



*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

# What is the Purpose of the MVA?

The Market Value Analysis (MVA) is a tool that assists government officials 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 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 including:

- City of Philadelphia, PA
- City of Wilmington, DE
- Cities of Newark and Camden, NJ  
(and an additional 8 regions across the state)
- District of Columbia
- City of Detroit, MI
- City of San Antonio, TX
- City of Pittsburgh, PA
- New Orleans, LA (in process)

# MVA's Assumptions

## 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);
- Decisions to invest and/or deploy governmental programs must be based on objectively gathered data and sound quantitative and qualitative analysis.

# Preparing the MVA

1. Take all of the data layers and geocode to Census block groups.
2. Inspect and validate those data layers.
3. Using a statistical cluster analysis, identify areas that share a common constellation of characteristics.
4. Map the result.
5. Visually inspect areas of the City for conformity with the statistical/spatial representation.
6. Re-solve and re-inspect until we achieve an accurate representation.



# Baltimore MVA Variables

## **MVA Variables 2005**

Homeownership

Commercial properties

Vacant lots

Foreclosure Filings

Median home sales price

Code violations

Rental subsidies

Vacant housing notices

## **MVA Variables 2008**

Homeownership

Commercial area

Vacant lots

Foreclosure Filings

Median home sales price

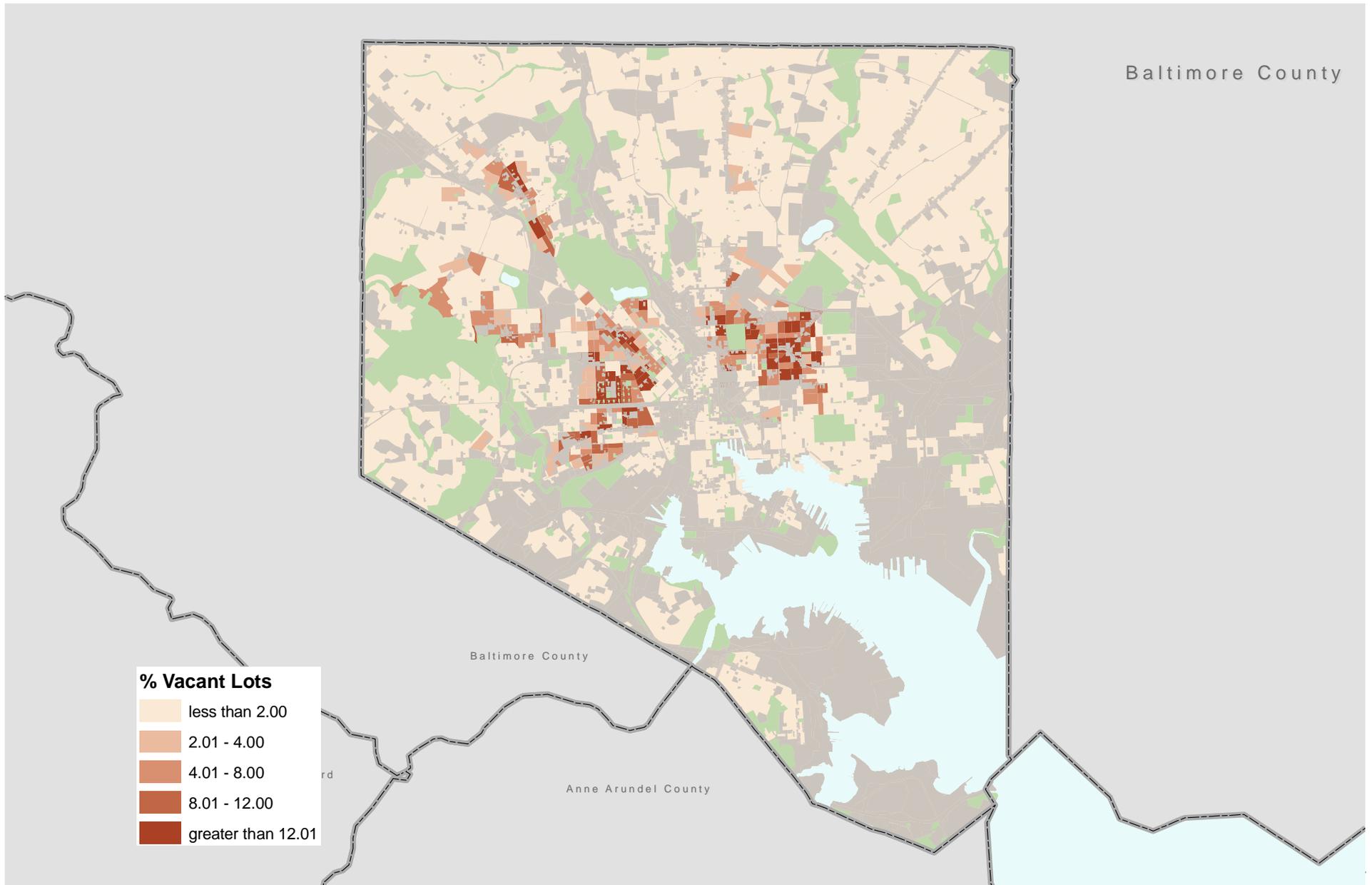
Occupied units

Rental subsidies

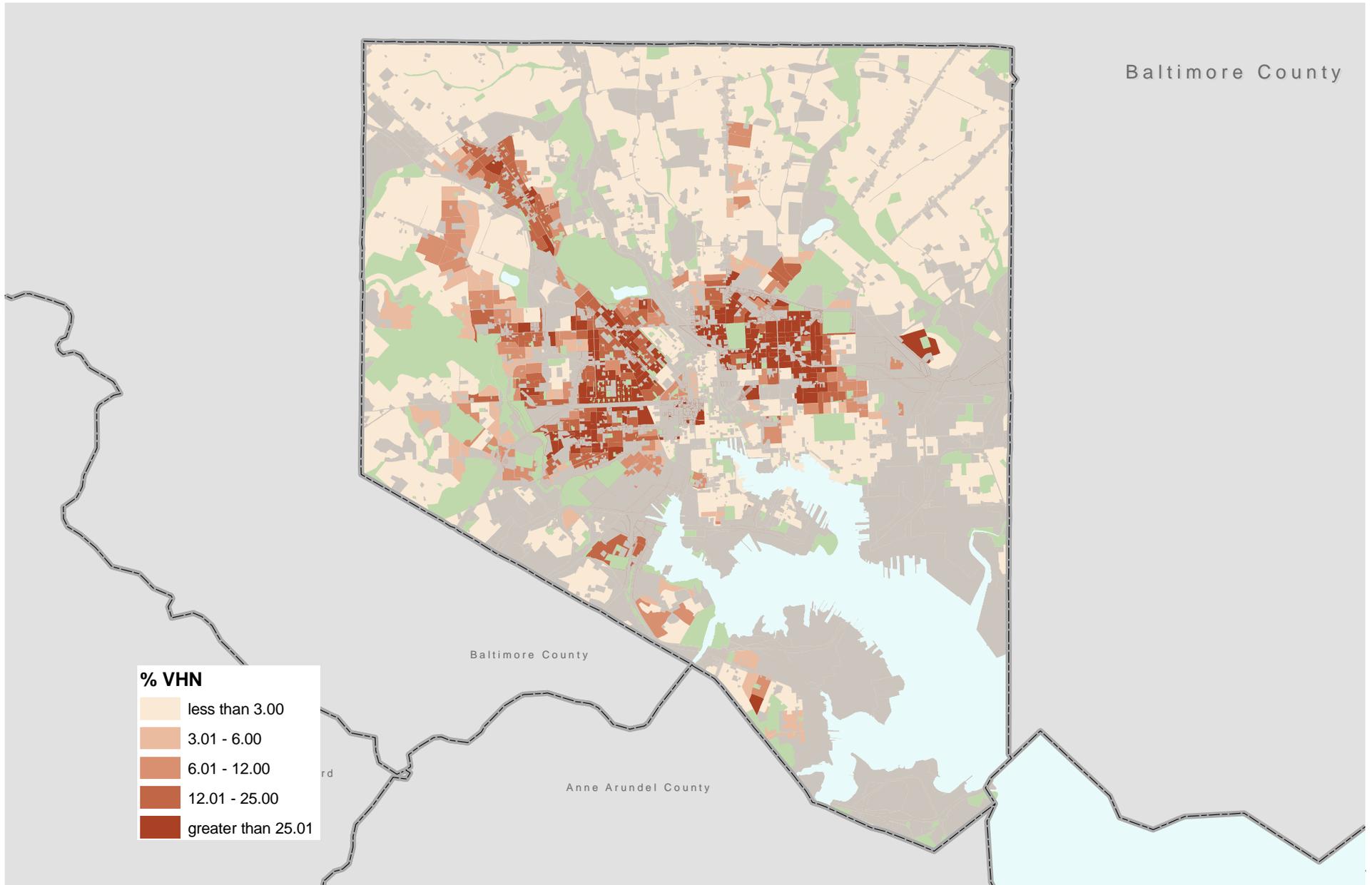
Vacant housing notices

Housing unit density

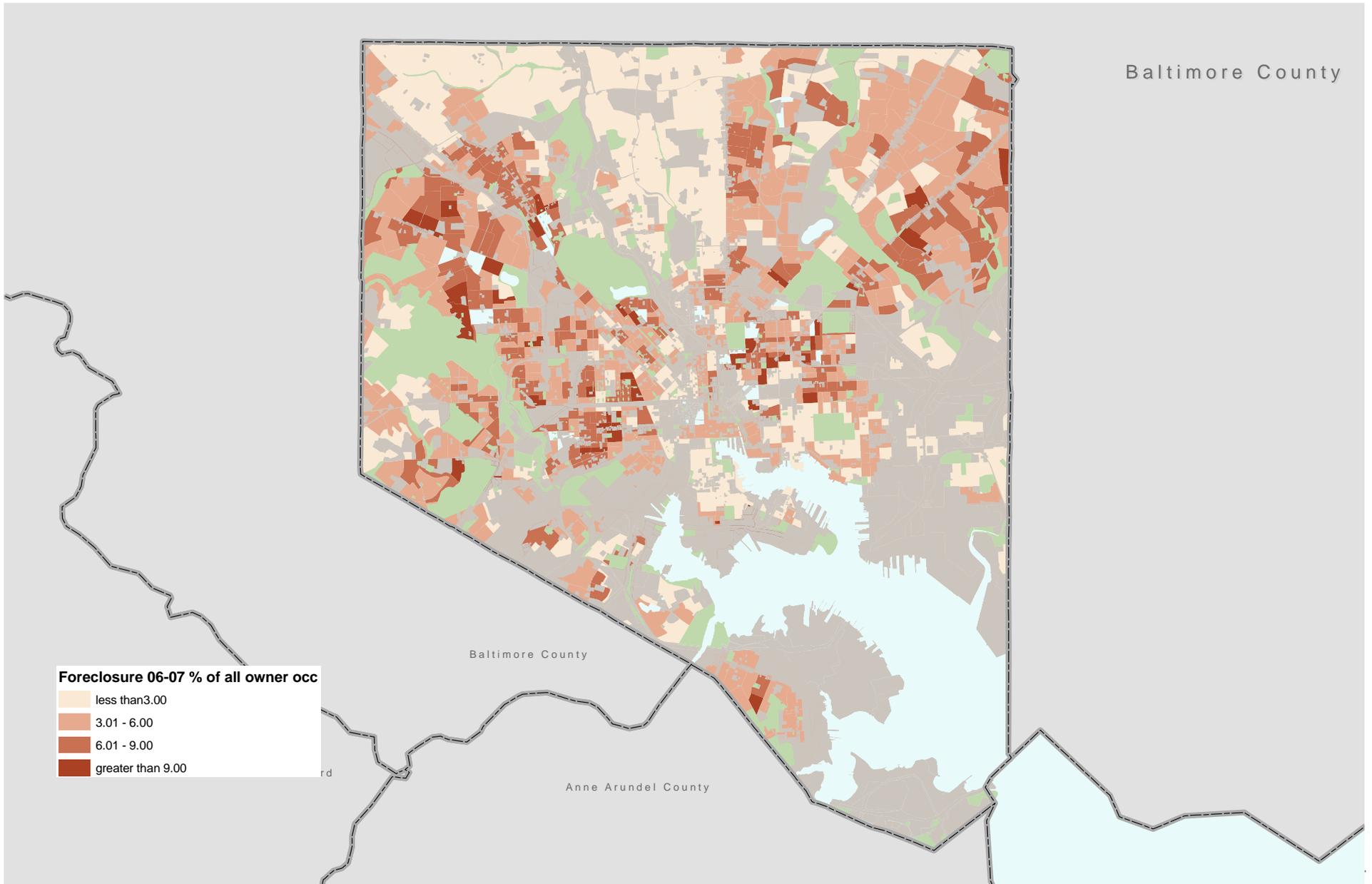
# Vacant Lots



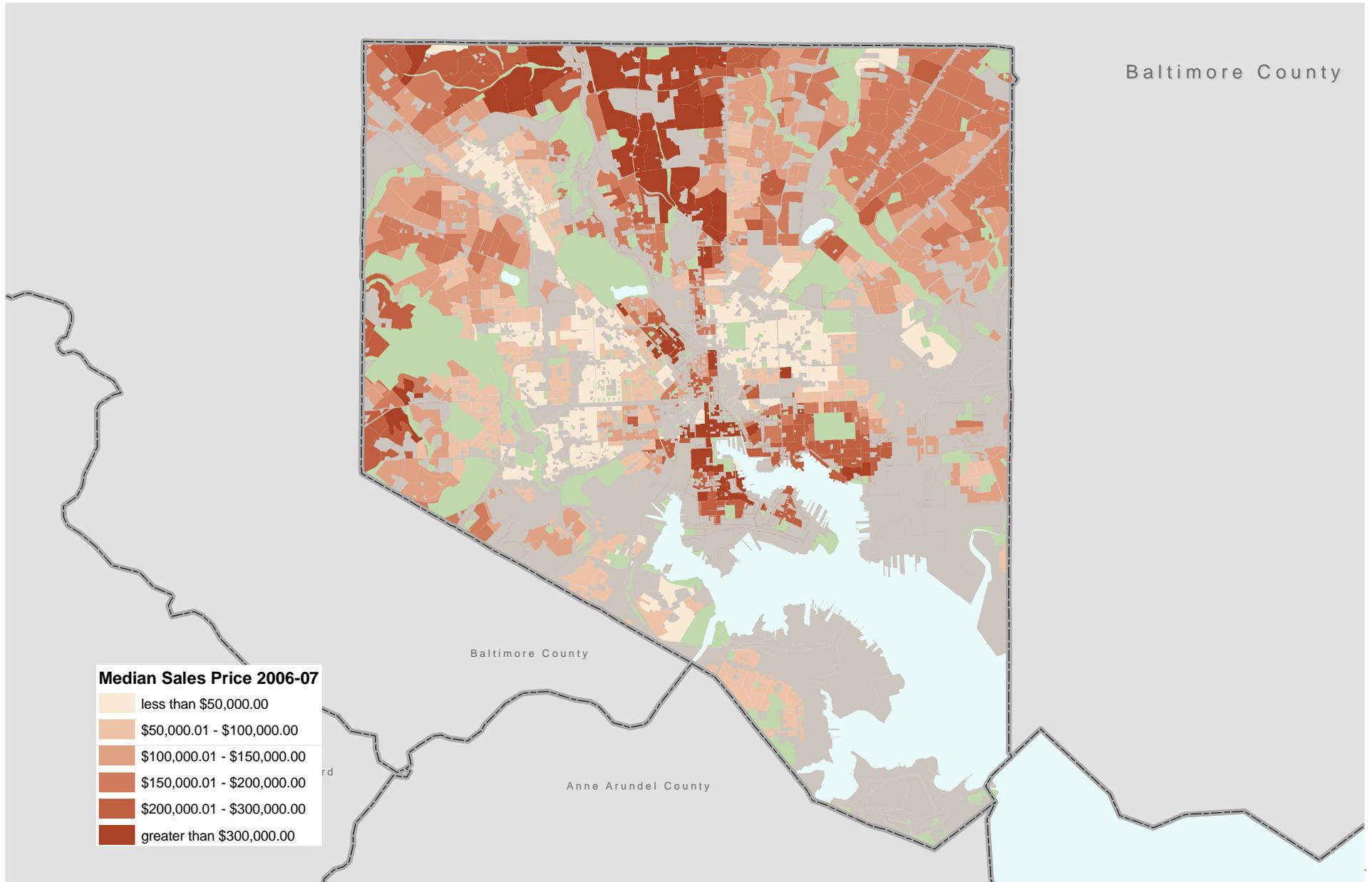
# Vacant Housing



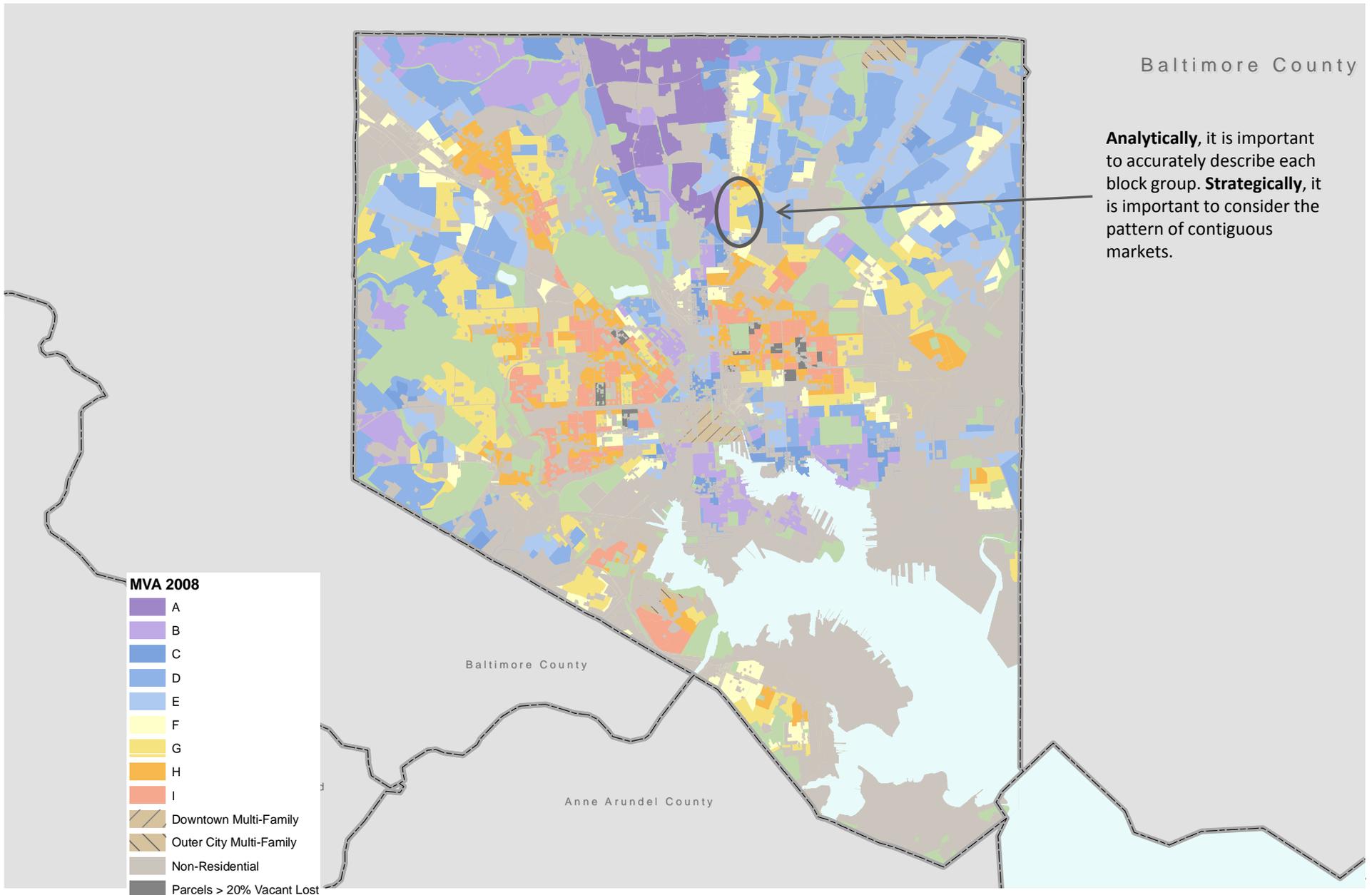
# Foreclosure Filings



# Sales Price



# MVA 2008



# MVA 2008 Market Type Data Summary

Market	Distribution Summary			Analysis Variables								
	Block groups	Housing Units	% of City Housing Units	Foreclosures 2006-07 as % all owner occ. units	Owner occ housing units, %	Vacant housing notices as % all housing units	Vacant lots as % of all parcels	Occupied single family units as % of all units	Housing units per acre	Commercial land use area as % total block group area	Section 8 units 2008 as a percent of all rental units	Median 2006-07 sales price
A	12	7071	2.40	0.87	67.42	0.01	0.00	98.65	6.22	2.05	4.10	\$615,915
B	63	33584	11.41	1.98	51.21	0.92	0.04	93.90	19.43	0.36	1.56	\$293,598
C	30	16261	5.52	3.37	45.19	2.45	0.48	91.93	17.19	18.77	2.22	\$244,309
D	117	51865	17.61	4.50	58.60	1.69	0.46	93.91	11.31	0.00	8.51	\$161,447
E	72	37488	12.73	4.33	54.30	1.68	0.25	93.57	10.86	4.71	7.55	\$153,311
F	59	24700	8.39	5.45	50.09	5.72	0.75	87.54	14.63	18.79	16.37	\$97,409
G	118	45714	15.53	5.75	51.93	6.09	1.01	87.63	15.52	0.07	17.37	\$80,315
H	89	29374	9.98	6.53	34.84	24.01	5.24	66.85	15.91	8.50	11.07	\$40,409
I	85	25786	8.76	6.72	33.40	27.28	4.91	63.18	18.56	0.00	10.30	\$36,119
Block group avg.				5.03	48.02	9.69	2.10	83.87	14.89	4.35	10.26	\$130,712



# Applying the MVA

# Establish Government Role in Each Market

Market Types	Role of Public Sector	Activities/Interventions
	Serve as market promoter	Market regionally and nationally
	Facilitate healthy functioning of the private market	Identify and remove barriers to new investment
	Carefully respond to changes in any troubled sub-market(s)	Undertake capital projects to smooth transitions between market types
	Rapidly respond to any signs of physical or economic deterioration; introduce aggressive preservation programs	Carefully balance market-rate with any subsidized housing; assess commercial district improvement opportunities
	Identify ways to invest in areas of market strength	Facilitate strategic site acquisition; identify redevelopment uses
	Create conditions for market rebirth	Pursue investment partnerships with neighborhood anchors

## Some of the Ways Baltimore Used its MVA

- Baltimore Planning and Housing used and promoted the MVA widely
  - Included in its master planning effort; all small area plans
  - Available on the city's website
  - Successful in its competitive submission of the 2005 MVA in the ESRI mapbook
- A tool used to facilitate collaborative solutions to problems
  - Collaboration between city agencies
  - Collaboration between the city and the public
- Informed its various special efforts (e.g., TOD strategy, Vacants to Value Program)
- Allowed the city to be more proactive in their various RFP processes

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