Long-Term Vacant Housing Units: An Aggregate View

Raven Molloy

Federal Reserve Board of Governors

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- Policymakers would like to know the extent of problems caused by vacant and low-value housing.
  - How big is the stock?
  - Is it spread evenly across the US, or is it concentrated in certain areas?
  - If not spread evenly, in what types of locations are these units likely to be found?

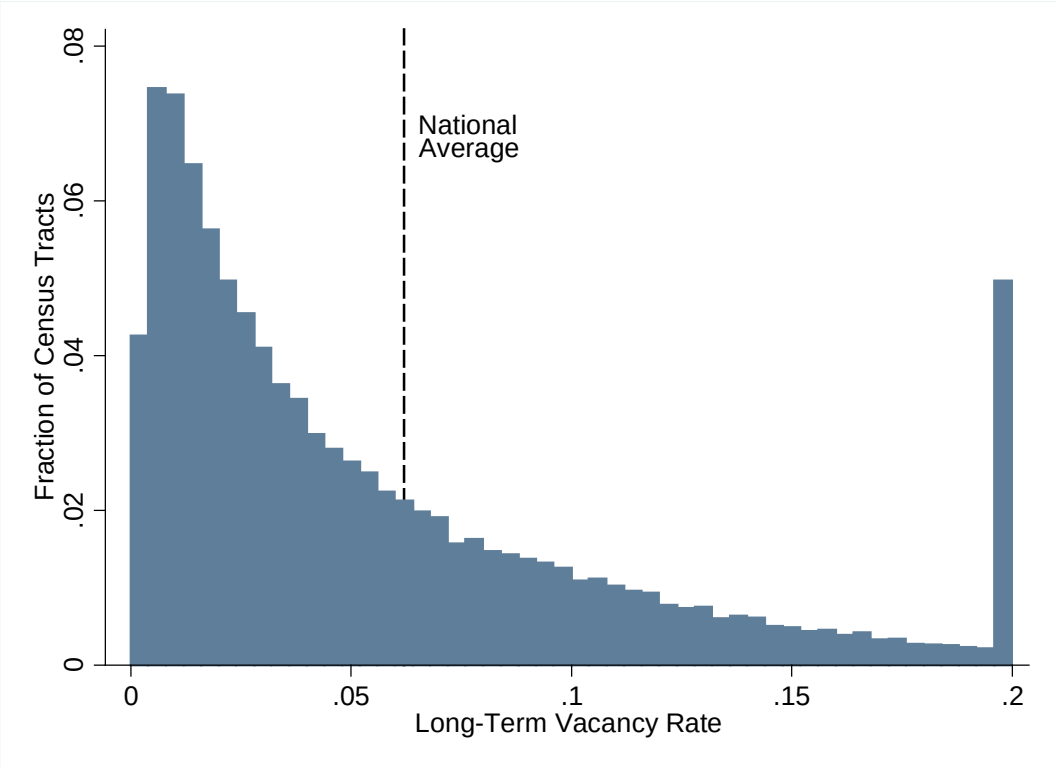
- We know little about this stock in the aggregate:
  - Some cities keep records of abandoned or blighted properties, but data are not systematic.
  - Most national datasets do not have housing characteristics detailed enough to identify low-value housing.

- I use data collected by the USPS on the number of residential addresses that have been vacant for at least 2 years.
  - Length of vacancy is highly correlated with negative housing characteristics like boarded-up windows, holes in the roof, etc.

- In 2012, 7 percent of all residential addresses had been vacant for at least two years.
  - Restricting to areas that do not have a high share of seasonal housing, 6 percent of residential addresses had been vacant for at least two years.

- The stock of long-term vacant units is concentrated in a relatively small number of neighborhoods:
  - Half of all long-term vacant units are in only 14 percent of all Census tracts.
  - By contrast, half of all occupied units are in 33 percent of all Census tracts.

Distribution of Long-Term Vacancy Rates by Census Tract in 2012



- 2/3 of tracts had a long-term vacancy rate less than the national average.
- 13 percent of tracts had a long-term vacancy rate more than twice the national average.
  - In those tracts, the median long-term vacancy rate was 17 percent.

High Long-Term Vacancy Rate Tracts by Metropolitan Area in 2012

	# High LT Vacancy Tracts	Total Tracts	% High LT Vacancy Tracts
Detroit-Warren-Livonia, MI	209	1173	17.8
Chicago-Joliet-Naperville, IL-IN-WI	153	1507	10.2
New York-Northern NJ-Long Island, NY-NJ-PA	99	3847	2.6
Atlanta-Sandy Springs-Marietta, GA	87	459	19.0
Pittsburgh, PA	82	611	13.4
St. Louis, MO-IL	78	425	18.4
Cleveland-Elyria-Mentor, OH	77	578	13.3
Birmingham-Hoover, AL	73	183	39.9
Oklahoma City, OK	64	292	21.9
Dallas-Fort Worth-Arlington, TX	64	839	7.6
Houston-Sugar Land-Baytown, TX	63	680	9.3
Kansas City, MO-KS	62	385	16.1
Baltimore-Towson, MD	58	543	10.7
Tulsa, OK	54	346	22.4
Tampa-St. Petersburg-Clearwater, FL	54	241	15.6
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	53	1201	4.4
Indianapolis-Carmel, IN	53	256	20.7
Cincinnati-Middletown, OH-KY-IN	52	408	12.7
Memphis, TN-MS-AR	45	218	20.6
Flint, MI	44	127	34.6

Number of High Long-Term Vacancy Rate Tracts by Metropolitan Area in 2012

	Number of MSAs	Percent of MSAs	Cumulative Percent of MSAs
100 Tracts or More	2	0.5	0.5
50 to 99 Tracts	16	4.4	4.9
20 to 49 Tracts	32	8.7	13.7
10 to 19 Tracts	68	18.6	32.2
5 to 9 Tracts	79	21.6	53.8
4 Tracts or Less	169	46.2	100

Characteristics of High Long-Term Vacancy Rate Tracts in 2012

	High Long-Term Vacancy Rate				Other Tracts
	Poor Urban	Poor Suburban	Housing Boom	Other	
Poverty Rate	28.1	37.0	9.0	15.9	14.3
Unemployment Rate	12.0	19.6	6.1	7.4	8.3
Median Income	$30,780	$25,962	$62,093	$39,883	$57,247
Median House Value	$120,307	$75,560	$209,993	$84,528	$253,221
Share without HS degree	24.1	28.8	10.6	21.0	15.5
Share with College or More	15.5	9.5	27.2	12.0	28.4
Share Single-Family Detached	37.0	65.9	76.4	75.4	61.3
Share Single-Family Attached	9.7	3.3	3.3	0.9	6.4
Share Owner-Occupied	44.7	53.7	78.9	78.5	64.2
Housing Units per Sq. Mile	2,766	1,410	551	98.1	2,731
Share Units Built After 2000	8.7	7.0	15.8	8.6	8.4
Fraction in MSA, 1999 def.	80.8	72.9	64.4	28.7	88.5
Fraction in MSA, 2009 def.	92.7	87.9	86.2	63.6	97.3
Number of Tracts	1,425	1,527	1,586	1,623	41,761

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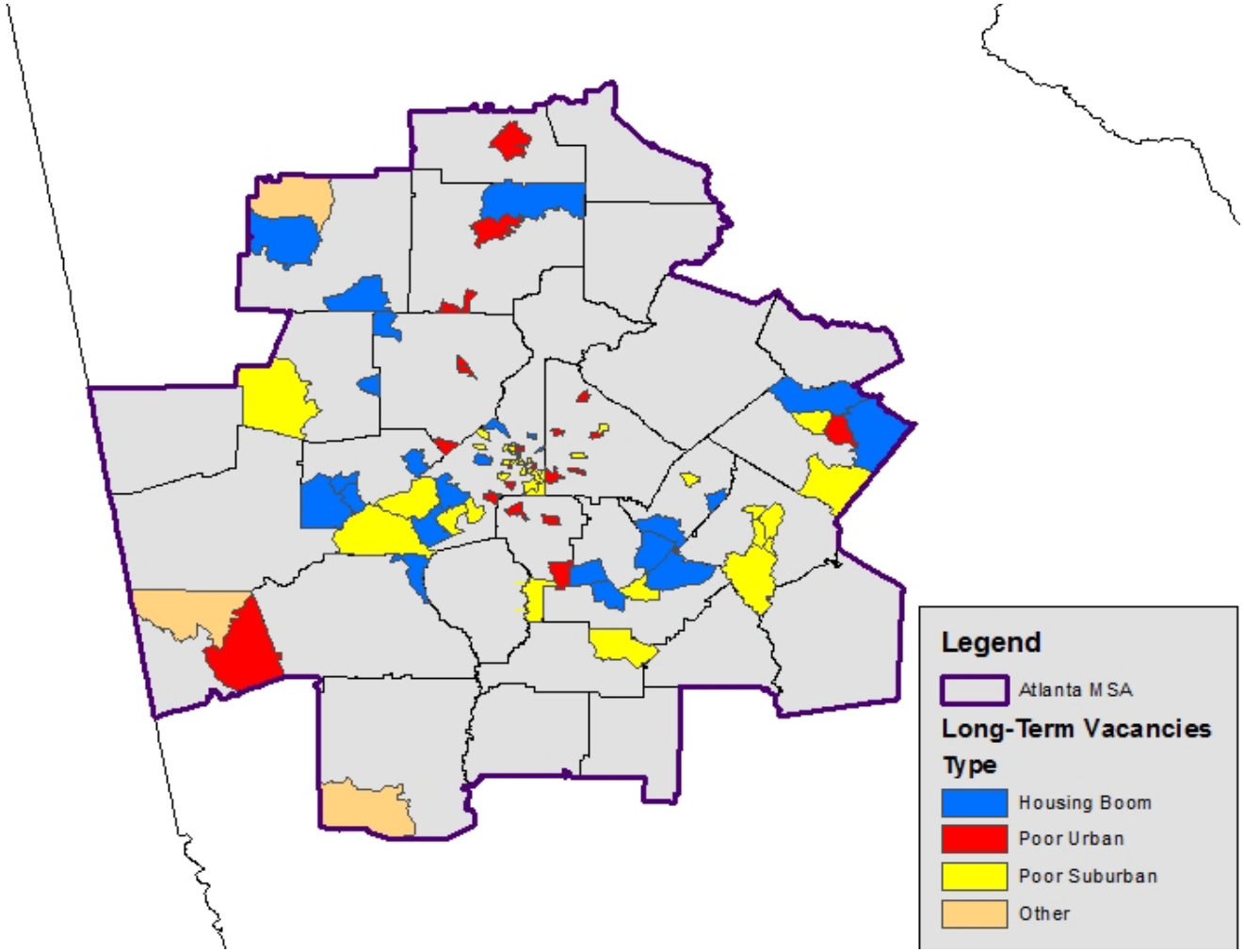
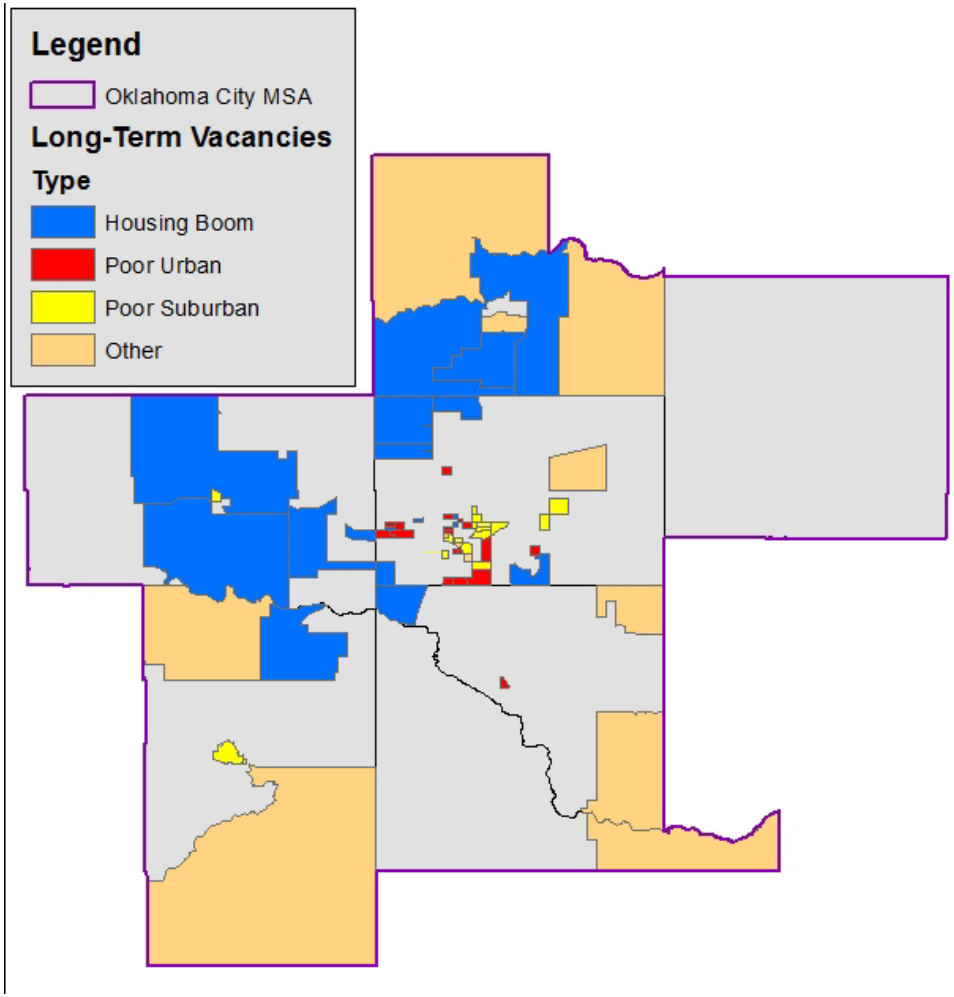
High Long-Term Vacancy Rate Tracts in Atlanta, GA



High Long-Term Vacancy Rate Tracts in Oklahoma City, OK



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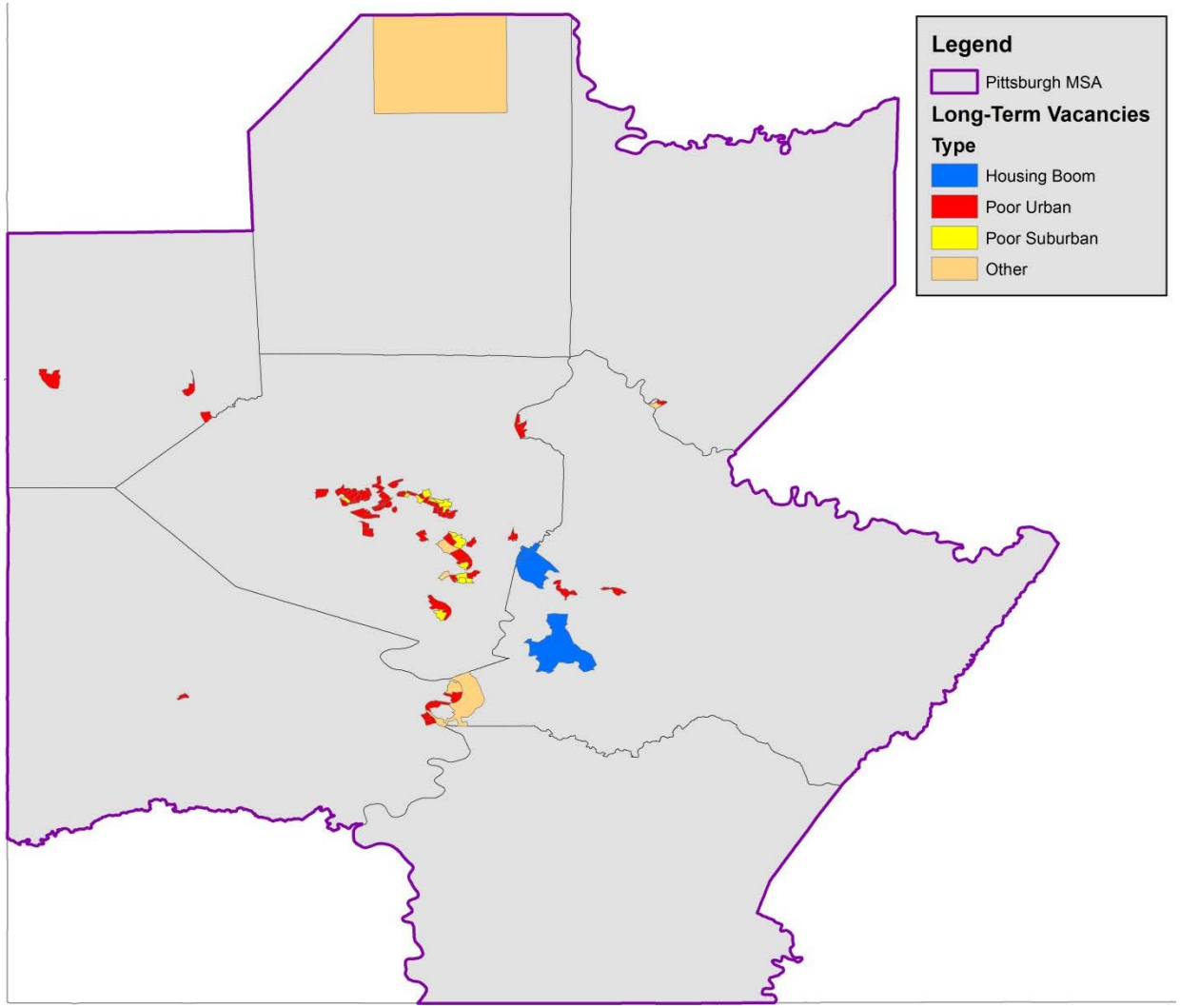

Summary

- Long-term vacant housing is concentrated in a small number of neighborhoods that have high vacancy rates.
- Not all of these neighborhoods are in the “rust-belt.”
- Nor are they all poor inner-city neighborhoods.
- The effectiveness of policies aimed at reducing the stock of long-term vacant housing will depend on the type of neighborhood and city where they are concentrated.
  - Conversion to rental might make sense in the poor urban and suburban neighborhoods, where rental markets already appear to be active.
  - Private investors might be more interested in the “housing boom” neighborhoods—where the vacant stock is more of a cyclical phenomenon and wealthier residents may have contributed to attractive amenities—or in neighborhoods located in metropolitan areas with stronger economic activity.