



Market Value Analysis (MVA): Milwaukee, WI

June, 2013



TRF 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)
- St. Louis, MO (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

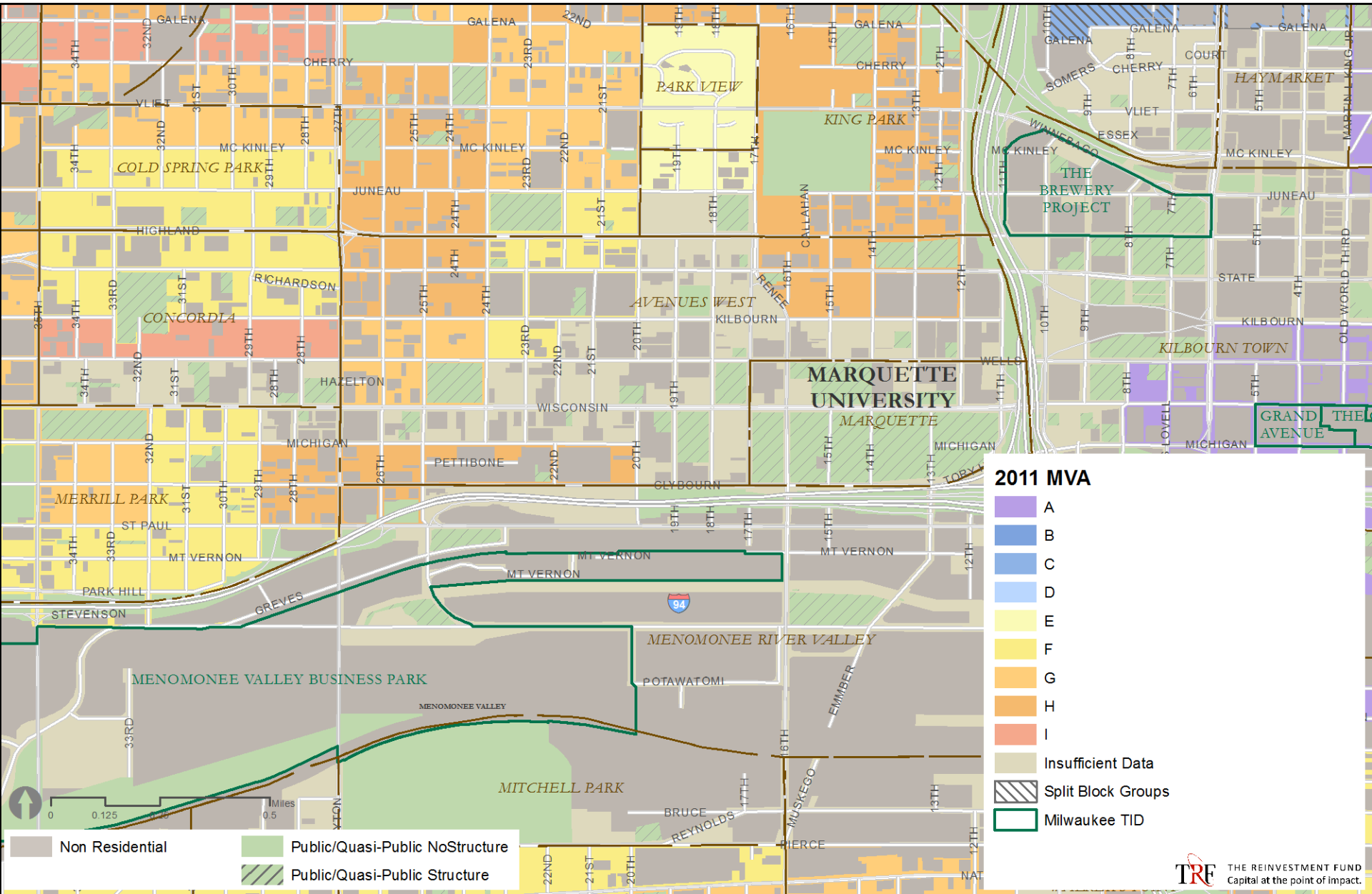
Milwaukee MVA 2011 Characteristics

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

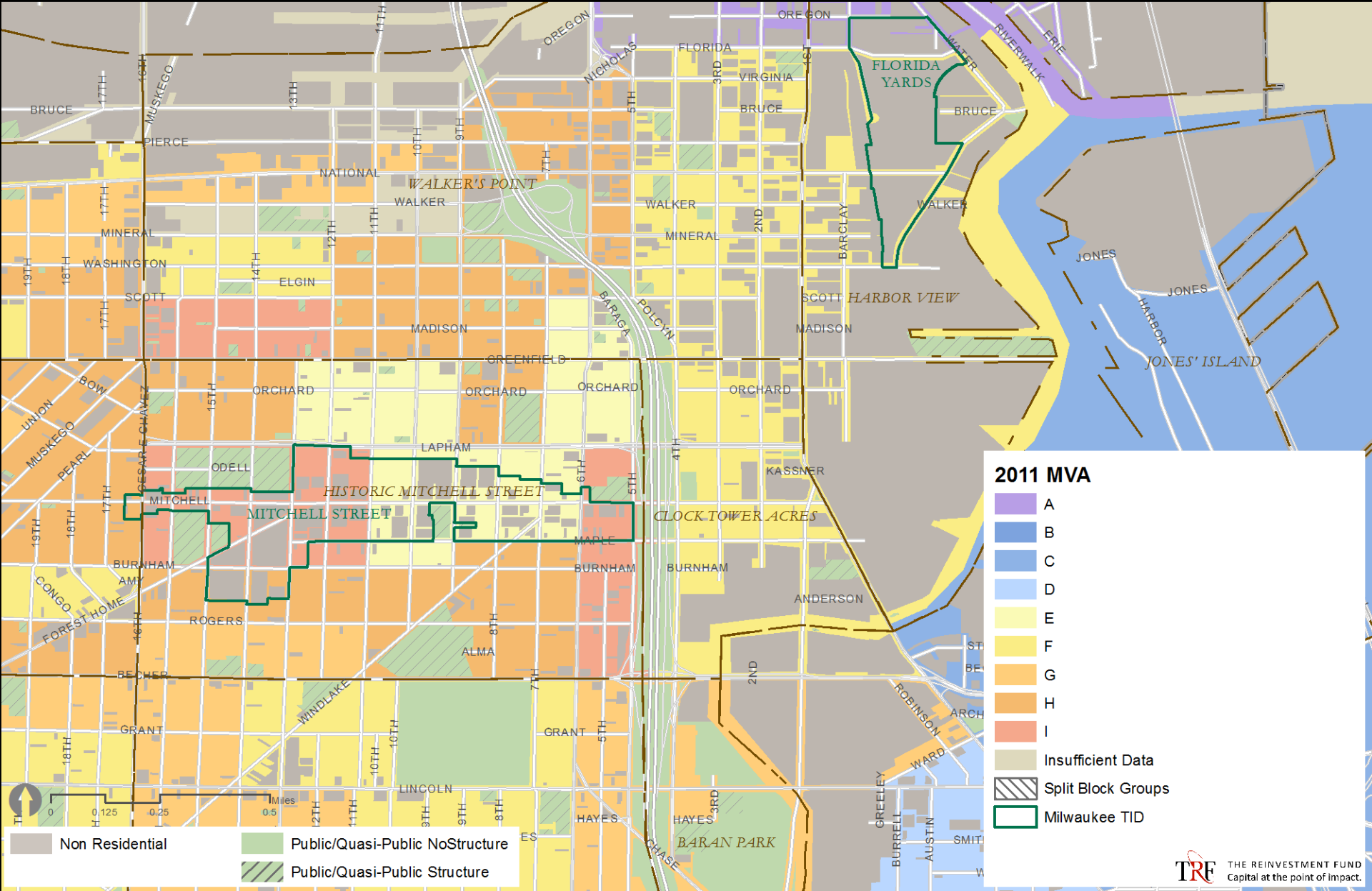


Sample Areas: Examples of places where multiple markets meet

Marquette Area



Harborview and Mitchell St Area



2011 MVA

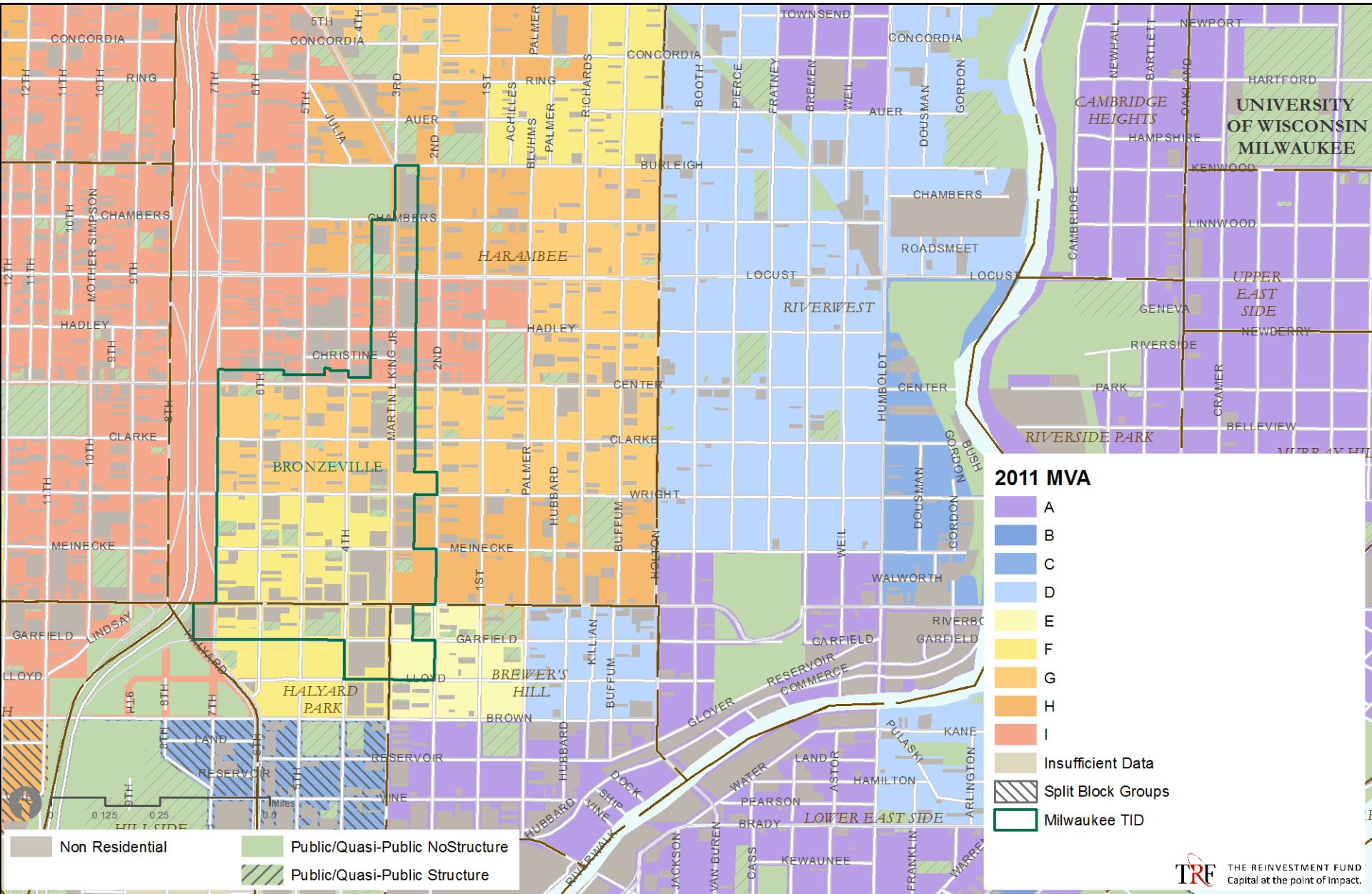
- A
- B
- C
- D
- E
- F
- G
- H
- I
- Insufficient Data
- Split Block Groups
- Milwaukee TID

Non Residential

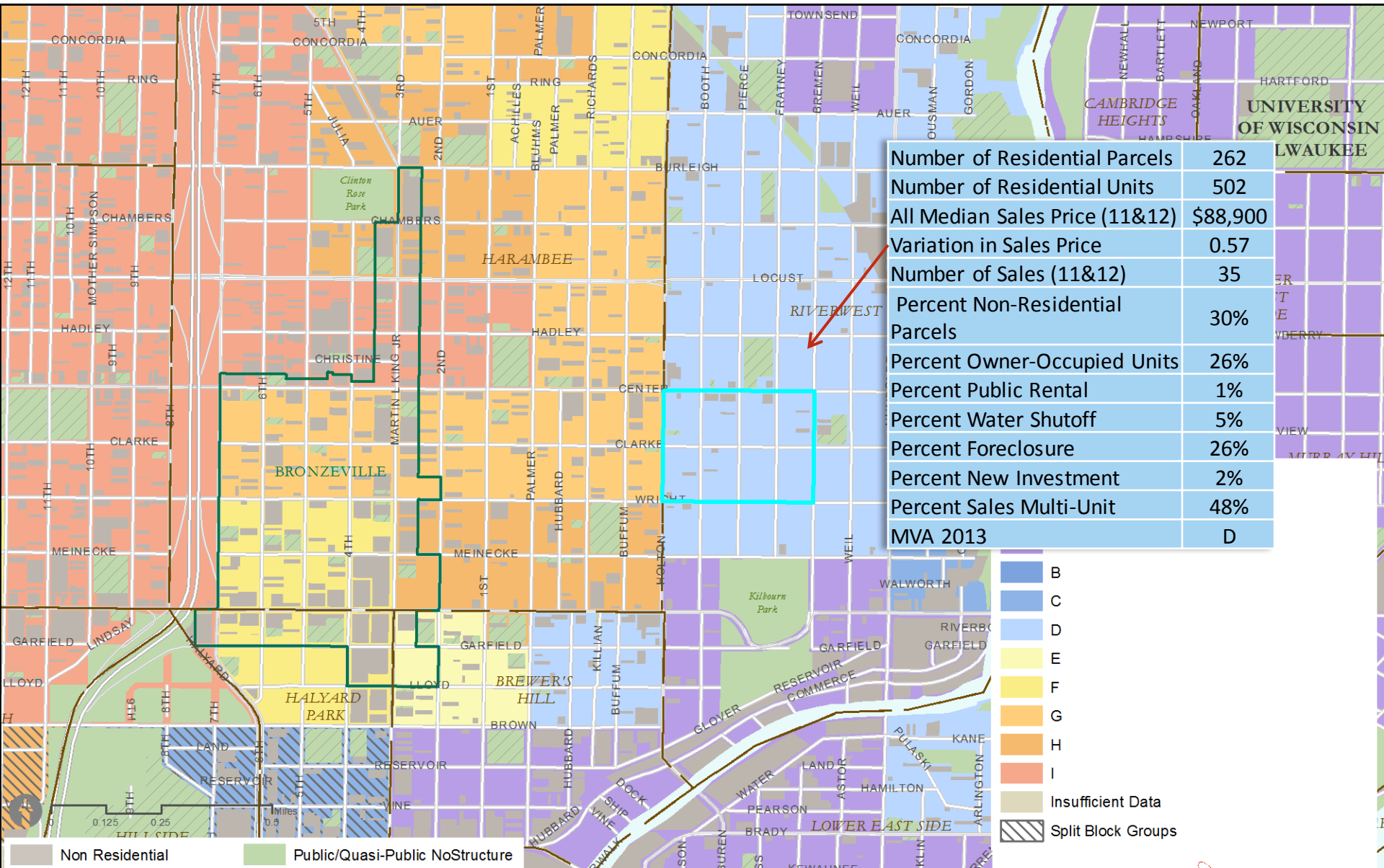
Public/Quasi-Public NoStructure

Public/Quasi-Public Structure

Riverwest and Harambee Area



Embedded Data: All Block Group Attributes



Number of Residential Parcels	262
Number of Residential Units	502
All Median Sales Price (11&12)	\$88,900
Variation in Sales Price	0.57
Number of Sales (11&12)	35
Percent Non-Residential Parcels	30%
Percent Owner-Occupied Units	26%
Percent Public Rental	1%
Percent Water Shutoff	5%
Percent Foreclosure	26%
Percent New Investment	2%
Percent Sales Multi-Unit	48%
MVA 2013	D

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

Non Residential Public/Quasi-Public NoStructure

Next Step: Client Implementation Plans

Place-based Investment

What are the causes of market stress?

What are the strengths of the area?

Program-based Investment

What area is likely to respond to this activity?

What scale of investment is required?

Role of Public and Government Sectors

Market Type

Public Action

Regional Choice
High Value



Asset Promotion

Steady
Transitional



Asset Preservation

Stressed
Reclamation



Asset Development

To deploy intervention strategies that:

- a) Positively impact the greatest number of people/communities;
- b) 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

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					

TRF Work Underway-Business Trends

I. Analysis of Establishments:

- Number of establishments

- Number of employees

- Birth/death of businesses

- Move-in/move-out

- Milwaukee compared to the rest of the region

- Change over time (2007-2011)

- Performance of individual BIDs

II. Analysis of Milwaukee Workers

- Where do workers live and work?

- Where do Milwaukee's low income workers live and work?

Catherine Califano,
Associate Director
TRF Policy Solutions
215-574-5831
cathy.califano@trfund.com
www.trfund.com
visit: www.policymap.com
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