ABOUT THE DETROIT HOUSING TRACKER

The Detroit housing market faces numerous challenges as the city charts a path toward less blight, increased housing preservation, and a better functioning residential mortgage market. Drawing from a wide range of data and sources, the Detroit Housing Tracker monitors the latest development in the Detroit housing and community development arena. Updated quarterly, this publication has two sections. **Detroit News** tracks housing and business news and key mortgage programs. **Detroit Housing Market Trends** presents comprehensive market indicators including sales prices and volumes, rental prices, household equity level, delinquencies and foreclosures, and general labor market conditions.

We welcome feedback on how to make the Detroit Housing Tracker more useful. Please e-mail any comments or questions to ataglance@urban.org.

INSIDE THIS ISSUE

- Sales prices across the city began to recover steadily after 2013, led by Woodward Corridor and East Riverfront (page 13)
- As both the number and share of loans underwater continued to decline, the average household equity of all Detroit loans reached a high of 27 percent in the second quarter of 2015 (page 14)
- The shares of loans in serious delinquency, foreclosure, or REO in Detroit are on pace to fall below precrisis levels (pages 15 and 16)
- About 4,893 single-family homes were sold in Detroit in the first half of 2015, 33 percent down from the same period a year ago (page 17)
- The steadily slow rise of rent continues, with median rent at around $750 a month in June 2015 (page 17)
# Key Detroit-Focused Lending Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Summary</th>
<th>Features</th>
<th>More Information</th>
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</thead>
</table>
| Detroit 0% Home Repair Loans Program | 0% interest loans from $5,000 to $25,000 to help homeowners repair their homes; joint effort of the City of Detroit, Detroit Local Initiatives Support Corporation (LISC), and Bank of America | • Homeowners must own and occupy their home for at least six months before applying  
• Minimum 560 FICO; free credit counseling to improve credit score  
• Insurance and taxes must be current | [http://www.detroithomeloans.org/](http://www.detroithomeloans.org/) |
| Flagstar Bank City Employee Loan Program | Announced in June 2015 and available only for Detroit City employees. Highlights include • up to 300% loan-to-value ratio allowed;  
• renovation funding included;  
• fifteen-year fixed-rate mortgage; and  
• loans held by Flagstar | • 620 minimum FICO  
• Max loan amount $417,000  
• Pre-purchase counseling required  
| Liberty Bank Detroit Home Restoration Program | Provides affordable loans to Detroit residents who successfully bid in the Neighbors Wanted auction; also provides financing to Detroit residents who purchase homes in Detroit's hardest hit areas outside the auction | • First six months interest-only (nine months for historic renovations)  
• Those earning below 100% of area median income (AMI) may qualify for up to $15,000 in down payment assistance  
• Detroit teachers earning below 100% of AMI may qualify for up to $20,000 in down payment assistance | [http://www.libertybank.net/community/detroit.cfm](http://www.libertybank.net/community/detroit.cfm) |
| Rehabbed and Ready | A public-private partnership to renovate and auction homes and bring much-needed house price stability to the Detroit area | • Quicken Loans provides $5 million funding to repair 65 homes  
• Detroit Land Bank Authority will supply homes that need repair; The Home Depot will undertake the repair  
| Wells Fargo HomeLIFT™ down payment assistance program | Provides forgivable down payment assistance for primary, owner-occupied residences within select city limits in Wayne County | • $15,000 assistance forgivable 20% each year for five years  
• Administered through NeighborWorks® America and its affiliates  
• Household income cannot exceed 120% of AMI  
Detroit Housing Market News

“Wells Fargo Offers $15K Down Payment Help to Home Buyers” (Detroit Free Press, 9/21/15)

Potential home buyers in Detroit and other communities will soon have a new source of down payment assistance from a Wells Fargo bank special program.

Wells Fargo next month will offer its Home Lift program that includes $15,000 down payment assistance grants to first-time home buyers and others who do not own their own home. With $5.25 million earmarked, Wells Fargo says about 250 grants can be made. The program includes home buying counseling.

Residents in Detroit, Highland Park, Hamtramck, Dearborn and Livonia are eligible. The bank is looking for home buyers with annual incomes that do not exceed 120% of the local area median income—about $81,250 for a family of four in the five Wayne County cities, according to Wells Fargo.

“Dan Gilbert Affiliate Uses First National Building to Get $70 Million Loan” (Crain’s Detroit Business, 9/18/15)

A Dan Gilbert-affiliated entity is using the First National Building downtown as collateral on a commercial mortgage-backed securities loan worth nearly nine times what the Quicken Loans Inc. and Rock Ventures LLC founder and chairman paid for the building four years ago.

A deal has closed for 660 Woodward Associates LLC to get the $70 million loan from an undisclosed national lender, according to a Friday press release from Bernard Financial Group Inc.

“Chase’s Jamie Dimon Hails Detroit’s Recovery” (Detroit Free Press, 9/17/15)

Thursday was Detroit Day for JPMorgan Chase’s Jamie Dimon. Starting with an opinion piece praising Detroit’s revitalization in the Wall Street Journal, Dimon, Chase’s chairman and CEO, visited Detroit to help cut the ribbon on a Chase-backed apartment redevelopment in Midtown and to address the Detroit Economic Club. Later, he was scheduled to tape a segment for Sunday’s “Meet the Press” public affairs show with moderator Chuck Todd of “NBC News,” who also led the conversation with Dimon at the Economic Club luncheon at Ford Field.

Speaking in the morning at the Rainer Court apartments on West Alexandrine in Midtown, Dimon said Chase was proud of the impact that its $100-million commitment to Detroit, announced last year, was already having. The Rainer Court project was one of the first to get Chase money, part of a $6-million project that converted the 34,000-square-foot building into a 36-unit building targeted for Midtown residents and students.

“How Detroit’s Foreclosure Auction Fails Homeowners” (Citylab, 9/17/15)

September marks something of an anti-holiday in Detroit. It’s the month when the Wayne County Treasurer launches its annual Auction of Tax-Foreclosed Properties. For many Wayne County residents, this is the least-wonderful time of the year.

Each September, Wayne County puts up for auction tens of thousands of properties whose owners are more than three years behind on their property taxes. Thousands of these homes are occupied, either by owners or tenants. This year’s auction—which launched on Friday and runs through September 24—includes more than 8,000 homes occupied by an owner or a tenant, according to the county’s own records.
Detroit Housing Market News

“JPMorgan Chase Celebrates Opening of the Latest Community Development Project Financed by $100 Million Commitment to Detroit’s Recovery” (Business Wire, 9/17/15) http://www.businesswire.com/news/home/20150917005823/en/JPMorgan-Chase-Celebrates-Opening-Latest-Community-Development#.VgAj0dVVhBd

JPMorgan Chase & Co. today joined with partners from PK Housing, Midtown Detroit, Inc., Capital Impact Partners, Invest Detroit and Detroit Economic Growth Corporation in announcing the grand opening of the latest community development project in Detroit financed by the firm’s five-year, $100 million commitment to the city’s economic recovery. Rainer Court, at 711 West Alexandrine Street, adds 36 units of working professional and university student housing as well as 1,800 square feet of retail space in Detroit’s growing Midtown District.


Detroit Mayor Mike Duggan today joined representatives from Quicken Loans, The Home Depot and members of the community to announce the “Rehabbed and Ready” program—a public-private campaign to renovate homes, increase occupancy and bring pricing stability to Detroit’s neighborhoods.

Through the sale of the renovated homes, which will be conducted on the Detroit Land Bank’s auction website (BuildingDetroit.org), the program will provide the necessary recent home sale comparisons appraisers need to conduct proper home valuations that are essential to a healthy, thriving housing market.

“The Rehabbed and Ready program will make home ownership in Detroit accessible to more people by giving them the opportunity to purchase a Land Bank home that’s move-in ready,” said Mayor Mike Duggan. “But more than renovating 65 homes, this initiative will provide opportunity to thousands of homeowners in the surrounding neighborhood, as it will allow more accurate appraised values which will generate home financing in the area.”


Detroit has a host of well-documented problems—poverty, crime, street lights, mass transit—that hamper its recovery.

But the ability to create jobs may be its biggest hurdle. More jobs could mean less poverty and more tax revenue to fix the many broken things.

“It’s absolutely critical that Detroit grow jobs,” said Teresa Lynch, nonresident senior fellow at the Brookings Institution and a principal at Mass Economics, which is helping Detroit Future City work on economic development strategies.

A large part of the problem is where jobs are located in the city. A Bridge magazine look at jobs within Detroit’s sprawling boundaries shows that perhaps no other large city in the country finds most of its jobs confined to such a tiny sliver of its land, with much of the rest a veritable jobs desert.
Detroit Housing Market News

“West Village House 31K at Auction, Now Listed for 260K” (Detroit Free Press, 8/2/15)

With a flush of new restaurants and escalating house prices, West Village is a poster child for Detroit hot spots right now. One of the first homes to be built there—this 1900 stone and shingle-style house—not only is a handsome specimen, but it’s also a fine example of West Village’s tight house market.

Among the factors that make it typical are that the house’s value has leaped in multiples this year and that it still needs some work.

It’s no surprise West Village house prices sank in the recession. Banks stopped lending here altogether, and there are still a few blighted houses. But this neighborhood’s comeback is dramatic.

“For Downtrodden Detroit, Hopes of Revitalization Ride Streetcar Rails” (Washington Post, 7/31/15)

It is hardly the tidiest paperweight. At the center of Paul Childs’s coffee table in a downtown building rests a long, rusty chunk of 19th-century rail.

This is one of the last remnants of a streetcar system that was the envy of cities throughout the country. Childs can still remember riding the trams as a boy, dreaming of the soda fountain at the end of the line that served as a treat after his doctor’s appointments. It was six decades until he could salvage this section of track from the miles of rail that still lie below the ground, hastily buried underneath new roads.

Now Childs has identified an unlikely savior for the Motor City—a return to rail.

“Detroit Officials See Hope for 40K Blight List Houses” (Detroit News, 7/29/15)

Just over a year after a task force report revealed Detroit had the potential to lose more than 80,000 structures to blight, officials say they have determined only about half must come down.

Under orders from Mayor Mike Duggan, the Detroit Land Bank Authority pulled together a refined assessment on how many homes will need to be razed. The authority determined that some structures that had shown signs of blight and were potential candidates for demolition can be saved.

“As we dig into these properties and see what’s possible with them, we are recognizing that more can be saved—much more than people originally thought,” said Craig Fahle, a spokesman for the land bank. “We’re learning that these houses can be preserved and people are actually willing to preserve them.”
Detroit Business News

“Detroit Spotlighted for Opportunity Finance Network” (Detroit Free Press, 9/21/15)

Detroit is at its perfect point to be in the spotlight this fall when it comes to addressing creative ways to tackle tough economic problems. The city has taken the rough road through bankruptcy and now has some positive stories to tell on rebuilding.

The Opportunity Finance Network—a national coalition of community development financial institutions which work with low-income, low-wealth and other disadvantaged communities in America—will hold its national conference in downtown Detroit from Nov. 9 through Nov. 12.

It’s a large gathering of more than 1,200 heavy-hitters, including practitioners, investors, and policy makers who work at providing resources to economically distressed areas that are under-served by traditional banks and lenders. The goal is to bring capital to "disinvested" neighborhoods.

“Contest Will Fund Detroit Transportation Ideas” (Crain’s Detroit Business, 9/19/15)
http://www.crainsdetroit.com/article/20150919/NEWS/150919809/contest-will-fund-detroit-transportation-ideas

Up to $250,000 in cash and services are being made available via an IdeaMarket contest to anyone who can gin up new ideas to improve Detroit’s transportation woes.

The Detroit Transportation Challenge launched Sept. 15 and is aimed at linking investors to "entrepreneurs, engineers, designers and other creative thinkers to create an innovative solution that significantly improves transportation in Detroit, with focus on public transportation."

The details and criteria are at ideamarket.com/Detroit

“Dan Gilbert Kicks Up Heels for Detroit Sneaker Company” (Detroit Free Press, 9/18/15)

The local tech scene notched another new entrant after mortgage giant Dan Gilbert invested in a high-end collectible sneaker valuation company that recently moved to Detroit.

Campless, a website that provides data to sneaker collectors, said last week it has received a "significant investment" from Detroit Venture Partners, a Detroit-based venture capital firm that invests in seed and early-stage technology companies and managed by Gilbert. Gilbert is also the founder and chairman of Quicken Loans and Rock Ventures and majority owner of the Cleveland Cavaliers.

“Fiat Chrysler to Invest $5.3 Billion in U.S. Plants” (Detroit Free Press, 9/17/15)

Fiat Chrysler Automobiles has made a commitment to invest $5.3 billion in its U.S. plants over the next four years as part of its new tentative agreement with the UAW that is sure to be jarring to employees at a number of plants in Michigan and the Midwest.

The plant shuffle will includes the loss of at least three key new cars and SUVs moving to Mexico—including the Chrysler 200 currently made in Sterling Heights—while production of popular pickups and crossovers is increased in the U.S., the Free Press has learned.

The automaker’s investments would help the UAW secure thousands of jobs. The $5.3 billion includes $3.4 billion invested in assembly plants, $1.5 billion at engine and transmission plants, $315 million at stamping plants and $34 million at Mopar parts distribution plants.
The Kresge Foundation's board of trustees has stepped up its social investment plans with a commitment to invest $350 million, or 10 percent of the value of its endowment, in socially beneficial efforts by 2020. Those investments, which will come on top of the nearly $140 million in grants the Troy-based foundation makes each year, will be funded through returns on its $3.5 billion endowment over the next five years, Kresge said.

Speaking at the Detroit Department of Transportation headquarters Thursday, Vice President Joe Biden lauded the creation of the Institute for Advanced Composites Manufacturing Innovation. The previously announced institute will focus on developing fiber-enforced polymer composites for the auto industry, such as carbon- and glass-fiber. Funded by the U.S. Department of Energy, along with $15 million over five years from the Michigan Economic Development Corp., the institute will share space with a previous federally-funded consortium, Institute for Lightweight Innovations for Tomorrow, in Detroit's Corktown, Gov. Rick Snyder's office said in a news release.

I've traveled to Detroit on business for more than 25 years, and the signs of the city's recovery are becoming apparent. Although the city has a long way to go, you can feel the increasing energy and spirit of cooperation that businesses, government and nonprofits have to increase economic growth and create greater opportunity for all. The city has exited bankruptcy, fixed thousands of streetlights, and improved emergency response times and started to reduce blight. Full credit goes to Mayor Mike Duggan, a Democrat, and Gov. Rick Snyder, a Republican. They are trying new ideas and modifying plans as they go along, never pointing fingers or worrying about taking credit.

Even before its 2013 bankruptcy, Detroit was synonymous with urban decay. Trash was not being picked up. Street lights didn’t work. And emergency response times were too slow. Detroit’s situation was unique in some respects. But the fact is cities around the world are home to the majority of our population and are facing many of the same challenges. If we’re going to advance economic opportunity for more people, building thriving, sustainable cities must be a central priority. The encouraging news from Detroit is that the city is turning the corner and its journey is worth examining because it points the way for other cities as they seek to build the foundation for economic growth and expanded opportunity.
“Bedrock Acquires Iconic Book Tower Skyscraper, Book Building and Community Center in Downtown Detroit” (Rock Ventures, 8/28/15)

Bedrock Real Estate Services today announced the acquisition of the historic 38-story Book Tower, the attached 13-story Book Building and an adjacent 2-story community center in downtown Detroit. The three buildings, totaling approximately 517,000 square feet, are located at 1265, 1249 and 1201 Washington Boulevard, spanning an entire city block between Grand River Avenue and State Street.

Bedrock plans to transform the buildings into a game-changing, mixed-use development that will bring jobs, energy and new life to these properties while expanding revitalization efforts further west of Woodward Avenue to Washington Boulevard. Bedrock now owns and manages more than 80 properties in Detroit’s technology-centric downtown, totaling more than 13 million square feet.

“Five Years In, and Dan Gilbert’s Just Beginning” (Detroit Free Press, 8/15/15)

Billionaire businessman Dan Gilbert, marking the fifth anniversary this month of his move downtown, says he’s just getting started with his long-term investment in Detroit and sees "a massive upside."

Along those lines, he believes downtown will attract an Apple store, a retail holy grail, "more likely than not" within five years, he told the Free Press in a wide-ranging interview this month.

He’s also planning his own fresh construction projects, including perhaps office and residential towers, in addition to buying and rehabbing more existing buildings like he has since going on a downtown buying spree in 2010.

“Honigman, Detroit’s Largest Law Firm, Makes Long-Term Commitment to Extend 70-Year Run in Downtown Detroit” (Rock Ventures, 8/5/15)

Detroit’s largest law firm, Honigman Miller Schwartz and Cohn LLP, today announced that it has signed a long-term lease to remain in the historic First National Building located at the foot of Campus Martius in downtown Detroit for the next 10 years and beyond. Honigman’s headquarters have been located in the Albert Kahn-designed building since the firm was founded in 1948. Bedrock Real Estate Services, which manages the iconic skyscraper located at 660 Woodward Avenue, and Honigman are working together to completely refurbish more than 150,000 square feet of space for the law firm, which houses more than 400 attorneys and team members."
Other Related Links

- Bedrock Real Estate Services: http://www.bedrockmgt.com/media.php
- Building Detroit: http://www.buildingdetroit.org/
- Crain’s Detroit Business: http://www.cranisdetroit.com/topic/1273/real-estate
- Detroit Dashboard (City of Detroit): http://www.detroitmi.gov/Detroit-Dashboard
- Detroit Economic Growth Corporation: http://www.degc.org/
- Detroit Future City: http://detroitfuturecity.com/
- Opportunity Detroit on Twitter: https://twitter.com/OpportunityDET
Zip Code-Defined Districts

Sources: Federal Reserve Bank of Chicago and Mapsof.net.
MARKET TRENDS

Sale Prices

Mean and Median Sale Prices, Detroit and Wayne County

Thousands of dollars

Source: Urban Institute calculations from CoreLogic data.
Note: All series are based on three-month moving averages.

Mean Sale Prices by District, Detroit

Source: Urban Institute calculations from CoreLogic data.
Note: All series are based on three-month moving averages.
MARKET TRENDS

Equity and Underwater Loans

**Household Equity and Share of Loans Underwater, Detroit and Wayne County**

- Detroit: share underwater
- Detroit: average household equity
- Wayne County: share underwater
- Wayne County: average household equity

**Number of Loans Underwater, Detroit and Wayne County**

 Thousands

**Share of Loans Underwater by District, Detroit**

- Detroit Westside
- East Riverfront
- Southwest Detroit
- Woodward Corridor
- All districts

Source: Urban Institute calculations from CoreLogic data.
Serious Delinquency Rates, Detroit and Wayne County

Sources: Urban Institute calculations from CoreLogic data.
Note: Includes loans delinquent by 90 days or more and loans in foreclosure or REO.

Serious Delinquency Rates by District, Detroit

Source: Urban Institute calculations from CoreLogic data.
Note: Includes loans delinquent by 90 days or more and loans in foreclosure or REO.
MARKET TRENDS
Sales and Rents

Number of Sales by Type, Detroit, 2005–15

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<th>Year</th>
<th>New construction</th>
<th>Resale</th>
<th>REO</th>
<th>Short sale</th>
<th>Other</th>
<th>Total sales</th>
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<tr>
<td>2014 Q1–2</td>
<td>97</td>
<td>3,293</td>
<td>2,355</td>
<td>37</td>
<td>1,497</td>
<td>7,279</td>
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<tr>
<td>2015 Q1–2</td>
<td>70</td>
<td>2,204</td>
<td>1,237</td>
<td>22</td>
<td>1,360</td>
<td>4,893</td>
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<tr>
<td>% change YOY</td>
<td>-27.8%</td>
<td>-33.1%</td>
<td>-47.5%</td>
<td>-40.5%</td>
<td>-9.2%</td>
<td>-32.8%</td>
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Sales Year Over Year

Sources: Urban Institute calculations from CoreLogic data.
Note: 2015 numbers are based on Q1 and Q2 only.

Median Rent by District, Detroit

Median Rent by District, Detroit

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<thead>
<tr>
<th>District</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<td>Detroit Westside</td>
<td>760</td>
<td>765</td>
<td>760</td>
<td>765</td>
<td>770</td>
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<tr>
<td>East Riverfront</td>
<td>740</td>
<td>745</td>
<td>740</td>
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<td>750</td>
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<tr>
<td>Woodward Corridor</td>
<td>720</td>
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<td>Northeast Detroit</td>
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<td>Southwest Detroit</td>
<td>710</td>
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</table>

Source: Urban Institute calculations from Zillow data.
MARKET TRENDS

Unemployment and Labor Force

Unemployment Rate by County


Size of Labor Force by County

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