

Market Data Insights for **NOAH Preservation**

LIVE WEBINAR

November 13, 2024
12:00pm – 1:00pm



We will begin shortly

Please use the Q&A function to ask questions

Your microphone and camera are disabled for this event

Recording will be shared after the session

Agenda

I. Welcome & Friendly Reminders

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II. Review of Research and Data

III. Tour of Webtool

IV. Practical Application

V. Q & A

Research Background and Overview



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The Preservation Compact



Geoff Smith

Executive Director
The Institute for Housing Studies
(IHS) at DePaul University

The Preservation Compact & Institute for Housing Studies

- The **Preservation Compact** is a policy collaborative
 - Diverse, multi-sector **partnership** focused on preserving affordable rental housing
 - Housed at **Community Investment Corporation**
- The **Institute for Housing Studies** at DePaul University is an applied research center
 - Provides **analysis and data** to inform affordable housing policy and practice
 - Housed at the Real Estate Center at **DePaul University**



Why Break up the NOAH monolith?

- NOAH is **70%+** of affordable rental in the country
- Vital focus of our work at the Compact & IHS
- Fundamental takeaways from the past 15+ years:
 1. Loss of NOAH units drives affordable housing pressures
 2. NOAH stock—and threats—vary substantially across markets
 3. Chicago is a "lab" for studying NOAH ***and*** so are other communities across the country!



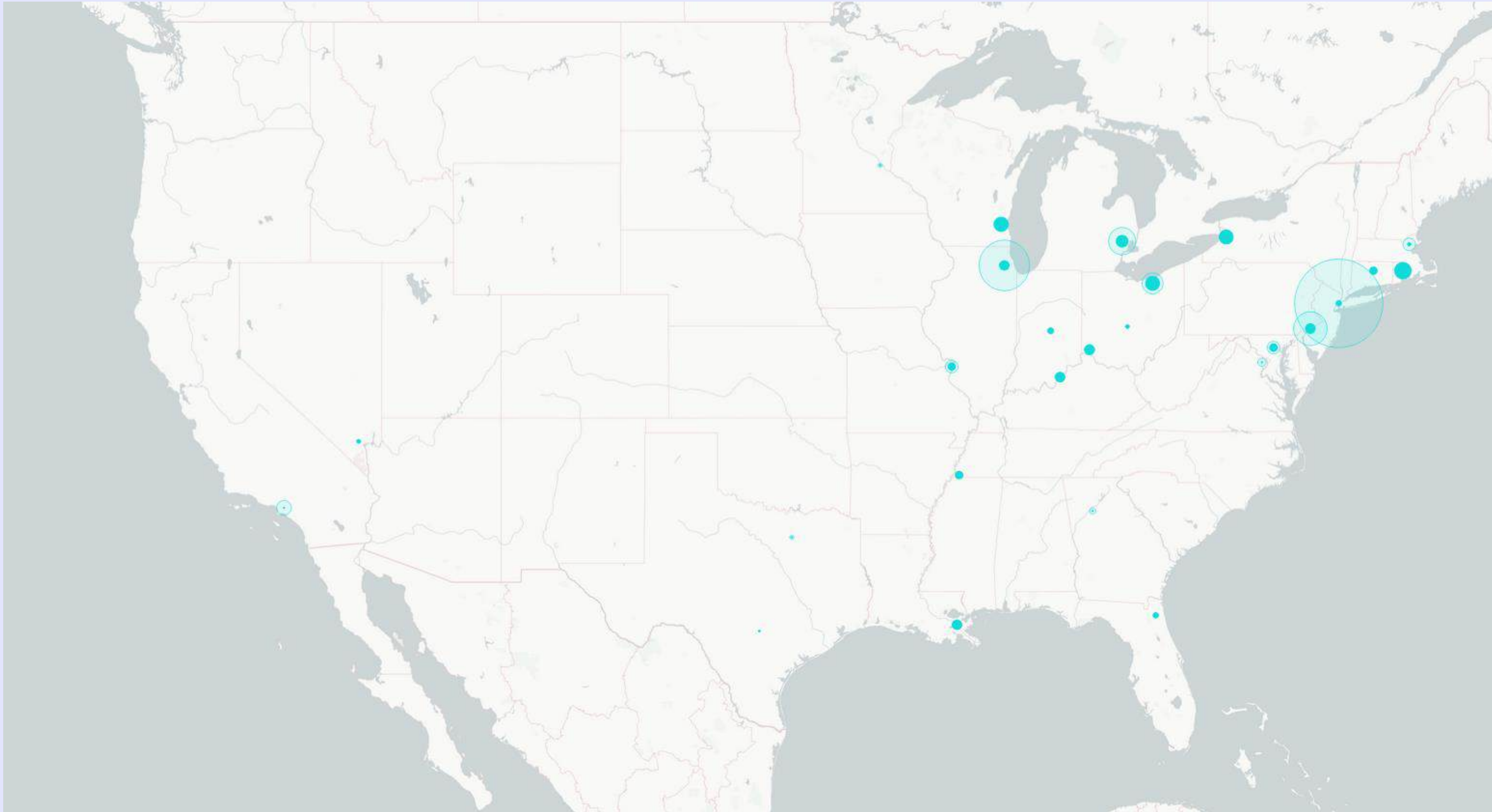
Overview of project and key objectives

- Overall project goal is to inform the development of local and national policies supporting the preservation of unsubsidized, lower-cost rental housing
- To do this:
 1. Develop a unique data analysis to categorize a set of cities and submarkets based on rental housing market characteristics and highlight variation in rental housing market conditions
 2. Use these typologies to engage and convene stakeholders from cities representing similar and different rental housing market contexts to learn from their housing rental housing preservation successes and challenges
 3. Create a central resource guide and repository of preservation strategies that documents how different strategies interact with local market dynamics in cities across the country

Developing rental housing market types

- Building on IHS and the Preservation Compact's work in Chicago, goal of analysis is to highlight the different rental housing market contexts where low-income renters live in 50 largest MSAs across country
- Analysis primarily leveraged nationally available data products from US Census, used Public Use Microdata Areas (PUMAs) as primary geographic unit of analysis
- Final analysis identified six rental market typologies based on current and changing conditions tied to:
 - Rental housing supply
 - Rental housing demand
 - Rental housing affordability

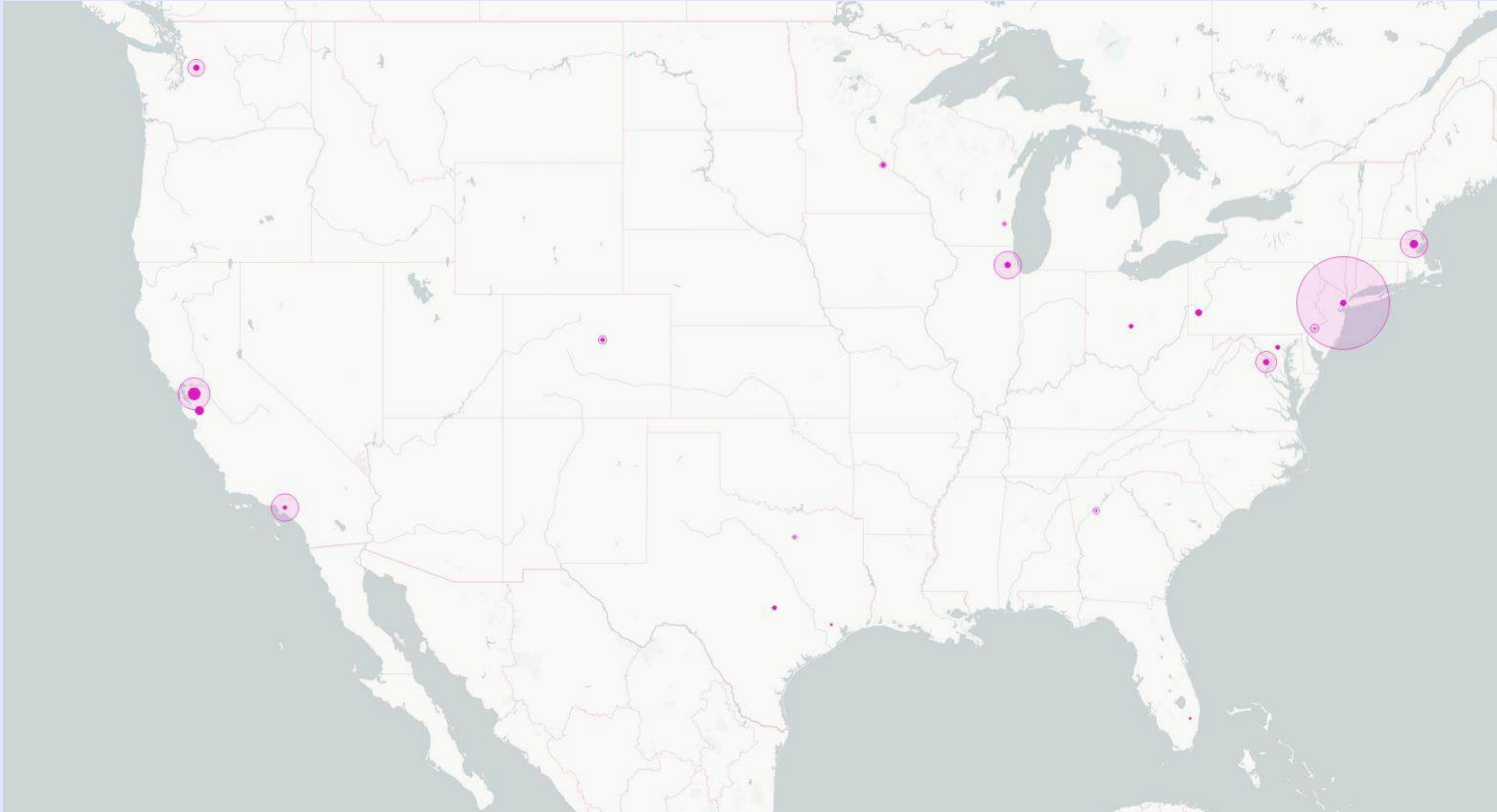
Historically Disinvested Communities



Historically Disinvested Communities

- Most frequently found in the urban core of "mature" metro areas with higher levels of segregation and histories of disinvestment
- Demand:
 - High rental rate
 - High levels of very low-income renters
 - Older, predominantly Black renter population
- Supply
 - Older rental stock (pre-WW2)
 - High share of rental units in smaller 1-4 unit buildings
- Affordability
 - Higher levels of lower-cost rental units and presence of subsidy programs
 - However, also high levels of cost burden indicate affordability challenges tied to concentrated poverty and a history of disinvestment.

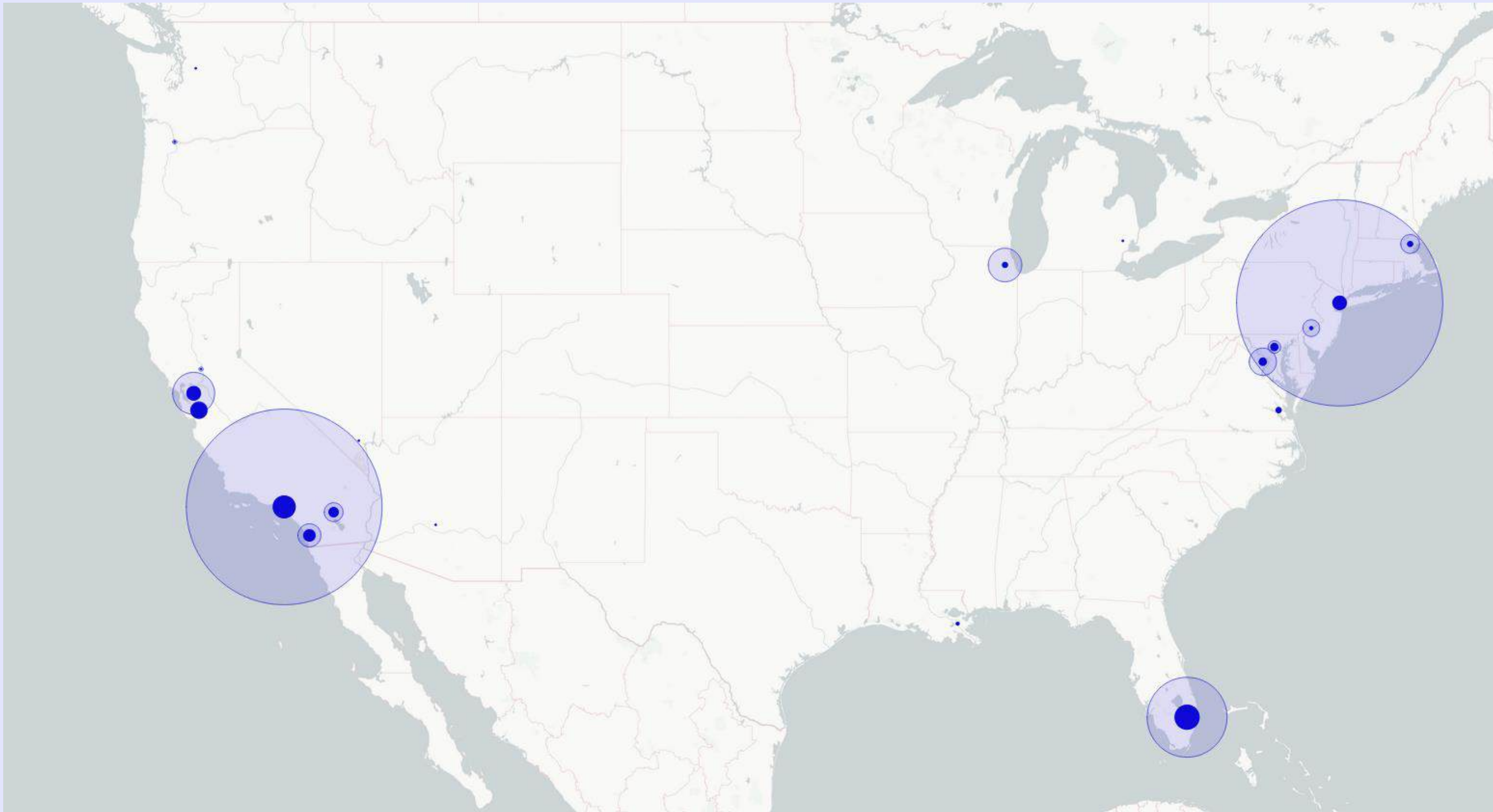
Higher-cost, gentrifying urban core



Higher-cost, gentrifying urban core

- Most frequently found in the urban core of more established, economically dynamic, larger metro areas:
- Demand
 - High levels of renter households
 - Increases in high-income, younger renter household and losses of older, lower-income renters
- Supply
 - Older, mid-sized rental housing, but also recent new development in larger buildings.
- Affordability
 - Low and declining levels of low-cost rental stock
 - Declining levels of lower-income renters indicate displacement pressures and increasing exclusivity

Slow development, older urban/suburban communities



Slow development, older urban/suburban communities

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- Demand:
 - High rental rate
 - High levels of very low-income renters
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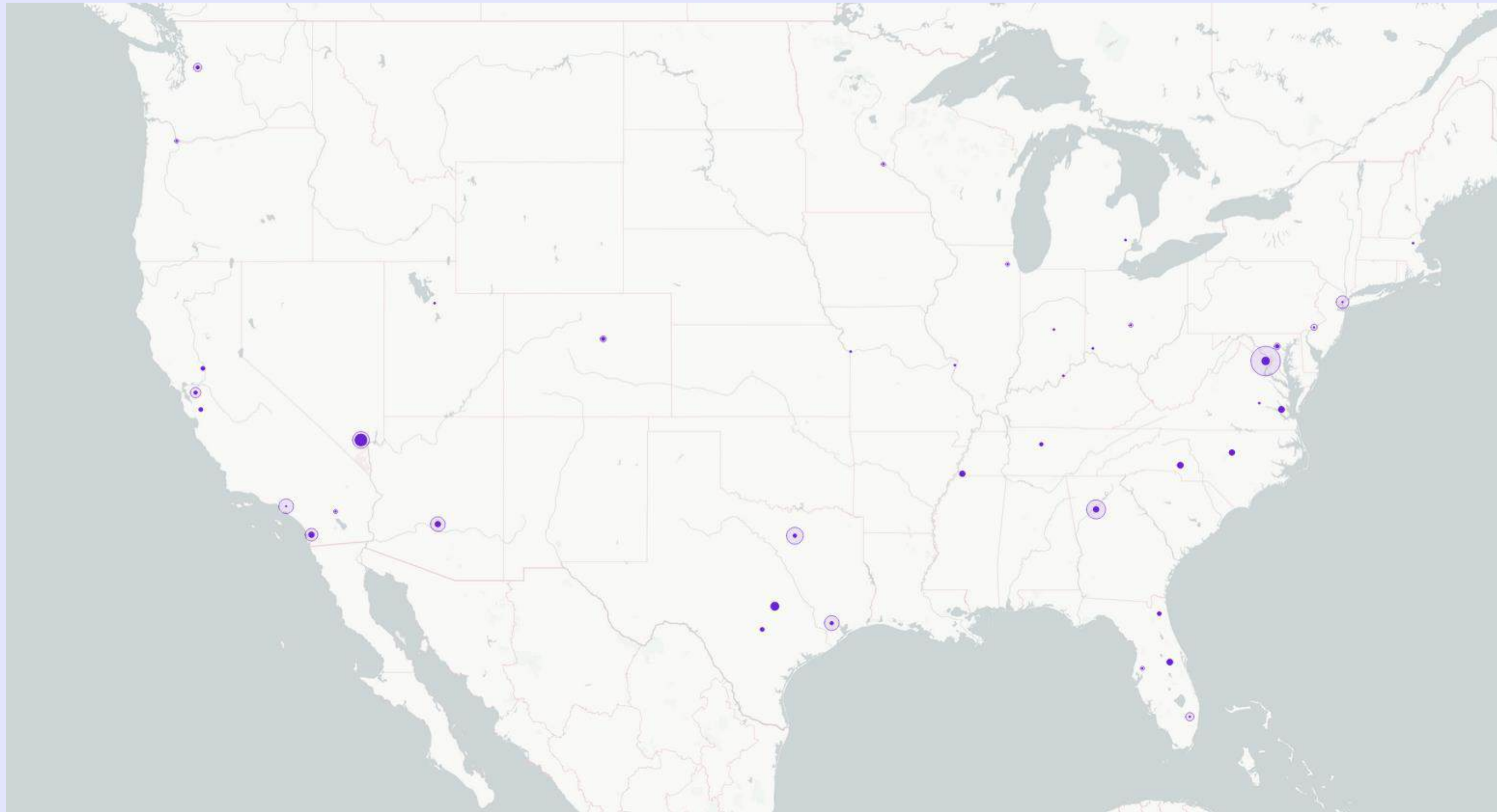
Recent development, urban/suburban communities



Recent development, urban/suburban communities

- Often found as part of the urban core of growing metros or suburban areas in larger, more established metros
- Demand
 - Moderate renter levels
 - Renters more likely to be younger, moderate-income
 - Large drop in lowest-income renters
- Supply
 - Rental units largely found in mid-sized buildings, built post-WW2
 - Higher levels of recent development in 50+ unit rentals
- Affordability
 - Generally affordable, but recent trends point to deterioration of affordability conditions
 - Largest loss in lower-cost rental supply, increases in lower-income renters in higher-cost units

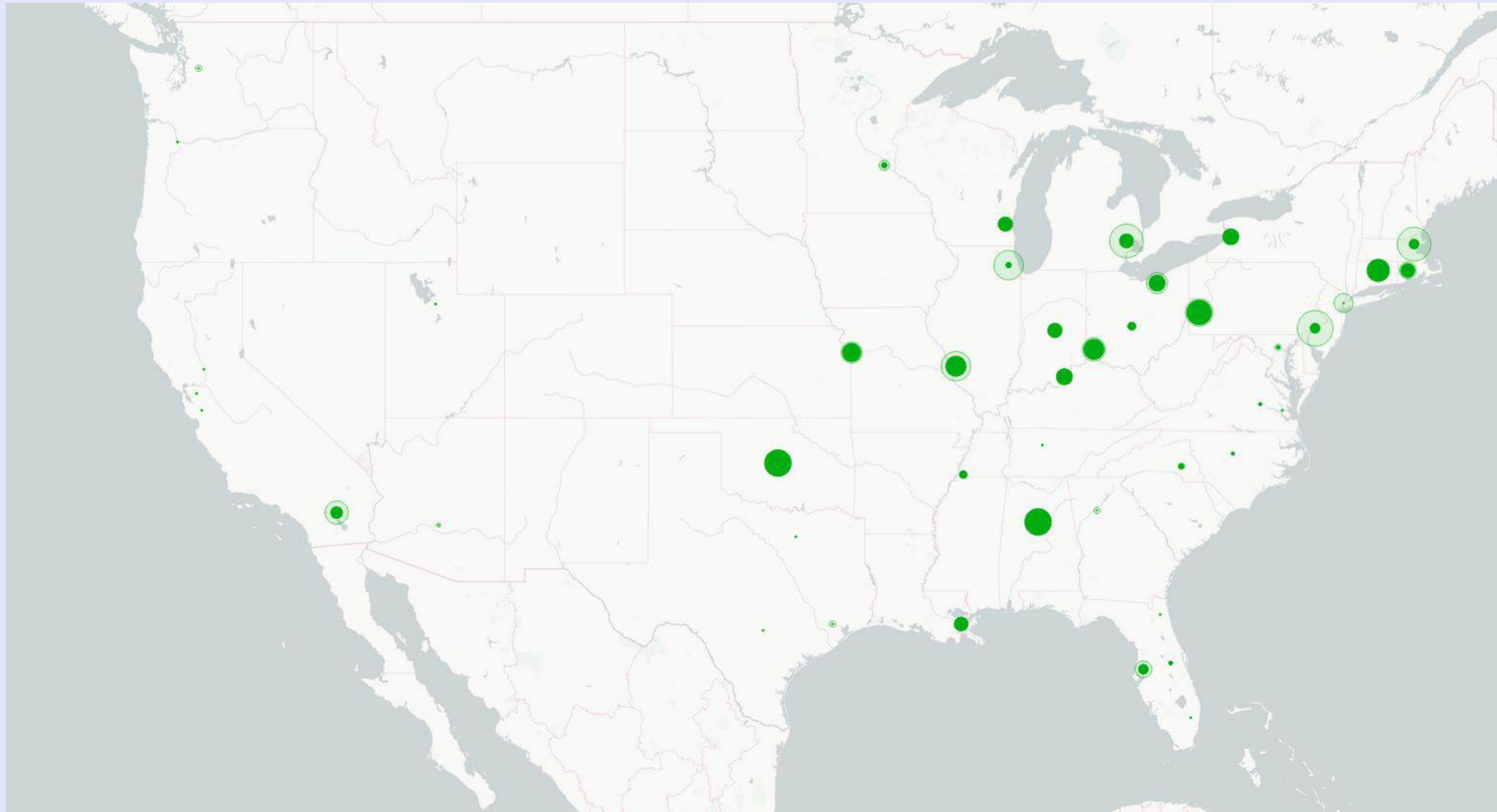
High-cost suburbs with limited rental options



High-cost suburbs with limited rental options

- Most frequently found in the suburbs of most metro areas
- Demand
 - Low levels of renter households
 - Renters are more likely to be middle-aged, earn higher incomes
 - Predominantly white
- Supply
 - Rental stock frequently found in single family homes, built between 1950 and 2000
 - Some recent development seen in 50+ unit rental buildings
- Affordability
 - Low and declining share of affordable rental units, few lower-income renters
 - Highest levels of lower-income renters living in higher-cost units
 - Lowest levels of rental subsidy programs

Moderate-cost suburbs with limited rental options



Moderate-cost suburbs with limited rental options

- Typically found in the suburban fringe of most metro areas, but also includes central areas of some smaller metros
- Demand
 - Lowest level of renter households
 - Renters tend to be older, low- and moderate-income
 - Predominantly white
- Supply
 - Rental stock largely found in single family homes built between 1950 and 2000
 - Also includes mobile home rentals in some areas
 - Lowest level of rental units in 50+ unit buildings
- Affordability
 - Generally affordable, stable rental market conditions

Cluster analysis → community of practice

- Maps & analysis are exciting tools, now what?
- Core project values
 - Validate and refine results—**no "parachuting in!"**
 - Analysis as a **tool** to help identify and target effective preservation strategies
- Interviews with stakeholders from across the country
 - Broad** geographic and market type range
 - Local practitioners, policymakers, owners, municipalities
 - Bonus: researchers and national stakeholder groups



Cluster analysis → community of practice

- Findings
 - Communities **are** seeing threats to their local stock
 - Innovative models exist** in MSAs across the country
 - Practitioners want **tools, support, peer learning**
 - Audience **beyond** what was originally contemplated
- New NOAH preservation repository:
 - Showcase highly effective strategies—**no need to reinvent the wheel**
 - Share best practices, challenges, models etc. across jurisdictions
 - Set the groundwork for a **national community of practice**—more to come!



Contact us!

Preservation Compact

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Try the webtool:
Preservenoah.com