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11 U.S. Neighborhoods Emerge As Best Candidates For Opportunity Zone Investments.

Areas Identified Are More Impoverished and Densely Populated, With Low Homeownership Rates; Most Already Have Home Prices Far Exceeding National Levels; While Prices Have Both Increased and Decreased Since First Half of 2019

IRVINE, Calif., Sept. 3, 2020 /PRNewswire/ — ATTOM Data Solutions, curator of the nation's premier property database and first property data provider of Data-as-a-Service (DaaS), teamed up with CityBldr, a Seattle-based proptech company that uses AI to determine the best use of land, to discover that a widespread group of mostly-impoverished, densely-packed urban neighborhoods ranging from Anacostia in southeast Washington, DC, to the South Shore area of Chicago, IL, to City Heights in central San Diego, CA, offer some of the most attractive opportunities in the nation for housing developers to take advantage of federal reinvestment tax benefits.

CityBldr data spotlights 11 neighborhoods in seven states and the District of Columbia with some of the best potential for using Opportunity Zone tax benefits designed to spur revival in low-income communities across the United States. The zones were established by Congress under the 2017 Tax Cut and Jobs Act.

Along with Anacostia, South Shore, and City Heights, other neighborhoods identified include Mid-City in central Los Angeles; Parramore in west-central Orlando, FL; Central District in eastern Seattle, WA; West Colfax in western Denver, CO; Spartan Keyes in eastern San Jose, CA; North End/New Center in northern Detroit, MI; Buckman/Kerns in southeastern Portland, OR; and Hilltop in central Tacoma, WA.

Most of those areas stand out as notably poorer and more densely populated than the U.S. as a whole, with lower income and educational levels and far higher percentages of renters than homeowners. However, contributing to their economic potential, a few have above-average educational levels, and most have home values that far exceed the national median home price. They also have seen a wide range of median home price increases and decreases over the past year, from nearly doubling in Chicago's South Shore neighborhood, to a drop of 12 percent in the Mid-City section of Los Angeles, according to ATTOM.

The areas were identified by CityBldr as among those where both communities and housing developers have the most to gain from Opportunity Zone tax benefits, based on machine learning technology from various data sources and a detailed understanding of the various markets.

"This data tells us that housing developers should consider investing in these neighborhoods because they have an immense amount of potential, plus tax benefits aimed at realizing that potential," said Bryan Copley, co-founder and CEO of CityBldr. "What we've done with this study is create a standardized score to compare every opportunity zone in the U.S. to determine which areas would yield the highest average return on investment."

Todd Teta, chief product officer with ATTOM Data Solutions, noted that ATTOM contributed another

key element showing home price changes from the first half of 2019 to the first half of 2020 in those areas.

"Factoring in home values and how they've done in the past year adds a critical piece of data to the picture," said Teta. "Developers can get a demographic snapshot of what these areas look like, plus the hard numbers on how home prices are changing."

Key data points for areas spotlighted in the study:

- Median household incomes in these areas range from $20,205 in Tacoma's Hilltop area to $57,009 in the Spartan Keyes section of San Jose. Seven of the 11 areas have median household incomes below $40,000 and all 11 are beneath the national level of $61,937.
- Population densities range from about 2,400 people per square mile in the North End/New Center neighborhood in Detroit to 19,400 per square mile in Chicago's South Shore area. Nationwide, the number is just 93 per square mile.
- All 11 areas have poverty levels that are higher than the national rate of 13.1 percent, running from 16.3 percent in the Mid-City section of Los Angeles to 49.4 percent in the City Heights area of San Diego.
- Between 53 percent and 98 percent of households rent homes in the 11 areas, compared to 36 percent nationwide. The lowest rental rate is in Detroit's North End/New Center area, while the highest is in Orlando's Parramore community.
- In three areas, the percentage of adults with college degrees outpaces the national figure of 32.6 percent: Spartan Keyes in San Jose (37.5 percent), Central District in Seattle (48.7 percent) and Buckman/Kerns in Portland (56.5 percent). Levels in other spotlighted areas range from 3.6 percent in the Parramore section of Orlando to 31.5 percent in Denver's West Colfax neighborhood.
- Despite relatively high levels of economic distress, the typical home sells for more than the national median home price in eight of the 11 areas, according to data collected by ATTOM in the first half of 2020. The lowest median home prices are in North End/New Center in Detroit ($40,501), Parramore in Orlando ($105,000) and Hilltop in Tacoma ($217,000). The highest are in Central District in Seattle ($795,500), Mid-City in Los Angeles ($860,750) and Spartan Keys in San Jose ($885,000).
- The largest increases in median home prices from the first half of 2019 to the first half of 2020, based on ATTOM data, were in North End/New Center in Detroit (up 25 percent), Parramore in Orlando (up 31 percent) and South Shore in Chicago (up 91 percent). The biggest declines were in Spartan Keys in San Jose (down 7 percent), Mid-City in Los Angeles (down 12 percent) and Hilltop in Tacoma (down 32 percent). However, while the opportunity zone in Hilltop (census tract 614) saw a sharp decline of 32 percent, the city of Tacoma, WA saw an increase of 12 percent in median home sales prices from last year.

Report methodology

The overview of these opportunity zones looked at high redevelopment values defined by CityBldr in an analysis designed to showcase area that offer the greatest value to be gained by investors for building multifamily apartments, rowhomes or townhomes in those areas. Those census tracts included in the analysis also must have sufficient home sales prices from ATTOM Data Solutions, to show a year-over-year and two-year median home sales price change. Various data points mentioned above to help offer context for these opportunity zones came from Censusreporter.org.

About CityBldr
CityBldr is a technology company that determines the best use of land. The company offers commercial real estate, residential real estate, government and architecture products and powers

acquisitions for some of the world's most admired companies. For a ranking of sites within these or other opportunity zones, submit inquiries to hello@citybldr.com.

About ATTOM Data Solutions
ATTOM Data Solutions provides premium property data to power products that improve transparency, innovation, efficiency and disruption in a data-driven economy. ATTOM multi-sources property tax, deed, mortgage, foreclosure, environmental risk, natural hazard, and neighborhood data for more than 155 million U.S. residential and commercial properties covering 99 percent of the nation's population. A rigorous data management process involving more than 20 steps validates, standardizes and enhances the data collected by ATTOM, assigning each property record with a persistent, unique ID — the ATTOM ID. The 9TB ATTOM Data Warehouse fuels innovation in many industries including mortgage, real estate, insurance, marketing, government and more through flexible data delivery solutions that include bulk file licenses, property data APIs, real estate market trends, marketing lists, match & append and introducing the first property data delivery solution, a cloud-based data platform that streamlines data management – Data-as-a-Service (DaaS).

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