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Investigating the Housing Market for Student Tenants Surrounding an Urban University

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Introduction

Despite the recent bankruptcy filing that grabbed national and international attention in July 2013, much media today identifies Detroit as being in the midst of a major comeback, saying that economically it is renewed, and that people have a new interest in the city and its character (Aguilar, Free Press). For residents, this comeback tale is experienced in several different ways. In the neighborhood called Midtown, which is home to two large medical institutions—Henry Ford Health System and the Detroit Medical Center (DMC)—and home to Wayne State University—one of Michigan’s three research universities, and the third largest university in the state—the recent economic investment and subsequent growth in this area has caused a marked increase in housing occupancy in the five years (Abir, et al, 2013). According to the 2010 census, occupancy rates of the 6 census tracts surrounding Wayne State University and Woodbridge neighborhood (areas that are included in the defined boundary of “Midtown”) ranged from 73%-88%. Two miles from downtown, Midtown is reported to have a 95% occupancy rate for apartments, according to a study called “7.2 SQ MI”, a study funded the Hudson-Webber Foundation. These two statistics vary due to a key difference: “7.2 Sq Mi” only counted units that are in “move-in condition”, none that are in disrepair or under renovation. When this is considered, open rental units in Midtown are quite limited. It is clear that more residents are moving in to Midtown, but there has been little data published on the changes in types of residents moving in.

Wayne State University has always been a predominately commuter university, with no more than 10% of its students living in campus-supplied housing, but there has also always been a population of students living near campus in private market housing. In

2000, the university estimated this to be 1,500 students (2020 Campus Master Plan). That population, the population of student tenants of the private housing market around Wayne State University, is the focus of this study. As a resident of the North Cass neighborhood (located directly south of the university campus), I hypothesized that the area was developing into a student neighborhood, which I defined as an area dominated by student tenants who to some degree influence the character of the area by their lifestyle patterns and economic choices. North Cass is composed of low-rise apartments single-family homes, and splits. Recently, new structures have gone up and converted lofts have been developed in the area as well. North Cass represents much of the housing surrounding the university, which itself was a neighborhood at one time. The neighborhoods are mixed use, and home to several business establishments frequented by students. Both foot traffic and safety have increased in the last 5-10 years (Abir, et al, 2013) in the area.

It seemed clear that having data on the number of students living within a set boundary around the university, and further analysis of student impact on local economies gathered from the literature, would provide insight on the future of the neighborhood. However, this data has not been published to any public source (if it has been collected at all). The new purpose became identifying what is currently happening in the neighborhood around Wayne State. The study found that as occupancy increases in Midtown, the housing market around Wayne State University is trending away from a low-cost student populated neighborhood to an employed, young professional-dominated area.

The indicators for this change came from a variety of sources. Student neighborhoods and their impacts on surrounding areas are not well studied, particularly in the United States. The approach of this study was to focus on smaller facets of information;

the university plans for the neighborhood, and the perceptions of current landlords, who, as actors in the private housing market play a large role in student neighborhood development. My goal was not to necessarily answer the initial questions posed, but rather to inform new, better-directed questions that required further study in order to be answered.

The result is the overview piece here, which is meant to act as a springboard for future study. This paper identifies and discusses the existence of a student neighborhood in the literature. Following, Wayne State University's 2020 Campus Master Plan is analyzed, particularly in terms of its capacity to meet its goals for housing, which depended on the private housing market to supplement its own growth. Later, a study conducted for the Wayne State Office of Housing and Residential Life contained information on commuters, international students, and the number beds that the university provides to different age groups of students. Lastly, a survey was conducted for local landlords, asking about their "student friendly" policies, and their perception of change and particularly change in student tenants in the last 10 years or less. Results of those surveys are discussed.

Literature Review

The majority of research regarding student-housing patterns is done through the lens of the university's role in the community. Many universities have at least one partnership with community organizations, and this partnership interests a wide audience. Another paradigm scholars had studied is the impacts of student inflow to neighborhoods nearby to universities in settings without partnerships, specifically those related to neighborhood revitalization. The studies on student neighborhoods sometimes focus on

purpose-built student accommodations (ie. dormitories and university apartments) and at other times, private market housing, of which this paper is primarily concerned.

University-community partnerships come in two forms; those where the partnership exists for the benefit of the partners to reach their goals (which are often community-minded), and those where the partnership is formed to improve the neighborhood surrounding the university, which is often perceived as “in decline” if large institutional help is not provided. Cortes (2004) listed several different benefits of university-community partnerships for both the university and its nearby neighborhoods. Community partnerships offer universities a new teaching ground with real life application while boosting the local school system. They also can help attract more foundation funding to community programs. Universities see the benefits when they develop an image of being “team players” in their neighborhoods, especially given that they receive scrutiny for their tax-exempt status and, in the case of public universities, public funding (Cortes, 2004). In addition, universities cannot afford to be surrounded by decaying neighborhoods because the quality of the neighborhood affects the salaries the university must pay faculty (higher salaries in poorer cities), and the quality of the faculty that the university can attract (Cortes, 2004, Bayless, 1982). While the partnerships that bring these benefits are generally positive arrangements, if they do not focus on improvement to the university neighborhood, there is little to no discussion of student housing patterns within their reports.

University-community partnerships that center on an attempt to improve the existing neighborhood in most cases begin at the university itself. For example, Drexel University in Philadelphia partnered with a subsidiary called Academic Properties Inc.,

which started buying up real estate in the area. The university had previously said that it was committed to upgrading the West Philadelphia community, and it stated that acquiring properties “of strategic importance” for student and faculty housing in the area would help it to do so (Hart, 1989). While the neighborhood was mentioned, the success of API as a venture is the focus of the story, and the action took place subtly, through the subsidiary. In contrast, Leroy Henderson, President of the University of Tennessee at Chattanooga, decided personally that the course of the neighborhood deserved the attention of the university, and took steps to advance that goal (Van de Werf, 2001). He worked with local residents to bridge relations until the residents were comfortable with the student housing plans his university proposed. Judith Rodin, as President of the University of Pennsylvania provides the most famous example of urban revival due to university investment and engagement (Rodin, 2005). West Philadelphia was transformed from a decaying neighborhood to a safer, more invested place to live in through continuous communication with the community and the university’s strong involvement and major monetary contribution in the neighborhood. Student housing plays a large part of the revitalization efforts in partnerships such as these.

Interestingly, the literature regarding student housing is much more focused in the UK than it is in the United States. There, researchers coined the term *studentification*, which is defined as high concentrations of students living together near a university, and thus changing the character of the neighborhood. A group of scholars has studied the impact of studentification in detail, focusing on the issues of neighborhood degradation and community cohesion, though the results of these studies are significant only when student housing patterns in the UK are better understood. In the UK, though most universities in

the studies are urban, students often settle in patterns more similar to that of university towns in the U.S., where students occupy what were once single family homes, so whole streets quickly become student neighborhoods (Gumprecht, 2006). This pattern is roughly equivalent to “fraternity row” type student concentrations in neighborhoods surrounding universities of U.S. university towns. In such areas in the UK, students represent over half of the households in multiple occupation (HMO) (Hubbard, 2008). An HMO is a household consisting of three or more unrelated people.

These researchers have published numerous papers over the last ten years, and most of them agree that studentification, which they find causes reinvestment, should be relabeled as gentrification. Smith and Holt compare the negative effects of gentrification to studentification in clear terms, saying that the latter leads to the former (2007), while Duke-Williams points out that higher education institutions are major drivers of internal migration (2009). These researchers exclusively focus on studentification from a social perspective, and while they discuss housing as being affected by studentification, they do not analyze the student influx from a market perspective. In contrast, this is often where US researchers begin research on student neighborhoods.

Most significantly, an influx of students affects the housing market surrounding a university. At U.S. urban universities, studentification incentivizes landlords to disinvest in their properties to maximize profits while attracting students seeking low rents (Cortes, 2004). Because students are often short-term tenants, they have lower standards of quality and upkeep in their housing choices. This combined with their desire for low rent incentivizes landlords to fall behind on upkeep and lower the overall quality of the housing stock. In the UK, landlords often capitalize on the higher income available through packing

apartments and houses with too many students (Hubbard, 2008). The major difference in the UK studies versus the US ones is that the US studies came from the perspective of market force while the UK studies used demographic data and a social impact approach. The most interesting article found on student neighborhoods was from Spain. It discussed how in urban settings students are competing against other tenants, ie. young professionals, for space as soon as they go off campus to search for housing. In reality, they are not the ideal tenants for a landlord. They often prefer to live in larger groups—the average college single housing unit holds 2.4 to 2.8 adults—which adds wear and tear to units. They cause high turnover that is expensive, and, as it was shown in Spain, in some cases they can bring down the quality of the whole building if the landlord or building manager is not extremely strict with them (Garmendía, Coronado, and Ureña, 2011).

This study found that as student tenants moved in, they operated at late hours, threw occasional loud parties, and did not clean up after themselves, eventually driving other tenants to leave the building, making way for another apartment to be filled with university students. The researchers called this phenomenon “vertical studentification,” meaning that students changed the character of a neighborhood—much the same way gentrification can—and in this case, they did so apartment by apartment in building after building.

This case is specific to urban settings near universities. It shows one possible outcome of an influx of students to an established neighborhood. The literature as a whole provided a view of how student housing and student neighborhoods are studied in terms of the private market. In terms of a U.S. university in an urban setting, there is very little about the housing market yet. Besides the Garmendía, Coronado, and Ureña study, there is next to

nothing about a case like Wayne State University, which is largely a commuter school, and is only recently attempting to build a more residential life around campus. Its strategy for building campus life is discussed in the campus master plan, where off-campus housing accounts for a fraction of the university's overall goals in university-affiliated housing.

Campus Master Plan

In 2001, Wayne State University published its 2020 Campus Master Plan, which outlines which spells out future directions for the campus, and recognizes 10 key elements that needed improvement in the university at the time. The last element of the list, and the most relevant to this paper, was that residential opportunities are lacking.

In 2001, Wayne State University provided housing for approximately 1,000 graduate and undergraduate students on campus, a figure that had not changed in 20 years. That accounted for 3.2% of the total student population. The plan's goal was to increase housing on campus to 6,000 students by 2020 and to increase the students living near campus from an estimated 1,500 in 2000 to 3,000 students in 2020. In 2000, the university projected student enrollment to increase by 5,000 students, going from 31,025 to 36,025 in 2020. The university also saw a great potential for housing demand to increase because of Detroit's growing trendiness as well as Wayne State's growing reputation as a quality research university. Population in greater downtown decreased by 13%, a figure that is half of the city overall population loss percentage. However, in 2013, at just past the halfway point of the plan, enrollment stands at 29,000 students. If the total enrollment was a factor in deciding the amount of student housing to supply, the numbers need to be reviewed.

The master plan notes that Wayne State wants to increase the number of students on campus to emulate respected peer institutions. However, there are no clear trends for the university to follow. There is no formula for a ratio of students living on campus to total enrollment or for a standard amount of housing units to supply based on patterns from other universities. In its master plan, Wayne State wanted to increase from less than 5% percent living on campus to 16% (calculated by projected enrollment divided by the desired 6,000 beds). More interestingly, Wayne State wanted to transition from its traditional role as a commuter university. In 2,500 students (8%) were non-commuters (because they lived close to campus) and according the master plan, it would shift to 25% being non-commuters by 2020.

The Campus Master Plan discusses four general types of universities, and how Wayne State can be described by two of them. The first is the International/Commuter, designed to provide education and smooth access to it. Wayne State has identified itself as this for decades, and the master plan is steering away from it. The second university type is the Continental/Urban, which has two key characteristics. It is embedded in an urban space, where its buildings are mixed in with other mixed uses such as retail establishments. A campus of this design does not provide housing to students, and relies on the city to do that instead. Wayne State followed this to some degree in 2000, especially since it estimated 50% more students living near campus than on campus. The plan integrates ideas from this type into its design for a hybrid commuter/urban campus. If the university will be following this model, then development of the surrounding student neighborhood would be paramount.

To date, Wayne State has only partially initiated its goals for increased student housing. Of the 5,000 new beds that the plan called for, only 20% were to be built by Wayne State, and private investors would build the rest. In other words, the university planned to provide to provide 350,000 sq. ft. of improved or new residential space by 2020, and it expected an additional 1.35 million sq. ft. to be developed on University-owned land in the same time period by private investors. Ian Studders, the Associate Director of Leasing and Retail Services, manages some deals between the university and private developers related to new housing units. In conventional cases, the university puts out a request for proposals for student housing buildings, and then once the chosen developer has built a building, he or she leases the land but owns the building. This method gives the university some level of control over neighborhood housing without the burden of cost. Studio One Apartments was built on Woodward Avenue in this fashion in 2008 containing 120 units, and was followed by the Union, another housing building containing 85 units that was set up even closer to campus across from Old Main in 2012. The Union differs slightly because it provides individual leases to tenants designed specifically for student tenants who wish to rent for academic-year periods.

The long-term plan was to increase on campus residence to transform the campus into a more residentially balanced place. The International/Commuter campus, which is designed for commuters who seek amenities such as easy access and functional parking, often lacks a sense of place or community. Wayne State University has stated in its university wide goals that community engagement is important to developing productive citizens and promising leaders. As such, lack of a sense of community was considered a

serious roadblock to creating a stimulating educational environment, and a lack of housing inhibited that type of change.

In 2000, six university-owned housing buildings existed, only three of which stand today as university housing. Three residence halls have since been added on the central campus, and combined with the three remaining the university now houses about 3,000 students during the school year. Two of the new buildings are 6-story dormitories built in 2002 and 2003. The third is an 11-story dormitory built in 2005.

This discussion of Wayne State University's future plans is relevant for the housing atmosphere surrounding the campus that the university wants to develop because the master plan is unclear about how much control it will have on the development of the neighborhood as it attempts to alter the housing market on its campus. The master plan states that, "Housing will play a major role in transforming the Wayne State campus in the 21st century. The 2020 Campus Master Plan's housing goals reflect...a perceived increasing demand for residential product, and the emerging economic feasibility of housing development in the context of Detroit's revitalization."

University Housing Incentives

One part of housing that was developed after publication of the campus master plan is the university's partnership with the organization Midtown Detroit Inc (MDI). Since 2011, MDI has been running a program called LiveMidtown that gives monetary incentives to WSU, Henry Ford Health System, and DMC employees to live in Midtown or close to it. This is positive for the housing market overall, and MDI attributes the high occupancy rate in Midtown to this program (MDI website). However, this program is not available to

students, thus making it competitive with university students searching for off-campus housing. In reality, the employees are far more competitive tenants because they can stay longer and pay higher rents. The University claims to support employees and students, yet has a conflicting program, and lack of detailed planning for student housing in the neighborhood.

In the next section, we review a study ordered by the Office of Housing and Residential Life that provides insight on the types of students living on and near campus according to 2010 data.

Summary of University Housing Study

The Office of Housing and Residential Life at Wayne State manages a total of 618 apartment units in 3 different buildings and 1,676 dormitory units in another 3 buildings on campus. Because this office records information on the number of license agreements (leases) handed out by its office for campus buildings each year, it holds the most accurate information on the number of students living on campus. Each student must sign a license regardless of the number of occupants to a unit or room, so license directly indicate students. The office also processes applications for students who choose to live in university housing. By comparing the number of applications to the licenses that students sign (thus guaranteeing them a room or apartment), the data would reveal the demand for student housing. Of relevance to this study is the number of students who are turned away, because they have demonstrated an interest in living close to campus, but were forced to find another option. This is group is likely renting in the private market, and data on those numbers would provide a small sense of how many students live off campus.

Unfortunately, the Office of Housing and Residential Life has combined data for

applications received and licenses signed, thus preventing any analysis of demand, and it does not have any data signifying reasons for cancellation. In other words, the data does not show whether students cancelled an application because the Housing Office reached capacity, or because the student lost interest, or because he or she found housing accommodations somewhere else.

On average, 9.6% of licenses granted result in cancellations for students, an average of 178 students per year for the dorms. Less than 30 of these move to on-campus apartments. Overall, an average of 88.2% of applications received result in a license agreement and move-in. The apartment buildings on campus are Chatsworth and University Tower (UT, different from The Towers dormitory building), and DeRoy. Since 2010, on average 2,700 students live in University housing, 9.3% of the total student body.

More interesting are the demographics of the campus residents. The Office of Housing and Residential Life focuses on attracting freshmen and sophomore residents, and especially on retaining freshman as sophomores. The number of freshmen license applications for residence halls and furnished undergraduate apartments has varied very little in the last five years. In 2012, 916 freshmen licenses were signed, and in 2008, 790 signed, a difference of 16%. For returning residents, the trends are similar. There was a small rise in returning WSU student licenses received in 2010 (1,004 licenses), but otherwise, the number of licenses has varied no more than 10%. The Office uses this value to gauge student interest in living in campus housing, though it does not show the total number of students that apply to WSU housing but choose to cancel their application. The number of applications is recorded for dorms, but not for apartments. The office is looking

for consistently high numbers of residents in the current dorms and apartments before it will consider building any more dorms.

In 2010, the Office contracted Brailsford and Dunlavey (B&D) to perform a “Student Housing Market Analysis.” The study included an off-campus analysis, a student survey, and a demand analysis where private market, off-campus housing was discussed. The main objective of the off-campus analysis was to “identify the nature of the private housing market,” so that it could be compared to on-campus living options. B&D found that very few apartments are “student friendly.” A scorecard was created for these properties, identifying student-friendly amenities, such as student focused marketing, parental co-signing requirement, roommate matching services, utility inclusive rates to avoid bill-sharing among roommates, academic year lease term options (9 months rather than 12), and furnished units. B&D stated clearly that none of the properties in Detroit fit this description. Out of 5 points on the scorecard, the average score was 2.4 for the properties studied. Table 1 shows the scorecard.

Student Friendly Score Key (Brailsford and Dunlavey)
5=Student focused marketing plus individual leases w/ parental co-signing, roommate matching services, academic year lease terms options, furnished units, roommate friendly floor plans, utility inclusive rates to avoid bill sharing among roommates, social programming, etc.
4=Student focused marketing plus roommate friendly floor plans, furnished units, academic year lease terms options and parental co-signers accepted
3=Student focused marketing and parental co-signers are excepted, but otherwise standard apartment offerings without furnished units
2=No student focused marketing, services or amenities, and restrictive credit policies
1=Aggressive non-student market orientation such as seniors or young professionals with credit policies, occupancy policies and lease terms that discourage student tenants to the extent allowable by law

Table 1.

Seventeen properties around the area were studied, but the methods for choosing these properties was not discussed in the report. The common feature among them was large number of units per property, while proximity to campus was not. Some properties were within a block of campus (The Belcrest) while others were as much as 5 miles away (Alden Park Towers). It is perhaps not surprising that Alden Park Towers, at 5.6 miles from Wayne State campus, received a student-friendly score of 1, described as “aggressive non-student market orientation...that discourages student tenants to the extent allowable by the law.” B&D found an average student friendliness of 2.4 for the properties they analyzed. In revisiting the scores, and separating them to include only the 7 that are within the Midtown boundaries, the scorecard average increases to 3.4. Distance was clearly a significant factor. Overall, the off-campus analysis was not thorough. Researchers made phone calls and used the Internet to identify apartment buildings used in the off-market analysis. It could be that problems arose from the researchers being unfamiliar with the area. B & D is located in Washington, D.C. They also toured some apartment buildings and spoke to landlords and student tenants.

The student survey section of the report yielded much more relevant data on where students are living. Two questions were posed to students regarding the ZIP code. One asked for their permanent residence, while the other asked for the residence where students currently live while attending Wayne State. 1,560 students responded to the questions, which revealed the two most commonly listed zip codes, both for permanent residence and local school-year residence: 48202 is the zip code of Wayne State’s campus and some blocks to the east. It is home to 2.95% of respondents year-round, and 23.78% of respondents during the school year. 48201 is the zip code of the area directly south of

campus and extends to the boundary of downtown. Year-round, 2.76% of respondents live there, and 11.5% do so during the school year. As a sample of the 29,000 students attending classes, these percentages account for 10,000 students living in these two zip codes. While that is unrealistic, it should be mentioned that the survey was conducted by email, and with was aimed at students who lived in university housing who could participate in the focus groups in another part of the study. With that said, there is still a large percentage of students living in the 48201 and 48202 zip codes, which indicates that some are living nearby off campus.

The only other zip code that might be considered relevant to Wayne State University off-campus housing is 48208, which contains the Woodbridge neighborhood, located west of the Lodge Freeway, within walking distance of campus (0.5-1.2 miles). Only 0.64% of respondents listed their permanent residence address as Woodbridge, and only 1.05% of respondents listed it as their local campus address.

The units offered by Wayne State University as apartments were approximately priced in the student survey. A one-bedroom apartment (with utilities included) costs between \$844-888 per month. Prices decrease as roommates are added, and a four-bedroom apartment would cost \$711-755 per month, per person.

Process and Methods

The original intent of this research was to determine the number of students living in the Midtown area as a means of gauging whether or not the area around Wayne State University is developing into a student neighborhood. The actual research conducted focused on the rental buildings surrounding Wayne State University and the policies of

their landlords towards renters. The geography used for the study closely mirrors the Census blocks, and also the boundaries of Midtown generally defined by MDI.

Analysis of landlord policies and building description allows us to identify the rental experience for students, and thus what may or may not attract them to this geography as a suitable neighborhood for students. The “scorecard” (Table 1) from housing study by Brailsford and Dunlavey was used as a model for the features that appeal to student renters. A questionnaire was developed, guided in part by the “student friendliness scorecard” in B & D’s study, and guided by some practical information about the buildings that was not easily available from the city.

City of Detroit parcel data was acquired for residential units from a student assistant from the Wayne State Department of Geography and Urban Studies. That data was for buildings housing 3-4 families or more, and was within the boundaries of I-94 to the North, Rosa Parks to the west, Mack (MLK) to the south, and Brush St. to the east. The next step was to clean the data and develop of list of apartment all functional apartment buildings within a defined geography. MDI’s website listings of available rental properties were cross-referenced with the parcel data. It was estimated that the parcel data was as much as 10 years out of date. The website acts as a resource for potential renters and an advertising platform for landlords, so it provided more recent information. The final list that was used for this study contained 130 property entries, 93 of which had associated contact information (see Appendix 1).

It was decided to interview landlords by phone with a 20-question questionnaire (see Appendix 1), in total taking about 7-8 minutes to complete. The questionnaire covered the number of buildings managed by the owner, the size of the buildings, and variety of the

units (studio, 1 bedroom, 2 bedroom, etc.). It also covered policies regarding the tenants and leases. The last few questions asked about the prevalence of student tenants, any change in student tenants, and any policies that, in the landlord's opinion, may attract or discourage students from renting in the neighborhood.

To conduct the survey, the phone number listed for each property was called. Any numbers with an answering machine received a message and all of the numbers on the list were called. Those without answers were tried 3 times before being removed. The order of phone numbers was randomized, and in total 18 landlords were reached. This actually included 55 buildings and thus 55 entries from the properties list because several landlords discussed all of their properties at once, while each was listed as individual entries on the properties list.

Results and Analysis

The small number of interviewed landlords, 18, limits the accuracy of the results present here, but represents the most random sample possible under the constraints of the study. In at least some respects there were consistencies across all landlords. All of them require leases, and all of them run credit checks. All but one landlord allowed co-signers or guarantors on the lease. The conditions requiring a co-signer varied greatly. One building manager did not require them if the tenant was over 21, regardless of income level. Others required them as needed following a background check. One did not accept them at all, and felt that this was a measure to attract more faculty tenants to the building, rather than students. A smaller group of properties were dedicated low-income housing, which in most cases excludes full-time students from living there.

It was also common with most landlords for tenant agreements to go from 12-month contracts to monthly agreements (month-to-month) after the first year. A small percentage raised rent for month-to-month tenants. Some however, required a new 12-month lease each year. There were no trends drawn between requiring full year leases every year and building characteristics such as the number of properties managed by the landlord, the rent of the units, or size of the buildings.

Studies by Wayne State University in the Campus Master Plan have shown that there is a shortage of 4-bedroom apartments in Midtown, and the reports of landlords reflected this. Only 3 landlords offered 4-bedroom units, one of which specified that his four-bedroom unit was a single house in Woodbridge. The large majority of units in Midtown are 1 and 2 bedroom units, with studios common as well.

The set of questions regarding landlords' perceptions of students as tenants, and the neighborhood as a whole revealed some interesting results. Five landlords listed price as a deterrent for student renters. The rent ranged from as low as \$450 for a one bedroom to \$1150. Two bedrooms ranged from \$600 to \$1650. Two four-bedrooms were listed at \$1600. This list is incomplete because landlords did not all provide rent prices, most especially those who were discussing several properties at once, and who considered the whole list of rents too cumbersome to provide. A few landlords listed safety as a major factor attracting students to their buildings. One described the number of security cameras inside and outside of the building for students. All but one landlord said that they did not recognize any change in the number of student renters in the area. Some had more years of experience renting properties in the Midtown area than others; two had owned their building for less than one year and did not answer. Five landlords mentioned LiveMidtown

or the influx of young professionals while 13 so no change at all. Another landlord felt that students had increased because better quality housing was available, and another felt it was due to better management that was more responsive. One landlord who saw change attributed it to several factors including an influx of jobs for young professionals, better safety by Wayne State Police, and a growing neighborhood, especially in terms of economic development.

Interestingly, those who responded, “yes” to whether or not students are considered an important market to the landlord were not related to any specific policy differences.

Table 2 compares landlords’ responses on the importance of a student market to student percentage and location. Those that attracted students, and claimed a high percentage of

Landlord Responses, "Do you consider students an important market?"

Response	% Students of overall makeup	mentioned location
Yes	60-65	x
Yes	65	x
Yes	20-25	x
Yes	DNA	x
Yes	DNA	x
Yes	80	x
Yes	50	x
Yes	75	x
Yes	40	x
Yes	80-85	x
Yes	20	x
Yes	75-80	x
No	100	
No	15	x*
No	20	
No	0	
No	less than 10	
No	20	x**

*Students often do not meet income restrictions

**Building used to be 75% student occupied

Table 2.

students (75-80%) had no unique policies, but they all mentioned location as being a factor. In fact, the mention of location during the interview was highly correlated with considering students to be an important market. The buildings themselves are at a range from 0.1 miles to 1.0 miles from campus, and landlords with closer buildings found students not to be an important market. The six landlords who did not consider the student market had higher prices; they ranged from \$600-1150 for a one-bedroom apartment, an average of \$869. More than one landlord claimed that he considered students an important market and also that his or her rent prices deterred students. Even more stated that students were an important market yet saw no change in their neighborhoods, despite the increased occupancy rate in Midtown (now at 97%), and the higher number of students (particularly freshmen) living on Wayne State's campus.

In fact, through much of the data it would seem that landlords perceive their neighborhood through a different lens than the Census bureau or other statistics firms do. One landlord noted that the "the reality is that [the area just south of Wayne State's campus] is always going to be student driven," but also said that price deters student renters and that 80% of his tenants are working professionals. This comes down to economic decisions. The landlord's priorities are to cover costs. In the current situation, the landlords charging the highest rent are also the ones not looking into students as a market. The issue is that these landlords have different interests than students in the market. Many undergrads want cheap living units close to campus with several bedrooms. All students want safe housing and a safe neighborhood. Landlords want rent priced high enough to at least cover costs, and for their properties to remain in the best condition (and value) possible. Wayne State University wants students living close to campus to support campus

life and a community atmosphere. Currently only two of the landlords (who combined account for 20 buildings on the properties list) market directly to student tenants, and they both reported 80% student tenants. The rest attribute the occurrence of any student tenants that they have to location, but no direct efforts.

Three landlords identified the area as “student driven,” two of them saying that, “it always will be.” Yet, one of these landlords manages a building that attracts working professionals 4 to 1 over students. His building will change the face of the area regardless of its proximity to Wayne State. Another landlord, who opened up a newly renovated apartment building across the street from Wayne State campus, does not allow co-signers on the lease agreement, a feature that directly inhibits students. These are indicators of what is happening in the neighborhood right now, and of what is to come. If students cannot afford to pay rising rents, they will be driven out of the neighborhood.

Conclusion: Another Look

The University of Pennsylvania is worth discussing at this point because of its many similarities to Wayne State University, and the cities in which they are located. The City of Philadelphia is a post-industrial that lost 23% of its population from its peak of 2 million in 1960. By 2000, it had dropped to 1.5 million, and today stands at almost 1.55 million. During this time, the neighborhood around the university degraded, in rates of homeownership, safety, quality of public schools, income levels, and employment. Detroit has seen all of these problems occur next to Wayne State University within the same time frame. Urban theorists now have identified that some of these problems were nationwide. The loss of quality jobs and consequently income was due to foreign competition and

cheaper outsourced labor; de-industrialization of “rustbelt” cities affected population and income levels in urban regions in the Midwest and the Northeast of the United States during the 1970’s and 1980’s (Rusk, 1995).

University of Pennsylvania (Penn) is significant for being the first university to launch a large initiative to revitalize its neighborhood, and to be successful at it. University President Judith Rodin made a crucial decision to place the health of the neighborhood above the priorities of the school’s mission. She said, “I believe that these knowledge-generating entities not only have the capacity but the responsibility to take on roles of civic leadership in powerful and groundbreaking ways,” (Rodin, 2005). Rodin describes how Penn attacked housing in west Philadelphia with two goals: first, to increase homeownership in the neighborhood, which was a working class neighborhood of many single-family homes. Second, to confront neglectful landlords and eliminate substandard housing, specifically for low- and middle-income apartments. The university stated openly that it wanted to keep a set percentage of rental units priced low enough that development would not drive out the long-time residents of the neighborhood. In order to be a part of the community, Penn did not want to cause mass displacement from gentrification (Rodin, 95).

However, it recognized that a change in rental-property quality would alter the demographics of the neighborhood. Before launching its initiatives in 1999, 77.4% of Penn undergraduates lived in University City, the neighborhood that Penn resides in. Three years later, in 2001, off-campus Penn undergraduate student renters had dropped 12% to 65.6% while graduate student renters rose from 23.8% to 28.6%. This was expected from the beginning of the venture: the population of Penn undergraduates off-campus should

shrink from rising quality of rental property. Today, those numbers have continued to drop, and 58% of Penn undergraduates live on its campus. Graduate students continue to decrease on campus, (down to 6%) and the university provides a plethora of materials to assist graduates in finding off-campus housing.

The reason to discuss Penn's neighborhood revitalization is to see where students fit into a vibrant urban neighborhood adjacent to a university. Midtown in Detroit, like University City 10 years ago, is undergoing a transformation where investment is returning to the area, new people are moving in, and the economy is growing. It is natural to discuss gentrification because it is a reality; in terms of housing, the rental rates have been below market value for decades. The apartments near the university have remained inhabited because students took advantage of the slump. Now, as wealthier residents move in, and new investments are started, demand is rising, and with it rents.

One study examined what happens to neighborhoods as urban growth like this occurs. The study found that the costs of the growth are born out by individual neighborhoods, and that these original residents do not see the benefits of the urban growth for the region. Residents instead associate the costs with the new residents and try to push them out of the neighborhood (Chinybuguma and McConnell, 2013). The article argues that this essentially causes sprawl because development moves elsewhere, but in applying it to Wayne State University, the consequences would be different. Even if students were feeling the externalities of Midtown development and associated the costs with new young professionals that are willing to pay higher rents, students have less social capital and physical resources than higher paying residents, and they will in get pushed out. This is gentrification at its basic form. What is interesting to note from this study, is

that the students are the externality of a university that is invested in improving the neighborhood. Wayne State University participates in housing incentive programs for faculty and staff in the same way that Penn did so successfully from 2000-2007. In both cases however, students were the externality of the situation. University engagement in community development comes with a cost: when actors in the marketplace pursue their self interests, this benefits young professionals, but the externalities can in fact make university neighborhoods inaccessible to students even though they are geographically close to them.

This has several implications, not all of which can be covered by the scope of this study. It is recommended that scholars examine this area as a case study for future student-dominated residential areas surrounding urban university campuses. The area covered is rapidly changing and gentrifying, and Midtown stands as a pioneer of economic redevelopment in the City of Detroit, bringing with it the associated externalities of gentrification including displacement and pricing out of long-term low-income residents. Long-term it is crucial to understand the effect of students on the area- both their presence and their absence, because regardless of rent prices, students will still be attracted to the location, and businesses will still benefit from their patronization. Students offer an indicator of change short-term; change in rents and change in character of the neighborhood in the future. Investors, the university, landlords, developers, and urban planners all have an interest in the future direction of this neighborhood. More globally, other urban universities can stand to learn for this example. University of Pennsylvania demonstrated that a degraded housing market in a university neighborhood of a rustbelt

city can be revitalized and remain sustainable; the university neighborhood of Wayne State University offers an opportunity for scholars to document what that process looks like.

Appendix 1

Questionnaire:

Name of the interviewed/Company: _____

ID Number: _____

Phone Number: _____

- 1. How many buildings do you manage in the Detroit area?
- 2. How many of those are rental properties or apartment buildings?
- 3. Of the apartment buildings, how many are located in Midtown? Between Rosa Parks on the west, Brush on the East, North of Mack and below I-94?
- 4. Do you apply the same set of policies to tenants for all of your buildings? If not, why are there differences?
- 3. How many units are in each of those buildings? (if they have a lot of buildings, I'll ask for the number of units in the largest ones, and then keep probing for more info)

Unit Characteristics:

- 5. In [Building X], what is the size of the units?
- 6. What is the average rent for a 1 BR unit? [Repeat with 2 BR, 3 BR, studio, etc. as necessary]
- 7. Are utilities included in rent? [Open-ended, but suggestions below for probing]
 - Water
 - Cooking gas
 - Electricity
 - None of the above
 - Heat
 - Internet
 - Other: explain

- 8. Do you offer furnished units?
 - Yes
 - No

Policies:

- 10. Do you require leases?
 - Yes
 - No

[If they answered no, go directly to question 5]

- 11a. How long is the lease?
 - Less than a semester
 - Academic period
 - More than a year period
 - Semester period
 - 12 month period

- 11b. Does the lease allow the tenant to sub-let?

11c. Can the tenant stay after end of the lease?
Yes (please explain the conditions) No

11d. Do you accept co-signers with the lease?
Yes No

11e. Do you require them under any circumstances?

11f. Do unrelated tenants each sign leases or is a common lease signed by all of them? Or by one tenant only?
Individual lease Common lease

12. Do you ask tenants their income? Verify it? Run credit scores?

Encouraging Student Tenants:

13. Do you have any building policies that you think encourage or discourage different kinds of prospective tenants? Explain.

14. About what percentage of your tenants would you say are students?

15. Do you consider college students to be an important market?
Yes No

9. Have you noticed any change in the number of students looking to rent units in your building in the last 5 or 10 years? [If yes], why do you think that is?

10. Have any of your rental policies changed in response to this? (Please explain)

And is there anything else you want to add that you think might help me better understand why student do or don't choose to live in Midtown?

Thank you very much for taking the time to talk with me.

Appendix 2 Properties List

Address No	Street	Direction	Building name	Size
677	Alexandrine	W	Mt. Vernon Apartments	Large
711	Alexandrine	W		large
422	Brainard		The Ghandi-McMahon Architects Building	large
457	Brainard		creepy looking, don't expect phone number	large
484	Brainard		drive by to see name, number	large
641	Brainard		Midtown Place Apartments	large
3525	Cass		Wayne Court Apartments	large
3566	Cass		The Chesterfield	large
4263	Cass		Knicker Bocker	large
4830	Cass		The Union at Midtown	large
5440	Cass		The Belcrest	large
4404	Commonwealth			large
5201	Commonwealth			large
5217	Commonwealth			large
40	Davenport		Milner Arms Apartments	large
96	Ferry	W	The Verona	large
71	Garfield		71 Garfield	large
665	Hancock		The Hancock Apartments	Large
667	Hancock		The Hancock Apartments	large
324	Hendrie			large
4413	John R		The John R	Large
4425	John R			large
63	Palmer	E		Large
633	Prentis		Dubois	large
641	Prentis		Waldorf	Large
663	Prentis		Villa Lante	Large
3751	Second		The Coronado	Large
4162	Second		Second Avenue Terrace	large

4417	Second		Sheridan Court	Large
4609	Second		ABC Building	large
4709	Second		The Hollenden	large
4733	Second		The Touraine	Large
4762	Second		The Renaud	large
439	Selden			large
677	Selden		The Commodore	Large
678	Selden			large
686	Selden			large
4387	Third		Calumet Townhomes	large
4474	Third		The Beethoven	Large
4474	Third		The Beethoven	Large
4704	Third		University Club	large
665	Warren	W	Hadley Hall	large
1301	Warren	W	"Wild Wild west"	Large
27	Willis	E	The Rinaldo	large
47	Willis	E	Phillips Manor	large
51	Willis	E	Phillips Manor	large
100	Willis	E	Newberry Hall	large
500	Willis	W	The Charles	Large
630	Willis	W	Westwill Apartments	large
642	Willis	W	Westwill Apartments	large
665	Willis	W	The Keyes	large
675	Willis	W	The Keyes	large
828	Willis	W		large
3760	Woodward Avenue		The Ellington	Large
4501	Woodward Avenue		Studio One Apartments	large
4600	Woodward Avenue		The Lofts at Garfield	large
4750	Woodward Avenue		Hannan House	large
468	Alexandrine	W	The Eileen	med
1530	Alexandrine	W		med

816	Brainard			med
1535	Canfield	W		med
1615	Canfield	W	Charlene Apartments	med
4120	Cass			med
4147	Cass		Kresge Lofts (Apartments above the Vet Center)	med
4240	Cass		The Aurburn	med
3984	Commonwealth			med
4110	Commonwealth			med
4563	Commonwealth		The Crozier	med
4702	Commonwealth			med
5239	Commonwealth			med
58	Ferry	W		med
68	Ferry	W		med
78	Ferry	W		med
87	Ferry	W		med
1621	Forest	W	The Audry	med
615	Hancock	W	Sherbrooke Manor	med
1534	Hancock	W		med
51	Palmer	W		med
75	Palmer	W	The Phoenix Apartments	med
4622	Second		Avonroy Apartments	med
4741	Second		My Place!	med
4863	Second		The Pioneer	med
4416	Third		Canfield Third Lofts	med
4732	Third		Wayne Gate Apartments	med
4565	Trumbull		313.587.4419	Med
4701	Trumbull			med
479	Willis	W		med
497	Willis	W		med
5764	Woodward Avenue		maybe 313 215 6859	med
643	Alexandrine	W		small
4158	Avery			small
659	Canfield	W	Historic Canfield St	small
669	Canfield	W	Historic Canfield St	small
4221	Cass		above curl up and dye	small
4425	Cass		Carrick Apartments	small

4238	Commonwealth			small
4324	Commonwealth			small
4340	Commonwealth			small
4420	Commonwealth			small
4800	Commonwealth			small
110	Forest	W		small
119	Forest	W	West Forest Apartments	small
632	Forest	W	The Netherlander	small
633	Forest	W	The Aronda	small
642	Forest	W	Dodge House	small
667	Forest	W	The Thelma	small
680	Forest	W		small
71	Hancock	W	West Hancock Apartments	small
77	Hancock	W	West Hancock Apartments	small
98	Hancock	W	San Antonio Apartments	small
633	Hancock	W		small
444	Prentis			small
460	Prentis			small
476	Prentis			small
497	Prentis			small
656	Prentis		The Rosemary	small
670	Prentis			small
678	Prentis			small
4246	Second			small
4428	Second			small
4434	Second		The Blackstone	small
4632	Second		Sutton Place	small
4727	Second		The LaBelle	small
1545	Selden			small
3709	Trumbull			small
3933	Trumbull		The Lamkin	small
3941	Trumbull			small
3966	Trumbull			small
4304	Trumbull			small
5105	Trumbull			small
132	Willis	W	The Milton	small

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