REHAB OR DEMO?
FRAMING THE QUESTION THROUGH A MARKET-CONSCIOUS LENS

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Panelists

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Terry Schwarz, Director, Cleveland Urban Design Collaborative, Kent State University
An Inconvenient Truth

Home Value Trends In Nine Ohio Cities

Source: Zillow Home Value Index (@June/July)
Impact of Home Sale Price On Redevelopment

2006

- **Cost**
  - Soft Costs: $15,000
  - Rehab: $70,000
  - Acquisition: $25,000
- **Sale Price**: $110,000

2014

- **Cost ↓**
  - Soft Costs: $15,000
  - Rehab: $90,000
- **Sale Price ↓**
  - Acquisition: $0
  - **Loss**: $60,000
  - **Subsidy Required**: $45,000
A TALE OF TWO HOUSES

2620 E. 114th – foreclosed by Wells Fargo then sold to an investor who did nothing. Eventually condemned by the City of Cleveland.

Considerations For Evaluating Options

- Market Sale Price & Cost Recovery
- Market Rents & Cost Recovery
- Availability of Subsidy
- Alignment of Subsidy with Outcome
- Sustainability of Model
- Cost Reduction Via Design and Engineering
- Irrevocable Loss Of Historic Structures
For further information contact

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