

A report from



THE PEW CHARITABLE TRUSTS

| July 2014



# Homeownership in Philadelphia: On the Decline

## Acknowledgments

We would like to thank the following policy analysts, advocates, and real estate industry experts for adding context and perspective to this report: Alan Mallach, senior fellow, Center for Community Progress; Karen Black, principal, May 8 Consulting; Ira Goldstein, president of policy solutions, The Reinvestment Fund; Christopher Sawyer, owner, Philadelinquency; Rick Sauer, executive director, and Beth McConnell, policy director, Philadelphia Association of Community Development Corporations; Patricia A. Hasson, executive director, and Anita Brown, chief operating officer, Clarifi; Jonathan Pyle, contract performance officer, Philadelphia Legal Assistance; Michael Froehlich, managing attorney, homeowner and consumer law unit, Community Legal Services of Philadelphia; Frank Monaghan, executive director, Habitat for Humanity Philadelphia; Allan Domb, president, Greater Philadelphia Association of Realtors; and Philadelphia real estate agents Bonita Carp-Banik, Carp-Banik Matthew Realtors, and Mike Fitzpatrick, The Deed Exchange.

In addition, we are grateful to the following academics: Susan Wachter, Albert Sussman professor of real estate and professor of finance, the Wharton School of the University of Pennsylvania; Kenneth Steif, doctoral fellow, Department of City and Regional Planning, University of Pennsylvania; William Rohe, director, Center for Urban and Regional Studies, University of North Carolina; Brian McCabe, assistant professor, Department of Sociology, Georgetown University; and Kevin Gillen, consultant, Fels Institute of Government, University of Pennsylvania.

We also acknowledge the city officials who provided thoughts on policy issues: Philadelphia City Council members Bobby Henon and Mark Squilla and executive director Herbert Wetzel; and Deborah McColloch, director, Philadelphia Office of Housing and Community Development.

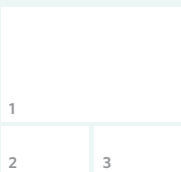
The following independent reviewers provided valuable feedback: David Bartelt, professor emeritus, and Carolyn Adams, professor, Department of Geography and Urban Studies, Temple University; Stephen P. Mullin, president, Econsult Solutions, Inc.; and John Kromer, consultant, Fels Institute of Government, University of Pennsylvania.

## About this report

This report was researched and written by Susan Warner, officer, Philadelphia research initiative of The Pew Charitable Trusts. It was edited by Larry Eichel, project director of the initiative, along with Carol Hutchinson, Dan LeDuc, Bernard Ohanian, and Elizabeth Lowe, and designed by Bailey Farnsworth. Photographs were coordinated by Katye Martens.

## About The Pew Charitable Trusts

The Pew Charitable Trusts is a nonprofit organization that applies a rigorous, analytical approach to improve public policy, inform the public, and stimulate civic life. Pew's Philadelphia research initiative provides timely, impartial research and analysis on key issues facing Philadelphia for the benefit of the city's residents and leaders.



**Cover photos:**

1. Getty Images 2. Holly E. Clark, Stocksy 3. Holly E. Clark, Stocksy

## Overview

The classic brick Philadelphia row house symbolizes the city's strong tradition of homeownership. For generations in Philadelphia and the rest of the nation, owning a home has been a milestone on the path to building household wealth and establishing a stake in the community.

But since 2000, homeownership has been in decline in the United States, a trend that has been especially pronounced in Philadelphia. In recent years, Philadelphia experienced the second-steepest drop in homeownership among the country's 30 largest cities—despite not having been hit as hard as other localities by the housing bubble and foreclosure crisis of the past decade.

Even with the decrease, from 59.3 percent of the city's housing units being owner-occupied in 2000 to 52.2 percent a dozen years later, Philadelphia remains a city of relatively high homeownership. The city's 2012 percentage is slightly higher than the average of the 30 largest cities, and remains above those of most large cities in the Northeast and Midwest.

According to housing and real estate experts, homeownership has declined sharply in Philadelphia—a city that still has a large supply of low-priced homes—because of stagnant incomes, rising home prices, and tight credit following the housing crash and recession. In addition, many members of Philadelphia's growing population of young, mobile adults—like their peers nationally—are holding off on purchasing homes longer than did their counterparts in years past. Some are doing so by choice; others are constrained by low-wage jobs, student debt, and decisions to delay marriage and family.

The local drop in homeownership, not unexpectedly, has been accompanied by an equally significant increase in renting. The question to be considered is what impact this shift from owning to renting, should it continue, will have on individual neighborhoods and on Philadelphia as a whole. Traditionally, homeowners have been widely viewed as more committed to their communities and more likely to engage in civic activity. But some experts say that high levels of homeownership can also stall neighborhood revitalization in some situations.

An analysis by The Pew Charitable Trusts of U.S. Census Bureau housing data shows that:

- Among the nation's 30 largest cities, Philadelphia had the second-biggest decline in homeownership (7.1 percentage points) from 2000 to 2012, behind only Phoenix (7.8 points).
- From 2000 to 2012, the most recent year for which data are available, the number of owner-occupied units in the city declined by 47,082 to 302,551, and the number of rentals grew by 36,885 to 277,323. During the same period, homeownership levels declined the most in Lower Northeast Philadelphia and increased the most in and around Center City.
- The decline was most pronounced among the group usually considered to be traditional homebuyers: married couples and families with children. Yet as homeownership dropped citywide, it rose among single-person households.

Some elements of homeownership in Philadelphia have not changed. An extraordinary number of low-income Philadelphians own their homes—nearly 38 percent of city homeowners have annual household incomes below \$35,000. That percentage is the second-highest among the 30 largest cities, trailing only Detroit.

Philadelphia also has a large share of owner-occupied homes that are owned free and clear, without mortgages, about 41 percent. That is the third-highest rate among the 30 cities, behind only Detroit and Houston. Many of these property owners are elderly and have limited incomes, making it hard for them to keep up with taxes, utilities, and maintenance. Over time, lack of upkeep can contribute to blight and abandonment.

Local officials have tended to encourage homeownership. A prolonged shift toward renting could have future policy implications for the city. For now though, it is not clear whether the decline will be positive or negative, or simply a change.

## Decline in homeownership

Philadelphia's tradition of widespread homeownership dates to the years before World War II. According to David Bartelt, professor emeritus, Department of Geography and Urban Studies at Temple University, other cities typically built dense multiunit rental housing for immigrants and manufacturing workers in those days.<sup>1</sup> Philadelphia was different, he said, in part because it had an abundance of locally controlled savings and loan associations with neighborhood, religious, or ethnic ties. The associations were more willing to finance higher-quality homes for single-family owners than were lenders in other cities.

As a result, Philadelphia developed a large stock of single-family homes designed to house working-class families. Built of brick, these structures have held up better than the wood-frame housing erected at the same time in some other cities. For this reason, Philadelphia's housing stock remained largely intact even as the city's population declined, leading to an oversupply of homes that were affordable for lower-paid workers.

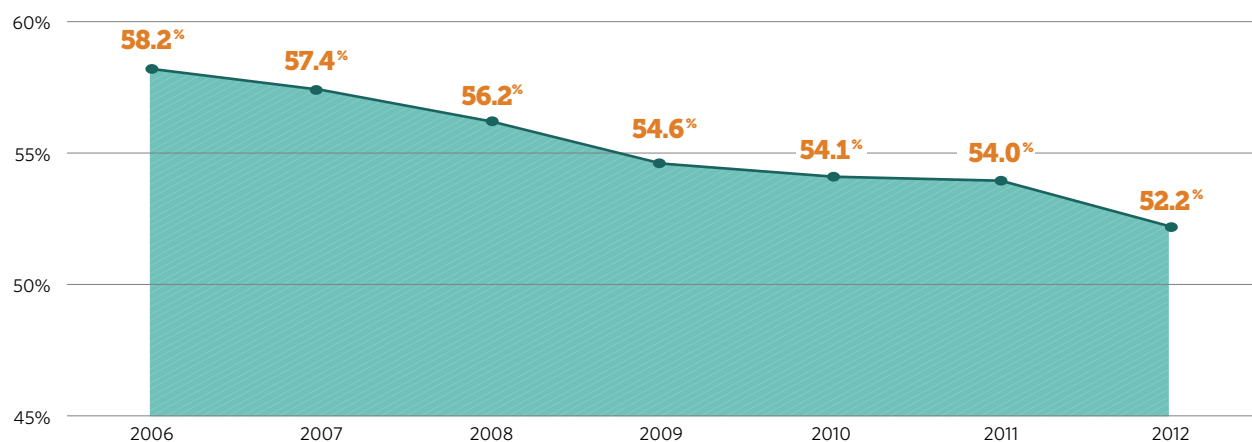
These factors tended to keep homeownership high. As of 2000, 59.3 percent of the city's non-vacant housing was owner-occupied, placing it sixth among the nation's 30 largest cities, behind only Jacksonville, San Jose, El Paso, Phoenix, and Oklahoma City.<sup>2</sup>

But in recent years, homeownership in Philadelphia has declined. The city's rate fell to 52.2 percent in the census estimate for 2012, placing it 12th among the 30 cities, close to the median but higher than most of its Rust Belt counterparts. The bulk of the drop has occurred since 2006, following the housing crash and the Great Recession.<sup>3</sup> (See Figure 1.)

Figure 1

### The Decline in Homeownership in Philadelphia, 2006-12

Percentage of housing units that were owner-occupied



Source: U.S. Census Bureau, American Community Survey, one-year estimate, 2006-2012

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Of the nation's 30 largest cities, Philadelphia had the second-largest decline in homeownership from 2000 to 2012—7.1 percentage points—behind only foreclosure-plagued Phoenix at 7.8 percentage points. During that period, homeownership rates rose in seven of the 30 cities, including New York, Chicago, San Francisco, Washington, and Boston. For the most part, those increases were quite modest.<sup>4</sup> (See Figure 2.)

From 2000 to 2012, the number of owner-occupied housing units in Philadelphia declined by 47,082 to 302,551, and the units occupied by renters grew by 36,885 to 277,323. There was a net drop in the total number of housing units of slightly more than 10,000.<sup>5</sup>

One can look at the change in another way: In 2000, homeownership in Philadelphia was 6.9 percentage points below the national rate, which tends to be higher in suburban or rural areas than in cities. By 2012, it was 11.7 points lower.<sup>6</sup>

During the study period, home prices rose significantly. In 2012, the median value of an owner-occupied home in Philadelphia was \$142,300. Adjusted for inflation, the median value in 2000 was \$81,331.<sup>7</sup> Over the same period, the inflation-adjusted median household income in the city declined. "That has priced out a lot of homeownership opportunities," said Rick Sauer, executive director of the Philadelphia Association of Community Development Corporations.<sup>8</sup>

Without aggressive state and local programs to help Philadelphia residents hang on to their homes, the decline in homeownership would have been even greater, said Susan Wachter, a professor who teaches real estate and finance at the Wharton School of the University of Pennsylvania. "But still," she said, "the crisis had an impact and is part of the story of homeownership in the city."<sup>9</sup>

Even so, Philadelphia has a higher rate of homeownership than most large, older cities in the Northeast and Midwest, including Baltimore, Chicago, Washington, Boston, and New York. (See Figure 3.)

## Changes by neighborhood

Homeownership in Philadelphia varies tremendously from one part of the city to another. In 31 of the city's 46 residential ZIP codes, at least half of all housing is owner-occupied. Eleven of those ZIP codes are in Northeast Philadelphia. The highest rate of homeownership is in Torresdale North (19154), where it is 82 percent.<sup>10</sup>

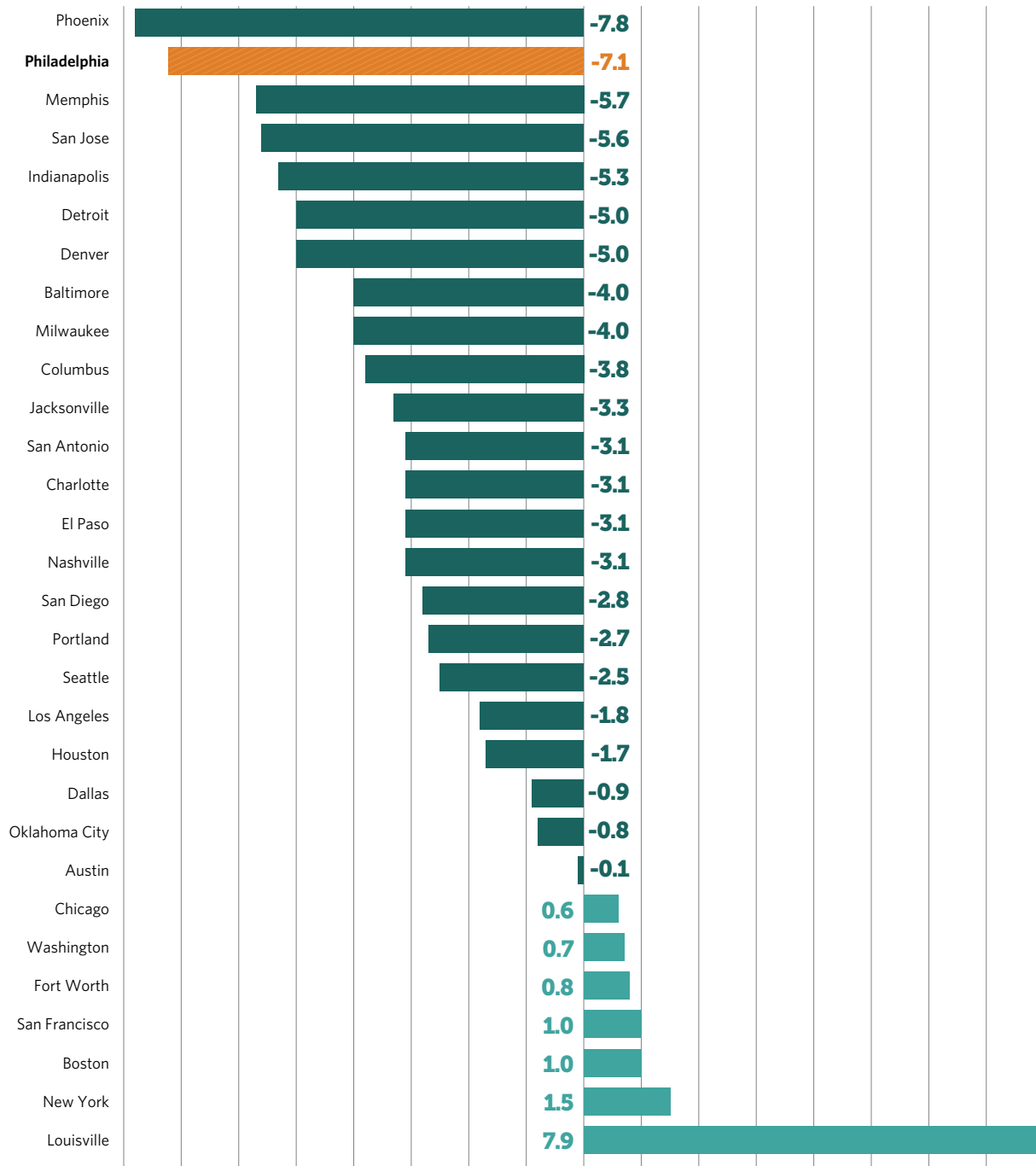
On the flip side, there are 15 ZIP codes where renters predominate. They include Manayunk, Germantown, parts of North and West Philadelphia, and many of the areas in and around Center City, places that have multiunit rental housing. Two Center City ZIP codes, 19102 and 19107, have the lowest rates of homeownership (20 percent) and the highest rates of rentals.<sup>11</sup> (See Figure 4.)

The decline in homeownership has not been uniform across the city. From 2000 to 2012, eight ZIP codes in Philadelphia had double-digit percentage-point decreases, four of them in the Lower Northeast. Nine ZIP codes had small increases in homeownership. Five of those were in Center City, including Washington Square West/Chinatown.<sup>12</sup> (See Figure 5.)

Many of the neighborhoods with falling rates are those where economic and demographic changes have reduced the number of households able to finance and maintain homes. Of the 12 ZIP codes with the greatest declines, all but two had more than a 10 percent decrease in median household income (adjusted for inflation) from 2000 to 2012.<sup>13</sup>

Figure 2

## Percentage-point Change in Homeownership in the 30 Largest U.S. Cities, 2000-12



Note: Louisville merged with Jefferson County in 2003, which accounts for at least some of the increase in homeownership.

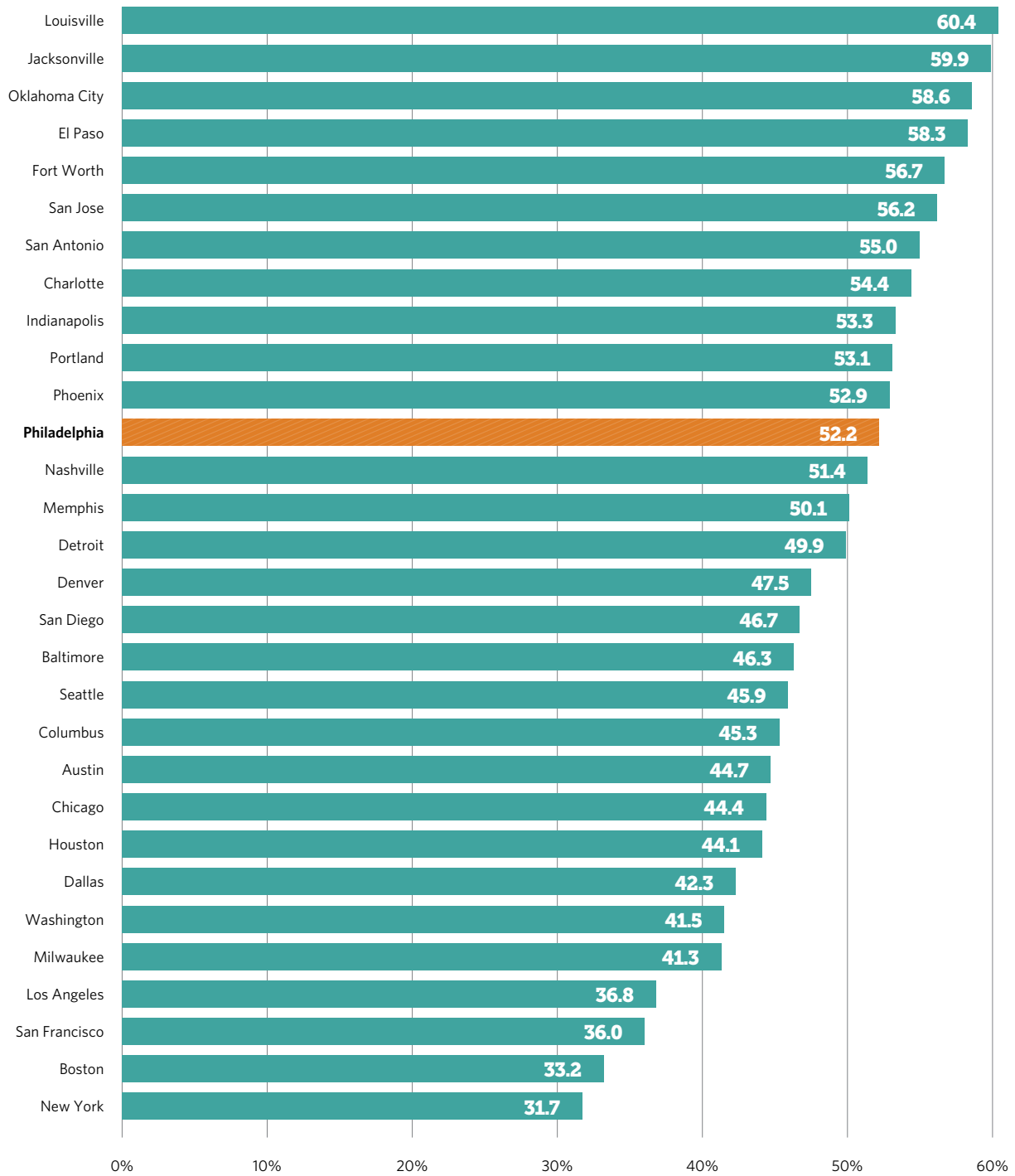
Sources: U.S. Census Bureau, 2000 Census, Summary File 1 (SF-1) Data; American Community Survey, one-year estimate, 2012

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Figure 3

## Homeownership Rates in the 30 Largest U.S. Cities, 2012

Percentage of all occupied housing units that are owner-occupied

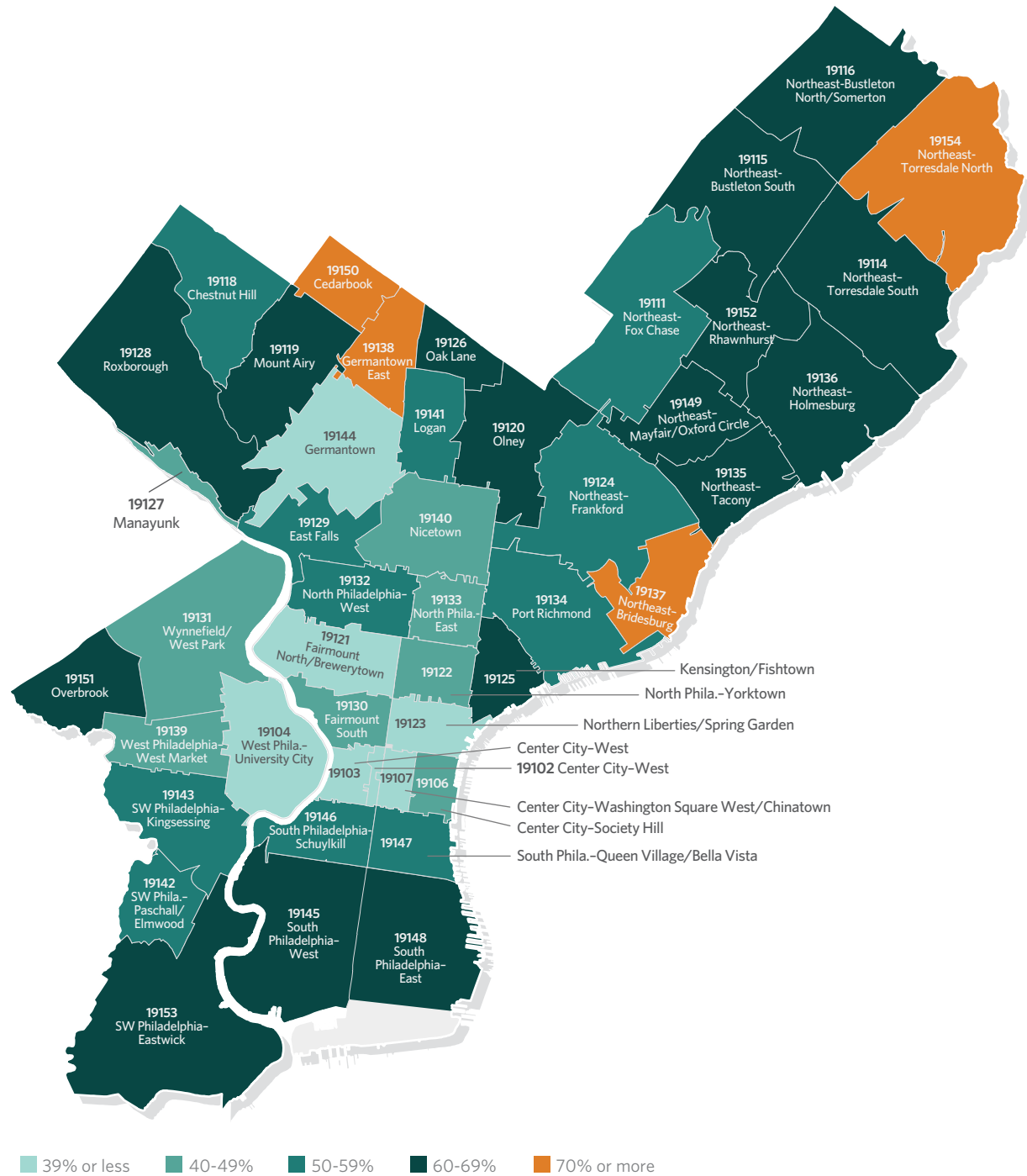


Source: U.S. Census Bureau, American Community Survey, one-year estimate, 2012

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Figure 4

## Homeownership Rates in Philadelphia, by ZIP Code



Note: For the exact percentages for each ZIP code, see Appendix A.

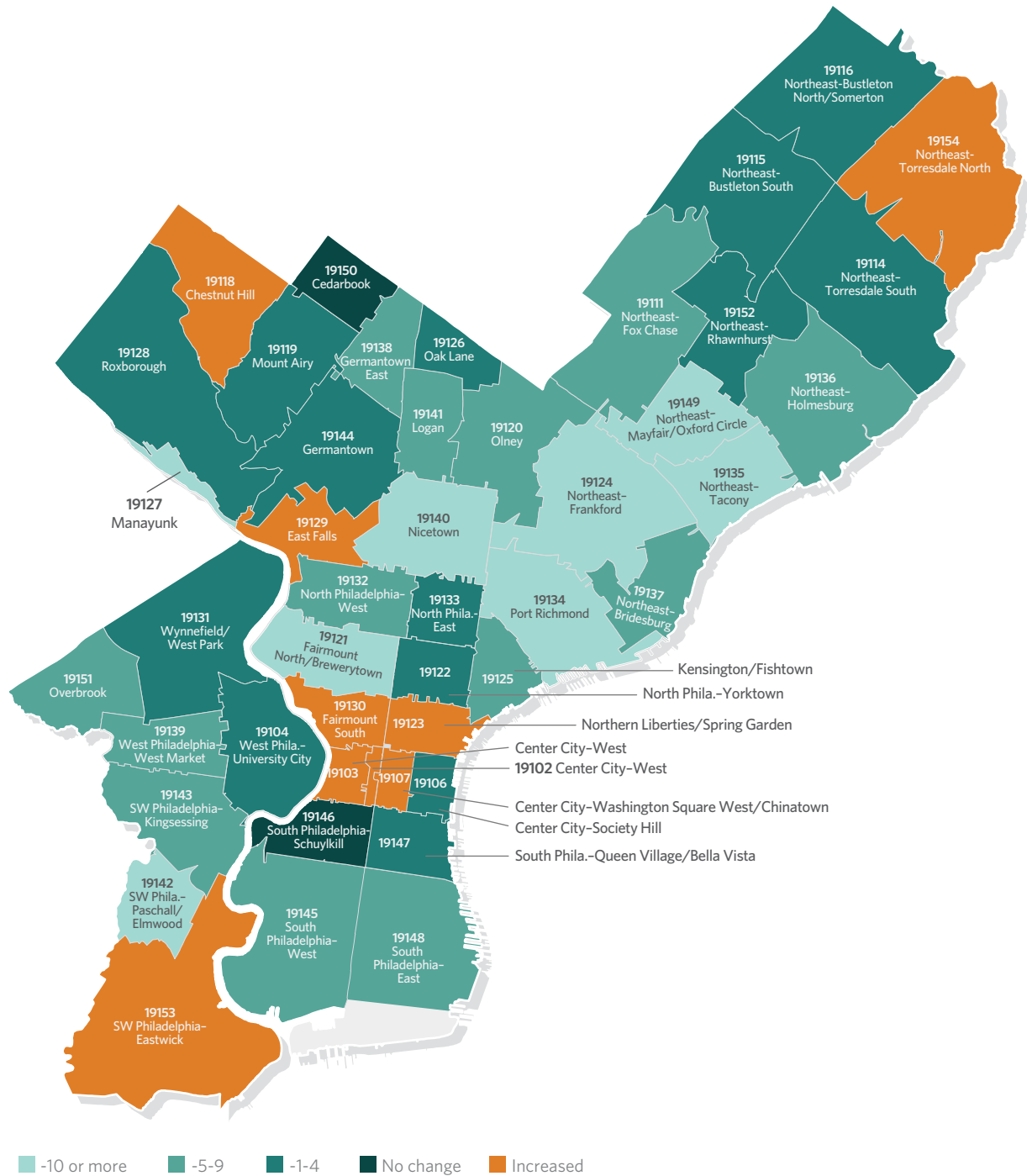
Source: U.S. Census Bureau, American Community Survey, five-year estimate, 2008-2012

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Figure 5

## Percentage-point Change in Homeownership Since 2000



Note: For the exact percentage-point change in each ZIP code, see Appendix B.

Sources: U.S. Census Bureau, 2000 Census, Summary File 1 (SF-1) Data; American Community Survey, five-year estimate, 2008-2012

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“Philadelphia is a mixed bag; you’ve got extreme variations” in home value and quality, said Alan Mallach, a senior fellow at the Center for Community Progress, based in Flint, Michigan, and an expert who has studied what has happened to housing in several cities since the Great Recession.<sup>14</sup> “So in Philadelphia, everything is very neighborhood-specific.”

Not surprisingly, the largest numbers of foreclosures have taken place in some of the same neighborhoods that experienced a big drop in homeownership. Of the 12 ZIP codes with more than 1,000 foreclosure filings since 2008, five were in the Lower Northeast. The Frankford ZIP code (19124) topped the list with 1,973.<sup>15</sup>

According to the real estate website Zillow, more than 30 percent of homeowners in seven ZIP codes in the lower Northeast owe more than their homes are worth; the rate is highest in Tacony (19135) at 42 percent.<sup>16</sup> (See Figure 6.)

From January 2008 through March 2014, mortgage companies filed over 30,000 foreclosure lawsuits against Philadelphia homeowners in the Court of Common Pleas of Philadelphia County, affecting nearly 10 percent of owner-occupied homes in the city. Of those homeowners, 6,661 lost their properties, 6,793 were able to remain in them, and 9,793 cases were still pending as of the end of March 2014. The rest were on hold because of bankruptcy filings or were removed from the docket because the properties were determined to be vacant or not owner-occupied, according to Philadelphia Legal Assistance, which assists homeowners.

Housing advocates say that in the earlier days of the recession, foreclosures were prompted by unemployment or increases in payments when higher rates on subprime loans took effect. Bankruptcies resulting from medical costs also played a part. More recently, they say, homeowners are facing foreclosure because they have lost second jobs or overtime pay—or have had to move to lower-wage positions. “Underemployment has now become a problem, not just unemployment,” said Anita Brown, chief operating officer of Clarifi, a nonprofit Philadelphia housing and credit counseling agency.<sup>17</sup>

In many of these neighborhoods, another factor has reduced homeownership rates: Investors have been buying up single-family homes that were once owner-occupied and converting them to rental properties. Mike Fitzpatrick, a real estate agent in Northeast Philadelphia with The Deed Exchange, estimated that such investors, many of whom live outside the area, are buying most distressed properties that go on the market.<sup>18</sup>

City Council member Bobby Henon, who represents many of the Northeast neighborhoods where homeownership is slipping, does not see this as a positive development. “When you own a home, you take pride in that home and the surrounding neighborhood,” he said. “That’s not to say there’s not a place for renters, but for some landlords at least, there is less of an incentive to cater to responsible renters when you yourself are so far away.”<sup>19</sup>

Even for individuals who want to buy property in the city, tighter credit standards enacted in the wake of the recession are keeping them in rental housing, said Bonita Carp-Banik, a real estate agent with Carp-Banik Matthew Realtors in the Somerton section.<sup>20</sup>



## New attitudes about homeownership

Many city residents, particularly young adults, appear to be less interested in owning homes than were their counterparts in previous years. Census figures show that the number of homes owned by Philadelphians ages 25 to 34 fell 26 percent from 2000 to 2012 although the total population in that age group increased 17 percent.<sup>21</sup>

“If you are 22 to 35, you saw your friend who bought a house lose money or maybe it was your parents or some other relatives,” said Center City realtor Allan Domb, president of the Greater Philadelphia Association of Realtors. “Young people are saying, ‘Why do I want to buy?’ And we have had a lot more younger people in the city in the last few years.”<sup>22</sup>

Fitzpatrick, the real estate agent from Northeast Philadelphia, said that 10 to 20 years ago, young adults were eager to buy any home they could afford; they wanted to get into the market so that they could trade up later. “It was like a fad. Their friends bought a house, so they wanted to have a house, too,” he said. “Now, they would rather do without [a home of their own] and rent until they can afford something they really want, rather than get stuck with something they don’t.”<sup>23</sup>

At the other end of the age spectrum, a lot of older residents, many of them coming into Center City after selling homes in the suburbs, would also rather rent than own, Domb said. Census figures show that from 2000 to 2012, the number of units rented to people ages 55 to 64 increased 64 percent in Philadelphia while the overall population in that age group grew 37 percent.<sup>24</sup> Domb said some of these older residents own vacation homes elsewhere and are aware that there is no tax advantage to owning two homes.

With all of this in mind, Philadelphia real estate developers have made big bets on new rental construction in many parts of the city. In Center City alone, 1,700 apartments were built in 2013, according to the Center City District, a special services group financed by downtown businesses. That was the most since the organization began compiling statistics in 1998.<sup>25</sup>

## Low-income homeowners

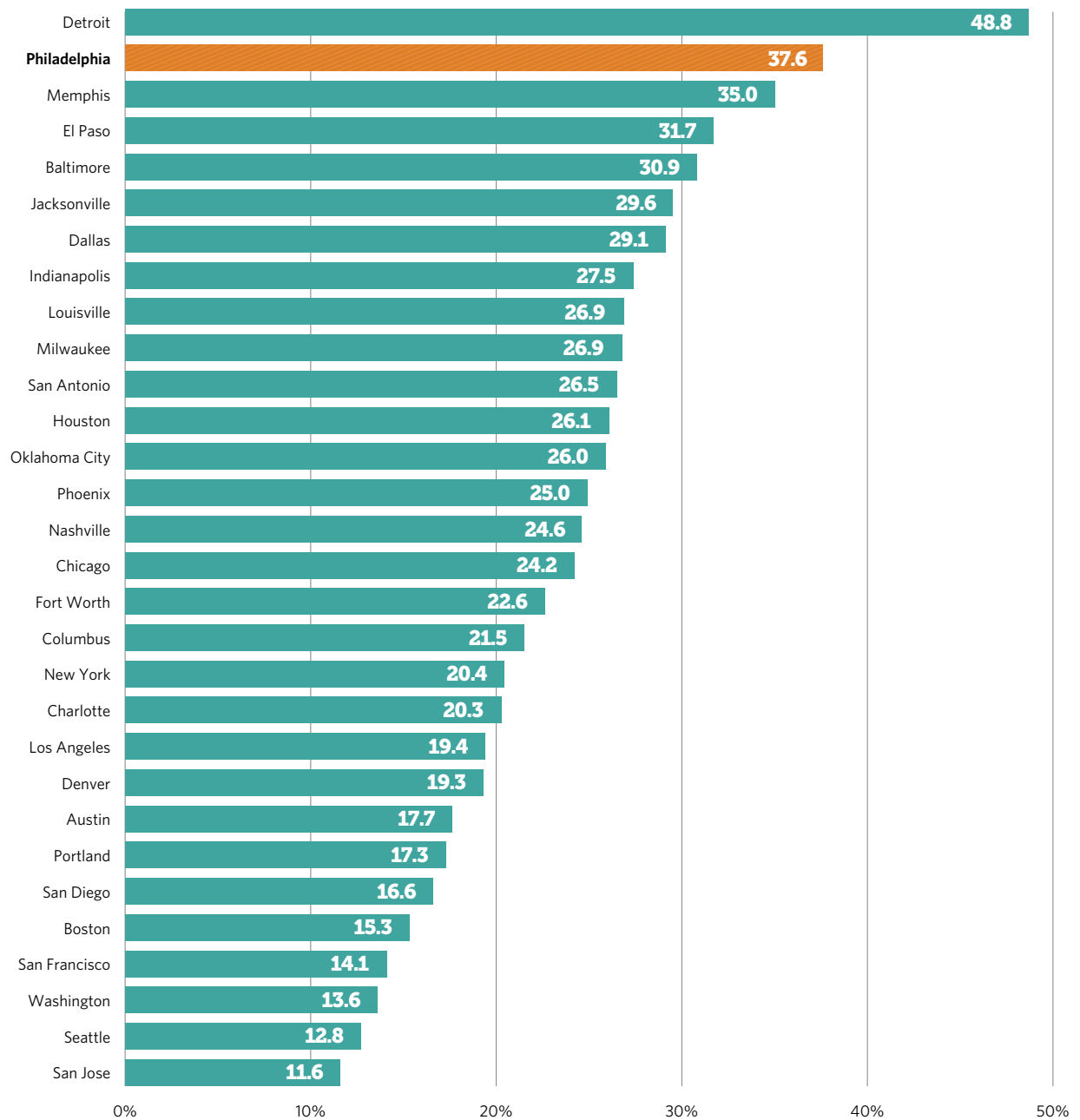
Compared with other cities, Philadelphia has a very high percentage of low-income homeowners. In 2012, individuals earning less than \$35,000 a year accounted for nearly 38 percent of owner-occupied properties. Among the 30 largest cities, Philadelphia was second in that regard, trailing only Detroit.<sup>26</sup> (See Figure 7.)

Decades of population decline have generated a large supply of low-cost housing. “Although residents depart, the housing stock stays put—and over time this exodus, if severe enough, can lead to major home price depreciation,” said Kenneth Steif, a doctoral fellow in the Department of City and Regional Planning at the University of Pennsylvania.<sup>27</sup> Price is a good measure of a home’s quality, he said. “You would be hard-pressed to find a \$15,000 house with a new \$30,000 kitchen.”

In 2009, the Census Bureau’s American Housing Survey broke out data on nine types of housing deficiencies, such as the presence of mice, holes in the floor, and electrical problems, in owner-occupied units in Philadelphia and six other cities. Philadelphia came out second-worst among those cities behind Detroit. The combination of potentially high repair bills and low-income homeowners can also contribute to vacancy and blight.<sup>28</sup>

Figure 7

## Percentage of Homeowners With Household Incomes Less Than \$35,000 in the 30 Largest U.S. Cities, 2012



Source: U.S. Census Bureau, American Community Survey, one-year estimate, 2012

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## Homes owned free and clear

Among the nation's 30 largest cities, Philadelphia had the third-highest rate of homes owned without a mortgage in 2012. Nearly 41 percent of owner-occupants held their properties free and clear, placing Philadelphia behind only Houston and Detroit.<sup>29</sup> (See Figure 8.)

Such homeowners tend to be older people who have been in their homes for long periods. Of those with no mortgages, 49 percent had been in those homes more than 30 years, compared with 11 percent of owners with mortgages or other types of home loans. Of the homes owned free and clear, 50 percent were occupied by at least one person age 65 or over.

Philadelphians who own their homes outright also have substantially lower incomes than those who have mortgages. In 2012, the median household income for homeowners without mortgages was \$32,157, compared with \$61,216 for owners who were still paying off their homes.

Even without the burden of mortgage payments, many of these city residents, particularly those who are senior citizens, struggle with the costs of homeownership. The U.S. Department of Housing and Urban Development says households paying more than 30 percent of their income for housing are at risk of not having enough money to cover other essentials. According to 2012 census figures, about 21 percent of Philadelphia homeowners without mortgages were paying more than 30 percent of their incomes for housing expenses. Those expenses include property tax, insurance, utilities, and, in some cases, condominium fees.

And there is a downside to having so many homes owned free and clear. If properties are in poor condition, homeowners or their heirs may find it easier to abandon them rather than fix them up—even if that means surrendering what remains of their value. “Certainly there’s no bank telling them that they can’t,” said Karen Black, principal of May 8 Consulting, a policy analysis firm. In addition, Black said, many of these homes have been handed down within families without official documentation, creating tangled titles that make it hard for the current owners to obtain home-repair grants or loans.<sup>30</sup>

## A profile of homeownership

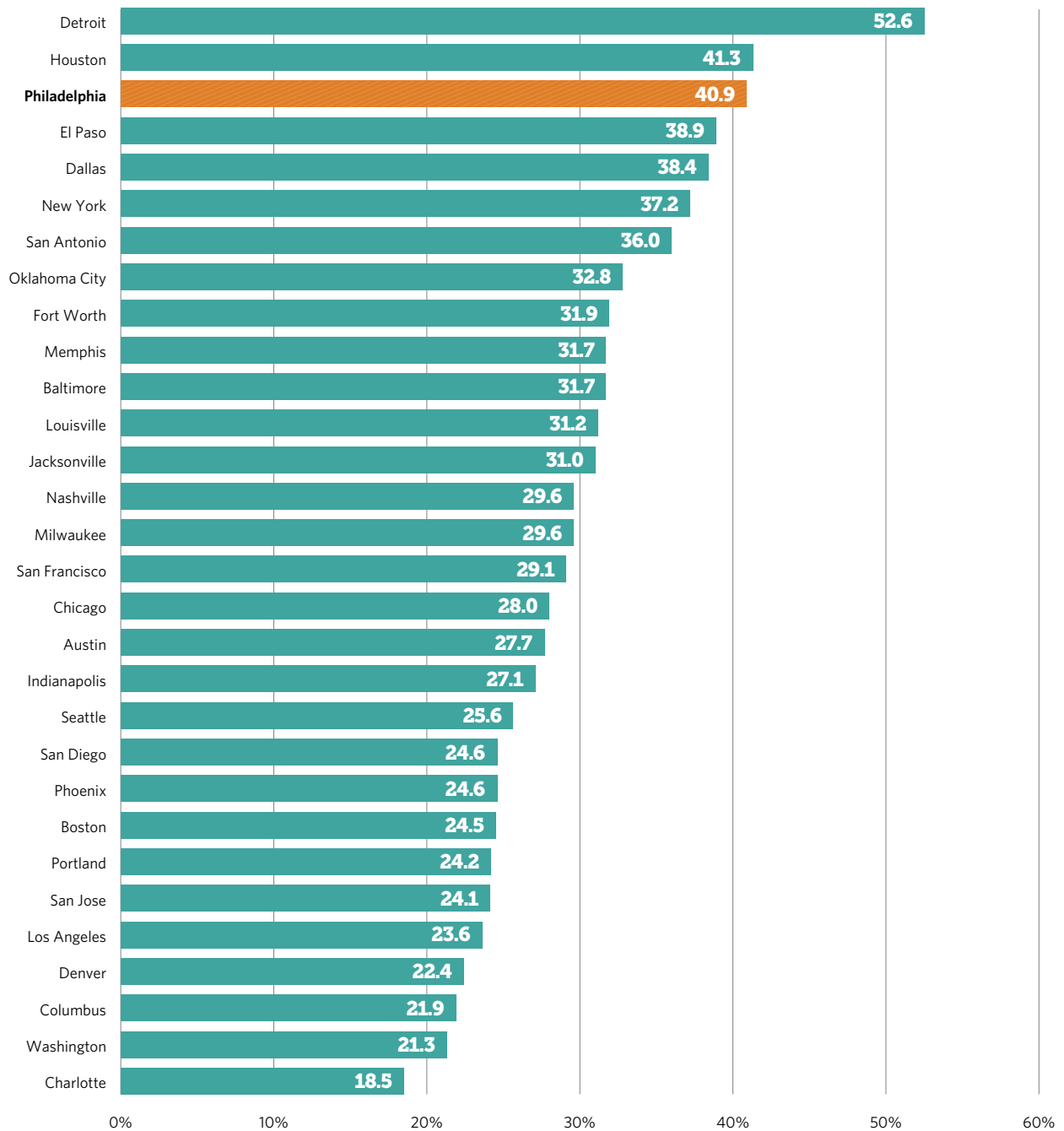
From 2000 to 2012, the number of owner-occupied homes in Philadelphia fell by 47,082. Most of that drop came from the traditional core group of homebuyers: married couples and families with children. Over the same period, the number of homes owned by single people or unmarried individuals living together without children grew slightly.<sup>31</sup>

As a result of those changes, only about 38 percent of city homeowners in 2012 were part of married couples or families with children. Twenty-five percent came from single-parent families. Households made up of single people or unmarried people living together without children accounted for 37 percent.

In 2000, 43 percent of Philadelphia homeowners were part of married couples or families with children; 26 percent were in single-parent families; and 31 percent were single people or unmarried people living together without children. (See Figure 9.)

Figure 8

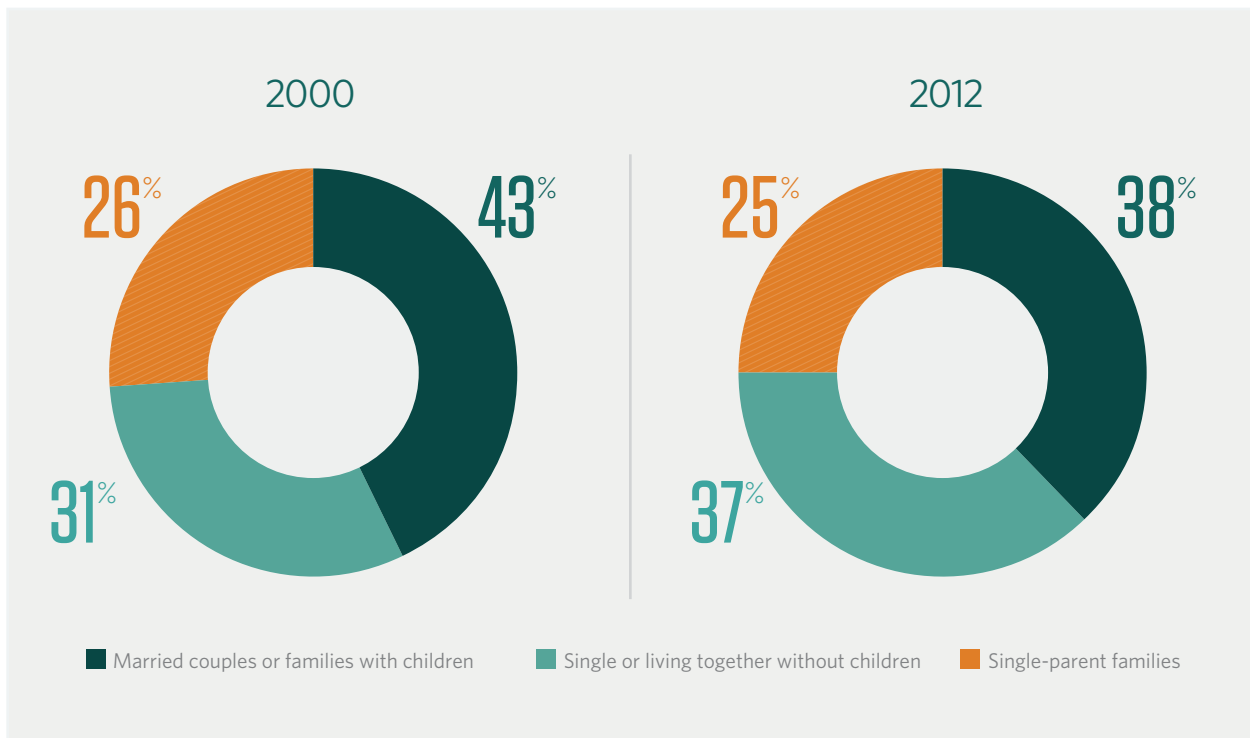
## Percentage of Homes Owned Without a Mortgage in the 30 Largest U.S. Cities, 2012



Source: U.S. Census Bureau, American Community Survey, one-year estimate, 2012

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Figure 9  
The Changing Makeup of Homeownership in Philadelphia



	2000	2012	Change
<b>Owner-occupied units</b>	349,633	302,551	-47,082
<b>Married couples or families with children</b>	149,062	113,998	-35,064
<b>Single or living together without children</b>	107,614	112,437	4,823
<b>Single-parent families</b>	92,957	76,116	-16,841

Sources: U.S. Census Bureau, 2000 Census, Summary File 1 (SF-1) Data; American Community Survey, one-year estimate, 2012

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In addition, whites are somewhat more likely to own their own homes than blacks in Philadelphia. In 2012, whites represented 41 percent of all city households and 47 percent of owner-occupants. For blacks, the corresponding figures were 42 percent and 39 percent. Hispanics accounted for 10 percent of households and 9 percent of owner-occupied homes. Asians made up 5 percent of city households and 3 percent of homeowners.<sup>32</sup>

Immigrants have a slightly higher rate of homeownership than the city's population overall. Fifty-six percent of foreign-born residents own their homes—16 percent of them free and clear—compared with the citywide homeownership figure of 52.2 percent.<sup>33</sup>



## City Housing Development Programs

City programs designed to bolster affordable housing for low- and moderate-income residents have experienced cutbacks in recent years, and the remaining funds are being used more for renters than homeowners.

In the fiscal year beginning July 1, 2014, Philadelphia will receive \$48 million in housing and community economic development aid from the federal government, down from \$88 million in fiscal 2002. During the recession, the city received \$74 million in federal stimulus money for rental and homeownership projects; that funding ended last year.

Since 2000, the city has developed 1,644 new homes for sale to low-income buyers but has no immediate plans to build more. Deborah McColloch, director of the city's Office of Housing and Community Development, said potential homebuyers are having trouble arranging financing, and 60 of those homes are still available for purchase.<sup>34</sup> To preserve existing homeownership, the city is focusing more on repairs and counseling programs designed to help people facing foreclosure stay in their homes. Last year, the Basic Systems Repair Program helped 1,196 low-income owners repair roofs as well as heating and plumbing systems.

These days, it is easier to leverage spending on rental construction with other sources of financing, McColloch said. "It's always a balancing act, and in times of scarce resources, you have to go to where you can make the most difference," she said, adding that her main concern is the cost of quality housing. "The shift toward more new rental developments and away from new homeownership developments will increase affordability in the city based on the resources we have available."

In March 2014, City Council President Darrell Clarke proposed a plan to use city-owned land to develop homes for purchase by moderate-income workers that would be subsidized by federal and state tax credits. Clarke's proposal also calls for developing apartments for low-wage residents.

## What homeowners mean to a city

Homeownership traditionally has been viewed as a good thing for individuals and families, although there can be downsides.

Research shows that, even after the recession, homeownership remains the source of most family wealth in the United States, particularly for lower-income people.<sup>35</sup>

"It is one of the few options that they have for creating wealth," said William Rohe, director of the Center for Urban and Regional Studies at the University of North Carolina, noting that owning a home through a mortgage can build long-term wealth because the purchase is heavily leveraged. A buyer who puts down 10 to 15 percent of the price of a house can benefit from the appreciation of the entire value of the property, not just the initial investment. "The return on that is incredible," Rohe said.<sup>36</sup>

Traditionally, homeownership also has been seen as good for communities, on the theory that people who have physical and financial stakes in a neighborhood or city are more likely to be invested in its overall well-being. They also tend to remain in their neighborhoods longer, providing stability and social connections. In a Pew poll conducted in the summer of 2013, 75 percent of homeowners said they had been in the same neighborhood for more than 10 years, compared with 35 percent of renters.<sup>37</sup>

National research shows that homeowners, particularly those in single-family homes, tend to be more involved in their communities and more likely to vote.<sup>38</sup>

In Philadelphia, the same patterns hold true. Data from the Census Bureau's 2011 Current Population Survey show that homeowners are more likely than renters to participate in neighborhood or school organizations; about 15 percent of homeowners did so, compared with about 10 percent of renters. Nearly three-quarters of Philadelphia homeowners said they do favors for their neighbors at least a few times a month; only half of renters reported doing so.<sup>39</sup>

In addition, voter turnout among homeowners in Philadelphia outpaced turnout among renters by 15 percentage points in November 2012, according to the survey.<sup>40</sup>

"Homeowners have a connection with the community and their neighborhood, and they also have a vested interest in what's going on around them, because they have property that is worth something to them," said Philadelphia City Council member Mark Squilla.<sup>41</sup> "If renters don't like their neighborhood, they can pick up and move to a different apartment in another neighborhood. The homeowner is 100 times more tied to the community than the majority of renters."

Owning one's home can have drawbacks, however. For instance, it makes workers less mobile and able to relocate if they lose or want to change their jobs, both of which are happening more often now than in decades past.

And widespread homeownership, although it can slow decline in neighborhoods under stress, also can stall revitalization and limit opportunity for others to move into better neighborhoods. In Philadelphia, the decline in homeownership comes at a time when the city is experiencing its first population increase in decades. These factors and others suggest that the decline in homeownership may in some ways be a good thing, said Stephen P. Mullin, president of Econsult Solutions, Inc., a public policy consulting firm.<sup>42</sup>

The importance of homeownership to creating strong social connections in communities can also be overstated. Georgetown University sociology professor Brian McCabe said that income, education, and the amount of time spent in either an owned or rented home also are strong determinants of civic and political participation. "The perception is that homeowners are highly engaged and are the best citizens," he said. "The reality is they are a little bit better and a little bit more engaged."<sup>43</sup>

McCabe said politicians sometimes allow homeowners to block projects in their neighborhoods that might benefit the city as a whole. "That is when homeownership is not such a good thing politically," he said.

## Homeownership and policy

Historically, local officials have adopted policies to encourage homeownership. To some degree, that continues to be the case.

For instance, as part of the Actual Value Initiative property tax overhaul that took effect in 2014, the city capped tax increases for lower-income homeowners who had lived in their houses for 10 years or more and saw very

large increases in their tax bills. As of early April, 17,407 homes had been approved for the program, costing the city \$12.2 million in property tax revenue.<sup>44</sup>

What are the likely policy implications for the city if the decline in homeownership continues?

One possibility is a reduction in the political resistance to changes advocated in some quarters regarding the city's overall tax structure. Some in the business community would like to see a shift away from taxes on wages and businesses to increased reliance on the property tax; compared with other major cities, Philadelphia's property taxes are relatively low. City Council members, sensitive to their homeownership constituents, have exhibited little enthusiasm for such a shift.

A city with fewer homeowners and more tenants might find it easier politically to make progress on its massive property tax delinquency problem. Christopher Sawyer, a Kensington resident who has been active in the fight against delinquency and blight, said officials may be more willing to go after landlords for back taxes than homeowners. He said no politician wants to be associated with forcing poor or aging homeowners out of their houses.<sup>45</sup>

As is always the case with real estate, location matters. Effective policy approaches to the changing patterns of homeownership in Philadelphia are likely to vary by neighborhood.

For now, it remains to be seen whether the current decline is the beginning of a fundamental change in the city's makeup—and whether that change turns out to be good, bad, or just different.

Appendix A

## Homeownership Rates in Philadelphia

ZIP code	Community name	Percentage
19154	Torresdale North	82
19150	Cedarbrook	78
19137	Bridesburg	77
19138	Germantown East	71
19152	Rhawnhurst	65
19151	Overbrook	65
19149	Mayfair/Oxford Circle	64
19148	South Philadelphia East	64
19153	Eastwick	63
19136	Holmesburg	63
19119	Mount Airy	63
19128	Roxborough	62
19125	Kensington/Fishtown	62
19116	Bustleton North/Somerton	62
19114	Torresdale South	62
19135	Tacony	61
19126	Oak Lane	61
19115	Bustleton South	61
19145	South Philadelphia West	60
19120	Olney	60
19111	Fox Chase	58
19129	East Falls	57
19124	Frankford	57
19132	North Philadelphia West	54
19134	Port Richmond	53

ZIP code	Community name	Percentage
19143	Kingsessing	52
19142	Paschall/Elmwood	52
19141	Logan	52
19147	Queen Village/Bella Vista	51
19146	Schuylkill	50
19118	Chestnut Hill	50
19140	Nicetown	49
19133	North Philadelphia East	49
19131	Wynnefield/West Park	48
19106	Society Hill	46
19130	Fairmount South	44
19139	West Market	43
19122	Yorktown	42
19127	Manayunk	41
19144	Germantown	38
19123	Northern Liberties/Spring Garden	35
19103	CC West	34
19121	Fairmount North/Brewerytown	32
19104	University City	21
19107	Washington Square West/Chinatown	20
19102	CC West	20

Source: U.S. Census Bureau, American Community Survey, five-year estimate, 2008-2012

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Appendix B

Percentage-point Change in Homeownership in Philadelphia, 2000-12

ZIP code	Community name	Percentage change
19142	Paschall/Elmwood	-15
19134	Port Richmond	-14
19149	Mayfair/Oxford Circle	-14
19135	Tacony	-13
19124	Frankford	-11
19127	Manayunk	-10
19121	Fairmount North/Brewerytown	-10
19140	Nicetown	-10
19120	Olney	-9
19139	West Market	-9
19143	Kingsessing	-9
19148	South Philadelphia East	-8
19132	North Philadelphia West	-7
19141	Logan	-7
19145	South Philadelphia West	-7
19125	Kensington/Fishtown	-7
19111	Fox Chase	-6
19136	Holmesburg	-5
19137	Bridesburg	-5
19138	Germantown East	-5
19151	Overbrook	-5
19131	Wynnefield/West Park	-4
19126	Oak Lane	-3
19144	Germantown	-3

ZIP code	Community name	Percentage change
19122	Yorktown	-2
19104	University City	-2
19119	Mount Airy	-2
19106	Society Hill	-1
19114	Torresdale South	-1
19115	Bustleton South	-1
19116	Bustleton North/Somerton	-1
19128	Roxborough	-1
19133	North Philadelphia East	-1
19147	Queen Village/Bella Vista	-1
19152	Rhawnhurst	-1
19146	Schuylkill	0
19150	Cedarbrook	0
19118	Chestnut Hill	1
19154	Torresdale North	1
19153	Eastwick	2
19103	Center City West	3
19102	Center City West	4
19123	Northern Liberties/Spring Garden	4
19129	East Falls	4
19130	Fairmount South	7
19107	Washington Square West/Chinatown	10

Sources: U.S. Census Bureau, 2000 Census, Summary File 1 (SF-1) Data; American Community Survey, five-year estimate, 2008-2012

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Appendix C

## Percentage of Philadelphia Homeowners Who Owe More Than Their Homes Are Worth

ZIP code	Community name	Percentage
19135	Tacony	42
19124	Frankford	39
19142	Paschall/Elmwood	35
19127	Manayunk	35
19149	Mayfair/Oxford Circle	34
19120	Olney	34
19137	Bridesburg	34
19134	Port Richmond	33
19136	Holmesburg	33
19140	Nicetown	32
19133	North Philadelphia East	32
19153	Eastwick	32
19111	Fox Chase	31
19132	North Philadelphia West	29
19107	Washington Square West/Chinatown	28
19143	Kingsessing	27
19144	Germantown	27
19146	Schuylkill	26
19139	West Market	25
19141	Logan	25
19145	South Philadelphia West	25
19122	Yorktown	25
19131	Wynnefield/West Park	25
19129	East Falls	25



ZIP code	Community name	Percentage
19148	South Philadelphia East	24
19125	Kensington/Fishtown	24
19152	Rhawnhurst	24
19138	Germantown East	23
19151	Overbrook	23
19106	Society Hill	22
19126	Oak Lane	22
19121	Fairmount North/Brewerytown	21
19104	University City	21
19128	Roxborough	21
19114	Torresdale South	20
19123	Northern Liberties/Spring Garden	20
19150	Cedarbrook	19
19154	Torresdale North	19
19130	Fairmount South	19
19115	Bustleton South	17
19116	Bustleton North/Somerton	17
19119	Mount Airy	16
19147	Queen Village/Bella Vista	16
19103	Center City West	14
19102	Center City West	14
19118	Chestnut Hill	8

Source: Zillow Real Estate Research, *Zillow Negative Equity Report*, fourth quarter 2013

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## Endnotes

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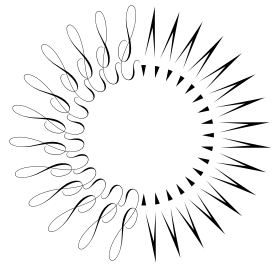
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