

# Focus Group, Rental/Lead and Eviction Data Analysis



# Focus Group Analysis



# Overall Attendance Results

10

Forums

104

Participants

**64 Landlords**

**40 Tenants**

14

Surveys



# Top Issues for Landlords

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## **Process, Customer Service, Communication, Information**

Landlords expressed frustration about a disjointed process, a lack of clear communication, information and customer service.

## **Ticketing process, clarity, and frequency**

Landlords complained about the amount of tickets and frequency, the fee structure, and confusion about ticketing.

## **Lead**

Landlords complained about the cost of lead inspections/abatement, access to contractors, and are confused about the process.

## **Cost**

Landlord expressed concern about the cost of compliance including, financing issues, selling property, and access to contractors.



# Top Issues for Landlords (continued)

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## **Tenant Relations, Rent Increases, and Eviction**

Landlords said that cost increases are passed on to the tenant and in some cases they evict or lose good tenants.

## **Inspections**

Landlords spoke about inspectors not showing up, the cost of the lead inspection, and using a Section 8 inspection to comply.

## **Dichotomy between smaller landlords and larger landlords**

Small investors had more difficulty with the cost and knowing where to start. Larger investors were more frustrated with the process and speed of getting their properties in compliance.



# Survey Results Landlords

**Seven** landlords responded to the survey, items reported below also came up during forum discussion

Landlords who completed the survey are split between those owning less than five properties or over 150 properties.
Large landlords own properties in multiple zip codes, while small landlords own properties in one zip code.
All rents reported by landlords were below \$1,000 per month, with smaller landlords charging less rent.
Half of landlords learned about the ordinance from the media.
Landlords reported lead work was done with interim controls only.
\$500 lead inspection fee on average for all landlord types.
All landlords are using private funding to pay for repairs.
Half of landlords indicated increasing rent to cover repairs.



# Top Issues for Tenants

## **Lack of Information on Rights as a Tenant including Information for Tenants about the Rental Ordinance**

Tenants do not know where to start when they are in a bad situation with a landlord. This includes not knowing if a landlord has a Certificate of Compliance, what the tenant's rights are, what the expectation of the landlord is.

## **Resources to Address Issues with Landlords**

Tenants do not know where to seek resources and support. Confusion about when a tenant should go to BSEED, tenant legal services, There is also confusion about the capabilities of tenant resources.

## **Physical Property Issues that go Unaddressed**

Tenants have condition issues but landlords are not within BSEED rental process. Issues are unaddressed after ticketing. No tenants in attendance have a landlord within the rental registration/COC process.

## **Escrow program does not offer enough protection.**

Tenants often do not qualify for the escrow program because of their month to month lease status. Additionally, tenants worry that working with BSEED will cause them to be evicted or cause the landlord to raise rent beyond their ability to pay.



# Top Issues for Tenants (continued)

## **Enforcement on Bad Actors, Slum Lords Still Operate**

Tenants believe slum lords in their neighborhoods are still operating.

## **Cost of Rent**

Tenants are experiencing rent increases and it put them in a difficult situation.

## **Frustration of Tenants**

Tenants are frustrated with what appears to be a lack of coordination and successful roll out of the rental ordinance.





# Survey Results Tenants

**Seven** tenants responded to the survey, items reported below also came up during forum discussion

Majority of tenants had a written lease, but 50% were month to month leases and 50% were annual leases.

Majority of tenants had lived in the property at least one year, some up to four years.

Rent varies between \$500-\$1000+ per month

All tenants said they have the desire to purchase a home.

Majority of tenants said they recommend the escrow program but have reservations about it's protection and effectiveness.

No tenants had a landlord with a Certificate of Compliance

Majority of tenants have maintenance issues and landlord is aware, half of tenants said issues were present when they moved in.



# Rental and Lead Data Analysis



# Background

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At the beginning of 2020 the Property Maintenance Division of BSEED (Buildings, Safety, Engineering & Environmental Department) partnered with University of Michigan's Poverty Solutions to analyze rental and lead inspections. U of M analyzed reasons for failed inspections and common places where hazardous lead is found. We also used data from 36<sup>th</sup> District Court to see if there is correlation between enforcement of the rental ordinance and the number of evictions. The analysis from University of Michigan Poverty Solutions will be used to educate landlords to help prepare them for their initial inspections.



*\*All rental and lead data was provided by the City of Detroit's Building, Safety, Engineering, Environmental Department, and analyzed by Poverty Solutions at the University of Michigan.*



# Rental Inspection Findings

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- Most common violation (overall and interior): Bathroom fixtures in poor condition (40% of 300 properties)
- Most common emergency violation: Improperly installed/non-working smoke alarms in sleeping areas (30%)
- Most common exterior violation: Accessory structures (fences, garages, etc.) in disrepair (35%)
- Half of properties with failed inspections were clustered in 48224, 48219, and 48223.

# Lead Inspection Findings

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- 39% of 300 properties failed the lead inspection.
- 81% had potential lead hazards, and will continue to consistent risk assessments
- *Paint Hazards:* 35% of the properties had paint hazards, most often on doors and windows
- *Dust Hazards:* 34% of the properties had dust hazards, most often on window troughs
- *Soil Hazards:* 2% of the properties had soil hazards
- More than half of the properties with both lead hazards and potential lead hazards were in 48219, 48223, and 48224 and 48235. Same as the zip codes with the highest number of rental inspection violations.

# Evictions



# Eviction Analysis

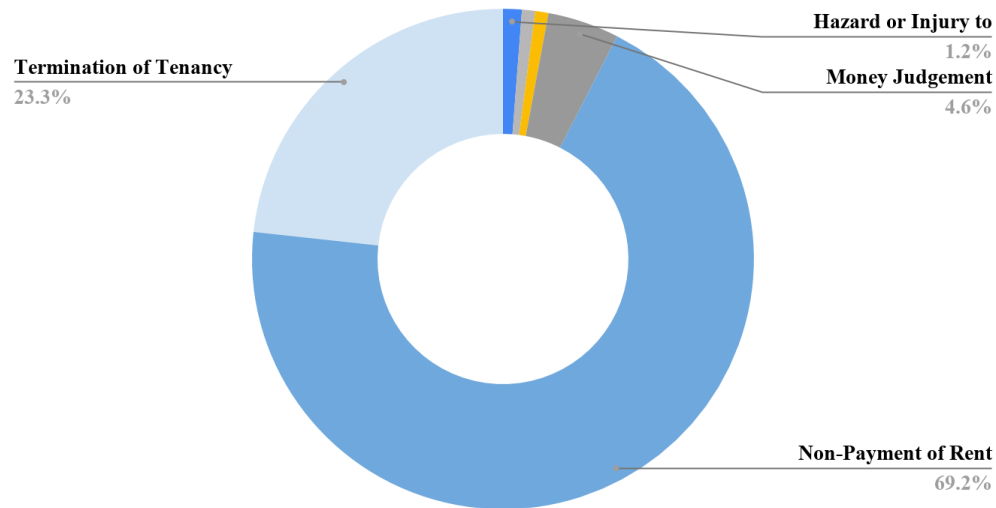
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We took a sample of 19,000 Detroit eviction filings between 8/2017 – 12/2019. Examined evictions within zip codes before and after ordinance enforcement dates.

- **Finding 1:** On average, enforcement of the rental ordinance enforcement is associated with a higher monthly eviction rate.
- **Finding 2:** The eviction rate in Detroit zip codes with the highest number of properties with rental violations (40 evictions per month) is four times higher than the eviction rate in zip codes with the fewest rental violations (10 evictions per month).
- **Finding 3:** From September 2017 to September 2019, the number of evictions filed varied significantly from month to month, but the data does not show a clear increase or decrease in the number of evictions over the observation period.

# Eviction Trends

- Analyzed additional sample of 825 eviction records, 8/2017 – 12/2019
- **Most common listed reason for eviction in court records is non-payment of rent (69%),** followed by termination of tenancy (23.3%)
- **54% of tenants appeared in court for their eviction proceedings.** Low appearance rate may indicate that renters do not think they will succeed in court w/ an attorney





# Coming Soon

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