



Market Value Analysis (MVA): Milwaukee, WI

June, 2013



TRE 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

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.

Who is using the MVA?

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

- Philadelphia, PA
- Wilmington, DE
- Washington, DC
- Baltimore, MD
- San Antonio, TX
- Pittsburgh, PA
- Camden, NJ
- Newark, NJ (and 8 regions across the state)
- Detroit, MI
- Reading Area, PA
- New Orleans, LA
- Houston, TX (in process)
- Burlington County (NJ)
“Riverline Towns” (in process)

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;
 - Government action is tailored to the market conditions;
- Decisions to invest and/or deploy governmental programs must be based on objectively gathered data and sound quantitative and qualitative analysis.

Components of the Milwaukee MVA

- Median sales price 2011-2012
- Coefficient of variance for sales price
- Number of duplex and multifamily/condo sales as a % of all residential sales
- Foreclosure filings as a % of residential sales
- Residential water shutoffs as a % of all housing units
- Owner-occupied as a % of all housing units
- Subsidized rental stock as a % of all rental units
- New construction and significant rehabilitation (>\$10k) permits as a % of residential parcels
- Ratio of commercial to developed area


Milwaukee MVA 2011 Characteristics

MVA Cluster	Median Sales Price 2011-12	Average Sales Price 2011-12	Coefficient of Variance	Foreclosure as a Percent of Sales	Percent Duplex/ Multi-Fam Sales	Percent Water Shut Off	Percent New/ \$10k+ Rehab	Percent Owner Occupied	Percent Publicly Subsidized Rental	Percent Non Residential Area
A	\$214,780	\$234,429	.46	14%	62%	2%	3%	33%	2%	16%
B	\$121,403	\$121,067	.38	21%	11%	1%	4%	69%	3%	13%
C	\$117,397	\$113,297	.43	24%	24%	2%	3%	43%	4%	62%
D	\$91,462	\$99,228	.55	31%	53%	3%	3%	44%	6%	13%
E	\$55,001	\$64,723	.65	47%	13%	3%	2%	49%	12%	24%
F	\$51,658	\$63,400	.73	49%	61%	6%	2%	34%	6%	27%
G	\$30,705	\$44,611	.85	51%	74%	9%	2%	29%	7%	20%
H	\$29,355	\$44,001	.91	51%	29%	9%	3%	33%	9%	20%
I	\$15,607	\$29,497	1.09	65%	57%	16%	4%	26%	7%	24%
Citywide Average*	\$78,616	\$86,879	.66	39%	40%	5%	3%	43%	6%	23%

*Average of block groups, not true citywide average

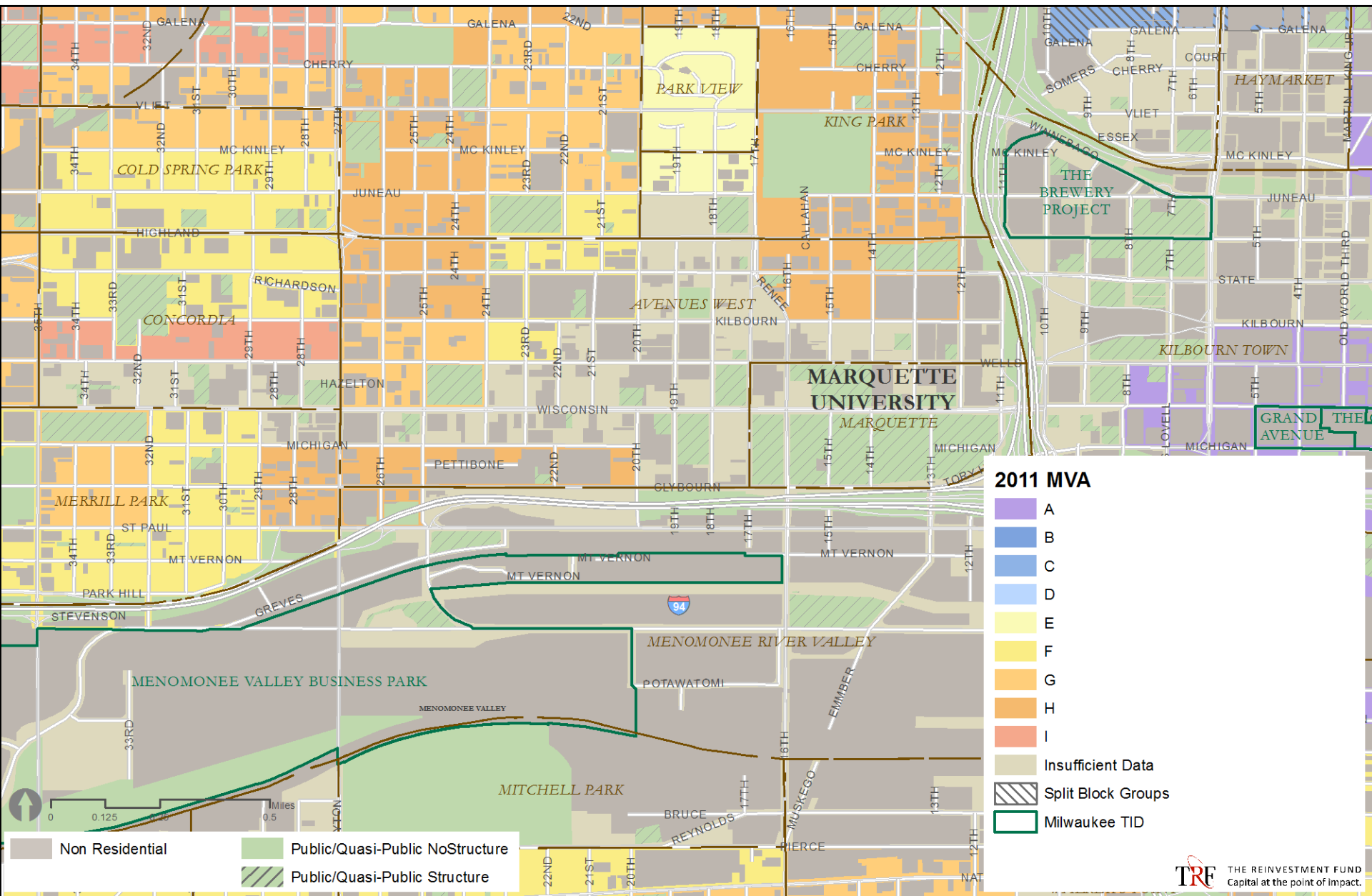
Milwaukee MVA 2011 Characteristics

MVA Cluster	Census 2010				
	Number of Households	Number of Owner Occupied Households	Number of Renter Occupied Households	Number of Housing Units	Total Population
A	25,874	7,665	18,209	29,062	50,879
B	42,928	29,930	12,998	44,981	101,492
C	20,385	8,700	11,685	21,804	46,456
D	22,452	9,867	12,585	24,531	51,909
E	30,646	15,700	14,946	33,401	82,406
F	27,161	9,821	17,340	30,576	80,570
G	18,205	5,987	12,218	21,463	53,660
H	19,136	6,710	12,426	21,791	56,107
I	13,618	4,220	9,398	17,124	42,682
Not Classified	6,541	232	6,309	7,225	20,325
City Total	230,154	100,364	129,790	255,493	594,786



Sample Areas: Examples of places where multiple markets meet

Marquette Area

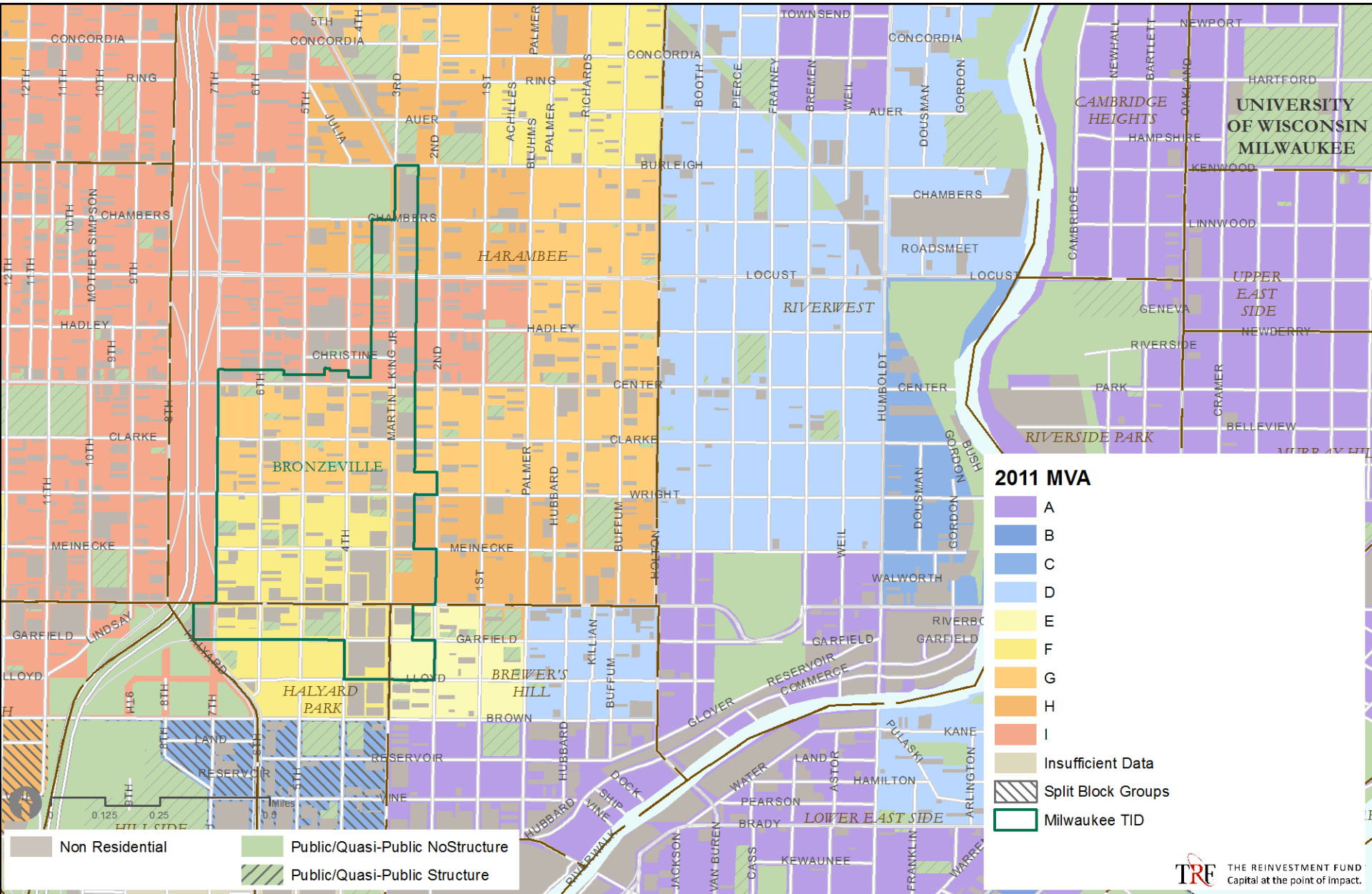


2011 MVA

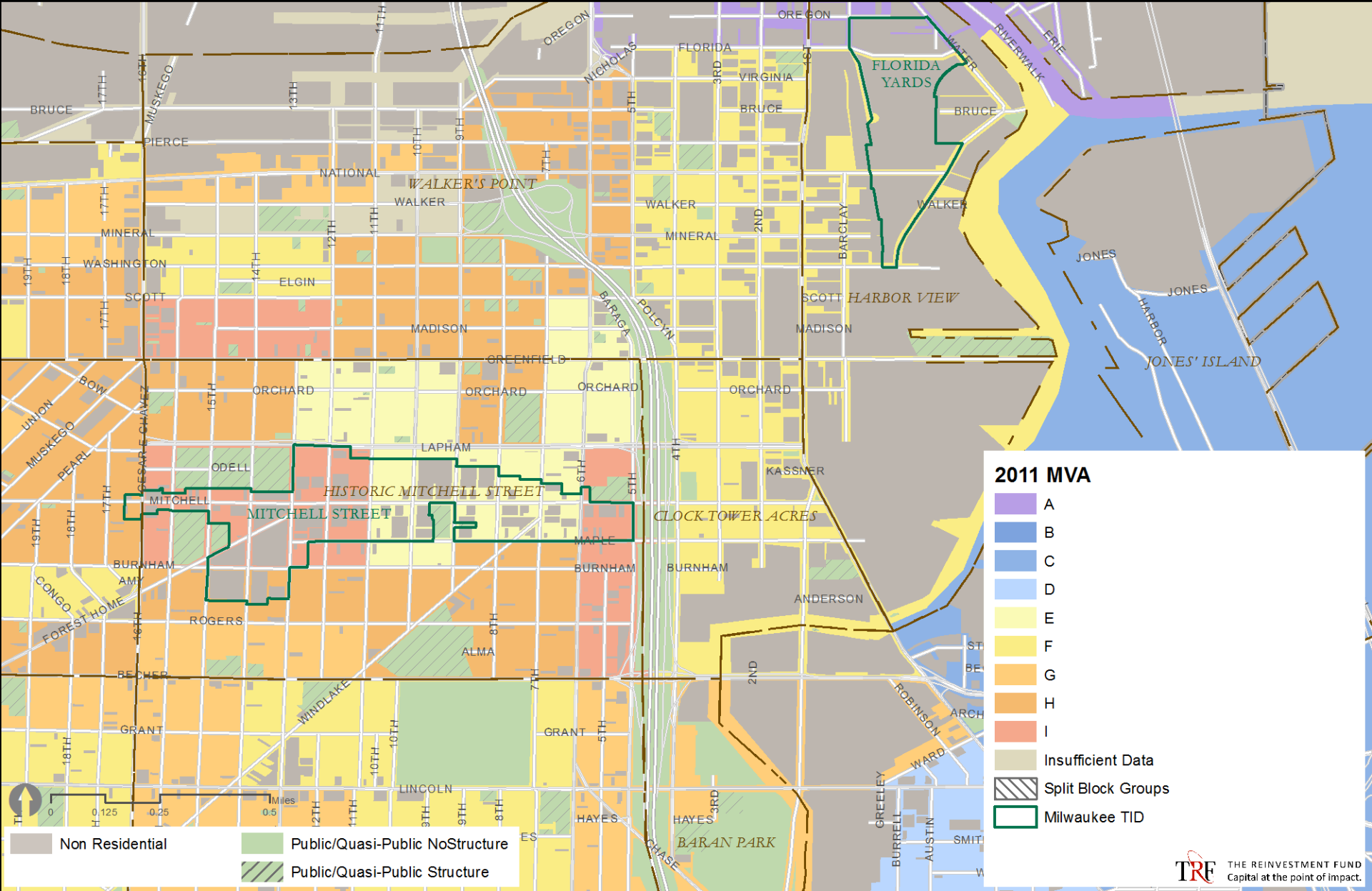
- A
- B
- C
- D
- E
- F
- G
- H
- I
- Insufficient Data
- Split Block Groups
- Milwaukee TID

Non Residential
 Public/Quasi-Public No Structure
 Public/Quasi-Public Structure

Riverwest and Harambee Area



Harborview and Mitchell St Area

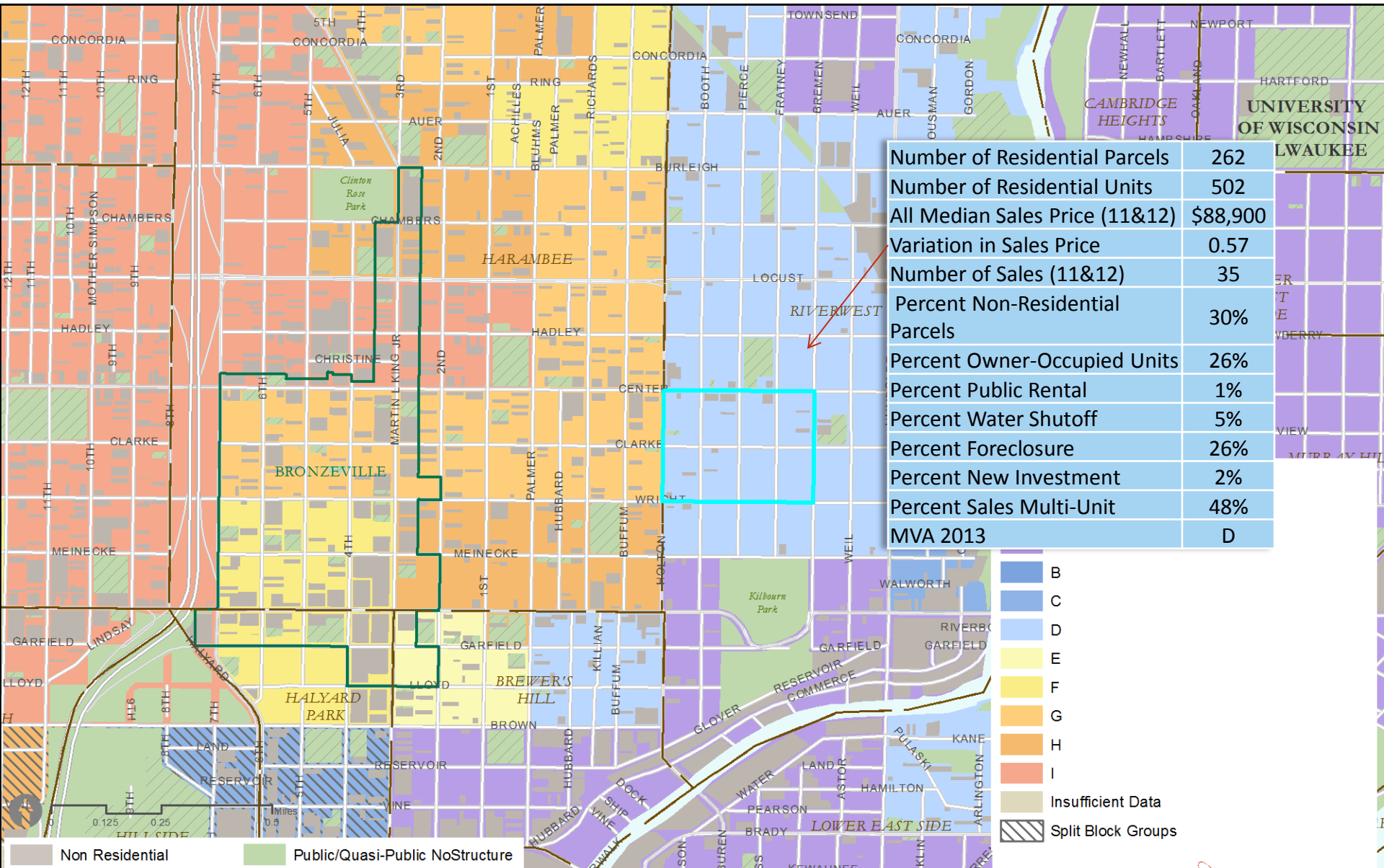


2011 MVA

- A
- B
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- Non Residential
- Public/Quasi-Public NoStructure
- Public/Quasi-Public Structure

Embedded Data: All Block Group Attributes



Next Step: Client Implementation Plans

Select programs and strategies to target to specific markets and area-wide strategies

Sample Activities	A	B	C	D	E
Demolition of Dangerous Properties					
Rehabilitation subsidy program					
Small scale/ infill development					
Land assembly for redevelopment					
Selective enhancement of vacant lots					
Quality of Life code enforcement					
Street repair / enhancement					

To identify intervention strategies that:

- a) Positively impact the greatest number of people/communities;
- b) Can help to develop a common agenda;
- c) Builds upon the local expertise of organizations, highlighting those that are most effective;
- d) Prioritizes activities that are most likely to produce replicable and long-lasting effects (with minimal negative impacts) for reasonable financial investments; and
- e) Are measurable over time

Role of Public and Government Sectors

Market Type

Public Action

Regional Choice
High Value



Asset Promotion

Steady
Transitional



Asset Preservation

Stressed
Reclamation



Asset Development

Establish Government Role in Each Market

High Value Appreciating Markets

Characterized by:

- High value housing
- Strong price appreciation
- Population stability and in some instances growth

Government Activity:

- Active code enforcement
- Enhance streetscape appeal
- Market neighborhood identity
- Remove barriers to new investment

Government Role:

Facilitate healthy
functioning of the
private market

Establish Government Role in Each Market

Steady Markets

Characterized by:

- Predominantly owner occupied
- Housing prices relatively high and stable
- Homes in good physical condition

Government Activity:

- Active code enforcement
- Undertake capital projects to smooth transitions between market types
- Rapid response to any vacant units or public nuisance
- Invest in public amenities

Government Role:
Carefully respond to
changes in any troubled
sub-market(s)

Establish Government Role in Each Market

Transitional Markets

Characterized by:

- Population shifts
- Home to a disproportionate share of the City's aged people
- Dangerous properties are evident

Government Activity:

- Balance market-rate with any subsidized housing
- Invest in schools, recreation centers, commercial corridors
- Encourage home owner investment
- Encapsulate & Rehab all vacant units
- Respond to all broken window symptoms

Government Role:

Preserve housing stock
and valued services.

Establish Government Role in Each Market

Distressed Markets

Characterized by:

- Elevated vacancies - approx 7% of all housing
- Above average level of publicly assisted housing
- Some of the most substantial population losses in the City

Government Activity:

- Facilitate strategic site acquisition and assembly
- Pursue investment partnerships with neighborhood anchors
- Invest in people-crime prevention, youth programs, coordination of social services
- Rapid response encapsulation, acquisition, rehabilitation

Government Role:
Identify ways to invest in
areas of market strength

Establish Government Role in Each Market

Highly Distressed Markets

Characterized by:

- Substantial population loss
- Low property values
- Elevated vacancy rates

Government Activity:

- Large scale site acquisition & parcel marketing
- Invest in people
- Landbank parcels
- Fund projects at critical scale
- Pursue investment partnerships with neighborhood anchors
- Preservation investments on strongest blocks
- Strategic site acquisition and assembly

Government Role:
Create conditions for
market rebirth; Build from
strength

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