

# GENTRIFICATION IN GRAND RAPIDS

**A Study of 2 Grand Rapids Neighborhoods, and a summary of findings from the report.**

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**Based on a study completed by MSU Urban and Regional Planning Practicum Students; Spring 2002 entitled Gentrification and Grand Rapids**

## WHAT IS GENTRIFICATION?

Gentrification is a process of property restoration in lower income neighborhoods by those with higher incomes. This can have positive effects such as improving the city's tax base or appearance, but it may also mean longtime neighborhood residents must move away because of rising housing costs. With urban areas looking to rebound from years of decline, urban redevelopment and reinvestment are often encouraged without giving serious thought to the social consequences.

Few tools have been developed to help create the ideal of a mixed income neighborhood. Special attention must be given to maintaining low income housing options in a gentrifying neighborhood.

Therefore, a collective understanding about what gentrification is and how it will impact a community is both

Pros of Gentrification	Cons of Gentrification
Improved Viability of Neighborhood	Displacement of Lower Income Residents
Redevelopment or Renovation of Housing Stock	Lack of Affordable Housing
Revitalization of Tax Base	Decrease in Multi-Family and Rental Units
Increased Homeownership Rate	Loss of Diversity in Neighborhood Businesses and Residents
Economic Opportunity: New Jobs in Low-income Areas	Conversion of Residential Units to Commercial Property
Improved Vibrancy of Downtown	Possible Decrease in Social Services for Lower-income Residents
Greater Income Mix and De-concentration of Poverty	Conflict between Old and New Residents
Historic Preservation / Designation	

necessary and desirable. Source: Kennedy and Leonard 2001

## INDICATORS OF GENTRIFICATION

Researchers who prepared a national study on gentrification that focused on gentrifying areas in Atlanta, Cleveland, Washington and the San Francisco Bay Area have developed signs or indicators that suggest places where gentrification has been or is occurring. (Kennedy and Leonard 2001). Leading indicators

act as predictors of where gentrification may not have begun but is most likely to occur. Primary indicators signify that gentrification may have already begun. While less strongly linked to the processes of gentrification than the primary indicators, secondary indicators may also show that gentrification is underway.

**“With urban areas looking to rebound from years of decline, urban redevelopment and reinvestment are often encouraged...”**

## NEIGHBORHOOD PROFILE

The South East Community Association (SECA) study area and the nearby East Hills study area are profiled. The six-block East Hills study area is bounded by Cherry Street on the north, Diamond Avenue on the east, Wealthy Street on the south, and Hollister Avenue on the west. The twenty-block SECA study area is bounded by Wealthy Street on the north; Lafayette Avenue, Logan Street, and Jefferson Avenue on the east; Sycamore Street on the south; and Division Avenue on the west.

Both of the study areas are located

## Indicators of Gentrification

### *Leading Indicators: Areas Most likely to Experience Gentrification*

- High Rate of Renters
- Ease of Access to Job Centers
- High and Increasing Levels of Metropolitan Congestion
- High Architectural Value
- Comparatively Low Housing Values

### *Primary Indicators: Strong Signs Gentrification is Occurring*

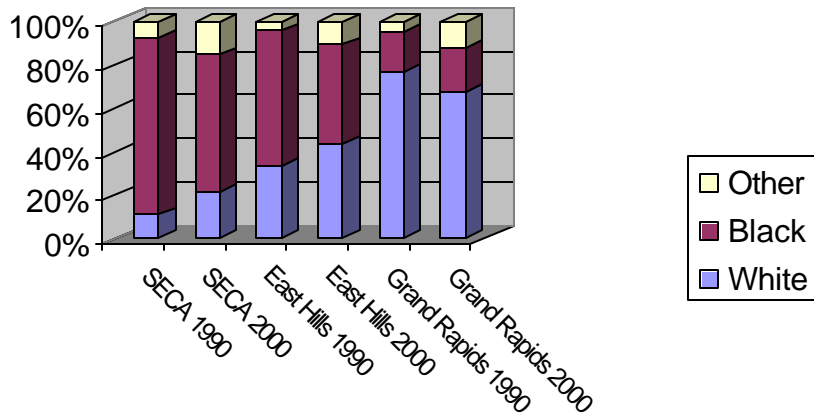
- Move from Rental Tenure to Homeownership
- Arrival of Individuals or Households Interested in Urban Amenities/Culture
- Increase in Businesses Intended for High-Income people.

### *Secondary Indicators: Less Strong Signs Gentrification is Occurring*

- Change in Racial Composition
- Change in Occupancy Rate
- Change in Income

Kennedy and Leonard, 2001

**Racial Trends in Study Areas\***



on the southeast side of Grand Rapids and are within about a mile of downtown. The two study areas are dominated by residential land uses, but they do have commercial land uses along their major streets. Zoning allows for more intensive land use in the SECA study area than in the East Hills study area. Each of the study areas contains a school and has properties that fall within a Grand Rapids Renaissance Zone.

The two study areas each have a population of just over 500 residents.\* The East Hills study

area had a stable population size over the last decade, while the SECA study area experienced an addition of over 150 residents during that same period. While both of the study areas have greater proportions of black residents and smaller proportions of white residents than Grand Rapids as a whole, they do not exhibit identical racial compositions. The SECA study area has a larger share of blacks and a smaller share of whites than does the East Hills study area. Both the East Hills and SECA study areas have younger populations than the city of Grand Rapids. Looking at median household income, the two study areas lag behind the city.

## LEADING INDICATORS

The indicators of gentrification can be applied to the East Hills and SECA study areas. Exhibiting characteristics consistent with the leading indicators, the East Hills and SECA study areas can be viewed as being likely to experience gentrification. The two areas have a proportion of rental housing that is much higher than the Grand Rapids average and have had housing values that are markedly lower than those of the rest of the city. The location of the study areas allow for easy access to downtown and suburban employment centers via city streets and nearby

**“Reversing a decades-long trend, the East Hills study area and bordering neighborhoods show an increasing proportion of whites.”**

freeways. Increasing congestion in the metropolitan area makes these centrally located neighborhoods even more attractive. Structures within the study area neighborhoods possess architectural values that cannot be found in newer neighborhoods.

\*Source: U.S. Bureau of the Census 2000.

## PRIMARY AND SECONDARY INDICATORS

Turning to the *primary* and *secondary indicators* of gentrification, one may conclude that the process of gentrification is underway in the East Hills study area. After decades of declining home ownership, this study area saw an increase in the 1990's.

Individuals who are interested in urban amenities and culture have arrived, while businesses that cater to those groups and to higher-income people have appeared along Cherry Street. Reversing a decades long trend, the East Hills study area and bordering neighborhoods show an increasing proportion of whites. Meanwhile, the occupancy rate for all housing in this study area has climbed impressively in the last ten years after an extended period of decline. According to a visual survey, 75% of the study area's structures appear to have undergone some form of rehabilita-

### Racial Composition\*

Race, Year	East Hills Study Area		SECA Study Area		City of Grand Rapids	
	Number	%	Number	%	Number	%
White, 1990	169	33.0	40	10.9	144464	76.4
Black, 1990	320	62.6	299	81.3	35073	18.5
All other Races, 1990	22	4.3	29	7.9	9589	5.1
Total, 1990	511	100.0	368	100.0	189126	100.0

White, 2000	220	43.7	107	21.1	133116	67.3
Black, 2000	228	45.3	323	63.6	40373	20.4
All other Races, 2000	55	10.9	78	15.3	24311	12.3
Total, 2000	503	100.0	508	100.0	197800	100.0

Note: Percentage (%) indicates the proportion of all residents in a given year who are of that particular race; columns may not add to 100% due to rounding.

\*Source: US Bureau of the Census 1990, 2000

tion or maintenance in the last few years. Both the median household income and the market values of properties in the East Hills study area have increased at rates greater than the city of Grand Rapids. The process of gentrification seems to be occurring in the East Hills neighborhood.

**“The process of gentrification seems to be occurring in the East Hills Neighborhood.”**

If the same framework of *primary* and *secondary indicators* is used, the SECA study area does not appear to have entered the gentrification process. Rehabilitation of homes has been limited and vacant parcels of land are abundant. The businesses currently operating in the community are not indicative of those found in gentrifying areas, and

new businesses have not opened in the neighborhood. The median household income of the study area is only

growing at a rate roughly equal to that of the city. Yet, gentrification may not be far off for the SECA study area. The occupancy rate of housing has been slowly rising, and redevelopment can be noted in surrounding neighborhoods. A slight change in racial composition is also occurring.

Tenure 1990*	East Hills Study Area		SECA Study Area		City of Grand Rapids	
	Number	%	Number	%	Number	%
Owner Occupied	63	33.3	47	35.6	43,717	59.7
Renter Occupied	126	66.7	85	64.4	29,500	40.3
Total Occupied Housing Units	189	100.0	132	100.0	73,217	100.0
Tenure 2000*	East Hills Study Area		SECA Study Area		City of Grand Rapids	
	Number	%	Number	%	Number	%
Owner Occupied	76	34.5	43	29.1	41,349	59.9
Renter Occupied	144	65.5	105	70.9	27,680	40.1
Total Occupied Housing Units	220	100.0	148	100.0	69,029	100.0

Indicator	East Hills	SECA
<b>Leading Indicators</b>		
<i>Areas Most Likely to Experience Gentrification</i>		
High Rate of Renters	YES	YES
Ease of Access to Job Centers	YES	YES
High and Increasing Levels of Metropolitan Congestion	YES	YES
High Architectural Value	YES	YES, to a lesser degree
Comparatively Low Housing Values	YES	YES
<b>Primary Indicators</b>		
<i>Strong Signs that Gentrification is Underway</i>		
Move from Rental Tenure to Homeownership	YES	NO
Arrival of Individuals/Households Interested in Urban Amenities	YES	NO
Increase in Businesses Intended for High-Income Residents	YES	NO
<b>Secondary Indicators</b>		
<i>Less Strong Signs that Gentrification is Underway</i>		
Change in Racial Composition	YES	YES
Change in Occupancy Rate	YES	YES
Change in Income	YES	NO

Determined by research conducted Spring 2002 by MSU Urban Planning Practicum

## CONCLUSIONS

The process of gentrification appears to be underway in the East Hills study area. Contrasting the trend of the city as a whole, the homeownership rates here have risen. This study area has seen the arrival of individuals who are interested in urban amenities and culture. Businesses that cater to those groups and to higher-income people appear in the business area to the west of the Cherry Street and Diamond Avenue

**“ Yet, gentrification may not be far off for the SECA study area.”**

intersection. Reversing a decades-long trend, the East Hills study area and bordering neighborhoods show an increasing proportion of whites. Meanwhile, the occupancy rate for all housing in this study area has climbed impressively in the last ten years after an extended period of decline. According to a visual survey, three-quarters of the study area’s structures appear to have undergone some extensive form of rehabilitation or maintenance in the last few years. The market values of properties in the East Hills study area have increased at a rate greater than the city of Grand Rapids.

To date, the SECA study area has not visibly entered a gentrification process. Rehabilitation of homes has been limited, and vacant parcels of land are abun-

dant. The businesses currently operating in the area are not indicative of gentrification, and new businesses have not opened in the neighborhood. Yet, gentrification may not be far off for the SECA study area. The occupancy rate of housing has been slowly rising. A wave of redevelopment, spreading outward from downtown Grand Rapids, has meant the rehabilitation of buildings along Division Avenue as far south as Wealthy Street, the northern boundary of the study area. Projects such as the Wealthy-Jefferson Design Initiative, a partnership venture between Inner City Christian Federation and the South East Community Association, promise to bring infill housing into the study area, which aims to redevelop this area as a mixed income and mixed use neighborhood.

For more information on this study, please contact **Carol Townsend** at [townse36@msu.edu](mailto:townse36@msu.edu) or access the report on the web at [www.msu.edu/unitedgrowth/urbancommittee.htm](http://www.msu.edu/unitedgrowth/urbancommittee.htm) then click on reports.

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To achieve and maintain mixed income neighborhoods in Grand Rapids, our attention must now be focused on creating the tools that will sustain low income housing in neighborhoods with increasing property values.