

# Healthy Housing Indicators Analysis

DRAFT

Presentation to Community Development Committee  
May 4, 2010

*Community Planning & Economic Development*

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Brad Utecht  
Katie White

## Purpose:

- Analyze trends in housing condition and the housing market.
- Analyze trends in public and private investment in the housing stock.
- Determine the relationship between these two.
  - To what extent has public investment impacted the overall housing market?
- What are the characteristics of a “healthy housing” market?

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- B: Number of VBR Properties (line graph and map)
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- E: Non-Homesteaded Single Family Residential (line graph and two maps)
- F: Rental Licenses for Residential Properties (map)
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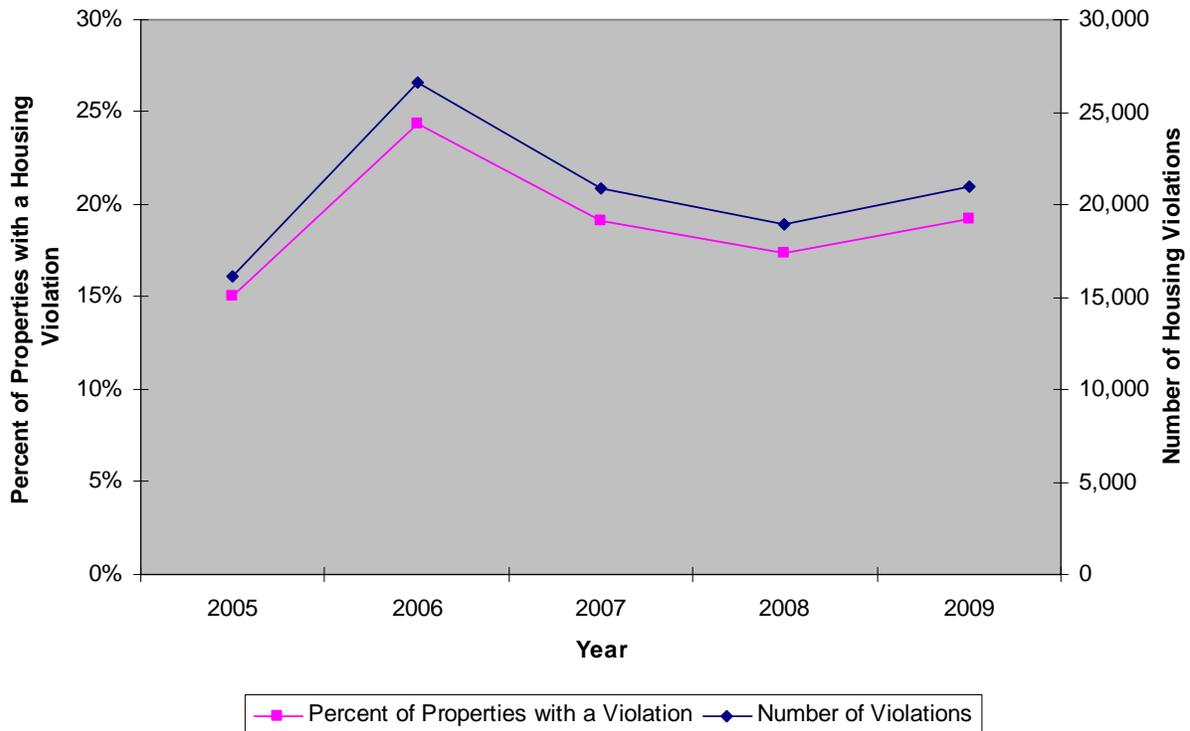
## Indicators of Housing Value

- W. Change in Median Single Family Sales Price (line graph and map)
- X. Change in Median Estimated Market Value (line graph and map)

## Summary Table

## Contributors

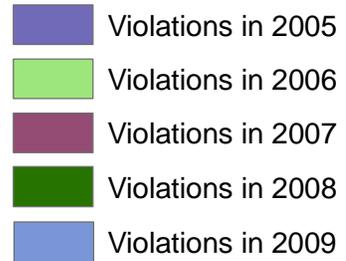
**Table A: Residential Properties with Housing Violations**



- Sweeps were conducted in the following areas:
  - o 2006: Northside
  - o 2007: Audubon Park, Waite Park
  - o 2009: Audubon Park, Waite Park
- Number of properties with violations has fluctuated over the past five years.

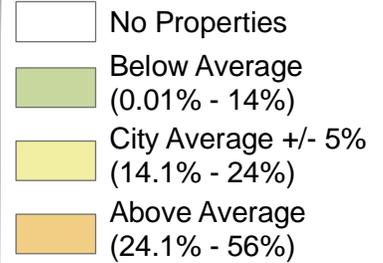
# MAP A: Residential Properties with Housing Violations

## Number of Residential Housing Violations



= 770 Violations

## Percent of Residential Properties with a Housing Violation (2009)

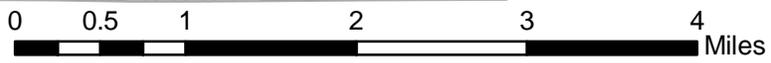
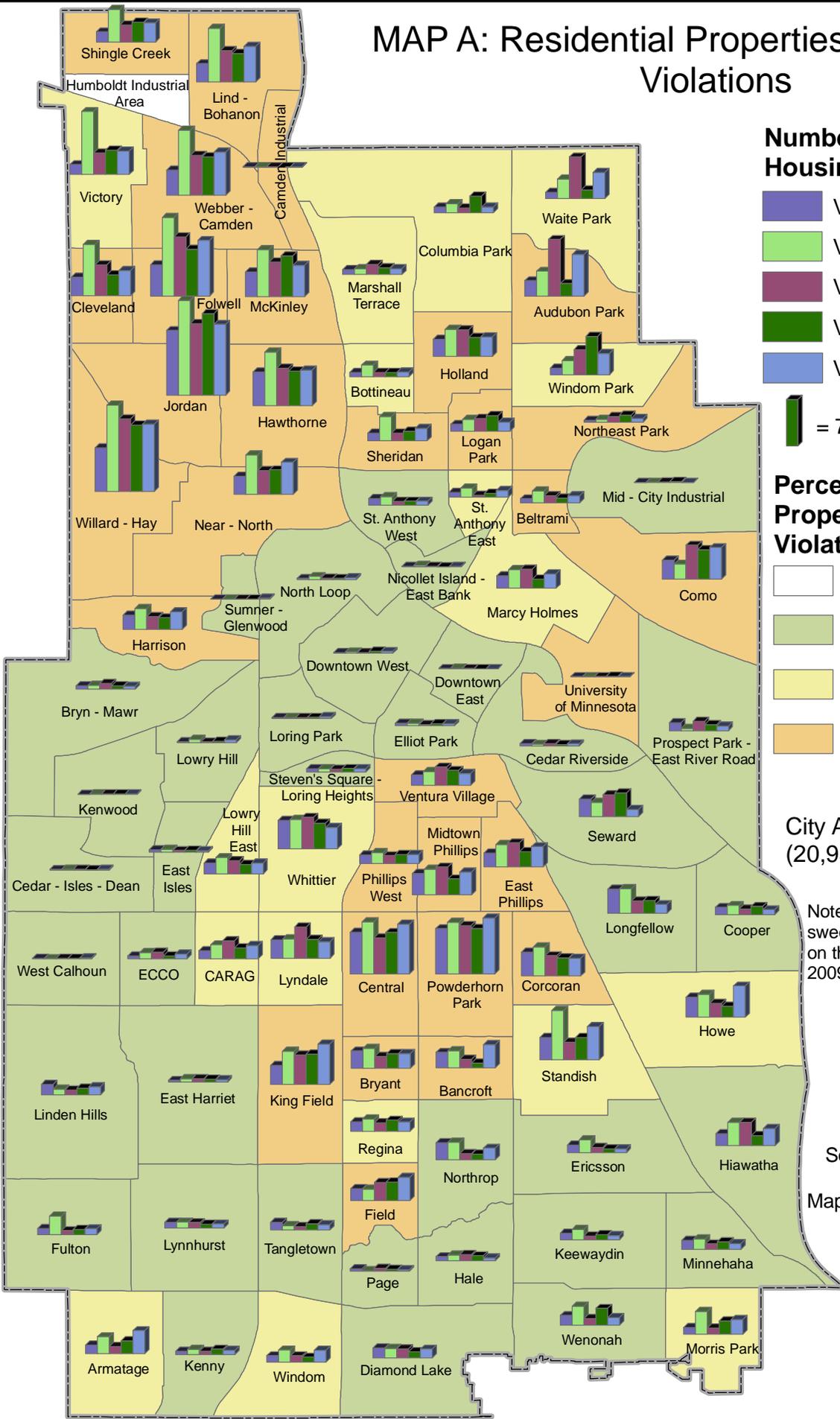


City Average (2009) = 19%  
(20,934 of 108,806)

Note: Regulatory Services conducted sweeps for housing violations in 2006 on the Northside and in 2007 and 2009 in Waite Park and Audubon Park

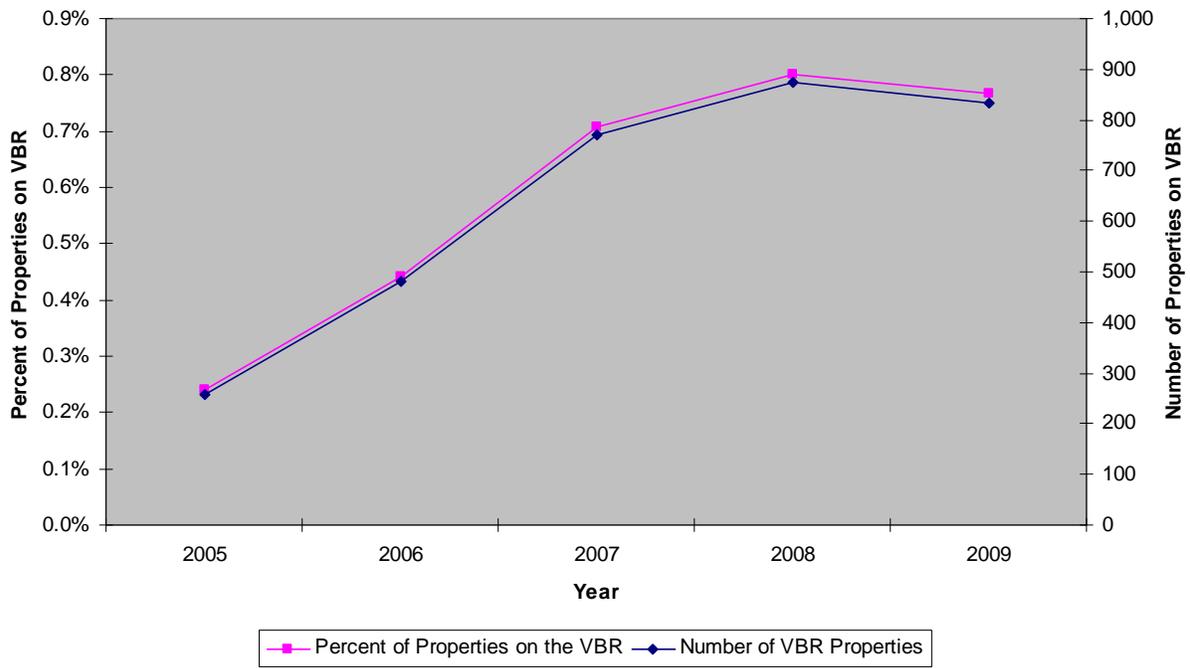
Source: Regulatory Services

Map created by CPED Research  
April 2010



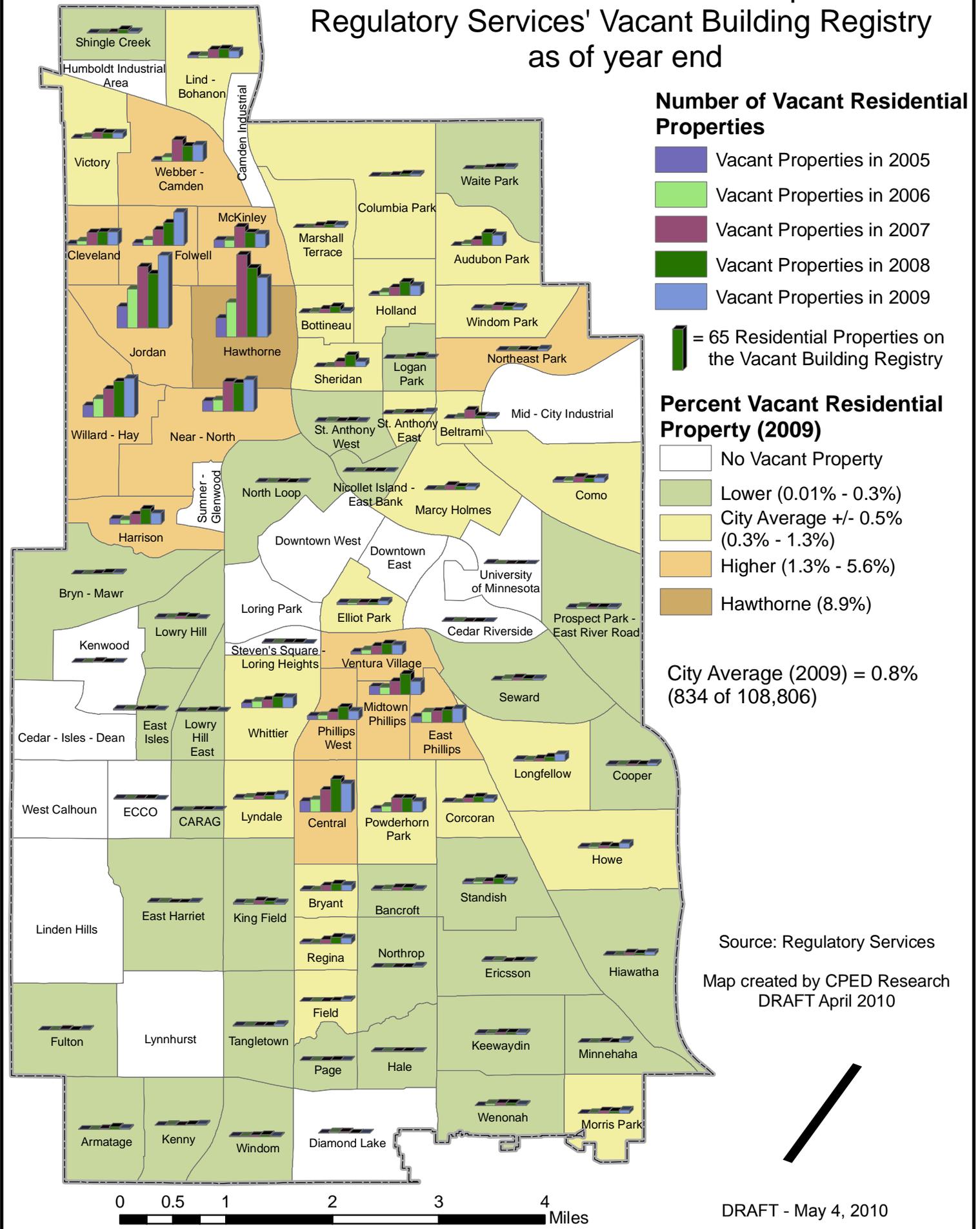
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**Table B: Number of Residential Properties on Regulatory Services' Vacant Building Registry as of year end**

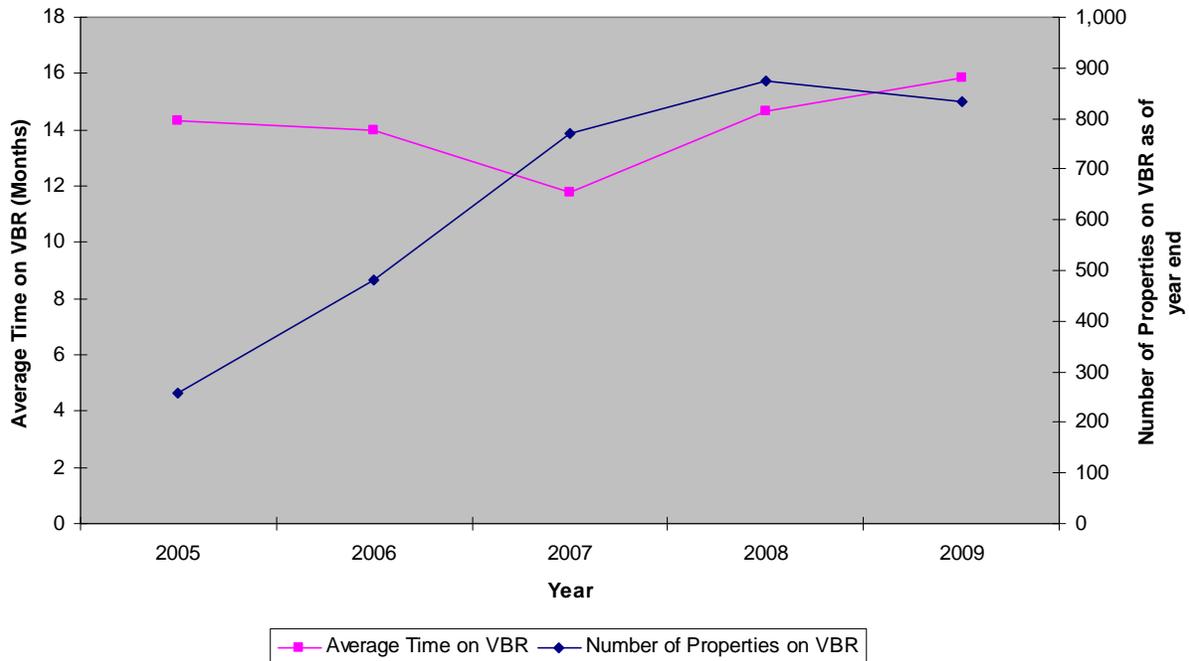


- Hawthorne has the highest number of properties on the VBR but it is trending downward

# MAP B: Number of Residential Properties on Regulatory Services' Vacant Building Registry as of year end

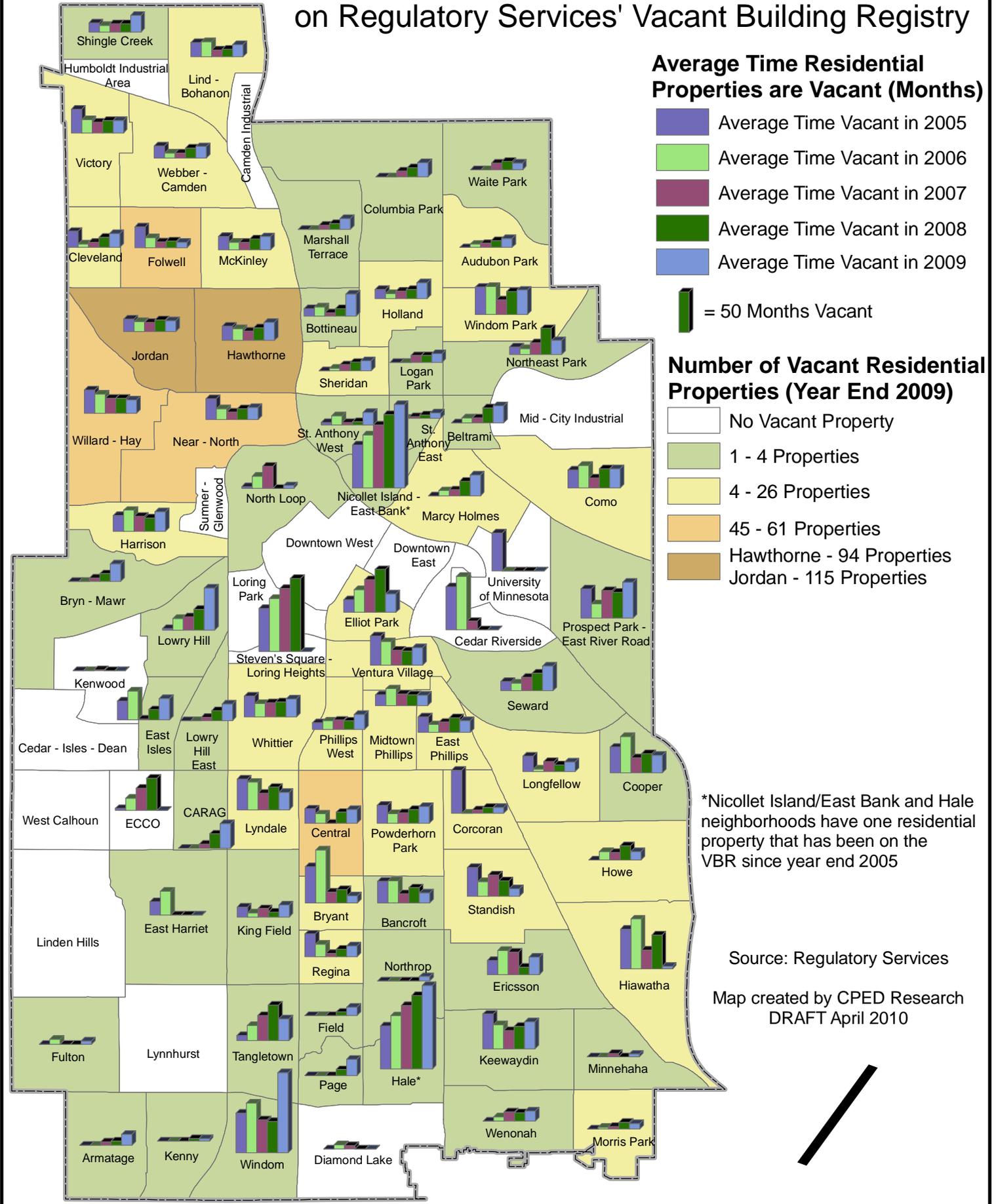


**Table C: Average Time Residential Properties are on Regulatory Services' Vacant Building Registry**



- Nicollet Island-East Bank and Hale neighborhoods have had one residential property on the VBR for the 2005-2009 time period.
- The one VBR in Steven's Square-Loring Heights was removed in 2009.
- Jordan and Hawthorne have large numbers of properties on the VBR but they come off the list quickly.

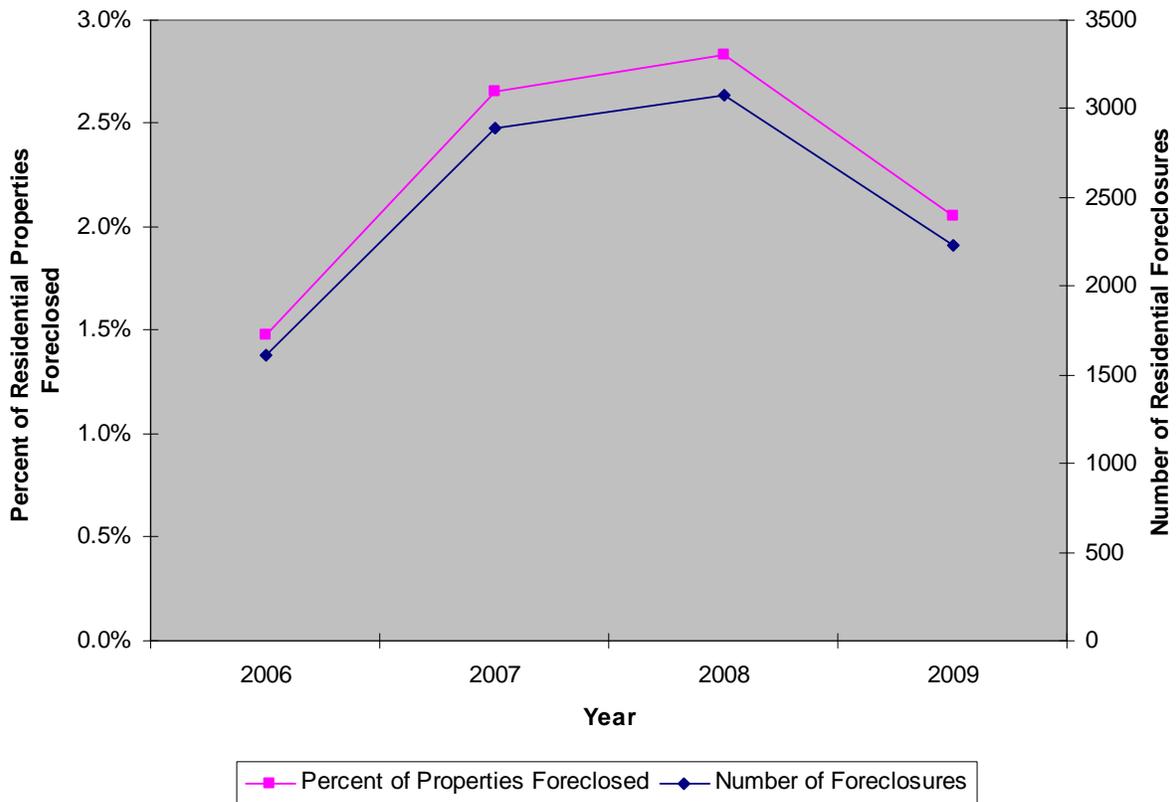
# MAP C: Average Time Residential Properties are on Regulatory Services' Vacant Building Registry



0 0.5 1 2 3 4 Miles

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**Table D: Residential Property Foreclosures**



- Foreclosures are down 25% from 2008 to 2009.
- There are some concerns of a second wave of foreclosures due to job loss.

# MAP D: Residential Property Foreclosures

## Number of Residential Property Foreclosures

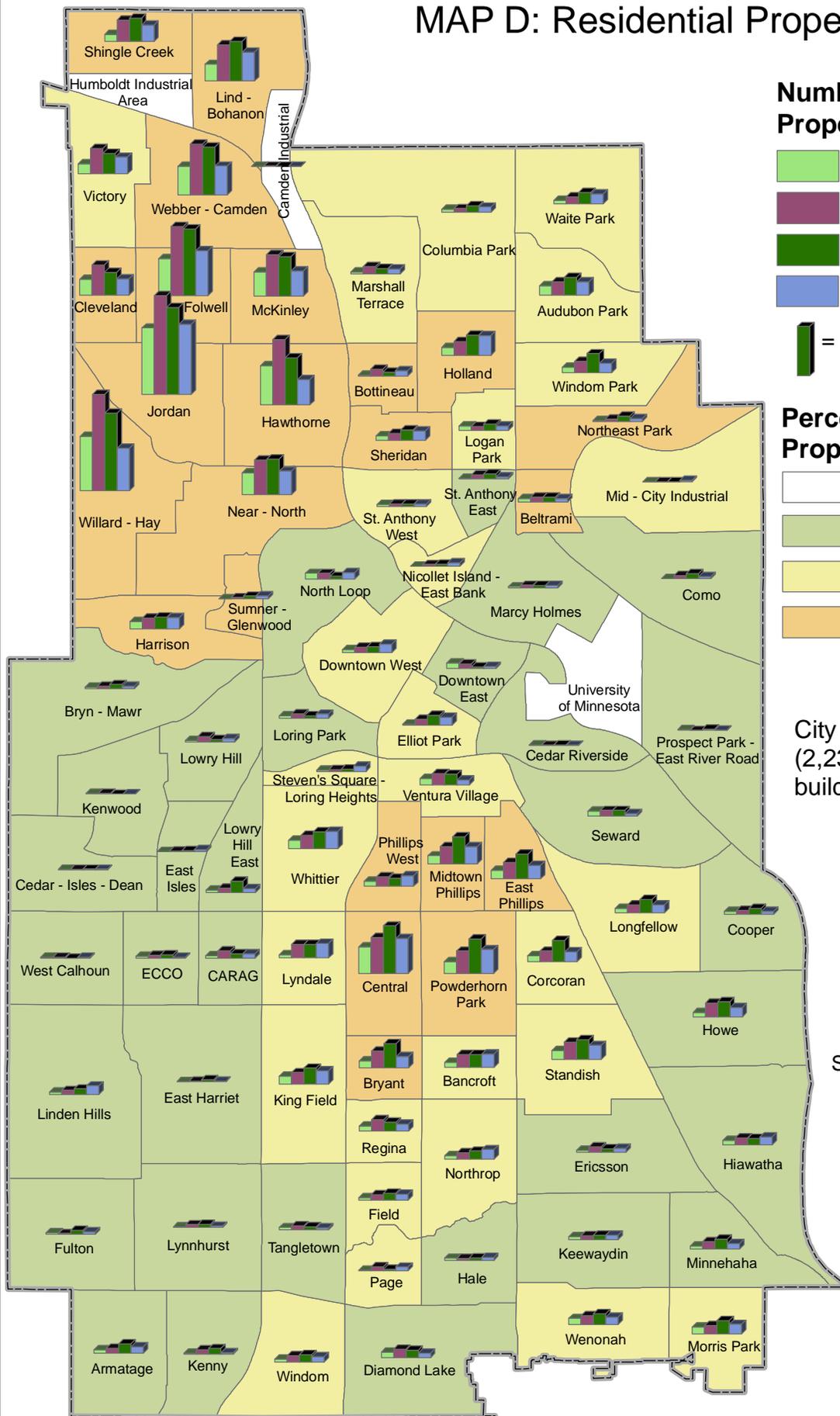


1 vertical bar with horizontal line = 130 Foreclosed Residential Properties

## Percentage of Residential Properties Foreclosed in 2009

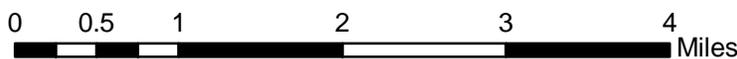


City Average (2009) = 2.1%  
(2,233 of 108,806 residential buildings)



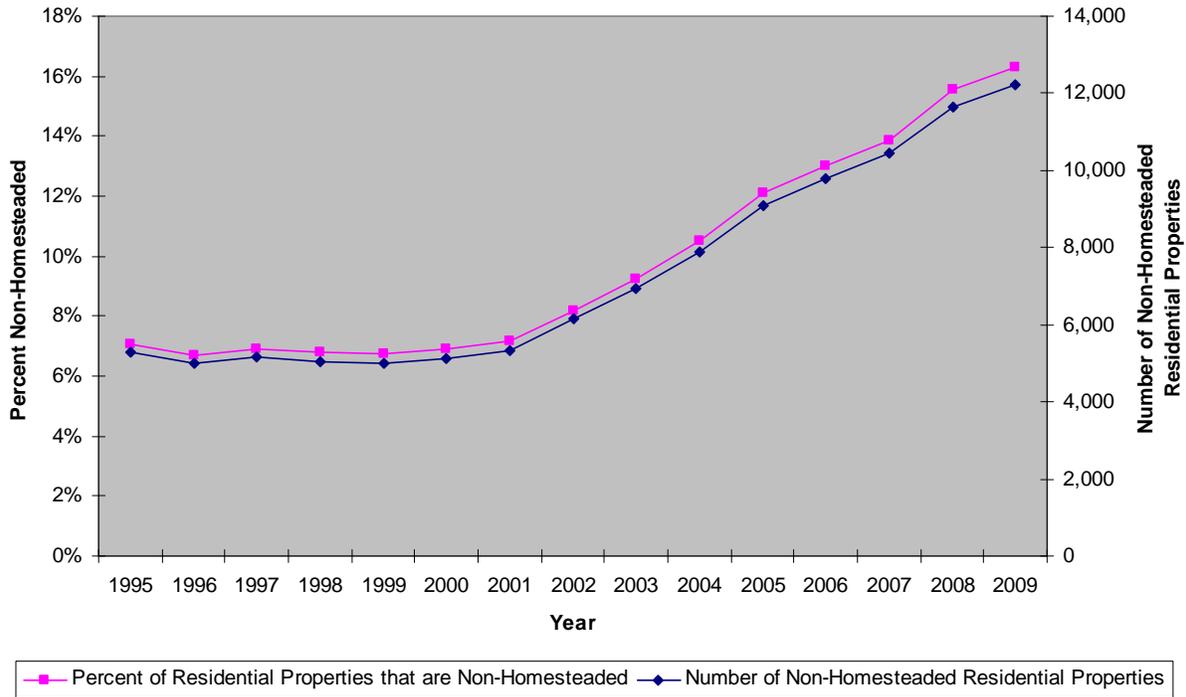
Source: Hennepin County Sheriff's Office

Map created by CPED Research  
DRAFT April 2010



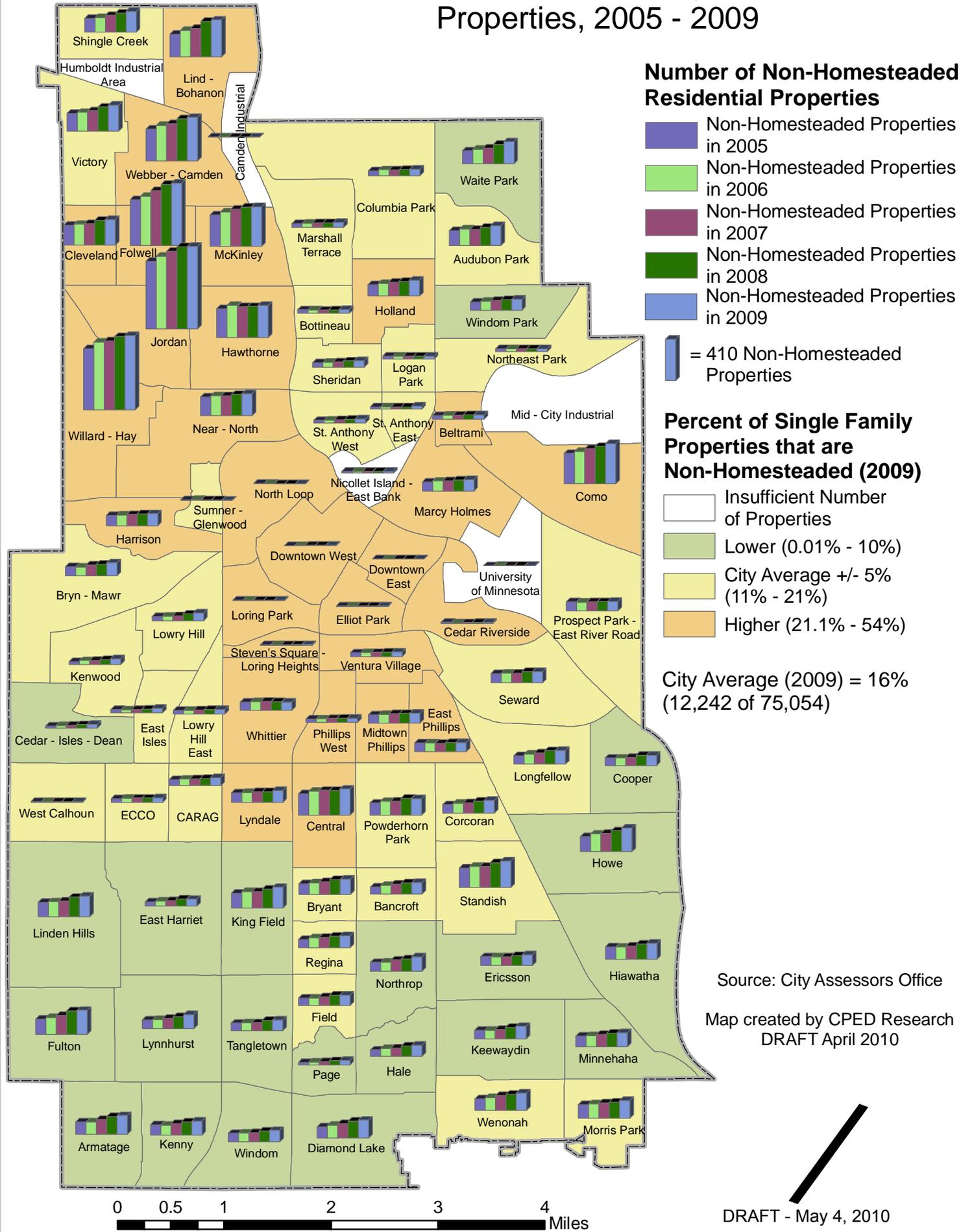
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**Table E: Non-Homesteaded Single Family Detached Residential Properties**

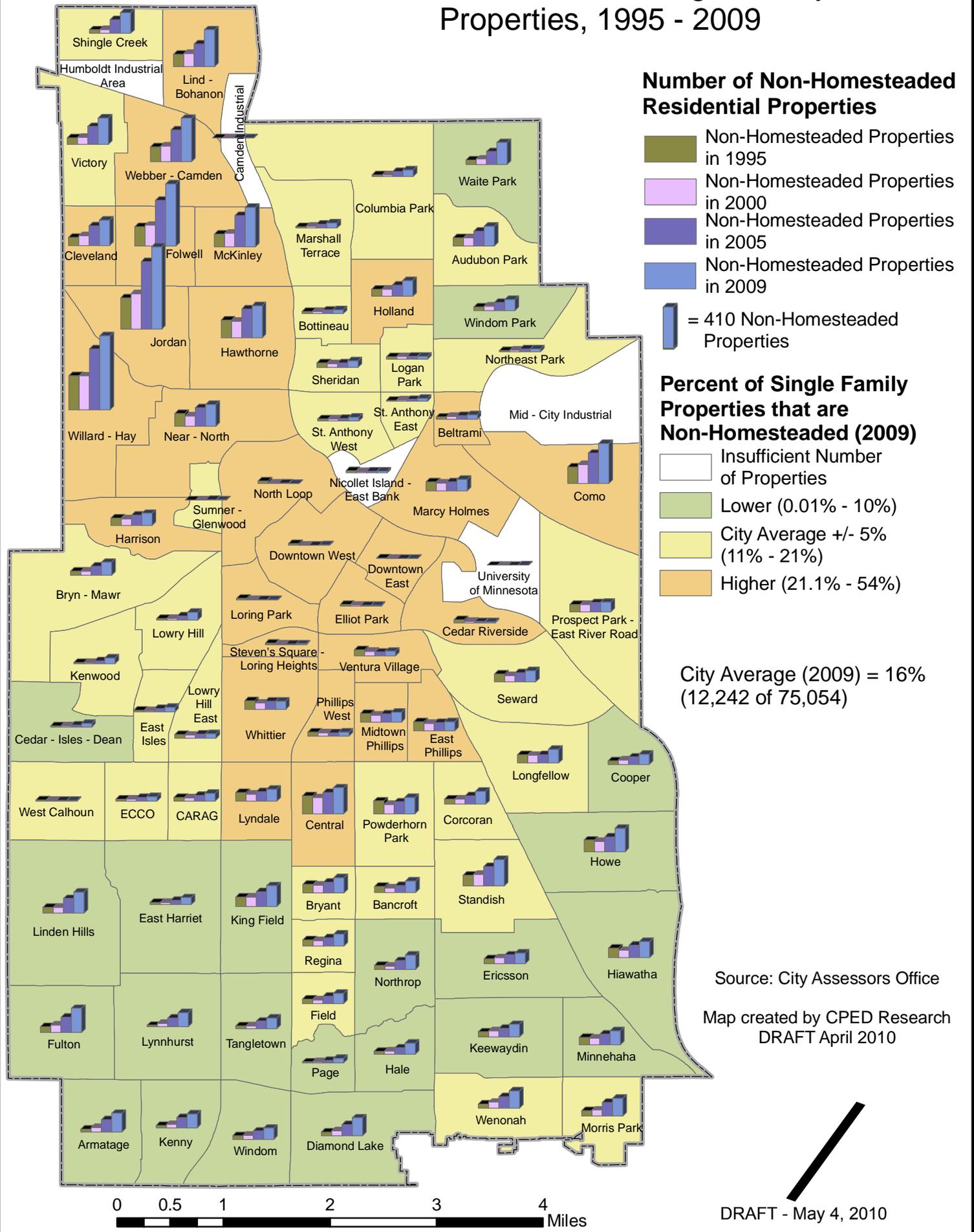


- The number of non-homesteaded single family properties has steadily increased since 2000, likely due to a change in state tax law.
- This pattern is uniform throughout all neighborhoods.
- 16% of all single family residential properties are non-homesteaded.

# MAP E - 1: Non-Homesteaded Single Family Detached Properties, 2005 - 2009

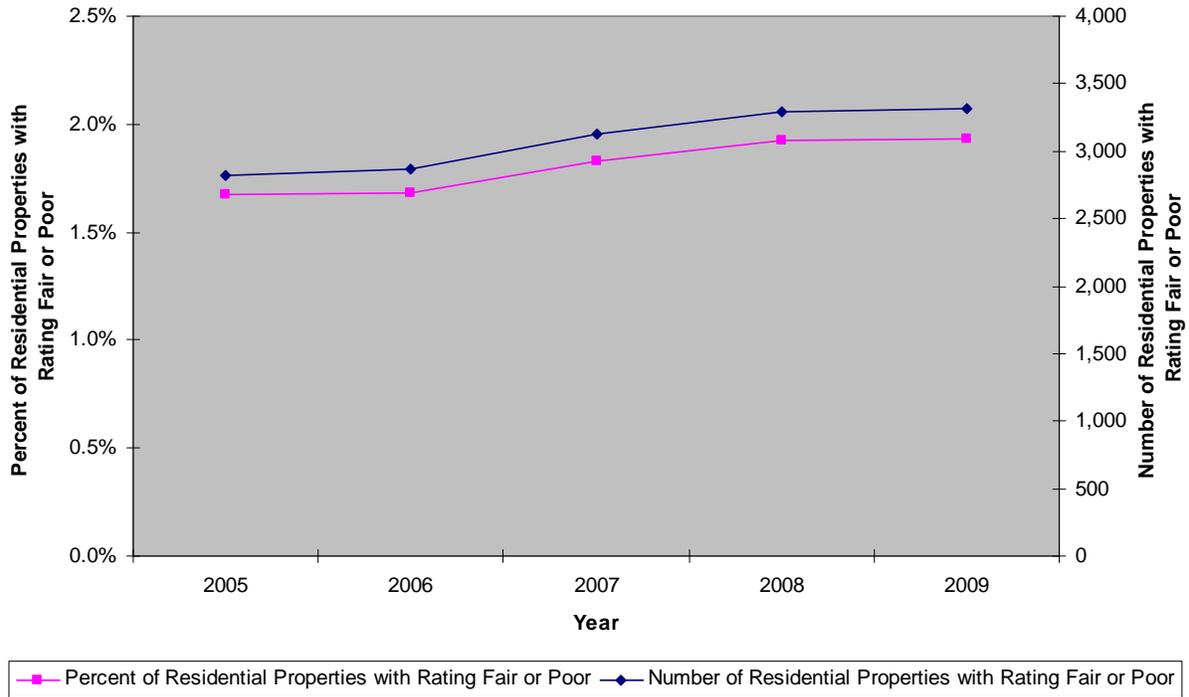


# MAP E - 2: Non-Homesteaded Single Family Detached Properties, 1995 - 2009





**Table G: Residential Properties in Poor or Fair Condition**



- A sweep of Jordan and Hawthorne was conducted by the Assessors Office in 2007.
- Number of properties in poor or fair condition has remained relatively stable.

# MAP G: Residential Properties in Poor or Fair Condition\*

\*The number of residential buildings (parcels) with an Assessor condition rating of 6 (Fair) or 7 (Poor)

## Number of Residential Properties in Poor or Fair Condition

- Poor or Fair Properties in 2005
- Poor or Fair Properties in 2006
- Poor or Fair Properties in 2007
- Poor or Fair Properties in 2008
- Poor or Fair Properties in 2009

= 170 Properties in Poor or Fair Condition

## Percent of Residential Properties with Rating Fair or Poor (2009)

- No Properties
- Lower (0.01% - 1%)
- City Average +/- 1% (1% - 3%)
- Higher (3.1% - 14.9%)

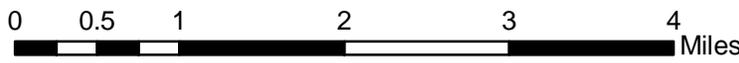
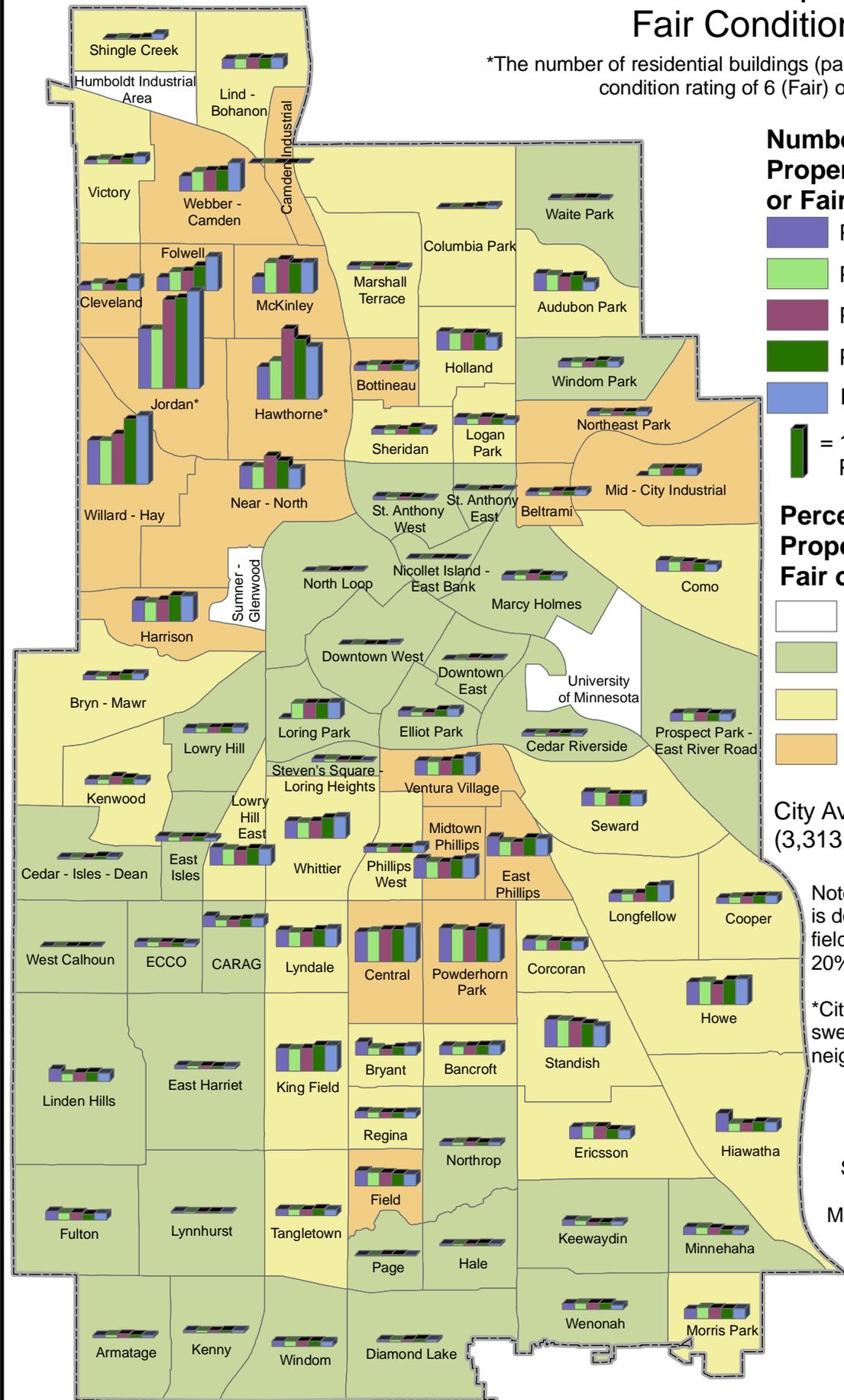
City Average (2009) = 2% (3,313 of 171,169)

Note: Generally, housing assessment is done on a 5 year cycle. Assessor field checks housing condition for 20% of residential properties per year.

\*City Assessors Office conducted sweeps in Jordan and Hawthorne neighborhoods in 2007.

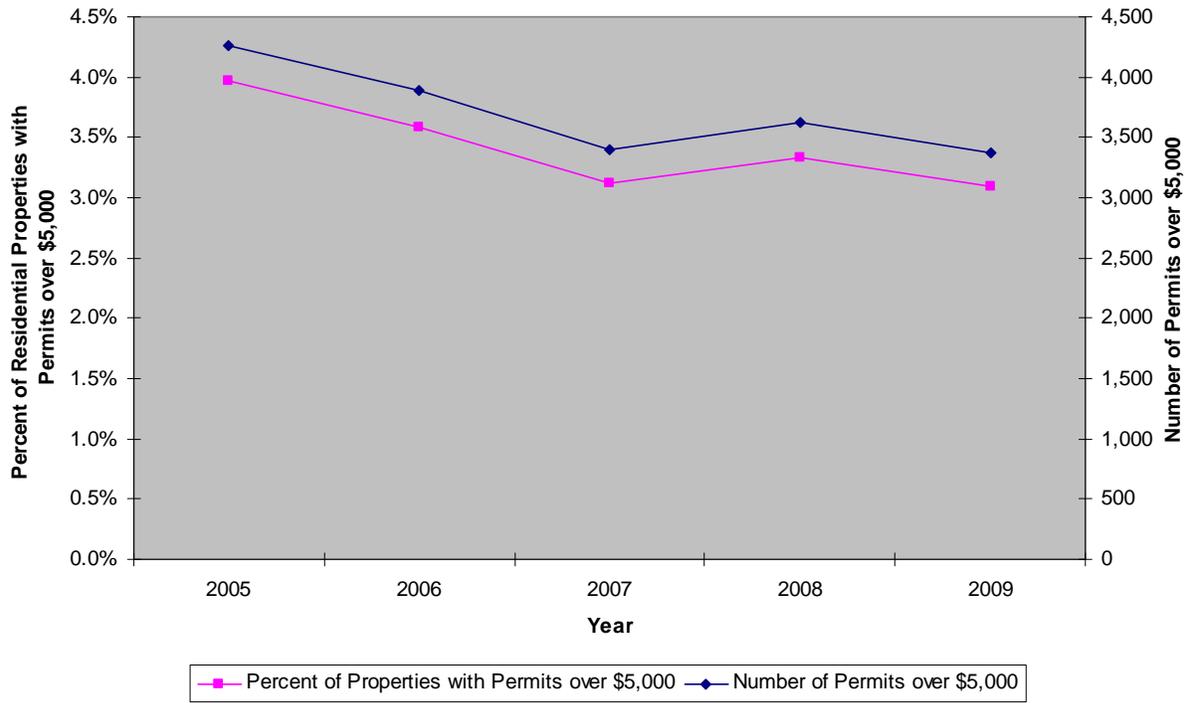
Source: City Assessors Office

Map created by CPED Research  
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**Table H: Number of Residential Property Permits over \$5,000**



- The spike in the south central neighborhoods in 2009 comes from BOTC permits.
- The “credit crunch” imposed by banks may have lead to the decrease in funds available for renovations. Also, homeowners have less equity in their homes for loans.

# MAP H: Number of Residential Property Permits over \$5,000\*

\*Includes new construction (BINB), remodeling (BIRE), and over-the-counter (BOTC) permits over \$5,000 for residential properties

## Number of Residential Permits

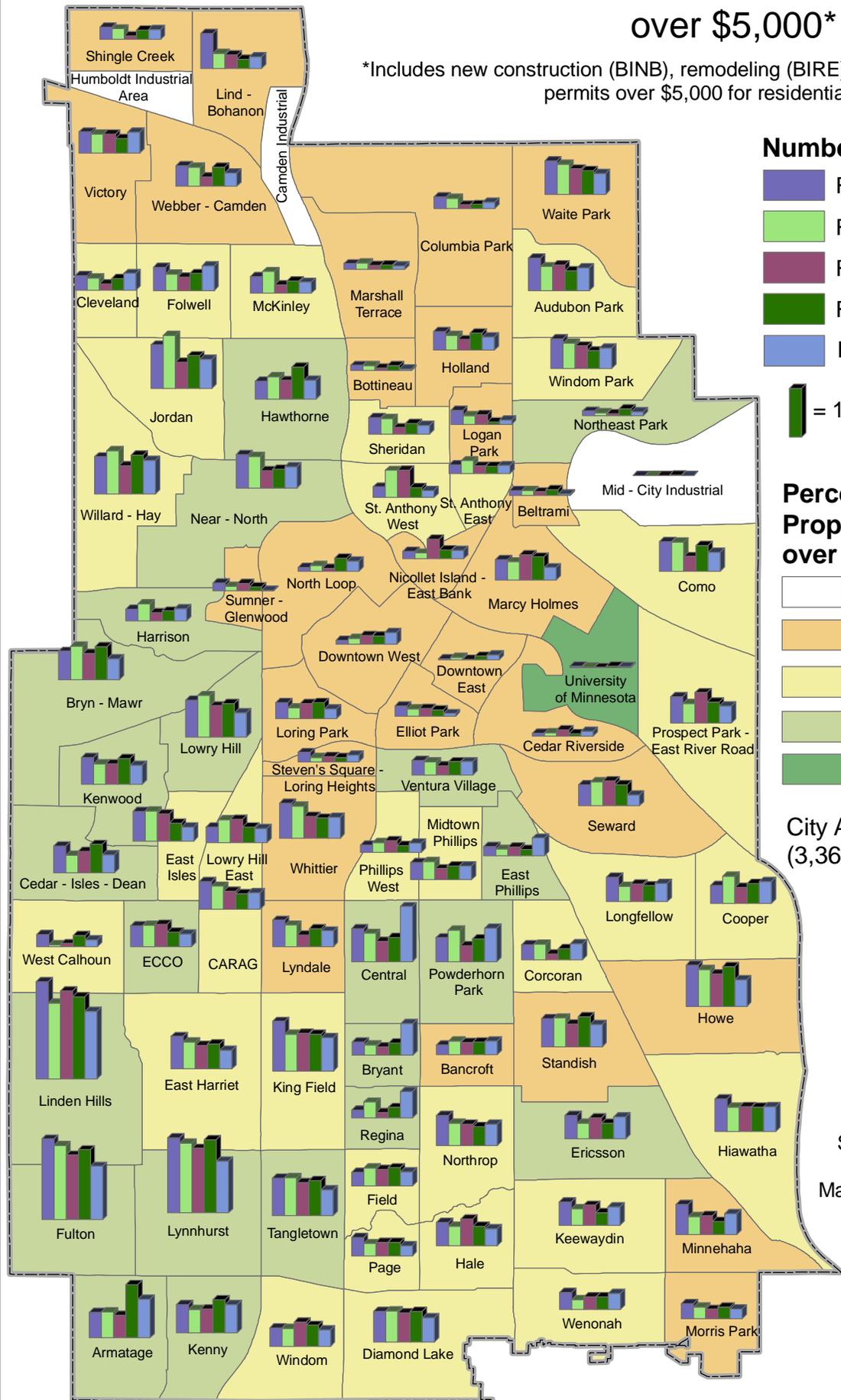
- Residential Permits in 2005
- Residential Permits in 2006
- Residential Permits in 2007
- Residential Permits in 2008
- Residential Permits in 2009

= 110 Residential Permits

## Percent of Residential Properties with Permits over \$5,000 (2009)

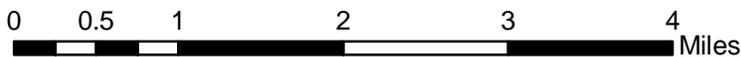
- No Residential Permits
- Lower (0.01% - 2.5%)
- City Average +/- 0.5% (2.5% - 3.5%)
- Higher (3.5% - 8.6%)
- University (11.5%)

City Average (2009) = 3% (3,368 of 108,806)



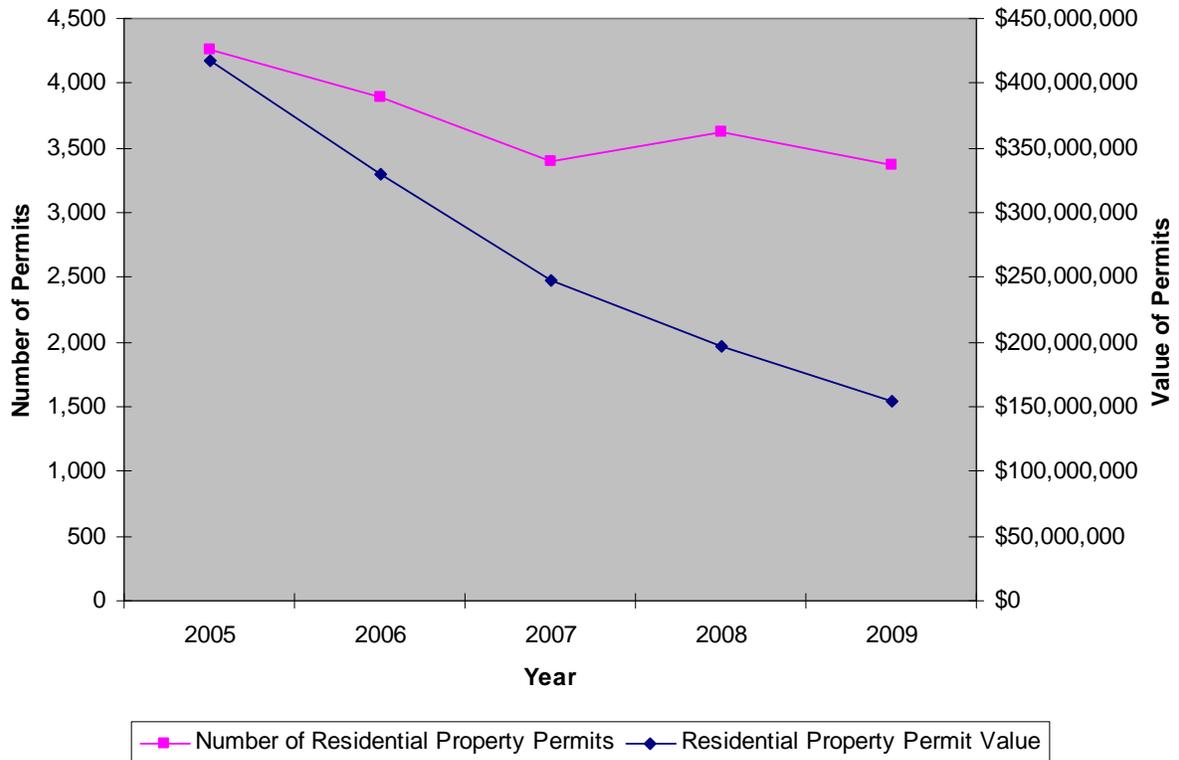
Source: Regulatory Services

Map created by CPED Research  
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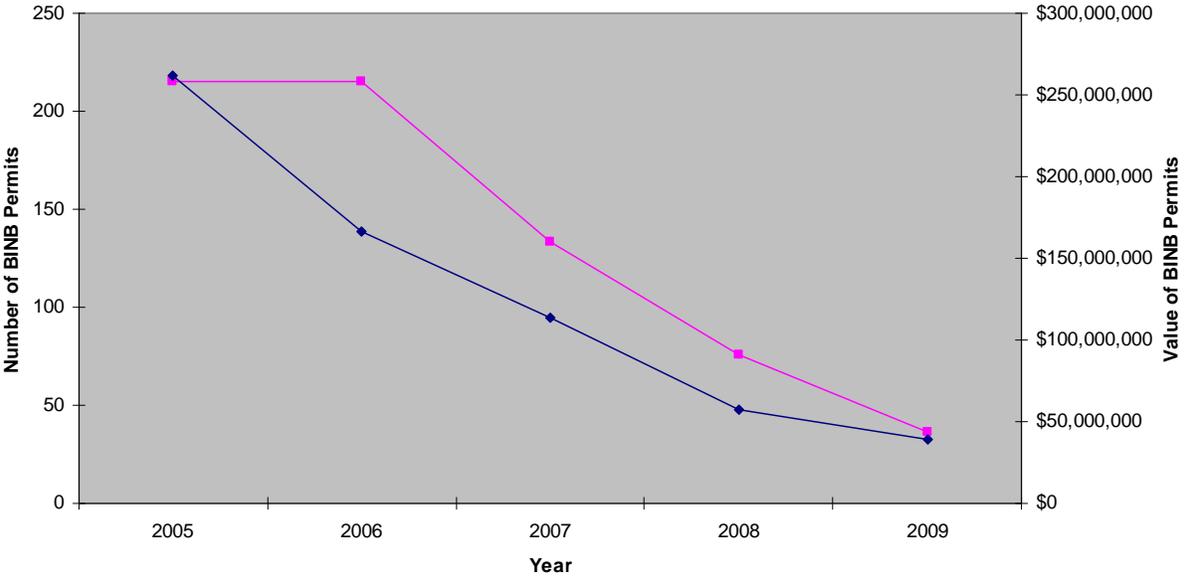


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**Table I: Number and Value of Residential Property Permits over \$5,000**

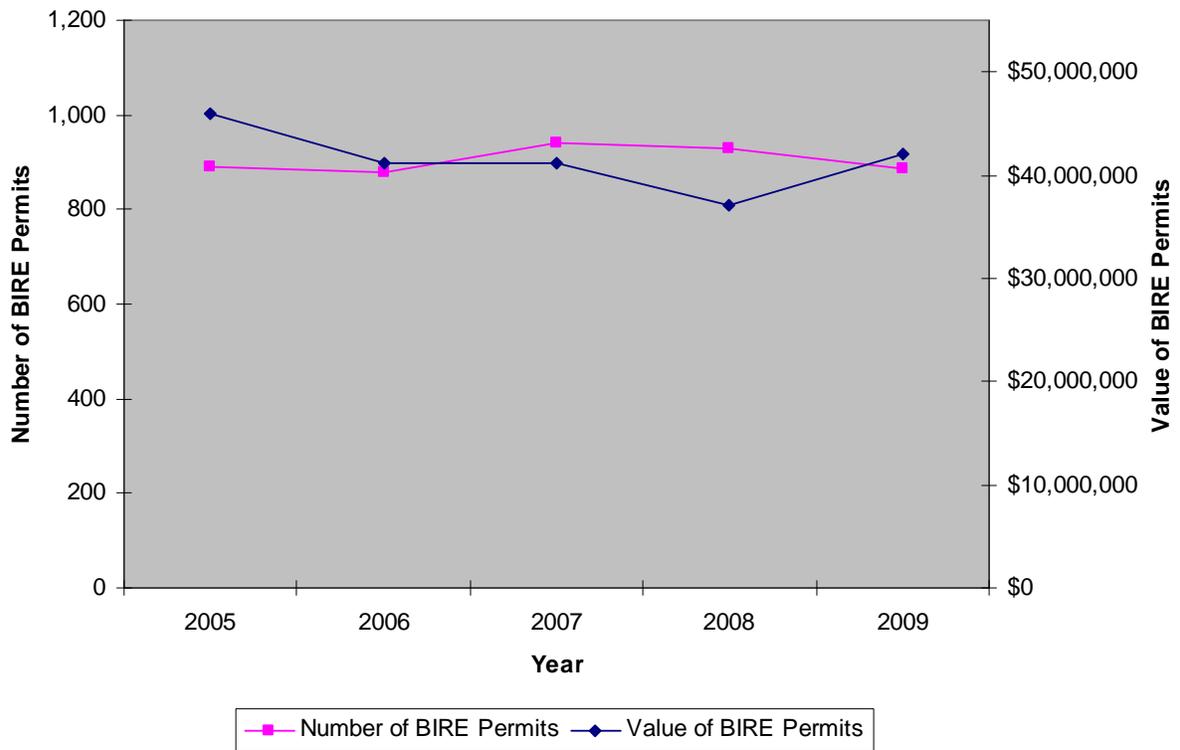


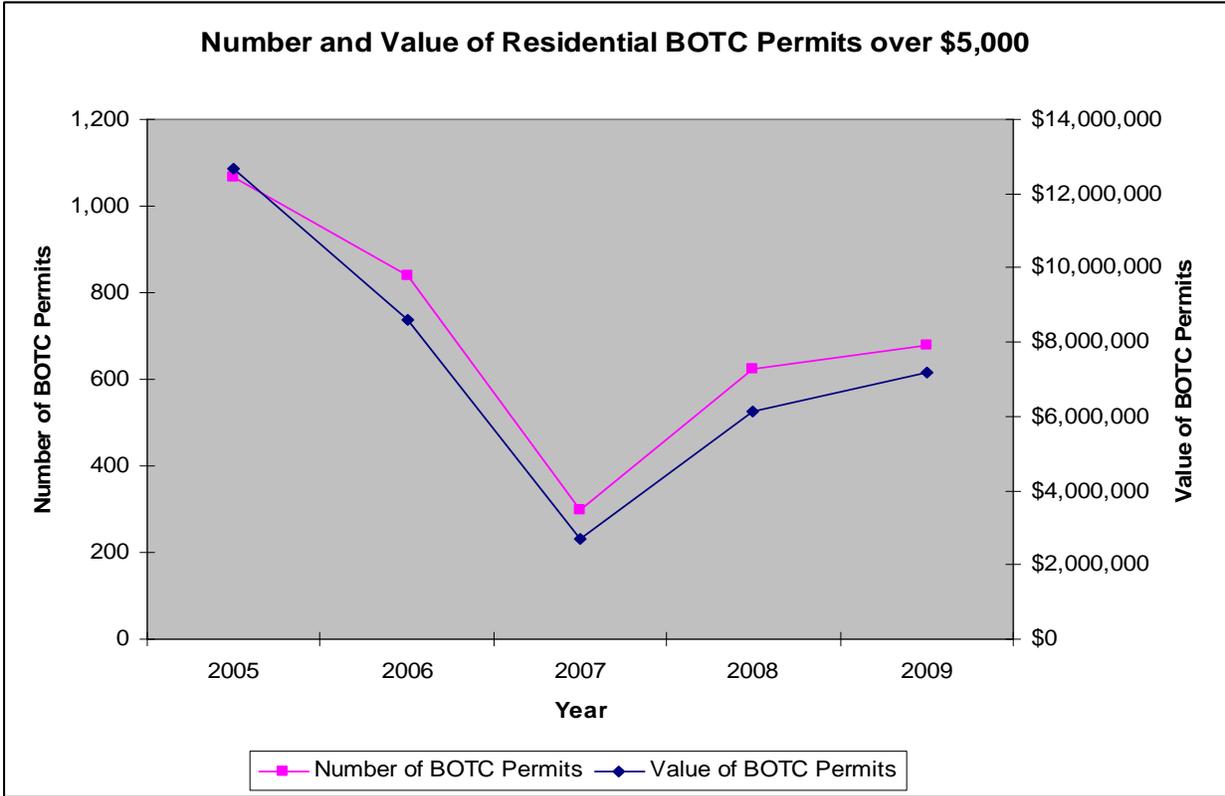
**Number and Value of Residential BINB Permits over \$5,000**



—■— Number of BINB Permits —◆— Value of BINB Permits

**Number and Value of Residential BIRE Permits over \$5,000**





# MAP I: Value of Residential Property Permits\*

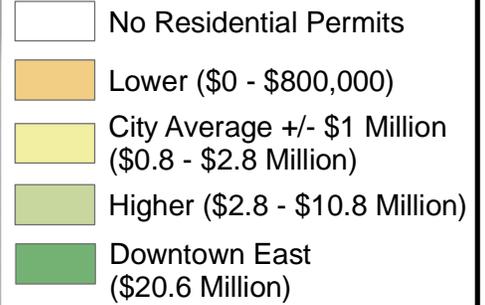
\*Includes new construction (BINB), remodeling (BIRE), and over-the-counter (BOTC) permits over \$5,000 for residential properties

## Number of Residential Permits



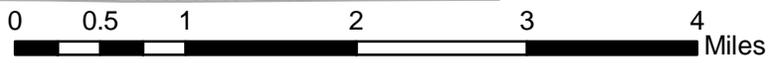
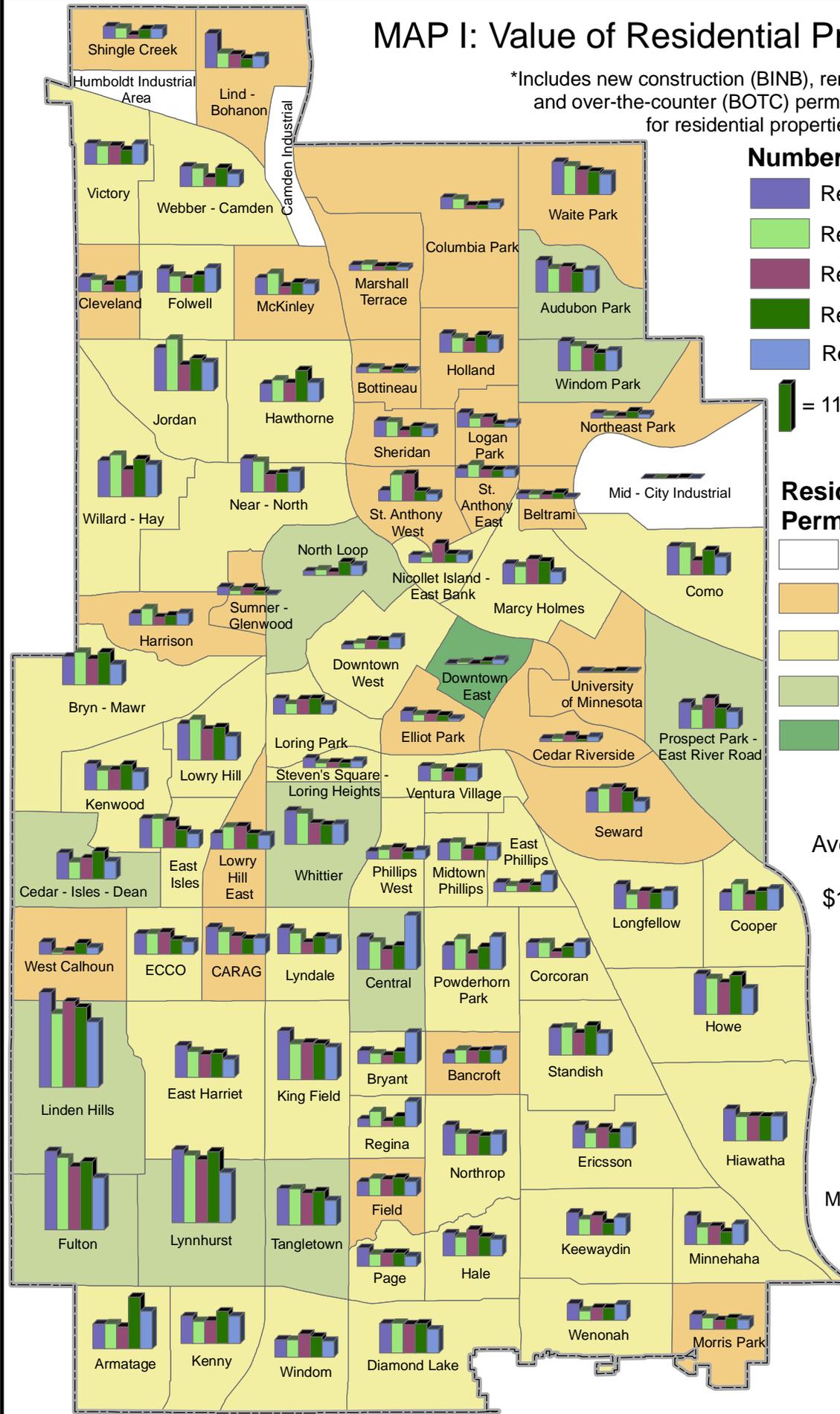
= 110 Residential Permits

## Residential Property Permit Value (2009)



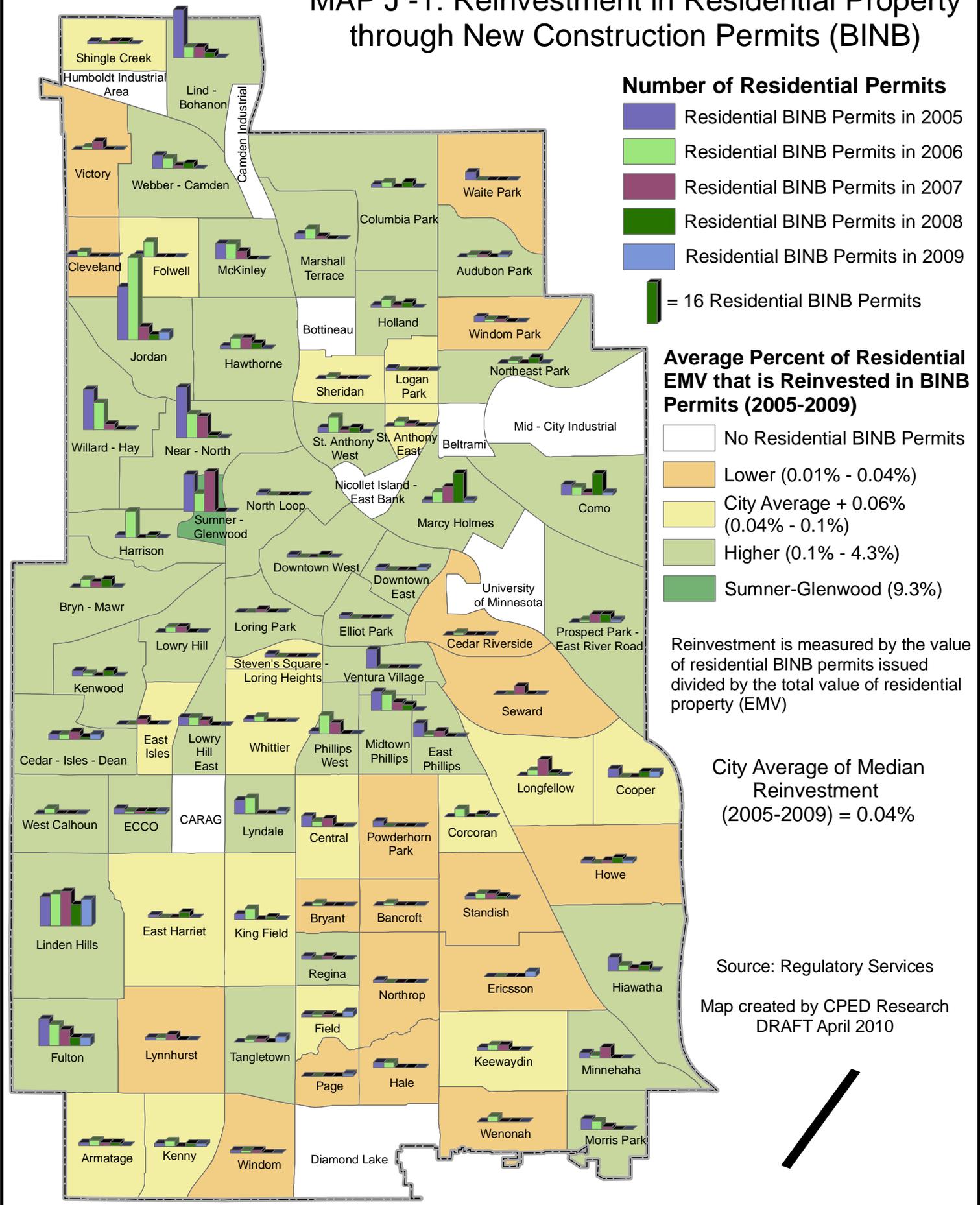
Average City Neighborhood in 2009 = \$1.8 Million in Residential Property Permits

Source: Regulatory Services  
Map created by CPED Research  
DRAFT April 2010

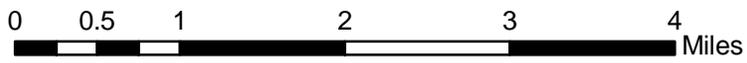
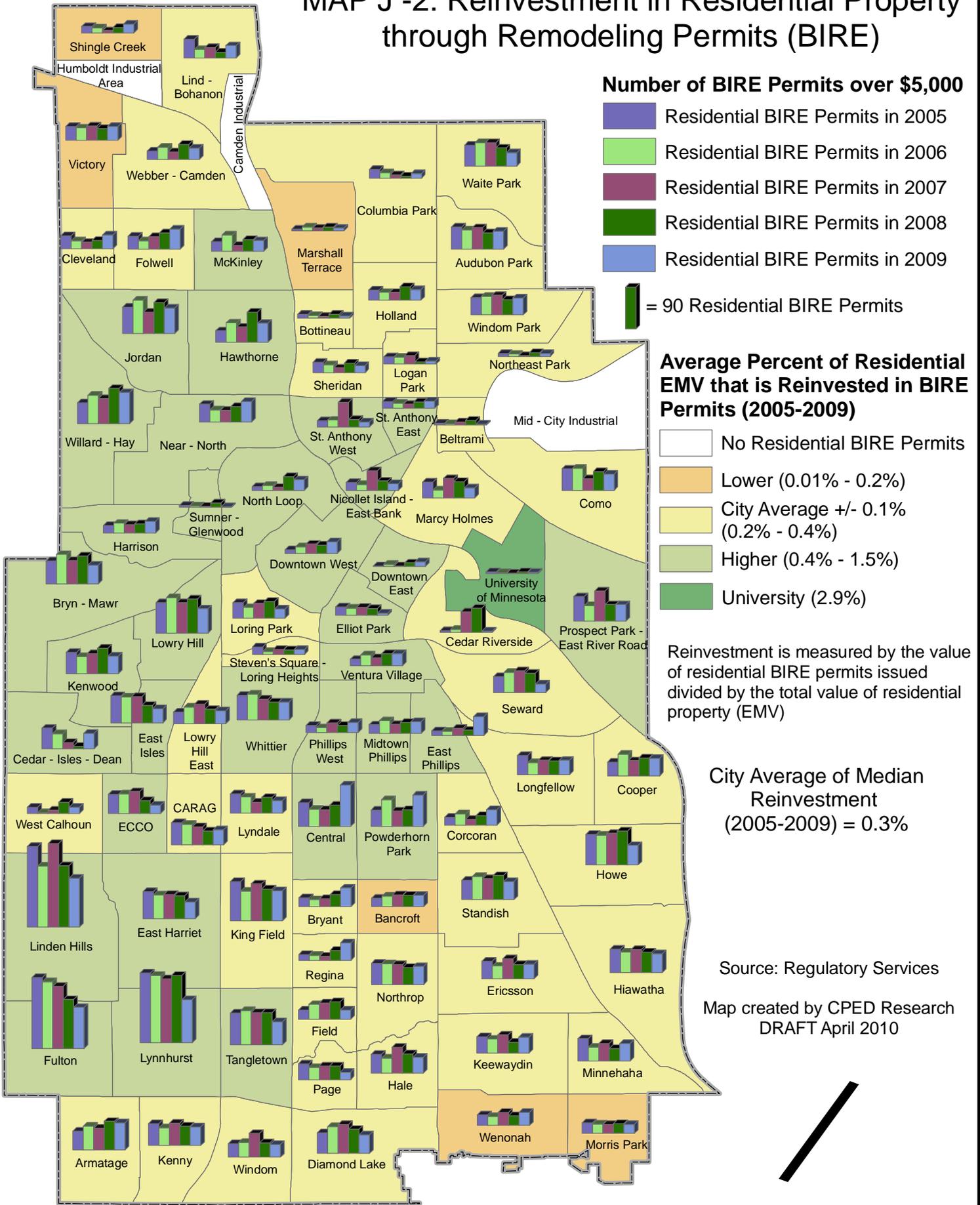


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# MAP J -1: Reinvestment in Residential Property through New Construction Permits (BINB)

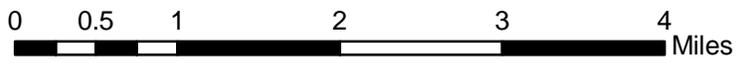
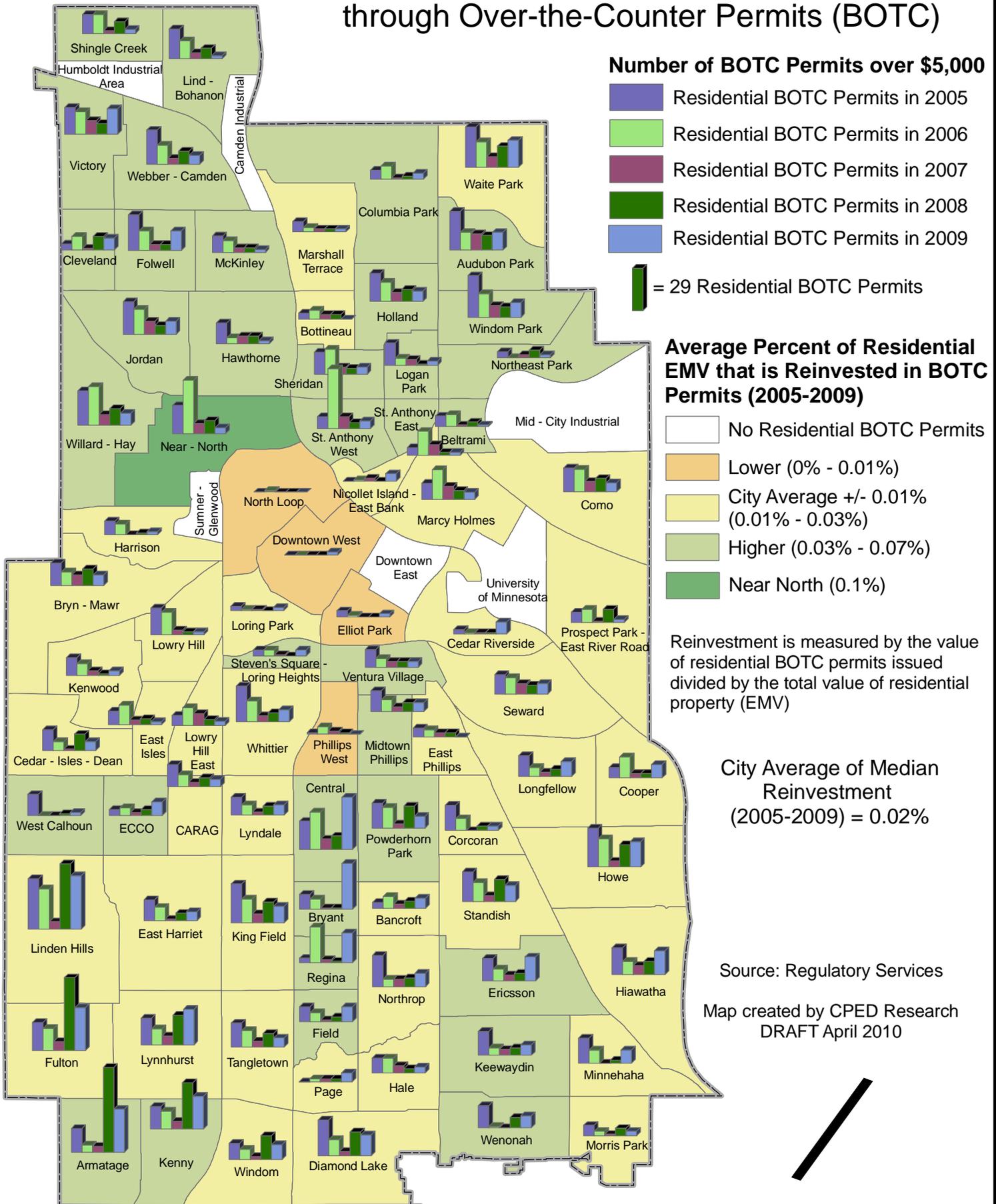


# MAP J -2: Reinvestment in Residential Property through Remodeling Permits (BIRE)



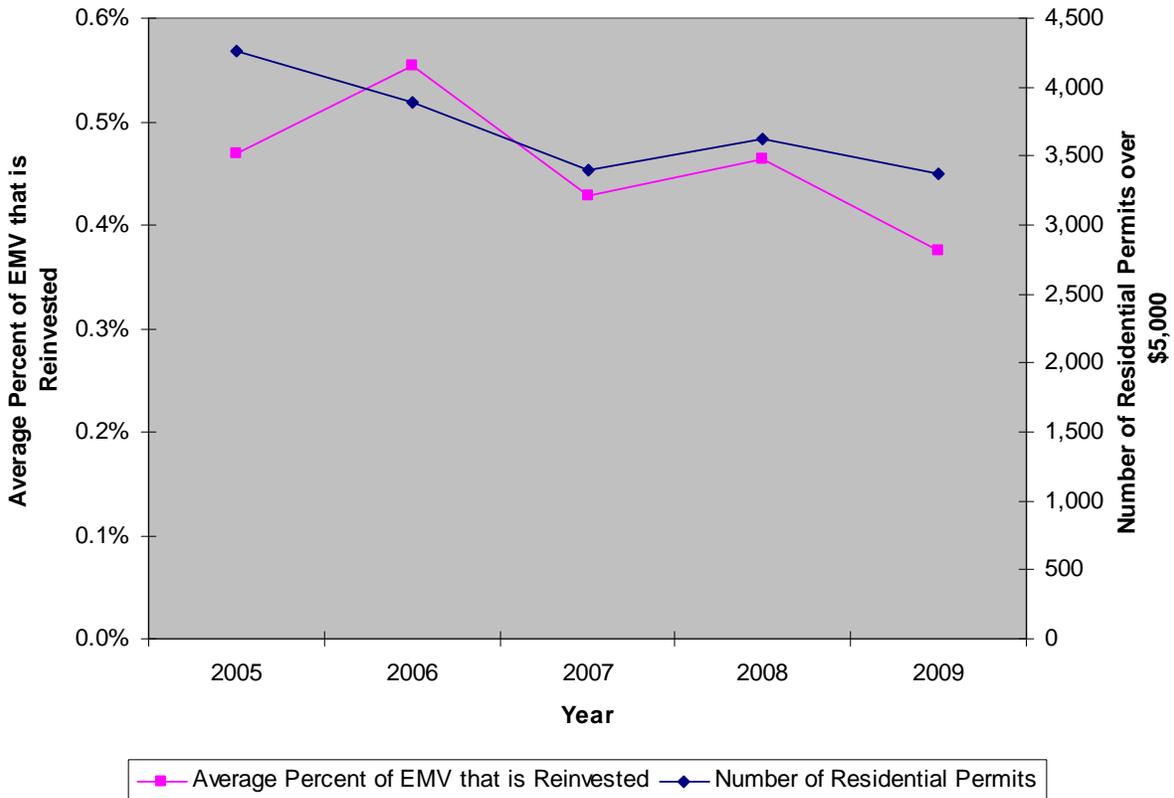
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# MAP J - 3: Reinvestment in Residential Property through Over-the-Counter Permits (BOTC)



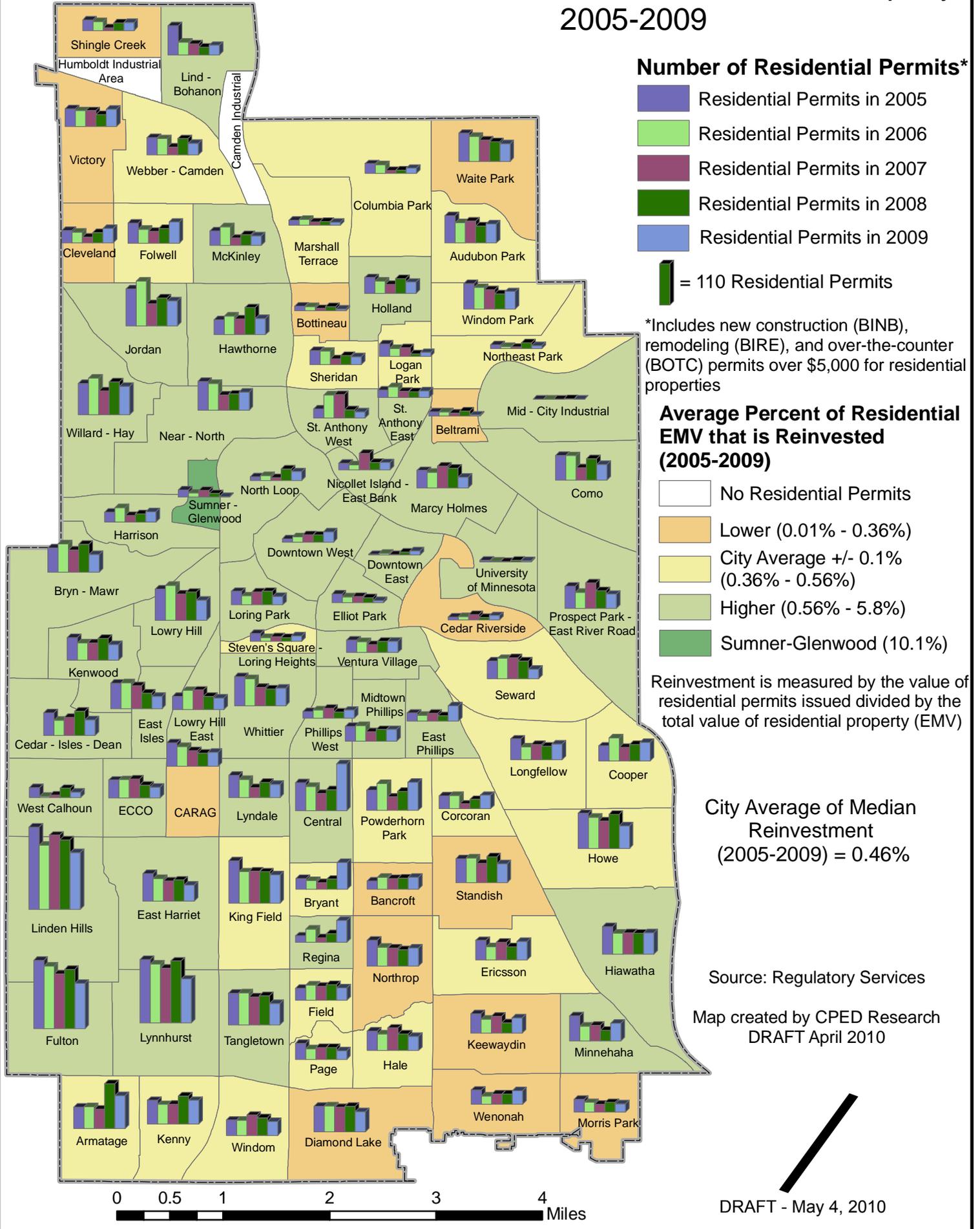
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**Table J-4: Reinvestment in Residential Property**

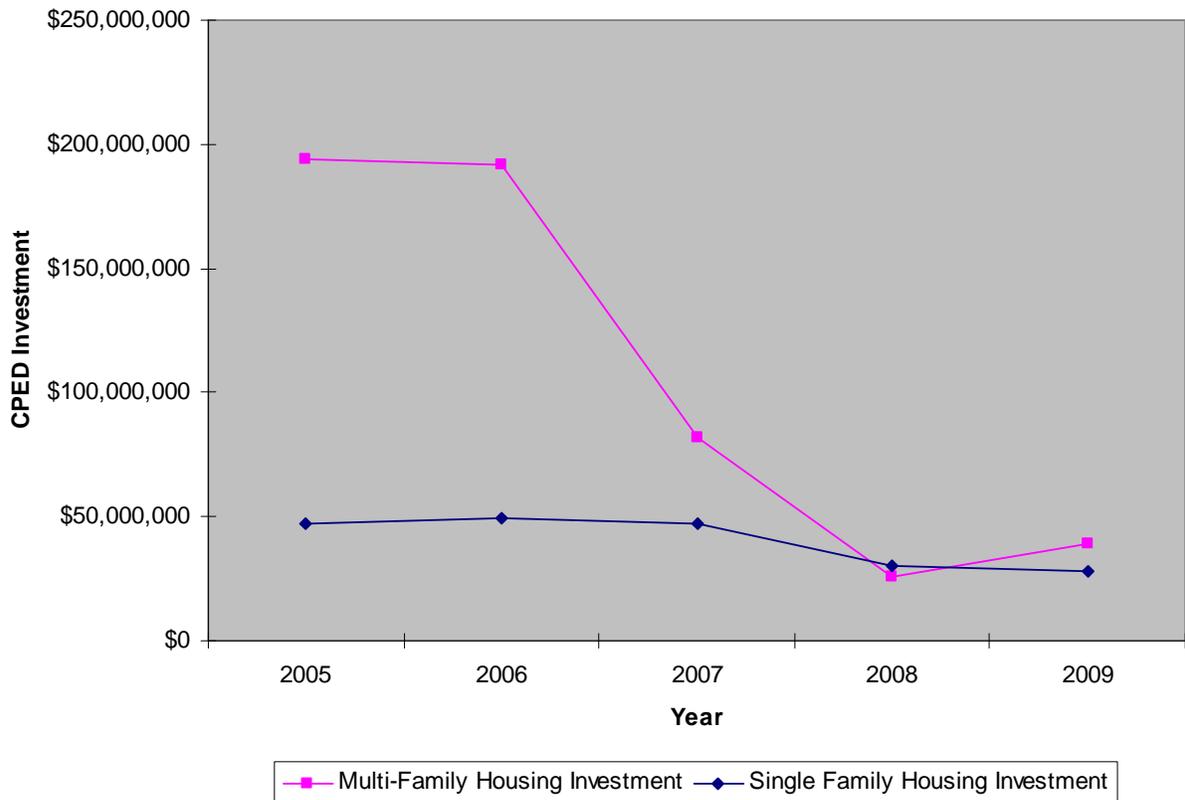


- “Reinvestment” is measured by the value of residential permits issued divided by the total value of residential property (EMV).
- The condition and value of a house decreases over time due to normal wear and tear. Ideally, an owner will continue to improve their property by reinvesting in their house.
- This characteristic has declined over the five year period, likely due to economic factors.

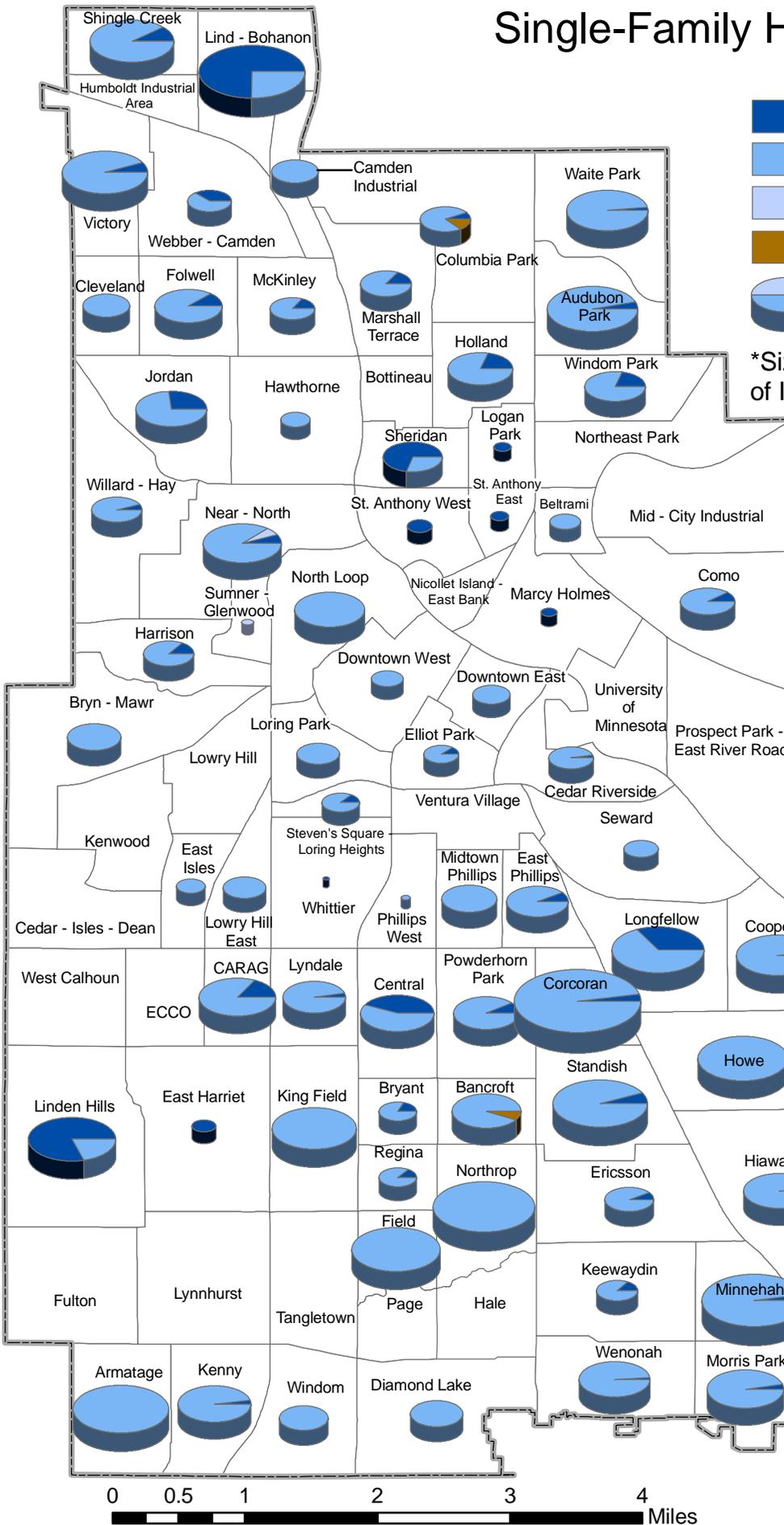
# MAP J - 4: Reinvestment in Residential Property, 2005-2009



### CPED Single Family and Multi-Family Housing Investments



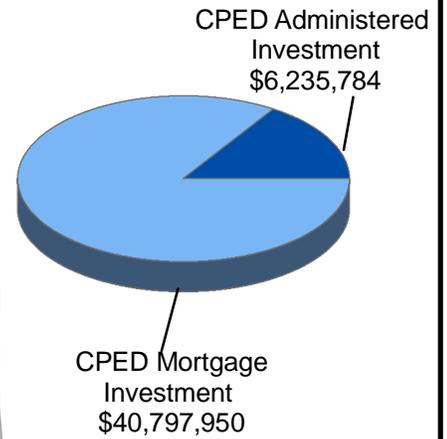
# MAP K: Public and Private Investment in Single-Family Housing (2005)



-  CPED Administered Investments
-  CPED Mortgage Investments
-  State and County Investments
-  Private Mortgage Investments
-  **Sum of Investments\***

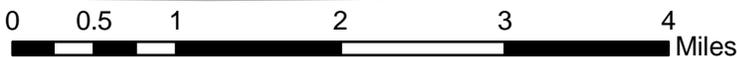
\*Size of pie is equal to the sum of Investments

**Sum of Investments in 2005:**  
\$47,218,734



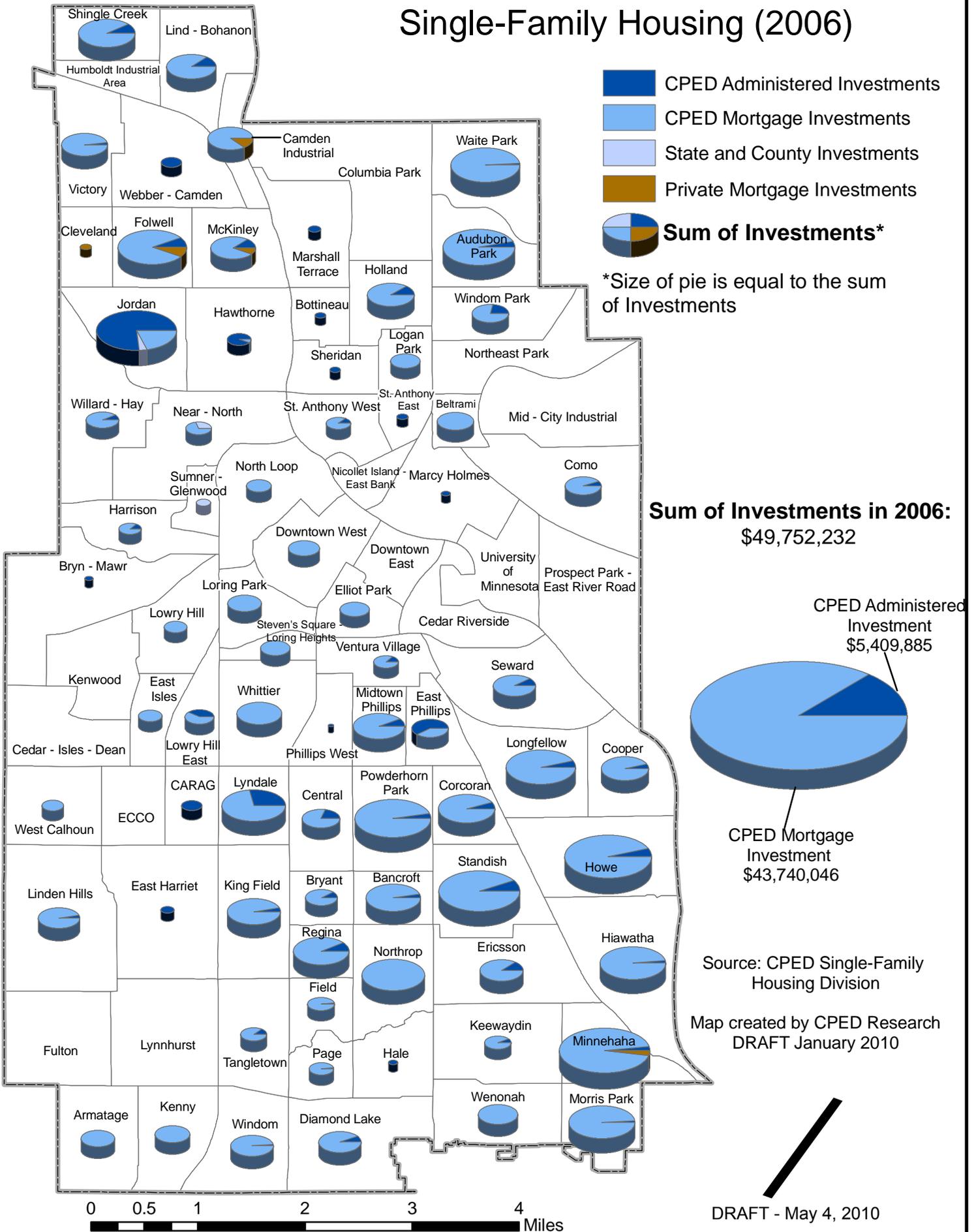
Source: CPED Single-Family Housing Division

Map created by CPED Research  
DRAFT January 2010

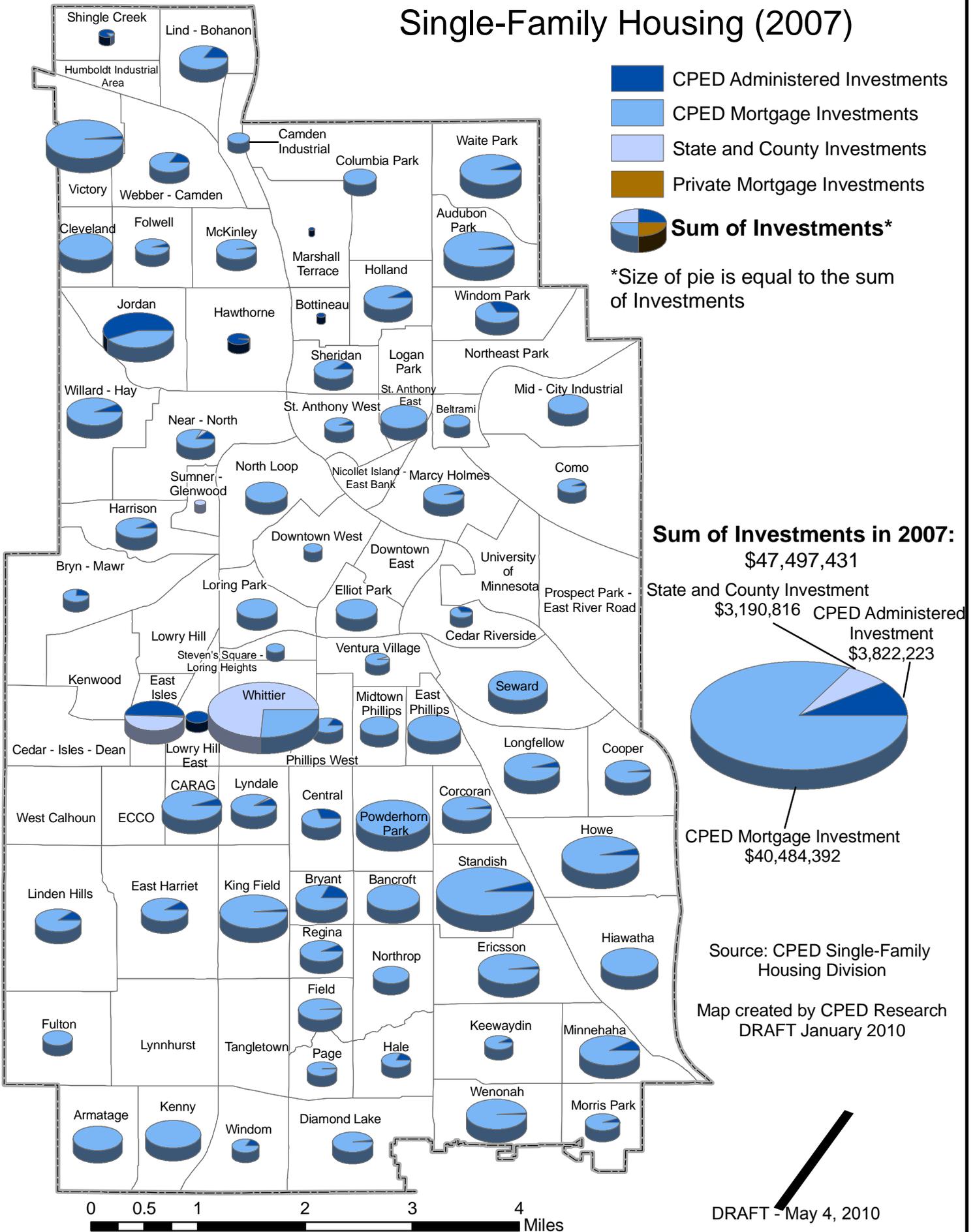


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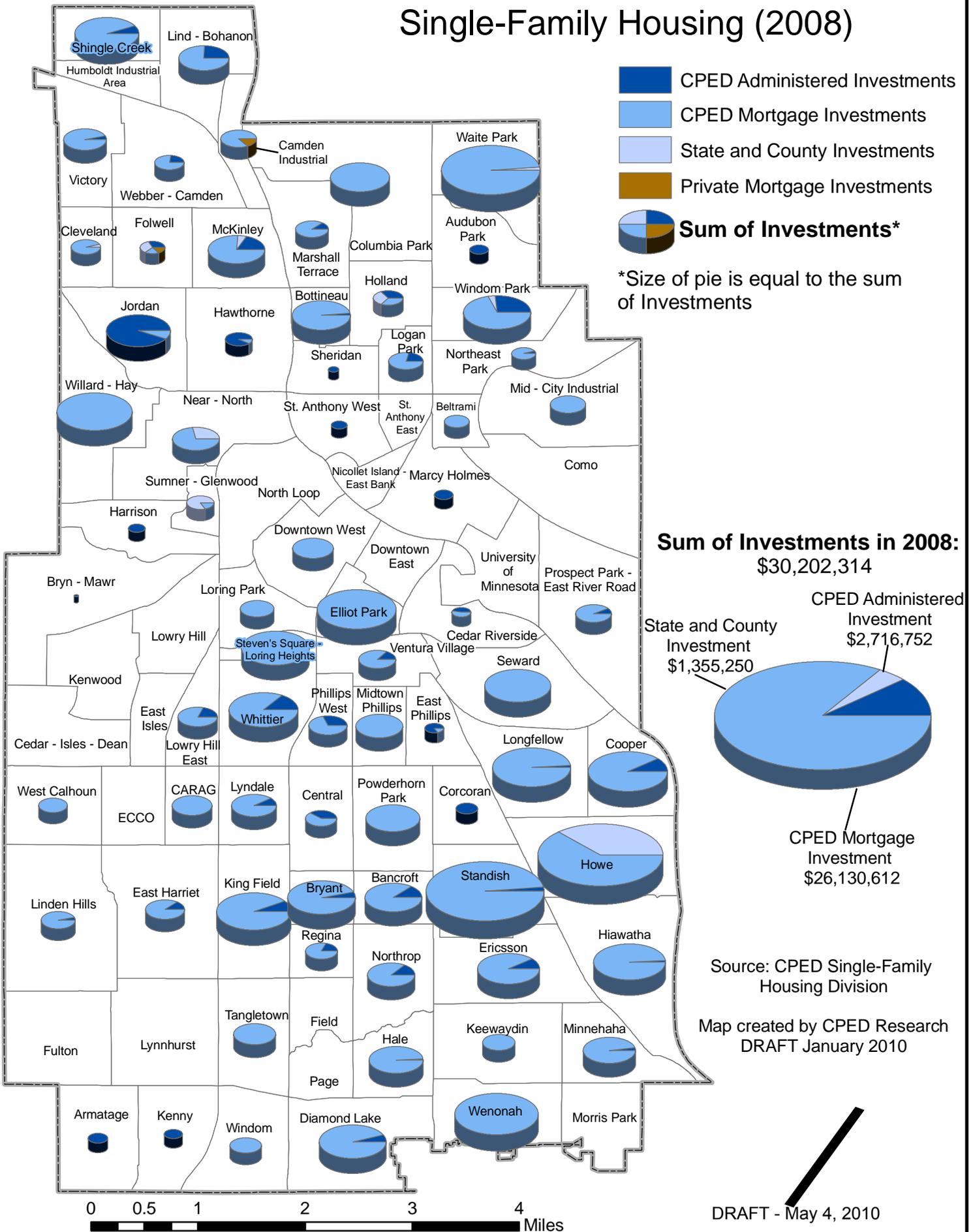
# MAP L: Public and Private Investment in Single-Family Housing (2006)



# MAP M: Public and Private Investment in Single-Family Housing (2007)



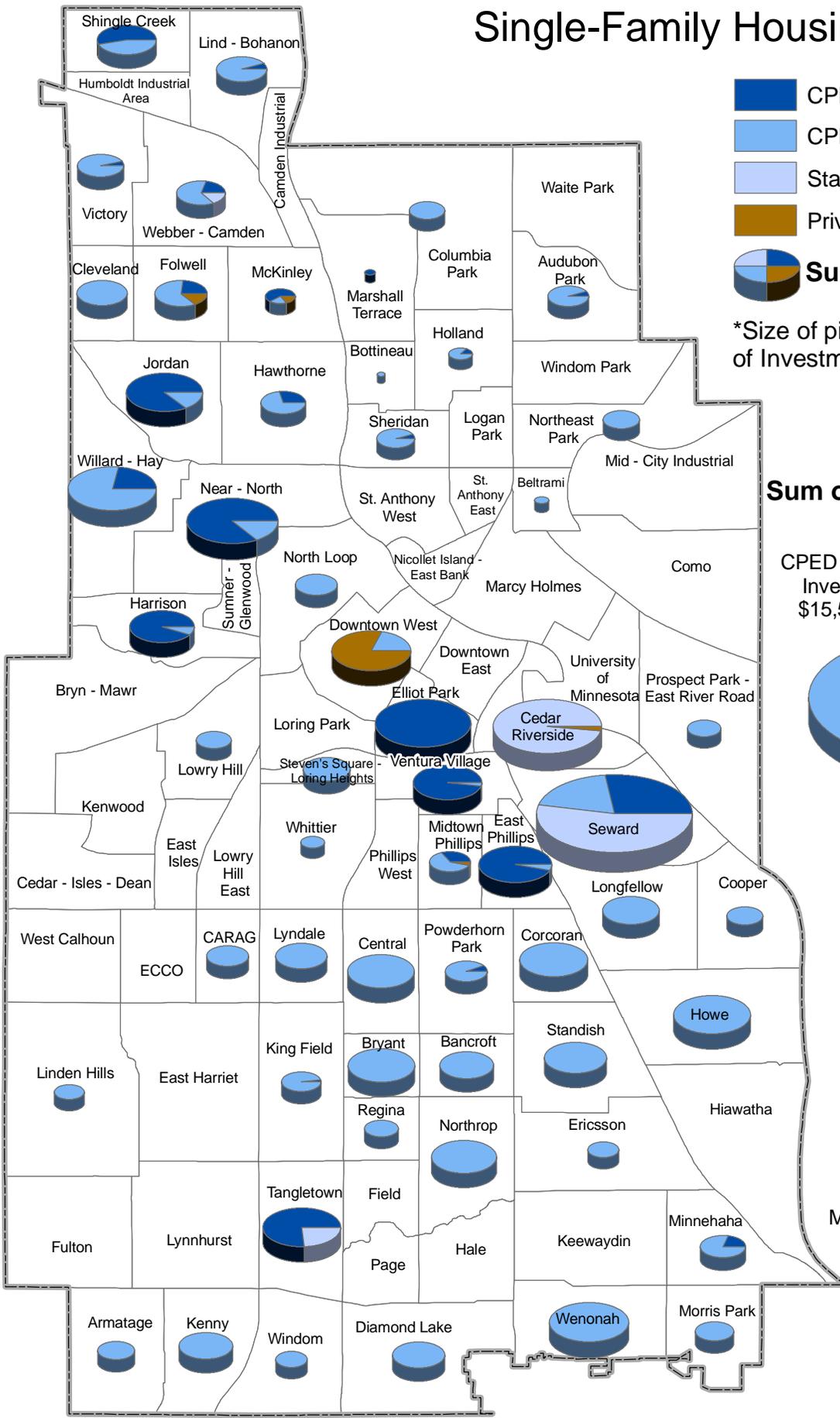
# MAP N: Public and Private Investment in Single-Family Housing (2008)



# MAP O: Public and Private Investment in Single-Family Housing (2009)

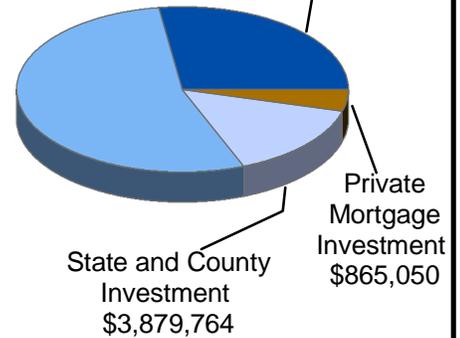
-  CPED Administered Investments
-  CPED Mortgage Investments
-  State and County Investments
-  Private Mortgage Investments
-  **Sum of Investments\***

\*Size of pie is equal to the sum of Investments



## Sum of Investments in 2009: \$28,302,254

CPED Mortgage Investment \$15,574,344  
 CPED Administered Investment \$7,983,096



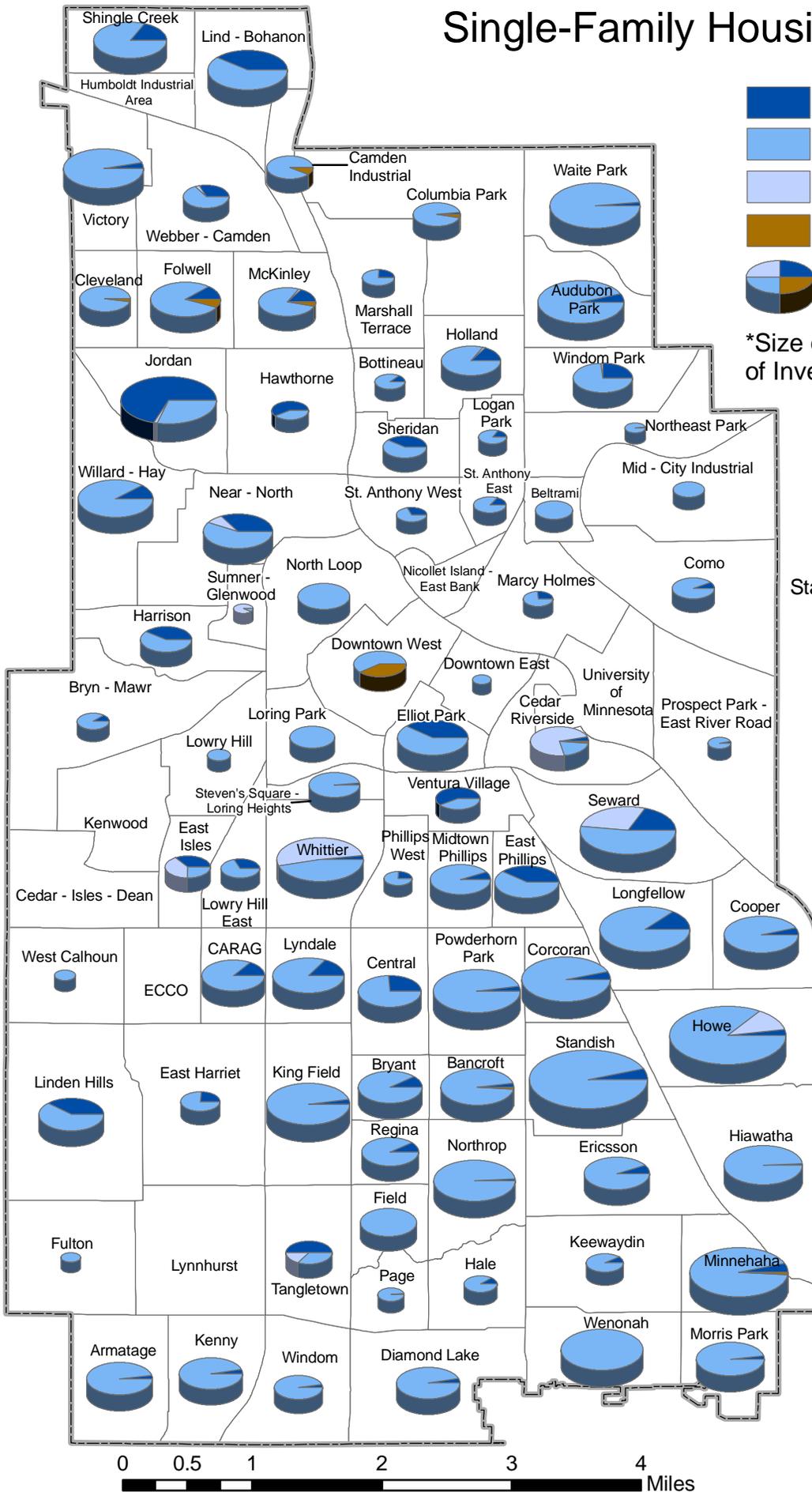
Source: CPED Single-Family Housing Division

Map created by CPED Research  
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# MAP P: Public and Private Investment in Single-Family Housing (2005-2009)



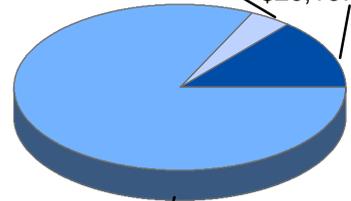
-  CPED Administered Investments
-  CPED Mortgage Investments
-  State and County Investments
-  Private Mortgage Investments
-  **Sum of Investments\***

\*Size of pie is equal to the sum of Investments

## Sum of Investments

(2005-2009):  
\$202,836,105

State and County Investment  
\$8,755,830 CPED Administered  
Investment  
\$26,167,740



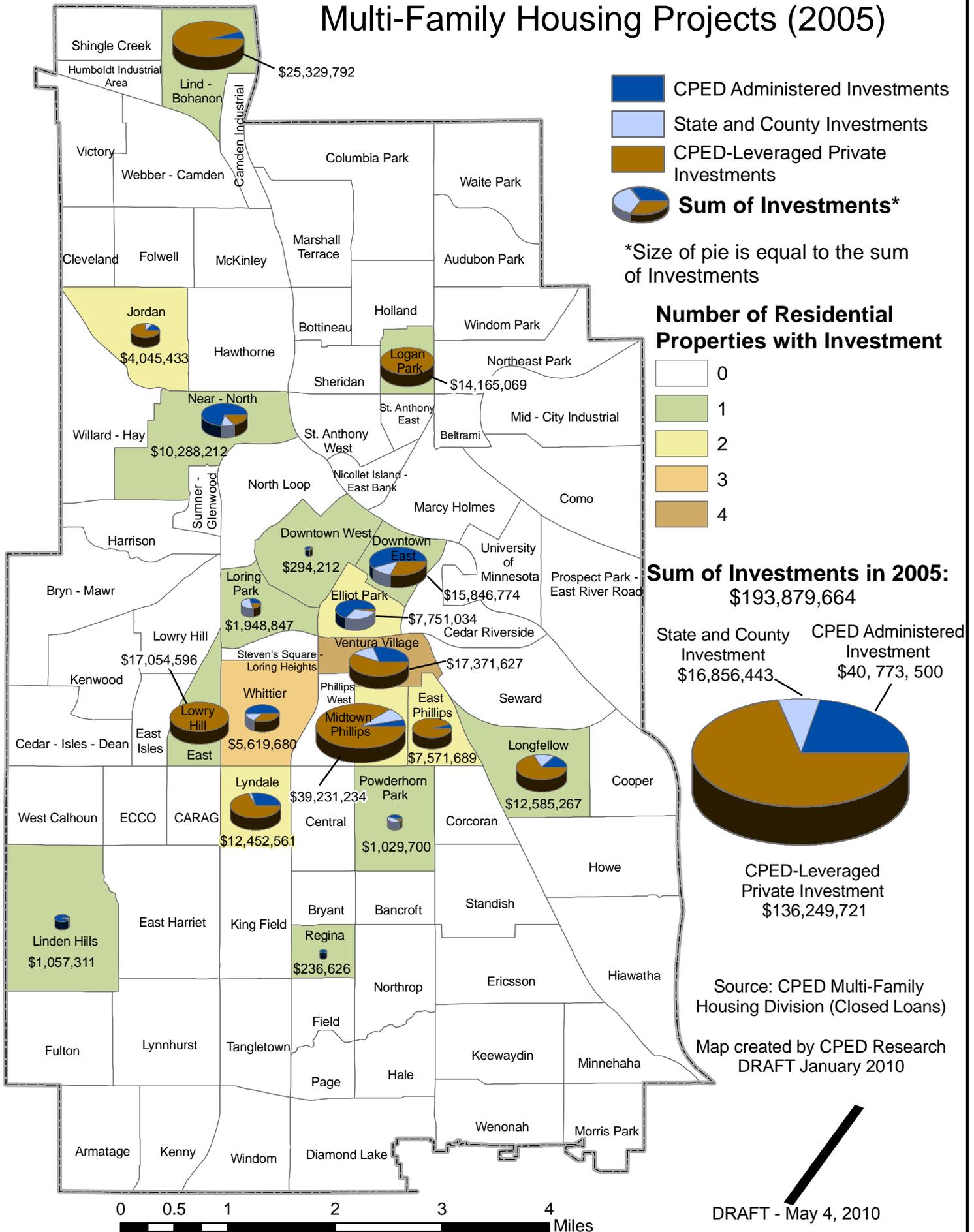
CPED Mortgage  
Investment  
\$166,546,185

Source: CPED Single-Family  
Housing Division

Map created by CPED Research  
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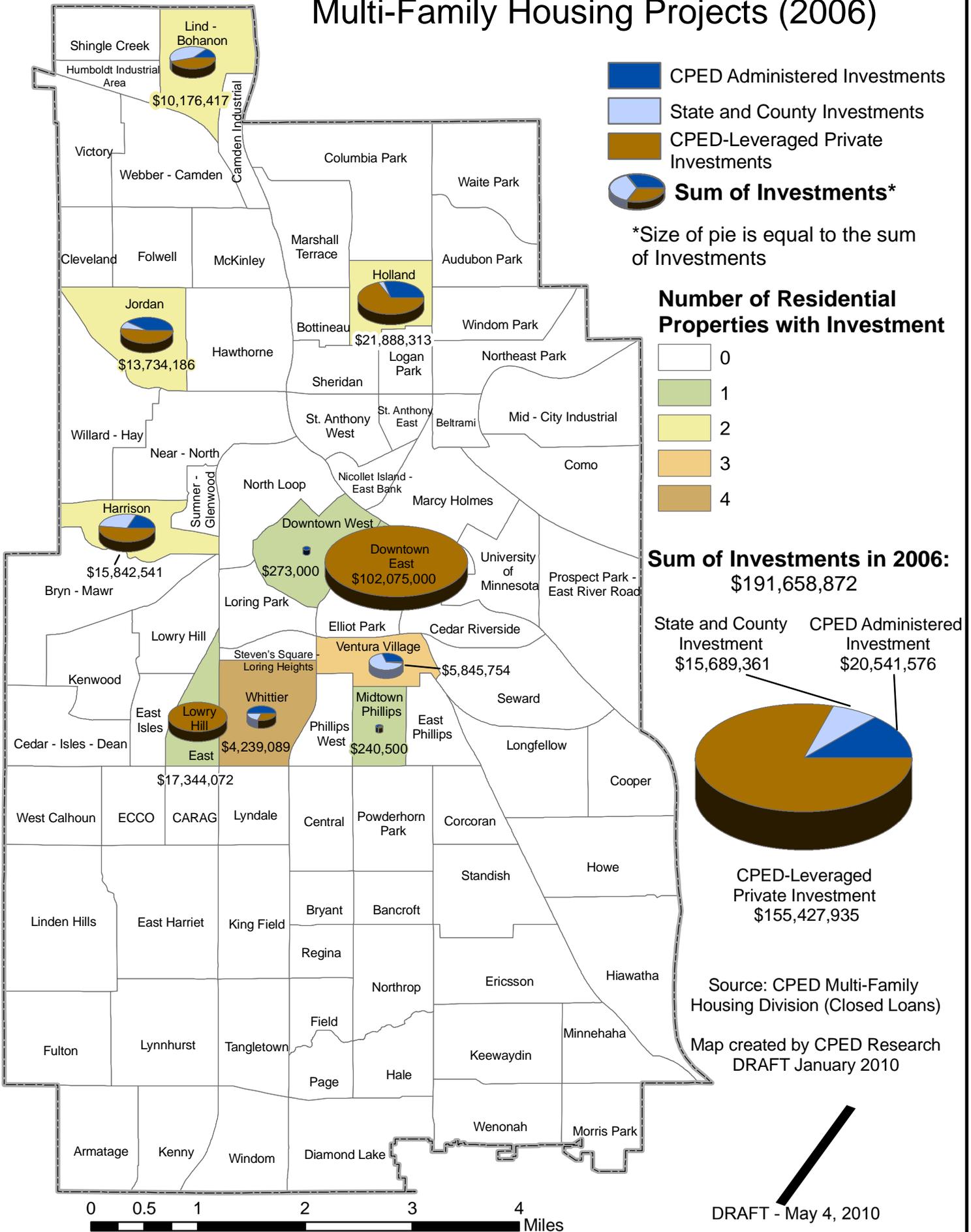
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# MAP Q: Public and Private Investment in CPED Multi-Family Housing Projects (2005)

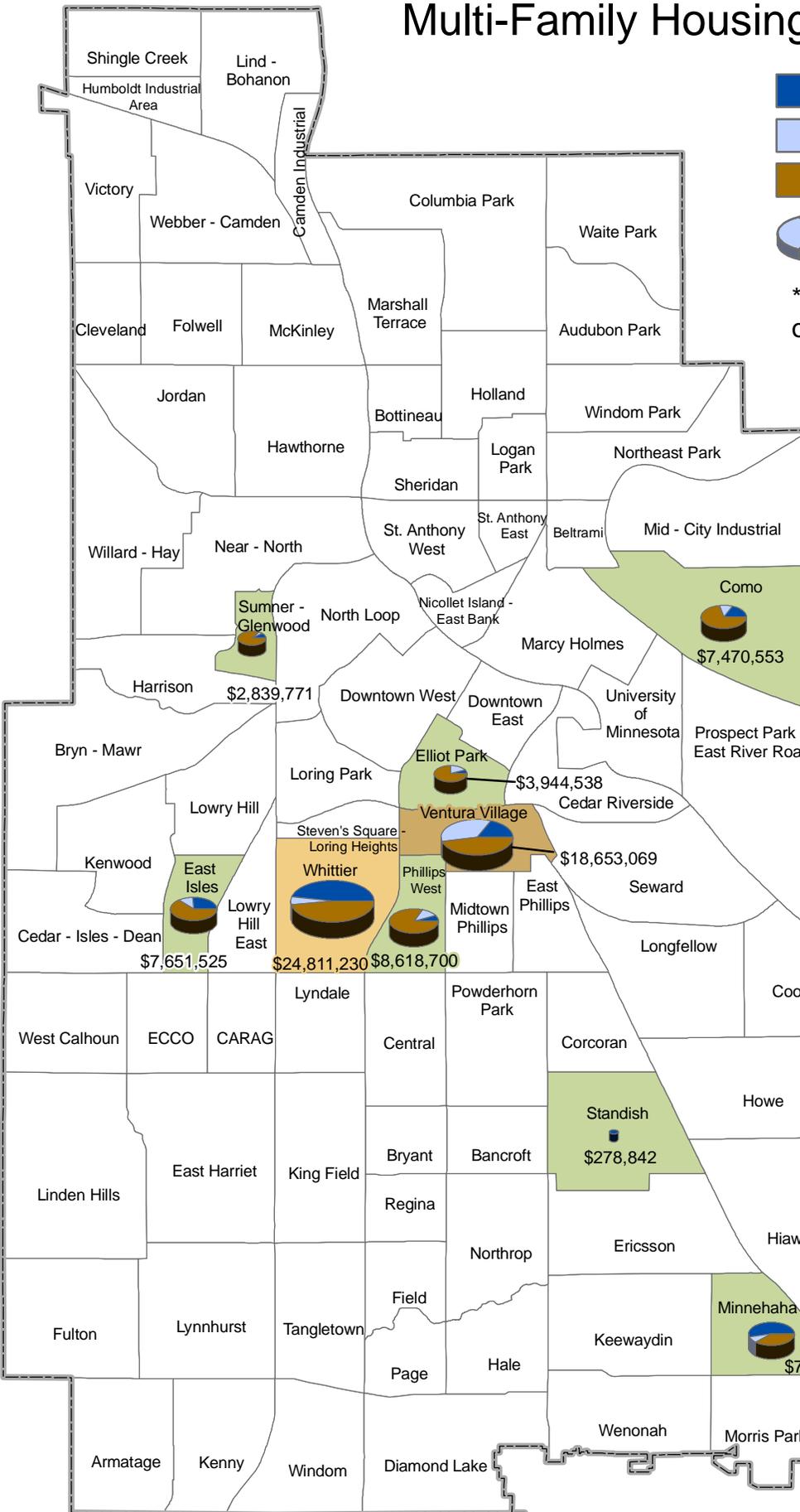


Neighborhood	Investment Type	Investment Amount	Number of Properties
Shingle Creek	CPED Administered	\$25,329,792	1
Lind - Bohanon	CPED Administered	\$25,329,792	1
Jordan	CPED Administered	\$4,045,433	2
Logan Park	CPED Administered	\$14,165,069	1
Near - North	CPED Administered	\$10,288,212	1
St. Anthony East	CPED Administered	\$14,165,069	1
Willard - Hay	CPED Administered	\$10,288,212	1
North Loop	CPED Administered	\$10,288,212	1
Downtown West	CPED Administered	\$294,212	1
Downtown East	CPED Administered	\$15,846,774	1
Elliot Park	CPED Administered	\$7,751,034	1
Ventura Village	CPED Administered	\$17,371,627	1
Lowry Hill	CPED Administered	\$17,054,596	1
Whittier	CPED Administered	\$5,619,680	1
Phillips West	CPED Administered	\$5,619,680	1
East Phillips	CPED Administered	\$7,571,689	1
Lyndale	CPED Administered	\$12,452,561	1
Central	CPED Administered	\$1,029,700	1
Regina	CPED Administered	\$236,626	1
Linden Hills	CPED Administered	\$1,057,311	1

# MAP R: Public and Private Investment in CPED Multi-Family Housing Projects (2006)

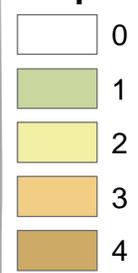


# MAP S: Public and Private Investment in CPED Multi-Family Housing Projects (2007)

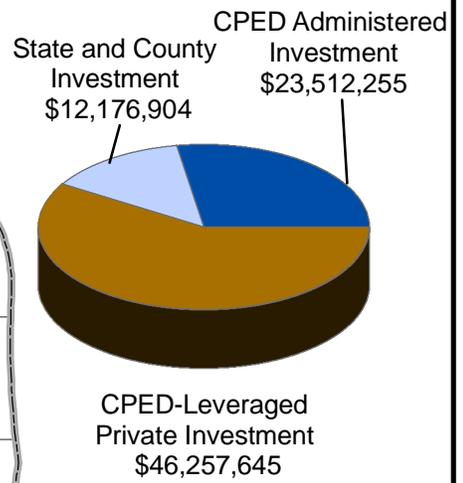


\*Size of pie is equal to the sum of Investments

## Number of Residential Properties with Investment



**Sum of Investments in 2007:**  
\$81,946,804



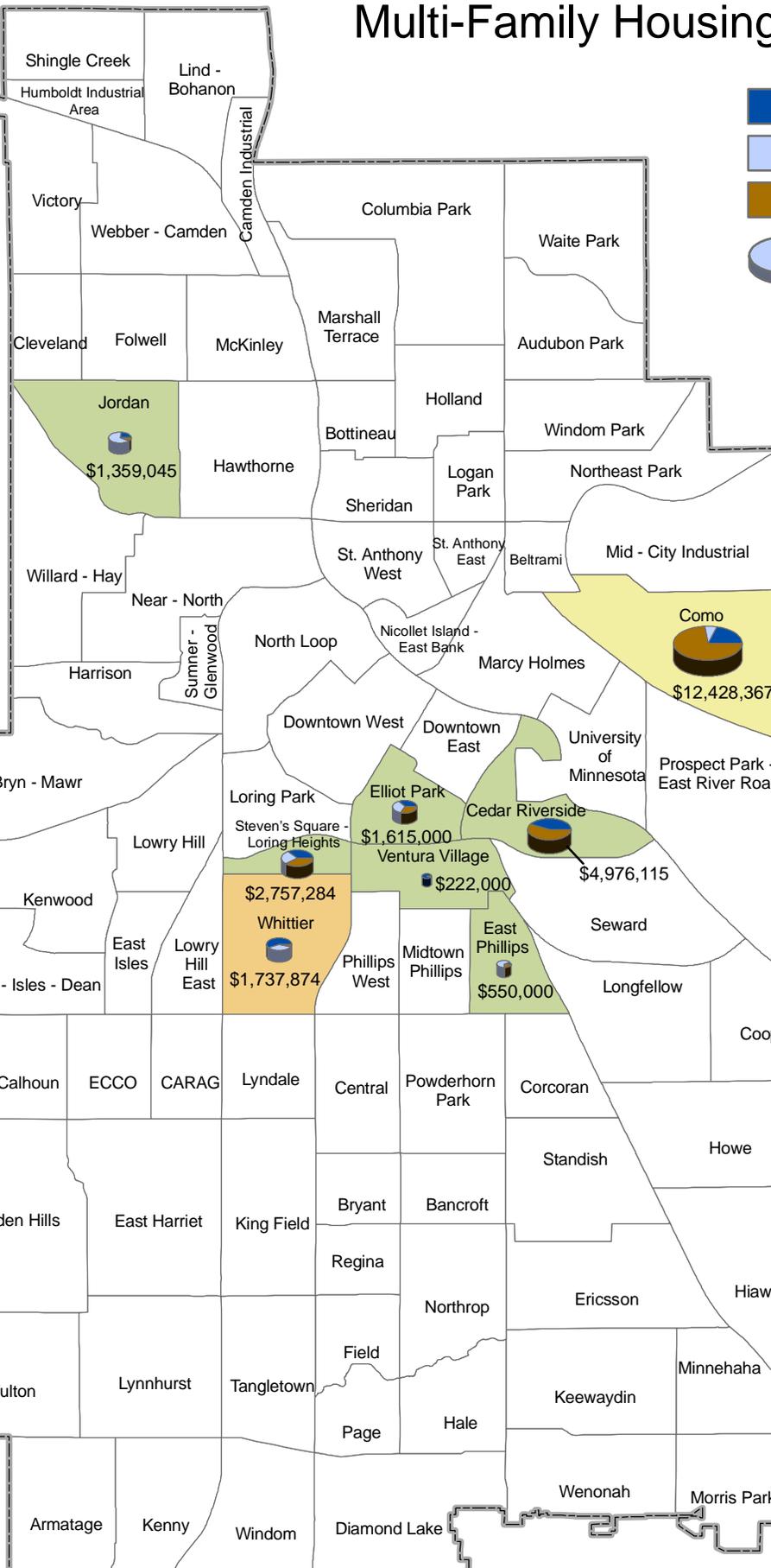
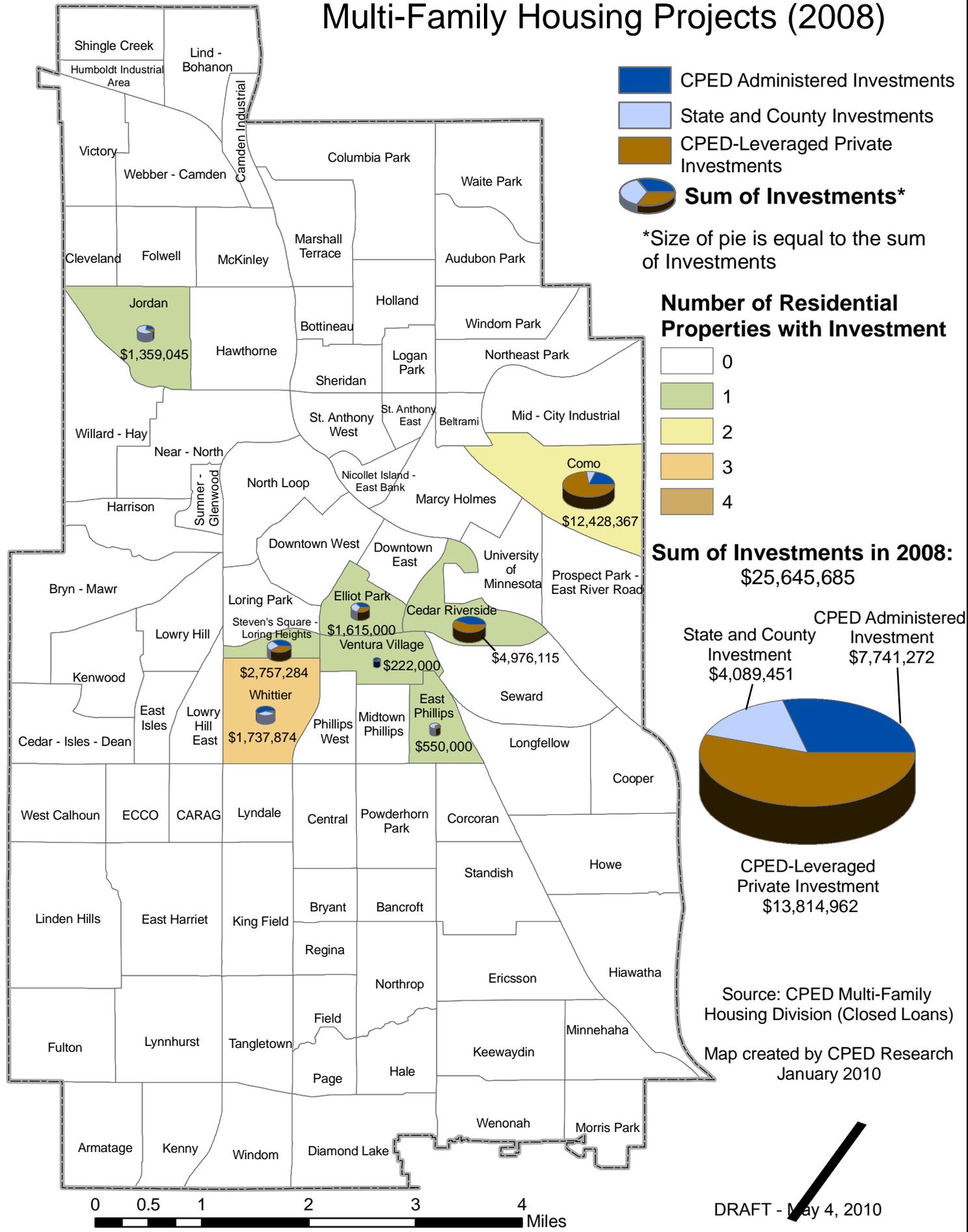
Source: CPED Multi-Family Housing Division (Closed Loans)

Map created by CPED Research  
DRAFT January 2010

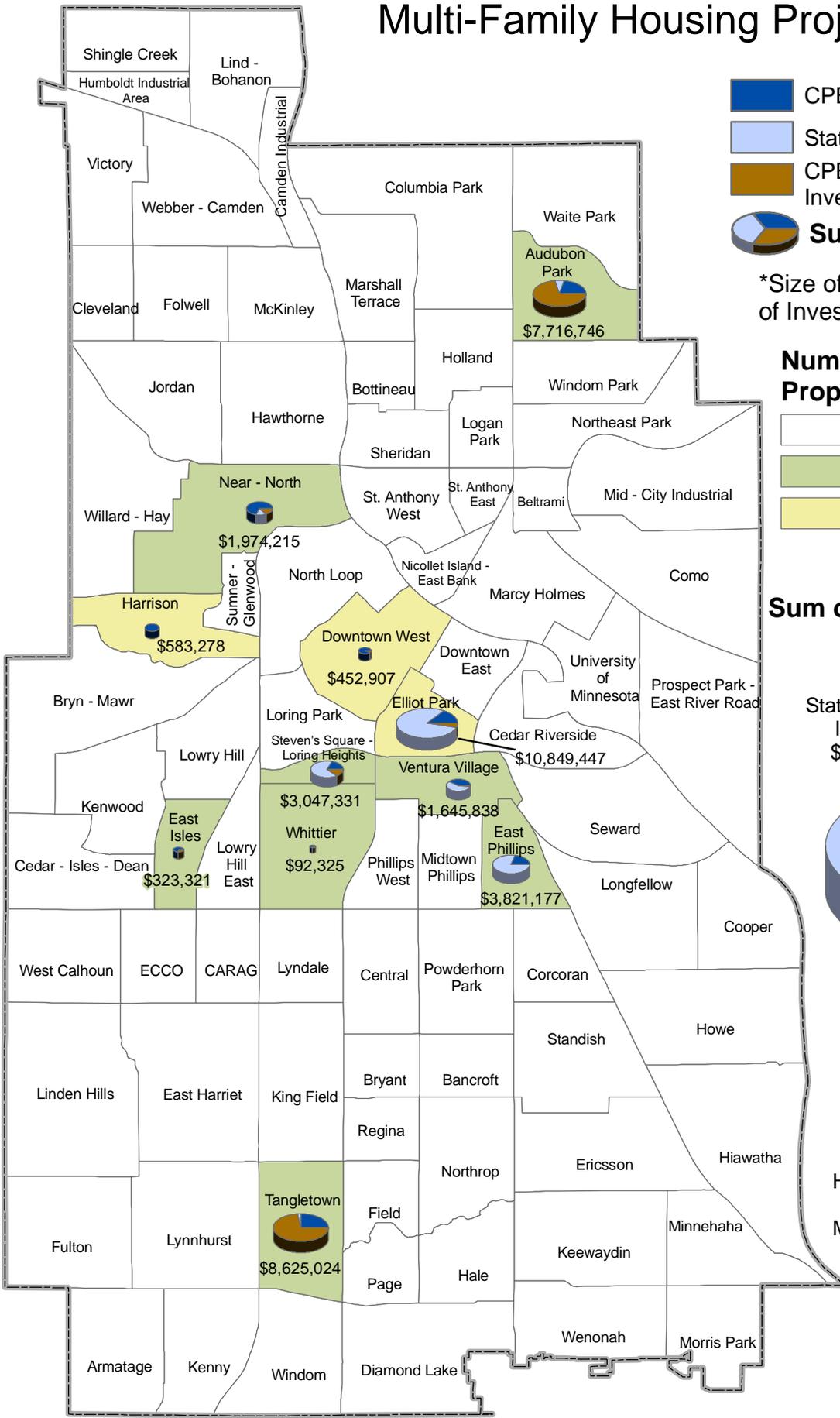


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# MAP T: Public and Private Investment in CPED Multi-Family Housing Projects (2008)

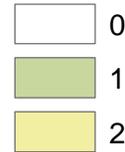


# MAP U: Public and Private Investment in CPED Multi-Family Housing Projects (2009)

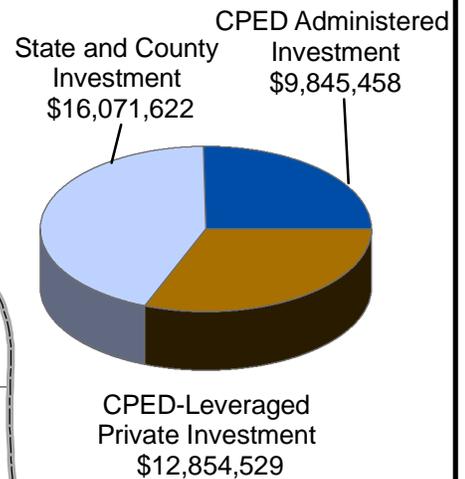


\*Size of pie is equal to the sum of Investments

## Number of Residential Properties with Investment



**Sum of Investments in 2009:**  
\$38,771,609



Source: CPED Multi-Family Housing Division (Closed Loans)

Map created by CPED Research April 2010



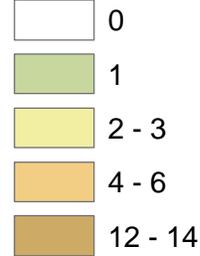
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# MAP V: Public and Private Investment in CPED Multi-Family Housing Projects (2005-2009)

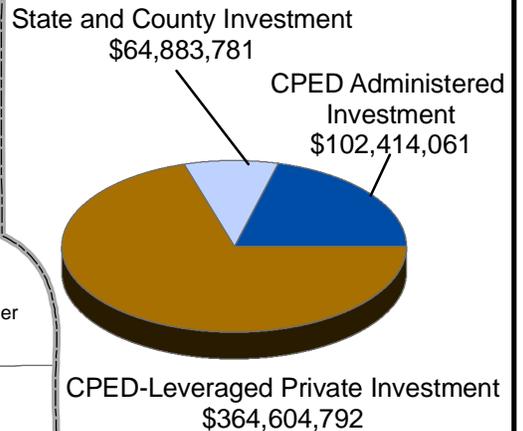


\*Size of pie is equal to the sum of Investments

## Number of Residential Properties with Investment



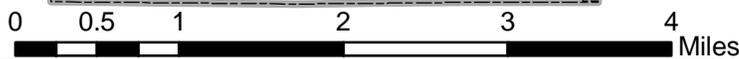
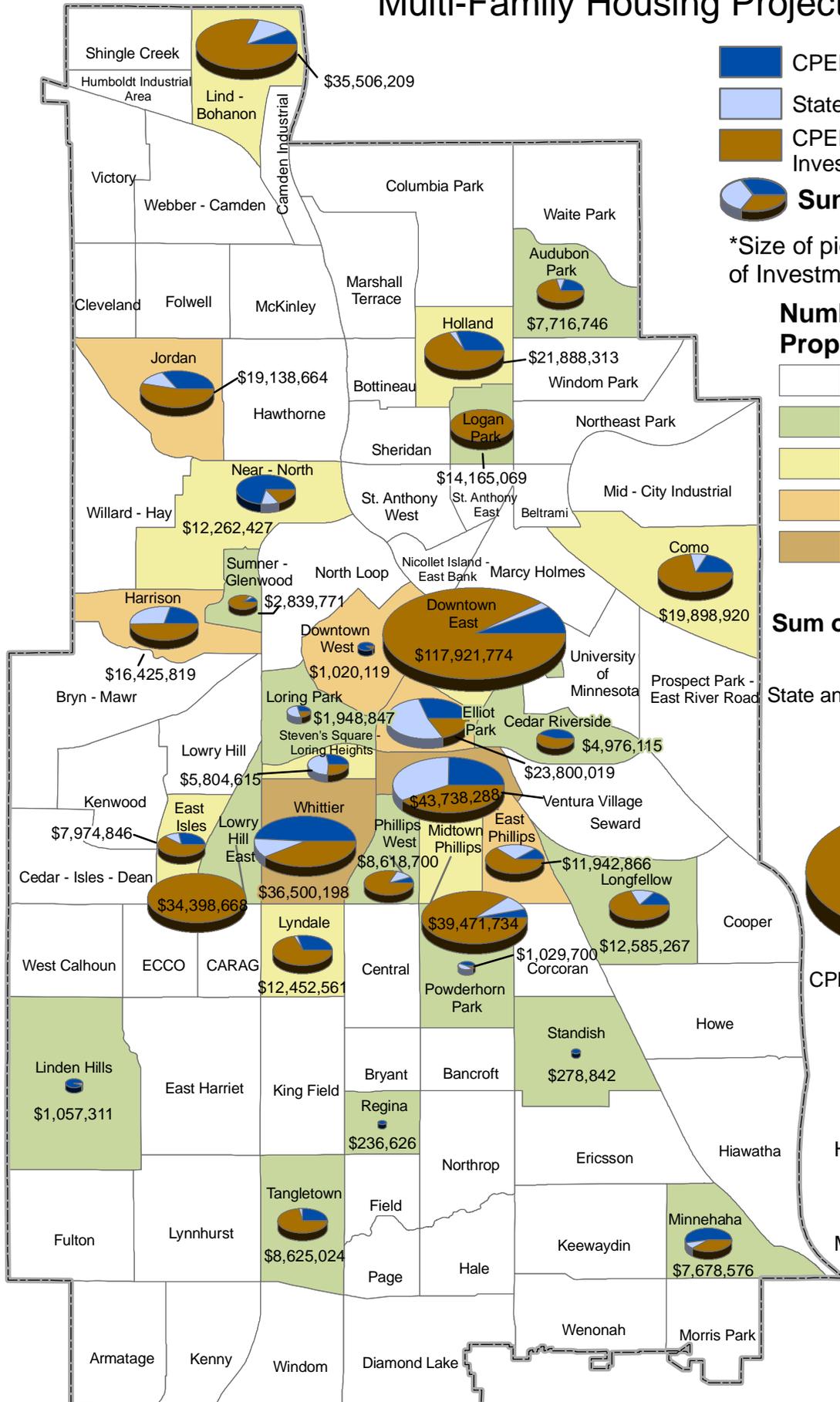
## Sum of Investments 2005-2009: \$531,902,634



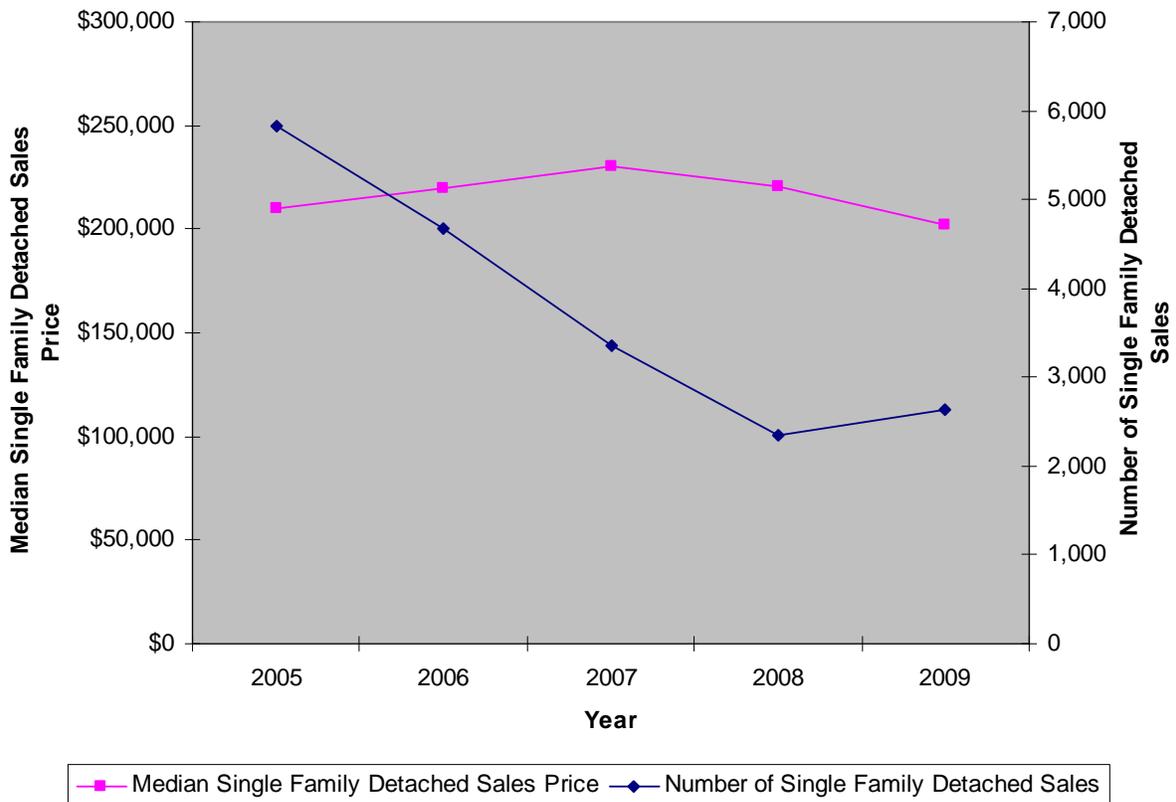
Source: CPED Multi-Family Housing Division (Closed Loans)

Map created by CPED Research  
DRAFT April 2010

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**Table W: Single Family Detached Sales**



- The housing bubble is easiest to see in the northside neighborhoods in 2005.

# MAP W: Change in Median Single Family Detached\* Residential Sales Price, 2005-2009

\*Single-family detached excludes condos, townhomes, coops, and duplex/triplex

## Number of Single Family Detached Residential Sales

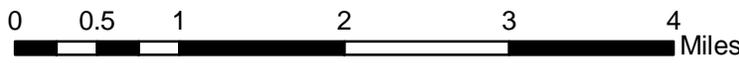
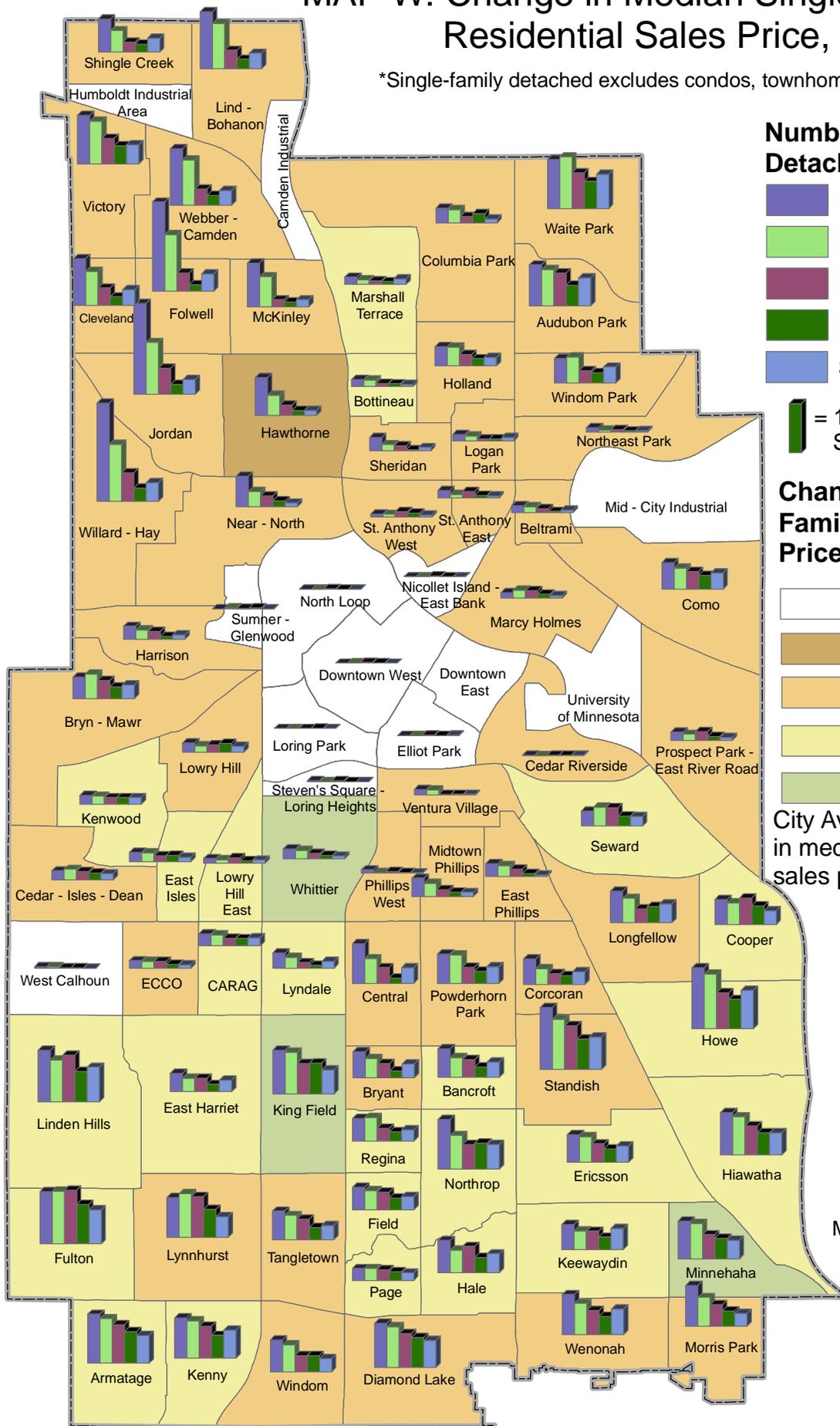
- Single Family Sales in 2005
- Single Family Sales in 2006
- Single Family Sales in 2007
- Single Family Sales in 2008
- Single Family Sales in 2009

= 130 Single Family Residential Sales

## Change in Median Single Family Residential Sales Price, 2005-2009

- No Properties Sold in either 2005 or 2009
- Hawthorne (54% decrease)
- Decrease (8% - 38%)
- City Average +/- 4%
- Increase

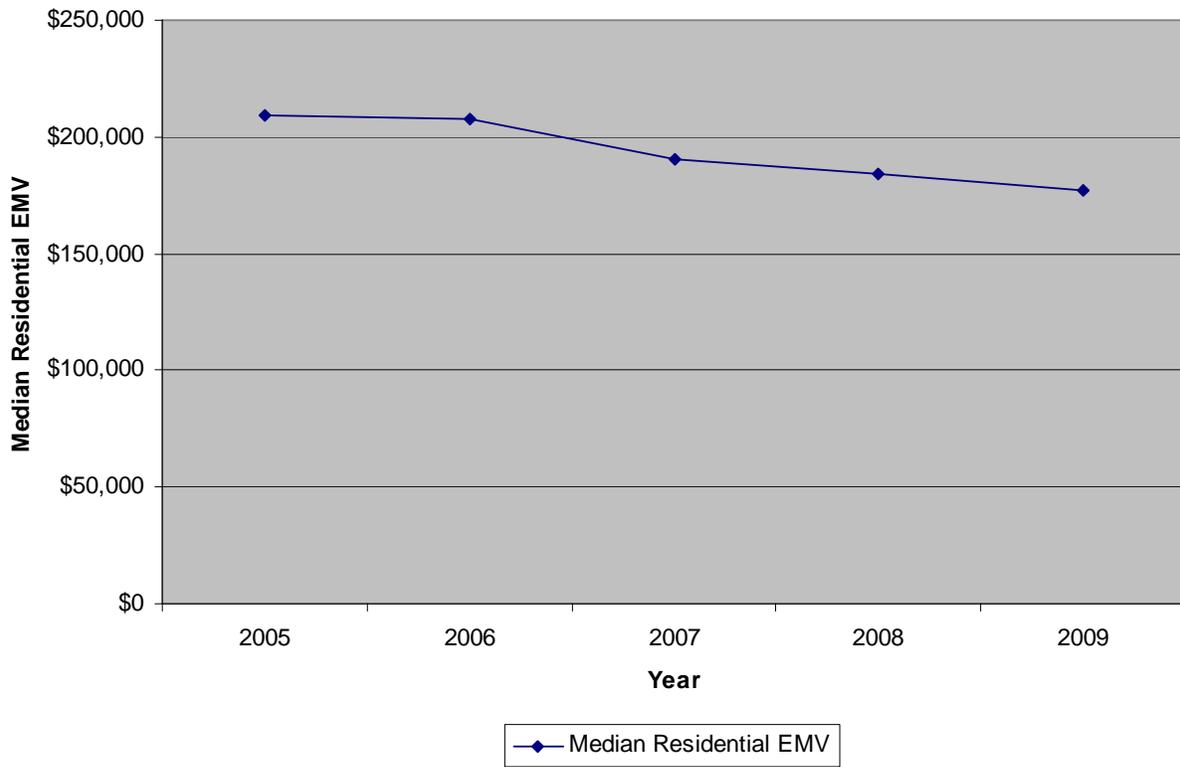
City Average = 4% decrease in median single family residential sales price from 2005 to 2009



Source: City Assessors Office  
Map created by CPED Research  
DRAFT April 2010

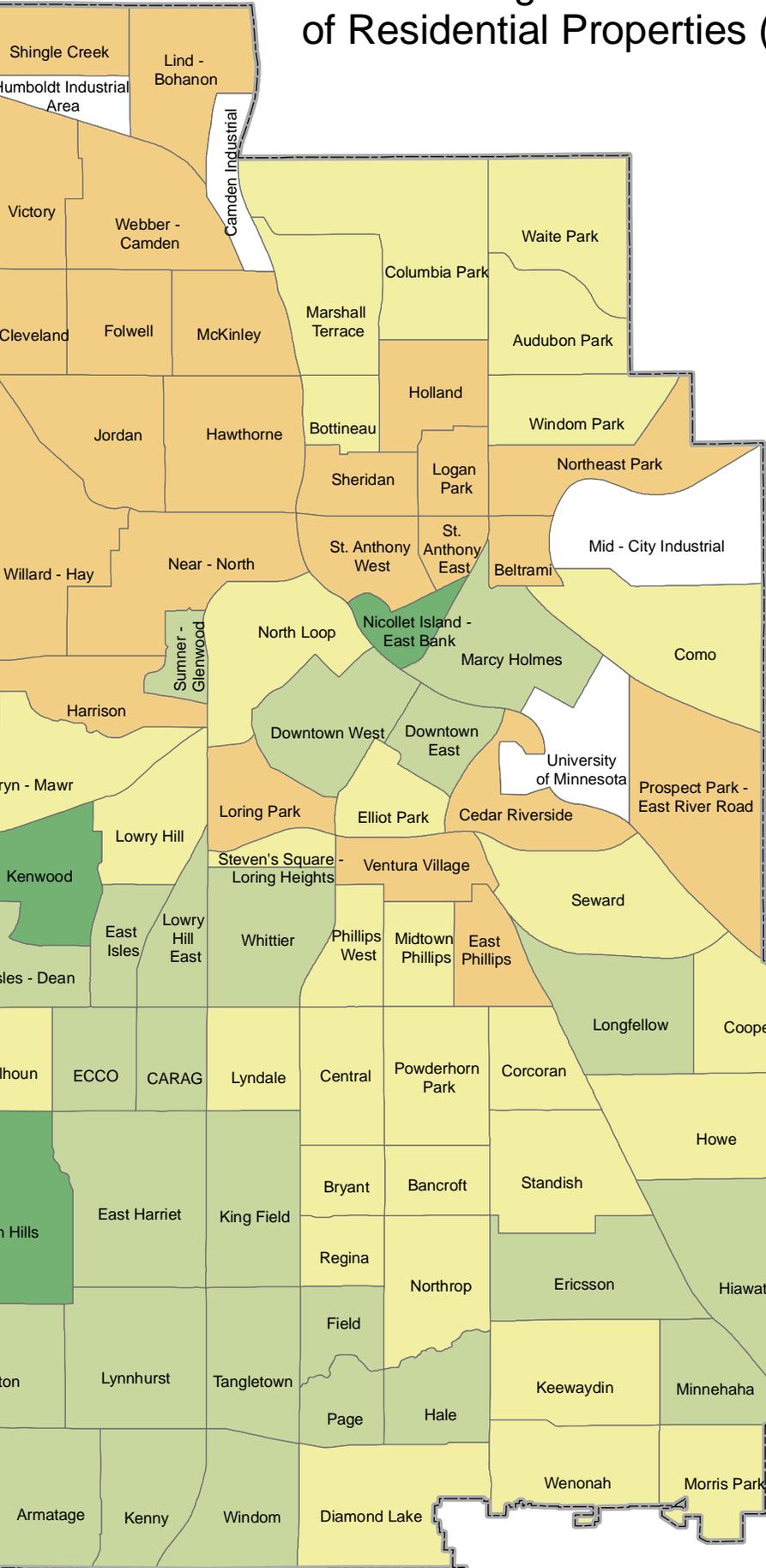
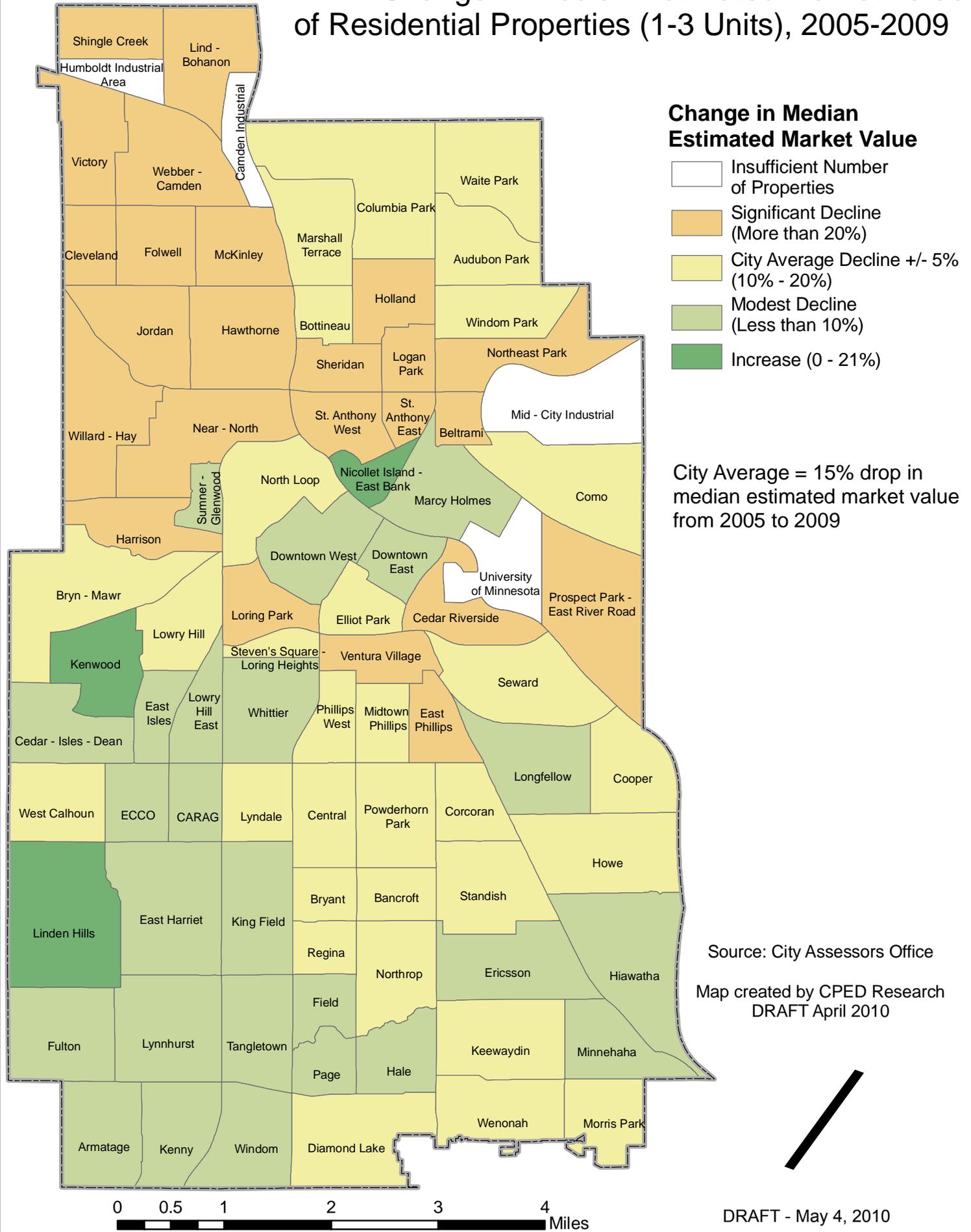
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**Table X: Median Estimated Market Value of Residential Properties  
(1-3 Units), 2005-2009**



- EMV has decreased across the City, with the exceptions of Nicollet Island-East Bank (21%), Kenwood (7%), and Linden Hills (0.4%).
- Significant decline in EMV has occurred in some unexpected areas, such as Prospect Park-East River Road and Loring Park.

# MAP X: Change in Median Estimated Market Value of Residential Properties (1-3 Units), 2005-2009



# Summary of Major Trends

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Indicator	Map	2005	2006	2007	2008	2009	5 Year Trend Direction
% of Properties with a Housing Violation	A	15%	25%	19%	17%	19%	Up and down
% of Properties on the VBR	B	0.2%	0.4%	0.7%	0.8%	0.8%	Increasing
Average time Properties are on VBR	C	14 Months	14 Months	12 Months	14 Months	16 Months	Flat
% of Properties that are Foreclosed	D	No Data	1.5%	2.7%	2.8%	2.0%	Up and down
% of Single Family Properties that are Non-Homesteaded	E-1	12%	13%	14%	16%	16%	Increasing
% of Single Family Properties that are Non-Homesteaded, 1995-2008	E-2	1995: 7%	2000: 7%	2005: 12%	2008: 16%	2009: 16%	Increasing
% of Properties with a Rental License	F	No Data	No Data	No Data	No Data	18%	N/A
% of Properties in Poor or Fair Condition	G	2%	2%	2%	2%	2%	Flat
% of Properties with Permits over \$5,000	H	4.0%	3.6%	3.1%	3.3%	3.1%	Decreasing
Average Permit Value by Neighborhood	I	\$4.9 million	\$3.8 million	\$2.9 million	\$2.3 million	\$1.8 million	Decreasing
Median % of Residential EMV that is Reinvested through Permits	J1-J4	0.47%	0.55%	0.43%	0.46%	0.38%	Up and down
Public and Private Investment in Single Family Housing	K - P	\$47,218,734	\$49,752,232	\$47,497,431	\$30,202,314	\$28,302,254	Decreasing
Public and Private Investment in Multi-Family Housing	Q - V	\$193,879,664	\$191,658,872	\$81,946,804	\$25,645,685	\$38,771,609	Decreasing
Median Single Family Detached Sales Price	W	\$210,000	\$219,900	\$229,950	\$221,000	\$202,000	Up and down
Median Residential EMV	X	\$209,000	\$208,000	\$190,100	\$184,500	\$177,000	Decreasing

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