

Complementing Demolition

The Need for a Multifaceted Approach to Address Residential Abandonment in Detroit

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Introduction

Detroit faces a crisis of residential abandonment. The city is home to an estimated 33,500 vacant and abandoned homes that are linked to increases in crime and decreases in property values (Riley, 2008). In response to this growing problem, the city's leadership employs a program of widespread residential demolition, an approach it has used for more than 50 years. To support this program, the city allocates an outsized portion of its available financial resources. However, these expenditures prevent the city from dedicating financial resources to other means of combating the numerous ill effects of abandonment. Other approaches to addressing abandonment, such as caring for vacant lots and boarding up Vacant, Open and Dangerous (V.O.D.) homes are comparatively underutilized. Due to financial limitations, the vacant lots resulting from the city's demolition campaign typically remain neglected by city services, becoming overgrown or targeted as illegal dumping sites. The social and economic effects of these unkempt vacant lots are similar to those of the abandoned structures they replaced, undermining the intention behind demolition. A more effective approach to the management of abandoned properties would include improving the maintenance of vacant lots to supplement demolition. Similarly, boarding up vacant homes is a necessary complement to demolition that would allow the city to address more abandoned homes, without increasing overall spending. An abandonment strategy that includes securing and boarding up buildings may offer greater benefits by allowing the city to address a greater number of abandoned homes, particularly V.O.D. structures.

Detroit's Abandoned Residential Structures

Residential abandonment is the result of population decline. As Dan Kildee, long-time President of the Genesee County Land Bank, notes, "The greatest problem with population decline is that when people leave, they don't take their houses with them" (2009). Kildee's general observation about shrinking cities is clearly relevant to Detroit. As the city's population decreased from 1,849,568 in 1950 to an estimated 837,711 in 2007, the city has faced seemingly unparalleled levels of housing

abandonment (Census Bureau, 1950; ACS, 2006-8). In 1950, Detroit had 522,430 housing units (Census Bureau, 1950). However, over the subsequent 50 years, demolition exceeded new construction by 147,334 housing units, leaving a total of 375,096 housing units in 2000 (Census Bureau, 2000). This loss of population and homes is likely to continue into the foreseeable future; a 2005 *Detroit Free Press* poll found that more than a third of Detroit residents would leave if they could afford to do so, suggesting that abandonment is likely to continue (Dickerson, 2005). Those residents account for more than 85,000 currently occupied housing units (ACS, 2006-8).

The city's abandoned homes create numerous challenges for residents, most notably affecting neighborhood health, property values, and crime rates. Neighborhood abandonment increases the risks for a host of diseases and disabilities, with childhood lead poisoning a chief concern (NPR, 2005). According to a Wayne State University estimate, more than half of Detroit's vacant homes may be contaminating their neighborhoods with airborne lead-based paint dust (Shine, 2004). This type of exposure to lead can cause reduced attention spans, hyperactivity, and other behavioral problems in children; greater exposure can damage a child's kidneys and central nervous system and cause anemia, coma, convulsions, or death (Sullivan, 2002).

Increased abandonment negatively affects property values too. A 2001 Temple University Center for Public Policy study found a statistically significant spatial correlation between increased residential abandonment and decreased property values of neighboring homes in Philadelphia (Temple, 2001). The study found that properties within 150 feet of an abandoned property – whether a vacant lot or an abandoned structure – lost \$7,627 in value, while properties within 300 feet lost \$6,819 and those within 600 feet lost \$4,542 (Temple, 2001).

In addition to concerns surrounding public health and property values, abandonment has been found to coincide with significant increases in crime rates. A 1993 University of Texas study examined the effect of abandoned homes on crime in distressed neighborhoods

in Austin, Texas, which, in terms of property values and demographics, bear a near-perfect resemblance to many neighborhoods of Detroit (Spellman, 1993). The study found that overall, blocks that featured V.O.D. structures were 320% more likely to be subject to drug-related crimes, 180% more likely to experience theft, and 200% more likely to suffer violent crimes than demographically similar blocks without any abandoned buildings (Spellman, 1993). In Detroit, local fire data suggests a similar relationship between abandoned homes and arson. Although recent data shows that occupied housing outnumbers vacant housing more than seven-to-one, half of the Detroit Fire Department's 11,000 annual calls are to abandoned homes (DRPS, 2010; Riley, 2008). Together, these pervasive issues of health, property values, and crime help explain why abandoned buildings were the second-most common topic of resident complaints to the City of Detroit in 2008 (Brown, 2008).

In turn, these problems contribute to the spread of abandonment. Because abandonment typically occurs suddenly and has the greatest impact on the nearest properties, the communicable effects of abandonment tend to cluster spatially and spread rapidly (Odland, 1979). After an initial instance of abandonment in a neighborhood, owners of neighboring properties are subject to increased pressure to abandon their own property. This is due to the reality or perception of a declining neighborhood based on the evidence of decreasing property values, increasing crime rates, and other externalities of residential abandonment. As Rolf Goetz notes in *Understanding Neighborhood Change*, homeowners in areas of declining property values often “adopt more of a wait-and-see attitude regarding home improvements. They wonder whether it makes sense to continue investing in their homes” (1979). Abandonment becomes a self-fulfilling prophecy; the possibility of greater declines in value serves as a disincentive to invest further in a property, further encouraging neighbors to abandon their property.

Detroit Demolition

Detroit's present prescription for addressing residential abandonment is widespread demolition. Between 1970 and 2000, more than 161,000 buildings were demolished in Detroit (Goodman, 2004). More than 90% of these demolitions were of residential structures (Kilpatrick, 2008).

This approach to abandoned homes is born from a belief that demolition effectively eliminates many of the problems of abandonment. In 2008, then-Councilwoman Sheila Cockrel articulated this prevailing view: “Because of the cancer that these abandoned structures are, they destroy value to residents around them. They destroy any sense of safety and security... This stuff has to come down” (Riley, 2008).

Detroit's demolition program has considerable opportunity costs. From its general fund, Detroit allocated more than \$5 million to demolition in fiscal year 2009 (Executive Budget Summary, 2008-9). However, this represents only some of the demolition spending. The majority of the city's demolitions are funded with federal grants. In 2010, the city directed two thirds of its \$21 million federal Neighborhood Stabilization Program allocation to expand residential demolition (Hackney, 2010). In 2009, Detroit utilized more than half of its \$47 million Housing and Economic Recovery Act allocation for demolition (Travareli, 2009). This is not a new approach. Between 1988 and 2008, the City of Detroit used \$225 million of its annual Community Development Block Grant allocations on demolition of vacant structures; almost a third of its average annual allocation (Cockrel, 2007). This unparalleled allocation prohibits Detroit from abating abandonment through other means.

Despite the city's outsized expenditures in support of this campaign, Detroit's effort to eradicate abandonment cannot keep pace with rates of abandonment. Demolition of abandoned homes, while effective at addressing many of the concerns of abandonment, is problematic. The average cost of residential demolition in Detroit, more than \$10,000 per home, prohibits its use in addressing all newly abandoned homes each year, much less the existing stock of 33,500 vacant homes (Executive Budget Summary, 2001-9; DRPS 2010). While the city has demolished an average of nearly 1,000 structures annually, the city lost a net average of 5,800 households each year between 1990 and 2007 (Census Bureau 1990; ACS, 2006-8). Given the prevailing rate of housing abandonment and the city's current demolition spending, the city remains unable to demolish all of its V.O.D. homes. The city has maintained an inventory of more than 10,000 V.O.D. homes for more than 20 years (Montemurri, 1989; DRPS, 2010). In 1998, during a lauded and widespread demolition campaign, the *Detroit News* summarized the problem: “Demolition isn't likely to outpace the rate of property abandonment in Detroit for years — if at all” (1998).



Detroit, Michigan Photo: Natasha Krol Mauskapf

The city should re-examine the use of demolition as Detroit's primary tool for combating abandonment. Two issues, presumably unaddressed due to financial limitations, deserve consideration: the burden created by unmanaged vacant lots and the effectiveness of securing abandoned buildings. The city's approach to addressing abandoned structures, near exclusive reliance on demolition, undermines the effectiveness of demolition because it fails to embrace complementary strategies.

The Problem of Vacant Lots

Prolonged population decline and widespread demolition have left Detroit with a glut of vacant residential parcels. Detroit's population decline has persisted over six decades, causing the supply of vacant land created through demolition to increasingly outpace demand for developable residential parcels. In the three decades between 1978 and 1998, the City of Detroit issued 12 demolition permits for every building permit (Daskalakis, 2002). As a result of this trend, increasing numbers of the city's residential parcels are becoming vacant lots. In 1989, 65,000 of the city's 343,800 residential parcels were empty (Montemurri, 1989). Today, twenty years later, 91,500 residential parcels are vacant lots – more than a quarter of the city's residential properties (DRPS, 2010). Of these, an estimated 40,000 are owned by the City of Detroit (Detroit Regional Chamber, 2008).

Due to its limited financial resources, the City of Detroit typically fails to make improvements to recent demolition sites. John George, President of Motor City Blight Busters, a Detroit community development group, observes, "When the city demolishes a house, they don't plant grass, they don't plant trees; it's just a big scar" (Wilgoren, 2007). For decades, the city's budget for maintaining vacant lots has been in steady decline due to a decreasing tax base and increasing demolition costs. In 1993, Detroit spent \$4 million annually maintaining vacant lots (Costello, 1993). Today, Detroit spends \$800,000 annually maintaining its lots (Betzold, 1999). This increasingly inadequate sum is stretched further and further with each demolition, and only covers an annual mowing (Betzold, 1999). In response to resident dissatisfaction, there is a long history of administrations paying for a second mowing during election years (Betzold, 1999).

Because the core of the city's limited vacant-lot maintenance is an annual mowing and the occasional collection of trash left by illegal dumping, residential demolition sites typically remain in stasis, creating problems similar to those created by the vacant residences they replaced. As John George notes, "After demolition, the city leaves a patch of dirt that gets covered with peoples' trash. It's not much better than [an abandoned] house" (2009). Other residents find the condition of

vacant lots problematic. The condition of the city's vacant lots generated the most complaints to the city in 2008, surpassing even those generated by abandoned buildings (Brown, 2008).

Much of this dissatisfaction stems from illegal dumping, a problem the city is largely unable to address. According to the Environmental Protection Agency (EPA), vacant lots are the most common sites of illegal dumping (Vogan, 1997). This phenomenon, which leaves neighborhood lots strewn with garbage, places an even greater burden on the city's limited vacant-lot maintenance budget (Vogan, 1997). In 1990, Conley Abrams, then-Director of the Department of Public Works, stated that the department was forced to largely ignore illegal dumping due to inadequate funding (Betzold, 1990). This policy has continued unchanged. In 2001, Ulysses Burdell, then-Director of the Department of Public Works, underscored the frustrating delays in addressing illegal dumping due to limited financial resources "There are higher priorities out there. We'll get to it when we [get more funding]" (Detroit News, 2001). According to the EPA, existing instances of illegal dumping in Detroit encourage further illegal dumping (Vogan, 1997). Thus, the city's inability to address initial instances of the problem may encourage additional dumping, increasing the overall cost of remediation and furthering neighborhood decline.

This poor maintenance has more psychological effects that further erode neighborhood conditions and increase crime rates. Noted urban scholar James Howard Kunstler explains, "[vacant lots] repel people. People will cross the street rather than continue walking on the side of the empty space" (2008). According to Kunstler, vacant lots, especially when poorly maintained, cause pedestrians to lose their sense of safety. (2008) Responding to a perception of crime, pedestrians may begin avoiding a neighborhood, a reaction that encourages crime (Skogan, 1986). With reduced resident activity and traffic, the safety of the neighborhoods declines. A University of Pennsylvania study of Philadelphia found a compelling spatial correlation between vacant lots and crime (Cohen, 2009). By comparing police data with corresponding census demographics data and vacant property records from 2002 to 2006, researchers documented an 18.5% increase in assaults in neighborhoods containing vacant lots compared to neighborhoods without them (Cohen, 2009).

In turn, the housing market responds to this declining vitality and increased crime rate. Properties adjacent to vacant lots can lose as much as 20% of their value (Wachter, 2005). Due to these declines in property values, excess vacant space, especially when poorly maintained, discourages reinvestment and deters new construction (Schilling and Logan, 2008). Similar to the exoduses sparked by the presence of abandoned dwellings,

trash-strewn vacant lots also encourage increased housing abandonment. “What usually happens is people get so disgusted living next to a vacant lot that they eventually move as well,” explains Rosa Sims, a local community development advocate (Betzold, 1990).

Because the city commits so many resources to demolition, and comparatively so few to managing the lots created in the demolition process, the resulting lots become neighborhood liabilities. The resultant increases in crime and decreases in property values serve to undermine the success and effectiveness of demolition as a tool in addressing residential abandonment.

The primary aims of the city’s demolition program, crime prevention, neighborhood stabilization, and property-value preservation, are not supported to the fullest extent possible as long as vacant lots are left unattended after demolition. Expanding fundamental services, such as illegal dumping abatement, grass planting, and increased lawn mowing would address many of widely held concerns about the city’s vacant lots that were articulated by John George. Given the damage caused by unmanaged vacant lots, improved management is a necessary complement to demolition as an approach to addressing housing abandonment.

“Abandonment becomes a self-fulfilling prophecy; the possibility of a greater decline in value serves as a disincentive to invest in a property, further encouraging neighbors to abandon their property.”

Securing the Abandoned

As a complement to demolition, boarding up abandoned buildings could be used to cost-effectively abate many of the problems associated with abandonment. While demolition offers a more permanent and effective solution to addressing abandonment, securing abandoned homes, the process of boarding over all points of entry, affordably reduces the impact of V.O.D. homes. Detroit spends an average of \$10,000 on demolition per abandoned home (Elrick, 2004). In contrast, the city’s average cost of securing abandoned homes is less than \$700 per home (Elrick, 2004). Despite this dramatic difference in cost, the city has refrained from the widespread practice of securing buildings. While Detroit averaged slightly more than 1,000 demolitions annually between 2000 and 2009, it secured an average of just more than 110 each year during the same span (Executive Budget Summary, 2001-9). As of 2009, this disparity left the city with more than 10,000 V.O.D. homes (DRPS, 2010). However, existing research suggests that securing abandoned buildings may be a markedly more cost-effective option. Given the difference in cost, a minimal redistribution of demolition spending towards securing buildings would allow the city to more effectively

address the challenges of a much greater number of abandoned homes.

Securing abandoned homes greatly reduces the likelihood of many crimes. Albert Thomas, the former director of Detroit’s Buildings and Safety Engineering Department, argued that most cases of arson in Detroit are merely cases of opportunistic vandalism. “If there’s something there that will burn and nobody around, people who are attracted to arson will gravitate toward vacant, open buildings,” Thomas observed (Edmonds, 1987). Nationally, unsecured abandoned buildings are more than three times more likely to become victims of arson as secured abandoned buildings (Howley, 2009). Detroit Fire Department officials estimate that in Detroit, V.O.D. homes may be four times more likely to suffer arson as secured abandoned homes (Perrin, 2010). The difference between secured and unsecured abandoned structures

is similar for other crimes too. In the 1993 University of Texas study, blocks with secured buildings had less than a 30% increase in crimes when compared to demographically

similar blocks without any abandoned buildings (Spellman, 1993). As noted, blocks with V.O.D. homes experienced increases between 180% and 320%, depending on the crime (Spellman, 1993). These disparities suggest that securing V.O.D. structures offers promise in the reduction of many neighborhood crime rates.

Securing abandoned buildings may also affect neighboring property values. Although the direct relationship between securing V.O.D. structures and improvements in neighboring property values has not been studied extensively, existing work examining the correlation of crime and property values indicates that the potential reductions in crime brought about by securing abandoned buildings would significantly increase neighboring property values. Depending on the type of crime, increases of as little as 3% in crime rates correlate with decreases in property values of between 5% and 15% (Thaler, 1978; Buck, 1991; Hellman, 1979). The findings of these studies suggest that the disparities in crime rates documented in the University of Texas study would positively impact neighboring property values. However, a more conclusive statistical analysis of this relationship is still needed.

In comparison to demolition, securing abandoned buildings is more suited to rapidly addressing abandonment. Due to financial and legal limitations, the city’s overwhelming reliance upon demolition stymies its ability to respond quickly to individual instances of

housing abandonment, a necessity in slowing the spread of abandonment (Goetz, 1979). City ownership is typically a prerequisite for city-funded demolition, and Detroit must wait for as many three years to seize a property for tax delinquency, which is the city's primary means of abandoned property acquisition (Legal Lines, 2005). Even after seizure, the city must typically wait nearly two years before demolishing the most dangerous structures due to funding shortages (Montemurri, 1999). Furthermore, Detroit must wait an average of between eight and nine months for utility companies to disconnect a house's gas and electric service (Hackney, 2010). However, with the advent of the city's Department of Administrative Hearings, city employees can secure buildings until the owner addresses the problem or the structure can be demolished (Gallagher, 2009). Unfortunately, even this tool remains underutilized due to limited funding.

Although less effective than demolition in abating the effects of residential abandonment, the significant differences in cost of securing buildings as opposed to demolition would enable the city to address a greater number of abandoned structures if some demolition funding were diverted to securing homes. In this manner, securing the city's V.O.D. structures could prove to be another strong complement to the city's existing demolition program.

Conclusion

While demolition remains a popular and compelling means of addressing many of the problems associated with housing abandonment, Detroit's near exclusive reliance upon demolition in addressing the buildings left after population decline is ineffective and inefficient. The city's current approach to managing its vacant lots blunts the effectiveness of demolition and allows many of the problems that sparked the abandonment to persist only partially addressed. Reducing the focus on demolition and shifting more resources towards vacant-lot maintenance and securing abandoned buildings would prove a more prudent use of limited resources. Increasing use of the less costly practice of securing abandoned buildings could allow the city to abate the affects of a much greater number of buildings while facilitating a more rapid response to contagious abandonment. A multifaceted approach to remediating housing abandonment, one that includes the complementary policies of increased vacant lot maintenance and greater use of securing abandoned buildings, would offer the city a more flexible and capable strategy for addressing abandonment.

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