COMMUNITY OVERVIEW & HOUSING MARKET SUMMARY

City of Au Gres, Michigan

BOWEN NATIONAL RESEARCH

2025

I. INTRODUCTION

A. PURPOSE

The East Michigan Council of Governments retained Bowen National Research in September 2024 for the purpose of conducting a Community Overview and Housing Market Summary of Au Gres, Michigan. This overview was completed in conjunction with the Housing Needs Assessment for Region G in the state of Michigan.

With changing demographic characteristics and trends expected over the years ahead, it is important for the local government, stakeholders and its citizens to understand the current market conditions and projected changes that are anticipated to occur that will influence future housing needs. Toward that end, this report intends to:

- Provide an overview of present-day Au Gres, Michigan.

- Present and evaluate past, current and projected detailed demographic characteristics.

- Present and evaluate employment characteristics and trends, as well as the economic drivers impacting the community.

- Determine current characteristics of major housing components within the market (for-sale/ownership and rental housing alternatives).

- Provide housing gap estimates by tenure (renter and owner) and income segment.

By accomplishing the study's objectives, government officials, area stakeholders, and housing advocates can: (1) better understand the community's evolving housing market, (2) establish housing priorities, (3) modify, expand, or introduce local government housing policies, and (4) enhance and/or expand the community's housing market to meet current and future housing needs.

B. METHODOLOGIES AND DATA SOURCES

The following methods and data sources were used by Bowen National Research:

Study Area Delineation

The primary geographic scope of this study is Au Gres, Michigan. A description of the individual study area and corresponding maps are included in Section II.

Demographic Information

Demographic data for population, households, and housing was secured from ESRI, the 2010 and 2020 U.S. Census, the U.S. Department of Commerce, and the American Community Survey. This data has been used in its primary form and by Bowen National Research for secondary calculations. Estimates and projections of key demographic data for 2024 and 2029 were also provided.

Employment Information

Employment information was obtained and evaluated for various geographic areas that were part of this overall study. This information included data related to employment by job sector, total employment, unemployment rates, identification of top employers, and identification of large-scale job expansions or contractions. Most information was obtained through the U.S. Department of Labor, Bureau of Labor Statistics. Bowen National Research also conducted numerous interviews with local stakeholders familiar with the area's employment characteristics and trends.

Housing Supply

This study focuses on rental and for-sale housing components. Rentals include multifamily apartments (generally five+ units per building) and non-conventional rentals (single-family homes, duplexes, mobile homes, etc.). For-sale housing includes individual homes, mobile homes, and projects within subdivisions. It is important to note, depending upon the availability of data and housing product, we present and evaluate housing data as reported by secondary data sources and/or collected by Bowen National Research.

Housing Gap Estimates

Based on the demographic data for both 2024 and 2029 and taking into consideration the housing data from our field survey of area housing alternatives, we are able to project the potential number of new housing units that are needed (housing gap) in the county, then apportioned part of this gap toward the smaller subject market. The following summarizes the metrics used in our demand estimates.

We included renter and owner household growth, the number of units required for a balanced market, the need for replacement of substandard housing, commuter/external market support, severe cost-burdened households, and step-down support as the demand components in our estimates for new rental and for-sale housing units. As part of this analysis, we accounted for vacancies reported among both renter- and owner-occupied housing alternatives, considered applicable units in the development pipeline, and concluded this analysis by providing the number of units that are needed by different income segments, rent levels, and purchase price points.

C. <u>REPORT LIMITATIONS</u>

The intent of this report is to collect and analyze selected data for Au Gres, Michigan. Bowen National Research relied on a variety of data sources to generate this report. These data sources are not always verifiable; however, Bowen National Research makes a concerted effort to assure accuracy. While this is not always possible, we believe that our efforts provide an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

We have no present or prospective interest in any of the properties included in this report, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or use of this study. Any reproduction or duplication of this study without the expressed approval of the East Michigan Council of Governments or Bowen National Research is strictly prohibited.

II. COMMUNITY OVERVIEW & HOUSING MARKET SUMMARY

In May 2025, Bowen National Research completed an eight-county Housing Needs Assessment of Region G in the state of Michigan. In conjunction with the regional Housing Needs Assessment, individual housing overviews were also prepared for select communities within the region.

This housing overview includes a summary of demographic, economic and housing metrics specific to the city of Au Gres, Michigan. To provide a base of comparison, various metrics of Au Gres are compared with Arenac County and statewide numbers.

The analyses on the following pages provide overviews of key demographic and economic data, summaries of the multifamily rental market and for-sale housing supply, and general conclusions on the housing needs of the area. Demographic projections included in this overview assume that no significant government policies, programs or incentives are enacted that would drastically alter residential development or economic activity.

It is important to note that 2010 and 2020 demographic data are based on U.S. Census data (actual count), while 2024 and 2029 data are based on calculated estimates provided by ESRI, a nationally recognized demography firm. Additionally, secondary housing data included within this analysis uses a combination of ESRI estimates and data obtained from the American Community Survey (ACS). As such, differences in totals and shares among various tables within this analysis may exist. Also note that due to the relative size of the population and number of households in the subject community, the margins of error for survey-driven data from sources such as the American Community Survey may be higher compared to larger geographies. Nonetheless, the demographic data provided as part of this analysis is the most accurate available, as provided by the aforementioned reputable sources.

A. INTRODUCTION

Au Gres is a city within Arenac County, Michigan. Located in the East Central Region of Michigan, the city of Au Gres encompasses approximately 2.3 square miles. The community has an estimated 2024 population of 923, representative of approximately 6.2% of the population in Arenac County. U.S. Highway 23, which runs along the northern portion of the city, serves as the primary connector for Au Gres. The city of Au Gres is also adjacent to Saginaw Bay.
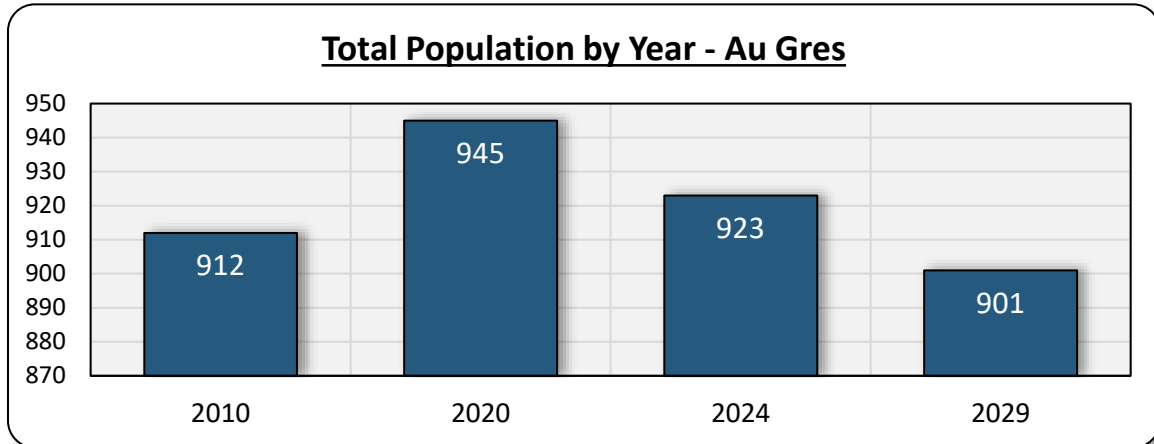
Maps illustrating the city of Au Gres, Michigan and Arenac County in relation to Region G are included on the following page.

City of Au Gres

Arenac County (Regional)
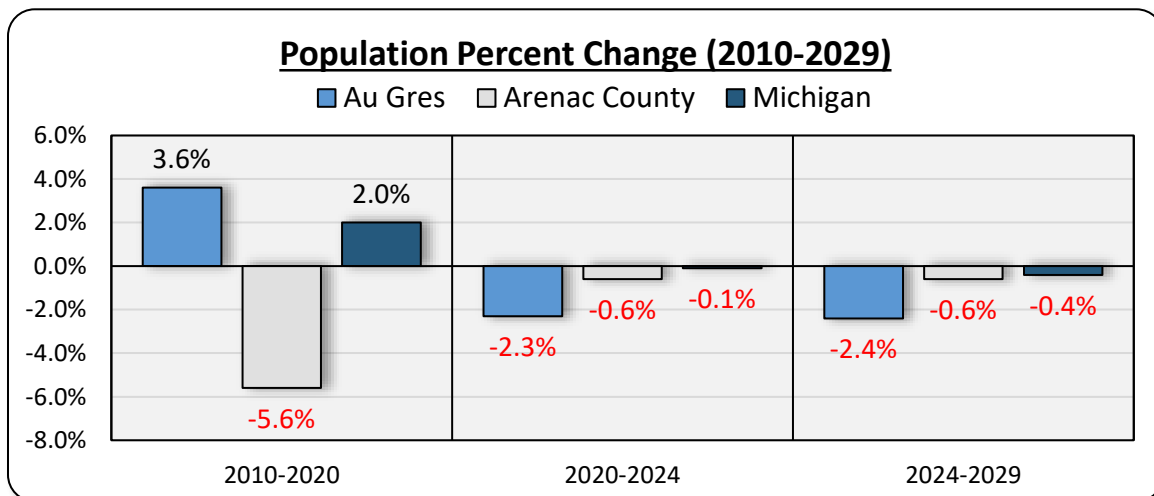East Central Michigan Region, MI
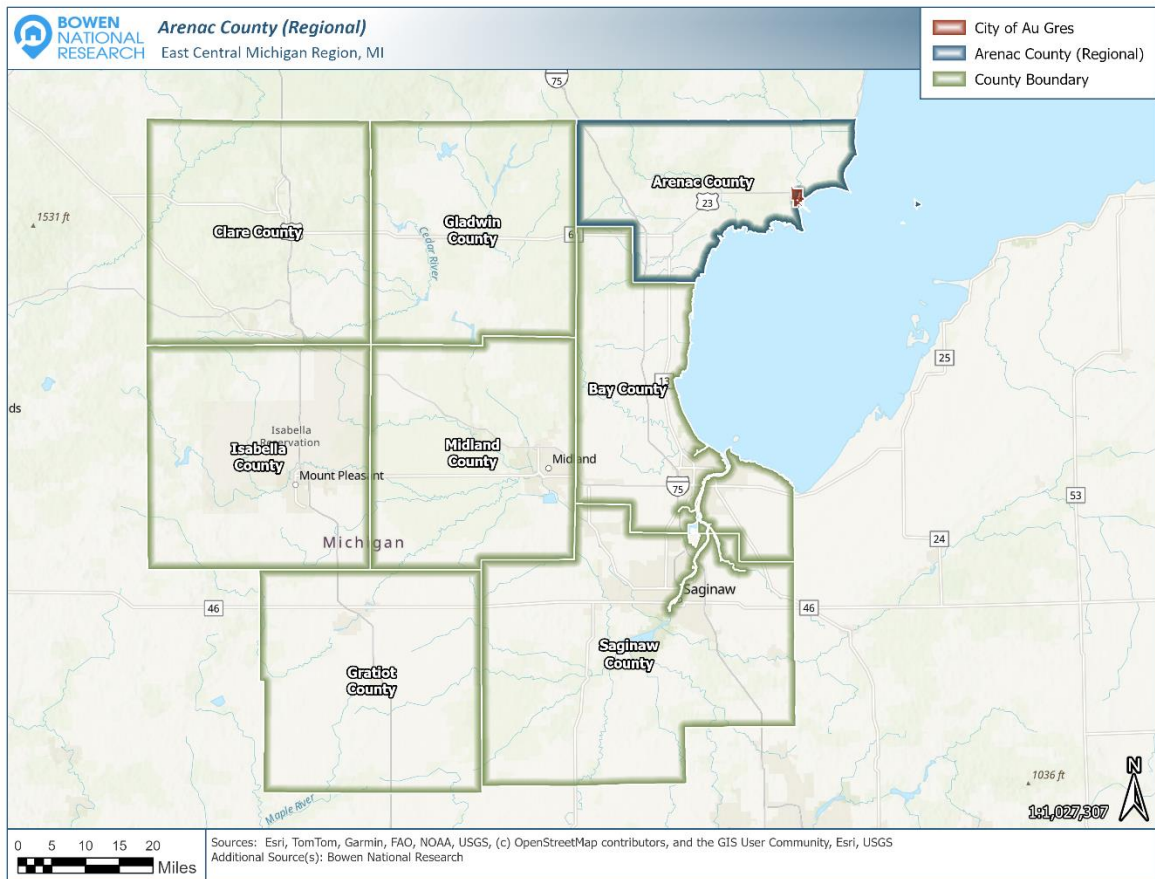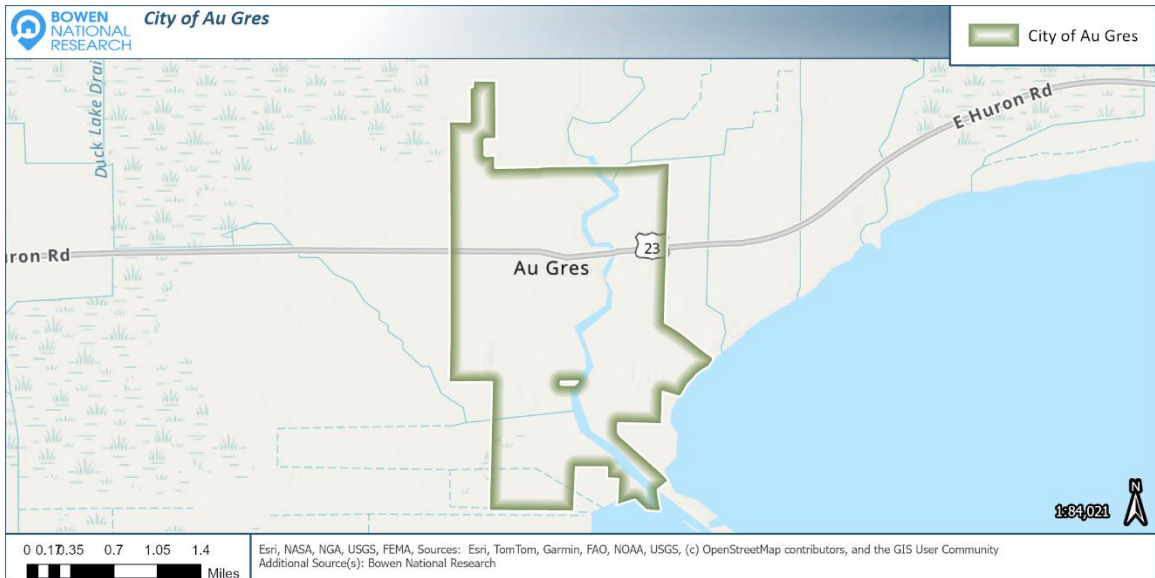
B. DEMOGRAPHICS

This section of the report evaluates key demographic characteristics for the city of Au Gres. Demographic comparisons provide insights into the human composition of housing markets. It should be noted that some total numbers and percentages may not match the totals within or between tables/graphs in this section due to rounding.

The following graphs illustrate **total population** by year for the city of Au Gres and population *percent* changes for each study area between 2010 and 2029.
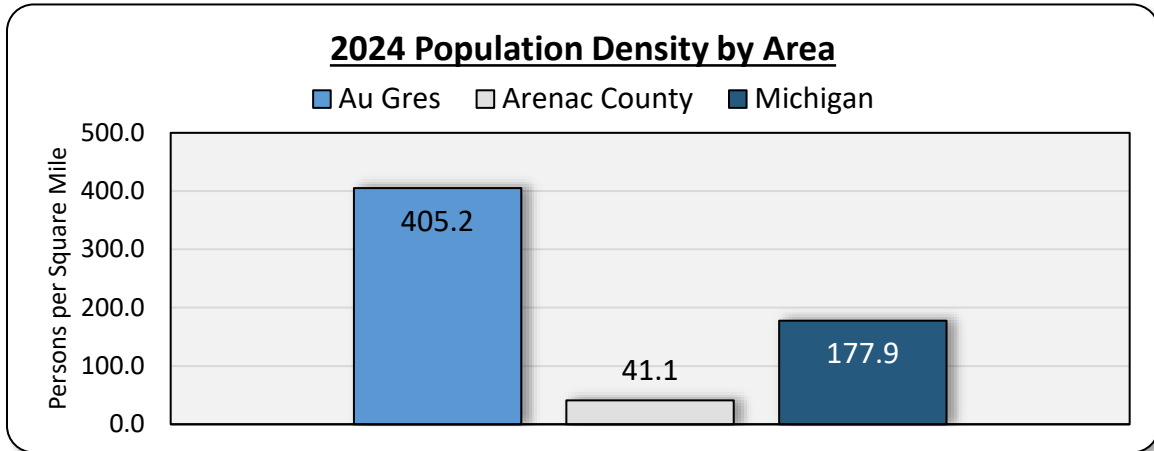
Total Population by Year - Au Gres

Year	Population
2010	912
2020	945
2024	923
2029	901

Source: 2010, 2020 Census; ESRI; Bowen National Research

Population Percent Change (2010-2029)

■ Au Gres ☐ Arenac County ■ Michigan

Period	Au Gres	Arenac County	Michigan
2010-2020	3.6%	-5.6%	2.0%
2020-2024	-2.3%	-0.6%	-0.1%
2024-2029	-2.4%	-0.6%	-0.4%

Source: 2010, 2020 Census; ESRI; Bowen National Research

The population in the city of Au Gres increased by 33 (3.6%) between 2010 and 2020. This contrasts with the 5.6% decline for the county and is larger than the 2.0% increase for the state during the time period. Between 2020 and 2024, the population in Au Gres decreased by 2.3%, and the population within the area is projected to decline by 2.4% over the next five years. The projected population decline within Au Gres is greater than that projected for the county (0.6%) and state (0.4%) during this time period. Household growth, which is a better reflection of housing needs, is discussed later in this section.
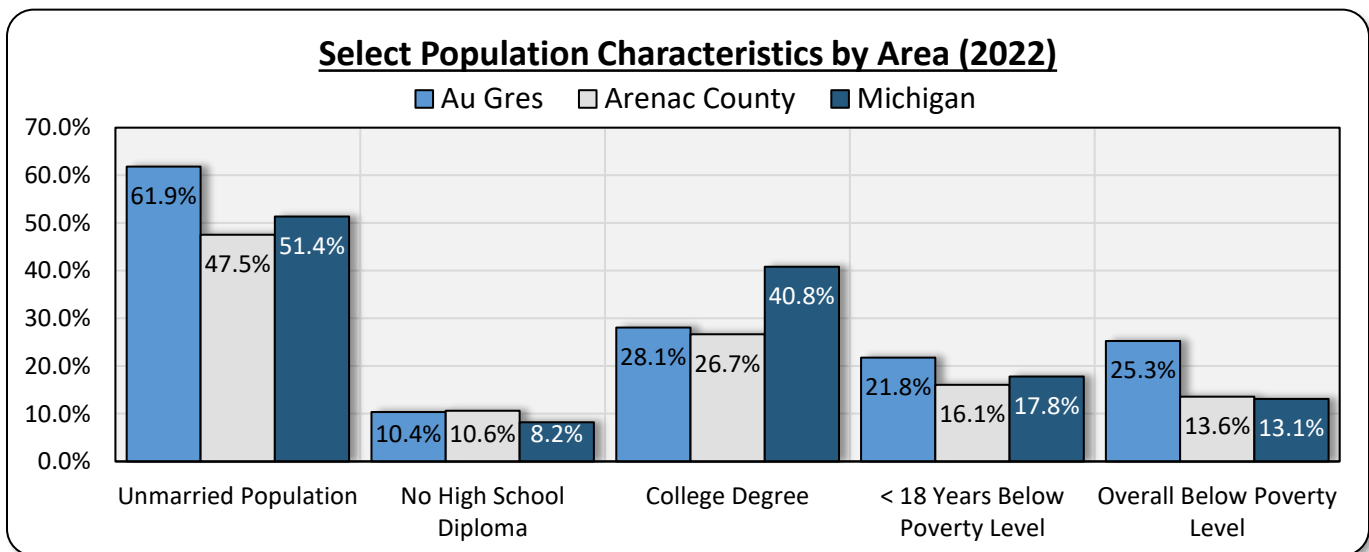
The following graph illustrates the *population density* for each study area in 2024.

2024 Population Density by Area

Au Gres ▪ Arenac County □ Michigan ▪

Area	Persons per Square Mile
Au Gres	405.2
Arenac County	41.1
Michigan	177.9

Source: 2010, 2020 Census; ESRI; Bowen National Research

With a population density of 405.2 persons per square mile, the city of Au Gres is significantly more densely populated than Arenac County and the state of Michigan.
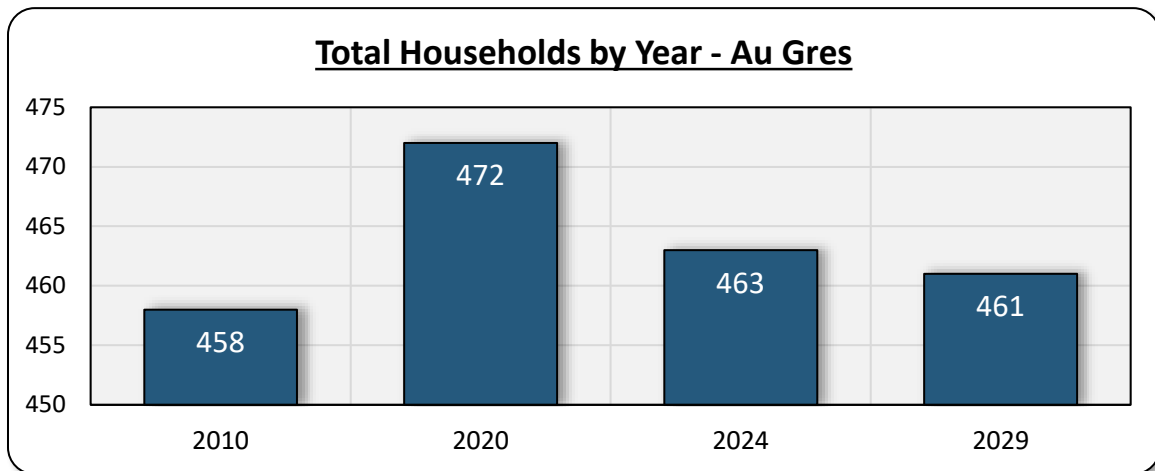
The following graph illustrates *select population characteristics* that typically influence housing affordability for each of the study areas.

Select Population Characteristics by Area (2022)

Au Gres ▪ Arenac County □ Michigan ▪

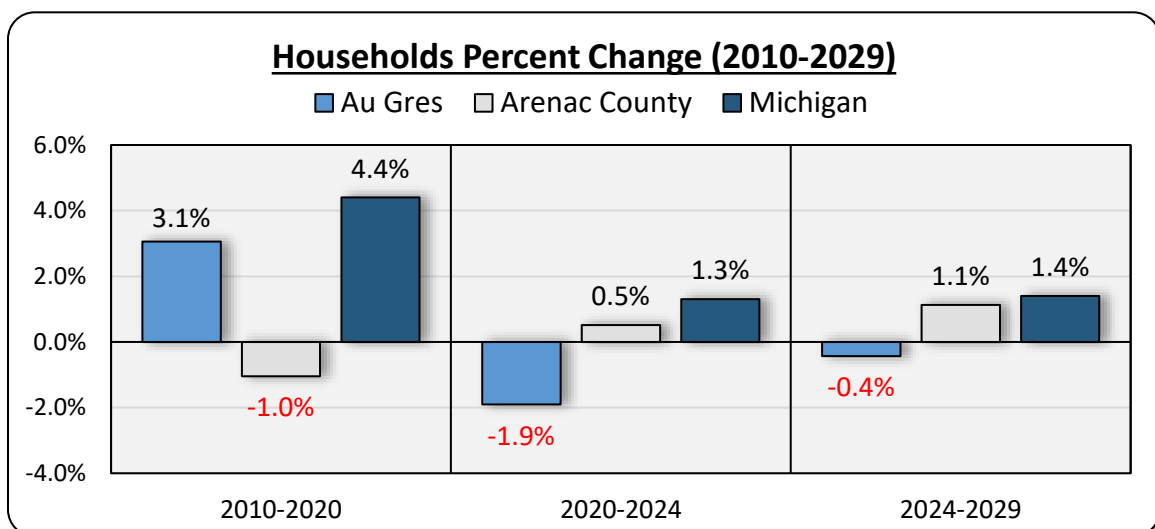| Characteristic	Au Gres	Arenac County	Michigan
Unmarried Population	61.9%	47.5%	51.4%
No High School Diploma	10.4%	10.6%	8.2%
College Degree	28.1%	26.7%	40.8%
< 18 Years Below Poverty Level	21.8%	16.1%	17.8%
Overall Below Poverty Level	25.3%	13.6%	13.1%

Source: 2018-2022 American Community Survey; ESRI; Bowen National Research

As the data illustrates, the city of Au Gres has a much higher share of unmarried population (61.9%), a slightly lower share (10.4%) of the population without a high school diploma (10.4%) and a higher share of individuals with a college degree (28.1%) as compared to the county. The two educational attainment factors likely have a positive influence on household income within the city. Overall, the city of Au Gres has higher poverty rates for children less than 18 years of age (21.8%) and the overall population (25.3%) when compared to both the county and state.

The following graphs illustrate the number of *total households* by year for the city of Au Gres and household *percent* changes for each study area between 2010 and 2029.

Total Households by Year - Au Gres

Year	Households
2010	458
2020	472
2024	463
2029	461

Source: 2010, 2020 Census; ESRI; Bowen National Research

Households Percent Change (2010-2029)

Legend: Au Gres, Arenac County, Michigan

| Period	Au Gres	Arenac County	Michigan
2010-2020	3.1%	-1.0%	4.4%
2020-2024	-1.9%	0.5%	1.3%
2024-2029	-0.4%	1.1%	1.4%

Source: 2010, 2020 Census; ESRI; Bowen National Research

The number of households in the city of Au Gres increased by 14 (3.1%) between 2010 and 2020. This contrasts with the 1.0% decline in the county and represents a smaller increase compared to the state (4.4%) during this time period. Between 2020 and 2024, the number of households in Au Gres decreased by 1.9%. Households in the city are projected to decrease by 0.4% during the next five years. The projected household decrease in the city contrasts with household increases projected for the county and state over the next five years. While household growth can heavily influence the total housing needs of a market, factors such as households living in substandard or cost-burdened housing, people commuting into the area for work, pent-up demand, and availability of existing housing all affect housing needs. These factors are addressed throughout this overview.

The following table and graphs illustrate **_household heads by age_** for the subject community, the distribution in 2024, and the projected percent changes between 2024 and 2029 for each of the study areas.

		Household Heads by Age						
		<25	**25 to 34**	**35 to 44**	**45 to 54**	**55 to 64**	**65 to 74**	**75+**
Au Gres	2020	17 (3.6%)	52 (11.0%)	46 (9.8%)	61 (13.0%)	113 (24.0%)	107 (22.7%)	75 (15.9%)
	2024	16 (3.5%)	52 (11.2%)	48 (10.4%)	57 (12.3%)	100 (21.6%)	107 (23.1%)	83 (17.9%)
	2029	15 (3.3%)	51 (11.1%)	46 (10.0%)	56 (12.1%)	90 (19.5%)	106 (23.0%)	97 (21.0%)
	Change 2024-2029	**-1 (-6.3%)**	**-1 (-1.9%)**	**-2 (-4.2%)**	**-1 (-1.8%)**	**-10 (-10.0%)**	**-1 (-0.9%)**	**14 (16.9%)**

Distribution of Household Heads by Age (2024)
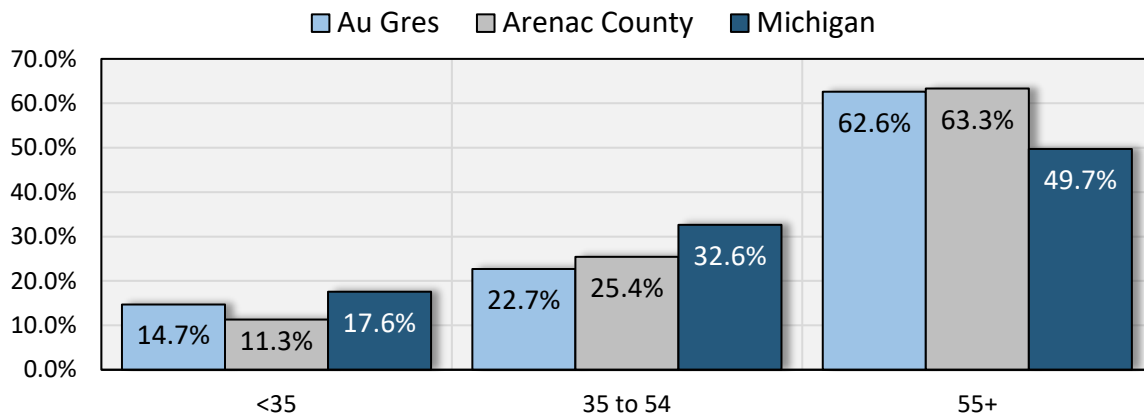
Projected Percent Change in Household Heads by Age (2024-2029)
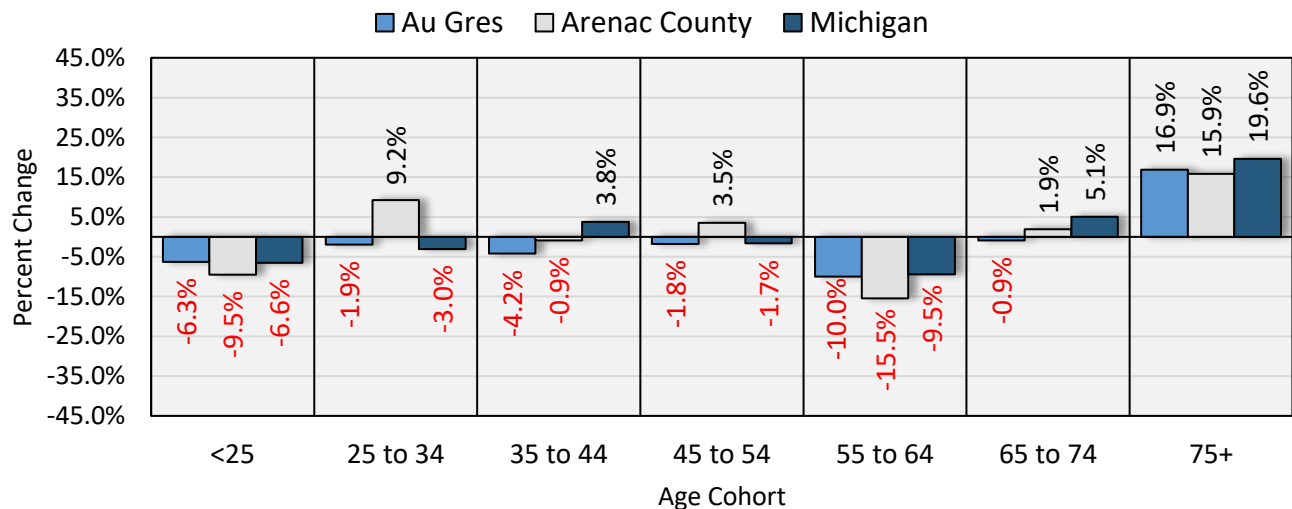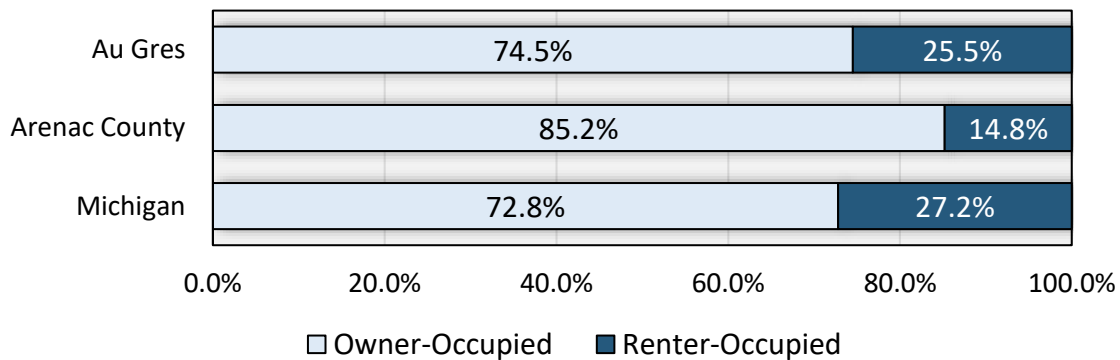

Source: ESRI; Bowen National Research

Overall, the data shows that households within the city of Au Gres in 2024 are heavily concentrated among households aged 55 years and older (62.6%), which is a slightly lower share of older adult households (aged 55 and older) compared to the county (63.3%) but a significantly larger share compared to the state (49.7%). While households aged 75 and older are projected to increase by 16.9% within the city of Au Gres over the next five years, decreases are projected for all household groups under age 75 during this period. These projected changes will likely result in an increase in demand for senior-oriented housing within the city.

The following table and graphs illustrate **households by tenure** (renters and owners) for the subject community in 2024 and compare the shares and projected *percent* changes in households by tenure for each of the study areas between 2024 and 2029.

	Households by Tenure							
		2020		2024		2029		Change 2024-2029	
	Household Type	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Au Gres	Owner-Occupied	339	71.8%	345	74.5%	349	75.7%	4	1.2%
	Renter-Occupied	133	28.2%	118	25.5%	112	24.3%	-6	-5.1%
	Total	472	100.0%	463	100.0%	461	100.0%	-2	-0.4%

Households by Tenure (2024)

Projected Percent Change in Households by Tenure (2024-2029)
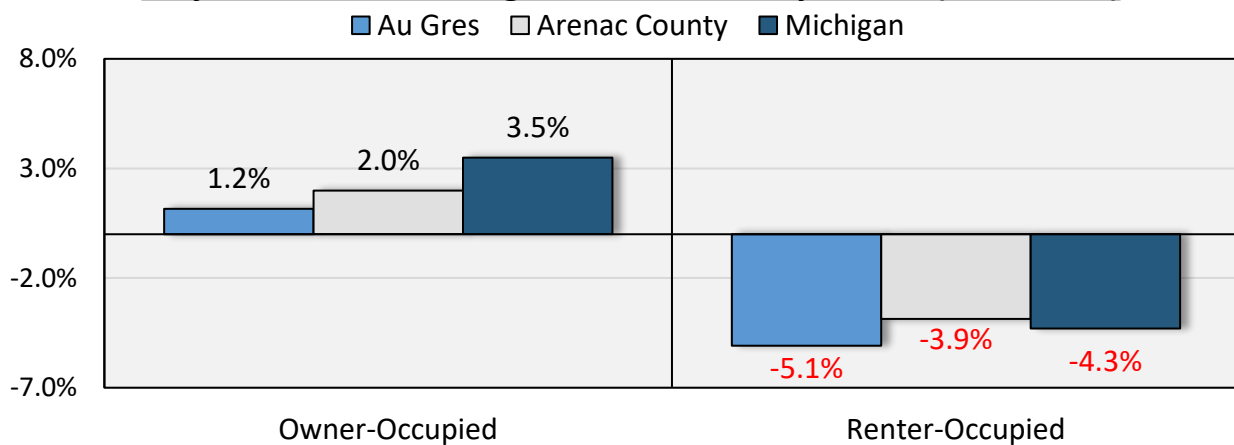
Source: 2020 Census; ESRI; Bowen National Research

In 2024, the distribution of households by tenure in the city of Au Gres (74.5% owners and 25.5% renters) is more heavily weighted toward renter households as compared to the county but consistent with the statewide distribution of households by tenure. Over the next five years, it is projected that the number of owner households in Au Gres will increase by 1.2%, while the number of renter households will decline by 5.1%. Given the limited number (463) of total households in Au Gres, it is important to note that these percent changes actually translate to a minimal change in the *number* of owner and renter households. Regardless, these trends are broadly comparable to the trends projected for the county and state during the time period. The slight *increase* among owner households in Au Gres may contribute to an increase in demand within the for-sale housing market over the next five years. However, it is important to understand that housing demand is influenced by a variety of factors, which may include existing pent-up demand, substandard housing, housing cost burden, commuting, and/or other factors.

The following compares the ***median household income*** for each of the study areas from 2020 to 2029.

Source: 2020 Census; ESRI; Bowen National Research

As the preceding illustrates, the 2024 median household income in the city of Au Gres ($56,256) is 1.2% higher than the county median household income and 21.3% lower than the statewide median household income. Over the next five years, it is projected that the median household income in Au Gres will increase to $67,495, representing an increase of 20.0%. The median household income in Au Gres is projected to remain above that of the county and below the statewide household income over the next five years.
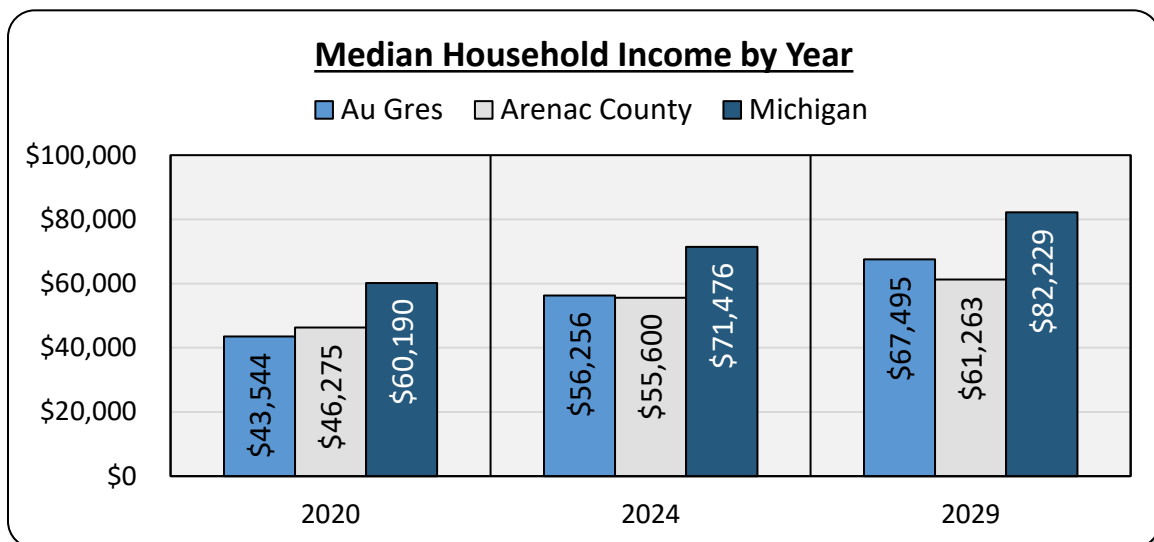
The following table and graphs illustrate *renter households by income* for the subject community and compare the distribution and the projected *percent* changes in renter households by income between 2024 and 2029 for each of the study areas.

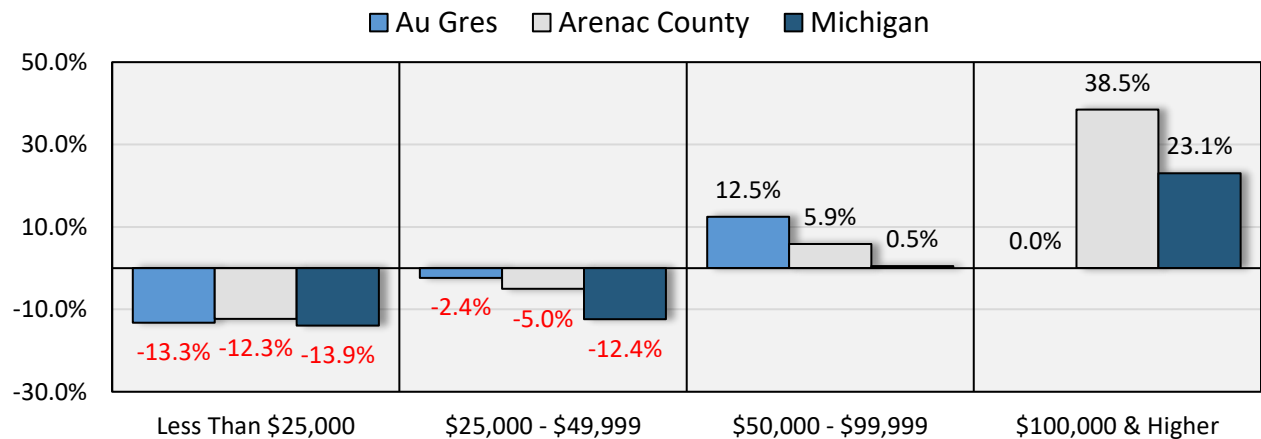|		Renter Households by Income							
		Less Than $15,000	$15,000 - $24,999	$25,000 - $34,999	$35,000 - $49,999	$50,000 - $74,999	$75,000 - $99,999	$100,000 - $149,999	$150,000 & Higher
Au Gres	2020	73 (55.7%)	13 (9.9%)	21 (16.0%)	10 (7.6%)	2 (1.5%)	9 (6.9%)	3 (2.3%)	0 (0.0%)
	2024	37 (31.4%)	23 (19.5%)	16 (13.6%)	26 (22.0%)	16 (13.6%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
	2029	33 (29.5%)	19 (17.0%)	15 (13.4%)	26 (23.2%)	17 (15.2%)	1 (0.9%)	1 (0.9%)	0 (0.0%)
	Change 2024-2029	-4 (-10.8%)	-4 (-17.3%)	-1 (-6.2%)	0 (0.0%)	1 (6.2%)	1 (N/A)	1 (N/A)	0 (0.0%)

2024 Distribution of Renter Households by Income

	Less Than $25,000	$25,000 - $49,999	$50,000 - $99,999	$100,000 & Higher
Au Gres	50.9%	35.6%	13.6%	
Arenac County	41.3%	32.1%	22.6%	3.9%
Michigan	31.8%	26.0%	28.2%	14.0%
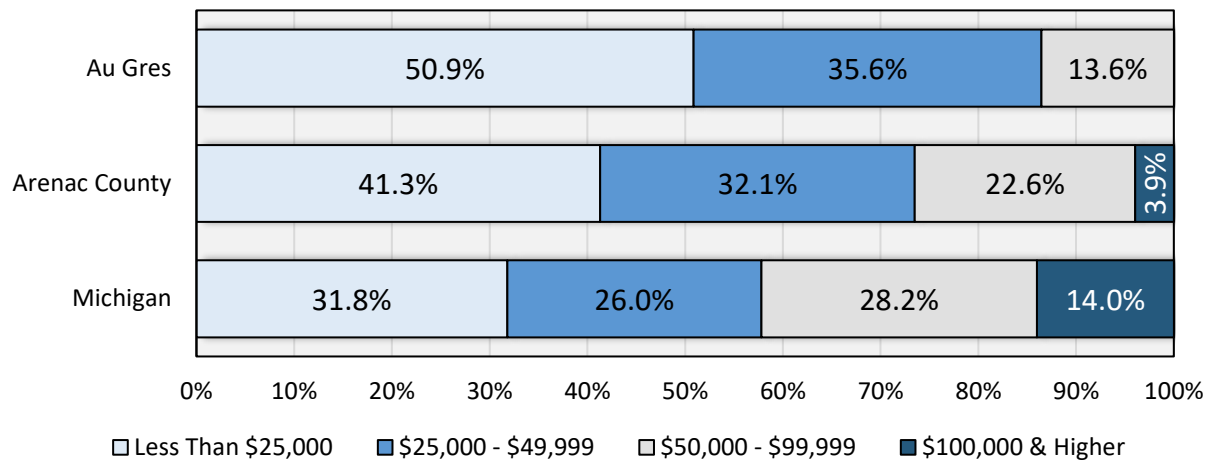
Percent Change in Renter Households by Income (2024-2029)

Legend: Au Gres, Arenac County, Michigan

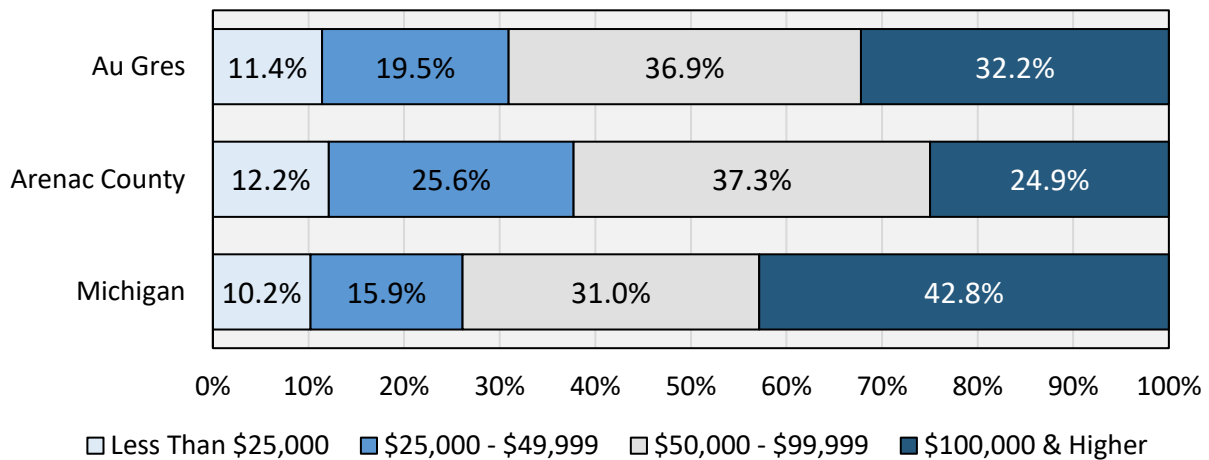|	Au Gres	Arenac County	Michigan
Less Than $25,000	-13.3%	-12.3%	-13.9%
$25,000 - $49,999	-2.4%	-5.0%	-12.4%
$50,000 - $99,999	12.5%	5.9%	0.5%
$100,000 & Higher	0.0%	38.5%	23.1%

Source: 2020 Census; ESRI; Bowen National Research

In 2024, Au Gres has notably higher shares of renter households with incomes less than $25,000 (50.9%) and between $25,000 and $49,999 (35.6%) when compared to the county and state. While a change in the overall number renter households in the city between 2024 and 2029 is minimal, the data indicates a general shift in the distribution of renter households by income from lower earning renter households (less than $50,000) to higher earning renter households ($50,000 or more), a trend common to many markets. Despite this small shift, the vast majority (83.1%) of renter households in Au Gres will continue to earn less than $50,000, and 46.5% of renter households will continue to earn less than $25,000 annually through 2029.

The following table and graphs illustrate *owner households by income* for the subject community in 2024 and compare the distribution and the projected *percent* changes in owner households by income between 2024 and 2029 for each of the study areas.

| | | Owner Households by Income | | | | | | | |
		Less Than $15,000	$15,000 - $24,999	$25,000 - $34,999	$35,000 - $49,999	$50,000 - $74,999	$75,000 - $99,999	$100,000 - $149,999	$150,000 & Higher
Au Gres	2020	29 (8.6%)	22 (6.5%)	30 (8.9%)	68 (20.2%)	88 (26.1%)	64 (19.0%)	30 (8.9%)	6 (1.8%)
	2024	32 (9.3%)	7 (2.1%)	19 (5.5%)	48 (14.0%)	52 (15.1%)	75 (21.8%)	93 (27.0%)	18 (5.2%)
	2029	25 (7.2%)	5 (1.4%)	16 (4.6%)	41 (11.7%)	49 (14.0%)	81 (23.2%)	109 (31.2%)	23 (6.6%)
	Change 2024-2029	-7 (-21.7%)	-2 (-28.0%)	-3 (-15.7%)	-7 (-14.5%)	-3 (-5.8%)	6 (8.0%)	16 (17.2%)	5 (27.8%)

2024 Distribution of Owner Households by Income

	Less Than $25,000	$25,000 - $49,999	$50,000 - $99,999	$100,000 & Higher
Au Gres	11.4%	19.5%	36.9%	32.2%
Arenac County	12.2%	25.6%	37.3%	24.9%
Michigan	10.2%	15.9%	31.0%	42.8%

Source: 2020 Census; ESRI; Bowen National Research

Percent Change in Owner Households by Income (2024-2029)
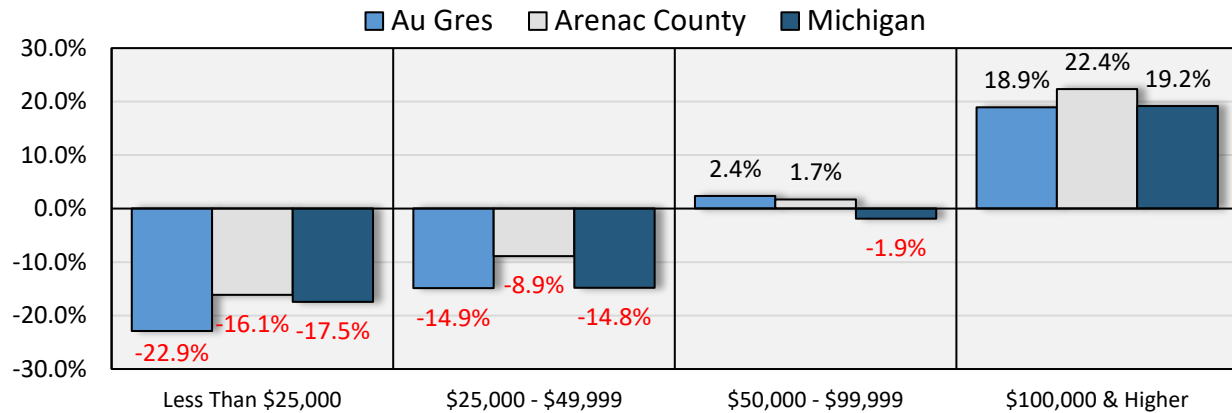
Source: 2020 Census; ESRI; Bowen National Research

In 2024, nearly one-third (32.2%) of Au Gres owner households earn $100,000 or more, which is a larger share compared to the county (24.9%) and a smaller share compared to the state (42.8%). In addition, 36.9% of owner households in the city earn between $50,000 and $99,999, which is a slightly smaller share than the county (37.3%) but larger than the state share (31.0%) of such households. Between 2024 and 2029, the most significant growth (18.9%) in owner households is projected to be among households earning $100,000 or more, though marginal growth (2.4%) is projected for households earning between $50,000 and $99,999 in the city. Despite this projected increase among owner households earning $100,000 or higher, 62.1% of all owner households in Au Gres will continue to earn less than $100,000 through 2029, and 24.9% of owner households will earn less than $50,000 annually.

The following table illustrates the ***components of population change*** for Arenac County and the state of Michigan between April 2020 and July 2024. Note that components of change data is only available at the county level or higher. The estimate for each geography includes a *residual* value, which is the change that cannot be attributed to any specific component. The residual value adjusts the total population change for the given geography so that the sum of each county equals the state, and each state equals the total national population change.

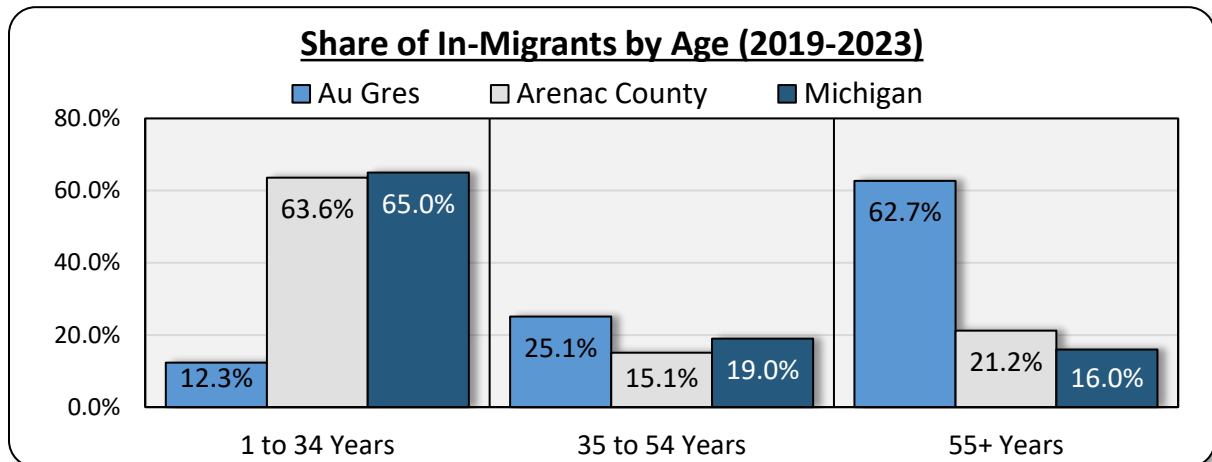| Estimated Components of Population Change by Area April 1, 2020 to July 1, 2024							
	Change		Components of Change				
Area	Number	Percent	Natural Change	Domestic Migration	International Migration	Net Migration	Residual*
Arenac County	78	0.5%	-448	518	0	518	8
Michigan	61,121	0.6%	-38,340	-67,785	164,465	96,680	2,781

Source: U.S. Census Bureau, Population Division, March 2025
*Represents the change that cannot be attributed to any specific demographic component
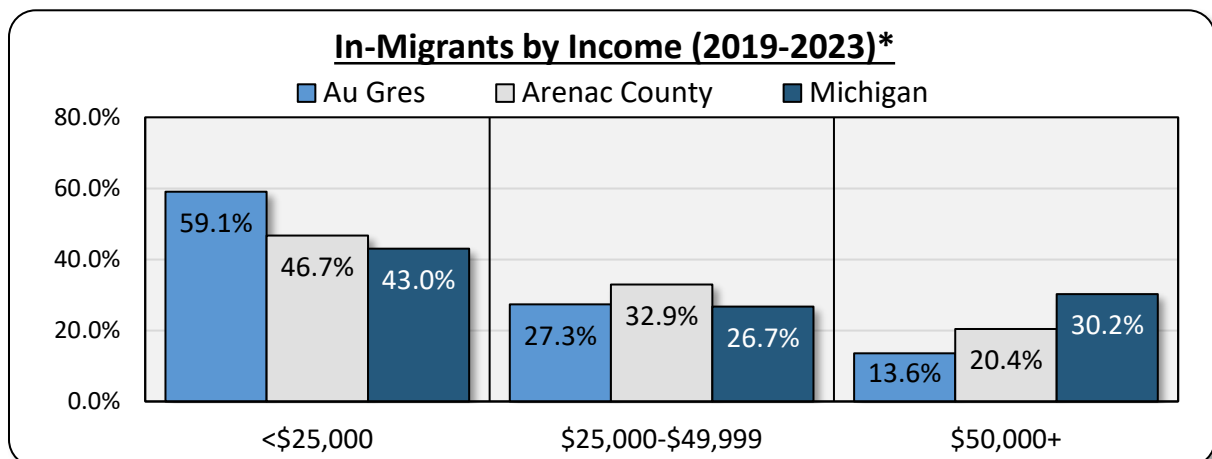
Based on the preceding data, the population decline within Arenac County between 2020 and 2024 was heavily influenced by natural decrease (more deaths than births). Conversely, domestic migration was a positive component of population change in

Arenac County. While this data is not specific to the city of Au Gres, it is reasonable to conclude that the components of population change for Arenac County likely have a significant influence on each of the geographies located within the county.

The following graphs illustrate the distribution of *in-migrants by age* and *by income* for each study area from 2019 to 2023. Note that the data illustrated in both graphs is based on *population*, not households.

Share of In-Migrants by Age (2019-2023)

■ Au Gres ☐ Arenac County ■ Michigan

Age	Au Gres	Arenac County	Michigan
1 to 34 Years	12.3%	63.6%	65.0%
35 to 54 Years	25.1%	15.1%	19.0%
55+ Years	62.7%	21.2%	16.0%

Source: U.S. Census Bureau, 2023 5-Year American Community Survey (S0701); Bowen National Research

In-Migrants by Income (2019-2023)*

■ Au Gres ☐ Arenac County ■ Michigan

Income	Au Gres	Arenac County	Michigan
<$25,000	59.1%	46.7%	43.0%
$25,000-$49,999	27.3%	32.9%	26.7%
$50,000+	13.6%	20.4%	30.2%

Source: U.S. Census Bureau, 2023 5-Year American Community Survey (B07010); Bowen National Research
*Excludes population with no income

As the preceding data illustrates, the distribution of in-migrants by age for the city of Au Gres is significantly weighted toward the oldest age cohort (aged 55 and above) as compared to the distribution within the county and state. The distribution of in-migrants by income within the city of Au Gres is heavily concentrated among the lowest income cohort (less than $25,000). Based on the information provided by both in-migration datasets, the low-income senior population should be a focus for future housing development in the city.

C. ECONOMY AND WORKFORCE ANALYSIS

Note that some economic data specific to the city of Au Gres is not available within this section. In these instances, data for Arenac County has been provided as economic trends within the county likely influence economic conditions within the city of Au Gres.

Labor Force

The following table illustrates *the employment base by industry* for the city of Au Gres, Arenac County, and the state of Michigan. The top five industries by share of employment for each area are highlighted in **red** text.
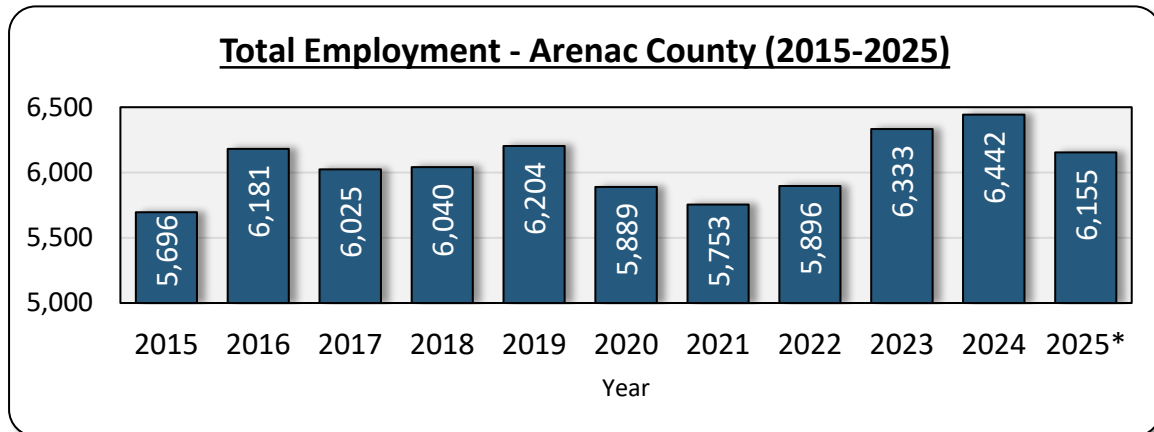
	Employment by Industry					
	Au Gres		Arenac County		Michigan	
NAICS Group	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	0	0.0%	57	1.3%	20,855	0.5%
Mining	0	0.0%	5	0.1%	4,899	0.1%
Utilities	0	0.0%	18	0.4%	11,620	0.3%
Construction	21	3.6%	174	3.9%	168,108	3.8%
Manufacturing	**191**	**32.3%**	**686**	**15.2%**	**504,941**	**11.3%**
Wholesale Trade	4	0.7%	98	2.2%	187,578	4.2%
Retail Trade	**59**	**10.0%**	**720**	**16.0%**	**542,818**	**12.1%**
Transportation & Warehousing	7	1.2%	108	2.4%	98,990	2.2%
Information	5	0.8%	68	1.5%	81,327	1.8%
Finance & Insurance	16	2.7%	76	1.7%	144,434	3.2%
Real Estate & Rental & Leasing	22	3.7%	127	2.8%	94,915	2.1%
Professional, Scientific & Technical Services	0	0.0%	85	1.9%	319,369	7.1%
Management of Companies & Enterprises	0	0.0%	0	0.0%	13,783	0.3%
Administrative, Support, Waste Management & Remediation Services	4	0.7%	86	1.9%	110,005	2.5%
Educational Services	**97**	**16.4%**	306	6.8%	**386,042**	**8.6%**
Health Care & Social Assistance	**50**	**8.5%**	**608**	**13.5%**	**750,195**	**16.7%**
Arts, Entertainment & Recreation	14	2.4%	244	5.4%	119,596	2.7%
Accommodation & Food Services	37	6.3%	**456**	**10.1%**	**398,128**	**8.9%**
Other Services (Except Public Administration)	24	4.1%	200	4.4%	272,318	6.1%
Public Administration	**40**	**6.8%**	**379**	**8.4%**	245,144	5.5%
Non-classifiable	0	0.0%	4	0.1%	5,515	0.1%
Total	**591**	**100.0%**	**4,505**	**100.0%**	**4,480,580**	**100.0%**

Source: 2020 Census; ESRI; Bowen National Research
Note: Since this survey is conducted of establishments and not of residents, some employees may not live within each market. These employees, however, are included in our labor force calculations because their places of employment are located within each market.

The city of Au Gres has an employment base of nearly 600 individuals. The labor force within the city comprises approximately 13.1% of the total Arenac County employment base and is based primarily in five sectors: Manufacturing (32.3%), Educational Services (16.4%), Retail Trade (10.0%), Health Care and Social Assistance (8.5%), and Public Administration (6.8%). Combined, the top five job sectors represent 74.0% of the city's employment base.

Total employment reflects the number of employed persons who live within an area regardless of where they work. The following illustrates the ***total employment*** base for <u>Arenac County</u> between 2015 and February 2025.

Total Employment - Arenac County (2015-2025)

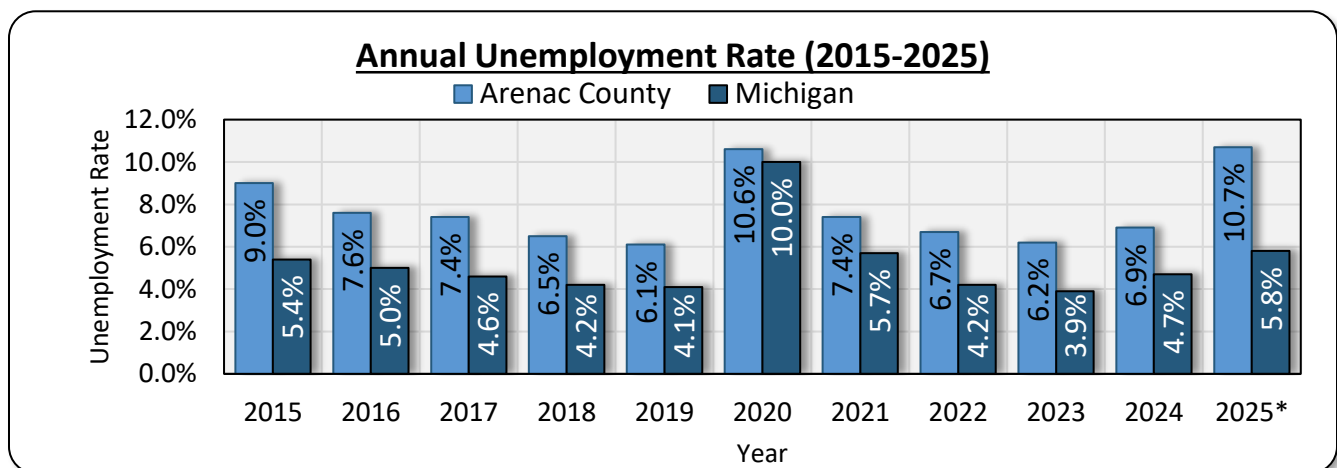| Year	Total Employment
2015	5,696
2016	6,181
2017	6,025
2018	6,040
2019	6,204
2020	5,889
2021	5,753
2022	5,896
2023	6,333
2024	6,442
2025*	6,155

Source: Department of Labor; Bureau of Labor Statistics
*Through February

As the preceding illustrates, total employment within Arenac County fluctuated between 2015 and 2019, but increased 8.9% overall. In 2020, total employment decreased 5.1% within the county, which can be largely attributed to the economic impact of the COVID-19 pandemic. Following an additional 2.3% decrease in 2021, total employment increased for three consecutive years. As of year-end 2024, total employment was at 103.8% of the 2019 level. This represents the highest level of total employment in the county since 2015 and is a positive economic indicator for the local economy.

The following illustrates the ***annual unemployment rate*** for Arenac County and the state of Michigan from 2015 to February 2025.

Annual Unemployment Rate (2015-2025)

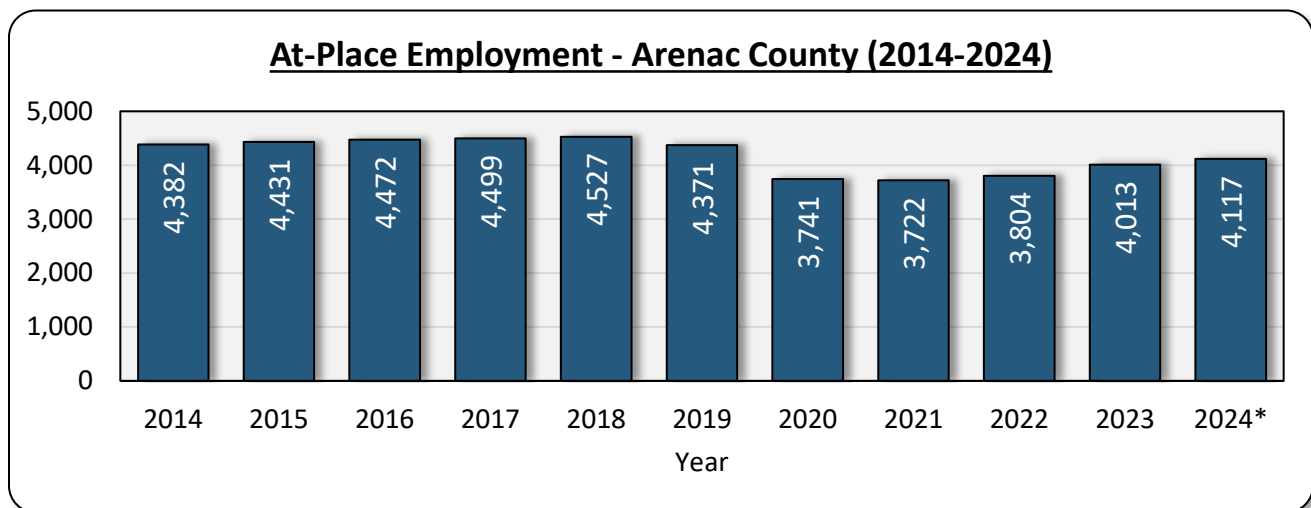| Year	Arenac County	Michigan
2015	9.0%	5.4%
2016	7.6%	5.0%
2017	7.4%	4.6%
2018	6.5%	4.2%
2019	6.1%	4.1%
2020	10.6%	10.0%
2021	7.4%	5.7%
2022	6.7%	4.2%
2023	6.2%	3.9%
2024	6.9%	4.7%
2025*	10.7%	5.8%

Source: Department of Labor, Bureau of Labor Statistics; Bowen National Research
*Through February

As the preceding data shows, the unemployment rate in Arenac County declined from 9.0% in 2015 to 6.1% in 2019. After the sharp increase in 2020, the unemployment rate in the county dropped to 6.2% in 2023. However, the unemployment rate increased to 6.9% through 2024. While the unemployment rate in the state also increased in 2024, the rate within Arenac County is higher than the state and has been above the statewide rate each year since 2015. This indicates that unemployment has historically been a challenge within the county.

At-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total *at-place employment* base for Arenac County from 2014 to September 2024.

At-Place Employment - Arenac County (2014-2024)

Year	Employment
2014	4,382
2015	4,431
2016	4,472
2017	4,499
2018	4,527
2019	4,371
2020	3,741
2021	3,722
2022	3,804
2023	4,013
2024*	4,117

Source: Department of Labor; Bureau of Labor Statistics
*Through September

As the preceding illustrates, at-place employment within Arenac County remained stable between 2014 and 2018 (3.3% increase) before declining 3.4% between 2018 and 2019. The largest decrease (14.4%) occurred in 2020, which can be largely attributed to the economic effects related to the COVID-19 pandemic. Through September 2024, at-place employment within the county was at 94.2% of the 2019 level. Although this indicates some softness in the labor market likely exists in Arenac County, at-place employment has increased three consecutive years since 2021.

Economic Outlook

The Worker Adjustment and Retraining Notification (WARN) Act requires advance notice of qualified plant closings and mass layoffs. WARN notices were reviewed on March 18, 2025. According to the Michigan Department of Labor and Economic Opportunity and Michigan Department of Technology, Management & Budget, there have been no WARN notices reported for Arenac County over the past 12 months.

The following table summarizes the 10 largest employers within Arenac County.

Largest Employers – Arenac County		
Employer Name	Business Type	Total Employed
Saganing Eagles Landing Casino Hotel	Entertainment	500
MyMichigan Health	Healthcare	500
Vantage	Manufacturing	400
Standish-Sterling Schools	Education	209
Forwards Corporation	Retail	200
Magline	Manufacturing	140
Bopp Busch	Manufacturing	120
Sterling Area Health Center	Healthcare	120
Arenac County Government	Government	60
ATD Engineering and Machine	Manufacturing	50

Sources: Economic Development Corporation Arenac County

Major employers within Arenac County are primarily involved in healthcare, manufacturing, entertainment, education, retail, and government administration. While a number of the largest employers in the county are engaged in industries that are generally considered stable industries (healthcare, education, government, etc.) and are typically less susceptible to economic downturns, certain types of manufacturing, entertainment, and retail can be affected by economic conditions.

The following table summarizes recent and ongoing economic development projects and infrastructure projects identified within Arenac County:

Economic Development Activity – Arenac County			
Project Name	Investment	Job Creation	Scope of Work/Details
Magline Standish	$875,000	10	Material handling equipment manufacturer plans to renovate 70,000-square-foot facility to increase manufacturing space. Plans announced early 2024. Construction timeline not found.
Infrastructure Projects – Arenac County			
Project Name	Scope of Work, Status, Investment		
Sterling Road Bridge Improvement Project Sterling/Alger	Improvements on Sterling Rd. bridge over I-75 and M-33 over Lake State Railroad/Old M-76. Plans include resealing bridge joints, heat straightening, concrete substructure patching, steel rocker bearing realignment, steel beam repairs, painting, and temporary supports. Under Construction as of April 2025. ECD October 2025. $2.7 million investment.		

N/A – Not Available
ECD – Estimated Completion Date

As the preceding illustrates, a noteworthy expansion for Magline was announced in 2024, which has an estimated direct job impact of 10 new jobs. In addition, a significant project is currently underway to the structure of an existing bridge within the county, which will improve public safety.

Commuting Data

The ability of a person or household to travel easily, quickly, safely, and affordably throughout a market influences the desirability of a housing market. In addition, the individuals commuting into a market from neighboring markets represent a potential base of support for future residential development.

The following tables summarize two ***commuting pattern attributes*** (mode and time) for each of the study areas.

		Commuting Mode						
		Drove Alone	Carpooled	Public Transit	Walked	Other Means	Worked at Home	Total
Au Gres	Number	231	41	0	15	3	21	311
	Percent	74.3%	13.2%	0.0%	4.8%	1.0%	6.8%	100.0%
Arenac County	Number	4,912	468	24	107	94	418	6,023
	Percent	81.6%	7.8%	0.4%	1.8%	1.6%	6.9%	100.0%
Michigan	Number	3,557,296	375,519	56,353	96,131	56,391	471,483	4,613,173
	Percent	77.1%	8.1%	1.2%	2.1%	1.2%	10.2%	100.0%

Source: ESRI; Bowen National Research

		Commuting Time						
		Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes	Worked at Home	Total
Au Gres	Number	79	58	71	14	69	21	312
	Percent	25.3%	18.6%	22.8%	4.5%	22.1%	6.7%	100.0%
Arenac County	Number	1,768	1,725	866	516	730	418	6,023
	Percent	29.4%	28.6%	14.4%	8.6%	12.1%	6.9%	100.0%
Michigan	Number	1,171,444	1,605,041	813,580	294,030	257,594	471,483	4,613,172
	Percent	25.4%	34.8%	17.6%	6.4%	5.6%	10.2%	100.0%

Source: ESRI; Bowen National Research

As the preceding illustrates, 87.5% of individuals in Au Gres utilize their own vehicles or carpool to work, 4.8% walk to work, and 6.8% work from home. The share of individuals who walk to work is higher than the county and statewide shares. Overall, 43.9% of commuters have commute times of less than 30 minutes to their place of employment, while nearly half (49.4%) of commuters have commute times of over 30 minutes. Note that 22.1% of commuters have commute times of over 60 minutes to work, which is a significantly higher share than both the county and state. As such, a significant share of individuals in the city have longer commute times to employment.
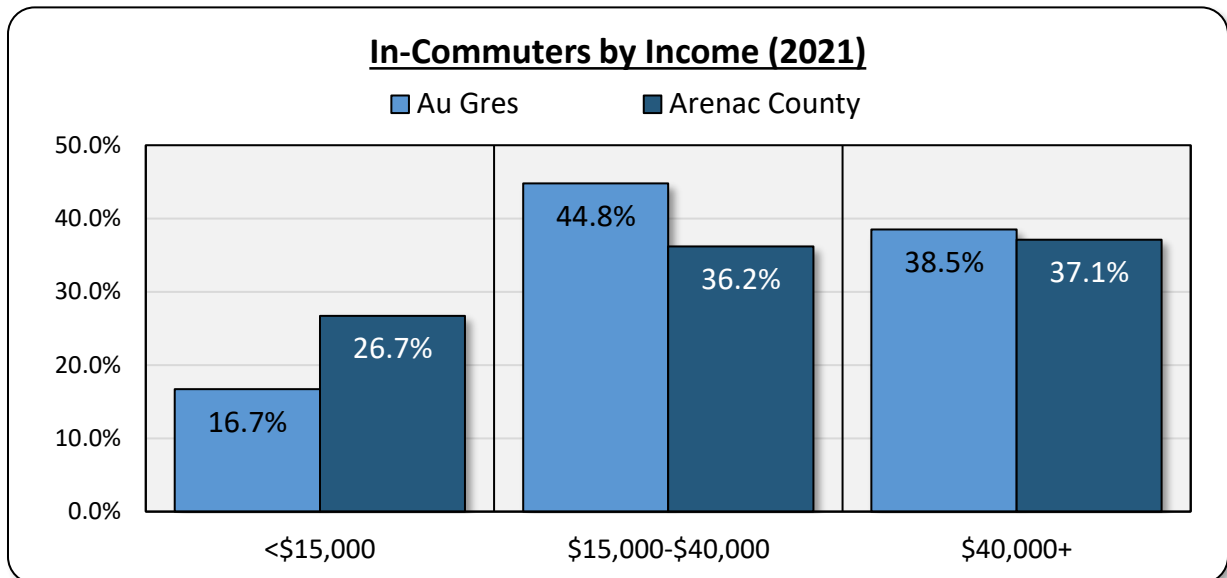
The following illustrates the overall ***commuter flow*** for the city of Au Gres based on 2021 U.S. Census Longitudinal Origin-Destination Employment Statistics (LODES) data.
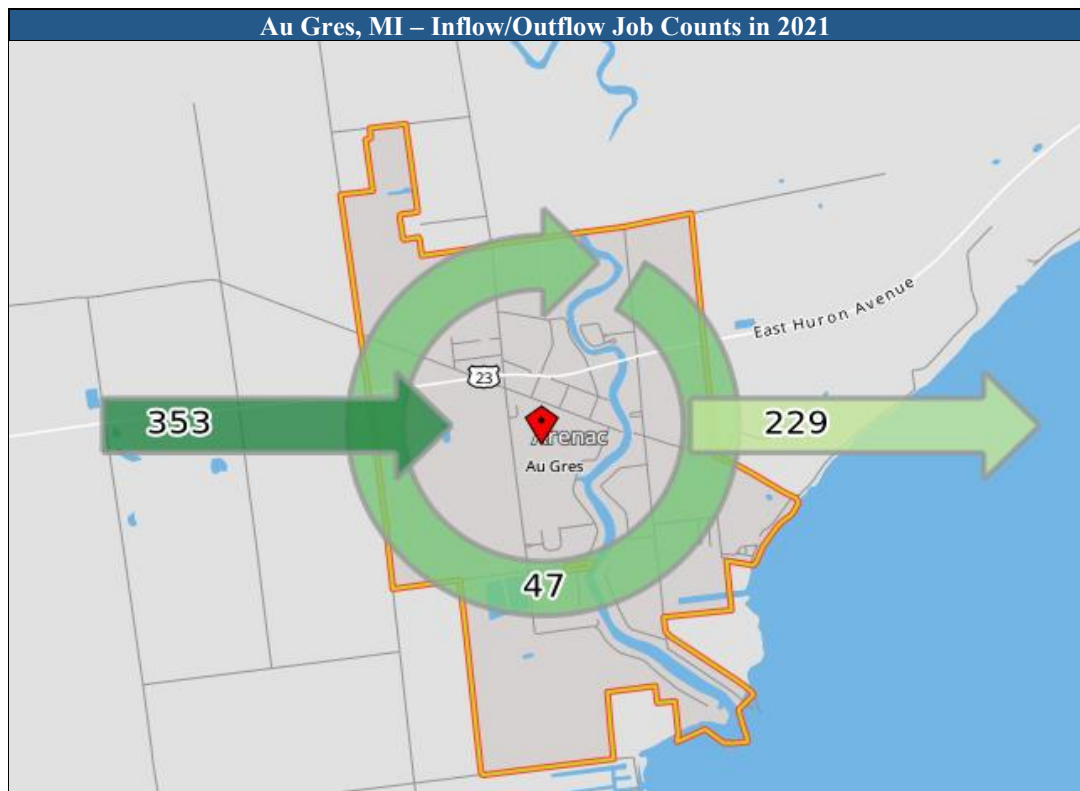
Au Gres, MI – Inflow/Outflow Job Counts in 2021

Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES); Bowen National Research

Of the approximately 400 persons *employed* in the city of Au Gres in 2021, 88.3% (353) originate from outside the city, while 11.8% (47) live within the city. A total of 229 residents of the city commute to surrounding areas daily for employment. Regardless, the 353 non-residents who work in the area represent a base of potential support for future residential development within Au Gres.

The following compares the distribution of *in-commuters by annual income* for the city of Au Gres and Arenac County.

In-Commuters by Income (2021)

■ Au Gres   ■ Arenac County

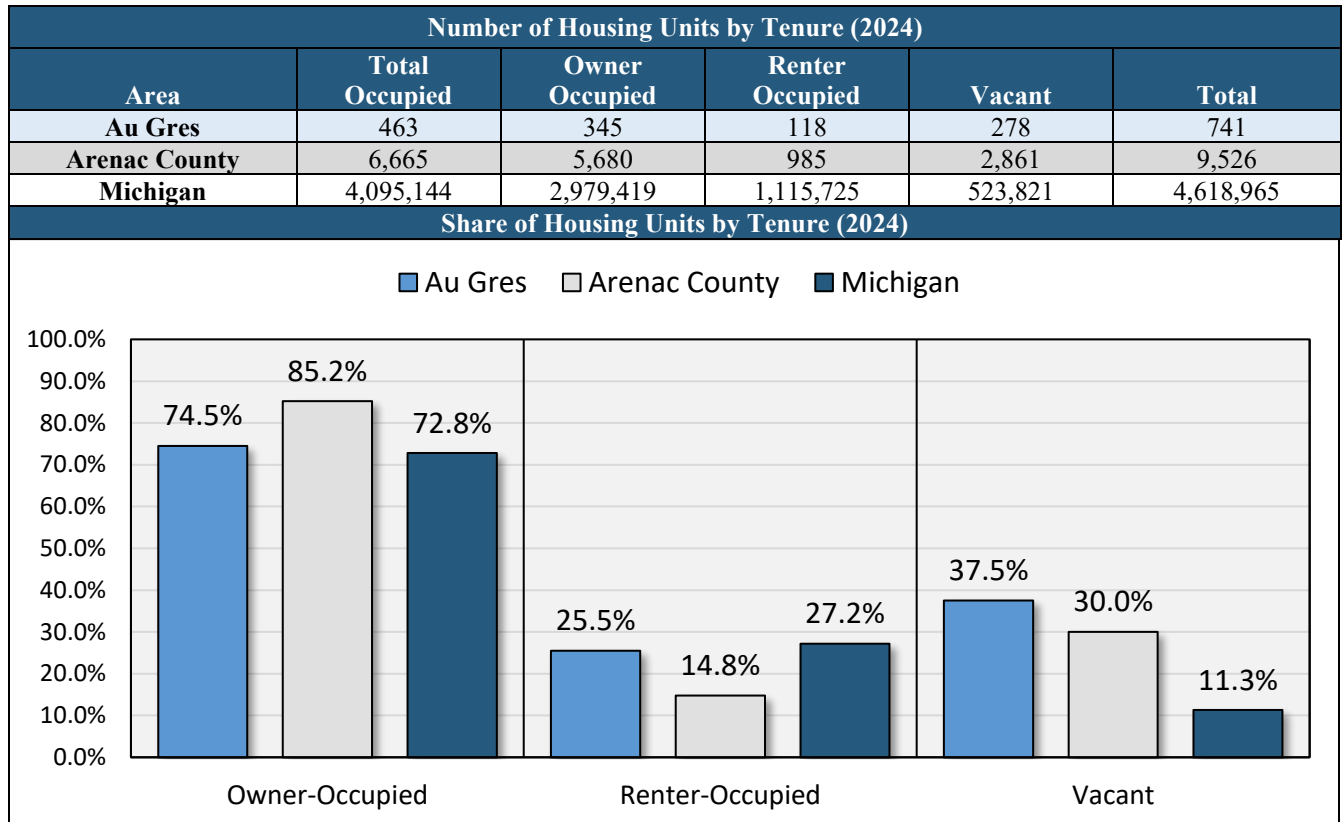| Income	Au Gres	Arenac County
<$15,000	16.7%	26.7%
$15,000-$40,000	44.8%	36.2%
$40,000+	38.5%	37.1%

Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES); Bowen National Research

The preceding shows that the largest share (44.8%) of in-commuters to the city of Au Gres earn between $15,000 and $40,000 annually, while 38.5% earn $40,000 or more. The remaining share (16.7%) of in-commuters earn less than $15,000 annually. As such, the distribution of in-commuter income within the city of Au Gres is more heavily weighted toward higher income cohorts as compared to the county. Regardless, a variety of housing types could be developed to potentially attract some of the 353 in-commuters to live within Au Gres. We accounted for a portion of the in-commuters as additional household growth in the housing gaps shown later in this overview.

D. HOUSING METRICS

The estimated distribution of the area *housing stock by occupancy/tenure status* for each study area for 2024 is illustrated in the following table and graph:

Number of Housing Units by Tenure (2024)					
Area	Total Occupied	Owner Occupied	Renter Occupied	Vacant	Total
Au Gres	463	345	118	278	741
Arenac County	6,665	5,680	985	2,861	9,526
Michigan	4,095,144	2,979,419	1,115,725	523,821	4,618,965
Share of Housing Units by Tenure (2024)					

Source: 2020 Census; ESRI; Bowen National Research

Of the 463 total *occupied* housing units in the city of Au Gres, 74.5% are owner occupied and 25.5% are renter occupied. This is more heavily weighted toward renter-occupied housing when compared to the county but reflects a similar distribution of housing by tenure compared to the state. Among the 741 total housing units in Au Gres, 37.5% (278 units) are classified as vacant. This is a higher share of vacant units as compared to both the county (30.0%) and the state (11.3%). Vacant units are comprised of a variety of units including abandoned properties, unoccupied rentals, for-sale homes, and seasonal housing units. According to 2019-2023 American Community Survey estimates (Table ID B25004), 87.4% of vacant housing units in Au Gres are classified as seasonal/recreational units. This is a much higher share of such units compared to the Region G share of 56.4%. Therefore, the influence of seasonal/recreational units in Au Gres is significantly higher compared to the overall region.

The following table compares key *housing age and conditions* based on American Community Survey and ESRI data. Housing units built over 50 years ago (pre-1970), overcrowded housing (1.01+ persons per room), or housing that lacks complete indoor kitchens or bathroom plumbing are illustrated by tenure. It is important to note that some occupied housing units may have more than one housing issue.

	Housing Age and Conditions (2024)											
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Au Gres	25	22.8%	90	26.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Arenac County	362	37.4%	1,972	35.6%	6	0.7%	62	1.1%	118	12.2%	30	0.5%
Michigan	496,850	44.8%	1,392,778	47.3%	31,042	2.8%	33,798	1.1%	21,323	1.9%	19,540	0.7%

Source: American Community Survey; ESRI; Bowen National Research

In the city of Au Gres, 22.8% of the renter-occupied housing units and 26.2% of the owner-occupied housing units were built prior to 1970, which are lower shares compared to the county and statewide shares of older housing units. In addition, there were no renter- or owner-occupied units in the city that were overcrowded or reported to have incomplete plumbing or kitchens. Therefore, the housing inventory within Au Gres does not exhibit extensive condition issues when compared to the county and state.

The following table compares key household income, housing cost, and housing affordability metrics. It should be noted that cost burdened households pay over 30% of income toward housing costs, while severe cost burdened households pay over 50% of income toward housing.

	Household Income, Housing Costs and Affordability							
	Total Households (2024)	Median Household Income (2024)	Estimated Median Home Value (2024)	Median Gross Rent (2022)	Share of Cost Burdened Households* (2023)		Share of Severe Cost Burdened Households** (2023)	
					Renter	Owner	Renter	Owner
Au Gres	463	$56,256	$150,373	$721	64.6%	14.9%	26.8%	6.6%
Arenac County	6,665	$55,600	$156,437	$665	40.3%	16.7%	19.2%	7.2%
Michigan	4,095,144	$71,476	$249,290	$1,037	45.8%	19.1%	23.7%	7.9%

Source: American Community Survey; ESRI; Bowen National Research
*Paying more than 30% of income toward housing costs; **Paying more than 50% of income toward housing costs

The estimated median home value in the city of Au Gres of $150,373 is 3.9% lower than the median home value for the county and 39.7% lower than the state. In addition, the median gross rent of $721 is 8.4% higher than that for the county and 30.5% lower than that for the state. With a median household income of $56,256 in the city of Au Gres, approximately 64.6% of renter households and 14.9% of owner households are housing cost burdened. As a result, there are roughly 76 renter households and 51 owner households in Au Gres that are housing cost burdened, of which approximately 32 renter households and 23 owner households are severe cost burdened (paying more than 50% of income toward housing costs). As such, affordable housing alternatives should be an integral part of future housing solutions.
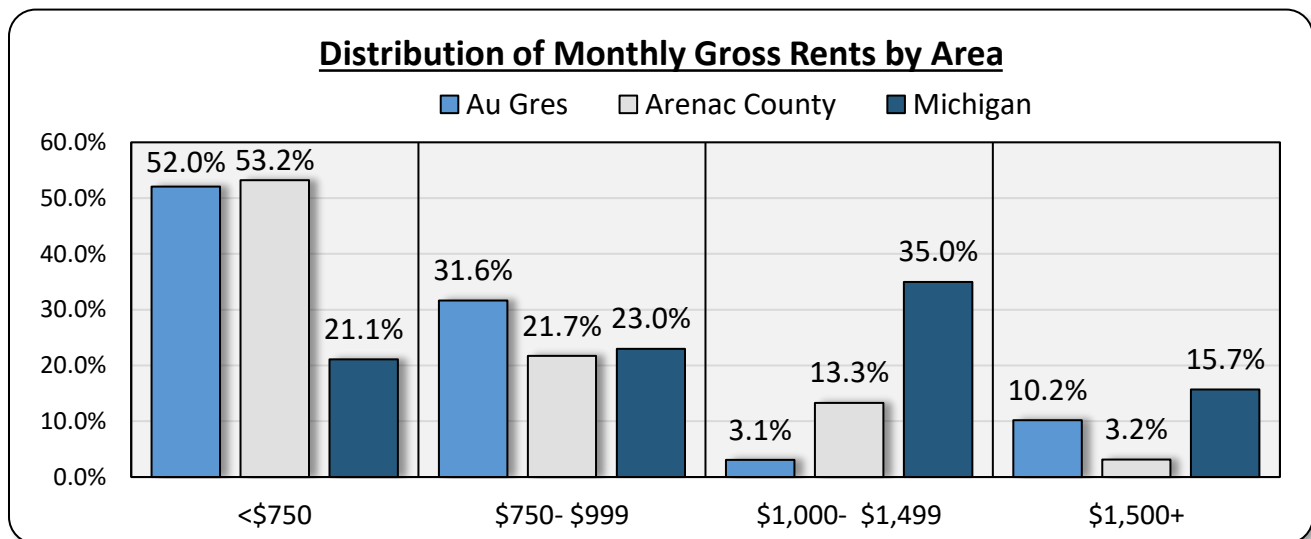
Based on the American Community Survey data, the following is a distribution of all occupied housing by **units in structure by tenure** (renter or owner) for each of the study areas.

		Renter-Occupied Housing by Units in Structure				Owner-Occupied Housing by Units in Structure			
		4 Units or Less	5 Units or More	Mobile Home/ Other	Total	4 Units or Less	5 Units or More	Mobile Home/ Other	Total
Au Gres	Number	34	74	0	108	335	0	11	346
	Percent	31.5%	68.5%	0.0%	100.0%	96.8%	0.0%	3.2%	100.0%
Arenac County	Number	475	320	173	967	4,974	3	566	5,543
	Percent	49.1%	33.1%	17.8%	100.0%	89.7%	0.1%	10.2%	100.0%
Michigan	Number	558,443	504,600	46,212	1,109,254	2,762,130	36,728	144,116	2,942,974
	Percent	50.3%	45.5%	4.2%	100.0%	93.9%	1.2%	4.9%	100.0%

Source: American Community Survey (2019-2023); ESRI; Bowen National Research

Approximately 31.5% of the *rental* units in Au Gres are within structures of four units or less or mobile homes. Overall, Au Gres has a significantly larger share (68.5%) of multifamily rental housing (five or more units within a structure) when compared to the state (45.5%). Among *owner*-occupied units in Au Gres, all are within structures of four units or less (96.8%) and mobile homes (3.2%).

The following graph illustrates the **distribution of monthly gross rents** (per unit) for rental alternatives within each of the study areas. Note that this data includes both multifamily rentals and non-conventional rentals, and gross rents include tenant-paid rents and tenant-paid utilities.

Distribution of Monthly Gross Rents by Area

Legend: ■ Au Gres ☐ Arenac County ■ Michigan

Rent Range	Au Gres	Arenac County	Michigan
<$750	52.0%	53.2%	21.1%
$750- $999	31.6%	21.7%	23.0%
$1,000- $1,499	3.1%	13.3%	35.0%
$1,500+	10.2%	3.2%	15.7%

Source: American Community Survey (2019-2023); ESRI; Bowen National Research
*Excludes rentals classified as "No Cash Rent"

As the preceding illustrates, the largest share (52.0%) of Au Gres rental units have gross rents of less than $750, followed by units with gross rents between $750 and $999 (31.6%). Combined, over 80% of rental units in the city have gross rents below $1,000. Compared to the county and state, the distribution of gross rental rates in Au Gres is more heavily weighted toward the lower priced product (less than $1,000), illustrating the dominance of low to moderately priced rental product in the area.

Bowen National Research's Survey of Housing Supply

Renter-occupied housing in a market is generally classified in one of two categories: *multifamily apartments* or *non-conventional rentals*. Multifamily apartments are typically properties consisting of five or more rental units within a structure, while non-conventional rentals are usually defined as rental properties with four or less units within a structure. The following pages provide an analysis of the rental market within the city of Au Gres and Arenac County based on secondary data from sources such as the American Community Survey and U.S. Census Bureau, and when applicable, includes primary data collected directly by Bowen National Research.

Multifamily Apartments

A survey of multifamily apartment properties was conducted as part of this Housing Market Summary. Multifamily apartments can operate under a number of program types. These can include market-rate rentals and affordable housing programs such as the Low-Income Housing Tax Credit (LIHTC) and various government-subsidized programs. Properties that operate under a LIHTC program, hereinafter referred to as "Tax Credit," are generally restricted to households earning up to 80% of Area Median Housing Income (AMHI), while government-subsidized rental housing typically serves households earning no more than 50% of AMHI and requires tenants to pay only 30% of their income toward housing costs.

The following table summarizes the surveyed multifamily rental supply within the city of Au Gres.

Multifamily Supply by Product Type – Au Gres				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	1	16	0	100.0%
Tax Credit/Government-Subsidized	2	40	0	100.0%
Total	3	56	0	100.0%

Source: Bowen National Research

In the city of Au Gres, a total of three apartment properties were surveyed, comprising a total of 56 units. The overall occupancy rate for the multifamily units in the city is 100%, which reflects no vacant units. Regardless of program type, the occupancy rates are exceptionally high and indicative of a strong market for apartments of various affordability levels. Typically, healthy, well-balanced markets have rental housing vacancy rates generally between 4% and 6%. As such, it appears the Au Gres market has a notable shortage of multifamily apartments, which may represent a potential future development opportunity in the area.

The following tables illustrate the ***median rent by bedroom/bathroom type*** for the surveyed *market-rate* units in Au Gres and Arenac County. Note that the tables only include the most common bedroom/bathroom configurations. Additionally, there were no non-subsidized Tax Credit units surveyed within Au Gres or Arenac County. The median rent ranges for the market-rate and Tax Credit units surveyed within the eight-county region, which includes Arenac County, are included for reference.

Market-Rate Median Rents by Bedroom/Bathroom Type				
Area	One-Br/ 1.0-Ba	Two-Br/ 1.0-Ba	Two-Br/ 2.0-Ba	Three-Br/ 1.5-Ba
Au Gres	$753	$823	-	-
Arenac County	$753	$823	-	-
Region (Range)	$750-$890	$800-$984	$840-$2,349	$998-$1,180

Source: Bowen National Research

Tax Credit Median Rents by Bedroom/Bathroom Type – Region G				
Area	One-Br/ 1.0-Ba	Two-Br/ 1.0-Ba	Two-Br/ 2.0-Ba	Three-Br/ 2.0-Ba
Region (Range)	$597-$820	$700-$900	$828-$999	$903-$1,092

Source: Bowen National Research

As the preceding illustrates, the median rents for market-rate unit configurations in Au Gres are $753 (one-bedroom/1.0-bathroom) and $823 (two-bedroom/1.0-bathroom). Note that the median rents for the market-rate units in the city are identical to those within Arenac County and are on the low end of the median rent range in the region. In addition, the median market-rate rents in Au Gres and Arenac County are within the rent range of similar Tax Credit units in the region. With no availability among the multifamily rentals in the city of Au Gres, residents are likely to seek rental alternatives among the non-conventional supply, which also has limited availability. This can result in households seeking housing options outside the area to find more readily available and/or affordable housing choices.

Housing Choice Vouchers, which are administered by local housing authorities, can be utilized to increase rental housing options for lower-income households. The following table summarizes the number of Housing Choice Vouchers (HCVs) issued, the estimated number of unused vouchers, and the number of households on the housing authority's wait list for the next available vouchers in Arenac County, which includes the city of Au Gres.

Housing Choice Voucher Use – Arenac County				
Total Vouchers Issued	Estimated Unused Vouchers	Unused Voucher Share	Annual Program Turnover	Wait List
13	1	7.7%	2	244

Source: Michigan State Housing Development Authority (MSHDA)

There are currently 13 HCVs issued in Arenac County, of which 12 are currently being utilized. In addition, there are 244 households currently on the wait list for additional vouchers within the county, and the annual program turnover is estimated to be two vouchers. As such, it appears there is extremely high demand for affordable housing in Arenac County and this segment of the market is likely severely underserved.

Non-Conventional Rental Housing

Non-conventional rentals are considered rental units typically consisting of single-family homes, duplexes, units over store fronts, and mobile homes. For the purposes of this particular inventory and analysis, we have assumed that rental properties consisting of four or less units within a structure and mobile homes are non-conventional rentals. Overall, 31.5% of the rental units in the city of Au Gres are classified as non-conventional rentals.

During May 2025, Bowen National Research conducted an online survey and identified five non-conventional rentals that were listed as *available* for rent in Arenac County. Note that due to the very limited number of available non-conventional rentals in the area, all such homes available within Arenac County have been evaluated as part of this analysis, regardless of their inclusion within the city limits of Au Gres.

The following table illustrates the vacancy rate, which compares the number of identified *vacant* non-conventional rentals to the *total number* of non-conventional rentals based on the American Community Survey, for Arenac County.

Non-Conventional Rentals Overview			
Area	Non-Conventional Rentals*	Identified Vacant Units	Vacancy Rate
Arenac County	648	5	0.8%

Source: American Community Survey (2019-2023); ESRI; Bowen National Research
*ACS reported number of rental units within structures of four units or less and mobile homes

With only five available units identified, Arenac County has an overall vacancy rate of 0.8% for non-conventional rentals, which is well below the optimal range of 4% to 6% for non-conventional rentals and indicates a significant lack of available non-conventional supply in the area.

A summary of the available ***non-conventional rental*** units in Arenac County, which includes bedroom type, rent range, and median rent, follows:

Available Non-Conventional Rental Supply – Arenac County			
Bedroom	Vacant Units	Rent Range	Median Rent
One-Bedroom	1	$1,050	$1,050
Two-Bedroom	2	$885 - $1,100	$993
Three-Bedroom	1	$1,150	$1,150
Four-Bedroom+	1	$1,500	$1,500
Total	5		

Source: Zillow; Apt.com; Trulia; Realtor.com; Facebook

Among the five available non-conventional rentals in Arenac County, overall rents range from $885 to $1,500. While the sample size is limited, and nearly all bedroom types only have one available unit, rents appear to generally increase with each subsequent bedroom type. The one- and two-bedroom non-conventional units identified in the county have higher rents than the one- and two-bedroom market-rate

rentals units surveyed in Au Gres. Note that these non-conventional rents do not include utility costs, which are typically $200 or more. While it is not possible to draw broad conclusions regarding the overall non-conventional market from such a small sample size, it is evident that there is a significant lack of availability among non-conventional rentals in the county.

For-Sale Housing

The following table summarizes the *recently sold* (between January 1, 2022 and March 19, 2025) and *available* (as of March 19, 2025) for-sale housing stock for Au Gres and Arenac County.

Sold/Currently Available For-Sale Housing Supply*		
Status	Number of Homes	Median Price
Au Gres		
Sold	44	$159,500
Available	4	$142,250
Arenac County		
Sold	502	$153,500
Available	42	$191,250

Source: Redfin.com & Bowen National Research
*Historical sales (sold) from January 1, 2022 to March 19, 2025; Available supply as of March 19, 2025

Historical sales from January 2022 to March 2025 in the city of Au Gres consisted of 44 homes (8.8% of all homes sold within the county during this time period) with a median sales price of $159,500, which is 3.9% higher than that reported for the county ($153,500) during this time period. The available for-sale housing stock in the city of Au Gres as of March 19, 2025 consists of four total units with a median list price of $142,250. The four units available within the city comprise 9.5% of the 42 total units available for purchase within the county. The median list price of $142,250 within the city is 25.6% lower than the median list price for the county ($191,250).

The following table and graph summarize **_historical_ sales volume** and **median sales price** by year from January 2022 through December 2024.

Sales History/Median Sales Price by Year – Au Gres (January 1, 2022 to December 31, 2024)				
Year	Number Sold	Percent Change	Median Sales Price	Percent Change
2022	14	-	$124,500	-
2023	11	-21.4%	$195,000	56.6%
2024	17	54.5%	$176,000	-9.7%

Source: Redfin.com & Bowen National Research

Au Gres Annual Sales/Median Sales Price (2022-2024)
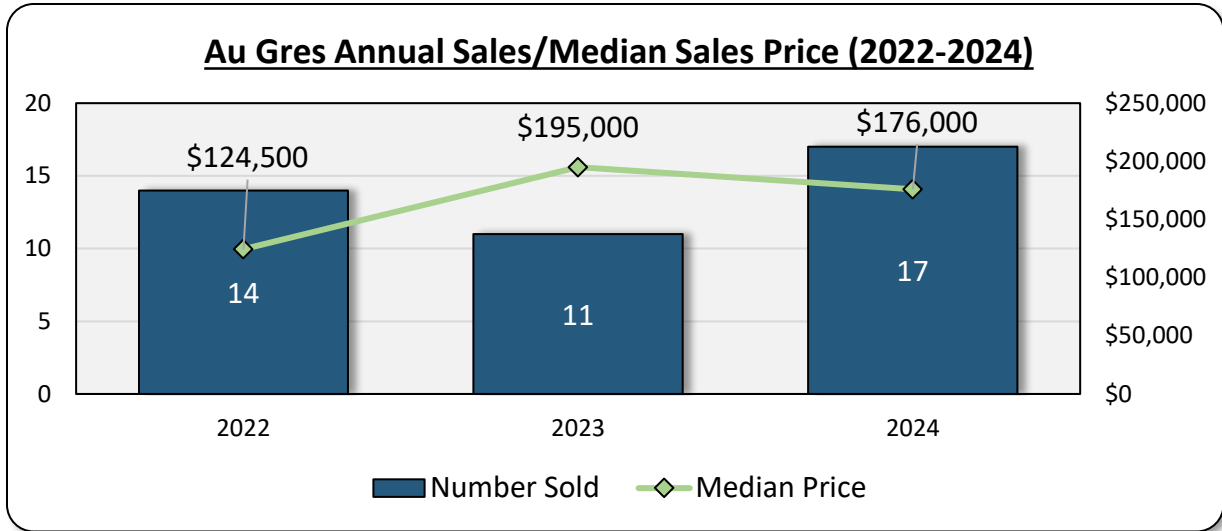
As the preceding illustrates, the volume of home sales in the city of Au Gres fluctuated between 2022 and 2024, averaging 14 home sales per year. During this time period, the median sales price of homes sold in Au Gres also fluctuated from year to year. Collectively, the median sales price of homes sold in Au Gres increased by 41.4% between January 2022 and December 2024.

The following table provides various housing market metrics for the *available* for-sale homes in the city of Au Gres and Arenac County as of March 19, 2025. Note that availability rates and Months Supply of Inventory (MSI) numbers that are indicative of limited availability are highlighted in **red** text.

Area	Total Available Units	% Share of County	Availability Rate / MSI	Median List Price	Average Square Feet	Average Year Built	Average Days on Market
Au Gres	4	9.5%	**1.2%** / **3.5**	$142,250	1,193	1996	127
Arenac County	42	100.0%	**0.7%** / **3.2**	$191,250	1,532	1973	135

Available For-Sale Housing (As of March 19, 2025)

Source: Redfin.com & Bowen National Research

The four available for-sale homes in the city of Au Gres represent 9.5% of the total available for-sale homes in Arenac County. These homes equate to an availability rate of 1.2% when compared to the 345 owner-occupied units in the city, which is higher than the availability rate for Arenac County (0.7%). Based on recent sales history, this inventory represents 3.5 *Months Supply of Inventory* (MSI). Typically, in healthy, well-balanced markets, approximately 2% to 3% of the for-sale housing stock should be available for purchase and there should be between four and six months of available inventory to allow for inner-market mobility and household growth. The available for-sale homes in the city of Au Gres have a median list price of $142,250, an average number of days on market of 127 days, and an average year built of 1996. The data illustrates that there is a limited number of homes available for sale in the city compared to the overall inventory of owner-occupied homes.

Planned & Proposed

In addition to the surveys of each housing type within this overview, Bowen National Research conducted interviews with representatives of area building and permitting departments and performed extensive online research to identify residential projects either planned for development or currently under construction within the Au Gres area. The following summarizes the known details for the housing developments by type that are planned, proposed, or under construction within <u>Arenac County</u>. Note that additional projects may have been introduced into the pipeline since the interviews and research were completed.

Multifamily Rental Housing Development – Arenac County				
Project Name & Address	Type	Units	Developer	Status/ Details
New Dawn 415 South Court Street Au Gres	Market-rate & Income Restricted Senior 55+	16	New Dawn Living	**Under Construction:** Two-bedrooms; May add senior assisted living in future; Four units under construction with ECD summer 2025; Two units will be market-rate and two units will be income restricted (60%/80% AMHI); Remaining units may only be market-rate and no construction date has been set

ECD – Estimated Completion Date
AMHI – Area Median Household Income

For-Sale Housing Development – Arenac County				
Subdivision Name & Address	Product Type	Units/Lots	Developer	Status/Details
Southcourt Estates Court Street & Self Street Au Gres	Single-family	5	City of Au Gres	**Proposed:** Three-bedrooms; One home may be at 60% AMHI through MSHDA Grant listed at $169,000 but could sell at $85,000; Remaining homes $219,000; Square feet at 1,100 to 1,400; In two years, may build five additional homes

AMHI – Area Median Household Income

As the preceding illustrates, there is one multifamily rental housing project and one for-sale housing project in various phases of development in Arenac County. Both projects are located in the Au Gres area and include select units that target low- and moderate-income households.

Development Opportunities

Based on a review of a variety of resources, potential development opportunities (sites) were identified in the subject market. This likely does not represent all development opportunities within the area. Note that the Map Code number for each site corresponds to the Development Opportunity Locations Map included on page VII-12 of the regional Housing Needs Assessment completed for Region G. The sites with an Au Gres address are illustrated in red text.

Development Opportunity Sites – Arenac County						
Map Code	Street Address	Location	Year Built	Building Size (Square Feet)	Land Size (Acres)	Zoning District (Zoning Jurisdiction)
1	South St/S. Santiago Rd	Au Gres	-	-	73.00	Residential (Au Gres)
2	1188 E. Huron Rd.	Au Gres	N/A	14,920	24.51	C Commercial (Au Gres Township)
3	S. Tonkey Rd.	Au Gres	-	-	19.06	AG Agricultural (Sims Township)
4	E. Huron Rd.	Omer	-	-	6.00	No Zoning
5	429 E. Center St.	Omer	1900	4,700	6.99	C-1 Commercial (Omer)
6	M-61/Lincoln Rd.	Standish	-	-	84.60	No Zoning
7	S. Huron Rd.	Standish	-	-	4.58	C-2 General Business District (Standish)
8	Elm St./Reeves Dr.	Standish	-	-	5.66	C-2 General Business District (Standish)
9	4713 W. M-61	Standish	1990	210,000	117.72	IND - Industrial District (Standish)

Sources: LoopNet, Realtor.com, Michigan Economic Development Corporation, County Equalization and GIS websites
Note: Total land area includes total building area; Location reflects postal address of site; Zoning jurisdiction reflects specific municipality or township

Overall, there were nine development opportunity sites identified within Arenac County comprising a total of 342.12 acres of land. Three of the 10 sites are located in the Au Gres area, reflecting a combined 116.57 acres of land.

E. HOUSING GAP

The city of Au Gres is located in Arenac County. As shown in the Housing Needs Assessment for Region G, the county has an overall housing gap of 748 units, with gaps of 140 rental units and 608 for-sale units. While a variety of factors influence the decisions of where people ultimately choose to live and where developers choose to develop, it is assumed that individual communities can reasonably capture a "fair share" of the overall county's housing needs. As such, we have applied the subject market's current portion of the overall county's renter and owner households to the county's housing gap estimates to derive the local community's estimated housing gaps. However, we recognize that it is possible that development efforts in the city of Au Gres could potentially satisfy the overall needs of the county, which were considered in the following demand estimates. Considering the preceding factors, a housing gap range is shown for each income segment in the following table. The low end of this range is reflective of the minimum housing gap/need for each segment based on the *city's* current share of the countywide housing stock. Comparatively, the high end of this range is reflective of total *county* housing gap/need for each segment.

The following table summarizes the rental and for-sale housing gaps by income and affordability levels for the city of Au Gres. Details of the methodology and data used to derive the housing gap estimates are provided in Section VIII of the separate Region G Housing Needs Assessment.

	Au Gres (Arenac County), Michigan				
	Housing Gap Estimates (2024-2029)				
Percent of AMHI	≤60%	61%-80%	81%-120%	121%+	Total Housing Gap
Household Income*	≤$49,140	$49,141-$65,520	$65,521-$98,280	$98,281+	
Rent Range	≤$1,229	$1,230-$1,638	$1,639-$2,457	$2,458+	
Price Range	≤ $163,800	$163,801-$218,400	$218,401-$327,600	$327,601+	
Rental Housing Gap	9 - 78	4 - 37	3 - 23	0 - 2	**16 - 140**
For-Sale Housing Gap	0 - 0	7 - 120	20 - 324	10 - 164	**37 - 608**

Source: Bowen National Research
AMHI – Area Median Household Income
*Based on HUD limits for Arenac County (4-person limit)

As the preceding table illustrates, the projected housing gaps over the next five years encompass a variety of affordability levels for both rental and for-sale housing product. Overall, it is estimated that the city of Au Gres has a *minimum* rental housing gap of 16 units and a *minimum* for-sale housing gap of 37 units. While the local market could outperform these minimum estimates and serve a greater portion of the overall county's housing needs, these housing gap estimates should provide a baseline for establishing priorities within the community.

F. STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

A SWOT analysis often serves as the framework to evaluate an area's competitive position and to develop strategic planning. It considers internal and external factors, as well as current and future potential. Ultimately, such an analysis is intended to identify core strengths, weaknesses, opportunities, and threats that can lead to strategies that can be developed and implemented to address local housing issues.

The following is a summary of key findings from this SWOT analysis for the city of Au Gres.

SWOT Analysis	
Strengths	**Weaknesses**
1.2% projected increase in owner households (2024-2029) 20% projected increase in median household income between 2024 and 2029 - Projected increase in renter households earning between $50,000 and $99,999 (2024 and 2029) - Projected increase in owner households earning $50,000+ between 2024 and 2029. - Overall affordability of housing in the city and county - Increase in total county employment (2022-2024) - Newer housing stock in city compared to county	- Higher share (10.4%) of population with no high school diploma compared to state share - High share (25.3%) of population with incomes below poverty level compared to county and state shares 5.1% projected decrease in renter households (2024-2029) - A significant share (64.6%) of renter households in the city are cost burdened (paying more than 30% of income toward housing expenses). - No vacancies among multifamily units and low availability among non-conventional rental supply in the city and county - Lack of non-subsidized Tax Credit product in the city and county - Low availability rate (1.2%) among for-sale homes in the city
Opportunities	**Threats**
- Housing need of at least 16 rental units (2024-2029) - Housing need of at least 37 for-sale units (2024-2029) - Attract some of the 353 commuters coming into the county for work to live in the county - A 16-unit rental property is under construction in the city, which will provide much needed *available* rental housing.	- High unemployment rate in county (6.9% in 2024) - The 16.9% increase projected for seniors aged 75 and older in the next five years may result in availability issues for senior-oriented housing - A low share (37.4%) of in-migrants to the city are under the age of 55. - Very high share (87.4%) of vacant housing units are classified as seasonal/recreational (may indicate absorption of permanent housing options) - City risks losing some of the 229 residents that commute outside the city for employment, particularly those (22.1%) with 60+ minute commutes

The city of Au Gres has experienced household decline since 2010. Household decline in the city is projected to continue through 2029, though a slight increase in owner occupied households is projected in the city during the next five years. Despite relatively affordable housing within the area, there is a high overall poverty rate and a significant share of renter households in the city are cost burdened. However, increases are projected for both renter and owner households earning $50,000 or more over the next five years. Availability is a notable issue among both rental and for-sale housing alternatives, which may increase the probability of residents seeking housing options outside the city and county. Among the vacant housing units in the city, American Community Survey data indicates that 87.4% of these units are classified as seasonal/recreational. While this is likely an important component of the local economy, this segment of the market should be closely monitored to ensure permanent housing options are not being absorbed by the short-term rental market. Currently there are minimum housing gaps of 16 rental units and 37 for-sale units in the city. Given the number of in-commuters and the 16-unit rental property that is currently under construction, additional opportunities exist to increase the city's household base.

III. QUALIFICATIONS

The Company

Bowen National Research employs an expert staff to ensure that each market study includes the highest standards. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has national experience and knowledge to assist in evaluating a variety of product types and markets.

Primary Contact and Report Author

Patrick Bowen, President of Bowen National Research, has conducted numerous housing needs assessments and provided consulting services to city, county and state development entities as it relates to residential development, including affordable and market-rate housing, for both rental and for-sale housing, and retail development opportunities. He has also prepared and supervised thousands of market feasibility studies for all types of real estate products, including housing, retail, office, industrial and mixed-use developments, since 1996. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida and currently serves as Chairman of the National Council of Housing Market Analysts (NCHMA).

Housing Needs Assessment Experience		
Location	**Client**	**Completion Year**
Asheville, NC	City of Asheville Community and Economic Development Department	2020
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2020
Youngstown, OH	Youngstown Neighborhood Development Corporation (YNDC)	2020
Richlands, VA	Town of Richlands, Virginia	2020
Elkin, NC	Elkin Economic Development Department	2020
Grand Rapids, MI	Grand Rapids Area Chamber of Commerce	2020
Morgantown, WV	City of Morgantown	2020
Erwin, TN	Unicoi County Economic Development Board	2020
Ferrum, VA	County of Franklin (Virginia)	2020
Charleston, WV	Charleston Area Alliance	2020
Wilkes County, NC	Wilkes Economic Development Corporation	2020
Oxford, OH	City of Oxford - Community Development Department	2020
New Hanover County, NC	New Hanover County Finance Department	2020
Ann Arbor, MI	Smith Group, Inc.	2020

Housing Needs Assessment Experience (CONTINUED)		
Location	**Client**	**Completion Year**
Austin, IN	Austin Redevelopment Commission	2020
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2021
Giddings, TX	Giddings Economic Development Corporation	2021
Georgetown County, SC	Georgetown County	2021
Western North Carolina (18 Counties)	Dogwood Health Trust	2021
Carteret County, NC	Carteret County Economic Development Foundation	2021
Ottawa County, MI	HOUSING NEXT	2021
Dayton, OH	Miami Valley Nonprofit Housing Collaborative	2021
High Country, NC (4 Counties)	NC REALTORS	2022
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2022
Barren County, KY	The Barren County Economic Authority	2022
Kirksville, MO	City of Kirksville	2022
Rutherfordton, NC	Town of Rutherfordton	2022
Spindale, NC	Town of Spindale	2022
Wood County, WV	Wood County Development Authority & Parkersburg-Wood County Area Development Corporation	2022
Yancey County, NC	Yancey County	2022
Cherokee County, NC	Economic and Workforce Development, Tri-County Community College	2022
Rowan County, KY	Morehead-Rowan County Economic Development Council	2022
Avery County, NC	Avery County	2022
Muskegon, MI	City of Muskegon	2023
Firelands Region, OH	Firelands Forward	2023
Marshall County, WV	Marshall County Commission	2023
Lebanon County, PA	Lebanon County Coalition to End Homelessness	2023
Northern, MI (10 Counties)	Housing North	2023
Muskegon County, MI	Community Foundation for Muskegon County	2023
Mason County, MI	Mason County Chamber Alliance	2023
Oceana County, MI	Dogwood Community Development	2023
Allegan County, MI	Allegan County Community Foundation	2023
Bowling Green, KY	City of Bowling Green	2023
Fayette County, PA	Fay-Penn Economic Development Council	2023
Tarboro, NC	Town of Tarboro	2023
Southwest Region, WV (10 Counties)	Advantage Valley	2023
Lake County, MI	FiveCap, Inc.	2023
Owensboro, KY	City of Owensboro	2023
Burke County, NC	Burke County	2023
Charleston, WV	Charleston Land Reuse Agency	2024
Huntington, WV	Huntington Municipal Development Authority	2024
Cabarrus, Iredell, Rowan Counties, NC	Cabarrus, Iredell and Rowan County Housing Consortium	2024
Carolina Core Region, NC (21 Counties)	NC Realtors	2024
Shiloh Neighborhood, NC	Dogwood Health Trust	2024
Muhlenberg County, KY	Muhlenberg Economic Growth Alliance	2024
Macon County, NC	Macon County	2024
Statewide Kentucky	Kentucky Housing Corporation	2024
Clarksville, TN	Clarksville Montgomery County Regional Planning Commission	2024
Stone County, MO	Table Rock Lake Chamber of Commerce	2024
Dakota County, MN	Dakota County Community Development Agency	2024

Housing Needs Assessment Experience (CONTINUED)		
Location	**Client**	**Completion Year**
Independence County, AR	Batesville Area Chamber of Commerce	2024
Statewide North Carolina	NC Chamber	2024
Northeast, MI (11 Counties)	Target Alpena Development Corporation	2024
Tampa Region, FL (3 Counties)	Greater Tampa REALTORS and Pinellas REALTOR Organization/ Central Pasco REALTOR Organization	2024
Hopkinsville, KY	City of Hopkinsville	2024
New River Gorge Region, WV	New River Gorge Regional Development District	2025
Evansville, IN	City of Evansville, Department of Metropolitan Development	2025
Johnson City, TN	City of Johnson City	2025
Ottawa County, MI	HOUSING NEXT	2025
Grand Rapids (Kent County), MI	HOUSING NEXT	2025

The following individuals provided research and analysis assistance:

Christopher Bunch, Market Analyst, has more than two decades of experience in conducting both site-specific market feasibility studies and broader housing needs assessments. He has conducted on-site market research of a variety of housing product, conducted stakeholder interviews and completed specialized research on housing market attributes including the impact of military personnel, heirs and estates and other unique factors that impact housing needs. He holds a bachelor's degree in geography from Ohio University.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. Ms. Johnson also coordinates and oversees research staff and activities. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Pat McDavid, Market Analyst, has conducted housing research for housing needs assessments completed throughout the country. Additionally, he is experienced in analyzing demographic and economic data in rural, suburban and metropolitan communities. Mr. McDavid has been a part of the development of market strategies, operational and fiscal performance analysis, and commercial, industrial and government (local, state, and federal) client consultation within the construction and manufacturing industries. He holds a bachelor's degree in educational studies from Western Governors University.

Jody LaCava, Research Specialist, has more than a decade of real estate research experience. She has extensive experience in surveying a variety of housing alternatives, including rental, for-sale, and senior housing. She has experience in conducting on-site research of real estate, evaluating existing housing properties, conducting interviews, and evaluating community services. She has been involved in industry leading case studies, door-to-door resident surveys and special needs housing research.

In-House Researchers – Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices and chambers of commerce, housing authorities and residents.

No subconsultants were used as part of this assessment.