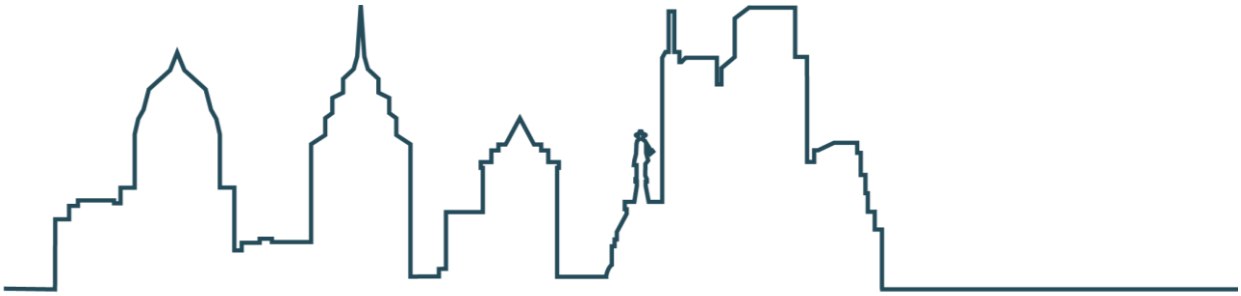
Market Analysis of the Sharswood Blumberg Choice Neighborhood Housing Redevelopment

Date: October 30, 2019
Submitted to: Hunt-Pennrose Sharswood, LLC



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Executive Summary

The Philadelphia Housing Authority, along with Hunt-Pennrose Sharswood, LLCthrough their Housing Plan, will be redeveloping housing in Sharswood Blumberg Choice Neighborhood. As of this study, 646 housing units will be redeveloped with Hunt-Pennrose Sharswood, LLCoverseeing the redevelopment of 400 of those units. Based on our analysis of the Primary Market Area and its surrounding areas, our recommendations for the development of 646 market rate and LIHTC housing units in the Choice Neighborhood are as follows.

Phasing and Location of Development

PHA previously demolished the majority of the former Blumberg public housing site in 2016, removing one of the main blighting influences on the neighborhood, and has completed construction of one phase of on-site housing, with another underway, and a third with construction set to complete in the spring of 2020.

Due to the current market rate housing demand pressures as well as the new construction penetration from both within the Primary Market Area to the west (Brewerytown neighborhood) and directly south of the Choice Neighborhood (Fairmount neighborhood), we suggest that market rate, workforce, and affordable housing can be developed immediately.

We suggest commencing off-site housing development on the southern border of the Choice Neighborhood first, due to the stronger housing prices in Fairmount. The new PHA Headquarters and a planned supermarket along Ridge Avenue are the first steps in revitalizing the commercial corridor. The area closest to these new amenities can support multifamily rentals to bring more activity to the corridor.

Next, due to the large number of vacant parcels and economies of scale to be had for development, we suggest developing the area labeled as Section “2.” Immediately south of this area, also benefitting from the strong home prices in the Brewerytown neighborhood and the amenity of Athletic Square, we recommend developing the area labeled as “3” next. Similarly, given the strength of the Fairmount neighborhood housing market, we suggest following up with development north of Girard College, which is labeled as Section “4” in Figure ES.1. Lastly, we recommend Section “5” to be developed as the final phase, after stabilizing the large number of vacant parcels identified in Section “2.”

We note that throughout the Choice Neighborhood, the presence and condition of the existing housing stock varies considerably and a range of new housing types can be supported. Our initial focus is on blocks where we believe development can have a significant impact in the community.

We suggest developing mostly rowhome style units throughout, which is in line with the existing housing stock in the area. Given the desire to attract families back to the neighborhood, the recently re-opened Vaux High School, and strong sales of multi-bedroom units, two- to four-bedroom units would be feasible. In addition, given the large group of young professionals living in the city and being attracted to lower-rent neighborhoods, such as Brewerytown, we believe that potential multi-family developments can also support one-bedroom units.

Rental Units (Sections 1, 2, 3, and 5)

Given the area's market conditions, we believe most of the area should be rental units. With approximately 70 percent of the Primary Market Area earning less than 40 percent of the Area Median Income (AMI) and average market rents above the 60 percent AMI rent levels, there is a high need in the area for affordable rentals. In addition, given the attraction of neighborhoods including Brewerytown for young professionals and families priced out of Center City, there is an opportunity for market rate rentals as well.

Due to the new location of PHA's Headquarters and a planned supermarket along Ridge Avenue, we recommend developing Section "1" first, as it is closest to Ridge Avenue. This will help to create new and greater density, and allow future residents to take advantage of the revitalizing commercial corridor. We recommend a mix of affordable and market rate one- and two-bedroom units, due to the strength of the housing market south of Section "1," the Fairmount neighborhood. For affordable rental rates, we recommend rates in line with the 40 to 50 percent AMI guidelines, which is $800-$1,000 for a two-bedroom rental unit (see Figure 3.22). For market rate rentals in this area, we recommend rates in line with the median rental rates of the Primary Market Area of up to $1,480 for a two-bedroom unit (see Figure 3.13).

Within Section "2," we suggest developing the 2400 and 2500 blocks of Oxford Street, Redner Street, Bolton Street, and Nassau Street. The large number of vacant parcels will enable more flexibility with the type of construction that would be permissible within the neighborhood. For this area, we would suggest affordable rental rates in line with the 40 to 50 percent AMI and market rate rental rates of up to $1,500 for a three-bedroom unit.

Moving south, within Section "3," we suggest developing the 2500 blocks of Jefferson Street and Stewart Streets with a mix of affordable and market rate rental units. While the 2400 block of Stewart Street is primarily vacant, blocks adjacent are currently occupied and stable. On this street, we would suggest a complete full-block construction of two-story townhomes. For rentals in this area, we recommend similar rates as specified for Section "1" and "2."

Section "5" is an area of opportunity for future new construction development, due to the vacant and uninhabitable structures along the 2500 blocks of West Nicholas Street and West Turner Street. This area is furthest from current housing market forces that are positively impacting other areas of the Choice Neighborhood. Habitat for Humanity is currently developing 20 new construction homes for home ownership, directly east of Section "5" so this will help to further stabilize along with the development of Section "2."

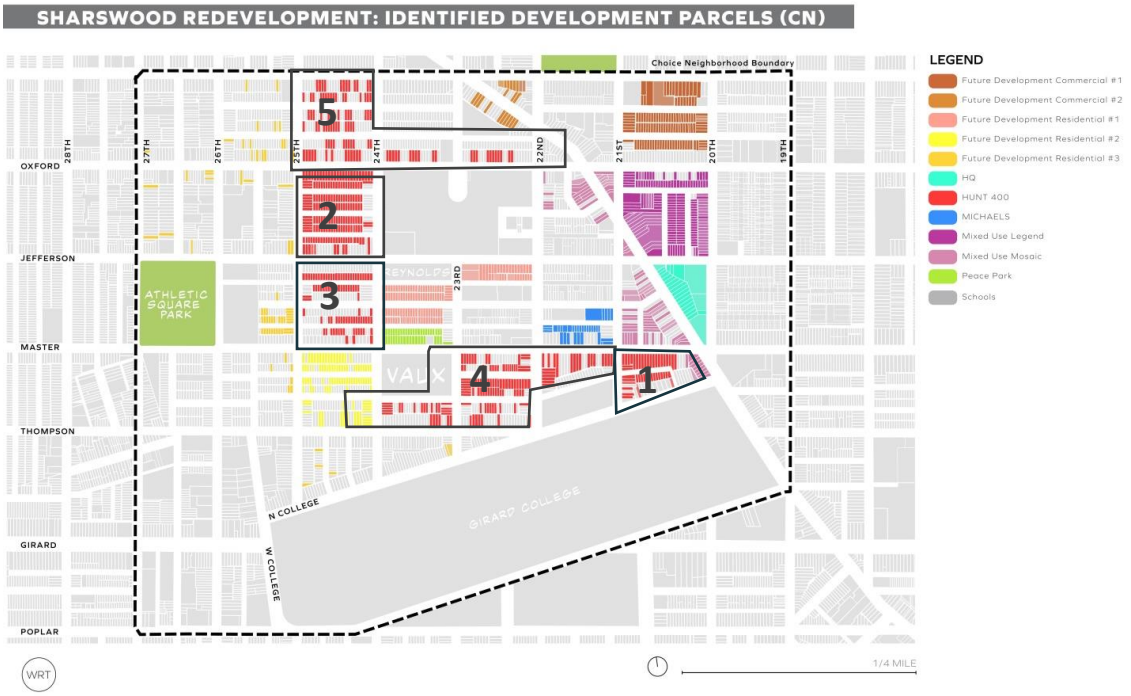
Homeownership (Section 4)

Within Section "4," we suggest initiating new construction development on both sides of the mostly-vacant 2300 block of Ingersoll Street for mixed-income homeownership units while simultaneously stabilizing the surrounding area by developing infill housing on the 2300 block of West Seybert Street to the south for workforce and affordable housing units.

While homes directly south of the Choice Neighborhood in the Fairmount area are currently selling for an average price of $436,000 (see Figure 4.6), and to the north in the Brewerytown neighborhood, are selling for a median listing price of $325,458 (see Figure 3.17). We believe that newly constructed townhomes on the 2300 block of Ingersoll Street could initially sell in the range of $150,000 to $250,000. After initial development, it is possible that these units could be priced higher as low housing stock and high sales prices to the south may pivot homebuyers north.

To stabilize the neighborhood, increase curb appeal, and further attract residents, we recommend infill housing on both sides of the 2300 block of West Seybert Street. This could be a mixture of workforce and affordable home ownership units with prices below $200,000. The 2300 block of West Seybert Street has a mix of three- and two-story dwellings on either side of the street in low to moderate condition. We suggest infilling vacant parcels with rowhomes consistent with the size and scale of the current housing stock in order to sustain block conformity.

Figure ES.1 – Suggested Phasing of Market Rate and Affordable Housing Development in the Sharswood Choice Neighborhood



Source: Hunt-Pennrose Sharswood, LLC (2018), Econsult Solutions (2018)

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1. Introduction

1.1. Purpose of This Market Study

The Philadelphia Housing Authority (PHA) and Hunt-Pennrose Sharswood, LLCare redeveloping 645 housing units in the Sharswood Choice Neighborhood. After the recent implosion of the Blumberg Towers, the condemnation of vacant and blighted buildings, and the groundbreaking of PHA's new headquarters, the next phase of the Sharswood/Blumberg community redevelopment is poised to begin. Hunt-Pennrose Sharswood, LLC seeks a market study that examines the unique opportunities and challenges of the Choice Neighborhood, PHA's mission to provide safe and quality affordable housing, and leverage the city's population resurgence and the subsequent capital investment in new residential, office, retail, and recreation development.

1.2. The Sharswood Choice Neighborhood and the PMA

For the purposes of this market study, we define an area—designated the Primary Market Area (PMA)—as the basis for our analysis of the area's current economic trends. The PMA for this analysis is defined as Broad Street to the east, Poplar Street to the South, Kelly Drive to the west, and West Glenwood Avenue for the northwestern arc (see Figure 1.1).

The Sharswood Choice Neighborhood is contained entirely within the PMA and is bounded by 19th Street on the east, 27th Street on the west, Cecil B. Moore Avenue on the north and Poplar Street towards College Avenue on the south. The Choice Neighborhood Initiative designation recognizes the need for revitalization in this area, and is committed to tackling the high poverty, unemployment, vacancy, and homicide rates through a multi-pronged approach of activating individuals, the neighborhood, and housing initiatives. The City has begun its 10 year, half a billion dollar investment to revitalize the area, with hopes of attracting more middle-income residents and raising the incomes of low-income residents. Another neighborhood investment includes PHA's purchase and renovation of the former Roberts Vaux High School, which reopened on September 19, 2017 as Vaux Big Picture High School, a neighborhood public school managed by a non-profit organization.

Figure 1.1: Sharswood PMA



Source: Econsult Solutions (2019), MapBox (2018)

1.3. Area Challenges

North Philadelphia has an extensive history from which it has developed a unique regional identity, different from other Philadelphia neighborhoods. During the industrial boom in the United States, North Philadelphia became a manufacturing center, employing thousands of Philadelphians. Homes were built to house the large laborer population. Along with being an employment hub, the completion of freight and passenger railways and Broad Street Line subway turned this region into a thriving transportation hub.

Historically, Ridge Avenue was one of the most important retail corridors in the city, but the area now lacks retail, forcing residents to go somewhere else to purchase goods at grocery stores and general merchandise stores. Figure 1.2 shows the Supply/Leakage Factors of several industries in the Sharswood Choice Neighborhood, where the Leakage/Surplus factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). Leakage in an area represents a condition where the market's supply is less than the demand, so the current number of retail offerings are not meeting the demand in the Sharswood Choice

Neighborhood. The addition of neighborhood retail along the Ridge Avenue corridor will be important for attracting new residents to the area.

Figure 1.2: Supply/Leakage Factors by Industry in the Sharswood Choice Neighborhood



Source: ESRI Business Analyst (2019)

Beginning in the 1960s, the manufacturing sector in Philadelphia suffered huge declines and the loss of jobs changed the landscape of the area. Workers left to find new jobs, commercial and residential property values declined, and white flight towards suburban areas led to disinvestment in these once vibrant neighborhoods.

However, as this market study will show, the Sharswood neighborhood, along with other areas of Philadelphia, is currently undergoing a housing market shift as more individuals are choosing to reside within the city limits.

1.4. Market Analysis Outline

The remainder of the report is divided in to the following sections:

- Section 2 describes the existing amenities with the PMA along with several of the planned economic development initiatives planned for the area.
- Section 3 provides context for the existing and potential markets for workforce and market-rate housing in the PMA and the Sharswood Choice Neighborhood.
- Section 4 explores the housing conditions in the neighborhoods surrounding the PMA, specifically Strawberry Mansion to the northwest, West Poplar/Yorktown to the east, and Fairmount to the south.
- Section 5 concludes with several recommendations on locations of proposed market rate, workforce, and affordable housing within the Choice Neighborhood based on the findings of the previous sections.

2. Current Amenities and Planned Economic Development Initiatives

This section articulates the current economic development initiatives in and around the Choice Neighborhood that could influence new residents and businesses to relocate to the area.

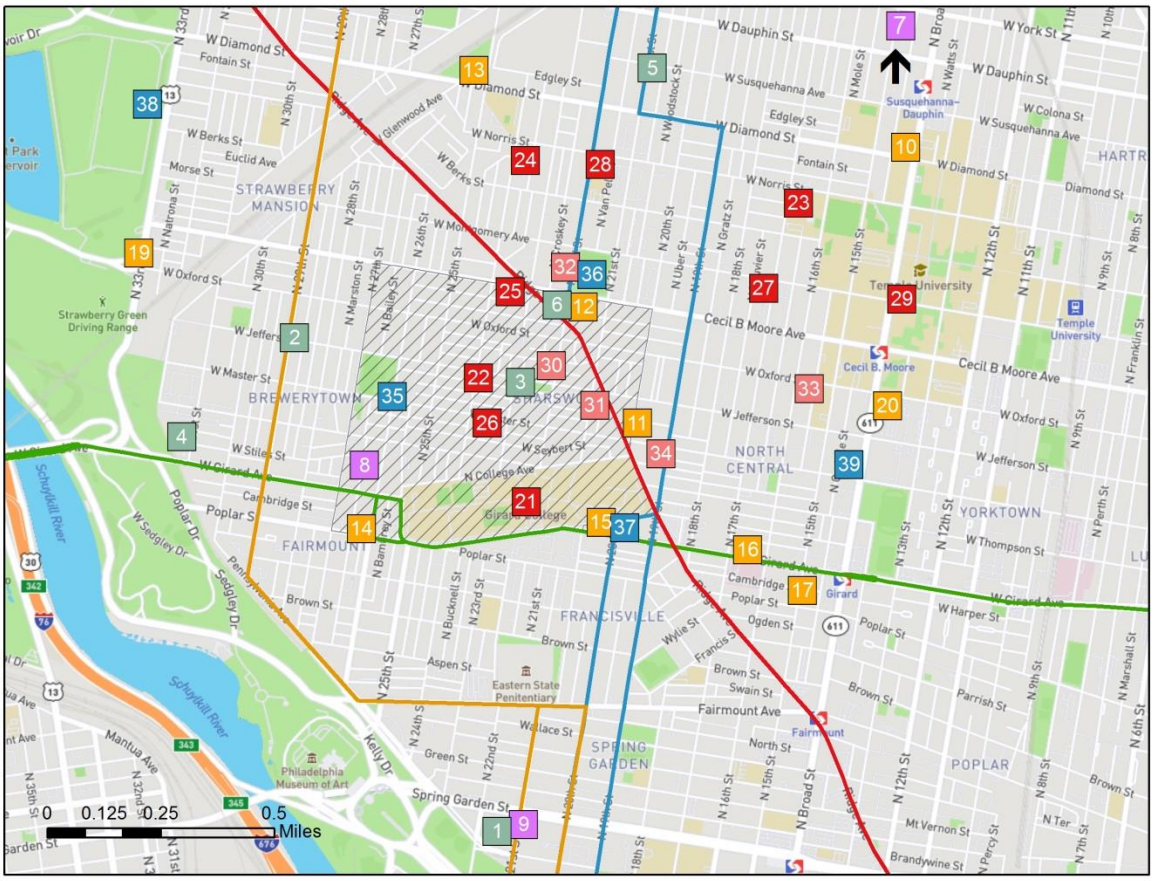
2.1. Current Amenities

The Sharswood Choice Neighborhood is located less than one mile from the Girard Station on the Broad Street subway line, providing direct access to Center City and numerous neighborhoods throughout Philadelphia. Three bus routes, 33, 61, and the recently established Route 49, serve this section and stop at Master Street and Ridge Avenue. The 33 route connects with SEPTA's City Hall station and continues towards Penn's Landing, while the 61 route passes through SEPTA's Fairmount station, towards Thomas Jefferson University at 9th and Market Streets. The 49 stops on Ridge Avenue and loops through University City, the region's second largest employment center. Trolley line 15 stops at N 26th and Girard Avenue, which is a short walk from the site. There are also multiple Indego Bike Share stations in the neighborhood (see Figure 2.1).

The immediate area surrounding the site has convenient access to places of worship, schools, and recreation centers. There is an ALDI market, a Whole Foods Market, and smaller food markets about a mile from the Choice Neighborhood. There are also recreational and fitness centers available for health and wellness purposes, with the Columbia North YMCA nearby. Other amenities near the Choice Neighborhood include medical care facilities, such as Temple University Hospital, and several places of worship: Miller Memorial Baptist Church, Second Shiloh Baptist Church, Emmanuel Institutional Baptist, and Hope Christian Academy. The surrounding area is also home to multiple parks, recreational facilities, and senior and community centers. These nearby services and amenities will benefit the residents of the Sharswood Choice Neighborhood (see Figure 2.1).

The current list of amenities is a non-exhaustive list. Pennrose is also working with the public transit agency, SEPTA, and Indego Bike Share to provide additional transit services that would better serve the neighborhood.

Figure 2.1: Map of Select Nearby Amenities



Grocery Store, Department Stores, Retail

1. Whole Foods Market
2. Jefferson Food Market
3. Yasmin Supermarket
4. ALDI
5. Susquehanna Food Market
6. Wellness Pharmacy

Medical Care

7. Temple University Hospital*
8. Fresenius Medical Care Fairmount
9. Jefferson Medical Care

Public Transit, Travel

- Indego Bike Share Station (#10 to #20)
- Trolley Route 15
- Bus Route 33
- Bus Route 49
- Bus Route 61

Schools, Libraries, Museums

21. Girard College
22. General John F. Reynolds School
23. George Washington Carver High School
24. Community Partnership School
25. Cecil B Moore Library
26. Vaux Big Picture High School
27. Wagner Free Institute of Science
28. Fredrick Douglass Mastery Charter School
29. Temple University

Places of Worship

30. Miller Memorial Baptist Church
31. Second Shiloh Baptist Church
32. Emmanuel Institutional Baptist
33. North Philadelphia Seventh-Day Adventist Church
34. Tenth Memorial Baptist Church

Fitness Centers, Recreation Centers, Parks

35. Athletic Recreation Center
36. Martin Luther King Recreation
37. Girard Community Garden
38. East Fairmount Park
39. Columbia North YMCA

Sharswood/Blumberg CNI

* Number 7 - Temple University Hospital, is north of this map.

Source: ArcGIS (2019), Econsult Solutions (2019)

2.2. PHA Redevelopment of the Choice Neighborhood

The following table lists the current redevelopment plan of the Choice Neighborhood. The new housing developments consist of a mix of public housing, LIHTC housing, and market rate housing, a portion of which is subject to this market study.

Figure 2.2: Redevelopments in the Sharswood/Blumberg Choice Neighborhood

Development	Completion Date	Units	Type	Rental Assistance
22nd and Jefferson Streets	December 2016	57	Duplex, Triplex, and Single Family Homes	PHA
Blumberg Senior Apartments	Spring 2019	94	1-Bedroom Rental Units	Rental Assistance Demonstration Program ("RAD")
Blumberg 83-Modular Development	Fall 2019	83	1 to 3 bedroom rental units spread across a mix of townhomes and multi-unit walk-up buildings	Rental Assistance Demonstration Program ("RAD")
Michaels Development Re-Syndication	Fall 2021	40		
Commercial Redevelopment – Shopping Center	Summer 2021		Commercial development along Ridge Avenue	
Commercial Redevelopment – west side	TBD		Commercial development along Ridge Avenue	
Help Philadelphia VI	Spring 2020	55	One-bedroom 670-940 square feet, 4 two-bedroom units	
Habitat for Humanity	Summer 2020	20	Two-story, 3-bedroom, 1 ½ bathrooms	Home ownership

Source: Hunt-Pennrose Sharswood, LLC (2019)

Blumberg New Green Streets

The redesign and construction of three new "green streets" on the former Norman Blumberg public housing site in the Sharswood neighborhood is essential to the development of a neighborhood that promotes safety, walkability, beauty, transportation access, and improved water quality.

These new "green streets" use street trees and planters to capture and manage rain or melting snow and their pollutants, diverting them into the ground where they can be filtered by subsurface stone infiltration beds. PHA has also installed lights and trees on the new streets that will improve pedestrian and neighborhood safety. These streets have dedicated parking lanes and are wide enough to accommodate bus service.

PHA recently reconnected North 23rd Street between Oxford and Jefferson Streets by building a right-of-way formerly occupied by the Blumberg Apartments superblock. The design also called for the creation of a new street, Bucknell Street, adding another north-south through connection between Oxford and Jefferson. Another new connection, running east-west, will extend Bolton Way with access between 22nd and 23rd Streets.

PHA HQ Relocation

The PHA moved into their new headquarters at 2013 Ridge Avenue in January 2019. The 5-story building will occupy 136,000 square-feet along Ridge Avenue with the ground floor containing retail. [1]

New Supermarket

PHA is working with Mosaic Development to develop a mixed-use retail center adjacent to the new PHA headquarters. The center will include a Save-a-Lot and an Urgent Care provider. Construction is set to start in early 2020.[2]

2.3. Economic Development and Planning Initiatives

The following table lists several recently completed economic development projects in or near the PMA. There will potentially be $300 million of private investment to the area, which will be catalysts to spur further development in the PMA.

[1] http://www.pha.phila.gov/pha-news/pha-news/2019/pha-hq-grand-opening.aspx
[2] "PHA Sets Stage for New Supermarket in Sharswood," August 3, 2016, *Philadelphia Housing Authority*, http://www.pha.phila.gov/pha-news/pha-news/2016/pha-sets-stage-for-new-supermarket-in-sharswood-(1).aspx.

Figure 2.3: Select Recent and Upcoming Economic Development Projects

Project	Expected Completion	Expected Completion	Cost ($M)[3]	Units	Price	Description
1300 Fairmount	2020	2020	$190	478		14-story mixed-use building adjacent to the Divine Lorraine. Will include an Aldi grocery store within walking distance to the PMA
Residences at the Beury			$33	170		Two phase project of renovations for retail and apartment space
The View at Montgomery	Open	Open	$199	832	$700 to $1,400	Reconstruction of John Wanamaker High School into apartment complex including retail space. The residential complex will be marketed as student housing.
Metropolitan Opera House	Open	Open	$56	-	-	Renovation of building for use as concert venue
Divine Lorraine	Open	Open	$44	101	$1,435 to $2,880	Restoration of 11-story hotel into a 101-unit apartment complex
The Pointe at 19th and Ridge	Open	Open	-	67	$238,000: workforce $295,000: market rate	14 workforce and 14 market rate townhouses, and a 39-unit condominium building

Source: Philadelphia2035 (2018). Curbed Philadelphia (2019), Rebuild Philadelphia (2018), Philadelphia Magazine (2019), City of Philadelphia (2019), PlanPhilly (2018)

Just south of the PMA, the non-profit People for People recently sent requests for qualifications to find a developer to partner with for the redeveloping several of their currently vacant parcels around Broad Street.

The North Broad Renaissance (NBR) is a non-profit that serves as a Special Service District (SSD) that helps coordinate different development initiatives between City Hall and Germantown Avenue. NBR currently works to reduce litter, maintains over 60 planters, and promotes the area's strategic investment plans. NBR is currently working to form a business improvement district along the east boundary of the PMA.[4]

Philadelphia 2035 – Lower North District Plan[5]

The Choice Neighborhood is located in the Lower North District Plan, one of 18 planning districts under *Philadelphia2035*, the comprehensive plan for managing growth and development in the city.

[3] Cost is defined as the project's construction costs.
[4] "Proposed North Broad BID," *The North Broad Renaissance* http://northbroad.org/wp-content/uploads/2019/10/North-Broad-BID-Community-Meeting-Presentation_9-19-19.pdf
[5] "Lower North," *Philadelphia2035*, https://www.phila2035.org/lower-north.

Ridge Avenue, once a major neighborhood commercial corridor, is a focus area that has been identified to have the potential to stimulate positive change through redevelopment. The focus area goals for Ridge Avenue are to create a mixed-income community through repurposing vacant land with infill development and to strengthen the commercial corridor. This includes repurposing vacant land with infill development, identifying reuse opportunities for closed schools, supporting existing businesses, repurposing vacant land with contemporary retail space and green stormwater management infrastructure, and beautifying the corridor to enhance its role as an important gateway.[6]

Temple Home Ownership Program[7]

Temple University is looking to strengthen the community by offering financial support to its full-time employees looking to purchase property within communities surrounding their Main and Health Science campuses. The program offers forgivable loans of $4,000 or $5,000, based off the home's zip code. The zip codes include:

- 19121, 19122, 19132, 19133, 19140, and 19123 ($5,000)
- 19125and 19130 ($4,000).

The loans are then used toward the purchase of a single family home. Loans are forgiven at a rate of $83.33 a month until the entire loan has been forgiven. During the entire life of the loan, the house must be used as a primary residence. Temple is also in partnership with the City's *Home Buy Now* program that allows employees to receive up to $8,000 of an interest-free loan for the purchasing of a house within the program's designated zip codes.

Rebuild Philadelphia[8]

Rebuilding Community Infrastructure (Rebuild) is a $500 million, seven year campaign of the City's administration to renew parks, recreation centers, and libraries so that every resident and neighborhood has access to high-quality amenities. Rebuild's three major goals are revitalizing community spaces, engaging and empowering communities, and promoting economic opportunity. Rebuild will also look into investing neighborhoods that may be growing to help spur additional economic growth. The program is funded through public/private partnerships and through funds collected by the Philadelphia Beverage Tax.[9]

There are currently 63 Rebuild Sites with work underway and another 11 sites selected for receiving Rebuild Funds. Three sites are located in the PMA: Martin Luther King Recreation Center at 2101 Cecil B. Moore Avenue, Cecil B. Moore Library at 2320 Cecil B. Moore Avenue, and the Athletic Recreation Center at 1450 N 26th Street.

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[6] "Lower North," *Philadelphia2035*, https://www.phila2035.org/lower-north.
[7] https://www.temple.edu/hr/departments/benefits/homeownership/zipcodemap.htm
[8] http://rebuild.phila.gov/uploads/attachments/cjamzmnjx00bpp22uty2gr1cu-proposed-site-list.pdf
[9] "What is rebuild?", Rebuild Philadelphia, https://www.phila.gov/programs/rebuild/.

3. New Housing Development Opportunities

3.1. Overview of Real Estate Market Within the PMA

This section documents the existing conditions and potential markets for workforce and market rate housing in the PMA and the Sharswood Choice Neighborhood.

Property Age

Over ninety percent of the single-family homes in the PMA were built prior to 1950. While an older housing stock is typical of Philadelphia, the PMA has seen little recent development of single-family homes, with nine percent of single-family homes built after 1969. However, there has been recent growth of new multi-family units, with approximately 27 percent of the stock having been built after 2010.

Figure 3.1: Age of Housing Stock in the PMA, 2019

Year	Multi-Family	Single Family
Prior to 1950	66%	91%
1950s	0%	0%
1960s	0%	1%
1970s	0%	0%
1980s	0%	0%
1990s	1%	1%
2000s	5%	4%
2010s	27%	4%
Total Number of Units	**2,212**	**11,576**

Source: Philadelphia Office of Property Assessment (2019)

New Construction Permit Activity

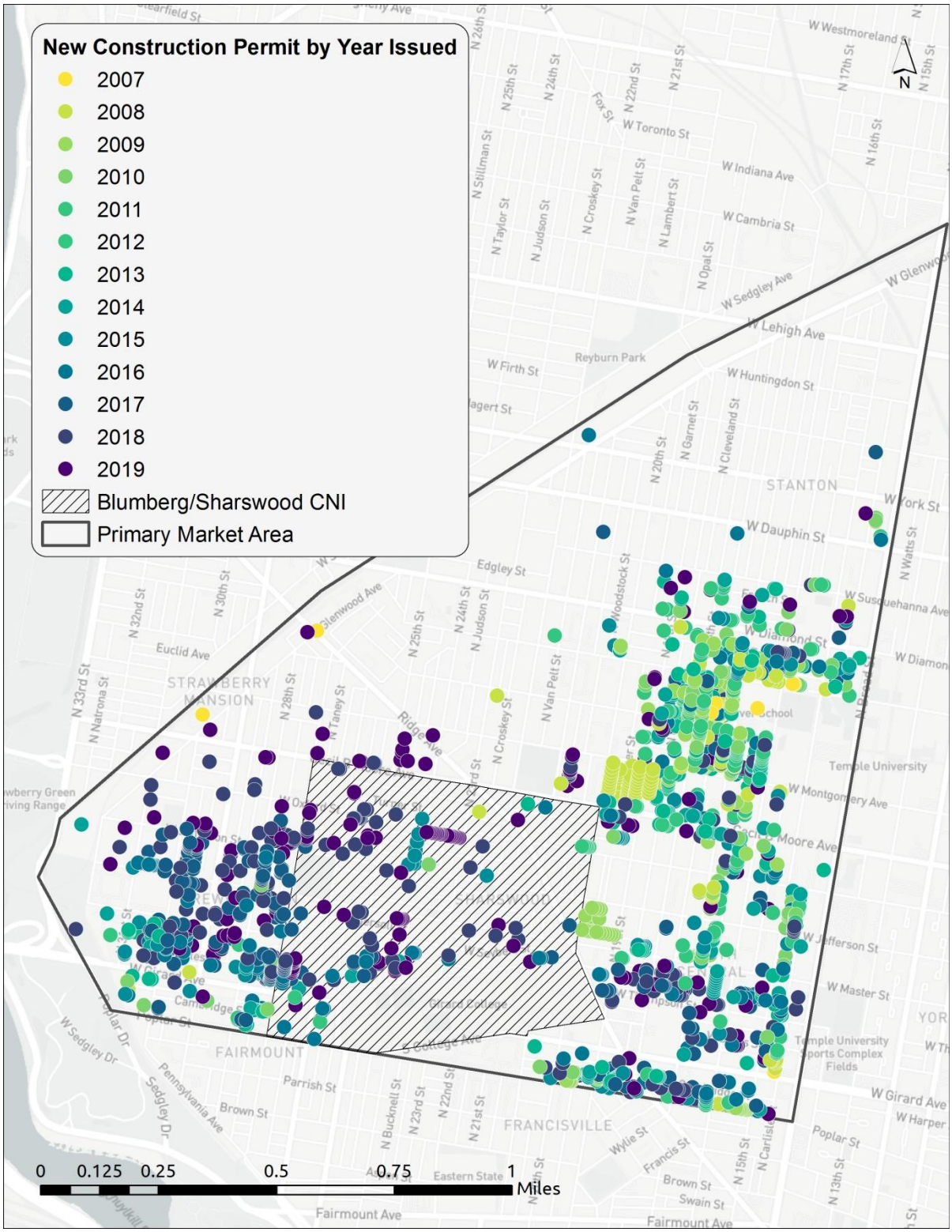
Since 2007, approximately 1,709 new construction building permits have been granted for properties located within the PMA (see Figure 3.2). The number of the new construction permits appears to be steadily increasing, with the concentration of new construction permit activity after 2010 in the southwest corner of the PMA, in the Brewerytown neighborhood (see Figure 3.3).

Figure 3.2: Permit Activity in the Proposed Choice Neighborhood

Year	Major Alteration	New Construction
2010	179	105
2011	213	103
2012	367	117
2013	142	140
2014	165	94
2015	302	96
2016	343	153
2017	316	200
2018	589	270
2019	496	193
Total Permits	**3,880**	**1,709**

Source: Philadelphia Licenses and Inspections (2019); 2019 is Jan-Oct

Figure 3.3: New Construction in the PMA, 2007 – 2019



Source: Philadelphia Licenses and Inspections (2019), ArcGIS (2019), Mapbox (2019)

3.2. Market Rate Homeownership Within the PMA

Over the past five years, the median sales price within the PMA, while volatile, has been on an upward trend with the median sales price increasing by 192 percent from 2014 to 2018 (See Figure 3.4).[10] This outpaced the growth in median sales prices of the entire city, which only grew 38 percent over the same period. 2018 is the first year that the median sale price in the PMA was higher than the city.

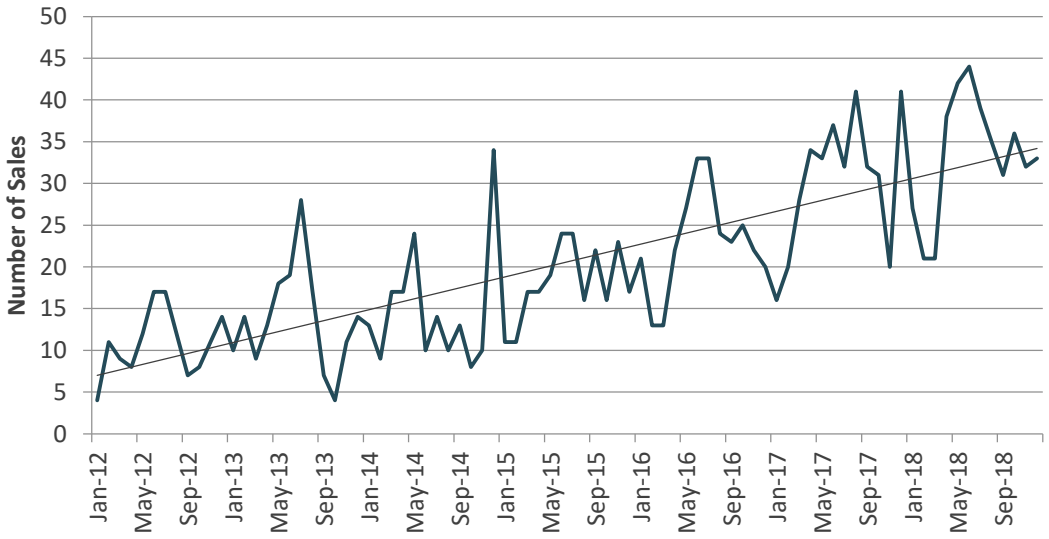
Figure 3.4: Median Sales Price in the PMA and Philadelphia, 2014-2018

Year	Philadelphia	PMA
2014	$147,000	$82,500
2015	$155,000	$134,000
2016	$169,900	$129,800
2017	$185,000	$156,200
2018	$200,000	$205,000
Percent Change	38%	192%

Source: TrendMLS (2018), BrightMLS (2019)

The number of sales within the PMA has been steadily increasing since 2012, with the total number of sales nearly tripling from 130 transactions in 2012 to 365 transactions in 2018 (see Figure 3.5).

Figure 3.5: Number of Sales in the PMA, By Month, 2012-2019



Source: TrendMLS (2018), BrightMLS (2019)

[10] The sales price is the price at which the properties are listed. They are not the settled price of the sale. See Table 3.4 for data on settled home prices.

In addition to a higher median sales price and a greater number of properties sold over the last five years, properties have also been selling quicker. Properties sold in 2018 were on the market for less than half the time (24 days) as compared to 2014 (49 days).

Figure 3.6 : Median Number of Days to Sell in the PMA

Year	PMA
2014	49
2015	49
2016	29
2017	27
2018	24

Source: TrendMLS (2018), BrightMLS (2019)

There were 399 two to four bedroom homes sold within the PMA in 2018 (see Figure 3.7). Two to four bedroom homes in the area sold quickly—spending a median of 24 days on the market—and settled for an average sale price of $224,000. By contrast, in 2017, 105 properties were sold, according to MCS data, at an average price of $185,811.

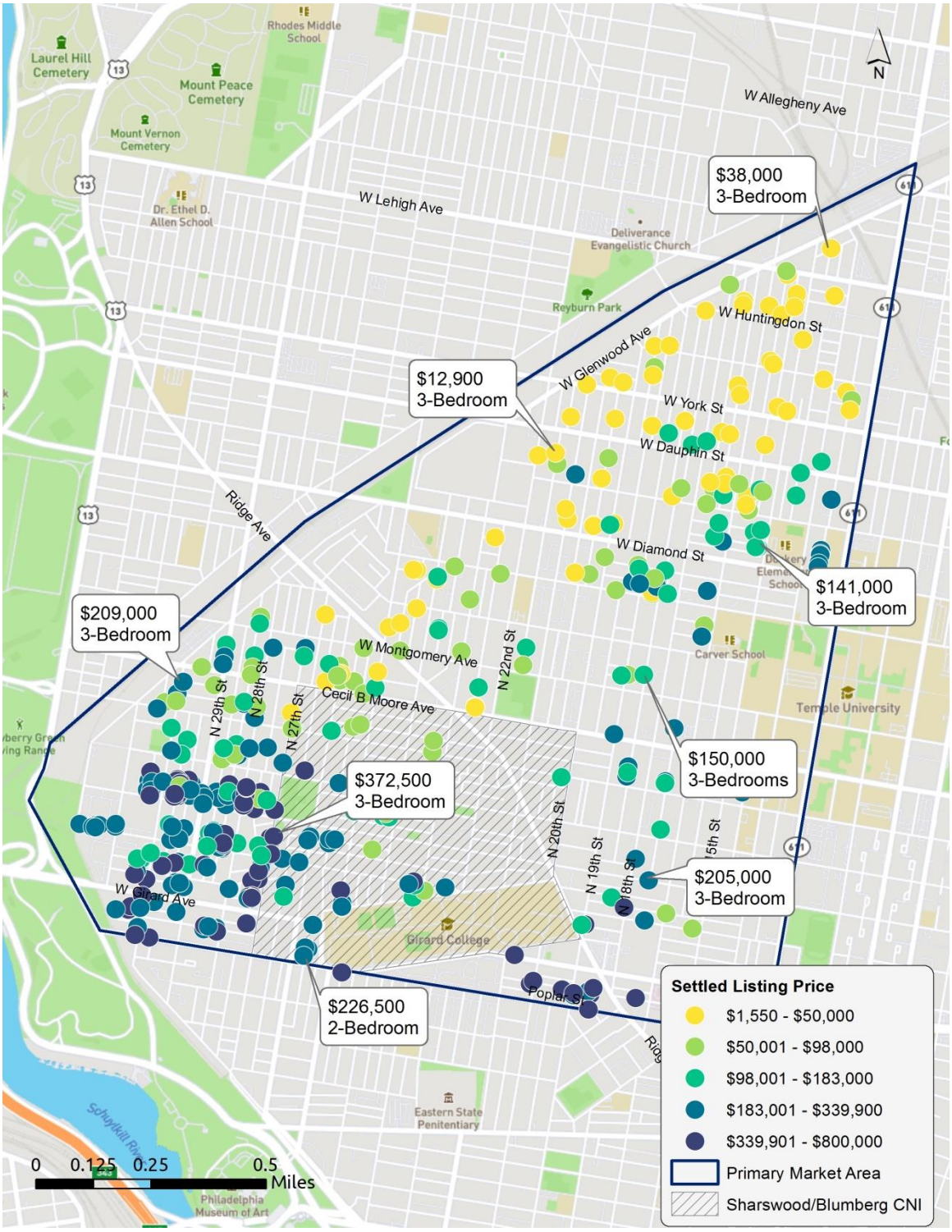
Figure 3.7 Average, Minimum, and Maximum Settled Home Prices, By Bedroom in 2018

Number of Bedrooms	Units Sold	Average Settled Price	Median Settled Price	Minimum Settled Price	Maximum Settled Price	Median Days on Market
Two Bedroom	79	$237,179	$250,000	$20,000	$457,000	
Three Bedroom	249	$207,963	$177,000	$1,550	$750,000	
Four Bedroom	71	$267,777	$220,000	$22,000	$600,000	
Total	399	$224,391	$225,000	$1,550	$750,000	24

Source: BrightMLS (2019)

As depicted in Figure 3.8, there is an evident disparity in median sale price of homes within the PMA. Home prices increase considerably while moving towards the southwest section of the PMA, in the Brewerytown neighborhood. This area, directly to the west of the Sharswood Choice Neighborhood, has also seen considerable rehabilitation and new construction in the past few years.

Figure 3.8: Residential Properties Sold in the PMA, 2018



Source: BrightMLS (2019), ArcGIS (2019)

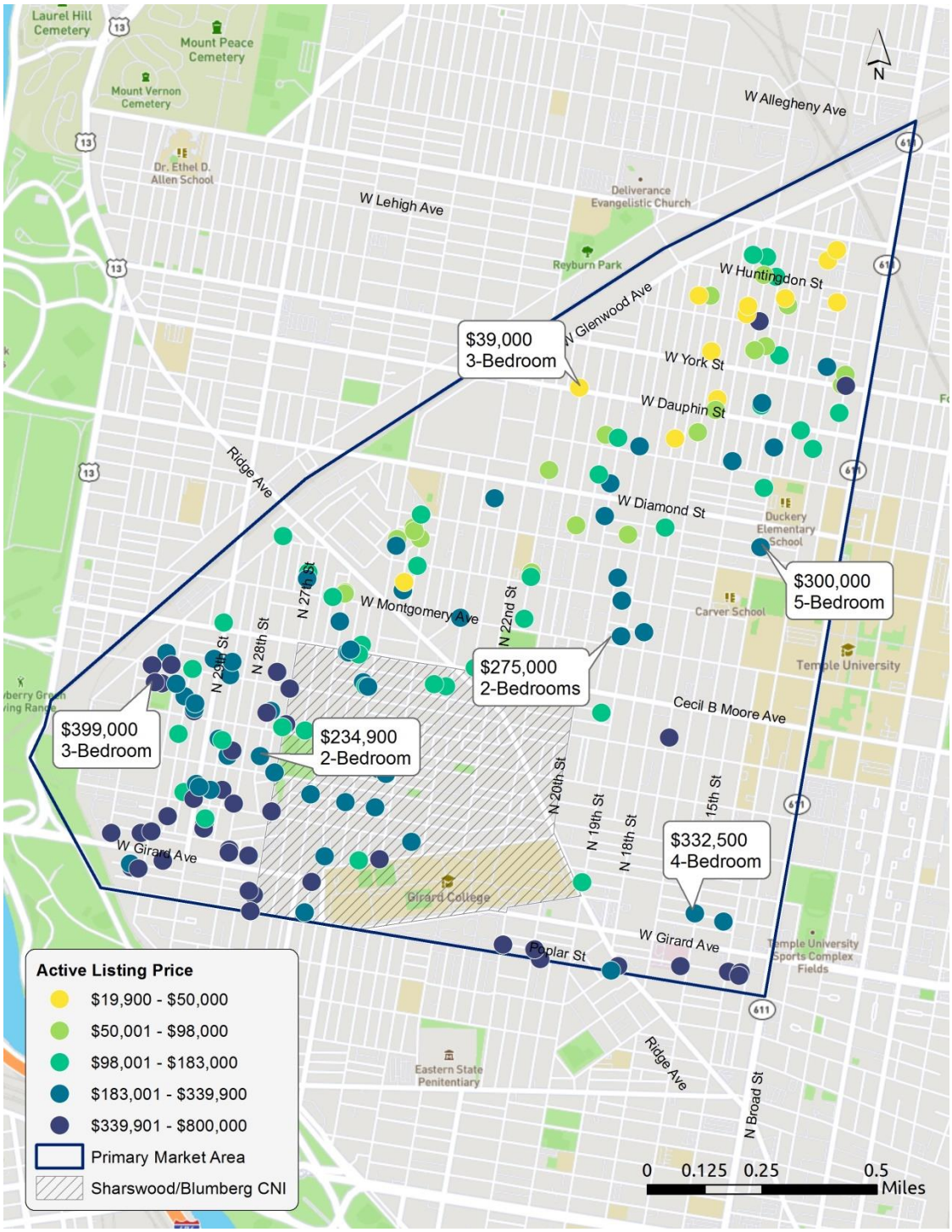
Currently, there are 157 two to four bedroom homes on the market within the PMA. The homes have an average listing price of $274,409. Figure 3.8 above shows the settled listing price of recently sold properties in the PMA, while Figure 3.10 shows active listing prices for current residential properties. Similar to recently sold properties, the asking price for homes currently on the market increases while moving in the southwest direction on the map.

Figure 3.9 : Average, Minimum, and Maximum Active Listing Prices, By Bedroom

Number of Bedrooms	Unit Available	Average Listing Price	Median Listing Price	Minimum Listing Price	Maximum Listing Price
Two Bedroom	32	$268,491	$279,950	$19,900	$489,000
Three Bedroom	82	$247,572	$214,950	$28,000	$699,900
Four Bedroom	43	$329,991	$332,500	$75,000	$779,000
Total	157	$274,409	$275,000	$19,900	$779,000

Source: BrightMLS (2019)

Figure 3.10: Residential Properties Currently Listed in the PMA



Source: BrightMLS (2019), ArcGIS (2019)

3.3. Market Rate Rentals within the PMA

Within the PMA, the median rent for a one to three-bedroom dwelling was $1,475 per month in 2019 (see Figure 3.11).[11]

Figure 3.11 Average and Median Rents of Rented Units, By Bedroom in the PMA, 2019

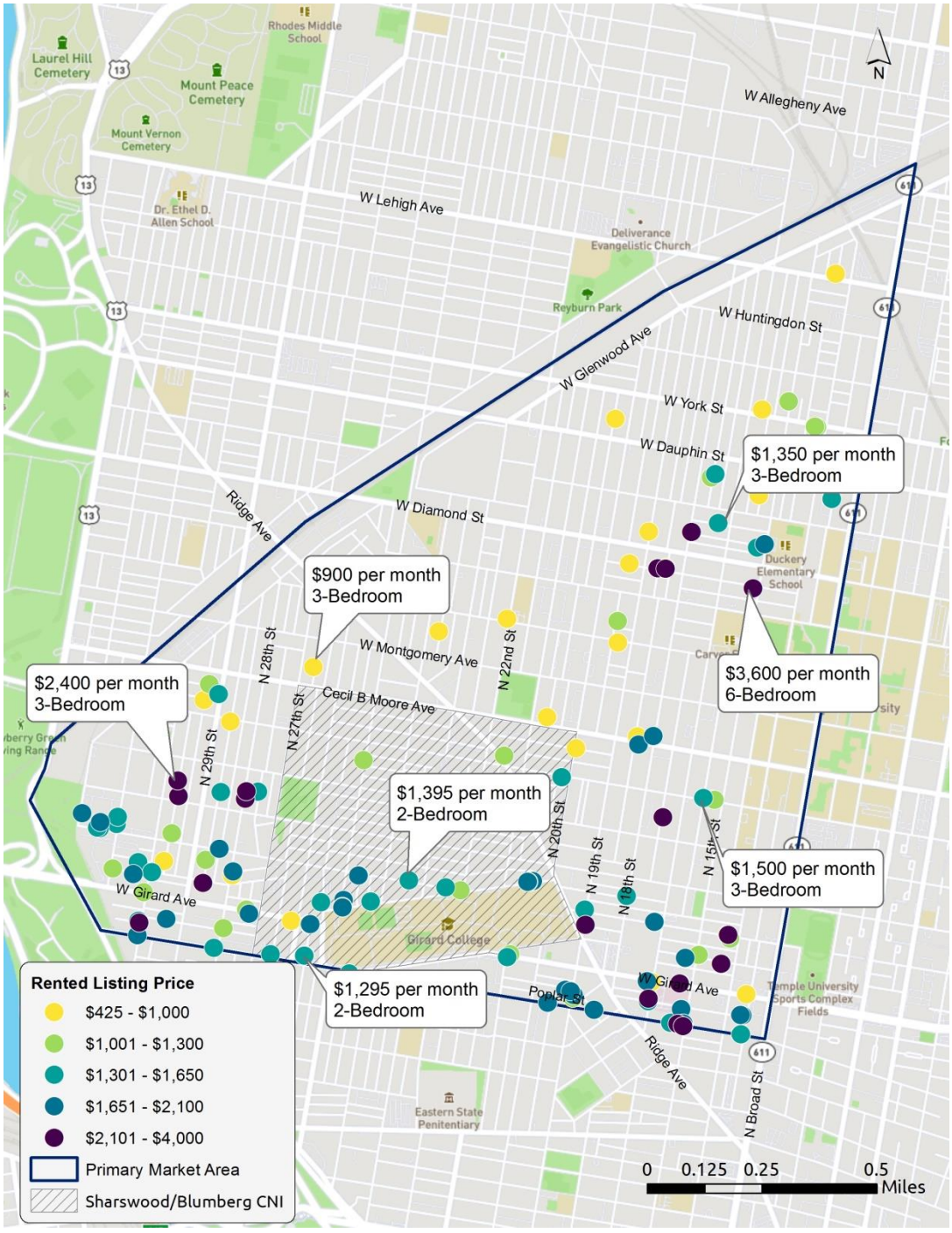
Number of Bedrooms	Units	Median Rent	Average Rent
One Bedroom	72	$1,298	$1,267
Two Bedrooms	127	$1,550	$1,498
Three Bedrooms	57	$1,650	$1,563
Total	256	**$1,475**	**$1,448**

Source: BrightMLS (2019)

Similar to properties listed for sale, both the price and demand for rentals increase while moving southwest through the PMA (see Figure 3.12).

[11] These are actual rents for properties with lease agreements.

Figure 3.12: Residential Properties Rented in the PMA, 2018



Source: BrightMLS (2019), ArcGIS (2019)

Currently, there are 107 properties (one, two, and three-bedroom units) for rent within the PMA. The median rent for a dwelling in this area is $1,417 with price increasing by number of bedrooms.[12]

Figure 3.13 Average and Median Rents of Active Units, By Bedroom in the PMA

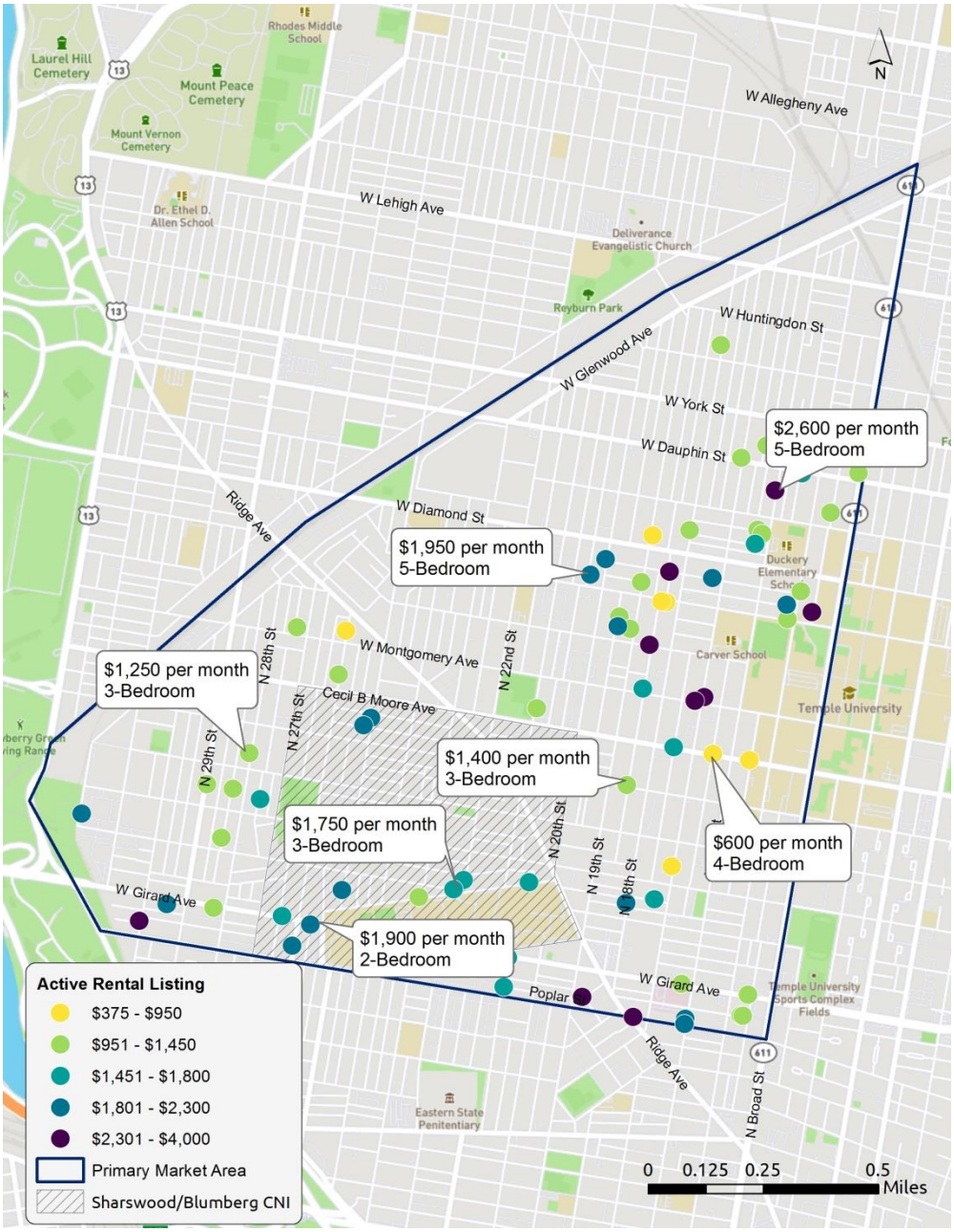
Number of Bedrooms	Units	Median Asking Rent	Average Asking Rent
One Bedroom	29	$1,295	$1,209
Two Bedrooms	47	$1,477	$1,530
Three Bedrooms	31	$1,500	$1,607
Total	107	**$1,417**	**$1,465**

Source: BrightMLS (2019)

As displayed in Figure 3.14, there is currently a cluster of rentals available to the west of the area surrounding Temple University to the north of the PMA. One potential factor driving rental prices towards the southwest of the PMA is the number of available units. While there were a large number of properties rented in the Brewerytown neighborhood in 2019, there are only a handful of rentals currently available on the market in that section, driving prices up.

[12] These are the advertised rents for units currently on the market.

Figure 3.14: Residential Properties for Rent in the PMA



Source: BrightMLS (2019), ArcGIS (2019)

3.4. The Brewerytown Real Estate Market

Brewerytown, directly west of the Choice Neighborhood within the PMA, is currently attracting a substantial amount of development. Renovated apartment buildings, townhomes, as well as new restaurants and shops, are now characterizing Philadelphia's up-and-coming neighborhood. The average

residential sales price has risen 342 percent and the volume of properties bought has jumped 529 percent in the past five years (see Figure 3.15). This has encouraged developments such as the recent renovations of the Pyramid Lofts and Brewer Mill Townhomes. Developments like the Red Bell Brewery renovation will continue this trend, adding more than 130 more rental units and additional commercial space to Brewerytown.

There are a number of other notable multi-family residential developments either underway or recently completed:

- At the intersection of 31st Street, Glenwood Avenue, and Oxford Street, the former Pyramid Electric Supply Building was renovated into an upscale loft-style apartment building after being purchased by MMPartners. The building's appeal stems from its views of University City, Center City, Fairmount Park, and North Philadelphia. The renovation preserved the decorative graffiti art created during the building's vacancy. Pyramid Lofts consists of 50 upscale rental apartments that include 24 studios, 12 one-bedroom units, and 14 two-bedroom units. Prices of the units range from $1,000 to $2,000.[13]
- MMPartners is currently renovating Red Bell Brewery building. The renovation will produce 133 additional rental lofts and 25,000 square feet of ground floor retail. Similar to the Pyramid Lofts, MMPartners is working on restoring the façade of the building, opting to maintain the original design of the brewery.[14]
- In the past several years, Argo Property Group has also completed several developments in Brewerytown. These include 27 North, a collection of five multifamily apartments with 20 rental units in the style of row homes, and Brewers Mill Townhomes, ten 3-story townhomes each at 2,150 square-feet. Argo Property Group also has four projects currently under construction:
    - The Fairview (14 luxury units with commercial space),
    - The Milk Depot (17 loft apartments),
    - 2736 W Girard Ave (five units with commercial space), and
    - The Icelandic (eight units).

    The Fairview and the Icelandic are new construction projects, while the Milk Depot and 2736 W Girard Ave are adaptive reuses of currently existing buildings.[15]

The combination of costly listing prices, low inventory, quick sales, and high demand for housing in the Fairmount area—directly south of the Brewerytown area—has many homebuyers pivoting their search towards the periphery of the neighborhood for more reasonable housing options. Due to the persistent demand for housing within the Fairmount neighborhood, developers and renovators have also begun looking north of Girard Avenue to create additional housing opportunities in order to meet the

[13] Pyramid Lofts, http://www.pyramidliving.com/
[14] Curbed Philly, https://philly.curbed.com/2018/10/22/18008088/plans-development-red-bell-brewery-brewerytown-apartment-historic
[15] Argo Properties, http://www.argopg.com/projects

heightened market demand (see Section 4.3 for more detailed market information on the Fairmount area).

Figure 3.15: Residential Properties Sold in the PMA, 2018 (Cutout from Figure 3.8)



Source: BrightMLS (2019), ArcGIS (2019)

There were 220 homes sold in the area of Brewerytown directly surrounding Athletic Square (within a 1/3 mile radius of the park) in 2018 for an average price of $268,200. Of these homes, 45 homes were newly constructed residences. These newly constructed homes sold for an average of $403,580. New construction in this area is a relatively new amenity, with no new construction sales in 2014, and only one new construction sale in 2015.

By 2018, the average home in Fairmount to the south was selling for $380,000 and was on the market for less than a month(see Section 4.4). New construction in Brewerytown proved to be a desired alternative, with the 220 units sold in 2018 spending an average of only 20 days on the market.

Figure 3.16 : Sold and Currently Active New Construction Properties in the Brewerytown Area

	All Properties			New Construction Properties		
Year	Number of Sales	Average Sales Price	Median Days to Sell	Number of Sales	Average Sales Price	Median Days to Sell
2014	51	$78,384	39	0	-	-
2015	57	$85,018	18	1	-	-
2016	115	$135,756	32	11	$252,500	53
2017	139	$205,105	22	23	$398,900	35
2018	220	$268,200	20	45	$403,580	16

Source: TrendMLS (2018), BrightMLS (2019)

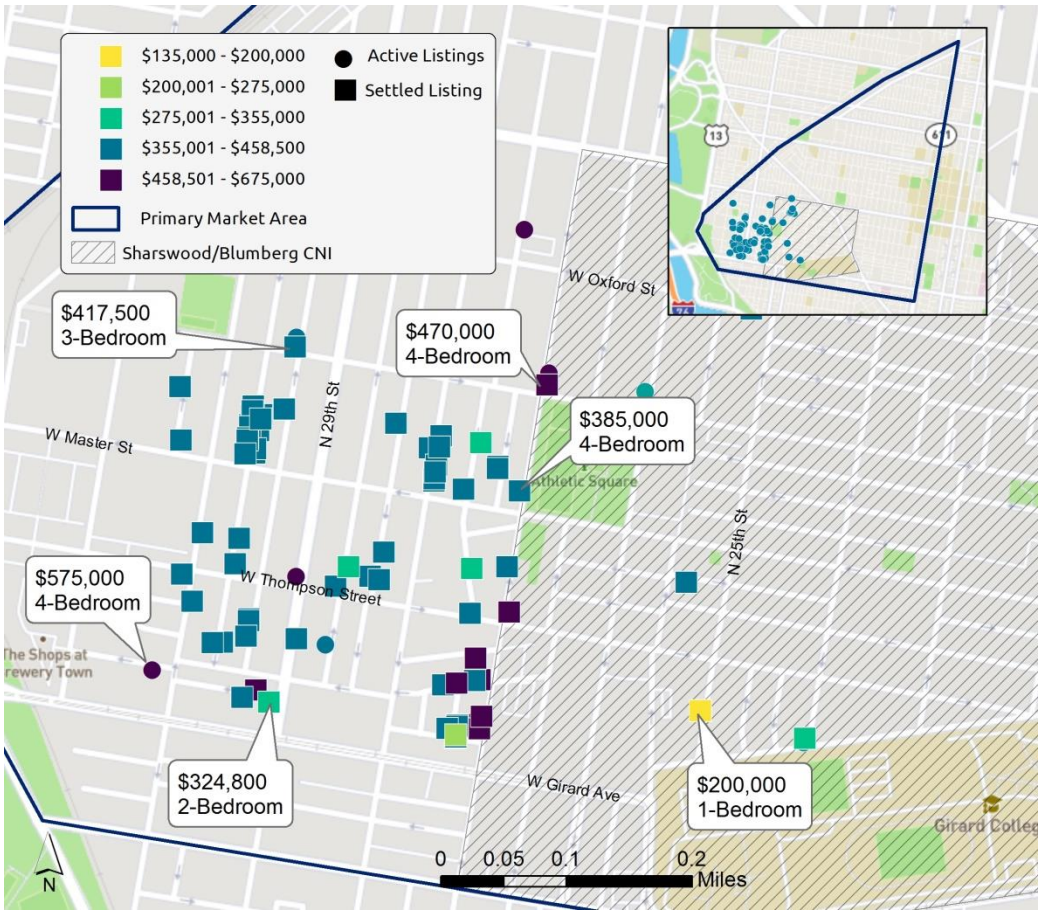
Of the homes currently on the market around Athletic Square in the Brewerytown neighborhood, there are 20 newly constructed units. These units are currently listed for an average listing price of $465,890 (see Figure 3.17).

Figure 3.17 Active Listings, All Properties and New Construction around Athletic Square in the Brewerytown Area

	Units Available	Average Listing Price	Median Listing Price
New Construction	20	$465,890	$465,000
All Properties	79	$325,458	$299,000

Source: BrightMLS (2019)

Figure 3.18: Sold and Currently Active New Construction Properties around Athletic Square in the Brewerytown Area



Source: BrightMLS (2019), ArcGIS (2019)

3.5. Affordable Housing within the PMA

For a household to be eligible for LIHTC housing, the Pennsylvania Housing Finance Agency (PHFA) sets respective income and rent limits. As of 2019, the AMI for Philadelphia is $90,100 for a family of four.[16]

Figure 3.19: LIHTC Income Levels by Household Size

Household Size	1 Person	2 Person	3 Person	4 Person
20% of AMI	$12,620	$14,420	$16,220	$18,020
40% of AMI	$25,240	$28,840	$32,440	$36,040
50% of AMI	$31,550	$36,050	$40,550	$45,050
60% of AMI	$37,860	$43,260	$48,660	$54,060

Source: Pennsylvania Housing Finance Agency (2019)

Comparing the average household income by household size in the Choice Neighborhood to the income limits set by PHFA, one and two-person households generally earn 25 to 35 percent of AMI, while three and four-person households have incomes around 40 to 45 percent AMI.

Figure 3.20: Median Household Income by Household Size in the PMA

Household Size	Median Household Income	Percent of AMI
1-person	$31,535	35%
2-person	$22,525	25%
3-person	$36,040	40%
4-person	$40,545	45%
Median Household Income	$15,008	
Average Household Size	2.6	

Source: ESRI Business Analyst (2019)

[16] "Rent and Income Limits, 2018, *Pennsylvania Housing Finance Agency*, https://www.phfa.org/forms/housing_management/tax_credits/rent_and_income_limits/2019_mtxr041.pdf.

Approximately 70 percent of households in the PMA earn less than $35,000, while households of all sizes are generally earning around 40 percent or less of AMI (Figure 3.21). Figure 3.22 shows that households earning less than 40 percent of AMI cannot afford the median and average rents in the area. For example, current market rents for a one bedroom average $1,298, while a household earning 80 percent AMI can afford just $676 a month.

Figure 3.21: Distribution of Household Income in the PMA

Household Income	Share of Households
Less than $15,000	50%
$15,000 to $25,000	12%
$25,000 to $35,000	8%
$35,000 to $50,000	9%
$50,000 to $75,000	8%
Above $75,000	13%

Source: ESRI Business Analyst (2019)

Figure 3.22: LIHTC Rents in Philadelphia and Average Market Rents in the PMA

	LIHTC Rents			PMA		
Number of Bedrooms	40% of AMI	50% of AMI	60% of AMI	Median Rent	Average Rent	Number of Dwellings in Sample
One Bedroom	$676	$845	$936	$1,298	$1,267	72
Two Bedrooms	$811	$1,013	$1,123	$1,550	$1,498	127
Three Bedrooms	$1,014	$1,216	$1,406	$1,650	$1,563	57
Total						256

Source: Pennsylvania Housing Finance Agency (2019), TrendMLS (2018)

In the PMA, the majority of owner-occupied units have three bedrooms (64 percent). For renter-occupied housing, there is also a plurality of three-bedroom units (35 percent), while one and two-bedroom renter-occupied housing makes up the other half of units (47 percent). Overall, the majority of the housing stock in the PMA hasthree bedrooms (Figure 3.23).

Figure 3.23: Number of Bedrooms by Tenure in the PMA

	Owner Occupied		Renter Occupied	
Number of Bedrooms	**Count**	**Share**	**Count**	**Share**
No Bedroom	0	0%	797	8%
1 Bedroom	73	1%	2,149	21%
2 Bedrooms	755	13%	2,542	24%
3 Bedrooms	3,679	64%	3,718	35%
4 Bedrooms	677	12%	901	9%
5 Or More Bedrooms	535	9%	369	4%
Total	5,719		10,476	

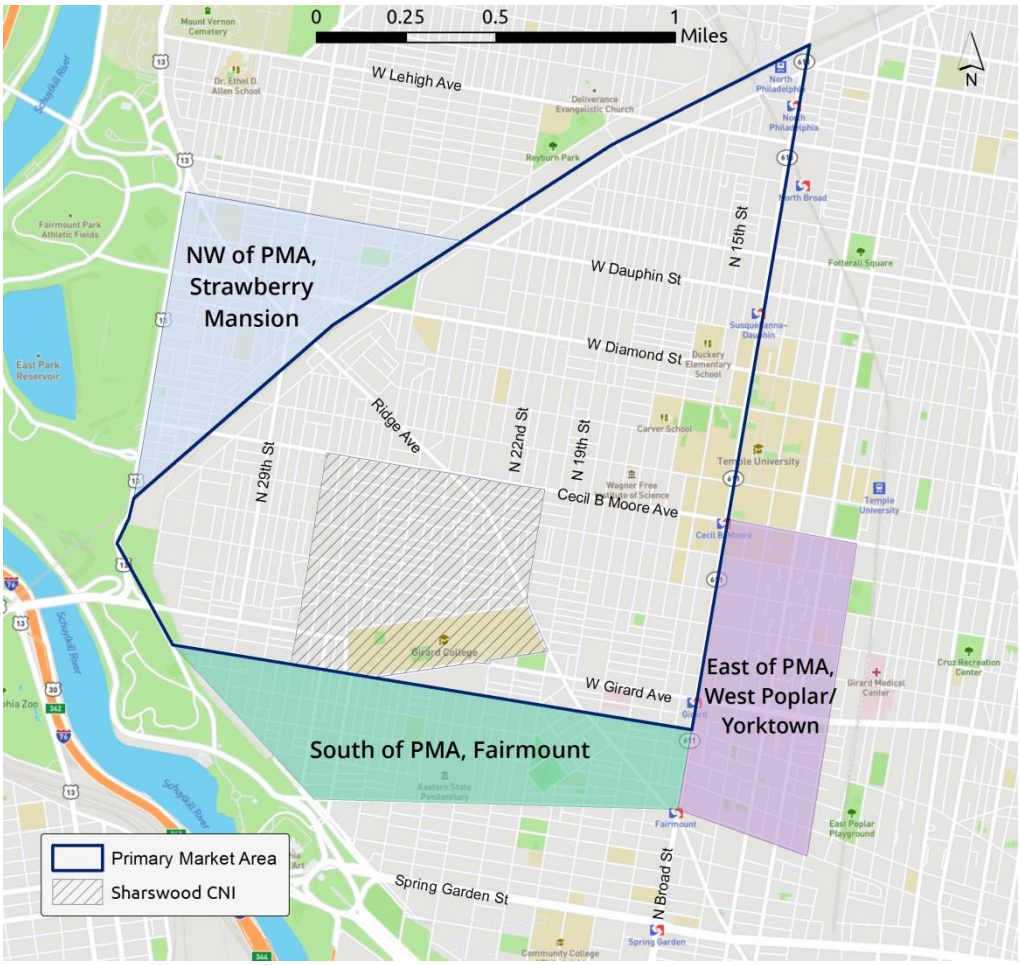
Source: American Community Survey (2016)

4. Current Market Rate Housing Conditions Surrounding the PMA

4.1. Overview

In addition to analyzing the housing market within the PMA, we examined the adjacent areas to determine the direction of market pressures contributing to the increased demand within PMA and the Sharswood CNI. This section analyzes three areas: the Strawberry Mansion area to the northwest, the West Poplar/Yorktown area to the east, and the Fairmount area to the south (see Figure 4.1).

Figure 4.1: PMA and Areas of Interest nearby the PMA



Source: Google Maps (2019)

As previously mentioned, the PMA has realized considerable (192 percent) growth in the median sales price of homes since 2013. This area's growth has outpaced that of the two of the surrounding areas. Strawberry Mansion was the only area with faster growth, but much of this is attributable to its low starting point at just above $19,000 in 2013.

Figure 4.2: Median Sales Price Philadelphia, PMA, and Surrounding Areas 2013-2018

Year	Philadelphia	Primary Market Area	Fairmount	West Poplar/ Yorktown	Strawberry Mansion
2013	$145,000	$70,300	$317,515	$136,272	$19,564
2014	$147,000	$82,500	$336,970	$173,195	$17,907
2015	$155,000	$134,000	$319,135	$153,950	$20,154
2016	$169,900	$129,800	$339,654	$169,132	$27,806
2017	$185,000	$156,200	$379,688	$215,506	$33,292
2018	$200,000	$205,000	$380,000	$260,000	$62,500
Percent Change	38%	192%	20%	91%	219%

Source: TrendMLS (2018), BrightMLS (2019)

The PMA will experience housing market pressure largely from the south where housing prices have historically been considerably higher than the surrounding area, with less market pressure generated from the northwestern and the eastern boundaries of the area.

4.2. Northwest of the PMA: Strawberry Mansion

The PMA will not experience develop market pressure from the northwest in the next several years. While the median sales price of homes in Strawberry Mansion has increased significantly from $19,564 in 2013 to $62,500 in 2018, the area's prices are still significantly lower than the city average ($185,000). In fact, development pressures stemming from the PMA are more likely to have an effect on Strawberry Mansion's recent boom in home prices.

Additionally, the Strawberry Mansion area averaged only eight sales per month over the last several years—with six months registering no sales—indicating low demand for market rate homeownership in the area. The highest number of sales in the area in any given month was eight transactions, which occurred three times in the last six years. While the median number of days to sell in Strawberry Mansion has been declining in the past few years, the market is still cold, with the average house staying on the market for 55 days in 2018. For more information on the Strawberry Mansion area, refer to Appendix A.

4.3. East of the PMA: West Poplar/Yorktown

The PMA will not realize any significant market pressure from the east in the near term. While the median sales price of homes in the West Poplar/Yorktown area is higher ($260,000) than the median sales price within the PMA ($205,000), the volume of sales within the area is low, with the area having

no transactions in 14 months within the past six years. For more information on the West Poplar/Yorktown area, refer to Appendix A.

4.4. Market Rate Homeownership in the Fairmount Area

Fairmount, the area to the south of the PMA, has been a historically desirable area with a consistent level of sales. Fairmount's median sales price is double that of Philadelphia as a whole ($380,000 versus $200,000, respectively) over the past five years (see Figure 4.3).

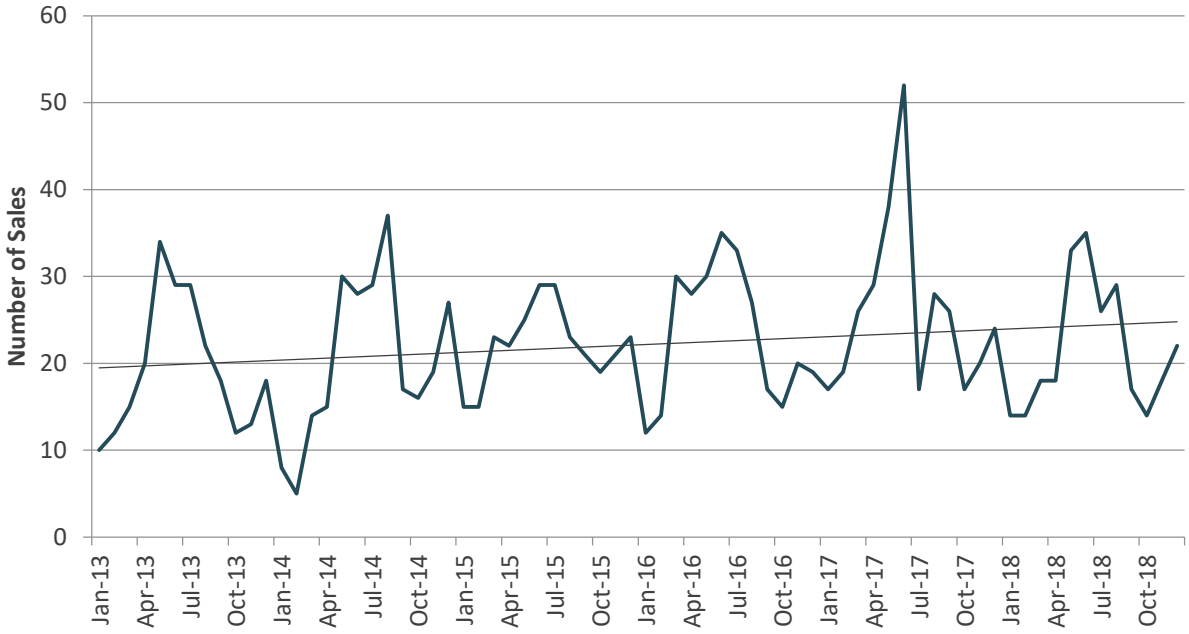
Figure 4.3: Median Sales Price Fairmount and Philadelphia, 2014-2018

Year	Philadelphia	Fairmount
2014	$147,000	$336,970
2015	$155,000	$319,135
2016	$169,900	$339,654
2017	$185,000	$379,688
2018	$200,000	$380,000
Percent Change	38%	20%

Source: TrendMLS (2018), BrightMLS (2019)

The area averages 31 sales per month, with the number of sales in any given month peaking in June 2017 with a record 52 sales. The number of annual sales has fallen slightly with 296 sales in 2018, compared to 232 sales in 2013 (see Figure 4.4).

Figure 4.4: Number of Sales in the Fairmount Area, 2013-2018



Source: TrendMLS (2018), BrightMLS (2019)

The market also displays a consistent demand for homes in the area, with the median days on the market steadily remaining in the five week range over the past six years (Figure4.5).

Figure 4.5: Median Number of Days to Sell in the Fairmount Area, 2013-2018

Year	Fairmount
2013	36
2014	37
2015	37
2016	30
2017	32
2018	23

Source: TrendMLS (2018), BrightMLS (2019)

The average settled home price in 2018 for a three-bedroom dwelling in the Fairmount area was $485,546 with the lowest priced three-bedroom home selling for $230,000 (see Figure 4.6).

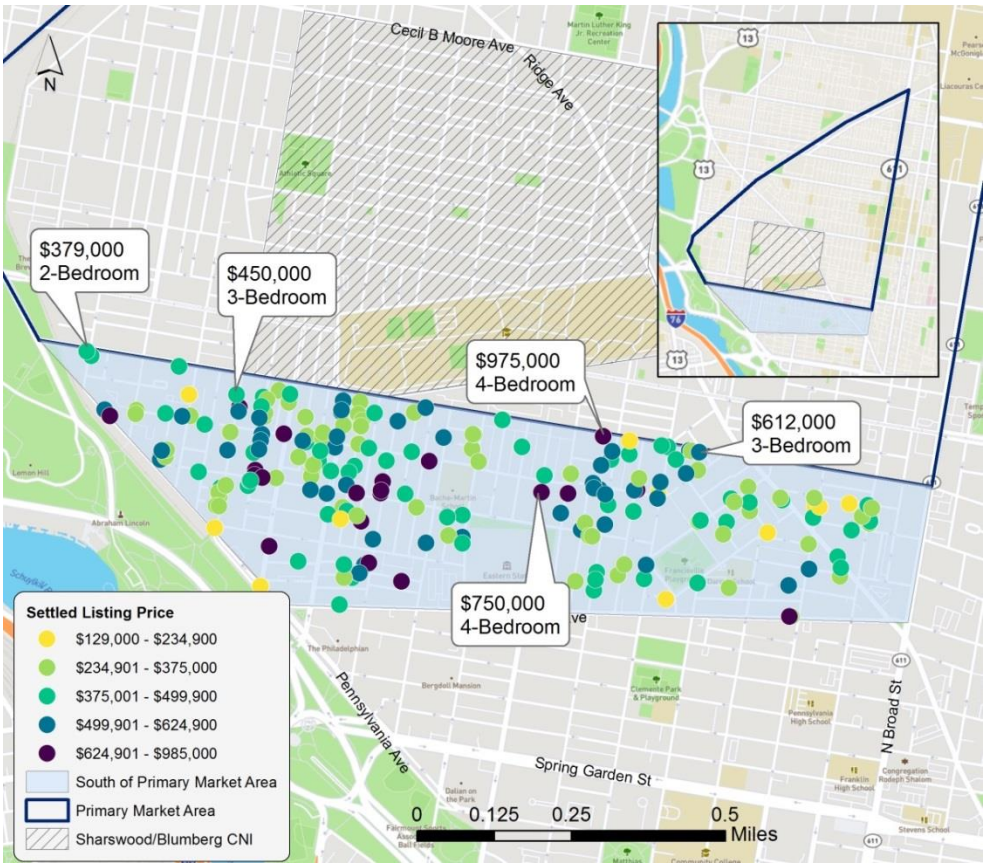
Figure 4.6: Sales Prices in the Fairmount Area, By Bedroom, 2018

Number of Bedrooms	Units Sold	Average Settled Price	Median Settled Price	Minimum Settled Price	Maximum Settled Price
Two Bedroom	109	$339,347	$340,000	$172,172	$760,000
Three Bedroom	113	$485,546	$467,500	$230,000	$930,000
Four Bedroom	36	$574,310	$567,500	$315,000	$985,000
Total	258	$436,166	$394,750	$172,172	$985,000

Source: BrightMLS (2019)

Similar to the properties sold in the PMA, home prices increase moving west towards Kelly Drive. However, most properties throughout the Fairmount neighborhood realized high sales prices, with over 75 percent of all homes in the Fairmount area sold for over $300,000 in 2018.

Figure 4.7: Residential Properties Sold in the Fairmount Area, By Bedroom, 2018



Source: BrightMLS (2019), ArcGIS (2019)

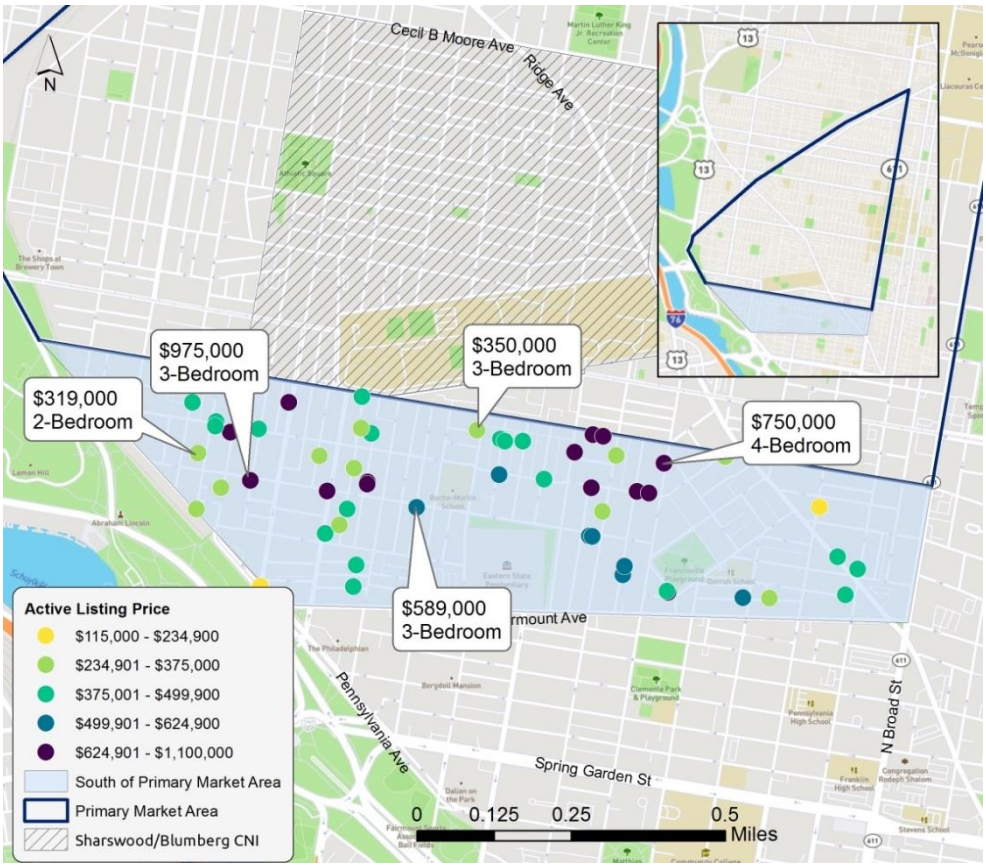
Currently, there are 62 two- to four-bedrooms homes available for purchase in the Fairmount area with the minimum list price of $200,000 and the average listing price of $546,513.

Figure 4.8: Maximum Acting Listings in the Fairmount Area, By Bedroom, October 2019

Number of Bedrooms	Units Available	Average Listing Price	Median Listing Price	Minimum Listing Price	Maximum Listing Price
Two Bedroom	14	$374,207	$329,000	$200,000	$1,150,000
Three Bedroom	40	$611,745	$520,000	$310,000	$1,350,000
Four Bedroom	8	$521,888	$394,450	$319,000	$968,500
Total	62	$546,513	$464,450	$200,000	$1,350,000

Source: BrightMLS (2019)

Figure 4.9: Residential Properties Listed in the Fairmount Area, October 2019



Source: BrightMLS (2019), ArcGIS (2019)

4.5. Market Rate Rentals in the Fairmount Area

Within the Fairmount Area, the median rent for a one- to three-bedroom dwelling was $1,795 per month in 2018 (see Figure 4.10).

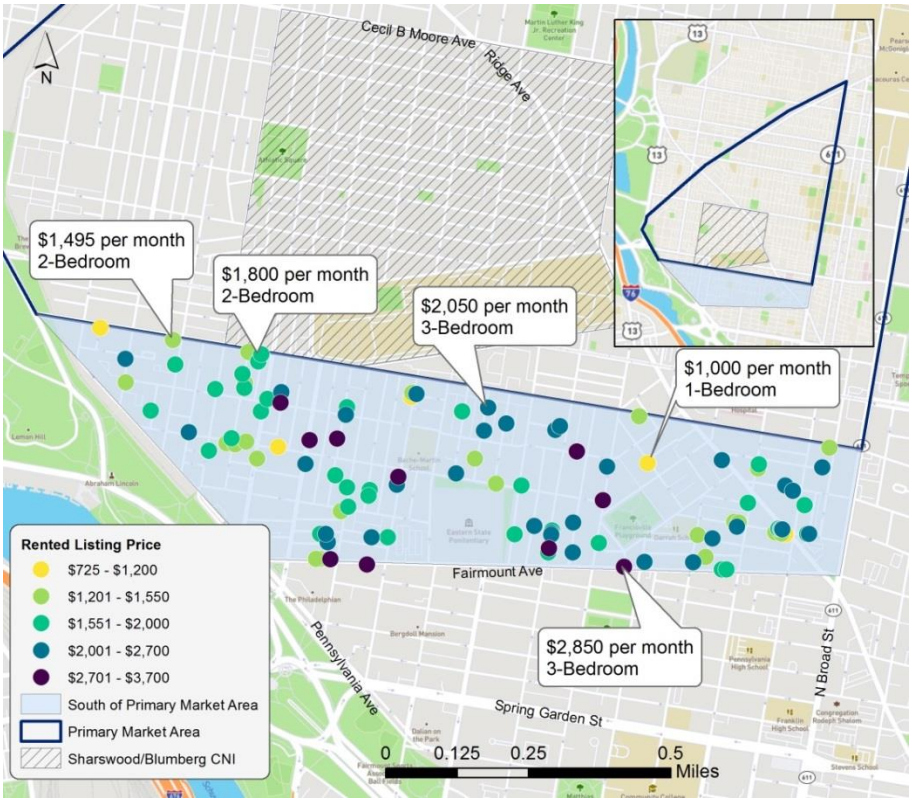
Figure 4.10: Average and Median Rents of Rented Units, By Bedroom in the Fairmount Area, 2018

Number of Bedrooms	Units	Median Rent	Average Rent
One Bedroom	64	$1,398	$1,418
Two Bedrooms	79	$1,800	$1,846
Three Bedrooms	44	$2,298	$2,282
Total	**187**	**$1,795**	**$1,802**

Source: BrightMLS (2019)

While there was a noticeable increase in sales price moving west throughout the Fairmount area for settled properties, the monthly rental price of units were more uniformly distributed throughout the neighborhood (see Figure 4.11). However, there is a markedly difference in rental prices across bedrooms, with an additional bedroom adding a base median price of approximately $475 per bedroom.

Figure 4.11: Rented Units, By Bedroom in the Fairmount Area, 2018



Source: BrightMLS (2019), ArcGIS (2019)

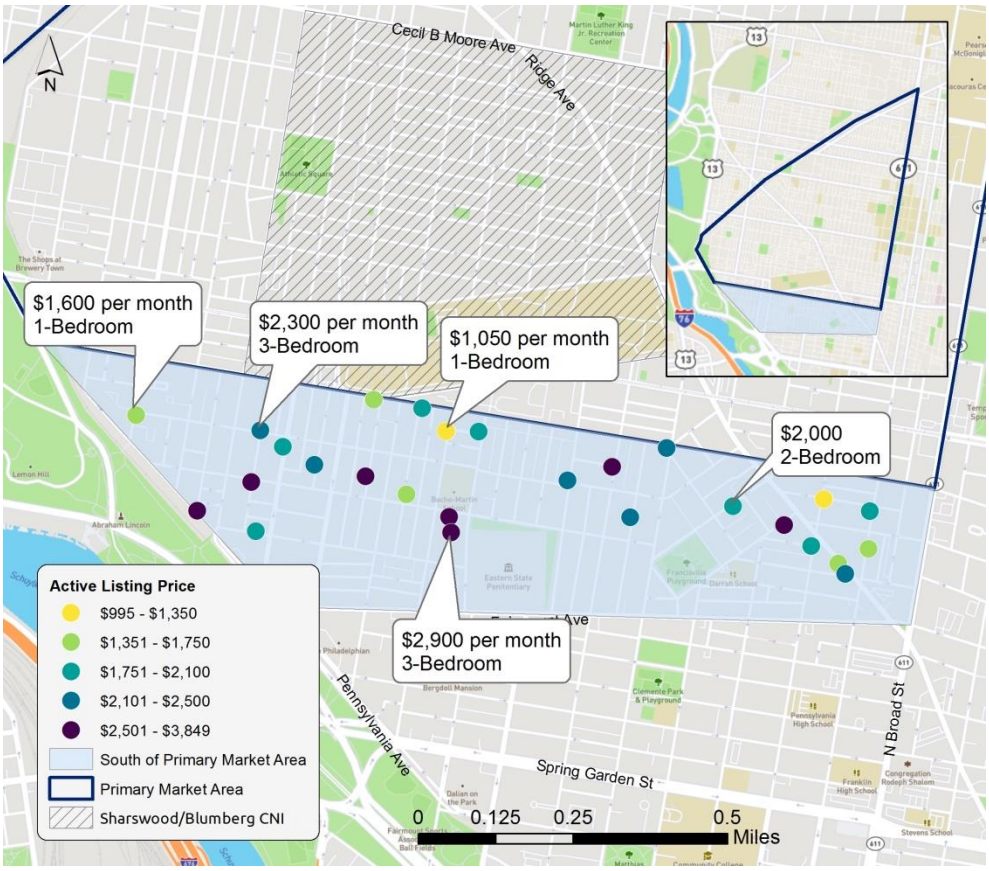
Currently, there are 38 properties (one, two, and three-bedroom units) for rent within the Fairmount neighborhood. The median rent for a dwelling in this area is $1,950 with price increasing with number of bedrooms. Similar to rented units, asking prices within this neighborhood are primarily a function of the size and number of bedrooms in the unit rather than location, as the majority of the neighborhood is in high demand by renters (see Figure 4.12 and Figure 4.13).

Figure 4.12: Average and Median Asking Rents of Active Units, By Bedroom in the Fairmount Area

Number of Bedrooms	Units	Median Asking Rent	Average Asking Rent
One Bedroom	11	$1,495	$1,500
Two Bedrooms	14	$1,950	$1,943
Three Bedrooms	13	$2,450	$2,565
Total	**38**	**$1,950**	**$2,027**

Source: BrightMLS (2019)

Figure 4.13: Active Rental Units, By Bedroom in the Fairmount Area, October 2019



Source: BrightMLS (2019), ArcGIS (2019)

5. Recommendations

This section provides recommendations as to the locations of proposed market rate, workforce, and affordable housing within the Sharswood CNI. The recommendations are based on the economics of the CNI and its surrounding communities, the master plans for the area, in-process and proposed developments and their timing, and the qualitative aspects of the area. These master plans and economic development plans as parameters and not variables, in that they will be developed as planned since these development plans were all carefully constructed with community input and government and institutional support. In addition, this section discusses the market trends and catalysts that will impact these developments.

5.1. Preliminary Recommendations for Rentals

We identified four areas of redevelopment for rental housing in the site plan (see Figure 5.2). With approximately 75 percent of the Primary Market earning less than 40 percent of the Area Median Income (AMI) and average market rents above the 60 percent AMI rent levels, there is a high need in the area for affordable rentals. In addition, given the attraction of neighborhoods including Brewerytown for young professionals and families priced out of Center City, there is an opportunity for market rate rentals as well.

Due to the new location of PHA's Headquarters and a planned supermarket along Ridge Avenue (see Section 2.2), we recommend developing Section "1" first, as it is closest to Ridge Avenue. This will help to create new and greater density, and allow future residents to take advantage of the revitalizing commercial corridor. We recommend a mix of affordable and market rate one- and two-bedroom units, due to the strength of the rental market south of Section "1," the Fairmount neighborhood. For this area, we would suggest both affordable and market rate rental rates. For affordable rental rates, we suggest rents in line with the 40 to 50 percent AMI, which is $800-$1,000 for a two-bedroom unit (see Figure 3.22). For market rate, we recommend rates in line with the median rental rates of the PMA, up to $1,500 for a two-bedroom unit (see Figure 5.1).

Within Section 2, we suggest developing the 2400 and 2500 blocks of Oxford Street, Redner Street, Bolton Street, and Nassau Street. The large number of vacant parcels will enable more flexibility with the type of construction that would be permissible within the neighborhood. For this area, we would suggest affordable rental rates in line with the 40 to 50 percent AMI and market rate rental rates of up to $1,560 for a three-bedroom unit (see Figure 5.1).

Moving south, within Section "3," we suggest developing the 2500 block of Jefferson and Stewart Street with a mix of affordable and market rate rental units. The majority of the 2500 block of Stewart Street is made up of vacant parcels, enabling more flexibility with the type of construction that would be permissible within the neighborhood. While the 2500 block of Stewart Street is primarily vacant, blocks adjacent are currently occupied and stable. On this street, we would suggest a complete full-block construction of two-story townhomes. For rentals in this area, we recommend similar rates as specified for Section "1" and Section "2."

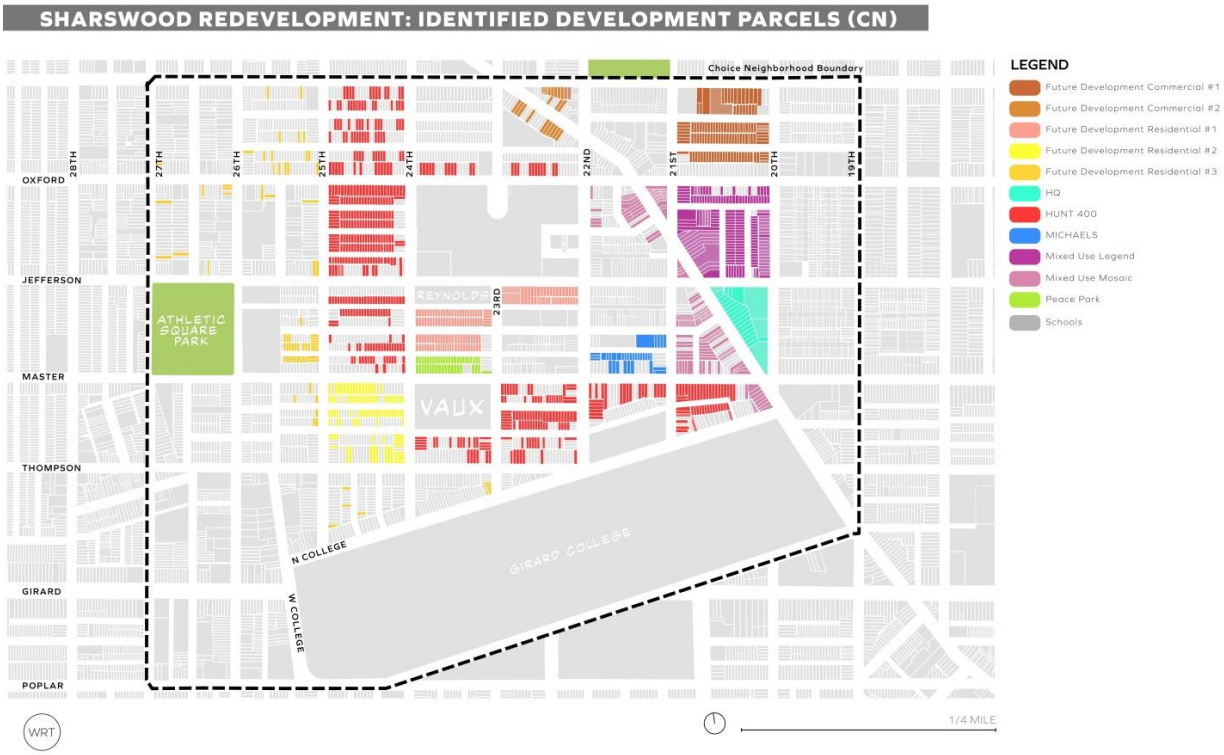
We identify Section "5" as an area of opportunity for future new construction development, due to the density of vacant and uninhabitable structures along the 2500 blocks of West Nicholas Street and West Turner Street. This area is furthest from current housing market forces that are positively impacting other areas of the Choice Neighborhood. We suggest that housing should be mixed-income with both rental and homeownership units. Habitat for Humanity is currently developing 20 new construction homes for home ownership, directly east of Section "5," so this will help to further stabilize along with the development of Section "2."

Figure 5.1: LIHTC Rents in Philadelphia and Average Market Rents in the PMA

	LIHTC Rents			PMA		
	40% of AMI	50% of AMI	60% of AMI	Median Rent	Average Rent	Dwellings in Sample
One Bedroom	$676	$845	$936	$1,298	$1,267	72
Two Bedrooms	$811	$1,013	$1,123	$1,550	$1,498	127
Three Bedrooms	$1,014	$1,216	$1,406	$1,650	$1,563	57
Total						256

Source: Pennsylvania Housing Finance Agency (2018), TrendMLS (2018), BrightMLS (2019)

Figure 5.2: Recommended Areas for Redevelopment for Affordable Housing



Source: Hunt Companies (2018), Econsult Solutions (2019)

Based on market activity and need in the area, our analysis suggests that renovated rental units will lease comfortably at 15 to 20 units a month, which is why it is important to perform development by section so that the developer can have a marketing plan that allows for stabilization for each section without overwhelming the market. In addition to marketing to potential market rate tenants, we assume Hunt-Pennrose Sharswood, LLC will work with local social service organizations, affordable housing developers, and other community organizations in the area to market to and screen potential affordable housing residents. These social service organizations may already have waiting lists for housing for their respective clients or developments, so the absorption rate may be higher.

5.2. Preliminary Recommendations for Homeownership (Section 4)

Based on the analysis of the current housing market within the PMA as well as its adjacent markets, we suggest first developing the southwestern perimeter of the Choice Neighborhood with market rate, workforce, and affordable housing. As illustrated in Section 2.3, the increasing number of residential and retail developments, the redevelopment of Athletic Square Recreation through Rebuild Philadelphia, and the redevelopment of the Ridge Avenue commercial corridor through Philadelphia2035 will help push demand for market rate housing to the southern perimeter of the Choice Neighborhood.

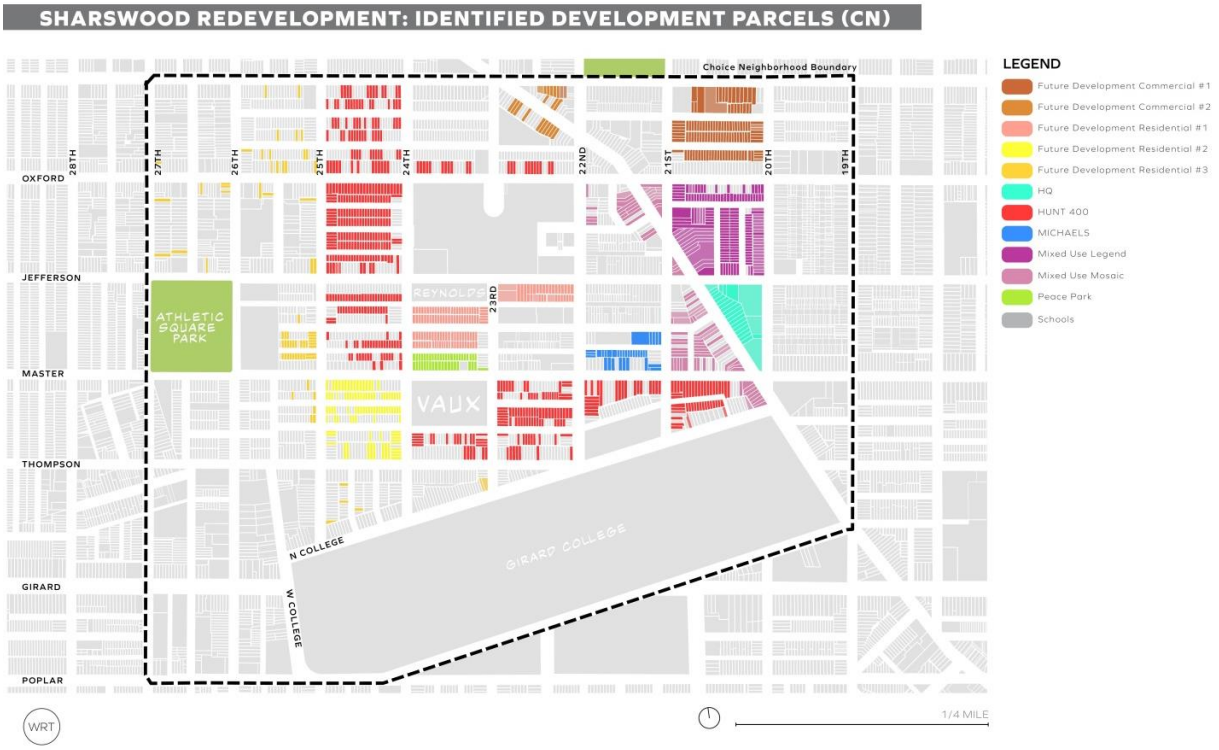
As detailed in section 3.3, the number of new construction and rehabbed housing within the Brewerytown neighborhood has greatly increased in recent years. These new construction dwellings typically sold in 16 days for approximately $403,580 in 2018–for 50 percent higher than ($268,200) all homes sold. While this type of exponential growth and sales price differential is typically an indicator of demand, we suggest more reasonably priced homes for this section of the Choice Neighborhood.

We recommend that for-sale housing development first commence on the 2300 block of Ingersoll Street (see Figure 5.3). This block is adjacent to the Vaux Big Picture High School which is currently admitting incoming freshman students, with full enrollment of all classes to be completed by 2021. Newly constructed townhomes on the 2300 block of Ingersoll Street could initially sell in the range of $150,000 to $250,000.

To attract prospective buyers to the area, we suggest stabilizing the blocks adjacent to the newly constructed units. To stabilize the neighborhood, we suggest infill housing on both sides of the 2300 block of West Seybert Street (see Figure 5.2) during the same time as the Ingersoll Street construction. We suggest a mixture of workforce and affordable home ownership with prices below $200,000 for this street. The 2300 block of West Seybert Street has a mix of three- and two-story dwellings on either side of the street in low to average condition. We suggest infilling vacant parcels with rowhomes consistent with the size and scale of the current housing stock in order to sustain block conformity.

This section of the Choice Neighborhood (“Section 4”) is close to the Ridge Avenue commercial redevelopment, provides easy access to transportation for employment, and is currently experiencing market pressures from the south. We believe that the stronger, more established real estate market in Fairmount presents a great opportunity for for-sale housing development within Section “4.”

Figure 5.3: Recommended Areas for Redevelopment for Market Rate Housing



Source: Hunt-Pennrose Sharswood, LLC (2018), Econsult Solutions (2019)

Given the age of the homes in the area (see Figure 3.1), the attractiveness of newly renovated and new product in the Choice Neighborhood, and the quickness of the for-sale market (see Figure 5.2), our analysis indicatesthat newly constructed homes could sell in approximately 45 days as long as the area is not overwhelmed with too many units at once and that the structures are built in conformity with existing structures.

Figure 5.4: Average, Minimum, and Maximum Settled Home Prices, By Bedroom in the PMA, 2018

Number of Bedrooms	Units Sold	Average Settled Price	Median Settled Price	Minimum Settled Price	Maximum Settled Price	Median Days on Market
Two Bedroom	79	$237,179	$250,000	$20,000	$457,000	
Three Bedroom	249	$207,963	$177000	$1,550	$750,000	
Four Bedroom	71	$267,777	$220,000	$22,000	$600,000	
Total	399	$224,391	$225,000	$1,550	$750,000	24

Source: BrightMLS (2019)

Appendix A - Real Estate Market Conditions to the East and Northwest of the PMA

6.1. PMA Supplementary Data

Figure 6.1: Permit Activity in the Proposed Choice Neighborhood

Year	Major Alteration	New Construction
2007	220	14
2008	245	122
2009	200	102
2010	179	105
2011	213	103
2012	367	117
2013	142	140
2014	165	94
2015	302	96
2016	343	153
2017	316	200
2018	589	270
2019	496	193
Total Permits	**3,880**	**1,709**

Source: Philadelphia Licenses and Inspections (2019);2019 is Jan-Oct

Figure 6.2: Owner and Renter Occupied Housing, the PMA and City of Philadelphia, 2018

Housing Type	PMA	City of Philadelphia
Vacant Housing Units	20%	10%
Occupied Housing Units	80%	90%
Owner Occupied Housing	35%	52%
Renter Occupied Housing	65%	48%

Source: ESRI Business Analyst (2019)

Median Days on the Market

Figure 6.3: Median Number of Days to Sell in the PMA

Month	2013	2014	2015	2016	2017	2018
Jan	77	31	41	19	33	22
Feb	65	23	60	51	25	31
Mar	60	95	68	40	28	27
Apr	25	42	85	22	23	27
May	61	53	44	35	9	19
Jun	127	32	17	32	27	25
Jul	53	58	51	30	33	16
Aug	27	20	54	26	35	31
Sep	77	40	20	17	19	32
Oct	74	72	74	24	27	23
Nov	28	62	40	41	23	25
Dec	26	64	37	12	29	24
Average	**58**	**49**	**49**	**29**	**26**	**24**

Source: TrendMLS (2018), BrightMLS (2019)

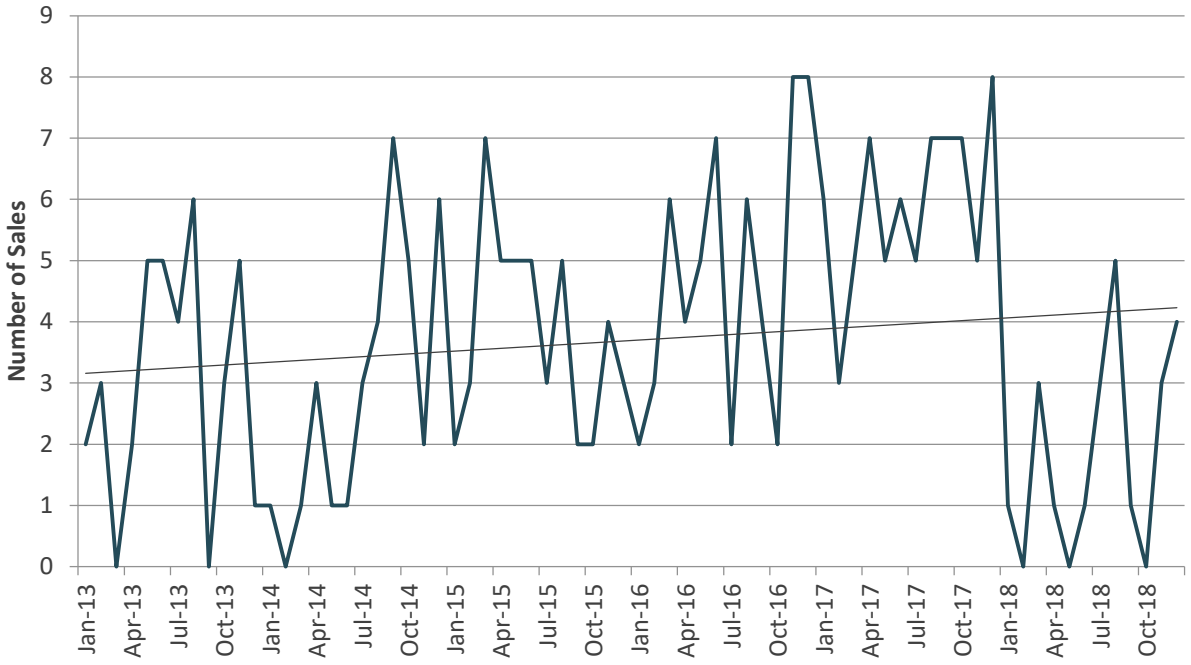
6.2. Strawberry Mansion Supplementary Data

Figure 6.4: Median Sales Price Philadelphia, PMA, and Surrounding Areas 2013-2018

Year	Philadelphia	Strawberry Mansion
2013	$145,000	$19,564
2014	$147,000	$17,907
2015	$155,000	$20,154
2016	$169,900	$27,806
2017	$185,000	$33,292
2018	$200,000	$62,500
Percent Change	38%	219%

Source: TrendMLS (2018), BrightMLS (2019)

Figure 6.5: Number of Sales in the Strawberry Mansion Area, 2013-2018



Source: TrendMLS (2018), BrightMLS (2019)

Figure 6.6: Median Number of Days to Sell in the Strawberry Mansion Area, 2013-2018

Month	2013	2014	2015	2016	2017	2018
Jan	830	12	71	136	20	5
Feb	84	-	12	32	17	-
Mar	-	133	95	80	150	15
Apr	31	16	86	48	37	265
May	50	12	24	82	10	-
Jun	73	133	8	13	84	162
Jul	35	17	25	56	125	4
Aug	35	53	49	54	70	5
Sep	-	75	31	133	41	25
Oct	26	41	91	32	5	-
Nov	16	127	70	66	53	5
Dec	242	93	43	63	16	15
Average	**142**	**65**	**50**	**66**	**52**	**55**

Source: TrendMLS (2018), BrightMLS (2019)

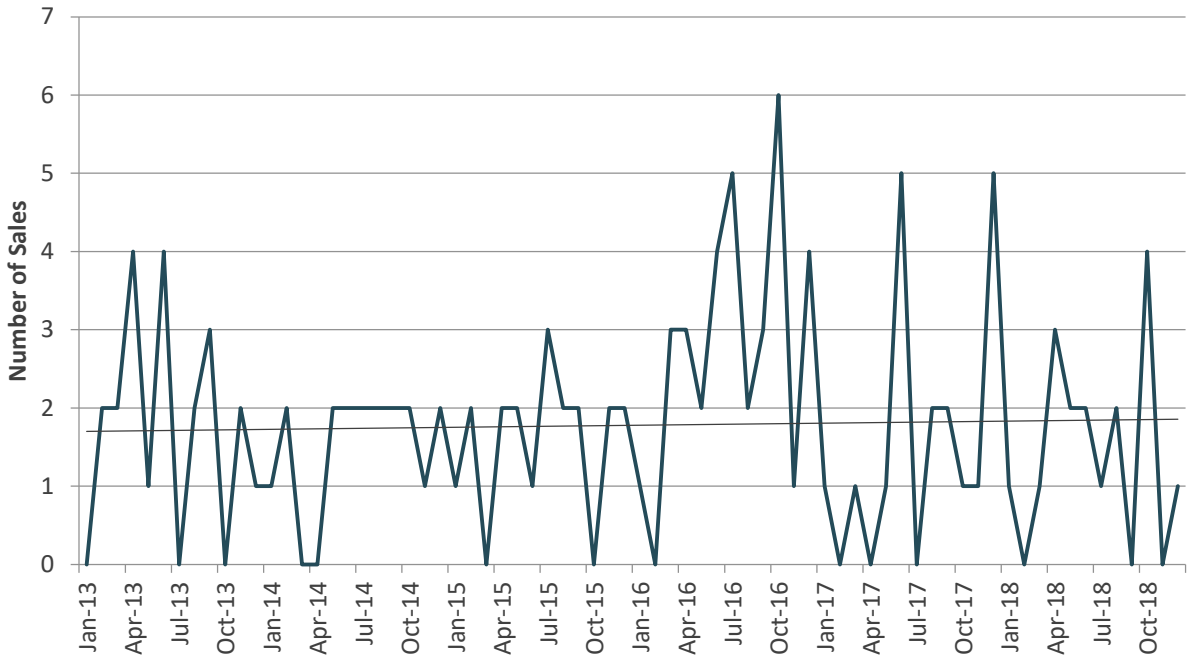
6.3. West Popular/Yorktown Supplementary Data

Figure 6.7: Median Sales Price in the West Poplar/Yorktown Area and Philadelphia, 2013-2018

Year	Philadelphia	East of PMA
2013	$145,000	$136,272
2014	$147,000	$173,195
2015	$155,000	$153,950
2016	$169,900	$169,132
2017	$185,000	$215,506
2018	$200,000	$260,000
Percent Change	**38%**	**91%**

Source: TrendMLS (2018), BrightMLS (2019)

Figure 6.8: Number of Sales in the West Poplar/Yorktown Area, 2013-2018



Source: TrendMLS (2018), BrightMLS (2019)

Figure 6.9: Median Number of Days to Sell in the West Poplar/Yorktown Area, 2013-2018

Month	2013	2014	2015	2016	2017	2018
Jan	-	80	23	17	7	5
Feb	84	55	16	-	-	-
Mar	41	-	-	2	8	35
Apr	54	-	74	30	-	4
May	10	35	113	20	7	58
Jun	26	20	214	3	4	7
Jul	-	71	12	3	-	5
Aug	41	13	99	26	9	5
Sep	24	12	30	14	18	-
Oct	-	47		8	3	12
Nov	34	36	14	26	3	-
Dec	12	12	6	2	10	6
Average	**36**	**38**	**60**	**14**	**8**	**6**

Source: TrendMLS (2018), BrightMLS (2019)

6.4. About Econsult Solutions, Inc.

This report was produced by Econsult Solutions, Inc. ("ESI"). ESI is a Philadelphia-based economic consulting firm that provides businesses and public policy makers with economic consulting services in urban economics, real estate economics, transportation, public infrastructure, development, public policy and finance, community and neighborhood development, planning, as well as expert witness services for litigation support. Its principals are nationally recognized experts in urban development, real estate, government and public policy, planning, transportation, non-profit management, business strategy and administration, as well as litigation and commercial damages. Staff members have outstanding professional and academic credentials, including active positions at the university level, wide experience at the highest levels of the public policy process and extensive consulting experience.

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