

The City of Hamtramck Michigan

Target Market Analysis Housing Study

Underway by:



FINAL REPORT
October 1, 2019



Photography by Erik Hill of TBD Media

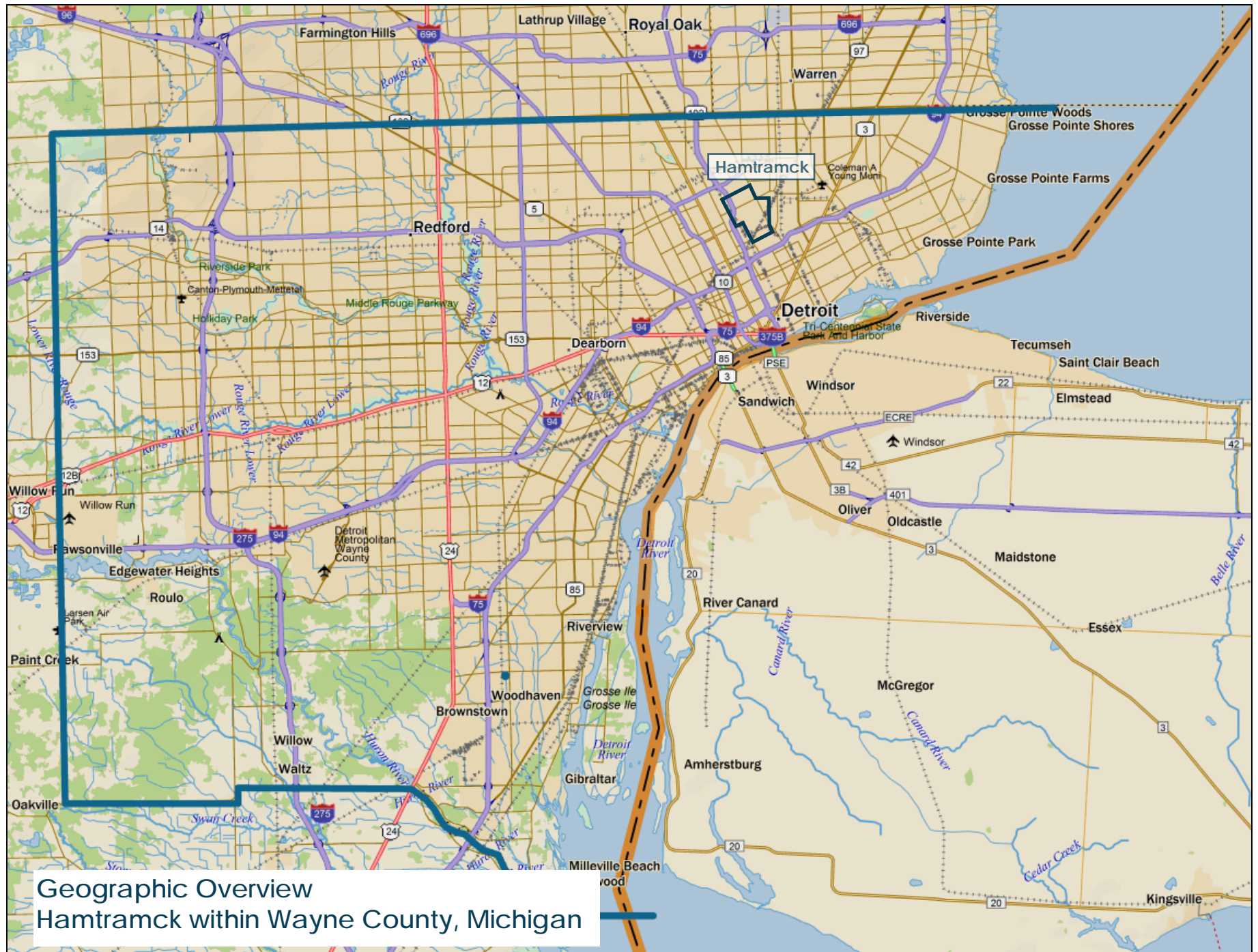
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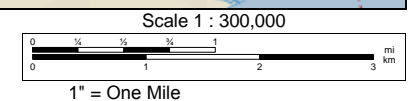
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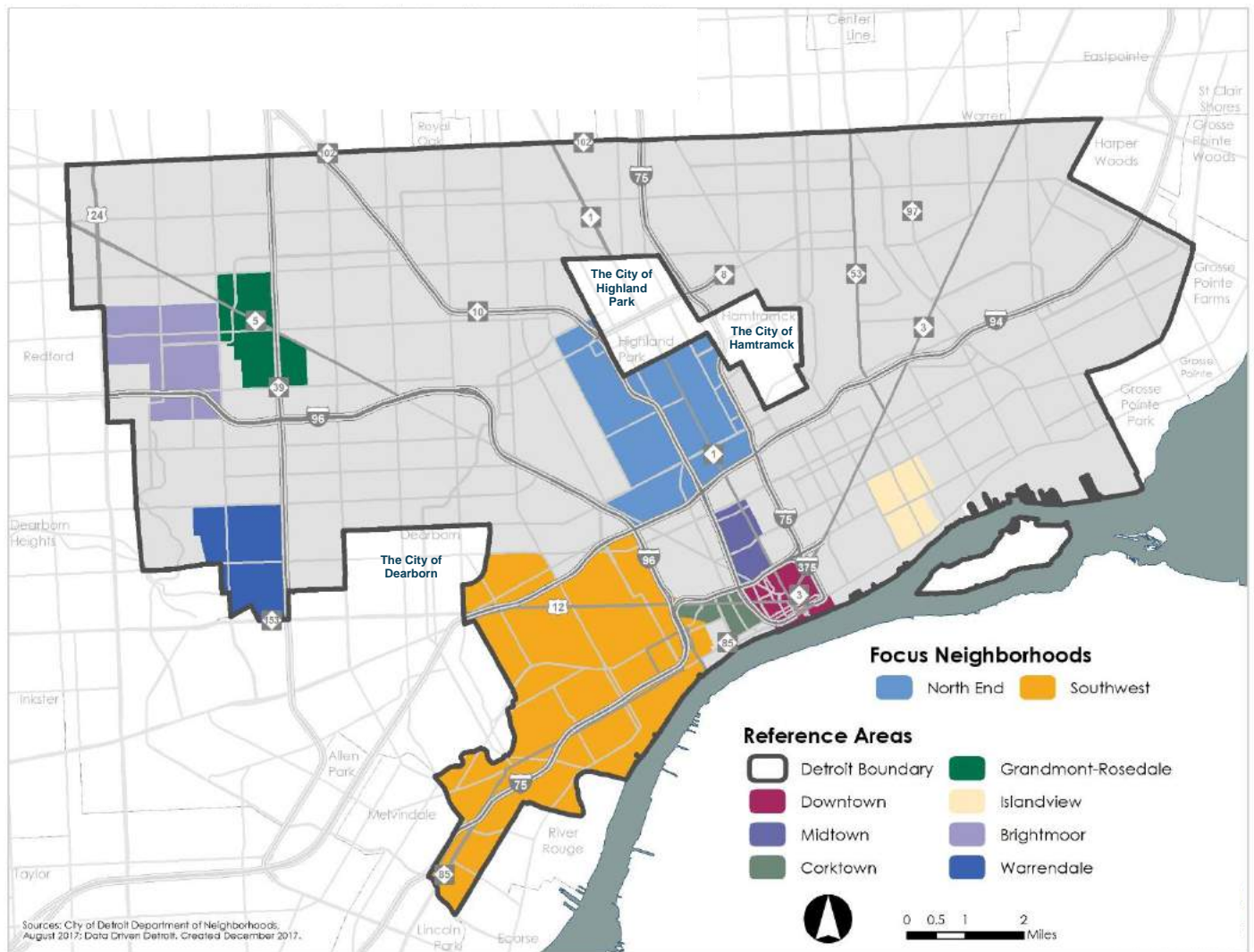
Geographic Setting



Source: Underlying map by Delorme; exhibit prepared by LandUseUSA | Urban Strategies on behalf of the City of Hamtramck, 2019.



The City of Detroit (with some Neighborhoods)



Source: Data Driven Detroit, 2017.

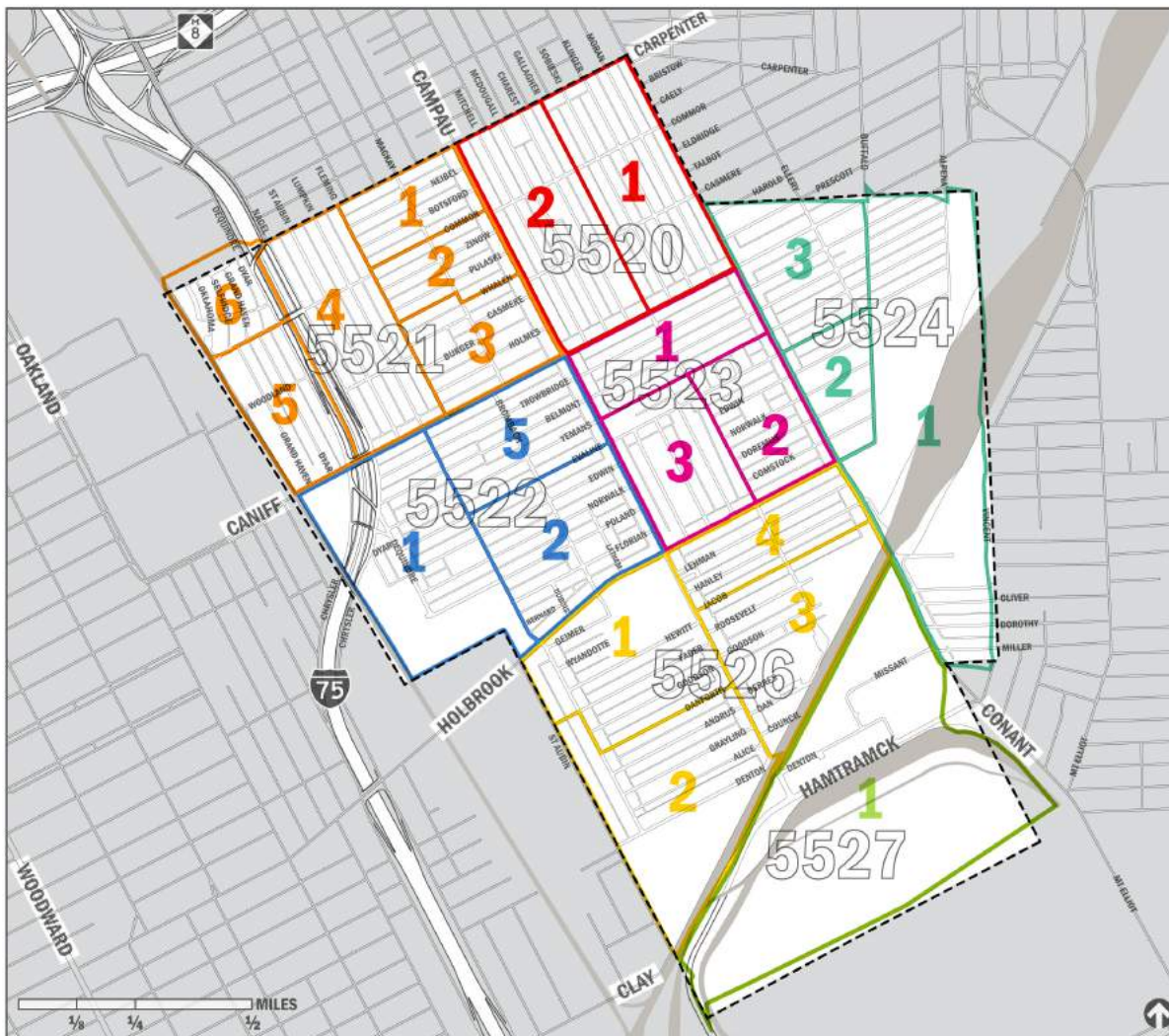
Geographic Overview Components of the Banglatown Study Area



Source: Underlying map by Delorme; exhibit prepared by LandUseUSA | Urban Strategies on behalf of the City of Hamtramck, 2019.

Census Tracts and Block Groups - 2009

The City of Hamtramck, Michigan



CENSUS TRACTS AND BLOCK GROUPS

- Tract 5520
- Tract 5521
- Tract 5522
- Tract 5523
- Tract 5524
- Tract 5526
- Tract 5527

Source: The City of Hamtramck 2009 Master Plan (prepared by Interface Studio)

Street Network - 2009

The City of Hamtramck, Michigan



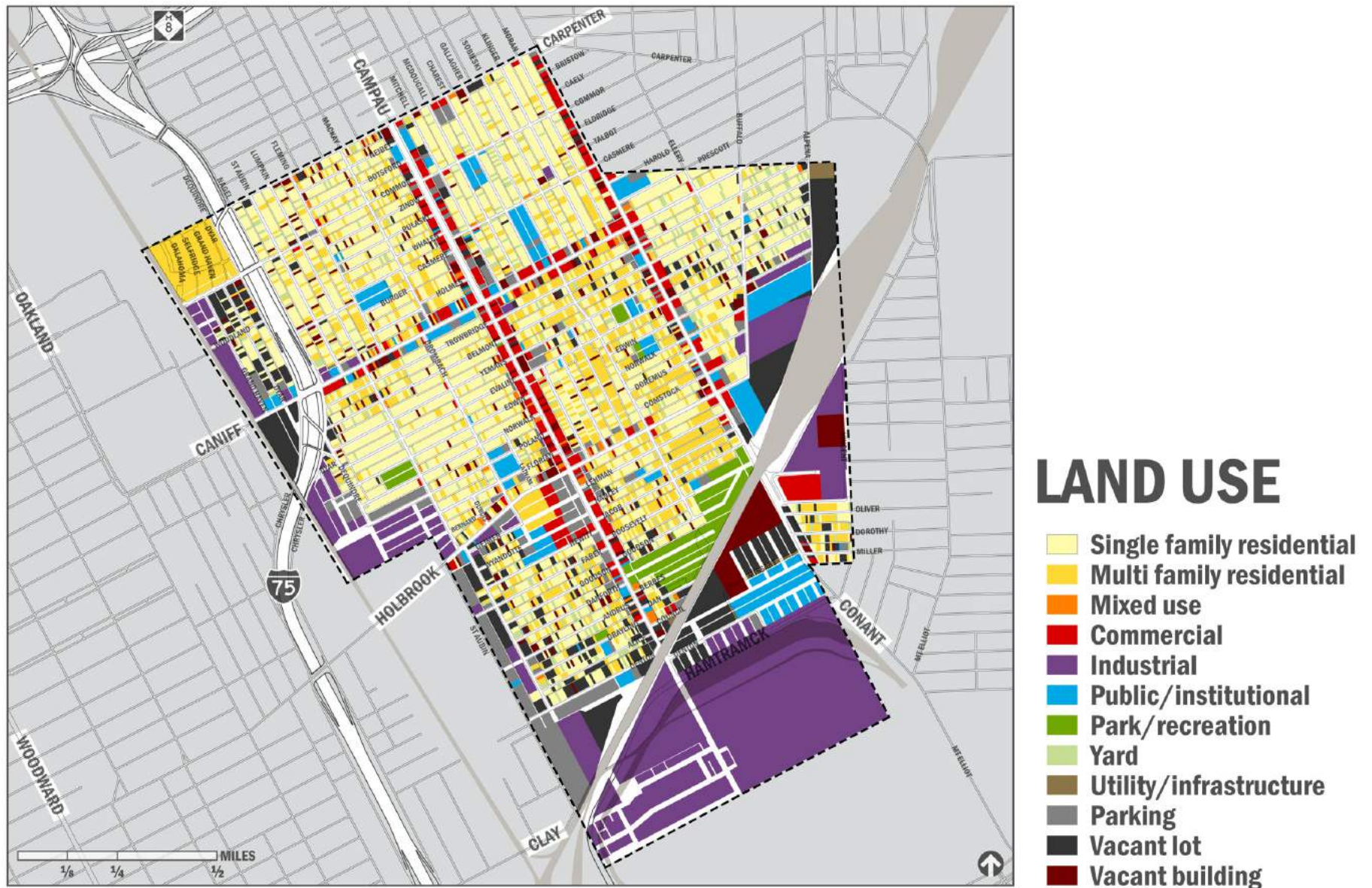
STREET NETWORK

- Freeway
- Major two-way street
- Minor two-way street
- One-way street (west and north)
- One-way street (east and south)

Source: The City of Hamtramck 2009 Master Plan (prepared by Interface Studio)

Existing Land Use Map - 2009

The City of Hamtramck, Michigan



Source: The City of Hamtramck 2009 Master Plan (prepared by Interface Studio)

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Planning Progress

Zoning Map - 2009 The City of Hamtramck, Michigan

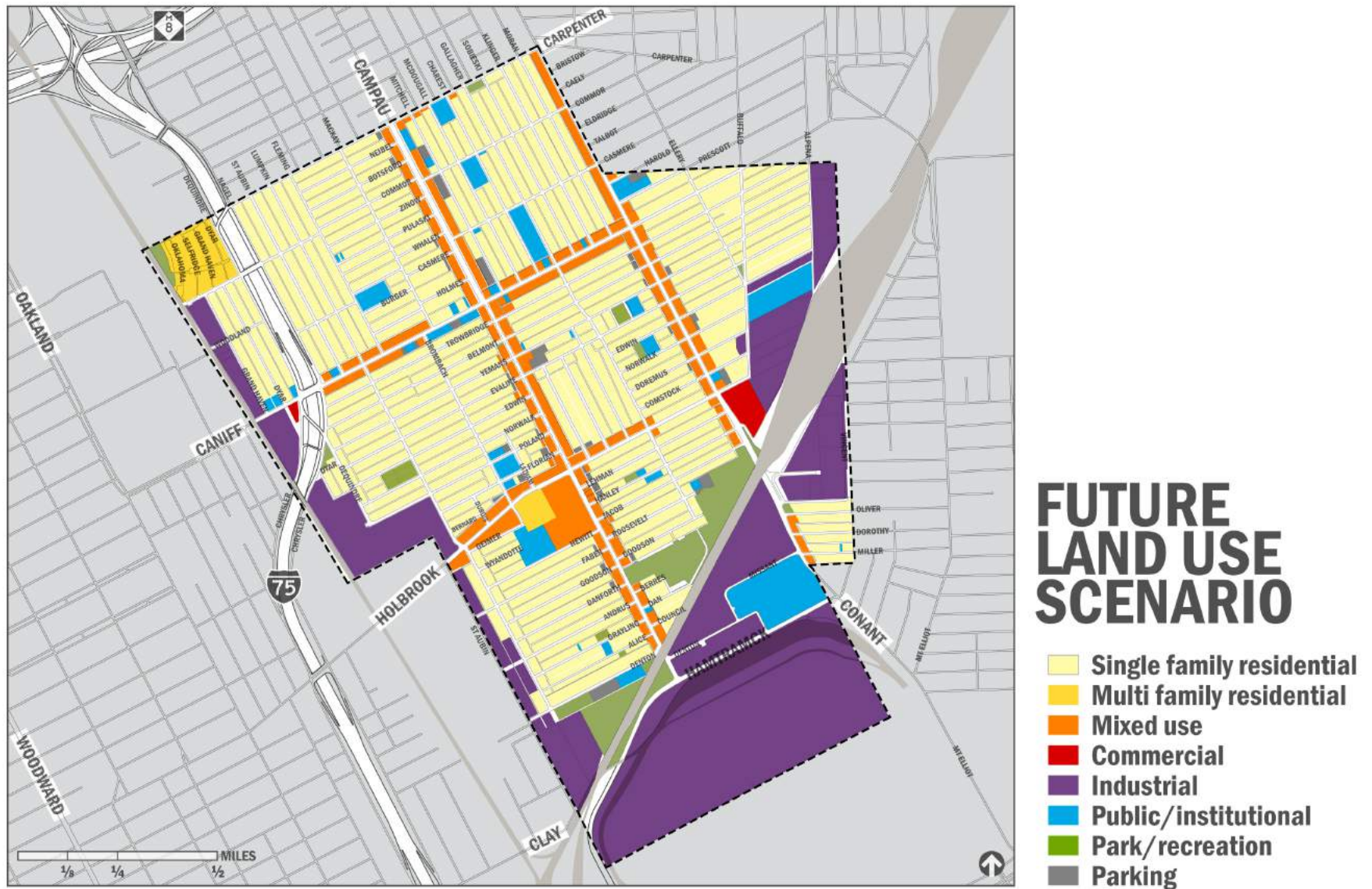


ZONING

- R: residential
- RM: residential multiple
- C2: commercial
- CBD: central business district
- I: industrial

Source: The City of Hamtramck 2009 Master Plan (prepared by Interface Studio)

Future Land Use Scenario - 2009 The City of Hamtramck, Michigan



Source: The City of Hamtramck 2009 Master Plan (prepared by Interface Studio)

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Supplemental Resources

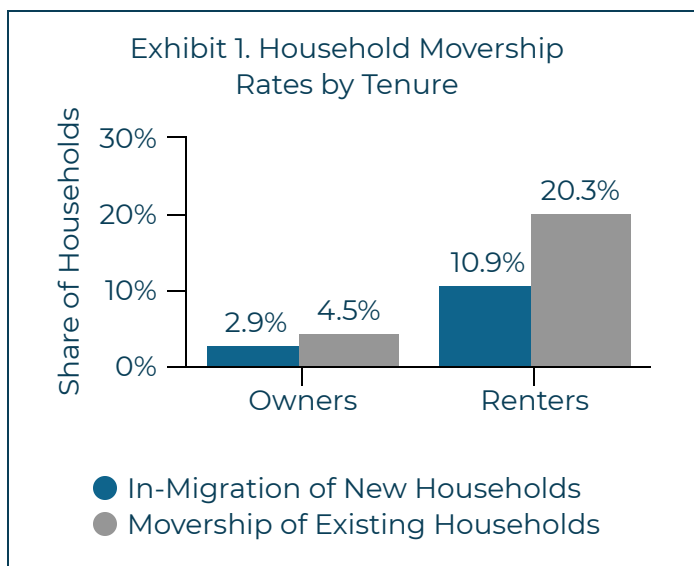
Michigan's Missing Housing - Here's the Scoop

Across the state, cities and developers are beginning to respond to the market gaps and missing housing formats – particularly in urban places and waterfront settings. Analytic results from countless studies across the state support what most developers know instinctively – the demand for new housing is being driven by singles of all ages who are on the move and seeking for-lease, attached formats located in downtowns and urban neighborhoods.

The following information is provided for state-wide averages and generally applies to individual cities, villages, and townships. However, each place has a unique profile, including geographic setting, household composition, tenure, migration, lifestyle clusters (target markets), and existing housing formats. Therefore, the magnitude of market gaps by will vary place to place.

Movership by Tenure – Renters are four times more likely to move than home owners. Home owners are more inclined to choose detached houses in rural settings, and they tend to be quite settled. Migrating renters across Michigan have high movership rates and are turning-over the existing supply of rental units about every three years. In comparison, it can take 10 to 15 years for migrating home owners to turn-over the stock among detached houses.

See Exhibit 1 below.



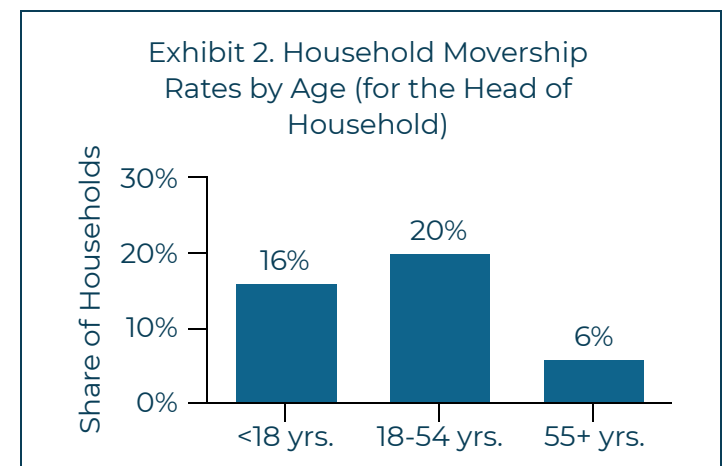
Compared to home owners, renters are more likely to choose attached units in urban places. And, because they have high movership rates, they are generating most of the demand for lofts, townhouses, and other formats in traditional downtowns.

Caution is advised against over-planning and over-building attached formats (like new townhouses and lofts) for owner-occupied households unless they are clearly supported by market demand and offer vista views of waterfronts and/or vibrant downtown districts.

Movership by Origin – About half of all households moving into Michigan are actually new residents for the state; and the other half are moving from one address to another within the state. Among all renters, almost 11% are in-migrating from beyond Michigan; and over 20% are moving within (unadjusted for out-migration). Within each unique place, in-migration can be used as a basis for calculating the minimum annual market potential (the “conservative scenario”). In comparison, total migration should be used as the basis for estimating the maximum (“aggressive scenario”) market potential.

Movership by Age – Stakeholder discussions on housing often gravitate toward the topic of Michigan’s aging residents. The theory is that senior households are gaining as a share of total, and they are seeking low-maintenance “age in place” formats like patio homes, courtyard cottages, and townhouses. In reality, seniors still represent a relatively small group; and they tend to be very settled into detached houses.

See Exhibit 2 below.



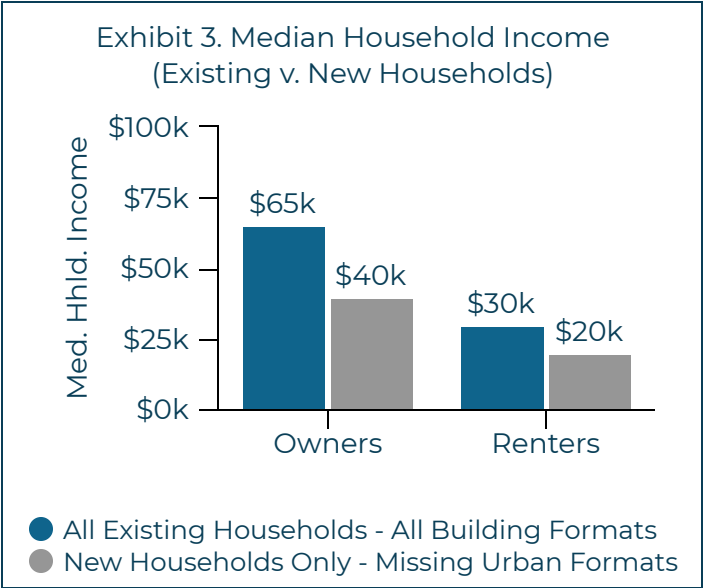
Michigan's Missing Housing – Here's the Scoop

Movership by Age – Only 6% of all senior-headed households move each year, compared to 20% among younger households. Used as a basis for calculating market gaps, the data consistently shows that the need for new “age in place” choices is small. Rather than building senior apartments, there is a much greater need to improve and modify existing houses to be barrier-free; deliver new services to seniors in their existing homes; and build new formats for single renters of all ages.

Affordability v. Tolerance – Housing affordability, attainability and tolerance are important topics that must be addressed within each unique place. Measures of affordability are usually aligned with HUD’s Low-Moderate-Income (LMI) limits, with parameters for 80% or less of Area Median Income (AMI). Attainability softens the rules to include units that are priced in alignment with market rates. Tolerance recognizes that shifts in supply and demand can result in price jumps that residents will tolerate – even if they are over-burdened by HUD’s standards.

Income of Migrating Households – Regardless of these qualifiers, migrating renters generally have half the income of owners. Furthermore, new households migrating into Michigan have lower incomes than established households. Statewide, there is a need for more income-integrated choices across all building formats, including townhouses or high-rise lofts targeted too often at the “luxury” market.

See Exhibit 3 shown below.



Mismatch by Building Format – With remarkable consistency between places and across the state, there is a mismatch between the preferences of migrating households and the formats of available housing choices. Renters in particular are seeking new housing formats in urban places, and particularly attached units that offer spectacular views of a downtown, river, and/or lake. When they are unable to find choices, then they compromise by renting detached houses.

See Exhibit 4 on the next page.

Statewide, only 65% of migrating households are seeking detached houses, and 35% are seeking attached units. However, attached choices represent only 15% of the housing supply. This reinforces the need for more attached renter-occupied housing formats in urban places. This does not mean that there is a need for more “apartments” at the fringe of the community. Rather, there is a need for ongoing reinvestment into downtowns with the rehab of lofts above street-front retail, and addition of townhouses and other transitional formats nearby.

Experian Decision Analytics – 71 lifestyle clusters have been defined within Experian's Mosaic of all households across the nation. Households are aggregated by block groups, and then the block groups are assigned to lifestyle clusters. The clusters are based on demographics and socio-economic data; financial, debt, and property characteristics; and geographic location – including metro places by urbanicity.

Urban Target Markets – The Striving Singles target market represents an amazing 28% of all migrating households seeking buildings with four or more units in urban places. The second largest group is Family Troopers, followed by Full Steam Ahead and Senior Towers (low-income seniors living in high-rise towers).

See Exhibit 5 on the next page.

The Striving Singles group has a code of O54, which generally means that it is 54th in income among 71 lifestyle clusters living across the nation. The most affluent urban target market migrating within Michigan is the Wired for Success group, with the 37th highest income among the group. The lowest income urban target market is Tough Times with a code of S71.

Michigan's Missing Housing - Here's the Scoop

Exhibit 4. Michigan's Housing Mismatch (Demand v. Supply)

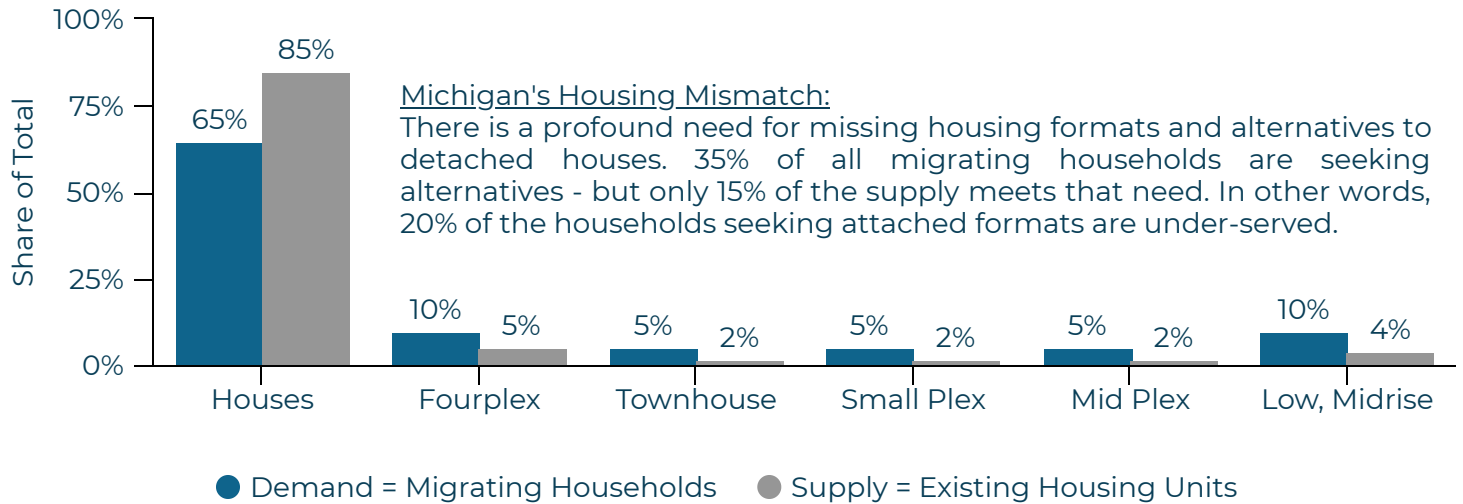
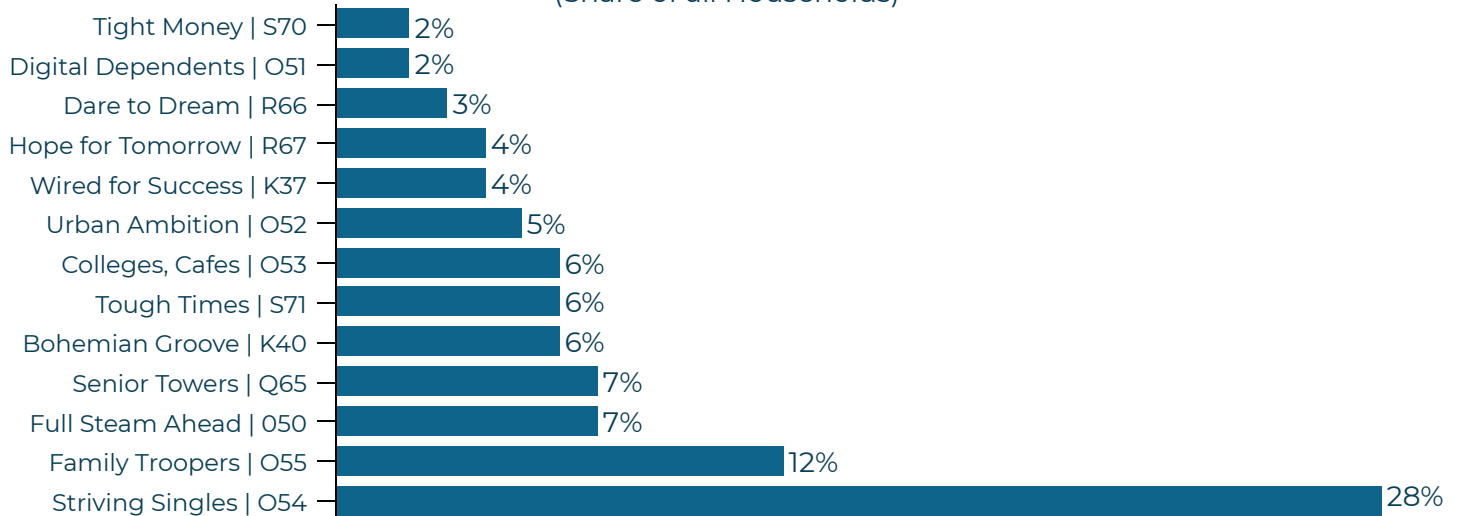


Exhibit 5. Urban Target Markets for Michigan
(Share of all Households)



Target Markets – The lifestyle clusters shown in **Exhibit 5 (above)** represent good targets for new housing formats in urban places. However, new developments should not be targeted exclusively at any single target market. Rather, income-mixed buildings are needed for migrating singles of all ages. New developments can achieve the highest possible absorption rates and bring demographic diversity by avoiding exclusive formats and brands like “affordable housing”, “worker housing”, “senior housing”, “student housing”, and “luxury living”.

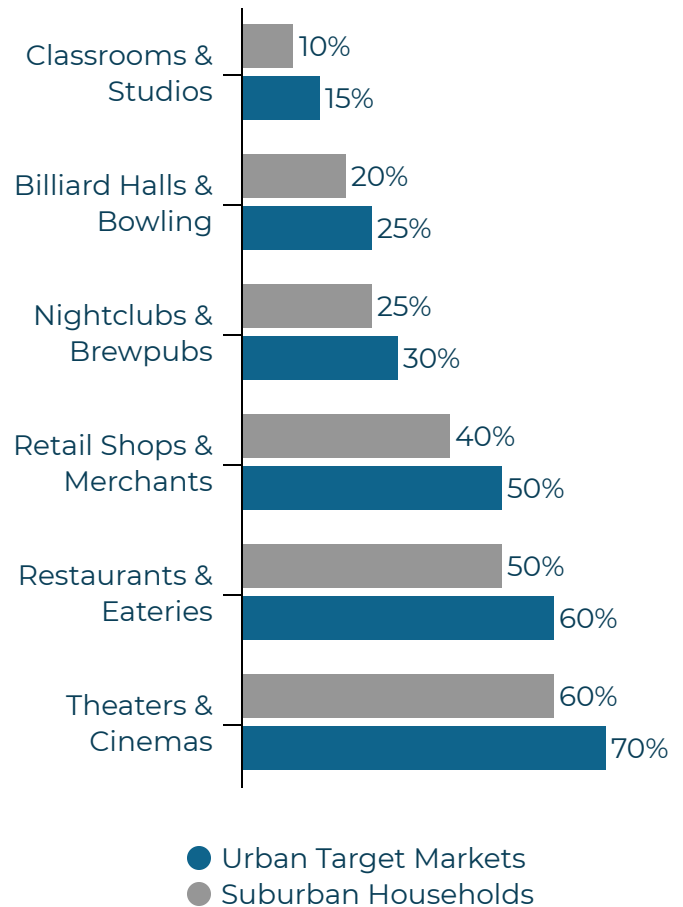
Michigan's Missing Housing - Here's the Scoop

Downtown Amenities – The target markets are also more inclined to seek the same lifestyle amenities that make downtowns and urban places great. For example, compared to national averages, the target markets are more inclined to visit theaters, restaurants, nightclubs, and billiard halls. **See Exhibit 6 to the right.**

Urban target markets are also more likely to shop among downtown merchants; and they have higher participation rates in educational classes and studio demonstrations. Similarly, they also have higher participation rates in waterfront attractions (beaches, marinas, and boating), trails, fitness centers, and other recreational venues.

Together with a smart placemaking process, all of these amenities can be integrated into each downtown to help intercept urban target markets who are on the move.

Exhibit 6. Share of Households Inclined to Visit Retail and Entertainment Venues



Prepared on behalf of
The Incremental Development Alliance



About the Author – Sharon Woods is a certified Counselor of Real Estate (CRE) advising communities and developers on market-wide opportunities and the highest and best use of development sites. She develops residential and retail market strategies for urban places; and also she serves as a faculty member with the Incremental Development Alliance.

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**Pilot Project A
by MKSK Studios**





Enhanced streetscaping

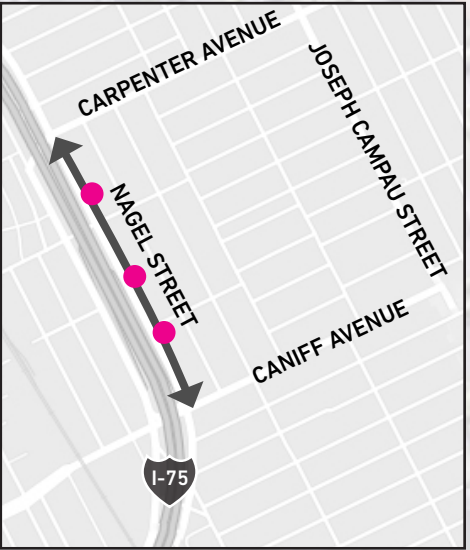
NAGEL STREET
ALLEY

Recommended accessory dwellings like small studios or efficiencies either on the second story above a garage or the entire accessory structure.*

** The Hamtramck Zoning Ordinance will require updating to permit this in the City.*

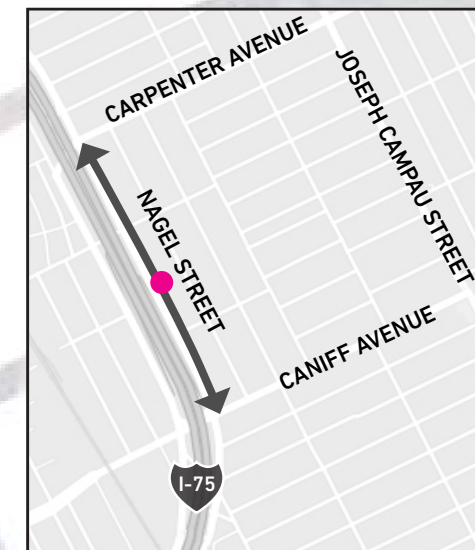
Recommended Duplexes, either Stacked or Side-by-Side

I-75



11554-11578 Nagel St
approx. 14,500 sqft

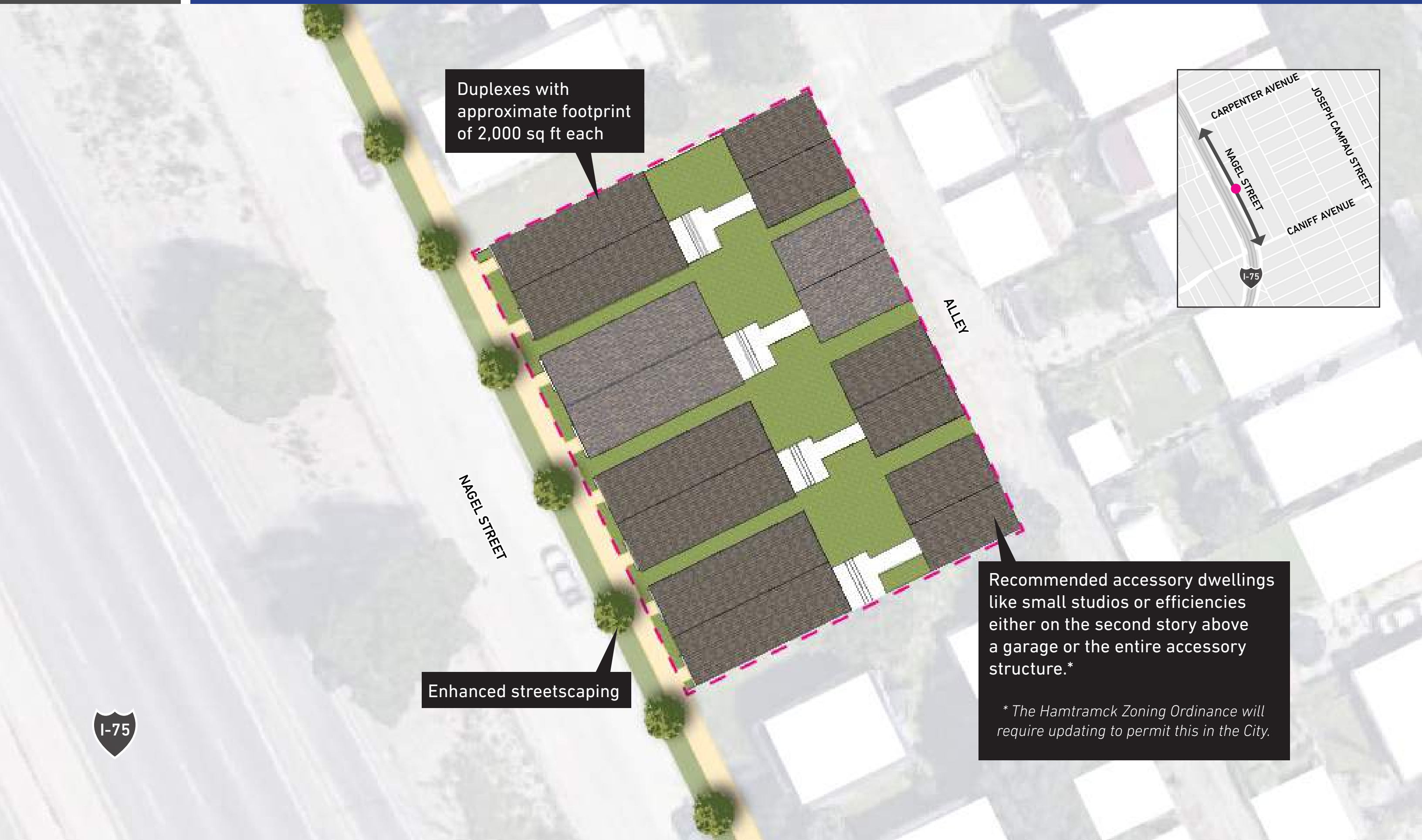
Cleared, vacant, and City-owned
 property primed for redevelopment



ALLEY

NAGEL STREET



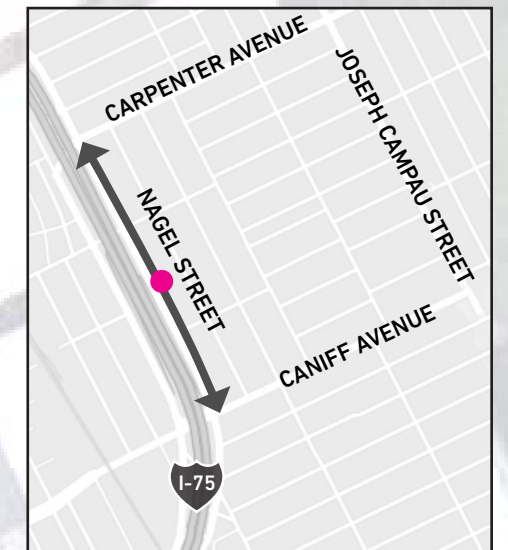


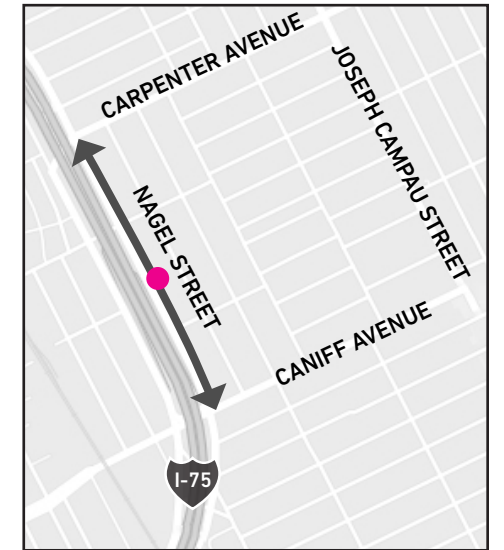
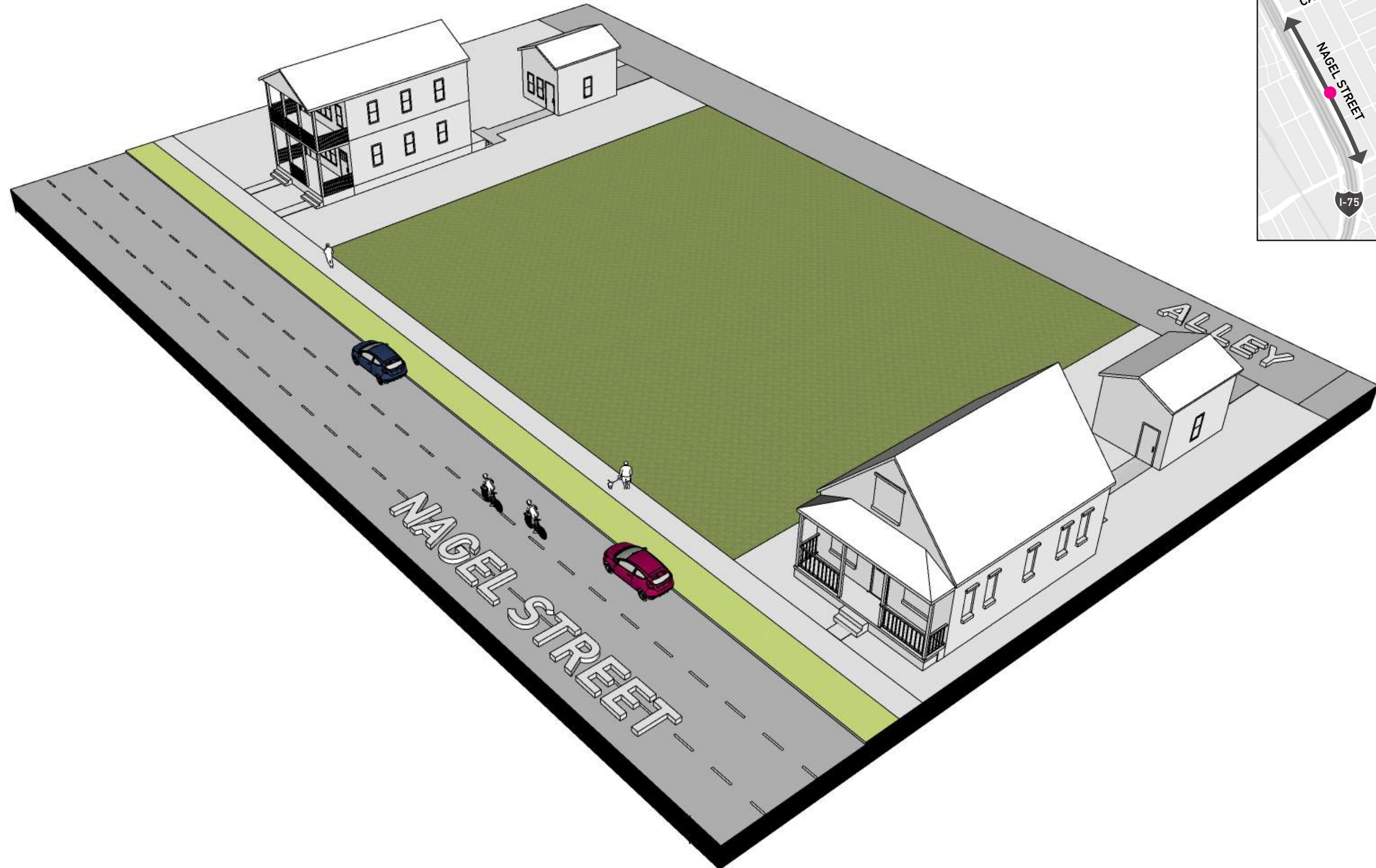
Duplexes with approximate footprint of 2,000 sq ft each

Enhanced streetscaping

Recommended accessory dwellings like small studios or efficiencies either on the second story above a garage or the entire accessory structure.*

** The Hamtramck Zoning Ordinance will require updating to permit this in the City.*





Accessory Dwelling Units

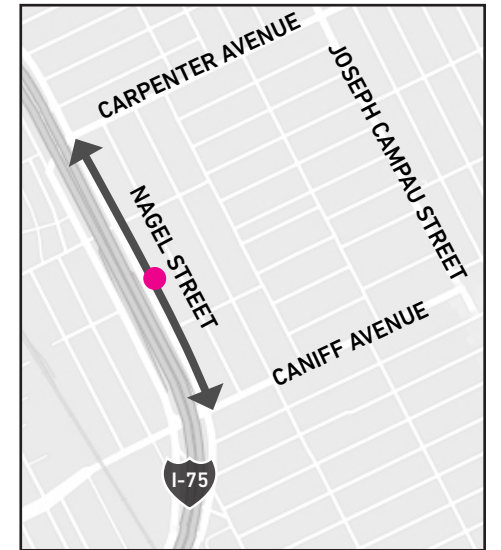


Duplexes

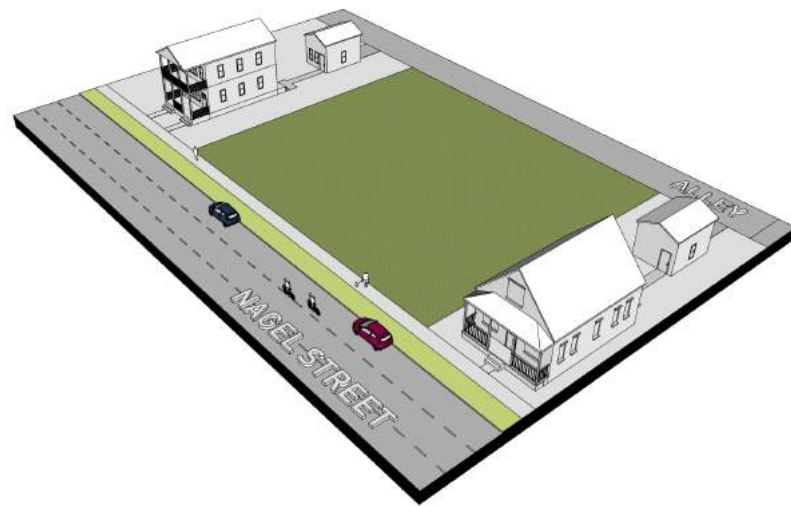


Detached Dwellings





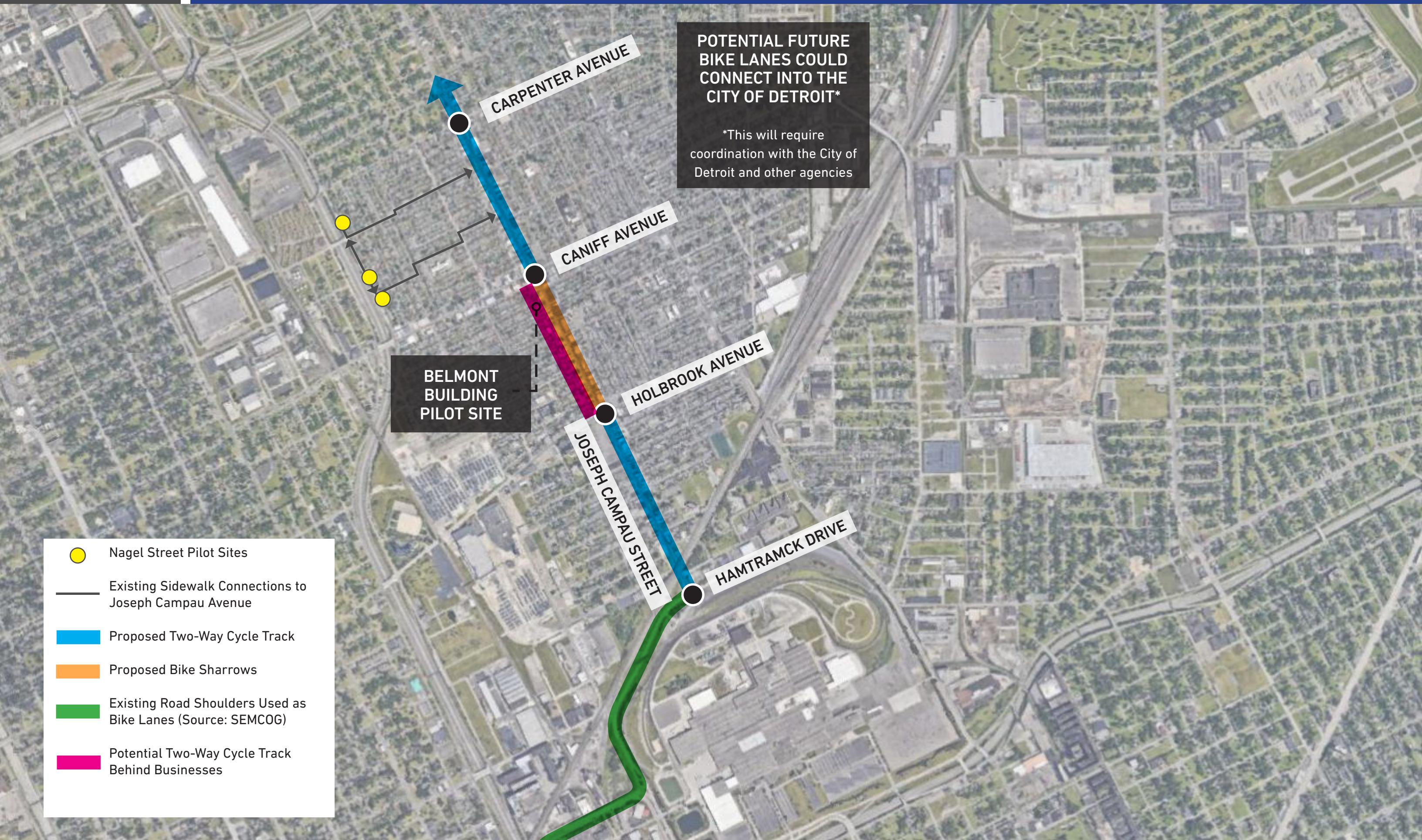
EXISTING CONDITIONS

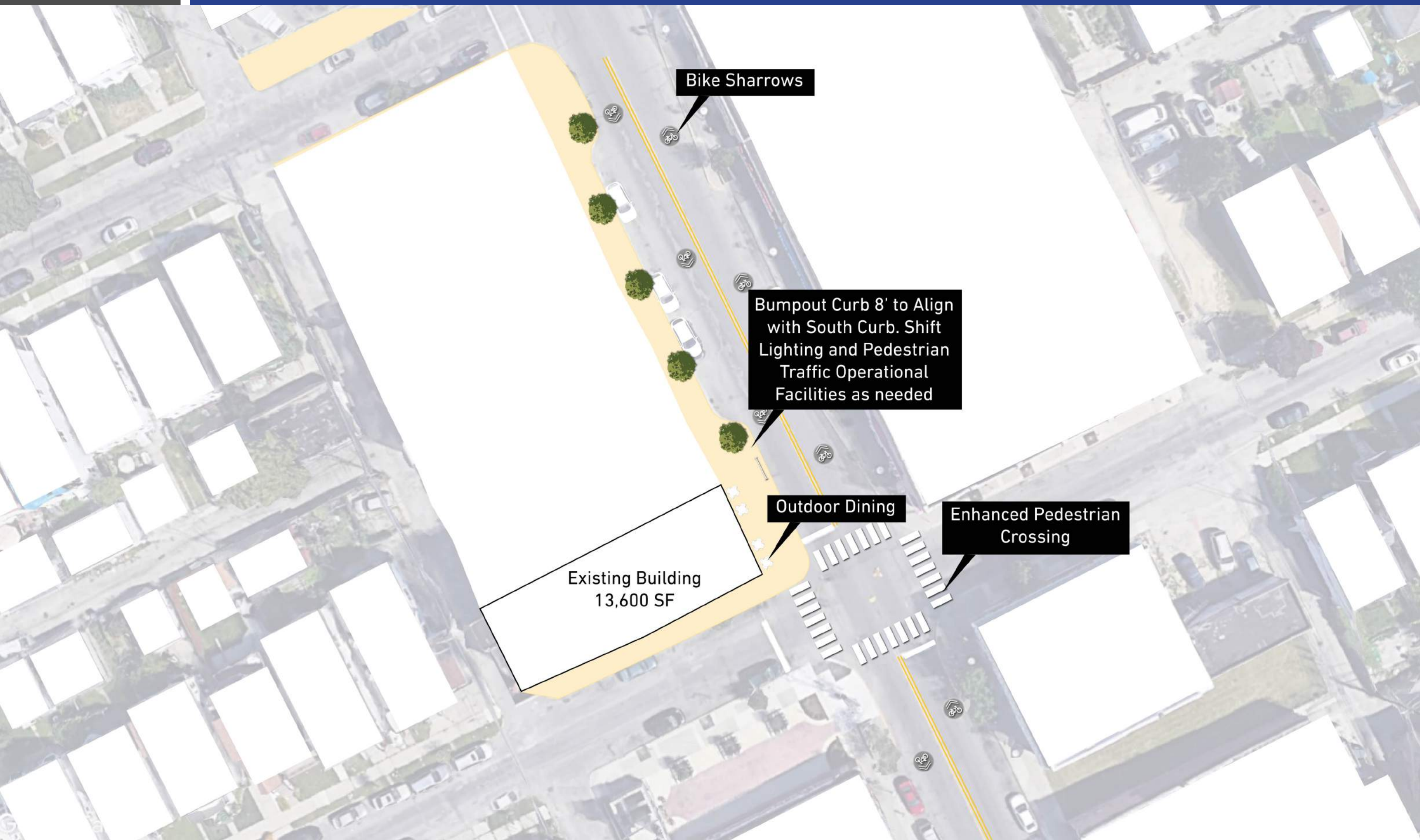




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**Street Redesign
by MKSK Studios**





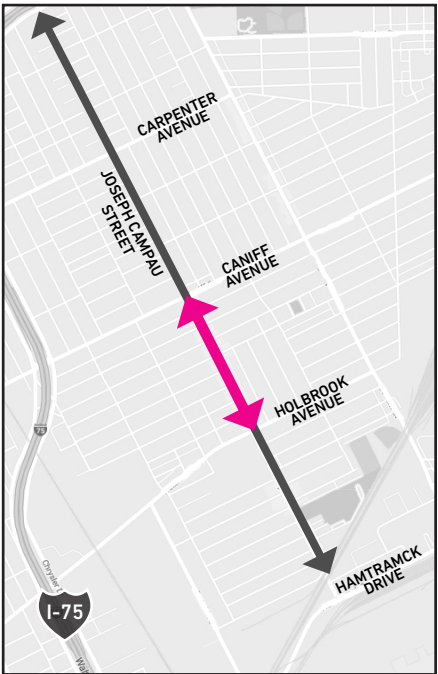
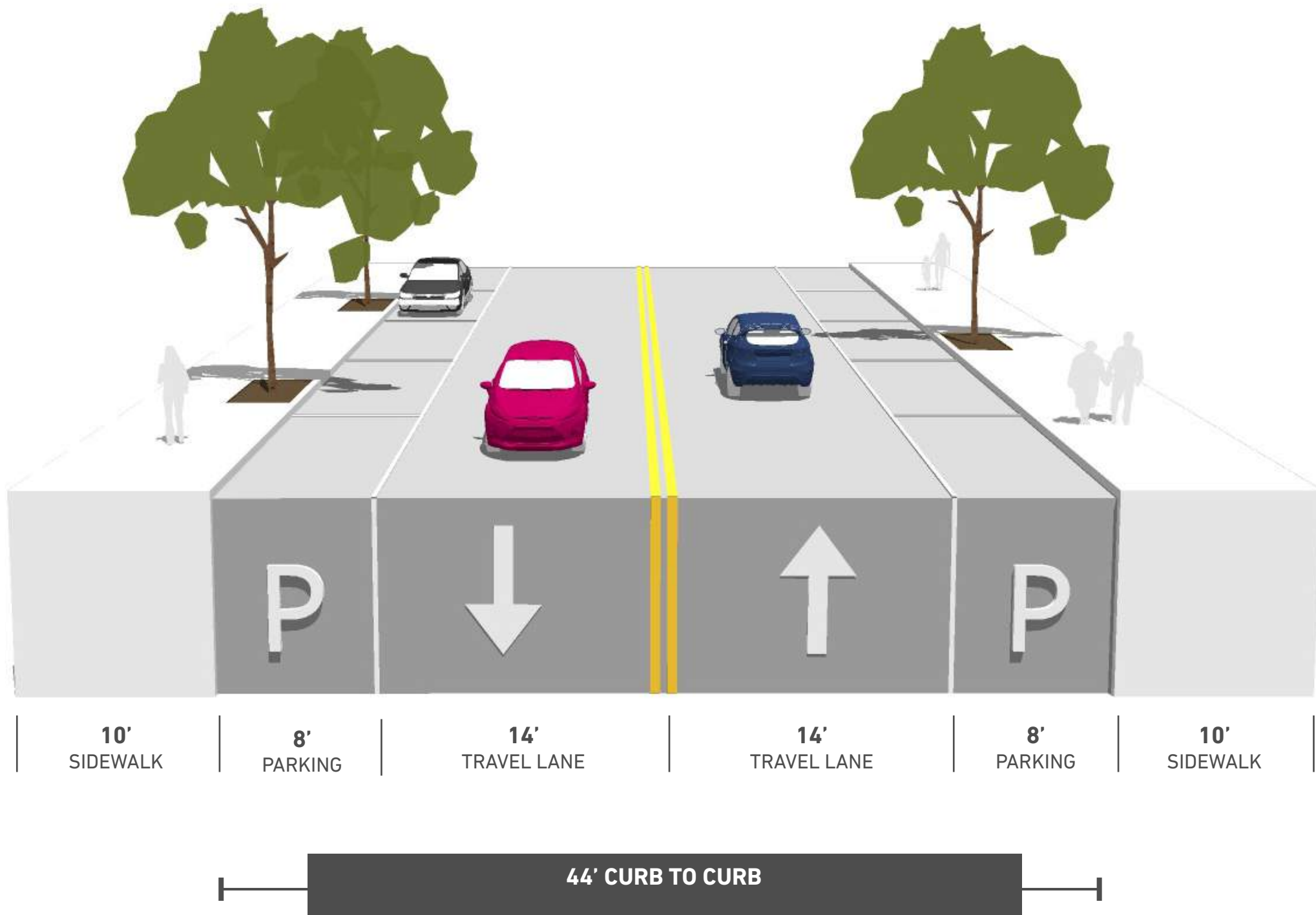
Bike Sharrows

Bumpout Curb 8' to Align with South Curb. Shift Lighting and Pedestrian Traffic Operational Facilities as needed

Outdoor Dining

Enhanced Pedestrian Crossing

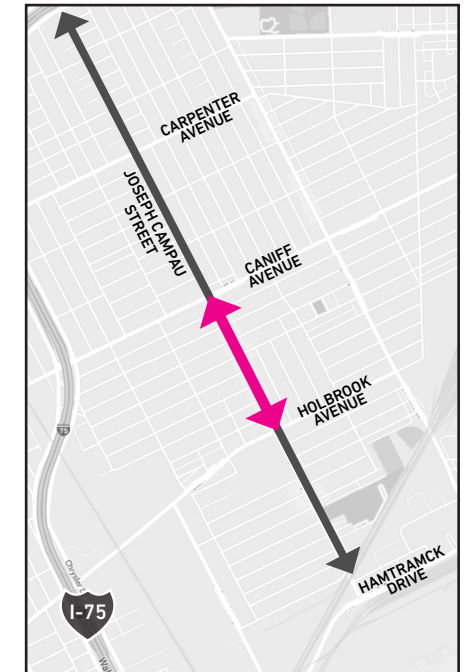
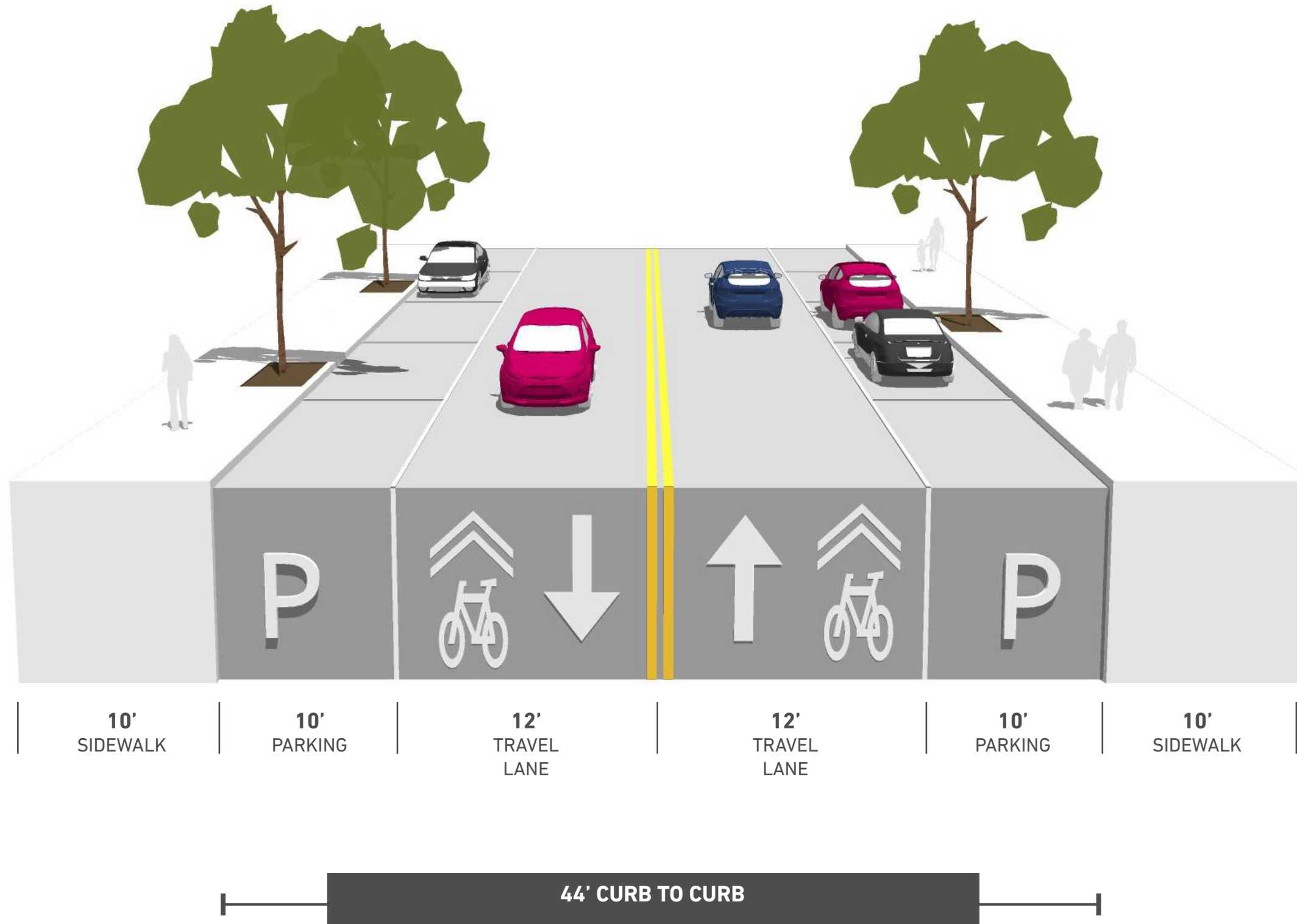
**Existing Building
13,600 SF**

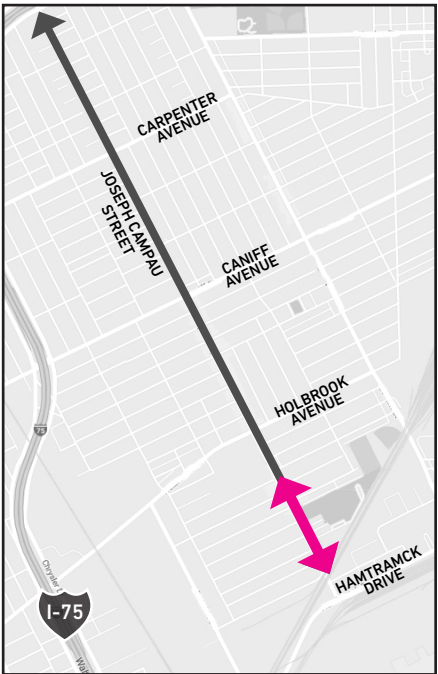
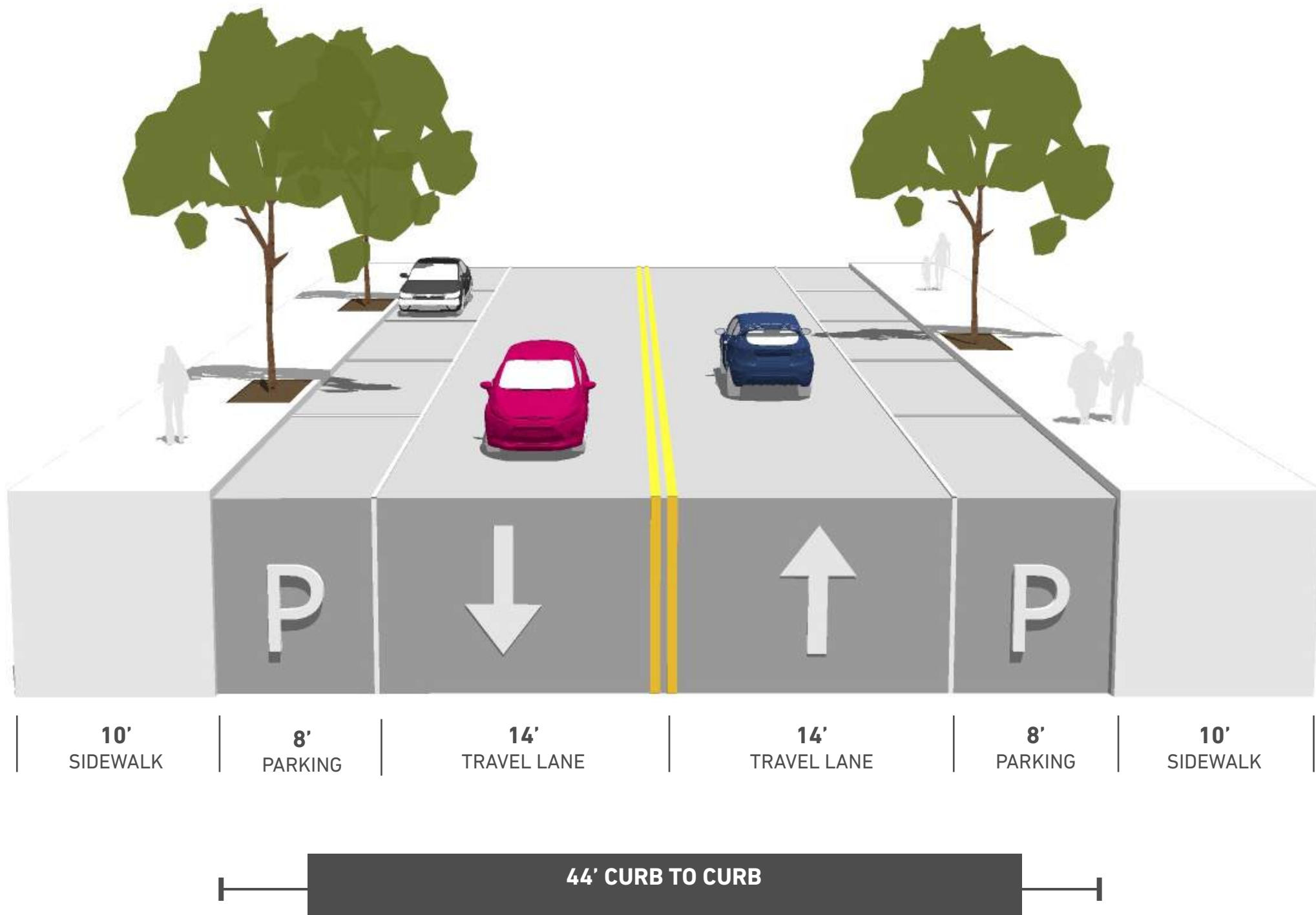


JOSEPH CAMPAU: POTENTIAL STREET REDESIGN

Holbrook Avenue to Caniff Avenue

- Retain existing on-street parking and two travel lanes
- Narrow travel lanes from 14' to 12' to encourage slower driving speeds and improve safety
- Enhance landscaping
- As part of the Joe Louis Greenway, a two-way cycle track may be implemented behind existing businesses in this section of Joseph Campau
- New signs will be needed to indicate lane transitions at intersections

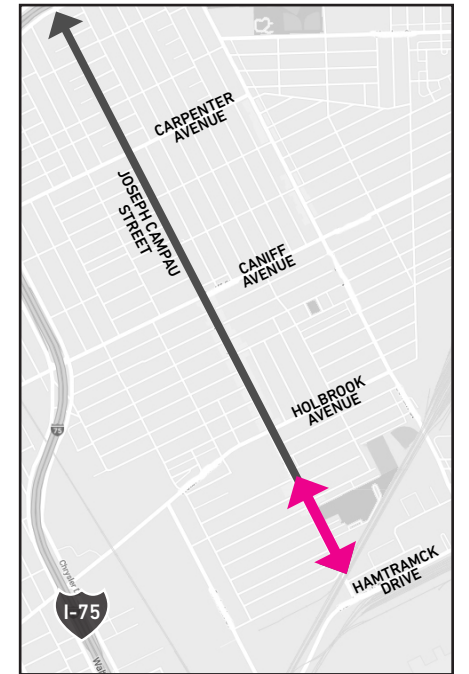
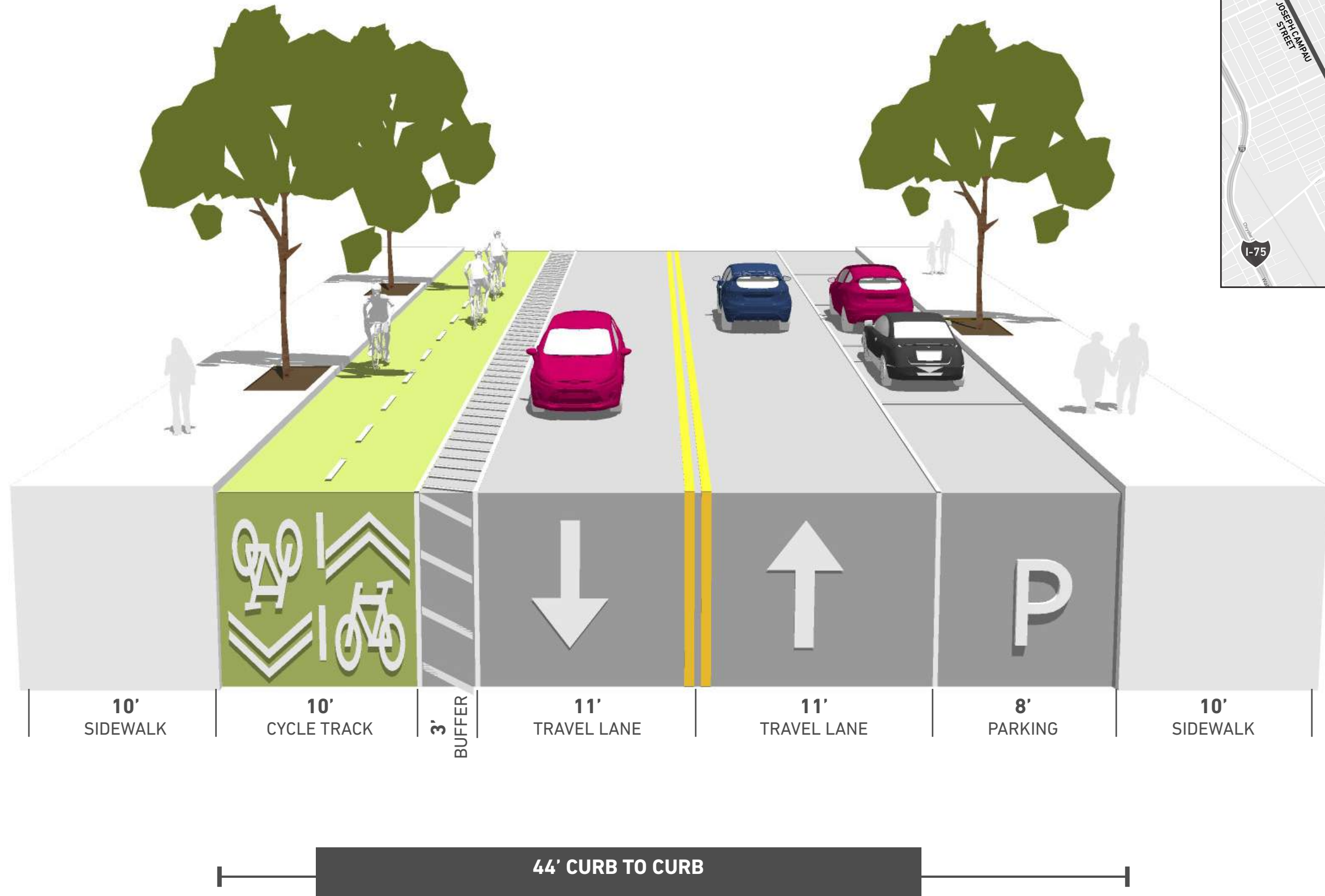


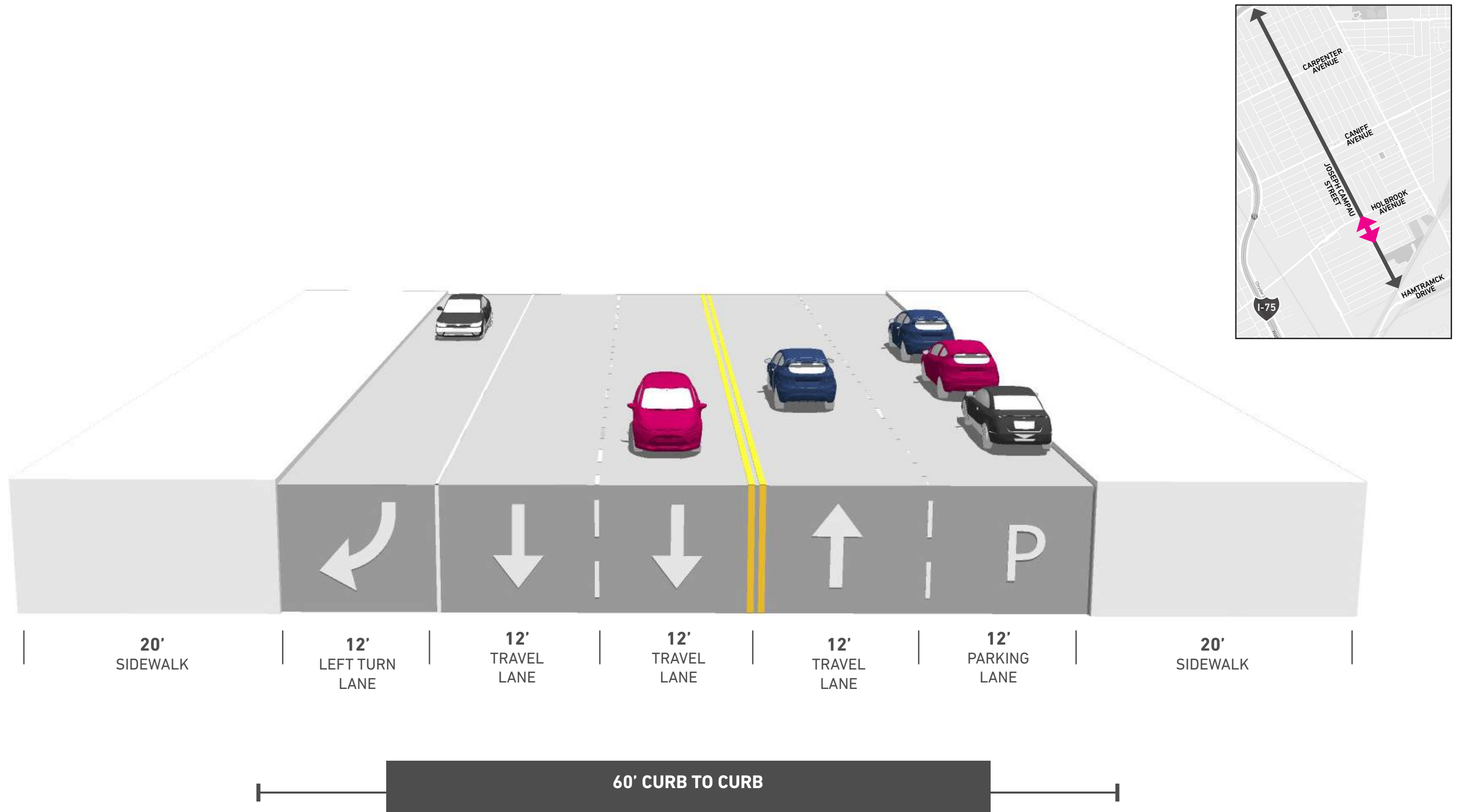


JOSEPH CAMPAU: POTENTIAL STREET REDESIGN

Hewitt Street to Hamtramck Drive

- Retain existing on-street parking on one side of the street and narrow the travel lanes from 14' to 11' wide
- Enhance landscaping
- As part of future Joe Louis Greenway, a 10' two-way cycle track with a buffer will be constructed along the western side of the road
- New signs will be needed to indicate lane transitions

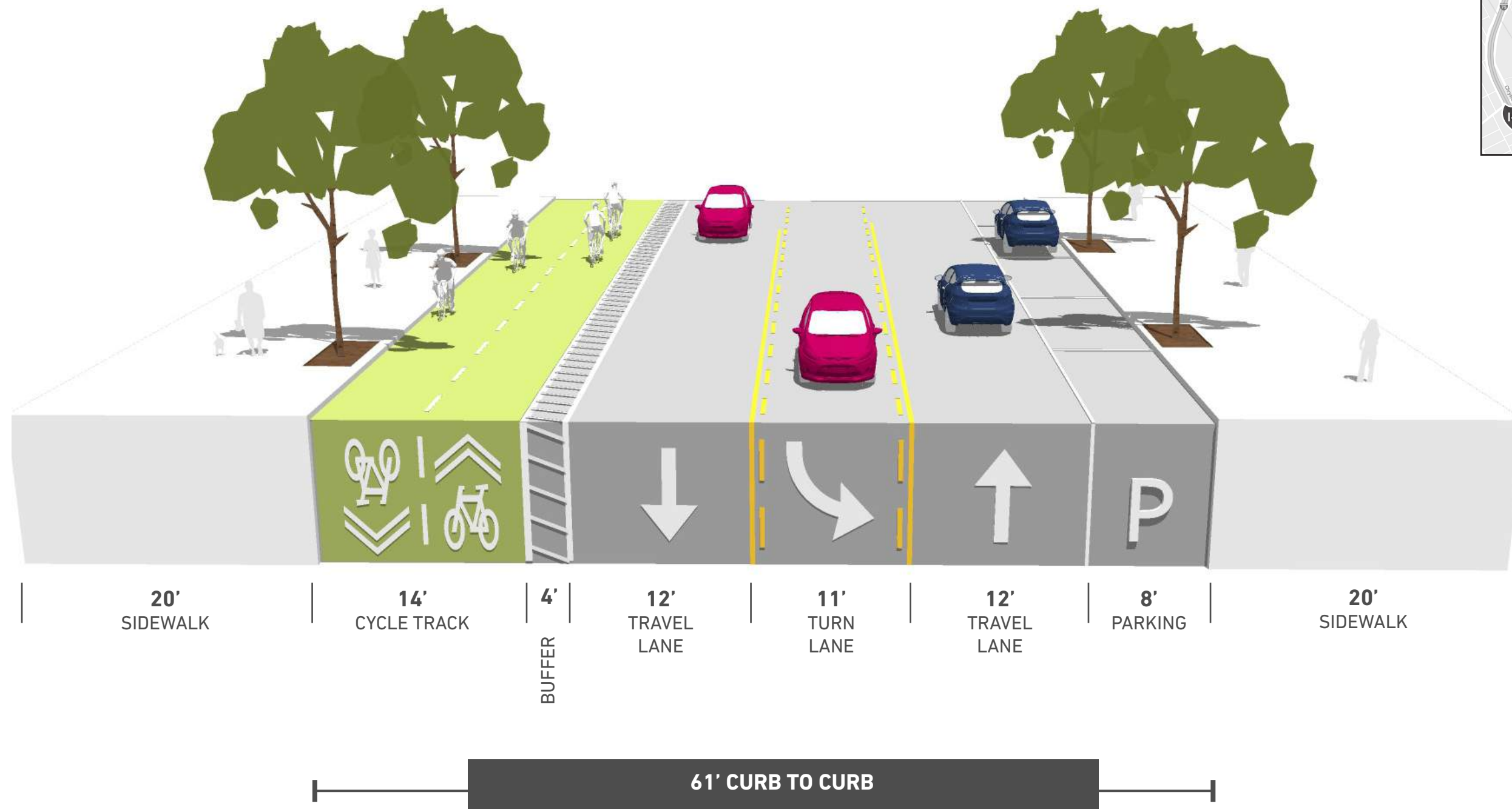


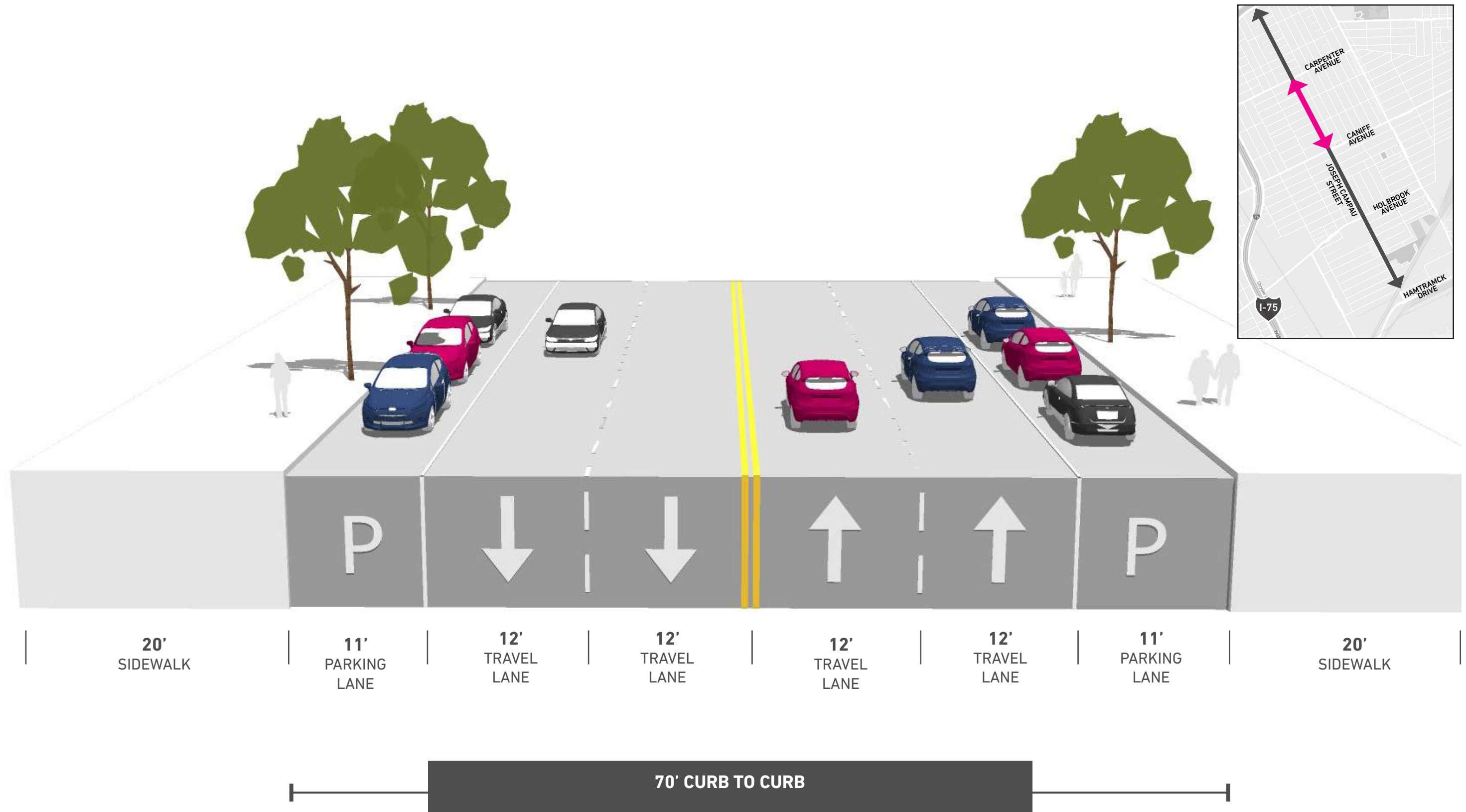


JOSEPH CAMPAU: POTENTIAL STREET REDESIGN

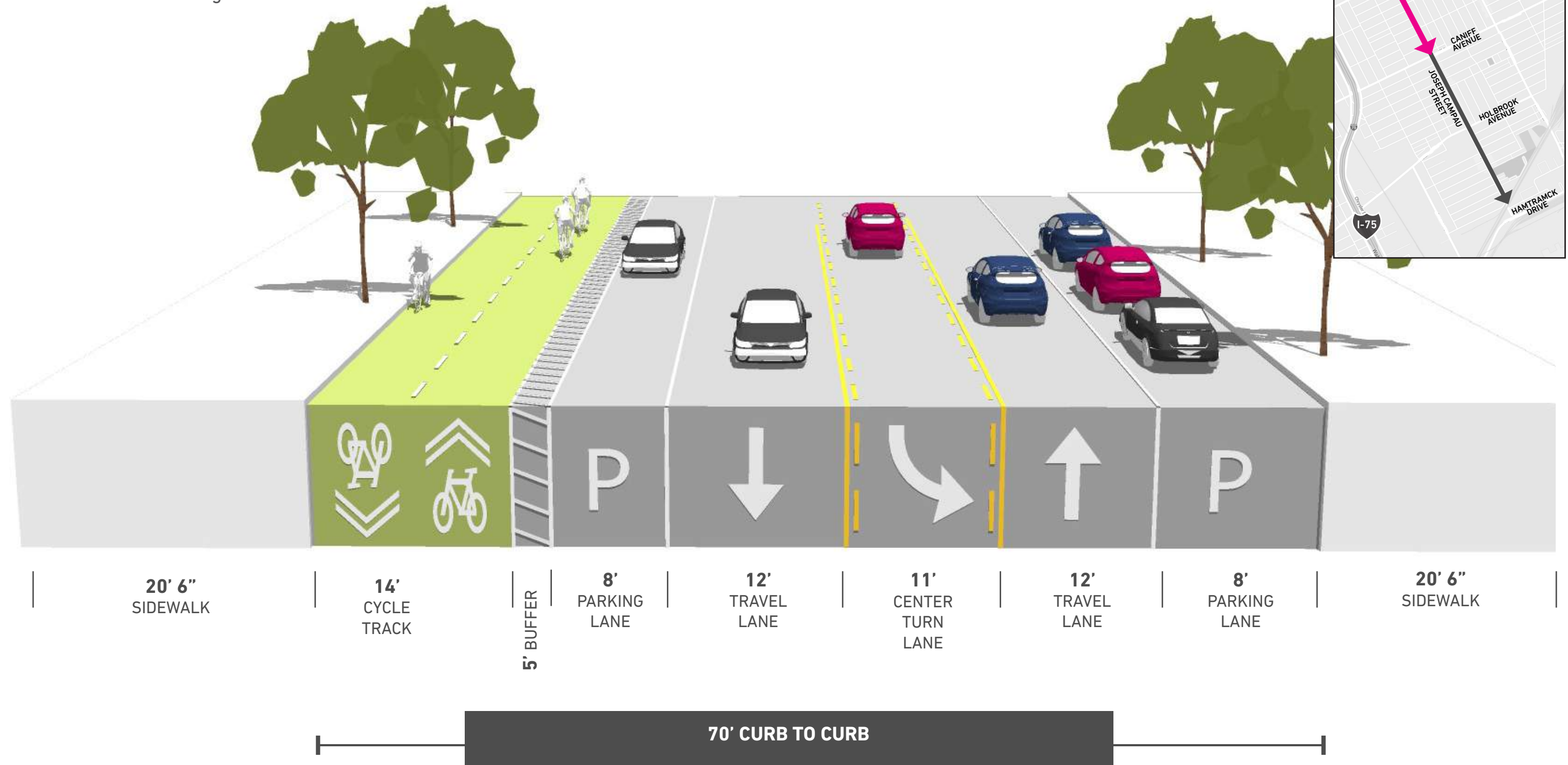
Hewitt Street to Holbrook Avenue

- Retain existing on-street parking on one side of the street, reduce the number of travel lanes, and add a center turn lane
- As part of the future Joe Louis Greenway, a 14' wide two-way cycle track with a buffer will be constructed along the western side of the road.
- Enhance landscaping
- New signs will be needed to indicate lane transitions



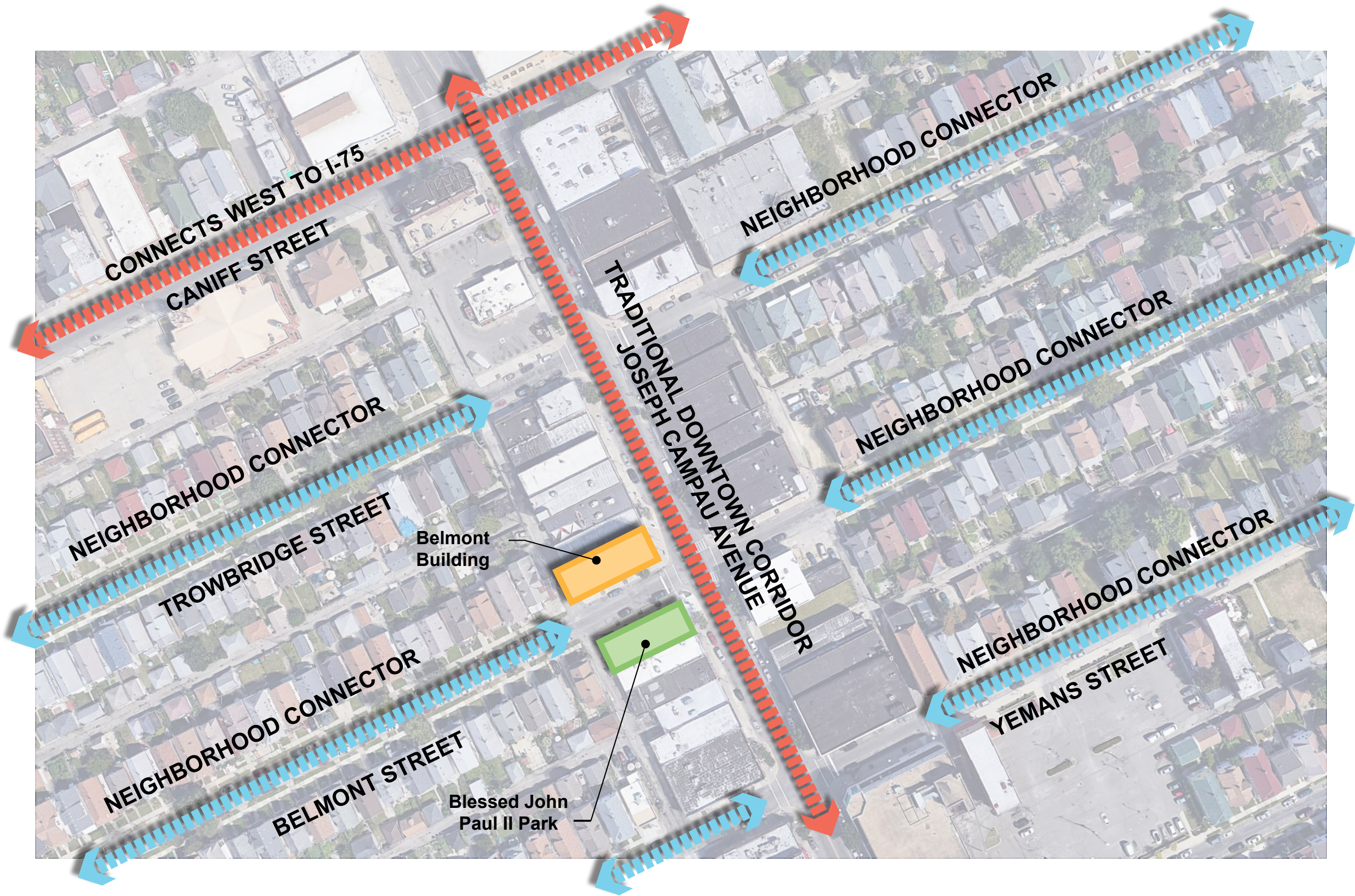


- Retain existing on-street parking on both sides of the street and reduce the number of travel lanes as well as add a center turn lane
- As part of the future Joe Louis Greenway, a 10' wide two-way cycle track with a buffer strip will be constructed along the western side of the road
- Enhance landscaping
- New signs will be needed to indicate lane transitions



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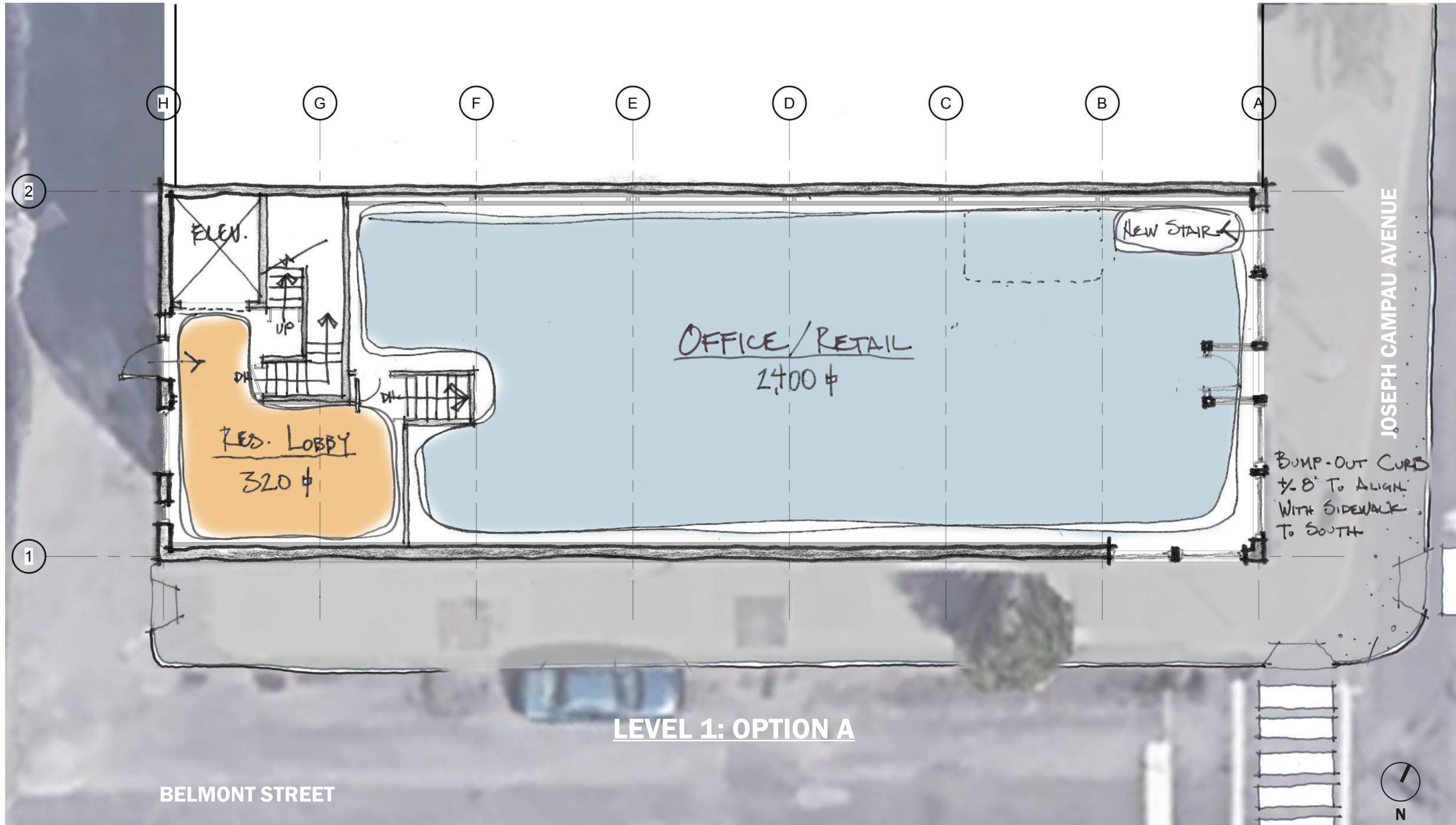
Pilot Project B
by Quinn Evans





QUINN EVANS
ARCHITECTS

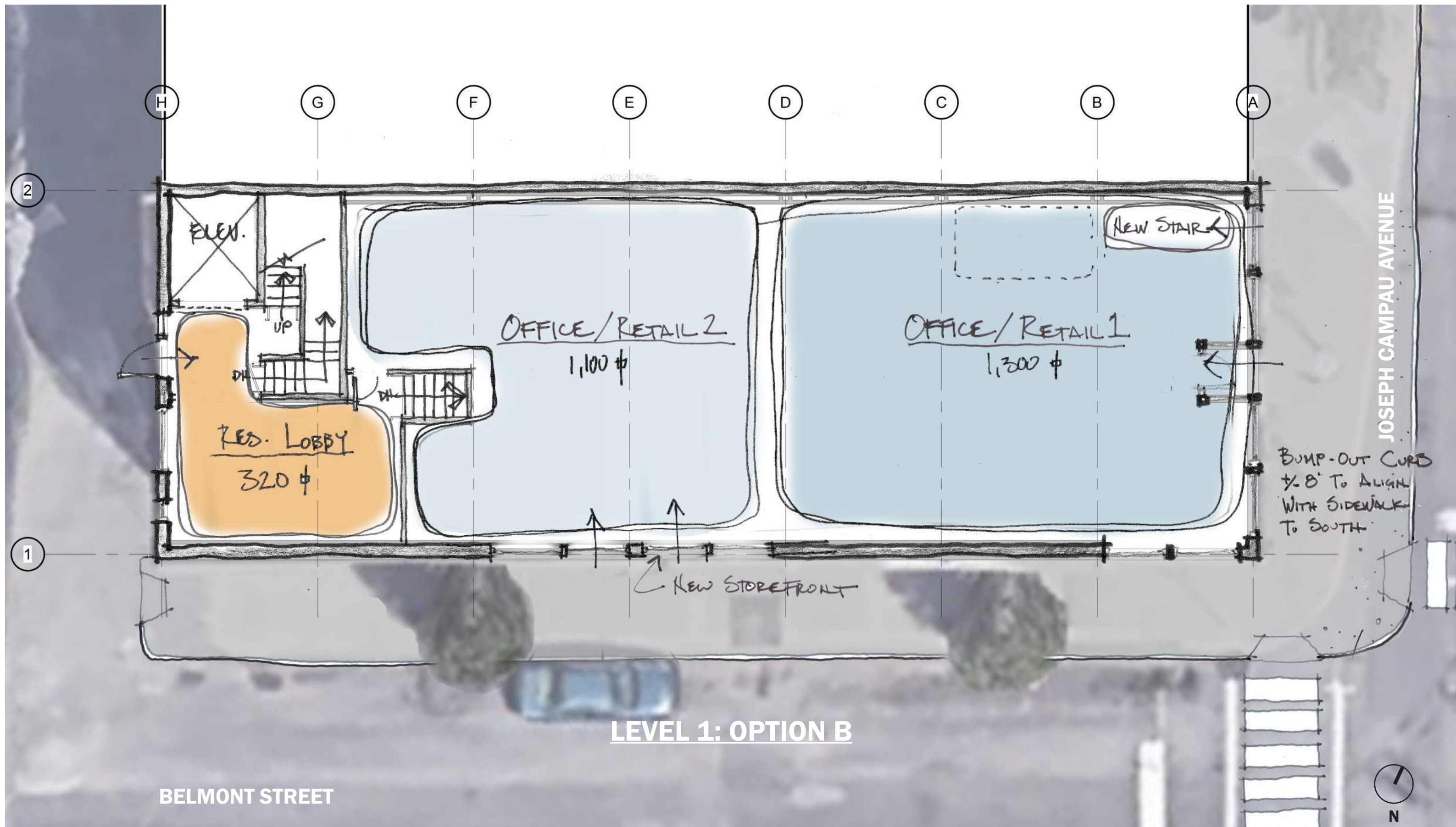
BELMONT BUILDING PILOT SITE: LEVEL 1 OFFICE/RETAIL OPTIONS





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ARCHITECTS

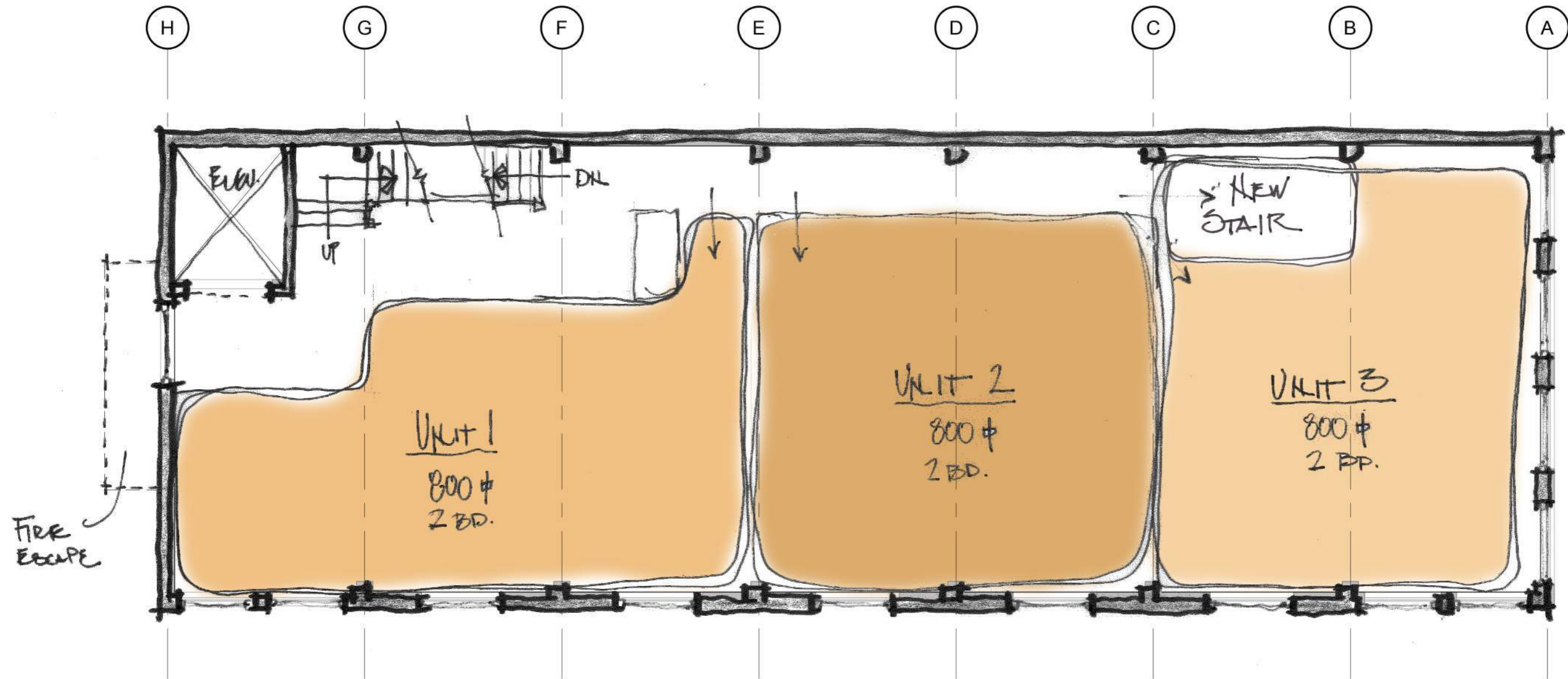
BELMONT BUILDING PILOT SITE: LEVEL 1 OFFICE/RETAIL OPTIONS





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BELMONT BUILDING PILOT SITE: LEVELS 2, 3, 4 HOUSING OPTIONS

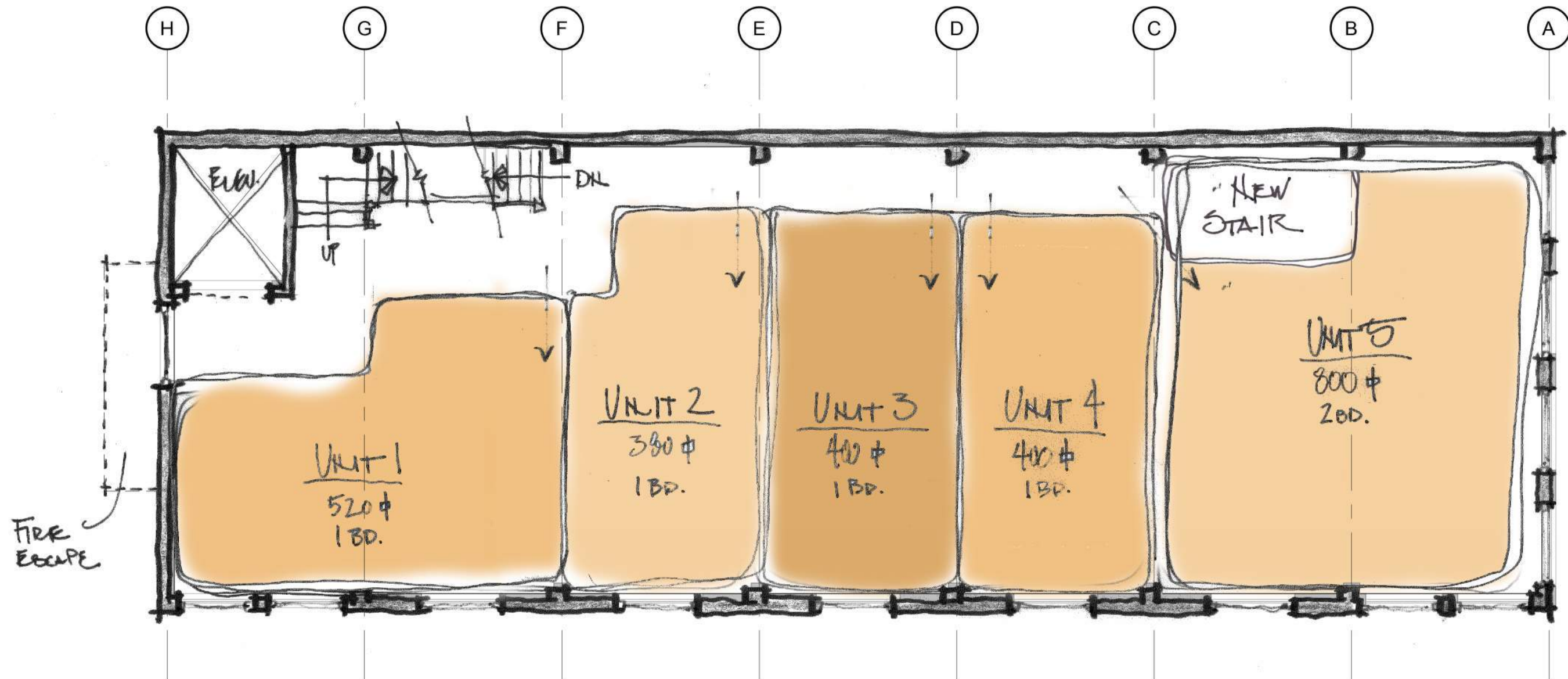


LEVELS 2, 3, 4: OPTION A
9 RESIDENTIAL UNITS - URBAN LOFTS
+/- 7,200 TOTAL LEASEABLE AREA





BELMONT BUILDING PILOT SITE: LEVELS 2, 3, 4 HOUSING OPTIONS



LEVELS 2, 3, 4: OPTION B
15 RESIDENTIAL UNITS - URBAN LOFTS AND MICRO-UNITS
+/- 7,200 TOTAL LEASEABLE AREA



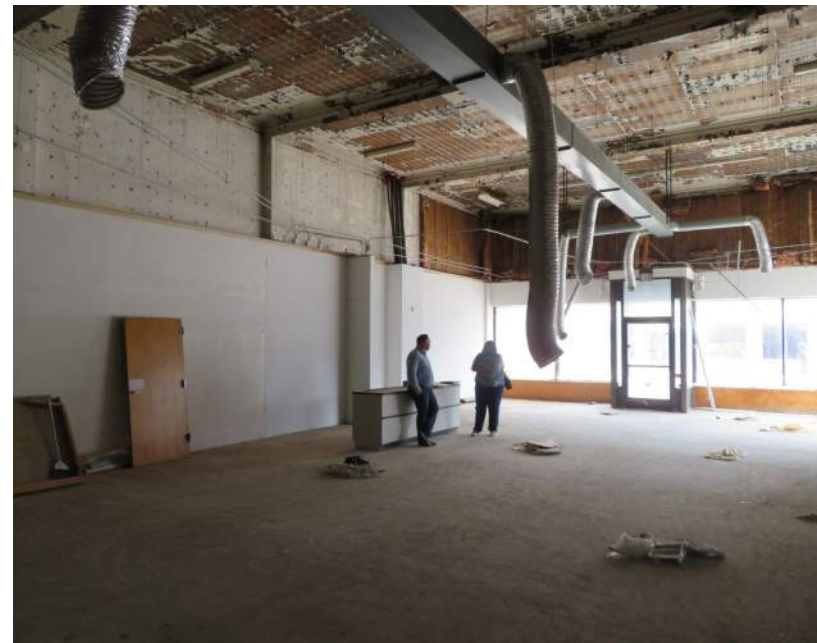


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BELMONT BUILDING PILOT SITE: SITE PHOTOS



EAST FAÇADE



FIRST FLOOR



UPPER FLOORS



SOUTH FAÇADE



UPPER FLOORS



BUILDING PHOTOS:
EXTERIOR

BUILDING PHOTOS:
INTERIOR



QUINN EVANS
ARCHITECTS

BELMONT BUILDING PILOT SITE: PROJECT RENDERING

BELMONT BUILDING



BLESSED JOHN PAUL II PARK

LOOKING NORTH ALONG JOSEPH CAMPAU AVENUE

FURTHER CONSIDERATION REQUIRED FOR
HISTORIC TAX CREDIT COMPLIANCE