

An Analysis of the Market Potential
For Mixed-Use Residential Development
--- East Main Street Apartments/ Commercial /
South Brownson Avenue Apartments ---
Kingsley, Michigan

Prepared on behalf of:

Village of Kingsley
Downtown Development Authority
P.O. Box 208
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TRACY CROSS & ASSOCIATES, INC.
REAL ESTATE MARKET ANALYSIS

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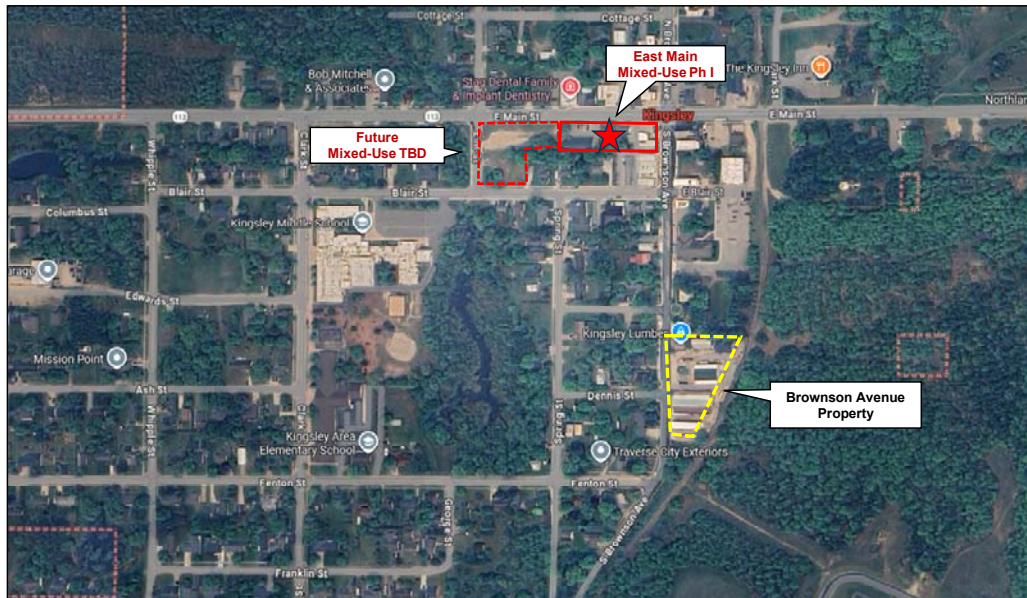


TRACY CROSS & ASSOCIATES, INC.
REAL ESTATE MARKET ANALYSIS

INTRODUCTION

At the request of the Village of Kingsley Downtown Development Authority, Tracy Cross & Associates, Inc. evaluated the market potential for residential and commercial development in Kingsley, Michigan, addressing an approximate 2.1-acre mixed-use redevelopment assemblage situated at the southwest intersection of East Main Street and South Brownson Avenue, together with an approximate 2.0-acre redevelopment assemblage incorporating properties designated as 311, 313 and 405 South Brownson Avenue. The objective of this analysis is to provide the Client with a thorough understanding of relevant economic and residential construction trends as they may impact upon phased introduction of moderate-density and mixed-use multifamily rental development initiatives within the overall assemblage.

GEOGRAPHIC DELINEATION: THE SUBJECT PROPERTIES -- KINGSLEY, MICHIGAN --



Source: Village of Kingsley, MI and Google Maps.

In summary, this analysis establishes the following:

- ❑ An understanding of the strengths and weaknesses of the host Grand Traverse County's residential and commercial markets, with focus upon the Village of Kingsley, over the 2026-2031 forecast period based upon pertinent economic, demographic, and residential construction trends which define the marketplace.
- ❑ Conclusions regarding the marketability of moderate-density rental housing forms to be introduced within a planned mixed-use environment to include a component of commercial development in the Village Center, hereinafter referred to as the *East Main Street Apartments*, together with moderate-density garden apartments hereinafter referred to as the *Brownson Avenue Apartments*. These conclusions are based upon factors associated with location, the performance of newer market rate apartment projects throughout the greater area, and the near term outlook for mixed-use multifamily development in the Village of Kingsley and its Downtown District.

- ❑ Within the context of the conceptualized developments, forward detailed guidelines for moderate-density multifamily forms viewed to hold measurable market support over the near term. These guidelines address plan styles, unit size and mix requirements, interior appointments/finishes, as well as community-based amenities and other factors viewed as necessary to enhance consumer appeal and overall profitability.
- ❑ Alternative benchmark rent strategies and associated absorption forecasts to competitively position a prototype development in concert with regional multifamily construction requirements and enable continued financial modeling.
- ❑ Recommendations regarding those commercial/retail uses viewed suitable for development and those best equipped to complement the residential component of the proposed project(s). These recommendations address commercial types, sizes, potential users, etc.

THE SUBJECT PROPERTIES AND THE ENVIRONS

The subject properties represent redevelopment parcels aligning East Main Street and Brownson Avenue, principal arterials of the Village of Kingsley. The 2.1-acre *East Main Street* property is situated at the southwest intersection of Main Street and Brownson Avenue in the Village Center, within walking distance of a variety of storefront merchants, casual dining cafes, and other ancillary services. The *Brownson Avenue* property, in turn, is located approximately three (3) blocks south of the Village Center and currently serves the Kingsley Lumber Company and material yard. The northern perimeter of the Brownson site adjoins the Brownson Memorial Park while its eastern perimeter aligns an existing service rail line.



East Main Street Site



Brownson Avenue Property

Each of the sites are within walking distance of municipal services such as the Kingsley Village Library, Brownson Memorial Park and Veterans Park, as well as the Kingsley Elementary, Middle and High School campuses, along with established residential neighborhoods, houses of worship, and other local business adjoining the Village proper. The subject properties are also within one-quarter mile west/southwest of the Village Plaza shopping center aligning West Main Street which is anchored by Northland Foods grocery.



Village of Kingsley



Kingsley Village Library



Representative Residential

Mixed-Use Residential Market Analysis
Village of Kingsley Downtown Development Authority
East Main Street Apartments / Commercial and
Brownson Avenue Apartments
Kingsey, Michigan

Overall, the properties occupy *strong* locations relative to sources of employment, regional transportation systems, shopping, services and recreation, while their alignment with Main Street and Brownson Avenue offer ideal marketing windows for the proposed development initiatives.

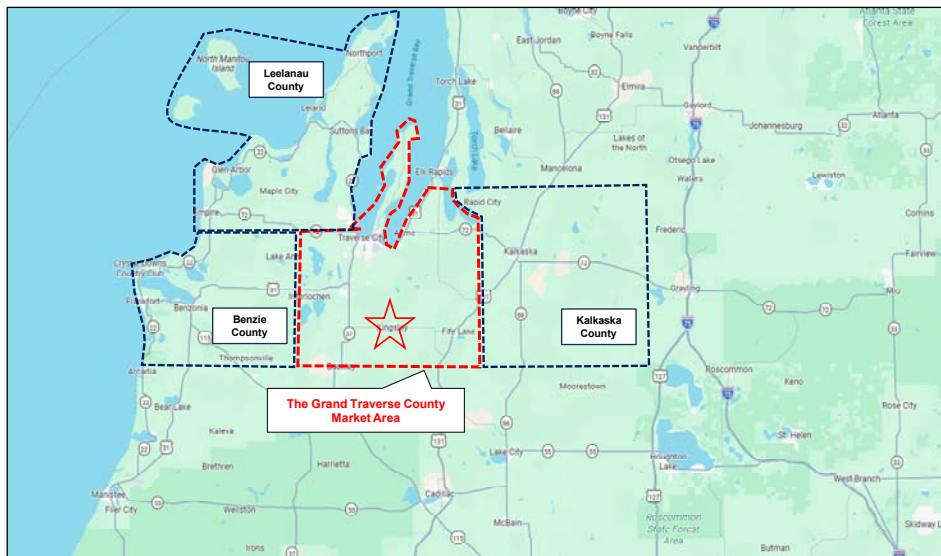
THE PROPOSED DEVELOPMENTS

The East Main Street and Brownson Avenue developments (respectively) envision introduction of market rate apartments distributed within a mixed-use midrise to potentially include commercial/retail uses in Kingsley’s Downtown District; along with market rate/workforce apartments within a planned residential development situated south the municipal Brownson Memorial Park. The purpose of this analysis is to forward recommendations for moderate-density multifamily forms as well as commercial uses which have measurable market support, blend harmoniously with adjoining residential and commercial areas, and can maximize land values and profitability. For purposes of this analysis, it is assumed that infrastructure development will commence in 2027 in anticipation of initial deliveries beginning in 2028 or later. It is also acknowledged that parcels adjoining the East Main Street property extending west to Elm Street could potentially represent a future phase of mixed-use residential development.

THE MARKET AREA

The geographic area from which primary demand support for mixed-use multifamily development within the subject properties will emanate consists of Grand Traverse County in its entirety. This defined market area represents the urban core of the four-county *Traverse City Metropolitan Statistical Area* which also includes Benzie, Kalkaska and Leelanau counties. *Generally* extending south from Grand Traverse Bay to County Line Road and east from US 131 to North Betsie River Road/Benzie County line, this defined *Grand Traverse County Market Area* supports commonalities relative to sources of employment, commuting patterns established along the US 31/131 and State Routes 37 and 72 highway systems; socio-economic similarities in demographic and household composition; as well as the alignment of residential developments which will serve as sources of competitive influence.

GEOGRAPHIC DELINEATION: THE TRAVERSE CITY METROPOLITAN STATISTICAL AREA



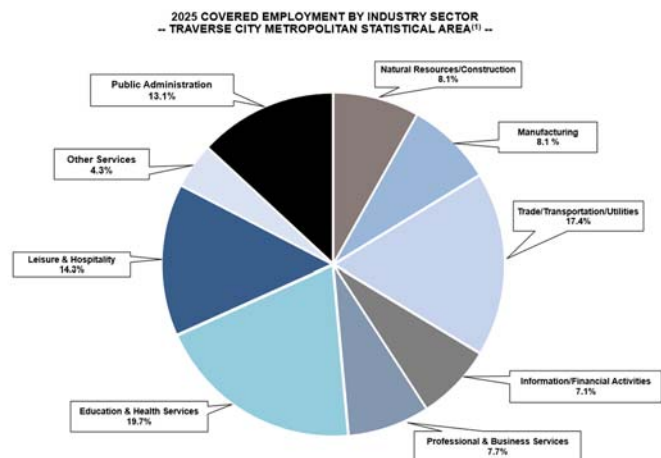
Source: Google Maps & Tracy Cross & Associates, Inc.

CONCLUSION

Mixed-use and conventional multifamily development within the subject properties are viewed as viable opportunities based upon the Village’s location proximate to regional concentrations of employment, healthcare, and in-place ancillary services, as well as convenient access to regional transportation systems. Today, there is more than adequate support for quality rental development within the subject sites which will expand housing options to appeal across a broad range of multi-generational consumer segments and enhance the lifestyle orientation of the general area where civic amenities and (importantly) sources of employment are all within a reasonable distance of one’s home. This conclusion also considers the expectation of measured regional economic growth during the 2026-2031 forecast period, together with sustaining levels of demand for rental construction in the marketplace through 2031 and beyond, summarized as follows:

- ❑ Multifamily development within the subject properties is consistent with the environs and also adheres to the Village of Kingsley’s Comprehensive plans as defined in Article 8. As noted, each property is proximate to municipal services, schools, parks, and other civic gathering spots, healthcare and regional concentrations of employment. For example, within a six- to eight-mile distance northwest one may access US 31, as well as River Road and Garfield Road, principal regional arterials which link the area with the City of Traverse City and employment centers aligning the US 31 Corridor. In addition to shopping, museums and employment centers in downtown Traverse City, expanding regional shopping, cinema and a variety of national big box retailers such as Walmart, Sam’s Club and a host of other, along with national casual and fast casual dining options are also available surrounding the Grand Traverse Mall within roughly 11.0 miles northwest at US 31 and Airport Road, while the Cherry Capital Airport which serves the Traverse City region is also approximately 12.0 miles north. Similarly, US 131 may be accessed roughly eight miles southeast providing an approximate 30-minute drive time to employment concentrations in the City of Cadillac. Munson Medical Center in Traverse City serves the greater region and also represents the largest private sector employer in Grand Traverse County. The Munson health system also maintains an outpatient clinic in Kingsley, located within one-quarter mile east along West Main Street. Other health systems in the general area include Kalkaska Memorial Hospital located roughly 20 miles northeast in Kalkaska and Cadillac Hospital located roughly 20 miles south in Cadillac.

- ❑ The Traverse City, MI MSA supports a diverse economy rooted in agri-business, manufacturing, education and healthcare, and leisure and hospitality. Major regional private sector employers include Hagerty Insurance, Tyson Foods, Shoreline Fruit, Britten Banners, Clark Manufacturing, and Electro-Optic Technology, Walmart, and Costco, among others. The region is also home to the aforementioned Munson Health Systems and its related diagnostic facilities, along with Grand Traverse Pavilions Skilled Nursing, as well as Northwest Michigan College and the 20Fathoms, a technology incubator. At the close of 2025, the Traverse City, MI MSA supported a total employment base of 72,600 with some 19.7 percent or 14,300 workers in education and healthcare; another 12,600 workers

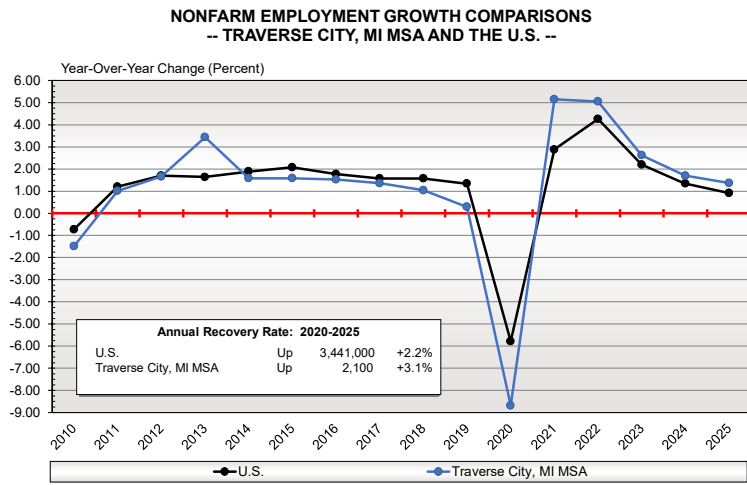


(1) Defined as Benzie, Grand Traverse, Kalkaska, and Leelanau counties, MI.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Mixed-Use Residential Market Analysis
Village of Kingsley Downtown Development Authority
East Main Street Apartments / Commercial and
Brownson Avenue Apartments
Kingsey, Michigan

or 17.4 percent employed in the trade, transportation and utilities sector; and 14.3 percent or 10,400 in leisure and hospitality serving this well-established resort-oriented region; and a combined 14.8 percent in the information/financial services and business services sectors; while 8.1 percent represent manufacturing, Not to be dismissed, public administration accounted for a substantial 9,500 workers or 13.1 percent of total employment, including Traverse Area Public Schools, as well as county and city public administrations.

□ It must also be acknowledged that the Traverse City, MI MSA has certainly not been insulated from deep recessionary periods which plagued (particularly) the decade of the 2000s and was also hard hit by the pandemic and ensuing economic constraints which impacted virtually all industry sectors. However, attributed in part to the region’s diverse employment base, 2021 ushered in a period of regional recovery, with the MSA recording job recovery of 6,500 workers during the 2020-2022 timeframe, *fully recovering jobs lost in 2020*, and averaged solid employment growth of 2,100 annually during the 2020-2025 timeframe, equating to an annual growth rate of 3.1 percent to a total employment base of 72,600 at the close of 2025 (refer to Appendix A1). Although the pace of employment growth moderated in calendar year 2024 and 2025, the overall steady pace of economic expansion indicates that market fundamentals which have guided the region’s economy over the last decade *remain intact and provide a stable foundation for growth long term*. Hence, our conclusion considers the expectation of tangible economic growth through 2031 in concert with anticipated phased introduction of the proposed multifamily developments beginning in 2027 or later.



Source: U.S. Department of Labor, Bureau of Labor Statistics

□ Measured economic expansion is expected to translate to moderated levels of household growth through the 2031 forecast period, with trendlines expected to continue through at least 2036. For example, 2020 Census estimates of household growth carried forward to 2026 reveal that Grand Traverse County as a whole supports a 2026 household base of 40,675, reflecting the addition of 334 households *yearly since 2010*. As might be expected, the City of Traverse City and its adjoining Garfield Charter Township area accounted for roughly one-half of household additions (166 yearly) while unincorporated, largely resort-oriented/second home areas of the county accounted for the balance, averaging 168 households yearly, averaging 116 yearly or 86.0 percent of total household growth. However, household additions are expected to moderate during the 2026-2031 forecast period, cast at 78 yearly on average, *before factoring the potential impact of residential redevelopment of under-utilized properties such as the subject sites* (refer to Appendices A2 and A3).

Mixed-Use Residential Market Analysis
Village of Kingsley Downtown Development Authority
East Main Street Apartments / Commercial and
Brownson Avenue Apartments
Kingsey, Michigan

POPULATION AND HOUSEHOLD TRENDS
-- THE GRAND TRAVERSE COUNTY MARKET AREA --

Area	2010	2020	2026 (Est.)	2031 (Proj.)	Average Annual Change		
					2010 - 2020	2020 - 2026	2026 - 2031
Population							
Grand Traverse County Market Area	86,986	95,238	96,543	97,066	+825	+218	+105
Village of Kingsley	1,375	1,431	1,439	1,431	+6	+1	-2
Percent of Market Area	1.6	1.5	1.5	1.5	---	---	---
Households							
Grand Traverse County Market Area	35,328	39,819	40,675	41,063	+449	+143	+78
Village of Kingsley	472	515	524	524	+4	+2	+0
Percent of Market Area	1.3	1.3	1.3	1.3	---	---	---

Source: U.S. Bureau of the Census Bureau: Census 2010 and 2020; Environics Analytics; and Tracy Cross & Associates, Inc.

- Introduction of lifestyle-oriented apartments within the subject Kingsley properties is also consistent with demographic and socio-economic characteristics of area residents. For example, Census estimates reveal that more than three-quarters of households throughout the Grand Traverse County Market Area, and nearly two-thirds of those in the Village of Kingsley, represent households *without children under the age of 18*, primarily consisting of persons living alone or in two-person arrangements, consistent with the proposed lifestyle apartment developments. Moreover, not only is there a sizeable base of existing households across all potential renter/lifestyle age categories, but these profile age cohorts are generally expected to advance proportionately over the forecast period.

HOUSEHOLD GROWTH PROJECTIONS BY AGE GROUP
-- THE GRAND TRAVERSE COUNTY MARKET AREA --

Age Range	Grand Traverse County Market Area		Village of Kingsley	
	2026	2031	2026	2031
Under 35	5,935	5,645	80	74
35-44	6,607	6,313	106	102
45-54	6,299	6,636	99	96
55-64	7,192	6,414	108	101
65-74	8,474	8,748	87	93
75 and over	6,168	7,307	44	58
Total	40,675	41,063	524	524

Source: Environics Analytics and Tracy Cross & Associates, Inc.

- It is estimated that resident market area households earned a 2026 median income of \$91,466, with households in the Village of Kingsley earning a median \$77,051 yearly. Based upon typical renter profiles and most germane to quality new mixed-use and conventional multifamily development, the following table reveals that across all profile age categories 80.0 percent of market area households (or 27,220 households) earn *at least* \$50,000 per annum, incomes requisite to support rental rates for new mixed-use or conventional apartment development. Moreover, some 62.0 percent of these income-qualifying households currently earn in excess of \$100,000 yearly.

Mixed-Use Residential Market Analysis
Village of Kingsley Downtown Development Authority
East Main Street Apartments / Commercial and
Brownson Avenue Apartments
Kingsey, Michigan

HOUSEHOLD AGE AND INCOME CHARACTERISTICS: 2026
-- THE GRAND TRAVERSE COUNTY MARKET AREA --

Attribute	Total Households					
	Grand Traverse County Market Area			Village of Kingsley		
	Number	Percent	Median	Number	Percent	Median
Total Households	40,675	100.0	\$91,466	524	100.0	\$77,051
Under 25 Years	1,082	2.7	40,297	16	3.1	7,423
25 - 34 Years	4,853	11.9	81,783	64	12.2	81,278
35 - 44 Years	6,607	16.2	98,983	106	20.2	88,352
45 - 54 Years	6,299	15.5	92,424	99	18.9	89,606
55 - 64 Years	7,192	17.7	80,897	108	20.6	77,633
65 - 74 Years	8,474	20.8	73,978	87	16.6	70,971
75 - 84 Years	4,650	11.4	60,115	34	6.5	62,682
85 Years and Over	1,518	3.7	47,283	10	1.9	35,000
Total Households Under 35 Years	5,935	14.6	\$74,220	80	15.3	\$66,507
With Incomes of \$50,000 to \$99,999	2,486	41.9	---	31	38.8	---
With Incomes of \$100,000 or More	2,125	35.8	---	21	26.3	---
Total Households Aged 35 to 54 Years	12,906	31.7	\$95,782	205	39.1	\$88,958
With Incomes of \$50,000 to \$99,999	3,588	27.8	---	81	39.5	---
With Incomes of \$100,000 or More	7,592	58.8	---	87	42.4	---
Total Households Aged 55 to 74 Years	15,666	38.5	\$77,154	195	37.2	\$74,661
With Incomes of \$50,000 to \$99,999	4,836	30.9	---	83	42.6	---
With Incomes of \$100,000 or More	7,093	45.3	---	60	30.8	---

Source: Environics Analytics and Tracy Cross & Associates, Inc.

- One potentially significant barrier to anticipated economic expansion is the overall lack of residential construction of *scale* throughout the greater region over the last three-plus decades. As summarized in the adjacent table, for example, Census estimates indicate that less than 15.0 percent of *all housing units* in Grand Traverse County have been built since 2010, with another 33.6 percent built during the previous 1990-2009 timeframe. In the Village of Kingsley, less than 12.0 percent have been built since 2010 (or a nominal 65 units), while less than 50.0 percent of the existing housing stock has been built since 1990.

2025 HOUSING UNITS BY YEAR BUILT
--THE GRAND TRAVERSE COUNTY MARKET AREA --

Attribute	Grand Traverse County Market Area		Village of Kingsley	
	Number	Percent	Number	Percent
Total Housing Units	46,771	100.0	571	100.0
Built in 2020 or Later	1,692	3.6	2	0.4
Built in 2010 to 2019	4,687	10.0	63	11.0
Built 2000 to 2009	8,424	18.0	129	22.6
Built 1990 to 1999	7,292	15.6	91	15.9
Built 1960 to 1989	15,763	33.7	146	25.6
Built 1959 or Earlier	8,913	19.1	140	24.5
Median Year Structure Built	1988		1990	

Source: Environics Analytics

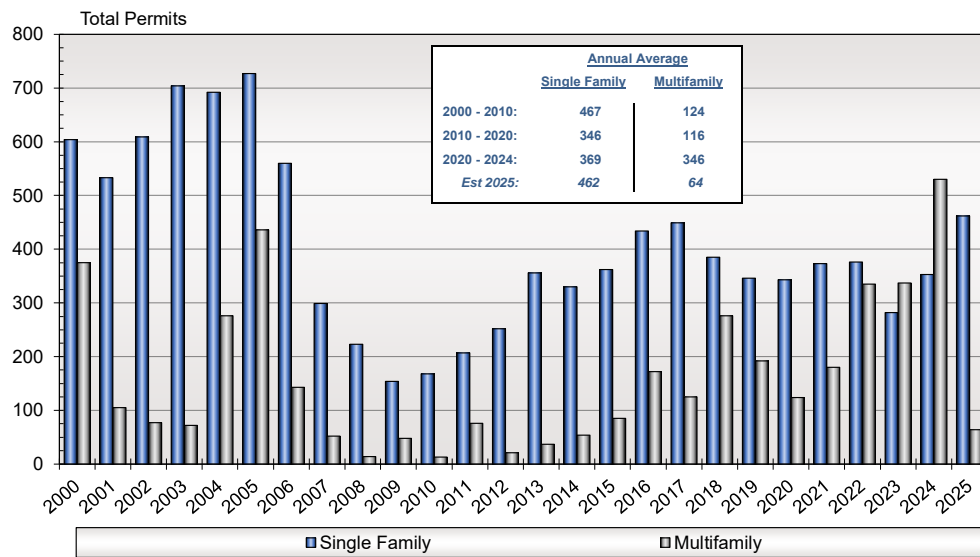
Mixed-Use Residential Market Analysis
Village of Kingsley Downtown Development Authority
East Main Street Apartments / Commercial and
Brownson Avenue Apartments
Kingsey, Michigan

□ These statistics are further supported by analysis of residential construction trends since 2000 which reveal a dramatic shift in residential construction patterns. Specifically, as detailed in Appendix A4.1 and A4.2, residential construction in Grand Traverse County averaged 553 units yearly during the 2000-2025 timeframe, distributed between 399 single family permits (which typically include single address townhomes and duplexes) and 154 multifamily authorizations. Over the last 25 years, the strongest period of residential construction occurred during the 2000-2010 timeframe when single family authorizations accelerated to an annual average of 467 units while multifamily authorizations slipped to an annual rate of 124 units. During the subsequent 2010-2020 period, single family authorizations dropped to an annual average of 346 units, down 25.9 percent compared to the previous decade while multifamily authorizations further moderated to an annual pace of 116 units. Multifamily authorizations during this period primarily reflected construction of the *TC Lofts* (38 units), *Breakwater* (78 units), and phased introduction of the 240-unit *Chelsea Park West Apartments* in Traverse City during the 2016-2020 timeframe. As discussed in later sections of this report, however, since 2020 multifamily authorizations have rebounded, averaging 289 units yearly, reflecting authorization of several moderate-density midrise and garden projects, along with a modicum of townhome rental development, as well as affordable developments (again) concentrated in Traverse City and its Garfield Charter Township area. Despite this more recent period of construction, the overall lack of market rate rental development of scale – and particularly in unincorporated areas of Grand Traverse County - suggests measures of pent-up demand for quality rental alternatives which can appeal across multiple consumer segments and *enable local employers to attract and retain a skilled workforce*. This factor *alone* lends support to development of the East Main Street and Brownson Avenue projects in 2027 or later.



Representative Residential

RESIDENTIAL PERMIT TRENDS: GRAND TRAVERSE COUNTY MARKET AREA
2000 – OCTOBER 2025



Source: U.S. Department of Commerce, Bureau of the Census: *C-40 Construction Reports*

**Mixed-Use Residential Market Analysis
Village of Kingsley Downtown Development Authority
East Main Street Apartments / Commercial and
Brownson Avenue Apartments
Kingsley, Michigan**

- Although Census estimates indicate that new household formations throughout Grand Traverse County will moderate through the 2031 forecast period, this projection reflects (at least, in part) the overall lack of residential construction *of scale* over the last two-plus decades - construction which has primarily been directed to second home/seasonal market segments. This has resulted in an aging inventory which lacks the energy-efficiencies and daily conveniences of today's construction technologies. Despite spurious construction of late, replacement demand coupled with a measure of turnover potentials indicates that the Grand Traverse County Market Area could support construction of 230 *conventional/market rate* rental units annually (or 1,150 units through 2031) without creating market weakness. This new construction requirement balances Census estimates of household growth over the five-year forecast period with potential mixed-use and/or infill redevelopment initiatives, construction trends over the past two-plus decades, along with measures of replacement demand. Derived annual *market rate/workforce* new construction requirements represent more than adequate support for phased development of the proposed mixed-use and conventional apartment developments in the Downtown District over the five-year forecast period.

**ANNUAL RENTAL BUILDING REQUIREMENT SUMMARY: 2026 - 2031
--THE GRAND TRAVERSE COUNTY MARKET AREA --**

Attribute	Number
Total Housing Inventory	46,771
Total Estimated Replacement Demand @ .0045 Percent ⁽¹⁾	210
Estimated <i>Market Rate</i> Rental Replacement ⁽²⁾	125
Estimated Turnover @ 7.5 Percent of Market Rate Units ⁽³⁾	105
Derived Annual Construction Requirement	230
<i>(Derived Potential Market Rate Rental Construction Requirement through 2031)^(2:3)</i>	<i>1,150</i>
⁽¹⁾ Represents a typical ratio for housing inventory lost to demolition or obsolescence in mature urban environments. ⁽²⁾ Excludes age- and/or income-qualifying, senior supportive living and/or special needs units. ⁽³⁾ Annual turnover estimated at 7.5 percent of occupied market rate inventory given the lack of new construction of scale coupled with very tight market conditions.	

Source: Tracy Cross & Associates, Inc.

- Notably, market rate rental construction requirements *could potentially double in any given year* if supply were made available *and competitive rents are maintained* on the basis of market constraint and levels of pent-up demand. Moreover, it is unlikely that market rate rental construction requirements will be met. For example, apart from the subject properties, rezoning applications for two additional for sale developments are currently in the various stages of review in the immediate Paradise Township area of the Village. These include the 34-unit *Northshore* development, a single family site condominium development proposed at Madison and Elm streets; along with the 96-unit *Paradise Meadows* aligning E M113 at Cougar Trail. This latter project, which will include a variety of ranch and two-story duplex/triplex and townhome units, has been approved but no timeline for market introduction has been announced. In Traverse City, there are currently six (6) separate multifamily developments in some stage of review (refer to Appendix A5). Of these, two projects are currently under construction and expected to enter the marketplace over the next 12- to 15 months. These include the 192-unit *Corner's Crossing Apartments* together with 15 apartments planned within the mixed-use The Continental development. Two additional projects and a collective 187 units have been approved with no announced timeline for introduction. It should be noted that these two approved projects, as well as those currently in planning review, all represent

designated workforce-oriented developments. Nonetheless, it is strongly suggested that future development partners/stakeholders be prepared to initiate an aggressive marketing posture through stabilization and maintain a judicious approach to rent growth thereafter in order to support a competitive position in the marketplace and sustain occupancies over the long term.

A FRAMEWORK FOR PLANNING

In determining the strongest market-driven rental housing alternatives for introduction within the proposed properties, our firm considered not only the location attributes of each site, but also the sustaining depth of profile consumer segments which could be attracted to the proposed developments, balancing underlying market strengths and anticipated economic expansion with competition from existing or potential future rental projects. A thorough analysis of various lifestyle factors revealed that there is sustaining demand for rental apartment development directed to singles and couples in the early stages of their career, young families and multi-generational households, along with a component of maturing households desirous of a *true* maintenance-free lifestyle. New quality rental apartment housing is also expected to carry strong appeal to transferee households and/or contract workers affiliated with regional healthcare and other major employers.

EAST MAIN STREET APARTMENTS: A 32-UNIT MIXED-USE PROTOTYPE

Applying these factors to the East Main Street property, and within the context of the envisioned mixed-use development, the following paragraphs outline a suggested development matrix to competitively position a *prototype* 32-unit midrise apartment project in context with regional demand requirements. This prototype envisions a multi-story building to include structured/podium parking and (potentially) a component of retail/commercial venues at grade, with three (3) frame construction residential floors above. Structured parking is expected to accommodate 36 parking spaces, yielding an overall parking ratio of 1.12 parking stalls per residential unit. However, it is also understood that a Village-owned parcel one-half block west at Elm Street could also accommodate additional private off-street parking for residents. This benchmark prototype development is forwarded for purposes of financial modeling only. Based upon planning approvals, total unit count could vary by +/-10.0 percent without material impact upon absorption potentials.

Utilizing energy-efficient construction technologies, the suggested development's design aesthetic should complement its Downtown District environs while providing quality apartments which meet the needs of today's – and tomorrow's – market rate/workforce renters. Consistent with Article 8: Commercial District C-1 requirements as outlined in the Village's Comprehensive Plan, and *forwarded for illustrative purposes only*, the prototype building envisions 24 apartments distributed on Floors 2 (first residential floor) and Floor 3, with Floor 4 featuring an outdoor terrace to mitigate impact on streetscape with the remaining eight (8) units distributed at the rear of the building. These eight (8) units could also feature a private terrace which leads to the outdoor social area. At a minimum, amenities in this elevator-served building should include a private secured residential entrance and mail/package area, along with provision for secured bicycle storage and a pet grooming room in the garage. The outdoor social area should include a furnished terrace with outdoor kitchen/grill stations and cabana seating.



Representative Image

As detailed in **Exhibit 1**, the suggested unit types consist of a variety of studio, JR-1/convertible, one, and two bedroom styles ranging in unit size from 475 to 950 square feet. Overall, the 32-unit prototype development provides 22,850 net leasable residential square feet with an average apartment containing 714 square feet of living area. With focus upon an initial 32-unit phase, benchmark *base* rents extend from

A BENCHMARK RENTAL STRATEGY^(1:5): A 32-UNIT MIXED-USE APARTMENT PROTOTYPE
-- MAIN STREET APARTMENTS - KINGSLEY, MI--



Mixed-Use Residential Building: Three (3) Residential Floors - 32 Units / 36+/- Podium Parking Stalls

Plan Designation	S	A ⁽²⁾	B1	B2	C1	C2
Number of Units:	4	4	6	6	6	6
Percent Distribution:	12.5	12.5	18.8	18.8	18.8	18.8
Bedrooms:	0	JR-1	1	1	2	2
Baths:	1.0	1.0	1.0	1.0	1.0	2.0
Plan Size (Sq. Ft.):	475	550	600	700	875	950
Benchmark Average Base Rent ⁽³⁾ :	\$1,360	\$1,445	\$1,500	\$1,615	\$1,800	\$1,895
Per Sq. Ft.:	\$2.86	\$2.63	\$2.50	\$2.31	\$2.06	\$1.99

Community Summary ^(1:3)	Absorption at Benchmark
Total Number of Units : 32 Total Net Leasable Square Feet: 22,850 Weighted Average Unit Size (Sq. Ft.): 714 Average Benchmark Base Rent⁽³⁾: \$1,628 Rent/Sq. Ft.⁽³⁾: \$2.28 Estimated Overall Average Rent⁽⁴⁾: \$1,813 Rent/Sq. Ft.⁽⁴⁾: \$2.54	Average Absorption to Stabilization: 3.0 (In Units) Months to Stabilization: 10.0 (30 Units at 95% Occupancy)

Benchmark Standard Features / Community Amenities / Suggested Premiums

<ul style="list-style-type: none"> ■ Programmable Thermostat ■ Internet/Cable/Smart Technology Connectivity ■ Nine-Foot Ceiling Height ■ Contemporary Finishes Throughout ■ Plank-Style Laminate Flooring in Kitchen/Living Areas ■ Carpeted Bedrooms and Bedroom-wing Hallways ■ Walk-In Master Bedroom Closet; Adequate Secondary Closeting ■ Baths with Laminate or Ceramic Flooring, Solid-Surface Vanity Top, Solid-Surface Tub/Shower Surround with Accessory Niche ■ Contemporary Kitchen Cabinetry and Lighting ■ Solid-Surface Kitchen Countertop/Island ■ Energy-Efficient Stainless Steel Appliances <ul style="list-style-type: none"> - Range - Dishwasher - Refrigerator - Microwave/Hood Vent - Full-Size Washer and Dryer ■ Undermount Stainless Steel Sink 	<ul style="list-style-type: none"> ■ Non-Smoking Environment ■ Separate Secured Residential Entry / Secured Mail Area ■ Elevator-Served Building ■ Furnished Terrace with Outdoor Kitchen/Grill Station and Fireside Lounge ■ Secured Bicycle Storage with Tune-Up Bench ■ Pet Grooming Station ■ Tenant Paid Water/Refuse Collection or Resident Billing System ■ Individually Metered Utilities ■ On-Site Leasing/Management Office <p style="text-align: center;"><u>Suggested Premiums/Incremental Fees</u></p> <ul style="list-style-type: none"> ■ Floor Premium: Floor 3 @ \$10; Floor 4 @ \$20 ■ Corner-Unit Premium: \$35 ■ View Premium: \$25 (Assumes maximum of 15% or +/-5 Units) ■ Pet Fees (Deposit/Mo. Rent): \$350 / \$30 ■ Enclosed Single Parking Stall: \$125 ■ Private Surface Parking: \$25
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⁽¹⁾ To be used for financial planning based upon Comprehensive Plan Article 8: Commercial District C-1; all images intended for illustrative purposes only. Based upon planning approvals, total unit count could vary by +/-10.0 percent without material impact upon absorption potentials.

⁽²⁾ Indicates a unit with a defined/separated sleeping area or alcove.

⁽³⁾ Benchmark base rents are presented in March 2026 dollars and are established on **Floor 2** (first residential floor). They **do not include** premiums for floor, corner-unit orientation, or other incremental revenues.

⁽⁴⁾ Overall rents, which are presented in March 2026 dollars, include **estimates** of premiums, **enclosed parking**, and other standard incremental revenues. Estimated overall rents are based upon stabilization at 95.0 percent (30 units); utilized for analytical purposes only.

⁽⁵⁾ Benchmark rents and absorption forecast **assume a minimum** of 36 parking spaces will be provided. Parking allocations facilitate a parking ratio of 1.12 parking stalls per residential unit.

Mixed-Use Residential Market Analysis
Village of Kingsley Downtown Development Authority
East Main Street Apartments / Commercial and
Brownson Avenue Apartments
Kingsey, Michigan

\$1,360 to \$1,895 and average \$1,628 monthly for a 714 square foot apartment, yielding a current dollar value ratio of \$2.28 per square foot. For clarity, base rents represent the lowest rent available for a particular plan type and are established on **Floor 2** of the prototype building. Benchmark rents, which are presented in March 2026 dollars *do not include* premiums for floor, corner-unit orientation, enhanced views, garage or surface parking, or other incremental revenues. It is assumed that the resident will be billed directly for all utilities.

Benchmark rents assume quality interior appointments/finishes and community amenities as outlined. Exhibit 1 also forwards a range of suggested market-consistent premiums and other fees for consideration. For proforma analysis, inclusive of standard incremental revenue sources, it is *estimated* that upon stabilization at 95.0 percent (or 30 units occupied) *overall* rents for the prototype Phase I development will hover at the \$2.54 per square foot mark (in 2026 dollars). **Please carefully review all Exhibit 1 footnotes.**

Assuming market introduction in 2028 or later, at March 2026 benchmark rents, a 32-unit prototype Phase I development will achieve an overall absorption rate of 3.0 units per month, leading to stabilization within a constricted 10.0-month timeframe *from first occupancy* or at a pace consistent with construction and delivery schedules. This leasing period assumes extensive marketing commences with site improvements and at least three (3) months of lease reservations prior to initial deliveries. While the marketplace is expected to maintain relatively tight conditions during the 2026-2031 forecast period, over the course of lease-up it may be necessary to offer a discount or lease incentive on *select units* as market conditions dictate. Also, while it is understood that unit counts may vary with final design and approvals, it is strongly suggested that *a proportionate ratio of unit types and sizes be maintained* to achieve the projected rates of absorption. Introduction of a future phase(s) of similar scale could commence within 12.0 to 15.0 months as respective previous phases begin to stabilize. This will not only allow an appropriate period to manage initial turnover and subsequent phase(s) to achieve stabilization within a reasonable marketing period but also enable the Village and its development partners to respond to anticipated growth in the marketplace and/or differentiate product offerings as deemed appropriate.

BROWNSON AVENUE APARTMENTS: A 72-UNIT GARDEN PROTOTYPE

Complementing the East Main Street prototype, **Exhibit 2** forwards a benchmark rent strategy to competitively position a proposed 72-unit garden/walk-up idiom in the marketplace. Distributed among a series of three-story buildings, the proposed product idiom is expected to facilitate an overall density of 16.0 to 18.0 units per acre. It is assumed that a minimum of 72 private surface parking spaces will be provided, yielding a parking ratio of 1.0 parking stalls per residence. As land planning allows, it is suggested that *+/-15 detached* single garages be provided *in lieu of surface parking*, with *+/-6* garage bases of sufficient width/depth to accommodate larger vehicles or trucks. The benchmark rent strategy is forwarded for purposes of financial modeling only. Based upon planning approvals, total unit count could vary by *+/-10.0* percent without material impact upon absorption potentials.



Illustrative Rendering

A BENCHMARK RENTAL STRATEGY⁽¹⁻⁴⁾: A 72-UNIT GARDEN APARTMENT PROTOTYPE
-- BROWNSON AVENUE APARTMENTS - KINGSLEY, MI--



Three-Story Residential Buildings: 72 Units / 72 Private Surface Parking Stalls

Plan Designation	A	B	C
Number of Units:	30	30	12
Percent Distribution:	41.7	15.0	16.7
Bedrooms:	1	2	3
Baths:	1.0	2.0	2.0
Plan Size (Sq. Ft.):	578	869	1,159
Benchmark Average <i>Base Rent</i> ⁽²⁾ :	\$1,395	\$1,695	\$2,030
Per Sq. Ft.:	\$2.41	\$1.95	\$1.75

Community Summary⁽¹⁻³⁾ Absorption at Benchmark

Total Number of Units (All Phases): 72 Total Net Leasable Square Feet: 57,318 Weighted Average Unit Size (Sq. Ft.): 796 Average Benchmark <i>Base Rent</i>⁽²⁾: \$1,626 Rent/Sq. Ft.⁽²⁾: \$2.04 Estimated Overall Average Rent⁽³⁾: \$1,673 Rent/Sq. Ft.⁽³⁾: \$2.10	Average Absorption to Stabilization: 6.0 (In Units) Months to Stabilization: 11.3 (68 Units at 95% Occupancy)
--	--

Benchmark Standard Features / Community Amenities / Suggested Premiums

<ul style="list-style-type: none"> ■ Programmable Thermostat ■ Internet/Cable/Smart Technology Connectivity ■ Nine-Foot Ceiling Height ■ Contemporary Finishes Throughout ■ Plank-Style Laminate Flooring in Kitchen/Living Areas ■ Carpeted Bedrooms and Bedroom-wing Hallways ■ Walk-In Master Bedroom Closet; Adequate Secondary Closeting ■ Baths with Laminate or Ceramic Flooring, Solid-Surface Vanity Top, Solid-Surface Tub/Shower Surround with Accessory Niche ■ Contemporary Kitchen Cabinetry and Lighting ■ Solid-Surface Kitchen Countertop/Island ■ Energy-Efficient Stainless Steel Appliances <ul style="list-style-type: none"> - Range - Dishwasher - Refrigerator - Microwave/Hood Vent - Full-Size Washer and Dryer ■ Undermount Stainless Steel Sink ■ Balcony/Patio 	<ul style="list-style-type: none"> ■ Non-Smoking Environment ■ Secured Entry/Mail Area ■ Furnished Terrace with Outdoor Kitchen/Grill Station(s) ■ Dedicated Pet Area and Pet Grooming Station ■ Secured Bicycle Storage with Tune-Up Bench ■ Tenant Storage (Optional Lease) ■ Tenant Paid Water/Refuse Collection or Resident Billing System ■ Individually Metered Utilities ■ On-Site Leasing/Management Office <p style="text-align: center;"><u>Suggested Premiums/Incremental Fees</u></p> <ul style="list-style-type: none"> ■ Floor Premium: Floor 1 @ \$20; Floor 3 @ \$10 ■ Corner-Unit Premium: \$35 ■ View Premium: \$25 (Assumes maximum of 15% or +/-10 Units) ■ Elevator-Served Building (as available): \$30 ■ Storage Locker (as available): \$25 to \$60 ■ Pet Fees (Deposit/Mo. Rent): \$350 / \$30 ■ Detached Single Garage (as available): \$85 to \$125
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⁽¹⁾ To be used for financial planning based upon Comprehensive Plan Article 8: Commercial District C-1; all images intended for illustrative purposes only. Based upon planning approvals, total unit count could vary by +/-10.0 percent without material impact upon absorption potentials.

⁽²⁾ Benchmark base rents are presented in April 2026 dollars and are established on **Floor 2** of the residential building. They **do not include** premiums for floor, corner-unit orientation, or other incremental revenues.

⁽³⁾ Overall rents, which are presented in April 2026 dollars, include **estimates** of premiums and standard incremental revenues (i.e., excluding detached garage, storage lockers and *elevator-served building*). Estimated overall rents are based upon stabilization at 95.0 percent (68 units); utilized for analytical purposes only.

⁽⁴⁾ Benchmark rents and absorption forecast **assume a minimum** of 72 private surface parking spaces will be provided. Parking allocations facilitate a parking ratio of 1.0 parking stalls per unit. As land planning allows, it is suggested that +/-15 *detached* single garages be provided *in lieu of surface parking*, with +/-6 garage end bays of sufficient width/depth to accommodate larger vehicles or trucks. Secured bicycle storage and/or optional tenant storage could also be incorporated in garage/storage buildings.

Mixed-Use Residential Market Analysis
Village of Kingsley Downtown Development Authority
East Main Street Apartments / Commercial and
Brownson Avenue Apartments
Kingsley, Michigan

Utilizing energy-efficient component construction technologies, the suggested development's design aesthetic is expected to complement its environs while providing quality apartments which meet the needs of today's – and tomorrow's – market rate/workforce renters. Given the boutique scale of the proposed development, community amenities are expected to include an on-site leasing/management office, a terrace with outdoor kitchen/grill stations, and a designated pet area. Secured bicycle storage and a pet grooming station should also be provided. These latter amenities, along with optional tenant storage, could be incorporated in the detached garage and/or storage buildings.



Representative Image

As detailed in Exhibit 2, the proposed unit types consist of one, two and three bedroom styles ranging in unit size from 578 to 1,159 square feet. Overall, the 72-unit prototype development provides 57,318 net leasable square feet with an average apartment containing 796 square feet of living area. Corresponding benchmark *base* rents extend from \$1,395 to \$2,030 and average \$1,626 monthly for a 796 square foot garden/walk-up apartment, yielding a current dollar value ratio of \$2.04 per square foot. For clarity, base rents represent the lowest rent available for a particular plan type and are established on **Floor 2** of the prototype buildings. Benchmark rents, which are presented in April 2026 dollars *do not include* premiums for floor, corner-unit orientation, elevator-served building, enhanced views, detached garage, tenant storage, or other incremental revenues. It is assumed that the resident will be billed directly for all utilities.

Benchmark rents assume quality interior appointments/finishes and community amenities as outlined. Exhibit 2 also forwards a range of suggested market-consistent premiums and other fees for consideration. For proforma analysis, inclusive of standard incremental revenue sources, it is *estimated* that upon stabilization at 95.0 percent (or 68 units occupied) *overall* rents for the prototype development will hover at the \$2.10 per square foot mark (in 2026 dollars). Notably, benchmark base and estimated overall rents fully align with FY2025 State of Michigan/Grand Traverse County households earning incomes of 80.0 to 120.0 percent AMI which generally define workforce components utilizing a typical housing allocation of 30.0 percent of income. ***Please carefully review all Exhibit 2 footnotes.***

Assuming market introduction in 2028 or later, *and a continuous construction and delivery schedule*, at April 2026 benchmark rents, the 72-unit prototype development will achieve an overall absorption rate of 6.0 units per month, leading to stabilization within a 12.0-month timeframe *from first occupancy*. This leasing period assumes extensive marketing commences with site improvements and at least three (3) months of lease reservations prior to initial deliveries. While the marketplace is expected to maintain relatively tight conditions during the 2026-2031 forecast period, over the course of lease-up it may be necessary to offer a discount or lease incentive on *select units* as market conditions dictate. Also, while it is understood that unit counts may vary with final design and approvals, it is strongly suggested that *a proportionate ratio of unit types and sizes be maintained* to achieve the projected rates of absorption. Introduction of a future phase(s) of similar scale could commence within 12.0 to 15.0 months following stabilization of the initial development. This will not only allow an appropriate period to manage initial turnover and subsequent phase(s) to achieve stabilization within a reasonable marketing period but also enable the Village and its development partners to respond to anticipated growth in the marketplace and/or differentiate product offerings as deemed appropriate.

COMPETITIVE POSITIONING

In establishing the benchmark development strategy, our firm focused primarily upon competitive plan offerings among nine (9) newer, generally moderate-scale market rate (i.e., *non-student*, age or income-restricted) rental projects concentrated in Traverse City, while giving due consideration to variances in location, project scale, plan offerings, and lifestyle orientation. The following paragraphs summarize pertinent market conditions which inform our benchmark product and positioning recommendations:

Mixed-Use Residential Market Analysis
Village of Kingsley Downtown Development Authority
East Main Street Apartments / Commercial and
Brownson Avenue Apartments
Kingsley, Michigan

- The suggested matrices address current and expected trends in the residential marketplace and are representative of the newest apartment offerings throughout the greater region. The benchmark rent strategies, in turn, have been established to enable the prototype developments to appropriately align with *the gradual upward movement of incomes in the marketplace* while mitigating levels of cross-competition locally. The suggested prototype developments will expand appeal across a broad spectrum of consumer segments offering a continuum of plan types which provide fully functional living areas consistent with today's lifestyle trends. For example, the studio, JR-1/convertible and smaller one bedroom plans will accommodate younger profiles in the early stages of their career (likely to include a component of those employed locally), while the larger one bedroom/one bedroom, two- and three bedroom plans will facilitate remote work conditions, corporate/contract workers, two-person living arrangements, younger and/or transitioning family segments, as well as more mature consumer profiles desirous of a true maintenance-free alternative.

UNIT MIX ANALYSIS: SELECTED NEWER GARDEN/MIDRISE APARTMENTS
-- TRAVERSE CITY, MI - FEBRUARY 2026 --

Unit Type	East Main Street/Brownson Avenue Prototypes				Representative Newer Apartments ⁽¹⁾			
	Total Units		Plan Size (Sq. Ft.)		Total Units		Plan Size (Sq. Ft.)	
	Number	Percent	Range	Average	Number	Percent	Range	Average
Studio	4	3.8	475	475	---	---	---	---
Convertible/JR-1	4	3.8	550	550	36	4.6	620	620
One Bedroom	42	40.4	578 - 700	599	408	52.2	685 - 1,034	806
One Bedroom & Flex	---	---	---	---	38	4.9	966	966
Two Bedroom	42	40.4	869 - 950	881	282	36.1	934 - 1,177	1,039
Two Bedroom+Flex	---	---	---	---	18	2.3	1,406	1,406
Three Bedroom	12	11.5	1,159	1,159	0	0.0	---	---
Total/Averages:	104	100.0	475 - 1,159	771	782	100.0	620 - 1,406	903

⁽¹⁾ Includes developments identified in Exhibits 3, 4, 5 and Appendix A6.

Source: Tracy Cross & Associates, Inc.

- As summarized in **Exhibit 3**, the selected newer developments offer a collective 1,230 market rate garden- or midrise units built in 2018 or later. Three (3) of the selected developments (Breakwater, TC Lofts, and West End Lofts) represent elevator-served, mixed-use idioms which incorporate commercial/retail development, while the Edge 72 and Bayview communities also provide a component of townhome rental alternatives. Most feature a clubhouse/leasing center with social area(s), and a fitness center, while the three larger-scale projects (i.e., 200 units or more) provide an outdoor pool, business center and/or media room. It is also noted that eight (8) of the nine selected newest and/or more comparable developments in the greater Kingsley area also provide a component of attached and/or detached single garages or carports for optional lease. Monthly lease rates currently extend from \$85 to \$160 and average \$125 monthly, consistent with the suggested range of optional fees for a detached garage in this more suburban environs. For additional perspective, Appendix A6 delineates pertinent feature and amenity characteristics and summarizes the range of leasing requirements and other incremental fees currently in effect among five of the newest construction projects. These feature and amenity characteristics are consistent with those suggested for the East Main Street and Brownson Avenue developments and are factored in the benchmark rents and absorption forecast.

**COMPOSITE SUMMARY: SELECTED NEWER/RENOVATED APARTMENT DEVELOPMENTS
-- GRAND TRAVERSE MARKET AREA - FEBRUARY 2026 --**

Development/ Location	Year Built/ Renovated	Number of Units	Number Vacant	Percent Vacant	Average Unit Size (Sq. Ft.)	Rent Characteristics			
						February 2026			
						Average Posted		Average Effective	
						\$	\$/Sq.	\$	\$/Sq. Ft.
GARDEN/MIDRISE APARTMENTS									
Totals/Averages	---	1,230	141	11.5	891	\$1,994	\$2.24	\$1,982	\$2.22
Stabilized Developments⁽¹⁾:	---	894	28	3.1	---	---	---	---	---
Breakwater / Traverse City	2020	78	1	1.3	733	1,963	2.68	1,963	2.68
Townline Flats / Traverse City ⁽²⁾	2025	36	6	16.7	620	1,540	2.48	1,457	2.35
Eagle Ridge / Traverse City ⁽³⁾	2024	300	107	35.7	891	1,675	1.88	1,675	1.88
Legends Morgan Farms / Traverse City	2023	266	7	2.6	961	1,914	1.99	1,872	1.95
Edge 72-Flats / Traverse City	2023	72	2	2.8	996	1,941	1.95	1,941	1.95
West End Lofts / Traverse City ⁽⁴⁾	2023	91	2	2.2	951	2,610	2.74	2,610	2.74
Bayview-Flats / Traverse City	2022	108	2	1.9	827	1,861	2.25	1,861	2.25
Chelsea Park West / Traverse City	2020	240	13	5.4	906	2,350	2.59	2,350	2.59
TC Lofts / Traverse City	2018	39	1	2.6	746	2,305	3.09	2,305	3.09
TOWNHOME APARTMENTS									
Totals/Averages	---	118	3	2.5	1,671	\$2,863	\$1.71	\$2,863	\$1.71
Stabilized Developments⁽¹⁾:	---	---	---	---	---	---	---	---	---
Edge 72-TH / Traverse City	2023	10	0	0.0	1,803	3,122	1.73	3,122	1.73
Bayview-TH / Traverse City	2022	108	3	2.8	1,659	2,839	1.71	2,839	1.71

⁽¹⁾ Development *excluded* from market average statistics.

⁽²⁾ Occupancy December 2025; Absorption rate of 4.0 units per month reflects six (6) units occupied at close of January 2026.

⁽³⁾ Occupancy December 2024; Absorption rate of 7.6 units per month reflects 107 units occupied at close of January 2026. Development will total 300 units at completion with 108 units delivered as of January 2026.

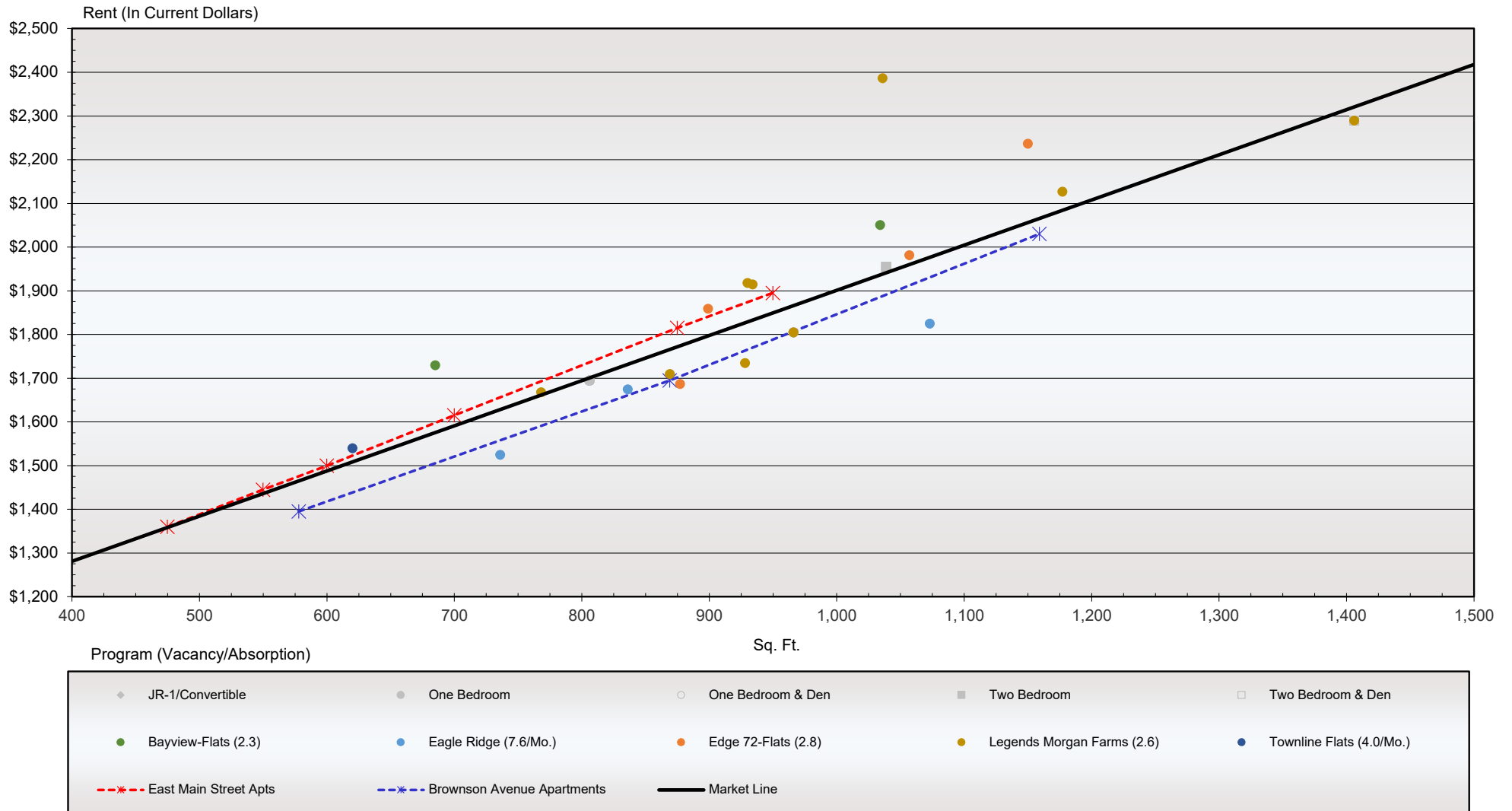
⁽⁴⁾ Development provides 14 units designated as workforce at household incomes at or below 80.0% AMI.

- ❑ As Exhibit 3 summarizes, at the close of February 2026, posted rents among the nine selected developments averaged \$1,994 monthly for a typical 891 square foot apartment home, yielding a current dollar value ratio of \$2.24 per square foot. Vacancies among the seven stabilized projects stood at a *tight* 3.1 percent, reflecting a mere 28 units of 894 stabilized units unoccupied, indicating significant measures of market constraint. For perspective, market balance generally requires vacancies in the range of 5.0 to 6.0 percent to allow for movement between projects. Market conditions lend strong support to introduction of the prototype developments over the 2027-2031 timeframe.
- ❑ The projected rates of absorption for the two prototype developments are also in line with the 4.0-units per month absorption currently being generated at the 36-unit Townline Flats, as well as the 7.6 units monthly pace noted for the initial phase of Eagle Ridge. **Exhibits 4 and 5** further illustrate the competitive benchmark positioning of the prototype developments in both whole dollars and for comparable footage relative to newer construction alternatives in the marketplace. As outlined, benchmark rents (again) appropriately position the East Main Street and Brownson properties to mitigate levels of cross-competition locally while providing a strong value position relative to newer garden and midrise alternatives located closer to concentrations of regional employment and ancillary services. The benchmark rent strategies and projected absorption forecast balance the enhancement of new construction, project scale, location and persistent tight market conditions with the potential for albeit limited new construction through lease-up and beyond. That said, it is strongly suggested that future development partners be prepared to initiate an aggressive marketing posture through stabilization and a judicious approach to rent growth thereafter in order to maintain a competitive position in the marketplace and sustain occupancies over the long term.
- ❑ Finally, the projected stabilization periods within an overall 12.0-month timeframe also reflect the substantial base of existing Grand Traverse County households earning incomes of \$50,000 or more and can also be supported by turnover in the market area's existing rental stock which, as noted in Appendix A2, is estimated to stand at 10,240 households. Of these, an estimated 70.0 percent (or 7,168 households) represent conventional market rate renters (i.e., *non*-student, age or income-restricted). Focusing upon this latter conventional renter base, approximately 2,150 will move annually with at least 50.0 percent of these mobile households remaining renters, staying in the local area, and thus representing part of the pool of prospective residents. Hence, the projected absorption rates represent a nominal range of 2.3 to 5.2 percent of aggregate annual Grand Traverse County Market Area construction requirements and turnover potentials, capture rates which can be reconciled with the long-term void of rental construction of scale in unincorporated areas of Grand Traverse County over the last two-plus decades, the substantial base of households earning incomes requisite to support the benchmark rents, and the expectation that the marketplace will maintain tight occupancies over the 2026-2031 forecast period and beyond.

RENT APPRECIATION CONSIDERATIONS

It is reiterated that benchmark rents are presented in April 2026 dollars. It also cannot be overstated that recent rates of rent growth are not sustainable, especially considering the lingering potential impact of corporate consolidations and other economic uncertainties over the near term. For proforma comparisons and barring unforeseen economic turmoil, it is strongly suggested that benchmark rents *be held constant through the 1st Quarter 2027*, with modest annual rent appreciation of not more than 3.0 percent applied to proforma financial models thereafter – a level generally consistent with long term CPI levels.

Rent/Value Analysis
Selected Newer Garden Apartment Developments
Traverse City, MI
February 2026



Rent/value analysis uses a scatter diagram to graphically represent a set of observations found in today's marketplace, specifically the square footage of units offered and their associated rent levels. Regression analysis is then used to fit a line through the set of market observations that represent the "best fit" or average market line. This market line can then be used to predict the performance of a new, untested product line or offer explanations regarding the occupancy/absorption rates of currently available product lines.

**Rent/Value Analysis
Select Newer Garden Apartments
Traverse City, MI
February 2026**

Plan Size (Sq. Ft.)	Average Market Rent	Development/Location	Year Built	Total Units	Average Plan Size (Sq. Ft.)	Average Posted Rent		Average Market Rent	Variance From Market	Vacancy Rate / Absorption (Units/Mo.)
						Dollars	Rent per Sq. Ft.			
400	\$1,282	^(1:2) West End Lofts / Traverse City	2023	91	951	\$2,610	\$2.74	\$1,850	+\$760	2.2
500	1,385	^(1:2) TC Lofts / Traverse City	2018	39	746	2,305	3.09	1,639	+666	2.6
600	1,488	⁽¹⁾ Chelsea Park West / Traverse City	2020	240	906	2,350	2.59	1,803	+547	5.4
700	1,591	^(1:2) Breakwater / Traverse City	2020	78	733	1,963	2.68	1,625	+338	1.3
800	1,694	Bayview-Flats / Traverse City	2022	108	827	1,861	2.25	1,722	+139	1.8
900	1,797	Legends Morgan Farms / Traverse City	2023	266	961	1,914	1.99	1,860	+54	2.6
1,000	1,900	Edge 72-Flats / Traverse City	2023	72	996	1,941	1.95	1,896	+45	2.4
1,100	2,003	Townline Flats / Traverse City	2025	36	620	1,540	2.48	1,509	+31	4.0/Mo.
1,200	2,106	Main Str Apt Prototype @ 2026 Bnmk Base \$	2028	32	714	1,628	2.28	1,606	+22	3.0/Mo. Fcst
1,300	2,209									
1,400	2,312	--- Market Average ---	2023	156	901	1,798	2.00	1,798	0	3.1 / (5.8/Mo.)
1,500	2,415									
1,600	2,518	Brownson Apt Prototype @ 2026 Bnmk Base \$	2027-28	72	796	1,626	2.04	1,690	-64	6.0/Mo. Fcst
1,700	2,621	Eagle Ridge / Traverse City	2024	300	891	1,675	1.88	1,788	-113	7.6/Mo.
1,800	2,724									

Slope: \$1.03 per sq. ft.

⁽¹⁾ Development not included in derivation of market line.

⁽²⁾ Mixed-Use development with first floor retail.

COMMERCIAL/RETAIL POTENTIALS

Turning to the commercial/retail sector, the trade area serving current/future households in Kingsley, along with future residents of the *East Main Street* property, consists of an approximate 5-mile radius from the center of Kingsley. This includes the entirety of the Village, together with more rural areas just beyond village limits. This trade area represents a reasonable distance (by industry standards) for local area residents/employees to commute for most daily-need shopping, dining, and service requirements. Defined for the purposes of this analysis as the *Kingsley Trade Area*, this geographic area is depicted below:



Based upon an analysis of commercial/retail trends and statistics in the defined Kingsley Trade Area, current market conditions (overall) do favor the development of commercial/retail, restaurant and service space within the property, *albeit a controlled amount of space tailored to specific users*. This conclusion is founded on the basis of the following key factors:

- ❑ First and foremost, the overall vacancy rate among retail, restaurant and service establishments in the defined retail trade area stands at an *extremely tight* 1.2 percent based upon an on-the-ground audit of existing facilities. Specifically, just 2,200 vacant square feet of commercial/retail space is represented among nearly 180,000 total square feet in the trade area. For reference, a vacancy factor in the 6.0 to 7.0 percent range typically reflects a balanced retail market.

**RETAIL/RESTAURANT/SERVICE OCCUPANCY/VACANCY STATISTICS
 KINGSLEY TRADE AREA**

Approximate Retail Space (Sq. Ft.): (Includes Restaurants and Service Users)	178,200
Occupied (Sq. Ft.):	176,000
Percent	98.8
Vacant (Sq. Ft.):	2,200
Percent	1.2

Source: Tracy Cross & Associates, Inc.

Note: The only two vacant commercial/retail spaces within the entire Kingsley Trade Area are the subject East Main Street redevelopment site. Excluding these two buildings, which will be razed as a part of the mixed-use development initiative, the local commercial/retail market is currently 100 percent occupied.

- Not only are vacancies in a tight condition throughout the trade area, but the market is also showing limited levels of activity among most retail, restaurant, and service categories. For example, among 22 separate and distinct user categories that are currently represented in the trade area, 19 contain two (2) or fewer users, with 13 containing just one (1) user per classification (see **Exhibit 6**). In addition, a wide variety of categories are not represented whatsoever, including clothing, fast food dining, education services, electronics, employment services, laundry/cleaning, legal services, liquor stores, postal services, real estate services, sporting goods, wireless phone services, among others. At the same time, many brands and franchises are absent altogether (see **Appendix A7**).

Note: It stands to reason that the more modest size of Kingsley and surrounding rural areas (i.e., the 5-mile Kingsley Trade Area), with an overall population base of less than 6,300, would have limited retail, restaurant, and service representation. However, it is still important to recognize that the rather substantial number of categories not represented (or not well represented) locally does lend itself to the identification of potential opportunities.

- Additional support for the development of some form of commercial/retail/restaurant/service space within the *East Main Street* property is the fact that retail expenditures (consumer demand) among existing residents in the defined trade area exceed retail sales in almost all population-serving categories, i.e., general merchandise, food & beverage stores, eating & drinking places, clothing & clothing accessories, electronics & appliances, furniture & home furnishings, health/personal care/drug, sporting goods/hobby & book/music, building materials/garden, motor vehicles & parts, and miscellaneous/specialty. This indicates that the market is undersupplied in these categories (see **Exhibit 7**). In other words, area residents are traveling beyond the boundaries of the trade area to satisfy their shopping needs and/or purchasing select items online. And, while residents living close to the border of the defined trade area (primarily to the north/northwest) may be within a reasonable distance of other commercial/retail corridors outside the trade area, the gaps between demand and supply are large enough to offset the full influence of this crossover.

Note: The only commercial/retail category where supply exceeds demand is among gasoline stations, although this particular category also receives substantial support from consumers traversing the trade area, but not living within its boundaries.

**CURRENT RETAIL/RESTAURANT/SERVICE ALIGNMENTS BY CATEGORY
-- KINGSLEY TRADE AREA --**

Retail/Restaurant/Service Category	Number of Establishments	Retail/Restaurant/Service Category	Number of Establishments
Auto Service	8	Gas Station	3
Child Care	1	Grocery Store	1
Dining - Café, Coffee and/or Ice Cream	1	Hair and Beauty	1
Dining - Casual (Incl. Fine Dining)	2	Home Improvement	2
Dining - Fast Casual	2	Insurance Services	1
Dining - Pub/Tavern/Sports Bar/Brewery	1	Medical/Dental Storefront	7
Discount Retail	1	Performance Arts	1
Financial - Banking	2	Pet Store - Services	1
Financial - Services	1	Pharmacy	1
Fitness/Gym	1	Specialty Retail/Services	16
Funeral Services	1	Storage	2

Source: Tracy Cross & Associates, Inc.

RETAIL EXPENDITURE/SALES ANALYSIS
-- KINGSLEY TRADE AREA --

Retail Category	2025 Demand (Consumer Expenditures)	2025 Supply (Retail Sales)	Opportunity Gap or Surplus
General Merchandise	\$16,552,530	\$704,077	\$15,848,453
Food & Beverage Stores	17,641,826	4,852,918	12,788,908
Eating & Drinking Places	19,374,339	2,483,387	16,890,952
Clothing & Clothing Accessories	5,326,056	0	5,326,056
Electronics & Appliances	1,628,715	2,960	1,625,755
Furniture & Home Furnishings	2,206,879	857,952	1,348,927
Health/Personal Care/Drug	8,779,180	1,186,199	7,592,981
Sporting Goods/Hobby & Books/Music	1,738,653	623,123	1,115,530
Gasoline Stations	11,804,450	23,303,923	-11,499,473
Building Materials/Garden	8,649,399	5,493,033	3,156,366
Motor Vehicles & Parts	27,608,724	1,942,575	25,666,149
Miscellaneous/Specialty	3,107,291	689,622	2,417,669
Non-Store Retailers	27,678,630	3,273,656	24,404,974
Total:	\$152,096,672	\$45,413,425	\$106,683,247

Source: Environics Analytics; Retail Market Power Report

In addition to current conditions represented in the trade area as summarized above, there are several other important factors related to the market and the subject property that, when taken into consideration, offer additional support to offering some type of new construction retail, restaurant and/or service space within the *East Main Street* property. These factors are highlighted below:

- While population and household growth in the trade area will be modest over the next five years, it will be positive (i.e., no contraction). In this regard, any population or household growth will provide stimulus for *net new* commercial/retail demand.
- Additive to population and household growth estimates is the fact that 32+/- new apartments will occupy the subject *East Main Street* mixed-use development, adding yet another stimulus to localized commercial/retail demand. Moreover, another 72+/- new rental units could be introduced within another parcel along Brownson Avenue south of downtown Kingsley.
- The subject property is highly visible and easily accessible given its frontage on both East Main Street and South Brownson Avenue. According to the Michigan Department of Transportation, over 7,000 vehicles pass the site daily, thus providing a natural marketing window. Therefore, the site's location is considered *strong* relative to its potential commercial/retail exposure to local area residents, workers and visitors.
- Further benefiting some form of retail/commercial development within the subject property are incomes found locally. For example, the estimated 2025 median household income in Kingsley Trade Area stood at \$74,810, a level nearly the same as the median reflected for the state of Michigan as a whole. Moreover, a full 74 percent of all 2025 households in the trade area reported an income level at or above \$50,000.
- All public schools serving residents of the trade area are located within minutes of the subject property. These local schools (elementary, middle and high school) currently boast an aggregate enrollment base of more than 1,400. These students and their parents, many of which pass the site's location daily, provide additional support for new commercial/retail development.
- Equally important is the fact that there are no formidable commercial/retail projects in the planning pipeline at this time within the entirety of the Kingsley Trade Area.
- Finally, the Kingsley Trade Area lacks any new/newer Class A commercial/retail space as current offerings are comprised of older Class B, C and D properties, although some remodeled spaces are evident in the marketplace.

COMMERCIAL/RETAIL PLANNING GUIDELINES

Considering a favorable overall climate for new commercial/retail development in the Kingsley Trade Area (and within the *East Main Street* property in particular), *yet fully acknowledging a population base of roughly 6,300 within a five-mile radius of downtown Kingsley*, it is our recommendation that just 4,000+/- square feet of multi-tenant commercial/retail space be incorporated into the new mixed-use apartment building, divisible into, say, three or four spaces of 1,200+/- square feet each. This commercial component would include population-serving restaurants and/or service providers capable of filling voids that exist in the local trade area for specific categories and/or users – *and those most likely to find a downtown Kingsley location appealing.*

To reiterate – there is clearly an opportunity for new commercial/retail development based upon the tightness of the market; the lack (or limited amount) of specific user categories; and the wide disparity that exists between demand and supply; however, a population base of just 6,300+/- within five miles of downtown Kingsley requires a *disciplined approach* relative to the amount of space and the types of users to consider.

With this said, and based upon a close examination of existing retail alignments within the trade area, together with a detailed review of the gaps that exist between retail supply and demand, the following bullet-point summary outlines those users that should be initially targeted:

- One fast casual restaurant serving primarily healthy food choices such as soups, salads, sandwiches, smoothies, acai bowls, etc., made (in part) from organic ingredients is suggested. This type of retailer/restaurant would cater to consumers with active, healthy lifestyles including residents/employees in Kingsley, visitors, passers-by, middle/high school students, etc.
- One fast casual restaurant featuring alternative menu choices would also be appropriate. Specifically, this restaurant need not be focused on the health-conscious consumer, but rather on those desiring an alternative to sandwiches, soups, salads, smoothies, etc. Examples include wings, burgers, burritos, gyros, etc.
- One fast casual shop specializing in making coffee and bakery items could also be considered.
- Finally, some type of service-oriented tenant, specialty retailer or storefront office would be appropriate for the *East Main Street* mixed-use development. While some are represented throughout the trade area others are not, categories such as educational services, employment services, legal services, real estate services, medical/dental, dry cleaning, hair and beauty, etc. which should be explored, along with assorted niche-type merchants and/or a convenience-type retailer.

When considering specific users within the categories outlined above, it is important to note that most “brand name” or “franchise” establishments have their own internal formulas for determining the appropriateness of a location, i.e., based upon population densities, traffic volumes, environs, etc. Hence, attracting certain brands/franchises to this location may be difficult. That said, marketing of the commercial/retail component within the subject mixed-use development should be very aggressive and all-encompassing and should focus first on existing “mom and pop” type restaurants/shops with an established base in the greater Traverse City area that may be desirous of a satellite location, i.e., the Chubby Unicorn or Cuppa Joe Café.

Based upon a review of lease rates among newer retail space in areas just outside the trade area to the north/northwest, annual *current dollar* rents should be set in the \$14-\$16 per square foot range triple net, i.e., not including common area maintenance, taxes, and insurance, which the tenant would be responsible for separately. At this rent level, the overall commercial/retail component would likely reach stabilized occupancy of 95.0 percent within a reasonable 18-month timeframe, again provided aggressive pre-leasing efforts occur.

The \$14-\$16 per square foot (NNN) rent range suggested for the *East Main Street* commercial/retail component represents a market position some 20-25 percent below Class A space at premium locations in the Traverse City area – and appropriate differential relative to drawing tenants to a downtown Kingsley location.

CLOSING REMARKS

While current market conditions point to the ability to configure 4,000+/- square feet of commercial/retail space within the *East Main Street* mixed-use building, securing tenants for this space may (again) be challenging given factors inherent to each user's own due diligence requirements. And, while it is expected that the Village of Kingsley Downtown Development Authority will be very aggressive in filling this space, it may be appropriate for the architectural team to design a space that could be efficiently and effectively converted to additional rental housing units should the initial response to the commercial/retail component (and the signing of leases) not be fruitful. In this regard, three or four ground level, private-entry, loft-type apartments could represent a *contingency plan* for the square footage that initially gets designated as commercial/retail space.

CERTIFICATION AND SIGNATURE

This analysis represents our objective and independent opinion regarding the market potential for phased introduction of mixed-use apartment development within the East Main Street and Brownson Avenue properties located in Kingsley, Grand Traverse County, Michigan as certified below:

TRACY CROSS & ASSOCIATES, INC.
An Illinois Corporation

By: 
Erik A. Doersching
Its: President & CEO

By: 
HollyAnn Eageny
Its: Executive Vice President & COO

By: 
Michael A. Stumpf
Its: Senior Research Analyst

Date: April 20, 2026



A1

TRENDS IN NONFARM EMPLOYMENT
TRAVERSE CITY, MI METROPOLITAN STATISTICAL AREA
2000 - 2025

Year	NONFARM EMPLOYMENT		
	Annual Change		
	Total	Number	Percent
2001	63,800	---	---
2002	64,000	200	0.3
2003	64,100	100	0.2
2004	64,300	200	0.3
2005	64,500	200	0.3
2006	64,500	0	0.0
2007	63,700	-800	-1.2
2008	63,100	-600	-0.9
2009	60,400	-2,700	-4.3
2010	59,500	-900	-1.5
2011	60,100	600	1.0
2012	61,100	1,000	1.7
2013	63,200	2,100	3.4
2014	64,200	1,000	1.6
2015	65,200	1,000	1.6
2016	66,200	1,000	1.5
2017	67,100	900	1.4
2018	67,800	700	1.0
2019	68,000	200	0.3
2020	62,100	-5,900	-8.7
2021	65,300	3,200	5.2
2022	68,600	3,300	5.1
2023	70,400	1,800	2.6
2024	71,600	1,200	1.7
2025	72,600	1,000	1.4
Annual Average			
2001 - 2010	---	-478	NEG
2010 - 2019	---	944	1.5
2020 - 2025	---	2,100	3.1

Source: U.S. Department of Commerce, Bureau of Labor Statistics

**POPULATION, HOUSEHOLDS, TENURE, AND INCOME: 2026
-- THE GRAND TRAVERSE COUNTY MARKET AREA --**

Attribute/Year	Grand Traverse County Market Area	Village of Kingsley	Attribute/Year	Grand Traverse County Market Area	Village of Kingsley
Population			Households		
2010	86,986	1,375	2010	35,328	472
2020	95,238	1,431	2020	39,819	515
2026	96,543	1,439	2025	40,675	524
2031	97,066	1,431	2030	41,063	524
Average Annual Change			Average Annual Change		
2010 - 2020	825	6	2010 - 2020	449	4
2020 - 2026	218	1	2020 - 2026	143	2
2026 - 2031	105	-2	2026 - 2031	78	0
2026 Household Tenure			2026 Household Income		
Total Housing Units	46,771	571	Total Households	40,675	524
Total Occupied	40,675	524	Under \$50,000	9,405	135
Owner Occupied	30,435	432	50,000 - 74,999	6,777	118
Percent	74.8	82.4	75,000 - 99,999	6,133	98
Renter Occupied	10,240	92	100,000 - 149,999	8,855	92
Percent	25.2	17.6	150,000 - 199,999	3,984	33
Vacant	6,096	47	200,000 and Over	5,521	48
Percent	13.0	8.2	Average Median	\$121,876	\$101,449
				\$91,466	\$77,051
2026 Household Size			2026 Travel Time to Work		
Total Population	96,543	1,439	Total Workers Aged 16+	42,140	685
In Group Quarters	2,094	22	Less than 30 Minutes	33,708	457
In Households	94,449	1,417	30 - 44 Minutes	5,630	177
Total Households	40,675	524	45 - 59 Minutes	894	7
Average Persons Per Household	2.32	2.70	60 or More Minutes	1,908	44
			Average Minutes to Work	22.0	28.0

Source: U.S. Department of Commerce, Bureau of the Census: *Census 2010, 2020*; Environics Analytics; and estimates by Tracy Cross & Associates, Inc.

HOUSEHOLDS BY TYPE AND AGE OF HOUSEHOLDER: 2026
 -- THE GRAND TRAVERSE COUNTY MARKET AREA --

Attribute	Buffalo County Market Area		Village of Kingsley	
	Number	Percent	Number	Percent
2026 Households by Type				
Total Households	40,675	100.0	524	100.0
Average Household Size	----- 2.32 -----		----- 2.70 -----	
Households with Children	9,379	23.1	199	38.0
Married/Co-Habiting Couple	7,799	19.2	155	29.6
Other Family	1,580	3.9	44	8.4
Households without Children	31,296	76.9	325	62.0
Married/Co-Habiting Couple	16,645	40.9	193	36.8
Single Householder	11,555	28.4	82	15.6
NonFamily	3,096	7.6	50	9.5
2026 Households by Age of Householder				
Total Households	40,675	100.0	524	100.0
Under 25	1,082	2.7	16	3.1
25 - 34	4,853	11.9	64	12.2
35 - 44	6,607	16.2	106	20.2
45 - 54	6,299	15.5	99	18.9
55 - 64	7,192	17.7	108	20.6
65 - 74	8,474	20.8	87	16.6
75 - 84	4,650	11.4	34	6.5
85 and Over	1,518	3.7	10	1.9
Median	----- 56.0 Years -----		----- 52.0 Years -----	
Households Under 35	5,935	14.6	80	15.3
Households 35 - 54	12,906	31.7	205	39.1
Households 55 - 74	15,666	38.5	195	37.2

Source: Environics Analytics and Tracy Cross & Associates, Inc.

RESIDENTIAL BUILDING PERMIT TRENDS BY COUNTY
-- TRAVERSE CITY, MI METROPOLITAN STATISTICAL AREA --
2000 - 2025

A4.1

Year	Traverse City, MI MSA Total	Benzie County	Grand Traverse County	Kalkaska County	Leelanau County
Total					
2000	1,690	250	979	132	329
2001	1,311	274	638	147	252
2002	1,245	212	686	113	234
2003	1,484	298	776	155	255
2004	1,577	211	968	152	246
2005	1,705	222	1,163	111	209
2006	1,181	158	703	130	190
2007	707	136	351	72	148
2008	445	77	237	39	92
2009	390	86	202	39	63
2010	350	58	181	22	89
2011	407	38	283	27	59
2012	412	54	273	15	70
2013	653	53	393	24	183
2014	559	41	384	21	113
2015	672	58	447	51	116
2016	859	76	606	40	137
2017	839	77	574	37	151
2018	951	72	661	29	189
2019	940	206	538	33	163
2020	712	88	467	38	119
2021	887	107	553	41	186
2022	1,073	145	711	39	178
2023	993	131	619	36	207
2024	1,232	110	883	38	201
2025 ⁽¹⁾	859	136	526	38	159
Annual Average					
2000 - 2025	898	125	553	59	160
2000 - 2010	1,040	173	591	98	178
2010 - 2020	700	76	463	32	130
2020 - 2025	1,047	126	658	38	186

A4.2

RESIDENTIAL PERMIT TRENDS: GRAND TRAVERSE COUNTY
2000 - 2025

Year	Grand Traverse County			Garfield Charter Township/City of Traverse City						Remainder of County					
	Total	Single Family	Multi-Family	Total	Percent of County	Single Family	Percent of County	Multi-Family	Percent of County	Total	Percent of County	Single Family	Percent of County	Multi-Family	Percent of County
2000	979	604	375	477	48.7	122	20.2	355	94.7	502	51.3	482	79.8	20	5.3
2001	638	533	105	171	26.8	109	20.5	62	59.0	467	73.2	424	79.5	43	41.0
2002	686	609	77	108	15.7	108	17.7	0	0.0	578	84.3	501	82.3	77	100.0
2003	776	704	72	113	14.6	113	16.1	0	0.0	663	85.4	591	83.9	72	100.0
2004	968	692	276	255	26.3	103	14.9	152	55.1	713	73.7	589	85.1	124	44.9
2005	1,163	727	436	511	43.9	138	19.0	373	85.6	652	56.1	589	81.0	63	14.4
2006	703	560	143	190	27.0	94	16.8	96	67.1	513	73.0	466	83.2	47	32.9
2007	351	299	52	68	19.4	36	12.0	32	61.5	283	80.6	263	88.0	20	38.5
2008	237	223	14	66	27.8	66	29.6	0	0.0	171	72.2	157	70.4	14	100.0
2009	202	154	48	44	21.8	20	13.0	24	50.0	158	78.2	134	87.0	24	50.0
2010	181	168	13	43	23.8	43	25.6	0	0.0	138	76.2	125	74.4	13	100.0
2011	283	207	76	43	15.2	35	16.9	8	10.5	240	84.8	172	83.1	68	89.5
2012	273	252	21	48	17.6	45	17.9	3	14.3	225	82.4	207	82.1	18	85.7
2013	393	356	37	75	19.1	72	20.2	3	8.1	318	80.9	284	79.8	34	91.9
2014	384	330	54	43	11.2	43	13.0	0	0.0	341	88.8	287	87.0	54	100.0
2015	447	362	85	77	17.2	45	12.4	32	37.6	370	82.8	317	87.6	53	62.4
2016	606	434	172	198	32.7	66	15.2	132	76.7	408	67.3	368	84.8	40	23.3
2017	574	449	125	170	29.6	70	15.6	100	80.0	404	70.4	379	84.4	25	20.0
2018	661	385	276	144	21.8	72	18.7	72	26.1	517	78.2	313	81.3	204	73.9
2019	538	346	192	253	47.0	77	22.3	176	91.7	285	53.0	269	77.7	16	8.3
2020	467	343	124	120	25.7	60	17.5	60	48.4	347	74.3	283	82.5	64	51.6
2021	553	373	180	213	38.5	69	18.5	144	80.0	340	61.5	304	81.5	36	20.0
2022	711	376	335	105	14.8	105	27.9	0	0.0	606	85.2	271	72.1	335	100.0
2023	619	282	337	36	5.8	36	12.8	0	0.0	583	94.2	246	87.2	337	100.0
2024	883	353	530	36	4.1	36	10.2	0	0.0	847	95.9	494	139.9	353	66.6
2025 ⁽¹⁾	526	462	64	32	6.1	32	6.9	0	0.0	494	93.9	430	93.1	64	100.0
Annual Average															
2000 - 2025	553	399	154	126	22.9	68	17.0	59	38.2	426	77.1	331	83.0	95	61.8

⁽¹⁾ Preliminary estimate YTD December 2025.

PROJECTS IN PLANNING: GRAND TRAVERSE COUNTY MARKET AREA

Municipality/ Proposed Development	Builder/Developer	Number of Units ⁽²⁾							
		Status	Total	Single Family	Duplex	Townhome	Condo	Apartments	
								Garden/MR	BTR
Kingsley, MI									
Northshore Madison Avenue west of Elm Street	John Haskins	IP	34	34	---	---	---	---	---
Paradise Meadows East M113 and Cougar Trail	J.E. Tiffany & Associates LLC	Approved	96	---	66	30	---	---	---
Traverse City, MI									
Cityview Eighth Street and Lake Avenue	Traverse City Housing Commission	CS	50	---	---	---	---	50	---
TBD 1200 Ramsdell Street	Keel Capital	CS	36	---	---	18	18	---	---
TBD NWC East State and Cass Streets	Homestretch Non-Profit Housing	IP	44	---	---	---	---	44	---
TBD 1032 Woodmere Avenue	Keen Technical Solutions	Approved	38	---	---	---	---	38	---
TBD 2105 North US 31-South	Keel Capital	Approved	149	---	---	---	---	149	---
The Continental 207 Grandview Parkway	J.S. Capital Group	UC	15	---	---	---	---	15	---
Corner's Crossing 753 Deronda Drive	Wallick Communities	UC	192	---	---	---	---	192	---
	Total Potential Units:⁽³⁾	---	654	34	66	48	18	488	---

⁽¹⁾ As of February 2026; excludes designated income-qualifying/affordable, congregate senior, supportive living and/or mobile home units.

⁽²⁾ Status Key: Concept Stage (CS); In Planning Review (IP); Infrastructure/Site Improvements (INF); Permits Issued/Under Construction (UC).

⁽³⁾ Total excludes developments where product distribution has yet to be determined.

DEVELOPMENT PROFILE SUMMARY: REPRESENTATIVE NEWER GARDEN/MIDRISE APARTMENTS
 -- TRAVERSE CITY - FEBRUARY 2026 --

Attribute					
Project Name Location Year Built Units Project Type/Number of Floors Average Unit Size Average Posted Base Rent Average Rent/Sq. Ft.	EAGLE RIDGE TRAVERSE CITY, MI 2024 300 GARDEN / 3 FLOORS 891 \$1,675 \$1.88	LEGENDS MORGAN FARMS TRAVERSE CITY, MI 2023 266 GARDEN / 3 FLOORS 961 \$1,914 \$1.99	WEST END LOFTS TRAVERSE CITY, MI 2023 91 MIDRISE / 4 FLOORS 951 \$2,610 \$2.74	BREAKWATER TRAVERSE CITY, MI 2020 78 MIDRISE / 3 FLOORS 733 \$1,963 \$2.68	CHELSEA PARK WEST TRAVERSE CITY, MI 2020 240 GARDEN / 3 FLOORS 906 \$2,350 \$2.59
PARKING / UTILITIES / INCREMENTAL FEES					
Parking⁽¹⁾ Structured Assigned/General Shared Car/Charging Station Attached/Detached Garage Carport/Surface Assigned/Surface-Open Utilities^(1,2) Water/Refuse Collection Gas Electric Internet / Cable Valet Trash Premiums⁽¹⁾ Floor View Other Fees⁽¹⁾ Administrative/Application Security Deposit Amenity/Community Fee Pet Deposit/Pet Rent Storage: Central / Bike	NA / NA NA / NA NA / \$130 NA / NA / INCL \$35 / \$25 NA TENANT TENANT / TENANT NA VARIES VARIES \$300 / \$75 \$500 TBD \$300 / \$40 NA / NA	NA / NA NA / OPT \$160 / \$140 BNDL / NA / INCL BUNDLE: \$265-305 BNDL TENANT BNDL / BNDL BNDL VARIES VARIES \$200 / \$60 \$750 - ONE MONTH NA \$350 / \$40 NA / INCL	\$125 / NA NA / NA NA / NA NA / NA / NA \$33 / \$28 NA TENANT BNDL: \$75 BNDL VARIES VARIES NA / \$30 \$500 NA \$250 / \$35 NA / INCL	\$85 / NA NA / INCL NA / NA NA / NA / NA TENANT / TENANT NA TENANT TENANT / TENANT NA VARIES VARIES \$200 / \$75 \$1,500 NA \$250 / \$50 NA / INCL	NA / NA NA / OPT NA / NA BNDL / NA / INCL BUNDLE: \$30 / \$20 NA TENANT TENANT / TENANT BNDL VARIES VARIES \$200 / \$75 \$750 - \$1,500 NA \$350 / \$40 NA / INCL
STANDARD FEATURES AND COMMUNITY AMENITIES					
Interior Features⁽¹⁾ Flooring: Common / Bedroom Kitchen Appliances/Washer-Dryer Kitchen Counters / Flooring Bath Counter / Flooring Patio / Balcony Community/Building Amenities⁽¹⁾ Package Room / Other Clubroom / Kitchen Fitness Center / E-Lounge Business Center / Media Room Doorman / Concierge / Security Gate Playground / Sport Court / Game Room Garden or Roof Terrace Fireside Lounge / Grill Area Swimming Pool Pet Park / Grooming Station	CRPT / CRPT SS / UNIT QUARTZ / FX WOOD QUARTZ / FX WOOD INCL INCL / SMART TECH INCL / SERVICE INCL / INCL NA / NA NA / NA / NA NA / NA / NA INCL INCL / INCL OUTDOOR NA / NA	FX WOOD / FX WOOD SS / UNIT QUARTZ / FX WOOD QUARTZ / FX WOOD OPT INCL / NA INCL / SERVICE INCL / INCL INCL / NA NA / NA / NA INCL / NA / INCL INCL NA / INCL OUTDOOR INCL / NA	FX WOOD / CRPT SS / UNIT QUARTZ / FX WOOD QUARTZ / FX WOOD INCL INCL / RETAIL INCL / SERVICE INCL / INCL NA / NA NA / NA / NA NA / NA / NA INCL INCL / INCL NA NA / INCL	CONCRETE / CONCRETE SS / UNIT QUARTZ / CONCRETE QUARTZ / CONCRETE INCL INCL / RETAIL INCL SERVICE INCL / INCL INCL / NA NA / NA / NA NA / NA / NA INCL INCL / INCL NA INCL / INCL	FX WOOD / CRPT SS / UNIT QUARTZ / FX WOOD QUARTZ / FX WOOD INCL NA / NA INCL / SERVICE INCL / INCL INCL / NA NA / NA / NA INCL / NA / NA INCL INCL / INCL OUTDOOR INCL / NA
⁽¹⁾ Indicates incremental monthly fee as applicable.					
⁽²⁾ Assumes tenant responsible for all utilities as standard unless otherwise indicated.					

Source: Tracy Cross & Associates, Inc.

CURRENT COMMERCIAL / RETAIL / RESTAURANT / SERVICE ALIGNMENTS

A7

-- KINGSLEY TRADE AREA --

User	Retail/Restaurant/ Service Category	Class Level of Space
Advance Auto Motors & Parts	Auto Services	B
Kent's Garage	Auto Services	C
MDS Automotive	Auto Services	B
Paul's Auto & RV	Auto Services	C
Quinn's Auto Clinic	Auto Services	B
Shamrock Salvage	Auto Services	C
SSI Subie Specialists	Auto Services	B
Thirlby Auto Parts	Auto Services	C
Pitter Patter Preschool & Childcare	Child Care	B
The Village Café	Dining - Café/Coffee/Ice Cream	C
A Papanos Pizza	Dining - Casual Restaurant	C
J&S Hamburg	Dining - Casual Restaurant	B
Papa John's	Dining - Fast Casual	B
Subway	Dining - Fast Casual	B
Kingsley Local Brewing	Dining - Pub/Tavern/Sports Bar	B
Dollar General	Discount Retail	B
Forest Area Federal Credit Union	Financial - Banking	B
Huntington Bank	Financial - Banking	B
H&R Block	Financial - Services	B
Grit Shop	Fitness/Gym	B
Beacon Cremation & Funeral	Funeral Services	B
Mobil / E2 Mart	Gas Station	C
Northland Speed Mart	Gas Station	B
Sunoco	Gas Station	D
Northland Foods	Grocery Store	B
Peaceful Touch Massage	Hair and Beauty	C
Kingsley Building Supply	Home Improvement	B
Kingsley Lumber	Home Improvement	C
Collins & Associates	Insurance Services	B
Chickadees	Medical / Dental	B
Crystal Lake Health Center	Medical / Dental	B
Dentistry	Medical / Dental	C
K Town Youth Health Center	Medical / Dental	C
Kingsley Family Vision	Medical / Dental	B
Kingsley Physical Therapy	Medical / Dental	B
Stag Dental	Medical / Dental	B
Kingsley Dance Co.	Performance Arts	B
Brookside Veterinary Hospital	Pet Services	B
Kingsley Pharmacy	Pharmacy	C
Fischer LP Gas	Specialty Retail	B
Life Saver Ignition Interlock	Specialty Retail	C
Redefined Antiques	Specialty Retail	C
Scheck Sign Systems	Specialty Retail	C
Southern Charm Consignment Boutique	Specialty Retail	C
T&T Floral	Specialty Retail	B
Absolute Building Solutions	Specialty Services	B
Anytime Restoration	Specialty Services	B
Bob Mitchell & Associates	Specialty Services	B
Give Em A Brake Safety	Specialty Services	B
Michigan Tool Technology	Specialty Services	B
Patriot Metals	Specialty Services	C
Springfield Roofing	Specialty Services	B
Springfield Transport & Trucking	Specialty Services	C
The Rock of Kingsley	Specialty Services	B
Todd's Services Traverse City	Specialty Services	B
Certified Storage	Storage	B
Kingsley Self Storage	Storage	B

Source: Tracy Cross & Associates, Inc.

GENERAL LIMITING CONDITIONS

Tracy Cross & Associates, Inc. has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with developers and their agents, government officials, and other third parties. Although Tracy Cross & Associates, Inc. believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information provided by third parties.

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