Target Market Analysis
Regional Workbook
2016

Prepared for:
The State of Michigan
Collaborative Community Development
Michigan Economic Development Corporation
Michigan State Housing Development Authority
LandUse USA recommends that developers and investors align their projects with the market potential outlined in this TMA. Ideally, they will focus on modern Missing Middle Housing formats, including attached units in both the renter- and owner-occupied markets, and both market-rate and affordable price points. It is also recommended that they focus on new housing formats that a) are truly unique to each community; b) support socio-economic diversity; and c) are smartly planned and well-constructed as quality projects with appropriate placemaking attributes.

Site-Specific Feasibility Studies – The Target Market Analysis and TMA Market Strategy Reports are not intended to replace the need for site-specific feasibility studies. Rather, they serve as platforms for site-specific and more detailed studies. They are designed to demonstrate the relative magnitude of market potential and feasibility of attached housing formats at the county-wide, city-wide, and village-wide levels.

Recommended Project Strategies for Developers

- Attached building formats that align with the Missing Middle Typologies.
- Locations that support urban infill, redevelopment, and reinvestment.
- Locations in, adjacent to, and walkable to traditional downtown districts.
- Locations walkable to shopping, public schools, health care, transit, and churches.
- Locations with vista views of waterfronts, downtowns, public plazas, etc.
- Projects that involve public-private partnerships and regional collaboration.
- Projects that involve adaptive reuse and result in historic preservation.
- Projects that include Placemaking amenities and help create a sense of place.
- High-quality projects that support environment sustainability.
- Mixed-use projects that include retail, shopping conveniences, and services.
- Projects designed for a spectrum of target markets, and not just one.
- Projects designed for income integrated and multicultural communities.
- Projects that meet the needs of low-income households, not just the upper crest.
Pro-Forma Analyses – Developers will inevitably and unavoidably need to prepare site-specific pro forma analyses for underwriting purposes and to qualify for loans, grants, tax rebates, or other incentive programs. Underwriting requirements will probably include specification on the following: a) building format, size, scale, height, mix of uses, and amenities; b) unit sizes, tenures, prices, and amenities; c) parking, access, and related impacts on infrastructure; d) ownership, zoning, land use regulations, and related planning implications; e) taxes revenues and related fiscal impacts; and f) labor, materials, taxes and fees, and related costs.

Form-Based Branding – Assuming that the urban transect and missing middle housing typologies are used as guides, product types recommended in this TMA may be refined by the developers and builders, and to fit the appropriate context of place. When considering Missing Middle Housing formats, developers should avoid labeling projects or buildings as “affordable”, “subsidized”, “multi-family”, or “worker” housing. Instead, projects should be described according to their format and function, which will help diversify developer risk, optimize the market potential, and support socio-economic diversity within the community. A few qualifiers are listed below.

Form-Based Approach to Project Branding

- **Use**: Residential, mixed-use; live/work; above retail, civic, and/or office space.
- **Tenure**: Renter-occupied, owner-occupied, lease-to-own, and mixed tenures.
- **Scale**: Building height, footprint, number of levels, total units, units along building sides.
- **Format**: Detached units like mansion style houses (which may be subdivided into duplexes and triplexes), cottage courts, and accessory dwelling units (i.e., not “single-family”).
- **Format**: Attached formats like townhouses, row houses, multiplexes, low-rises, and flats and lofts (i.e., not “multi-family”).
Home design
- Individual front doors in a compact form allow for more informal surveillance.
- Personalization is critical in distinguishing one unit from the next in what can be a rather uniform streetscape.
- Many variations appear across the country.

Site design
- Overlooks and rear yard distances have significant impact on outdoor privacy.
- Side-to-side layout achieves intensity but access to outdoor space and natural light require careful design.
- Wide variety of site layouts are possible to shape outdoor spaces such as street corridors.
- Parking can be on-street, off-street, under units.
- Private and shared outdoor space can take a variety of shapes—despite limited size—and should accommodate a variety of uses.

Neighborhood amenities
- Neighborhood retail possible at this density.
- Transportation access can be good.
- Can incorporate wide variety of unit sizes and affordability to achieve broader community goals.
- Many options for ownership type and unit modification.
Townhouse: Stacked
(May include Row House and Brownstone)

common names
Stacked flats
Two-over-two
Maissonette

variations

Home design
• Private and shared outdoor activities should be accommodated with elements such as stoops, balconies, terraces, and playgrounds.
• Increase in density begs more attention to privacy and territory, especially for sightlines and private outdoor space.
• Personalization is critical in distinguishing one unit from the next in what can be a rather uniform streetscape.

Site design
• Careful attention to sun and air access is more important as building bulk increases.
• Compact form with good access offers possibility for ecologically friendly site planning and land conservation.
• Parking demands attention—on street or surface is insufficient; structured increases cost per unit.

Neighborhood amenities
• Increase in units per acre can increase activity on both neighborhood and community scale streets
• Many options for ownership type, and unit modification, and multiple strategies for affordability.

data
8-12 units/building
3-4 floors/building
interior or exterior entry
net site density:
25-40 units/acre

Combines side-attached units with apartments above or below. Can be used to achieve a mix of unit sizes, costs, and amenities.

Richfield, MN
Elliot Park, Minneapolis, MN
North Quadrant, St. Paul, MN
Multiplex: Small
(Missing Middle Housing Typology)

Four to sixteen dwelling units per building. An early twentieth century type common in the Twin Cities, often located on a narrow and deep parcels on traditional blocks.

**Home design**
- Central hall or stair accessible from the street.
- Must have some shared access to units - sharing among 6-10 units is recommended by Marcus and Sarkissian.
- At least two sides with windows results in comfortable light and air quality of indoor spaces.
- Some first floor units accessible from ground, affecting outlooks and security.
- Unit identity and personalization possible in outdoor space, unit front door (or windows), instead of front door to building.

**Site design**
- Parking is a challenge due to high lot coverage.
- Ground is typically shared to some degree.
- Most often found on urban parcels, so street facade and entry sequence design is critical.
- Clear marking of private and shared territory is important.

**Neighborhood amenities**
- Local stores are often within walking distance.
- Pedestrian accommodations are critical.
- Transit access is usually very good.

**common names**
- Walk-up apartment
- Four- or six-plex
- Garden apartment

**data**
- 4-16 units/building
- 2-3 floors/building
- interior or exterior entry
- net site density: 15-68 units/acre

**variations**

Grand Avenue, St. Paul, MN  
Grand Avenue, St. Paul, MN  
Minneapolis, MN
Examples

Metropolitan Design Center | College of Architecture and Landscape Architecture | University of Minnesota
1 Rapson Hall, 89 Church St. SE, Minneapolis, MN 55455  www.designcenter.umn.edu