New Orleans – Market Value Analysis

June 12, 2018
About Reinvestment Fund

▪ Our mission is to build wealth and opportunity for low-wealth people and places through the promotion of socially and environmentally responsible development.

▪ Since 1985, Reinvestment Fund has made $1.9 billion in cumulative investments and loans.

▪ We are supported by over 865 investors that include individuals, foundations, religious institutions, financial institutions, civic organizations and government.

▪ Top AERIS rating of AAA+1 and AA S&P rating.
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Appendix A. MVA Components
I. Overview of the Market Value Analysis
The Market Value Analysis (MVA) is a tool to assist residents and policymakers identify and understand the elements of their local real estate markets. It is an objective, data-driven tool built on local administrative data and validated with local experts.

With an MVA, public officials and private actors can more precisely target intervention strategies in weak markets and support sustainable growth in stronger markets.
Our Normative Assumptions

When analyzing markets we begin with these principles:

- Public **subsidy is scarce**; acting alone, subsidies cannot create a market

- Public policy and subsidy must **leverage private investment** or create conditions for investment to occur

- In distressed markets, **build from strength** by investing near strong assets

- All **residents are customers** with an expectation of quality public services and amenities

- The best decisions are based on the sound and **objective analysis** of quantitative and qualitative data
Who is Using the MVA?

MVAs have been funded by government agencies, local foundations, and financial institutions in cities and counties around the country:

- Philadelphia, PA
- Washington, DC
- Baltimore, MD
- San Antonio, TX
- Camden, NJ
- Newark, NJ
- Selected (8) NJ regions
- Kansas City, MO
- Richmond, VA
- State of Delaware
- Detroit, MI
- Houston, TX
- Milwaukee, WI
- Pittsburgh, PA
- St. Louis, MO
- Atlantic City, NJ
- Dallas, TX
- Reading Area, PA
- Jacksonville, FL
- Wilmington, DE
- Prince George’s County, MD
- Indianapolis, IN
- Selma, AL
- Bethlehem, PA
- Allegheny County, PA
How Cities are Using the MVA

- Component of a local land banking strategy (Phila., NOLA, Wilmington)
- Guide capital budget (Detroit)
- Focus code enforcement (Phila., Baltimore, Indianapolis, NOLA)
- Benchmark quality of life measures (Phila.)
- Transportation planning (St. Louis)

- Target statewide Strong Neighborhoods Revolving Loan Fund (DE/DSHA)
- Inform LIHTC QAP (DE/DSHA)
- Develop CDBG ConPlan / Comprehensive plan (Detroit, Wilmington, St. Louis)
- Assessment of Fair Housing (Phila.)
- Assess changes in the market over time (Phila., Baltimore, Pittsburgh)
- Evaluate development opportunities (Pittsburgh, Phila., Houston, Detroit, St. Louis, cities in NJ)
- Target demolition and acquisition activities (Baltimore, Phila., Detroit, NOLA)
- Select transformative tipping point projects (Phila., Baltimore, Pittsburgh, NOLA)
- Engage partners – philanthropic, non-profit, government – in coordinated efforts to rebuild neighborhoods (Baltimore, Milwaukee, NOLA)
- Guide federal Neighborhood Stabilization Program Investment (States of PA & NJ, Houston, Detroit)
The MVA Process

1. Acquire local administrative data and geocode to Census block group geographies.

2. Manually inspect and validate data layers by driving the area.

3. Use statistical cluster analysis to identify areas with common attributes.

4. Manually inspect areas for conformity; local experts assess fit.

5. Alter parameters; re-solve and re-inspect until model accurately represents area.

6. Summarize and describe the characteristics of each market.

Lessons from 15+ years of experience

Validating Data is Critical. Researchers must systematically visit and observe neighborhoods in the city to understand the data and final model.

Geographic Scale Matters. MSA and Census tract geographies are too large to accurately reflect the nuances of local real estate markets.

One Size Does Not Fit All. MVA components and models share some similarities across cities but must be customized to the unique traits of each city.

Integrate Local Knowledge. All models are tested with local experts to incorporate qualitative feedback from each geography.
Areas Visited to Validate Data and Results

Trips to Validate Data

Trip 1: Jan 30 – Feb 1
Trip 2: April 2 – 4
Trip 3: May 15 – 17

*Route data not shown for Jan 30 through Feb 1
II. Trends Impacting the Market Value Analysis in New Orleans
Changes in the Market v. Changes in the Model

This is the third Market Value Analysis Reinvestment Fund has completed in New Orleans. Changes in market classification may be driven by changes in market dynamics or changes in the underlying model—or both.

### Market Changes
**Stronger Citywide + New Dynamics**

- Home prices are rising in most neighborhoods
- Foreclosures and vacant land have become less common across the city
- Rates of home ownership and renting have shifted, although overall trends remain similar.
- Short-term rentals introduce a new dynamic into housing markets

### Model Changes
**Relative Shifts + New Indicators**

- The MVA measures the strength of a market in relation to rest of city, capturing:
  - “Condition” change (e.g., a wave of foreclosures leads to increasing blight and vacancy resulting in more code violations than the area has seen in the past)
  - “Relative” change (e.g., prices in an area rise more slowly than elsewhere, causing homes in the area to fall from average priced to among the least expensive)
- New data are available to capture elements of the market that may not have been present in previous models:
  - Differentiate vacant parcels by blight/no blight
  - Introduce short-term rental licenses
### Indicators in the Model Have Evolved Over Time

#### MVA (2012)

**Property Value & Investment**
- Median Sales Prices, 2009-2012
- Coefficient of Variance for Sales, 2009-2012

**Blight, Distress, & Vacancy**
- Properties with Substandard Structures, 2009-2012
- Vacant Housing Units, 2012
- Vacant and Dormant Parcels, 2012
- Foreclosure Filings and Sheriff Sales, 2009-2012

**Housing Characteristics**
- Owner-Occupied Households, 2010
- Subsidized Rental Housing Units, 2015

#### MVA (2015)

**Property Value & Investment**
- Median Sales Prices, 2013-2015Q2
- Coefficient of Variance for Sales, 2013-2015Q2
- **New Construction and Rehab Permits, 2012-2014**

**Blight, Distress, & Vacancy**
- **Inspection Violation and Guilty Findings, 2013-2015**
- Vacant Housing Units, 2014-2015
- Vacant and Dormant Parcels, 2014
- Foreclosure Filings and Sheriff Sales, 2013-2015

**Housing Characteristics**
- Owner-Occupied Households, 2013
- Subsidized Rental Housing Units, 2015
- **Sales of Vacant Land Parcels, 2013-2015Q2**

#### MVA (2018)

**Property Value & Investment**
- Median Sales Prices, 2016-2017
- Coefficient of Variance for Sales, 2016-2017
- New Construction and Rehab Permits, 2016-2017

**Blight, Distress, & Vacancy**
- Inspection Violation and Guilty Findings, 2016-2017
- Vacant Housing Units, 2016-2017
- **Unblighted Vacant and Dormant Parcels, 2018**
- Foreclosure Filings and Sheriff Sales, 2016-2018

**Housing Characteristics**
- Owner-Occupied Households, 2016
- Subsidized Rental Housing Units, 2018
- Sales of Vacant Land Parcels, 2016-2017
- **Short Term Rental Permits, 2018**
III. The 2018 New Orleans MVA
2018 Market Value Analysis
## Summary of Market Characteristics

### Average Values of Market Indicators by MVA Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Median Sales Price</th>
<th>Coefficient of Variance</th>
<th>Share of Home Owners</th>
<th>Renovation/Construction Permits</th>
<th>Vacant Unblighted Land</th>
<th>Vacant But Habitable Homes</th>
<th>Code Violation</th>
<th>Foreclosures</th>
<th>Subsidy Usage</th>
<th>Sales of Vacant Land</th>
<th>Short Term Rental Licenses</th>
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## Average Population and Demographic Characteristics by MVA Category

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<td>5%</td>
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</table>

Source: American Community Survey, Five-year Estimates, 2012 - 2016
IV. Notable Changes Over Time
Citywide Trends Relevant for Market Value Analyses

- **Rising Home Prices.** Sales prices increased 29% since 2015, but some areas experienced much steeper sale price appreciation than others.

- **Declining Foreclosures and Incidence of Vacant Land.** The number of foreclosures and parcels of vacant and dormant land have decreased over time.

- **Changing Tenure Patterns.** Citywide ownership rates remained stable, but some areas have become notably more renter or homeowner-dominated. These changes do not always relate to changes in area home prices.

- **Decline in Permitting for Renovation and New Construction.** Overall the level of private investment as measured by permits declined citywide.

- **Short-term Rentals.** Areas all over the city have homes with short-term rental licenses, but some have notable concentrations.
# Citywide Trends in Population and Home Ownership

## Population Growth Rebounding Since 2010, but Not Yet Back to 2000 Levels

*Resident Population, 2000 to 2011-16*

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<td>343,829</td>
<td>382,922</td>
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## Rate of Homeownership Largely Flat Since 2011, With Largest Declines Among Higher Income Households

*Households that Own their Home by Income, 2007-11 to 2012-16*

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<th></th>
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</thead>
<tbody>
<tr>
<td>Below $25k</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>$25k to $75k</td>
<td>50%</td>
<td>48%</td>
</tr>
<tr>
<td>$75k to $100k</td>
<td>68%</td>
<td>62%</td>
</tr>
<tr>
<td>Over $100k</td>
<td>82%</td>
<td>76%</td>
</tr>
<tr>
<td>All Incomes</td>
<td>48%</td>
<td>46%</td>
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</table>
Citywide Trends in Median Home Sale Prices

Median Home Prices Have Increased 29% on Average Since the Previous MVA

*Median Residential Sale Price, 2009 to 2017*
Change in Median Home Values Since 2015 MVA
The Number of **Foreclosure Filings Fell 34%** Since the 2012 MVA, but Grew Slightly Since 2015

**Number of Foreclosure Filings Recorded in each MVA Period (2009-12, 2013-15, 2016-18)**

- 2012 MVA: 4,957
- 2015 MVA: 2,545
- 2018 MVA: 3,294

The Number of **Vacant and Dormant** Residentially Zoned Parcels Has Fallen Steadily Since 2012 MVA

**Number of Vacant and Dormant Residential Recorded in each MVA Period (2009-12, 2013-15, 2016-18)**

- 2012 MVA: 23,133
- 2015 MVA: 15,554
- 2018 MVA: 14,687
The Citywide Rate of Homeownership is Stable, but Changes are Apparent Within Pockets of the City

Large Changes in Resident Tenure
Census 2010 to ACS 2012-2016
- Share of Renters Increased by More than 20% (2010 – 2016)
- Share of Owners Increased by More than 20% (2010 – 2016)
Overall Decline in Renovation and New Construction Permitting

The Level of Construction and Renovation Has Fallen 17% Since the Previous MVA

Number of Permits Issued for New Construction or Renovation (Valued Over $5,000), 2014 – 2017

- Permits (2014-15): 8,565
- Permits (2016-17): 7,324

Much of the Permitting Activity in New Orleans East and Algiers Was for Solar Panel Installation

Share of Residential Parcels with Permits for New Construction or Renovation, 2016 – 2017

- With Solar Panel Permits
- Without Solar Panel Permits
A Small Number of Block Groups Have High Concentrations of Housing Units with Short-term Rental Permits

Share of Block Groups by Concentration of Short-term Rental Permits

- **No STRs; 30%**
- **Less than 2% of Housing Units; 40%**
- **Between 2% and 5% of Housing Units; 22%**
- **Between 5% and 10% of Housing Units; 7%**
- **Over 10% of Housing Units; 1%**

30% of Block Groups Have No Housing Units with a Short-term Rental Permit
Concentration of Short-term Rental Permits

Short Term Rental Props
Percent of Housing Units with Permit
- None
- 0.2% - 2%
- 2.1% - 5%
- 5.1% - 10%
- 10.1% - 14.8%
Commercial License: Allows rental of entire dwelling (up to 10 guests). Must be in non-residential zoning district.

11% of STRs

Commercial STRs
Percent of Housing Units with Permit:
- 0% - 0.4%
- 0.5% - 1.2%
- 1.3% - 2.5%
- 2.6% - 4.5%
- 4.6% - 7.7%
- 7.8% - 14.8%
Accessory Short-term Rental Permits

Accessory License: Allows rental of part of a dwelling (up to 6 guests). Owner must occupy and be present in dwelling.

32% of STRs

Accessory STRs
Percent of Housing Units with Permit
- 0% - 0.4%
- 0.5% - 1.2%
- 1.3% - 2.5%
- 2.6% - 4.5%
- 4.6% - 7.7%
- 7.8% - 14.8%
Temporary Short-term Rental Permits

Temporary License: Allows rental of entire dwelling (up to 10 guests). Limited to 90-nights per year.

57% of STRs

Temporary STRs
Percent of Housing units with Permit
- 0% - 0.4%
- 0.5% - 1.2%
- 1.3% - 2.5%
- 2.6% - 4.5%
- 4.6% - 7.7%
- 7.8% - 14.8%
The average of the Median Home Prices in each category has increased in each successive MVA; any given area’s shifting categorization may reflect condition change or relative change.

<table>
<thead>
<tr>
<th>Category</th>
<th>MVA 2012</th>
<th>MVA 2015</th>
<th>MVA 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$344,369</td>
<td>$531,953</td>
<td>$510,584</td>
</tr>
<tr>
<td>B</td>
<td>$164,318</td>
<td>$305,969</td>
<td>$348,335</td>
</tr>
<tr>
<td>C</td>
<td>$112,711</td>
<td>$173,728</td>
<td>$215,278</td>
</tr>
<tr>
<td>D</td>
<td>$69,080</td>
<td>$157,230</td>
<td>$191,765</td>
</tr>
<tr>
<td>E</td>
<td>$48,434</td>
<td>$86,199</td>
<td>$131,708</td>
</tr>
<tr>
<td>F</td>
<td>$39,227</td>
<td>$84,880</td>
<td>$124,348</td>
</tr>
<tr>
<td>G</td>
<td>$22,177</td>
<td>$46,349</td>
<td>$75,830</td>
</tr>
<tr>
<td>H</td>
<td>$9,524</td>
<td>$40,354</td>
<td>$68,844</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$17,108</td>
<td>$26,626</td>
</tr>
</tbody>
</table>
Trend by Market Since 2015

- Largest Home Price Increases Since 2015 (Over $70k on Average)
- Large Increase in Renters
- Large Increase in Foreclosures (~2x since 2015)
- Substantial Decline in Vacant Land (64% Decline Since 2015)
- Highest Concentration of STRs (3.2% of Housing Units on Average)
- Diverging Trends in Resident Tenure (20% Increased Renters, 20% Increased Owners)
- Large Increase in Renters

MVA Classification in 2015

A
B
C
D
E1
E2
F
G
H
Tracking Changes Over Time

The following slides illustrate market changes in New Orleans East, Algiers, and Claiborne Corridor/Central City.
New Orleans East

Areas in New Orleans East have shown mixed progress, with home values rising, albeit more slowly than the rest of New Orleans.
Areas in New Orleans East have shown mixed progress, with some areas exhibiting higher than average home value growth and others experiencing more modest growth.
Areas in the Claiborne corridor have strengthened relative to other areas in the city, while changes in market strength around Central City has been mixed.
Areas with Significant Categorical Change (2012-18)

Blue and orange areas changed color categories since the first MVA. Yellow areas remained in the same color group through all three MVAs.

Significant Market Changes
MVA2012 to MVA2018

- Consistent Moves Up
- Recent Move Up
- No Significant Changes
- Recent Move Down
- Consistent Move Down
Areas with High Price Variance and High Permitting Are Likely to Transition in the Near Future

Areas with high numbers of renovation and new construction permits and high sales price variance are likely undergoing transition.
V. Combining Results from the Market Value Analysis with Supplemental Data

- Displacement Risk Ratio
- Housing Affordability
- Mortgage Credit Access
- Investor Activity
- Employment Centers
- Food Access
- Transit Options
Measuring Resident Displacement Risk

The **Displacement Risk Ratio (DRR)** uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.

\[
DRR = \frac{\text{Average Home Sale Price}_{yr1+yr2}}{\text{Median Family Income}}
\]

Higher scores indicate greater risk of displacement.
The Displacement Risk Ratio (DRR) uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.
Areas with Displacement Risk, 2010-11

The Displacement Risk Ratio (DRR) uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.
Areas with Displacement Risk, 2011-12

The Displacement Risk Ratio (DRR) uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.
The Displacement Risk Ratio (DRR) uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.
The Displacement Risk Ratio (DRR) uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.
### Areas with Displacement Risk, 2014-15

The **Displacement Risk Ratio (DRR)** uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.


<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low or No Risk of Displacement</td>
<td>Light</td>
</tr>
<tr>
<td>Minor Risk of Displacement</td>
<td>Yellow</td>
</tr>
<tr>
<td>Moderate Risk of Displacement</td>
<td>Brown</td>
</tr>
<tr>
<td>High Risk of Displacement</td>
<td>Dark</td>
</tr>
</tbody>
</table>

---

**Displacement Risk Ratio (DRR)**

- **Housing Affordability**
- **Mortgage Credit Access**
- **Investor Activity**
- **Employment Centers**
- **Food Access**
- **Transit Options**

---

**Areas with Displacement Risk, 2014-15**

- **Low or No Risk of Displacement**
- **Minor Risk of Displacement**
- **Moderate Risk of Displacement**
- **High Risk of Displacement**
The Displacement Risk Ratio (DRR) uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.
The Displacement Risk Ratio (DRR) uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.
The Displacement Risk Ratio (DRR) uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.
The Displacement Risk Ratio (DRR) uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.
Some High STR Areas Have High DRR Values, But Not Others

The Displacement Risk Ratio (DRR) uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.
Areas with High Concentrations of Temporary STRs and High Displacement Risk

The Displacement Risk Ratio (DRR) uses incomes and changing home prices to identify areas where longtime residents or households of similar means would have difficulty affording a home. Rents typically track home sale prices.
Where Can Residents Afford to Purchase Homes?

Share of Households Living in Block Groups Where Median Price is Affordable, by Area Median Income for a Family of Four ($63,300, HUD, 2017)

<table>
<thead>
<tr>
<th>Areas Affordable at 200% AMI (Family of Four) ($126,600)</th>
<th>Areas Affordable at 120% AMI (Family of Four) ($75,960)</th>
<th>Areas Affordable at 100% AMI (Family of Four) ($63,300)</th>
<th>Areas Affordable at 80% AMI (Family of Four) ($50,640)</th>
<th>Areas Affordable at 50% AMI (Family of Four) ($31,650)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>4%</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>B</td>
<td>72%</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>C</td>
<td>100%</td>
<td>62%</td>
<td>29%</td>
<td>1%</td>
</tr>
<tr>
<td>D</td>
<td>100%</td>
<td>84%</td>
<td>60%</td>
<td>16%</td>
</tr>
<tr>
<td>E</td>
<td>100%</td>
<td>100%</td>
<td>95%</td>
<td>82%</td>
</tr>
<tr>
<td>F</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>86%</td>
</tr>
<tr>
<td>G</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>H</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>I</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

How to Read This Table: Only 4% of households in NOLA MVA market cluster “A” live in a block group where the median home is affordable to a family of four earning 200% of AMI ($126,600 per year).
AMI for a family of four in New Orleans in 2017 was $63,300. Visible areas had median sales prices less than 3x 200% of median income (i.e., $379,800).

Areas Affordable at 200% Median Income ($126,600)

- Unaffordable
- Affordable
AMI for a family of four in New Orleans in 2017 was $63,300. Visible areas had median sales prices less than 3x 120% of median income (i.e., $227,880).

Areas Affordable at 120% Median Income ($75,960)
- Unaffordable
- Affordable
AMI for a family of four in New Orleans in 2017 was $63,300. Visible areas had median sales prices less than 3x 100% of median income (i.e., $189,900).
Areas with Homes Affordable at 100% Median Income

AMI for a family of four in New Orleans in 2017 was $63,300. Visible areas had median sales prices less than 3x 100% of median income (i.e., $189,900).

HANO Properties
- HANO Owned Property
- Project Based Voucher Site
- Signature Community
AMI for a family of four in New Orleans in 2017 was $63,300. Visible areas had median sales prices less than 3x 80% of median income (i.e., $151,920).
AMI for a family of four in New Orleans in 2017 was $63,300. Visible areas had median sales prices less than 3x 50% of median income (i.e., $94,950).
AMI for a family of four in New Orleans in 2017 was $63,300. Visible areas had median sales prices less than 3x 50% of median income (i.e., $94,950).
The tables below show the number of home purchase and refinance mortgages approved, rejected, and withdrawn in each MVA category between 2014 and 2016. Markets exhibit large differences in the number or purchase and refinance mortgages across categories. Approval rates for refinance applications also vary considerably across market categories.

### Home Purchase Applications, 2014-2016*

<table>
<thead>
<tr>
<th>MVA Category</th>
<th>Approved Apps</th>
<th>Rejected Apps</th>
<th>Withdrawn Apps</th>
<th>Total App</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purple Markets</td>
<td>3,978 (76%)</td>
<td>431 (8%)</td>
<td>807 (15%)</td>
<td>5,216 (100%)</td>
</tr>
<tr>
<td>Blue Markets</td>
<td>1,806 (71%)</td>
<td>332 (13%)</td>
<td>400 (16%)</td>
<td>2,538 (100%)</td>
</tr>
<tr>
<td>Yellow Markets</td>
<td>1,542 (68%)</td>
<td>394 (17%)</td>
<td>333 (15%)</td>
<td>2,269 (100%)</td>
</tr>
<tr>
<td>Orange Markets</td>
<td>552 (63%)</td>
<td>179 (21%)</td>
<td>140 (16%)</td>
<td>871 (100%)</td>
</tr>
<tr>
<td>Salmon Markets</td>
<td>38 (58%)</td>
<td>15 (23%)</td>
<td>13 (20%)</td>
<td>66 (100%)</td>
</tr>
<tr>
<td><strong>All Markets</strong></td>
<td>7,916 (72%)</td>
<td>1,351 (12%)</td>
<td>1,693 (15%)</td>
<td>10,960 (100%)</td>
</tr>
</tbody>
</table>

### Home Refinance Applications, 2014-2016*

<table>
<thead>
<tr>
<th>MVA Category</th>
<th>Approved Apps</th>
<th>Rejected Apps</th>
<th>Withdrawn Apps</th>
<th>Total App</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purple Markets</td>
<td>3,291 (60%)</td>
<td>1,294 (24%)</td>
<td>868 (16%)</td>
<td>5,453 (100%)</td>
</tr>
<tr>
<td>Blue Markets</td>
<td>1,239 (43%)</td>
<td>1,079 (37%)</td>
<td>566 (20%)</td>
<td>2,884 (100%)</td>
</tr>
<tr>
<td>Yellow Markets</td>
<td>734 (33%)</td>
<td>1,088 (48%)</td>
<td>434 (19%)</td>
<td>2,256 (100%)</td>
</tr>
<tr>
<td>Orange Markets</td>
<td>366 (30%)</td>
<td>633 (53%)</td>
<td>203 (17%)</td>
<td>1,202 (100%)</td>
</tr>
<tr>
<td>Salmon Markets</td>
<td>24 (21%)</td>
<td>62 (54%)</td>
<td>28 (25%)</td>
<td>114 (100%)</td>
</tr>
<tr>
<td><strong>All Markets</strong></td>
<td>5,654 (47%)</td>
<td>4,156 (35%)</td>
<td>2,099 (18%)</td>
<td>11,909 (100%)</td>
</tr>
</tbody>
</table>

*Only includes first lien, home purchase and refinance applications for owner-occupied single family homes.
Investor activity can indicate positive or negative trends. In some cases, investors can help spark private investment in underdeveloped areas. When investors provide less property upkeep than residents, high rates of investor activity may contribute to deteriorating conditions.

Reinvestment Fund analyzed property transactions between 2016 and 2017 to identify transactions where the buying party was an LLC, Corporation or other legal entity. The analysis also captured individuals who purchased multiple properties in a single year.

Investors identified through this process may be local or out of town property owners.

Investors were active in every market category, but most prevalent in E, G, and I markets.

<table>
<thead>
<tr>
<th></th>
<th>Investor Purchases</th>
<th>Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>435 (23%)</td>
<td>1,863</td>
</tr>
<tr>
<td>B</td>
<td>713 (26%)</td>
<td>2,755</td>
</tr>
<tr>
<td>C</td>
<td>480 (35%)</td>
<td>1,354</td>
</tr>
<tr>
<td>D</td>
<td>233 (19%)</td>
<td>1,236</td>
</tr>
<tr>
<td>E</td>
<td>417 (44%)</td>
<td>954</td>
</tr>
<tr>
<td>F</td>
<td>403 (27%)</td>
<td>1,497</td>
</tr>
<tr>
<td>G</td>
<td>259 (41%)</td>
<td>626</td>
</tr>
<tr>
<td>H</td>
<td>319 (36%)</td>
<td>874</td>
</tr>
<tr>
<td>I</td>
<td>74 (40%)</td>
<td>186</td>
</tr>
<tr>
<td>Unclassified</td>
<td>26 (36%)</td>
<td>73</td>
</tr>
<tr>
<td>Total</td>
<td>3,359 (29%)</td>
<td>11,418</td>
</tr>
</tbody>
</table>

Sales to Investors, 2016 - 2017
Mortgage and Cash Purchases in 2015 and 2016

The table below estimates the incidences of all cash purchases by comparing the number of owner-occupied home mortgages issued in each market with the number of non-investor sales recorded in each market.

In Purple, Blue, and Yellow markets, most owner-occupied home purchases were completed with a mortgage, while in Orange and Salmon markets over half of all purchases were completed without a home mortgage.

### Approved Mortgages, Home Sales, and Estimated Cash Sales by Market, 2015-2016

<table>
<thead>
<tr>
<th>Market</th>
<th>Approved Mortgages*</th>
<th>Total Sales*</th>
<th>Estimated of Cash Purchases</th>
<th>Share of Cash Purchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purple Markets</td>
<td>3,978</td>
<td>3,924</td>
<td>&lt;5</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Blue Markets</td>
<td>1,806</td>
<td>1,991</td>
<td>185</td>
<td>9%</td>
</tr>
<tr>
<td>Yellow Markets</td>
<td>1,542</td>
<td>1,835</td>
<td>293</td>
<td>16%</td>
</tr>
<tr>
<td>Orange Markets</td>
<td>552</td>
<td>1,164</td>
<td>612</td>
<td>53%</td>
</tr>
<tr>
<td>Salmon Markets</td>
<td>38</td>
<td>116</td>
<td>78</td>
<td>67%</td>
</tr>
<tr>
<td><strong>All Markets</strong></td>
<td><strong>7,916</strong></td>
<td><strong>9,030</strong></td>
<td><strong>1,114</strong></td>
<td><strong>12%</strong></td>
</tr>
</tbody>
</table>

*Approved Mortgages include first lien, home purchase applications for owner-occupied single family homes; Total Sales only includes non-investor purchases in 2015 and 2016.

Number of mortgages could exceed total sales if investors are receiving mortgages for owner-occupied homes or if homeowners take out multiple mortgages for a single home (a “piggy-back” mortgage).
Identifying Employment Centers in New Orleans

Displacement Risk Ratio
Housing Affordability
Mortgage Credit Access
Investor Activity
Employment Centers
Food Access
Transit Options

Job Density
Within 0.25 Miles

- 2 - 500
- 501 - 1250
- 1251 - 3350
- 3351 - 6850
- 6851 - 13450
- 13451 - 24050
- 24051 - 36322
Employment Centers Concentrated in Blue and Purple Markets

Job Density
Within 0.25 Miles
2 - 500
501 - 1250
1251 - 3350
3351 - 6850
6851 - 13450
13451 - 24050
24051 - 36322
Areas with Limited Food Access

Evaluating a community’s access to healthy food, has emerged as a growing concern among practitioners interested in supporting the development strong, stable, and healthy communities.

Reinvestment Fund’s **Limited Supermarket Access (LSA)** analysis identifies areas with inequitable and inadequate access to fresh and health foods.

 Originally developed for the U.S. Department of the Treasury’s CDFI Fund in 2010, the LSA analysis combines population density, distance to stores, and car ownership rates to identify areas with inadequate access to supermarkets.

Results of the analysis can help to spotlight where residents are underserved and to find areas that could potentially support new or expanded supermarket options.

For more information about the LSA analysis see: [https://www.reinvestment.com/policy-solutions/limited-supermarket-access/](https://www.reinvestment.com/policy-solutions/limited-supermarket-access/)
Areas with Limited Food Access

The LSA analysis allows policy makers to understand food access in two ways.

**Low Access Scores** identify individual block groups with limited access to full service supermarkets. Scores are determined by comparing the distance residents must travel to a supermarket with a benchmark, based on the population density and car ownership rate within the block group.

**LSA Areas** identify clusters of block groups where LSA Scores indicate poor access and the local population and demand are high enough to potentially support a new or expanded supermarket.
Calculating Low Access Scores

**Low Access Scores** quantify how well individual block groups are served by supermarkets. Scores are determined by comparing the distance residents must travel to a supermarket with a benchmark, based on the population density and car ownership rate within the block group. To identify low access areas, Reinvestment Fund identifies areas where residents travel nearly twice as far as their benchmark distance.

**Distance to Nearest Full Service Store**

**Benchmark Distances**

<table>
<thead>
<tr>
<th>Distance to Closest Full Service Supermarket</th>
<th>Benchmark Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 0.3 miles</td>
<td>High Density, Low Car (0.3 mi)</td>
</tr>
<tr>
<td>0.3 to 1.1 miles</td>
<td>Lower Density (2.6 mi)</td>
</tr>
<tr>
<td>1.1 to 1.6 miles</td>
<td>High Density, High Car (1.0 mi)</td>
</tr>
<tr>
<td>1.6 to 2.7 miles</td>
<td>Low Density (4.7 mi)</td>
</tr>
<tr>
<td>2.7 to 4.7 miles</td>
<td>Moderate Density (1.6 mi)</td>
</tr>
<tr>
<td>Over 4.7 miles</td>
<td></td>
</tr>
</tbody>
</table>
A Low Access Score quantifies how well each block group is served by supermarkets. In block groups with limited access, the distance to the closest full service supermarket is nearly twice as far as the area’s benchmark distance.
Identifying LSA Areas

LSA Areas are contiguous limited-access block groups with a collective population of at least 5,000 people. LSA Areas have limited access and potentially enough demand to support new or expanded supermarket operations.
Limited Supermarket Access Areas

A **LSA Areas** are contiguous limited-access block groups with a collective population of at least 5,000 people. LSA Areas have limited access and potentially enough demand to support new or expanded supermarket operations.
Location of Public Transit Lines
Ira Goldstein, President
ira.goldstein@reinvestment.com

Emily Dowdall, Chief of Policy Implementation
emily.Dowdall@reinvestment.com

Jacob L. Rosch, Researcher
jacob.rosch@reinvestment.com

Contact: 215-574-5800
Appendix A: MVA Components

Property Value and Investment
- Median Sales Prices, 2016 – 2017
- Coefficient of Variance for Sales, 2016 – 2017
- New Construction and Rehab Permits, 2016 – 2017

Blight, Distress, and Vacancy
- Inspection Violation and Guilty Findings, 2016 – 2017
- Vacant Housing Units, 2016 – 2017
- Un-blighted Vacant Land Parcels, 2018
- Foreclosure Filings and Sheriff Sales, 2016 – 2018

Housing Characteristics
- Sales of Vacant Land Parcels, 2016 – 2017
- Owner-Occupied Households, 2016
- Subsidized Rental Housing Units, 2018
- Short-term Rental Permits, 2018
## MVA Components (2018)

<table>
<thead>
<tr>
<th>Property Value and Investment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Sales Prices, 2016 – 2017</td>
<td>Median home values excluding sales of vacant land (<em>Orleans Parish Civil District Court, Orleans Parish Communication District</em>)</td>
</tr>
<tr>
<td>Coefficient of Variance for Sales, 2016 – 2017</td>
<td>Variance of median home values excluding vacant land (<em>Orleans Parish Civic District Court</em>)</td>
</tr>
<tr>
<td>New Construction and Rehab Permits, 2016 – 2017</td>
<td>Count of properties with permits for new construction or renovations valued over $5,000 as a share of all residential parcels (<em>Dept. of Safety and Permits</em>)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Blight, Distress, and Vacancy</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspection Violation and Guilty Findings, 2016 – 2017</td>
<td>Count of residential parcels with violation or guilty findings as a share of all residential parcels (<em>Department of Code Enforcement</em>)</td>
</tr>
<tr>
<td>Vacant Housing Units, 2016 – 2017</td>
<td>Count of habitable, but vacant homes, as a share of all residential addresses (<em>Valassis</em>)</td>
</tr>
<tr>
<td>Vacant Un-Blighted Land Parcels, 2018</td>
<td>Count of vacant res. land parcels without code violations between 2015-17 as a share of all residential parcels (<em>Orleans Parish Communication District</em>)</td>
</tr>
<tr>
<td>Foreclosure Filings and Sheriff Sales, 2016 – 2018</td>
<td>Count of residential parcels with foreclosure filings or completed sheriff sales as a share of owner occupied housing units (<em>Orleans Parish Sheriff's Office</em>)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Housing Characteristics</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of Vacant Land Parcels, 2016 – 2017</td>
<td>Count of sales of vacant residential parcels as a share of all residential sales (<em>Orleans Parish Communication District</em>)</td>
</tr>
<tr>
<td>Owner-Occupied Households, 2016</td>
<td>Share of households that owned their home (<em>American Community Survey, 5-year Estimates, 2012-2016</em>)</td>
</tr>
<tr>
<td>Subsidized Rental Housing Units, 2018</td>
<td>Count of subsidized rental housing as a share of all renter-occupied households (<em>Housing Authority of New Orleans</em>)</td>
</tr>
<tr>
<td>Short-Term Rental Licenses, 2018</td>
<td>Count of residential properties with short term rental licenses as a share of all households (<em>Dept. of Safety and Permits</em>)</td>
</tr>
</tbody>
</table>
Variance of Sales Prices (Excluding Vacant Land)
Construction and Renovation Permits as Share of Parcels

Property Value and Investment | Blight, Distress, and Vacancy | Housing Characteristics

Res. Investment
Constr + Reno > $5k
- 0% - 3%
- 4% - 6%
- 7% - 9%
- 10% - 12%
- 13% - 29%

Lake Pontchartrain

Lake Catherine

Lake Borgne

REINVESTMENT FUND
Code Enforcement Inspections and Guilty Findings

![Map of New Orleans with code enforcement data]

<table>
<thead>
<tr>
<th>Property Value and Investment</th>
<th>Blight, Distress, and Vacancy</th>
<th>Housing Characteristics</th>
</tr>
</thead>
</table>

Code Enforcement
Insp + Guilty, 16-17

- 0% - 3%
- 4% - 6%
- 7% - 10%
- 11% - 15%
- 16% - 24%

Tornado Affected Area
Percent of Vacant Residential Addresses (2017)
Un-Blighted Vacant and Dormant Land Parcels
Each dot represents five Housing Choice Voucher users in the block group. Locations are random within the block group.
Sales of Vacant Land Parcels

Blight, Distress, and Vacancy
Housing Characteristics
Property Value and Investment

Vacant Land Sales
Land Sales / All Sales
0% - 5%
6% - 15%
16% - 25%
26% - 50%
51% - 75%
76% - 100%