
Economic Impact of the Detroit Land Bank Authority from Demolition and Rehabilitation Activity on Neighboring Homes Values 2014 - 2025

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EXECUTIVE SUMMARY

The DLBA is fast approaching its thirty-thousandth residential demolition and thirteen-thousandth residential rehabilitation across Detroit's neighborhoods since 2014 (see Table 1 next page). The estimated impact on the value of homes in Detroit from transforming these properties tops \$2 billion in property value protection and appreciation. With results validated by similar studies in both Chicago and Cleveland¹, the policy implications of this work are immense for the City of Detroit's strategy to stabilize and grow its tax base. It provides direct proof that public investment in the DLBA is an effective institutional vehicle to stabilize and grow Detroit's property tax base.

¹ [Cuyahoga Land Bank: 10-year Economic Impact Analysis](#) and [Cook County Land Bank Authority Public Private Partnership with Local Developers: 10-Year Economic Impact Analysis, FY 2014 - Q1 2024](#)

Table 1: Total DLBA Property Value Impact and Interventions, 2014 - 2025

DLBA Intervention Type	Property Value Impact	Total Interventions
Residential Demolition	\$874,630,860	29,065
Residential Rehabilitation	\$1,164,847,838	12,816
Totals	\$2,039,478,698	41,881

According to a recent University of Michigan study², the value of owner-occupied homes from 2014-2023 increased by 112%, for a total estimated increase of \$4.7 billion in occupied home values in Detroit over the past 10 years. The timeframe of the UofM research team's identified growth in home values directly mirrors the timeframe that DLBA transformed over 40,000 Detroit properties. Further, given how effective the DLBA has been at spatially distributing its activity and quantifiable impact on home values across the City's council districts (see appendix 3, 4 and 5), the findings of this analysis strongly suggest that upwards of 40% of the appreciation of home values in the City of Detroit since 2014 are a direct result of DLBA activity.

This analysis primarily quantifies the economic impact of all DLBA demolition and rehabilitation activity on all nearby home values. It then sums these findings with inflation adjusted historical impacts of the same, providing total estimated economic impact on home values from DLBA demolition and rehabilitation activities since 21014. The methodology used for this study is repeatable for future economic impact estimates, and is found in Appendix 2.

Positive property value impacts as a result of citywide property transformation are a critical component of DLBA economic impact. While true, it is only one component of the aggregate economic impact that the DLBA is having on Detroit's regional economy. This study does NOT quantify the following key economic impacts that land banks like the DLBA deliver to their cities:

1. The annual and cumulative property tax revenue generated as a result of putting properties back into productive use in Detroit;
2. Annual expenditures of the DLBA that generate significant economic output and jobs in the Detroit regional economy, including the spending of hundreds of millions in federal demolition spending since their inception. This means jobs and economic output as a result of DLBA's institutional existence; and,

² 1 Morenoff, Jeffrey D., Kurt Metzger, and Christina Shaw 2024. The Growth of Housing Wealth in Detroit and Its Neighborhoods: 2014-2022. Poverty Solutions, University of Michigan.
https://sites.fordschool.umich.edu/poverty2021/files/2025/03/Update-on-the-Growth-of-Housing-Wealth-in-Detroit-and-Its-Neighborhoods_-2014-to-2023.pdf

3. The level of investment from small developers significantly impacts jobs and economic output from roughly 14,000 rehabs completed since 2014 and about 3,500 more rehabs currently underway.

Future investment in the DLBA for continued demolition and rehab activity is strongly warranted given the return the DLBA is showing in terms of transforming the City of Detroit's tax base. Quantification of comprehensive economic impacts is also warranted given significant unmeasured economic impact that goes far beyond the \$2 billion economic impact since 2014 that this analysis solidifies.

RESULTS

The estimated total inflation adjusted economic impact of all completed DLBA demolition and non-distressed rehabs on nearby home values from January 1, 2014 - April 30, 2025 is as follows:

- **TOTAL IMPACT.** Total estimated economic impact on nearby home values from 29,065 DLBA residential demolitions and 12,816 completed and currently non-distressed DLBA residential rehabilitations since 2014 = **\$2,039,478,698**
 - **DEMOLITION.** Total economic impact on nearby home values from 29,065 DLBA residential demolitions performed since 2014 = **\$874,630,860**
 - **REHABILITATION.** Total economic impact on nearby home values from 12,816 completed and currently non-distressed DLBA residential rehabilitations since 2014 = **\$1,164,847,838**

The aggregate impact estimate knits together the inflation adjusted results from the original Munetrix analysis completed in 2023 with the results from this more current analysis that covers all DLBA demolition and rehabilitation activity through April 30th, 2025.

Demolition Impact

This analysis defines demolition impact as the change in all home values within 500 feet of a demolition as a result of transforming a blighted home into a vacant lot.

Table 2 provides a summary of the total estimated impact of DLBA demolition activity on neighboring home values since 2014. The “new” calculation represents impact estimates from the Griswold Consulting Group developed methodology which utilizes the original Munetrix model to estimate impact percentage on neighboring home values and the density of nearby homes within 500 feet of a given demolition. The “old” calculation uses inflation adjusted impact estimates from the original Munetrix calculation in 2023.

TABLE 2: DLBA Demolition Impact Since 2014³

	“New” Calculation	“Old” Calculation ⁴	Totals
Total Demolitions Completed	5,704	23,361	29,065
Total Estimated Impact (\$)	\$448,529,886	\$426,100,974	\$874,630,860
Average Impact Per Demolition (\$)	\$78,634	\$18,240	\$30,092

The primary methodological upgrade from the 2023 Munetrix analysis comes from how Detroit home values are estimated. This updated analysis utilizes recent MLS arms length actual sale prices averaged at the Munetrix polygon level, while the “old” model utilizes the now antiquated Munetrix home value approach, which included many unconventional home sales at significantly reduced prices than the current market. These home value estimates were retained in the “old” model estimates for aggregation to stay conservative in terms of overall impact, as the Detroit real estate market has significantly transformed since the early days of DLBA demolition activity. Thus, the most representative data in Table 1 for the current impact per DLBA demolition is represented by the “new” calculation column of summary statistics.

From January 1, 2014 through April 30th, 2025, the DLBA has completed 29,065 residential demolitions in Detroit. Those demolitions are estimated to have impacted nearby home values by over \$874.6 million dollars as of April 30th, 2025, suggesting an average per demolition impact of over \$30K in home value creation spread across an average of about 106 homes within 500 feet. This total impact per demolition is considered extremely conservative given methodological constraints of the “old” calculation. Given the use of current MLS statistics, the “new” calculation impact per demolition of \$78,634 spread across nearby homes is likely closer to the actual impact per demolition .

Rehabilitation Impact

This analysis measures rehabilitation impact as the change in all home values within 500 feet of a rehabilitation as a result of transforming a blighted home into an occupied and tax current home.⁵

³ All demolition impacts are summarized by Detroit City Council District in Appendix 3.

⁴ All “old” calculation demolition impact dollar amounts have been inflation adjusted from January 2023 to April 2025 dollars.

⁵ Rehabilitation of homes is substantively different from demolition of homes from a maintenance requirement and real estate market lens. Demolitions carry their vacant lot status forward passively, while rehab is subject to active property constraints such as general disinvestment and lack of market demand, which can lead to returned tax distress, vacancy, and blight. The economic impact of DLBA rehabs that have fallen back into distress are not counted as positive economic impact in this analysis, and will be discussed in the policy implication section.

Table 3 provides a summary of the total estimated impact of completed and non-distressed DLBA rehabilitation activity on neighboring home values from January 1, 2014 through April 30, 2025, the foregone economic impact from distressed rehabs that are both completed and underway, and the predicted impact of non-distressed rehab currently underway in Detroit. The “new” calculation represents impact estimates from this current analysis that utilized the original Munetrix model to estimate percent impact on neighboring home values as well as the density of nearby homes within 500 feet of a given rehabilitation, and the “old” calculation uses inflation adjusted and distress adjusted impact estimates from the original Munetrix calculation in 2023.

TABLE 3: DLBA Rehabilitation Impact Since 2014⁶

	"New" Calculation	"Old" Calculation	Total Since 2014
Total Non-Distressed Rehabs Completed	6,329	6,487	12,816
Total Estimated Impact of Non-Distressed Completed Rehabs (\$)	\$923,903,247	\$240,944,591	\$1,164,847,838
Average Impact Per Non-Distressed Completed Rehabilitation (\$)	\$145,979	\$37,143	\$90,890
Total Count of Distressed Rehabs Completed	805	368	1,173
Total Estimated Foregone Impact of Distressed Completed Rehabs (\$)	\$133,936,267	\$5,159,250	\$139,095,518
Average Foregone Impact Per Distressed Rehab	\$166,380	\$14,020	\$118,581
Total Count of Non-Distressed Rehabs Underway (\$)	2,800	N/A	2,800
Projected Impact of Non-Distressed Rehabs Underway (\$)	\$588,884,172	N/A	\$588,884,172
Total Count of Distressed Rehabs Underway (\$)	738	N/A	738
Projected Foregone Impact of Distressed Rehabs Underway (\$)	\$175,412,725	N/A	\$175,412,725

The primary methodological upgrade from the 2023 Munetrix analysis comes from how Detroit home values are estimated. This updated analysis utilizes recent MLS arms length actual sale prices averaged at the Munetrix polygon level, while the “old” model utilizes the now antiquated Munetrix home value approach, which included many unconventional home sales at significantly reduced prices than the current market. These home value estimates were retained in the “old” model estimates for aggregation to stay conservative in terms of overall impact, as the Detroit real estate market has significantly transformed since the early days of DLBA rehabilitation activity. Thus, the most representative data in Table 3 for the current impact per DLBA rehabilitation is represented by the “new” calculation column of summary statistics.

Since the start of 2014 and as of April 30th, 2025, the DLBA has completed 13,989 residential

⁶ All rehabilitation impacts are summarized by Detroit City Council District in Appendix 4.

rehabilitations in Detroit, of which 12,816 are considered non-distressed⁷ at the time of this analysis. Those non-distressed rehabilitations are estimated to have impacted nearby home values by nearly \$1.165 billion dollars as of April 30th, 2025, suggesting an average per rehabilitation impact of \$90,890 in home value creation spread across an average of about 106 homes within 500 feet. This total impact per rehabilitation is considered extremely conservative given methodological constraints of the “old” calculation. Given the use of current MLS statistics, the “new” calculation impact per rehabilitation of \$145,979 spread across nearby homes is likely closer to the actual per rehabilitation impact on neighboring home values.

POLICY IMPLICATIONS

The primary policy implication of this analysis is that public investment in the DLBA shows quantifiable and verifiable evidence that their work focusing on residential demolition and residential rehabilitation delivers significant positive results for the stabilization and growth of Detroit property tax base and home equity for homeowners. From a policy perspective, DLBA intervention begs the question of how much further is there to go before the Detroit property markets begin functioning on their own again? And, how much more investment in the thousands of properties the DLBA stewards is required to take advantage of any available property market return in the City of Detroit? How can this strategic investment be throttled with an eye toward the market while also taking into consideration the service needs of the citizens of Detroit?

Tracking the performance, output, and comprehensive economic impact of the DLBA is a key place to begin this work. Having full information surrounding the distressed property markets in Detroit is well underway at DLBA and integrating this knowledge into daily workflows of staff could be transformational, if properly funded.

While great positive effects are shown from DLBA activity, there is important work to be done in fine tuning the approach as well. There is significant opportunity to focus policy on the markets in which rehabs are slipping back into distress - either from investors running out of money, or market opportunities not working out as planned. With a total of 1,173 completed rehabs slipping back to distress (8.4%), that foregone economic impact in home value creation is worth almost \$140 million in property value. Projected rehabs underway are also slipping into distress (738 of 3,538 or 20.9%) - an early indicator of distress slipping into current rehab investments. It is highly recommended that some land bank programming and investment be targeted at triaging this issue - either with demolition where markets aren't ready, or protection of small investors to complete their projects, or holding back into DLBA inventory for future use.

⁷ This analysis defines “distressed” as tax distressed (foreclosed or delinquent) AND vacant when working with completed rehabs, and tax distressed (foreclosed or delinquent) when working with projected rehabs underway. All currently distressed properties were trimmed out of the impact analysis of this analysis.

APPENDIX

Appendix 1: Munetrix Economic Model Background and Methodology



Munetrix Economic Model Background and Methodology

Munetrix economic model estimates the impact rehab and demolition have on the value of homes nearby. Our economic model provided the scientific evidence used to release more than \$2.2 billion in federal dollars for blighted property demolition across the country. Munetrix economic impact model works by analyzing how the sale price of homes are impacted by nearby property changes such as demolition and rehabilitation (property interventions). We run this model in any community we have subscribed to our Parcel Analyzer system where we have property-level data. The analysis we perform includes more than one hundred thousand property sales across more than a decade impacted by tens of thousands of demolitions and rehabilitations.

To identify how demolition and rehabilitation impact different types of neighborhoods, we split all Neighborhoods in the Country into ten unique types. We did this by using a statistical process that groups alike neighborhood types based on various economic, socioeconomic and demographic factors from the Census Bureau. We then analyzed how the impacts of demolitions and rehabs uniquely impact nearby property values in each of then 10 neighborhood types in cities where we have property data through Parcel Analyzer.

The predicted demolition and rehab impacts you see in Neighborhood Intel are based on our deep understanding of how property values can change in each neighborhood type. We are able to estimate impacts based on the density of homes and home value, and the estimated % impact a nearby demolition in each neighborhood type. Value impacts are calculated by creating a counterfactual simulation where all properties that were demolished or rehabbed are instead left vacant, abandoned and tax foreclosed.

Appendix 1 (continued): Munetrix Economic Model Background and Methodology



Notes on the impact calculation process:

- Our model estimates the value of a home by breaking down the sale price of an actually sold home using various factors including:
 - Physical attributes (i.e. sq. ft., bedrooms, bathrooms, age, siding type).
 - Neighborhood type.
 - Adjustment and control for macro housing market trends.
 - Nearby property statuses (i.e. tax, occupancy, foreclosure)
- Demolitions are the result of taking an occupied tax foreclosed structure and making it a vacant lot.
- Rehabs are the result of taking an occupied tax foreclosed structure and making it an occupied and tax current structure.
- Properties impacted by a property intervention fall within 500 ft as measured from property edge to property edge.
- If multiple demolitions or rehabs happened nearby to a property, prior interventions are taken into account to not overestimate intervention impact.
 - For example, if a demolition is estimated to have a 5% impact on a nearby property and that property has a current assessed value of \$100,000, then the estimated impact of the most recent demolition is \$5,000 ($100,000 \times .05$). The impact of a demolition on the same property that occurred before the most recent demolition would be based on an adjusted assessed property value. $\$100,000 - \$5,000 = \$95,000$ adjusted assessed property value. So the impact of the prior demolition on that property would be \$4,750 ($\$95,000 \times .05$).

Appendix 2: Methodology

Summary

The Detroit Land Bank Authority (DLBA) worked with the Munetrix team (formerly Dynamo Metrics Inc.) in late-2022 and early-2023 to estimate the economic impact on nearby home values from all completed demolitions as well as all completed and forecasted rehabilitations up until that time⁸ (see Appendix 1). The output data tables delivered to DLBA from that analysis were leveraged in this updated analysis in concert with the spatial polygons from Munetrix' Neighborhood Intel Block Analyzer tool⁹ for Detroit to quantify updated impact estimates. Thus, the statistical artifacts from previous analysis were leveraged to reconstruct the original Munetrix model and thereby allow Griswold Consulting Group (GCG) to perform this updated economic impact analysis.

This analysis primarily quantifies the economic impact of all DLBA demolition and rehabilitation activity not previously quantified as of April 30th, 2025. It then sums these findings with inflation adjusted historical impacts of the same, providing total estimated economic impact on home values from DLBA demolition and rehabilitation activities since 2014. The methodology utilized for this study is repeatable for future economic impact estimates.¹⁰

The underlying methodology that quantified DLBA's demolition and rehabilitation impact that was deployed in the Munetrix 2023 analysis was utilized to derive two-thirds of the key statistics needed to calculate the "new" impacts presented in this analysis. The original hedonic price function laid out in Appendix 1, above, quantified the marginal impact of neighboring homes on home values in Detroit's housing submarkets - namely, the effect of distressed residential structures, vacant lots, and tax-current occupied structures on a home's value was derived from that model. Demolition effects (distressed structure becomes vacant) and rehabilitation effects (distressed structure becomes tax-current, occupied structure) derived in that model are the known marginal effects at the neighborhood level utilized from the Munetrix deliverables to quantify the effect of demolition and rehabilitation in this analysis.

Generally speaking, quantifying any demolition or rehabilitation effect from the Munetrix model requires the following three neighborhood components to be known:

1. The market value of homes within 500 feet of any given demolition or rehabilitation;
2. The number of homes within 500 feet of any given demolition or rehabilitation;

⁸ See Appendix 1 for Munetrix Economic Model Background and Methodology.

⁹ [Neighborhood Intel Block Analyzer](#) for Michigan provided by Munetrix was used to derive the polygon shapes for Detroit housing submarkets used in the spatial analysis in this study. Shapes were chosen because they mirror previous Detroit analysis by Munetrix.

¹⁰ See Appendix 2 for methodology of this current analysis.

3. The marginal impact rate on a home's value from a demolition or rehabilitation performed within 500 feet of it.

Several spatial and tabular data corrections and statistical innovations were required to achieve these three statistics for the 5,704 “new” demolitions, 6,329 “new” non-distressed rehabilitations, and 2,800 “new” non-distressed projected rehabilitations underway. All were readily achieved using academically defensible statistical methods laid out below. Final data outputs from the original Munetrix impact analysis and new MLS arms length sale data made this possible.

In terms of updating the “old” impact estimates, straightforward inflation adjustments were made to all property-level impact amounts. All currently distressed rehabs were trimmed out so as to not count positive economic impact where distress had returned to the “old” completed rehab.

From a spatial perspective, all derived statistical estimates were aggregated to the Munetrix model's block groups - shown below. These spatial polygons are derived from the U.S. Census Bureau American Community Survey block-group level data. Any missing data at the Munetrix block-group level was derived by taking the average statistic from all neighboring block groups.

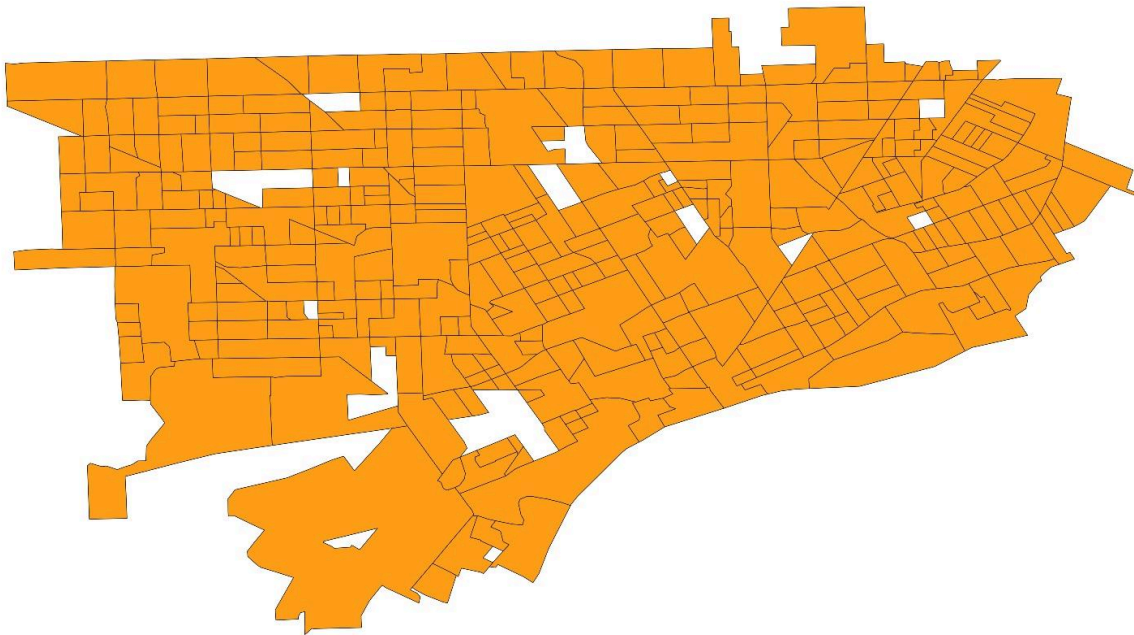


Image above: Munetrix Neighborhood Intel block-group level polygons used for this analysis.

Demolition Impact Quantification Method

The three key statistics quantified at the Munetrix block group level for every demolition were derived as follows:

1. The market value of homes within 500 feet of any given demolition;
 - a. This was quantified using MLS arm-length sales in the 28-months prior to April 30th, 2025 averaged at the Munetrix block-group level and applied to all demolitions performed within a block group. Munetrix spatial polygons with missing MLS data were calculated by averaging MLS mean values in neighboring polygons.
2. The number of homes within 500 feet of any given demolition;
 - a. This was quantified and applied to all demolitions in a given block group by using the average of all observed home counts within 500 feet from the original Munetrix analysis to the Munetrix block-group used in the “new” analysis
 - i. Wherever no data was available the average of all adjacent Munetrix block-group polygons was used.
 - ii. In rare circumstances, when no data was available, the overall average number of observed homes within 500 feet from all Munetrix polygons was used.
3. The marginal impact rate on a home's value from a demolition performed within 500 feet of it.
 - a. Marginal impact rate was derived by using the original observed rates of demolition impact offered by the Munetrix model. These rates were averaged at the block-group level and applied to every block group wherever available in the data.
 - i. Averaged marginal impact rates from all adjacent block-group polygons were used when data was not available.
 - ii. In many circumstances as a result of using the MLS data instead of the antiquated Munetrix data for housing values, these rates were inflated. This was managed by an interquartile range (IQR) analysis of all marginal impact rates, allowing all outliers to be dropped and then replaced by the global average impact rate.

A time series was then constructed within each Munetrix block-group polygon to perform the discounted rate necessary for nearby rehabs, allowing for the necessary discounted impact from high density rehabs to be quantified.

Rehabilitation Impact Quantification Method

The three key statistics quantified at the Munetrix block group level for every rehabilitation were derived as follows:

1. The market value of homes within 500 feet of any given rehabilitation;
 - a. This was quantified using MLS arm-length sales in the 28-months prior to April 30th, 2025 averaged at the Munetrix block-group level and applied to all rehabilitations performed within a block group. Munetrix spatial polygons with missing MLS data were calculated by averaging MLS mean values in neighboring polygons.
2. The number of homes within 500 feet of any given rehabilitation;
 - a. This was quantified and applied to all rehabilitations in a given block group by using the average of all observed home counts within 500 feet at the Munetrix block-group level from the original Munetrix analysis.
 - i. Wherever no data was available the average of all adjacent Munetrix block-group polygons was used.
 - b. In rare circumstances, when no data was available, the overall average number of observed homes within 500 feet from all Munetrix polygons was used.
3. The marginal impact rate on a home's value from rehabilitation performed within 500 feet of it.
 - a. Marginal impact rate was derived by using the original observed rates of rehabilitation impact offered by the Munetrix model. These rates were averaged at the block-group level and applied to every block group wherever available in the data.
 - i. Averaged marginal impact rates from all adjacent block-group polygons were used when data was not available.
 - ii. In many circumstances as a result of using the MLS data instead of the antiquated Munetrix data for housing values, these rates were inflated. This was managed by an interquartile range (IQR) analysis of all marginal impact rates, allowing all outliers to be dropped and then replaced by the global average impact rate.

All results from the analysis were then broken out into rehabs that were currently distressed and those not distressed. All currently distressed properties were dropped in the “foregone” impact bucket. A time series was also constructed within each Munetrix block-group polygon to perform the discounted rate necessary for nearby rehabs, allowing for the necessary discounted impact from high density rehabs to be quantified.

Appendix 5: Projected Impacts and Density of Non-Disressed Rehabilitation Underway by Detroit City Council District

The Appendix 5 table below provides a breakdown of counts, impact and impact per rehab of non-distressed and projected rehabs underway by council district in the City of Detroit.

	"New" Projected Rehab Count	"New" Projected Rehab Impact Calculation	"New" Projected Impact Per Rehab
1	210	\$37,324,841	\$177,737
2	196	\$62,260,372	\$317,655
3	665	\$109,138,644	\$164,118
4	554	\$99,118,065	\$178,913
5	489	\$146,194,841	\$298,967
6	261	\$61,295,299	\$234,848
7	425	\$73,552,110	\$173,064
TOTALS	2,800	\$588,884,172	\$210,316

The Appendix 5 map provides a visual of the density of these rehabs by council district.

