plante moran
REALPOINT

NOVEMBER 2023

Residential and Retail Opportunity Assessment: 11 Mile Site in Oak Park, MI

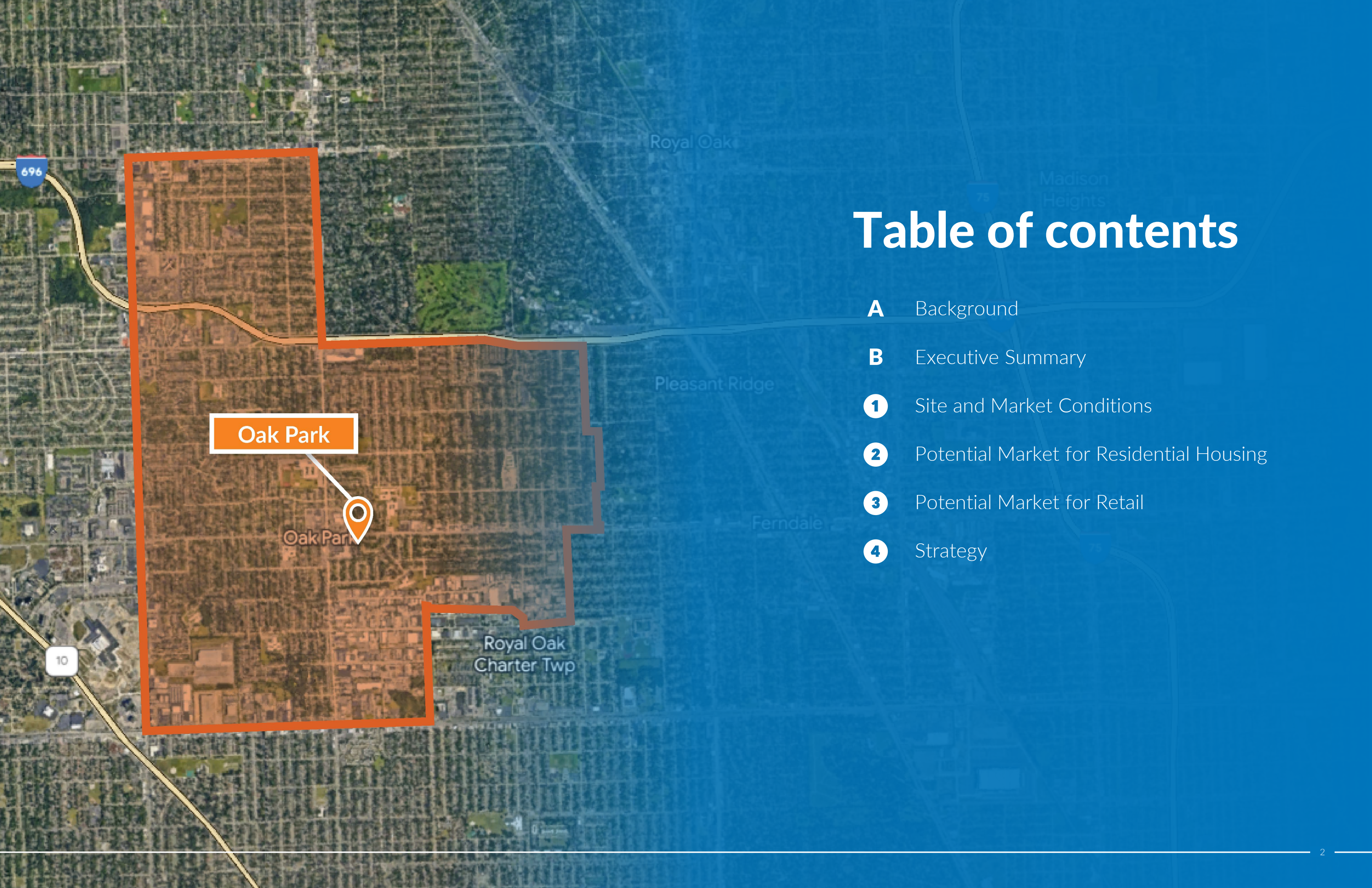*Presented to: The City of Oak Park*

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Oak Park

SECTION A

Background

Scope of Work

Plante Moran Realpoint "PMR" was engaged by the City of Oak Park to perform a residential and retail market study for property located on 11 mile. The purpose of the study is to assess potential demand for new retail and residential development at the subject area along 11 Mile Road. Based upon the findings, we have included actionable strategies and recommendations to help the City prepare to explore implementation.

PMR's approach uses real data, coupled with market field work, to analyze the current state of the subject site and surrounding market, past trends and metrics as well as comparable communities to assess the potential for new development at the subject site.

Sources include Realpoint's development, construction and architectural staff, a broad network of developers and brokers in the market as well as data sources including SEMCOG, Experian, ESRI, ACS (American Community Survey) or census.gov, Bureau of Labor Statistics, Lightcast, FBI Crime Data, Placer AI, Co-Star, municipal planning departments, and Construction Connect.

Subject Area

The subject area is outlined above in white. The area is approximately 4.8 acres including the Garden Street right of way and Kinston Street frontage and has 4 points of ingress and egress. The area is bordered by Tulare St. to the west, Garden street to the east, 11 Mile to the north and Kingston St. to the south.
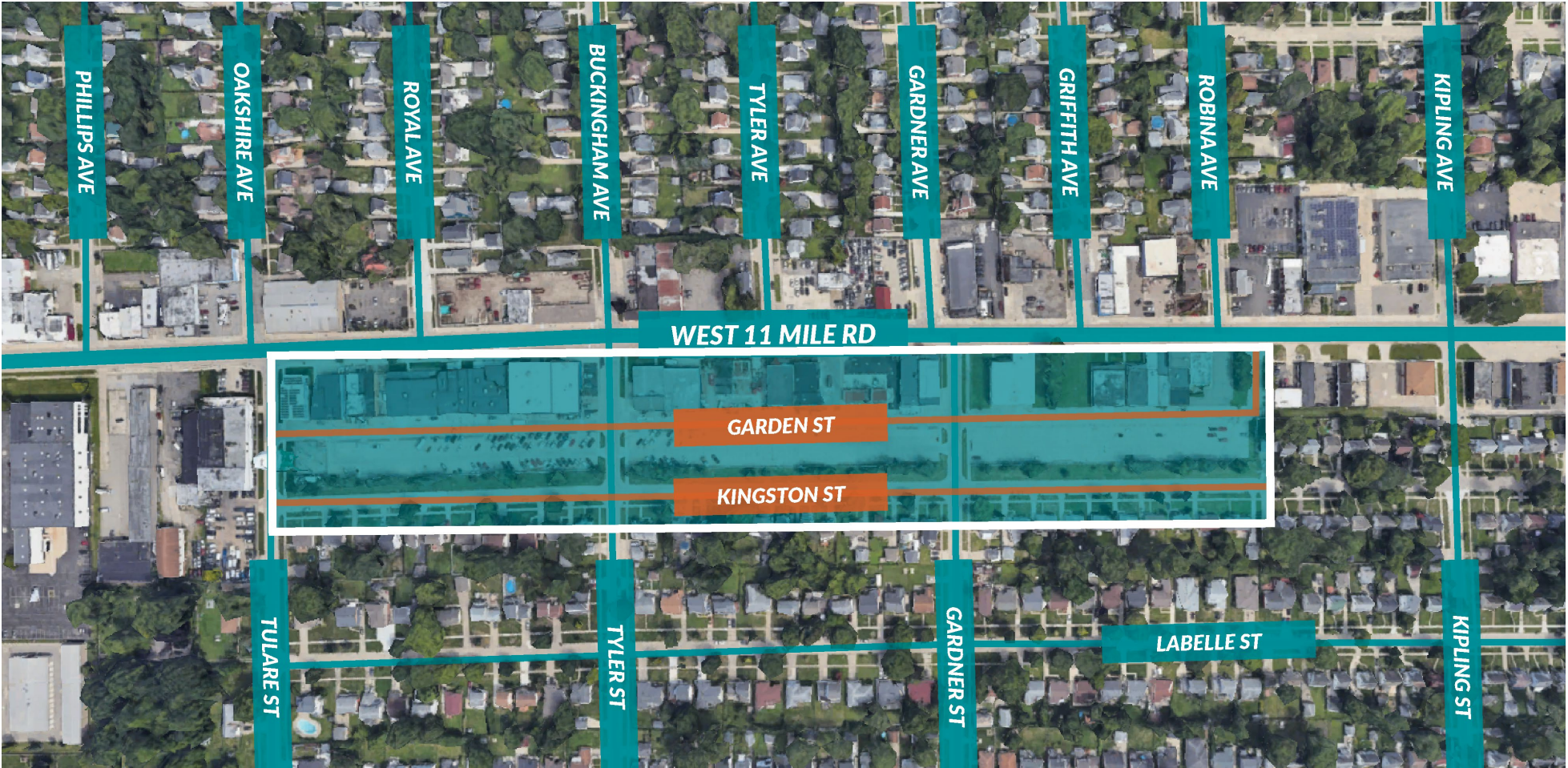
Definition of the Market Area: *Residential Housing*

LEGEND

|	
⊕	MARKET AREA
	PRIMARY MARKET AREA (PMA)
	SECONDARY MARKET AREA (SMA)
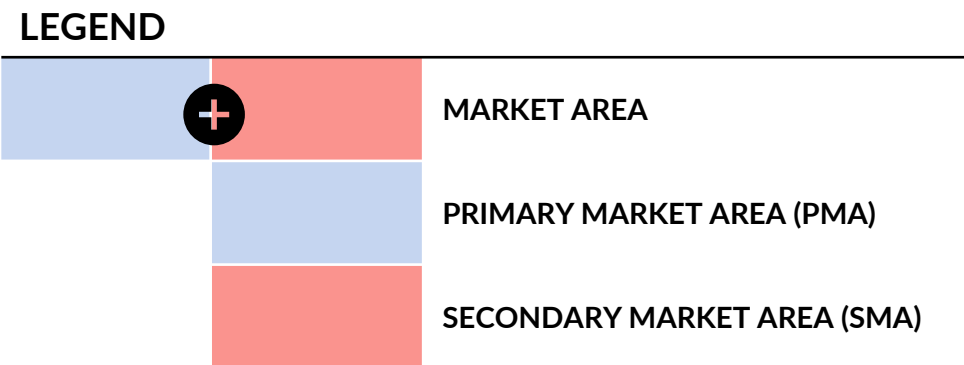
The Subject Area is influenced by the physical, demographic, socioeconomic trends and market conditions present in its Market Area. A market area is identified for the purpose of giving the study of the Subject Area context geographically. Attention is given to physical, political and other factors when establishing a market area. For example, county boundaries define the south and east Market Area limits, the Southfield Freeway on the west and 12 Mile Road to the north. The intent is to try to analyze the most relevant information and draw reasonable conclusions about the Subject Area and its successful reuse.

This is not to suggest that the Subject Area is bound *solely* by the Market Area's characteristics, however, its trends and conditions are the most indicative of what to expect for the Subject Area and the basis for the study.

Throughout the study the Market Area is defined as the combination of both the Primary and Secondary market areas. The Secondary Market Area (SMA - Red) includes the Primary Market Area (PMA – Blue/Grey).

Data has been accumulated from both areas separately, as well as from Oakland County (OC) and the region (defined as the Detroit MSA for the purposes of this report) and is drawn upon as needed to support the study.
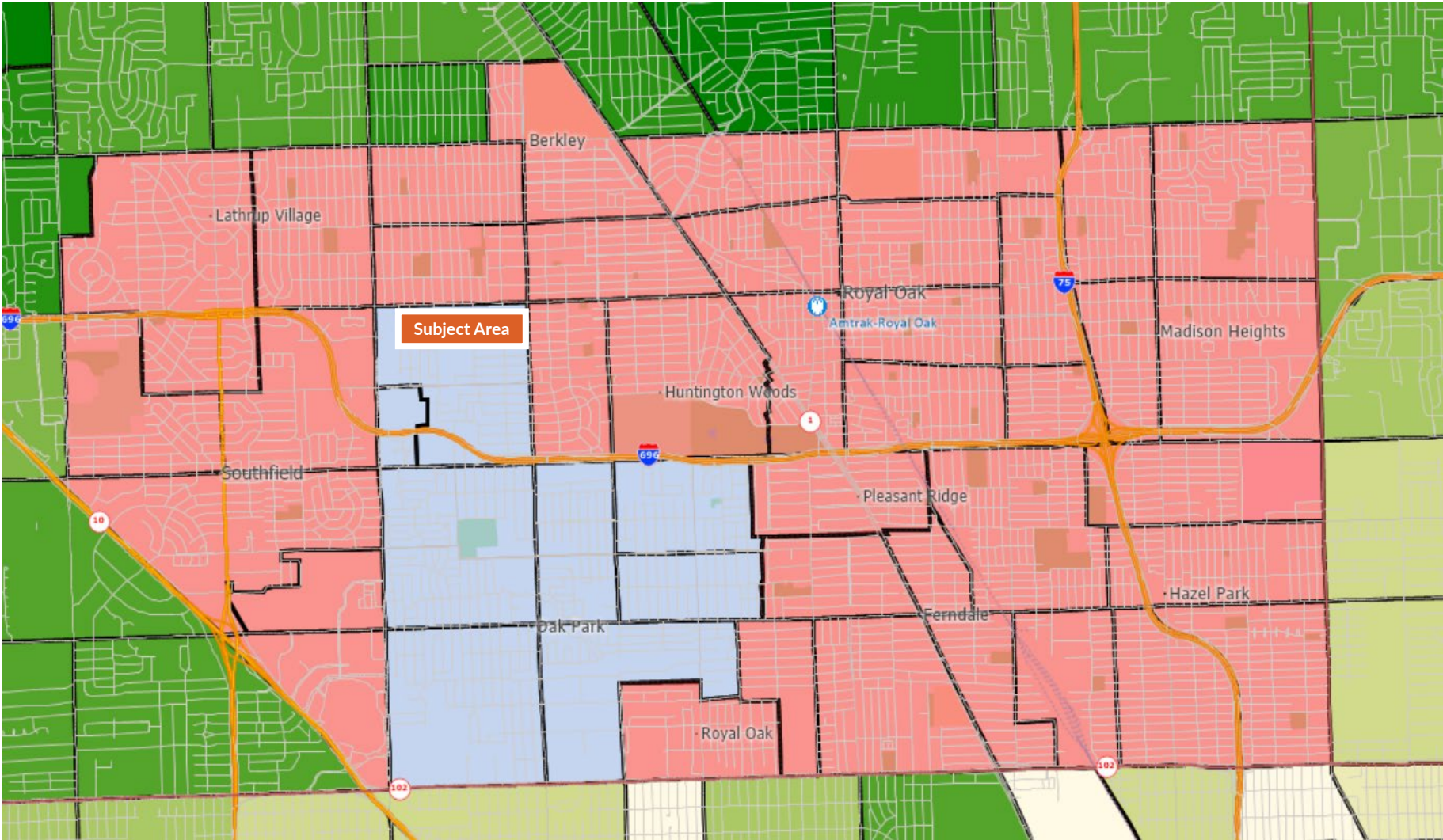
Definition of the Market Area: *Retail*

The retail market area, also referred to as the Oak Park retail market area, outlined below is defined as the area within a 5- minute drive of the subject site on 11 Mile Road. Access to retail is generally not constrained by municipal boundaries. A 5-minute drive time is a more accurate metric for defining a retail specific trade area and the demographics of the consumer base within it.

In the case of the subject area, the market for retail consumers spans beyond just the immediate area. To build sustainable retail, it is important to consider the neighboring communities that could currently be providing consumers and how to draw them into the subject area in Oak Park (i.e., Berkley).
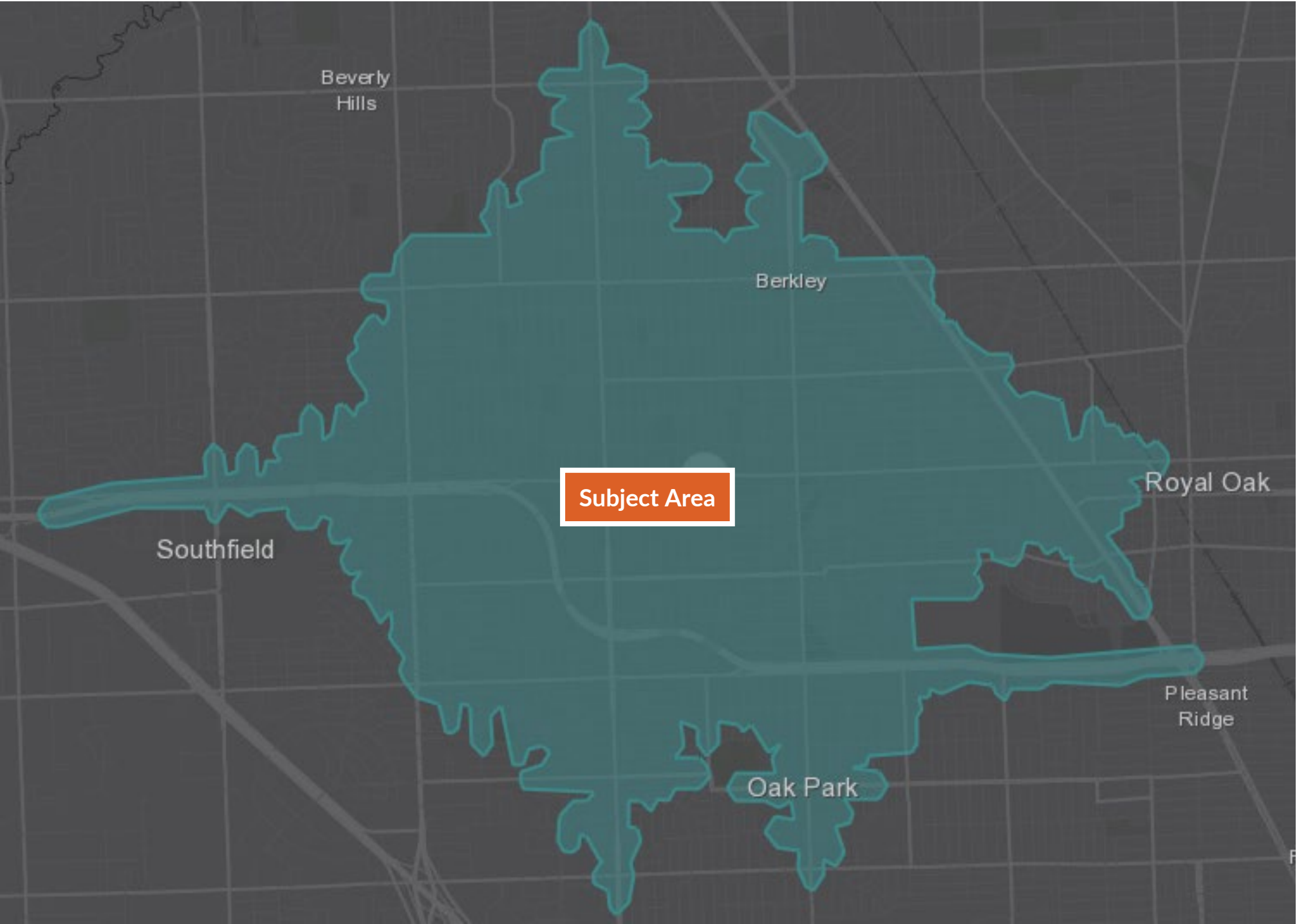
OAK PARK RETAIL MARKET AREA

The teal shaded area in the map represents the geography accessible within **a 5-minute drive of the subject area.**

It covers most of the city of Oak Park, and portions of the neighboring communities of Royal Oak, Berkley, Lathrup Village, Southfield, Pleasant Ridge

Oak Park

SECTION B

Executive Summary

Outline

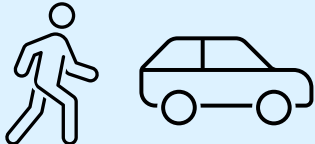| **1** SITE AND MARKET CONDITIONS	**2** POTENTIAL MARKET FOR RESIDENTIAL HOUSING	**3** POTENTIAL MARKET FOR RETAIL	**4** STRATEGY
PHYSICAL CONTEXT	*SUPPLY EQUILIBRIUM (VACANCY AND REPLACEMENT HOUSING DATA)*	*CURRENT RETAIL SUPPLY*	*RESIDENTIAL CONCLUSION*
DEMOGRAPHIC DATA	*MARKET SUPPORT (CAPTURE OF COMMUTERS BASED ON AREA ATTRACTIVENESS)*	*RETAIL SUPPLY COMPARISON TO THE REGION*	*RETAIL CONCLUSION*
SOCIO ECONOMIC DATA	*HOUSEHOLD GROWTH*	*RETAIL SUPPLY COMPARISON TO MOST SIMILAR COMMUNITIES IN THE REGION*	*DEVELOPMENT READINESS*
CURRENT RESIDENTIAL AND RETAIL SUPPLY CONDITIONS	*FUTURE SUPPLY*		

Executive Summary

1 SITE AND MARKET CONDITIONS
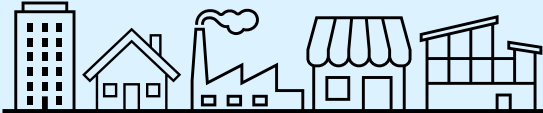
PHYSICAL CONTEXT

Location
Extremely close to highly desirable City of Berkley as well as nearby parks, schools and retail /entertainment.

Accessibility
Central location in southeast Michigan with proximity to employment opportunities.

Subject Area is easily accessible by pedestrians and vehicles.

Mixed use zoning
MX-1 with flexibility

DEMOGRAPHIC DATA

Homeownership vs renting
Renting is becoming more prominent and multifamily housing is increasing in response.

29%
36%
43%
57%
64%
71%

- County Total Owner %
- SMA Total Owner %
- PMA Total Owner %
- County Total Renter%
- SMA Total Renter %
- PMA Total Renter %

Population growth
0.3% (PMA)   0.2% (SMA)   1.4% (OC)

Household growth
0.7% (PMA)   0.8% (SMA)   1.9% (OC)

Population and household growth are low in comparison to Oakland county.

Median housing value
$153,496 (PMA) $194,839 (SMA) $292,406 (OC)

Home values in the City are lower than the median home values in the surrounding market area.

SOCIO ECONOMIC DATA
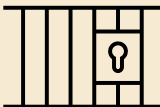
Relative affordability
$57,800 Median Household Income

Berkley school district
Subject Area is served by Berkley Schools which has a 94.9% Graduation Rate and is favorable compared to other districts in the PMA and SMA.

Low crime rate
The subject area crime rate is lower than the PMA/SMA.

CURRENT RESIDENTIAL AND RETAIL SUPPLY CONDITIONS

Residential
- Trend and preference for multifamily **47% → 82%** new multifamily housing permits in the SMA since 2015
- Vacancy is low for new product
- Future supply appears balanced
- Lack of new supply in area

Retail
- **~3.6%** vacancy for retail product in the neighborhood
- Lack of new supply in area
- Current market rents for retail in Oak Park are below neighboring communities (between $11 and $17 NNN)

Executive Summary

2 **POTENTIAL MARKET FOR RESIDENTIAL HOUSING**

A breakout of the potential demand for new housing in the PMA and SMA is summarized below. Potential demand is expressed as units overall in relation to rent versus own and based upon income segments. Demand is allocated by keeping the market share of owner vs renters by income bracket constant to today's market mix. Demand is also allocated by income segments using the PMA's and SMA's area median incomes. Area Median Income (AMI)* is the midpoint of a specific area's income distribution and is calculated on an annual basis by the Department of Housing and Urban Development (HUD). AMI income brackets were calculated for both the PMA and the SMA below.

PMA
193 Units

TOTAL UNMET POTENTIAL DEMAND

SMA
3,966 Units

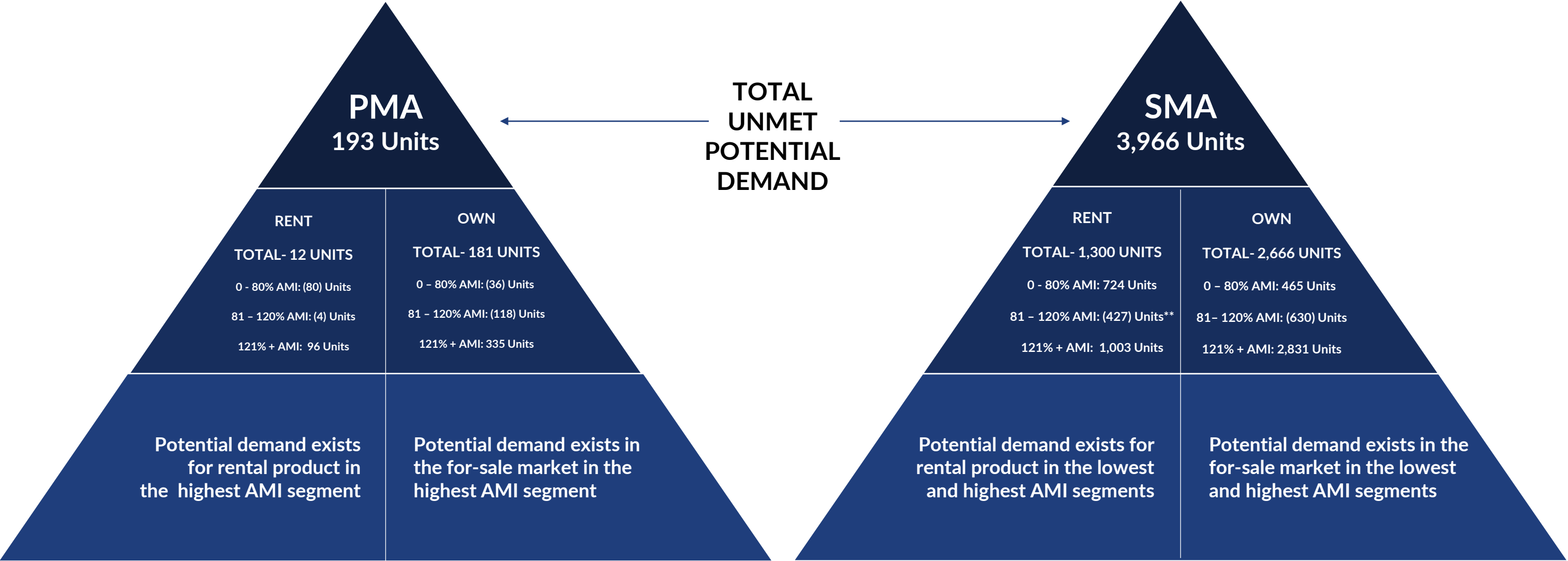| RENT	OWN
TOTAL- 12 UNITS	TOTAL- 181 UNITS
0 - 80% AMI: (80) Units	0 – 80% AMI: (36) Units
81 – 120% AMI: (4) Units	81 – 120% AMI: (118) Units
121% + AMI: 96 Units	121% + AMI: 335 Units
Potential demand exists for rental product in the highest AMI segment	Potential demand exists in the for-sale market in the highest AMI segment

RENT	OWN
TOTAL- 1,300 UNITS	TOTAL- 2,666 UNITS
0 - 80% AMI: 724 Units	0 – 80% AMI: 465 Units
81 – 120% AMI: (427) Units**	81– 120% AMI: (630) Units
121% + AMI: 1,003 Units	121% + AMI: 2,831 Units
Potential demand exists for rental product in the lowest and highest AMI segments	Potential demand exists in the for-sale market in the lowest and highest AMI segments

*Minor differences in totals may occur due to rounding

**See note on page 15

Executive Summary

3 **POTENTIAL MARKET FOR RETAIL**

Potential demand for retail is identified using comparable urban areas to recognize retail types that are underrepresented in the retail market area. The comparable areas shown below were deemed **MOST** similar to the retail market area for the Oak Park subject area based on income, age, and downtown characteristics for the 5- Minute Drive Time around their designated downtowns (also known as their retail market areas). The following retail types were studied, and the results are presented below by comparable area in relation to the subject area:

	RETAIL MARKET AREAS (5 MIN DRIVE TIMES) FROM THE DOWNTOWNS / AREAS NOTED BELOW						
	CLAWSON	ST CLAIR SHORES	FERNDALE	GP PARK	OAK PARK SUBJECT AREA	OAK PARK SUBJECT AREA VS AVERAGE	Subject area has X fewer/ more X stores than the comparable areas
Home Improvement	159%	126%	240%	59%	1	-46%	46% fewer home improvement stores
General Merchandise Stores	121%	53%	131%	71%	1	+9%	9% more General Merchandise stores
Food Stores	102%	126%	246%	101%	1	-38%	38% fewer food stores
Auto Dealers & Gas Stations	321%	242%	473%	127%	1	-190%	190% fewer Auto Dealers & Gas Stations
Apparel & Accessory Stores	32%	46%	118%	74%	1	+39%	39% more Apparel & Accessory stores
Furniture & Home Furnishings	167%	66%	150%	44%	1	+8%	8% fewer Furniture & Home Furnishings
Eating & Drinking Places	157%	148%	327%	92%	1	-76%	76% fewer eating and drinking places
Miscellaneous Retail	143%	105%	198%	87%	1	-31%	31% fewer Miscellaneous Retail

The following retail types were underrepresented and may represent potentially demanded retail in the subject area:

1. **Food Stores** are undersupplied compared to peer communities. The area could use an addition of new retail in this category to better serve the residents within the subject area.

2. **Eating and Drinking Places** are undersupplied compared to peer communities. The current supply of restaurants is under serving the residents within the subject area.

3. **Miscellaneous Retail** is undersupplied compared to peer communities. The area could use an addition of new retail in this category to better serve the residents within the subject area.

%	Relative to Oak Park Subject Area
<0%	The area is likely currently under served
0-25%	The area could use addition of new retail
> 25%	The area is likely currently served appropriately

Executive Summary

| 4 | STRATEGY |

An opportunity exists to shape the future of the subject area. Potential demand is favorable for new residential and retail opportunities. National and local trends are driving development for additional and enhanced urban living. Regional economic growth exists to support new investments in residential and retail.

Residential Conclusion

Relative affordability, proximity to employment opportunities, low vacancy, and other positive community attributes all indicate a current positive potential demand for new housing.

SUBJECT AREA OPPORTUNITY	TYPE OF PRODUCT	PRICING	CITY PRIORITIES AND NEXT STEPS
Develop residential product to attract potential demand from owners and renters from the PMA and SMA	**Develop multifamily <u>rental</u> product**	**Rents should range between $1,300 to $2,000 per month** *(subject to market comparables and perceived product value proposition)*	**The City should determine its priorities with regard to the type and style of housing it would like to support.**

Retail Conclusion

Analyses of the existing retail market area identified the potential demand for new retail businesses. Two opportunities for new retail product are as follows: the development of new retail spaces that would allow the market to fill in gaps within existing local retail and the attraction of new strategic destination retail establishments. Inducing the development of both types of retail to augment activity and facilitate growth is likely to succeed in redefining the subject area.

SUBJECT AREA OPPORTUNITY	TYPE OF PRODUCT	PRICING	CITY PRIORITIES AND NEXT STEPS
Develop retail product	**Develop small scale destination retail that focuses on neighborhood needs**	**Rents should range between $14/sf and $18/sf triple net** *(subject to lease terms/conditions)*	**The City should determine its priorities with regard to inducing new retail development and ongoing support of these use types at the subject site.**

Executive Summary

4 **STRATEGY**

Oak Park has an opportunity to take advantage of a favorable climate now. Success requires a commitment of local resources and the technical ability to leverage tools and resources to facilitate the evolution of the 11 Mile corridor. Special tax capture zones, community development dollars, and incentives may be necessary to fund improvements. Implementing planning that promotes a diversity of uses and boosts density will contribute to the critical mass and vibrancy of the subject area.

SHORT TERM

1. Identify availability of 11 Mile Road frontage buildings and parcels
2. Determine terms and conditions of possible acquisition or partnership for redevelopment
3. Identify existing resources to mitigate funding gaps
4. Identify and commence development of tools needed to support new businesses including:
   a. City controlled tax recapture opportunities to support infrastructure improvements and reduce new development capital risks
   b. Other sources of gap funding including grants or incremental tax recapture tools available to developers to reduce new development capital risks
   c. Planning and zoning support to mitigate political risks for new development
   d. Programming initiatives to level the playing field and market risks for business

INTERMEDIATE TERM:

1. Identify City priorities and preferences for new development of residential and retail including:
   a. Location of new development
   b. Use of parking lots
   c. Identification of potential gap funding sources
   d. Criteria for development partners
2. Develop an RFI or RFP to solicit conceptual plans for review and discussion with developers

LONGER TERM

1. Prepare and market a formal RFP for development proposals
2. Manage developer selection process
3. Negotiate a development agreement with selected developer including City responsibilities
4. Oversee implementation of development plan

Executive Summary

NOTE REGARDING TOTAL POTENTIAL UNMET DEMAND:

**Total Potential Unmet Demand ("demand") projections reflect a measurement of current potential demand and future potential demand. Future potential demand uses 5-year projections for household growth and future supply. Demand is therefore an estimation for a full 5-year period.

Where demand appears negative in this study, it may be the result of a shift in households between AMI (average median income) segments which accumulates over the 5-year period. Looking at the aggregated shift over a 5-year period as opposed to annually is a conservative approach to the estimate. If these shifts are assumed to occur evenly on an annualized basis, demand may exist for a period before appearing negative. Similarly, if future supply is assumed to occur evenly over the 5-year period, demand may exist for a period before appearing negative.

An example of the "negative" demand described above is seen in the SMA Rental demand results for 0-80% AMI segment on page 10 where demand is reflected as (427) units. The current potential demand is 932 units, but the 5-year projection for household growth is (595), which when combined with the future supply of 764 units results in a projection of (427) units of potential demand (932-595-764= -427). Instead, if the loss of households is assumed to occur evenly over the 5-year period or is (119)/year, then after year 1 demand is positive as demonstrated by the following example: 932-119-764= 49.

Additionally, please note that the estimates assume owners / renters seek housing that is 30% of their income which is not always true and may distort potential positive or negative demand for an AMI segment.

Oak Park

Oak Park

SECTION 1

Site and Market Conditions

SECTION 1: Outline

The site and market conditions section looks at the current state of the market. This section aims to understand the physical context of the subject area, demographic data in the PMA, SMA and county, socioeconomic data within the PMA and SMA and current residential and retail supply within the PMA and SMA in order to provide insight and further context into the current state of the area.

1

SITE AND MARKET CONDITIONS

PHYSICAL CONTEXT

DEMOGRAPHIC DATA

SOCIOECONOMIC DATA

CURRENT RESIDENTIAL AND RETAIL SUPPLY CONDITIONS
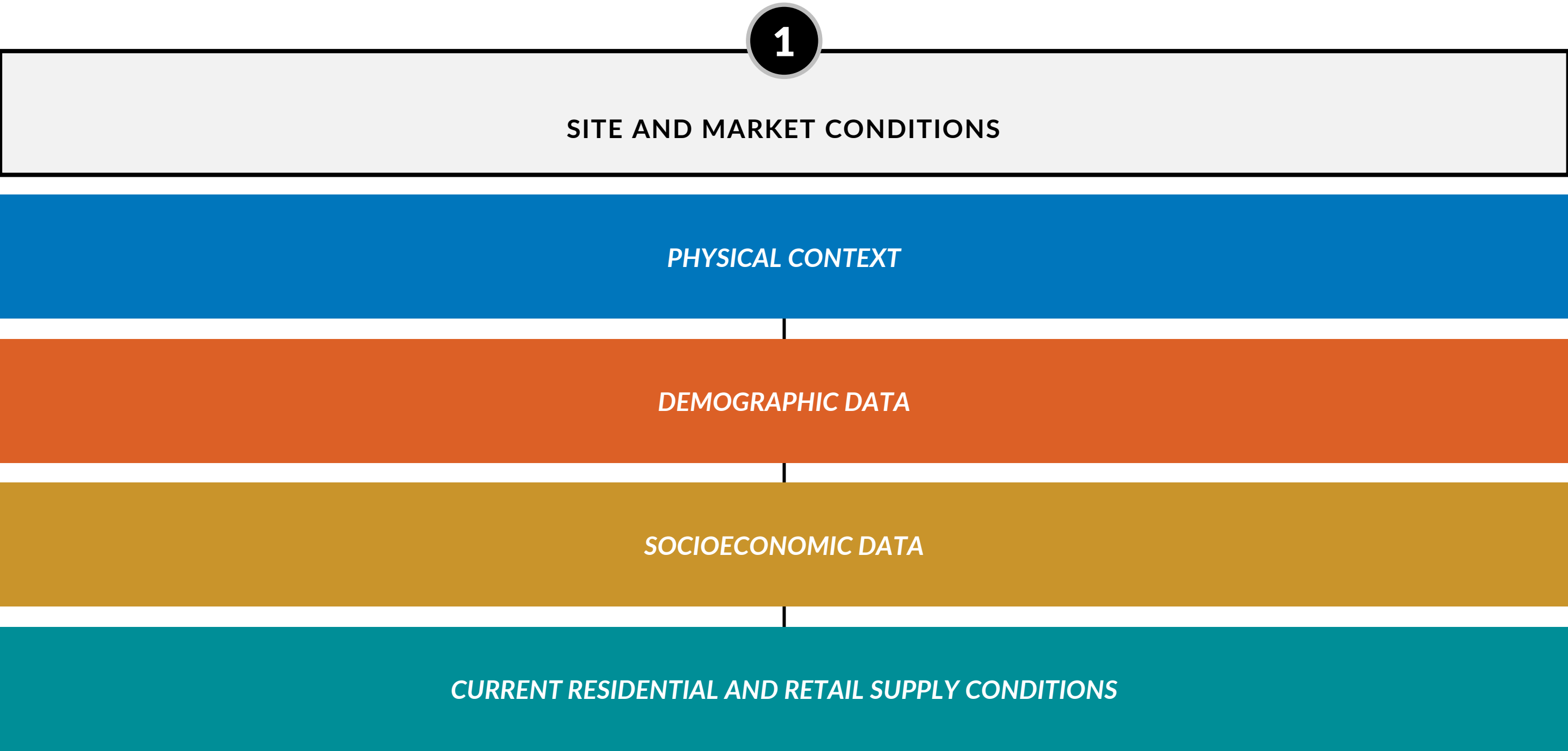
SITE AND MARKET CONDITIONS:
PHYSICAL CONTEXT

Locational Context

The subject area is located within the city limits of Oak Park. Oak park is a city in Oakland County in the U.S. state of Michigan and is deemed an inner-ring suburb of Detroit.

Oak Park is bordered to the south by 8 Mile Road (M-102), to the north by 11 Mile Road, to the Northeast by Coolidge Highway and 10 Mile Road/I-696, to the west by Greenfield Road, to the east by Sherman Street and Forest Street, and to the southeast by 9 Mile Road, Republic Street, Northend Avenue, and Meyers Avenue. Oak Park is adjacent to the cities of Detroit to the south, Southfield to the west, Pleasant Ridge, Ferndale, and Royal Oak Township to the east/southeast, Huntington Woods to the northeast, and Berkley to the north. Downtown Oak Park is located at 9 Mile and Coolidge.

Oak Park enjoys a mix of traditional single-family neighborhoods, multifamily housing, retail and a sizable industrial and commercial property base that draws employees from neighboring communities. Neighboring communities including Pleasant Ridge, Huntington Woods, Lathrup Village, Berkley are largely residential in nature while Southfield has a diverse base of residential, office and retail uses. The nearby Woodward corridor provides easy access to popular traditional downtowns with a mix of uses serving southern Oakland County including Birmingham, Royal Oak and Ferndale as well as the City of Detroit's New Center, Midtown and Central Business District.

PHYSICAL CONTEXT
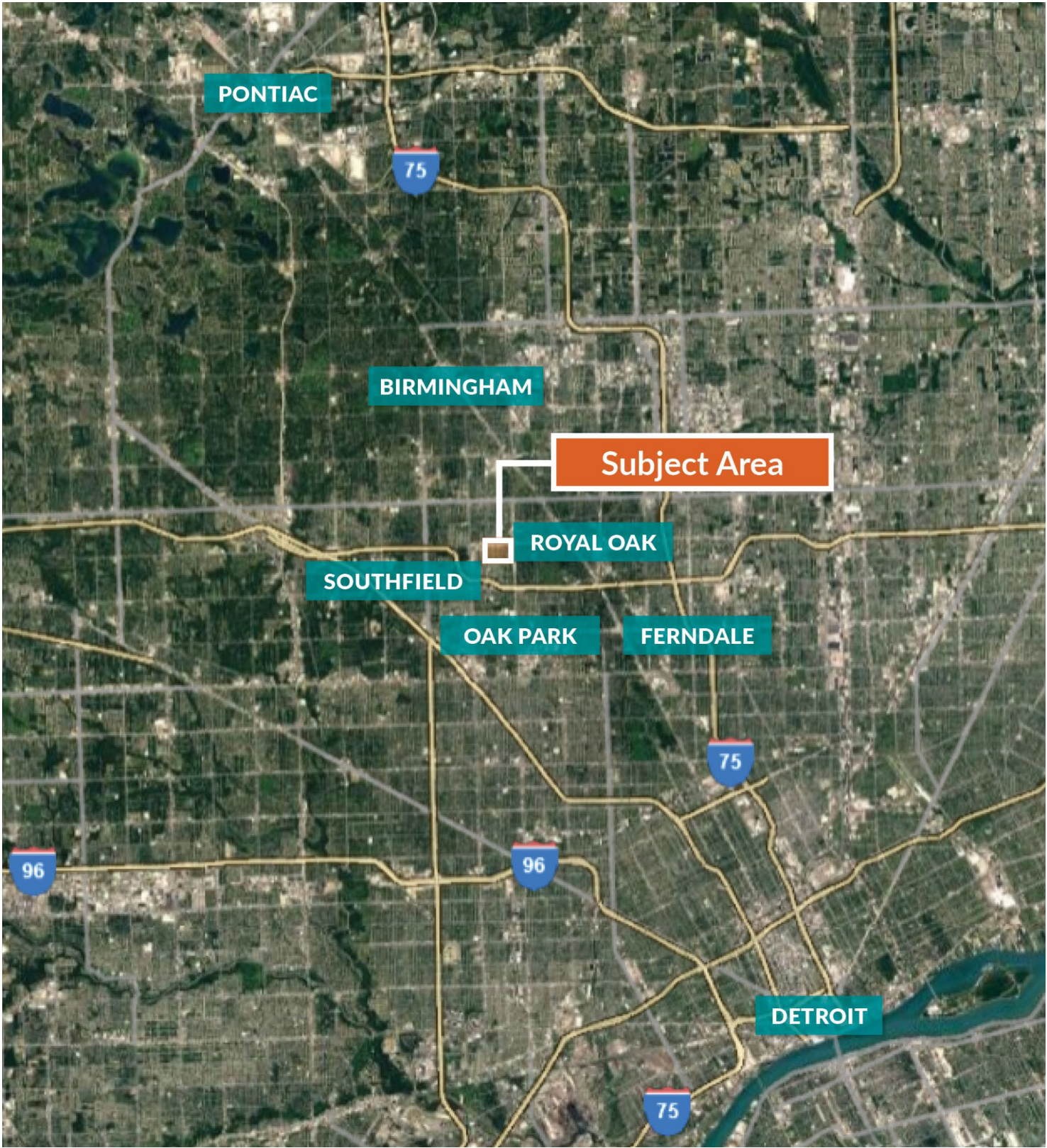
Accessibility

The subject area borders Berkley on the northern edge of Oak Park. The subject area is located on 11 mile and is accessible by Tulare St. to the west, 11 Mile to the north , Garden St. to the east and Kingston St. to the south. Oakland County residents, as well those from neighboring Macomb and Wayne, can easily access the site using I-696, which provides east/west regional access and connections to major north/south corridors, MI, M39, M10 and I-75.

PHYSICAL CONTEXT

Land Use Trends

The majority of the land surrounding the subject area is zoned for residential purposes – single family or multifamily. There are several retail and business hubs around or embedded in the residential zones appearing in Southfield and Berkley. The most notable "green zones" are found in the southeast portion of the area where the Detroit Zoo and Rackham Golf Course are. Mixed-use zones are seen within the subject area through the culmination of business and retail, industrial, and multifamily parcels.

Legend

🟨	**RESIDENTIAL**
🟪	**MULTIFAMILY**
🟥	**BUSINESS & RETAIL**
🟦	**OFFICE**
🟩	**PARK & OPEN SPACE**
⬜	**INDUSTRIAL**

SUBJECT AREA

PHYSICAL CONTEXT

Zoning

SUBJECT AREA
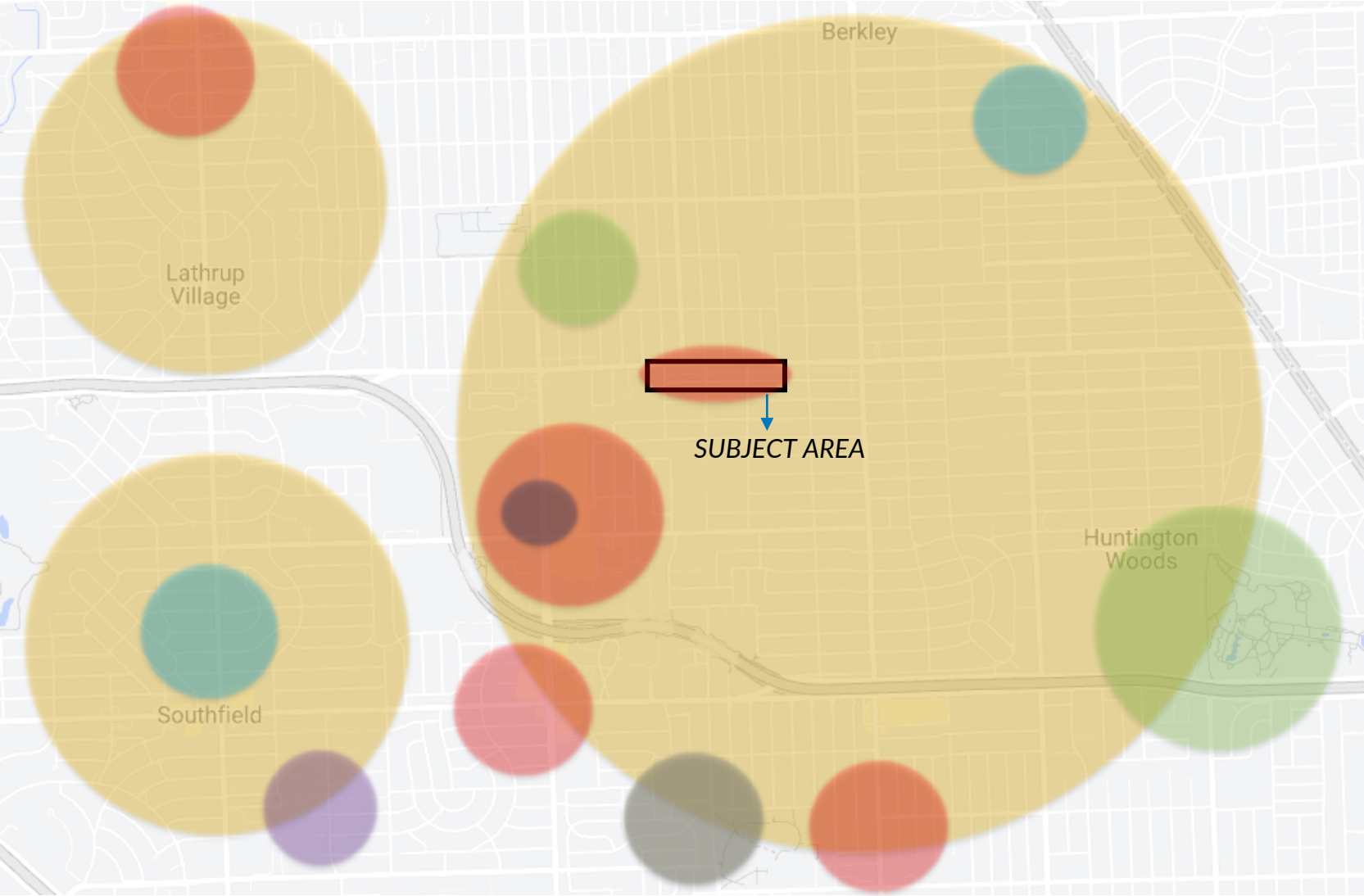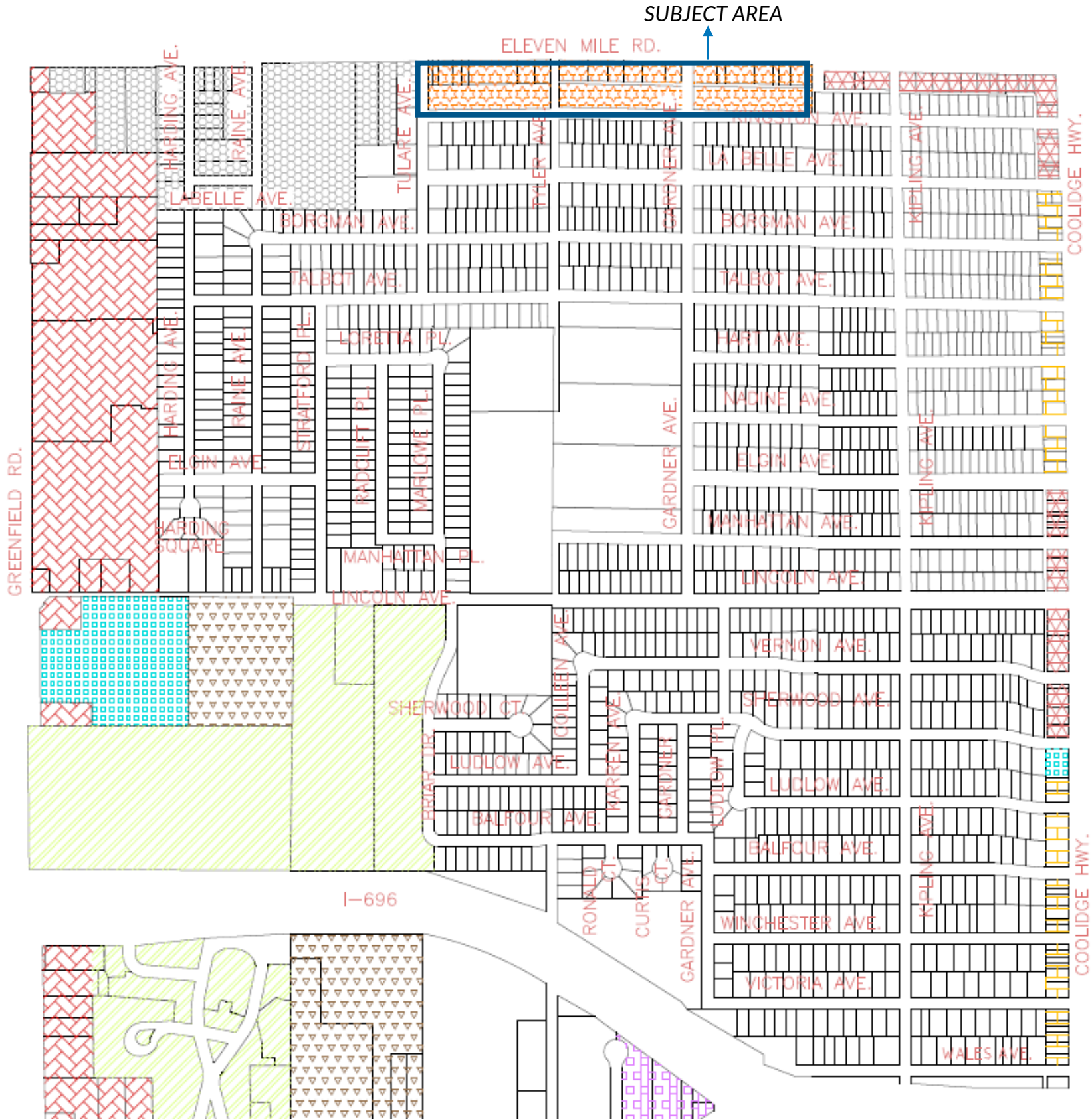
	R-1	ONE-FAMILY RESIDENTIAL
	R-2	TWO-FAMILY RESIDENTIAL
	RM-1	MULTI-FAMILY RESIDENTIAL
	RM-2	MULTI-FAMILY RESIDENTIAL
	O	OFFICE BUILDING
	B-1	NEIGHBORHOOD BUSINESS
	B-2	GENERAL BUSINESS
	MX-1	MIXED USE DISTRICT

The subject property is zoned as a mixed-use district that has the following characteristics and intent:

MX-1 mixed-use. The MX-1 mixed-use district is intended to blend two or more residential, commercial, or industrial uses in a compact area. This type of zoning is designed to accommodate mixed-use buildings that have business uses on the first floor and residential uses on the above floor(s). This arrangement will encourage pedestrian-friendly developments and specialty food and retail shops, which will in turn promote the health and well-being of residents by encouraging physical activity, alternative transportation, and greater social interaction.

The area is predominately surrounded by one family residential housing. The *R-1 one-family dwelling district* is intended to provide an environment of one-family detached dwellings and accessory uses in structures within stable residential neighborhoods.

PHYSICAL CONTEXT

Study Area Overview: Existing Amenities

Historically, 11 Mile in Oak Park has been an industrial stretch, but has recently become more of an entertainment district with restaurants, breweries and retail. The city owns the parking lots behind the retail on 11 Mile, which abuts single family residential housing.
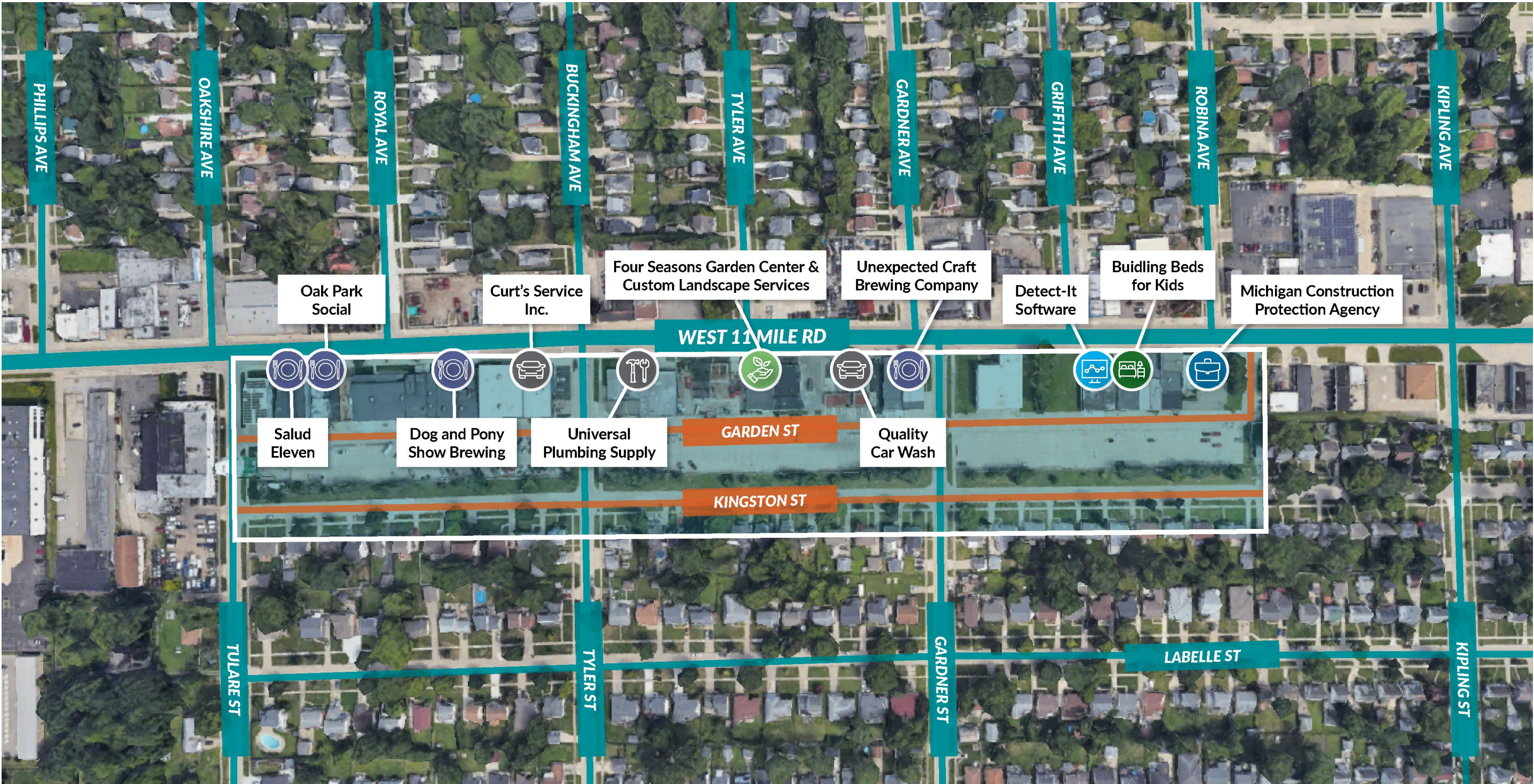
Physical Context Conclusion

Accessibility

The **physical site is highly accessible** to both pedestrians from Berkley and Oak Park in surrounding neighborhoods, as well as vehicles via local routes like 11 Mile or Greenfield. Visitors from outside Oak Park can easily access the site using I-696, which provides east/west regional access and connections to major north/south corridors, MI, M39, M10 and I-75. Traffic counts along 11 Mile at the subject area is 17,218 drivers or Average Annual Daily Traffic (AADT). A more thorough review of traffic counts exists later in the study.

Land Use Trends

The **land use trends map** identifies the prominence of residential use types within and beyond the area defined by the zoning map and neighborhood business along the major thoroughfares. Both north (Berkley) and south of the subject area are a mix of sought after older residential neighborhoods with mature trees, winding roads, unique architecture and relatively affordable bungalow and ranch housing on grided streets, all with accessibility to urban amenities in Ferndale and Royal Oak.

Zoning

As is evident from the **zoning map**, the subject area is an infill site on the City's northernmost boundary immediately surrounded by older traditional single-family neighborhoods, some neighborhood business, light industrial and some multifamily. The existing multifamily was historically used to buffer single family uses from more intense commercial uses or heavily traveled corridors and is not integrated with desirable amenities like more modern multifamily. A mix of general business, both retail and small businesses, along significant vehicle corridors is a prominent secondary use as seen in the zoning map.

Existing Amenities

While the site's **retail amenities** differentiate it, they are limited relative to a traditional downtown. However, grocery/convenience and hardware stores are within walking distance as well as Norup International K-8, Anderson Middle School and Catalpa Oaks County Park, Val Jones Skate Park and Oxford Park.

STRENGTHS:

- Stable surrounding neighborhoods provide significant source of users for properly positioned uses
- Easy access to significant south Oakland County entertainment centers and Midtown Detroit
- Easy access to employment centers throughout region
- Within a school district that is highly favorable compared to other districts in the PMA and SMA

WEAKNESSES:

- Integration of residential/retail on site given ownership/land control
- Commercial/industrial feel of 11 Mile corridor
- 11 Mile traffic exposure provides marginal visibility for retail and residential
- Lack of quality public spaces
- Low volume of destination retail amenities that catalyze additional investment

OPPORTUNITIES

- Zoning is supportive of redevelopment for mixed use
- Scalable site size, neighborhood accessibility and access
- Differentiated infill setting with walkability to amenities and potential for new amenities
- Engagement with neighbors/property owners to support beneficial redevelopment and improve property values

THREATS:

- Parking could be a limiting factor for future retail development
- Surrounding SMA communities with established downtown infrastructure are competing for new development

PHYSICAL CONTEXT

SITE AND MARKET CONDITIONS:
DEMOGRAPHICS

Population and Household Growth Trends

The chart below shows data for the area surrounding the subject area of 1-, 3-, and 5- mile radii, the entire PMA, SMA, Oakland County, and the state of Michigan. The areas noted below include significant establishments and residents that are important to consider when determining both potential residential and retail demand. As seen below **population and household growth is limited and similar to the state across all areas shown - except for Oakland County, which is experiencing slightly more growth.**

	1-Mile	3-Mile	5-Mile	PMA	SMA (NOT Including PMA)	Market Area (includes PMA and SMA)	Oakland County	Michigan
Total Population 2022	20,043	146,546	385,181	29,840	124,349	154,189	1,259,690	10,050,542
Total Population 2027	20,141	146,339	381,216	29,924	124,541	154,465	1,277,844	10,095,443
Total Population Growth	0.5%	-0.1%	-1.0%	0.3%	0.2%	0.2%	1.4%	0.4%
Total Households 2022	8,083	63,724	165,714	12,199	56,490	68,689	513,088	3,995,618
Total Households 2027	8,138	64,070	165,405	12,283	56,949	69,232	522,697	4,036,350
Total Households Growth	0.7%	0.5%	-0.2%	0.7%	0.8%	0.8%	1.9%	1.0%

DEMOGRAPHIC DATA

Total Households – 2022 - PMA

The subject area is not currently the most densely populated portion of the PMA; however, it is more densely populated than most other areas of the PMA.

LEGEND
2022 - Total Households
- 899 and below
- 900 to 999
- 1000 to 1239
- 1240 to 1499
- 1500 to 1699
- 1700 to 1999
- 2000 to 2099
- 2100 and above

DEMOGRAPHIC DATA
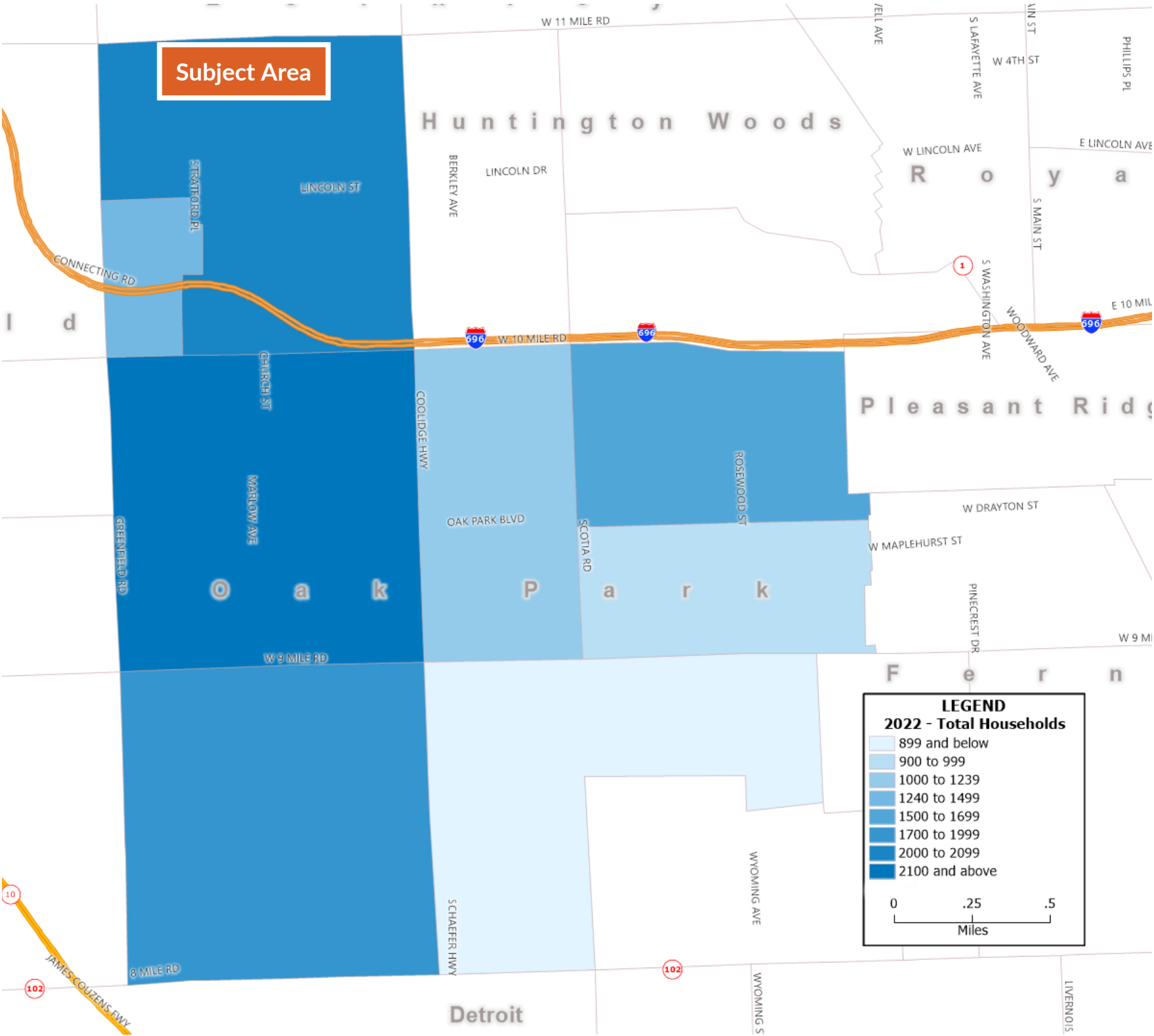
Household Growth – Change from 2010 to 2022 - PMA

In the past 12 years household growth in the subject area has increased minimally. The areas experiencing the most growth were in the southern part of the PMA, in neighborhoods bordering 9 Mile Road.

LEGEND
2010-2022 - Total Households
- 3.60% and below
- 3.60% to 3.67%
- 3.67% to 3.70%
- 3.70% to 3.80%
- 3.80% to 4.00%
- 4.00% to 5.00%
- 5.00% to 5.05%
- 5.05% and above

0   .3   .6
Miles
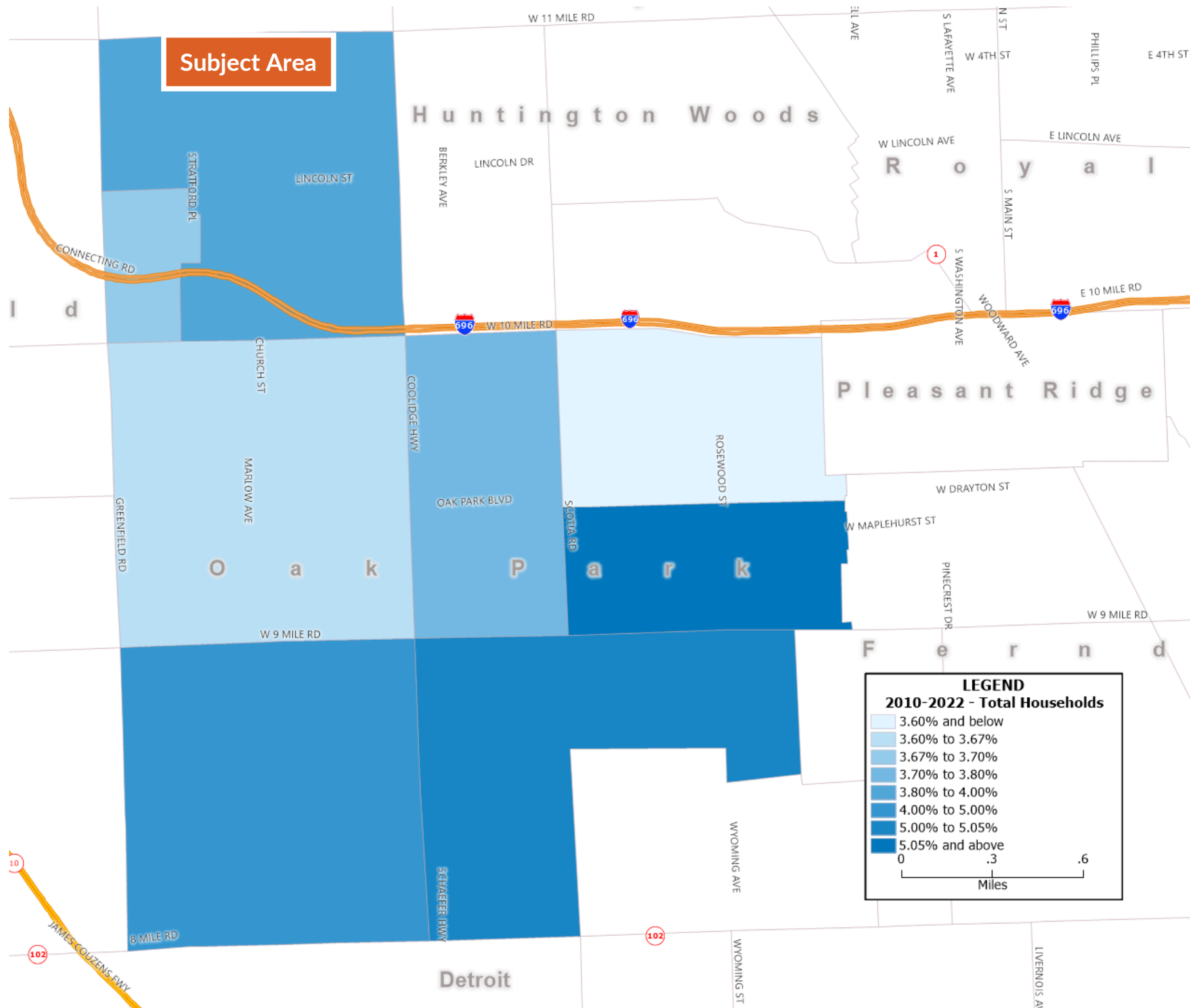
Household Growth – *Projected* Change from 2022 to 2027 - PMA

Over the next 5 years household growth in the subject area is projected to continue to increase at a low rate.

LEGEND
2022-2027 Change - Total Households
- 0.30% and below
- 0.30% to 0.47%
- 0.47% to 0.50%
- 0.50% to 0.60%
- 0.60% to 0.65%
- 0.65% to 1.0%
- 1.0% to 1.2%
- 1.2% and above

DEMOGRAPHIC DATA
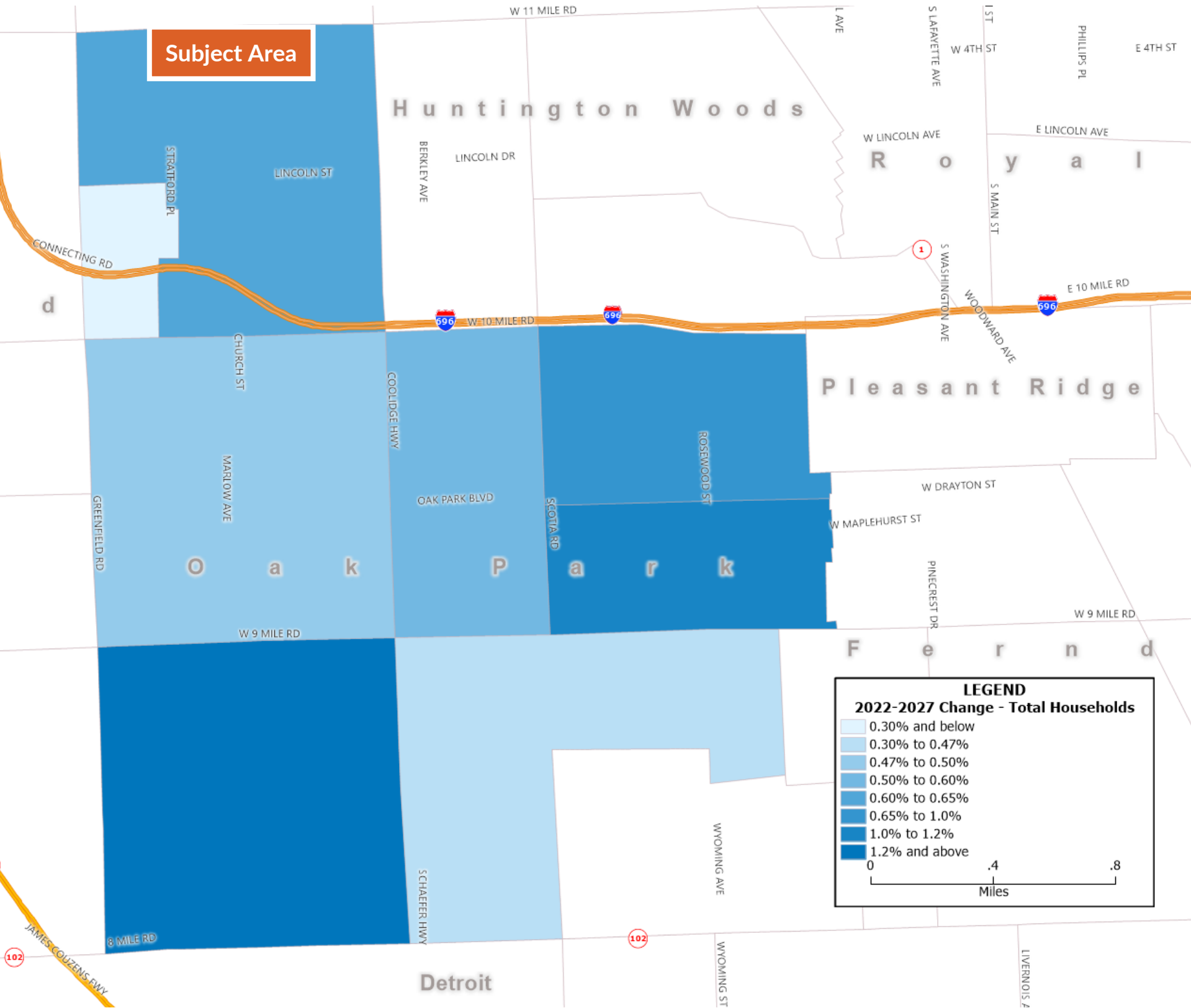
Total Households – 2022 - SMA

Oak Park has one of the highest number of households within the SMA. Much of Oak Park's south side is influenced by the significant industrial uses (low households area).

DEMOGRAPHIC DATA
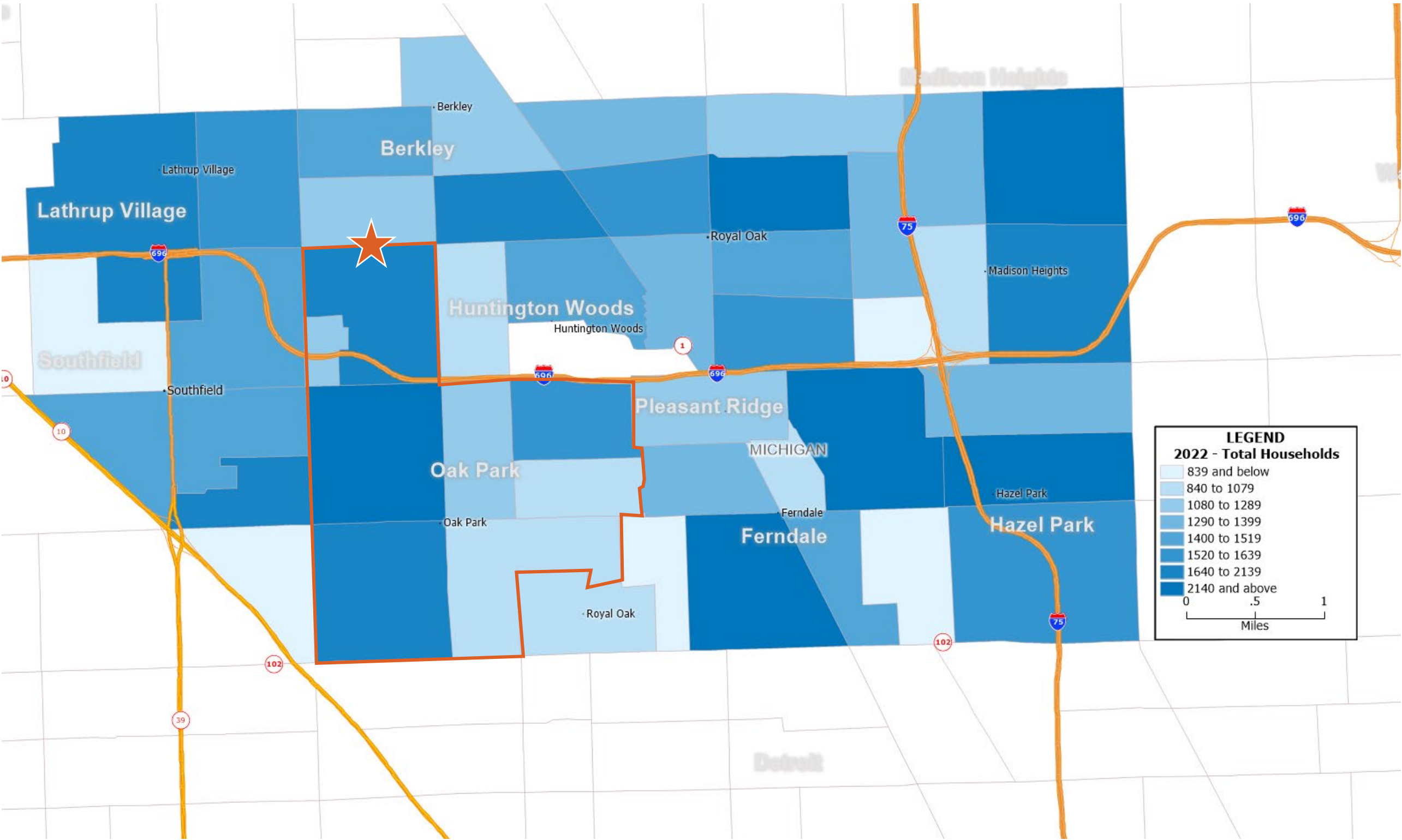
Household Growth – Change from 2010 to 2022 - SMA

Areas that have seen the most household growth within the last 12 years include Royal Oak, Ferndale, Berkley and a portion of Southfield that was redeveloped into a mixed-use area.

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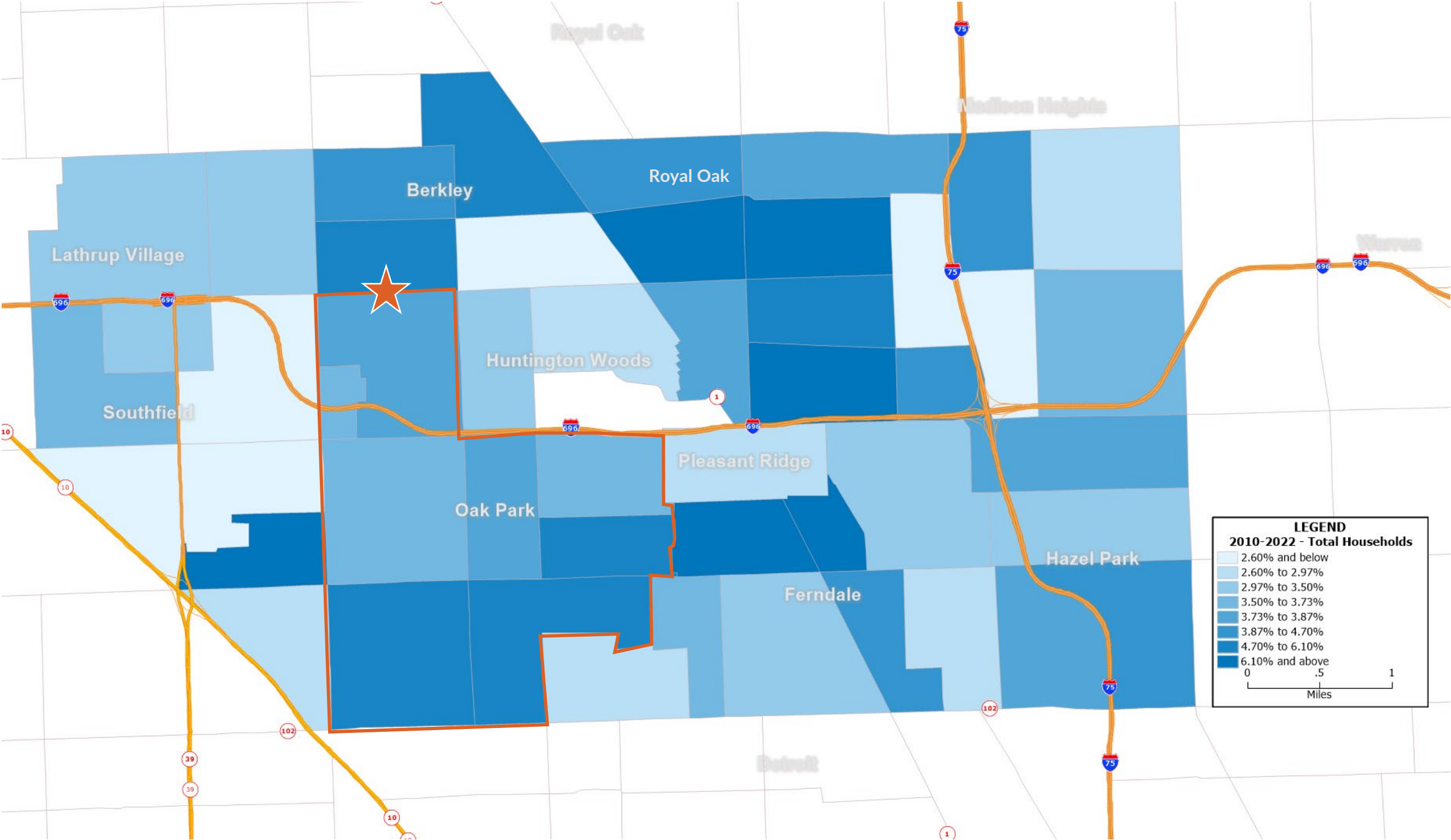
Household Growth – *Projected* Change from 2022 to 2027 - SMA

The projected growth trend builds on the past growth trend since 2010 with areas of growth continuing to be in Royal Oak, Ferndale, Berkley and a portion of Southfield.

DEMOGRAPHIC DATA
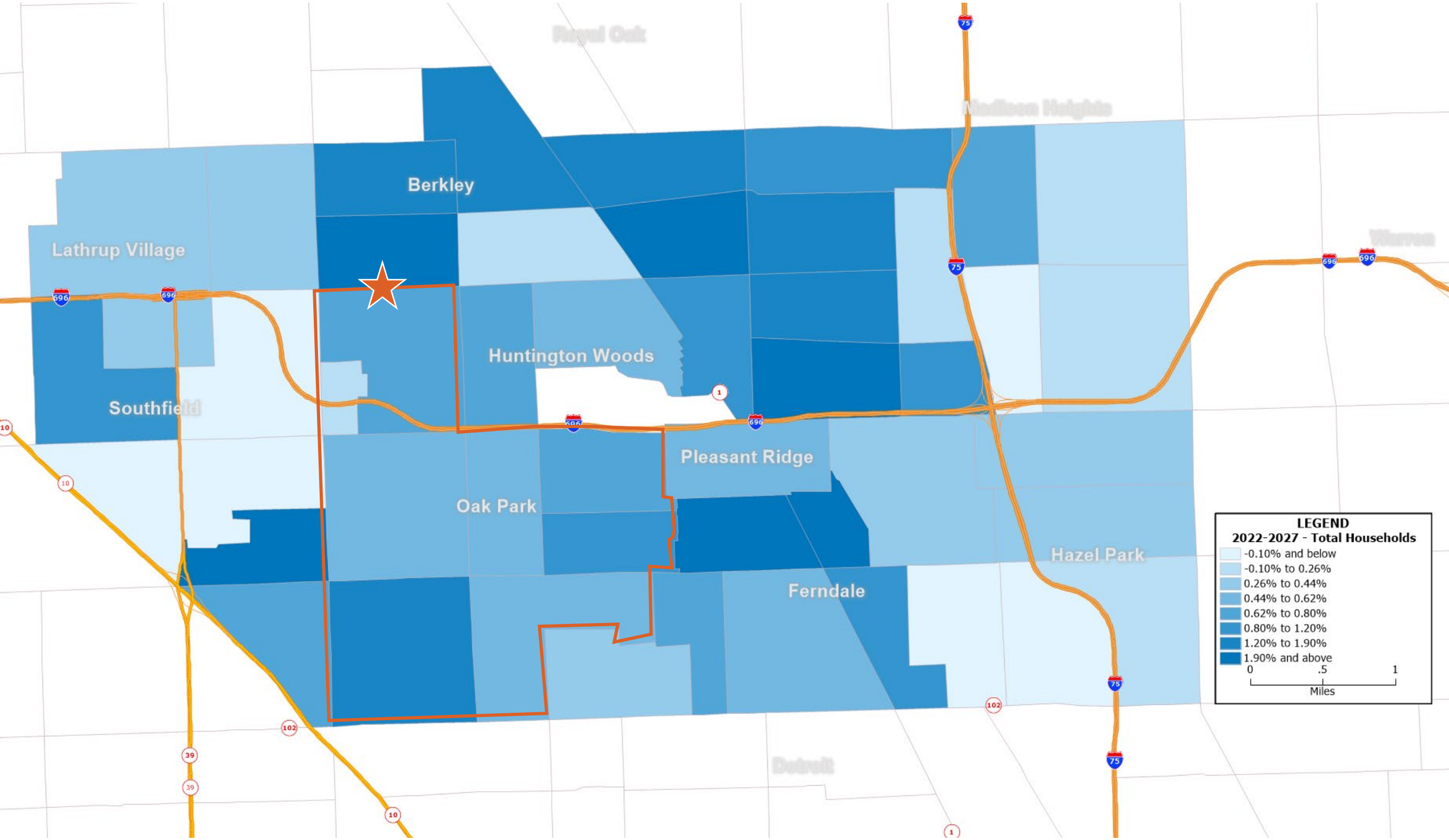
Household Incomes and Household Values

As seen below, Oak Park (PMA) is made up of households with lower incomes and lower home values in comparison to the State of Michigan. As you move further outside from the PMA home values and incomes start to align with the state more closely.

	1-Mile	3-Mile	5-Mile	PMA	SMA (NOT Including PMA)	Market Area (includes PMA and SMA)	Oakland County	Michigan
Average HH Size	2.48	2.30	2.32	2.45	2.20	2.24	2.46	2.52
Median Household Income	$59,020	$57,485	$53,610	$54,809	$69,219	$66,767	$77,204	$57,022
Median Housing Value	$137,026	$167,470	$155,510	$153,496	$194,839	$187,802	$292,406	$181,656

DEMOGRAPHIC DATA

Household Distribution by income

The PMA has a larger share of households earning less than $100k. The SMA has a larger share of households earning above $100k.

2022 PMA & SMA Household Income %

■ 2022 PMA   ■ 2022 SMA

DEMOGRAPHIC DATA
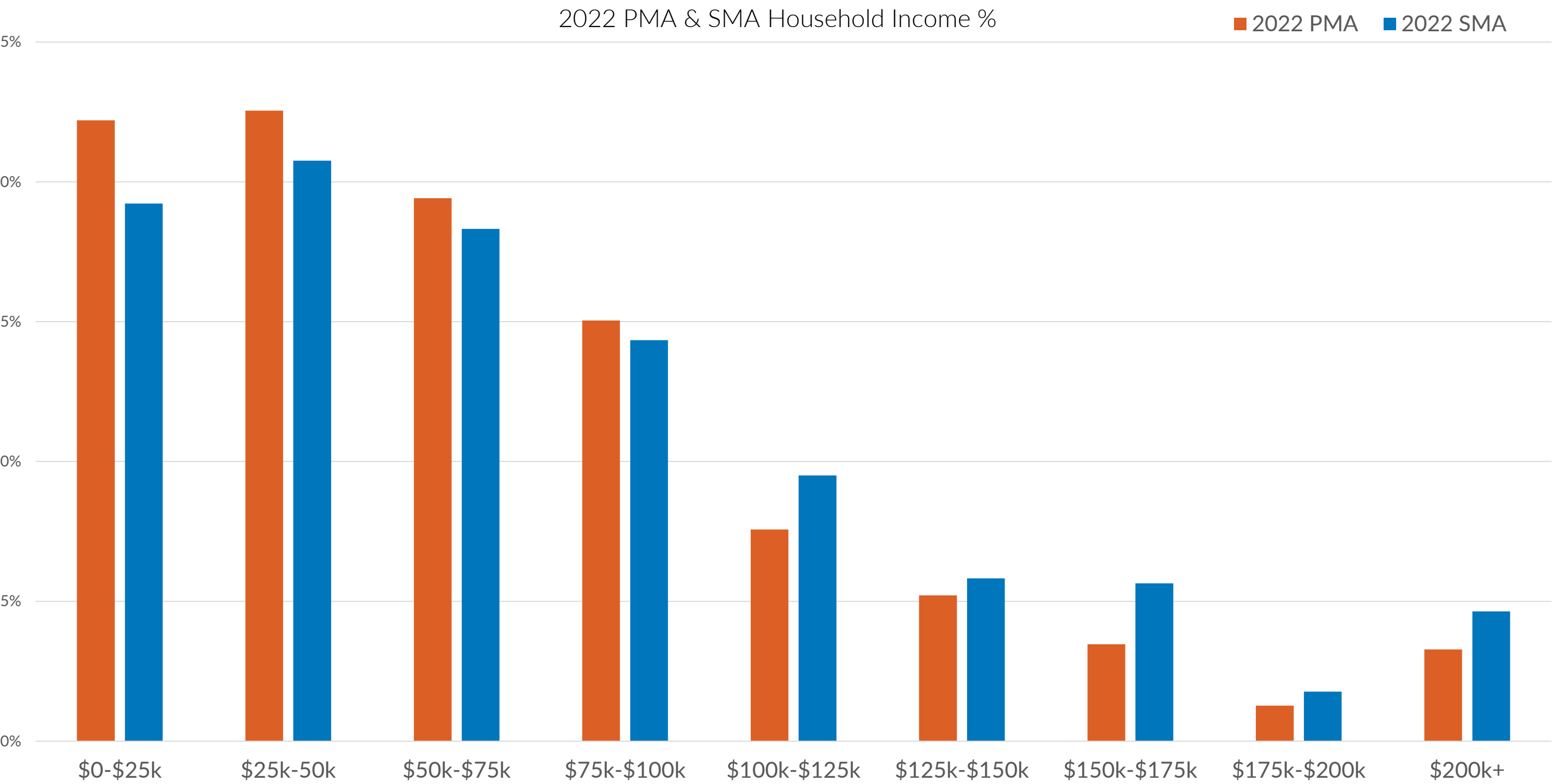
Average Home Values

The median home value in the PMA is $153,000, which is lower than the median home value of $187,000 in the SMA.

2022 PMA & SMA Home Value %

■ 2022 PMA   ■ 2022 SMA

DEMOGRAPHIC DATA
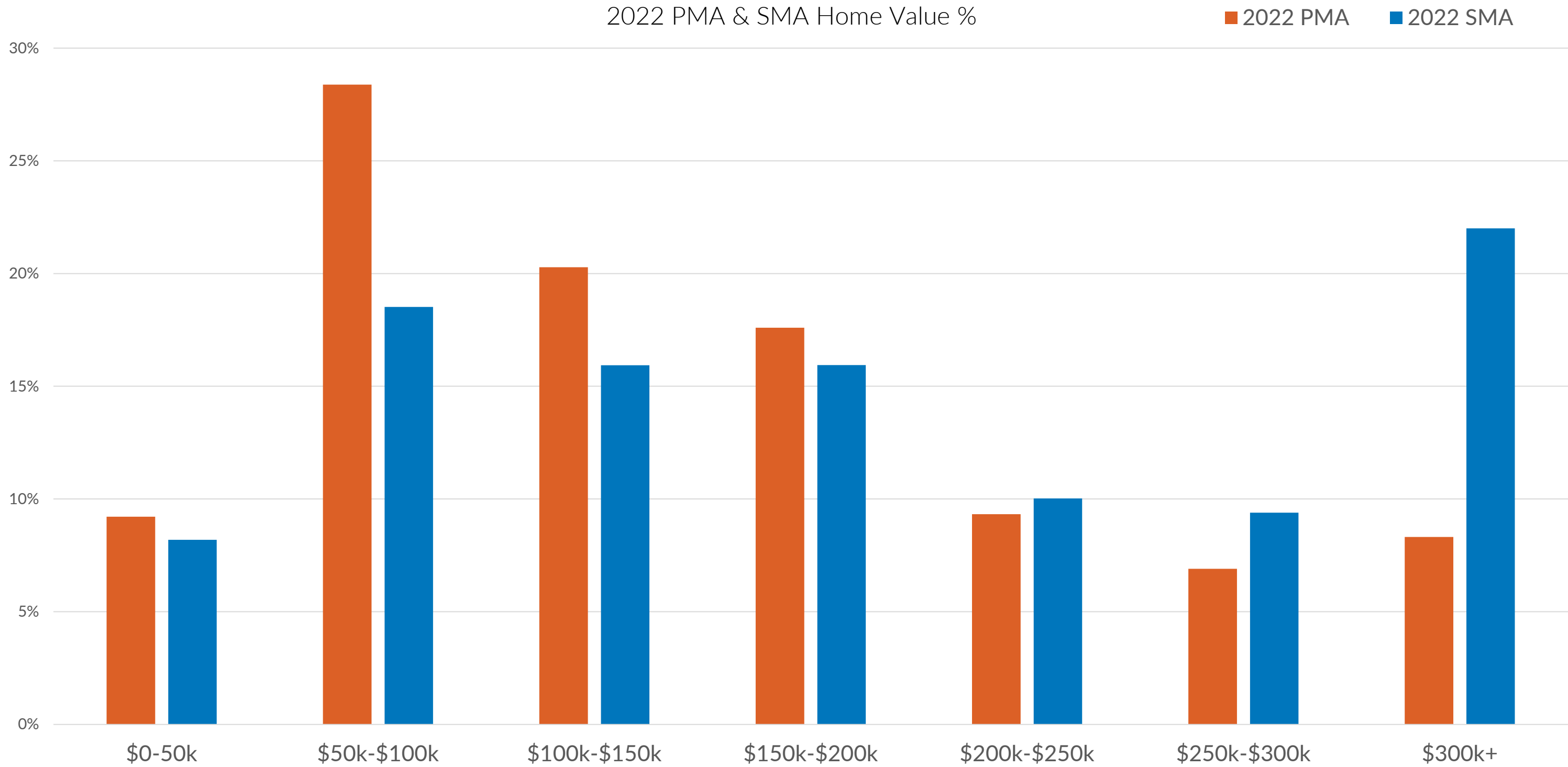
Population Characteristics

As seen below, Oak Park (PMA) is made up of diverse millennials working as white-collar professionals. As compared to the State of Michigan, Oak Park is slightly more educated, but the breakdown of the workforce is similar.

	1-Mile	3-Mile	5-Mile	PMA	SMA (NOT Including PMA)	Market Area (includes PMA and SMA)	Oakland County	Michigan
Total (Pop) Median Age, Total	38.5	39.4	38.9	37.6	38.5	38.4	41.4	40.1
Bachelor's Degree (%)	35.2%	36.1%	32.8%	34.4%	39.7%	38.8%	43.5%	27.1%
Unemployment (%)	3.9%	4.0%	4.8%	4.1%	3.3%	3.5%	2.9%	4.4%
% Blue Collar	16.3%	15.6%	17.8%	15.1%	15.5%	15.4%	14.6%	23.8%
% White Collar	66.4%	67.3%	64.7%	66.2%	69.3%	68.8%	71.2%	57.8%
% Farm & Service	17.3%	17.2%	17.6%	18.7%	15.2%	15.8%	14.3%	18.4%

Additional Population Characteristics
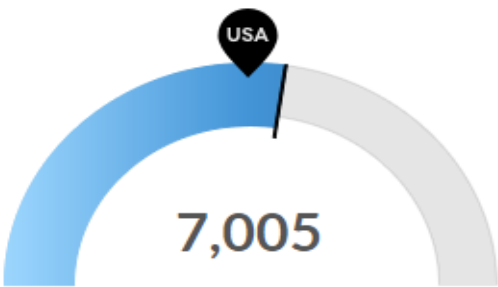
7,005

Millennials

Oak Park, MI (in Oakland county) (ZIP 48237) has 7,005 millennials (ages 25-39). The national average for an area this size is 6,148.
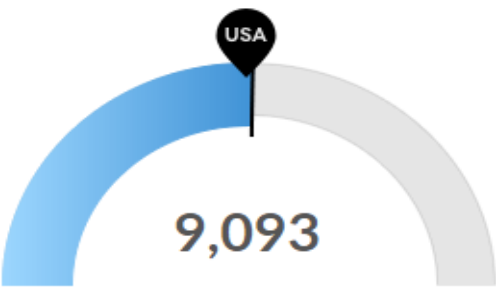
9,093

Retiring Soon

Retirement risk is about average in Oak Park, MI (in Oakland county) (ZIP 48237). The national average for an area this size is 8,946 people 55 or older, while there are 9,093 here.
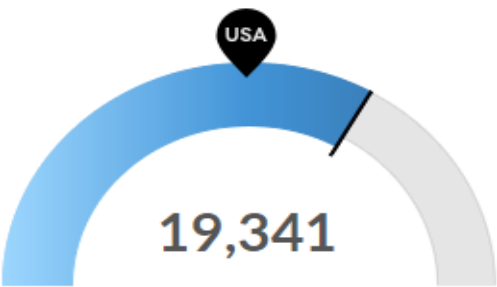
19,341

Racial Diversity

Racial diversity is high in Oak Park, MI (in Oakland county) (ZIP 48237). The national average for an area this size is 12,247 racially diverse people, while there are 19,341 here.

DEMOGRAPHIC DATA

Population Characteristics: Owner vs Renter (2022)

Home ownership increases when expanded out of the primary market area into Oakland County as there are less renters outside of the urban core of Oakland County.

The primary market area is denser and has characteristics that resemble more of an urban environment.

LEGEND
2022 - % Renter-Occupied
- 5.50 and below
- 5.50 to 9.06
- 9.06 to 14.74
- 14.74 to 23.00
- 23.00 to 30.20
- 30.20 to 39.00
- 39.00 to 53.60
- 53.60 and above

PMA
43% — PMA Total Renter %
57% — PMA Total Owner %

SMA
36% — SMA Total Renter %
64% — SMA Total Owner %

COUNTY
29% — County Total Renter %
71% — County Total Owner %
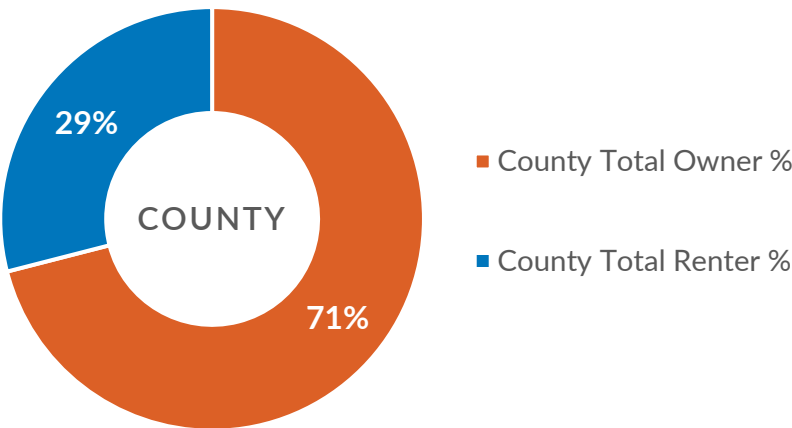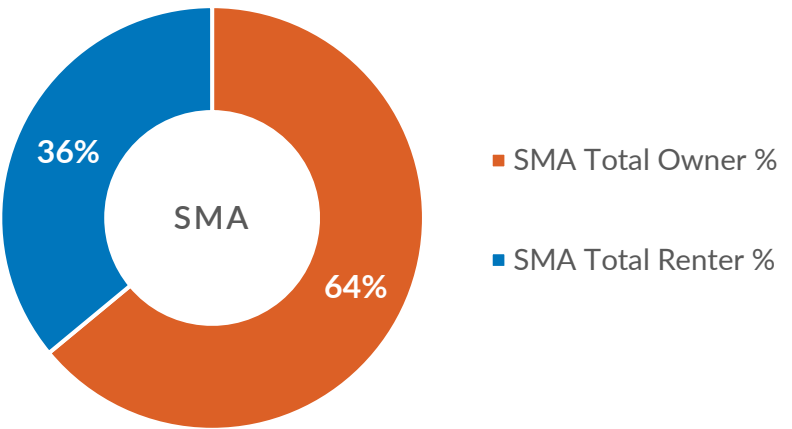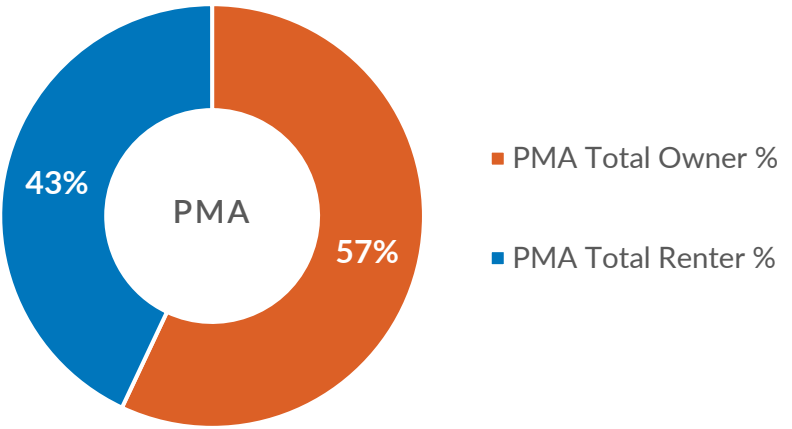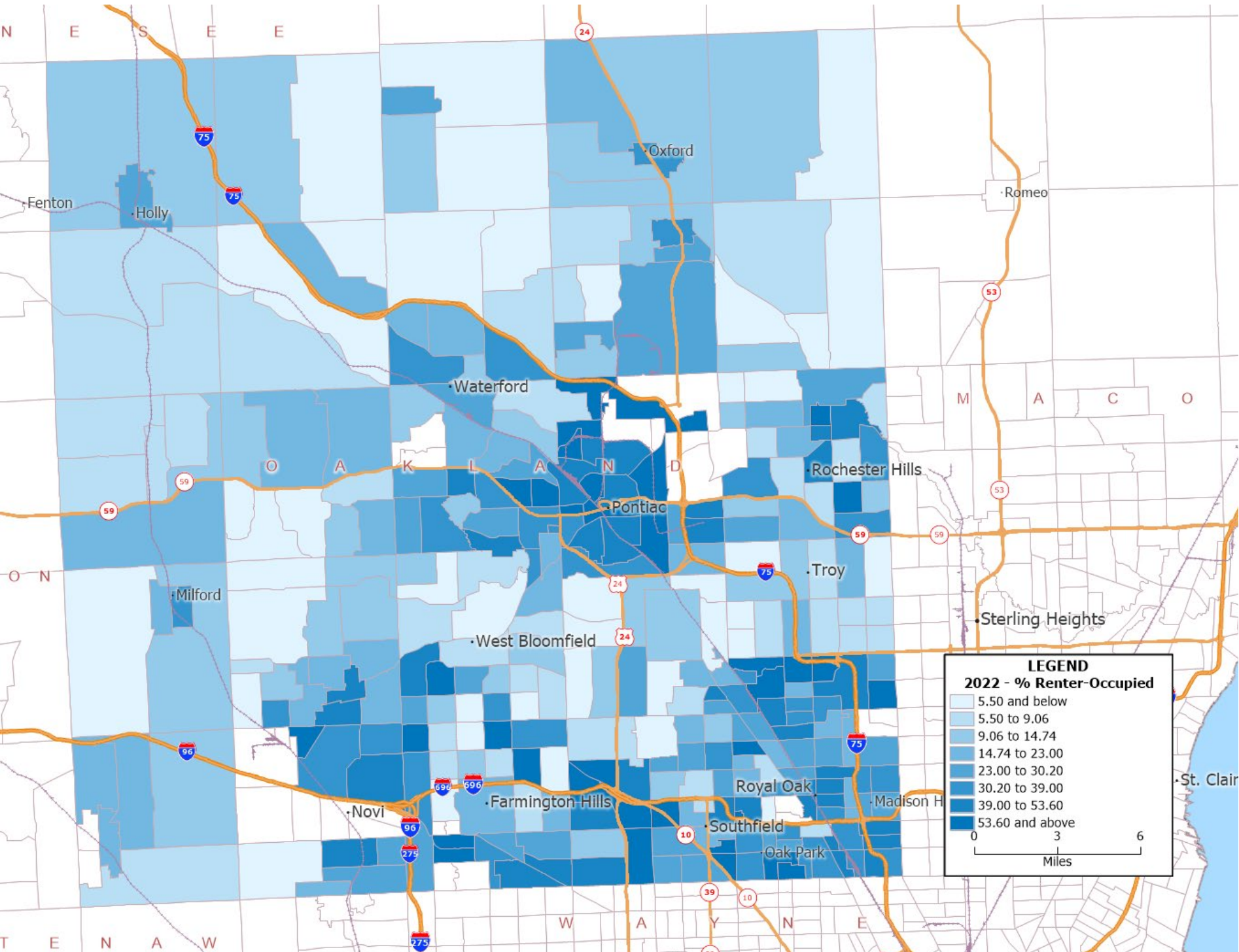
DEMOGRAPHIC DATA

Demographic Data Conclusion

Population And Household Growth Trends

Oak Park is home to 29,840 residents as of Q3 2022. Landlocked by other mature inner-ring communities around Detroit, Oak Park is an established community. Regional and national population trends that have seen outward migration from city centers are not present in Oak Park due to the community's maturity; **however, population and household growth are still limited.** Achieving population growth would require an increase in density due to land constraints.

Household Incomes And Housing Values

Income in the Detroit metro region is very dynamic. Oakland County is one of the most affluent counties in the nation, and is immediately bordered by the City of Detroit, which has one of the lowest per capita incomes and above average poverty rates. Oak Park, located in Oakland County but bordering Detroit, shares this complexity. Residents in some neighboring communities have higher incomes that match the profile of Oakland County (Royal Oak, Huntington Woods, Pleasant Ridge), while others have demographic profiles similar to the City of Detroit (Royal Oak Township, Hazel Park, Madison Heights). Nearby communities with similar mixed profiles include the cities of Southfield and Clawson.

Population Characteristics

The **average age** of Oak Park residents is slightly younger than that of the surrounding region. Both Oak Park and the region are forecasted to increase in average age.

The **percent of population with Bachelor's degrees** in Oak Park is significantly higher than the state average, but lags behind that of neighboring communities.

Home ownership increases when expanded out of the primary market area into Oakland county as there are less renters outside of the urban core of Oakland County. The primary market area is denser and has characteristics that resemble more of an urban environment. Additionally **home values in the PMA are lower than the median home values in the SMA.**

SITE AND MARKET CONDITIONS:
SOCIOECONOMIC DATA

Economic Development Overview

Several factors are contributing to a strong economic outlook for the region, including employment drivers mentioned below as well as continued development in the area. Several regional stakeholders and economic development projects have been contributing to this growth and revitalization of the greater Detroit area such as:

1. **The 11 Mile Redevelopment** in Oakland County was once an industrial stretch but has recently started to transform into more of an entertainment district with restaurants, breweries, housing, and retail. In September 2023, Corsaut Building Ventures received a $900,000 redevelopment grant to deal with contamination at a former industrial site on West 11 Mile Road and covered site investigations, soil removal, demolition work. This led to a redevelopment of an existing building and two new buildings, creating 12 to 15 new full-time jobs. Oak Park stated this project will encourage entrepreneurial growth and enhance the 11 Mile Road corridor near I-696 when finished in May 2024.

2. **The Beaumont (now Corewell) Medical Center** in Royal Oak is a major academic and referral center with over 1,000 beds and supports roughly 7,500 jobs. U.S. News & World Report has ranked Corewell, Royal Oak the number 2 hospital in Michigan and one of the best in the nation with 10 nationally ranked and 1 high performing specialty for 2023-2024.

3. **The Warren Technical Center**, opened in 1956, is a 710-acre facility recognized as the preeminent innovation center for automotive engineering, design, and advanced technology with nearly 24,000 employees. GM announced a roughly $1 billion investment into the Warren campus in 2015 and has since broke ground on a 360,000 square foot design facility in 2018 and will be completed at the end of the year followed by a grand opening ceremony.

4. **Henry Ford Hospital** was founded in 1915 and has since been a leader in advancing medicine and delivering innovative treatments through its 53-acre medical campus and 877 bed hospital. Henry Ford Health recently announced their plans to join with Ascension Michigan and Genesys to create a $10.5 billion health system with 13 acute-care hospitals, 50,000 employees, and more than 550 sites for regional health care. Henry Ford is also planning an expansion of over $2.5 billion in investments to create a new facility with more than 1 million square feet of space and a patient tower bringing more jobs and housing to Detroit.

SOCIOECONOMIC DATA

Quantifying the *"Attractiveness"* of a Community:

Consumer choice on where to buy or rent a home is a significant life decision and is influenced by a variety of factors including personal preferences and financial conditions. While individuals face varying preferences, there are some measurable variables that define the composition of a community and influence residential buying decisions.

The major factors that this study examines to determine the attractiveness of a community include:

1. **Affordability:** The cost to own/rent a home, both relative to earnings and the cost of housing, compared to Oakland County. Relative affordability, amongst other factors, can induce activity in a market and the ability of existing owners to move into more expensive or new housing.

2. **Economic Opportunity:** The ability of residents to find employment, weighed against the Detroit MSA.

3. **School Quality:** A factor that directly impacts only a portion of the population. There are numerous methods to gauge the effectiveness of school quality: standardized test scores, college acceptance. This study measures the success of schools based on high school graduation rates in the study area in comparison to Oakland County.

4. **Crime:** Safety is a concern for residents in all communities. Public safety is viewed through the lens of annual crimes per 1,000 residents and benchmarked against Oakland County.

SOCIOECONOMIC DATA

Affordability

Affordability for PMA & SMA compared to Oakland County

Overall, measured as the cost of housing against income, home ownership is more affordable in Oak Park relative to the County. Affordability, along with other factors, promotes buying, selling and leasing activity in a market which can be supportive of new housing demand.

The affordability calculation below represents the ratio of median income in Oakland County to the median home value in Oakland County and compares that ratio to the corresponding values for the PMA and SMA.

PMA– 1.398   This indicates that relative to Oakland County, the PMA is exhibiting housing trends that allow for the average resident to more easily afford their home.

SMA– 1.352   This indicates that relative to Oakland County, the SMA is exhibiting housing trends that allow for the average resident to more easily afford their home.

	Median Income	Median Home Value	Income/Home Value Ratio	Affordability Compared to Oakland County
PMA	$57,227	$155,038	.369	1.398
SMA	$65,508	$183,517	.356	1.352
Oakland County	$77,204	$292,406	.264	1.000

SOCIOECONOMIC DATA

Economy: *Oak Park Employment Trends*

Businesses in Oak Park provide 12,479 jobs. The largest sectors of employment are Government, Retail Trade, and Services. Combined, **these sectors represent 43% of Oak Park's employment base**. Transportation & Warehousing, as well as Wholesale trade also **have job densities nearly double that of the national average**.

The **average annual earnings in Oak Park is $56,965**. This is 15.1% below the Detroit MSA average of $67,073.

Employment growth in Oak Park has been 12% over the previous 10 years. This is higher than the Detroit MSA average of 7%.

The **current 4.1% Oak Park unemployment rate** is higher than the Detroit MSA average of 3.8%.

NAICS Code	Industry	2013 Jobs	2022 Jobs	Employment Change	Employment Change (%)	Average Annual Earnings	Location Quotient*
90	Government	1,033	2,523	1,490	144%	$59,959	1.41
44	Retail Trade	1,332	1,656	324	24%	$36,577	1.41
81	Other Services (except Public Administration)	756	1,436	680	90%	$39,586	2.33
62	Health Care and Social Assistance	1,273	1,065	-208	-16%	$33,921	0.67
48	Transportation and Warehousing	105	963	858	817%	$52,515	1.71
31	Manufacturing	1,102	851	-251	-23%	$83,590	0.88
42	Wholesale Trade	673	769	96	14%	$109,720	1.72
56	Administrative and Support and Waste Management and Remediation Services	1,900	694	-1,206	-63%	$48,561	0.90
72	Accommodation and Food Services	645	577	-68	-11%	$26,011	0.56
23	Construction	544	548	4	1%	$79,404	0.76
54	Professional, Scientific, and Technical Services	513	396	-117	-23%	$91,777	0.45
53	Real Estate and Rental and Leasing	307	291	-16	-5%	$69,770	1.33
99	Unclassified Industry	42	144	102	243%	$61,344	5.17
52	Finance and Insurance	211	137	-74	-35%	$98,199	0.27
51	Information	538	125	-413	-77%	$95,434	0.53
71	Arts, Entertainment, and Recreation	71	124	53	75%	$22,596	0.60
61	Educational Services	47	116	69	147%	$38,751	0.37
22	Utilities	0	55	N/A	N/A	$150,524	1.33
11	Agriculture, Forestry, Fishing and Hunting	0	0	0	0	$0	0.00
21	Mining, Quarrying, and Oil and Gas Extraction	0	0	0	0	$0	0.00
	TOTAL	**11,104**	**12,479**	**1,375**	**12%**	**$56,965**	

* Location quotients compare the concentration of an industry within a specific area to the concentration of that industry nationwide. If an LQ is equal to 1, then the industry has the same share of its area employment as it does in the nation. An LQ greater than 1 indicates an industry with a greater share of the local area employment than is the case nationwide.

SOCIOECONOMIC DATA

Economy: *Industry Growth & New Employment Opportunities*

Based on local industry earnings, projected job growth, regional competitiveness, and talent specialization, the PMA - Oak Park offers a good opportunity for growth in the below industries:

Industry	Current Jobs	Earnings	Regional LQ	Regional GRP
Commercial and Service Industry Machinery Manufacturing	148	$101,410	22.19	$23.7M
General Freight Trucking, Local	352	$64,835	12.84	$28.1M
Motor Vehicle Electrical & Electronic Equipment Manufacturing	17	$155,537	3.85	$3.4M
Commercial & Institutional Building Construction	190	$107,035	3.42	$26.2M
General Warehousing & Storage	353	$60,445	2.74	$22.9M

Through the lens of existing workforce concentration, and forecasted job growth, **notable growth** occurred in the **Home Health Care**, and **Stockers & Order Fillers** occupations. Fast food and retail sales, which are two of the larger sectors of employment are at risk, due to national trends in retail and operational staffing pattern changes within the fast-food industry.

SOCIOECONOMIC DATA
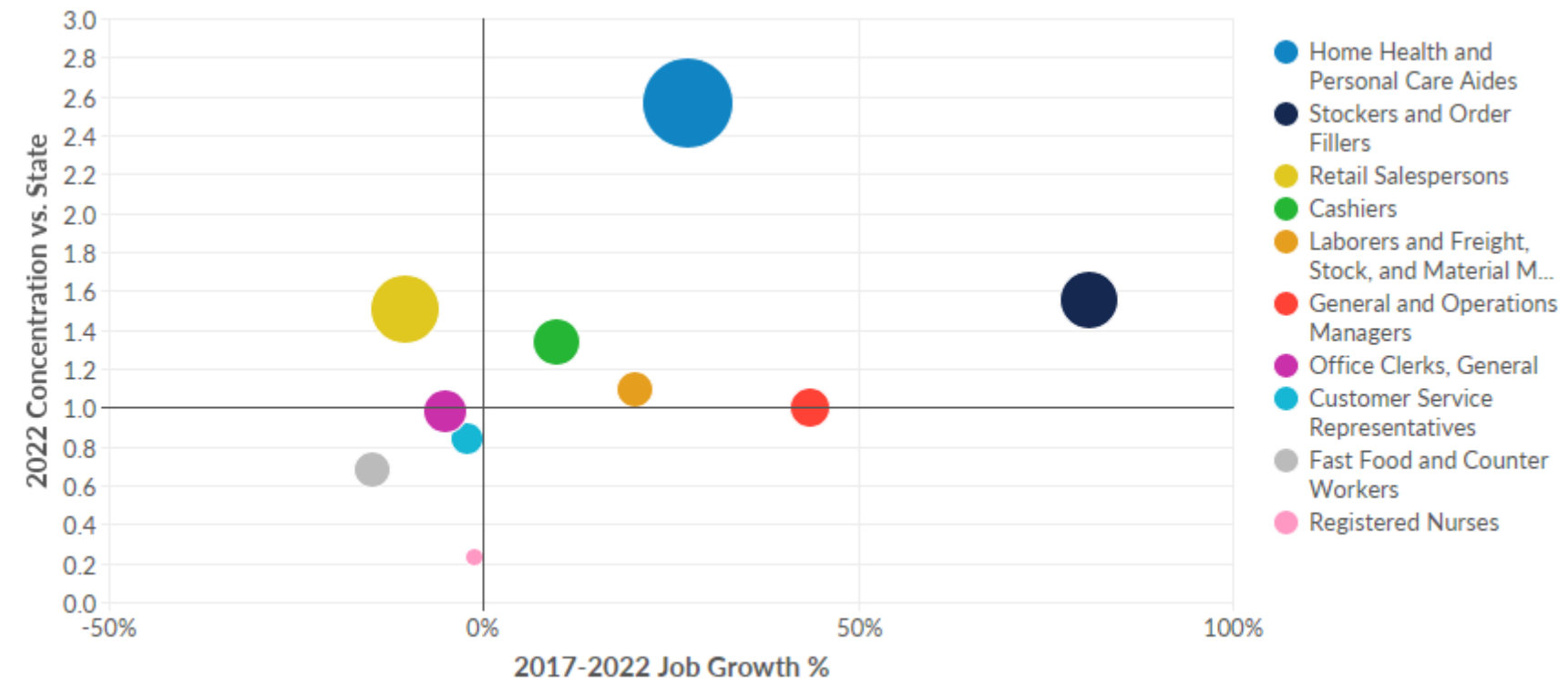
Economy: Measuring Economic Opportunity Across Communities

The Michigan Department of Technology, Management & Budget tracks labor market information across cities in Michigan. Within the SMA, unemployment data is tracked for Oak Park, Southfield, Ferndale and Royal Oak. Inherent differences exist in community demographics – some communities have larger proportions of their population below working age or above retirement age, and variations in demographics that alter how many individuals within a household choose to work. For the purposes of benchmarking economic opportunity across communities, the ratio used to determine economic attractiveness measures how many residents within a community that want to work (the labor force) against those that are working (employed) and compares the ratios across communities.

2022 Annual Data	Employed	Unemployed	Labor Force	Unemployment Rate
Oak Park	12,049	510	12,559	4.1%
Southfield	32,933	1,476	34,409	4.3%
Ferndale	12,334	414	12,748	3.2%
Royal Oak	37,710	699	38,409	1.8%
Detroit MSA	**2,022,000**	**80,000**	**2,102,000**	**3.8%**

Economic Opportunity for PMA & SMA compared to Detroit MSA

The data below is a ratio of Detroit MSA Unemployment Rate to PMA or SMA Unemployment Rate

PMA– 0.679
This indicates that relative to the Detroit MSA, the PMA is experiencing higher rates of unemployment. Despite the job growth within the PMA, more of the labor force proportionally is unable to find employment.

SMA– 0.839
This indicates that relative to the Detroit MSA, the SMA is experiencing higher rates of unemployment and therefore less jobs are available within the immediate area which indicates that although there appears to be growth within the market it is not enough to support the labor force, or people who are actively seeking work (or already working).

SOCIOECONOMIC DATA

School Quality: *School System Status*

The subject area falls into the **Berkley School District.**

This is advantageous for property values as Berkley schools are widely recognized as a high-performing and desirable district within the county.
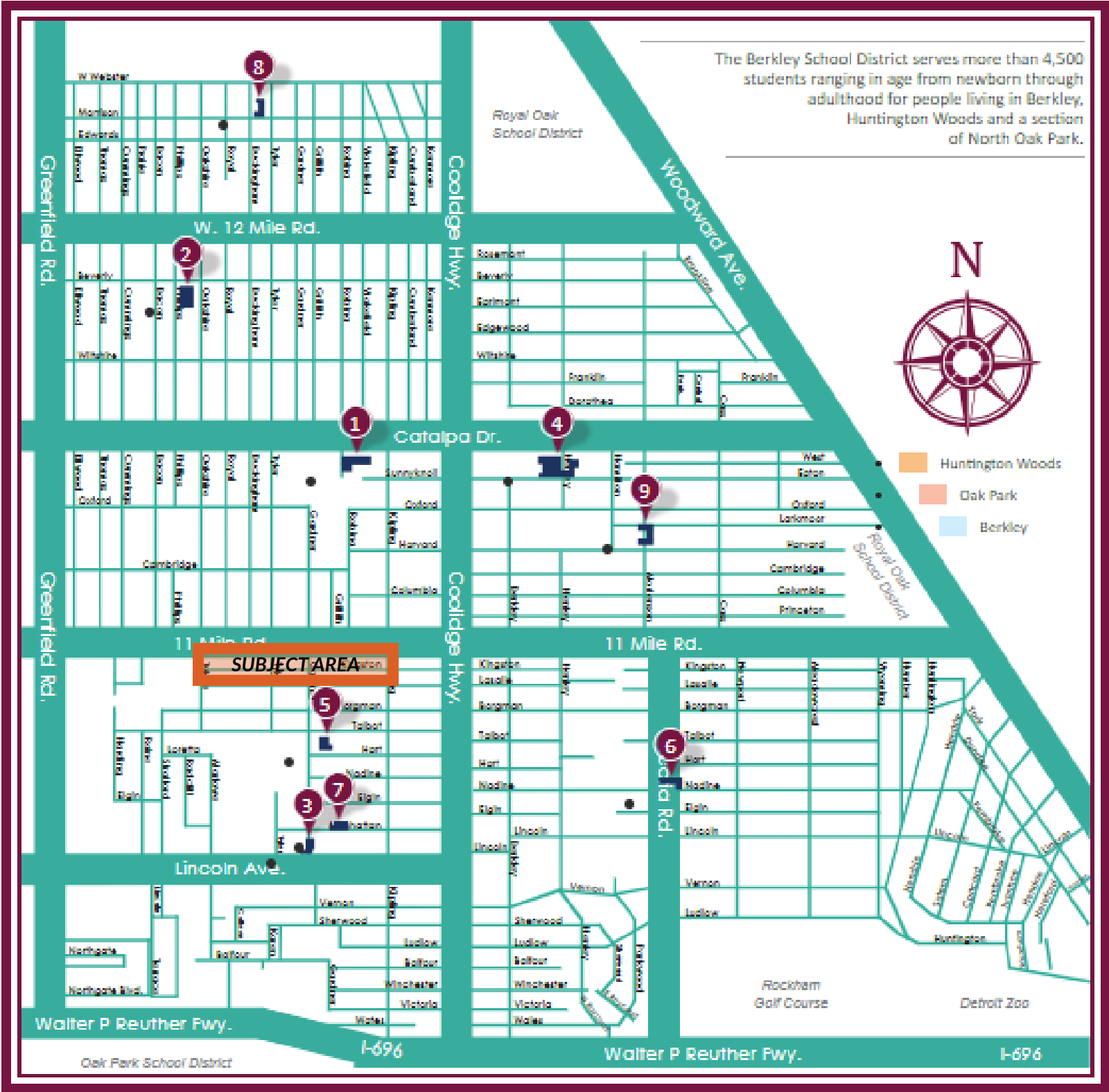
School Quality: *School System Status*

School Quality for PMA & SMA compared to Oakland County

The data below is a ratio of Oakland County Graduation Rates (92.7%) to PMA or SMA Graduation Rates

PMA– 0.790
This indicates that although the immediate subject area is experiencing higher graduation rates (as indicated on the chart by Berkley Schools), the PMA is experiencing lower graduation rates relative to Oakland County.

SMA– 0.937
This indicates that although the immediate subject area is experiencing higher graduation rates (as indicated on the chart by Berkley Schools), the SMA is experiencing lower graduation rates relative to Oakland County.

The subject area (11- Mile) is a part of the Berkley School District which is widely recognized within the County. Since Oak Park spans beyond just this area, however, it is important to note that the Oak Park School District's graduation rates contribute to the fact that within the PMA and SMA graduation rates are lower.

2022-2023

4-Year Graduation Rates by District

Legend: Berkley School District (63050) · Ferndale Public Schools (63020) · Madison District Public Schools (63140) · Oak Park, School District of the City o... · Royal Oak Schools (63040)

SOCIOECONOMIC DATA
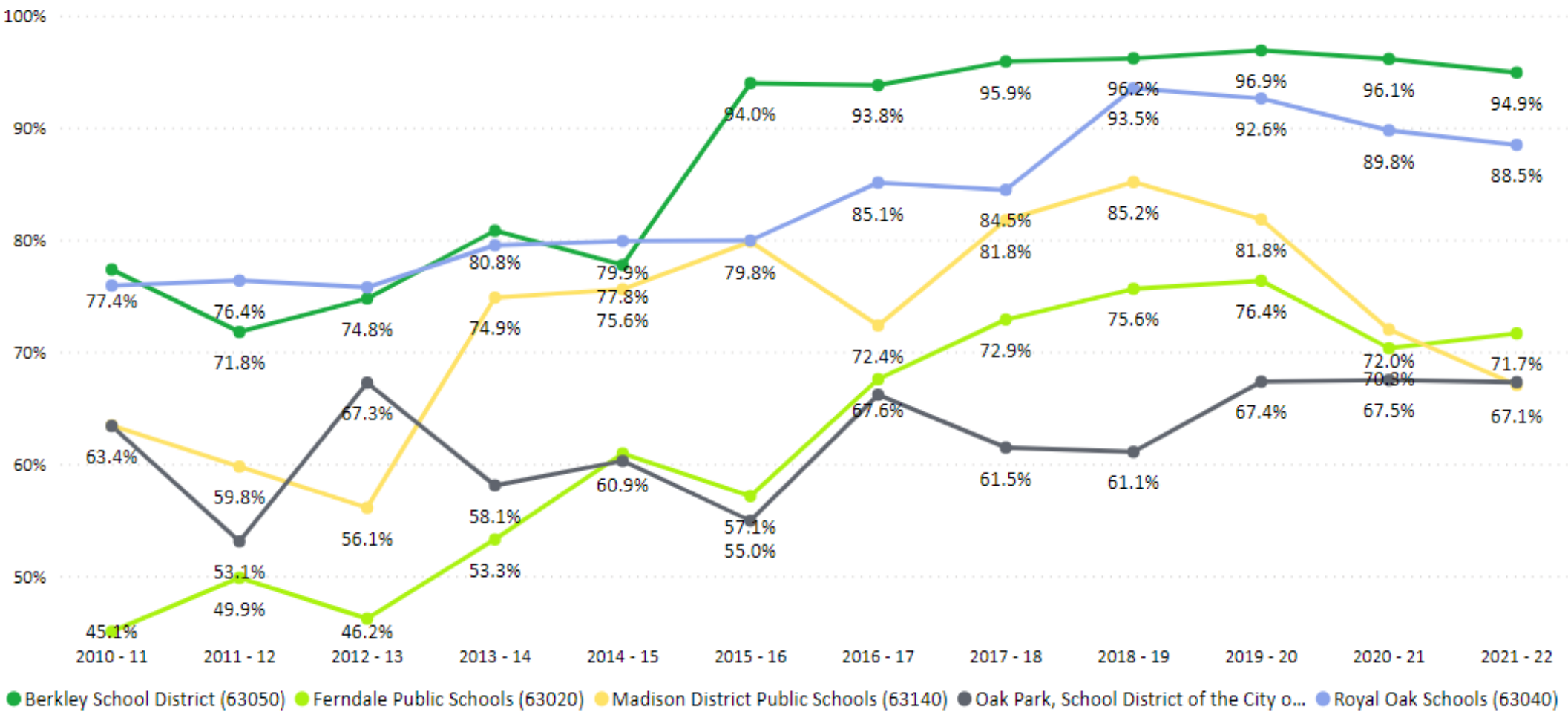
Public Safety

The subject area along 11 Mile Road is the rectangular object outlined in blue in the middle of the map. Crime analysis was conducted on 1- 2- & 3-Mile radii around the site to provide a benchmark and context for public safety conditions in the subject area. The subject area in Oak Park did not experience any reported violent crimes in 2022. For the entire year, only 8 thefts were reported within a one-mile radius. Benchmarked against the wider surrounding areas, **the subject site area of Oak Park had far fewer property, violent, and total crimes** than the surrounding region.

Crime Type	● 1 mile	● 2 mile	● 3 mile
Total Incidents	8	111	582
Shooting	0	1	5
Assault	0	3	30
Robbery	0	0	16
Burglary	0	6	16
Theft	8	85	343
Vandalism	0	0	2
Arrest	0	16	170
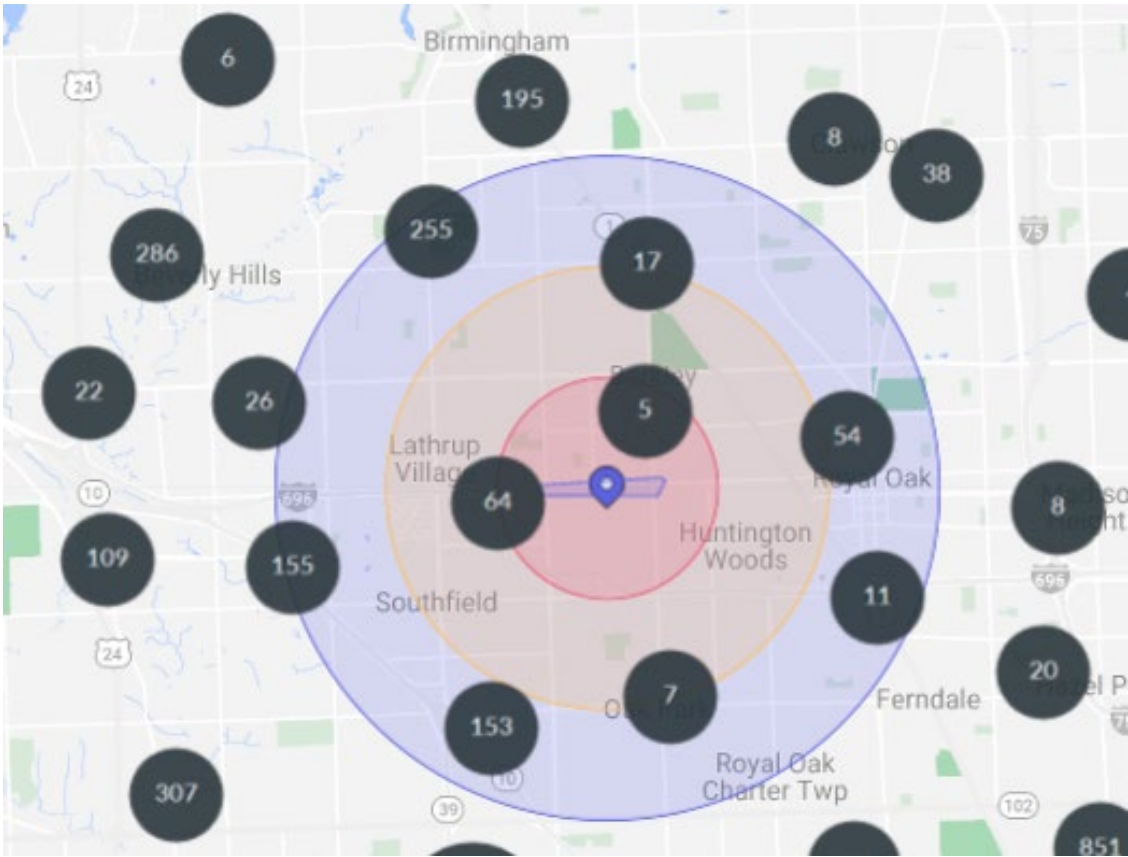
Public Safety for PMA & SMA compared to Oakland County

The data below is a ratio of Oakland County Crime to PMA or SMA Crime Totals

PMA- 0.669
This indicates that although the immediate subject area is experiencing less crime than the surrounding community (as indicated on the map above), the PMA is experiencing more crime relative to Oakland County (per 1,000 residents).

SMA- 0.659
This indicates that although the immediate subject area is experiencing less crime that the surrounding community (as indicated on the map above), the SMA is experiencing more crime relative to Oakland County (per 1,000 residents).

SOCIOECONOMIC DATA

Conclusions: Community Attractiveness

The chart below summarizes the qualitative data shown on the previous slides and aggregates it to arrive at a "right to win" score.

Metric Definitions-

>= 1 indicates that Oak Park is performing overall above average

< 1 indicates that Oak Park is performing overall below average

FACTOR	PMA	CONTEXT / CONCLUSION	SMA	CONTEXT / CONCLUSION
Affordability	1.398	Oak Park residents spend less of their income on housing compared to the average resident in Oakland County	1.352	SMA residents spend less of their income on housing compared to the average resident in Oakland County
Economic Opportunity	0.680	Oak Park residents have more a difficult time finding employment than the average resident in the Detroit metropolitan statistical area	0.839	SMA residents have a more difficult time finding employment than the average resident in the Detroit metropolitan statistical area
School Quality*	0.790	Oak Park students graduate high school less frequently than Oakland County students	0.937	SMA students graduate high school less frequently than Oakland County students
Public Safety**	0.669	Oak Park experiences more crimes per resident than Oakland County	0.659	The SMA experiences more crimes per resident than Oakland County
COMPOSITE AVERAGE:	0.500	**Using the conditions above, Oak Park is at a competitive disadvantage to the region**	0.699	**Using the conditions above, the SMA is at a competitive disadvantage to the region**

*School quality is measured using a weighted average of Oak Park, Berkley and Ferndale Schools.
**Public safety is assessed using PMA statistics.

SOCIOECONOMIC DATA

Commuter Data

About 30% of inbound commuters to Oak Park (darker blue identifies larger numbers of inbound commuters) come from communities whose affluence is lower than Oakland County. These inbound commuters may consider the subject site more attractive than their current geographic location.
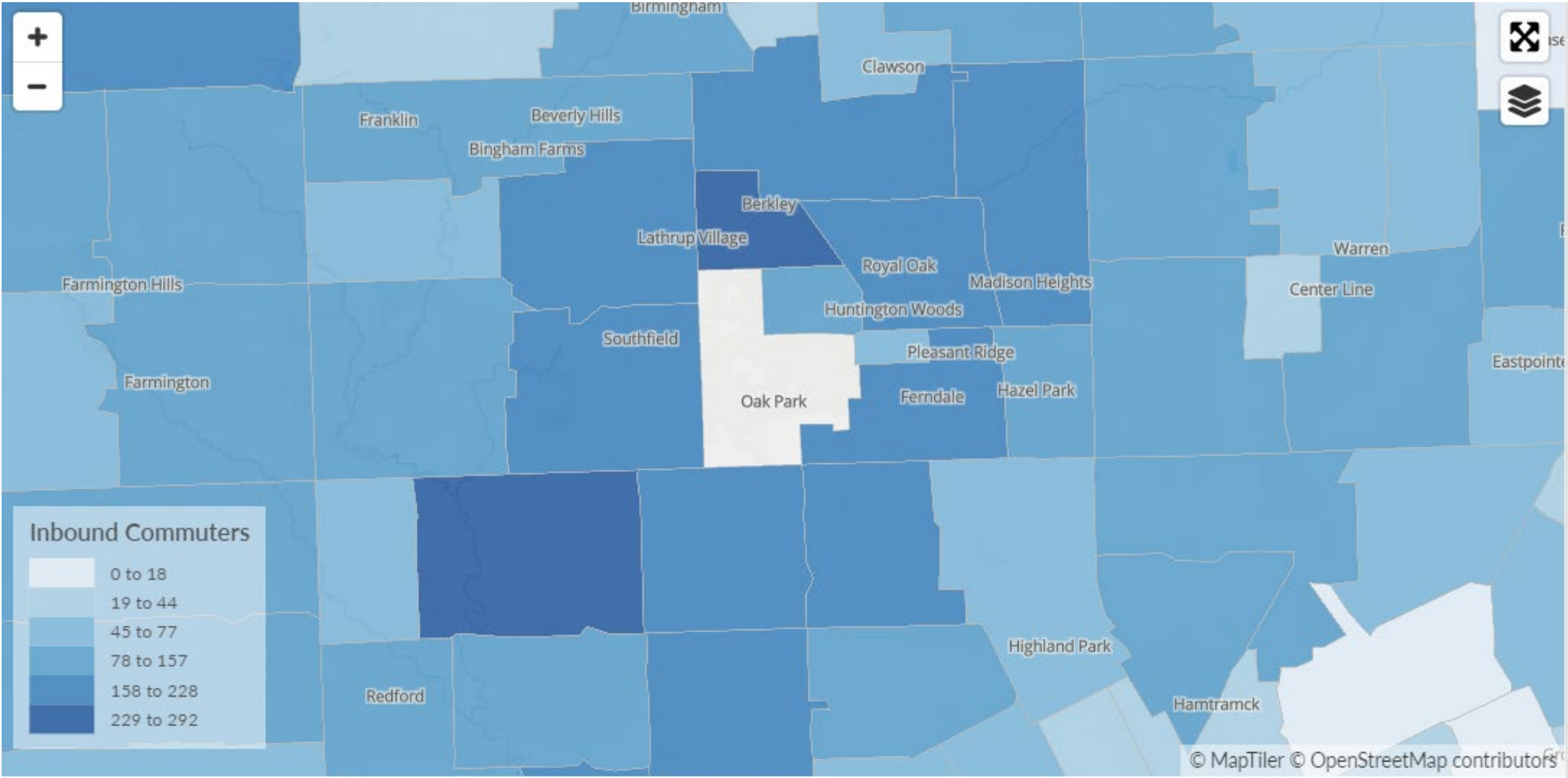
Consumer Expenditures: 5- Minute Drive Time from Subject Site

The chart to the right represents consumer expenditure data for the 5- Minute Drive Time around the subject area.

Consumer spending shows the amount spent on a variety of goods and services by households that reside in the 5- Minute Drive Time area defined as the Oak Park subject site retail market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index (SPI) represents the amount spent in the area relative to a national average of 100.

For example:
If the national average is 100 and the area is displaying a 103 SPI, this means that the area is spending more than the national average by about 3%.

Apparel & Services: Total $	**$52,410,767**
Average Spent	$2,290
Spending Potential Index	104
Education: Total $	**$41,926,127**
Average Spent	$1,832
Spending Potential Index	102
Entertainment / Recreation: Total $	**$88,547,212**
Average Spent	$3,870
Spending Potential Index	102
Food at Home: Total $	**$160,183,585**
Average Spent	$7,000
Spending Potential Index	103
Food Away From Home: Total $	**$87,412,447**
Average Spent	$3,820
Spending Potential Index	103
Health Care: Total $	**$177,167,597**
Average Spent	$7,743
Spending Potential Index	105
HH Furnishings and Equipment: Total $	**$69,625,181**
Average Spent	$3,043
Spending Potential Index	103
Personal Care Products and Services: Total $	**$23,063,194**
Average Spent	$1,008
Spending Potential Index	105
Shelter: Total $	**$587,179,816**
Average Spent	$25,661
Spending Potential Index	104
Support Payments / Cash Contributions / Gifts in Kind: Total $	**$74,280,813**
Average Spent	$3,246
Spending Potential Index	104
Travel: Total $	**$52,778,144**
Average Spent	$2,307
Spending Potential Index	103
Vehicle Maintenance & Repairs: Total $	**$31,005,123**
Average Spent	$1,355
Spending Potential Index	103

SOCIOECONOMIC DATA

Consumer Expenditures: 5- Minute Drive Time from Subject Site

Shown another way, consumers within the 5- Minute Drive range of the subject area are spending the most on Shelter (Housing), Health Care, and Food at Home. Followed by Food Away from Home and Entertainment/ Recreation.

- Apparel & Services
- Education
- Entertainment/ Recreation
- Food at Home
- Food Away from Home
- Health Care
- HH Furnishings and Equipment
- Personal Care Products and Services
- Shelter
- Support Payments/ Cash Contributions
- Travel
- Vehicle Maintenance & Repairs

Entertainment/ Recreation

Food at Home

Shelter

Food away from Home

Health Care

SOCIOECONOMIC DATA
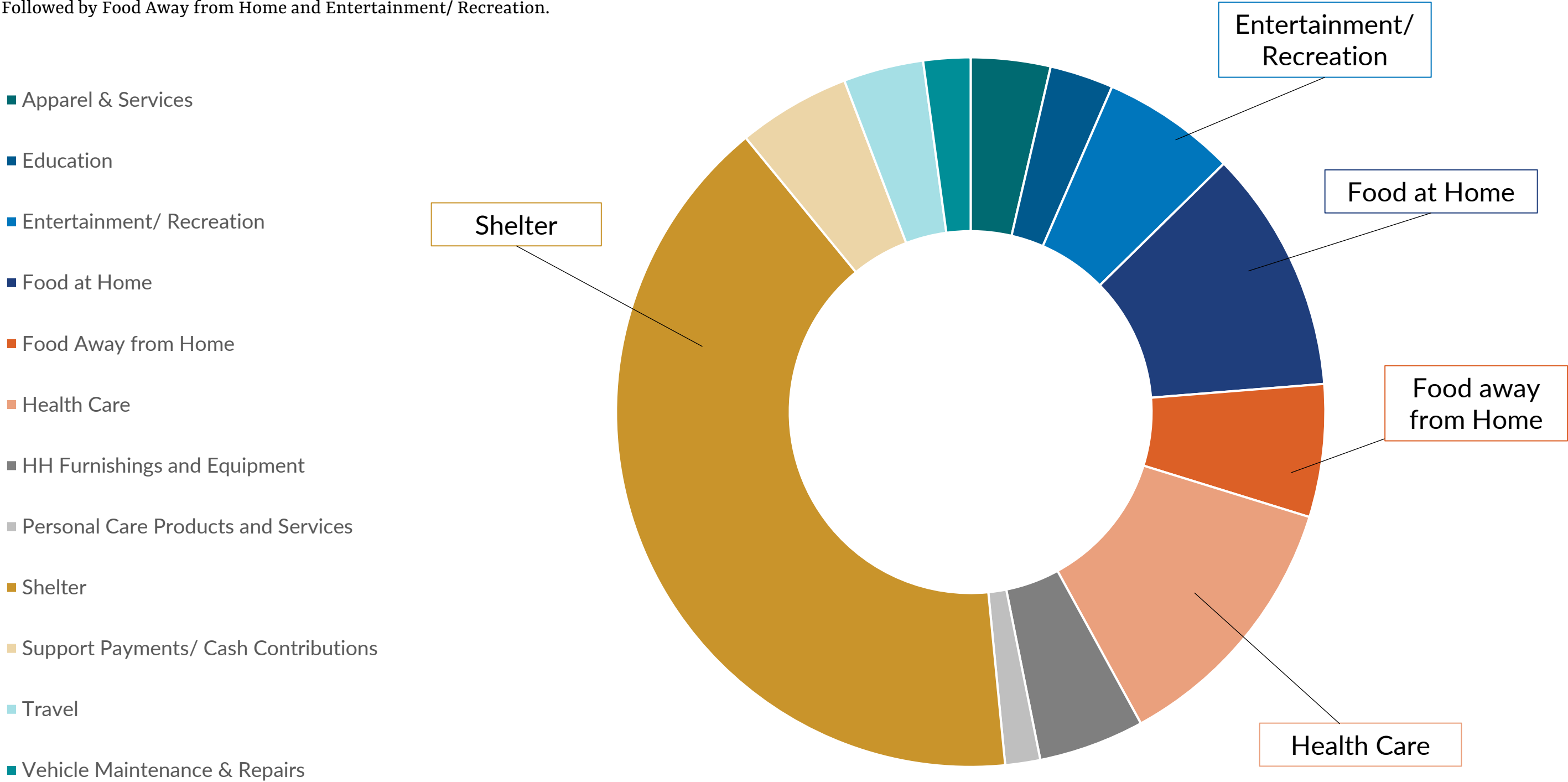
Socioeconomic Data Conclusion

Economic Development

Several factors are contributing to a stable economic outlook for the region, including employment drivers such as the Corewell Health medical center in Royal Oak, the Warren Technical Center in Warren and Henry Ford Hospital in Detroit as well as ongoing economic development exemplified by the 11 Mile Road redevelopment project.

Area Attractiveness

- **Affordability:** Prospective development of residential housing on the subject site may benefit from the affordability of the PMA. Relative affordability, amongst other factors, can induce activity in a market including the ability of existing owners to move up into more expensive or new housing within the proposed subject area.

- **Economy:** The PMA suffers from higher unemployment than the balance of the market. Unemployed residents of the PMA may not be as capable as residents of the broader market to purchase or rent new housing. However, job growth has been relatively robust and the geographic location of the site relative to major employers, robust downtowns and economic inducement activities is a positive.

- **School Quality:** While the PMA's overall ranking lags behind that of the SMA because of Oak Park School District's graduation rate, the subject site is part of the Berkley School District which leads the SMA. The perception of underachieving schools may negatively impact interest in housing.

- **Crime:** Within the PMA overall safety is a concern relative to the market. However, within the subject site area crime is relatively low. The perception of crime in Oak Park may negatively impact interest in housing and new businesses.

Commuter Data

About 30% of inbound commuters to Oak Park come from communities whose affluence is less than Oakland County. These inbound commuters may consider the subject site a "move up" or more attractive than their current geographic location.

Consumer Expenditure Trends

Consumers within the 5- Minute Drive range of the subject area are spending the most on Shelter (Housing), Health Care, and Food at Home. These are followed by Food Away from Home and Entertainment/ Recreation.

SOCIOECONOMIC DATA

SITE AND MARKET CONDITIONS:
CURRENT SUPPLY CONDITIONS

Multifamily Market Area

LEGEND

MARKET AREA

PRIMARY MARKET AREA (PMA)

SECONDARY MARKET AREA (SMA)

CURRENT SUPPLY CONDITIONS
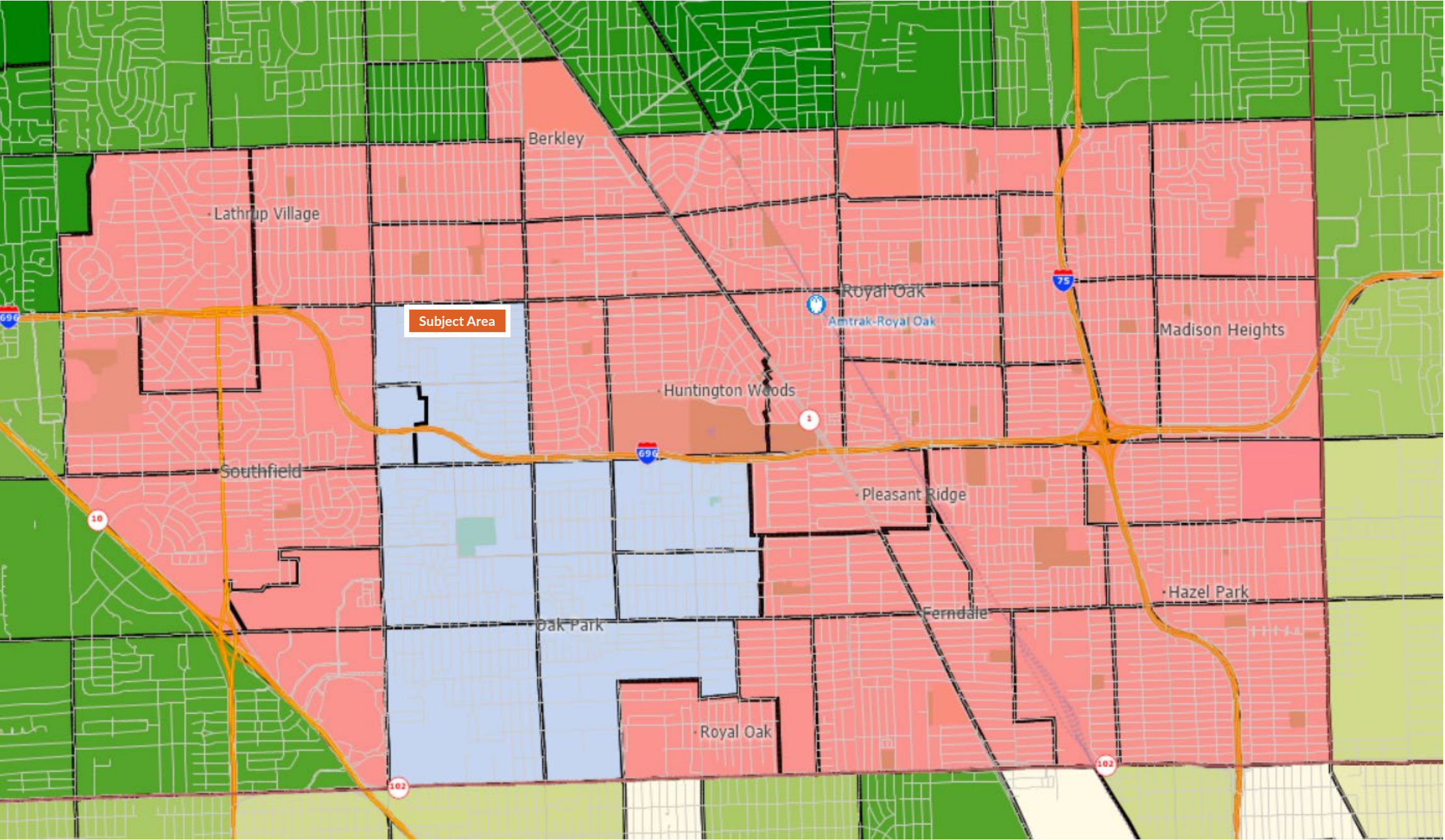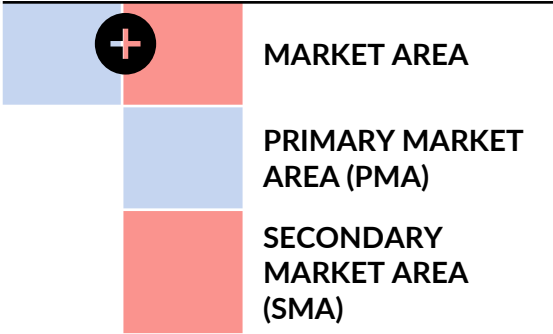
Key Performance Trends and Metrics – Multifamily Market

The market for multifamily housing is influenced by macroeconomic conditions as well as regional and local microeconomic conditions. The breadth of these conditions is wide; however, the following are key indicators of the strength of the multifamily market. These are divided between long-term and short-term trends on this page and the following page.

Macroeconomic

Long-Term

The most significant long-term trend is the ongoing demand for an urban lifestyle which has fueled interest in housing within urban areas, the reutilization of nonresidential property to support housing, and introduction of increased density. Characteristics of an urban lifestyle include walkability, denser concentrations and greater diversity of employment opportunities, proximity to entertainment and retail amenities, greater cultural diversity, and a scalable neighborhood environment supported by multiple methods of transportation connectivity.

These trends are demonstrated by the increase of new housing development coupled with supporting infrastructure and amenities, both physical and political, throughout the State, city of Detroit and in the SMA within core urban environments.

The increasing market share of multifamily housing versus traditional single family is also evident. This is reflective of the desire of municipalities and the development community to facilitate demand through offering denser housing options in largely built out environments. Multifamily development is also a means to provide more broadly affordable housing options.

Short-Term

The 30-year mortgage rate has averaged 7.74% from 1971 to 2023 and sits near that today. The average rate since 2015 is 4.31%. Mortgage rates have moved in parallel with the costs of borrowing. The increase in rates well above historic averages has negatively impacted the market by sharply dampening supply and putting the cost of borrowing out of reach for many potential buyers. This effect has been partially mitigated by low unemployment and rising wages.

Complicating this dampening has been double digit inflation in the costs to deliver residential units which peaked in early 2022 due to surging labor and material supply constraints.   Costs have since retreated and have been flat the past 12 months. However, the inflationary impact remains as reflected by higher home prices and rents.

Collectively the short-term impacts of inflation are expected to slow new development and challenge affordability.

CURRENT SUPPLY CONDITIONS

Key Performance Trends and Metrics – Multifamily Market

Microeconomic

Long-Term

Within the SMA, the strength of multifamily housing trends are demonstrated by the increasing percentage of multifamily housing as measured against total new housing permits. Favorable trends in governmental support for increased density, as demonstrated by flexible zoning practices, are also contributing. The market share of renters is increasing relative to owners.

Historically delivered housing:

- Permit trends
- Ownership trends

Short-Term

Within the PMA & SMA, the following trends were reviewed to provide context for the analysis and are expanded in the following pages:

New multifamily supply:

- Supply pipeline (for sale/rent, under construction, entitlements phase)
- Units under construction

Vacancy:

- Vacancy of existing and new units
- Vacancy of units deemed relevant to the subject site

Pricing trends:

- Pricing of existing and new units
- Pricing of units deemed relevant to the subject site

Social and Political support:

- Development ready / education
- Gap funding tools

CURRENT SUPPLY CONDITIONS

Historical Permits & Rent vs Own Data

Oakland County

- Oakland County's urban centers are capturing a rapidly increasing share of total housing permits, particularly since 2015.
- These urban centers are experiencing a surge in multifamily housing relative to traditional housing, capturing 58% of permits since 2015 versus the average historic average of 44%.
- The percentage of renters versus owners from 2010 to 2021 has increased in Oakland County.
- Housing vacancies have dropped significantly since 2010.
- The percentage of new multifamily housing permits as measured against total permits in Oakland County from 2000 to 2023 was 38%. From 2015–2023, the average is 50%.
- New multifamily housing permits as measured against total permits in Oakland County increased from 45% to 61% since 2015.
- Since 2019, Multifamily permits have outpaced Single Family Permits in Oakland County.

SMA

- Multifamily units as a percentage of total existing housing units in the SMA has increased since 2010.
- The percentage of renters versus owners from 2010 to 2021 has increased substantially in the SMA relative to the County.
- Housing vacancies have dropped significantly since 2010.
- The percentage of new multifamily housing permits as measured against total permits in the SMA from 2000 to 2023 was 58%. For the period of 2015-2023, the average is 66%.
- The percentage of new multifamily housing permits as measured against total permits in the SMA has increased from 47% to 82% since 2015.
- Since 2015, Multifamily permits have significantly outpaced Single-Family Permits in the SMA.
- An average of 300 housing units have been permitted in the SMA annually since 2000, from 57 in 2009 (the recession) to 736 in 2018.

PMA – Oak Park

- Multifamily units as a percentage of total existing housing units in Oak Park have decreased since 2010 as a result of demolitions.
- The percentage of renters versus owners from 2010 to 2021 has increased in Oak Park, reflective of market trends.
- Housing vacancies have dropped significantly since 2010 from 8% of total housing stock to 6%.
- Oak Park has averaged approximately 5 permits per year since 2000.
- Oak Park has permitted 5 times fewer permits per household than Southfield and 7.5 times fewer new permits than Berkley.
- Oak Park's permit history is indicative of a built out community, its relative school quality and the absence of a traditional downtown to induce new development.

CURRENT SUPPLY CONDITIONS

Multifamily Supply

Supply – New Construction

Construction of multifamily units in the SMA peaked in 2018 at nearly 250 units beginning construction and has since been in decline. **This is reflective of the increasing costs of capital and rapidly rising construction costs which have both contributed negatively to the feasibility of new projects.**

Construction Starts

Source: Costar

Under Construction

Source: Costar
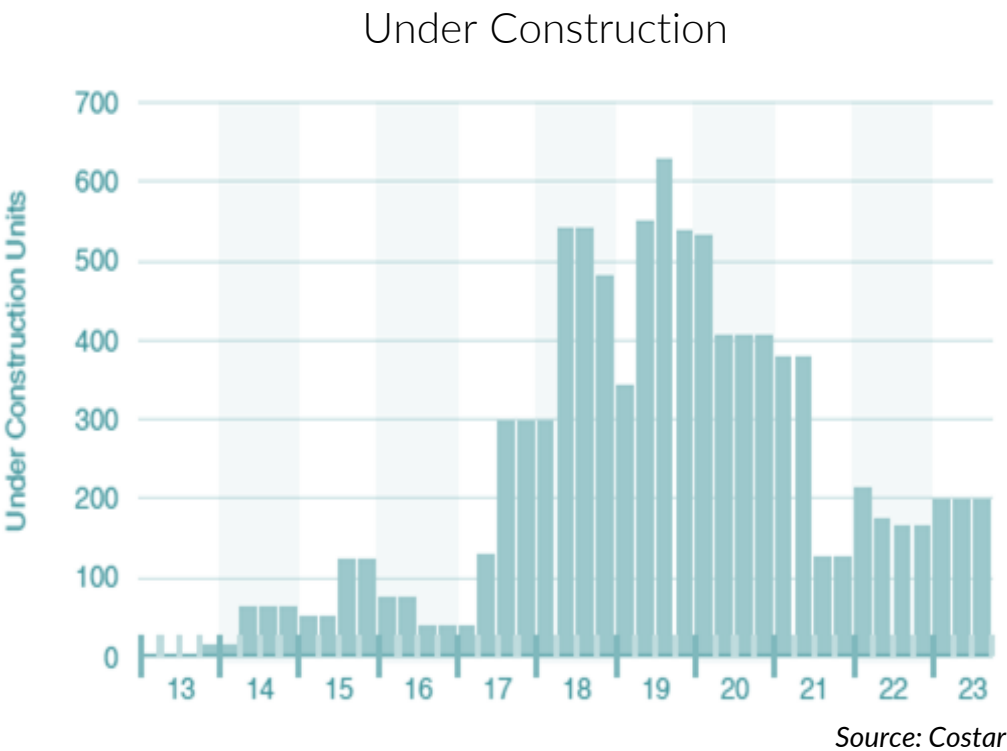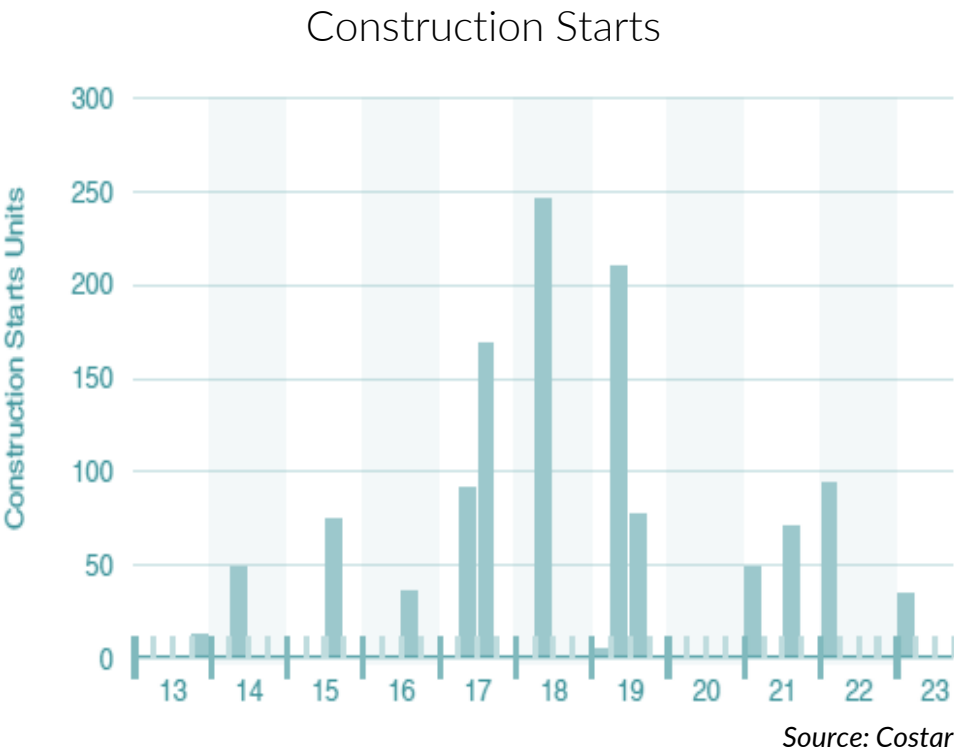
Supply – Future

The future supply in the SMA is estimated in the adjacent table and is segmented based upon rent expectations.

The estimate of future supply* consists of projects that are preparing to be brought to market, including those that have commenced the entitlement process and those under construction, but not yet for sale. No projects researched indicated they were offering for sale product.

	Affordable	Missing Middle	Market Rate	
Area Median Income (AMI) Ranges	0%	80%	120%+	
	80%	120%		*Annualized*
Annual Projected Pipeline (25% Net)	30	125	97	252
	12%	50%	38%	
Annual Projected Pipeline (50% Net)	43	153	122	316
	13%	48%	39%	

*The detail relating to these projects was gathered through various sources including PMR staff calls to the developer, the permitting municipality, Co-Star or similar real estate data sources. While generally believed reliable, the data from third party sources could only be partially validated with development sponsors. Data was gathered in the late summer through early fall of 2023.

CURRENT SUPPLY CONDITIONS

Multifamily Vacancy

Readily available sources forecast increases in vacancy for multifamily units in the SMA. *However, a review of the data identifies the following which suggest that vacancy as a benchmark metric requires careful analysis:*

- Average vacancy is not properly weighted for project size.

- Average vacancy includes projects, like senior housing, that are not comparable.

- Several high-end projects leading market pricing have high vacancy.

- Existing dated, poorly located and amenitized projects have high vacancy.

Well located projects priced to meet the broad market with walkable amenities and contemporary floor plans have absorbed and exhibit low vacancy. A full analysis of vacancy is described in section 2 of this report.

Multifamily Pricing

Asking rents for all existing and new multifamily units in the SMA are expected to increase at a steady rate. *This is reflective of the increasingly high rents required to make new development economic.*

Rent growth will increase at a slower rate but likely above inflation. *This reflects the expectation of ongoing potential demand for units in the SMA.*

Effective rent forecasts mirror asking rent. *This reflects the expectation of ongoing potential demand for units in the SMA and the lack of a need to discount rent to attract new lessees.*

Market Rent Per Unit & Rent Growth

Source: Costar

Asking rents in the market for newly built multifamily product (identified as those projects built since 2015) relative to all existing product are significantly higher. *This is reflective of potential demand for improved product, high rents required to make new development economic and is impacting affordability.*
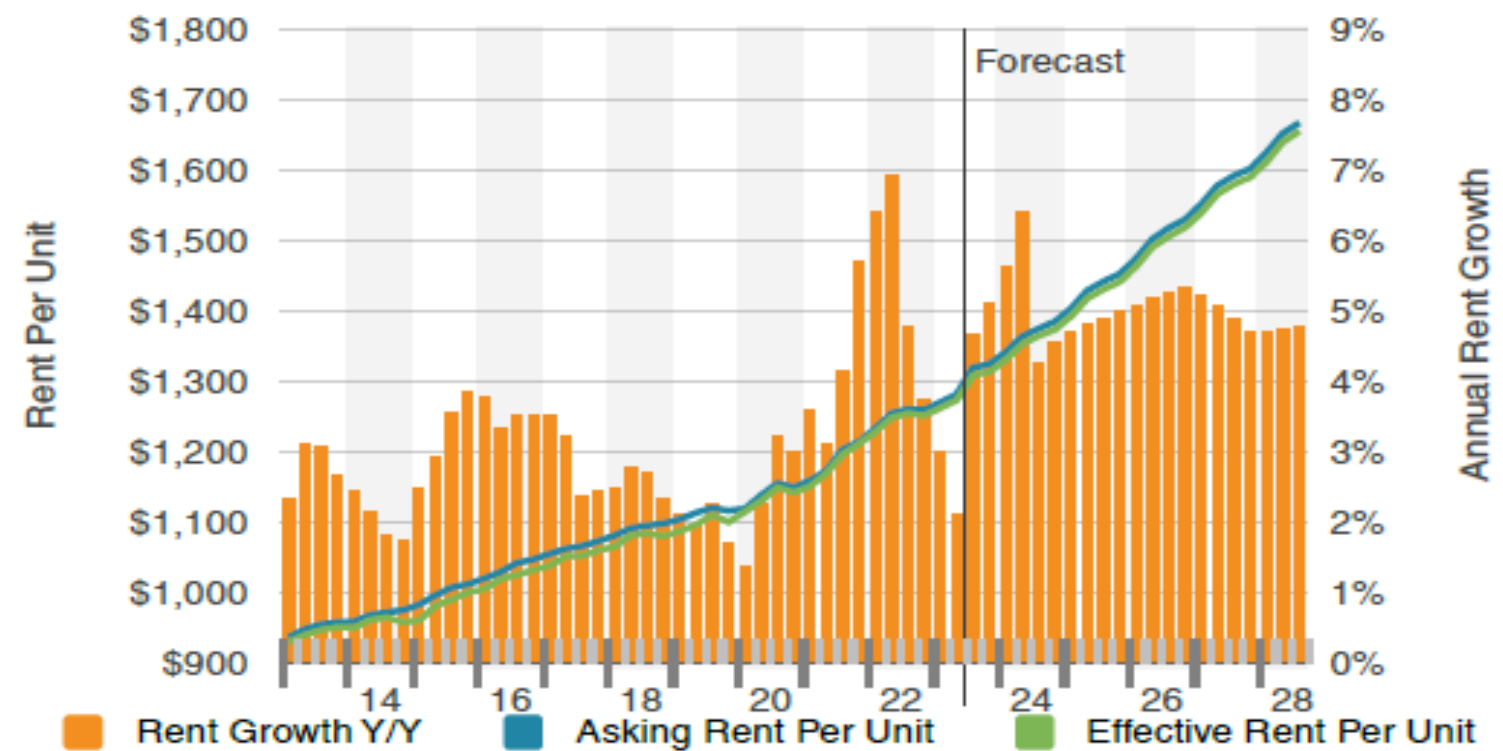
	All	Studio	One- Bed	Two- Bed	Three- Bed
Market Rents- All Residential	$1,375	$1,208	$1,198	$1,520	$2,395
Market Rents- 2015 and Newer	$1,897	$1,361	$2,143	$2,760	$2,631
Percentage Mark-Up for New Product	38%	13%	79%	82%	10%

CURRENT SUPPLY CONDITIONS

New For-Sale Residential Pricing in the PMA & SMA

Analyzing for sale residential product in PMA and SMA communities using MLS data identifies pricing differences between communities. Examining MLS sale comps, filtering to sales completed 2021-current and for homes built 2015-current isolates product that approximates what might be delivered at the subject site including construction standards and preferences, and reflective of current marking pricing conditions.

The 585 individual sale comps that fit this search criteria show that for sale product in Oak Park is priced at a discount relative to some SMA communities.

City	# Comps	Price PSF	Avg SF	Price Per SF to Oak Park
Southfield	18	$170.25	1,942	84%
Hazel Park	87	$188.40	1,521	93%
Royal Oak	307	$281.52	2,253	139%
Ferndale	58	$220.62	1,605	109%
Madison Heights	27	$181.17	1,697	90%
Berkley	80	$257.82	2,214	128%
Oak Park	8	$201.97	1,958	100%

New For-Rent Multifamily Residential Pricing in the PMA & SMA

Since 2015, there were approximately 76 new multifamily developments delivered consisting of 1,897 new units of rental multifamily housing in the SMA. The aggregate average unit size for these delivered units is 940 square feet and has an average asking rent of $2.28/foot

Unit Mix	Number	% of total	Average Rent	Average Unit Size (sf)	Average $/sf
Studio	322	17%	$1,360.93	537.24	$ 2.62
1-BR	663	35%	$2,143.11	775.00	$ 2.84
2-BR	731	39%	$2,759.59	1,228.34	$ 2.34
3-BR	149	8%	$2,630.92	1,720.58	$ 1.70

The pricing structure for existing multifamily rental product is less elastic than for sale product across the SMA. Higher achieved rents and low vacancy in neighboring Royal Oak and Ferndale may be driving up rental pricing in Oak Park.

All Product	All	Studio	1BR	2BR	3BR	% to OP
Royal Oak	$1,375	$1,208	$1,198	$1,520	$2,395	115%
Ferndale	$1,406	$1,725	$1,158	$1,989	$3,536	117%
Oak Park	$1,198	-	$1,010	$1,216	$1,572	-
Madison Heights	$1,030	$1,099	$1,036	$1,229	-	86%
Southfield	$1,244	$880	$1,052	$1,351	$1,750	104%
Hazel Park	$827	$482	$825	$901	$902	80%
Berkley	$1,251	$965	$1,264	$1,253	-	101%

RESIDENTIAL CONCLUSION

Multifamily Supply Conclusion

TODAY: Convergence of Long- and Short-Term Trends

Desire for urban lifestyle (walkability, entertainment) → Potential growing demand for multifamily housing → Social and political support → Trend of growth in multifamily housing → Increasing cost of capital / increasing construction costs → Housing supply shortages and affordability constraints → Growing strength of gap funding education and tools → Trend of growth in rental multifamily housing

County, SMA, and PMA Trends

Oakland County
- Urban centers are 58% of permits since 2015 versus the average historic average of 44% since 2000.
- Multifamily increasing as share of total housing permits since 2000, accelerated since 2015.

SMA
- Multifamily increased from 47% to 82% of permits since 2015.
- Rent vs. 0wn since 2010 is 4 to 1 favoring rentals. (This longer-term trend has been accelerated by short term conditions and has resulted in a lack of new for sale multifamily).
- Average rents for new product (built since 2015) are significantly higher.
- Supply - retreating from highs while the future potential supply appears healthy relative to historic permitting averages (~300/year) for the market.
- Vacancy of well positioned newly built multifamily rentals is minimal – demand has persisted despite short term headwinds.
- Supply - nearly half of projects in the entitlement phase, under construction, or available target those earning 120% or more of AMI.
- Rent versus Own – no for sale product was identified in the analysis of future supply, only rentals.

PMA
- The Nine is a 30-unit rental project opening soon - it is the only project in the pipeline
- Missing middle / workforce housing (80-120% AMI) is being politically called for and supported through new incentives.
- Nearly half of the immediately available or future multifamily product appears to meet this need. However, the majority of this is being offered at a single large-scale project still in the entitlement phase in Southfield at the former Northland Mall site.

Oak Park Supply History

- An average of 300 housing units have been permitted in the SMA annually since 2000, from a low of 57 in 2009 (the recession) to a high of 736 in 2018.
- Oak Park has averaged approximately 5 permits per year since 2000. This is dramatically below other communities in the SMA.
  - » Oak Park permitted 5 times fewer permits per household than Southfield and 7.5 times fewer new permits than Berkley.
- Oak Park's permit history is indicative of a built-out community, its relative school quality and the absence of a traditional downtown to induce new development.

CURRENT SUPPLY CONDITIONS

Retail Trade Market Area – The 5-minute Drive time from the Subject Area

CURRENT SUPPLY CONDITIONS
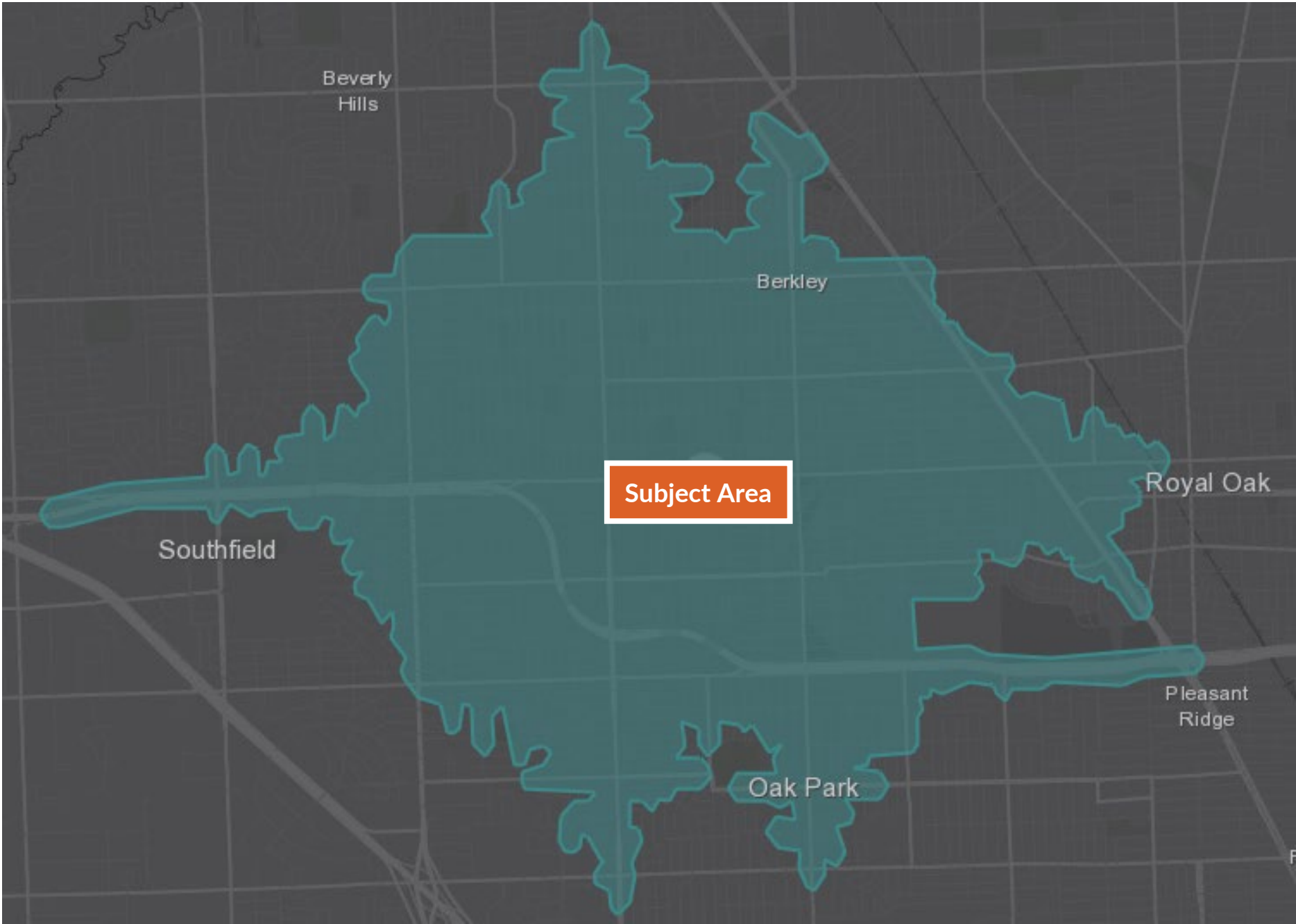
Retail Overview – The 5-minute Drive Time

29%
4%
4%
9%
6%
13%
8%
26%

Retail Market Area Retail Summary

- Home Improvement
- General Merchandise Stores
- Food Stores
- Auto Dealers & Gas Stations
- Apparel & Accessory Stores
- Furniture & Home Furnishings
- Eating & Drinking Places
- Miscellaneous Retail
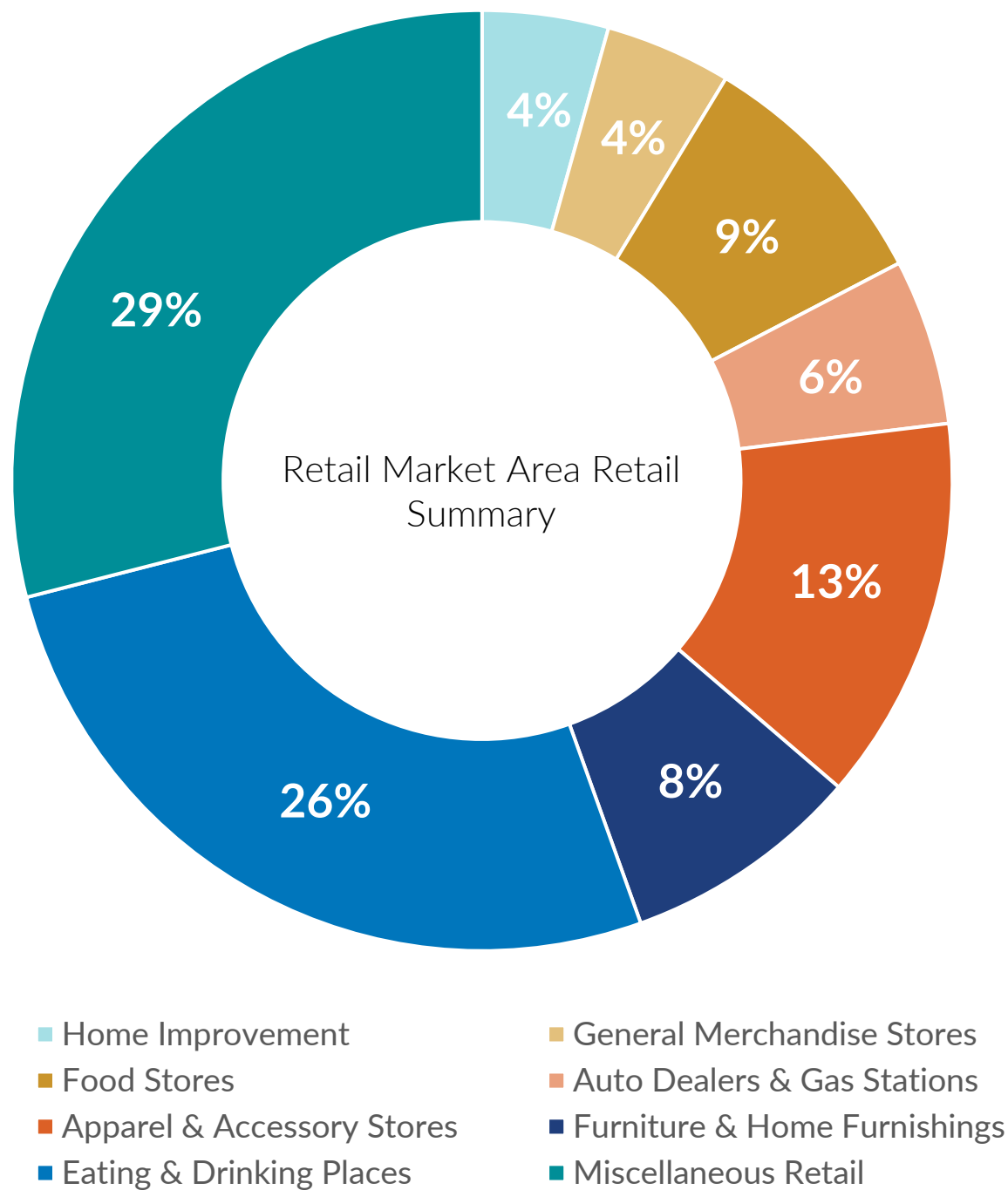
In the Retail Market Area there are 439 businesses. Of those 439, **19 are Home Improvement, 19 are General Merchandise Stores, 38 are Food Stores (Grocery), 25 are Auto Dealers & Gas Stations, 58 are Apparel and Accessory Stores, 36 are Home Furnishings, 116 are Eating and Drinking Places (restaurant), and 127 are Miscellaneous Retail.** This provides insight into where the market may be missing some opportunity for consumer spending.

Sample List of Establishments		
Miscellaneous *29% of Total*	**Eating and Drinking Places** *26% of Total*	**Apparel and Accessories** *13% of Total*
• Care Plus Pharmacy	• Little Caesars Pizza	• Citi Trends
• Silvia's Salon	• Savvy Sliders	• Shoe Rack Outlet
• Planet Fitness	• BT's Bakery Shop	• DTLR
• Skylar Laundromat	• Dog & Pony Show Brewing	• The Suit Depot
• Oak Park Barbers	• Oak Park Social	• Fancy Ladies Apparel
• Banks	• Domino's	• FKO Kids
• FedEx	• Dunkin' Donuts	
• Office Depot	• Starbucks	
	• Buena Fe Restaurant	

CURRENT SUPPLY CONDITIONS

Sample Retail Developments

The below establishments are some of the redevelopments between 11 Mile Road and 12 Mile Road. They have opened over the past 2 years and are indicative of the type of "newer" retail establishments in the area. Most of the new retail investment is non-national brand, low density, and adaptive reuse of existing buildings.

Eating & Drinking Places

Located on Coolidge Hwy
Berkley, MI

Furniture & Home Furnishings

Located on Coolidge Hwy
Berkley, MI

Miscellaneous Retail

Located on 11 Mile Rd
Oak Park, MI

Apparel & Accessories

Located on Twelve Mile Rd
Berkley, MI

CURRENT SUPPLY CONDITIONS

Retail Vacancy in the SMA

Absorption and Deliveries

Vacancy is forecasted to continue to decrease into next quarter before slowly increasing again. This occupancy is strong and has recovered by nearly 300 basis points from the 8% vacancy rate in 2021. This invites new retail to the area as absorption has remained positive and deliveries are minimal standing at zero deliveries in coming quarters and roughly 10K square feet projected to hit the market beginning 4Q24. **Please note the following page which demonstrates lower vacancy levels – approximately 3.6% - in the immediate surrounds of the subject area.**

Absorption, Net Deliveries, & Vacancy
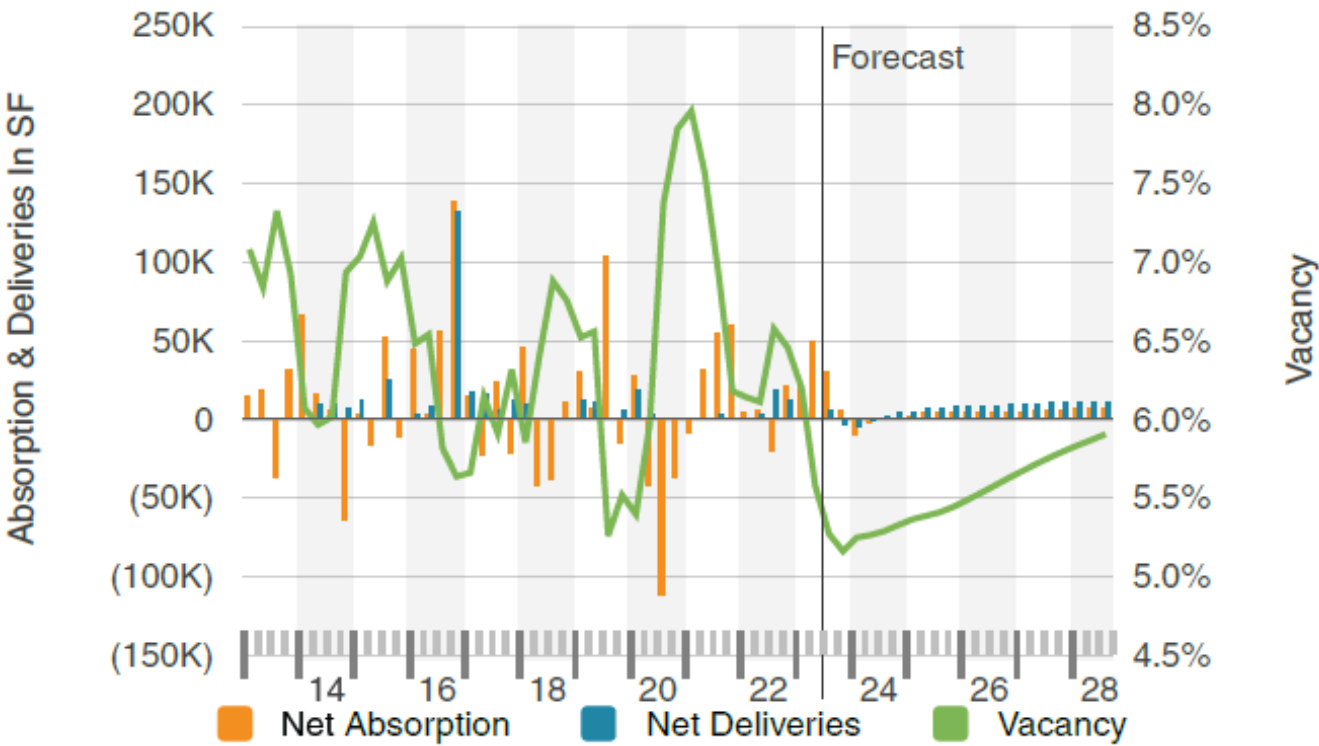
Vacancy & Market Asking Rent Per SF

CURRENT SUPPLY CONDITIONS
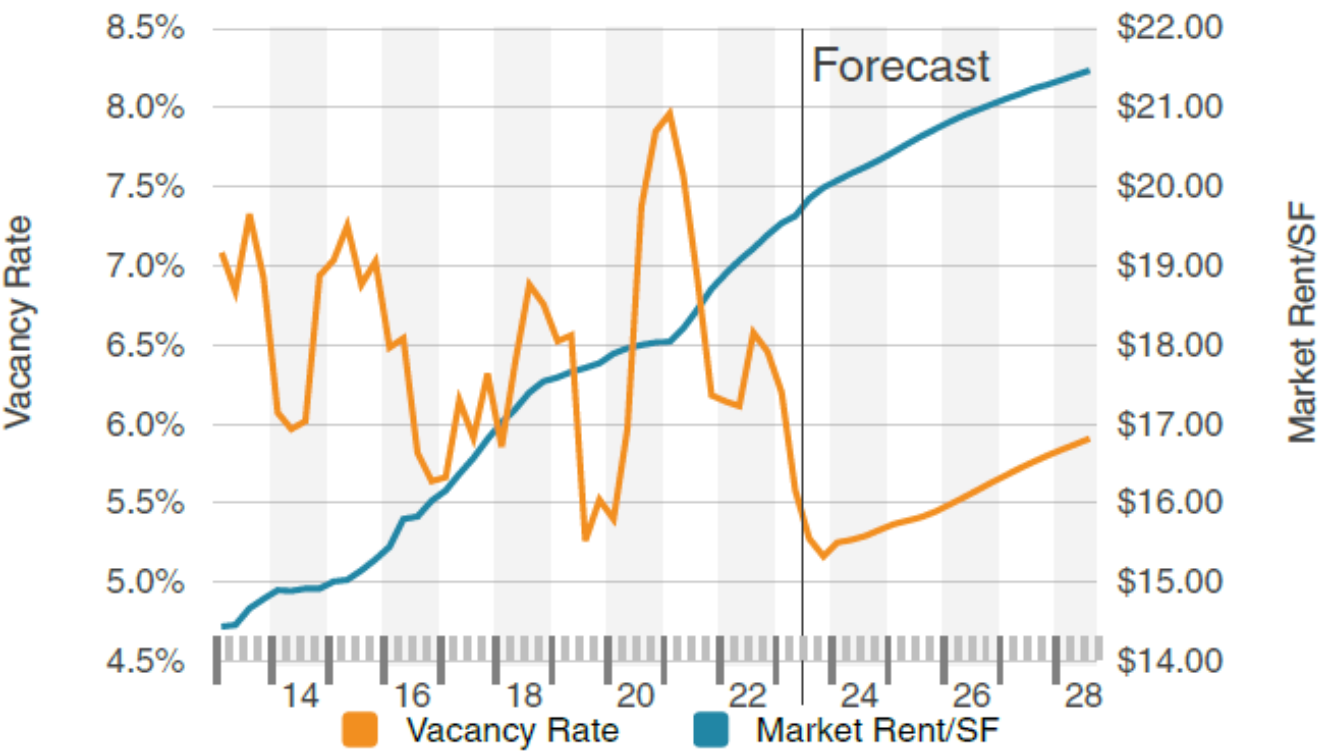
Vacancy within Immediate Vicinity North of Subject Area:

Subject Area

	Retail
1	For Lease- 8,657 SF
	Rent withheld (est. $12-15/ SF)

	Industrial Property, 18,399 SF
2	For Sale- $920,000
	For Lease- $7.25 NNN/ SF

	Light Industrial
3	For Lease- 4,861 SF
	Rent withheld (est. $8-10/ SF)

	Light Industrial
4	For Lease- 1,200 SF
	Rent withheld (est. $12-14/ SF)

	Retail
5	For Lease- 6,873 SF
	Rent withheld (est. $14/ SF)

	Retail
6	For Lease- 3,744 SF
	Rent withheld (est. $18/ SF)

	Retail
7	For Lease- 5,519 SF
	Rent withheld (est. $18-22/ SF)

Retail Total Available:	Other Total Available:
24,793 SF	**24,460 SF**

The immediate vicinity surrounding the subject area (11- Mile) encompasses properties in Southfield, Berkley, and Oak Park. The total **retail** square footage is approximately 682,000 SF. The total available as noted to the right and indicates **vacancy to be about 3.6%.**

CURRENT SUPPLY CONDITIONS

Retail Rents in the SMA

Rents and Rent Growth

There is a current rent growth spike occurring although growth has been consistently tracking down since 1Q22. Historically, market and asking rents have not been aligned as asking rents have been lower than market. However. A change in 2020 sparked the ongoing alignment seen in the market of asking and market rents being equal and strong.

Market Rent & Asking Rent Per SF

Market Rent Growth (YOY)

Source: Costar

CURRENT SUPPLY CONDITIONS
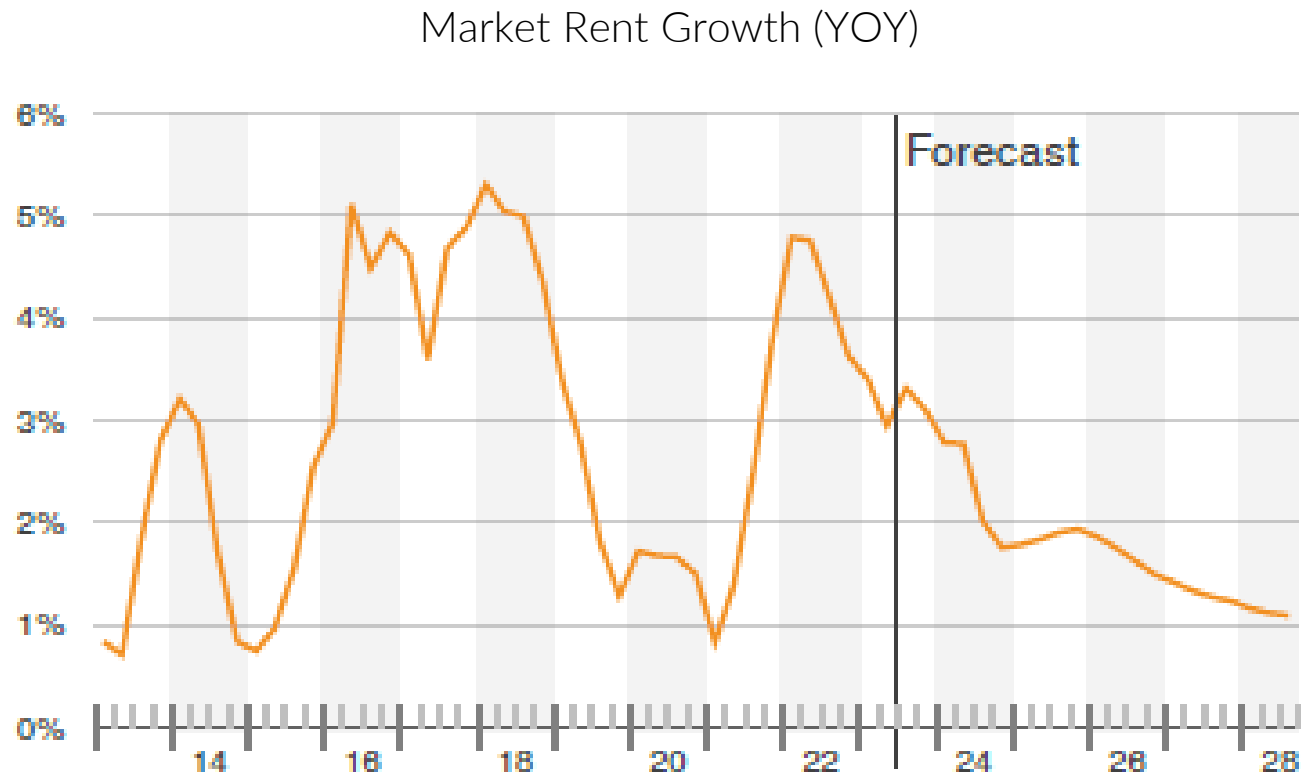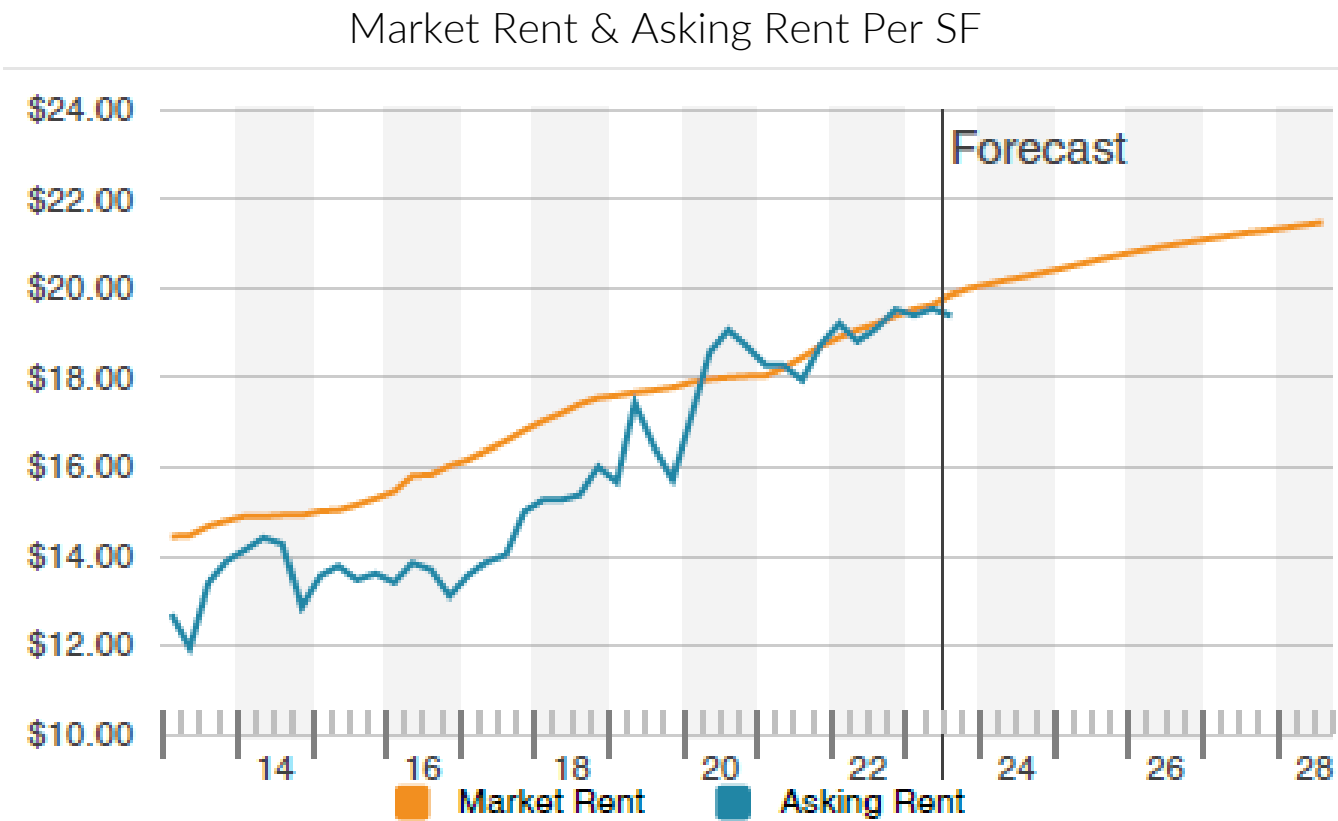
Traffic Counts for the 11 Mile Road Corridor in Oak Park

Road	Average Daily Vehicle Traffic (2022)
11 Mile @ Greenfield	17,218
11 Mile @ Coolidge	20,835
Coolidge @ 11 Mile	33,830
Greenfield @ 11 Mile	40,161

Traffic volumes in Oak Park follow normal weekday commuting patterns. Morning rush is more evenly distributed with the afternoon rush concentrated around the 4pm bands. Peak east/west traffic flowing through the Downtown is about 20,000 cars. North/South traffic along Greenfield and Coolidge roads are approximately double East/West traffic, as many commuters come from the residential neighborhoods to the north towards I-696, a mile south of the downtown as a major regional East/West highway. Most residential neighborhood streets near downtown average under 1,000 vehicles per day.

CURRENT SUPPLY
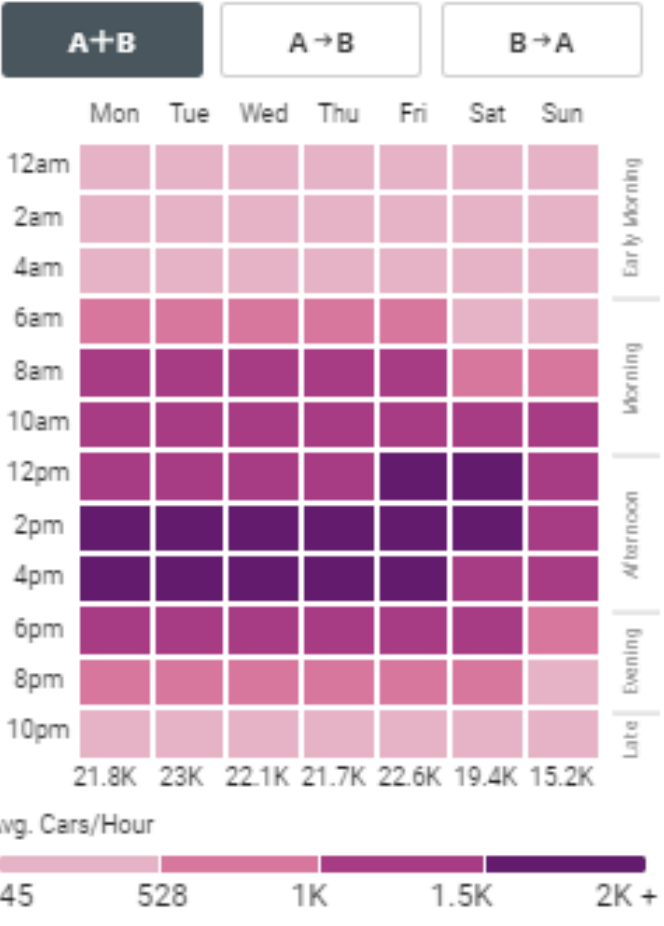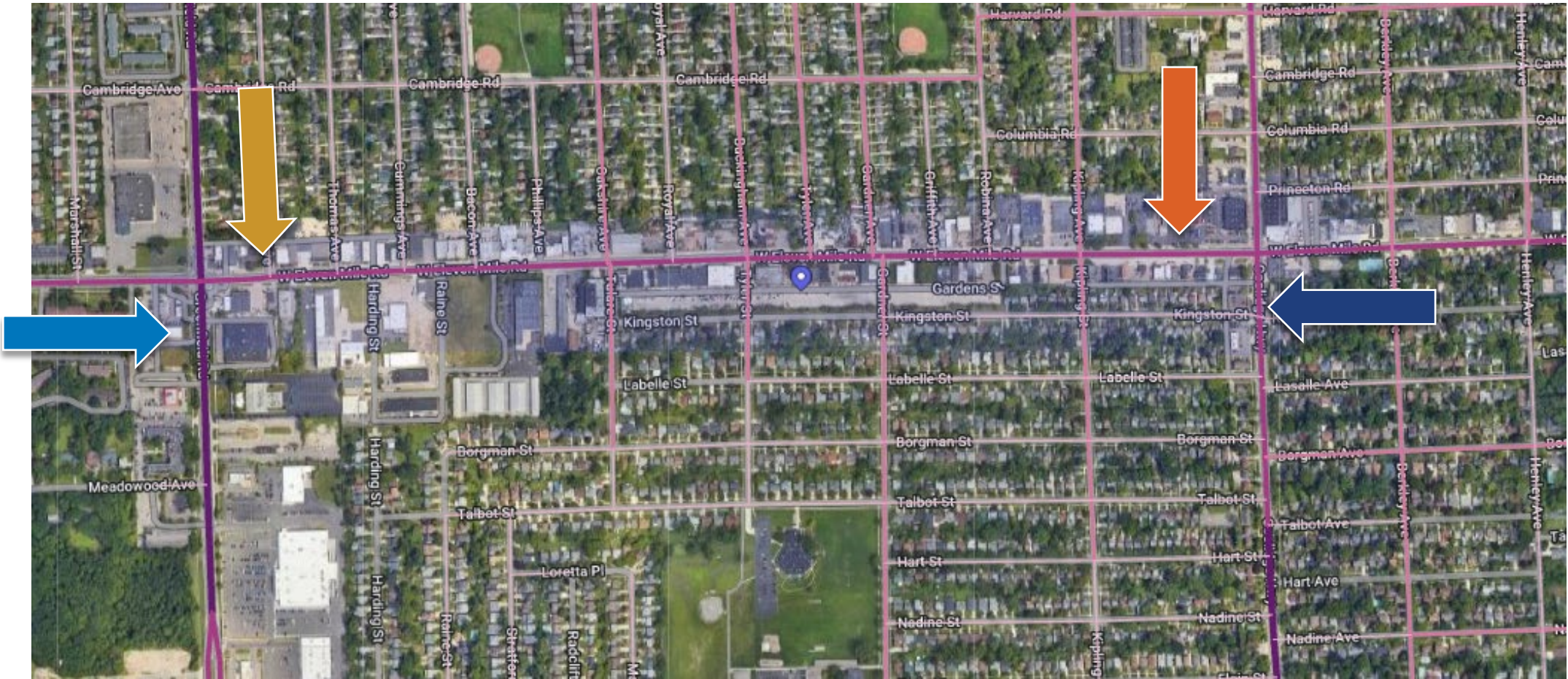
Visitor Counts to the Oak Park 11 Mile Road Corridor

In 2022, 209,100 unique individuals visited Downtown Oak Park. The PMA is a destination for those in the neighborhood:

- 30.1% of all visits to the study area were from less than 1 mile away

- 77% of all visits to Oak park originate from less than 10 miles

- 8.3% of visits to Oak Park originate from more than 30 miles away

Visitor Counts by Year
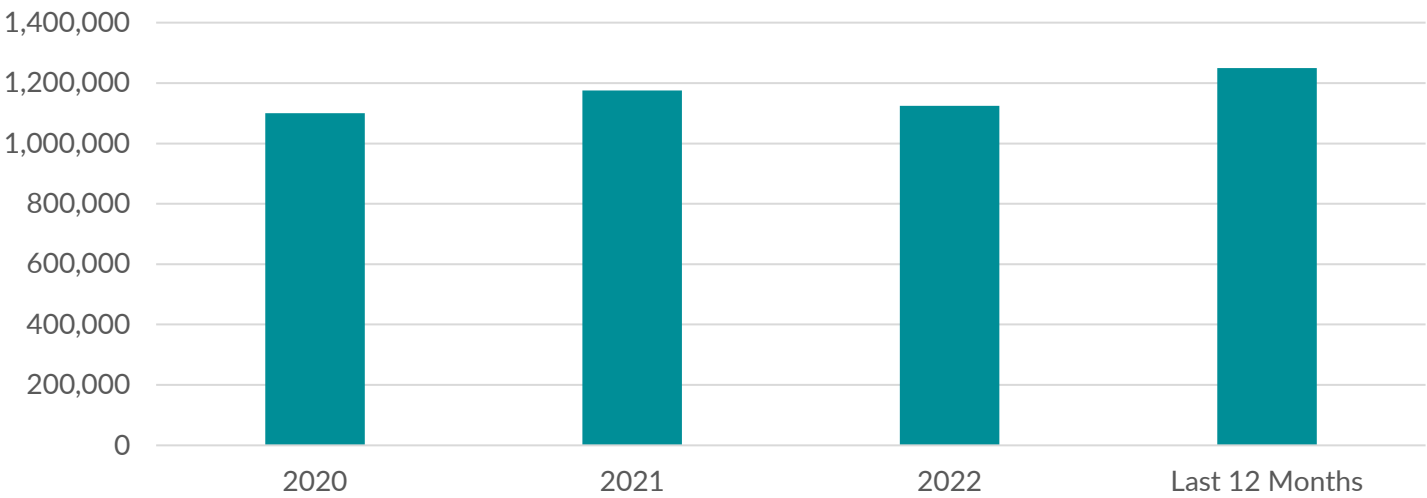
Heatmap for where individuals who visited Downtown Oak Park live:

CURRENT SUPPLY CONDITIONS
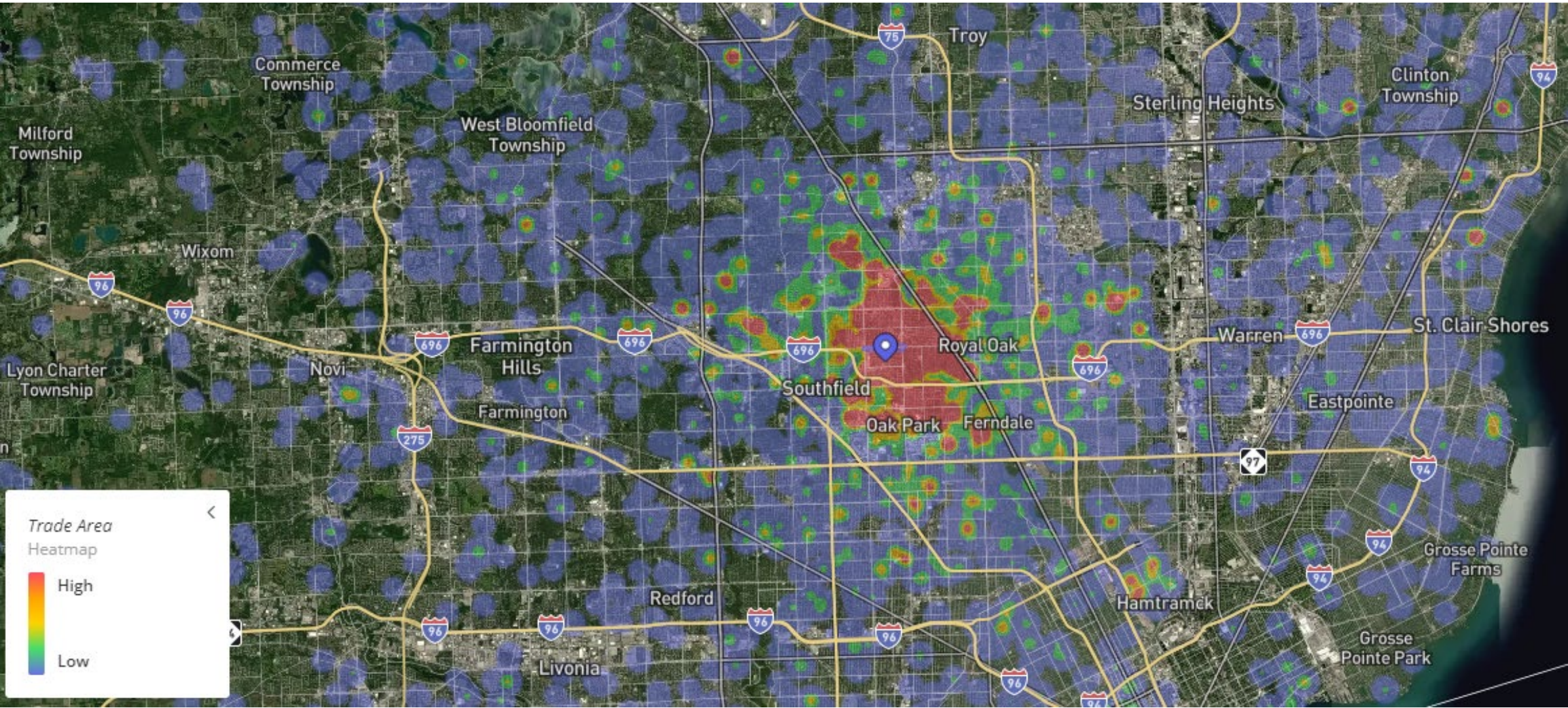
The 11 Mile Road Corridor

The 11 mile road corridor in Oak Park closely aligns with nearby competing downtowns of Royal Oak and Ferndale. Visits, unique visitors, and the geography they draw from are much higher in Royal Oak and Ferndale than Oak Park. Dwell times are more consistent across communities. Royal Oak and Ferndale draw a younger audience than Oak Park.
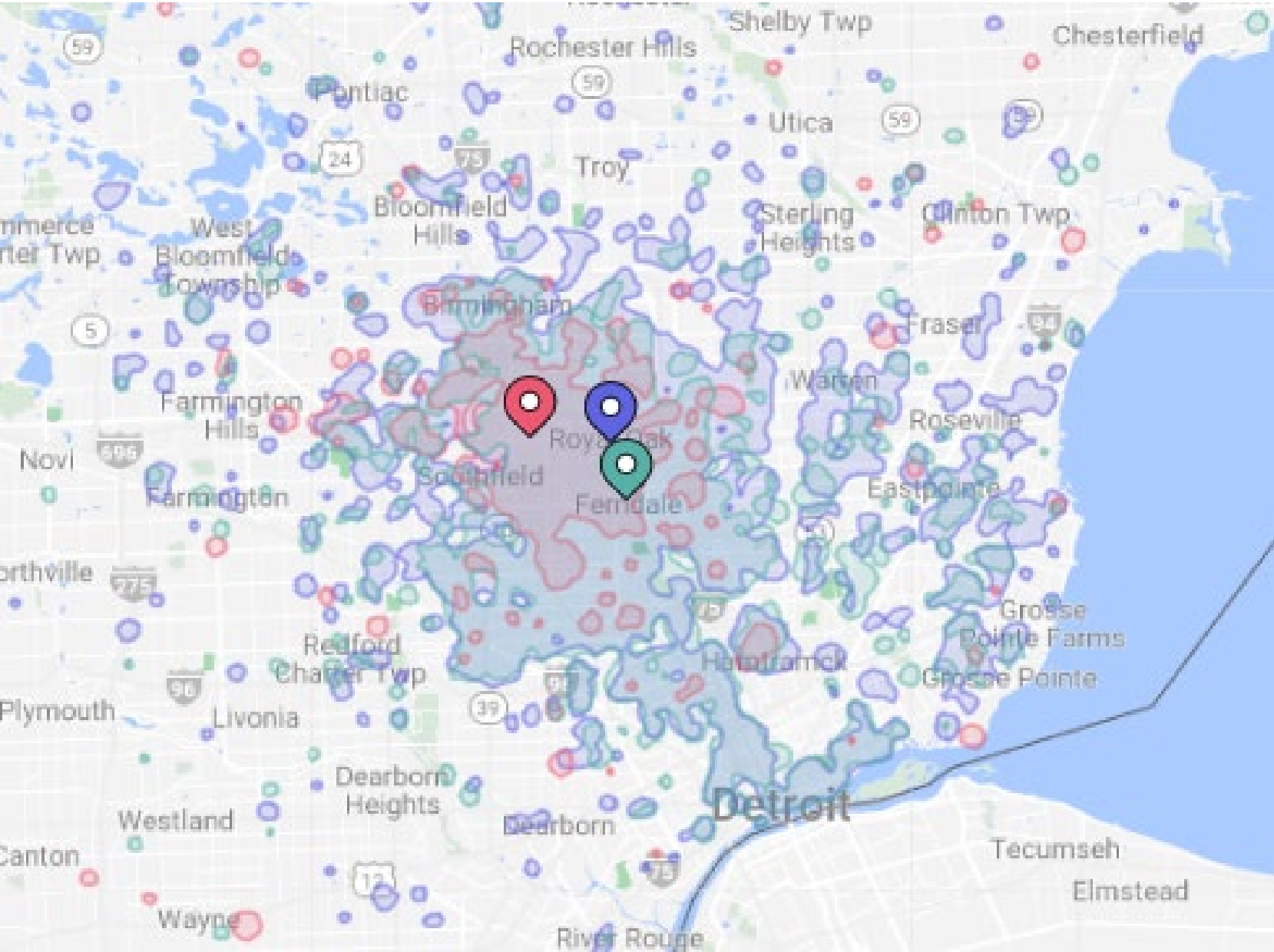
	Royal Oak	Oak Park	Ferndale
Visits	7.4M	857.4K	4.3M
Unique Visitors	1.6M	207.4K	1.0M
Visit Frequency	4.67	4.13	4.25
Avg. Dwell Time	145 min	111 min	118 min
Visits YoY Growth %	17.9	0.9	12.6
Median Age	38.4	40.8	38.2
Median Length of Stay	86 minutes	38 minutes	61 minutes

Oak Park
Total Trade Area **48.24** sq mi
Overlapping Area **87.2%**

Ferndale
Total Trade Area **134.49** sq mi
Overlapping Area **84.1%**

Royal Oak
Total Trade Area **194.73** sq mi
Overlapping Area **60.6%**

36.65 sq mi
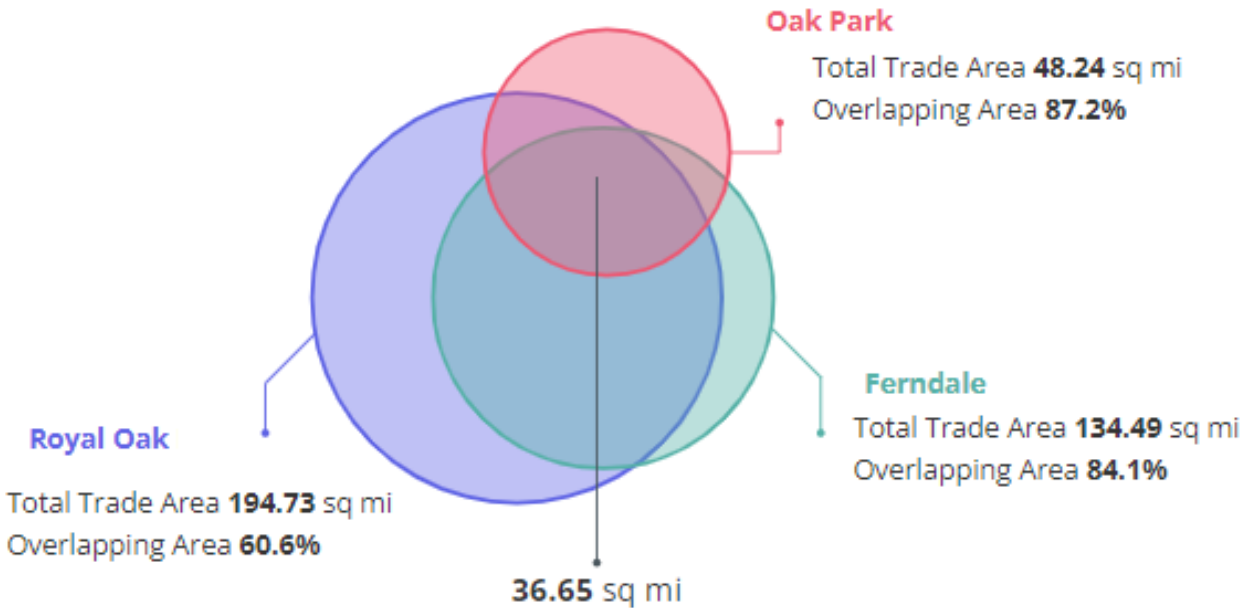
Peer City Visitor Data

Oak Park has a smaller market share of visitors at any given time or day compared to Ferndale and Royal Oak, but remains more consistent, fluctuating less on time of day and day of week.

Hourly Visits

Daily Visits
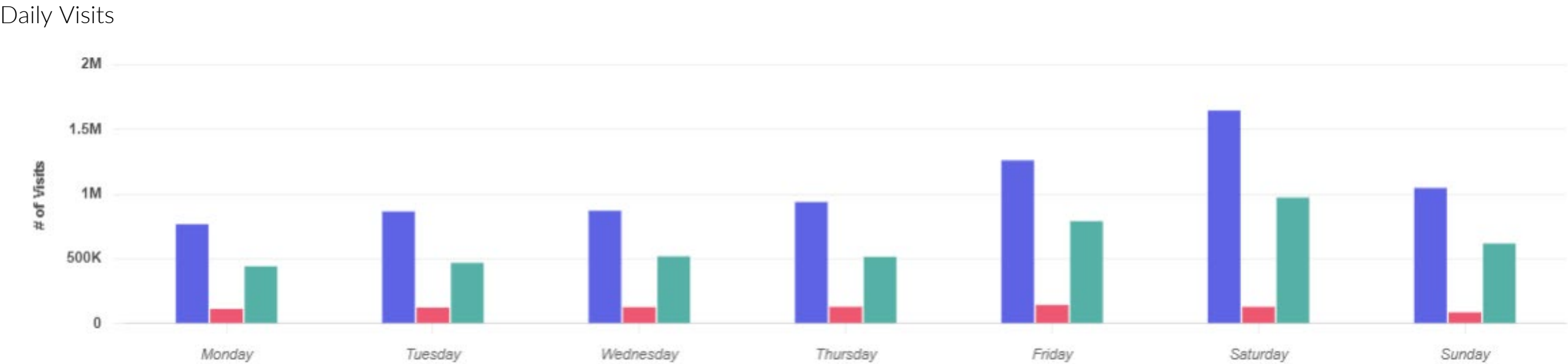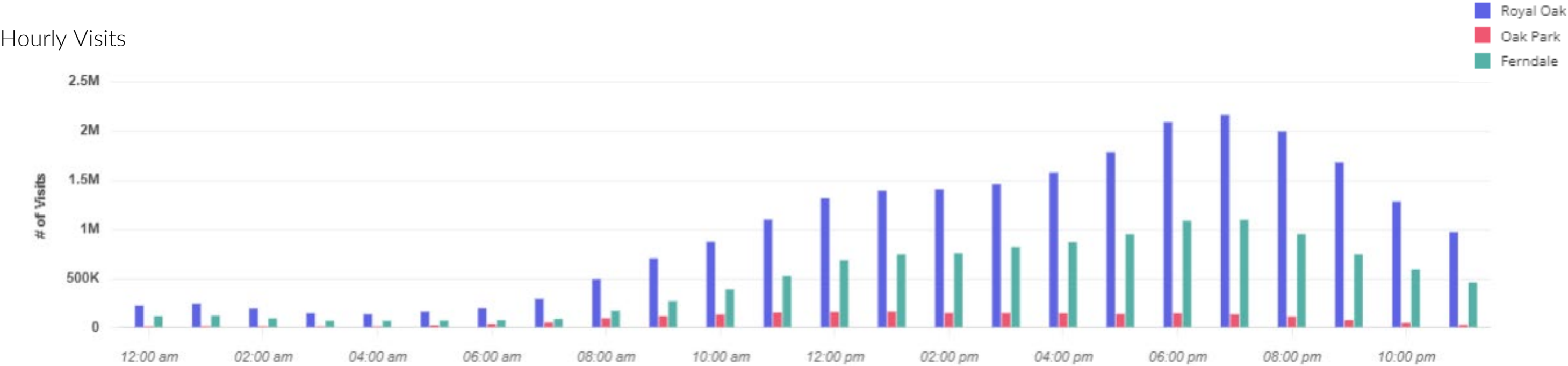
Retail Supply Conclusion

The Retail Market Area, a 5- Minute Drive radius from the subject area, provides a retail footprint large enough to satisfy a majority of the potential demand for local retail. Opportunities to further solidify existing gaps within the market remain.

Retail Overview and Recent Developments

In the Retail Market Area there are 439 businesses. Of those 439 the three highest categories are **Miscellaneous Retail with 127 businesses, Eating and Drinking Places (restaurant) with 116 businesses, and Apparel and Accessory Stores with 58 businesses.**

Vacancy and Rents

SMA and PMA vacancy is low which indicates the market is ready to sustain new supply. This is also backed by regional increases in population density and household income growth, which combined lead to more discretionary spending and dollars available for retail. With vacancy at 3.6%, the immediate vicinity surrounding the subject area is lower than the market. The market expects to see vacancy continue to decrease slightly to just above 5% and then once again increase.

Despite low vacancy, **current market** rents for retail in Oak Park are below neighboring communities. The low market rents create an economic barrier that is unfavorable for the development of new retail construction on 11- Mile. As it relates to the market, rents within the immediate vicinity of the subject area are lower than what the market is projecting.

Tracking Consumer Visits

The analysis of consumer foot traffic and consumer spending highlight a few important takeaways:

- Average daily traffic counts along the 11 Mile corridor are comparable to other neighboring retail corridors and are potentially sufficient enough to support new retail growth as evidenced by the redeveloped existing sites. The 11 Mile Road corridor offers an opportunity to create a critical mass of retail density. The subject area is on a highly trafficked strip which provides for great visibility of existing and new retailers. Visitor counts have increased since last year.

- The overwhelming majority of support for local retail in Oak Park comes from within the community itself, and from the south. New local retail is unlikely to draw foot traffic from the north or across Woodward.

- Some Oak Park residents drive foot traffic to businesses in other communities, highlighting that the quantity or quality of retail in their neighborhood is insufficient for community needs.

- The audience which Oak Park is capturing, both in local and destination retail is far smaller than the neighboring communities of Royal Oak and Ferndale. Winning even a small percentage of market share from surrounding communities would result in large gains for Oak Park.

- Other communities have had success in bringing new visitors and spending through successful destination retail, Oak Park can bolster its local retail utilization and footprint through successful destination retail implementation. Destination retail is an opportunity for growth to retain more local spending from residents and better attract spending and visitors from neighboring communities.

CURRENT SUPPLY CONDITIONS

Oak Park

Potential Market for Residential Housing

Methodology for determining potential residential demand

Using real world local & regional values to estimate demand

The strength of this residential study is that it gathers historical and timely input variables directly from the community and region. These community metrics, specific to the primary study area and the region around it, guide the intuitive model to generating an output. **No qualitative assumptions or blanket quantitative adjustments are made to alter what the output 'should' look like**.

Using this methodology, the study results are intuitive: forecasts in potential residential housing demand are driven entirely by factors such as supply of residents, proximity to employment opportunities, housing affordability, commuting patterns, school quality and public safety. These common-sense, real-world metrics, which drive individual choices (or lack of access to choices) on housing, produce outcomes that can be expressed numerically through study-area to regional benchmarking.

There are limitations to the quantitative criteria used to understand potential demand. The factors measured are not exhaustive and reflect consumer preferences which change over time. Additionally, not every factor that is measured is of importance to each potential resident (i.e., home seekers without school aged children are less likely to have quality of schools as a factor for their location decision). **These numerical outputs should only be considered a guide.** Numerous other intangible, qualitative and hard to quantify metrics also drive change within our communities.

Consumer choices are also limited by economic constraints. Macroeconomic trends such as rising interest rates, public policy failures such as subprime lending, the foreclosure crisis and other unpredictable global events (the impact of the coronavirus pandemic disrupting patterns on where individuals physically work and live) add uncertainty to the model.

In summary, the **quantitative metrics utilized cannot predict individual behavior**; however, **applying them to a populus allows trends of a populus to emerge** in a region of study.

SECTION 2: Outline

2

POTENTIAL MARKET FOR RESIDENTIAL HOUSING

SUPPLY EQUILIBRIUM (VACANCY AND REPLACEMENT HOUSING DATA)

MARKET SUPPORT (CAPTURE OF COMMUTERS BASED ON AREA ATTRACTIVENESS)

HOUSEHOLD GROWTH

FUTURE SUPPLY
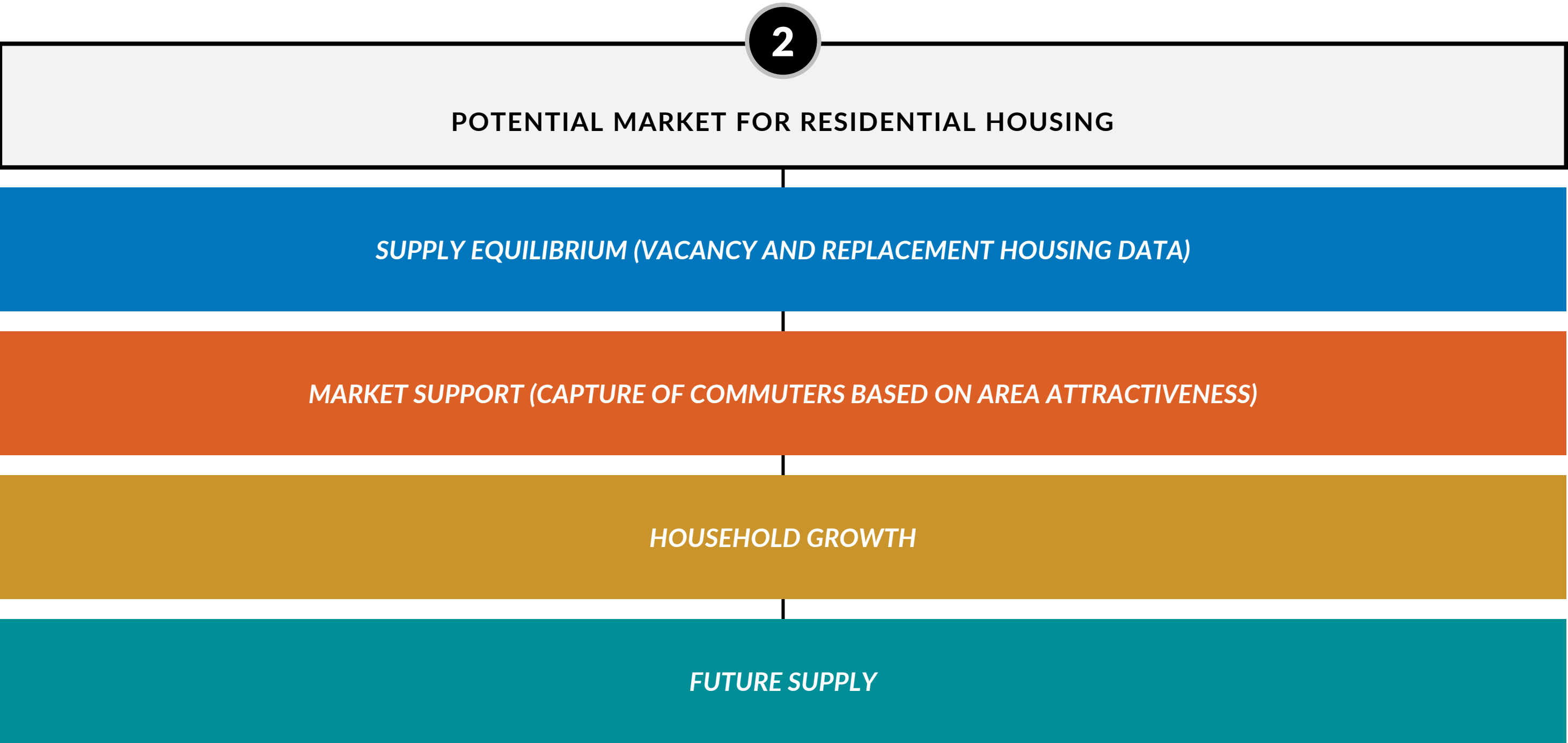
Quantifying the variables driving residential demand

Total potential residential demand is a function of current unmet need + future unmet demand

A further breakout of the variables used to calculate these categories is shown on the following pages

CURRENT DEMAND

SUPPLY EQUILIBRIUM — Benchmarks against regional and county averages related to vacancy and replacement housing and calculates the units needed to bring the PMA or SMA in line with those benchmark areas

Vacancy — Supply constraints within a market related to vacancy

Replacement Housing — As houses age or are not properly maintained, the need to build replacement housing to keep the overall household counts unchanged arises

+

MARKET SUPPORT — Measures potential housing demand from outside the market area (SMA/PMA) based on the attractiveness of the market area compared to the region and county, using commuters as the basis

=

1 CURRENT POTENTIAL UNMET DEMAND — The sum of these two categories solves for the number of new residences a community might sustain **today above and beyond the current housing supply**

FUTURE DEMAND

HOUSEHOLD GROWTH

−

FUTURE SUPPLY

=

2 FUTURE POTENTIAL UNMET DEMAND — To account for future demand the model makes a five-year household projection based off the population changes, migration and immigration, and deducts a portion of identified Future Supply (projects not yet on the market).

TOTAL POTENTIAL UNMET DEMAND = **1** **+** **2**

OVERALL UNITS NEEDED (OVER NEXT 5 YEARS) — **Current Unmet Demand + Future Unmet Demand**

Supply Equilibrium: *Vacancy Data*

Stabilizing vacancy to the MSA

Residential vacancy* is calculated using the number of total vacant housing units, divided by the total number of housing units in the market. Vacancy is calculated agnostic of housing characteristics (rent vs own, single vs. multifamily). The total number of housing units in the market represents the supply side of housing, while the total number of units vacant is based upon potential demand.

Pockets of variance in vacancy naturally occur in communities across a region. Factors such as affordability, crime, proximity to jobs or other amenities, and even perception all influence demand on a micro-level scale. Looking at vacancy *at a* more macro-level, in this case the Detroit MSA average, perspective gives a better estimation of what an equilibrium vacancy rate would be for the market.

Individual vacancy rates in communities are either lower (under-supplied) or higher (over-supplied) relative to the regional/MSA also referred to as the market equilibrium vacancy rate.

Calculating vacancy driven demand for housing in the study involves adjusting the number of available household units (supply) in order to bring the demand to supply ratio in line with the Detroit MSA average **which was 8.6% as opposed to the PMA at 6.5% and the SMA at 6.3%.**

The calculation is derived from the variables noted in the table below:

SUPPLY EQUILIBRIUM	
Vacancy	2022 Housing Supply
	✖ Market Equilibrium Vacancy* Rate for the Detroit MSA – 8.6%
	＝ **Expected PMA/SMA Vacant Housing Units based on Assumed Market Equilibrium Vacancy Rate** ❶
	2022 Housing Supply
	✖ Approximate Vacancy* % for the PMA / SMA – 6.5% / 6.3%
	＝ **Approximate Vacant Housing Units in the PMA / SMA** ❷
	＝ ❶ − ❷ **The difference between the above represents units needed or a potential supply shortage for the PMA/SMA to reach equilibrium with the market equilibrium vacancy rate (Detroit MSA average)**

UNITS NEEDED FOR A BALANCED MARKET

Supply Equilibrium: *Vacancy*

Additional Support from market research and analysis

In the analysis of potential support for the proposed residential project, vacancy was broadly assessed for the PMA, SMA and Detroit MSA. Relative vacancy was identified in order to determine whether the PMA was noticeably different than the surrounding markets. It is generally assumed that some level of vacancy is reasonable and supportable. The conclusion, shown through analysis on the previous page, is that the market has lower vacancy than what might be reasonably expected. Subsequently, at a very high level, there may be support for additional housing which when built would better align the PMA vacancy with that of surrounding markets.

The conclusion that lower-than-average market vacancy is an indicator of a supply constraint can be further supported by factors which suggest that existing average vacancy levels pulled from our data sources for the SMA and PMA to estimate potential support may be conservative. Support for this conclusion is based upon two factors:

- Research of specific projects in the market and drivers of their individual vacancy levels.

  » Average vacancy levels taken broadly across a market can be distorted based upon outliers which exemplify unusually high or low vacancy. While an exhaustive analysis of comparables was not within the scope of this study we reviewed several existing projects. Many recently built comparable multifamily projects in the market area with walkable amenities like those for the prospective site exhibited vacancy levels below those averages found for the broad market.

- Based upon development in the SMA, **the PMA or Oak Park may be supply constrained**.

  » As noted elsewhere in the report, Oak Park is an infill market meaning parcels for development are not readily available. Additionally, Oak Park has been passed up for neighboring Woodward corridor communities with more developed downtowns. This is evident in the permitting trends presented. Trends favoring urban living environments, the relative cost of property and units sold in high demand neighboring SMA communities along with escalating costs for ownership all warrant potential support for properly positioned development in Oak Park, but it has yet to be built.

ICON on Main in Royal Oak, MI
Currently experiencing 3% vacancy

42 West in Southfield, MI
Currently experiencing 1% vacancy

409 on Nine in Ferndale, MI
Currently experiencing 2.5% vacancy

UNITS NEEDED FOR A BALANCED MARKET

Supply Equilibrium: *Replacement Housing*

New households needed to replace obsolete existing housing

The potential demand for new housing can also be influenced by the magnitude of replacement housing needs in a community. As houses age or are not properly maintained, the need to build replacement housing to keep the overall household counts unchanged arises.

The calculation for the number of replacement housing is based on three criteria:

1. The rate of demolition permits granted in Oakland County

2. The age of the housing stock in the PMA / SMA relative to Oakland County

3. The ability to provide the resources required to properly maintain a housing structure based on household incomes relative to Oakland County

The formulaic calculation for the number of replacement households needed to replace obsolete housing is:

Macro-demolition rate x **Relative age of the housing stock** x **Relative household incomes**

SUPPLY EQUILIBRIUM	
Replacement Housing	2022 Housing Supply
	✖ Substandard % (County Demolition Rate x Age Factor x Income Factor)
	= **Replacement Housing**

UNITS NEEDED FOR A BALANCED MARKET

Market Support

Individual decisions to move result from several independent community factors

Every day, in communities of all types, residents move. The reasoning behind relocation varies from individual to individual – it could be a new job, a change in household status (marriage, children, empty nesters), a change in economic status, a lack-of or desire-for public safety, or many other factors. Natural migration in and out of a community is captured through the forecast in household growth which is based upon historical trends. In order to augment this natural migration, communities must compete on a regional and local level for new residents. This analysis is calculated using commuters as the base metric to understand this potential additional migration.

Why commuters?

Commuters into a market represent a potential source of prospective demand and, if new housing is created aligning with their needs, they may migrate to the market area. While commuters are not the only source of prospective demand, two qualities make them unique and as a result a fair quantitative measure of potential sources that may contribute to demand:

    1) Their numbers are measurable, and;

    2) It is not unreasonable to assume they might prefer to live close to work

Estimating the net impact of commuters as a prospective source of potential housing demand is done using the following variables:

COMMUTERS	• Total number of inbound commuters by income • Total number of outbound commuters
***RESIDENT* TURNOVER RATE** *How often residents in a given area move*	• Defined as the percentage of households in the PMA & SMA that change to a new physical address each year
RIGHT TO WIN CAPTURE RATE *Composite of the following characteristics that measures an areas "attractiveness" for residents looking for a new home:*	• Community Affordability relative to Oakland County • Employment opportunities relative to Detroit MSA / Region • Public Safety relative to Oakland County • Quality of schools relative to Oakland County

Overall Market Support: Potential Commuter Movement Into Community – Potential Commuter Movement Out Of Community

• This formula measures potential housing demand from the SMA and PMA based on the attractiveness of the market area compared to the county and region using commuters as the basis.

• The result is the overall potential demand driven by external market support. Attractive communities have an enhanced likelihood of attracting a new resident relative to the region. Less desirable communities have a disadvantage relative to the benchmark areas.

EXTERNAL MARKET SUPPORT

Market Support

Mathematically, the expected formula for market support is:

[Number of Inbound Commuters] x [Resident Turnover Rate] x [Right to win Capture Rate] –[Number of Outbound Commuters] x [Resident Turnover Rate] x [1 – Right to Win Capture Rate]

MARKET SUPPORT
Number of Inbound **commuters**
✕ Resident turnover rate
✕ Right to win capture rate
= POTENTIAL COMMUTER MOVEMENT INTO COMMUNITY ❶
Number of Outbound **commuters**
✕ Resident turnover rate
✕ Right to win capture rate **inverse**
= POTENTIAL COMMUTER MOVEMENT OUT OF COMMUNITY ❷
❶ – ❷ = MARKET SUPPORT

Household Growth

Household growth is defined as the net change in population based on births and deaths projected for the area, then adjusted for the projected population moving into the area minus the population expected to leave the area, and finally this net change in population is converted to a projected change in total households based on the projected household size for the relevant area. The projections used only look out five-years because projections over longer periods are less accurate than short-term projections due to the compounding effects of inaccuracies in assumptions over time.

This metric allows us to analyze "future potential demand" or "new potential households" that are predicted to be present in the market area due to births, deaths and net migration.

Household growth data for the market area from 2022 to 2027 was collected from Experian. Experian is one of the largest demographers in the United States and is responsible for preparing these projections based on census and American Community Survey (ACS) data.

The limitation related to this projection is that it does not take into consideration the migration induced by, for example, a new residential project, economic development efforts or the outmigration due to a major one-time event (i.e., a business closing).

HOUSEHOLD GROWTH
2027 Households
▬ 2022 Households
▬ **New Households**

HOUSEHOLD GROWTH

Future Supply

Future Supply – Definition

Future supply of new housing is a guide for consideration in whether a project built on the subject site will experience demand and at what level. The future supply is fluid and largely regulated only by the availability of space, zoning restrictions, the entitlement process and economics. Further complicating its predictability as an absolute number is understanding its relevance as compared to where competitive development might occur and what its characteristics will be. Location, pricing and physical characteristics, to name only a few, are based upon individual buyer needs and preferences. Keeping the above in mind, an approach to understanding this guide's impact on demand for a project should include both qualitative and quantitative considerations. The detail relating to these projects was gathered through various sources including PMR staff calls to the developer, the permitting municipality, Co-Star or similar real estate data sources.

Quantifiable new housing data reviewed to help identify possible Future Supply in the market is described best as:

FUTURE SUPPLY
Projects in the Entitlement Process
✕ 50 % (Estimated Success Rate of Project Being Built)
➕ Projects Under Construction but not For Sale
➖ **Future Supply**

Future Supply – Limitations

While generally believed reliable, the data from third party sources could only be partially validated with development sponsors. Data was gathered in the late summer through early fall of 2023. Additionally, the below potential problems may exist with all the data:

- The inventory changes daily.
- Project level detail, like pricing, is subject to major changes.
- Finally, a portion of the projects are cancelled or delayed.

Future Supply – Assumptions

Independent of the above, the data provides a gauge for understanding the supply of new product. In order to mitigate limitations, we made several reasonable assumptions including:

- The Future Supply was assumed to be available over a 5-year period.
- We assumed a range of 25% to 50% of the projects in the entitlement phase will not materialize.
- These assumptions do not take into consideration new projects that may come online.
- The City of Southfield's Northland redevelopment project is 2,800 units targeting the missing middle-income segment. We assumed this project would have a 15-year absorption.

Future Supply – PMA and Neighborhood

Finally, in the analysis of Future Supply we found only one project within the PMA (Ferlito's - The Nine). Two others, an expansion of Ivy Lofts in Berkley on Coolidge just north of 11 Mile Road which is under construction and The Columbia, a proposed 57-unit loft project just north of 11 Mile and Coolidge, are within a 5-minute drive time. In the context of relevance to demand, these projects should be weighed considerably given their proximity to the subject site. Furthermore, their performance, pricing, physical qualities and underlying economics are the best comparables on which to base the positioning of a potential project on the subject site.

FUTURE SUPPLY

Quantifying the variables driving potential residential demand

Total potential residential demand is a function of current unmet need + future unmet demand

		PMA	SMA
CURRENT DEMAND	**SUPPLY EQUILIBRIUM**	268	1,592
	Vacancy	*250*	*1,497*
	Replacement Housing	*18*	*96*
+	**MARKET SUPPORT**	(111)	4,231
= ❶	**CURRENT POTENTIAL UNMET DEMAND**	157	5,824

		PMA	SMA
FUTURE DEMAND	**HOUSEHOLD GROWTH**	84	535
−	**FUTURE SUPPLY**	49*	2,392*
= ❷	**FUTURE POTENTIAL UNMET DEMAND**	35	(1,857)
TOTAL POTENTIAL UNMET DEMAND = ❶ + ❷	**OVERALL UNITS NEEDED (OVER NEXT 5 YEARS)**	**193**	**3,966**

*Data obtained through interviews with planning and zoning officials in the SMA and SEMCOG – assumes 50% success of the projects identified aside from Ferlitos "The Nine" project in the PMA which consists of 30 new units

Identifying where the Potential Demand Exists – Rent vs. Own, Income and Price Ranges

To estimate the potential housing demand for 2027 by income level and for rent vs own trends, the findings for net demand in the PMA (223) and the SMA (3,966) were further analyzed. Demand is allocated by keeping the market share of owner vs renters by income bracket constant to today's market mix. Demand is also allocated by income segments using the PMA's and SMA's area median incomes. Area Median Income (AMI)* is the midpoint of a specific area's income distribution and is calculated on an annual basis by the Department of Housing and Urban Development (HUD). AMI income brackets were calculated for both the PMA and the SMA as shown below:

PMA PRICES RELATIVE TO SELECTED AMI* SEGMENTS

	0-80% of AMI*		81%-120% of AMI		121%+ of AMI	
	Low	**High**	**Low**	**High**	**Low**	**High**
INCOME LEVEL	$0	$45,800	$45,801	$68,700	$68,701	+
HUD uses 30% of AMI as an estimate of what an individual can afford to own/buy or rent. These estimates are below based upon each segment of AMI studied.						
OWN: HOME VALUE $	$0	$171,800	$171,801	$257,600	$257,601	+
RENT: MONTHLY RENTAL $	$0	$1,100	$1,101	$1,700	$1,701	+

SMA PRICES RELATIVE TO SELECTED AMI* SEGMENTS

	0-80% of AMI*		81%-120% of AMI		121%+ of AMI	
	Low	**High**	**Low**	**High**	**Low**	**High**
INCOME LEVEL	$0	$52,400	$52,401	$78,600	$78,601	+
HUD uses 30% of AMI as an estimate of what an individual can afford to own/buy or rent. These estimates are below based upon each segment of AMI studied.						
OWN: HOME VALUE $	$0	$196,500	$196,501	$294,800	$294,801	+
RENT: MONTHLY RENTAL $	$0	$1,300	$1,301	$2,000	$2,001	+

PMA Potential Market for Residential Housing

A further breakout of the potential demand for new housing in the PMA is summarized below. Potential demand is expressed as units overall, and in relation to rent versus own and based upon the AMI segments utilized.

Demand was segmented based on various income levels (as shown on previous table) to understand what estimated pricing was relevant in the market.

For example, a new household is drawn to the area representing one of the identified 12 potential renters. The household earns 120% of AMI and can afford, based upon HUD estimates, approximately $1,700/month in rent on the low side.

PMA
193 Units

RENT

Total - 12 Units

0 - 80% AMI: (80) Units

81 – 120% AMI: (4) Units

121% + AMI: 96 Units

OWN

Total - 181 Units

0 – 80% AMI: (36) Units

81 – 120% AMI: (118) Units

121% + AMI: 335 Units

Potential demand exists for rental product in the highest AMI range

Potential demand exists in the for sale market in the highest AMI range

SMA Potential Market for Residential Housing

A further breakout of the potential demand for new housing in the SMA is summarized below. Potential demand is expressed as units overall, and in relation to rent versus own and based upon the AMI segments utilized.

Demand was segmented based on various income levels (as shown on previous table) to understand what estimated pricing was relevant in the market.

For example, a new household is drawn to the area representing one of the identified 2,666 potential owners. The household earns 80% of AMI and can afford, based upon HUD estimates, an approximately $196,500 residence on the high side.

SMA
3,966 Units

RENT

TOTAL- 1,300 UNITS

0 - 80% AMI: 724 Units

81 – 120% AMI: (427)** Units

121% + AMI: 1,003 Units

OWN

Total- 2,666 Units

0 – 80% AMI: 465 Units

81– 120% AMI: (630) Units

121% + AMI: 2,831 Units

Potential demand exists for rental product in the lowest and highest AMI ranges

Potential demand exists in the for sale market in the lowest and highest AMI ranges

**See note on page 15

Oak Park

Potential Market
for Retail

Methodology For Determining Potential Retail Demand

Retail plays a crucial role in the fabric of a community. It serves as a hub both for economic activity as well as an opportunity to provide experiential social interactions.

The economic opportunities that arise from retail stem from direct employment, and contributions to the municipal tax base through property taxes and sales tax.

Retail can be categorized by type (for example: durable goods vs services), as well as geography. The geographic differences between retail types can be broadly described as:

- **Local Retail**: Provides day to day essentials that cater to the specific needs of neighborhoods.

- **Regional Retail**: Draws from a broader geographic customer base and provides both a wider range of products as well as more specialized goods and services.

Potential demand for local retail is proportional to the demographics of the neighborhood, with the two key metrics being population and income. While other characteristics can influence demand (such as age) these two metrics provide a reliable method for measuring available discretionary spending. The **5- Minute drive time (defined as Retail Market Area)** metric is a geographic zone that encompasses both walking and driving potential for residents in the area, estimating the area for local amenity retail.

Regional retail is more highly variable, and thus demand can be more difficult to precisely measure. A metro region can support only so many malls or event venues, and the communities that provide them serve as regional anchors.

Overall, the potential demand for retail is unlikely to follow municipal borders. When asking residents 'where do you live', the answer is a community. When asking consumers 'where do you shop', the answer is a brand. Thus, the market and audience for defining potential retail audiences and thus demand is not based on municipal boundaries, but rather drive time radii to more accurately measure audiences.

SECTION 3: Outline

3

POTENTIAL MARKET FOR RETAIL

CURRENT RETAIL SUPPLY

RETAIL SUPPLY COMPARISON TO THE REGION

RETAIL SUPPLY COMPARISON TO MOST SIMILAR COMMUNITIES IN THE REGION

Current Retail Supply in the Oak Park Retail Market Area: 5 Minute Drive Time from 11 Mile Subject Area

Retail establishments comprise 439 of the 2,310 businesses within a 5-minute drive of the subject area and account for 3,796 of the 19,126 employees.

Retail Trade Summary	Businesses	Business %	Employees	% of Total
Home Improvement	19	0.80%	134	0.70%
General Merchandise Stores	19	0.80%	149	0.80%
Food Stores	38	1.60%	576	3.00%
Auto Dealers & Gas Stations	25	1.10%	178	0.90%
Apparel & Accessory Stores	58	2.50%	273	1.40%
Furniture & Home Furnishings	36	1.60%	170	0.90%
Eating & Drinking Places	116	5.00%	1619	8.50%
Miscellaneous Retail	127	5.50%	697	3.60%
TOTAL	**439**	**19.0%**	**3,796**	**19.8%**

CURRENT RETAIL SUPPLY
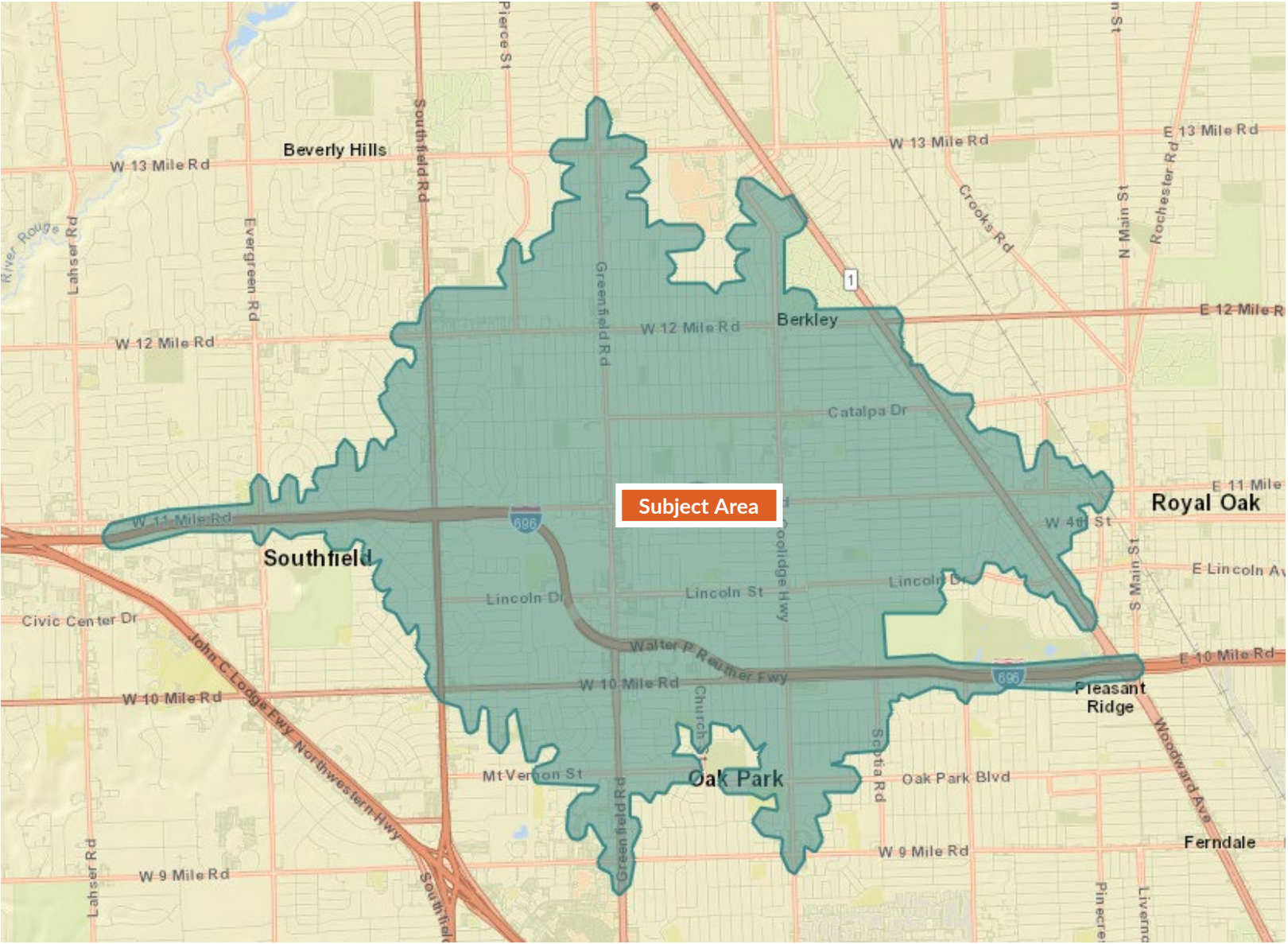
Retail Supply Comparison to the Region

The amount of retail necessary to satisfy the needs of consumers is subjective. This study does not make the qualitative judgement as to the appropriate level of retail within a community. **However, what this study can do quantitatively is benchmark the retail footprint against the audience for other communities in the region.**

The analysis below looks at the retail market area in Oak Park in comparison to other downtowns within the region. Each of the **communities chosen below were analyzed based on a 5-minute drive time** (defined as each communities Retail Market Area) from the point mentioned below. The nine similar downtowns in the region included the following:

- Downtown Farmington (Farmington Rd and Grand River Ave)
- Downtown Berkley (12 Mile Rd and Coolidge Hwy)
- Downtown Clawson (14 Mile Rd and Main St)
- Downtown Hamtramck (Joseph Campeau St and Caniff St)
- Downtown St. Clair Shores (9 Mile Rd and Greater Mack)
- Downtown Wixom (Wixom Rd and Pontiac Trail)
- Downtown Walled Lake (Maple Rd and Pontiac Trail)
- Downtown Ferndale (9 Mile Rd and Woodward Ave)
- Downtown Oak Park: 11-mile site

	RETAIL MARKET AREAS (5 MIN DRIVE TIMES) FROM THE DOWNTOWNS / AREAS NOTED BELOW									
	FARMINGTON	BERKLEY	CLAWSON	HAMTRAMCK	ST CLAIR SHORES	WIXOM	WALLED LAKE	FERNDALE	GP PARK	OAK PARK SUBJECT REA
POPULATION	29,635	52,522	37,018	44,250	42,197	17,414	25,615	25,615	23,503	53,111
RETAIL ESTABLISHMENTS	247	503	428	249	396	118	190	498	165	439
POPULATION/RETAIL	120.0	104.4	86.5	177.7	106.6	147.6	134.8	51.4	142.4	121.0
Home Improvement	1,559.7	2,283.6	1,762.8	7,375.0	2,220.9	1,583.1	1,600.9	1,164.3	4,700.6	2,795.3
General Merchandise Stores	3,292.8	3,501.5	2,313.6	3,687.5	5,274.6	2,902.3	5,123.0	2,134.6	3,917.2	2,795.3
Food Stores	1,139.8	1,500.6	1,371.0	1,106.3	1,110.4	1,339.5	1,164.3	569.2	1,382.5	1,397.7
Auto Dealers & Gas Stations	1,234.8	1,694.3	661.0	1,701.9	879.1	1,583.1	1,024.6	449.4	1,678.8	2,124.4
Apparel & Accessory Stores	3,292.8	1,193.7	2,847.5	1,638.9	2,009.4	5,804.7	8,538.3	776.2	1,237.0	915.7
Furniture & Home Furnishings	2,279.6	1,193.7	881.4	7,375.0	2,220.9	1,583.1	2,846.1	985.2	3,357.6	1,475.3
Eating & Drinking Places	361.4	326.2	291.5	670.5	310.3	446.5	341.5	140.0	500.1	457.9
Miscellaneous Retail	455.9	354.9	291.5	670.5	398.1	696.6	711.5	211.7	479.7	418.2

Calculation Notes:

The numbers in the bottom portion of this chart are indicative of the number of people in the respective area that support each type of retailer.

For example, in Farmington 1,500+ people support one home improvement store as compared to Oak Park 2,800 people support one home improvement store. In this case we would assume that Oak Park is under supplied compared to Farmington in this category.

Retail Supply Comparison to the Region

The purpose of the table below is to demonstrate what the supply information on the previous page means on a relative basis using the oak park **subject site retail market area or 5 min drive time as a base metric**. The 5-minute drive area for the subject site in Oak Park is held constant to establish a baseline that makes each category comparable by area. The comparable regions were chosen because they are deemed successful downtowns, and their audiences align with those of the Retail Market Area in Oak Park. It is important to understand that we are analyzing what is working for these regions and we consider each city equally. Because of demographic consistencies, we recognize that it would be reasonable for the subject site in Oak Park to consider a similar retail mix.

	RETAIL MARKET AREAS (5 MIN DRIVE TIMES) FROM THE DOWNTOWNS / AREAS NOTED BELOW											
	FARMINGTON	BERKLEY	CLAWSON	HAMTRAMCK	ST CLAIR SHORES	WIXOM	WALLED LAKE	FERNDALE	GP PARK	OAK PARK SUBJECT AREA	OAK PARK SUBJECT AREA VS AVERAGE	Subject Area has X fewer/ more X stores than the region
Home Improvement	179%	122%	159%	38%	126%	177%	175%	240%	59%	1	**-33%**	**33% fewer Home Improvement stores**
General Merchandise Stores	85%	80%	121%	76%	53%	96%	55%	131%	71%	1	**+10%**	**10% more General Merchandise stores**
Food Stores	123%	93%	102%	126%	126%	104%	120%	246%	101%	1	**-19%**	**19% fewer Food Stores**
Auto Dealers & Gas Stations	172%	125%	321%	125%	242%	134%	207%	473%	127%	1	**-76%**	**76% fewer Auto Dealers & Gas Stations**
Apparel & Accessory Stores	28%	77%	32%	56%	46%	16%	11%	118%	74%	1	**+53%**	**53% more Apparel & Accessory stores**
Furniture & Home Furnishings	65%	124%	167%	20%	66%	93%	52%	150%	44%	1	**+14%**	**14% more Furniture & Home Furnishings**
Eating & Drinking Places	127%	140%	157%	68%	148%	103%	134%	327%	92%	1	**-23%**	**23% fewer Eating and Drinking places**
Miscellaneous Retail	92%	118%	143%	62%	105%	60%	59%	198%	87%	1	**+17%**	**17% more Miscellaneous Retail**

In the case that the Downtown Oak Park Retail Market Area exhibits fewer stores as compared to the other communities, we would assume that Downtown Oak Park is under supplied relative to that community, or there are more people shopping per store in the Retail Market Area.

RETAIL SUPPLY COMPARISON TO THE REGION

Retail Supply Comparison to *Most Similar* Communities in the Region

Potential demand for retail is identified using comparable urban areas to recognize retail types that are underrepresented in the retail market area. The communities called out below, and on the following slides are a subset of the group of communities on the previous slide. These are communities that were deemed **MOST** similar to the retail market area for Oak Park based on income, age, and downtown characteristics for the 5- Minute Drive Time around their designated downtowns. The strengths and weaknesses of each as a comparable to the Oak Park retail market area are discussed on their respective slides.

1 — CLAWSON

2 — ST. CLAIR SHORES

3 — FERNDALE

4 — GROSSE POINTE PARK

Qualitative Comparison of Downtown Oak Park and Downtown Clawson

Although the Retail Market Area of Clawson has a smaller population, they have the most similar retail establishment count as Oak Park's Retail Market Area. This is an indicator that even though they serve less people in the immediate area their retail is likely able to better support the needs of residents. The biggest difference is Eating and Drinking Place options within the downtown. Clawson's downtown offers 19 establishments, 90% of which would be considered "local" as opposed to chain restaurants. The second indicator is age. We can see that the age of residents is around 42 years old with a median household income of $82,000+. This indicates that most residents are likely settled within their careers and their income is indicative of what they will continue to make as they age. People at this life stage are commonly interested in supporting local establishments and have young families who enjoy a vibrant downtown environment.

City	Population	Daytime Population	Income	Age	Downtown Strip Traffic Counts	Why is Clawson comparable?
Oak Park	51,074	44,640	$79,193	41.9	17,218 Vehicles per Day	
Clawson	37,018	50,162	$82,439	42.1	45,451 Vehicles per Day	**STRENGTHS** - Consumer profile is similar- young, established millennials - Have a variety of retail establishments **WEAKNESSES** - Traditional downtown, i.e., exhibits a broader appeal as a destination for consumers - Availability of street parking - Widened sidewalks for pedestrians - Very large Daytime population - Designated Downtown Development Authority (DDA)

RETAIL SUPPLY COMPARISON TO MOST SIMILAR COMMUNITIES IN THE REGION
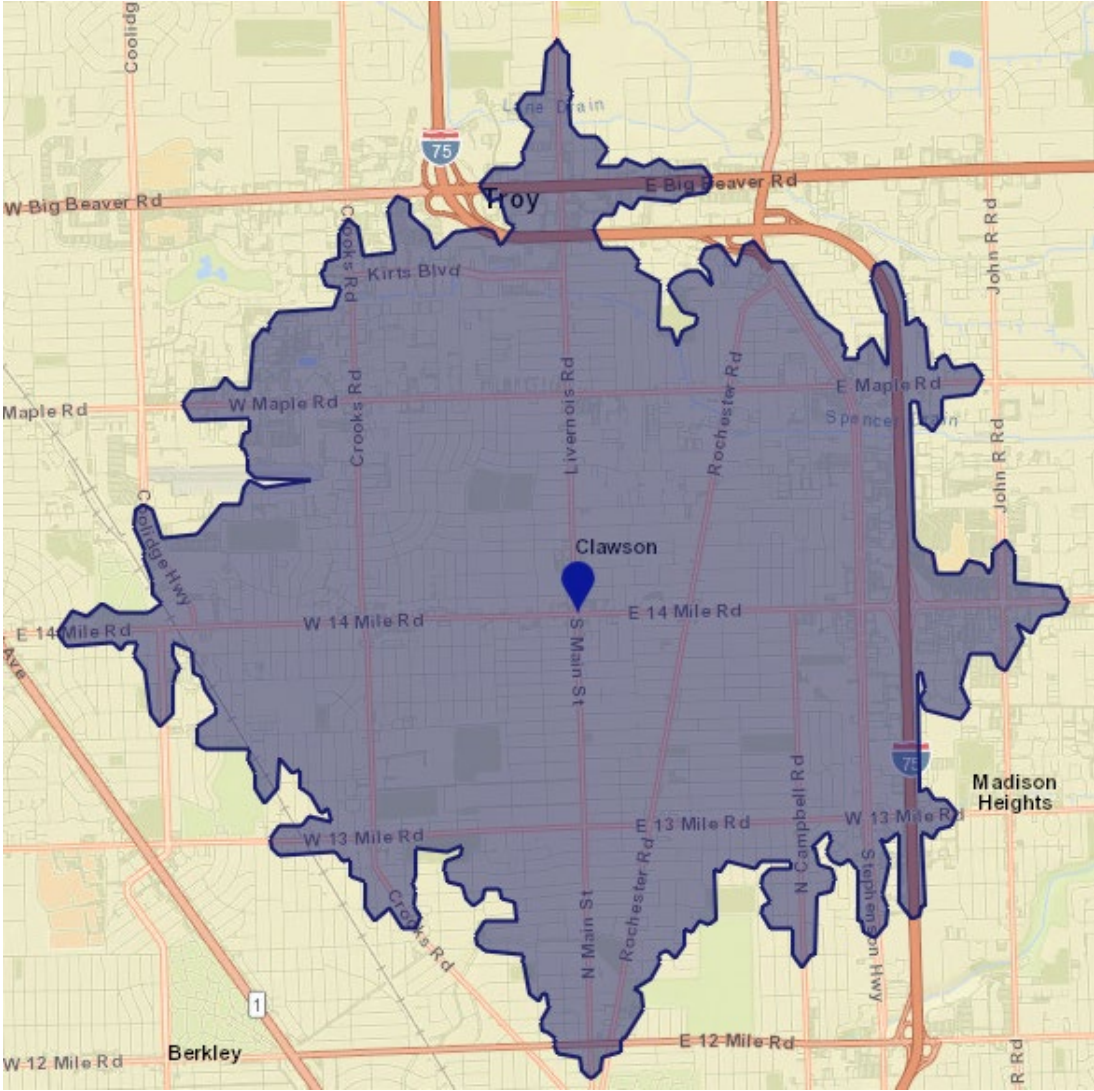
Qualitative Comparison of Downtown Oak Park and Downtown St. Clair Shores

The Retail Market Area of St. Clair Shores is a small, but mighty community that reaches a similar audience as Oak Park's. Because of its proximity to communities like Grosse Pointe and Harper Woods, the consumer base is wide. Downtown Oak Park has the potential to attract a similarly wide audience by drawing consumers from Royal Oak, Birmingham, Berkley, and Ferndale. The Retail Market Area of St. Claire Shores has a smaller population and establishment base than Oak Park's (but not significantly smaller in terms of retail). Downtown St. Clair Shores includes both local and chain establishments, however, their greatest draw is the Copper Hop Brewing Company that regularly hosts events with music, food, and experiences that bring residents to the downtown. Not only does an option like this bring residents to Copper Hop, but it provides an opportunity for other establishments on the strip to be seen. By creating a "Social District" they are better equip to bring awareness to surrounding businesses. Residents are making less money and are older than all three of the other comparables, however, it is important to acknowledge that there is potential for others to drive into the area from farther than 5- minutes.

City	Population	Daytime Population	Income	Age	Traffic Counts of Downtown Strip	Why is St. Clair Shores comparable?
Oak Park	51,074	44,460	$79,193	41.9	17,218 Vehicles per Day	
St. Clair Shores	42,197	37,952	$67,067	45.5	15,381 Vehicles per Day	**STRENGTHS** - Downtown strip is similar size - Small variety of retail - Dense surrounding residential area - Proximity to Grosse Pointe gives it a close rival downtown - Surrounded by busy thoroughfares that make it less ideal for pedestrians **WEAKNESSES** - Smaller surrounding population - Traditional downtown, i.e., exhibits a broader appeal as a destination for consumers - Locational draw because of proximity to Lake St. Clair - May exhibit seasonal demand during summer months - Street parking - Designated DDA

RETAIL SUPPLY COMPARISON TO MOST SIMILAR COMMUNITIES IN THE REGION
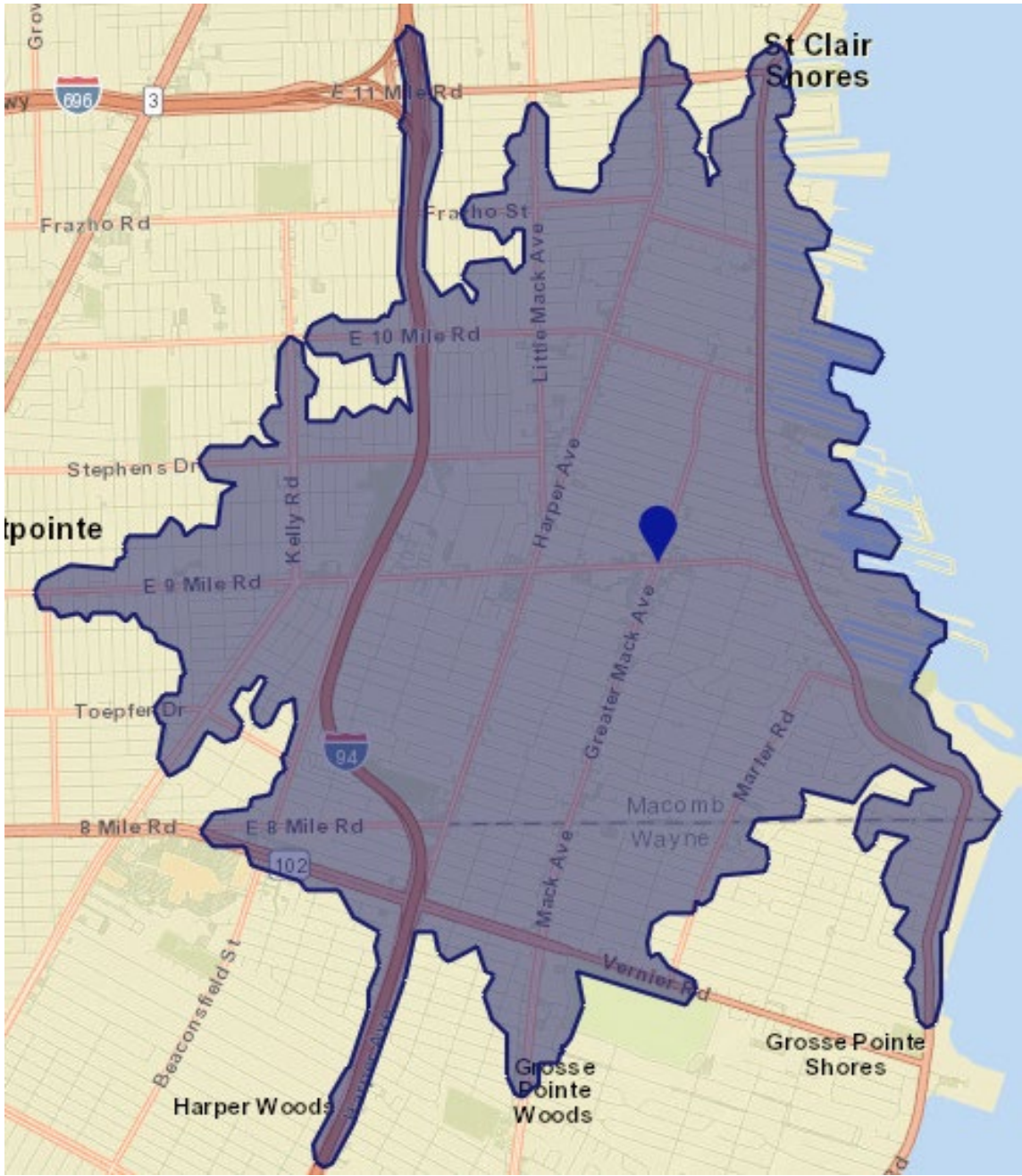
Qualitative Comparison of Downtown Oak Park and Downtown Ferndale

The Retail Market Area of Ferndale is likely capturing some of Downtown Oak Park's consumers because of the variety and caliber of retail establishments that are located within the Downtown area of 9 Mile and Woodward. Within the Retail Market Area, Ferndale features more businesses than both Clawson and Oak Park's Retail Market Areas. They can provide a very wide variety that satisfies the needs of a smaller population. Like the Retail Market Area of Clawson, age and household income is a strong indicator of the consumer profile that is living and shopping within the area. They are young, yet established millennials who enjoy the brewery scene and unique shops and services that downtown Ferndale has to offer. Downtown Ferndale is home to a few local chains that grab the attention of many shoppers such as Bakehouse46, Detroit Cookie Co, and Olive's Bloom Box. In addition to traditional retail, downtown Ferndale is capturing attention by offering a variety of "destination retail" that creates an experience that draws consumers to the area. For example, Downtown Ferndale features Painting with a Twist, an experiential drinking and painting establishment. Or Boogie Fever, a popular dance club that meets the likes of a range of ages.

City	Population	Daytime Population	Income	Age	Downtown Strip Traffic Counts	Why is Ferndale comparable?
Oak Park	51,074	44,460	$79,193	41.9	17,218 Vehicles per Day	
Ferndale	39,736	38,639	$83,746	39.6	13,137 Vehicles per Day	**STRENGTHS** - Similarly wide consumer-base (proximity to Detroit) - Consumer profile is similar- young, established millennials - Surrounded by busy thoroughfares that make it less ideal for pedestrian traffic - Limited easy access street parking (however, have their own parking income and infrastructure) **WEAKNESSES** - Daytime population is closely aligned with local consumer capture - Could be capturing potential Oak Park consumers because of proximity to Detroit neighborhoods - Significantly more destination/experiential establishments - Designated DDA

RETAIL SUPPLY COMPARISON TO MOST SIMILAR COMMUNITIES IN THE REGION
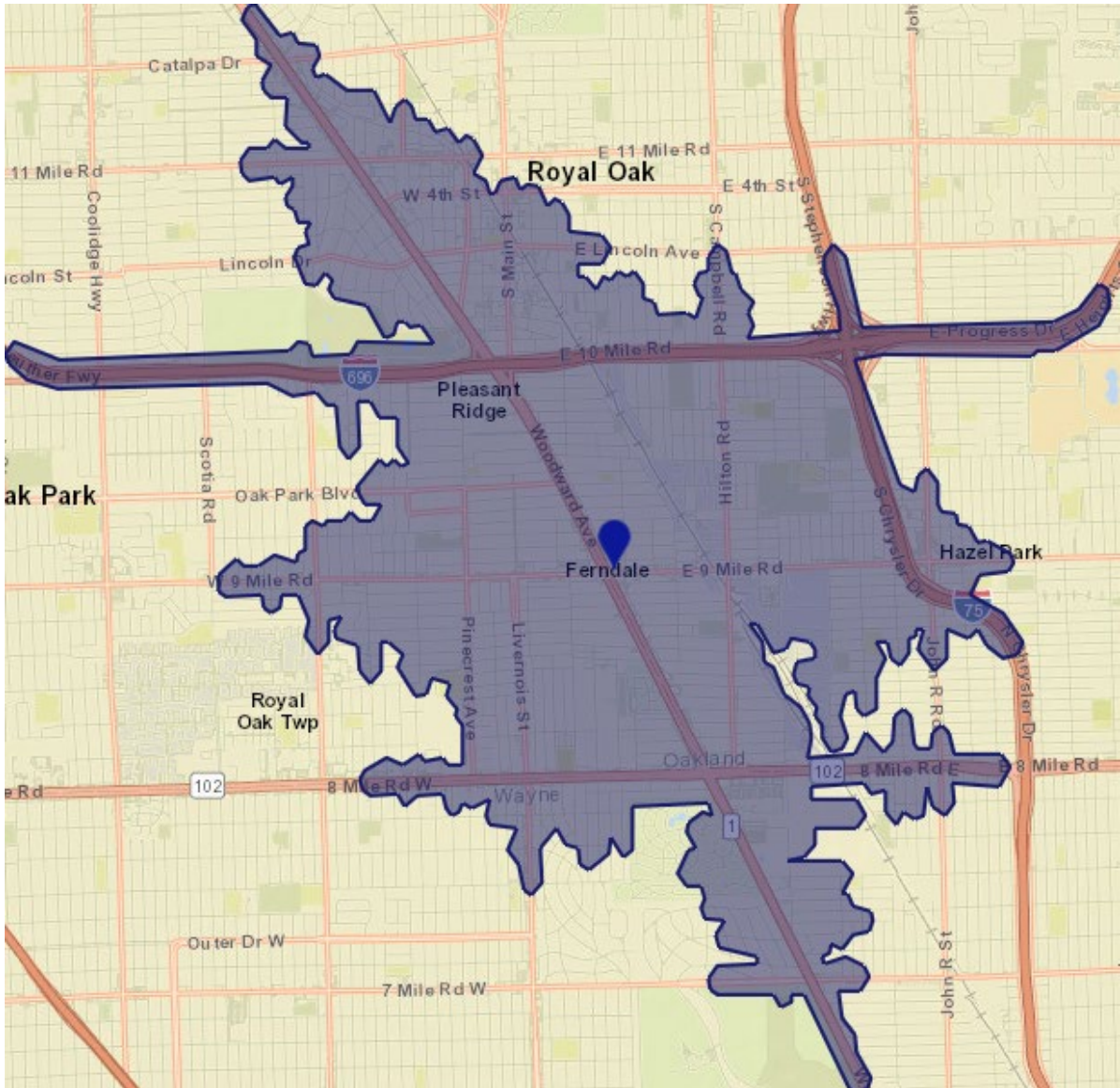
Qualitative Comparison of Downtown Oak Park and Downtown Grosse Pointe Park

The Retail Market Area of Grosse Pointe Park serves a smaller population than Oak Park's, with lower incomes, but a similar aged demographic majority. The type of retail that allows Downtown Grosse Pointe Park to thrive is similar to Downtown St. Clair Shores. The community provides many opportunities for families and couples to come together and enjoy the downtown. The city government has created a social district that allows businesses to sell alcoholic beverages and food to be consumed within the designated common areas in the district. Residents are then able to support many businesses. Downtown Grosse Pointe Park only features one chain restaurant which makes them a popular location for residents of all of the Pointes. Businesses that thrive in the community include Brick's Pizza, Le Rouge Bakery, and Atwater Brewery. The immediate area is made up of small households of both young couples and families. The walkability is also an attractive, but a unique attribute of the downtown because of the distance from traditionally busy thoroughfares. The proximity to the Detroit neighborhoods immediately adjacent to Grosse Pointe makes this a great comparable to Oak Park and the wide variety of clientele they cater to.

City	Population	Daytime Population	Income	Age	Downtown Strip Traffic Counts	Why is Grosse Pointe Park comparable?
Oak Park	51,074	40,460	$79,193	41.9	17,218 Vehicles per Day	
Grosse Pointe Park	23,503	20,672	$68,872	41.1	4,507 Vehicles per Day	**STRENGTHS** - Very dense surrounding residential - Small strip, but variety of retailers - Similar consumer base- age is identical, income is lower in the immediate area but is offset by proximity to other Grosse Pointe communities (outside 5-minute drive range) - Proximity to Detroit **WEAKNESSES** - Street parking - Pedestrian friendly traffic counts and sidewalk infrastructure - Local only retail establishments

Potential Market for Retail Conclusion

The following retail types were studied for the retail market areas of the comparable downtowns / areas noted below. Results are presented below by comparable area in relation to the subject area:

	RETAIL MARKET AREAS (5 MIN DRIVE TIMES) FROM THE DOWNTOWNS / AREAS NOTED BELOW						
	CLAWSON	ST CLAIR SHORES	FERNDALE	GP PARK	OAK PARK SUBJECT AREA	OAK PARK SUBJECT AREA VS AVERAGE	Subject area has X fewer/ more X stores than the region
Home Improvement	159%	126%	240%	59%	1	-46%	**46% fewer home improvement stores**
General Merchandise Stores	121%	53%	131%	71%	1	+9%	**9% more General Merchandise stores**
Food Stores	102%	126%	246%	101%	1	-38%	**38% fewer food stores**
Auto Dealers & Gas Stations	321%	242%	473%	127%	1	-190%	**190% fewer Auto Dealers & Gas Stations**
Apparel & Accessory Stores	32%	46%	118%	74%	1	+39%	**39% more Apparel & Accessory stores**
Furniture & Home Furnishings	167%	66%	150%	44%	1	+8%	**8% fewer Furniture & Home Furnishings**
Eating & Drinking Places	157%	148%	327%	92%	1	-76%	**76% fewer eating and drinking places**
Miscellaneous Retail	143%	105%	198%	87%	1	-31%	**31% fewer Miscellaneous Retail**

The following retail types were underrepresented and may represent potentially demanded retail in the subject area:

1. **Food Stores** are undersupplied compared to peer communities. The area could use an addition of new retail in this category to better serve the residents within the subject area.

2. **Eating and Drinking Places** are undersupplied compared to peer communities. The current supply of restaurants is under serving the residents within the subject area.

3. **Miscellaneous Retail** is undersupplied compared to peer communities. The area could use an addition of new retail in this category to better serve the residents within the subject area.

%	Relative to Oak Park Subject Area
<0%	The area is likely currently under served
0-25%	The area could use addition of new retail
> 25%	The area is likely currently served appropriately

RETAIL SUPPLY COMPARISON TO MOST SIMILAR COMMUNITIES IN THE REGION

Oak Park

SECTION 4

Strategy

Section 4: Outline

4

STRATEGY

RESIDENTIAL CONCLUSION

RETAIL CONCLUSION

DEVELOPMENT READINESS
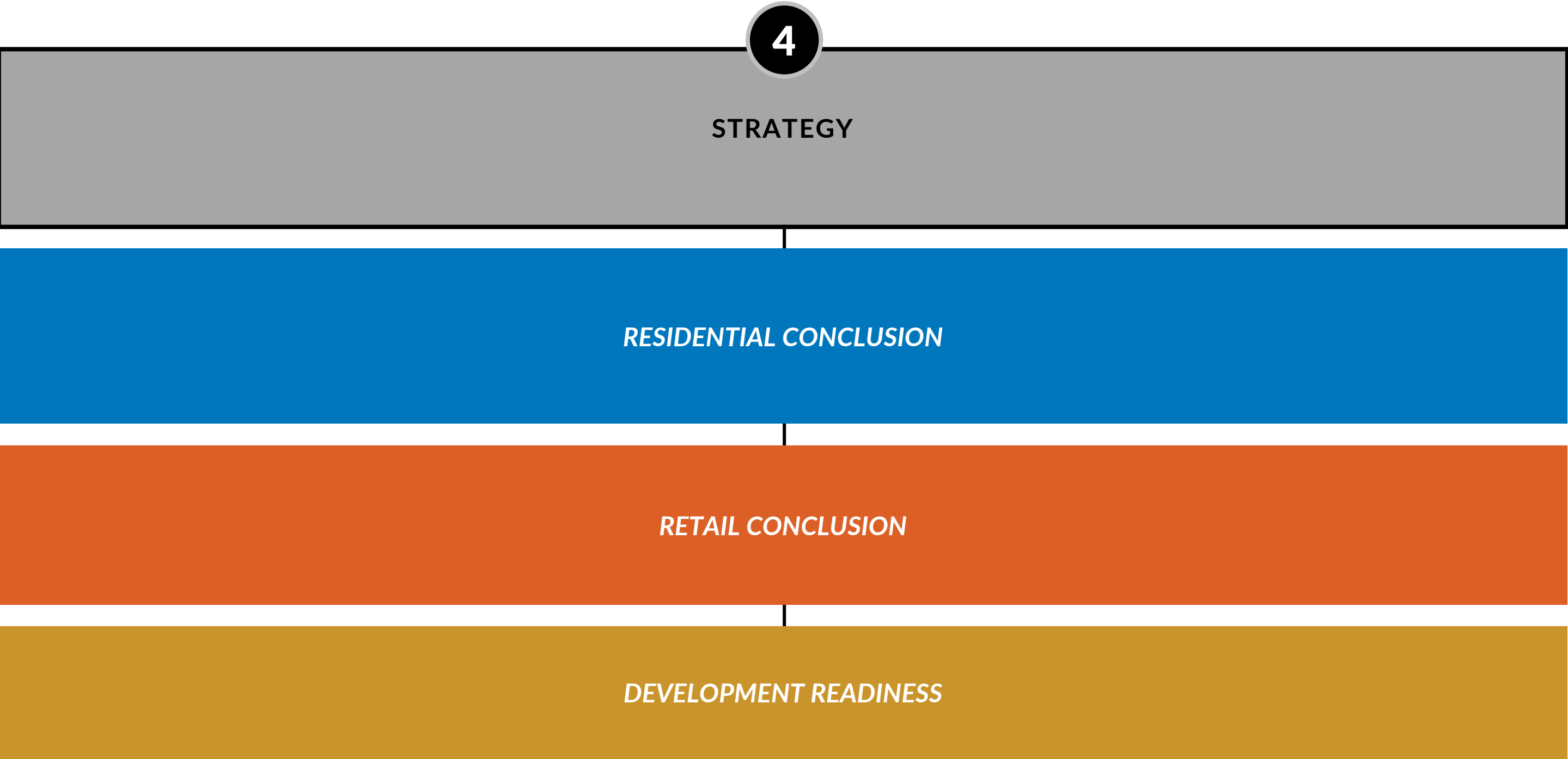
STRATEGY:
RESIDENTIAL CONCLUSION

Real Estate Practitioner and Stakeholder Interview Summary

Plante Moran Realpoint interviewed several active brokers of commercial real estate in the SMA as well as residential and mixed use developers to understand their perspective of the market and potential opportunities. The collective comments are consolidated below:

Residential/Mixed Use

- Berkley has great schools could do town home or even single family for sale
- Oak Park is transient option - they are getting priced out of Woodward corridor
- Create a "downtown' feel so the housing doesn't feel like its directly behind retail
- Redevelopment will be a land planning exercise given relationship of parking and retail
- 30% discount to Ferndale for residential rents
- Housing would work all day – class B initially, not class A for some time
- 4 floors may require some gap funding to facilitate market rents - just can't make numbers work

- Need a major project to make it start to feel like a downtown
- Workforce housing with amenities for Oakland County – proximity to New Center (Henry Ford, DMC), Beaumont, Detroit CBD
- Start to need subsidy if you go 4 stories or higher
- NEZ or PILOT funds might be means of mitigating high property taxes
- Start to mix uses horizontally instead of vertically if city can get control of some frontage on 11 mile
- Young people moving to Oak Park - great location

RESIDENTIAL CONCLUSION

PMA Potential Market for Residential Housing

A further breakout of the potential demand for new housing in the PMA is summarized below. Potential demand is expressed as units overall, in relation to rent versus own and based upon the AMI segments utilized.

Demand was segmented based on various income levels (as shown on previous table) to understand what estimated pricing was relevant in the market.

For example, a new household is drawn to the area representing one of the identified 12 potential renters. The household earns 120% of AMI and can afford, based upon HUD estimates, approximately $1,700/month in rent on the low side.

PMA
193 Units

RENT

Total- 12 Units

0 - 80% AMI: (80) Units

81 – 120% AMI: (4) Units

121% + AMI: 96 Units

OWN

Total- 181 Units

0 – 80% AMI: (36) Units

81 – 120% AMI: (118) Units

121% + AMI: 335 Units

Potential demand exists for rental product in the highest AMI ranges

Potential demand exists in the for sale market in the highest AMI ranges

RESIDENTIAL CONCLUSION

SMA Potential Market for Residential Housing

A further breakout of the potential demand for new housing in the SMA is generally summarized below. Potential demand is expressed as units overall, in relation to rent versus own and based upon the AMI segments utilized.

Demand was segmented based on various income levels (as shown on previous table) to understand what estimated pricing was relevant in the market.

For example, a new household is drawn to the area representing one of the identified 2,666 potential owners. The household earns 80% of AMI and can afford, based upon HUD estimates, an approximately $196,500 residence on the high side.

SMA
3,966 Units

RENT

TOTAL- 1,300 UNITS

0 - 80% AMI: 724 Units

81 – 120% AMI: (427) Units**

121% + AMI: 1,003 Units

OWN

Total- 2,666 Units

0 – 80% AMI: 465 Units

81– 120% AMI: (630) Units

121% + AMI: 2,831 Units

Potential demand exists for rental product in the lowest and highest AMI ranges

Potential demand exists in the for sale market in the lowest and highest AMI ranges

**See note on page 15

RESIDENTIAL CONCLUSION

Residential Market Conclusion for the *Subject Area*

After reviewing the results of the PMA and SMA potential demand for residential housing the following conclusions were derived pursuant to the subject area:

	SUBJECT AREA OPPORTUNITY	TYPE OF PRODUCT	PRICING	CITY PRIORITIES AND NEXT STEPS
CONCLUSION	**Develop residential product to attract potential demand from owners and renters from the PMA and SMA**	**Develop multifamily <u>rental</u> product**	**Rents should range between $1,300 to $2,000 per month** *(subject to market comparables and perceived product value proposition)*	**The City should determine its priorities regarding the type and style of housing it would like to support to support overall redevelopment at the subject site**
CONSIDERATIONS	**The Subject Area includes characteristics making it similar but not the same as the SMA and PMA** • The 11 Mile Road corridor is emerging relative to other mixed-use locations in the SMA. • The subject site's walkability to Berkley and location within the Berkely School District are distinctive strengths to build upon.	**To continue to support this emergence, the City should consider a <u>dense rental project</u> which appears supportable but will need to be priced appropriately relative to competitive markets.** • Lower density traditional multifamily townhomes for sale or for rent appear supportable for product oriented towards higher incomes but their density will not be as influential in inducing the redevelopment of the 11 Mile corridor. • Similarly, for sale multifamily is supportable, but for sale product may face macroeconomic headwinds for the foreseeable future	**Pricing at the subject area should reflect a value relative to options within the SMA** • The SMA includes numerous traditional downtown locations including Clawson, Royal Oak, Ferndale and Berkley, each of which may be more desired and command more significant pricing than the subject site.	**Considerations include:** • Availability of property for mixed use redevelopment • Cost of property for redevelopment • Future parking • Tradeoffs related to developing the parking lots versus the street frontage • Ability to utilize use property, zoning tools and possible incentives in a public private partnership to mitigate economic gaps. **An RFI or RFP process to solicit proposals will provide clarity regarding possibilities.**

RESIDENTIAL CONCLUSION

Residential Case Study:

Additional Residential Case Studies:

Ivy Lofts

Location: Berkley, MI

Unit Mix: **Studio-** 31 units, approx. 500 SF, $1,600/ month

One- Bedroom- 44 units, 620-1,230 SF, $1,875-$1,950/ month

Two- Bedroom- 3 units, 1,030-1,400 SF, $2,400/ month

History: Ivy Lofts is a historic school that has been reimagined and shaped into what is now a collection of studio, one- bedroom, and two- bedroom units.

Why It Works: Located on Coolidge Hwy in Berkley, Ivy Lofts has high visibility and is near both downtown Berkley and Oak Park. The blend of historic revitalization and luxury amenities is what draws residents. Units feature floor-to-ceiling windows, in-unit office spaces, walk-in closets, washer/ dryer, and more. The walkability is another component that makes this property stand- out, with several parks and restaurants nearby.

Harvard Commons Townhomes

Location: Berkley, MI

Unit Mix: Up to 3- bedrooms at varying monthly rates and purchase prices

Additional Information:

Harvard Commons Townhomes currently has two condos available for rent. The unique nature of the location makes them highly desirable. The modern, updated design also makes them attractive to residents in the area. During initial marketing phase, the townhomes sold out quickly limiting available information regarding rents and unit specifics.
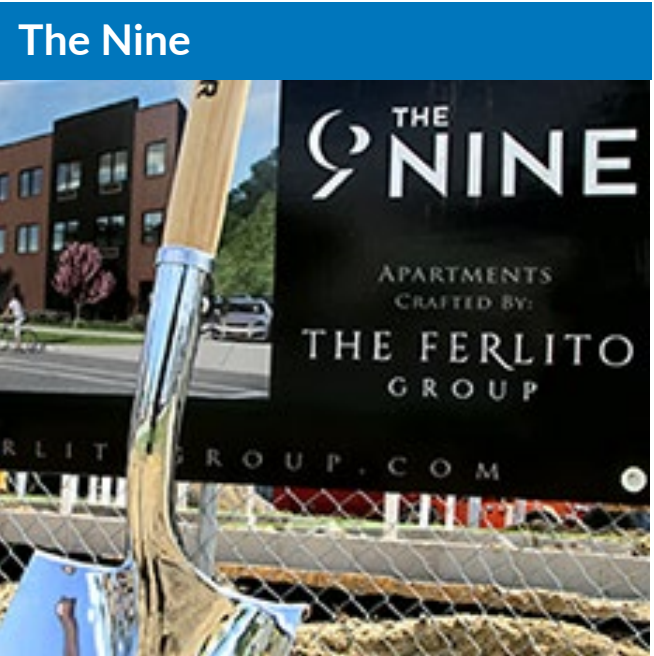
The Nine

Location: Oak Park, MI

Unit Mix: Studio- 1,250 SF

One- Bedroom- 1,450 SF

Additional Information:

The Nine is the first- transit oriented development in the City of Oak Park. Transit- oriented developments support sustainability, community health, and strengthen the local economy. It anticipates drawing individuals who choose to use public transportation or bikes as primary forms of transportation. In doing this, they are targeting a community of individuals who can attain moderate rents well aligned with their incomes. The apartment complex is near completion and rental rates are currently unavailable to the public.

STRATEGY:
RETAIL CONCLUSION

Real Estate Practitioner and Stakeholder Interview Summary

Plante Moran Realpoint interviewed several active brokers of commercial real estate in the SMA as well as residential and mixed-use developers to understand their perspective of the market and potential opportunities. The collective comments are consolidated below:

Retail

- New retail in Oak Park needs to be priced below Berkley which is $15 – $18 NNN

- Retail can work on 11 Mile with $12 NNN rents or less for white box or core/shell of existing space

- No national or regional retailer will locate on 11 Mile Road currently

- Street parking would assist in drawing retailers and calming traffic

- Restaurants will work and draw Berkley residents

- Lack of availability in Berkley is an opportunity but rent must reflect market quality and experience

Potential Market for Retail

Potential Retail Opportunities within Downtown Oak Park

- **Food Stores -** Specialty food stores could be a potential demand driver on the downtown strip if it filled a current gap in the market. There appears to be a lack of bakery and bread shops within the market area. This could be an opportunity to induce demand.

- **Eating and Drinking Places -** Restaurant retail tends to be strongest driver for demand in the comparable communities. The social district component that induces demand is often centered around a restaurant. This then draws more eyes on the other businesses in downtown.

- **Miscellaneous Retail -** These types of businesses can often be thought of as neighborhood amenities that are important to consumers in the market and they would frequent them in their own community over the next closest, if available. Commonly thought of as dry cleaners, banks, pharmacy, salon/ barber, etc.

	RETAIL MARKET AREAS (5 MIN DRIVE TIMES) FROM THE DOWNTOWNS / AREAS NOTED BELOW						
	CLAWSON	**ST CLAIR SHORES**	**FERNDALE**	**GP PARK**	**OAK PARK SUBJECT AREA**	**OAK PARK SUBJECT AREA VS AVERAGE**	**Oak Park has X fewer/ more X stores than the region**
Home Improvement	159%	126%	240%	59%	1	-46%	46% fewer home improvement stores
General Merchandise Stores	121%	53%	131%	71%	1	+9%	9% more General Merchandise stores
Food Stores	102%	126%	246%	101%	1	-38%	38% fewer food stores
Auto Dealers & Gas Stations	321%	242%	473%	127%	1	-190%	190% fewer Auto Dealers & Gas Stations
Apparel & Accessory Stores	32%	46%	118%	74%	1	+39%	39% more Apparel & Accessory stores
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Eating & Drinking Places	157%	148%	327%	92%	1	-76%	76% fewer eating and drinking places
Miscellaneous Retail	143%	105%	198%	87%	1	-31%	31% fewer Miscellaneous Retail

RETAIL CONCLUSION

Retail Market Conclusion for the *Subject Area*

After reviewing the results of the potential demand for retail the following conclusions were derived pursuant to the subject area:

SUBJECT AREA OPPORTUNITY	TYPE OF PRODUCT	PRICING	CITY PRIORITIES AND NEXT STEPS
CONCLUSION			
Develop retail product	**Develop small scale destination retail that focuses neighborhood needs**	**Rents should range between $14/sf and $18/sf triple net** *(subject to lease terms/conditions)*	**The City should determine its priorities with regard to inducing new retail development and ongoing support of these use types at the subject site.**
CONSIDERATIONS			
The Subject Area includes characteristics making it similar but not the same as the SMA and PMA • The 11 Mile Road corridor is emerging relative to other mixed-use locations in the SMA. • Existing redevelopment and traffic from those business will be supportive of complimentary new uses. • Vacancy within the neighborhood, including Berkley, is nominal because of the use and redevelopment of existing infrastructure and buildings. • The subject site's walkability to Berkley is a strength to build upon.	**To continue to support this emergence, the City should consider inducing new retail which appears supportable but will need to be priced appropriately relative to competitive markets.** • Traffic and parking will support local retail, not regional or national users • Redevelopment offers an opportunity for a unique experience • Local Retail missing from market - Local retail is defined as a small business that is not affiliated with a nationally/ regionally recognized chain. It places an emphasis on integrating the retail environment with the local community. • Quality, Destination Retail is imperative- Creating quality, destination retail with a mission that aligns with those of the community or one that can provide local programming to induce traffic in and around the downtown area.	**Pricing at the subject area should reflect a discount to options within the neighborhood and SMA.** • The SMA includes numerous traditional downtown locations including Clawson, Royal Oak, Ferndale and Berkley. • Traditional downtowns have more supportive infrastructure, more dense retail and other use types driving more foot and vehicular traffic. • Retailers pay a premium for locations that help drive business. • Rents in the neighborhood are not supportive of the construction of new market rate retail development only re-development of existing spaces with useable core/shell.	**Considerations include:** • Availability of property for mixed use redevelopment • Cost of property for redevelopment • Future parking • Tradeoffs related to developing the parking lots versus the street frontage • A midrise housing development may physically support new retail through shared infrastructure in a public private partnership to support the overall redevelopment. • Ability to utilize use property, zoning tools and possible incentives in a public private partnership to mitigate economic gaps. **An RFI or RFP process to solicit proposals will provide clarity regarding possibilities.**

RETAIL CONCLUSION

Retail Case Study:

Vinsetta Garage

Category: Eating and Drinking Places

Location: Berkley, MI

Years In Business: 11 years

History: The well-known building on Woodward Avenue was bought by investors with plans to convert the old garage into a destination restaurant. Built in 1919, the building was a gas station and notable outpost for the Woodward Dream Cruise.

Why It Works: Located on Woodward Avenue puts this restaurant at an advantage for high visibility. The nature of the historic remodel makes for something that catches the eye of those passing by. The cuisine also appeals to a wide audience because it can provide American style food in an upscale and desirable environment.

Retail Case Study:

Dog and Pony Show Brewing

Category: Eating and Drinking Places

Location: Oak Park, MI

Years In Business: 2 years

History: The brewery opened in June 2021 and was the first microbrewery to locate in Oak Park. Which up until 2017, was a dry city. The unique interior design and pewabic pottery tiling pays homage to Detroit. The owner had a vision to locate the brewery in Oak Park because of the allyship between Oak Park administration and its residents.

Why It Works: Located on 11 Mile, the brewery offers a unique experience by creating a dog- and family-friendly environment. The restaurant currently hosts food trucks as a food option for patrons, as well as a reverse drive-thru window that food is served through. It is a 7,000 sq. ft. combined taproom and production space.

RETAIL CONCLUSION
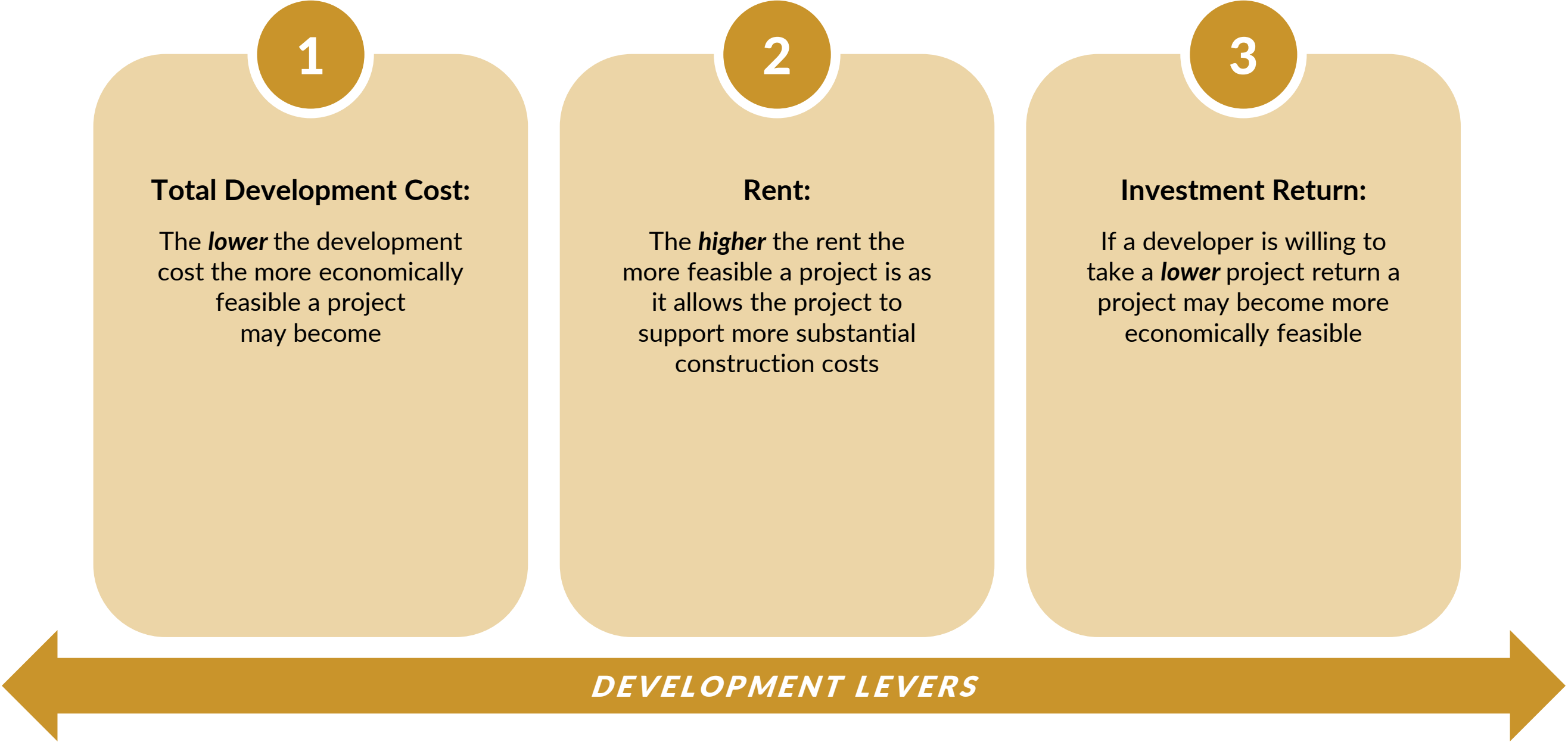
STRATEGY:
DEVELOPMENT READINESS
Going from Drawing Board to Implementation

Development Readiness – Going from Drawing Board to Implementation

"Levers" that Influence Development Economic Feasibility

Three development levers exist that can influence a projects feasibility and help get it from the drawing board to implementation. A project can become "more feasible" by lowering development costs, increasing rents or from adjusting the investment return requirements of the private sector. A combination of these levers are often used depending upon market limitations. For example, you may only be able to decrease construction costs so much or conversely increase rents so much. A feasibility gap may exist if you cannot get costs low enough or rents high enough. This gap is filled by various sources and methods subject to a public private partnership. The following pages give examples of the conceptual impact of these levers.

1

Total Development Cost:

The *lower* the development cost the more economically feasible a project may become

2

Rent:

The *higher* the rent the more feasible a project is as it allows the project to support more substantial construction costs

3

Investment Return:

If a developer is willing to take a *lower* project return a project may become more economically feasible

DEVELOPMENT LEVERS

Residential Gap Analysis: "Rent" Lever

The gap analysis below displays the gap in rental income each month needed to finance development and achieve a return on cost of 8%, a reasonable benchmark. Since rents will not reach the level needed, a feasibility gap exists. This gap may be filled by various tools, examples of which are provided in the Development Readiness – Sample Capital Stack page.

Rent _needed to **finance development and achieve a return on cost above 8% for a unit with a total development cost of $250K: 1 unit at $2,381 / month**_

DEVELOPMENT READINESS

TOTAL DEVELOPMENT COST

1 UNIT
~250K / UNIT

FEASIBILITY GAP:

$1,081/Month

4.37% RETURN ON COST

Unit Rental Rate:

$1,300 / Month

FEASIBILITY GAP:

$731/Month

5.54% RETURN ON COST

Unit Rental Rate:

$1,650 / Month

FEASIBILITY GAP:

$381/Month

6.72% RETURN ON COST

Unit Rental Rate:

$2,000 / Month
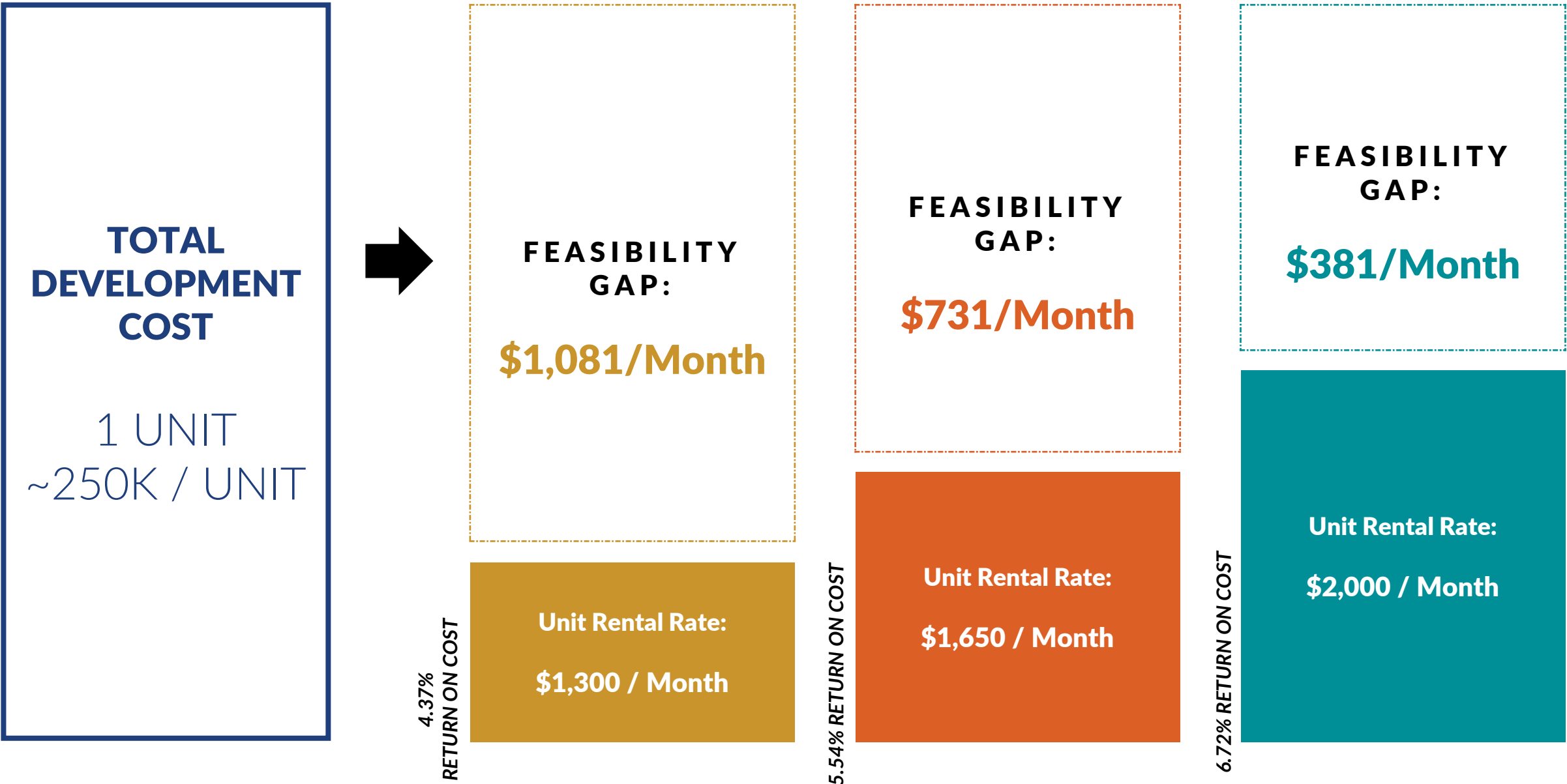
Retail Gap Analysis: "Development Cost" Lever

The gap analysis below displays the gap that would exist if development costs exceed $122 psf as this is the estimated costs needed to provide a return on cost of 8%, a reasonable benchmark. $14 triple net rent is an example and based upon market comparable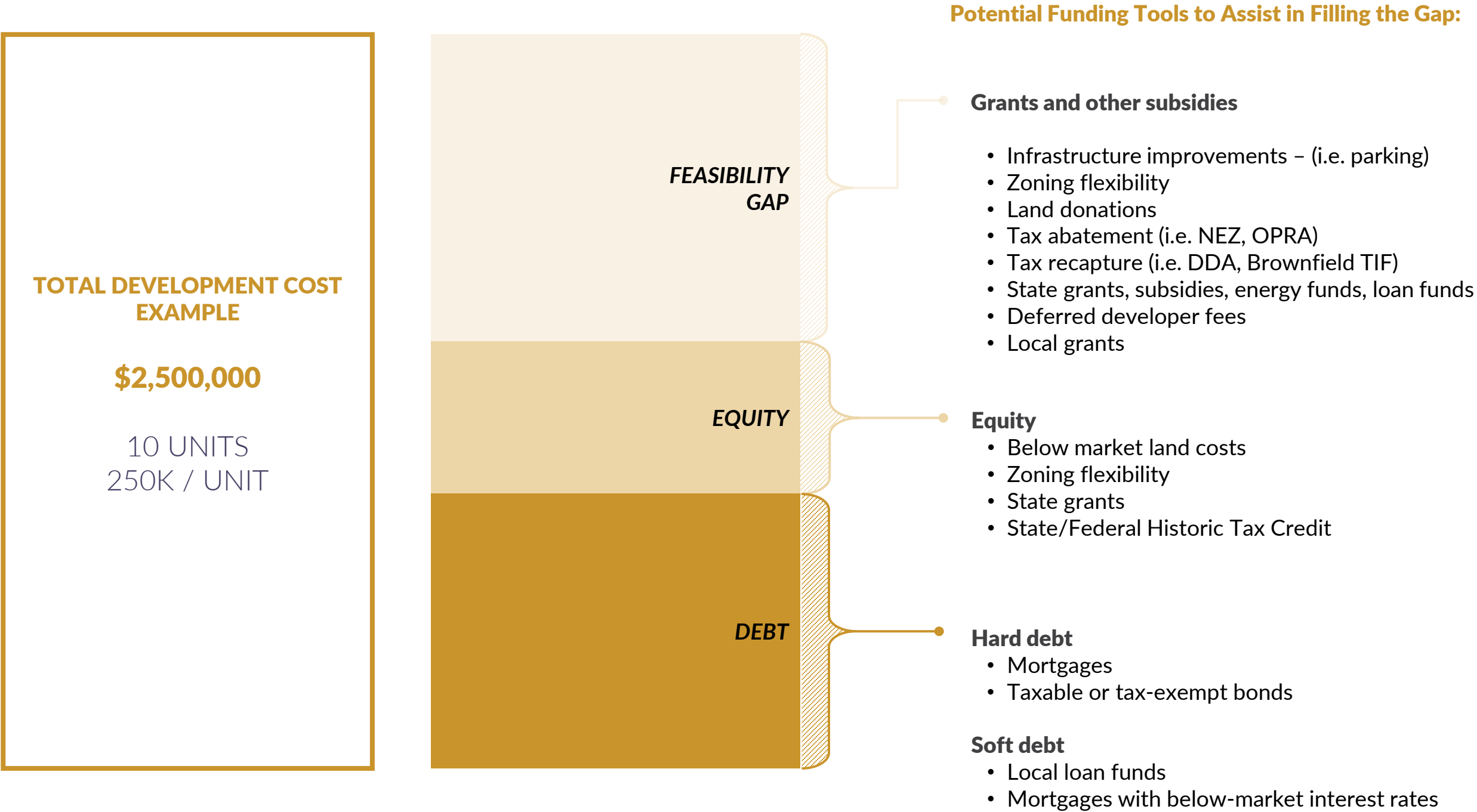s. Any development costs above $122 psf indicates that a feasibility gap may exist, since costs need to stay at $122 psf to make an 8% return. This gap may be filled by various tools, examples of which are provided in the Development Readiness – Sample Capital Stack page.

DEVELOPMENT READINESS

CURRENT MARKET RENT:

$14 / SF

At this rental rate, in order to achieve an 8% return on cost the developer would be limited to $122 psf in development costs

TOTAL DEVELOPMENT COST: $200/ SF

FEASIBILITY GAP:

$78 / SF

8.0% RETURN ON COST

Supportable Construction Costs:

$122 / Square Foot

TOTAL DEVELOPMENT COST: $300/ SF

FEASIBILITY GAP:

$178 / SF

8.0% RETURN ON COST

Supportable Construction Costs:

$122/ Square Foot

TOTAL DEVELOPMENT COST: $400/ SF

FEASIBILITY GAP:

$278 / SF

8.0% RETURN ON COST

Supportable Construction Costs:

$122/ Square Foot

Development Readiness – Sample Capital Stack

The three development levers discussed can be pulled using various sources or "tools" which may include those listed below:

TOTAL DEVELOPMENT COST EXAMPLE

$2,500,000

10 UNITS
250K / UNIT

FEASIBILITY GAP

EQUITY

DEBT

Potential Funding Tools to Assist in Filling the Gap:

Grants and other subsidies

- Infrastructure improvements – (i.e. parking)
- Zoning flexibility
- Land donations
- Tax abatement (i.e. NEZ, OPRA)
- Tax recapture (i.e. DDA, Brownfield TIF)
- State grants, subsidies, energy funds, loan funds
- Deferred developer fees
- Local grants

Equity
- Below market land costs
- Zoning flexibility
- State grants
- State/Federal Historic Tax Credit

Hard debt
- Mortgages
- Taxable or tax-exempt bonds

Soft debt
- Local loan funds
- Mortgages with below-market interest rates

Development Readiness – Steps to Go from Drawing Board to Implementation

SHORT TERM

1. Identify availability of 11 Mile Road frontage buildings and parcels
2. Determine terms and conditions of possible acquisition or partnership for redevelopment
3. Identify existing resources to mitigate funding gaps
4. Identify and commence development of tools needed to support new businesses including:

   a. City controlled tax recapture opportunities to support infrastructure improvements and reduce new development capital risks
   b. Other sources of gap funding including grants or incremental tax recapture tools available to developers to reduce new development capital risks
   c. Planning and zoning support to mitigate political risks for new development
   d. Programming initiatives to level the playing field and market risks for business

INTERMEDIATE TERM

1. Identify City priorities and preferences for new development of residential and retail including:
   a. Location of new development
   b. Use of parking lots
   c. Identification of potential gap funding sources
   d. Criteria for development partners
2. Develop an RFI or RFP to solicit conceptual plans for review and discussion with developers

LONGER TERM

1. Prepare and market a formal RFP for development proposals
2. Manage developer selection process
3. Negotiate a development agreement with selected developer including City responsibilities
4. Oversee implementation of development plan

DEVELOPMENT READINESS

Oak Park

Disclaimer

PMR does not warrant or guarantee the accuracy or outcome any pro formas, models, analysis, budgets or other financial projections (collectively "Analysis") developed by PMR for use in connection with its Services as described in its formal agreement. Such Analysis represents PMREIA's professional judgment as a consultant. It is recognized, however, that neither PMR, the MEDC or the City of Oak Park do not have control over the market conditions that are the subject of such Analysis. The City of Oak Park and MEDC acknowledge that the actual results will vary from any Analysis prepared by PMR.