New Orleans Market Value Analysis
Presentation to the GNOHA Lender’s Roundtable

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GNOHA
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REINVESTMENT FUND

PROPERTIES (X,XXX ROAD HOME)

REMAIN IN NORA’S INVENTORY

Market Value Analysis
2012 MVA

• Blight identified by the incoming Landrieu Administration as a priority.
• Establishment of the City of New Orleans Office of Performance and Accountability in 2010
• Existing publicly available Real Estate Research not granular enough - done at the
  – Planning District
  – Zipcode
  – Neighborhood
2012 MVA

- Finalized in 2013.
- Produced by the Reinvestment Fund (Philadelphia) who had done it in a dozen other cities.
- Final Report used by Code Enforcement and NORA.
2012 MVA

The MVA Five Assumptions:

- Public subsidy is scarce and it alone cannot create a market where there is none;
- Public subsidy must leverage or clear the path for private investment;
- Public subsidy in distressed markets should build from local nodes of strength, (i.e. transportation hubs, parks, public amenities, and anchor institutions);
- Decisions about places must be informed by empirical data; and
- All city residents are consumers that expect quality services.
New Orleans MVA

Legend:
- < 5 sales 2009 - 2012
- A
- B
- C
- D
- E
- F
- G
- H

- Lake Pontchartrain
- Lake Borgne
2015 MVA

• Why?
  – Rapidly evolving Real Estate Market since 2012.
  – Best Practice to monitor it every 2 – 3 years so that it is possible to assess past investments.

• Improvements:
  – Use of better data (thanks to City of New Orleans Office of Performance and Accountability)
  – Larger and Longer stakeholder engagement phase
2015 New Orleans MVA Components

- Vacant Land Sales, 2013 – Aug 2015
- Subsidized Rental Units, 2015 IMPROVED
- Owner-Occupied Units, 2013
- Foreclosure Filings and Sheriff Sales, 2013 - 2014
- New Construction and Rehab Permits, 2012 – Apr 2015 NEW
- Vacant Housing Units, 2014 Q2 – 2015 Q1
- Inspection Violations and Guilty Findings, 2013-2015 NEW
- Vacant Land Parcels, 2014
2015 MVA
# 2015 New Orleans MVA Market Characteristics

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>A</td>
<td>36</td>
<td>$531,953</td>
<td>0.54</td>
<td>0.81%</td>
<td>65.86%</td>
<td>10.99%</td>
<td>1.41%</td>
<td>1.40%</td>
<td>3.47%</td>
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<tr>
<td>B</td>
<td>106</td>
<td>$305,969</td>
<td>0.59</td>
<td>1.73%</td>
<td>46.96%</td>
<td>8.75%</td>
<td>2.24%</td>
<td>3.47%</td>
<td>6.02%</td>
<td>3.50%</td>
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<tr>
<td>C</td>
<td>48</td>
<td>$173,728</td>
<td>0.78</td>
<td>5.60%</td>
<td>28.51%</td>
<td>9.00%</td>
<td>4.76%</td>
<td>7.64%</td>
<td>10.06%</td>
<td>15.07%</td>
<td>9.63%</td>
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<tr>
<td>D</td>
<td>46</td>
<td>$157,230</td>
<td>0.61</td>
<td>4.71%</td>
<td>67.26%</td>
<td>12.01%</td>
<td>7.30%</td>
<td>10.11%</td>
<td>6.49%</td>
<td>34.60%</td>
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<tr>
<td>E1</td>
<td>71</td>
<td>$86,199</td>
<td>0.78</td>
<td>9.49%</td>
<td>33.02%</td>
<td>7.91%</td>
<td>7.96%</td>
<td>12.79%</td>
<td>15.84%</td>
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<tr>
<td>E2</td>
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<td>$84,880</td>
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<td>4.54%</td>
<td>73.20%</td>
<td>10.55%</td>
<td>11.00%</td>
<td>11.51%</td>
<td>7.35%</td>
<td>70.37%</td>
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<tr>
<td>F</td>
<td>56</td>
<td>$46,349</td>
<td>0.89</td>
<td>8.31%</td>
<td>34.06%</td>
<td>5.64%</td>
<td>9.88%</td>
<td>13.07%</td>
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<td>G</td>
<td>32</td>
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<td>18.60%</td>
<td>18.00%</td>
<td>14.12%</td>
<td>60.90%</td>
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<td>H</td>
<td>10</td>
<td>$17,108</td>
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<td>48.92%</td>
<td>4.59%</td>
<td>30.65%</td>
<td>19.50%</td>
<td>31.21%</td>
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<td>NULL</td>
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<td>8.82%</td>
<td>24.04%</td>
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<td>25.27%</td>
<td>40.66%</td>
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<td>Study Area</td>
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<td>$178,467</td>
<td>0.72</td>
<td>4.93%</td>
<td>49.19%</td>
<td>8.81%</td>
<td>7.55%</td>
<td>9.33%</td>
<td>10.46%</td>
<td>28.53%</td>
<td>12.65%</td>
</tr>
</tbody>
</table>

Available at: data.nola.gov
2015 MVA

• What makes a ‘Strong’ Census Block?:
  – Higher Sales Values
  – Lower levels of Housing and Land Vacancies
  – Lower levels of Code Enforcement Violations

• What Doesn’t:
  – Homeownership Rate
  – Subsidized Rental Rate
  – Foreclosure Rate
  – Permit Rate
• 3 Main Type of Cluster Groups to Watch:
  – “D” (softest of the strong):
    • Adjacent to equally strong or stronger clusters
    • Surrounded by equally strong or weaker clusters
  – “E1, E2” (Intermediate)
    • Renter / Homeowners
    • Land locked / Not Land Locked
  – “F, G and H” (Softest)
    • Identifying the possible node of strength
2015 MVA: Clusters D
2015 MVA: Clusters E1 and E2
2015 MVA x HousingNOLA Typologies: Policy Priorities having the most impacts
NSP2 Program Evaluation

NSP2 Activity
- Demolition and/or Landbank
- New Construction or Rehab

MVA Market Changes
Change
- Downgraded to Distressed
- Downgraded to Transitional
- No Changes
- Not Enough Sales
- Upgraded to Strong
- Upgraded to Transitional