



## Remarkable Growth

# NeighborWorks® Home Improvement Services, Impact on Nearby Properties

FASCINATING FINDINGS

In terms of their value-added effects on residential property, NeighborWorks® home improvement services, including home rehabs and repairs, play an important role in community revitalization. Four years of first-quarter data are shown in the accompanying chart.

A substantial rehab of a housing unit, for example, according to an award-winning collaborative study in 2000 initiated by Neighborhood Reinvestment, increased the sale price of homes within 150 feet of the rehabbed property by nearly 5 percent (*Journal of Real Estate Research*, Vol. 19, January-April 2000; pp. 23 – 48).

As the bar chart shows, the growth of NeighborWorks® home improvement output in the last four years has been remarkable. Minor home repairs, defined as home improvement with an average per-unit cost of \$2,000 or less, have increased from 3,447 to 5,401 units, an increase of 57 percent. Home rehabs, defined as home improvement with an average cost of more than \$2,000, have increased from 1,387 to 2,250 units, representing a 62 percent increase.

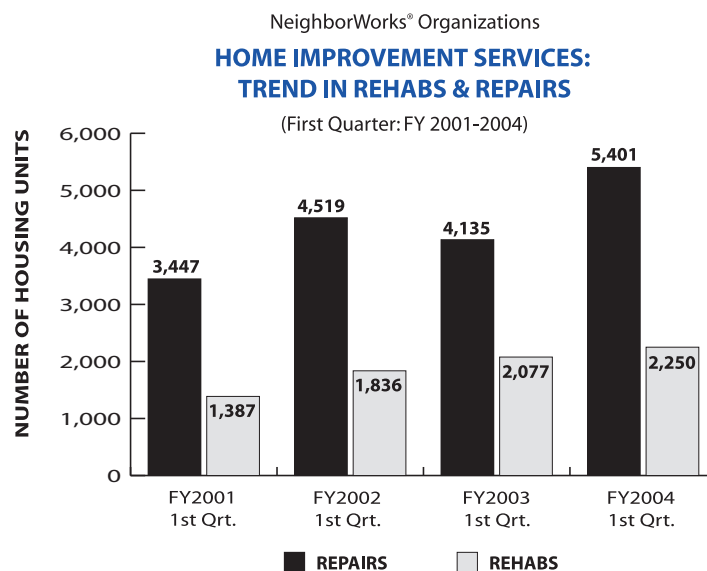
Granted that not all rehabs with costs of more than \$2,000 are “substantial” rehabs. However, it also is reasonable to assume that minor or moderate rehab, if neglected for several years, in most cases will escalate into a substantial home rehab project. Thus, it is clear that such minor or moderate home improvement services play a significant role in preserving and increasing home equity values in the neighborhood.

In addition to the many positive effects that investment in home improvement has in terms of home safety, comfort, and increased home equity value, the spill-over effect of

NeighborWorks® home improvement effort in the nearby residential properties also is quite significant.

Assuming, for example, there are on average four housing units within 150 feet of a substantially rehabbed home, and further assuming that half of all NeighborWorks® rehabbed units in the first quarter of FY 2004 (1,125 units) were “substantial” rehabs, then the value of some 4,500 housing units near the NeighborWorks®-rehabbed units was increased by 5 percent.

And we all know that investment in home improvement creates jobs, increases real estate taxes, and increases home equity along with the enhancement of home comfort and safety. That is quite a significant community revitalization impact, is it not? ■



Source: Neighborhood Reinvestment, Research Department, Quarterly Production Survey

# The Corporation's Evolving Data Collection Effort

BY ESMAIL BAKU

Neighborhood Reinvestment, as acknowledged by some research and evaluation professionals, is in the forefront of a systematic and timely data collection effort in the field of community-based development. Its history goes back to the late 1980s and early 1990s.

In 1987, Neighborhood Reinvestment implemented an annual data collection survey from its affiliated NeighborWorks® organizations. The survey's objective was to collect pertinent information regarding the affiliates' housing production, loan portfolio, and organizational attributes.

The data proved to be a very effective tool in the Corporation's budget submissions and congressional budget hearings. But, given the affiliates' data submission technology at the time, it took about two years to collect the data and tabulate the results. The result was that the Corporation was being forced to rely on two-year-old information at its budget hearings.

To speed up the process, without overburdening the affiliates, the Corporation in 1991 instituted a streamlined, quarterly data collection instrument pertaining to the affiliates' housing production and leveraged investment. Data on organizational attributes and loan portfolio continued, however, to be collected on an annual basis.

The quarterly production survey focuses on affiliates' housing production by programmatic activities and by source of investment. The programmatic activities include single-family rehab, multifamily housing production, homeownership, production of mutual housing associations, economic and commercial real estate development, other housing production, and neighborhood capital improvement (e.g., parks, playgrounds, streets, bridges, and so on).

The quarterly survey also collects information regarding minor or emergency home repairs, pre- and postpurchase counseling, and the inventory of the network's owned and/or managed rental units. Recently, following requests by some network organizations, we have added home refinancing activities to the quarterly production survey.

The results of the quarterly production survey allowed the Corporation to show affiliates' activities in a meas-

urable, relevant and time-bounded manner.

Armed, now, with timely housing production and leveraged investment data, the Corporation began to set annual production goals for the network, and then compare actual output with them. Such an approach in the early 1990s earned the Corporation accolades from its board of directors, the Office of Management and Budget, and congressional budget subcommittees.

Thanks to the cooperation of its NeighborWorks® affiliates, the Corporation, as acknowledged by many research professionals in the field, stood way ahead of other national intermediaries, in terms of its systematic, pertinent, and timely data collection.

When Neighborhood Reinvestment in 1993 launched the Campaign for Home Ownership, the campaign's five-year production goals required project-based data collection on a quarterly basis. The campaign's data have proved to be a valuable additional source for resource development, and an effective tool for production planning and campaign management.

The Corporation's annual and quarterly surveys continue, of course, and are posted on its Web site, in both a restricted, NeighborWorks®-accessible area and a publicly accessible area:

1. NeighborWorks® -accessible site: Go to [www.nw.org](http://www.nw.org); under Member Login (lower left corner of the screen) enter your organization's name and password; click on "Reports, Data, and Forms." Network organizations may access this site by getting a user name and password by contacting Neighborhood Reinvestment's Web master at [webmaster@nw.org](mailto:webmaster@nw.org) or calling Dionna Green at (202) 220-2340.
2. Public site: Go to [www.nw.org](http://www.nw.org), click on "NeighborWorks® Data"; click on "Data, Reports, Trends." ■

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