.

Section D

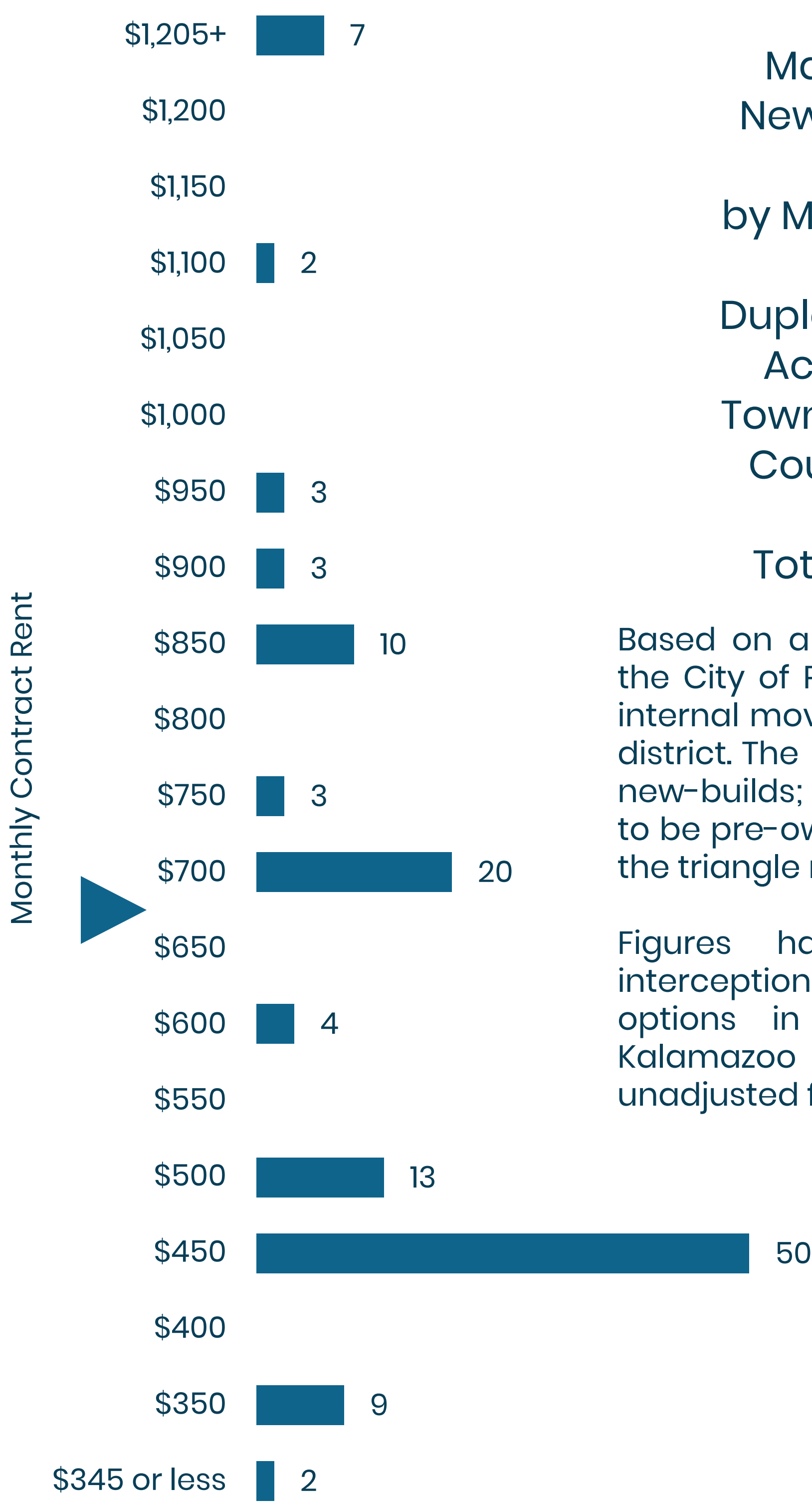
Annual Market Potential

Renters and Rents

PORTAGE

A Great Place to Live

Renters & Rents | Lake Center District
Annual Market Potential | Year 2020



Maximum Number of
New-Builds <u>and</u> Rehabs
Annually
by Monthly Contract Rent
. . .
Duplex Houses, Cottages,
Accessory Dwellings,
Townhouses, Urban Lofts,
Courtyard Apartments
. . .
Total Rental Units = 126

Based on annual in-migration of renters into the City of Portage's Lake Center District, plus internal movership of renters within that same district. The highest rents are most likely to be new-builds; and the lower rents are more likely to be pre-owned rehabs and/or remodels (see the triangle marker for the break-point).

Figures have not been "boosted" for interception of households inclined to seek options in other parts of Portage and Kalamazoo County. Figures are also unadjusted for out-migration.

Based on the results of a Target Market Analysis and study of households moving into the City of Portage. Analysis & exhibit prepared by LandUseUSA | Urban Strategies on behalf of the City of Portage; 2020.

LandUseUSA
UrbanStrategies

New For-Lease Residential Units | Cottages, Townhouses, Lofts
Square Feet and Rents for Market Rate New-Builds
Lakefront Locations in the City of Portage | Year 2020

Total Sq. Ft.	For-Lease Cottages Lakefront $ / Sq. Ft.	For-Lease Cottages Lakefront Rents	Town-Houses Lakefront $ / Sq. Ft.	Town-Houses Lakefront Rents	Urban Lofts Lakefront $ / Sq. Ft.	Urban Lofts Lakefront Rents
300	.	.	.	.	.	.
350	.	.	.	.	.	.
400	$3.00	$1,200	$2.75	$1,100	$2.50	$1,000
450	$2.70	$1,215	$2.48	$1,115	$2.26	$1,015
500	$2.46	$1,230	$2.26	$1,130	$2.06	$1,030
550	$2.26	$1,245	$2.08	$1,145	$1.90	$1,045
600	$2.10	$1,260	$1.93	$1,160	$1.77	$1,060
650	$1.96	$1,275	$1.81	$1,175	$1.65	$1,075
700	$1.84	$1,290	$1.70	$1,190	$1.56	$1,090
750	$1.74	$1,305	$1.61	$1,205	$1.47	$1,105
800	$1.65	$1,320	$1.53	$1,220	$1.40	$1,120
850	$1.57	$1,335	$1.45	$1,235	$1.34	$1,135
900	$1.50	$1,350	$1.39	$1,250	$1.28	$1,150
950	$1.44	$1,365	$1.33	$1,265	$1.23	$1,165
1,000	$1.38	$1,380	$1.28	$1,280	$1.18	$1,180
1,050	$1.33	$1,395	$1.23	$1,295	$1.14	$1,195
1,100	$1.28	$1,410	$1.19	$1,310	$1.10	$1,210
1,150	$1.24	$1,425	$1.15	$1,325	$1.07	$1,225
1,200	$1.20	$1,440	$1.12	$1,340	$1.03	$1,240
1,250	$1.16	$1,455	$1.08	$1,355	.	.
1,300	$1.13	$1,470	$1.05	$1,370	.	.
1,350	$1.10	$1,485	$1.03	$1,385	larger	larger
1,400	$1.07	$1,500	$1.00	$1,400	Lofts	Lofts
1,450	$1.04	$1,515	$0.98	$1,415	are not	are not
1,500	$1.02	$1,530	$0.95	$1,430	recomm-	recomm-
1,550	$1.00	$1,545	$0.93	$1,445	ended	ended
1,600	$0.98	$1,560	$0.91	$1,460	.	.

Estimates and forecasts prepared by LandUseUSA | Urban Strategies; May 2020. Based on field observations, phone interviews, assessor's records, and some internet research. Intended for demonstrative purposes only, and not to be used or appraisals pricing of individual properties.

New For-Lease Residential Units | Cottages, Townhouses, Lofts
Square Feet and Rents for Market Rate New-Builds
Other Locations (not Lakefront) in the City of Portage | Year 2020

Total Sq. Ft.	For-Lease Cottages $ / Sq. Ft.	For-Lease Cottages Rents	Town-Houses $ / Sq. Ft.	Town-Houses Rents	Urban Lofts $ / Sq. Ft.	Urban Lofts Rents
300	.	.	.	.	.	.
350	.	.	.	.	.	.
400	$2.25	$900	$2.00	$800	$1.75	$700
450	$2.03	$915	$1.81	$815	$1.59	$715
500	$1.86	$930	$1.66	$830	$1.46	$730
550	$1.72	$945	$1.54	$845	$1.35	$745
600	$1.60	$960	$1.43	$860	$1.27	$760
650	$1.50	$975	$1.35	$875	$1.19	$775
700	$1.41	$990	$1.27	$890	$1.13	$790
750	$1.34	$1,005	$1.21	$905	$1.07	$805
800	$1.28	$1,020	$1.15	$920	$1.03	$820
850	$1.22	$1,035	$1.10	$935	$0.98	$835
900	$1.17	$1,050	$1.06	$950	$0.94	$850
950	$1.12	$1,065	$1.02	$965	$0.91	$865
1,000	$1.08	$1,080	$0.98	$980	$0.88	$880
1,050	$1.04	$1,095	$0.95	$995	$0.85	$895
1,100	$1.01	$1,110	$0.92	$1,010	$0.83	$910
1,150	$0.98	$1,125	$0.89	$1,025	$0.80	$925
1,200	$0.95	$1,140	$0.87	$1,040	$0.78	$940
1,250	$0.92	$1,155	$0.84	$1,055	.	.
1,300	$0.90	$1,170	$0.82	$1,070	.	.
1,350	$0.88	$1,185	$0.80	$1,085	larger	larger
1,400	$0.86	$1,200	$0.79	$1,100	Lofts	Lofts
1,450	$0.84	$1,215	$0.77	$1,115	are not	are not
1,500	$0.82	$1,230	$0.75	$1,130	recomm-	recomm-
1,550	$0.80	$1,245	$0.74	$1,145	ended	ended
1,600	$0.79	$1,260	$0.73	$1,160	.	.

Estimates and forecasts prepared by LandUseUSA | Urban Strategies; May 2020. Based on field observations, phone interviews, assessor's records, and some internet research. Intended for demonstrative purposes only, and not to be used or appraisals pricing of individual properties.

Section E

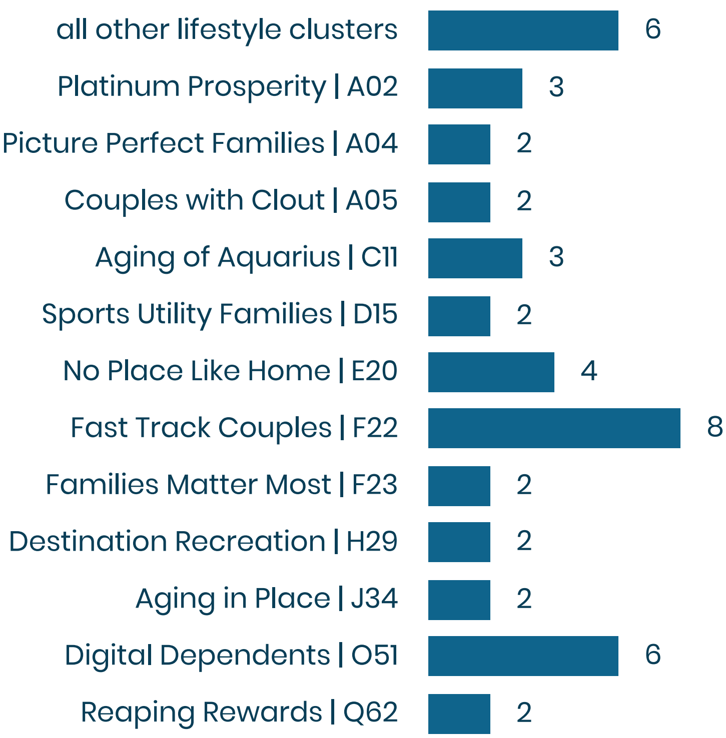
Annual Market Potential

Owner Target Markets

PORTAGE

A Great Place to Live

Annual Market Potential | Lake Center Owner Target Markets | Year 2020



Total = 44 new owner households are migrating into the Lake Center District each year. The vast majority of these households will prefer to buy a new detached house, "condo", patio home, or cottage. Relatively few will be inclined to purchase an attached townhouse or loft.

Figures in the exhibit above include owner households moving into the City of Portage's Lake Center District annually; and exclude owner household moving within the district. The figures above also do not include some possible diversion and interception of households inclined to seek homes to buy in other parts of Portage and Kalamazoo County. The boxes below demonstrate possible adjustments for internal movership and interception. (All figures are unadjusted for out-migration.)

CAPTURE		RETAIN		SUBTOTAL
44 New Owners Moving into the Lake Ctr District Each Year	+	110 Existing Owners Moving within the Lake Ctr District Each Year	=	154 Owners "Maximum" Annual Market Potential

SUBTOTAL		INTERCEPT		GRAND TOTAL
154 Owners "Maximum" Annual Market Potential	+	16 New Owners Considering Other Places Each Year	=	170 Owners with "Upside" Annual Market Potential

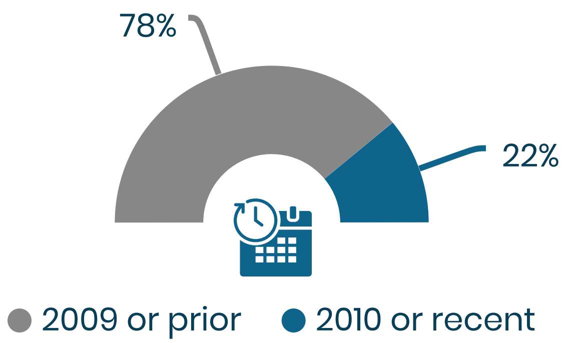
Underlying Mosaic Lifestyle Clusters provided by Experian Decision Analytics through 2018. Analysis & exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; May 2020.

LandUseUSA
UrbanStrategies

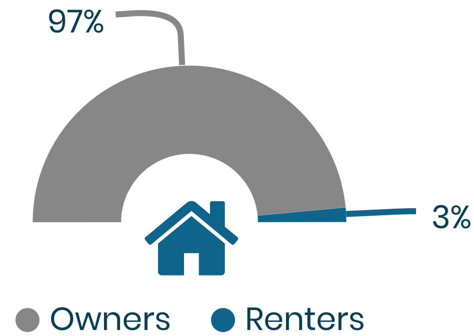
Platinum Prosperity | A02

Lifestyles and Housing Preferences | National Averages

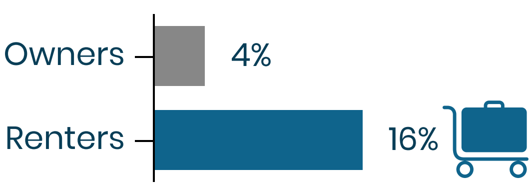
Units by Decade Built



Households by Tenure

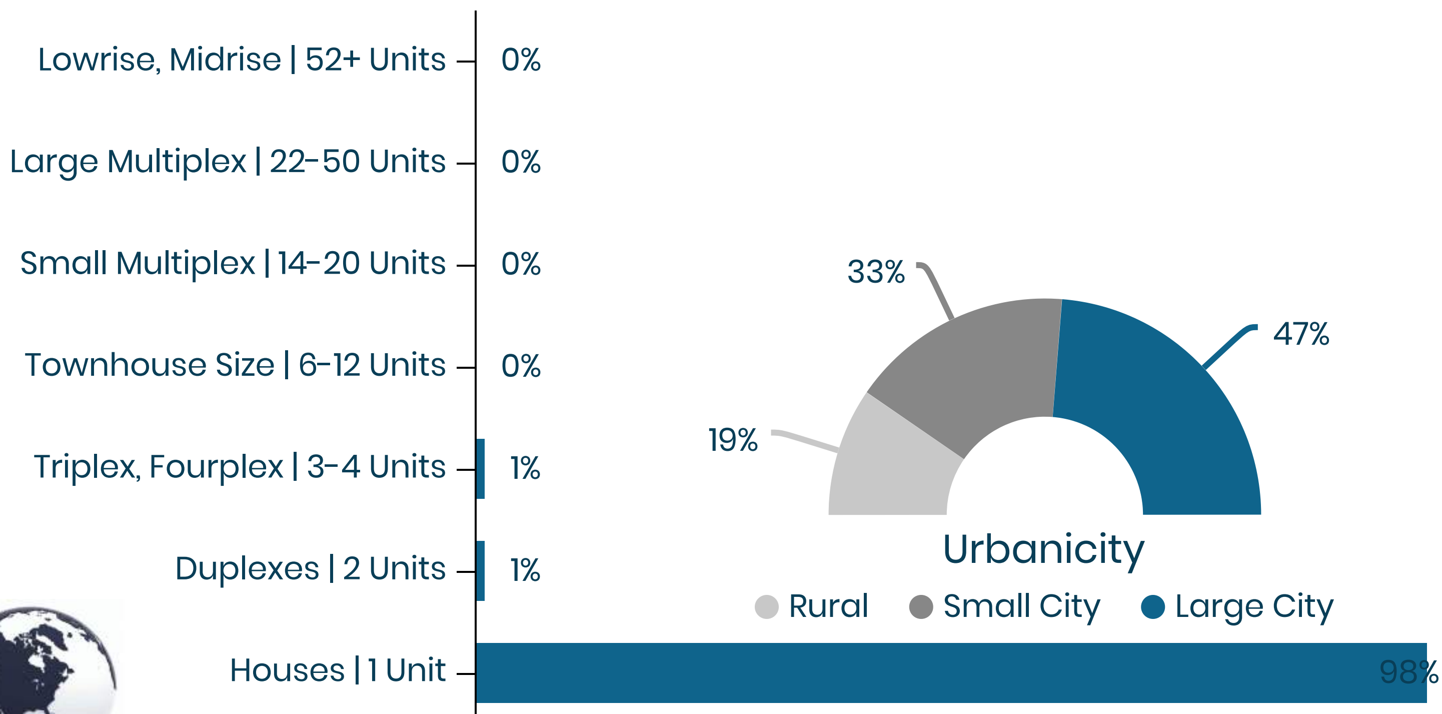


Share that Moves each Year



Median Household Income

Inclination for Units by Building Size and Urbanicity

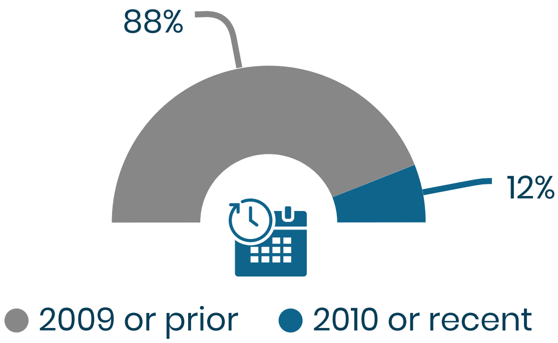


LandUseUSA
UrbanStrategies

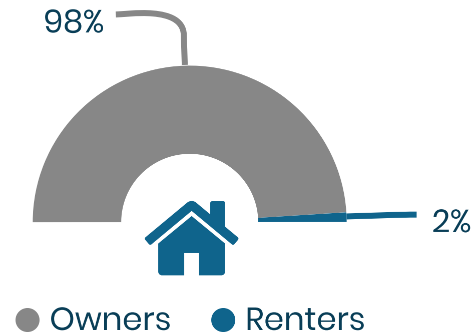
Aging of Aquarius, Settled | C11

Lifestyles and Housing Preferences | National Averages

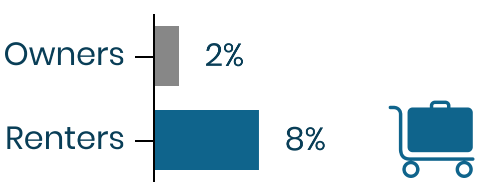
Units by Decade Built



Households by Tenure

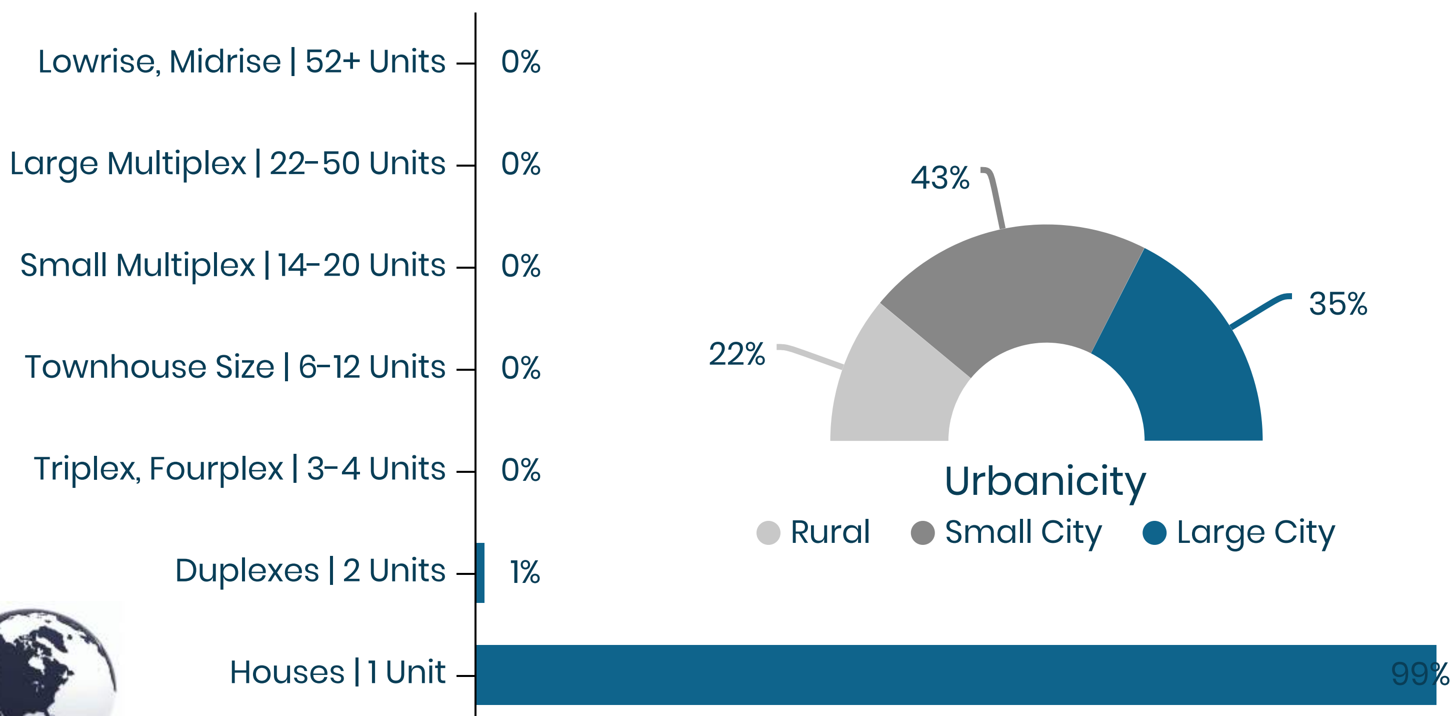


Share that Moves each Year



Median Household Income

Inclination for Units by Building Size and Urbanicity



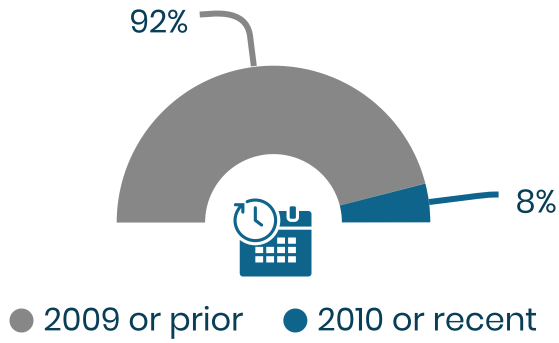
LandUseUSA UrbanStrategies

Source: Underlying data by Experian Decision Analytics; exhibit and analysis by LandUseUSA | Urban Strategies

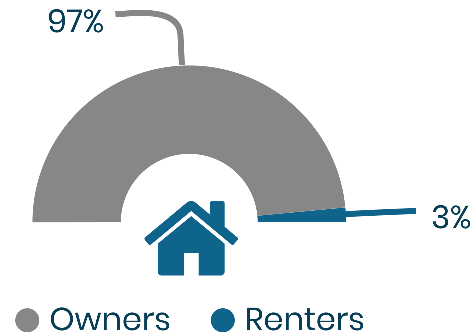
No Place Like Home | E20

Lifestyles and Housing Preferences | National Averages

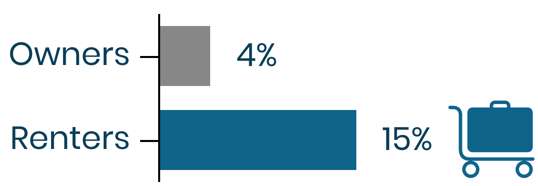
Units by Decade Built



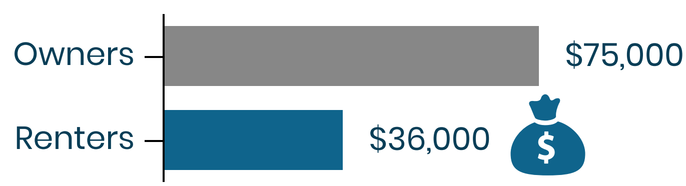
Households by Tenure



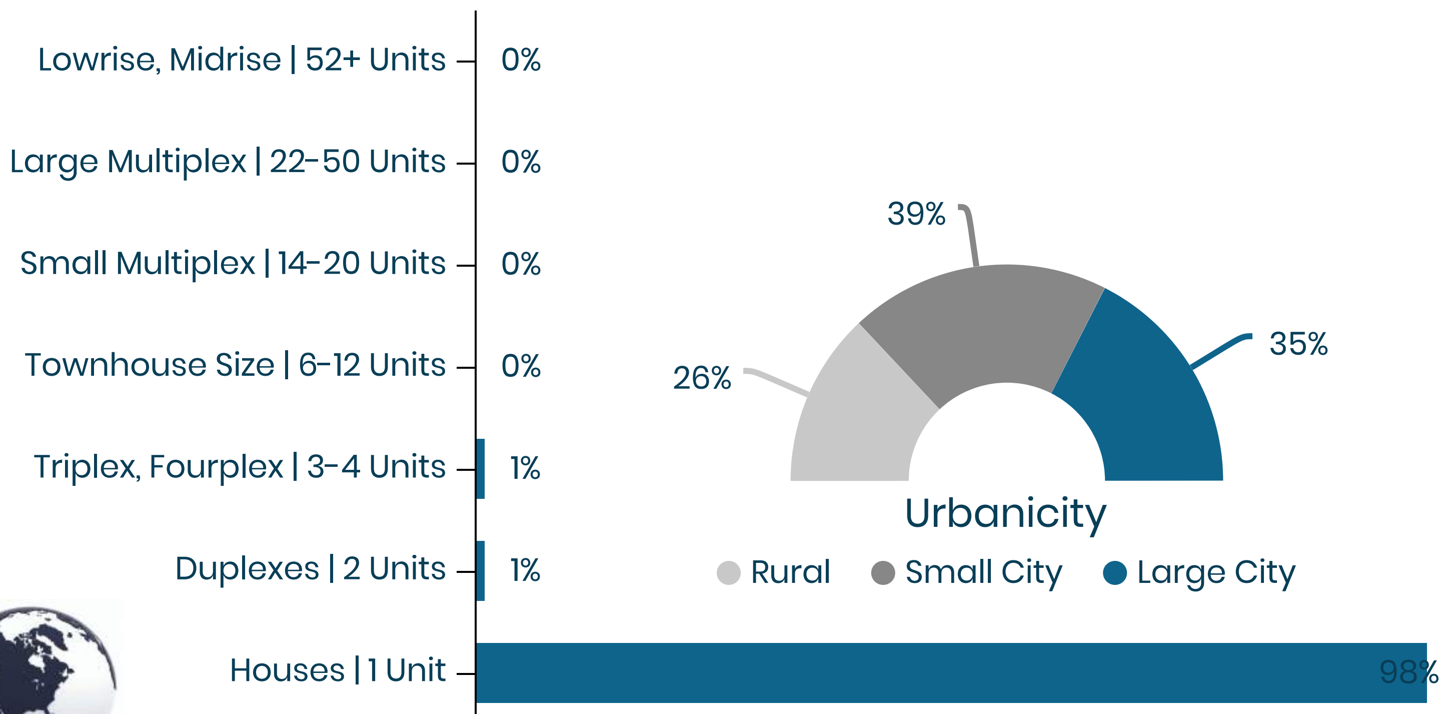
Share that Moves each Year



Median Household Income



Inclination for Units by Building Size and Urbanicity

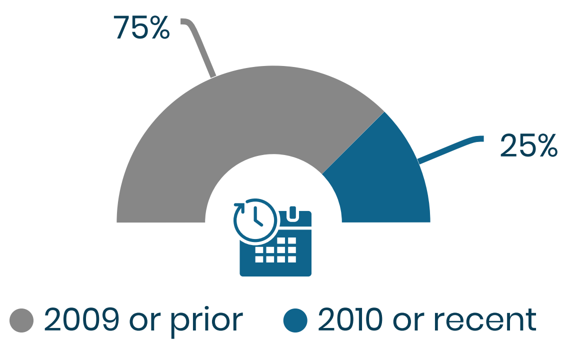


LandUseUSA
UrbanStrategies

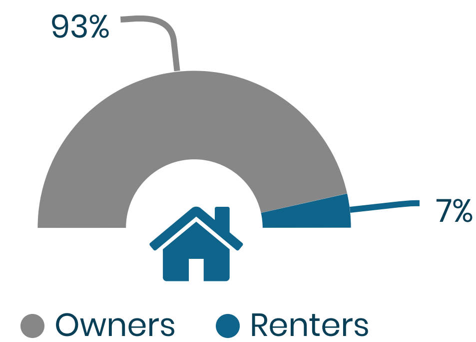
Fast Track Couples | F22

Lifestyles and Housing Preferences | National Averages

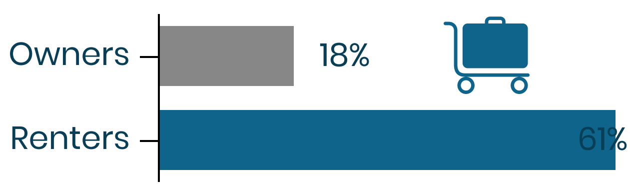
Units by Decade Built



Households by Tenure

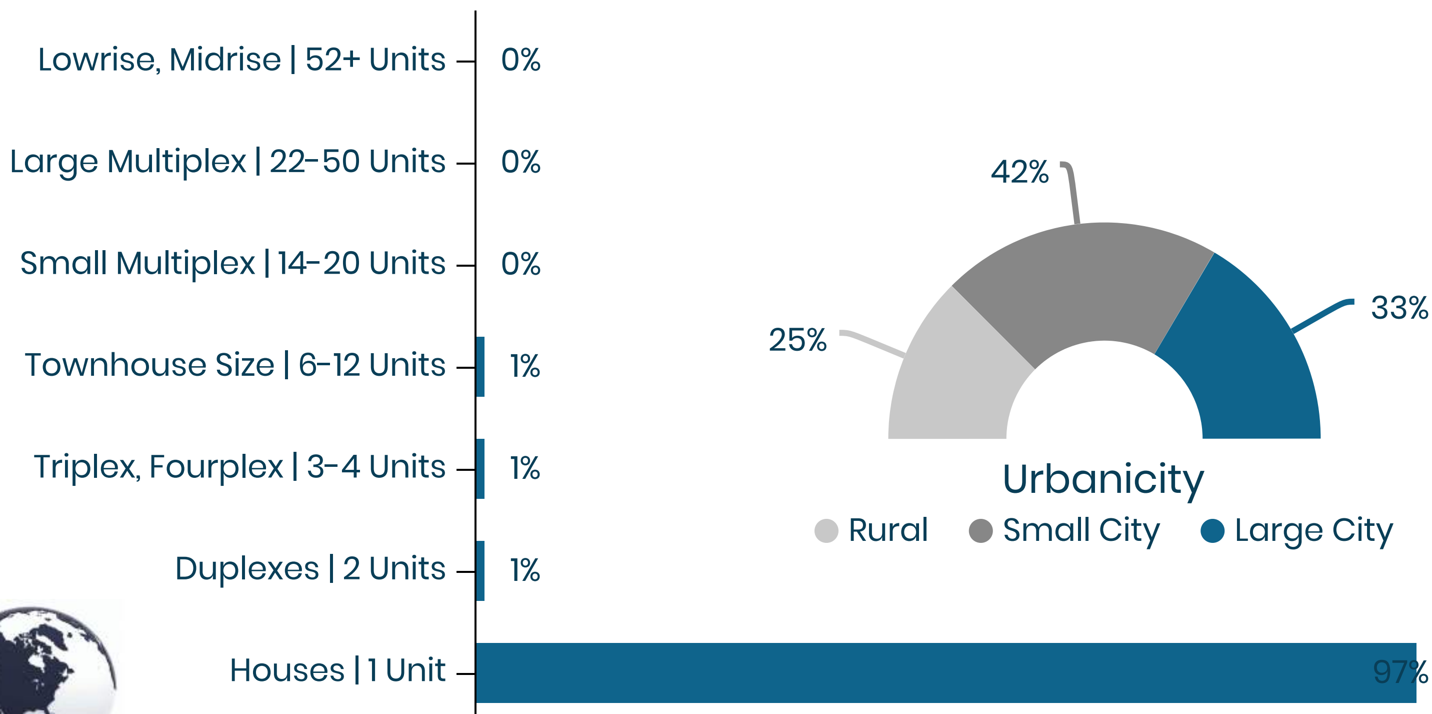


Share that Moves each Year



Median Household Income

Inclination for Units by Building Size and Urbanicity



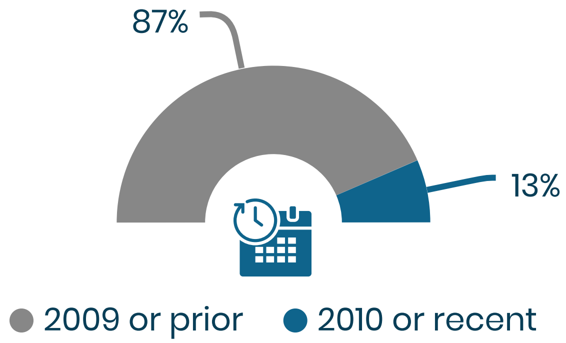
LandUseUSA UrbanStrategies

Source: Underlying data by Experian Decision Analytics; exhibit and analysis by LandUseUSA | Urban Strategies

Digital Dependents | O51

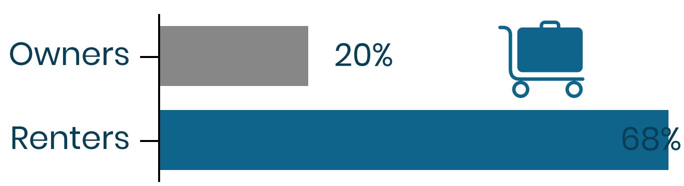
Lifestyles and Housing Preferences | National Averages

Units by Decade Built

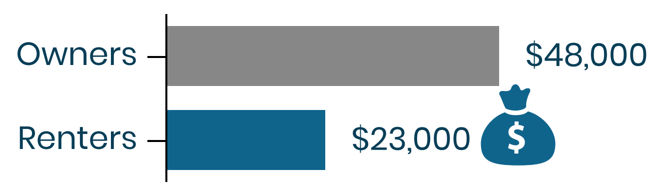


Households by Tenure

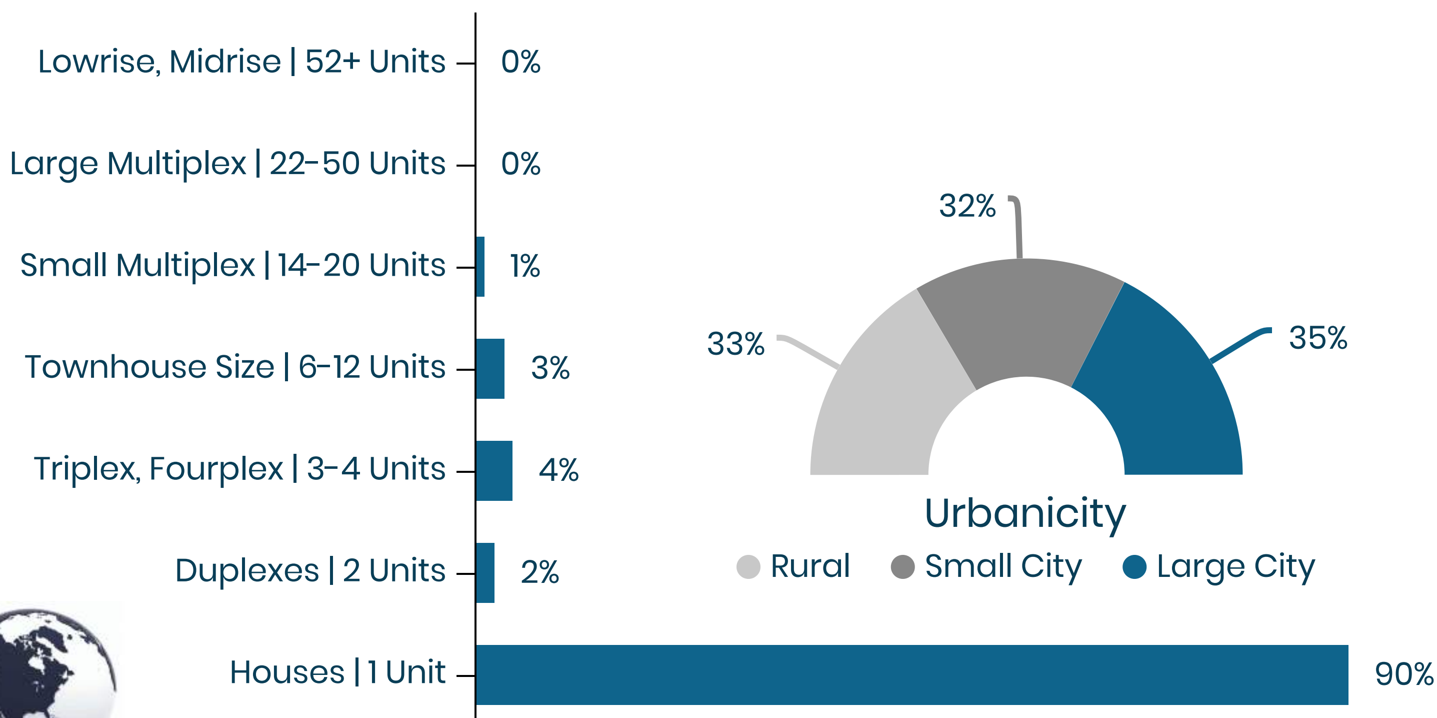
Share that Moves each Year



Median Household Income



Inclination for Units by Building Size and Urbanicity



LandUseUSA
UrbanStrategies

Source: Underlying data by Experian Decision Analytics; exhibit and analysis by LandUseUSA | Urban Strategies

Section F

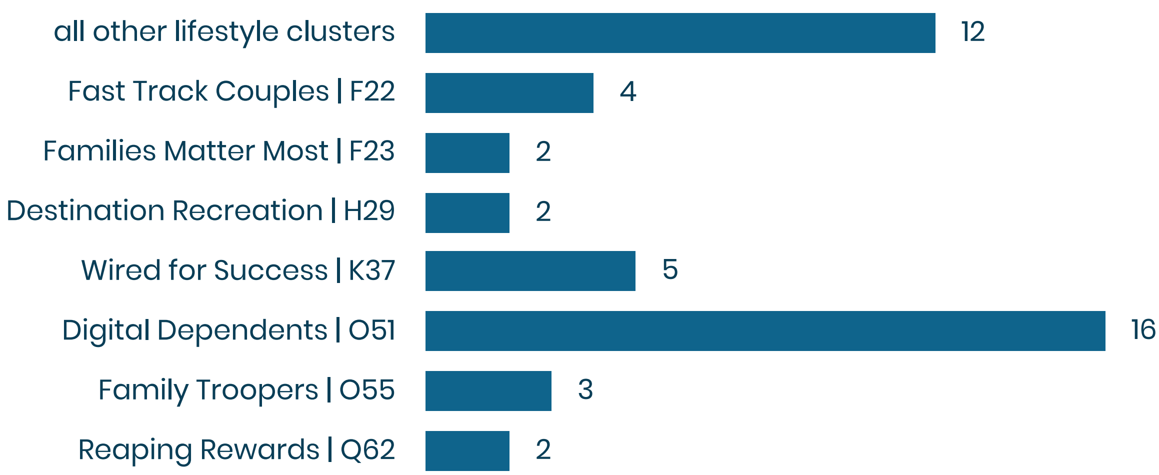
Annual Market Potential

Renter Target Markets

PORTAGE

A Great Place to Live

Annual Market Potential | Lake Center Renter Target Markets | Year 2020



Total = 46 new renter households are moving into the City of Portage's Lake Center District each year. Only 30% of these households will be inclined to choose a new attached unit like an urban loft or townhouse. The majority (70%) will be more inclined to lease a detached house or cottage.

Figures in the exhibit above include renter households moving into the district annually; and exclude renter household moving within the district. The figures above also have not been "boosted" for possible interception of households inclined to seek units to lease in other parts of Portage and Kalamazoo County. The boxes below demonstrate possible adjustments for internal movership and interception. (All figures also are unadjusted for out-migration.)

CAPTURE		RETAIN		SUBTOTAL
46 New Renters Moving into the Lake Ctr District Each Year	+	80 Existing Renters Moving within the Lake Ctr District Each Year	=	126 Renters "Maximum" Annual Market Potential

SUBTOTAL		INTERCEPT		GAND TOTAL
126 Renters "Maximum" Annual Market Potential	+	14 New Renters Considering Other Places Each Year	=	140 Renters with "Upside" Annual Market Potential

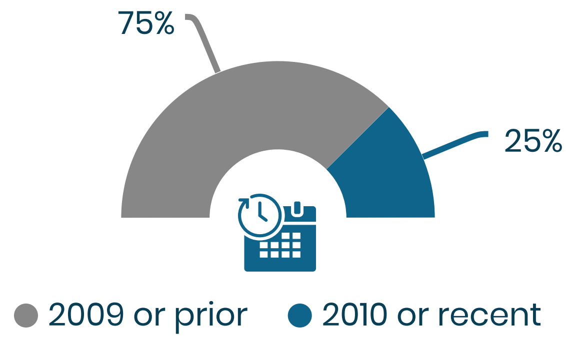
Underlying Mosaic Lifestyle Clusters provided by Experian Decision Analytics through 2018. Analysis & exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; May 2020.

LandUseUSA
UrbanStrategies

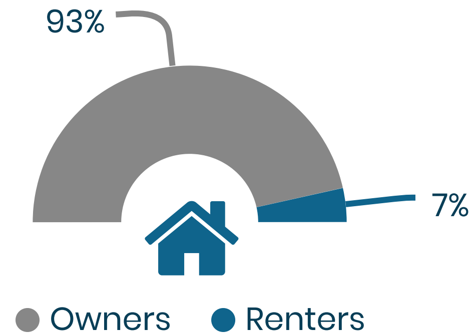
Fast Track Couples | F22

Lifestyles and Housing Preferences | National Averages

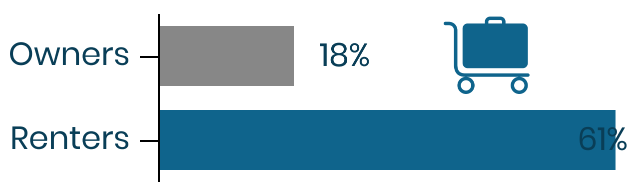
Units by Decade Built



Households by Tenure

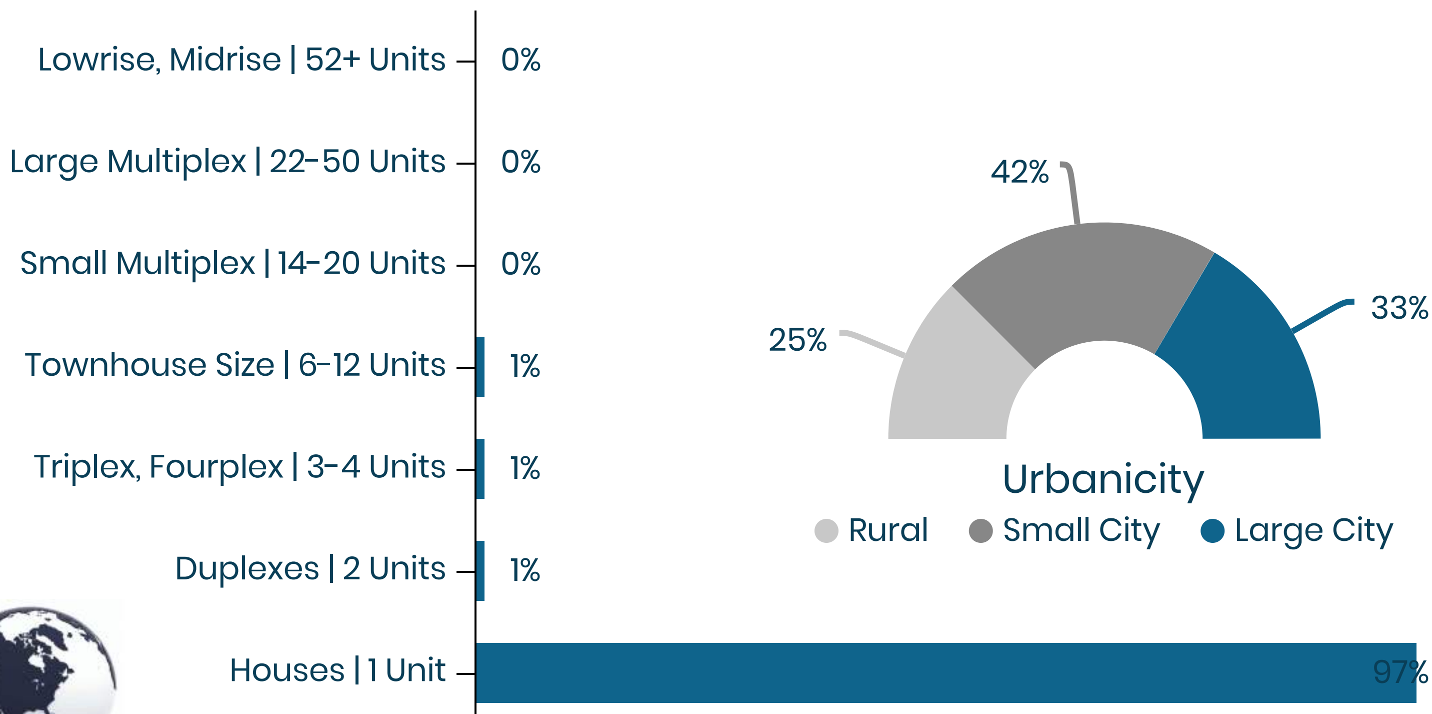


Share that Moves each Year



Median Household Income

Inclination for Units by Building Size and Urbanicity



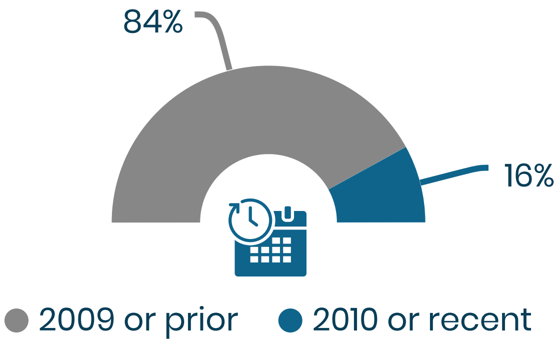
LandUseUSA
UrbanStrategies

Source: Underlying data by Experian Decision Analytics; exhibit and analysis by LandUseUSA | Urban Strategies

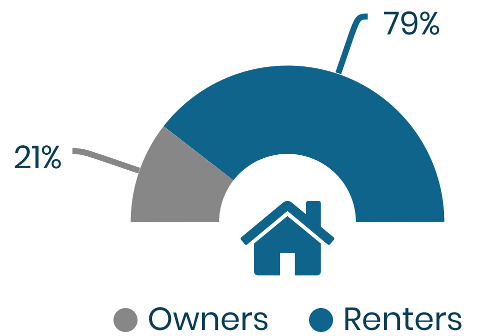
Wired for Success | K37

Lifestyles and Housing Preferences | National Averages

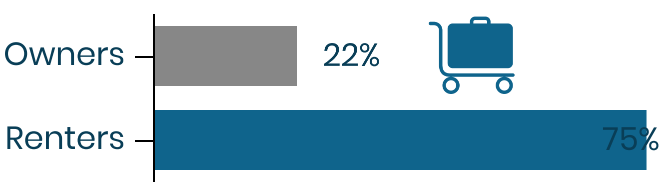
Units by Decade Built



Households by Tenure

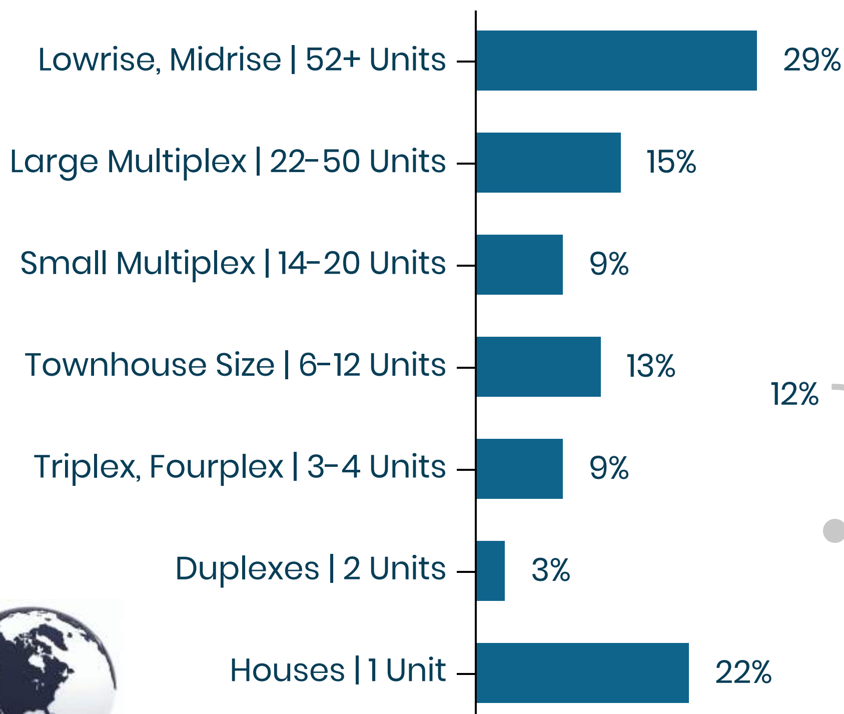


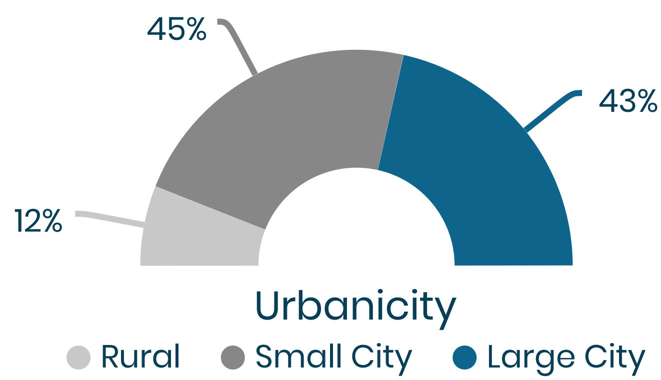
Share that Moves each Year



Median Household Income

Inclination for Units by Building Size and Urbanicity



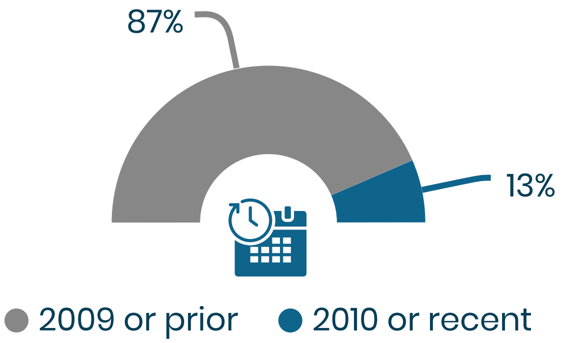


LandUseUSA
UrbanStrategies

Digital Dependents | O51

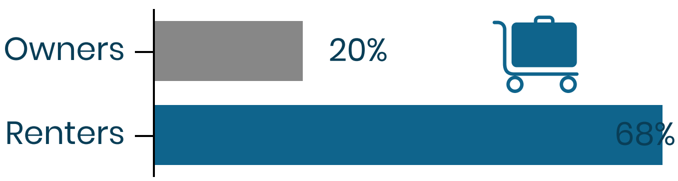
Lifestyles and Housing Preferences | National Averages

Units by Decade Built

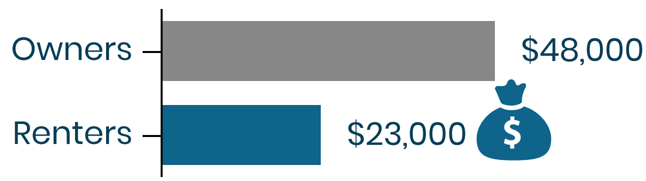


Households by Tenure

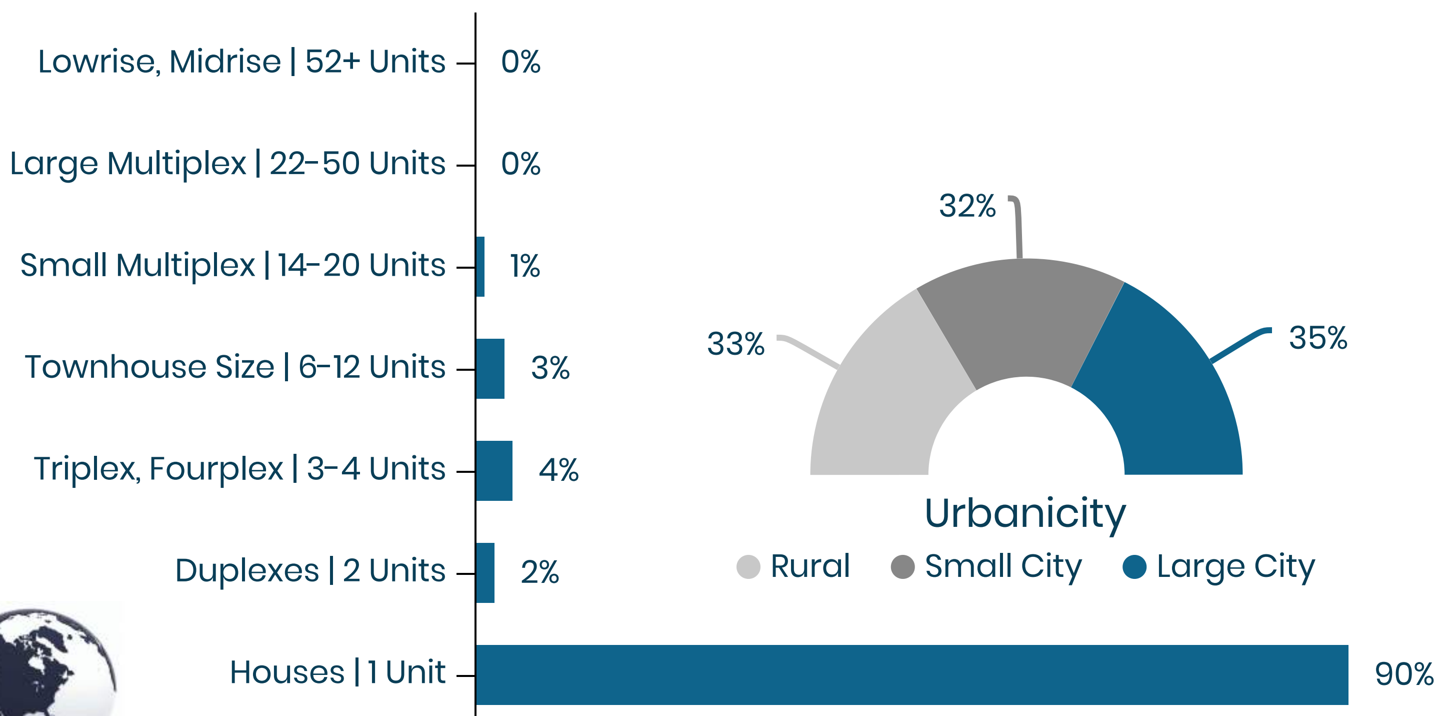
Share that Moves each Year



Median Household Income



Inclination for Units by Building Size and Urbanicity



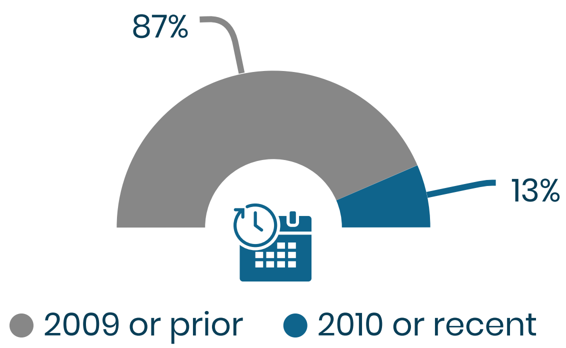
LandUseUSA
UrbanStrategies

Source: Underlying data by Experian Decision Analytics; exhibit and analysis by LandUseUSA | Urban Strategies

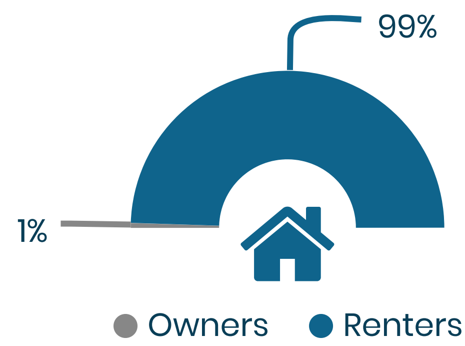
Family Troopers | O55

Lifestyles and Housing Preferences | National Averages

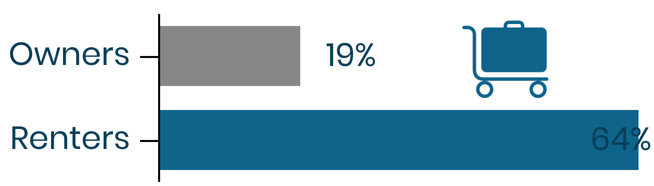
Units by Decade Built



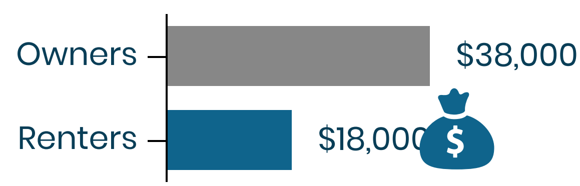
Households by Tenure



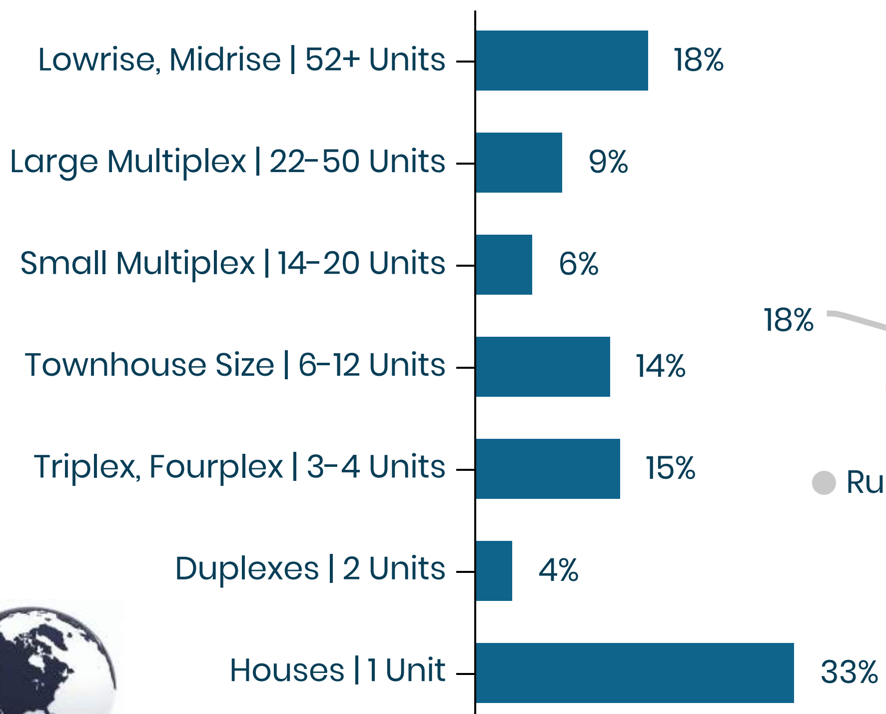
Share that Moves each Year

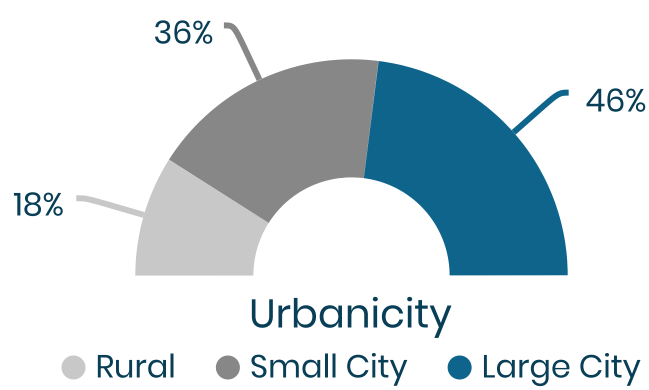


Median Household Income



Inclination for Units by Building Size and Urbanicity





LandUseUSA
UrbanStrategies

Source: Underlying data by Experian Decision Analytics; exhibit and analysis by LandUseUSA | Urban Strategies

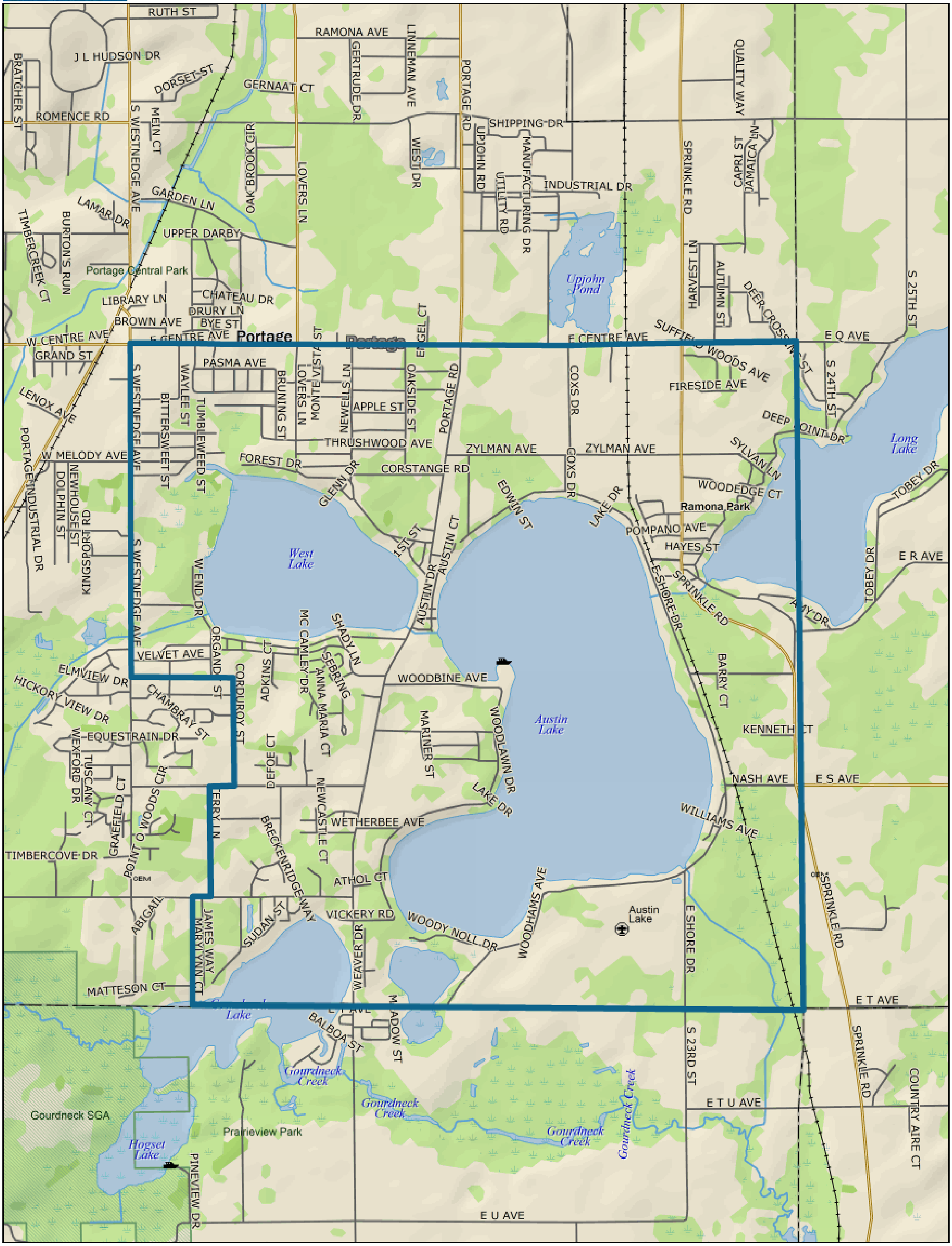
Section G

Existing Households

71 Lifestyle Clusters

PORTAGE

A Great Place to Live



Data use subject to license.

© DeLorme. XMap® 8.

www.delorme.com

TN
MN (5.9°W)

Scale 1 : 37,500

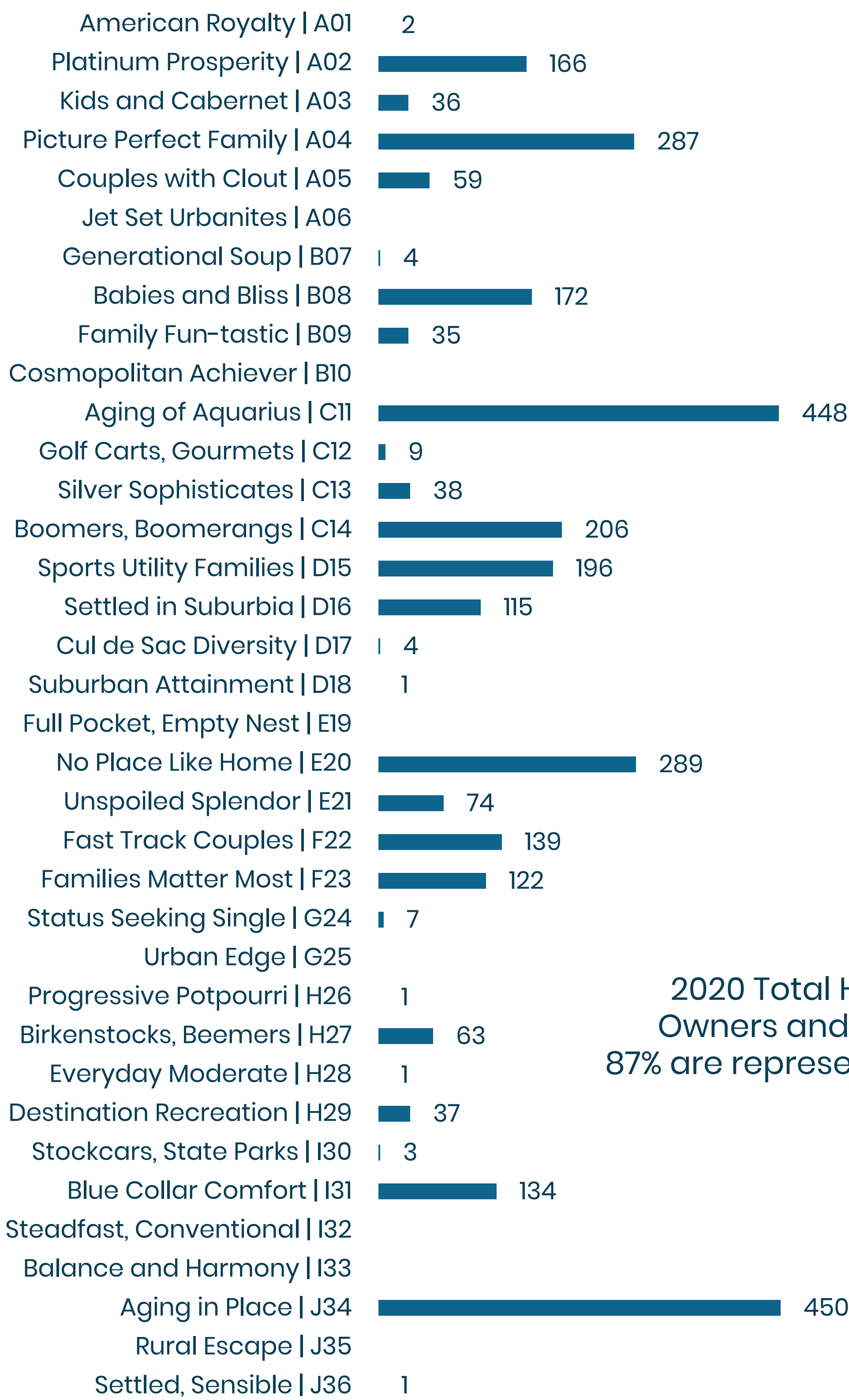
ft 0 200 400 600 800 1000
m 0 60 120 180 240 300

1" = 692.9 ft

Data Zoom 12-4

1-36 Lifestyle Clusters | Lake Center District

The number of existing households living within the Lake Center District ("Southeast").



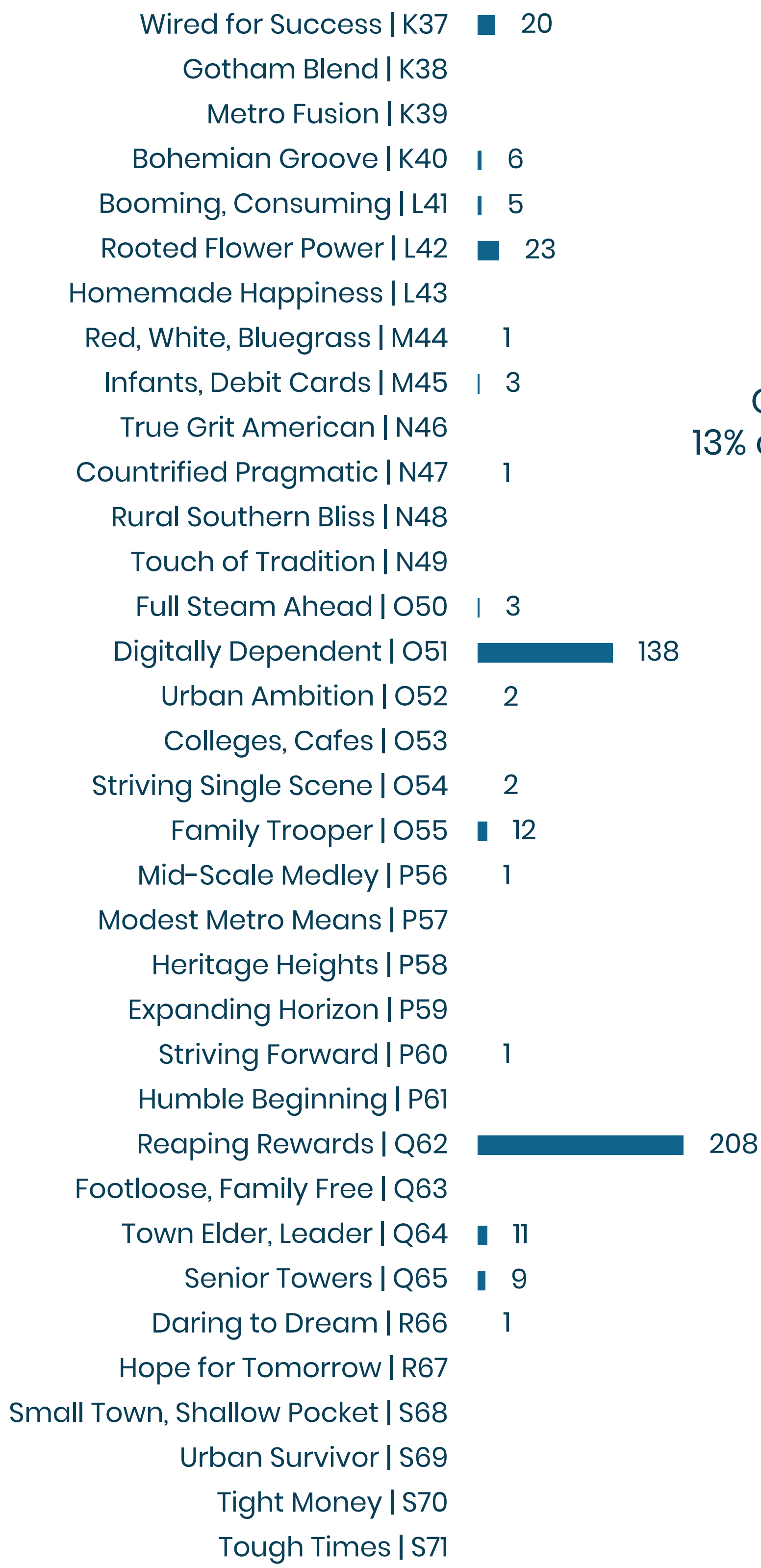
2020 Total Households = 3,546
Owners and renters combined.
87% are represented by these clusters.

Underlying Mosaic Lifestyle Clusters provided by Experian Decision Analytics through year-end 2019 and forecast to 2020 by LandUseUSA | Urban Strategies. Analysis & exhibit prepared by LandUseUSA for the City of Portage; February 2020.

LandUseUSA
UrbanStrategies

37-71 Lifestyle Clusters | Lake Center District

The number of existing households living within the Lake Center District ("Southeast").



2020 Total Households = 3,546
Owners and renters combined.
13% are represented by these clusters.

Underlying Mosaic Lifestyle Clusters provided by Experian Decision Analytics through year-end 2019 and forecast to 2020 by LandUseUSA | Urban Strategies. Analysis & exhibit prepared by LandUseUSA for the City of Portage; February 2020.

LandUseUSA
UrbanStrategies

Section H

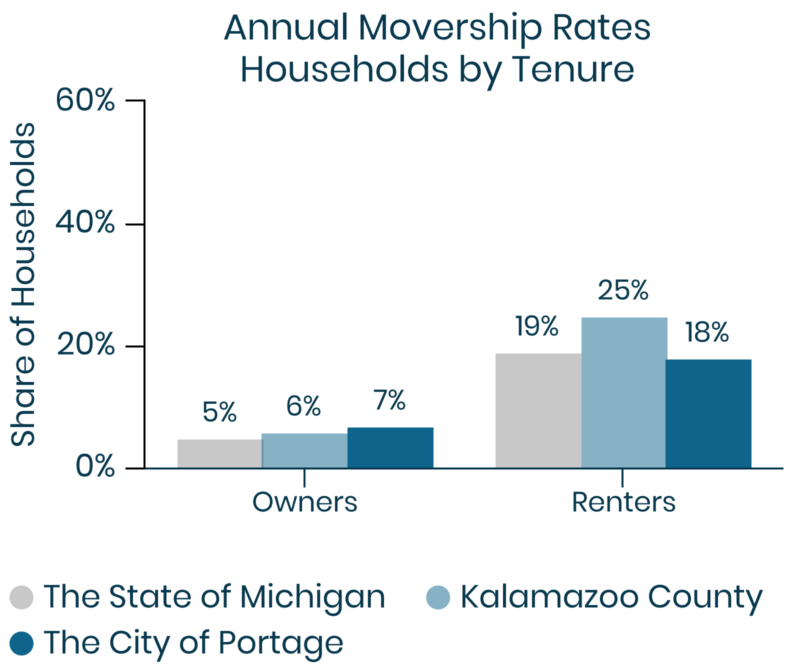
Movership Rates and Migration

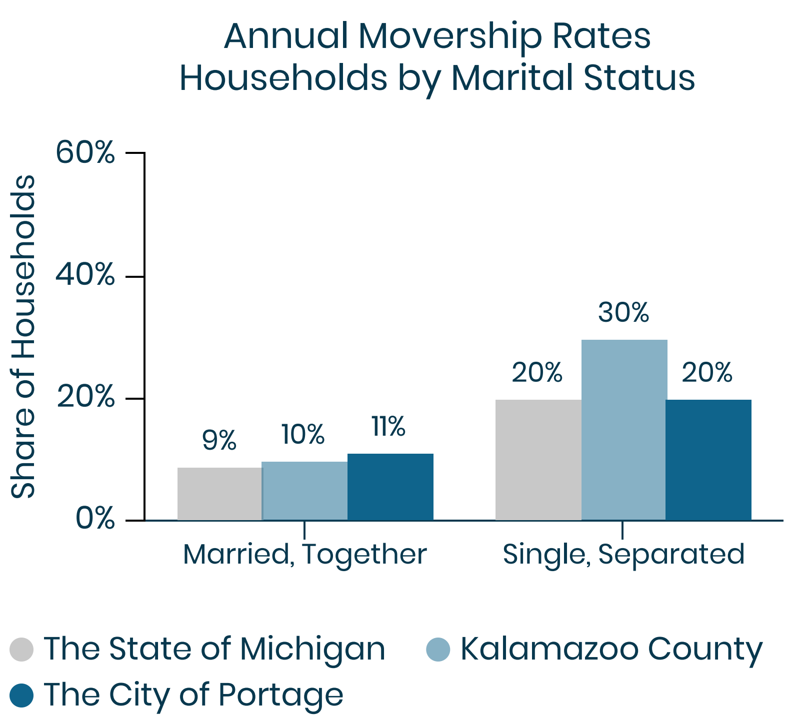
PORTAGE

A Great Place to Live

Annual Movership Rates | Portage

Movership rates by tenure and marital status; with geographic comparisons.
(A movership rate is the share of households that move in any given year.)



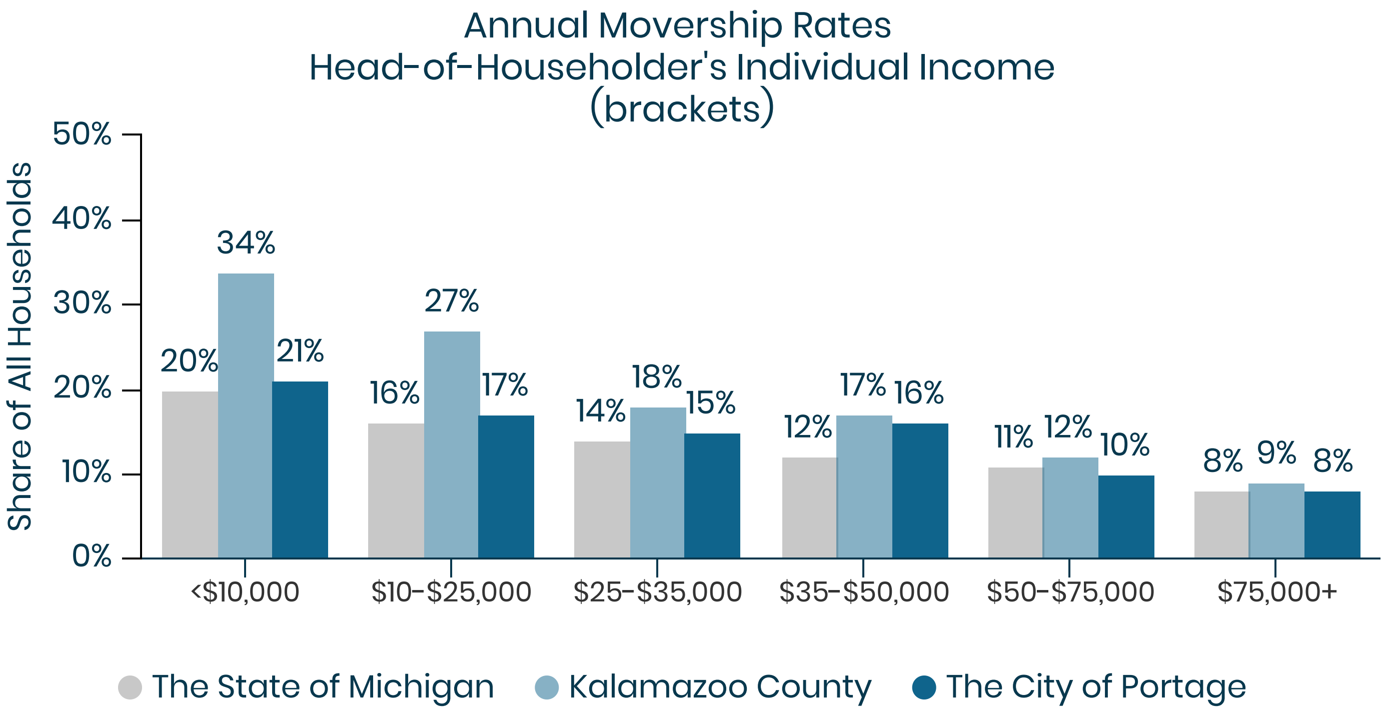


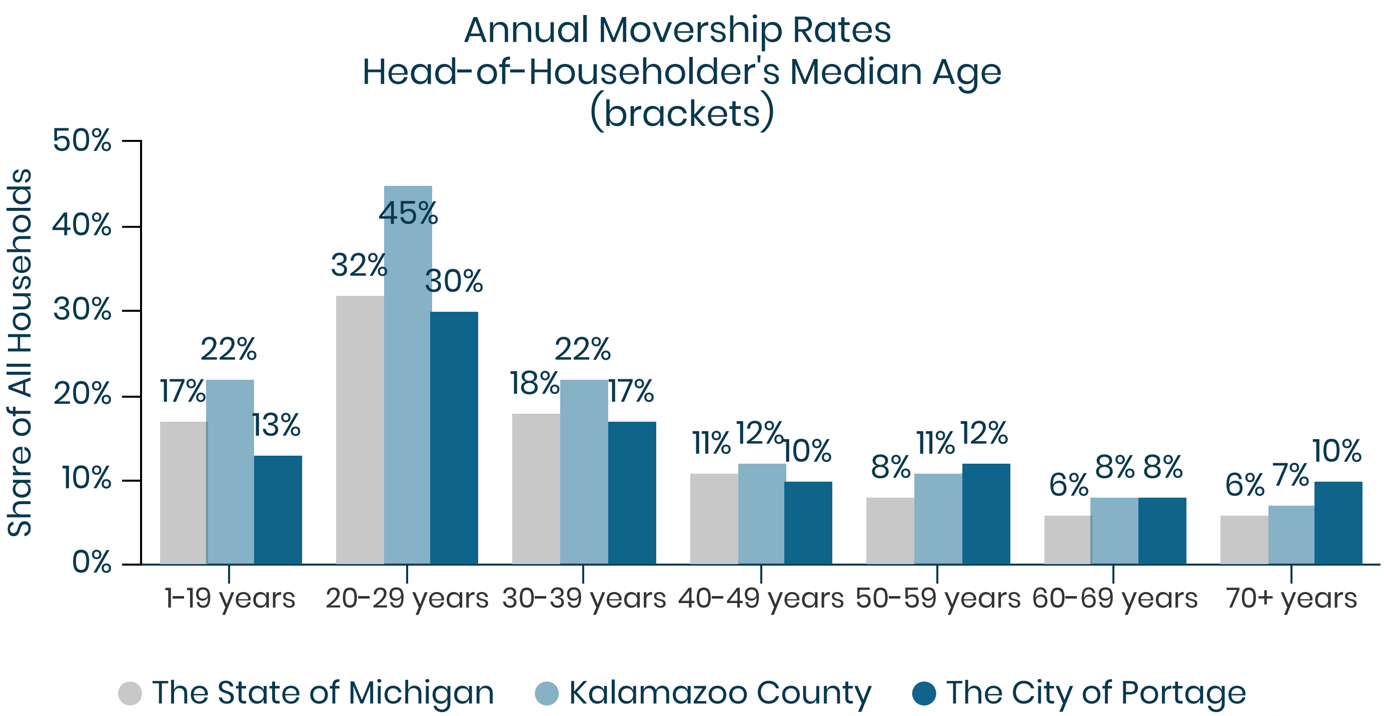
Underlying data based on tax filings reported by the Internal Revenue Service (IRS) through 2018 and the American Community Survey through 2017. Analysis & exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; March 2020.

LandUseUSA
UrbanStrategies

Movership by Income, Age | Portage

Average annual movership rates by and age income bracket; and by geography
(A movership rate is the share of households that move in any given year.)



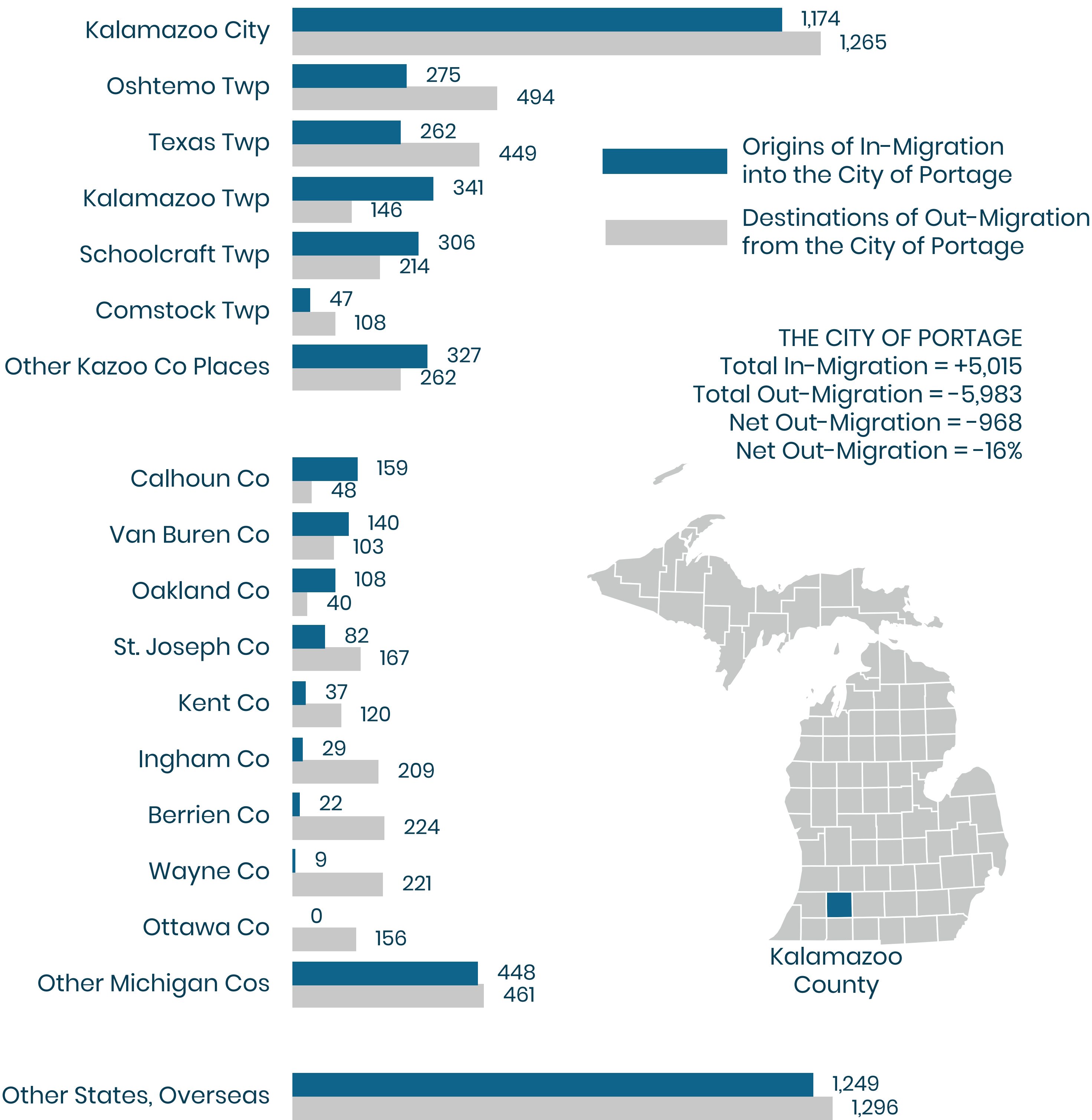


Underlying data based on tax filings reported by the Internal Revenue Service (IRS) through 2018, and the American Community Survey through 2017. Analysis & exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; March 2020.

LandUseUSA
UrbanStrategies

Net Out Migration | Portage

Origins of population In-Migration and destinations of Out-Migration, with net losses.



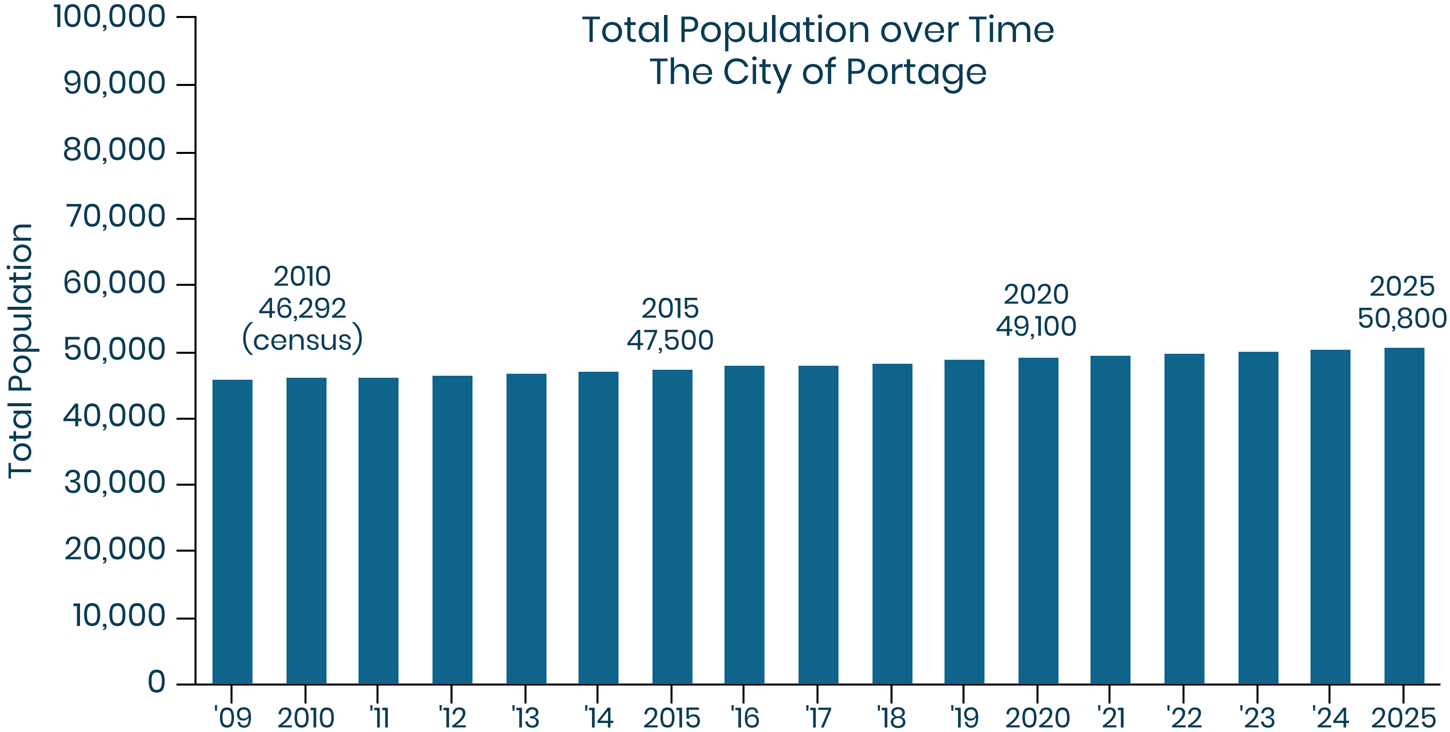
THE CITY OF PORTAGE
Total In-Migration = +5,015
Total Out-Migration = -5,983
Net Out-Migration = -968
Net Out-Migration = -16%

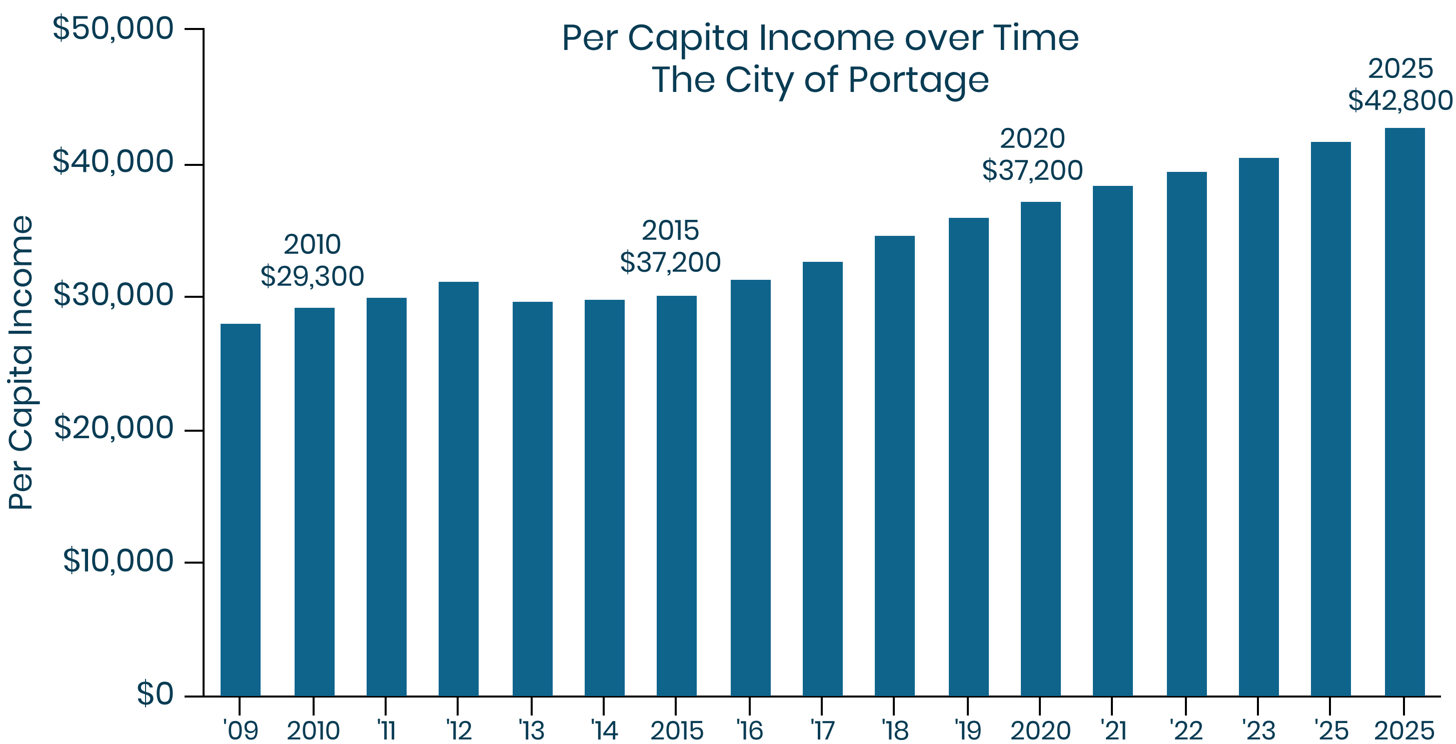
Underlying data based on individual tax returns as reported by the American Community Survey with five-year estimates through 2017. Analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; March 2020.

LandUseUSA UrbanStrategies

Population and Income | Portage

Population and per capita income are used to forecast retail expenditure potential.





Underlying data by the Decennial Census and American Community Survey (ACS) through the year 2018. Analysis & exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; April 2020.

LandUseUSA
UrbanStrategies

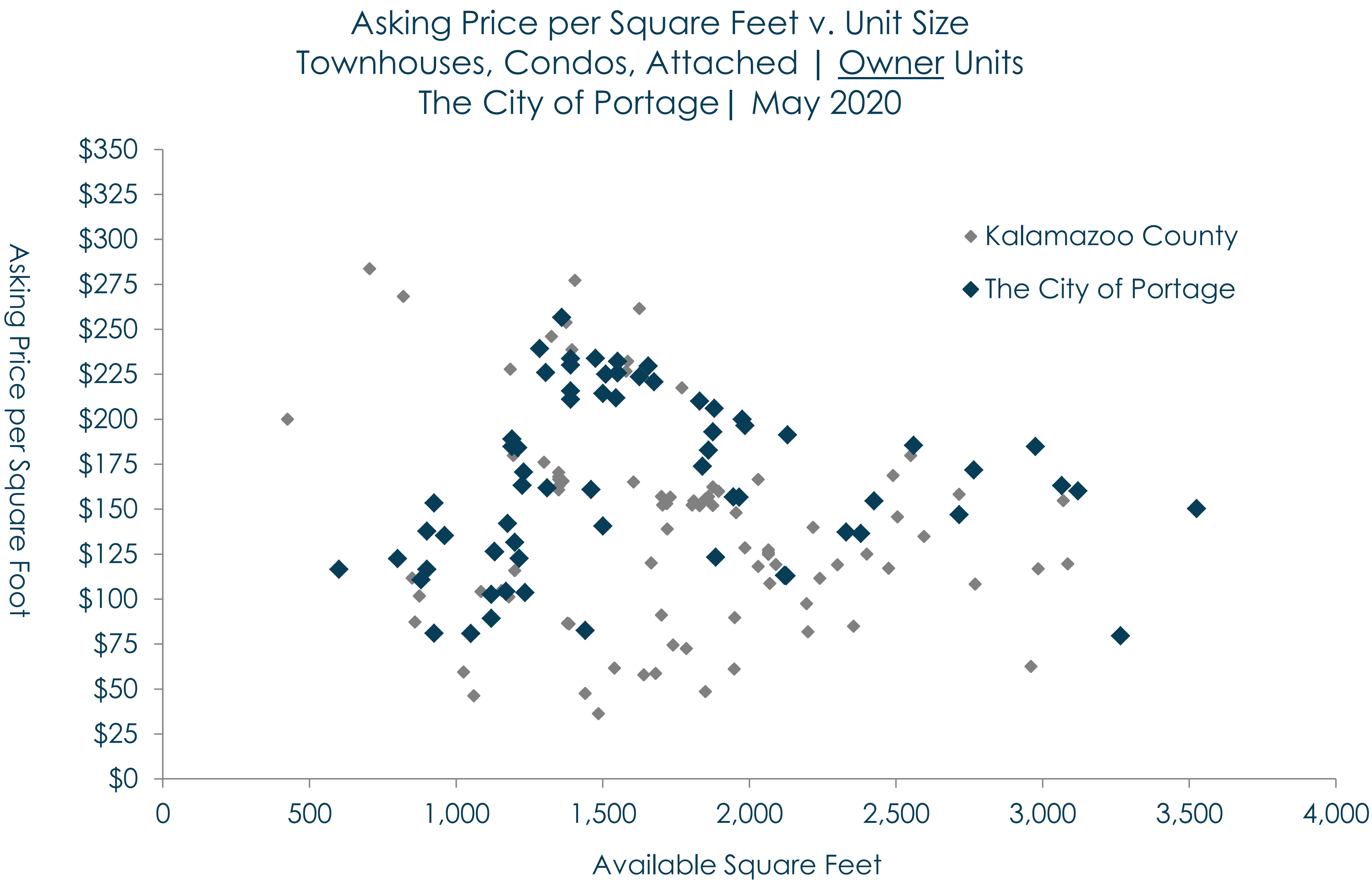
Section I

Available Housing Choices

For-Sale Units

PORTAGE

A Great Place to Live



Source: Underlying data garnered from field observations, phone surveys, assessor's records, and some internet reserach. Analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; 2020. Townhouses and condominiums may include some detached units like traditional mansion-style cottages and houses.

Townhouses, Condos, Attached | Owner Units
The City of Portage | May 2020

Name and Address	Year Built	Bed Rooms	Bath Rooms	Estimat Sq Ft	2020 Value	2020 $/Sq. Ft.
Dogwood	2020	2	2	2,130	$407,500	$191
Aster		2	2	1,985	$390,000	$196
Clover		2	2	1,975	$395,000	$200
Foxglove		2	2	1,880	$387,500	$206
Elderberry		2	2	1,830	$384,500	$210
Kousa		2	2	1,675	$370,000	$221
Magnolia		2	2	1,625	$363,500	$224
Lily		2	2	1,545	$327,500	$212
Juniper		2	2	1,500	$321,500	$214
Daisy		2	2	1,475	$345,000	$234
Bluebell		2	2	1,390	$293,500	$211
Bluebell		2	2	1,390	$310,000	$223
Iris		2	2	1,285	$307,500	$239
Whisper Rock models						
8166 Flat Rock Rdg	2020	3	3.5	3,065	$500,000	$163
		3	3	2,560	$475,000	$186
		3	3	1,510	$340,000	$225
		2	2	1,390	$300,000	$216
8328 Boulder Crk Point	2020	3	3	3,120	$500,000	$160
8299 Boulder Crk Point	2020	3	3.5	2,975	$550,000	$185
9362 Sassafras Trl	2020	2	2	1,875	$362,000	$193
10420 Hammock Cir	2019	2	2	1,210	$220,000	$182
10424 Hammock Cir	2019	2	2	1,210	$223,000	$184

Source: Underlying data garnered from field work, phone surveys, assessor's recor
records, and some internet research. Analysis and exhibit prepared by LandUseUS
Urban Strategies for the City of Portage; 2020.

Townhouses, Condos, Attached | Owner Units
The City of Portage | May 2020

Name and Address	Year Built	Bed Rooms	Bath Rooms	Estimat Sq Ft	2020 Value	2020 $/Sq. Ft.
2056 Hailey Ct	2019	2	2	1,190	$220,000	$185
2062 Hailey Ct	2019	2	2	1,190	$225,000	$189
10621 Gracie Ln	2019	2	2	1,550	$349,000	$225
10631 Gracie Ln	2019	2	2	1,305	$295,000	$226
781 Janelle Ct	2019	2	2	1,550	$360,000	$232
800 Janelle Ct	2019	2	2	1,360	$349,000	$257
2260 Whisper Rock Trl	2018	2	2	1,655	$380,000	$230
2179 Whisper Rock Trl	2018	2	2	1,390	$320,000	$230
Oakland Hills	2012	3	3	3,835		
2155 Hollow Creek Trl		3	3	3,635		
Portage	2006	3	3	3,120		
	2006	3	3	2,930		
		3	3	2,920		
		3	3	2,765	$475,000	$172
	2016	3	3	2,720		
		3	3	2,470		
		2	3	2,380		
		3	2.5	1,600		
14338 Bridgeview	2005	4	4	3,345		
Vicksburg	2015	3	3	2,950		
		2	2	1,860	$340,000	$183

Source: Underlying data garnered from field work, phone surveys, assessor's recor
records, and some internet research. Analysis and exhibit prepared by LandUseUS
Urban Strategies for the City of Portage; 2020.

Townhouses, Condos, Attached | Owner Units
The City of Portage | May 2020

Name and Address	Year Built	Bed Rooms	Bath Rooms	Estimat Sq Ft	2020 Value	2020 $/Sq. Ft.
Woodlands Austin Lake	2009	2	2	2,425	$375,000	$155
9365 Brianna Tr	2008	2	3	2,250		
9385 Brianna Tr	2015	2	2	1,965	$308,000	$157
The Woodlands	2006	3	3	2,125	$239,000	$112
9435 Woodlands Trl	2014	2	2	1,955		
9279 Woodlands Trl		2	2	1,945	$305,000	$157
2400 Shady Oak Cv	2012	3	3	2,715	$399,000	$147
8858 Silver Oak Cv	2010	2	3	2,380	$325,000	$137
11038 Portage Rd	2008	2	1	1,200	$157,900	$132
11074 Portage Rd	1972	1	1	600	$70,000	$117
8687 Oakland Cills Cir	2007	3	3	2,330	$320,000	$137
Sterling Oaks	2007	3	3	1,885	$232,500	$123
9693 Palmetto Ct		2	3	1,230	$210,000	$171
Woodland Trails	2006	3	2.5	2,735		
9279 The Woodlands Trl		3	3	2,120	$240,000	$113
		3	2	1,900		
9861 Fort Myers Pkwy	2005	2	2	1,460	$235,000	$161

Source: Underlying data garnered from field work, phone surveys, assessor's recor
records, and some internet research. Analysis and exhibit prepared by LandUseU
Urban Strategies for the City of Portage; 2020.

Townhouses, Condos, Attached | Owner Units
The City of Portage | May 2020

Name and Address	Year Built	Bed Rooms	Bath Rooms	Estimat Sq Ft	2020 Value	2020 $/Sq. Ft.
Sterling Oaks West	2009	3	3	3,145		
1011 Coral Springs Dr		3	3	2,740		
		3	3	2,700		
		2	2	2,205		
		3	2	1,840	$320,000	$174
		3	2	1,625		
		3	3	1,285		
		2	1	1,210		
1918 Brighton Ln	2005	3	3	1,755		
		3	3	1,675		
		3	3	1,645		
		2	2	1,310	$212,000	$162
3739 Tartan Cir	1992	2	2	1,225	$200,000	$163
3762 Tartan Cir	1983	2	1	925	$142,000	$154
Lakes of Woodbridge	1991	2	2	1,175	$167,000	$142
3773 Tartan Cir						
Lakes Woodbridge Hills	1990	4	3	2,185		
7606 Woodbridge Ln		3	3	1,845		
		2	2.5	1,790		
		3	3	1,765		
		3	2.5	1,555		
		3	2.5	1,500	$211,000	$141
		2	2	1,255		
		2	2	1,255		
		2	1	1,215		
		2	2	1,130		
		2	2	1,130		
		2	1	1,065		

Source: Underlying data garnered from field work, phone surveys, assessor's recor
records, and some internet research. Analysis and exhibit prepared by LandUseU
Urban Strategies for the City of Portage; 2020.

Townhouses, Condos, Attached | Owner Units
The City of Portage | May 2020

Name and Address	Year Built	Bed Rooms	Bath Rooms	Estimat Sq Ft	2020 Value	2020 $/Sq. Ft.
Marsh Pointe	1990	3	2	1,520		
4076 W Centre Ave		3	3	1,500		
		2	2	1,220		
		2	2	1,220		
		2	2	1,170		
		2	2	1,140		
		2	2	1,120	$100,000	$89
		2	2	1,120		
		2	2	1,120	$115,000	$103
		2	2	1,120		
		2	2	1,120		
Woodbridge Hills	1983	3	2.5	3,035		
7675 Blackmar Cir		3	2.5	2,640		
		4	4	2,405		
		3	3	2,205		
		3	3	1,990		
		3	2.5	1,740		
		3	3	1,595		
		2	1	1,215	$149,000	$123
		2	2	1,132	$143,000	$126
		1	1	915		
3262 Wimbledon Dr	1983	2	1	1,200		
		2	2	1,120		
		2	1	1,040		
		2	1	900	$105,000	$117
Foxwood Hills	1982	3	3	2,075		
4568 Foxfire Trl		3	3	1,900		
		3	2.5	1,250		
			2	1,170	$122,000	$104
		2	2	1,015		

Source: Underlying data garnered from field work, phone surveys, assessor's recor
records, and some internet research. Analysis and exhibit prepared by LandUseU
Urban Strategies for the City of Portage; 2020.

Townhouses, Condos, Attached | Owner Units
The City of Portage | May 2020

Name and Address	Year Built	Bed Rooms	Bath Rooms	Estimat Sq Ft	2020 Value	2020 $/Sq. Ft.
7648 E St Andrews Cir	1981	5	3	3,265	$260,000	$80
Harbors of Portage	1981	2	1.5	940		
5570 Grand Traverse Ln		2	1.5	900	$124,000	$138
3525 Scots Pine Way	1979	3	2	1,360		
		3	2	1,340		
		.	2	1,235	$128,000	$104
		2	2	1,055		
		2	2	1,000		
10072 Pepperell Ct	1979	3	2.5	2,030		
		3	1.5	1,595		
		3	1.5	1,440		
		2	1	1,365		
		2	2	1,330		
		1	1	880		
605 Schuring Rd	1978	2	1	1,050	$85,000	$81
		2	1.5	970		
10207 Cricklewood Ct	1974	3	2	1,440	$119,000	$83
		2	2	960	$130,000	$135
1726 Valleywood Ct	1974	2	1.5	925	$75,000	$81
		2	1.5	880	$97,500	$111
8048 S Westnedge Ave	1962	2	1	800	$98,000	$123

Source: Underlying data garnered from field work, phone surveys, assessor's recor
records, and some internet research. Analysis and exhibit prepared by LandUseUS
Urban Strategies for the City of Portage; 2020.

Section J

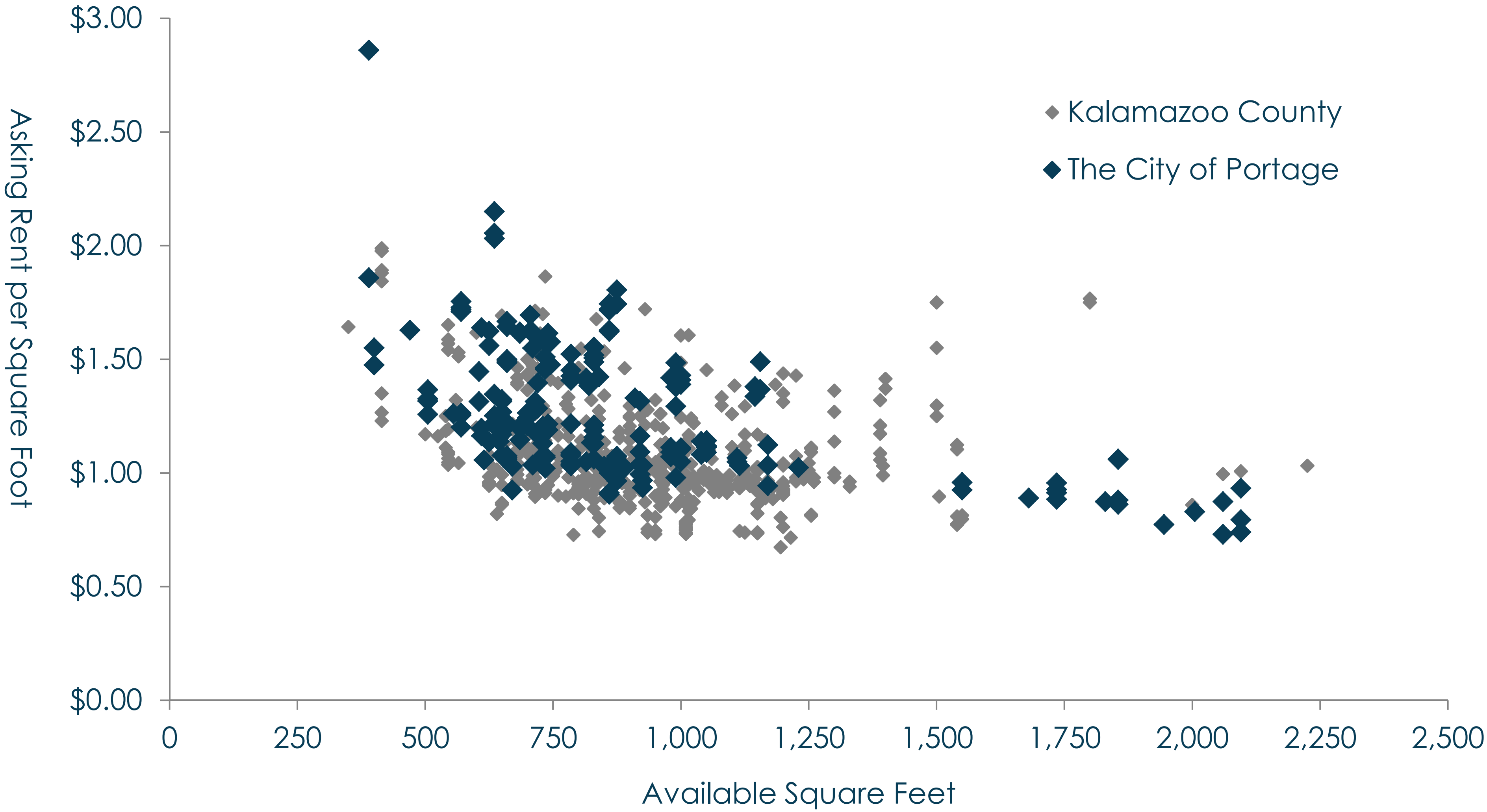
Available Housing Choices

For-Lease Units

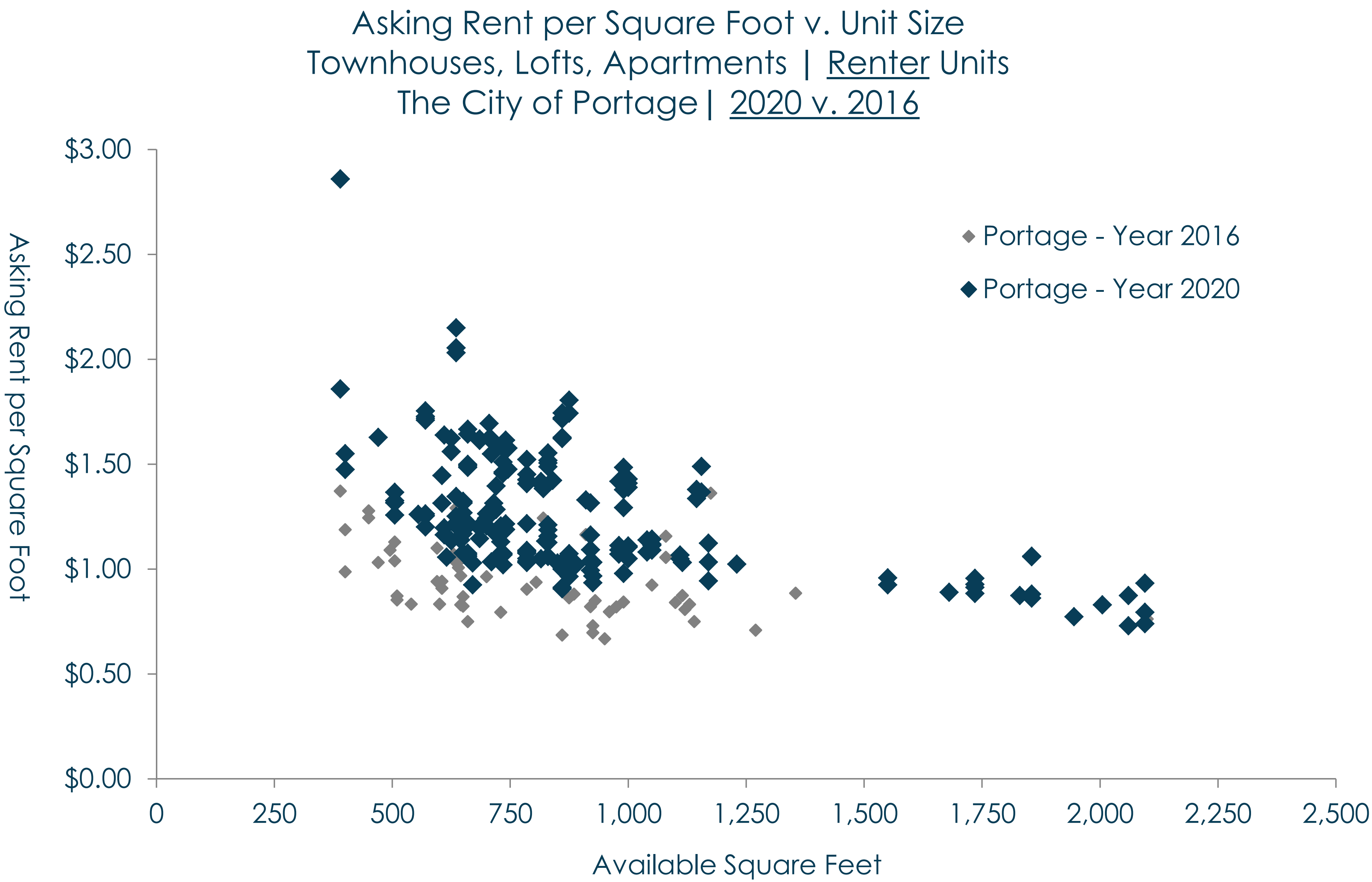
PORTAGE

A Great Place to Live

Asking Rent per Square Foot v. Unit Size
Townhouses, Lofts, Apartments | Renter Units
The City of Portage | Year 2020



Source: Underlying data garnered from field observations, phone surveys, assessor's records, and some internet reserach.
Analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; 2020.



Source: Underlying data garnered from field observations, phone surveys, assessor's records, and some internet reserach.
Analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; 2020.

Townhouses, Lofts, Apartments | Renter Units
The City of Portage | Year 2020

Name and Address	Year Opened	Units in Building	Bed Rooms	Bath Rooms	Square Feet	2020 Rent	2020 $/Sq. Ft.
Greenspire Apts	2020	616	1	1	705	$1,145	$1.62
8380 Greenspire Dr			1	1	705	$1,195	$1.70
Portage			1	1	710	$1,100	$1.55
			1	1	710	$1,150	$1.62
			1	1	745	$1,100	$1.48
			1	1	745	$1,175	$1.58
			2	2	990	$1,280	$1.29
			2	2	990	$1,365	$1.38
			2	2	990	$1,405	$1.42
			2	2	990	$1,470	$1.48
			2	2	1,145	$1,530	$1.34
			2	2	1,145	$1,580	$1.38
			2	2	1,155	$1,580	$1.37
			2	2	1,155	$1,720	$1.49
Centre Meadows Apts	2012	122	1	1	650	$860	$1.32
1503 E Centre Ave			2	1	820	$1,135	$1.38
Portage			2	1	910	$1,210	$1.33
Pinefield Condos	2003	211	2	1.5	1,040	$1,125	$1.08
6219 Silver Fir St			3	2.5	1,550	$1,435	$0.93
Portage			3	2.5	1,735	$1,535	$0.88
			3	2.5	1,735	$1,610	$0.93
			2	1.5	1,110	$1,165	$1.05
			2	1.5	1,110	$1,185	$1.07
			2	2	1,680	$1,495	$0.89
			2	1.5	1,040	$1,185	$1.14
			3	2.5	1,550	$1,485	$0.96
			3	2.5	1,735	$1,585	$0.91
			3	2.5	1,735	$1,660	$0.96

Source: Underlying data garnered from field work, phone surveys, assessor's records, and some internet research. Analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; 2020.

Townhouses, Lofts, Apartments | Renter Units
The City of Portage | Year 2020

Name and Address	Year Opened	Units in Building	Bed Rooms	Bath Rooms	Square Feet	2020 Rent	2020 $/Sq. Ft.
Foxwood Apts	1999	252	1	1	730	$870	$1.19
Hermitage Townhomes			1	1	730	$880	$1.21
4805 Fox Valley Drive			1	1	730	$1,160	$1.59
Portage			1	1	740	$880	$1.19
			1	1	740	$900	$1.22
			1	1	740	$1,170	$1.58
			1	1	740	$1,195	$1.61
			1	1	785	$1,195	$1.52
			1	1	825	$935	$1.13
			1	1	830	$880	$1.06
			1	1	830	$935	$1.13
			1	1	830	$960	$1.16
			1	1	830	$985	$1.19
			1	1	830	$1,005	$1.21
			1	1	830	$1,235	$1.49
			1	1	830	$1,250	$1.51
			1	1	830	$1,260	$1.52
			1	1	830	$1,290	$1.55
			1	1	840	$1,195	$1.42
			2	2	980	$1,050	$1.07
			2	2	980	$1,070	$1.09
			2	2	980	$1,090	$1.11
			2	2	980	$1,390	$1.42
			2	2	1,000	$1,050	$1.05
			2	2	1,000	$1,105	$1.11
			2	2	1,000	$1,110	$1.11
			2	2	1,000	$1,390	$1.39
			2	2	1,000	$1,410	$1.41
			2	2	1,000	$1,430	$1.43
			2	2	1,830	$1,600	$0.87
			2	2	1,855	$1,600	$0.86
			2	2	1,855	$1,635	$0.88
			2	2	1,855	$1,965	$1.06
			2	2	1,855	$1,970	$1.06
			2	2	1,945	$1,505	$0.77
			3	2.5	2,005	$1,665	$0.83
			2	2	2,060	$1,505	$0.73
			2	2	2,060	$1,800	$0.87
			3	2.5	2,095	$1,550	$0.74
			3	2.5	2,095	$1,665	$0.79
			3	2.5	2,095	$1,955	$0.93

Townhouses, Lofts, Apartments | Renter Units
The City of Portage | Year 2020

Name and Address	Year Opened	Units in Building	Bed Rooms	Bath Rooms	Square Feet	2020 Rent	2020 $/Sq. Ft.
Prinwood Place	1997	115	1	1	700	$845	$1.21
2195 Captiva Island			1	1	700	$870	$1.24
Portage			1	1	700	$885	$1.26
			2	1.5	1,050	$1,145	$1.09
			2	1.5	1,050	$1,170	$1.11
			2	1.5	1,050	$1,175	$1.12
			2	1.5	1,050	$1,200	$1.14
Spring Manor	1996	107	0	1	495		
610 Mall Drive	renov.		1	1	595		
Portage	2006		1	1	595		
			2	1	885		
			1	1	670	$620	$0.93
			1	1	670	$690	$1.03
Centre Street Village	1996	65	2	1.5	1,115	$1,150	$1.03
2011 E Centre Ave			3	2.5	1,355		
Spruce Creek Apts	1989	60	1	1	785		
7702 Kenmure Dr			1	1	805		
Portage			2	1.5	975		
			2	2	990	$970	$0.98
Pines West Apts	1980	168	1	1	710	$735	$1.04
3550 Austrian Pine Way			2	1	850	$875	$1.03
Portage							
Mallard Cove	1978	100	1	1	615	$650	$1.06
2185 Albatross Ct			2	1	735	$750	$1.02

Source: Underlying data garnered from field work, phone surveys, assessor's records, and some internet research. Analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; 2020.

Townhouses, Lofts, Apartments | Renter Units
The City of Portage | Year 2020

Name and Address	Year Opened	Units in Building	Bed Rooms	Bath Rooms	Square Feet	2020 Rent	2020 $/Sq. Ft.
Briarwood Apts	1976	170	1	1	650	$700	$1.08
7640 Whispering Brook Dr			1	1	660	$700	$1.06
Portage			1	1	660	$705	$1.07
			1	1	660	$710	$1.08
			1	1	660	$805	$1.22
			1	1	660	$980	$1.48
			1	1	660	$985	$1.49
			1	1	660	$990	$1.50
			1	1	660	$1,085	$1.64
			1	1	660	$1,100	$1.67
			2	1	860	$780	$0.91
			2	1	860	$785	$0.91
			2	1	860	$860	$1.00
			2	1	860	$865	$1.01
			2	1	860	$890	$1.03
			2	1	860	$1,395	$1.62
			2	1	860	$1,400	$1.63
			2	1	860	$1,475	$1.72
			2	1	860	$1,480	$1.72
			2	1	860	$1,500	$1.74
Timberwood Crossing	1973	254	0.5	1	470	$765	$1.63
6285 Ivywood Dr			1	1	605	$875	$1.45
Portage			1	1	605	$795	$1.31
			1	1	650	$770	$1.18
			1	1	650	$825	$1.27
			1	1	650	$855	$1.32
			1	1	650	$855	$1.32
			1	1	650	$760	$1.17
			2	1	785	$955	$1.22
			2	1	925	$865	$0.94
			2	1	925	$955	$1.03
			2	1	925	$955	$1.03
			2	1	925	$895	$0.97

Source: Underlying data garnered from field work, phone surveys, assessor's records, and some internet research. Analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; 2020.

Townhouses, Lofts, Apartments | Renter Units
The City of Portage | Year 2020

Name and Address	Year Opened	Units in Buildin g	Bed Rooms	Bath Rooms	Square Feet	2020 Rent	2020 $/Sq. Ft.
Walnut Trail	1970	798	1	1	555	$700	$1.26
601 Alfa Court			1	1	570	$685	$1.20
Portage			1	1	570	$715	$1.25
			1	1	570	$720	$1.26
			1	1	570	$975	$1.71
			1	1	570	$980	$1.72
			1	1	570	$985	$1.73
			1	1	570	$1,000	$1.75
			1	1	610	$710	$1.16
			1	1	610	$730	$1.20
			1	1	610	$1,000	$1.64
			1	1	625	$710	$1.14
			1	1	625	$975	$1.56
			1	1	625	$1,015	$1.62
			2	1	685	$785	$1.15
			2	1	685	$820	$1.20
			2	1	685	$825	$1.20
			2	1	685	$1,105	$1.61
			2	1	685	$1,110	$1.62
			2	1	735	$785	$1.07
			2	1	735	$790	$1.07
			2	1	735	$1,070	$1.46
			2	1	735	$1,075	$1.46
			2	1	735	$1,110	$1.51
			2	1	785	$810	$1.03
			2	1	785	$815	$1.04
			2	1	785	$825	$1.05
			2	1	785	$845	$1.08
			2	1	785	$850	$1.08
			2	1	785	$855	$1.09
			2	1	785	$1,105	$1.41
			2	1	785	$1,120	$1.43
			2	1	785	$1,140	$1.45
			2	1	815	$855	$1.05
			2	1	815	$1,145	$1.40
			2	1	815	$1,155	$1.42
			2	1.5	920	$955	$1.04
			2	1.5	920	$1,210	$1.32

Source: Underlying data garnered from field work, phone surveys, assessor's records, and some internet research. Analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; 2020.

Townhouses, Lofts, Apartments | Renter Units
The City of Portage | Year 2020

Name and Address	Year Opened	Units in Building	Bed Rooms	Bath Rooms	Square Feet	2020 Rent	2020 $/Sq. Ft.
Davis Creek Apts	1970	407	0.5	1	400	$590	$1.48
5419 Meredith Street			0.5	1	400	$620	$1.55
Portage			1	1	505	$635	$1.26
			1	1	505	$665	$1.32
			1	1	505	$670	$1.33
			1	1	505	$690	$1.37
			2	1	645	$735	$1.14
			2	1	645	$765	$1.19
			2	1	645	$770	$1.19
			2	1	645	$790	$1.22
			2	1	730	$785	$1.08
			2	1	730	$825	$1.13
Austin View Apts	1970s		1	1	600		
1605 Bacon Ave			2	1	630		
Portage			2	1	700		
			1	1	715	$940	$1.31
			1	1	720	$840	$1.17
			1	1	720	$925	$1.28
			1	1	720	$1,005	$1.40
			2	1.5	890	$910	$1.02
			2	1.5	920	$915	$0.99
			2	1.5	920	$1,005	$1.09
			2	1.5	920	$1,070	$1.16
			3	1.5	1,050	$1,200	$1.14
			2	1.5	1,170	$1,105	$0.94
			2	1.5	1,170	$1,210	$1.03
			2	1.5	1,170	$1,315	$1.12
			3	1.5	1,230	$1,260	$1.02

Source: Underlying data garnered from field work, phone surveys, assessor's records, and some internet research. Analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; 2020.

Townhouses, Lofts, Apartments | Renter Units
The City of Portage | Year 2020

Name and Address	Year Opened	Units in Building	Bed Rooms	Bath Rooms	Square Feet	2020 Rent	2020 $/Sq. Ft.
Briargate Apts	1964	75	0.5	1	390	$725	$1.86
316 Tudor Cir			0.5	1	390	$725	$1.86
Portage			0.5	1	390	$1,115	$2.86
			0.5	1	390	$1,115	$2.86
				1	390		
			0.5	1	450		
			0.5	1	450		
			1	1	635	$775	$1.22
			1	1	635	$795	$1.25
			1	1	635	$855	$1.35
			1	1	635	$1,290	$2.03
			1	1	635	$1,305	$2.06
			1	1	635	$1,365	$2.15
			2	1	875	$845	$0.97
			2	1	875	$940	$1.07
			2	1	875	$1,525	$1.74
			2	1	875	$1,580	$1.81
			2	1	875		
			2	1	875		

Source: Underlying data garnered from field work, phone surveys, assessor's records, and some internet research. Analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; 2020.

Section K

Conventional Approach

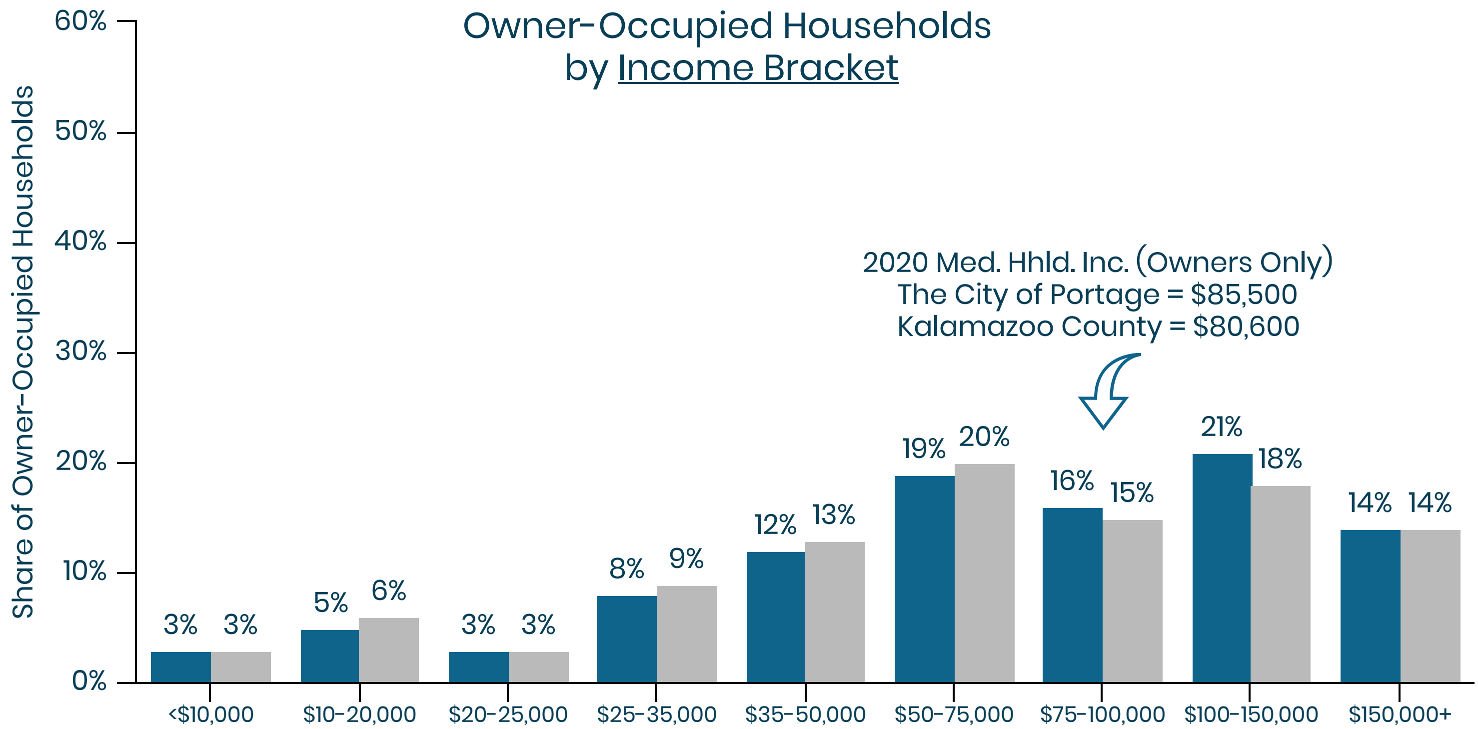
Demand - Supply = Gap

PORTAGE

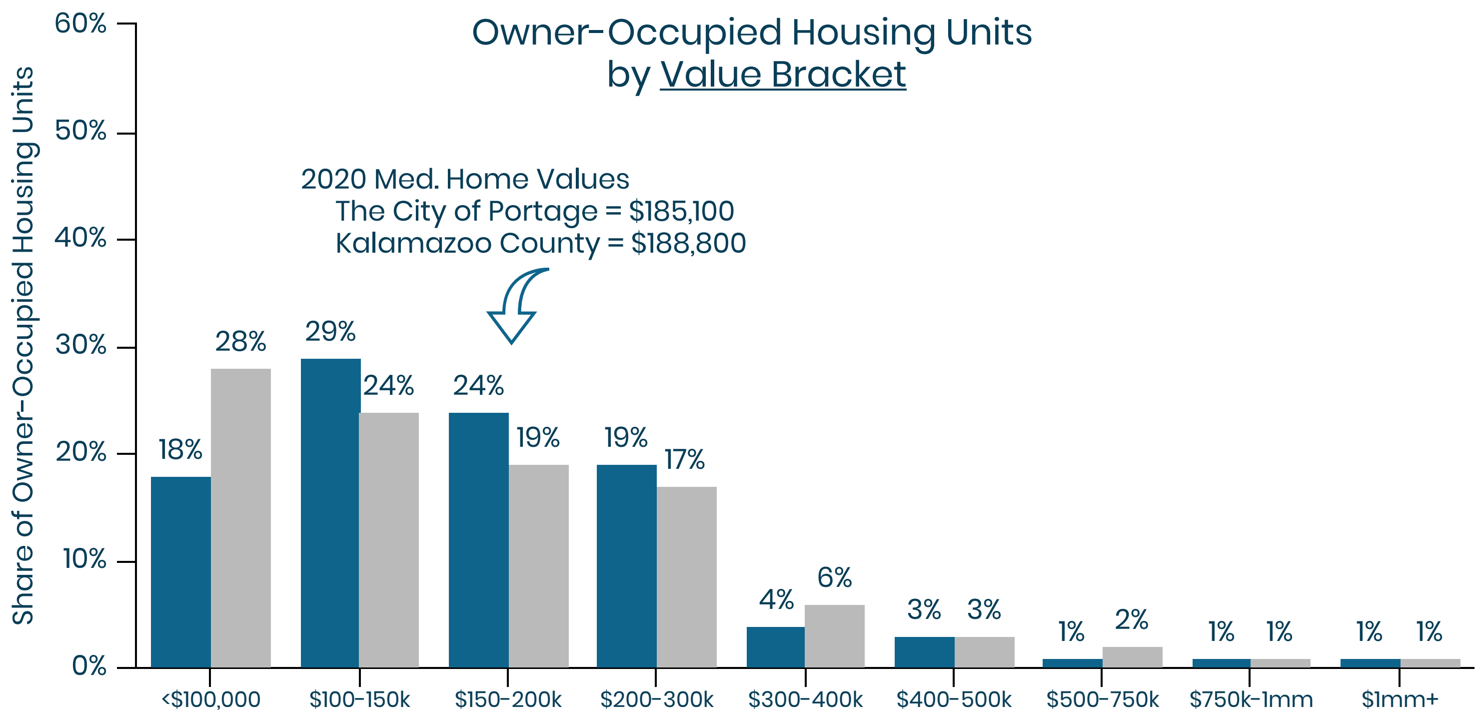
A Great Place to Live

Owner Incomes & Values | Portage

A comparison of owner-occupied household incomes and home values.



The City of Portage   Kalamazoo County

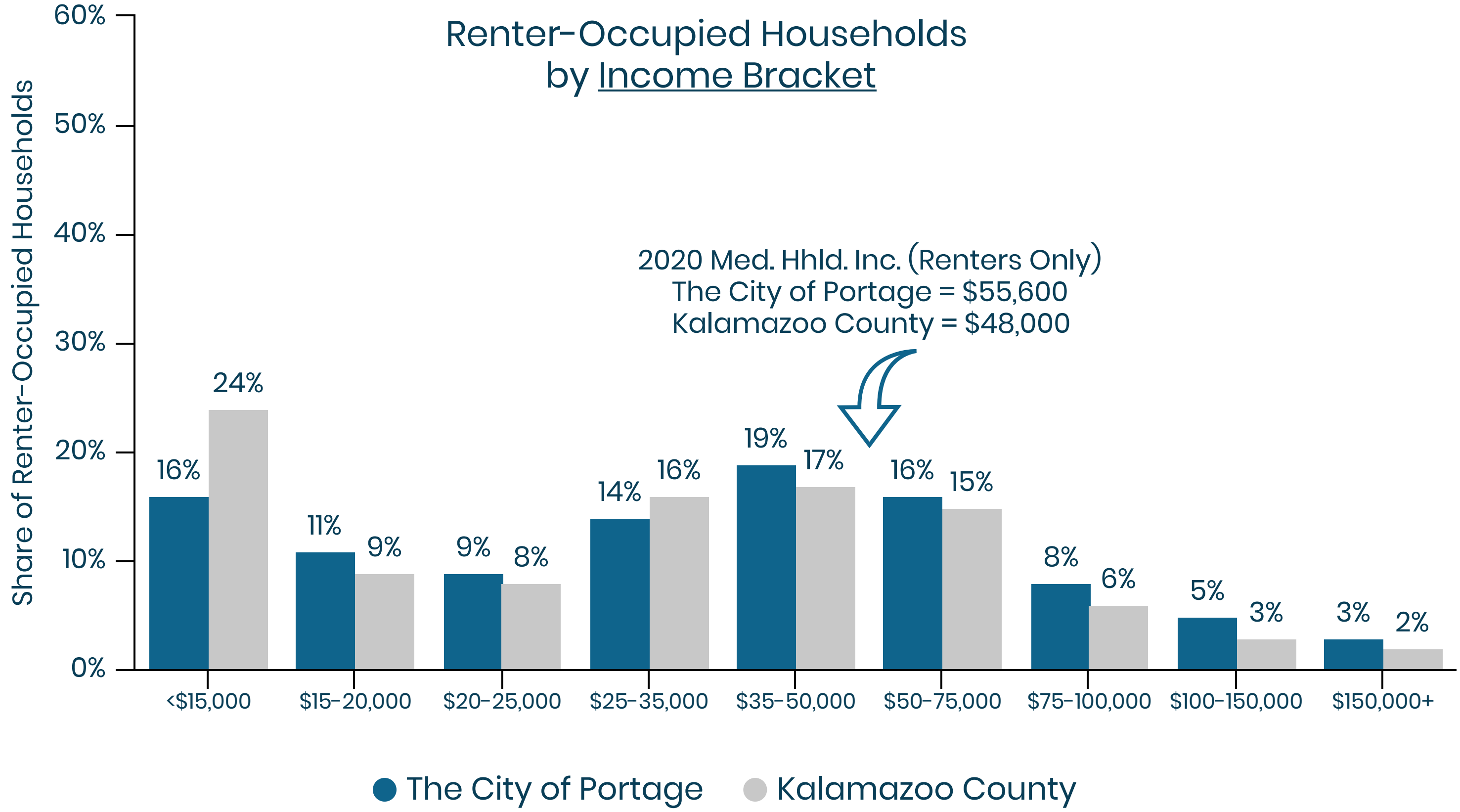


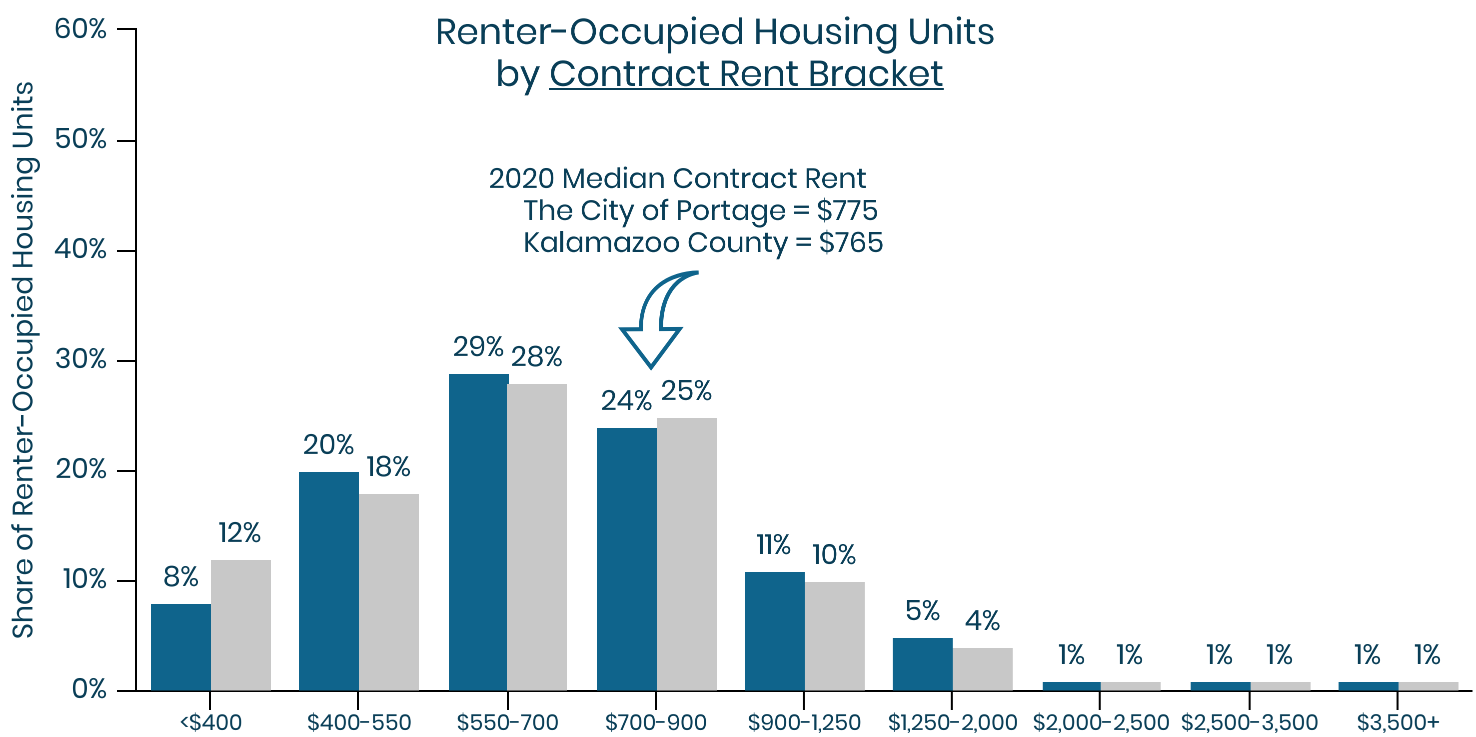
Underlying data by the Decennial Census and American Community Survey through the year 2017. Analysis & exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; March 2020.

LandUseUSA UrbanStrategies

Renter Incomes & Prices | Portage

A comparison of renter-occupied household incomes and contract rents.



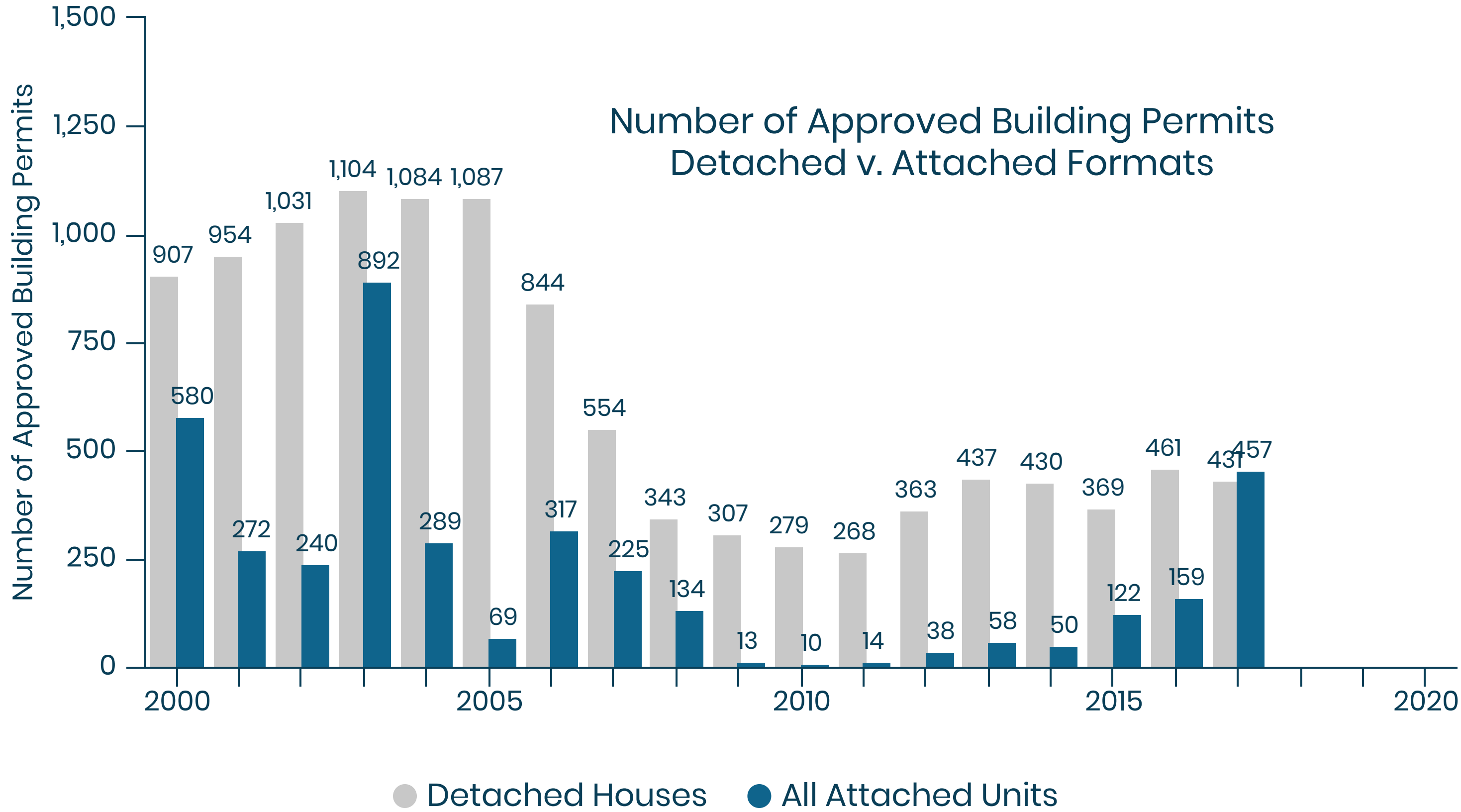


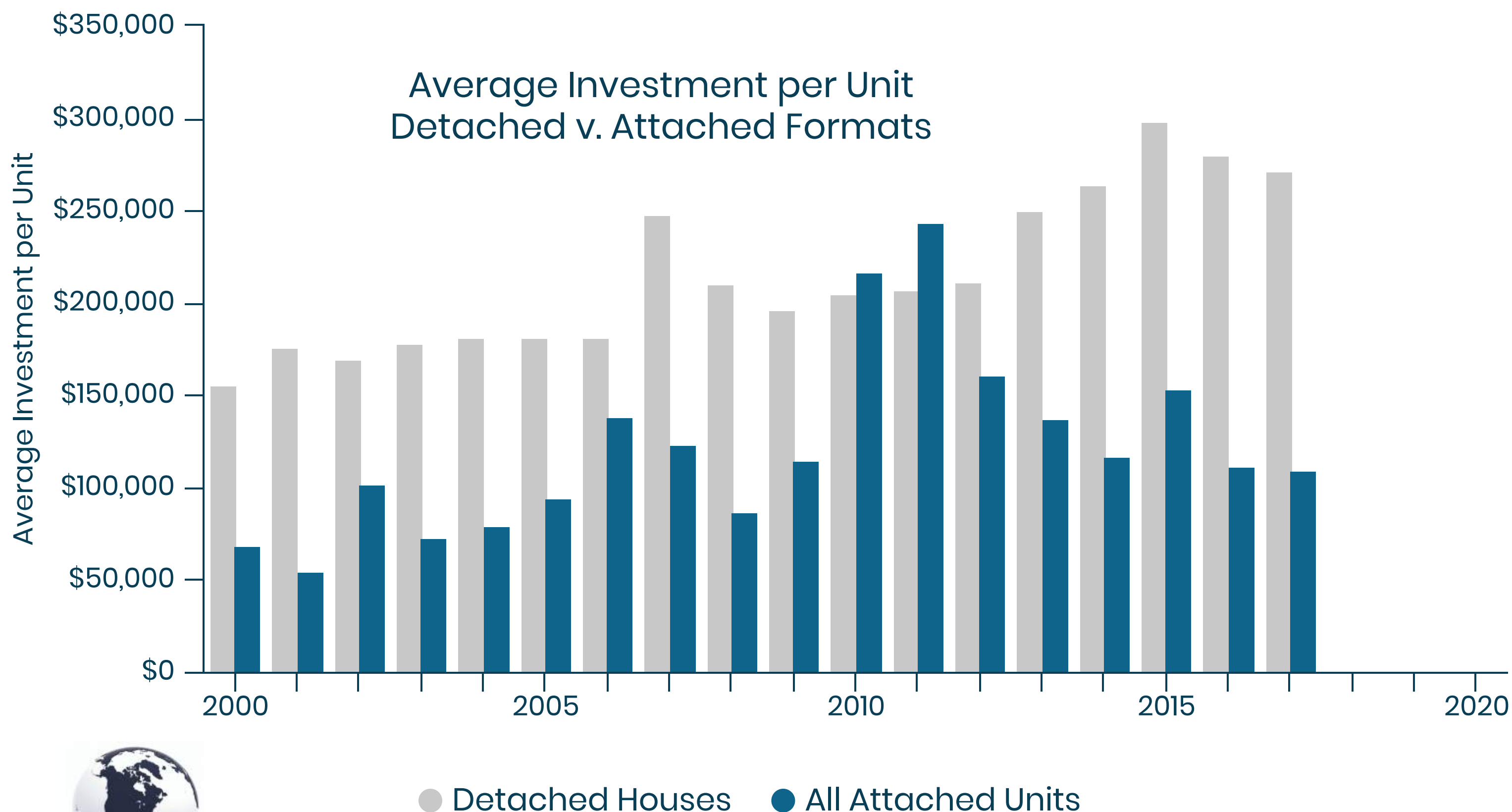
Underlying data by the Decennial Census and American Community Survey through the year 2017. Analysis & exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; March 2020.

LandUseUSA
UrbanStrategies

Building Permit Survey | Kalamazoo Co

An assessment of approved building permits and investment per unit over time.



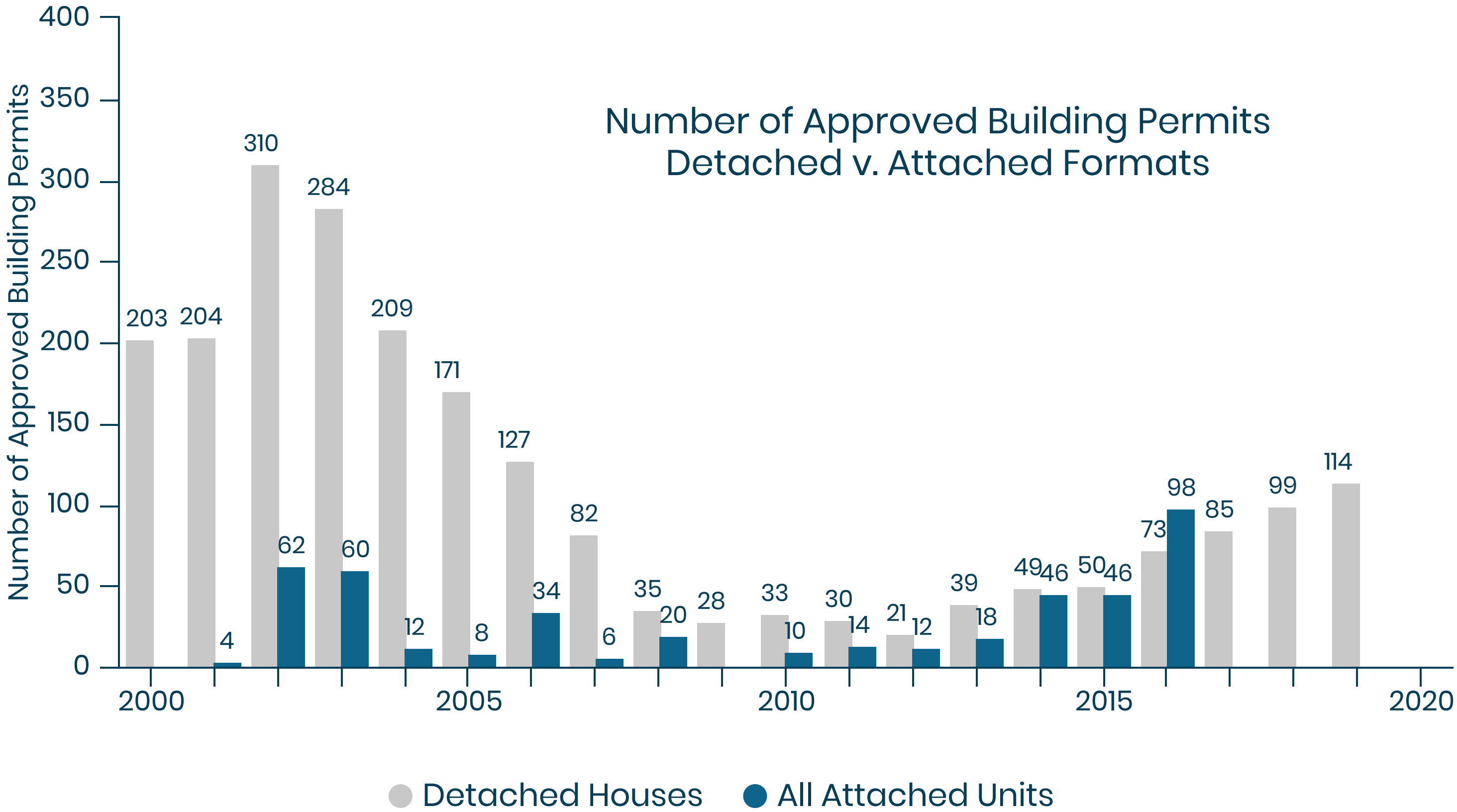


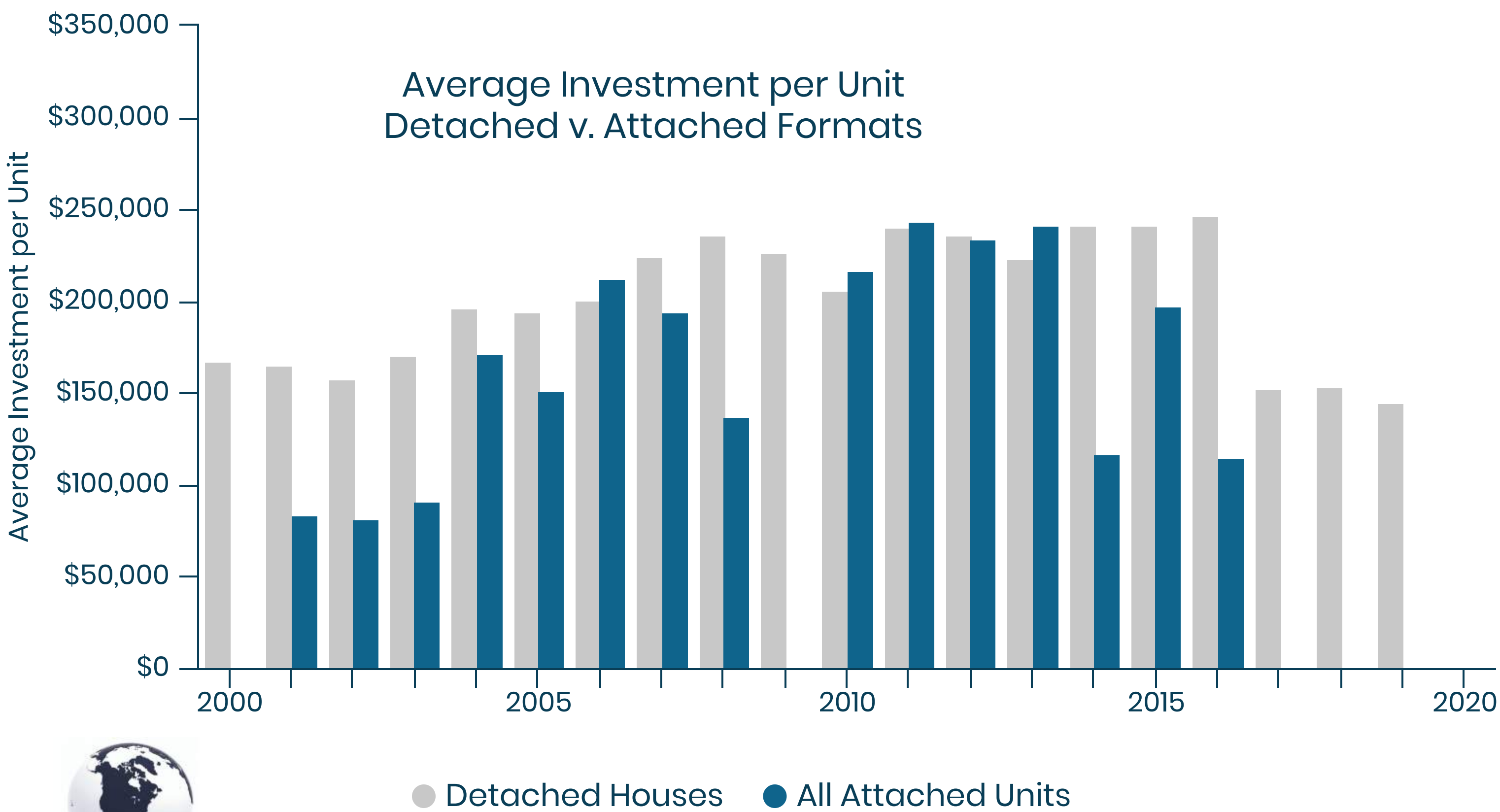
LandUseUSA
UrbanStrategies

Underlying data by the Census Bureau's Building Permits Survey through the year 2017. Analysis & exhibit prepared by LandUseUSA | Urban Strategies on behalf of the City of Portage; June 2020.

Building Permit Survey | Portage

An assessment of approved building permits and investment per unit over time.





LandUseUSA
UrbanStrategies

Underlying data by the Census Bureau's Building Permits Survey through the year 2017. Analysis & exhibit prepared by LandUseUSA | Urban Strategies on behalf of the City of Portage; June 2020.

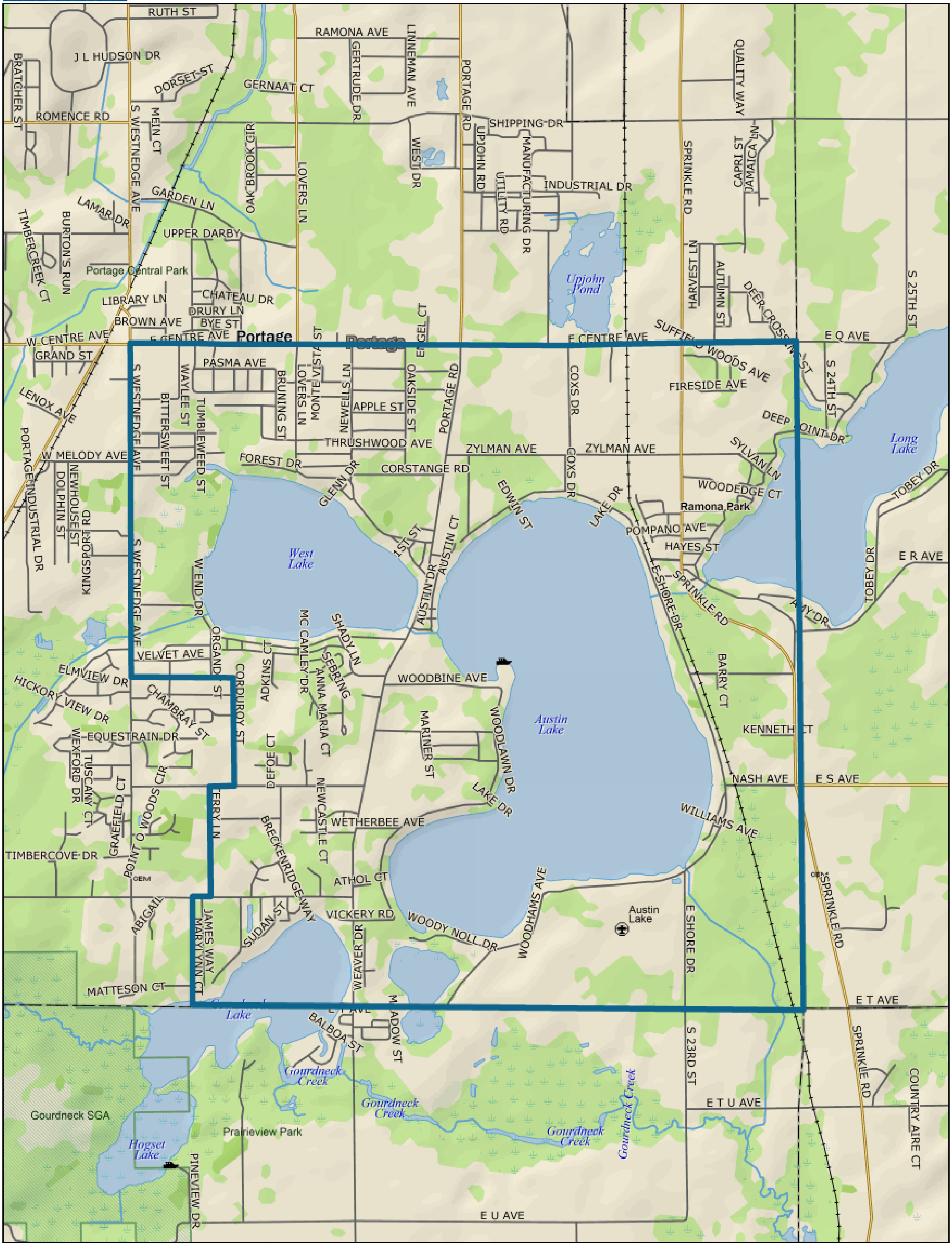
Section L

Existing Households and Units

Market Parameters

PORTAGE

A Great Place to Live



Scale 1 : 37,500

1" = 692.9 ft

Data Zoom 12-4

Residential Market Parameters | Income, Tenure, Vehicles
The Lake Center District | The City of Portage, Michigan

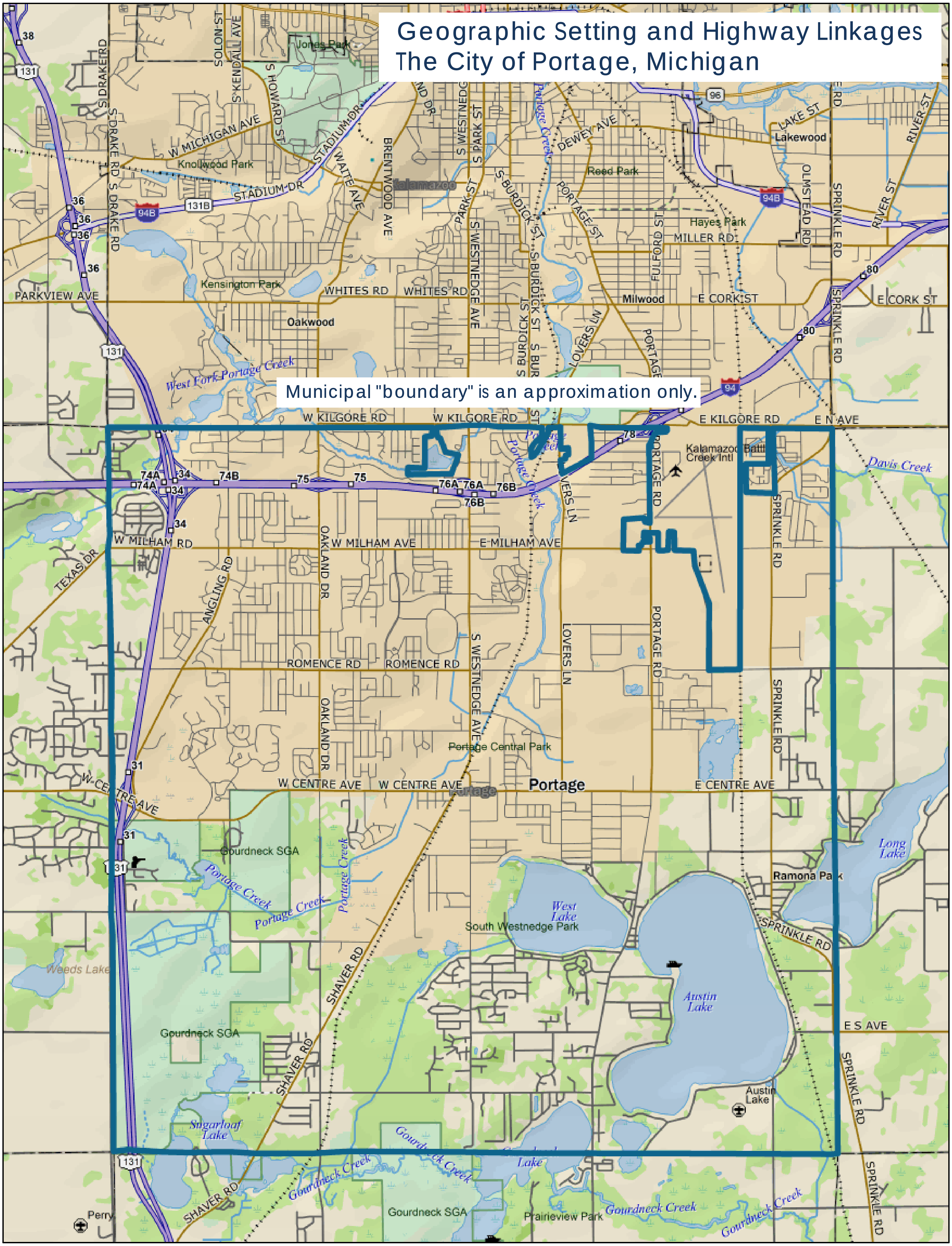
Households by Income	2000 Census	2000 Share	2010 Census	2010 Share	2019 Estimates	2019 Share
$0 - $15,000	143	5%	182	6%	114	3%
$15,000 - $24,999	271	10%	310	9%	181	5%
$25,000 - $34,999	325	12%	313	10%	248	7%
$35,000 - $49,999	514	18%	537	16%	490	14%
$50,000 - $74,999	717	25%	689	21%	791	23%
$75,000 - $99,999	407	14%	546	17%	592	17%
$100,000 - $149,999	327	12%	479	15%	604	17%
$150,000 +	132	5%	228	7%	463	13%
Total Households (sum)	2,837	100%	3,284	100%	3,483	100%
Average Hhld Income	$67,762	.	$76,649	.	$96,392	.
Median Hhld Income	$56,287	.	$60,242	.	$72,271	.

Housing Units	2000 Census	2000 Share	2010 Census	2010 Share	2019 Estimates	2019 Share
Total Occupied Units	.	.	3,284	94%	3,483	98%
Owned w/Mortgage	.	.	2,105	64%	2,006	58%
Owned Free, Clear	.	.	775	24%	1,088	31%
Rented	.	.	404	12%	389	11%
Vacant	112	3.8%	199	5.7%	74	2.1%
Total Housing Units (sum)	2,940	100%	3,483	100%	3,557	100%

Vehicles Available	2000 Census	2000 Share	2010 Census	2010 Share	2019 Estimates	2019 Share
0 Vehicles Available	77	3%	35	1%	69	2%
1 Vehicle Available	719	25%	1,066	32%	1,029	30%
2+ Vehicles Available	2,033	72%	2,183	66%	2,385	68%
Total Households (sum)	2,829	100%	3,284	100%	3,483	100%
Vehicles Per Household	2	.	2	.	2	.

Source: Underlying data provided by the 2000 and 2010 Decennial Census with 2019 Estimates provided by Experian Decision Analytics. Exhibit and analysis prepared by LandUseUSA Urban Strategies on behalf of the City of Portage, Michigan; March 2020.

Geographic Setting and Highway Linkages
The City of Portage, Michigan

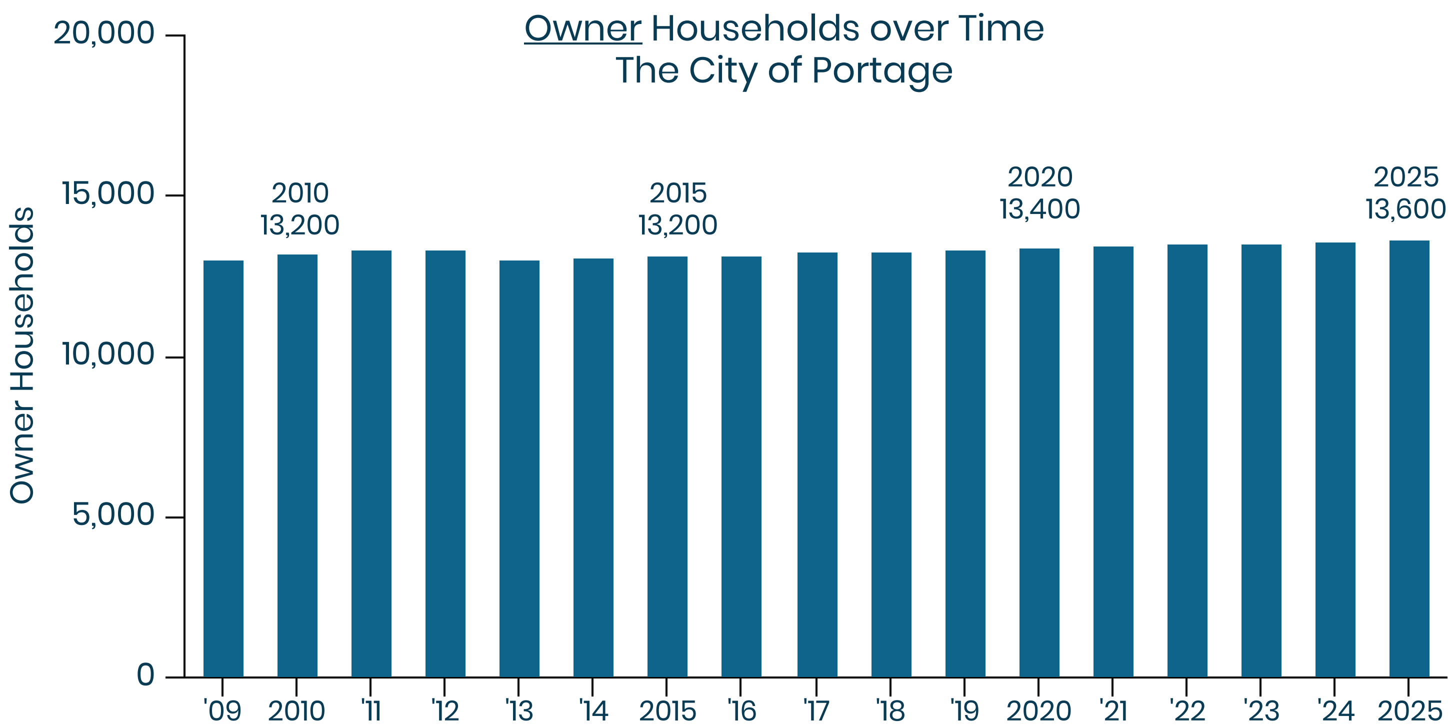


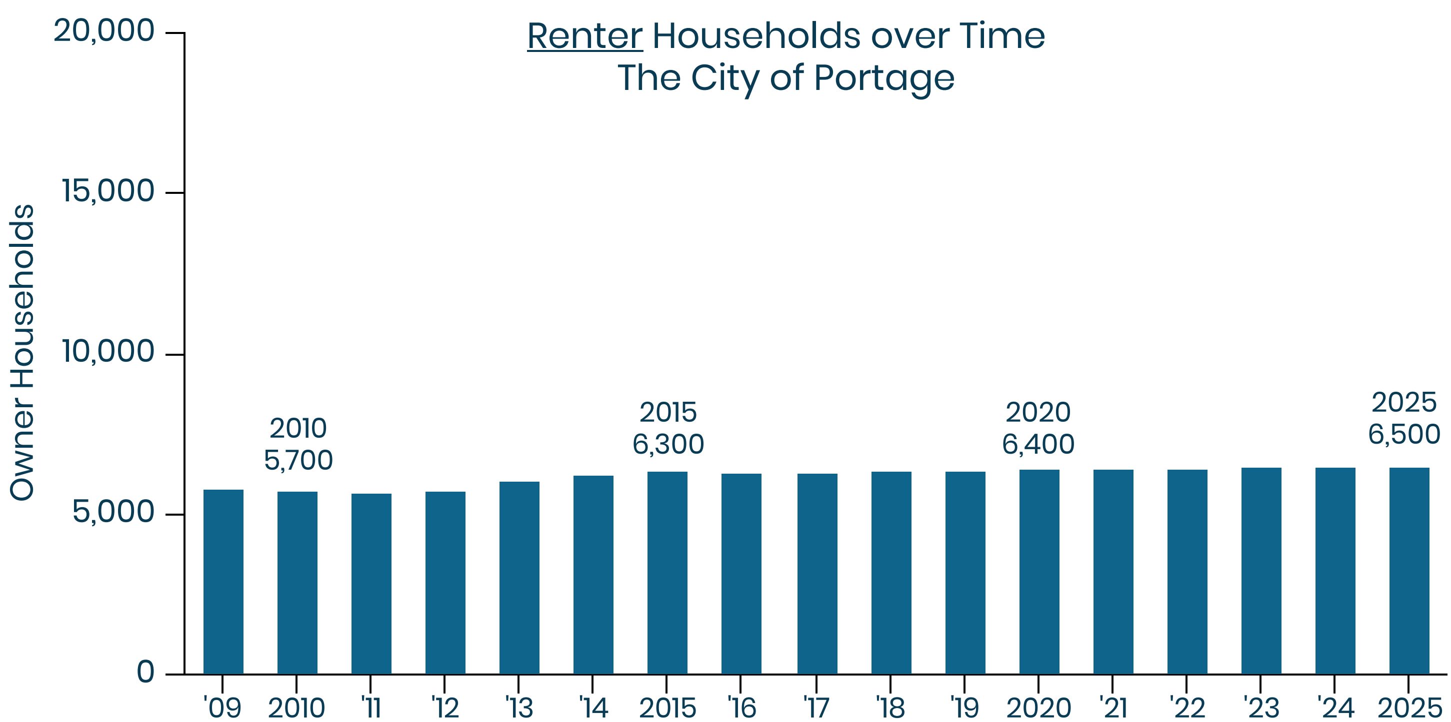
0 400 800 1200 1600 2000 ft
0 140 280 420 560 700 m
1" = 1,270 ft

Underlying map provided by Delorme; exhibit prepared by LandUseUSA Urban Strategies for the City of Portage; March, 2020.

Hhld Tenure over Time | Portage

Households by tenure are used to forecast future demand for housing units.



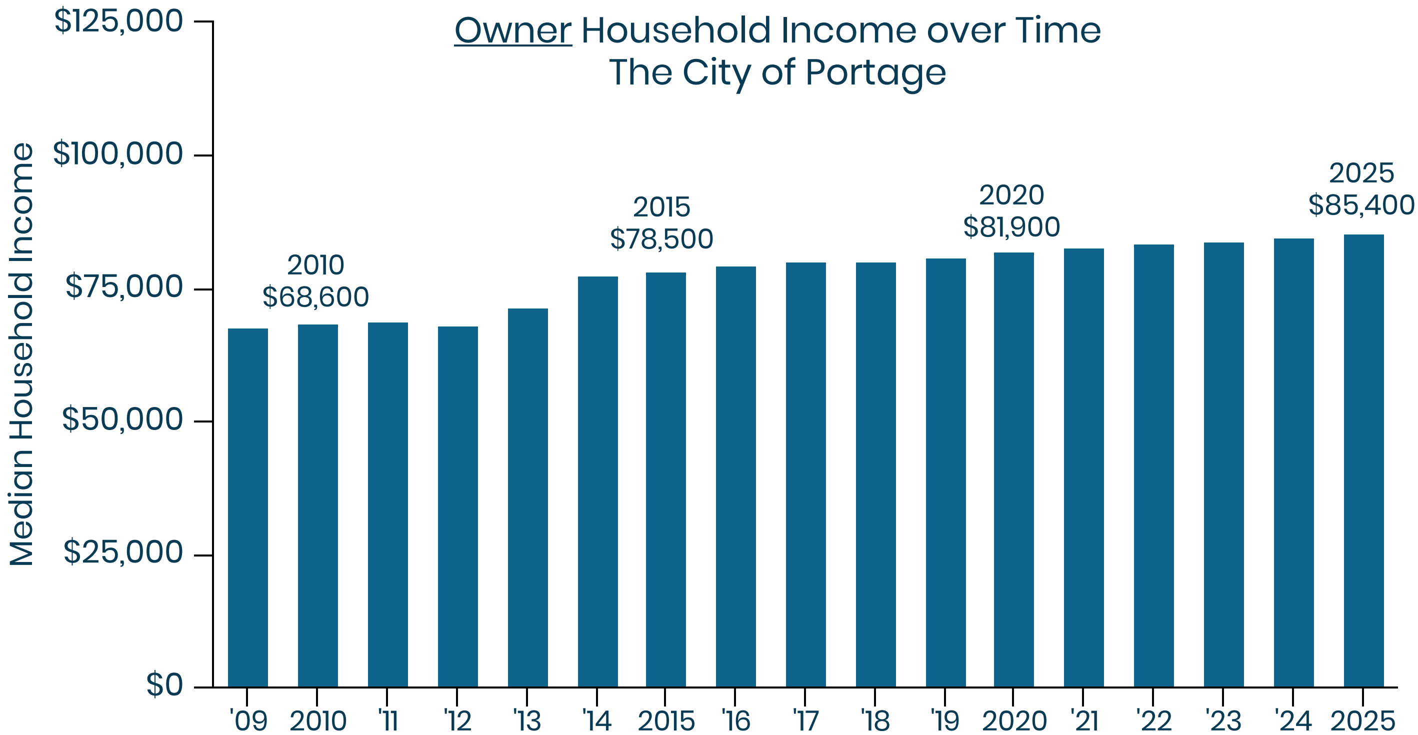


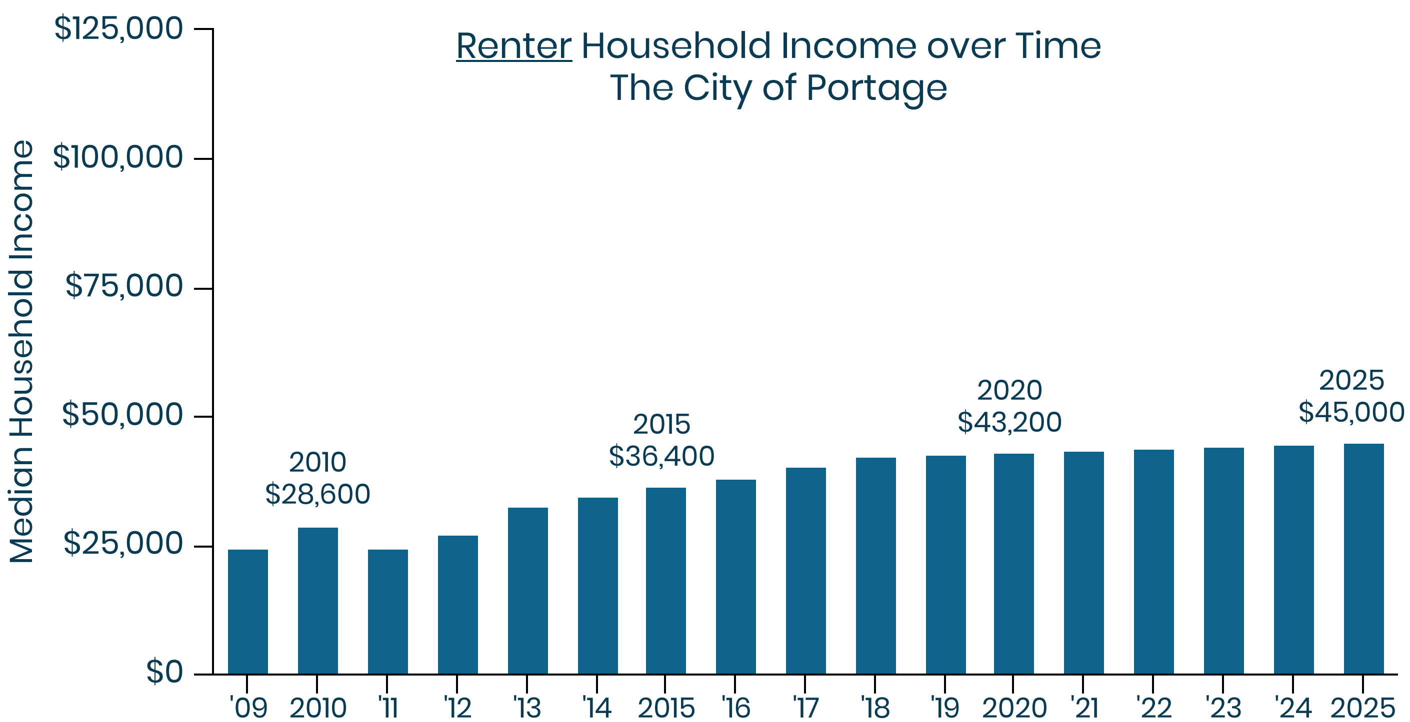
Underlying data by the Decennial Census and American Community Survey (ACS) through the year 2018. Analysis, forecasts, and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; March 2020.

LandUseUSA
UrbanStrategies

Hhld Income over Time | Portage

Household income by tenure is used to forecast price tolerances for housing units.



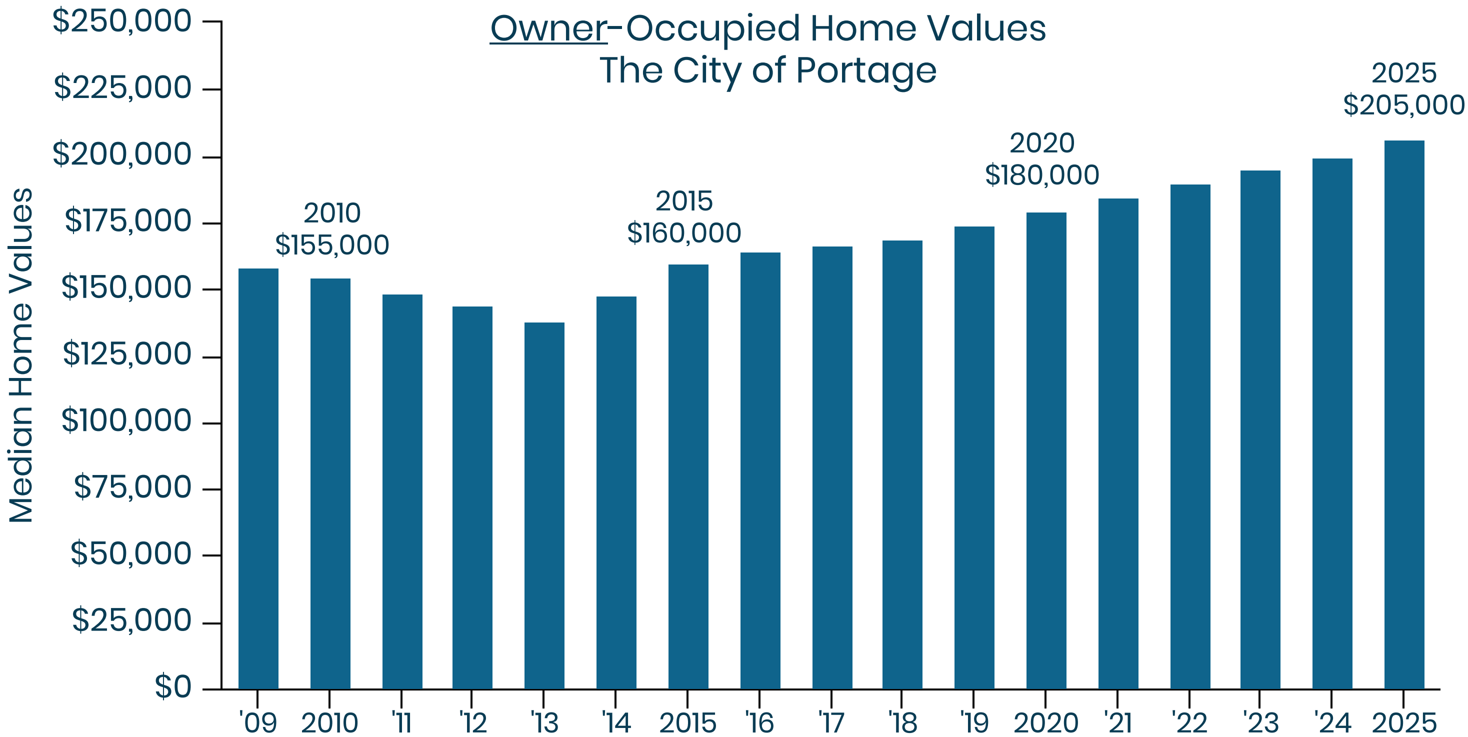


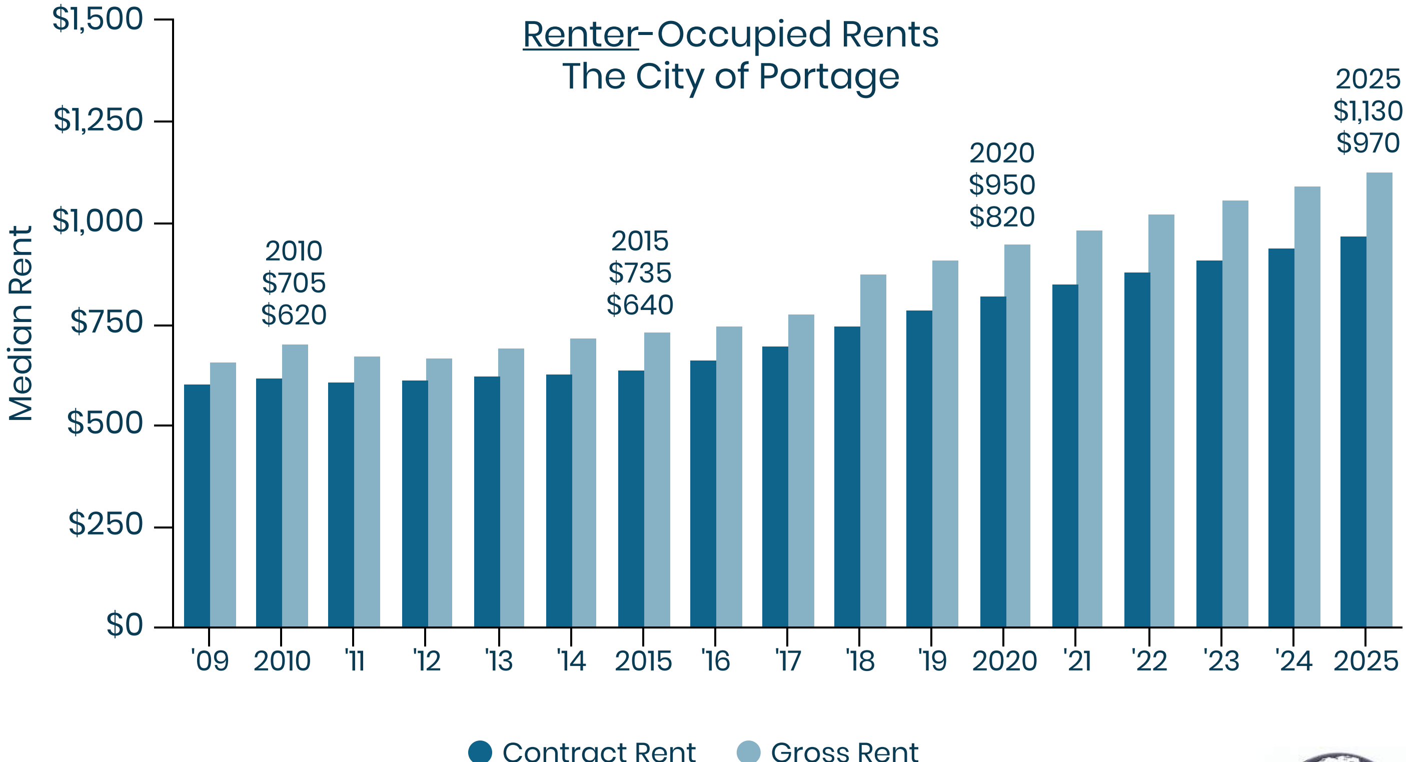
Underlying data by the Decennial Census and American Community Survey (ACS) through the year 2018. Analysis, forecasts, and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; April 2020.

LandUseUSA
UrbanStrategies

Values, Rents over Time | Portage

Household prices are used to forecast future price tolerances for housing units.



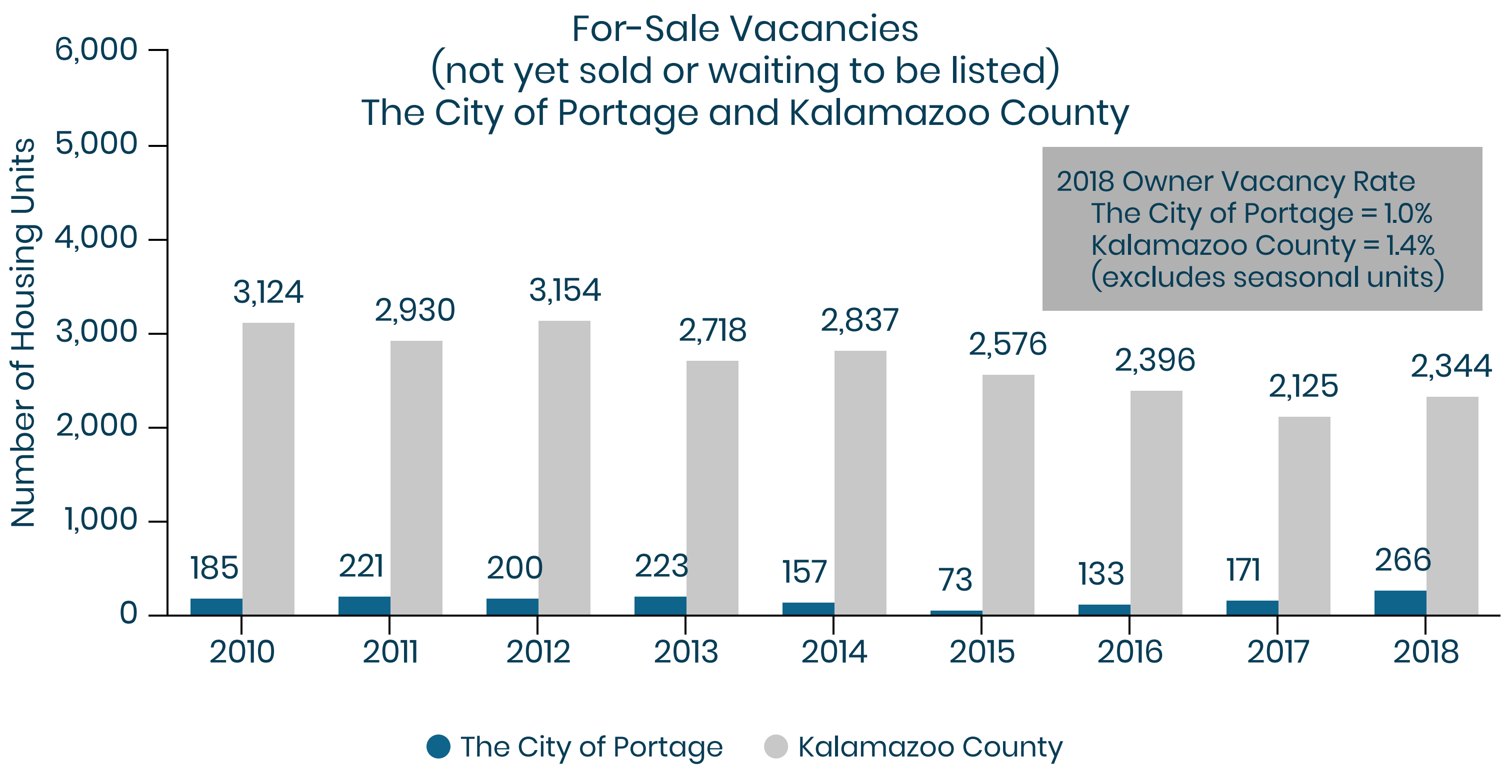


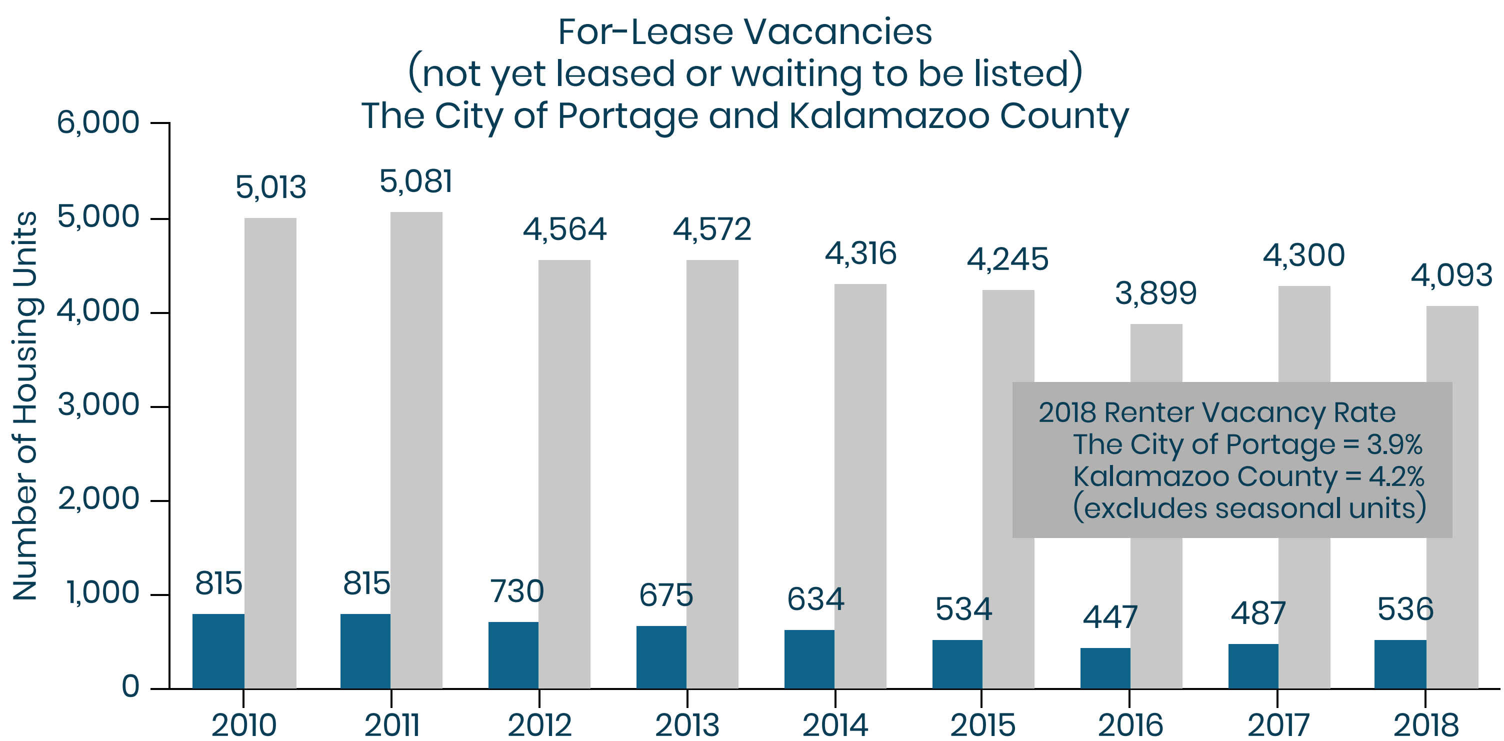
Underlying data by the Decennial Census and American Community Survey (ACS) through the year 2018. Analysis, forecasts, and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; April 2020.

LandUseUSA
UrbanStrategies

Available Vacancies | Portage

A geographic comparison of available housing vacancies by tenure over time.



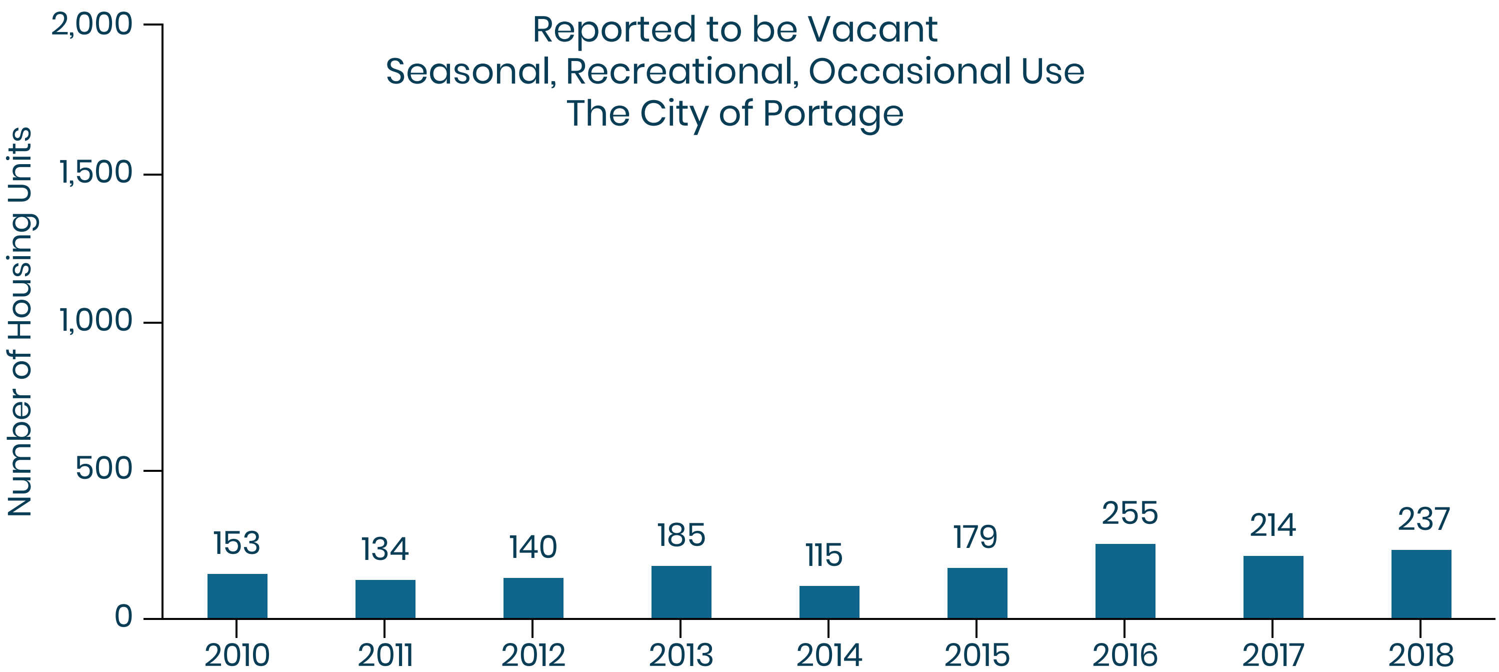


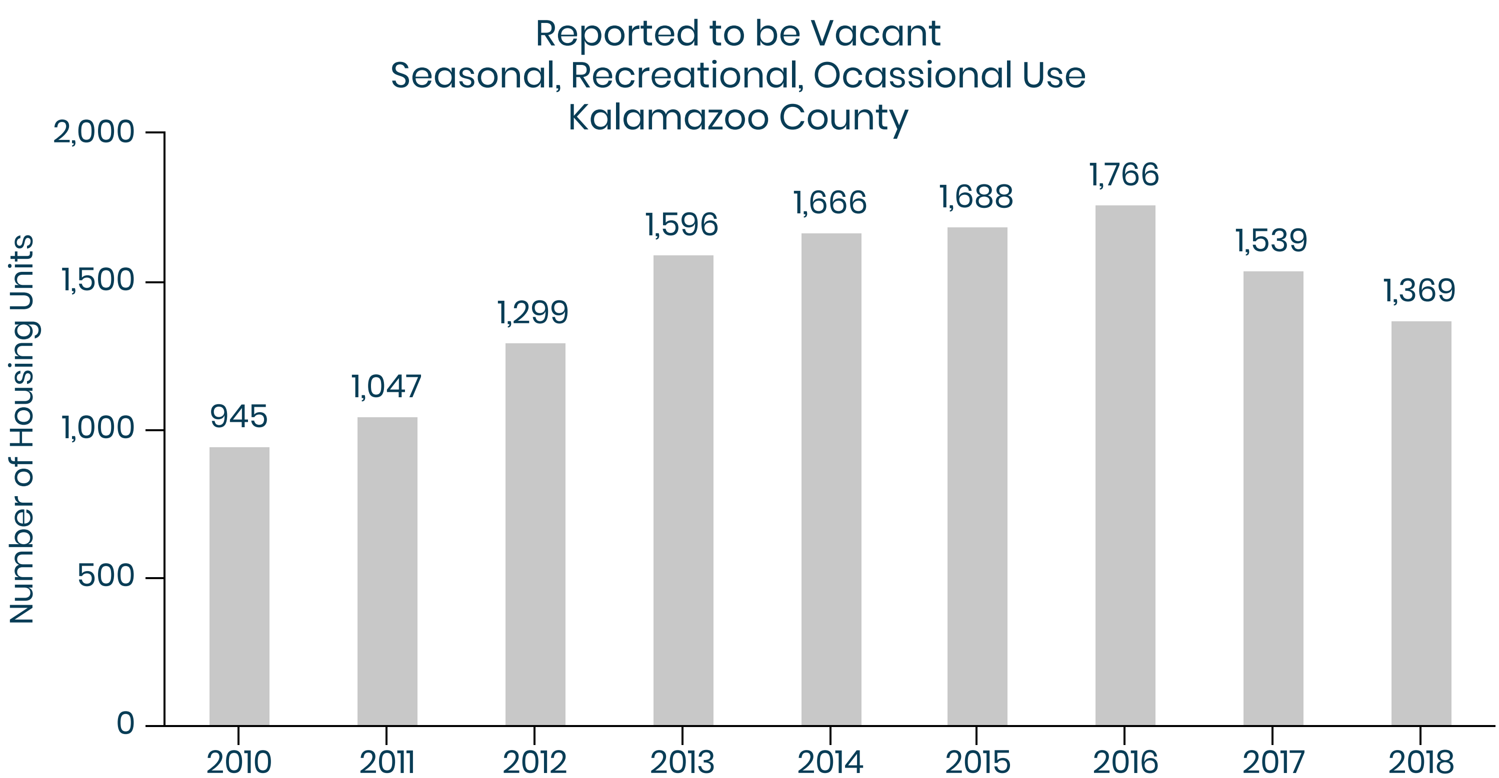
Underlying data by the Decennial Census and American Community Survey through the year 2018.
Analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; April 2020.

LandUseUSA
UrbanStrategies

Seasonal Vacancies | Portage

A geographic comparison of vacancies due to housing seasonality over time.





Underlying data by the Decennial Census and American Community Survey through the year 2018.
Analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage; April 2020.

LandUseUSA
UrbanStrategies

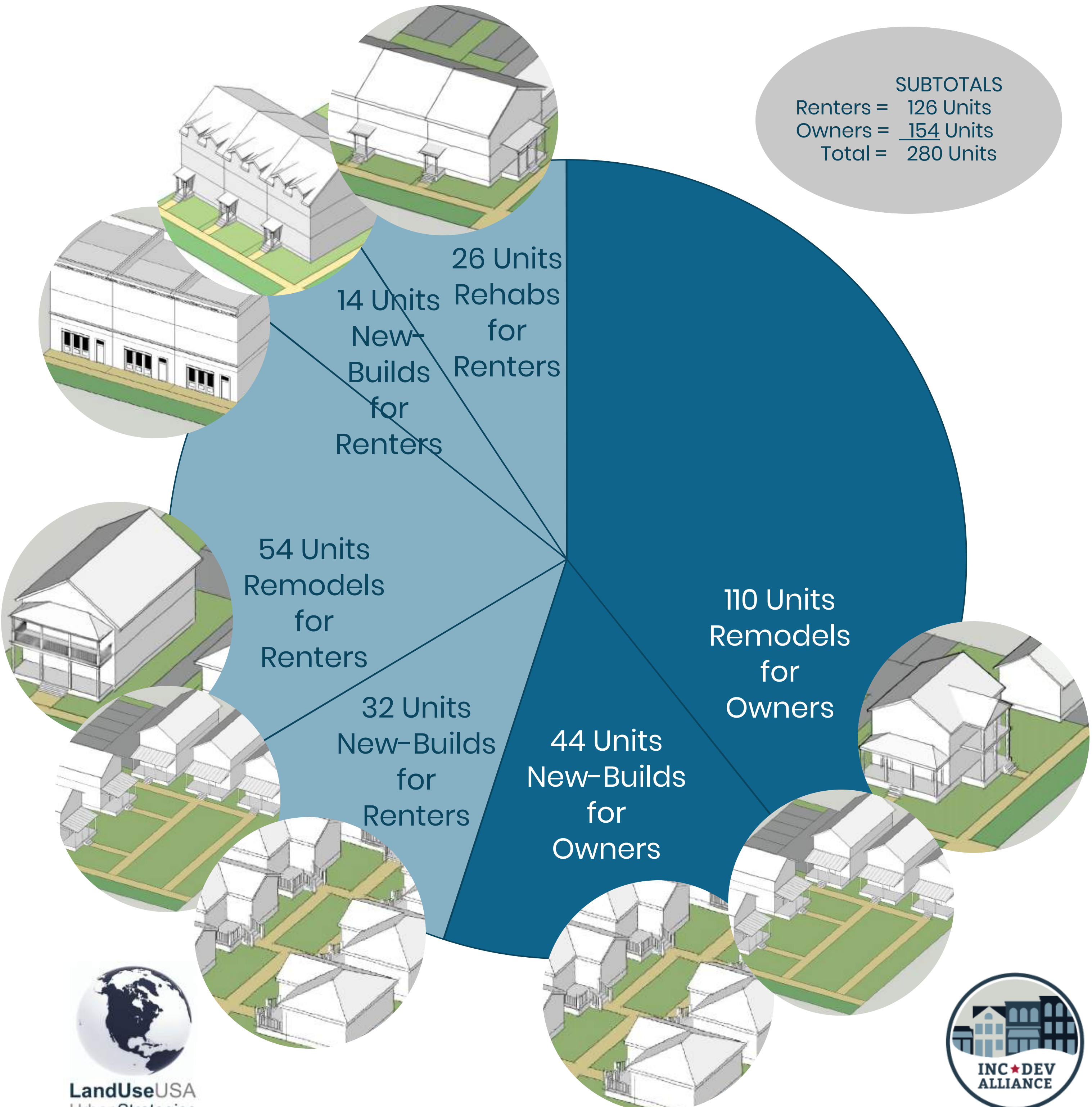
Section M

Housing Typology by the Incremental Development Alliance

PORTAGE

A Great Place to Live

Annual Market Potential
Remodels & New-Builds | Lake Center

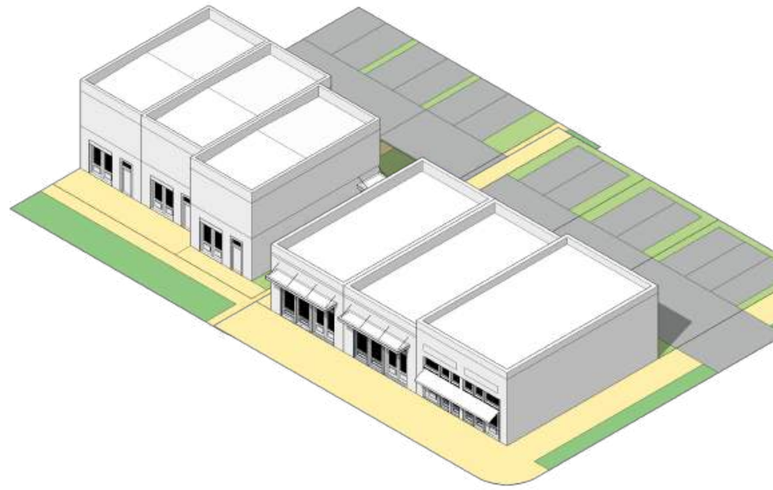


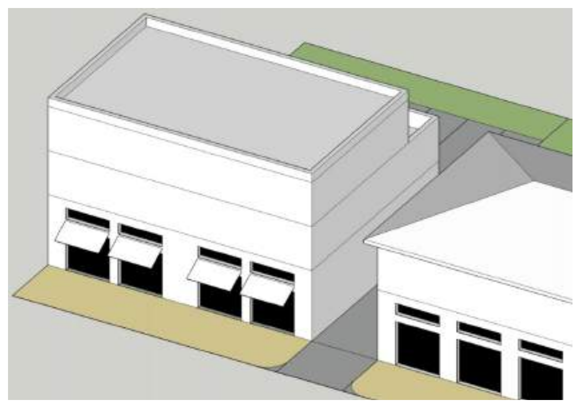
LandUseUSA UrbanStrategies

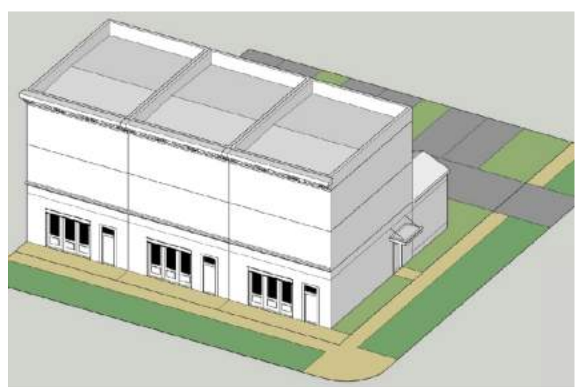
INC★DEV ALLIANCE

Underlying target market analysis analysis and exhibit prepared by LandUseUSA | Urban Strategies for the City of Portage, May 2020. Building types provided with permission from the Incremental Development Alliance.

Retail and Mixed-Use
Site Number 5 | Lake Center





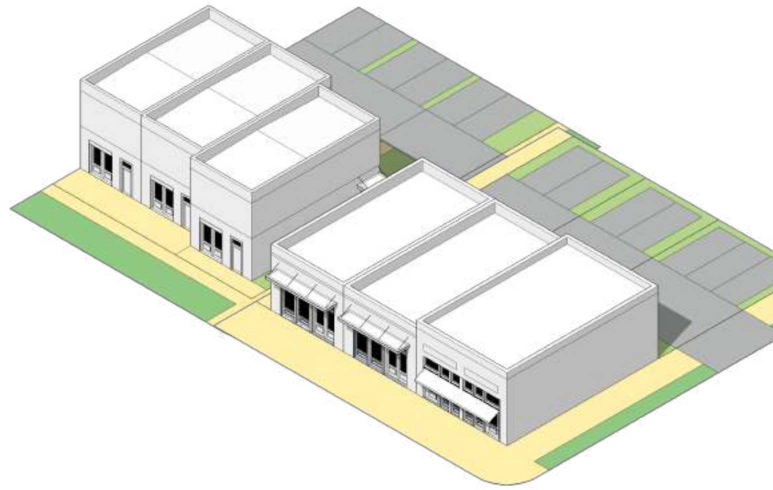


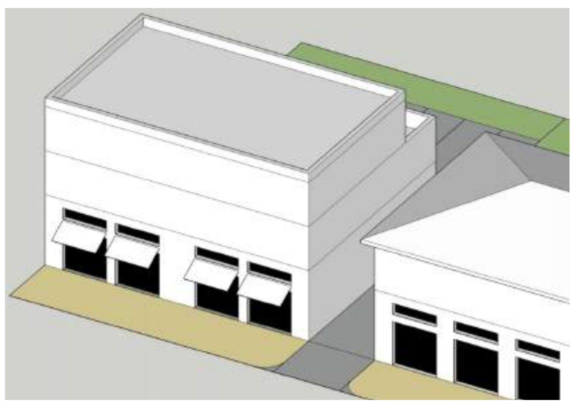
LandUseUSA
UrbanStrategies

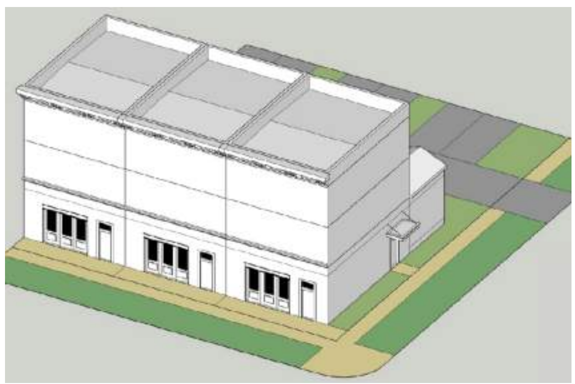
INC★DEV
ALLIANCE

Source: Exhibit prepared by LandUseUSA | Urban Strategies with permission from the Incremental Development Alliance and Opticos Design; May 2020.

Retail and Mixed-Use
Sites 1a, 2, 3, and 4 | Lake Center





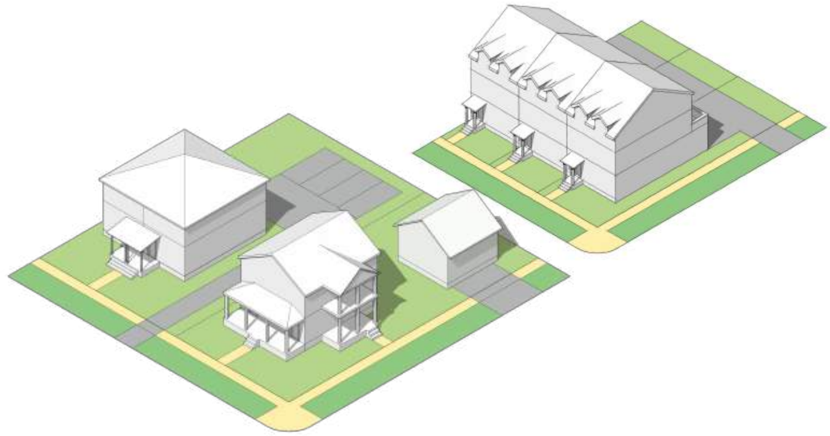


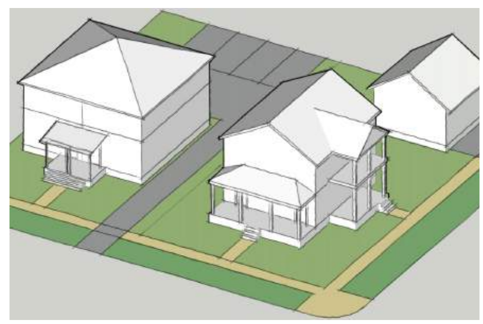
LandUseUSA
UrbanStrategies

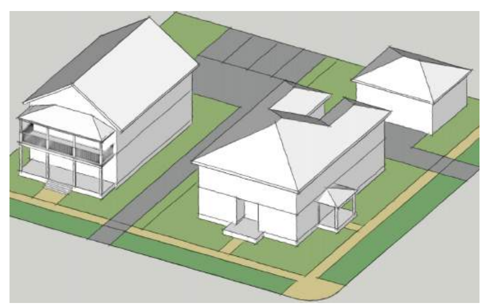
INC★DEV
ALLIANCE

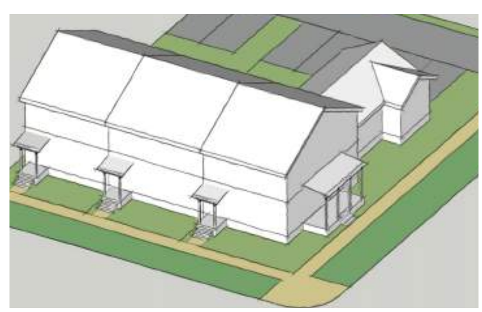
Source: Exhibit prepared by LandUseUSA | Urban Strategies with permission from the Incremental Development Alliance and Opticos Design; May 2020.

Duplexes, Triplexes, Four-Plexes
Sites 1b, 6, and 7b | Lake Center







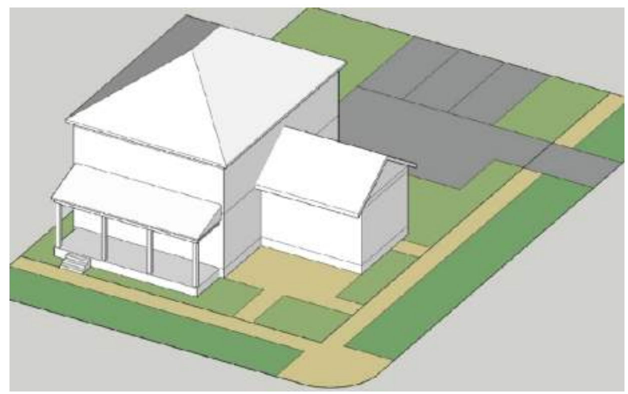


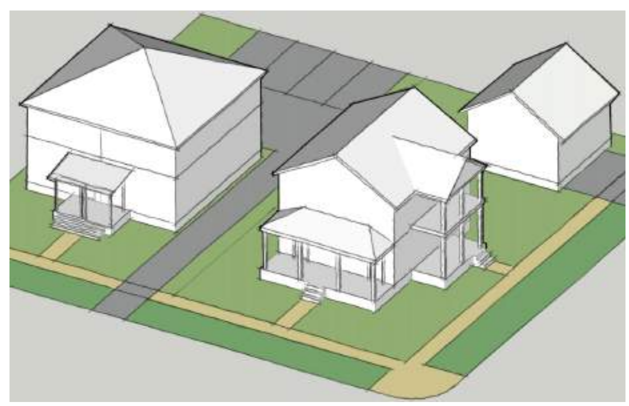
LandUseUSA UrbanStrategies

INC★DEV ALLIANCE

Source: Exhibit prepared by LandUseUSA | Urban Strategies with permission from the Incremental Development Alliance and Opticos Design; May 2020.

Traditional Detached Houses
Site 7a | Lake Center



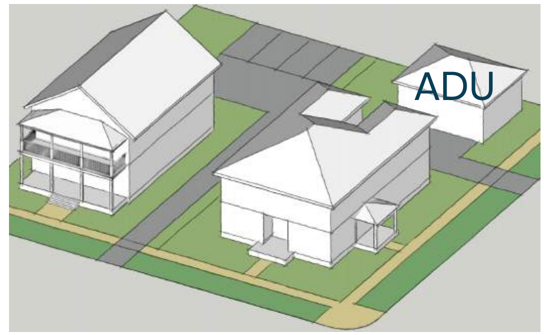


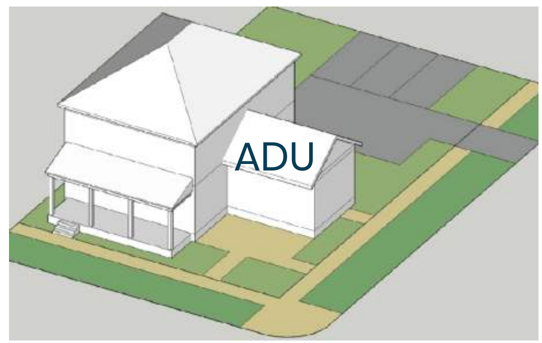
LandUseUSA
UrbanStrategies

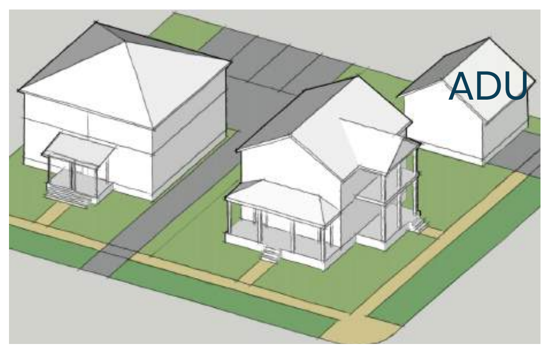
INC★DEV
ALLIANCE

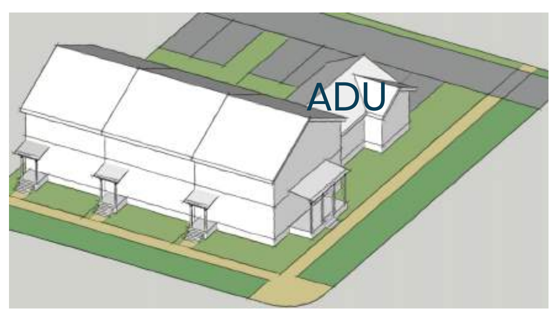
Source: Exhibit prepared by LandUseUSA | Urban Strategies with permission from the Incremental Development Alliance and Opticos Design; May 2020.

Accessory Dwelling Units
Sites 6, 7a, and 7b | Lake Center







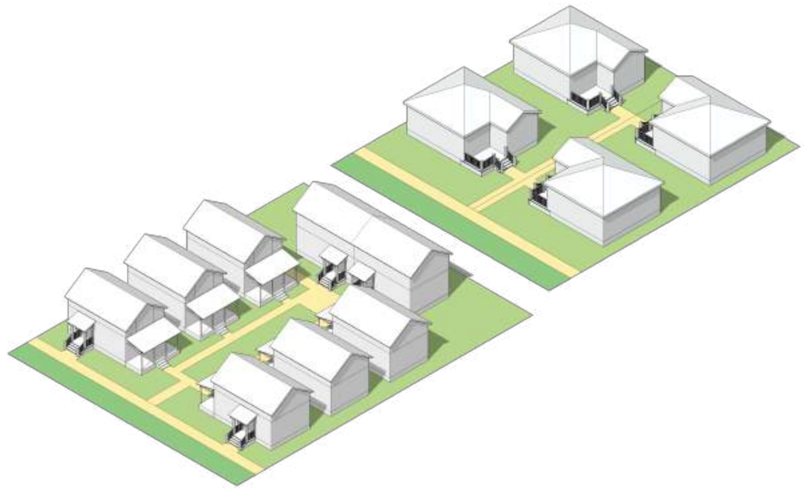


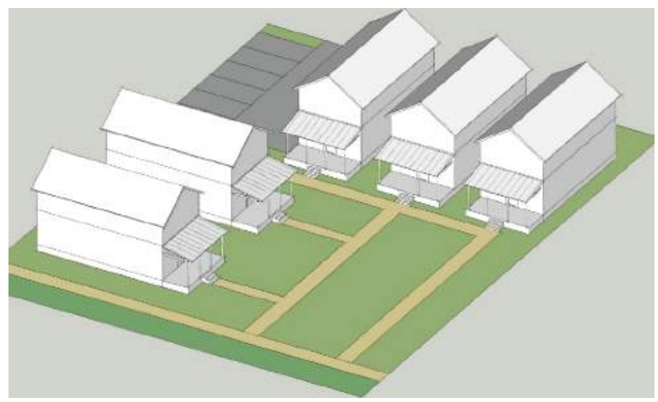
LandUseUSA
UrbanStrategies

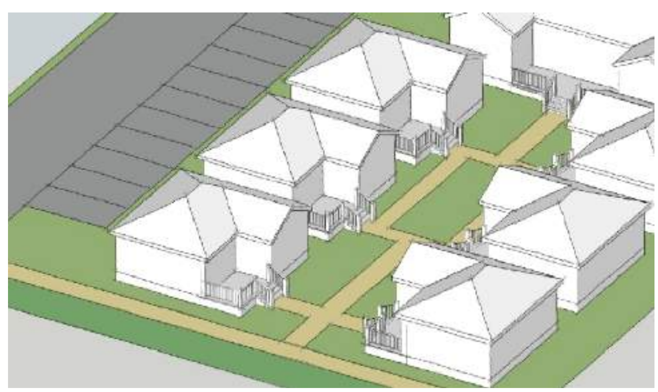
INC★DEV ALLIANCE

Source: Exhibit prepared by LandUseUSA | Urban Strategies with permission from the Incremental Development Alliance and Opticos Design; May 2020.

Cottage Courtyards
Site 7a | Lake Center

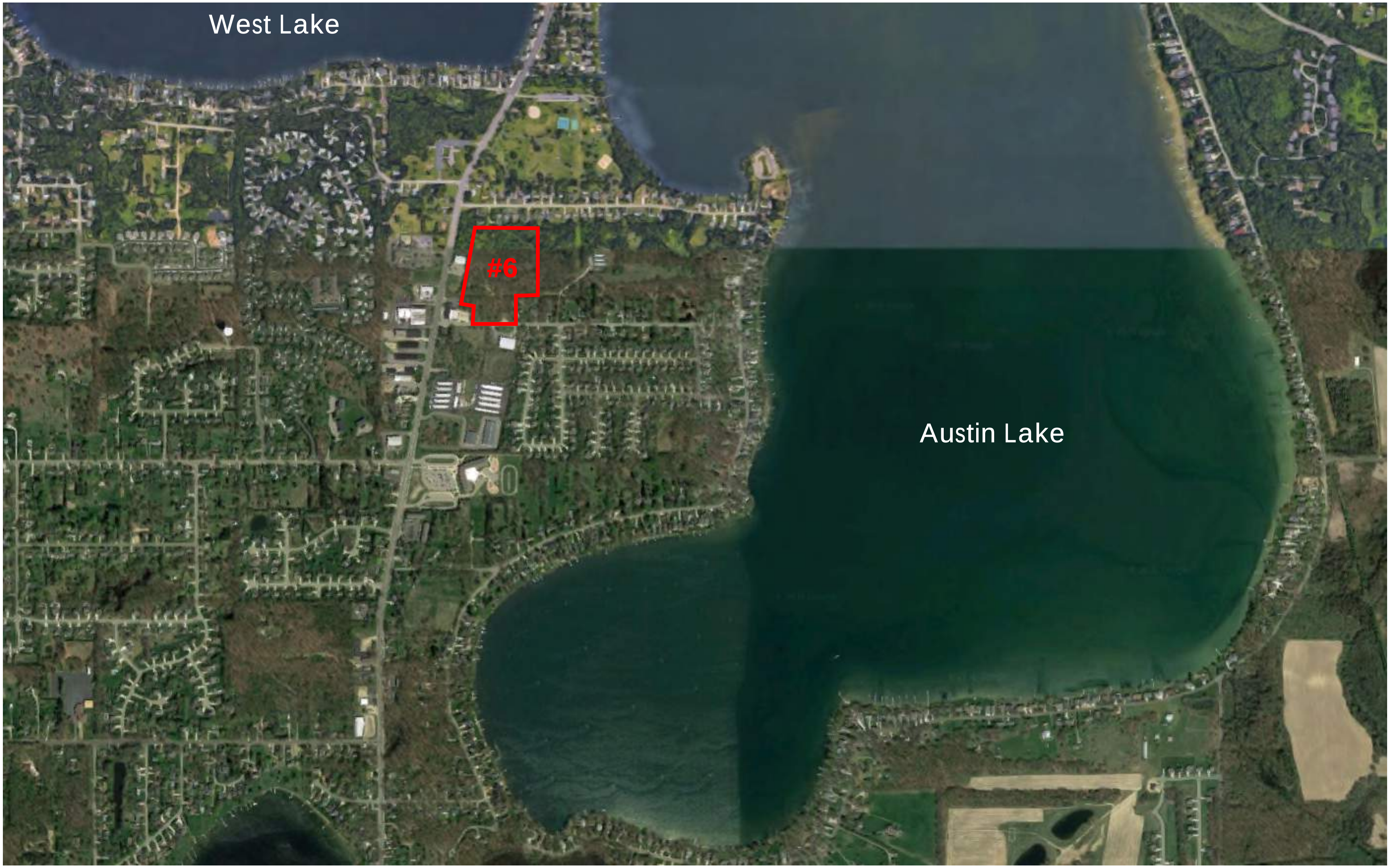






Source: Exhibit prepared by LandUseUSA | Urban Strategies with permission from the Incremental Development Alliance and Opticos Design; May 2020.

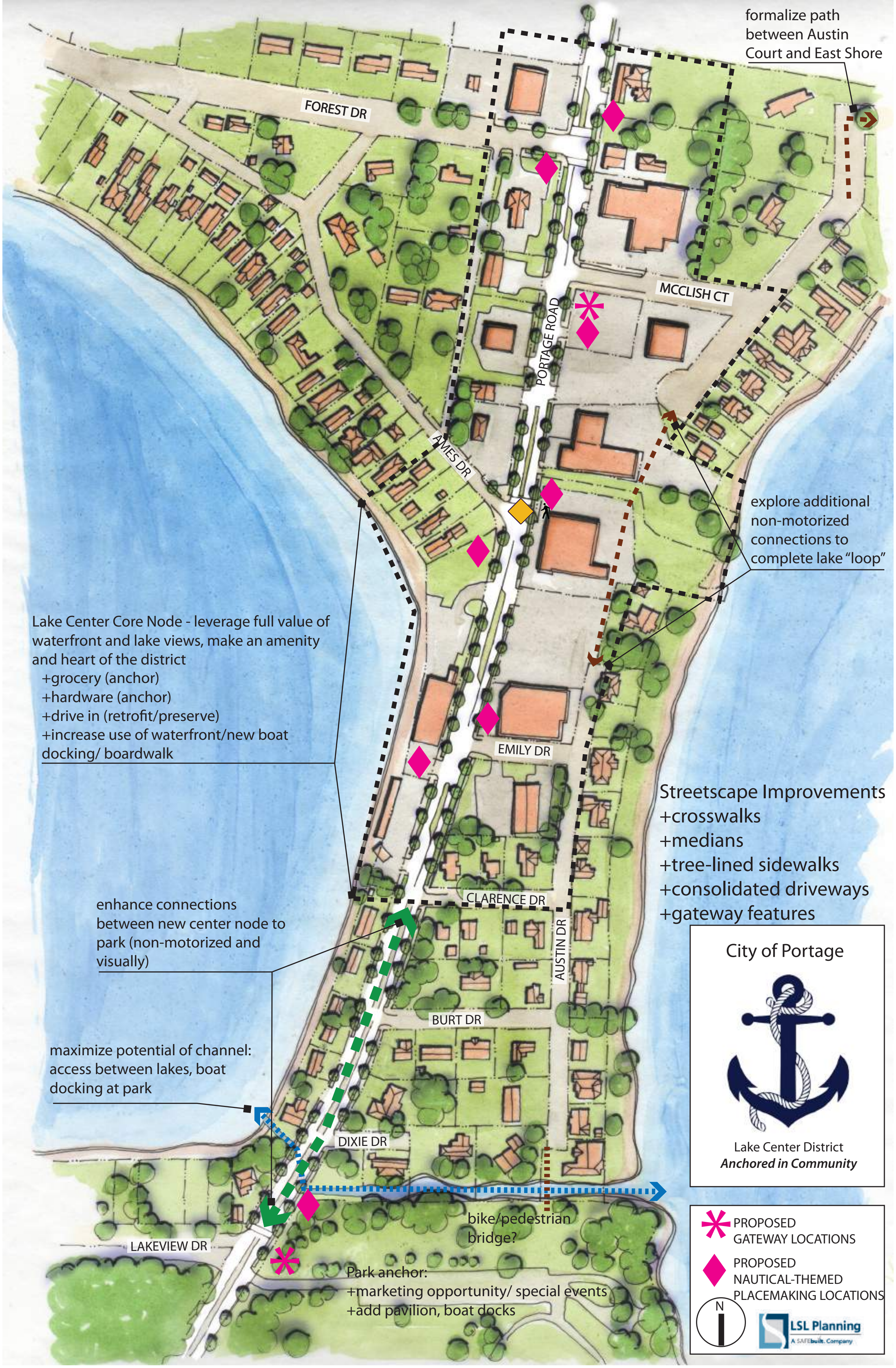
Lake Center District - Available Development Sites
Exhibit prepared by LandUseUSA with input from the City of Portage, May 2020.



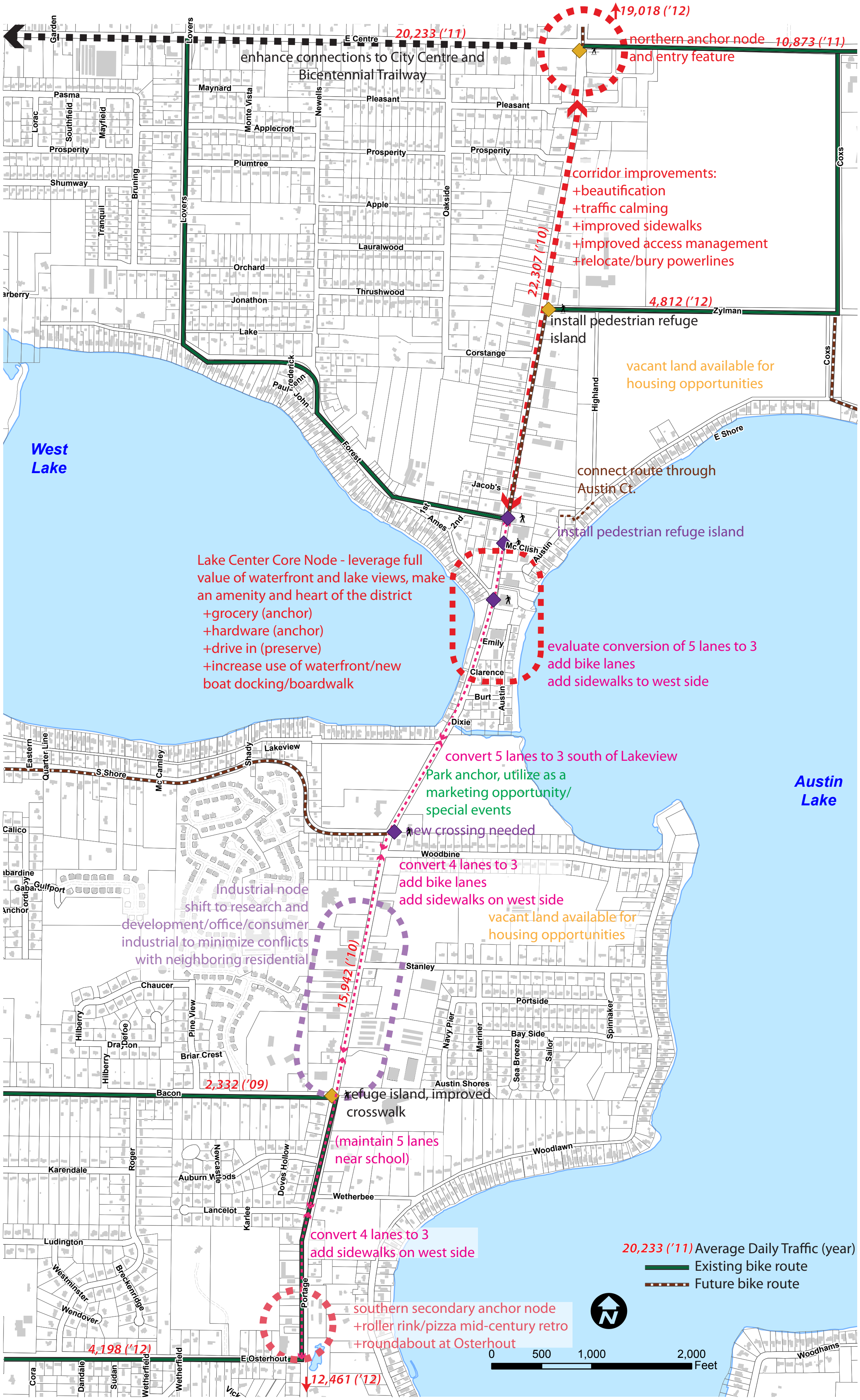
Lake Center District - Available Development Sites
Exhibit prepared by LandUseUSA with input from the City of Portage, May 2020.

Section N
2014 Comprehensive Plan (Reference)

PORTAGE
A Great Place to Live

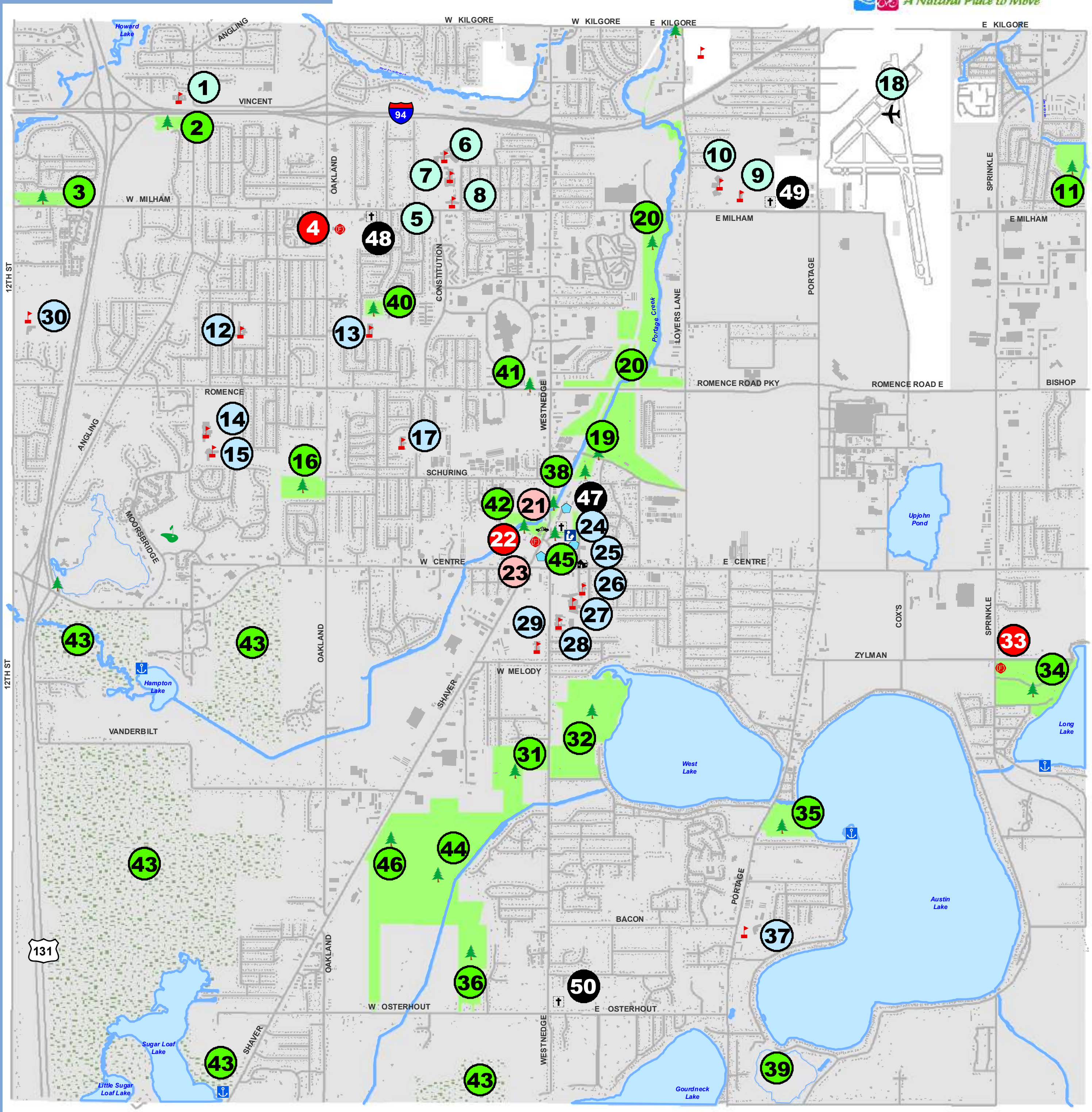


Lake Center Corridor Recommendations; 2014.



Lake Center Corridor Recommendations; 2014.

PORTAGE
A Natural Place to Move



Community Facilities Map

March 2014

- Cemeteries
- Fire Stations
- Municipal Buildings
- Public/Institutional
- Recreation/State Game Area
- State Game Area Boundaries
- City Recreation Boundaries

0 0.25 0.5 1 Mile

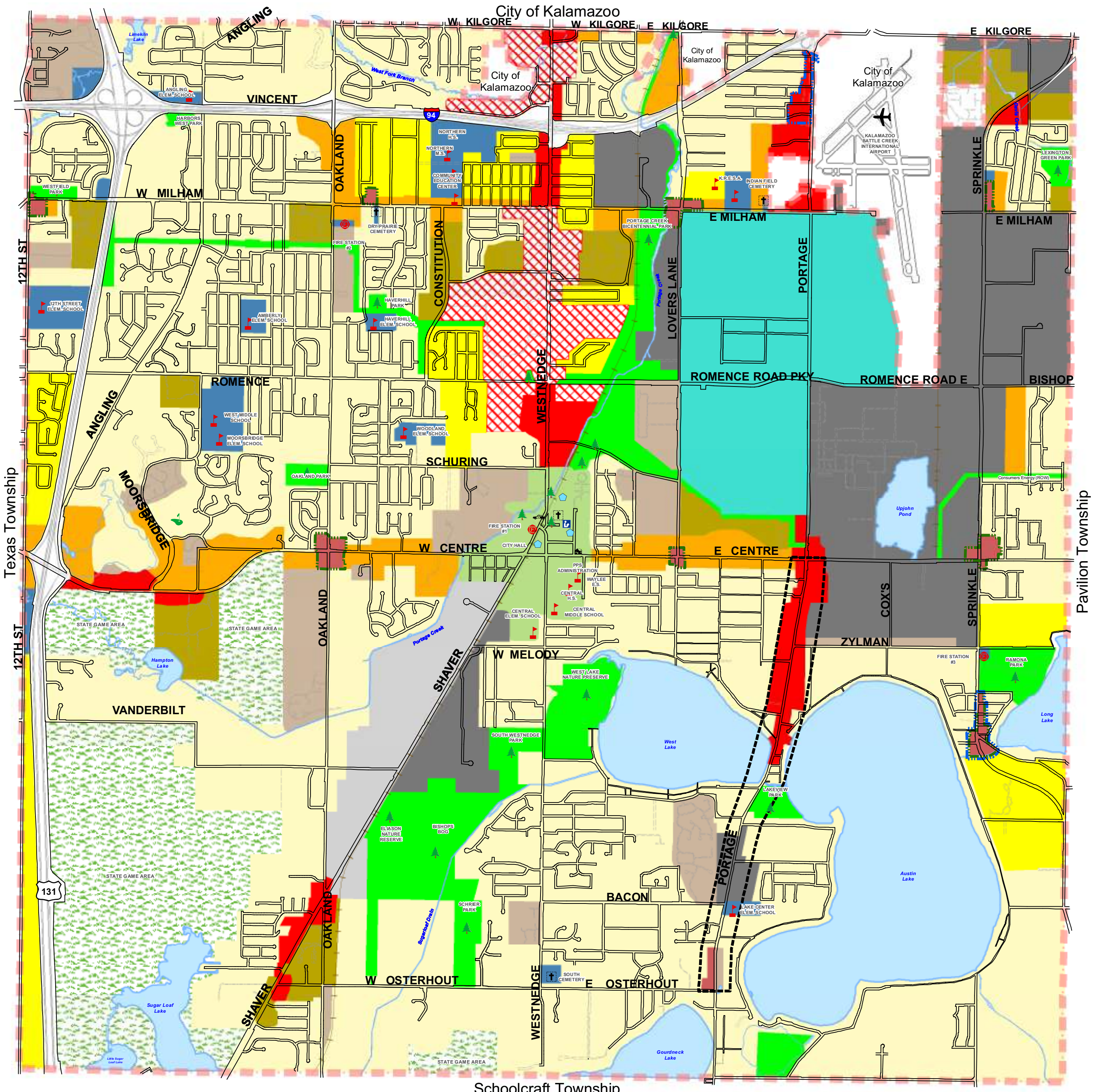
Sources: City of Portage, MCGI

1 Angling Road Elementary School
2 Harbors West Park
3 Westfield Park
4 Fire Station #2
5 Post Office
6 Portage Northern High School
7 Portage North Middle School
8 Portage Community Education Center
9 Kalamazoo Regional Education Service Agency (KRESA)
10 WoodsEdge Learning Center (KRESA)
11 Lexington Green Park
12 Amberly Elementary School
13 Haverhill Elementary School
14 Portage West Middle School
15 Moorsbridge Elementary School
16 Oakland Drive Park
17 Woodland Elementary School
18 Kalamazoo/Battle Creek International Airport
19 Celery Flats Interpretive Center
20 Portage Creek Bicentenial Park
21 Police Station
22 Fire Station #1
23 City Hall
24 Library
25 Senior Center
26 Portage School Administration
27 Portage Central High School
28 Portage Central Middle School
29 Portage Central Elementary School
30 12th Street Elementary School
31 South Westnedge Park
32 West Lake Nature Preserve
33 Fire Station #3
34 Ramona Park
35 Lakeview Park
36 Schrier Park
37 Lake Central Elementary School
38 Liberty Park
39 Mandigo Marsh
40 Haverhill Park
41 Millennium Park
42 Central Park/Bandshell
43 State Game Area
44 Bishops Bog
45 Veterans Memorial Park
46 Eliason Nature Reserve
47 Portage Central Cemetery
48 Day Prarie Cemetery
49 Indian Fields Cemetery
50 South Cemetery

PORTAGE

A Natural Place to Move

Future Land Use Map



Legend

- Low Density Residential
- Single-Family Detached-Medium Density Residential
- Medium-Density Residential
- High Density Residential
- Local Business
- Regional Business
- General Business
- General Industrial
- Shaver Road Business Corridor
- Research, Development & Technology
- Office
- Park / Recreation
- Gourdneck State Game Area
- Public
- City Centre
- Secondary Commercial Node
- Commercial Revitalization Area
- Lake Center Subarea
- Airport
- Cemetery
- City Park
- Court
- Fire Station
- Golf Course
- Library
- Municipal
- P.C.O.C.
- Police
- Public School
- CITY BOUNDARY

1 inch = 3,200 feet

Document Path: R:\GISADMIN\karl\projects\DEPTS\COM DEV\comp plan update 2012\document maps\FLUP_PROPOSED.mxd

Section O

Michigan's Missing Middle

Here's the Scoop

PORTAGE

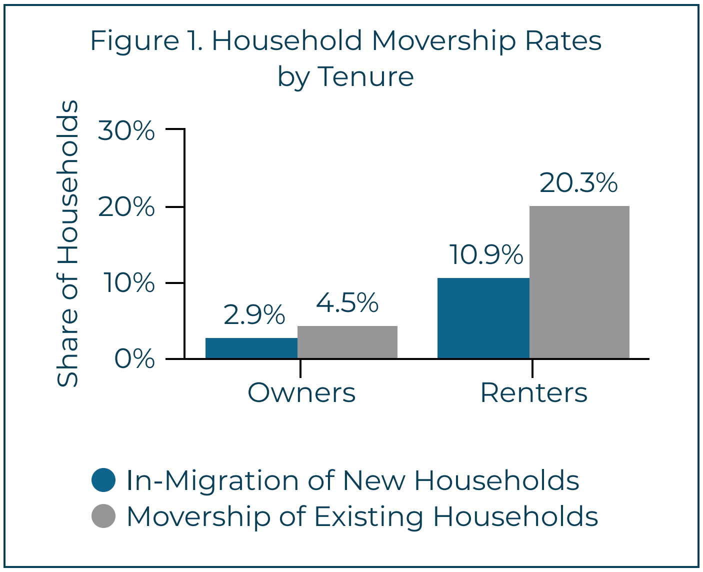
A Great Place to Live

Michigan's Missing Housing - Here's the Scoop

Across the state, cities and developers are beginning to respond to the market gaps and missing housing formats – particularly in urban places and waterfront settings. Analytic results from countless studies across the state support what most developers know instinctively – the demand for new housing is being driven by singles of all ages who are on the move and seeking for-lease, attached formats located in downtowns and urban neighborhoods.

The following information is provided for state-wide averages and generally applies to individual cities, villages, and townships. However, each place has a unique profile, including geographic setting, household composition, tenure, migration, lifestyle clusters (target markets), and existing housing formats. Therefore, the magnitude of market gaps by will vary place to place.

Movership by Tenure – Renters are four times more likely to move than home owners. Home owners are more inclined to choose detached houses in rural settings, and they tend to be quite settled. Migrating renters across Michigan have high movership rates and are turning-over the existing supply of rental units about every three years. In comparison, it can take 10 to 15 years for migrating home owners to turn-over the stock among detached houses.
See Figure 1 shown below.

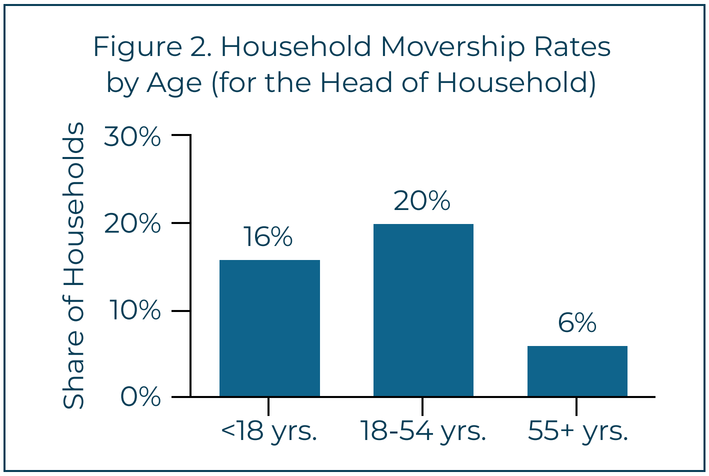


Compared to home owners, renters are more likely to choose attached units in urban places. And, because they have high movership rates, they are generating most of the demand for lofts, townhouses, and other formats in traditional downtowns.

Caution is advised against over-planning and over-building attached formats (like new townhouses and lofts) for owner-occupied households unless they are clearly supported by market demand and offer vista views of waterfronts and/or vibrant downtown districts.

Movership by Origin – About half of all households moving into Michigan are actually new residents for the state; and the other half are moving from one address to another within the state. Among all renters, almost 11% are in-migrating from beyond Michigan; and over 20% are moving within (unadjusted for out-migration). Within each unique place, in-migration is used to estimate the minimum annual market potential (the “conservative scenario”). In comparison, total migration should be used more cautiously and as an estimate of the maximum market potential ("aggressive scenario").

Movership by Age – Stakeholder discussions on housing often gravitate toward the topic of Michigan’s aging residents. The theory is that senior households are gaining as a share of total, and they are seeking low-maintenance “age in place” formats like patio homes, courtyard cottages, and townhouses. In reality, seniors still represent a relatively small group; and they tend to be very settled into detached houses.
See Figure 2 shown below.



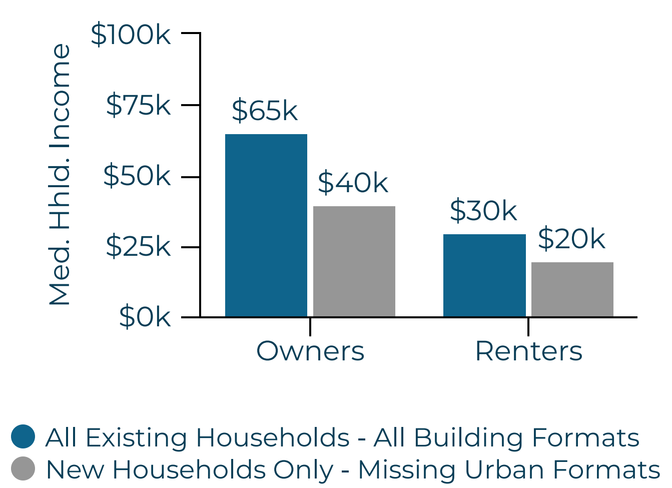
Michigan's Missing Housing – Here's the Scoop

Movership by Age – Only 6% of all senior-headed households move each year, compared to 20% among younger households. Used as a basis for calculating market gaps, the data consistently shows that the need for new "age in place" choices is small. Rather than building senior apartments, there is a much greater need to improve and modify existing houses to be barrier-free; deliver new services to seniors in their existing homes; and build new formats for single renters of all ages.

Affordability v. Tolerance – Housing affordability, attainability and tolerance are important topics that must be addressed within each unique place. Measures of affordability are usually aligned with HUD's Low-Moderate-Income (LMI) limits, with parameters for 80% or less of Area Median Income (AMI). Attainability softens the rules to include units that are priced in alignment with market rates. Tolerance recognizes that shifts in supply and demand can result in price jumps that residents will tolerate – even if they are over-burdened by HUD's standards.

Income of Migrating Households – Regardless of these qualifiers, migrating renters generally have half the income of owners. Furthermore, new households migrating into Michigan have lower incomes than established households. Statewide, there is a need for more income-integrated choices across all building formats, including townhouses or high-rise lofts targeted too often at the "luxury" market.
See Figure 3 shown below.

Figure 3. Median Household Income
(Existing v. New Households)



Mismatch by Building Format – With remarkable consistency between places and across the state, there is a mismatch between the preferences of migrating households and the formats of available housing choices. Renters in particular are seeking new housing formats in urban places, and particularly attached units that offer spectacular views of a downtown, river, and/or lake. When they are unable to find choices, then they compromise by renting detached houses.
See Figure 4 on the next page.

Statewide, only 65% of migrating households are seeking detached houses, and 35% are seeking attached units. However, attached choices represent only 15% of the housing supply. This reinforces the need for more attached renter-occupied housing formats in urban places. This does not mean that there is a need for more "apartments" at the fringe of the community. Rather, there is a need for ongoing reinvestment into downtowns with the rehab of lofts above street-front retail, and the addition of townhouses and other transitional formats nearby.

Experian Decision Analytics – 71 lifestyle clusters have been defined within Experian's Mosaic of all households across the nation. Households are aggregated by block groups, and then the block groups are assigned to lifestyle clusters. The clusters are based on demographics and socio-economic data; financial, debt, and property characteristics; and geographic location – including metro places by urbanicity.

Urban Target Markets – The Striving Singles target market represents an amazing 28% of all migrating households seeking buildings with four or more units in urban places. The second largest group is Family Troopers, followed by Full Steam Ahead and Senior Towers (low-income seniors living in high-rise towers).
See Figure 5 on the next page.

The Striving Singles group has a code of O54, which generally means that it is 54th in income among 71 lifestyle clusters living across the nation. The most affluent urban target market migrating within Michigan is the Wired for Success group, with the 37th highest income among the group. The lowest income urban target market is Tough Times with a code of S71.

Michigan's Missing Housing - Here's the Scoop

Figure 4. Michigan's Housing Mismatch (Demand v. Supply)

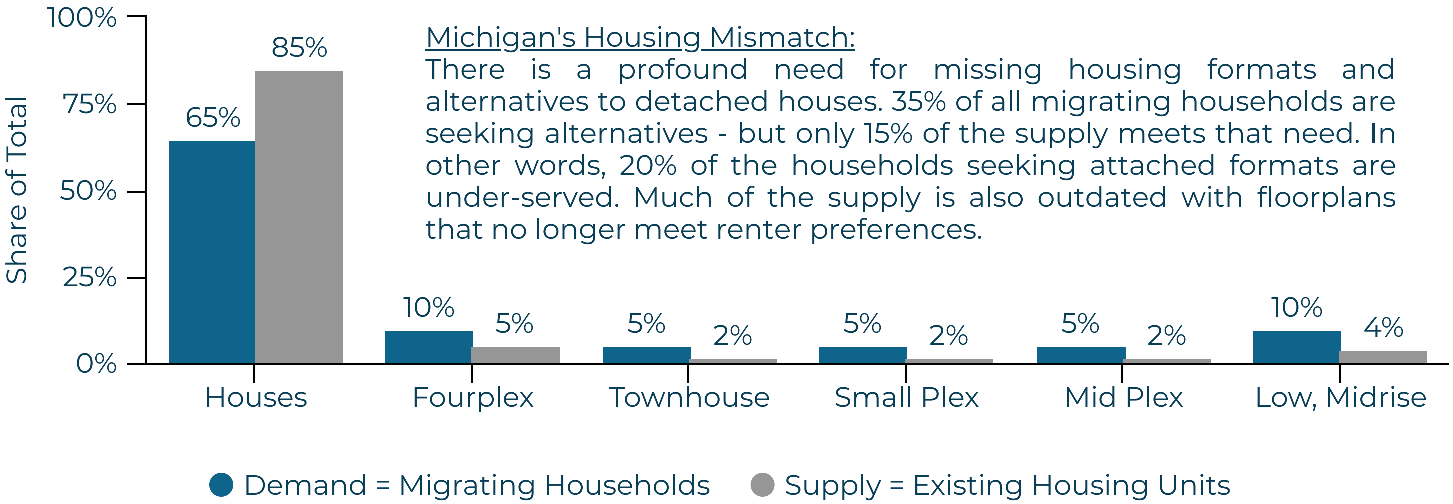
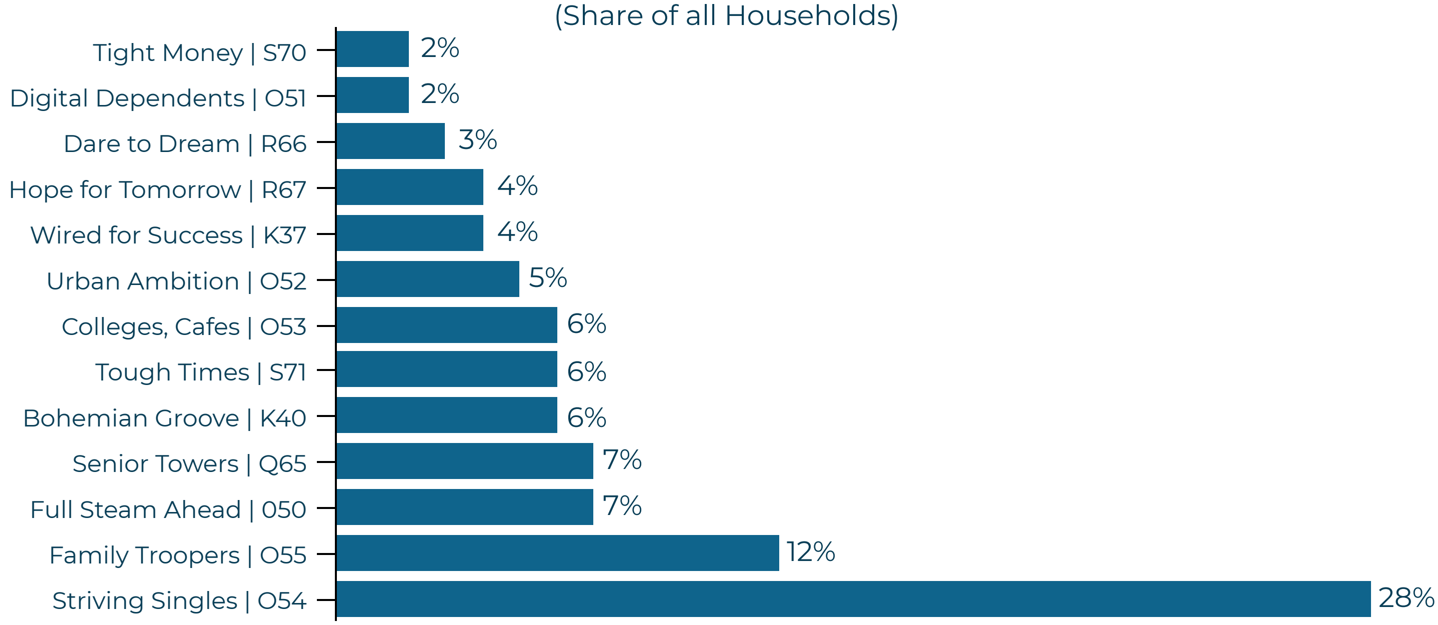


Figure 5. Urban Target Markets for Michigan
(Share of all Households)



Target Markets – The lifestyle clusters shown in **Figure 5 (above)** represent good targets for new housing formats in urban places. However, new developments should not be targeted exclusively at any single target market. Rather, income-mixed buildings are needed for migrating singles of all ages. New developments can achieve the highest possible absorption rates and bring demographic diversity by avoiding exclusive formats and brands like "affordable housing", "worker housing", "senior housing", "student housing", and "luxury living".

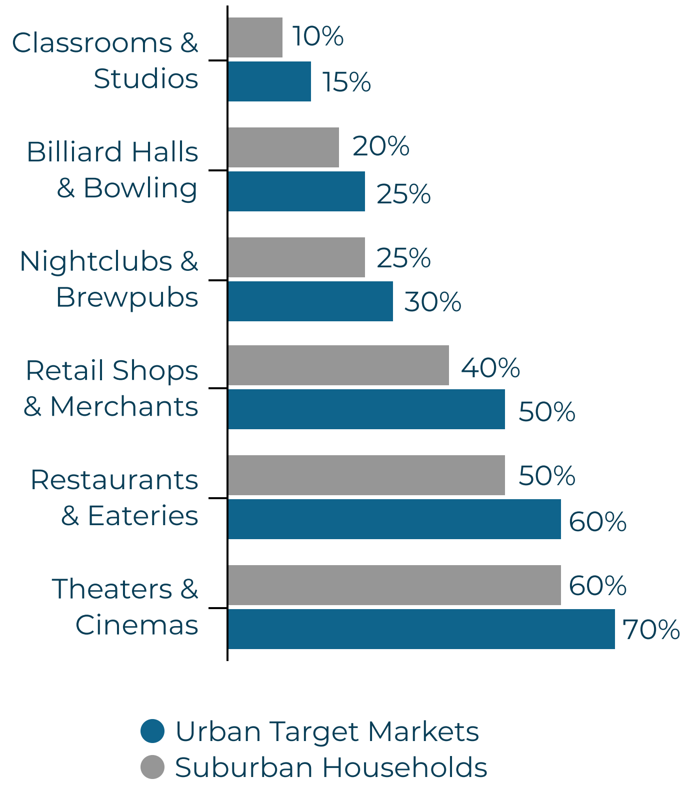
Michigan's Missing Housing - Here's the Scoop

Downtown Amenities – The target markets are also more inclined to seek the same lifestyle amenities that make downtowns and urban places great. For example, compared to national averages, the target markets are more inclined to visit theaters, restaurants, nightclubs, and billiard halls, as well as studios and merchants. **See Figure 6 to the right.**

Urban target markets are also more likely to shop among downtown merchants; and they have higher participation rates in educational classes and studio demonstrations. Similarly, they also have higher participation rates in waterfront attractions (beaches, marinas, and boating), trails, fitness centers, and other recreational venues.

Together with a smart placemaking process, all of these amenities can be integrated into each downtown to help intercept urban target markets who are on the move.

Figure 6. Share of Households Inclined to Visit Retail and Entertainment Venues



Prepared on behalf of
The Incremental Development Alliance

About the Author – Sharon Woods is a certified Counselor of Real Estate advising communities, professional planners, and developers on market-wide opportunities and the highest and best use of land. She develops residential and retail market strategies for urban places; serves as a faculty member with the Incremental Development Alliance; and also serves on the board of directors for the Michigan chapter of the Congress for the New Urbanism.

Sharon Woods, CRE, CNUa, FBCI, NCI, MA, DBE
sharonwoods@landuseusa.com
(517) 290-5531 direct

LandUseUSA | Urban Strategies
www.LandUseUSA.com