



City of Pittsburgh

Indicative Valuation of
Publicly-Owned Real Estate

Urban³

Public
Wealth
Dettler & Co

Introduction

Professional Management of Public Wealth

The first step in the process towards a more professional management of public wealth is transparency.

This presentation contains a value estimate of the real property portfolio in the City of Pittsburgh in 2017.

It is made from a consolidated list of publicly-held real estate alone and estimate a defensible value of that portfolio.

Compiled by applying asset tracing techniques to surface a vast majority of real property that is held directly or indirectly by various governments entities (including affiliated corporate entities and authorities) situated across all jurisdictional strata in City of Pittsburgh.

Valuation Methodology

List of Assets

Asset tracing techniques

- Listing all real property held directly or indirectly by various governments entities, across all jurisdictional strata
- Electronic data geo-spatial analysis digitized inventory of government-owned property

Indicative valuation

Property pricing

- Utilize historical data real property transactions to contemplate indicative values for portfolio holdings
- Analyze the value Aggregate inventory and a blend of property pricing techniques to develop indicative values for the portfolio

Executive Summary

Financial Accounts – as is

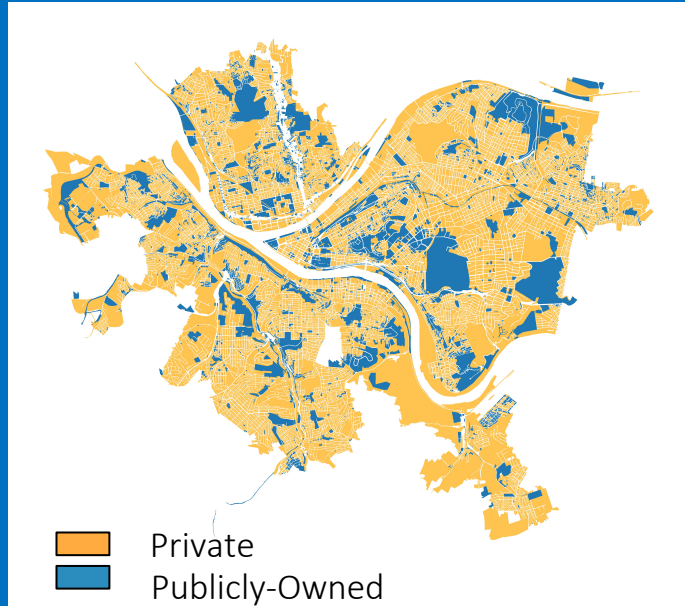
- City is insolvent - even excluding pension liabilities
- Fiscal risks for future financial commitments
- Investment funding gap

Unlocking Public Wealth

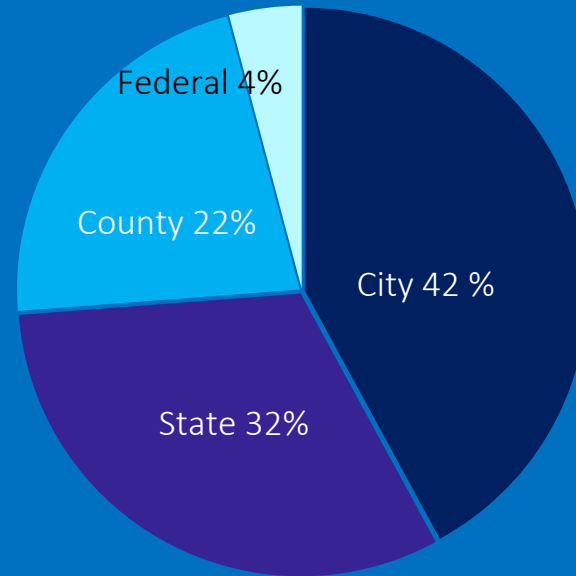
- Indicative value of real estate alone is \$15bn
- Potential yield higher than general revenues
- Consolidated UWF would benefit all levels of government

Publicly-Owned Real Estate

1/3 of real estate market

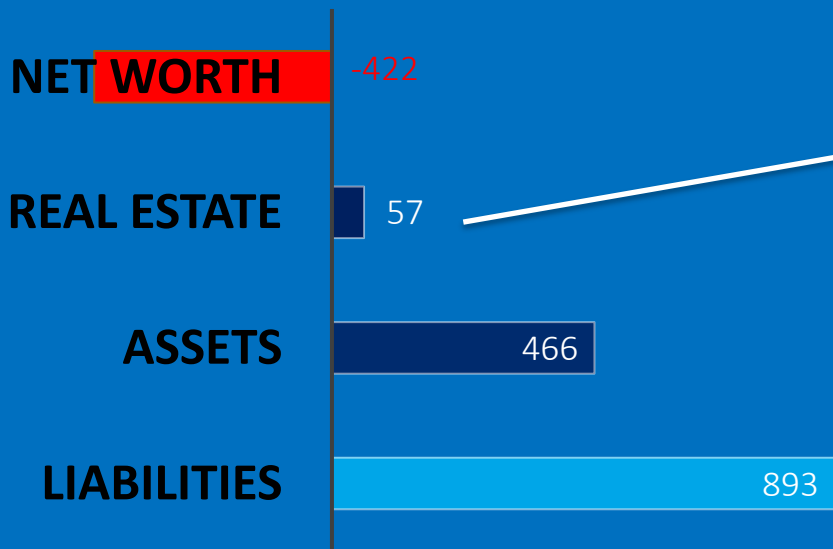


1 x GDP



Hidden values

City Balance Sheet (GASB 2016)



Value of Real Estate - alone

Book value: \$57m
(historic cost)

● \$0.06bn

68x

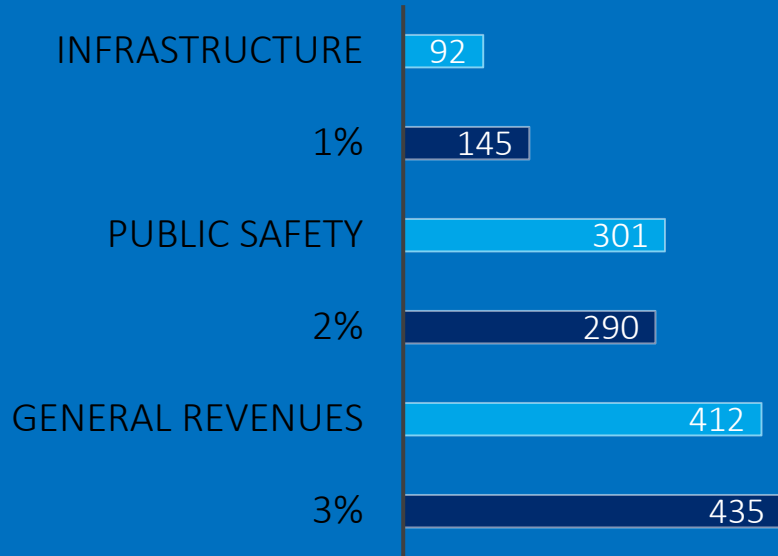
Indicative value:
(current use)

\$3.9bn



Potential Yield – City of Pittsburgh

A Penny in Yield from Assets , is a Penny saved in Taxes/Debt



Asset Yields		Current Revenues (2016)	
(%)	(\$m)	(\$m)	
1	145	Infrastructure:	92
2	290	Public Safety:	301
3	435	General Revenues:	412

Conclusions

Compelling arguments for consolidated Urban Wealth Fund

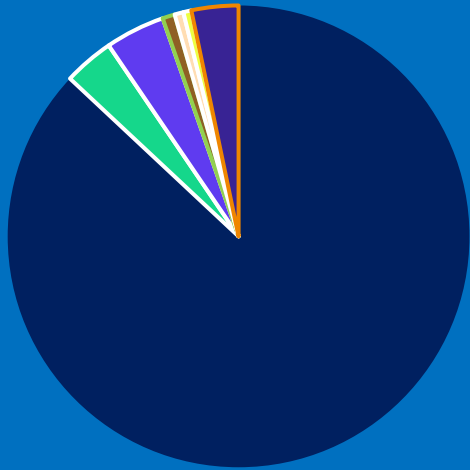
- Alleviate fiscal risk at all levels of government
- Consolidate city balance sheet
- City regeneration benefits even non-city dwellers

Considerable development potential with comprehensive Business Plan

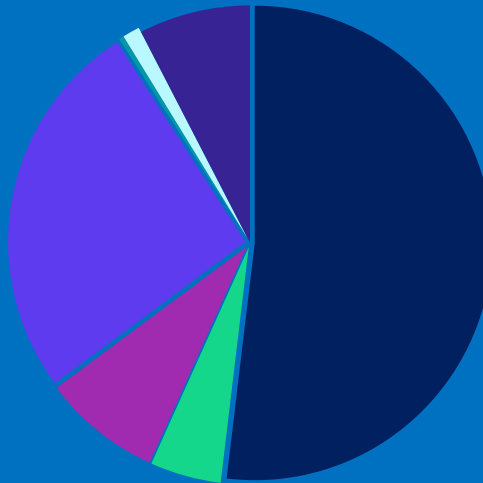
- Funding infrastructure
- Potential to raise quality of life for urban residents

Ownership Break-down

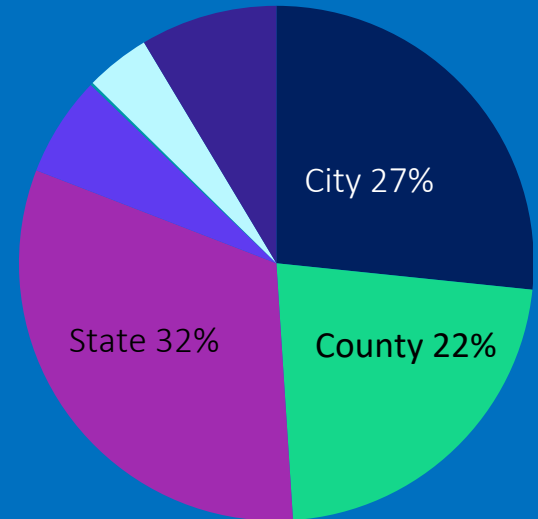
Parcels



Area



Value



City Schools Parks County State Federal

Pittsburgh vs Boston

Key Ratios		Pittsburgh	Boston	
Public Value/GDP		0.9	1.2	1.5
Public Value/ Capita (USD'000)		47	204	4.3
Public/Total Value	(%)	31	24	0.8
Public/Overall VPA		1.7	2.0	1.2
Public/Total Area	(%)	18	12	0.7
Public/total no parcels	(%)	7,4	2,8	0.4

Pittsburgh vs Boston

Property Data		Pittsburgh	Boston	
Public Value	(\$bn)	15	137	9.4
Public Area	('000 acres)	7	12	1.7
Public VPA	(\$m)	2.1	11.7	5.5
Public no of parcels		10 636	4 651	0.4
Avg. public parcel size		0.7	2.5	3.9

Pittsburgh vs Boston

City Data		Pittsburgh	Boston	multiple
GDP	(\$bn)	17	110	6.5
Population	('000)	306	667	2.2
GDP/Capita	(\$'000)	56	164	2.9
Total Area	('000acres)	37	97	3.1
Total Value	(\$bn)	48	577	12.1
Total no of parcels		144 020	166 248	1.2
Overall VPA	(\$m)	1.3	6.0	4.7

Ownership Break-down

Jurisdiction	Parcels	%	Acres	%	(\$bn)	%
City	9 251	87	3 556	52	3,9	27
County	375	4	332	5	3,2	22
State	444	4	555	8	4,6	32
Parks	92	1	1 787	26	0,9	6
Other	66	1	22	0	0,0	0
Federal	60	1	81	1	0,6	4
Schools	349	3	520	8	1,2	9
Total	10 636		6 852		14,5	