

News From Ingham County Treasurer Eric Schertzing

For Release:

October 16, 2015

Contact:

ERIC SCHERTZING

517.303.7233

INGHAM COUNTY TREASURER AND MICHIGAN STATE UNIVERSITY LAND POLICY INSTITUTE RELEASE ECONOMIC IMPACT REPORT *Study indicates Ingham County tax foreclosure auction has a positive impact on neighborhood revitalization*

MASON, Mich. – Ingham County Treasurer Eric Schertzing and Michigan State University Land Policy Institute are pleased to release the results of a seven-year study examining the relationship between tax auction property sales, renovations and property prices in Ingham County neighborhoods between 2008 and 2014.

The Land Policy Institute study reports that tax auction activities play a positive role in neighborhood revitalization, which has been especially important during the economic recession and housing market decline. The Treasurer's office has utilized Property Tax Foreclosure Auction and Land Bank Fast Track Authority programs since 2006 to address foreclosure, abandonment and blight in Ingham County neighborhoods.

Ingham County property tax auctions are atypical of many tax auction programs in Michigan. Working in tandem with the Ingham County Land Bank, the Treasurer's office is able to sell properties with greater potential for improvement at the auction.

Results of the analysis show an overall economic impact of \$2,981,543 for the Ingham County economy, resulting from the expenditures associated with the tax foreclosure auction sales. Renovation of tax auction properties by new owners showed to have a positive relationship to property prices of surrounding homes.

Further, the study indicates the total estimated value-added impact in the Ingham County area was \$1,550,646. Property tax auctions leveraged \$1.30 in the regional economy for every dollar spent as well as created 21 direct and indirect jobs associated with related activities

The positive impacts indicated are significant when compared to prior tax foreclosure research conducted in the cities of Flint and Detroit. A 2009 University of Michigan study reported that tax auctions do not result in positive impacts in those communities. The current research shows some rising optimism as the tax auction process is refined – that is, more owner-occupancy and historic covenants in addition to higher minimum bids – for better results.

“Through the auction process, the Treasurer's office provides the community a set of tools at its disposal for addressing the challenges of tax foreclosed properties and the associated vacancy and blight,” says Ingham County Treasurer and Land Bank Chairman, Eric Schertzing. “As this study indicates, using the tools available to the Treasurer and Land Bank has significant economic impact and assists in creating and maintaining neighborhood aesthetics.”

The full report can be viewed online at <http://tr.ingham.org/>.

###