

PHILADELPHIA REGIONAL HOUSE PRICE INDICES

June 17, 2019



DREXEL UNIVERSITY
Lindy Institute
for Urban Innovation

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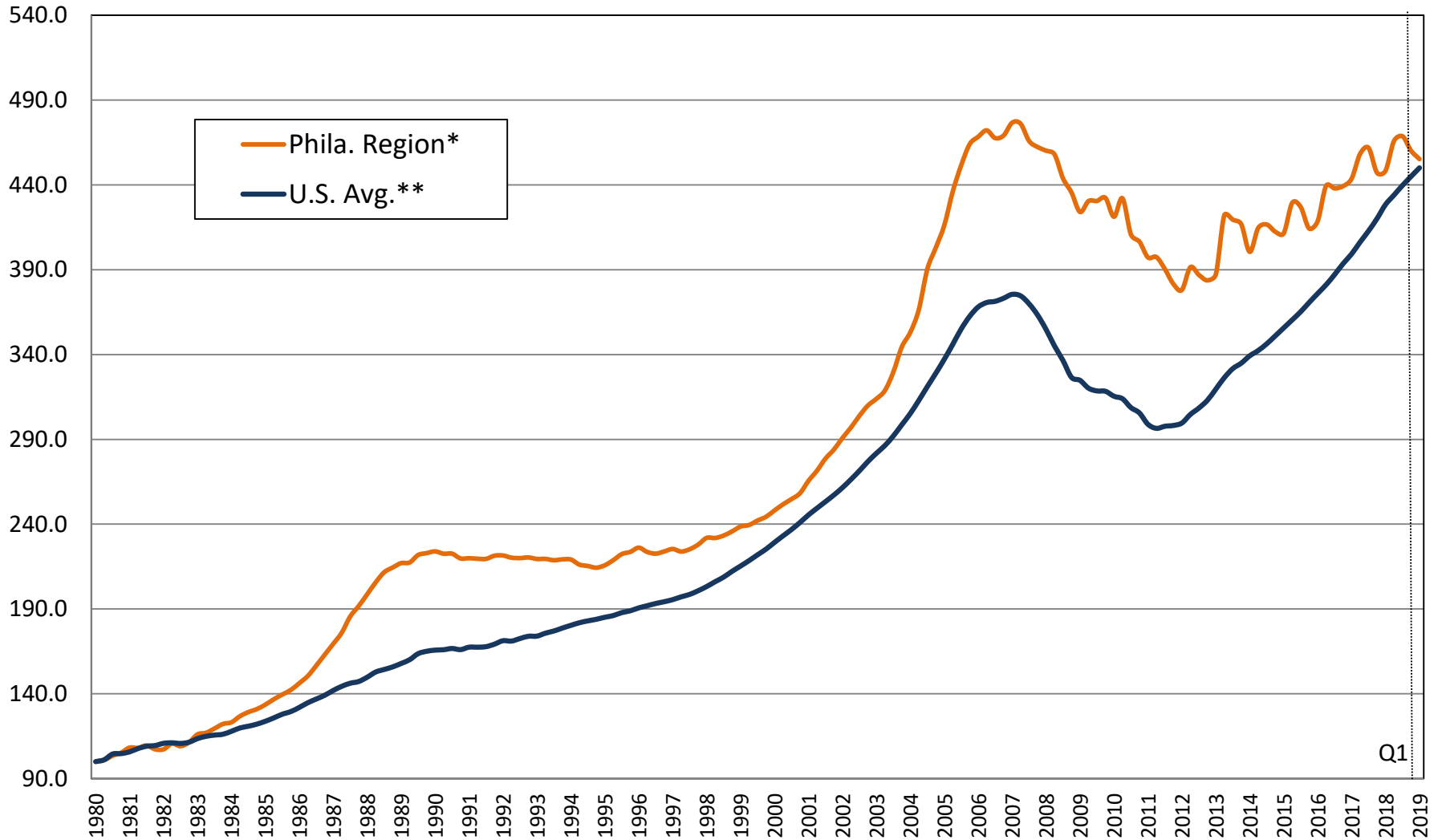
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Disclaimers and Acknowledgments: The Lindy Institute for Urban Innovation at Drexel University and Houwzer Inc. provide this report free of charge to the public. The report is produced by Kevin Gillen, a Senior Research Fellow with the Lindy Institute and a Senior Economic Advisor with Houwzer. The author thanks Houwzer Inc., 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 available for this report. © 2019, Drexel University, All Rights Reserved.

Philadelphia Regional House Price Indices 1980-2019

1980Q1=100

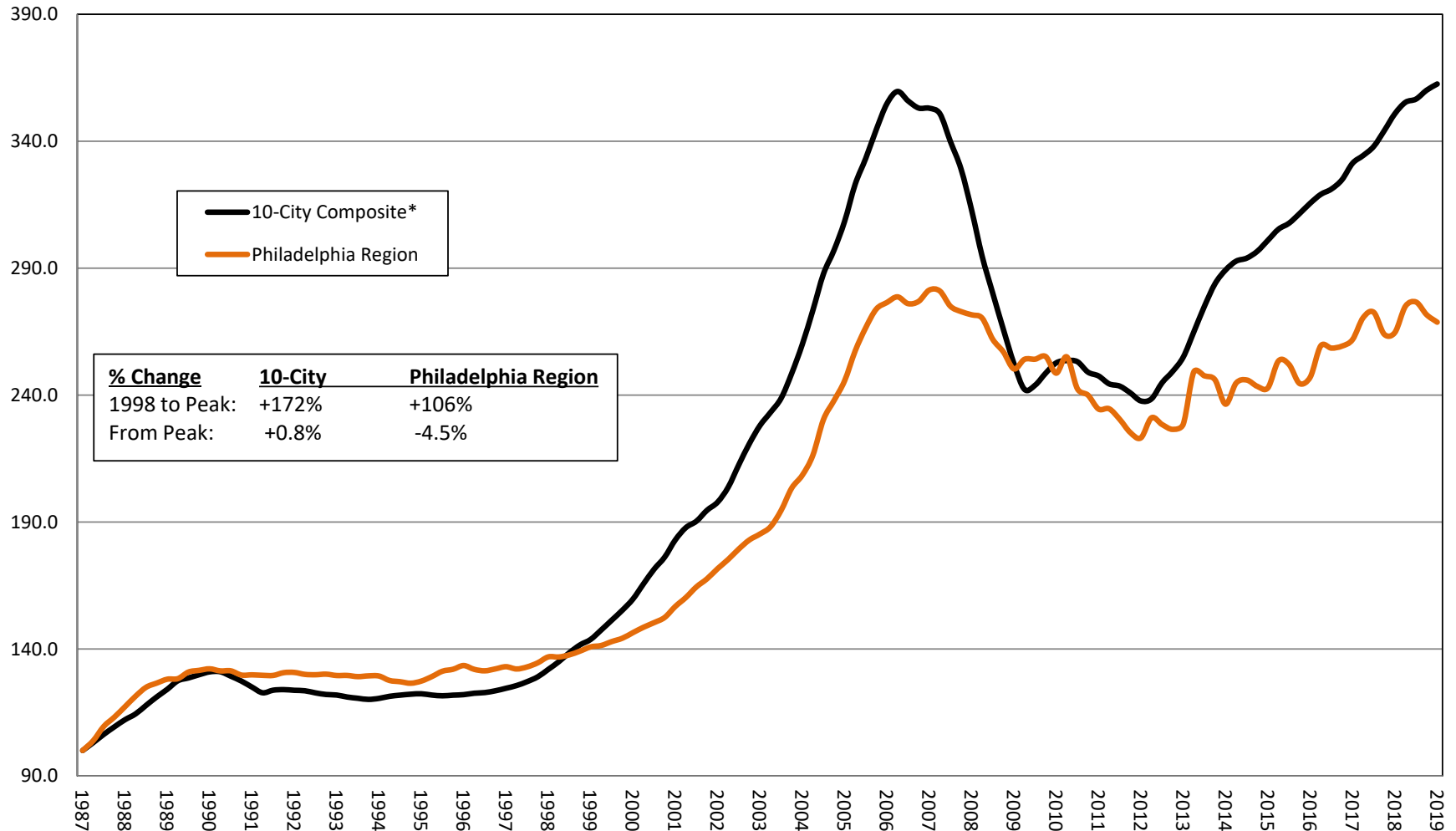


*Empirically estimated by Kevin C. Gillen, PhD

**Courtesy Federal Housing Finance Agency (FHFA)

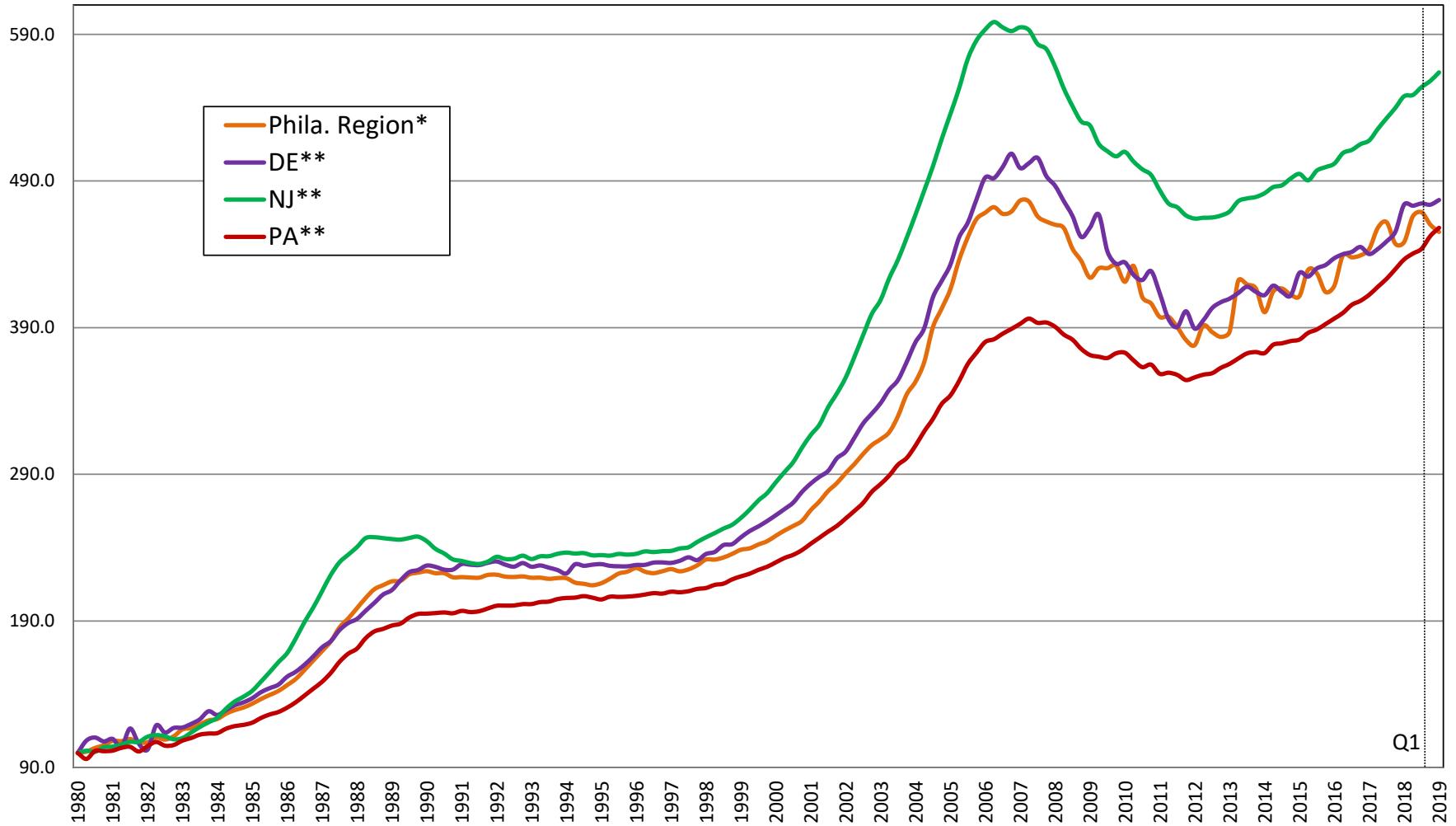
Q1

House Price Appreciation 1987-2019: Philadelphia Region v. 10-City U.S. Composite



*Source: Case-Shiller MacroMarkets LLC. 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.

Philadelphia Regional House Price Indices 1980-2019 by Philadelphia Region and State: 1980Q1=100



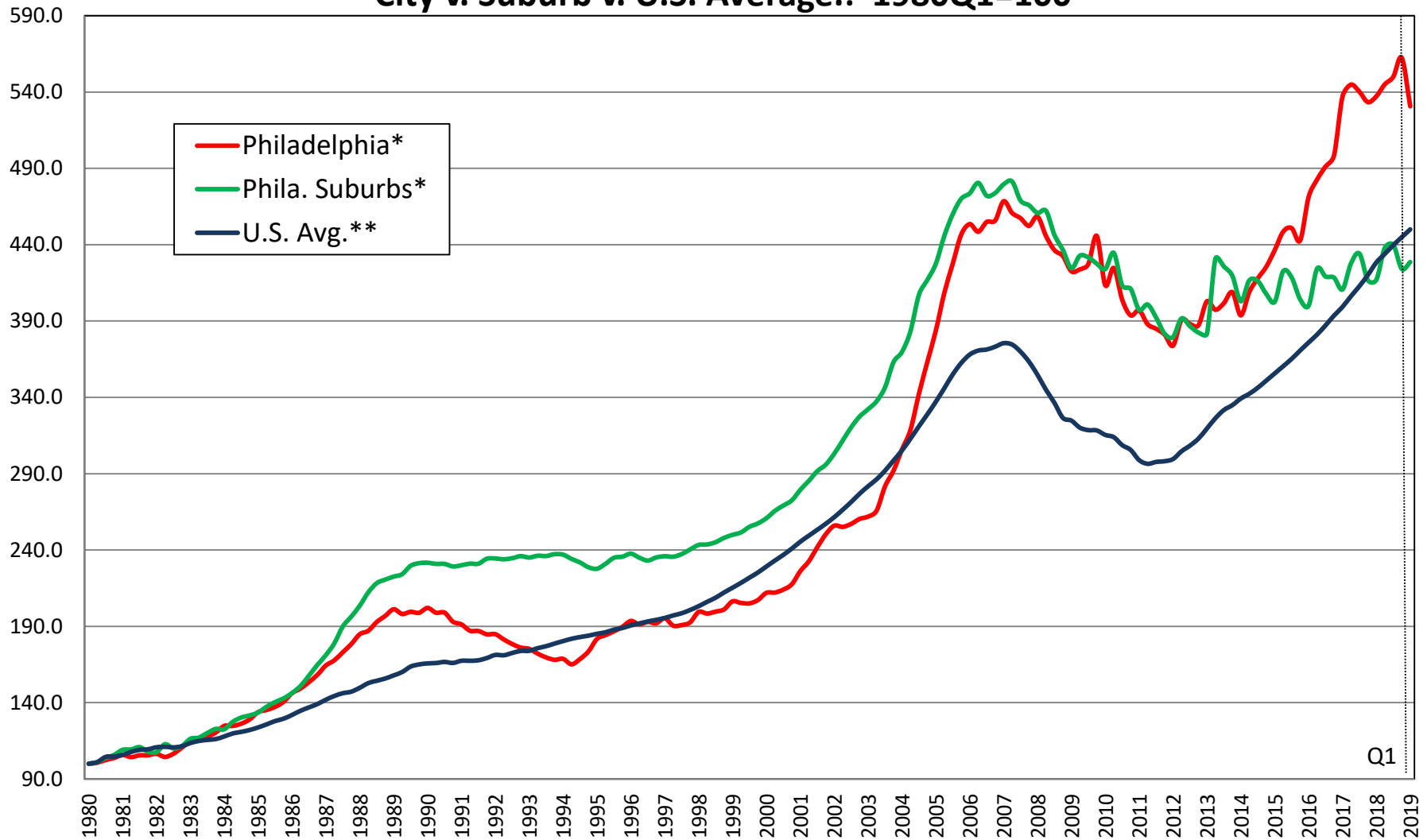
*Empirically estimated by Kevin C. Gillen, Ph.D.

**Courtesy Federal Housing Finance Agency (FHFA)

Q1

Philadelphia Regional House Price Indices 1980-2019

City v. Suburb v. U.S. Average.: 1980Q1=100



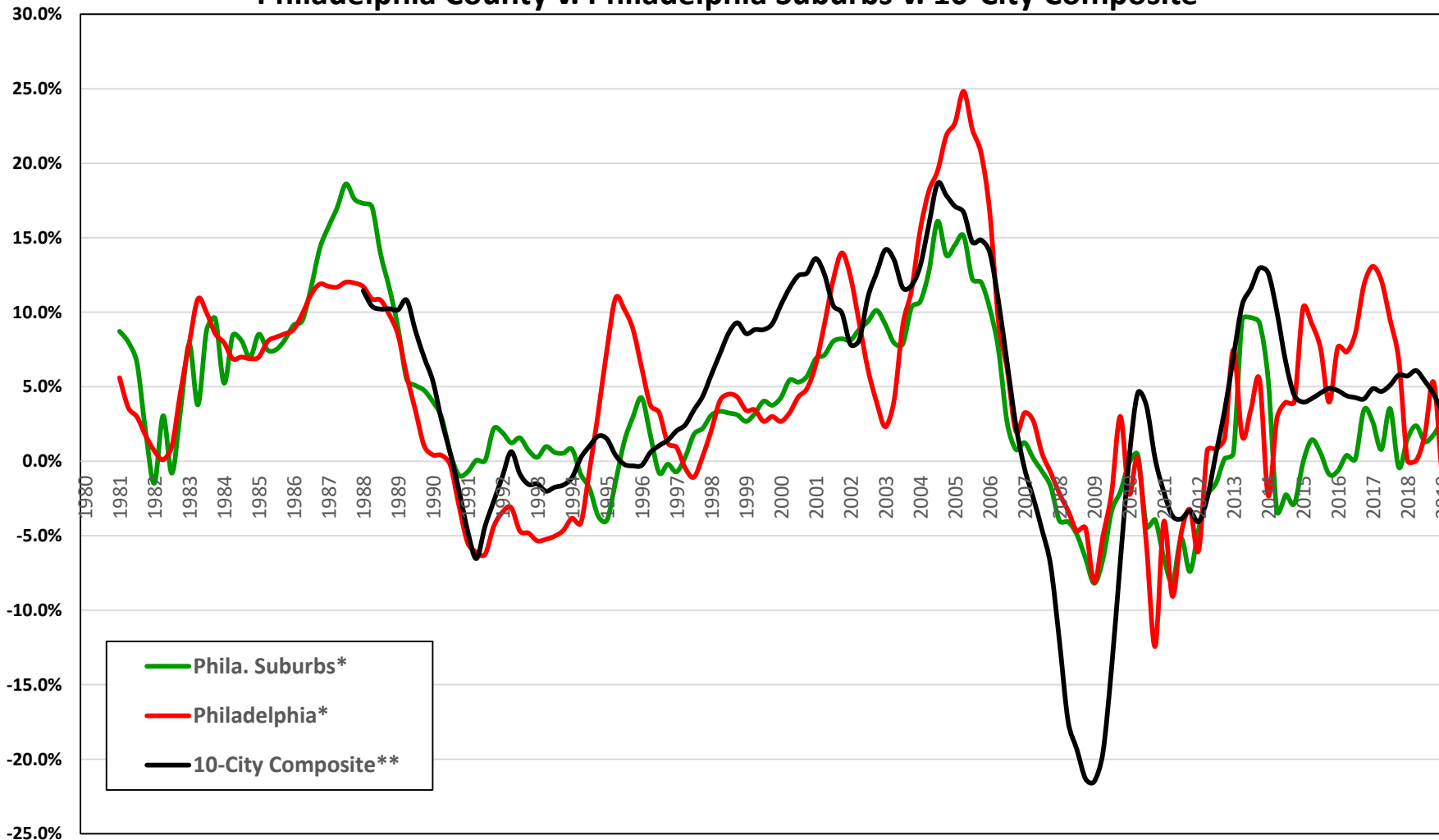
*Empirically estimated by Kevin C. Gillen, PhD

**Courtesy Federal Housing Finance Agency (FHFA)

Note: The suburban index includes all the counties that are in the regional index, except for Philadelphia county.

YoY Change in Average House Prices: 1980-2019

Philadelphia County v. Philadelphia Suburbs v. 10-City Composite

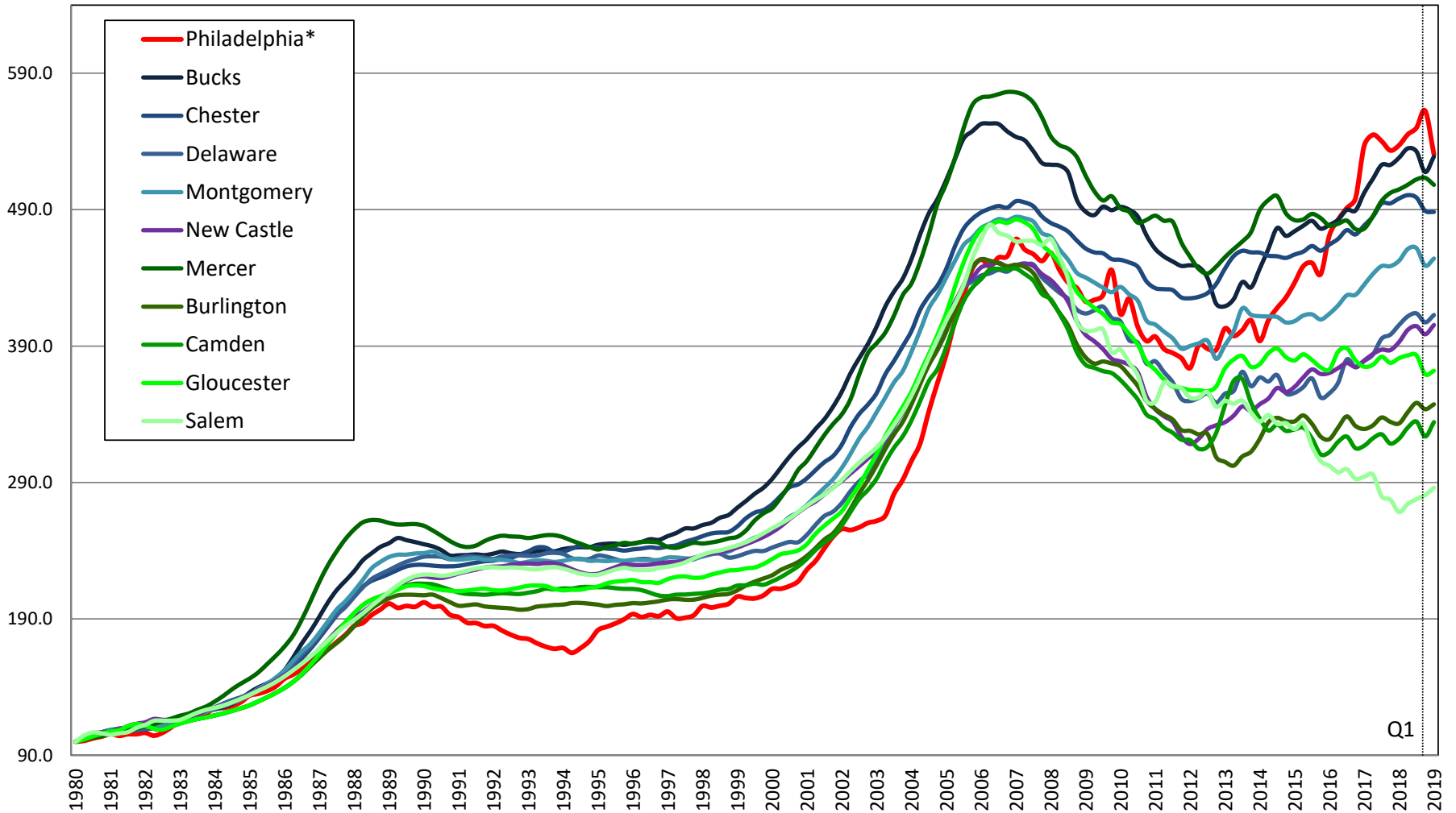


*Empirically estimated by Kevin C. Gillen, Ph.D.

**Empirically estimated by Case-Shiller. The 10-City Composite reflects average annual house price changes in ten large US cities, including: Boston Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco and Washington DC. It does not include Philadelphia.

Philadelphia Regional House Price Indices 1980-2019, by County

1980Q1=100



*All indices empirically estimated by Kevin C. Gillen, PhD

Total House Price Appreciation Rates by Philadelphia Area Submarket and U.S.

Period	Philadelphia County*	Philadelphia Suburbs*	U.S.A.**
39-Year	430.6%	328.6%	350.0%
10-Year	25.6%	1.0%	38.6%
1-Year	-1.2%	2.8%	5.1%
1-Quarter	-5.7%	1.1%	1.1%

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

**Source: U.S. Federal Housing Finance Agency (FHFA). These numbers are through 2019Q1 only. “MSA”=“Metropolitan Statistical Area”, which is the entire 10-county region.

Philadelphia Region House Price Appreciation Rates by County

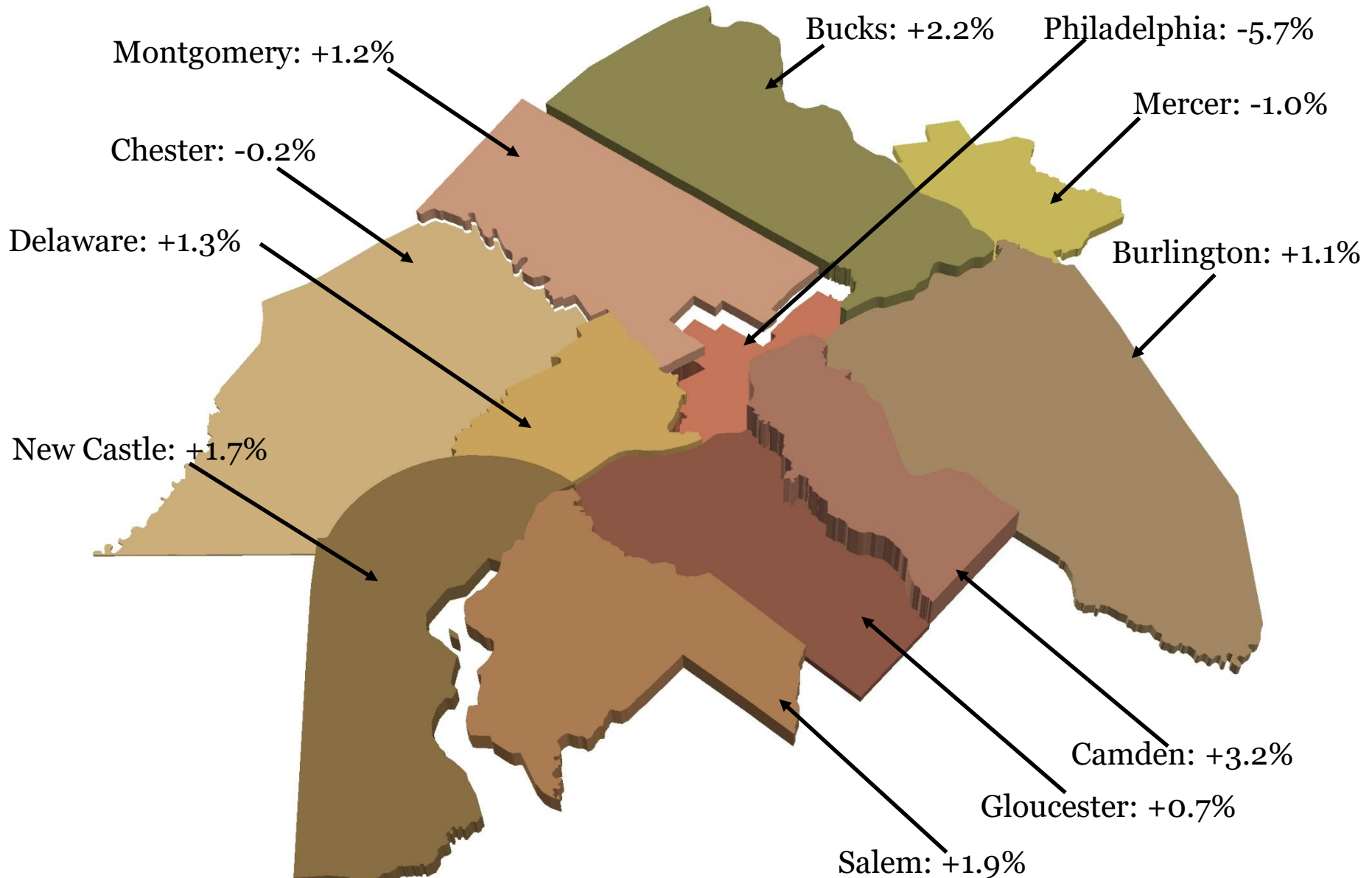
Period	Philadelphia	Bucks	Chester	Delaware	Montgomery	New Castle	Mercer	Burlington	Camden	Gloucester	Salem
39-Year	431%	429%	388%	313%	354%	305%	408%	247%	234%	272%	186%
10-Year	25.6%	8.3%	5.8%	-0.3%	3.2%	1.8%	-1.3%	-9.0%	-11.2%	-12.1%	-28.7%
1-Year	-1.2%	0.2%	-2.0%	1.8%	0.4%	3.2%	0.7%	4.2%	3.8%	-2.4%	6.7%
1-Quarter	-5.7%	2.2%	-0.2%	1.3%	1.2%	1.7%	-1.0%	1.1%	3.2%	0.7%	1.9%

All county-level indices and appreciation rates estimated by Kevin C. Gillen, Ph.D.

Philadelphia Region: County Boundary Definitions

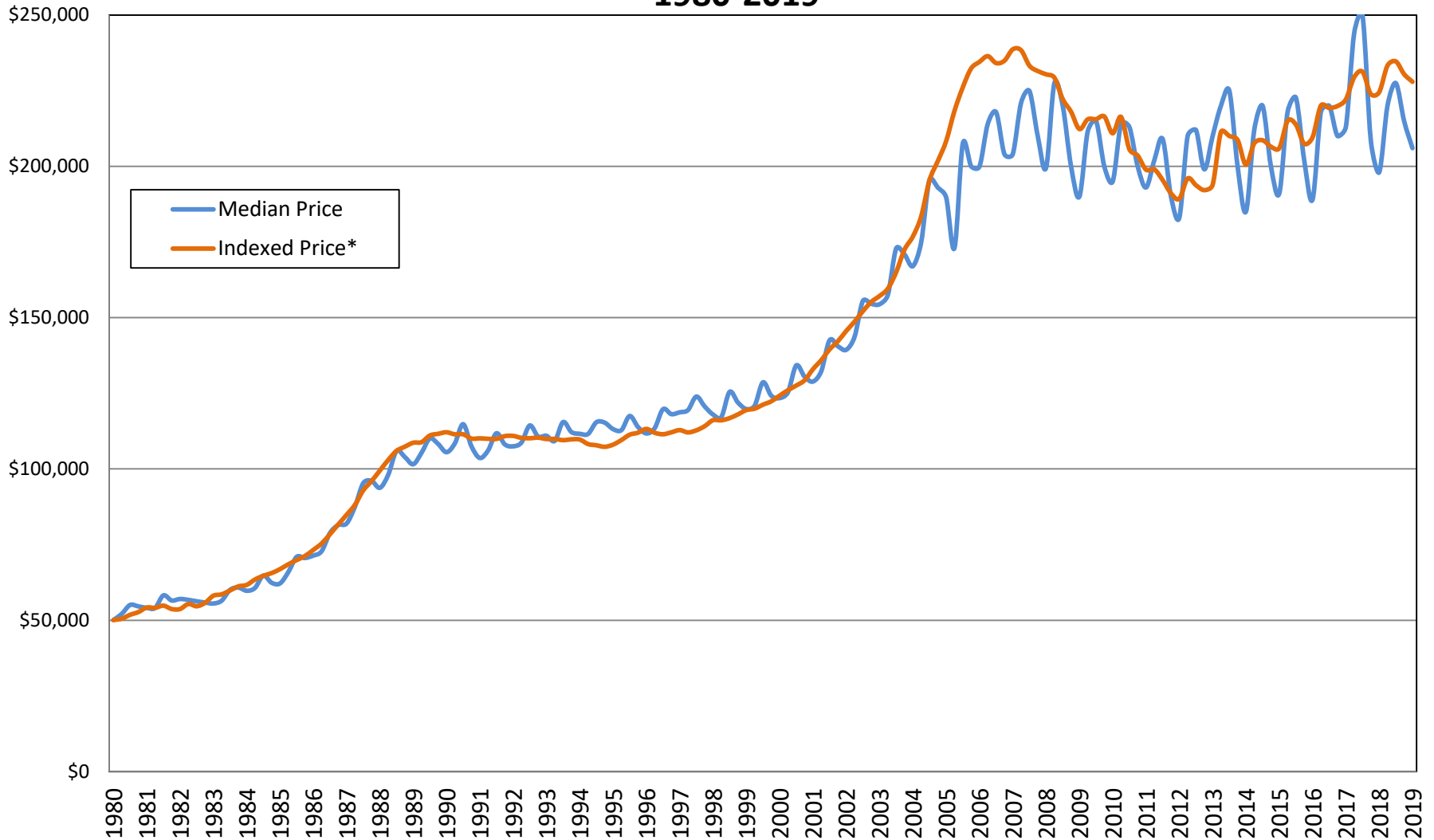


2019 Q1 House Price Rate of Change by County



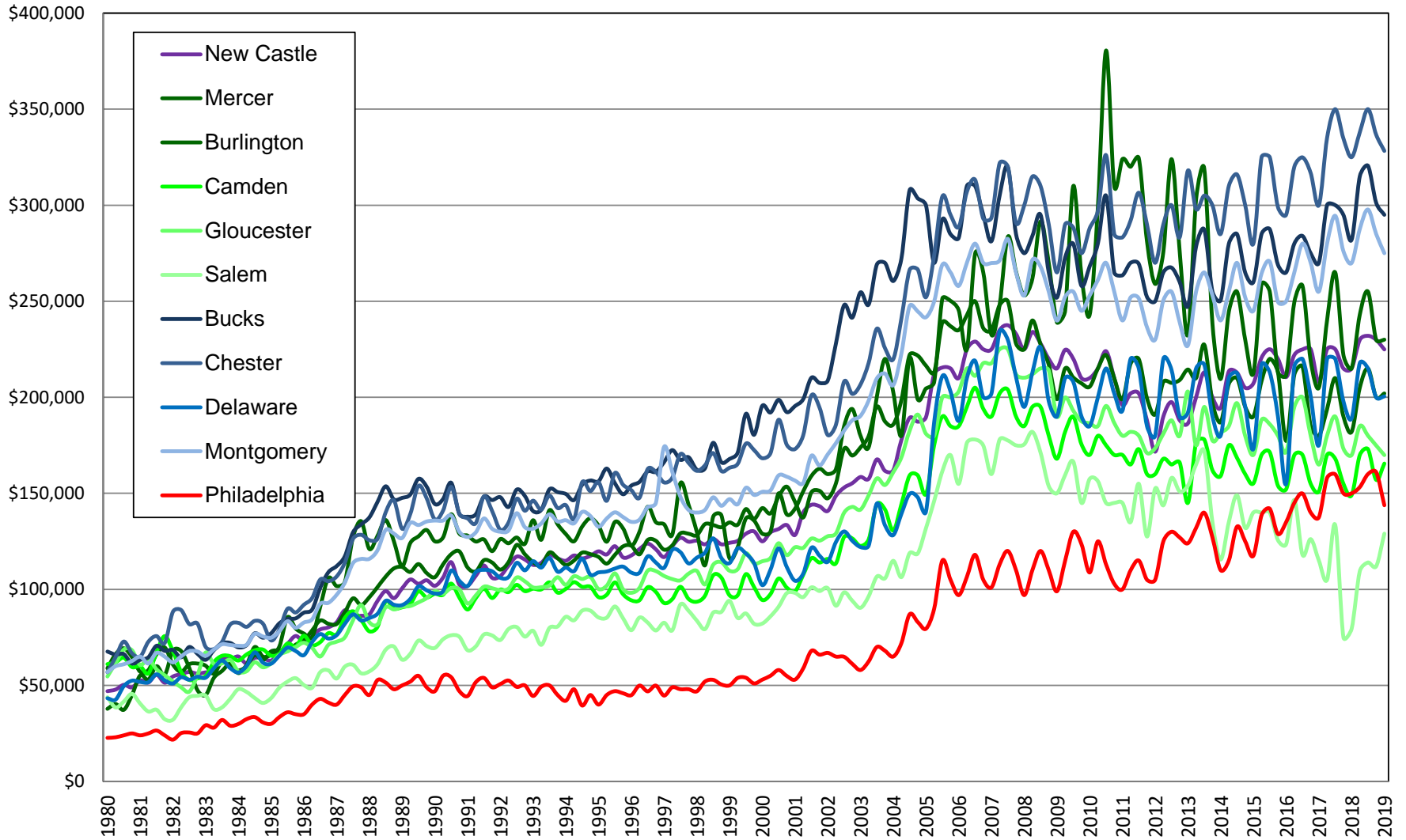
Note: Each county is extruded by its average change in house values during 2019 Q1 in order to reflect its growth (or depreciation) rate relative to other counties.

Median Regional House Price v. Indexed Regional House Price: 1980-2019

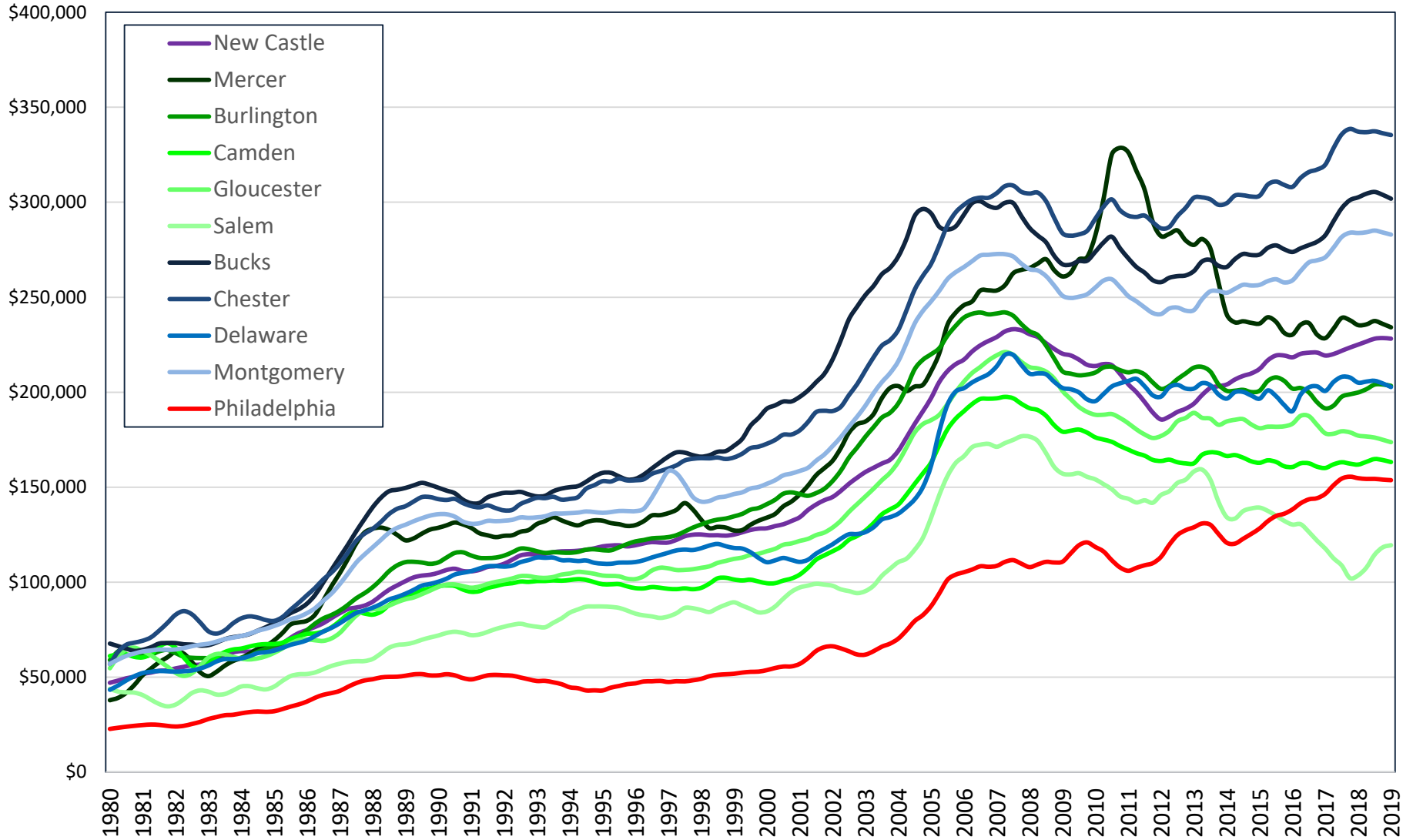


*Empirically estimated by Kevin C. Gillen, Ph.D.

Median House Price by County: 1980-2019

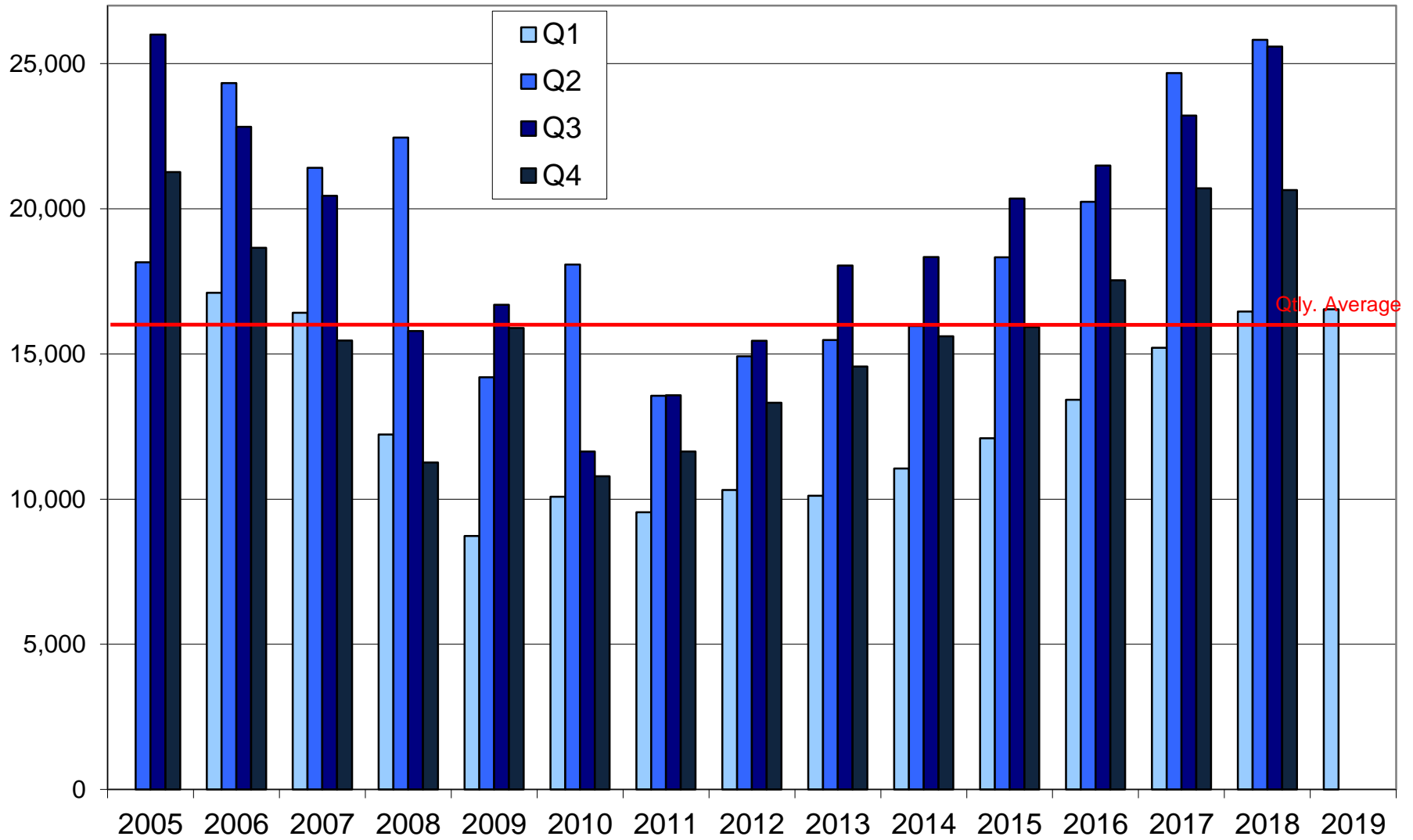


Median House Price by County, Smoothed*: 1980-2019



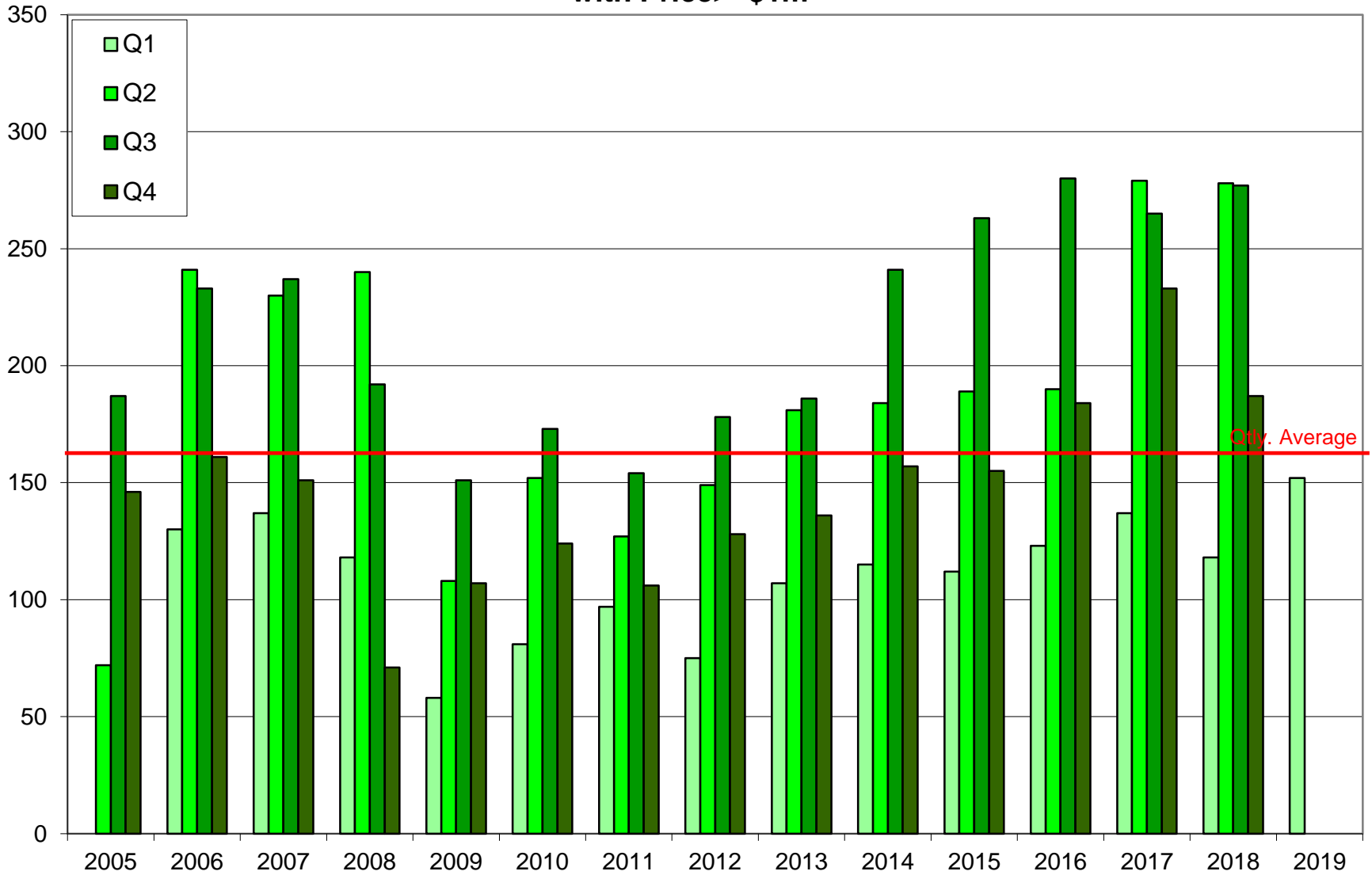
*The price data was smoothed by applying a 3-period moving average, in order to eliminate seasonal noise.

Number of Regional House Sales per Quarter: 2005-2019



Q1y. Average

Number of Regional House Sales 2005-2019 with Price \geq \$1m



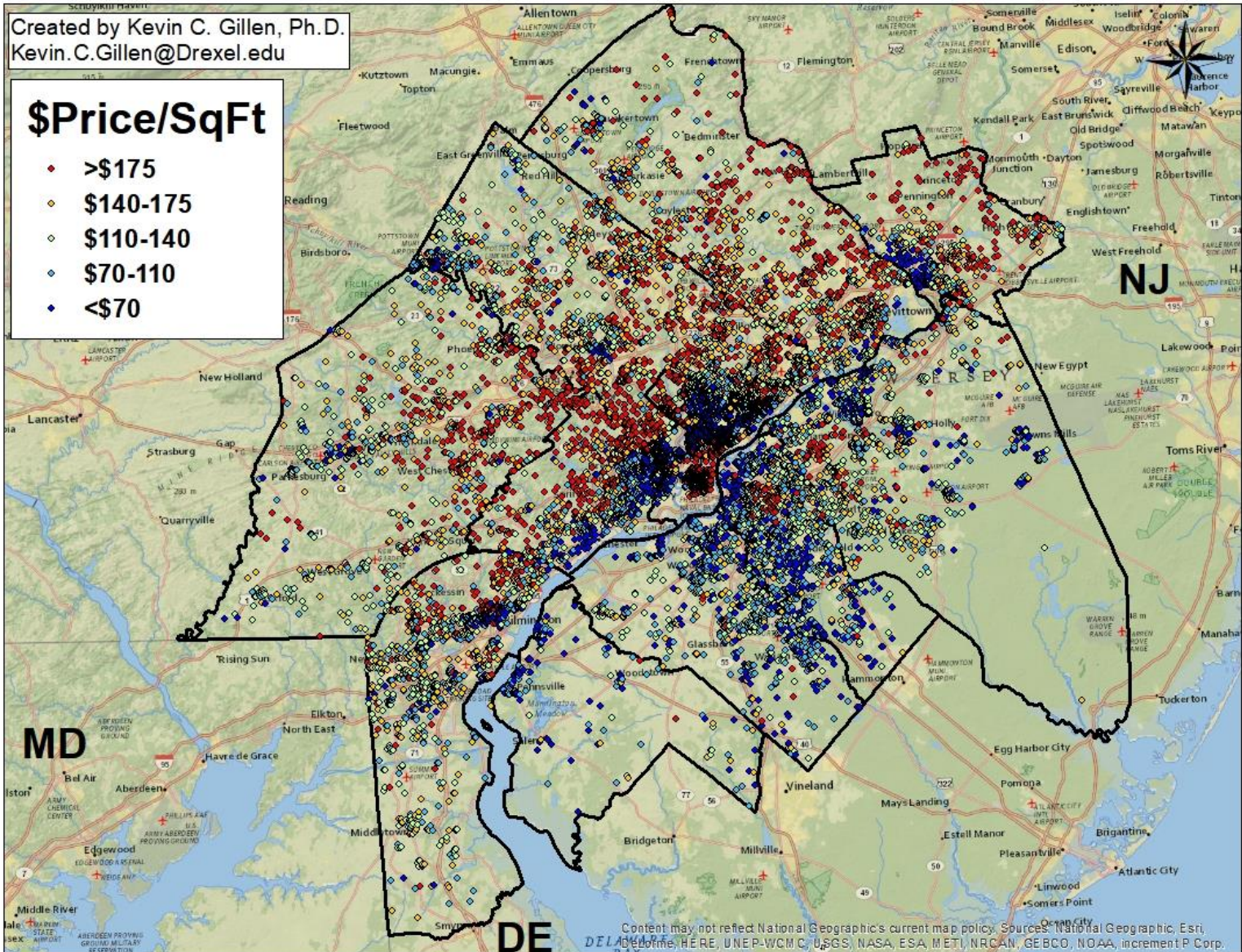
City Average

Philadelphia Region House Sales in 2019 Q1

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

\$Price/SqFt

- ◆ >\$175
- ◆ \$140-175
- ◆ \$110-140
- ◆ \$70-110
- ◆ <\$70



Content may not reflect National Geographic's current map policy. Sources: National Geographic, Esri, DeLorme, HERE, UNEP-WCMC, USGS, NASA, ESA, METI, NRCAN, GEBCO, NOAA, increment P Corp.

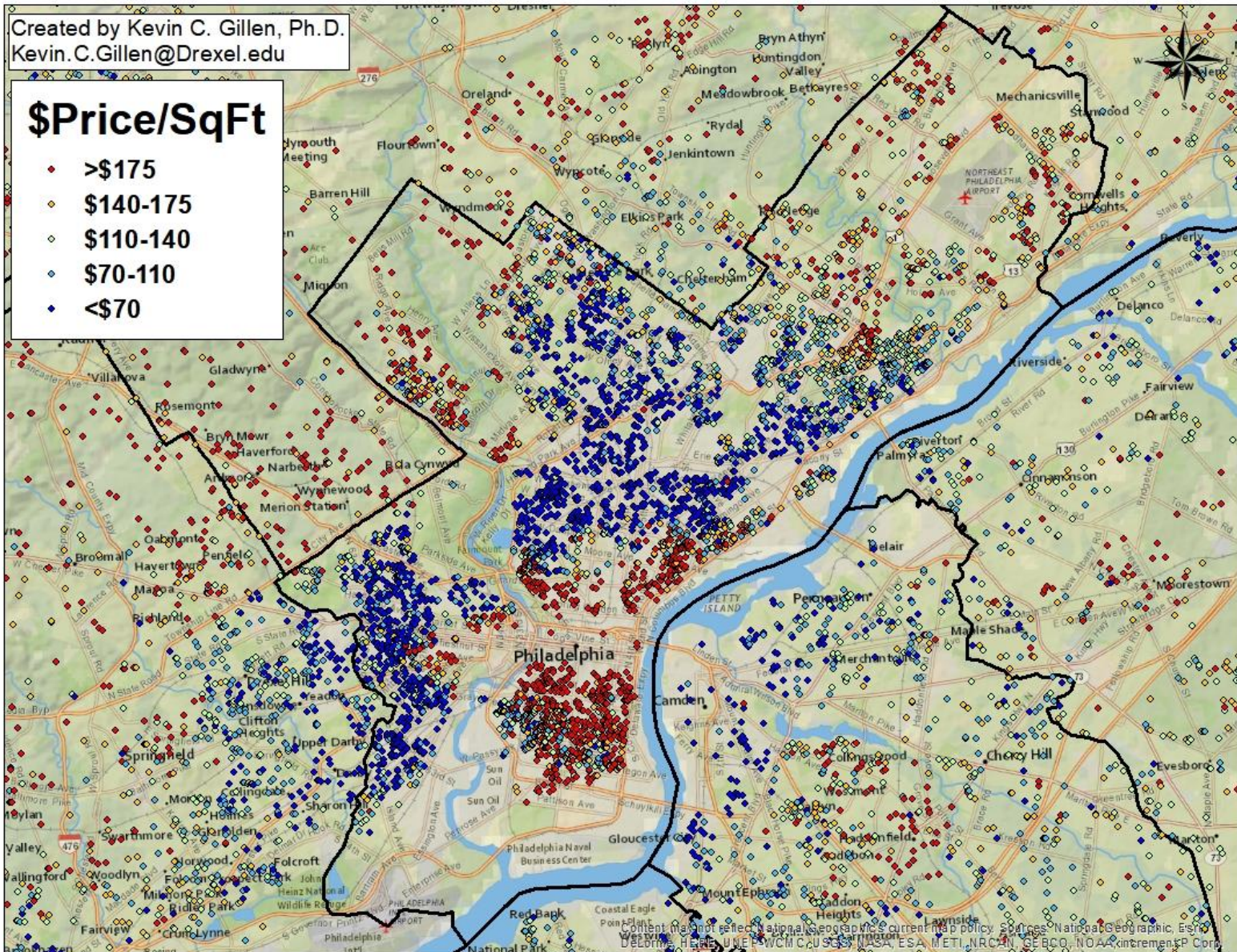
Note: the categories for \$price/sqft are based upon the quintiles of its distribution. Hence, exactly 20% of all sales fall into each one of the five categories.

Philadelphia County House Sales in 2019 Q1

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

\$Price/SqFt

- ◆ >\$175
- ◆ \$140-175
- ◆ \$110-140
- ◆ \$70-110
- ◆ <\$70



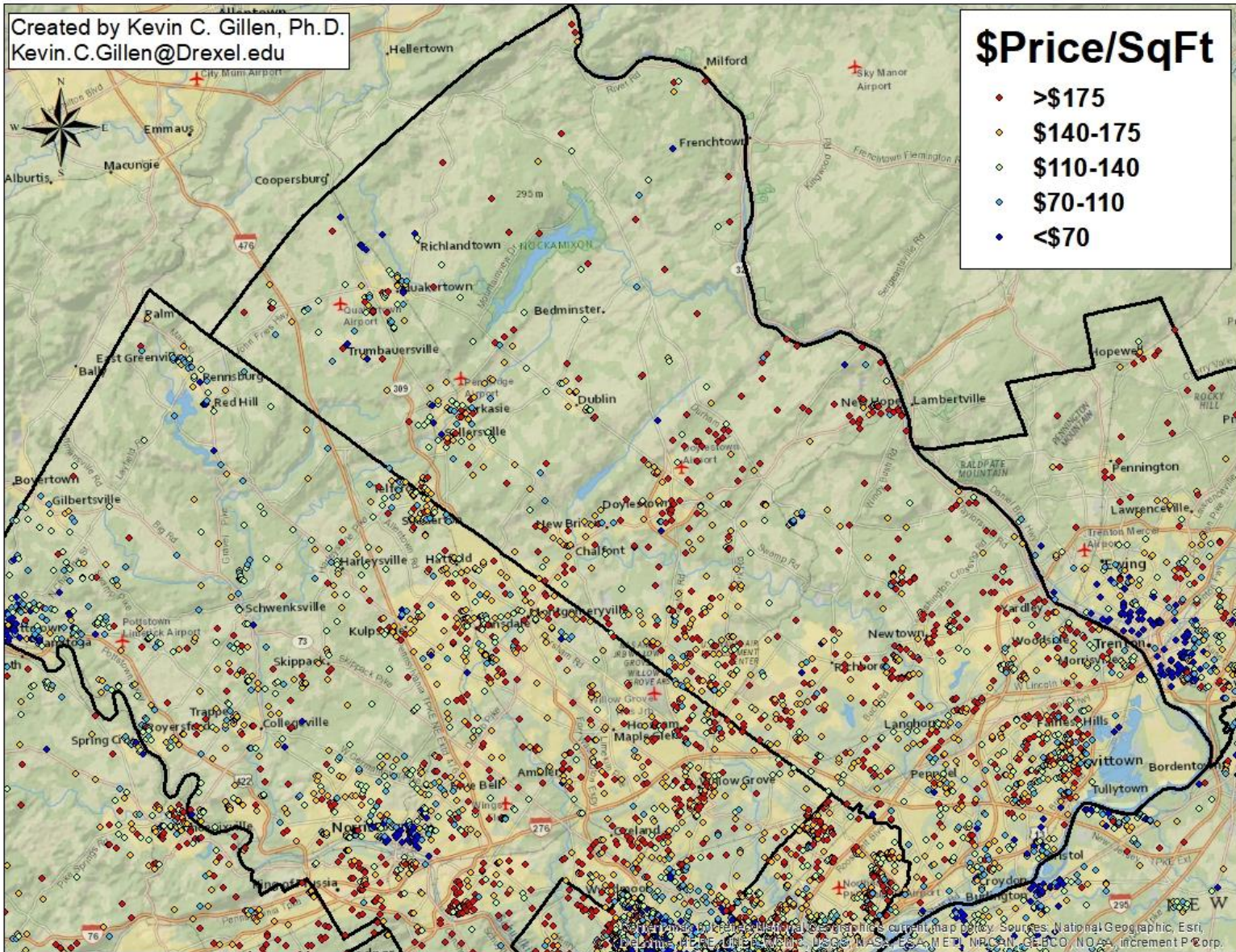
Note: the categories for \$price/sqft are based upon the quintiles of its distribution. Hence, exactly 20% of all sales fall into each one of the five categories.

Bucks County House Sales in 2019 Q1

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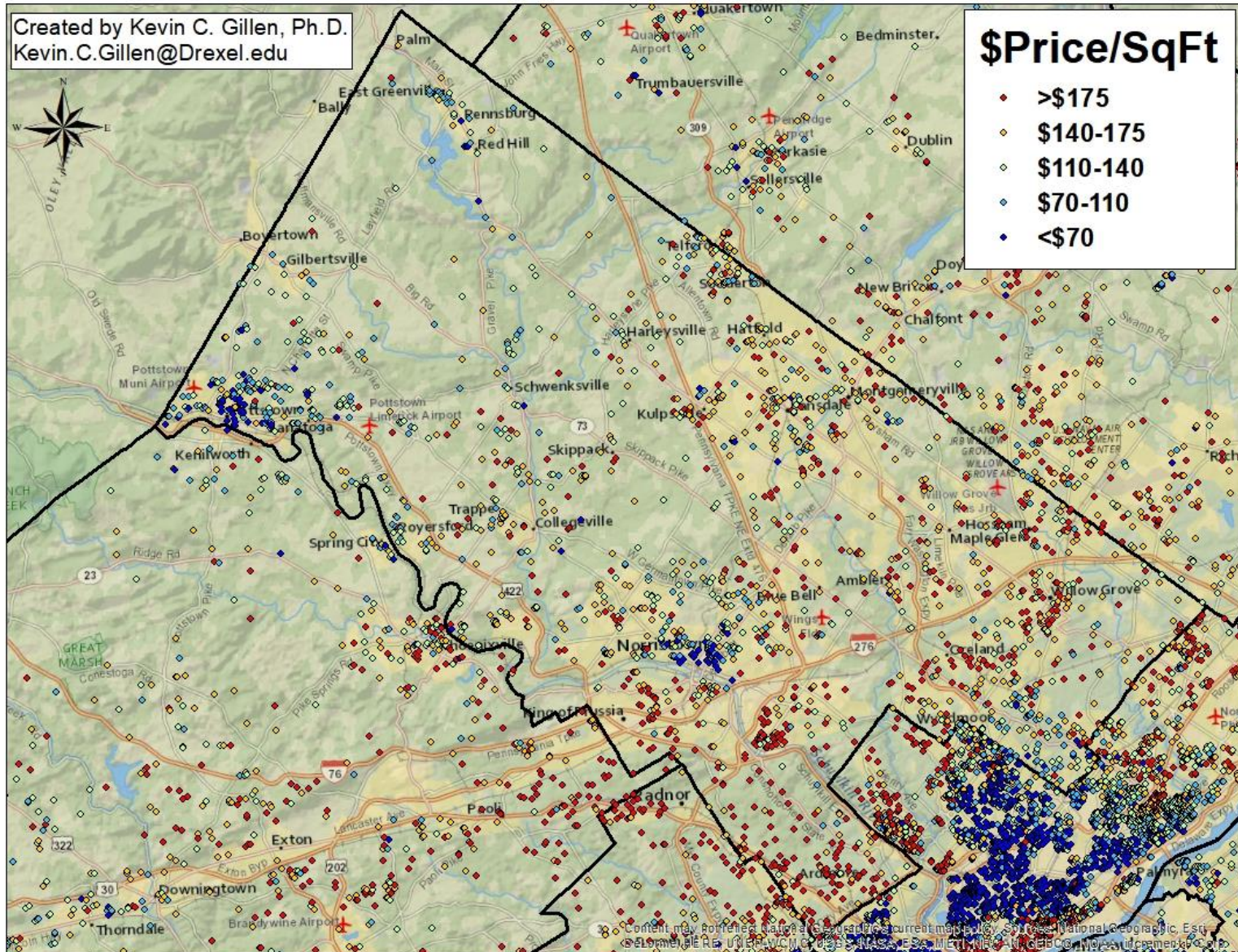
\$Price/SqFt

- ◆ >\$175
- ◆ \$140-175
- ◆ \$110-140
- ◆ \$70-110
- ◆ <\$70



Note: the categories for \$price/sqft are based upon the quintiles of its distribution. Hence, exactly 20% of all sales fall into each one of the five categories.

Montgomery County House Sales in 2019 Q1



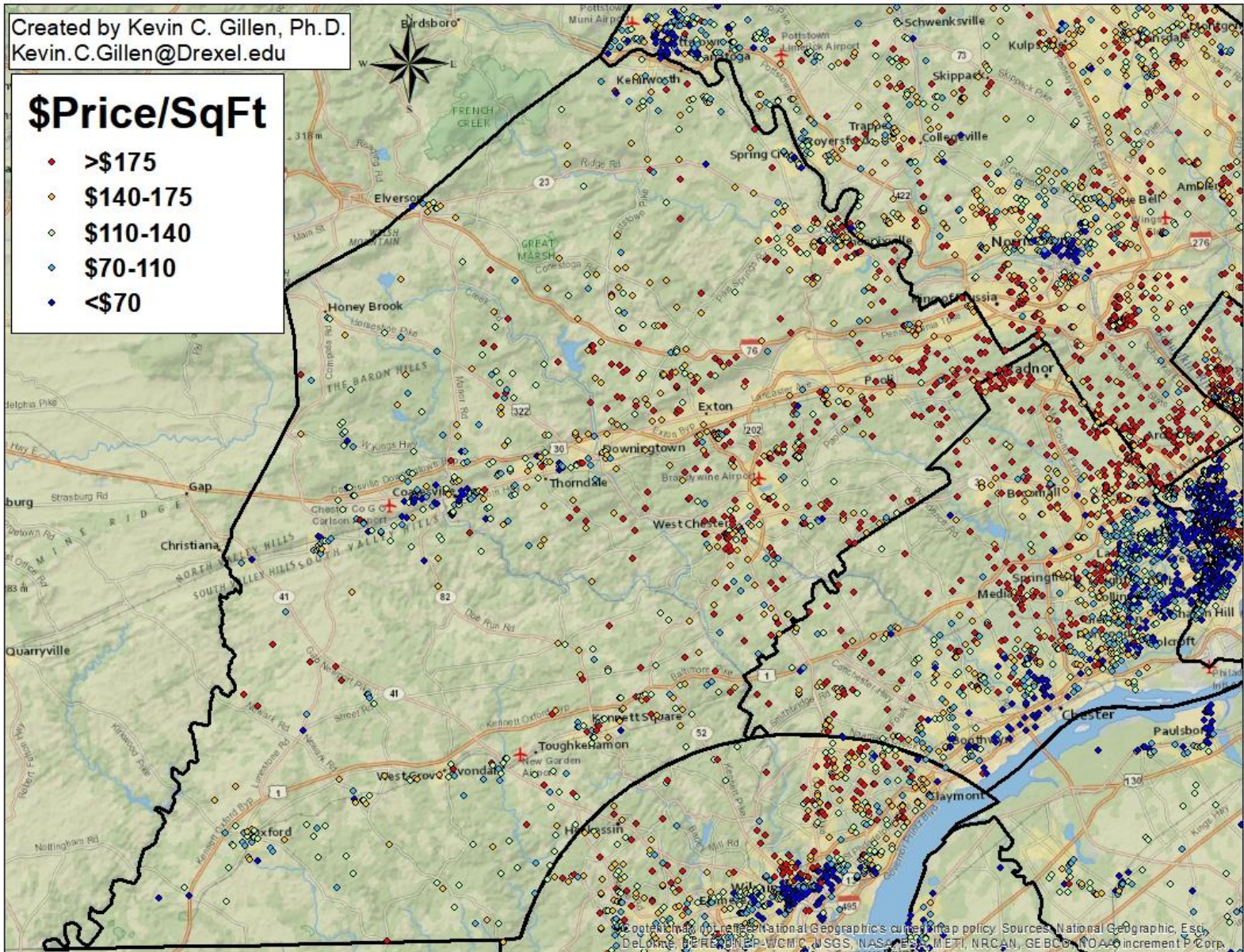
Note: the categories for \$price/sqft are based upon the quintiles of its distribution. Hence, exactly 20% of all sales fall into each one of the five categories.

Chester County House Sales in 2019 Q1

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

\$Price/SqFt

- ◆ >\$175
- ◆ \$140-175
- ◆ \$110-140
- ◆ \$70-110
- ◆ <\$70



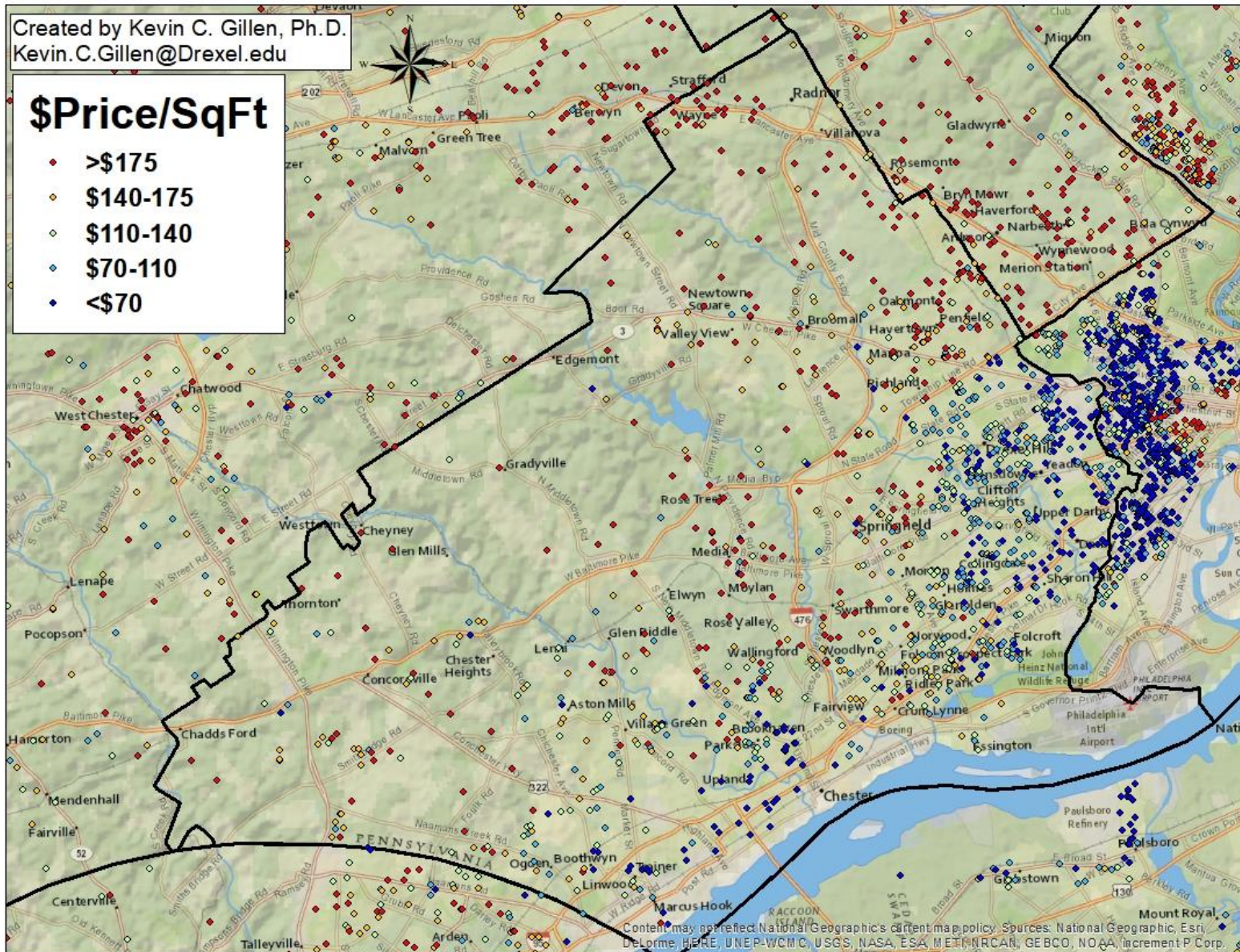
Note: the categories for \$price/sqft are based upon the quintiles of its distribution.
Hence, exactly 20% of all sales fall into each one of the five categories.

Delaware County House Sales in 2019 Q1

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

\$Price/SqFt

- ◆ >\$175
- ◆ \$140-175
- ◆ \$110-140
- ◆ \$70-110
- ◆ <\$70



Note: the categories for \$price/sqft are based upon the quintiles of its distribution. Hence, exactly 20% of all sales fall into each one of the five categories.

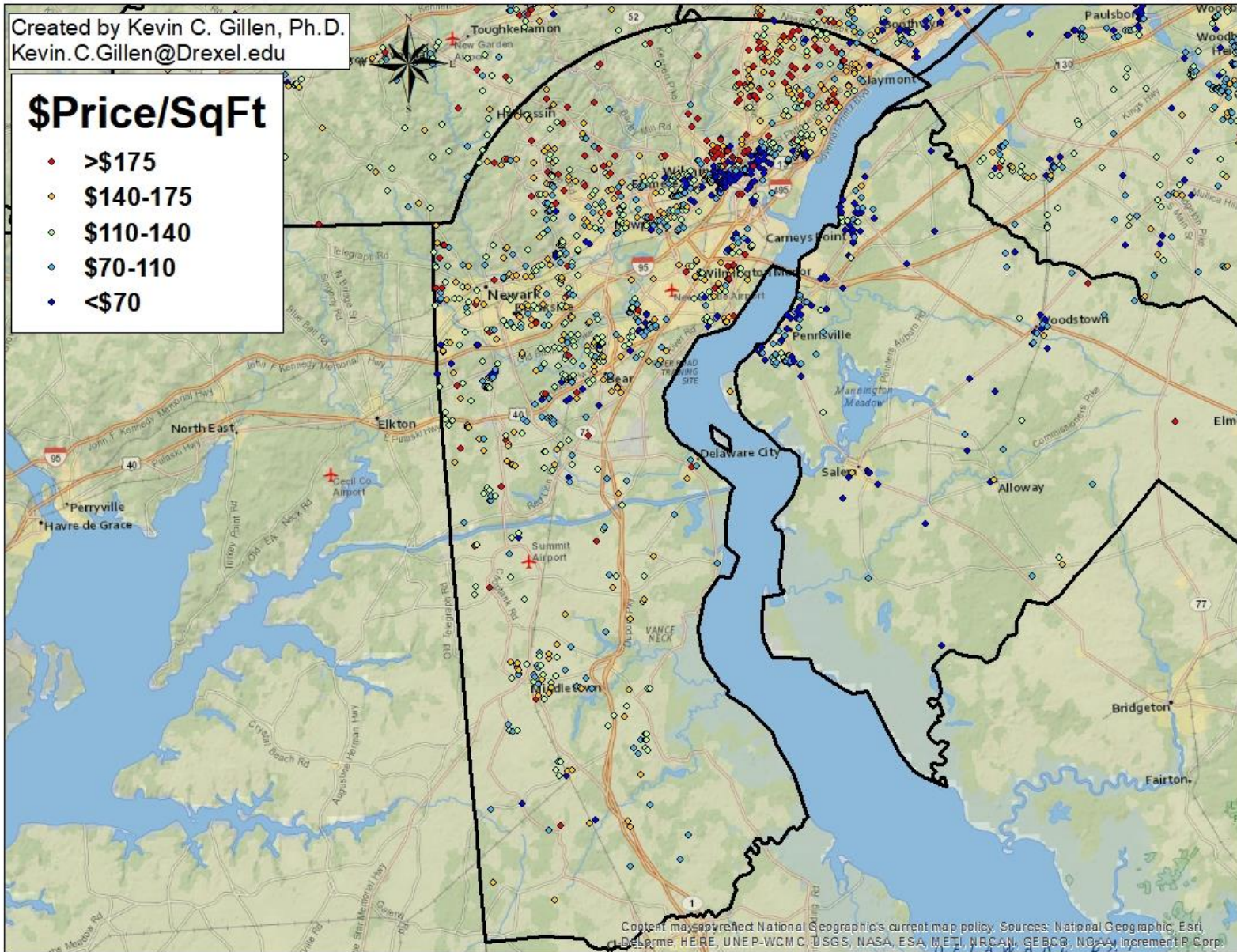


New Castle County House Sales in 2019 Q1

Created by Kevin C. Gillen, Ph.D.
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\$Price/SqFt

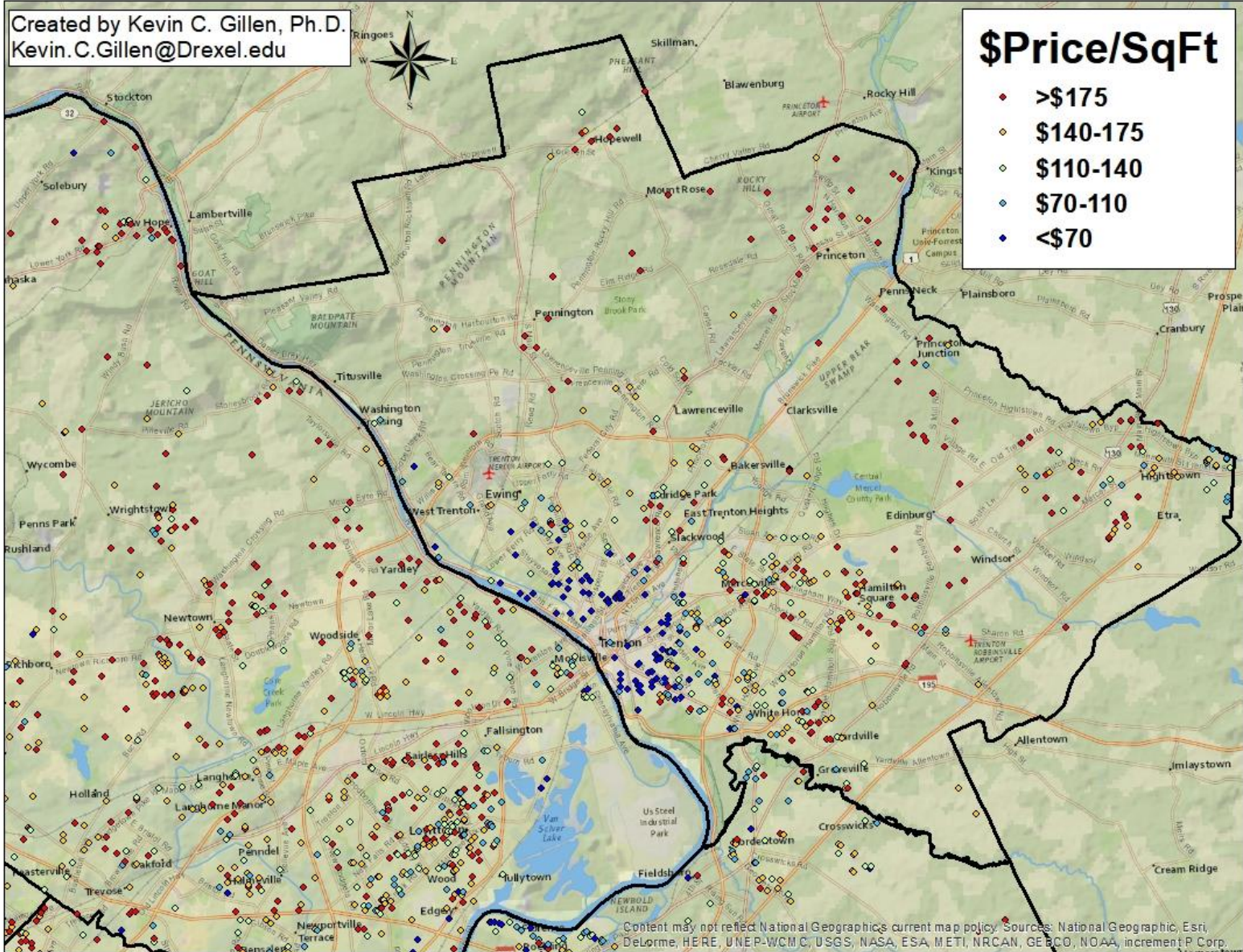
- ◆ >\$175
- ◆ \$140-175
- ◆ \$110-140
- ◆ \$70-110
- ◆ <\$70



Content may reflect National Geographic's current map policy. Sources: National Geographic, Esri, DeLorme, HERE, UNEP-WCMC, USGS, NASA, ESA, METI, NRCAN, GEBCO, NOAA, increment P Corp.

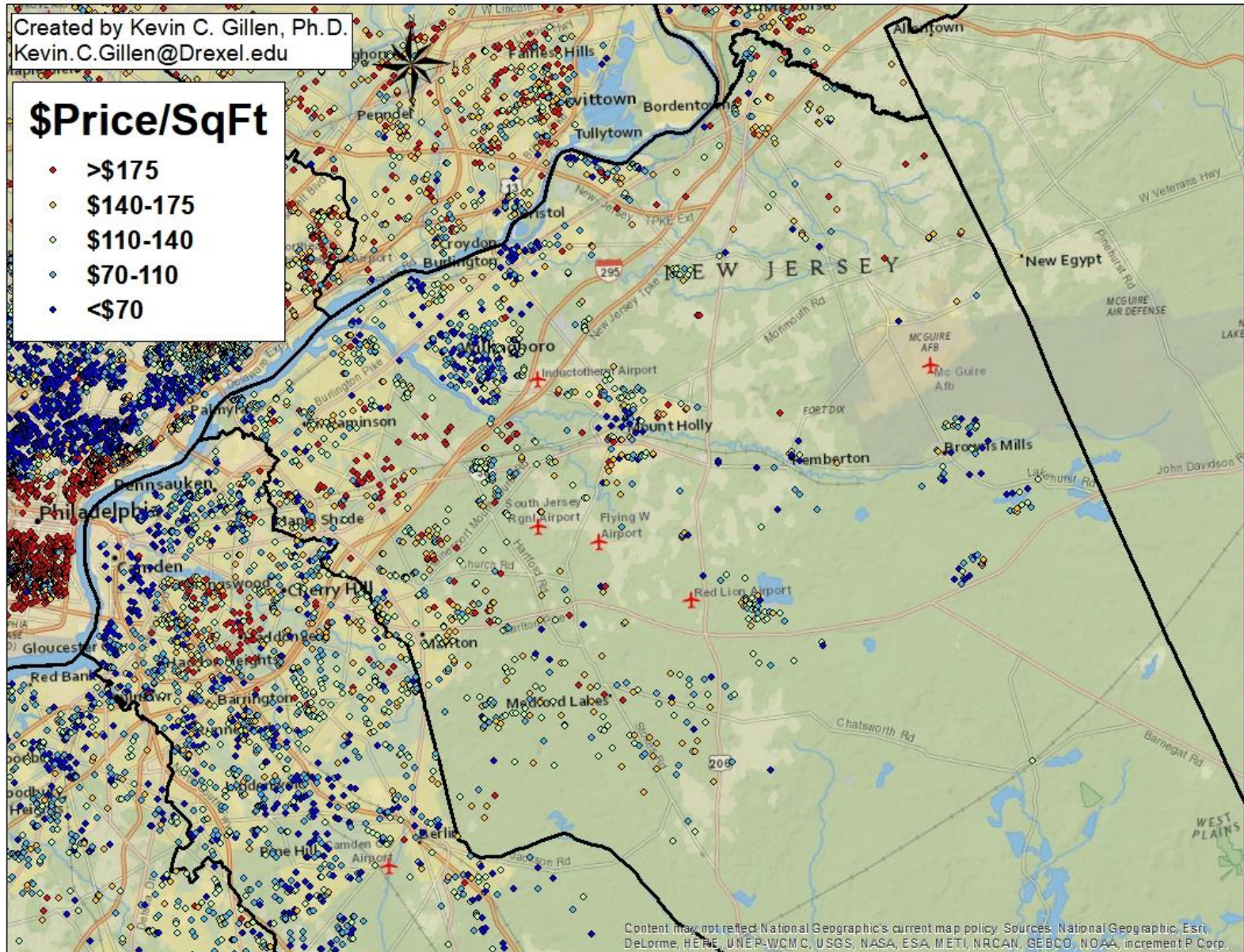
Note: the categories for \$price/sqft are based upon the quintiles of its distribution. Hence, exactly 20% of all sales fall into each one of the five categories.

Mercer County House Sales in 2019 Q1



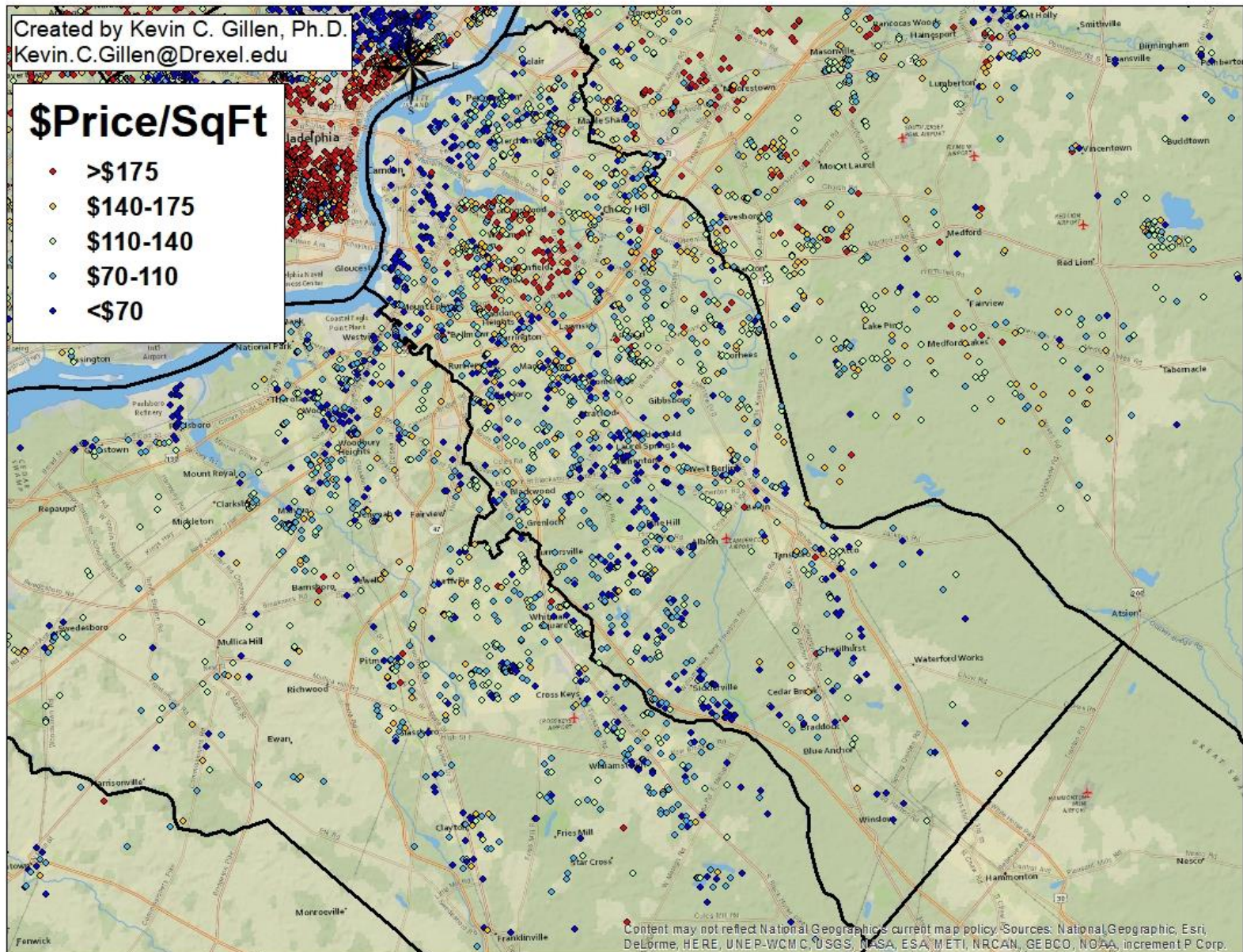
Note: the categories for \$price/sqft are based upon the quintiles of its distribution. Hence, exactly 20% of all sales fall into each one of the five categories.

Burlington County House Sales in 2019 Q1



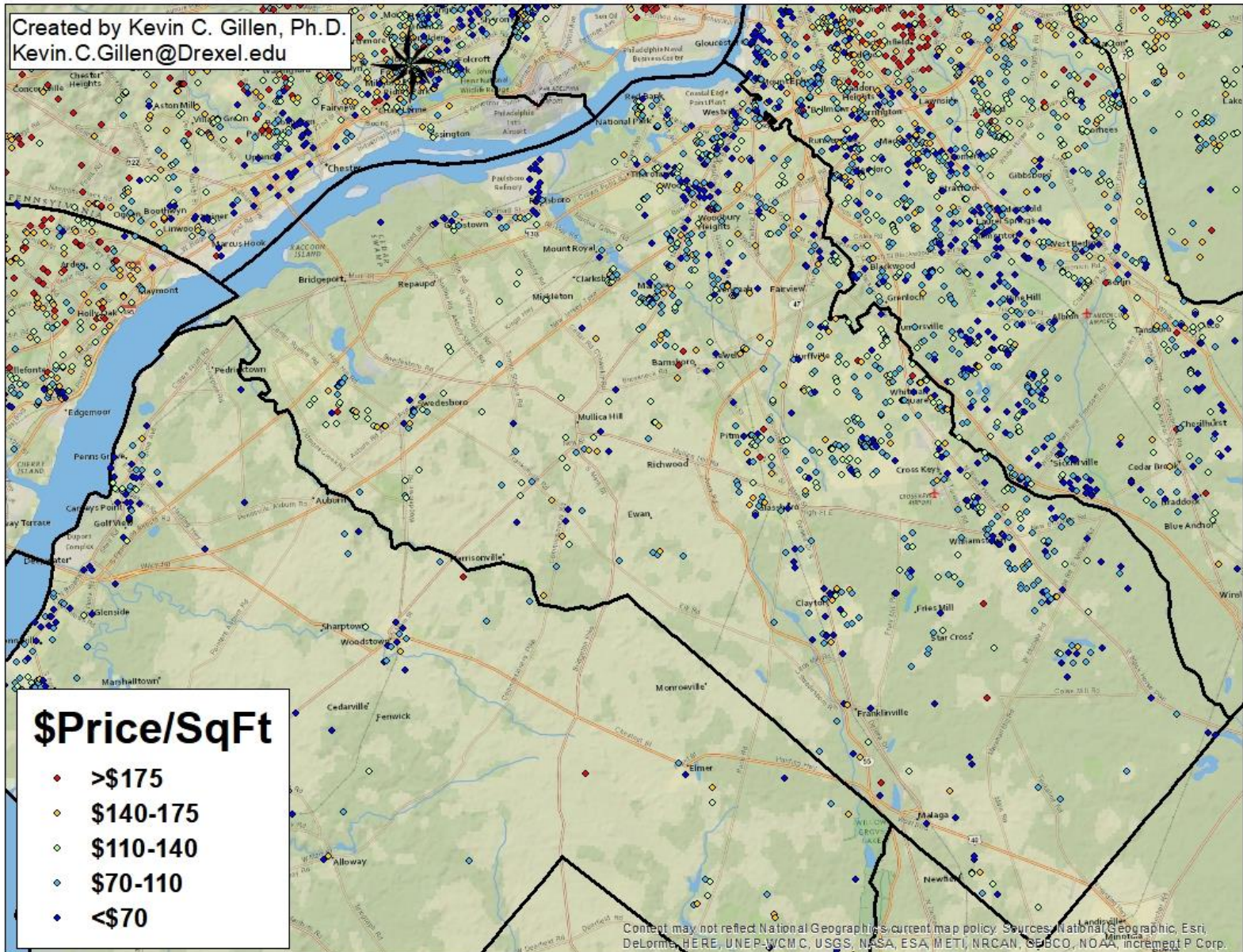
Note: the categories for \$price/sqft are based upon the quintiles of its distribution. Hence, exactly 20% of all sales fall into each one of the five categories.

Camden County House Sales in 2019 Q1



Note: the categories for \$price/sqft are based upon the quintiles of its distribution. Hence, exactly 20% of all sales fall into each one of the five categories.

Gloucester County House Sales in 2019 Q1



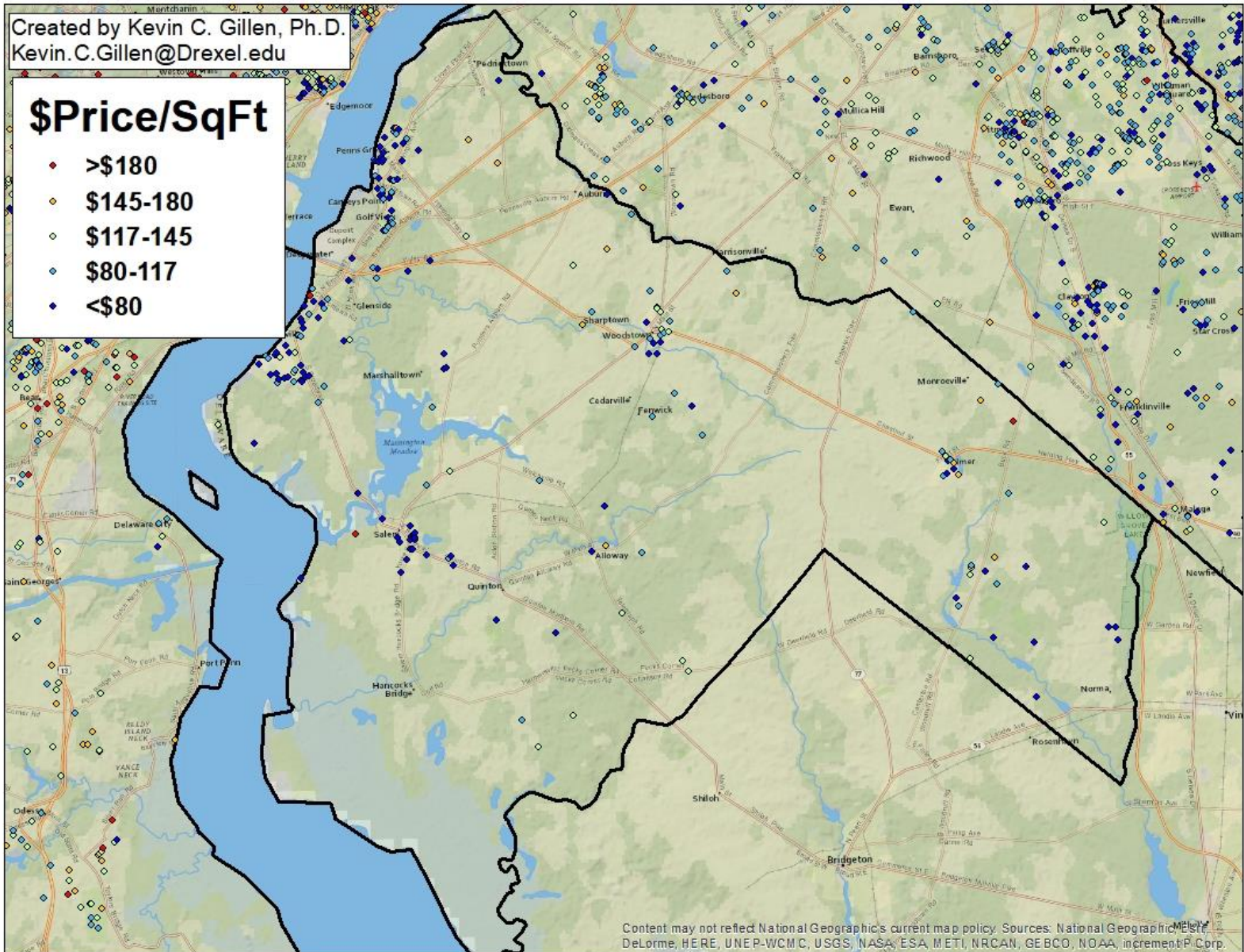
Note: the categories for \$price/sqft are based upon the quintiles of its distribution. Hence, exactly 20% of all sales fall into each one of the five categories.

Salem County House Sales in 2019 Q1

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

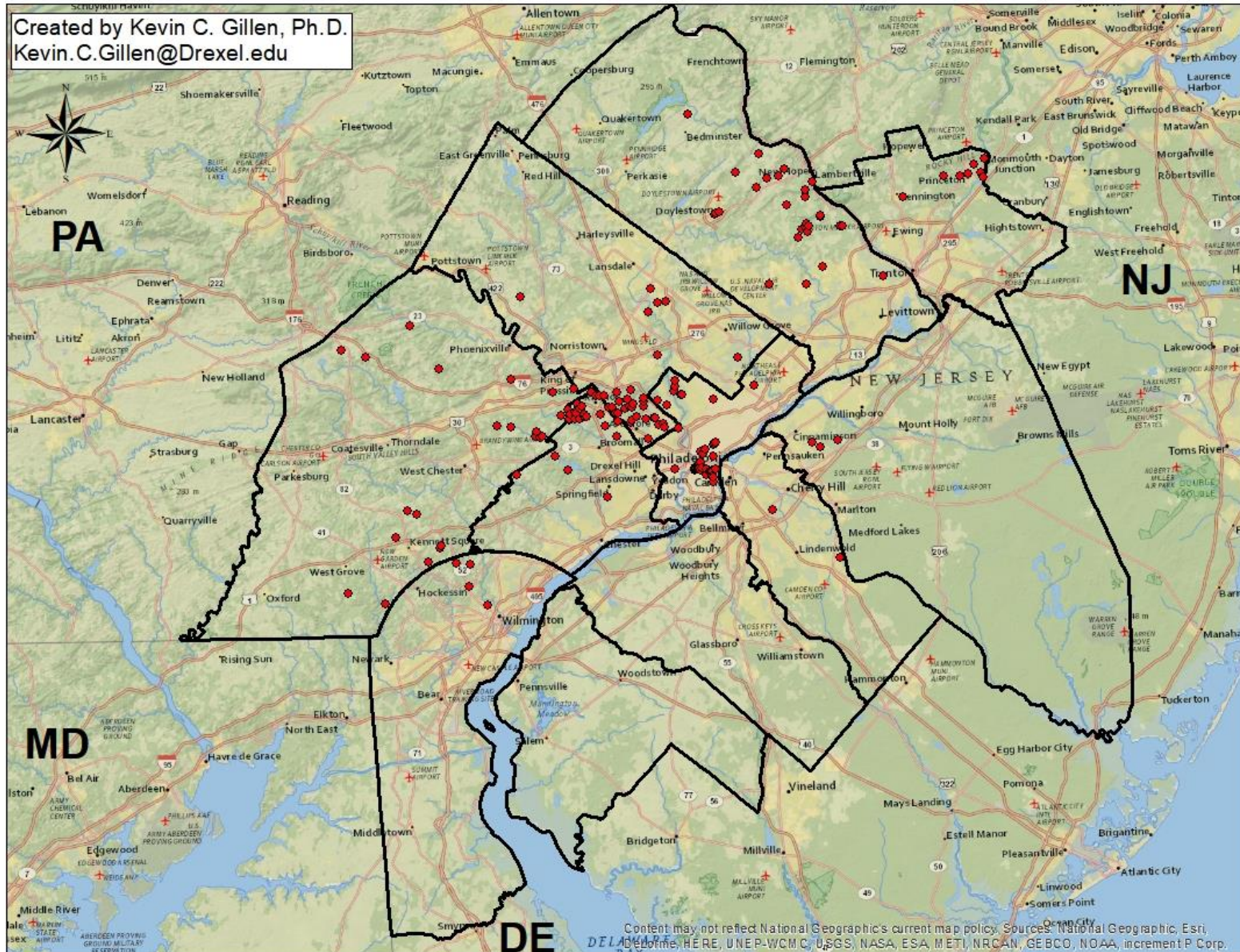
\$Price/SqFt

- ◆ >\$180
- ◆ \$145-180
- ◆ \$117-145
- ◆ \$80-117
- ◆ <\$80

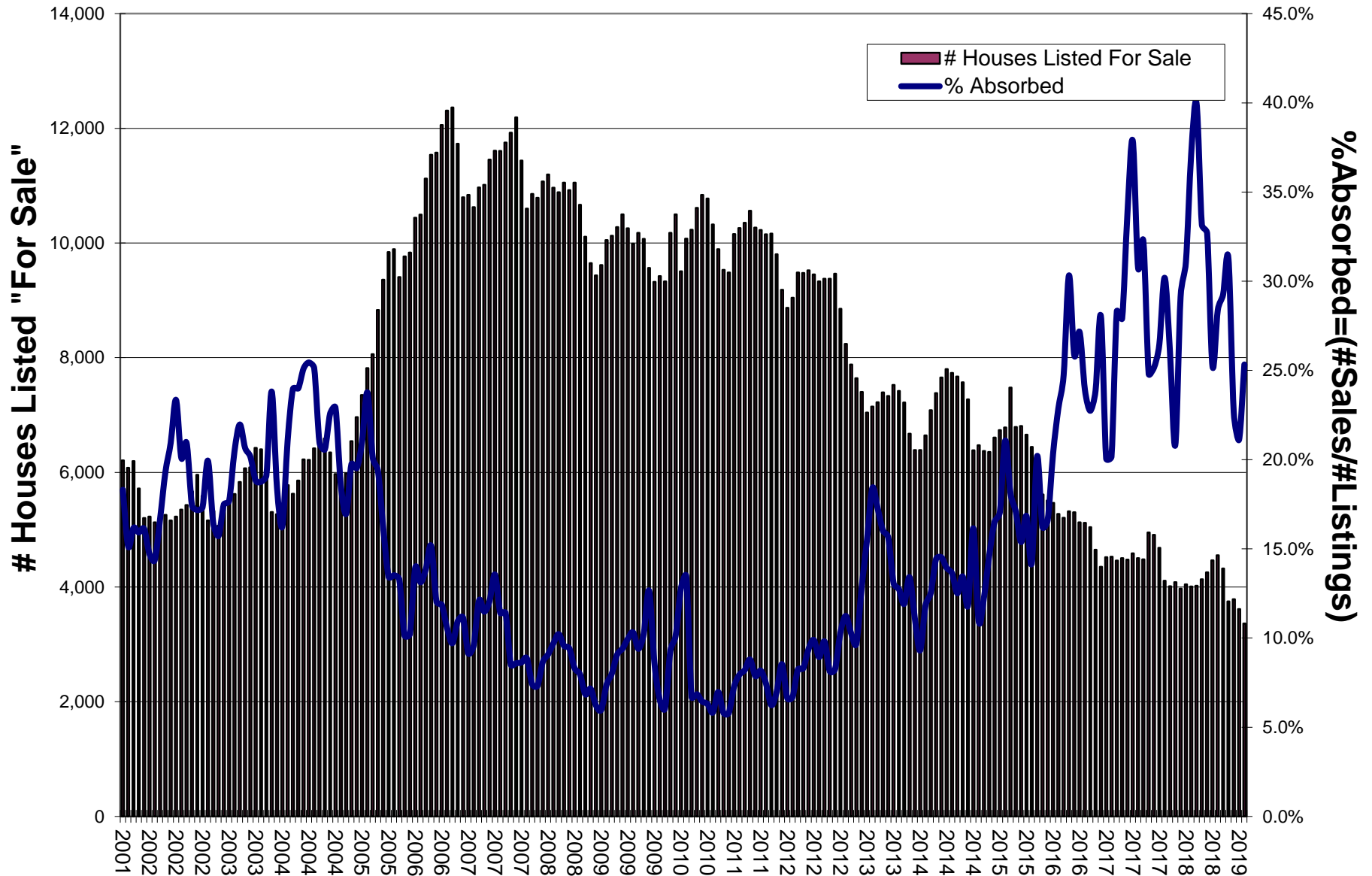


Note: the categories for \$price/sqft are based upon the quintiles of its distribution. Hence, exactly 20% of all sales fall into each one of the five categories.

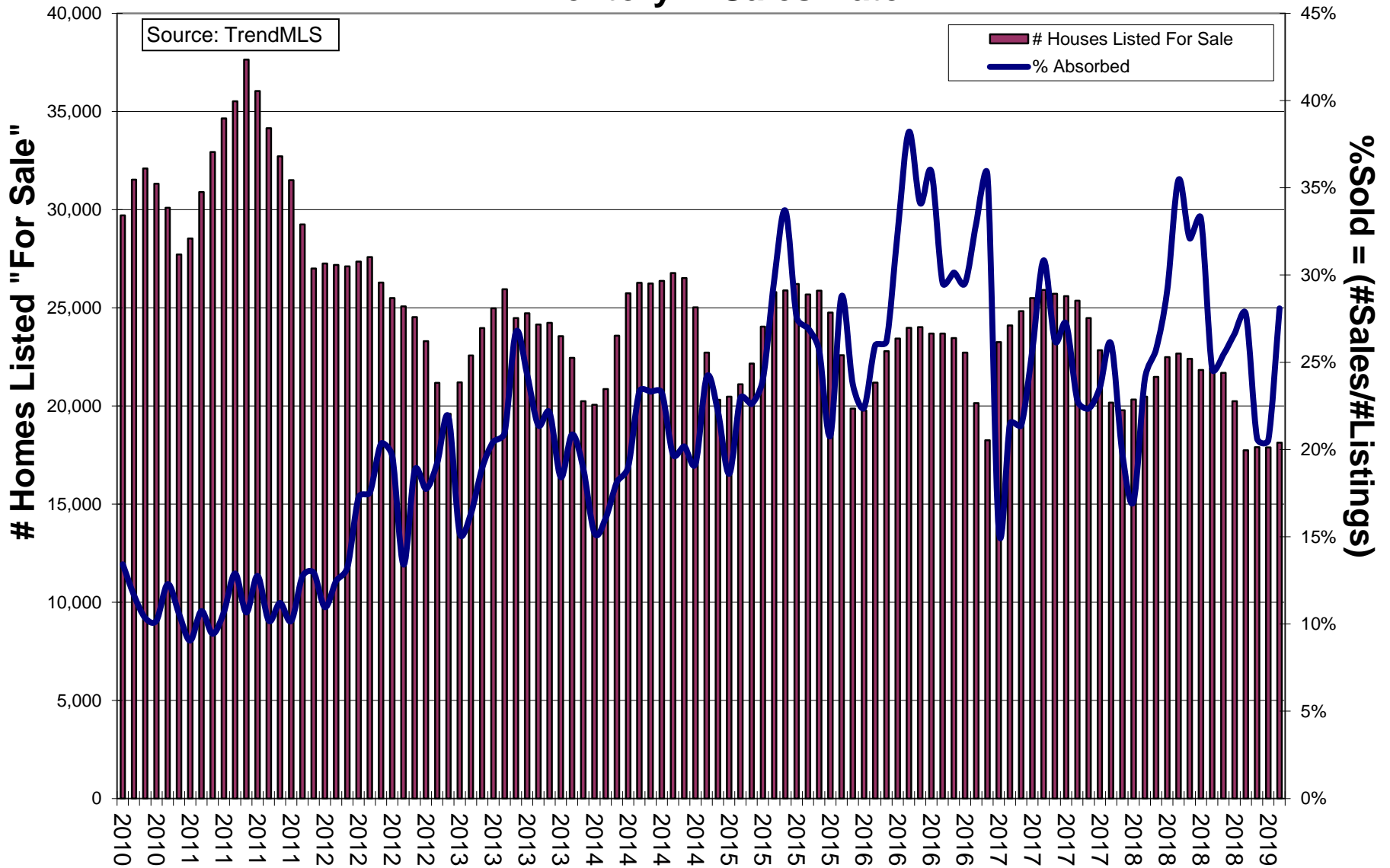
+ \$1 Million Dollar House Sales in 2019 Q1



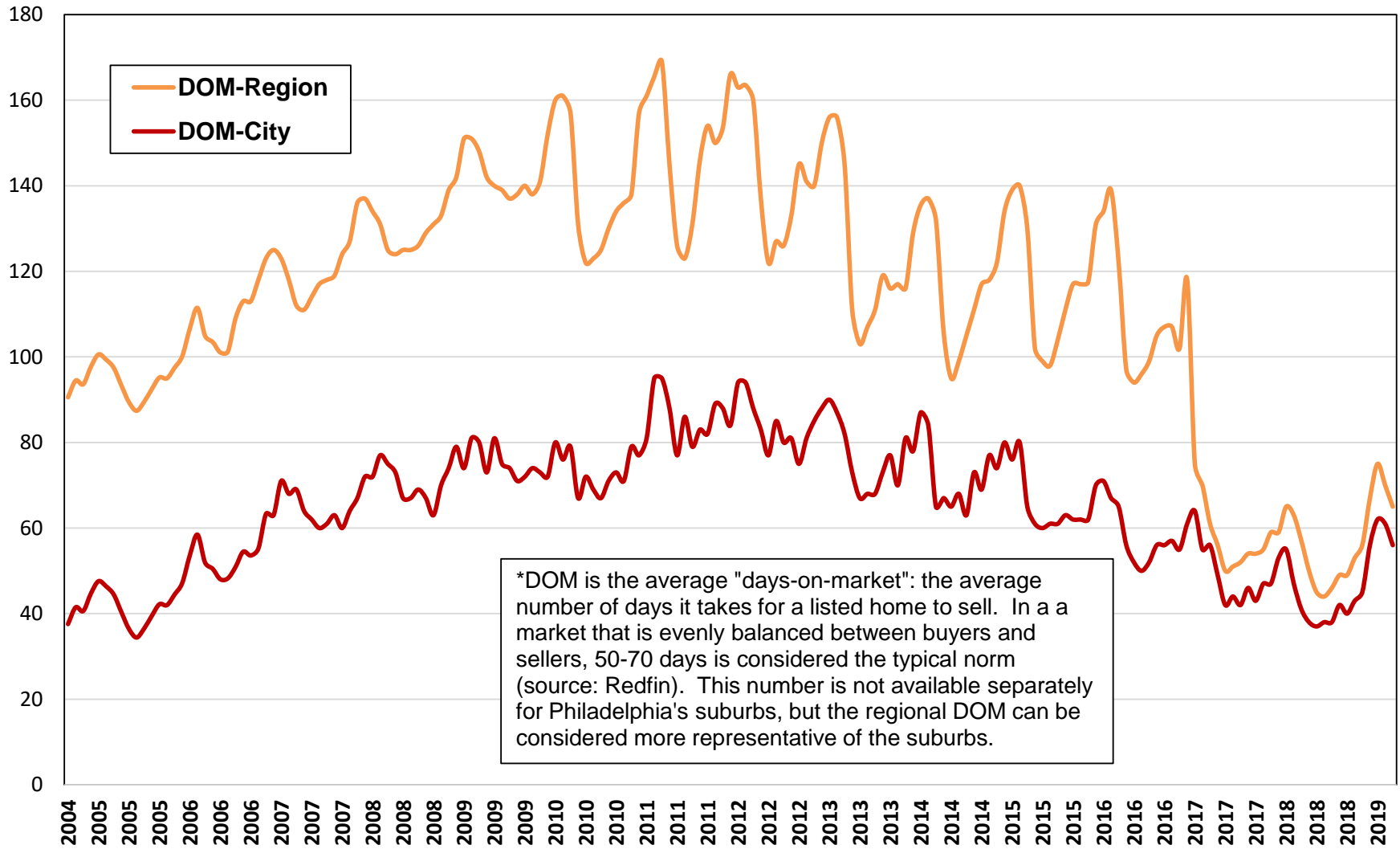
Philadelphia Houses Listed For Sale: Inventory v. Sales Rate



Philadelphia Suburb's Houses Listed For Sale: Inventory v. Sales Rate

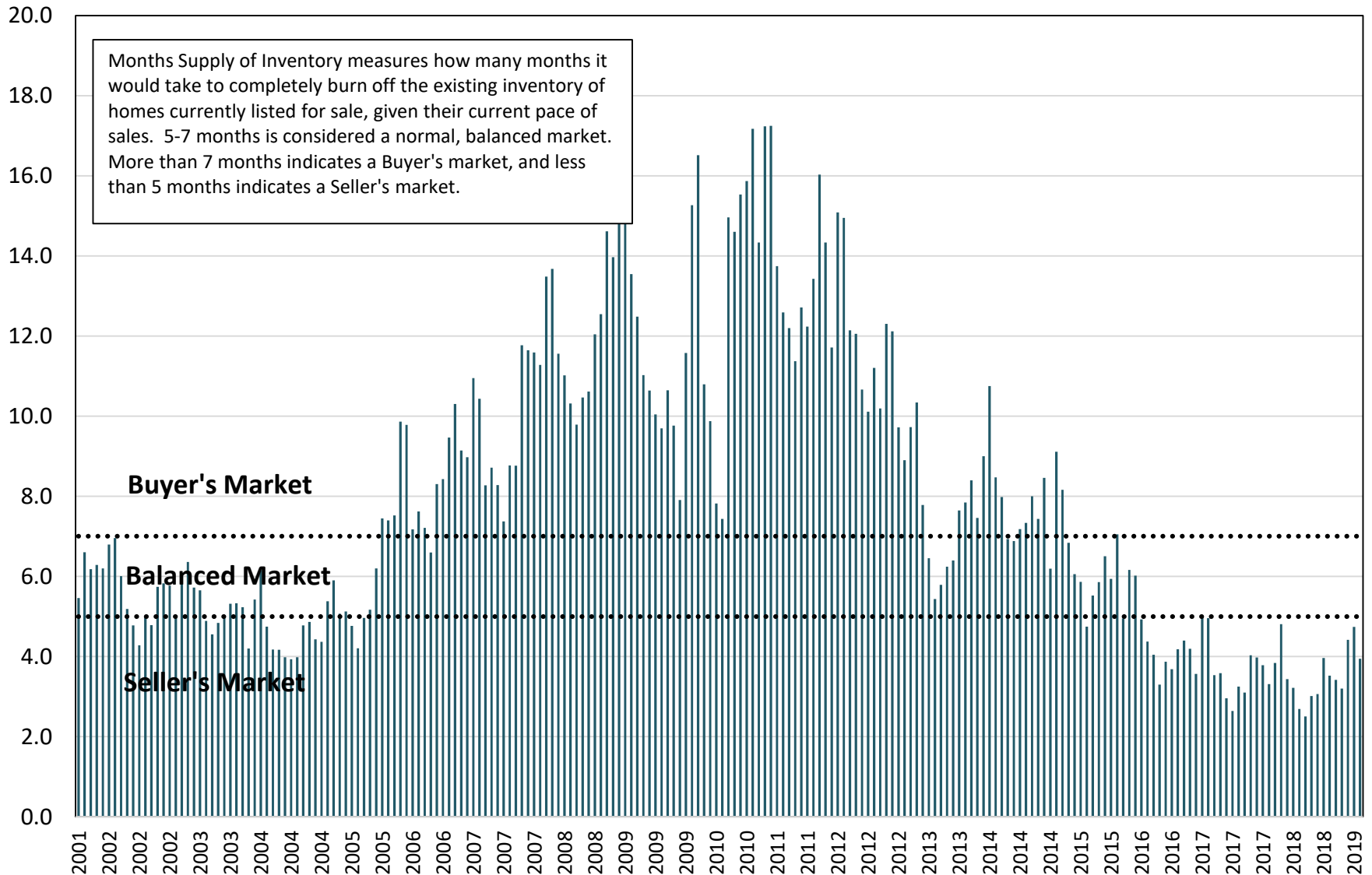


Average Days-on-Market* for Home Sales

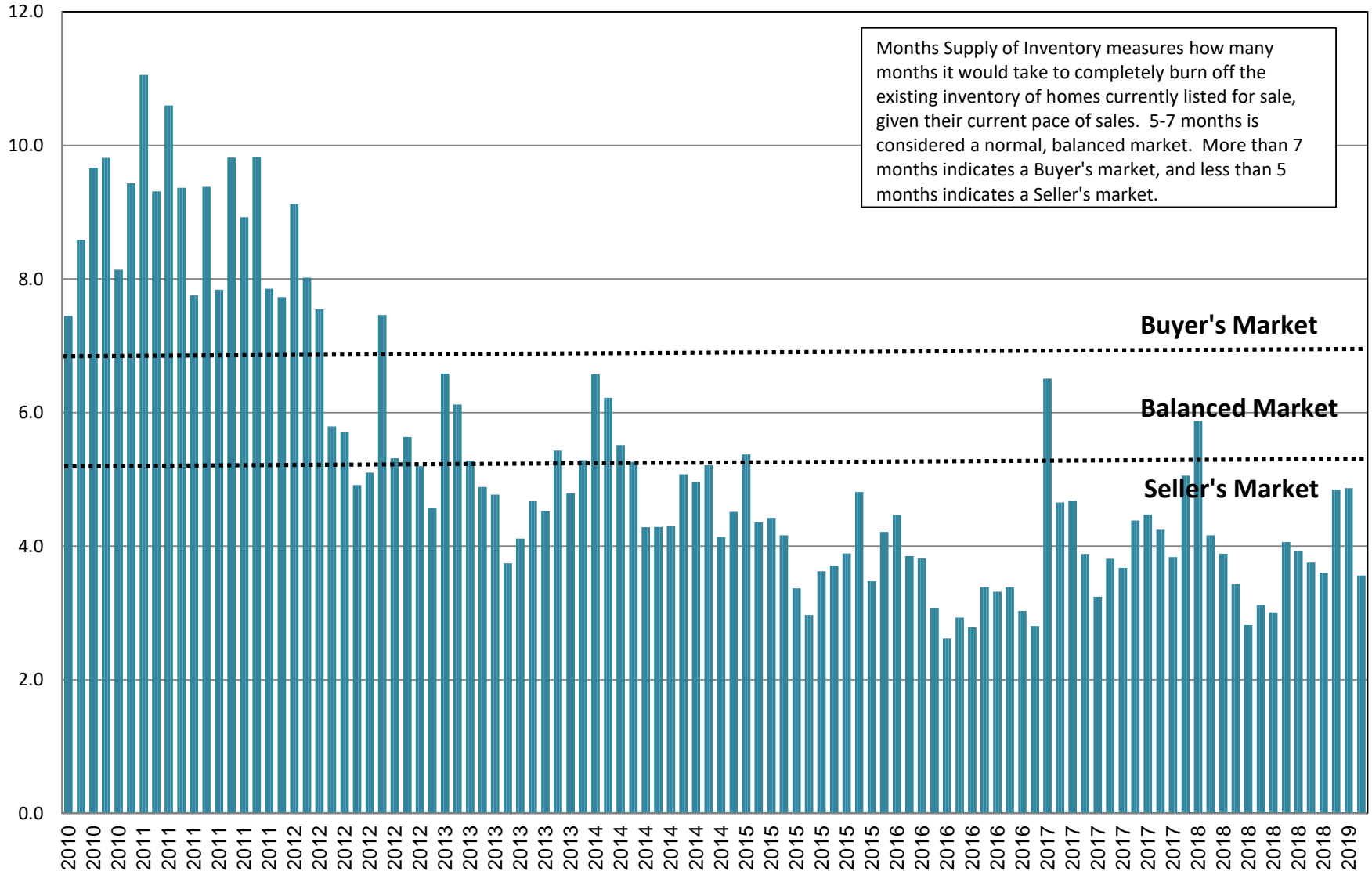


*DOM is the average "days-on-market": the average number of days it takes for a listed home to sell. In a market that is evenly balanced between buyers and sellers, 50-70 days is considered the typical norm (source: Redfin). This number is not available separately for Philadelphia's suburbs, but the regional DOM can be considered more representative of the suburbs.

Months Supply of Inventory in Philadelphia



Months Supply of Inventory in Philadelphia Suburbs



Buyer's Market

Balanced Market

Seller's Market

Pennsylvania Foreclosure Rates

Pennsylvania
1 in every 2159

Top 5 Counties

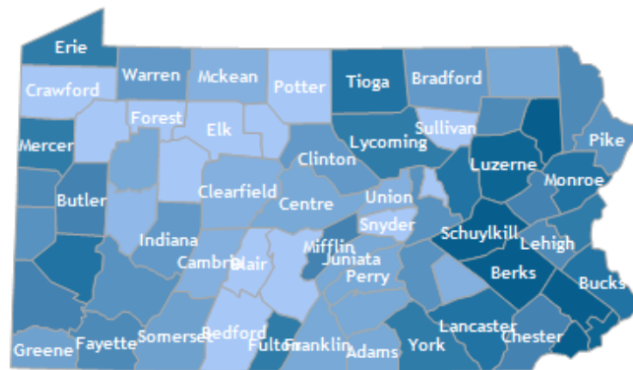
Delaware
1 in every 1076

Berks
1 in every 1080

Montgomery
1 in every 1240

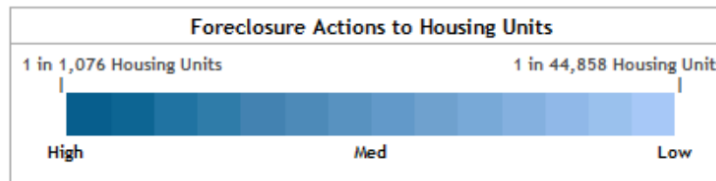
Schuylkill
1 in every 1341

Lackawanna
1 in every 1393



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1 out of every 1,422 homes in Philadelphia is currently in the process of foreclosure, which is down substantially from 1 out of every 899 homes in the previous quarter.

This is a greater than 50% decline in the City's foreclosure rate. As a consequence, Philadelphia is no longer listed as one of the top 5 counties for foreclosures in PA for the first time in this report's history.

New Jersey Foreclosure Rates

FORECLOSURE RATES FOR NEW JERSEY

April 2019

New Jersey
1 in every 980

Top 5 Counties

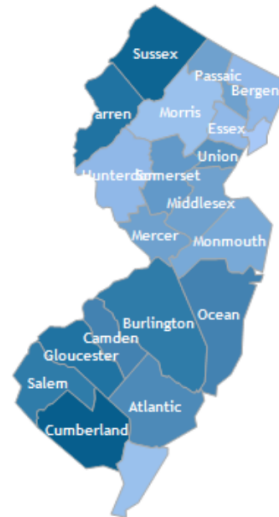
Cumberland
1 in every 378

Sussex
1 in every 445

Warren
1 in every 483

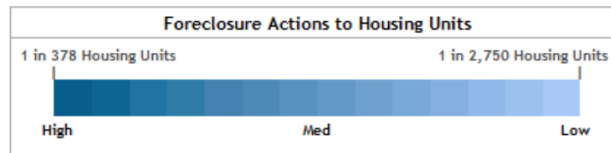
Gloucester
1 in every 491

Burlington
1 in every 571



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South Jersey's foreclosure rate continues to remain the highest in the region. After showing some improvement in late 2018, foreclosures increased moderately in the first quarter of 2019.

Previously, the Burlington, Camden, Gloucester and Salem counties had a collective foreclosure rate of rate of 1 in every 641 homes. In the current quarter, the foreclosure rate was 1 in every 556 homes.

South Jersey's foreclosure rate still remains significantly higher than the foreclosure rate of the entire state, which currently stands at 1 in every 980 homes.

Delaware Foreclosure Rates

FORECLOSURE RATES FOR DELAWARE

April 2019

Delaware
1 in every 1249

Top 3 Counties

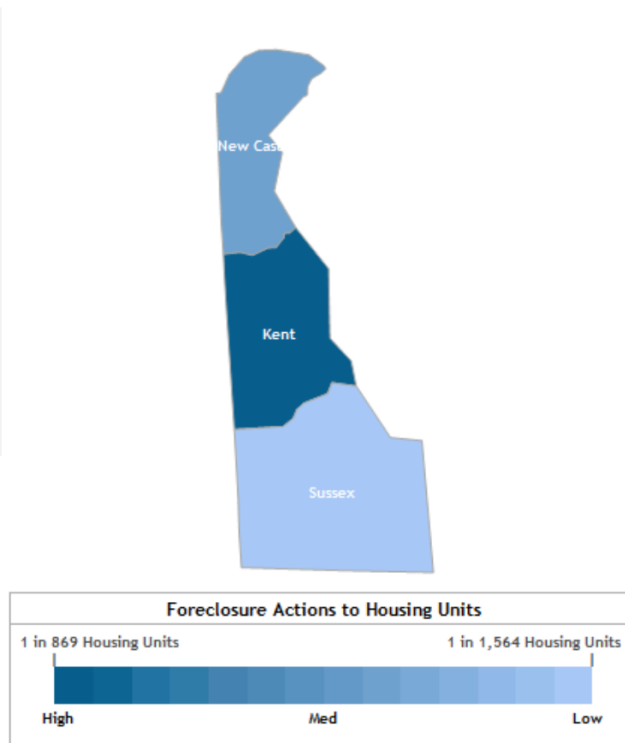
Kent
1 in every 869

New Castle
1 in every 1270

Sussex
1 in every 1564

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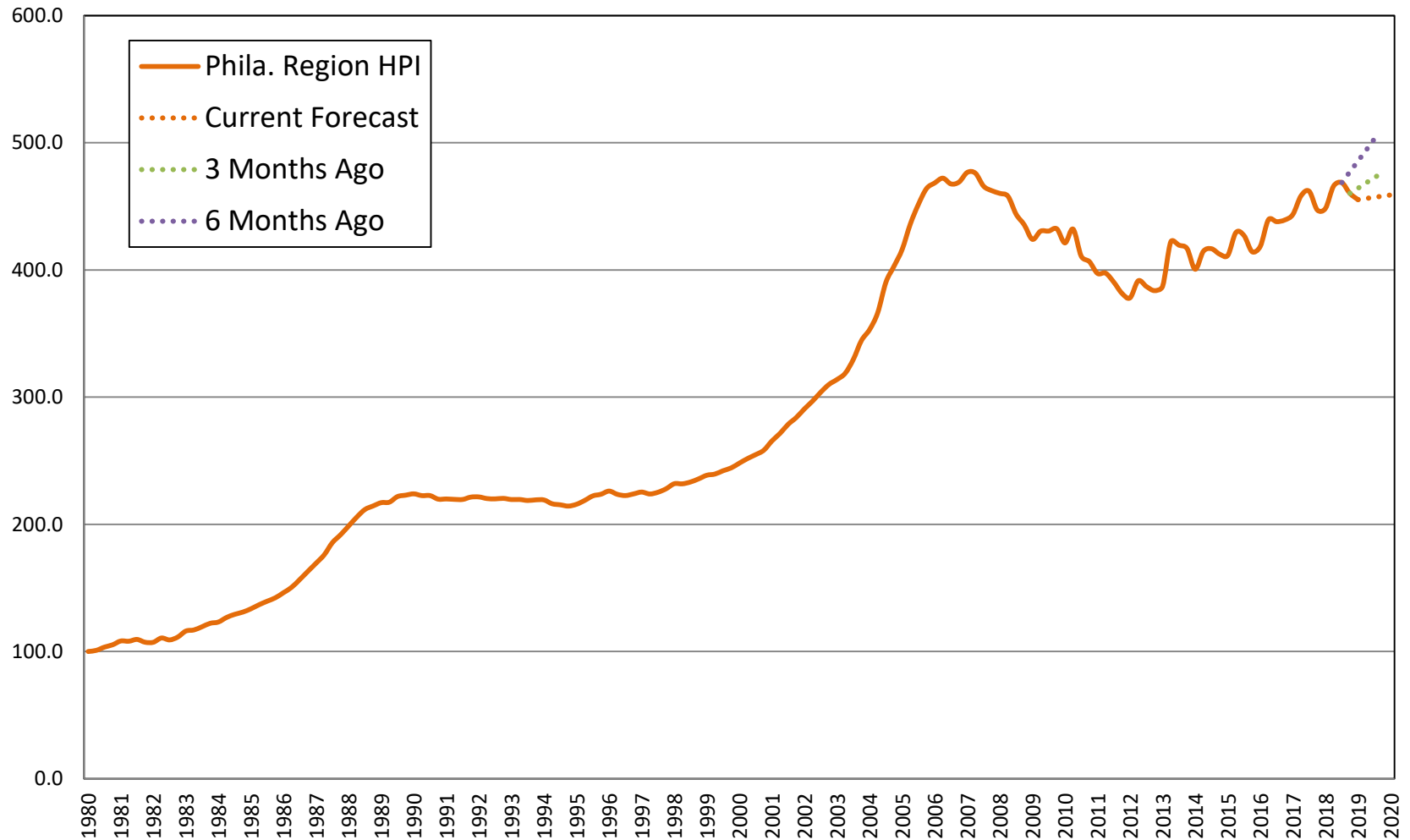
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Delaware's foreclosure rate continues to show improvement this quarter.

After declining from 1 in every 902 homes to 1 in every 1,008 homes last quarter, it has now declined to 1 in every 1,249 homes.

Philadelphia Region House Price Index: Actual v. Forecast



Zillow.com has been steadily downgrading its outlook for Philadelphia house prices. It is currently forecasting this region's house prices to rise an average of 0.8% over the course of the next twelve months. In the previous quarter, Zillow was projecting a 3.5% increase, and in the quarter before that, a 7.03% increase.

Source: https://www.zillow.com/philadelphia-camden-wilmington-metro-pa_r394974/home-values/