

Target Market Analysis | Objectives Workshop – Part 1 of 2

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Definitions of a Target Market Analysis:

1. Short and Simple: A study of lifestyle preferences of groups of households likely to consume new products, goods, and/or services – and therefore representing ideal targets.
2. Wikipedia says: “An analysis of groups of customers at which business could aim its marketing efforts and resources. Target markets typically exhibit similar characteristics (such as age, location, income, or lifestyle) and are considered most likely to buy the offered **Products** (see the next slide). Identifying and selecting the target market(s) is an important step in the analytic process.
3. Similar terms include Segmentation Analysis, Consumer Research, and Cluster Analysis.
4. Variants of lifestyle cluster data include: Mosaics (Experian), Prizms (Nielsen), Tapestries (ArcGIS), and Panoramas (Regis).



Products relevant to Town & Urban Planning:

1. Downtown merchants and destination Retail for all shoppers.
2. Missing Housing formats and attainably-priced choices for households.
3. Office and commercial space for diversifying mixed-use projects.
3. Good-paying and skilled jobs for workers and commuters.
4. Advanced education for students and health care for patients.
5. Entertainment venues and recreational amenities for everyone.
6. Placemaking amenities to optimize marketability of other products.



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Why a TMA could be Valuable:

1. Identify how much to build and how fast, to optimize absorption rates.
2. Identify the optimal building formats, sizes, tenures, and unit sizes.
3. Avoid risky development mistakes that can cost time and money.
4. Improve overall market competitiveness within regions and states.
5. Intercept migrating households choosing other places in the region.
6. Guide planning documents, updates, and zoning ordinances.
7. Demonstrate due diligence that helps recruit developers and investors.
8. Demonstrate the need for missing formats – even without market comps.



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Who would benefit from a TMA:

Development Professionals

1. Developers, property owners, and builders.
2. Investors, banks, and other investment institutions.
3. Real estate brokers, holding companies, and land banks.
4. HUD, MSHDA, MEDC, MML, and other state agencies.
5. Local non-profit agencies and good-will investors.

Planning Professionals

1. Municipal planning staff and planning commissioners.
2. Professional urban and town planners.
3. Municipal zoning staff and Board of Zoning Appeals.

Local Stakeholders

1. Municipal community development administrators.
2. Major employers and anchor institutions.
3. DDA members, downtown merchants, other associations.
4. Citizens, residents, workers, commuters, and visitors.



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When to Conduct a TMA:

Conduct the first study whenever undertaking other initiatives, *Like:*

1. With new land use plans, either city-wide, for corridors, DDAs, downtowns, subareas, or for specific development sites.
2. With a market-wide Analyses of Impediments to Fair Housing.
3. With a market-wide Housing Needs Assessments.
4. With a Downtown Retail Market Study.
5. With a Comprehensive Economic Development Strategy.
6. With preparation of RFQ/RFPs to recruit developers or investors.
7. After significant market events, such as economic recessions, significant new job creation, housing booms, etc.



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Where to Conduct a TMA:

Large to Small Geographies:

1. Regional – For entire prosperity regions, metros areas, and/or counties.
2. Local – Across any urban place of any size, including cities and villages. Within downtown districts, corridor districts, DDAs, and other subareas.
3. Urban – Within any urban place of any size, large or small – including *Towne Centres* within fringe or “rural” townships.
4. Site-Specific – For any site-specific project, of any size.

Additional Suggestions:

1. Regardless of number of subareas and sites, every study must include the primary county and largest cities or villages within that county. So, leverage efficiencies and economies of scale by collaborating on a regional study.
2. Collaborate with anchor institutions and private-sector developers to help fund the study and build stakeholder ownership in the process.



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Next-Steps after the TMA

1. Facilitate a TMA Study Group session and round-table discussion.
2. Facilitate a developer-focused forum, study group, and discussion.
3. Post the study online where it is easy to find, view, and download.
4. Send email links to property owners, developers, brokers, lenders.
5. Meet one-on-one with lenders and ask them to consider special loan terms for developers and investors willing to implement the strategy.
6. Work with planning staff, commission, and/or consultants to refine planning documents and zoning ordinances as needed.
7. Update the Target Market Profile at least every five years.
8. Update the complete TMA study if significant events have impacted market conditions or possible market potential.
Examples: recessions, housing booms, new anchor institutions and job creation, new highways, big-box retail impacts, etc.



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Additional Resources (an optional slide)

1. **Study** the *Missing Middle Housing* typology by Opticos Design Group
www.MissingMiddleHousing.com
2. **Host** *Incremental Development Alliance* workshops with Jim Kumon
www.IncrementalDevelopment.org
3. **Collaborate** with specialists through the *Downtown Collaborative*
www.DowntownCollaborative.com
4. **Join** the movement at *Strong Towns* with Chuck Marohn
www.StrongTowns.org
5. **Get Involved** with the *LOCUS* membership + *Smart Growth America*
www.SmartGrowthAmerican.org
6. **Attend** *CNU 27.Louisville* (in 2019) + *CNU 28.TwinCities* (in 2020)
www.CNU.org
7. **Become Certified** through the *Form Based Codes Institute* (FBCI)
www.FormBasedCodes.org



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Additional Readings

1. *Michigan's Missing Housing – Here's the Scoop*
Michigan Planner | November-December 2018 Issue
2. *Target Market Analysis*
Michigan Planner | Summer 2014 Special Edition
3. *Can You Hit a Moving Target Market?*
Planning and Zoning News | October 2015
4. *Mosaic © USA Consumer Lifestyle Segmentation*
www.experian.com/marketing-services/consumer-segmentation.html



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LandUseUSA
UrbanStrategies

Downtown Market Studies
Target Market Analysis
Land Use Economics



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PAGE BREAK



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The TMA Approach Workshop – Part 2 of 2

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The TMA Approach

An Example: The City of Flint



Target Market Analysis Kettering University The City of Flint, MI

Draft | Nov. 13, 2018

INTRODUCTION

Residential Target Market Analysis
Kettering University
The City of Flint, Michigan

This 2018 Residential Target Market Analysis has been commissioned by the Incremental Development Alliance on behalf of Kettering University, located in the City of Flint, Michigan. LandUseUSA completed this analysis as an update to the original 2015 residential Target Market Analysis (TMA) for the city, and with a focus on the Kettering University area (the "University Core").

All enclosed materials were prepared to support a developer workshop that took place on November 13, 2018. Additional work was completed in December, including some refinements to draft materials that had been presented at the workshop.

This study intentionally does not include a long narrative with tables of attached data. Rather, it is intentionally includes a lean and succinct narrative, and is designed to be used during facilitation of public workshops and tutorials. Most of the enclosed Infographics are self-explanatory, and readers are encouraged to study the data and derive some independent observations and conclusions.

Any number of enclosed exhibits may be extracted, shuffled, and printed to facilitate additional meetings and discussions. However, all work must be credited to LandUseUSA and the Incremental Development Alliance, on behalf of Kettering University.

Stakeholders are invited to contact LandUseUSA directly with any questions regarding the work approach, methodology, findings, and conclusions. Similarly, Kettering University can be contacted directly with any questions regarding their plans or vision; and the Incremental Development Alliance can be contacted regarding the stakeholder engagement process; lexicon of recommended building formats; and next-steps for small developers.

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On behalf of:



Cover photos courtesy of MLive



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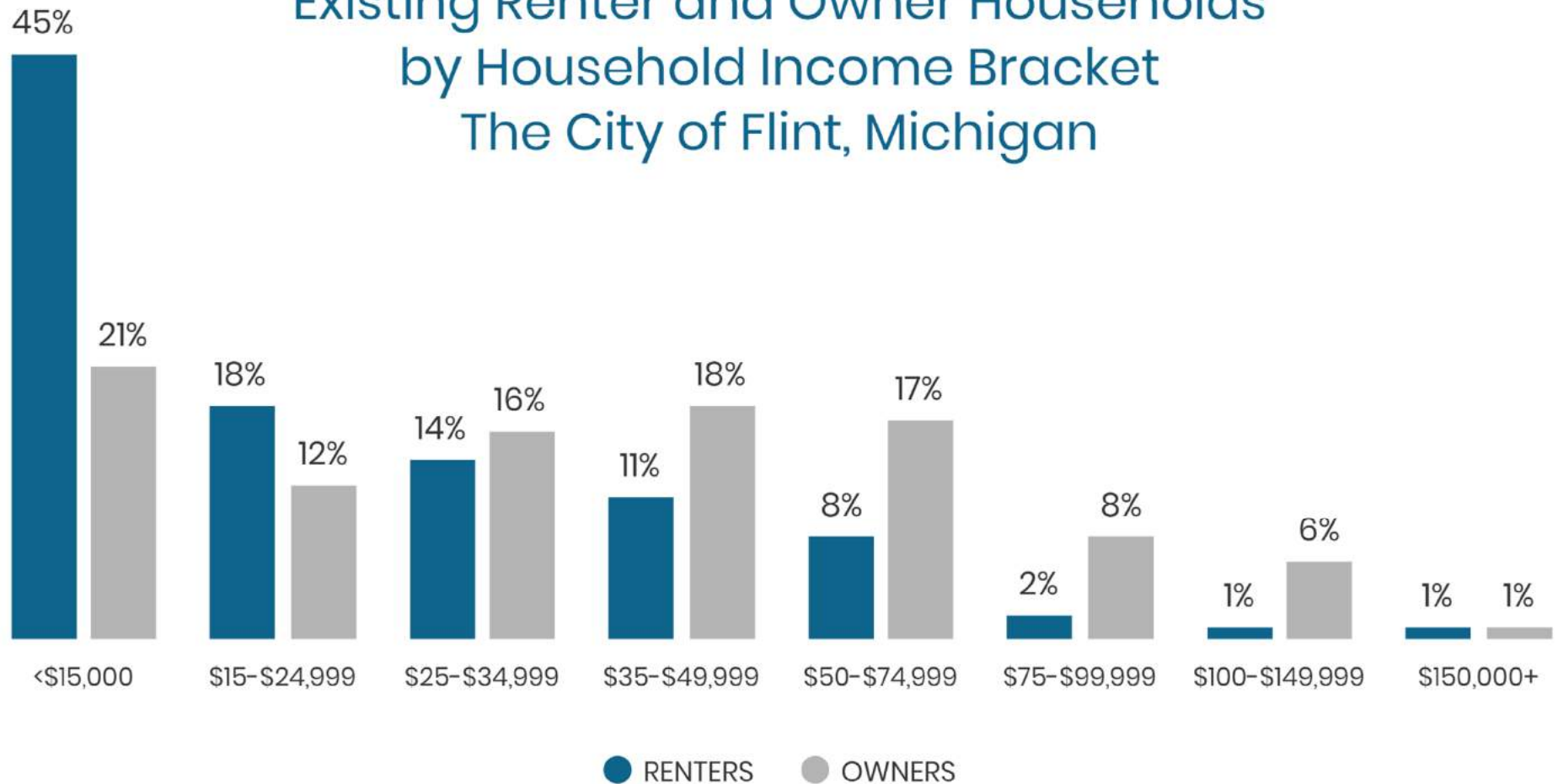
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The Conventional Approach

Is there an Income v. Rent gap?

Existing Renter and Owner Households
by Household Income Bracket
The City of Flint, Michigan

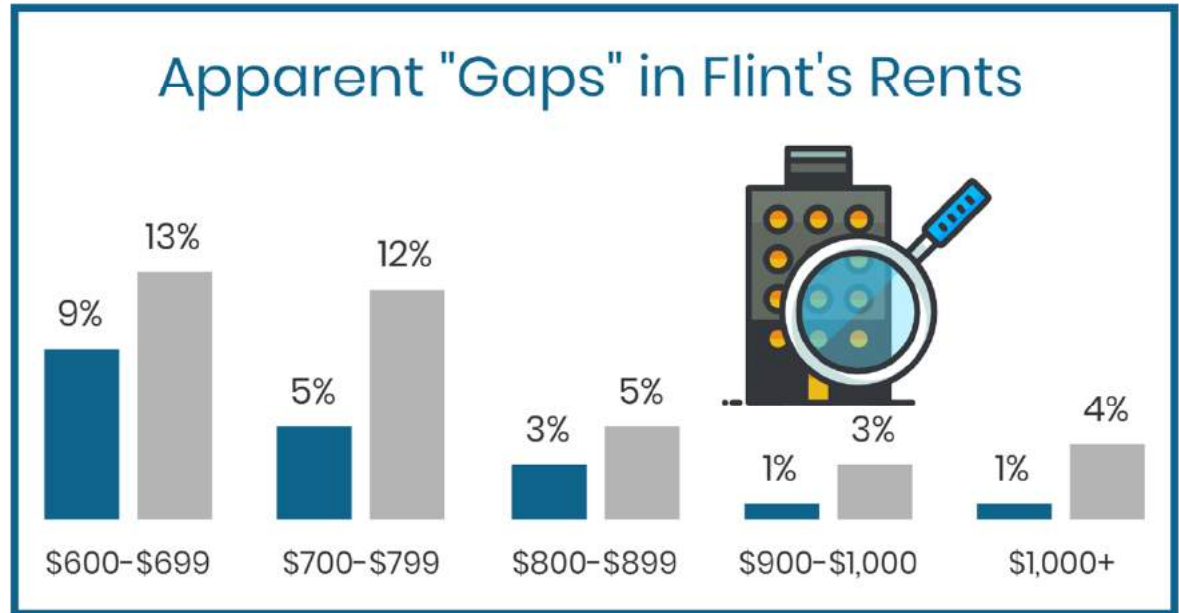
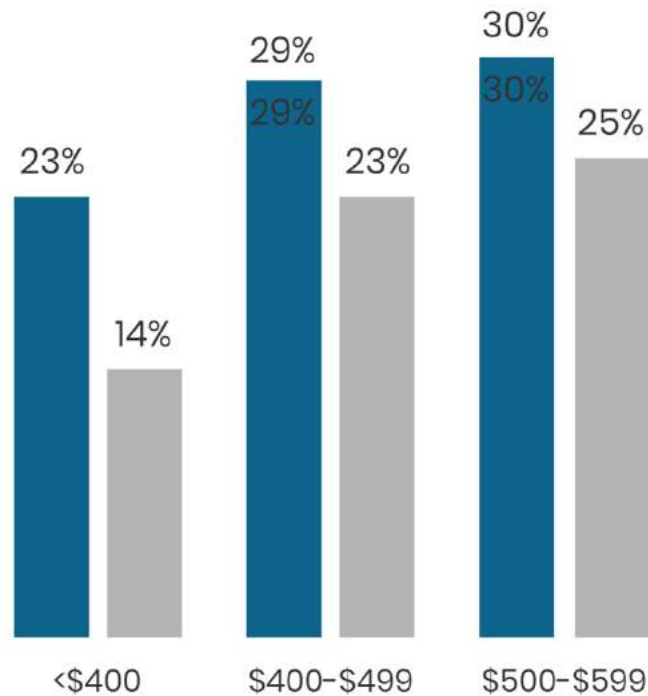


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The Conventional Approach

Is there an Income v. Rent gap?

Renter Households by Contract Rent Bracket



● The City of Flint ● Genesee County

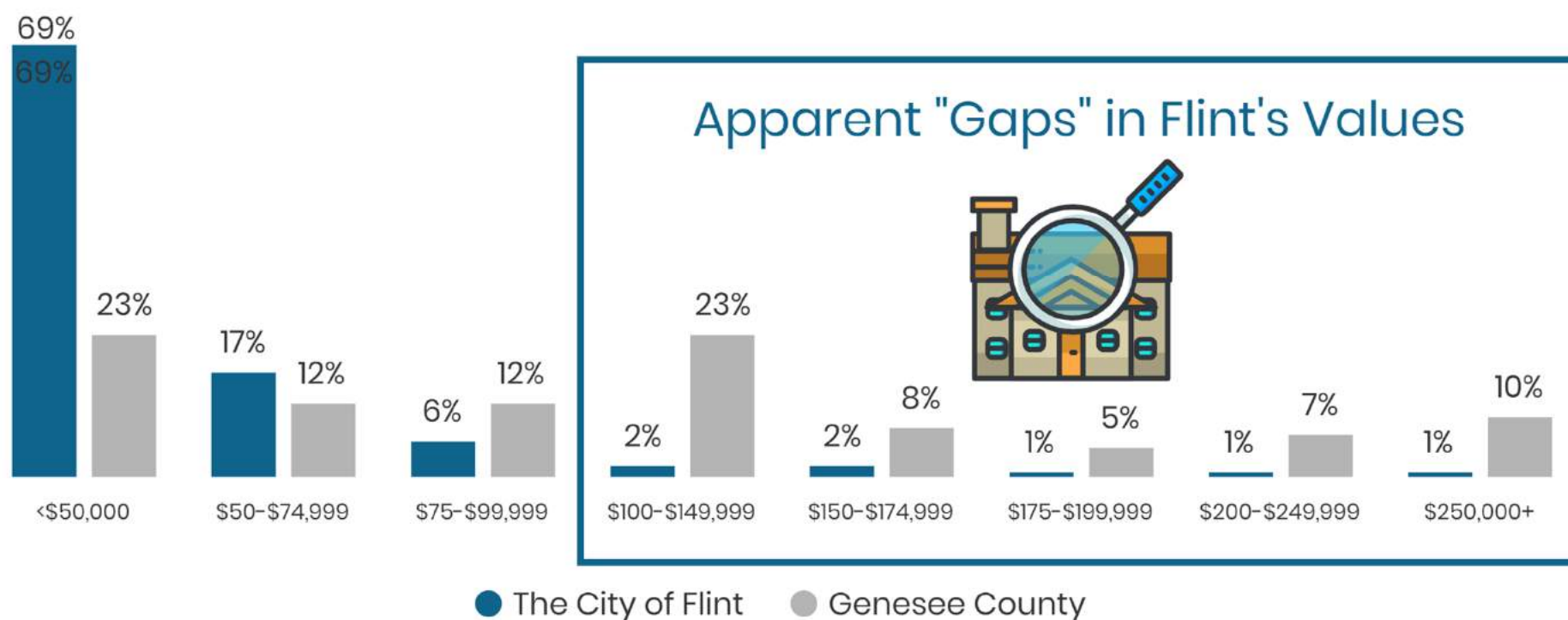


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The Conventional Approach

Is there an Income v. Value gap?

Owner Households by Home Value Bracket



Conventional Approach

What is Currently Available?

The next slide shows the prices of available choices within the market. The x-axis shows the available space, and the y-axis shows the asking price per square foot.

Note that smaller units have higher prices per square foot. Also note that there are relatively few choices among micro-units or studios with less than 500 square feet.

This information should motivate developers to build attainably-priced micro units rather than super-sized luxury lofts.

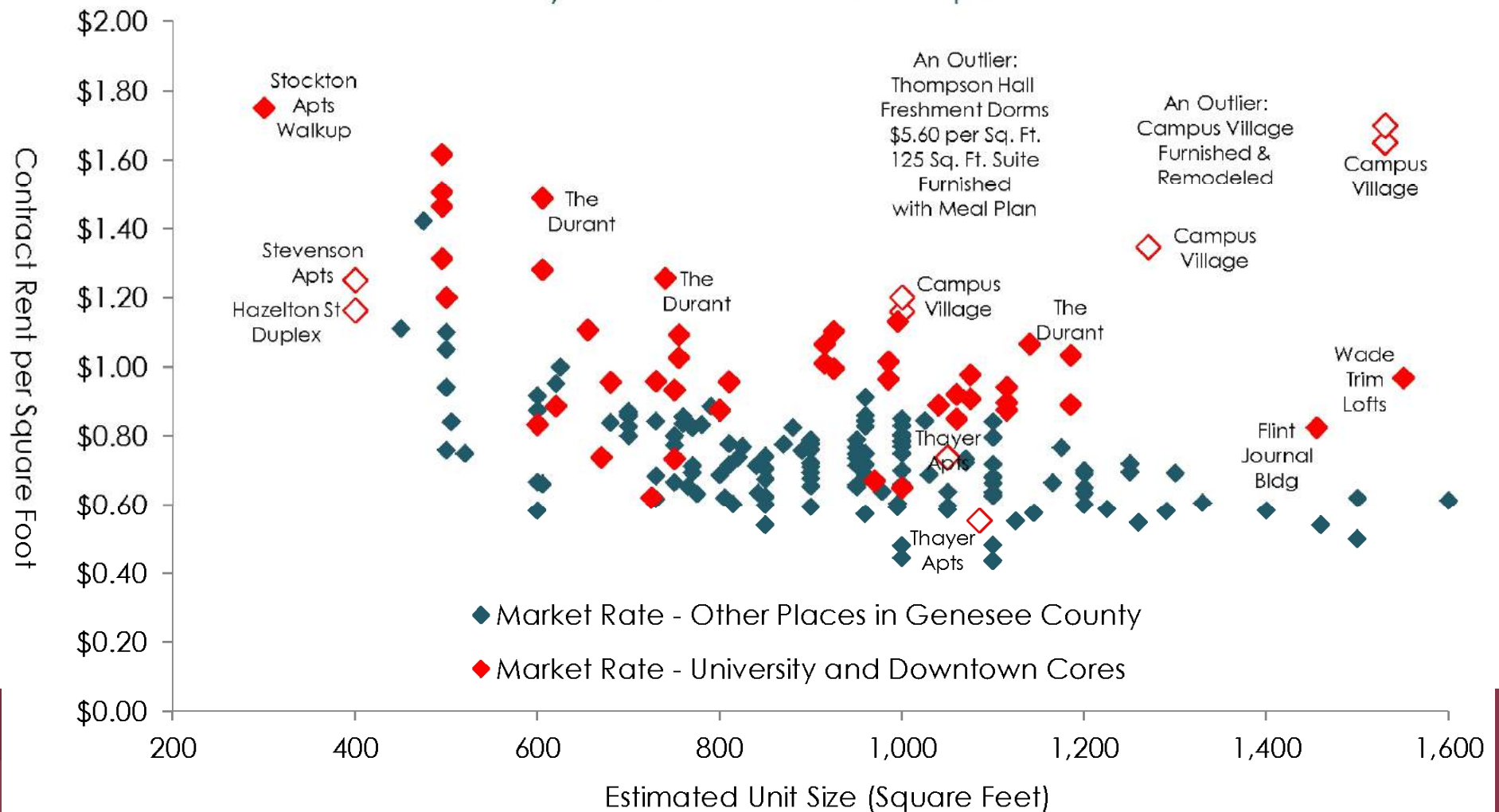


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Conventional Approach

What is Currently Available?

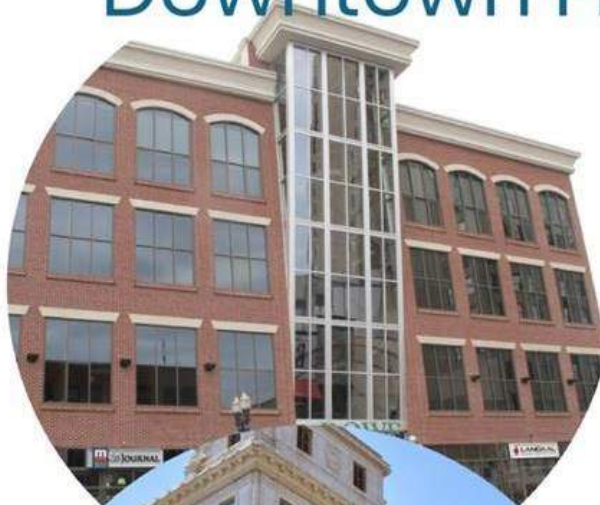
Contract Rent per Square Foot v. Unit Size
Attached Market Rate Units Only
University and Downtown Cores | 2018



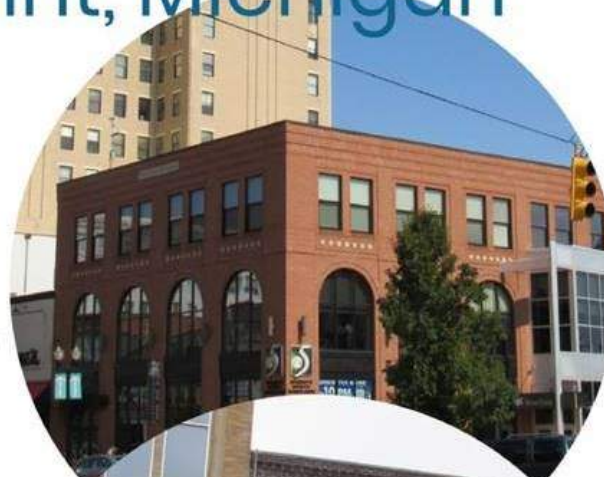
Conventional Approach What is Currently Available?

Existing Lofts and Similar Formats Downtown Flint, Michigan

Rowe
Building
Lofts
Rent n/a



Wade
Trim
Building
...
\$1,750
Peak
Contract
Rent



First
Street
National
Bank
...
\$1,100
Peak
Contract
Rent



The
Economy
Shoes
Building



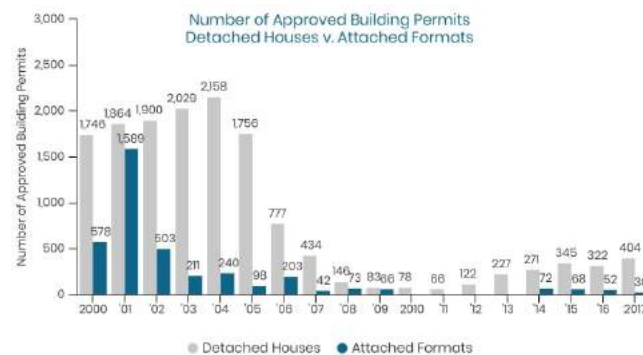
Conventional Approach

What is being built – if anything?

The next slide shows the reported number of approved building permits, split for detached and attached units.

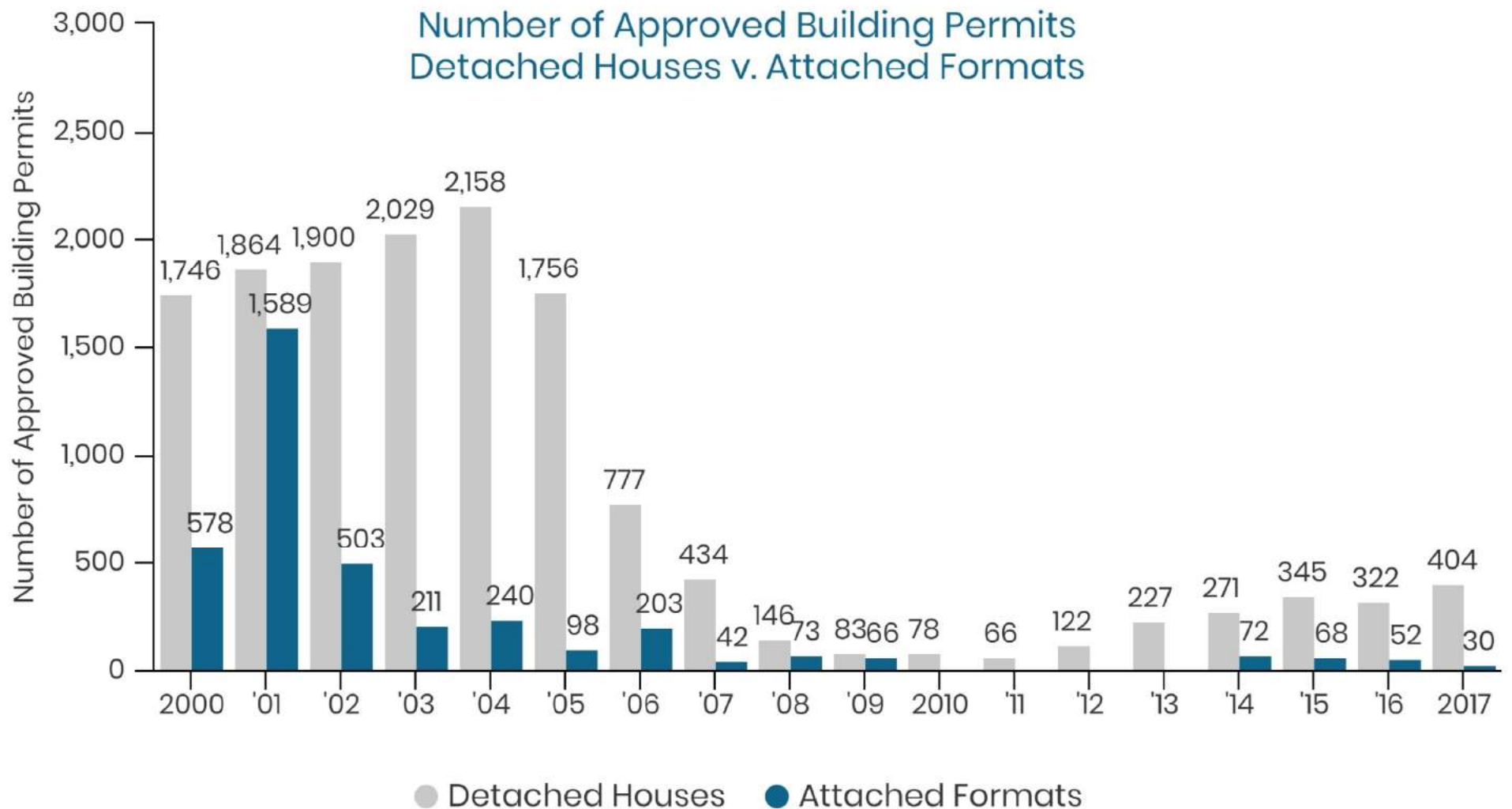
Note that the permit activity has slowed since the Great Recession, and has remained low even during the economic recovery.

Note that between 2010 and 2014, few if any permits were approved for attached units.



Conventional Approach

What is being built – if anything?

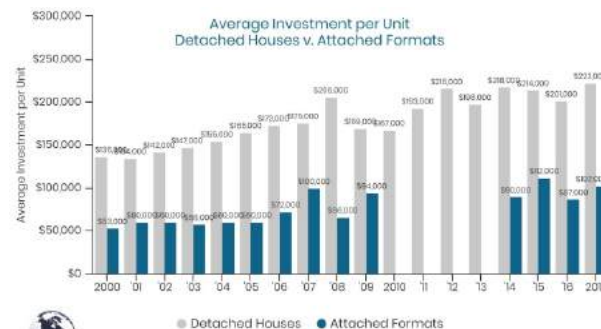


Conventional Approach

What is being built – if anything?

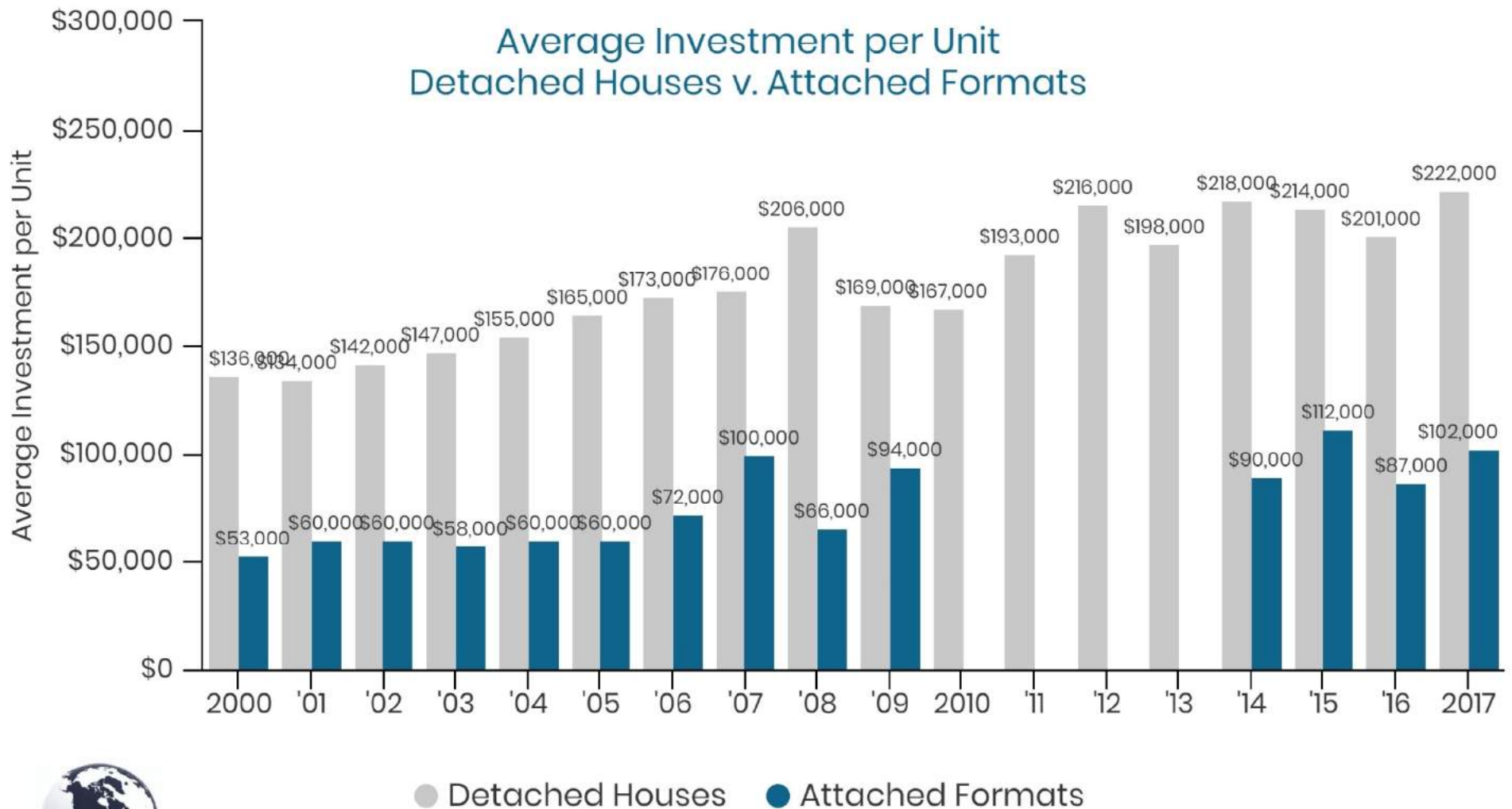
In the next slide, note that the average reported investment into attached units is ½ (half) that of the investment into detached houses – regardless of the year and number of units. This information should help motivate developers to develop more attached units.

Acknowledge that the charts show reported data only (developers don't always disclose their full “investment” figures). But, that doesn't really change the conclusion.



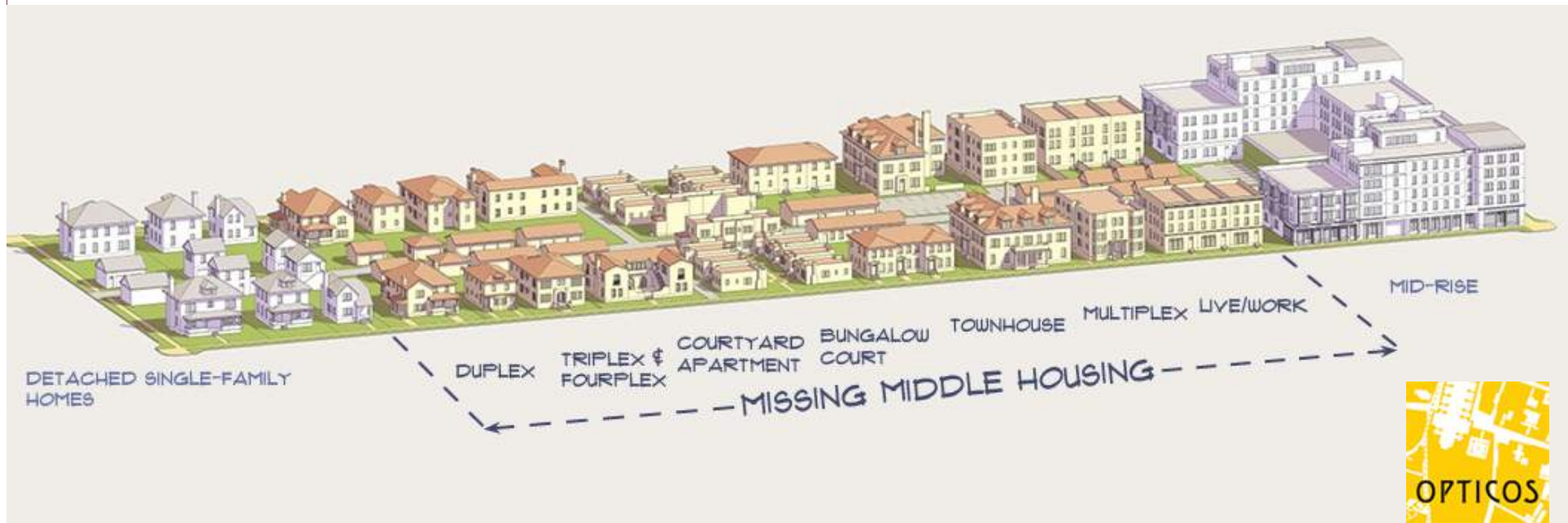
Conventional Approach

What is the average investment?



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The TMA Approach Missing Building Formats



The TMA Approach Missing Building Formats



The TMA Approach Missing Building Formats



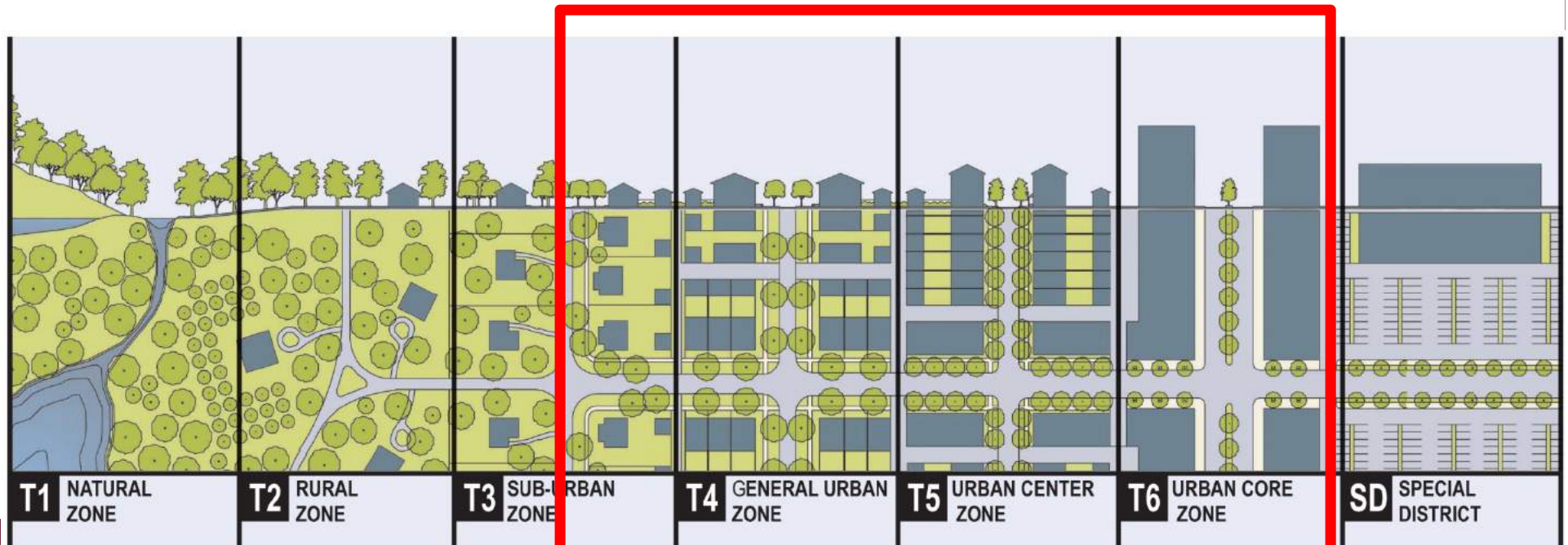
The TMA Approach

Rural-to-Urban *TRANSECT*

DOWNTOWNS, URBAN DISTRICTS, CORRIDORS

Downtown + Street Grid + Compact + Sense of Place

Follows the place types of the Urban Transect



The TMA Approach

Rural-to-Urban *MOSAIC*

In the next slide, note how lifestyle clusters can be sorted by income (y-axis) and urbanicity (x-axis). It creates a cross-tabulation of variables, or a patchwork that is often referred to as a “mosaic”, “prizm”, “tapestry”, or “panorama”.

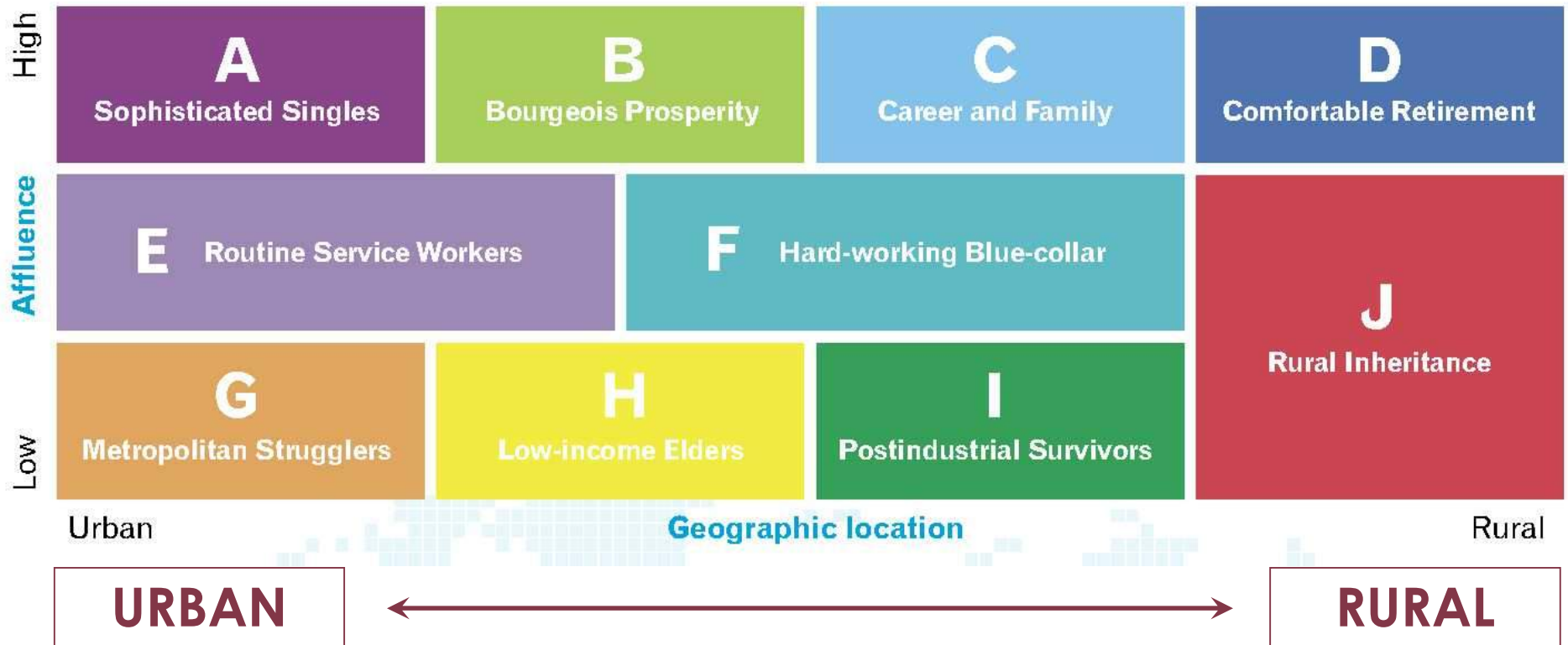
The value of the data is in its urban-to-rural sorting. Within each lifestyle cluster, we know what percent will be inclined to choose an attached unit in an urban place, and what percent will prefer a detached house in a rural setting.



The TMA Approach

Rural-to-Urban *MOSAIC*

The Mosaic Global groups are mapped against two dimensions:
affluence and geographic location



Mosaic USA Segmentation



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The TMA Approach Focused on the Diversity of Singles



The TMA Approach Focused on the Diversity of Singles



The TMA Approach

How Experian Collects the Data

- ❑ Consumer behavior in the **MORTGAGE** and **CREDIT** markets. Home values from new mortgages; plus trends in home equity loans, refinancing, and/or foreclosures.
- ❑ Tracking of **LIFE EVENTS**. Change of address, purchase of a new home or car, new additions to the family, change in marital status, etc.
- ❑ **SOCIO-ECONOMIC** Data – U.S. Census and ACS estimates. Income, Family Size, Age, Ethnicity, Education, etc.



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The TMA Approach

How Experian Collects the Data

❑ Consumer behavior in the **RETAIL** and **CREDIT** markets.

Catalog subscriptions, credit, and debt; credit card transactions; credit limits; purchases on installment plans; and debt payments and transfers.



The TMA Approach

Rural-to-Urban *MOSAIC*

The next three slides should also be provided as a handout. Ideally the handout will include the cover page (shown below). The other pages can then be printed on two-sided paper, so that they are facing each other like pages of a book.



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The TMA Approach | Handout

71 Lifestyle Clusters across the nation

1-36 Lifestyle Clusters | Short Descriptions

As defined by Experian Decision Analytics with refinements by LandUseUSA, LLC ©

- A01 - American Royalty - Wealthy influential couples and families in prestigious communities - Suburbs.
- A02 - Platinum Prosperity - Wealthy and established empty-nesting couples - Suburbs.
- A03 - Kids and Cabernet - Prosperous, middle-aged married couples focused on their children's lives - Suburbs.
- A04 - Picture Perfect Families - Established families of child-raising households in wealthy communities - Suburbs.
- A05 - Couples with Clout - Middle-aged childless couples living in affluent areas - Metros.
- A06 - Jet Set Urbanites - Mix of affluent singles and couples enjoying diverse neighborhoods - Urban.
- B07 - Generational Soup - Affluent couples and multi-generational families living a wide range of lifestyles - Suburbs.
- B08 - Babies and Bliss - Middle-aged couples with large families and active lives - Suburbs.
- B09 - Family Fun-tastic - Upscale, middle-aged families with busy lives focused on older children - Satellite Cities.
- B10 - Cosmopolitan Achievers - Affluent middle-aged, established couples & families with dynamic lifestyles - Metros.
- C11 - Aging of Aquarius - Upscale boomer-aged couples settled in detached houses - Cities, Nearby Suburbs.
- C12 - Golf Carts and Gourmets - Upscale retirees & empty-nesters in comfortable golf communities - Urban Edges.
- C13 - Silver Sophisticates - Mature, upscale couples & singles in larger detached houses - Suburbs.
- C14 - Boomers and Boomerangs - Baby boomer adults with young adult children sharing their house - Suburbs.
- D15 - Sports Utility Families - Upscale, multi-generational, middle-aged families with active lifestyles - Outer Suburbs.
- D16 - Settled in Suburbia - Upper-middle-income diverse families & empty nesters - Established Suburbs.
- D17 - Cul de Sac Diversity - Culturally diverse, middle-aged families settling into emerging communities - Suburbs.
- D18 - Suburban Attainment - Upper middle-class couples and families moving to newer communities - Suburbs.
- E19 - Full Pockets, Empty Nests - Empty-nesters with discretionary income and sophisticated lifestyles - Most Cities.
- E20 - No Place Like Home - Middle-to-upper income, multi-generational households in detached houses - Urban Edges.
- E21 - Unspoiled Splendor - Comfortably established baby boomer couples in detached houses - Small Cities, Rural Areas.
- F22 - Fast Track Couples - Young, upwardly-mobile couples with active lifestyles - Inner Suburbs.
- F23 - Families Matter Most - Young, middle-to-upper income families with active, family-focused lives - Suburbs.
- G24 - Status Seeking Singles - Young, upwardly-mobile singles balancing work and leisure - Metros, Urban.
- G25 - Urban Edge - Younger, up-and-coming singles living big-city lifestyles - Largest Metros.
- H26 - Progressive Potpourri - Mature couples with comfortable and active lives - Suburbs.
- H27 - Birkenstocks and Boomers - Middle-to-upper income couples living leisurely lifestyles - Small Cities.
- H28 - Everyday Moderates - Multi-cultural couples & families choosing modest lifestyles - Suburbs to Mid-sized Cities.
- H29 - Destination Recreation - Middle-aged couples working hard to support active lifestyles - Small Cities, Suburbs.
- I30 - Stockcars and State Parks - Middle-income couples & families seeking affordable entertainment - Small Cities.
- I31 - Blue Collar Comfort - Middle-income families working solid, blue-collar jobs - Small Cities.
- I32 - Steadfast Conventionalists - Conventional Gen-X families living in conventional detached houses - Coastal Cities.
- I33 - Balance and Harmony - Middle-income families with lively lifestyles - City-Centric Neighborhoods.
- J34 - Aging in Place - Middle-income seniors established in their homes and preferring to stay there - Suburban.
- J35 - Rural Escape - Older, middle-income couples & singles living modestly comfortable lives - Small Cities, Rural Edges.
- J36 - Settled and Sensible - Older, middle-income, empty nesting couples & singles living sensibly - City Neighborhoods.

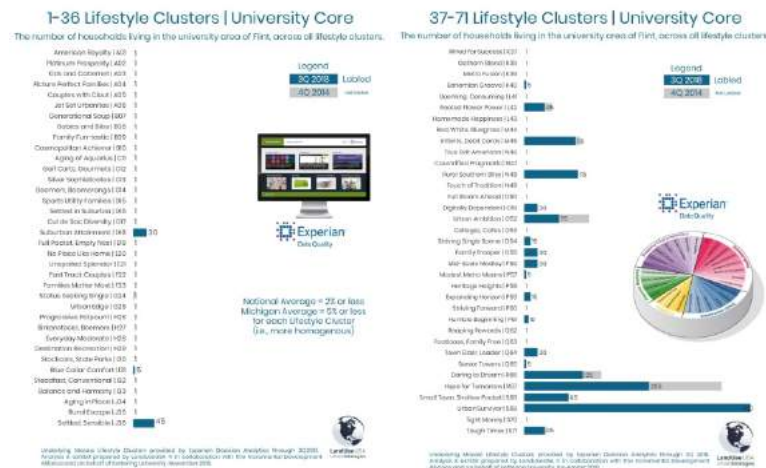
37-71 Lifestyle Clusters | Short Descriptions

As defined by Experian Decision Analytics with refinement by LandUseUSA, LLC ©

- K37 - Wired for Success - Young, middle-income singles and couples living socially-active lives - Cities.
- K38 - Gotham Blvd - Middle-aged, middle-income singles & couples with big city lifestyles - Urban, Large Cities.
- K39 - Metro Fusion - Middle-aged singles living active lifestyles - Urban.
- K40 - Bohemian Groove - Older, unattached singles enjoying settled lives in detached houses - Urban Neighborhoods.
- L41 - Booming and Consuming - Older empty nester couples and singles enjoying relaxed lifestyles - Small Cities.
- L42 - Rooted Flower Power - Middle-income baby boomer singles & couples, rooted & nearing retirement - Suburban.
- L43 - Homemade Happiness - Middle-income baby boomers in detached houses - Small Cities, Rural.
- M44 - Red, White, Bluegrass - Middle-income families with diverse household dynamics - Rural.
- M45 - Infants and Debit Cards - Young, working families & single parents in small houses - Urban Neighborhoods.
- N46 - True Grit Americans - Older, middle-income households located in nation's mid-section - Small Cities, Rural.
- N47 - Countrified Pragmatics - Middle-income couples and singles with casual lifestyles - Rural.
- N48 - Rural Southern Bliss - Middle-income, multi-generational families in the nation's south - Small Cities, Rural.
- N49 - Touch of Tradition - Working, middle-aged couples and singles in detached houses - Rural.
- O50 - Full Steam Ahead - Young and middle-aged singles on the move forward and upward - Mid-Sized Cities.
- O51 - Digital Dependents - Gen-X and Gen-Y singles living digitally-driven lifestyles - Urban.
- O52 - Urban Ambition - Gen-Y singles, some with children, moving into urban places - Mid-Sized Cities, Urban.
- O53 - Colleges and Cafes - Young singles, recent grads, faculty & staff connected to colleges - College Towns.
- O54 - Striving Single Scene - Young singles living in the nation's midwest and south - City Centers, Urban.
- O55 - Family Troopers - Families & single parents, with current or recent connections to the military - Nationwide.
- P56 - Mid-Scale Medley - Middle-aged, moderate-income singles, many starting over - Mid-Sized Cities.
- P57 - Modest Metro Means - Moderate-income singles settled in moderate communities - Inner-City Neighborhoods.
- P58 - Heritage Heights - Moderate-income singles & families settled in apartments - Urban, Compact Neighborhoods.
- P59 - Expanding Horizons - Middle-aged, middle-income families - Border Towns.
- P60 - Striving Forward - Moderate-income families & single parents in newer communities - Urban Edges.
- P61 - Humble Beginnings - Multi-cultural singles, some with children, starting in apartments - Inner-Cities, Urban.
- Q62 - Reaping Rewards - Retired couples and widowed singles living relaxed, quiet lives in detached houses - Suburban.
- Q63 - Footloose and Family Free - Older couples and widowed singles living active, comfortable lives - Urban Edges.
- Q64 - Town Elders - Elders and community leaders settled into small houses and living frugally - Small Cities.
- Q65 - Senior Towers - Low-income seniors settled into apartments with some rent assistance - Metros, City Edges.
- R66 - Dare to Dream - Aspiring young couples & singles, some with children, just starting out - Inner-City, Urban.
- R67 - Hope for Tomorrow - Hopeful, young, single parents with low-incomes, living in apartments - Mid-Sized Cities.
- S68 - Small Towns, Shallow Pockets - Older, low-income empty nesters & singles with tight budgets - Small Satellite Cities.
- S69 - Urban Survivors - Older, low-income singles, some with children, settled & living modestly - Urban Neighborhoods.
- S70 - Tight Money - Middle-aged, low-income, unattached singles seeking to move upward - Small Cities, Urban Edges.
- S71 - Tough Times - Older, low-income singles, struggling to get by in apartments - Inner-Cities, Compact Neighborhoods.

The TMA Approach Rural-to-Urban *MOSAIC*

On the following page, note that A01 is the most affluent lifestyle cluster and S71 is the poorest. There are 71 lifestyle clusters across the nation. Half of the group is shown on each page. Note that Urbanites tend to be in the O50 – O55 (market rate housing), and Q65 – S71 (affordable housing). The prevalence of moderate-income households in the University core is evident in the data.



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The TMA Approach | Handout

What is the current profile of households?

1-36 Lifestyle Clusters | University Core

The number of households living in the university area of Flint, across all lifestyle clusters.

American Royalty A01	1
Platinum Prosperity A02	1
Kids and Cabernet A03	1
Picture Perfect Families A04	1
Couples with Clout A05	1
Jet Set Urbanites A06	1
Generational Soup B07	1
Babies and Bliss B08	1
Family Fun-tastic B09	1
Cosmopolitan Achiever B10	1
Aging of Aquarius C11	1
Golf Carts, Gourmets C12	1
Silver Sophisticates C13	1
Boomers, Boomerangs C14	1
Sports Utility Families D15	1
Settled in Suburbia D16	1
Cul de Sac Diversity D17	1
Suburban Attainment D18	30
Full Pocket, Empty Nest E19	1
No Place Like Home E20	1
Unspoiled Splendor E21	1
Fast Track Couples F22	1
Families Matter Most F23	1
Status Seeking Single G24	1
Urban Edge G25	1
Progressive Potpourri H26	1
Birkenstocks, Boomers H27	1
Everyday Moderate H28	1
Destination Recreation H29	1
Stockcars, State Parks I30	1
Blue Collar Comfort I31	5
Steadfast, Conventional I32	1
Balance and Harmony I33	1
Aging in Place J34	1
Rural Escape J35	1
Settled, Sensible J36	45

Legend



National Average = 2% or less
Michigan Average = 5% or less
for each Lifestyle Cluster
(i.e., more homogenous)



Underlying Mosaic Lifestyle Clusters provided by Experian Decision Analytics through 3Q2018. Analysis & exhibit prepared by LandUseUSA © in collaboration with the Incremental Development Alliance and on behalf of Kettering University, November 2018.

37-71 Lifestyle Clusters | University Core

The number of households living in the university area of Flint, across all lifestyle clusters.

Wired for Success K37	1
Gotham Blend K38	1
Metro Fusion K39	1
Bohemian Groove K40	5
Booming, Consuming L41	1
Rooted Flower Power L42	45
Homemade Happiness L43	1
Red, White, Bluegrass M44	1
Infants, Debit Cards M45	110
True Grit American N46	1
Countrified Pragmatic N47	1
Rural Southern Bliss N48	115
Touch of Tradition N49	1
Full Steam Ahead O50	1
Digitally Dependent O51	30
Urban Ambition O52	75
Colleges, Cafes O53	1
Striving Single Scene O54	15
Family Trooper O55	30
Mid-Scale Medley P56	30
Modest Metro Means P57	5
Heritage Heights P58	1
Expanding Horizon P59	15
Striving Forward P60	1
Humble Beginning P61	10
Reaping Rewards Q62	1
Footloose, Family Free Q63	1
Town Elder, Leader Q64	30
Senior Towers Q65	5
Daring to Dream R66	125
Hope for Tomorrow R67	265
Small Town, Shallow Pocket S68	95
Urban Survivor S69	480
Tight Money S70	1
Tough Times S71	45

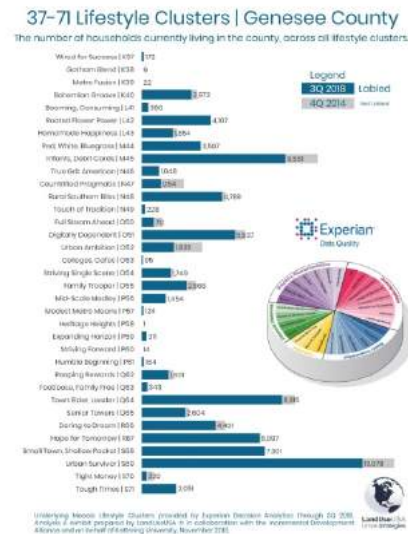
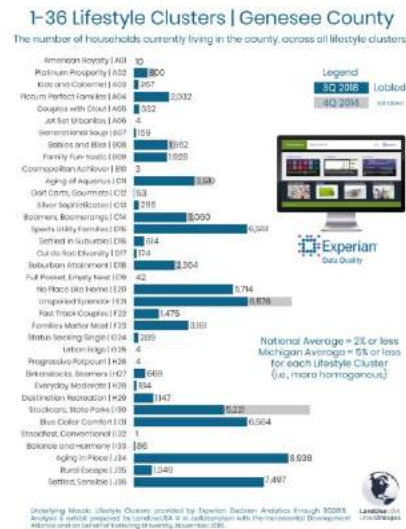
Legend



Underlying Mosaic Lifestyle Clusters provided by Experian Decision Analytics through 3Q 2018. Analysis & exhibit prepared by LandUseUSA © in collaboration with the Incremental Development Alliance and on behalf of Kettering University, November 2018.

The TMA Approach Rural-to-Urban *MOSAIC*

The next slide shows the profile for Genesee County, which can be used as a standard of measure for the University Core. If there are Urbanite lifestyle clusters living in Genesee but not in the University Core, it could be there simply are not enough choices.



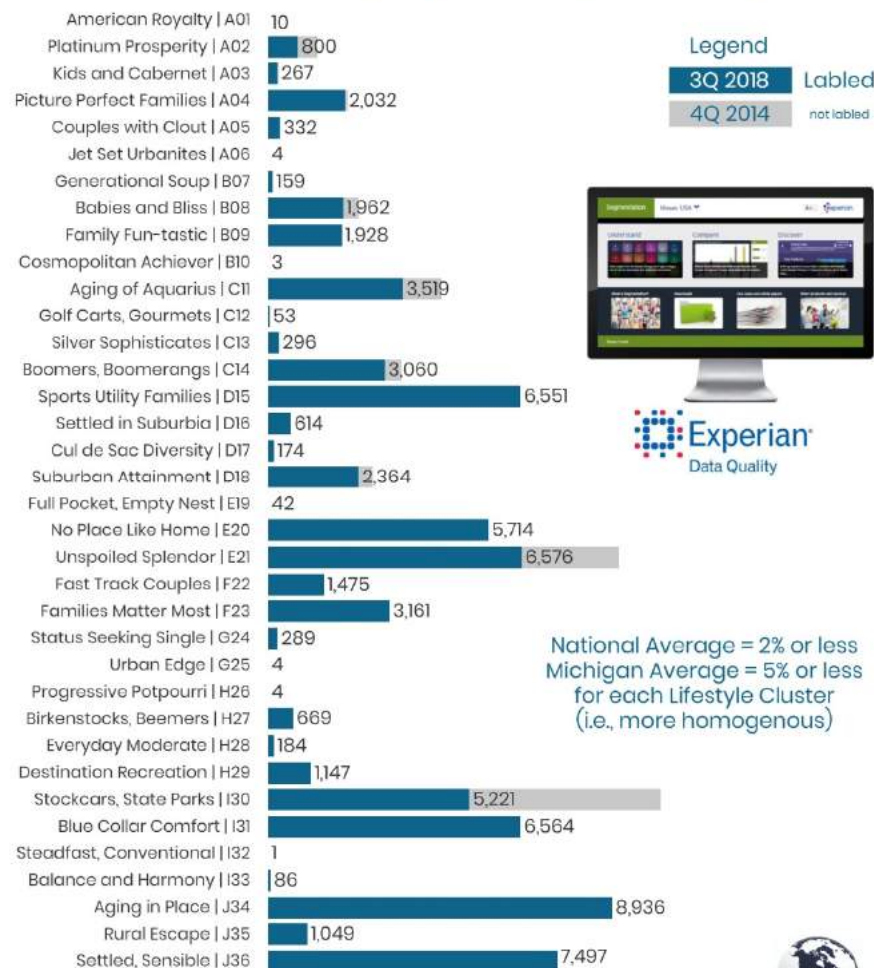
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The TMA Approach | Handout

What is the regional standard?

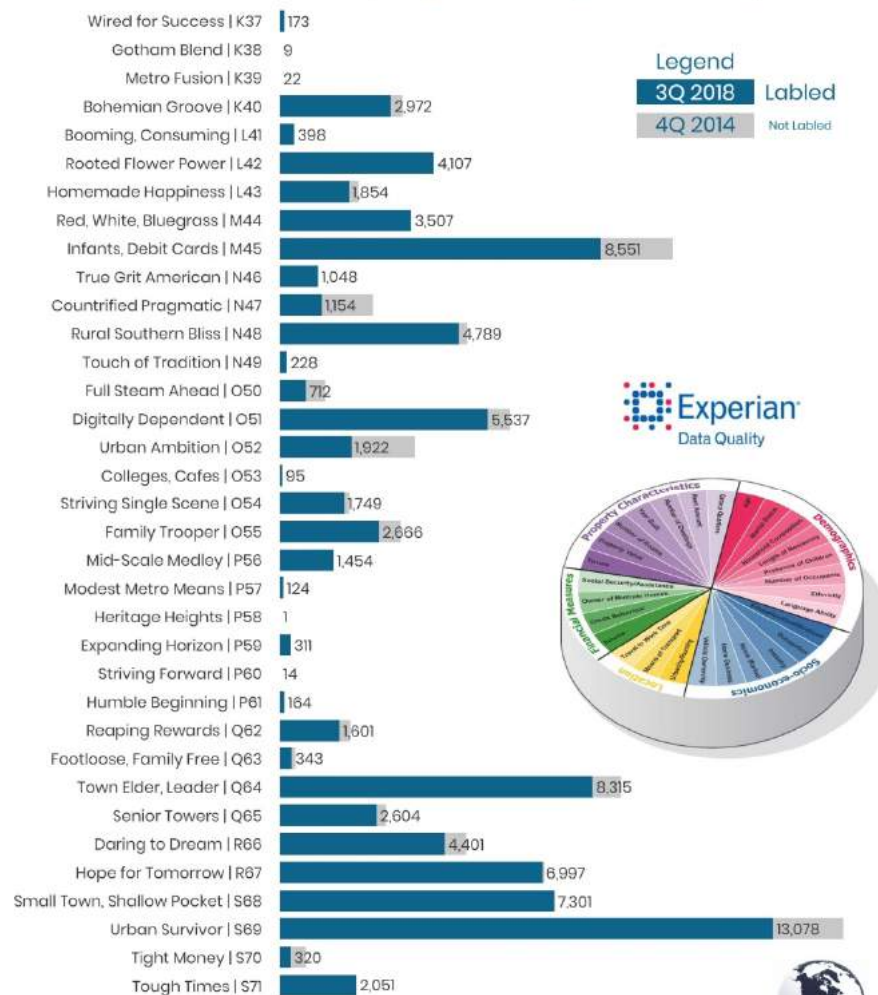
1-36 Lifestyle Clusters | Genesee County

The number of households currently living in the county, across all lifestyle clusters.



37-71 Lifestyle Clusters | Genesee County

The number of households currently living in the county, across all lifestyle clusters.



Underlying Mosaic Lifestyle Clusters provided by Experian Decision Analytics through 3Q 2018. Analysis & exhibit prepared by LandUseUSA® in collaboration with the Incremental Development Alliance and on behalf of Kettering University, November 2018.



Underlying Mosaic Lifestyle Clusters provided by Experian Decision Analytics through 3Q 2018. Analysis & exhibit prepared by LandUseUSA® in collaboration with the Incremental Development Alliance and on behalf of Kettering University, November 2018.



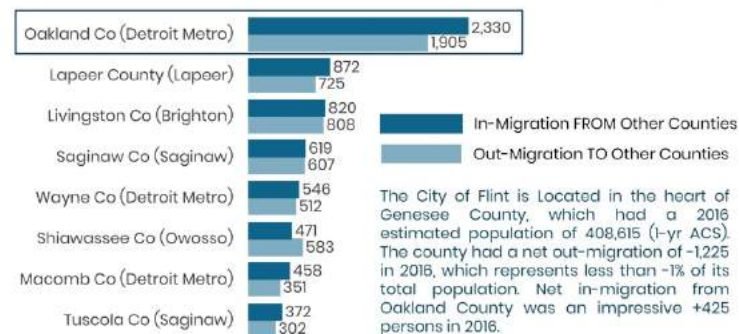
The TMA Approach

Rural-to-Urban *MOSAIC*

The next slide shows the top 8 geographies of migration into and from Genesee County in 2016. Because Oakland County is so large and also nearby, it is a significant contributor of in-migration into Genesee County – and a benefactor of its out-migration. Regardless, in-migration into Genesee County is out-pacing out-migration, and this is a good indicator of recovery that will hopefully continue.

2016 Net Migration | Genesee County

Origins of population in-migration; and destinations of population out-migration.



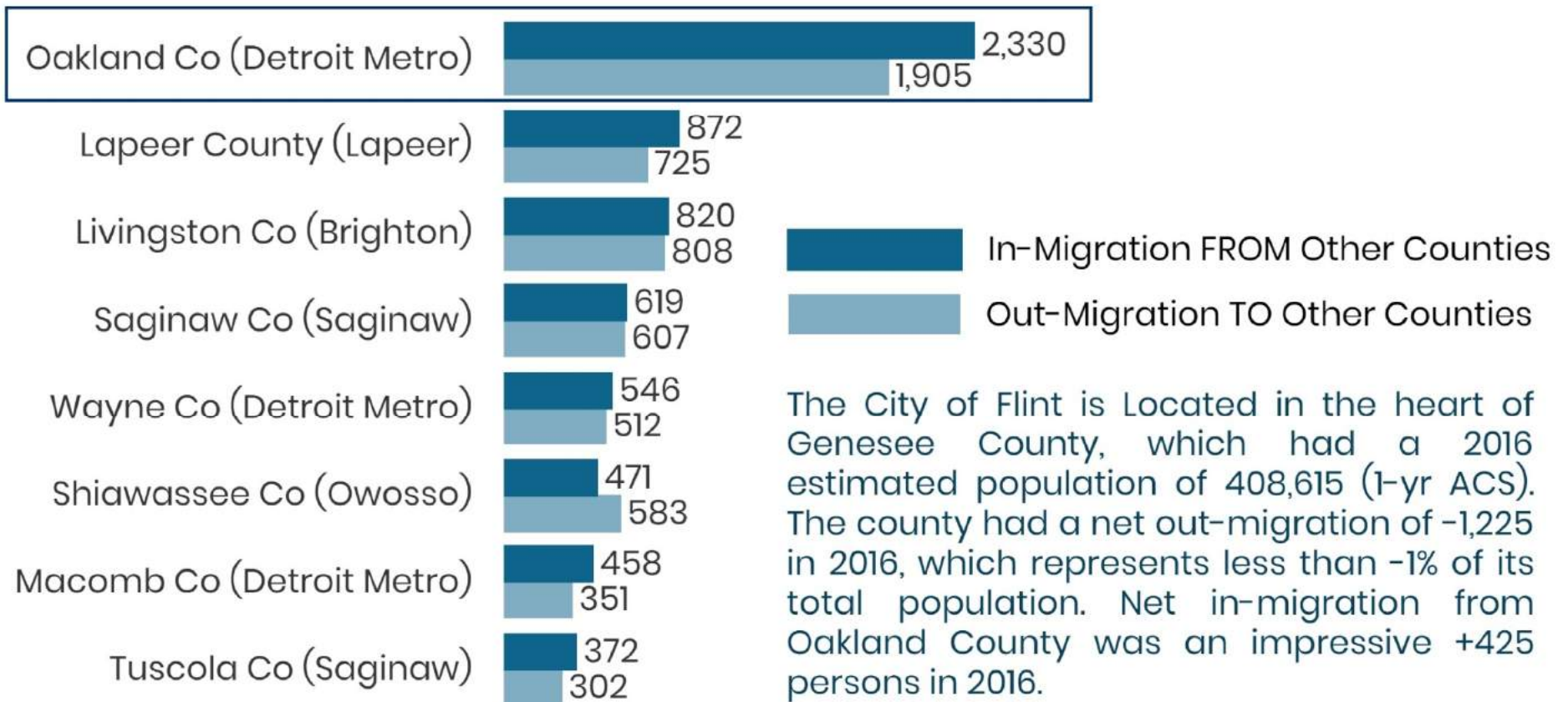
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How many are moving into the region?

2016 Net Migration | Genesee County

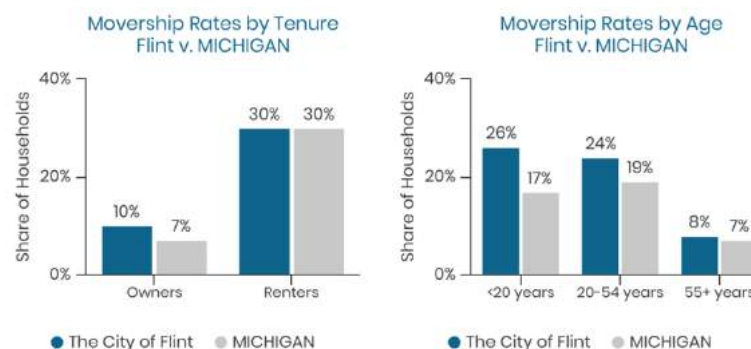
Origins of population in-migration; and destinations of population out-migration.



The TMA Approach

Rural-to-Urban *MOSAIC*

Market potential is based on households who are on the move – *not* households who are already settled down. The next slide shows how movership rates vary significantly by tenure and householder's age. A movership rate is simply the share of households in the group that move in any given year. 30% of all renters move every year, but only 7% of owners move (within Michigan). Only 7% of seniors ages 55 and better move in any given year. In comparison, almost 20% of younger adults move every year.

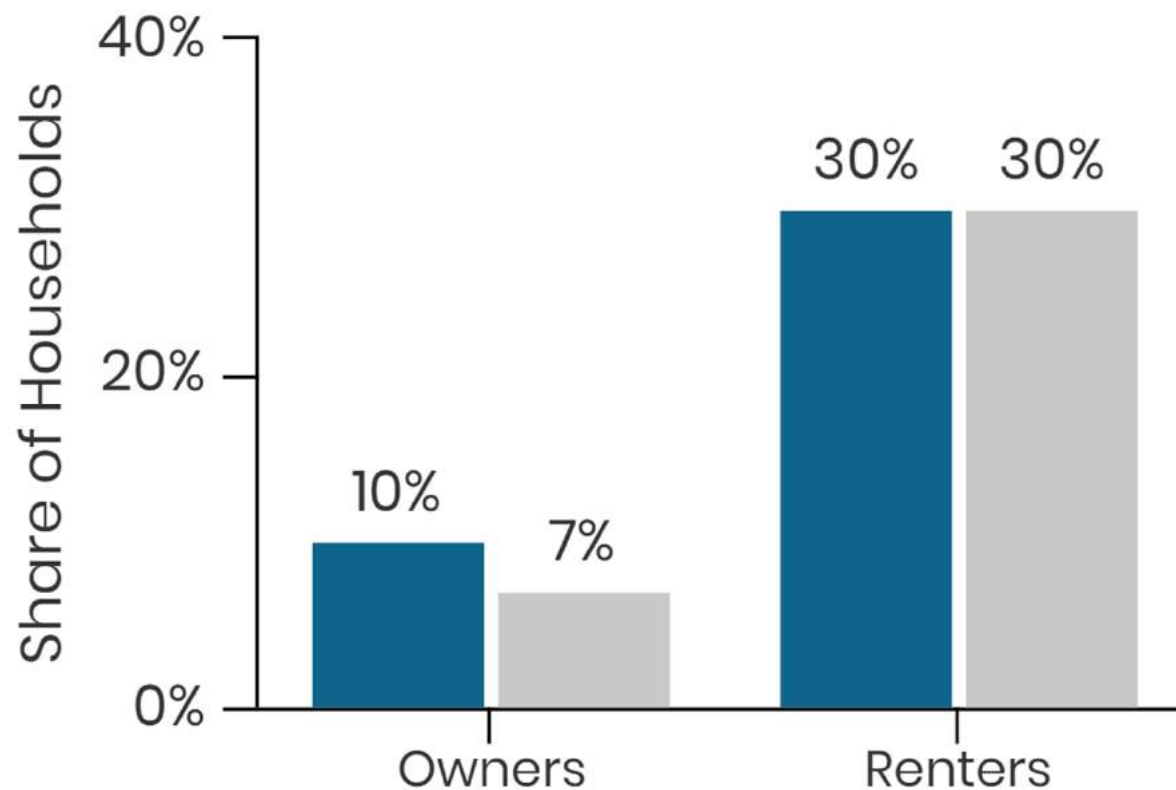


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Renters are on the move.

Movership Rates by Tenure Flint v. MICHIGAN

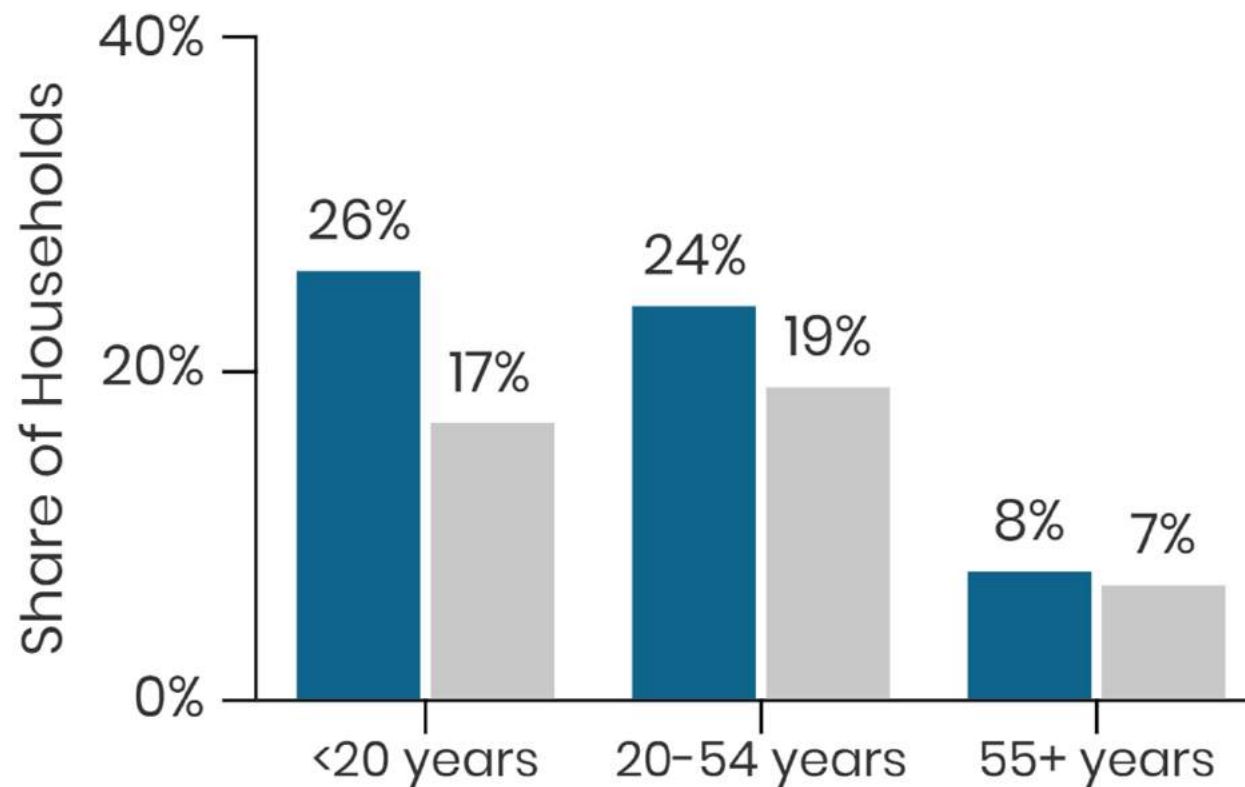


● The City of Flint ● MICHIGAN

The TMA Approach

Young adults and children are on the move.

Movership Rates by Age Flint v. MICHIGAN

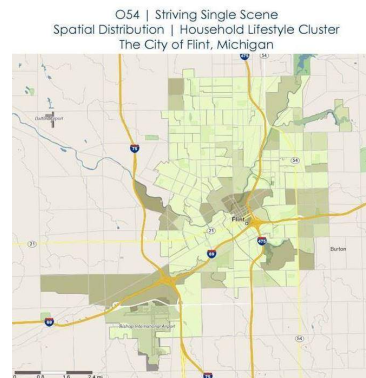


● The City of Flint ● MICHIGAN

The TMA Approach

Rural-to-Urban *MOSAIC*

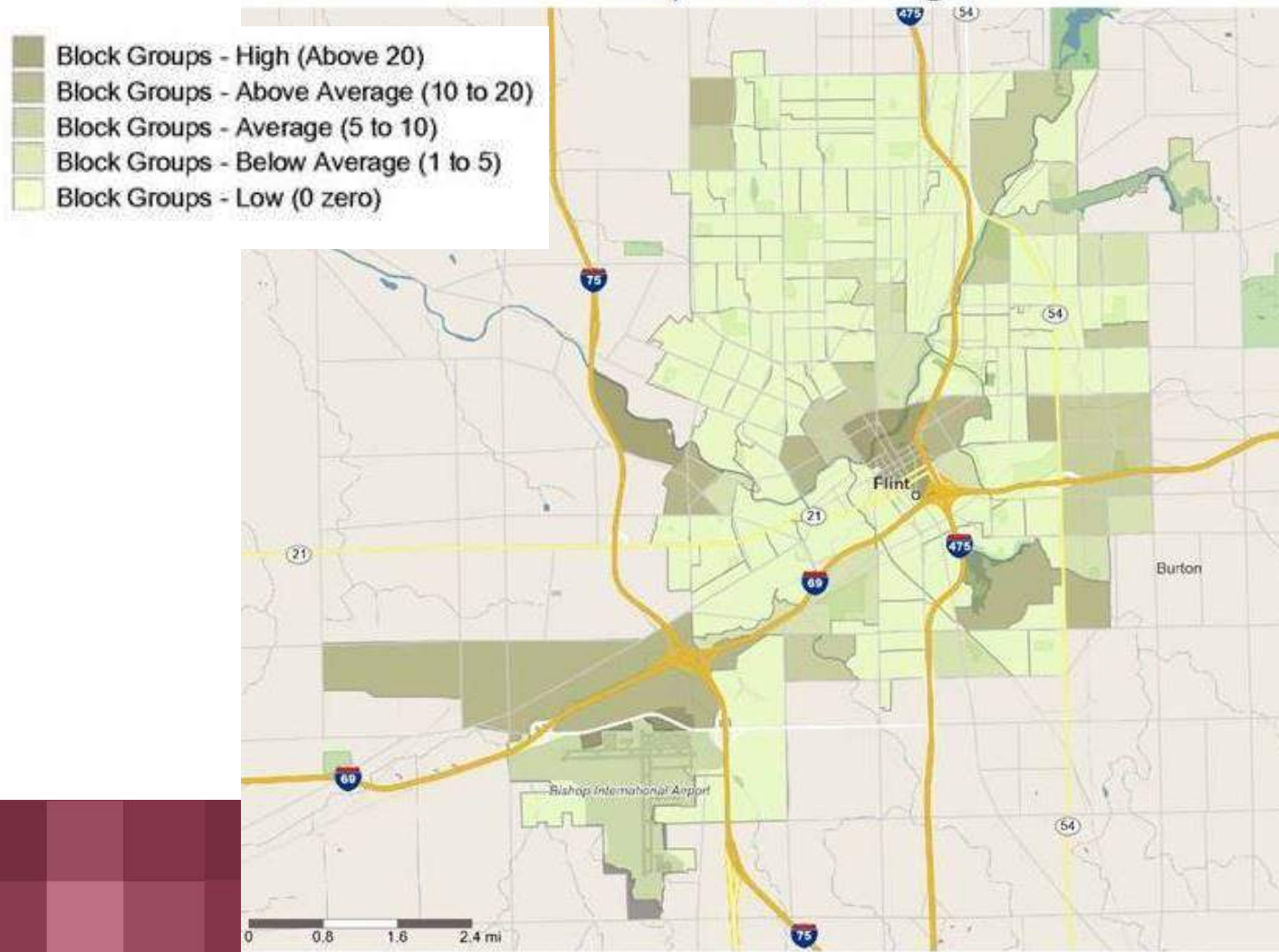
Understanding the spatial distribution of established lifestyle clusters can be valuable when forecasting the market potential for site-specific projects. The map on the following slide clearly shows the prevalence of “Striving Singles” clustered in downtown Flint. It provides evidence that Striving Singles are already choosing to live in the vicinity. Given their proximity to the University Core, it is reasonable to try intercepting or attracting some of them – but only if new housing choices are added.



The TMA Approach

Where have they been moving to?

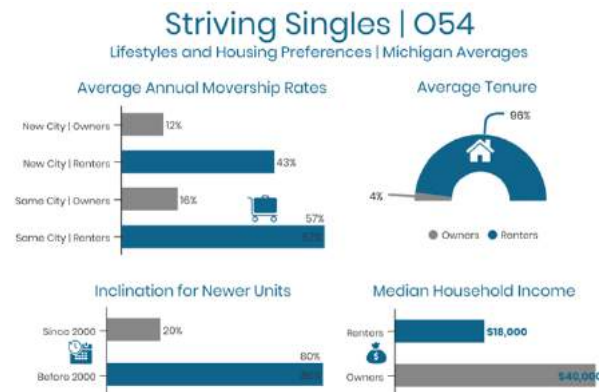
O54 | Striving Single Scene
Spatial Distribution | Household Lifestyle Cluster
The City of Flint, Michigan



The TMA Approach

Rural-to-Urban *MOSAIC*

Although the description of each lifestyle cluster may seem vague or short, there is a lot of data on how they actually behave. The following two slides show some housing-related data for the Striving Singles, including tenure, movership rates, inclination to choose new units, and income. This is invaluable information and can be used to build a detailed and analytic model that measures market potential.



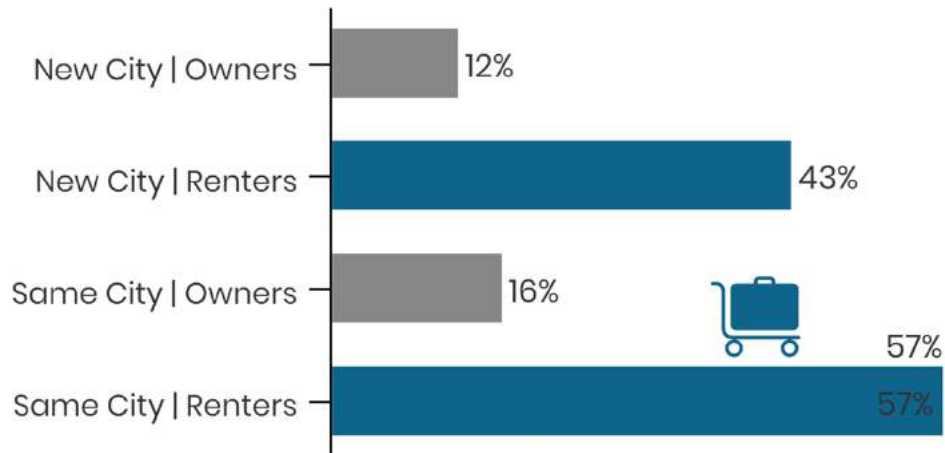
The TMA Approach

Are they renters and on the move?

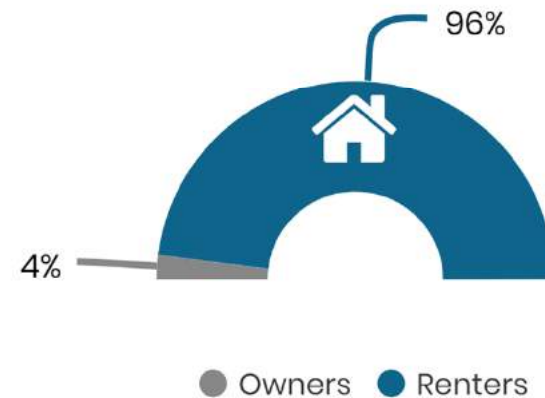
Striving Singles | O54

Lifestyles and Housing Preferences | Michigan Averages

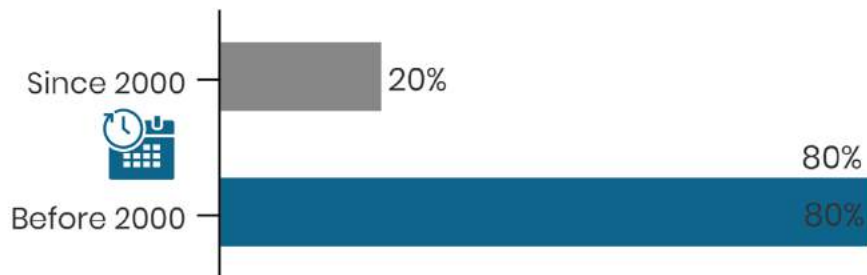
Average Annual Movership Rates



Average Tenure



Inclination for Newer Units



Median Household Income

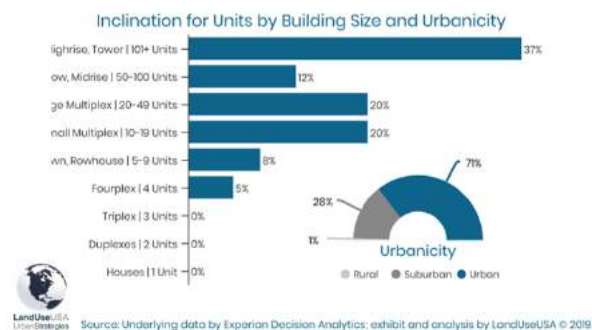


The TMA Approach

Rural-to-Urban *MOSAIC*

The most powerful variable for each lifestyle cluster is data on their propensity to choose different building sizes; plus their inclination to live in an urban versus rural setting.

For example, 100% of the Striving Singles will choose attached units, and 70% of them will choose an urban setting. This information can be used to *deduce* their inclination to choose Missing Middle Housing formats like lofts, flats, town houses, row houses, and live-work units.



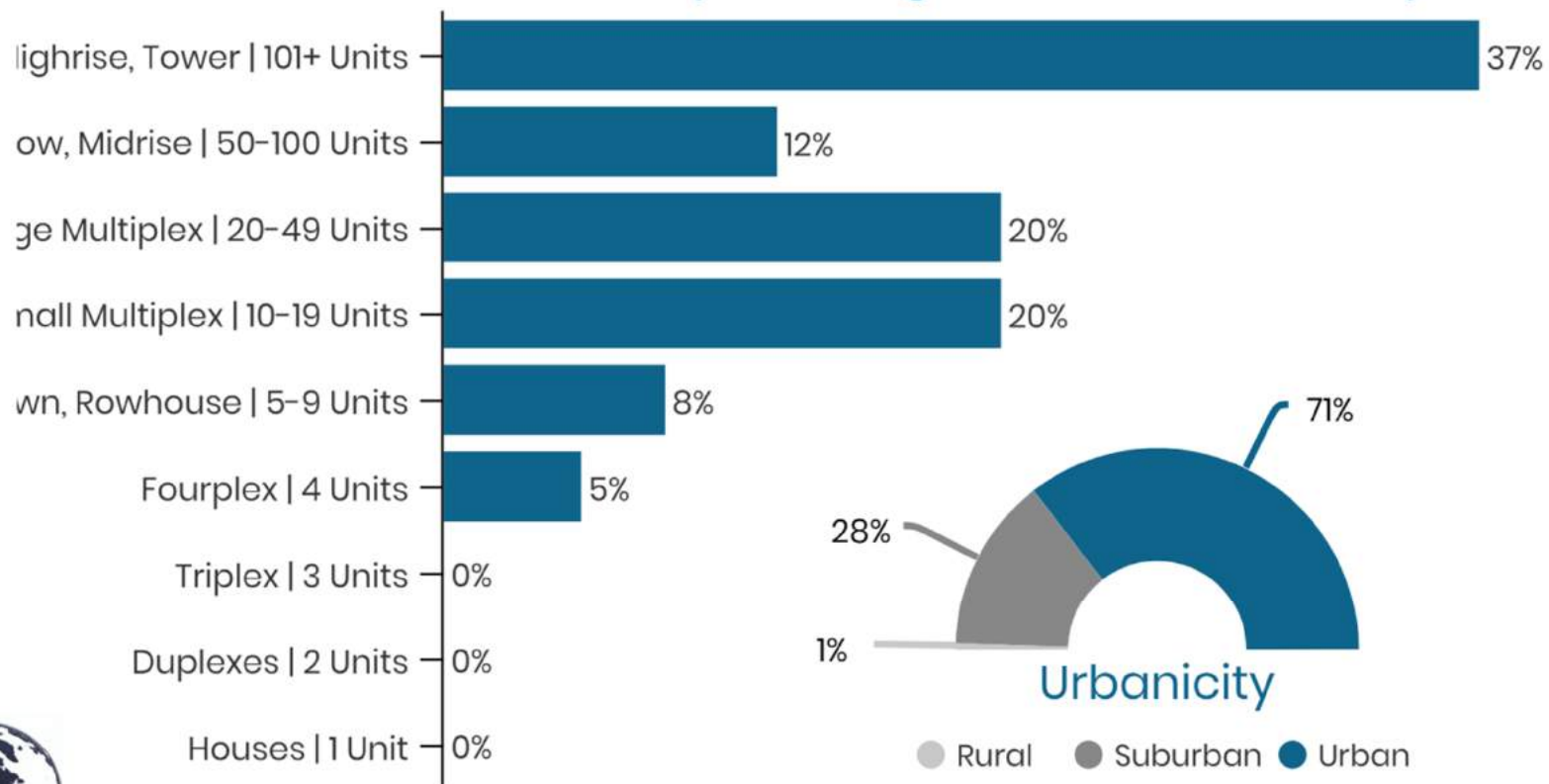
The TMA Approach

What building sizes are they choosing?

Striving Singles | O54

Lifestyles and Housing Preferences | Michigan Averages

Inclination for Units by Building Size and Urbanicity



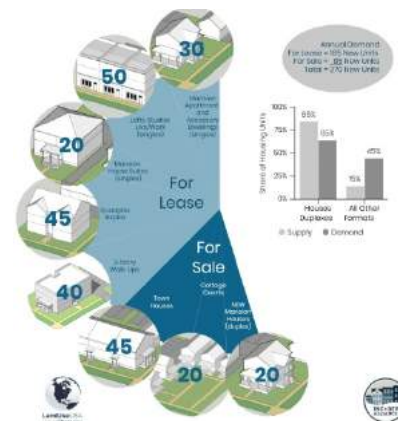
LandUseUSA
UrbanStrategies

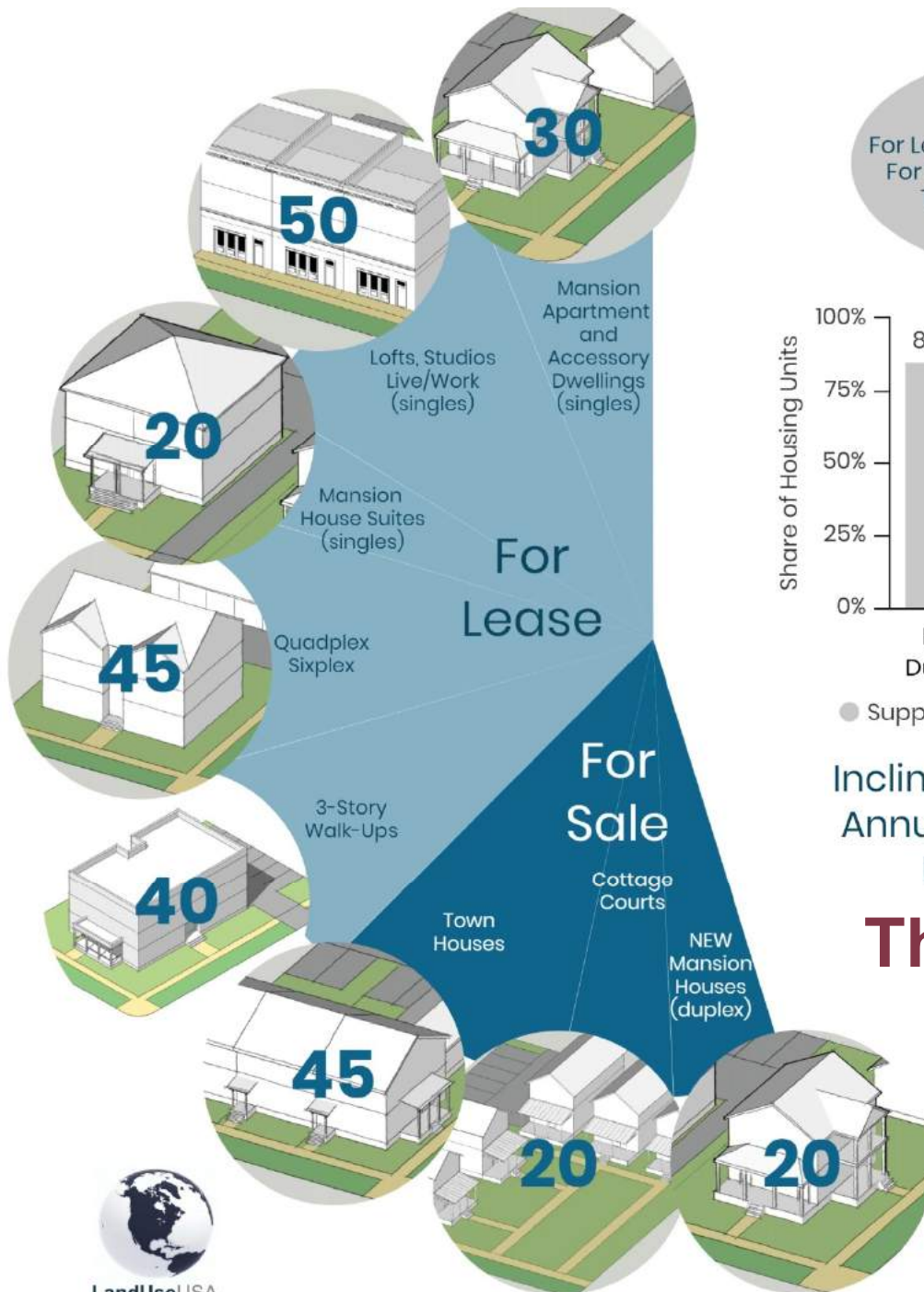
Source: Underlying data by Experian Decision Analytics; exhibit and analysis by LandUseUSA © 2019.

The TMA Approach

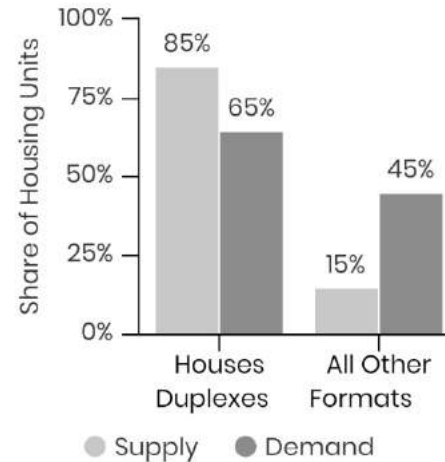
Rural-to-Urban *MOSAIC*

The analytic model is complex, but the next exhibit demonstrates how the results can be presented. The exhibit shows the number of new-builds that are supportable within the University Core each year, by tenure, and by building format.





Annual Demand
For Lease = 185 New Units
For Sale = 85 New Units
Total = 270 New Units



Inclination to Choose NEW Building Types
Annual Number of Migrating Households
University Core | The City of Flint

The Market Potential

The TMA Approach

Rural-to-Urban *MOSAIC*

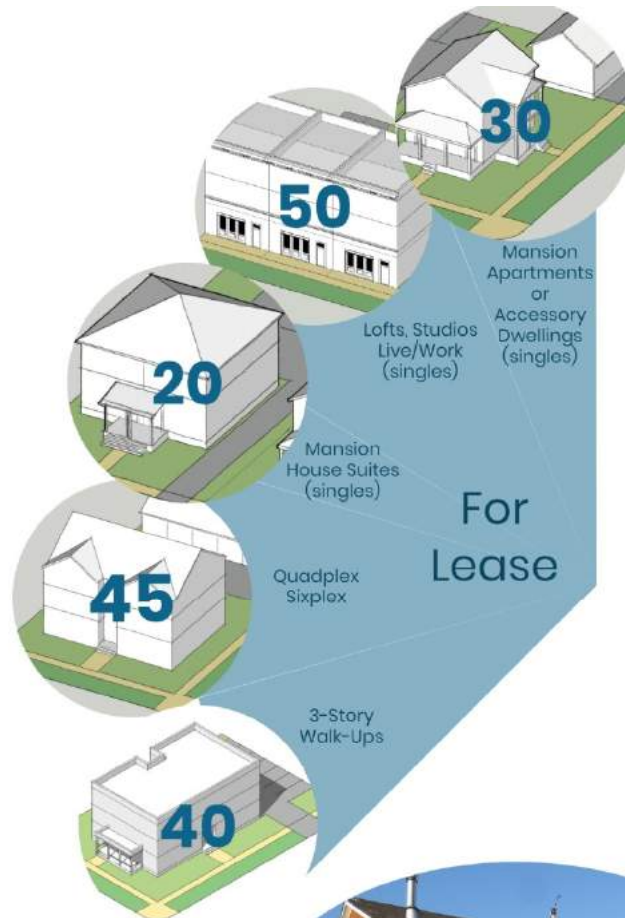
Information from the real estate analysis (i.e., unit sizes and rents among existing choices), plus the known income profiles of the lifestyle clusters can be used to identify market-rate and affordable rent brackets.

This next slide shows the recommended rents among the for-lease units. It is followed by another slide showing the recommended home values among for-sale units. The prices are also aligned with HUD's low-moderate-income (LMI) limits, and based on the Area Median Income (AMI). Optimal unit sizes can also be determined from the analysis.



The TMA Approach

What do they want to Rent?

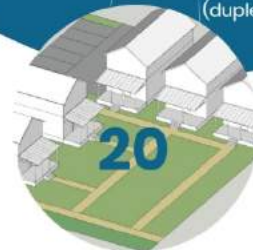
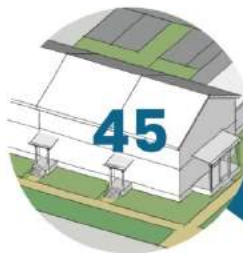


Contract Rent	AMI%	Units
<\$400	<30%	73
\$400-\$500	<30%	50
\$500-\$600	30-50%	50
\$600-\$700	30-50%	40
\$700-\$800	50-80%	40
\$800-\$900	50-80%	30
\$900-\$1,000	80-100%	30
\$1,000-\$1,250	80-100%	20
\$1,250+	100%	10
TOTAL		343



The TMA Approach

What do they want to Buy?



Value	AMI%	Units
<\$75,000	<30%	30
\$75-\$100,000	30-50%	16
\$100-\$150,000	30-50%	16
\$150-\$175,000	50-80%	8
\$175-\$200,000	50-80%	8
\$200-\$250,000	80-100%	4
\$250-\$300,000	80-100%	3
\$300,000+	100%+	0
TOTAL		85

How to Ensure Accuracy

1. Engage local stakeholders in TMA tutorials, market tours, and study group sessions. Seek their input on local market conditions.
2. Engage staff planners and/or planning consultants in the process. Seek their input on goals, objectives, challenges, and obstacles to success.
3. Document market assumptions carefully, pragmatically, and conservatively. Be realistic about the likely future under a status quo.
4. Provide both conservative (minimum) and aggressive scenarios; and do not rely only on the “blue sky” forecast.
5. Recognize that the goal is not to “convert” households that simply prefer to buy detached households in suburban places.

Continued...



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How to Ensure Accuracy (*continued*)

6. Recognize that owners settled into detached houses have very low movership rates, whereas renters of attached units are on the move.
7. Be realistic in choosing geographic comparisons or standards. For each city, choose standards within the same region; with similar attributes (such as lakefront or inboard); and of similar size.
8. Be compassionate with places that are exceptionally small, and be pragmatic about the realities of intercepting households that might prefer attached units in larger urban places.
9. Be prepared to compete for your share of the markets. All places are competing for the same pool of migrating households and urban shoppers.

Continued...



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How to Ensure Accuracy (*continued*)

Triangulate the analysis with other conventional approaches to verify as needed – *but don't rely on them alone.*

- a) Housing Gaps - Include an assessment of conventional supply and demand by income, value, and rent bracket.
- b) Housing Supply – Include a real estate analysis of available choices by value and rent.
- c) Housing Affordability – Test the results against HUD's Low-Moderate-Income (LMI) limits based on the regional Area Median Income (AMI).
- d) Retail Supply – Include a study of market supply based on an on-the-ground inventory of established businesses and merchants.
- e) Retail Market Share – Include a study of transacted retail sales and market share compared to the resident market potential.



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Target Market Analysis | Workshop

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Downtown Market Studies
Target Market Analysis
Land Use Economics



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