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Sales Data in Cuyahoga County (2001 – 2018) – Market Recovery based on arms-length median sales prices by Geography

	Baseline Year 2001	High Water Mark	Low Water Mark	% Decline (High to Low)	2018	% Recovery 2018 to 2001
Cuyahoga County	$107,000	**2005** $118,000	**2008** $62,000	47%	$108,500	101%
Cleveland	$70,000	**2005** $84,900	**2008** $9,900	88%	$42,500	61%
Cleveland - West	$78,000	**2005** $89,000	**2011** $32,900	63%	$70,000	89%
Cleveland - East	$62,000	**2005** $80,000	**2008** $5,817	93%	$27,500	44%
West Inner Suburbs	$121,000	**2005** $133,000	**2011** $94,000	29%	$125,000	103%
East Inner Suburbs	$98,000	**2005** $115,700	**2009** $41,000	65%	$73,500	75%
Outer suburbs	$157,000	**2005** $175,000	**2011** $142,000	19%	$174,500	111%

- While the number of arms-length sales in 2018 is nearly identical to the number of sales transactions in 2001, in the most distressed markets (Cleveland/East Side of Cleveland) the median sales prices have fallen dramatically and still have not recovered to pre-financial crisis levels. It's useful to compare what has happened in the healthier markets (Countywide, West Inner Suburb and Outer Suburb) where values have fully recovered/increased.

- While healthier markets have recovered most or all of their value, the weaker markets clearly have not (just 44% on the eastside of Cleveland, and 61% in the city as a whole). These are devastating numbers, and while they do not specifically capture the appraisal gap, they clearly point to market failure in terms of values that are not high enough to support the investment needed in Cleveland's aging housing stock.

- 80% of Cleveland's housing stock was built before 1960. The average home in Cleveland is approx. 1200 square feet with an average need of $60,000 in renovation to create safe, marketable and quality homes for homebuyers, with appraisal gaps ranging from $15,000 - $40,000.

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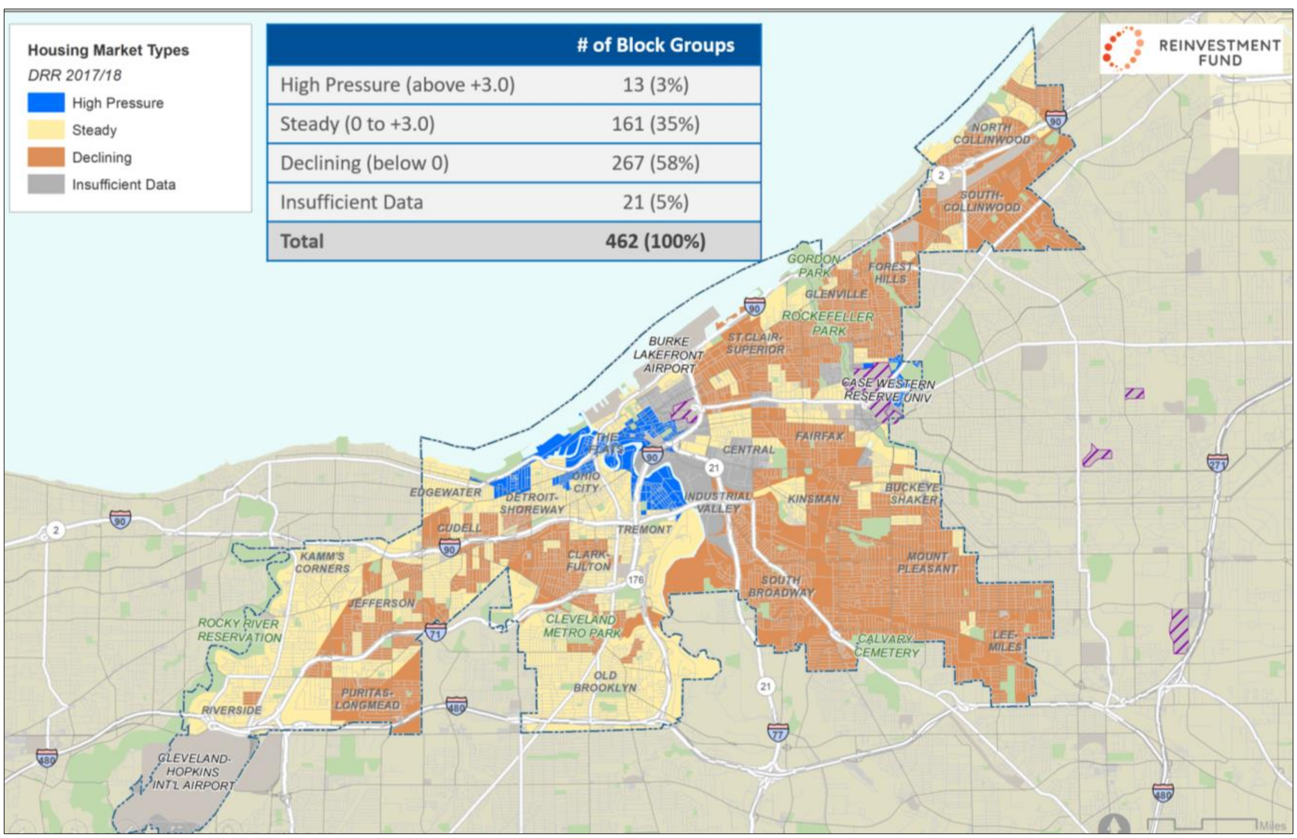
Displacement Risk and Decline – While some cities are experiencing high pressure/rapid investment or gentrification, this is only a concern in very small pockets of Cleveland. A recent analysis by the Reinvestment Fund shows 35% of the city has steady housing values while only 3% is experiencing "high pressure" growth. Most concerning is that nearly 60% of the city is experiencing declining investment and low values.

The Neighborhood Homes Tax Credit will be most useful in addressing edge markets in or near steady neighborhoods by supporting the rehabilitation of homes for families who are interested in remaining in these neighborhoods. Without the gap subsidy provided by the Tax Credit, investment in these edge markets cannot be supported and they will fall further into decline.



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