

# PHILADELPHIA HOUSE PRICE INDICES



**January 15, 2015**

**KEVIN C. GILLEN, Ph.D.**

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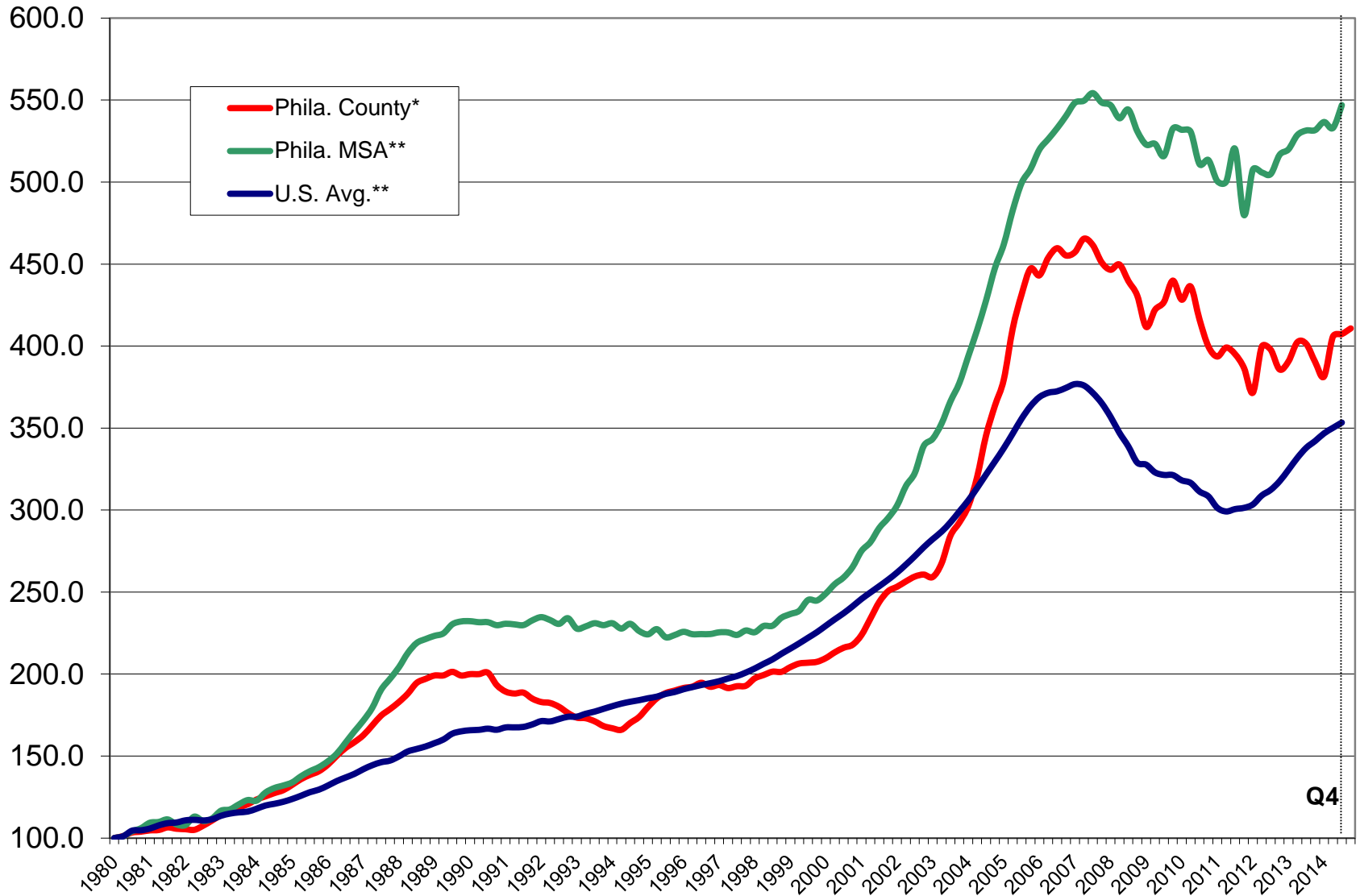
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**Disclaimers and Acknowledgments:** The Lindy Institute for Urban Innovation at Drexel University provides this report free of charge to the public. The report is produced by Lindy Senior Research Fellow Kevin Gillen, in association with Meyers Research LLC. The author thanks Azavea.com, the Philadelphia Office of Property Assessment, the Federal Housing Finance Agency, Case-Shiller MacroMarkets LLC, RealtyTrac, Zillow.com, Trulia.com and the NAHB for making their data publicly available.

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## House Price Indices 1980-2014: 1980Q1=100 Philadelphia County v. Philadelphia MSA and U.S. Average



\* Empirically estimated by Kevin C. Gillen, Ph.D.

\*\*Courtesy of the Federal Housing Finance Agency (FHFA).

HPIs are available through 2014Q3 only.

“MSA”=Metropolitan Statistical Area, which is the entire 9-county region

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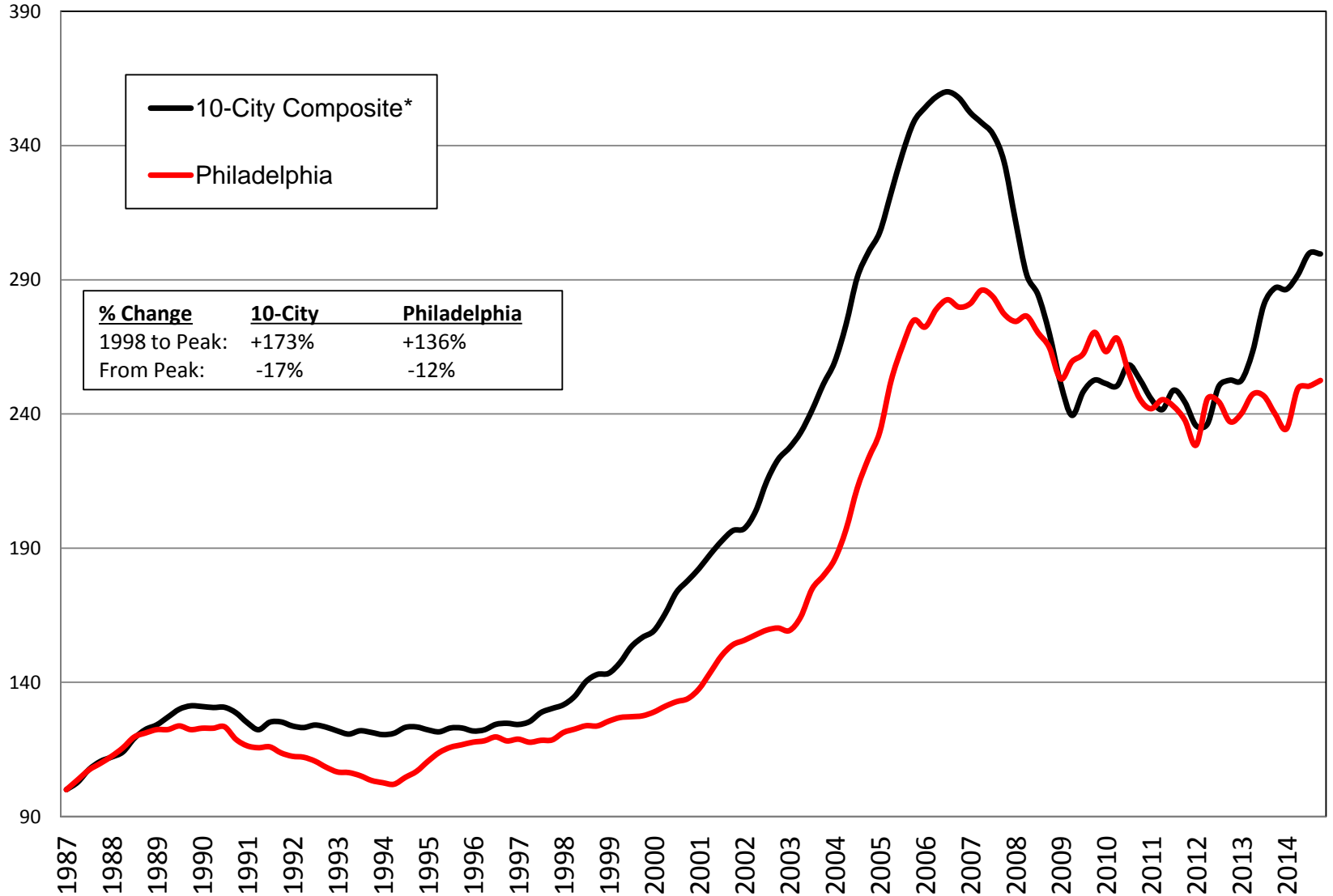
## Total House Price Appreciation Rates by Geographic Market

Period	Philadelphia County*	Philadelphia MSA**	U.S.A.**
34-Year	<b>141.3%</b>	<b>169.9%</b>	<b>126.2%</b>
10-Year	<b>12.2%</b>	<b>24.6%</b>	<b>9.4%</b>
1-Year	<b>5.1%</b>	<b>2.9%</b>	<b>4.4%</b>
1-Quarter	<b>0.8%</b>	<b>2.6%</b>	<b>0.9%</b>

\*Empirically estimated by Kevin C. Gillen Ph.D.

\*\*Source: U.S. Federal Housing Finance Agency (FHFA). These numbers are through 2014Q3 only. “MSA”=“Metropolitan Statistical Area”, which is the entire 10-county region.

## House Price Appreciation 1987-2014: Philadelphia v. 10-City Composite



\*Source: S&P/Case-Shiller. The 10-City Composite index includes Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco, and Washington, DC. It does not include Philadelphia.

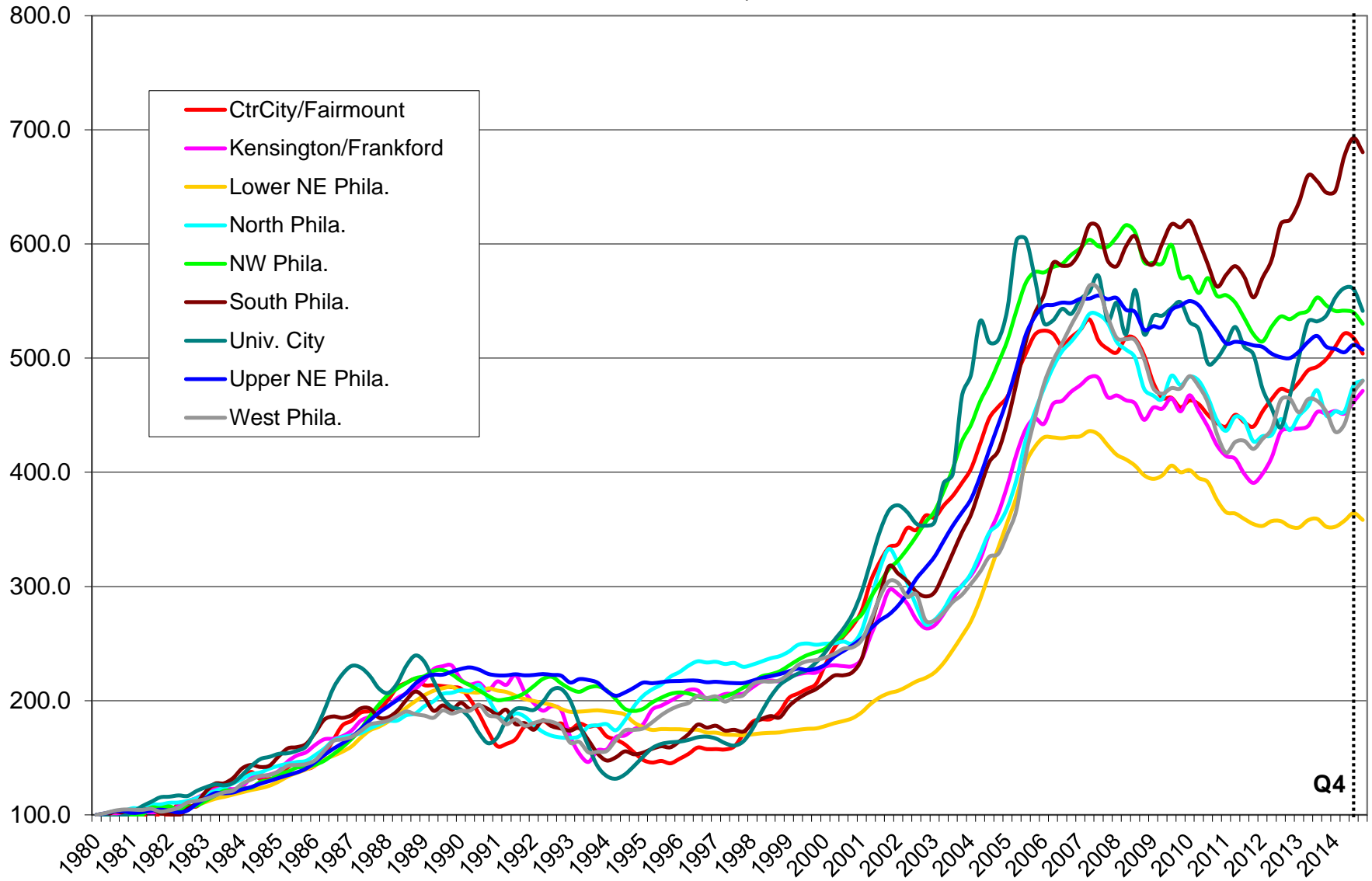
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## Philadelphia House Price Indices by Neighborhood: 1980-2014

1980Q1=100



\* All indices empirically estimated by Kevin C. Gillen, Ph.D.

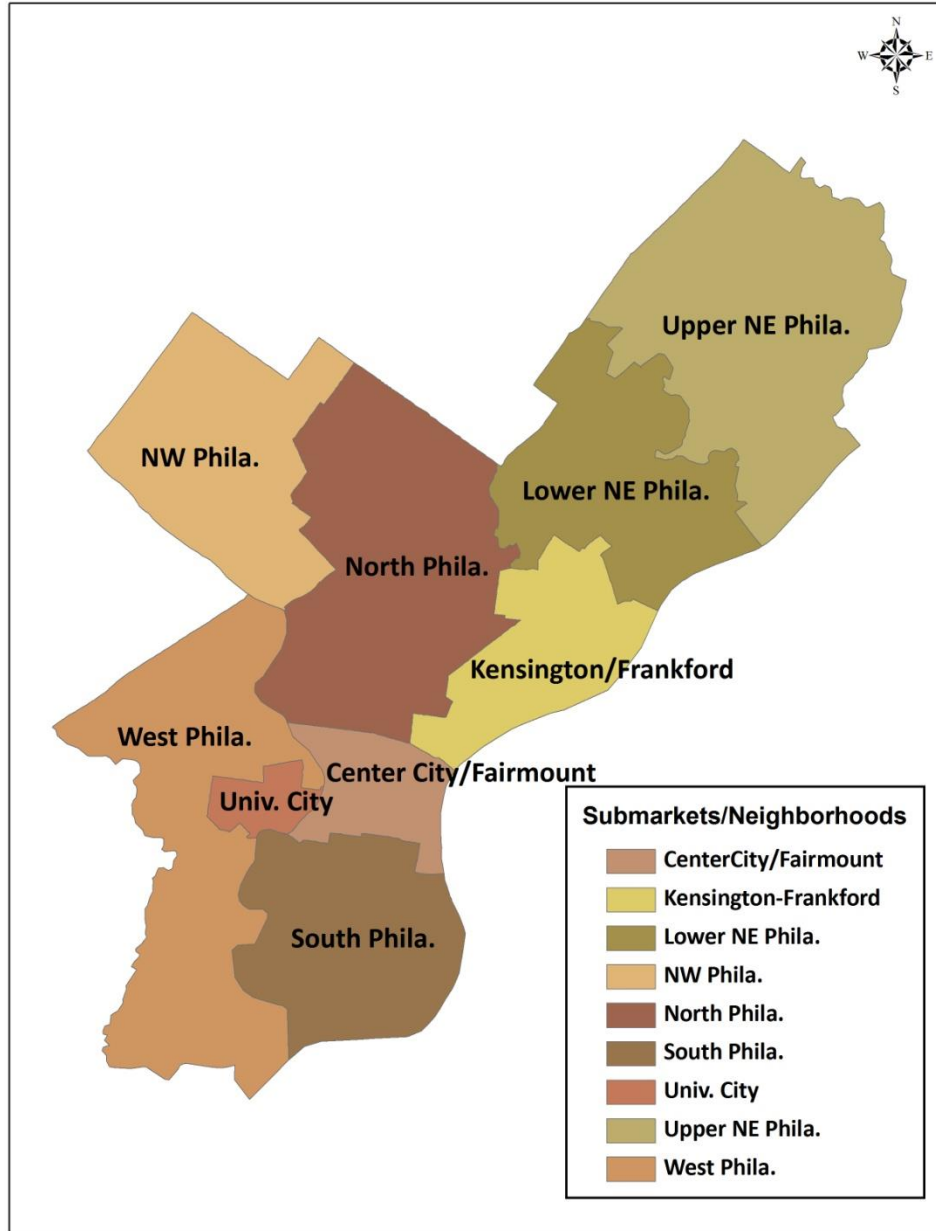
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## Philadelphia House Price Appreciation Rates by Neighborhood

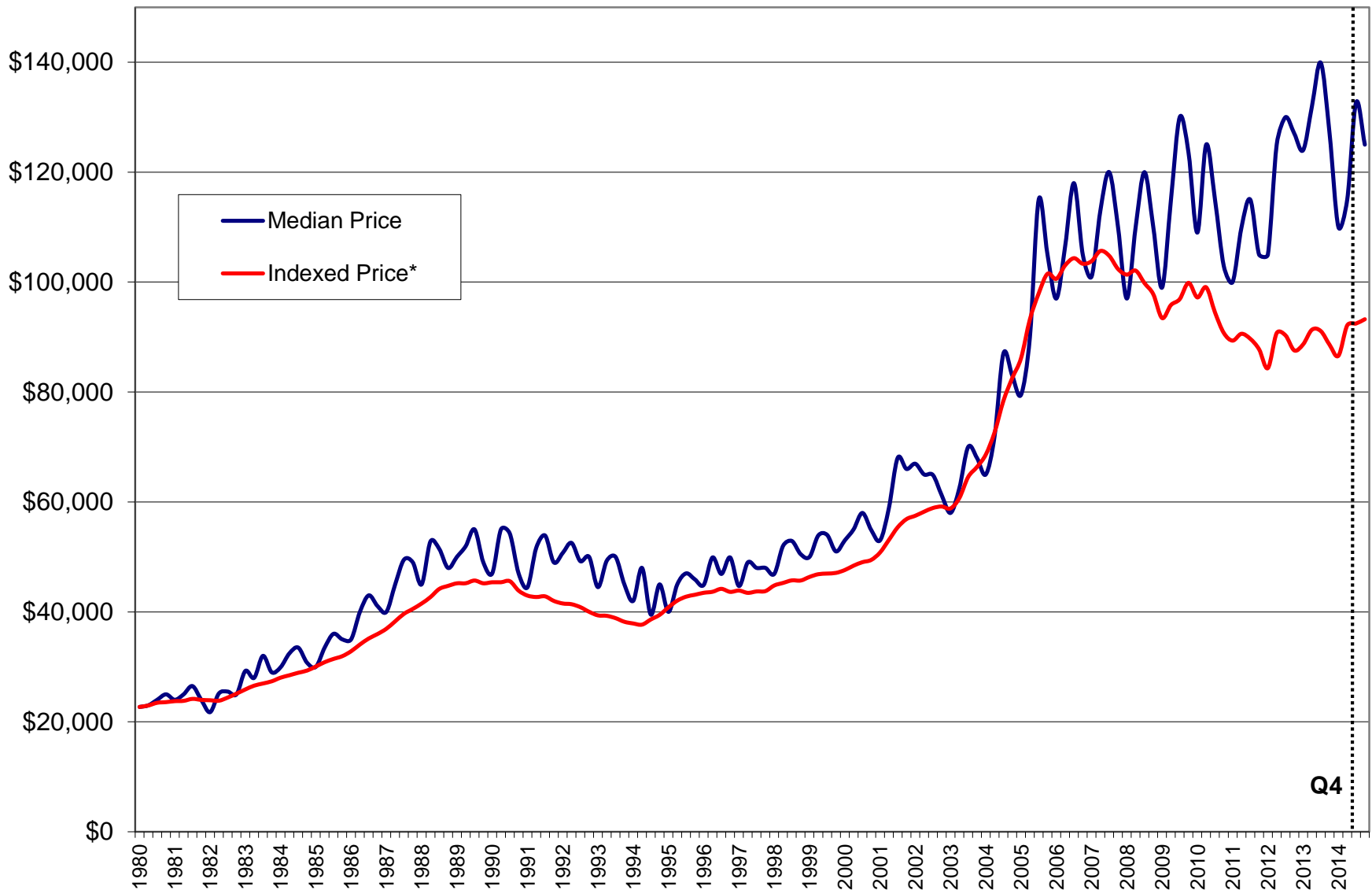
Period	Center City/ Fairmount	Kensington /Frankford	Lower NE Phila.	North Phila.	NW Phila.	South Phila.	Univ. City	Upper NE Phila.	West Phila.
<b>34-year</b>	<b>161.7%</b>	<b>155.0%</b>	<b>127.6%</b>	<b>156.9%</b>	<b>166.8%</b>	<b>191.7%</b>	<b>168.9%</b>	<b>162.4%</b>	<b>156.9%</b>
<b>10-year</b>	<b>9.7%</b>	<b>25.7%</b>	<b>7.0%</b>	<b>30.4%</b>	<b>6.7%</b>	<b>48.5%</b>	<b>4.8%</b>	<b>13.8%</b>	<b>37.9%</b>
<b>1-Year</b>	<b>1.0%</b>	<b>4.3%</b>	<b>1.7%</b>	<b>6.6%</b>	<b>-3.0%</b>	<b>5.3%</b>	<b>0.7%</b>	<b>-0.5%</b>	<b>5.8%</b>
<b>1-Quarter</b>	<b>-2.7%</b>	<b>2.1%</b>	<b>-1.6%</b>	<b>0.9%</b>	<b>-1.9%</b>	<b>-1.8%</b>	<b>-0.9%</b>	<b>-0.8%</b>	<b>2.3%</b>

This table gives the total % change in house prices by neighborhood, through 2014 Q4, from different starting points in time.

# Philadelphia Submarket Boundaries



# Median Philadelphia House Price v. Indexed Philadelphia House Price 1980-2014

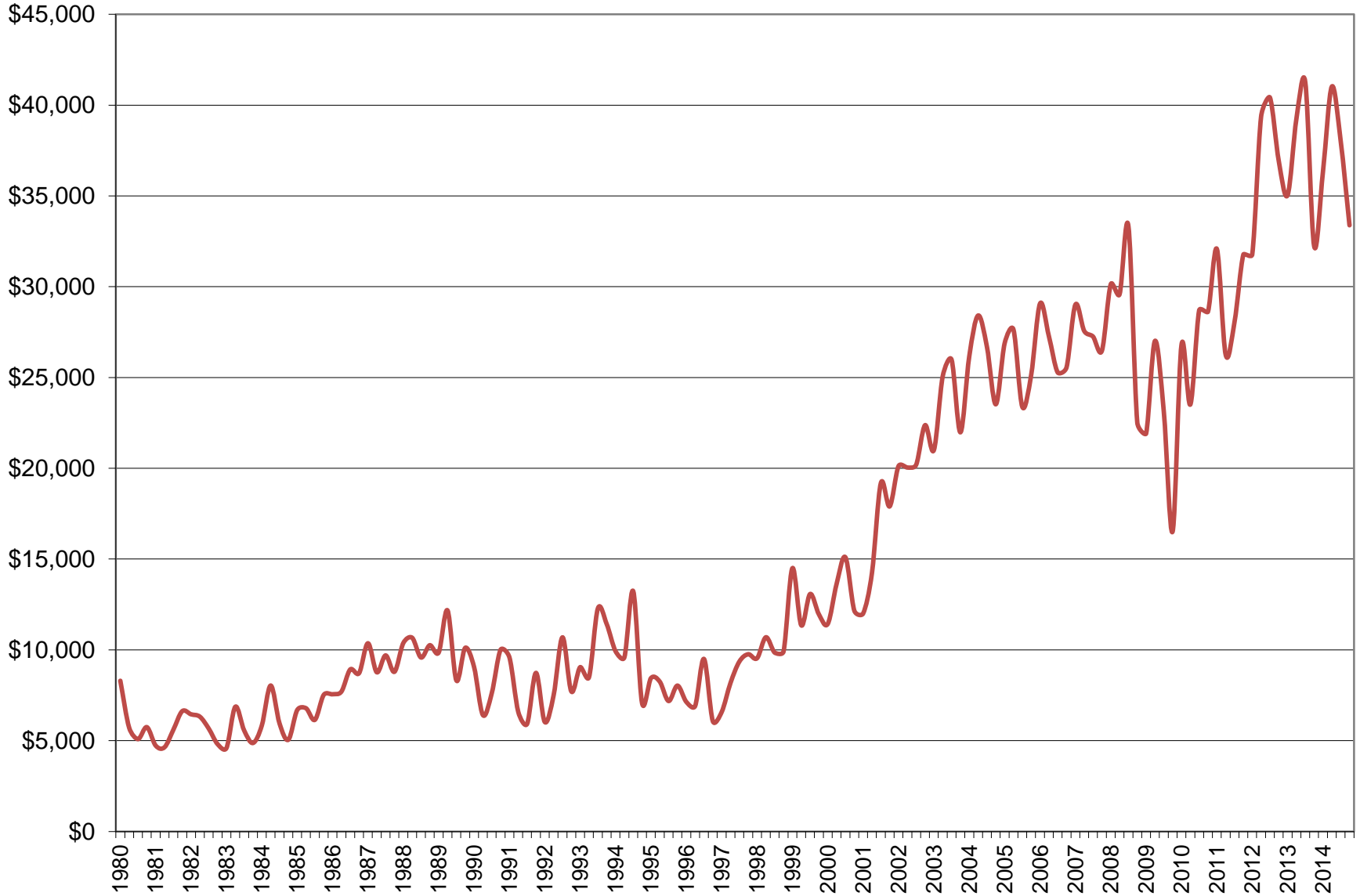


\* Empirically estimated by Kevin C. Gillen, PhD

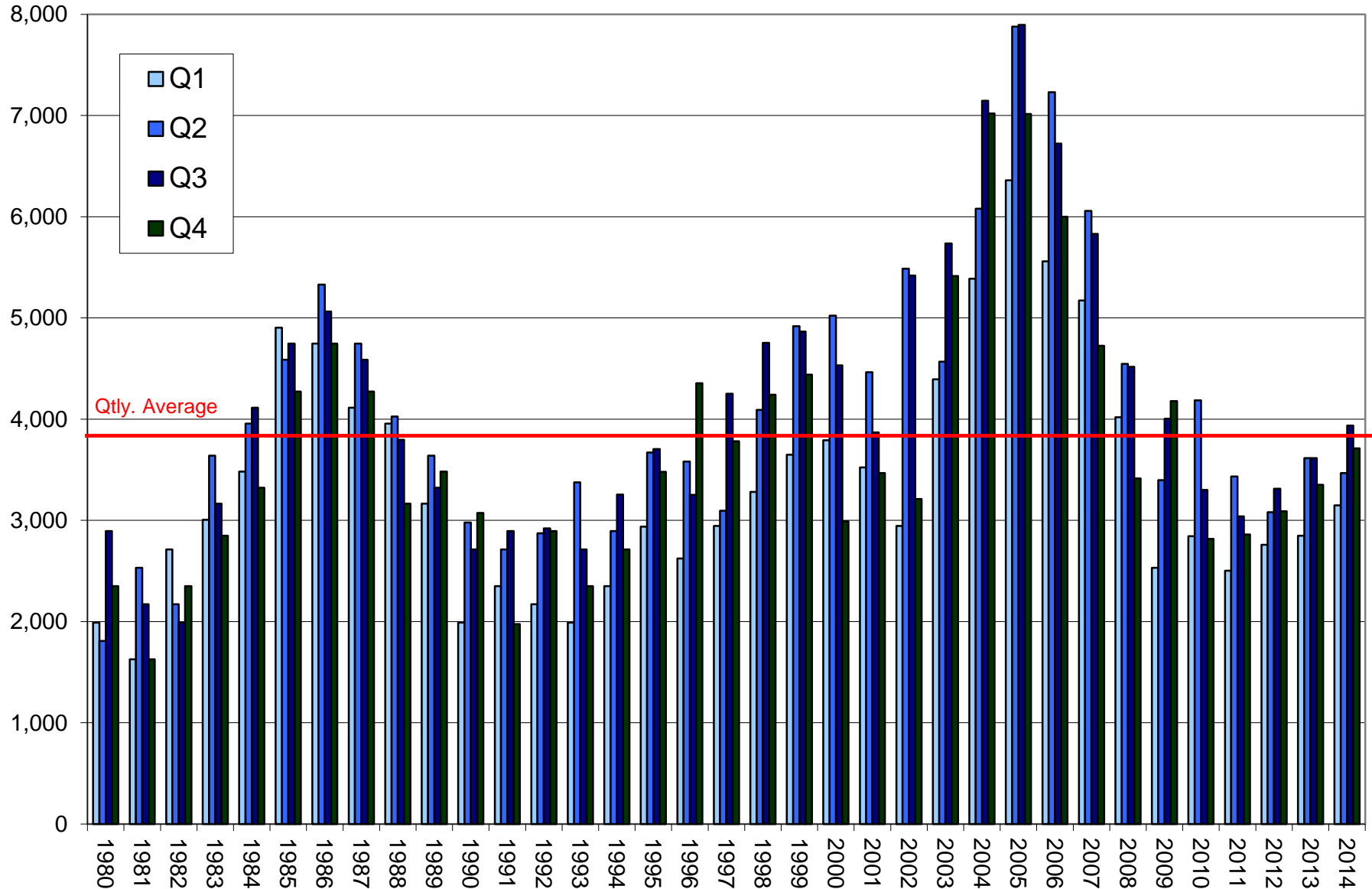
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## Average House Price Minus Median House Price: 1980-2014

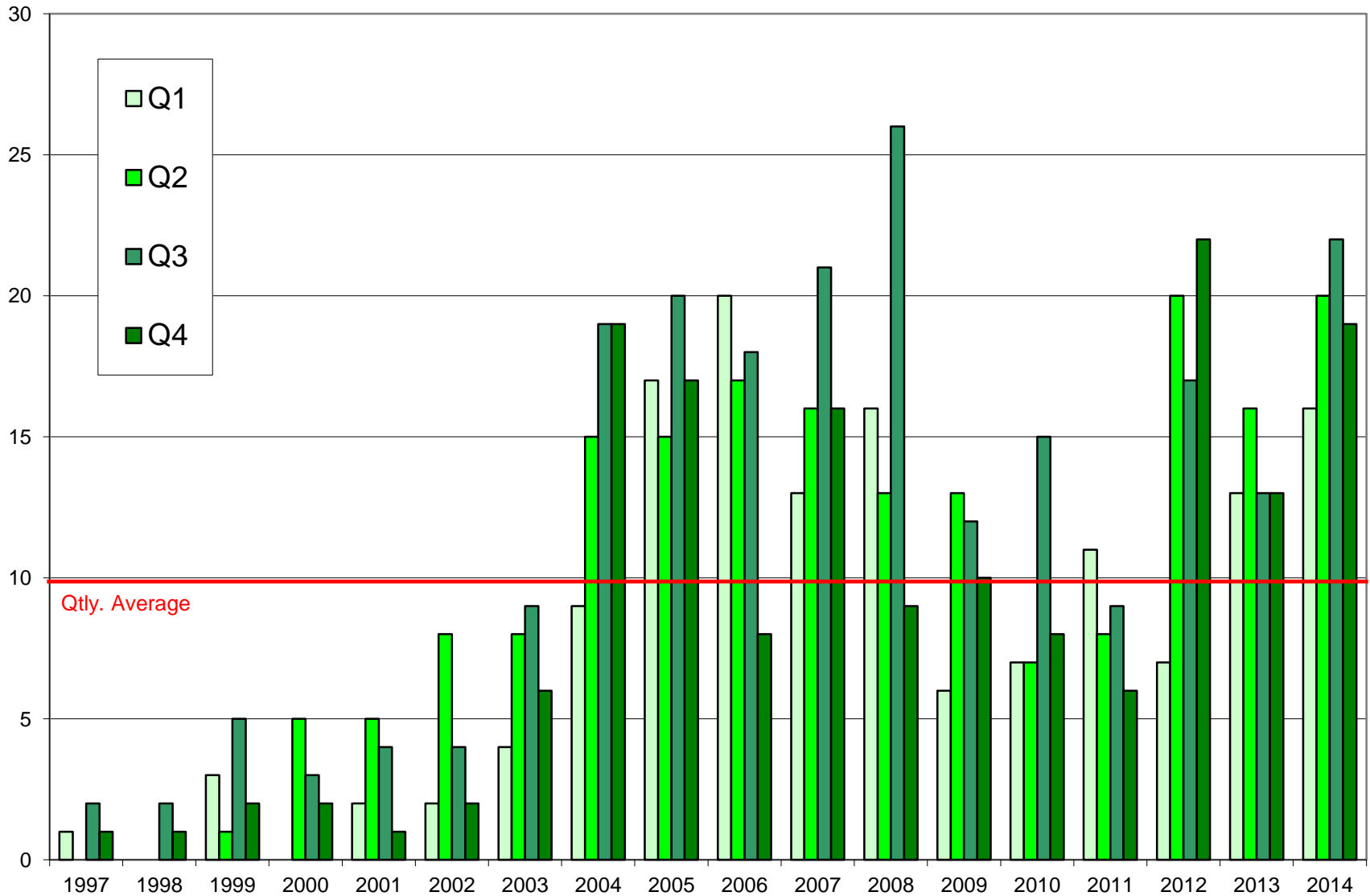


# Number of Philadelphia House Sales\* per Quarter: 1980-2014



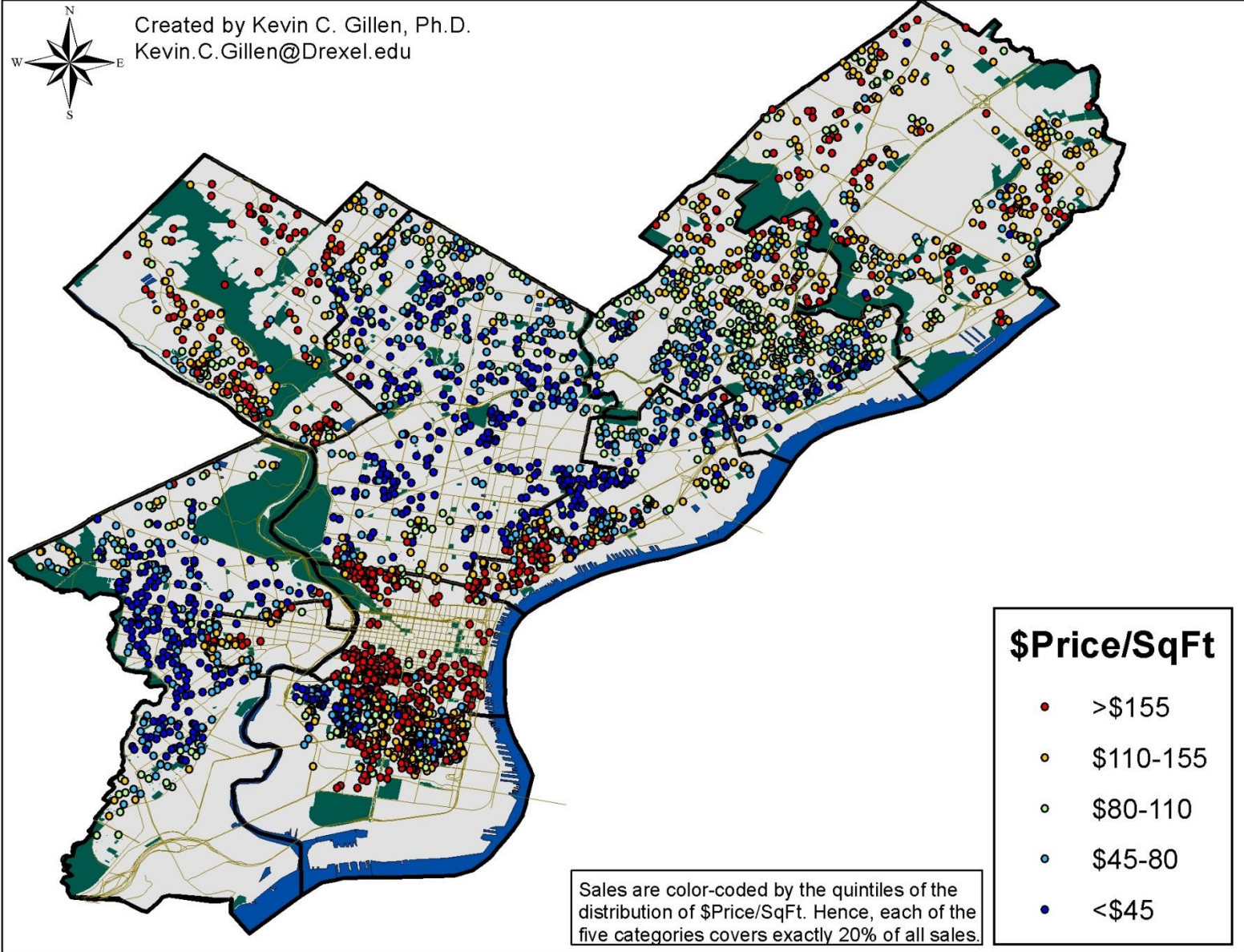
\*Only arms-length transactions between private sector entities were included in these numbers

## Number of Philadelphia Home Sales\* per Quarter with Price >=\$1 Million: 1997-2014



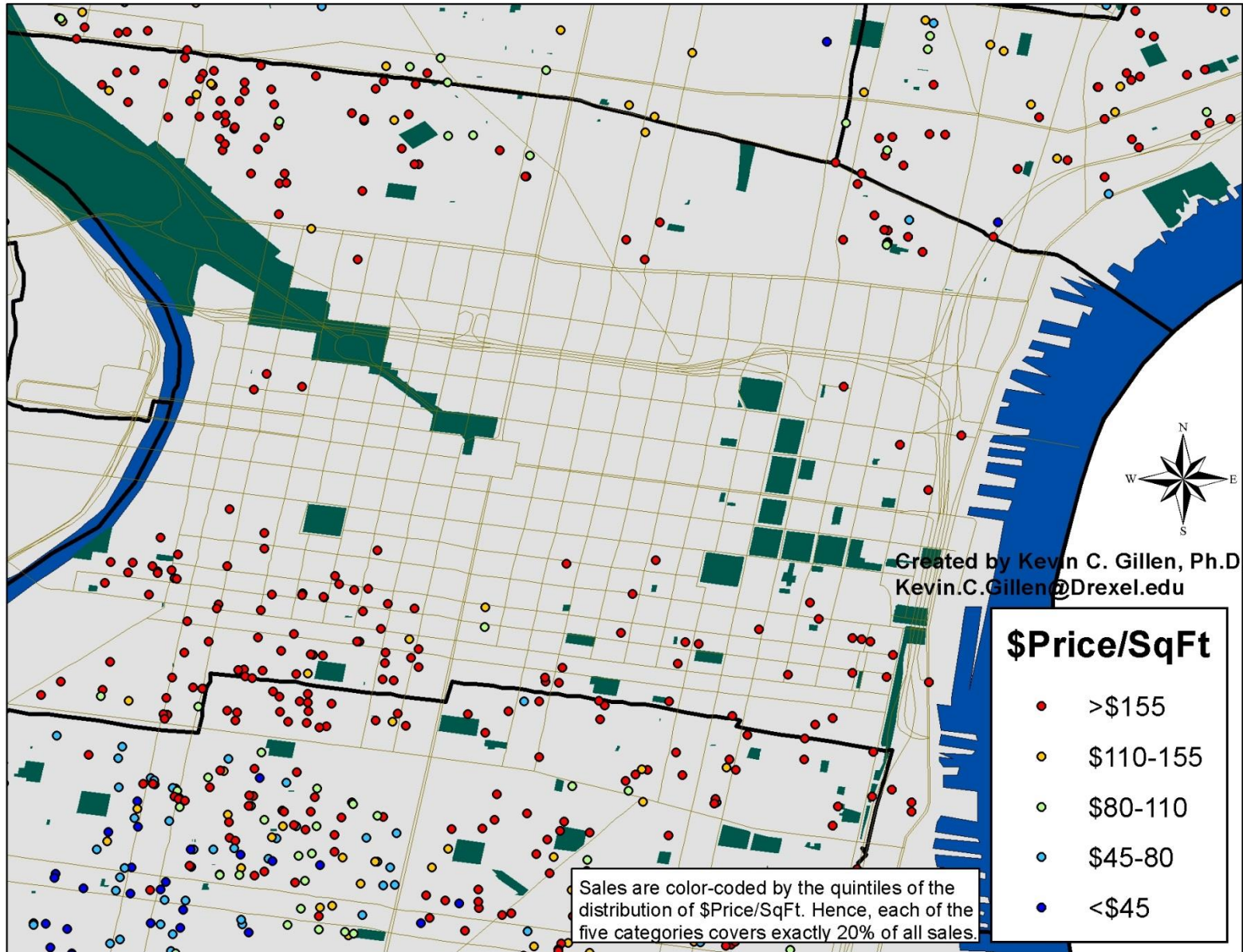
\*Only arms-length transactions between private sector entities were included in these numbers.

# Philadelphia House Sales in 2014 Q4

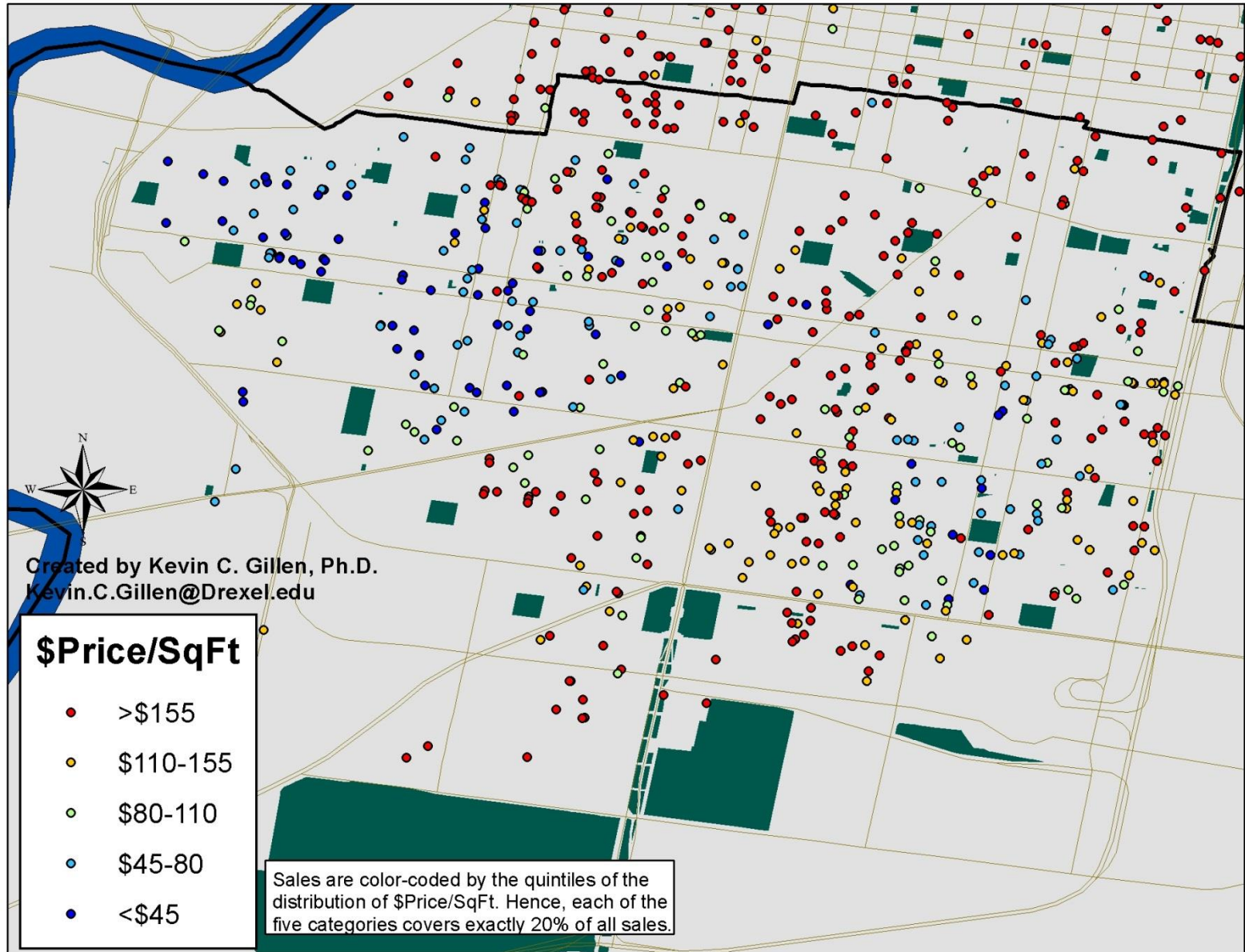




# Center City House Sales in 2014 Q4

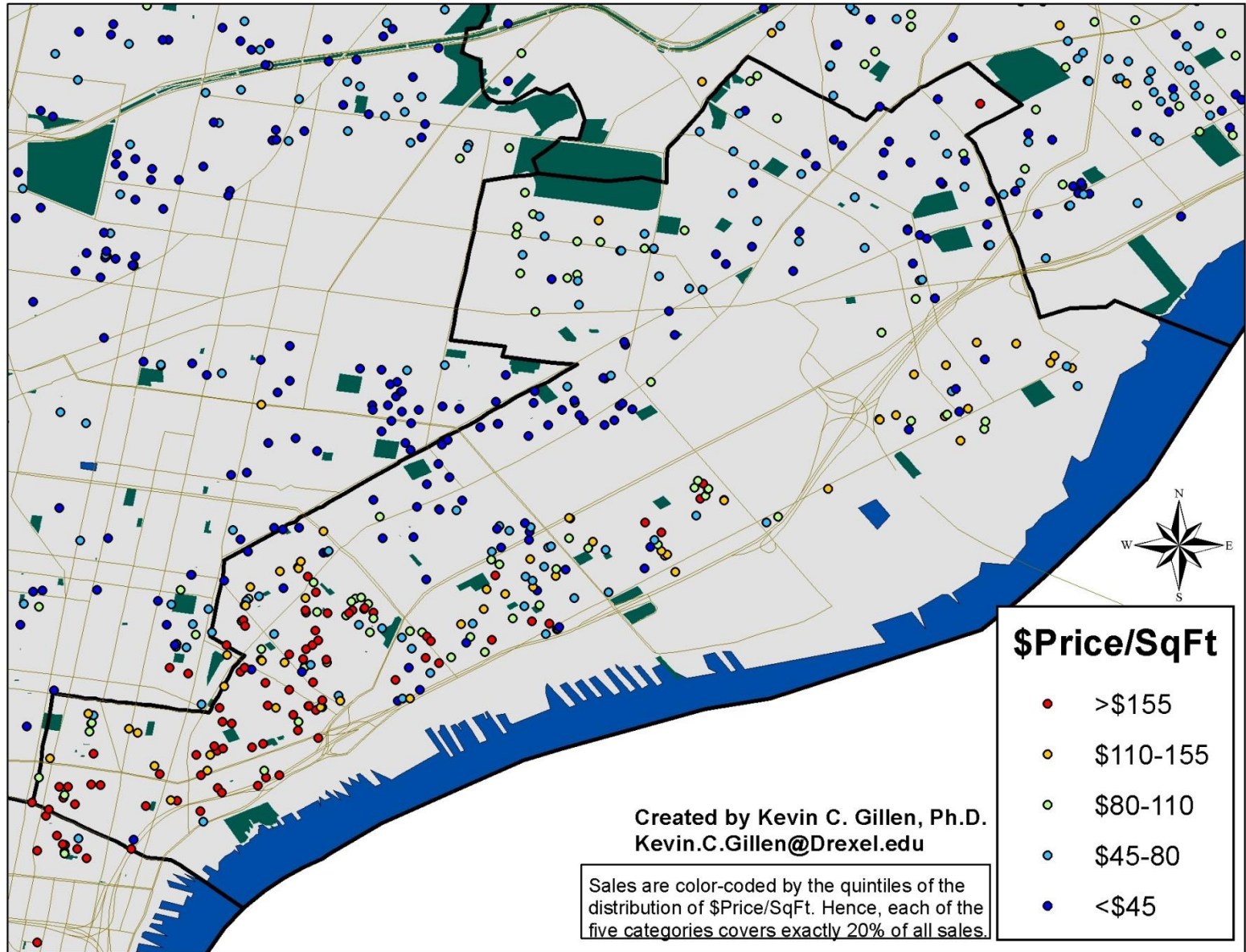


# South Philadelphia House Sales in 2014 Q4

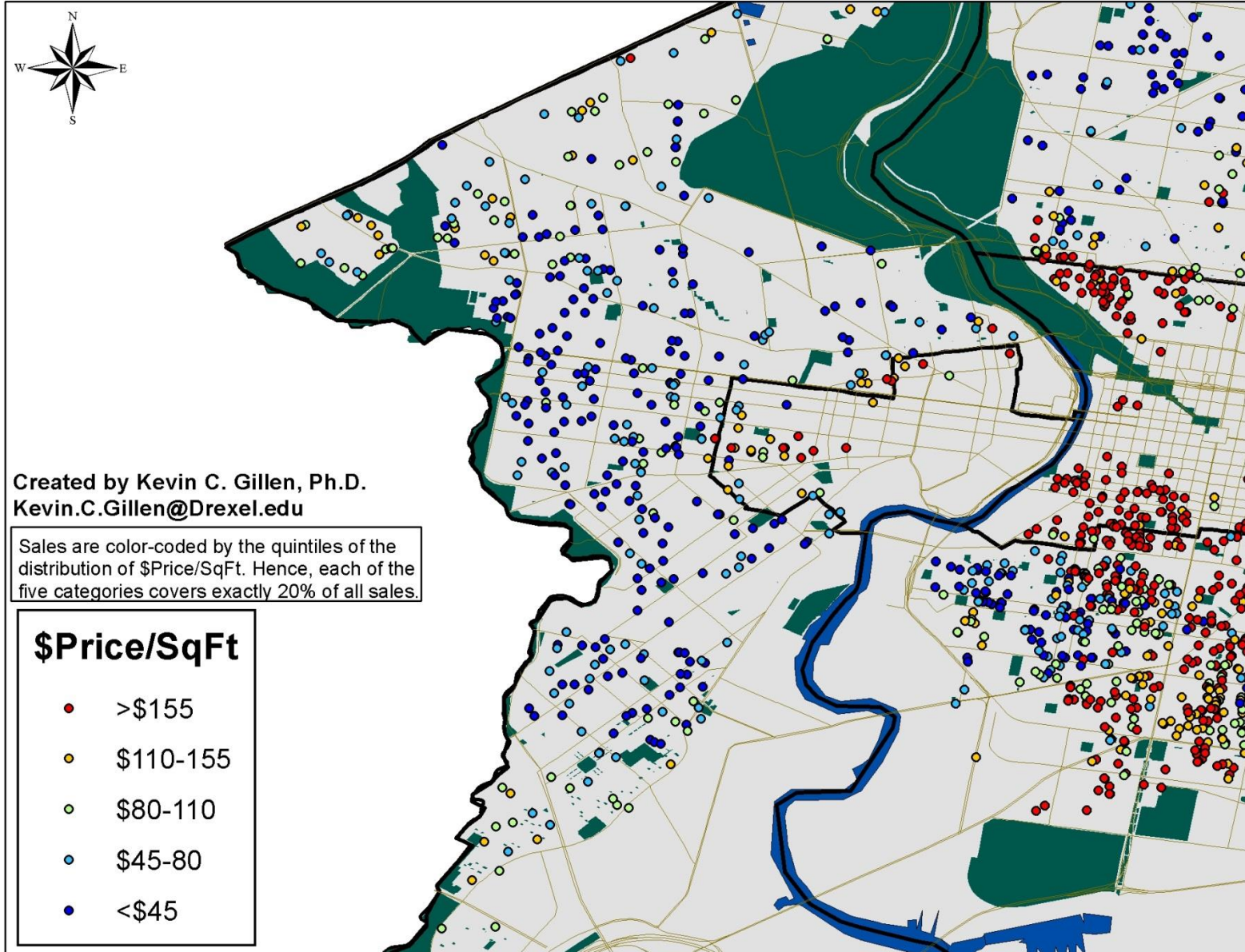




# Kensington/Frankford House Sales in 2014 Q4

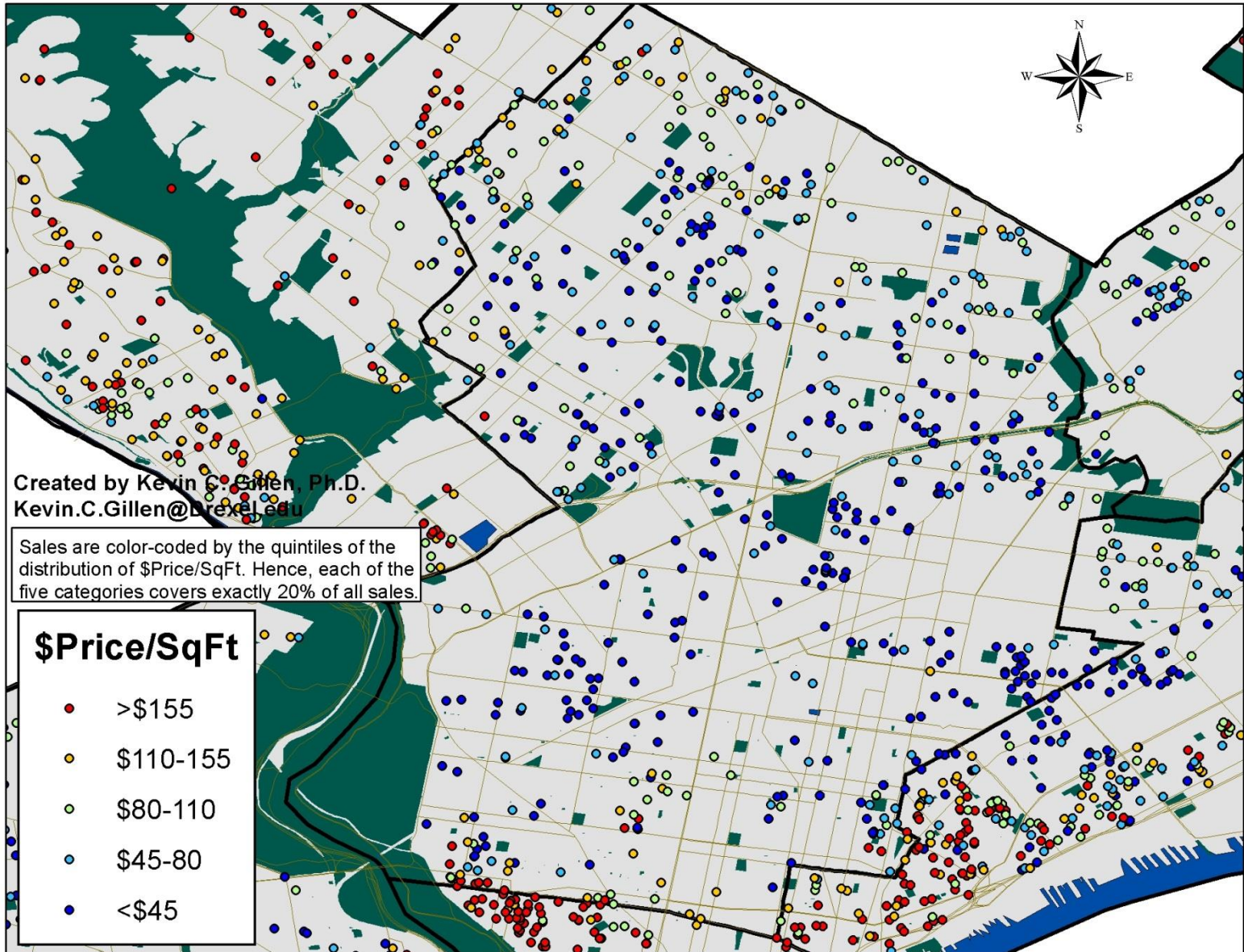


# West Philadelphia House Sales in 2014 Q4

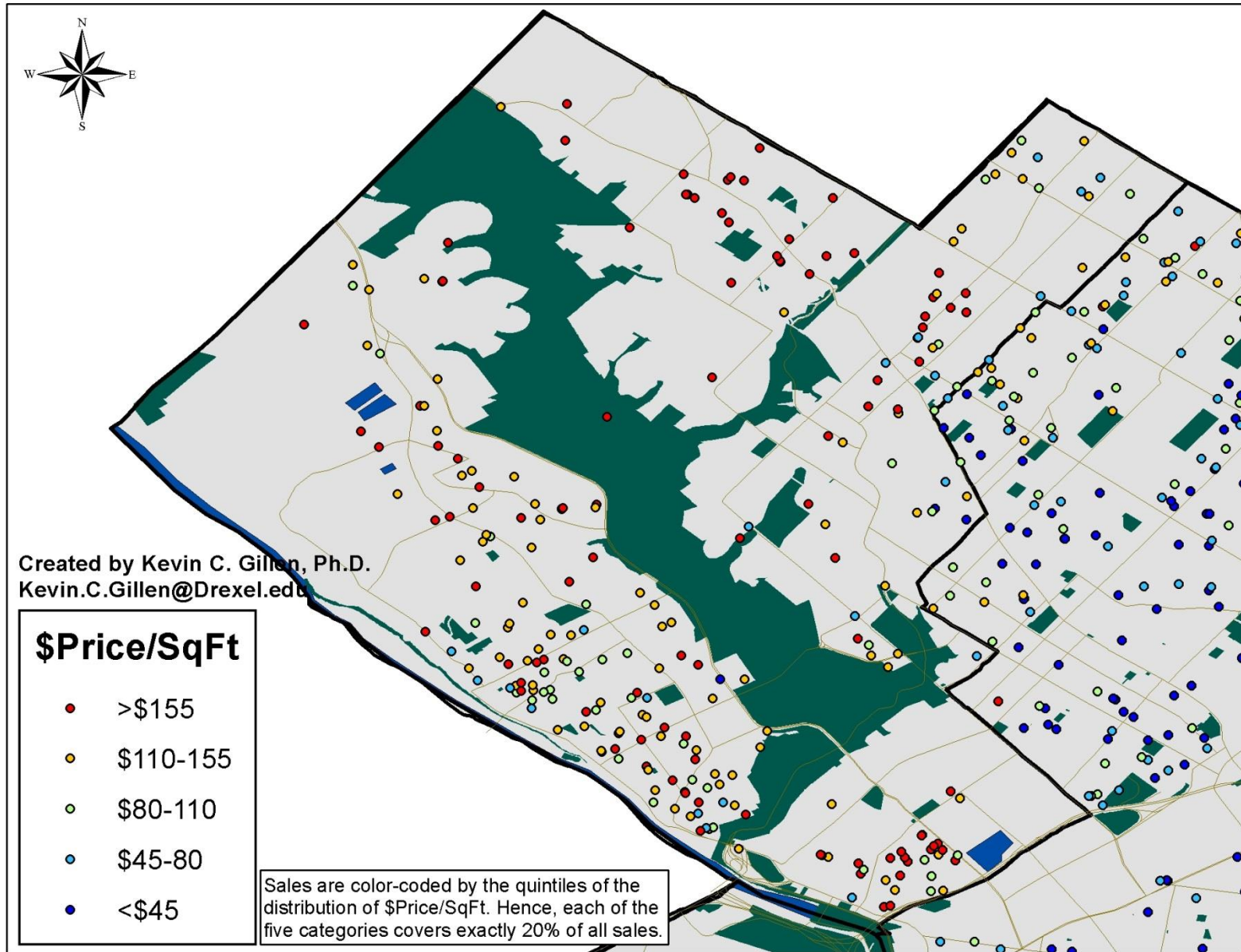




# North Philadelphia House Sales in 2014 Q4

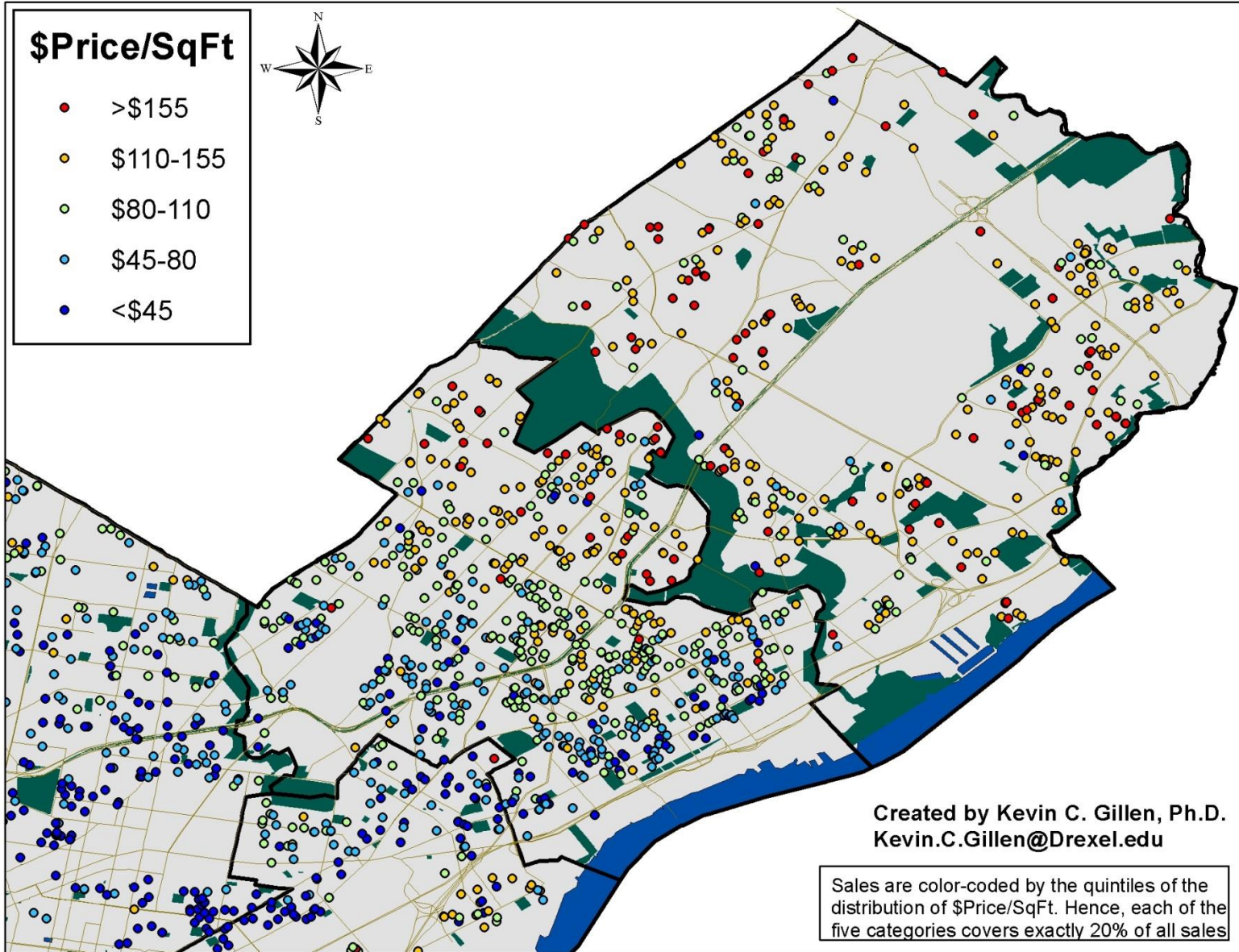


# Northwest Philadelphia House Sales in 2014 Q4

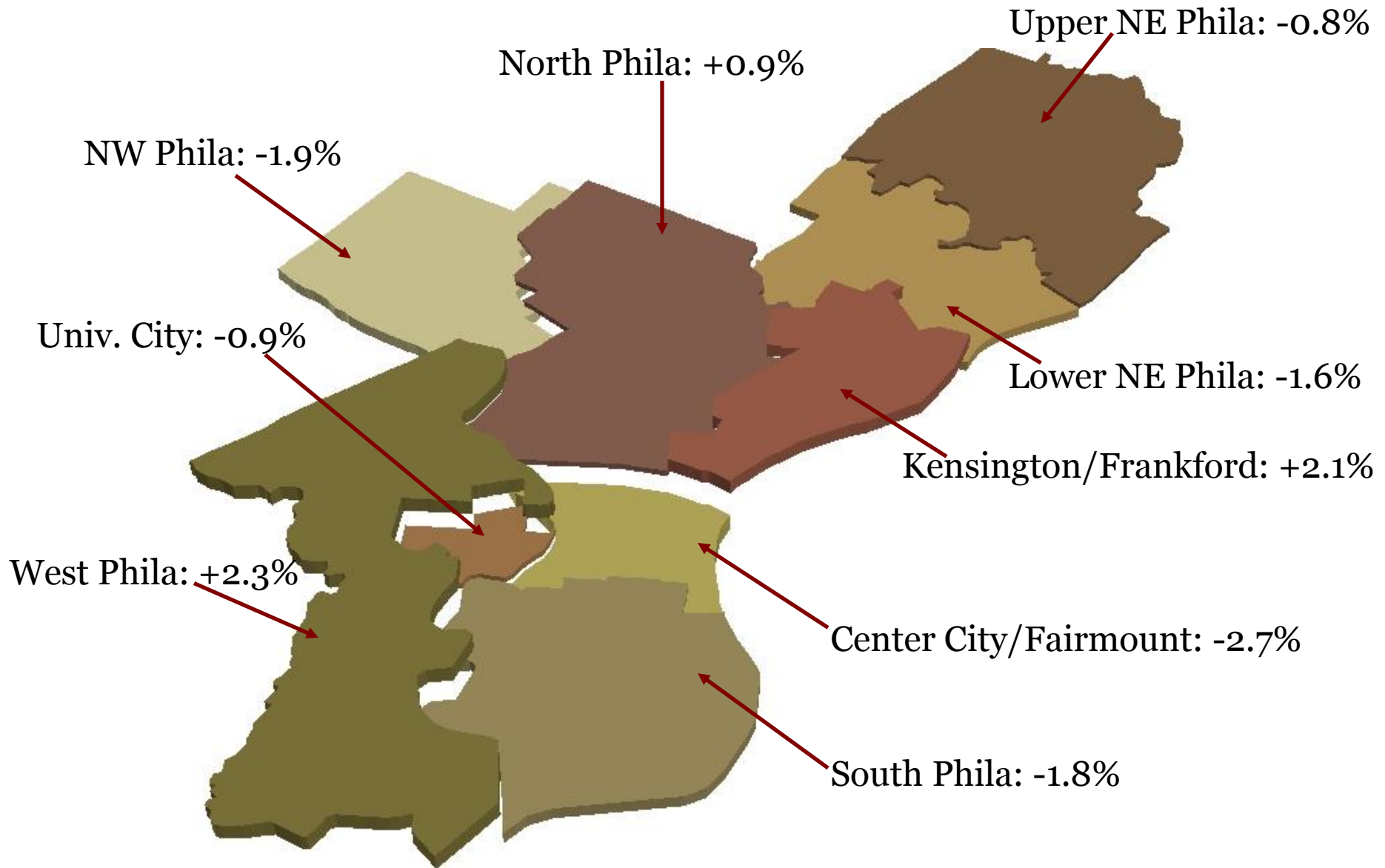




# Northeast Philadelphia House Sales in 2014 Q4



# 2014 Q4 House Price Rate of Change by Neighborhood

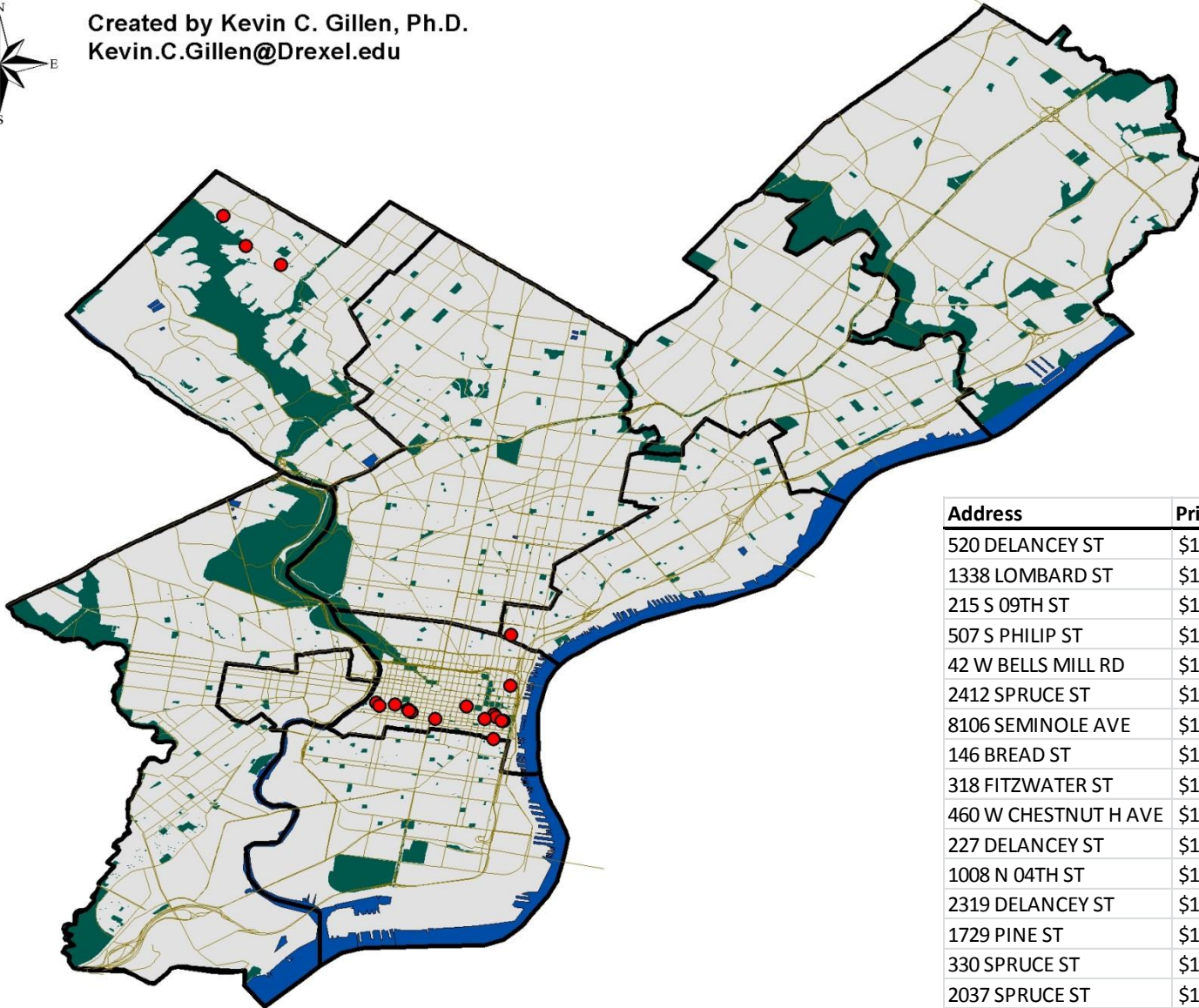


Note: Each neighborhood is extruded by its average change in house values during 2014 Q4 in order to reflect its growth (or depreciation) rate relative to other neighborhoods.

# +\$1 Million Dollar House Sales in 2014 Q4



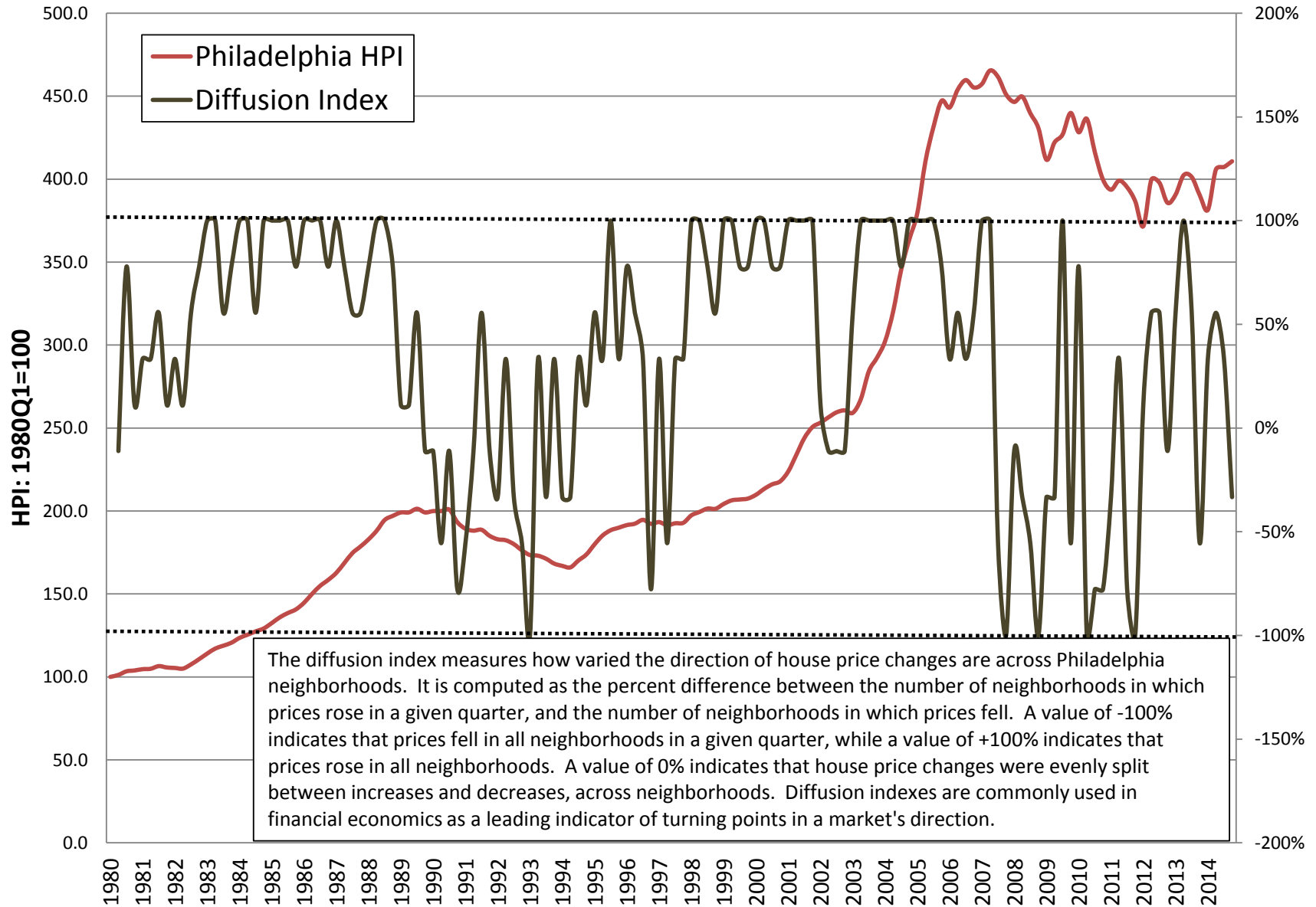
Created by Kevin C. Gillen, Ph.D.  
Kevin.C.Gillen@Drexel.edu



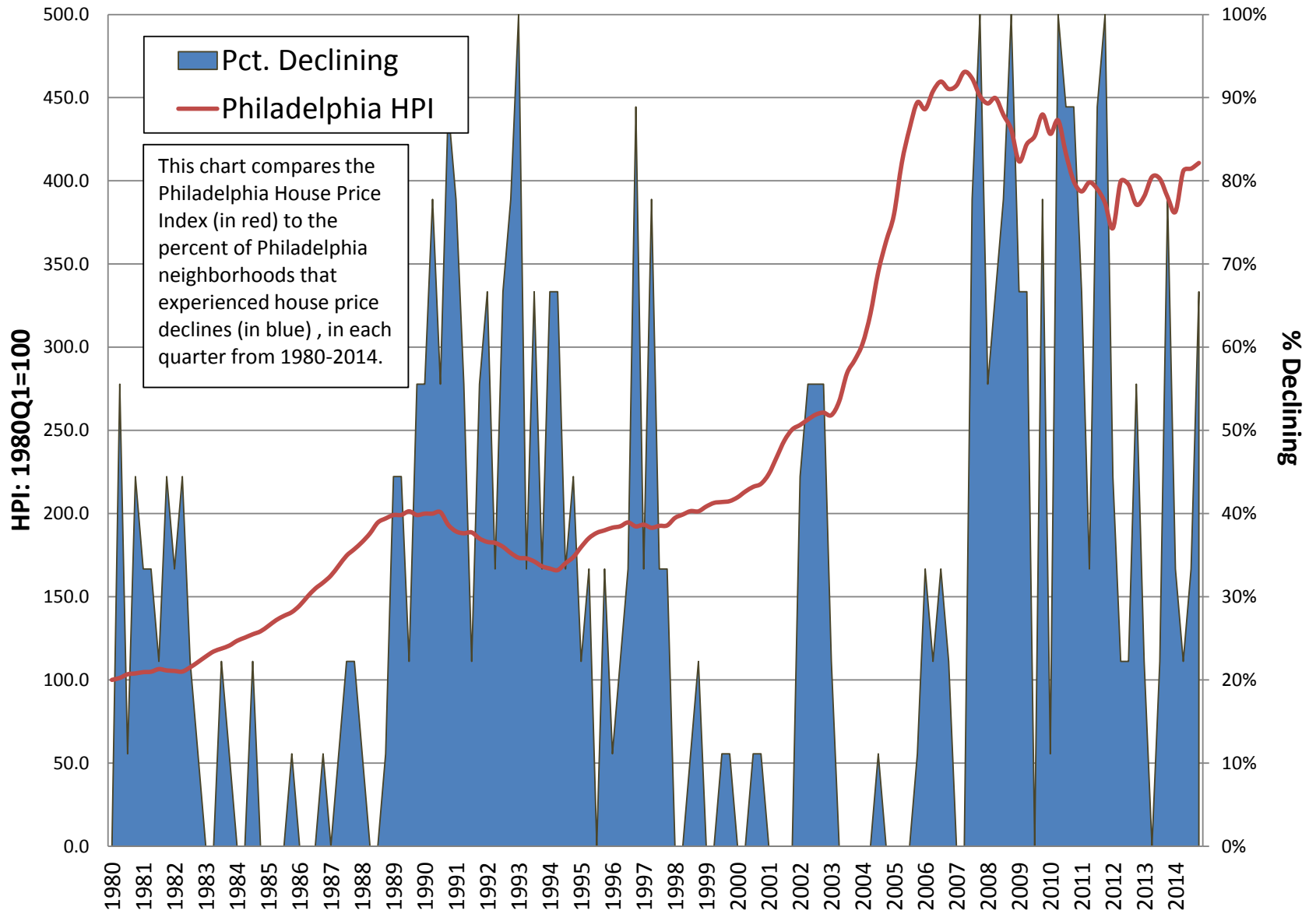
Address	Price	Price/SqFt
520 DELANCEY ST	\$1,000,000	\$313
1338 LOMBARD ST	\$1,000,000	\$87
215 S 09TH ST	\$1,100,000	\$388
507 S PHILIP ST	\$1,125,000	\$414
42 W BELLS MILL RD	\$1,130,000	\$155
2412 SPRUCE ST	\$1,171,500	\$414
8106 SEMINOLE AVE	\$1,222,500	\$180
146 BREAD ST	\$1,250,000	\$393
318 FITZWATER ST	\$1,300,000	\$334
460 W CHESTNUT H AVE	\$1,300,000	\$158
227 DELANCEY ST	\$1,368,000	\$542
1008 N 04TH ST	\$1,400,000	\$452
2319 DELANCEY ST	\$1,425,000	\$358
1729 PINE ST	\$1,485,000	\$312
330 SPRUCE ST	\$1,550,000	\$361
2037 SPRUCE ST	\$1,679,000	\$361
341 S 18TH ST	\$1,762,500	\$430
1814 DELANCEY PL	\$2,100,000	\$490
259 S 04TH ST	\$2,450,000	\$547



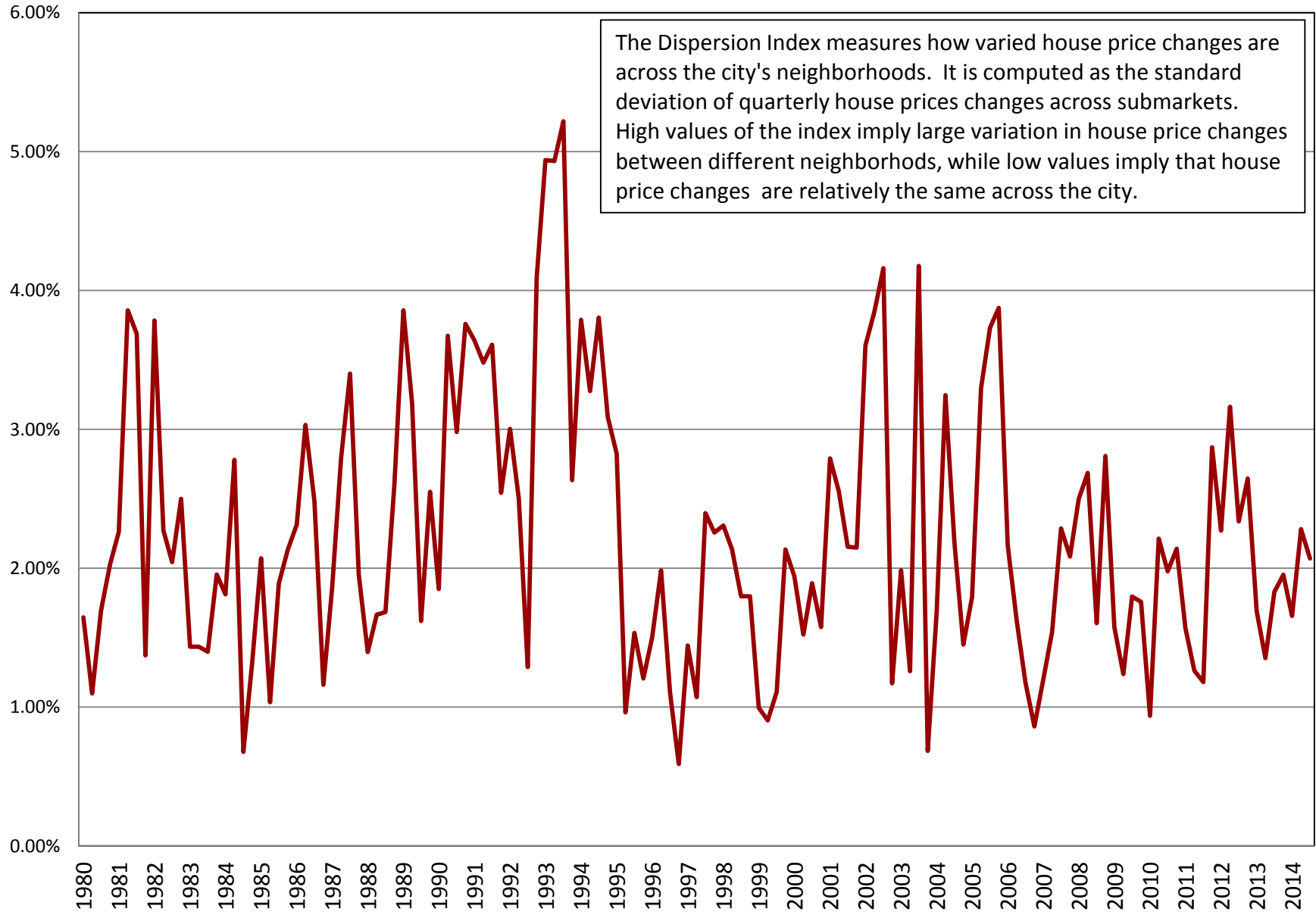
# Philadelphia House Price Diffusion Index



# Philadelphia House Prices: Declines v. House Price Index



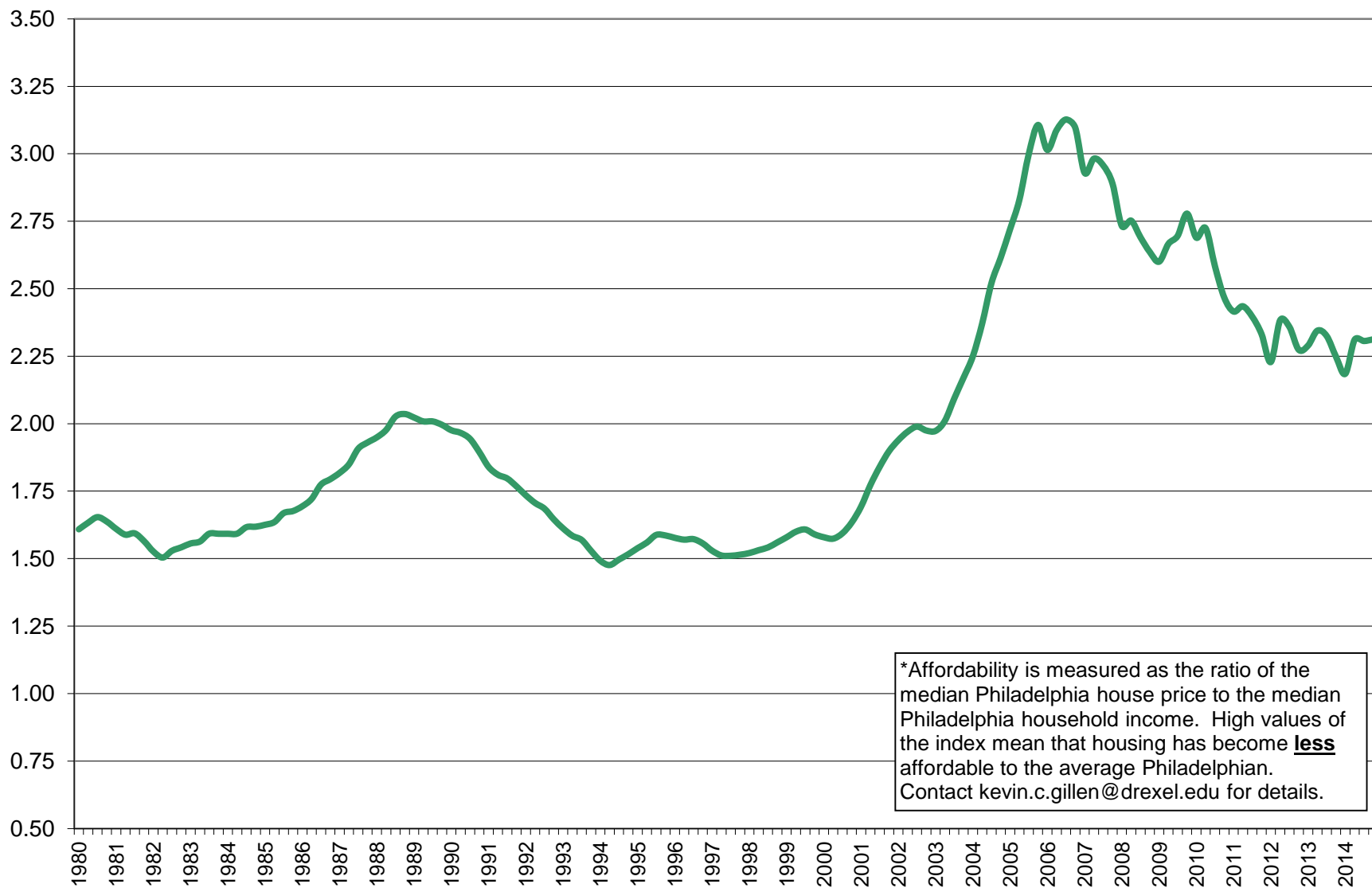
# Dispersion Index of Philadelphia Housing



The Dispersion Index measures how varied house price changes are across the city's neighborhoods. It is computed as the standard deviation of quarterly house prices changes across submarkets. High values of the index imply large variation in house price changes between different neighborhoods, while low values imply that house price changes are relatively the same across the city.

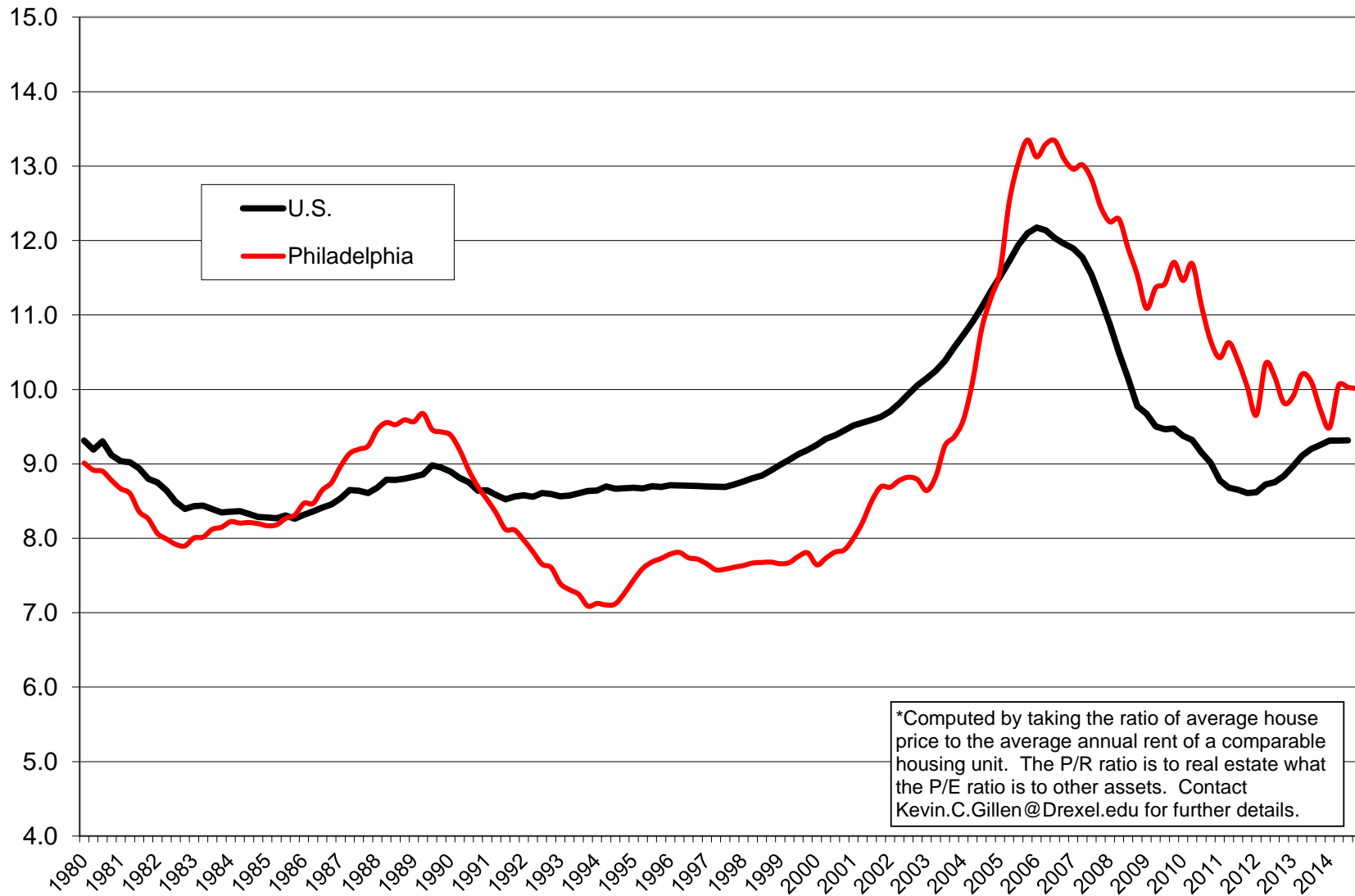


## Philadelphia Housing Affordability\* Index: 1980-2014



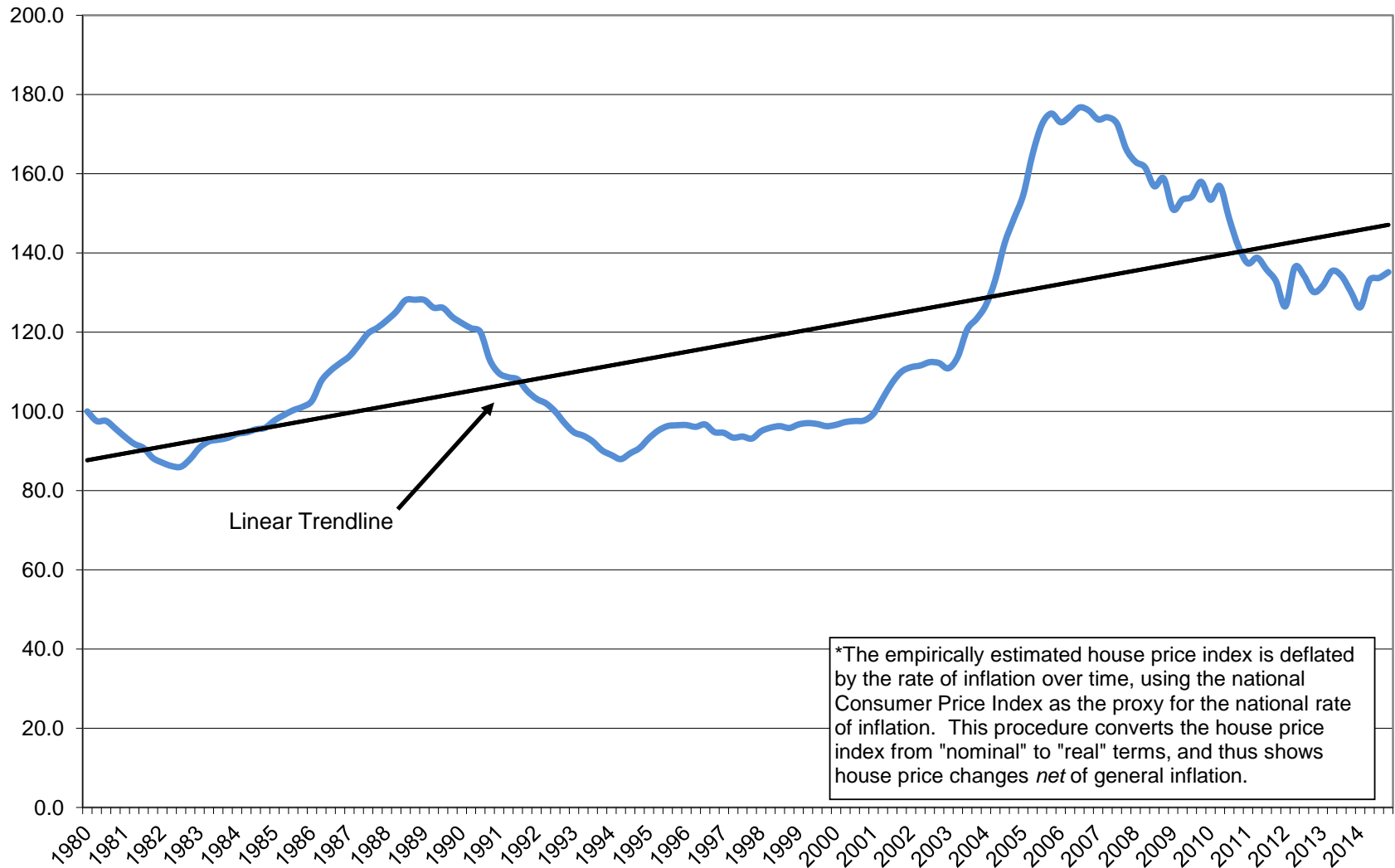
\*Affordability is measured as the ratio of the median Philadelphia house price to the median Philadelphia household income. High values of the index mean that housing has become **less** affordable to the average Philadelphian. Contact [kevin.c.gillen@drexel.edu](mailto:kevin.c.gillen@drexel.edu) for details.

## Average House Price-to-Rent Ratios\*: 1980-2014 Philadelphia v. U.S.



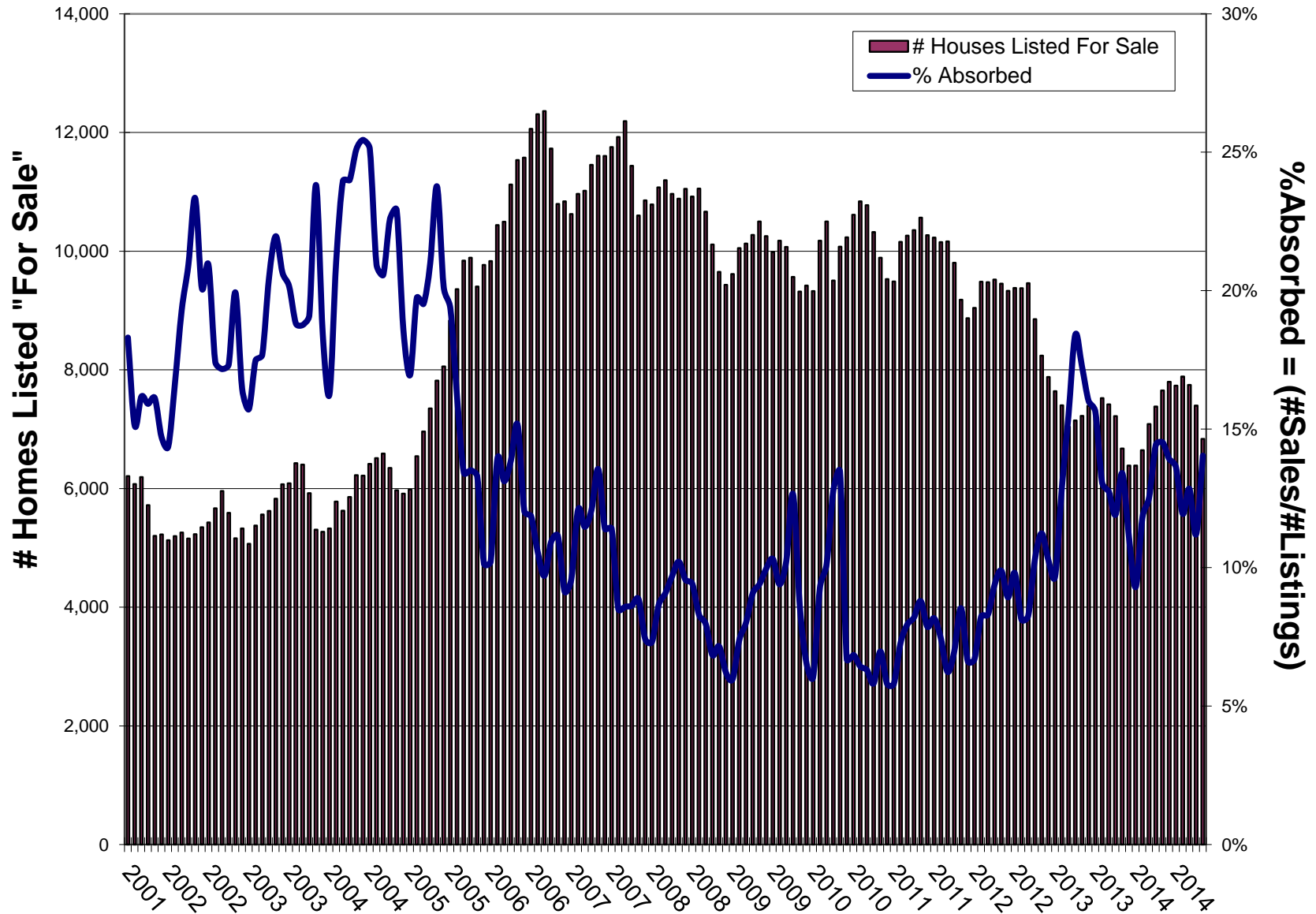
\*Computed by taking the ratio of average house price to the average annual rent of a comparable housing unit. The P/R ratio is to real estate what the P/E ratio is to other assets. Contact [Kevin.C.Gillen@Drexel.edu](mailto:Kevin.C.Gillen@Drexel.edu) for further details.

## Inflation-Adjusted\* Philadelphia House Price Index 1980-2014 1980Q1=100



Source: US Bureau of Labor Statistics

# Philadelphia Houses Listed For Sale: Inventory v. Absorption Rate



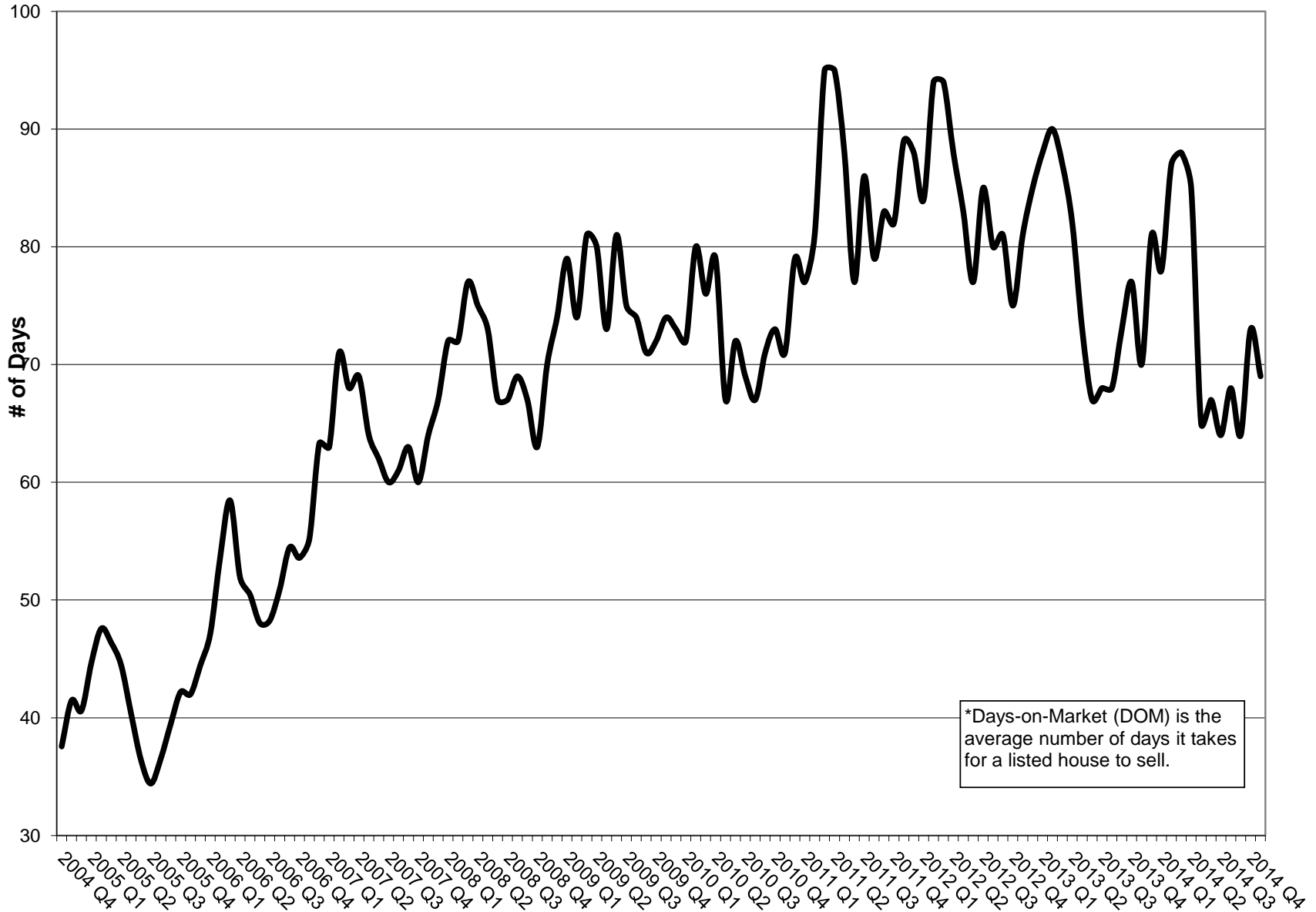
“%Absorbed” is defined as the percent of homes listed for sale in a given month that also sold in that same month.

Source: Trend MLS

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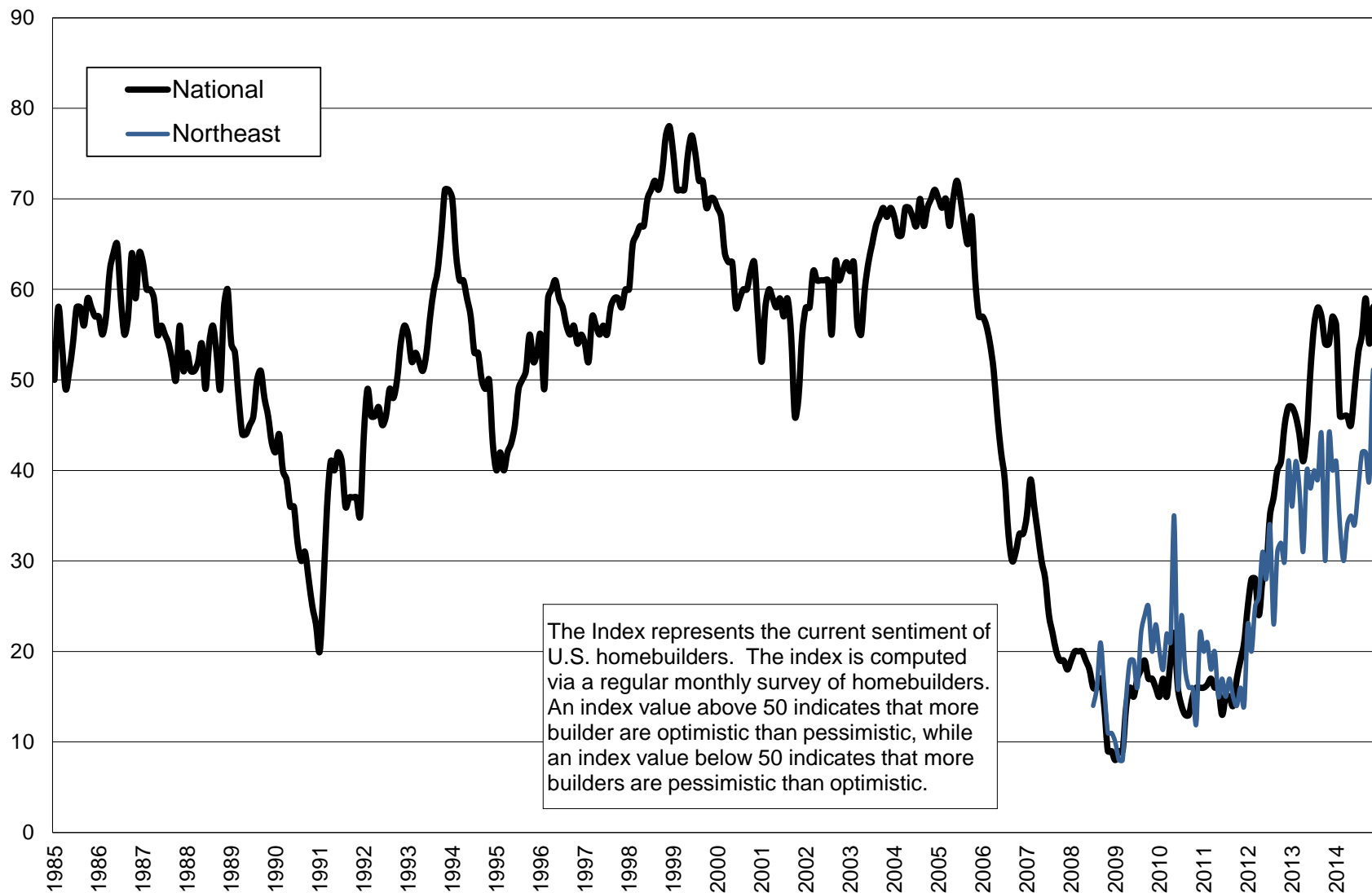
# Average Days-on-Market\* for Philadelphia Homes



\*Days-on-Market (DOM) is the average number of days it takes for a listed house to sell.

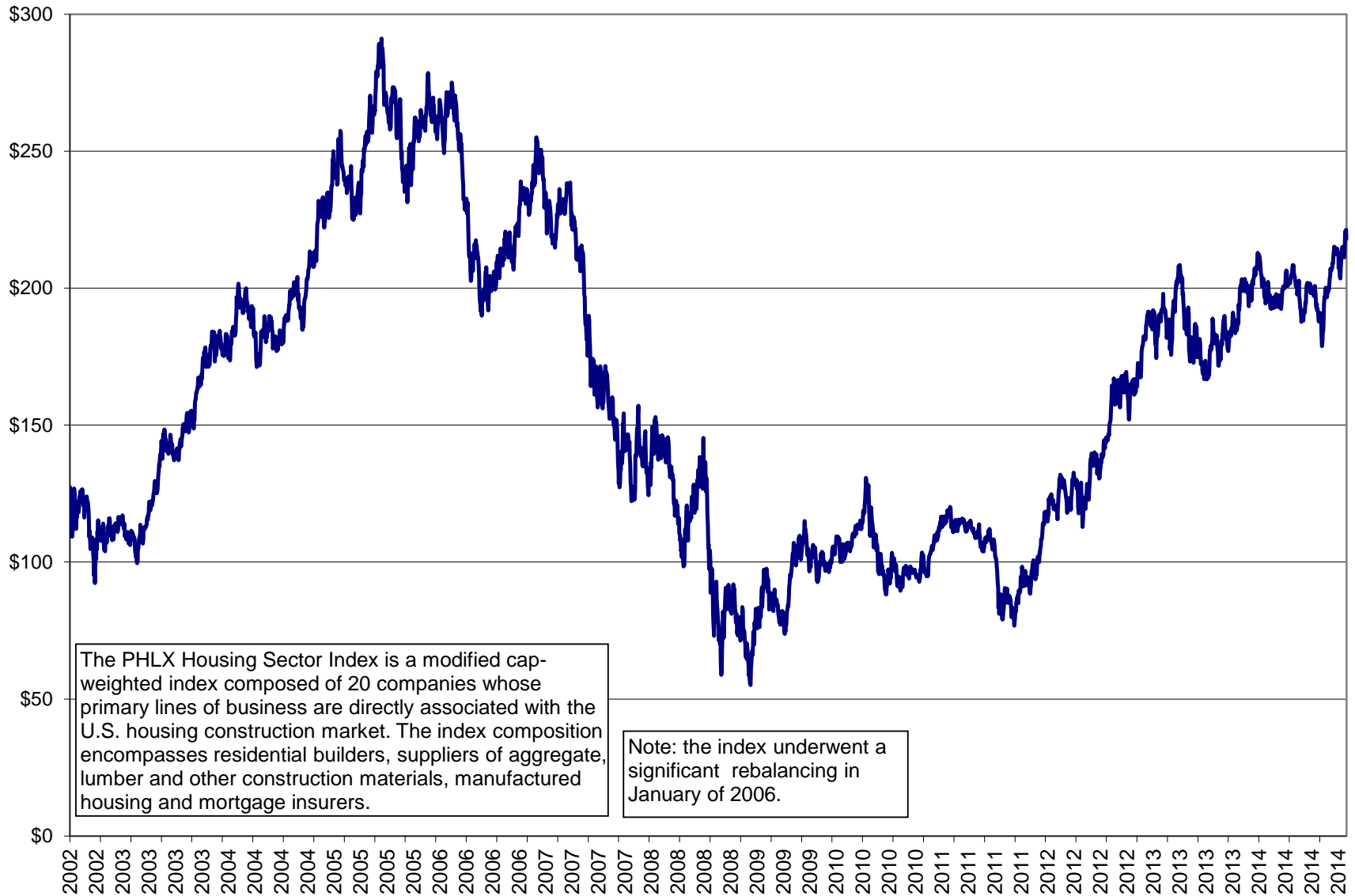
Source: Trend MLS

## Index of Homebuilder Sentiment: 1985-2014 (Seasonally Adjusted)



Source: National Assoc. of Homebuilders (NAHB)/Wells Fargo

# Philadelphia Stock Exchange Housing Sector Index: 2002-2014



The PHLX Housing Sector Index is a modified cap-weighted index composed of 20 companies whose primary lines of business are directly associated with the U.S. housing construction market. The index composition encompasses residential builders, suppliers of aggregate, lumber and other construction materials, manufactured housing and mortgage insurers.

Note: the index underwent a significant rebalancing in January of 2006.


Source: finance.yahoo.com

# Philadelphia House Price Index and 1-Year Forecast

## Philadelphia Market Overview

Data through Nov 30, 2014

**\$117,200** ZHVI

 **3.4%** 1-yr forecast (Nov 30, 2015)

**\$149,900** Median listing price

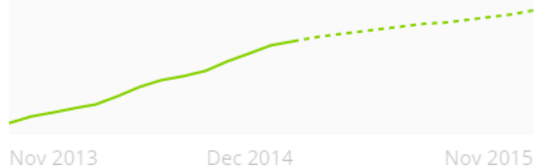
**\$143,865** Median sale price

### ZILLOW HOME VALUE INDEX

**\$117,200**

8.3% 1-year change

3.4% 1-year forecast

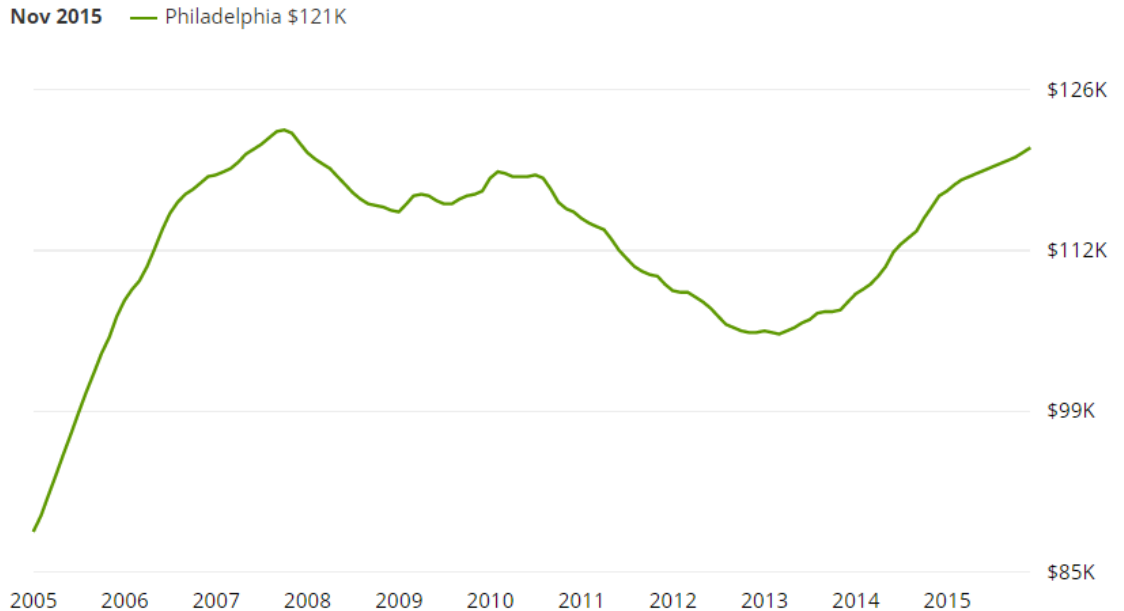


### MARKET TEMPERATURE

Cool



Zillow Home Valu | All homes | 1-yr 5-yr Max



Although Zillow still rates the Philadelphia housing market as “cool”, it is currently forecasting Philadelphia’s house prices to rise an average of 3.4% over the next year, which is a significant increase over its previous forecast of 0.5%.

Source: <http://www.zillow.com/philadelphia-pa/home-values/>