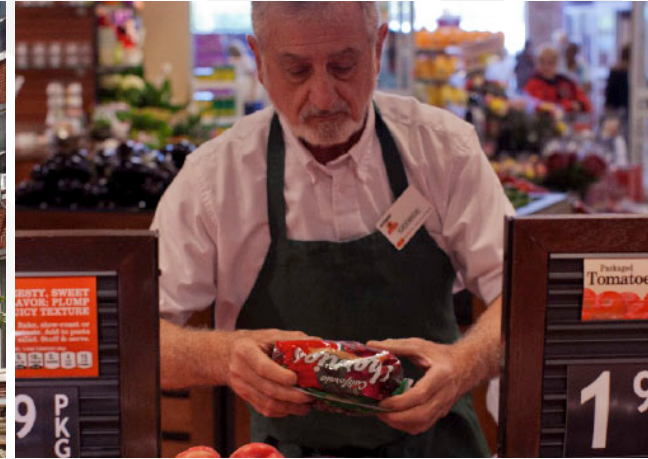




REINVESTMENT  
FUND



# Market Value Analysis (MVA): Allegheny County, PA / City of Pittsburgh

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December 14, 2021



# About Reinvestment Fund

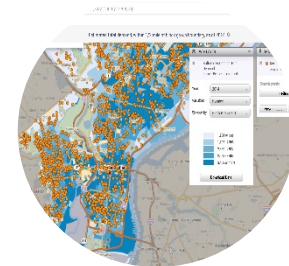
- We are a national mission-driven financial institution that creates opportunity for underserved people and places through partnerships. We marshal the capital, analytics, and expertise necessary to build strong, healthy, and more equitable communities.
- Since 1985, Reinvestment Fund has made **\$2.4 billion** in cumulative investments and loans.
- We are supported by **880 investors** that include individuals, foundations, religious institutions, financial institutions, civic organizations and government.
- How we work:



Lending and  
Investing



Policy Solutions



PolicyMap



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# What is the Market Value Analysis?

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# Who is Using the MVA

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

Allegheny County, PA	Irving, TX	Pittsburgh, PA
Atlantic City Area, NJ	Jacksonville, FL	Prince George's County, MD
Baltimore, MD	Kansas City, MO	Reading Area, PA
Bethlehem, PA	Milwaukee, WI	Richmond, VA
Camden, NJ	Mt. Vernon, NY	San Antonio, TX
Dallas, TX	New Jersey (8 regions)	Selma, AL
Denton, TX	New Orleans, LA	St Louis, MO
Detroit, MI	Newark, NJ	State of Delaware
Houston, TX	Northampton County, PA	Washington, DC
Indianapolis, IN	Philadelphia, PA	Wilmington, DE



# Our Normative Assumptions

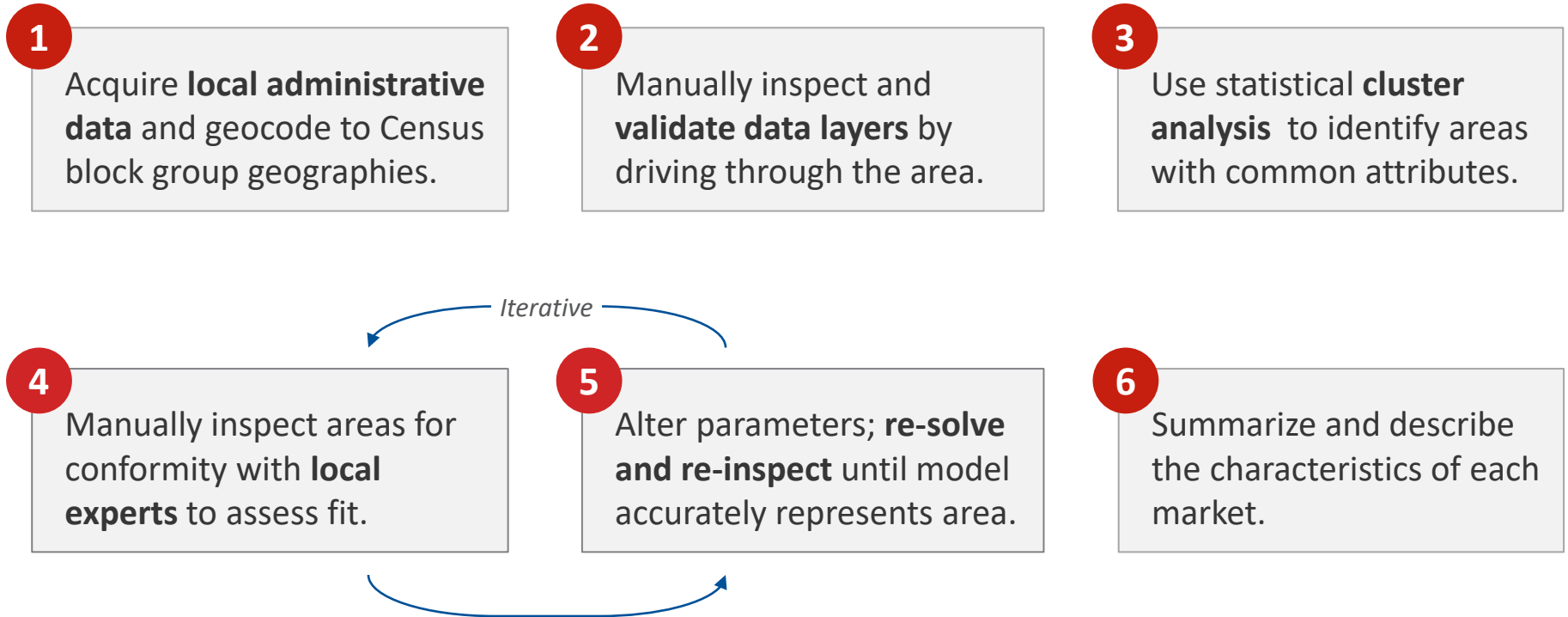
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When analyzing markets we begin with these principles:

- 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



# The MVA Process



## 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.



# MVAs in Action: How Cities Use the MVA



- Component of a local land banking strategy (Phila., NOLA, Pittsburgh, Wilmington)
- Guide capital budget (Detroit)
- Focus code enforcement (Phila., Baltimore, Indianapolis, NOLA)
- Benchmark quality of life measures (Phila.)
- Equitable development strategy (DE/DSHA)
- Target statewide Strong Neighborhoods Revolving Loan Fund (DE/DSHA)
- Inform LIHTC QAP (DE/DSHA)
- Develop CDBG ConPlan / Comprehensive plan (Detroit, Wilmington, St. Louis, Richmond, Dallas)
- Assessment of Fair Housing (Phila., Richmond)
- 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)





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# Pittsburgh and Allegheny County MVAs

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# Allegheny County 2016 Cluster Characteristics

Cluster Letter	Number of Block Groups	Median Sales Price 2013 - 2015	Variance Sales Price 2013 - 2015	Percent Owner Occupied 2010 - 2014	Percent Residential Vacancy Q2 2015 – Q1 2016	Percent Subsidized Housing Units	Percent Parcels Built Post 2008	Percent Foreclosures 2013 - 2015 (of Owner Occupied Households)	Percent of Parcels in Poor or Worse Condition 2012
A	33	\$434,228	0.48	87.9%	0.6%	0.2%	12.0%	0.8%	0.2%
B	95	\$239,494	0.47	80.2%	0.9%	0.8%	4.7%	1.0%	0.2%
C	154	\$161,616	0.43	84.9%	0.9%	0.9%	1.5%	1.4%	0.2%
D	81	\$110,132	0.44	41.3%	3.2%	5.1%	0.7%	2.9%	0.3%
E	127	\$104,787	0.47	84.5%	1.8%	1.1%	0.8%	2.4%	0.5%
F	112	\$65,431	0.58	70.2%	3.5%	4.8%	0.3%	3.3%	0.8%
G	73	\$36,420	0.67	53.7%	7.3%	8.5%	0.3%	5.6%	1.6%
H	46	\$19,304	0.81	44.3%	12.6%	13.9%	0.3%	6.1%	5.4%
I	26	\$9,510	1.09	49.2%	17.4%	15.4%	0.5%	4.4%	9.9%
Avg.	83	\$130,474	0.54	70.5%	3.6%	9.4%	1.7%	2.7%	1.2%



**Allegheny County MVA 2016**

- A
- B
- C
- D
- E
- F
- G
- H
- I
- < 5 Sales
- Water
- Parks
- Non-residential

0 5 10 Miles

Allegheny County MVA 2016

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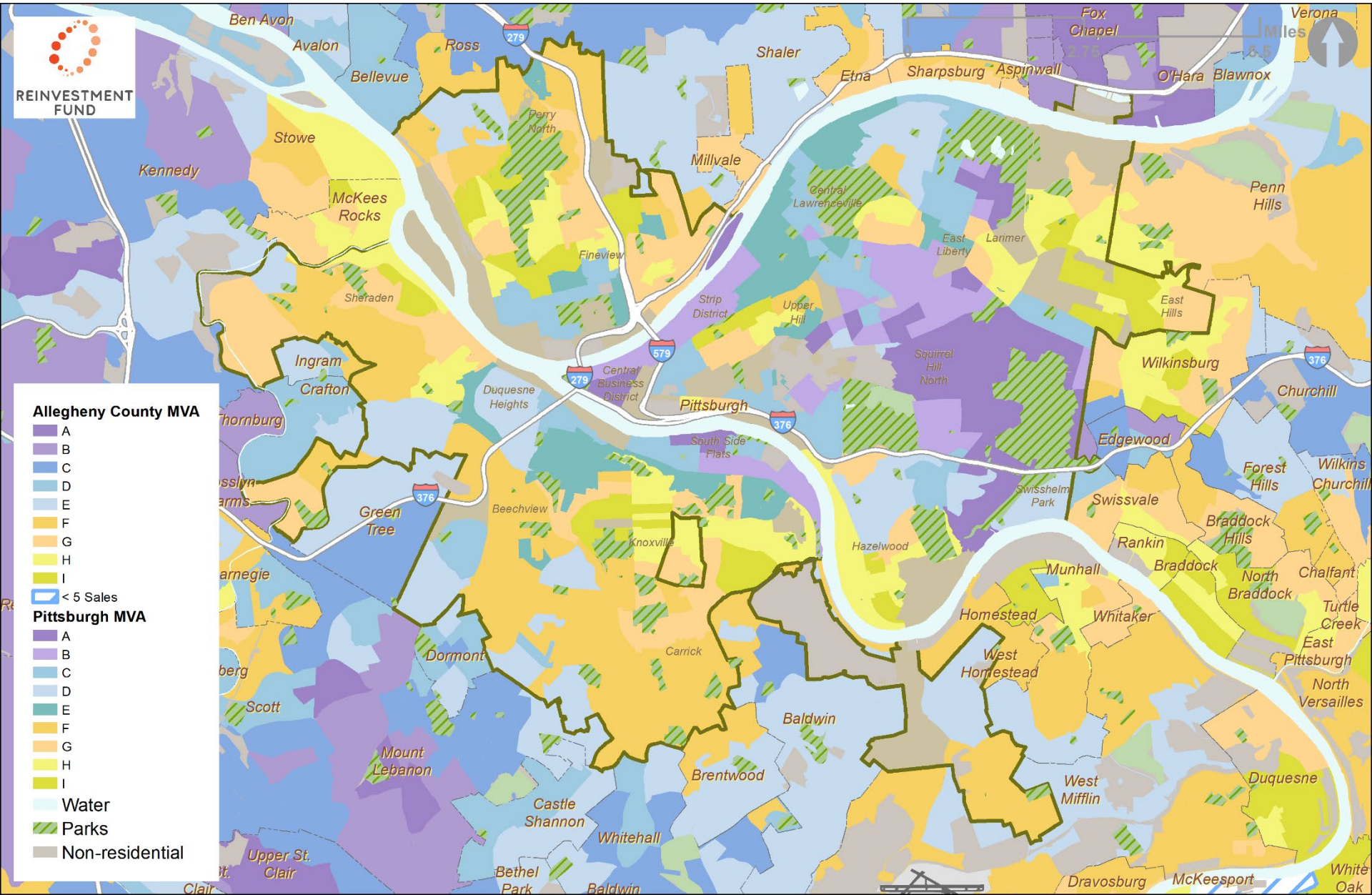
# Selected Characteristics of Allegheny County and Pittsburgh MVA Markets

Pittsburgh Cluster Letter	Median Sales Price 2013q34 – 2016q12	Percent Owner Occupied	Percent Foreclosures 2013 - 2015 (Owner Occ. Households)	Percent Poor or Worse Condition Parcels
A	\$404,230	60.2%	1.0%	0.5%
B	\$228,045	23.6%	1.5%	0.5%
C	\$134,783	37.1%	3.5%	2.4%
D	\$122,335	78.8%	2.0%	1.4%
E	\$75,396	44.7%	3.2%	4.2%
F	\$65,096	69.2%	3.3%	1.5%
G	\$37,344	50.0%	5.0%	5.7%
H	\$20,416	52.7%	4.7%	7.0%
I	\$9,933	54.3%	3.7%	9.0%

Allegheny County Cluster Letter	Median Sales Price 2013 - 2015	Percent Owner Occupied	Percent Foreclosures 2013 - 2015 (Owner Occ. Households)	Percent Poor or Worse Condition Parcels
A	\$434,228	87.9%	0.8%	0.2%
B	\$239,494	80.2%	1.0%	0.2%
C	\$161,616	84.9%	1.4%	0.2%
D	\$110,132	41.3%	2.9%	0.3%
E	\$104,787	84.5%	2.4%	0.5%
F	\$65,431	70.2%	3.3%	0.8%
G	\$36,420	53.7%	5.6%	1.6%
H	\$19,304	44.3%	6.1%	5.4%
I	\$9,510	49.2%	4.4%	9.9%



## Combined Map of Allegheny County and Pittsburgh MVAs







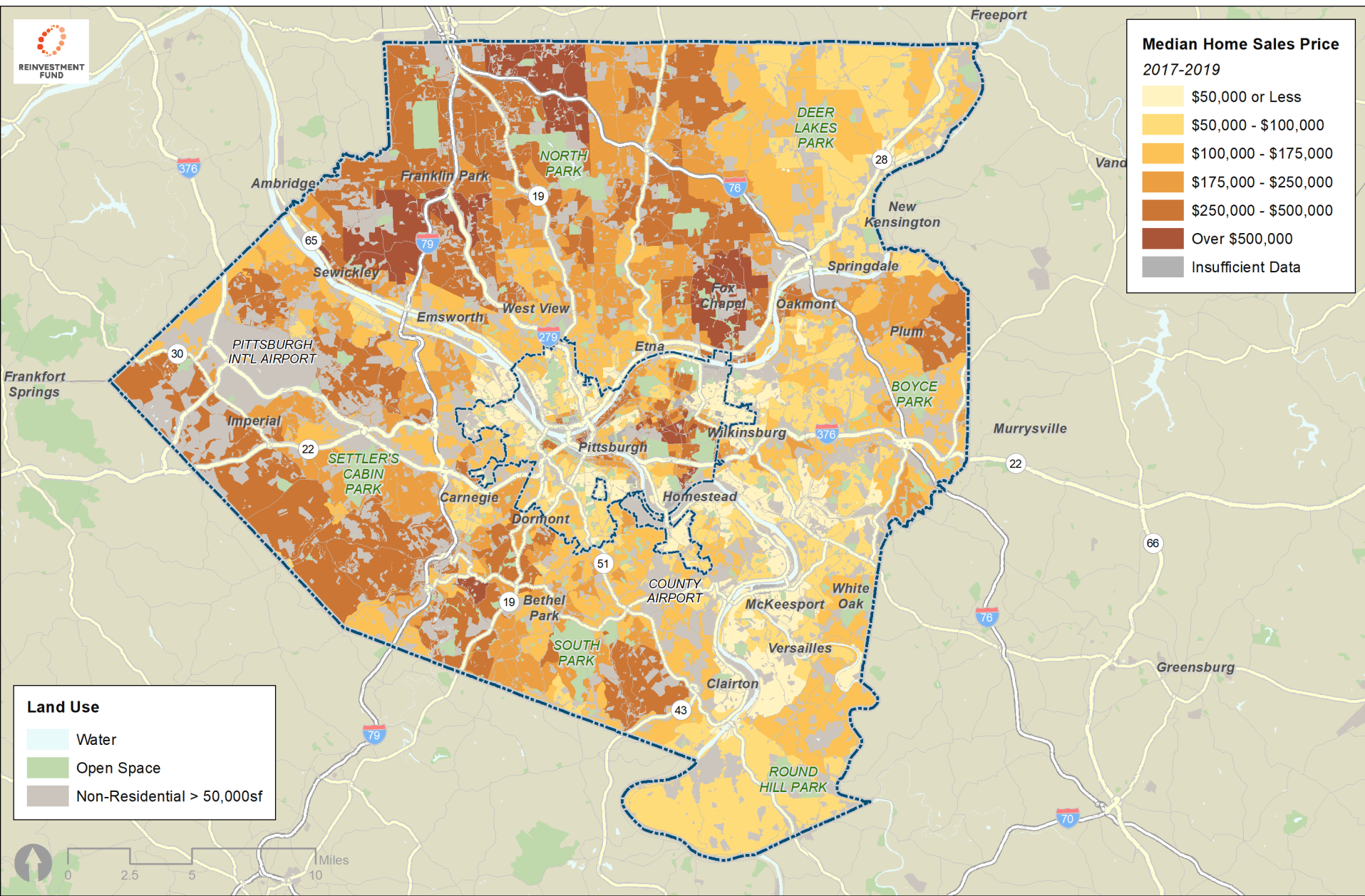
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# Market Value Analysis 2021

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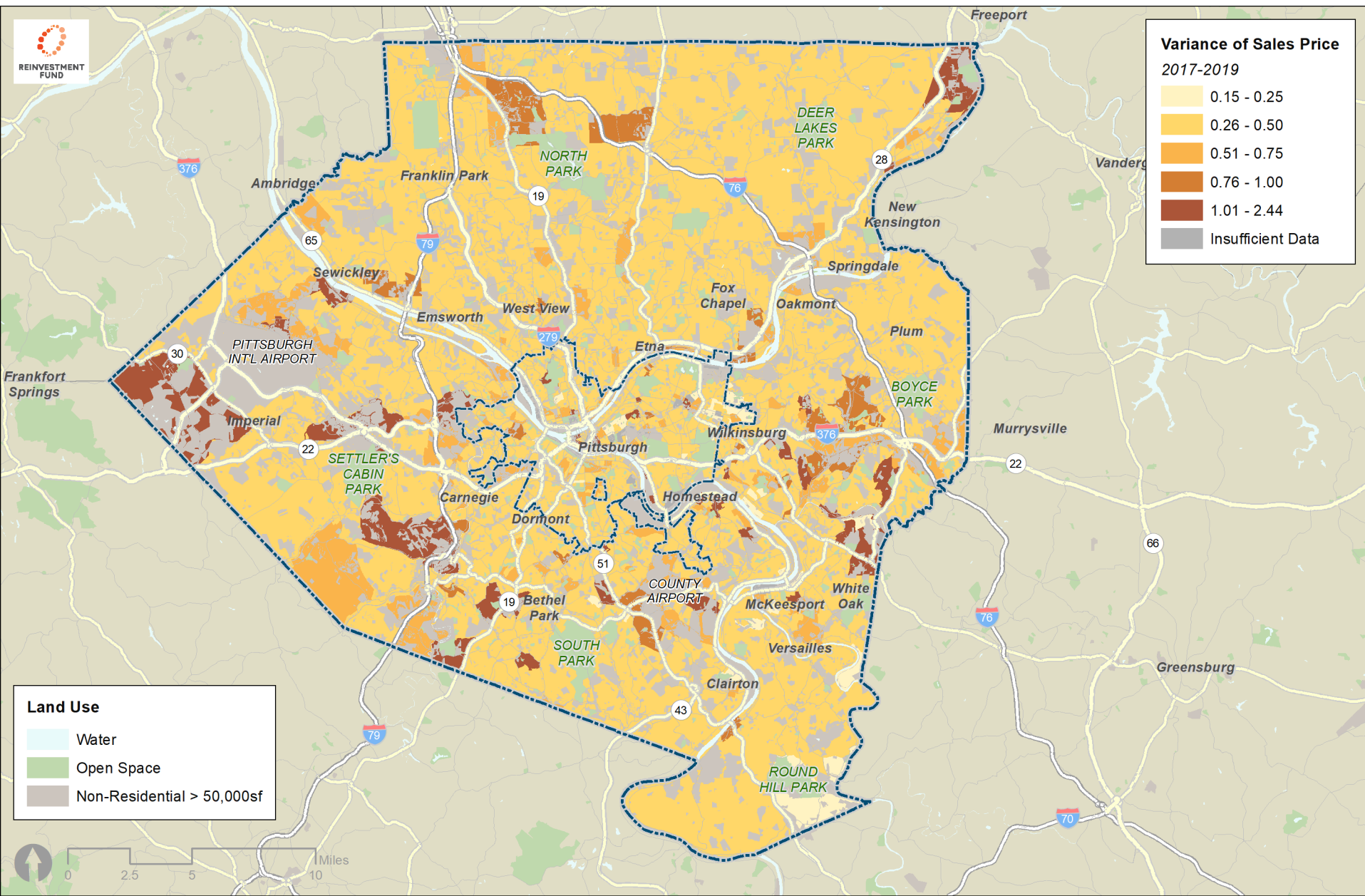


# Median Sales Price 2017 – 2019



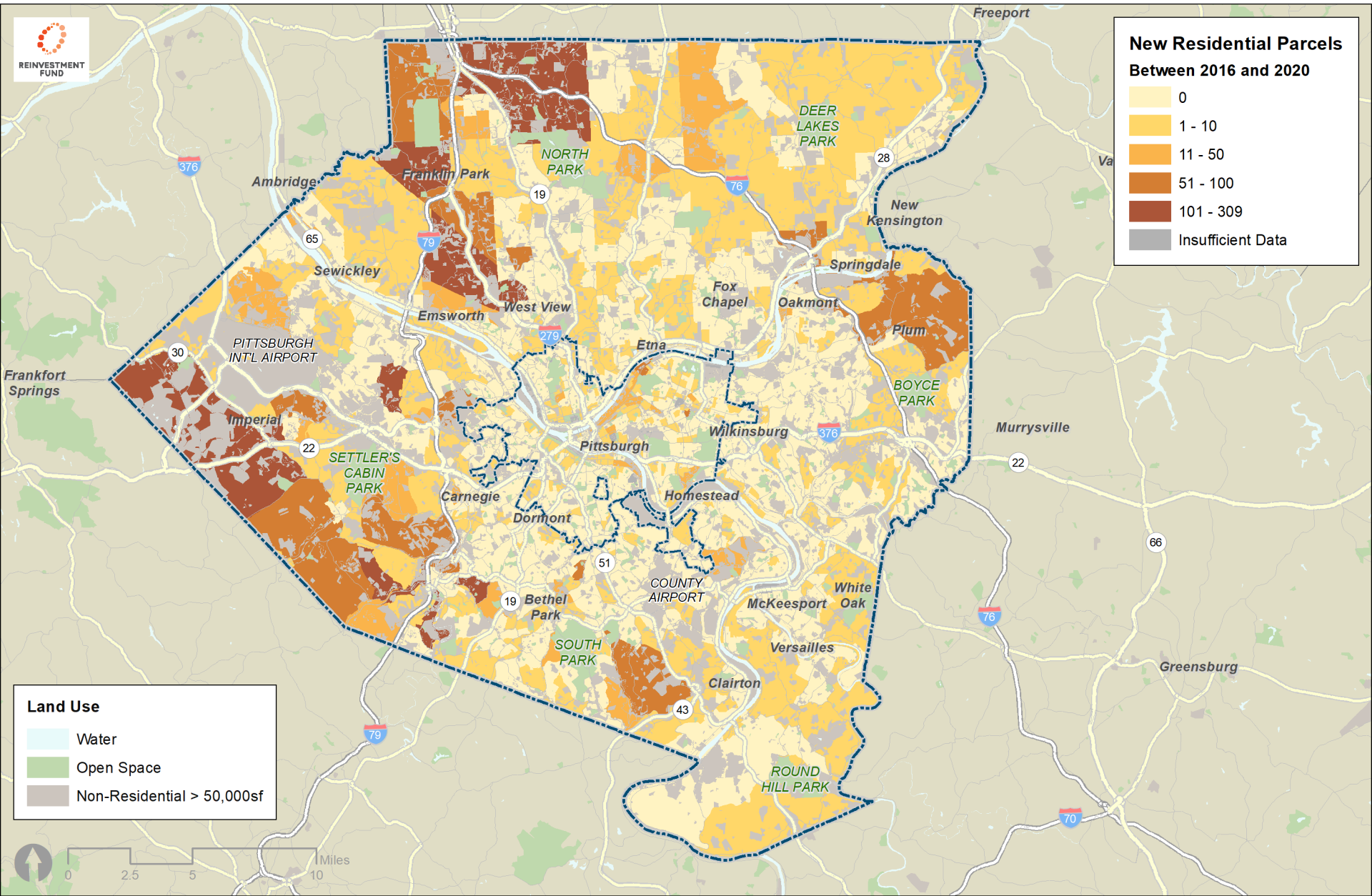
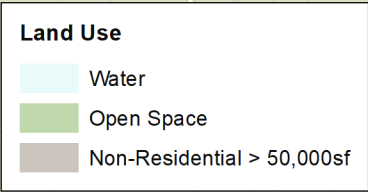
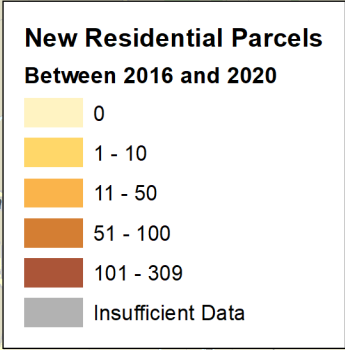


# Variance of Sales Price 2017 – 2019



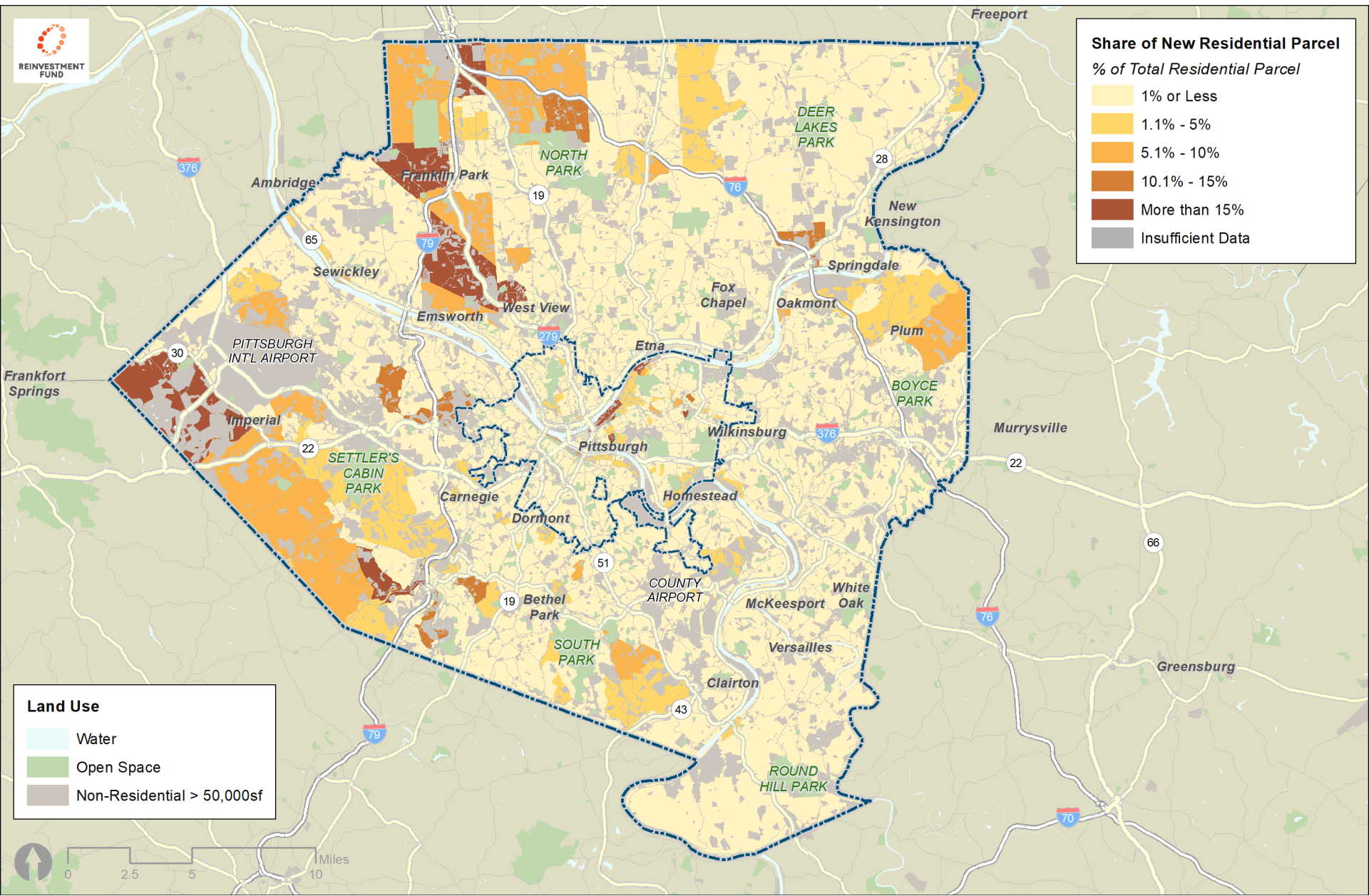


# New Residential Parcels



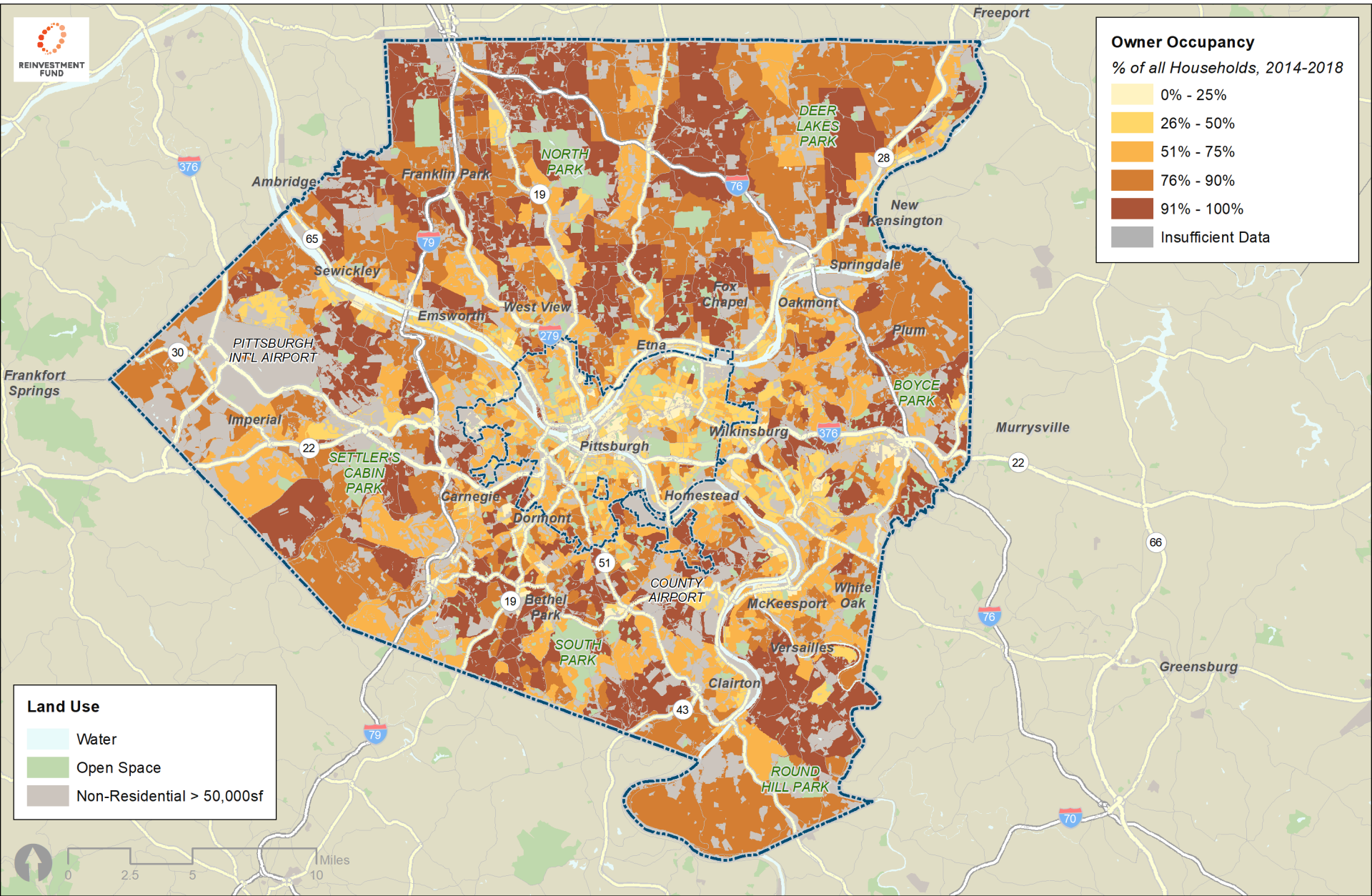


# New Residential Parcels



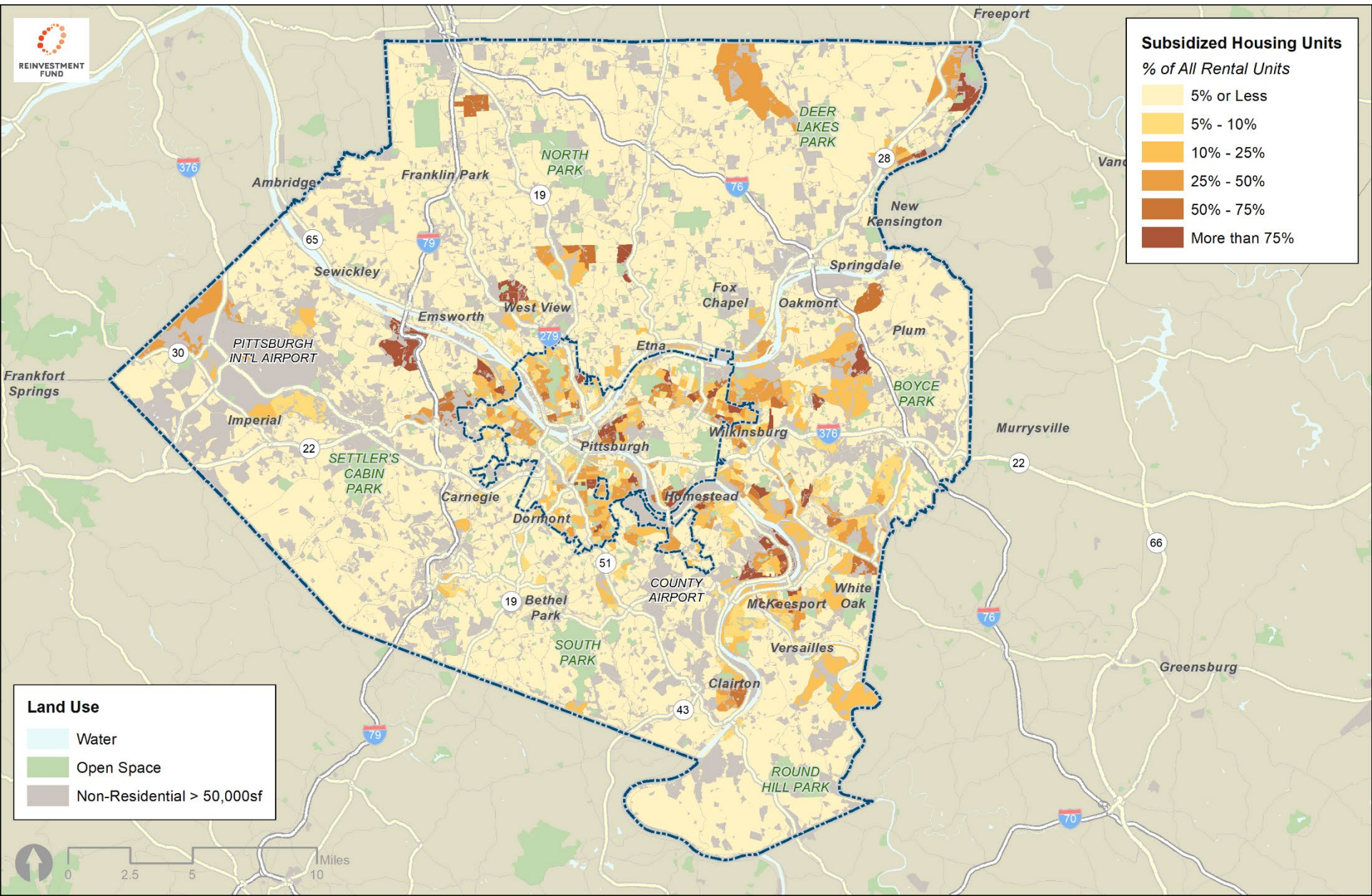


# Percent Owner Occupied Households





# Subsidized Units as a Percentage of Renter Occupied Units





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**Poor or Worse Condition Properties**  
**% Residential Parcels**

- 0% - 1.0%
- 1.1% - 2.5%
- 2.6% - 5.0%
- 5.1% - 10.0%
- 10.1% - 25%

**Land Use**

- Water
- Open Space
- Non-Residential > 50,000sf

Map labels include: Ambridge, Franklin Park, North Park, Deer Lakes Park, New Kensington, Springdale, Plum, Boyce Park, Murrysville, Greensburg, Round Hill Park, Versailles, McKeesport, Clairton, South Park, Bethel Park, County Airport, Homestead, Wilkinsburg, Pittsburgh, Etna, Fox Chapel, Oakmont, West View, Emsworth, Sewickley, Imperial, Settler's Cabin Park, Pittsburger Intl Airport, Carnegie, Dormont, and Fre.

Scale: 0, 2.5, 5, 10 Miles



### % Residential Parcels

0% - 1.0%

1.1% - 2.5%

2.6% - 5.0%

5.1% - 10.0%

10.1% - 25%

## Land Use

Water

## Open Space

Non-Residential > 50,000sf

1 Miles

C

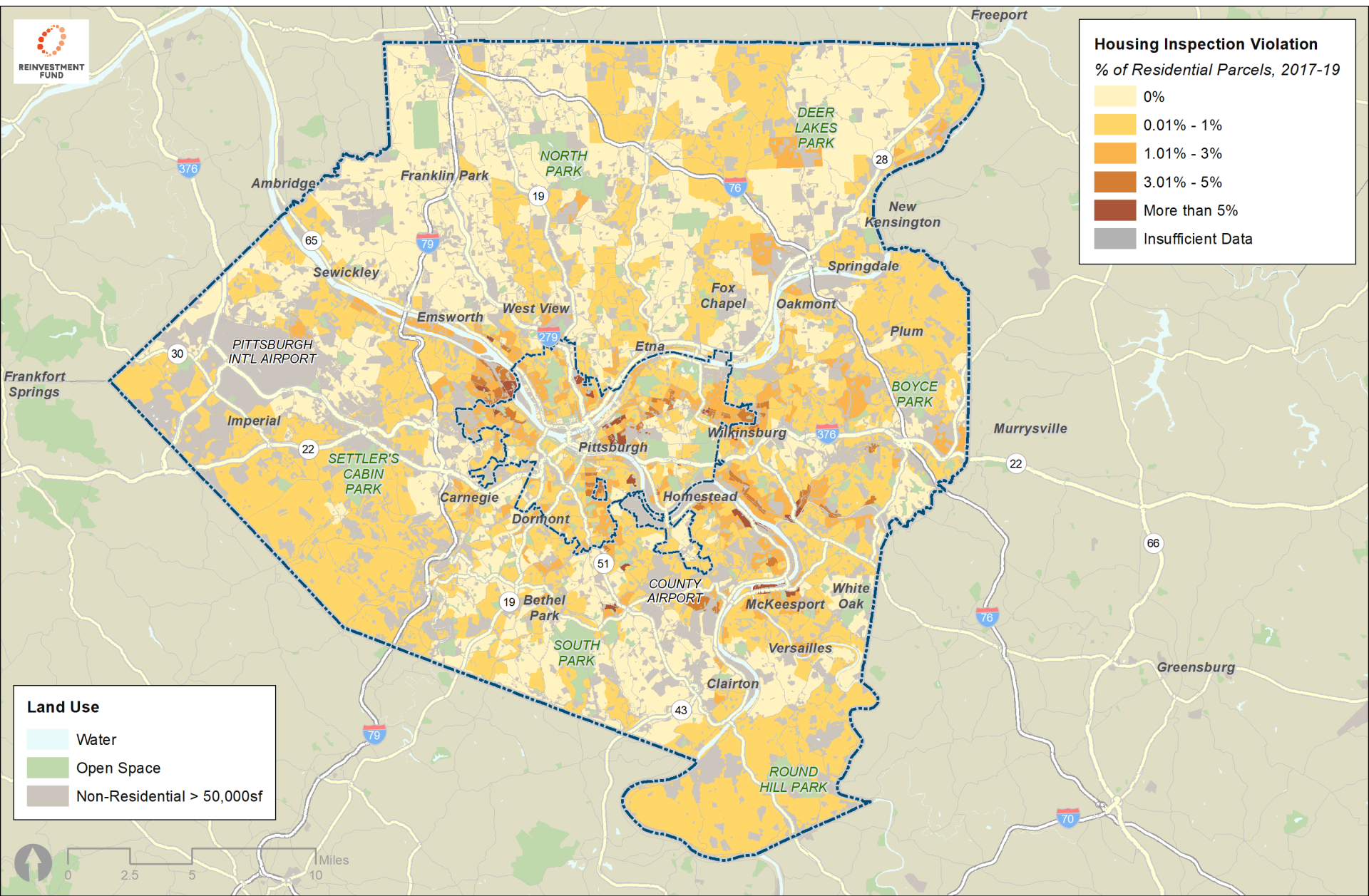
25

5

10

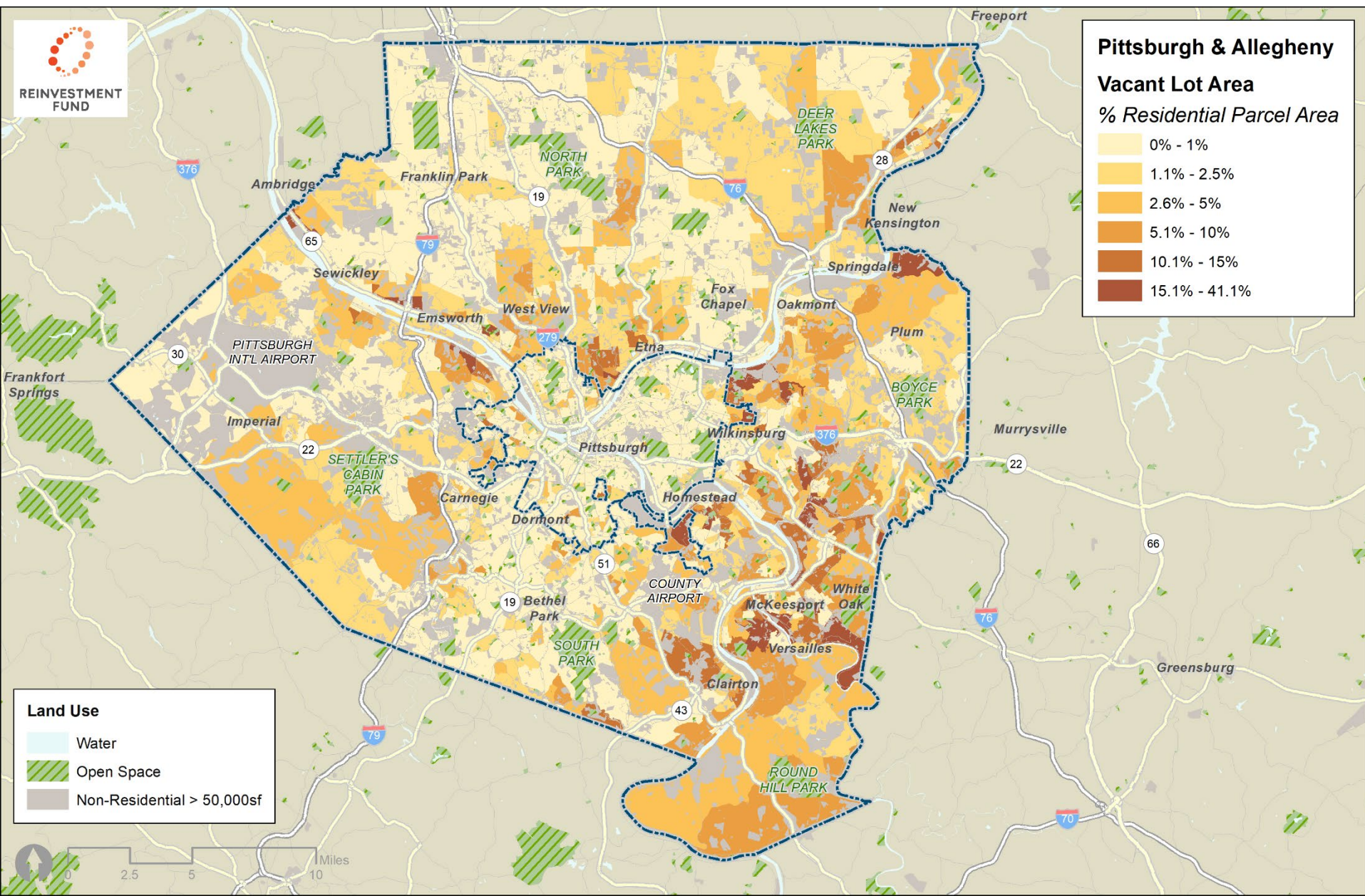


# Percent of Properties with a Housing Inspection Violation



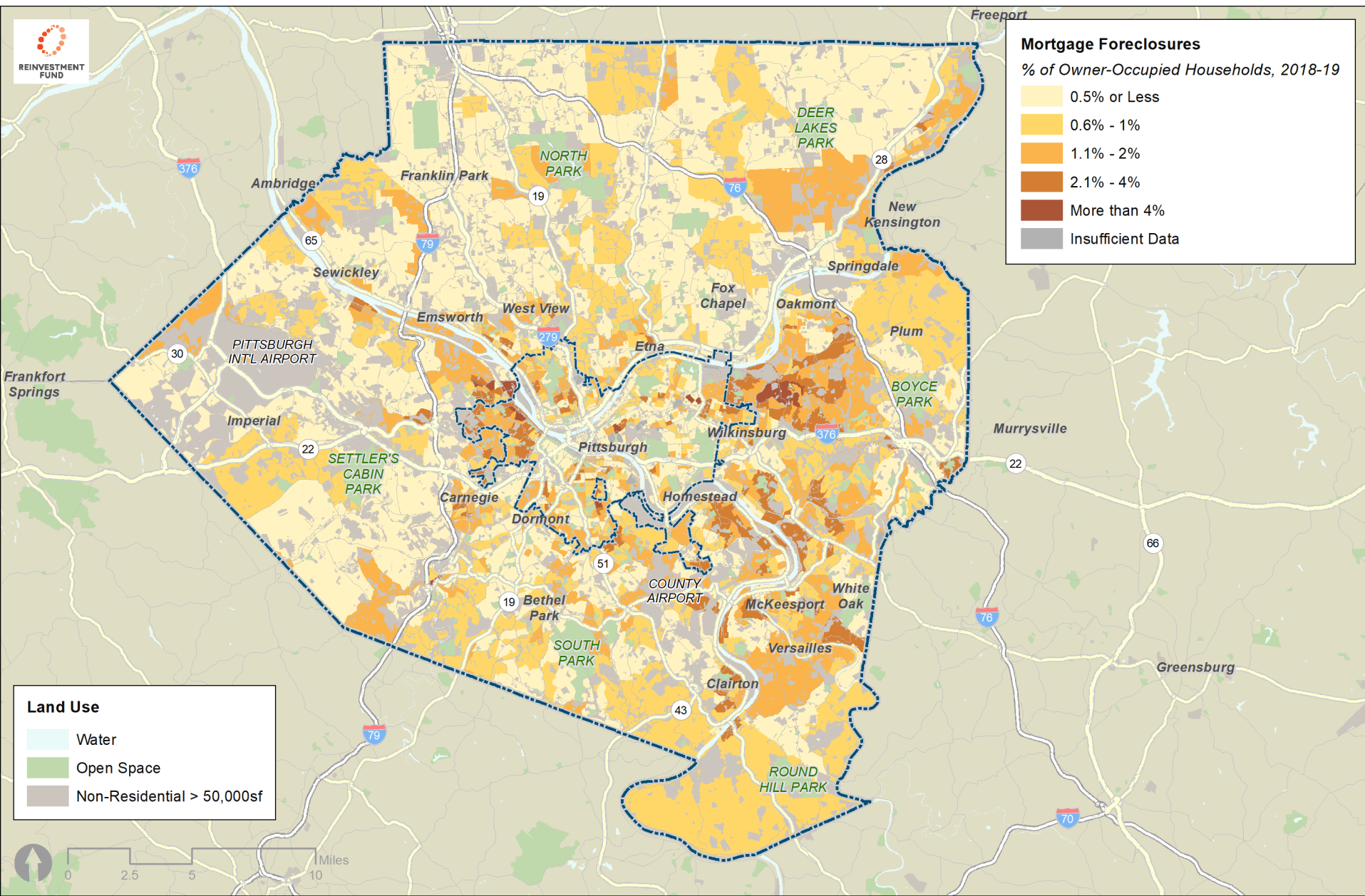


# Share of Vacant Lot Area





# Mortgage Foreclosures

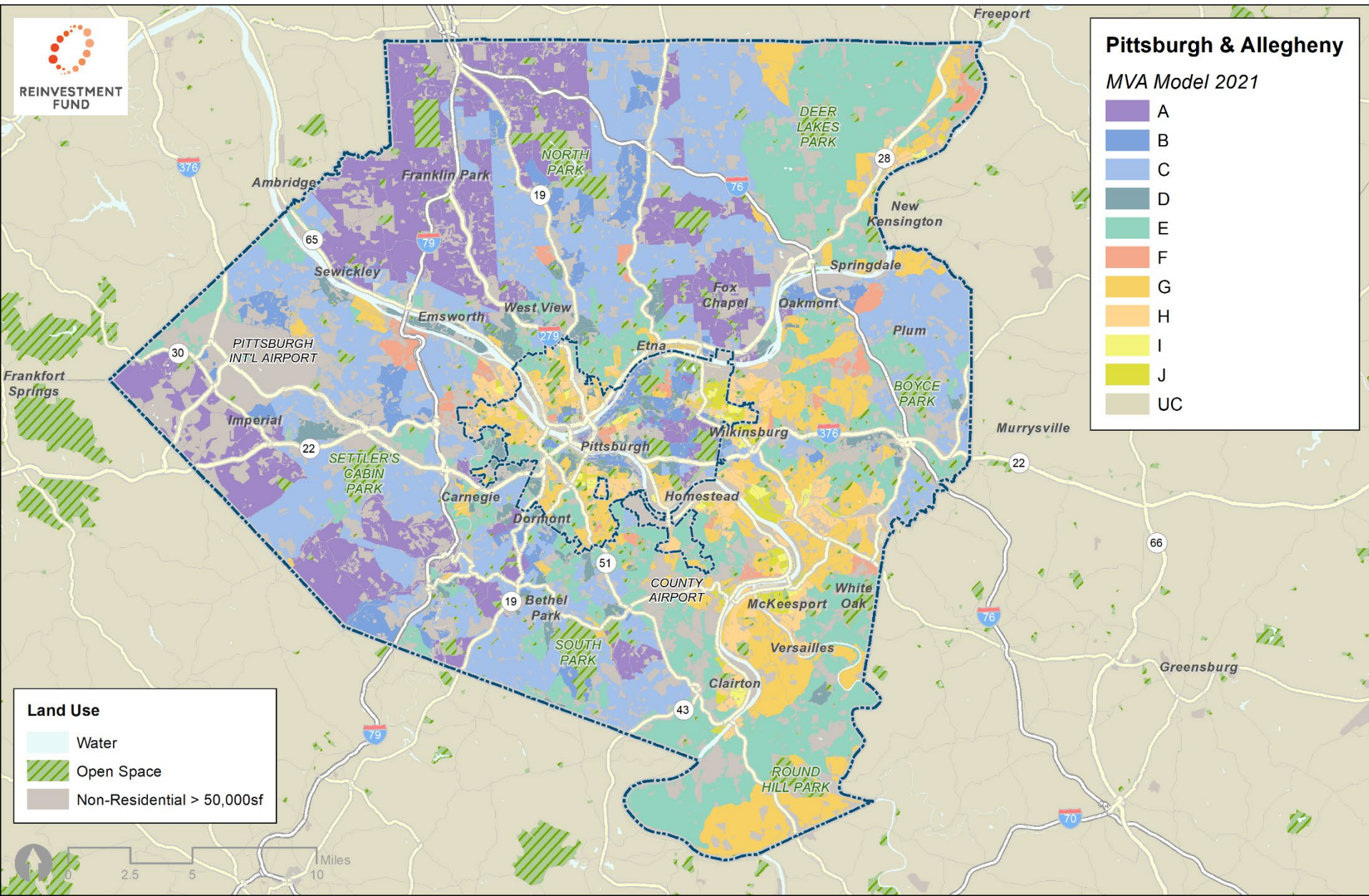




Allegheny & Pittsburgh Market Value Analysis										
Summary of Market Characteristics										
	BGs	Median Sales Price, 17-19	Coef. Of Variance	Home-Owners	Subsidized Renters	New Cons.	Poor or Worse Condition	Building Violations	Vacant Lot Area	Foreclosure
A	76	\$460,000	0.47	78%	3%	3.7%	0.1%	0.1%	0.4%	0.6%
B	113	\$269,000	0.50	43%	4%	1.2%	0.3%	0.7%	0.4%	0.8%
C	185	\$215,000	0.42	89%	1%	0.6%	0.1%	0.2%	1.3%	0.7%
D	100	\$143,000	0.50	40%	4%	0.3%	0.5%	1.0%	1.0%	1.5%
E	196	\$127,000	0.47	81%	3%	0.2%	0.5%	0.3%	3.0%	1.4%
F	24	\$120,000	0.57	62%	76%	0.9%	1.5%	0.8%	2.8%	1.3%
G	190	\$70,000	0.63	62%	10%	0.1%	1.1%	0.9%	3.0%	2.2%
H	122	\$34,000	0.81	51%	19%	0.1%	2.4%	1.9%	3.4%	2.6%
I	30	\$21,000	0.87	48%	80%	>0.1%	6.5%	2.5%	3.3%	2.4%
J	42	\$14,000	0.94	44%	20%	>0.1%	6.8%	2.0%	2.6%	2.4%
Countywide Average Block Group		\$154,000	0.57	65%	10%	0.6%	1.1%	0.8%	2.1%	1.5%

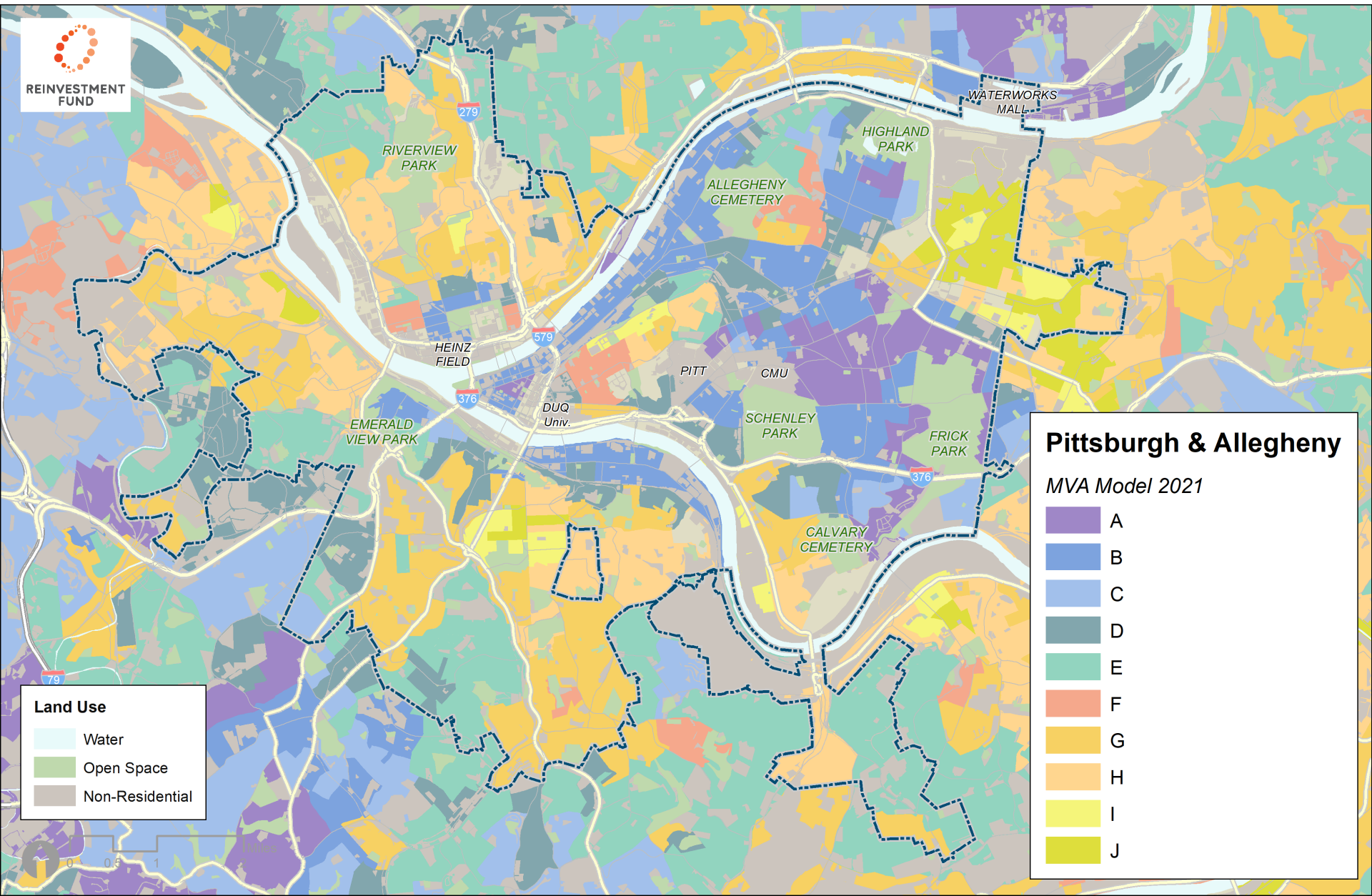


# Allegheny & Pittsburgh Market Value Analysis



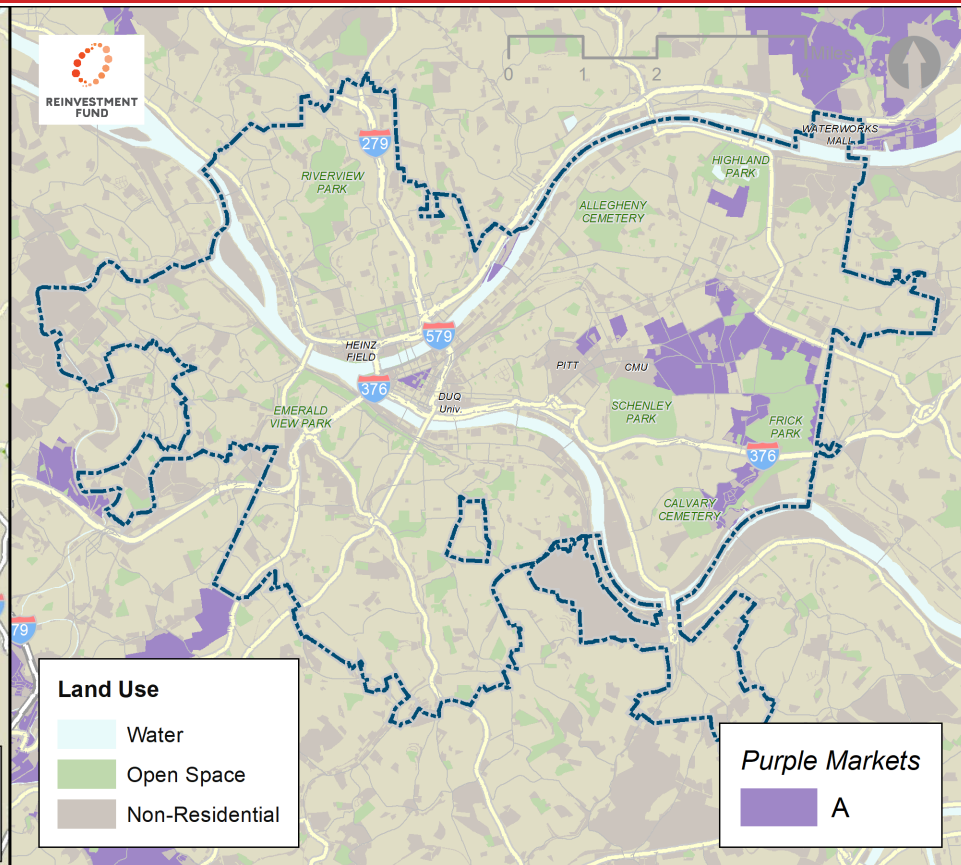
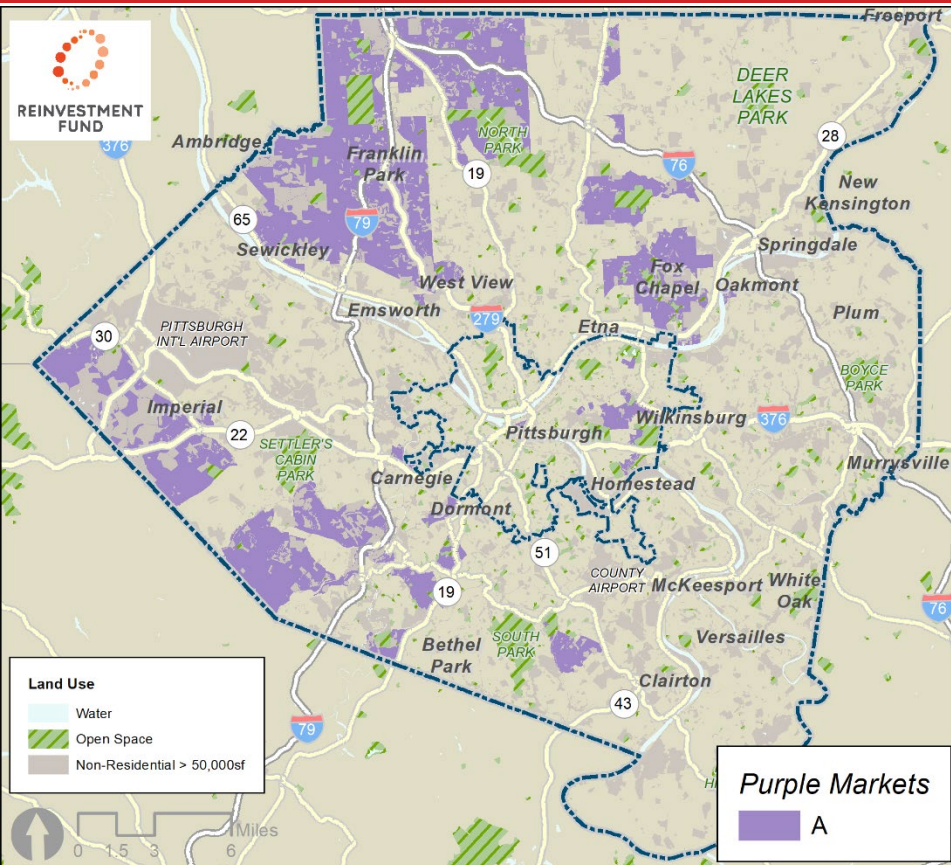


# Allegheny & Pittsburgh Market Value Analysis





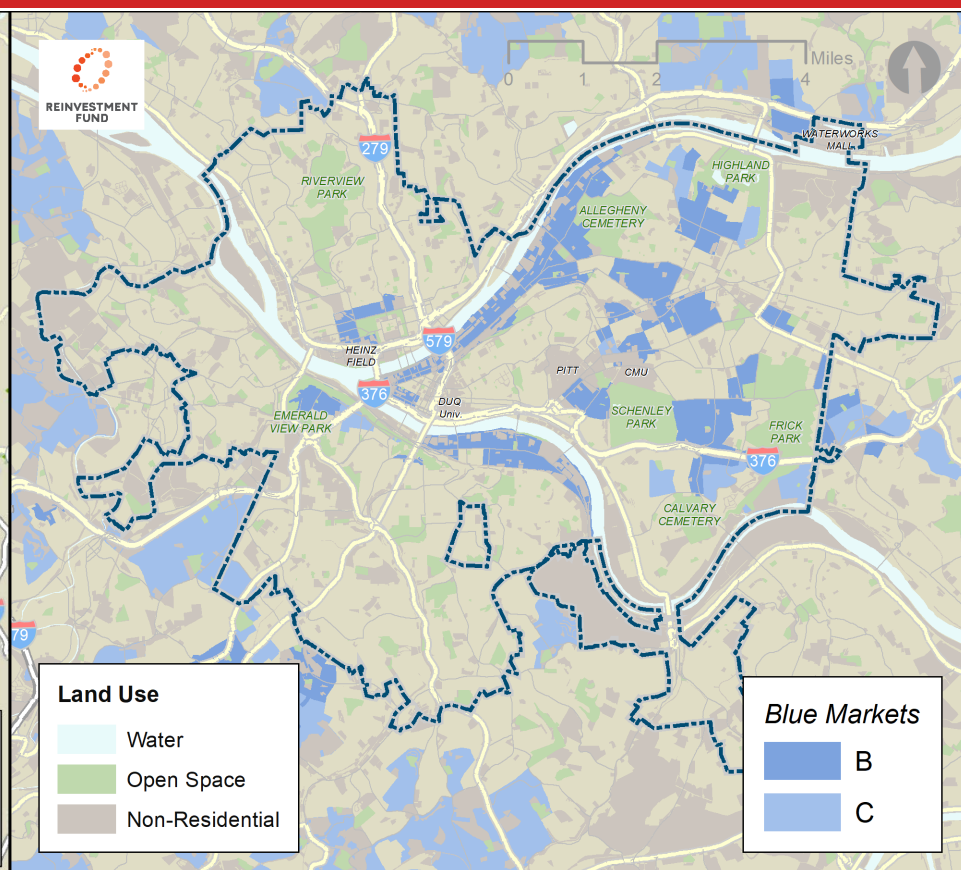
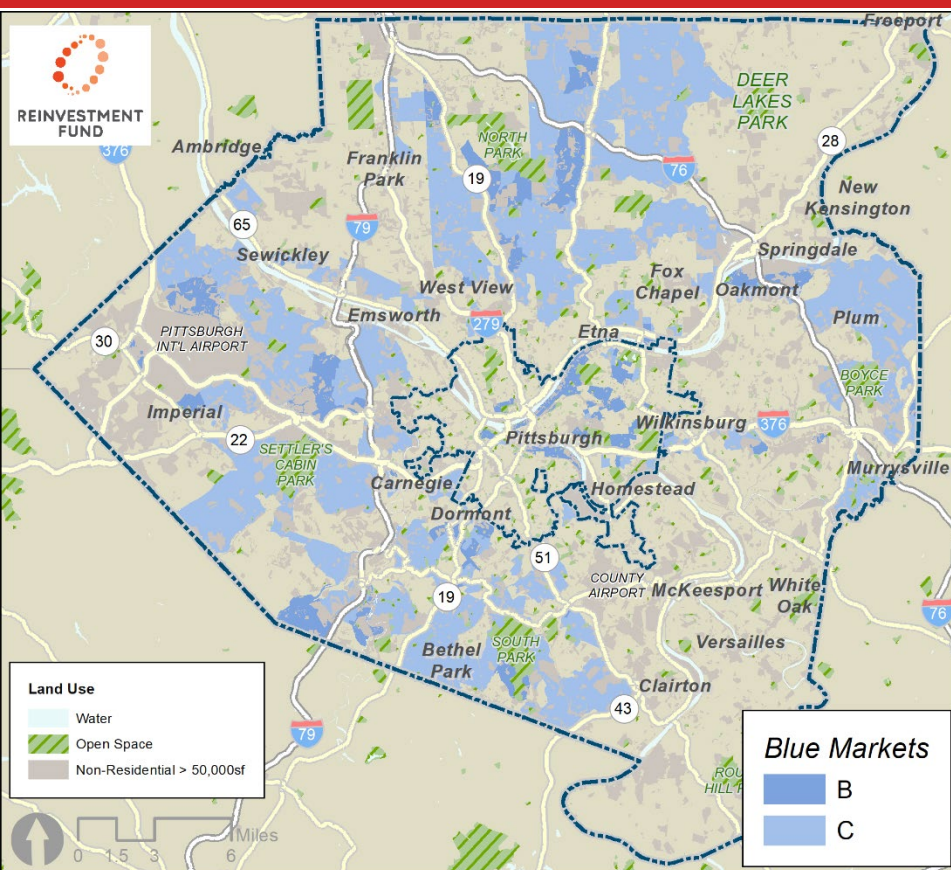
# Market Overview: A



	BGs	Median Sales Price, 17-19	Coef. Of Variance	Home-Owners	Subsidized Renters	New Cons.	Poor or Worse Condition	Building Violations	Vacant Lot Area	Foreclosures
A	76	\$460,000	0.47	78%	3%	3.7%	0.1%	0.1%	0.4%	0.6%
Countywide Average Block Group		\$154,000	0.57	65%	10%	0.6%	1.1%	0.8%	2.1%	1.5%



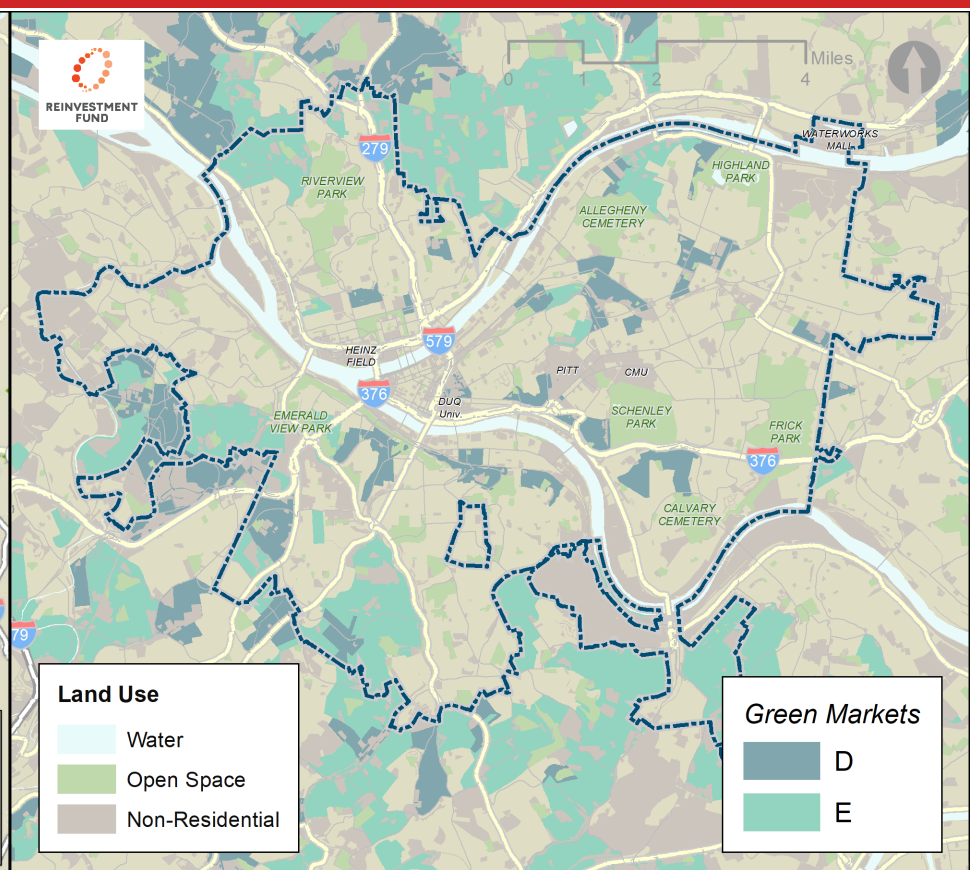
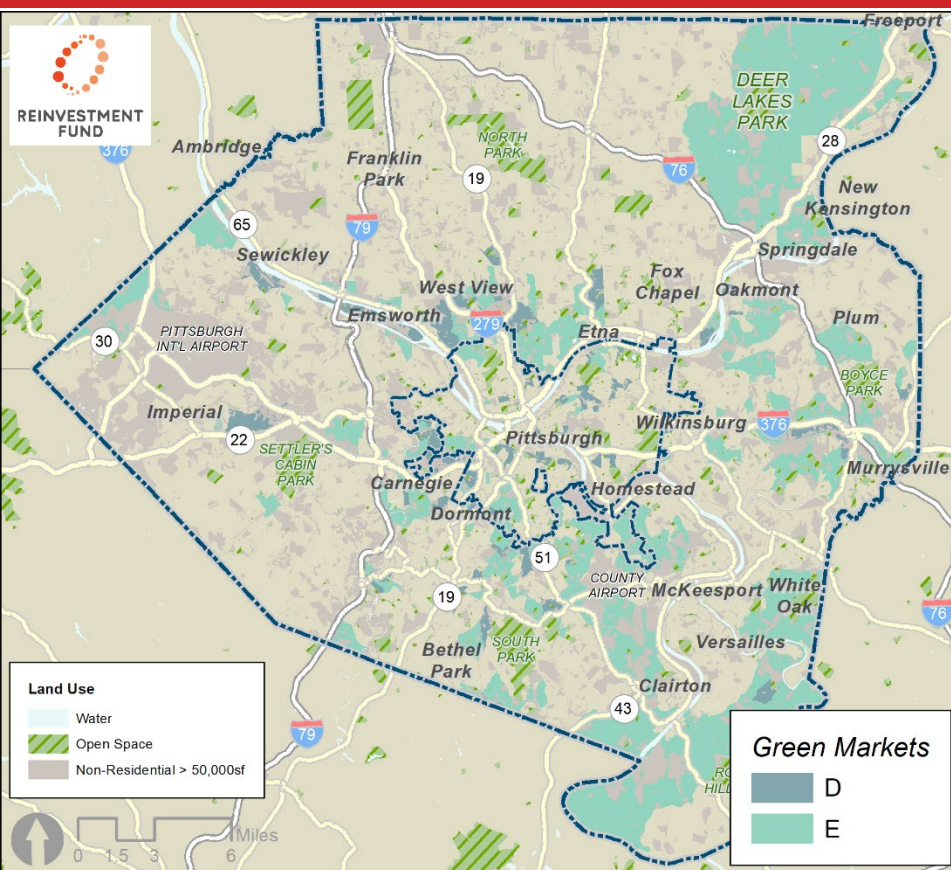
# Market Overview: B and C



	BGs	Median Sales Price, 17-19	Coef. Of Variance	Home-Owners	Subsidized Renters	New Cons.	Poor or Worse Condition	Building Violations	Vacant Lot Area	Foreclosures
B	113	\$269,000	0.50	43%	4%	1.2%	0.3%	0.7%	0.4%	0.8%
C	185	\$215,000	0.42	89%	1%	0.6%	0.1%	0.2%	1.3%	0.7%
Countywide Average Block Group		\$154,000	0.57	65%	10%	0.6%	1.1%	0.8%	2.1%	1.5%



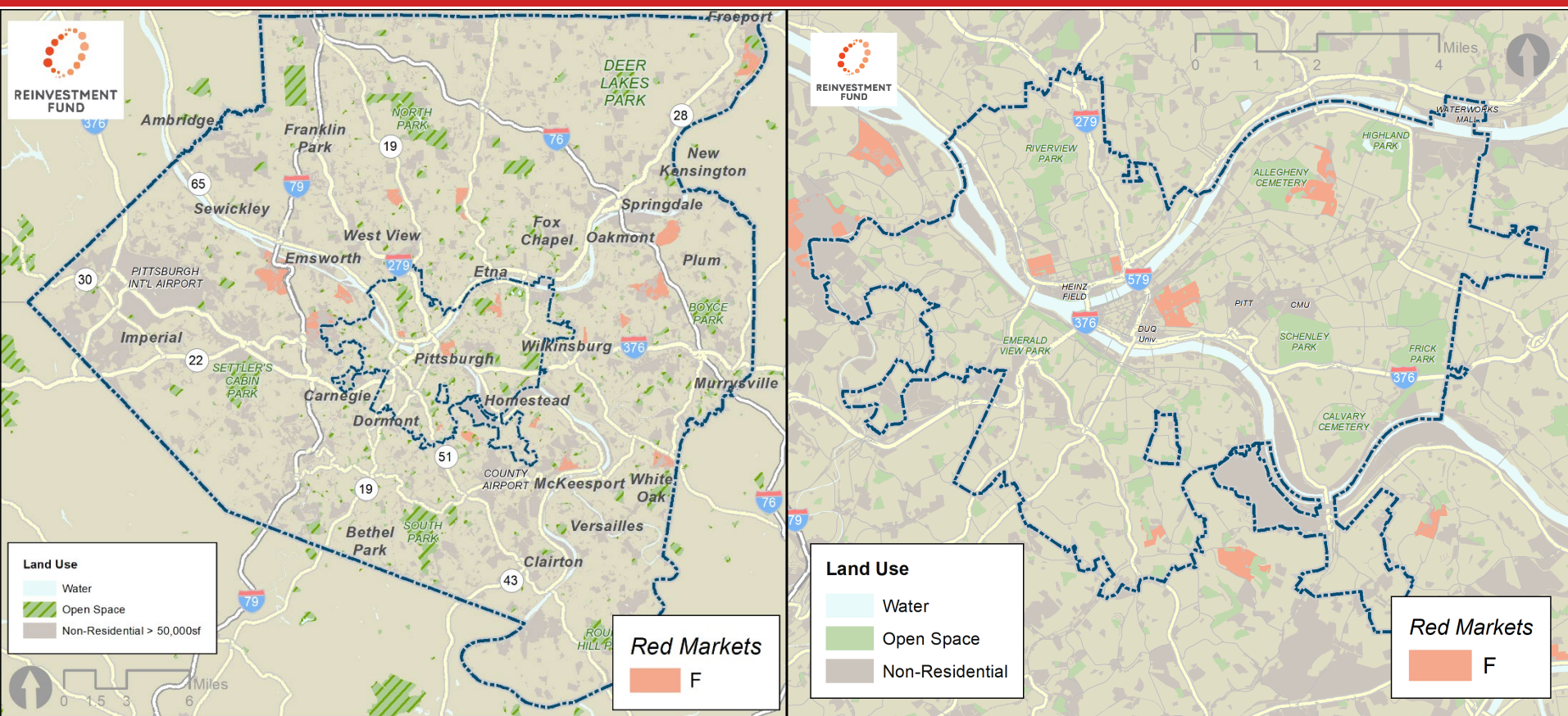
# Market Overview: D and E



BGs		Median Sales Price, 17-19	Coef. Of Variance	Home-Owners	Subsidized Renters	New Cons.	Poor or Worse Condition	Building Violations	Vacancy	Foreclosures
D	100	\$143,000	0.50	40%	4%	0.3%	0.5%	1.0%	1.0%	1.5%
E	196	\$127,000	0.47	81%	3%	0.2%	0.5%	0.3%	3.0%	1.4%
Countywide Average Block Group		\$154,000	0.57	65%	10%	0.6%	1.1%	0.8%	2.1%	1.5%



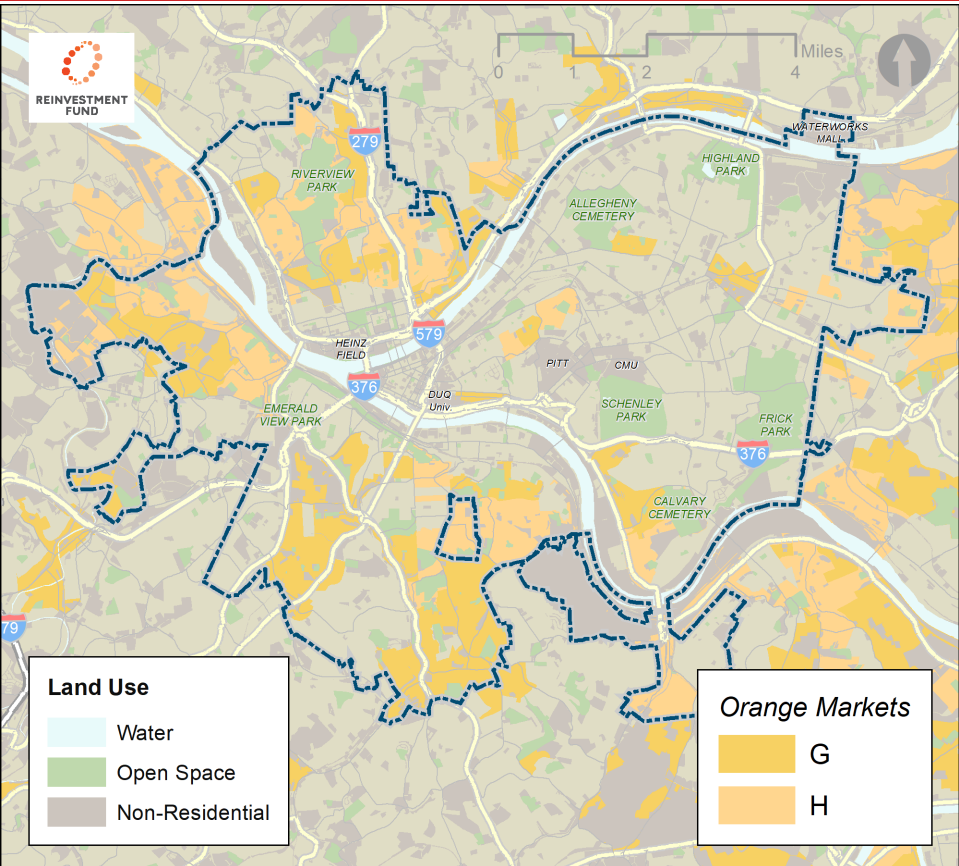
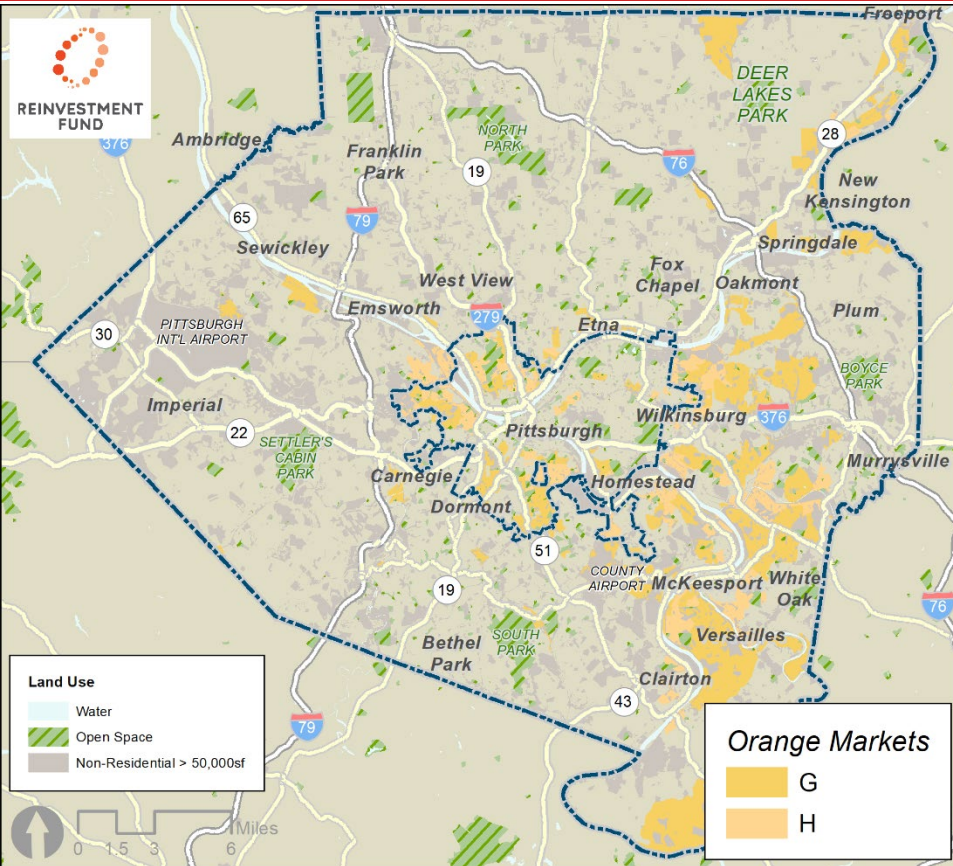
# Market Overview: F



	BGs	Median Sales Price, 17-19	Coef. Of Variance	Home-Owners	Subsidized Renters	New Cons.	Poor or Worse Condition	Building Violations	Vacant Lot Area	Foreclosures
F	22	\$120,000	0.57	62%	76%	0.9%	1.5%	0.8%	2.8%	1.3%
Countywide Average Block Group		\$154,000	0.57	65%	10%	0.6%	1.1%	0.8%	2.1%	1.5%



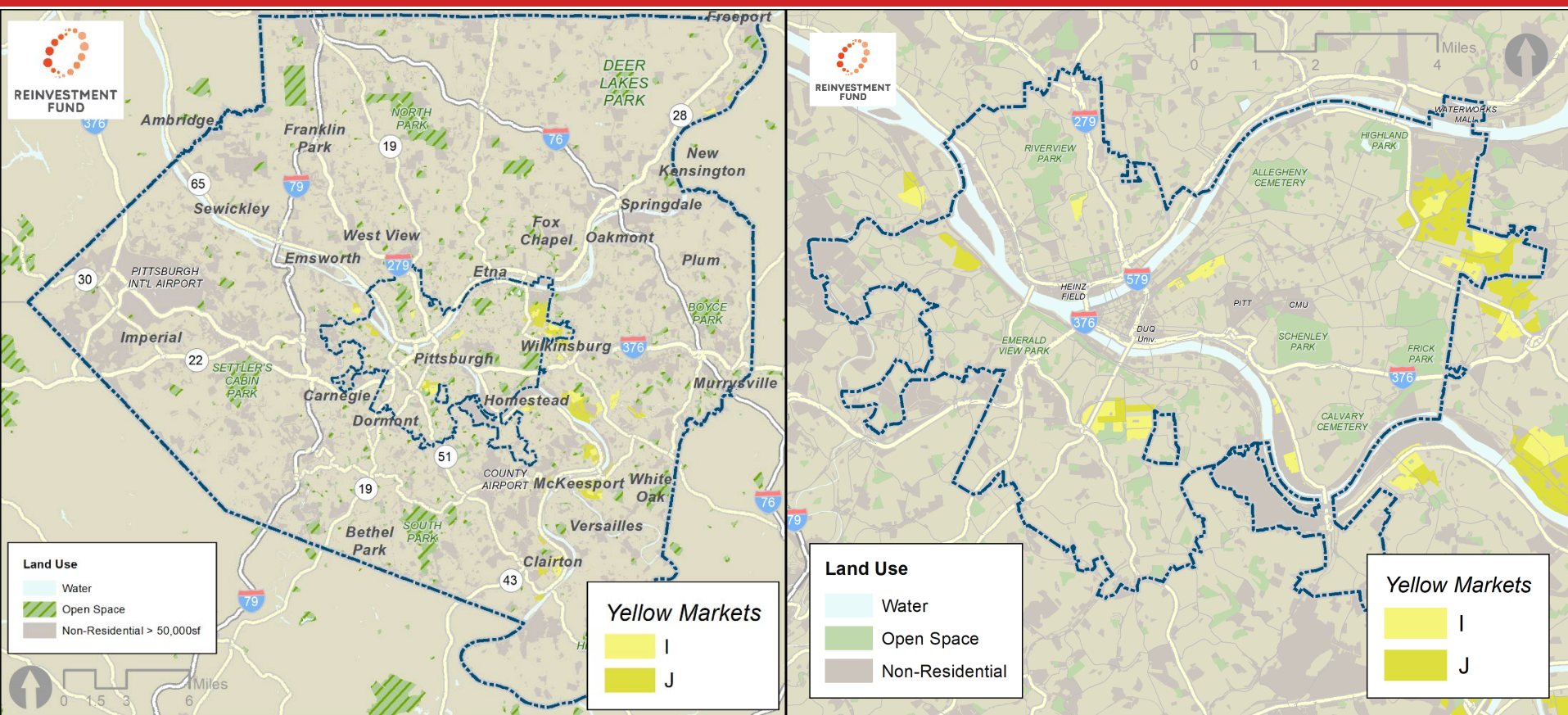
# Market Overview: G and H



	BGs	Median Sales Price, 17-19	Coef. Of Variance	Home-Owners	Subsidized Renters	New Cons.	Poor or Worse Condition	Building Violations	Vacant Lot Area	Foreclosures
G	190	\$70,000	0.63	62%	10%	0.1%	1.1%	0.9%	3.0%	2.2%
H	122	\$34,000	0.81	51%	19%	0.1%	2.4%	1.9%	3.4%	2.6%
Countywide Average Block Group		\$154,000	0.57	65%	10%	0.6%	1.1%	0.8%	2.1%	1.5%



# Market Overview: I and J



BGs		Median Sales Price, 17-19	Coef. Of Variance	Home-Owners	Subsidized Renters	New Cons.	Poor or Worse Condition	Building Violations	Vacant Lot Area	Foreclosures
I	30	\$21,000	0.87	48%	80%	>0.1%	6.5%	2.5%	3.3%	2.4%
J	42	\$14,000	0.94	44%	20%	>0.1%	6.8%	2.0%	2.6%	2.4%
Countywide Average Block Group		\$154,000	0.57	65%	10%	0.6%	1.1%	0.8%	2.1%	1.5%

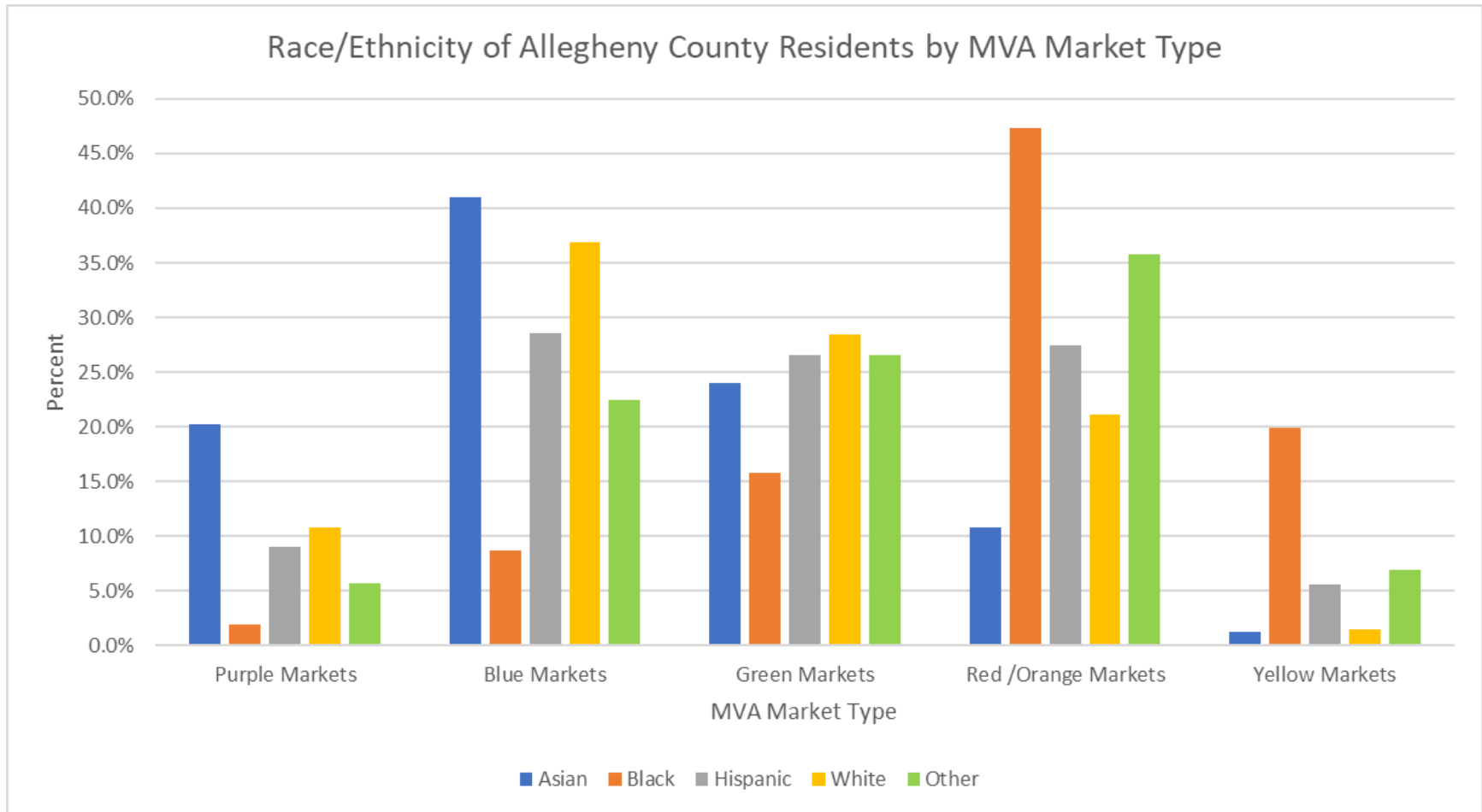


# Demographic Overview

Total Population, 2015-2019			Race/Ethnicity					Average Median Household Income
			Asian	Black	Hispanic	White	Other	
A	76	120,578 (10%)	9,109 (8%)	2,948 (2%)	2,337 (2%)	104,074 (86%)	2,108 (2%)	\$130,644
B	113	134,101 (11%)	11,202 (8%)	7,970 (6%)	3,559 (3%)	108,133 (81%)	3,241 (2%)	\$67,976
C	185	267,610 (21%)	7,279 (3%)	5,549 (2%)	3,792 (1%)	246,038 (92%)	4,990 (2%)	\$92,337
D	100	108,679 (9%)	7,400 (7%)	11,154 (10%)	3,326 (3%)	82,238 (76%)	4,561 (4%)	\$51,623
E	196	215,748 (17%)	3,440 (2%)	13,380 (6%)	3,522 (2%)	190,222 (88%)	5,185 (2%)	\$65,655
F	24	29,043 (2%)	398 (1%)	7,811 (27%)	548 (2%)	18,933 (65%)	1,360 (5%)	\$53,880
G	190	168,034 (13%)	3,135 (2%)	30,354 (18%)	3,843 (2%)	123,948 (74%)	6,781 (4%)	\$49,330
H	122	103,576 (8%)	1,347 (1%)	35,091 (34%)	2,684 (3%)	59,453 (57%)	5,007 (5%)	\$37,406
I	30	21,165 (2%)	349 (2%)	13,132 (62%)	472 (2%)	6,335 (30%)	877 (4%)	\$26,995
J	42	28,971 (2%)	226 (1%)	17,730 (61%)	978 (3%)	8,389 (29%)	1,648 (6%)	\$32,413
UC	36	24,230 (2%)	1,206 (5%)	9,857 (41%)	716 (3%)	11,504 (47%)	979 (4%)	\$25,762
Total		1,250,578 (100%)	45,091 (4%)	154,976 (13%)	25,777 (2%)	959,267 (79%)	36,737 (3%)	\$61,043



# Race/Ethnicity of Allegheny County Residents by MVA Market Type







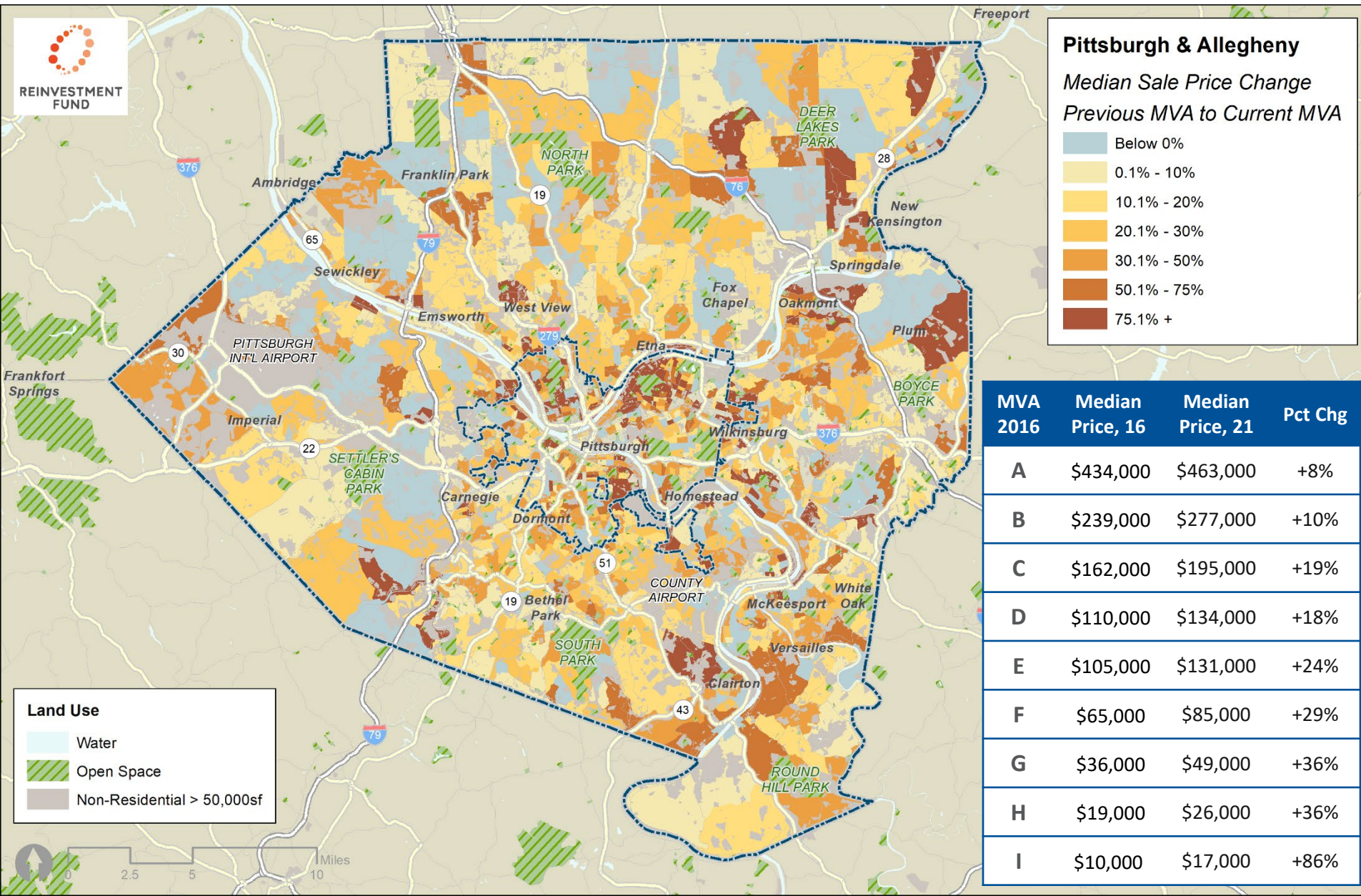
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# How Have Markets in Pittsburgh Changed Since 2016?

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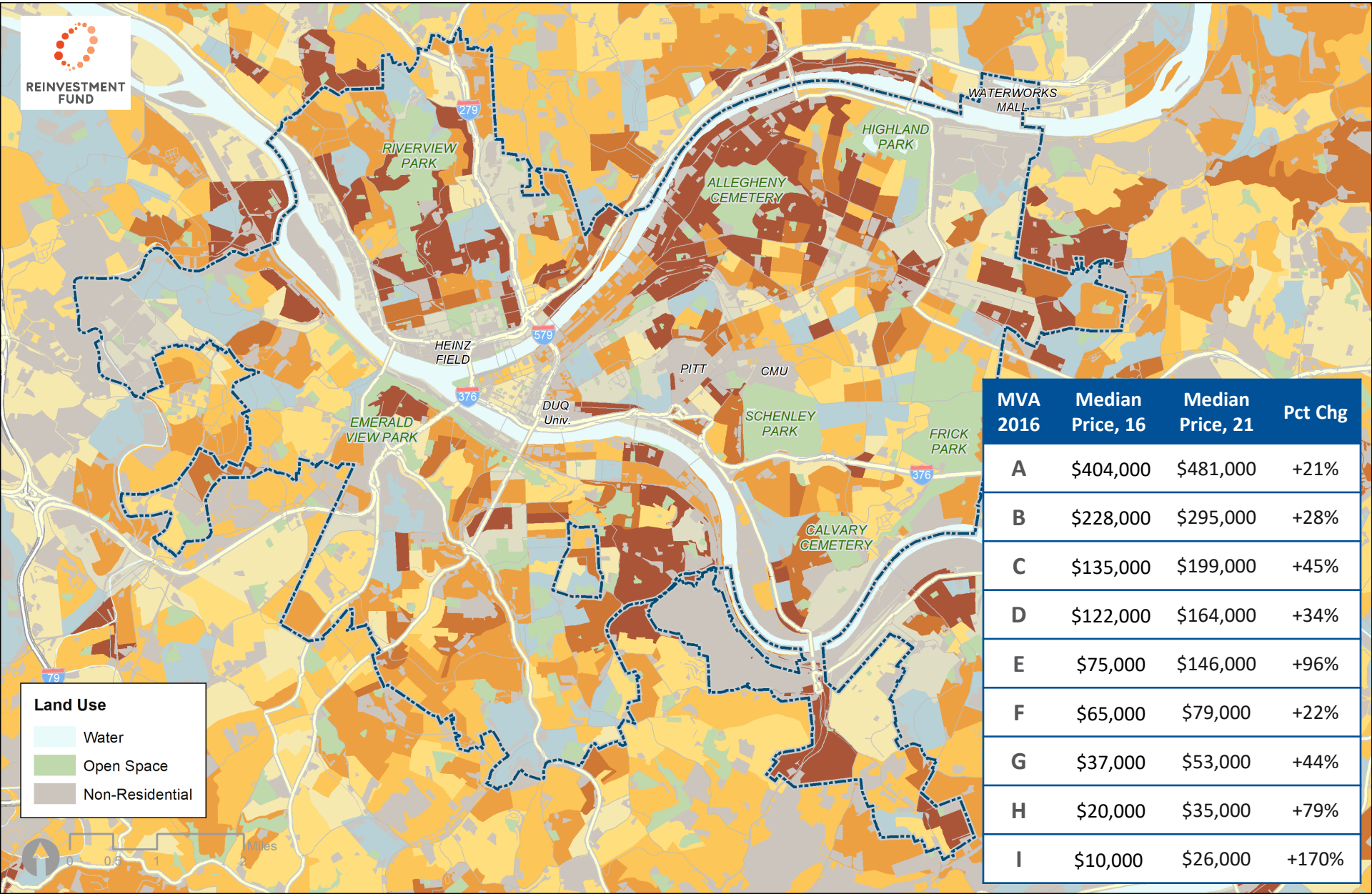


# Median Sales Price Change





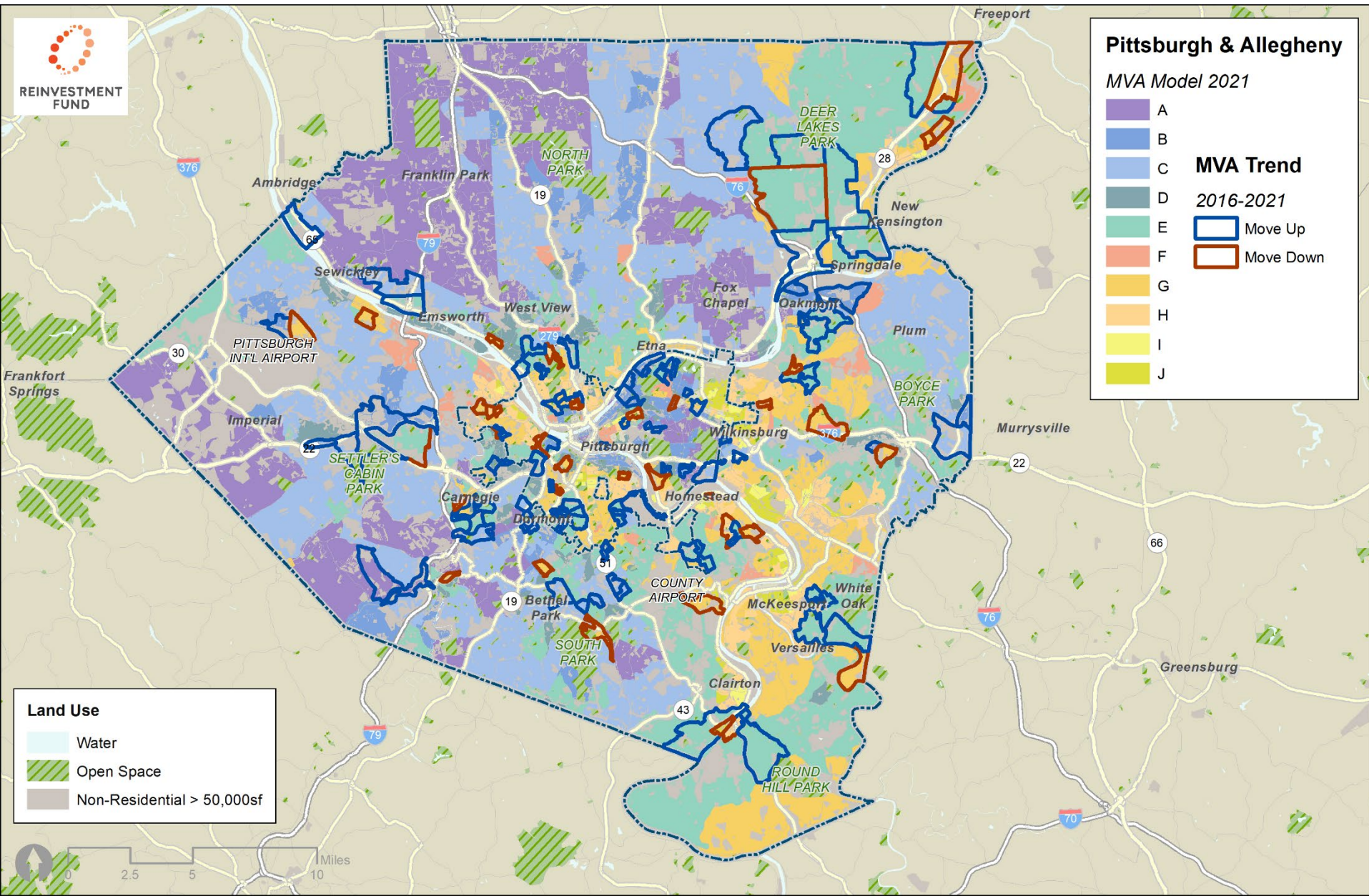
# Median Sales Price Change



MVA 2016	Median Price, 16	Median Price, 21	Pct Chg
A	\$404,000	\$481,000	+21%
B	\$228,000	\$295,000	+28%
C	\$135,000	\$199,000	+45%
D	\$122,000	\$164,000	+34%
E	\$75,000	\$146,000	+96%
F	\$65,000	\$79,000	+22%
G	\$37,000	\$53,000	+44%
H	\$20,000	\$35,000	+79%
I	\$10,000	\$26,000	+170%

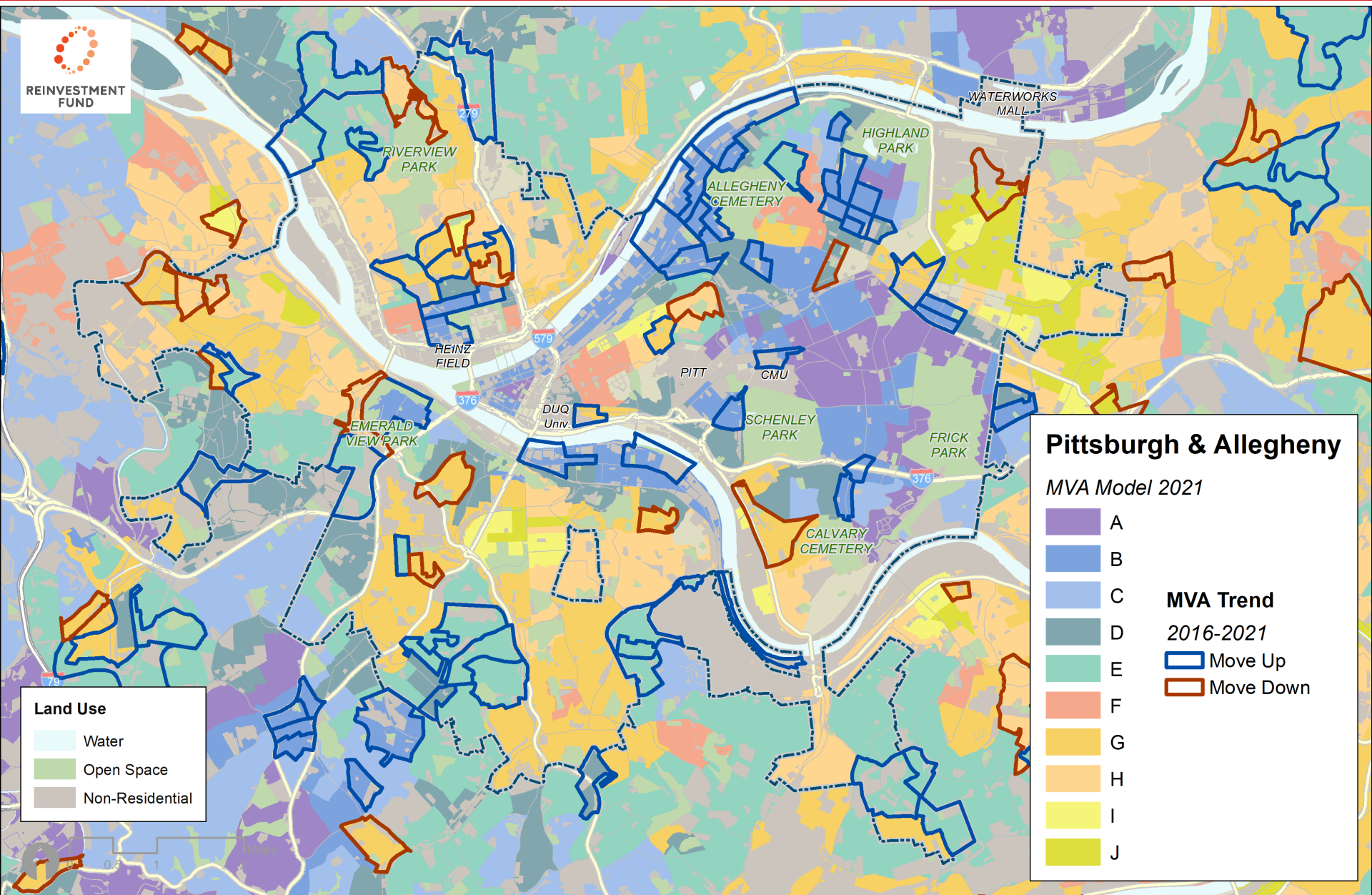


# Change from 2016 to 2021 MVA





# Change from 2016 to 2021 MVA







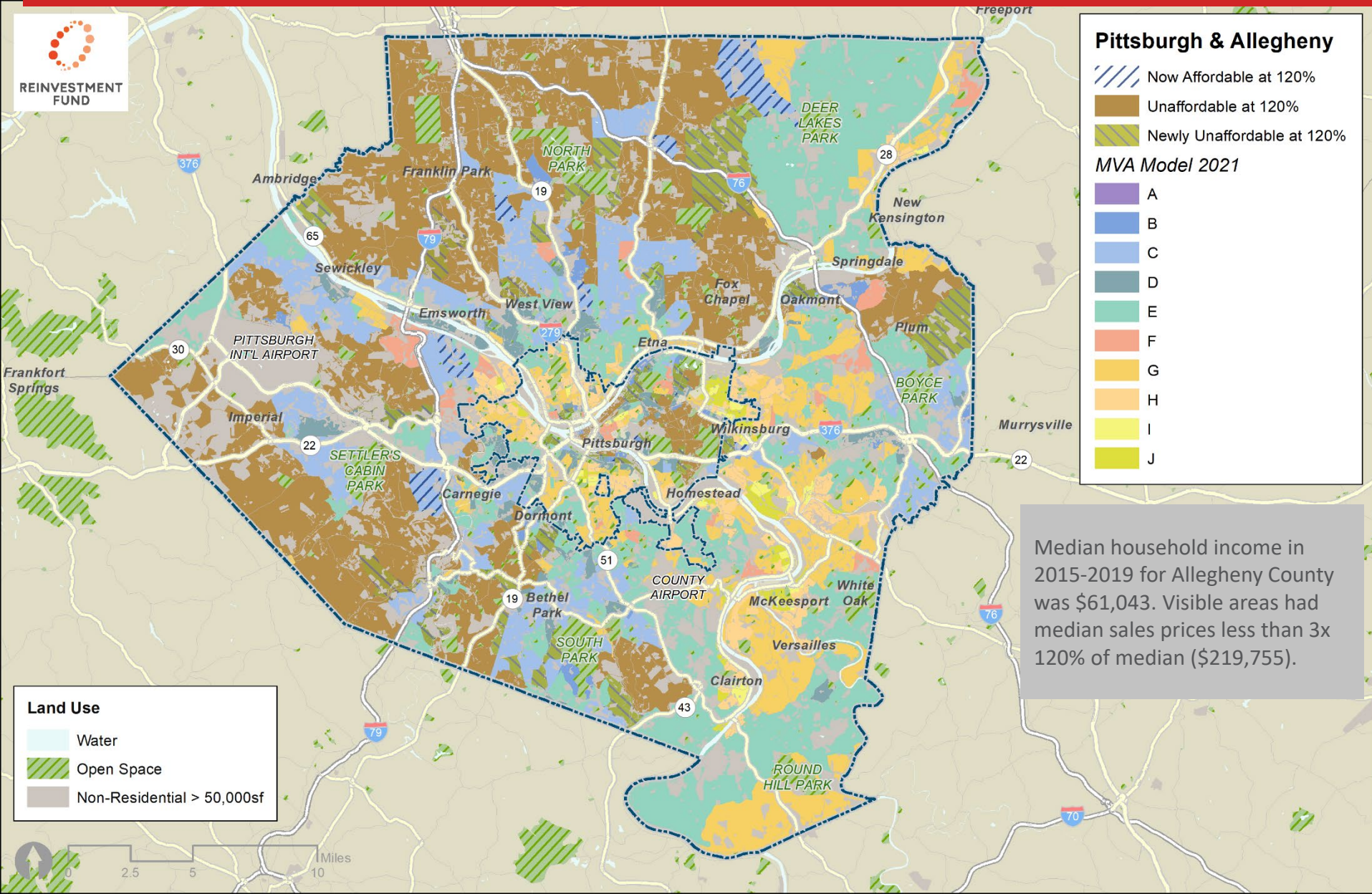
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# Overlays

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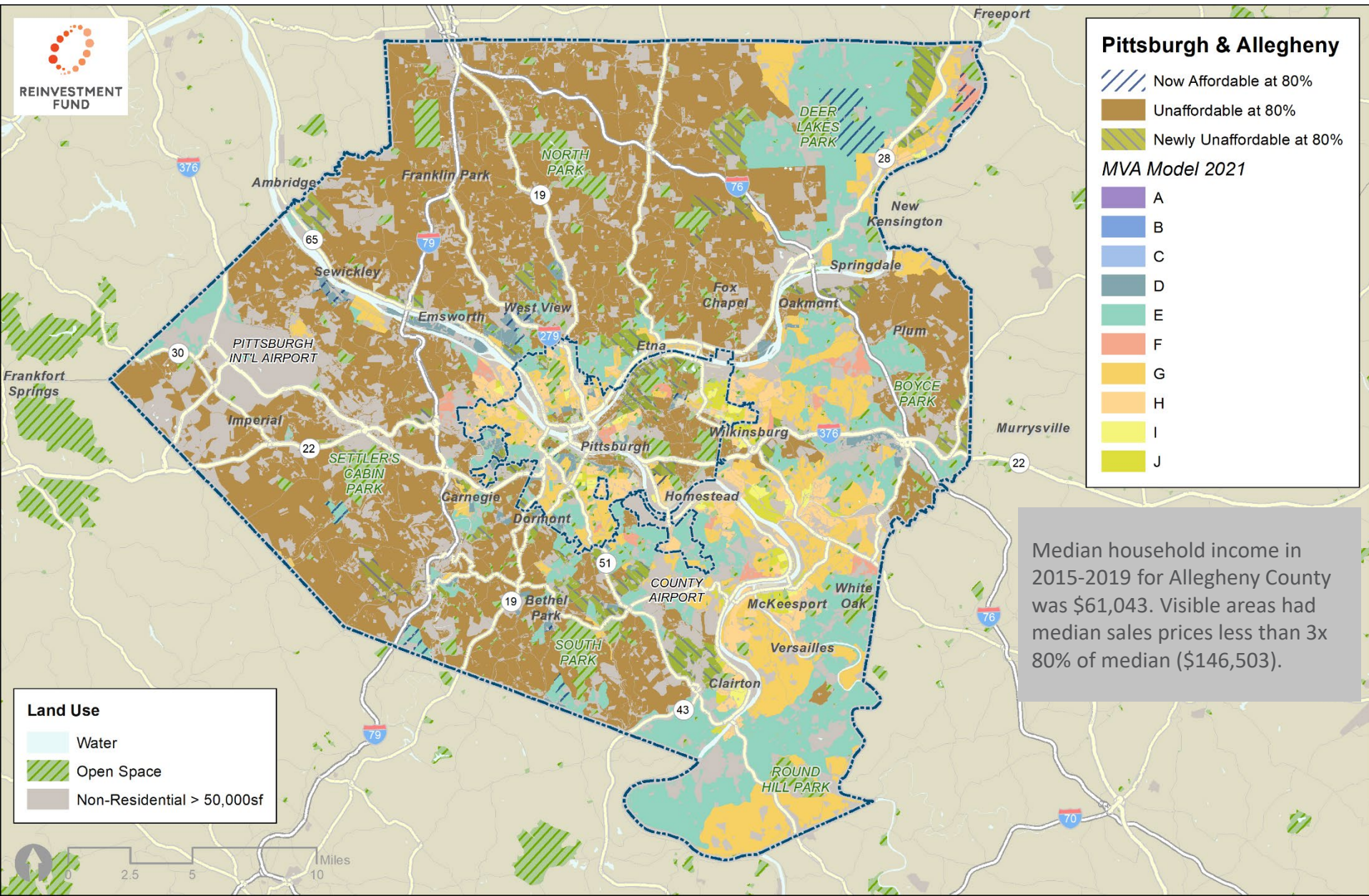


# Affordability at 120% of County Median Income



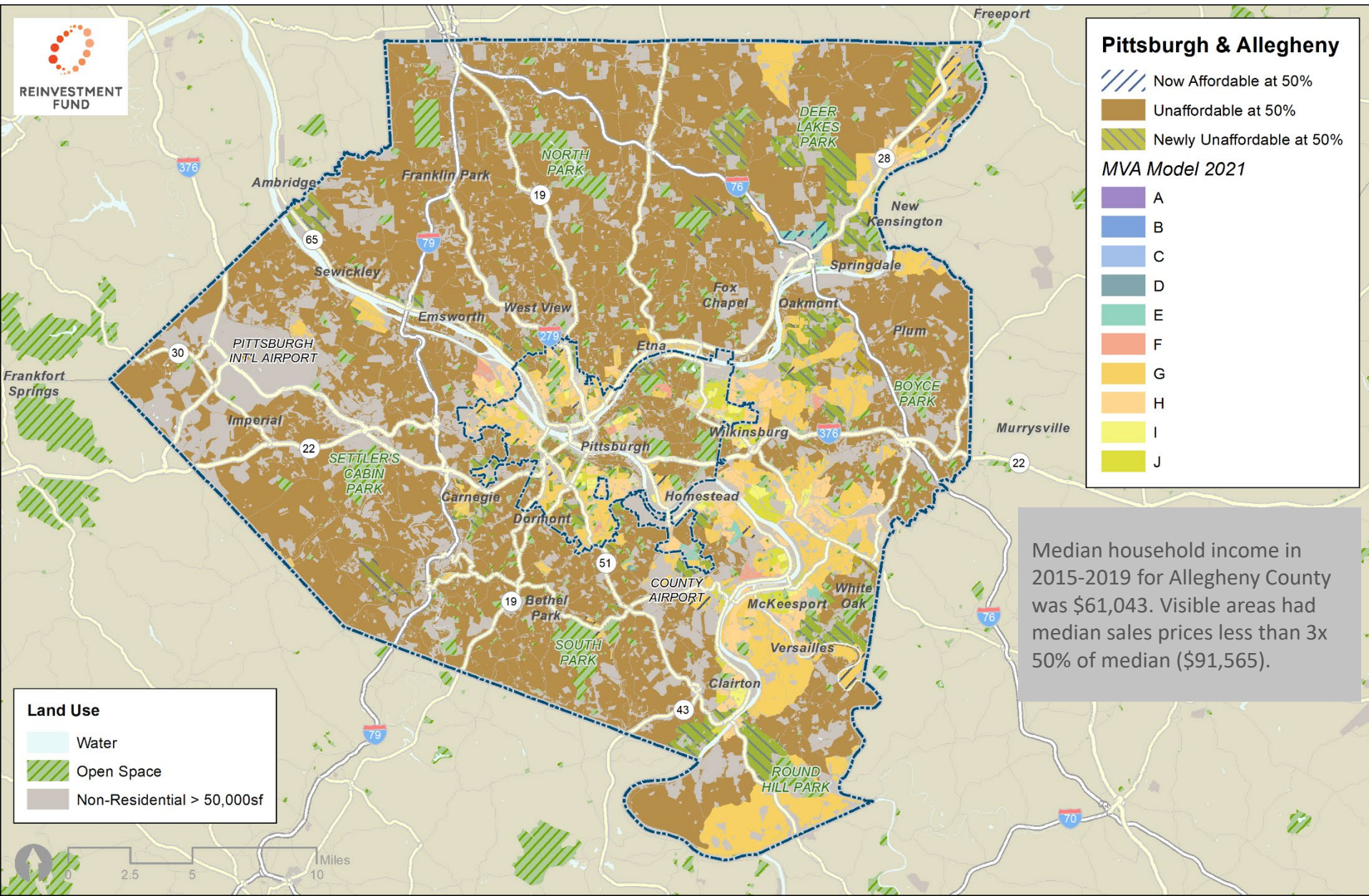


# Affordability at 80% of County Median Income





# Affordability at 50% of County Median Income








# Affordability at 120% of City Median Income



REINVESTMENT  
FUND

Median household income in 2015-2019 for Pittsburgh was \$48,711. Visible areas had median sales prices less than 3x 120% of median (\$175,360).




## Pittsburgh & Allegheny

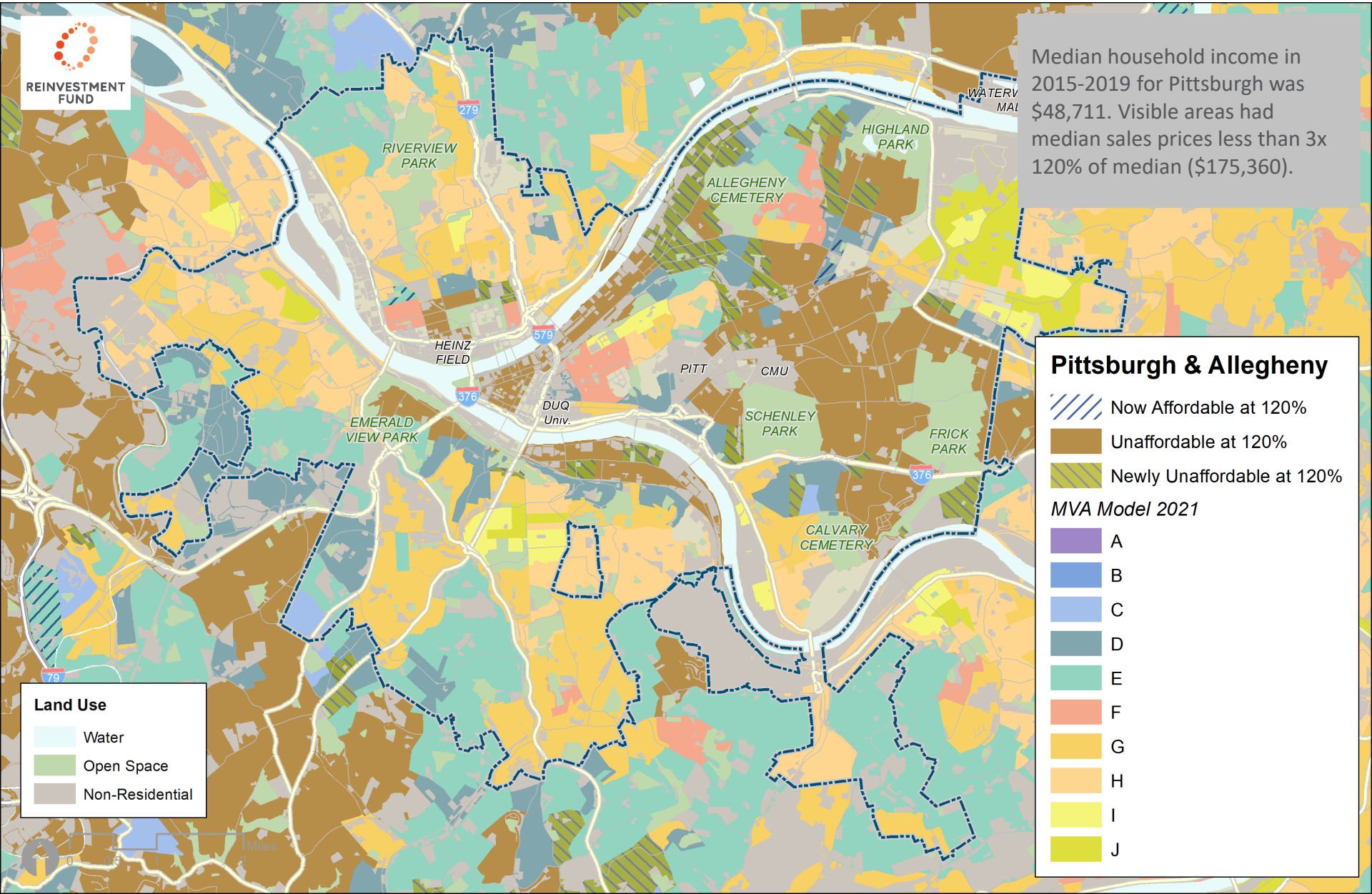
-  Now Affordable at 120%
-  Unaffordable at 120%
-  Newly Unaffordable at 120%

### MVA Model 2021

-  A
-  B
-  C
-  D
-  E
-  F
-  G
-  H
-  I
-  J

### Land Use

-  Water
-  Open Space
-  Non-Residential





# Affordability at 80% of City Median Income



Median household income in 2015-2019 for Pittsburgh was \$48,711. Visible areas had median sales prices less than 3x 80% of median (\$116,906).

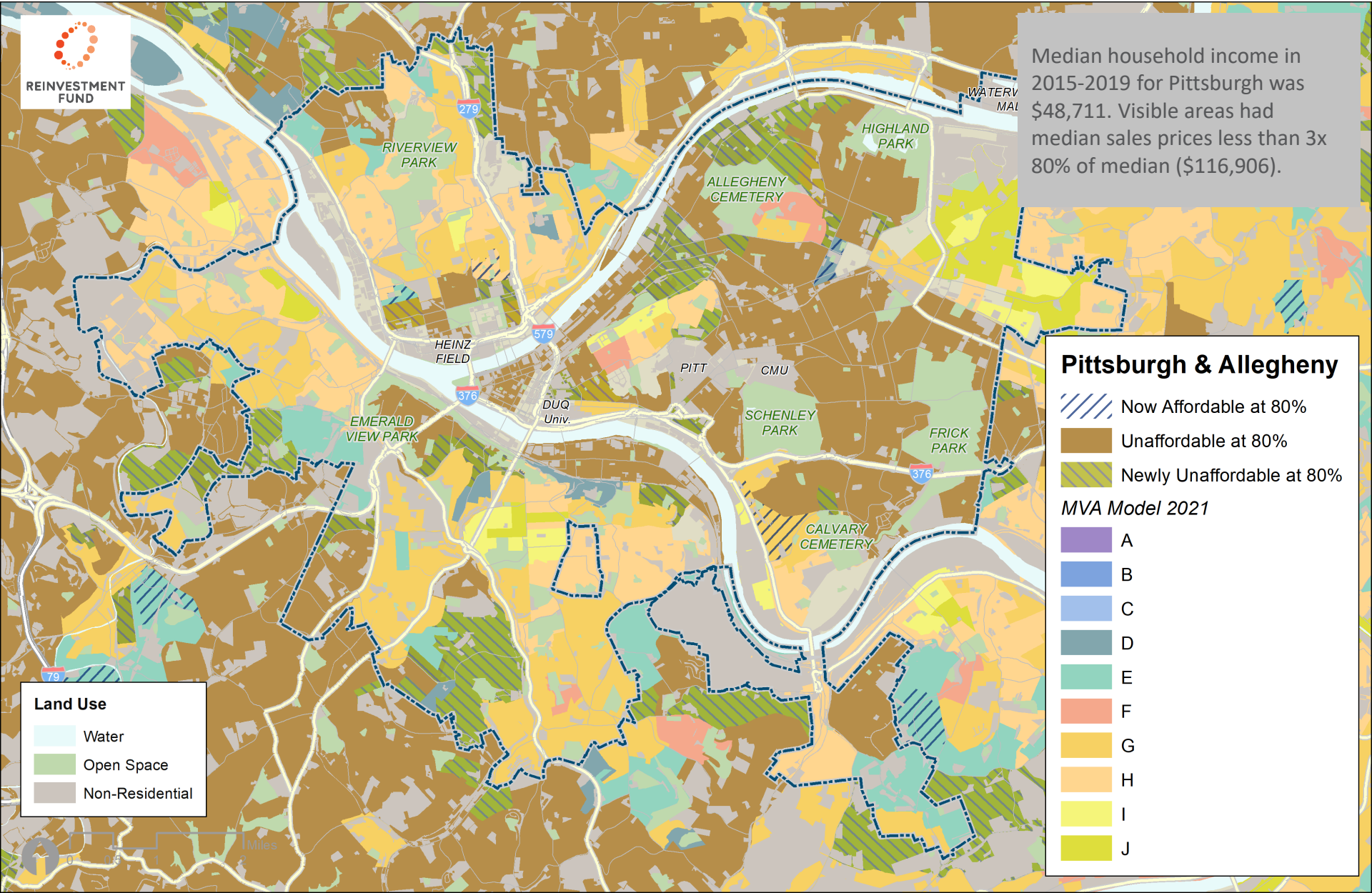
## Pittsburgh & Allegheny

- Now Affordable at 80%
- Unaffordable at 80%
- Newly Unaffordable at 80%

### MVA Model 2021

- A
- B
- C
- D
- E
- F
- G
- H
- I
- J

- Land Use
- Water
  - Open Space
  - Non-Residential





# Affordability at 50% of City Median Income



Median household income in 2015-2019 for Pittsburgh was \$48,711. Visible areas had median sales prices less than 3x 50% of median (\$73,067).

**Land Use**

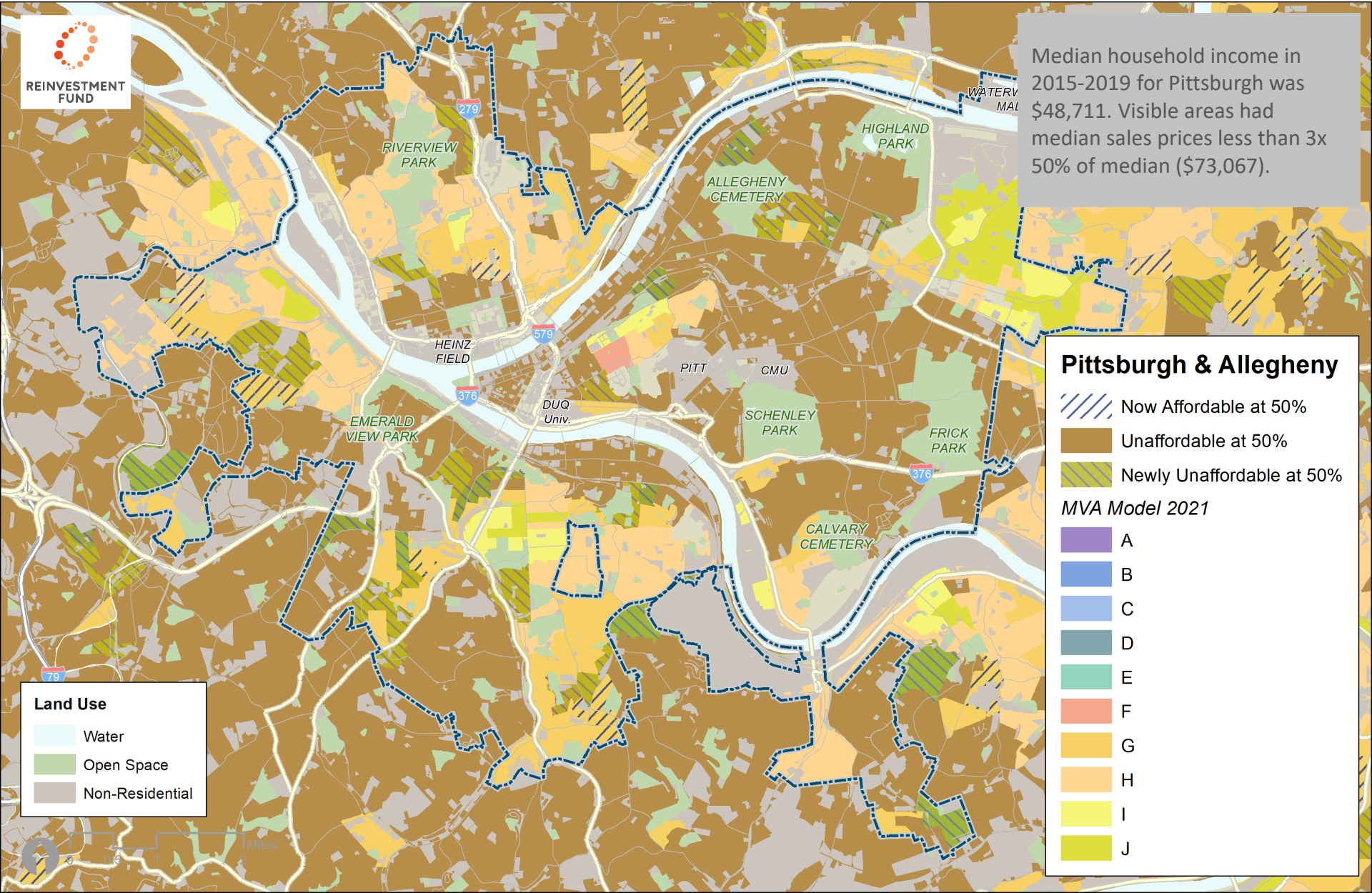
- Water
- Open Space
- Non-Residential

**Pittsburgh & Allegheny**

- Now Affordable at 50%
- Unaffordable at 50%
- Newly Unaffordable at 50%

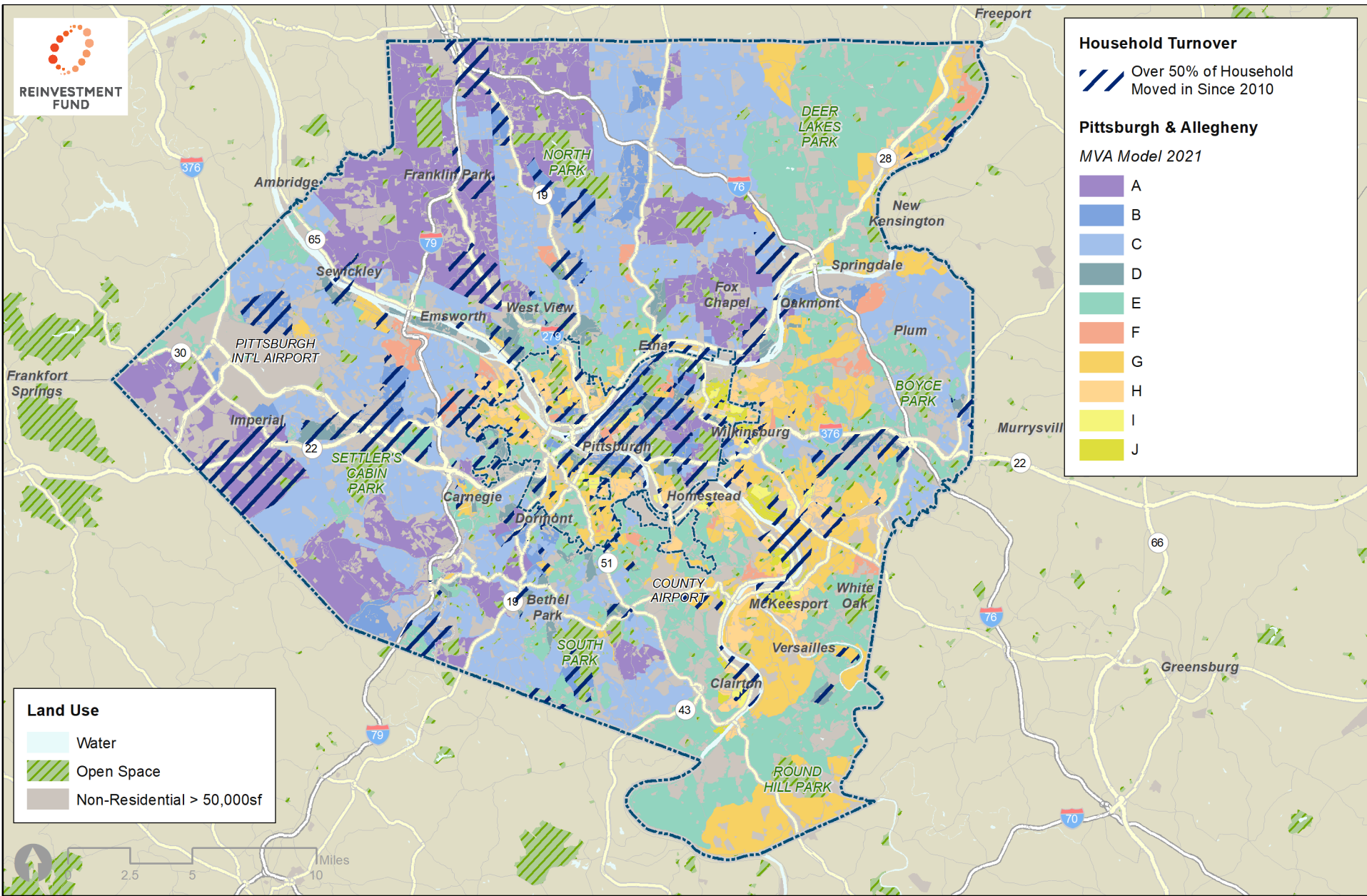
*MVA Model 2021*

- A
- B
- C
- D
- E
- F
- G
- H
- I
- J



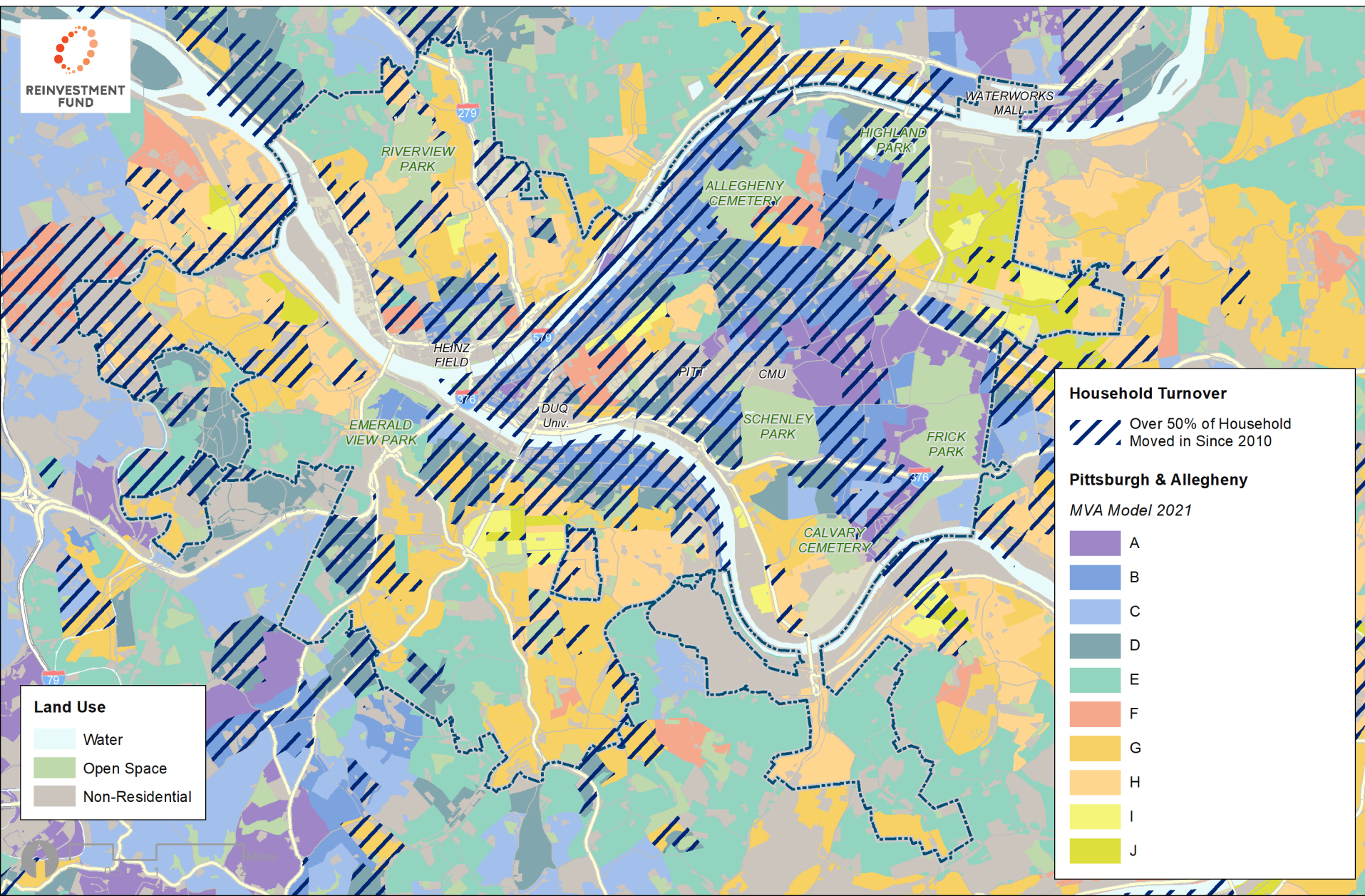


# MVA and Recent Move-Ins





# MVA and Recent Move-Ins





# Analyzing Mortgage Lending Activity

The table below shows mortgage outcomes from Home Mortgage Disclosure Application filings. The share of cash sales are estimated by comparing the number of originated loans with the number of residential transactions.

## Mortgage Application Outcomes Vary Substantially Across MVA Market Types

*Home Purchase Application  
Outcomes, 2017-2019*

	Originated Loans	Rejected Apps	Withdrawn Apps	Total App	Sales 2017-2019	Purchase Loans as Pct of Sales
<b>Purple (A)</b>	5,606 (83%)	309 (5%)	858 (13%)	<b>6,773 (100%)</b>	5,434	<b>&gt; 95%</b>
<b>Blue (B, C)</b>	17,678 (82%)	1,155 (5%)	2,778 (13%)	<b>21,611 (100%)</b>	18,470	<b>&gt; 95%</b>
<b>Green (D, E)</b>	11,989 (81%)	1,028 (7%)	1,830 (12%)	<b>14,847 (100%)</b>	13,760	<b>87%</b>
<b>Orange (F, G, H)</b>	7,723 (76%)	1,087 (11%)	1,347 (13%)	<b>10,157 (100%)</b>	12,812	<b>60%</b>
<b>Yellow (I, J)</b>	264 (66%)	80 (20%)	59 (15%)	<b>403 (100%)</b>	1,277	<b>21%</b>
<b>All Markets</b>	<b>43,260 (80%)</b>	<b>3,659 (7%)</b>	<b>6,872 (13%)</b>	<b>53,791 (100%)</b>	51,753	<b>84%</b>

*Refinance Application  
Outcomes, 2017-2019*

	Originated Loans	Rejected Apps	Withdrawn Apps	Total App
<b>Purple (A)</b>	3,095 (68%)	744 (16%)	702 (15%)	<b>4,541 (100%)</b>
<b>Blue (B, C)</b>	10,972 (65%)	3,172 (19%)	2,698 (16%)	<b>16,842 (100%)</b>
<b>Green (D, E)</b>	7,137 (60%)	2,713 (23%)	1,960 (17%)	<b>11,810 (100%)</b>
<b>Orange (F, G, H)</b>	4,106 (54%)	2,276 (30%)	1,223 (16%)	<b>7,605 (100%)</b>
<b>Yellow (I, J)</b>	184 (33%)	253 (46%)	117 (21%)	<b>554 (100%)</b>
<b>All Markets</b>	<b>25,494 (62%)</b>	<b>9,158 (22%)</b>	<b>6,700 (16%)</b>	<b>41,352 (100%)</b>

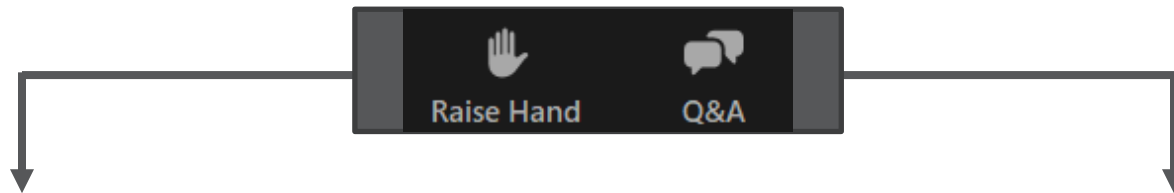
\*Only includes first lien, home purchase and refinance applications for single family homes



# Market Value Analysis Q&A

## Please tell us your name and organization when you ask a question.

Attendees' Zoom toolbar provides two options for posing questions to MVA Panel:



### Raise Hand

- Attendees can use the “Raise Hang” function to ask their question live over audio
- Attendees will be acknowledged in the order in which their “hand” was raised.
- When prompted by the event host, attendees’ audio will be enabled. Afterwards, the attendee will again be muted.

### Q&A

- Attendees can use the “Q&A” function to type out and submit their question
- Questions submitted via the Q&A will be reviewed by the panel and placed in a queue in the order they were received.
- Q&A submissions will be presented to the panel for response once all “Raised Hands”. Q&A submissions will also be made visible to attendees at this time



# Reinvestment Fund Policy Solutions

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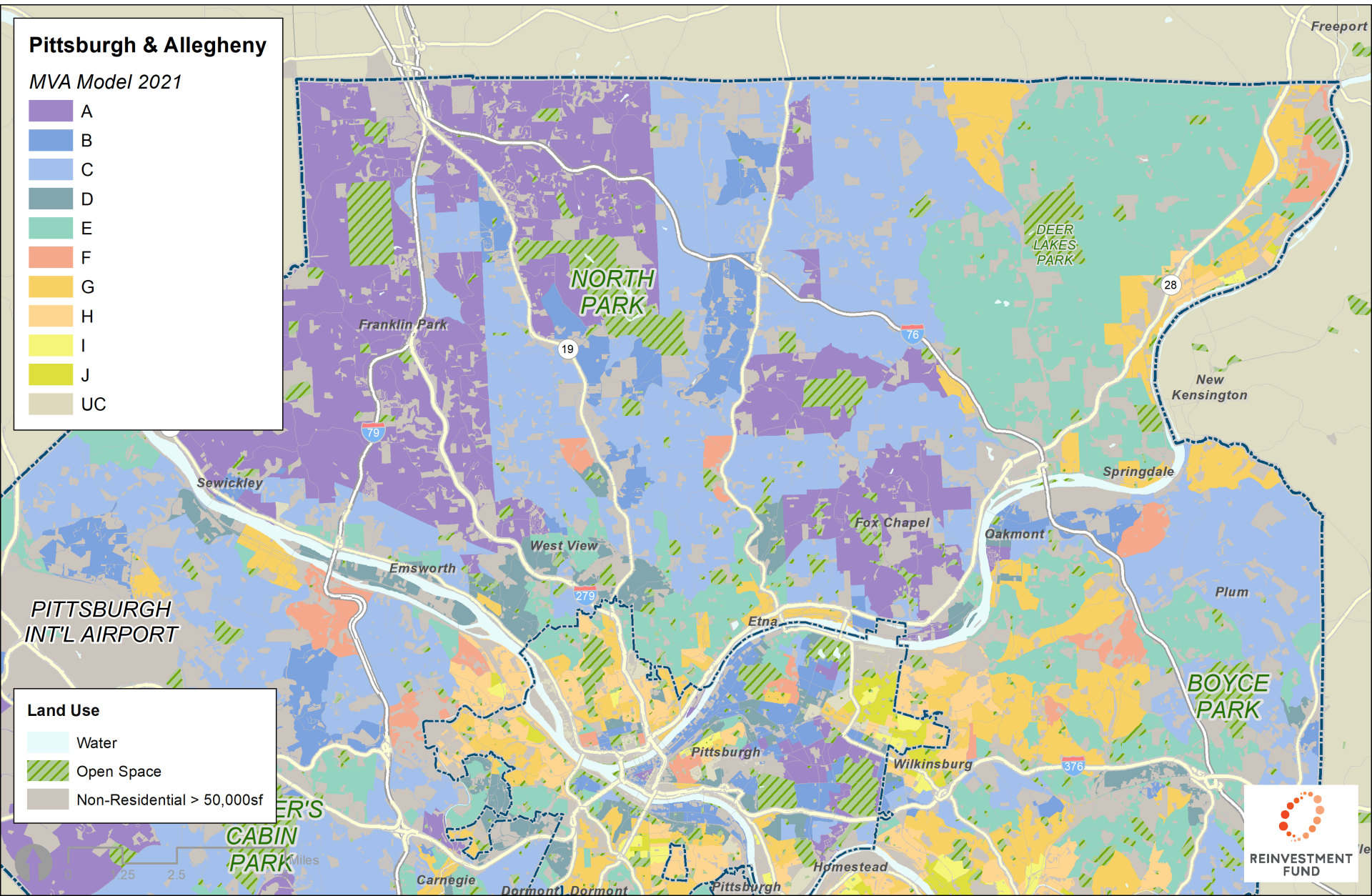
Contact: 215-574-5815



REINVESTMENT  
FUND

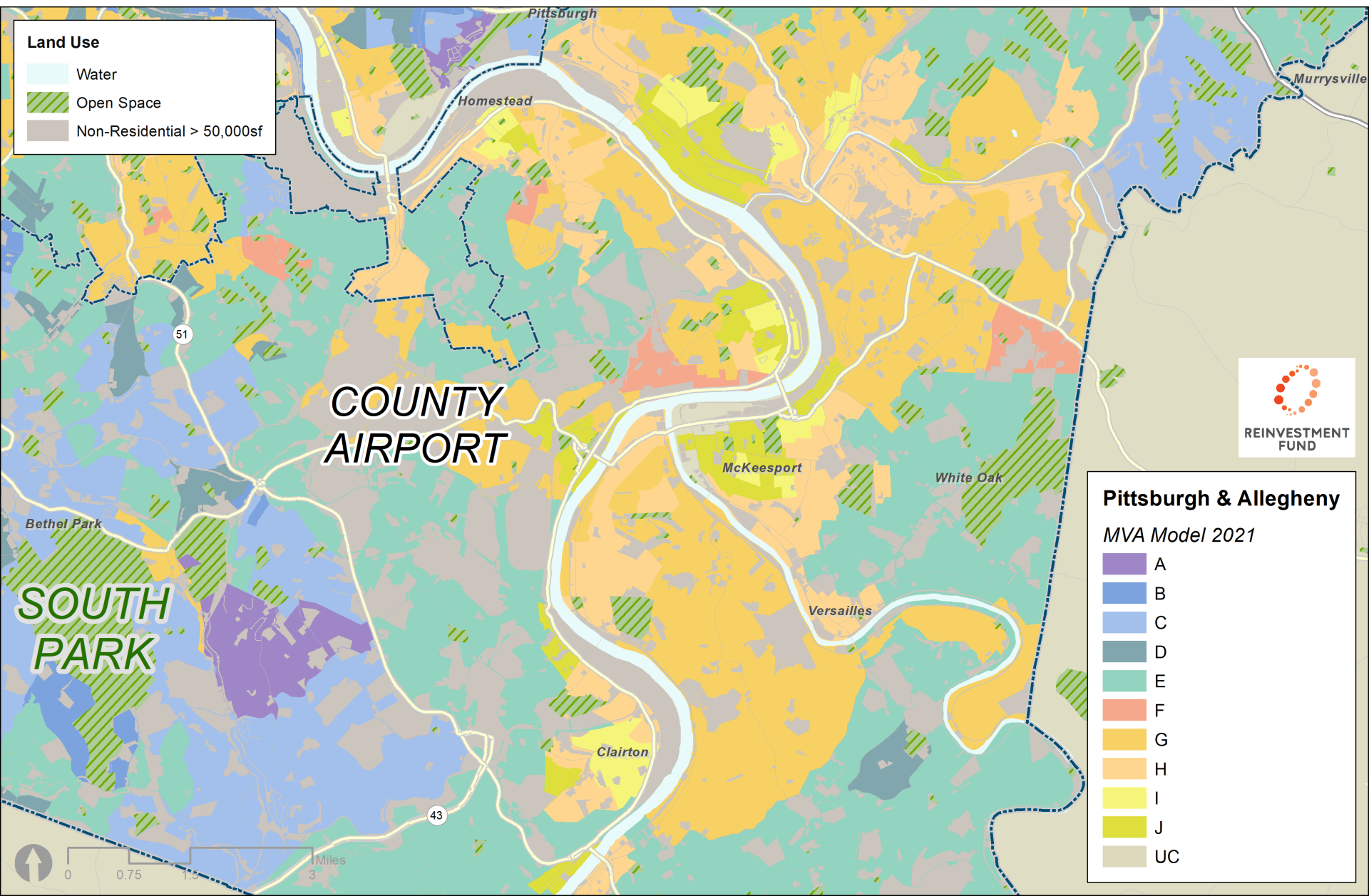


# Allegheny & Pittsburgh Market Value Analysis



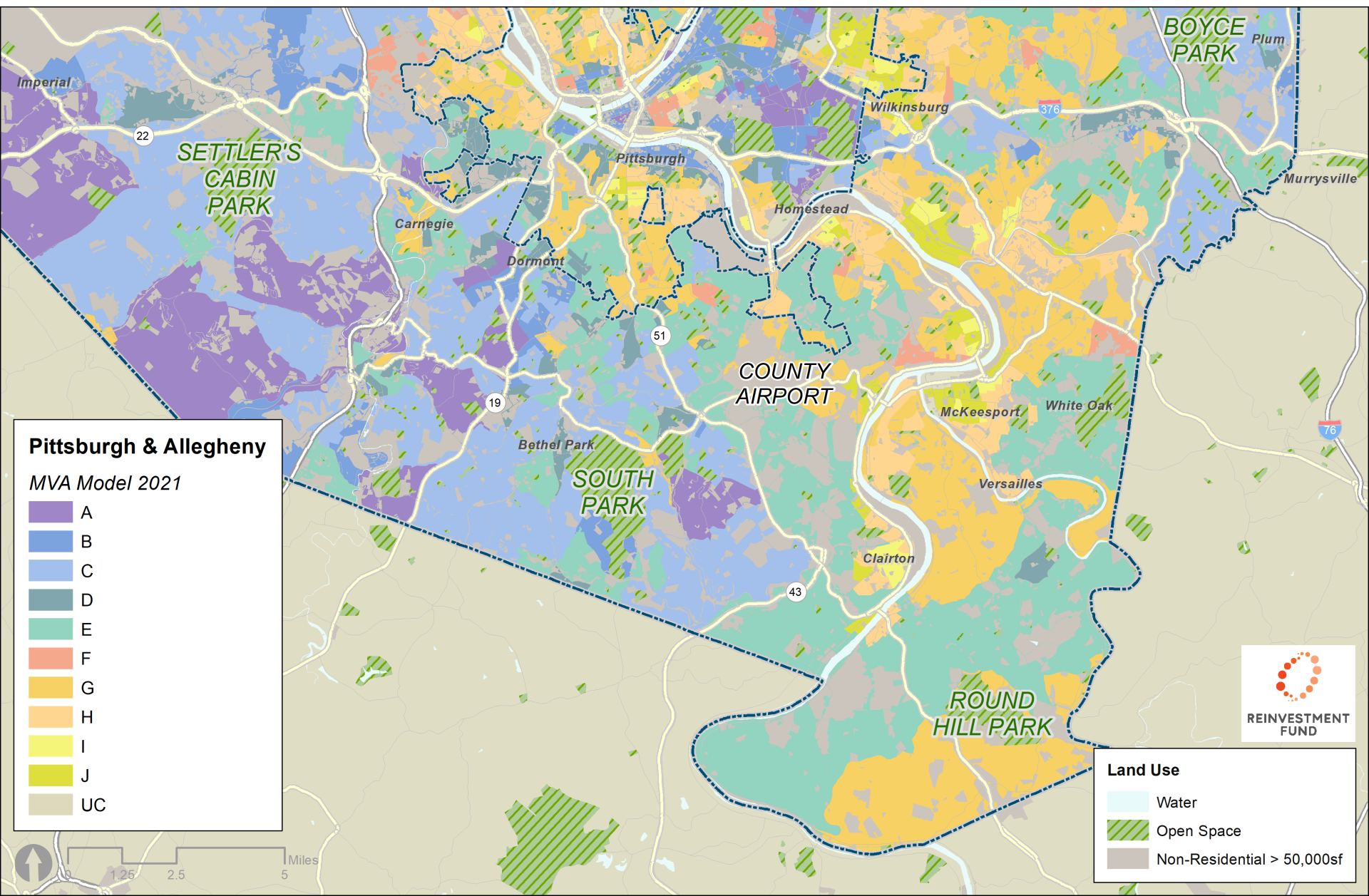


# Allegheny & Pittsburgh Market Value Analysis





# Allegheny & Pittsburgh Market Value Analysis





# Allegheny & Pittsburgh Market Value Analysis

