

Housing Foreclosures in Columbus, Ohio: Risk-taking or Vulnerability?

Housing foreclosures, subprime lending, and house price depreciation have dominated news cycles throughout the past year. Previous research has shown that these concomitant phenomena were driven by loosened mortgage standards, increasing use of exotic financial instruments by lenders, pro-homeownership government policies, and a pandemic “bubble mentality” that real estate values would continue to increase at astounding rates. Our research merges existing perspectives on the housing market with population vulnerability, a framework that has primarily been confined to developing-world contexts. The study examines the linkages between financial services restructuring and third-world vulnerability to ascertain new perspectives on susceptibility to foreclosure in U.S. settings. A mixed-methods approach is employed, with qualitative, key-informant interviews complementing a quantitative methodology that includes zero-order correlations, location quotient calculations, and regression tree models. Our early conclusions indicate that foreclosure vulnerability is elevated in areas with larger African-American populations, more lower-income residents, and fewer workers employed in the quaternary (managerial/professional) sector. We are currently exploring new ways to model point-scale foreclosure patterns, particularly relating to foreclosure as a contagion/spillover process.