What I will be talking about

- Why use data?
- Miami-Dade County: an overview
- Drilling down: looking at the 79th Street Corridor
- Using data to frame strategies and make decisions
Markets are about consumer decisions

Will this house be worth more or less 5 years from now?

If I rehab this house will it then be worth more than it cost me to buy and fix it up?

Will I be able to get enough rent from this building to cover my costs and pay for the improvements it needs?
Markets are about supply and demand
As demand increases…

- Sales prices
- Homeownership
- Home Improvements
- Rehab
- Infill construction
- Vacancy
- Abandonment
- Maintenance
- Tax delinquency
- Absentee ownership
Four basic principles

• Markets are not the only factor affecting where people choose to live, invest or build, but they are the most important one.

• **ALL** strategies that have to do with properties and neighborhoods are affected by the market.

• Markets are powerful, but you are not a slave to the market – you can influence it.

• To understand how markets are working, and how to influence them, you need good information.
What data can do

- Understand current neighborhood conditions
- Understand neighborhood trends and trajectories
- Serve as a basis for
  - Identifying appropriate strategies
  - Designing programs and initiatives
  - Targeting resources
Miami-Dade has seen sustained population growth

The “hiccup”
Sales prices collapsed, and have only partly recovered
Median sales prices

2008-2009

Under $100,000

$350,000+

2013-2014
Long-term vacant units

Data collection methodology was changed in 2010 so data from previous years are not directly comparable.
Tax delinquency has come down
Foreclosures are concentrated
Negative equity is widespread

Areas of concentrated negative equity

Source: Miami-Dade County
Mortgages are low relative to sales

Low mortgage activity relative to sales

High mortgage activity relative to sales
The 79th Street corridor
Two comparisons

% with BA+ degree

79th Street area  | Miami-Dade
---|---
0.100 | 0.300

% below poverty level

79th Street area  | Miami-Dade
---|---
35.00% | 40.00%
## Key indicators by census tract

<table>
<thead>
<tr>
<th></th>
<th>9.02</th>
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<th>10.03</th>
<th>10.04</th>
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<tr>
<td>Median HH income</td>
<td>$28,269</td>
<td>$29,149</td>
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<td>$26,082</td>
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<td>Unemployment rate</td>
<td>15.5%</td>
<td>19.8%</td>
<td>22.7%</td>
<td>28.9%</td>
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<td>% with BA or higher degree</td>
<td>10.8%</td>
<td>10.1%</td>
<td>7.3%</td>
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<td>% below poverty level</td>
<td>25.5%</td>
<td>35.2%</td>
<td>19.4%</td>
<td>42.5%</td>
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<tr>
<td>Homeownership rate</td>
<td>66.5%</td>
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<td>55.5%</td>
<td>34.8%</td>
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Sales price comparison

Numerical change

Proportionate change

79th Street Area

Miami-Dade
Sales have bounced back, but mortgages have not.
The sales/rent ratio makes rental housing profitable

Landlords in the 79th Street area can provide a high level of maintenance and still make a 10-15% annual return on their investment.
There are important variations within the 79th street area.

These two tracts also have much higher poverty and unemployment rates.

Homeownership rate 60% +

Homeownership rate 35% +
Drilling down to the census tract level

Sales price trend

Long-term vacancy trend
Property tax delinquency

![Graph showing property tax delinquency with lines for different years and a trend line for Miami-Dade.]
Why does this matter?

- Understanding current neighborhood conditions
- Understanding neighborhood trends and trajectories
- Serving as a basis for
  - Identifying appropriate strategies
  - Designing programs and initiatives
  - Targeting resources
Understanding neighborhoods

- Creating typologies – understanding neighborhood market conditions in context
- Identifying problem trends
- Identifying risk factors
## Identifying risk factors

<table>
<thead>
<tr>
<th>Location</th>
<th>Foreclosure filings</th>
<th>Investor purchases</th>
<th>Low sales prices</th>
<th>Vacant houses</th>
<th>Violent crime</th>
<th>Tax delinquency</th>
<th>Low homeownership rate</th>
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Questions

- Where do you foster homeownership?
- When do you demolish vacant houses or rehabilitate them?
- Where do you focus on landlord strategies?
- When should the strategy be external and when internal?
- Where do you target scarce public resources – and for what purposes?