

# Baltimore City's Housing Market Typology

## Purpose of Methodology

Baltimore's housing market typology was developed to assist the City in its efforts to strategically match available public resources to neighborhood housing market conditions. The typology is a critical tool used by the Department of Housing's Vacants to Value program to address city-wide vacant housing challenges. The typology is also used by the Housing Code Enforcement Division to tailor market interventions and strategies to neighborhood conditions. For example, some activities, such as demolition, may be necessary in the most challenged markets to bring about change in whole blocks. These activities may be applied more selectively in stable markets on blighted or abandoned properties that could negatively impact the appeal of surrounding blocks without such intervention. The typology is also used to inform local neighborhood planning by helping neighborhood residents understand the housing market forces impacting their communities.

The typology is a housing market classification scheme based on quantitative data and a statistical process called "Cluster Analysis." Cluster analysis is a statistical technique that is applied to data that exhibit "natural" groupings or clusters. A cluster is a group of relatively similar cases or observations. Cluster analysis sorts through the raw data and groups cases with similar data characteristics. "Subjects" in a cluster are relatively similar to each other while collectively being dissimilar to those outside the cluster. The eight variables which define the City's housing market (see below) were aggregated to the census block group level, allowing for a detailed analysis within traditional City neighborhoods.

This 2017 update of the City's Housing Market Typology was jointly developed by the Baltimore City Planning Department, Department of Housing & Community Development, and Reinvestment Fund.

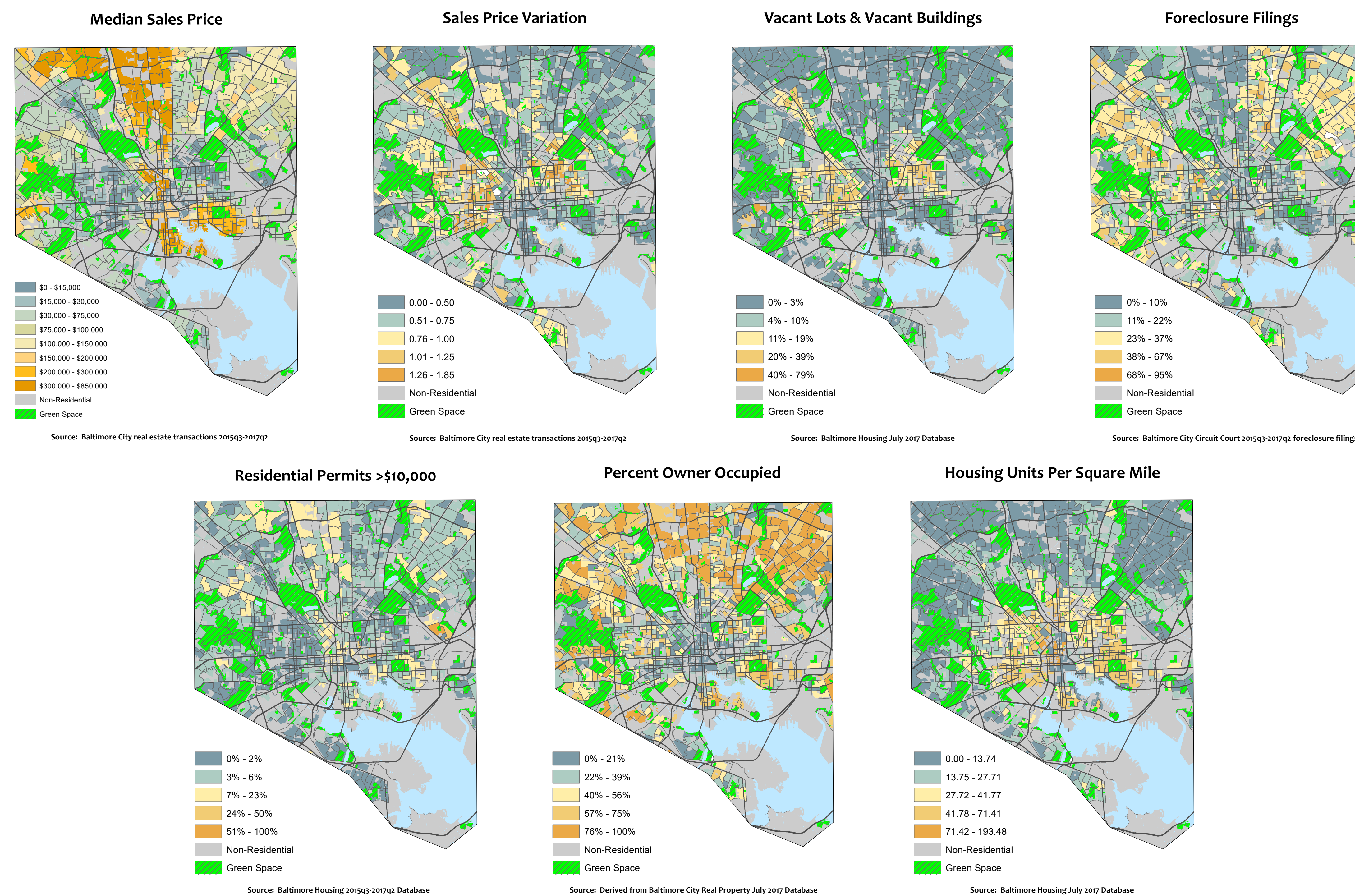
## Cluster Descriptions cont.

**F G H** The block groups in these markets experience sales prices ~30-50% below the city average, while keeping foreclosure activity similar to markets "D" and "E". Markets "F" and "H" have significant levels of owner occupancy, while market "G" represents the lowest level of owner occupancy and the highest level of subsidized housing units (19%). These markets combined represent 27% of all households, including 27% of all owner occupied households in the region. Intervention strategies aim to support homeowners living in communities with limited access to resources and under-appreciated assets, such as historic housing stock.

**I J** The block groups in these markets experience the lowest sales values in the city, roughly 80-90% lower than the City average. These markets contain the lowest levels of permit activity, low foreclosure activity, and the highest vacancy rate. One-fifth of all residential land in market "J" is either vacant land or vacant buildings. These markets combined represent 13% of all households, and only 11% of all owner occupied households in the region. They have experienced some of the most substantial population losses in the City during the past decades. Comprehensive housing market interventions should be targeted in this market category, including site assembly, tax increment financing, and concentrated demolitions to create potential for greater public safety and new green amenities.

**RM 1 RM 2** Rental Market 1 is predominantly multifamily; 74% of all rental units being in multifamily structures. Rental Market 2 has more single family rental units, only 31% are in multifamily buildings (per U.S. Census estimates), and markedly lower median rents. The subsidized rental block groups comprise 7,016 housing units, over 15% of all of the subsidized housing units in the City. These markets combined represent only 5% of all households, including only 9% of all renter occupied households in the region.

## Variable Maps



## Cluster Descriptions

**A** The block groups in this market represent competitive housing markets with the highest sales prices and the lowest foreclosure activity in the region. Vacant buildings are rare and these areas are amongst the lowest residential density of all categories. Market interventions are not necessary in these markets, but basic municipal services such as street maintenance and code enforcement are essential to maintaining these markets.

**B C** The block groups in these markets represent above City average sales prices, maintained by high levels of permit activity. Market "B" has high ownership rates, compared to market "C" which has the second highest subsidized rental market; while both are among the highest residential density across the city. Modest incentives and strong neighborhood marketing should keep these communities healthy, with the potential for growth.

**D E** The block groups in these markets are near the City average in sales prices but with markedly higher foreclosure activity compared to "A", "B", and "C" markets. The highest level of owner occupancy, low subsidized rental, and low residential density are represented by market "D". These markets combined represent 25% of all households, including 31% of all owner occupied households in the City. Interventions are geared toward aggressive code enforcement, which in turn supports existing homeowners.

