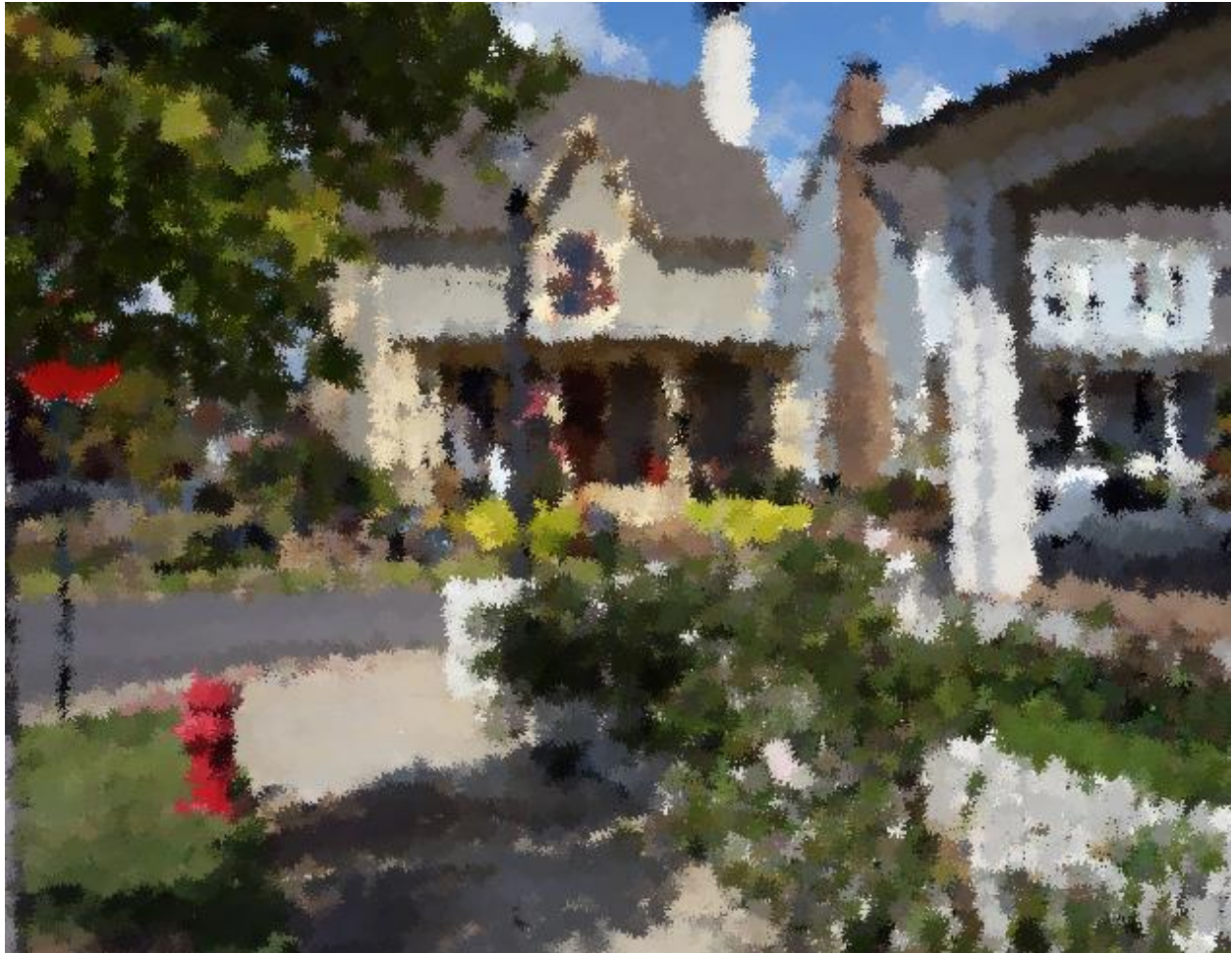


# Residential Market Analysis

Keego Harbor, Michigan



*Prepared for:*  
The City of Keego Harbor

*Prepared by:*  
Gibbs Planning Group

04 October 2019



---

**TABLE OF CONTENTS**

Introduction ..... 3

Executive Summary ..... 3

Background ..... 6

Market Area Demographic Statistics ..... 7

School Competitiveness ..... 8

Income and Occupation Statistics ..... 8

New Residential Construction ..... 11

Existing Residential Market ..... 12

Existing Multi-Family Properties ..... 13

Supportable Residential Summary ..... 17

Limits of Study ..... 20



---

## INTRODUCTION



*Figure 1: Keego Harbor is a vibrant resort community of 2,900 persons and 1,300 households and has a 2019 market potential to support up to 350 new residential dwelling units (Picture taken on Pine Lake Trail in Keego Harbor).*

### **Executive Summary**

This study finds that Keego Harbor can presently support up to 350 new residential dwellings including 50 detached single-family homes, 60 ranch condos, 80 townhomes and 160 rental lofts and apartments.

Alternatively, given Keego Harbor's desirable central Oakland County location, excellent schools, accessibility to major highways and beautiful lakes, the community could support significantly more amounts of new residential development if best practices for walkability, development standards and beautification were implemented. This study estimates that these new policies could likely attract considerable real estate investment generating a demand for up to 1,400 new moderate to upscale residential for-sale and rental dwellings by 2030. Under the best practices option, Keego could support up to 200 single-family homes, 250 townhomes, 350 ranch condos and 600 new apartments during the next decade. In both situations, unit sizes could range from 500 square feet (sf) apartments to 3,000 sf condominiums and single family- homes.



---

If Keego Harbor developed an attractive walkable village center, for-sale and for-rent residential prices would be significantly higher than under existing conditions. Currently, new units should be offered at a base rent of \$0.95 to \$1.20 per sf per month or for a sale price of \$110 to \$120 per sf. However, if best practices are implemented, the market could potentially support base rents of \$1.40 to \$1.60 and for-sale prices of \$130 to \$160 per sf. These prices are all for non-waterfront locations.

The City of Keego Harbor currently has an estimated 1,500 housing units; 53.3 percent of the units are owner-occupied; 33.3 percent are renter-occupied, and the vacancy rate is 13.3 percent. The median home value is \$183,700 and the median age of homes is 52 years. Moreover, 71.3 percent of the current housing stock are single-family homes, while 28.7 percent are multi-family.

Keego Harbor is also home to roughly 2,900 residents and 1,300 households with an average income of \$74,000 per year. Many city residents are gainfully employed, and the average age is 36.5 years - 3.9 years younger than the state average. Over 35 percent of the city's residents over the age of 25 have a four-year college degree and 33.0 percent of households earn over \$75,000 per year.

This study covers a variety of supportable housing types, which include single-family homes, townhomes, ranch condos, lofts and garden apartments. **Single-family homes** are individual, freestanding, unattached dwelling units that are built on their own parcels of land. **Townhomes** are attached, privately owned single-family dwelling units that are connected to but separated from one another by a common party wall having no doors, windows, or other provisions for human passage or visibility.



**Figure 2:** The single-family home is a residence housing one family or household or one that is designed for only one family (left). On the other hand, the townhome is a type of single-family home that shares one or more walls with other independently-owned units (right).

**Condominiums** (or “condos”) are single, individually owned housing units in a multi-unit building. The condominium owner holds sole title to the unit, but owns land and common property (elevators, halls, roof, stairs, etc.) jointly with other unit owners. **Ranch condos** are of a certain architectural style that is noted for their long, close-to-the ground profile and wide open layout. **Garden apartments** are in low-rise buildings, usually no more than two or three stories high, on a single piece of property. Finally, a **loft apartment** is generally defined as a large, open space, usually without any internal walls.

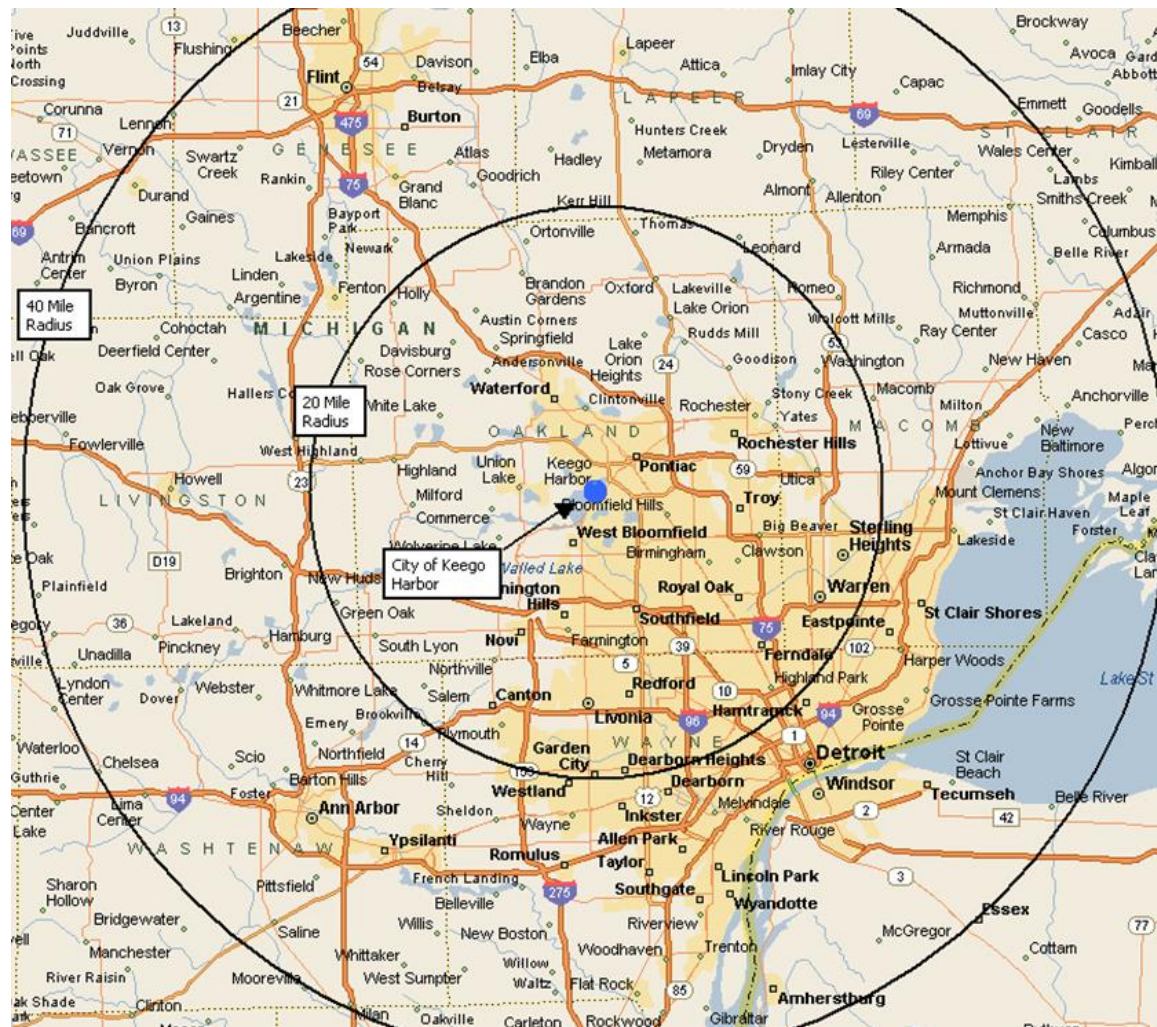


**Figure 3:** Lofts (left) generally feature open floor plans with contemporary finishes and signature design elements. Garden apartments (right) should provide an expanded kitchen, stainless appliances and custom bathrooms.

The market potential could be broken down as follows for optimum market position:

- **Lofts: 60 - 70** (existing conditions) **or 240 – 260** (best practices) with base units ranging from 500 sf studio units to 900 sf two-bedroom units in two- to four-story buildings with or without retail or amenities occupying the ground floor. The buildings could be developed to offer open floor plans, high ceilings, desirable daylighting, and where possible, indoor-outdoor space.
- **Garden Apartments: 80 - 90** (existing conditions) **or 320 – 340** (best practices) with average base units ranging from 800 sf one-bedroom units to 1,200 sf three-bedroom units located in multi-family or senior-oriented buildings. These dwellings may be distinguished from competition with premium kitchen finishes and appliances and generous master bedrooms with walk-in closets.
- **Townhomes: 70 – 80** (existing conditions) **or 230 – 250** (best practices) with average base models ranging from 1,200 sf two-bedroom units to 2,000 sf three-bedroom units arranged in clusters of four- to eight units along walkable streets with street trees and parallel on-street parking. Units would include open floor plans, one- or two-car attached or detached garages and moderate upscale amenities.
- **Ranch Condos: 50 - 60** (existing conditions) **or 330 – 350** (best practices) ranging from 1,200 sf two-bedroom to 3,000 sf three-bedroom homes. They should feature upscale finishes, high ceilings, and large windows, kitchens and bathrooms. Also, these should have an attached garage.
- **Single-Family Homes: 40 - 50** (existing conditions) **or 180 – 200** (best practices) ranging from 1,500 sf two-bedroom to 2,500 sf four-bedroom homes on 4,000 to 8,000 sf lots. For walkability, front-loaded attached garages should be avoided in favor of driveway or alley accessed side-loaded attached or detached garages. Homes should feature open floor plans, tall ceilings and spacious master bedrooms with walk-in closets and optional master bathrooms in a suite configuration.





*Figure 3: Keego Harbor is located in southeastern Michigan, approximately 25 miles northwest of Detroit, 30 miles northeast of Ann Arbor and 35 miles southeast of Flint.*

### **Background**

Gibbs Planning Group Inc. (GPG) has been retained by the City of Keego Harbor to conduct a residential market potential analysis to determine what types of new residential development will be supportable in the city through 2025.

GPG addressed the following issues in this study:

- What is the state of the current Keego Harbor residential market generally?
- What is the current economic outlook in the area?
- What is the overview of residential units currently engaged in marketing units?
- Based on the projected household growth and current and projected residential units in the market, what is the feasibility of additional units in the Keego Harbor area?
- Should the new units be developed as single-family, condominium or rental (apartment) units?



- What is the anticipated absorption rate for the projected units and in what price range should they be developed?

## MARKET AREA DEMOGRAPHIC STATISTICS

Fluctuations in the housing market are reflected by changes in certain demographic categories. An overall increase in population or declining household size generates greater dwelling unit demand. Also, changes in family composition, income, age, education and marital status all impact overall market needs and niche housing requirements.

Keego Harbor Market Area Demographic Comparison				
Category	Keego Harbor	Oakland County	SE Michigan	Michigan
2019 Population	2,900	1,252,600	4,939,000	10,097,900
2024 Population	3,000	1,283,500	5,002,000	10,233,600
2019-24 Annual Population Growth Rate	0.07%	0.49%	0.25%	0.27%
2019 Households	1,300	506,500	1,947,900	3,983,300
2024 Households	1,300	520,100	1,979,900	4,047,600
2019-24 Annual Households Growth Rate	0.08%	0.53%	0.33%	0.32%
2019 Education Level, Bachelors Degree or Higher	35.5%	47.8%	33.1%	29.7%
2019 Single-Person Households	36.1%	28.6%	28.8%	27.9%
2019 Marital Status, Married	45.9%	50.7%	45.8%	48.0%
2019 Households with Children	32.3%	31.8%	32.4%	31.6%
2010 Median Age	35.6	40.2	38.6	38.8
2019 Median Age	36.5	42.1	40.4	40.4
2024 Median Age	36.5	42.9	41.2	41.3
2019 Population Aged 25-44	31.2%	25.0%	25.5%	24.7%
2024 Populaton Aged 25-44	31.8%	25.6%	25.6%	24.9%
2019 Population Aged 45-64	27.1%	28.8%	27.5%	27.1%
2024 Population Aged 45-64	25.3%	26.7%	25.8%	25.4%
2019 Population Aged 65+	10.5%	17.7%	17.0%	17.7%
2024 Populaton Aged 65+	12.5%	20.6%	19.6%	20.2%

**Chart 1:** Demographic statistics for Keego Harbor and other relevant statistical geographies. (Source: US Census, ESRI, SEMCOG, GPG).

Keego Harbor has a current estimated population of 2,900. Since 2000 the population has increased by roughly 200 people, and slight growth over the next 5 years is statistically forecasted at an annual growth rate of 0.07 percent. Household growth is expected to modestly outpace population growth, translating to an additional 10 households in the city by 2024.

Keego Harbor has a lower proportion of married households and a higher percentage of single-person households than Oakland County, southeast Michigan and the State of Michigan

---

generally. Over the last nine years, the Keego Harbor population has become marginally older, as its median age has climbed from 35.6 years in 2010 to 36.5 years in 2019. The city's median age is projected to remain constant through 2024. Overall, the city is noticeably younger than the county, region and state. Currently, the age 65 and older segment comprises only 10.5 percent of the city's population, but this figure is projected to increase to 12.5 percent by 2024. The 25-44 age segment is the single largest in the city, and the percentage of residents in this age range is projected to slightly increase over the next five years from 31.2 percent to 31.8 percent. At the same time, the proportion of city residents who are 45-64 years of age is projected to decrease over the next five year from 27.1 percent to 25.3 percent.

Over 36 percent of Keego Harbor households are single-person households and 23.5 percent are married or partner households without children – key market segments for a variety of housing types considered in this analysis. Finally, another important demographic characteristic for residential expansion is post-secondary education. Keego Harbor is well educated, with 35.5 percent having a bachelor's degree education level or higher.

## **SCHOOL COMPETITIVENESS**

The West Bloomfield School District serves Keego Harbor. The school district has a diverse population of over 5,500 students. Throughout the student body, 40 different languages are represented in addition to English. The major languages represented include Arabic, Japanese, Chaldean, Russian, Chinese, Hebrew, Spanish, Korean, Urdu, Hindi, German, Romanian and Albanian. In terms of ethnicity, 55 percent of the district's students are white, 28 percent African American, 9 percent Asian and 8 percent other.

The West Bloomfield School District achieves exceptionally above-average academic results in relationship to other K-12 school districts in Michigan. Ninety seven percent of students are admitted to college with an impressive 40 percent of the district's high school students enrolled in at least one advanced placement (AP) class. This AP participation rate is in the 98<sup>th</sup> percentile and significantly above the Michigan AP enrollment rate of 14 percent for Michigan schools generally. Additionally, Niche.com has ranked the West Bloomfield School District in the top 5 percent of school districts in Michigan.

## **INCOME AND OCCUPATION STATISTICS**

Keego Harbor's average annual household income of \$74,000 is lower than that for the county, region and State of Michigan. Moreover, 33 percent of households earn over \$75,000 per year – the primary income group that can afford new residential construction.

Employment is projected to increase in Keego Harbor and the surrounding region. There are currently 1,400 workers in Keego Harbor, and under current trends that figure is expected to increase by an estimated 100 workers over the next 5 years. Furthermore, under current trends, the southeast Michigan region is expected to add an estimated 160,000 jobs by 2024. Keego Harbor's workforce is approximately 63.5 percent white-collar, 17.4 percent blue-collar and 19.2 percent services. Notably, Keego Harbor's current unemployment rate is estimated at 2.9 percent, which is lower than the county, region and State of Michigan.

<b>Keego Harbor Market Area Income and Occupation Comparison</b>				
<b>Category</b>	<b>Keego Harbor</b>	<b>Oakland County</b>	<b>SE Michigan</b>	<b>Michigan</b>
2019 Average HH Income	<b>\$74,000</b>	\$110,800	\$85,700	\$78,200
2024 Average HH Income	<b>\$90,300</b>	\$126,500	\$99,000	\$90,100
2019 Median HH Income	<b>\$52,900</b>	\$80,000	\$60,000	\$55,900
2024 Median HH Income	<b>\$62,200</b>	\$92,100	\$69,900	\$63,500
2019 Per Capita Income	<b>\$32,300</b>	\$44,900	\$33,900	\$31,000
2024 Per Capita Income	<b>\$39,400</b>	\$51,300	\$39,300	\$35,800
2019-24 HH Income Annual Growth Rate	<b>4.06%</b>	2.69%	2.93%	2.87%
2019 HH Income \$75K-\$150k	<b>21.5%</b>	32.3%	27.8%	26.7%
2019 HH Income +\$150k	<b>11.5%</b>	21.1%	13.2%	10.6%
2024 HH Income \$75K-\$150k	<b>26.3%</b>	34.1%	30.5%	29.8%
2024 HH Income +\$150K	<b>16.0%</b>	25.6%	16.9%	13.6%
2019 Average Commute	<b>29 minutes</b>	26.7 minutes	26.3 minutes	24.3 minutes
2019 Employment, Occupation White Collar	<b>63.5%</b>	71.4%	61.6%	57.90%
2019 Employment, Occupation Services	<b>19.2%</b>	13.9%	17.2%	18.0%
2019 Employment, Occupation Blue Collar	<b>17.4%</b>	14.7%	21.1%	24.1%
2019 Unemployment Rate	<b>2.9%</b>	3.0%	4.8%	4.3%
2019 Total Employment	<b>1,400</b>	740,700	2,266,700	4,760,100
2024 Total Employment	<b>1,500</b>	783,100	2,429,900	5,102,800
2019 Total Employment within Avg Commute of Subject Site	<b>727,900</b>	-	-	-

*Chart 2: Keego Harbor's present and future income and occupation information compared with the county, region and State of Michigan. (Source: US Census, ESRI, US BLS, GPG).*

The average commute time in Keego Harbor is 29.0 minutes, which from the city extends north to Clarkston, south to Livonia, west to Milford and east to Utica. Given this geography, there are nearly 730,000 workers in the region for whom living in the city is a convenient commute. An estimated 210,000 of these workers are employed in professional jobs and would particularly be attracted by the convenience of living in a city with the comfort and amenities of new residential construction.

There are presently 1,500 housing units in Keego Harbor; 54.7 percent are owner-occupied, 32.2 percent are renter-occupied and 13.1 percent are vacant. Compared to the county, region and state, the City of Keego Harbor has the highest vacancy rate and the lowest owner occupancy rate. Furthermore, Keego Harbor's housing stock is 71.3 percent single-family dwellings and 28.7 percent multi-family dwellings. This may suggest that the market could be more balanced through the introduction of more multi-family dwellings, particularly within walking distance of shops, restaurants and parks.

<b>Keego Harbor Market Area Housing Characteristics Comparison</b>				
<b>Category</b>	<b>Keego Harbor</b>	<b>Oakland County</b>	<b>SE Michigan</b>	<b>Michigan</b>
2010 Housing Units	<b>1,500</b>	527,300	2,123,600	4,532,200
2010 Housing Owner Occupied	<b>800</b>	351,000	1,334,300	2,793,300
2010 Housing Renter Occupied	<b>500</b>	132,700	562,700	1,079,200
2010 Vacant Housing	<b>200</b>	43,600	226,600	659,700
2019 Housing Units	<b>1,500</b>	548,700	2,179,500	4,666,100
2019 Housing Owner Occupied	<b>800</b>	368,700	1,323,400	2,805,600
2019 Housing Renter Occupied	<b>500</b>	137,800	624,500	1,169,400
2019 Vacant Housing	<b>200</b>	42,100	231,600	707,300
2024 Housing Units	<b>1,500</b>	562,100	2,215,900	4,755,000
2024 Housing Owner Occupied	<b>800</b>	382,800	1,360,600	2,878,200
2024 Housing Renter Occupied	<b>500</b>	137,300	619,400	1,169,400
2024 Vacant Housing	<b>200</b>	42,000	236,000	707,300
2019 Percent Single-Family	<b>71.3%</b>	75.3%	76.0%	76.9%
2019 Percent Multi-Family	<b>28.7%</b>	24.7%	24.0%	23.1%
2019 Median Age of Homes	<b>52 Years</b>	46 Years	53 Years	49 Years
2019 Occupied Housing Built Before 1960	<b>45.0%</b>	30.4%	42.2%	38.0%
2019 Owner Occupied Housing Value Less than \$150,000	<b>26.1%</b>	18.7%	35.4%	42.1%
2019 Owner Occupied Housing Value More than \$500,000	<b>3.3%</b>	9.7%	5.8%	4.9%
2019 Median Owner Occupied Home Value	<b>\$183,700</b>	\$254,100	\$194,700	\$172,100
2019 Average Owner Occupied Home Value	<b>\$236,200</b>	\$303,200	\$235,400	\$213,300
2024 Owner Occupied Housing Value Less than \$150,000	<b>18.9%</b>	14.8%	29.5%	34.8%
2024 Owner Occupied Housing Value More than \$500,000	<b>3.9%</b>	11.4%	7.4%	6.4%
2024 Median Owner Occupied Home Value	<b>\$216,600</b>	\$282,000	\$219,500	\$194,100
2024 Average Owner Occupied Home Value	<b>\$266,300</b>	\$328,600	\$261,700	\$241,900

**Chart 3:** Keego Harbor's existing housing statistical data. (Source: US Census, ESRI, Lake County Auditor, Zillow).

The median home value in Keego Harbor is lower than that in the county and region, but higher than the median home value in the State of Michigan generally. The proportion of Keego Harbor's owner occupied housing valued at over \$500,000 (3.3 percent) is significantly lower than that for the state, as is the percentage of the city's owner occupied housing valued at less than \$150,000 (26.1 percent). This discrepancy is a result of the high percentage (35.4 percent) of Keego Harbor's homes that are valued between \$150,000 to \$199,999. Keego Harbor's housing stock was also generally built around the same time as other homes in the region and has a median age of 52 years.



## NEW CONSTRUCTION RESIDENTIAL MARKET

With the exception of 2017, new residential construction has remained relatively constant in the Detroit metro region over the last five years with an average of approximately 7,150 building permits issued annually. Permits favor single-family homes followed by multi-family projects of more than 5 units.

Detroit-Warren-Dearborn Metro Area Building Permit Data					
Year	Total Permits	Single-Family	Two-Family	3 to 4 Units	5 Units or More
2019 YTD	4,446	3,144	46	96	1,160
2018	7,163	6,131	60	171	801
2017	10,089	6,838	48	284	2,919
2016	7,659	5,711	182	120	1,646
2015	7,304	5,192	92	149	1,871
2014	6,295	4,830	60	200	1,205
<b>Total</b>	<b>38,510</b>	<b>28,702</b>	<b>442</b>	<b>924</b>	<b>8,442</b>

*Chart 4: Building permits by housing type in the Detroit-Warren-Dearborn Metropolitan Statistical Area. (Source: US Census, US BLS).*

Currently, three new single-family subdivisions are being marketed in close proximity of Keego Harbor.

*West Trail Preserve*, in West Bloomfield Township, is a new 17-home community built by Pulte Homes. The homes at West Trail Preserve come in one of two designs. The “Abbeyville” has an open layout (an integrated kitchen, café and gathering room) with an adjacent flex room for an office or den. It features 1,700 sf, a 2-car garage, 2-3 bedrooms, 2-3 bathrooms and is priced starting at \$382,990. The other home design, the “Bayport,” is a ranch home that has a private owner’s suite with an attached bath and walk-in closet, plus an additional bedroom and den. This design is slightly larger than the “Abbeyville” and includes a 2-car garage, 2-3 bedrooms, 2 bathrooms and is priced starting at \$387,990.

*Twin Beach* is a new 18-home community which is also located in West Bloomfield and built by Pulte Homes. Its homes, which all have an open layout and multiple dining areas, begin at 3,300 sf with a price of \$591,640. Additionally, they feature a 2 to 3 car garage, 4-5 bedrooms and 2-3 bathrooms.

Lastly, *Brookfield Village* is a new West Bloomfield community with 24 home sites. Built by AP Builders, Brookfield Village offers four different ranch and Cape Cod home plans that start at 1,880 sf and priced at \$470,000. Moreover, a portion of this community backs up to protected woodlands for privacy and scenery and features charming community pocket parks and walking trails.

In addition to these recently completed residential subdivisions, there is one sizeable apartment community (*24 at Bloomfield*) in the Keego Harbor area that is currently under construction.

---

at Bloomfield will be part of the larger Village of Bloomfield mixed-use development, which is under construction.

Built by Edward Rose & Sons, 24 at Bloomfield is located 3 miles east of Keego Harbor. It will consist of 432 residential units; 50 percent of which are planned to be one-bedrooms (measuring 740 sf), 44 percent two-bedrooms (1,050 sf) and 6 percent three-bedrooms (1,275 sf). Monthly rents will average \$850 for one-bedrooms (\$1.15/sf), \$1,100 for two-bedrooms (\$1.05/sf) and \$1,350 for three-bedrooms (\$1.06/sf). Unit amenities will include vinyl plank wood floors, kitchens boasting white quartz countertops, stainless steel appliances and washers and dryers. Once the Village of Bloomfield is completed, residents of 24 at Bloomfield will enjoy easy access to a new Planet Fitness, Menards, Aldi and many other retail and restaurant offerings.

Finally, there are two proposed residential projects in the Keego Harbor market that have not begun construction: Residences at Cass Lake and Sylvan Trails.



**Figure 4:** Renderings of the future Residences at Cass Lake development

*Residences at Cass Lake* is a proposed multi-story, mixed-use project located on a 5.33-acre site on the north side of Orchard Lake Road, between Wards Point Drive and Willow Beach Street, in Keego Harbor. More specifically, it is planned as a 5-story mixed use development with a sixth story penthouse which is to include 28,100 sf of green space, 18,000 sf of restaurant/retail/spa use and 250 residential units. Its excellent site location has the ability to capture lake views and grant limited recreational lake access while also having significant frontage on a lively neighborhood commercial thoroughfare. On September 10, 2019 the Keego Harbor Planning Commission recommended approval of the final site plan which includes two hundred fifty residential units. TIR Equities is to be the developer of the Residences at Cass Lake.

*Sylvan Trails* is a proposed live/work apartment complex with luxury rental units in the City of Sylvan Lake. Amenities at Sylvan Trails are to include a pool and clubhouse, communal garden, wellness center, business and residents lounge and an outdoor barbecue and patio area. It is estimated that the apartment complex would include 180-220 residential units and around 300 residents.

## **EXISTING RESIDENTIAL MARKET**

Currently, there are 11 homes listed for sale in Keego Harbor at an average list price of \$276,800. The average square footage is 1,600, yielding an average list price per square foot of \$173.

Additionally, there are 2 condominiums listed for sale averaging a \$154,900 asking price and 950 sf, which is \$163 per sf.

Year to date, 55 homes have sold in Keego Harbor for an average price of \$234,300 or \$142 per sf. The average size of a sold home was 1,650 sf and the median year built was 1951. Over the same period, 3 condominiums have sold in Keego Harbor for an average price of \$158,000 for a 1,380 sf unit size or \$114 per sf. The median year built for sold condos was 1980 and no condos were sold that had been constructed during the last ten years.

There are approximately 170 apartment units in Keego Harbor. The current average asking rent is \$820 per month or \$0.97 per sf/month, which is up 3.2 percent from last year. However, rental growth has slowed to 3.3 percent from 4.1 percent a year ago. Furthermore, the current multifamily vacancy rate is 3.9 percent, which is up 1.5 percent from last year but is well below the 10-year historical average of 6.8 percent. Finally, multi-family properties are currently selling at an average price of \$58,500, up from \$56,200 one year ago.

## EXISTING MULTI-FAMILY PROPERTIES

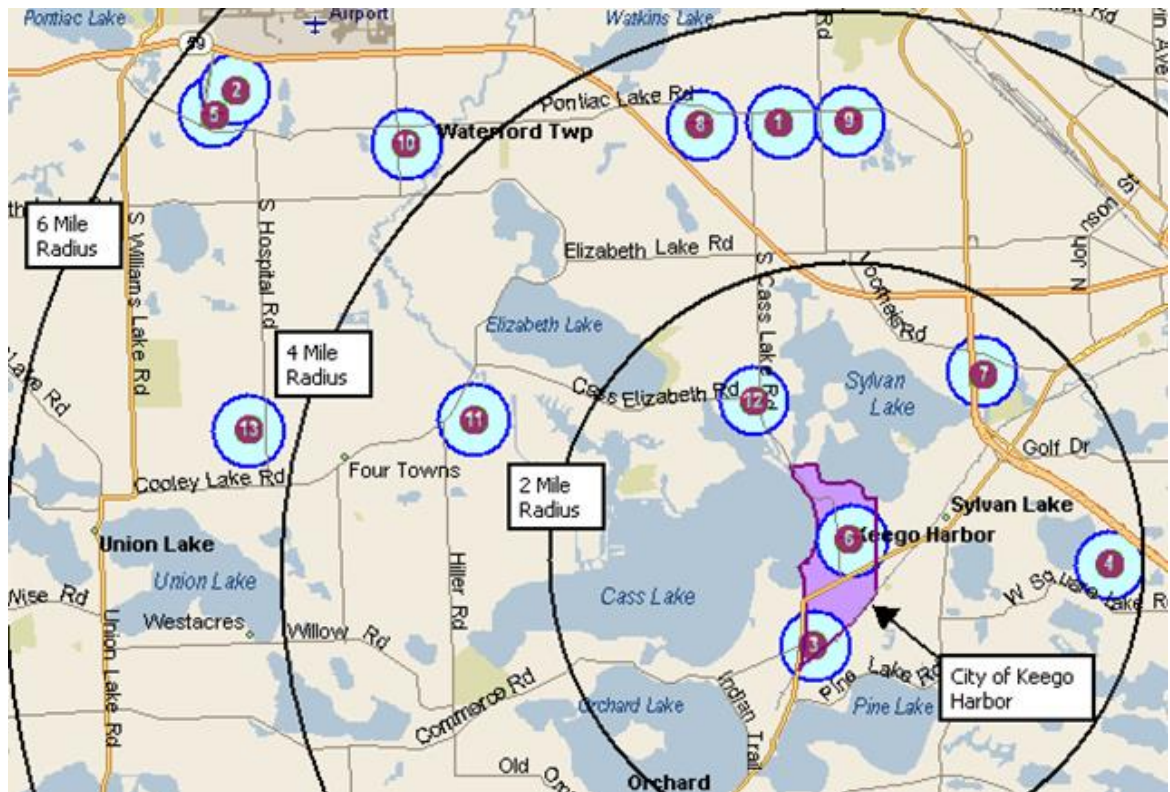


Figure 5: The Keego Harbor competitive multi-family properties' market.

### 1. Waterford Square - Walk Score 25 (Car-Dependent)

Situated 4 miles north of Keego Harbor, Waterford Square is a 405-unit apartment complex that was built in 1974. Its 99 one-bedroom units average 750 sf and rent for \$817 a month (\$1.09/sf), and its 306 two-bedroom units average 871 sf and rent for \$909 a month (\$1.04/sf). The unit amenities at Waterford Square include air conditioning, dishwasher, high-speed Internet and walk-



---

in closets. Additionally, residents of Waterford Square can enjoy the apartment community's business center, clubhouse, fitness center, picnic area, sundeck and volleyball court.

## 2. Ashton Pines - Walk Score 34 (Car-Dependent)

This 191-unit apartment complex is located 7 miles northwest of Keego Harbor in the City of Waterford. Built in 1987, Ashton Pines features one-bedroom and 2-bedroom units. The 45 one-bedroom units average 750 sf and rent for \$765 per month (\$1.01/sf), while the 146 two-bedroom units average 870 sf and rent for \$900 per month (\$1.03/sf). The units at Ashton Pines feature air conditioning, dishwashers, vinyl flooring, ceiling fans and walk-in closets. Residents can enjoy lake access to nearby Pontiac Lake, as well as a fitness center and outdoor pool shared with Ashton Pines' sister complex, Waterford Pines.

## 3. Pine Lake Manor Apartments – Walk Score 56 (Somewhat Walkable)

Surrounded by Cass Lake, Orchard Lake and Pine Lake in Keego Harbor, the Pine Lake Manor Apartments were built in 1971. This apartment complex features 121 total units. Twenty-two of the units are one-bedroom, which are all 800 sf and rent for \$810 per month (\$1.01/sf). The remaining 99 are two-bedroom units, which are 900 sf and rent for \$851 per month (\$0.95/sf). The Pine Lake Manor Apartments is professionally managed and offers a sparkling pool and picturesque landscaping. Also, the residences feature fully equipped kitchens with dishwashers, garbage disposals and plenty of storage.

## 4. Bloomfield Place Apartments - Walk Score 24 (Car-Dependent)



**Figure 6:** Bloomfield Place Apartments (left) and Waterford Pines (right) are just two of the many Keego Harbor-area multi-family properties that have a private pool and sundeck.

Built in 1983, Bloomfield Place Apartments contain 282 residential units. All of its 188 one-bedroom units feature 750 sf and rent for \$824 per month (\$1.10/sf). Its two-bedroom units are 850 sf and rent for \$979 (\$1.15/sf). Located in Bloomfield Township, the Bloomfield Place Apartments are 3 miles east of Keego Harbor. This apartment community is surrounded by a nature preserve and is within walking distance of Starbucks, restaurants, shopping and golf. Its apartment units have air conditioning, balconies, dishwashers and high-speed Internet. Additionally, its on-site amenities include a fitness center, concierge and outdoor pool.



---

## **5. Waterford Pines – Walk Score 34 (Car-Dependent)**

Waterford Pines is a garden apartment complex that was built in 1997. It offers on-site amenities including a 24-hour fitness center, playground area and outdoor pool with a sundeck. This two-floor apartment features a total of 172 units. The one-bedroom units are 770 sf and rent for \$960 per month (\$1.25/sf). The two-bedroom units feature 960 sf and rent for \$1,100 per month (\$1.15/sf). Additionally, the three-bedroom units are 1,160 sf and rent for \$1,260 per month (\$1.09/sf). The apartments all have air conditioning, walk-in closets, and a washer and dryer. Waterford Pines is located 7 miles northwest of Keego Harbor.

## **6. Bloomfield Lakes - Walk Score 52 (Somewhat Walkable)**

Located off Beechmont St and Schroeder Blvd in Keego Harbor, Bloomfield Lakes is a relatively small apartment building that consists of 28 residential units. Half of the units are 650 sf one-bedrooms, while the other half are 800 sf two-bedrooms. The one-bedroom units rent for \$640 per month (\$.98/sf) and the two-bedroom units rent for \$740 per month (\$0.93/sf). Bloomfield Lakes offers on-site laundry facilities and all units have air conditioning.

## **7. Bloomfield on the River Apartments - Walk Score 49 (Car-Dependent)**

Located 2 miles northeast of Keego Harbor in the City of Pontiac, Bloomfield on the River Apartments offers 156 garden apartment units. Covered parking is available to residents, and units have their own private entrances. One-bedroom apartments here, which feature 625 sf of living space, rent for \$595 per month (\$0.95/sf). Also, this property's two-bedroom units offer 825 sf and rent for \$720 per month (\$0.87/sf).

## **8. Glengarry Park Apartments – Walk Score 29 (Car-Dependent)**

The Glengarry Park Apartments contain 300 residential units. This property, which was built in 1972, is located 4 miles north of Keego Harbor in the City of Waterford. Its 96 one-bedroom units offer 700 sf of living space and rent for \$720 per month (\$1.03/sf), and its 204 two-bedroom units are each 925 sf and rent for \$790 each month (\$0.85/sf). The apartment units at Glengarry Park Apartments have air conditioning, balcony, dishwasher, garbage disposal and carpeting. Additionally, the apartment complex offers site amenities such as an outdoor pool, picnic area and grill, playground, on-site property manager and laundry room in every building.

## **9. Cedargate Apartments - Walk Score 40 (Car-Dependent)**

Built in 1984, the Cedargate Apartments are situated 4 miles north of Keego Harbor in the City of Waterford. This property contains a total of 93 residential units, seventy percent of which are one-bedrooms. An additional ten percent of the apartments are studios, which offer 300 sf and rent for \$495 per month (\$1.65/sf). The two-bedroom units are 900 sf and rent for \$735 per month (\$0.82/sf), and the one-bedroom apartments are 600 sf and rent for \$630/sf (\$1.06/sf). The individual apartments at the Cedargate Apartments have private entrances, air conditioning, high-speed internet, walk-in closets and rustic fenced patios for privacy. As of the date of this report, the Cedargate Apartments are fully occupied.

---

## 10. Rivers Edge Apartments – Walk Score 30 (Car-Dependent)

Located in Waterford, with easy access to M-59 and Telegraph Road, Rivers Edge Apartments are 6 miles northwest of Keego Harbor. The Rivers Edge Apartments provide its residents with a wide selection of unique one- and two-bedroom apartments that feature exclusive community and household amenities like on-site laundry, a rentable clubhouse and 24-hour emergency maintenance. Built in 1979, this property has 499 one-bedroom units and 279 two-bedroom units available for rent. The one-bedroom apartments are 550 sf and rent for \$620 (\$1.12/sf), and the two-bedroom units are 660 sf and rent for \$710 (\$1.07/sf). Currently, this property is 100 percent occupied.



*Figure 7: Currently, the Cedargate Apartments (left) and Rivers Edge Apartments (right) are fully leased.*

## 11. Forest View Townhomes and Apartments - Walk Score 10 (Car-Dependent)

Roughly three miles northwest of Keego Harbor, in the City of Waterford, are the Forest View Townhomes and Apartments. This complex consists of 60 units and was built in 1999. All units are 1,100 sf and have two-bedrooms, but half have 1 bath and the other have 1.5 baths. The monthly rent for the two-bedroom units with 1 bath is \$850 (\$0.77/sf), while the monthly rent for the two-bedroom units with 1.5 baths is \$910 (\$0.82/sf). Each unit has double vanities, air conditioning and a washer/dryer hookup. The complex also has a property manager on-site.

## 12. Cass Lake Shore Club Apartments – Walk Score 17 (Car-Dependent)

Located on Cass Lake one mile north of Keego Harbor, the Cass Lake Shore Club Apartments offer over 550 residential units. The property also has a swimming pool, fitness center and boat dock space available for rent. The 225 one-bedroom apartments feature 800 sf of space and rent for \$670 per month (\$0.83/sf), while the 340 two-bedroom apartments have 1,050 sf of space and rent for \$850 per month (\$0.81/sf). These units have air conditioning, a dishwasher and garbage disposal, high-speed Internet access, walk-in closets and washer/dryer hookups. Lastly, the Cass Lake Shore Club Apartments were built in 1975.

## 13. Round Hill – Walk Score 8 (Car-Dependent)

This Waterford apartment community features an equal number of one- and two-bedroom units (120 of each). The one-bedroom apartments are 760 sf and are available for \$755 per month (\$0.99/sf). The two-bedroom apartments are 900 sf and are available for \$890 per month

(\$0.99/sf). Round Hill has numerous site amenities, which include a pool, tennis court, playground and carports. Also, the amenities in the apartments include dishwashers, air conditioning, oversized closets, patios, high-speed Internet and extra storage space. Round Hill was constructed in 1978 and is currently 98 percent occupied. Lastly, this property is situated 6 miles west of Keego Harbor.

## SUMMARY OF POTENTIAL RESIDENTIAL TYPES AND TARGET MARKETS

Keego Harbor Additional Residential Market Potential						
Number of Units	Housing Type	Unit Configuration	Unit Mix	Base Rent/ Price	Base Unit Size (sf)	Base Rent/ Price per sf
<b>Existing Conditions</b>						
60 - 70	Lofts	Studio/1BA	20%	\$600	500	\$1.20
		1BR/1BA	45%	\$550	550	\$1.00
		2BR/1BA	15%	\$710	750	\$0.95
		2BR/2BA	20%	\$1,100	900	\$1.20
80 - 90	Garden Apartments	1BR/1.5BA	50%	\$900	800	\$1.10
		2BR/2BA	35%	\$1,000	1,000	\$1.00
		3BR/2.5BA	15%	\$1,400	1,200	\$1.15
70 - 80	Townhomes	2BR/2BA	25%	\$145,000	1,200	\$120
		2BR/2.5BA	40%	\$180,000	1,600	\$115
		3BR/2.5BA	35%	\$230,000	2,000	\$115
50 - 60	Ranch Condos	2BR/2BA	25%	\$140,000	1,200	\$115
		2BR/2.5BA	40%	\$200,000	1,800	\$110
		3BR/2.5BA	35%	\$330,000	3,000	\$110
40 - 50	Single-Family Homes	2BR/2BA	40%	\$170,000	1,500	\$115
		3BR/2.5BA	45%	\$220,000	2,000	\$110
		4BR/3BA	15%	\$300,000	3,000	\$100
<b>300 - 350</b>	<b>Total New Homes</b>					
<b>Best Practices</b>						
240 - 260	Lofts	Studio/1BA	20%	\$800	500	\$1.60
		1BR/1BA	45%	\$800	550	\$1.40
		2BR/1BA	15%	\$1,050	750	\$1.40
		2BR/2BA	20%	\$1,350	900	\$1.50
320 - 340	Garden Apartments	1BR/1.5BA	50%	\$1,200	800	\$1.50
		2BR/2BA	35%	\$1,400	1,000	\$1.40
		3BR/2.5BA	15%	\$1,800	1,200	\$1.50
230 - 250	Townhomes	2BR/2BA	25%	\$190,000	1,200	\$160
		2BR/2.5BA	40%	\$240,000	1,600	\$150
		3BR/2.5BA	35%	\$320,000	2,000	\$160
330 - 350	Ranch Condos	2BR/2BA	25%	\$180,000	1,200	\$150
		2BR/2.5BA	40%	\$250,000	1,800	\$140
		3BR/2.5BA	35%	\$465,000	3,000	\$155
180 - 200	Single-Family Homes	2BR/2BA	40%	\$225,000	1,500	\$150
		3BR/2.5BA	45%	\$270,000	2,000	\$135
		4BR/3BA	15%	\$450,000	3,000	\$150
<b>1,300 - 1,400</b>	<b>Total New Homes</b>					

Figure 8: A number of housing typologies are potentially supportable in Keego Harbor.

Consumers in Keego Harbor will generate demand for a variety of housing types. A description of potential residential types follows:

---

**60 - 70 (existing conditions) or 240 – 260 (best practices) Lofts:** Unit sizes could range from 500 sf to 900 sf and should be appointed as contemporary lofts with high ceilings, a significant amount of glass or daylighting, and where possible, indoor-outdoor space. Durability and maintenance issues should be the criteria when selecting finishes and materials. The kitchens should feature hard-surfaces and stainless steel appliances (or whatever is trending in the market). A washer and dryer should be included in each unit. Except in bedrooms, floors may be offered as hard wood and ceramic or stone in the kitchens and baths. Bedrooms can be carpeted. Bathrooms should have a contemporary finish.

Typical arrangements of multiple-story multi-family or mixed-use buildings generally yield 30 to 40 units per acre. Due to their smaller size, residents will expect a convenient walk to shopping and dining as well as public open space or recreation. Under existing conditions, these new units should be offered at a base rent of \$0.95 to \$1.20 per sf per month. Premiums for custom interior finishes, unit locations and garage parking could potentially increase the rent. On the other hand, if best practices are implemented then lofts could be offered at a base rent of \$1.40 to \$1.60 per sf per month.



*Figure 9: Aerial photograph showing the boundaries of the City of Keego Harbor.*

**80 - 90 (existing conditions) or 320 - 340 (best practices) Garden Apartments:** Unit sizes could range from 800 sf to 1,200 sf and could include eat-in kitchen with differentiating kitchen finishes; bathrooms with premium finishes and a unique shower or soaking tub; and modern bedroom appointment with generous closets.



---

Typical arrangements of multiple-story multi-family buildings generally yield 25 to 40 units per acre. Apartments should be within a reasonable walking distance of commercial and public amenities. Under existing conditions, these new units should be offered at a base rent of \$1.00 to \$1.15 per sf per month. However, if best practices are implemented then apartments could be offered for \$1.40 to \$1.50 per sf per month.

**70 - 80 (existing conditions) or 230 – 250 (best practices) Townhomes:** As an often efficient and profitable housing type with good urban qualities, Keego Harbor should include attached townhomes of 1,200 to 2,000 sf, offering some with first-floor master bedrooms and detached garages and others with attached tuck-under garages. Units should include internal and external finishes typical of 2<sup>nd</sup> move up and semi-custom homes with one- or two-car attached or alley adjacent garage parking spaces. Hardwood floors, ceramic tile, glazed cabinets and hard surface countertops should be a part of the standard package.

Typical arrangements of 2.5 story buildings generally yield nine to 15 units per acre. On average, under existing conditions, these attached new units should be offered at a base for-sale price of \$115 per sf or \$145,000 to \$230,000 each. Premiums for custom interior and exterior finishes, fireplaces and lot locations could potentially increase the home prices. On the other hand, if best practices are implemented then new units could be offered at a base for-sale price of \$150 per sf or \$190,000 to \$320,000 each.

**50 – 60 (existing conditions) or 330 – 350 (best practices) Ranch Condos:** Unit sizes could range from 1,200 sf to 3,000 sf and should feature upscale finishes, high ceilings, and large windows, kitchens and bathrooms. Also, these condos should have an attached garage.

Under existing conditions, ranch condos could be offered at a base price ranging from \$110 to \$115 per sf or \$140,000 to \$330,000. However, if best practices are implemented ranch condos could be offered for between \$140 and \$155 per sf or \$180,000 to \$465,000.

**40 – 50 (existing conditions) or 180 – 200 (best practices) Single-Family Homes:** These homes should be well-appointed to meet or exceed the market standards at the time of construction and custom finishes may be desirable to distinguish them from the competition. The predominate housing type in the suburban Keego Harbor market, the detached single-family home could be a significant source of housing demand in the city. Much of the newly built single-family stock is conventionally suburban with garage forward street frontage. To differentiate from the existing supply and to preserve the walkable qualities of a traditional neighborhood, the majority of the homes could have recessed- or side-attached garages or front-drive or alley-accessed detached garages. Avoiding front-loaded garages will permit generous porches and walkable, tree-lined streets.

Lot sizes could primarily range from 4,000 sf to 10,000 sf for small- and medium-size lots and home sizes should range from 1,500 sf to 2,500 sf. Under existing conditions, this study estimates the homes could be offered at a base price ranging from \$100 to \$115 per sf or

---

\$170,000 to \$300,000. On the other hand, if best practices are implemented these homes could be offered for \$130 to \$150 per sf or \$225,000 to \$450,000.

## LIMITS OF STUDY

The findings of this study represent GPG's best estimates of the residential potential of the City of Keego Harbor. Every reasonable effort has been made to ensure that the data contained in this study reflects the most accurate and timely information possible and is believed to be reliable.

This study is based on estimates, assumptions and other information developed by GPG's independent research effort, general knowledge of the residential real estate industry, market data from real estate listing services and consultations with the client and its representatives.

No responsibility is assumed for inaccuracies in reporting by the client, its agent and representatives or in any other data source used in preparing or presenting this study. This report is based on information that was current as of October 4, 2019 and GPG has not undertaken any update of its research effort since such date.

This report may contain prospective financial information, estimates, or opinions that represent GPG's view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a precise level of income or profit will be achieved, that particular events will occur, or that a specific price will be offered or accepted. Actual results achieved during the period covered by this prospective financial analysis may significantly vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by GPG that any of the projected values or results contained in this study will be achieved.

Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by GPG that any of the projected values or results contained in this study will be achieved. This study *should not* be the sole basis for programming, planning, purchasing, financing, or development of any residential or commercial real estate project. This study is for the use of the client for general planning purposes only and is void for other locations.

For the purposes of this study, GPG has assumed the following:

- The Keego Harbor regional economy will stabilize at normal or above normal ranges of population, household formation and employment growth, while price and cost inflation remain at historic levels.
- Employment distribution is to remain constant, without a spike or decline in employment by SIC category.
- Any new development will be planned, designed and managed per the best practices of the American Planning Association, American Institute of Architects, Congress for New

---

Urbanism, Urban Land Institute, National Association of Home Builders, National Multi-Family Housing Council and the National Town Builders Association.

- Projected sales rates, as well as product preferences, are based on our proprietary econometric model of the relationship between changes in population, incomes, home value appreciation, household and family size, and demographic concentrations of age groups. The most current data has been gathered from CoStar, Realcomp Online, NOACA, U.S. Census Bureau, ESRI, CoStar, Zillow.com and Ohio brokerage services.

-- END OF ANALYSIS --