

Vacant Properties: Havens for crime in a city plagued by violence

OVERVIEW OF THE ISSUE

Foreclosures and vacant properties are inextricably linked to community deterioration and crime. The ongoing foreclosure crisis has severely impacted households, communities, and Chicago's housing market. The Lawyers' Committee for Better Housing (LCBH) released a report in 2012 analyzing foreclosure trends on apartment buildings in Chicago and documented that from 2009-2011, 51,972 apartment building units went into foreclosure, comprising over 9% of Chicago's entire rental housing stock.¹ Currently, the housing market is not on the mend; foreclosures continue unabated in the city and even conservative estimates predict at least five more years of elevated foreclosure filings.² Foreclosure filings alone are problematic; however, foreclosures that go to auction pose even greater risks to communities, as the vast majority of these properties (about 90%)³ will end up bank-owned or Real Estate Owned (REO). Such properties are routinely and rapidly vacated of occupants, even rent-paying tenants, and left vacant for extended periods of time—sometimes years. This sweeping bank protocol is troubling not only for the countless households dispossessed of their homes, but also for buildings that quickly deteriorate upon vacancy, neighborhoods that face plummeting property values, and the city that ultimately foots the bill.

Moreover, foreclosure auctions are accelerating in the city. Spencer Cowan of Woodstock Institute expounded on this recent trend stating: "We saw a precipitous drop in foreclosure auctions while the robo-signing scandal was being investigated... Now that the case has been settled with new standards for foreclosure processes in place, servicers are working through the backlog. This will almost certainly lead to an influx of vacant properties on the market."⁴ This influx will only serve to compound an already pervasive housing decline. Census data reveals that Chicago has experienced an increase in vacant housing units from about 7.9% of the total housing stock in 2000 to 12.5% in 2010, and in Chicago about 70% of vacant properties are the result of foreclosure.^{5,6} By 2011, Chicago already had 15,000 properties registered as vacant or "abandoned."^{7,8}

Although it is clear that Chicago's rental stock has been greatly impacted by the housing crisis, what has not been prominently documented—and a factor adding to the urgency of the situation—is the link that vacant buildings have to crime. Vacant buildings provide havens for criminal activity and serve as storage for weapons, while the eviction of entire households removes stabilizing forces within a neighborhood. Charles Brown, a retired Chicago police officer, describes the crisis: "Vacant homes create so many risks to a neighborhood... Murders—we've found people dead in them. Attempted murder, rape, all kinds of things. They catch on fire and burn up the house next door—firemen get hurt."⁹ This report demonstrates the link between crime and building vacancy and the need to limit the number of vacant properties in order to stabilize communities and mitigate neighborhood violence.

SUMMARY OF KEY FINDINGS

- Geographic areas of elevated crime rates overlap substantially with areas of elevated vacant building rates.
- Since 2005, crime rates occurring within vacant buildings and lots in Chicago have risen.
- From 2005-2012, criminal activity in abandoned buildings and vacant lots increased by 48%.
- Three times as many crimes occurred in abandoned buildings in 2012 than in 2005.
- In 2012, a total of 2,618 crimes occurred in abandoned buildings or vacant lots.
 - On average, 7 crimes occur in abandoned buildings or vacant lots *per day*.
 - On average, 3 criminal sexual assaults and 4 weapons violations occur in abandoned buildings or vacant lots *per month*.

THE CONNECTION BETWEEN CRIME AND BUILDING VACANCY

LCBH reviewed City of Chicago crime data to gain an understanding of the actual crime rates within vacant buildings and vacant lots. LCBH focused on crime data publicly available on the City of Chicago's Data Portal from 2005-2007 (before the onset of the housing crisis), and crime data from 2010-2012 (after the onset of the housing crisis), and analyzed rates of crime in "Abandoned Buildings" and "Vacant Lots/Land" during this time. Vacant lot data was included in this analysis due to the fact that vacant properties experiencing severe dilapidation may be demolished by the city when assessed as structurally unsound or generally unsafe.

Through this analysis, LCBH finds that while overall crime rates have plummeted, consistently dropping year over year from a high of 452,474 in 2005 to a low of 331,056 in 2012, crime occurrences within vacant buildings and lots have risen dramatically. From 2005-2012, while overall crime has dropped 27% in the city, crimes occurring in abandoned buildings and vacant lots have increased by 48%. Moreover, the variance is even more significant when isolating data related to abandoned buildings alone. LCBH finds that three times as many crimes occurred in abandoned buildings in 2012 than did in 2005, a 196% increase in the raw number of crimes occurring in this location type. Because there are more vacant buildings today than in years past, there are more opportunities for criminal activities to take place in these locations. Vacant properties invite and allow for the concealment of crime; therefore it is no surprise that crime rates occurring within these locations increase concurrently with the increase in buildings available for illicit use.

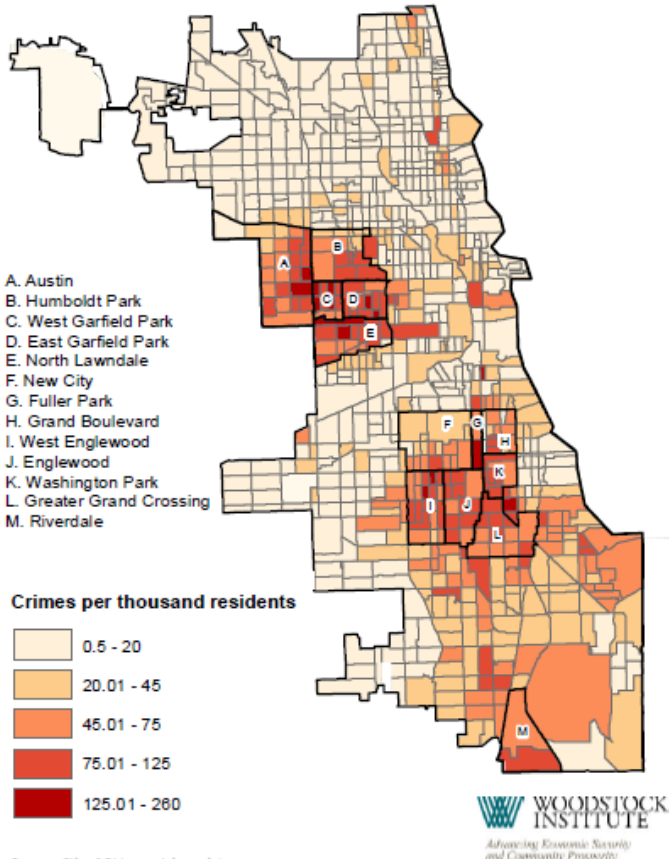
The crimes most closely correlated with abandoned buildings and vacant lots from 2010 through 2012 include: Arson, Burglary, Criminal Sexual Assault, Criminal Trespass, Gambling, Interference with Public Official, Narcotics, and Weapons Violation. In 2012, 2,618 crimes occurred in abandoned buildings or vacant lots, or about 7 crimes per day. Alarming, LCBH's data review finds that 3 criminal sexual assaults and 4 weapons violations occur in abandoned buildings or vacant lots per month.

MAPPING CRIME AND BUILDING VACANCY

LCBH worked with Woodstock Institute to generate maps using crime data from the City of Chicago's Data Portal¹⁰ from June through December of 2012 and vacant property data from the US Postal Service's Vacant Property Survey, detailing properties vacant for one year or more. The city's crime data includes many crime types, but the maps below include only what the researchers identify as violent crime types, in addition to "Prostitution" and "Narcotics," as these are also particularly prevalent and offensive crimes. The specific crime types included are: Arson, Assault, Battery, Criminal Sexual Assault, Homicide, Narcotics, Prostitution, and Robbery.

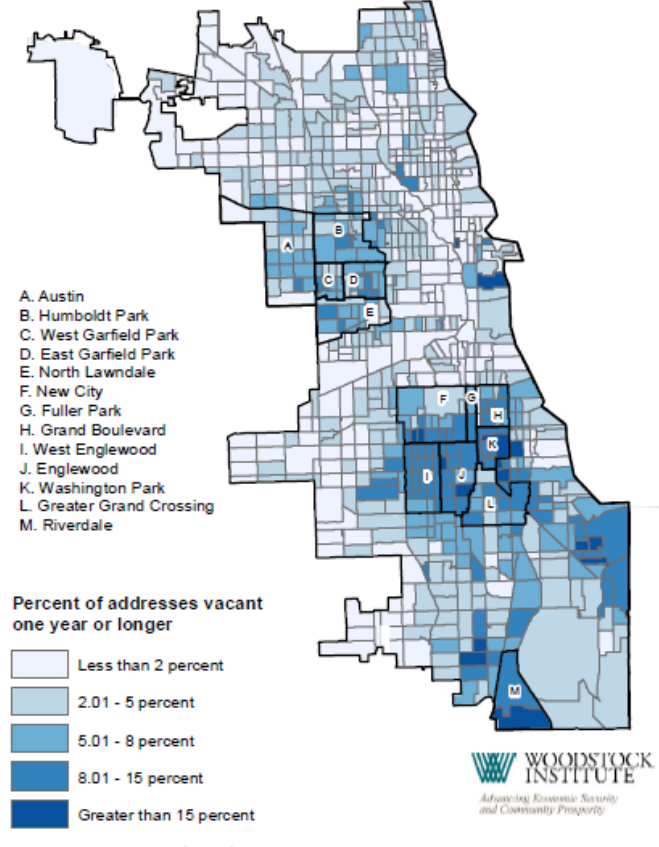
In the first map, "Reported Crimes for the City of Chicago 2012," areas of the city with particularly high rates of the aforementioned crime types are shaded in deep red, fading out to beige as crime concentration diminishes. Crime data were controlled by population, with crime rates depicted by offenses per 1,000 residents. In the map, "Percent of Chicago Addresses Vacant more than One Year by Census Tract," the areas with the greatest concentration of long-term vacancies are highlighted in deep blue. Vacancy data are represented as a percent of total residential addresses. Each map provides labels of the community areas experiencing the greatest impact of both crime and vacancy. The maps virtually mirror one another; the areas most inundated with vacant properties are also the areas experiencing the highest level of crime.

Reported Crimes for the City of Chicago in 2012



Source: City of Chicago data portal

Percent of Chicago Addresses Vacant more than One Year by Census Tract



Source: HUD USPS Vacant Property Survey, June 2012

Although the researchers cannot make causal correlations between crime and vacancy by community area, as many unobservable factors influence crime rates, we can look to relevant research to assist in contextualizing findings. Vacant properties appear to be magnets for criminal activity, specifically violent crime. Vacant REO properties have the strongest correlation to crime escalation in instances where multiple vacant properties are concentrated in a small area, and in areas overburdened with higher crime rates prior to the housing crisis.¹¹ There is an amalgamated impact in many Chicago communities because certain areas, particularly those on the South and West sides of the city, have historically suffered disparately high crime rates in addition to the emergence of high rates of foreclosure filings.¹² This toxic combination has sparked a whirlwind of community disarray including population decline, housing deterioration, and continued violence.

Research has shown that on a single block, building radial, or census tract, a foreclosure filing and subsequent building vacancy will indeed impact crime rates. For instance, a report analyzing crime and foreclosure in New York City found, "An additional property headed to a foreclosure auction on a blockface leads to a 1.4% increase in total crime, a 2.5% increase in violent crime."¹³ Additional reports specific to Chicago put that figure as high as a 6.68% increase in violent crime within a census tract as the area is inundated with abnormally high foreclosure filing rates.¹⁴ Furthermore, a 2010 report out of Pittsburgh concluded that "violent crime rates are more than 15% higher in areas within 250 feet of foreclosed and vacant properties."¹⁵

Although the direct causal link between crime and foreclosure or building vacancy is unclear, researchers suggest that vacant buildings increase crime due to many factors including diminished neighborhood surveillance, crime concealment, and building dilapidation signaling community ambivalence to crime. "Foreclosed and vacant houses not only show signs of disrepair but can also serve as a private place for potential criminals to plan crimes or engage in other activities that would attract too much attention if done in public view. Thus it is likely that areas immediately

surrounding such houses will see a higher rate of crime incidents than areas farther away.¹⁶ Chicago has been hit hard by the foreclosure crisis, and as a result, building vacancies have escalated. Researchers have shown what many community members and advocates are already acutely aware of—vacant buildings weaken the fabric of communities and exacerbate crime. In a city notorious for violence, community stabilizing remedies must be explored.

RECOMMENDATIONS

The city faces, at minimum, five more years of the foreclosure crisis. Now is the time to support measures that sever the link between foreclosure, vacancy, and crime.

KEEP RENTAL BUILDINGS OCCUPIED. The city should act quickly to adopt legislation that prevents foreclosed rental buildings from becoming vacant in the first place. The Keep Chicago Renting Coalition, of which the Lawyers' Committee for Better Housing (LCBH) is a part, has been working to pass the Keep Chicago Renting Ordinance (KCRO), which would keep renters in their homes post-foreclosure, prevent the accumulation of vacant properties, and incentivize banks to maintain or relinquish Real Estate Owned (REO) properties. The KCRO was introduced to City Council on July 25, 2012, with the support of 43 aldermen.

ACCELERATE PRODUCTIVE REPURPOSING OF VACANT BUILDINGS. The city should adopt legislation and policies that enable the accelerated return of vacant buildings to productive use, such as actively participating in the Cook County Land Bank and encouraging use of the TIF Vacant Building Rehab Ordinance.

¹ Lawyers' Committee for Better Housing, "Three Year Impact Assessment—Apartment Building Foreclosures and the Depletion of Rental Housing in Chicago," 2012.

² "Eviction (Without) Notice: Renters and the Foreclosure Crisis," *National Law Center on Homelessness & Poverty*. 2012.

³ Data from both LCBH and Woodstock Institute show that about 90% of foreclosure auctions result in Real Estate Owned (REO) properties.

⁴ Katie Buitrago, "Completed foreclosures skyrocket from 2011 to 2012, new data show," Woodstock Institute, February 2013

⁵ Left Behind: Troubled Foreclosed Properties and Servicer Accountability in Chicago, *Woodstock Institute*, January 2011, at 1. Available at: <http://www.woodstockinst.org/research/>.

⁶ A community canvas by Action Now, Albany Park Neighborhood Council, and Logan Square Neighborhood Association of properties that recently became REO in the Albany Park, Belmont Cragin, Englewood, and Hermosa neighborhoods found at least 60%- and up to 75% were vacant. Furthermore a review of 194 MLS listings of bank-owned foreclosed rental properties throughout the city found that at least 68%-and up to 92% of the buildings were vacant.

⁷ Chicago News Cooperative. *Foreclosures Leave Pockets of Neglect and Decay*.

⁸ 20% of these properties were located in only three neighborhoods: Englewood, West Englewood, and Austin

⁹ Knight, Meribah and O'Shea, Bridget. "Foreclosures Leave Pockets of Neglect and Decay." October 27, 2011. New York Times. <http://www.nytimes.com/2011/10/28/us/foreclosures-lead-to-crime-and-decay-in-abandoned-buildings.html?_r=1&pagewanted=all>.

¹⁰ <https://data.cityofchicago.org/Public-Safety/Crimes-2001-to-present/ijzp-q8t2>

¹¹ Ingrid Gould Ellen, Johanna Lacoë, and Claudia Ayanna Sharygin, "Do foreclosures cause crime?" *Journal of Urban Economics*, 74 (2013): 59-60.

¹² LCBH reports that in many South and West side community areas, foreclosures on apartment buildings are concentrated to a degree not seen throughout the rest of the city. Lawyers' Committee for Better Housing, "Three Year Impact Assessment—Apartment Building Foreclosures and the Depletion of Rental Housing in Chicago," 2012.

¹³ Ingrid Gould Ellen, Johanna Lacoë, and Claudia Ayanna Sharygin, "Do foreclosures cause crime?" *Journal of Urban Economics*, 74 (2013): 59-60.

¹⁴ Dan Immergluck & Geoff Smith, "The Impact of Single-family Mortgage Foreclosures on Neighborhood Crime," *Housing Studies* Vol. 21, No. 6 (2006): 851-866.

¹⁵ Lin Cui. *Foreclosures, Vacancy and Crime*. Department of Economics, University of Pittsburgh (2010).

¹⁶ *Ibid.*