

# And After Demolition... What About the Vacant Lots?



# **We now sell vacant lots to next door neighbor for \$100**

**The land bank will sell a vacant lot to an adjoining neighbor:**

- 1) Must be current on your taxes**
- 2) Will be first come, first serve**
- 3) If requests from two neighbors are about same time, preference is given to one who has been maintaining the lot.**

**This Door Hangar is  
being left on houses  
next to demolition  
houses.**



**Building Detroit**

Powered by the Detroit Land Bank Authority

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**LOT  
NEXT  
DOOR  
FOR  
SALE  
\$100**

Available 45 days after demolition  
to next door neighbor

For more information go to  
[buildingdetroit.org](http://buildingdetroit.org)



# Sending Post Cards for Those Previously Demolished



**\$100\***

SIDE LOT PROGRAM STARTS NOW

DETROIT LAND BANK AUTHORITY

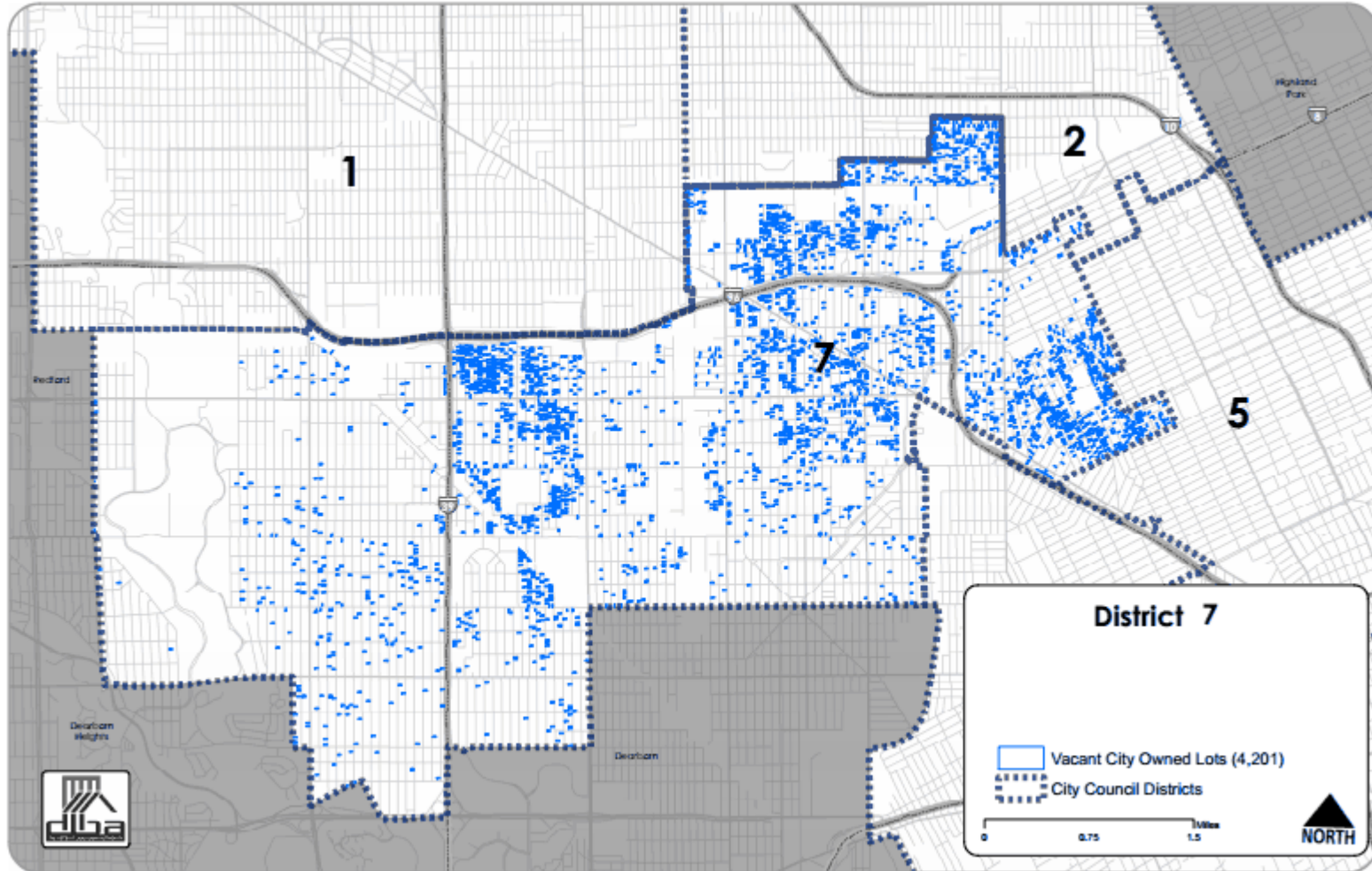
# SIDE LOT SALE

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CALL 1-844-BUY-DLBA FOR MORE INFORMATION

# Typical is Council District 7

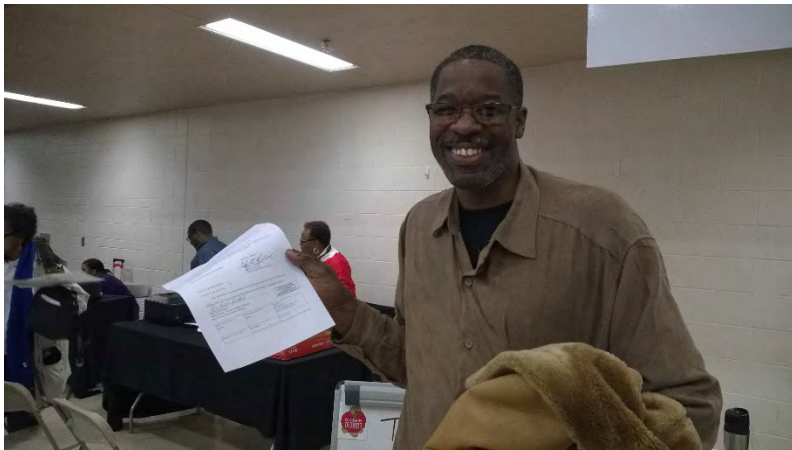
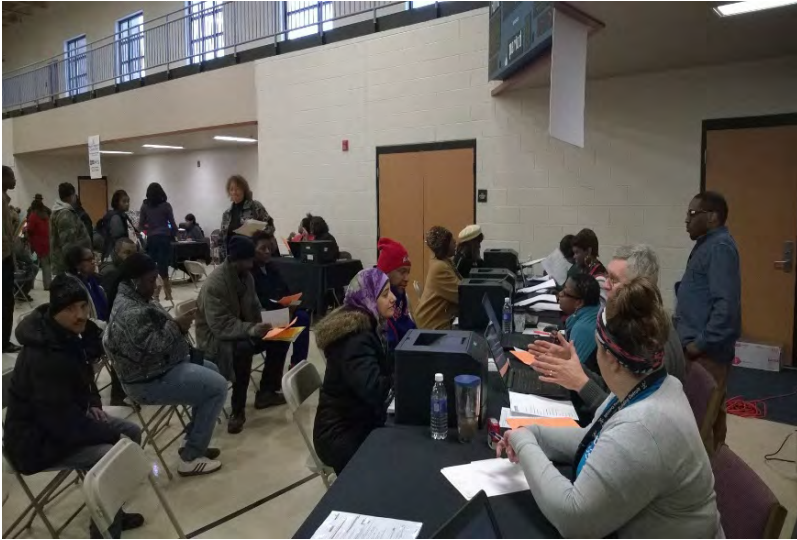
## 4,000 vacant lots – 2,000 with a neighbor





# The Results?

## More than 2,000 People Bought Side Lots in Side Lot Fairs





# First Rehabbed House 8801 Marygrove on May 5th





# 8801 Marygrove Today





# 16591 Bentler





# 5760 Yorkshire





# 16530 Ohio





# Inside 16530 Ohio





# Inside 16530 Ohio



# 2499 Longfellow





# Inside 2499 Longfellow



# 4865 Grayton

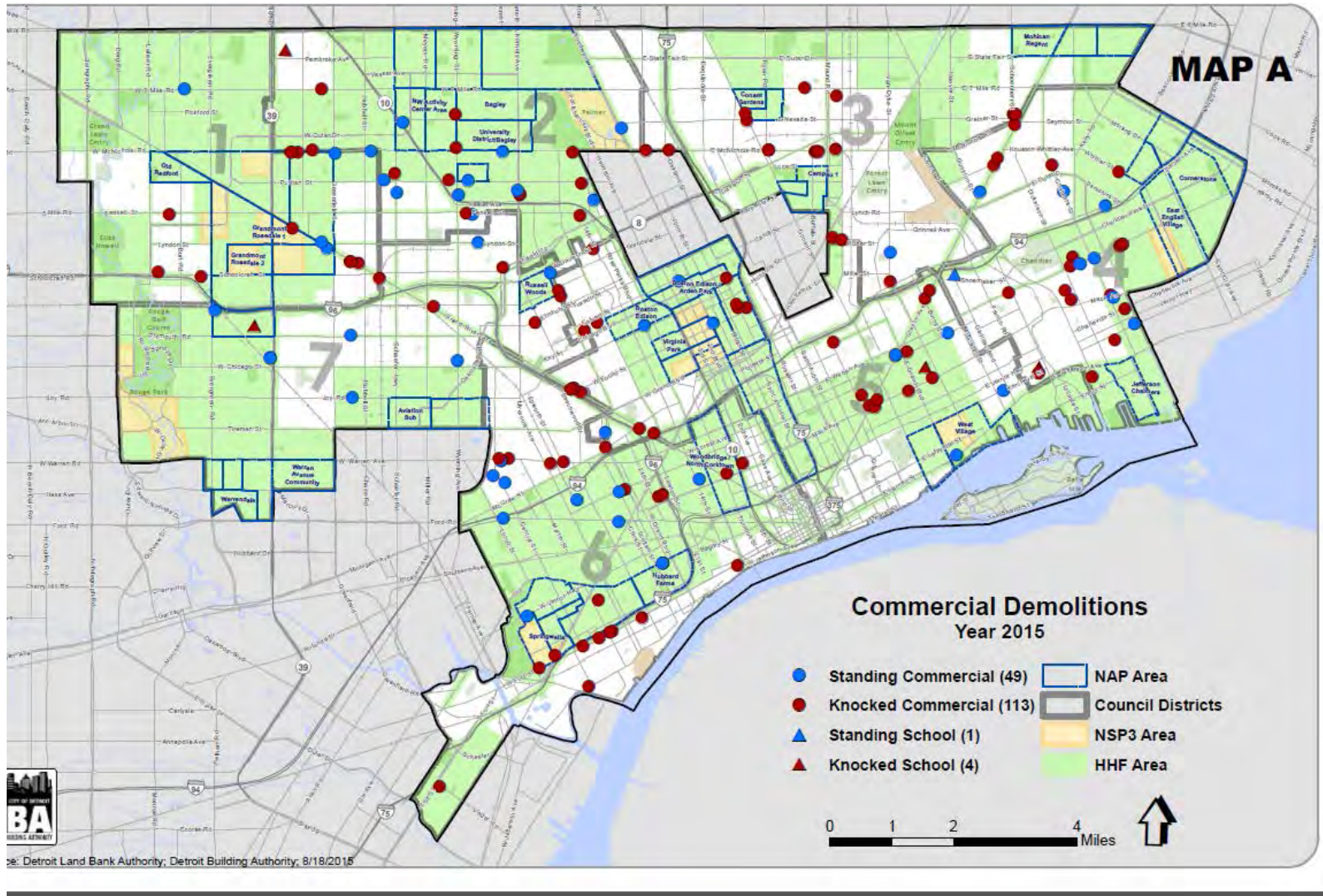




# 14501 Collingham



# Commercial Demolitions for CY '15: 113 Down – 48 More by December





# **4 Criteria for Commercial Demolition**

## **Sites:**

- 1) Imminent Danger to Public**
- 2) City Owned – have liability**
- 3) Private owned eyesores in high traffic areas**
- 4) Cost effectiveness of demo**

# **CY '15 Commercial Demo Funding Sources**

## **\$12 Million**

<b>CDBG 2011-2012</b>	<b>\$ 400,000</b>
<b>CDBG 2014-2015</b>	<b>\$ 6,500,000</b>
<b>CDBG 2015-2016</b>	<b>\$ 2,500,000</b>
<b>City Blight Funds</b>	<b>\$ 2,000,000</b>
<b>NSP 3</b>	<b><u>\$ 500,000</u></b>
<b>Total</b>	<b>\$11,900,000</b>

**160 Demo's: Average Demo Price \$75,000**



# 11200 E. Warren

Before



After



# 13555 Gratiot

Before



After





# 9626 Kercheval

**Before**



**After**



# 8539 W Grand River

Before



After





# 5612 E. McNichols



# 2101 Puritan

Before



After





# 17926 Woodward

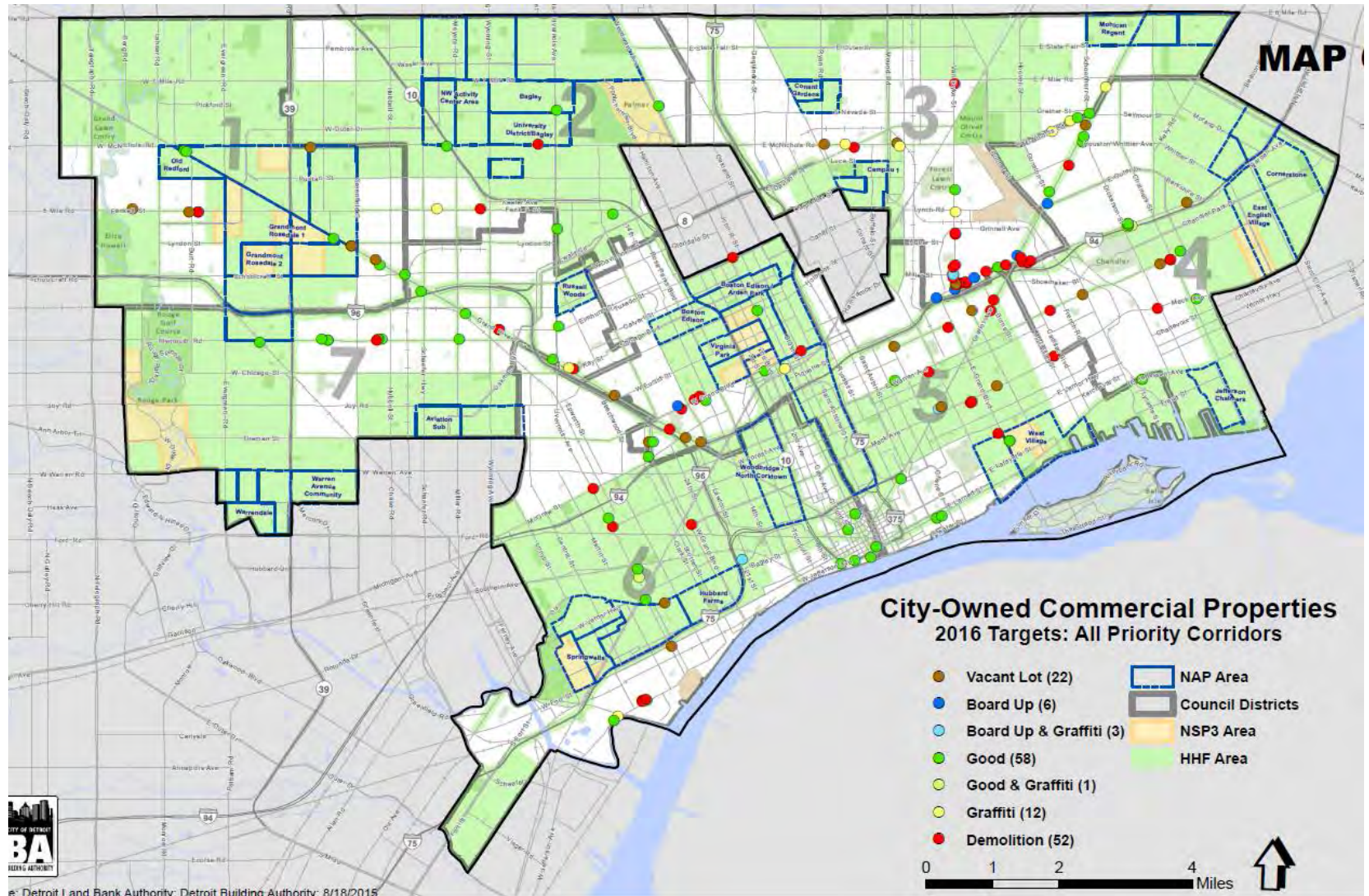
Before



After

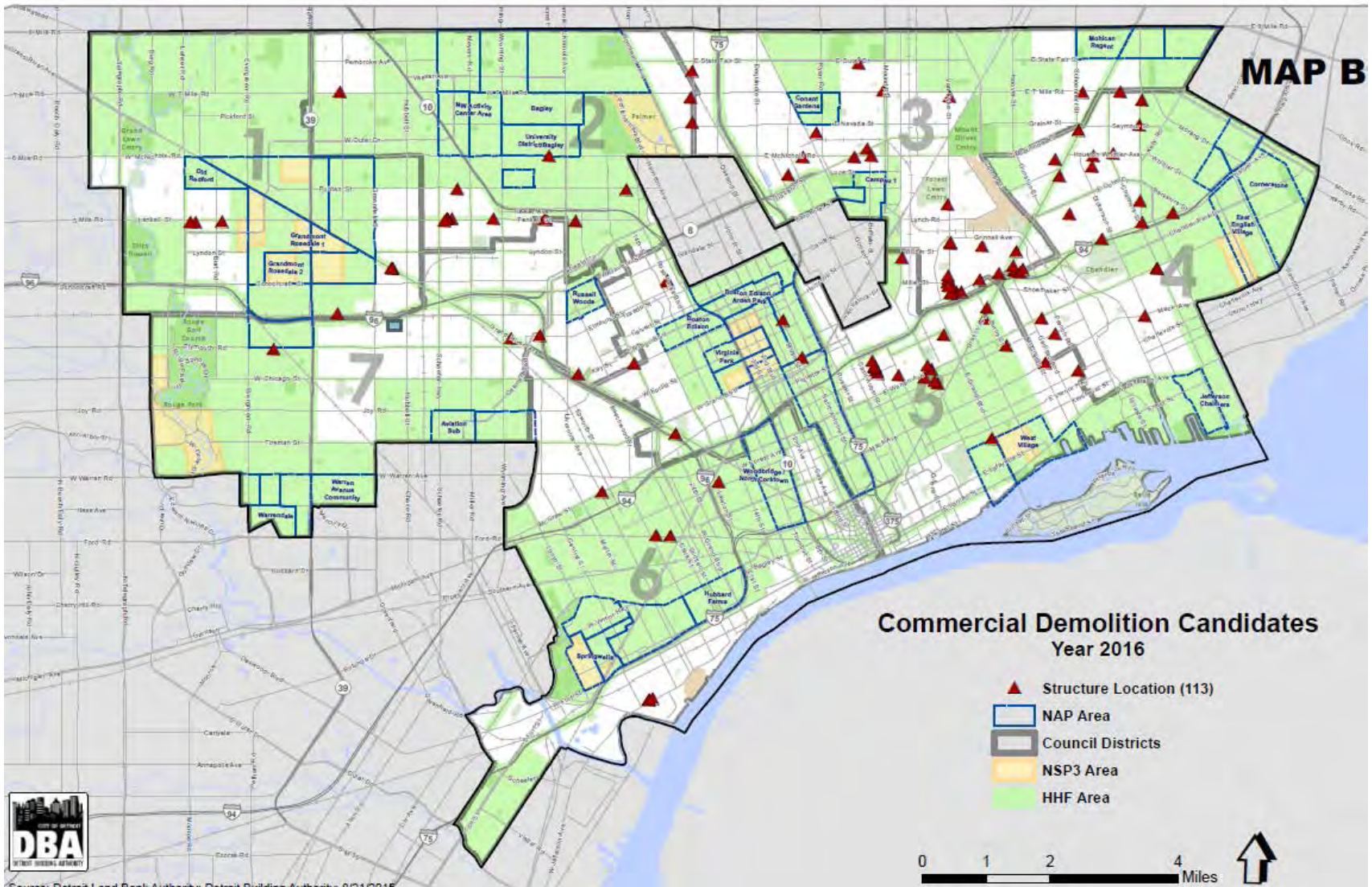


# Plan to take down 110 commercial buildings in 2016 with \$10 million in city blight funds





# Privately Owned Commercial Demo Targets





# Single Largest Blight Creator in Detroit: Detroit Public Schools





# **Detroit Took 58 Abandoned Schools From DPS This Year**

<b>Demolished</b>	<b>4</b>
<b>To be demolished in 2015</b>	<b>2</b>
<b>Secured</b>	<b>31</b>
<b>To be secured in 2015</b>	<b><u>21</u></b>
<b>Total</b>	<b>58</b>

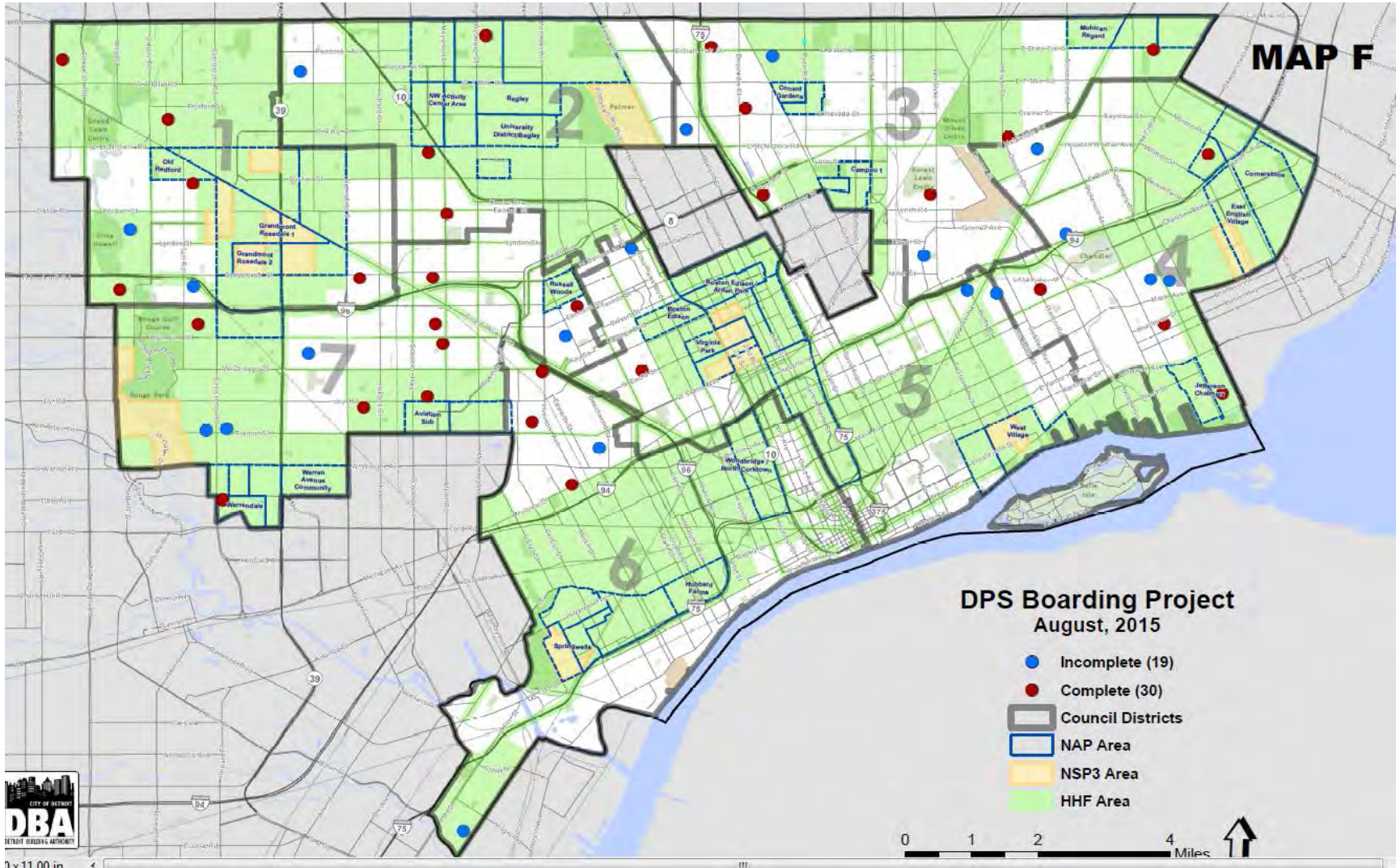
# Dealing with Youth Unemployment:

16-24 year olds hired this summer to secure schools





# Map of City-owned schools



# **Preventing Houses from Becoming Vacant: Avoiding Foreclosures**

**18,000 Detroit homeowners were facing property tax foreclosure this year from Wayne County Treasurer.**

**12/18/14 Legislature passed HB 4882 to allow repayment schedules at 6%.**

**15,000 Detroit homeowners entered into payment arrangements and avoided foreclosure.**



# Making Mortgages Available in Detroit

**Detroit in 2014 had 3,523 Single Family Home Sales**

<b>Conventional Mortgage</b>	<b>206</b>	<b>6%</b>
<b>FHA/VA</b>	<b>137</b>	<b>4%</b>
<b>Land Contract</b>	<b>92</b>	<b>3%</b>
<b>Cash</b>	<b>3,088</b>	<b>87%</b>

**Source: RealComp Sales Data**

# 2014 Cash Sales for Single Family Homes

**Detroit 87%**

**Ferndale 32%**

**Livonia 18%**

**Grosse Pointe 15%**



# The Mortgage Problem: Fed'I LTV Regs

## Marygrove Neighborhood Market

**\$800/Month Rent Neighborhood Comps Average  
\$50,000**

### 16239 Roselawn

**1,400 sq ft., hardwood  
floors, full bsmt, plaster  
walls**

**Auction Price      \$11,100**

**Rehab Cost          50,000**

**Total Home Price  
\$61,000**

**\$61,000 Sale Price**

**10% down, 5% int**

**Mortgage \$301.00**

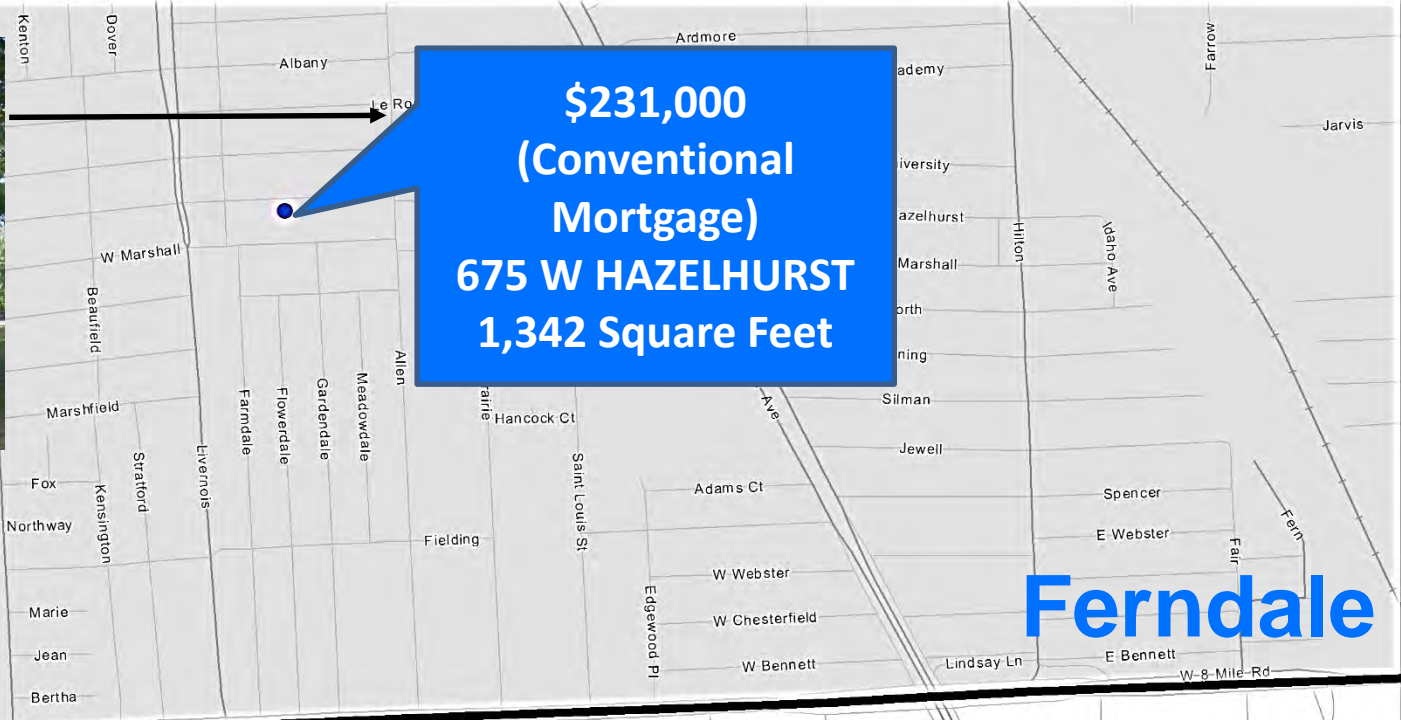
**Prop Tax    130.00**

**PMI            24.00**

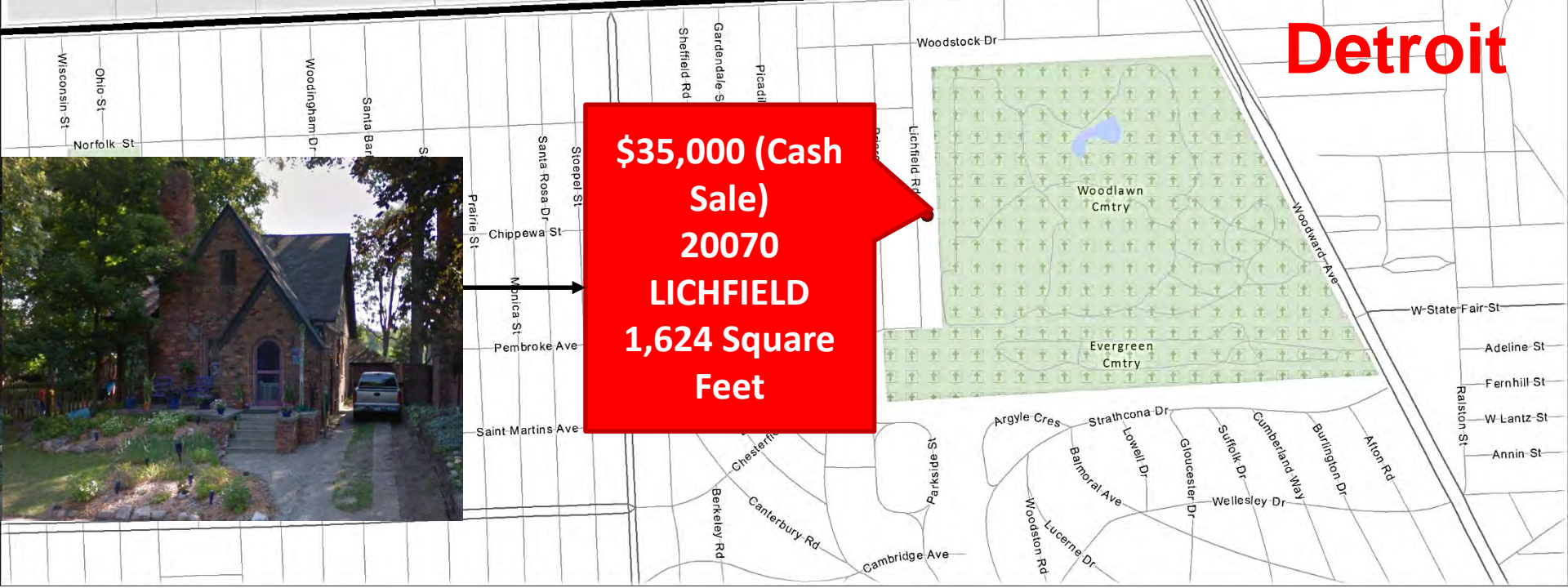
**Total            455.00**

**LTV Ratio    122%**

**No mortgage available**



**\$231,000**  
**(Conventional**  
**Mortgage)**  
**675 W HAZELHURST**  
**1,342 Square Feet**



**\$35,000 (Cash**  
**Sale)**  
**20070**  
**LICHFIELD**  
**1,624 Square**  
**Feet**





# **Several Initiatives to Solve LTV Problem**

- **Talmer Bank loaning in Marygrove at 150%**
- **Chase/Liberty loaning in EEV and BE at 125%**
- **Flagstar loaning to City Employees at 150%**
- **Bank of America through NACA at 150%**

**Quicken/Home Depot Renovating 65 homes in “Rehab and Ready” program to raise comps**

**President Bill Clinton convened national Meeting in Denver in July with US Treasury, Banks, and foundations.**

**In July 2014, this abandoned house at  
5811 Grayton sold for \$10,500**





# The owner put \$35,000 into renovations





**And just sold it last month for \$86,500**





# Other Benefits of the Demo Program

## Total Building Fires

<b>Jan 1 – Aug 15 2014</b>	<b>3,129</b>	<b>95/week</b>
<b>Jan 1 – Aug 15 2015</b>	<b>2,519</b>	<b>76/week</b>
<b>-20%</b>		

**Since June 1, building fire runs are down 29% from 2014.**

# City Property Tax Collection Rates

<b>2011-12</b>	<b>68%</b>
<b>2012-13</b>	<b>67%</b>
<b>2013-14</b>	<b>68%</b>
<b>2014-15</b>	<b>72%</b>



# Home Values in Detroit are Rising



## Detroit neighborhood real estate finally going up

*A Detroit Free Press analysis finds that home prices are finally starting to rise in Detroit's neighborhoods.*



(Photo: Kirthmon F. Dozier/Detroit Free Press)

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Home values in Detroit neighborhoods are finally experiencing some upward momentum after years of rock-bottom prices.

Still among the cheapest places in the nation to buy a house, Detroit neighborhoods are seeing prices inch up on most residential blocks with substantial

gains in the strongest areas.

A Free Press analysis of land records shows the median sale price of any home in the city was \$30,000 last month, more than four times the \$7,000 median in 2009, an especially dark year for the economy and real estate.

To be sure, there are still plenty of houses in Detroit selling for \$1,000 or less because of their poor physical condition and the still-deteriorating neighborhoods. And occasionally, a [\\$1 house](#) will hit the market when a bank or other owner wants to rid itself of the liability of ownership.

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Studios plan  
name of Detroit  
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