

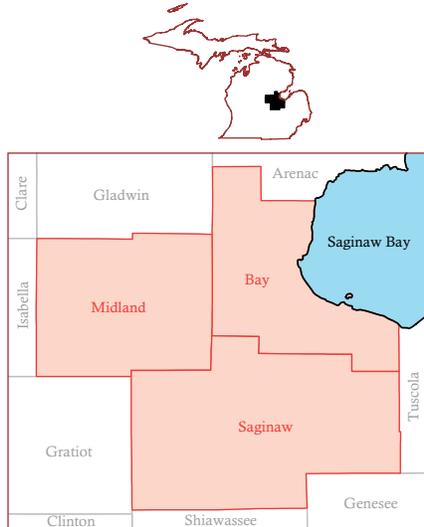


# Saginaw-Midland-Bay City, Michigan

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of October 1, 2017



## Housing Market Area



The Saginaw-Midland-Bay City, MI Combined Statistical Area (hereafter, Saginaw HMA) includes three one-county metropolitan statistical areas (MSAs): Bay City, Midland, and Saginaw, MI. The HMA served as a port for Great Lakes shipping and grew rapidly during the 19th century as a site for sawmills and lumbering until the area's lumbering supply was exhausted by 1900. Currently, manufacturing and healthcare are the primary industries in the HMA.

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## Summary

### Economy

Despite expanding at a slower rate than the state or national economies, nonfarm payrolls in the Saginaw HMA expanded each year from 2010 through 2016. During the period, nonfarm payrolls increased by an average of 1,100 jobs, or 0.7 percent, annually. More recently, nonfarm payrolls were unchanged during the past 12 months. The manufacturing sector, which contributed to one-half of the total net gain in nonfarm payrolls, has led the economic recovery in the HMA since 2010. In addition, the professional and business services sector added 400 jobs, or 2.1 percent, annually, offsetting declines of 200 jobs annually at local units of government. During the 3-year forecast period, nonfarm payrolls are expected to grow at an average annual rate of 0.2 percent.

### Sales Market

The sales housing market in the HMA is currently slightly soft with an estimated vacancy rate of 1.7 percent, down from 2.2 percent during 2010. New and existing home sales totaled 6,850 during the 12 months ending August 2017, slightly below the recent high level of 7,150 sales during 2003. By contrast, average sales prices recovered. The current average sales

price of \$105,100 for new and existing sales is more than 5 percent above the recent high of \$99,950 during 2005. During the next 3 years, demand is estimated for 400 homes (Table 1). The 80 homes currently under construction will satisfy a portion of the demand.

### Rental Market

The rental housing market in the HMA is currently slightly soft. The estimated overall rental vacancy rate is 7.2 percent, down from 9.0 percent in 2010. Conditions in the apartment market are balanced because of balanced conditions in Bay and Saginaw Counties that offset soft conditions in Midland County. During the forecast period, demand is estimated for 620 new market rate units (Table 1). The 85 units currently under construction will satisfy a portion of this demand.

**Table 1. Housing Demand in the Saginaw HMA\* During the Forecast Period**

	Saginaw HMA*	
	Sales Units	Rental Units
Total demand	400	620
Under construction	80	85

\* Saginaw-Midland-Bay City HMA.  
 Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of October 1, 2017. The forecast period is October 1, 2017, to October 1, 2020.  
 Source: Estimates by analyst

# Economic Conditions

Although the Saginaw HMA emerged from the recent economic recession 1 year earlier than the state of Michigan and the national economies, nonfarm payrolls in the HMA recovered more slowly than in either of the larger geographies. Economic conditions in the nation and the state of Michigan began to recover during 2011, and nonfarm payrolls grew averages of 1.4 and 1.6 percent annually, respectively, through October 1, 2017. By contrast, nonfarm payrolls began to increase in the HMA during 2010 but grew only an average

of 0.7 percent annually since that time. The national economy recovered all jobs lost during the previous recession by 2014. In the state of Michigan, the economy has yet to recover. Nonfarm payrolls in the state fell each year during the 2000s and, despite expansion since 2011, the current total remains nearly 7 percent below the level in 2000. In the HMA, nonfarm payrolls fell each year from 2000 through 2009, and the current nonfarm payroll count is more than 8 percent below the 2000 average.

During the 12 months ending September 2017, nonfarm payrolls totaled 162,800 jobs, unchanged from the previous 12 months (Table 2). The goods-producing sectors added 300 jobs, because the manufacturing sector added 500 jobs, offsetting a loss of 200 jobs in the mining, logging, and construction sector that resulted from recent declines in residential construction. Manufacturing job gains occurred at The Dow Chemical Company, which opened Global Dow Center in the city of Midland in July 2017 and began filling up to 100 new jobs. Dow Chemical, founded in 1897 in the city of Midland, is the largest employer in the HMA (Table 3). Also, in the summer of 2017, Nexteer Automotive Group Ltd. began hiring 200 new production workers. Nexteer Automotive, the second-largest employer in the HMA, produces steering and drivetrain products and was created in 2009 when Delphi Automotive LLP reorganized. Additional, smaller-scale manufacturing sector job growth during 2016 totaled more than 50 new jobs at more than a dozen firms (Saginaw Future, Inc.). By comparison to the goods-producing sector, the service-providing sector fell 200 jobs, or 0.1 percent. The professional and

**Table 2. 12-Month Average Nonfarm Payroll Jobs in the Saginaw HMA,\* by Sector**

	12 Months Ending		Absolute Change	Percent Change
	September 2016	September 2017		
Total nonfarm payroll jobs	162,800	162,800	0	0.0
Goods-producing sectors	29,200	29,500	300	1.0
Mining, logging, & construction	6,900	6,700	-200	-2.9
Manufacturing	22,500	23,000	500	2.2
Service-providing sectors	133,500	133,300	-200	-0.1
Wholesale & retail trade	23,800	23,800	0	0.0
Transportation & utilities	3,800	3,500	-300	-7.9
Information	3,000	3,000	0	0.0
Financial activities	6,000	6,000	0	0.0
Professional & business services	22,200	21,900	-300	-1.4
Education & health services	31,500	31,800	300	1.0
Leisure & hospitality	16,800	16,800	0	0.0
Other services	7,000	7,000	0	0.0
Government	19,300	19,700	400	2.1

\* Saginaw-Midland-Bay City HMA.

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through September 2016 and September 2017.

Source: U.S. Bureau of Labor Statistics

**Table 3. Major Employers in the Saginaw HMA\***

Name of Employer	Nonfarm Payroll Sector	Number of Employees
The Dow Chemical Company	Manufacturing	7,950
Nexteer Automotive Group Ltd.	Manufacturing	5,200
MidMichigan Health	Government	4,600
Covenant HealthCare	Education & health services	4,500
Dow Corning Corporation	Manufacturing	2,650
Meijer, Inc.	Wholesale & retail trade	2,300
McLaren Health Care	Education & health services	2,025
St. Mary's of Michigan	Education & health services	1,800
Morley Companies, Inc.	Professional & business services	1,750
Saginaw Valley State University	Government	1,075

\* Saginaw-Midland-Bay City HMA.

Note: Excludes local school districts.

Sources: Great Lakes Bay Economic Development (2013); Midland Tomorrow (2015); Saginaw Future (2015)

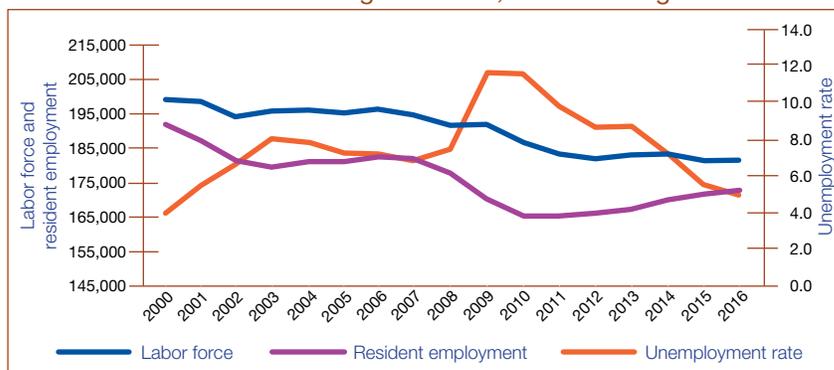
business services sector fell by 300 jobs, or 1.4 percent. In the summer of 2016, Dow Chemical announced plans to lay off nearly 350 primarily administrative staff within the business services industry in the Midland, MI MSA because of the merger between Dow Chemical and E. I. Du Pont De Nemours And Co Preferred; far fewer people were ultimately affected, according to local sources. Additionally, the transportation and utilities sector fell by 300 jobs, a decline of nearly 8 percent. Offsetting these reductions, government sector payrolls increased by 400 jobs, or 2.1 percent, during the past year, divided between state and federal government jobs. In addition, the education and health services sector expanded by 300 jobs, or 1.0 percent. During the 12 months ending September 2017, the unemployment rate in the HMA was 5.0 percent, unchanged from a year earlier; the rate peaked at 11.7 percent during 2009. Figure 1 shows trends in the labor force, resident employment, and unemployment rate in the HMA from 2000 to 2016.

The economy in the HMA contracted each year from 2000 through 2009. Jobs lost totaled 22,600, or 13 percent of the 2000 payroll total and averaged annual declines of 1.5 percent. Job

losses were not distributed evenly in the HMA economy, however, and 80 percent of jobs lost during this 9-year period were in the goods-producing sectors. Manufacturing sector job losses contributed to 70 percent of goods-producing and 56 percent of total nonfarm payrolls lost. As a result of these job losses, the economy in the HMA became more concentrated as a service-providing economy, a trend that continues to the current date (Figure 2). The goods-producing sectors accounted for nearly one-fourth of jobs in 2000. By 2009, that ratio declined to less than 17 percent. During 2000, the manufacturing sector was the largest employment sector in the HMA, providing more than 18 percent of all jobs. By 2009, it fell to the fourth-largest payroll sector, and only 12 percent of jobs in the HMA were in the manufacturing sector.

The uninterrupted decline in payrolls in the HMA from 2000 through 2009 can be broken down into two periods of significance. From 2000 through 2006, nonfarm payrolls in the HMA fell by 1,900, or 1.1 percent, annually. Manufacturing sector jobs contracted by 1,400, or 4.8 percent, annually, contributing nearly three-fourths of the total jobs lost. From 2007 through 2009, when the national economy also started to contract, job losses in the HMA nearly doubled to 3,700, or 2.3 percent, annually. The manufacturing sector continued to decline, losing 1,600 jobs, or 7.2 percent, annually, but service sector jobs also contracted. During this period, the service sector contracted 1.2 percent, or by 1,600 jobs, annually, and the wholesale and retail trade, the professional and business services, and the leisure and hospitality sectors fell by 600, 400, and 300 jobs, or 2.3, 1.9,

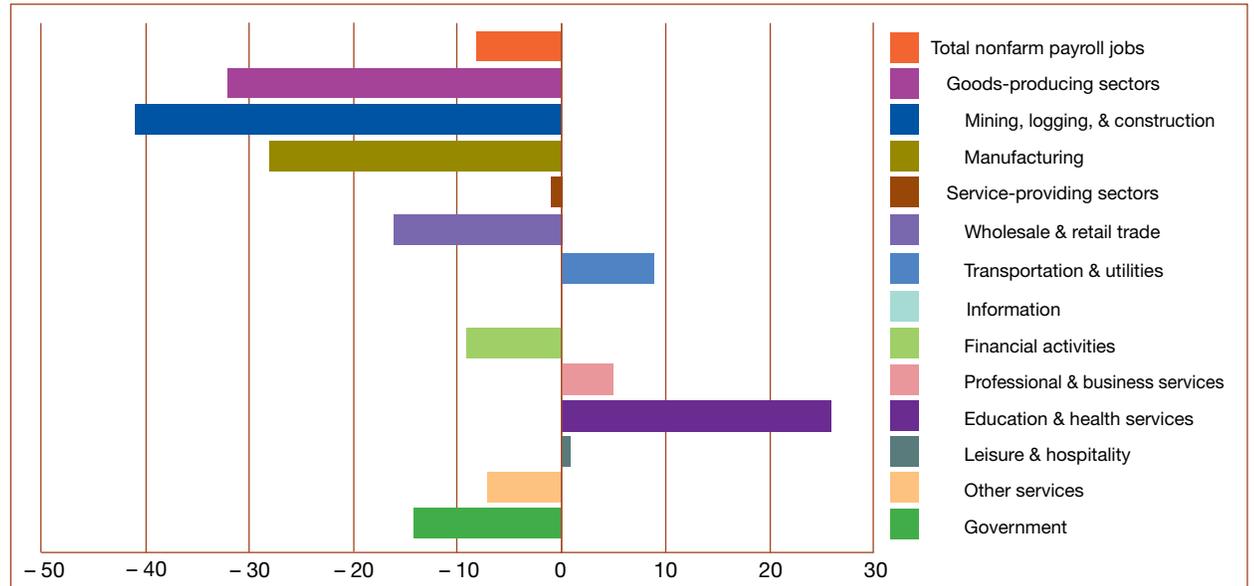
**Figure 1.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the Saginaw HMA,\* 2000 Through 2016



\* Saginaw-Midland-Bay City HMA.

Source: U.S. Bureau of Labor Statistics

**Figure 2. Sector Growth in the Saginaw HMA,\* Percentage Change, 2000 to Current**



\* Saginaw-Midland-Bay City HMA.

Notes: Current is based on 12-month averages through September 2017. During this period, payrolls in the information sector showed no net change.

Source: U.S. Bureau of Labor Statistics

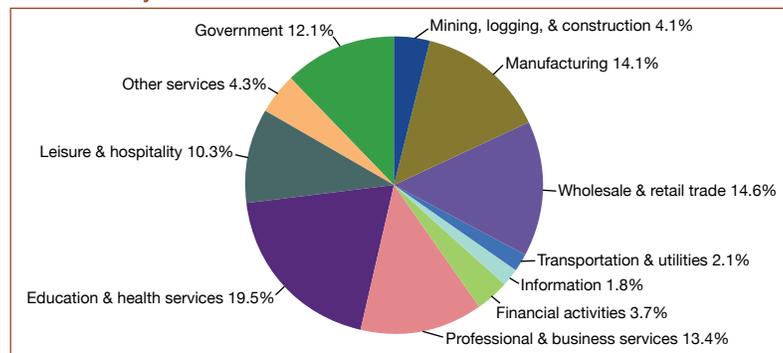
and 2.0 percent annually, respectively. Although the national economy lost jobs for 1 more year, the economy in the HMA added jobs during 2010, the first year of job growth since before 2000.

Since the economy in the HMA began to recover during 2010, the goods-producing and the service-providing sectors have contributed evenly to the recovery, each adding an average of 500 jobs annually, or 1.8 and 0.4 percent, respectively. All

goods-producing jobs added since 2010 have been manufacturing jobs, averaging growth of 2.4 percent annually, and the sector has expanded to 14 percent of total payrolls, becoming the third-largest sector. In the service-providing sector, new jobs were in the professional and business services, the education and health services, and the leisure and hospitality sectors, expanding by 400, 200, and 100 jobs respectively a year, or annual growth rates of 2.1, 0.7, and 0.6 percent. The education and health services sector is the largest current nonfarm payroll sector, contributing nearly 20 percent of all jobs in the HMA (Figure 3).

During the summer of 2015, Central Michigan University's School of Medicine began teaching its first class of residents in the \$23.1 million College of Medicine facility at Covenant HealthCare in the city of Saginaw, leading to additional activity in this sector in the HMA. In the summer of 2016, McLaren Health Care opened its Uptown Bay City medical office,

**Figure 3. Current Nonfarm Payroll Jobs in the Saginaw HMA,\* by Sector**



\* Saginaw-Midland-Bay City HMA.

Note: Based on 12-month averages through September 2017.

Source: U.S. Bureau of Labor Statistics

which includes approximately 60 McLaren employees and 40 non-McLaren staff.

During the 3-year forecast period, non-farm payrolls are expected to increase by an average of 300 jobs annually, or 0.2 percent. Manufacturing payrolls should continue to increase as Nexteer Automotive continues filling 200 new production jobs, for which hiring began in the summer of 2017. Dow Chemical broke ground on a \$100 million Innovation Center in the city of Auburn in Bay County that will add more than 100 research positions to the 1,100 currently employed in the HMA. The Midland Cogeneration Venture is a joint venture between

Consumers Energy and Dow Chemical and announced plans for a \$500 million expansion of their existing facility that will create approximately 700 construction jobs during its 2-year development period and add approximately 20 jobs on completion, scheduled for 2019. Morley Companies, Inc., a media and event planning staffing company with more than 2,500 employees nationally and 1,750 in the HMA, began hiring 60 medical customer service representatives. MidMichigan Health is expected to begin construction of a \$57 million new facility, which will include a new, centralized heart and vascular center, scheduled for completion in 2020.

## Population and Households

As of October 1, 2017, the estimated population of the Saginaw HMA is 378,700. The population has fallen an average of 1,725 annually since April 2010, or 0.4 percent a year. Historically, the HMA reached a record-high population of 421,500 during 1980, due in large part because, from 1970 through 1979, manufacturing employment reached a high nationally and in the state of Michigan and has declined since. Since 1980, the population of the HMA has fallen, declining an average of 0.3 percent annually.

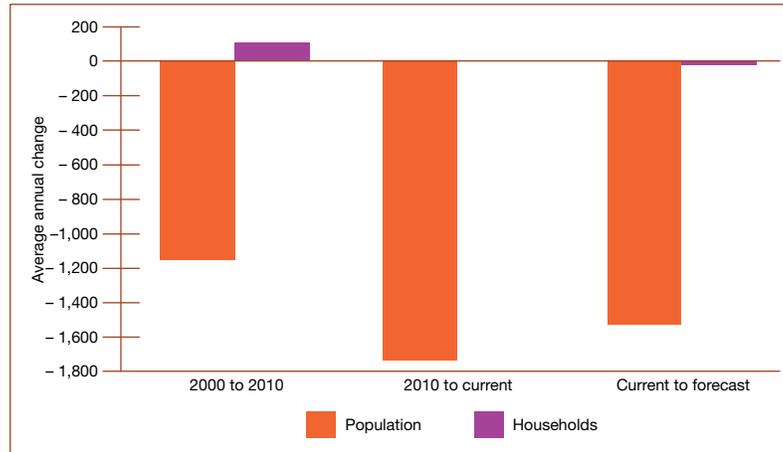
From 2000 to 2002, the population of the HMA remained nearly constant, falling by 100 annually (U.S. Census Bureau decennial census counts and population estimates as of July 1). Net natural change (resident births minus resident deaths) nearly offset net out-migration, which averaged

1,475 people annually from 2000 to 2002. From 2002 to 2007, nonfarm payroll jobs fell in the HMA and in the state of Michigan, while increasing nationally. Residents of the HMA and throughout the state of Michigan moved away, seeking improved economic prospects. During this time, net out-migration from the HMA nearly doubled to an average of 2,550 people annually, and the rate of population loss rose to 0.4 percent, or 1,600 people annually. From 2007 to 2012, encompassing the onset of the national recession and subsequent recovery and including the recovery in the HMA, population loss moderated slightly to 0.3 percent annually, or 1,150 people, because net out-migration fell to an average of 1,775 people annually. Economic conditions were weak nationally during much of this time, minimizing the incentive for

**Population and Households** *Continued*

people to move. From 2012 to the current date, the rate of population loss increased to an average of 1,975

**Figure 4. Population and Household Growth in the Saginaw HMA,\* 2000 to Forecast**

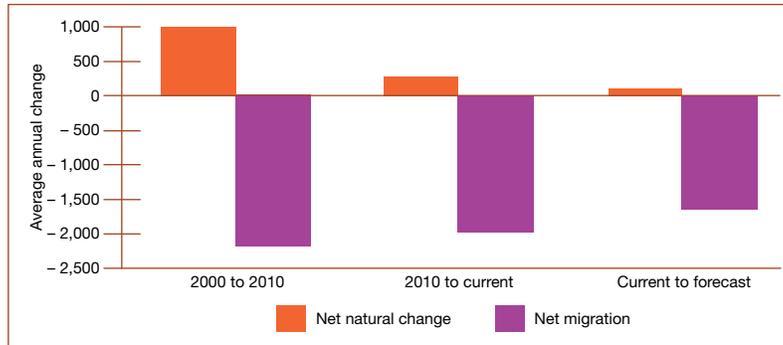


\* Saginaw-Midland-Bay City HMA.

Notes: The current date is October 1, 2017. The forecast date is October 1, 2020.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 5. Components of Population Change in the Saginaw HMA,\* 2000 to Forecast**

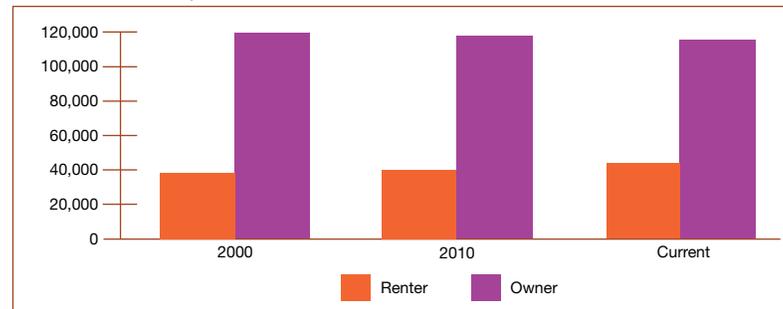


\* Saginaw-Midland-Bay City HMA.

Notes: The current date is October 1, 2017. The forecast date is October 1, 2020.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 6. Number of Households by Tenure in the Saginaw HMA,\* 2000 to Current**



\* Saginaw-Midland-Bay City HMA.

Note: The current date is October 1, 2017.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

people, or 0.5 percent annually. Contributing factors are both net out-migration, which rose from an average of 1,775 to 2,150 annually and also net natural change, which dropped.

Although higher rates of job growth nationally provide incentives for residents of the HMA to move away, economic prospects in other parts of Michigan also impact migration to and from the HMA. When the Saginaw HMA emerged from the recession during 2010, before the state of Michigan and the nation, more people moved from the nearby Flint, Lansing-East Lansing, and Detroit-Warren-Dearborn, MI MSAs into the Saginaw HMA. From 2010 through 2015, the migration pattern reversed, and more people left the Saginaw HMA to move to these nearby Michigan MSAs (Internal Revenue Service migration data). Figure 4 shows population and household growth in the HMA, and Figure 5 shows the components of population change in the HMA from 2000 to the forecast date.

Currently, an estimated 157,050 households reside in the HMA, unchanged since 2010. During the previous decade, households grew by an average of 90, or 0.1 percent, annually. Since 2010, the number of owner households has declined, offset by increasing renter households because of the weak economy, an increase in foreclosures, and tighter lending standards coupled with increased household preferences to rent rather than own. Figure 6 shows households by tenure in the HMA from 2000 to the forecast date. From 2000 to 2010, the number of householders living alone rose from 40,323 to 43,984, contributing to the increase in total households while population declined (U.S. Census Bureau decennial census).

During the 3-year forecast period, with continued moderate economic growth and continued net out-migration, population in the HMA is expected to decline at a similar

0.4-percent annual rate as recorded since 2010. Households are also estimated to decline slightly by 15 annually, maintaining a relatively stable level.

## Housing Market Trends

### Sales Market

The sales housing market in the Saginaw HMA is currently soft. The current sales vacancy rate is estimated at 1.7 percent, which is down from 2.2 percent in 2010 but above the 1.4-percent rate in 2000 when conditions were balanced (Table DP-1 at the end of this report). As of September 1, 2017, approximately 3.8 months of supply of homes are currently available in the sales market, down from 4.7 months during September 2016 and 7.9 months during September 2010 (CoreLogic, Inc., with adjustments by the analyst).

During the 12 months ending August 2017, approximately 6,850 new and existing single-family homes, town-homes, and condominiums sold, representing a decrease of approximately 230 sales, or 3 percent, from a year earlier. At the same time, approximately 730 fewer distressed home sales (real estate owned [REO] and short sales) were recorded, and new sales and regular (nondistressed) resales rose more than 8 percent during the past year. Home sales in the HMA have risen, starting in 2010, the same year the economy in the HMA began to expand after 9 years of job losses. From 2009 to 2015, home sales in the HMA rose 3 percent annually from 5,525 sales during 2010 to 6,500 sales during 2015. Home sales in the HMA

averaged 7,050 from 2000 through 2004, then declined, averaging 6,500 during 2005 and 2006. After a 1-year jump to 7,050 during 2007, home sales then fell steeply, falling nearly 19 percent during 2008 to 5,725 sales and contracting 2 percent annually for the next 2 years to the recent low sales figure of 5,525 during 2010. The large, 1-year increase during 2007 is because REO sales more than doubled, offsetting modest declines in new and regular resales that year. Home sales in the HMA reached their low during 2010, and average sales prices bottomed out during 2009, the worst year of job losses during the recent recession.

Average home sales prices in the HMA surpassed the previous high value from before the recession during the past 12 months. During the 12 months ending August 2017, the average home sales price was \$105,100, nearly 12 percent above the value a year earlier. From 2000 through 2005, average home sales prices in the HMA rose steadily, from \$92,100 to the previous high value of \$99,900 during 2005, by an average annual gain of 2 percent. Home sales prices wavered during 2006, averaging \$99,300, a decline of less than 1 percent, and then fell rapidly during the next 3 years to the recent

## Housing Market Trends

### Sales Market *Continued*

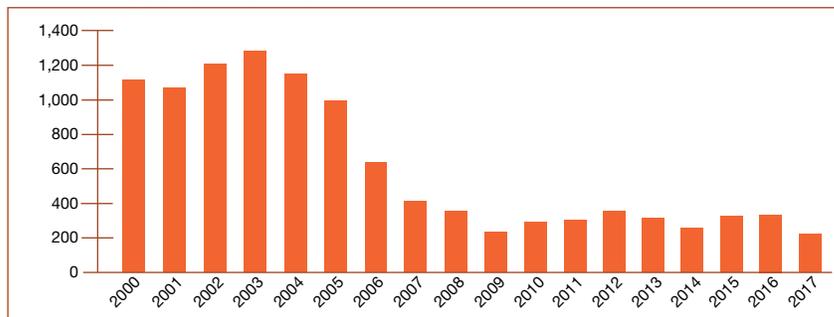
low value of \$78,700 during 2009. The economies in the HMA and the nation both recorded the most job losses during 2009, when nonfarm payrolls fell 3.9 and 4.3 percent, respectively. Since 2009, average home sales prices in the HMA have risen, corresponding to generally improving economic conditions in the HMA and an increase in nondistressed resales relative to total resales. From the low value of \$78,700 during 2009, average home sales prices gained 4 percent annually to \$99,200 during 2015.

The rate of seriously delinquent loans (loans that are 90 or more days delinquent or in foreclosure) and REO properties in the HMA as of September 2017 was 2.4 percent, above the comparable rates for the state of Michigan and the nation, which are 1.5 and 2.2 percent, respectively. One year ago, the rate for the HMA was 2.9 percent, and for the state of Michigan and the nation, the rates were 1.8 and 2.7 percent. Although the percentage of seriously delinquent loans and REO properties is currently higher in the HMA compared with the state of Michigan and the nation, the peak rate reached during the housing crisis was lower in the HMA compared with the larger two geographies. The peak rates of seriously

delinquent loans and REO properties were recorded during early 2010 in all three areas—in January for the HMA and the state of Michigan, when rates reached 6.8 and 9.0 percent, respectively, and in February for the nation, when the rate reached 8.6 percent. Local sources attribute the lower peak rate in the HMA to lower overall home values and sales prices putting less financial stress on borrowers. The rate of seriously delinquent loans and REO properties recorded for the state of Michigan and the nation fell below the current rate in the HMA because of the relatively stronger economic conditions compared with those in the HMA.

Single-family homebuilding, as measured by the number of homes permitted, has been steady at a comparatively low level since the number of jobs in the HMA reached a recent low during 2009. From 2000 through 2004, an average of 1,150 homes were permitted annually (Figure 7). New home sales began to fall starting in 2004, and the number of single-family homes permitted dropped starting in 2005, when 980 homes were permitted. Permitting continued to fall as the economy in the HMA softened, averaging declines of nearly 31 percent annually from 2005 to 2009, the recent low point, when 230 homes were permitted. Despite the economic recovery that began in 2010 in the HMA, single-family home construction remains constrained as households have expressed a preference for renting, and homes permitted averaged 300 annually from 2009 through 2015. During the 12 months ending September 2017, approximately 300 homes were permitted, down 8 percent from the previous 12-month period (preliminary data).

**Figure 7. Single-Family Homes Permitted in the Saginaw HMA,\* 2000 to Current**



\* Saginaw-Midland-Bay City HMA.

Notes: Includes townhomes. Current includes data through September 2017.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

### Sales Market *Continued*

In Saginaw Township, Mackinaw Meadows includes 18 condominium building sites in the first phase and also includes 10 sites already built or under construction. Two- and three-bedroom condominiums at Mackinaw Meadows start at \$173,900

and \$189,900 respectively. In the city of Midland, Boulder Creek is currently under construction and includes 51 single-family homes with 34 homes sold and prices starting at \$309,000.

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Saginaw HMA\* During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
150,000	199,999	100	25.0
200,000	249,999	100	25.0
250,000	399,999	100	25.0
400,000	and higher	100	25.0

\* Saginaw-Midland-Bay City HMA.

Notes: The 80 homes currently under construction in the HMA will likely satisfy some of the forecast demand. The forecast period is October 1, 2017, to October 1, 2020.

Source: Estimates by analyst

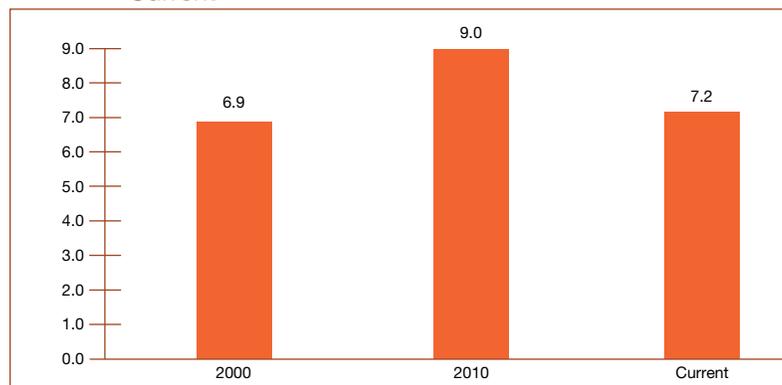
During the 3-year forecast period, demand is estimated for 400 new single-family homes, townhomes, and condominiums (Table 1). The 80 homes under construction will satisfy some of the demand. Demand is expected to be relatively steady during each of the next 3 years. New home prices in the HMA generally start at approximately \$150,000 (Table 4).

## Rental Market

The rental housing market, including apartment units and single-family homes, in the Saginaw HMA is currently slightly soft. The overall rental vacancy rate is estimated at 7.2 percent, down from 9.0 percent in 2010 (Figure 8). Rental housing market conditions generally ranged from balanced to soft during the previous decade, influenced by net out-migration and fluctuating levels of production. The market has tightened

since 2010 because of residual effects from the recent recession that make homeownership more challenging, including stricter borrowing requirements for home purchases. Although total households remained constant from 2010 to October 2017, renter households increased by an average of 430 annually, and the proportion of renter households in the HMA rose from 25.2 percent in 2010 to an estimated 27.2 percent currently.

**Figure 8.** Rental Vacancy Rates in the Saginaw HMA,\* 2000 to Current



\* Saginaw-Midland-Bay City HMA.

Note: The current date is October 1, 2017.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Conditions in the HMA apartment market are currently balanced. As of the third quarter of 2017, the apartment vacancy rates for Saginaw, Bay, and Midland Counties are 4.2, 5.4, and 12.4 percent respectively (Axiometrics, Inc.). The rates 1 year ago were 5.2, 4.1, and 7.4 percent. The most recently constructed market-rate rental property in the HMA is Brooks Estates Apartments, which opened in the city of Midland in late 2016. This property includes 137 apartment units and contributed to the elevated vacancy

rate reported in Midland County. Apartment market conditions in the three counties have generally been balanced to slightly soft since 2012. Average rents during the third quarter of 2017 were \$651, \$693, and \$743 for Bay, Midland, and Saginaw Counties respectively, and rents increased in all three, rising 2, 4, and 5 percent, respectively, from the third quarter of 2016. By contrast, the average rent nationally declined slightly, falling 1 percent to \$1,277.

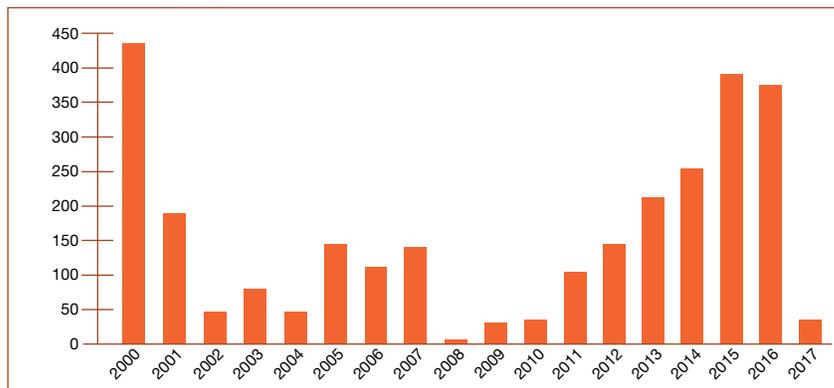
Four major colleges and universities are in the HMA, including Saginaw Valley State University (SVSU) in Saginaw County, Northwood University in Midland County, Delta College in Bay County, and campuses of Davenport University in Midland and Saginaw Counties. Combined student enrollment is approximately 14,500 as of 2016 at SVSU, Northwood University, and Delta College. Enrollment at the two campuses of Davenport University is not available. SVSU includes approximately 2,700 student beds on campus, and Northwood University includes approximately 900. All other students at these institutions commute. Student households are estimated

to represent less than 3 percent of all renter households in the HMA. No new on-campus housing has been built at SVSU since 2009. The most recently completed off-campus student-targeted rental housing was completed during 2006, when Campus Village Apartments adjacent to SVSU were completed.

Multifamily building activity, as measured by the number of multifamily units permitted, has increased since a recent low of 2 units were permitted during 2008 (Figure 9), when economic conditions were weak. As the economy in the HMA remained soft during 2009 and began to recover in 2010, an average of 30 units were permitted in 2009 and 2010. Since 2010, however, multifamily units permitted have increased annually from 35 units permitted during 2010 to 390 units permitted during 2015. During the 12 months ending September 2017, approximately 130 multifamily units were permitted in the HMA compared with 380 units permitted during the 12 months ending September 2016 (preliminary data). During the previous decade, multifamily permitting totaled 430 during 2000, fell to 185 during 2001, and averaged 55 units annually during 2002, 2003, and 2004. Permitting then increased, averaging 130 units permitted annually during 2005, 2006, and 2007.

Of the 1,525 multifamily units permitted in the HMA since 2010, approximately 39 percent have been market-rate apartments for general occupancy. Approximately 36 percent were rental units reserved for senior occupancy, 21 percent were condominium units, and one low-income apartment property with 36 units

**Figure 9.** Multifamily Units Permitted in the Saginaw HMA,\* 2000 to Current



\* Saginaw-Midland-Bay City HMA.

Notes: Excludes townhomes. Current includes data through September 2017.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

### Rental Market *Continued*

financed with Low Income Housing Tax Credits was completed in Saginaw County in 2015.

Recently completed apartments in Saginaw County include a 66-unit addition to the existing campus at New Hope Independent Living for independent elderly households, with rents from \$2,000 to \$3,800 a month. Meals and services are available for separate purchase. Brooks Estates Apartments in the city of Midland opened in the winter of 2016 and

offers 137 one- and two-bedroom units, with current rents starting at \$797 and \$997 respectively.

During the 3-year forecast period, demand is expected for 620 new market-rate units (Table 1). The 85 units under construction will satisfy a portion of the demand and demand is expected to be steady throughout the forecast period. Table 5 shows the estimated demand by rent level and number of bedrooms for new market-rate rental housing in the HMA.

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Saginaw HMA\* During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand
550 to 749	15	600 to 799	95	700 to 899	120	800 to 999	75
750 or more	15	800 or more	95	900 or more	120	1,000 or more	75
<b>Total</b>	<b>30</b>	<b>Total</b>	<b>190</b>	<b>Total</b>	<b>250</b>	<b>Total</b>	<b>150</b>

\* Saginaw-Midland-Bay City HMA.

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 85 units currently under construction will likely satisfy some of the estimated demand. The forecast period is October 1, 2017, to October 1, 2020.

Source: Estimates by analyst

## Data Profile

**Table DP-1.** Saginaw HMA\* Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	192,325	165,168	172,500	- 1.5	0.6
Unemployment rate	4.0%	11.5%	5.0%		
Nonfarm payroll jobs	177,400	155,200	162,800	- 1.3	0.7
Total population	403,070	391,569	378,700	- 0.3	- 0.4
Total households	156,129	157,051	157,050	0.1	0.0
Owner households	119,120	117,546	114,300	- 0.1	- 0.4
Percent owner	76.3%	74.8%	72.8%		
Renter households	37,009	39,505	42,750	0.7	1.1
Percent renter	23.7%	25.2%	27.2%		
Total housing units	165,724	171,024	170,800	0.3	0.0
Owner vacancy rate	1.4%	2.2%	1.7%		
Rental vacancy rate	6.9%	9.0%	7.2%		

\* Saginaw-Midland-Bay City HMA.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through September 2017. The current date is October 1, 2017.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

## Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census  
 2010: 4/1/2010—U.S. Decennial Census  
 Current date: 10/1/2017—Estimates by the analyst  
 Forecast period: 10/1/2017–10/1/2020—  
 Estimates by the analyst

The combined statistical area and metropolitan statistical area definitions in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

**Demand:** The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

**Other Vacant Units:** In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

**Building Permits:** Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As

a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to [huduser.gov/publications/pdf/CMARtables\\_Saginaw\\_Midland\\_BayCityMI\\_18.pdf](http://huduser.gov/publications/pdf/CMARtables_Saginaw_Midland_BayCityMI_18.pdf).

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to [huduser.gov/portal/ushmc/chma\\_archive.html](http://huduser.gov/portal/ushmc/chma_archive.html).