



FEDERAL RESERVE BANK *of* KANSAS CITY

# Vacant and Abandoned Properties in Kansas City, MO Pervasiveness and Cost

Kelly D. Edmiston

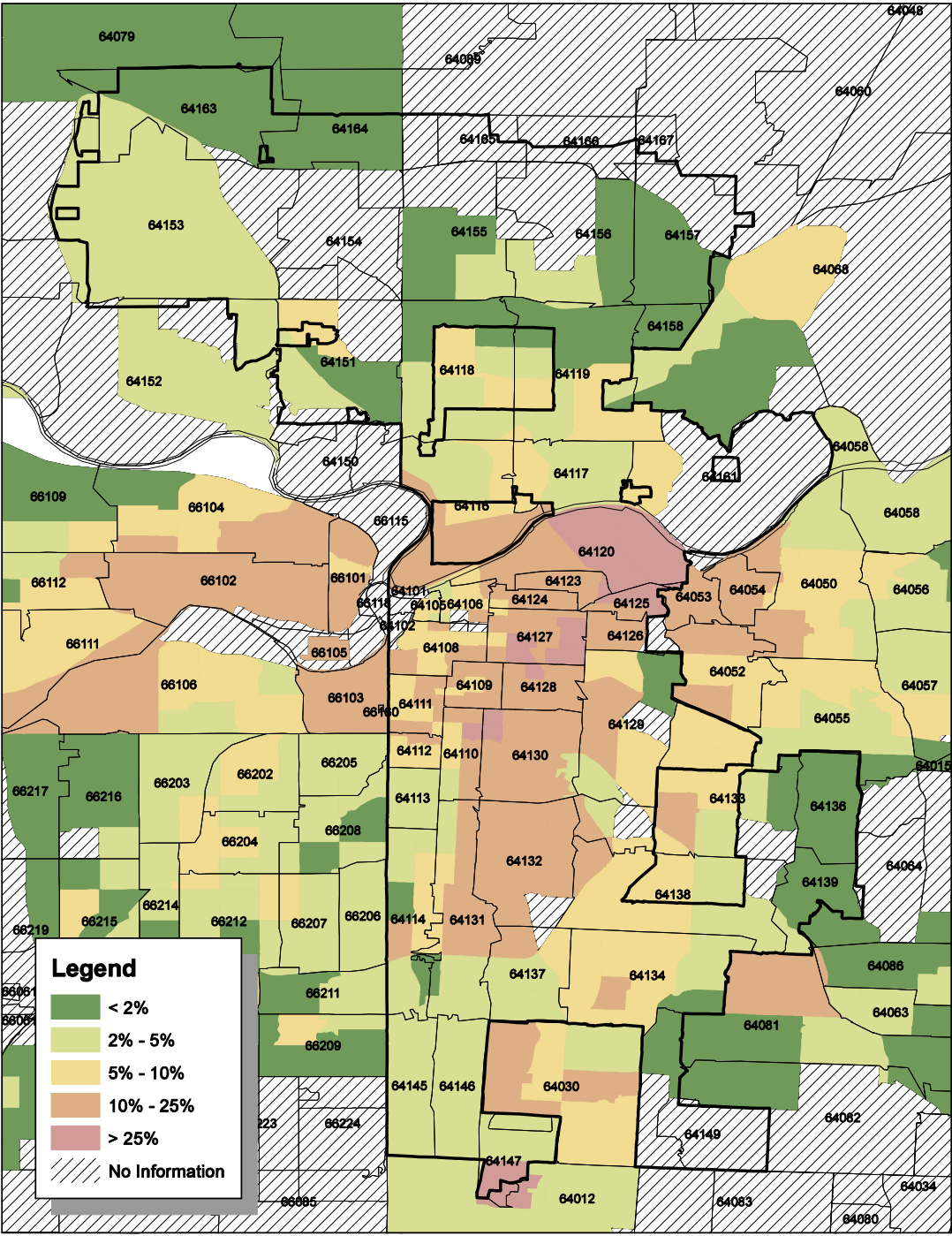
Senior Economist

March 21, 2011

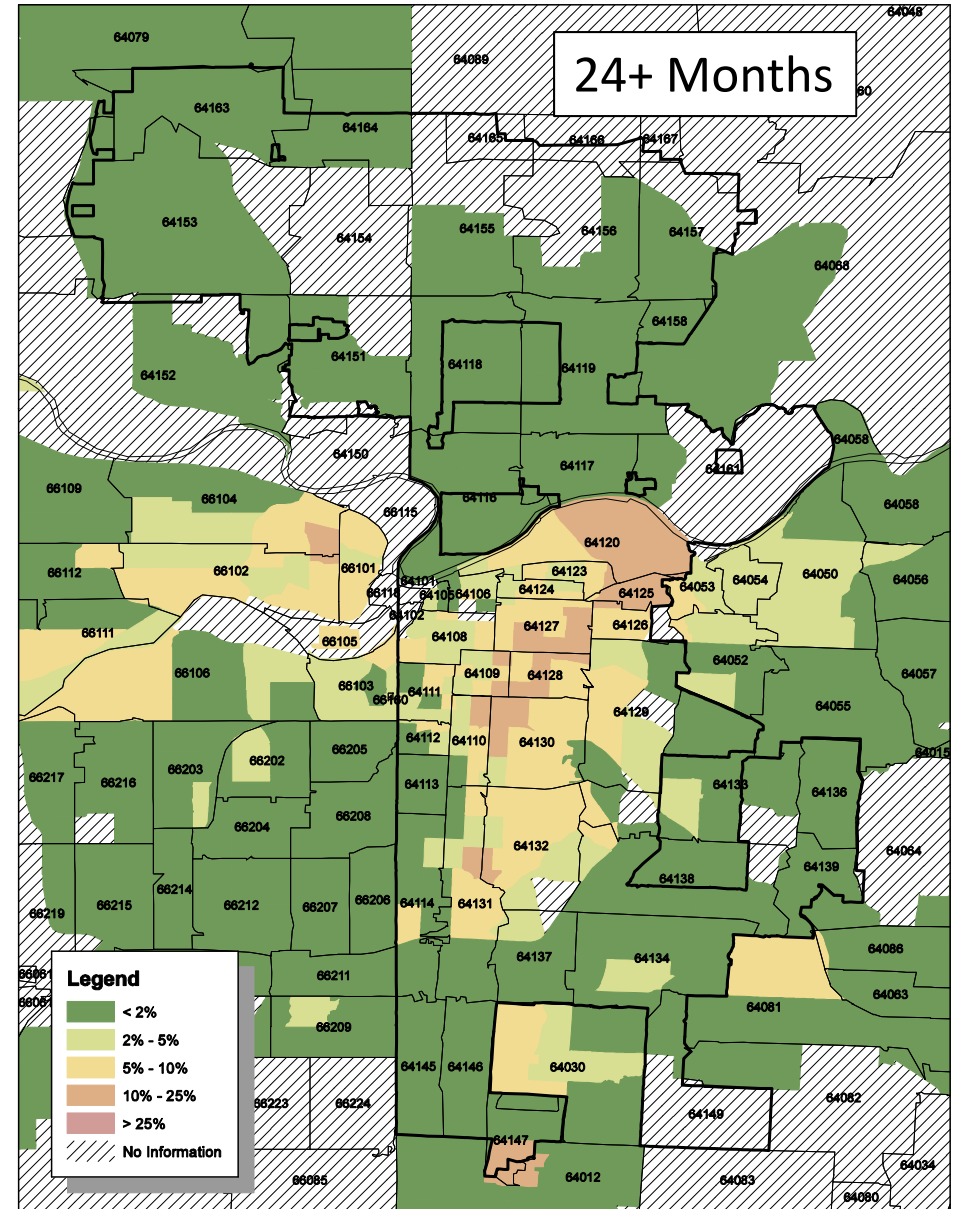
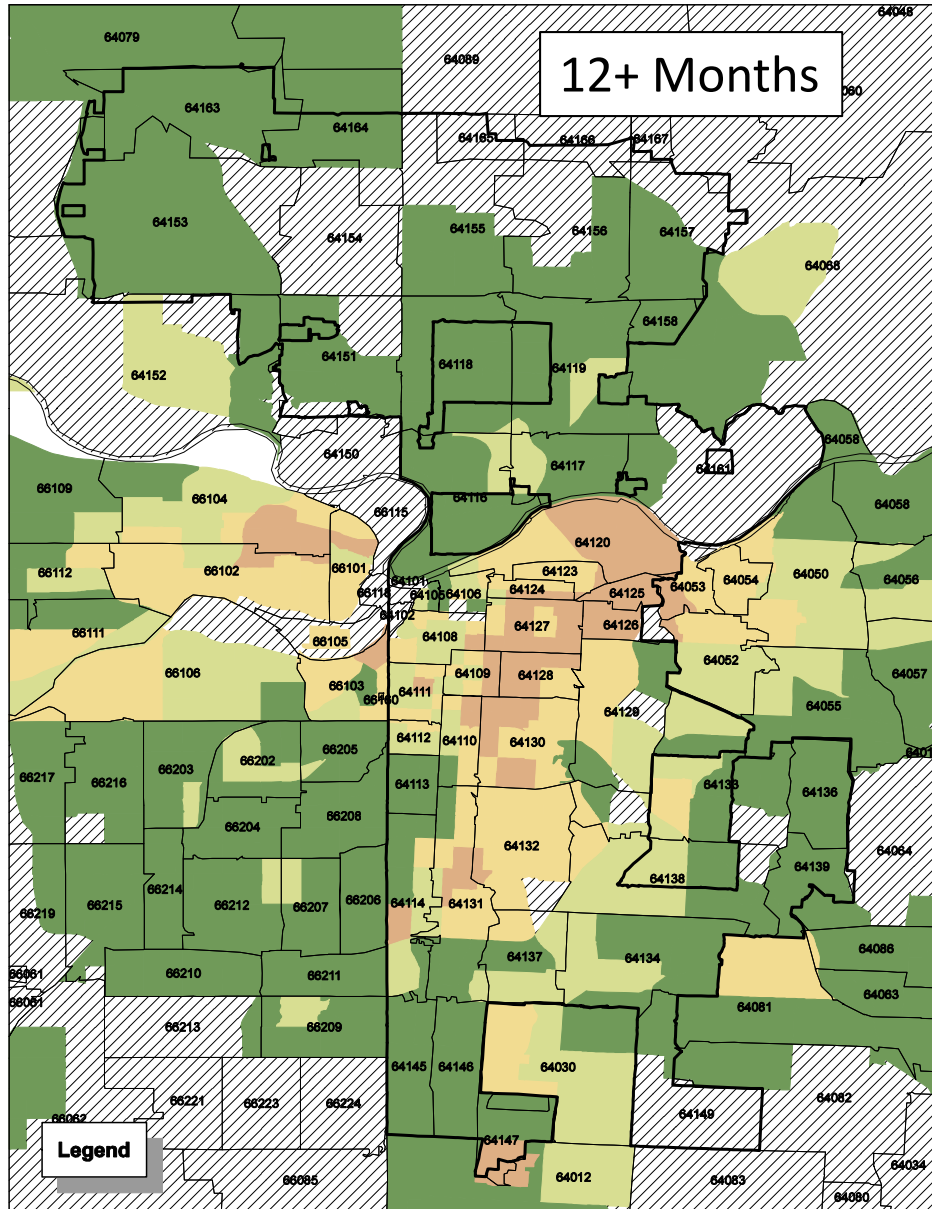
# **CURRENT CONDITIONS**

# Residential Vacancy Rates (September, 2010)

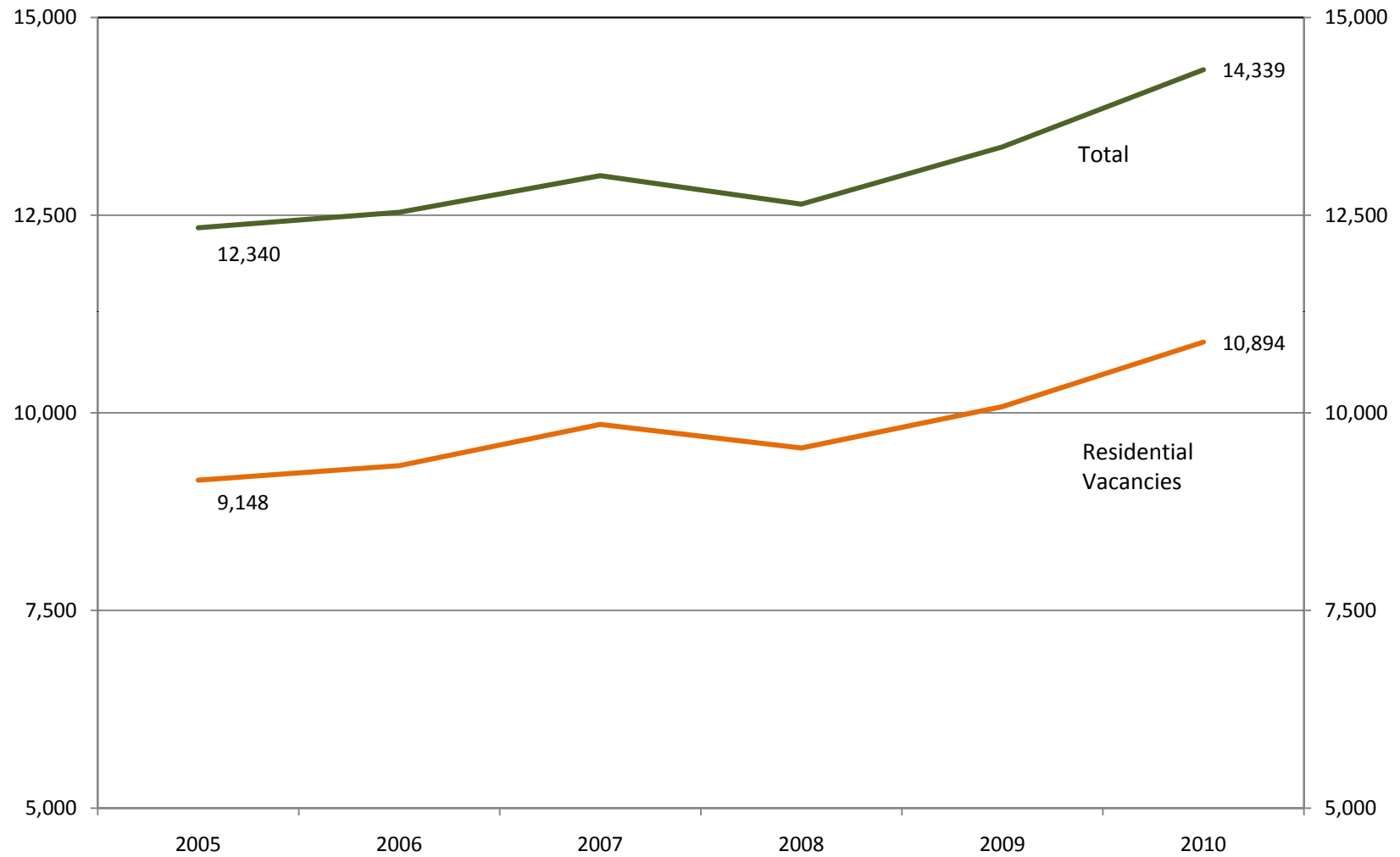
- 10,894 residential structures identified as vacant in Sep. 2010 using USPS data (estimate)
  - 10.4 percent vacancy rate
- KCMO water records show 12,077 vacancies in Sep. 2010
  - 8.4 percent vacancy rate
- The vacancy rate for single family dwellings in the U.S. as a whole was 3.8 percent (estimate) for single family structures



# 2010 Vacancy Rates, by time vacant (estimates)

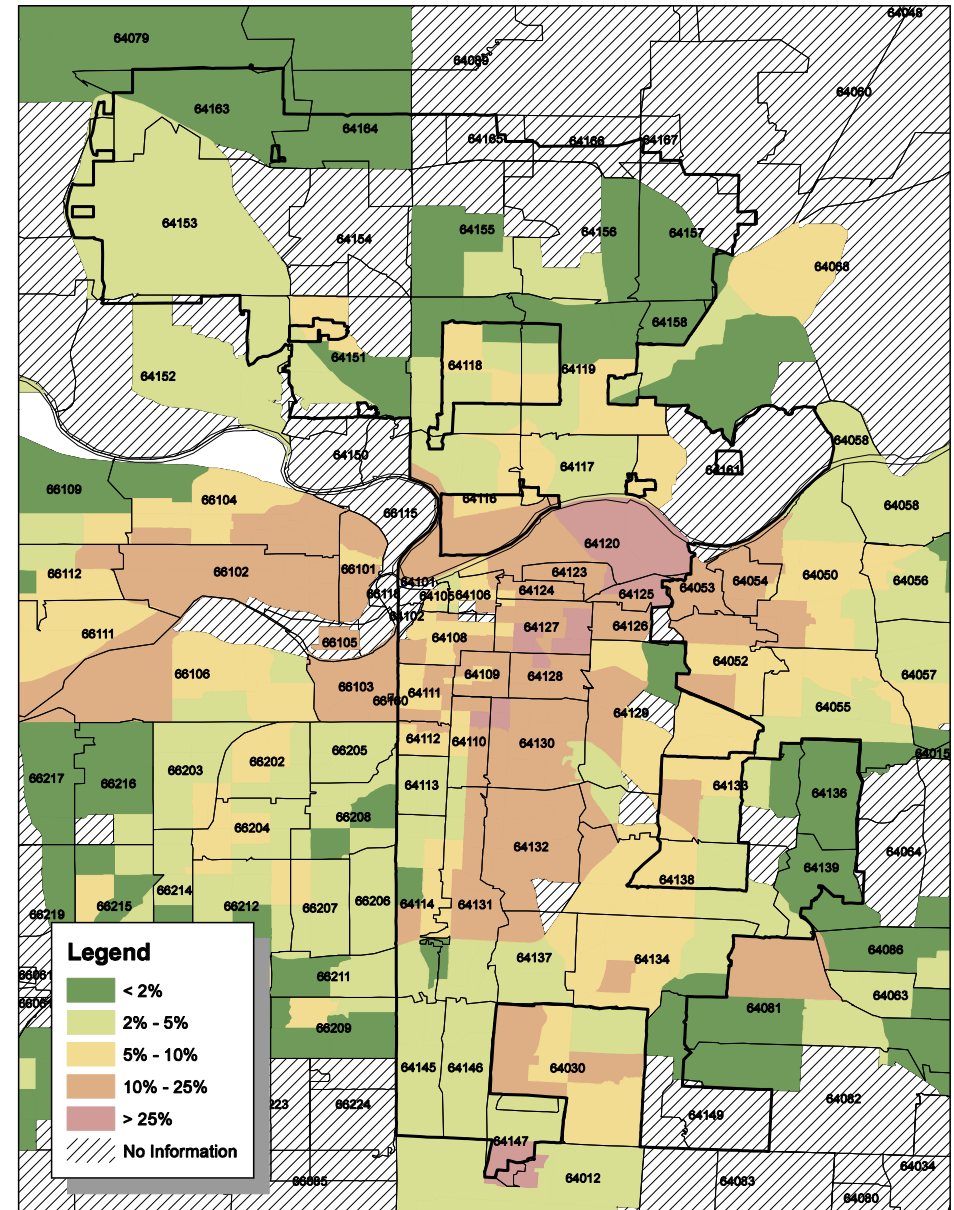
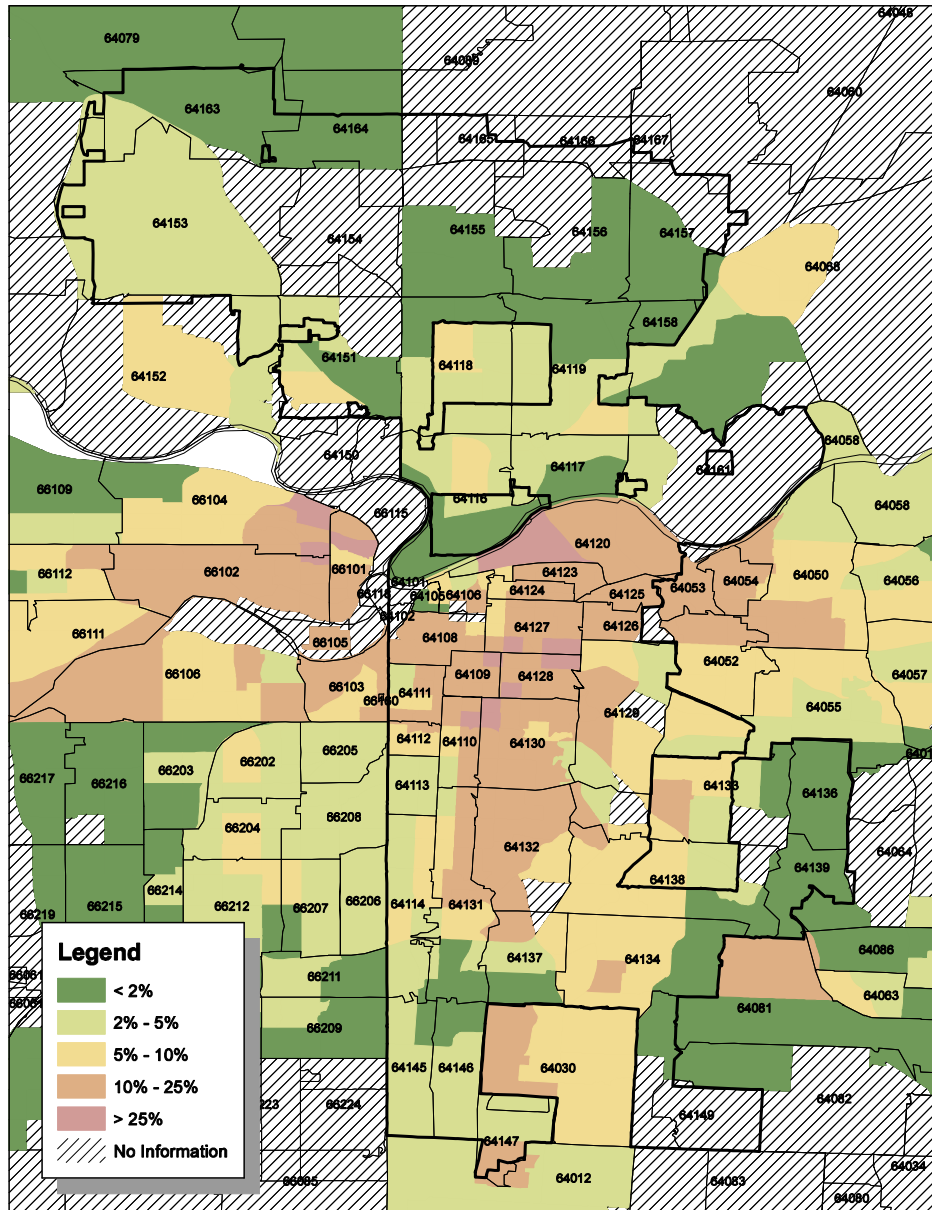


# Estimated KCMO Building Vacancies (2005 – 2010)



Source: Estimate generated from data provided by the U.S. Department of Housing and Urban Development and the U.S. Census Bureau

# Vacancy Rates, 2007 and 2010 (estimates)





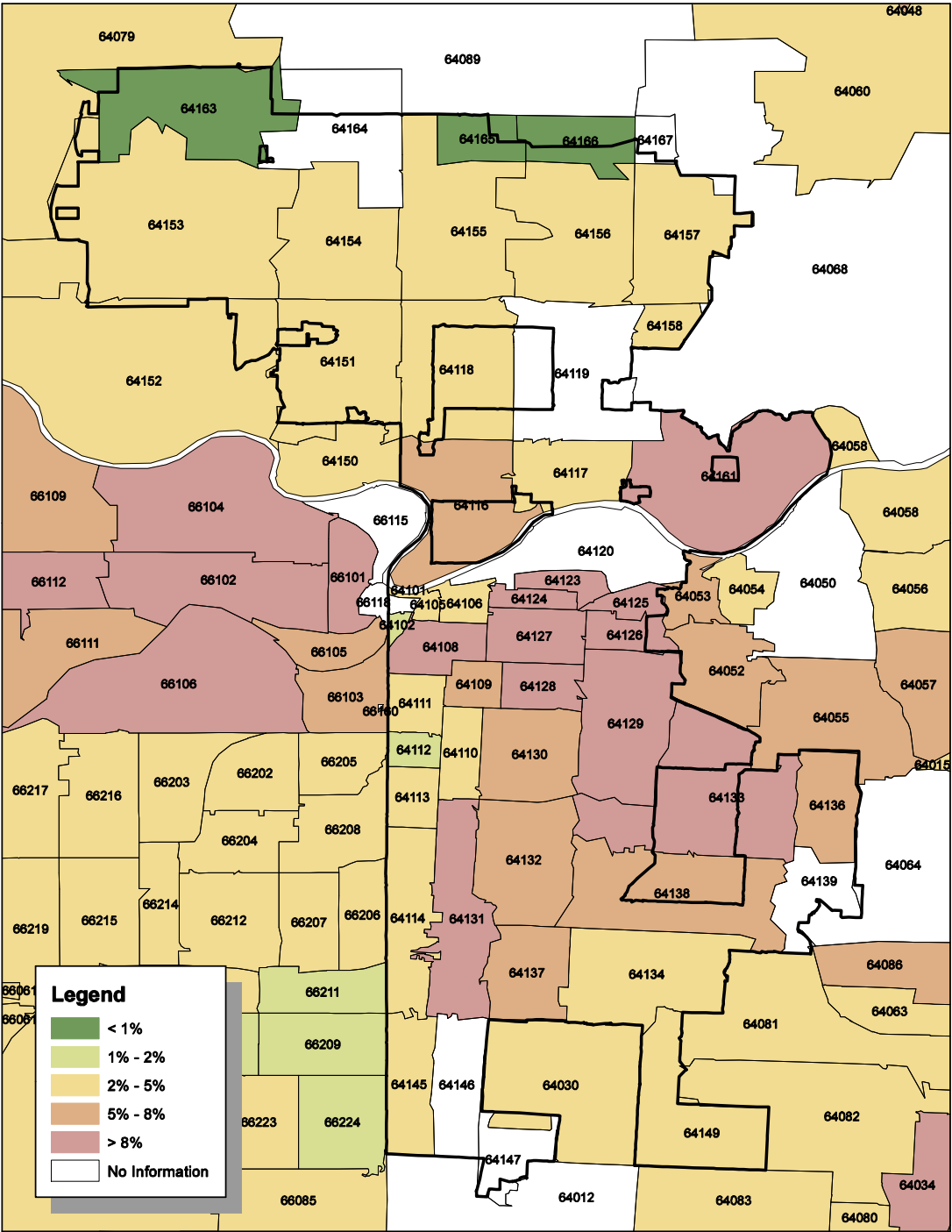
# **OUTLOOK**



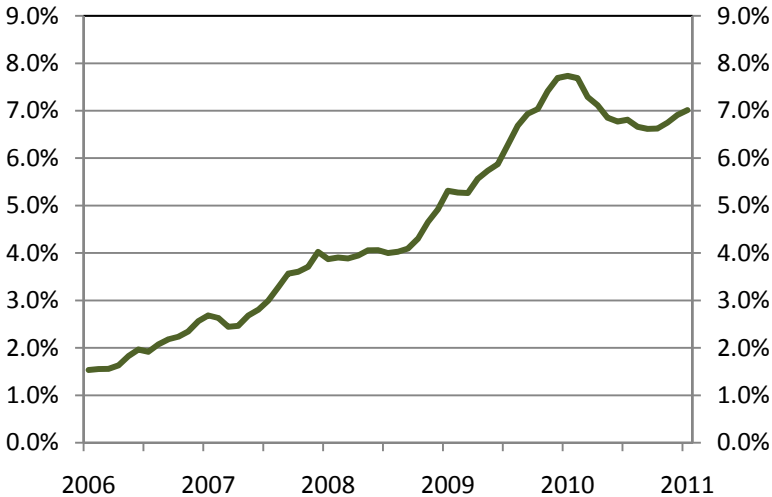
# Warning Signs

- Mortgage arrears / Foreclosure
- Outstanding code violations / Poor physical condition
- Tax arrears
- Utility arrears
- Characteristics of nearby properties / Property values
- Absentee ownership

# Serious Mortgage Delinquencies (January, 2011)



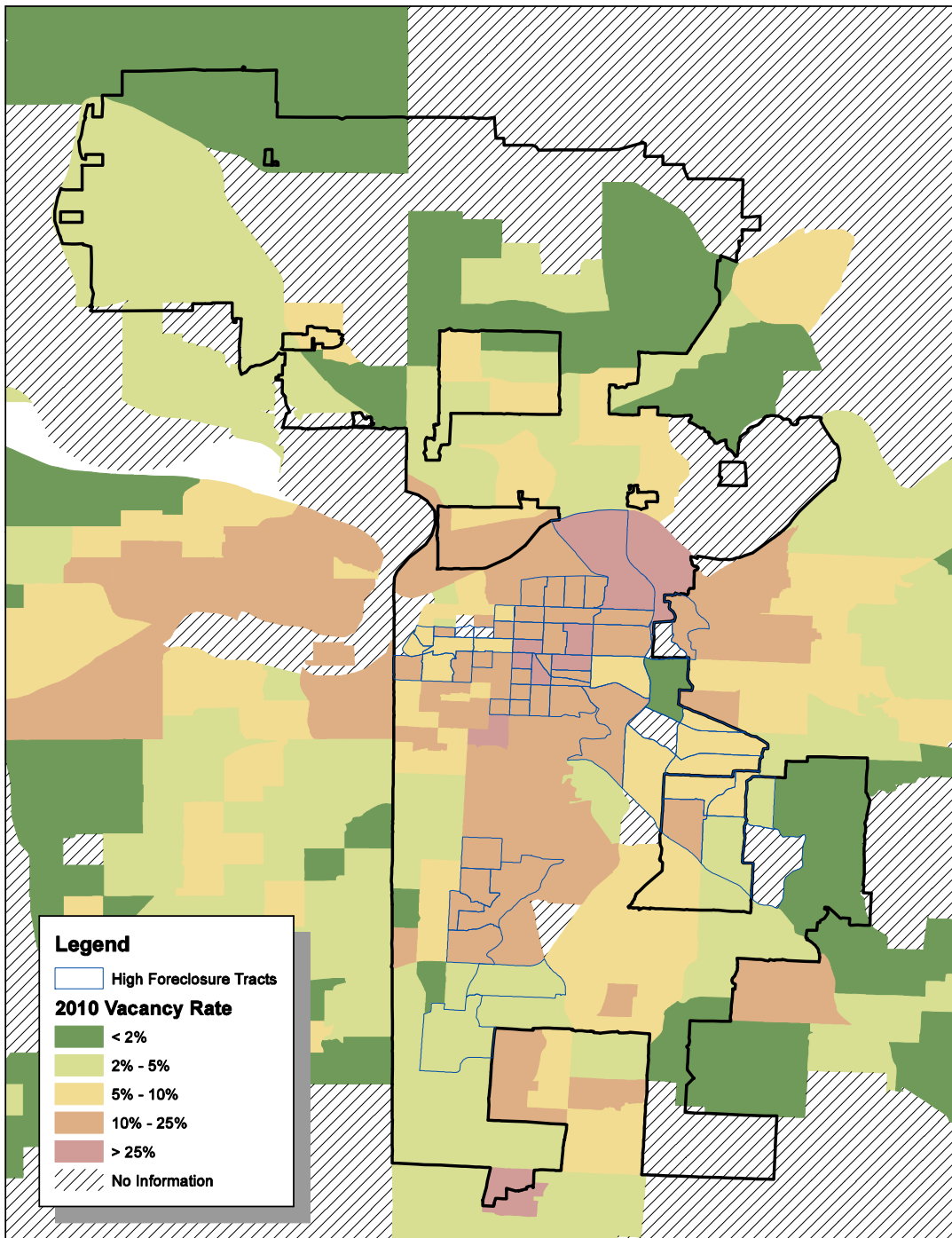
# Serious Delinquency Rate Jackson County, MO (2002 and 2005 vintages)



Data Source: Lender Processing Services, Inc.

## Mortgage Delinquency in High Foreclosure Neighborhoods

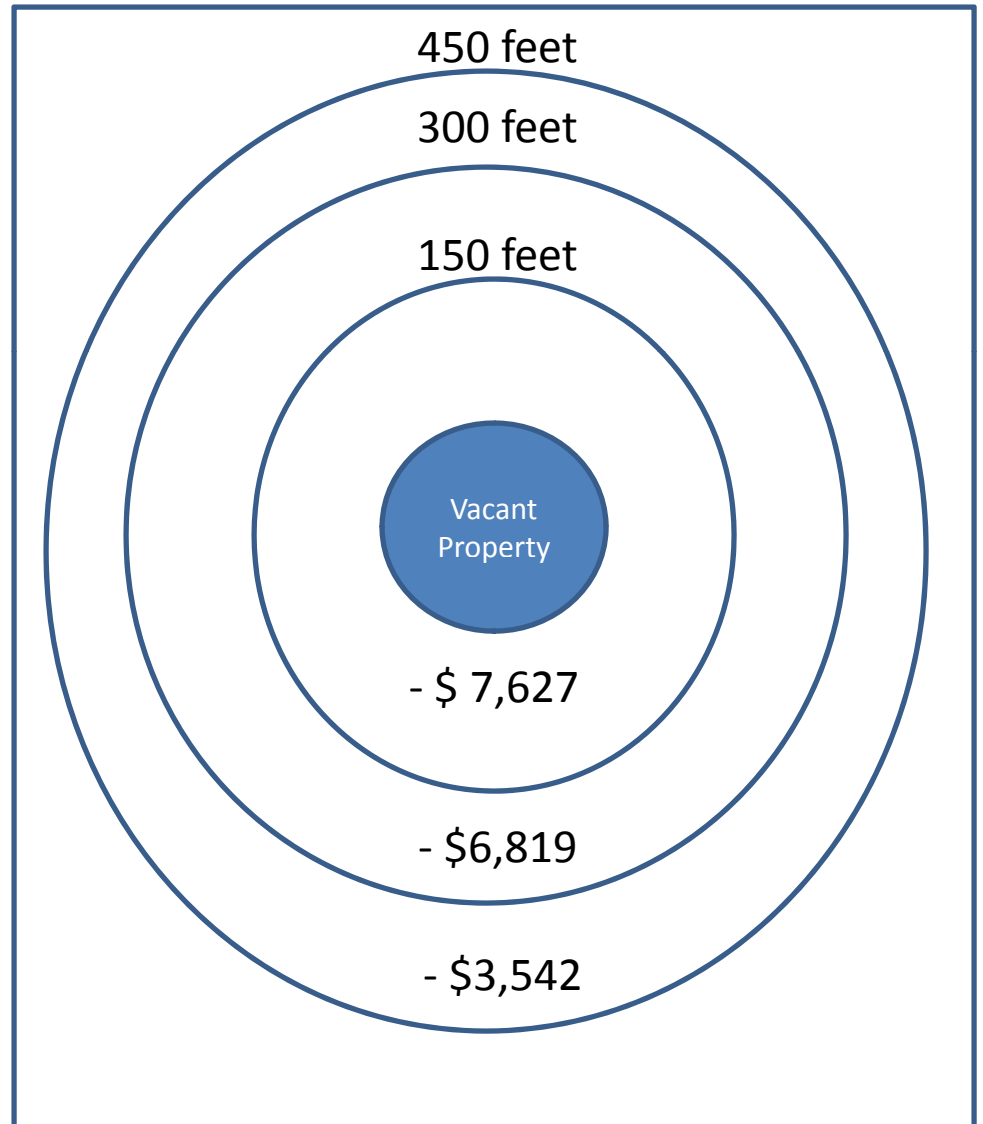
- The vacancy rate in high delinquency neighborhoods was 15.0 percent in 2010
- In September, 2007, the vacancy rate was 14.6 percent



# **IMPLICATIONS**

# Costs to Homeowners

- Reduced property values
- Higher insurance premiums
- Poorer quality of life



# Wider Costs of Vacant Properties

## To the community

- Crime
- Fires
- Public nuisances and health issues
  - Trash / dumping
  - Rat infestations

## To cities

- Lost tax revenues
  - Lower property values
  - Delinquency
- Cost of disposal
  - Estimates of \$6 - \$15 per square foot



## FEDERAL RESERVE BANK *of* KANSAS CITY

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