



Prepared for:
Market Van Buren



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Van Buren County



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MARKET POTENTIAL

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Residential Target Market Analysis

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Van Buren County Michigan

August 20, 2024
Prepared by:



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Van Buren County | Acknowledgements

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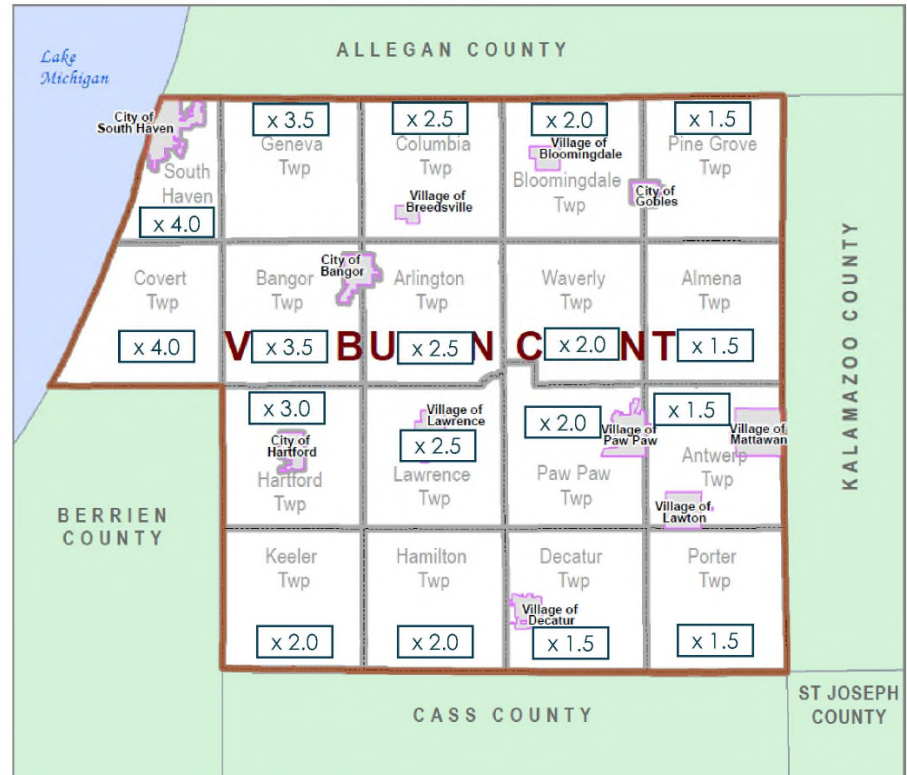
Residential Market Analysis

- Section 1-A Narrative or Slide Deck
- Section 1-B Van Buren County (summation)
- Section 1-C South Haven Township, South Haven City
- Section 1-D Geneva Township (no villages)
- Section 1-E Columbia Twp, Breedsville Village
- Section 1-F Bloomingdale Twp, Bloomingdale Village
- Section 1-G Pine Grove Township, Gobles City
- Section 1-H Covert Township (no villages)
- Section 1-I Bangor Township, Bangor City
- Section 1-J Arlington Township (no villages)
- Section 1-K Waverly Township (no villages)
- Section 1-L Almena Township (no villages)
- Section 1-M Hartford Township, Hartford City
- Section 1-N Lawrence Twp, Lawrence Village
- Section 1-O Paw Paw Township, Paw Paw Village
- Section 1-P Antwerp Twp, Mattawan, Lawton
- Section 1-Q Keeler Township (no villages)
- Section 1-R Hamilton Township (no villages)
- Section 1-S Decatur Township, Decatur Village
- Section 1-T Porter Township (no villages)

Van Buren County | Assumptions

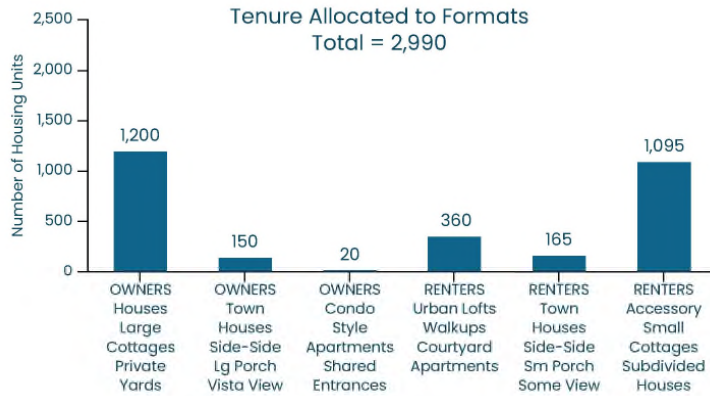
- The Van Buren Residential Target Market Analysis has been completed for each place in the county, including all townships, cities, and villages. With the county, they total 30 jurisdictions or entities. This narrative and slide deck focuses primarily on totals for Van Buren County. Stakeholders are encouraged to use this summary as a guide for twenty-nine (29) local places.
- The analysis has been completed for an Aggressive (i.e., growth) and Conservative (i.e., status quo) scenarios. The aggressive scenario assumes a significant increase in demand for new housing based on a significant gain in new job opportunities at a re-opened Palisades Power Plant in west Covert Township, with economic trickle-through benefits for the county and region.
- In general, the aggressive scenario assumes a multiplier effect of up to x4 (four times) that of the conservative scenario, applied to two inter-related variables. The multipliers have been applied to the movership rates (i.e., share of households that move in any given year); and the growth rate in the number of households.
- To ensure that the results are realistic, attainable, and not artificially inflated, maximum thresholds also are applied. The analysis also assumes that the multiplier erodes with increasing distance from the Palisades Power Plant.

Multipliers on Growth & Movership Rates
Aggressive v. Conservative Scenarios
All Townships in Van Buren Co., Michigan

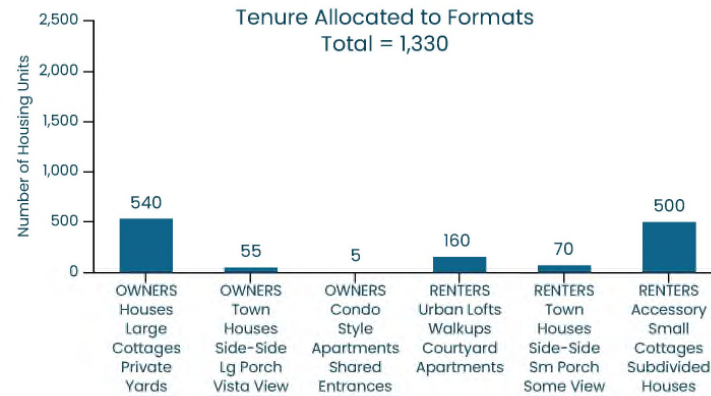


Van Buren Co | Total Market Potential

Annual Market Potential | Van Buren County
Aggressive New Builds | Year 2025



Annual Market Potential | Van Buren County
Conservative New Builds | Year 2025



Aggressive Scenario – Within the entire Van Buren County, there could be a future maximum market potential, opportunity, and need to build up to (and no more than) 2,990 new-build units annually for the next five years. However, less than half (45% or 1,370 units, or) should be built for the owner market, and the majority (55% or 1,620 units) should be built for the renter market.

This growth scenario assumes a significant increase in housing demand attributable to a significant increase in new job opportunities spurred by re-opening of Palisades.

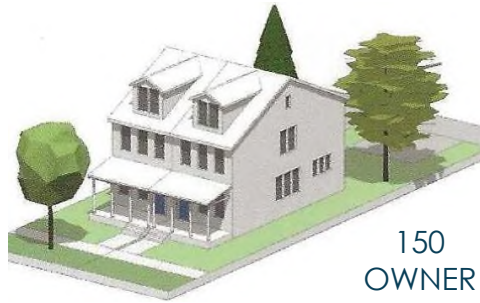
Conservative Scenario – Within the entire Van Buren County, there currently is a minimum market potential, opportunity, and need to build at least 1,330 new-build units annually for the next five years. However, less than half (45% or 600 units) units should be built for the owner market, and the majority (55%, or 730 units) should be built for the renter market.

This status quo scenario assumes that Palisades remains closed and that there there is not a significant increase in housing demand spurred by new job opportunities.

Van Buren Co | Aggressive Scenario



1,200
OWNER
Houses and
Large Cottages



150
OWNER
Townhouses



20
OWNER
Condo-Style
Apartments



360
RENTER
Urban Lofts,
Walkups,
Courtyard Apts



165
RENTER
Townhouses

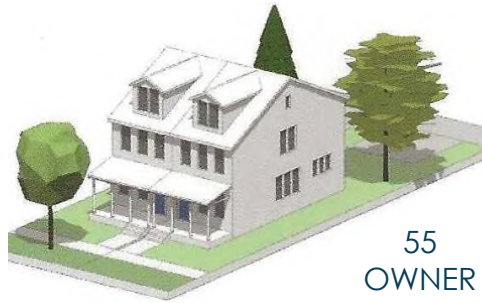


1,095
RENTER
Accessory Dwellings,
Small Cottages,
Subdivided Houses

Van Buren Co | Conservative Scenario



540
OWNER
Houses and
Large Cottages



55
OWNER
Townhouses



5
OWNER
Condo-Style
Apartments



160
RENTER
Urban Lofts,
Walkups,
Courtyard Apts



70
RENTER
Townhouses



500
RENTER
Accessory Dwellings,
Small Cottages,
Subdivided Houses

Van Buren Co | Rehabs, Remodels, Renovations



540
OWNER
Houses and
Large Cottages



55
OWNER
Townhouses



5
OWNER
Condo-Style
Apartments



160
RENTER
Urban Lofts,
Walkups,
Courtyard Apts



70
RENTER
Townhouses



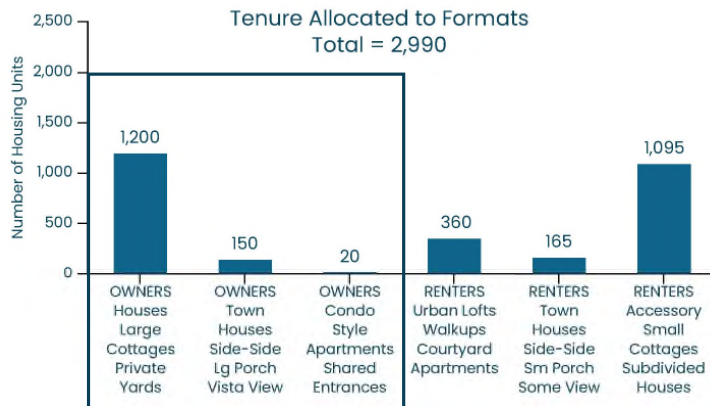
500
RENTER
Accessory Dwellings,
Small Cottages,
Subdivided Houses

New-Builds – The conservative scenario shown on this and prior slide are based on recent and actual in-migration of new households moving into Van Buren County's townships, cities, and villages. In-migration is a reasonable representation of the number of new-build housing units that should be constructed each year.

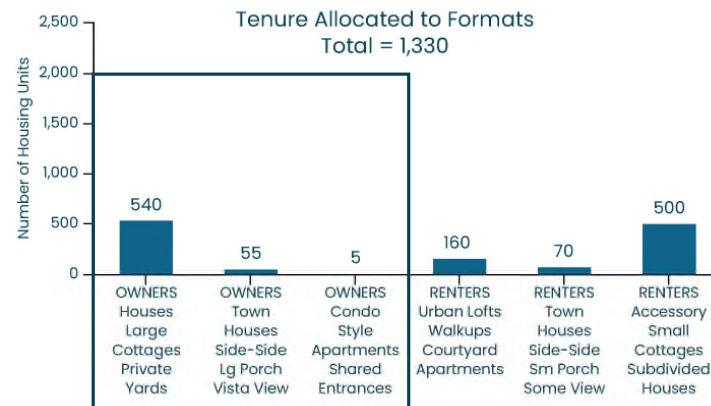
Rehabs – In addition, there are an equal number of existing households moving within Van Buren County's various places. In other words, they are moving from one address to another within the same community that they currently live. This internal movership is a reasonable representation of the number of rehabs that should be undertaken each year. Rehabs may include house hacks or expansions to add for-lease suites, efficiencies, or studios onto existing houses. They may also include other types of renovations, remodels, or improvements to existing units, ideally improving the quality of life for residents.

Van Buren Co | Owner Market Potential

Annual Market Potential | Van Buren County
Aggressive New Builds | Year 2025



Annual Market Potential | Van Buren County
Conservative New Builds | Year 2025

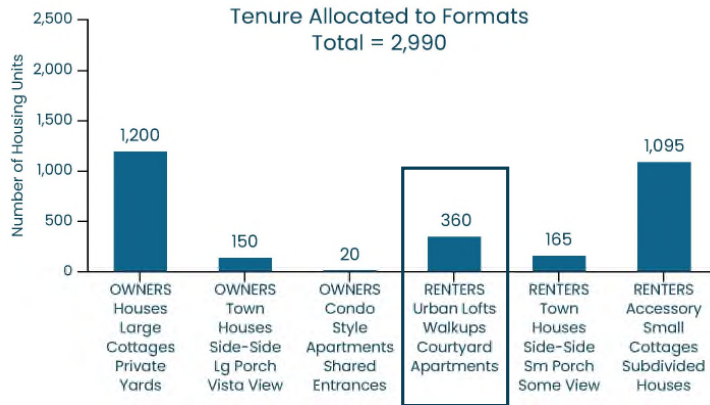


- Under the Aggressive Scenario, Van Buren County could have a future market potential to build up to 1,370 new residential units annually for the owner market. Among those new-builds, 1,200 units (nearly 90%) could be detached houses and/or cottages around shared courtyards.
- The other 170 new-builds for the owner market may include side-by-side townhouses with balconies with downtown or waterfront views (including Lake Michigan and inland lakes). Apartment-style condos are reserved for waterfront settings only.

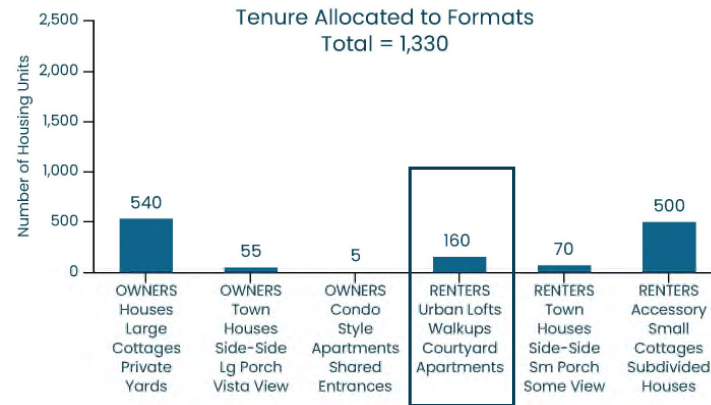
- Under the Conservative Scenario, Van Buren County currently has a current market potential to build up to 600 new residential units annually for the owner market. Among these new-builds, all 540 units (90%) should be detached houses, and/or cottages around shared courtyards.
- The other 60 new-builds for the owner market may include side-by-side townhouses with balconies with downtown or waterfront views (including Lake Michigan and inland lakes). Apartment-style condos are reserved for waterfront settings only.

Van Buren Co | Renter Market Potential

Annual Market Potential | Van Buren County
Aggressive New Builds | Year 2025



Annual Market Potential | Van Buren County
Conservative New Builds | Year 2025

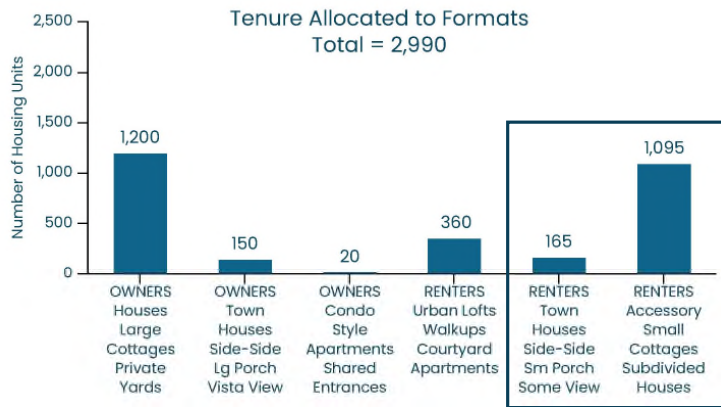


➤ Within Van Buren County, the aggressive or growth scenario indicates a future potential to build up to 360 new units in urban formats with shared entrances. Examples include small apartment buildings (preferably with shared courtyards), urban-styled lofts over street-front retail, and walk-up buildings. Walk-ups typically have four lofts on each of three levels.

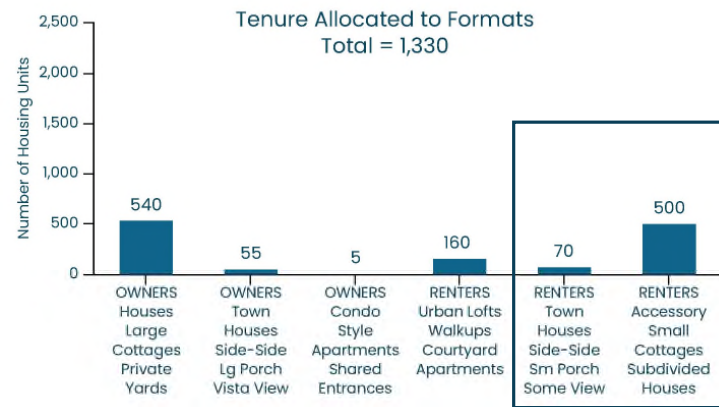
➤ Within Van Buren County, the conservative or status quo scenario reveals a current potential to build up to 160 new units in urban formats with shared entrances. Examples include small apartment buildings (preferably with shared courtyards), urban-styled lofts over street-front retail, and walk-up buildings. Walk-ups typically have four lofts on each of three levels.

Van Buren Co | Renter Market Potential (continued)

Annual Market Potential | Van Buren County
Aggressive New Builds | Year 2025



Annual Market Potential | Van Buren County
Conservative New Builds | Year 2025



Sec
1-B

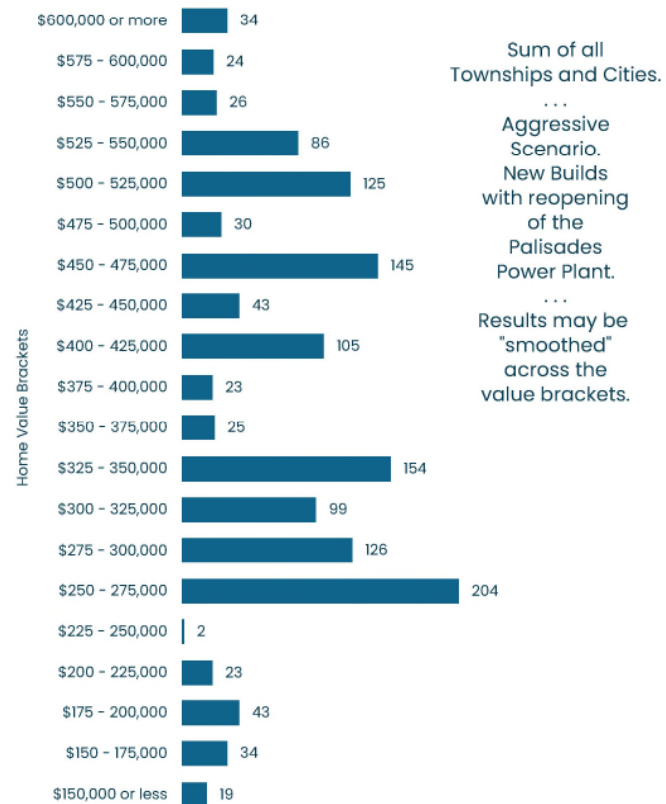
- Also in Van Buren County, the aggressive scenario suggests a future opportunity to build up to 165 new for-lease townhouses with private entrances, which may include side-by-side duplexes or triplexes with balconies and water views (or breezes); or townhouses with small porches overlooking traditional downtowns.
- In addition, there could be a future opportunity to build up to 1,095 new rental units in detached buildings like apartment houses, cottages, and/or accessory dwellings. Cottages are ideal for clustering around shared courtyards, town squares, and community parks.

- Also in Van Buren County, the conservative scenario indicates a current opportunity to build up to 70 new for-lease townhouses with private entrances, which may include side-by-side duplexes or triplexes with balconies and water views (or breezes); or townhouses with small porches overlooking traditional downtowns.
- In addition, there already is a current opportunity to build up to 500 new rental units in detached buildings like apartment houses, cottages, and/or accessory dwellings. Cottages are ideal for clustering around shared courtyards, town squares, and community parks.

Van Buren Co | Home Value Tolerance

- Although there currently is an annual market potential for up to 1,370 new-build units for in-migrating owners (under the Aggressive Scenario), only a few of them will tolerate high prices. About one-third (1/3) will seek new-build choices that are priced at \$300,000 or less, and only one-third (1/3) will tolerate prices of \$450,000 or more.
- These same ratios may be applied to the Conservative Scenario, with one-third of the new buyers hoping to find something priced at \$325,000 or less, and one-third tolerating prices of \$400,000 or more.
- In general, detached houses with private yards, front porches, and garages should have the highest prices. In comparison, attached townhouses may have relatively lower prices than detached houses.
- Among the new townhouses, end units with windows on two sides, balconies, and views of shared courtyards, town squares, or community parks may have higher prices than the inside units with alley views.

Home Value Tolerance | Van Buren County Aggressive New Builds | Year 2025



Van Buren Co | Monthly Rent Tolerance

- Although there currently is an annual market potential for up to 1,620 new-build units for in-migrating renters, only a few of them will tolerate high prices. Roughly one-third (32%) of the new renters will seek new-build choices with monthly contract (cash or net) rents of \$900 or less, and only one-third (28%) will tolerate rents \$1,400 or more.
- In general, buildings like apartment houses, town houses, and cottages with private entrances and garages should have the highest prices. In comparison, courtyard apartments and lofts (including those over street-front retail) with uncovered parking should have relatively lower prices.
- However, some exceptions may apply, and a few luxury downtown lofts in historic buildings (i.e., above street-front retail) might capture exceptionally high rents.
- Again, units with balconies should have a price premium – especially if they include views or glimpses of the downtown (and/or nightlife), or shared courtyards or town squares.

Monthly Rent Tolerance | Van Buren County Aggressive New Builds | Year 2025

