

Reprinted with permission of Thomson/West

**HDR Current Developments
July 4, 2005**

**IDEAS AND TRENDS
PUBLIC HOUSING
[Issue Contents](#)**

**Philadelphia Study Shows Increase In Residential Property Values Near HOPE VI
Developments**

A study of five HOPE VI revitalization projects in Philadelphia showed that residential property values in the surrounding neighborhoods had much larger increases from 1999 to 2004 than citywide housing prices.

Commissioned by the Philadelphia Housing Authority (PHA), the study found that the median sales price of owner-occupied housing in the city rose 55 percent, from \$55,000 to \$85,000, while prices in neighborhoods around the HOPE VI projects rose 142 percent, from \$60,000 to 145,000. The study was done by **Applied Real Estate Analysis, Inc. (AREA)** of Chicago

AREA didn't claim that the PHA redevelopment has been the exclusive generator of housing price appreciation in surrounding neighborhoods, but the research firm concluded that it has had a significant impact.

City tax bureau data were examined for the study, and multiple listing service (MLS) data were used to confirm trends and verify some information.

Public Housing Redevelopment

The five public housing redevelopment projects in the study are Falls Ridge, whose neighborhood had a 196 percent price increase, from \$52,000 to \$154,000; Richard Allen-Cambridge Plaza, 72 percent increase, from \$60,000 to \$103,000; Martin Luther King Plaza, 161 percent, \$99,750 to \$260,000; Courtyard at Riverview, 113 percent, \$119,670 to \$255,000; and Greater Greys Ferry, 85 percent, \$26,000 to \$48,000.

The Greys Ferry redevelopment began only recently, and the property values there continue to lag those citywide. The study said there are indications that values will increase in this area in coming years.

The study also included a control group of six public housing sites owned by PHA that have not received the same level of investment. Sales prices at three of these sites declined during the period, while the others had price increases of 56 percent, 112 percent, and 138 percent.

The median sales prices in the control group neighborhood ranged from \$17,000 to \$90,000 in 2004.

Separate Study

Another PHA-commissioned study concluded that PHA redevelopment is having a significant positive impact on adjacent neighborhoods for the same five projects.

Econsult Corporation of Philadelphia estimated that investments at the developments have generated an increase of more than \$200 million in residential market value in adjacent neighborhoods and more than \$4 million annually in increased property tax revenues to the city and school district.

Econsult also examined real estate and property tax data along with other information, including employment and payrolls. It developed an econometric model that can be used to measure the future impact of redevelopment.

Econsult predicted that since the five projects are relatively new, the economic impact will grow over time.

© 2005 Thomson/West

33 NO. CD-14 HDRCURDEV 9
END OF DOCUMENT