

Building a profile of rental properties and landlords

A brief from
The Center on Urban Poverty and Community Development

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This brief provides information on the data and analytic methods being used to describe the landscape of the rental housing stock and landlords in Cleveland to inform the work of the Lead Safe Cleveland Coalition.

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Background

As a key partner in the Lead Safe Cleveland Coalition (The Coalition), the Center on Urban Poverty and Community Development (Poverty Center) is building data resources to inform cross system strategies and monitor progress on all fronts. One of the first research products is a *profile of Cleveland's rental properties and landlords (The Profiles)*. This information is essential because prevention of lead poisoning requires programs and policies that reduce the chances that families occupy housing units that could expose children to lead hazards. But the process of families seeking rental units, and the market in which units are offered are not well understood. With the passage of a City ordinance in May 2019 requiring all rental properties to have a lead-safe certification, the need for rich data on properties and landlords is essential to monitor progress and inform implementation.

In Cleveland, the poverty rate is 36%, four in ten families spend more than 30% of their income on housing and 26% of individuals move every year. Most of these households seek housing in the privately owned, low-moderate cost rental market. This housing stock was almost all built before 1978 (when lead based paint became prohibited). If not carefully maintained, such properties are at risk for presenting lead hazards.

The Profiles are intended to inform the policies and strategies that will be needed to address lead safety in Cleveland's rental housing stock. Specifically, the data will be useful in estimating the numbers and types of at-risk rental units by geographic area, the potential costs of repairs in units of various sizes and conditions, the mix of small and large landlords and their holdings, and the local capacity and support that will be required to bring all units up to lead safe standards.

ABOUT THE CENTER

Over three decades, the *Center on Urban Poverty and Community Development* has become one of the nation's preeminent university-based poverty research programs, known especially for its community partnerships and innovative applications of integrated data to inform the search for social solutions. The Center's tag line is "*Research and data innovations to strengthen families and communities.*" **The Center's data systems include some of the most comprehensive longitudinal and continually updated regional integrated data sets in the country.** The Center places primary value on using these assets to inform civic priorities with cogent data that can be the key to successful program and policy design.

Questions addressed

The profile analysis is beginning with a number of questions descriptive of the universe of properties and landlords:

For probable rental properties:

- a) What is the universe of rental properties?
- b) What proportion are currently in Cleveland's rental registry?
- c) What proportion of properties and units have specified risk factors for lead safety?
- d) What is the mix of units by type of ownership (i.e. person, corporate or non-profit
- e) What is the mix of units by type of structure, size and other attributes related to the potential cost of repair?
- f) What is the distribution of units by type, risk and neighborhood?

For owners of rental properties:

- a) What is the relative mix of corporate, non-profit and individual owners by type of building?
- b) What is the mix of local and out of town owners?
- c) What are the differences between individual, corporate and non-profit owners on the characteristics of their holdings (e.g. number and type of properties owned; total units; market value of properties; condition of properties; tax delinquencies; code violations; rental registry status; length of ownership; Housing Choice Vouchers (HCV) participation; evictions; location of owner; geographic concentration)?
- d) Can we identify a typology of landlords based on size and characteristics of their holdings, indicators of market position and business model, locations of properties and owner addresses, etc.?

Data sources and methods

The Poverty Center is drawing on existing data systems maintained by the Center (See text box) that are being augmented with additional information to produce the desired rental property inventory and landlord profiles. From these data systems, we create two files.

Longitudinal property file: We begin by building a longitudinal file that includes every residential parcel in Cleveland over a 3-year period. Parcels are geocoded so that they can be linked to other address-based or point based information or with census-tract data. For each parcel we import owner name(s), tax mailing address, owner occupancy tax credit, property characteristics, sales, foreclosure and tax history, code violations, building permits, condition rating, rental registry date, vacancy spells, eviction filings, whether a Housing Choice Voucher has been used, lead test results and more. To identify those properties that are likely rentals, we utilize multiple criteria. The property is considered a rental if it is in the rental registry, and/or does not take the owner occupancy tax credit, or if it has two or more units (if a double or triple has owner occupancy tax credit, it is assumed that one of the units is not a rental).

Landlord file: The focus here is on creating a database with information on the owners of rental properties. The first step in creating a file of landlords is to clean and standardize the owner name and address information. Once cleaned, the names are de-duplicated, and each owner is assigned an owner ID. The owner ID is attached to all of their properties and selected variables from the property file are used to produce computed variables for the landlord file.

Poverty Center Data Systems

[NEOCANDO data warehouse](#) provides geocoded current and historical data on properties and neighborhoods. The longitudinal property system covers ownership, occupancy and vacancy, housing conditions, foreclosure, deed transfers, sales prices, tax information, code enforcement, demolition, sidewalk surveys and more.

[Child-Household Integrated Longitudinal Data \(CHILD\) System](#) links individual records in a highly secure research environment from 37 health, educational and human services agencies. All records are geocoded.

Once built, the data sets on landlords and their properties can be mined to address questions that arise as the community moves forward on an action plan. For example, the data will allow us to drill down to hot spots or groups of properties or owners where elevated lead levels have been more common in recent years. It will also be possible to look at selected subgroups, such as landlords that accept housing choice vouchers or have high rates of evictions, for more in depth analysis. A landlord typology will be developed through the application of cluster analysis and related methods.

Progress to date

The work to date has identified a universe of approximately 58,000 probable rental properties built before 1978 in the City of Cleveland, involving some 98,000 rental units. Approximately one-half of these properties are single-family dwellings, 42% are doubles (half of these involve the owner living in one of the units), 5% have 3-4 units, and 3% have more than four units. The characteristics of these properties are being explored with the City and the Coalition committees to inform the roll-out of the certificate program, landlord engagement strategies, and resource planning.

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