

CHAPTER 3. HOUSING AND ECONOMIC DEVELOPMENT

This chapter analyzes the housing and economic development trends within the community. Analysis of state equalized value trends is useful in estimating investment and land use patterns. This chapter will also analyze building permit trends, general housing characteristics and employment characteristics of the Township.

EQUALIZED VALUE GROWTH

Property values are a key measure of economic growth and the financial strength of a community, as they reflect both investment in new development and the degree of growth in the value of those investments. The Kent County 2006 Equalization Report supplies property value figures for the entire Township and may provide an illuminating impression of the character of a Township.

**Byron Township
accounts for about
3.1% of the
County's population
and about 3.6% of
its total real
property value.**

The total real property state equalized value (SEV)¹⁸ for Byron Township for 1994 was \$253.7 million, and in five years it had increased by over 74% to \$442 million. Since 2000, values have continued to climb in the Township: the 2006 total real property evaluation in the Township exceeded \$800 million. Byron Township ranks fifth among all Townships in Kent County for SEV totals, and ninth among all jurisdictions (Cities and Townships). Byron Township accounts for about 3.1% of the County's population (based on the 2000 Census) and about 3.6% of its total real property value.¹⁹

Table 3.1 and Figure 3.1 below compare the rates of overall SEV growth for Byron Township with that of other southern Kent County communities experiencing growth. From this data, it appears that the communities compared saw the greatest increase in equalized values between 1999 and 2002, except for Byron, which saw the greatest rate between 1994 and 1999.

¹⁸ Equalized values should represent about 50% of the actual market value of real property in the community.

¹⁹ Kent County Bureau of Equalization, 2006 *Equalization Report*

Table 3.1 Change in Total Real Property Equalized Values (in million \$)

	1994	1999	2002	2003	2004	2005	2006
Byron Township	\$ 253.7	\$ 442.0	\$ 629.4	\$ 644.5	\$ 701.5	\$ 765.9	\$ 833.2
Annualized rate of change	n/a	12.3%	10.6%	2.3%	8.8%	9.1%	8.7%
Gaines Township	\$ 236.6	\$ 398.4	\$ 600.8	\$ 616.1	\$ 670.5	\$ 711.7	\$ 776.1
Annualized rate of change	n/a	11.4%	12.7%	2.5%	8.8%	6.1%	9%
Caledonia Township	\$ 172.7	\$ 290.1	\$ 442.0	\$ 456.9	\$ 485.7	\$ 525.1	\$ 566.4
Annualized rate of change	n/a	11.3%	13.1%	3.3%	6.3%	8.1%	7.8%
City of Wyoming	\$ 1,056.4	\$ 1,394.9	\$ 1,824.6	\$ 1,874.3	\$ 1,951.2	\$ 2,033.4	\$ 2,141.1
Annualized rate of change	n/a	5.3%	7.7%	2.7%	4.1%	4.2%	5.2%
Kent County	\$ 8,829.9	\$ 13,068.3	\$ 17,673.9	\$ 18,055.5	\$ 19,112.4	\$ 20,291.8	\$ 21,532.4
Annualized rate of change	n/a	8.2%	10.6%	2.2%	5.9%	6.1%	6.1%

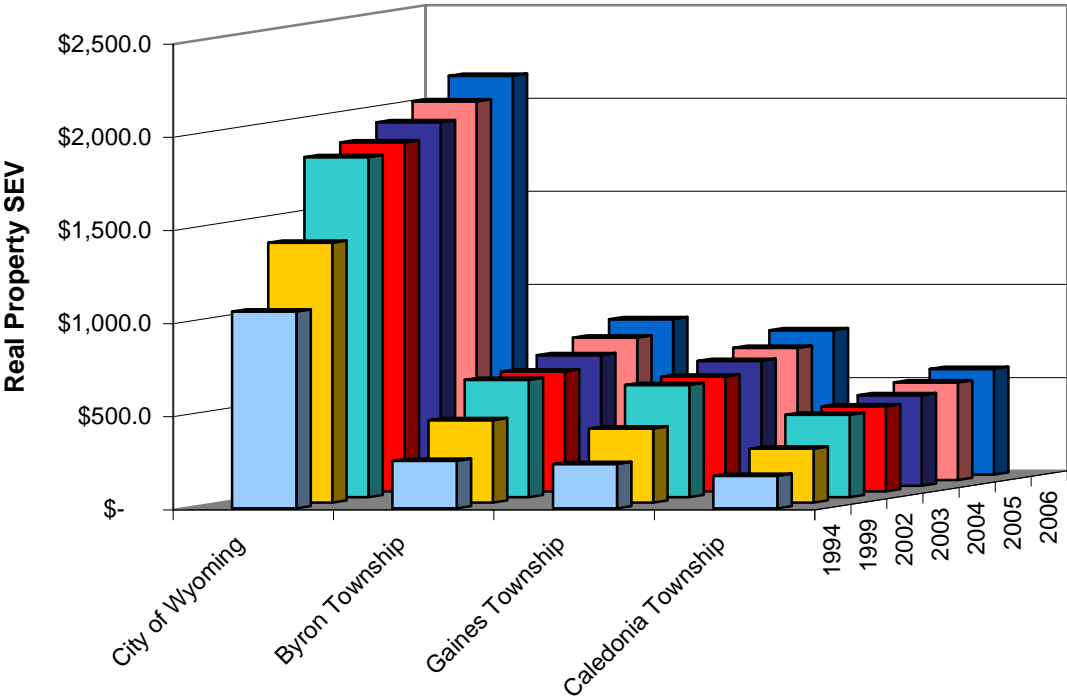
Source: Kent County Bureau of Equalization, 2006 Equalization Report

Byron Township experiences a strong rate of growth.

This table and Figure 3.1 compare rates of growth over the five-year period of 1994 through 1999, the three year period from 1999 to 2002, and annual growth in 2002, 2003, 2004, 2005 and 2006.

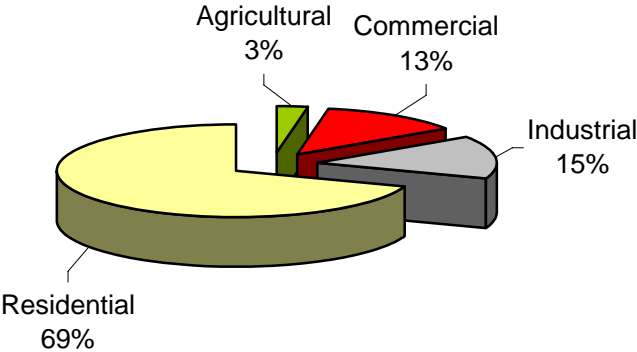
Of the four communities included in this sample, the City of Wyoming is home to the largest values, due to the extent of properties and large-scale non-residential operations. However, since Byron Township has more undeveloped property, it experiences a greater rate of growth.

Figure 3.1 Comparison of SEV 1994 - 2006

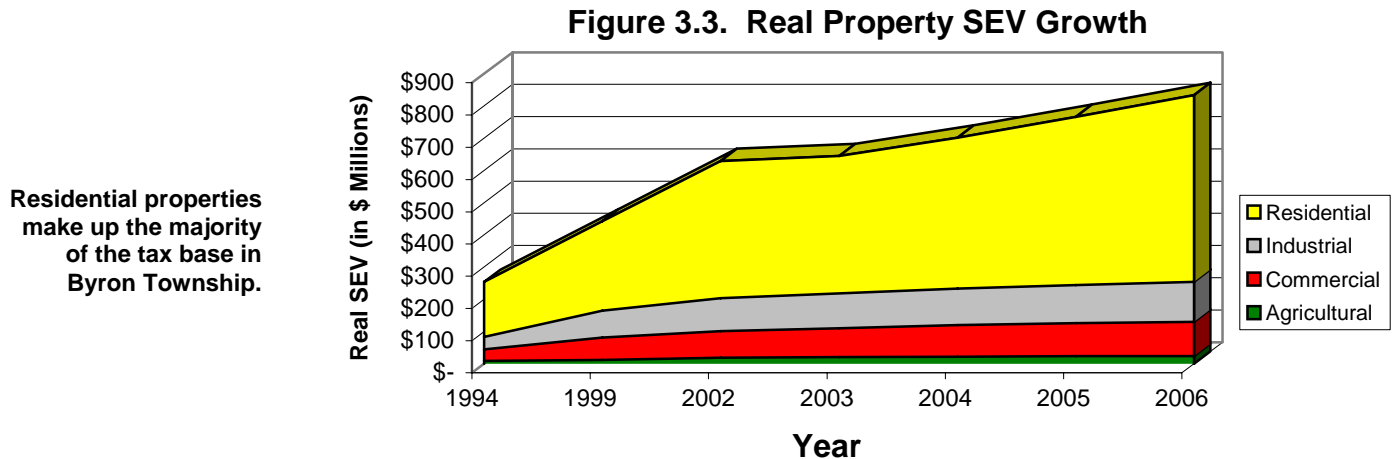


It is also important to further examine property values to consider the breakdown among land use categories, or property classifications, and the varying rates of growth in each classification.

Figure 3.2 Byron Twp, Breakdown of 2006 Real SEV



The 2006 percentages reflected in Figure 3.2 were essentially equivalent to figures from 1994. However, although percentages of classifications



Residential properties make up the majority of the tax base in Byron Township.

remained constant over the period, it is clear that all categories have seen increasing growth, with the bulk of development and increasing values being residential, as illustrated in Figure 3.3.

It is also interesting to observe what percentage of industrial and commercial properties comprise total SEV for area communities. Table 3.2 might indicate that a substantial number of people are employed in Byron Township, as 15% of its total property value is made up of industrial properties.

The SEV for agricultural lands in the Township has increased.

Table 3.2 Comparison of Industrial and Commercial Real Property (% of Total SEV)

Community	2006		2004	
	Industrial	Commercial	Industrial	Commercial
City of Wyoming	15%	22%	16%	24%
Byron Township	15%	13%	16%	14%
Gaines Township	8.1%	16.3%	8.9%	26%
Caledonia Township	2.8%	17.8%	2.7%	27%

Agricultural lands comprise a very small share of total property value in the Township (about 3%). Clearly, with the amount of development the Township has witnessed, the amount of agricultural land is presumed to have decreased. However, the SEV for agricultural lands in the Township has increased. The assessment process may account for this

increase in the value of agricultural lands: it is likely that agricultural land is increasing in value not as a result of its agricultural production value, but rather as potential development property. With new population pressures increasing the demand for housing and other uses, development occurring adjacent to agricultural land may cause that land to become more valuable.

Byron Township offers many amenities in addition to a rural aesthetic and suburban lifestyle that acts as a magnet for growth.

It is clear from an examination of Figure 3.3 that Byron Township’s tax base is heavily weighted toward residential development. As discussed in Chapter 4, there exists significant area of former agricultural lands that have gone out of production. These are likely future development sites and, as a result, may be classified as residential property for assessment purposes.

All of these figures indicate that the SEV in Byron Township has continued to rise, particularly residential SEV. Proximity to employment centers, ample expressway connections, nationally recognized public schools, and other amenities, may be attributes that facilitate investment and rising property values. Byron Township offers these amenities in addition to a rural aesthetic and suburban lifestyle that certainly act as magnets for growth.

BUILDING PERMITS

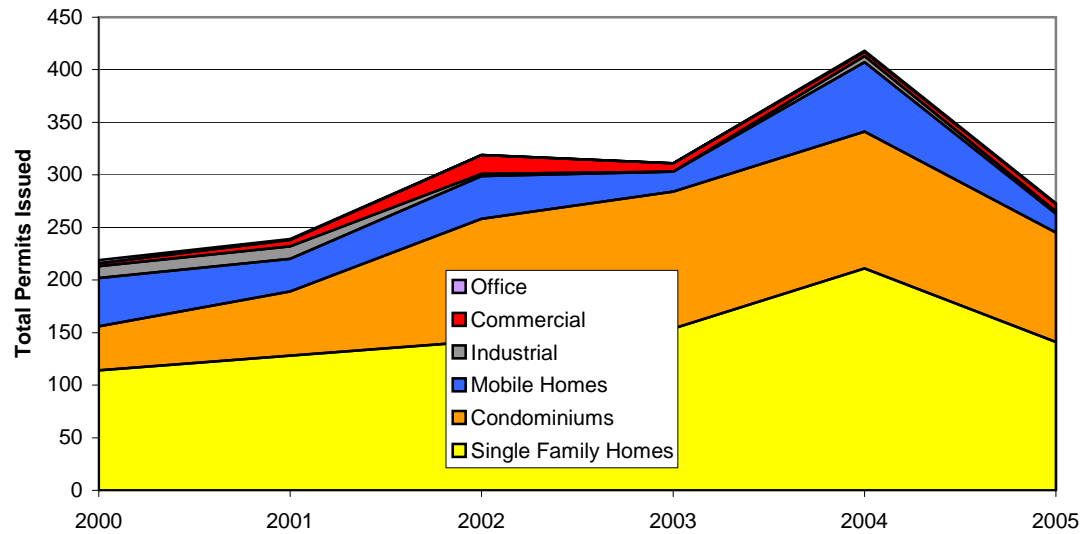


An example of the type of neighborhoods being constructed in Byron Township

Building permits are a good indication of investment in the community. As Figure 3.4 indicates, the number of new building permits issued in Byron Township over the past five years has fluctuated somewhat.²⁰ However, it is clear the bulk of permits issued are for condominiums and single-family homes. This is reflective of large residential developments currently under construction in the Township. The predominance of residential development in the Township is clearly apparent from the distribution of building permits reflected in Figure 3.4.

²⁰ Byron Township Building Department.

Figure 3.4 Building Permits for New Buildings



New commercial building permits over the five-year span have remained relatively consistent. As represented by Figure 3.4, the number of permits for new office and industrial buildings has slightly decreased over time. The decline of permits issued in 2005 may be reflective of statewide economic trends. According to Township records, the average new residential building permit in 2000 was valued at \$186,650, while this figure for 2004 was \$195,000. It had increased to \$222,000 in 2005. As new residential construction continues, the overall average value of dwellings in the Township should increase. This increase is typical of emerging suburban communities.

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According to the 2000 Census, the median dollar value of owner-occupied homes in the Township was \$141,000. Placing this figure in perspective, in Kent County overall, the Census reported a median home value of \$115,100 in 2000. Table 3.2 compares median home values, median mortgage payments and rents in Byron Township, Kent County and the State of Michigan. The Census also reported that home ownership costs, as a percentage of household income for homeowners with a mortgage, was 18.9%, indicating a fairly affordable housing stock relative to resident income.²¹

²¹ The U.S. Department of Housing and Urban Development defines affordable housing as that costing no more than 25% of household income.

Table 3.3 Comparison of Housing Values and Costs in 2000			
	Median Home Values	Median Monthly Mortgage and Ownership Costs	Median Monthly Rents
Byron Township	\$141,000	\$1,022	\$607
Kent County	\$115,100	\$956	\$554
Michigan	\$115,600	\$972	\$546

In addition, Table 3.3 compares the median home value for owner-occupied housing units in area communities. Homes in Byron Township, according to the Census, cost more than homes in most neighboring jurisdictions.

Table 3.4 Comparison of Housing Values in 2000	
Community	Median Home Values
Jamestown Township	\$161,800
Gaines Township	\$145,400
Byron Township	\$141,000
Georgetown Township	\$137,700
Dorr Township	\$122,300
Grandville	\$122,200
Salem Township	\$120,600
Kentwood	\$120,600
Leighton Township	\$113,400
Wyoming	\$93,000

About 82% of the total housing stock in the Township was made up of owner-occupied dwellings.

In 2000, about 82% of the total housing stock in the Township was made up of owner-occupied dwellings (compared to 70% of the County). As rental properties typically change hands much more frequently, this suggests a fairly established residential population. Also, the 2000 Census reported that 96.2% of the Township’s housing units were occupied, suggesting a strong housing market, as vacancy rates around 10% can indicate neighborhood instability.

EMPLOYMENT

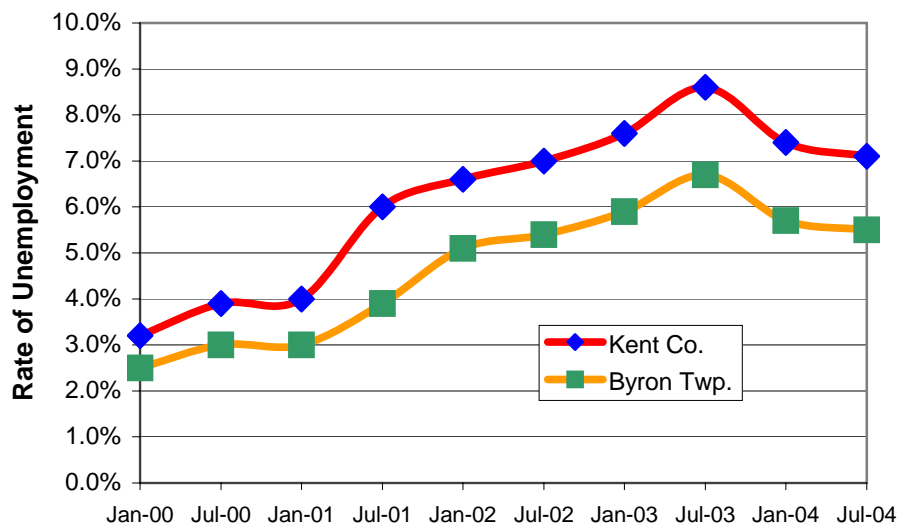
The mean travel time to work for Township residents was 21.2 minutes with 94.8% of the workforce traveling by private automobile to work.

While the Township has more industrial development than many “bedroom communities,” it can be assumed that most of the Township’s residents find their employment outside of the community. According to the 2000 Census, the mean travel time to work for Township residents was 21.2 minutes with 94.8%²² of the workforce traveling by private automobile to work. These figures are typical of a bedroom suburb. About 1% of Township residents walked to work in year 2000.

At the beginning of 2000, the Township’s workforce reflected a low 2.5% rate of unemployment, while the County’s unemployment rate was a slightly greater 3.2%. Since the Census figures were collected in 2000, however, unforeseen circumstances and fluctuations in the job market appear to have influenced unemployment rates significantly. Figure 3.5 reflects the biannual rates of unemployment through July 2004 for both Kent County and Byron Township.²³

The Kent County unemployment rate steadily dropped from about 3.5% in 1996 to an unprecedented 2.4% in late 1999. The year 2000 unemployment rate of 3.2% indicated the first increase in four years and signaled the beginnings of a softened economy. By July 2003, the rate in the County had climbed to 8.6%, while the rate in the Township had

Figure 3.5 Comparative Unemployment



Unemployment rates in the Township have mirrored those of the County.

²² 8,328 of a total workforce over age 16 of 8,785, 2000 U.S. Census

increased to 6.7%. Since then, the rate has moderated, but still ranges above 5% for the Township and above 7% for Kent County. Unemployment rates in the Township have mirrored those of the County overall.

A slight majority of Byron Township residents are employed in “white collar” professions, as management and professional occupations account for about 28% of all employment. Service occupations account for 11% of all employment; sales/office occupations account for 27% of all employment; transportation occupations account for 24% of all employment; and farming and related occupations comprise about .46% of employment in the Township. The remaining fraction is comprised of other occupations.

Even though Byron is seemingly emerging as a bedroom community, some employment is centered in the Township. Nearly 386 acres of commercial and industrial land uses are home to several larger employers and institutions.²⁴ The following is a listing of several of the larger employers with locations in the Township.

Even though Byron is seemingly emerging as a bedroom community, some employment is centered in the Township.

- ◆ Center Manufacturing
- ◆ Buist Electric
- ◆ CompX
- ◆ Byron Center Public Schools
- ◆ VanHaren Electric
- ◆ Spartan Foods
- ◆ Frito Lay
- ◆ Gypsum Supply
- ◆ Family Fare
- ◆ Kmart

²³ Michigan Department of Career Development, Labor Market Information, website.

²⁴ REGIS Land Use Data