Communities at the Crossroads: A Survey of Five First-Ring Suburbs
19 inner ring suburbs of Cleveland
Inner-ring Suburban Key Challenges

- Bottom feeding flippers and speculators
- Increase in vacant homes and new rental units that exceed the capacity of existing code enforcement resources to manage
- Bank walk-aways
- Owner walk-aways a.k.a. strategic defaults
- Out-migration of population
- High amounts of property tax delinquency and reduced general fund revenues
- Older housing stock and infrastructure
- Homeowners with no funds or negative equity to make repairs and maintain homes
Percentage of Change in Owner Occupied Housing Units 2000-2010

Source: 2000-2010 US Census
Positive Trends in South Euclid

- Mortgage Foreclosures are down to levels not seen since 1995.
- Over 1,000 formerly vacant homes in South Euclid have been fully rehabbed since 2010.
- Values are increasing by double digits year over year.
- 54.5% increase in median housing prices in six years.
- 27% decrease in days on the market 2016 to 2017: 140 days to 102 days.
- 75% of homes in the city are owner-occupied.
- Median sale price ended 2017 at just under $90,000.
- Over $150 million in residential and commercial investment since 2010.
2017 Property Survey  
Western Reserve Land Conservancy & Dynamo Metrics

Evaluation of all residential and commercial parcels.  
Funded by a $200,000 grant from the Cleveland Foundation.  
Included the communities of South Euclid, Warrensville Heights, Maple Heights, Euclid, and Garfield Heights.

Findings:
98% of housing stock in the five cities is rated in good to excellent condition.  
The most severely blighted properties have largely been addressed.  
Vacant structures and foreclosures have decreased significantly.  
Demolition activity in the five cities has had an estimated impact of $142 million to nearby property value.  
Rehab activity has had $180 million in impact to nearby property value.
Welcome to Neighborhood Intel by Dynamo Metrics!

Neighborhood Intel is a decision support tool created by Dynamo Metrics. This tool allows communities to monitor the impact of demolition and rehabilitation efforts, while easily identifying trouble spots so that targeted intervention strategies can be implemented.

*Communities at the Crossroads: A Survey of Five First-Ring Suburbs* examines housing market challenges and opportunities facing five of Cleveland’s first-ring suburbs - Euclid, Garfield Heights, Maple Heights, South Euclid, and Warrensville Heights - in the wake of the foreclosure crisis. The report, released in January 2019, summarizes key findings from a property inventory and analysis conducted by Western Reserve Land Conservancy and Dynamo Metrics. The project was commissioned by the City of South Euclid and generously funded by the Cleveland Foundation. For the main project page and report, click here.

99% rated A or B
“Never doubt that a small group of thoughtful, committed people can change the world. Indeed, it is the only thing that ever has.”

-Margaret Mead

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Housing Market Trends in Five Inner Ring Suburbs 2000 – 2017

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10-23-18
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The highest volume of foreclosure filings in the five suburbs was in Euclid, Garfield Hts. and Maple Hts., followed by South Euclid and Warrensville Hts. Foreclosures have been decreasing since 2012. However, Maple Hts. has seen a slight increase in mortgage foreclosure activity since 2015.
Foreclosure location was not recorded by the county courts prior to 2006, but Sheriff Sales, which result from foreclosures, have location dating to 2000. The above chart shows a dramatic increase in Sheriff Sales after 2000, with the highest being a six-fold increase in Euclid and Maple Hts. These sales put thousands of homes on the market at “bargain basement” prices, undermining the residential housing market.
The peak year for vacancy occurred at different times for each suburb, but vacancy has been declining for all five. To assess the impact of concentrated vacancy, the count of vacant structures must be viewed relative to the size of the community. Although Euclid has the highest count of vacant structures, it does not have the greatest concentration of vacancy. Similarly, while Warrensville Hts. has the lowest count of vacancy, it does not have the lowest concentration of vacancy.
Because there could have been several foreclosures filed on the same parcel over the 12 year period, the percentages cited above and in the previous table cannot be interpreted as the “percent of parcels that have had a foreclosure”. Nevertheless these percentages are useful as an indication of the volume of foreclosure activity distributed over different geographies.
A mix of news: on the positive side, home sale prices are recovering about the same as the rest of the county since the market bottomed out in 2008, with Warrensville Hts. experiencing a marked increase in just the past two years. However, the level of recovery for the five suburbs lags behind the rest of the county, and is still only at 42 to 66% of the peak years (2005-2006), and only 51 to 79% of 2000 prices.

Source: NEO CANDO at Case Western Reserve University.
Arms Length Sales = sales on 1-3 family residential property that exclude: 1) transfers at a Shf Sale, 2) S0 transfers and 3) transfers to a bank or Federal agency. 1-3 family includes condominiums; includes vacant lots >=$100K.
Prepared by Frank Ford, Western Reserve Land Conservancy, 10-17-18.
Early in the foreclosure crisis home sale prices in the East and West Inner Suburbs were similar, only a $17,300 difference. But the volume of foreclosures in the East Suburbs – twice the concentration as in the West Suburbs [36% to 17%] – resulted in a much greater drop in home sale price in the East Suburbs. By 2017 the West Suburbs had recovered 94% of their prior peak price, the East Suburbs only 60%, and the difference in median sale price had grown from $17,300 to $56,000.
The figure above graphically illustrates the change in total residential delinquency over the past 7 years, with the most dramatic increase being in Maple Hts., followed by Garfield Hts. and Euclid.
Residential property tax delinquency is a significant problem county-wide. Delinquency increased in Cuyahoga County from $89 Million in 2009 to $227 Million in 2016, a 153% increase. But residential delinquency in each of the five suburbs exceeded the rate of increase for the county. The greatest percent increase was in Maple Hts. followed by Garfield Hts. and Euclid.

Source: Cuyahoga Treasury data provided to NEO CANDO at Case Western Reserve University. 2009 file date 11-9-10. 2016 file date 9-11-17. Residential class properties = parcel codes beginning with "S". Delinquency of $1 or greater. Prepared by Frank Ford, Western Reserve Land Conservancy, 10-17-18.
All five suburbs have seen a decline in homeownership since 2000, with the most dramatic decline being in Maple Hts. The mid-decade census estimate has the decline leveling off for Warrensville, with a slight increase since 2010. The decline is continuing for the other four suburbs, and for the city of Cleveland and Cuyahoga County.
Although traditional arms length home sales are taking place throughout the county, traditional bank financing is less evident in some communities than others. On one extreme 83% of sales in the Outer suburbs are financed by a bank loan, but in the East Side of Cleveland only 13% are bank financed. Loan originations in four of the five suburbs are below 50% of sales.

<table>
<thead>
<tr>
<th>Location</th>
<th>1-3 Family Arms Length Sales in 2017</th>
<th>1-4 Family Home Purchase Applications</th>
<th>Loan applications as a percent of sales</th>
<th>1-4 Family Loans Originated</th>
<th>Loan originations as a percent of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Side of Cleveland</td>
<td>3096</td>
<td>635</td>
<td>21%</td>
<td>416</td>
<td>13%</td>
</tr>
<tr>
<td>Warrensville Hts.</td>
<td>164</td>
<td>75</td>
<td>46%</td>
<td>47</td>
<td>29%</td>
</tr>
<tr>
<td>Maple Hts.</td>
<td>480</td>
<td>248</td>
<td>52%</td>
<td>149</td>
<td>31%</td>
</tr>
<tr>
<td>Euclid</td>
<td>900</td>
<td>575</td>
<td>64%</td>
<td>287</td>
<td>32%</td>
</tr>
<tr>
<td>Garfield Hts.</td>
<td>696</td>
<td>481</td>
<td>69%</td>
<td>326</td>
<td>47%</td>
</tr>
<tr>
<td>East Inner Suburb</td>
<td>4601</td>
<td>3212</td>
<td>70%</td>
<td>2289</td>
<td>50%</td>
</tr>
<tr>
<td>West Side of Cleveland</td>
<td>3354</td>
<td>2368</td>
<td>71%</td>
<td>1766</td>
<td>53%</td>
</tr>
<tr>
<td>Cuyahoga County</td>
<td>23048</td>
<td>18319</td>
<td>79%</td>
<td>13946</td>
<td>61%</td>
</tr>
<tr>
<td>South Euclid</td>
<td>556</td>
<td>468</td>
<td>84%</td>
<td>341</td>
<td>61%</td>
</tr>
<tr>
<td>West Inner Suburb</td>
<td>3803</td>
<td>3815</td>
<td>100%</td>
<td>3008</td>
<td>79%</td>
</tr>
<tr>
<td>Outer Suburb</td>
<td>7835</td>
<td>8289</td>
<td>106%</td>
<td>6467</td>
<td>83%</td>
</tr>
</tbody>
</table>

Excludes loans purchased by a bank from another bank. Excludes home repair and refi loans.

**Arms Length Sales** exclude shf sales, transfers to financial inst and gov't agencies, and $0 transfers.

In 2015 99.5% of all transfers were either 1 or 2 family; 3-4 family were statistically insignificant.

Source: NEO CANDO at Case Western Reserve University.

Prepared by Frank Ford, Western Reserve Land Conservancy, 10-17-18.