Market Value Analysis (MVA): Milwaukee, WI

THE REINVESTMENT FUND
Capital at the point of impact.

The Reinvestment Fund builds wealth and opportunity for low-wealth communities and low and moderate income individuals through the promotion of socially and environmentally responsible development.

We achieve our mission through:

Capital
- Grants, loans and equity investments

Knowledge
- Information and policy analysis; PolicyMap & Policy Solutions

Innovation
- Products, markets and strategic partnerships

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The Market Value Analysis (MVA) is a tool designed to assist the private market and government officials to identify and comprehend the various elements of local real estate markets. It is based fundamentally on local administrative data sources.

By using an MVA, public sector officials and private market actors can more precisely craft intervention strategies in weak markets and support sustainable growth in stronger market segments.

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TRF has done this work under contract to cities, states and foundations including:

- City of Philadelphia, PA
- City of Wilmington, DE
- City of Newark, NJ (and 8 regions across the state)
- District of Columbia
- City of Baltimore, MD
- City of San Antonio, TX
- City of Pittsburgh, PA
- City of Detroit
- City of Reading, PA
- City of New Orleans, LA (in process)
- City of Houston, TX (in process)

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Our Normative Assumptions when Analyzing Markets:

- Public subsidy is scarce and it alone cannot create a market;

- Public subsidy must be used to leverage, or clear the path, for private investment;

- In distressed markets, invest into strength (e.g., major institution of place, transportation hub, environmental amenities) – "**Build from Strength**";

- All parts of a city are customers of the services and resources that it has to offer;

- Decisions to invest and/or deploy governmental programs must be based on objectively gathered data and sound quantitative and qualitative analysis.

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What are the indicators of "strength" in markets?

- Hospital / University Complex
  - Large employer with a range of employment opportunities ranging from lower to higher skill
  - Committed to place
- Large prior public commitment
- Mix of housing stock and land uses
- Confluence of public transportation
- Natural amenities (public parks, great public spaces)

1. Take all of the data layers and geocode to Census block groups.

2. Inspect and validate those data layers.

3. Using a statistical cluster analysis, identify areas that share a common constellation of characteristics.

4. Map the result.

5. Visually inspect areas of the City for conformity with the statistical/spatial representation.

6. Re-solve and re-inspect until we achieve an accurate representation.
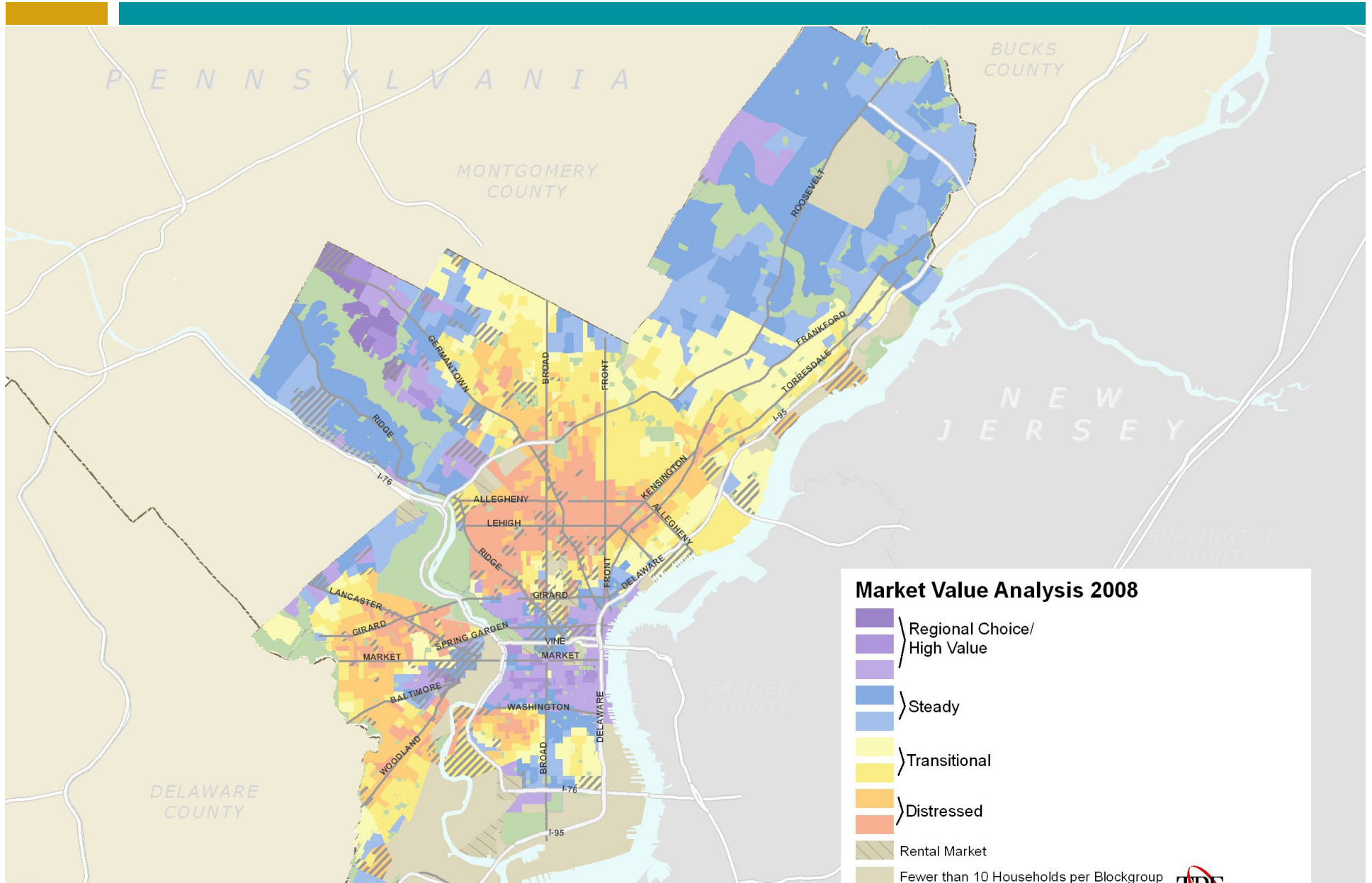
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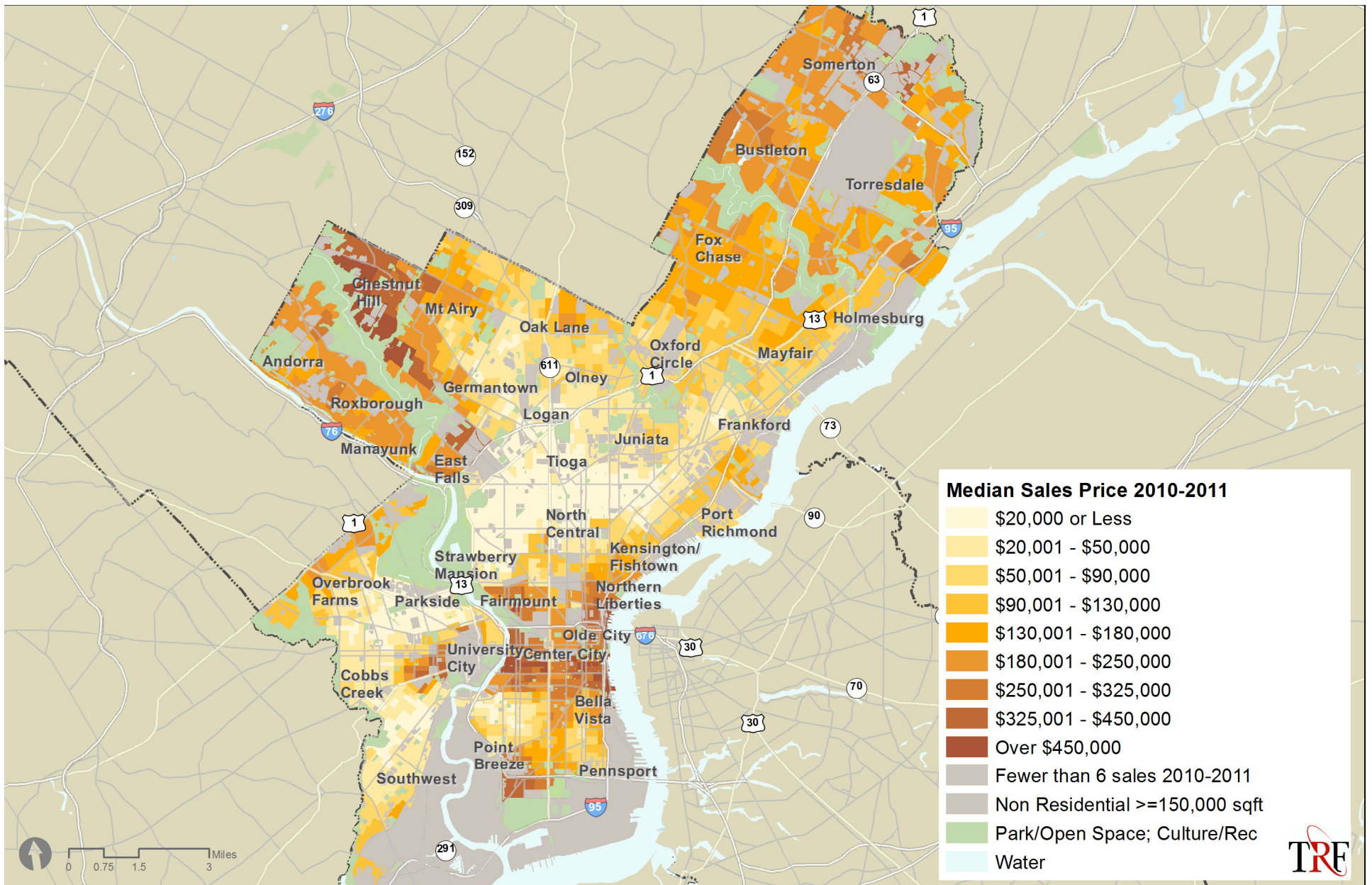
Philadelphia MVA 2011 Characteristics

MVA Category	Median Sales Price	Average Sales Price	Coefficient of Variance of Sales Price	Percent Owner Occupied	Percent Vacant	Percent New Construction	Percent Commercial	Foreclosures as a Percent of Sales	Percent Public Housing
A	$624,122	$ 707,042	0.58	39.8%	1.6%	11.5%	5.7%	6.3%	0.0%
B	$435,249	$ 502,392	0.50	48.8%	0.7%	7.0%	7.3%	5.9%	0.0%
C	$325,897	$ 354,545	0.46	49.3%	1.4%	9.7%	6.6%	9.0%	0.8%
D	$245,930	$ 267,304	0.50	51.2%	2.1%	6.5%	5.9%	17.7%	2.1%
E	$194,459	$ 196,960	0.39	63.9%	1.0%	2.8%	3.3%	24.1%	0.5%
F	$148,066	$ 148,958	0.39	66.4%	1.6%	1.9%	4.0%	33.5%	0.4%
G	$ 97,860	$ 100,361	0.48	62.4%	2.7%	1.5%	3.9%	38.4%	3.8%
H	$ 51,190	$ 64,001	0.66	61.4%	4.2%	0.6%	3.9%	45.9%	2.3%
I	$ 19,649	$ 31,094	0.93	48.1%	8.1%	1.1%	5.1%	33.5%	10.3%

Philadelphia MVA 2008

Market Value Analysis 2008

- Regional Choice/ High Value
- Steady
- Transitional
- Distressed
- Rental Market
- Fewer than 10 Households per Blockgroup

Philadelphia MVA 2011 Characteristics

Cluster	Number of Block Groups	Population 2010	Percent of Population	Housing Units 2010	Percent of housing Units	Owner Occupied Housing Units 2010	Percent of Owner Occupied Housing Units
A	9	10,312	0.7%	6,899	1.1%	2,213	0.7%
B	19	23,842	1.6%	13,929	2.2%	5,424	1.7%
C	50	59,339	4.1%	36,028	5.6%	14,557	4.5%
D	68	85,339	5.9%	43,137	6.7%	19,672	6.1%
E	125	176,411	12.1%	78,735	12.3%	46,762	14.6%
F	150	182,683	12.5%	79,249	12.3%	47,868	15.0%
G	247	284,514	19.5%	117,587	18.3%	66,098	20.7%
H	227	248,643	17.1%	99,851	15.5%	53,819	16.8%
I	358	367,522	25.2%	157,911	24.6%	61,999	19.4%
Not Classified	83	17,658	1.2%	9,232	1.4%	1,654	0.5%

Role of Public and Government Sectors

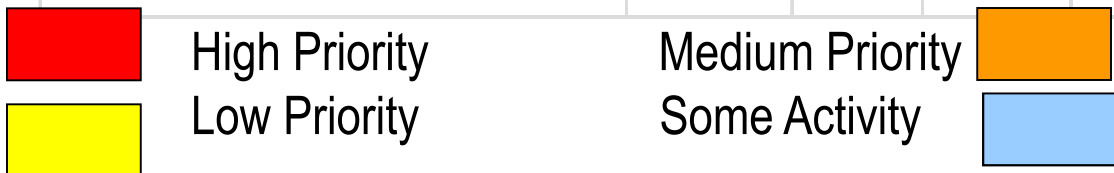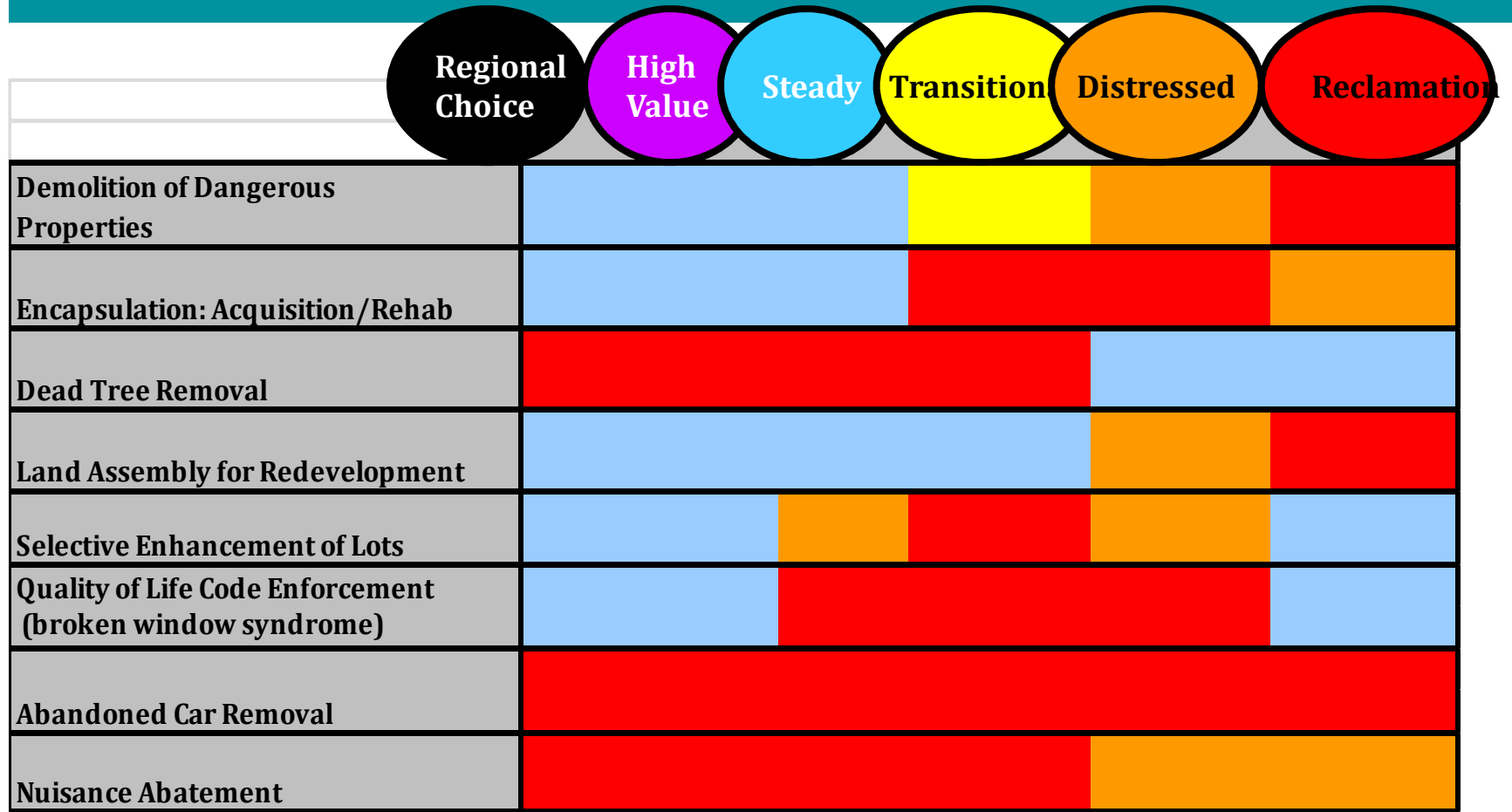## Market Type

Regional Choice
High Value

Steady
Transitional

Stressed
Reclamation

Public Action

Asset Promotion

Asset Preservation

Asset Development

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