

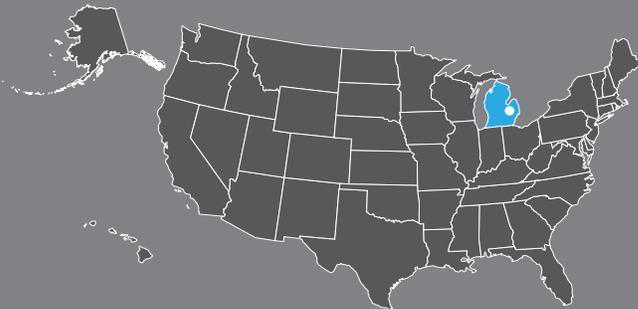
HUD PD&R Housing Market Profiles

Flint, Michigan



Quick Facts About Flint

- Current sales market conditions: slightly tight
- Current apartment market conditions: tight
- The city of Flint is known as “Vehicle City,” and as recently as 1978, the General Motors Company employed approximately 80,000 workers in the metropolitan area. Currently, the General Motors Company (GMC) is the largest private employer in the metropolitan area, but it now provides fewer than 8,000 jobs. Two major universities, the University of Michigan–Flint and Kettering University, combine to attract and educate students from around the world. Kettering University, formerly known as the General Motors Institute of Technology, was established in Flint in 1919 and is ranked fourth for alumni who hold patents, trailing the Massachusetts Institute of Technology, CalTech, and Harvey Mudd College (Kettering University).



By Gabriel Labovitz | As of January 1, 2021

Overview

The Flint metropolitan area is coterminous with Genesee County, with Flint being the principal city. The Flint metropolitan area is situated north of the Detroit-Warren-Dearborn, MI metropolitan area and east of the Lansing-East Lansing, MI metropolitan area. Currently, the sales housing market is slightly tight, and a shortage of for-sale inventory contributes to record-high sales prices for existing home sales, although new home sales prices have recently fallen. The apartment market in the Flint metropolitan area is currently tight, and the apartment vacancy rate has fallen steadily since 2017. Currently, the manufacturing sector is the fifth-largest payroll sector in the metropolitan area, compared with the fourth quarter of 2000 when the sector was the largest. The education and health services sector is the largest jobs sector in the Flint metropolitan area, and two of the three largest employers are healthcare providers.

- As of January 1, 2021, the estimated population of the Flint metropolitan area was 404,500, representing an average annual decline of 1,950, or 0.5 percent, since 2010. The rate of population decline has slowed; declines averaged 0.7 percent annually from 2010 to 2015 and have averaged 0.3 percent annually since 2015.

continued on page 2



continued from page 1

- The population of the city of Flint is currently estimated at 94,950, declining an average of 680, or 0.7 percent, annually since 2010, accounting for 23 percent of the metropolitan area population, compared with 29 percent in 2000.
- Since 2010, both net natural change (resident births minus resident deaths) and net out-migration have generally

declined. Net out-migration reached a recent peak of 4,700 people from 2011 to 2012 and has declined during most years since, reaching 910 people annually from 2017 to 2019.

Economic Conditions

Economic conditions in the Flint metropolitan area are currently soft, stemming at least in part from actions taken to control the spread of COVID-19 that began in mid-March 2020. During the fourth quarter of 2020, nonfarm payrolls in the Flint area fell by 12,500 jobs, or 8.8 percent, following a decline of 0.4 percent during the fourth quarter of 2019, or a loss of 500 jobs. As of January 1, 2021, nonfarm payrolls remain more than 12 percent below the job count a year earlier (not seasonally adjusted). By contrast, nationally, nonfarm payrolls fell 5.9 percent during the fourth quarter of 2020 after registering job growth of 1.3 percent a year earlier. Since economic recovery from the Great Recession began in 2010, job growth in the Flint metropolitan area has trailed job growth nationally for nearly the entire period.

- During the fourth quarter of 2020, all nonfarm payroll sectors in the Flint metropolitan area contracted except for the transportation and utilities sector, which added 300 jobs, an increase of 7.3 percent compared with the fourth quarter of 2019.

- Job losses were greatest in the leisure and hospitality sector, which was down by 4,400 jobs, or 28.2 percent, from a year ago, and job losses totaling 2,800 and 2,300 were reported in the education and health services and the government sectors, declines of 10.4, and 12.0 percent, respectively. These sectors were impacted by the COVID-19 pandemic and efforts to contain it, whether because of fewer direct personal interactions in the leisure and hospitality sector, a reduction in non-critical healthcare procedures in the education and health services sector, or declining tax revenues in the government sector.
- The unemployment rate averaged 6.1 percent in the Flint metropolitan area during the fourth quarter of 2020, up from 4.1 percent a year earlier. By contrast, nationally, the unemployment rate averaged 6.5 percent during the fourth quarter of 2020, up from 3.3 percent a year earlier.

continued on page 3

Ten of 11 nonfarm payroll sectors in the Flint metropolitan area lost jobs during the fourth quarter of 2020 compared with a year ago.

	3 Months Ending		Year-Over-Year Change	
	December 2019 (Thousands)	December 2020 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	141.9	129.4	-12.5	-8.8
Goods-Producing Sectors	18.4	17.3	-1.1	-6.0
Mining, Logging, & Construction	5.9	5.5	-0.4	-6.8
Manufacturing	12.4	11.8	-0.6	-4.8
Service-Providing Sectors	123.6	112.1	-11.5	-9.3
Wholesale & Retail Trade	25.5	25.4	-0.1	-0.4
Transportation & Utilities	4.1	4.4	0.3	7.3
Information	3.6	3.1	-0.5	-13.9
Financial Activities	6.1	5.7	-0.4	-6.6
Professional & Business Services	17.2	16.3	-0.9	-5.2
Education & Health Services	26.9	24.1	-2.8	-10.4
Leisure & Hospitality	15.6	11.2	-4.4	-28.2
Other Services	5.3	5.1	-0.2	-3.8
Government	19.2	16.9	-2.3	-12.0
Unemployment Rate	4.1%	6.1%		

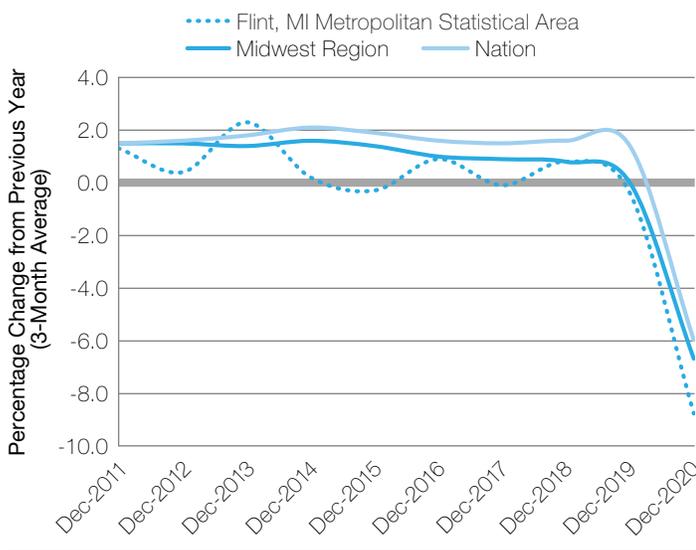
Note: Numbers may not add to totals due to rounding.
Source: U.S. Bureau of Labor Statistics



continued from page 2

- From March 2013 through December 2013, nonfarm payroll growth in the Flint area averaged 2.2 percent annually, compared with 1.6 percent annual growth nationally. Growth sectors were varied in the Flint area during this time. Both goods-producing and service-providing sectors increased; this was the only period since before 2000 when jobs increased faster in the Flint metropolitan area than nationally.
- In December 2020, GMC announced a \$20 billion investment in six United States production facilities, including \$32 million in the Flint Assembly plant, which led to approximately 300 workers at Flint Assembly being transitioned from temporary to permanent employees.

The rate of nonfarm payroll growth in the Flint metropolitan area has generally lagged behind that of the nation and region.



Note: Nonfarm payroll job growth.
Source: U.S. Bureau of Labor Statistics

Affected workers received immediate raises ranging from 17 to 20 percent, among other benefits.

During 2014, the city of Flint began providing water to customers from the Flint River, replacing water from Lake Huron previously purchased from and provided by the city of Detroit, a switch made in advance of a planned new delivery pipeline from Lake Huron. Officials neglected to use corrosion inhibitors, which led to impurities from lead water pipes leaching into tap water in the city. This coincided with an outbreak of Legionnaires' Disease, first reported in June 2014 and attributed to insufficient chlorine treatment of Flint River water; ultimately, 12 residents of Genesee County died from Legionnaires' Disease. In February 2015, the Michigan Department of Environmental Quality (MDEQ) and the U.S. Environmental Protection Agency (EPA) began investigating the water in Flint after contacts from Flint residents. Starting in 2016, the city began inspecting water supply pipes. By October 2020, nearly all water supply pipes in the city have been inspected, with approximately one-third of water supply pipes confirmed as containing lead and being replaced. In November 2020, approximately \$641 million from the state of Michigan was awarded to Flint residents, with 80 percent of the settlement reserved for families with children affected by the crisis.

Largest Employers in the Flint Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
General Motors Company	Manufacturing	7,500
Genesys Regional Medical Center	Education & Health Services	3,500
McLaren Regional Medical Center	Education & Health Services	2,785

Note: Excludes local school districts.
Source: Flint and Genesee County Chamber of Commerce

Sales Market Conditions

The sales housing market in the Flint metropolitan area is currently slightly tight, with an estimated sales vacancy rate of 1.0 percent as of January 1, 2021, down from 3.1 percent during April 2010. Modest increases in the demand for sales housing since the Flint metropolitan area emerged from the Great Recession during 2010, coupled with increasing yet relatively low new single-family home construction, have contributed to steep declines in the available for-sale inventory, a trend which continued during the pandemic. As of December 2020, 2.0 months of for-sale inventory was available in the metropolitan area, down from 2.9 months a year earlier and 8.7 months of supply during December 2010 (CoreLogic, Inc.). The percent

of home loans in the metropolitan area that were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status was 3.6 percent as of November 2020, more than double the 1.7-percent rate a year earlier, but well-below the 11.9-percent rate averaged during December 2009 amidst the Great Recession. The current rate in the metropolitan area in November 2020 is above the rate for the state of Michigan, which was 2.8 percent, but below the national rate of 4.1 percent. The rate has increased in the Flint metropolitan area partly due to economic dislocations associated with the impact of the COVID-19 pandemic on the local economy.

continued on page 4



continued from page 3

During the 12 months ending October 2020—

- Existing home sales, including regular resale home sales and REO sales, totaled 6,075, a decline of nearly 12 percent from a year earlier, whereas the average sales price for existing homes rose more than 7 percent to \$167,400 (Zonda, with adjustments by the analyst).
- REO home sales, which tend to sell at a discount, fell nearly 21 percent from the previous 12 months to 910, contributing to the increased sales price for existing homes. REO sales accounted for 15 percent of all existing home sales during the most recent 12 months, down from 17 percent during the previous 12-month period and a fraction of the nearly 70 percent reached during 2009.
- New home sales totaled 200, or 14 percent fewer than the 230 new home sales from a year earlier. The average new home sales price was \$213,000, down 17 percent from a year earlier when the average new home sales price was \$257,900.
- In the city of Flint, 1,725 new and existing homes sold, down 14 percent from a year earlier, and the average home sales price was \$104,800, or 7 percent higher than the average sales price a year earlier. In the suburban balance of the Flint metropolitan area, 4,575 new and existing homes were sold, nearly 11-percent fewer sales than a year earlier, and the average sales price was \$193,300, nearly 5-percent higher than the average sales price reported a year earlier.

New home sales prices have been significantly more volatile than existing home sales prices in the Flint metropolitan area.



Note: Includes single-family homes, townhomes, and condominiums.
Source: Zonda, with adjustments by the analyst

New home construction, as measured by the number of single-family homes permitted, declined during the past year but has generally trended upward since earlier in the 2010s. Recent new home construction has occurred predominately in the suburban parts of the metropolitan area.

- An estimated 400 single-family homes were permitted during 2020, approximately 9 percent fewer than the 440 homes permitted a year earlier (preliminary data).
- Single-family home permitting has generally risen since a recent low of 65 homes were permitted during 2011. The 420 new single-family homes permitted during 2017 and 2018 were, on average, the highest permitting totals since 2007.
- By contrast, during the previous decade, an average of 1,975 homes were permitted annually from 2003 through 2006, before construction declined sharply each year through 2011. Home permitting then rose 35 percent annually, from 65 homes permitted during 2011 to 400 during 2017.
- Since 2015, nearly 52 percent of all single-family home permitting has occurred in three townships south and east of the city of Flint: Davison Township, Fenton Charter Township, and Grand Blanc Charter Township. By contrast, only 10 new single-family homes have been permitted in the city of Flint.

continued on page 5

New and existing home sales in the Flint metropolitan area have fallen during the past year, at least partially because of a lack of inventory.

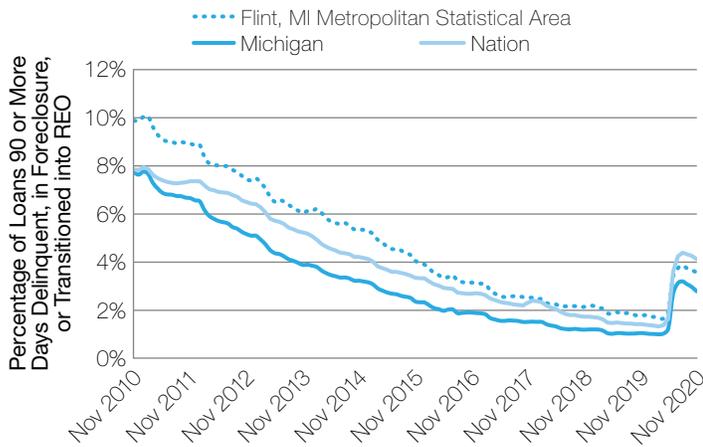


Note: Includes single-family homes, townhomes, and condominiums.
Source: Zonda, with adjustments by the analyst



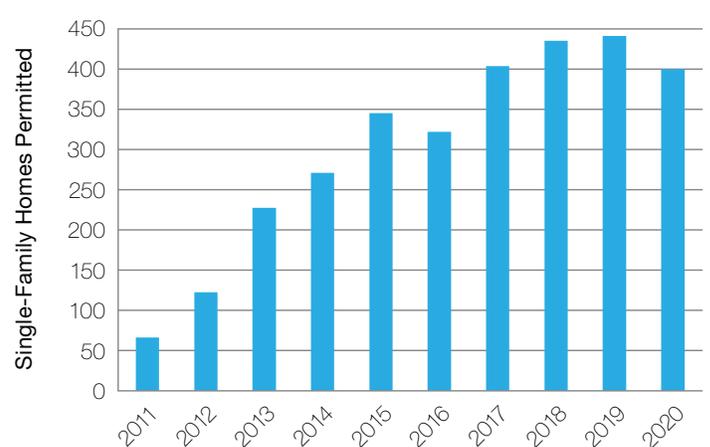
continued from page 4

The rate of home loans that were seriously delinquent, in foreclosure, or in REO status in the Flint metropolitan area fell below the national rate in 2020.



REO = real estate owned.
Source: CoreLogic, Inc.

Despite increased single-family home construction in the Flint metropolitan area since 2012, the sales housing market has tightened.



Note: Includes preliminary data from January 2020 through December 2020.
Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

Apartment Market Conditions

The apartment market in the Flint metropolitan area is currently tight, with a 2.2-percent vacancy rate during the fourth quarter of 2020, down from 3.8 percent a year ago (RealPage, Inc.). New apartment construction, as measured by the number of multifamily units permitted, has risen in the Flint area since 2012, when no multifamily units were permitted, whereas the apartment vacancy rate has fallen from a recent high of 7.2 percent during the fourth quarter of 2014. Single-family homes account for a large portion of the rental market in the Flint area, estimated at more than 43 percent during 2019, compared with 33 percent nationally and 38 percent for the state of Michigan (American Community Survey, 1-year data). In the city of Flint, nearly 64 percent of renters lived in single-family homes during 2019.

- The apartment market in the Flint metropolitan area has been balanced since approximately the fourth quarter of 2014, when the rate was 7.2 percent (RealPage, Inc.). The apartment vacancy rate declined for 2 years, reaching 6.7 percent during the fourth quarter of 2017 before declining again to the current level of 2.2 percent.
- The average apartment rent in the Flint area was \$812, an increase of more than 7 percent from a year earlier. Nationally, the average rent was \$1,410, which was 1 percent below the average a year earlier (RealPage, Inc.).
- By bedroom size, average rents in the Flint metropolitan area during the fourth quarter of 2020 were \$571, \$705, \$840,

and \$1,029 for studio, one-, two- and three-bedroom units, representing respective increases of 15, 8, 8, and 2 percent from a year ago.

- The vacancy rate for professionally managed single-family homes in the Flint metropolitan area was 8.9 percent during November 2020, down from 10.3 percent a year earlier (CoreLogic, Inc.).

In response to relatively improved economic performance during the 2010s and tightening apartment market conditions, developers increased multifamily construction, as measured by the number of units permitted through 2019. More recently, the number of multifamily units permitted in 2020 declined, in large part because of the economic downturn brought on by the COVID-19 pandemic.

- During 2020, approximately 90 multifamily units were permitted in the Flint area, compared with 140 units permitted a year earlier (preliminary data). No multifamily units were permitted during 2012, and 30 multifamily units were permitted, on average, each year during 2013 and 2014; production increased to an average of 100 units permitted each year from 2014 through 2018.
- An average of 190 units were permitted each year, from 2002 through 2006, falling to an average of 35 units permitted annually from 2006 through 2011. The latter period included declining economic conditions leading into and following the Great Recession.

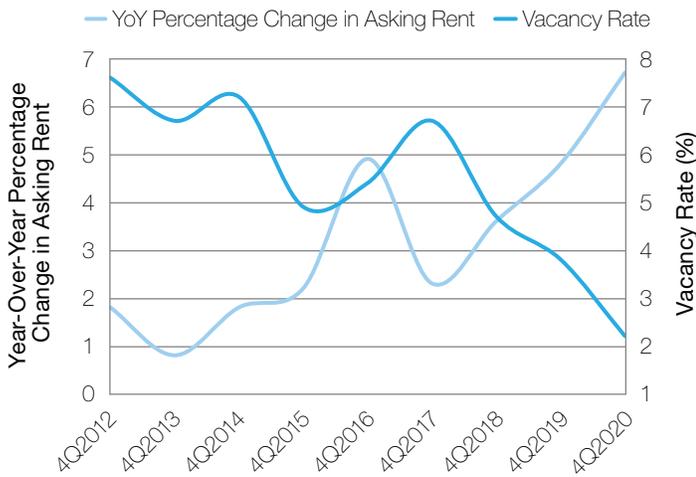
continued on page 6



continued from page 5

- Nearly 50 percent of multifamily units permitted since 2011 in the Flint metropolitan area have been reserved for senior occupancy, including independent elderly apartments and assisted living units. Despite the overall population loss discussed above, the population aged 65 and over rose nearly 3 percent annually in the Flint metropolitan area from 2010 to 2019 (American Community Survey, 1-year data).

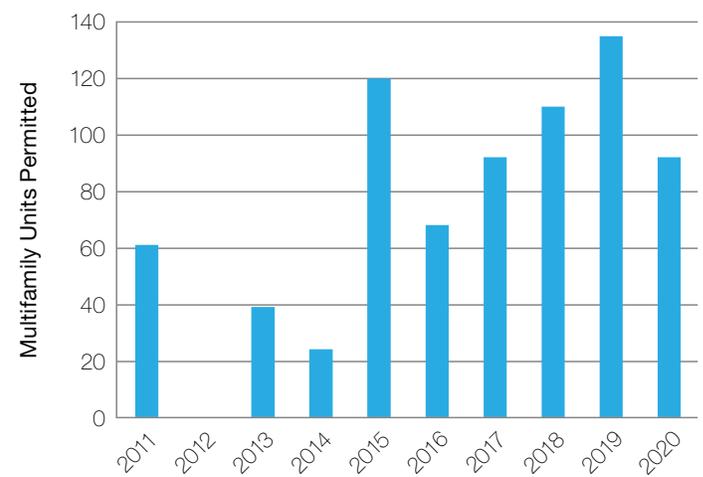
The apartment market in the Flint metropolitan area is currently tight; since 2017, the apartment vacancy rate has declined, and average rents have risen.



4Q = fourth quarter. YoY = year-over-year.
Source: RealPage, Inc.

- Recently completed properties in the city of Flint include Berkley Place Apartments, with 33 units targeting low-income households; tenants began moving in November 2020. In suburban Fenton, 111 Leroy Place is under construction, with 14 units expected to be completed in the spring of 2021.

Multifamily building activity in the Flint metropolitan area has generally increased since 2012, when no units were permitted.



Note: Includes preliminary data from January 2020 through December 2020.
Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

