



DETROIT FUTURE CITY

Detroit Future City

Challenges and Opportunities Facing
Detroit's Housing Market

SHARI WILLIAMS

Equitable Neighborhood Planning

Detroit Future City

About DFC

DFC is a nonprofit charged with catalyzing implementation of the DFC Strategic Framework, a 50-year vision for the City of Detroit developed with input from more than 100,000 Detroiters.

What we do

- Research
- Policy and advocacy
- Leading cross-sector collaborations
- Fostering equitable, inclusive, and sustainable economic growth in Detroit



Thriving resilient neighborhoods

Places where residents have their needs met and are free from long term chronic stresses, giving them the ability to withstand and recover from acute shocks.

These neighborhoods provide residents with high quality of life and support their health and well-being.

Thriving resilient neighborhoods ...

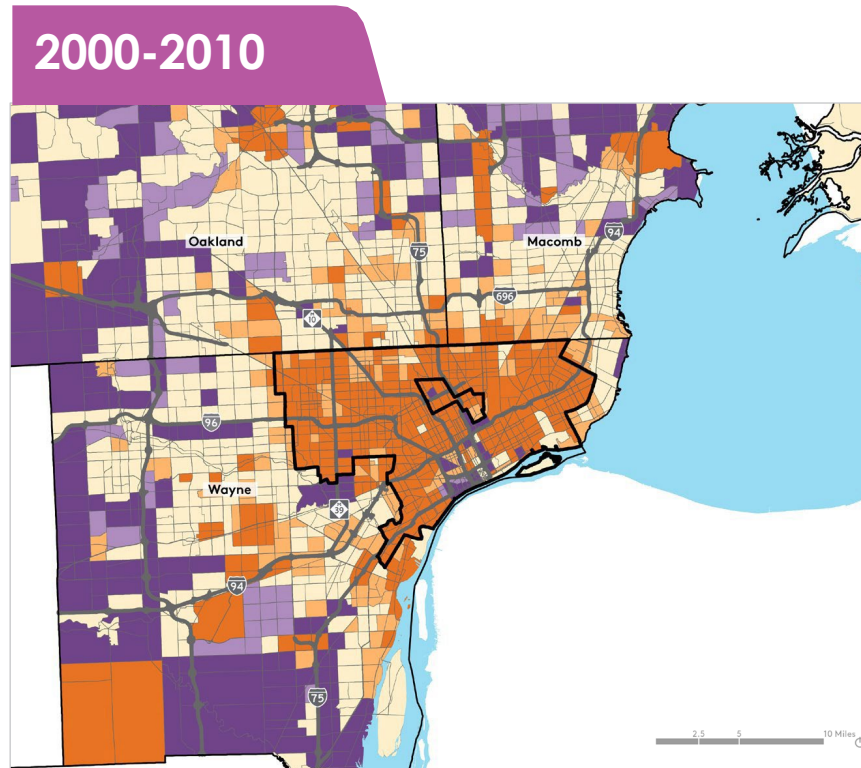
- Connect residents to robust **social and civic** systems,
- Provide full & fair access to **economic** opportunity
- Support and develop sustainable and integrated **natural and physical environment**



Population Change

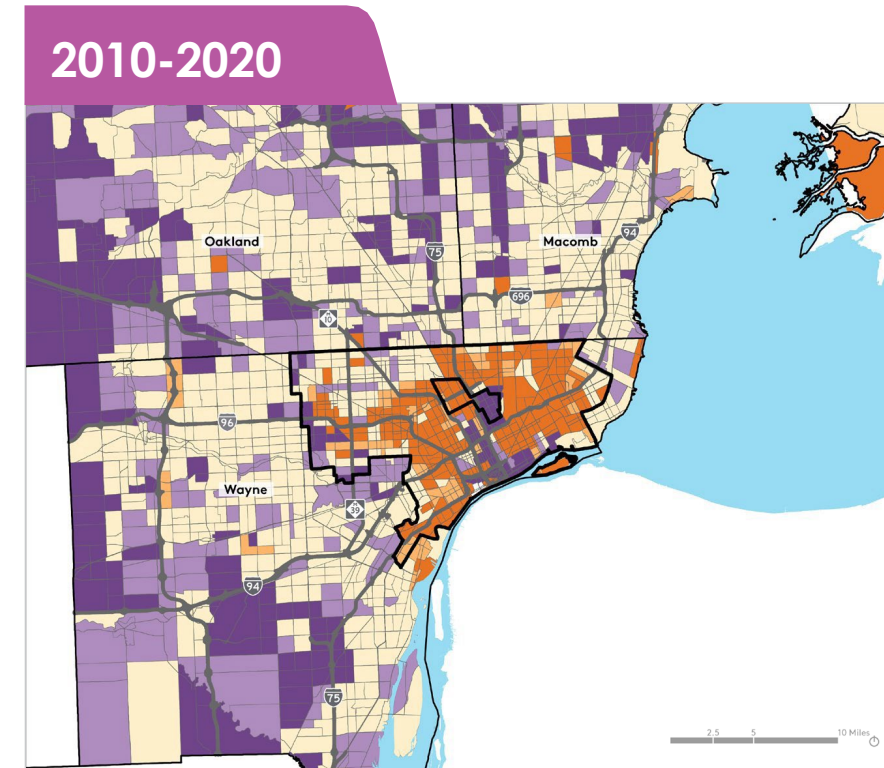
Population is beginning to grow, and there are areas of growth and stabilization at the neighborhood level.

After population loss, population is **beginning to grow**, and there are areas of growth and stabilization at the neighborhood level.



- Less than -10%
- 10% to -5%
- 5% to 5%
- 5% to 10%
- Greater than 10%

Source: IPUMS, NHGIS



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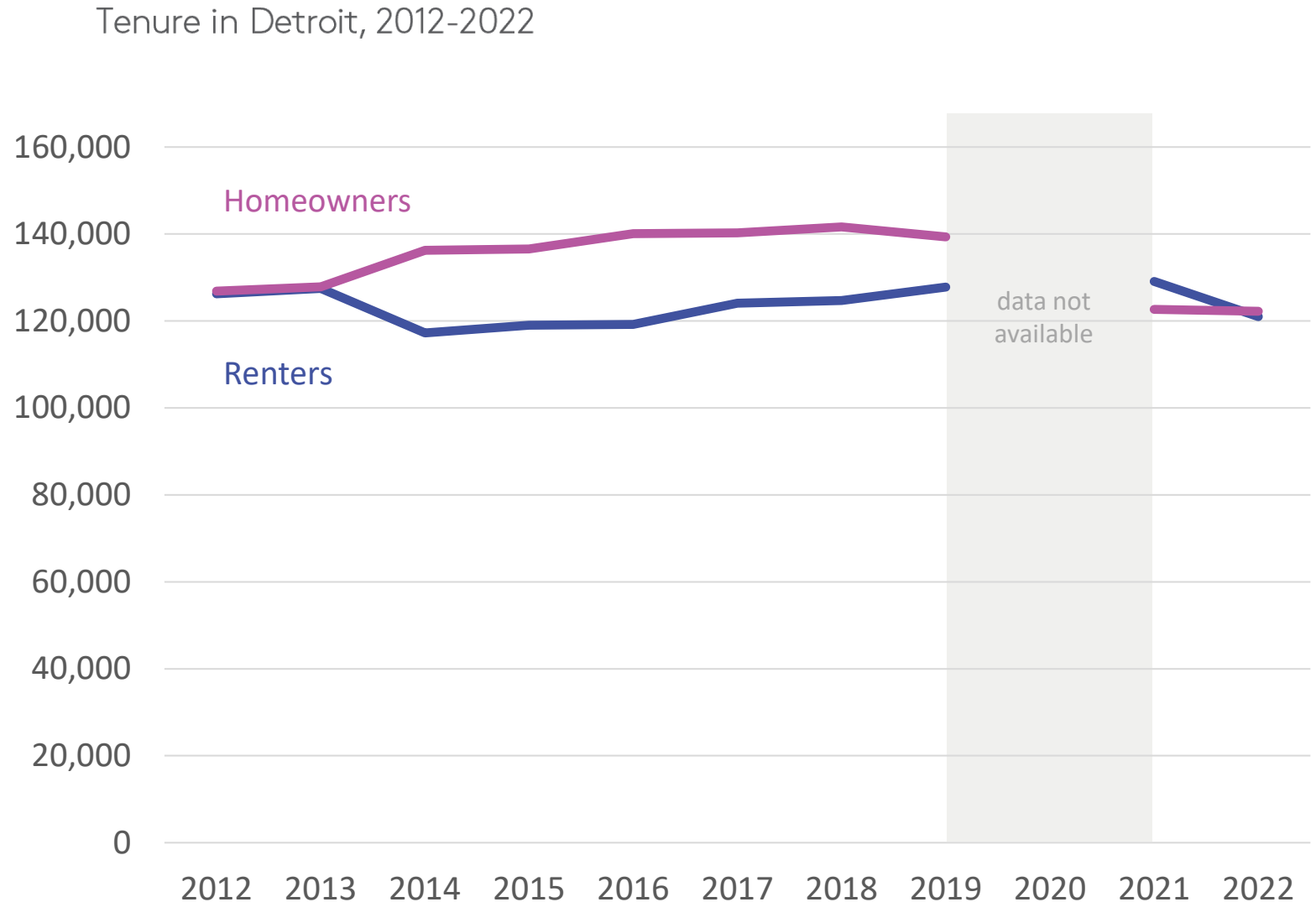
Source: IPUMS, NHGIS

Housing

Detroit is both a homeowner and a renter city.



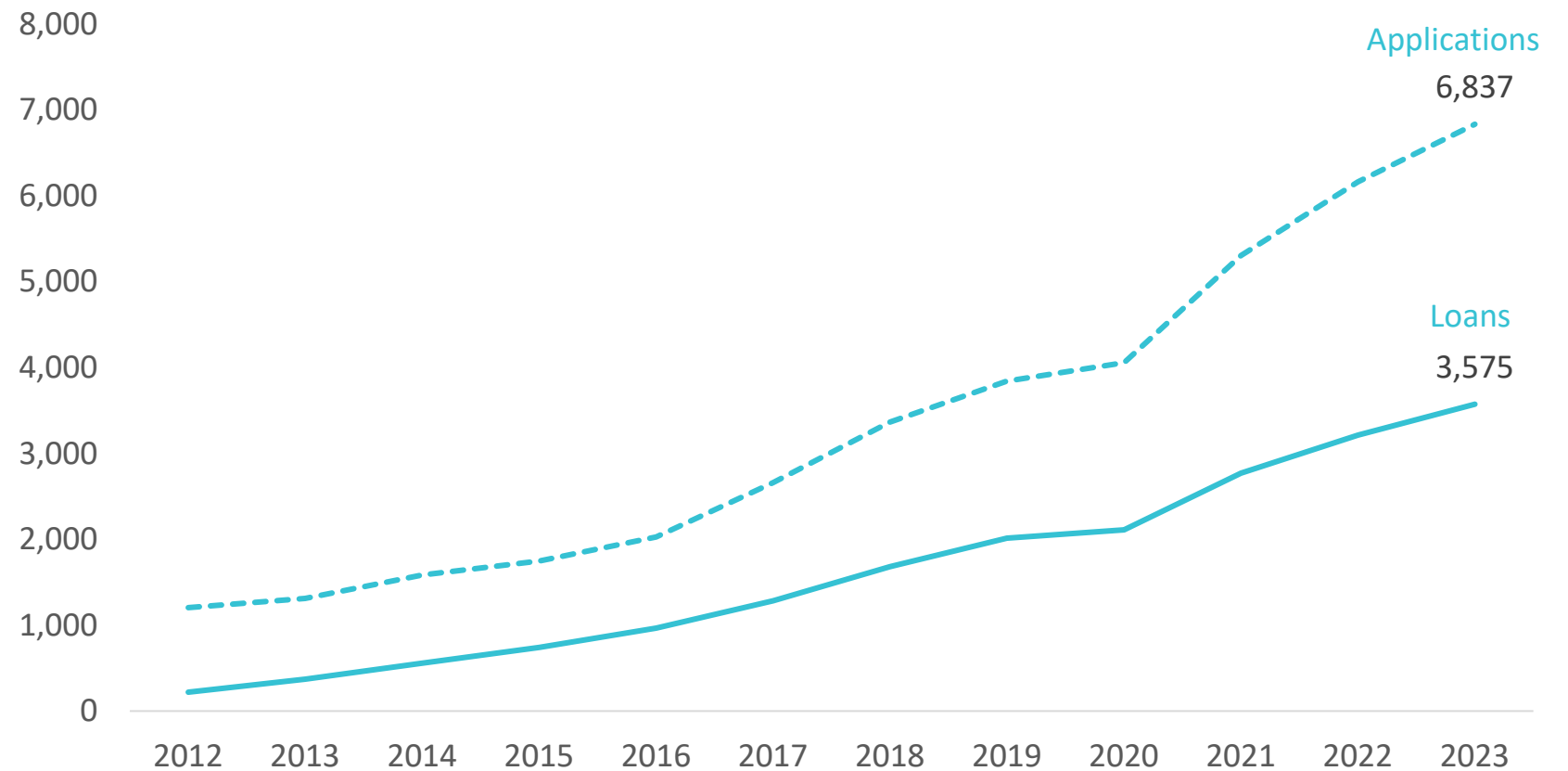
Detroit remains
evenly split
between
renters and
homeowners.



Source: ACS 1-year estimates, 2012-2022

Since 2012, the number of home purchase applications and loans written in Detroit continues to rise, indicative of an improving housing market.

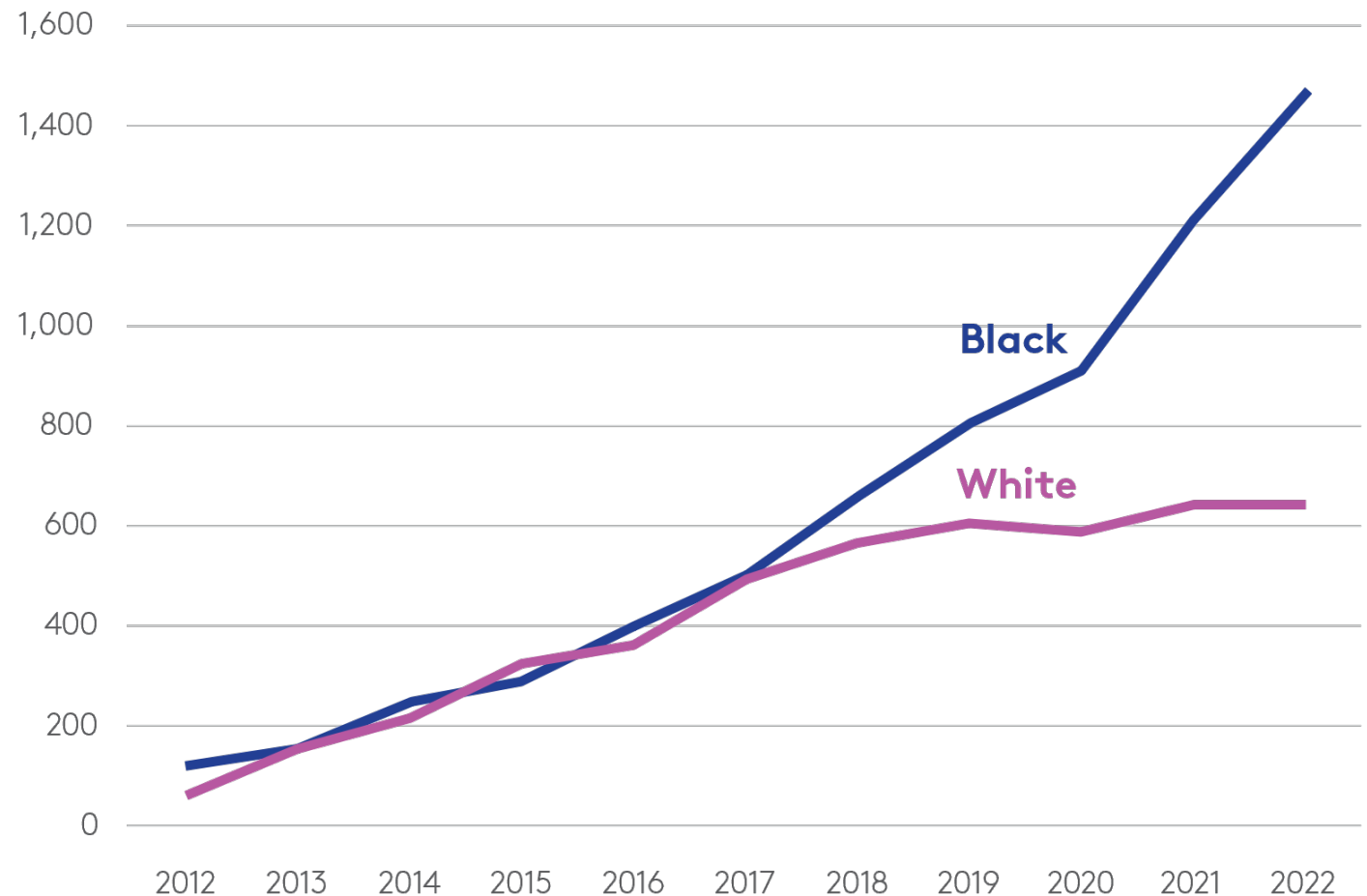
Home purchase applications in Detroit, 2012 - 2023



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data

Growth in
mortgages in
Detroit mostly
driven by **Black**
homebuyers.

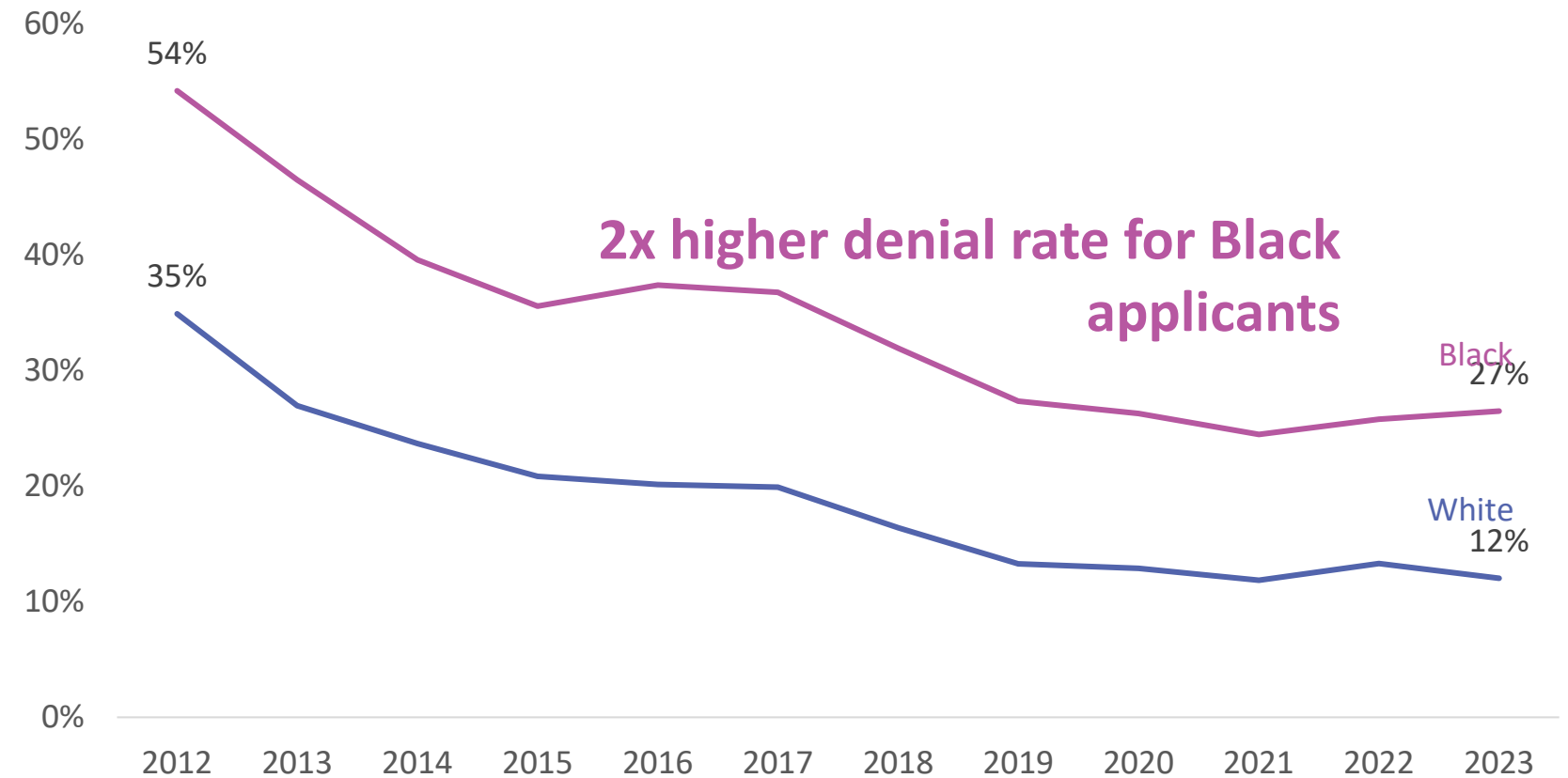
Mortgages in Detroit by race, 2012–2022



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data retrieved from LendingPatterns.com, 2012–2022

Similar trend in denial rates is observed by race.

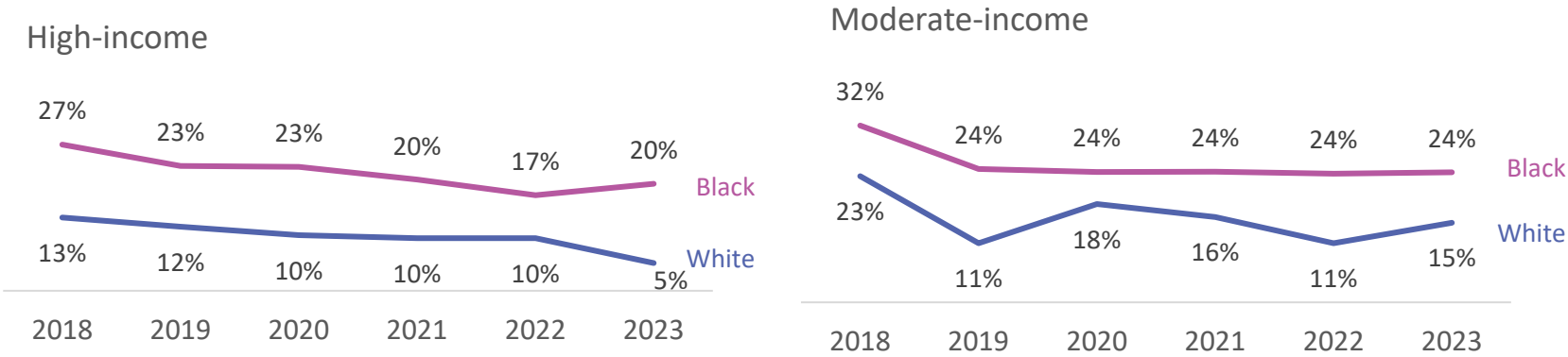
Home purchase application denial rate in Detroit, by race, 2012 - 2023



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data

In 2023, high-income Black applicants were denied more often (20%) than moderate-income white applicants (15%).

Home purchase application denial rate in Detroit, by race and income, 2018 - 2023



Reasons for denial

Denial reasons for Black applicants:

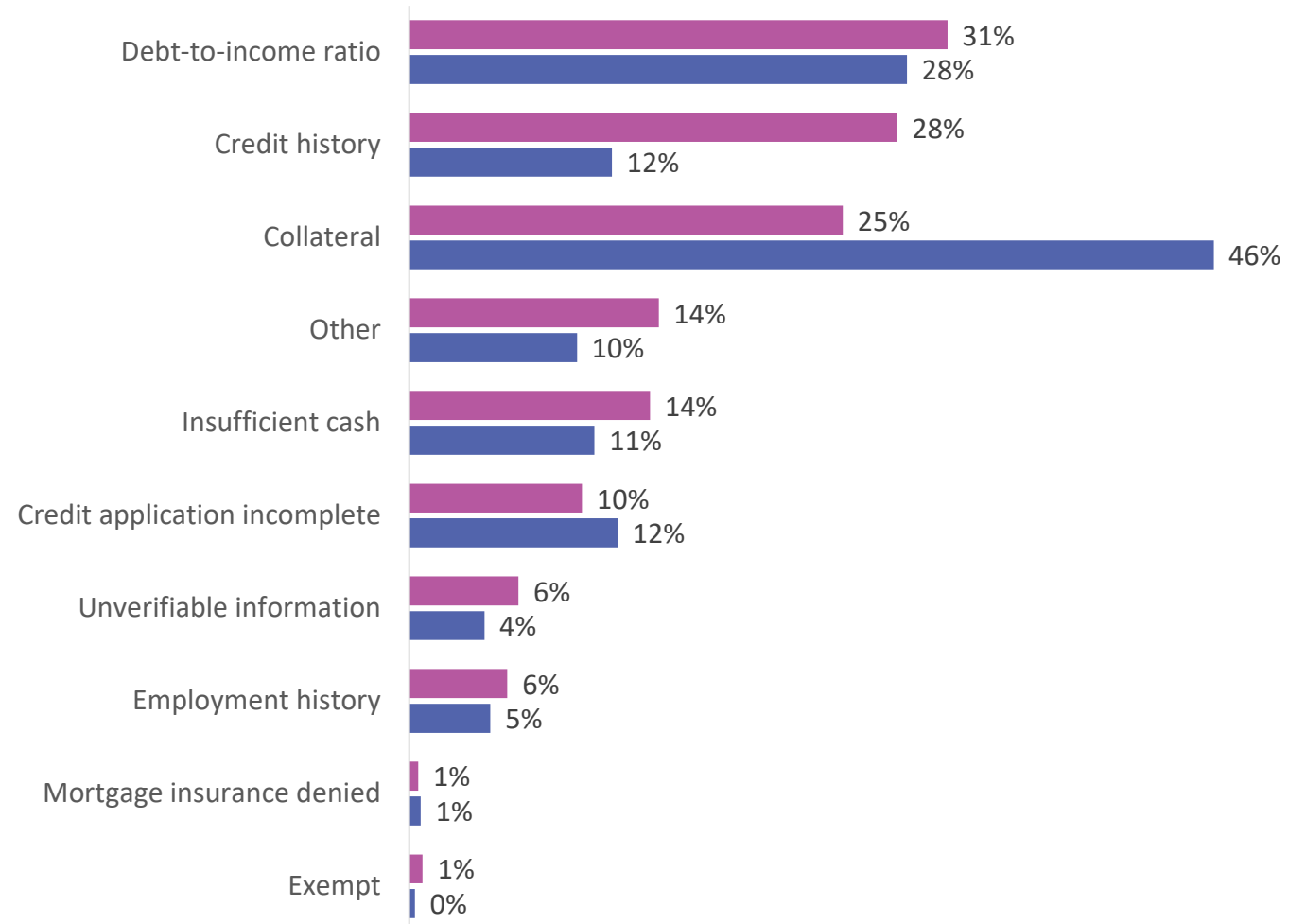
- debt-to-income ratio
- credit history
- collateral

For white applicants:

- collateral
- debt-to-income ratio

Denial reasons for home purchase applications in Detroit, by race, 2021-2023

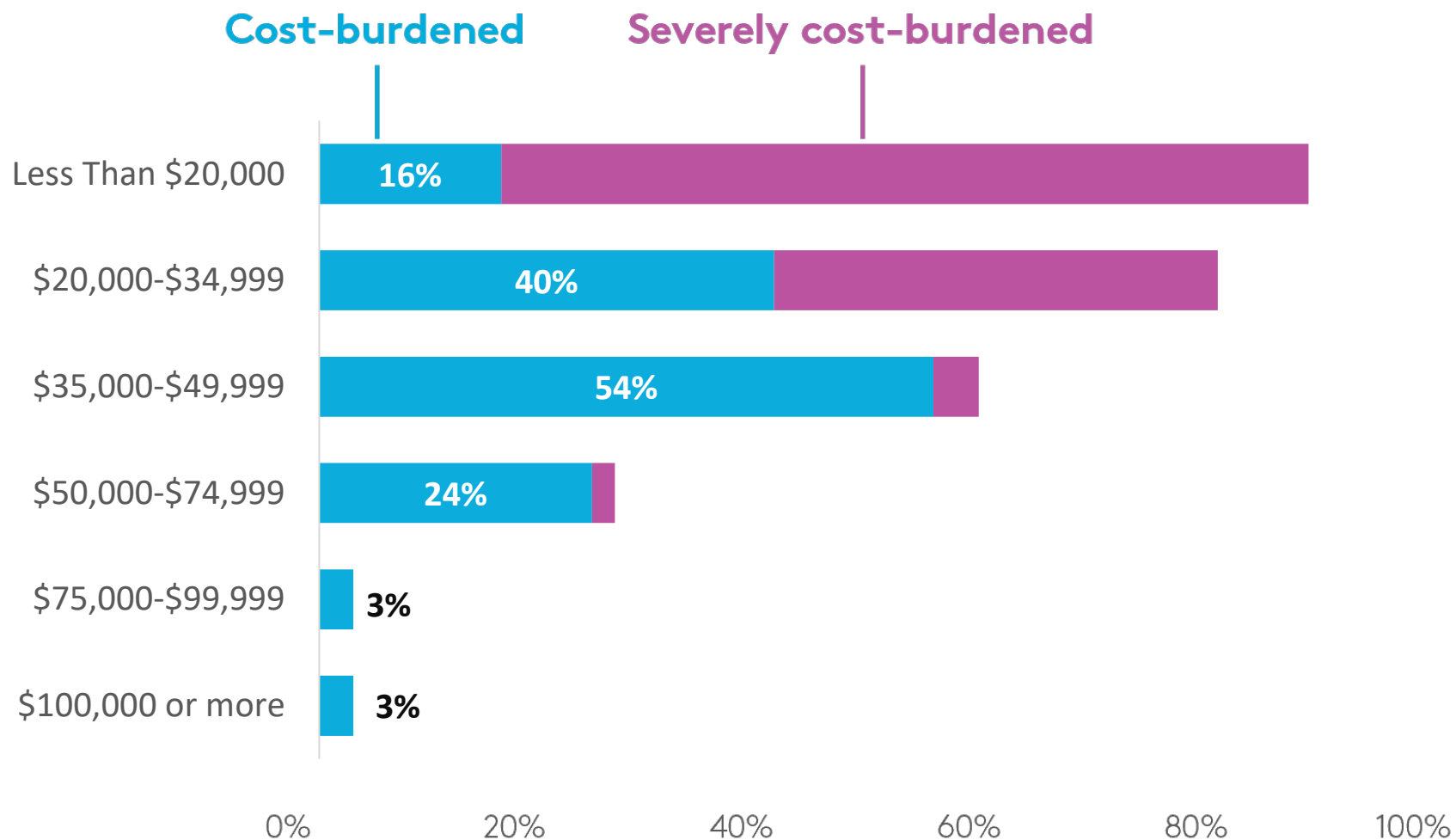
■ Black ■ White



Source: Detroit Future City analysis of Home Mortgage Disclosure Act data

Income
remains a
primary driver
of housing
affordability.

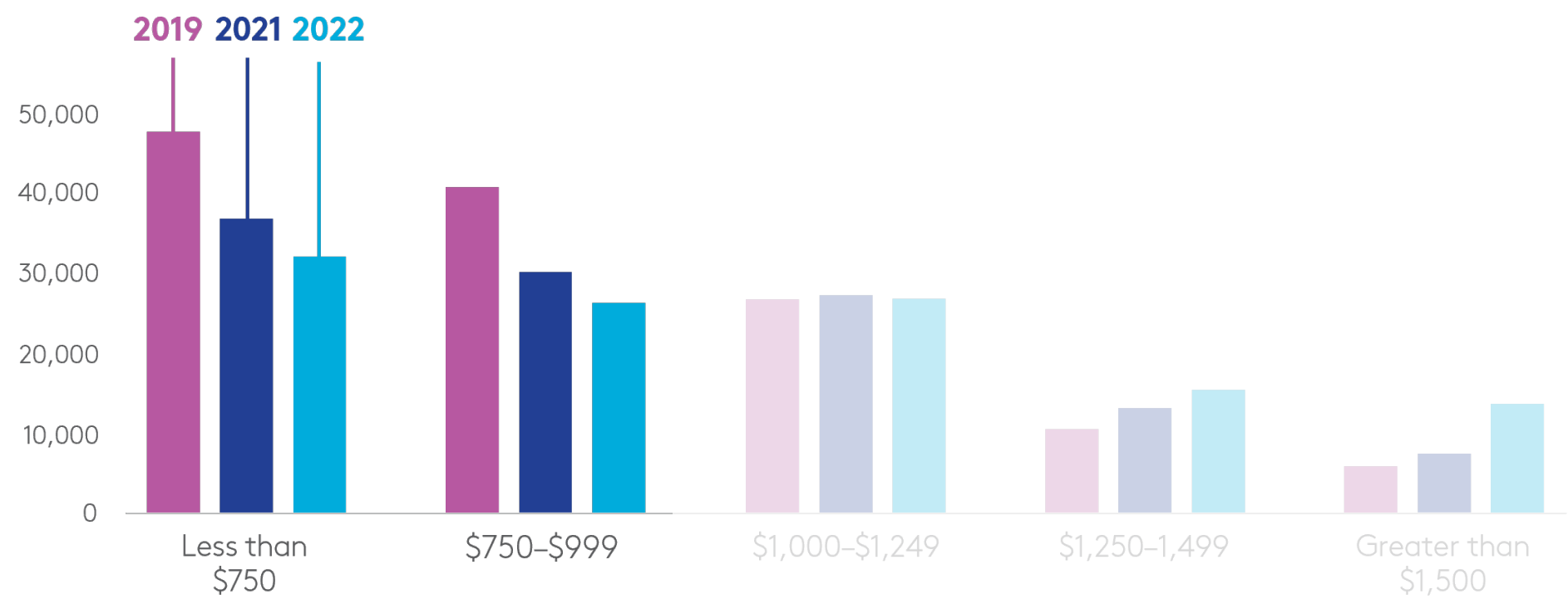
Housing cost burden by income in Detroit, 2022



Source: ACS 1-year estimates, 2022

Since the pandemic, there has been a **decrease** in the number of units available for **<\$1k a month**

Gross rent in Detroit, 2019-2022



Source: ACS 1-year estimates, 2019-2022

Heirs' property

Family-owned property inherited through generations or passed on to recipients without formal legal proceedings to prove ownership.

Challenges

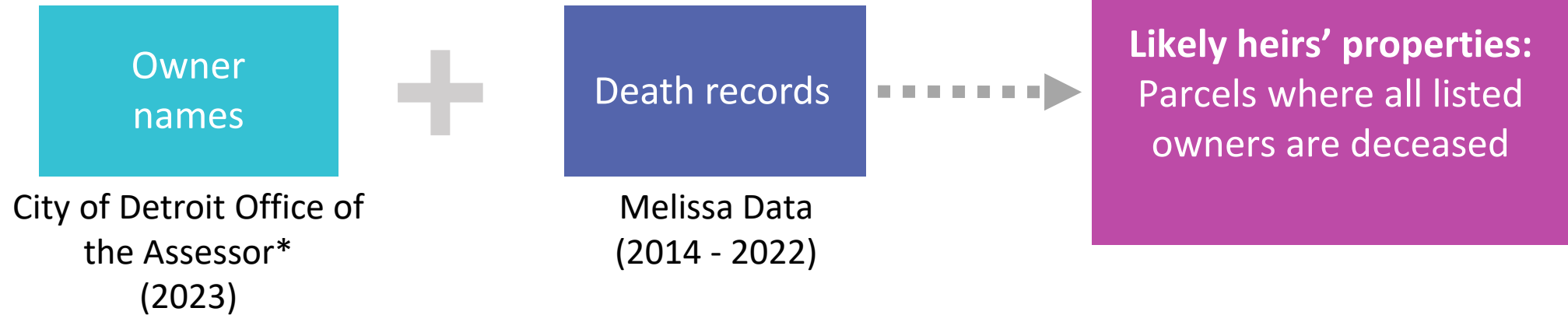
- Many homeowners **do not have wills or an estate plan** in place.
- High **out-of-pocket costs** surrounding legal advice and case filing.
- There exists a **lack of support in navigating the complex legal processes** around will execution and estate administration.
- Many individuals are **unaware of their property ownership status**.
- There needs to be more information on **property tax** implications.
- Many homeowners are deterred by **housing market and neighborhood perceptions**.

Impact



- Individual household **stability**.
- Limits **access to resources** from the city or others.
- Limits or prohibits ability to sell the property, borrow money against its equity, or obtain homeowner's insurance.
- Home condition can impact **neighborhood**.

Identifying heirs' properties



5,525

Residential properties in Detroit were identified as likely heirs' properties in 2023

** Excludes residential properties with more than 2 record owners*



A total of more than

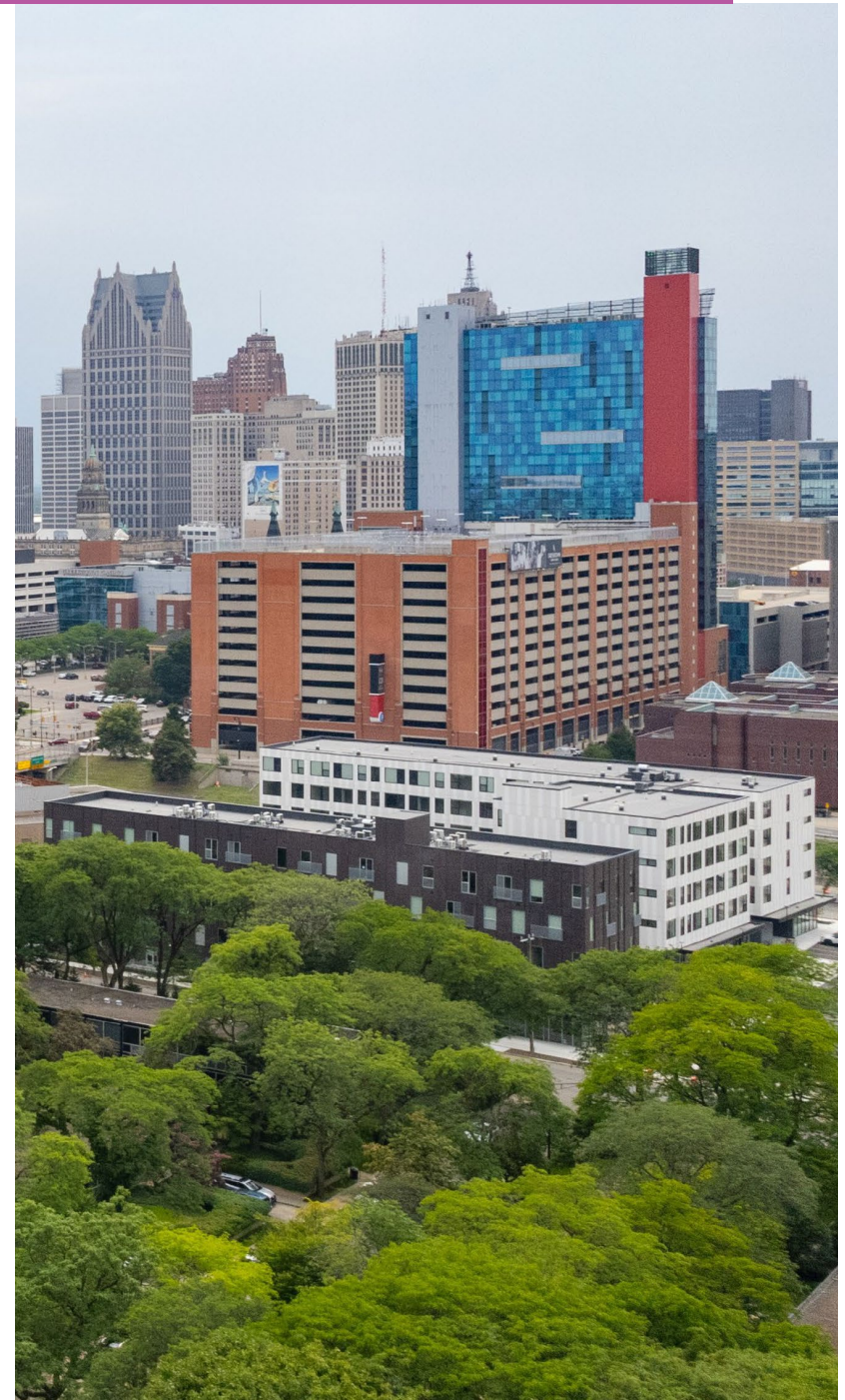
\$268

Million

is estimated to be locked in Detroit's 5,525 heirs' properties

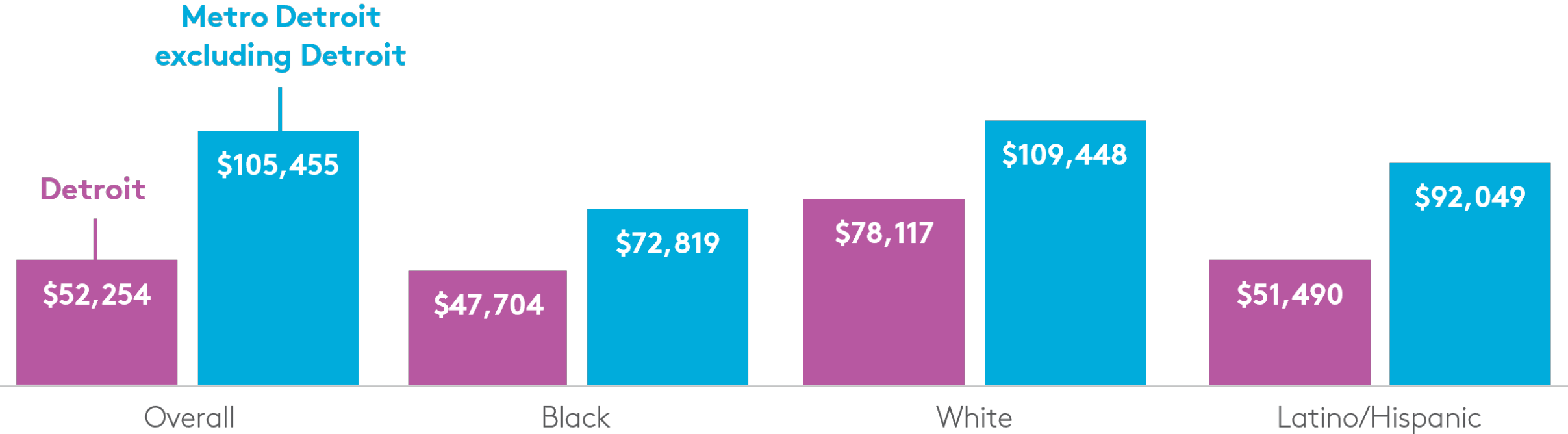
Income and Education

Incomes in Detroit remain low overall as the equity gap widens.



On average, income for suburban residents **remains higher** than for Detroiters

Average household income in Metro Detroit by race, 2022



Source: ACS 1-year estimates, 2022



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