

The Costs of Vacant, Abandoned, and Deteriorated Properties

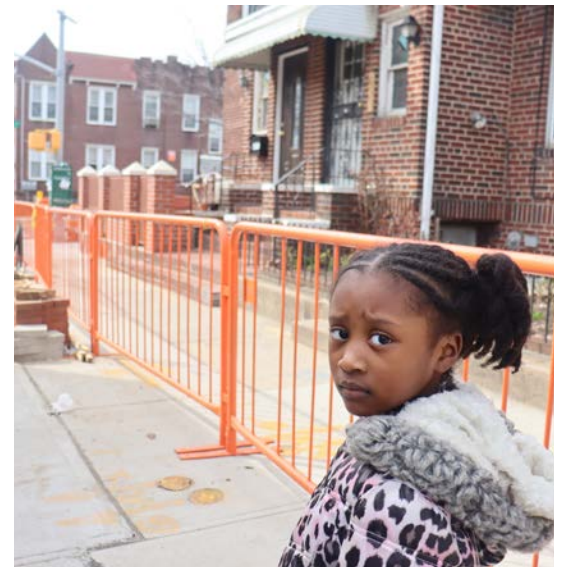
Vacant, abandoned, and deteriorated (VAD) properties pose significant costs to public health, property values, local taxpayers, and more. Failure to address VAD properties, just like ignoring a leaking faucet, costs more in the long run and causes more harm over time. Understanding the true and complete costs of VAD properties is critically important in building the case to reform the broken status quo and implement more equitable, effective, and efficient solutions.

Public Health Impacts

Physical health: Individuals living in substandard housing can be exposed to dangerous toxins such as mold, lead, and asbestos, increasing the risk for asthma, cardiovascular disease, increased aggression, learning disabilities, sexually transmitted diseases, and poor health outcomes.

Emotional wellbeing: Visual evidence of vacancy and neighborhood disinvestment—such as boarded up properties, trash and dumping, and overgrown weeds—has been shown to harm the mental health of neighbors, putting them at greater risk of sadness, depression, stress, and elevated rates of intentional injury.

Violence and crime: Studies have shown that violent crime, including assaults and gun-related crimes, increase in disinvested neighborhoods with vacant and abandoned properties.^{1, 2}



40% of asthma episodes in children are caused by asthma triggers in the home.³

*In an analysis of US Census data on 107 cities, **individuals who lived in deteriorated neighborhoods** had higher rates of gonorrhea, premature death in general, and death from cardiovascular disease and homicide.*⁴



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Ways Vacant, Abandoned, and Deteriorated Properties Negatively Impact Communities



PUBLIC HEALTH

Creates unsafe environment for occupants (e.g. lead, asbestos)

Creates unsafe environment for neighbors (e.g. attracts crime, rodent harborage, physical threat)

Harms mental health



INDIVIDUAL WEALTH

Lowers surrounding property values, threatening homeowners' investment

Property deterioration exceeds cost-effective repair

Higher insurance premiums



COMMUNITY FISCAL STABILITY

Lowers property values, reducing tax base

Contributes to future property vacancy

Increases municipal service costs



Individual Wealth Impacts

Property equity: Owning a property is often an individual's greatest investment and financial asset. Research has consistently shown that VAD properties reduce the value of surrounding properties leading to decreases in owners' equity and personal wealth.

Financial liabilities: Homeowners within close proximity to abandoned properties are often charged higher insurance premiums or even face policy cancellations because of the unstable nature of the neighborhood created by the vacant properties leaving homeowners with greater financial liabilities.⁵

Community Fiscal Stability

Municipal Revenue: Property taxes are typically the largest source of revenue for local governments. Research has shown vacant and abandoned properties lead to a decrease in taxable values of surrounding properties and increase the likelihood of mortgage and tax foreclosures nearby creating a harmful domino effect that creates revenue challenges for local governments.

Maintenance and abatement costs: Local governments incur the costs of remedying nuisances and unsafe conditions, including boarding and securing structures, cutting grass, removing trash and debris, and demolishing unsafe structures.

*In Cleveland, Ohio, properties within 500 feet of a **vacant, tax-delinquent, and foreclosed property** lost **9.4% of their value.**⁶*

*The total costs of distressed vacant properties in the city of Atlanta, Georgia, **range from \$55 million to \$153 million in lost property values.** This translates into lost property tax revenues of \$1 million to \$2.7 million annually.⁷*

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Public safety costs: Higher violent and property crime rates and the associated costs to dispatch police and fire services to respond to these crimes are commonly associated with VAD properties.

The Cost of Inaction

The costs of the status quo are significant. Inaction is not an option. Communities across this country have shown that investing in solutions to reverse the harms caused by VAD properties has not only been cost-effective but generated more equitable and positive outcomes. Understanding the costs of vacancy, abandonment, and deterioration can serve as a critical first step in your efforts to addressing problem properties, or help to hone existing strategies for more equitable, efficient, and effective outcomes.

*In 2016, the City of Toledo, Ohio, spent **\$3.8 million on services related to VAD properties**, including \$1 million on code enforcement, \$800,000 on nuisance abatement, \$600,000 on police dispatch, and \$1.4 million on fire dispatch.⁸*

*A study in Austin, Texas found that “blocks with unsecured [vacant] buildings had **3.2 times as many drug calls to police**, **1.8 times as many theft calls**, and twice the number of violent calls” as blocks without vacant buildings.⁹*

- 1 Garvin, Eugenia and Branas, C., Keddem, S., Sellman, J., and Cannuscio C. (2012). "More Than Just An Eyesore: Local Insights And Solutions on Vacant Land And Urban Health." Journal of Urban Health: Bulletin of the New York Academy of Medicine, Vol. 90, No. 3. Available at <https://pubmed.ncbi.nlm.nih.gov/23188553/>.
- 2 Branas, C., et al. (2012). "Vacant Properties and Violence in Neighborhoods." International Scholarly Research Network. Available at https://repository.upenn.edu/cgi/viewcontent.cgi?article=1004&context=cml_papers.
- 3 Robert Wood Johnson Foundation Commission to Build a Healthier America. (2009, April). "Beyond Health Care: New Directions to a Healthier America." Available at: <https://www.rwjf.org/en/library/research/2009/04/beyond-health-care.html>.
- 4 Urban Institute. (2017). "Urban Blight and Public Health." Available at https://www.urban.org/sites/default/files/publication/89491/2017.04.03_urban_blight_and_public_health_vprn_report_finalized.pdf.
- 5 National Vacant Properties Campaign. (2005, August). "Vacant Properties: The True Costs to Communities." Available at <https://files.hudexchange.info/resources/documents/VacantPropertiesTrueCosttoCommunities.pdf>.
- 6 Stephen Whitaker and Thomas J. Fitzpatrick IV, The Impact of Vacant, Tax-Delinquent and Foreclosed Property on Sales Prices of Neighboring Homes, Federal Reserve Bank of Cleveland (2011).
- 7 Immergluck, Dan. (2016, January). "The Cost of Vacant and Blighted Properties in Atlanta: A Conservative Analysis of Service and Spillover Costs." Available at https://www.communityprogress.net/filebin/Cost_of_Vacant_and_Blighted_Immergluck_FINAL_02.17.16.pdf.
- 8 Center for Community Progress. (2016, June). "A Conservative Analysis of Costs Imposed by Vacant and Blighted Properties in Toledo: Conducted at the Invitation of the Junction Neighborhood." Available at https://communityprogress.net/filebin/160630_TASP_LCLRC_Toledo_Cost_of_Blight_Study_Final.pdf.
- 9 National Vacant Properties Campaign. (2005, August). "Vacant Properties: The True Costs to Communities." Available at <https://files.hudexchange.info/resources/documents/VacantPropertiesTrueCosttoCommunities.pdf>.



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