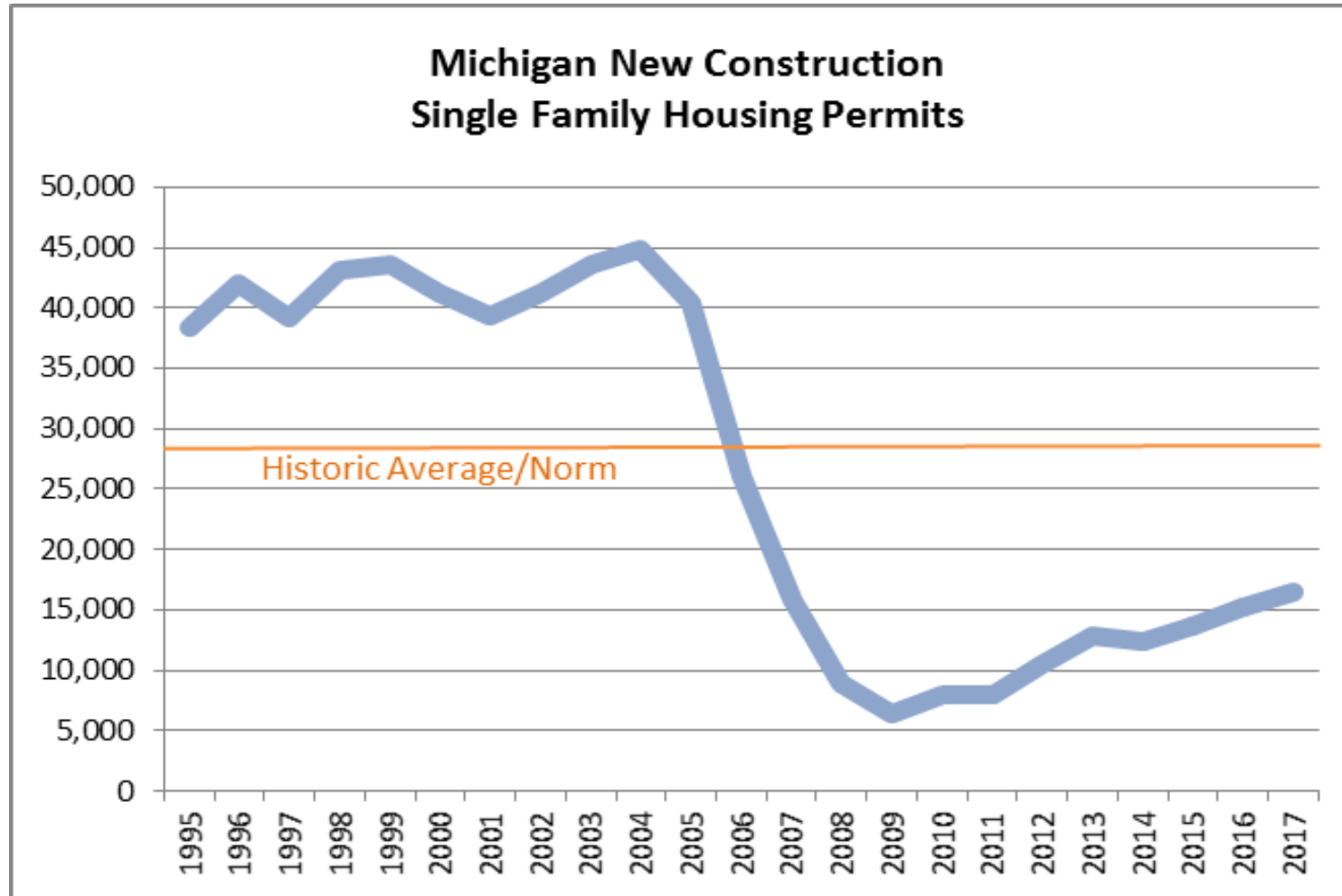


Housing Challenges Threaten Our Economic Growth

Where Will Ten Million Michiganders Live?

Understanding Our Industry's Story





Understanding Our Industry's Story

A “Perfect Storm” Impacting Workforce

More than 60,000 Leave the Industry

Elimination/Changes to CTE & Other Training Programs

Cultural Mindset – Everyone to College

Understanding Our Industry's Story

Huge Finance and Risk Tolerance Changes—Perhaps Forever

“Traditional” Spec./Inventory Lending Gone

New Development Activity Came to Standstill

Home Production Costs Rising (Labor, Materials, Regulatory)—
*driving most to build at high-end of market where there is
strong demand and higher profit margins*

Understanding Our Industry's Story

Today Builders/Developers Have Choices

Limited Workers/Subs Make Decisions More Select (ROI)

More Demand than Production Capacity (too few workers/lots)

Result: Production Tilting Toward High-End Only

New Home Prices and Households Priced Out of the Market by a \$1,000 Price Increase, 2016

Area	Median New Home Price	Income Needed to Qualify	Households		
			All	Percent that Can Afford	Priced Out
Ann Arbor, MI MSA	295,743	84,838	136,269	40%	164
Battle Creek, MI MSA	182,246	58,278	51,215	38%	173
Bay City, MI MSA	232,843	70,830	38,603	26%	71
Detroit-Dearborn-Livonia, MI MSA	306,619	93,296	1,647,604	26%	2,449
Flint, MI MSA	240,639	75,667	174,016	24%	229
Grand Rapids-Wyoming, MI MSA	286,087	79,957	385,605	32%	559
Holland, MI MSA	278,514	77,530	43,051	36%	83
Jackson, MI MSA	236,541	68,755	62,598	32%	133
Kalamazoo-Portage, MI MSA	289,282	83,912	126,153	26%	150
Lansing-East Lansing, MI MSA	270,613	81,198	183,802	28%	264
Midland, MI MSA	204,865	58,740	33,028	46%	60
Monroe, MI MSA	213,556	59,743	56,697	47%	125
Muskegon, MI MSA	210,582	61,851	62,858	32%	132
Niles-Benton Harbor, MI MSA	350,162	96,541	71,199	19%	95
Saginaw, MI MSA	227,959	68,331	78,973	30%	169
Upper Peninsula, MI	186,175	40,797	11,025	50%	288
Greater Grand Traverse Area, MI	437,180	116,620	68,759	10%	31



Our Recommendations

Attracting Housing Investment

*Local Government Policies & Processes that Impact Housing Investment Must Be Spotlighted—
Identifying Impediments and Adopting Best Practices.*

The State should commission an independent study analyzing how local municipalities manage land development, housing and renovation approval processes—this analysis should include recommendations on best practices that encourage housing investment.

Local business and government leaders should be encouraged to collaborate on strategies to address obtainable housing shortages.

The Legislature should pass housing impact statement legislation requiring communities to assess the impact of any new ordinance on housing before adoption.

The Legislature should extend inventory tax reform to land/lots to lower the financial risk of lengthy development processes.

Reducing Regulatory Delays

State Authority to Interpret and Enforce Code & Land Development Laws Must Be Clear and Unwavering.

The Legislature should clarify and enhance the powers of the State to remedy violations of state law by local units of government.

The State should create baseline criteria for local communities, defining expected timelines and other services that would help attract housing investment.

The State should have an expedited review process, providing interpretations within no more than 14 days.

Building the Workforce of the Future

Efforts to Train and Attract Individuals to the Skilled Trades Must be Dramatically Increased and Sustained over the Long-Term.

The Michigan Department of Education should develop a career pathway curriculum for K-12 students that more seamlessly blends with Merit Curriculum requirements.

The Legislature should amend child labor laws to allow non CTE students under the age of 18 to work on construction sites with reasonable safety and age restrictions.

The Legislature should modify counselor professional development requirements to include hours dedicated to learning about skilled trade career pathways.

The State, through its Department of Talent and other agencies, should help facilitate the creation of more public awareness campaigns highlighting the immediate career opportunities in skilled trades and the construction sector.

The State should improve small business ability to utilize Michigan Works job placement and training resources.

High School CTE Programs should get State assistance to purchase/obtain land that houses can be built upon for educational purposes.



Additional Copies of Report

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