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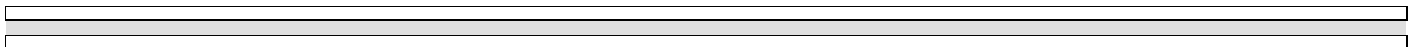
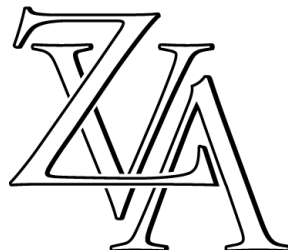
# An Analysis of Residential Market Potential

Southfield City Centre District

The City of Southfield  
Oakland County, Michigan

April, 2016

Conducted by  
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Research & Strategic Analysis

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Research & Strategic Analysis

AN ANALYSIS  
OF  
RESIDENTIAL MARKET POTENTIAL  
Southfield City Centre District  
*City of Southfield, Oakland County, Michigan*  
April, 2016

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EXECUTIVE SUMMARY

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This analysis has found that, from the market perspective, up to 250 rental and for-sale multi-family housing units can be supported within mixed-use redevelopment of an 8.15-acre site located across Evergreen Road from City Hall. Associated potential uses for the site include ground-floor retail as well as office space. Based on market preferences, the 250 units would include 203 rental apartments and 47 condominiums in four- or five-story buildings, with retail uses located on the ground floor.

The 203 rental units would include a mix of microlofts (400 square feet), studios, one- and two-bedroom apartments, and two-bedroom penthouse apartments with dens (1,650 square feet). Market-entry base rents start at \$800 per month for the microlofts and reach \$3,200 for the penthouse units. The weighted average rent is \$1,401 for an average unit of 773 square feet, an average of \$1.81 per square foot. Absorption is forecast at nine to 10 units per month, with functional full occupancy achieved in 19 to 21 months.

The 47 condominiums would include a mix of one- and two-bedroom units, and two-bedroom penthouses with dens, with unit sizes ranging between 800 and 1,700 square feet. Market-entry base prices start at \$185,000 for a one-bedroom and reach \$395,000 for a penthouse. The weighted average base price is \$253,500 for an average unit of 1,119 square feet, an average of \$227 per square foot. Absorption is forecast at 16 to 20 units per year, with sell-out achieved within two to three years. (*Reference Table 7 at the end of this study for further detail.*)

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## SUMMARY OF FINDINGS

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The purpose of this analysis is to determine the annual market potential for new housing units that could be developed over the next five years within the Southfield City Centre District, a multiple-block area in which the Southfield Municipal Complex, Lawrence Technological University, and various businesses, retailers and residential developments are located. The focus of the study is the residential component of the mixed-use redevelopment of 8.15 acres, three contiguous parcels within the District, located north of Civic Center Drive and west of Evergreen Road across from City Hall.

The magnitude and household characteristics of the potential market for new housing units within the Southfield City Centre District have been derived from the housing preferences and financial capacities of the draw area households, identified through Zimmerman/Volk Associates' proprietary target market methodology and extensive experience with urban development and redevelopment.

### —THE DRAW AREAS—

The most recent Oakland County migration and mobility data—as derived from taxpayer records compiled by the Internal Revenue Service from 2006 through 2010 and from the 2014 American Community Survey five-year estimates for the county and for the City of Southfield—shows where those households with the potential to move to new housing units in the City Centre District currently live (the draw areas). The draw areas include those shown on the following table:

**Annual Market Potential by Draw Area**  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*

City of Southfield (Local Draw Area):	25.3%
Balance of Oakland County (County Draw Area):	35.1%
Wayne, Macomb, and	
Genesee Counties (Regional Draw Area):	19.5%
Balance of US (National Draw Area):	<u>20.1%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2016.

### —ANNUAL MARKET POTENTIAL FOR THE SOUTHFIELD CITY CENTRE DISTRICT—

As determined by the migration and mobility analyses, up to 2,565 households with annual incomes at or above \$45,000 and currently living in the draw areas represent the annual potential market for

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newly-created housing units in the City Centre District each year over the next five years. The tenure (rental versus ownership) and housing type preferences of those 2,565 draw area households are shown on the following table (*see also* Table 1 *at the end of the study*):

Tenure/Housing Type Propensities  
 Annual Average Market Potential For New Housing Units  
 Households In With Annual Incomes Over \$40,000  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
MULTI-FAMILY FOR-RENT (lofts/apartments, leaseholder)	1,215	47.4%
MULTI-FAMILY FOR-SALE (lofts/apartments, condo/co-op ownership)	280	10.9%
SINGLE-FAMILY ATTACHED FOR-SALE (townhouses/live-work, fee-simple/ condominium ownership)	330	12.9%
SINGLE-FAMILY DETACHED FOR-SALE (houses, fee-simple ownership)	<u>740</u>	<u>28.8%</u>
Total	2,565	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2016.

In order to increase the the density in the City Centre District, rental and for-sale multi-family units, in both single- and mixed-use buildings, are the most efficient residential land uses. Therefore, only those households with preferences for multi-family rental and for-sale units—1,495 households—have been examined in the balance of this analysis. The tenure preferences of those 1,495 households are shown as follows (*see again* Table 1):

Tenure/Multi-Family Housing Type Propensities  
 Average Annual Market Potential For New Housing Units  
 Households In Groups With Median Incomes Over \$40,000  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*

HOUSING TYPE	..... HOUSEHOLDS .....	
	NUMBER	PERCENT
MULTI-FAMILY FOR-RENT (lofts/apartments, leaseholder)	1,215	81.3%
MULTI-FAMILY FOR-SALE (lofts/apartments, condo/co-op ownership)	<u>280</u>	<u>18.7%</u>
Total	1,495	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2016.

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—TARGET MARKETS—

As determined by the target market analysis, the annual potential market for new rental and for-sale multi-family housing units in the Southfield City Centre District can be characterized by general lifestage and household type as follows (*see also* Table 2):

- Younger singles and childless couples: 76 percent;
- Empty nesters and retirees: 16 percent; and
- Traditional and non-traditional family households: 8 percent.

The protracted ownership housing slump since 2008 has been one of several factors behind the measurable shift in market preferences from home ownership to rental dwelling units, particularly among younger households. There is currently a much greater consumer preference for multi-family rentals even among relatively affluent consumers than would have been typical a decade ago. At the same time, there has been a significant shift in preferences from auto-dependent subdivisions toward mixed-use, walkable neighborhoods.

The analysis shows that the primary target markets for the City Centre District are younger singles and couples in nine target market groups, making up 76 percent of the total annual potential market. These households, young adults aged 40 and younger, are part of the “Millennial” cohort, the generation born from 1977 through 1996 which, at 88 million, is now the largest in American history. The Millennials are demonstrating a strong preference for downtowns and urban neighborhoods, particularly those served by transit. In contrast to the traditional family, *i.e.*—a married couple with children—that comprised the typical post-war American household, Millennials are predominantly childless singles and couples.

Among the other principal factors driving the larger share of the market held by younger singles and couples are:

- Their higher mobility rates—young people tend to move much more frequently than older people; and
- Their strong preference for rental apartments, in part because many of them do not have sufficient funds for a down payment and in part because, since the collapse of the housing market in 2008, many of them remain skeptical about the value of owning versus renting.

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—THE CURRENT CONTEXT—

Summary supply-side information for the Southfield City Centre District (covering multi-family rental properties and the limited number of for-sale condominiums units) is provided in tabular form following the text: Table 3, Summary of Selected Rental Properties, City of Southfield and Bloomfield Township; and Table 4, Summary of Selected Condominium Properties, City of Southfield. A map showing the location of these properties is also included.

—OPTIMUM MARKET POSITION: SOUTHFIELD CITY CENTRE DISTRICT—

The market-entry rents and price points for new market-rate housing units that could be developed within the City Centre District are derived from the financial capabilities of those target draw area households with incomes at or above \$45,000 per year.

—*Rental Distribution by Rent Range: Multi-Family For-Rent*—

Each year up to 1,215 households with incomes at or above \$45,000 per year represent the target markets for newly-constructed market-rate rental housing units within the Southfield City Centre District (*as shown on Table 5, following the text*). Supportable market-rate rents, from the consumer perspective, have been established at 25 percent of the 1,215 target households' annual gross incomes, yielding the following distribution:

Distribution by Rent Range  
 Target Groups For New Multi-Family For Rent  
 Households With Annual Incomes Over \$45,000  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*

MONTHLY RENT RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$750–\$1,000	305	25.1%
\$1,000–\$1,250	300	24.7%
\$1,250–\$1,500	235	19.3%
\$1,500–\$1,750	200	16.5%
\$1,750–\$2,000	110	9.1%
\$2,000 and up	<u>65</u>	<u>5.3%</u>
Total:	1,215	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2016.

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—*For-Sale Distribution by Price Range: Multi-Family For-Sale*—

Each year up to 280 households with incomes at or above \$45,000 per year represent the target markets for newly-constructed market-rate multi-family condominium housing units within the Southfield City Centre District (*as shown on Table 6, following the text*). Supportable market-rate price points, from the consumer perspective, have been determined by assuming a down payment of 10 percent, and a monthly payment on a 30-year, fixed-rate mortgage at 4.5 percent interest, excluding taxes and utilities, that does not exceed 25 percent of annual gross income for each of the 280 households that represent the annual potential condominium market, yielding the following price point distribution:

Distribution by Price Range  
 Target Groups For New Multi-Family For Sale  
 Households In Groups With Median Incomes Over \$40,000  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$100,000–\$150,000	30	10.7%
\$150,000–\$200,000	40	14.3%
\$200,000–\$250,000	65	23.2%
\$250,000–\$300,000	65	23.2%
\$300,000–\$350,000	50	17.9%
\$350,000 and up	<u>30</u>	<u>10.7%</u>
Total:	280	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2016.

A total of 250 newly-created rental and ownership multifamily units could be absorbed in the City Centre District within three years, and could be accommodated on the development parcels. (*See MARKET CAPTURE on page 8.*) Ultimately, site planning and the feasibility of non-residential uses will determine the actual number of units that could be developed on the sites. As derived directly from market preferences, however, a target residential mix of 250 units would be as shown on the table following this page:



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Target Residential Mix: 250 New Housing Units  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*

HOUSING TYPE	PERCENT OF TOTAL	NUMBER OF UNITS
MULTI-FAMILY FOR-RENT (lofts/apartments, leaseholder)	81.3%	203
MULTI-FAMILY FOR-SALE (lofts/apartments, condo/co-op ownership)	<u>18.7%</u>	<u>47</u>
Total	100.0%	250

SOURCE: Zimmerman/Volk Associates, Inc., 2016.

The optimum market position for 250 new multi-family rental and for-sale housing units has been established based on a variety of factors, including but not limited to:

- The lifestages, tenure and housing preferences of draw area households with incomes at or above \$45,000 per year;
- The physical and locational assets and opportunities of the City Centre District;
- Current residential market dynamics in the Southfield market area;
- The parcels' location across from City Hall and the Library;
- The close proximity of LTU; and
- The diversity of uses already located within the District, including banks; a variety of eateries—including fast-food, fast-casual, family-style, and white-tablecloth; several retailers, ranging from a clothing store, a wine store, a florist, and gift shops, among others; as well as hotels and offices.

The optimum market position for 250 new rental and for-sale multi-family housing units within the Southfield City Centre District is summarized on the following table (*see also Table 7 following the text for greater detail*):

Base Rent, Price and Size Ranges  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*

HOUSING TYPE	RENT/PRICE RANGE	SIZE RANGE	RENT/PRICE PER SQ. FT.
MULTI-FAMILY FOR-RENT — 203 Apartments/Lofts	\$800–\$3,200/month	400–1,650 sf	\$1.77–\$2.00 psf
MULTI-FAMILY FOR-SALE — 47 Condominiums	\$185,000–\$395,000	800–1,700 sf	\$223–\$232 psf

SOURCE: Zimmerman/Volk Associates, Inc., 2016.

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The proposed rents and prices are in year 2016 dollars and are exclusive of location or floor premiums and consumer-added options or upgrades. Rents and prices are based on the characteristics and incomes of households that would move to the District if appropriate housing options were available there.

Based on the unit types, sizes, and rents/prices outlined in the optimum market position, the weighted average rents and prices for the apartments and condominiums are shown on the following table (*see again Table 7 following the text*):

Weighted Average Base Rents, Prices and Size Ranges  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*

HOUSING TYPE	WEIGHTED AVERAGE BASE RENT/PRICES	WEIGHTED AVERAGE UNIT SIZE	WEIGHTED AVERAGE BASE RENT/PRICES PER SQ. FT.
MULTI-FAMILY FOR-RENT Apartments/lofts	\$1,401 PER MONTH	773 sf	\$1.81
MULTI-FAMILY FOR-SALE Condominiums	\$253,500	1,119 sf	\$227

SOURCE: Zimmerman/Volk Associates, Inc., 2016.

—MARKET CAPTURE—

After more than 28 years' experience in various markets across the country, and in the context of the target market methodology, Zimmerman/Volk Associates has determined that an annual capture of up to 10 percent of the potential market for new rental housing and up to 7.5 percent of the potential market for new for-sale housing is achievable for a city the size of Southfield. (Nationally, until the 2008 housing collapse, newly-constructed dwelling units represented 15 percent of all units sold.)

Absorption of 250 new dwelling units within the City Centre District could be achieved within three years from commencement of marketing, depending on phasing and construction, and barring a significant local, regional and/or national economic downturn. Pricing and positioning have been designed to maximize values and the potential for escalation, yet achieve lease-up/sell-out within a reasonable absorption period.

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The forecast absorption of each housing type is shown on the following table (*see again* Table 7 *following the text*):

Forecast Absorption  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*

HOUSING TYPE	FORECAST ANNUAL ABSORPTION
MULTI-FAMILY FOR-RENT Apartments/lofts	108 to 120 units
MULTI-FAMILY FOR-SALE Condominiums	16 to 20 units

SOURCE: Zimmerman/Volk Associates, Inc., 2016.

Based on the forecast absorption paces outlined above, the resulting capture rates of the annual potential market for each housing type within the District would be as follows:

Capture Rates of the Potential Market  
 Based on Forecast Absorption  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*

HOUSING TYPE	ANNUAL MARKET POTENTIAL (HHS)	FORECAST ANNUAL ABSORPTION (UNITS)	CAPTURE RATE
MULTI-FAMILY FOR-RENT	1,215	108 to 120	8.9% to 9.9%
MULTI-FAMILY FOR-SALE	280	16 to 20	5.7% to 7.1%

SOURCE: Zimmerman/Volk Associates, Inc., 2016.

These housing type-specific capture rates are well within the parameters required for feasible development. The target market capture rates of the potential renter/purchaser pools are a unique and highly-refined measure of feasibility. Target market capture rates are not equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** is derived by dividing the annual forecast absorption by the number of households that have the potential to move to the site in a given year.

The **penetration rate** is derived by dividing the total number of dwelling units planned for a property by the total number of draw area households, sometimes qualified by income.

The **traffic conversion rate** is derived by dividing the total number of buyers or renters by the total number of prospects that have visited a site.

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Because the prospective market for a property is more precisely defined using target market methodology, a substantially smaller number of households are qualified; as a result, target market capture rates are higher than the more grossly-derived penetration rates. The resulting higher capture rates remain within the range of feasibility.



Table 1

**Annual Market Potential**

Annual Average Number Of Draw Area Households With The Potential  
To Move To The Southfield City Centre District Each Year Over The Next Five Years  
Households In Groups With Median Incomes Above \$45,000

***Southfield City Centre District***

*City of Southfield, Oakland County, Michigan*

*City of Southfield; Balance of Oakland County;  
Regional Draw Area and Balance of the United States  
Draw Areas*

Annual Target Market Households  
With The Potential To Rent/Purchase In the  
City of Southfield, Oakland County, Michigan 6,965

Annual Target Market Households  
With The Potential To Rent/Purchase In The  
Southfield City Centre District 2,565

**Annual Market Potential**

	<i>Multi- ..... Family .....</i>		<i>Single- ..... Family .....</i>		<u>Total</u>
	<u><i>For-Rent</i></u>	<u><i>For-Sale</i></u>	<u><i>.. Attached .. All Ranges</i></u>	<u><i>.. Detached .. All Ranges</i></u>	
Total Households:	1,215	280	330	740	2,565
<i>{Mix Distribution}:</i>	47.4%	10.9%	12.9%	28.8%	100.0%

**Target Residential Mix**

	<i>Multi- ..... Family .....</i>		<u>Total</u>
	<u><i>For-Rent</i></u>	<u><i>For-Sale</i></u>	
Total Households:	1,215	280	1,495
<i>{Mix Distribution}:</i>	81.3%	18.7%	100.0%

NOTE: Reference Appendix One, Tables 1 Through 11

SOURCE: The Nielsen Company;  
Zimmerman/Volk Associates, Inc.

Table 2

**Target Residential Mix By Lifestage And Household Type**  
 Annual Average Number Of Draw Area Households With The Potential  
 To Move To The Southfield City Centre District Each Year Over The Next Five Years  
 Households In Groups With Median Incomes Above \$45,000

***Southfield City Centre District***  
*City of Southfield, Oakland County, Michigan*

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	<i>Multi- ..... Family .....</i>		
	<u>Total</u>	<u>For-Rent</u>	<u>For-Sale</u>
Number of Households:	<u>1,495</u>	<u>1,215</u>	<u>280</u>
<b>Empty Nesters &amp; Retirees</b>	16%	13%	27%
<b>Traditional &amp; Non-Traditional Families</b>	8%	8%	5%
<b>Younger Singles &amp; Couples</b>	76%	79%	68%
	<hr/>	<hr/>	<hr/>
	100%	100%	100%

SOURCE: The Nielsen Company;  
 Zimmerman/Volk Associates, Inc.

**Summary Of Selected Rental Properties**  
*City of Southfield and Bloomfield Township; Oakland County, Michigan*  
**March, 2016**

<i>Property (Date Opened)</i> <i>Address</i>	<i>Number of Units</i>	<i>Reported Base Rent</i>	<i>Reported Unit Size</i>	<i>Rent per Sq. Ft.</i>	<i>Other Information</i>
<i>.....Southfield.....</i>					
<b>The Lakes (1986)</b> 25500 W 12 Mile Road	<b>434</b> Studio/1ba	\$630 to \$670	600	\$1.05 to \$1.12	<i>Balcony/patio; fireplace clubhouse; fitness center; pool; tennis courts; trails (bike, hike, jog)</i>
Walk Score: 52	1br/1ba	\$800 to \$890	800	\$1.00 to \$1.11	
	2br/2ba	\$915 to \$1,025	1,050	\$0.87 to \$0.98	
		\$960 to \$1,080	1,100	\$0.87 to \$0.98	
		\$1,245 to \$1,450	1,300	\$0.96 to \$1.12	
<b>Coach House (1972)</b> 23600 Lamplighter Drive	<b>500</b> 1br/1ba	\$690 to \$730	853 to 945	\$0.81 to \$0.77	<i>Gated access; patio; pool; stainless steel appliances</i>
Walk Score: 61	2br/1ba	\$790 to \$809	988	\$0.80 to \$0.82	
	2br/2ba	\$850 to \$880	1,176 to 1,226	\$0.72 to \$0.72	
	2br/1.5ba TH	\$940 to \$990	1,012 to	\$0.93 to \$0.98	
	2br/2.5ba TH	\$1,099	1,312	\$0.84	
<b>Southfield Apartments (1988)</b> 26300 Berg Road	<b>396</b> 1br/1ba	\$729	750	\$0.97	<i>Gated access; balcony/ patio; fitness center; pool; indoor hot tub; sundeck</i>
	2br/1ba	\$839	850	\$0.99	
Walk Score: 10	2br/2ba	\$1,020	1,000	\$1.02	
<b>Cambridge Square (1968)</b> 27435 Greenfield Road	<b>104</b> 1br/1ba	\$735 to \$810	1,000	\$0.74 to \$0.81	<i>Courtyard; playground</i>
Walk Score: 55	2br/2ba	\$815 to \$940	1,200	\$0.68 to \$0.78	
<b>Knob in the Woods (1965)</b> 20800 Knob Woods Drive	<b>588</b> 1br/1ba	\$765	1,040	\$0.74	<i>Gatehouse; fitness center; picnic area; pool; tennis courts</i>
	2br/1ba	\$875	1,400	\$0.63	
Walk Score: 33	3br/2.5ba	\$1,275	2,200	\$0.58	
<b>Pointe O' Woods</b> 24710 W 12 Mile Road	<b>216</b> 1br/1ba	\$785 to \$805	1000 to	\$0.79 to \$0.81	<i>Fitness center; pool</i>
Walk Score: 58	2br/2ba	\$885 to \$915	1250 to 1350	\$0.71 to \$0.68	
		\$930		\$0.69	

**Summary Of Selected Rental Properties**  
*City of Southfield and Bloomfield Township; Oakland County, Michigan*  
**March, 2016**

<i>Property (Date Opened)</i> <i>Address</i>	<i>Number of Units</i>	<i>Reported Base Rent</i>	<i>Reported Unit Size</i>	<i>Rent per Sq. Ft.</i>	<i>Other Information</i>
. . . . .Southfield {continued}. . . . .					
<b>The Kensington at Beverly Hills (1974)</b> 18335 West 13 Mile Road	<b>208</b>				
	1br / 1ba	\$799 to \$1,005	800 to 980	\$1.00 to \$1.26	<i>Gated access; balcony; pool; hot tub; clubhouse; exercise center; business center</i>
Walk Score: 33	2br / 2ba	\$1,010 to \$1,215	1,050	\$0.96 to \$1.16	
<b>Colony Apts (1972)</b> 21890 Colony Park Circle	<b>96</b>				
	1br / 1ba	\$800	770	\$1.04	<i>Clubhouse; pool; spa; sundeck</i>
Walk Score: 18	2br / 2ba	\$860 to \$890	1,250 to 1,310	\$0.69 \$0.68	
<b>Woodcrest Apartments (1985)</b> 23638 Civic Center Drive	<b>128</b>				
	1br / 1ba	\$845	830	\$1.02	<i>Balcony/patio; pool; full-size washer/dryer in every apartment</i>
Walk Score: 28	2br / 1 / ba	\$965	1,100	\$0.88	
<b>Franklin River (1985)</b> 28733 Franklin River Drive	<b>328</b>				
	1br / 1ba	\$860	960	\$0.90	<i>Fitness center; pool; clubhouse</i>
Walk Score: 49	2br / 1ba	\$970 to \$1,020	1,100 to	\$0.88 to \$0.93	
	2br / 2ba	\$1,035 to \$1,055	1,200	\$0.86 to \$0.88	
<b>North Park Towers (1967)</b> 16500 N. Park Drive	<b>313</b>				
	1br / 1ba	\$879	1,014	\$0.87	<i>Private balcony; wood floors; marble foyer;</i>
Walk Score: 56	2br / 2ba	\$1,085 to \$1,400	1,350 to 1,700	\$0.80 to \$0.82	
	3br / 2ba	\$1,650	2,000	\$0.83	
<b>Wakefield Forest (1976)</b> 29090 Tiffany Drive East	<b>67</b>				
	1br / 1ba	\$884	1,000	\$0.88 to	<i>Balcony/patio;</i>
Walk Score: 48	2br / 2ba	\$1,094 to \$1,194	1,400	\$0.78 \$0.85	
	3br / 2ba	\$1,299	1,400	\$0.93	
<b>Country Corners (1981)</b> 30300 Southfield Road	<b>211</b>				
	1br / 1ba	\$890 to \$910	1,100 to 1,200	\$0.81 to \$0.76	<i>Balcony/deck; health club membership; pool; clubhouse; fitness center</i>
Walk Score: 65	2br / 2ba	\$1,020 to \$1,070	1,300 to 1,500	\$0.78 to \$0.71	
	2br / 2.5ba TH	\$1,500 to \$1,545	1,800	\$0.83 to \$0.86	
	3br / 2.5ba	\$1,490 to \$1,515	1,800 to	\$0.83 to \$0.84	
	3br / 2.5ba TH	\$1,545	1,800	\$0.86	



**Summary Of Selected Rental Properties**  
*City of Southfield and Bloomfield Township; Oakland County, Michigan*  
**March, 2016**

<i>Property (Date Opened)</i> <i>Address</i>	<i>Number of Units</i>	<i>Reported Base Rent</i>	<i>Reported Unit Size</i>	<i>Rent per Sq. Ft.</i>	<i>Other Information</i>
. . . . .Southfield {continued}. . . . .					
<b>Arbor Lofts (2015)</b> 20301 Civic Center Drive	<b>58</b>				
	Studio/1ba	\$900 to \$1,500	700	\$1.29 to \$2.14	<i>Fitness center; yoga center; stainless steel appliances; granite counter tops available</i>
Walk Score: 52	1br/1ba	\$1,250 to \$1,300	886 to 913	\$1.41 to \$1.42	
	2br/2ba	\$1,505 to \$1,545	827 to 1,000	\$1.55 to \$1.82	
	3br/2ba	\$1,915 to \$1,975	1,282	\$1.49 to \$1.54	
	4br/2.5ba	\$2,495 to \$2,745	1,319 to 1,711	\$1.60 to \$1.89	
<b>Monticello Apartments (1988)</b> 22700 Civic Center Drive	<b>106</b>				
	1br/1ba	\$910	850	\$1.07 to	<i>Fitness center; pool</i>
	2br/2ba	\$1,100 to \$1,315	1,080 to 1,200	\$1.02 \$1.10	
Walk Score: 41					
<b>Park Lane Apartments (1986)</b> 23344 Park Place Drive	<b>184</b>				
	1br/1ba	\$980 to \$990	862 to 900	\$1.14 to \$1.10	<i>Courtesy patrol; pool; tennis courts</i>
Walk Score: 35	2br/2ba	\$1,190 to \$1,295	1162 to 1200	\$1.02 to \$1.08	
<b>Lancaster Hills (1968)</b> 29218 Lancaster Drive	<b>156</b>				
	2br/2ba	\$1,015 to \$1,035	1,330	\$0.76 to \$0.78	<i>Balcony/patio; fitness center; pool</i>
Walk Score: 49		\$1,025 to \$1,045	1,400	\$0.73 to \$0.75	
		\$1,055 to \$1,085	1,500	\$0.70 to \$0.72	
	3br/2ba	\$1,240 to \$1,280	1,800	\$0.69 to \$0.71	
<b>Silver Oaks of Southfield (1972)</b> 23741 Pond Road	<b>210</b>				
	1br/1ba	\$759	1,062	\$0.71	<i>Gated access; pool; balcony</i>
	2br/2ba	\$985	1,766	\$0.56	
Walk Score: 51	2br/2ba TH	\$1,199 to \$1,275	1,766 to	\$0.68 to \$0.72	
	3br/2.5ba TH	\$1,470	2,106	\$0.70	

**Summary Of Selected Rental Properties**  
*City of Southfield and Bloomfield Township; Oakland County, Michigan*  
**March, 2016**

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number of Units</u>	<u>Reported Base Price</u>	<u>Reported Unit Size</u>	<u>Price per Sq. Ft.</u>	<u>Other Information</u>
<i>. . . . . Bloomfield Township . . . . .</i>					
<b>The Glens</b>	<b>145</b>				
7480 Bingham Road	2br / 2ba	\$1,205 to \$1,495	1,400 to	\$0.86 to \$1.07	<i>Balcony/patio/deck; fitness center; pool</i>
Walk Score: 23	3br / 2ba	\$1,395 to \$1,535	2,000 to	\$0.70 to \$0.77	
	3br / 2.5ba	\$1,525	2,000	\$0.76	

Table 4

## Summary of Selected Condominium Properties

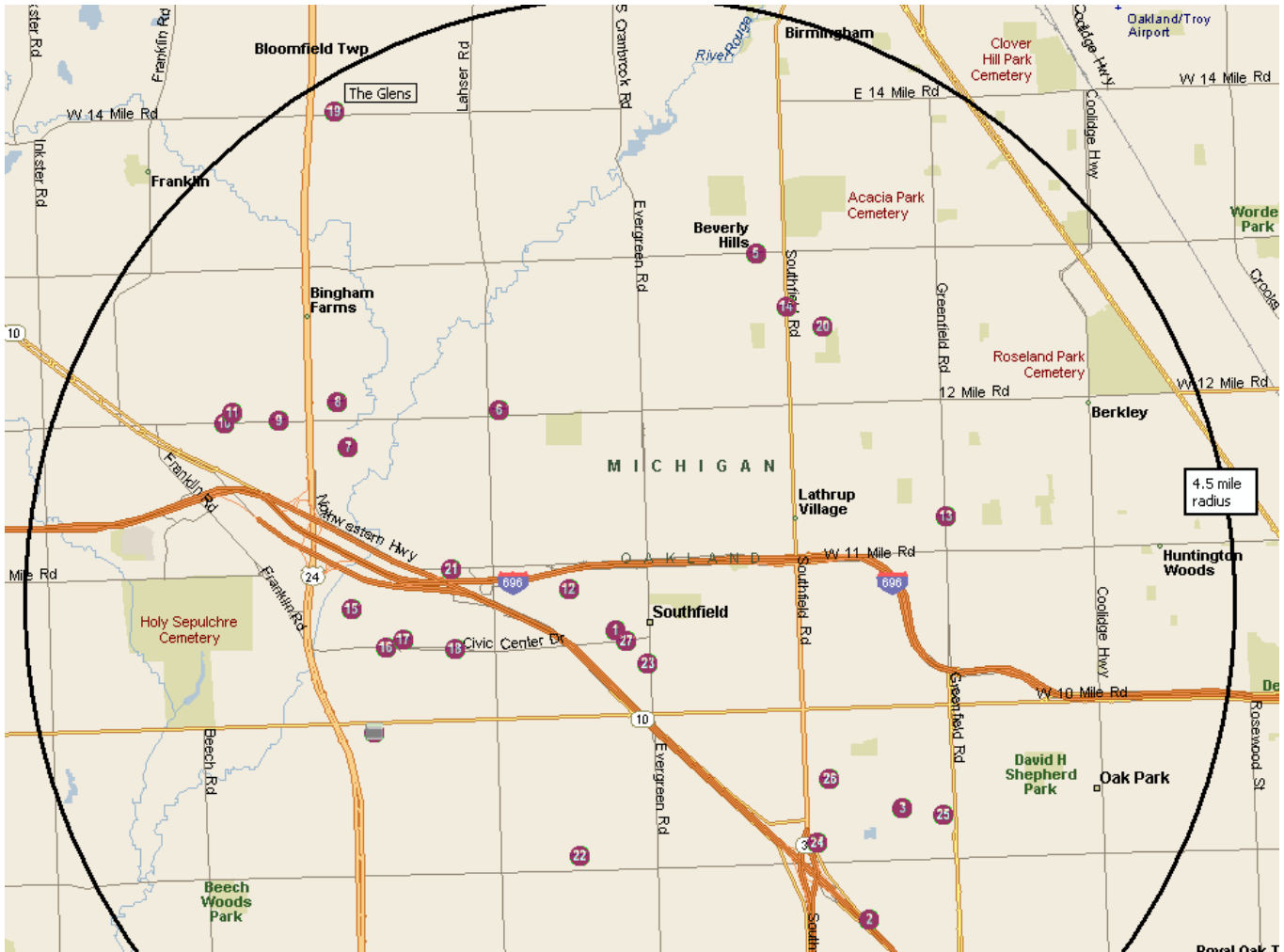
*City of Southfield, Oakland County, Michigan*

**March, 2016**

<i>Property (Date Opened) Address</i>	<i>Number of Units</i>	<i>Recent Resale Price</i>	<i>Reported Unit Size</i>	<i>Price per Sq. Ft.</i>	<i>Other Information</i>
<b>The Village at Cornerstone (2002)</b>	<b>84</b>				
Multiple addresses	2br / 1ba	\$ 60,000	1,046	\$49.06	\$200/mo fee; dishwasher; central air; attached garage
	2br / 2ba	\$77,000	1,375	\$65.97	
Walk Score: 66					
<b>5000 Town Center (1984)</b>	<b>216</b>				
33 stories					
Walk score: 51	1br / 1ba	\$73,000 to \$95,000	849 928	\$85.98 to \$102.37	valet parking; concierge; pool/deck; picnic areas; tennis/basketball courts fitness center; activity room
	1br / 2ba	\$65,000 \$95,000	928 1,275	\$70.04 to \$74.51	
	2br / 2ba	\$73,000 \$116,500	1,281 1,378	\$56.99 \$84.54	
	2br / 2ba	\$105,000 to \$115,000	1,390 to 1,378	\$75.54 \$83.45	
	3br / 3ba	\$93,500 \$210,000	1,743 1,857	\$53.64 \$113.09	
	4br / ba	\$243,000	3,297	\$73.70	
<b>The Vistas (2001-3)</b>	<b>100</b>				
Gateway Circle	2br / 1.5ba	\$95,000	1,365	\$69.60	\$200/mo fee; dishwasher; attached garage; basement; grounds maint.
	3br / 2.5ba	\$135,999	1,688	\$83.17	
Walk Score: 24					
<b>Park Place at Town Center (2002-4)</b>	<b>256</b>				
	2br / 2ba	\$110,000	1,301	\$67.92	\$250-350/mo fee; attached garage; security patrol; great room; clubhouse; fenced grounds
Walk Score: 38-49	2br / 2.5ba	\$128,000	1,688	\$84.55	
<b>Mt Vernon Village (1999)</b>	<b>36</b>				
24113/73 Lathrup Blvd.	3br / 1.5ba	\$115,000 to	1,232	\$93.34 to	\$180/mo fee; central air; garage; door opener; basement
	3br / 2.5ba	\$138,000		\$112.01	
Walk Score: 26					
<b>Antique Woods (2002)</b>	<b>32</b>				
20929 Antique Court	3br / 2.5ba	\$129,159	1,804	\$71.60	\$290/mo fee; fireplace; attached garage; basement
Walk Score: 24					
<b>Spring Haven Villas (2007)</b>	<b>65</b>				
17443 Windflower Drive	3br / 2.5ba	\$137,000	1,780	\$76.97	\$150/mo fee; attached garage; site appears ready for expansion
Walk Score: 60					
<b>King's Crossing (2005)</b>	<b>16</b>				
22550 11 Mile Road	2br / 2.5ba	\$147,000	1,528	\$96.20	\$200/mo fee; attached garage; grounds maintainance
Walk Score: 31					

SOURCE: Gibbs Planning Group;  
Zimmerman/Volk Associates, Inc.

## Southfield Selected Rental and Condo Inventory



Number	Apartment Name
1	Arbor Lofts
2	North Park Towers
3	Coach House
4	Silver Oaks of Southfield
5	The Kensington at Beverly Hills
6	Colony Apartments
7	Franklin River
8	Lancaster Hills
9	Pointe O' Woods
10	The Lakes
11	Wakefield Forest
12	Knob in the Woods
13	Cambridge Square
14	Country Corners
15	Southfield Apartments

16	Woodcrest Apartments
17	Park Lane Apartments
18	Monticello Apartments
19	The Glens
<b>Number</b>	<b>Condo Name</b>
20	Spring Haven Villas
21	King's Crossing
22	Antique Woods
23	Park Place at Town Center
24	The Vistas
25	The Village at Cornerstone
26	Mt. Vernon Village
27	5000 Town Center

Table 5

**Target Groups For New Multi-Family For-Rent**  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*

<b>Empty Nesters &amp; Retirees*</b>	<i>Number of Households</i>	<i>Percent</i>
Old Money	5	0.4%
Urban Establishment	35	2.9%
Cosmopolitan Elite	10	0.8%
Suburban Establishment	15	1.2%
Affluent Empty Nesters	40	3.3%
Cosmopolitan Couples	15	1.2%
Middle-Class Move-Downs	40	3.3%
Subtotal:	160	13.2%
<b>Traditional &amp; Non-Traditional Families†</b>		
Unibox Transferees	10	0.8%
Full-Nest Urbanites	20	1.6%
Multi-Ethnic Families	15	1.2%
Multi-Cultural Families	55	4.5%
Subtotal:	100	8.2%
<b>Younger Singles &amp; Couples*</b>		
The Entrepreneurs	35	2.9%
e-Types	65	5.3%
The VIPs	75	6.2%
Fast-Track Professionals	60	4.9%
Upscale Suburban Couples	135	11.1%
New Bohemians	80	6.6%
Twentysomethings	105	8.6%
Small-City Singles	145	11.9%
Urban Achievers	255	21.0%
Subtotal:	955	78.6%
<b>Total Households:</b>	<b>1,215</b>	<b>100.0%</b>

\* Primarily one- and two-person households

† Primarily three- and four-person households.

SOURCE: The Nielsen Company;  
 Zimmerman/Volk Associates, Inc.

Table 6

**Target Groups For New Multi-Family For-Sale**  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*

<b>Empty Nesters &amp; Retirees*</b>	<i>Number of Households</i>	<i>Share of Households</i>
Old Money	5	1.8%
Urban Establishment	10	3.6%
Cosmopolitan Elite	10	3.6%
Suburban Establishment	10	3.6%
Affluent Empty Nesters	20	7.1%
Cosmopolitan Couples	10	3.6%
Middle-Class Move-Downs	10	3.6%
Subtotal:	75	26.8%
<b>Traditional &amp; Non-Traditional Families†</b>		
Full-Nest Urbanites	10	3.6%
Multi-Cultural Families	5	1.8%
Subtotal:	15	5.4%
<b>Younger Singles &amp; Couples*</b>		
The Entrepreneurs	15	5.4%
e-Types	15	5.4%
The VIPs	20	7.1%
Fast-Track Professionals	25	8.9%
Upsale Suburban Couples	40	14.3%
New Bohemians	5	1.8%
Twentysomethings	15	5.4%
Small-City Singles	20	7.1%
Urban Achievers	35	12.5%
Subtotal:	190	67.9%
<b>Total Households:</b>	<b>280</b>	<b>100.0%</b>

\* Primarily one- and two-person households

† Primarily three- and four-person households.

SOURCE: The Nielsen Company;  
Zimmerman/Volk Associates, Inc.

Table 7

**Optimum Market Position: 250 New Market-Rate Dwelling Units**  
**Southfield City Centre District**  
*City of Southfield, Oakland County, Michigan*  
**April, 2016**

<i>Percent of Units</i>	<i>Housing Type</i>	<i>Unit Mix</i>	<i>Base Rent/Price Range*</i>	<i>Base Unit Size Range</i>	<i>Base Rent/Price Per Sq. Ft.*</i>	<i>Annual Market Capture</i>
<b>81.3%</b>	<b>Multi-Family For-Rent</b>					<b>108</b>
<b>203</b>	<b>New Apartments and Lofts</b>					<b>to</b>
	Microloft / 1 bath	13%	\$800	400	\$2.00	<b>120</b>
	Alcove Studio / 1 bath	20%	\$1,000	550	\$1.82	units
	1 bedroom / 1 bath	25%	\$1,350	750	\$1.80	
	2 bedrooms / 1 bath	20%	\$1,525	850	\$1.79	
	2 bedrooms / 2 baths	20%	\$1,950	1,100	\$1.77	
	PH 2 bedrooms / 2.5 baths / den	2%	\$3,200	1,650	\$1.94	
	Weighted Averages:		\$1,401	773	\$1.81	
<b>18.7%</b>	<b>Multi-Family For-Sale</b>					<b>16</b>
<b>47</b>	<b>New Condominiums</b>					<b>to</b>
	1 bedroom / 1 bath	30%	\$185,000	800	\$231	<b>20</b>
	2 bedrooms / 1.5 bath	30%	\$250,000	1,100	\$227	units
	2 bedrooms / 2 baths	35%	\$295,000	1,325	\$223	
	PH 2 bedrooms / 2.5 baths / den	5%	\$395,000	1,700	\$232	
	Weighted Averages:		\$253,500	1,119	\$227	
<b>100.0%</b>						<b>124</b>
						<b>to</b>
<b>250</b>	<b>New Dwelling Units</b>					<b>140</b>
						units

NOTE: Base rents/prices in year 2016 dollars and exclude floor and view premiums, options and upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.



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Research & Strategic Analysis

### ASSUMPTIONS AND LIMITATIONS—

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at the national, state, and county levels. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. However, this information cannot be warranted by Zimmerman/Volk Associates, Inc. While the proprietary residential target market methodology employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of the subject property. Absorption paces are likely to be slower during recessionary periods and faster during periods of recovery and high growth. Absorption scenarios are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this report and that the developer will apply high-caliber design, construction, marketing, and management techniques to the development of the property.

Recommendations are subject to compliance with all applicable regulations. Relevant accounting, tax, and legal matters should be substantiated by appropriate counsel.







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Research & Strategic Analysis

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