Racialized names & home assessment / appraisal in Madison

Ben Kizaric

The Important Terms.

Home Assessment: Every so often, homes are valued, in order to calculate property taxes. These valuations are typically conducted by the government.

Home Appraisal: When a homeowner is looking to sell their home, they usually seek out a Home Appraisal, which is carried out in person by a private business.

Racialized Names: Names that are stereotypically considered to belong to members of a certain race. For this project, I am focusing on Racialized Black names.

The problem.

There is evidence, both empirical and anecdotal of black homeowners having their homes valued differently than non-minority homeowners. The supposed patterns are different depending on the kind of valuation

Home Assessment

Higher than expected Assessed value.

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Black households pay more income taxes than they should

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Home Appraisal

Lower than expected Appraisal value.

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Black households don't get as much when they sell their homes.

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The roadblocks.

There is no race data available on a per-household level.

- In order to determine whether there is a pattern of discrimination, we need to know the race of individual homeowners.
  - Minority homeowners tend to have less income & wealth than non-minority homeowners, so if we only looked at proportion of black homeowners in each region of the city, we would likely see lower valuation regardless of discrimination.

There is no home appraisal data available.

The compromises (1/2).

Only investigate the effects of homeowners having a commonly racialized name.

- We don't know the races of individual homeowners, but we do know their names. We can then see if homeowners with racialized black names have their house valued differently.

Problems:

- This approach isn't a good proxy for race.

- There might not be enough homeowners in Madison with racialized names to draw a clear conclusion.

The compromises (2/2).

In the absence of data on appraisal values, use the prices houses have sold for.

- I am assuming this is a good proxy, and this will probably show interesting trends anyways.

Problems:

- This approach isn't perfect.

The Data.

- Names of all historical owners.

- Assessment values for multiple years.

- Dated sale prices, and who sold to who.

- Tons of data about the home:
  - Neighborhood / "Assessment Area"
  - Rooms, square footage, materials, construction year, and others.

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Property Value — Information current as of 9/19/

Assessment Year	Land	Improvements	Total
2019	$148,300	$493,400	$641,70
2020	$152,700	$508,300	$661,00

2019 Tax Information — 2019

Net Taxes:	$14,176.85
Special Assessment:	$0.00
Other:	$0.00
Total:	$14,176.85

Property Information

Property Type:	Single family	Property Class:	Residen
Zoning:	TR-C1 *PDF*	Lot Size:	8,975 sc
Frontage:	70 - Manitou Way	Water Frontage:	NO
TIF District:	0	Assessment Area:	18

Residential Building Information

The Approaches.

1. For each neighborhood, use every house create a predictive model (one for Assessment, one for Recent Sale Price) based on the information about the house.
   - **Don't use the presence of a racialized name as a feature.**
   - About half of the home should have actual values greater than and less than their predicted values.
2. See what proportion of homes with owners having racialized names have actual values less / more than their predicted.
   - If most of these homeowners have actual values less / more than the predicted, that would support the idea that there is discrimination.

- Then, create a very similar model, where the presence of a racialized name IS a factor.

- See which model is better at predicting the value of homes in the area.
  - If the model that takes having a racialized name into account is more accurate, this supports the idea that there is discrimination.