



**Housing**

# Housing

**Center** City has been building a downtown residential population for more than 55 years, starting with Old Philadelphia Development Corporation's first efforts in Society Hill in 1956. But in the last 20 years, the former Central Business District (CBD) has been transformed into a diversified, 24-hour live-work environment that has enabled Center City to weather the Great Recession far better than other less-diversified places across the country.

CCD's 1996 publication "Turning on the Lights Upstairs" ([www.centercityphila.org/docs/CCDlights\\_upstairs.pdf](http://www.centercityphila.org/docs/CCDlights_upstairs.pdf)) suggested ways to convert vacant and underused office buildings to residential use and led directly to the passage of the 10-year tax abatement in 1997.

Today, over 57,000 individuals live within the four ZIP codes between Vine and Pine Streets that include the CBD and immediately adjacent communities, animating streets that were vacant at night a decade ago, while another 35,000 individuals live in the neighborhoods that surround downtown.

While the average sales price for housing throughout Philadelphia has increased by 43% since 1990, Center City's has appreciated by 270%, from \$80,000 in 1990 to almost \$296,000 in 2010. In the most recent recession, housing values in Phoenix dropped by 54% from market peak; values in Washington, D.C., are off by 27%; and other East Coast cities have dropped approximately 20% in value. Philadelphia overall has experienced only a 15% decline, based on an analysis by Econsult, and is faring better than 19 of 20 cities surveyed in the Case-Shiller housing index (which does not include Philadelphia). Only the Dallas residential market, 9% off its peak, experienced less of a decline. But statistics for Center City show that while the volume of sales is down 31% and days on market have increased by 24%, housing values are actually up 2.3% from 2006 levels.

Center City has held its value because the economy of downtown, where 42% of residents work, has remained remarkably stable, as has the economy of University City, where approximately 10% travel to work. Nationally, higher educated workers have also fared much better during the economic contraction than lower skilled workers. According to the U.S. Census Bureau, 66% of Center City residents have at least a college degree and 36% have a graduate degree or higher. The disposable income of these high-wage earners not only sustains housing values, but contributes to the stability of the downtown retail market.

Finally, Center City residents devote less of their income to volatile commuting expenses. A 2009 CCD survey found that almost two-thirds of respondents who are employed full time do not rely on a car for commuting, which frees up more disposable income for housing and other expenses.

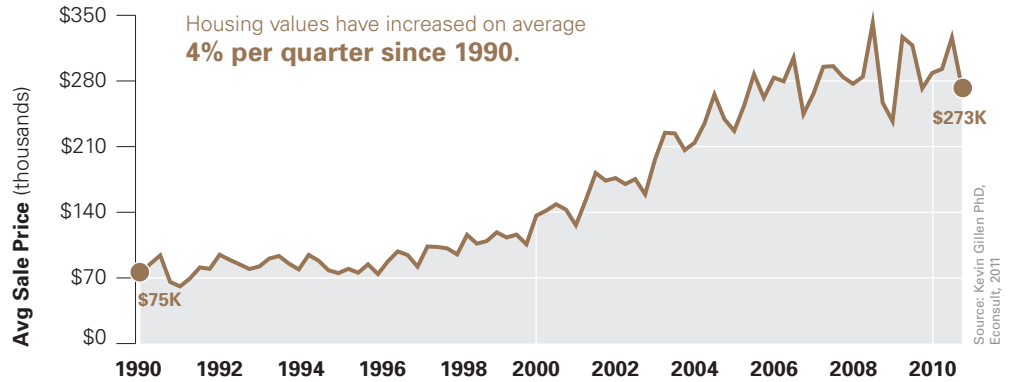
With the economy improving slowly, the development of rental property has started to rebound with 161 new units added to the Center City supply in 2010. The rental market remained strong, with rents for a one-bedroom and two-bedroom apartment, \$1,342 and \$1,823 respectively, holding steady from 2009 numbers. The highest apartment rents were found in the Rittenhouse Square area, where the average rent was \$1,500, while other neighborhoods within the core of Center City also commanded rents in excess of \$1,300. Northern Liberties and Queen Village rents both averaged around \$1,200, while the Art Museum and Graduate Hospital areas offered value at \$1,050 and \$1,000, respectively. As more members of the millennial generation put off becoming first-time homebuyers, rental markets nationwide and in Center City are expected to remain strong as newcomers and longtime residents alike continue to enjoy the advantages of a rich array of amenities and the conveniences of a thriving 24-hour city.

# Housing



## Average Quarterly Home Sale Price

20 years



## Residential Sales, 2003–2010

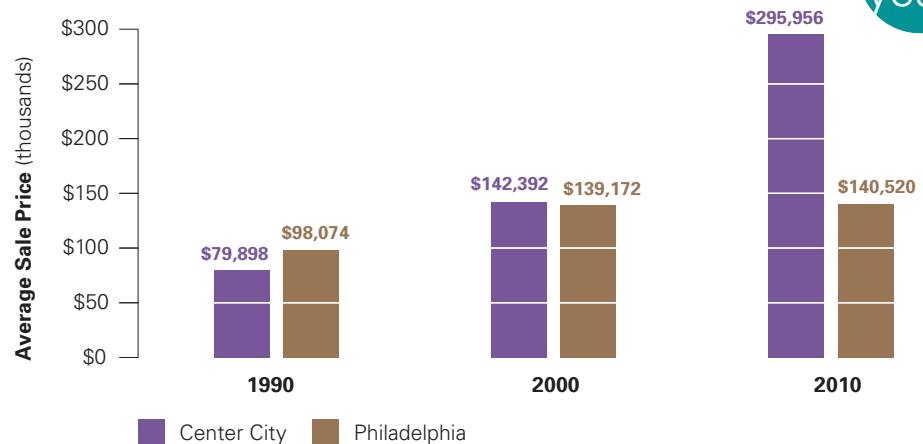
ZIP Code	Average Sale Price					Units Sold		Days on Market		
	2003	2006	2010	% Change (2006-2010)	% Change (2003-2010)	2006	2010	2006	2010	% Change (2006-2010)
19102	\$548,531	\$1,017,300	\$523,500	-48.5%	-4.6%	6	3	112	105	-6.3%
19103	\$577,623	\$816,563	\$764,302	-6.4%	32.3%	79	45	83	153	84.3%
19106	\$684,220	\$921,465	\$663,084	-28.0%	-3.1%	39	38	88	140	59.1%
19107	\$360,463	\$406,625	\$485,838	19.5%	34.8%	31	26	97	132	36.1%
19123	\$168,732	\$268,171	\$297,701	11.0%	76.4%	90	96	116	108	-6.9%
19130	\$231,594	\$333,711	\$320,201	-4.0%	38.3%	334	230	83	96	15.7%
19146	\$130,676	\$180,003	\$207,197	15.1%	58.6%	939	607	63	99	57.1%
19147	\$211,356	\$314,000	\$313,570	-0.1%	48.4%	622	425	74	101	36.5%
<b>8 ZIP Code</b>	<b>\$213,392</b>	<b>\$289,290</b>	<b>\$295,956</b>	<b>2.3%</b>	<b>38.7%</b>	<b>2140</b>	<b>1470</b>	<b>83</b>	<b>103</b>	<b>24.1%</b>

Source: Kevin Gillen PhD, Econsult; Nigel Richards, 2011

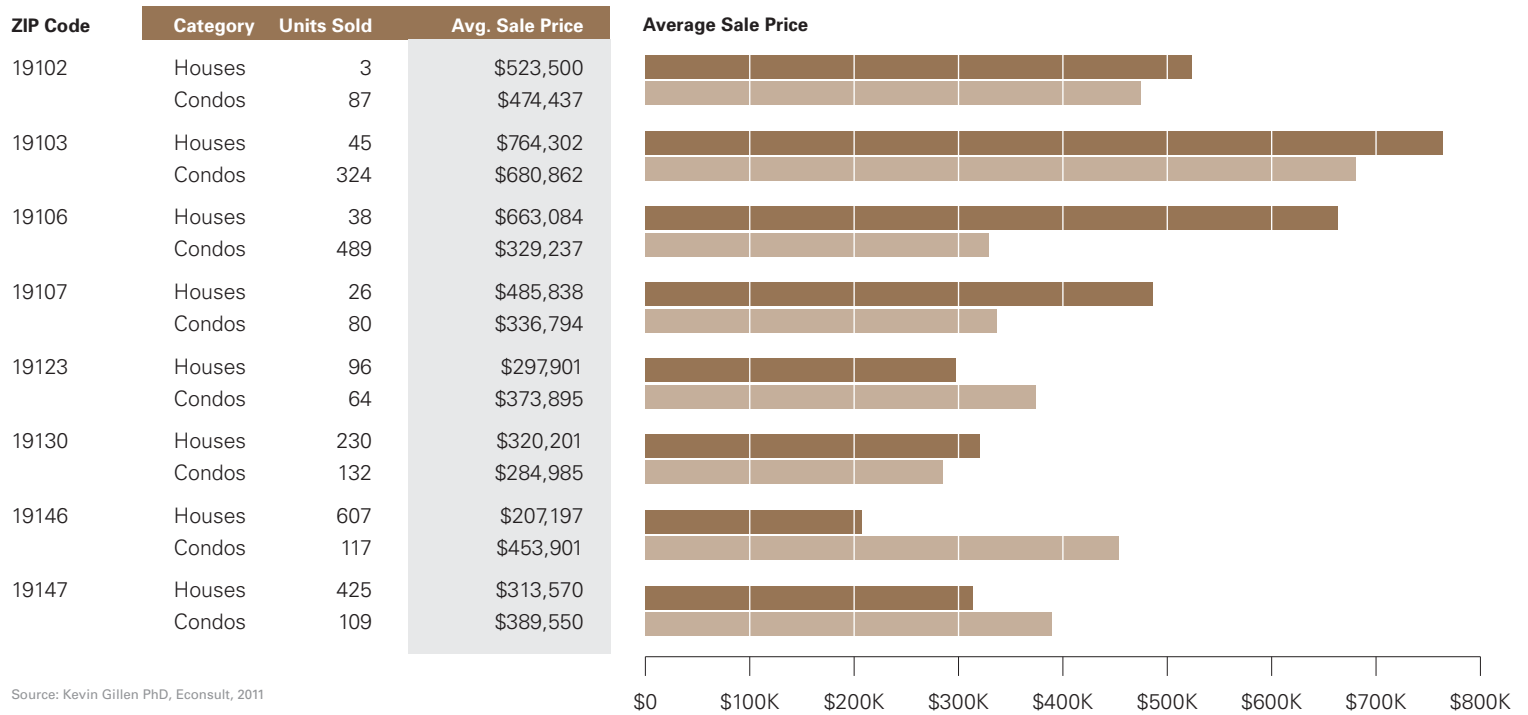
Prices in Center City have **increased 270%** since 1990.

## Average Residential Sale Price

20 years



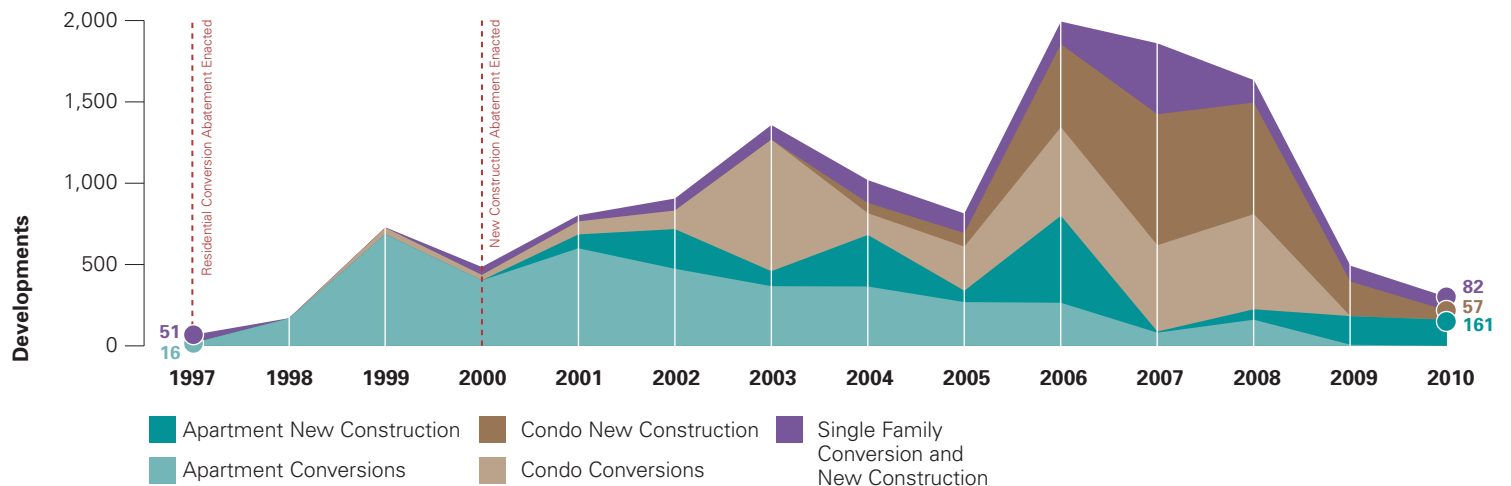
## Average Residential Sale Price by ZIP Code, 2010



# 12,632 new residential units

have been completed throughout Center City since 1997.

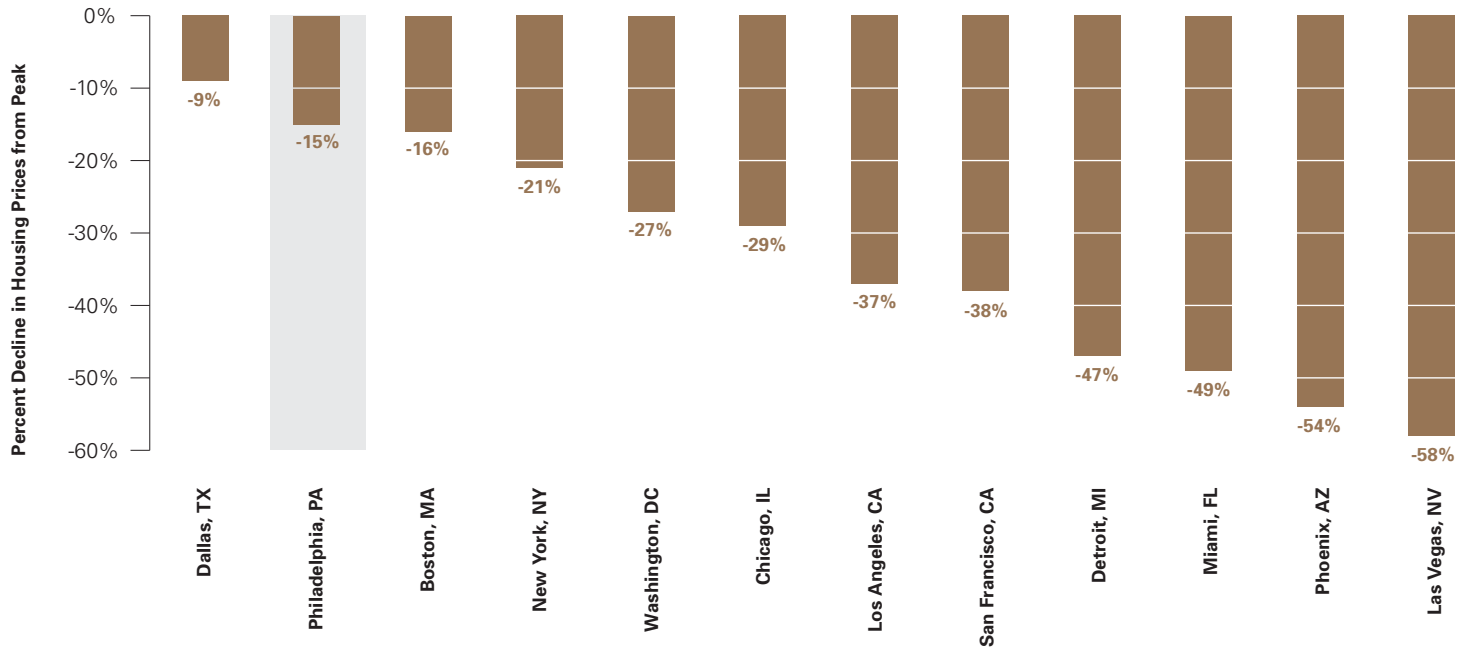
## New Center City Residential Development by Type



Source: CCD, 2011

# Housing

## Cumulative Percent Decline in House Prices from Market Peak



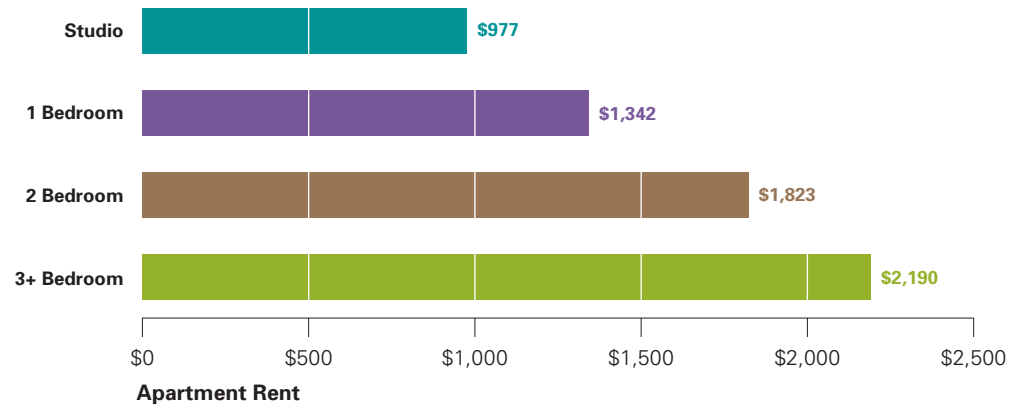
Source: Case Shiller & Econsult, 2011

## Average One-Bedroom Apartment Rent by ZIP Code, 2010

ZIP Code	Avg. One Bedroom Rent
19103	\$1,500
19102	\$1,400
19107	\$1,400
19106	\$1,350
19123	\$1,200
19147	\$1,200
19130	\$1,050
19146	\$1,000

Source: Philadelphia Apartment Co., 2010

## Average Center City Apartment Rent, 2010\*



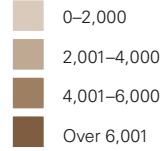
\* Apartment rental rates are based on 2009 lease signings from the Philadelphia Apartment Company as well as survey responses from Center City landlords conducted by the Center City District.

Source: Philadelphia Apartment Co., 2010

## Private-Sector Workers by Neighborhood and Place of Employment: 2008

### Map

Workers by  
Place of Residence



### Pie

Percent of Workers  
Employed in:



Source: LED, On the Map Application, BLS/US Census Bureau

