

# 1. PURPOSE

MSHDA is a public-private partnership that, among other things, provides financing for the construction and preservation of multifamily housing for senior citizens in Michigan. MSHDA examines each senior apartment housing proposal that it finances carefully, with particular emphasis on its marketability, or “fit” with the needs, wants, and economic resources of its potential residents. These factors, along with many others, impact a property’s marketability and therefore its future economic feasibility and ability to serve the citizens of Michigan.

The future market for apartments will be greatly impacted by the rising numbers of Baby Boomers, persons born between 1946 and 1964. This generation will be impactful not only based on the sheer numbers it presents, but because it has different needs, wants, and expectations than in the past. At the time of writing, the oldest Baby Boomers were turning 66 years of age, are now considered seniors themselves, and are entering the phase of life in which their housing needs may change. At the same time, older generations of current seniors potentially have changing housing needs, as they advance in age and as the world around them changes.

MSHDA commissioned the *Michigan Senior Housing Market Study* to begin to get further understanding of multifamily senior housing markets in Michigan. The purpose is *not* to try to predict specific numbers of housing units that will be needed in specific markets, but to gain a general understanding of the conditions, expectations, and realities that will impact decisions on specific housing finance proposals.

The over-arching question prompting this research was broad: *What housing product types should MSHDA offer to best meet the needs of the senior housing market in Michigan?* Some of the specific research questions that MSHDA set out to have answered include:

- What models of multifamily senior housing should MSHDA offer in order to address the needs of low- and moderate-income seniors and to meet market demand?
- What are the predominant national senior economic, demographic, and housing trends, and is Michigan different?
- What different age-based market segments exist within the 55+ population and how do they differ in terms of demographics, market preferences, etc.
- What do seniors demand in terms of location? Which neighborhood amenities (hospitals, grocery, pharmacy, entertainment) are the most important to seniors in different age categories?
- What are the most important amenities (both in-unit and common area amenities) to offer in different product types?
- What differences exist in preferences for rents and amenities between seniors in urban areas compared to seniors in rural areas?