



RESEARCH REPORT

Southeast Michigan Housing Futures

A Converging Story for the Detroit Metropolitan Area

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Executive Summary

The Detroit region is expected to gain approximately 380,000 households between 2010 and 2040. The city of Detroit has been losing population since the 1950s and population and household growth has been concentrated in suburban communities. This distribution, however, is expected to shift in future decades, with a return to growth in the city and slower growth elsewhere in Southeast Michigan.

These projections offer a new narrative about growth in Southeast Michigan and provide policymakers with an opportunity to reframe the old city-versus-suburb debate about the regional housing market to one of shared regional challenges. This report identifies three such challenges that Detroit and other counties and cities in Southeastern Michigan will confront: growth in senior-headed households; decline in African American homeownership; and growing demand for affordable, stable, and healthy rental housing.

- **The number of senior-headed households** is expected to double between 2010 and 2040 (from 413,000 to 828,000); and these households will make up 37 percent of the region's households in 2040, versus 22 percent in 2010. As most of this growth represents the aging of households already living in the region, officials and stakeholders throughout Southeast Michigan will need to devise new policies and approaches that respond to the changing housing and health needs of this older population.
- **African American households** in the Detroit region disproportionately suffered from the effects of the housing crisis. African American homeownership rates dropped from higher than the national average in 1990 and 2000 to in line with the national average by 2014. If trends continue, by 2040, we project that, of the 485,000 African American households in the region, 211,000 will own and 274,000 will rent. If the more favorable economic and housing market conditions circa 2000 are restored, however, 242,000 African American households would own their own homes, 31,000 more than the baseline trend. Over half of these gains in homeownership would be realized in Oakland County.
- **Demand for rental housing** is expected to grow throughout the region. Though steady demand will continue from younger age groups, aging households will make up the bulk of this net growth (as established renter households age). The region, and Michigan more broadly, lacks

affordable rental housing for low-income households, so adding new supply and preserving existing rental housing efficiently and equitably will be a challenge.

These three housing challenges pose critical policy and program implications for local governments; the housing, real estate, financing and development industries; and nonprofit and community-based organizations. Does the region have enough capacity and resources to preserve affordable rental housing, rebuild the pipeline for African American homeownership, and design and develop new housing options for senior households? Can the Michigan State Housing Development Authority and other organizations support regional and local leaders in addressing these challenges? What are the regulatory, neighborhood, and financing barriers that confront the housing and real estate industries? What role can community-developments intermediaries play? Given the patterns of racial segregation in the region and recent research that illustrates the economic costs of segregation, regional and local leaders should consider inclusion and equity when they assess these housing issues and examine potential solutions.

Because the entire region is likely to face these challenges, state and local officials, civic and financial leaders, nonprofits, and community advocates could benefit from sharing information and exploring opportunities for coordinated and collective responses. The following are potential areas for collaboration:

- developing consensus principles and goals
- gathering and analyzing regional housing indicators to stay on top of these and other housing challenges and opportunities
- enhancing existing capacities and resources for local officials and housing intermediaries to revise and recalibrate existing housing plans, programs, and policies
- facilitating cross-sector strategies and collaborations through regular conversations and meetings

Shifting Regional Challenges

Many see Southeast Michigan (figure 1) in divided terms: the poor, depopulating, mostly African American city of Detroit; and an expansive set of stable or growing suburban communities. Though these views may seem divergent, they are closely linked. As George Galster (2012) termed it, the Detroit region has suffered from a “housing disassembly line” that for decades has produced more new housing in suburban and exurban locations than household growth would warrant. Excess supply accelerates the depreciation of the older housing concentrated in Detroit, satellite cities, and inner suburbs, fostering shifts of owner-occupied homes to rentals and hastening vacancy and abandonment in these older, mostly African American cities.

As Detroit recovers from bankruptcy and new commitments to regional action emerge, however, there are signs that the elements encouraging jurisdictional division may be starting to weaken. Within Detroit, the private, public, and philanthropic sectors have made decisions and investments that are shifting the city’s prospects. There are signs of recovery in the city’s population and employment base. Quicken Loans has relocated a huge number of employees to the heart of downtown. The city government went through bankruptcy thanks to the support of an extraordinary coalition of philanthropies and is now working to reform its operations from top to bottom. The federal government has made substantial investments and provided ongoing technical assistance to the city (EOP 2016). And, more recently, Michigan’s state legislature created the Regional Transportation Authority of Southeast Michigan to plan for and coordinate public transportation in Wayne, Oakland, Macomb, and Washtenaw Counties and Detroit.¹ In May 2016, the transportation authority released a Regional Master Transit Plan, although in November 2016 voters narrowly failed to approve funding for the projects proposed in the plan.²

FIGURE 1

Detroit Region



Other parts of the region have started to grapple with some of the same pressures that Detroit has long faced from growing vacancy in suburban Wayne, Oakland, and Macomb counties to dropping homeownership rates throughout the region (and the state) to the needs of an aging population. Within the context of a robust regional recovery, the region and Detroit are increasingly facing similar issues and may converge further in the years ahead. The common challenges Southeast Michigan faces, if the region is to ensure a more equitable future, merit increased consideration and action by municipalities and counties throughout the region as well as at the state level.

This report makes the case that the region's housing market is now facing—and will increasingly face—a set of shared challenges and opportunities. We start by working through recent trends in housing demand and supply in the region, illustrating how the region got to where it is. We follow this up with a set of household projections (box 1) for the region based on population projections that the Michigan Department of Transportation (MDOT) computed, which, by accounting for recent economic growth, lay out a more promising future of population growth throughout the region. We then analyze these numbers more closely and identify three shared regional challenges:

1. Responding to the changing needs of aging households as the number of seniors continues to rise sharply;

2. Accounting for the disruption of the 2000's housing crisis, which African American households in the region experienced particularly acutely; and
3. Ensuring affordable, stable, and healthy rental housing to meet growing demand throughout the region.

BOX 1

Projection Methods

This report focuses on household projections, which use existing population projections from the MDOT's Statewide Planning and Statewide and Urban Travel Analysis sections and University of Michigan Institute for Research on Labor, Employment, and the Economy. Those forecast future population and employment trends using the REMI (Regional Economic Models, Inc.) model, a widely used regional economic forecasting model. We use population projections for the seven counties in the Detroit region, with an additional projections breakout for Detroit and the remainder of Wayne County.

To develop our housing-demand scenario, we use age- and race-specific rates of headship (householders as a proportion of total population) and homeownership (owners as a proportion of all households) based on past observations (1990, 2000, and 2010). To develop these rates, we use a *transition rate* method, which uses the decadal change in the headship and homeownership rate for each race-specific cohort to project changes in rates after establishing the level of the rate at a known starting point for the cohort (Goodman, Pendall, and Zhu 2015). To account for disruptions in household formation as a result of the Great Recession we modified the base tallies to assume a stabilization of those rates in future years. This projection framework has limitations. It is not an integrated model of the region's economy and housing market and assumes that future decisionmaking will resemble past decisionmaking in terms of headship and homeownership patterns.

Finally, projections are only as good as the assumptions that drive them. As discussed below, the most recent MDOT projections, by accounting for a relatively robust recovery in Michigan, assume faster regional economic growth than projections from only a few years previous, which appeared after an unprecedented slide in manufacturing employment in Michigan.

See the appendix for a more detailed methods discussion.

All three of these challenges are intertwined and will be relevant for all communities within the region (and are salient at the state level). The growth of senior households has ramifications for both the owner and renter markets, for instance. And, in many ways, the aging of the regional population is (as it is throughout the United States) the defining lens through which the region's future needs to be understood. These trends will have significant implications on the region's local governments, housing

and lending industries and community development field and, as they are relevant across Michigan, are relevant to policymakers and stakeholders throughout the state.

What should be done to address these three challenges? Though this paper presents initial suggestions and ideas, later this year, the Urban Institute will explore these issues more deeply in a series of in-depth analyses that explore the potential range of policy and program interventions that can address aging, African American homeownership, and rental housing demand.

Recent Pathways

Demand in an Aging Region

Population change and household change are related but distinct processes. Though this report focuses on household change as the driver of housing demand, that change is heavily affected by population-level changes. People of different ages and races or ethnicities form households and become homeowners at different rates, so understanding who is living in the Detroit region now and who is likely to live there in the future is imperative. In the case of Detroit—as with much of the United States—the region is getting older and more diverse; but it also faces issues, like out-migration, that particularly affect the broader Great Lakes region.

Population

The most obvious trend in Southeast Michigan's population since 1990 has been its slow growth in the 1990s and loss since 2000: the seven counties in the region grew from 4.59 million in 1990 to 4.83 million in 2000, but they dropped to 4.70 million in 2010. The 2010s have seen a rebound so far, with the region's population back up to 4.72 million.

Three main forces contribute to population change with migration as perhaps the most noticeable. Southeast Michigan has lost more people to other regions than it has gained for several decades. Since 1990, the only net in-migration to the region came from late gen Xers in the 1990s, many of whom may have arrived in the region to attend university and then left in the subsequent decade.³ The most recent estimates from the Census Bureau are for 2010 to 2014, when 91,129 people moved into the seven-county region each year from elsewhere in the United States and 133,041 moved out. In-migration from abroad accounted for another 26,707 people annually; out-migration to foreign countries is not available but may total a quarter to a half that of the in-migration. This means that the region annually had net domestic out-migration of about 41,000. The inflow from outside the region exceeded the outflow from these seven counties only in Washtenaw County. Within the region, these flows strongly favored Macomb, Oakland, and Washtenaw counties at the expense of Wayne County.

Birth and death rates also contribute strongly to population change, however, and will do so increasingly in the future. Deaths declined from 2000 to 2007 in the Detroit region, mainly because the

generation born between 1930 and 1945 was smaller than the previous one and had already been subject to some out-migration from the region. From 2007 to 2013, however, the number of deaths increased 4.4 percent as the older baby boomers began to experience increased mortality. This trend will continue to accelerate as the baby boomers who still dominate Southeast Michigan's population pass away in increasing numbers.

Though the number of deaths is rising, the number of births is falling. Births declined 19 percent from 2000 to 2013, a drop from nearly 68,000 in 2000 to just under 55,000 in 2013. National trends explain some of this decline; the number of adults of childbearing years declined during this period as the youngest gen Xers replaced the youngest baby boomers, and birth rates continued to fall, especially among teens. Finally, many of Southeast Michigan's young adults moved away and had children elsewhere who otherwise would have been born in the region.

Together, these trends have contributed to a marked shift in the age profile of Southeast Michigan since 1990. The population breakdowns for 2010 and 2014 skew notably older than they do for 1990 or 2000: by 2014 there were fewer younger people and more older people in the region (table 1). Looking at this in terms of cohorts (or generations) highlights the processes going on (figure 2). Taking people born before 1945 (that is, those 45 or older as of 1990), we see significant drops over time: between mortality and out-migration, the number in this group declined from 900,000 to just under 300,000 between 1990 and 2010.

TABLE 1

Population, 1990–2014

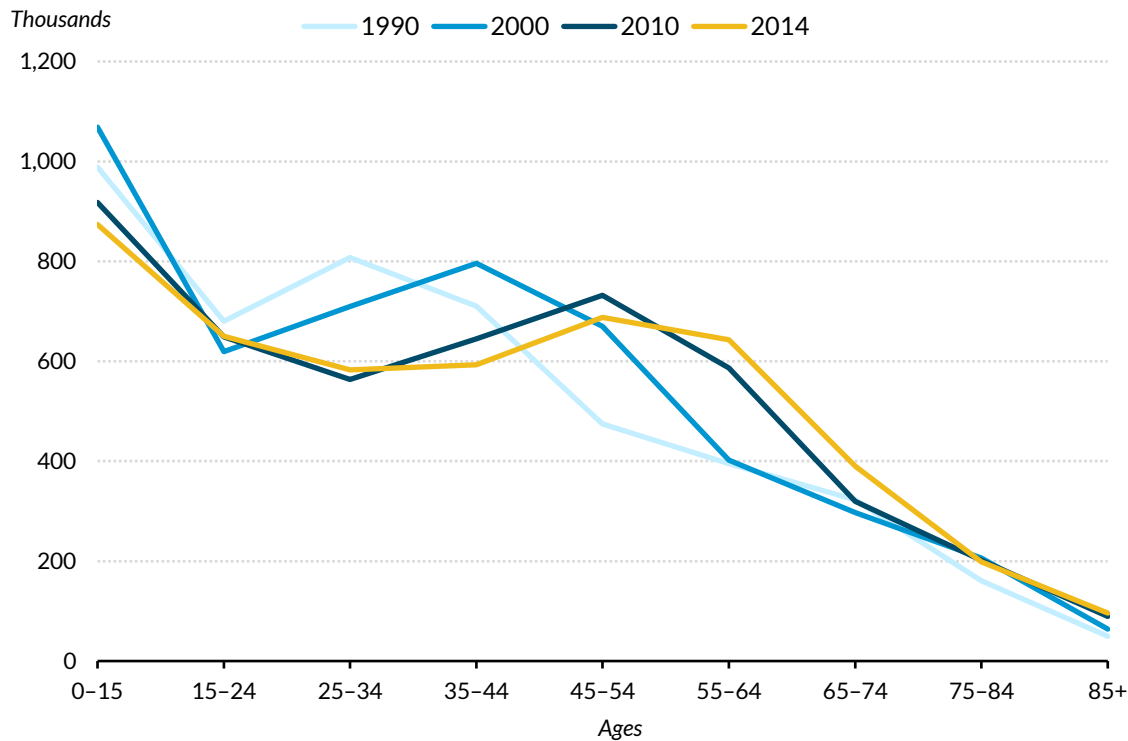
	Under 25	25–44	45–64	65+	Totals
1990	1,669,012	1,518,376	869,787	533,293	4,590,468
2014	1,523,842	1,175,879	1,330,497	684,938	4,715,156
Change (%)	-8.7	-22.6	53.0	28.4	2.7

Sources: Decennial Census, 1990, 2000, and 2010; American Community Survey Demographic and Housing Estimates, 2014.

FIGURE 2

Population by Detailed Age

Southeast Michigan, 1990-2014



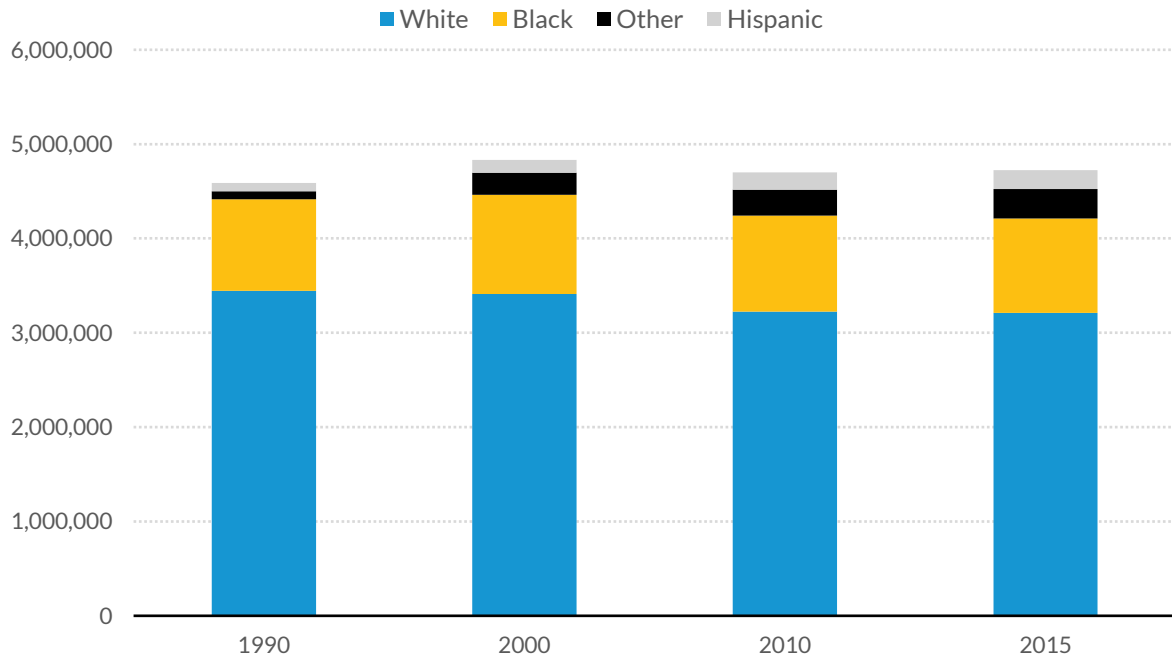
Sources: Decennial Census, 1990, 2000, and 2010; American Community Survey Demographic and Housing Estimates, 2014.

Finally, the changing racial composition (figure 3) has ramifications for future household demand, as people of different racial and ethnic backgrounds differ in terms of headship and homeownership. Southeast Michigan has seen its white population drop in recent years (down 7 percent between 1990 and 2015) and its African American population grow slowly (up 3.3 percent over the period). Most growth has come from the Hispanic population (up by 126 percent between 1990 and 2015) and those identifying as other races (up by 255 percent). This is in a context where homeownership rates for white households in the region are between 20 and 30 percentage points higher than they are for others in the region; as of 2010 the white homeownership rate was 78.7 percent, it was 58.9 percent for those of other races, 57.7 percent for Hispanics, and 45.8 percent for African Americans.

FIGURE 3

Population by Race and Ethnicity

Southeast Michigan, 1990 projected to 2040



Sources: Decennial Census, 1990, 2000, and 2010; American Community Survey, 2015.

Housing Demand

Understanding population change by age and race is only the first step in understanding changing demand for housing; the second step is understanding how people form households. Households, in turn, equate to the demand side of housing, because the definition of a household is an occupied housing unit.

Population change and household change are related but distinct processes. As with population, household numbers change because of in- or out-migration and mortality. However, household formation and dissolution is distinct: households form later in life, starting in the late teens and accelerating in the 20s and early 30s, when residential mobility and migration are at their peak. Household dissolution can occur when people combine households or when households move into group quarters (Clark and Dieleman 1996).

This means that population change and household change do not always move in sync. For example, while Southeast Michigan lost 132,000 people between 2000 and 2010 (a 2.70 percent decline), the number of households only dropped 577 (a 0.03 percent decline).

Many forces have contributed to relative stability in the number of households in Southeast Michigan even during periods of population decline. First, an important contributor to population decline has been the reduction in children (age 14 and younger), whose reduction does not directly affect the number of households. Second, when housing is inexpensive, people consume more of it, and Southeast Michigan's housing remains affordable for people with moderate incomes and higher. Thus, some people who might otherwise need to share their housing can afford to live alone. Third, and probably most important, the older population is not only growing fast (as discussed) but also living more independently than they used to. This trend has a number of contributors. Boomers had much higher rates of divorce than previous generations. Older women are more likely to have worked for much of their adult lives and can afford to remain household heads. And older adults whose frailties might previously have required moving to nursing homes, which register as "group quarters" instead of households, now have the option of moving to assisted living apartments (which count as housing units) or receiving care without moving. Preferences may also have shifted more broadly in favor of independent living (Klinenberg 2013).

Housing Supply

Though related, housing demand does not equate to housing supply. Increases or decreases in the housing stock do not simply respond to household demand but often lead and channel that demand. In Southeast Michigan, there have been decades of new suburban growth and new housing units developed even as the overall population has remained relatively stable. In this case, people move from older units closer to the region's core into newer units at the fringe. This leads to depreciation and the issues of vacancy and abandonment in the region's core. This represents, as Galster (2012) notes, Detroit's "housing disassembly line."

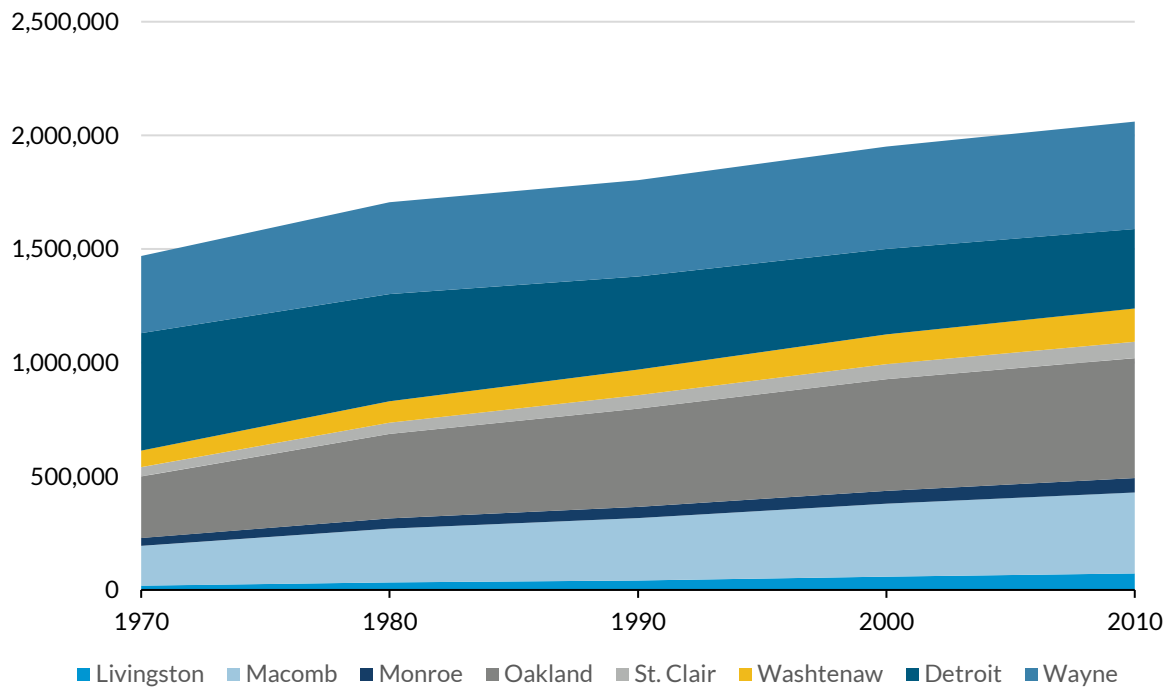
After a large increase in housing units in 1970s, Southeast Michigan has seen continued, albeit slower, growth (figure 4). The number of units and the rate of increase jumped from the 1980s to the 1990s but slowed again in the 2000s. This trend generally holds across counties, with the city of Detroit as the one exception, which has lost housing units in each of the four decades (167,478 overall). From 2000 to 2010, Detroit lost 25,932 units. The most growth occurred in the large central counties of

Macomb, Oakland, and Wayne outside of Detroit city, which added 93,079 units in the decade. Washtenaw and Livingston counties also saw significant unit growth (15,783 and 13,890, respectively), with Monroe and St. Clair growing more slowly (12,849 combined).

FIGURE 4

Total Housing Units

Detroit region, 1970–2010

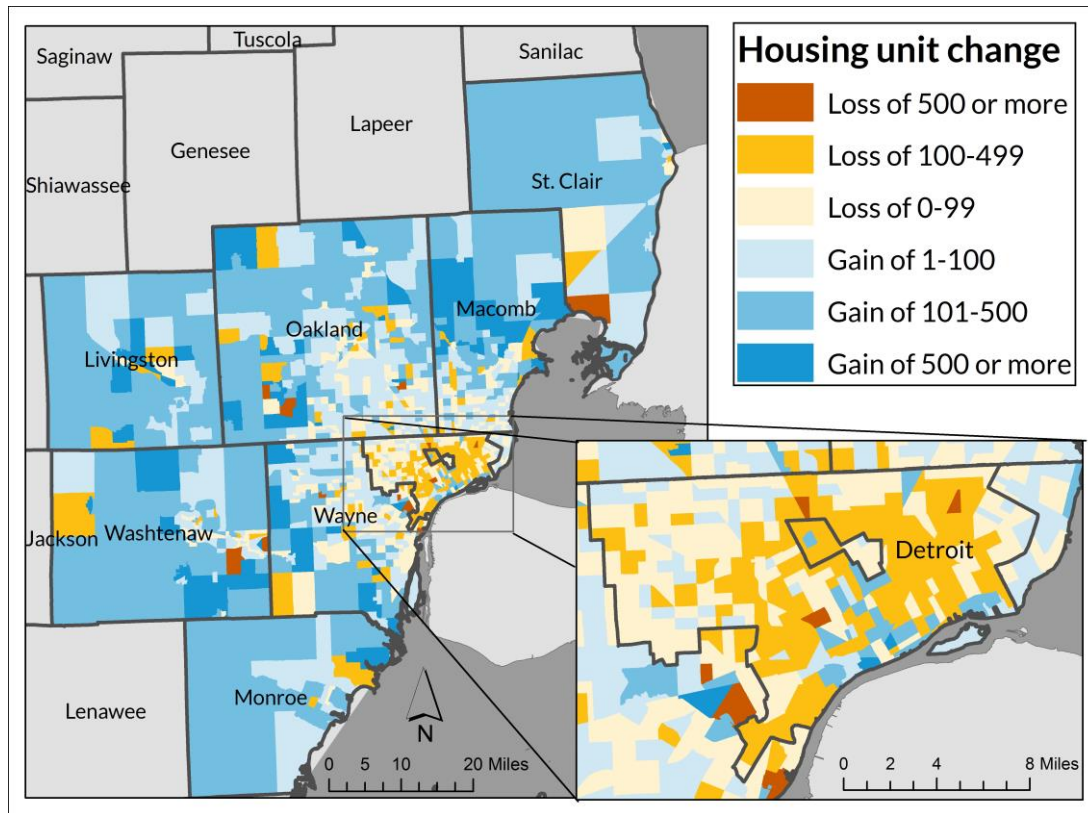


Sources: Neighborhood Change Database; underlying data, Decennial Census, 1970, 1980, 1990, 2000, and 2010.

Moving to a finer level of granularity—the census tract—allows us to have a better sense of which areas are growing or declining. One notable feature is the loss in housing in Detroit and the immediately adjacent portions of the surrounding counties (figure 5). During the 2000s, the number of housing units in the city of Detroit increased in 57 census tracts, was unchanged in 1, and dropped in 239. This core of declining units is surrounded by a ring of tracts in Macomb, Oakland, and Wayne counties with a stable or slightly increasing number of units. The highest levels of growth occurred in tracts in Central Macomb County, between Ann Arbor and Detroit, between Ann Arbor and Lansing, and at the border between Wayne and Monroe counties. Tracts on the outskirts of the region also grew, but they did so at lower levels than the fastest-growth tracts.

FIGURE 5

**Gains and Losses of Housing Units in Southeast Michigan
2000 to 2010**



Sources: Neighborhood Change Database; underlying data, Decennial Census, 2000 and 2010.

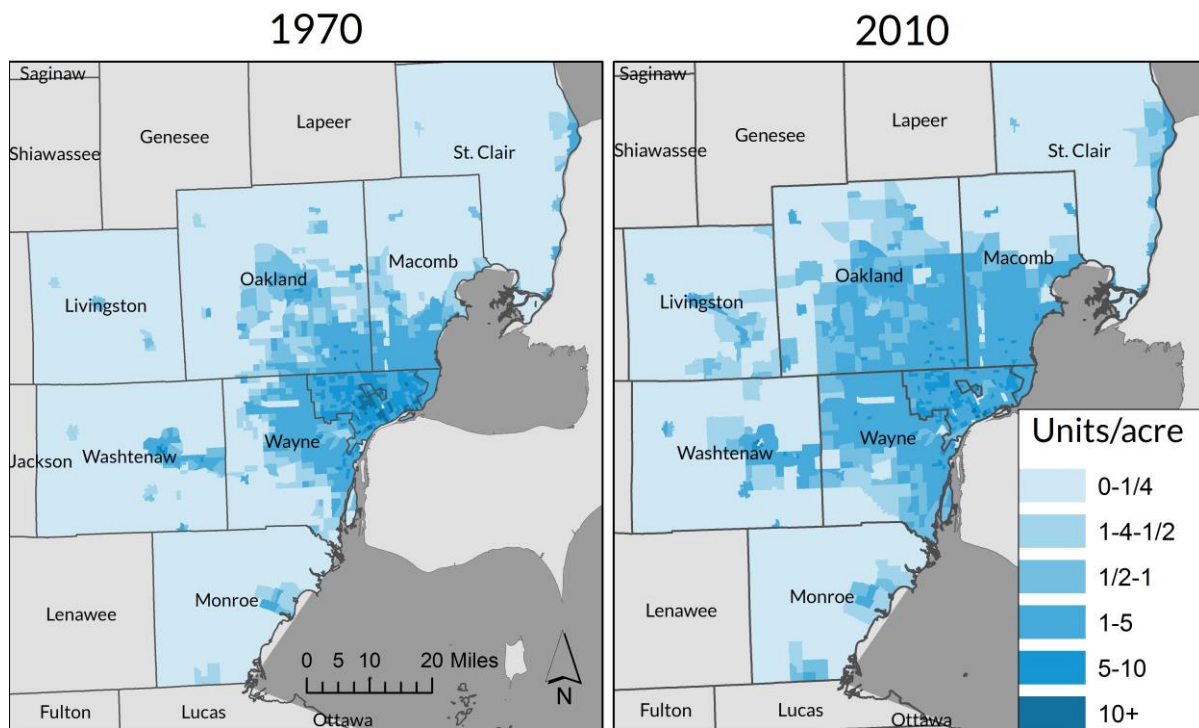
Comparing the density of housing units at two points of time is also a useful way of showing the spread of development in the region. Figure 6 illustrates that in 1970s, census tracts with housing unit density above 1 per four acres (or 0.25 per acre) were concentrated in Detroit and the immediate surrounding counties (with another concentration around Ann Arbor). By 2010, this level of development had spread to encompass most of the remainder of Wayne and Oakland counties and the southern half of Macomb County.

Coupled with the spread of development has been the decline in density in the center of the region, a story that has been playing out throughout much of the United States and is particularly notable here. In 1970, 42 census tracts had 10 or more units per acre, and 4 had 20 or more per acre. Thirty-six of these tracts were in Detroit (with the densest tract having 28 units per acre), 4 were in Wayne County outside of Detroit, 1 was in Oakland County, and 1 was in Washtenaw County. By 2010, only 14 tracts had densities of 10 units per acre or more, and none had densities of 20 or more (two had densities of 15

or 16 dwellings per acre). Of those with 10 or more units per acre, 10 were in Detroit, 1 was in Wayne County, 1 was in Oakland (now the densest tract in the region, at 15.5 units per acre), and 2 in Washtenaw.

FIGURE 6

Housing Units per Acre



Source: Neighborhood Change Database; underlying data, Decennial Census, 1970 and 2010.

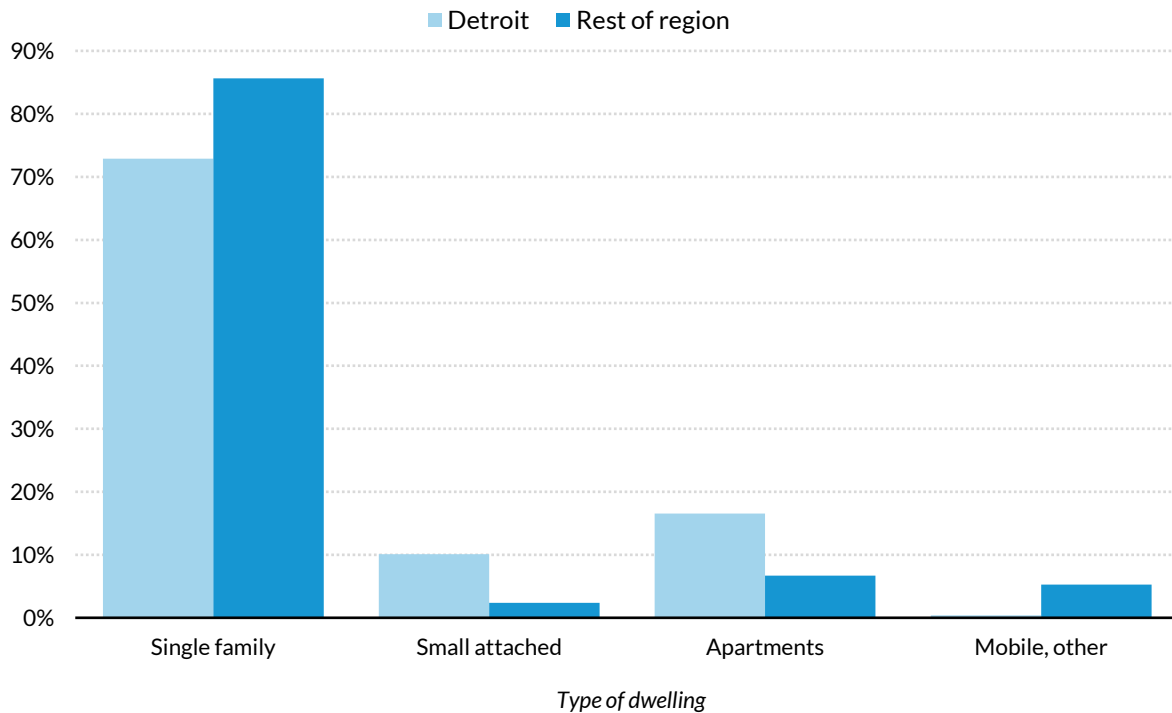
Housing Stock

Two main elements of the region's housing stock stand out: structure type, which unifies a region largely defined by single-family homes; and age, which divides the older structures in the city of Detroit from the newer buildings elsewhere. Detroit offers abundant opportunities within its municipal borders for living in single-family housing. Two-thirds of its housing units are single-family detached structures, and another 7 percent are townhouses (figure 7). The share of single-detached housing, 86 percent, is even higher in the rest of the region.

FIGURE 7

Total Dwellings by Structure Type

Detroit region, 2009–13 average



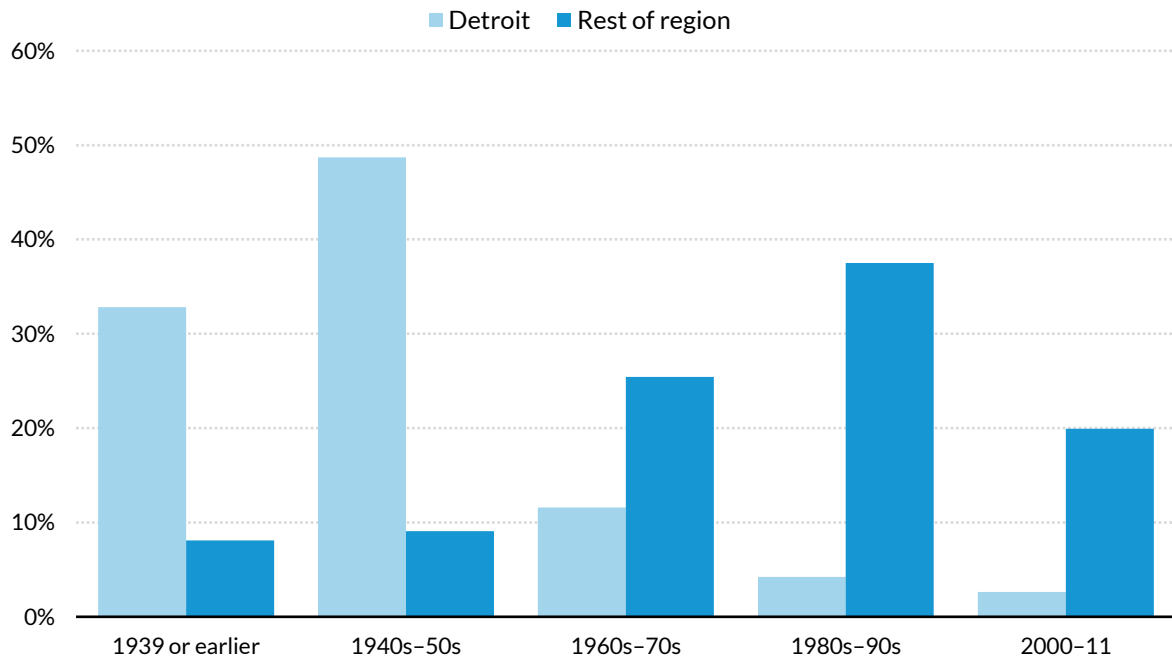
Source: American Community Survey, 2009–13.

Detroit city's housing stock is dominated by older housing (figure 8), which is a product of and a contributor to outward expansion, white flight, and central-city disinvestment. Older housing requires maintenance and renovation to remain in good repair and presents other challenges in terms of adherence to modern building standards and codes (e.g., use of lead-based paint). In 2011, 57 percent of the housing stock outside Detroit city had been built since 1980 (with another 26 percent built in the 1960s and 1970s). In Detroit city, meanwhile, over 80 percent of the housing stock is estimated to predate 1960, with only 7 percent built since 1980.

FIGURE 8

Housing Stock by Era of Construction

Detroit region, 2011



Source: American Community Survey, 2009-13.

Occupancy and Vacancy

At a basic level, one household equals one occupied housing unit. This means that one additional household either moves into a newly added housing unit or a previously vacant one. A loss of a household means a newly vacant housing unit, and, given enough time, a degradation and eventual loss of that unit through downward filtering: price drops as a result of vacancy leading to decreased investment and upkeep, leading to maintenance issues and continued unit degradation, leading to eventual loss of habitability and demolition of the unit itself.

In Southeast Michigan, the dynamics of supply and demand have led to an increasing number of vacant units over time (table 2). Historically, much of the vacant housing stock was concentrated in the city of Detroit, with that stock ranging from 30,000 to 40,000 between 1970 and 2000. In the 2000s, vacant housing greatly increased throughout the region, more than doubling from 107,000 to 216,000.

Detroit had the largest gain of vacant units, but Oakland, the rest of Wayne County outside of Detroit, and Macomb also saw large increases in vacant units.

TABLE 2

Vacant Housing Units

1970 to 2010

County	1970	1980	1990	2000	2010
Livingston	1,683	1,914	2,977	3,535	5,429
Macomb	4,744	6,616	9,852	11,073	24,959
Monroe	982	2,014	1,804	2,699	4,741
Oakland	9,054	16,335	22,199	20,891	43,557
St. Clair	4,255	2,914	4,610	5,035	7,981
Washtenaw	2,729	4,462	6,728	5,742	10,380
Detroit	30,296	37,739	35,969	38,669	79,725
Wayne	8,243	12,807	16,206	19,036	39,219
Totals	61,986	84,801	100,345	106,680	215,991

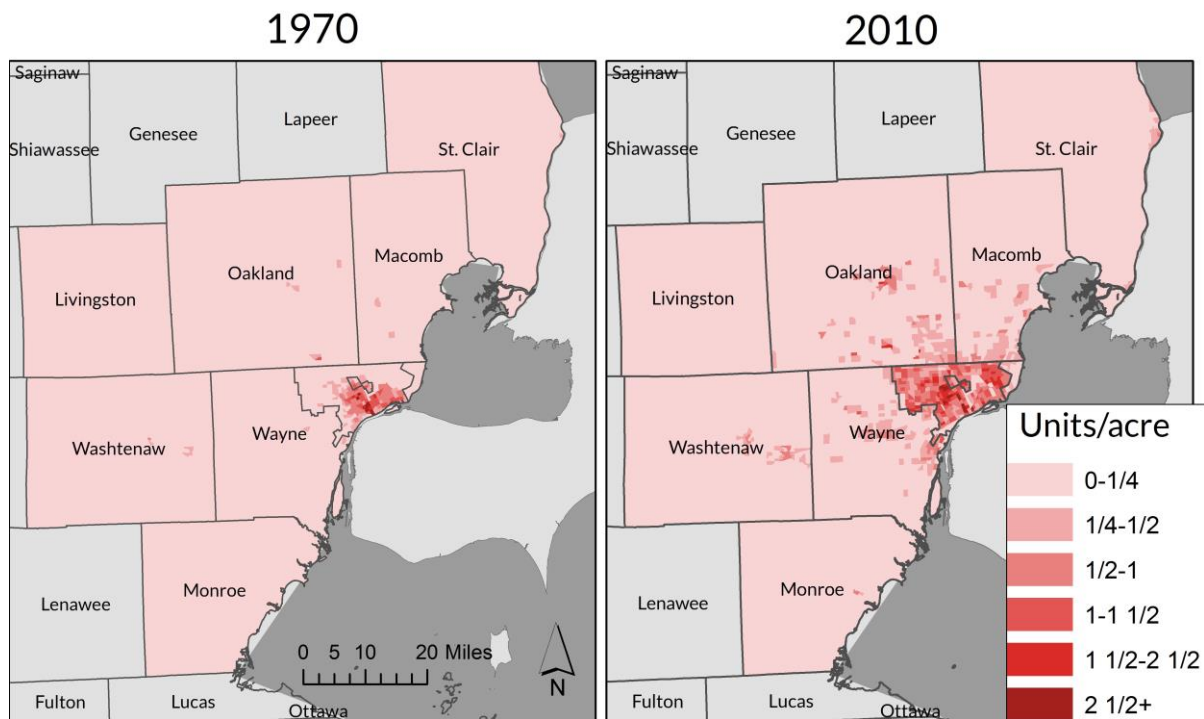
Sources: Neighborhood Change Database; underlying data, Decennial Census, 1970, 1980, 1990, 2000, and 2010.

Note: Wayne County here is the remainder of the county outside of Detroit.

Vacancy remains a relatively “lumpy” phenomenon in the region, even as it has spread. Comparing the density of vacant housing units from 1970 to 2010 shows this process at work (figure 9). In 1970, vacant housing units were mostly concentrated in central Detroit, with only a few census tracts outside of the city showing anything as high as 1 vacant unit per 4 acres. By 2010, vacant units were spread throughout much of Detroit, having become more common in both western and eastern neighborhoods. Vacancy also spread to parts of Macomb, Oakland, and Wayne outside of Detroit, especially in tracts closer to the city (although other clusters stand out, such as Pontiac, in central Oakland County).

FIGURE 9

Vacant Housing Units per Acre



Sources: Neighborhood Change Database; underlying data, Decennial Census, 1970 and 2010.

Notes: Units per acre measured by census tract.

Overall, the regional picture illustrates several trends: growth in much of the region contrasts with loss of housing units and increase in vacant units in the city of Detroit. Though the rate of decline in Detroit dropped during the 2000s, the rapidly rising number of vacant units throughout the city in the decade presents significant challenges for avoiding continued vacancy, abandonment, and housing stock loss in the city. Increasingly, however, these trends are not limited to Detroit proper; they are spilling over into the inner suburbs of Macomb, Oakland, and Wayne counties. We see an expansion of a declining core surrounded by still-stable older suburban neighborhoods ringed by new urban fringe development.

Projecting Regional Housing Demand

In considering the future housing market in the Detroit region, it is crucial to account for how demographic and economic trends may help shape that market. On the most basic level is the question of future population in the region. Michigan suffered significant distress during the 2000s, even before the Great Recession. The state lost 45 percent of its manufacturing jobs between 1998 and 2010, and its median household income fell 19.6 percent between 2000 and 2010 (Pendall et al. 2017). This meant both out-migration and a drop in the income of people who stayed during the period. From 2000 to 2010, population in the city of Detroit dropped from just below 1,000,000 to just over 700,000: a loss of 230,000 people. Outside Detroit, the region gained approximately 100,000 people during the decade, leaving the region with 130,000 fewer people in 2010 than it had in 2000.

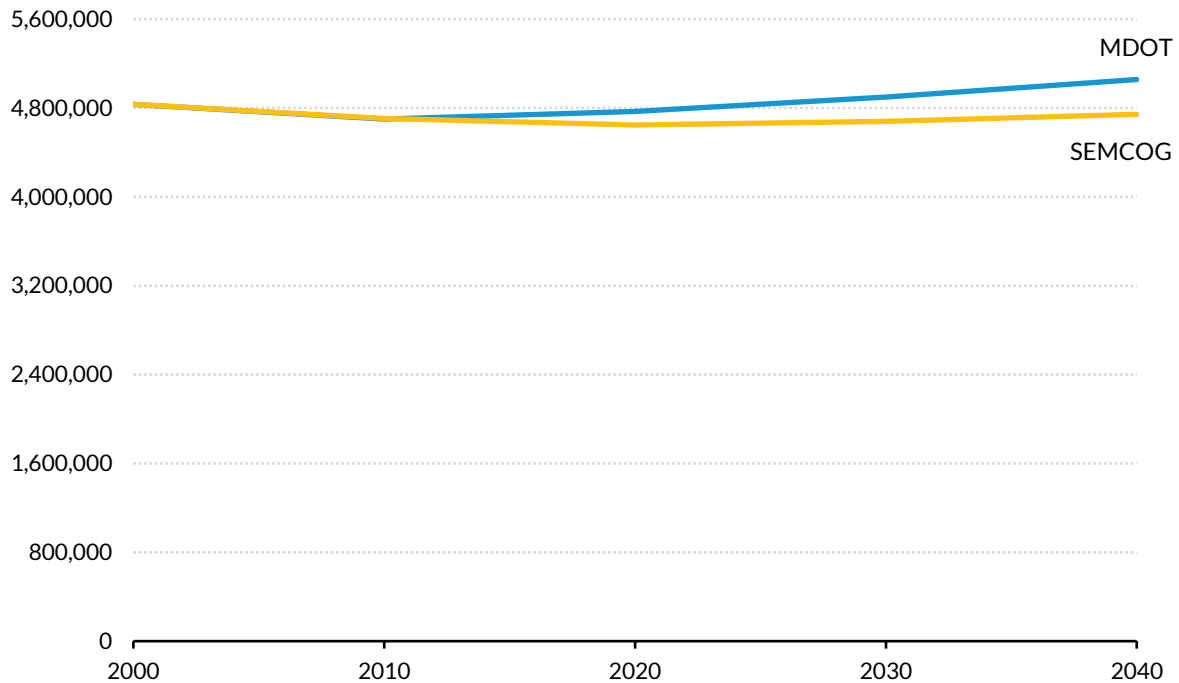
In 2012, the Southeast Michigan Council of Governments (SEMCOG) projected a continued loss of city and regional population from 2010 to 2020 followed by population stabilization in Detroit and growth elsewhere (SEMCOG 2012). However, as the automotive sector and Michigan's broader economy has recovered in recent years, newer projections from MDOT show more growth both under way now and expected in the future. They also show a somewhat more rapid recovery in Detroit than SEMCOG projected in 2012. So, the most recently available population projections for the region forecast over 300,000 more people in the region in 2040 (figure 10) and 60,000 additional people in Detroit city (from 614,969 to 676,154) than the previous projections.

Breaking down projected regional change by county shows both common trends and some divergence. All counties are expected to gain population in the 2020s and 2030s, but the location of that growth is expected to shift. MDOT projects that growth in Macomb and Oakland will slow considerably. Meanwhile, MDOT foresees an increase in growth in Detroit and the rest of Wayne County, with their share of regional growth moving from 7.3 percent in the 2020s to 40.5 percent in the 2030s. Livingston and Washtenaw are expected to see steady growth, while population is projected to remain stable in Monroe and St. Clair. If MDOT's projections bear out, the region's future growth will occur more equally across the region than in the past, when Macomb and Oakland counties grew as Wayne County declined.

FIGURE 10

Projected Population Change

Southeast Michigan



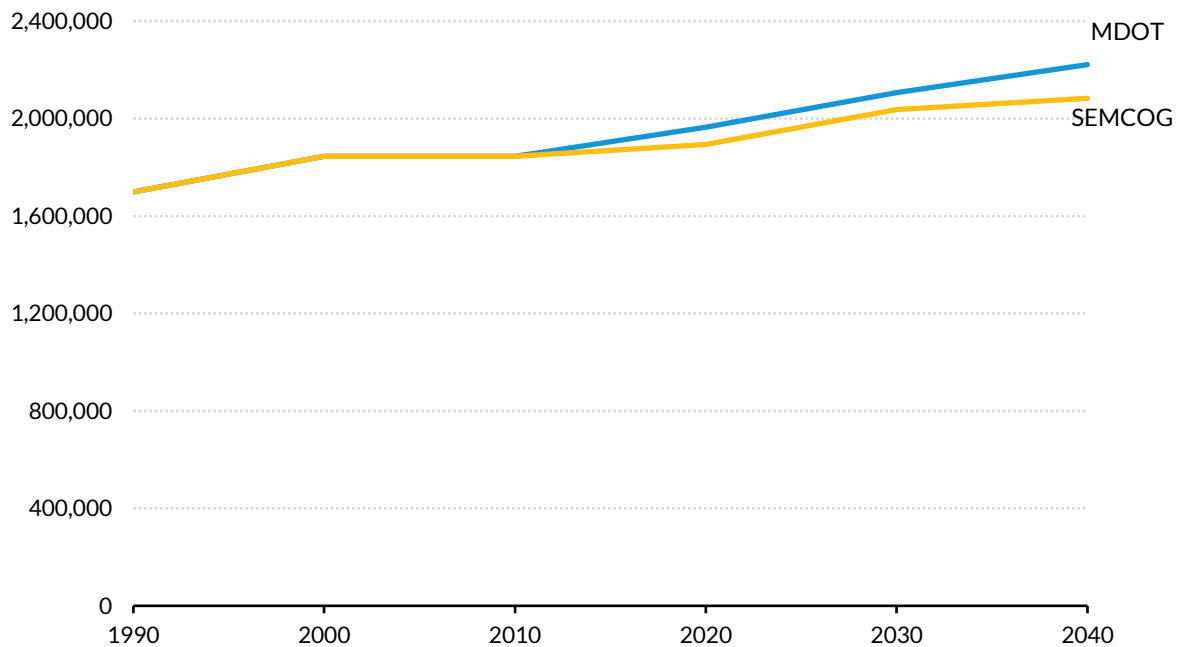
Sources: SEMCOG, 2012; MDOT, 2017 Statewide Planning and Statewide and Urban Travel Analysis sections and University of Michigan Institute for Research on Labor, Employment, and the Economy.

Note: SEMCOG = Southeast Michigan Council of Governments; MDOT = Michigan Department of Transportation.

The older and newer projections also translate into different prospects for household change (figure 11). Under both projections, the same forces that sustained household growth from 1990 to 2010—declining numbers of young people, increasing numbers of older adults, and increasing independent living among older adults—would continue to fuel faster household growth than population growth. From 2010 to 2040, based on MDOT’s population projection and Urban’s projection of household formation trends, the number of households will grow from 1.84 million to 2.22 million, or 377,000 total; this growth exceeds the household growth implied by SEMCOG’s 2012 projection by 140,000.

FIGURE 11

Projected Household Change
Southeast Michigan



Sources: Urban based on MDOT, 2017; SEMCOG, 2012.

Note: SEMCOG = Southeast Michigan Council of Governments; MDOT = Michigan Department of Transportation.

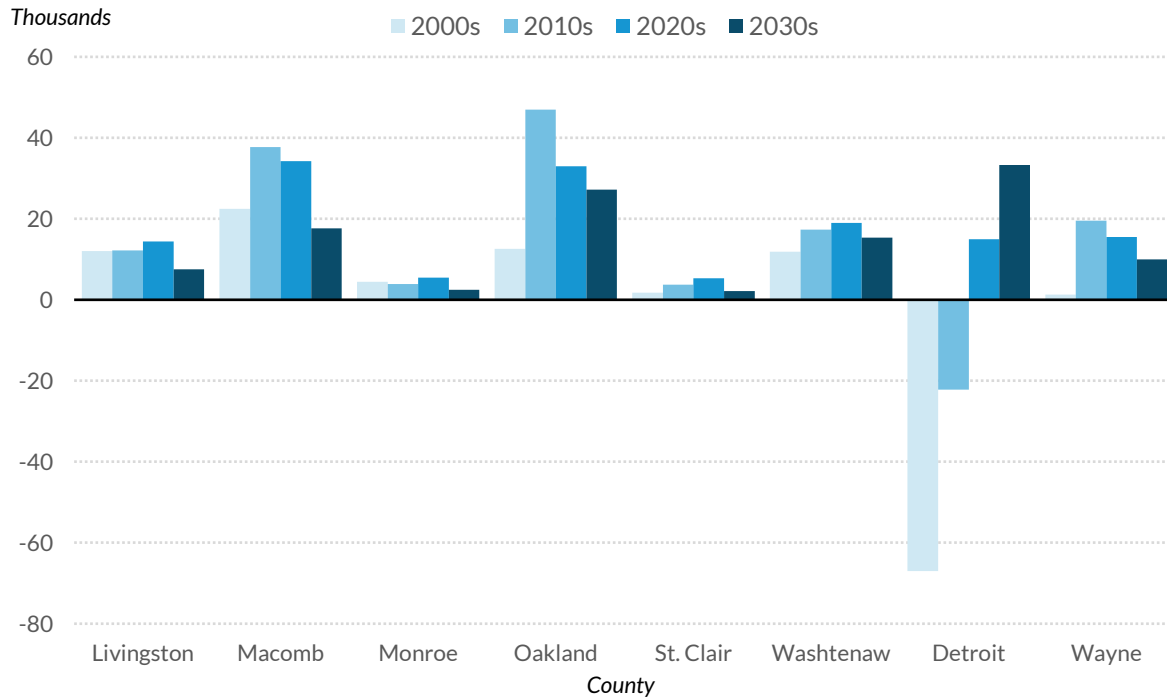
Breaking down the MDOT projections further, we see relatively constant but slowing growth across the region until 2040 (figure 12). The one exception to this trend is Detroit, which during the 2030s is projected to have the largest absolute increase in the number of households in the region.

If these projections hold, then, the city of Detroit will transition by the 2030s to one of the main growth nodes in the region. In many ways, this would reflect a profound shift in regional housing demand, from the “tale of two regions” to one region with relatively evenly distributed growth.

FIGURE 12

Projected Household Change

2000–40



Source: Urban Institute household projections based on MDOT population projections.

Note: Wayne County here is the remainder of the county outside of Detroit.

Household formation and homeownership attainment vary substantially by race, making it important to consider how the region’s racial composition is likely to change in the next several decades (figure 13). Households led by white householders are projected to grow between now and 2040 (after dipping between 1990 and 2000). White households will remain the largest group in the region, and will represent 40 percent of the 377,000 new households the region is projected to gain between 2010 and 2040. However, the white share of the region’s households is expected to drop (from 71.5 percent in 2010 to 66.2 percent in 2040), as householders identifying as Hispanic or of other races increase at faster rates. The number of African American households is expected to increase as well, with the share of householders who are African American remaining roughly steady at 21 percent.

Southeast Michigan is deeply segregated by race, with Detroit accounting for an estimated 58 percent of the region’s African American population in 2010 but only 3 percent of its non-African American residents. Nearly 90 percent of African Americans in the region live in Detroit, the rest of Wayne County or Macomb County. However, as indicated by our projections, suburbanization of

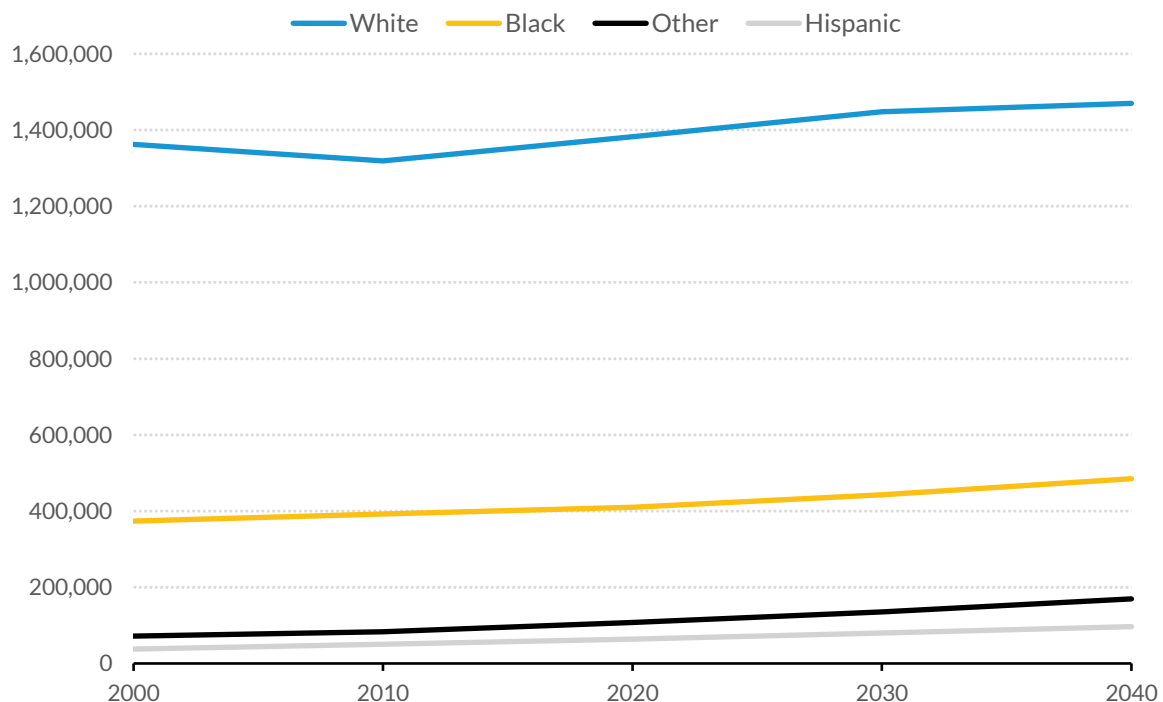
African Americans from Detroit city will markedly increase suburban diversity, at least at the county level, especially in the remainder of Wayne County, Macomb County, and Oakland County. Even so, the region is likely to remain racially segregated between predominantly African American communities (especially Detroit city) and those dominated by whites.

The “non-Hispanic other race” population (mostly Asians and multiracial people) will also constitute a much larger share of householders in the remainder of Wayne County and Oakland County by 2040. The Detroit area experienced a surge in its non-Hispanic other race population in the 2000s, mainly because of the arrival of large numbers of immigrants from the Middle East but also because of the growth in multiracial self-identification, especially among young people. It is likely that this population will disperse throughout the region in the future.

FIGURE 13

Projected Households

Southeast Michigan



Source: Urban Institute household projections based on MDOT population projections.

Shared Regional Challenges

Researchers from the Urban Institute brought together approximately 30 local stakeholders in January 2017 to review our preliminary analysis and housing market projections from the Detroit metropolitan region, examine the policy implications of these long-term trends, and consider alternatives that could shift these trends toward a healthier regional housing market. Stakeholders included public, private, and nonprofit leaders with diverse portfolios of work that focus on Detroit, the larger metropolitan region, or the state. After reflecting on the insights and ideas shared during the meeting and provided by participants in subsequent interactions, three cross-cutting housing issues emerged that are a touchstone for this report.

There are a host of ramifications for the broader population and household changes projected for the region, but a deeper look uncovers common threads *within* those futures that we believe present real challenges for the entire region:

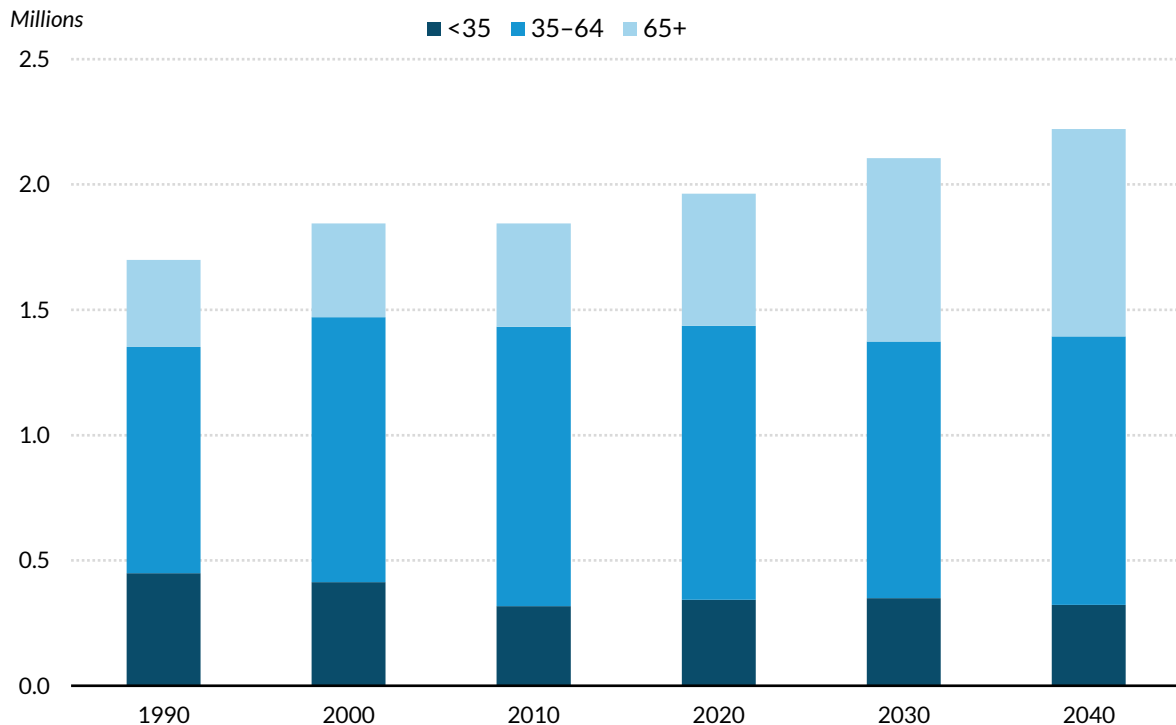
- The growth in senior-headed households;
- The decline in African American homeownership; and
- The growth in rental housing demand.

Growth in Senior-Headed Households

As the baby boomer generation ages, the entire United States is expected to continue getting relatively older. This relative aging is exacerbated in the Great Lakes because of the relatively fewer births and net out-migration into other parts of the country. It also comes with it a host of policy-related challenges: from changing health care demands, to a replacement of wage income with retirement assets, to changing transportation and housing needs (Pendall et al. 2017). Southeast Michigan exemplifies these trends. To the extent that the region is expected to see household growth in the future, it will be of those 65 or older: while the region is expected to grow by 377,000 between 2010 and 2040, the number of senior households is expected to grow by 415,000. This means that the number of nonsenior households is expected to drop by 38,000 during this period (figure 14), and the senior share of the region's households is projected to rise from 22 percent to 37 percent.

FIGURE 14

Households by householder age, 1990 projected to 2040



Sources: US Census of Population 1990–2010; Urban Institute household estimates based on MDOT population projections, 2020–40.

In general, people’s residential mobility (i.e., moves from one house to another) is highest from ages 20 to 35 and declines thereafter, interrupted by a very small increase around retirement. Moves across county or state lines (which demographers characterize as migration) are even less common, and migration out of Southeast Michigan exceeds in-migration among older adults. Thus, the entire region will face increasing numbers of older adults who have lived in their homes for a long time. This trend may be more pronounced in the suburbs than in the relatively younger Detroit, but the challenge may be greater for seniors in Detroit, where the housing is older and in worse repair and home values are lower than in the suburbs.

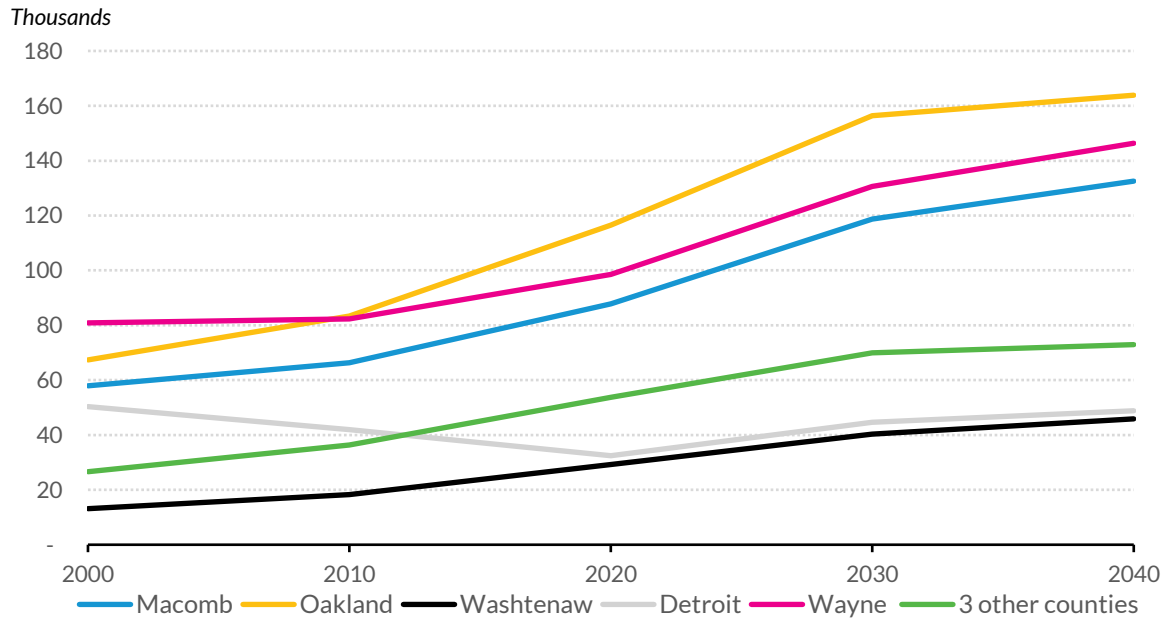
Even though Southeast Michigan has a high homeownership rate compared with the national average, there are renter households, including some headed by baby boomers. This means, naturally, that the number of senior renters in Southeast Michigan is bound to increase in the next few decades. Most people who rent when they reach their 60s never become homeowners, with a larger share shifting from owning to renting—but again, most seniors do not move, and senior owners are even less

likely to move from their houses than senior renters are. Senior renters will grow from 84,000 to 217,000 in Southeast Michigan from 2010 to 2040, while senior homeowners will grow from 329,000 to 610,000. The growth in both renter and owner senior households will occur throughout the region (figure 15). By 2040 there are projected to be more than 100,000 senior-headed owner households each in Macomb, Oakland, and Wayne counties. Renter households are increasing from a comparatively lower base and will feature most prominently (at least in terms of numbers) in Oakland and Wayne counties, both inside and outside of Detroit.

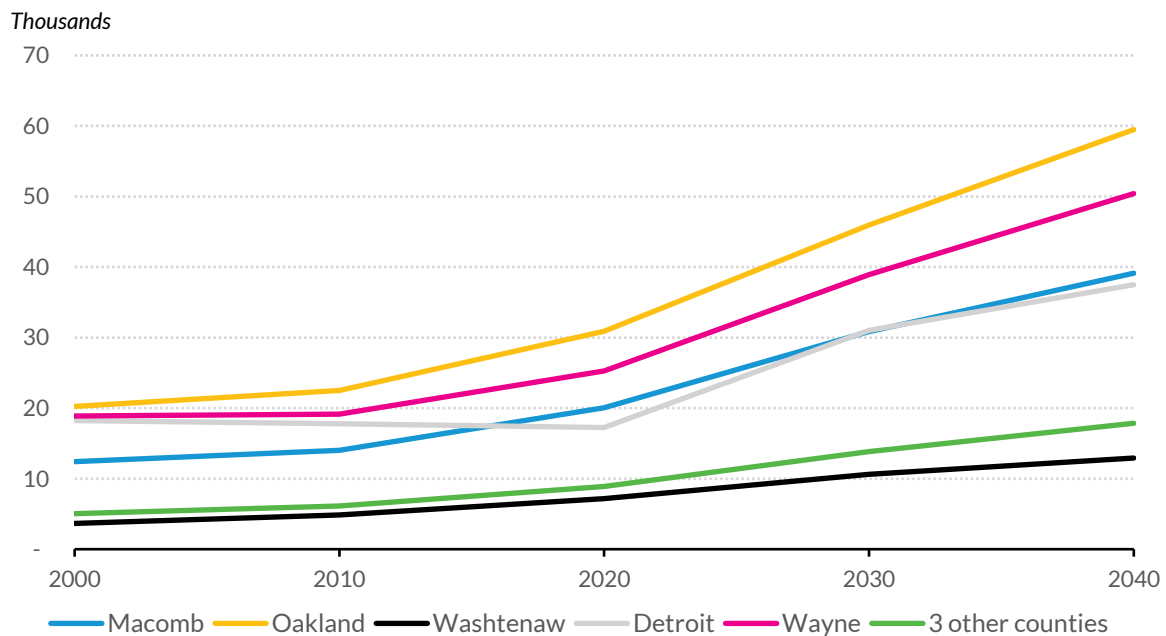
FIGURE 15

Senior-Household Change by Tenure

Owners, 65+



Renters, 65+



Sources: US Census of Population 2000–10; Urban Institute household estimates based on MDOT population projections, 2020–40.

Note: Wayne County here is the remainder of the county outside of Detroit.

BOX 2

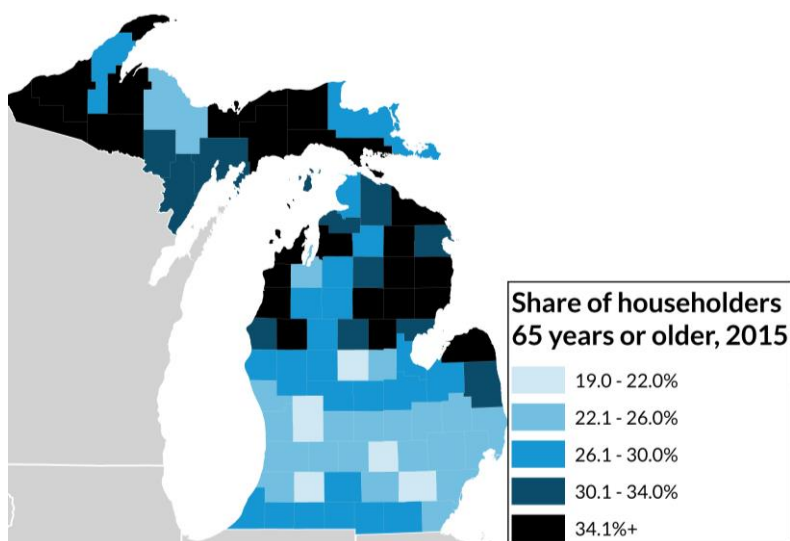
Senior Households in Michigan

Older households have grown across the state, increasing by 153,030 between 2000 and 2015. Although in terms of pure numbers, most older households live in the most populous part of the state, and they make up the largest share of the population (over one-third) in much of the northern part of the state (including the Upper Peninsula).

The share householders 65 and older in Michigan increased from 21 percent in 2000 to 25 percent in 2015. This was a statewide trend—80 out of 83 counties in Michigan saw the share of population ages 65 and older increase from 2000 to 2015. The counties that saw declines in the share of senior population (Houghton, Iron, and Gogebic) were all located in the upper-peninsula near the border with Wisconsin, but they saw less than a 1 percentage point decline and retained more senior in 2015 than the state average. The counties that saw the greatest changes in the share of householders and 65 older were generally in the northern portion of the state, particularly around Grand Traverse Bay, which could reflect seniors moving to this area as a retirement destination. There were counties in the southern portion of the state that saw large jumps. Notably Livingston County in the northern Detroit metro area saw the share of senior households increase 9 percentage points, from 14 percent in 2000 to 23 percent in 2015. The distribution of senior household did not change much from 2000 to 2015. Counties in upper-Michigan had, in general, higher rental rates than the state average in 2000 and 2015. Counties with major universities (e.g., Washtenaw, Ingham) and those with larger cities (e.g., Kent, Kalamazoo) had the lowest shares of senior households. Wayne County, with 24 percent of households over 65, was close to the state average in 2015 (25 percent).

FIGURE 16

Share of Households Headed by Someone Age 65 or Older By county



Sources: American Community Survey one-year estimates, 2015.

Responding to the Housing Challenges of an Older Population

Aging households face a number of housing challenges, from affordability and accessibility to social connections and access to long-term care.⁴ Affordability is a particularly potent issue for seniors (Health and Housing Task Force 2015). Low incomes and an inadequate supply of affordable housing create a cost burden for many older householders, meaning that they pay more than 30 percent of their income on housing.⁵ Combining low fixed incomes with market-rate housing (JCHS 2016), many senior renters are rent burdened. Seventy-five percent of older adult renters earning less than \$15,000 annually and 69 percent of those earning \$15,000 to \$29,999 were rent burdened in 2014 (JCHS 2014). This means that, even if they would like to, many elderly households will not be able to afford to move to a different market-rate housing unit.

Jurisdictions within the region have to figure out how to effectively respond to the needs of their older residents and are in particular responsible for the ramifications of undermaintained housing stock, increasing needs for emergency response services, and changing transportation needs. Communities will need to consider a range of options and interventions to ensure affordability by preserving existing rental stock. One strategy is for intermediaries, together with mission investors, to help older renters with low incomes purchase and preserve the affordability of the complexes where they live. This will require an entity with the capacity and resources to organize tenants, understand the markets, and negotiate the deal. Such efforts, in the long run, will likely save money and prolong lives considering what we know about the effects of housing instability and unaffordability on older renters as they run out of money and end up in nursing homes.

Decline in African American Homeownership and the Disruptive Impacts of the 2000s

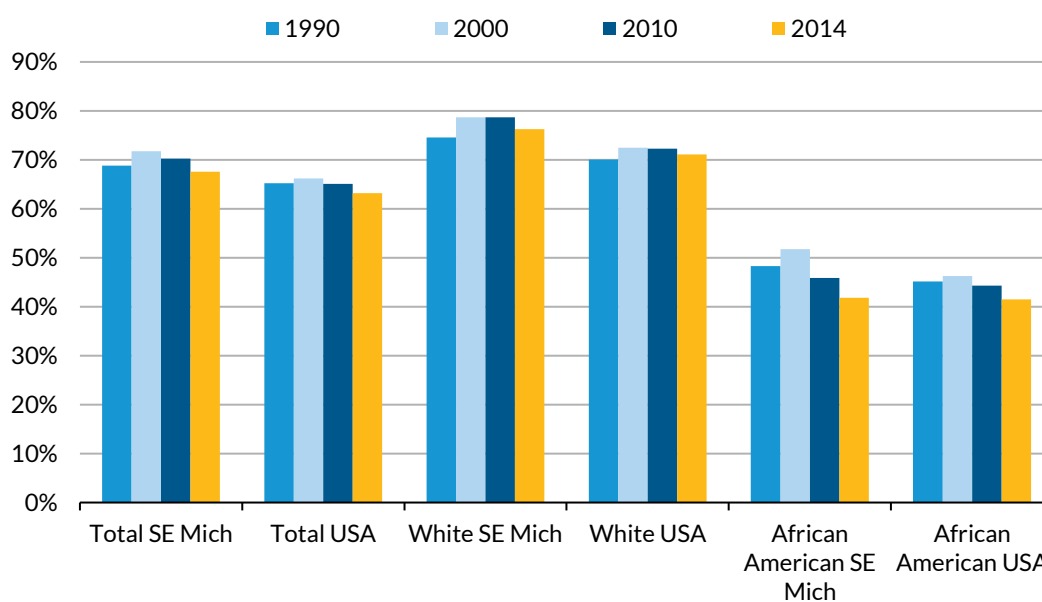
Homeownership has long been a way for people to build wealth, ensure stability, and expand choice for families. The narrative that has arisen in recent years is that the late 2000s housing crisis arrested long-term increases in homeownership. This trend masks the fact that age-specific homeownership rates for younger adults peaked around 1980. Homeownership rates for householders up to age 54 dropped in the 1980s, held steady in the 1990s and early 2000s, and dropped quickly during the crisis. In contrast, homeownership rates for those 55 and older increased throughout the 1980s, 1990s, and 2000s, and were comparatively less affected by housing crisis (Goodman, Pendall, and Zhu 2015). The trends also obscure the distinct experience of African Americans, who were especially hard hit by the foreclosure

crisis, with homeownership gains in the decades before 2000 completely wiped out by 2015. During the 2000s, African Americans were more likely to buy closer to the bubble's peak and to take on subprime loans, so when the market collapsed, they were hit especially hard.⁶

In Southeast Michigan, these dynamics played out in a particularly stark manner. The Detroit region's homeownership rate has long been among the highest in the nation. In 2014, 67.6 percent of the Detroit region's households owned their homes, down from 71.8 percent in 2000 but still over 4 percentage points higher than the national rate (63.2 percent) (figure 17). The Southeast Michigan advantage held true for both whites and African Americans until 2000, but the housing crisis eliminated much of the advantage for the region's African Americans, who disproportionately suffered from foreclosures on subprime mortgages and greater declines in housing values. White residents of Southeast Michigan retain more than a 5 percentage point advantage over whites nationwide.

FIGURE 17

Total, White, and African American Homeownership Rates, Southeast Michigan and USA 1990–2014



Sources: US Census of Population and Housing STF2 and SF2, 1990, 2000, and 2010; American Community Survey, 2014. Seven-county Detroit region.

BOX 3

African American Homeownership in Michigan

Michigan's African American residents primarily reside in urban counties. The top ten most populous counties in Michigan were home to 92 percent of the state's African American households in 2015, compared to 63 percent of the state's total households. Although Wayne County remains the largest center of African American households in Michigan, between 2000 and 2015 it dropped from having 61 percent of Michigan's African American households to 51 percent. Counties in the metro Detroit area bordering Wayne County, particularly Macomb County and Oakland County, experienced some of the largest increases in African American residents as households left the city.

Home ownership rates for African Americans are declining across the state, dropping from 51 percent in 2000 to 42 percent in 2015. As demonstrated in table 3 below, among counties with more than 10,000 African American households, all saw African American homeownership rates fall with the exception of Kalamazoo County (where homeownership rates remained flat at 36 percent, well below the state average). During this period the homeownership rate for non-Hispanic whites dropped from 79 to 77 percent, meaning that the homeownership gap between African Americans and whites in the state increased from 28 percentage points to 35 percentage points.

While the number of African American owner households increased in suburban Oakland and Macomb Counties between 2000 and 2015, the homeownership rate in these counties actually dropped, as the number of African American renter households increased at a faster rate.

TABLE 3

African American Homeownership Rates among Southeast Michigan Counties with More than 10,000 African American Households in 2015

County	2000		2015		2000–15
	Households	Owner-occupied rate	Households	Owner-occupied rate	PP change in owner occupied rate
Wayne County	303,717	53%	262,868	46%	-7%
Oakland County	46,129	53%	70,057	41%	-11%
Macomb County	7,522	40%	33,348	30%	-10%
Genesee County	31,837	52%	33,157	48%	-4%
Kent County	17,578	41%	22,007	31%	-10%
Washtenaw County	14,278	39%	15,934	34%	-5%
Saginaw County	13,428	54%	14,060	49%	-6%
Ingham County	11,094	38%	11,805	33%	-6%
Kalamazoo County	8,106	36%	10,358	36%	0%
Michigan total	491,341	51%	514,107	43%	-8%

Source: ACS one-year estimates, 2000 and 2015.

Younger African American Households Are Struggling to Become Owners

The decline in homeownership for African Americans in Detroit is partly a product of transitions out of ownership and into renting, partly a delay and perhaps a permanent setback for transitions of young householders from renting into owning in the first place, and partly a product of declining access to credit. Tracking homeownership rates over time for people born in a certain year is one way to reveal how their housing market experiences compare with those of other generations (figure 18).

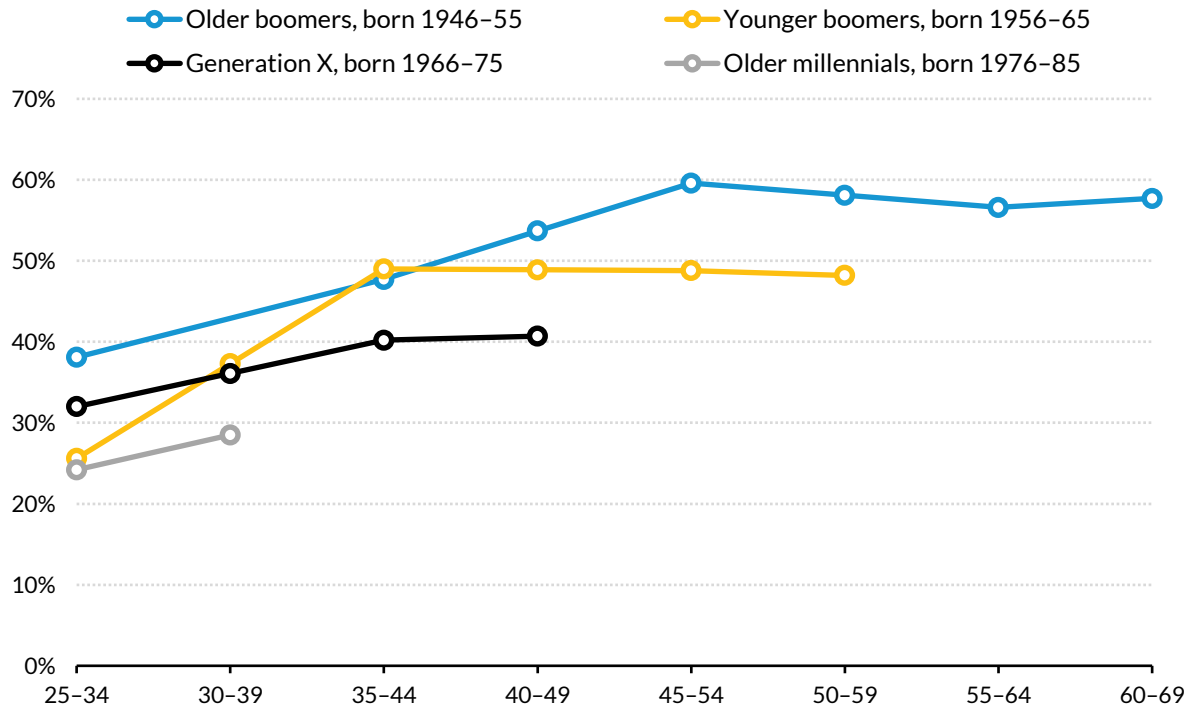
The late 2000s housing crisis has had lasting effects on the region's African American homeownership rates, something that is highlighted when comparing the homeownership trajectory of older baby boomers to younger groups: those born between 1946 and 1955 had higher homeownership rates when they were ages 25 to 34 than subsequent groups, and their rates continued to grow until they were ages 45 to 54. This advantage has held, except for the younger boomers, who had slightly higher homeownership rates while ages 35 to 44 than the older group; however, this growth was not sustainable, as the younger boomer homeownership rate has since stagnated. Meanwhile, homeownership rates for gen X and older millennials remain well behind those of older generations.

Considering the collapse of African American homeownership, lower homeownership rates mean fewer African American owner households. If current trends continue, 211,000 of the 485,000 African American households in the region in 2040 will own (and 274,000 will rent). If housing market conditions and homeownership rates were to restore to 2000s levels, this would mean 242,000 African American households would own their homes, 31,000 more than the baseline trend. Over half of these additional African American homeowners (17,000) would be in Oakland County (table 4).

FIGURE 18

Homeownership Rates, African American Households

Cohorts over time, Southeast Michigan



Sources: Data for 1980 to 2010 comes from decennial "5-Percent Public Use Microdata Sample (PUMS) Files," US Census Bureau. 2015 data from American Community Survey five-year Public Use Microdata Sample (PUMS) Files, 2011-15.

Notes: Older boomers were ages 25 to 34 as of the 1980 census, and were ages 60 to 69 as of the 2015 ACS. The 1980 regional estimates exclude St. Clair County.

TABLE 4

Projections, African American-Owner Households

County	Baseline Projections			2040 Projected with 2000 Homeownership Rates	
	2000	2020	2040	2040	Difference versus baseline
Detroit	144,166	99,872	121,048	130,419	9,371
Oakland	24,388	29,942	28,679	45,673	16,994
Wayne outside Detroit	15,007	25,724	32,507	34,610	2,103
Macomb	3,211	12,859	17,279	19,553	2,274
Other counties	6,679	8,717	11,783	11,800	17
Southeast Michigan total	193,451	177,113	211,294	242,055	30,761

Sources: US Census of Population, 2000-10; Urban Institute household estimates based on MDOT population projections, 2020-40.

Encouraging homeownership at all costs is not a viable long-term strategy in achieving more equitable outcomes, and indeed played a role in what happened to the US housing market in the 2000s.

However, understanding homeownership as a pathway for building wealth and stability is still crucial. One issue is how to respond to tightening credit, as limited credit access has hindered a path forward to homeownership for many in the region.

Southeast Michigan has historically provided such a pathway for its African American residents, but it has lost its regional comparative advantage in recent years. So, encouraging sustainable homeownership gains is paramount as the region looks to its future. Successful interventions will require tailoring interventions to the particular needs of individual neighborhoods and market conditions, activating cross-sector partnerships, and cultivating advocates for policies and programs (Poethig et al. 2017).

Increased Demand for Affordable, Stable, Healthy Rental Housing

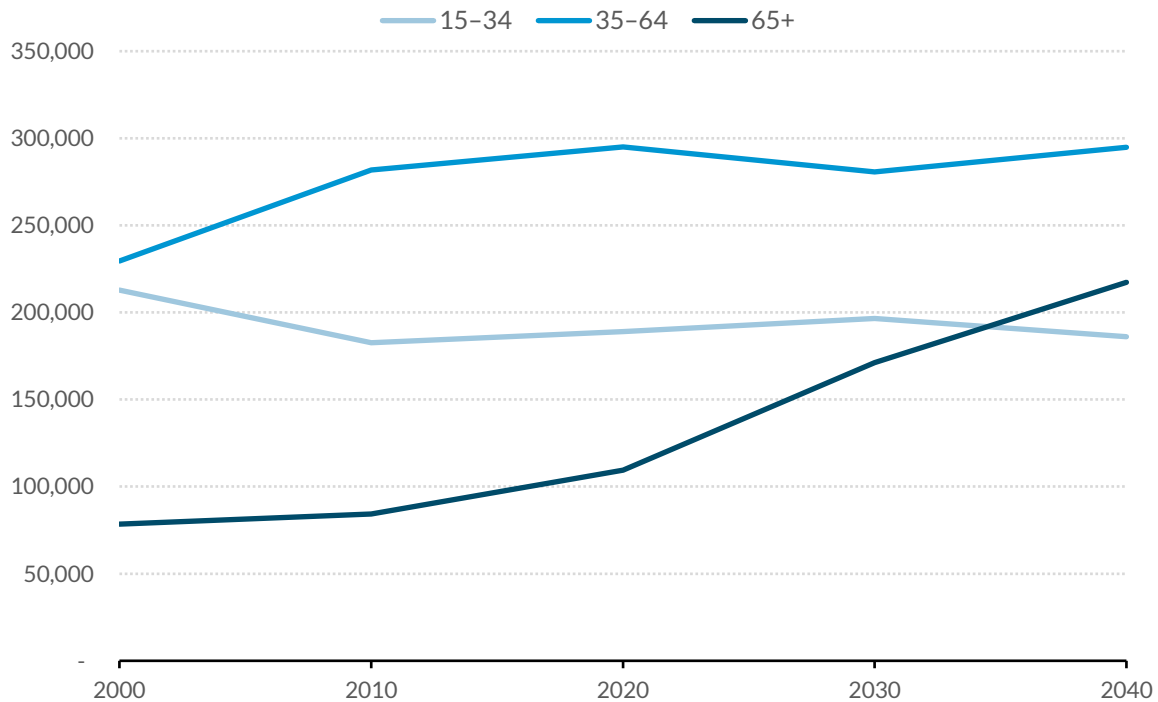
Where Rental Housing Demand Is Coming From

The consequence of dropping homeownership rates has been greater rental housing demand: in 2015, 37 percent of all US households were renters, up from 31 percent in 2005. Though the housing market collapse played a role in this increase, greater renter demand also stems from factors such as the tendency of millennials to marry at slower rates and to have children later than previous generations, a general movement toward smaller household sizes, and the sheer numbers of baby boomers already renting. In terms of supply, though multifamily units continue to share a piece of the rental market, most new rental housing is in single-family housing, something which institutional investors have become increasingly involved in managing (JCHS 2015).

Though the growth in senior renter households is noteworthy (figure 19), it is less about former owners becoming renters and more about renter households continuing to rent. This means that even as there is expected to be a relatively steady demand among younger generations for rental housing, existing renter units will not necessarily meet demand because they are turning over less often.

FIGURE 19

Renter Households by Age of Householder



Sources: US Census 2000 and 2010, STF2 and SF2; Urban Institute projections based on MDOT projections of population and Urban Institute projections of age- and race-specific headship and homeownership rates.

BOX 4

Rental Households in Michigan

The share of households renting in Michigan increased 3 percentage points from 2000 to 2015 (from 26 percent to 29 percent). At the county level, renter rates are generally higher in the southern portion of the state, particularly around urban centers and in the Upper Peninsula. Macomb County experienced the largest percentage point increase, with a 6 percentage points increase (from 21 percent of households in 2000 to 27 percent in 2015). Only 8 out of 83 counties saw declines in rental rates over the period; these declines were primarily in rural counties in the northern portion of state

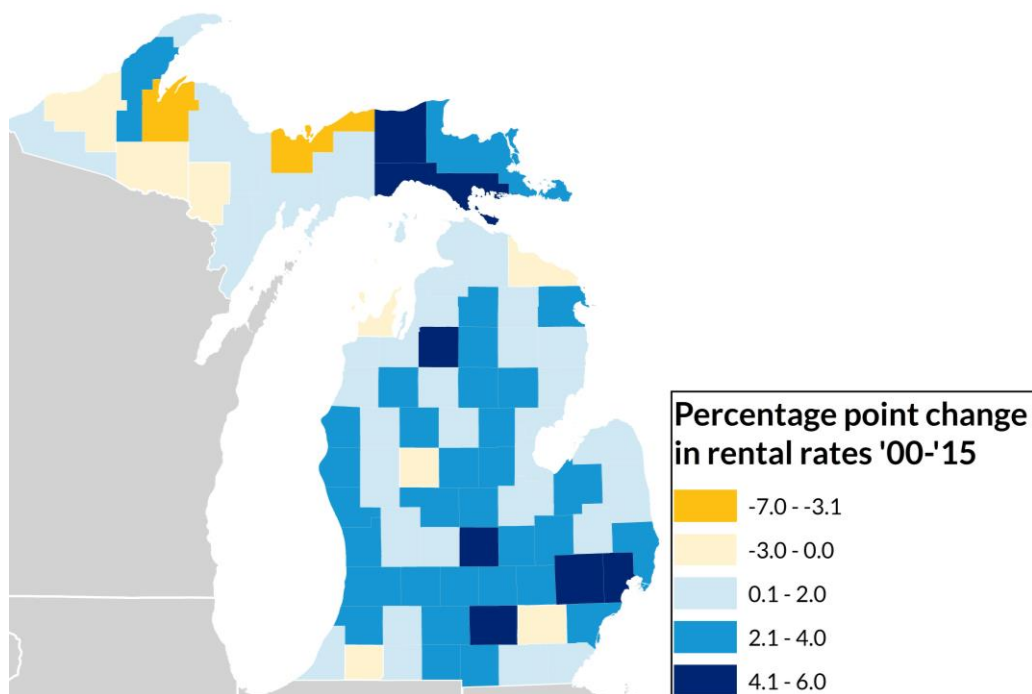
Despite the growth in rental rates across the state, a clear majority of Michigan's senior households remained homeowners over the period and the senior rental rate at the county level dropped in most counties (60 out of 83). However, given the state's rapidly aging population, Michigan had a net gain of 20,000 senior rental households between 2000 and 2015, and a majority of counties (56 out of 80) experienced a net increase in the number of senior rental households. Senior rental rates were highest

in urban counties (Ingham, Wayne, Oakland, and Washtenaw) as well as two rural counties in the Upper Peninsula (Houghton and Marquette).

FIGURE 20

Percentage Point Change in Michigan Rental Rates

By county, 2000–15



Sources: US Census 2000; one-year ACS estimates, 2015.

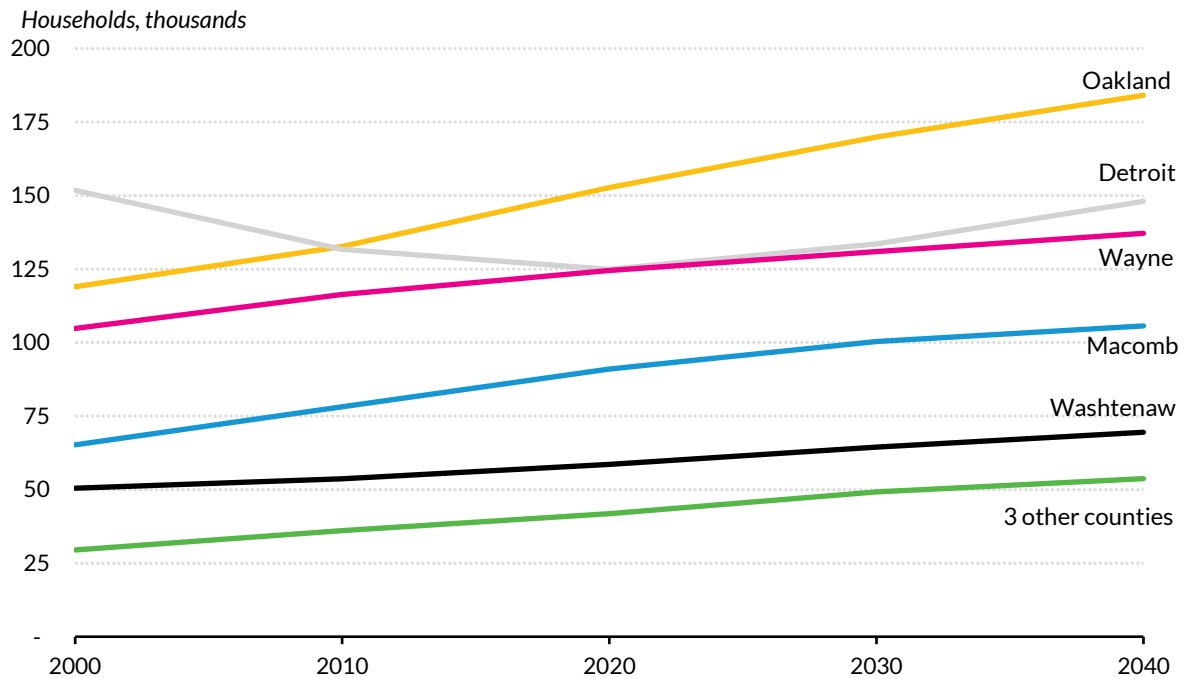
More Renters throughout Southeast Michigan

Southeast Michigan exemplifies a number of these national trends and pressures, from growing demand across the region to the growing importance of the single-family housing stock for meeting rental demand to the growing imbalance between demand and supply, especially for lower income households.

In future decades, demand for rental household is expected to continue increasing throughout the region. Oakland and Wayne counties (both when including Detroit or when counting it separately) have had, and will continue to have, the most renter households (figure 20). Detroit, which has seen a recent drop in renter households, is expected to turn back to renter household growth in future decades.

FIGURE 20

Renter Demand Expected to Increase across the Region



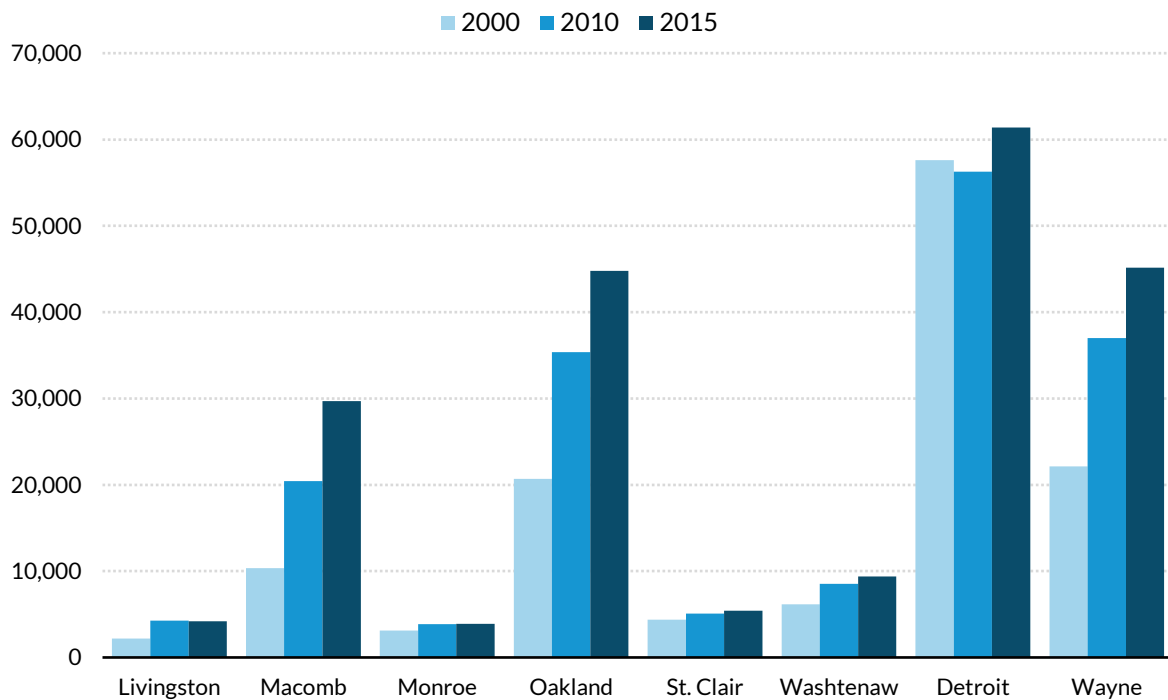
Source: US Census 2000 and 2010, STF2 and SF2; Urban Institute projections based on MDOT projections of population and Urban Institute projections of age- and race-specific headship and homeownership rates.

Note: Wayne County here is the remainder of the county outside of Detroit.

Much of this growth in renter households has been accommodated through single-family detached housing. Though the city of Detroit has long had the largest number of single-family renter units in the region, numbers have been growing quickly in Macomb and Oakland counties and the rest of Wayne County (figure 21).

FIGURE 21

Number of Single-Family Detached Renter-Occupied Units



Source: Decennial Census, 2000 and 2010; American Community Survey, 2015.

Note: Wayne County here is the remainder of the county outside of Detroit.

The loss of affordable housing can happen for a number of reasons. A recent Urban Institute study found that Wayne County had the second worst affordability trends among the 100 most-populous counties in the nation for extremely low-income renter households between 2000 and 2014, dropping from 60 units adequate, affordable, and available (“AAA”) in 2000 to 40 in 2010–14. The number of extremely low-income renters grew 12,000 during this period, which was exacerbated by a loss of 13,000 units affordable and available to these renters (Getsinger et al. 2017). In other words, Wayne County was facing both growing demand and shrinking supply. Though pressures are being intensely felt in Wayne County, it is by no means the only part of the region with these issues. The affordability gap is even more pronounced in Livingston, Macomb, Oakland, and Washtenaw counties (table 5).

TABLE 5

Southeast Michigan Already Lacks Affordable Rental Housing for Extremely Low-Income Households

Number of adequate, affordable, and available units per 100 extremely low-income renter households, 2010–14

County	No assistance	With assistance
Livingston	19	33
Macomb	11	31
Monroe	33	58
Oakland	12	32
St. Clair	24	50
Washtenaw	11	27
Wayne	20	40

Source: Erika Poethig, Liza Getsinger, Josh Leopold, Graham MacDonald, Lily Posey, Pamela Blumenthal, Reed Jordan, and Katya Abazajain, "Mapping America's Rental Housing Crisis," Urban Institute, last modified April 27, 2017, <http://apps.urban.org/features/rental-housing-crisis-map/>.

All segments of the region's population need affordable rental housing. It is more cost-effective for seniors to remain in their homes, but many older, low-income renters are housing cost burdened. Renting can help provide avenues for African Americans to transition to homeownership. Yet, the growing rental demand in the region leaves many without affordable options. The region needs to produce more affordable housing options as demand will likely continue to increase in the coming years. This involves not only new construction but also preservation of the existing market-rate stock and housing assistance stock. Federal subsidies and housing assistance play a role, but local spending will be increasingly crucial in an environment where that federal assistance is flat or declining. Channeling multiple subsidies (such as can happen with low-income housing tax credit subsidies) can help create and sustain deeper affordability.

Conclusion

Accommodating a region's household demand is a matter of reconciling demand and supply, but a simple, singular notion of supply and demand ignores the dynamic nature of providing the right kind of supply in the right places over time. With such a narrow view, needs are not met and opportunities for more efficient and equitable regional growth are lost. In the context of uncertain federal commitments to housing, it is imperative for municipalities, regions, and states to find ways to facilitate creative policy solutions that respond to regional realities and challenges.

As the leaders and residents of Southeast Michigan know all too well, national economic shifts affect communities and neighborhoods in profound ways. Understanding those shifts and preparing for changes in households, housing types, and neighborhoods conditions becomes a critical task and skill that will demand new ways of thinking about the region, housing, and housing policy and programs. Part of the Urban Institute's charge for this project and beyond is to provide communities with solid analysis of the current and projected data and help them explore the range of strategies and actions that can help address these three housing challenges.

A good starting point for a regional housing conversation is to identify a set of important principles that can help facilitate mutual understanding and guide regional and local stakeholders. Considering our conversations with local stakeholders and housing market analysis, four core themes or principles emerge:

1. **Affordability** is a matter of both providing new housing and preserving existing affordable supply.
2. **Quality** in the region is especially about how to maintain older housing stock to improve safety, health, energy efficiency, and resale value.
3. **Inclusion** in a broad sense means building diverse neighborhoods across ages, tenures, races, and incomes. In addition to equity or fairness, this principle also points to resilience. From a housing market and jurisdictional perspective, neighborhoods are more stable when they are more flexible.
4. **Stability and support** requires meeting the economic, social, and health needs of an aging population and linking housing policies to those in education, workforce, financial health, and senior services.

We also need to better understand how these three converging housing challenges will play out across the region and craft policy responses that can effectively respond to local needs. Though the

region (and the state) is facing these challenges, they are more urgent in some communities than others. Understanding local capacities to respond may identify mismatched resources and help to build a more effective regional understanding of and response to the issues at play. Another aspect of this effort is having access to reliable information about the regional housing market and changing neighborhood and property conditions so that communities can adapt and adjust their policy and program actions to address these dynamic market shifts.

Addressing issues aging households face will provide benefits to the households and the municipalities within which they live. Retrofitting homes will improve accessibility, better transportation options for those with driving limitations, improve access to long-term care for people with disabilities or long-term conditions, and reduce cost-burden challenges.⁷ Implementing policies that allow seniors to age in place will produce savings for local jurisdictions, individuals, and government programs like Medicare and Medicaid. Noninstitutional care costs only 20 to 25 percent of what individuals pay for nursing home care; and home-based care programs can cost just 16 to 38 percent of what is charged for Medicare fee-for-service programs (PolicyLink 2016). With market-rate housing already burdening the majority of low-income senior renters, regional stakeholders must examine ways to increase the supply of affordable, accessible rental housing for seniors and limit the reliance on institutional care.

As this report outlines, the homeownership challenges the African American community faces go beyond simple supply and demand answers. What role can community-based organizations and community development intermediaries play in preparing African American families for a new wave of homeownership opportunities? Many African Americans lost their homes during the foreclosure crisis leaving them on the housing margins and with damaged credit. What can the housing and lending industry do to help repair those families? What can local governments do to support African American families during this transition period from safe and affordable rental housing to homeownership? These and other questions will be important to explore in more detail as the region prepares its responses to this complex housing challenge.

With respect to the growing demand for rental housing in the region, it will be critical for stakeholders to understand the production dimensions of new rental housing and the preservation strategies for existing rental housing. For example, how many new units are in the pipeline and where are they slated for development, and where are established owner-occupied homes transitioning fastest to renter occupancy? Will that supply match the projected demand? With so many households in the region turning to rental housing for longer-term occupancy, perhaps even permanent occupancy, can the rental housing industry design and develop new projects that are high quality, affordable, and

safe? What are the regulatory, neighborhood, and financing barriers the housing industry confronts in developing new models of rental housing?

Complex housing challenges such as those described in this report will require strategies and collaboration involving the private sector, financial institutions, and real estate and housing industry, along with nonprofit and community-based organizations. The housing challenges for African American homeowners and seniors will also require nontraditional partners, such as those involved with workforce development, schools, and health care.

Some communities might be ahead of the curve in addressing these housing challenges; other jurisdictions might have policies and programs in place that will need to be updated and recalibrated so they can more effectively address the demand and supply changes set forth in our analysis. It will also be important to address fair housing challenges at a regional level: though the impulse may be to add more affordable housing where need is greatest, channeling this sort of development into poorer communities will perpetuate segregation. This is one reason the state of Michigan, through the Michigan State Housing Development Authority, needs to play a critical role in shaping and supporting regional housing policy.

State, regional, and local leaders could benefit from having an ongoing dialogue about the nature of these and other housing challenges and the wide range of potential strategies and solutions. For example, in Cleveland, the First Suburbs Consortium hosts monthly lunch meetings of the housing and community development directors and staff from the inner-ring suburban cities. Cleveland's Vacant and Abandoned Properties Action Council brings together representatives from the city, Cuyahoga County, suburban cities, the land-bank authority, nonprofits, and local universities to problem solve and share information on how to improve existing strategies for reclaiming vacant properties. Regardless of the content, the simple format of a monthly lunch meeting that brings the right people into the same room can forge the requisite trust, mutual understanding, and harness the creative talents and energies that these shared challenges will demand.

Regional conversations and collaborations are hard. The default response is to focus on individual policy and program solutions that only affect one city or one facet of the housing market. Business as usual, however, ignores the opportunities for more effective and efficient strategies. Such collaboration does not happen overnight but must be cultivated.

BOX 5

The Urban Institute's Collaboration with JPMorgan Chase

The Urban Institute is collaborating with JPMorgan Chase over five years to inform and assess JPMorgan Chase's philanthropic investments in key initiatives. One of these initiatives is to support and accelerate Detroit's economic recovery. The goals of the collaboration include using data and evidence to inform JPMorgan Chase's philanthropic investments, assessing whether its programs are achieving desired outcomes, and informing the larger fields of policy, philanthropy, and practice. This report uses population and household projections for the Detroit region to 2040 to identify and discuss three housing challenges facing Southeast Michigan: holistic housing options for seniors, African American homeownership strategies, and the demand for rental housing. The goal of this report is to convey the relevance of these issues throughout Southeast Michigan and create an opportunity for future regional conversations and potential collaboration.

Appendix: Methods

Population projections, used as the basis for our household projections, come from the Michigan Department of Transportation (MDOT) Statewide Planning and Statewide and Urban Travel Analysis sections and University of Michigan Institute for Research on Labor, Employment, and the Economy.

Household formation and homeownership attainment both vary substantially not only by age but also by race. To account for the impact of these racial variations at the county level, we use the Urban Institute's projections of each county's age-specific racial composition in combination with MDOT's base population by age to arrive at populations by age and race for each of the seven counties.⁸ As discussed in our previous papers on Detroit, metropolitan Detroit is deeply segregated by race, with the city of Detroit accounting for an estimated 58 percent of the region's African American population in 2010 but only 3 percent of its non-African American residents. Nearly 90 percent of African Americans in the region live in Detroit, the rest of Wayne County, or Macomb County. These combined population projections suggest that Detroit will remain predominantly African American but that suburbanization of African Americans will add to the diversity of surrounding counties, especially Wayne and Macomb. The Detroit area also experienced a surge in its "non-Hispanic other race" population in the 2000s, mainly because of the arrival of large numbers of immigrants from the Middle East but also because of the growth in multiracial self-identification, especially among young people. Urban Institute's Mapping America's Futures projection model extends those trends into the future at the county level, leading to the concentration in the remainder of Wayne County of most of the region's non-Hispanic other race population in 2040. It is likely that this population will disperse throughout the region in the future.

Tables A.1 and A.2 show Urban's household projections for Southeast Michigan until 2040 using the modified transition rate model of headship and homeownership based on MDOT population projections. The first table has households by tenure and age from 2000–40, and the second table has households by tenure and race and ethnicity from 2000–40. Data are presented for the counties in the region, with Wayne County divided into two: the city Detroit and the remainder of the county.

Households and Housing Demand

To develop our housing-demand scenario based on a projection of population by age and race, we use age- and race-specific rates of headship (householders as a proportion of total population) and homeownership (owners as a proportion of all households) based on past observations (1990, 2000, and

2010). To develop these rates, our initial models used a *transition rate* method, which uses the decadal change in the headship and homeownership rate for each race-specific cohort to project changes in rates after establishing the level of the rate at a known starting point for the cohort (Goodman, Pendall, and Zhu 2015).⁹ However, given the significant challenges facing Detroit's economy in the 2000s, we modified these methods to produce headship and homeownership rates more in line with national expectations and the assumptions of recovery underlying the MDOT population projections.

Headship rates and headship transition rates were seriously disrupted by the economic crisis of the 2000s for young households. Therefore, we use a modified transition-rate method for headship rates by race and age for the counties and Detroit. We set the 2030 and 2040 race- and age-specific headship rates based on the average rates observed for the same age-race group in the same county or Detroit in 1990, 2000, and 2010, implying that demographic composition will stabilize. We set the 2020 rates based on a projected trend line between the observed 2010 and projected 2030 numbers. Compared with headship rates, homeownership rates for most age-race groups were less affected by the housing-economic crisis, but for some groups the transition into homeownership slowed or even reversed as foreclosures increased.

This step produced "bottom-up" projections of households by age, race, and tenure that added up to different totals than the regional ("top-down") totals. To reconcile the two, we applied proportions from the bottom-up projections to the regional totals. So, for example, if our bottom-up step indicated that Oakland County would account for 20 percent of the region's white homeowners ages 55 to 64, we multiplied the 20 percent by the number of white homeowners ages 55 to 64 from the top-down model.

This projection framework has limitations. It is not an integrated model of the region's economy and housing market, but it assumes that future decisionmaking will resemble past decisionmaking in terms of headship and homeownership patterns.

TABLE A.1

Households by Age and Tenure

	2000			2010			2020			2030			2040		
	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total
Livingston															
15-24	489	832	1,321	499	881	1,380	539	931	1,470	441	770	1,211	520	908	1,428
25-34	6,682	1,834	8,516	4,858	2,317	7,175	7,949	3,139	11,088	9,179	3,547	12,726	7,277	2,855	10,132
35-44	14,184	1,533	15,717	11,226	2,088	13,314	8,859	2,284	11,143	12,935	2,528	15,463	15,070	2,812	17,882
45-54	12,647	1,010	13,657	15,962	1,991	17,953	13,288	2,201	15,489	12,999	3,038	16,037	16,982	2,950	19,932
55-64	7,684	459	8,143	12,822	1,095	13,917	16,295	1,861	18,156	14,740	2,274	17,014	12,990	2,873	15,863
65-74	4,176	324	4,500	7,476	541	8,017	12,363	1,127	13,490	15,225	1,830	17,055	12,852	2,066	14,918
75-84	2,401	407	2,808	3,591	453	4,044	6,157	716	6,873	9,759	1,331	11,090	12,936	2,174	15,110
85+	474	220	694	1,060	499	1,559	1,382	469	1,851	2,514	818	3,332	4,549	1,607	6,156
Total	48,737	6,619	55,356	57,494	9,865	67,359	66,832	12,728	79,560	77,791	16,137	93,928	83,176	18,245	101,421
Macomb															
15-24	3,311	6,997	10,308	2,356	6,309	8,665	2,353	7,433	9,786	2,152	6,823	8,975	2,106	6,820	8,926
25-34	35,278	18,003	53,281	25,759	17,644	43,403	30,490	20,225	50,715	29,415	21,474	50,889	24,928	18,875	43,803
35-44	57,304	13,589	70,893	47,030	15,753	62,783	42,681	14,676	57,357	49,569	14,333	63,902	48,163	15,951	64,114
45-54	52,618	9,233	61,851	60,235	14,384	74,619	52,525	14,259	66,784	48,360	12,847	61,207	56,568	12,075	68,643
55-64	37,523	5,004	42,527	51,769	10,100	61,869	62,548	14,399	76,947	55,111	13,994	69,105	51,273	12,837	64,110
65-74	31,250	4,574	35,824	33,378	5,621	38,999	49,525	10,837	60,362	61,517	15,169	76,686	54,640	14,871	69,511
75-84	22,010	5,393	27,403	23,789	4,687	28,476	27,645	5,886	33,531	42,279	10,912	53,191	54,023	15,431	69,454
85+	4,670	2,446	7,116	9,152	3,701	12,853	10,609	3,313	13,922	14,901	4,785	19,686	23,881	8,823	32,704
Total	243,964	65,239	309,203	253,468	78,199	331,667	278,376	91,028	369,404	303,305	100,336	403,641	315,582	105,683	421,265
Monroe															
15-24	779	1,120	1,899	573	1,044	1,617	520	924	1,444	437	792	1,229	455	838	1,293
25-34	5,807	2,717	8,524	4,478	2,502	6,980	5,184	2,939	8,123	5,297	2,970	8,267	4,357	2,595	6,952
35-44	10,826	2,293	13,119	8,114	2,403	10,517	6,833	1,919	8,752	8,015	2,296	10,311	8,433	2,353	10,786

	2000			2010			2020			2030			2040		
	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total
45-54	10,530	1,457	11,987	11,716	2,191	13,907	8,834	1,965	10,799	8,854	1,842	10,696	10,787	2,283	13,070
55-64	6,920	797	7,717	10,414	1,437	11,851	11,522	2,049	13,571	9,412	2,006	11,418	9,223	1,836	11,059
65-74	5,032	711	5,743	6,276	851	7,127	9,940	1,564	11,504	10,992	2,172	13,164	8,568	1,992	10,560
75-84	2,919	774	3,693	3,754	730	4,484	4,894	968	5,862	7,765	1,729	9,494	8,892	2,373	11,265
85+	721	367	1,088	1,158	569	1,727	1,503	566	2,069	2,177	837	3,014	3,558	1,483	5,041
Total	43,534	10,236	53,770	46,483	11,727	58,210	49,232	12,892	62,124	52,951	14,642	67,593	54,273	15,753	70,026
Oakland															
15-24	3,529	11,778	15,307	2,693	10,343	13,036	2,920	11,186	14,106	2,480	9,743	12,223	2,489	9,804	12,293
25-34	48,183	37,216	85,399	31,676	33,592	65,268	35,923	36,089	72,012	38,644	39,775	78,419	31,435	34,604	66,039
35-44	90,480	24,651	115,131	64,170	27,538	91,708	56,897	27,522	84,419	62,580	27,662	90,242	65,689	29,553	95,242
45-54	87,377	16,662	104,039	89,840	22,883	112,723	72,587	25,028	97,615	60,189	23,358	83,547	76,699	26,679	103,378
55-64	55,187	8,442	63,629	79,244	15,860	95,104	93,149	22,025	115,174	73,573	23,415	96,988	66,657	23,969	90,626
65-74	37,374	7,215	44,589	45,425	8,589	54,014	69,875	16,015	85,890	84,711	21,977	106,688	68,093	23,392	91,485
75-84	24,671	8,351	33,022	27,517	7,547	35,064	34,750	9,138	43,888	54,746	16,187	70,933	66,563	21,567	88,130
85+	5,324	4,675	9,999	10,423	6,358	16,781	11,846	5,742	17,588	16,893	7,773	24,666	29,210	14,524	43,734
Total	352,125	118,990	471,115	350,988	132,710	483,698	377,947	152,745	530,692	393,816	169,890	563,706	406,835	184,092	590,927
St. Clair															
15-24	836	1,597	2,433	517	1,332	1,849	516	1,273	1,789	447	1,178	1,625	476	1,255	1,731
25-34	6,747	3,251	9,998	4,204	3,073	7,277	5,315	3,638	8,953	5,499	3,681	9,180	4,443	3,215	7,658
35-44	12,000	2,813	14,813	8,467	2,851	11,318	6,411	2,562	8,973	7,999	2,925	10,924	8,506	2,938	11,444
45-54	11,209	1,768	12,977	12,064	2,833	14,897	9,350	2,590	11,940	8,653	2,897	11,550	10,976	3,311	14,287
55-64	7,719	986	8,705	11,043	1,922	12,965	12,315	2,668	14,983	10,340	2,657	12,997	9,223	2,872	12,095
65-74	5,804	870	6,674	7,108	1,053	8,161	10,216	1,929	12,145	11,183	2,599	13,782	8,772	2,376	11,148
75-84	4,041	910	4,951	4,364	808	5,172	5,460	988	6,448	7,818	1,745	9,563	8,980	2,409	11,389
85+	1,049	453	1,502	1,569	603	2,172	1,771	560	2,331	2,467	763	3,230	3,842	1,377	5,219
Total	49,405	12,648	62,053	49,336	14,475	63,811	51,354	16,208	67,562	54,406	18,445	72,851	55,218	19,753	74,971

	2000			2010			2020			2030			2040		
	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total
Washtenaw															
15-24	1,000	12,784	13,784	860	13,240	14,100	1,012	13,981	14,993	1,017	14,191	15,208	1,065	14,933	15,998
25-34	10,237	17,545	27,782	8,219	16,844	25,063	9,005	18,490	27,495	9,710	19,676	29,386	9,298	19,768	29,066
35-44	18,755	8,783	27,538	15,920	8,035	23,955	15,263	8,389	23,652	18,036	10,048	28,084	19,092	10,499	29,591
45-54	19,960	5,419	25,379	20,727	6,306	27,033	19,349	5,257	24,606	18,860	5,544	24,404	22,892	6,650	29,542
55-64	11,736	2,314	14,050	19,498	4,421	23,919	22,143	5,240	27,383	21,116	4,370	25,486	21,095	4,746	25,841
65-74	7,435	1,476	8,911	10,357	2,041	12,398	17,925	3,792	21,717	20,969	4,709	25,678	20,280	4,105	24,385
75-84	4,650	1,433	6,083	5,881	1,514	7,395	8,784	2,108	10,892	15,249	3,896	19,145	17,946	4,889	22,835
85+	1,057	743	1,800	2,021	1,309	3,330	2,484	1,287	3,771	4,086	2,002	6,088	7,661	3,933	11,594
Total	74,830	50,497	125,327	83,483	53,710	137,193	95,966	58,543	154,509	109,044	64,435	173,479	119,329	69,523	188,852
Detroit															
15-24	3,274	14,253	17,527	2,127	10,313	12,440	1,639	8,260	9,899	1,681	8,422	10,103	1,690	8,410	10,100
25-34	23,590	42,862	66,452	11,003	26,887	37,890	11,445	22,773	34,218	13,310	27,192	40,502	12,498	25,389	37,887
35-44	36,579	36,289	72,868	22,120	28,690	50,810	18,933	24,084	43,017	21,892	23,220	45,112	22,886	24,903	47,789
45-54	41,056	26,509	67,565	28,794	26,952	55,746	27,469	27,365	54,834	19,743	19,368	39,111	34,901	28,412	63,313
55-64	29,800	13,618	43,418	31,681	21,082	52,763	30,325	25,200	55,525	27,246	24,352	51,598	26,606	23,388	49,994
65-74	26,773	9,858	36,631	21,043	9,992	31,035	17,866	11,124	28,990	27,176	21,375	48,551	23,314	19,762	43,076
75-84	18,821	6,335	25,156	14,945	5,577	20,522	10,817	4,770	15,587	13,355	7,858	21,213	17,602	13,151	30,753
85+	4,754	2,057	6,811	6,002	2,205	8,207	3,766	1,357	5,123	4,157	1,781	5,938	7,952	4,581	12,533
Total	184,647	151,781	336,428	137,715	131,698	269,413	122,260	124,933	247,193	128,560	133,568	262,128	147,449	147,996	295,445
Wayne, outside Detroit															
15-24	4,470	10,833	15,303	3,440	9,504	12,944	3,233	10,078	13,311	3,324	10,010	13,334	3,537	10,229	13,766
25-34	45,770	29,214	74,984	31,506	26,790	58,296	36,639	27,655	64,294	30,175	26,356	56,531	30,074	25,507	55,581
35-44	75,513	22,226	97,739	57,524	24,457	81,981	50,354	20,995	71,349	58,613	20,456	79,069	51,368	20,698	72,066
45-54	72,306	15,402	87,708	75,245	21,378	96,623	63,630	20,627	84,257	52,141	16,565	68,706	53,562	13,830	67,392
55-64	48,260	8,262	56,522	66,947	15,094	82,041	75,945	19,872	95,817	62,504	18,652	81,156	56,244	16,492	72,736

	2000			2010			2020			2030			2040		
	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total
65-74	42,320	7,200	49,520	40,037	8,211	48,248	59,271	14,922	74,193	70,832	20,666	91,498	63,794	21,267	85,061
75-84	31,691	8,022	39,713	30,151	6,298	36,449	29,310	7,062	36,372	46,376	13,319	59,695	60,049	19,626	79,675
85+	6,860	3,663	10,523	12,141	4,613	16,754	9,979	3,287	13,266	13,431	4,920	18,351	22,516	9,522	32,038
Total	327,190	104,822	432,012	316,991	116,345	433,336	328,361	124,498	452,859	337,396	130,944	468,340	341,144	137,171	478,315
Southeast Michigan totals															
15-24	17,688	60,194	77,882	13,065	52,966	66,031	12,731	54,067	66,798	11,979	51,929	63,908	12,336	53,199	65,535
25-34	182,294	152,642	334,936	121,703	129,649	251,352	141,950	134,948	276,898	141,230	144,670	285,900	124,309	132,809	257,118
35-44	315,641	112,177	427,818	234,571	111,815	346,386	206,231	102,431	308,662	239,639	103,468	343,107	239,208	109,706	348,914
45-54	307,703	77,460	385,163	314,583	98,918	413,501	267,033	99,291	366,324	229,800	85,458	315,258	283,366	96,191	379,557
55-64	204,829	39,882	244,711	283,418	71,011	354,429	324,242	93,314	417,556	274,042	91,720	365,762	253,312	89,012	342,324
65-74	160,164	32,228	192,392	171,100	36,899	207,999	246,982	61,309	308,291	302,605	90,497	393,102	260,314	89,830	350,144
75-84	111,204	31,625	142,829	113,992	27,614	141,606	127,818	31,635	159,453	197,348	56,976	254,324	246,993	81,618	328,611
85+	24,909	14,624	39,533	43,526	19,857	63,383	43,340	16,581	59,921	60,627	23,678	84,305	103,168	45,851	149,019
Total	1,324,432	520,832	1,845,264	1,295,958	548,729	1,844,687	1,370,328	593,575	1,963,903	1,457,268	648,398	2,105,666	1,523,006	698,216	2,221,222

Sources: Urban analysis based on MDOT, 2017 and SEMCOG, 2012.

TABLE A.2

Households by Race and Tenure

	2000			2010			2020			2030			2040		
	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total
Livingston															
White	47,744	6,284	54,028	55,906	9,277	65,183	64,521	11,857	76,378	74,415	14,891	89,306	78,748	16,735	95,483
African American	78	28	106	140	73	213	170	109	279	184	132	316	198	160	358
Hispanic	326	120	446	618	240	858	941	403	1,344	1,361	604	1,965	1,773	787	2,560
Other	589	187	776	830	275	1,105	1,200	359	1,559	1,831	510	2,341	2,457	563	3,020
<i>Total</i>	48,737	6,619	55,356	57,494	9,865	67,359	66,832	12,728	79,560	77,791	16,137	93,928	83,176	18,245	101,421
Macomb															
White	232,798	55,576	288,374	233,252	54,813	288,065	249,096	57,108	306,204	265,876	61,108	326,984	269,393	62,290	331,683
African American	3,211	4,746	7,957	8,803	17,840	26,643	12,859	26,480	39,339	15,179	29,346	44,525	17,279	31,173	48,452
Hispanic	2,132	1,404	3,536	3,269	1,895	5,164	4,550	2,636	7,186	6,098	3,588	9,686	7,772	4,516	12,288
Other	5,823	3,513	9,336	8,144	3,651	11,795	11,871	4,804	16,675	16,152	6,294	22,446	21,138	7,704	28,842
<i>Total</i>	243,964	65,239	309,203	253,468	78,199	331,667	278,376	91,028	369,404	303,305	100,336	403,641	315,582	105,683	421,265
Monroe															
White	42,037	9,338	51,375	44,684	10,370	55,054	46,955	11,185	58,140	49,988	12,376	62,364	50,486	12,873	63,359
African American	540	364	904	564	583	1,147	578	672	1,250	645	826	1,471	733	981	1,714
Hispanic	471	318	789	656	466	1,122	860	618	1,478	1,148	846	1,994	1,471	1,069	2,540
Other	486	216	702	579	308	887	838	418	1,256	1,170	594	1,764	1,584	829	2,413
<i>Total</i>	43,534	10,236	53,770	46,483	11,727	58,210	49,232	12,892	62,124	52,951	14,642	67,593	54,273	15,753	70,026
Oakland															
White	309,741	83,499	393,240	297,650	78,603	376,253	317,439	83,009	400,448	329,187	88,392	417,579	333,870	91,775	425,645
African American	24,388	21,873	46,261	28,747	37,558	66,305	29,942	48,123	78,065	28,919	53,930	82,849	28,679	57,957	86,636
Hispanic	4,723	3,665	8,388	6,745	4,990	11,735	8,760	6,499	15,259	10,833	8,440	19,273	13,847	10,634	24,481
Other	13,273	9,953	23,226	17,846	11,559	29,405	21,806	15,114	36,920	24,877	19,128	44,005	30,439	23,726	54,165

	2000			2010			2020			2030			2040		
	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total
<i>Total</i>	352,125	118,990	471,115	350,988	132,710	483,698	377,947	152,745	530,692	393,816	169,890	563,706	406,835	184,092	590,927
St. Clair															
White	47,727	11,296	59,023	47,471	12,763	60,234	48,972	14,063	63,035	51,259	15,564	66,823	51,373	16,284	67,657
African American	596	630	1,226	549	829	1,378	527	954	1,481	613	1,196	1,809	679	1,351	2,030
Hispanic	532	380	912	740	483	1,223	966	578	1,544	1,264	735	1,999	1,519	829	2,348
Other	550	342	892	576	400	976	888	614	1,502	1,270	950	2,220	1,647	1,289	2,936
<i>Total</i>	49,405	12,648	62,053	49,336	14,475	63,811	51,354	16,208	67,562	54,406	18,445	72,851	55,218	19,753	74,971
Washtenaw															
White	65,092	33,387	98,479	70,160	33,157	103,317	77,652	34,129	111,781	84,102	35,376	119,478	86,490	35,508	121,998
African American	5,465	8,651	14,116	6,265	10,521	16,786	7,441	11,685	19,126	8,817	13,014	21,831	10,173	14,433	24,606
Hispanic	934	1,768	2,702	1,767	2,307	4,074	2,781	2,970	5,751	3,941	3,786	7,727	5,307	4,631	9,938
Other	3,339	6,691	10,030	5,291	7,725	13,016	8,092	9,759	17,851	12,185	12,258	24,443	17,360	14,950	32,310
<i>Total</i>	74,830	50,497	125,327	83,483	53,710	137,193	95,966	58,543	154,509	109,044	64,435	173,479	119,329	69,523	188,852
Detroit															
White	30,232	14,784	45,016	15,438	9,781	25,219	12,069	9,456	21,525	10,818	9,687	20,505	10,907	11,398	22,305
African American	144,166	125,481	269,647	112,630	111,481	224,111	99,872	105,044	204,916	105,779	111,836	217,615	121,048	122,887	243,935
Hispanic	5,504	6,642	12,146	6,178	6,557	12,735	6,965	6,804	13,769	8,251	8,094	16,345	10,526	8,978	19,504
Other	4,745	4,874	9,619	3,469	3,879	7,348	3,355	3,628	6,983	3,711	3,952	7,663	4,969	4,732	9,701
<i>Total</i>	184,647	151,781	336,428	137,715	131,698	269,413	122,260	124,933	247,193	128,560	133,568	262,128	147,449	147,996	295,445
Wayne, outside Detroit															
White	296,444	75,988	372,432	273,632	72,087	345,719	274,277	71,074	345,351	273,988	70,778	344,766	268,968	73,020	341,988
African American	15,007	18,469	33,476	22,154	33,544	55,698	25,724	39,870	65,594	29,361	42,763	72,124	32,507	44,698	77,205
Hispanic	6,026	2,826	8,852	8,975	4,274	13,249	11,905	5,545	17,450	14,417	6,459	20,876	16,074	6,923	22,997
Other	9,713	7,539	17,252	12,230	6,440	18,670	16,456	8,008	24,464	19,631	10,943	30,574	23,595	12,530	36,125
<i>Total</i>	327,190	104,822	432,012	316,991	116,345	433,336	328,361	124,498	452,859	337,396	130,944	468,340	341,144	137,171	478,315

	2000			2010			2020			2030			2040		
	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total	Own	Rent	Total
Southeast Michigan totals															
White	1,071,815	290,152	1,361,967	1,038,193	280,851	1,319,044	1,090,982	291,880	1,382,862	1,139,632	308,173	1,447,805	1,150,236	319,882	1,470,118
African American	193,451	180,242	373,693	179,852	212,429	392,281	177,113	232,937	410,050	189,497	253,043	442,540	211,294	273,642	484,936
Hispanic	20,648	17,123	37,771	28,948	21,212	50,160	37,727	26,054	63,781	47,313	32,552	79,865	58,287	38,369	96,656
Other	38,518	33,315	71,833	48,965	34,237	83,202	64,506	42,704	107,210	80,826	54,630	135,456	103,189	66,323	169,512
Total	1,324,432	520,832	1,845,264	1,295,958	548,729	1,844,687	1,370,328	593,575	1,963,903	1,457,268	648,398	2,105,666	1,523,006	698,216	2,221,222

Sources: Urban analysis based on MDOT, 2017 and SEMCOG, 2012.

Notes

1. “What is the RTA?” Regional Transit Authority of Southeast Michigan, accessed June 21, 2017, <http://www.rtamichigan.org/about/rta/>.
2. Frank Witsil and Eric D. Lawrence, “RTA Millage Rejected by Metro Detroit Voters,” *Detroit Free Press*, November 9, 2016, <http://www.freep.com/story/news/local/michigan/detroit/2016/11/09/rta-regional-transit-authority-millage/93535602/>.
3. Here we define pre-boomers as being born before 1946, boomers as being born from 1946 through 1965, generation X as being born from 1966 through 1975, and (early) millennials being born from 1976 through 1985.
4. Jennifer Hrabchak Molinsky and Christopher Herbert, “Meeting the Housing Needs of an Aging Population,” *Shelterforce* (blog), May 29, 2015, http://www.shelterforce.org/article/4131/meeting_the_housing_needs_of_an_aging_population/.
5. The 30 percent standard was developed at a different time for different purposes, thus, it seems critical to develop new metrics that relate more clearly to special challenges of shelter poverty among seniors.
6. Laurie Goodman, Jun Zhu, and Rolf Pendall, “Are Gains in Black Homeownership History?” *UrbanWire* (blog), Urban Institute, February 15, 2017, <http://www.urban.org/urban-wire/are-gains-black-homeownership-history>.
7. See note 4.
8. The projections come from the Urban Institute’s Mapping America’s Futures project. For more details, see Rolf Pendall, Nan Marie Astone, Steven Martin, H. Elizabeth Peters, Austin Nichols, Kaitlin Franks Hildner, Allison Stolte, and Pam Blumenthal, “A Tour of America’s Futures,” Urban Institute, 2015, <http://apps.urban.org/features/mapping-americas-futures/#feature/>.
9. For example, assume that people who were 25 to 34 years old in 2000 had 40% homeownership. If, 10 years later, this same group (aged 35 to 44 by this point) had attained 50% homeownership, then their 2000-10 homeownership transition rate would have been 10%. The transition-rate projection method applies this same 10% to the subsequent starting point of cohorts aged 25 to 34 years old in ensuing decades. For example, if the 25- to 34-year-olds of 2010 had 35% homeownership, then our method would project their 2020 homeownership at 45% (35% + 10%). Because of the housing market crisis, we modified the transition-rate method by taking 2014 as the starting point instead of 2010, applying annualized transition rates to the 2014 starting point.

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