



# Detroit Midtown Area Housing and Retail Report Table of Contents

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## **Detroit Midtown Area Housing and Retail Report September 2003**

### **Section 1 Introduction/Executive Summary**

This study identifies the existing residential and retail market throughout Detroit's Midtown Area. For purposes of this study, the approximate boundaries of the Midtown Area are the Ford Freeway to the North, the Chrysler Freeway to the East, the Fisher Freeway to the South and the Lodge Freeway to the West; the area is approximately 2 miles north of the Detroit river, adjacent to the Theatre and Stadia Districts and just South of New Center.

A core premise underlying the housing strategy for Wayne State University is the vision and goals of the University to: 1) Create a strong and vibrant campus community, 2) Improve the quality of service to students, faculty and staff, and 3) Enhance the physical environment and infrastructure of the Campus. The urban context in which the University is located is undergoing a revitalization that encompasses residential, commercial, institutional and retail development. The University clearly plays a vital role as a primary catalyst for this rebirth. First, a goal of 45,315 student, faculty and staff represents a sixteen percent increase from today's Midtown Detroit campus population. A second goal is to increase the resident population fivefold, coincidentally accommodating 5,000 additional students, faculty and staff, combined, on a campus more balanced as "both a community and a commute." The expected population growth will commensurately impact the scale of the University's physical plant, while the increase in residential life will dramatically transform the essential nature, the ethos, of the Midtown Detroit campus and the surrounding neighborhood.

Midtown is in the center of the employment, cultural and educational forces of Detroit. Sixteen of Detroit's largest employers are located nearby. Wayne State and other educational and cultural institutions individually and through the UCCA consortium have unmatched financial and political strength. Within a 1 ½ mile radius are more than 5,000 housing units. While the majority have been rental for the past 40-50 years, the marketplace is changing. There are currently more than 1,400 units of housing planned for the area, 58% of which will be for sale housing at an expected average price of \$212,000. Clearly people feel comfortable investing their savings in housing in the Midtown area. Affordability remains an issue. Even with historically low interest rates \$200,000 plus mortgages remain beyond the financial capability of many people.

Midtown has a multitude of independently operated commercial/retail establishments. The area is known for a core of long standing restaurants. National chains are beginning to locate in the area. Recent surveys indicate additional demand for financial, drug, grocery and restaurant opportunities. Cultural, educational and medical entities have recently invested more than \$700 million to upgrade and expand their facilities. They remain the foundation of the community.



## Section 2 Detroit Midtown Area

Midtown is the cultural core of Metropolitan Detroit. A major resource for Detroit, the state of Michigan and the Midwest region, Midtown is widely recognized for its premier arts, education, and health care institutions. Midtown represents approximately 2 square miles within the 5 square mile Greater Downtown Area, midway from the Detroit River to New Center.

The Greater Downtown Area is home to the world headquarters of General Motors Corporation, Compuware Corporation, Little Caesars, Comerica Bank and DTE Energy. Considerable housing and retail growth is expected in Greater Downtown Detroit in the next 10 years. Forecasts suggest an increase of 10,000 new housing units and a demand for 500,000 square feet of retail space (UCCA 2003). The Midtown Area, which is anchored by Wayne State University and home to the region's cultural institutions, is poised to be the recipient of a substantial amount of this growth. Wayne State University is one of the largest graduate schools in the country, ranking among the top ten nationally. Excellence in academics and research has made Wayne State an internationally recognized institution. Research expenditures top \$180 million annually, placing Wayne State University among the top fifty public universities in the nation, according to the National Science Foundation.

### Wayne State University



**Midtown** is home to the Detroit Institute of Arts, the Main Detroit Public Library, Detroit Historical Museum, Wayne State University, the Detroit Science Center, C.H. Wright Museum of African American History, Children's Museum, College for Creative Studies, Detroit Medical Center, Detroit Symphony Orchestra Hall and Masonic Temple to name a few major Midtown attractions. The Midtown area attracted approximately 2 million visitors in 2002.

### Detroit Public Library



Over \$700 million has been invested in the Midtown Area over the last five years. The investments include multiple new buildings at Wayne State University; major additions to Orchestra Place, Detroit Institute of Arts, Detroit Science Center, and the College for Creative Studies; construction of a new Detroit Public High School for Performing Arts; and capital improvements to four of the Detroit Medical Center Hospitals and affiliated



facilities. In addition, a combination of historic rehabilitation and new construction increases the residential base each year.

### **Brush Park Historic**

Midtown is also known for several historic districts. Many prominent people, such as J.L. Hudson of the J.L. Hudson Company, and lumber baron David Whitney Jr., lived here. Numerous beautiful homes erected at the turn of the century still stand today.

These nationally, state or locally recognized districts give unique character and stability to the neighborhoods, improve property values, add to the City's beauty, preserve heritage and strengthen the local economy.



### **Cultural Center Historic District**

The Brush Park Historic District, Cass Farms Historic District, Cultural Center Historic District, E. Ferry Street Historic District, E. Kirby Historic District, Peterboro-Charlotte Historic District, Sugar Hill Historic District, Wayne State University Historic District, and Woodward East Historic District each contributes to the diversity of architecture styles and enrich the City of Detroit. They provide the community with a variety of aesthetically pleasing structures as well as a sense of the City's history.



### **Detroit Historical Museum**

The Detroit Historical Museum offers the widest range of exhibits and educational programs, and attracts the greatest number of visitors. At the Museum, visitors walk through time in The Streets of Old Detroit with shops from the 1840s, 1870s and 1900s. They can glimpse the city's role in the Underground Railroad in the Doorway to Freedom exhibit. The Museum's educational programs reach thousands of school children annually.





## Section 3 Demographics

### *Local Demographic & Economic Information*

Detroit is the second largest city in the Midwest, second only to Chicago. The largest city in Michigan, it is also the 10<sup>th</sup> largest city in the United States, and has the 8<sup>th</sup> largest metropolitan area in the country.

As of 2001, the City of Detroit has a population of 908,485 (U.S. Census Bureau). This makes up 43.5% of Wayne County's 2,012,920 people. Macomb and Oakland counties have populations of 791,122 and 1,184,866, respectively. Detroit's population represents 23% of the entire Wayne, Oakland, and Macomb county population that is recognized as the economic engine of the state of Michigan.

The proportion of graduate students at Wayne State University grew from 27 percent of the student body in 1980 to 41 percent in 2000, that growth was primarily realized from 1980 to 1990. The University's graduate/undergraduate ratio is relatively high within its peer group.

#### **Income**

The mean family income in the City of Detroit is \$46,733. For the Macomb, Oakland and Wayne tri-county area, the mean family income is \$72,910.

#### **Education**

More than 90 percent of the University's student body maintain Michigan residency and most of these students permanently reside in the tri-county area of Southeastern Michigan. The areas in which many of Wayne State's population live have average levels of education compared to the United States as a whole. Of all people over the age of 25 in the United States, 81% have a high school diploma, 24% have bachelor's degrees, and 9% have graduate or professional degrees. In Wayne County, 79% have high school diplomas, 18% have bachelor's degrees and 7% have graduate or professional degrees. Macomb County's educational levels are close to those of Wayne County, while Oakland County has even higher education levels, with 90% having high school diplomas, 40% having bachelor's degrees and 17% having graduate or professional degrees.



	<b>High School Diploma</b>	<b>Bachelor's Degree</b>	<b>Graduate/Professional Degree</b>
<b>United States</b>	81%	24%	9%
<b>Wayne County</b>	79%	18%	7%
<b>Macomb County</b>	86%	19%	6%
<b>Oakland County</b>	90%	40%	17%
<b>Detroit</b>	70%	13%	5%

Source: US Bureau of Labor Statistics

## **Employment & Industry**

As of May 2003, Detroit has a civilian labor force of 396,075 people. Of this group 343,200 people are employed and 52,875 are unemployed. The employment rate is 86.7%.

Wayne County has a civilian labor force of 939,850. Of this group 863,175 people are employed and 76,675 are unemployed. The employment rate is 91.8%. Similar to Detroit, the employment rate was much higher three years ago in May 2000. At that time, the employment rate in Wayne County was 96.5% with a labor force of 961,750.

### ***Leading Types of Occupations***

Management, Professional, and Related Occupations make up 33.1% of jobs. Sales and Office Occupations relate to the second largest proportion of jobs at 26.3%.

The top industry is Manufacturing, providing 22.6% of jobs; Educational, Health and Social Services provide 18.4% of jobs. (BLS)

Detroit is internationally known for automobile manufacturing and trade. The world headquarters of General Motors Corp., Ford Motor Company, and the North American headquarters of DaimlerChrysler and Volkswagen are located in metro Detroit. The area is a leader in the production of paints, non-electrical machinery and automation equipment, as well as pharmaceuticals, rubber products, synthetic resins and garden seed. Other national and international corporations headquartered here include Compuware Corporation, Lear Corporation, Johnson Controls, Delphi, Visteon, Masco Corporation, Arvin-Meritor, The Budd Company, Kelly Services, Federal Mogul and Kmart, plus pizza giants Hungry Howie's and Little Caesars. These companies employ more than 2 million metro Detroiters.

### ***Leading Employers***

Of Detroit's 25 largest employers, ranked by full-time employees, 16 are located in walking distance of the Midtown area. The Detroit Medical Center and Detroit Public Schools are located in the heart of the Greater Downtown area and employ 12,395 and 20,050 respectively.



Based on the above information, it can be approximated that 19% of Detroit's civilian labor force works in walking distance of the Midtown area. The map below displays the major employers by number of employees.

### MAP OF DOWNTOWN DETROIT'S LARGEST EMPLOYERS

**Custom Territories**

Greater Downtown Detroit

**Detroit's Largest Employers**

- 16,500 to 22,000
- 11,000 to 16,499
- 5,500 to 10,999
- 1,100 to 5,499

The following table lists the largest employers in downtown Detroit by number of full-time employees in descending order.



<b>EMPLOYER</b>	<b># OF EMPLOYEES</b>
Detroit Public Schools	20,050
City of Detroit	19,000
Detroit Medical Center	12,395
U.S. Government	11,851
Henry Ford Health System	7,718
General Motors Corporation	7,401
State of Michigan	6,793
U.S. Postal Service	6,362
Wayne State University	5,857
Wayne County	4,444
DTE Energy Co.	3,666
MotorCity Casino	3,016
MGM Grand Casino	2,600
Greektown Casino	2,500
Comerica Inc.	2,170
Bank One, Michigan	1,100





## Neighborhood Demographics



In the five census tracts composing the Midtown area, demographic trends suggest a young and growing population.

The total population in Midtown increased by 10% from 1990 to 2000. At the same time, the number of persons over age 65 decreased by 25%.

Persons aged 25 to 44 remain the largest group in all five tracts, representing 37% of the population.

## Collaborative Neighborhood Support

### Detroit Institute of Arts



The Midtown Detroit area has unmatched community involvement. The University Cultural Center Association (UCCA) is a consortium of more than eighty cultural, academic, medical, service, business and neighborhood organizations. Entities as large as Wayne State and as small as the Detroit Artists' Market pool their talent in support of the community through the UCCA, offering interactive programs throughout the year.



The UCCA and numerous foundations, corporations and churches have invested millions of dollars in support of cultural, community and economic development. Two of the largest supporters are the Hudson-Webber Foundation and the Kresge Foundation.

**The UCCA's annual Noel Night brought thousands of visitors in 2002**



**UCCA**

Since 1976, the UCCA has supported the physical maintenance and development of the area and enhanced public awareness, appreciation and use of Midtown Detroit. The UCCA promotes area housing through its "Discover City Living" housing referral guide and website: <http://www.detroitmidtown.com/midtownhousing.shtml>.

The Detroit Festival of the Arts and Noel Night are two events produced by the UCCA that bring hundreds of thousands of visitors to Midtown each year. UCCA's tracking of economic development shows more than \$1 billion invested in the area over the last ten years.

**Hudson-Webber Foundation**

Founded in 1939, the Hudson-Webber Foundation is committed to improving the vitality and quality of life of the metropolitan Detroit community. During the last three years the Foundation distributed grants totaling \$18.5 million. The Foundation has a particular interest in the revitalization of the urban core of the City of Detroit. This area is a focus for community activity and pride, and is of importance to the vitality of the entire metropolitan community. In 2000 and 2001, the Foundation gave \$1.5 million to the From the Ground Up Campaign, a public/private cooperative effort to improve housing and commercial development in Detroit neighborhoods.

The physical revitalization of the central City is a main focus of the Foundation. Hudson-Webber has supported the capital campaigns of the Detroit Institute of Arts, Orchestra Hall, the Detroit Science Center, Detroit Historical Museum, the Museum of African American History, the College for Creative Studies, the University Cultural Center Association, Wayne State University and many more, all in the Midtown area. In addition, Hudson-Webber has established the Woodward Corridor Development Fund to help encourage development of quality housing in the Woodward Corridor. More than \$1 million in loans have recently leveraged more than \$35 million of new housing development in the area.

**Kresge Foundation**

The Kresge Foundation was created in 1924 by Sebastian S. Kresge to "promote the well-being of mankind." The Foundation provides grants to strengthen charitable organizations. In addition, the Kresge Foundation has a Detroit Initiative program which supports public/private projects that make Detroit a better place in which to work and live. During 2003 Kresge made the largest commitment ever by providing a series of challenge grants totaling up to \$50 million for the Detroit River Walk and Riverfront Conservancy. In addition, Kresge has been a major contributor to the Karmanos



Cancer Institute, the Detroit Institute of Arts, the Detroit Science Center, Wayne State University and others in the Midtown Area as well as throughout the City.

## Section 4 Existing Midtown Housing

### On-Campus Housing

#### Number of Units

Wayne State University provides 1,331 housing units, primarily to students, in 8 different properties. University Housing consists of both new and historic properties. The 25 units in Sherbrooke Apartments, built in 1925, are the oldest. Chatsworth Tower and Chatsworth Annex, built in 1929, comprise 117 units. Helen L. DeRoy, the first residence hall added 258 units in 1972. Forest Apartments (211 units) opened in 1975. University Tower brought 300 graduate student apartments to the Campus in 1996. North Hall and South Hall were completed in the Fall of 2002 and 2003, respectively, adding 420 units to on-campus housing for undergraduates. The map below displays the 8 University Housing properties in relation to the Midtown Detroit area.

### On-Campus Housing

Two new dormitory facilities, totaling 420 units and 835 beds, have been constructed on Anthony Wayne Drive to support the demand for undergraduate housing on the Main Campus.

On September 25, 2003 the University solicited bids for Design Services to construct a third Residence Hall to accommodate between 600 and 800 beds, including food service and retail within the building. Construction is anticipated to begin spring 2004 with completion for the fall term of 2005





The following table gives a breakdown of the distribution of these units.

<u>Property</u>	<u>Studios</u>	<u>1 BR, 1 Bath</u>	<u>2 BR 1 Bath</u>	<u>2 BR, 2 Bath</u>	<u>3 BR, 2 Bath</u>	<u>Total</u>
Chatsworth Tower	17	52	16	0	0	<b>85</b>
Chatsworth Annex	0	2	30	0	0	<b>32</b>
Helen L. DeRoy	58	113	87	0	0	<b>258</b>
Forest Apartments	0	69	142	0	0	<b>211</b>
Sherbrooke Apartments	6	19	0	0	0	<b>25</b>
University Tower	0	60	0	180	60	<b>300</b>
North Hall	190	0	0	0	0	<b>190</b>
South Hall	230	0	0	0	0	<b>230</b>
<b><u>Total</u></b>	<b>501</b>	<b>315</b>	<b>275</b>	<b>180</b>	<b>60</b>	<b>1,331</b>



**Helen DeRoy Apartments**



**Chatsworth Annex**



**Sherbrooke Apartments**



## **Size of Units**

The table below provides a summary of the square footage of University housing. Compared to off-campus housing, on-campus units tend to be smaller on average. This is especially true for the 2 bedroom, 1 bathroom units. The square foot range for off-campus 2 bedroom/1 bathroom units is 550-2400 square feet. For this type of unit on-campus, the average of 517 is not even in the off-campus range. This size difference is largely the result of on-campus design targeted toward a “sharing oriented” student population and off-campus units designed for a wider market, including families.

	<b><u>New Dorms</u></b>	<b><u>Studio</u></b>	<b><u>1 BR, 1 Bath</u></b>	<b><u>2 BR, 1 Bath</u></b>	<b><u>2 BR, 2 Bath</u></b>
<b><u>On-campus Average Square Feet</u></b>	<b>260</b>	<b>428</b>	<b>603</b>	<b>517</b>	<b>1039</b>
<b><u>On-campus Square Foot Range</u></b>	<b>260</b>	<b>300 - 551</b>	<b>325 - 797</b>	<b>450 - 850</b>	<b>1039</b>
<b><u>Off-campus Sq. Ft. Range</u></b>	<b>N/A</b>	<b>200 - 925</b>	<b>357 – 1,100</b>	<b>550 - 2400</b>	<b>900 – 1,800</b>

## **Price**

On-campus prices vary by unit type and by property. The following table gives a summary of on-campus price ranges and averages compared to off-campus rates. Dorm prices include a 19 meal per week plan.

Off-campus housing prices are similar for most types of units to on-campus prices but present a wider range because of the greater range of product by size, age, quality and amenities.



	<b>Dorm Rooms Including 19 Meals per Week</b>	<b>Studios</b>	<b>1 BR, 1 Bath</b>	<b>2 BR, 1 Bath</b>	<b>2 BR, 2 Bath</b>
<b>On-campus Average Price</b>	<b>\$813</b>	<b>\$576</b>	<b>\$700</b>	<b>\$645</b>	<b>\$1021</b>
<b>On-campus Price Range</b>	<b>\$813</b>	<b>\$320 - \$674</b>	<b>\$375 - \$880</b>	<b>\$486 - \$1038</b>	<b>\$994 - \$1048</b>
<b>Off-campus Price Range</b>	<b>N/A</b>	<b>\$295-\$975</b>	<b>\$325-\$1,300</b>	<b>\$400-\$1,085</b>	<b>\$400-\$1,625</b>
<b>Off-campus Average</b>	<b>N/A</b>	<b>\$453</b>	<b>\$570</b>	<b>\$687</b>	<b>\$924</b>

## Amenities

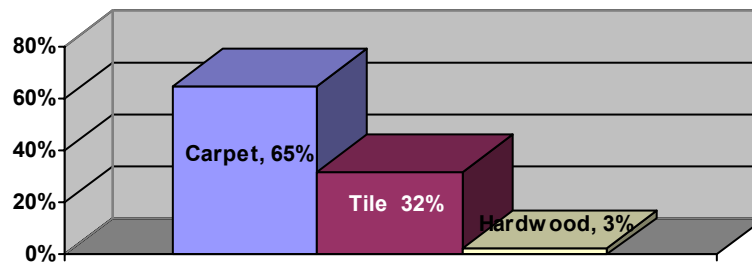
Several housing amenities are offered at on-campus residences. Various floor plans, laundry facilities, fitness facilities, security system, cable, parking and internet access are discussed below for all of the on-campus housing options.

### **Floor Covering**

Of on-campus housing, 65% or 866 units have carpet. 32%, or 420 units, have tile and only 3%, or 45 units, have hardwood floors.

Chatsworth Tower, Helen L. DeRoy, Forest Apartments, University Tower and part of Sherbrooke Apartments have carpet. North and South residence halls have tile floors, and Chatsworth Annex and part of Sherbrooke Apartments have hardwood floors.

The chart below gives a visual representation.





## Laundry Facilities



All University housing facilities provide on-site laundry facilities. Helen L. DeRoy and Forest Apartments provide laundry facilities on each floor.

## Fitness Area



The Recreation and Fitness Center, opened in September 2000, is located at the center of Campus, just steps away from the North and South Residence Halls. None of the on campus housing facilities provide their own fitness center.

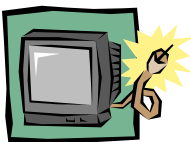


## Security



On-campus housing is locked 24 hours a day and is restricted to residents, University employees and registered guests. Apartment buildings have key access, except for University Tower which has card access. Residence Halls have a 24 hour reception desk and residents must use their card to enter the building. Room keys are provided for each unit.

## Cable Television



All University housing is cable-ready.

## Parking



All student parking lots are gate controlled on pay entry and free exit. Students/Faculty & Staff use their WSU OneCard to pay for parking. The fee for parking is \$3.00 per entry.



## **Internet Access**



As of fall 2003, all University housing will have high speed internet access. The University has a campus-wide fiber optics system.

## **Housing Benchmark Analysis**

In comparison with nine other large, generally urban, universities WSU provides substantially less on-campus housing. Of the 9 universities compared to Wayne State, an average of 27.4% of the undergraduate student population can be housed on campus, more than three times the 7.3% for which Wayne State currently provides housing. Wayne State University's Campus Master Plan aims to have a total of 6,000 beds by 2020. When this is achieved, Wayne State University will be able to provide housing for 19.3% of its students.





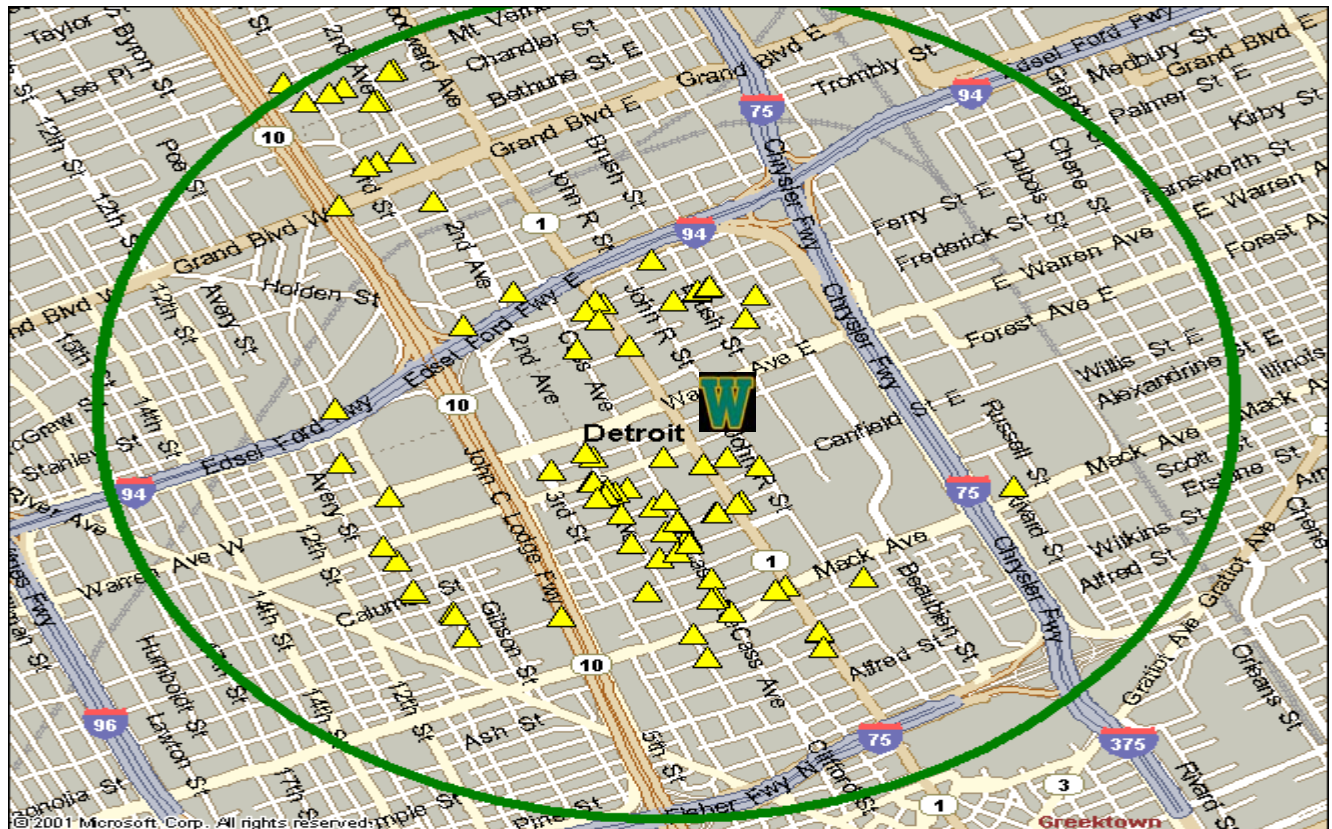
INSTITUTION	Undergraduate Students	Undergraduate On-Campus Housing	Percent of Beds to Students	Graduate Students	Campus Housing Units	Percent of Units to Students
Florida State University; Tallahassee, FL	24,019	4,000	16.65%	5,615	795	14.16%
Michigan State University; East Lansing, MI	35,197	11,220	31.88%	9,740	3,300	33.88%
Pennsylvania State University; University Park, PA	33,192	11,588	34.90%	4,910	814	16.58%
University of Arizona; Tucson, AZ	26,157	4,795	18.33%	8,170	0	0%
University of California; Los Angeles, California	24,000	6,000	25%	11,000	1,100	10%
University of Illinois; Urbana-Champaign, Illinois	27,889	8,700	31.20%	8,849	1,700	19.21%
University of Maryland; College Park, Maryland	24,776	8,000	32.29%	8,149	0	0%
University of Michigan; Ann Arbor, Michigan	24,015	8,720	36.30%	10,097	2,306	22.84%
University of Washington; Seattle, Washington	27,576	4,680	16.97%	9,974	1,335	13.38%
<b>AVERAGE</b>	<b>27,425</b>	<b>7,523</b>	<b>27.43%</b>	<b>7,877</b>	<b>1,261</b>	<b>16.01%</b>
<b>WSU</b>	<b>18,408</b>	<b>1,351</b>	<b>7.34%</b>	<b>12,760</b>	<b>675</b>	<b>5.29%</b>



## Off-Campus Housing

### Number of Units

Within a 1.5 mile radius from the center of the WSU campus approximately 4,275 off-campus housing units exist. This area is enclosed in the green circle in the map below. The triangles on the map indicate the location of off-campus housing options.



There is a wide variety of housing product, primarily rental, including studio apartments, 1 bedroom/1 bathroom units, 2 bedroom units with 1 to 2.5 bathrooms, 3 bedroom units with 1 to 3 bathrooms, 4 bedroom/2 bathroom units, and 5 bedroom/2.5 bathroom units.

The stability of the Midtown area, coupled with extensive institutional, cultural and corporate investment over the last ten years, has provided the foundation for residential developers to bring “for sale” product to the area.



## Price

### **Rental Rates**

Of the 4,275 units identified within 1 ½ miles from the center of Campus, 3,906 units are rental units in the marketplace. Based on market research data, rental rates have been calculated for each type of unit. Ranges and averages are provided per month and per square foot per month.

	<b>Studios</b>	<b>1 BR, 1 Bath</b>	<b>2 BR, 1-1.5 Bath</b>	<b>2 BR, 2-2.5 Bath</b>	<b>3 BR, 1-1.5 Bath</b>	<b>3 BR, 2-2.5 Bath</b>	<b>3 BR, 3 Bath</b>	<b>4 BR, 2 Bath</b>	<b>5 BR, 2.5 Bath</b>
<b>Monthly Rent Range</b>	\$295 - \$975	\$325 - \$1,300	\$400 - \$1,085	\$400 - \$1,625	\$725 - \$1,500	\$650 - \$1,500	\$1,500	\$511	\$1,400
<b>Average Monthly Rent</b>	\$453	\$570	\$687	\$924	\$903	\$925	\$1,500	\$511	\$1,400
<b>Per Square Foot Monthly Rent Range</b>	\$0.65 - \$1.69	\$0.60 - \$1.60	\$0.44 - \$1.32	\$0.44 - \$1.23	\$0.48 - \$1.00	\$0.53 - \$1.00	\$0.55	\$0.39	\$0.60
<b>Per Square Foot Average Monthly Rent</b>	\$1.12	\$0.93	\$0.82	\$0.78	\$0.72	\$0.65	\$0.55	\$0.39	\$0.60



## Purchase Prices

Approximately 378 units are currently under construction in the area. Purchase Price ranges and averages were calculated for each type of unit. These numbers are based on market data for those units available for sale.

	Condos & Town Homes	2 Bedroom, 1-2.5 Bathroom	3 Bedroom, 1-3 Bathroom	3 Bedroom, 2.5 Bathroom
<b>Purchase Price Range</b>	\$170,000 - \$309,990	\$149,900	\$195,000	\$299,000
<b>Median Purchase Price</b>	\$220,000	\$149,900	\$195,000	\$299,000
<b>Per Square Foot Purchase Price Range</b>	\$80.00 - \$154.85	\$106.43	\$96.50	\$100.00
<b>Per Square Foot Average Purchase Price</b>	\$130.21	\$106.43	\$96.50	\$100.00

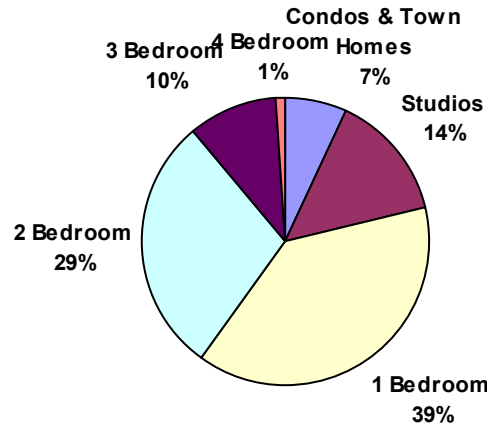
## Size of Units

The wide range of unit sizes and the approximate averages for different types of off-campus housing units are shown below. Averages are approximate because of the multitude of unit sizes and the lack of unit-by-unit data. One-bedroom and two-bedroom units make up 68 percent of the market. Condominiums and townhomes represent a small (7%) but growing market segment.

	Condos & Town Homes	Studios	1 BR, 1 Bath	2 BR, 1-1.5 Bath	2 BR, 2-2.5 Bath	3 BR, 1-1.5 Bath	3 BR, 2-2.5 Bath	3 BR, 3 Bath	4 BR, 2 Bath	5 BR, 2.5 Bath
<b>Square Foot Range</b>	1,100 – 3,000	200 – 925	357 – 1,100	550 – 2,400	900 – 1,800	1,000 – 2,100	800 – 3,000	2,700	1,300	2,300
<b>Average Square Feet</b>	1,434	400	610	995	1,159	1,588	1,477	2,700	1,300	2,300
<b>Percent of Market</b>	7%	14%	39%	22%	7%	6%	4%	0%	1%	0%



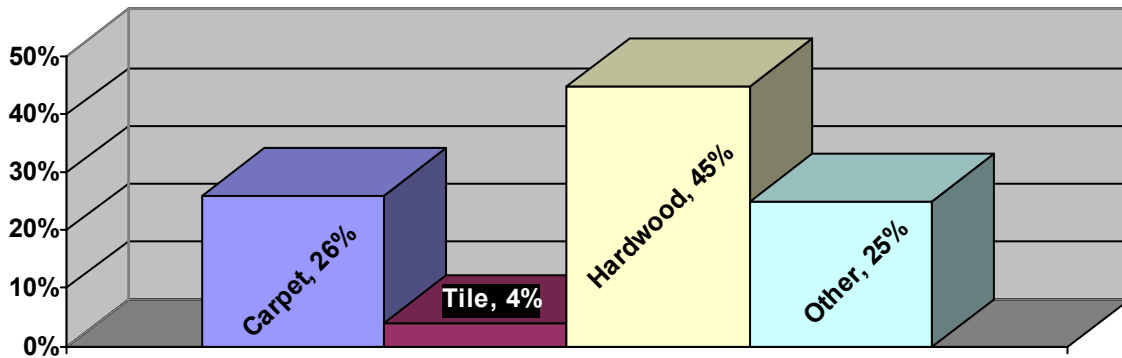
## Distribution by Type of Unit



## Amenities

### Floor Covering

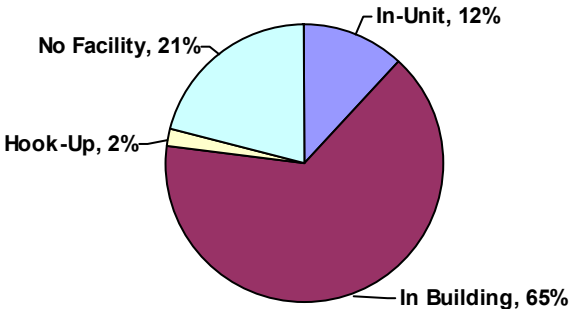
A sample of off-Campus housing properties indicated that 26% of the properties have all or substantially all carpeted floors, 45% have all or substantially all hardwood floors, 4% have tile, and 25% are other.





### Laundry Facilities

The majority of rental units are older structures that were built with shared laundry facilities in the building rather than in each unit.



### Fitness Area

Only 6% of the properties provide a fitness area in the form of an exercise room or a swimming pool. The properties that provide fitness centers include Cathedral Tower Apartments, Lester Morgan’s Cultural Gardens, the Park Shelton Apartments and Woodbridge Estates. Properties providing a swimming pool are the Belcrest Apartments, New Center Apartments, Research Park and Young Manor.

### Security

Virtually all properties have one or more levels of security. The security provided ranges from doorman, security camera, buzzer, intercom system to dead bolt locks.

### Cable Television

All of the newer properties have cable hook-ups. Overall 70% have cable; 30% of properties do not list this amenity. Generally, residents are responsible for the cost of subscribing to cable TV.



## **Internet Access**

Surveys show that internet access is one of the most demanded amenities in all types of housing. In a recent Wayne State University survey 77% of respondents indicated that it was important to have units wired for internet access. The next emerging trend is wireless internet access, commonly known as Wi-Fi, which enables multiple users to simultaneously connect to a signal.

## **Parking**

Parking is provided for no additional cost with 23% of properties in the Midtown Area. Parking includes one and two-car garages, private lots, and indoor assigned spots. 35%, the largest proportion of properties, provide parking for an additional monthly fee. The monthly fees range from \$15 to \$35. Available street parking is quoted at 20% of properties and 22% do not list any available parking, so street parking is presumably all that is available.

Based on current City of Detroit Building requirements new residential units are required to provide 1.25 parking spaces on site per unit.

## **Section 5 Planned Neighborhood Housing**

### ***Campus Housing***

The 2020 Campus Master Plan outlines Wayne State University's goal of increasing University housing to 6,300 beds. Housing development is planned for all campuses except the Athletic Campus. The University aims to keep new housing at low heights and densities and to provide amenities to ensure a high standard of livability. Apartment-style housing will be marketed toward graduate students, married students, faculty and staff. Dorm units are designed for entering undergraduate students.

The success of the Master Plan depends on private sector investment in residential development on and around the campus. It is the goal of the 2020 Master Plan to encourage development of a significant residential component on the Midtown Detroit campus attracting 9,000 students, faculty and staff to live in the campus vicinity.



## Off Campus Housing

There are numerous projects in various stages of development under way in the Midtown area. Developments for which plans have been announced total 838 for sale units at an expected average sales price of \$213,000 and 605 rental units at an average rental rate of \$1.10 per square foot. There are currently 378 for sale units and 169 rental units under construction. The Brush Park project represents 100 of the for sale units under construction and 500 of the 838 planned units. Brief descriptions of several developments can be found below.

<b><u>263 East Ferry</u></b>	<b><u>Palmer Redevelopment Project</u></b>	<b><u>Ferry Street Redevelopment Project</u></b>	<b><u>5724 Woodward</u></b>	<b><u>Garfield Block Residential Project</u></b>
Building renovation creating 2 condominiums	70 new housing units between John R and Brush. Units will be priced from \$120,000 to \$200,000.	Renovation of 6 historic buildings creating 15 rental units. Renovation of 2 buildings into 4 for-sale units. Future construction of 6 buildings with 21 for-sale units.	Renovation of historic building creating 6 New York-style lofts. Each loft will be about 1,400 square feet and will have a base price of \$170,000.	120 units of rental and for-sale housing. Renovation of 2 historic apartment buildings and new construction.

<b><u>Woodward Promenade</u></b>	<b><u>Woodward Place</u></b>	<b><u>Brush Park</u></b>	<b><u>The Carola Building</u></b>	<b><u>Lamar Buiding</u></b>
Phase I, a 954-car parking structure has just been completed. 170 rental units and 30 loft-style condominiums are planned.	Continued construction to create 700 new housing units. Condos average 1,800 square feet and have a base price of \$199,990 to \$309,990. Several historic homes are also being renovated for residential use.	150 condominium units. Units will range from Carriage House styles to single-family homes. Prices will be \$120,000 to \$400,000.	19 condominiums being renovated. Units prices range from \$145,000 to \$225,000.	Building to be renovated into 8 for-sale condominiums ranging from \$120,000 to \$195,000.





<u>Lancaster Building</u>	<u>Carlton Hotel</u>	<u>Villages of Woodward</u>	<u>University Lofts</u>	<u>Weber Block Redevelopment</u>
Building to be renovated into 12 for-sale condominiums with \$150,000 base price.	Hotel to be renovated into 69 apartment units.	100 condominiums with accompanying retail on two city blocks.	Renovation of historic building on Alexandrine 10 lofts of 3,000 sq. feet and garages. \$250,000 unit price.	Infill development and rehabilitation of multi-unit structures. Bounded by Woodward, Selden, Fourth and Canfield.

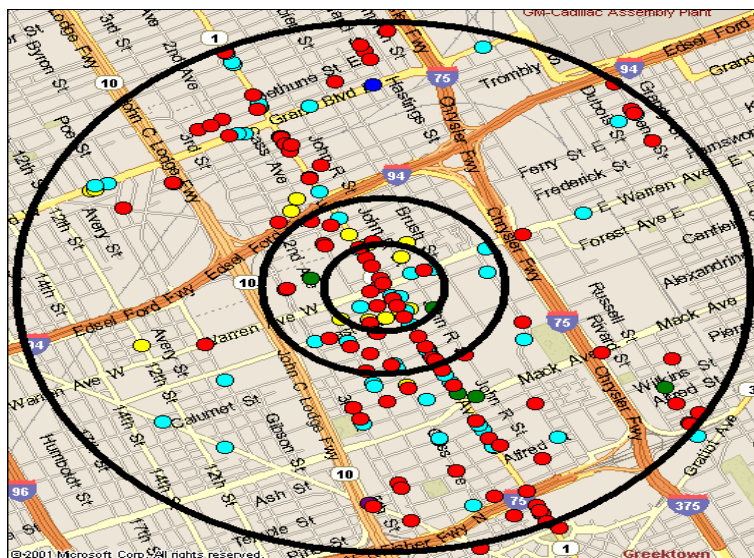
<u>449 West Willis</u>	<u>Brainard Street Project</u>	<u>Lofts at New Center</u>	<u>New Amsterdam Development Project</u>	<u>The Villas at Medbury Park</u>
Renovation of historic building to be converted into 6 residential units. 800 – 1,600 square feet.	124 rental units ranging from 1,000 to 1,200 square feet. Rental rates ranging from \$500 to \$700.	101 new for-sale lofts. Base price of units is \$149,000.	Redevelopment of district in southern New Center. 130 residential lofts and townhomes.	89 mixed-income townhomes. Construction nearly completed.

## Section 6 Existing Neighborhood Retail

Wayne State University is surrounded by retail establishments. Taktix Solutions has researched the area and compiled a list of establishments ranging from cafes and restaurants to casinos to theatres. All establishments within a 1.5 mile radius of the center of campus, namely Woodward at Warren, are included in the listing. The map below shows the locations and types of establishments. It is easy to see that most of the retail is located on or near Woodward Avenue. The concentric circles indicate a 1/4 mile radius, a 1/2 mile radius, and a 1 1/2 mile radius, respectively. The concentration of retail declines as the radius becomes larger, with the area inside the .25 mile radius circle the most concentrated.

### LEGEND

- Shops
- Galleries and Museums
- Bars, Cafes and Restaurants
- Cinemas & Theatres
- Casinos
- Banks & ATM's





The Midtown Area has a multitude of independently operated commercial establishments. The area is known for a core of long standing restaurants such as Mario's, Traffic Jam, Union Street, Twingo's and the Whitney. Recent additions to the marketplace include national chains such as Rite-Aid, Barnes and Noble, Kinko's, McDonalds and Starbucks.

Specialty and novelty shops, apparel shops, and convenience/party stores are also found throughout the campus area. Aside from numerous convenience retail establishments, Midtown is home to MotorCity Casino and numerous galleries and museums such as the Detroit Institute of Arts.

Despite the fact that the campus has a variety of retail attractions, the survey of Wayne State students, faculty and staff indicated that there is a large demand for a wider selection of retail, most notably banks & ATM's, drug stores and grocery stores. Also in high demand are convenience stores and moderately priced restaurants.

## **Section 7 New Non-Residential Midtown Investment**

A cohesive collaborative strategy to revitalize the Midtown Neighborhood includes investment by the University, foundations, philanthropic donors, and other in the public and private sector.

### **ART CENTER**

- The DIA has initiated a \$90 million renovation program. Upgraded mechanical, electrical and plumbing systems and renewal of exterior walls will accompany a 50,000 square foot expansion of gallery space.

### **MEDICAL CENTER**

- The renovation of two historic buildings on Forest will contain galleries, a bookstore and a café.

### **NEW CENTER**

- Design of the Detroit Intermodal Transportation Complex is underway. Amtrak, inter-city and local bus, and a potential Woodward transit route will be available to passengers. The station will be located south of the CN railroad tracks on Woodward at Milwaukee.



### **CASS PARK/LOWER CASS CORRIDOR NEIGHBORHOOD**

- The Motown Center will be located on Woodward Avenue at the Fisher Freeway. An interactive museum, performance stage and other amenities will celebrate recording artists on the Motown label.

### **ORCHESTRA PLACE/NORTH CASS CORRIDOR NEIGHBORHOOD**

- The \$80 million expansion of Orchestra Hall is scheduled to open in October 2003. Named the Max M. Fisher Music Center, it will provide patron amenities, performer support areas, a new education center and a second 550-seat performing hall.

### **ATLAS RESTAURANT**

- Atlas Restaurant is open July 11, 2003. It is located on Woodward at Charlotte, right next to the Addison Apartments. Atlas features breakfast, lunch, and dinner as well as a late night menu. The name stems from the type of menu, one that is meant to appeal to a global crowd.

### **WAYNE STATE UNIVERSITY**

- TechTown is a new entrepreneurial village in the Wayne State Research and Technology Park. Its will function as an economic development site for start-up companies involved in research and technology related industries. The renovation of a former GM design building, renamed TechOne, is underway. The building will provide retail, labs and offices for TechTown and life sciences companies.



**An image of what TechOne will look like after the \$12 million renovation to the former GM building.**

In addition to the renovation of the former GM Creative Services building, TechTown's major tenant NextEnergy plans to open its new center by the summer of 2004. NextEnergy is Michigan's cutting-edge alternative fuels research center. The company broke ground on a 40,000-square-foot building across the street from TechOne last December. The center will have space for laboratories, exhibits and meetings.

- In addition to off-campus retail development, the University is actively engaged in attracting business to the campus. Some examples of their recent success include:
  - Pacific Wok Restaurant will be coming to the Wayne State Student Activities Building. It will offer Asian fare.



- Starbuck's will be coming to North Hall (Fall 2003)
- A hair and nail salon for both men and women will be opening this winter in the new South Hall.
- Kinko's recently opened at Cass and Warren

## **Assumptions and Limitations**

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from the Bureau of Labor Statistics and the U.S. Census Bureau. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. This information, however, cannot be warranted by Taktix Solutions. It is assumed that the market data and government estimates and projections are substantially accurate.