

A series of thin, black, intersecting lines forming various geometric shapes, primarily triangles and polygons, located in the upper left quadrant of the slide.

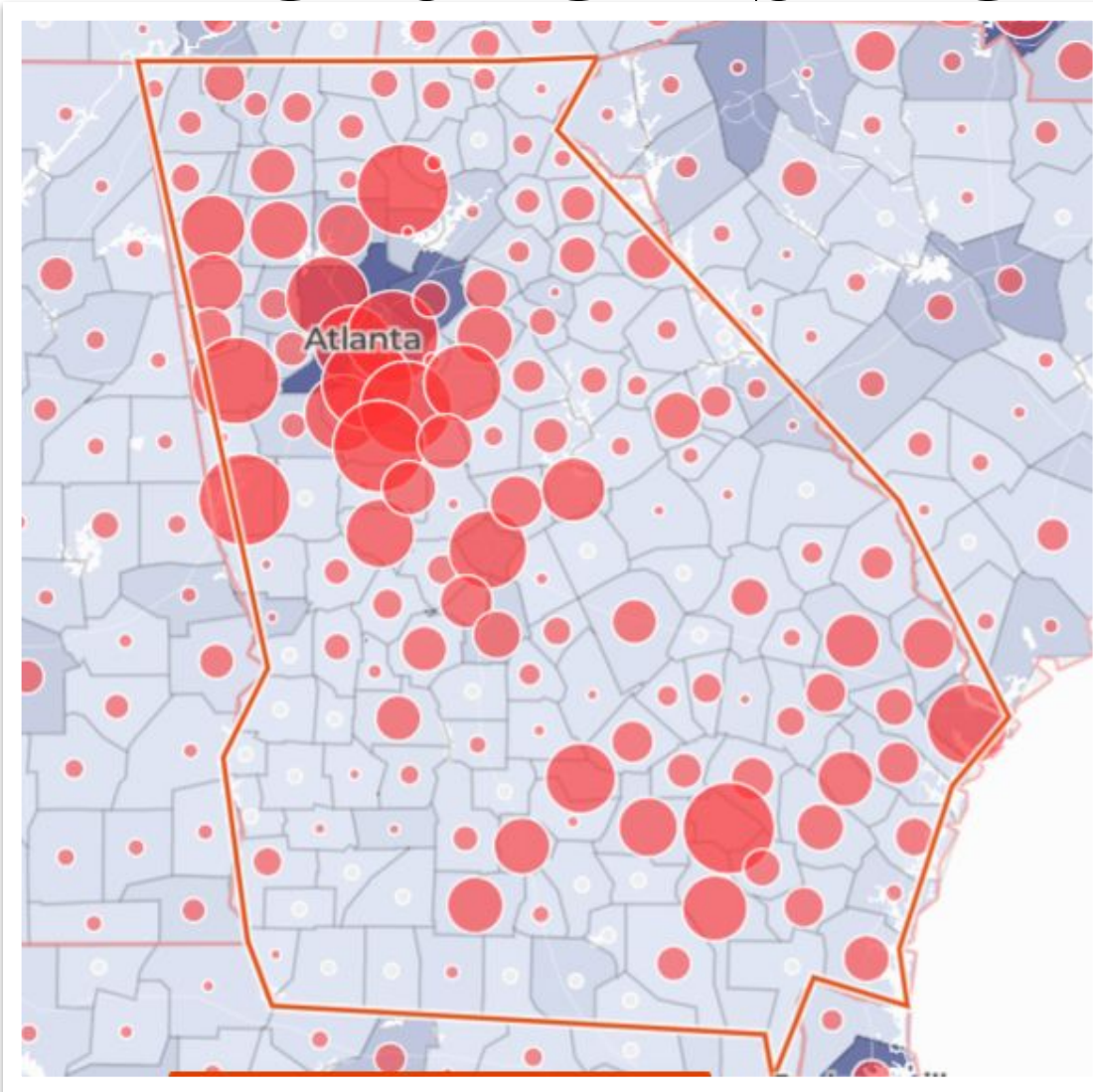
GENTRIFYING ATLANTA: INVESTOR PURCHASES OF RENTAL HOUSING, EVICTIONS AND THE DISPLACEMENT OF BLACK RESIDENTS

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12th Annual Georgia Supportive Housing Association Conference

Strategies to Advance Housing Equity Through Federal, State, and Local State Policy Actions

GEORGIA'S HIGH EVICTION RATE



FULTON COUNTY GEORGIA

Eviction Filing Rate

17.1% !

Eviction Filings

34.1k

Population

1.04M

CLAYTON COUNTY GEORGIA

Eviction Filing Rate

20.6% !

Eviction Filings

9.8k

Population

284k

DEKALB COUNTY GEORGIA

Eviction Filing Rate

23.6% !

Eviction Filings

30.2k

Population

749k

COBB COUNTY GEORGIA

Eviction Filing Rate

18.7% !

Eviction Filings

18.6k

Population

751k

GWINNETT COUNTY GEORGIA

Eviction Filing Rate

6.5% !

Eviction Filings

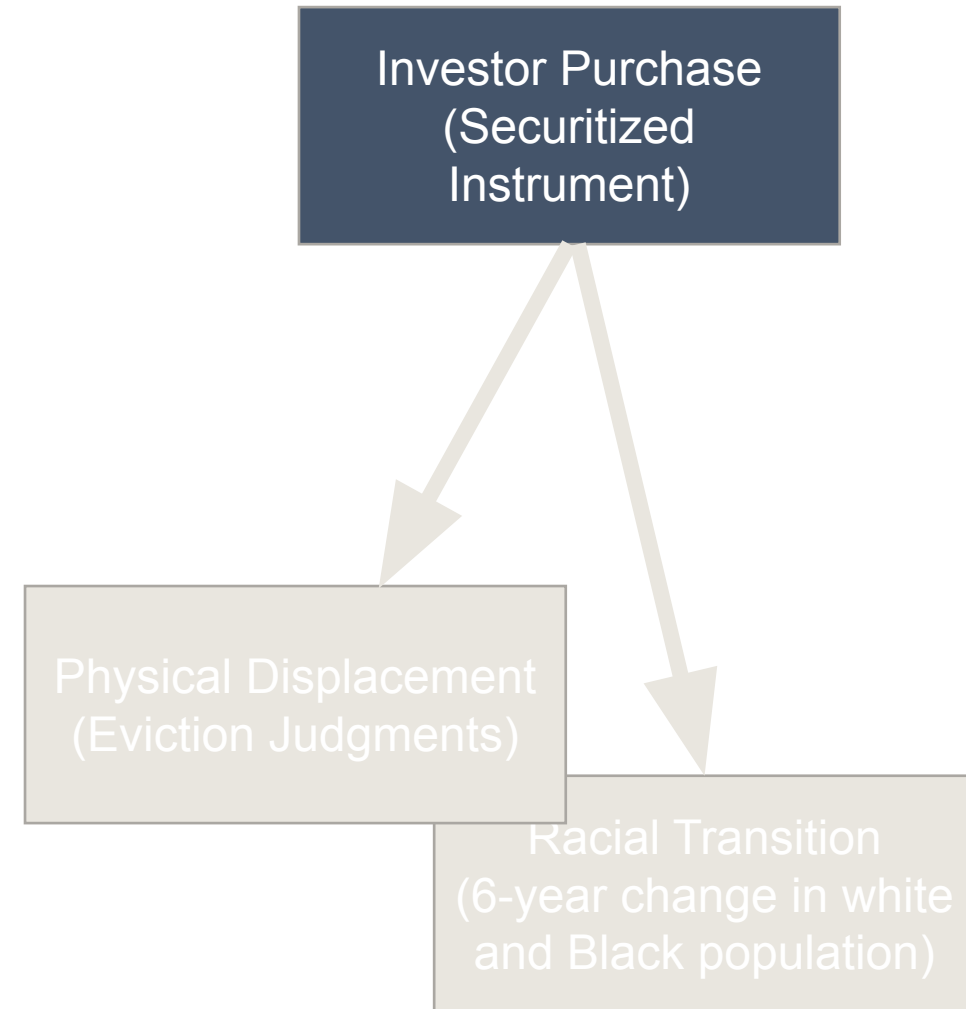
6.4k

Population

915k

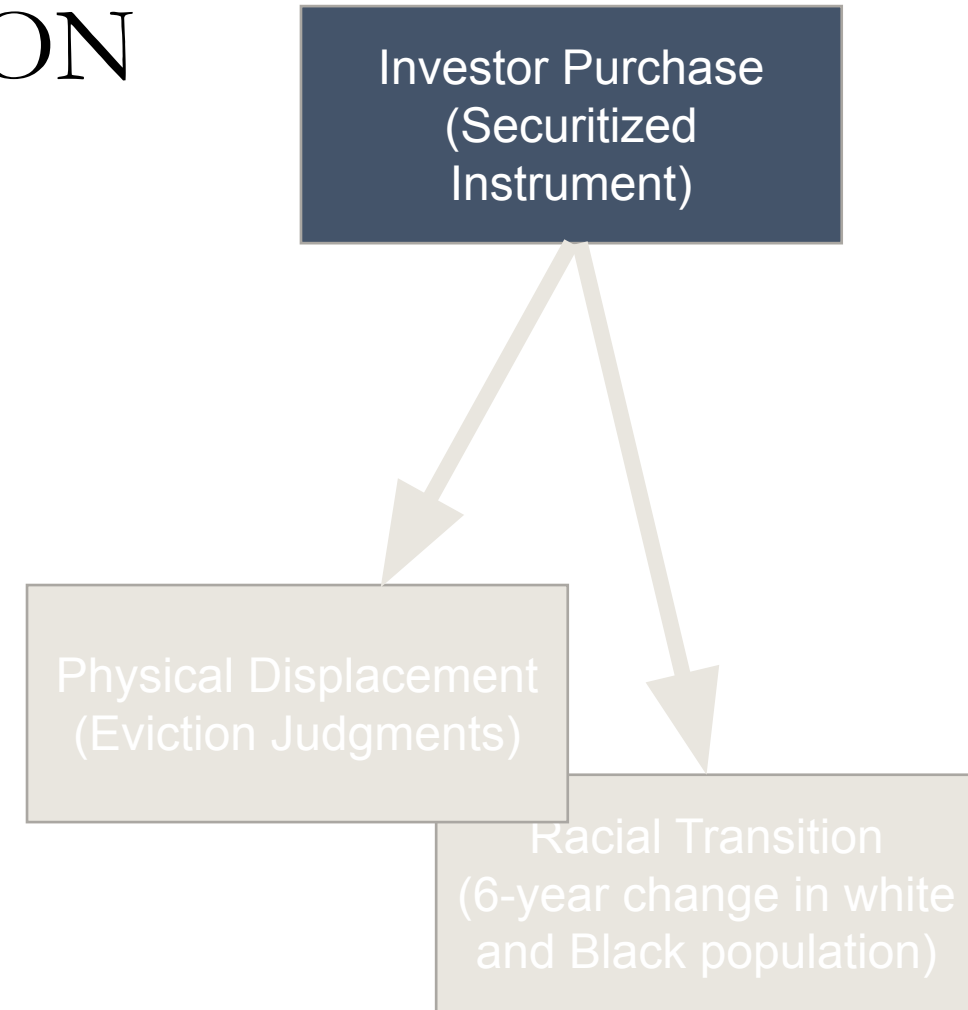
GENTRIFICATION

- We are defining gentrification as a process of physical displacement (eviction) through real estate investment processes (Marcuse, 1986; Sims, 2016)



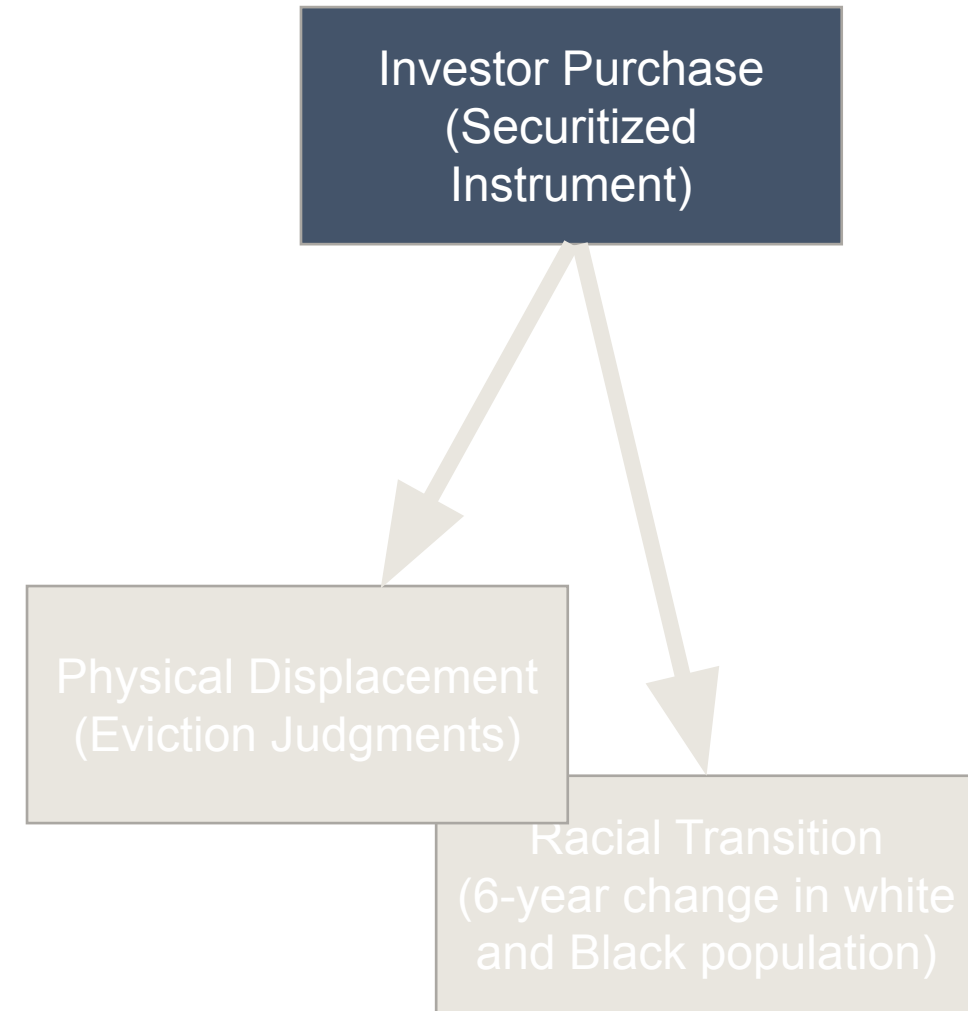
RENTAL HOUSING FINANCIALIZATION AS RACIALIZED EXPROPRIATION

- Investor activity in apartments has been associated with optimistic expectations about future rents/NOI
- This realization of value has been predicated on replacing current tenants with higher income renters (Teresa, 2016; Teresa, 2019; Fields & Uffer, 2016)



METHODS

- In this paper we look at whether investor purchases of multifamily in Atlanta cause physical displacement and racial transition at the neighborhood level.
- We use deeds data to identify the number of apartment sales in a neighborhood between 2001-2016.
- We look at sales to investors separately from sales to other groups
- We ask whether apartment sales to investors predict
 - Eviction judgements (but not filings) – (FE Panel Model)
 - Changes in the numbers of Black and white residents in a given neighborhood – (Difference in Differences)



DEFINING INVESTORS

Proprietary indicator from CoreLogic indicating that a property was purchased for investment purposes.

An inspection of the buyer names with the most frequent purchases reveals a variety of financial instruments originated by large financial institutions

Bear Stearns (58 purchases)

Morgan Stanley (35)

Merrill Lynch (15)

IndyMac (14)

Deutchebank (14)

JP Morgan (8)

Charles Schwab (8)

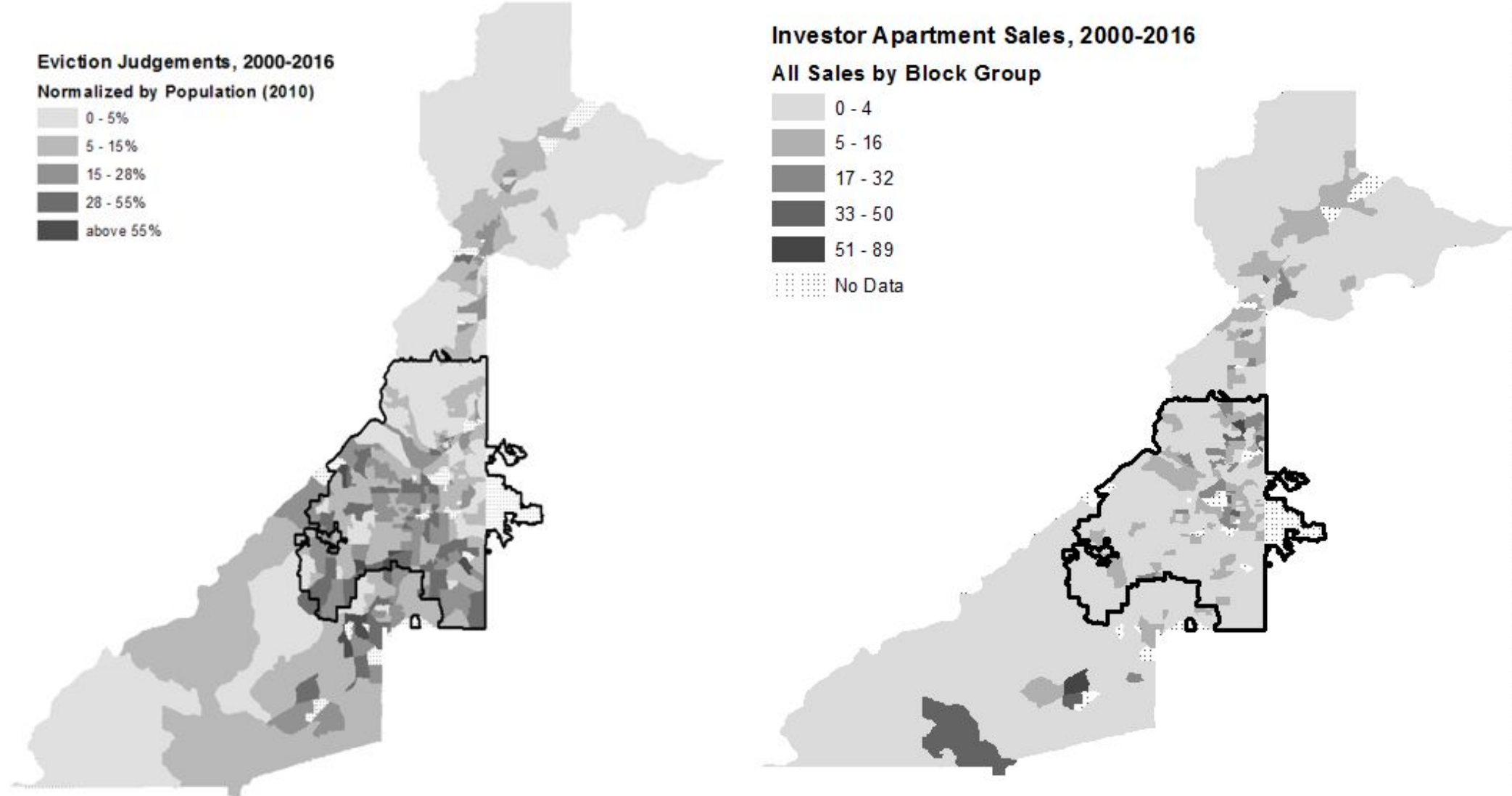
Smaller investment funds include:

Heartwood LLC (23)

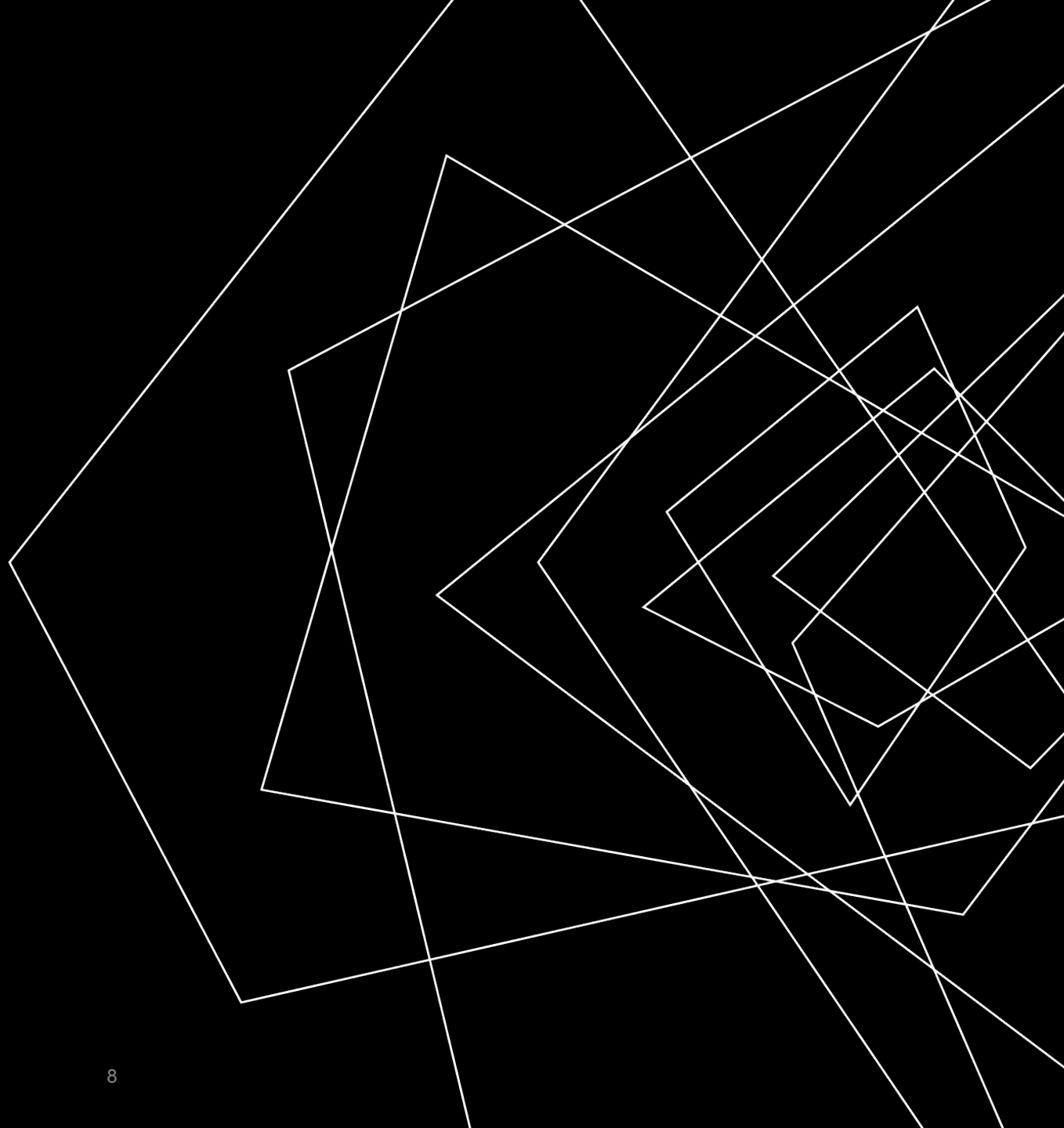
Stonefield Investment Fund (22)

Emerald Green Properties (16)

GEOGRAPHY OF INVESTOR APARTMENT SALES: EVICTIONS



RESULTS



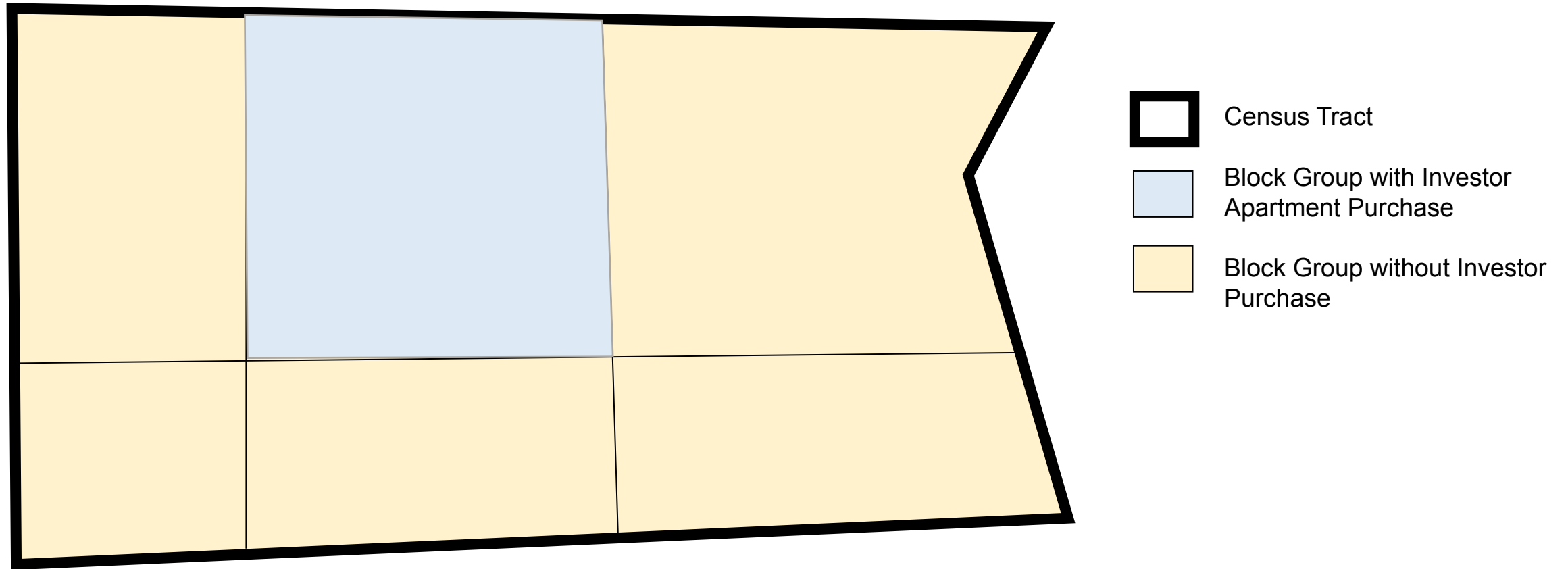
FULTON COUNTY APARTMENT SALES AND PRICES, 2005-2018

	Repeat sales price indexed to 2005	Repeat sales price indexed to 2005, Garden style apartments	# of sales
2006	\$ 258,744	\$(108,300)	285
2007	\$ 697,023	\$519,252	266
2008	\$ 781,611	\$564,756	227
2009	\$ 266,247	\$(198,247)	191
2010	\$ (363,496)	\$(1,084,010)	257
2011	\$ (609,496)	\$(1,202,341)	193
2012	\$ (318,012)	\$(901,359)	301
2013	\$ (184,534)	\$(127,158)	259
2014	\$ 1,440,280	\$897,239	228
2015	\$ 1,971,372	\$1,058,990	274
2016	\$ 1,267,517	\$1,390,475	311
2017	\$ 3,383,125	\$2,917,702	276
2018	\$ 5,469,644	\$3,555,728	308

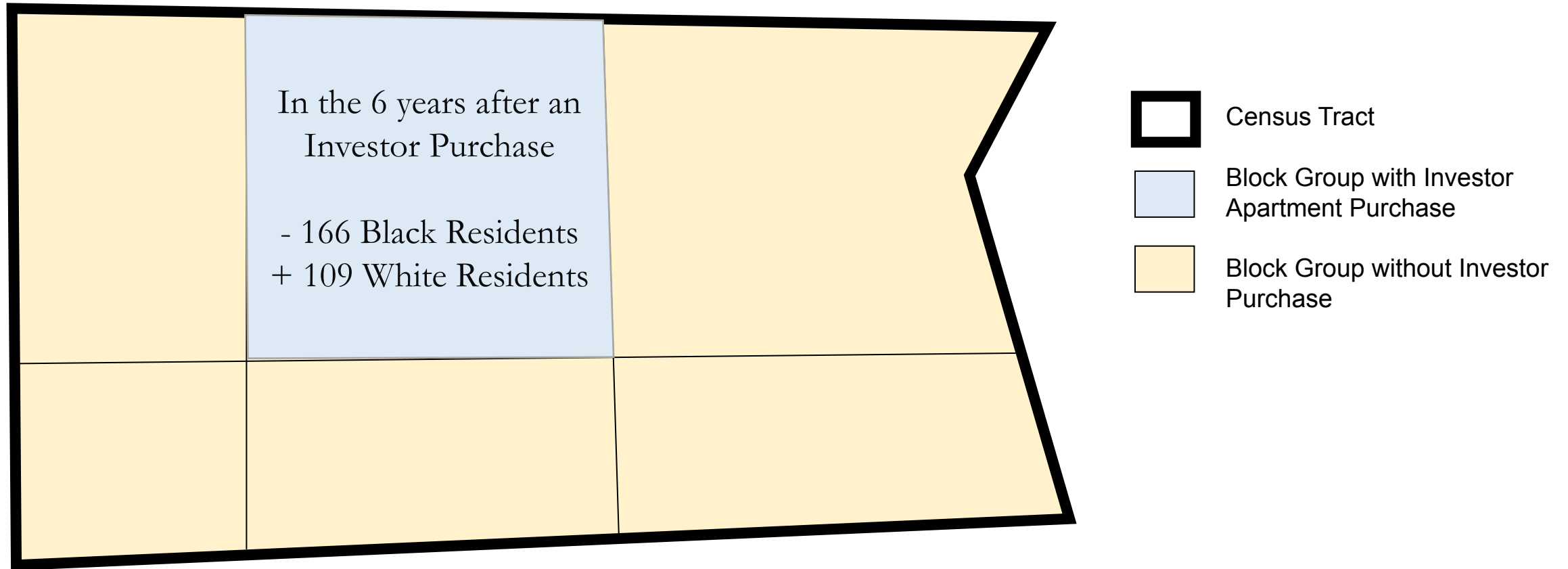
RESULTS: INVESTOR PURCHASES AND FORCED MOVES

	Spike in Eviction Judgments	Spike in Eviction Filings
Investor Purchase	32.6% rise in odds of an eviction spike	Not significant
Non-Investor Purchase	Not significant	Not significant

RESULTS: CHANGE IN DEMOGRAPHICS BETWEEN NEIGHBORHOODS WITH AND WITHOUT AN INVESTOR APARTMENT PURCHASE

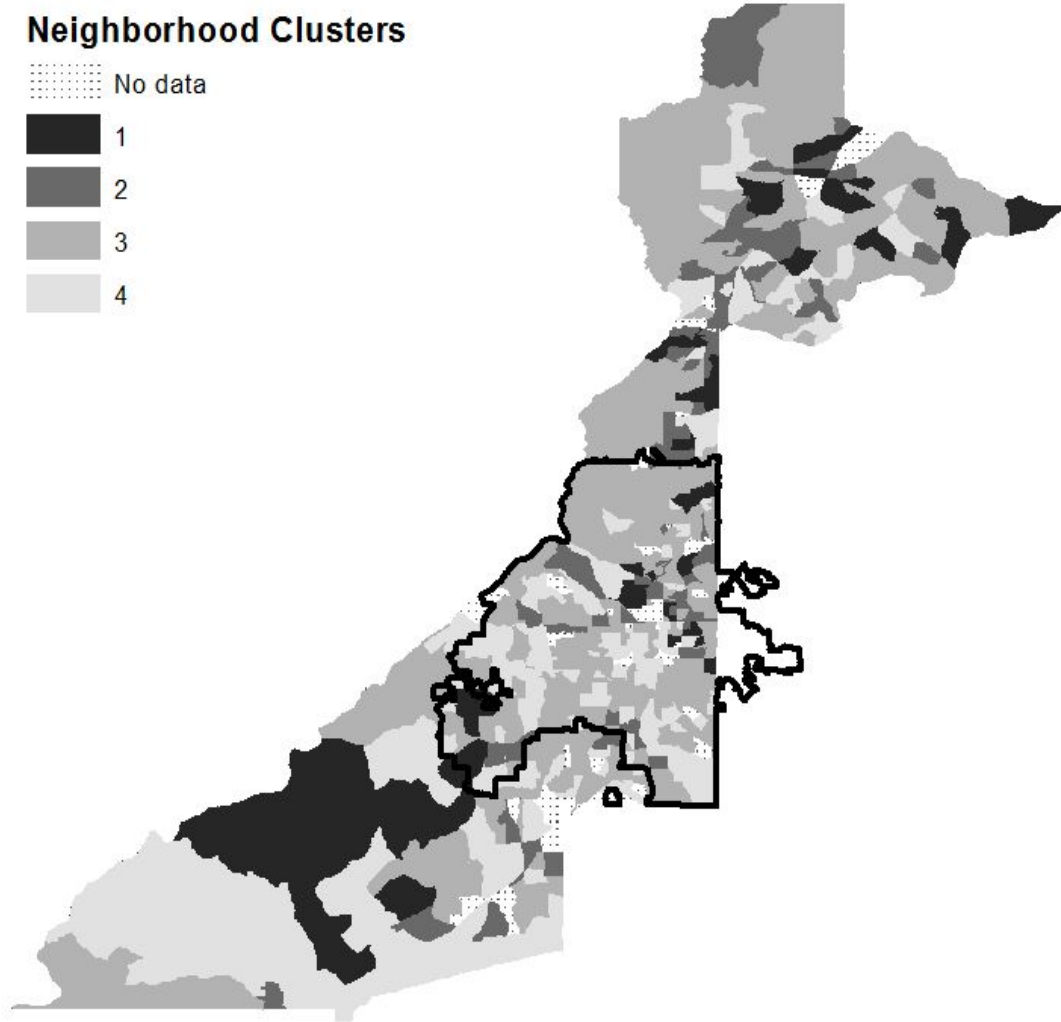
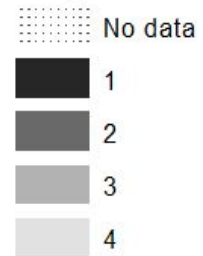


RESULTS: CHANGE IN DEMOGRAPHICS BETWEEN NEIGHBORHOODS WITH AND WITHOUT AN INVESTOR APARTMENT PURCHASE



TYPOLGY OF NEIGHBORHOOD CHANGE IN FULTON COUNTY, 2009-2018

Neighborhood Clusters



Cluster 1: “Rising Black Middle Class”

Cluster 2: “Rapid Displacement”

Cluster 3: “Priced Out.”

Cluster 4: “Rising rental affordability.”

IMPLICATIONS

- Stop selling public land
- Track and take advantages of opportunities for preservation of affordable housing stock
- First-look programs for affordable multifamily apartments
- Pro-actively provide legal assistance to tenants of newly sold apartments
- If gentrification is driven by investor purchases, model gentrification prevention using these datasets and at this scale.
- Make Fulton County evictions data available in aggregate form in a platform that is usable by community groups, non-profits, policy researchers and local government.

THANK YOU!

Raymond, E; Miller, B; McKinney, M; Braun, J. (accepted January 2021)
Gentrifying Atlanta: Investor Purchases of Rental Housing, Evictions and the
Displacement of Black Residents. *Housing Policy Debate*.



THANK YOU!



APPENDIX

EVICTIION-LED DISPLACEMENT AND INVESTOR PURCHASE OF APARTMENTS

	Predicted: 25% Eviction Spike	Predicted: 25% Filing Spike	Predicted: 25% Eviction Spike	Predicted: 25% Eviction Spike	Predicted: 25% Eviction Spike	Predicted: 25% Eviction Spike
	(1)	(2)	(3)	(4)	(5)	(6)
Investor Purchase	1.326*** (-0.057)	0.288 (0.069)				
Non-Investor Purchase			0.995 (0.003)			
Investor Garden Style Purchase				1.408** (0.178)		
Garden Style Purchase					1.023 (0.366)	
Mid-Rise Purchase						1.337** (0.121)
High Rise Purchase						
Foreclosure Purchase	1.026 (0.003)	0.570 (0.020)	1.029 (0.003)	1.029 (0.003)	1.029 (0.003)	1.029 (0.003)
LR chi2(2)	144.410	790.450	98.450	102.810	95.530	110.30
n	8,789	8,789	8,789	8,789	8,789	8,789
groups	517	517	517	517	517	517

INVESTOR PURCHASES OF MULTIFAMILY RESIDENCES AND RACIAL TRANSITION AT

THI

Model (1)					Model (2)				
Outcome Variable:	African American		S. Err.	P>t	Outcome Variable:	White		S. Err.	P>t
Before					Before				
Control	-41.529				Control	130.521			
Treated	-37.976				Treated	139.725			
Diff (T-C)	3.553	165.910	0.020	0.983	Diff (T-C)	9.204	139.735	0.070	0.947
After					After				
Control	-149.163				Control	220.048			
Treated	-311.615				Treated	338.359			
Diff (T-C)	-162.452	51.707	3.140	0.002***	Diff (T-C)	118.312	43.549	2.720	0.007**
Diff-in-Diff	-166.004	173.466	0.960	51.707	Diff-in-Diff	109.107	146.099	0.750	0.455
Variable(s)	Coeff.	Std. Err.	t	P>t	Variable(s)	Coeff.	Std. Err.	t	P>t
Foreclosures	25.378	1.521	16.688	0.000	Foreclosures	-15.905	1.640	-9.698	0.000
Population	0.400	0.020	20.514	0.000	Population	0.305	0.020	15.321	0.000
Block Group FE	no				Block Group FE	no			
R-square:	0.54				R-square:	0.26			
n	786				n	786			

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Block Group FE	no				Block Group FE	no			
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n	786				n	786			

We find that investor multifamily purchases result in -166 fewer Black residents and 109 additional White residents in a neighborhood compared to adjacent neighborhoods which did not have an investor purchase of an apartment.