Executive Summary

In January of 2004, a team of undergraduate and graduate students in the Urban Planning Practicum class (UP 494/894) were approached by the Delray United Action Council, on behalf of the Delray United Housing Corporation, to conduct a market analysis and feasibility study for 20-25 low to moderate income homes for an area in Southwest Detroit, Michigan. The findings and recommendations presented in this report are intended to be used as an understanding of the demand for low-income housing in the market area, as a means to encourage future investment and redevelopment, as well as to attract families and homebuyers to the market area. The purpose of a housing market analysis is to identify the specific factors in the market area that are affecting demand for single family homes, review the existing and potential development of homes, and reconcile the demand and supply to adjudge the potential market for the development of 20-25 single family homes. The market area was identified as comprising of two census tracts, including tract 5213 and tract 5221. In addition, the report presents findings based upon a market area neighborhood assessment, as well as an assessment of two adjacent communities of Corktown and Mexicantown. By assessing the existing market area with two adjacent communities, the report helps in providing a benchmark for comparison and encourages redevelopment based upon the successful growth and programmatic initiatives being undertaken in the adjacent communities.

Procedure

A preliminary analysis of the market area, including collecting pertinent demographic and socio-economic data, conducting a drive time and transportation access evaluation, and assessing neighborhood conditions, provided the practicum team with a foundation from which to begin the analysis of the report. After consultation with the client, evaluating the adjacent competitive communities, and by completion of an evaluative drive assessment, the delineation of the market area was determined to comprise of census tracts 5213 and 5221, which provided a base for the housing market analysis and the neighborhood assessment. A neighborhood conditions assessment was also conducted for the adjacent communities of Corktown and Mexicantown, specifically evaluating the key variables that have stimulated residential and commercial growth in these communities. The housing market analysis helped to identify the team's conclusions and recommendations regarding demand for the proposed single-family low-income development. In addition, the market area and the adjacent communities assessment help develop benchmarks and recommendations for the subject area and encourage redevelopment activities.

Findings

- Coordinating the results and findings of the housing market analysis, suggests that the market area currently has a weak demand for single-family low-income homes. In fact, there is an over-supply of homes in the market area, and in particular, there are several new competing single-family developments being planned within the market area adding to the supply. For the market area to sustain any new housing developments, the proposed single family homes should
cater to residents outside the market area, as the current and projected population decline will not sustain the new homes. The proposed housing development would also be competing with existing and potential rental units, as rentals are in the direct price affordability range of residents in the area.

- The evaluative findings from the market area neighborhood assessment reveal that the current conditions of the neighborhood are not conducive to attracting residents to the community. The existing housing conditions, efficacy of the educational institutions, recreational facilities, neighborhood walkability, access to transportation, and retail and commercial opportunities for the residents are currently less than optimal.

- The adjacent communities review provides a benchmark and encouragement for development. The communities of Mexicantown and Corktown have benefited from strong community centers and institutional gathering places, retail and residential growth, that is fueled by the influx of the Hispanic immigrants and people wishing to live in vibrant communities close to downtown Detroit. Aiding the revitalization is the unique sense of community and character these areas have, including thriving retail/commercial districts, a variety of housing choices and a diverse population base.