3) Foreclosure Trends

Comparisons between Economic Factors and Foreclosures

Photo by Chloe Mirzayi
The highest rates of foreclosures occur in the center of North Minneapolis with the lowest rates in the northernmost neighborhoods.
The trend of owner-occupied versus renter-occupied foreclosures follows a 50/50 ratio through 2006.
In 2007, the trend changes as the percentage of renter-occupied foreclosures overtakes owner-occupied foreclosures in a 60/40 ratio.
In comparing foreclosed properties to the average neighborhood estimated market value, no trend appeared from 2005 to 2008.
The ratio shown represents the bid on the property at foreclosure divided by the estimated market value.
Between 2005 and 2008, the ratio consistently shifted towards properties where more money was owed than the value of the property.
Lenders with the highest foreclosure rates were the most likely to close
4) Post-Foreclosure and Vacancy Trends

How have Foreclosures Impacted the Landscape of North Minneapolis?

Photo by Chloe Mirzayi
Three years post-foreclosure, homes are less likely to be owner-occupied
Very little construction activity is occurring in high vacancy areas
This map indicates where federal funds will be directed to encourage rehabilitation of foreclosed homes.
Current patterns of construction are not in MHFA high-need areas
Vacancies have increased from 2005 to 2008, particularly in the Jordan and Hawthorne neighborhoods.
Residential demolitions are highly concentrated in North Minneapolis.
More residential properties have been vacant for 1 – 3 years in the McKinley, Jordan, and Hawthorne neighborhoods.
Commercial vacancies have increased by over 250% from 2007 to 2008.
Commercial vacancies are concentrated along the main economic corridor, West Broadway
Sales tax returns show mixed growth in North Minneapolis businesses between 2004 and 2006.
Conclusions: Impact of Foreclosures

- Foreclosed homes are converting from homesteaded to renter-occupied
- North Minneapolis experienced a low rate of construction compared to evaluated need
- More demolitions have occurred in neighborhoods with high rates of residential vacancies
- Commercial vacancies increased dramatically from 2007 to 2008, most notably along West Broadway
Conclusions: Changing Conditions

- Movement from owner-occupied to rental housing units
- Post-foreclosure conversions
- Increased proportion of foreclosures on rental units
- Non-local landlords
- Increasing residential and commercial vacancy rates
Reflections and Recommendations

- Focus on sustaining neighborhood homeownership rates?
- Regulation of non-local landlords
- Expanded approaches to dealing with vacant properties
- Addressing relative geographic disadvantages
- Community data access and quality
Special thanks to:
- Roberta Englund
- Bonnie Moore
- Vann Ek
- Chris Morris

Report will be available at:
http://www.macalester.edu/geography/faculty/smithl/courses/geog365/index.html