

Flint Housing Market Study

Problem:

Mckenna Associates was hired by a Development team headed by Henry Hagood to determine whether there was a market for market rate housing in the City of Flint. Al Bogdan was the Project Manager. A cursory discussion with real estate leaders indicated no.

The Process:..

In order to get a better understanding of the market place; we initiated two parallel paths. The first was to use two sets of focus groups to clearly understand the product the potential home buying consumer was looking for and then to determine whether that product was available in the City of Flint. With the help of several real estate brokers we recruited several households that were presently in the market for a new home or had just purchased one. The focus group was racially mixed. The first tact was to clearly understand the product the consumer wanted.

To my surprise it became clear that the modern house had little resemblance to the home of the 30s through the 50s when most of the Flint homes had been built. The modern home must have the following key features: 1) large kitchens to accommodate two persons working together and plenty of counter space for the modern appliances; 2) a laundry room off the kitchen or a second choice off the master bedroom (this surprised me, but one of the interviewees almost fell into tears because she just took a job in Flint that required residency and she had to leave her modern suburban home); 3) a master bedroom with its own master

bath (not shared with the children). The major issue of the neighborhood was that it needed to be a destination. No grid street network. Grid streets were associated with crime. Although the consumers were not willing to indicate that they wanted a gated community, the real estate brokers clearly felt we needed to place an attractive fence around the area. Our final proposal recommended two entrances into the development with houses off protruding cul-de-sacs.

When we talked about race, one of the real estate brokers threw me. She was African-American and indicated that the neighborhood had to be integrated because “a black neighborhood couldn’t support housing values.” If she wasn’t African-American I would have taken this to be a racist comment. It wasn’t until I did the numerical economic calculations to determine the number of people on the move, their incomes, and their race. It became clear, that if the developer only recruited blacks to live in this new neighborhood, he would lose approximately 75% of the potential market for the new homes. It would make the difference between success and failure.

Result

Based on both the focus groups and the numerical understanding of the market, we prepared a detailed description of the housing product, the scale of the market and the approach needed to create a racially diverse market rate housing neighborhood. The TV tape of the interviews and the study became the basis for encouraging the construction of a new market-rate residential development in the City of Flint.