

Bulletin

Commissioned by
The Community Association of Rushfield
Cincinnati, Ohio
August 1, 2009

Scope of Inquiry

In a proposal submitted July 3, 2009, The Community Association of Rushfield asked that Redevelopment Solutions answer two questions:

1. Do Rushfield residents typically own or rent the single-family homes in which they live?
2. What can The Community Association of Rushfield do to sustain or increase Rushfield's homeownership rate?

Implicit in the Association's questions is a desire to manage a suspected rise in renter occupancy. It may be believed that such increases presage neighborhood decline. This is a justifiable concern, and we address it by answering a third question:

3. Does a rise in a neighborhood's renter occupancy rate result in that neighborhood's decline?

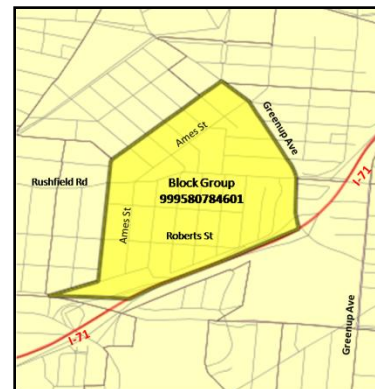
In what follows, we answer each of these questions in turn. Before beginning, however, it is necessary to identify the geographic area under scrutiny.

Study Area

The Community Association of Rushfield indicated that the neighborhood's boundaries were Interstate Highway 71, Roberts Street, Ames Street, and Greenup Avenue.

These boundaries roughly (but not *completely*) coincide with those of Block Group Number 999580784601. A map of this government-defined area is shown below in Figure 1.

Figure 1
Map of Rushfield
Census Block Group 999580784601



Redevelopment Solutions has relevant data for this block group. Therefore, for purposes of this bulletin, the neighborhood of Rushfield will be considered both synonymous and contiguous with this block group.

Question #1

Do Rushfield residents typically own or rent the single-family homes in which they live?

Redevelopment Solutions was unable to find data that would definitively answer this question. As a result, two methods were used to estimate rates of owner-occupancy in single-family homes.

The first method involved surveying local realtors, asking them if single-family homes in Rushfield were typically available either for rent or purchase. All responded that Rushfield's rental market was largely confined to structures where units were attached, such as townhomes and apartment-buildings. Single-family homes were, to their knowledge, typically available for purchase.

The realtor survey suggested accordance between owner-occupancy and residence in a single-family structure. However this finding too was not definitive. Realtors may not be privy to owners leaving the homes in which they once lived, nor subsequent leases given to family members, friends, or others in the rental market.

Because realtors may not have an accurate read on Rushfield's single-family housing market, a second method was used to estimate owner-occupancy rates. In this method, we subjected Year 2009 estimates of Rushfield's owner-occupancy rate and the proportion of Rushfield's housing that is single-family to Bayes' Theorem. The theorem can be applied to both estimates to derive the probability of a resident's homeownership given the occupant's residence in a single-family home. This probability indicates rates of single-family home owner-occupancy and thereby answers Question #1 more definitively.

Disregarding vacant units, it was estimated that in 2009 Rushfield contained 1,106 housing units. Thirty-two percent, or about 354 of these units were one-unit detached — or what are commonly referred to as “single-family” units. It was also estimated that, among Rushfield's 1,106 occupied units, 475 (or about 43 percent) of them were owner-occupied.

An additional piece of information is needed to use Bayes' Theorem: the likelihood that a resident lives in a single-family home given that that person is a homeowner. This likelihood is unavailable for Rushfield, but is available for the City of Cincinnati. Estimates show that in Cincinnati, the likelihood is about 72 percent. If we assume that Rushfield shares this likelihood then, according to Bayes' Theorem, the probability that a resident will be an owner-occupier given his or her residence in a single-family home is about 97 percent.

We therefore conclude that **Rushfield residents typically own the single-family homes in which they live.**

Question #2

What can The Community Association of Rushfield do to sustain or increase Rushfield's homeownership rate?

Community associations and local governments in other areas have pursued a number of different strategies to sustain and increase homeownership rates. Unfortunately, few have proven to be effective.

Strategies The Community Association of

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concentration of subsidized housing in Rushfield suggests that increased renter occupancy will likely result in median home value declines.

In short, while “neighborhood decline” is a somewhat subjective term, it is often taken to mean decreases in investment and consequent decreases in home value. How disinvestment affects neighborhoods differs depending upon neighborhood characteristics. However, research shows that neighborhoods with high concentrations of subsidized, rental, and attached housing units are more likely to experience a state of neighborhood decline.

As previously shown, Rushfield is unique among Cincinnati neighborhoods in that it contains significantly higher concentrations of all three types of housing units. An increase in renter occupancy itself may not result in neighborhood decline. However given Rushfield’s unique profile, increases in renter occupancy, subsidized housing, and housing density will likely result in further declines.

Conclusion

We at Redevelopment Solutions hope that you found this bulletin both insightful and useful. If any of the questions you posed were not answered to your satisfaction, or if you wish to pose additional questions, please send e-mail to our “Bulletins” address and let us know how we can assist you.

If the Community Association of Rushfield or your partners desire a more detailed report, or need help articulating a redevelopment strategy, please consider purchasing our **Redevelopment Strategies Report**. For more information about this report, as well as information on other services Redevelopment Solutions provides, visit our website: RedevelopmentSolutions.net.

Thank you again for choosing Redevelopment Solutions. We hope that your efforts to redevelop and revitalize Rushfield are successful, and that you learn much in the process.