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**Detroit**

# Here's a look at Dan Gilbert's multi-billion dollar impact on Detroit

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Dan Gilbert's influence on Detroit can be counted in the billions, with more still to come.

Today, Gilbert can look back on five years of massive downtown real estate investment that led to his companies owning 80 buildings in the central business district, as well as spearheading job migration to the city by Quicken Loans and other ventures led by the billionaire investor.

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Yet that growth will be fed by still more investment: another \$3.4 billion that his companies will funnel into downtown Detroit over the next 6 years, according to estimates.

That will bring Gilbert's economic impact in the city to an estimated \$19 billion, said Chris Leinberger, a land use strategist and visiting fellow at The Brookings Institution in Washington, D.C., during an annual real estate forum in Detroit.

"The bulk (of that new investment) will be in real estate," Leinberger added.

Leinberger outlined the money tied to Rock Ventures - the umbrella of companies that include Gilbert's real estate portfolio and his Quicken Loans - and its connections to Detroit as he made the point that creating walkable urban centers is a national trend that finally is happening on a large scale in Michigan.

Detroit is seeing "huge market share shifts" due to development in areas of downtown and Midtown, Leinberger told the crowd of about 200 at the University of Michigan/Urban Land Institute conference.

But the scale of what Gilbert started and continues to do is significant for the city and the state.

"By itself, it's now a major economic sector," Leinberger said of Gilbert's investment.

Also of note: "(It just) appeared in downtown Detroit over the last 5 years."

The companies, according to Leinberger:

- \* Invested a cumulative \$4.9 billion over five years in downtown Detroit.
- \* Generated \$12.7 billion in Gross Domestic Product output - a return more than double the original investment.
- \* Paid \$3 billion in salaries and spent \$802 million at local businesses over 5 years.

As a business sector, the economic output of Gilbert's companies exceed all of the transmission and powertrain production in Wayne County; truck transportation in Wayne County; and local education in Wayne County, Leinberger said.

The "Gilbert sector" also is evident when looking across the state: It represents 0.3 percent of Michigan's annual output, and it's responsible for \$1.2 billion in taxes.

Over the next six years, "It's going to become 9 percent of total tax base for city," Leinberger said.

The real estate impact already is big downtown: the 80 buildings represent 14 million square feet. Outside of acquisition costs, Leinberger pegged spending on upgrades at \$575 million.

And while much of the buildings to date are offices, the company plans a shift toward more residential development, like a pending project in Brush Park.

The appeal of urban areas isn't only felt in Detroit, Leinberger said. It's also seen in places like Ann Arbor and Royal Oak in Michigan.

The millennial workforce and people in the knowledge economy are demanding walkable urban places. Residential development and downtown jobs drive that, with retail options coming into the mix.

Detroit has all of that, with Gilbert prompting many of the changes - and other developers are joining him.

Downtowns offer opportunities for agglomeration - or benefitting from what is near you, like retailers and residential developers creating a "critical mass" from clustering in the same area, inspiring still more growth from their presence.

Gilbert started that downtown, and now others are adding their own efforts to the area magnifying the economic impact. But it's the core city that offered the initial

area, magnifying the economic impact. But it's the core city that offered the initial attraction, just like urban areas across the U.S. see pent-up demand and price increases.

The numbers generated by Gilbert investments - and what the billions mean to the city and to Michigan - are significant because of where they took place, too.

"This could not have taken place in a business park," Leinberger said.

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