

S P O T L I G H T

By Jennifer Landree

CLEVELAND



Cleveland is trying to turn for-sale signs into welcome mats. Its supplies: bulldozers and paint.

To address its glut of more than 10,000 vacant homes, Cleveland received a \$500,000 grant from the Living Cities partnership to refurbish 50 foreclosed-upon homes and pull down 100 others. A popular paint-refund program also has reimbursed homeowners who painted their home exteriors, with an eye toward preventing more eyesores.

Both projects are part of larger-scale efforts to address Cleveland's long residential decline, which has left the city's population at half of its 1950 level. At the end of 2007, the Cleveland metropolitan statistical area (MSA) had the sixth-highest foreclosure rate among U.S. MSAs.

In addition to addressing housing issues, the partnership with Living Cities' American City Agenda also is designed to tackle policy, infrastructure, business growth and neighborhood development. Since the '70s, Cleveland has directed a large number of delinquent properties to community-development corporations, according to Living Cities. In fact, about 80 percent of all new homes built in Cleveland in the past 10 years have been part of these rehabilitation efforts.

The end goal: Attract more homebuyers, especially young educated workers. Cleveland's median age has increased considerably since 2000, and the city's percentage of adults with a bachelor's degree (12 percent) consistently ranks near the bottom among major U.S. cities.

What the Locals Say



"[The Cleveland market] holds considerable promise because the affordability of homes here is very good. In combination with the growth we're seeing in higher education, this bodes well for good origination activity in the next couple of years. It's a very inexpensive place to live, and that has great appeal."

— Tom LaMalfa, managing director,
Wholesale Access Mortgage Research and Consulting Inc.

Vitals	Market
<p>↓ Population: 438,042</p> <ul style="list-style-type: none"> ■ Population in 2000: 478,403 ■ Rank (U.S.): 40th-largest ■ Metropolitan-area population: 2,096,471 ■ Metropolitan-area rank: 39th-largest <p>↓ Average commute: 23.5 minutes</p> <ul style="list-style-type: none"> ■ Average commute in 2000: 25.8 minutes ■ U.S.: 25 minutes <p>↑ Median household income: \$26,535</p> <ul style="list-style-type: none"> ■ Median household income in 2000: \$25,928 ■ U.S.: \$48,451 <p>↑ Median age: 36.9 years</p> <ul style="list-style-type: none"> ■ Median age in 2000: 33 years ■ U.S.: 36.4 years <p>↑ Inflation (Consumer Price Index, July): 5 percent</p> <ul style="list-style-type: none"> ■ Inflation in July 2007: 2 percent ■ U.S.: 5.6 percent <p>↑ Unemployment: 10.1 percent</p> <ul style="list-style-type: none"> ■ Unemployment in June 2007: 8.1 percent ■ U.S.: 5.7 percent 	<p>↓ Median home price (Cuyahoga County, July): \$100,000</p> <ul style="list-style-type: none"> ■ Median home price in July 2007: \$129,000 ■ U.S.: \$217,800 <p>↑ Median monthly housing costs: \$1,033</p> <ul style="list-style-type: none"> ■ Median monthly housing costs in 2000: \$806 ■ U.S.: \$1,402 <p>↔ National foreclosure rank (state): 3rd (out of 51)</p> <ul style="list-style-type: none"> ■ Rank in 2007: 3rd <p>↑ Poverty rate: 29.5 percent</p> <ul style="list-style-type: none"> ■ Poverty rate in 2006: 27 percent ■ Rank: 2nd-highest among U.S. cities <p>↓ Housing units (including one-unit, two or more units, and mobile homes): 213,915</p> <ul style="list-style-type: none"> ■ Housing units in 2000: 215,856 <p>↑ Homeowner-vacancy rate: 4.5 percent</p> <ul style="list-style-type: none"> ■ Vacancy rate in 2000: 1.3 percent ■ U.S.: 2.7 percent
Industry	Résumé
<ul style="list-style-type: none"> ■ Licensing: Licenses are required for brokers and loan officers, who also must meet education requirements. Principals and loans officers must submit to national criminal-background checks; operations managers must have three years' experience in mortgage lending. Registration is \$350 for each office and \$100 for each loan officer; offices must have surety bonds of \$50,000. ■ Number of broker companies: <ul style="list-style-type: none"> ■ Cleveland: 19 ■ Ohio: 1,148 	<ul style="list-style-type: none"> ■ Demographics: 38.3 percent white, 53.2 percent black, 0.3 percent American Indian and Alaska Native, 1.7 percent Asian and 4.2 percent other; 8.1 percent identify as Hispanic or Latino ■ Top area private employers: Cleveland Clinic Health System, University Hospitals, National City Corp., KeyCorp, The MetroHealth System ■ Highest percentage of robberies per person among 50 largest U.S. cities (BizJournals.com) ■ Cleveland Clinic named nation's 4th-best hospital (<i>U.S. News & World Report</i>)

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