

# Target Market Analysis Newaygo County, MI Strategy Report

July 18, 2014



## Narrative Report



Prepared by:



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## Introduction

This Target Market Analysis (TMA) and report focuses on the strategy and recommendations for Newaygo County, Michigan. It focuses the market potential for attached (renter and owner) housing products in each of five partner communities, including the Village of Hesperia, and the Cities of Grant, Newaygo, Fremont, and White Cloud. It also addresses the market potential for detached, owner-occupied units in the surrounding townships and rural settings throughout the balance of Newaygo County.

This Market Strategy Report can serve as a freestanding document for most stakeholders. Readers interested in understanding the more detailed analytic approach can also review two Workbooks on the Target Market Analysis and Supply-Demand Analysis. The two workbooks also include additional narratives on the work methodology, approach, and market observations.

Table 1  
Target Market Analysis – Work Products  
Newaygo County, Michigan

<i>Document Title</i>	<i>Type</i>	<i>Sections (Exhibits)</i>	<i># of Pages</i>
Market Strategy Report	Main Report	A – C	70
Supply-Demand Analysis	Workbook	D – T	160
Target Market Analysis	Workbook	AA – BB	40
Stakeholder Engagement	Addendum	-- --	40

An addendum is also available that details the results of the stakeholder engagement process (facilitated by Beckett & Raeder, in collaboration with LandUse|USA). A summary of the engagement process is also provided in this Market Strategy Report.

## Executive Summary

Based on the household attributes of 10 target markets moving within and into Newaygo County each year, there is a maximum market potential of 1,732 units annually among both renter-occupied and owner-occupied units (see Exhibit A.1). This figure includes a broad range of prices for renter-occupied and owner occupied units, and both detached and attached products.

*Attached Units* – There is also clear market opportunity for attached housing products, including both renter- and owner-occupied units. The vast majority of need is among the Enduring Hardships target market, with is one of the lowest income groups, and comprised almost entirely of renters. Other target markets with smaller market potentials include Dare to Dream, Bohemian Groove, Senior Discounts, and Digital Dependents. These target markets are explained in detail in the following sections of this report.

The magnitude of market potential in attached products is most relevant to the 5 partner communities and their downtown districts, and less relevant to the surrounding townships. The majority of new attached housing products should be targeted at low-to-moderate households. The demand for attached housing products in the upper-income brackets is marginal, and most will continue choosing detached houses.

*Owner-Occupied, Detached* – There is also market support among households with high propensity for choosing detached houses, and a much higher propensity for owning their home. This market includes two groups:

*Low-to-moderate income households* – Many of these households will struggle to qualify for home loans – particularly for new houses that carry higher premiums. In Newaygo County, construction costs per detached house are relatively low, but still high enough to make the profitability margins too tight for the affordable market (see Exhibit A.10). These market conditions motivate the developers to focus on the moderate-to-better markets. The lower income households are left with few choices other than shuffling among dated houses; renting houses; and relocating to other markets.

*Moderate-to-better income households* – These include some dual-income households, empty nesters, early retirees, snowbirds, and some active seniors. They are attracted by Newaygo County's rural setting and natural resources, and will seek detached houses on golf courses and inland lakes; that offering scenic and vista views; and that are close to health care and community services.

*Renter-Occupied, Detached Houses* – Among the target markets, about one-third of the low-income households have a high propensity to live in detached houses, and they have a low propensity for home ownership (see Exhibits A.11 and A.16). In other words, they prefer to rent houses. This market potential is being partially met by private parties converting houses into rental and investment properties. Most of the for-rent houses are being converted in a quality manner so are being generally accepted by stakeholders.

Additional summaries are provided below, with exhibit numbers that link to the attached Section A. Sections B and C are also attached and explained later in this report.

<i>Exhibit</i>	<i>Executive Summary</i>
A.1	The maximum annual market potential for Newaygo County is 1,732 residential units, of which 1,328 units (75%) should be renter-occupied, and 404 units (25%) should be owner-occupied.
A.1	The maximum annual market potential for the City of White Cloud is 76 units, of which 64 should be renter-occupied, and 12 should be owner occupied. Similarly, the maximum market potential is 106 units for the City of Fremont; 55 units for the City of Newaygo; 48 units for the City of Grant; and 43 units for the Village of Hesperia.
A.1	There are 10 target markets that developers should focus on for rehabs, conversions, and new housing products. The largest group is Enduring Hardships with a market potential of 1,041 units throughout Newaygo County, including 38 units in White Cloud; 47 units in Fremont; 32 units in the City of Newaygo; 28 units in Grant; and 27 units in Hesperia. The vast majority of these units should be planned for renter occupancy among low-income households.
A.2 – A.7	For Newaygo County overall, 57% of the target households have incomes below HUD’s 80% of AMI income limit of \$52,500 (for a 4-person household). Within the 5 partner communities, 61% of the target households have incomes below the 80% AMI. Details are also provided for each of the 5 partner communities.
A.8	Low household incomes among the target markets and their corresponding low capacity for home values will make it difficult for developers to realize the market’s full potential while also being profitable. Only 10% of the owner-occupied market potential is for new units priced at \$100,000 or more; and 90% of the owner-occupied market potential is for units priced below that threshold.

- A.10 Based on a history of building permits approved in Newaygo County, the average construction cost for a single-family detached house exceeds \$100,000. To fulfill the market potential while being profitable, developers should consider new attached formats for owner-occupied units, rather than detached houses. This approach must also match the preferences of the target markets.
- A.9 The market potential for renter-occupied units is over three times larger than the owner-occupied market. Low household income levels among the target markets, and their corresponding low capacity for rents, will make it essential for developers to focus on affordable housing solutions, and not just on market rate products. The vast majority (over 80%) of the market potential will be in units with rents of \$600 or less.
- A.10 The average cost of construction for a multi-family attached unit is about \$65,000 (with significant increases over the past 2 years). It is assumed that most of these permits were for renter-occupied units like apartments, rather than owner-occupied units like condominiums or row houses. The development of attached owner-occupied units should be expected to cost at least \$90,000, which is more economical than detached houses.

## Market Overview

The study area for this project includes Newaygo County plus its five partner communities, including the Cities of Grant, Newaygo, Fremont, and White Cloud, and the Village of Hesperia. The study area boundaries align with the respective municipal boundaries (see also the exhibits in the attached Section B of this report). The regional draw area for new households in Newaygo County includes Newaygo, Kent, Muskegon, and Oceana Counties.

At the early stages of this project, we also conducted a closer study of households living in the core downtown districts of each community (as delineated by block group), and found that their lifestyle attributes were generally consistent with community-wide averages. Therefore, the study areas align with municipal boundaries, and the market potential can be qualified for the downtown districts based on the lifestyle attributes of the target markets.

Table 2  
 Determination of the Geographic Draw Areas  
 Newaygo County, Michigan

<i>Draw Area</i>	<i>Draw Area</i>	<i>Movership Contribution To All Five Communities</i>	<i>2010 Census Population Number Share</i>	
City of White Cloud	Study Area	6.5%	1,408	2.9%
City of Fremont	Study Area	18.9%	4,081	8.4%
City of Newaygo	Study Area	9.2%	1,976	4.1%
City of Grant	Study Area	4.1%	894	1.8%
Village of Hesperia	Study Area	<u>4.5%</u>	<u>954</u>	<u>2.0%</u>
5 Partner Communities	Study Areas	43.2%	9,313	19.2%
5 Partner Communities	Primary	43.2%	9,313	19.2%
Balance of Newaygo Co.	Secondary	<u>14.4%</u>	<u>39,147</u>	<u>80.8%</u>
All of Newaygo Co.	Subtotal	57.6%	48,460	100.0%
Kent County	Regional	12.0%		
Muskegon County	Regional	6.4%		
Oceana County	Regional	4.3%		
Other Mich. Counties	Tertiary	8.2%		
Other USA States	National	9.6%		
Abroad, Overseas	Global	<u>1.8%</u>		
All Draw Areas	Total	100.0%		

The attached Section B (Exhibits B.1 – B.15) to this report includes resources that help qualify Newaygo County and each of the five unique communities. The markets offer a number of locational advantages that appeal to existing and potential residents who are on the move. These advantages are listed below.

## Locational Advantage for Existing and New Households

## Newaygo County and 5 Partner Communities

- Newaygo County's natural environment appeals to both sports enthusiasts and retirees. Natural resources include the Manistee National Forest, Muskegon River, and proximity to Lake Michigan.
- The cost of living is affordable relative larger metropolitan areas like Grand Rapids and Muskegon.
- White Cloud and Hesperia are the most moderate and offer the most affordable cost of living.
- All five communities offer a small town quality-of-life and sense of community. They qualify as small urban places because they have an urban street grid patterns and housing densities that center around downtown districts.
- Grant, Fremont, and Newaygo are outer-ring exurban bedroom communities to Grand Rapids and Muskegon. Hesperia and White Cloud are also small urban places, but in settings that are more remote and rural.
- Fremont is the largest and has a locational advantage for pulling shoppers and visitors from Newaygo, White Cloud, and Hesperia. It has the best mix of downtown venues and shopping choices.
- Fremont includes a number of county-wide attractions, such as the Dogwood Center for Performing Arts; ArtsPlace County Council for the Arts; arboretum park; outdoor amphitheater; Water's Edge Golf Club; access to the Town & Country non-motorized path; cinema; and bowling alley.
- White Cloud is the county seat, so provides the easiest access to county resources. It is farthest north and provides direct access to the Manistee National Forest and a cross country cycle trail.
- Newaygo is perched above the Muskegon River, so offers the most interesting variations in urban terrain. Its location is leveraged for several unique events, such as a national ice fishing and power paddle tournaments.
- Newaygo's unique amenities include the county museum and heritage center; a live summer music series; and The Stream, which is a new business incubator anchoring the downtown district.
- Hesperia provides the closest access to Lake Michigan and jobs in Muskegon. Its high school is acclaimed for graduating some of the state's best athletes. Although it is small, it has its own tennis and rollerblade court, and mix of retail that includes a downtown hardware store; downtown automotive parts store; and marine, sports, and canoe outfitters.
- Grant is closest to job opportunities in Kent County, and is the smallest but most upscale. Although it is small, it boasts its own community center, fine arts center, and skate park.



## Challenges and Impediments

This Target Market Analysis for Newaygo County is unique from all other MSHDA-funded TMA's completed to-date (through 2013 and 2014) because it included an organized stakeholder engagement process. LandUse|USA and TrueNorth invited Beckett & Raeder to facilitate that process, which took place in the spring and summer of 2014.

The stakeholder engagement process included a kick-off meeting with the steering committee, a public workshop; 50 tallied surveys; about 10 phone interviews with stakeholders; and a public strategy meeting with presentation of the preliminary study results. The results of this process have been fully documented in the Stakeholder Engagement report, as an addendum to this Market Strategy Report.

Section B of this report includes three tables (Exhibits B.16 – B.18) as summaries of the stakeholder engagement process, plus an exhibit showing the results of an assessment of the local master plans and zoning ordinances (Exhibit B.19). Here is a summary of key observations that directly relate to challenges and impediments:

### Key Challenges and Impediments

#### Newaygo County, Michigan

- Among unmet housing needs, survey respondents were most likely to identify affordable rentals; affordable choices in general; houses for rent; starter homes; independent senior living; and subsidized homes.
- Survey respondents were less likely to identify a need for townhomes and row houses; live-work units; and upper story apartments or lofts.
- Respondents identified a number of obstacles and challenges to housing, including high foreclosure rates; absentee land lords; high utility costs; high property taxes; high mortgage requirements; high rents; high vacancy rates; and too many residents per unit.
- Top concerns among the economic challenges include social equity; a need to ensure environmental sustainability; and increase population and families. Employment and job choices ranked low in one survey test (Exhibit B.17), but scored high in another test (Exhibit B.18).
- Community needs were also weighted, and top challenges include addressing the need for public transportation; adding cultural resources; providing access to Manistee Forest; ensuring that the communities are walkable and bike-able; improving choices in higher education; strengthening the downtown districts; and providing for community recreation, including access to inland lakes.

## TMA Terminology

This section of the report defines some key terminology for Market Demand and Market Potential; and Lifestyle Clusters and Target Markets.

*Market Demand and Supply* – Traditional approaches to housing studies involve direct comparisons of supply and demand within the existing market. Demand is traditionally based on the attributes of households currently living in the market. Studies should also make adjustments for movership rates that can vary considerably by income bracket, head of householder's age, and tenure (owner v. renter.)

It is also traditional to assume that the form and style of current supply is a good indicator of what new buyers and renters will want. In other words, it is assumed that developers have accurately gauged market preferences and that what is built (and sold or rented) is an accurate reflection of what households want. This approach is advocated by lending institutions, which will often require evidence of market "comparables" as evidence of a proposed project's appropriateness for the market.

*Market Gap* – A direct comparison of demand with supply is made to gauge market gaps, where  $\text{Gap} = (\text{Demand}) - (\text{Supply})$ . Market gap is usually measured by a) the number of units by tenure; b) by size range (square feet); and c) and price range (value or rent). The results might be qualified for building styles or form, but almost always based on the attributes of current supply, and seldom based on household preferences for products that might be missing from the market.

*Market Potential* – Supply and demand approach to housing studies is flawed because it fails to consider the buying and renting capacity of households who are moving into a market (as well as within); and also fails to consider that the style and form of the housing that they would buy or rent if given a choice. The Market Potential approach does a better job by focusing on a) the number of households moving into the market (as well as within); b) their buying and renting capacity; c) their lifestyle attributes; and d) their preferences for various housing types and form. If the preferred housing types and form are absent from the market, then they represent "Missing Middle" housing products. Adding unique styles and forms of housing can significantly improve a market's ability to compete and intercept households who are on the move.

*Lifestyle Clusters and Target Markets* – Based on definitions provided by Experian Decision Analytics (the vendor of demographic data used in this study), there are 71 possible lifestyle clusters located across the United States, which Experian also calls Mosaics.

Profiles for the target markets include photos of “typical” households and can be used to deduce some socio-economic attributes like: a) head of householder’s age; b) family composition (such as the presence of children, and singles); c) lifestyle (based on attire, tools, and other objects in the photos); and d) prevailing ethnicity.

Some of the photos may imply that ethnicity is a leading factor in how the clusters are defined – but this is not the case. Experian’s definitions of the lifestyle clusters are based primarily on a) geographic region in the United States; b) household density; c) household income; d) tenure (owner and renter-occupancy); e) consumer behavior (credit and debt); and e) a wide variety of socio-economic variables, of which ethnicity is just one factor.

Many of these variables also have direct correlations. For example, it is a proven fact that renter-occupancy rates are higher among lower-income households. Complete profiles on the target markets are included in Exhibits A.12 – A.16 (see Section A) of this Target Market Analysis. The data in these tables take precedence over any subjective deductions that stakeholders might make from the photographs and images.

Of the 71 possible lifestyle clusters, about half can be found to reside in the State of Michigan. Among these, we have identified ten as the primary target markets for Newaygo County. Detailed descriptions are provided later in this Market Strategy Report.

Additional explanations of the analytic approach and market assumptions are provided on pages 21 – 23 of this Market Strategy Report. These explanations are particularly important for accurately interpreting the maximum market potential figures and other analytic results.

## Market Potential by Study Area

The results of this target market analysis indicate that the 5 partner communities can collectively support a maximum of 326 dwelling units annually through 2020 (assuming that construction begins in 2015 and that 2016 is the first full year). Regardless of how many units are actually developed, at least 80% should be designed for renters, and no more than 20% should be designed for owners.

In addition, a maximum of 1,407 could be supported in the relatively rural townships. However, the recommended strategy involves addressing the needs of the small urban cities first.

Table 3  
Allocation of Market Potential by Study Area  
Newaygo County, Michigan

<i>Study Area</i>	<i>Max. Annual Potential</i>	<i>Max. 5-Yr. Potential<sup>1</sup></i>	<i>Share of Total</i>
City of White Cloud	74	370	4.3%
City of Fremont	107	535	6.2%
City of Newaygo	54	270	3.1%
City of Grant	49	245	2.8%
Village of Hesperia	<u>42</u>	<u>210</u>	<u>2.4%</u>
Subtotal	326	1,630	18.8%
Townships, Balance	<u>1,407</u>	<u>7,035</u>	<u>81.1%</u>
Newaygo County	1,733	8,665	100.0%

<sup>1</sup>Assumes that construction commences in 2015 (a partial year) for a first full year of 2016, and fifth full year of 2020. Any unmet market potential in any given year will dissipate and will not accumulate or roll-over to subsequent years.

## Affordability and HUD Income Limits

We have compared the analytic results with the U.S. Housing and Urban Development’s (HUD) income limits. HUD has established that the current Area Median Income (AMI) for a 4-person household in Newaygo County is \$52,500; and 80% of the AMI is \$42,000 for the upper threshold of low-income households. Based on these guidelines, about 60% of the target market households and market potential is in the low-income limit of 80% of the AMI. Nearly 40% are in the very low income limits or lower; and 20% are in the extremely low income limits.

Table 4  
Market Potential by HUD Income Limit  
(4-Person Households in 2014)

<i>Share Of AMI (%)</i>	<i>4-Person Inc. Limit (\$)</i>	<i>HUD Qualifier (notation)</i>	<i>Market Potential 5 Communities<sup>1</sup> (Hhlds.) (Share)</i>	
100%+	\$52,500	Above AMI	92	28%
<50%	\$26,250	Very Low-Income	127	39%
<30%	\$15,750	Extremely Low-Income	66	20%
80%+	\$42,000	Market Rate	128	39%
<80%	\$42,000	Low-Income	<u>197</u>	<u>61%</u>
Total	--	Total	326	100%

<sup>1</sup>Total may not sum exact due to rounding.

For the 5 partner communities overall, 61% of the market potential in new units should be targeted at households earning 80% of the AMI or lower; and 39% of the new units should be targeted at households earning 80% or less of the AMI. The follow table provides a summary of the market potential for each community, by income limit.

Table 5  
Annual Market Potential by AMI Limits  
5 Partner Communities in Newaygo County

<i>Share Of AMI (%)</i>	<i>City of White Cloud</i>	<i>City of Fremont</i>	<i>City of Newaygo</i>	<i>City of Grant</i>	<i>Village of Hesperia</i>	<i>Total<sup>1</sup> 5 Partner Communities</i>
80%+	24	48	23	20	14	129
<80%	<u>50</u>	<u>59</u>	<u>31</u>	<u>29</u>	<u>28</u>	<u>197</u>
Total	74	107	54	49	42	326
<50%	32	38	20	18	18	127
<30%	17	20	11	8	10	66

<sup>1</sup>Totals may not sum exact due to rounding.

## The Target Markets

Among 71 possible lifestyle clusters living in the United States (as defined by Experian Decision Analytics), 10 are identified as the target markets for Newaygo County's five partner communities. Depending on the target markets, new housing developments should be located in the downtown districts, plus surrounding neighborhoods. Opportunities in the surrounding township should focus on unique attractions like golf courses and inland lakes.

Table 6  
Maximum Market Potential in Number of Units, by Target Market  
5 Partner Communities in Newaygo County, MI

<i>Target Market</i>	<i>City of White Cloud</i>	<i>City of Fremont</i>	<i>City of Newaygo</i>	<i>City of Grant</i>	<i>Village of Hesperia</i>	<i>County Totals</i>
Senior Discounts	8	33	9	9	6	276
Bohemian Groove	2	16	2	2	1	63
Dare to Dream	13	2	1	1	1	32
Enduring Hardships	38	52	32	28	27	1,041
Digital Dependents	3	9	3	4	2	98
Diapers, Debit Cards	4	2	1	0	0	18
Town Elders	2	3	2	2	1	69
No Place Like Home	0	1	0	0	0	5
Rural Escape	3	5	3	3	2	106
Unspoiled Splendor	1	1	1	1	1	25
<b>Total Target Markets</b>	<b>74</b>	<b>124</b>	<b>54</b>	<b>49</b>	<b>42</b>	<b>1,733</b>

Reflects internal movership within Newaygo County, plus in-migration from beyond, and unadjusted for out-migration. The market potential in units does not translate into a direct net gain in households. Totals may not sum exact due to rounding.

The attached Exhibit A.1 outlines the recommendations for the 5 partner communities and Newaygo County overall. The market potential is also shown by renter- and owner-occupied tenure.

A number of the target markets have a higher propensity to choose urban and exurban markets, while other are more likely to choose suburban and rural settings. These preferences align with density indexes, propensity to live in renter occupied units, and propensity to live in attached housing products.

The attached Section C (Exhibits C.1 – C.10) provide summary profiles of the target markets. More detailed profiles are included in the TMA Workbook, and complete 20-page profiles are also available upon request. The following tables, plus exhibits included in Section A, also provide attributes like household income, tenure, home value, contract rent, and building size.

Table 7  
Target Markets by Urbanicity  
Newaygo County, Michigan

<i>Cluster Code</i>	<i>Target Market</i>	<i>Density Index<sup>1</sup></i>	<i>Urban v. Rural</i>	<i>% Renter Occupied</i>	<i>% Attached Units</i>	<i>Co.-Wide Market Potential</i>
Q65	Senior Discounts	1.05	Urban	76.5%	100.0%	276
K40	Bohemian Groove	1.10	Urban	78.4%	80.3%	63
R66	Dare to Dream	1.13	Urban	76.8%	60.5%	32
S70	Enduring Hardships	0.82	Exurban	97.3%	90.7%	1,041
O51	Digital Dependents	0.92	Exurban	21.0%	11.7%	98
M45	Diapers, Debit Cards	0.97	Exurban	20.7%	6.1%	18
E20	No Place Like Home	0.90	Suburban	2.3%	3.3%	5
Q64	Town Elders	0.85	Suburban	3.1%	4.8%	69
J35	Rural Escape	0.43	Rural	3.1%	3.2%	105
E21	Unspoiled Splendor	0.58	Rural	1.8%	2.6%	<u>24</u>
	Weighted Averages	0.89	Mix	32.0%	30.6%	1,732

<sup>1</sup>All 71 Lifestyle Clusters have a national average density index of 1.00.

*Enduring Hardships | S70 Cluster Code*

- Urban Market Potential (maximum): 183 rental units annually, to be shared among the 5 partner communities. This represents just 18% of the total market potential for the cluster throughout Newaygo County. Unless they are provided new housing choices in the five urban communities, most will dissipate to the surrounding townships.
- Age: Middle-aged singles and divorced individuals in their 30's and 40's.
- Family Composition: Nearly one-quarter are single parents; and three-quarters are without children.
- Income: One of the lowest average incomes in the country, they struggle to support even a simple lifestyle. They worry about living beyond their means; have few investments or savings; get by with occasional loans; and prefer paying with cash and money orders.
- Geography: Centered in the South and Midwest, and located in exurban towns and small cities, and small bedroom communities to larger metro areas.
- Education: Low educational attainment; and 60% never finished high school.
- Work: Most are holding minimum-wage jobs as laborers and service-sector workers. Many would like to start their own business or try a new line of work.
- Tenure: Few can afford to own a home, and over 95 percent are renters living in low-rise apartments and duplexes, often located in tired and worn neighborhoods.
- Movership: They lack roots and are dealing with the challenges of a transient existence. More than 40% have lived at the same address for less than a year and two-thirds for fewer than three years.
- Leisure: Unable to afford many leisure activities, they spend evenings at home watching TV or listening to music. They occasionally splurge on a concert or trip to the casino, but lack the discretionary income for regular movies or nights out. Outdoor exercise might include a fishing and camping trip, and dinner out is to fast-food chains or buffets.



*Senior Discounts | Q65 Cluster Code*

- Urban Market Potential (maximum): 47 renter-occupied units and 11 owner-occupied units each year, to be shared among the 5 partner communities. Up to 38 of these could be absorbed by The Gateway senior housing project being developed at the eastern end of downtown Fremont (a conversion of the former Fremont High School, with completion expected in late 2014).
- Age: Mostly elderly and retired residents; mostly over the age of 75 years.
- Family: Three-quarters are widowed grandparents with grown children who are located too far away or otherwise incapable of sharing their home. The group cherishes their families and friends and they like to meet new people and entertain in their apartments.
- Income: Fixed and modest incomes, some taking advantage of rent-controlled rates and senior discounts to stretch their budgets. Most do not qualify as sophisticated investors; few have income-producing assets; and almost none have stocks and bonds. They get by on small pensions that supplement their Social Security checks, and are slow to pay off monthly credit card balances. They prefer to pay their bills with cash and money orders.
- Geography: Located throughout the country, typically in metro communities that permit large, multi-unit apartment buildings.
- Tenure: Renting in city and urban apartment buildings geared for seniors, rather than cope with the maintenance of a home. They prefer the security of an apartment building, preferably with a door attendant, to being on their own.
- Leisure: Many have active leisure lives, regularly attend plays, classical music concerts, and casinos.

**Optimal Values and Prices**

The optimal home values among owner-occupied units, and contract rents among renter-occupied units are based on national averages for the target markets (as reported by Experian Decision Analytics), with adjustments for local market conditions at the county level.

It will be most challenging to develop owner-occupied detached houses that are valued at less than \$100,000, because the average cost per unit among permitted single-family units for Newaygo County has exceeded that level in recent years. The best strategy for adding units valued at \$120,000 or less is to build attached units.

Table 8  
Allocation of Market Potential by Home Values and Contract Rents  
Totals for Newaygo County, Michigan

	<i>Total</i>										
	<i>Units</i>	<i>R66</i>	<i>K40</i>	<i>Q65</i>	<i>M45</i>	<i>O51</i>	<i>E20</i>	<i>Q64</i>	<i>S70</i>	<i>E21</i>	<i>J35</i>
Home Values											
< \$100,000	364	7	12	60	14	71	4	63	27	18	87
\$100,000+	<u>40</u>	<u>0</u>	<u>2</u>	<u>5</u>	<u>0</u>	<u>7</u>	<u>1</u>	<u>4</u>	<u>1</u>	<u>6</u>	<u>15</u>
Subtotal	405	7	14	65	14	78	5	67	28	24	102
Contract Rents											
< \$600/month	1,103	19	33	186	2	10	0	2	849	0	2
\$600/month	<u>225</u>	<u>6</u>	<u>16</u>	<u>25</u>	<u>2</u>	<u>10</u>	<u>0</u>	<u>1</u>	<u>164</u>	<u>0</u>	<u>1</u>
Subtotal	1,328	25	49	211	4	21	0	2	1,013	0	3
Grand Total <sup>1</sup>	1,733	32	63	276	18	98	5	69	1,041	25	106

<sup>1</sup>Totals may not sum exact due to rounding.

Source: Underlying home values and contract rents by target market are provided by Experian Decision Analytics, and adjusted by LandUse | USA for local (county-level) conditions.

## Detached and Attached Products

The 10 target markets generate a market-wide potential for 423 detached houses annually throughout Newaygo County, including exurban and suburban neighborhoods in the partner communities. Some of the market potential can be filled by rehabbing and modernizing existing housing stock (rather than building more detached houses).

One-third (110 units annually) of the market potential for detached products is being sought by low-income renters. Much of this market is expected to dissipate to existing detached houses that are being converted into rental units.

Among the target markets with moderate incomes, at least half will dissipate into the market due to two key economic challenges. First, the low income profiles of the target markets (and particularly the Enduring Hardships category) make it difficult for them to qualify for home loans. Second, because the value of the affordable products may be lower than construction costs, it will be difficult for developers to make a profit without significant and tangible (i.e., cash and rebate) incentives.

Table 9  
Market Potential for Detached Housing Products  
Newaygo County, Michigan

		<i>1-Unit Detached</i>	<i>Share Owners</i>
S70	Enduring Hardships	97	1.0%
R66	Dare to Dream	<u>13</u>	3.0%
	Low Income, Renters	110	1.5%
Q64	Town Elders	65	95.6%
O51	Digital Dependents	87	61.9%
M45	Diapers, Debit Cards	17	61.4%
K40	Bohemian Groove	<u>12</u>	11.4%
	Low-to-Mod. Inc., Owners	181	70.0%
J35	Rural Escape	102	95.2%
E21	Unspoiled Splendor	24	97.6%
E20	No Place Like Home	<u>5</u>	96.5%
	Better Income, Owners	131	96.0%

Half of the target markets also have propensities to choose some attached housing products, as summarized below. Assuming that the target markets could all qualify for prices that could be developed under profitable scenarios, there is a county-wide market potential for a maximum of 50 duplexes, or about 100 duplex units annually. There is also a county-wide market potential for a maximum of 50 triplex buildings (150 units); and 15 quad buildings (60 units) annually.

Table 10  
Market Potential for Attached Housing Products (in Units)  
Newaygo County, Michigan

		<i>Duplex</i>	<i>Triplex</i>	<i>Quad</i>	<i>5-9 Units</i>	<i>10-19 Units</i>	<i>20+ Units</i>	<i>Share Renters</i>
S70	Enduring Hardships	87	132	57	264	117	286	97.3%
Q65	Senior Discounts	2	4	2	6	31	232	76.5%
R66	Dare to Dream	<u>4</u>	<u>7</u>	<u>2</u>	<u>7</u>	<u>0</u>	<u>0</u>	76.8%
	Low Income	93	143	61	277	148	518	90.0%
K40	Bohemian Groove	5	9	5	16	5	11	78.4%
O51	Digital Dependents	<u>1</u>	<u>3</u>	<u>1</u>	<u>5</u>	<u>0</u>	<u>0</u>	21.0%
	Moderate Income	7	12	6	21	5	11	75.0%

Among the attached products, the more lucrative markets also represent significantly smaller numbers for the market potential. Prices (and rents) can all be higher for the Bohemian Groove, Digital Dependents target markets, but the annual magnitude of opportunity is considerably less – and the risk of overbuilding will be higher.

The following table allocates the market potential among the 5 partner communities by building type, with practical adjustments for the building size. For example, if the model implies a market potential for 3 units in duplexes, we adjusted the figure to be 4 units in duplexes, or 2 units in each double. The extra unit was then trimmed from the larger buildings. Similarly, if the model implies a market potential for 7 units in quads, we adjusted the figure to be 8 units in quads, or 4 units in each building.

Table 11  
Market Potential for Attached Housing Products (in Units)  
5 Partner Communities in Newaygo County, Michigan

	<i>Duplex</i>	<i>Triplex</i>	<i>Quad</i>	<i>5-9 Units</i>	<i>10-19 Units</i>	<i>20+ Units</i>	<i>Total Units</i>
City of White Cloud	10	15	8	8	16	0	57
City of Fremont	14	18	16	18	16	0	82
City of Newaygo	8	12	4	6	15	0	45
City of Grant	8	6	4	6	14	0	38
Village of Hesperia	6	6	4	6	13	0	35

### Unit Sizes in Square Feet

Most of the strategy recommendations provided in this report reflect the lifestyle attributes and preferences of target markets that are living throughout the upper Midwest and Michigan, and migrating both into and within Newaygo County. In comparison, the development of recommendations on unit sizes is based on based on local and current real estate market conditions, based on known owner-occupied values per square foot, and rent-occupied contract rents per square foot (see Sections S and T in the Supply-Demand Workbook).

Unit sizes relative to value and rents are provided below, and are intended to provide developers only with typical and conservative ranges for Newaygo County. Variations should be expected between the five partner communities; and high values or outliers should be expected for projects that are truly unique to the market. For example, lakefront homes, or units that offer exemplary vista views of lakes, golf courses, natural terrain, and downtown districts may have premiums on price per square foot.



Table 12  
Optimal Unit Sizes by Home Value Bracket  
Newaygo County, Michigan

<i>Home Values</i>	<i>Price per Square Foot</i>	<i>Approximate Square Feet</i>	<i># of Bed Rooms</i>	<i># of Bath Rooms</i>
<\$100,000	\$110 +	< 900	1	1
\$100 - \$124,999	\$109 – \$110	900 – 1,150	2	2
\$125 - \$149,999	\$108 – \$109	1,150 – 1,350	2	2
\$150 - \$174,999	\$107 – \$108	1,350 – 1,600	3	2.5
\$175 - \$199,999	\$106 – \$107	1,600 – 1,875	3	2.5
\$200 - \$249,999	\$105 – \$106	1,875 – 2,350	3	3
\$250,000+	< \$105	2,350 +	3	3

Table 13  
Optimal Unit Sizes by Contract Rent Bracket  
Newaygo County, Michigan

<i>Monthly Contract Rent</i>	<i>Price per Square Foot</i>	<i>Approximate Square Feet</i>	<i># of Bed Rooms</i>	<i># of Bath Rooms</i>
<\$500	\$1.00 +	< 500	1	1
\$500 - \$599	\$1.00 – \$0.75	500 – 800	2	1
\$600 - \$699	\$0.86 – \$0.70	700 – 1,000	2 – 3	2 – 2.5
\$700 - \$799	\$0.78 – \$0.67	900 – 1,200	3	2.5
\$800 - \$899	\$0.73 – \$0.65	1,100 – 1,350	3	2.5
\$900 - \$999	\$0.72 – \$0.64	1,250 – 1,500	3	2.5
\$1,000+	\$0.71 – \$0.63	1,400 – 1,600	3	2.5

Because the units sizes and prices per square foot are conservative averages for Newaygo County, they should not be used as the sole basis for financial pro forma analyses, property valuations, pricing, leasing, or other real estate and development activities.

## Product Labeling

Developers interested in investing in Newaygo should strive to develop projects that meet a variety of these target markets, rather than singling out any one discrete market.

We also recommend that developers avoid labeling projects according to the target markets descriptions. Labeling or differentiating projects as “affordable”, “subsidized”, “senior”, or “worker” housing should be avoided. Instead, projects should be described according to their form and function:

- Single-use and mixed-use, including residential units above retail, civic, and/or office space.
- Tenure, including renter, owner, lease-to-own, and mixed.
- Building scale, including mid-plex, mid-rise, low-rise, and units per building.
- Building format and style, attached, detached, row house, stacked flats, cottage, hard and soft loft, etc.

## TMA Approach and Assumptions

This study of market potential assumes that households moving into Newaygo County are less than satisfied with the existing choices and housing stock, and that they are all candidates for new choices with modern amenities. Similarly, it assumes that all existing households who are moving within Newaygo County are also seeking new choices.

The maximum market potential can be satisfied by developers in several ways, by:  
a) rehabilitating existing units; b) converting vacant buildings into new units; and/or  
c) building new projects with new units. If these efforts fall short of meeting the maximum market potential in any given year, then the balance of the target households will dissipate into the market. Some will settle for less by moving into whatever is vacant, available, and affordable. Others will be deterred from buying units that require too much work, and will trade-down into rental units until owner-occupied choices improve. Finally, others will simply relocate to other counties, markets, and states, exacerbating outflow and population loss.

The figures represent annual market opportunities, and any missed years cannot be rolled over to accumulate with subsequent years. In other words, if the market potential is not served any given year, then the migrating households simply shuffle among existing choices and dissipate into the market. The clock will reset each year and be replenished with another group of existing and in-migrating households (and target markets) that are on the move.

Table 14  
 Example of Non-Cumulative Annual Market Potential  
 Hypothetical Scenarios

	2016 Year 1	2017 Year 2	2018 Year 3	2019 Year 4	2020 Year 5	5-Year Potential
Timeline 1	50	50	50	50	50	250
Timeline 2	--	50	50	50	50	200
Timeline 3	--	--	50	50	50	150
Timeline 4	--	--	--	50	50	100
Timeline 5	--	--	--	--	50	50

On the one hand, it is aggressive to assumption that all moving households are good candidates for new (or rehabbed) units. This approach does not address any increases in vacancy rates among units and products that current residents are dissatisfied with, and that new residents will avoid. Instead, it assumes that any obsolete and substandard properties are demolished; and that recoverable buildings are rehabbed, renovated, and/or converted. The conversions are then reintroduced into the market and help fulfill the market potential in subsequent years.

On the other hand, the maximum market potential figures also have not been adjusted to reflect “build it and they will come” scenarios. In other words, no adjustments have been made for possible increases in the rates of in-migration, which could be motivated by new and quality housing choices (and supported jobs, quality-of-life, and placemaking amenities). If momentum is achieved in the new housing market and population growth, then the maximum market potential could actually become conservative, and an update of the TMA would be timely.

Overall, the strategy presented in this interim report reflects an aggressive and best-case scenario under current market conditions, and with several additional caveats described below:

- Lender guidelines have tightened since the recession, and mortgage rates have been slowly increasing in 2013 and 2014. These trends make it increasingly difficult for households to qualify for fixed-rate home loans, and tempts them into riskier variable-rate mortgages. The market potential has not been adjusted to reflect the ability or inability of households to qualify for fixed-rate home loans and mortgages under current rates and lender guidelines.
- In some cases, the market potential among the affordable units might not be economically profitable for developers and builders. If construction costs outpace prices increases, then developer margins will shrink. The maximum market potential has not been adjusted to reflect these challenges or the ability of developers to assemble creative financial tools, qualify for state or federal assistance, or be profitable.
- The analysis does not attempt to forecast unforeseeable impacts on the housing market due to economic depressions/recessions; and regional, national, and/or global events.



With those caveats aside, we also observed and in some cases made adjustments for the following:

- *National Housing Trends* – The national housing market has continued to be relatively soft, although with improvement compared to 2008 – 2012. Demand for rental housing has resulting in steady rent increases of 5% to +10% annually in most markets, regardless of growth in the total number of households. These trends are expected to continue through 2020.
- *Absorption of Vacancy Surplus* – Compared to regional standards, some of the markets have modest surplus in vacancies. The City of Newaygo has an estimated surplus of 10 vacant renter units and 10 vacant owner units. There is also a surplus of 14 owner units in Fremont and 17 renter units in White Cloud, but no measureable surplus in the Grant.
- *Market Growth and Net In-migration* – Newaygo County has proven its ability to achieve net in-migration with modest population gains. This net population inflow is commendable given that many of Michigan’s other counties are struggling with net population loss, and is a positive indicator of the market’s ability to intercept households who are on the move.
- *Movership Rates by Target Market* – Movership rates vary between the target markets and the market potential is largest for households with high movership rates. They include a prevalence of young renters seeking attached housing products in urban and exurban places. To be clear, the market potential is not necessarily representative of the current demographic distribution of Newaygo County’s existing households, and this is an important differentiation.
- *Migration Patterns* - Recent migration patterns within and into Newaygo County and each of the 5 partner communities is assumed to continue at a stable rate over the next five years and through 2020, and is not assumed to increase with the introduction of new housing choices.
- *Job Stability* – Major employers located in the county are not expected to undergo significant staff cuts or downsizings, and instead are assumed to create good-paying jobs that help attract the target markets and households.
- *Placemaking Initiatives* – It is assumed that the partner communities will continue with individual and collaborative efforts to add new quality of life amenities, and convey a sense of place and arrival in their respective downtowns.
- *Community Planning* – It is assumed that the partner communities will proactively seek out opportunities to make real projects materialize by collaborating with local developers; improving master plans, zoning ordinances, and other governing documents; packaging hard and soft incentives; and streamlining the permit application and review process.
- *Attached Units in Urban Places* – Developers investing in Newaygo County will focus primarily on urban (city and village) projects that introduce new formats of attached housing products in both the renter- and owner-occupied markets, and spanning the affordable and market-rate markets. Detached products are also supportable in the surrounding townships, particularly on the inland lakes, golf courses.

- *Focus on Unique Products* – Developers will focus on new housing formats that a) are truly unique to each community; b) support socio-economic diversity; and c) are smartly planned and well-constructed as quality projects with appropriate placemaking amenities.
- *Agency Support* - It is assumed that federal, state, and local agencies will continue working with developers and will continue funding programs and initiatives that result in profitable and economically sustainable projects.

## Next-Steps

This Target Market Analysis has been prepared for a diverse group of stakeholders, including:

### *Newaygo County TMA Stakeholders*

The 5 Partner Communities, and Newaygo County  
The Fremont Area Community Foundation  
TrueNorth Community Services  
The Local TMA Steering Committee Members  
Developers, Real Estate Brokers, and Lending Institutions  
Local Economic Development Professionals  
Private Citizens and other Stakeholders  
The Michigan State Housing and Development Authority  
The Michigan Economic Development Corporation

These stakeholders are also listed on the first Acknowledgements page of this report in each of the two companion Workbooks. Next steps will depend on the steering committee actively meeting, reviewing the report, asking questions and seeking clarification as needed, and working together to disseminate the report among the various stakeholders. Hard-copies of the report should be filed at the county, city, and village offices, and electronic .pdf copies should be posted on their respective websites. Finally, electronic .pdf copies should be transmitted by email to local developers, real estate broker offices, and selected property owners.

Developers, property owners, and real estate brokers should be invited to meet with the steering committee and leaders in their respective communities. At those meetings, the group should discuss the report findings, goals and objectives for implementation, and strategies for making real projects happen. When practical, MSHDA and MEDC regional teams should be included in the meetings to answer questions about state agency resources and programs.

Developers seeking to implement individual projects should anticipate retaining the professional services of qualified experts to complete myriad due diligence tasks. These include completing financial pro formas; property valuations; land and traffic surveys; traffic, environment, and fiscal impact studies; site plans and elevations; business plans; feasibility studies; and related documents. In some cases, if the developer is also interested in applying for gap financing or other programs and assistance from Michigan's state agencies, they might also be asked to demonstrate that their project aligns with this Target Market Analysis.

**~ end of Market Strategy Report ~**

# Target Market Analysis Newaygo County, MI Strategy Report

July 18, 2014



## Sections A – C



Prepared by:



Prepared for:



# Target Market Analysis

## Newaygo Co., MI

### Strategy Report

July 18, 2014



# A

## Contents:

### Market Potential Strategy Tables

Prepared by:



Prepared for:



Newaygo County, Michigan and 5 Partner Communities  
 Annual Market Potential in Units by Top Target Market and Tenure  
 AGGRESSIVE UPSIDE SCENARIO 2016 - 2020

**Exhibit A.1**

	Target Markets	Dare to Dream	Bohemian Groove	Senior Discounts	Diapers and Debit Cards	Digital Dependents	No Place Like Home	Town Elders	Enduring Hardships	Unspoiled Splendor	Rural Escape
	Total	R66	K40	Q65	M45	O51	E20	Q64	S70	E21	J35
Urbanicity Index (USA)	0.88	1.13	1.10	1.05	0.97	0.92	0.90	0.85	0.82	0.58	0.43
Newaygo County Total	1,732	32	63	276	18	99	5	69	1,041	24	105
Renter Occupied	1,328	25	49	211	4	21	0	2	1,013	0	3
Owner Occupied	404	7	14	65	14	78	5	67	28	24	102
5 Partner Communities	328	17	19	58	4	18	1	7	188	3	13
Renter Occupied	268	15	16	47	1	6	0	0	183	0	0
Owner Occupied	60	2	3	11	3	12	1	7	5	3	13
City of White Cloud	76	13	2	8	3	3	0	1	43	1	2
Renter Occupied	64	11	2	7	1	1	0	0	42	0	0
Owner Occupied	12	2	0	1	2	2	0	1	1	1	2
City of Fremont	106	1	13	26	1	7	1	3	48	1	5
Renter Occupied	80	1	10	20	0	2	0	0	47	0	0
Owner Occupied	26	0	3	6	1	5	1	3	1	1	5
City of Newaygo	55	1	2	9	0	3	0	1	37	0	2
Renter Occupied	48	1	2	8	0	1	0	0	36	0	0
Owner Occupied	7	0	0	1	0	2	0	1	1	0	2
City of Grant	48	1	1	9	0	3	0	1	30	1	2
Renter Occupied	39	1	1	7	0	1	0	0	29	0	0
Owner Occupied	9	0	0	2	0	2	0	1	1	1	2
Village of Hesperia	43	1	1	6	0	2	0	1	30	0	2
Renter Occupied	37	1	1	5	0	1	0	0	29	0	0
Owner Occupied	6	0	0	1	0	1	0	1	1	0	2

Source: Analysis of market potential based on 100% capture rates of in-migration by community, adjusted for minor surpluses in vacancies. Assumes that significant and tangible improvements are made in each community, including development of a diverse housing formats; proactive initiatives to add quality-of-life amenities; and tangible efforts to advance the placemaking process with measurable results. Micro-level geographical analysis of the individual downtown districts reveal insignificant differences from the municipal averages.

Summary of Market Size and Annual Potential for New Urban Housing Units  
 5 Partner Communities Newaygo County, Michigan - 2012  
 Estimates of Potential by HUD Affordability Standards

**Exhibit A.2**

	Newaygo County Total	Newaygo County Renters	Newaygo County Owners	Five Partner Places Total	Five Partner Places Renters	Five Partner Places Owners
<b>Households - 2012</b>						
Census	18,478	2,972	15,506	797	385	412
Experian	18,605	2,992	15,613	781	377	404
Market Potential	1,733	1,328	405	326	268	58
100%+ AMI	544	417	127	92	75	17
80% - 100% AMI	200	154	47	36	30	6
50% - 80% AMI	367	281	86	71	58	12
30% - 50% AMI	284	218	66	60	50	11
<30% AMI	337	258	79	66	55	12
Hhlds. <80% AMI	988	757	231	197	163	34
Hhlds. <50% AMI	621	476	145	127	104	22
Hhlds. <30% AMI	337	258	79	66	55	12
Share <80% AMI	57%	57%	57%	61%	61%	60%
Share <50% AMI	36%	36%	36%	39%	39%	38%
Share <30% AMI	19%	19%	19%	20%	20%	20%
<b>Med. Hhld. Inc. - 2012</b>						
All Households	\$43,180	--	--	\$29,180	--	--
Hhlds. in Occ. Units	\$43,218	\$21,631	\$48,260	\$32,083	\$21,630	\$46,635
HUD AMI - 2014 <sup>1</sup>	\$52,500	\$26,300	\$58,600	--	--	--
80% AMI	\$42,000	\$21,000	\$46,900	--	--	--
50% AMI	\$26,250	\$13,100	\$29,300	--	--	--
30% AMI	\$15,750	\$7,900	\$17,600	--	--	--

<sup>1</sup> Averages are based on a 4-person household income limits established by US Dept. of Housing and Urban Development (HUD); and splits by renter- and owner-occupied households are estimated by LandUse|USA based on the census.

Source: Target Market Analysis and model by LandUse|USA, with underlying data from the U.S. Census, HUD, and Experian Decision Analytics.

Totals may not sum exact due to rounding.

Summary of Market Size and Annual Potential for New Urban Housing Units  
 The City of White Cloud and Newaygo County, Michigan - 2012  
 Estimates of Potential by HUD Affordability Standards

**Exhibit A.3**

	Newaygo County Total	Newaygo County Renters	Newaygo County Owners	City of White Cloud Total	City of White Cloud Renters	City of White Cloud Owners
<b>Households - 2012</b>						
Census	18,478	2,972	15,506	496	221	275
Experian	18,605	2,992	15,613	473	211	262
Market Potential	1,733	1,328	405	74	63	12
100%+ AMI	544	417	127	15	13	2
80% - 100% AMI	200	154	47	9	8	1
50% - 80% AMI	367	281	86	18	15	3
30% - 50% AMI	284	218	66	15	13	2
<30% AMI	337	258	79	17	15	2
Hhlds. <80% AMI	988	757	231	50	43	7
Hhlds. <50% AMI	621	476	145	32	27	5
Hhlds. <30% AMI	337	258	79	17	15	2
Share <80% AMI	57%	57%	57%	68%	68%	57%
Share <50% AMI	36%	36%	36%	43%	43%	36%
Share <30% AMI	19%	19%	19%	23%	23%	19%
<b>Med. Hhld. Inc. - 2012</b>						
All Households	\$43,180	--	--	\$24,667	--	--
Hhlds. in Occ. Units	\$43,218	\$21,631	\$48,260	\$23,913	\$11,940	\$37,813
HUD AMI - 2014 <sup>1</sup>	\$52,500	\$26,300	\$58,600	--	--	--
80% AMI	\$42,000	\$21,000	\$46,900	--	--	--
50% AMI	\$26,250	\$13,100	\$29,300	--	--	--
30% AMI	\$15,750	\$7,900	\$17,600	--	--	--

<sup>1</sup> Averages are based on a 4-person household income limits established by US Dept. of Housing and Urban Development (HUD); and splits by renter- and owner-occupied households are estimated by LandUse|USA based on the census.

Source: Target Market Analysis and model by LandUse|USA, with underlying data from the U.S. Census, HUD, and Experian Decision Analytics.

Totals may not sum exact due to rounding.



Summary of Market Size and Annual Potential for New Urban Housing Units  
 The City of Fremont and Newaygo County, Michigan - 2012  
 Estimates of Potential by HUD Affordability Standards

**Exhibit A.4**

	Newaygo County Total	Newaygo County Renters	Newaygo County Owners	City of Fremont Total	City of Fremont Renters	City of Fremont Owners
<b>Households - 2012</b>						
Census	18,478	2,972	15,506	1,718	437	1,281
Experian	18,605	2,992	15,613	1,785	454	1,331
Market Potential	1,733	1,328	405	107	81	26
100%+ AMI	544	417	127	36	27	9
80% - 100% AMI	200	154	47	11	9	3
50% - 80% AMI	367	281	86	21	16	5
30% - 50% AMI	284	218	66	19	14	5
<30% AMI	337	258	79	20	15	5
Hhlds. <80% AMI	988	757	231	59	45	15
Hhlds. <50% AMI	621	476	145	38	29	9
Hhlds. <30% AMI	337	258	79	20	15	5
Share <80% AMI	57%	57%	57%	56%	56%	55%
Share <50% AMI	36%	36%	36%	36%	36%	36%
Share <30% AMI	19%	19%	19%	18%	18%	18%
<b>Med. Hhld. Inc. - 2012</b>						
All Households	\$43,180	--	--	\$37,627	--	--
Hhlds. in Occ. Units	\$43,218	\$21,631	\$48,260	\$35,687	\$15,673	\$47,591
HUD AMI - 2014 <sup>1</sup>	\$52,500	\$26,300	\$58,600	--	--	--
80% AMI	\$42,000	\$21,000	\$46,900	--	--	--
50% AMI	\$26,250	\$13,100	\$29,300	--	--	--
30% AMI	\$15,750	\$7,900	\$17,600	--	--	--

<sup>1</sup> Averages are based on a 4-person household income limits established by US Dept. of Housing and Urban Development (HUD); and splits by renter- and owner-occupied households are estimated by LandUse|USA based on the census.

Source: Target Market Analysis and model by LandUse|USA, with underlying data from the U.S. Census, HUD, and Experian Decision Analytics.

Totals may not sum exact due to rounding.

Summary of Market Size and Annual Potential for New Urban Housing Units  
 The City of Newaygo and Newaygo County, Michigan - 2012  
 Estimates of Potential by HUD Affordability Standards

**Exhibit A.5**

	Newaygo County Total	Newaygo County Renters	Newaygo County Owners	City of Newaygo Total	City of Newaygo Renters	City of Newaygo Owners
<b>Households - 2012</b>						
Census	18,478	2,972	15,506	797	385	412
Experian	18,605	2,992	15,613	781	377	404
Market Potential	1,733	1,328	405	54	48	8
100%+ AMI	544	417	127	17	15	2
80% - 100% AMI	200	154	47	6	5	1
50% - 80% AMI	367	281	86	11	10	1
30% - 50% AMI	284	218	66	9	8	1
<30% AMI	337	258	79	11	9	1
Hhlds. <80% AMI	988	757	231	31	28	4
Hhlds. <50% AMI	621	476	145	20	18	2
Hhlds. <30% AMI	337	258	79	11	9	1
Share <80% AMI	57%	57%	57%	58%	58%	46%
Share <50% AMI	36%	36%	36%	37%	37%	29%
Share <30% AMI	19%	19%	19%	20%	20%	16%
<b>Med. Hhld. Inc. - 2012</b>						
All Households	\$43,180	--	--	\$29,180	--	--
Hhlds. in Occ. Units	\$43,218	\$21,631	\$48,260	\$32,083	\$21,630	\$46,635
HUD AMI - 2014 <sup>1</sup>	\$52,500	\$26,300	\$58,600	--	--	--
80% AMI	\$42,000	\$21,000	\$46,900	--	--	--
50% AMI	\$26,250	\$13,100	\$29,300	--	--	--
30% AMI	\$15,750	\$7,900	\$17,600	--	--	--

<sup>1</sup> Averages are based on a 4-person household income limits established by US Dept. of Housing and Urban Development (HUD); and splits by renter- and owner-occupied households are estimated by LandUse|USA based on the census.

Source: Target Market Analysis and model by LandUse|USA, with underlying data from the U.S. Census, HUD, and Experian Decision Analytics.

Totals may not sum exact due to rounding.

Summary of Market Size and Annual Potential for New Urban Housing Units  
The City of Grant and Newaygo County, Michigan - 2012  
Estimates of Potential by HUD Affordability Standards

**Exhibit A.6**

	Newaygo County Total	Newaygo County Renters	Newaygo County Owners	City of Grant Total	City of Grant Renters	City of Grant Owners
<b>Households - 2012</b>						
Census	18,478	2,972	15,506	360	164	196
Experian	18,605	2,992	15,613	314	143	171
Market Potential	1,733	1,328	405	49	40	10
100%+ AMI	544	417	127	15	12	3
80% - 100% AMI	200	154	47	5	4	1
50% - 80% AMI	367	281	86	10	9	2
30% - 50% AMI	284	218	66	9	7	2
<30% AMI	337	258	79	9	8	2
Hhlds. <80% AMI	988	757	231	29	23	5
Hhlds. <50% AMI	621	476	145	18	15	3
Hhlds. <30% AMI	337	258	79	9	8	2
Share <80% AMI	57%	57%	57%	59%	59%	54%
Share <50% AMI	36%	36%	36%	37%	37%	34%
Share <30% AMI	19%	19%	19%	19%	19%	18%
<b>Med. Hhld. Inc. - 2012</b>						
All Households	\$43,180	--	--	\$33,250	--	--
Hhlds. in Occ. Units	\$43,218	\$21,631	\$48,260	\$33,558	\$21,528	\$40,500
HUD AMI - 2014 <sup>1</sup>	\$52,500	\$26,300	\$58,600	--	--	--
80% AMI	\$42,000	\$21,000	\$46,900	--	--	--
50% AMI	\$26,250	\$13,100	\$29,300	--	--	--
30% AMI	\$15,750	\$7,900	\$17,600	--	--	--

<sup>1</sup> Averages are based on a 4-person household income limits established by US Dept. of Housing and Urban Development (HUD); and splits by renter- and owner-occupied households are estimated by LandUse|USA based on the census.

Source: Target Market Analysis and model by LandUse|USA, with underlying data from the U.S. Census, HUD, and Experian Decision Analytics.

Totals may not sum exact due to rounding.

Summary of Market Size and Annual Potential for New Urban Housing Units  
 The Village of Hesperia and Newaygo County, Michigan - 2012  
 Estimates of Potential by HUD Affordability Standards

**Exhibit A.7**

	Newaygo County Total	Newaygo County Renters	Newaygo County Owners	Village of Hesperia Total	Village of Hesperia Renters	Village of Hesperia Owners
<b>Households - 2012</b>						
Census	18,478	2,972	15,506	395	150	245
Experian	18,605	2,992	15,613	358	136	222
Market Potential	1,733	1,328	405	42	37	7
100%+ AMI	544	417	127	9	8	1
80% - 100% AMI	200	154	47	5	4	1
50% - 80% AMI	367	281	86	10	9	1
30% - 50% AMI	284	218	66	9	8	1
<30% AMI	337	258	79	10	8	1
Hhlds. <80% AMI	988	757	231	28	24	4
Hhlds. <50% AMI	621	476	145	18	16	3
Hhlds. <30% AMI	337	258	79	10	8	1
Share <80% AMI	57%	57%	57%	67%	67%	59%
Share <50% AMI	36%	36%	36%	43%	43%	38%
Share <30% AMI	19%	19%	19%	22%	22%	20%
<b>Med. Hhld. Inc. - 2012</b>						
All Households	\$43,180	--	--	\$30,163	--	--
Hhlds. in Occ. Units	\$43,218	\$21,631	\$48,260	\$30,104	\$15,893	\$38,309
HUD AMI - 2014 <sup>1</sup>	\$52,500	\$26,300	\$58,600	--	--	--
80% AMI	\$42,000	\$21,000	\$46,900	--	--	--
50% AMI	\$26,250	\$13,100	\$29,300	--	--	--
30% AMI	\$15,750	\$7,900	\$17,600	--	--	--

<sup>1</sup> Averages are based on a 4-person household income limits established by US Dept. of Housing and Urban Development (HUD); and splits by renter- and owner-occupied households are estimated by LandUse|USA based on the census.

Source: Target Market Analysis and model by LandUse|USA, with underlying data from the U.S. Census, HUD, and Experian Decision Analytics.

Totals may not sum exact due to rounding.

Market Potential by Home Value Bracket (adjusted for the local market)  
 Totals for Newaygo County, Michigan - 2014

**Exhibit A.8**

Target Market:	Newaygo County Total	Dare to Dream R66	Bohemian Groove K40	Senior Discounts Q65	Diapers and Debit Cards M45	Digital Dependents O51	No Place Like Home E20	Town Elders Q64	Enduring Hardships S70	Unspoiled Splendor E21	Rural Escape J35
Home Value Brackets											
\$0 - \$14,999	36	2	1	12	3	3	0	6	5	1	6
\$15 - \$24,999	62	2	2	12	5	8	0	12	6	1	12
\$25 - \$34,999	79	2	3	12	4	16	1	15	6	2	19
\$35 - \$49,999	130	1	5	18	2	31	2	22	8	8	33
\$50 - \$74,999	34	0	1	3	0	8	1	5	2	3	10
\$75 - \$99,999	22	0	1	3	0	5	1	3	1	3	7
\$100 - \$124,999	24	0	1	3	0	4	1	3	1	3	8
\$125 - \$149,999	10	0	0	1	0	1	0	1	0	2	4
\$150 - \$174,999	3	0	0	0	0	0	0	0	0	1	1
\$175 - \$199,999	2	0	0	0	0	0	0	0	0	0	1
\$200 - \$249,999	1	0	0	0	0	0	0	0	0	0	0
\$250,000+	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Summation	404	7	14	65	14	78	5	67	28	24	102
Control Total	405	7	14	65	14	78	5	67	28	24	102
< \$100,000	364	7	12	60	14	71	4	63	27	18	87
\$100,000 +	40	0	2	5	0	7	1	4	1	6	15

Source: Target Market Analysis prepared by LandUse|USA © 2014 with all rights reserved.

Market Potential by Contract Rent Bracket (adjusted for the local market)  
 Totals for Newaygo County, Michigan - 2014

**Exhibit A.9**

Target Market:	Newaygo County Total	Dare to Dream R66	Bohemian Groove K40	Senior Discounts Q65	Diapers and Debit Cards M45	Digital Dependents O51	No Place Like Home E20	Town Elders Q64	Enduring Hardships S70	Unspoiled Splendor E21	Rural Escape J35
<b>Cash Rent Brackets</b>											
<\$500	789	11	17	130	1	4	0	1	624	0	1
\$500 - \$599	314	8	16	56	1	6	0	1	225	0	1
\$600 - \$699	142	4	9	18	1	6	0	0	105	0	1
\$700 - \$799	70	2	6	5	1	3	0	0	53	0	0
\$800 - \$899	5	0	1	1	0	1	0	0	2	0	0
\$900 - \$999	8	0	1	2	0	1	0	0	4	0	0
\$1,000 - \$1,249	1	0	0	0	0	0	0	0	0	0	0
\$1,250 - \$1,499	0	0	0	0	0	0	0	0	0	0	0
\$1,500 - \$1,999	0	0	0	0	0	0	0	0	0	0	0
\$2,000+	0	0	0	0	0	0	0	0	0	0	0
Summation	1,328	25	49	211	4	21	0	2	1,013	0	3
Control Total	1,328	25	49	211	4	21	0	2	1,013	0	3
< \$600	1,103	19	33	186	2	10	0	2	849	0	2
\$600 +	225	6	16	25	2	10	0	1	164	0	1

Note: Contract rents typically exclude extra costs for utilities, security deposits, first and last month down payments, rents for storage, garages, parking spaces, cleaning fees, key deposits, club memberships, and signing incentives or discounts.

Source: Target Market Analysis prepared by LandUse|USA © 2014 with all rights reserved.

Construction Costs Per Approved Building Permits  
Newaygo County, Michigan - 2000 - 2013

**Exhibit A.10**

	Units Single- Family	Cost Single- Family	Cost/Unit Single- Family	Units Multi- Family	Cost Multi- Family	Cost/Unit Multi- Family	
2013	57	\$6,977,894	\$122,400	--	--	\$64,900	.(e)
2012	43	\$4,895,741	\$113,900	--	--	\$60,400	.(e)
2011	45	\$4,122,015	\$91,600	--	--	\$48,500	.(e)
2010	37	\$3,695,141	\$99,900	--	--	\$52,900	.(e)
2009	32	\$2,608,074	\$81,500	--	--	\$43,200	.(e)
2008	55	\$6,767,864	\$123,100	--	--	\$65,200	.(e)
2007	113	\$14,700,162	\$130,100	4	\$297,000	\$74,300	
2006	188	\$17,775,021	\$94,500	--	--	\$50,100	.(e)
2005	235	\$23,508,584	\$100,000	2	\$150,000	\$75,000	
2004	284	\$26,615,714	\$93,700	--	--	\$49,700	.(e)
2003	264	\$18,543,563	\$70,200	16	\$193,000	\$12,100	
2002	235	\$22,194,823	\$94,400	38	\$1,875,375	\$49,400	
2001	249	\$20,756,669	\$83,400	20	\$954,000	\$47,700	
2000	210	\$18,390,061	\$87,600	--	--	\$46,400	.(e)
Totals	2,047	\$191,551,326	\$93,600				

Source: Underlying data collected by the U.S. Bureau of the Census.

Analysis by LandUse|USA, 2014; .(e) indicates estimates for multi-family unit costs.

Annual Market Potential by Building Size in Units  
 Newaygo County, Michigan - 2014

**Exhibit A.11**

	<b>Newaygo County Average</b>	Dare to Dream R66	Bohemian Groove K40	Senior Discounts Q65	Diapers and Debit Cards M45	Digital Dependents O51	No Place Like Home E20	Town Elders Q64	Enduring Hardships S70	Unspoiled Splendor E21	Rural Escape J35
Units per Building											
1 unit (house)	<b>423</b>	13	12	0	17	87	5	65	97	24	102
2 units (duplex)	<b>101</b>	4	5	2	0	1	0	1	87	0	1
3 units (triplex)	<b>156</b>	7	9	4	0	3	0	1	132	0	0
4 units (quad)	<b>68</b>	2	5	2	0	1	0	0	57	0	0
5 - 9 units	<b>303</b>	7	16	6	0	5	0	1	264	0	2
10 - 19 units	<b>152</b>	0	5	31	0	0	0	0	117	0	0
20 - 49 units	<b>211</b>	0	4	61	0	0	0	0	146	0	0
50 - 100 units	<b>151</b>	0	3	69	0	0	0	0	79	0	0
101+ units	<b><u>167</u></b>	<u>0</u>	<u>4</u>	<u>102</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>61</u>	<u>0</u>	<u>0</u>
Sum	<b>1,732</b>	32	63	276	18	98	5	69	1,041	25	106

Source: Underlying data by Experian Decision Analytics and Sites|USA; and reflecting national averages.  
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The Target Markets - By Share of Population and Household Size  
Newaygo County, Michigan - 2014

**Exhibit A.12**

Target Market Name	Target Markets	Dare to Dream	Bohemian Groove	Senior Discounts	Diapers and Debit Cards	Digital Dependents	No Place Like Home	Town Elders	Enduring Hardships	Unspoiled Splendor	Rural Escape
Target Market Code	Average	R66	K40	Q65	M45	O51	E20	Q64	S70	E21	J35
Share of Total Population											
Newaygo County	<b>35.2%</b>	0.1%	0.2%	1.0%	0.5%	1.4%	1.4%	7.2%	2.6%	6.5%	13.3%
City of White Cloud	<b>37.4%</b>	3.6%	0.2%	0.2%	9.1%	1.5%	0.0%	12.3%	8.7%	0.8%	0.8%
City of Fremont	<b>40.1%</b>	0.0%	1.6%	3.6%	1.5%	3.8%	7.7%	10.5%	2.5%	1.7%	1.4%
City of Newaygo	<b>23.0%</b>	0.3%	0.0%	2.9%	0.3%	3.1%	0.8%	3.9%	5.2%	2.1%	4.4%
City of Grant	<b>28.2%</b>	0.0%	0.0%	1.9%	0.0%	3.2%	0.0%	5.7%	3.5%	4.1%	9.8%
Village of Hesperia	<b>30.7%</b>	0.0%	0.0%	0.6%	0.6%	2.8%	1.4%	11.1%	5.6%	1.4%	7.2%
Persons Per Household											
1-Person Hhld.	<b>45.0%</b>	83.0%	80.1%	69.4%	15.2%	63.5%	13.6%	48.1%	82.1%	15.4%	34.8%
2-Person Hhld.	<b>26.4%</b>	11.9%	12.7%	20.9%	26.3%	23.6%	20.0%	37.5%	11.8%	44.2%	39.7%
3-Person Hhld.	<b>12.9%</b>	2.9%	3.9%	6.0%	21.2%	7.7%	18.7%	10.4%	3.0%	24.5%	15.2%
4-Person Hhld.	<b>7.6%</b>	1.2%	1.6%	2.1%	14.9%	2.8%	22.8%	2.8%	1.6%	9.6%	6.1%
5+ Person Hhld.	<b>8.1%</b>	1.0%	1.7%	1.7%	22.4%	2.5%	24.9%	1.1%	1.4%	6.4%	4.3%
Avg. Hhld. Size	2.1	1.3	1.3	1.5	3.0	1.6	3.3	1.7	1.3	2.5	2.1

Source: Underlying data by Experian Decision Analytics and Sites|USA; and reflecting the local Newaygo County, Michigan market.  
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The Target Markets - By Income Bracket (adjusted for the local market)  
Newaygo County, Michigan - 2014

**Exhibit A.13**

Target Market Name	Target Markets Average	Dare to Dream R66	Bohemian Groove K40	Senior Discounts Q65	Diapers and Debit Cards M45	Digital Dependents O51	No Place Like Home E20	Town Elders Q64	Enduring Hardships S70	Unspoiled Splendor E21	Rural Escape J35
Household Income Brackets											
\$0 - \$14,999	<b>15.2%</b>	26.1%	15.8%	44.6%	5.9%	6.7%	2.4%	19.6%	42.8%	3.9%	13.3%
\$15 - \$24,999	<b>13.5%</b>	21.5%	18.5%	22.8%	10.7%	10.8%	4.2%	29.1%	18.4%	5.9%	15.3%
\$25 - \$34,999	<b>12.7%</b>	18.0%	16.6%	12.2%	15.5%	17.0%	5.0%	18.6%	14.5%	7.7%	17.4%
\$35 - \$49,999	<b>18.3%</b>	18.5%	27.4%	9.1%	29.6%	24.9%	9.6%	17.8%	19.1%	10.8%	18.3%
\$50 - \$74,999	<b>20.9%</b>	8.3%	10.8%	4.4%	30.1%	31.5%	43.8%	9.8%	2.4%	36.1%	22.3%
\$75 - \$99,999	<b>10.8%</b>	4.9%	6.0%	3.6%	6.3%	6.1%	22.6%	3.5%	1.5%	22.1%	8.5%
\$100 - \$124,999	<b>4.2%</b>	1.7%	2.5%	1.9%	1.1%	1.7%	7.2%	1.1%	0.8%	7.2%	2.7%
\$125 - \$149,999	<b>1.8%</b>	0.8%	1.7%	1.2%	0.5%	0.9%	2.6%	0.4%	0.5%	3.0%	1.0%
\$150 - \$174,999	<b>1.4%</b>	0.0%	0.1%	0.0%	0.2%	0.2%	1.6%	0.0%	0.0%	1.8%	0.3%
\$175 - \$199,999	<b>0.3%</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.2%	0.2%
\$200 - \$249,999	<b>0.7%</b>	0.2%	0.4%	0.2%	0.1%	0.2%	0.6%	0.0%	0.1%	0.8%	0.3%
\$250,000+	<b>0.2%</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.2%	0.2%
Sum	<b>100.0%</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Med. HH Inc.	<b>\$43,089</b>	\$28,148	\$34,402	\$23,263	\$39,190	\$39,743	\$60,029	\$26,898	\$21,582	\$58,818	\$38,634

Source: Underlying data by Experian Decision Analytics and Sites|USA; and reflecting the local Newaygo County, Michigan market.  
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The Target Markets - By Home Value Bracket (adjusted for the local market)  
 Newaygo County, Michigan - 2014

**Exhibit A.14**

Target Market Name	Target Markets	Dare to Dream	Bohemian Groove	Senior Discounts	Diapers and Debit Cards	Digital Dependents	No Place Like Home	Town Elders	Enduring Hardships	Unspoiled Splendor	Rural Escape
Target Market Codes	Average	R66	K40	Q65	M45	O51	E20	Q64	S70	E21	J35
Home Value Brackets											
Less than \$50,000	<b>8.6%</b>	21.9%	5.0%	18.6%	17.5%	3.7%	1.1%	8.6%	16.2%	2.0%	5.6%
\$50,000-\$74,999	<b>14.9%</b>	30.5%	12.8%	19.1%	33.0%	10.4%	5.3%	18.4%	23.1%	6.0%	12.2%
\$75,000-\$99,999	<b>17.1%</b>	20.6%	20.2%	19.1%	28.4%	21.0%	10.1%	22.2%	20.7%	10.1%	18.3%
\$100,000-\$149,999	<b>30.0%</b>	19.4%	35.5%	27.6%	17.0%	39.8%	37.1%	33.5%	27.5%	31.5%	32.6%
\$150,000-\$174,999	<b>9.3%</b>	3.1%	8.2%	4.5%	2.6%	10.7%	15.3%	7.3%	6.2%	14.0%	9.8%
\$175,000-\$199,999	<b>6.5%</b>	1.9%	6.8%	4.0%	0.8%	6.1%	10.5%	4.1%	2.5%	10.5%	6.7%
\$200,000-\$249,999	<b>7.7%</b>	1.6%	5.7%	4.7%	0.4%	5.6%	12.5%	4.0%	2.5%	14.1%	8.1%
\$250,000-\$299,999	<b>3.5%</b>	0.7%	3.3%	1.4%	0.2%	1.9%	5.0%	1.4%	0.7%	6.8%	3.5%
\$300,000-\$349,999	<b>1.2%</b>	0.2%	1.2%	0.5%	0.0%	0.5%	1.6%	0.4%	0.4%	2.4%	1.4%
\$350,000-\$399,999	<b>0.6%</b>	0.1%	0.9%	0.3%	0.0%	0.2%	0.8%	0.1%	0.0%	1.3%	0.7%
\$400,000-\$499,999	<b>0.3%</b>	0.0%	0.3%	0.1%	0.0%	0.1%	0.3%	0.0%	0.1%	0.7%	0.5%
\$500,000-\$749,999	<b>0.2%</b>	0.0%	0.1%	0.1%	0.0%	0.1%	0.2%	0.0%	0.1%	0.5%	0.4%
Sum	<b>99.9%</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.9%	99.8%	99.8%

Source: Underlying data by Experian Decision Analytics and Sites|USA; and reflecting the local Newaygo County, Michigan market.

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The Target Markets - By Contract Rent Bracket (adjusted for the local market)  
 Newaygo County, Michigan - 2014

**Exhibit A.15**

Target Market Name Contract Rent Brackets	Target Markets Average	Dare to Dream R66	Bohemian Groove K40	Senior Discounts Q65	Diapers and Debit Cards M45	Digital Dependents O51	No Place Like Home E20	Town Elders Q64	Enduring Hardships S70	Unspoiled Splendor E21	Rural Escape J35
<\$500	<b>28.9%</b>	44.2%	33.3%	63.3%	16.4%	18.6%	14.7%	32.5%	61.9%	18.9%	30.2%
\$500 - \$599	<b>25.9%</b>	30.6%	32.8%	27.2%	24.9%	24.9%	21.5%	40.5%	22.3%	24.2%	29.4%
\$600 - \$699	<b>16.5%</b>	15.1%	17.4%	8.6%	21.4%	23.3%	14.9%	15.3%	10.4%	18.6%	19.7%
\$700 - \$799	<b>11.0%</b>	6.1%	11.1%	2.5%	15.9%	13.2%	11.2%	5.7%	5.3%	10.1%	8.0%
\$800 - \$899	<b>5.0%</b>	0.7%	1.1%	0.3%	4.2%	4.4%	13.3%	0.8%	0.2%	8.8%	2.6%
\$900 - \$999	<b>10.3%</b>	1.4%	2.1%	0.8%	2.9%	2.8%	22.4%	1.0%	0.4%	17.6%	3.2%
\$1,000 - \$1,249	<b>0.8%</b>	0.1%	0.2%	0.1%	0.1%	0.1%	1.4%	0.1%	0.0%	1.1%	0.2%
\$1,250 - \$1,499	<b>0.0%</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$1,500 - \$1,999	<b>1.4%</b>	0.0%	0.0%	0.0%	0.1%	0.1%	1.1%	0.0%	0.0%	0.9%	0.1%
\$2,000+	<b>0.4%</b>	0.0%	0.1%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.3%	0.1%
Sum	<b>100.1%</b>	98.2%	98.1%	102.9%	85.9%	87.4%	100.7%	95.8%	100.4%	100.6%	93.5%

Note: Contract rents typically exclude extra costs for utilities, security deposits, first and last month down payments, rents for storage, garages, parking spaces, cleaning fees, key deposits, club memberships, and signing incentives or discounts.

Source: Underlying data by Experian Decision Analytics and Sites|USA; and reflecting the local Newaygo County, Michigan market.

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The Target Markets - By Building Size and Tenure  
Newaygo County, Michigan - 2014

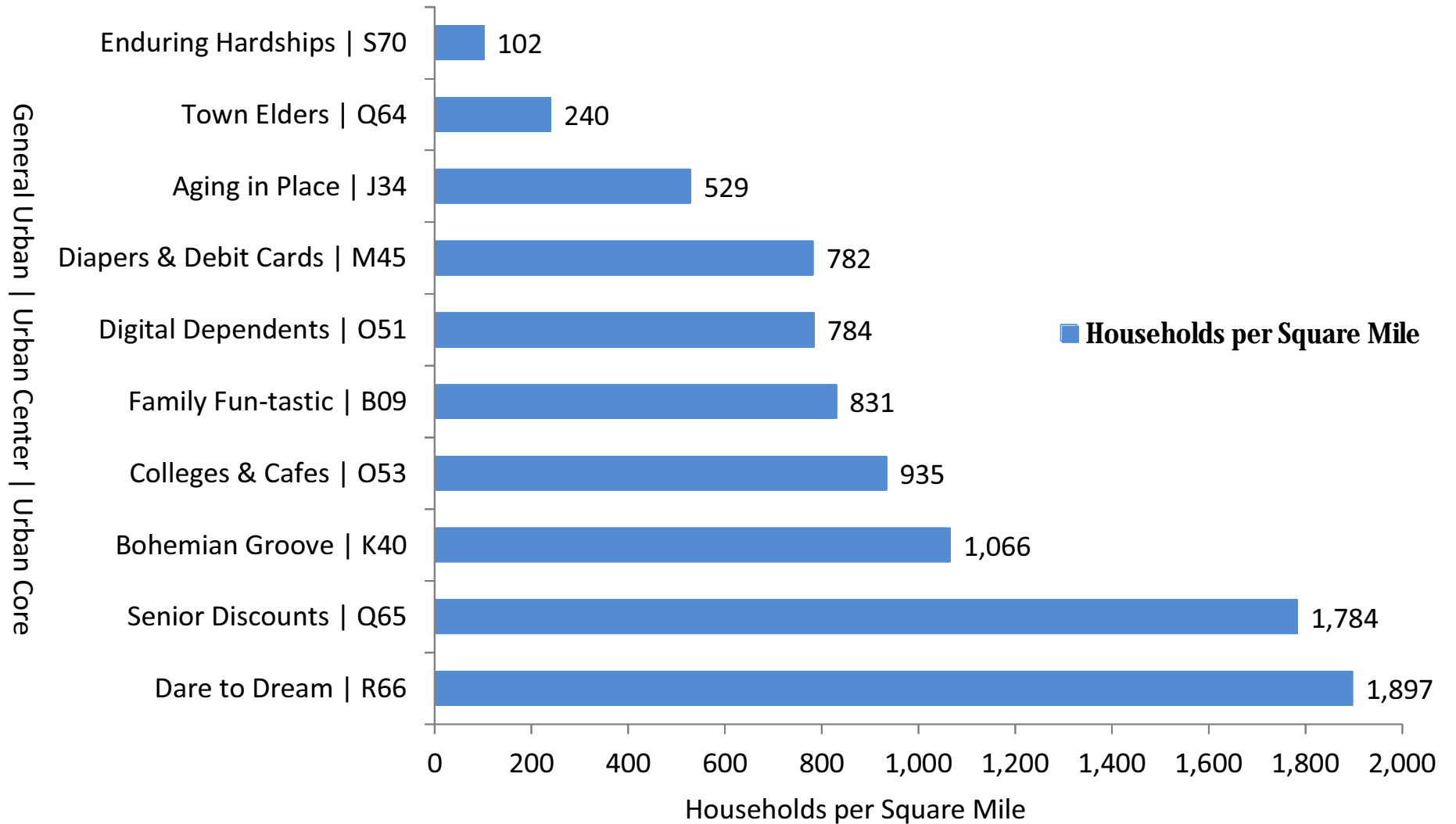
**Exhibit A.16**

Target Market Name	Target Markets	Dare to Dream	Bohemian Groove	Senior Discounts	Diapers and Debit Cards	Digital Dependents	No Place Like Home	Town Elders	Enduring Hardships	Unspoiled Splendor	Rural Escape
Target Market Code	Average	R66	K40	Q65	M45	O51	E20	Q64	S70	E21	J35
Units per Building											
1 unit (house)	<b>69.4%</b>	39.5%	19.7%	0.0%	93.9%	88.3%	96.7%	95.2%	9.3%	97.4%	96.8%
2 units (duplex)	<b>2.9%</b>	11.2%	7.8%	0.6%	1.2%	1.5%	0.6%	0.9%	8.4%	0.7%	0.7%
3 units (triplex)	<b>4.8%</b>	20.2%	14.3%	1.4%	2.0%	2.7%	0.7%	1.1%	12.7%	0.5%	0.4%
4 units (quad)	<b>2.0%</b>	6.9%	7.8%	0.8%	0.4%	1.0%	0.2%	0.4%	5.5%	0.1%	0.1%
5 - 9 units	<b>7.6%</b>	21.5%	25.4%	2.3%	2.3%	5.3%	1.7%	2.1%	25.4%	1.3%	1.9%
10 - 19 units	<b>2.5%</b>	0.1%	7.4%	11.1%	0.1%	0.3%	0.1%	0.1%	11.2%	0.0%	0.0%
20 - 49 units	<b>3.6%</b>	0.2%	6.6%	22.0%	0.1%	0.3%	0.0%	0.1%	14.0%	0.0%	0.1%
50 - 100 units	<b>3.2%</b>	0.2%	4.6%	24.9%	0.1%	0.3%	0.0%	0.1%	7.6%	0.0%	0.0%
101+ units	<b>4.1%</b>	0.1%	6.4%	36.8%	0.1%	0.3%	0.0%	0.1%	5.9%	0.0%	0.0%
Sum	<b>100.0%</b>	99.9%	100.0%	99.9%	100.2%	100.0%	100.0%	100.1%	100.0%	100.0%	100.0%
Attached Units	<b>30.6%</b>	60.5%	80.3%	100.0%	6.1%	11.7%	3.3%	4.8%	90.7%	2.6%	3.2%
Household Tenure											
Owner Occupancy	<b>61.3%</b>	3.0%	11.4%	16.1%	61.4%	61.9%	96.5%	95.6%	1.0%	97.6%	95.2%
Renter Occupancy	<b>32.0%</b>	76.8%	78.4%	76.5%	20.7%	21.0%	2.3%	3.1%	97.3%	1.8%	3.1%
Renter Index	1.00	2.40	2.45	2.39	0.65	0.66	0.07	0.10	3.05	0.06	0.10
Density Index	<b>0.89</b>	1.13	1.10	1.05	0.97	0.92	0.90	0.85	0.82	0.58	0.43

Source: Underlying data by Experian Decision Analytics and Sites|USA; and reflecting the local Newaygo County, Michigan market.  
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Target Markets Currently Living in Newaygo, Kent, and Muskegon Counties  
 by Household Density (Households per Square Mile)-2013  
 Sorted on the Urban to Rural Transect

Exhibit A.17



Source: Underlying data provided by Experian; powered by Sites|USA. Data analysis and exhibit prepared by LandUse|USA with all rights reserved ©2014.

Determination of the Geographic Draw Areas  
 5 Partner Communities in Newaygo County, Michigan - 2014

**Exhibit A.18**

Geographic Draw Area	Draw Area	Newaygo County	Total 5 Partner Communities	City of White Cloud	City of Fremont	City of Newaygo	City of Grant	Village of Hesperia
Partner Community	Primary	40.7%	43.2%	57.6%	30.4%	59.7%	45.7%	26.5%
Balance of Newaygo Co.	Secondary	15.3%	14.4%	9.0%	18.0%	8.1%	13.6%	18.7%
All of Newaygo County	Subtotal	55.9%	57.6%	66.6%	48.4%	67.8%	59.3%	45.1%
Kent County	Regional	12.6%	12.0%	9.5%	11.5%	11.7%	11.8%	18.4%
Muskegon County	Regional	6.6%	6.4%	5.0%	6.1%	6.2%	6.2%	9.7%
Oceana County	Regional	4.5%	4.3%	3.4%	4.1%	4.2%	4.2%	6.6%
Other Mich. Counties	Tertiary	8.5%	8.2%	6.4%	7.8%	7.9%	8.0%	12.5%
Other USA States	National	9.3%	9.6%	7.5%	18.7%	2.2%	7.3%	7.7%
Abroad, Overseas	Global	2.5%	1.8%	1.6%	3.4%	0.0%	3.2%	0.0%
Grand Total	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: American Community Survey; 5-Year Estimates 2008 - 2012; analysis by LandUse|USA; 2014.

# Target Market Analysis

## Newaygo Co., MI

### Strategy Report

July 18, 2014



# B

## Contents:

**Placemaking Attributes**

**Downtown Environment**

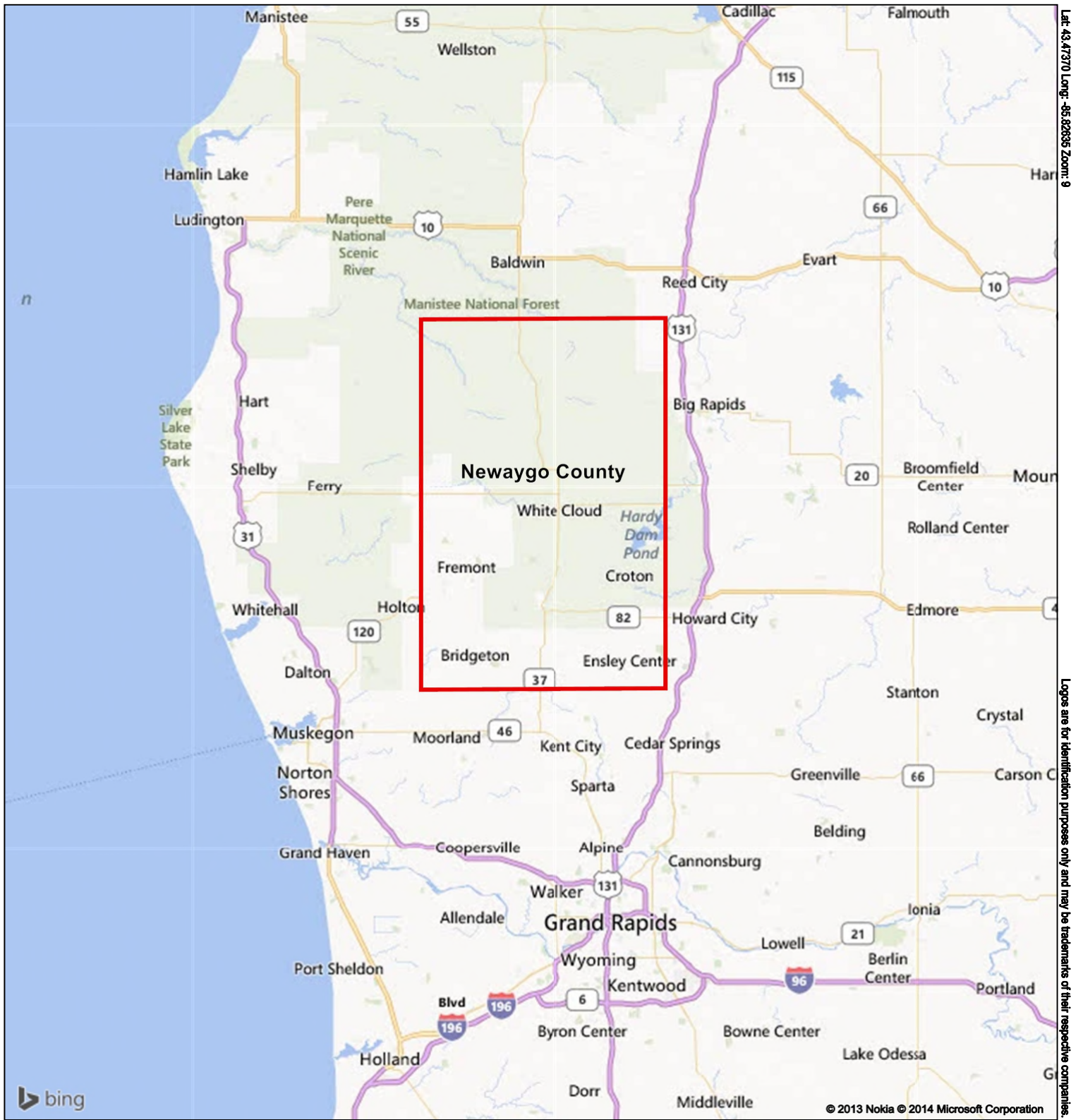
Prepared by:



Prepared for:





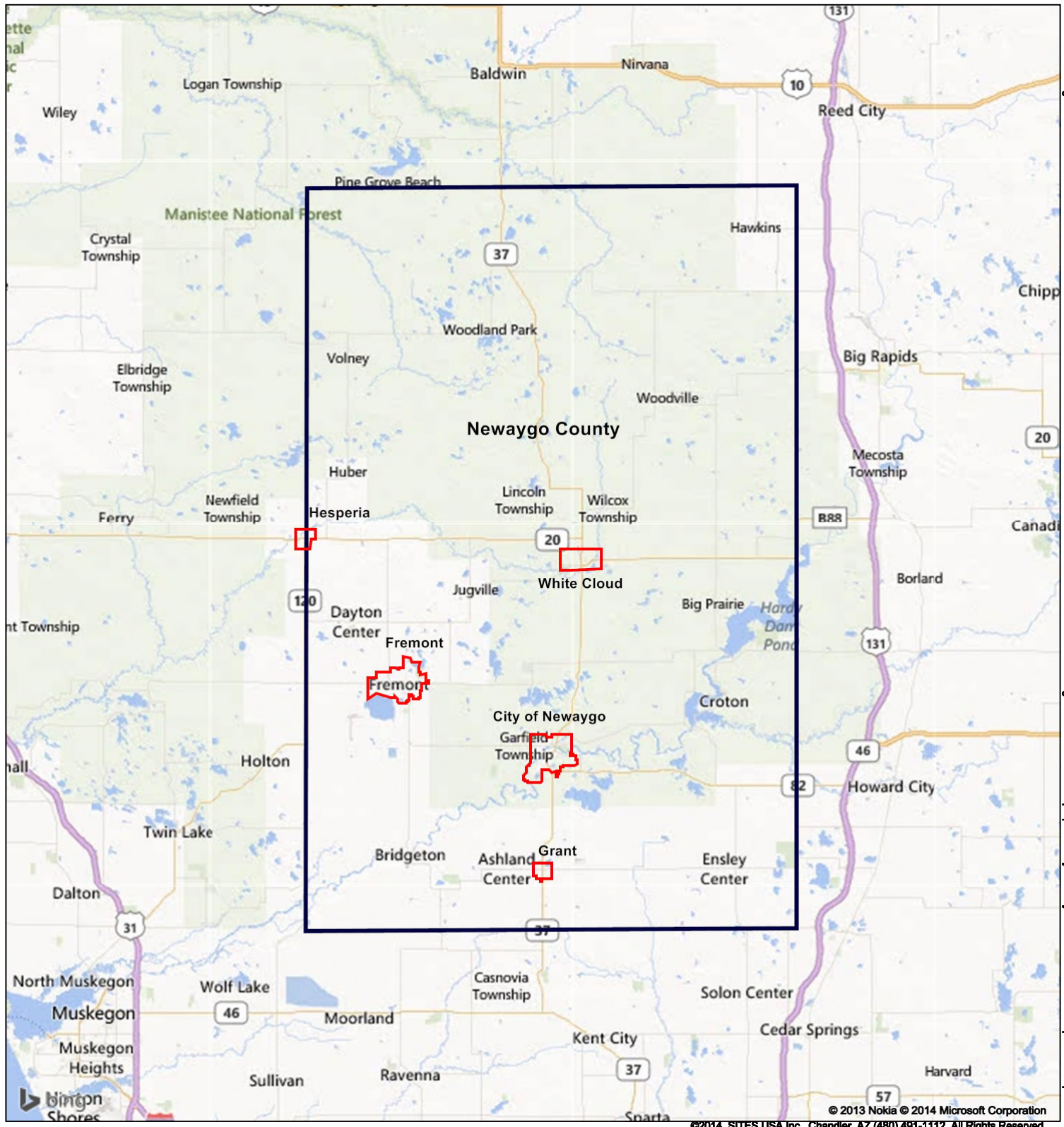


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Map of Newaygo County  
in Southwest Michigan

**Exhibit B.1**

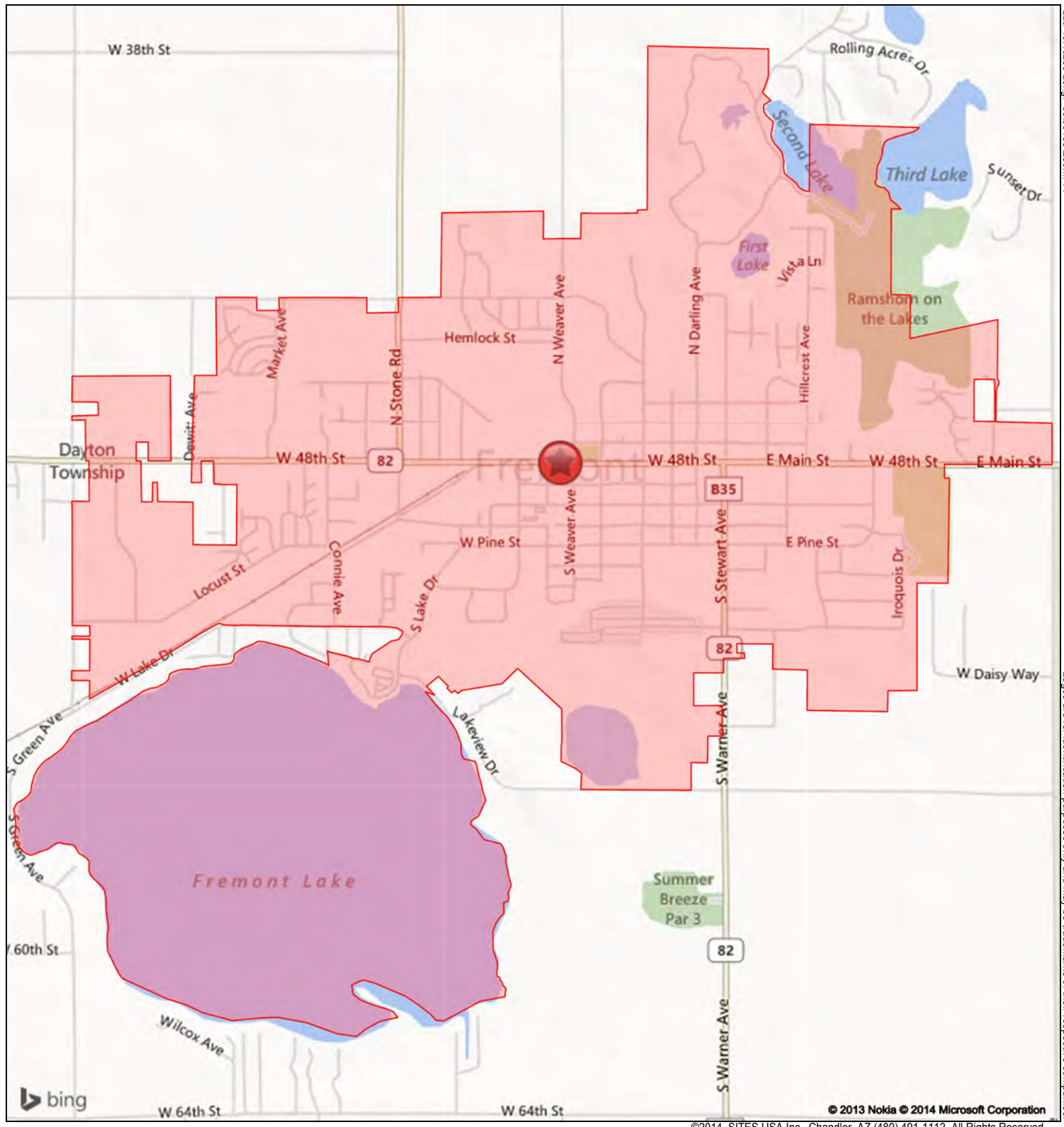


Lat: 43.95170 Long: -86.81896 Zoom: 10

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**Map of Selected Communities  
in Newaygo County, Michigan**

**Exhibit B.2**



Lat: 43.462681 Long: -86.95158 Zoom: 14  
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Map of the City of Fremont  
Newaygo County, Michigan

**Exhibit B.3**

Selected Images of Downtown Scale and Placemaking Amenities  
The City of Fremont, Michigan - 2014

**Exhibit B.4**



Source: Original photo archives at LandUse | USA; 2014.

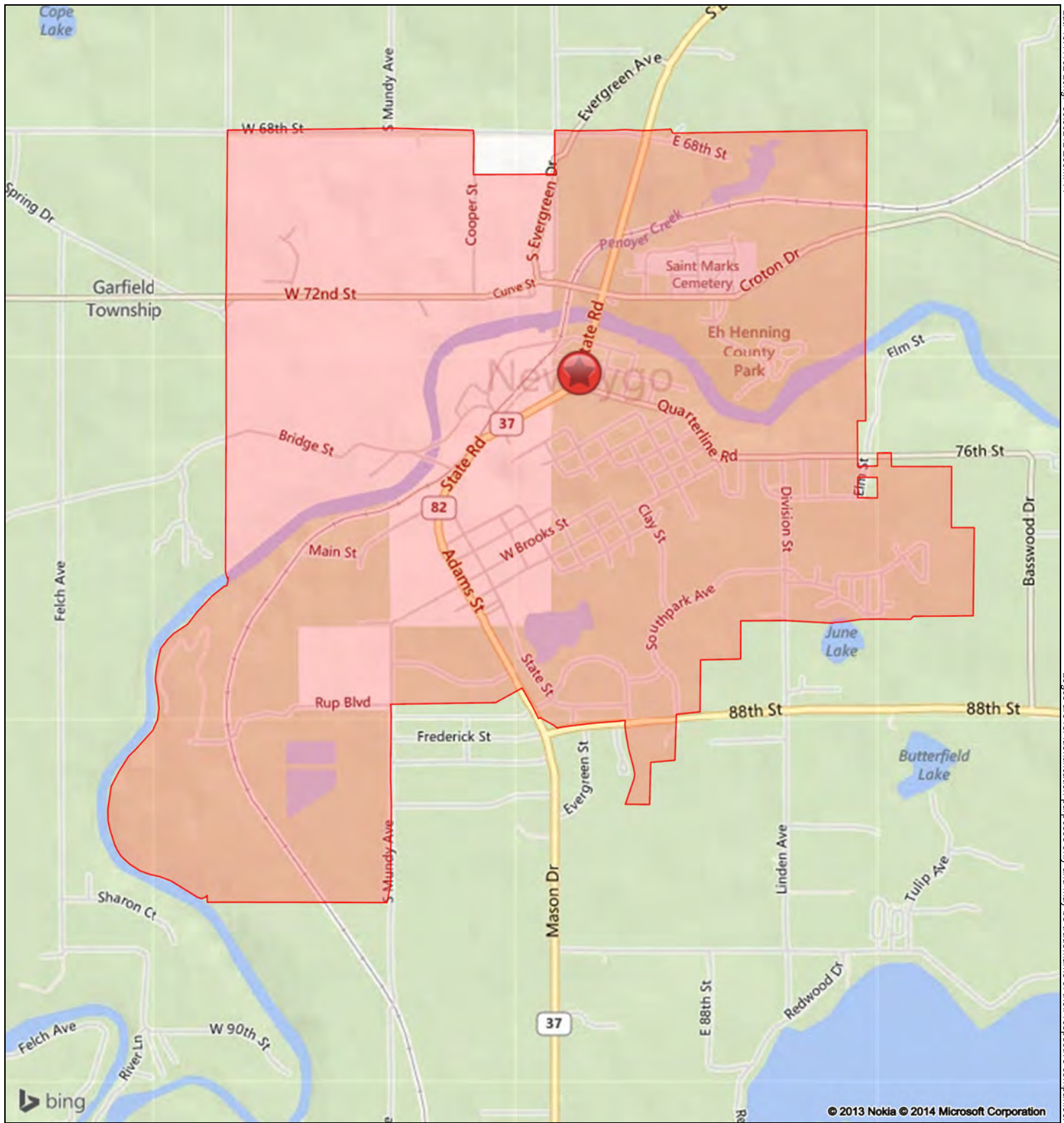
Selected Examples of Revenue-Generating Amenities  
 City of Fremont, Michigan - 2014

**Exhibit B.5**

	Category	Description	Community
1	Cultural Arts	Dogwood Ctr. for Performing Arts	Fremont
2	Community Plans	Fremont Area Recreation Plan	Fremont
3	Cultural Arts	Amphitheater (Vet. Mem. Park)	Fremont
4	Cultural Arts	Arboretum Park	Fremont
5	Cultural Arts	ArtsPlace, Co. Council for the Arts	Fremont
6	Cultural Arts	Louanne Courtright Dance	Fremont
7	Entertainment	Fremont Cinemas	Fremont
8	Entertainment	Fremont Lanes (bowling)	Fremont
9	Entertainment	Newaygo Co. Fairgrounds	Fremont
10	Entertainment	Wessling Observatory, Kroppscott Farm	Fremont
11	Event	National Baby Food Festival	Fremont
12	Photography	Treasured Images by Jeffrey	Fremont
13	Recreation	City Bike/Skate Park	Fremont
14	Recreation	Fremont Recreation Center	Fremont
15	Recreation	Ice Skating Rink	Fremont
16	Recreation	Multipurpose Ballcourt and Rink	Fremont
17	Recreation	Premier Skydiving	Fremont
18	Recreation	Ramshorn on the Lakes Golf	Fremont
19	Recreation	Tamarac Center for Health, Wellness	Fremont
20	Recreation	Town & Country Nonmotorized Path	Fremont
21	Recreation	Water's Edge Golf Club	Fremont
22	Retail	Art for the Heart	Fremont
23	Retail	Boutique Bellevie	Fremont
24	Retail	Brand Creative Studio Graphics	Fremont
25	Retail	Clark's Hobbies & Gifts	Fremont
26	Retail	Farmer's Market	Fremont
27	Retail	Koffee Kup Cafe & Gifts	Fremont
28	Retail	Liberty Jewelers	Fremont
29	Retail	Locke's Aquatic Paradise	Fremont
30	Retail	Miller Bridal & Sewing	Fremont
31	Retail	Red Pine Crafts	Fremont
32	Retail	Ryan's Card & Coin	Fremont
33	Retail	Willow Creek Apparel & Gifts	Fremont

Source: Internet and field research by LandUse|USA, Spring 2014.

List is not intended to be all-inclusive, and not all establishments have been field-verified. The list focuses on unique amenities, and does not include: restaurants, hotels, libraries, parks, outdoor ball fields and sports complexes, natural resources, camp grounds, walking trails, service clubs/associations, small events and programs, places of worship, airports, and industrial parks.



Lat: 43.41182 Long: -86.80212 Zoom: 14  
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Map of the City of Newaygo  
Newaygo County, Michigan

**Exhibit B.6**

Selected Images of Downtown Scale and Placemaking Amenities  
The City of Newaygo, Michigan - 2014

**Exhibit B.7**



Source: Original photo archives at LandUse|USA; 2014.

Selected Examples of Revenue-Generating Amenities  
 City of Newaygo, Michigan - 2014

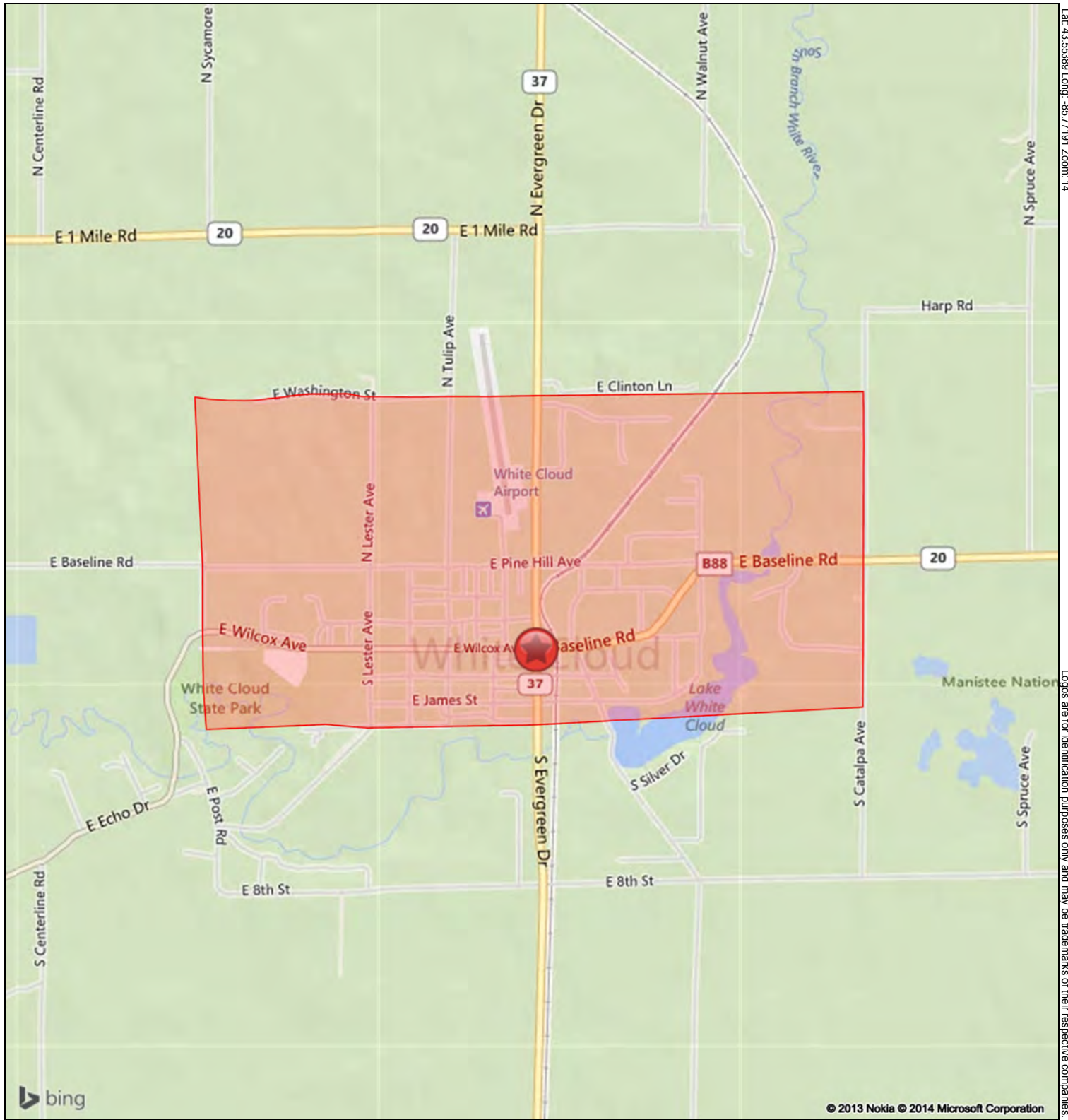
**Exhibit B.8**

	Category	Description	Community
1	Accommodations	LaBelle de la Riviere B&B	Newaygo
2	Accommodations	Treehouse B&B	Newaygo
3	Cultural Arts	County Museum, Heritage Center	Newaygo
4	Cultural Arts	North & South Mountain Dulcimers	Newaygo
5	Cultural Arts	Riverfront Park Phase I Pavilion	Newaygo
6	Entertainment	Live Summer Music Series	Newaygo
7	Entertainment	Loomis Lodge Event Hall	Newaygo
8	Event	Arts & Crafts Festival	Newaygo
9	Event	National Ice Fishing Tournament	Newaygo
10	Event	Newaygo Winterfest	Newaygo
11	Recreation	City Skate Park	Newaygo
12	Recreation	Ice Skating Rink	Newaygo
13	Recreation	Newaygo Nationals Assoc. (power paddle)	Newaygo
14	Retail	Bernadette's Gourd Creations	Newaygo
15	Retail	Elizabeth Halsey Boutique	Newaygo
16	Retail	Farmer's, Artisan/Crafter's Market	Newaygo
17	Retail	Fired Up Clay Art Studio	Newaygo
18	Retail	J. Alden Store for Men	Newaygo
19	Retail	Mary Jane's Flowers & Gifts	Newaygo
20	Retail	New Ewe Quilter's Shop	Newaygo
21	Retail	Sui Generis Home Furnishings	Newaygo
22	Retail	Trout & Eagle Lodge & Outfitters	Newaygo
23	Retail	Parsley's Sport & Fly Shop	Newaygo
24	Talent	The Stream Business Incubator	Newaygo

Source: Internet and field research by LandUse|USA, Spring 2014.

List is not intended to be all-inclusive, and not all establishments have been field-verified. The list focuses on unique amenities, and does not include: restaurants, hotels, libraries, parks, outdoor ball fields and sports complexes, natural resources, camp grounds, walking trails, service clubs/associations, small events and programs, places of worship, airports, and industrial parks.





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Map of the City of White Cloud  
Newaygo County, Michigan

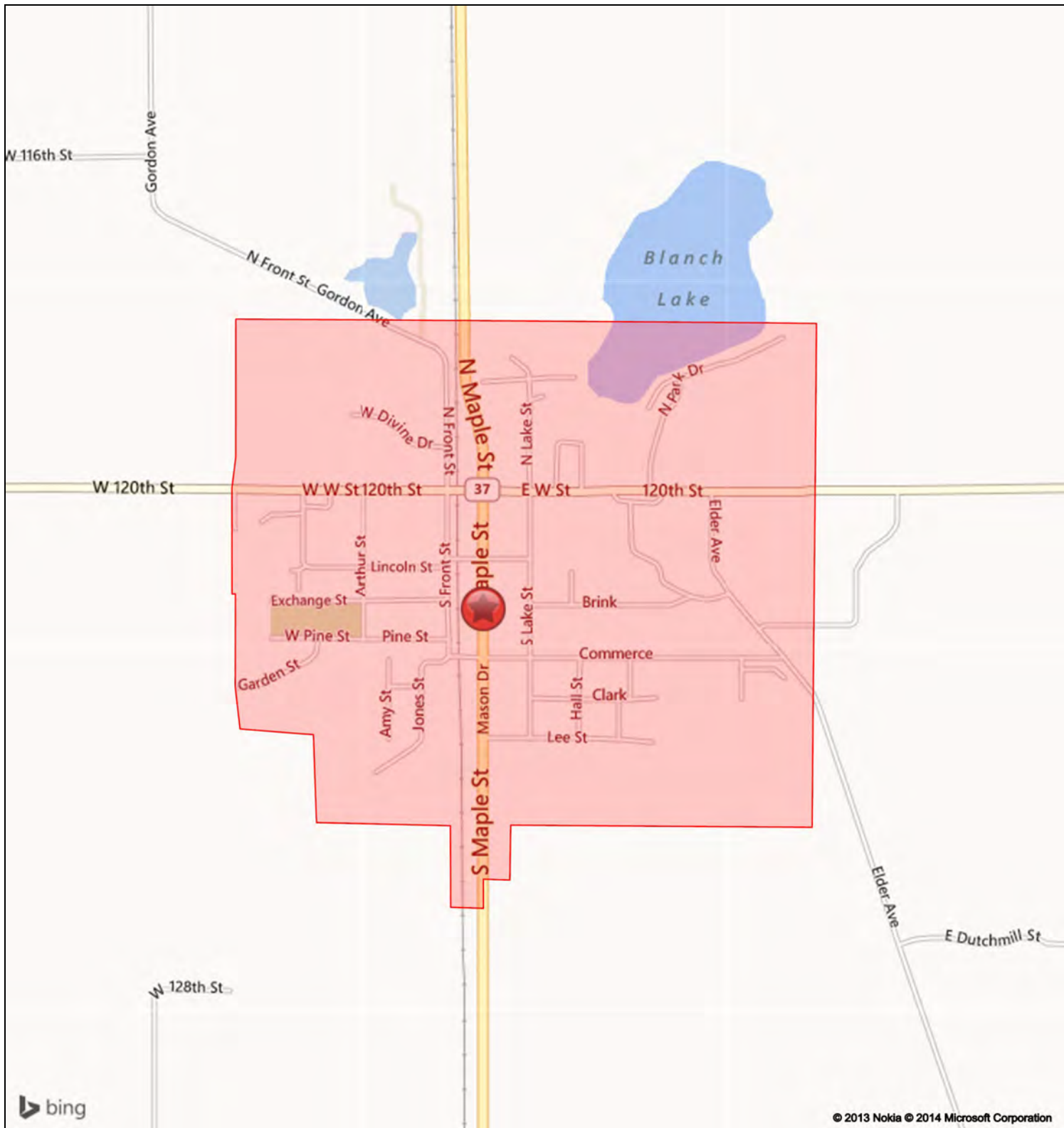
**Exhibit B.9**

Selected Images of Downtown Scale and Placemaking Amenities  
The City of White Cloud, Michigan - 2014

**Exhibit B.10**



Source: Original photo archives at LandUse | USA; 2014.

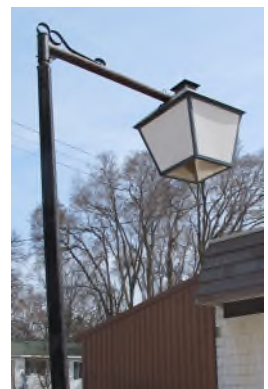


Map of the City of Grant  
Newaygo County, Michigan

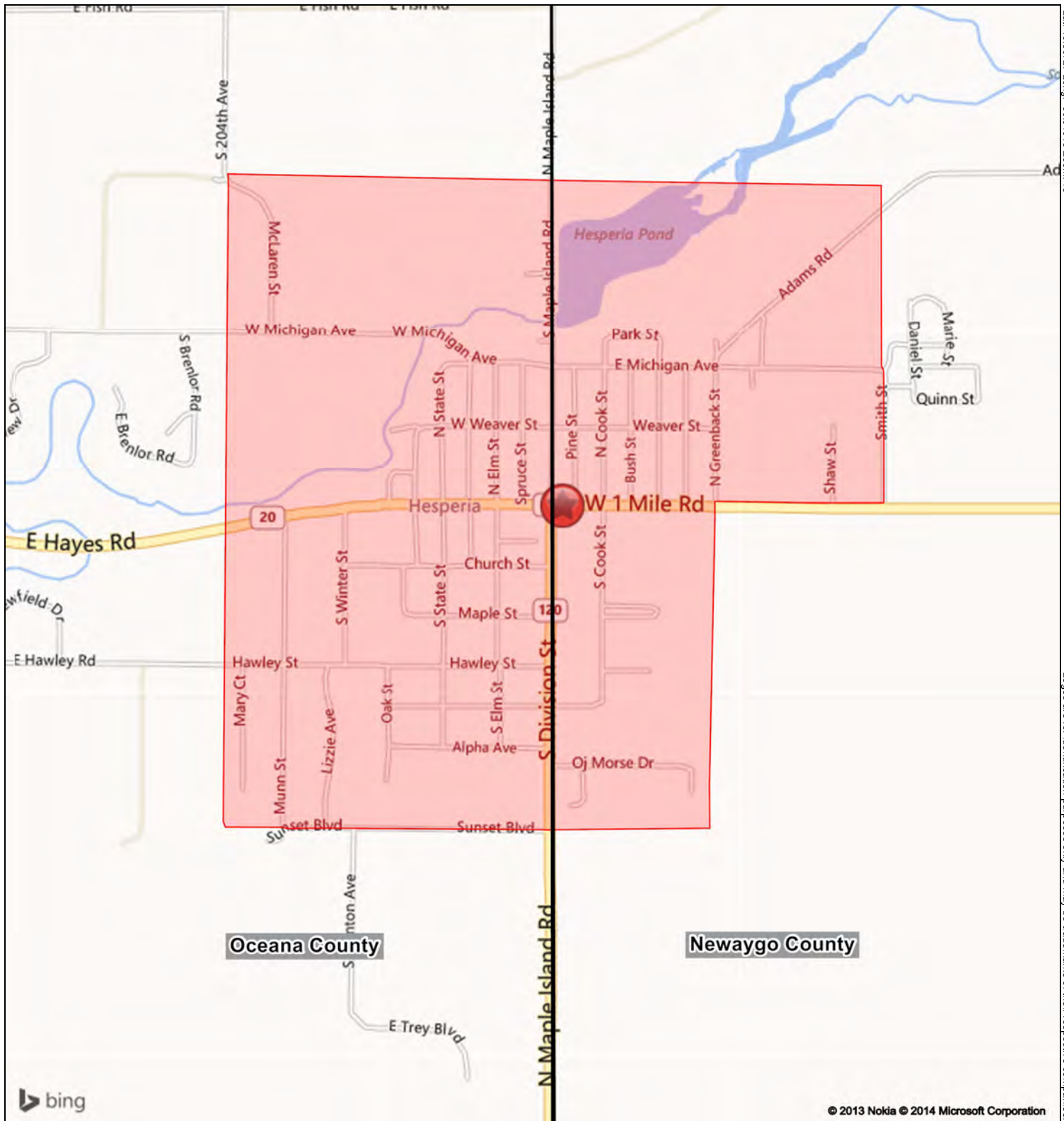
**Exhibit B.11**

Selected Images of Downtown Scale and Placemaking Amenities  
The City of Grant, Michigan - 2014

**Exhibit B.12**



Source: Original photo archives at LandUse|USA; 2014.



Lat: 43.56727 Long: -86.04018 Zoom: 15  
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Map of the Village of Hesperia  
Newaygo County, Michigan

**Exhibit B.13**

Selected Images of Downtown Scale and Placemaking Amenities  
The Village of Hesperia, Michigan - 2014

**Exhibit B.14**



Source: Original photos (2014) and real photo postcards in at LandUse|USA archives; 2014.

Selected Examples of Revenue-Generating Amenities  
Hesperia, White Cloud, Grant, and Pierson, Michigan - 2014

**Exhibit B.15**

	Category	Description	Community
1	Entertainment	Weaver Fairgrounds	Hesperia
2	Recreation	Colors Paint Ball	Hesperia
3	Recreation	Kellogg's Canoes	Hesperia
4	Recreation	Tennis and Rollerblade Court	Hesperia
5	Retail	Hesperia Sport Shop	Hesperia
6	Retail	JRS Marine	Hesperia
7	Retail	Native Wood Music Store	Hesperia
8	Retail	Village Hobbies	Hesperia
1	Association	White Cloud Garden Club	White Cloud
2	Cultural Arts	Native American Pow Wow	White Cloud
3	Cultural Arts	Stage Door Players Theater Group	White Cloud
4	Entertainment	Underdo Lanes (bowling)	White Cloud
5	Entertainment	Youth Center of White Cloud	White Cloud
6	Recreation	Cross Country Cycle Trail	White Cloud
1	Cultural Arts	Grant Community Center	Grant
2	Cultural Arts	Grant Fine Arts Center	Grant
3	Entertainment	Rent Smart Event Planning	Grant
4	Photography	Sherri Russell Photography	Grant
5	Recreation	City Skate Park	Grant
6	Recreation	River Rat Canoe Rental	Grant
1	Recreation	Pilgrim's Run Golf Course	Pierson
2	Recreation	Whitefish Lake Golf	Pierson

Source: Internet and field research by LandUse|USA, Spring 2014.

List is not intended to be all-inclusive, and not all establishments have been field-verified.

The list focuses on unique amenities, and does not include: restaurants, hotels, libraries, parks, outdoor ball fields and sports complexes, natural resources, camp grounds, walking trails, service clubs/associations, small events and programs, places of worship, airports, and industrial parks.

Qualitative Assessment of Stakeholder Input  
Newaygo County, Michigan - 2014

**Exhibit B.16**

Category	Community	Priority - Short Description	Share of Surveys <sup>1</sup>
Unmet Housing Needs	Newaygo Co.	Affordable Rentals	48%
Unmet Housing Needs	Newaygo Co.	Affordable Choices	44%
Unmet Housing Needs	Newaygo Co.	House for Rentals	29%
Unmet Housing Needs	Newaygo Co.	Starter Homes	29%
Unmet Housing Needs	Newaygo Co.	Independent Senior Living	25%
Unmet Housing Needs	Newaygo Co.	Subsidized Vouchers / Sec. 8	17%
Unmet Housing Needs	Newaygo Co.	Townhomes/Row Houses	12%
Unmet Housing Needs	Newaygo Co.	Homeless / Transitional	12%
Unmet Housing Needs	Newaygo Co.	Barrier-Free, Special Needs	10%
Unmet Housing Needs	Newaygo Co.	Live-Work	6%
Unmet Housing Needs	Newaygo Co.	Mobile Homes	4%
Unmet Housing Needs	Newaygo Co.	Seasonal Cabins	4%
Unmet Housing Needs	Newaygo Co.	Upper Story Apts./Lofts	2%
Unmet Housing Needs	Newaygo Co.	Lots for Custom Built Homes	0%
Housing Challenges	Newaygo Co.	Not Enough Choices Overall	81%
Housing Challenges	Newaygo Co.	Poor Quality of Choices	71%
Housing Challenges	Newaygo Co.	High Foreclosure Rate	50%
Housing Challenges	Newaygo Co.	Landlords are Absentee	46%
Housing Challenges	Newaygo Co.	Utility Costs too High	45%
Housing Challenges	Newaygo Co.	Property Taxes too High	44%
Housing Challenges	Newaygo Co.	Mortgage Requirement High	35%
Housing Challenges	Newaygo Co.	Rents too High	35%
Housing Challenges	Newaygo Co.	Too Many Vacancies	29%
Housing Challenges	Newaygo Co.	Not Handicap Accessible	29%
Housing Challenges	Newaygo Co.	Too Many Residents per Units	21%

<sup>1</sup> Source: Share of 50 surveys collected by Beckett & Raeder (in collaboration with LandUse|USA), Spring 2014.



Qualitative Assessment of Stakeholder Input  
Newaygo County, Michigan - 2014

**Exhibit B.17**

Category	Community	Priority - Short Description	Index <sup>1</sup>
Economics	Newaygo Co.	Increase Employment Base	1.31
Economics	Newaygo Co.	Increase Personal Income	1.72
Economics	Newaygo Co.	Increase Tax Base	1.80
Economics	Newaygo Co.	Increase Families	1.96
Economics	Newaygo Co.	Increase Population	2.04
Economics	Newaygo Co.	Environmental Sustainability	2.13
Economics	Newaygo Co.	Social Equity (economic)	2.58
Economics	Newaygo Co.	Quality of Life (economic)	1.49
Community	Newaygo Co.	Quality Neighborhoods	1.74
Community	Newaygo Co.	Sense of Community	1.74
Community	Newaygo Co.	Hospital / Health Care	1.77
Community	Newaygo Co.	Community Recreation	1.89
Community	Newaygo Co.	Access to Inland Lakes	1.89
Community	Newaygo Co.	Downtown	1.93
Community	Newaygo Co.	Higher Education	2.13
Community	Newaygo Co.	Walkable and Bikeable	2.13
Community	Newaygo Co.	Access to Manistee Forest	2.62
Community	Newaygo Co.	Cultural Resources	2.78
Community	Newaygo Co.	Public Transportation	3.44

<sup>1</sup> The index is a measure of level of priority as identified during the stakeholder engagement process, where 1.00 represents the highest possible priority, and 4.00 represents the lowest. Source: Based on 50 surveys collected by Beckett & Raeder (in collaboration with LandUse|USA), Spring 2014.

Subjective Assessment of Impediments and Obstacles to Economic Growth  
 Newaygo County, Michigan - 2014

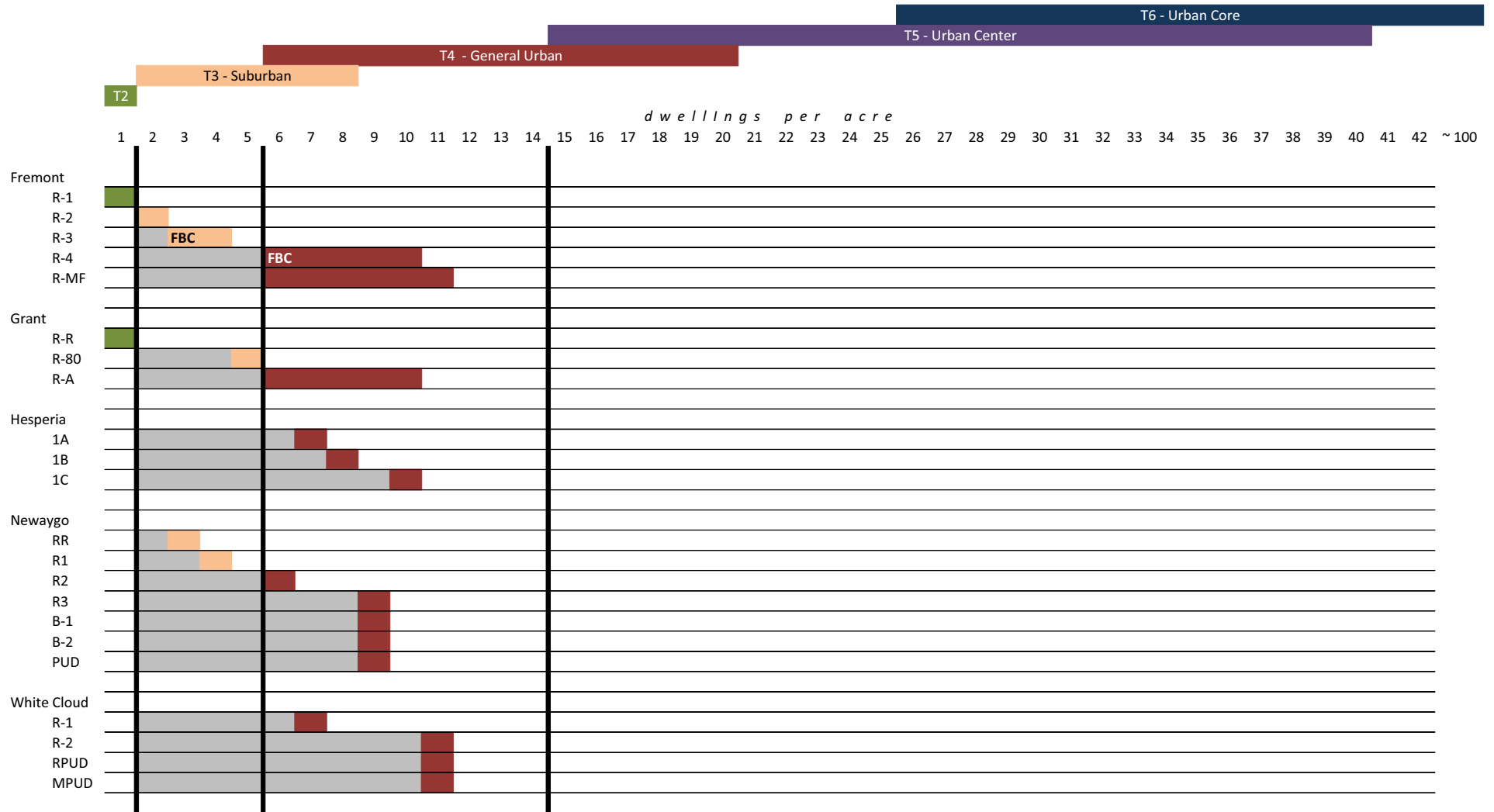
**Exhibit B.18**

Factors to Avoid or Downplay or Identified as an Issue	Total Tally	City of Grant	Village of Hesperia	City of Newaygo	City of White Cloud	City of Fremont
Lack of Good Paying Jobs Locally	4	1	1		1	1
Lack of Restaurants, Retail, Shopping Infrastructure, Telecomm., Utilities, etc.	4	1		1	1	1
Lack of Social, Cultural Activities	5	2	1	1	1	
Extra Taxes, Government Related	3		1		1	1
No Public Transportation	3		1			1
Clean up the Downtown	2	1				
Cost of Communication	1	1				
Lack of Investors	1		1			
Aging/Non-Progressive Community	1		1			
Cost of Housing	1			1		
Substandard Rental Housing	1			1		
Traffic in City (esp. Holidays)	1			1		
Flooding	1			1		
Deteriorating Housing Stock Pre-War	1				1	
Perceptions of School System	1				1	
Brownfield Property in City Limits	1					1
Uncertainty of Economic Climate	1					1
Small Town, Closed Community	1					1
Pockets of Poverty	1					1
Distance from Larger Metros	1					1

Source: Based on 50 surveys gathered by Beckett & Raeder (in collaboration with LandUse|USA), during the stakeholder engagement process, Spring 2014.

# Assessment of Current Allowable Densities Partner Communities in Newaygo County, Michigan - 2014

Exhibit B.19



**Source: Assessment conducted by Beckett & Raeder in collaboration with LandUse | USA, Spring 2014. Exhibit demonstrates that existing zoning ordinances do not allow for urban formats or densities that would typically be expected in T5 and T6 zones of the Urban Transect, and in traditional downtown districts.**

# Target Market Analysis

## Newaygo Co., MI

### Strategy Report

July 18, 2014



# C

## Contents:

### Typical Housing Formats of the Target Markets

Prepared by:



Prepared for:



Group S: **Struggling Societies**

## Type S70: **Enduring Hardships**

Middle-aged, down-scale singles and divorced individuals in transitional small town and exurban apartments

**Exhibit C.1**

### Overview

#### Key Traits

- Exurban renters
- Transient
- Simple lifestyles
- Home-focused activities
- Television entertainment
- Gaming
- Ad-conscious
- Liberal views
- Meager means
- Strive for more

#### Rankings

Metropolitan City: Top 10 CBSA Markets	62/71
Internet: Changed the Way I Shop for Products/Services	52/71
GreenAware <sup>SM</sup> : Behavioral Greens	66/71
Exercise: Regularly	70/71
Income: Estimated Household	70/71
Age: Head of Household	32/71
Children: Presence	29/71



Group Q: **Golden Year Guardians**

## Type Q64: **Town Elders**

Stable, minimalist seniors living in older residences and leading sedentary lifestyles

**Exhibit C.2**

### Overview

#### Key Traits

- Seniors
- Home-centered
- Stable
- Comfort over style
- Traditionalists
- Patriotic
- Cautious money managers
- Family pride
- Community roots
- Spiritual

#### Rankings among 71 clusters

Metropolitan City: Top 10 CBSA Markets	50/71
Internet: Changed the Way I Shop for Products/Services	67/71
GreenAware <sup>SM</sup> : Behavioral Greens	6/71
Exercise: Regularly	66/71
Income: Estimated Household	64/71
Age: Head of Household	71/71
Children: Presence	71/71



Group J: Autumn Years

## Type J34: Aging in Place

Middle-class seniors living solid, suburban lifestyles

Exhibit C.3

### Overview

#### Key Traits

- Social conservatives
- Active retirees
- Stable neighborhoods
- Cruises
- Traditionalists
- Charitable donors
- Healthy living
- Mid-scale incomes
- Community service
- Substantial nest eggs

#### Rankings among 71 clusters

Metropolitan City: Top 10 CBSA Markets	48/71
Internet: Changed the Way I Shop for Products/Services	58/71
GreenAware <sup>SM</sup> : Behavioral Greens	2/71
Exercise: Regularly	42/71
Income: Estimated Household	34/71
Age: Head of Household	67/71
Children: Presence	66/71



Group M: Families in Motion

## Type M45: Diapers and Debit Cards

Young, working-class families and single parent households living in small established, city residences

Exhibit C.4

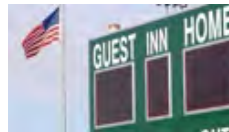
### Overview

#### Key Traits

- Early childrearing years
- Team sports
- Utilitarian Internet use
- Hectic lifestyles
- Fixer-upper communities
- Enjoy bargain hunting
- Home-based family activities
- Convenience food
- Political centrists
- Shallow pockets

#### Rankings among 71 clusters

Metropolitan City: Top 10 CBSA Markets	59/71
Internet: Changed the Way I Shop for Products/Services	46/71
GreenAware <sup>SM</sup> : Behavioral Greens	54/71
Exercise: Regularly	59/71
Income: Estimated Household	45/71
Age: Head of Household	6/71
Children: Presence	10/71





Group O: **Singles and Starters**

## Type O51: **Digital Dependents**

Mix of Generation Y and X singles who live digital-driven, urban lifestyles

**Exhibit C.5**

### Overview

#### Key Traits

- Eco-minded
- Outdoor activities
- Gamers and bloggers
- Digital trendsetters
- Risk takers
- Ubiquitous internet use
- Generation X and Y
- Active social lives
- Appearances are important
- Artistic

#### Rankings among 71 clusters

Metropolitan City: Top 10 CBSA Markets	54/71
Internet: Changed the Way I Shop for Products/Services	28/71
GreenAware <sup>SM</sup> : Behavioral Greens	55/71
Exercise: Regularly	16/71
Income: Estimated Household	51/71
Age: Head of Household	1/71
Children: Presence	37/71



Group B: Flourishing Families

## Type B09: Family Fun-tastic

Upscale, middle-aged families with older children pursuing busy kid-centered lives in satellite cities

**Exhibit C.6**

### Overview

#### Key Traits

- Established couples
- Family-centric
- Faith-based views
- Sports enthusiasts
- Older children
- Political moderates
- Bargain hunters
- Music lovers
- Online shoppers
- Pro-green attitudes

#### Rankings among 71 clusters

Metropolitan City: Top 10 CBSA Markets	41/71
Internet: Changed the Way I Shop for Products/Services	11/71
GreenAware <sup>SM</sup> : Behavioral Greens	18/71
Exercise: Regularly	28/71
Income: Estimated Household	9/71
Age: Head of Household	33/71
Children: Presence	19/71



Group O: Singles and Starters

## Type O53: Colleges and Cafes

Young singles and recent college graduates living in college communities

Exhibit C.7

### Overview

#### Key Traits

- University towns
- Bargain shoppers
- Modest digital use
- Internet for communication
- Charitable donors
- Well-educated
- Risk takers
- Nonconformists
- Convenience foods
- Disengaged politically

#### Rankings among 71 clusters

Metropolitan City: Top 10 CBSA Markets	37/71
Internet: Changed the Way I Shop for Products/Services	4/71
GreenAware <sup>SM</sup> : Behavioral Greens	34/71
Exercise: Regularly	69/71
Income: Estimated Household	53/71
Age: Head of Household	10/71
Children: Presence	47/71



Group K: Significant Singles

## Type K40: Bohemian Groove

Older divorced and widowed individuals enjoying settled urban lives

Exhibit C.8

### Overview

#### Key Traits

- Older singles
- Eclectic interests
- Value-conscious shoppers
- Modest finances
- Apartment-dwellers
- Proud individualists
- Influencers
- Nutritionists
- Music aficionados
- Unconventional

#### Rankings among 71 clusters

Metropolitan City: Top 10 CBSA Markets	39/71
Internet: Changed the Way I Shop for Products/Services	56/71
GreenAware <sup>SM</sup> : Behavioral Greens	42/71
Exercise: Regularly	62/71
Income: Estimated Household	40/71
Age: Head of Household	46/71
Children: Presence	52/71



Group Q: **Golden Year Guardians**

## Type Q65: **Senior Discounts**

Downscale, settled retirees in metro apartment communities

**Exhibit C.9**

### Overview

#### Key Traits

- Seniors
- City-dwellers
- Renters
- Active leisure lives
- Discount shoppers
- Solid media market
- Advertising skeptics
- Health-conscious
- Budget-minded
- Optimistic

#### Rankings among 71 clusters

Metropolitan City: Top 10 CBSA Markets	24/71
Internet: Changed the Way I Shop for Products/Services	66/71
GreenAware <sup>SM</sup> : Behavioral Greens	12/71
Exercise: Regularly	68/71
Income: Estimated Household	65/71
Age: Head of Household	69/71
Children: Presence	68/71



Group R: Aspirational Fusion

## Type R66: Dare to Dream

Young singles, couples and single parents with lower incomes starting out in city apartments

Exhibit C.10

### Overview

#### Key Traits

- Younger
- Single families
- Mobile singles
- Active lifestyles
- Team sports
- Electronics
- Crowded households
- Online gaming
- Optimistic
- Internet-savvy

#### Rankings among 71 clusters

Metropolitan City: Top 10 CBSA Markets	40/71
Internet: Changed the Way I Shop for Products/Services	69/71
GreenAware <sup>SM</sup> : Behavioral Greens	67/71
Exercise: Regularly	67/71
Income: Estimated Household	66/71
Age: Head of Household	13/71
Children: Presence	20/71

