Market Value Analysis (MVA): Houston, TX

August, 2013

THE REINVESTMENT FUND
Capital at the point of impact.

Profile of TRF

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

In general

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
- Milwaukee, WI
- St. Louis, MO (in process)
- Burlington County (NJ) "Riverline Towns" (in process)

TRF MVA 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.

Preparing the MVA

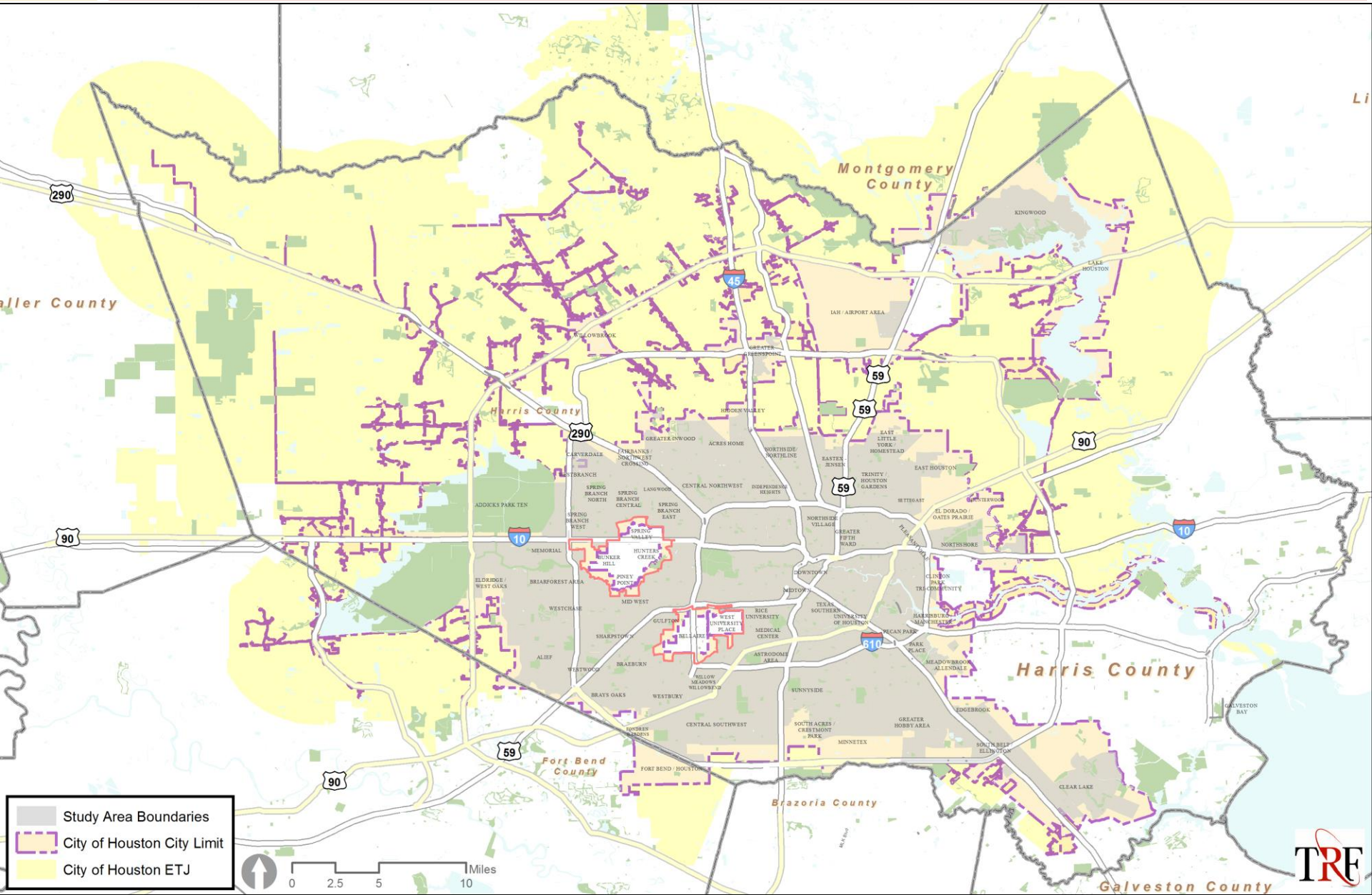
- Acquire local data and geocode to block groups.
- Inspect and validate data layers.
- Conduct a statistical cluster analysis.
- Identify areas that share common characteristics.
- Map the result.
- Inspect areas of the City for conformity with the statistical/spatial representation.
- Re-solve and re-inspect until the MVA accurately represents areas.

TRF

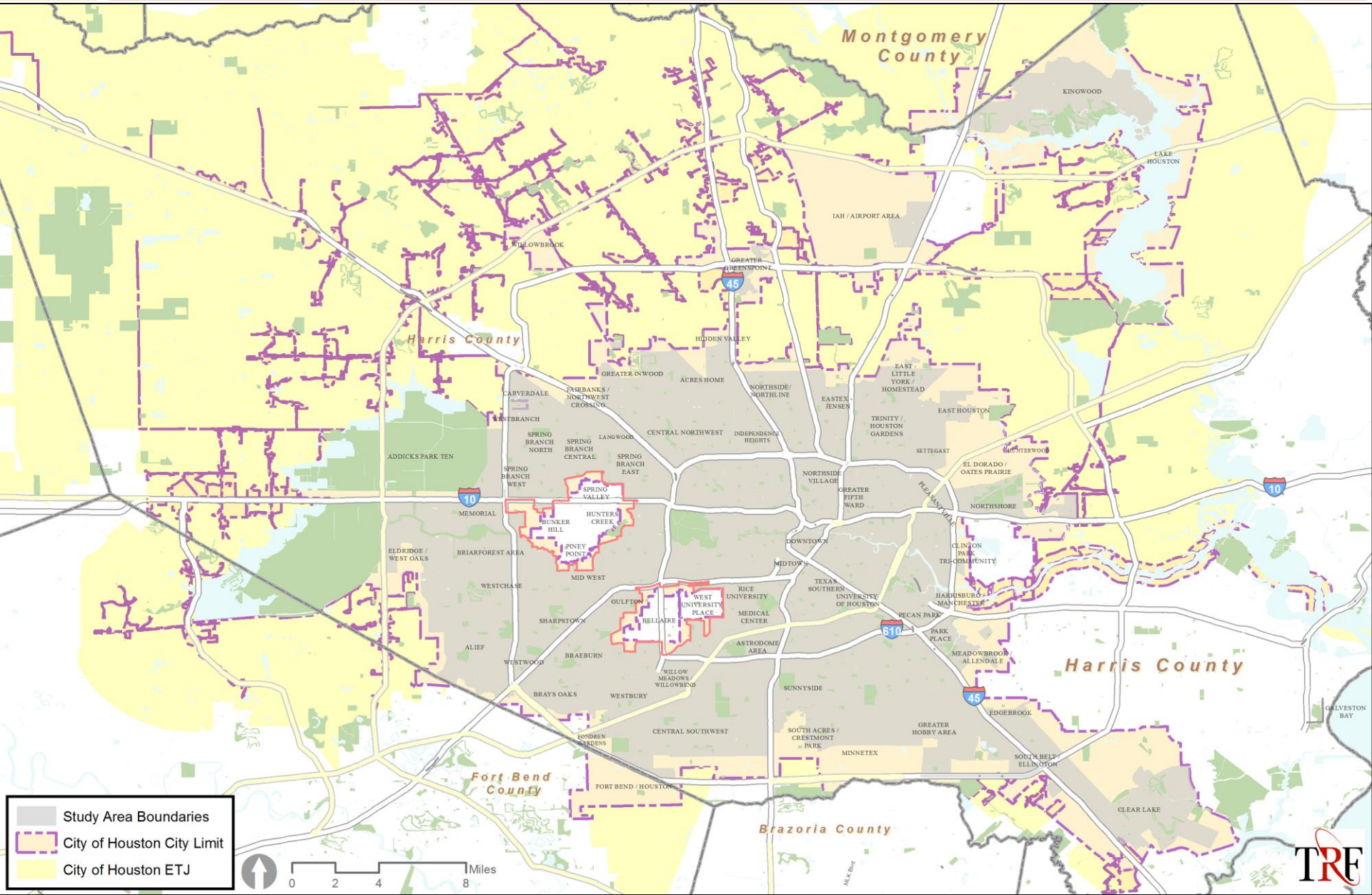
Components of the Houston MVA

- Median sales price 2011-2012
- Coefficient of variance for sales price 2011-2012
- Foreclosure filings as a % of residential sales 2011-2012
- Vacant properties as a % of all housing units 2012
- New construction (single and multifamily) permits as a % of residential parcels 2010-2012
- Owner-occupied as a % of all housing units 2010
- Subsidized rental stock as a % of all rental units 2012
- Commercial or Industrial Area as a % of total land area
- Housing violations as a % of all housing units 2010-2012

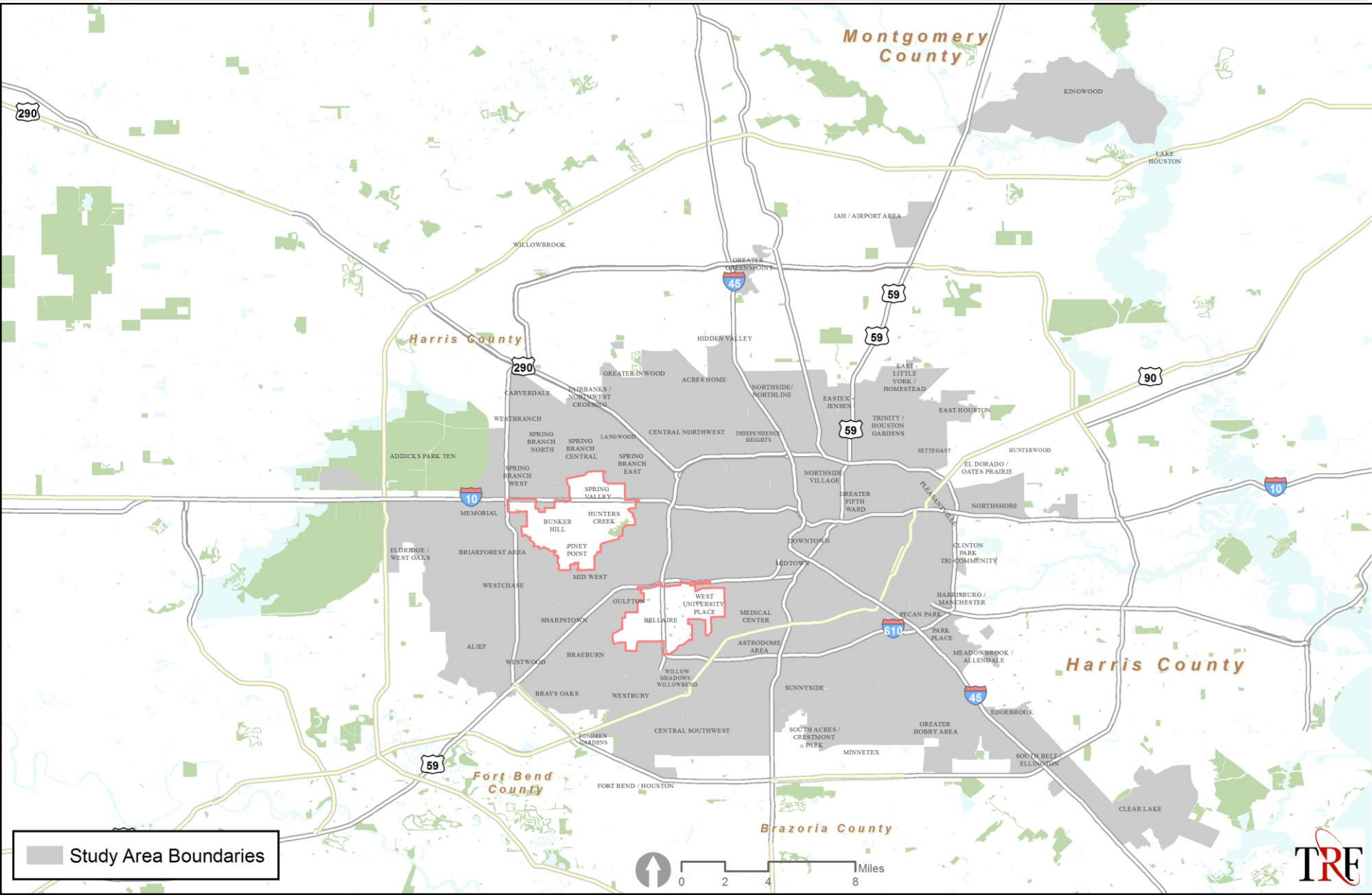
Houston Region – COH and ETJ



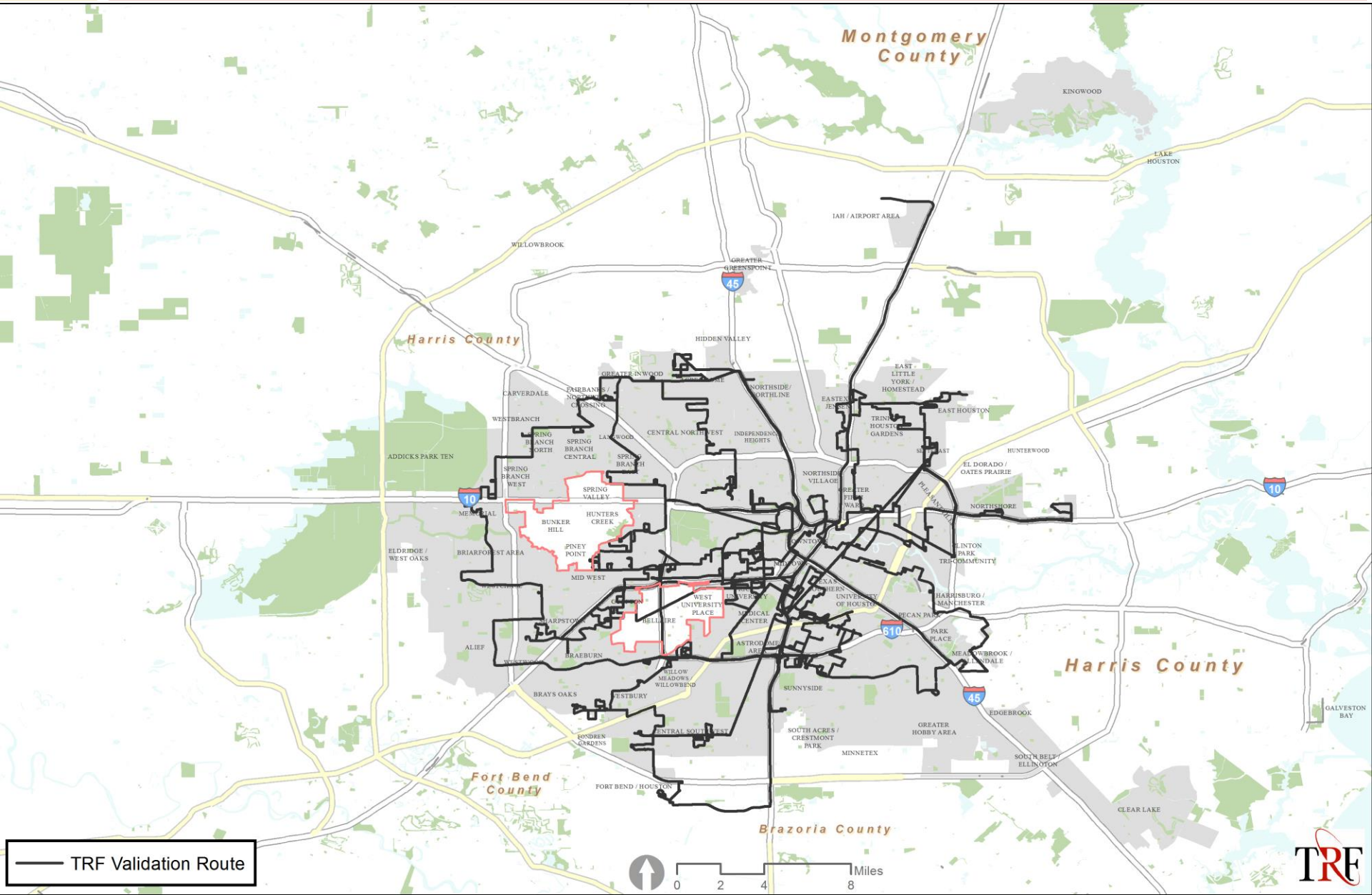
Houston Region – COH and ETJ



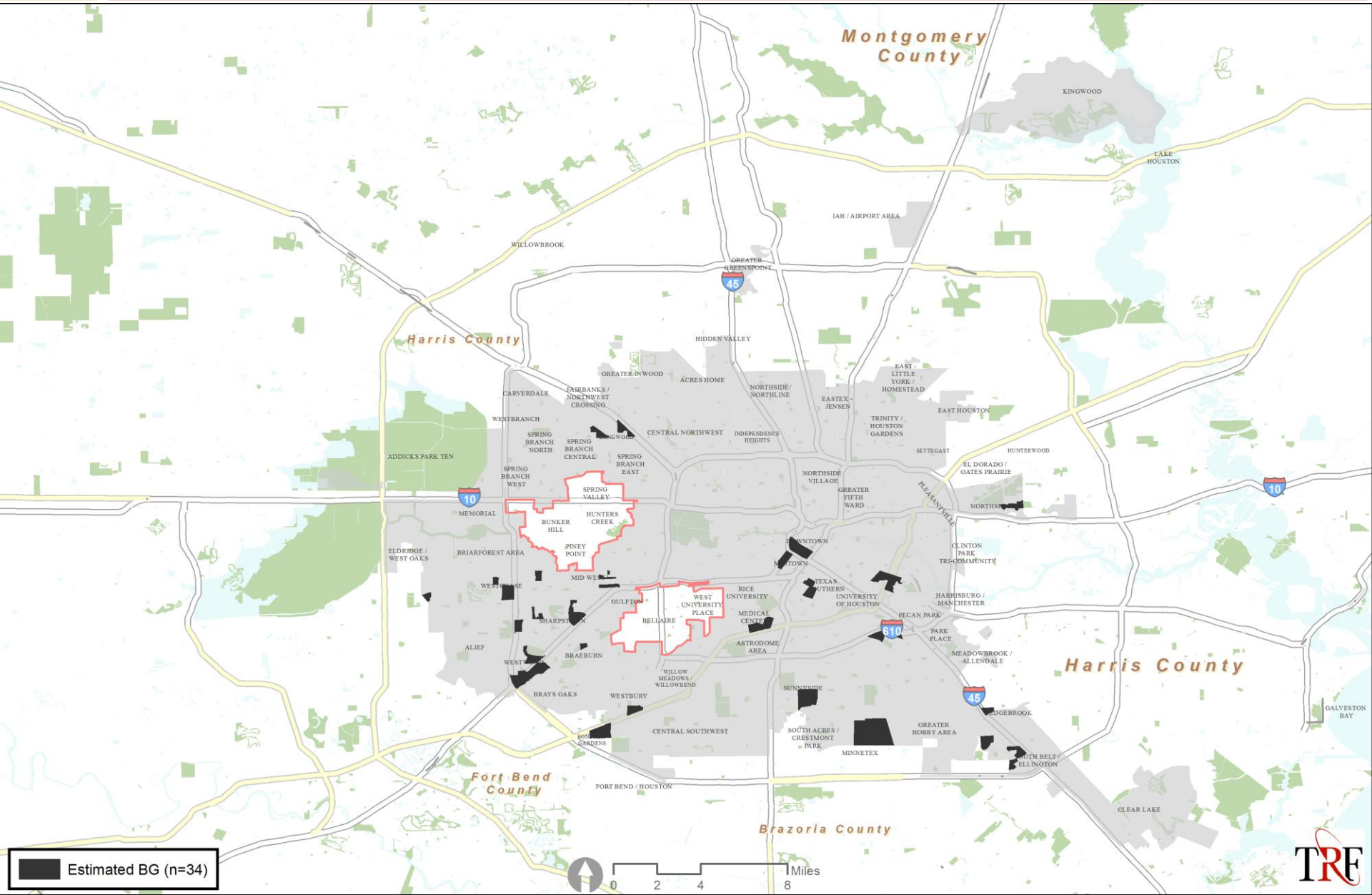
Study Area Boundaries



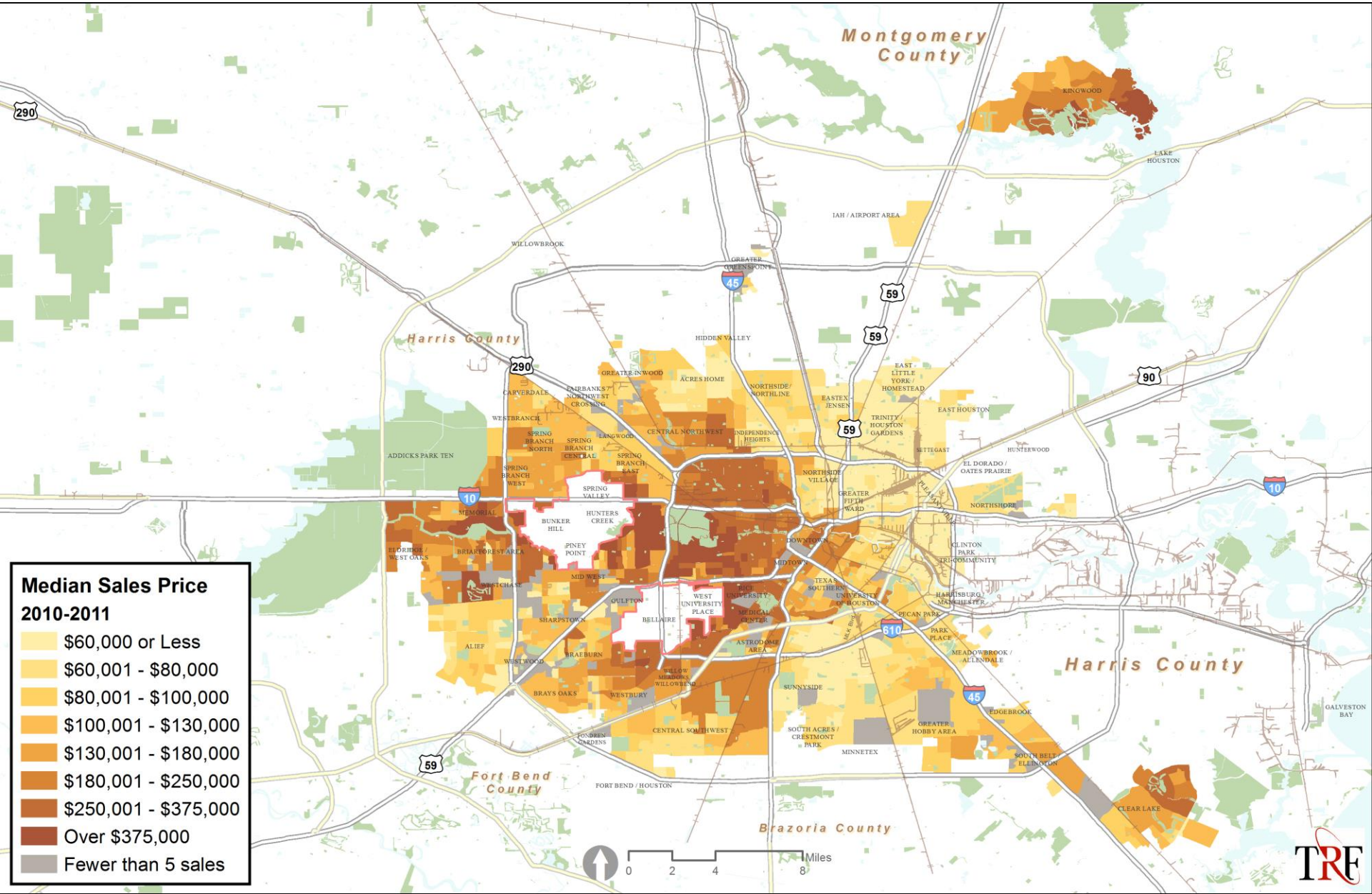
TRF Validation Route



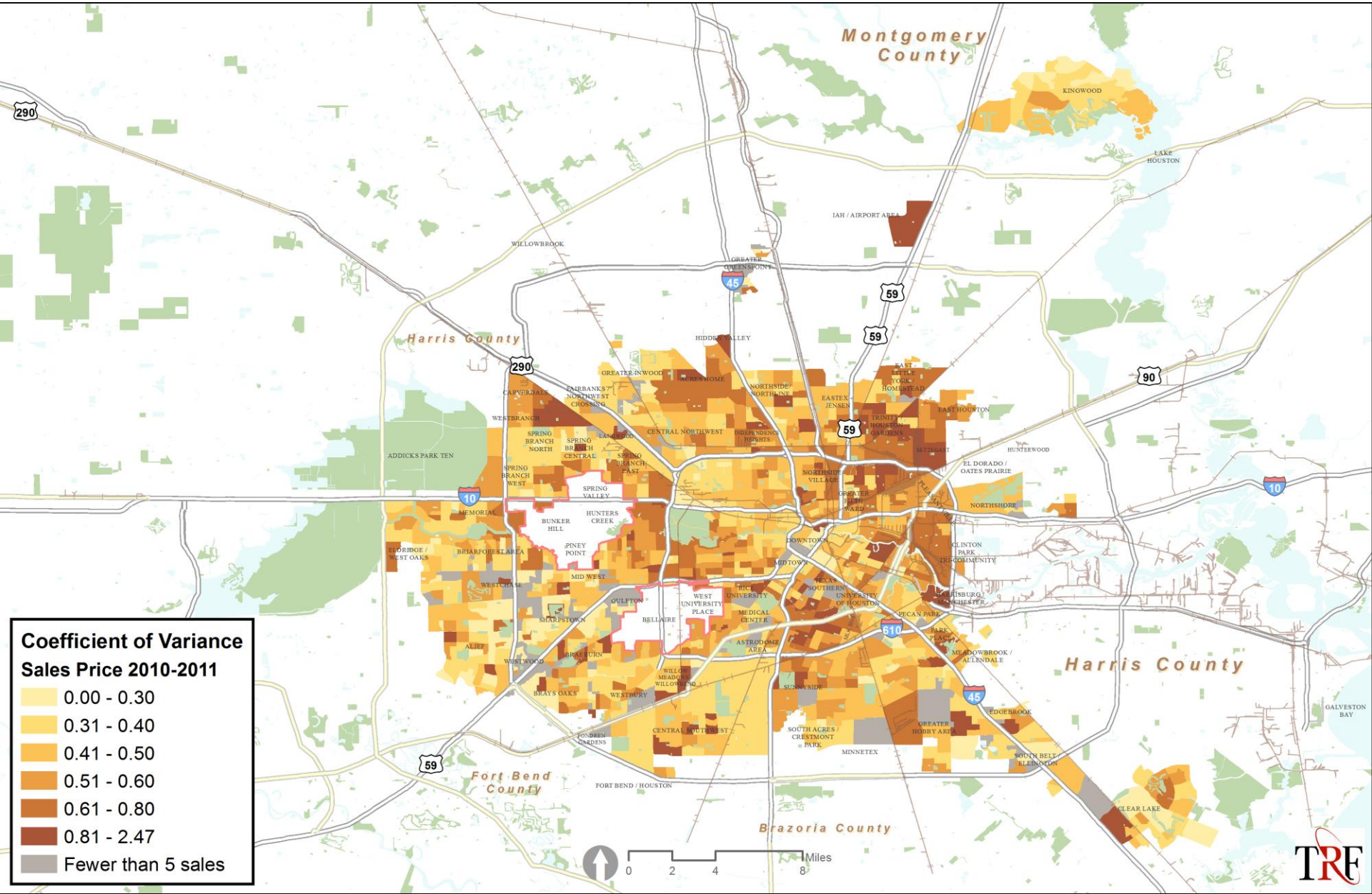
Block Groups to Estimate n = 34



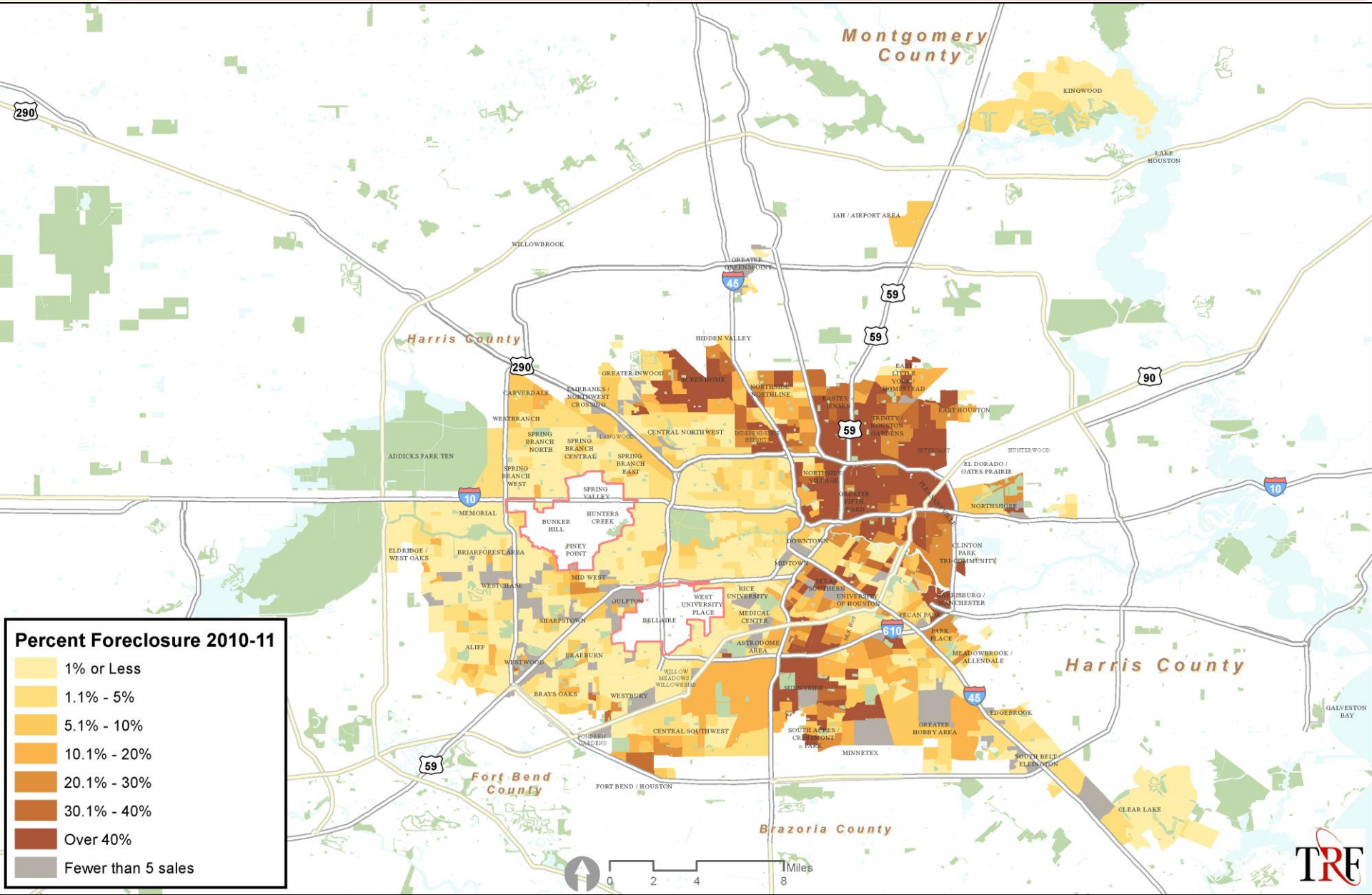
Median Sales Price, 2010-11



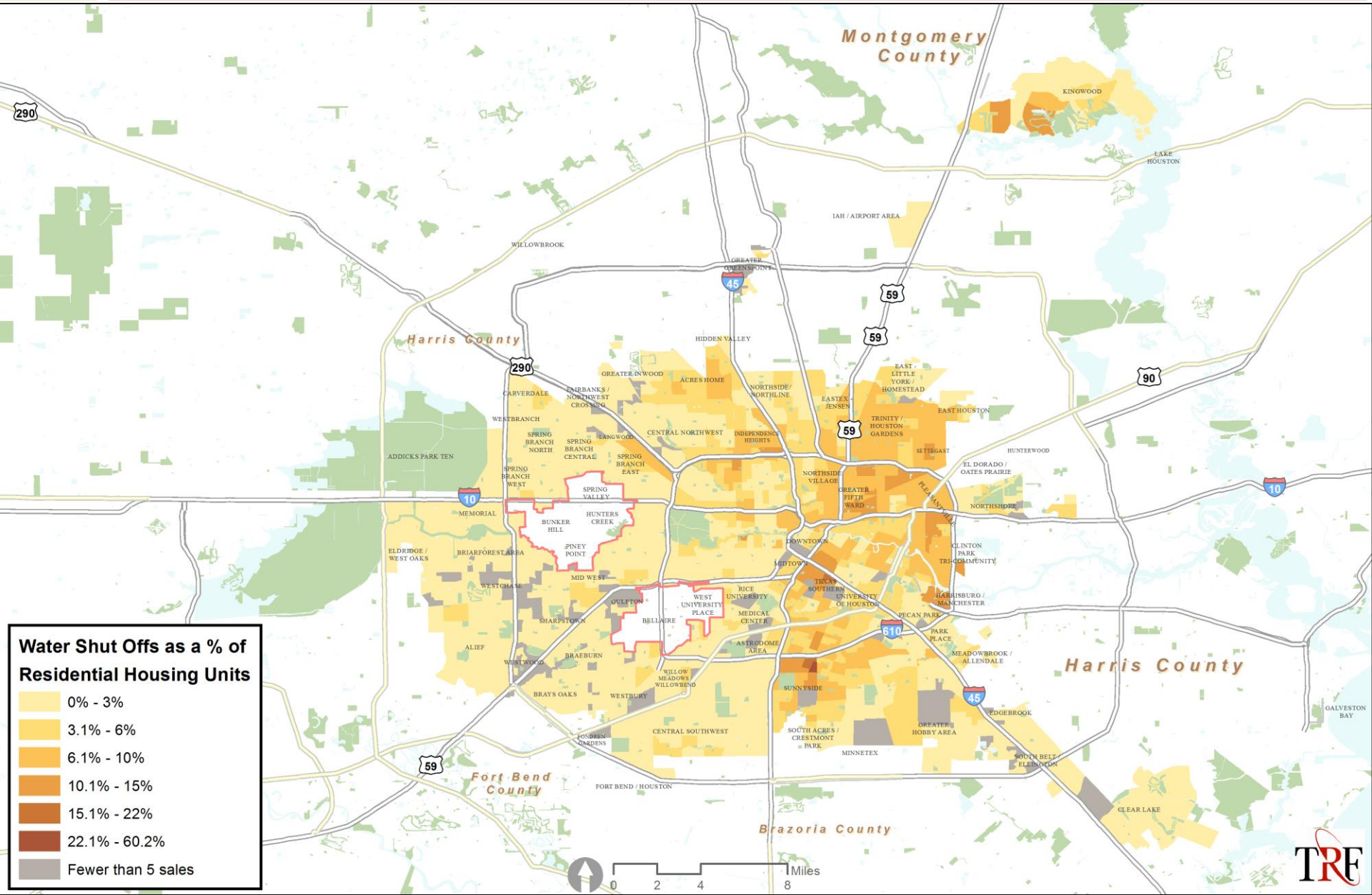
Variance of Sales Price, 2010-11



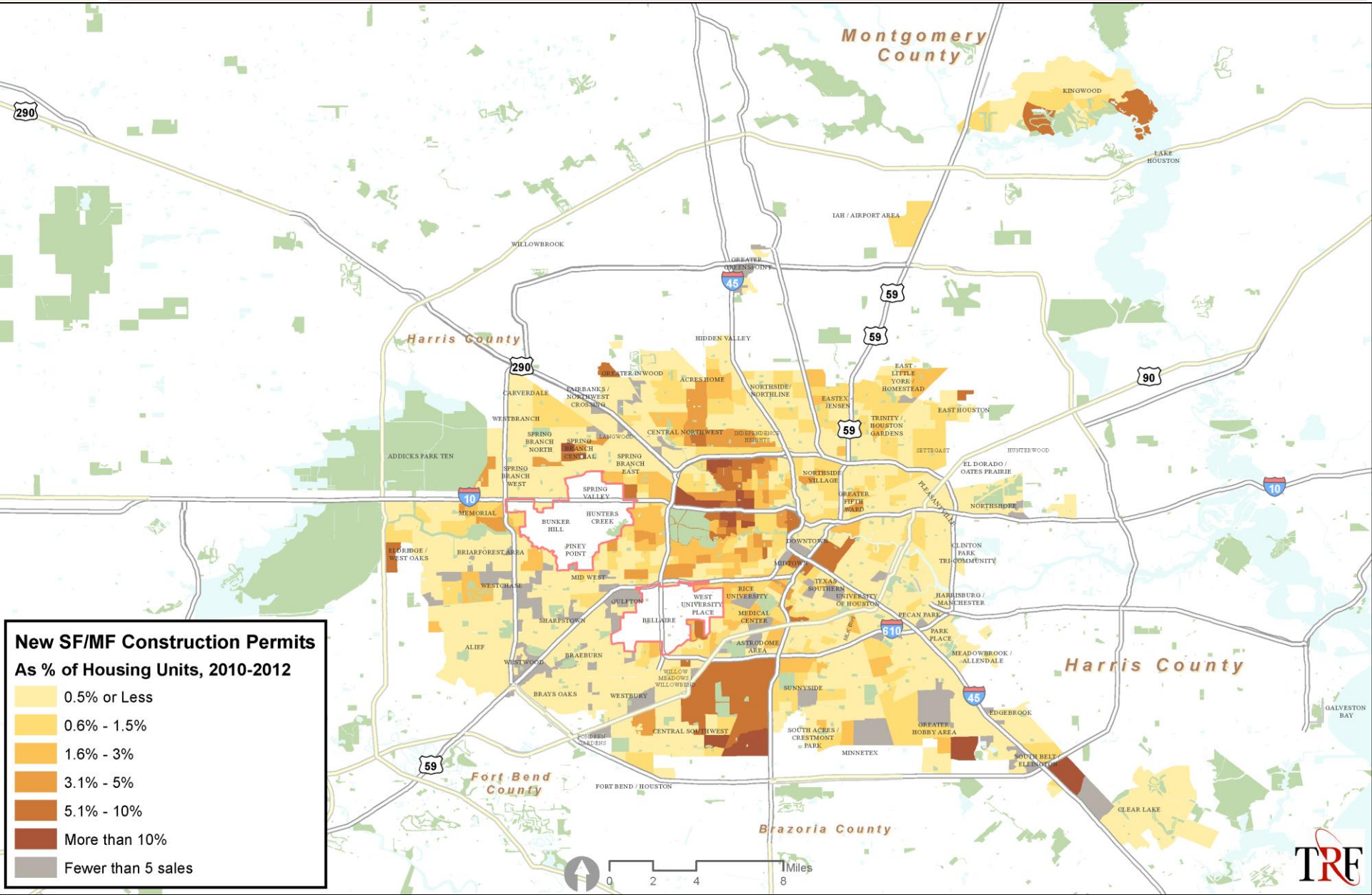
Foreclosures as a Percentage of Sales, 2010-11



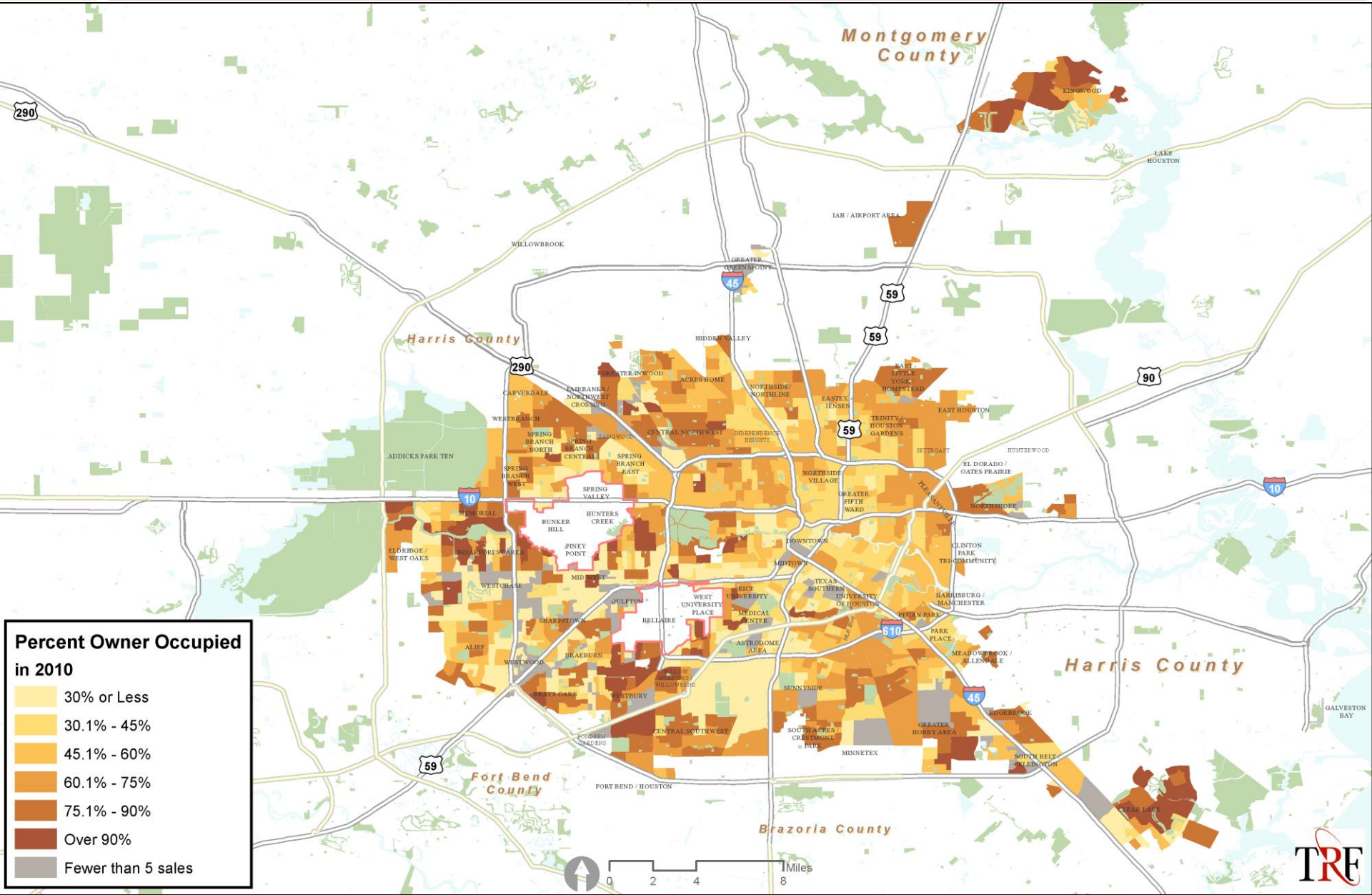
Percent Residential Unit Water Shut Offs, 2010-2012



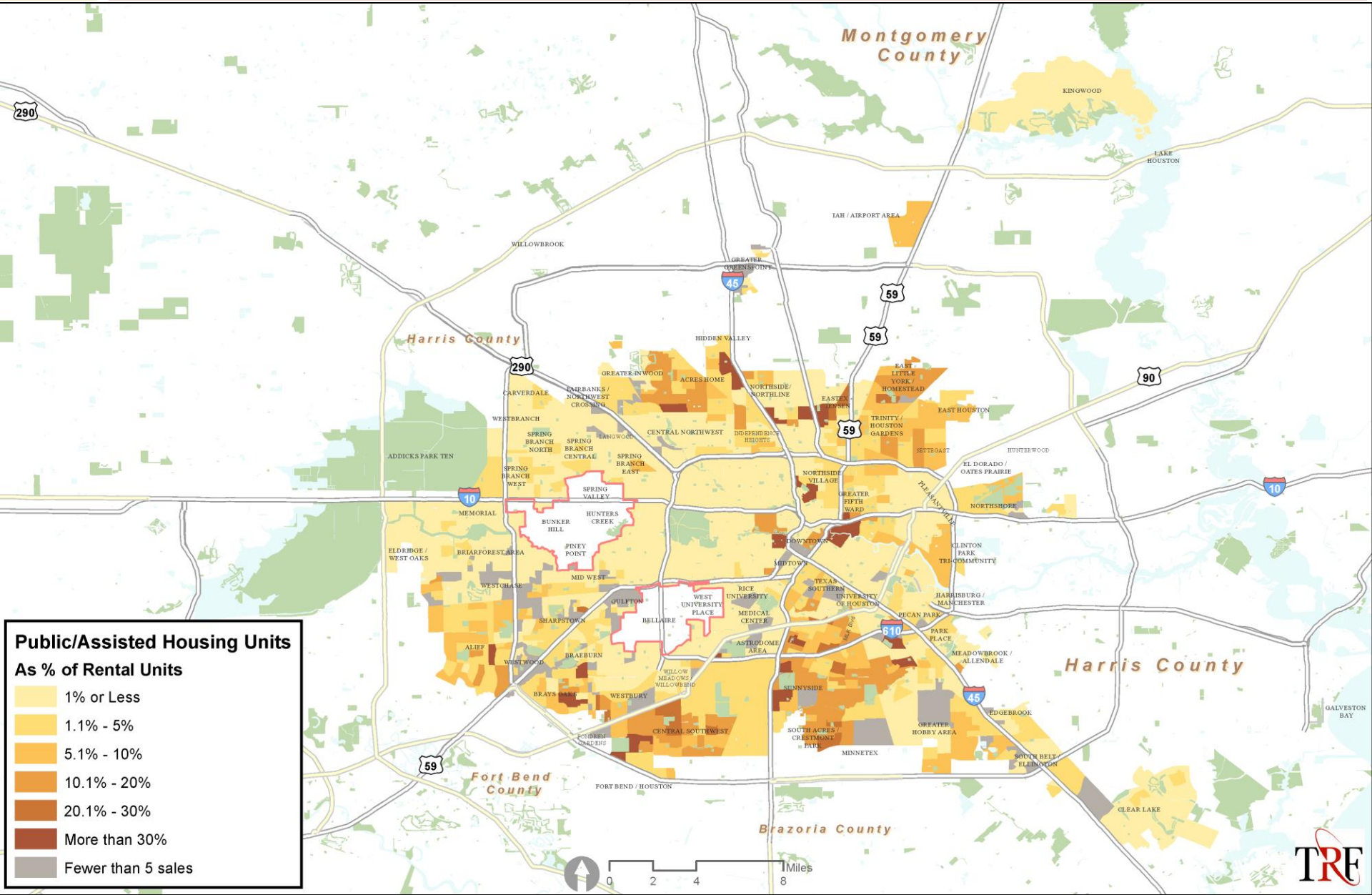
Percent Single and Multi-Family Construction Permits



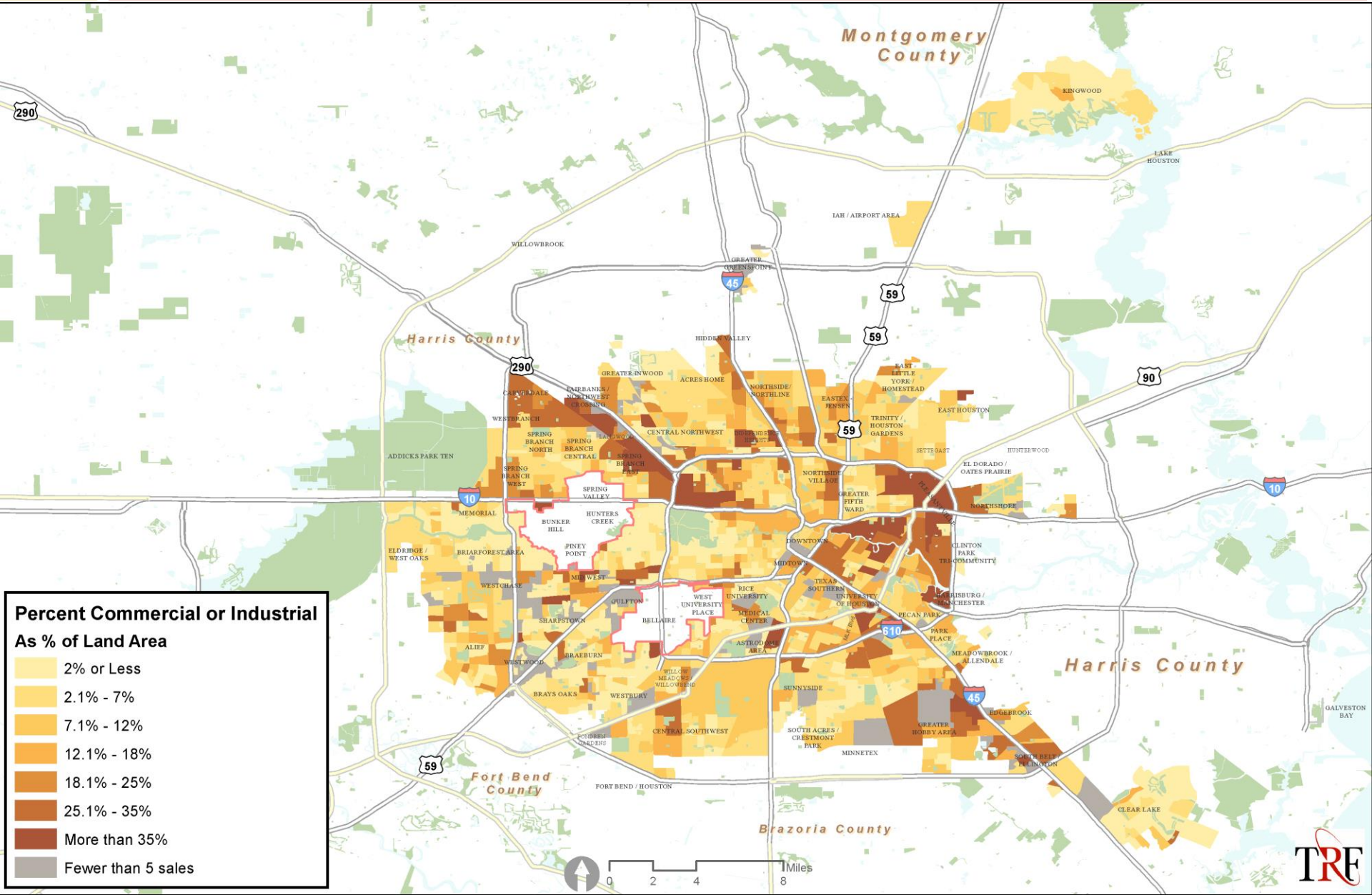
Percent Owner Occupied, 2010



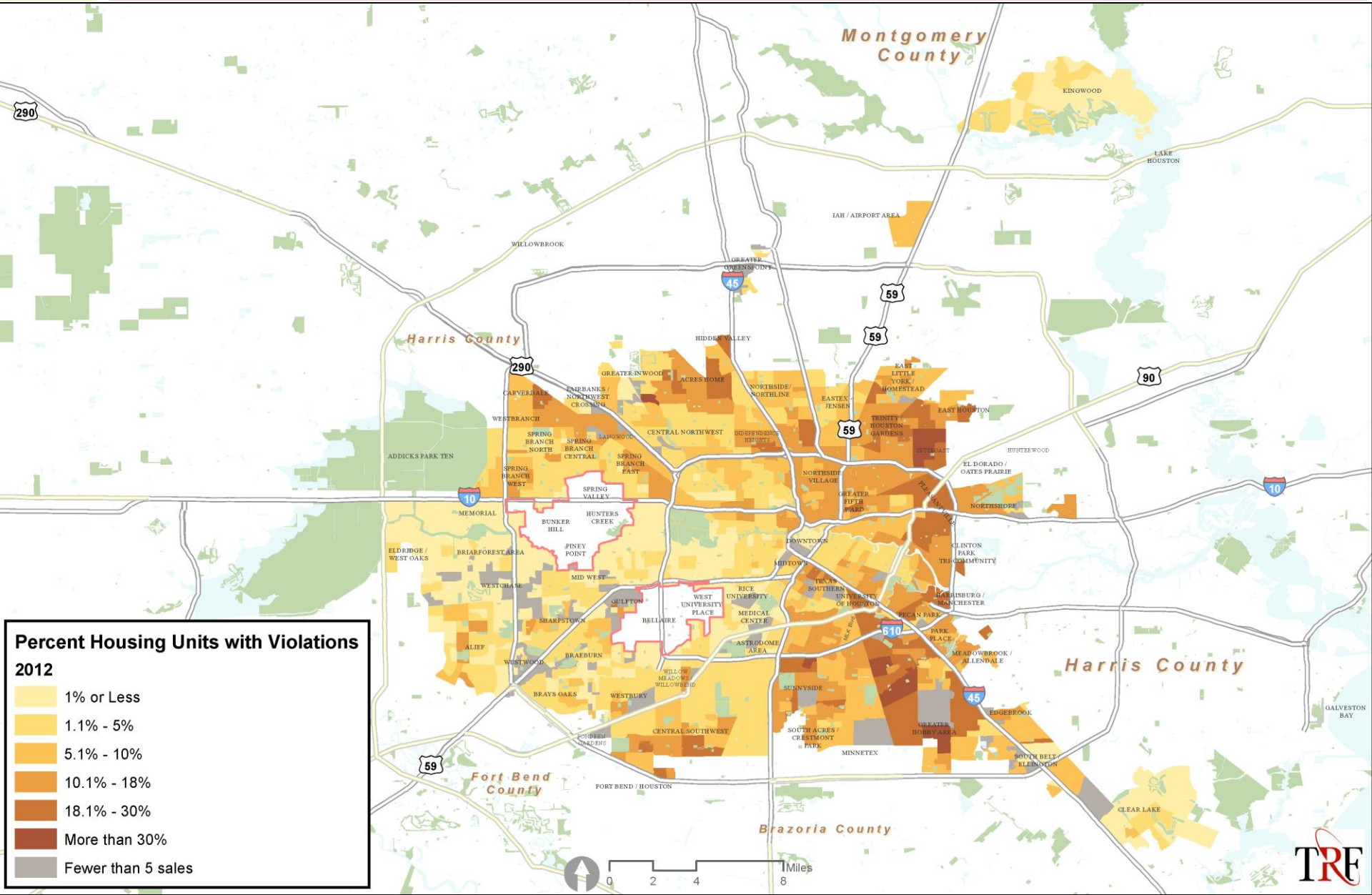
Percent Public Housing and Vouchers, 2012



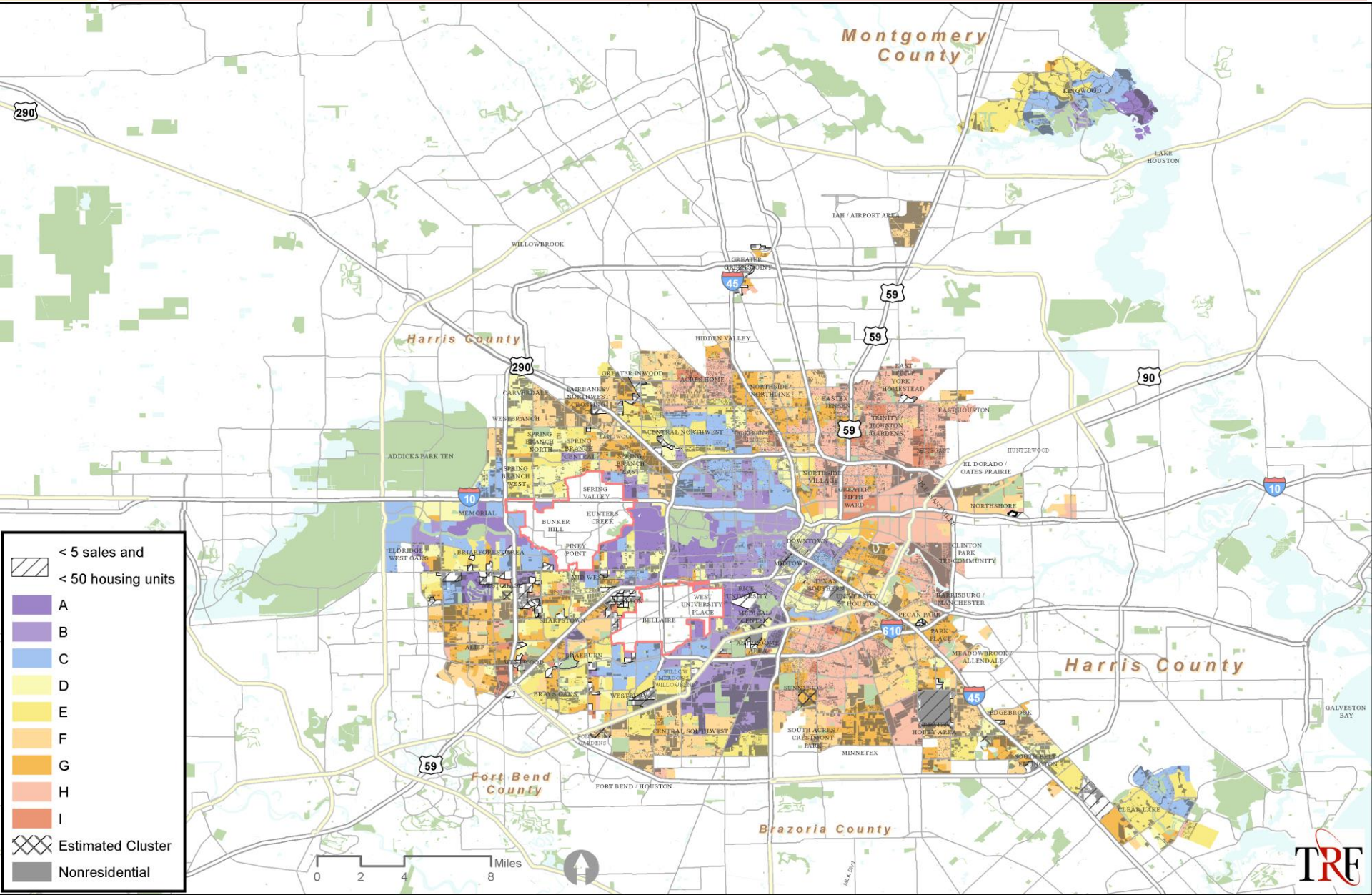
Percent Commercial or Industrial, 2012



Percent of Housing Units with Violations, 2012



MVA Clusters



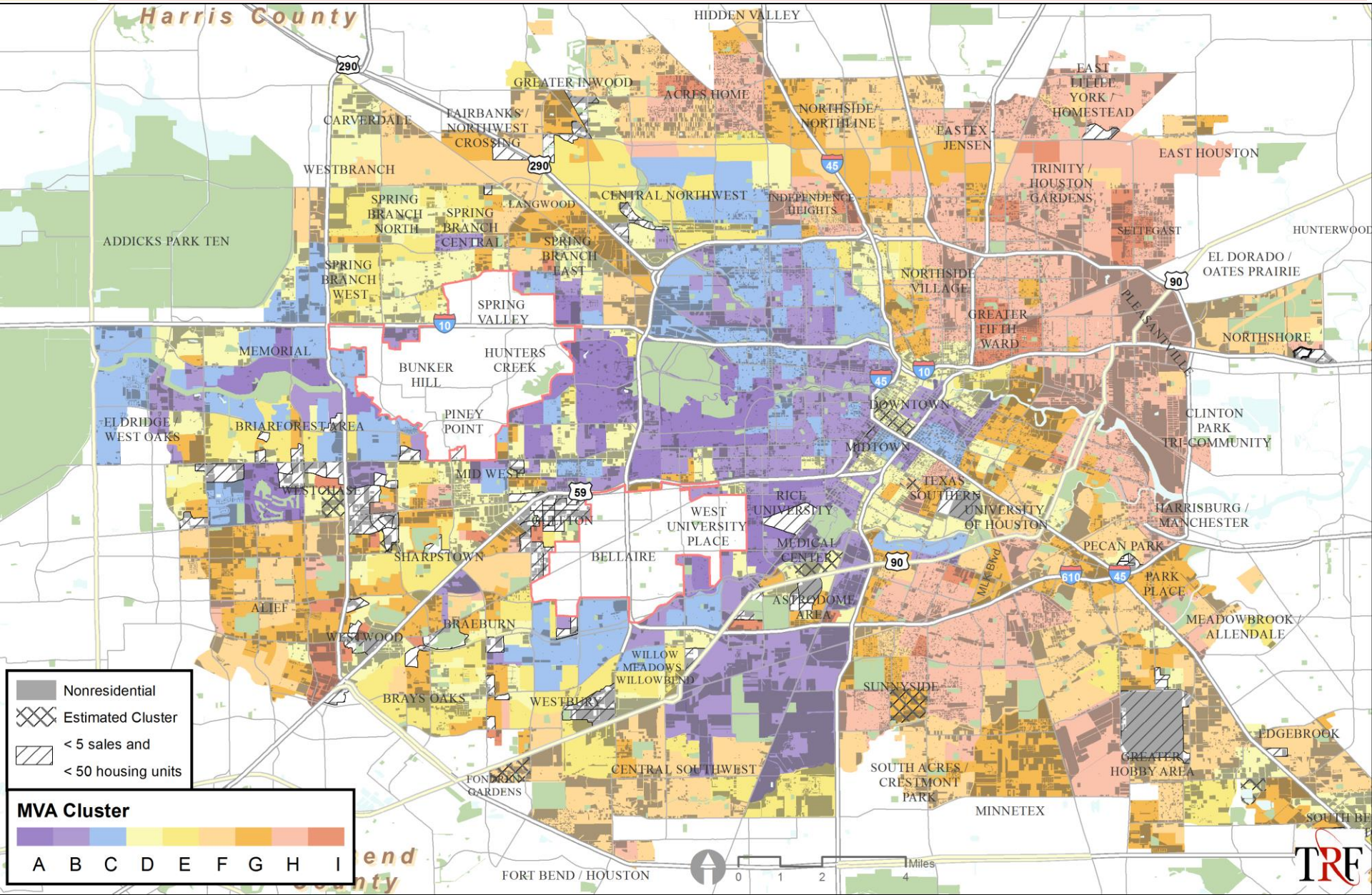
MVA Characteristics

MVA Cluster	Number of Block Groups	Median Sales Price 2010-11	Variance of Sales Price 2010-11	Foreclosures as a Percent of Sales 2010-11	Percent Vacant Housing Units 2010-2012	Permits as a Percent of Housing Units 2010-12	Percent Owner Occupied 2010	Percent Publicly Subsidized Rental 2012	Percent Commerical/ Industrial Area 2012	Percent of Housing Units with Violations 2012
A	40	$571,150	0.529	0.57%	1.88%	2.66%	78.53%	0.00%	3.73%	0.78%
B	104	$315,423	0.463	2.19%	1.78%	1.76%	28.98%	1.38%	10.22%	2.06%
C	117	$272,641	0.444	1.02%	2.49%	2.59%	79.65%	0.78%	6.52%	2.52%
D	129	$147,074	0.485	9.00%	1.77%	0.37%	31.50%	1.96%	9.42%	3.52%
E	113	$146,319	0.408	1.59%	1.26%	1.28%	78.98%	3.68%	5.36%	4.43%
F	157	$81,771	0.494	16.97%	2.59%	0.40%	71.34%	5.96%	8.14%	12.47%
G	158	$79,332	0.463	21.83%	2.15%	0.28%	31.41%	4.90%	11.87%	4.45%
H	153	$50,314	0.624	66.07%	6.03%	0.45%	55.10%	6.62%	10.05%	12.21%
I	35	$27,757	0.567	80.14%	4.91%	0.33%	26.56%	7.78%	4.48%	9.14%
Not Classified	120	N/A	N/A	10.35%	1.43%	0.07%	4.64%	3.01%	17.37%	1.43%
Study Area	1126	$156,161	0.493	19.52%	2.61%	0.87%	48.44%	3.78%	9.53%	5.79%

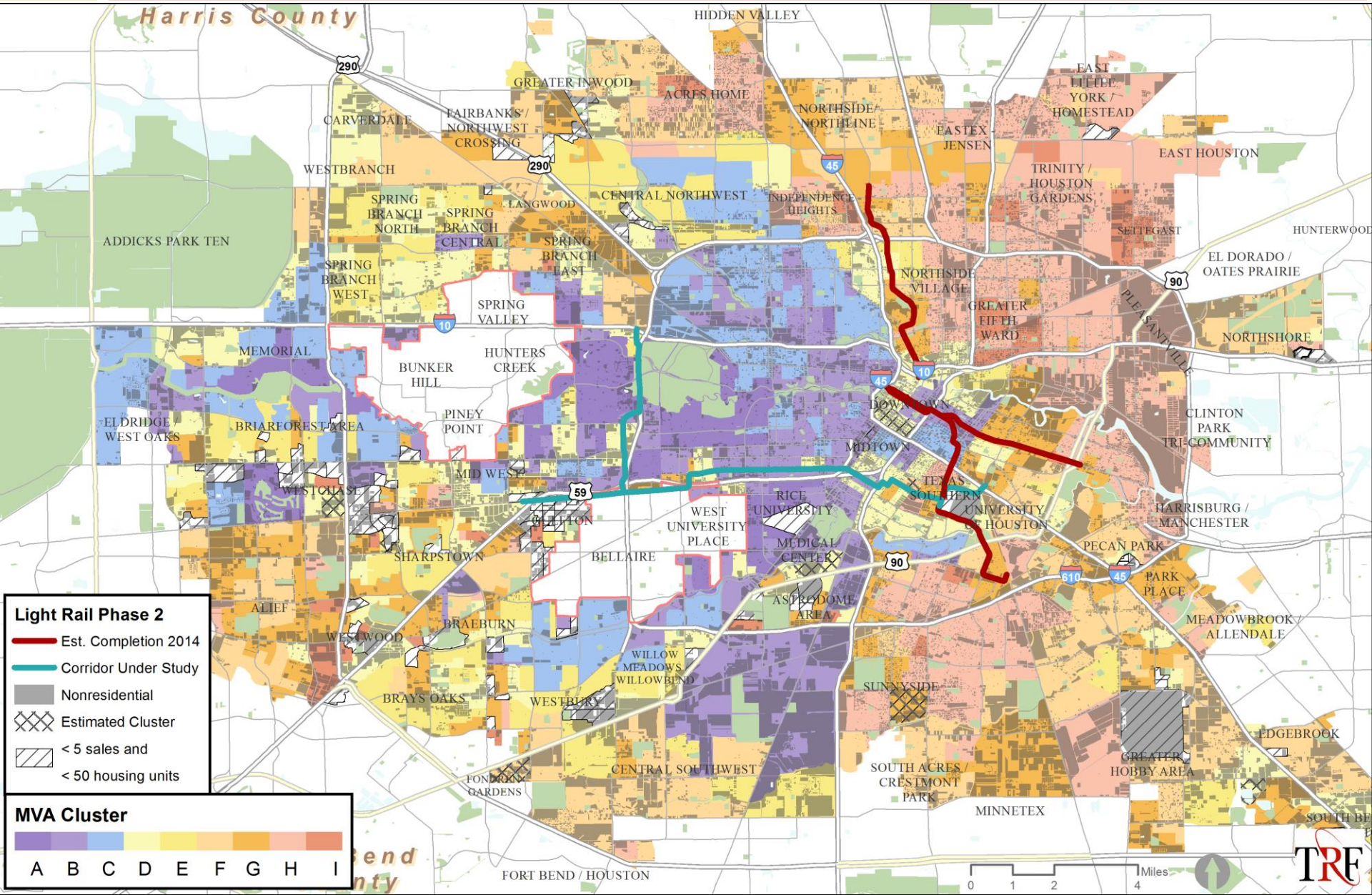
Houston MVA 2013, Census (2010) Characteristics

MVA Cluster	Households		Owner Occupied		Renter Occupied		Housing Units		Population	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
A	23,944	3.7%	17,331	5.9%	6,613	1.83%	26,197	3.49%	55,550	3.19%
B	83,607	12.8%	22,408	7.6%	61,199	16.93%	97,288	12.97%	159,901	9.19%
C	65,282	10.0%	50,147	17.0%	15,135	4.19%	70,911	9.45%	151,731	8.73%
D	87,186	13.3%	26,228	8.9%	60,958	16.87%	103,413	13.79%	220,447	12.68%
E	65,487	10.0%	51,624	17.5%	13,863	3.84%	70,143	9.35%	172,944	9.94%
F	79,418	12.1%	56,348	19.2%	23,070	6.38%	86,600	11.55%	264,787	15.23%
G	96,600	14.7%	29,310	10.0%	67,290	18.62%	112,511	15.00%	273,807	15.74%
H	65,244	10.0%	35,078	11.9%	30,166	8.35%	75,454	10.06%	200,991	11.56%
I	18,563	2.8%	3,874	1.3%	14,689	4.06%	22,435	2.99%	50,514	2.90%
Not classified	70,292	10.7%	1,866	0.6%	68,426	18.93%	85,065	11.34%	188,364	10.83%
Study Area Total	655,623		294,214		361,409		750,017		1,739,036	

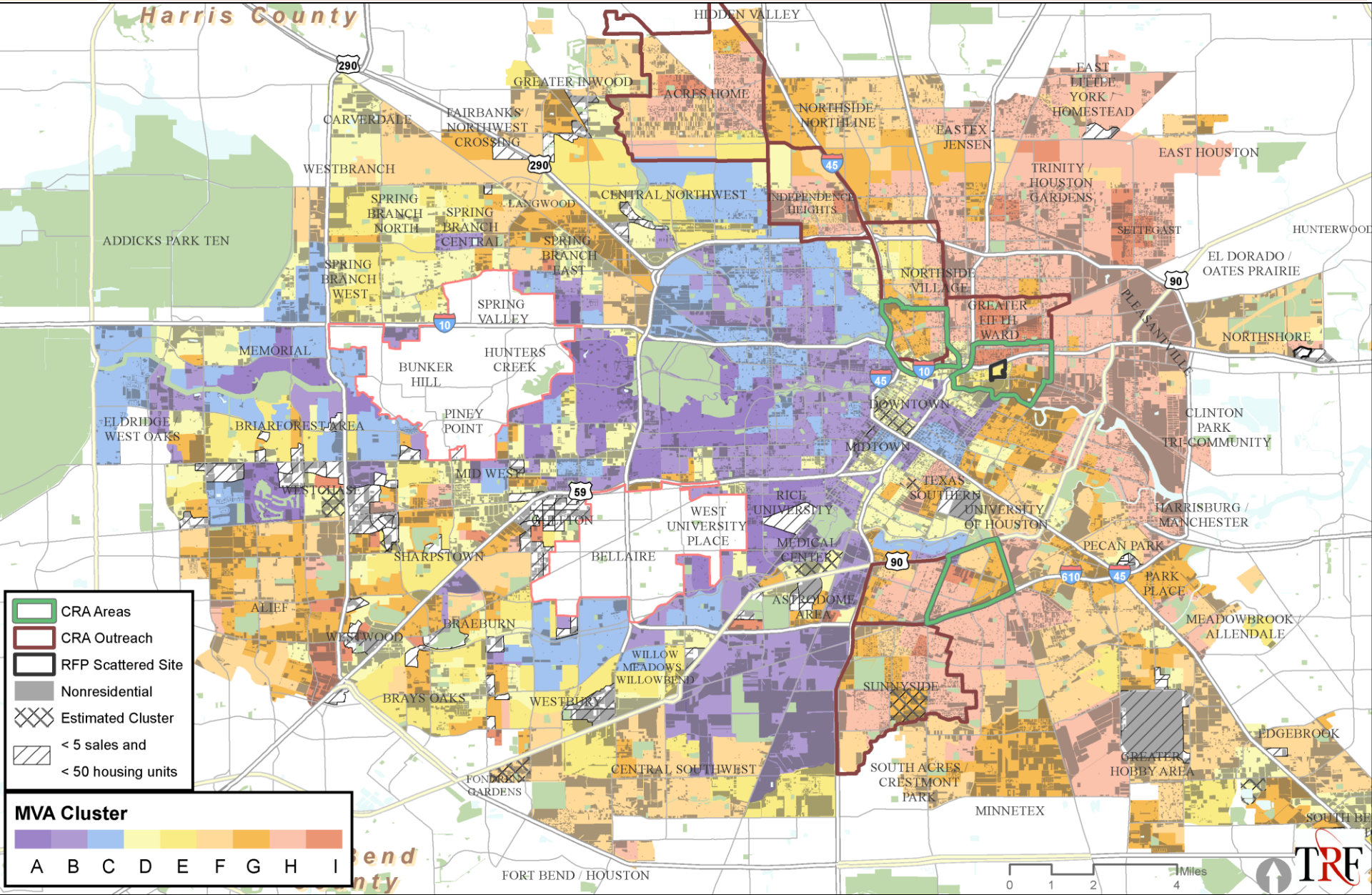
MVA Clusters, Main Zoom



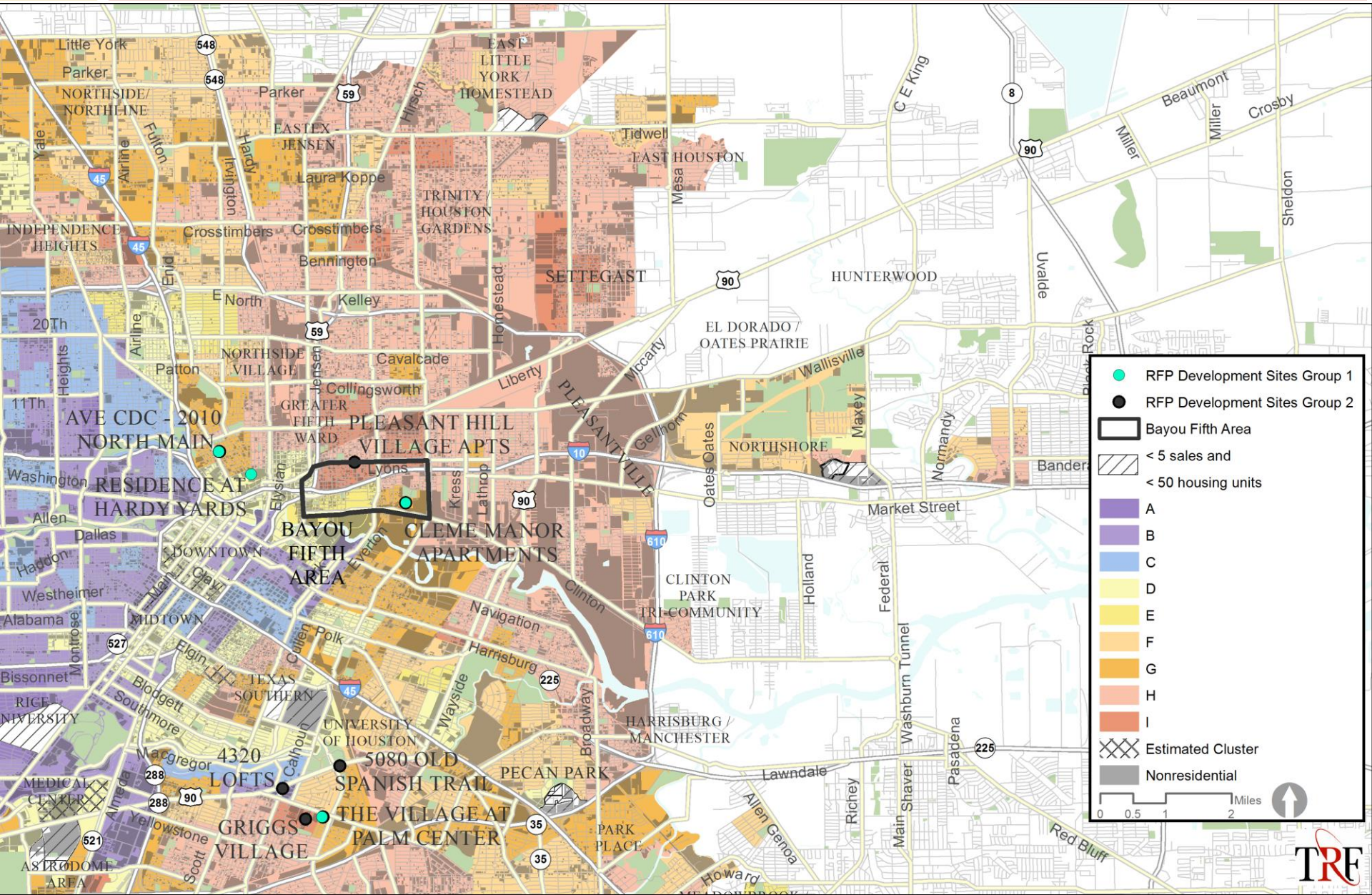
MVA Clusters with Light Rail by Completion Date



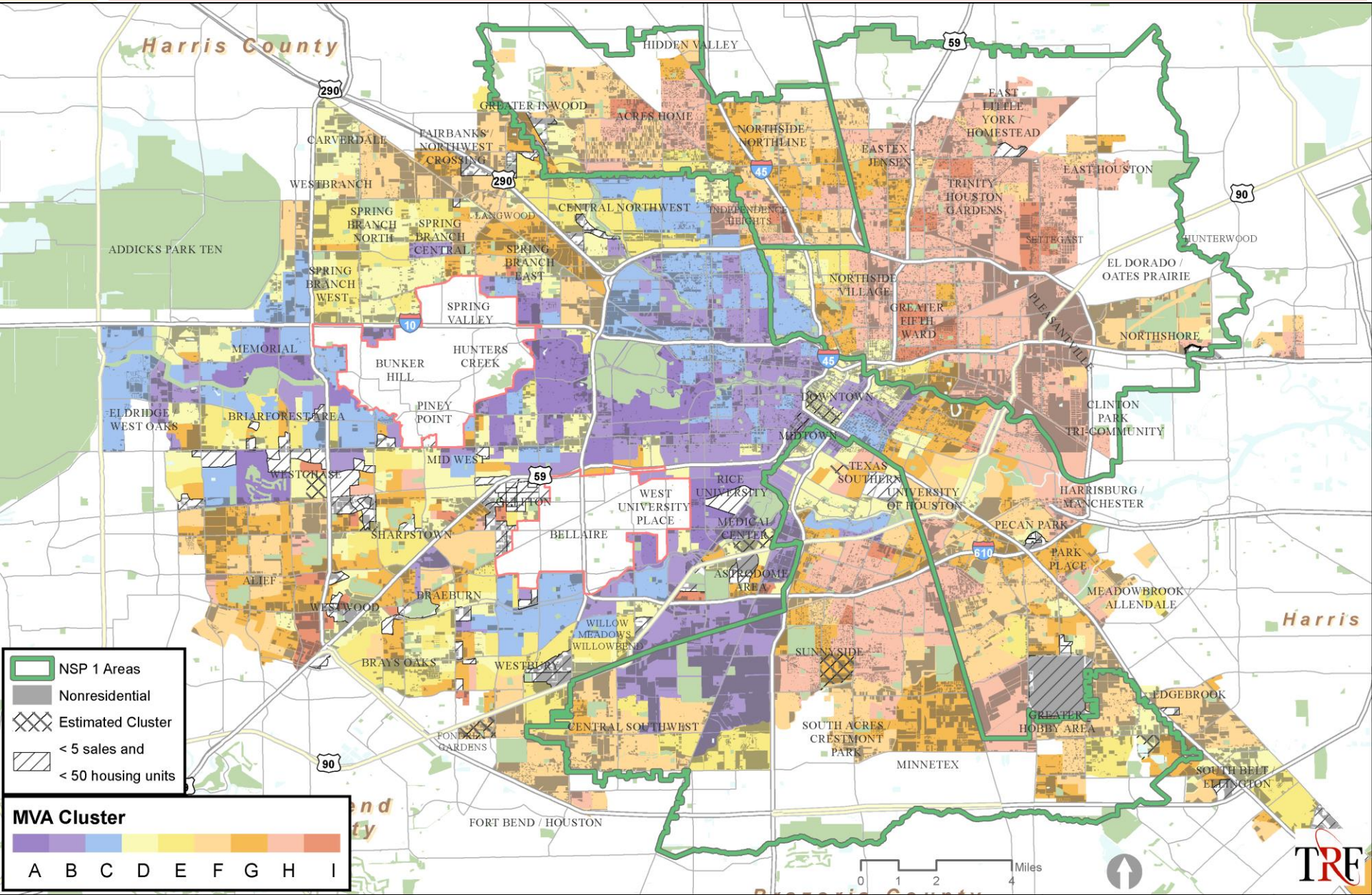
CRA Areas and CRA Outreach Areas



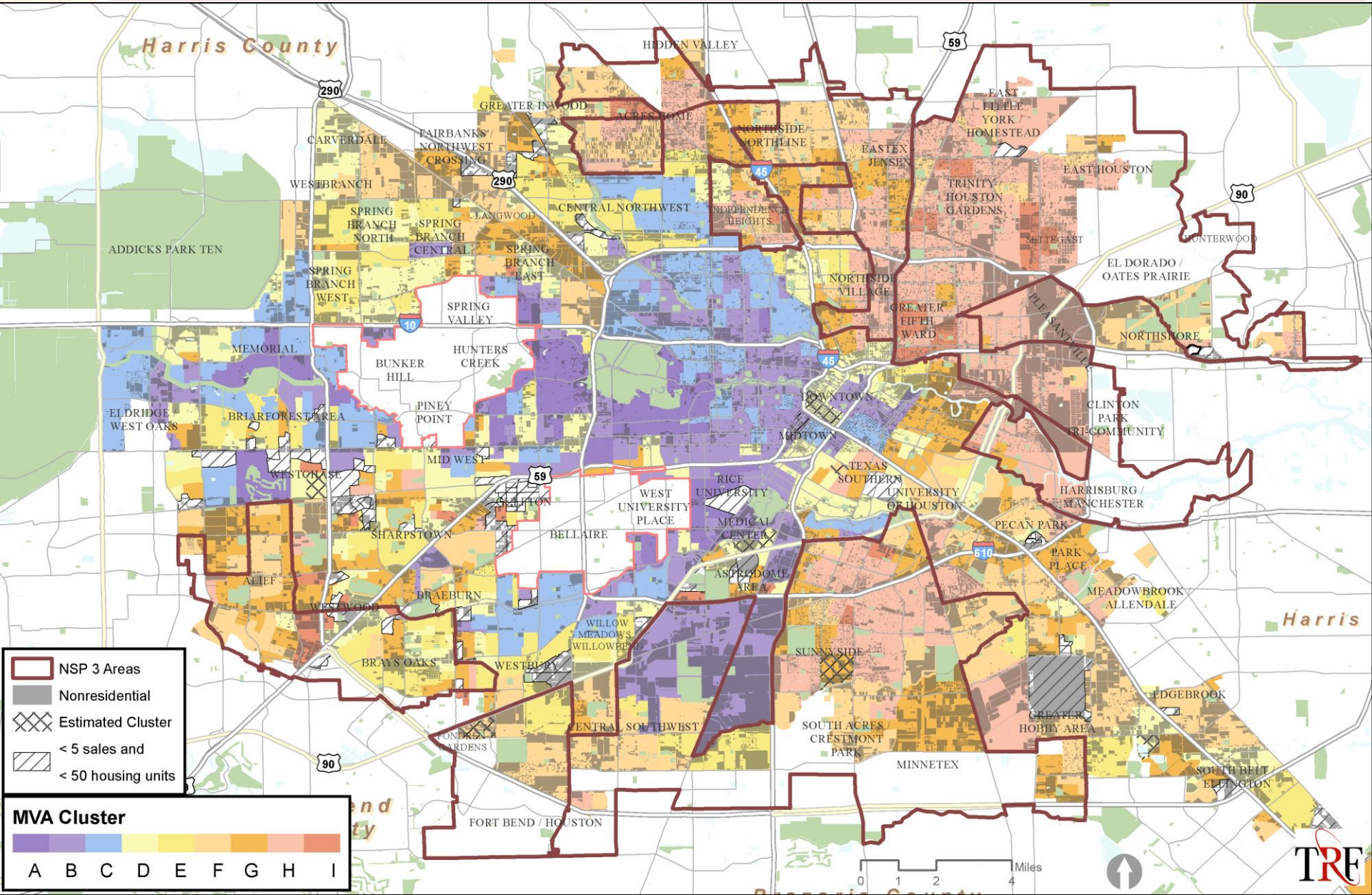
RFP Sites Scattered with Development Sites



NSP 1 Areas


Harris County
HIDDEN VALLEY
GREATER INWOOD
ACRES HOME
NORTHSIDE/ NORTHLINE
EAST LITTLE YORK / HOMESTEAD
CARVERDALE
FAIRBANKS / NORTHWEST CROSSING
EASTEX - JENSEN
EAST HOUSTON
WESTBRANCH
TRINITY HOUSTON GARDENS
SPRING BRANCH NORTH
SPRING BRANCH CENTRAL
LANGWOOD
CENTRAL NORTHWEST
INDEPENDENCE HEIGHTS
SETTEGAST
HUNTERWOOD
ADDICKS PARK TEN
SPRING BRANCH EAST
EL DORADO / OATES PRAIRIE
SPRING BRANCH WEST
NORTHSIDE VILLAGE
SPRING VALLEY
GREATER FIFTH WARD
PLEASANTVILLE
NORTHSHORE
MEMORIAL
HUNTERS CREEK
BUNKER HILL
DOWNTOWN
ELDRIDGE / WEST OAKS
BRIARFOREST AREA
PINEY POINT
CLINTON PARK TRI-COMMUNITY
MIDTOWN
MID WEST
WESTCHASE
TEXAS SOUTHERN UNIVERSITY
RICE UNIVERSITY
HARRISBURG / MANCHESTER
GULFTON
WEST UNIVERSITY PLACE
UNIVERSITY OF HOUSTON
MEDICAL CENTER
PECAN PARK
SHARPSTOWN
BELLAIRE
PARK PLACE
ASTRODOME AREA
ALIEF
BRAEBURN
MEADOWBROOK ALLENDALE
WESTWOOD
WILLOW MEADOWS WILLOWBEND
Harris
SUNNYSIDE
BRAYS OAKS
WESTBURY
EDGEBROOK
GREATER HOBBY AREA
CENTRAL SOUTHWEST
SOUTH ACRES / CRESTMONT PARK
FONDREN GARDENS
MINNETEX
SOUTH BELT / ELLINGTON
FORT BEND / HOUSTON
NSP 1 Areas
Nonresidential
Estimated Cluster
< 5 sales and
< 50 housing units
MVA Cluster
A B C D E F G H I
Miles
0 1 2 4
TRF

NSP 3 Areas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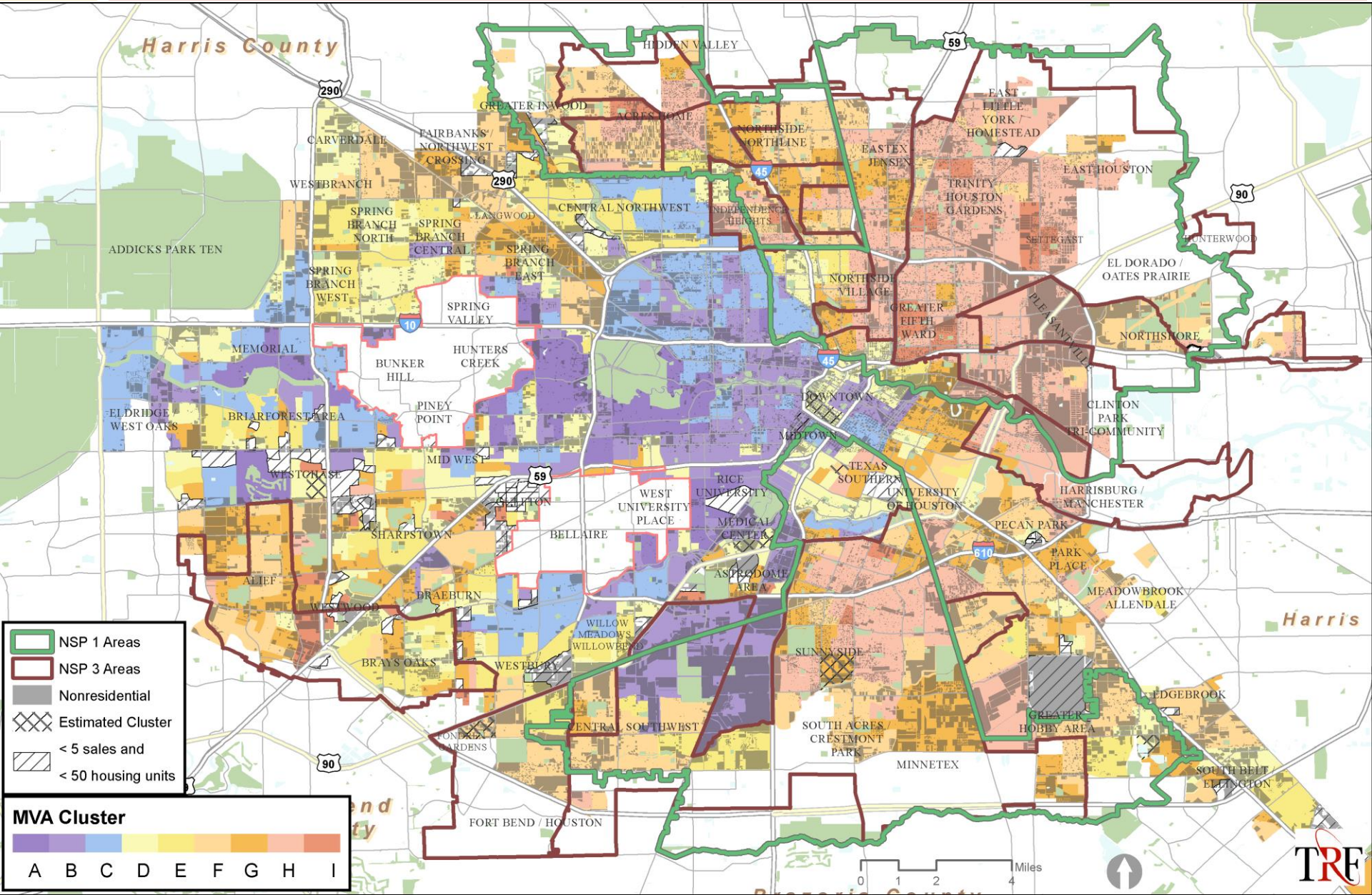
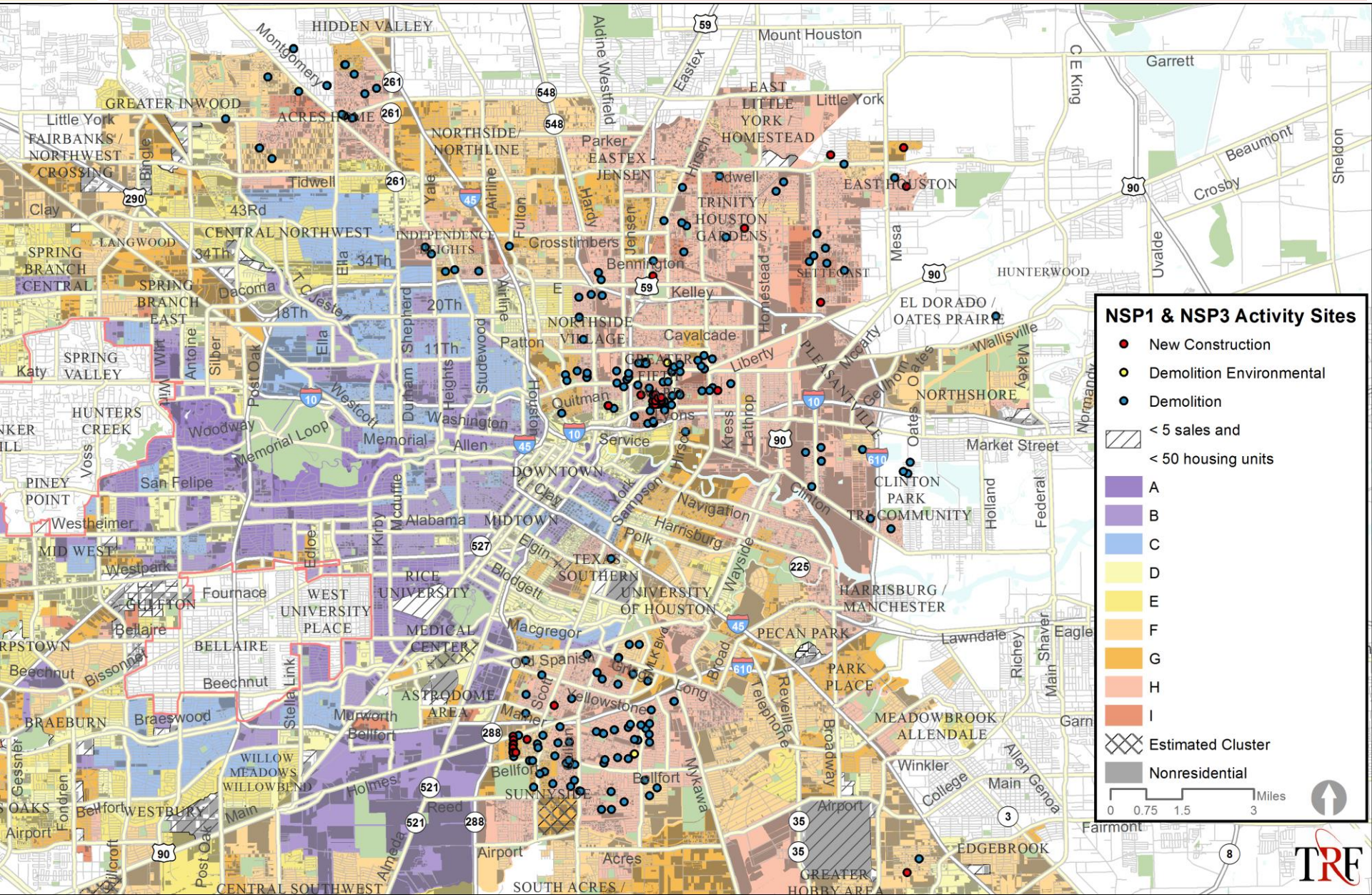
MVA Cluster
A B C D E F G H I
Miles
0 1 2 4
TRF

NSP 1 and NSP 3 Areas



NSP 1 and NSP 3 Activity Sites


NSP1 & NSP3 Activity Sites
New Construction
Demolition Environmental
Demolition
< 5 sales and
< 50 housing units
A
B
C
D
E
F
G
H
I
Estimated Cluster
Nonresidential
0 0.75 1.5 3 Miles
HIDDEN VALLEY
Mount Houston
Garrett
GREATER INWOOD
Little York
FAIRBANKS / NORTHWEST CROSSING
ACRES HOME
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HUNTERS CREEK
Woodway
Memorial Loop
Memorial
Washington
Allen
Quitman
Service
DOWNTOWN
Market Street
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PINEY POINT
San Felipe
Westheimer
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Mahar
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Braeswood
Murworth
Bellfort
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Holmes
Reed
SUNNYSIDE
Mykawa
Winkler
College
Main
Airport
EDGEBROOK
WESTBURY
Acres
GREATER HOBBY AREA
CENTRAL SOUTHWEST
SOUTH ACRES /
Fairmont
Beaumont
Crosby
Sheldon
Uvalde
Mesa
Homestead
Liberty
Lathrop
Kress
Hirsch
Wayside
Broadway
Telephone
Reveille
Broad
Clinton
Holland
Federal
Richey
Shaver
Main
Eagle
Genoa
Alleen
Garn
Wallisville
Mykey
Normandy
Oates
Gellhorn
Mccarty
PLEASANTVILLE
Airline
Fulton
Yale
Ella
Shepherd
Durham
Heights
Studewood
Hollister
Antoine
Silber
Post Oak
Wirt
Voss
Kirby
Mcourtie
Edloe
Stella Link
Bissonnet
Gessner
Fondren
Kilcrot
Almeda
Scott
Telephone
Eastex
Aldine Westfield
Jensen
Hardy
Parker
EASTEX - JENSEN
Tidwell
43Rd
34Th
20Th
18Th
11Th
Dacoma
Patton
Katy
Clay
Little York
Montgomery
C E King
Bingle
Yale
Airline
Fulton
Hardy
Jensen
Hirsch
Eastex
Homestead
Mesa
Uvalde
Sheldon
Crosby
Beaumont
Wallisville
Mykey
Normandy
Oates
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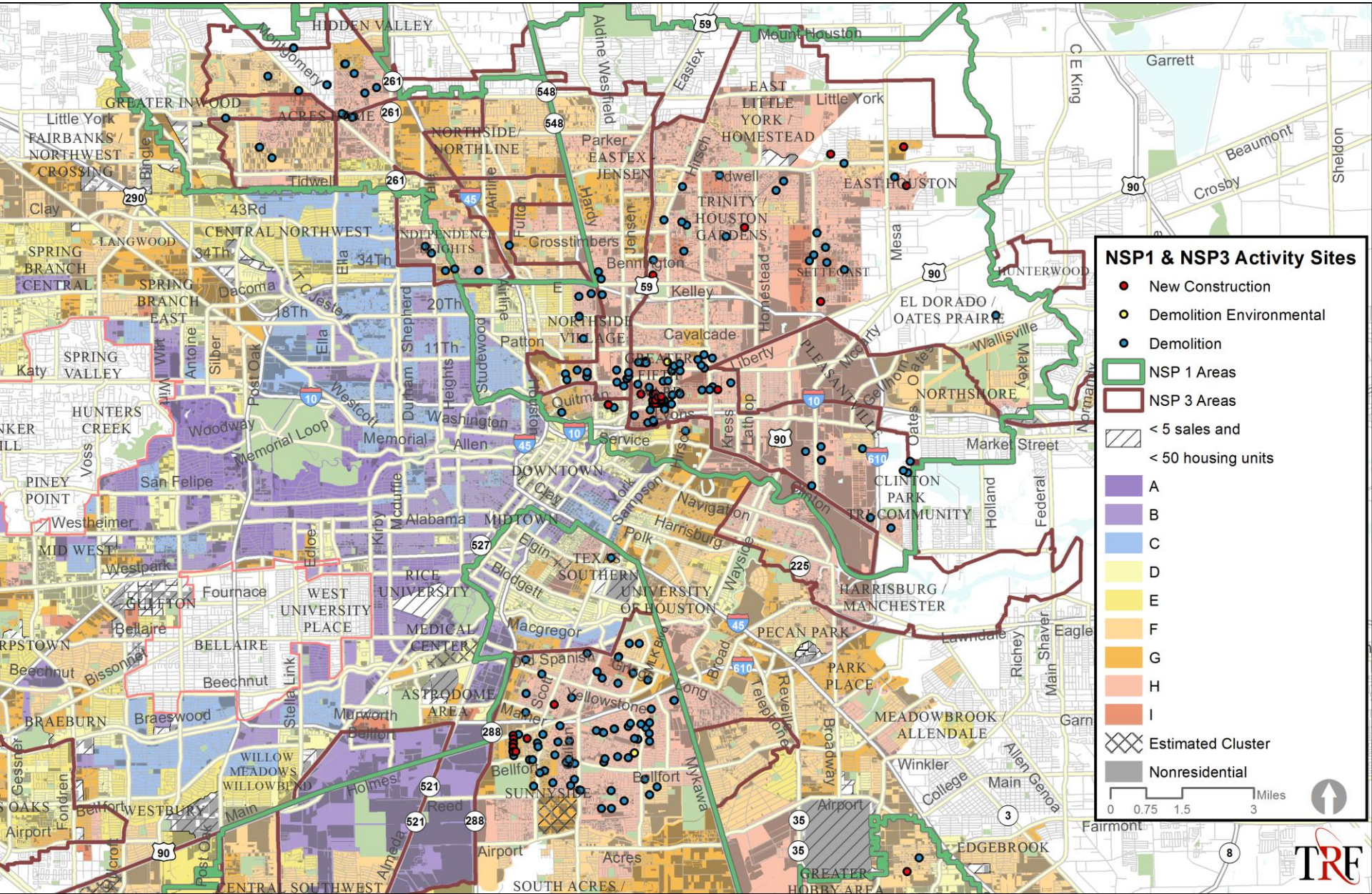
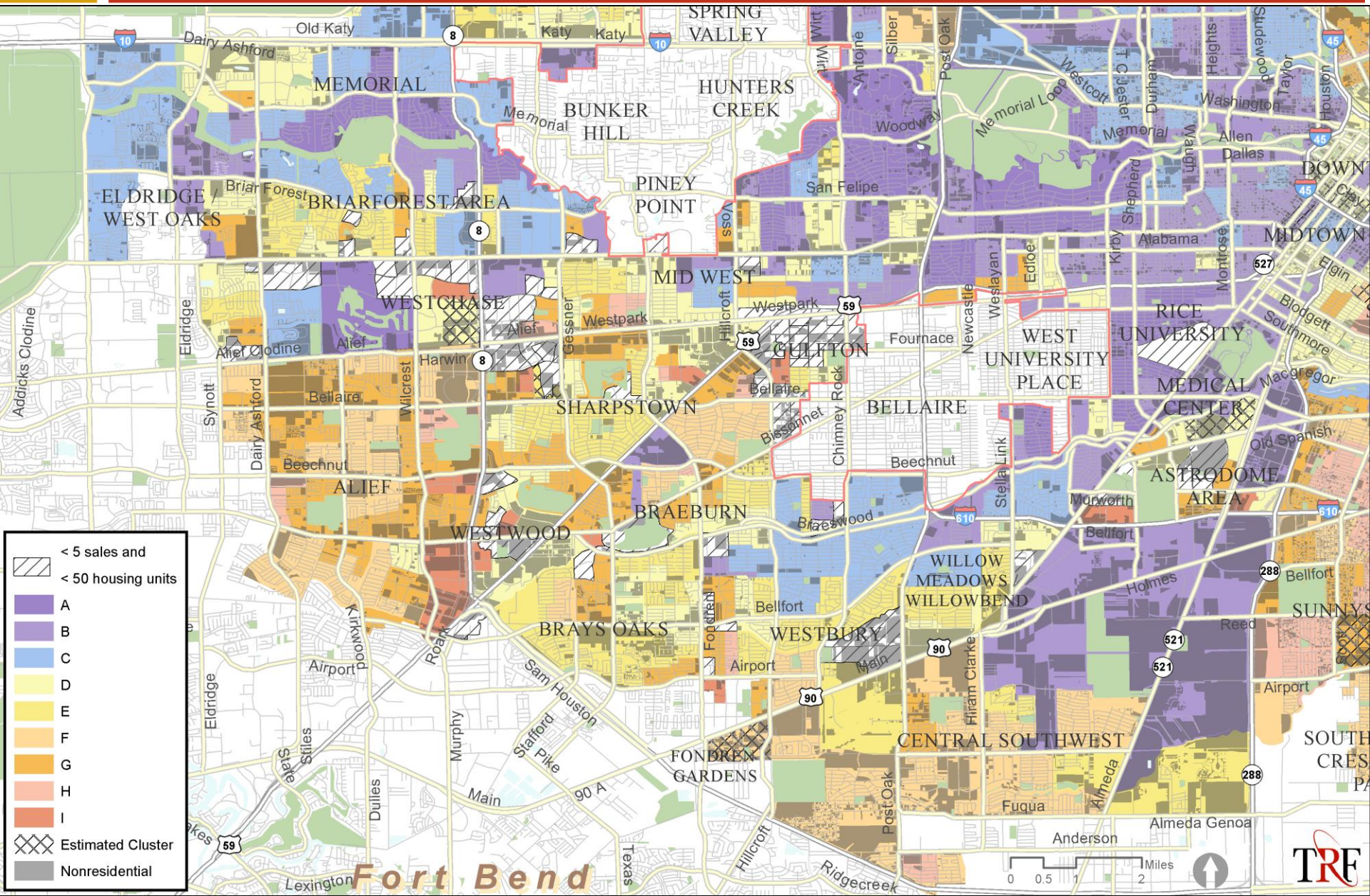
Main
Eagle
Genoa
Alleen
Garn
Lawndale
Winkler
College
Main
Airport
Fairmont
Westcott

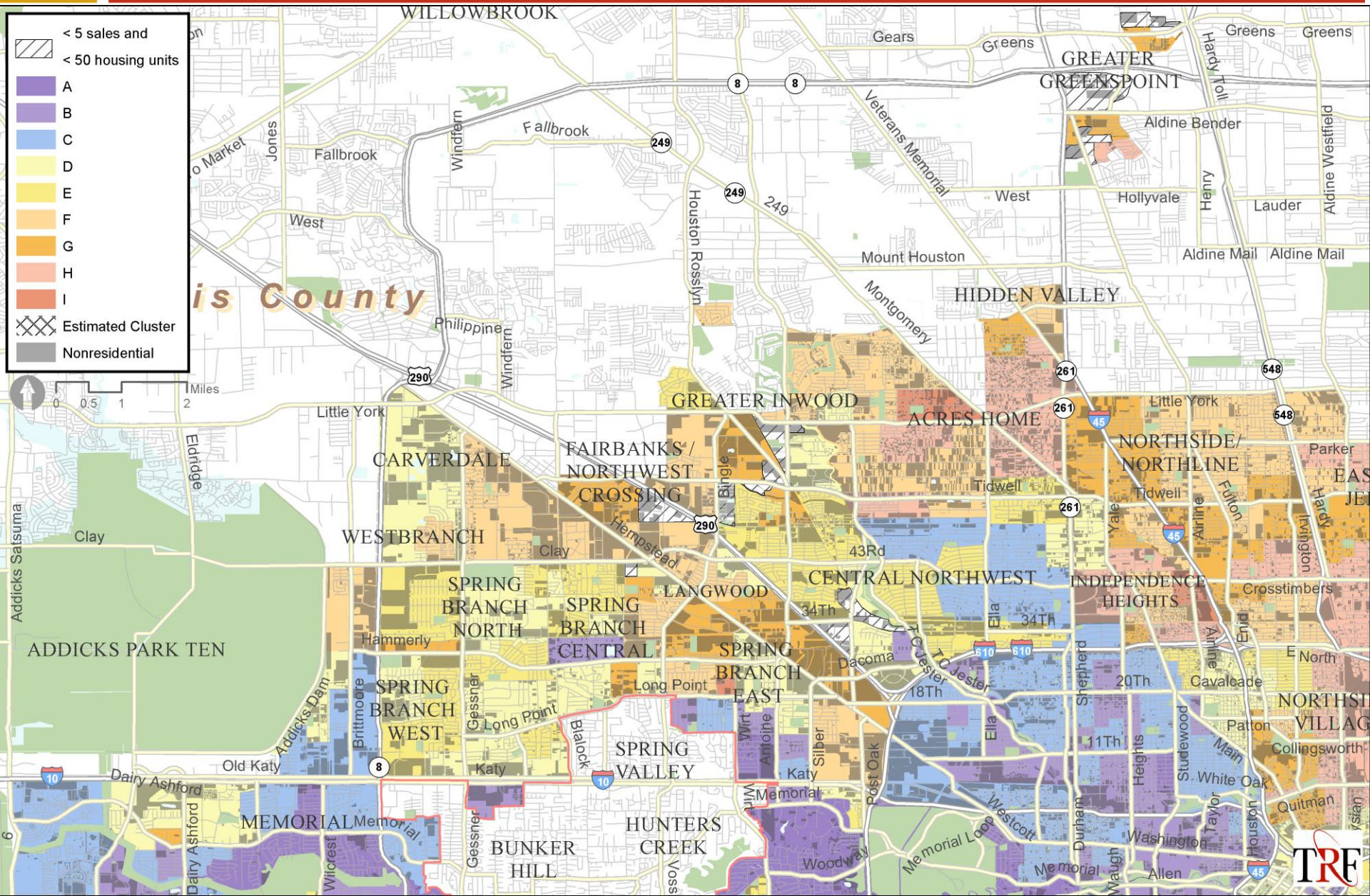
NSP 1 and NSP 3 Activity Sites with NSP Areas



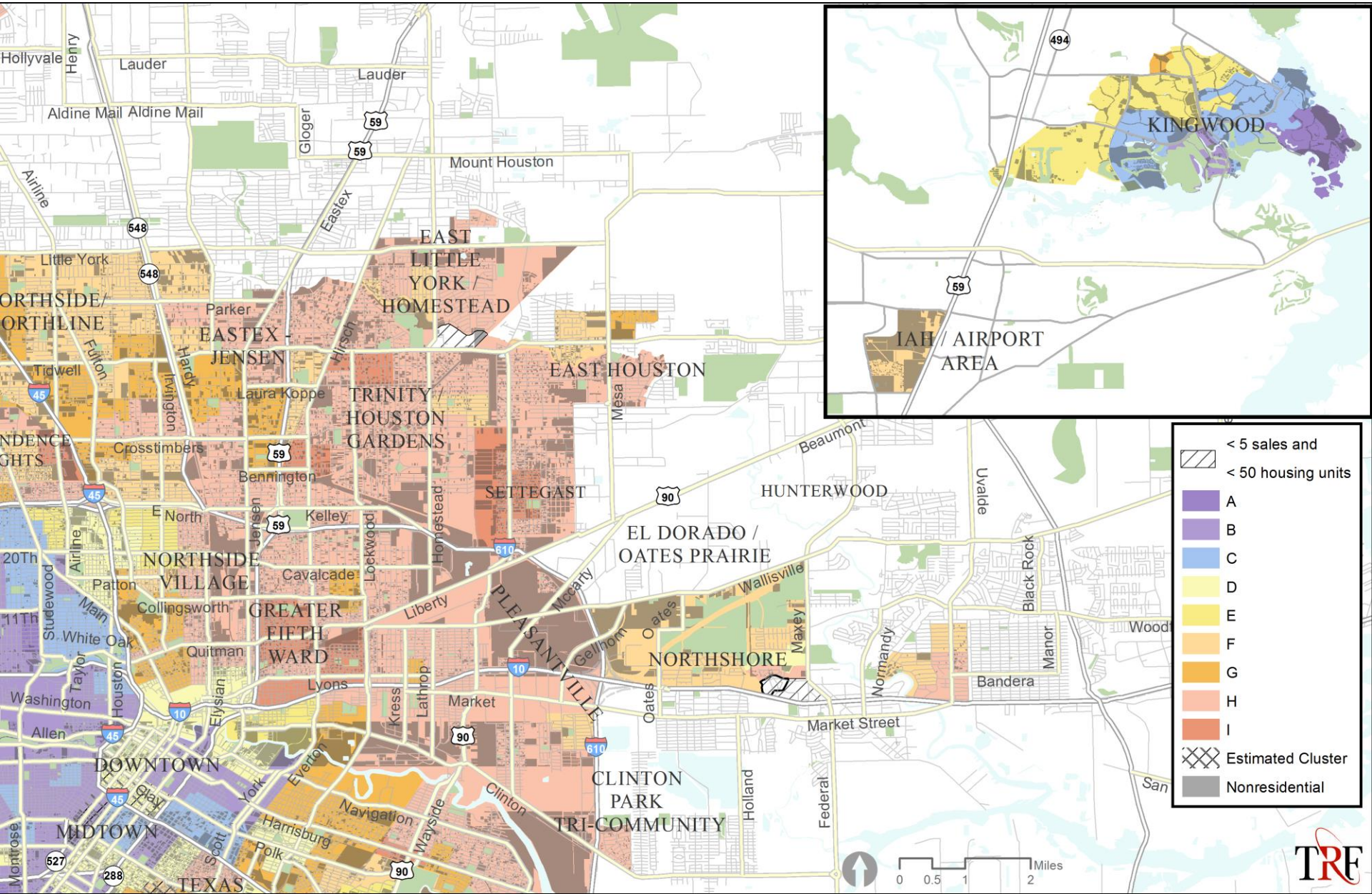
Southwest Zoom



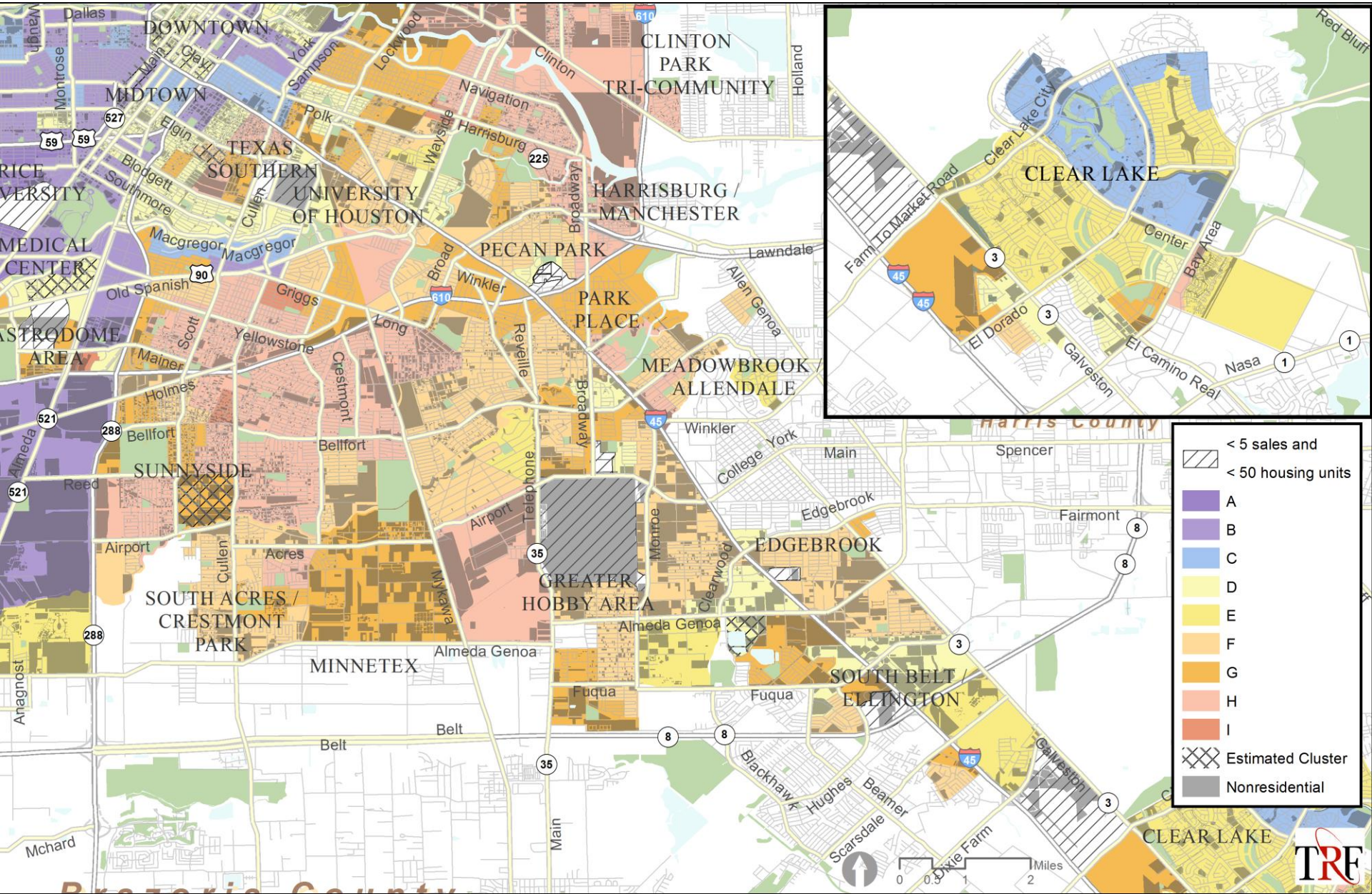
Northwest Zoom



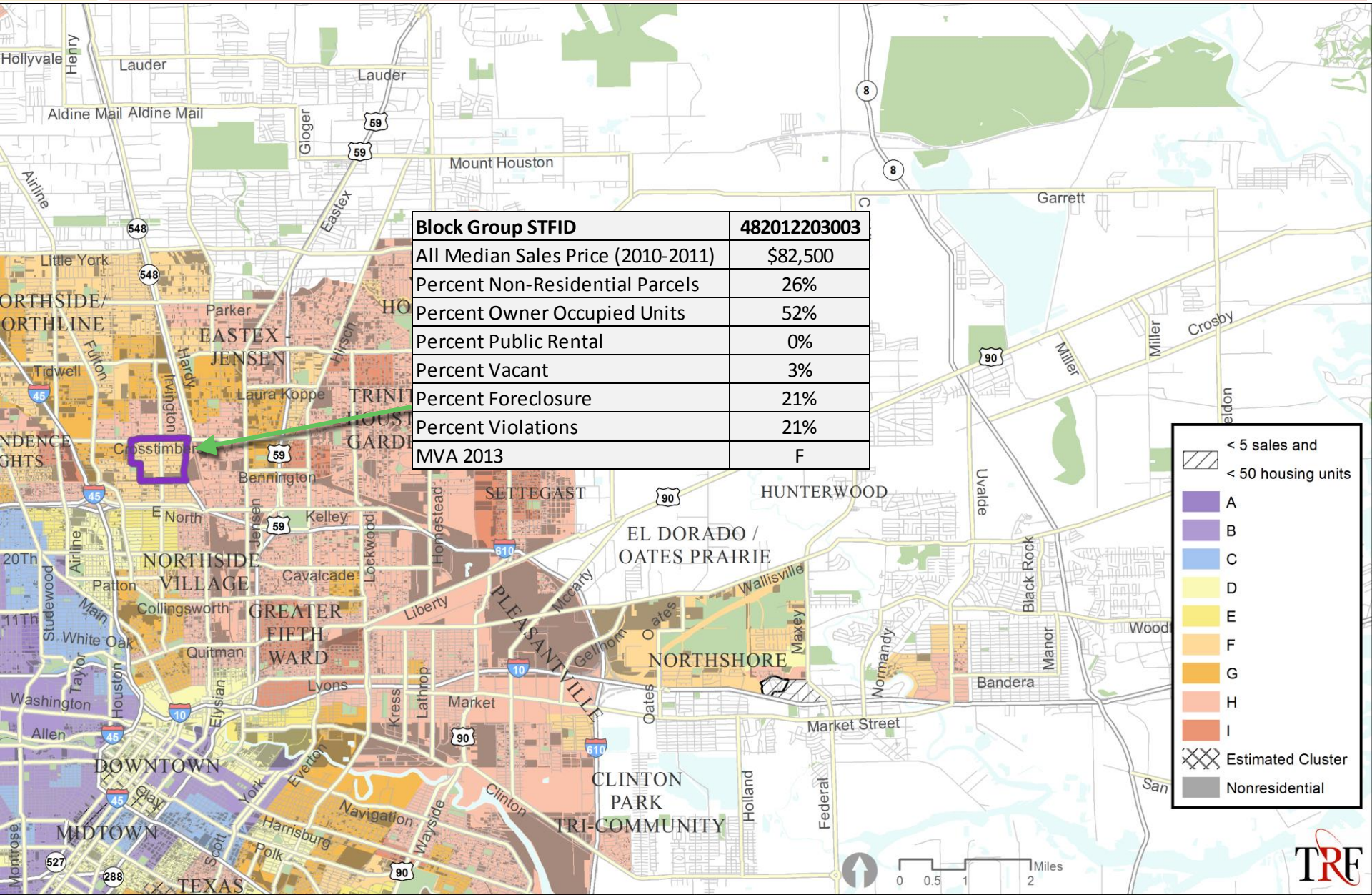
Northeast Zoom



Southeast Zoom

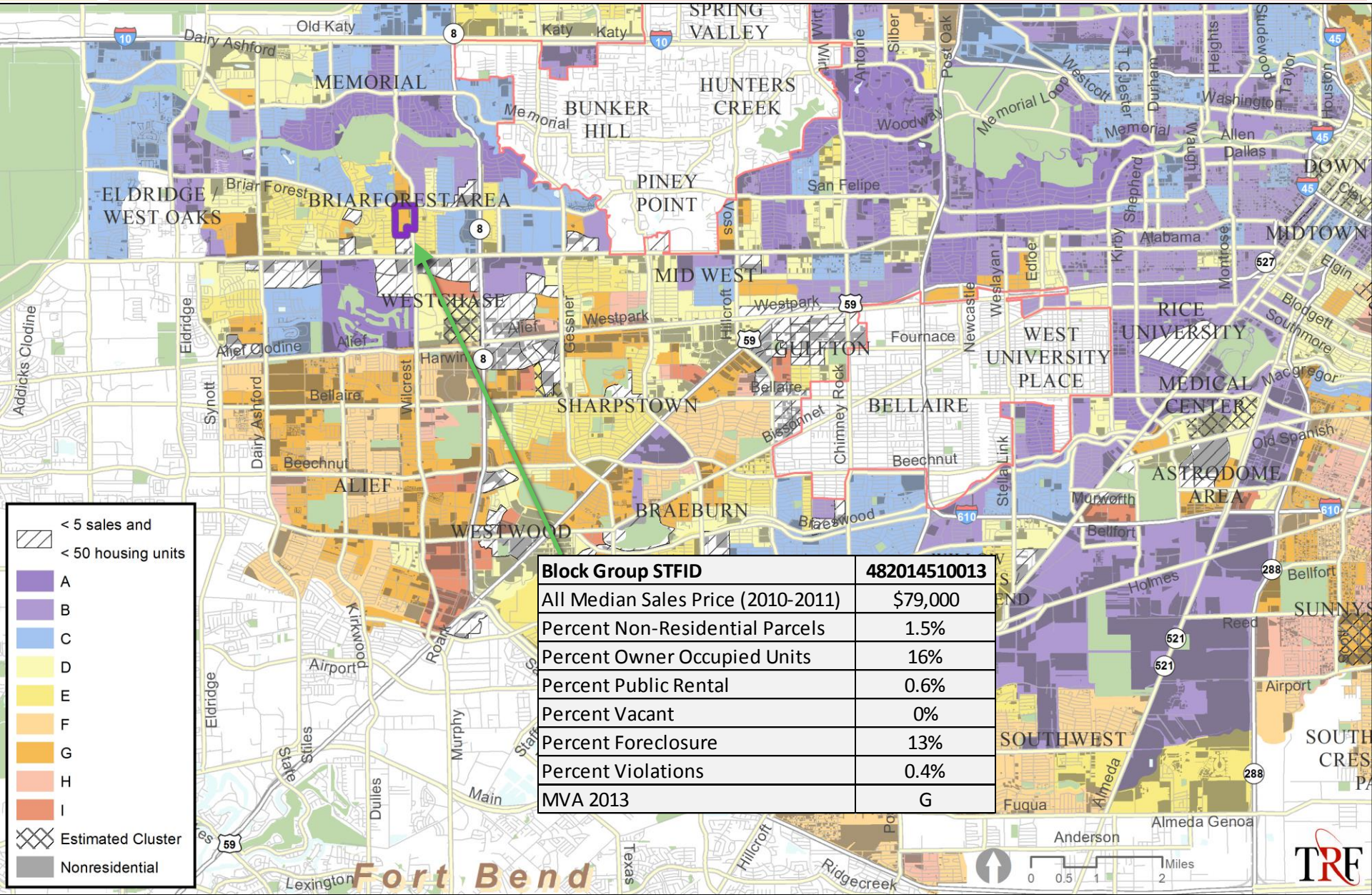


Block group Example: Northeast



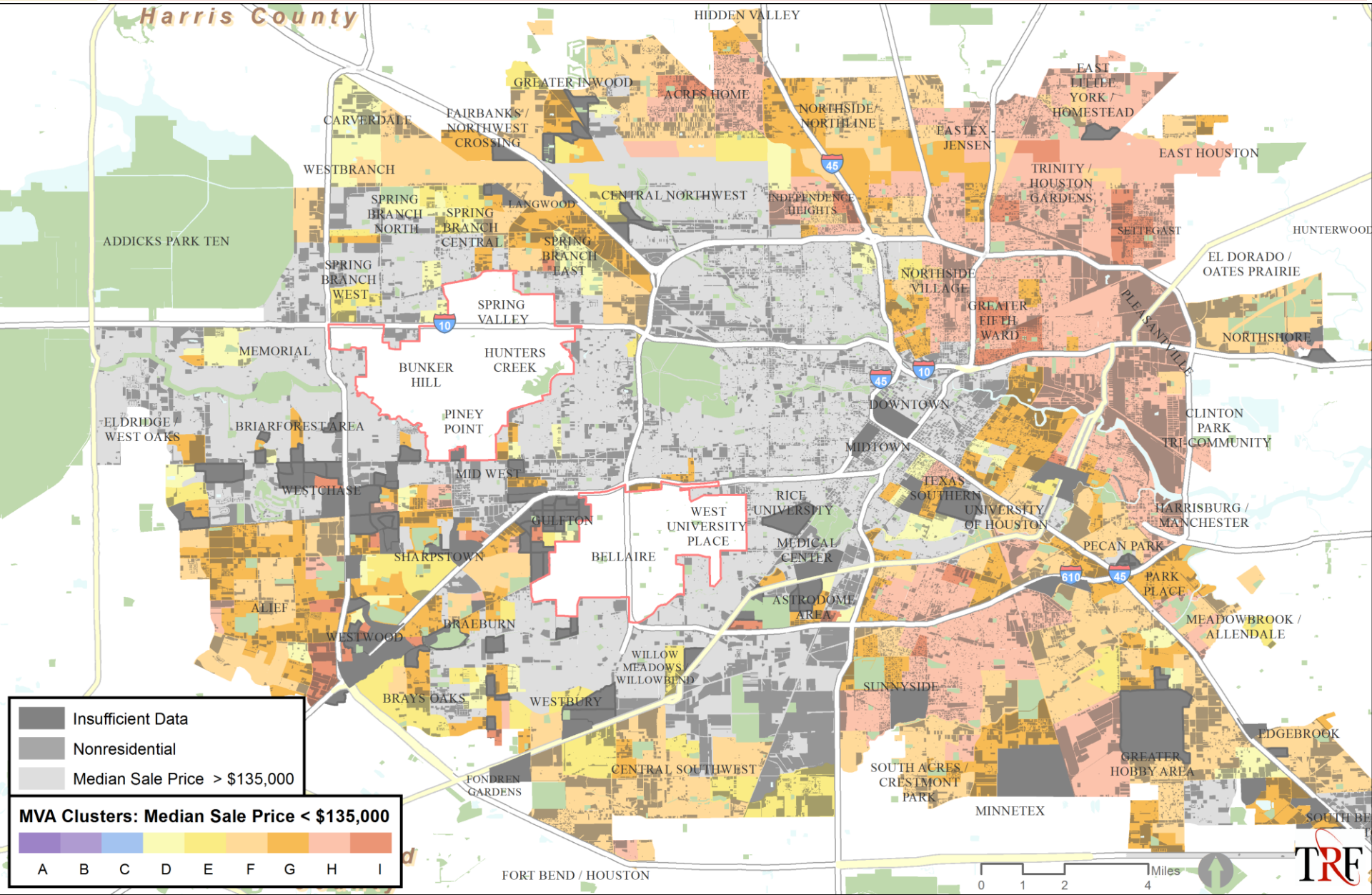
Block Group STFID	482012203003
All Median Sales Price (2010-2011)	$82,500
Percent Non-Residential Parcels	26%
Percent Owner Occupied Units	52%
Percent Public Rental	0%
Percent Vacant	3%
Percent Foreclosure	21%
Percent Violations	21%
MVA 2013	F

Block Group Example: Southwest

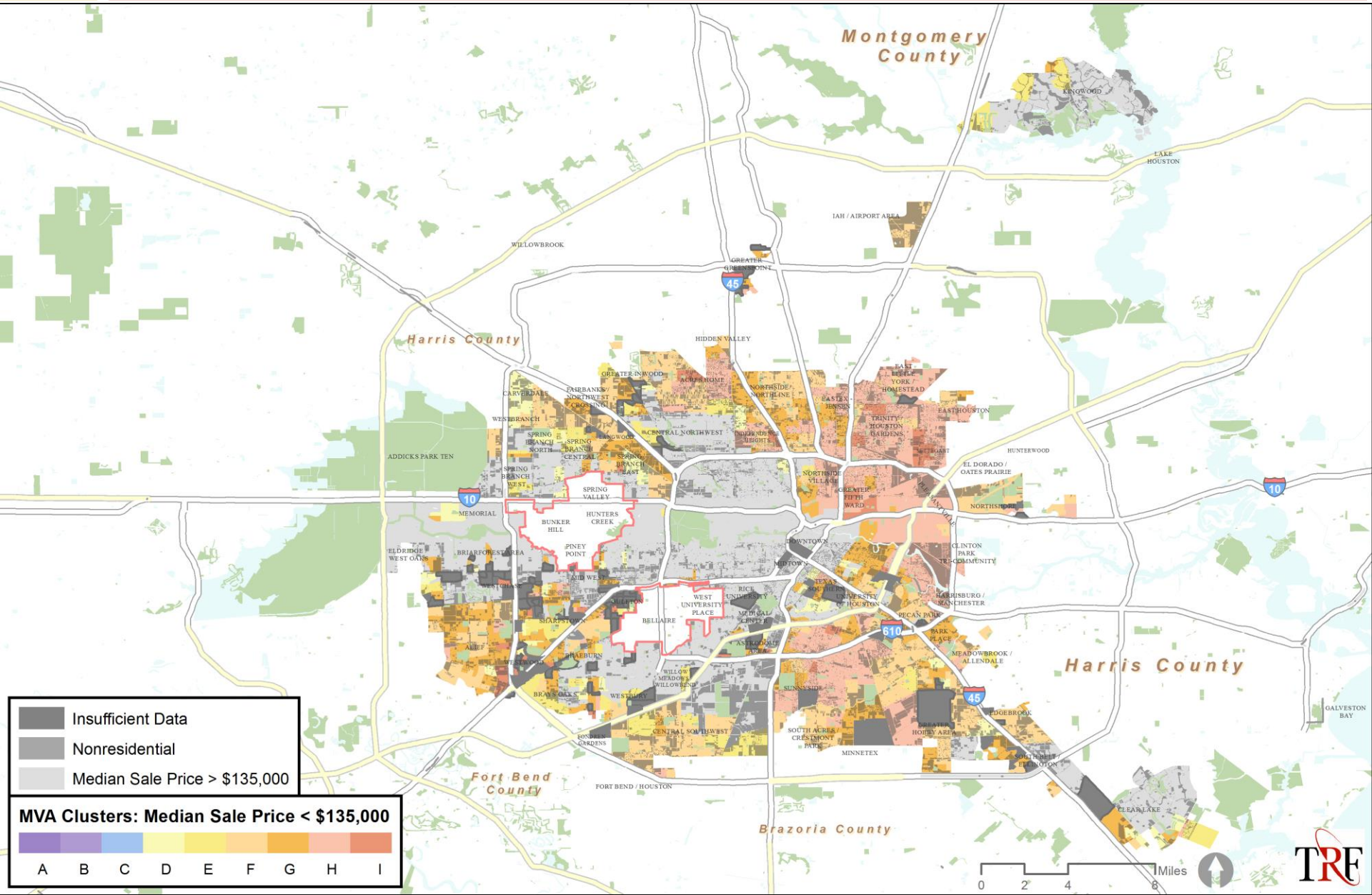


Block Group STFID	482014510013
All Median Sales Price (2010-2011)	$79,000
Percent Non-Residential Parcels	1.5%
Percent Owner Occupied Units	16%
Percent Public Rental	0.6%
Percent Vacant	0%
Percent Foreclosure	13%
Percent Violations	0.4%
MVA 2013	G

Block Groups: Median Sales Price at $135,000 Price Point



Block Group: Median Sales Price at $135,000 Price Point



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