Gentrification, with a white picket fence? Suburban neighborhood change in Montgomery County

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1. Introduction
2. Gentrification in scholarship
3. Data and methods
4. Montgomery County’s spatial income and housing price inequality
5. Gentrification data and results
6. Case neighborhoods
7. Conclusions
• One part of my dissertation
• Research interest came from watching neighborhood change firsthand in the DC suburbs from 2010 to 2018
• Data currently limited to Washington, DC metropolitan area
  – Future expansion to a dataset of many large metropolitan areas
Paper Two - Introduction

Low-Income Residents Being Squeezed Out Of Silver Spring At High Rates

Going Out Guide
A guide to Hyattsville: D.C.’s newest suburban dining and arts destination

Takoma Park Residents Rally Against Rent Hikes, Gentrification

By Michelle Goldstein | mgoldstein@washingtonpost.com | Sep 8, 2015, 2:07pm EDT

Familiar Story Of Gentrification Reaches Alexandria’s West End

Jackson, 2015, Housing Policy Debate
Amazing diversification

17 of 216 census tracts are majority-minority

112 of 216 census tracts are majority-minority

Note: minority categories defined exclusively; population shares shown represent all people who did not describe themselves as white “alone” on Census forms.
Research Question:
Are the suburbs gentrifying?
Gentrification

• Gentrification is the process by which (urban?) formerly disinvested low or working class neighborhoods experience reinvestment and an influx of new, middle or upper class residents

• Opinion: focus on urban areas is limiting; but understandable
  – Gentrification began in inner cities in large metropolitan areas

  – “there is still no unanimously approved empirical delimitation of the concept of gentrification.”
  – Still very true
Gentrification

• “...scholars ... frequently restrict gentrification to parameters ... which emphasize the movement of the middle and upper-middle class into traditional working class spaces in the central city.” (Brown-Saracino, Annual Review of Sociology, 2017)

• Some quantitative research has considered gentrification at the metropolitan level; and by definition, included suburban places
  – Landis (2015); Chapple (2009); Meligrana and Skabuskis (2005), others
• No explicit quantitative study measuring gentrification in the suburbs exists

• Suburban gentrification may be of a different character than the ‘traditional’ inner city model

• Different political considerations
My assumption

• No theoretical expectation for suburban gentrification to *occur* for different reasons
  – Spatial and demographic attributes of neighborhoods that make places “gentrifiable” shouldn’t vary across political borders
    • Accessibility, amenities, housing stock, undervalued homes
  – Certain factors might matter *more*
    • Property taxes, schools, accessibility
Data and Methods

- Decennial Census data
  - 1990, 2000
  - From Brown University Longitudinal Tract Database (LTDB)
- American Community Survey
  - 2011-2015
- Unit of analysis: census tract
- Standardized 2010 tract boundaries
- Sample: 216 Census Tracts in Montgomery County

South Arlington, VA. Columbia Pike Corridor. Google maps.
The Neighborhood Income Distribution

• Methods: Landis (2015) Housing Policy Debate

• Rank neighborhoods (census tracts) by their median household income, sort into fifths (quintiles)

• Track each neighborhood’s change in quintile position from 1990 to 2015

• Just like how individuals have economic mobility, neighborhoods can too

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>80th</td>
<td>$127,156</td>
<td>$146,769</td>
</tr>
<tr>
<td>60th</td>
<td>$103,167</td>
<td>$116,899</td>
</tr>
<tr>
<td>40th</td>
<td>$87,975</td>
<td>$89,807</td>
</tr>
<tr>
<td>20th</td>
<td>$71,177</td>
<td>$71,527</td>
</tr>
<tr>
<td>1st</td>
<td>$37,663</td>
<td>$45,614</td>
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</tbody>
</table>

Note: inflation adjusted to 2015 dollars
Household Income

- East County mostly drops out of the 4th quintile
- High incomes move north, west, and inside the beltway; Silver Spring, Takoma Park
- More mid-county low-income neighborhoods
• Income upgrading:
  – North county development areas
  – South county inner suburbs
• Income downgrading:
  – East county
  – Mid-county
• Stasis
  – Majority of County
  – Bethesda, Potomac, Chevy Chase, Rockville
Neighborhood inequality increasing

Income ratios for neighborhood median household income, by percentiles [or how a neighborhood “ranks”]

- 90/10 = Rich against working class
  - 90th percentile /10th percentile
- 90/50 = Rich against middle
  - 90th percentile /50th percentile
- 50/10 = Middle against working class
  - 50th percentile /10th percentile

<table>
<thead>
<tr>
<th>Ratio</th>
<th>1990</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td>90/10</td>
<td>2.49</td>
<td>3.09</td>
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<tr>
<td>90/50</td>
<td>1.65</td>
<td>1.81</td>
</tr>
<tr>
<td>50/10</td>
<td>1.51</td>
<td>1.71</td>
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</table>
Brief ideas on affordable housing

- Home prices in the lowest-cost neighborhoods only up 8%
- Dramatic appreciation in the median neighborhood, up 35%
- Highest cost neighborhoods, up 27%
- There is now greater disparity between home values in the “average” neighborhood versus the “bottom” neighborhood

### Median Home Prices, All County Census Tracts

<table>
<thead>
<tr>
<th>Neighborhood*</th>
<th>1990</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>10th</td>
<td>$237,054</td>
<td>$255,870</td>
</tr>
<tr>
<td>50th</td>
<td>$322,688</td>
<td>$435,600</td>
</tr>
<tr>
<td>90th</td>
<td>$657,516</td>
<td>$839,820</td>
</tr>
</tbody>
</table>

### Ratios

<table>
<thead>
<tr>
<th>Ratios</th>
<th>1990</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>90/10</td>
<td>2.77</td>
<td>3.28</td>
</tr>
<tr>
<td>90/50</td>
<td>2.04</td>
<td>1.93</td>
</tr>
<tr>
<td>50/10</td>
<td>1.36</td>
<td>1.70</td>
</tr>
</tbody>
</table>

Note: inflation adjusted to 2015 dollars.

*In the 10th percentile neighborhood, 10% of neighborhoods have a lower median home price than this, but 90% have higher.
• Landis (2015), analyzing census tracts by median household income:
  – A neighborhood must start in the bottom two quintiles in 1990
  – Gentrification is then an increase of at least one quintile by 2015
    • For example, a neighborhood in the bottom fifth moves up to the middle fifth or higher
• Discussion points:
  – Home prices, race, education/social status, displacement NOT measured
  – Vast disagreement in the literature on how best to measure these things
  – Is this *gentrification* or simply *neighborhood change*?
    • Semantics and theoretical battles in all directions
  – Stay tuned for my dissertation if you’d like more!
Breaking down the data

• 216 total census tracts
• 107 were eligible, meaning in the bottom two quintiles in 1990
  – Median tract household income below $87,975
• 27 of 107 gentrified by 2015, meaning they increased by at least one quintile
• Where were they?
• Gentrifying inner communities
  – Takoma Park
  – Silver Spring
  – Wheaton
  – Kensington
  – North Bethesda/White Flint
  – Rockville
  – Bethesda
• Gentrifying outer communities
  – Clarksburg
  – Germantown
  – Olney
  – Gaithersburg
• 27 neighborhoods gentrified, but on the other hand:
  – 35 neighborhoods did the opposite, and dropped at least quintile

• Decline is the more dominant form of change
  – Matches Landis (2015) who measured this nationally
Some Cases

Four “Gentrified” Census Tracts

- Central Takoma Park (Carroll Ave)
- Wheaton Forest/Glenview (Dennis/Georgia/193)
- Rockville (East of the rail tracks)
- Kensington (Town, along rail tracks)

Data for each, 1990 to 2015:

- Home prices
- Demographics
- Educational attainment
- Household income
Central Takoma Park

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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Median HH Income</td>
<td>$64,282</td>
<td>$64,901</td>
<td>$105,872</td>
</tr>
<tr>
<td>Median Home Price</td>
<td>$320,194</td>
<td>$364,584</td>
<td>$585,700</td>
</tr>
<tr>
<td>Percent Minority</td>
<td>37.2%</td>
<td>37.7%</td>
<td>40.7%</td>
</tr>
<tr>
<td>Percent with a BA+</td>
<td>51.0%</td>
<td>62.4%</td>
<td>63.6%</td>
</tr>
</tbody>
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Note: Census Tract ID is 24031701701

- **1990 to 2000**
  - Not much change
  - Educational attainment upgrade
- **2000 to 2015**
  - Dramatic income and home price growth
- **Minority population**
  - Relatively consistent
  - Garden apartments, senior housing?
Southeast Wheaton

- 1990 to 2000
  - Home price drop
  - Stagnant incomes
  - Large minority population increase
  - Educational attainment increase
- 2000 to 2015
  - Income, home price, education increase
  - Continued minority population increase

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<tbody>
<tr>
<td>Median HH Income</td>
<td>$75,761</td>
<td>$78,928</td>
<td>$93,598</td>
</tr>
<tr>
<td>Median Home Price</td>
<td>$272,894</td>
<td>$223,872</td>
<td>$354,500</td>
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<tr>
<td>Percent Minority</td>
<td>39.6%</td>
<td>56.6%</td>
<td>66.4%</td>
</tr>
<tr>
<td>Percent with a BA+</td>
<td>31.0%</td>
<td>39.0%</td>
<td>44.6%</td>
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Note: Census Tract ID is 24031703902
Kensington

- **1990 to 2000**
  - Income upgrade, stagnant home prices
  - Very low minority population
  - Educational attainment increase

- **2000 to 2010**
  - Strong income upgrade
  - Rapid home price appreciation
  - Minority population growth
  - Very high educational attainment increase

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</thead>
<tbody>
<tr>
<td>Median HH Income</td>
<td>$86,885</td>
<td>$105,414</td>
<td>$137,159</td>
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<tr>
<td>Median Home Price</td>
<td>$383,681</td>
<td>$382,580</td>
<td>$651,100</td>
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<tr>
<td>Percent Minority</td>
<td>9.2%</td>
<td>13.4%</td>
<td>21.6%</td>
</tr>
<tr>
<td>Percent with a BA+</td>
<td>48.7%</td>
<td>58.7%</td>
<td>77.7%</td>
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</tbody>
</table>

Note: Census Tract ID is 24031704200

Note: this tract was just below the 1990 eligibility threshold (39th percentile), but ended up all the way around the 75th percentile in household income!
East Rockville

• **1990 to 2000**
  - Incomes increase
  - Home prices drop
  - Minority population increase
  - Low educational attainment

• **2000 to 2015**
  - Incomes increase, home prices double
  - Minority increase slows
  - Large educational attainment increase

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<tbody>
<tr>
<td>Median HH Income</td>
<td>$64,332</td>
<td>$72,037</td>
<td>$85,382</td>
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<tr>
<td>Median Home Price</td>
<td>$213,072</td>
<td>$181,328</td>
<td>$357,100</td>
</tr>
<tr>
<td>Percent Minority</td>
<td>45.0%</td>
<td>59.8%</td>
<td>60.3%</td>
</tr>
<tr>
<td>Percent with a BA+</td>
<td>16.1%</td>
<td>20.8%</td>
<td>32.4%</td>
</tr>
</tbody>
</table>

Note: Census Tract ID is 24031700902
Conclusions

• The county is becoming more racially diverse, essentially everywhere, but:
  – The county is slowly becoming more segregated by income
  – Racial diversity does not necessarily mean class and income diversity
  – Neighborhood level statistics obscure what’s occurring at the building, street, block level

• Gentrification is challenging to categorize and explain
  – But undoubtedly occurring, especially in downcounty inner suburbs

• One solution to stem the rising tide of both spatial and income inequality
  – More housing, in **all neighborhoods**
Thank you!

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