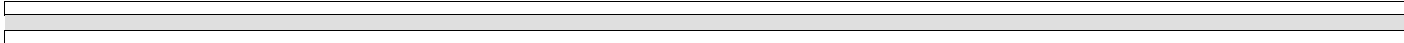
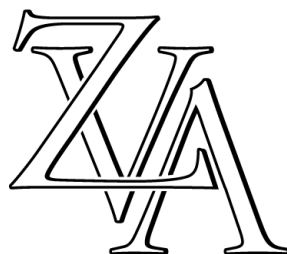

AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

Hartland Township

Livingston County,
Michigan

August, 2014

Conducted by
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Research & Strategic Analysis

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AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

Hartland Township
Livingston County, Michigan

August, 2014

INTRODUCTION

This study identifies the optimum market position for new housing units that could be developed over the next several years in Hartland Township, Michigan.

The extent and characteristics of the potential market for new and existing housing units within the township were identified using Zimmerman/Volk Associates' proprietary target market methodology. In contrast to conventional supply/demand analysis—which is derived from supply-side dynamics and baseline demographic projections—target market analysis establishes the market potential for new and existing housing based on the housing preferences and socio-economic characteristics of households in the relevant draw areas.

The target market methodology is particularly effective in defining realistic housing potential for new and existing neighborhoods because it encompasses not only basic demographic characteristics, such as income qualification and age, but also less-frequently analyzed attributes such as mobility rates, lifestage, lifestyle patterns, and household compatibility issues (*see METHODOLOGY provided with detailed tabular data in a separate document*).

In brief, using the target market methodology, Zimmerman/Volk Associates determined:

- Where the potential renters and buyers of new and existing housing units in Hartland Township are likely to move from (the draw areas);

- How many households, in groups with annual incomes of \$50,000 or more, have the potential to move within and to the township each year (depth and breadth of the market);
- What their housing preferences are in aggregate (rental or ownership, multi-family or single-family);
- Who the households are that represent the potential market for new and existing units in the Township (the target markets);
- What their current housing alternatives are (relevant rental and for-sale development in the market area);
- What the target households are currently able to pay (market-entry base rents and prices); and
- How quickly the new units will lease or sell (absorption forecasts).

CONCLUSIONS OF THE ANALYSIS

This study has determined that, from the market perspective, up to 500 new rental and for-sale market-rate dwelling units could be developed and absorbed within Hartland Township over the next five to six years.

- The study has established that an annual average of 1,260 households represent the potential renters and buyers of new and existing housing units within Hartland Township each year over the next five years.
- These 1,260 households are in target groups with median annual incomes of \$50,000 or more.
- 380 of these 1,260 households are potential renters of new housing units.
 - The annual incomes of these 380 households can support base rents, excluding utilities, ranging from \$850 to \$1,500 per month, for studio to three-bedroom units containing 600 to 1,250 square feet.
 - Based on the recommended unit configurations and proposed rents, absorption is forecast at an average of 60 units per year.
 - To achieve this absorption pace, new rental development in Hartland Township would need to capture less than 16 percent of the 380 annual potential renters of new units.
- 140 of those 1,260 households are potential purchasers of new condominiums (multi-family for-sale).
 - The annual incomes of these 140 households can support base prices of condominiums ranging from \$150,000 to \$265,000, for one- to three-bedroom units containing 900 to 1,650 square feet.
 - Based on the recommended unit configurations and proposed prices, absorption is forecast at an average of 12 units per year.

- To achieve this absorption pace, new condominium construction would need to capture just 8.6 percent of the 140 annual potential condominium purchasers.
- 150 of those 1,260 households are potential purchasers of new rowhouses/townhouses (single-family attached for-sale).
 - The annual incomes of these 150 households can support base prices of new townhouses ranging from \$185,000 to \$300,000, for two- and three-bedroom units containing 1,150 to 1,650 square feet.
 - Based on the recommended unit configurations and proposed prices, absorption is forecast at an average of 12 units per year.
 - To achieve this absorption pace, new townhouse construction would need to capture just eight percent of the 150 annual potential purchasers of townhouses.
- 230 of those 1,260 households are potential purchasers of new village houses (low-range single-family detached for-sale).
 - The annual incomes of these 230 households can support base prices of new village houses ranging from \$195,000 to \$285,000 for two- and three-bedroom units containing 1,200 to 1,800 square feet.
 - Based on the recommended unit configurations and proposed prices, absorption is forecast at an average of 16 units per year.
 - To achieve this absorption pace, new village house construction would need to capture just seven percent of the 230 annual potential purchasers of new village houses.
- 210 of those 1,260 households are potential purchasers of new neighborhood houses (mid-range single-family detached for-sale).

- The annual incomes of these 210 households can support base prices of new neighborhood houses ranging from \$295,000 to \$375,000 for three- and four-bedroom units containing 1,850 to 2,500 square feet.
- Based on the recommended unit configurations and proposed prices, absorption is forecast at an average of 14 units per year.
- To achieve this absorption pace, new construction would need to capture just 6.7 percent of the 210 annual potential purchasers of new neighborhood houses.
- 150 of those 1,260 households are potential purchasers of new estate houses (high-range single-family detached for-sale).
 - The annual incomes of these 150 households can support base prices of new estate houses ranging from \$400,000 to \$500,000 for four-bedroom units containing 2,550 to 3,300 square feet.
 - Based on the recommended unit configurations and proposed prices, absorption is forecast at an average of 10 units per year.
 - To achieve this absorption pace, new construction would need to capture only 6.7 percent of the 150 annual potential purchasers of new estate houses.

As derived from the target households' tenure and housing propensities, 500 new units would include 150 new rental apartments; 56 new condominiums; 60 new townhouses; 91 new village houses; 83 new neighborhood houses; and 60 new estate houses. Again, annual market capture is projected at 60 rental units, 12 condominiums, 12 townhouses, 16 village houses, 14 neighborhood houses, and 10 estate houses—a total of 124 new units absorbed per year, of which 64 are new for-sale units.

Based on those projections, 150 new rental apartments would be leased in two and a half years; 56 condominiums would be sold in less than five years; and 60 fee-simple townhouses, 91 village houses, 83 neighborhood houses, and 60 estate houses would be sold in less than six years. (Absorption periods for for-sale housing types are always longer than for rentals.)

Housing types (*see UNIT AND BUILDING TYPES at the end of this document*) that could be developed in and around the intersection of Highland Road with Fenton/North Pleasant Valley Roads include:

- Small condominium multi-family buildings (“mansion” apartment buildings that accommodate from four to six units and resemble large single-family detached houses);
- Larger rental multi-family buildings (“courtyard” apartment buildings, preferably with commercial ground-floor uses);
- For-sale townhouses in small groups (no more than three or four in a row).

Housing types that could be developed in and around the area east of the Hartland High School, Hartland Middle School, and the Creekside Elementary School, south of the Village Elementary School, and north of Dunham Road include village, neighborhood, and estate detached houses.

Housing types that could be developed in and around the intersection of U.S. Route 23 and Clyde Road include rental and condominium multi-family buildings and for-sale townhouses.

Financing for mixed-use buildings is often very challenging to obtain, even in times of normal capital flows. For example, small mixed-use buildings often exceed the Fannie Mae and Freddie Mac maximums for non-residential uses, precluding access to the secondary mortgage market. Small properties have also historically had difficulties attracting public capital assistance in any form; because of their small size, they are generally not considered to have the potential for catalytic impact, despite the fact that several strategically-located smaller buildings can often establish a neighborhood more effectively than the same number of units in a single location.

OVERVIEW OF HARTLAND TOWNSHIP

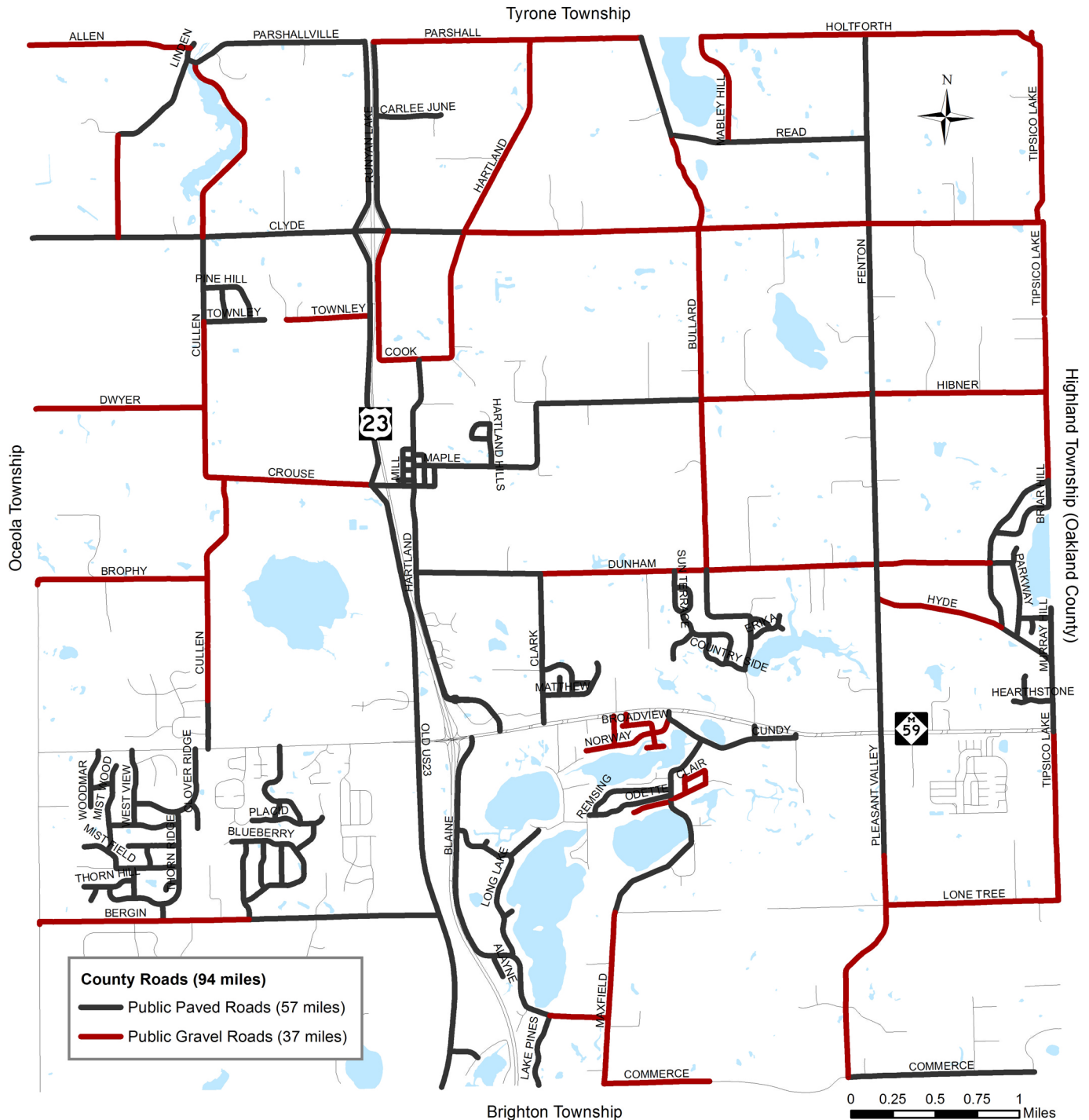
Hartland Township is situated on the eastern edge of Livingston County, encompassing approximately 37.7 square miles, and bordered by Tyrone Township to the north, Highland Township in Oakland County to the east, Brighton Township to the south, and Oceola Township to the west. The township was established at the same time as the county, in 1836, and much of its growth is attributable to the Crouse family, with the arrival of the Crouse brothers, Robert and Chauncey, in 1842.

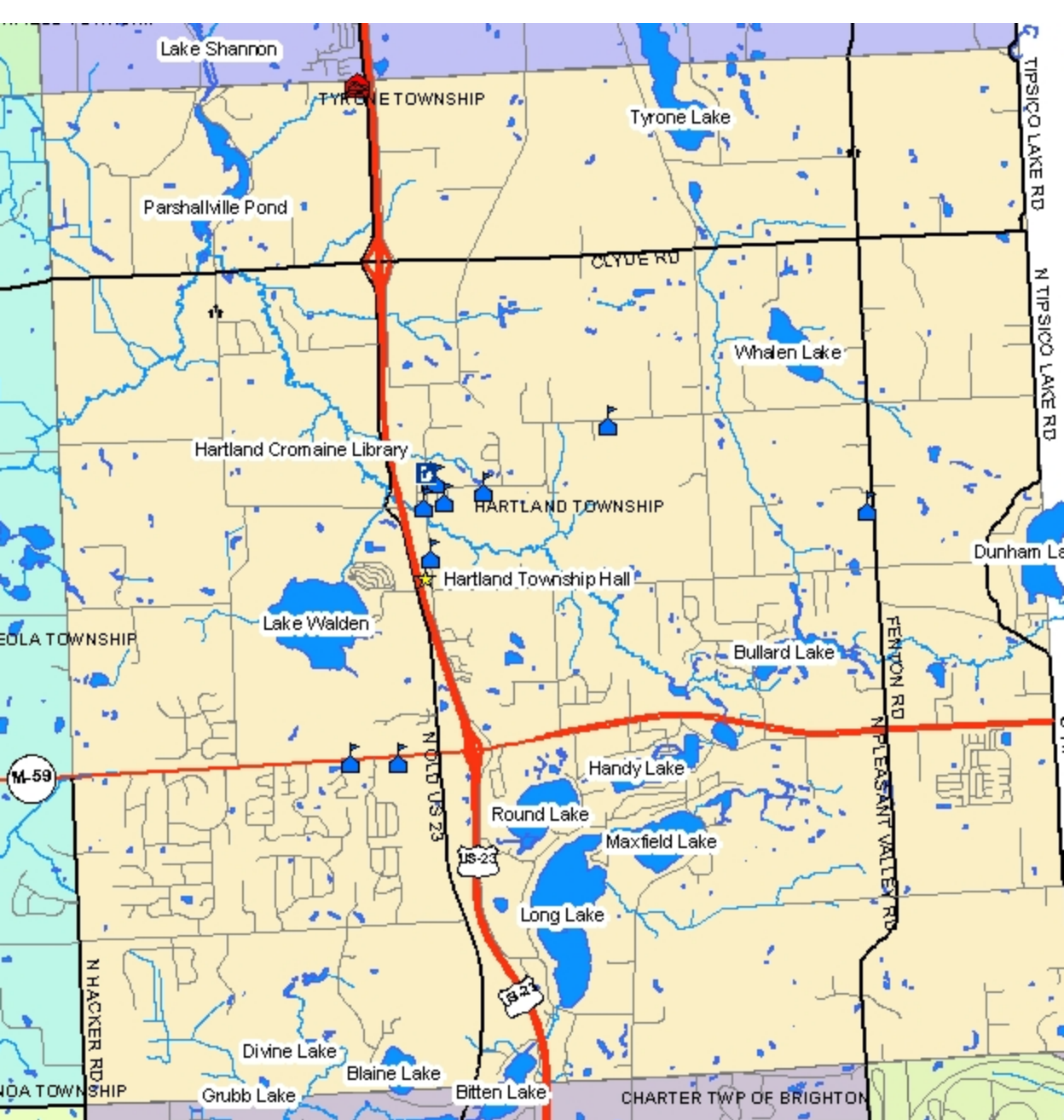
Hartland Township is located approximately 10 miles north of the City of Brighton and approximately 10 miles east of the City of Howell. The City of Ann Arbor lies 26 miles south of the township via U.S. 23 South, and Detroit is 51 miles southeast of Hartland Township via U.S. 23 South, Interstates 96 and 696, and the John C. Lodge Freeway. Lansing, the state capitol, is reached via West Highland Road (M-59), Interstate 96, and Interstate 496.

Two major thoroughfares intersect in Hartland Township: M-59, which crosses the township in an east-west direction, linking Interstate 96 in Howell and Interstate 94 in the east; and U.S. 23, which, on its way from Jacksonville, Florida to Mackinaw City, crosses the township in a north-south direction. One other road, Clyde Road, traverses the entire township from east to west, and it is a gravel road west of U.S. 23. Only one other road, Fenton Road/North Pleasant Valley Road, runs from beyond the township's northern border to beyond the township's southern border and it turns to gravel north of Lone Tree Road. Livingston County has jurisdiction over 94 of the 106 miles of public roads in the township, and 37 of those 94 miles are unpaved. (*See MAP following this page.*)

The nearest airport is Bishop International Airport, located in Flint 24 miles from Hartland Township, accommodating domestic flights and some flights to Canada. Offering similar service is the Capital Region International Airport in Lansing, 54 miles away. The largest airport, approximately 51 miles from Hartland, is Detroit Metropolitan Wayne County Airport, a Delta Airlines hub, with domestic and international service provided by a variety of airlines.

Public Paved Roads and Public Gravel Roads in Hartland Township





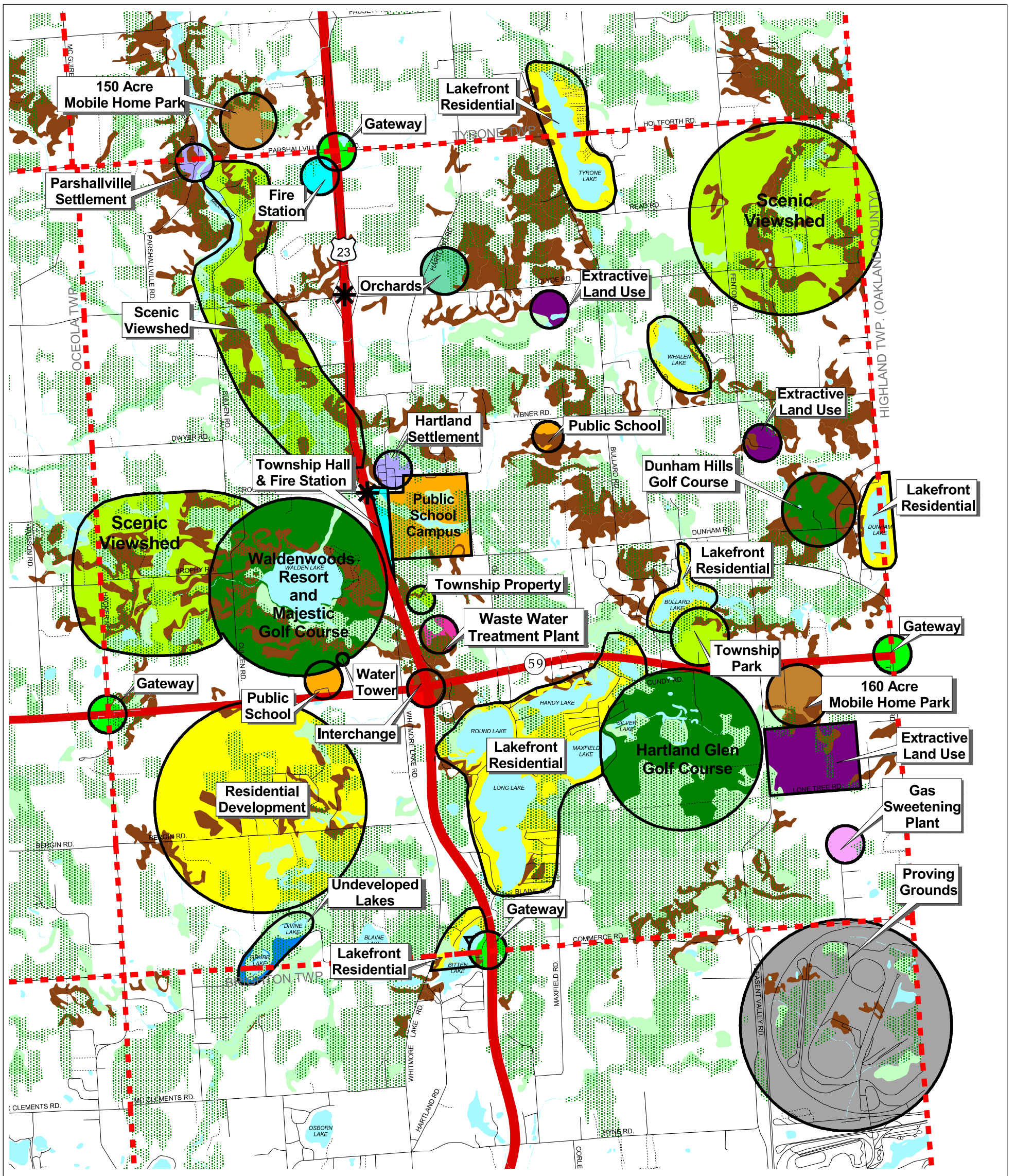
The principle settlement in Hartland Township is the township's historic downtown, Hartland Village, which flanks Avon Road/Hartland Road north of Crouse Road. The village is home to several important township institutions: the Florence B. Dearing Museum, the Hartland Music Hall, the United States Post Office, the Cromaine Village Library, the Hartland Village Cemetery, as well as historic churches, residences, shops, eateries, and small businesses, and the Hartland Village Elementary School on Hibner Road. The Hartland Township Fire Hall, Hartland High School, Hartland Middle School, and the Creekside Elementary School are all located off Hartland Road south of the village.

Hartland Township Hall and the 100-acre Hartland Settlers Park are located on Clark Road; Hartland Heritage Park, which includes 10 sports fields for football, lacrosse, and soccer, is found on Highland Road west of Fenton Road. Multiple lakes and waterways are situated throughout the township; Lake Walden is site of the Waldenwoods Family Recreation Resort and the 27-hole Majestic at Lake Walden Golf Course and Jerry Matthews driving range. The township is also home to the 36-hole Hartland Glen Golf Course and driving range located south of Highland Road and to the Dunham Hills Golf Club on Dunham Road.

Parshallville is a smaller settlement only partially located in Hartland Township and is the site of the Parshallville Cider Mill (formerly Tom Walker's Grist Mill), a 136-year-old water-powered mill, which during the autumn produces and sells cider, apples and related foodstuffs.

The central business district in Hartland Township is now found in and around the intersections of M-59 (Highland Road) with Old U.S. Highway 23, U.S. 23, and Hartland Road. This area includes two major grocery stores, Meijer and Kroger, a Walmart Supercenter, and a Target, stores which anchor shopping centers featuring national, local and regional tenants, ranging from restaurants, coffee shops, beauty parlors, a Best Western, to multiple other purveyors of goods and services.

Hartland Township, Livingston County, Michigan



Base Map Source: Michigan DNR/MIRIS
 Data Source: Michigan DNR/MIRIS, NWI
 as Available on 9/26/02,
 McKenna Associates, Inc.



Based on past demographic trends, the Nielsen Company, a respected provider of Census-based demographic data, estimates that the township's *population* reached 15,055 persons in 2014, up from 14,663 persons as of the 2010 Census, an increase of almost 2.7 percent. That growth was in addition to the gain of more than 3,360 persons between the 2000 Census and the 2010 Census. Nielsen projects that the city's population will climb to 15,450 persons by 2019, an increase of over 2.6 percent over the next five years. (See Table 1.)

There were 3,698 *households* in Hartland Township as of the 2000 Census, rising to 5,154 households by the 2010 Census. Between 2014 and 2019, the number of households are projected to increase from 5,286 to 5,426 households. The 2019 projection represents household growth of more than 46 percent since the year 2000.

The number of persons per household has a significant impact on the type of housing required by households living in the township.

- Just under 51 percent of all households currently living in Hartland Township contain just one or two persons (almost nine percentage points below the national share of 59.5 percent).
- 17.9 percent contain three persons (compared to the national share of 16.2 percent).
- The remaining 31.4 percent contain four or more persons (24.3 percent nationally).

The composition of those households can also affect the type of housing required and influence housing preferences.

- Approximately a third of the township's households can be characterized as traditional families, *e.g.*—married couples with children under age 18 (21.8 percent nationally).
- Non-traditional families with children, *e.g.*—single persons with children under 18, represent less than eight percent of the township's households (11.7 percent nationally).
- The remaining 58.4 percent of Hartland Township households do not have children under 18 and include married couples (33.8 percent), other non-traditional family

households (4.3 percent, related adults living in the same households), and 20.3 percent non-family households (unrelated or single adults living in the same household).

Median household income in the township is estimated at \$78,122, almost 17 percent higher than the Livingston County median of \$66,938. More than a third of Hartland Township's households have incomes above \$100,000 per year.

The township's population is less diverse than the nation as a whole.

- Nearly 96 percent of the township's current residents are white (71.3 percent nationally).
- Less than one percent are African American (12.7 percent nationally).
- 1.2 percent are Asian (over five percent nationally).
- The remaining 2.3 percent are native Hawaiian, some other race, or a mix of two or more races (16 percent nationally).

Less than three percent of the population is Hispanic/Latino by origin, predominantly Mexican, Puerto Rican, and Cuban (17.6 percent nationally).

Hartland Township residents are significantly better educated than the nation as a whole. Over 34 percent of all township residents aged 25 or older have a college or advanced degree, well above the national share of 28.4 percent.

Single-family detached houses are the predominant housing type in Hartland Township.

- Nearly 81 percent of the township's 5,574 housing units are single-family detached houses (61.6 percent in the U.S.).
- Three percent are single-family attached units (5.8 percent nationally).
- 1.2 percent are units in two-unit buildings (3.8 percent nationally).
- 5.4 percent are located in buildings of three to 19 units (just under 14 percent nationally).
- Less than one percent are in buildings of 20 or more units (8.5 percent nationally).

- Nearly 8.7 percent of township units are mobile homes, trailers, boats, RVs, or vans (6.7 percent nationally).

Approximately five percent of all township housing units are currently estimated to be vacant. Of the 5,286 occupied units, 12.6 percent are rented and 87.4 percent are owner-occupied, a very high homeownership rate—the national homeownership rate is 65 percent.

The median year built of the township's housing stock is 1992. Over 27 percent of all housing units were built during the 1990s, with over 20 percent constructed during the 1970s, and just under 20 percent between 2000 and 2004. The median value of owner-occupied dwelling units in the township is estimated at \$200,142, almost 10 percent higher than the national median of \$182,100.

Residents of Hartland Township also have higher rates of automobile ownership than the nation as a whole, in part because there is very limited public transportation in the township.

- 2.3 percent of the township's households do not own an automobile (just under 10 percent nationally).
- Less than 20 percent own only one vehicle (34 percent nationally).
- Nearly 78 percent own two or more vehicles (nearly 57 percent nationally).

The primary transportation to work for Hartland Township employees aged 16 and older is the automobile, again because there are few transportation alternatives in the township.

- Nearly 88 percent drive alone to work (76.4 percent nationally).
- Just under seven percent car-pool (9.8 percent nationally).
- Only 0.15 percent take public transportation (five percent nationally)
- Just 1.7 percent walk to work (less than three percent nationally).
- The remaining 3.5 percent either work at home (2.6 percent) or have other means of getting to work (0.9 percent). (Nationally, 4.3 percent work at home, and over 1.7 percent have other means.)

Approximately 66 percent of the township's residents over age 16 are employed in white-collar occupations, 20.8 percent blue-collar, and 13.2 percent service and farm occupations. Nationally, white-collar jobs make up more than 60 percent of all employment, blue-collar 20.4 percent, and service and farm occupations 18.9 percent.

Nearly three-quarters of the township's residents over age 16 are employed by private businesses, six percent work for non-profit private companies, and 12.3 percent are local, state, or federal government employees. Just 6.8 percent are self-employed, and 0.17 percent are unpaid family workers.

By occupation, sales and related jobs account for the largest percentage of civilian employees, at 12.1 percent, followed by office and administrative support at 11.7 percent, and management positions at 10.7 percent. These are roughly comparable to the national numbers: nationally, sales and related occupations represent just under 11 percent; office and administrative support 13.7 percent; and management 10.7 percent of national civilian employment.

SOURCES: U.S. Bureau of the Census; The Nielson Company;
Zimmerman/Volk Associates, Inc.

Key Demographic Data
2014 Estimates

	<u>Hartland Township</u>	<u>Livingston County</u>	<u>United States</u>
Population	15,055	183,764	317,199,353
Households	5,286	69,210	120,163,305
Housing Units	5,574	74,761	135,654,502
1&2 pp HHs†	50.7%	56.6%	59.5%
3 pp HHs	17.9%	17.2%	16.2%
4+ pp HHs	31.4%	26.2%	24.3%
Married couples w/ children	33.7%	28.0%	21.8%
Single persons w/ children	7.9%	7.9%	11.7%
HHs without children	58.4%	64.1%	66.5%
Median HH income	\$78,122	\$66,938	\$51,579
HHs below \$25,000	8.5%	14.5%	24.4%
White	95.6%	95.9%	71.3%
African American	0.9%	0.9%	12.7%
Asian	1.2%	0.9%	5.0%
Other	2.3%	2.3%	16.0%
Hispanic/Latino	2.9%	2.4%	17.6%
Single-family attached units	3.0%	5.3%	5.8%
Single-family detached units	80.8%	80.6%	61.6%
Units in 2-unit bldgs.	1.1%	1.0%	3.8%
Units in 3- to 19-unit bldgs.	5.4%	6.1%	13.7%
Units in 20+-unit bldgs.	1.0%	1.3%	8.5%
Mobile home or trailer	8.7%	5.7%	6.7%
Vacant units	5.2%	7.4%	11.4%
Renter-occupied units	12.6%	14.8%	35.0%
Owner-occupied units	87.4%	85.2%	65.0%
Units new since 2005	8.2%	5.7%	15.8%
Median housing value	\$200,142	\$181,207	\$182,060
No vehicle ownership	2.3%	3.3%	9.2%
Own 1 vehicle	19.8%	24.7%	33.9%
Own 2 or more vehicles	77.9%	72.0%	56.9%
Drive alone	87.9%	85.7%	76.4%
Car-pool	6.8%	7.8%	9.8%
Take public transportation to work	0.2%	0.2%	5.0%
Walk to work	1.7%	1.1%	2.8%
Other	3.4%	5.2%	6.1%
White-collar employment	66.0%	63.4%	60.7%
Blue-collar employment	20.8%	21.6%	20.4%
Service/farm employment	13.2%	15.0%	18.9%

† HH=Household

SOURCES: U.S. Bureau of Census; The Nielsen Company;
Zimmerman/Volk Associates, Inc.

Employment Information
Hartland Township, Livingston County, Michigan
2014 Estimates

Population 16+	11,720	
By Employment Status	11,720	100.0%
In Armed Forces	16	0.1%
Employed Civilians	7,491	63.9%
Unemployed Civilians	667	5.7%
Not in Labor Force	3,546	30.3%
Employed Civilian By Worker Class	7,649	100.0%
For-Profit Private	5,717	74.7%
Non-Profit Private	460	6.0%
Local Government	562	7.3%
State Government	305	4.0%
Federal Government	72	0.9%
Self-Employed	520	6.8%
Unpaid Family	13	0.2%
Employed Civilian By Occupation	7,649	100.0%
Architect/Engineer	367	4.8%
Arts/Entertainment/Sports	34	0.4%
Building Grounds Maintenance	198	2.6%
Business/Financial	492	6.4%
Community/Social Services	137	1.8%
Computer/Mathematical	194	2.5%
Construction/Extraction	339	4.4%
Education/Training/Library	451	5.9%
Farming/Fishing/Forestry	16	0.2%
Food Preparation/Serviing	375	4.9%
Health Practitioner/Technician	639	8.4%
Healthcare Support	94	1.2%
Maintenance Repair	438	5.7%
Legal	59	0.8%
Life/Physical/Social Sciences	34	0.4%
Management	821	10.7%
Office/Administrative Support	898	11.7%
Production	515	6.7%
Protective Services	137	1.8%
Sales/Related	926	12.1%
Personal Care/Services	190	2.5%
Transportation/Moving	295	3.9%

SOURCES: U.S. Bureau of Census; The Nielsen Company;
 Zimmerman/Volk Associates, Inc.

MARKET POTENTIAL FOR HARTLAND TOWNSHIP

The most recent Livingston County migration and mobility data—as derived from taxpayer records compiled by the Internal Revenue Service from 2006 through 2010 and from the 2012 American Community Survey five-year estimates for Hartland Township—shows that the draw areas for new and existing housing units in the township include the following:

- The primary draw area, covering households currently living within the township.
- The secondary draw area, covering households currently living in the balance of Livingston County.
- The regional draw area, covering households that are likely to move from Oakland, Genesee, and Ingham Counties.
- The metropolitan draw area, covering households that are likely to move from Washtenaw and Wayne Counties.
- The national draw area, covering households with the potential to move to Hartland Township from all other U.S. counties (primarily other Michigan counties).

As derived from the migration and mobility analyses, then, the draw area distribution of market potential (those households with the potential to move within or to Hartland Township each year over the next five years) is shown as follows:

Market Potential by Draw Area *Hartland Township, Livingston County, Michigan*

Hartland Township (Primary Draw Area):	19.4%
Balance of Livingston County (Secondary Draw Area):	30.1%
Oakland, Genesee, and Ingham Counties (Regional Draw Area):	18.3%
Washtenaw and Wayne Counties (Metropolitan Draw Area):	15.1%
Balance of US (National Draw Area):	<u>17.1%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

As determined by the target market methodology, which accounts for household mobility within Hartland Township, as well as mobility patterns for households currently living in all other counties, an average of 1,260 households represent the annual potential market for new and existing housing units within the township each year over the next five years.

The tenure and housing preferences of those 1,260 draw area households are shown on the following table (*see also* Table 2):

**Tenure/Housing Type Propensities
 Annual Average Market Potential
 For New and Existing Housing Units
 Hartland Township, Livingston County, Michigan**

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent (lofts/apartments, leaseholder)	380	30.1%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	140	11.1%
Single-family attached for-sale (townhouses/live-work, fee-simple/ condominium ownership)	150	11.9%
Low-range single-family detached for-sale (houses, fee-simple ownership)	230	18.3%
Mid-range single-family detached for-sale (houses, fee-simple ownership)	310	16.7%
High-range single-family detached for-sale (houses, fee-simple ownership)	<u>150</u>	<u>11.9%</u>
Total	1,260	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

The market-driven tenure ratio of approximately 30 percent rental/70 percent ownership is weighted significantly more towards rental units than the current tenure ratio township of approximately 13 percent rental/87 percent ownership in the township.

Table 2

Annual Market Potential

Distribution Of Annual Average Number Of Draw Area Households With The Potential To Move Within/To Hartland Township Each Year Over The Next Five Years Households in Groups With Median Annual Incomes Above \$50,000

Hartland Township

Livingston County, Michigan

Hartland Township, Livingston County, Regional Draw Area, Metropolitan Draw Area, and Balance of the United States Draw Areas

Annual Average Number Of Households With The Potential To Rent/Purchase Within Hartland Township 1,260

Annual Market Potential

	<i>Multi-Family</i>		<i>Single-Family</i>			<u>Total</u>	
	<u>For-Rent</u>	<u>For-Sale</u>	<u>All Ranges</u>	<u>Low-Range</u>	<u>Mid-Range</u>		<u>High-Range</u>
Total Households:	380	140	150	230	210	150	1,260
{Mix Distribution}:	30.1%	11.1%	11.9%	18.3%	16.7%	11.9%	100.0%

Optimum Residential Mix

{Mix Distribution}:	30.1%	11.1%	11.9%	18.3%	16.7%	11.9%	100.0%
Mix Distribution 500 du:	150	56	60	91	83	60	500

NOTE: Reference Appendix One, Tables 1 Through 11.

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

TARGET MARKETS

The protracted ownership housing slump since 2008 has led to a measurable shift in market preferences from home ownership to rental dwelling units, particularly among younger households, yielding a higher share of consumer preference for multi-family rentals even among relatively affluent consumers than would have been typical less than a decade ago. At the same time, there has been a significant shift in preferences from suburban subdivisions toward mixed-use, walkable urban neighborhoods.

From the demographic perspective, this shift has been driven by the convergence of the preferences of the two largest generations in the history of America: the Baby Boomers (currently estimated at 77 million), born between 1946 and 1964, and the estimated 78 million Millennials, who were born from 1977 to 1996 and, in 2010, surpassed the Boomers in population. The convergence of two generations of this size—simultaneously reaching a point when urban housing in walkable neighborhoods matches their life stage—is unprecedented.

In addition to their shared preference for walkable urban living, the Boomers and Millennials are changing housing markets in multiple ways. In contrast to the traditional family (married couples with children) that comprised the typical post-war American household, Boomers and Millennials are households of predominantly singles and couples. As a result, the 21st Century home-buying market now contains more than 63 percent one- and two-person households, and the 37 percent of the homebuyers that could be categorized as family households are equally likely to be non-traditional (*e.g.*—single parents or unrelated couples of the same sex with one or more children, adults caring for younger siblings, to grandparents with custody of grandchildren) as traditional families. A major consequence of this evolution is that mixed-income development is now more likely to succeed than when suburban preferences dominated the housing market.

As determined by the target market analysis, then, and reflective of these national trends, the annual potential market—delineated by lifestyle—for new housing units within Hartland Township can be characterized by general household type as follows (*see also* Table 3):

- Younger singles and childless couples—45 percent;

- Traditional and non-traditional families—37 percent; and
- Empty nesters and retirees—18 percent.

The largest segment (45 percent) of the annual potential market is younger singles and couples. This generation—the Millennials—is the first to have been largely raised in the suburbs where cul-de-sacs substituted for neighborhoods, malls took the place of downtowns, and driver’s license became a necessity of life. In far greater numbers than predecessor generations, Millennials are moving to downtown and walkable neighborhoods. Younger households typically choose to live in neighborhoods that contain a diverse mix of people, housing types, and uses. For the most part, younger households tend to be “risk-tolerant,” and will move into areas or neighborhoods that would not be considered acceptable for most families or older couples.

Family-oriented households represent 37 percent of the market for new and existing units within the township. In the 1980s, when the majority of the Baby Boomers were in the full-nest lifestage, the “traditional family household” (married couple with one or more children) comprised more than 45 percent of all American households. That demographic has now fallen to less than 22 percent of all American households (approximately 34 percent in Hartland Township). In addition to reflecting the aging of the Baby Boomers into the empty-nest lifestage, households with children are now increasingly diverse and in some areas are largely non-traditional families.

At 18 percent, the empty nester and retiree segment comprises a smaller than typical share of the potential market, in part because of their inability to sell—or reluctance to sell at a perceived loss—their existing residences. These households—for the most part, the Baby Boom generation—have been moving from the full-nest to the empty-nest life stage at an accelerating pace that will peak sometime in this decade and continue beyond 2020. Since the first Boomer turned 50 in 1996, empty-nesters have had a substantial impact on downtown and walkable neighborhoods. After fueling the diffusion of the population into ever-lower-density exurbs for nearly three decades, many Boomers are now looking for mixed-use, walkable neighborhoods. A significant percentage of these households are retirees, with incomes from social security; some

also have pensions, very few have savings or investments. Many of the empty-nest households are still employed.

Those household groups that represent the target markets for new and existing housing units in the township, their estimated median incomes and estimated median home values in 2014, are shown on the following table:

Primary Target Groups (In Order of Median Income) <i>Hartland Township, Livingston County, Michigan</i>		
HOUSEHOLD TYPE	MEDIAN INCOME	MEDIAN HOME VALUE (IF OWNED)
Empty Nesters & Retirees		
<i>Urban Establishment</i>	\$109,000	\$413,200
<i>Small-Town Establishment</i>	\$100,100	\$268,800
<i>Cosmopolitan Elite</i>	\$96,800	\$239,600
<i>New Empty Nesters</i>	\$87,800	\$186,500
<i>RV Retirees</i>	\$67,800	\$160,500
<i>Blue-Collar Empty Nesters</i>	\$66,700	\$132,300
<i>Middle-Class Move-Downs</i>	\$64,100	\$149,900
<i>No-Nest Suburbanites</i>	\$62,000	\$139,900
<i>Exurban Suburbanites</i>	\$53,000	\$111,800
Traditional & Non-Traditional Families		
<i>Nouveau Money</i>	\$132,900	\$281,000
<i>Ex-Urban Elite</i>	\$128,700	\$300,100
<i>Unibox Transferees</i>	\$104,400	\$221,200
<i>Full-Nest Exurbanites</i>	\$92,600	\$185,900
<i>Full-Nest Suburbanites</i>	\$87,900	\$181,000
<i>Full-Nest Urbanites</i>	\$77,100	\$217,600
<i>New-Town Families</i>	\$69,500	\$145,100
<i>Small-Town Families</i>	\$68,100	\$132,800
<i>Multi-Ethnic Families</i>	\$64,800	\$138,200
<i>Blue-Collar Button-Downs</i>	\$62,200	\$181,000
<i>Multi-Cultural Families</i>	\$54,700	\$121,400

continued on following page . . .

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HOUSEHOLD TYPE	MEDIAN INCOME	MEDIAN HOME VALUE (IF OWNED)
Younger Singles & Couples		
<i>The Entrepreneurs</i>	\$126,000	\$331,300
<i>e-Types</i>	\$110,300	\$335,900
<i>Ex-Urban Power Couples</i>	\$105,000	\$256,200
<i>The VIPs</i>	\$91,500	\$227,900
<i>Fast-Track Professionals</i>	\$91,200	\$251,500
<i>Upscale Suburban Couples</i>	\$83,200	\$193,100
<i>Cross-Training Couples</i>	\$70,500	\$171,600
<i>New Bohemians</i>	\$69,100	\$217,600
<i>Twentysomethings</i>	\$68,600	\$235,900
<i>Suburban Achievers</i>	\$60,300	\$163,300
<i>Small-City Singles</i>	\$59,300	\$122,400
<i>Urban Achievers</i>	\$55,500	\$197,300

NOTE: The names and descriptions of the market groups summarize each group's tendencies—as determined through geo-demographic cluster analysis—rather than their absolute composition. Hence, every group could contain “anomalous” households, such as empty-nester households within a “full-nest” category.

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Detailed descriptions of each target market group are provided in a separate document: APPENDIX THREE, TARGET MARKET DESCRIPTIONS

Table 3

Annual Market Potential By Household Type
 Distribution Of Annual Average Number Of Draw Area Households With The Potential
 To Move Within/To Hartland Township Each Year Over The Next Five Years
 Households in Groups With Median Annual Incomes Above \$50,000

Hartland Township
Livingston County, Michigan

Number of Households:	Total	Multi-Family		Single-Family			
		For-Rent	For-Sale	Attached All Ranges	Low-Range	Mid-Range	High-Range
	1,260	380	140	150	230	210	150
Empty Nesters & Retirees	18%	13%	18%	17%	28%	19%	13%
Traditional & Non-Traditional Families	37%	26%	14%	37%	39%	50%	60%
Younger Singles & Couples	45%	61%	68%	46%	33%	31%	27%
	100%	100%	100%	100%	100%	100%	100%

SOURCE: The Nielsen Company;
 Zimmerman/Volk Associates, Inc.

THE MARKET CONTEXT

—MULTI-FAMILY RENTAL PROPERTIES—

Only one rental property included in the survey—Oakbrooke Apartments—is located in Hartland Township. (*Reference* Table 4.) Oakbrooke, situated just off Highland Road, is leasing 276 one- to three-bedroom flats, ranging in rent from \$839 per month for an 815-square-foot one-bedroom (\$1.03 per square foot) to \$1,099 per month for a 1,235-square-foot three-bedroom (\$0.89 per square foot). Community amenities consist of a pool, fitness center, and a cyber café. Garages are available for some of the apartments.

Eleven properties included in the survey are located in the Howell area, and another four in Brighton. All of the surveyed properties are at functional full occupancy—95 percent or higher—with the smallest property containing just 90 units (Aberdeen of Brighton), and the largest 264 units (Burwick Farms in Howell).

—One-Bedroom Units—

All but one of the 15 properties in Howell and Brighton—Aberdeen of Brighton—contain one-bedroom apartments.

- Rents for one-bedroom units in Howell start at \$495 per month at Quail Creek on Greenwich Drive; one-bedroom units in Brighton start at \$625 per month at Lexington Manor on East Grand River.
- The most expensive one-bedroom rent is \$1,575 per month for a 961-square-foot apartment at Westbury Apartments on Westbury Boulevard in Howell.
- One-bedroom units range in size from 600 square feet (Brighton Cove in Brighton) to 960 square feet (Burwick Farms in Howell).
- One-bedroom rents per square foot fall between \$0.66 and \$1.64.

—Two-Bedroom Units—

All 15 properties lease two-bedroom apartments; two of the two-bedroom floorplans are townhouses, at Grand Plaza Apartments and the Preserve at Mallard Pond.

- Rents for two-bedroom units start at \$540 per month at the afore-mentioned Quail Creek.
- The highest two-bedroom rent is nearly \$2,100 per month for an upper unit at Westbury Apartments.
- Two-bedroom units range in size from approximately 740 square feet at Pine Hill Apartments to 1,619 square feet at the Preserve at Mallard Pond in Howell.
- Two-bedroom rents per square foot fall between \$0.55 and \$1.57.

—*Three-Bedroom Units*—

Five of the 15 properties are leasing three-bedroom apartments.

- Rents for three-bedroom units in Howell start at \$849 per month at Quail Creek; and \$725 per month in Brighton at Lexington Manor.
- The most expensive three-bedroom rent is \$2,300 per month for a 1,479-square-foot apartment with two bathrooms at Westbury Apartments in Howell.
- Three-bedroom units range in size from 1,250 square feet (Lakeshore Village in Howell) to 1,739 square feet (Aberdeen of Brighton).
- Three-bedroom rents per square foot fall between \$0.68 and \$1.56.

Brighton Glens, on Williamson Drive in Brighton, is also renting 619-square-foot studio apartments for \$699 per month (\$1.13 per square foot), the only property that has studios.

Most, but not all, of the properties provide community amenities, which range from a pool and/or playground, to the extensive facilities at Westbury Apartments, the most expensive property in the survey. In addition to a pool and playground, Westbury Apartments includes a whirlpool and sauna, fitness center and business center, concierge services, and tennis courts.

Summary Of Selected Rental Properties*Livingston County, Michigan***June, 2014**

<u>Property Address</u>	<u>Number of Units</u>	<u>Unit Type</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
<i>..... Hartland Township</i>						
Oakbrooke Apartments 1950 Oakbrooke Drive	276	1br/1ba	\$839 to \$859	815 to 865	\$0.99 to \$1.03	n/a Pool, fitness center, cyber cafe.
		2br/2ba	\$899 to \$919	1,000 to 1,050	\$0.88 to \$0.90	
		3br/2ba	\$1,074 to \$1,099	1,185 to 1,235	\$0.89 to \$0.91	
<i>..... Howell</i>						
Quail Creek 527 Greenwich Drive	108	1br/1ba	\$495 to \$555	750	\$0.66 to \$0.74	n/a Clubhouse, tennis.
		2br/1ba	\$540 to \$605	975	\$0.55 to \$0.62	
Pine Hill Apts (1971) 307 Holly Hills Drive	207	1br/1ba	\$635 to \$650	656 to 712	\$0.91 to \$0.97	98% occupancy
		2br/1ba	\$710 to \$745	740 to 874	\$0.85 to \$0.96	
Grand Plaza (1975) 401 S. Highlands Way	138	1br/1ba	\$664	700	\$0.95	100% occupancy Patio, pool.
		1br/1ba TH	\$829 \$874	700	\$1.18 to \$1.25	
		2br/1ba	\$759	800	\$0.95	
		2br/1ba TH	\$929 to \$1,174	1,099 to 1,362	\$0.85 to \$0.86	
Prentis Estates (1990) 1103 S. Latson	168	1br/1ba	\$675 to \$730	850	\$0.79 to \$0.86	98% occupancy Playground.
		2br/1ba	\$800 to \$965	950 to 965	\$0.84 to \$1.00	

Summary Of Selected Rental Properties*Livingston County, Michigan***June, 2014**

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>		<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
. Howell {continued}							
Yorkshire Place (1991) 1504 Yorkshire Drive	192	1br/1ba	\$700 to \$725		850	\$0.82 to \$0.85	97% occupancy
		2br/1ba	\$785 to \$795		950 to 1,000	\$0.80 to \$0.83	
		2br/2ba	\$810 to \$830		950 to 1,000	\$0.83 to \$0.85	
Lakeshore Village 2812 Ontario Court	240	1br/1ba	\$719		800	\$0.90	99% occupancy <i>Pool, sundeck, clubhouse, lounge, playground, fitness center.</i>
		2br/2ba	\$839		1,050	\$0.80	
		3br/2ba	\$849 to \$959		1,250	\$0.68 to \$0.77	
Preserve at Mallard Pond 1575 Mallard Pond Drive	108	1br/1ba	\$735 to \$875		814 to 917	\$0.90 to \$0.95	100% occupancy <i>Fitness center, sauna, gathering room.</i>
		2br/2ba TH	\$850		1,082	\$0.79	
		2br/2ba	\$875 to \$1,200		1,116 to 1,619	\$0.74 to \$0.78	
		3br/2ba	\$1,150		1,466	\$0.78	
Town Commons 1601 Town Commons Drive	100	1br/1ba	\$795		769	\$1.03	98% occupancy <i>Park w/ pond. gazebo.</i>
		2br/2ba	\$890 to \$940		1,033 to 1,113	\$0.84 to \$0.86	
		2br/2.5ba	\$1,065 to \$1,165		1,269 to 1,500	\$0.78 to \$0.84	
		3br/2.5ba	\$1,340		1,519	\$0.88	
Burwick Farms 525 W. Highland Road	264	1br/1ba	\$855 to \$995		860 to 960	\$0.99 to \$1.04	99% occupancy <i>Pool, clubhouse, fitness center.</i>
		2br/2ba	\$980 to \$1,055		1,075 to 1,175	\$0.90 to \$0.91	
Glens at Rolling Ridge 998 Audrey Rae Lane	200	1br/1ba	\$875 to \$945		745 to 796	\$1.17 to \$1.19	98% occupancy <i>Fitness facility, clubhouse, pool, tennis.</i>
		2br/2ba	\$935 to \$1,045		967 to 1,042	\$0.97 to \$1.00	

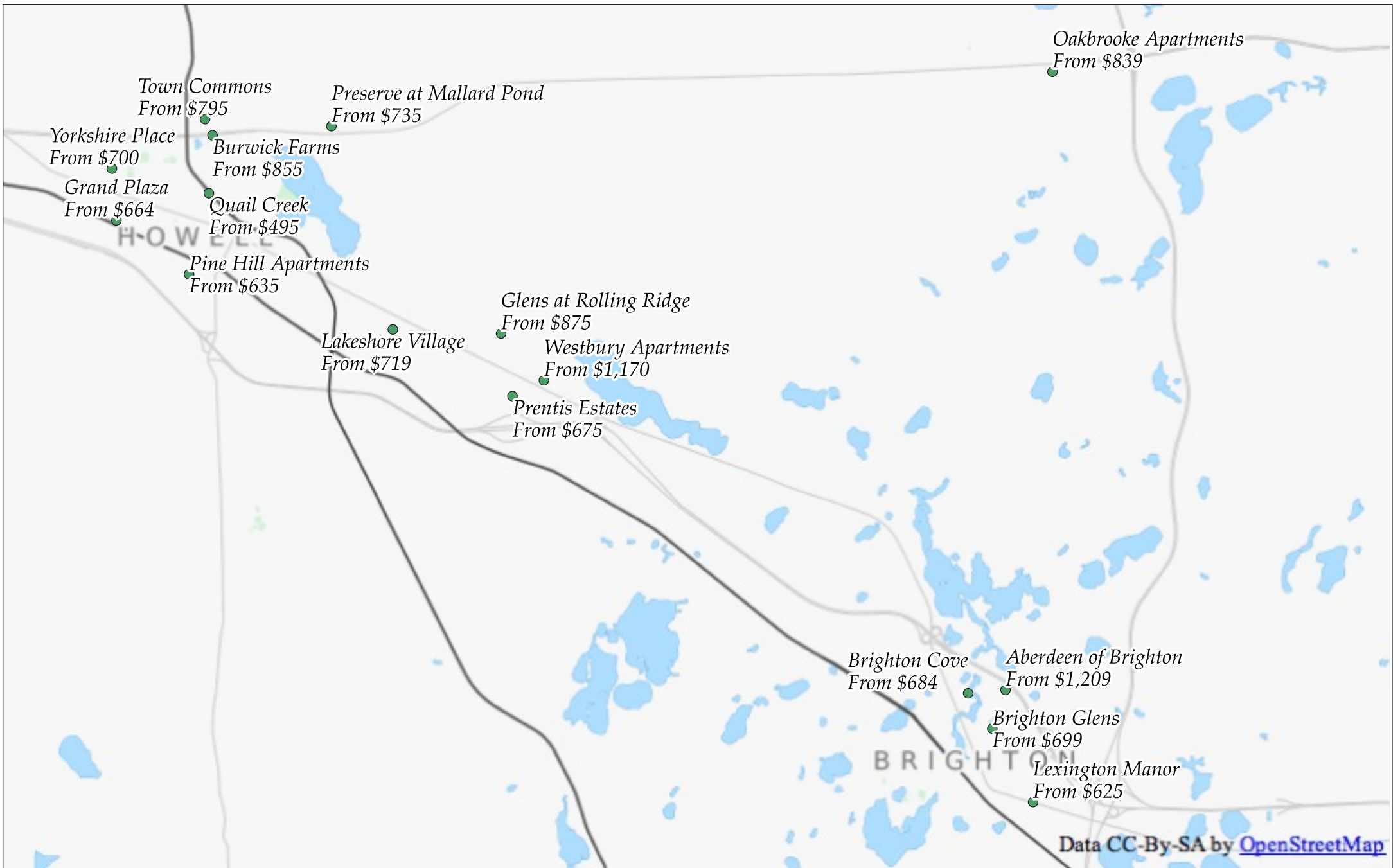
SOURCE: Zimmerman/Volk Associates, Inc.

Summary Of Selected Rental Properties

Livingston County, Michigan

June, 2014

<u>Property Address</u>	<u>Number of Units</u>	<u>Unit Type</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
<i>..... Howell {continued}</i>						
Westbury Apts. (2003) 1025 Westbury Boulevard	131	1br / 1ba	\$1,170 to \$1,575	961	\$1.22 to \$1.64	98% occupancy <i>Fitness center, business center, concierge, pool, sauna, whirlpool, tennis, playground.</i>
		2br / 2ba	\$1,435 to \$1,765	1,253	\$1.15 to \$1.41	
		2br / 2ba upper	\$1,495 to \$2,095	1,331	\$1.12 to \$1.57	
		3br / 2ba	\$1,711 to \$2,300	1,391 to 1,479	\$1.23 to \$1.56	
<i>..... Brighton</i>						
Lexington Manor 898 East Grand River	120	1br / 1ba	\$625 to \$650	700	\$0.89 to \$0.93	n/a
		2br / 1ba	\$725 to \$735	800	\$0.91 to \$0.92	
Brighton Cove 8699 Meadowbrook Drive	180	1br / 1ba	\$684 to \$694	600	\$1.14 to \$1.16	99% occupancy
		2br / 1ba	\$784 to \$794	800	\$0.98 to \$0.99	
		2br / 2ba	\$854 to \$864	800	\$1.07 to \$1.08	
Brighton Glens 321 Williamson Drive	108	Studio / 1ba	\$699	619	\$1.13	100% occupancy <i>Pool.</i>
		1br / 1ba	\$729	830	\$0.88	
		2br / 1ba	\$849	1,034	\$0.82	
		2br / 2ba	\$879	1,108	\$0.79	
Aberdeen of Brighton (2005) 4229 Deeside Drive	90	2br / 2ba	\$1,209 to \$1,489	1,149 to 1,525	\$0.98 to \$1.05	99% occupancy <i>Dog run.</i>
		3br / 2ba	\$1,499 to \$1,679	1,412 to 1,739	\$0.97 to \$1.06	



● Hartland Township Selected Rental Properties



Data CC-BY-SA by [OpenStreetMap](https://www.openstreetmap.org/)

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

Historically, condominium development (multi-family for-sale) has been very limited in Hartland Township. At the time of the survey, only three resale condominium units were on the market—a 780-square-foot two-bedroom/one-bath, and two 1,552-square-foot two-bedroom/two-bath apartments at Fawn Ridge, situated off Hartland Road. (*Reference Table 5.*) The asking price of the three units is \$89,500, \$138,000, and \$185,000, respectively (\$89 to \$119 per square foot). No units are currently for sale at the Fox Ridge Condominiums, located near the Kroger grocery store.

Several duplex and fourplex condominium projects are currently being developed elsewhere in Livingston County.

In Howell, two properties are marketing new units—Gallery Park on Brigg Street and Villas of Oceola on Vicksburg Way—and resale units are available at a third—Victoria Park. Base prices for the 19 two- and three-bedroom condominiums at Gallery Park range between \$169,900 and \$204,900 for units containing between 1,240 and 1,720 square feet (\$114 to \$137 per square foot).

At Pulte Homes' Villas of Osceola, base prices start at \$220,990 for the 47, 1,619- to 1701-square-foot two- or three-bedroom/two-bath duplexes (\$130 to \$136 per square foot).

The three resale duplexes at Victoria Park—a three-bedroom/two-bath 2,056-square-foot unit; a two-bedroom/two-bath 1,704-square-foot unit, and a 2,164-square-foot four-bedroom/three-and-a-half bath unit—have asking prices of \$179,900, \$229,000, and \$259,000, respectively (\$88, \$134, and \$120 per square foot).

In Marion Township, 105 of the 147 duplex condominiums being developed by Mitch Harris Construction at The Meadows have been sold. Base prices range between \$195,900 and \$207,900 for the 1,516-square-foot two-bedroom/two-bath unit, and between \$189,900 and \$210,900 for the three-bedroom/two-bath unit containing 1,628 square feet (\$117 to \$137 per square foot range).

Mitch Harris Construction is also constructing fourplex condominiums in Genoa Township at Genoa Woods. To date, 21 of the 96 units have been sold, and base prices currently range between \$208,900 to \$224,900 for the 1,419- to 1,539-square-foot, two-bedroom/two-bath units (\$146 to \$147 per square foot).

The most expensive units included in the survey are the 14 duplexes located in the Town of Milford in Oakland County. That property, River Wood Estates, is marketing three-bedroom/two-and-a-half units containing approximately 2,400 square feet for a base price of \$349,000, or \$145 per square foot.

—SINGLE-FAMILY DETACHED FOR-SALE PROPERTIES—

Since the collapse of the housing market in 2008, no new subdivisions have begun marketing new single-family houses in Hartland Township. (*Reference* Table 6.) However, at the time of the survey, more than 60 single-family detached houses in the township had been listed for sale ranging in price from \$115,000 for a 756-square-foot two-bedroom/one-bath house on Mill Street (\$152 per square foot) to \$749,900 for a foreclosed 8,244-square-foot five-bedroom/five-and-a-half bath house on Hibner Road (\$91 per square foot). Almost 60 percent of the listed houses were priced between \$200,000 and \$300,000, with a unit size range of 832 to 3,440 square feet (in general, \$78 to \$263 per square foot), and contained three or four bedrooms. All but two of the houses priced above \$300,000 contained four bedrooms and, at minimum, two-and-a-half bathrooms.

Three properties are currently marketing new single-family detached houses in Howell and are included in this survey: Amber Oaks, Orchard Park Village, and Woods of Forest Ridge. Allen Edwin Homes has sold 10 houses at Amber Oaks, where base prices range from \$149,900 to \$269,900 for two- to four-bedroom houses containing between 1,458 and 3,420 square feet of living space (\$78 to \$161 per square foot).

At Orchard Park Village, Infinity Homes and Soave Homes are building two- to four-bedroom single-family houses containing 1,300 to 2,700 square feet, priced between \$158,900 and

\$236,890 (\$88 to \$122 per square foot). Sixty-one of the 140 houses planned for the property had been sold as of the time of the field investigation.

Ten houses have also been sold at the Woods of Forest Ridge, a property located on Silver Charm Lane and being developed by Lombardo Homes. The three- and four-bedroom houses are priced between \$210,900 and \$263,900 for units containing between 1,961 to 3,037 square feet of living space.

Mitch Harris Construction is also building detached houses at the 67-lot Amberley Woods in Oceola Township and at the 71-lot Irish Woods in Tyrone Township. Only two or three houses are built at a time, and the current unit available at Amberley Woods is priced at \$219,900 for a three-bedroom/two-and-a-half bath model with almost 1,600 square feet (139 per square foot).

Three units are currently being marketed at Irish Hills—a 1,708-square-foot, three-bedroom/two-and-a-half bath model priced at \$249,900 (\$146 per square foot); a four-bedroom/three-and-a-half bath house priced at \$289,900 and containing 2,600 square feet (\$112 per square foot); and at \$299,900 the most expensive house currently marketed, a three-bedroom/two-and-a-half bath unit with 1,927 square feet of living space (\$156 per square foot).

Table 5

**Selected For-Sale Multi-Family and Single-Family Attached
Developments and Current Listings**

Hartland Township Market Area, Michigan

June, 2014

<i>Development Address/Developer</i>	<i>Unit Type</i>	<i>Beds/ Baths</i>	<i>Unit Price Range</i>	<i>Unit Size Range</i>	<i>Price Per Sq. Ft.</i>	<i>Total Units</i>
<i>... Hartland Township ...</i>						
Fawn Ridge <i>Fawn Ridge Trail</i>	Duplex		<i>... Resales ...</i>			n/a
		2br/1ba	\$89,500	780	\$115	
		2br/2ba	\$138,000	1,552	\$89	
		2br/2ba	\$185,000	1,552	\$119	
<i>... Howell ...</i>						
Gallery Park <i>Brigg Street</i>	CO					19 listings
		2br/2ba	\$169,900	1,240	\$137	
		3br/2ba	\$194,900 to \$204,900	1,710 to 1,720	\$114 to \$119	
Victoria Park <i>Victoria Park Circle</i>	Duplex		<i>... Resales ...</i>			n/a
		3br/2ba	\$179,900	2,056	\$88	
		2br/2ba	\$229,000	1,704	\$134	
		4br/3.5ba	\$259,000	2,164	\$120	
Villas of Osceola <i>3920 Vicksburg Way Pulte Homes</i>	Duplex					47
		2br/2ba	\$220,990 to \$222,990	1,619 to 1,702	\$131 to \$136	
		3br/2ba	\$220,990	1,702	\$130	
<i>... Marion Township ...</i>						
The Meadows <i>Mitch Harris Construction</i>	Duplex					147 105 sold
		2br/2ba	\$195,900 to \$207,900	1,516	\$129 to \$137	
		3br/2ba	\$189,900 to \$210,900	1,628	\$117 to \$130	
<i>... Genoa Township ...</i>						
Genoa Woods <i>Mitch Harris Construction</i>	Fourplex					96 21 sold
		2br/2ba	\$208,900 to \$224,900	1,419 to 1,539	\$146 to \$147	
<i>... Town of Milford, Oakland County ...</i>						
River Wood Estates <i>River Wood Trail</i>	Duplex					14
		3br/2.5ba	\$349,000	2,402	\$145	

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

**Selected For-Sale Single-Family Detached
Current Listings and New Developments**

Hartland Township Market Area, Michigan

June, 2014

<i>Development Address</i>	<i>Unit Type</i>	<i>Beds/ Baths</i>	<i>Unit Price Range</i>	<i>Unit Size Range</i>	<i>Price Per Sq. Ft.</i>	<i>Lot Size</i>
<i>. . . . Hartland Township Resales. . . .</i>						
<i>Mill Street</i>	SF	2br/1ba	\$115,000	756	\$152	4,791 sf
<i>Norway</i>	SF	3br/2ba	\$126,000	1,392	\$91	condominium
<i>Avon Street</i>	SF	3br/1.5ba	\$139,899	1,716	\$82	condominium
<i>Parkway Court</i>	SF	3br/2ba	\$155,000	2,370	\$65	0.94 acres
<i>Birch</i>	SF	3br/1ba	\$155,000	1,200	\$129	condominium
<i>Woodcliff Trail</i>	SF	2br/2ba	\$172,500	1,840	\$94	condominium
<i>Lakena Street</i>	SF	3br/2ba	\$174,900	1,364	\$128	0.69 acres
<i>Carlee June Drive</i>	SF	3br/2ba	\$177,900	1,390	\$128	0.6 acres
<i>Island Court</i>	SF	3br/2ba	\$179,900	1,245	\$144	4,356 sf
<i>Holtforth Road</i>	SF	3br/1ba	\$200,000	1,062	\$188	10 acres
<i>Andover Boulevard</i>	SF	4br/2.5ba	\$209,900	1,832	\$115	n/a
<i>Timbercreek Drive</i>	SF	3br/2.5ba	\$209,900	2,637	\$80	condominium
<i>East Peterson</i>	SF	5br/3ba	\$214,000	2,112	\$101	9,583 sf
<i>Maxfield Road</i>	SF	2br/1ba	\$214,500	979	\$219	6,969 sf
<i>Sylvan Drive</i>	SF	2br/1ba	\$219,000	832	\$263	condominium
<i>Glen Hills Drive</i>	SF	4br/2.5ba	\$225,000	2,134	\$105	0.57 acres
<i>Parshallville road</i>	SF	4br/2ba	\$229,000	2,012	\$114	condominium
<i>Bullard Road</i>	SF	3br/1.5ba	\$230,000	1,824	\$126	0.48 acres
<i>N. Tipsico Lake Road</i>	SF	4br/3ba	\$230,000	2,510	\$92	0.8 acres
<i>Carlee June Drive</i>	SF	4br/2.5ba	\$232,900	2,036	\$114	0.56 acres
<i>Anya Drive</i>	SF	3br/2.5ba	\$238,000	1,989	\$120	n/a
<i>Clyde Road</i>	SF	4br/3.5ba	\$239,900	1,770	\$136	1.5 acres
<i>Tipsico Lake Road</i>	SF	4br/2.5ba	\$239,900	1,816	\$132	condominium
<i>Long Lake Drive</i>	SF	3br/3.5ba	\$239,930	1,786	\$134	0.73 acres
<i>Lorraine Lane</i>	SF	3br/2.5ba	\$254,900	1,900	\$134	0.33 acres
<i>Windmill</i>	SF	3br/2.5ba	\$257,500	1,754	\$147	condominium
<i>Maxfield Boulevard</i>	SF	3br/2.5ba	\$259,000	1,176	\$220	0.27 acres
<i>Matthew Lane</i>	SF	4br/2.5ba	\$259,900	2,094	\$124	n/a
<i>Bergin Road</i>	SF	4br/1.5ba	\$259,900	1,825	\$142	condominium
<i>Windmill Lane</i>	SF	3br/2.5ba	\$260,000	1,754	\$148	3 acres
<i>Long Lake Drive</i>	SF	4br/2.5ba	\$262,000	2,221	\$118	1.14 acres
<i>Lyndenglen Court</i>	SF	4br/2.5ba	\$262,900	2,400	\$110	condominium
<i>Killarney Park Drive</i>	SF	3br/2ba	\$265,000	2,050	\$129	condominium
<i>Four Seasons Drive</i>	SF	5br/3.5ba	\$267,000	2,898	\$92	condominium
<i>Hearthstone Lane</i>	SF	4br/2.5ba	\$267,500	2,551	\$105	1.04 acres
<i>Clyde Road</i>	SF	4br/2.5ba	\$268,500	3,440	\$78	condominium
<i>Hartland Road</i>	SF	4br/3.5ba	\$275,000	1,840	\$149	condominium
<i>Courtney Court</i>	SF	3br/2.5ba	\$279,900	2,053	\$136	n/a

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

**Selected For-Sale Single-Family Detached
Current Listings and New Developments**

Hartland Township Market Area, Michigan

June, 2014

<u>Development Address</u>	<u>Unit Type</u>	<u>Beds/ Baths</u>	<u>Unit Price Range</u>	<u>Unit Size Range</u>	<u>Price Per Sq. Ft.</u>	<u>Lot Size</u>
<i>. . . . Hartland Township Resales. . . .</i>						
<i>Maple Road</i>	SF	3br/3ba	\$289,500	2,038	\$142	5.68 acres
<i>Deer View Court</i>	SF	4br/2.5ba	\$289,900	2,124	\$136	condominium
<i>Blue Heron Drive</i>	SF	3br/2.5ba	\$295,000	2,378	\$124	0.52 acres
<i>Summerfield Lane</i>	SF	4br/2.5ba	\$299,999	3,019	\$99	condominium
<i>Mabley Hill Road</i>	SF	3br/2ba	\$299,999	2,048	\$146	condominium
<i>Killarney Park Drive</i>	SF	3br/2.5ba	\$300,000	2,050	\$146	1 acre
<i>Hartland Woods Drive</i>	SF	3br/3ba	\$300,000	1,815	\$165	condominium
<i>Long Lake Drive</i>	SF	4br/3ba	\$320,000	2,570	\$125	condominium
<i>Maria Court</i>	SF	4br/3.5ba	\$324,900	3,304	\$98	condominium
<i>Hibner Road</i>	SF	4br/2.5ba	\$325,000	2,866	\$113	condominium
<i>Maria Court</i>	SF	4br/4.5ba	\$349,000	3,197	\$109	condominium
<i>Bullard Road</i>	SF	4br/3ba	\$356,000	2,003	\$178	15.01 acres
<i>Lake Pines Drive</i>	SF	4br/2.5ba	\$360,000	2,928	\$123	condominium
<i>Dunham Road</i>	SF	4br/3ba	\$360,000	2,112	\$170	condominium
<i>Cattle Drive</i>	SF	4br/2.5ba	\$397,000	2,003	\$198	2.4 acres
<i>Hyde Road</i>	SF	4br/3.5ba	\$425,000	2,982	\$143	condominium
<i>Mystic Meadows Court</i>	SF	3br/2.5ba	\$474,900	3,100	\$153	0.82 acres
<i>Lake Pines Drive</i>	SF	4br/3.5ba	\$550,000	3,582	\$154	1.16 acres
<i>Long Lake Drive</i>	SF	4br/2.5ba	\$569,900	2,748	\$207	0.87 acres
<i>Blaine Road</i>	SF	3br/3.5ba	\$574,900	2,300	\$250	0.7 acres
<i>Clyde Road</i>	SF	4br/2.5ba	\$575,000	4,027	\$143	condominium
<i>Lake Pines Drive</i>	SF	5br/5.5ba	\$649,900	2,465	\$264	1 acre
<i>Blaine Road</i>	SF	4br/4.5ba	\$724,900	3,404	\$213	0.9 acres
<i>Hibner Road (foreclosure)</i>	SF	5br/5.5ba	\$749,900	8,244	\$91	5.22 acres
62 properties		Average:	\$300,447	2,256	\$133	

**Selected For-Sale Single-Family Detached
Current Listings and New Developments**

Hartland Township Market Area, Michigan

June, 2014

<u>Development Address/Developer</u>	<u>Unit Type</u>	<u>Beds/ Baths</u>	<u>Unit Price Range</u>	<u>Unit Size Range</u>	<u>Price Per Sq. Ft.</u>	<u>Total Units</u>
. . . . Howell						
Amber Oaks	SF					n/a
<i>Amber Oaks Drive</i>		3br/2ba	\$149,900 to	1,458 to	\$103 to	10 sold
<i>Allen Edwin Homes</i>			\$234,900	2,780	\$161	
		2br/2ba	\$203,900 to	1,658	\$123	
		4br/2ba	\$240,900 to	3,070 to	\$78 to	
			\$269,900	3,420	\$88	
Orchard Park Village	SF					140
<i>Orchard Park Boulevard</i>		2br/2ba	\$158,990	1,300	\$122	61 sold
<i>Infinity Homes/Soave Homes</i>		to	\$161,490	1,400	\$115	(Phases 1&2)
		4br/2.5ba	\$171,890	1,500	\$115	
			\$188,790	1,825	\$103	
			\$188,990	1,700	\$111	
			\$217,990	2,320	\$94	
			\$236,890	2,700	\$88	
Woods of Forest Ridge	SF					n/a
<i>Silver Charm Lane</i>		3br/3ba	\$210,900 to	1,961 to	\$108 to	10 sold
<i>Lombardo Homes</i>			\$242,000	2,234	\$123	
		4br/3ba	\$224,900 to	2,312 to	\$97 to	
			\$263,900	3,037	\$114	
. . . . Oceola Township						
Amberley Woods	SF					67
<i>Mitch Harris Construction</i>		3br/2.5ba	\$219,900	1,585	\$139	
. . . . Tyrone Township						
Irish Hills	SF					71
<i>Mitch Harris Construction</i>		3br/2.5ba	\$249,900	1,708	\$146	
		4br/3.5ba	\$289,900	2,600	\$112	
		3br/2.5ba	\$299,900	1,927	\$156	

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

OPTIMUM MARKET POSITION

The rents and price points for new market-rate housing units that could be developed in Hartland Township are derived from the income and financial capabilities of those households in groups with incomes above \$50,000 that have been identified as the target markets for new housing in the township.

—RENTAL DISTRIBUTION BY RENT RANGE—

Based on the incomes and assets of the 380 households that represent the target markets for new market-rate rental units in Hartland Township (reference Table 7), the distribution of annual market potential by rent range would be summarized as follows:

**Distribution by Rent Range
 Target Groups for New Multi-Family For Rent
 Hartland Township, Livingston County, Michigan**

MONTHLY RENT RANGE	UNITS PER YEAR	PERCENTAGE
\$750–\$1,000	85	22.4%
\$1,000–\$1,250	110	28.9%
\$1,250–\$1,500	80	21.1%
\$1,500–\$1,750	45	11.8%
\$1,750–\$2,000	35	9.2%
\$2,000 and up	<u>25</u>	<u>6.6%</u>
Total:	380	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

- Empty nesters and retirees represent just over 13 percent of the market for new market-rate rental units, and 40 percent of them could pay rents no greater than \$1,250 per month. Forty percent of this market segment are able to afford rents between \$1,250 and \$1,750 per month. The remaining 20 percent represent the market for new units with rents above \$1,750 per month.

Table 7

Target Groups For New Multi-Family For-Rent
Households In Groups With Median Incomes Above \$50,000

Hartland Township

Livingston County, Michigan

Empty Nesters & Retirees	<i>Number of Households</i>	<i>Share of Households</i>
Small-Town Establishment	5	1.3%
New Empty Nesters	10	2.6%
RV Retirees	5	1.3%
Blue-Collar Empty Nesters	15	3.9%
Middle-Class Move-Downs	5	1.3%
No-Nest Suburbanites	5	1.3%
Exurban Suburbanites	5	1.3%
Subtotal:	50	13.2%
Traditional & Non-Traditional Families		
Ex-Urban Elite	10	2.6%
Unibox Transferees	5	1.3%
Full-Nest Exurbanites	5	1.3%
Full-Nest Suburbanites	5	1.3%
Full-Nest Urbanites	5	1.3%
New-Town Families	30	7.9%
Small-Town Families	10	2.6%
Multi-Ethnic Families	5	1.3%
Blue-Collar Button-Downs	5	1.3%
Multi-Cultural Families	20	5.3%
Subtotal:	100	26.3%
Younger Singles & Couples		
e-Types	5	1.3%
Ex-Urban Power Couples	15	3.9%
The VIPs	10	2.6%
Fast-Track Professionals	5	1.3%
Upscale Suburban Couples	10	2.6%
Cross-Training Couples	35	9.2%
New Bohemians	10	2.6%
Twentysomethings	25	6.6%
Suburban Achievers	45	11.8%
Small-City Singles	40	10.5%
Urban Achievers	30	7.9%
Subtotal:	230	60.5%
Total Households:	380	100.0%

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

- Traditional and non-traditional families comprise 26.3 percent of the market for new market-rate rental units. Again, 40 percent would require rents below \$1,250 per month; 35 percent could afford rents between \$1,250 and \$1,750 per month, and a quarter of the family households can afford rents above \$1,750 per month.
- The largest group of renters are younger singles and couples at 60.5 percent of the market. Just under 11 percent would be able to afford rents at or above \$1,750 per month, over 30 percent of these households represent the market for units with rents between \$1,250 and \$1,750 per month; and just under 59 percent would require rents below \$1,250 per month.

—FOR-SALE DISTRIBUTION BY PRICE RANGE—

The realization of the full market potential for ownership units may continue to be challenging over the short-term, given restrictive mortgage underwriting by financial institutions, the disinterest on the part of many younger households in becoming owners, the fact that many otherwise-qualified households, particularly current renters, lack the funds for a down payment, and the inability of many owner households to sell their existing single-family houses, or their reluctance to sell at a perceived loss of value.

Based on the incomes and assets of the 140 households (*as shown on* Table 8) that represent the target markets for new market-rate multi-family for-sale (condominium) units, the distribution of annual market potential by price range is summarized on the following table:

Distribution by Price Range
Target Groups for New Multi-Family For Sale
Hartland Township, Livingston County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$200,000	40	28.6%
\$200,000–\$250,000	35	25.0%
\$250,000–\$300,000	35	25.0%
\$300,000–\$350,000	20	14.3%
\$350,000 and up	<u>10</u>	<u>7.1%</u>
Total:	140	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Table 8

Target Groups For New Multi-Family For-Sale
Households In Groups With Median Incomes Above \$50,000

Hartland Township

Livingston County, Michigan

Empty Nesters & Retirees	<i>Number of Households</i>	<i>Share of Households</i>
Urban Establishment	5	3.6%
Small-Town Establishment	5	3.6%
Cosmopolitan Elite	5	3.6%
New Empty Nesters	5	3.6%
Affluent Empty Nesters	5	3.6%
Subtotal:	25	17.9%
Traditional & Non-Traditional Families		
Full-Nest Urbanites	5	3.6%
New-Town Families	10	7.1%
Multi-Ethnic Families	5	3.6%
Subtotal:	20	14.3%
Younger Singles & Couples		
The Entrepreneurs	5	3.6%
e-Types	5	3.6%
Ex-Urban Power Couples	10	7.1%
The VIPs	10	7.1%
Fast-Track Professionals	10	7.1%
Upscale Suburban Couples	10	7.1%
Cross-Training Couples	10	7.1%
New Bohemians	5	3.6%
Twentysomethings	5	3.6%
Suburban Achievers	10	7.1%
Small-City Singles	10	7.1%
Urban Achievers	5	3.6%
Subtotal:	95	67.9%
Total Households:	140	100.0%

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

- Younger singles and couples are also the largest segment of the market for new multi-family for-sale units (condominiums), at just under 68 percent of the market. However, only 21 percent would be able to purchase a new condominium with base prices at or above \$300,000, and 21 percent would only be able to afford a unit priced between \$250,000 and \$300,000. The heart of this segment—58 percent—are younger households with the capacity to purchase condominiums priced between \$150,000 and \$250,000.
- At almost 18 percent, empty nesters and retirees represent the next largest segment of the market for new multi-family for-sale units; 40 percent would be in the market for new condominiums with base prices at or above \$300,000, and the remaining 60 percent could afford condominiums priced between \$250,000 and \$300,000.
- The smallest group, traditional and non-traditional families, comprise just 14.3 percent of the market for this housing type. All of them would be limited to condominium units priced under \$250,000.

The Hartland Township market for new townhouses is slightly larger than the size of the market for new condominiums, even though, as a housing type, neither have been developed to any significant extent within the township. Based on the incomes and assets of the 150 households (*as shown on* Table 9) that represent the target markets for new market-rate single-family attached for-sale (townhouse) units, the distribution of annual market potential by price range would be summarized as follows:

Distribution by Price Range
Target Groups for New Single-Family Attached For Sale
Hartland Township, Livingston County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$200,000	45	30.1%
\$200,000–\$250,000	35	23.3%
\$250,000–\$300,000	20	13.3%
\$300,000–\$350,000	20	13.3%
\$350,000–\$400,000	15	10.0%
\$400,000 and up	<u>15</u>	<u>10.0%</u>
Total:	150	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Table 9

Target Groups For New Single-Family Attached For-Sale
Households in Groups With Median Annual Incomes Above \$50,000
Hartland Township
Livingston County, Michigan

Empty Nesters & Retirees	<i>Number of Households</i>	<i>Share of Households</i>
New Empty Nesters	5	3.3%
Blue-Collar Empty Nesters	5	3.3%
Middle-Class Move-Downs	5	3.3%
No-Nest Suburbanites	5	3.3%
Exurban Suburbanites	5	3.3%
Subtotal:	25	16.7%
Traditional & Non-Traditional Families		
Ex-Urban Elite	15	10.0%
Full-Nest Exurbanites	5	3.3%
Full-Nest Urbanites	5	3.3%
New-Town Families	10	6.7%
Multi-Ethnic Families	5	3.3%
Blue-Collar Button-Downs	5	3.3%
Multi-Cultural Families	10	6.7%
Subtotal:	55	36.7%
Younger Singles & Couples		
The Entrepreneurs	5	3.3%
Ex-Urban Power Couples	10	6.7%
The VIPs	5	3.3%
Fast-Track Professionals	5	3.3%
Upscale Suburban Couples	5	3.3%
Cross-Training Couples	15	10.0%
Twentysomethings	5	3.3%
Suburban Achievers	10	6.7%
Small-City Singles	10	6.7%
Subtotal:	70	46.7%
Total Households:	150	100.0%

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

- Younger singles and couples are the largest market segment, just under 47 percent of the market for new single-family attached for-sale units (townhouses). Just 21 percent would be able to purchase a new townhouse with base prices at or above \$350,000, 43 percent would be able to afford a unit priced between \$200,000 and \$350,000, and 36 percent could afford a new townhouse priced below \$200,000.
- At just under 37 percent, traditional and non-traditional families comprise the next largest segment of the market for new single-family attached for-sale units; slightly over 18 percent would be in the market for new townhouses with base prices above \$400,000. Only nine percent would be able to purchase a new townhouse with a base price above \$200,000, whereas more than a quarter would require units priced between \$125,000 and \$200,000.
- Empty nesters and retirees represent just under 17 percent of the market for new townhouses, of which 20 percent would be able to purchase units priced between \$250,000 and \$300,000, 40 percent could afford units priced between \$200,000 and \$250,000, and 40 percent could only afford townhouses priced below \$200,000.

Over the next five years, there continues to be a solid market for new detached houses in Hartland Township. Based on the incomes and assets of the 230 households (*as shown on Table 10*) that represent the target markets for new market-rate for-sale low-range single-family detached houses, the distribution of annual market potential by price range would be as follows:

Distribution by Price Range
Target Groups for New Low-Range Single-Family Detached For Sale
Hartland Township, Livingston County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$200,000	25	30.1%
\$200,000–\$250,000	70	23.3%
\$250,000–\$300,000	50	13.3%
\$300,000–\$350,000	30	13.3%
\$350,000–\$400,000	30	10.0%
\$400,000 and up	<u>20</u>	<u>10.0%</u>
Total:	230	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Table 10

Target Groups For New Low-Range Single-Family Detached For-Sale
Households in Groups With Median Annual Incomes Above \$50,000
Hartland Township
Livingston County, Michigan

Empty Nesters & Retirees	<i>Number of Households</i>	<i>Share of Households</i>
New Empty Nesters	10	4.3%
RV Retirees	10	4.3%
Blue-Collar Empty Nesters	25	10.9%
Middle-Class Move-Downs	5	2.2%
No-Nest Suburbanites	5	2.2%
Exurban Suburbanites	10	4.3%
Subtotal:	65	28.3%
Traditional & Non-Traditional Families		
Ex-Urban Elite	20	8.7%
Full-Nest Exurbanites	10	4.3%
New-Town Families	30	13.0%
Small-Town Families	20	8.7%
Blue-Collar Button-Downs	5	2.2%
Multi-Cultural Families	5	2.2%
Subtotal:	90	39.1%
Younger Singles & Couples		
Ex-Urban Power Couples	15	6.5%
The VIPs	5	2.2%
Cross-Training Couples	40	17.4%
Twentysomethings	5	2.2%
Suburban Achievers	5	2.2%
Small-City Singles	5	2.2%
Subtotal:	75	32.6%
Total Households:	230	100.0%

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

- At over 39 percent of the annual market, family-oriented households represent the largest market segment for new low-range detached houses. A third could pay base prices of \$350,000 or more, a third would be able to purchase houses priced between \$200,000 and \$350,000, and the remaining third could only afford new detached houses priced between \$150,000 and \$200,000.
- Younger singles and couples comprise just under a third of the market for new low-range single-family detached for-sale units; a third of these would be in the market for village houses with base prices at \$350,000 and up. Another third would only be able to purchase a new house with a base price of less than \$250,000, and the remaining third could purchase new units priced between \$250,000 and \$350,000.
- In this case, empty nesters and retirees are the smallest market segment, representing just over 28 percent of the market for new low-range single-family detached for-sale units. Nearly 70 percent of this market would be able to purchase a new house with base prices between \$200,000 and \$300,000, 15 percent would be able to afford a unit priced above \$300,000, and 15 percent could only afford houses priced between \$150,000 and \$200,000.

Based on the incomes and assets of the 210 households (*as shown on* Table 11) that represent the target markets for new market-rate for-sale mid-range single-family detached houses, the distribution of annual market potential by price range would be summarized as follows:

Distribution by Price Range
Target Groups for New Mid-Range Single-Family Detached For Sale
Hartland Township, Livingston County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$200,000–\$250,000	30	14.3%
\$250,000–\$300,000	50	23.8%
\$300,000–\$350,000	35	16.7%
\$350,000–\$400,000	30	14.3%
\$400,000–\$450,000	25	11.9%
\$450,000–\$500,000	25	11.9%
\$500,000 and up	<u>15</u>	<u>7.1%</u>
Total:	210	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Table 11

Target Groups For New Mid-Range Single-Family Detached For-Sale
Households in Groups With Median Annual Incomes Above \$50,000
Hartland Township
Livingston County, Michigan

Empty Nesters & Retirees	<i>Number of Households</i>	<i>Share of Households</i>
Small-Town Establishment	5	2.4%
New Empty Nesters	10	4.8%
RV Retirees	5	2.4%
Blue-Collar Empty Nesters	15	7.1%
Exurban Suburbanites	5	2.4%
Subtotal:	40	19.0%
Traditional & Non-Traditional Families		
Nouveau Money	5	2.4%
Ex-Urban Elite	25	11.9%
Unibox Transferees	5	2.4%
Full-Nest Exurbanites	10	4.8%
Full-Nest Suburbanites	5	2.4%
New-Town Families	30	14.3%
Small-Town Families	15	7.1%
Blue-Collar Button-Downs	5	2.4%
Multi-Cultural Families	5	2.4%
Subtotal:	105	50.0%
Younger Singles & Couples		
Ex-Urban Power Couples	20	9.5%
Upscale Suburban Couples	5	2.4%
Cross-Training Couples	30	14.3%
Suburban Achievers	5	2.4%
Small-City Singles	5	2.4%
Subtotal:	65	31.0%
Total Households:	210	100.0%

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

- Family-oriented households comprise half the market for new mid-range detached houses. Just under 29 percent could afford base prices of \$450,000 or more, another 38 percent would be able to purchase only those houses priced below \$300,000, and a third of the family market could afford new detached houses priced between \$300,000 and \$450,000.
- More affluent younger singles and couples represent 31 percent of the market for new mid-range single-family detached for-sale units. Thirty percent of these households would be in the market for houses with base prices of \$400,000 to \$500,000. Another 30 percent would only be able to purchase a new house with a base price of less than \$300,000, and the remaining 40 percent could purchase new units priced between \$300,000 and \$400,000.
- Empty nesters and retirees are again the smallest market segment, making up just 19 percent of the market for new mid-range single-family detached houses. Half of this older market could purchase a new house with base prices between \$200,000 and \$300,000, 37.5 percent could afford a unit priced between \$300,000 and \$400,000, and just 12.5 percent could afford houses priced between \$400,000 and \$450,000.

Finally, based on the incomes and assets of the 150 households (*as shown on* Table 12) that represent the target markets for new market-rate for-sale high-range single-family detached houses, the distribution of annual market potential by price range would be as follows:

Distribution by Price Range
Target Groups for New High-Range Single-Family Detached For Sale
Hartland Township, Livingston County, Michigan

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$300,000–\$350,000	20	13.3%
\$350,000–\$400,000	20	13.3%
\$400,000–\$450,000	30	20.0%
\$450,000–\$500,000	25	16.7%
\$500,000–\$550,000	25	16.7%
\$550,000 and up	<u>30</u>	<u>20.0%</u>
Total:	150	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Table 12

Target Groups For New High-Range Single-Family Detached For-Sale
Households in Groups With Median Annual Incomes Above \$50,000
Hartland Township
Livingston County, Michigan

Empty Nesters & Retirees	<i>Number of Households</i>	<i>Share of Households</i>
Small-Town Establishment	5	3.3%
New Empty Nesters	5	3.3%
RV Retirees	5	3.3%
Blue-Collar Empty Nesters	5	3.3%
Subtotal:	20	13.3%
Traditional & Non-Traditional Families		
Nouveau Money	5	3.3%
Ex-Urban Elite	45	30.0%
Unibox Transferees	5	3.3%
Full-Nest Exurbanites	10	6.7%
Full-Nest Suburbanites	5	3.3%
New-Town Families	15	10.0%
Small-Town Families	5	3.3%
Subtotal:	90	60.0%
Younger Singles & Couples		
Ex-Urban Power Couples	20	13.3%
Upscale Suburban Couples	5	3.3%
Cross-Training Couples	15	10.0%
Subtotal:	40	26.7%
Total Households:	150	100.0%

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

- Traditional and non-traditional families are the largest market segment for new high-range detached houses, at 60 percent of the potential market. Half of them have the financial capability to purchase new high-range houses with base prices of \$500,000 or more, a third would be able to purchase houses priced between \$400,000 and \$500,000, and the remaining 17 percent could afford new detached houses priced between \$300,000 and \$400,000.
- Three target groups of well-to-do younger singles and couples comprise just under 27 percent of the market for new high-range single-family detached for-sale units; half of these households would be in the market for houses with base prices between \$450,000 and \$550,000, and the other half could purchase new units priced between \$350,000 and \$450,000.
- Again, empty nesters and retirees are the smallest market segment, representing just over 13 percent of the market for new high-range single-family detached for-sale units. Three-quarters of this market would be able to purchase a new house with base prices between \$300,000 and \$400,000, and 25 percent have the financial capability to purchase houses priced between \$400,000 and \$450,000.

—HARTLAND TOWNSHIP ASSETS AND CHALLENGES—

From a market perspective, the assets of Hartland Township are considerable, including:

- Location and Access: U.S. Route 23 provides easy access by automobile to employment and shopping in the Cities of Brighton and Ann Arbor to the south. The amenities of the City of Howell are also a short distance away via M-59, Highland Road.
- Historic buildings: Architecturally and historically significant buildings in Hartland Village provide a historic identity for the township.
- Culture: Although Hartland Township does not have a large population, the township contains several cultural institutions. The Hartland Players perform a variety of programs at the Hartland Music Hall on Avon Street in Hartland Village, and the Hartland Performing Arts Center on Highland Road provides a

wide range of performances, including the annual Bled Fest. The Florence B. Dearing Museum, located in the former Hartland town hall at the intersection of Hartland and Crouse Roads, features exhibits from the township's history.

- Public schools: The Hartland Consolidated School District is highly rated. Based on test results, Hartland High School has a GreatSchools rating of 10 out of 10, and the Hartland Village Elementary School has a rating of 9. The overall school district has a rating of 8 out of 10.
- Parks and recreation: Three golf courses, four parks, and multiple lakes provide a variety of recreational activities for township residents.

From a market perspective, the major limiting factor to new development in Hartland Township is lack of sufficient infrastructure.

- Of the 104 miles of public roads in the township under the aegis of Livingston County, 37 are unpaved, as are numerous private roads, making new construction beyond a single house very difficult. The township has convened a Safer Roads and Pathways Task Force to address this issue.
- Most of the township does not have access to public water and sewer, limiting the areas where residential development other than single-family detached houses with individual wells and septic systems can be constructed.

—OPTIMUM MARKET POSITION—

As established above under MARKET POTENTIAL FOR HARTLAND TOWNSHIP, based on the housing preferences of the 1,260 households in groups with median incomes above \$50,000 that represent the market for new housing units in Hartland Township, the overall target mix of new units should include approximately 30.1 percent multi-family for-rent (380 households); and just under 70 percent for-sale housing units (880 households), which includes multi-family for-sale (140 households, 11.1 percent of the total), single-family attached for-sale (150 households, 11.9 percent), and single-family detached for-sale (590 households, 46.9 percent of the total).

The target residential mix of 500 new dwelling units, based on the housing preferences of the identified target household groups, would be as follows (*reference again* Table 2):

Target Residential Mix—500 New Residential Units
Hartland Township, Livingston County, Michigan

HOUSING TYPE	PERCENT OF TOTAL	NUMBER OF UNITS
Multi-Family For-Rent (lofts/apartments)	30.1%	150
Multi-Family For-Sale (lofts/apartments, condo/co-op ownership)	11.1%	56
Single-Family Attached For-Sale (townhouses, fee-simple/ condominium ownership)	11.9%	60
Low-Range Single-Family Detached For-Sale (village houses, fee simple ownership)	18.3%	91
Mid-Range Single-Family Detached For-Sale (neighborhood houses, fee simple ownership)	16.7%	83
High-Range For-Sale Single-Family Detached (estate houses, fee simple ownership)	<u>11.9%</u>	<u>60</u>
Total	100.0%	500

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Three promising areas within the township, and the recommended housing types for each area, have been identified as preferred potential locations for new development because there is access to infrastructure and they have access to paved roads.

- The intersection of Highland Road with Fenton/North Pleasant Valley Roads, where the township owns two sizable parcels—mixed-use, multi-family and single-family attached housing types;
- The area east of the Hartland High School, Hartland Middle School, and the Creekside Elementary School, south of the Village Elementary School, and north of Dunham Road—village-scale single-family housing types; and
- The intersection of U.S. Route 23 and Clyde Road—multi-family and single-family attached housing types.

Given lack of infrastructure and current zoning, most of the remaining undeveloped areas of the township are appropriate only for single-family development on larger lots.

The optimum market position for new market-rate housing units has therefore been established for Hartland Township in general and the three areas in specific based on a variety of factors, including but not limited to:

- The tenure and housing preferences of draw area households and their income and equity levels;
- The township's physical and locational assets and challenges; and
- Current residential market dynamics in the Hartland market area.

Based on the above, the optimum market position for new rental and for-sale housing within the township and the three identified areas is summarized on the table on the following page (*see also* Table 13 *for further detail*):

**Base Rent, Price and Size Ranges
New Housing Units
Hartland Township, Livingston County, Michigan**

HOUSING TYPE	RENT/PRICE RANGE	SIZE RANGE	RENT/PRICE PER SQ. FT.
FOR-RENT (MULTI-FAMILY)—			
Apartment Flats	\$850–\$1,500/month	600–1,250 sf	\$1.20–\$1.42 psf
FOR-SALE (MULTI-FAMILY)—			
Condominium Flats	\$150,000–\$265,000	900–1,650 sf	\$161–\$167 psf
FOR-SALE (SINGLE-FAMILY ATTACHED)—			
Townhouses	\$185,000–\$300,000	1,150–2,000 sf	\$150–\$161 psf
FOR-SALE (SINGLE-FAMILY DETACHED)—			
Village Houses	\$195,000–\$285,000	1,200–1,800 sf	\$158–\$163 psf
Neighborhood Houses	\$295,000–\$375,000	1,850–2,500 sf	\$150–\$159 psf
Estate Houses	\$400,000–\$500,000	2,550–3,300 sf	\$152–\$157 psf

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Base prices are exclusive of consumer-added options, upgrades, and/or lot or view premiums, and have been established in year 2014 dollars to place the units within the current purchasing capabilities of the target market households.

Optimum Market Position: 500 Dwelling Units
New Residential Development
Hartland Township, Livingston County, Michigan
August, 2014

<u>Percent of Units</u>	<u>Housing Type</u>	<u>Unit Configuration</u>	<u>Approx. Rent/Price Range</u>	<u>Approx. Unit Size Range</u>	<u>Approx. Rent/Price Per Sq. Ft.</u>	<u>Annualized Average Absorption</u>
<u>30.1%</u>	Multi-Family For-Rent					<u>60</u>
150	Flats	Studio/1ba	\$850	600	\$1.42	60
		1br/1ba	\$975	750	\$1.30	
		2br/2ba	\$1,250	1,000	\$1.25	
		3br/2.5ba	\$1,500	1,250	\$1.20	
<u>11.1%</u>	Multi-Family For-Sale					<u>12</u>
56	Flats	1br/1ba	\$150,000	900	\$167	12
	(4-unit buildings)	2br/2ba	\$205,000	1,250	\$164	
		2br/2.5ba	\$230,000	1,400	\$164	
		3br/5ba	\$265,000	1,650	\$161	
<u>11.9%</u>	Single-Family Attached For-Sale					<u>12</u>
60	Townhouses	2br/1.5ba	\$185,000	1,150	\$161	12
		2br/2.5ba	\$235,000	1,500	\$157	
		3br/2.5ba	\$270,000	1,750	\$154	
		3br/2.5ba end unit	\$300,000	2,000	\$150	
<u>18.3%</u>	Low-Range Single-Family Detached For-Sale					<u>16</u>
91	Village Houses	2br/2ba	\$195,000	1,200	\$163	16
		2br/2.5ba	\$215,000	1,350	\$159	
		3br/2ba	\$255,000	1,600	\$159	
		3br/2ba	\$285,000	1,800	\$158	

NOTE: Base rents/prices are in year 2014 dollars, do not include premiums, options or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Optimum Market Position: 500 Dwelling Units
New Residential Development
Hartland Township, Livingston County, Michigan
August, 2014

<u>Percent of Units</u>	<u>Housing Type</u>	<u>Unit Configuration</u>	<u>Approx. Rent/Price Range</u>	<u>Approx. Unit Size Range</u>	<u>Approx. Rent/Price Per Sq. Ft.</u>	<u>Annualized Average Absorption</u>
<u>16.7%</u>	Mid-Range Single-Family Detached For-Sale					<u>14</u>
83	Neighborhood Houses	3br/2ba 3br/2.5ba 3br/2ba/family rm 4br/2.5ba/den	\$295,000 \$325,000 \$350,000 \$375,000	1,850 2,100 2,300 2,500	\$159 \$155 \$152 \$150	14
<u>11.9%</u>	High-Range Single-Family Detached For-Sale					<u>10</u>
60	Estate Houses	4br/2.5ba 4br/2.5ba/family 4br/3ba/den 4br/3.5ba/library	\$400,000 \$435,000 \$475,000 \$500,000	2,550 2,800 3,100 3,300	\$157 \$155 \$153 \$152	10
<u>100.0%</u>						<u>124</u> including rentals
500	Dwelling Units					64 excluding rentals

NOTE: Base rents/prices are in year 2014 dollars, do not include premiums, options or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

–BUILDING AND IN-UNIT AMENITIES–

Building façades should reflect traditional proportions and designs, such as shutters scaled to match windows, and single-height entries. Traditional elevations are typically more efficient to build, since they do not require any articulation other than a portico or porch. Brick or stucco façades should be encouraged, with fiber-cement side and rear elevations.

To meet the expectations of potential residents, all units should be wired for cable television and high-speed internet. Lighting fixtures should be capable of accommodating compact fluorescent or LED bulbs.

Rental units should incorporate contemporary, durable finishes appropriate to urban living, as opposed to the “beige” interiors of suburban multi-family housing. Smaller apartments should be designed without interior walls, with the exception of the bathroom, and as much closet and storage space as possible. Larger apartments should include individual bedrooms.

In the kitchens of the for-sale apartments, countertops should be a durable, non-traditional material, with integral or undermount sinks, mid-scale appliances, and plain-front European-style cabinetry. Bathrooms should have a standard contemporary finish package, including vessel-style sinks, and shower and/or tub enclosures. All fixtures, faucets and lighting should be clean, minimalist and contemporary.

The townhouses and detached houses should provide a choice of traditional finishes (such as crown molding, chair rails, five-panel interior doors) or modern minimal finishes (wood flat-panel doors, stainless hardware, etc.). These units should have carpeted bedroom floors, carpet or hardwood in living and dining areas and tile in the kitchens and baths. Kitchen countertops should be hard surface or, at minimum, color-through laminate, with integral or undermount stainless sinks and appliances and a choice of European or traditional cabinets. Bathrooms should have ceramic tile floors and traditional fixtures.

—ABSORPTION FORECASTS—

Absorption of up to 500 new dwelling units in Hartland Township could be achieved within six years from commencement of marketing, depending on phasing and construction, and barring another extended downturn in the national and regional economies over the next several years. Pricing and positioning have been designed to maximize values and the potential for escalation, yet achieve sell-out within a reasonable absorption period.

After more than 26 years' experience in various markets across the country, and in the context of the target market methodology, Zimmerman/Volk Associates has determined that an annual capture of up to 20 percent of the potential market for new rental housing and up to 10 percent of the potential market for each for-sale housing type is achievable. (Nationally, until the recent housing collapse, newly-constructed dwelling units represented 15 percent of all units sold.)

Annual absorption forecasts are summarized on the following table (*see again* Table 13):

Average Annual Absorption New Housing Units	
<i>Hartland Township, Livingston County, Michigan</i>	
Multi-family for-rent Apartment flats	60 units
Multi-family for-sale Condominium flats	12 units
Single-family attached for-sale Townhouses (fee simple)	12 units
Low-range single-family detached for-sale Village houses	16 units
Mid-range single-family detached for-sale Neighborhood houses	14 units
High-range single-family detached for-sale Estate houses	<u>10</u> units
Total	124 units

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

At the forecast absorption of an average 124 rental and for-sale units per year, new residential development within Hartland Township would require a capture rate of 9.8 percent of the 1,260 households—identified through target market analysis—that have the potential to rent or purchase new housing units each year over the next five years—a rate that is well within the target market methodology’s parameters of feasibility.

The annual absorption forecasts indicate the specific capture rates of those households that represent the potential market for each housing type within Hartland Township, as shown on the following table:

**Capture of the Potential Market
 Based on Absorption Forecasts
 New Housing Units
 Hartland Township, Livingston County, Michigan**

HOUSING TYPE	ANNUAL MARKET POTENTIAL (HHs)	AVERAGE ANNUAL ABSORPTION (UNITS)	CAPTURE RATE
Multi-family for-rent	380	60	15.8%
Multi-family for-sale	140	12	8.6%
Single-family attached for-sale	150	12	8.0%
Low-range single-family detached for-sale	230	16	7.0%
Mid-range single-family detached for-sale	210	14	6.7%
High-range single-family detached for-sale	150	10	6.7%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

These housing type-specific capture rates are well within the parameters required for feasible development. For a study area of this size and scale, there is a high degree of confidence in a capture rate of up to 20 percent for new multi-family rental development and up to 10 percent for new multi-family and single-family attached and detached for-sale development.

NOTE: The target market capture rates of the potential purchaser or renter pool are a unique and highly-refined measure of feasibility. Target market capture rates are *not* equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** represents the *annual* forecast absorption—in aggregate and by housing type—as a percentage of the number of households

that have the potential to purchase or rent new housing within a specified area *in a given year*.

The **penetration rate** represents the *total* number of dwelling units planned for a property as a percentage of the *total* number of draw area households, sometimes qualified by income.

The **traffic conversion rate** represents the *total* number of buyers or renters as a percentage of the *total* number of prospects that have visited a site.

Because the prospective market for a property is more precisely defined using target market methodology, a substantially smaller number of households are qualified; as a result, target market capture rates are higher than the more grossly-derived penetration rates. The resulting higher capture rates remain within the range of feasibility.

UNIT AND BUILDING TYPES

Unit and building types that are attractive to today's market include:

—MULTI-FAMILY UNITS—

- Open Loft: Unit interiors typically have high ceilings and commercial windows and are minimally finished (with minimal room delineations such as columns and fin walls), or unfinished (with no interior partitions except those for bathrooms).



Open Loft

- Soft Loft: Unit interiors typically have high ceilings, are fully finished and partitioned into individual rooms. Units may also contain architectural elements reminiscent of “hard lofts,” such as exposed ceiling beams and ductwork, concrete floors and industrial finishes, particularly if the building is an adaptive re-use of an existing industrial structure.



Soft Loft

- Luxury Apartment: A more conventionally-finished apartment unit, typically with completely-partitioned rooms.—trim, interior doors, kitchens and baths are fitted out with higher-end finishes and fixtures.



Luxury Apartment

—MULTI-FAMILY—

- Maisonette Apartment Building: A three-story building with an elevation that resembles a row of townhouses; the interior, however, combines single-level and two-level apartments. Each unit has its own street entrance and attached garage, accessed from the rear of the building.



Maisonette apartment buildings

- Mansion Apartment Building: A two- to three-story flexible-use structure with a street façade resembling a large detached or attached house (hence, “mansion”). The attached version of the mansion, typically built to a sidewalk on the front lot line, is most appropriate for downtown locations. The building can accommodate a variety of uses—from rental or for-sale apartments, professional offices, any of these uses over ground-floor retail, a bed and breakfast inn, or a large single-family detached house—and its physical structure complements other buildings within a neighborhood.



Mansion apartment building

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



Mixed-use buildings

—SINGLE-FAMILY ATTACHED—

- Townhouse: Similar in form to a conventional suburban townhouse except that the garage—either attached or detached—is located to the rear of the unit and accessed from an alley or auto court. Unlike conventional townhouses, urban townhouses conform to the pattern of streets, typically with shallow front-yard setbacks.



Townhouses

- Duplex: A two-unit townhouse with the garage—either attached or detached—located to the rear of the unit. Like the rowhouse, urban duplexes conform to the pattern of streets, typically with shallow front-yard setbacks. In a corner location, the units can each front a different street.



Corner duplex

—SINGLE-FAMILY DETACHED—

- Cottage: A small one-, one-and-a-half- or two-story single-family detached house on a small lot, often with alley-loaded parking.



Cottage

- Urban House Type 1: A one-and-a-half- or two-story single-family detached house on a small lot, often with alley-loaded parking with attached, detached, or open parking—whether alley-loaded or not—set well back from the front façade; in many instances, the garage is framed by a porte-cochère.



Urban house with porte-cochère carport



Urban house with porte-cochère and garage

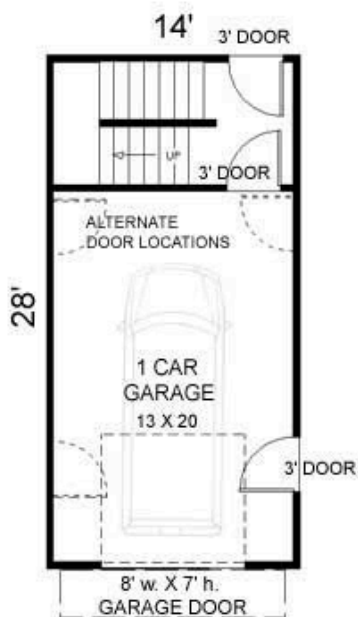
- Urban House Type 2: A two- or three-story single-family detached house relatively close to the street with attached, detached, or open parking—whether alley-loaded or not—set well back from the front façade; in many instances, the garage is framed by a porte-cochère.



Urban house with porte-cochère and garage

—MISCELLANEOUS BUILDING TYPES—

- Accessory Unit: A secondary dwelling unit associated with a principal residence on a single lot. An accessory unit is typically located over the garage, attached or detached, of a rowhouse or detached house. Also known as “garage apartment,” “ancillary apartment,” “accessory apartment,” “granny flat,” “outbuilding” when detached, and “backbuilding” when attached to the principal residence.



336 SF LIVING AREA (EXCL. STAIR)



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Research & Strategic Analysis

ASSUMPTIONS AND LIMITATIONS—

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

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

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



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Research & Strategic Analysis

RIGHTS AND STUDY OWNERSHIP—

Zimmerman/Volk Associates, Inc. retains all rights, title and interest in the methodology and target market descriptions contained within this study. The specific findings of the analysis are the property of the client and can be distributed at the client's discretion.

