



# ULI Emerging Trends in Real Estate

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# Open House at the Baltimore Pumphouse





**2013: Decay and neglect at  
“old city yard” welcomed  
Amtrak passengers to  
Baltimore City.**





2019: Newly rehabilitated,  
historic storehouse





# ACT BUILDS VALUE IN LOW-INCOME NEIGHBORHOODS

- Residents can and should lead alongside developers
- Its about the market, not the project
- Small businesses **MUST** be in the first wave of investment
  - Low-collateral or no collateral loans | Grants | BPD Coordination
- Must ensure housing and income security for current residents
- Helpful: Government leases with services NOT means-tested

*“When it is for everyone, it is better for everyone...”*





What are we solving for?



# Frameworks matter for driving answers

## **Competitiveness**

Is the cost of doing business too high?

## **Quality services**

Do we need to improve the reliability and quality of city services?

## **Wealth building**

Are incomes just too low in parts of Baltimore?

Do enough people own?



# WE CAN SOLVE FOR MANY CHALLENGES AT ONCE, IF WE...

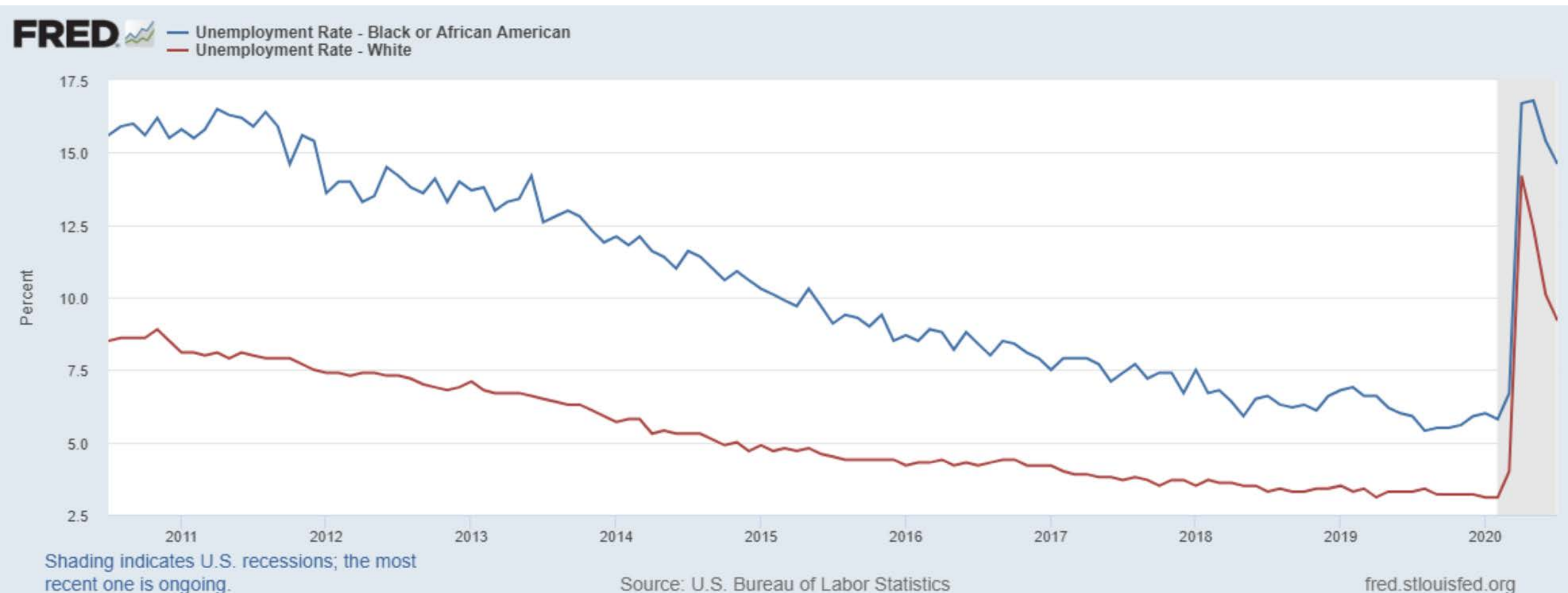
- Build a framework that solves multiple challenges
- Get curious about how markets work and why
- Explore how markets behave in Baltimore's Black communities
  - Starting property values
  - Recovery lag

<b>TAX LIABILITY \$100,000 home</b>	<b>Baltimore City</b>	<b>Baltimore County</b>	<b>Washington, DC</b>
Tax Rate	2.248%	1.1%	0.86%
Annual Tax Liability	\$2,248	\$1,100	\$860
Assume inflation at 2% (discount rate)	\$112,400	\$55,000	\$43,000
Value of Home	\$100,000	\$100,000	\$100,000
Value of Tax	<u>\$112,400</u>	<u>\$55,000</u>	<u>\$43,000</u>
Total Value	(\$12,400)	\$45,000	\$57,000



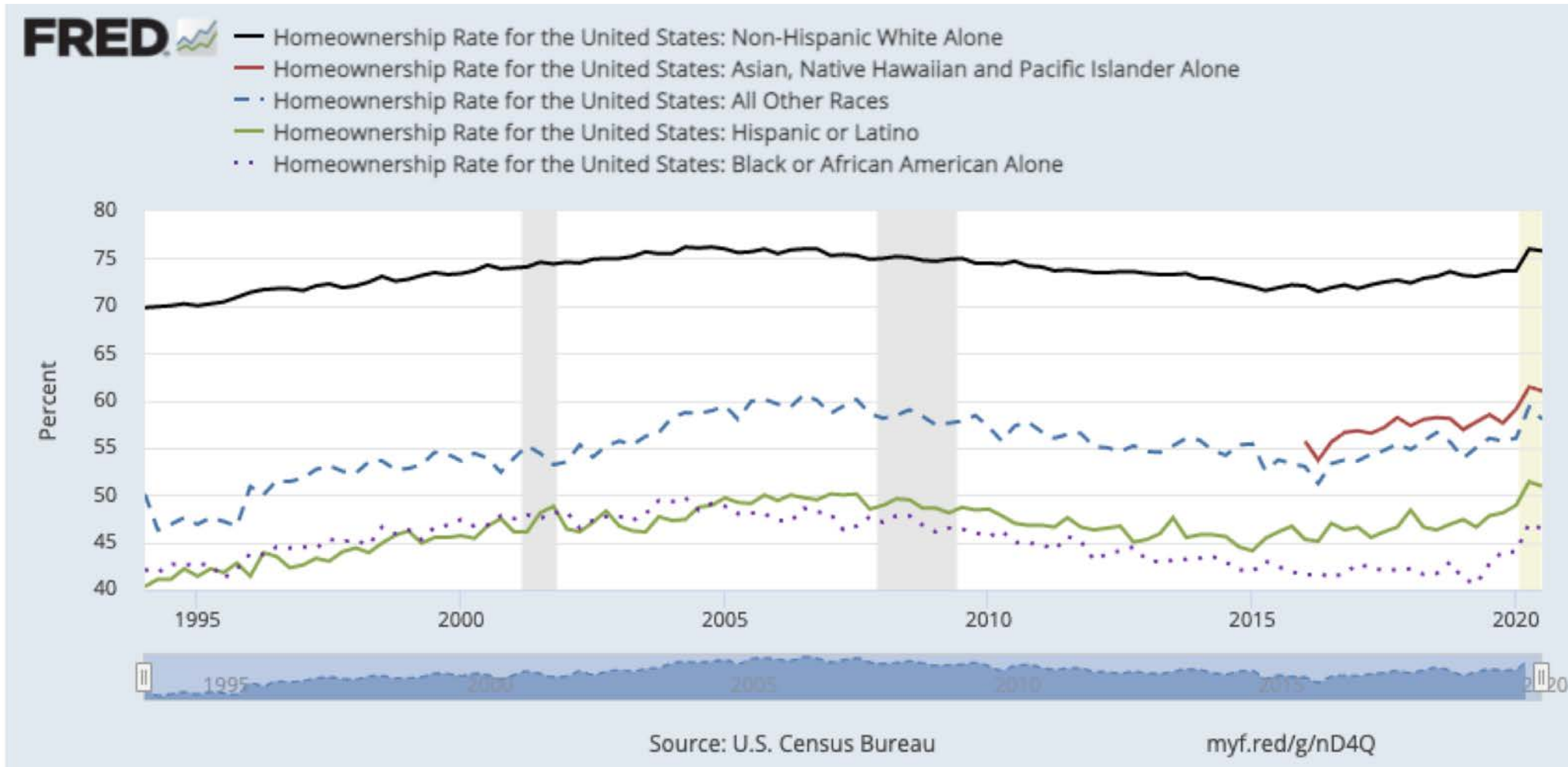
# After recession, recovery can lag six years for blacks:

Blacks hit unemployment rate of 5.8% six years after whites



Note: This data was discussed at 1/28 presentation, although slide was not shown.

# White homeownership recovers after 2015, while Black homeownership continues to decline through 2019.



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The good news is...

The challenges are solvable in this decade  
with a nuanced understanding of  
what is happening and why.



# ACT

AMERICAN COMMUNITIES TRUST

Thank you!

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