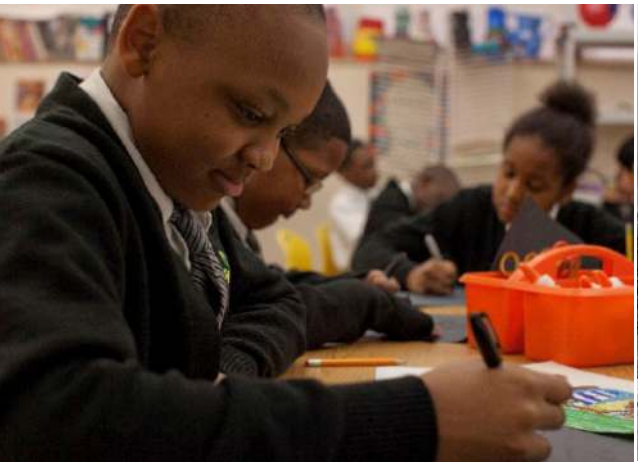
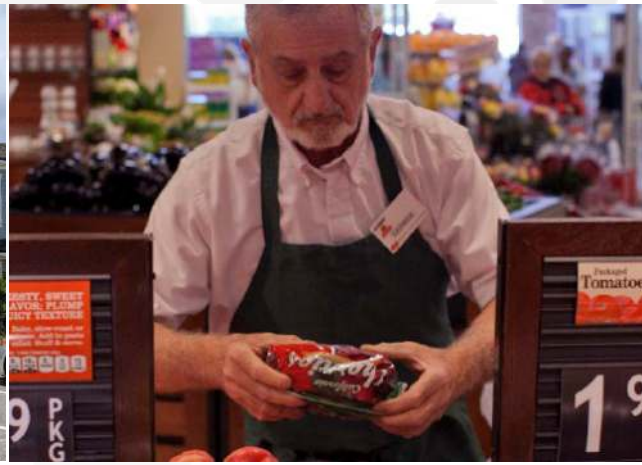
REINVESTMENT FUND





Jacksonville/Duval County Market Value Analysis: Block by Block

Launch Meeting

February 14, 2023

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 $2.7 billion in cumulative investments and loans.

- We are supported by 830 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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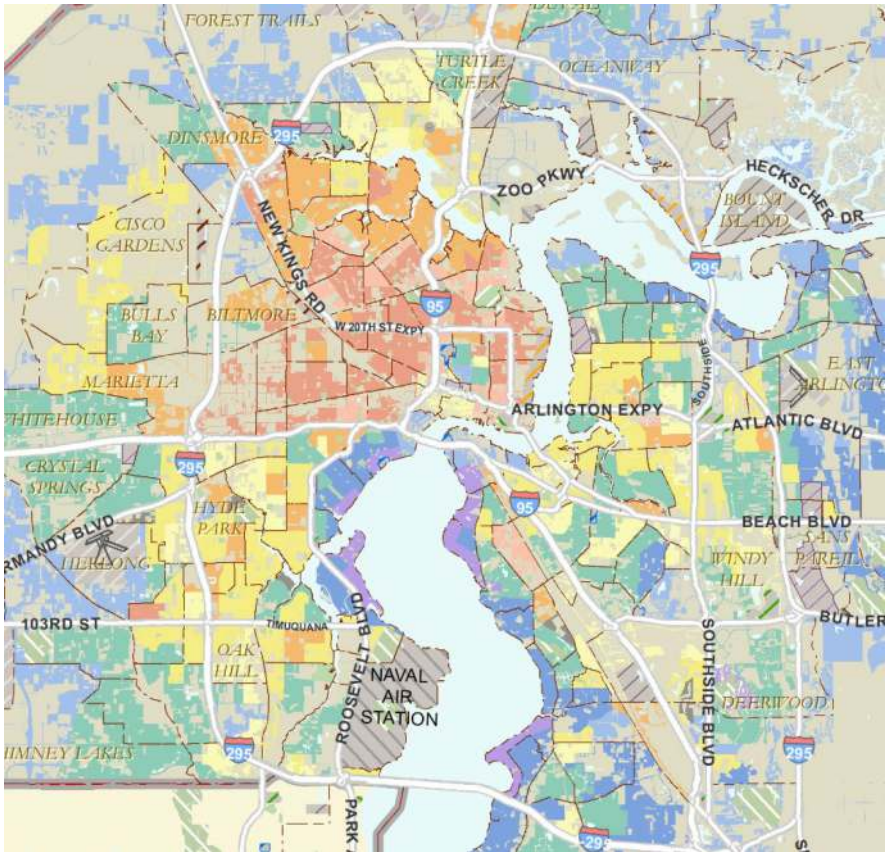
The Market Value Analysis

The **Market Value Analysis** (MVA) is a tool to help 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.



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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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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

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The MVA Process

1. Acquire **local administrative data** and geocode to Census block group geographies.
2. Manually inspect and **validate data layers** by driving through the area.
3. Use statistical **cluster analysis** to identify areas with common attributes.
4. Manually inspect areas for conformity with **local experts** to 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.

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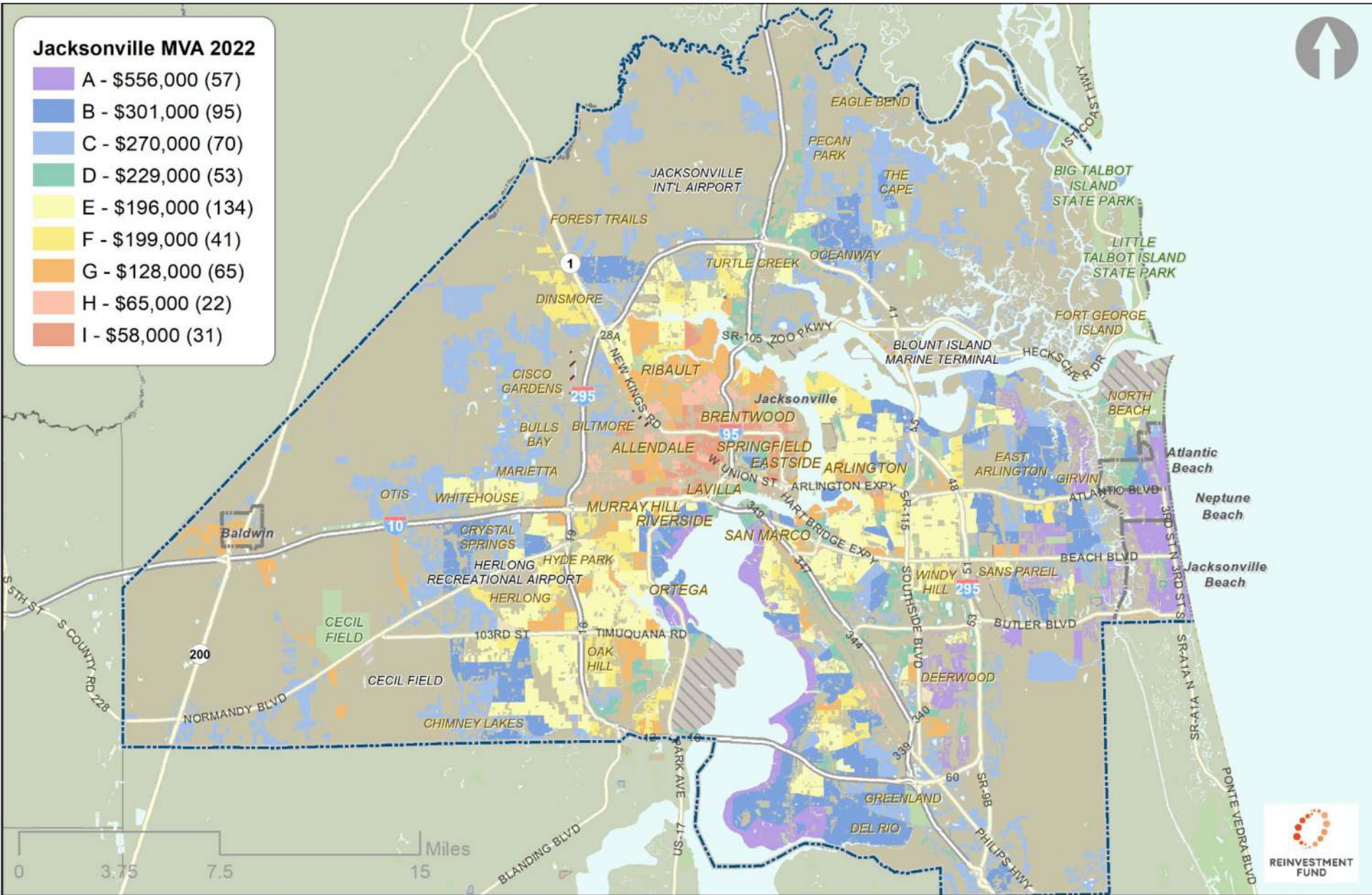
Jacksonville MVA 2022

Jacksonville MVA 2022

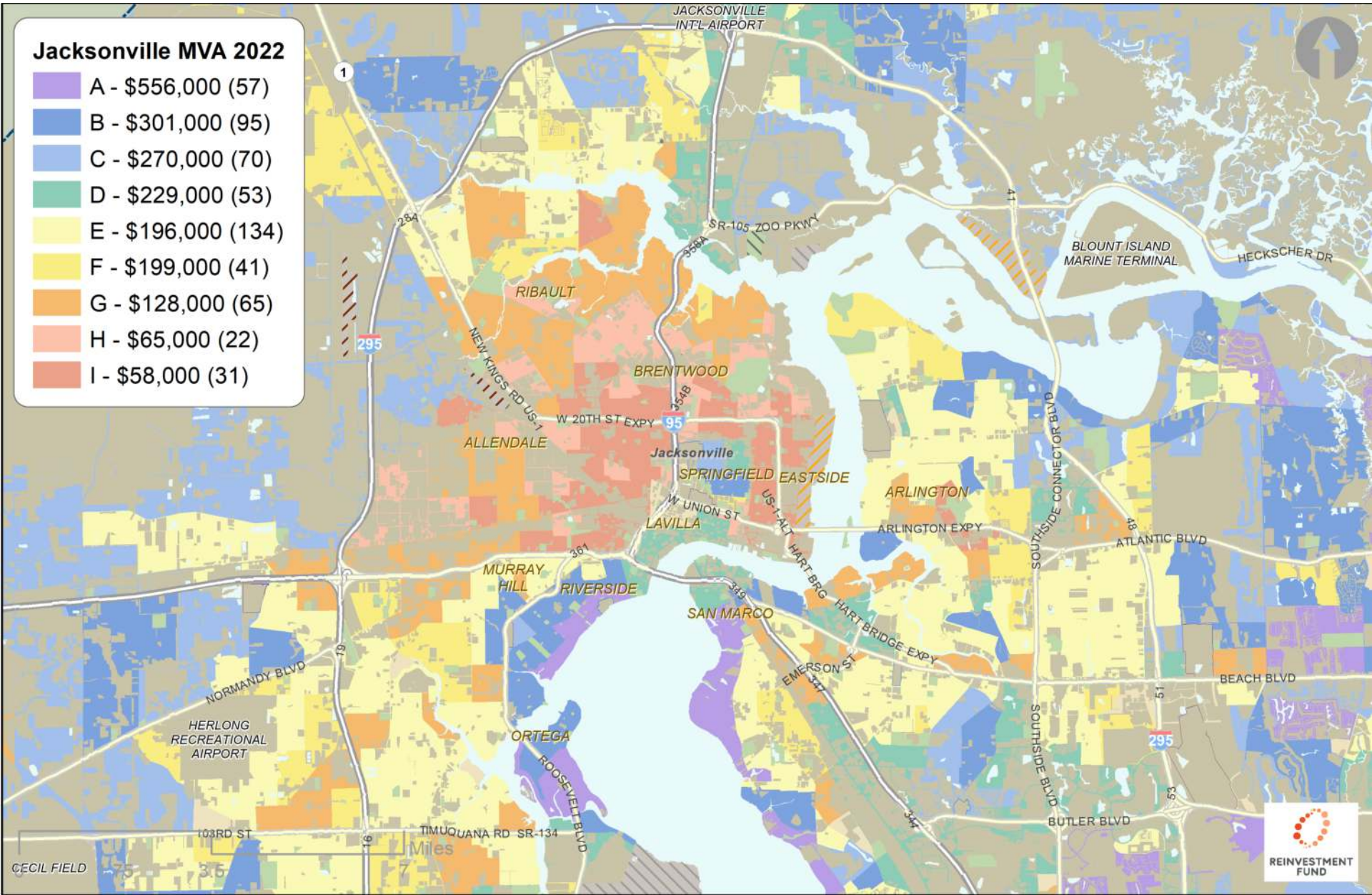
Average Characteristics for Jacksonville Market Types

Market Cluster	Number of Block Groups	Median Sales Price 2020-2021	Variance Sales Price 2020-2021	Water Shutoffs as a Percent of Residential Parcels, 2022	Foreclosure Filings and Bank Registered Vacants as a Percent of Sales, 2020-21	Homestead Exemptions as a Percent of Housing Units, 2021 (Owner Occupied)	Publicly Subsidized Rentals as a Percent of Rental Occupied Units	Percent Residential Land, 2021	Permits > $5,000 as a Percent of Housing Units
A	57	$556,000	0.58	0.1%	3.3%	73.6%	7.2%	66.4%	14.9%
B	95	$301,000	0.33	0.3%	6.0%	77.6%	2.5%	77.2%	7.3%
C	70	$270,000	0.41	0.2%	7.9%	81.9%	3.5%	32.2%	9.8%
D	53	$229,000	0.37	0.3%	6.2%	26.2%	8.7%	27.4%	8.0%
E	134	$196,000	0.35	0.5%	9.0%	53.8%	6.4%	72.8%	5.1%
F	41	$199,000	0.35	0.6%	11.0%	52.8%	73.4%	56.8%	6.0%
G	65	$128,000	0.47	1.2%	11.6%	42.6%	11.3%	61.6%	3.0%
H	22	$65,000	0.62	3.7%	11.0%	25.1%	76.9%	37.8%	2.6%
I	31	$58,000	0.67	6.2%	10.0%	24.9%	17.5%	57.8%	2.7%
All Block groups	568	$242,000	0.42	0.9%	8.1%	56.6%	14.4%	59.1%	6.9%

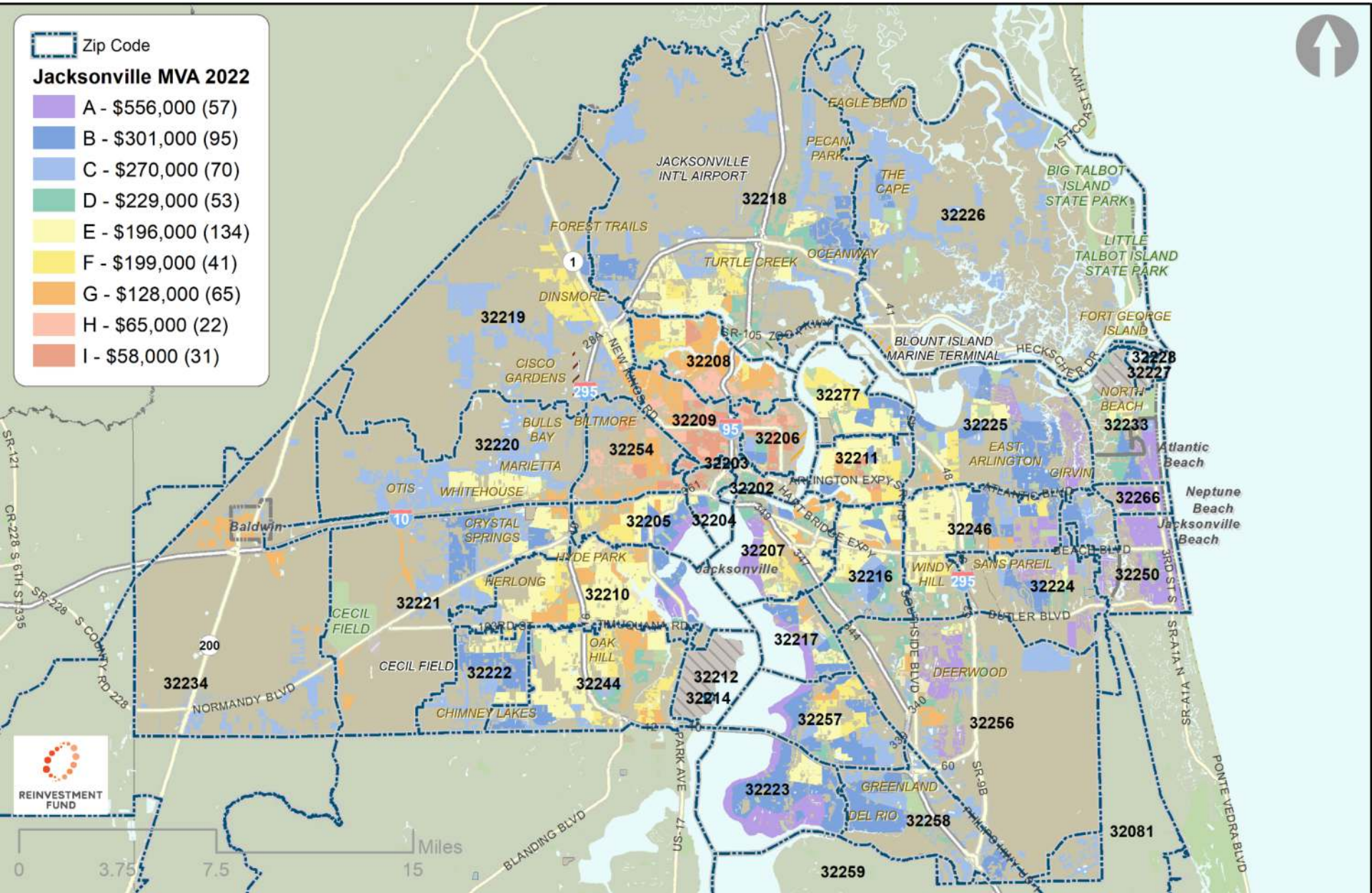
Jacksonville MVA 2022



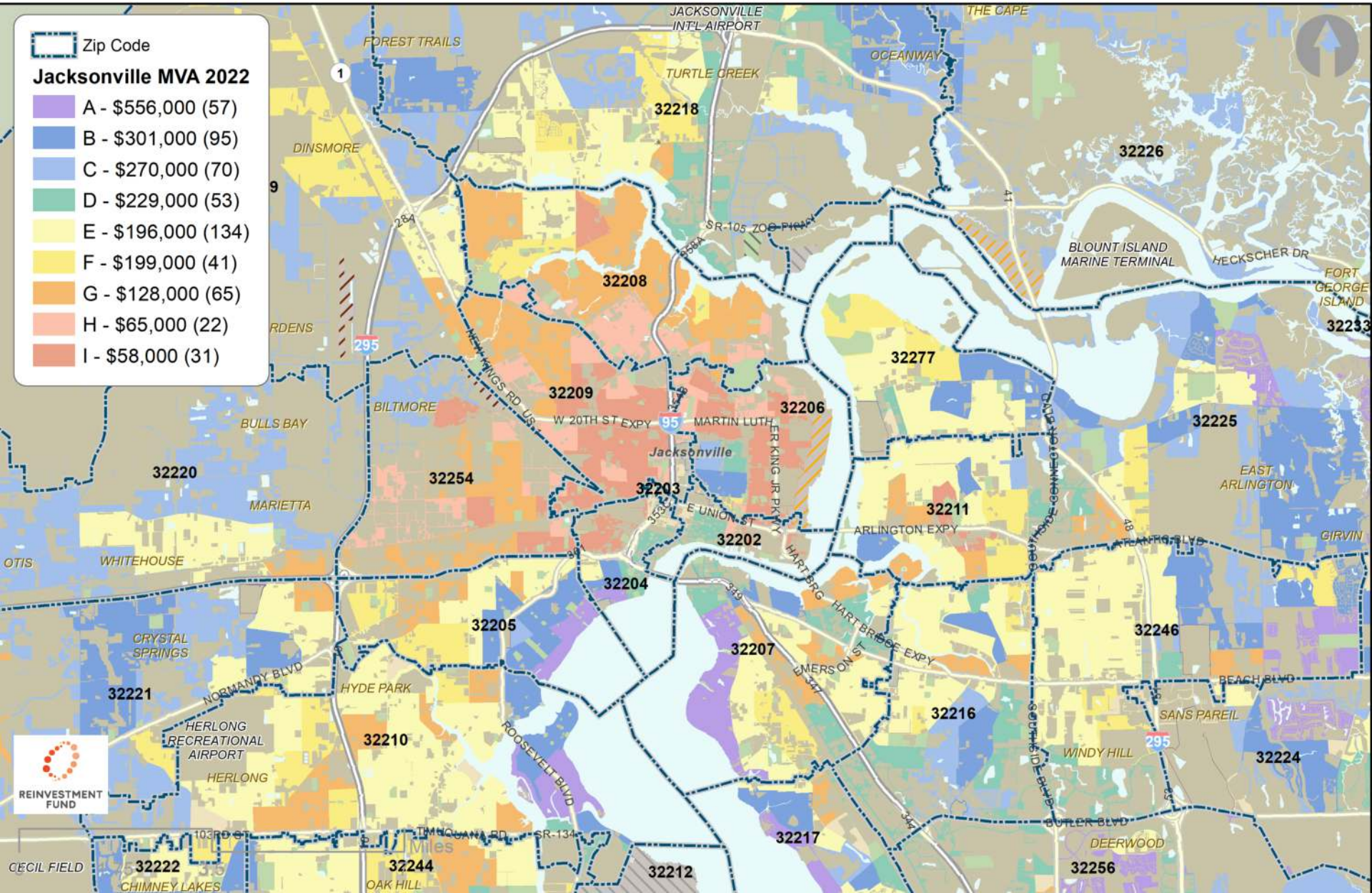
Jacksonville MVA 2022



Jacksonville MVA 2022 with Zip Code Overlay

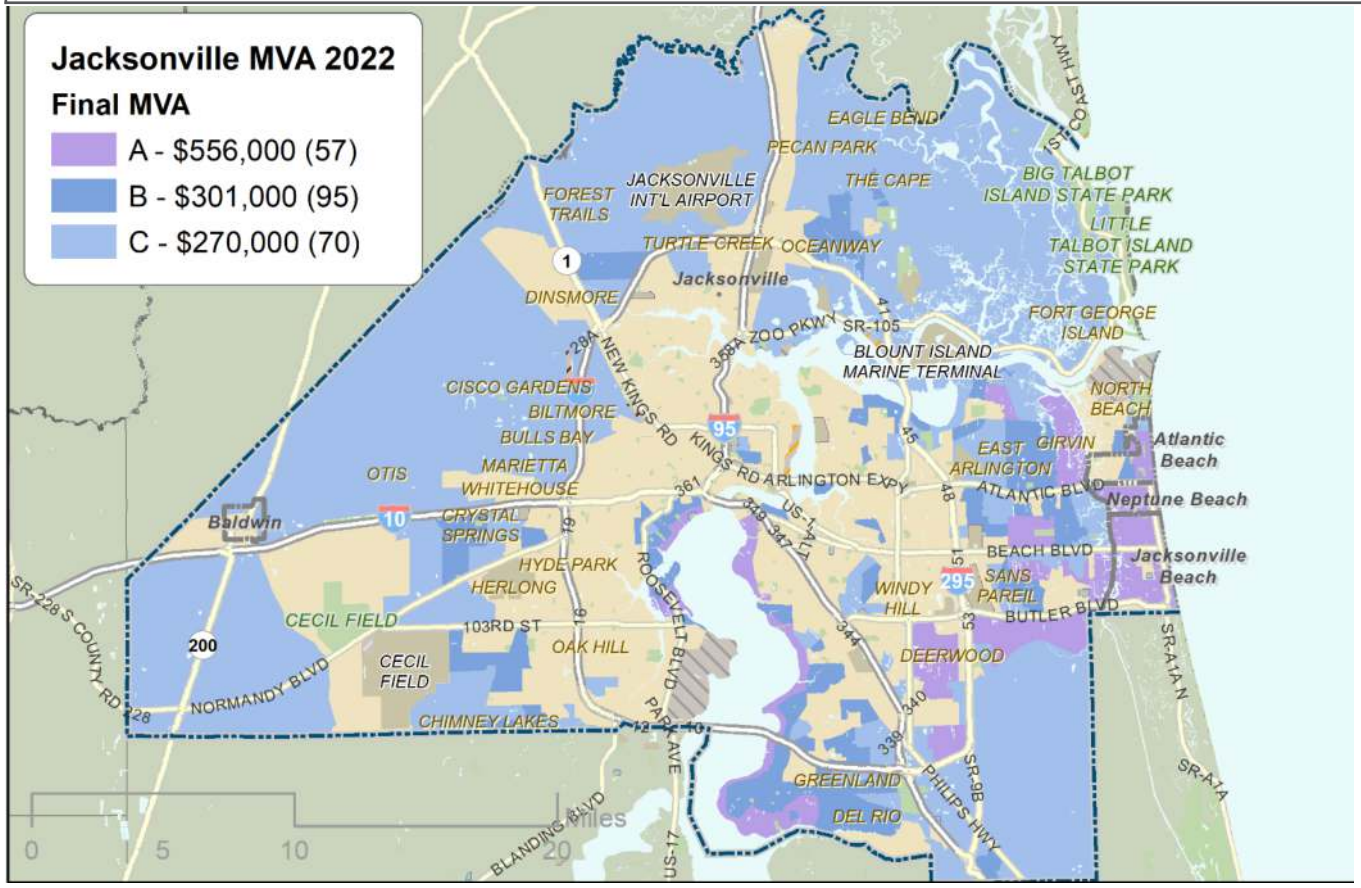


Jacksonville MVA 2022 with Zip Code Overlay



Purple and Blue Markets

	Block Groups	Median Sales Price	Variance Sales Price	Water Shutoffs (Vacancy)	Foreclosure Filings & Bank Registered Vacants	Homestead Exemptions (Owner Occupancy)	Publicly Subsidized Rentals	Residential Land Area	Permits > $5,000
A	57	$556,000	0.58	0.1%	3.3%	73.6%	7.2%	66.4%	14.9%
B	95	$301,000	0.33	0.3%	6.0%	77.6%	2.5%	77.2%	7.3%
C	70	$270,000	0.41	0.2%	7.9%	81.9%	3.5%	32.2%	9.8%
Regional Block Group Average		$242,000	0.42	0.9%	8.1%	56.6%	14.4%	59.1%	6.9%



Characteristics of Purple and Blue Markets

- Highest priced markets
- Mostly owner occupied
- High level of permitting
- Low levels of vacancy and foreclosure
- B markets have mostly Residential Land Use, C have a mix of uses

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Green and Yellow Markets

	Block Groups	Median Sales Price	Variance Sales Price	Water Shutoffs (Vacancy)	Foreclosure Filings & Bank Registered Vacants	Homestead Exemptions (Owner Occupancy)	Publicly Subsidized Rentals	Residential Land Area	Permits > $5,000
D	53	$229,000	0.37	0.3%	6.2%	26.2%	8.7%	27.4%	8.0%
E	134	$196,000	0.35	0.5%	9.0%	53.8%	6.4%	72.8%	5.1%
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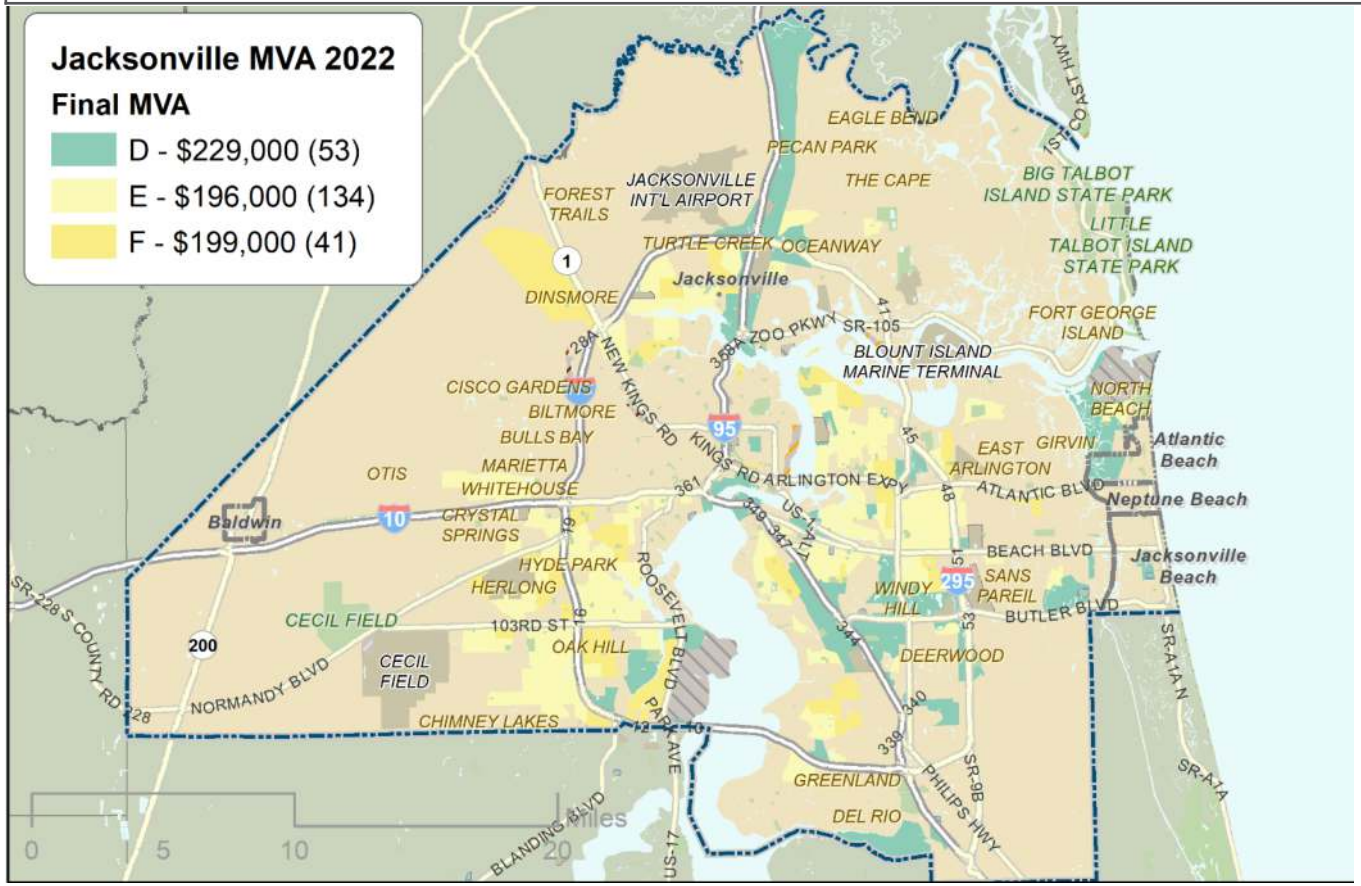

Characteristics of Green and Yellow Markets

- Sales prices are just below average
- D markets are mostly renter occupied
- E markets have typical values in most measures
- F markets have high levels of rental subsidy

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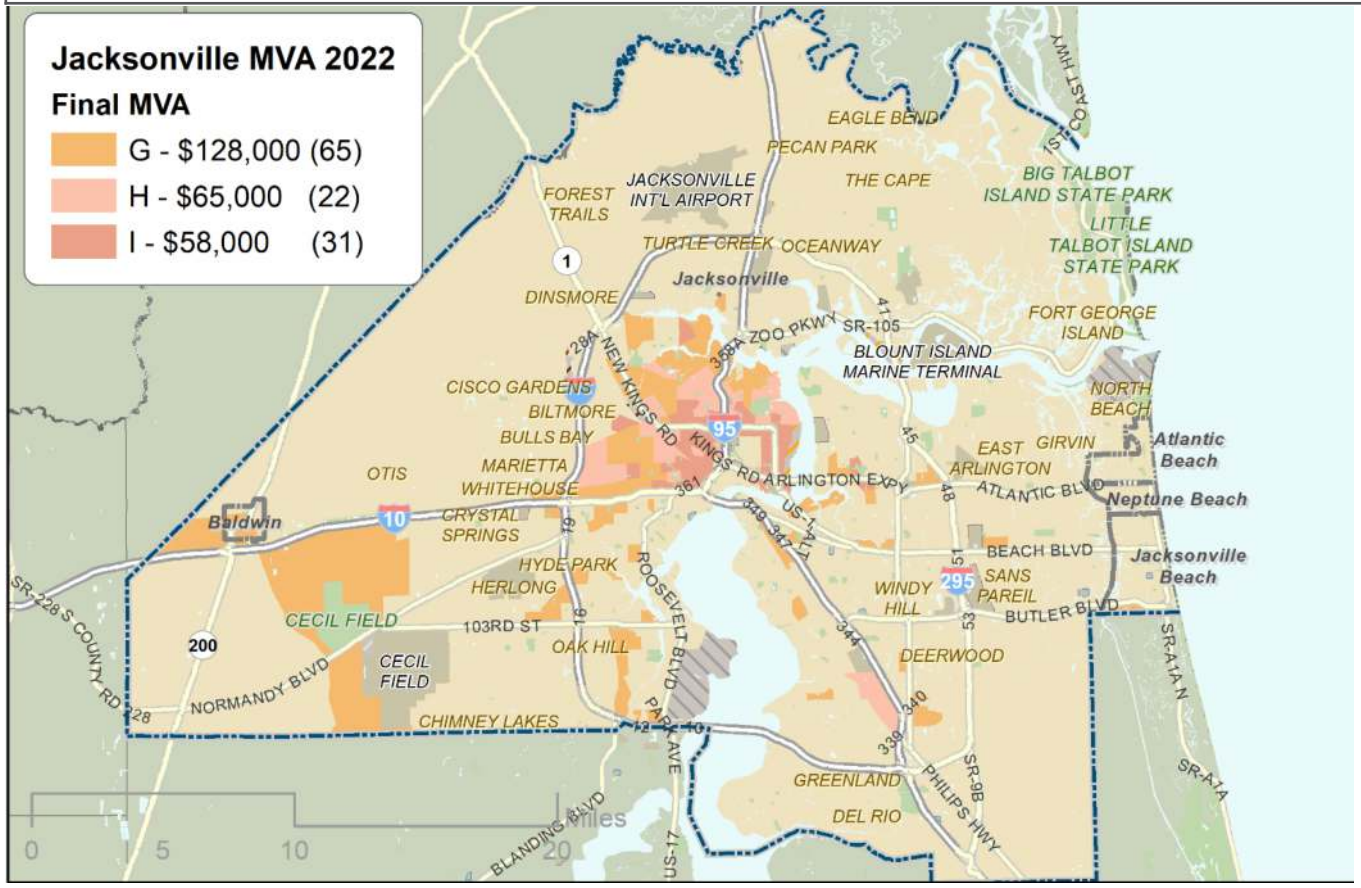
Orange and Salmon Markets

	Block Groups	Median Sales Price	Variance Sales Price	Water Shutoffs (Vacancy)	Foreclosure Filings & Bank Registered Vacants	Homestead Exemptions (Owner Occupancy)	Publicly Subsidized Rentals	Residential Land Area	Permits > $5,000
G	65	$128,000	0.47	1.2%	11.6%	42.6%	11.3%	61.6%	3.0%
H	22	$65,000	0.62	3.7%	11.0%	25.1%	76.9%	37.8%	2.6%
I	31	$58,000	0.67	6.2%	10.0%	24.9%	17.5%	57.8%	2.7%
Regional Block Group Average		$242,000	0.42	0.9%	8.1%	56.6%	14.4%	59.1%	6.9%



Characteristics of Orange and Salmon Markets

- Lowest priced markets
- Higher than average levels of vacancy and foreclosure
- H and I markets are mostly renter occupied
- H and I markets have widest variation in sales prices
- Low levels of permitting
- Most renters in H markets are subsidized

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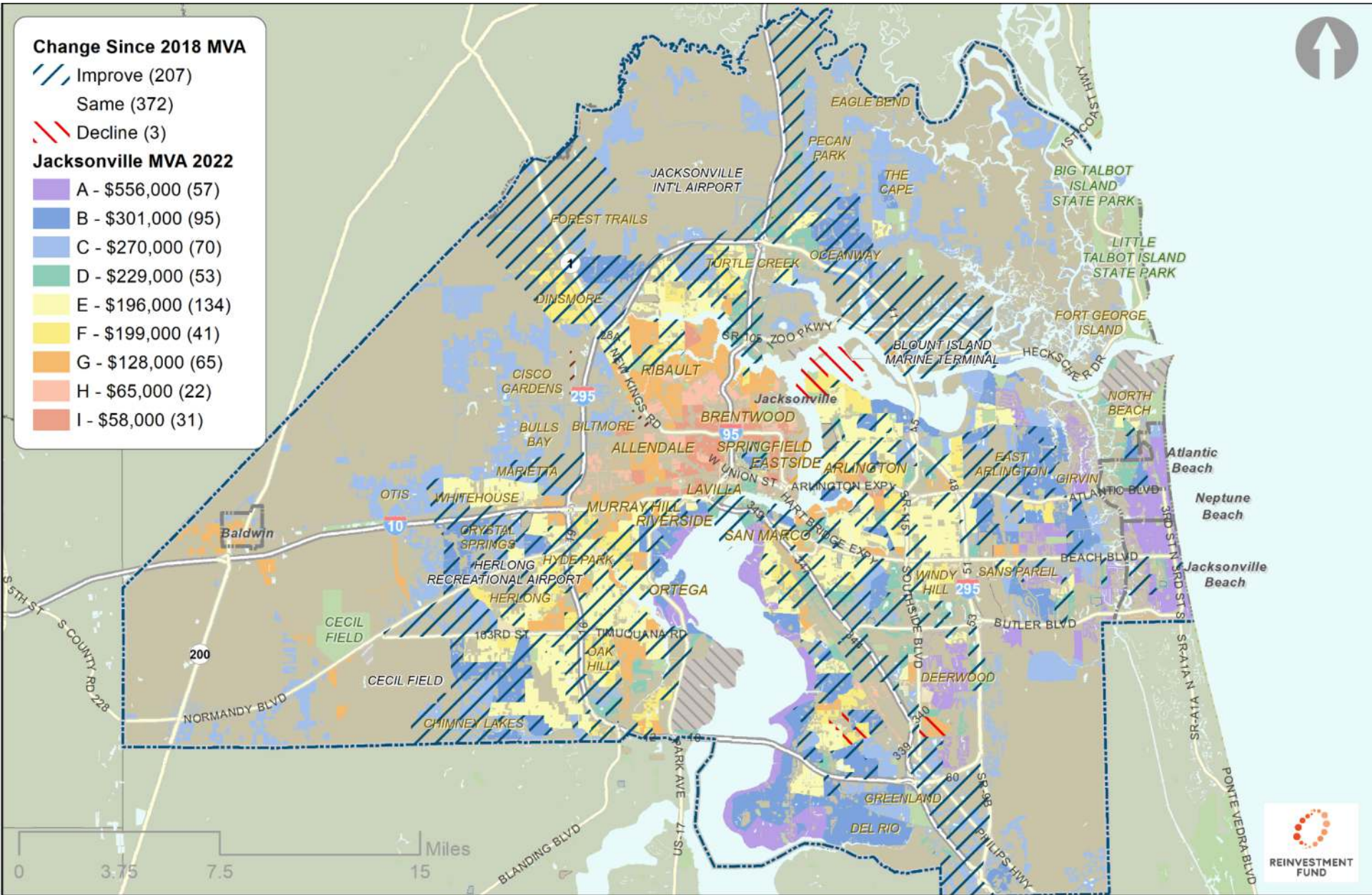
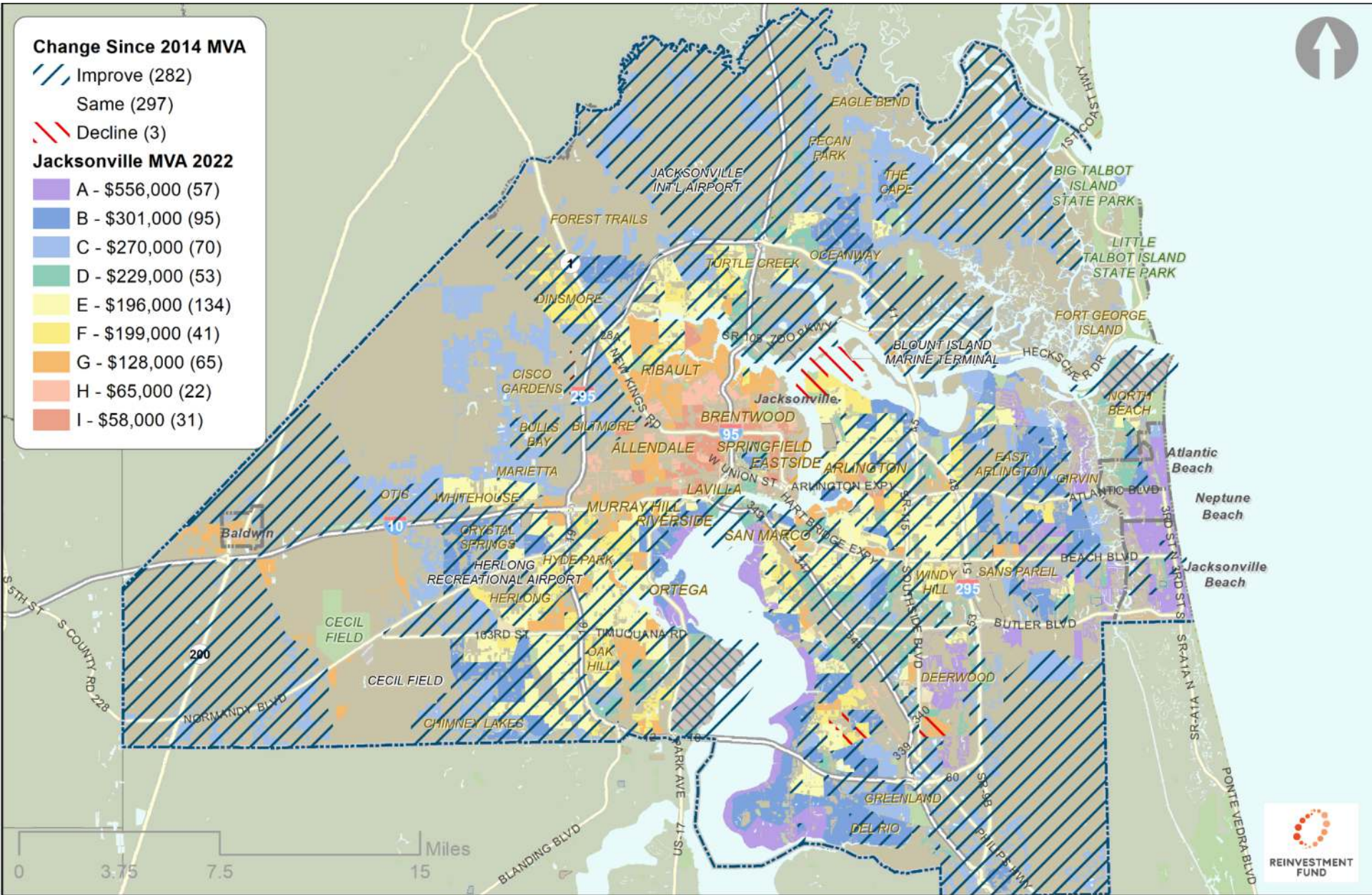
Changes in MVA Data

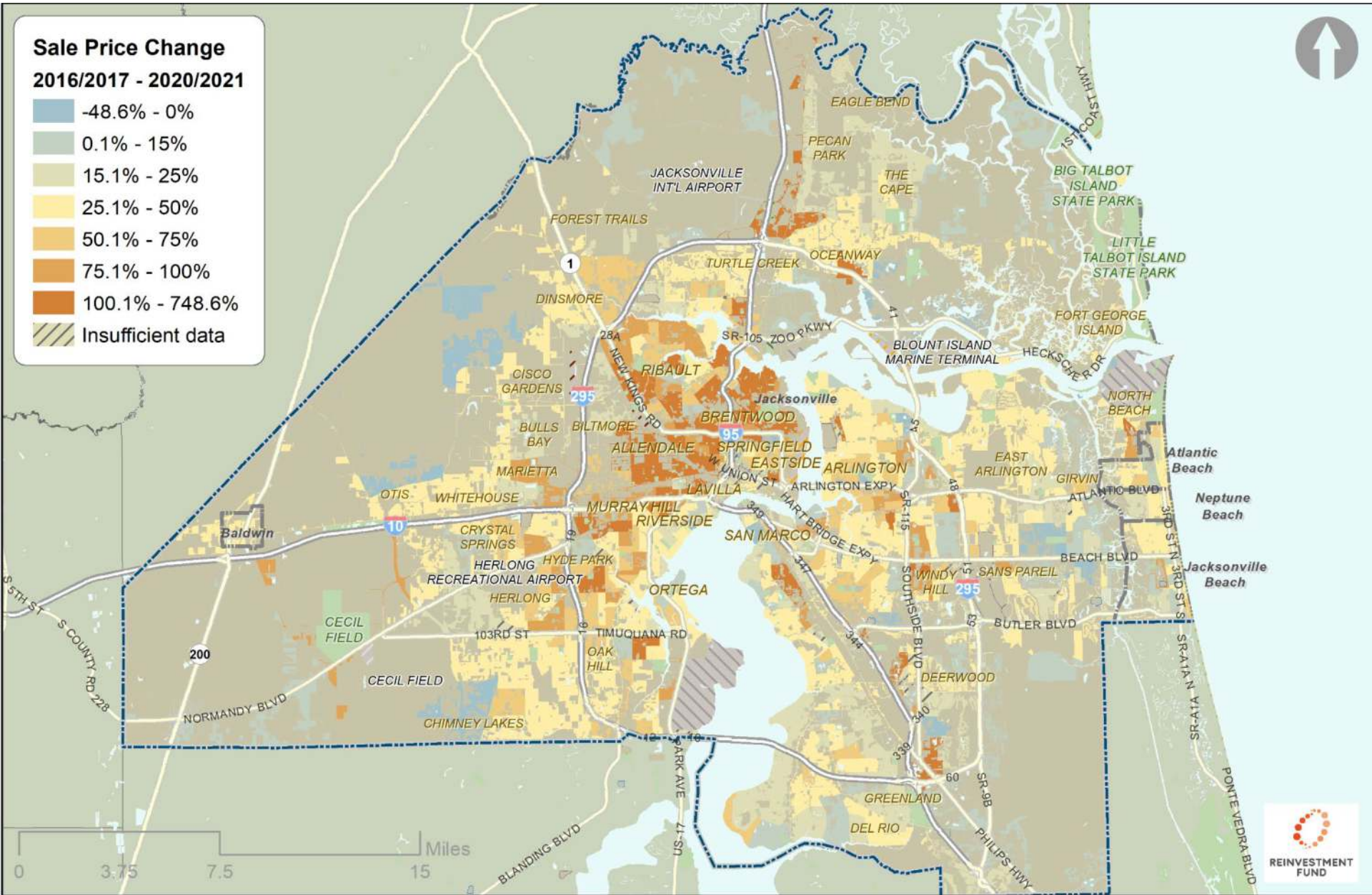
Change Since Previous MVA



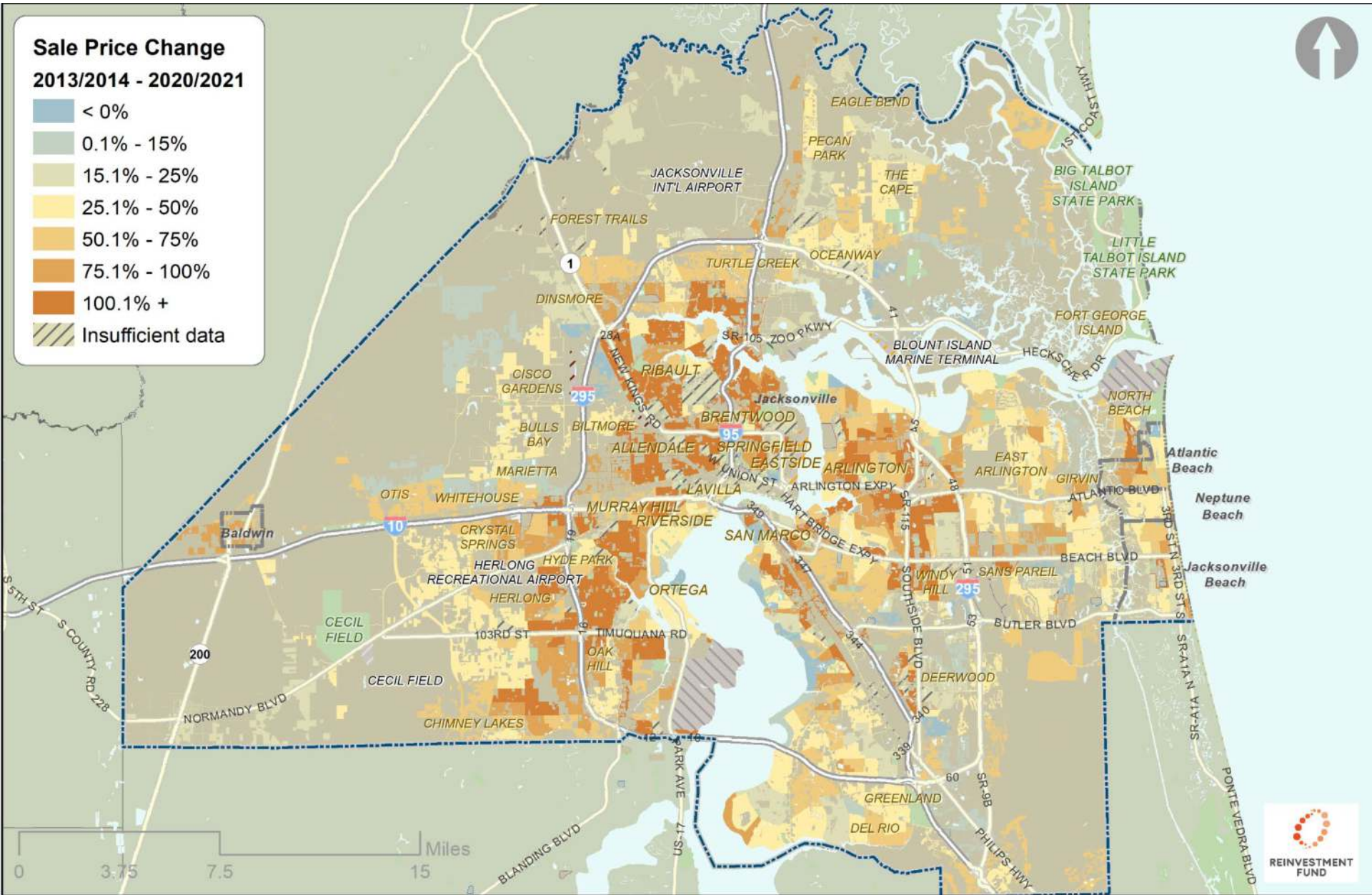
Change Since First MVA



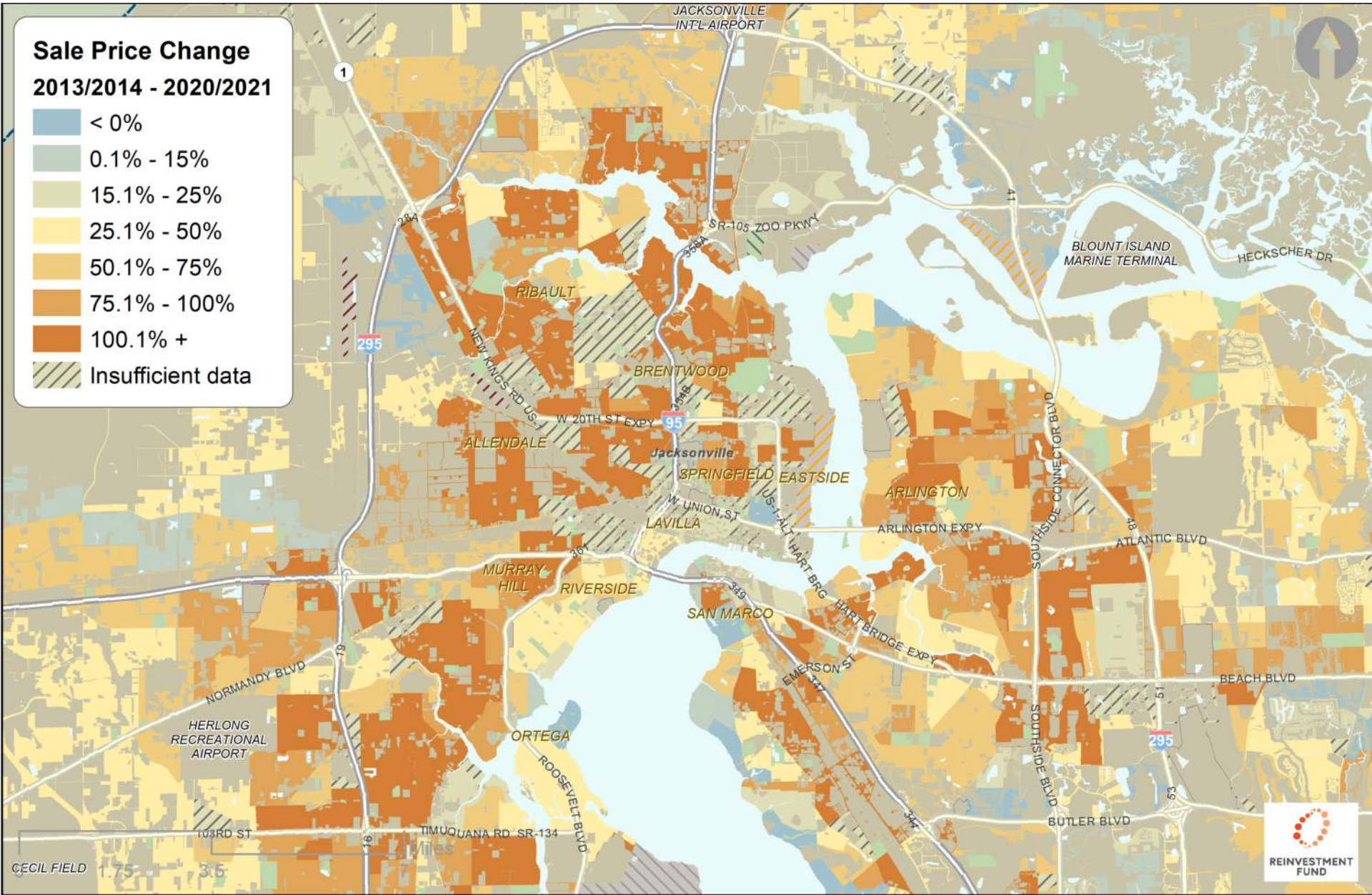
Sale Price Change Since Previous MVA



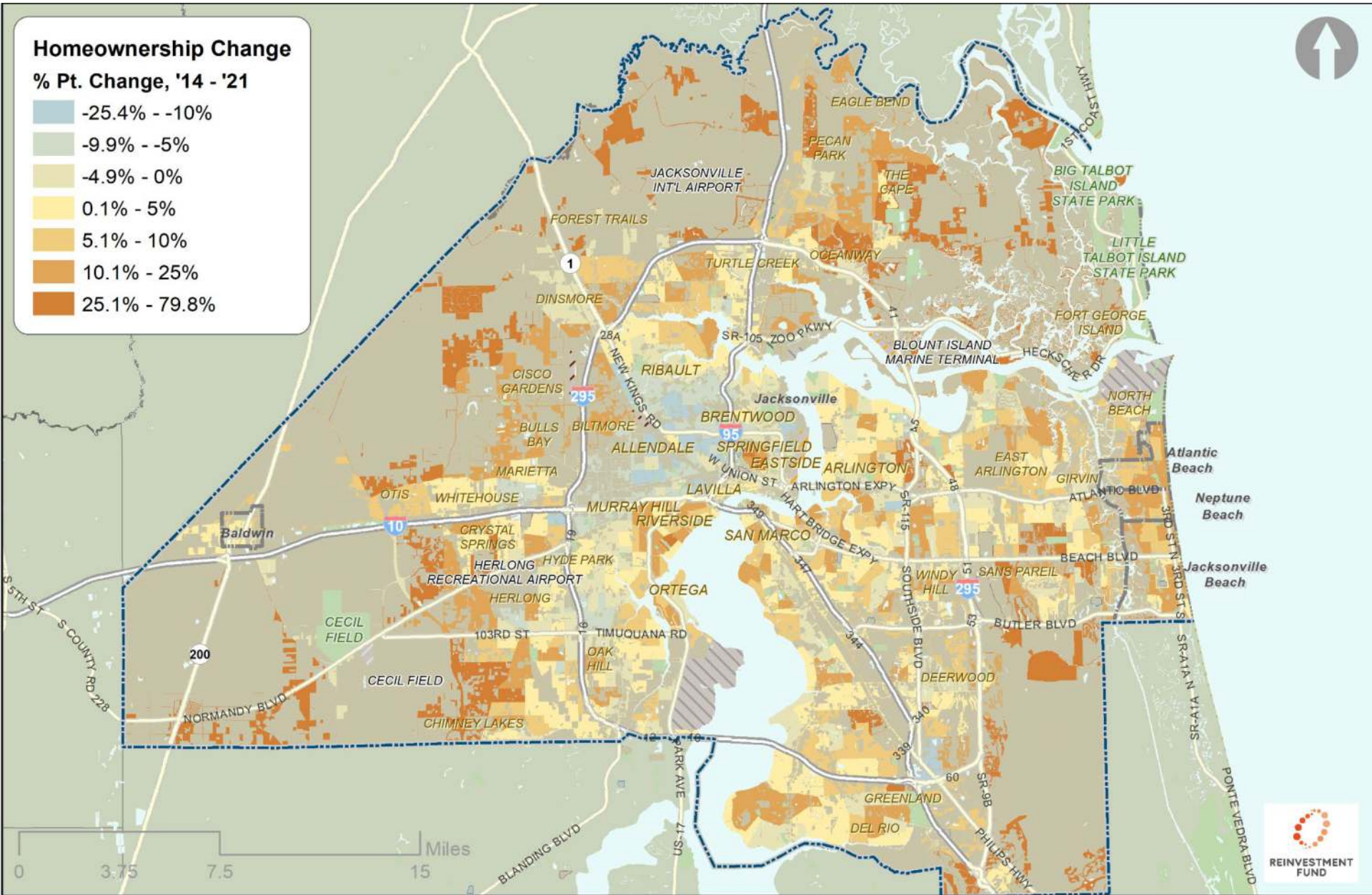
Sale Price Change Since First MVA



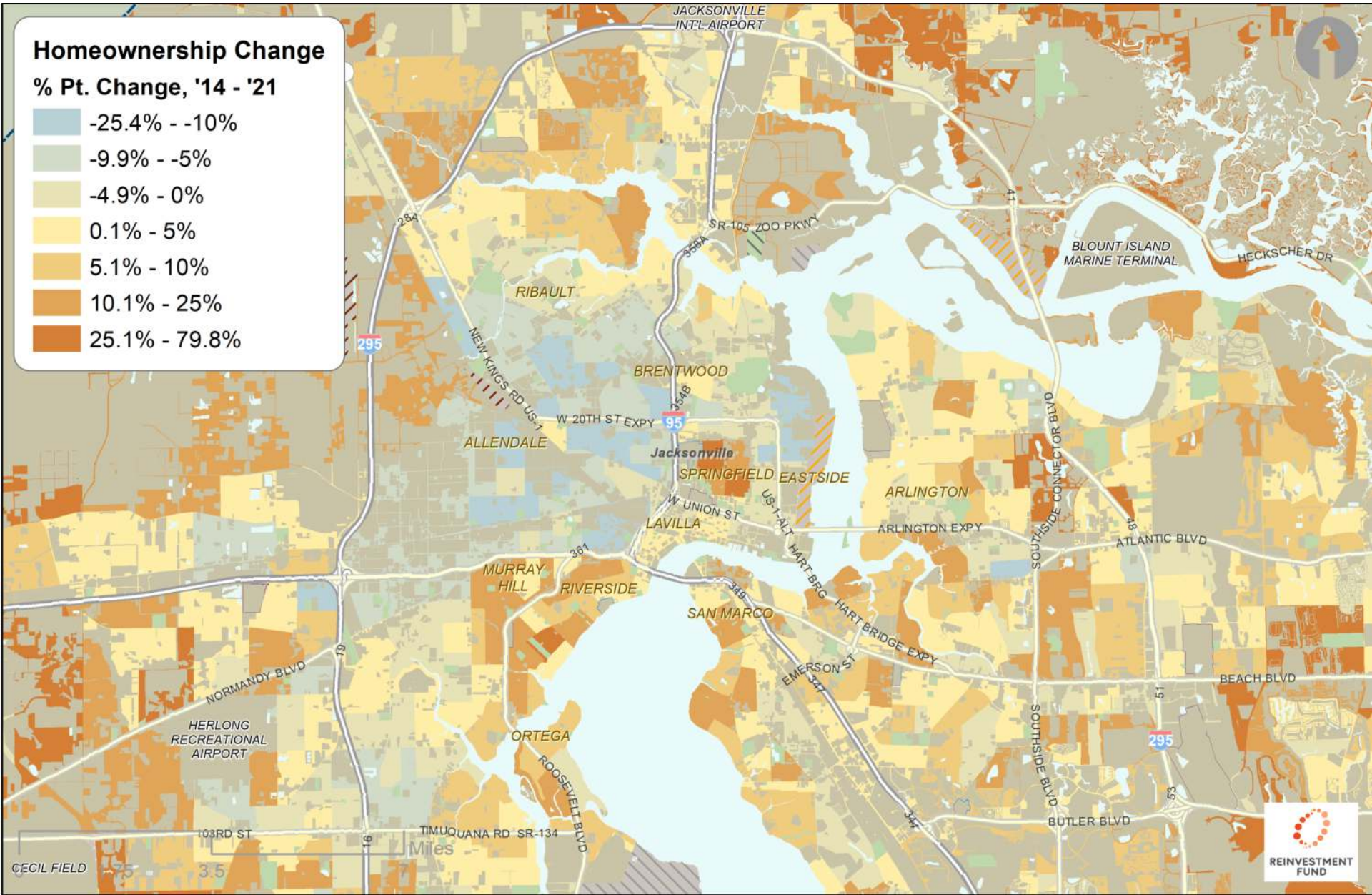
Sale Price Change Since First MVA



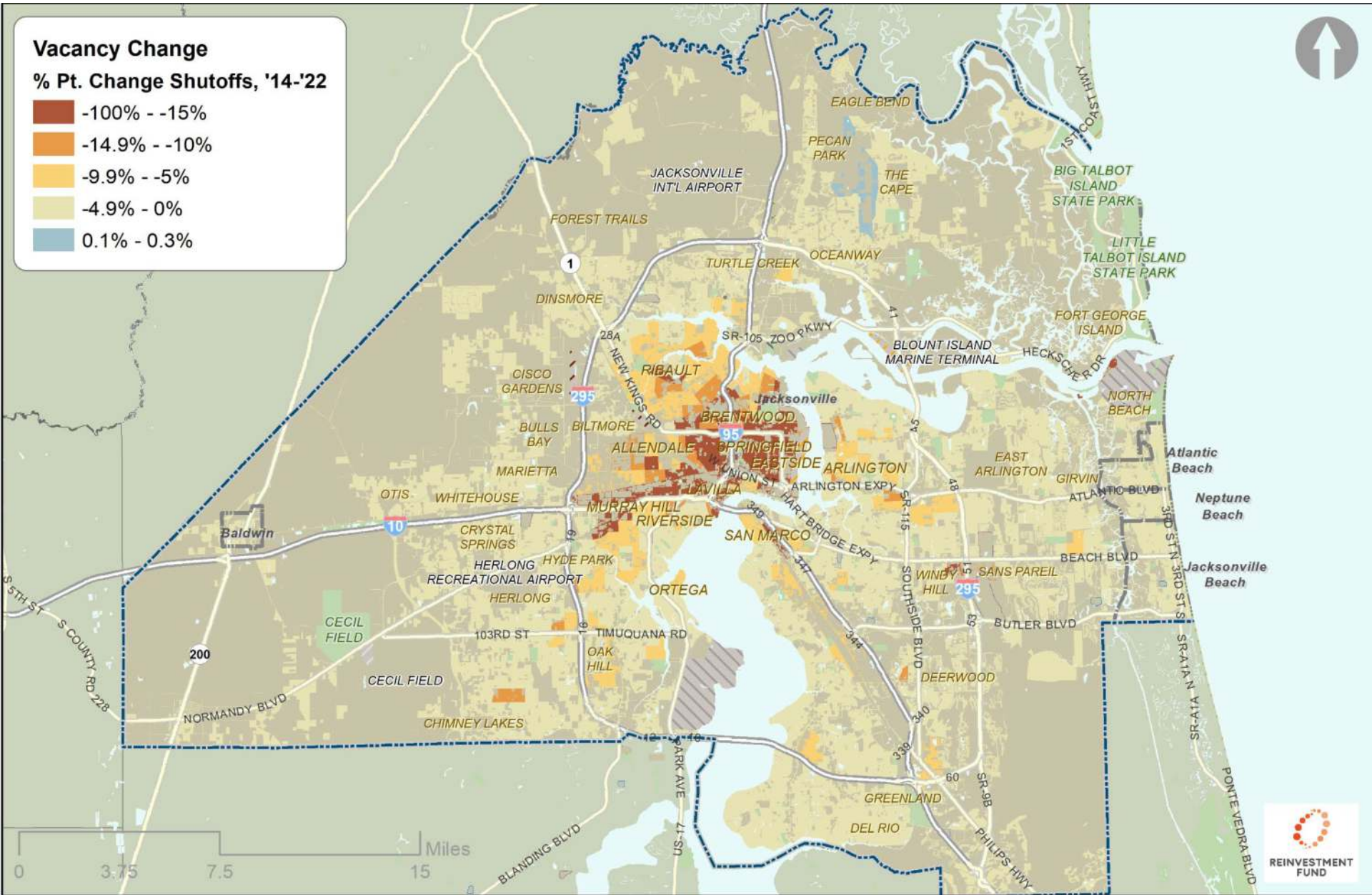
Homeownership Change Since First MVA



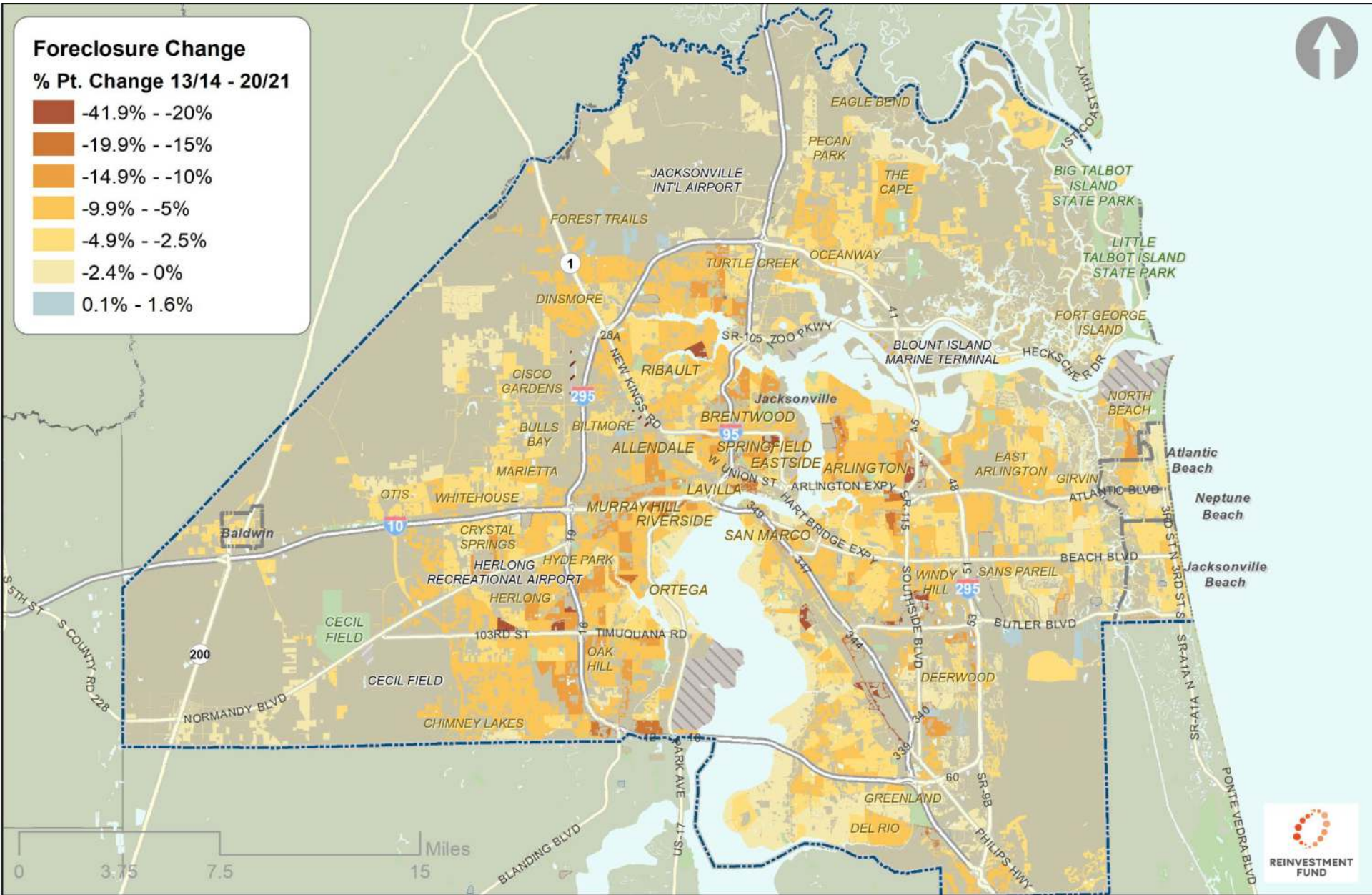
Homeownership Change Since First MVA



Vacancy Change Since First MVA



Foreclosure (as % of Sales) Change Since First MVA



Final 2022 MVA Compared to 2018 MVA

Investment was strongest in A, B, and E markets

Homeownership Increased generally, **but not in H and I markets**

2018 MVA	Sale Price (Avg. % Change)	Permits (Avg. % Pt. Change)	Water Shutoffs (Avg. % Pt. Change)	Foreclosures (Avg. % Pt. Change)	Homeownership (Avg. % Pt. Change)
A	29.9%	10.2%	-2.2%	-0.3%	8.7%
B	35.0%	5.5%	-2.5%	-0.5%	6.4%
C	45.2%	4.7%	-3.3%	-0.5%	10.9%
D	47.9%	3.7%	-3.1%	-1.0%	6.9%
E	64.3%	5.8%	-4.6%	-1.3%	5.8%
F	69.3%	4.2%	-4.3%	-1.4%	5.6%
G	107.7%	3.2%	-6.4%	-2.0%	3.9%
H	101.0%	2.5%	-15.2%	-2.1%	-0.5%
I	140.1%	2.2%	-12.9%	-2.3%	-4.5%

Largest Sale Price Increases in G – I markets

Distress also decreased in G – I markets

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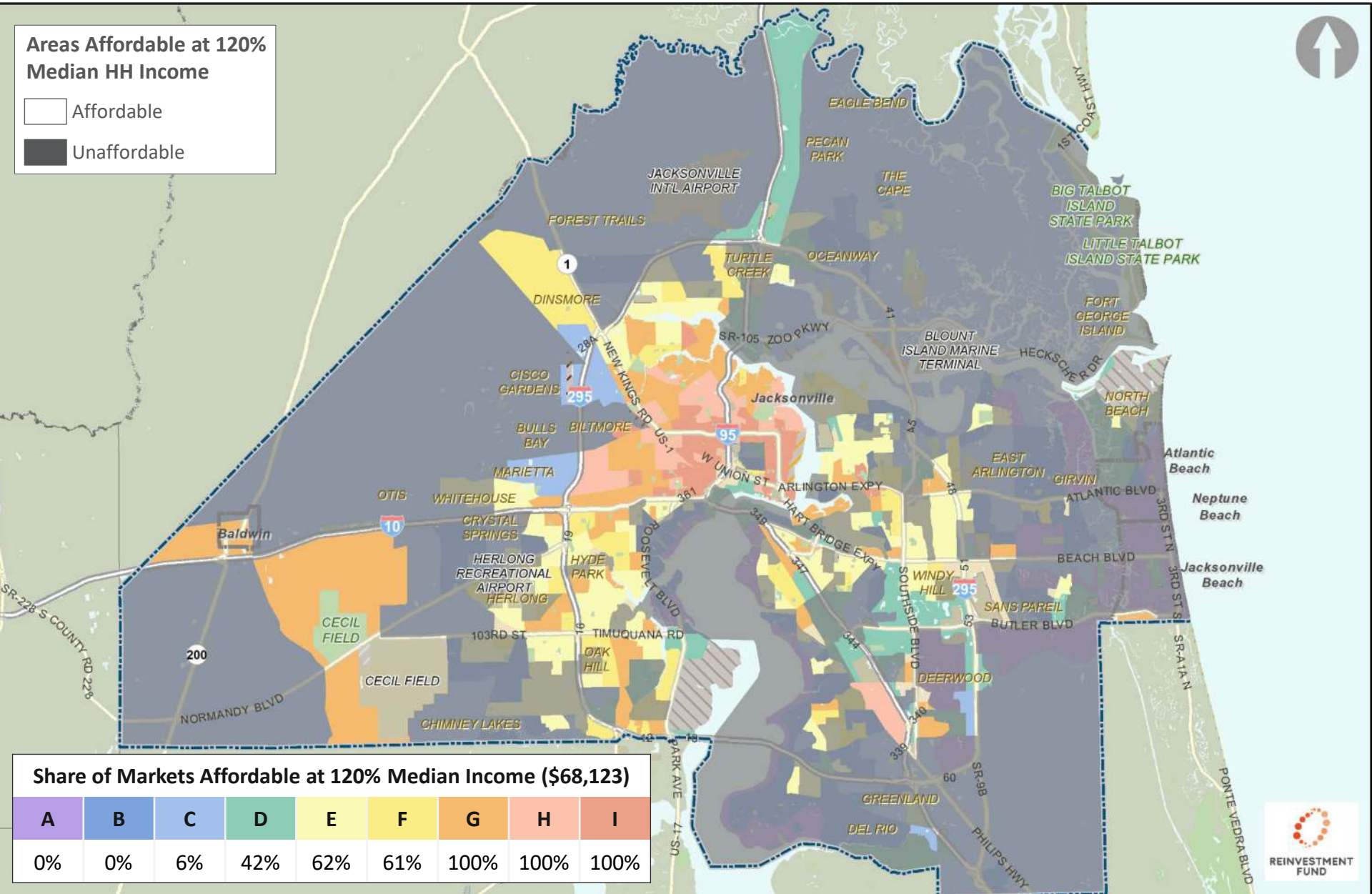
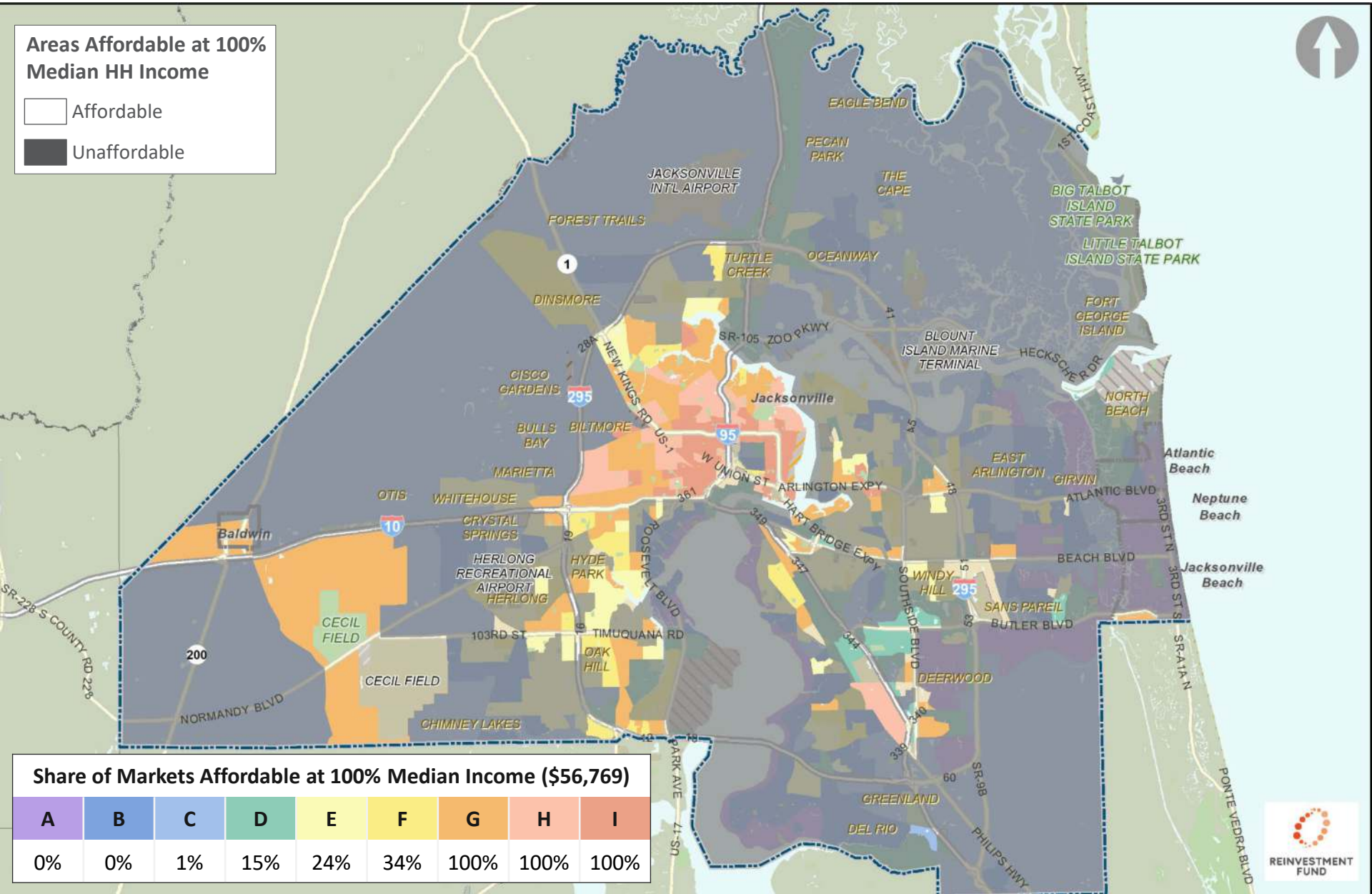
Critical Themes Illuminated By the 2022 Jacksonville/Duval County MVA

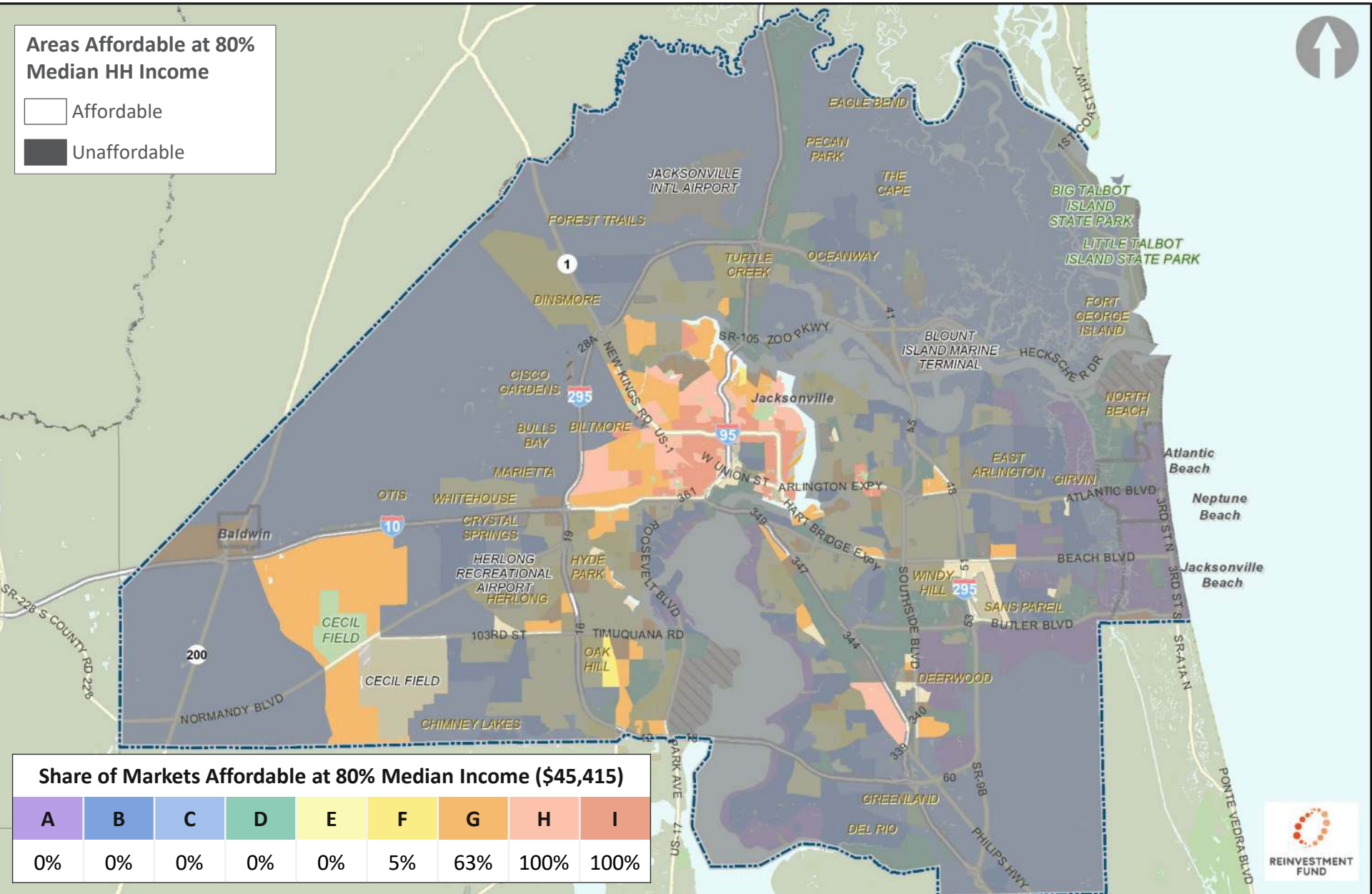
Housing Affordability: 120% Median Household Income



Housing Affordability: 100% Median Household Income



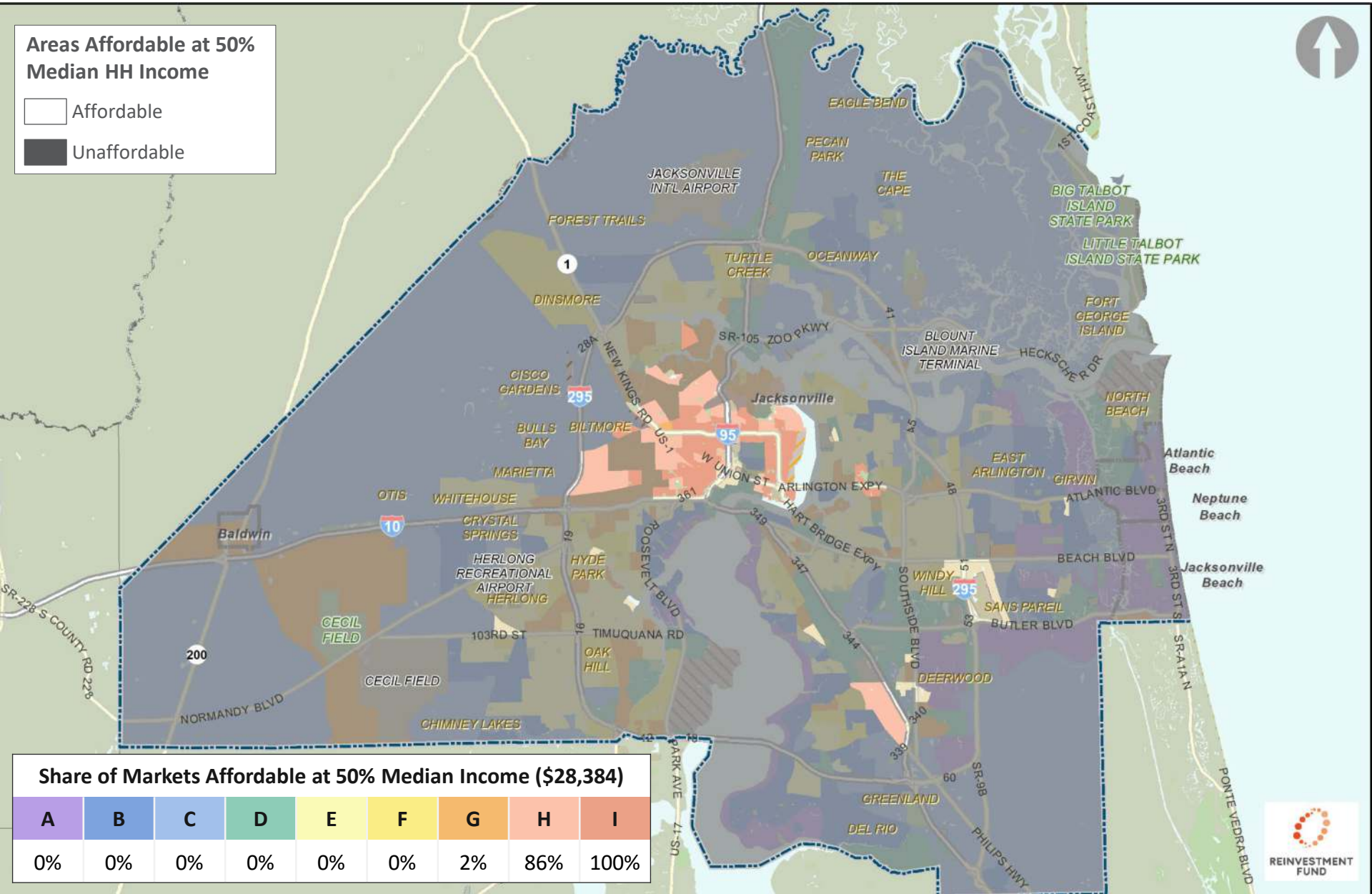
Housing Affordability: 80% Median Household Income



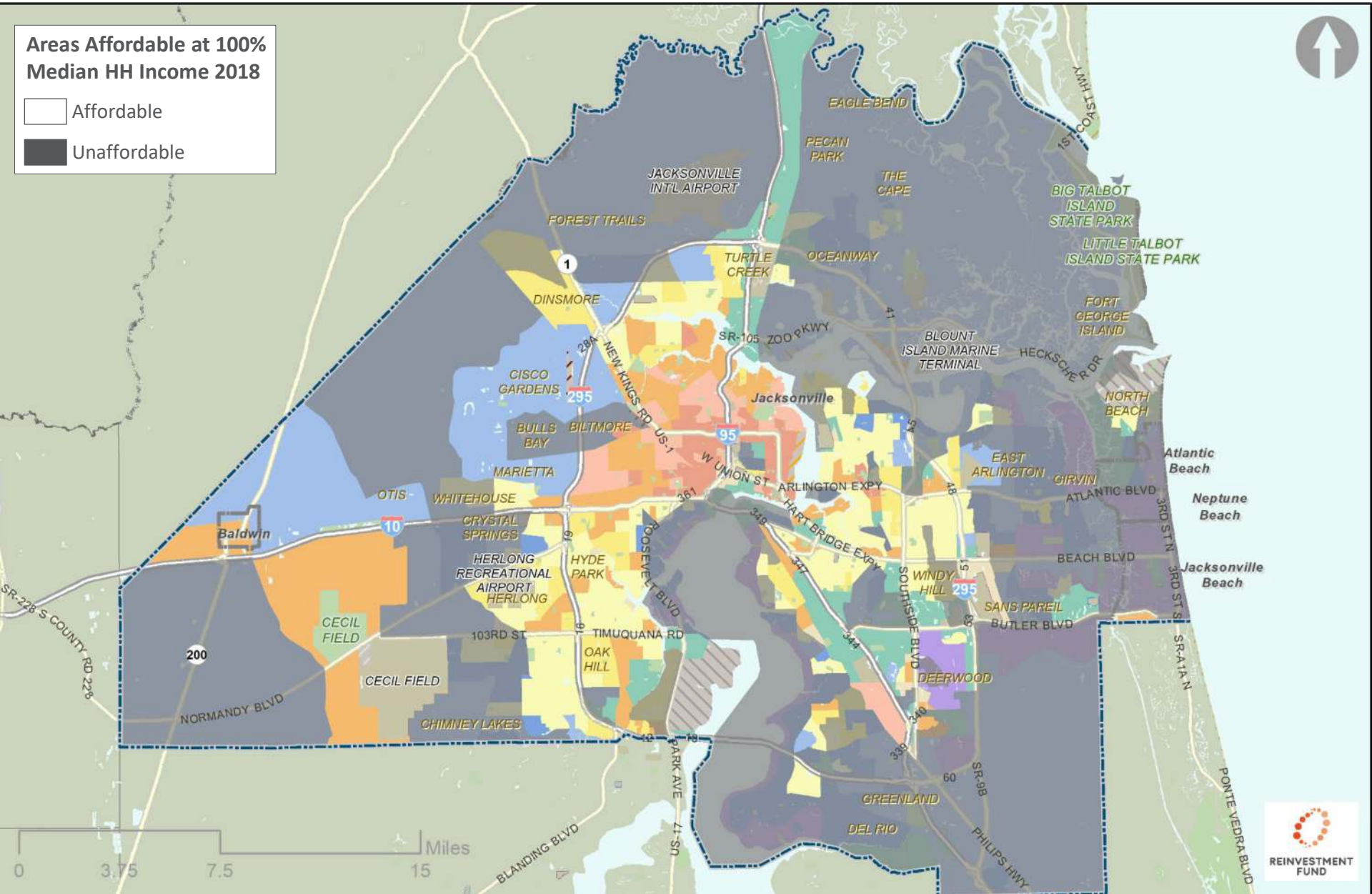
Share of Markets Affordable at 80% Median Income ($45,415)

A	B	C	D	E	F	G	H	I
0%	0%	0%	0%	0%	5%	63%	100%	100%

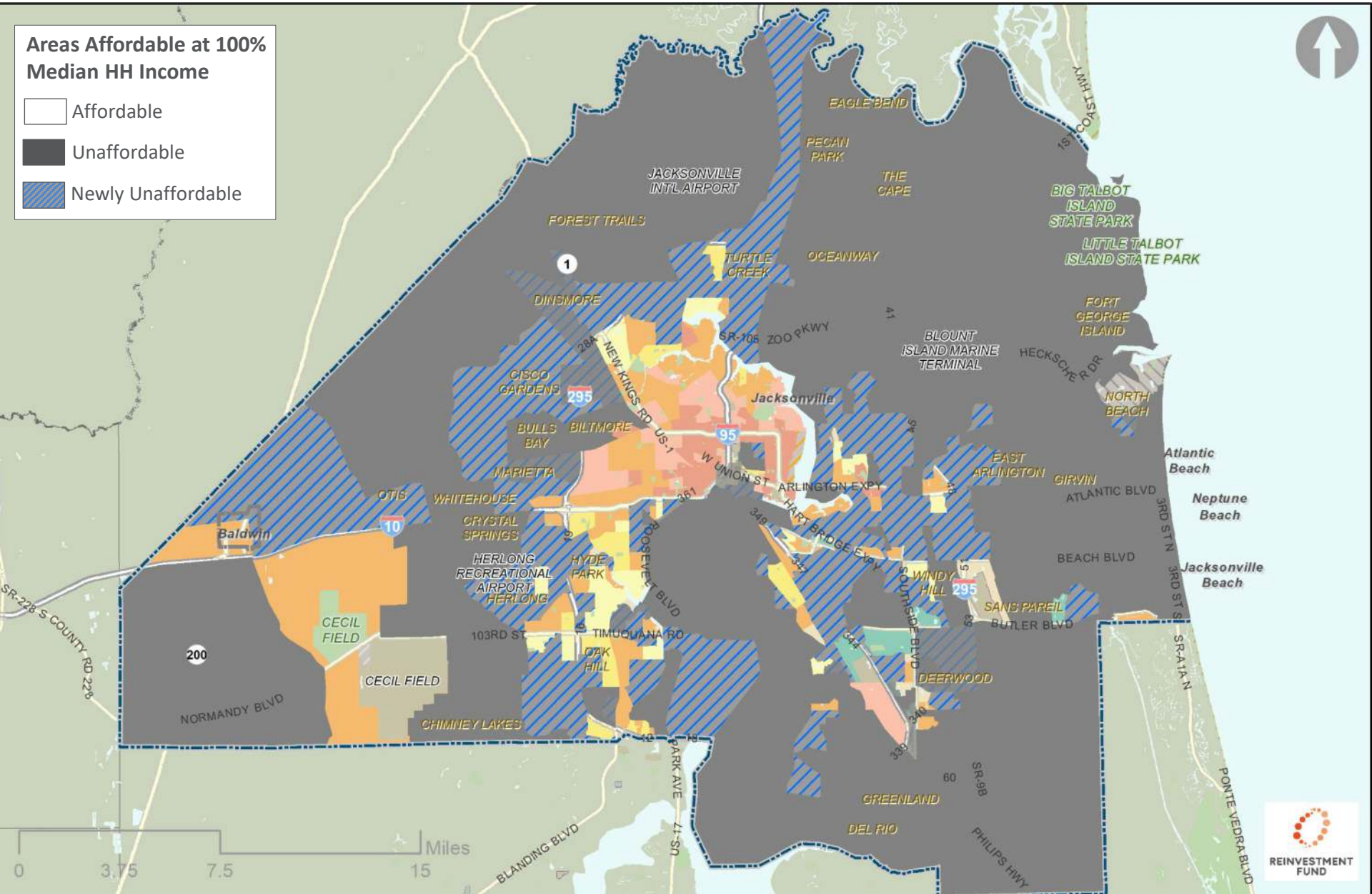
Housing Affordability: 50% Median Household Income



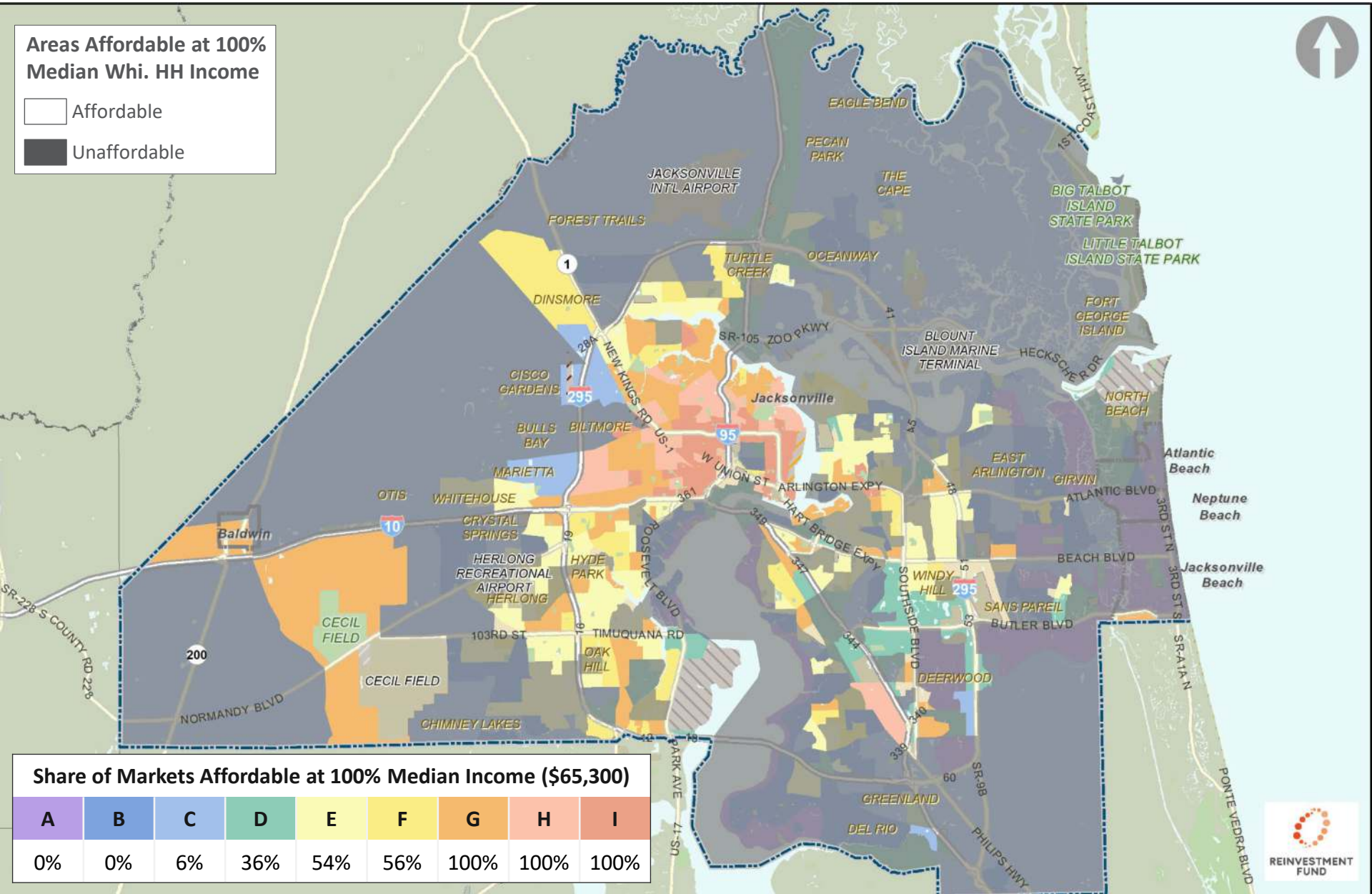
Housing Affordability: 100% Median Household Income in 2018



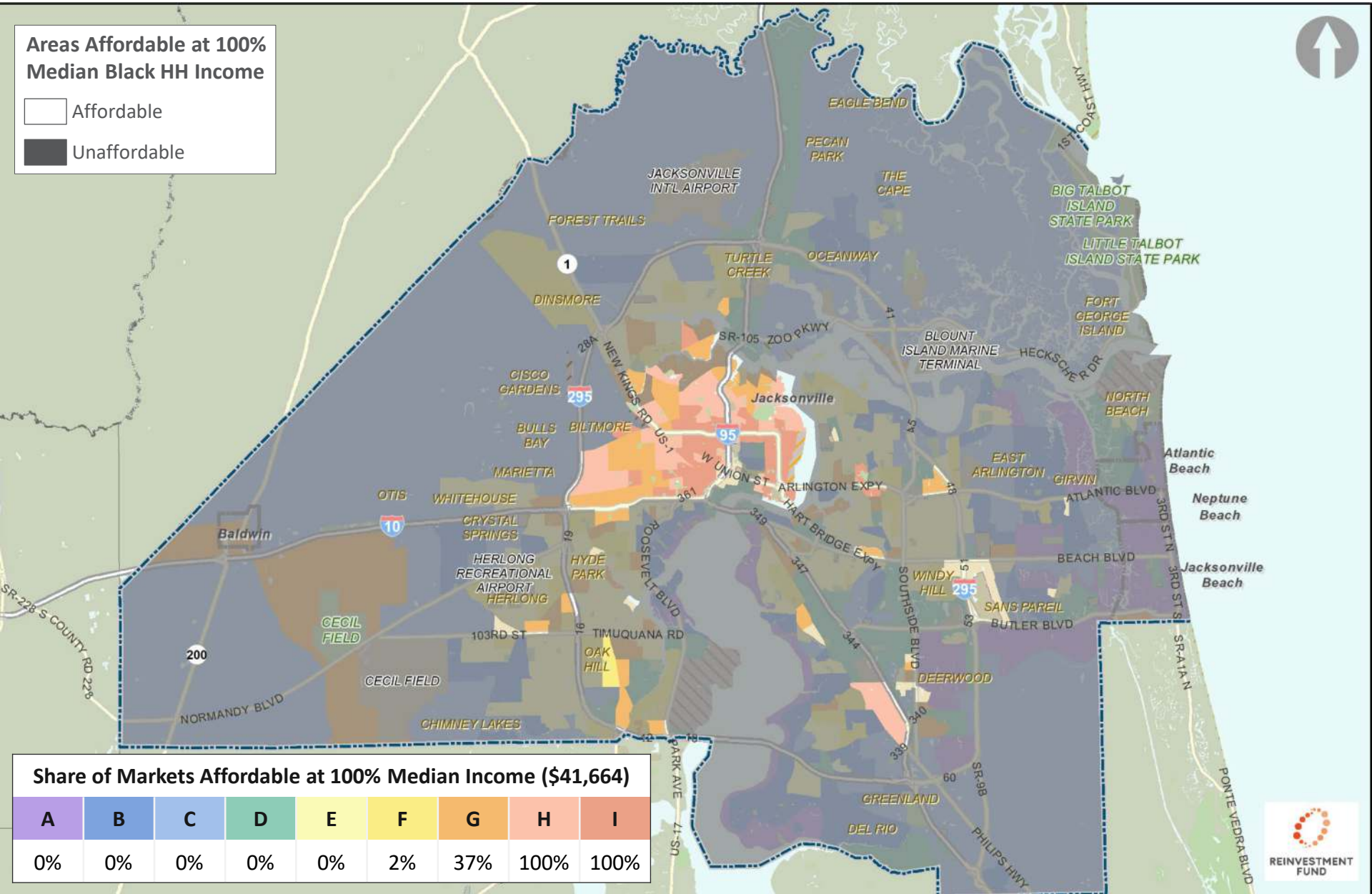
Change in Affordability from 2018 MVA for 100% Income



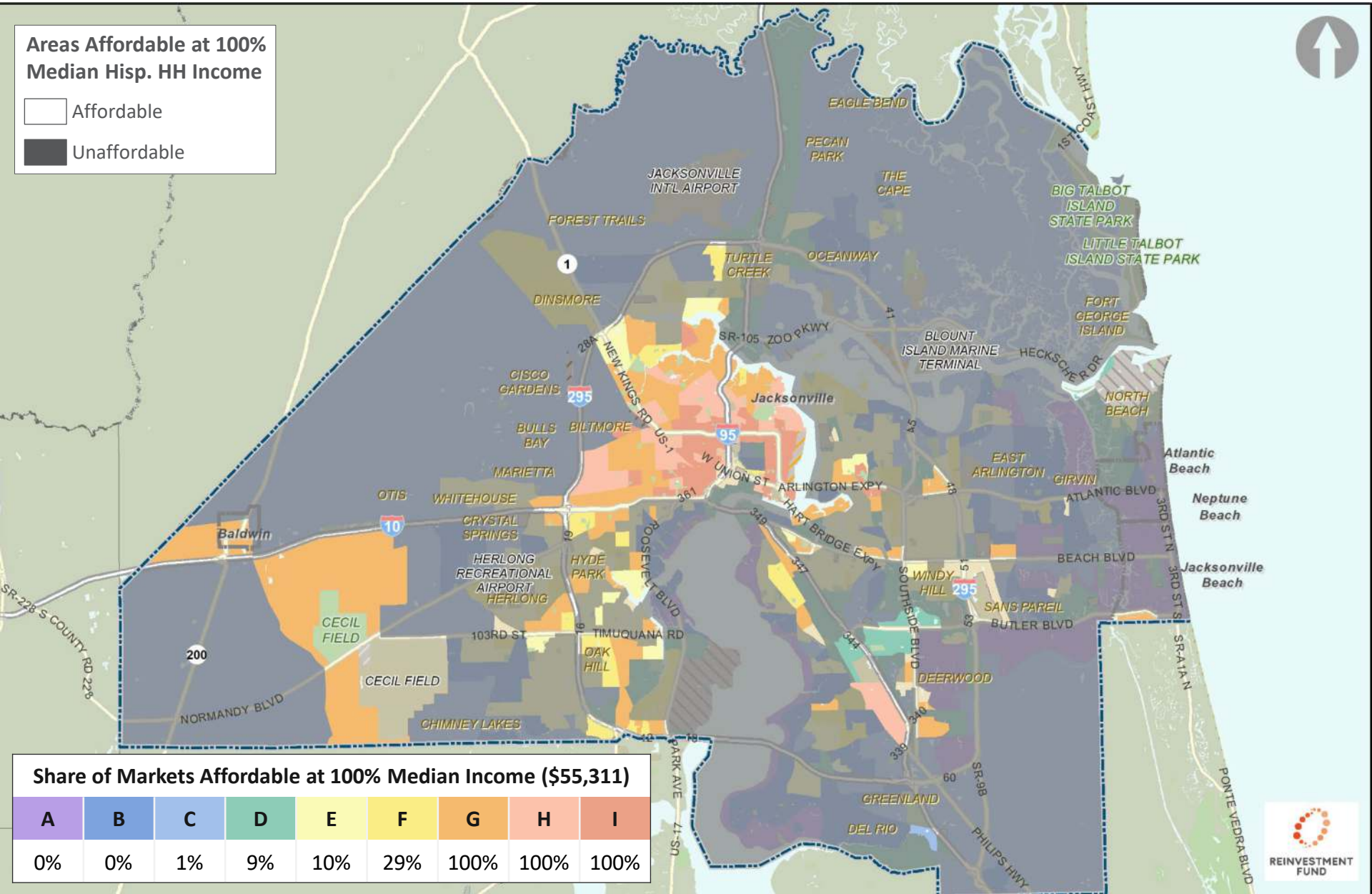
White Residents Can Afford Most Middle Market Areas



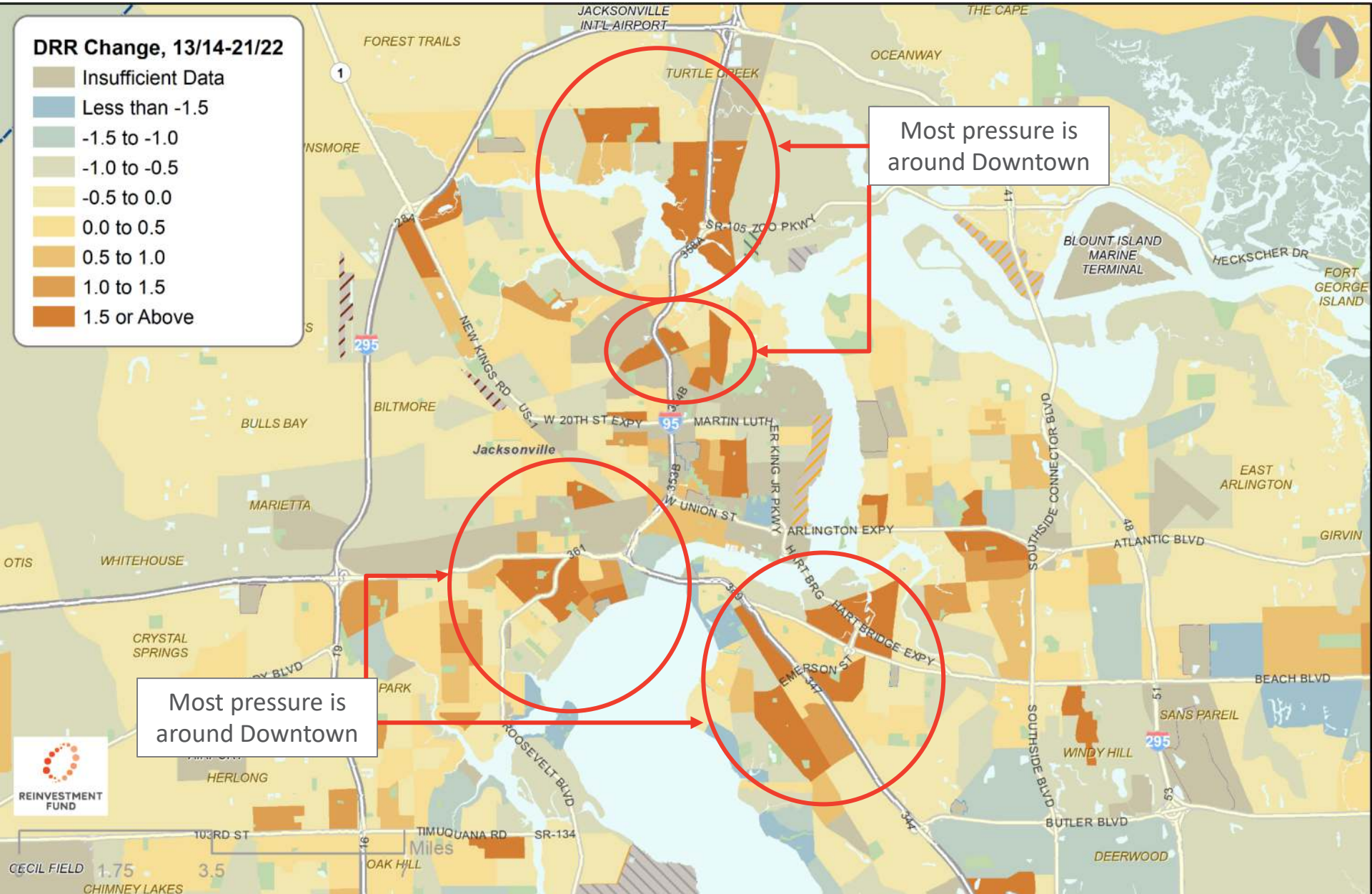
Black Residents With Typical Incomes Have A More Constrained Geography of Opportunity



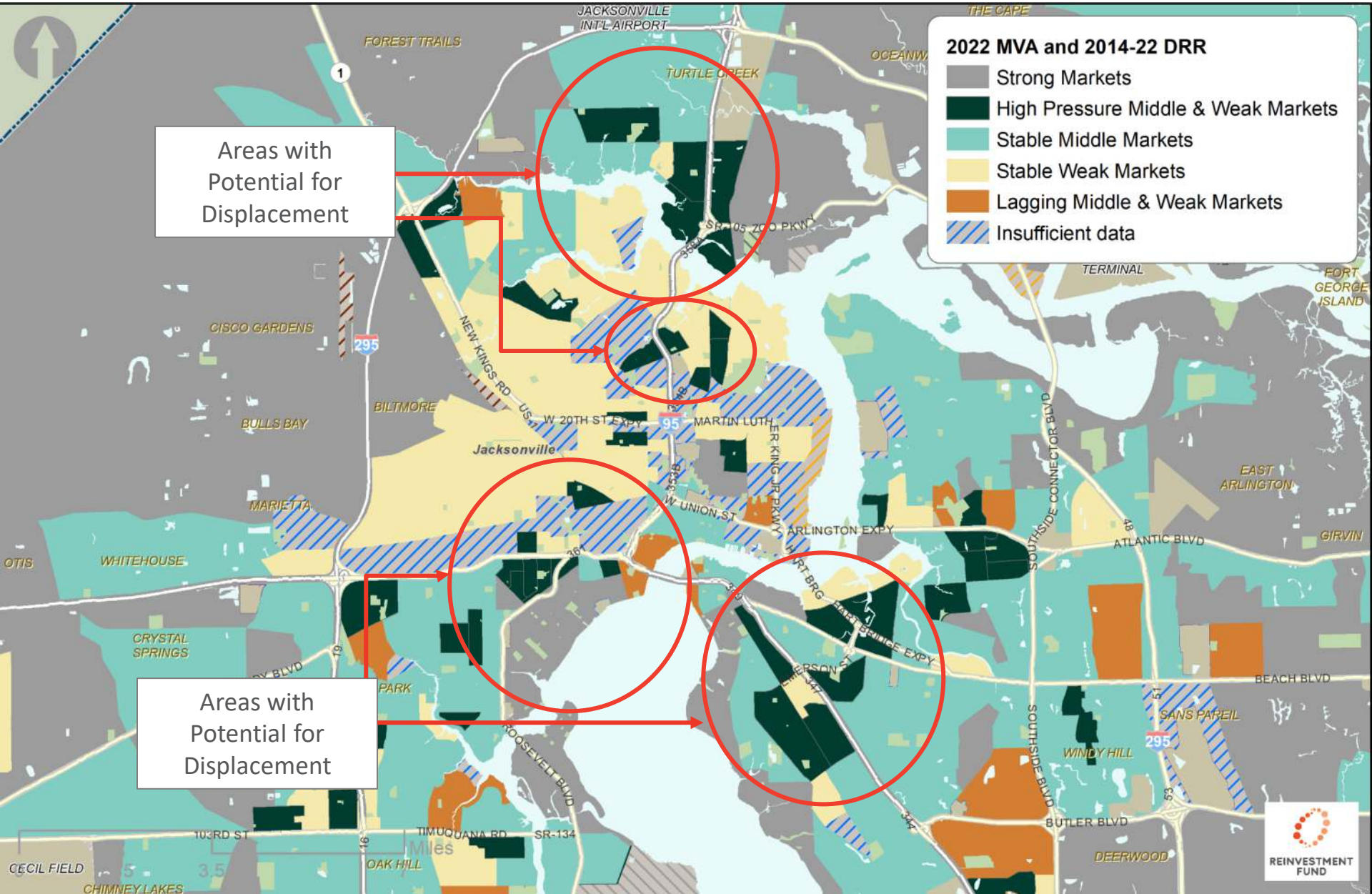
Hispanic Residents With Typical Incomes Similarly Have A Constrained Geography of Opportunity



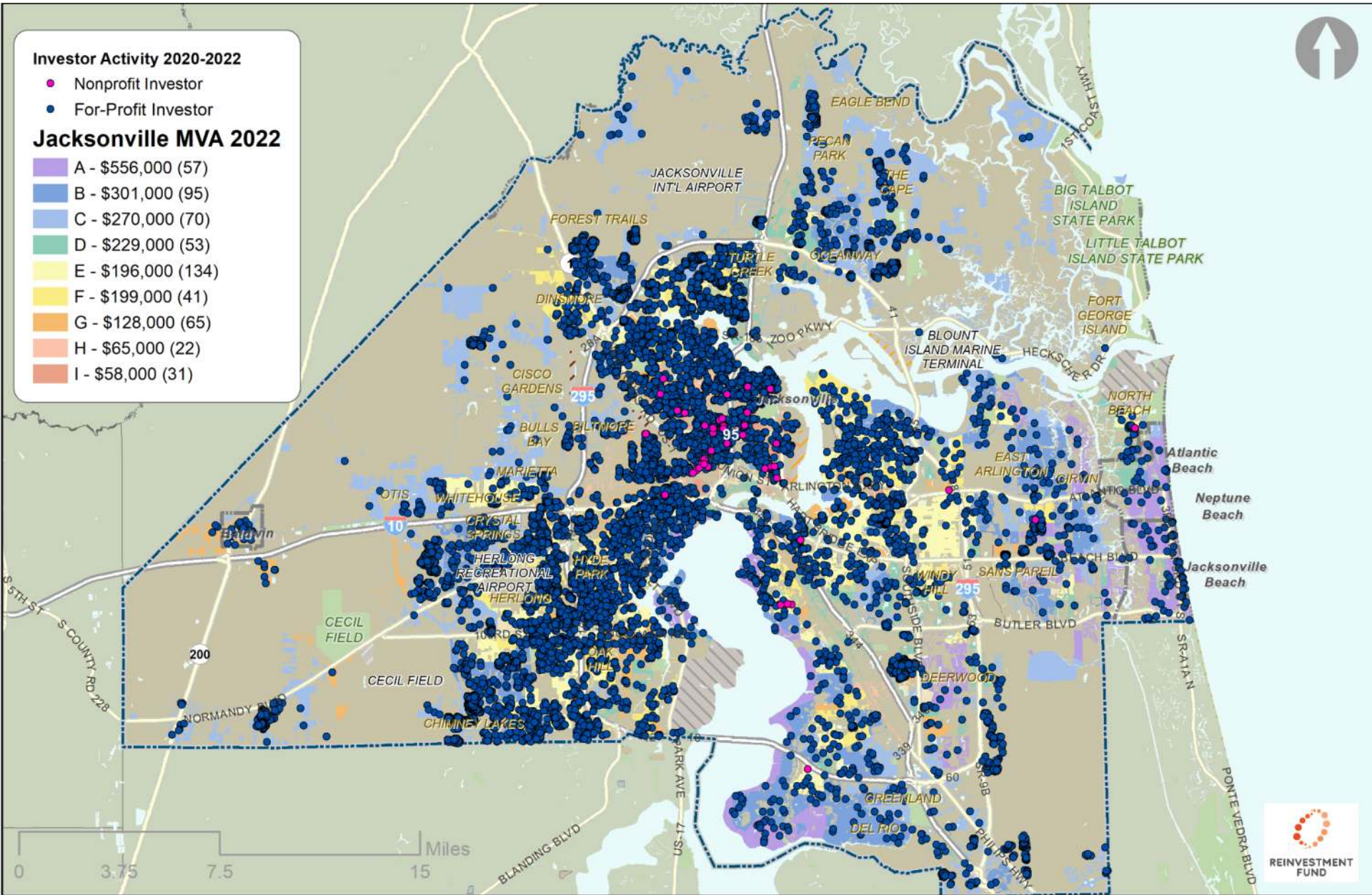
Areas with Increasing Displacement Pressure Are Generally In Weaker Markets Near Downtown



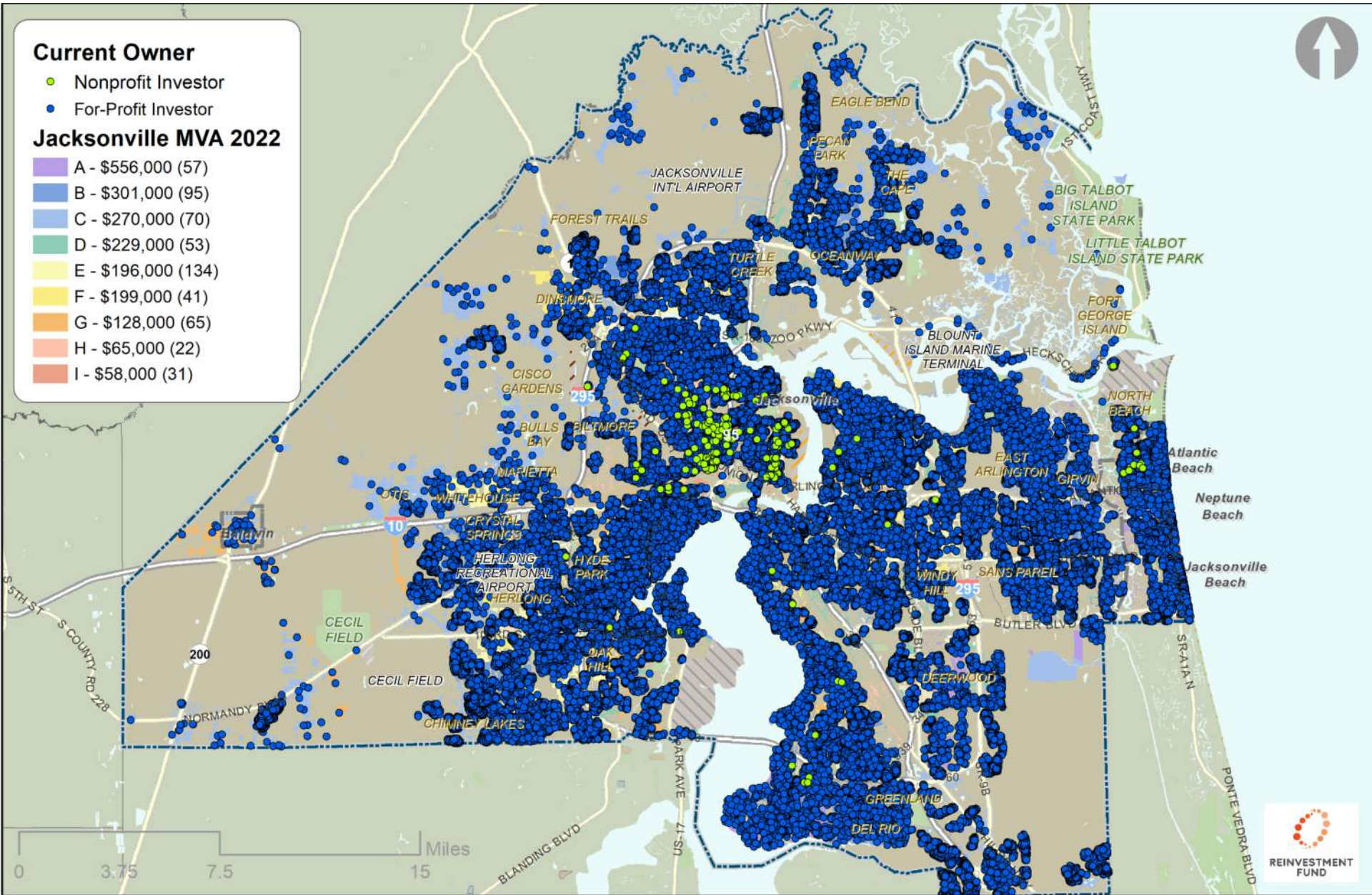
MVA and Displacement Risk Ratio



For-Profit Investors Are Active Throughout Duval



And also Own Properties Throughout Duval



How Does the Mix Of Investor Sales Vary Across Market Types?

2021 MVA Category	Share of Sales from Non-Investor to Non-Investor	Share of Sales from Non-Investor to Investor	Share of Sales from Investor to Non-Investor	Share of Sales from Investor to Investor	Share of Sales with a For-Profit Investor Involved
A	67.8%	9.3%	19.8%	3.1%	31.9%
B	62.7%	10.5%	20.3%	6.5%	37.6%
C	39.4%	8.5%	44.1%	7.9%	60.6%
D	54.3%	9.2%	28.0%	8.5%	45.7%
E	46.0%	15.0%	22.9%	16.2%	54.0%
F	48.3%	13.0%	23.7%	15.1%	51.8%
G	41.0%	14.7%	22.0%	22.3%	59.0%
H	21.4%	19.5%	23.1%	36.1%	78.7%
I	17.7%	21.7%	22.0%	38.7%	82.4%

There are Relatively Few Mortgage Applications in Orange/Salmon Markets; Most Sales in those Markets are Cash Sales

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, 2020-2021				*Applications per Households, 2020-2021*		*Estimated Sales with Mortgages, 2020-2021*		
	Originated Loans	Rejected Apps	Withdrawn Apps	Total App	Total Households	App per 100 Households	Originated Loans	Total Sales, 20-21	Estimated Mortgage Sales
Purple Markets	2,419 (73%)	241 (7%)	655 (20%)	**3,315 (100%)**	21,715	**15**	2,419	2,955	**82%**
Blue/Green Markets	17,488 (71%)	3,089 (12%)	4,168 (17%)	**24,745 (100%)**	70,518	**35**	17,488	24,123	**72%**
Yellow Markets	9,770 (68%)	1,856 (13%)	2,750 (19%)	**14,376 (100%)**	84,867	**17**	9,770	16,325	**60%**
Orange/Salmon Markets	2,086 (62%)	558 (17%)	713 (21%)	**3,357 (100%)**	49,042	**7**	2,086	6,862	**30%**
All Markets	**31,763 (69%)**	**5,744 (13%)**	**8,286 (18%)**	45,793 (100%)	**226,142**	**20**	**31,763**	**50,265**	**63%**

*Only Includes first lien, home purchase applications for owner-occupied single family homes

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Sales in Salmon Markets are More Likely to be Disqualified because of Deed Type

Share of Qualified Sales by Jacksonville 2022 MVA

MVA	Qualified Sales	Disqualified Deed Type	Disqualified Documented Evidence
A	54.3%	42.1%	3.3%
B	56.7%	37.1%	5.9%
C	58.7%	24.6%	16.5%
D	58.5%	30.3%	10.9%
E	52.6%	38.4%	8.2%
F	53.5%	38.9%	7.2%
G	51.9%	43.1%	4.3%
H	40.0%	54.2%	4.4%
I	44.8%	49.2%	4.7%

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