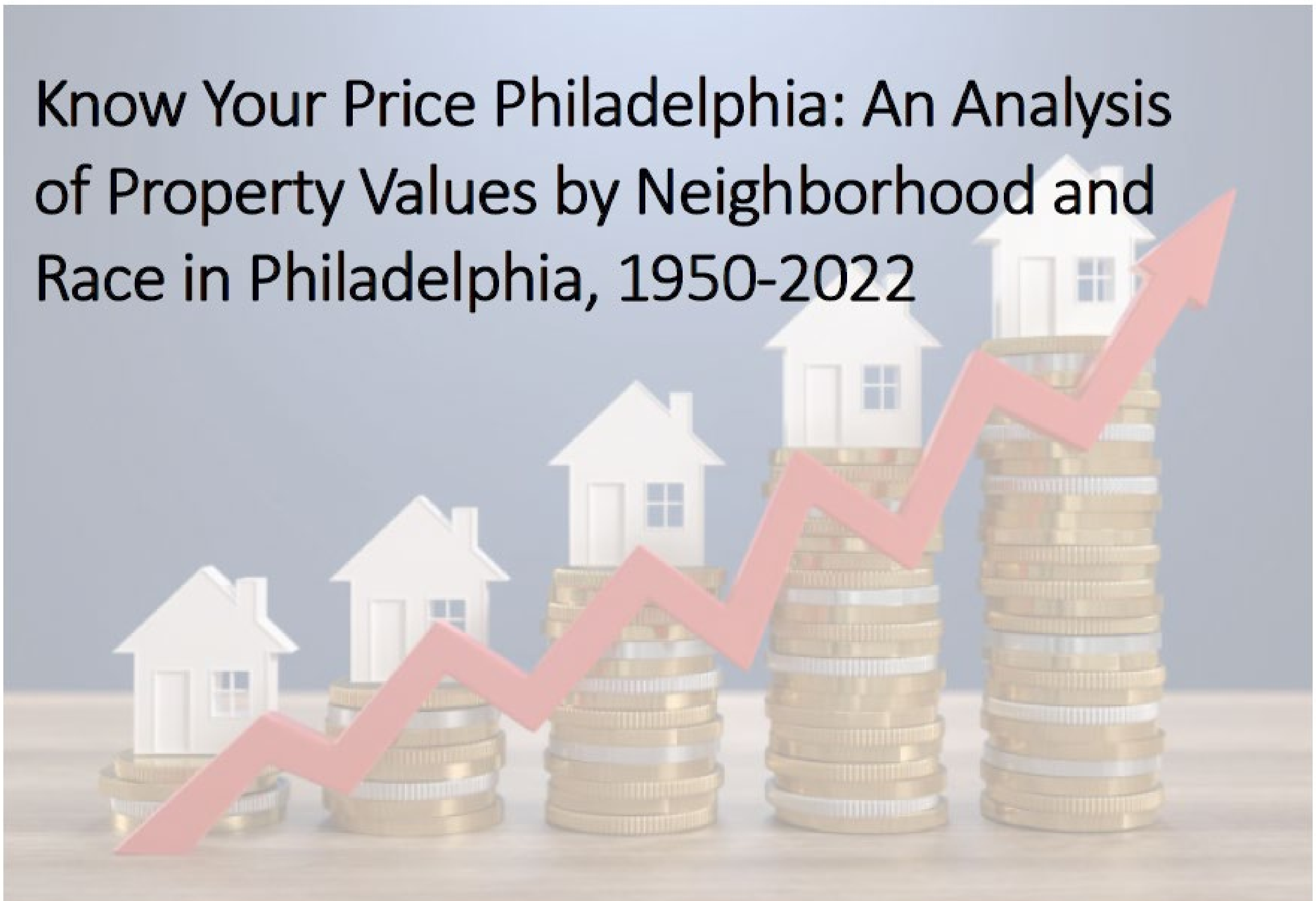
Economy League | GREATER PHILADELPHIA

# Know Your Price Philadelphia: An Analysis of Property Values by Neighborhood and Race in Philadelphia, 1950-2022



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## Introduction

What is the price of long-term racial inequity in Philadelphia's housing market? Perhaps the most acute and impactful manifestation of systematic racism is found in the real estate market. Due to a series of factors that scholarly research continues to reveal, properties within neighborhoods populated by people of color are continually priced at lower values when compared to similar properties within predominantly non-Hispanic white neighborhoods. Factors such as historic redlining, bias in the mortgage lending system, and prejudice in contemporary assessment practices are typically found to be prevalent explanations, along with personal biases among both homebuyers and home-sellers.

The increasingly well-understood racial wealth gap in the US derives from three fundamental drivers: 1) under-representation in business formation and growth; 2) barriers to occupational mobility, including inequitable access to educational opportunities and systemic racism in HR practices; and 3) inequitable distribution of equity in residential property. It is the 3rd leg of the 'inequity stool' that this report aims to address at the local level in Philadelphia.

Previous national analyses have highlighted the cost of structural racism on predominantly Black neighborhoods across U.S. cities and have centered conversations around how to redress these historically unjust practices; most notable among these and the inspiration for the current report is *Know Your Price*, the 2018 book by the Brookings Institution's Dr. Andre Perry. In this report, the Economy League of Greater Philadelphia, in partnership with Drexel University's Dr. Kevin Gillen, we address the local impact of racially correlated devaluation in Philadelphia for the past 70 years with the same purpose: to better center local conversations around how much structural racist policies and practices have inhibited wealth creation in Philadelphia's neighborhoods of color, with an eye toward devising solutions for closing our city's racial wealth gap.

### Background

For generations, the acquisition and accumulation of private property have long been a core element of "the American Dream," where upward economic mobility was a given. Homeownership has been a primary vehicle for achieving this dream and building generational wealth.

Yet structural racism, in the form of slavery and its legacies, segregation, neighborhood redlining, racially restrictive covenants, and predatory lending, has denied the rising BIPOC majority in this country the full benefits of homeownership. According to a 2021 report from the Brookings Institution, the homeownership rate for white families is nearly 30% higher than for Black families. At the same time, recent data indicate the magnitude of the racial wealth gap in the U.S.: in 2016, white families' median wealth was $171,000 versus $17,600 for Black families. The Brookings report suggests that maximizing both homeownership and home value are critical interventions for closing the racial wealth gap.

For a city of both its size and relatively high poverty rate, Philadelphia has an unusually high rate of homeownership, still hovering above 50%. Yet the benefits of homeownership are not at all equitably distributed: many Philadelphia neighborhoods have experienced disinvestment and properties have devalued, often falling below the price of purchase in real terms. Devalued property is at the nexus of a host of inequities, including—but not limited to—public education funding, libraries, parks, public safety, neighborhood cleanliness and investment, as well as access to capital to start and grow businesses and/or accrue intergenerational wealth. By any empirical measure, the systematic devaluation of properties within neighborhoods of color is the longest tail of structural racism, a massive barrier to accessing the benefits of long-term property ownership, building generational wealth, and sustaining adequately resourced and economically resilient communities.

### Key Takeaways

- The City of Philadelphia reached its peak residential population of 2.1 million in 1950. By the year 2000, it had lost more than half a million residents and reached its nadir of 1.4 million. After bottoming out in the early 2000s Philadelphia began a slow but steady growth trajectory that lasted about 15 years, peaking at about 1.6 million in 2020. Like most other cities the pandemic seems to have taken its toll and Philadelphia appears to have contracted slightly from 2020-23.
- During the period in question, the City's racial demographics changed considerably, as did rates of homeownership. The study's starting point, 1950, was both Philadelphia's population peak of 2.1 million and the tail end of the Great Migration of southern Blacks to northern cities like Philly in search of economic opportunity.
    - In 1950, Philadelphia's 2.1 million people were 80% white, 18% Black, and 2% other.
    - In 2020, Philadelphia's 1.6 million people were 38% Black, 34% white, 16% Latino, 8% Asian, and 4% mixed-race.
- Philadelphia's housing market largely followed its historic population trends. From 1950 to 2000, housing price growth largely followed national inflation trends; with many middle-income households leaving the city for the suburbs, home values in most neighborhoods trailed those of the surrounding suburban communities. However, with increased investment and policy incentives in a concerted effort to attract economic activity to Philadelphia's Center City neighborhoods in the late 1980s and into the 1990s, some city neighborhood home values began to rise above standard inflation levels.
- The distribution of gains from housing appreciation was – and is – dramatically skewed by the racial and ethnic composition of the neighborhoods in question.
- **The bottom lines**:
    - Had houses in majority Black neighborhoods appreciated at the same rate as houses in white neighborhoods (after inflation) since 1950, homeowners in Black neighborhoods would collectively have $24bn more in housing wealth. Similarly, homeowners in Latino neighborhoods would collectively have $33.4bn more in housing wealth.
    - Individually, Black homeowners who bought in 1950 would have nearly $113,000 more in housing wealth, while Latino homeowners would have just over $157,000 more in housing wealth.

## Market Overview

During the latter half of the 20th century, Philadelphia experienced a steep, steady population decline along with the slow and steady contraction of its large and diverse manufacturing economy. By the 1960s the trends were clear: that Philadelphia's neighborhood-centric manufacturing economy and its prowess as the 'workshop of the world' was permanently fading and that a new economy was emerging, one with its locus in Center City. As a city of rowhome neighborhoods, with very little residential density in the central business district, the flight of jobs and residents from the neighborhoods predictably kept housing appreciation nearly flat relative to inflation. It was not until Philadelphia began its eds-meds-and-beds driven rebirth starting in the late-1990s that housing appreciation started to outpace inflation.

## Demographics

Like every other big city, Philadelphia's demographics shifted considerably during the 20th century. The starting point of this study, 1950, was both Philadelphia's population peak of 2.1 million and the tail end of the Great Migration of southern Blacks to northern cities like Philly in search of economic opportunity. Philadelphia was the hub of east coast war production during WWII in particular. By 2000 the city had lost 500,000 people, most of them white, and started to attract immigrants in larger numbers, abd by 2020, no single racial or ethnic group was in the majority. Figure 1 below illustrates the dramatic shift in racial and ethnic composition.

**FIGURE 1**

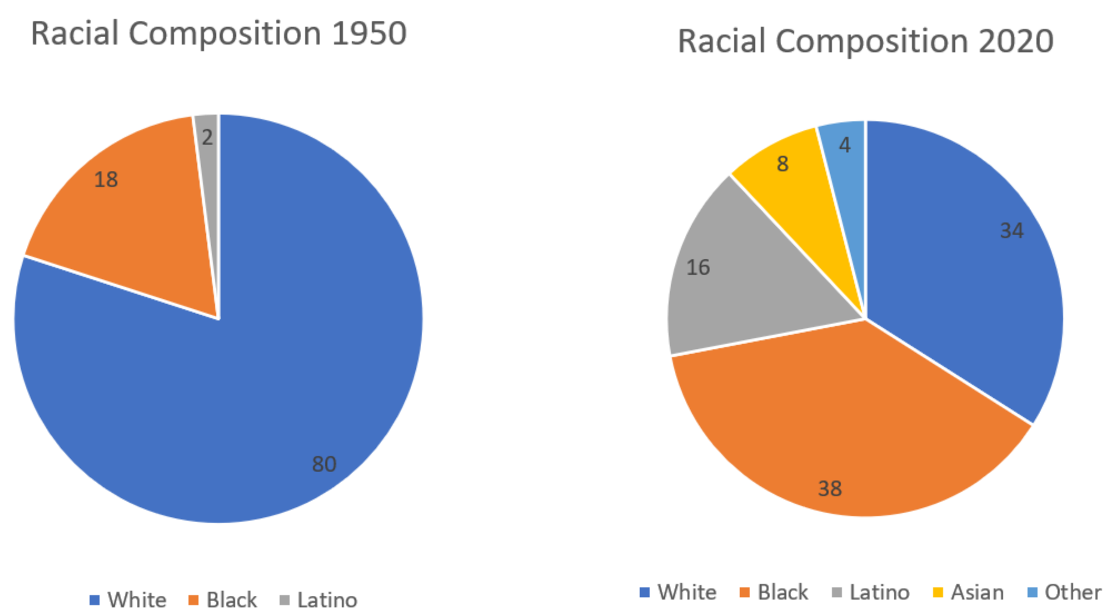
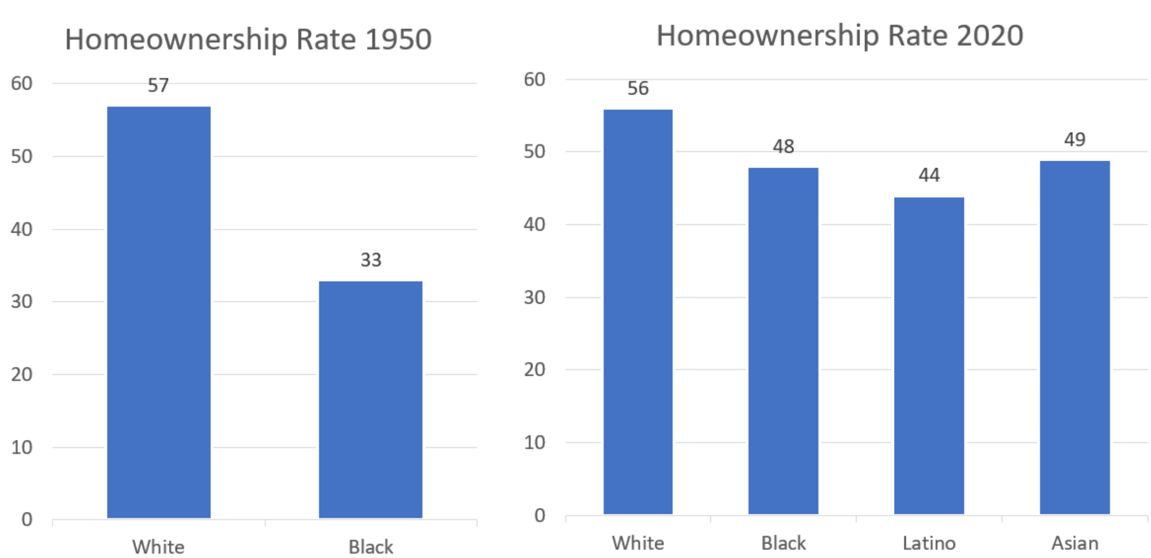


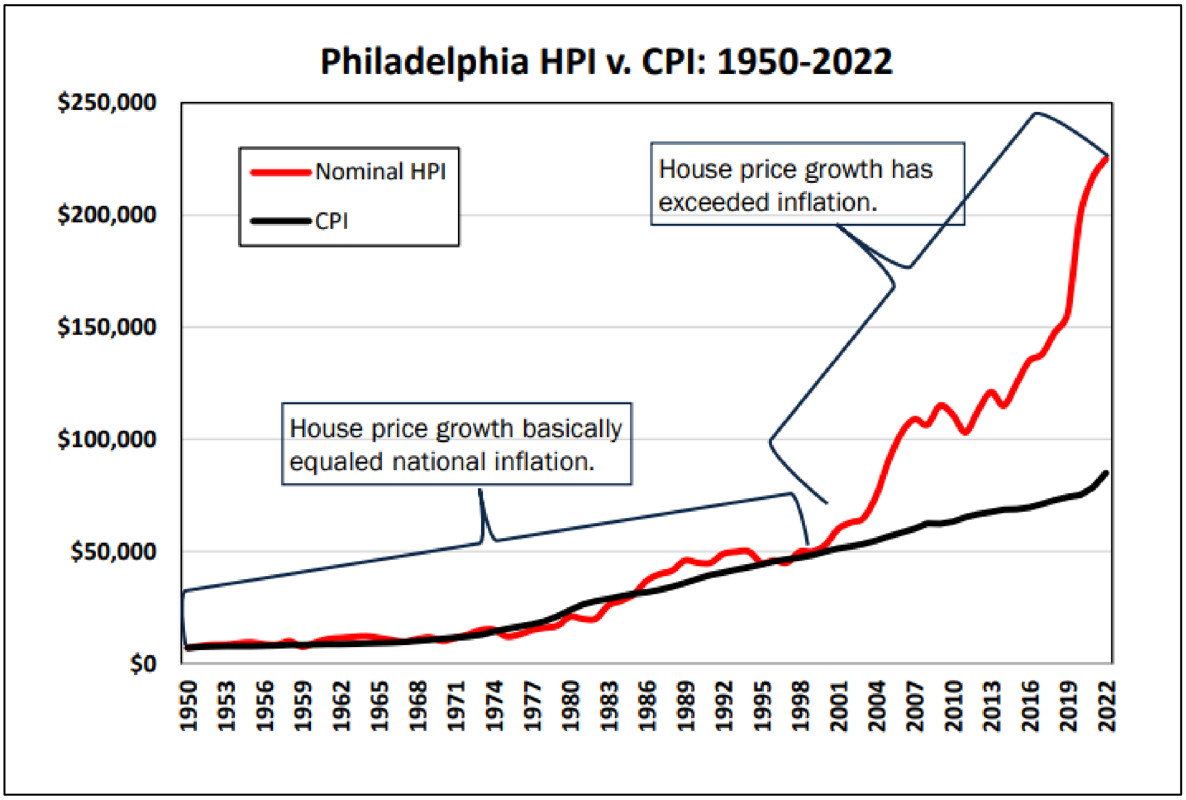

**FIGURE 2**



Unlike many other large east coast cities, Philadelphia has long been a city of homeowners, but in 1950 redlining was still legal and so there was a huge disparity between white and Black homeownership rates. That gap narrowed considerably over 5 decades, as show in Figure 2.

## The Housing Market

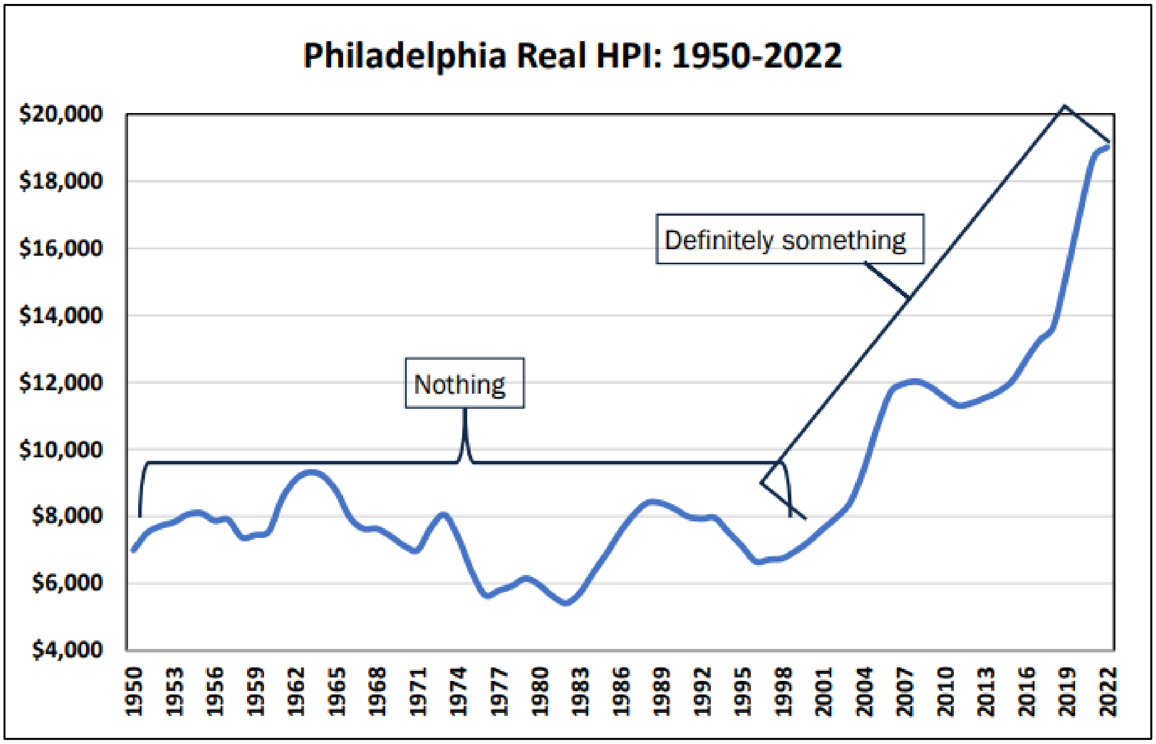
**FIGURE 3**




As illustrated in Figure 3, average housing prices in Philadelphia closely tracked the Consumer Price Index (the most commonly used indicator for inflation) from 1950 to 2000. That is, Philadelphia's housing stock barely gained value in real terms. A variety of factors led to population growth and increased housing demand in the first two decades of the 21$^{st}$ century, creating a sharp divergence of Philadelphia's Housing Price Index from the CPI.[1]

[1] The Philadelphia house price indices (HPIs) are a set of indices characterizing the average rate of appreciation in Philadelphia house values over time. The indices are estimated for the city as a whole, and for individual submarkets within the city. They are analogous to a Dow Jones Index, but for house values rather than stock prices: although the actual level of the indices does not mean much, the change in the index from one time period to another does. In particular, the indices are estimated in such a way so that the percent change in the index over any time period should be representative of the average percent change in Philadelphia house values during that same period.

**FIGURE 4**




As illustrated in Figure 4, from 1950 to 2000, real house price growth (net of inflation) in Philadelphia averaged 0.2% per year. But since 2000, real house price growth (net of inflation) has averaged 4.6% per year. What does this mean in concrete terms? If someone bought a house in 1950 at Philadelphia's median home price of $7,000, it had accrued almost nothing in inflation-adjusted value by 2000.This represents a loss in *real housing wealth* of just over $146,000 since this is how much value that would have accrued had Philadelphia's homeowner's seen their house's value grow at 4.6% annually rather than only 0.2% annually.

## The Unequal Neighborhood Effect

Of course, things look dramatically different when we get beyond citywide averages and drill down into neighborhoods. Like most other metrics in most big cities, property value changes are very unevenly distributed over time and space.

While population decline and limited value growth were the norm for the majority of Philadelphia's neighborhoods between 1950 and 2000, there were a handful of areas that experienced increasing values. These neighborhoods were both long-time bastions of concentrated wealth, such as Chestnut Hill and Rittenhouse Square, as well as areas of concentrated working-class non-Hispanic white communities, e.g., most of Northeast and Northwest Philadelphia.

By 2000, the story changes, as gentrification patterns boosted values in neighborhoods initially in Center City and then in the adjacent neighborhoods of Fairmount, University City, Northern Liberties, and Queen Village.

**FIGURE 5**

| Top 10 Neighborhoods, by Real $ v. Real % Appreciation, 2000-2022 | | | | |
|---|---|---|---|---|
| **Real $ Appreciation** | | | **Real % Appreciation** | |
| Washington Square West | $468,964 | | Pennsport | 693% |
| Francisville | $479,388 | | Fishtown | 746% |
| Graduate Hospital | $499,763 | | Hartranft | 816% |
| Spruce Hill | $505,188 | | Francisville | 826% |
| Riverfront | $516,594 | | North Central | 879% |
| Powelton Village | $516,813 | | Brewerytown | 1273% |
| Spring Garden | $547,913 | | Point Breeze | 1681% |
| Rittenhouse Square | $558,563 | | West Kensington | 1803% |
| Logan Square | $608,688 | | Sharswood | 1842% |
| Society Hill | $665,981 | | East Kensington | 1856% |
| Center City East | $752,813 | | Old Kensington | 2028% |

The data presented in Figure 5 show which neighborhoods saw the greatest home price appreciation from 2000 to 2022, in terms of both inflation-adjusted dollars as well as percentage increases. For the most part there are no real surprises here: the Top 10 neighborhoods in terms of absolute price appreciation were all located what we now call “Greater Center City.” Yet in terms of percentage increases, we see dramatic increases in neighborhoods a few steps removed from these two primary nodes of gentrification – such as North Central, Brewerytown, Sharswood, and West Kensington.

**FIGURE 6**

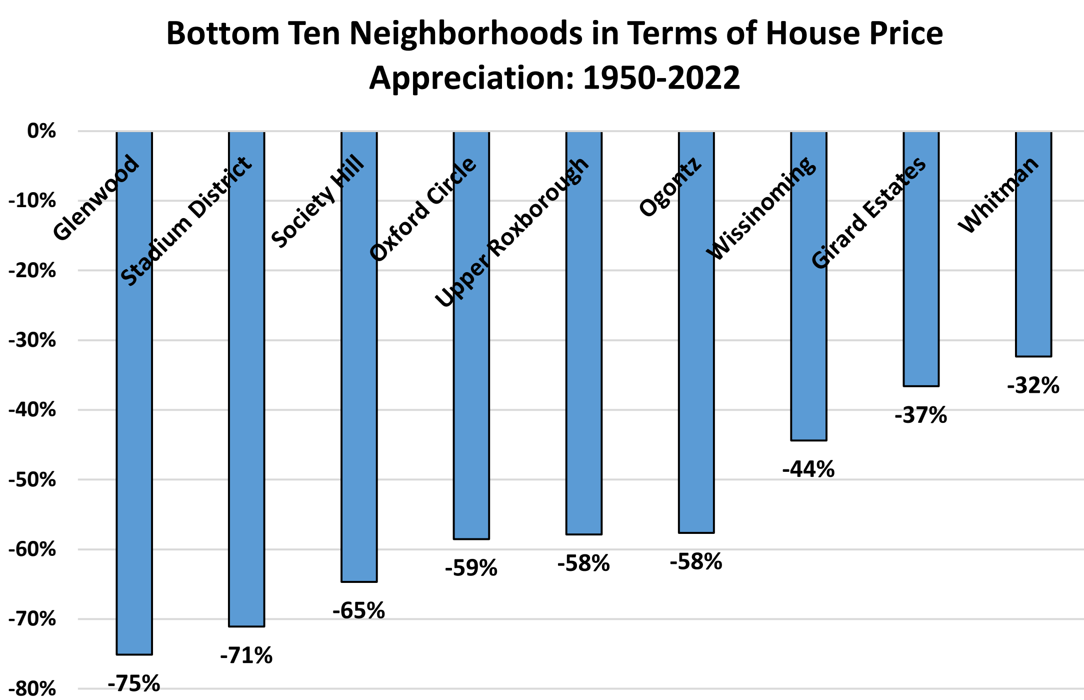
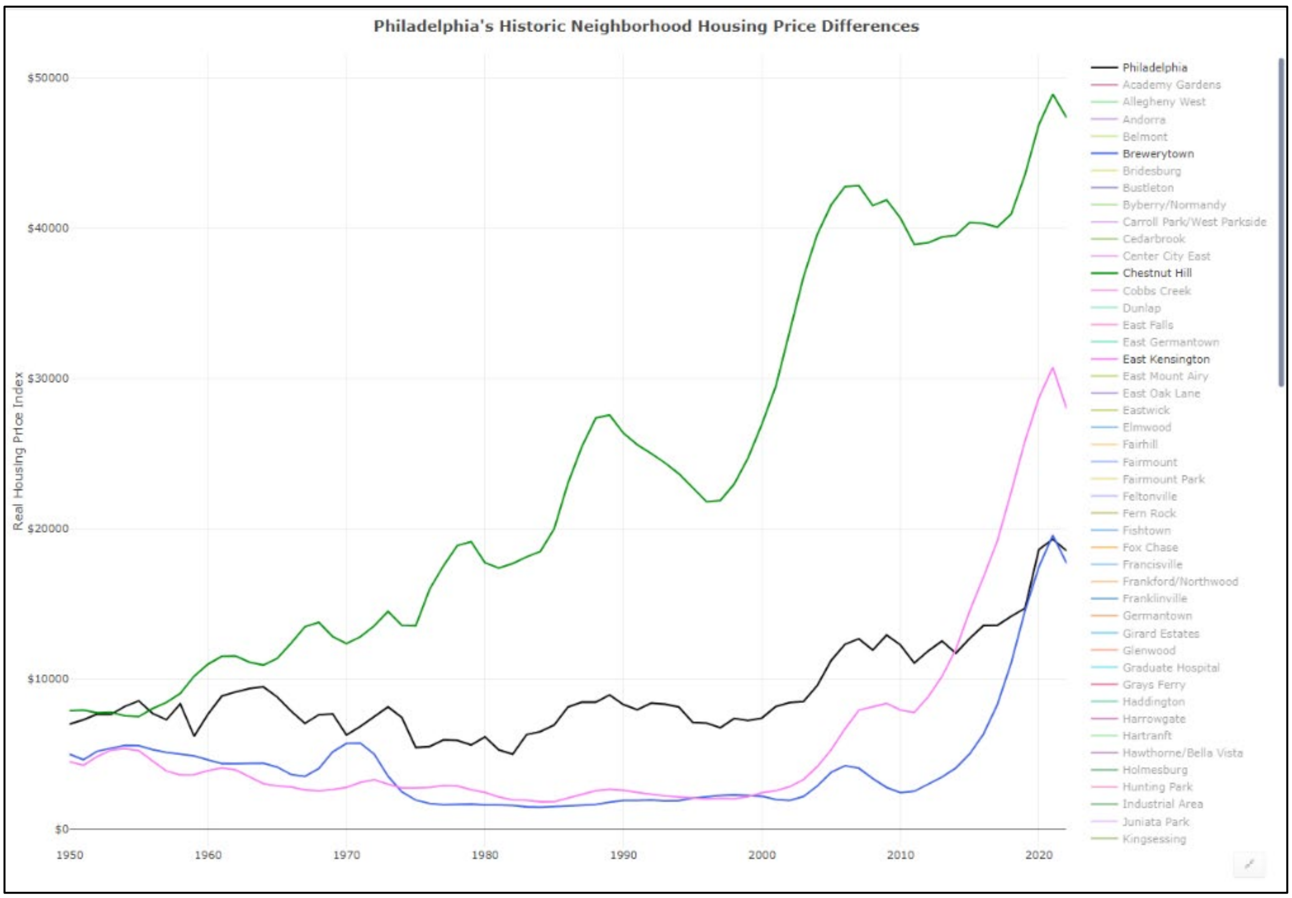


Figure 6 shows the bottom ten least-appreciating neighborhoods since 1950. All of these neighborhoods were majority white in 1950; two (Glenwood and Ogontz) are now majority Black, two are mixed (Wissinoming and Oxford Circle), and the rest have remained white.

## Neighborhood-Level Analyses

The interactive line graph in Figure 7 shows each neighborhood's Housing Price Index compared with the city overall:

**FIGURE 7**




***The interactive link for this graph is here: [https://rpubs.com/mshields417/PHL_Nbhd5022_2023_06_27](https://rpubs.com/mshields417/PHL_Nbhd5022_2023_06_27)***

What drives these disparate value changes? The neighborhood factors predicting price appreciation vary and ultimately change from the initial period of (slow, Philly-style) deindustrialization, 1950-2000, and those driving more contemporary trends in the past 2 decades.

Applying statistical analysis to the available data, we identified the main predictor of housing price appreciation from 1950 to 2000: the neighborhood's **homeownership rate in 1950** – that is, the percent of owner-occupied units within the neighborhood in 1950. The higher the homeownership rate in 1950, the more likely home values would go up in subsequent decades, and vice versa. In 1950, systemic racial discrimination in mortgage lending – aka redlining – was still prevalent, meaning that Black and brown Philadelphians were less likely to be homeowners than their white counterparts. Prior to the 21st century, owner-occupancy rates in Philadelphia's majority Black neighborhoods stood at roughly 33.5%

while rates in majority-white neighborhoods were 57.0%, a huge ownership gap likely resulting from decades of redlining and lack of access to both capital and higher-paying jobs. By the 2020s owner-occupancy gaps had narrowed, with 49.4% owner-occupants in majority-Black neighborhoods versus 55.7% in majority non-Hispanic white neighborhoods, likely the result of fair housing policies like the Fair Housing Act of 1968 as well as a concerted push by the Clinton Administration in the 1990s to diversify homeownership.

By the 2000s, the factors driving home values shifted somewhat, with interesting and significant differences between predictors of a neighborhood's absolute house price appreciation and the predictors of a neighborhood's percentage house price appreciation, as shown in Figures 8A and 8B. Neighborhoods experiencing the greatest jump in real value are mostly in or adjacent to Center City or University City; but racialized factors like non-white homeownership rate, white population, and college-educated population demonstrate that race relates to value. While adjacency to Center City is by far the most powerful explanatory factor for percentage value increase shown in Figure 6B, racialized factors like college-educated population and non-white population in the starting year (2000) still play a substantial role in determining values.

**FIGURE 8A**

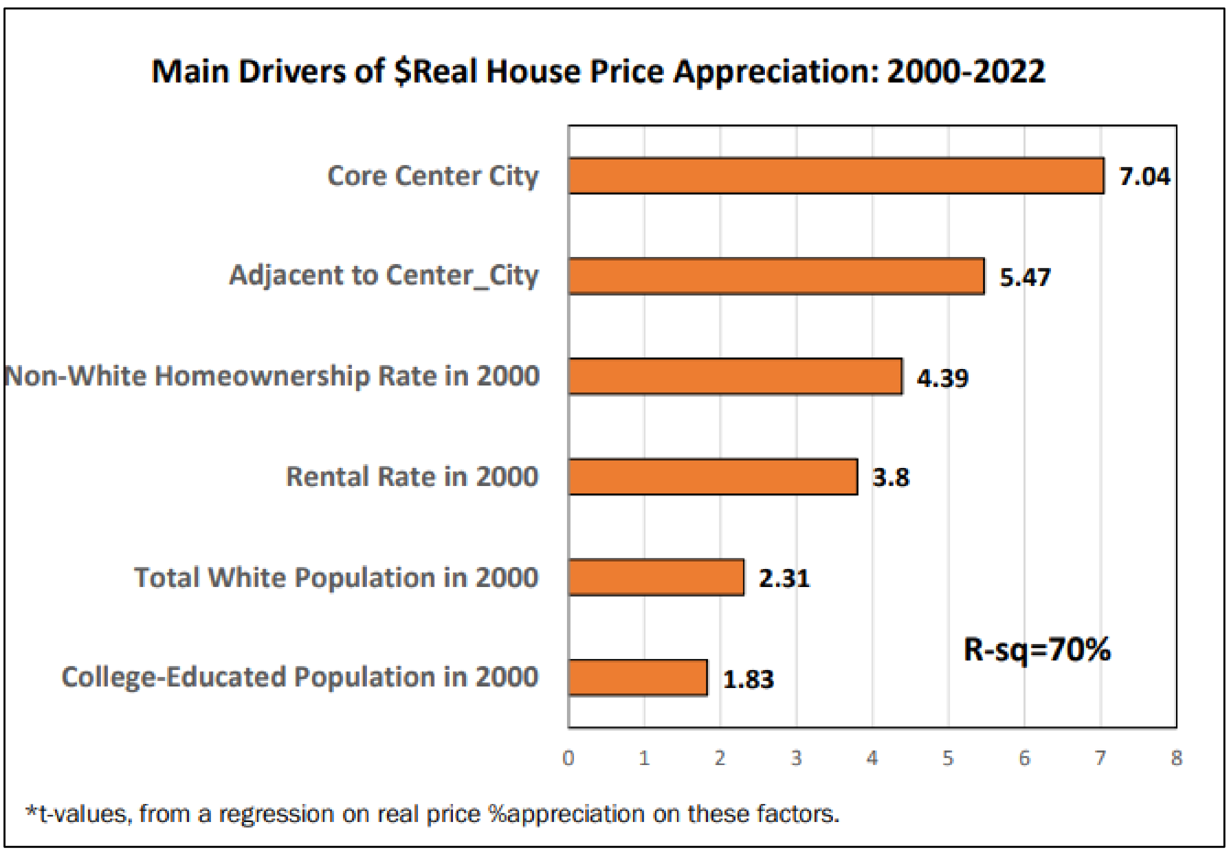
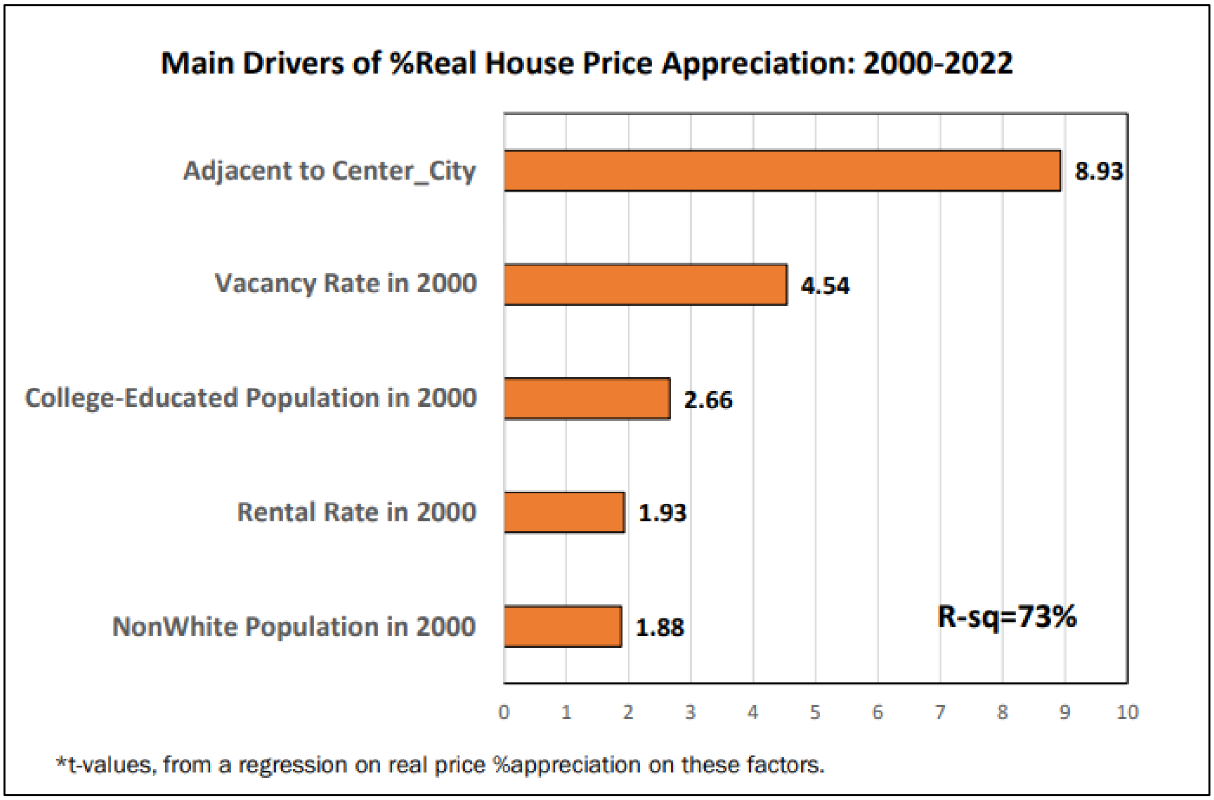


**FIGURE 8B**




## Devaluation, Race, and Ethnicity

While much of the disparity in price appreciation and depreciation in Philadelphia (and elsewhere) is the long tail of racialized practices like redlining, evidence suggests that practices contributing to devaluation are still prevalent today, within property assessment systems and in the real estate market more broadly. The devaluation of neighborhoods of color is not only because of historic trends and decisions, it is also a result of the financing and valuation standards that have still yet to be fully redressed.

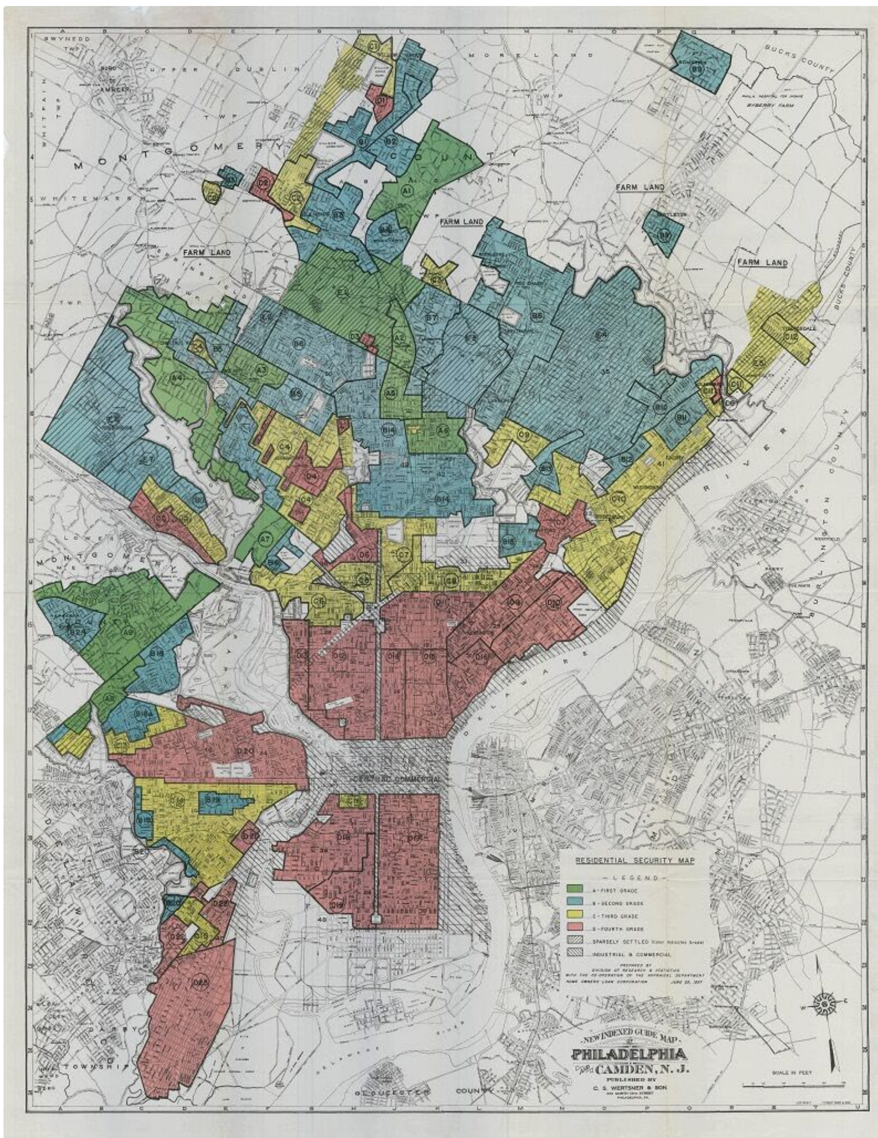
### Redlining

Redlining laid the foundation for many of the race-based inequities that exist in our built environment. To deal with the devastating effects of the Great Depression on homeowners, the federal government created the Federal Housing Administration (FHA) and the Home-Owners Loan Corporation (HOLC) in 1933. HOLC's role was to assess the financial risks of refinancing mortgages for homes in default.[2] The agency's key risk assessment tool was a series of maps, which drew literal red lines around Black and "ethnic" neighborhoods, designating them as "less valuable" and "higher risk" for mortgage financing.[3]

[2] Mitchell, Bruce & Juan Franco. 2018. "HOLC "Redlining" Maps: The Persistent Structure of Segregation and Economic Inequality." National Community Reinvestment Coalition (NCRC), March 20. Retrieved from: (https://ncrc.org/holc/).
[3] Madrigal, Alexis C. 2014. "The Racist Housing Policy That Made Your Neighborhood." The Atlantic, May 22. Retrieved from: (https://www.theatlantic.com/business/archive/2014/05/the-racist-housing-policy-that-made-your-neighborhood/371439/).

Federal policy established the paradigm, and for much of the twentieth century public and private mortgage lenders color-coded U.S. neighborhoods by race, inextricably tying real estate value and lending risk to racial and ethnic demographics. Many communities of color became locked in place since there were very few resources available for building equity or selling their properties. This policy decision not only led to spatial segregation in many cities and towns, but also severely inhibited low- and moderate-income minority populations from building assets in the form of home ownership. Redlining thus serves as a substantial part of the foundation of the racial wealth gap that continues to this day. Figure 9 shows the historic redlining map for our region.[4]

**FIGURE 9**




[4] The Color of Inequality – Part 1 serves as a good guide: https://economyleague.org/providing-insight/leadingindicator-colorofinequalitypart1

As Philadelphia slowly transformed from a very diversified industrial economy to one based in services and knowledge, jobs and white residents – who had much greater freedom of mobility as well as more home equity to leverage – fled to the suburbs, just as the Great Migration was drawing increasing numbers of Blacks to the city. The region re-sorted fairly dramatically, with mixed-race and -income neighborhoods being displaced by much more uniform neighborhoods, with non-Hispanic Blacks getting effectively locked into inner city neighborhoods. In 1950, only 13 (11.8%) of Philadelphia's 110 neighborhoods were majority non-Hispanic Black; by 2021, the number of majority non-Hispanic Black neighborhoods had nearly tripled to 36, or about 1/3 of Philadelphia's 110 neighborhoods. As the late social historian Michael Katz demonstrated in his book *Why Don't American Cities Burn?* intense sorting by race characterizes postwar Philadelphia. In 1930 the average Black resident lived in a neighborhood that was 73% non-Black; by 1970 the average Black resident lived in a neighborhood that was only 32% non-Black. The scatterplot below, drawn from the 2000 census, graphically illustrates this phenomenon in the 21st century.

**FIGURE 10**

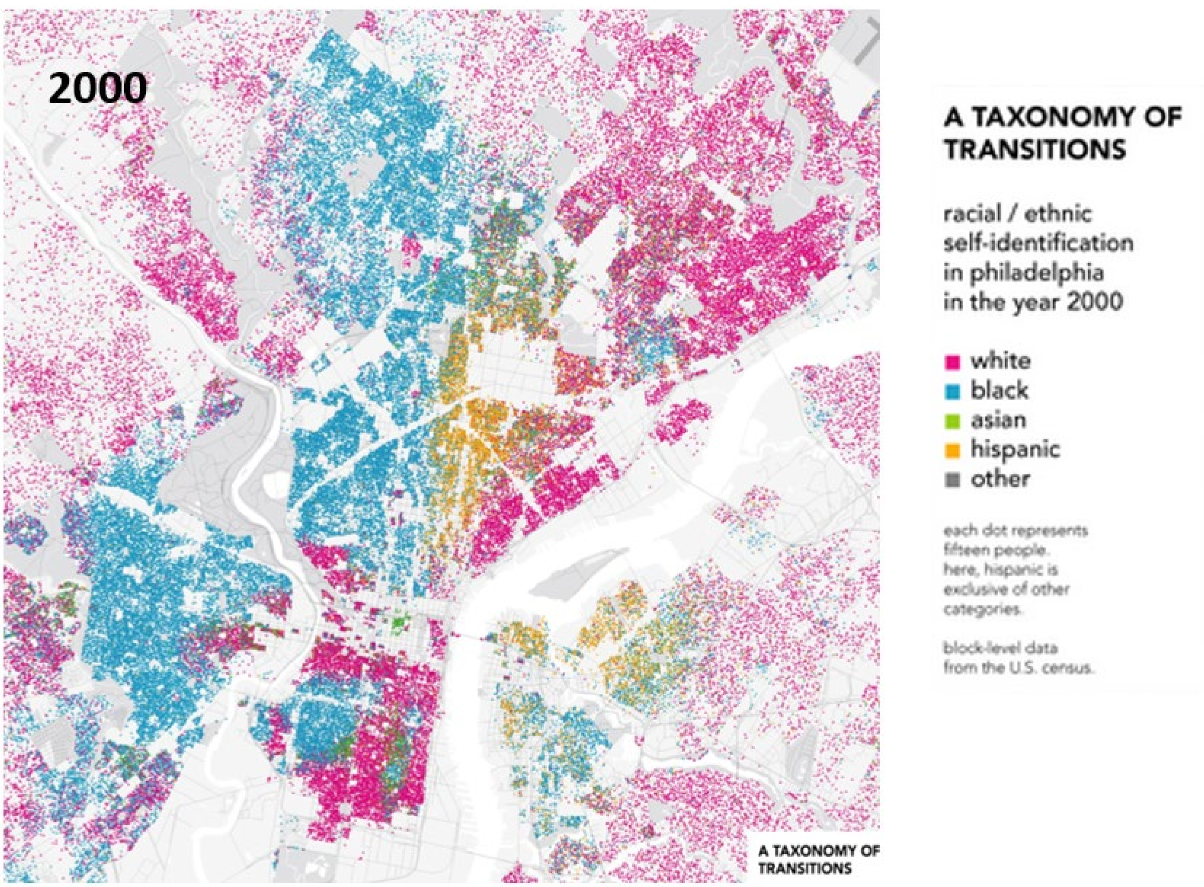



Figure 11 below demonstrates the strong correlation between race and property values in Philadelphia. It displays the relationship between median home value in each Census tract and the tract's proportion of non-Hispanic Black residents. As the proportion of non-Hispanic Black residents increases, median home values decrease. As Figure 12 shows, the correlation is even stronger for the city's Latino/Hispanic population.

**FIGURE 11**

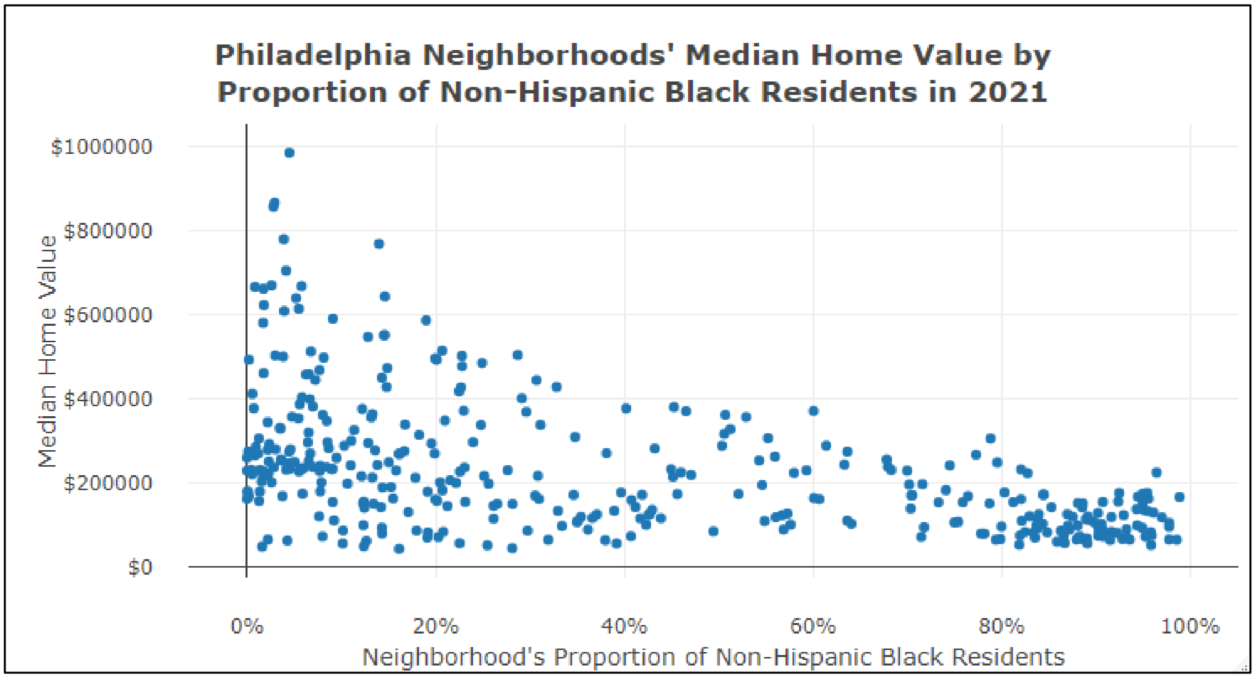
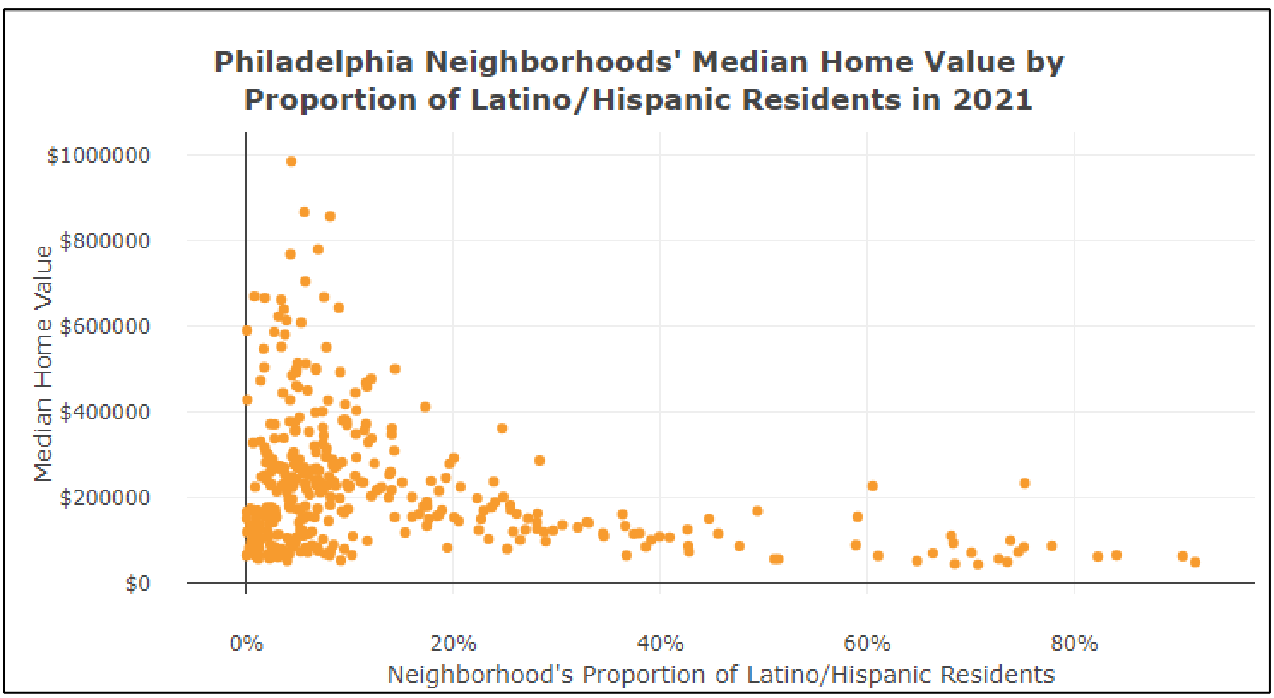


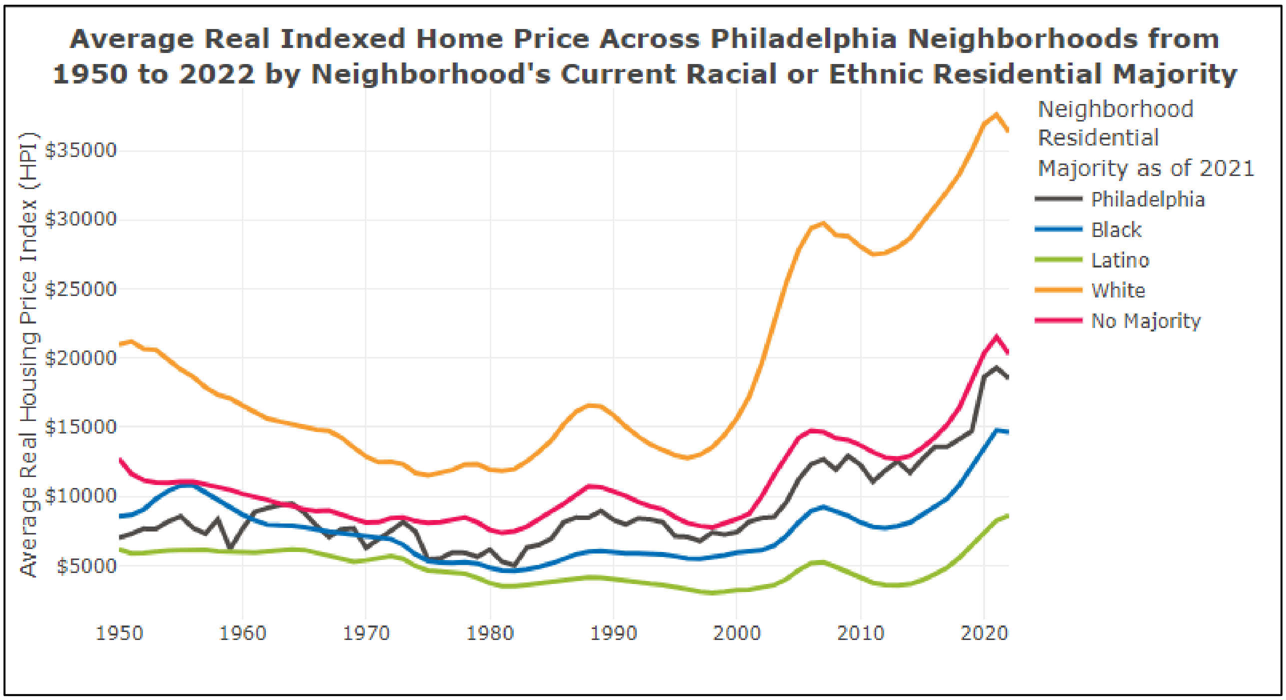

**FIGURE 12**



Our analysis of contemporary home values in 2022 found that median home values in Philadelphia's majority Black neighborhoods were roughly $4,000 below that of the city's average home value and almost $22,000 less than the average home value of the city's majority non-Hispanic white neighborhoods. Similarly, Philadelphia's median home values in majority Latino/Hispanic neighborhoods were almost $10,000 less than the city's average in 2022 and nearly $28,000 less than the average home value of the city's majority non-Hispanic white neighborhoods. (All figures in inflation-adjusted terms.)

We can also track how housing prices have differed historically for different racial and ethnic residential groups. Using the current racial or ethnic majorities of each of the 110 Philadelphia neighborhoods in 2021, we tracked the average HPI for each 2021 neighborhood majority to show how these neighborhoods were valued in comparison with one another as well as the city's average HPI.

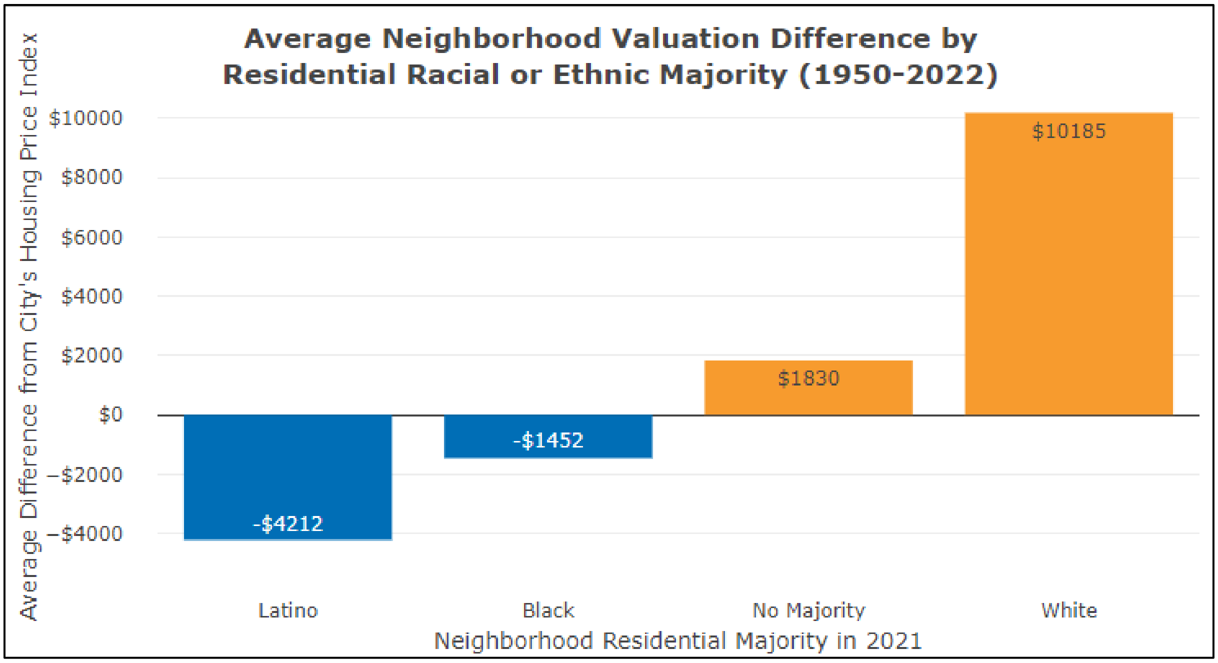
**FIGURE 13**




Adjusted for inflation and indexing home prices, the average home value within Philadelphia's current majority Black neighborhoods has been below the city's average home value every year since 1972, while the average home value within Philadelphia's city's current majority Latino/Hispanic neighborhoods has been below the city's average throughout the entire period from 1950 to 2022. When compared to the average home price of today's currently majority non-Hispanic white neighborhoods, Philadelphia's majority Black and Latino/Hispanic neighborhoods have seen a cumulative difference in valuation of roughly $850,000 and $1,000,000 respectively from 1950 to 2022.

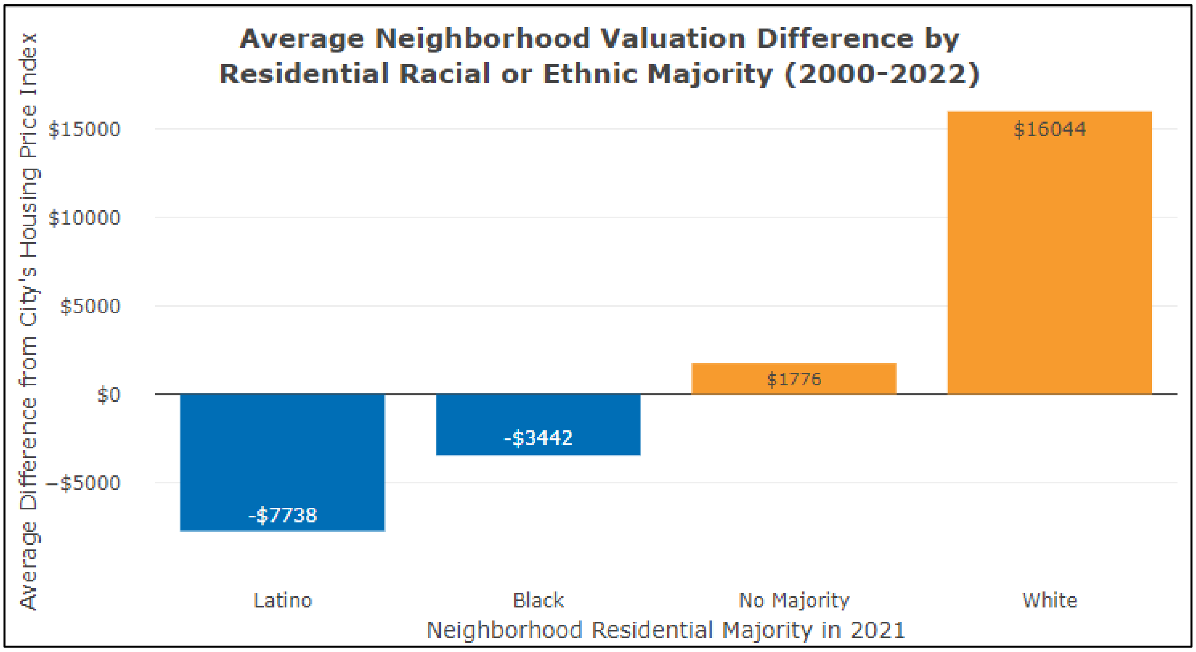
Calculating the average difference from the city's HPI from 1950 to 2022, the divergence in neighborhood house prices by current majority residential group's race or ethnicity is dramatic.

**FIGURE 14**




Using the racial or ethnic majority of a neighborhood in 2021, we tracked the average annual difference in valuation from the city's average for all years between 1950 and 2022. The results in Figure 14 show that today's majority Latino/Hispanic neighborhoods fared worst, with an average annual HPI difference $4,212 less than the city's average HPI. In majority Non-Hispanic Black neighborhoods, average annual HPI was $1,452 below the city's average HPI. In contemporary neighborhoods without a clear racial or ethnic majority (i.e., no single group with representation greater than 50%), annual HPI was $1,830 greater than the city's HPI. In today's majority non-Hispanic white neighborhoods average annual HPI is $10,185 greater than the city's HPI. In sum, the average homeowner in a majority-white neighborhood in 2021 saw major gains, while those in majority Black or Latino neighborhoods saw relative declines in real value.

**FIGURE 15**




The inequitable distribution of property value became even more pronounced in the 21st century, as Philadelphia experienced population growth and upward pressure on housing values. Looking just at the years from 2000 to 2022, Philadelphia's majority Latino/Hispanic neighborhoods tracked $7738 below the city's HPI and majority non-Hispanic Black neighborhoods tracked $3,442 below the city's HPI, while in today's majority non-Hispanic white neighborhoods, values are more than $16,000 above the city's HPI.

A rough approximation of the total costs of devaluation can be had by calculating the average and cumulative annual differences each neighborhood majority faced in comparison with the "most valued" grouping of neighborhoods (in this case the majority non-Hispanic white neighborhoods).

Figure 16 shows the average annual difference in aggregate HPIs between each neighborhood majority and the majority non-Hispanic white neighborhoods of 2021. On average between 1950 and 2022, today's No Majority neighborhoods saw an average annual HPI difference of $8,355 relative to today's non-Hispanic white neighborhoods, majority non-Hispanic Black neighborhoods saw an average annual difference of $11,638, while today's majority Latino/Hispanic neighborhoods saw an average annual difference of $14,398. Again, these are all in inflation-adjusted terms according to the Housing Price Index, which is in 1950s dollars. We will show this in nominal 2022 dollars below.

**FIGURE 16**

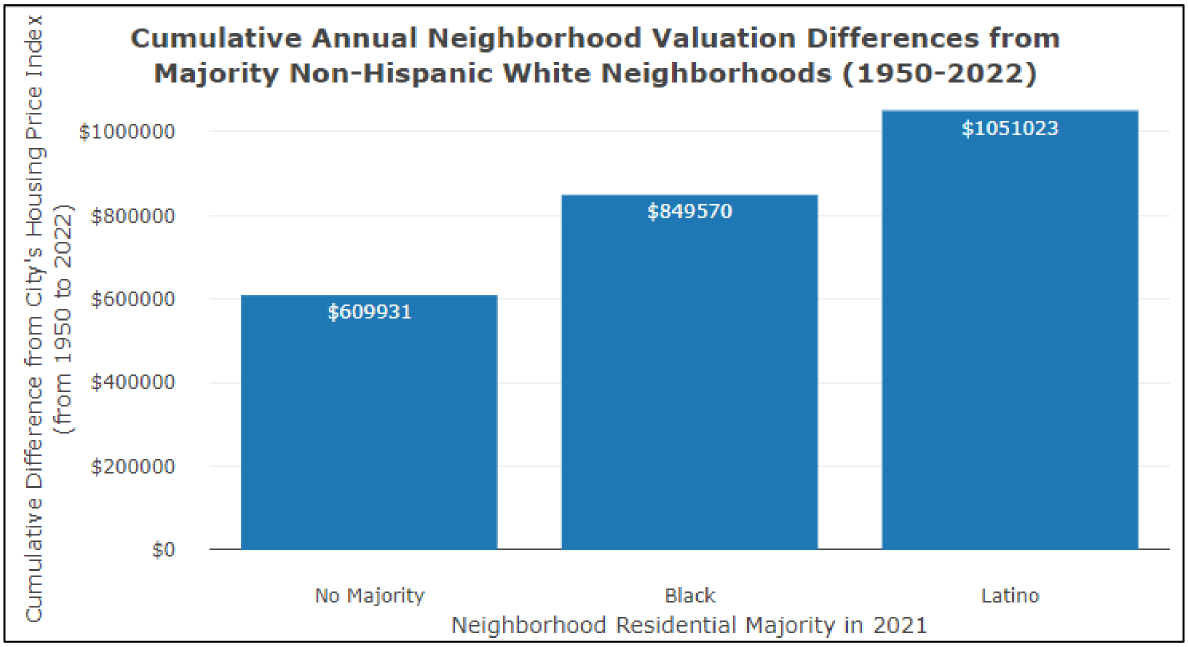



**FIGURE 17**

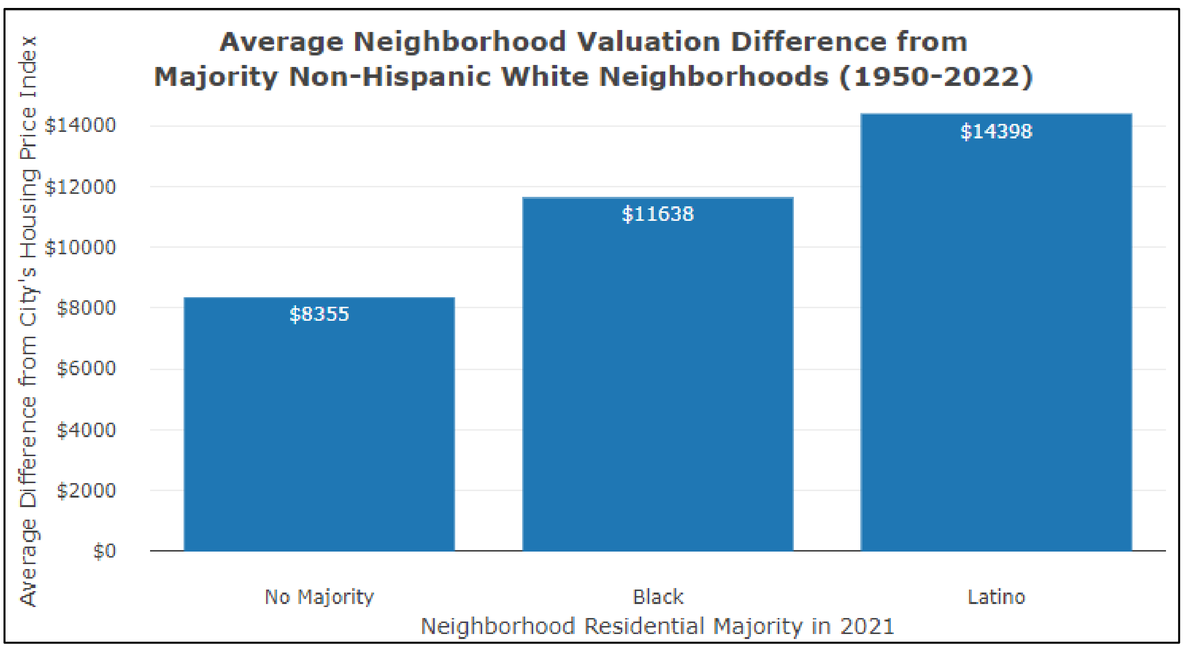



Figure 17 represents the aggregation all of the annual HPI differences from non-Hispanic white neighborhoods - the cumulation of devaluation. For every year between 1950 and 2022, today's No Majority neighborhoods saw a cumulative difference of $610,000 from the annual average HPI of today's majority non-Hispanic white neighborhoods, the cumulative annual difference for today's majority non-

Hispanic Black neighborhoods is $850,000, while the cumulative annual difference for today's majority Latino neighborhoods is over $1 million.

**FIGURE 18**

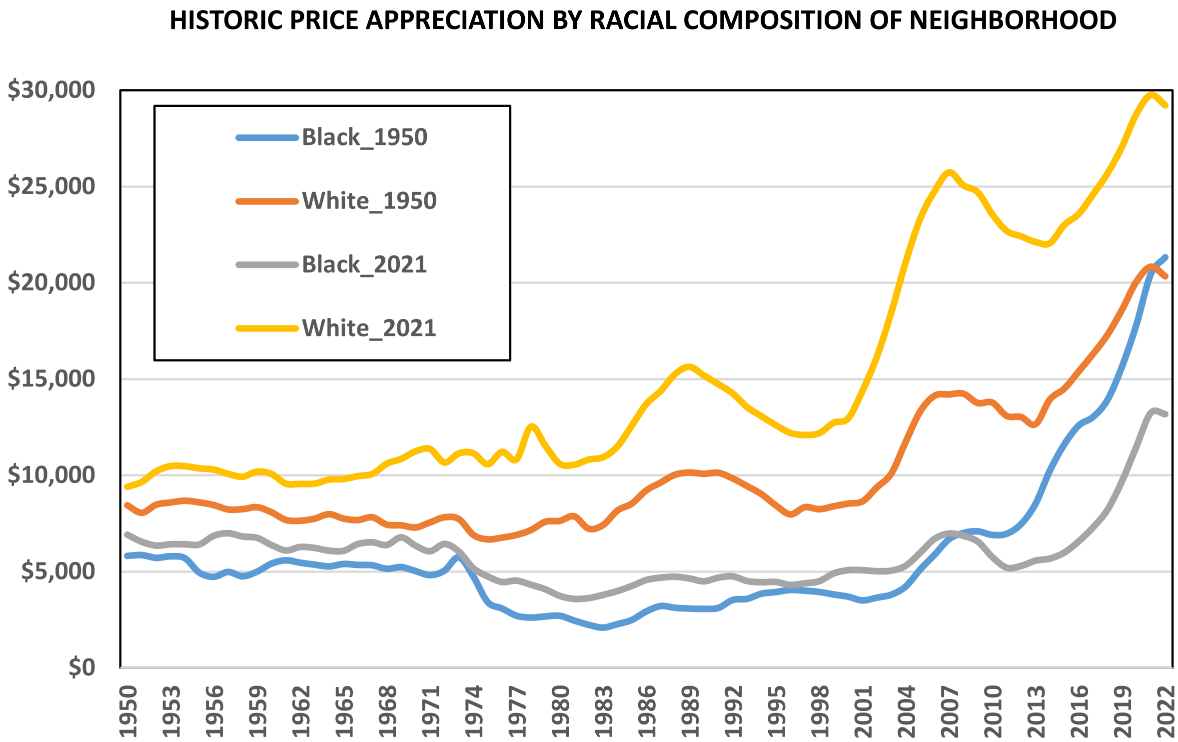



Figure 18 compares inflation-adjusted house price appreciation rates by the racial composition of neighborhoods in 1950 v. 2021. Majority-white neighborhoods had the greater appreciation rate relative to majority black neighborhoods. But neighborhoods that remained majority-Black from 1950 to 2021 had the lowest appreciation rate of all. Gentrification and displacement explain the relatively higher appreciation rate of neighborhoods that were majority-Black in 1950, but were no longer majority-Black by 2021.

Figure 19 shows the HPIs for all Philadelphia neighborhoods that were majority-Black in 1950 and majority-white in 2021. Majority white neighborhoods dramatically outperformed both historically black neighborhoods and the city as a whole for most of the 1950-2022 time period. (Note: this analysis excludes majority latino and neighborhoods where no single demographic exceeds 50%.) White neighborhoods dramatically outperformed both historically black neighborhoods and the city as a whole.[5]

Figure 20 shows that majority-Latino neighborhoods substantially underperfom both majority-white and majority-Black neighborhoods. Since 1950, inflation-adjusted house prices in historically white

[5] Note: the HPIs are computed from 1950 to 2022. But due to a lag in Census Data recording, the most recent neighborhood demographic data at the time of this writing is only available as-of 2021. As a result, the HPIs are computed through 2022, but are assigned to neighborhood ethnicities based upon Census data from 1950 and 2021.

neighborhoods grew by 140%, while those in currently Latino neighborhoods grew by just 19% - a factor difference of 7.26.

**FIGURE 19**

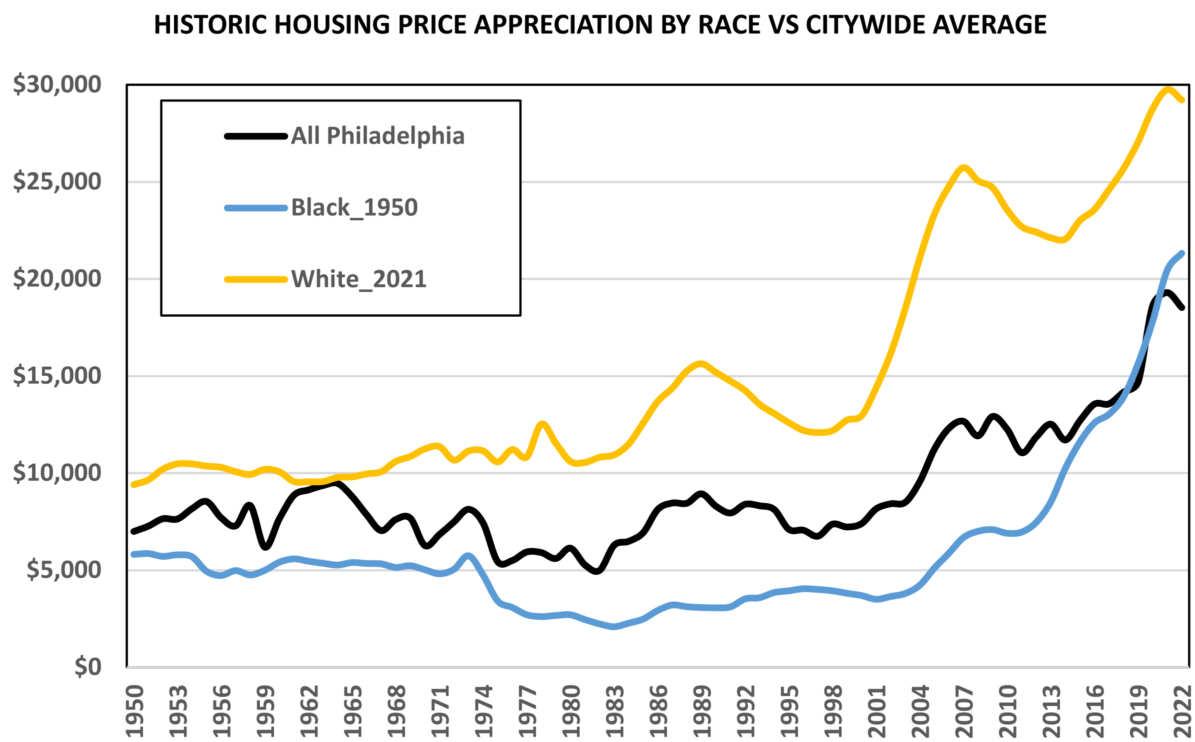
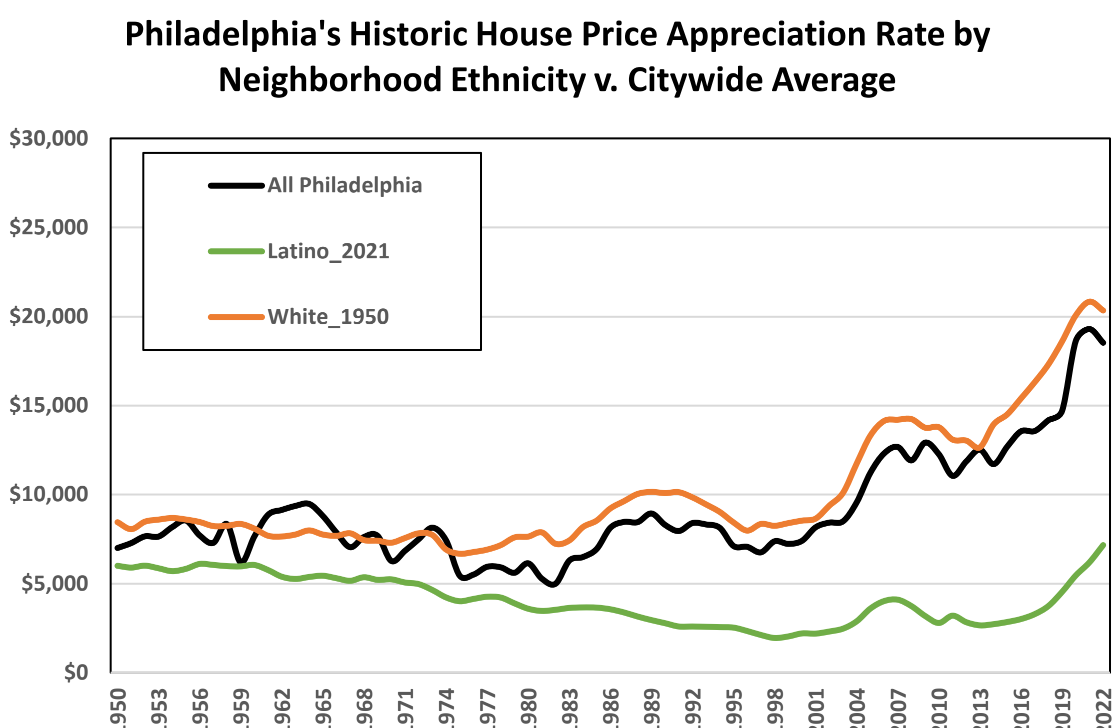



**FIGURE 20**



Neighborhoods that transitioned from majority-white to majority-Black have particularly suffered from below average price house price appreciation rates. After adjusting for inflation, the typical neighborhood only grew by 66%, compared to an average of 210% in neighborhoods that remained majority-white during this same period – a differential factor of nearly 2.2, as shown in Figure 21

**FIGURE 21**

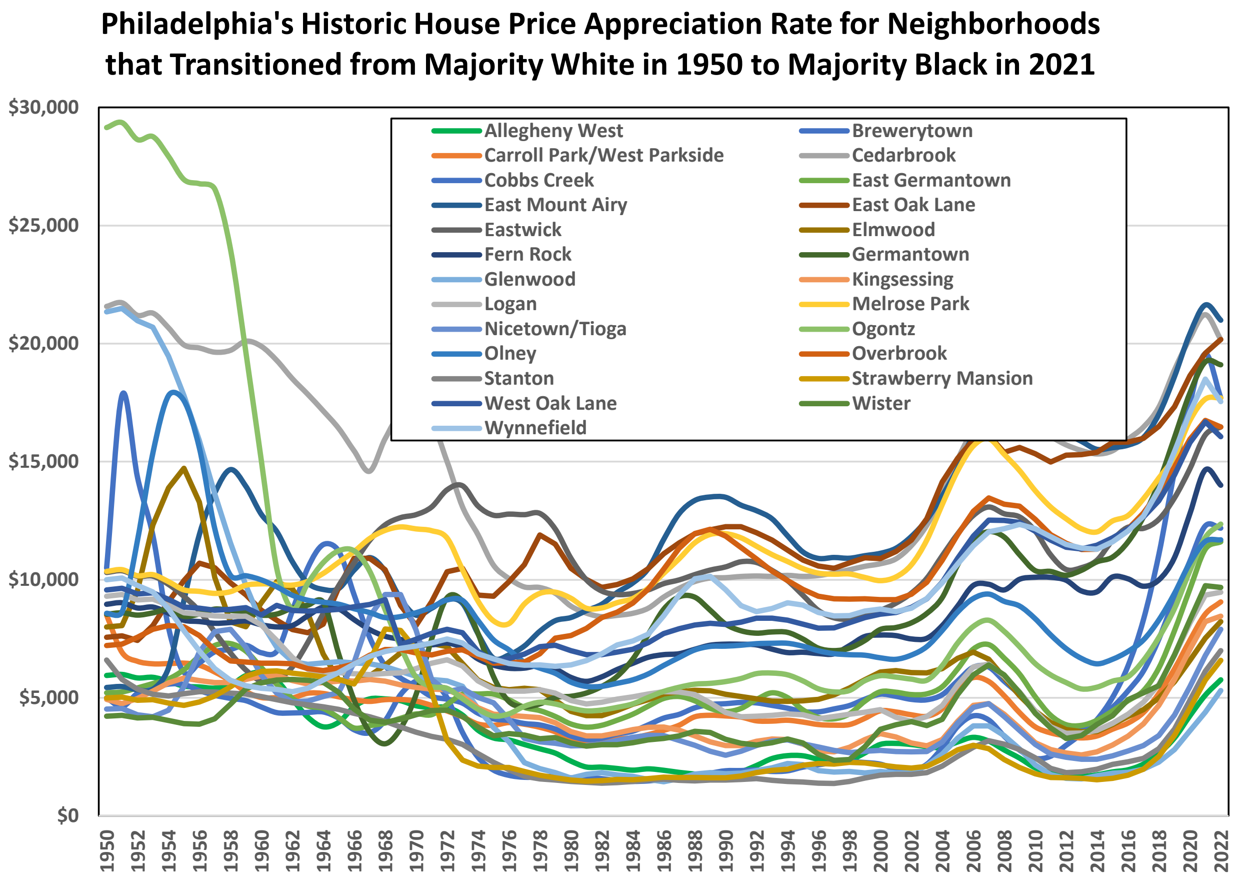
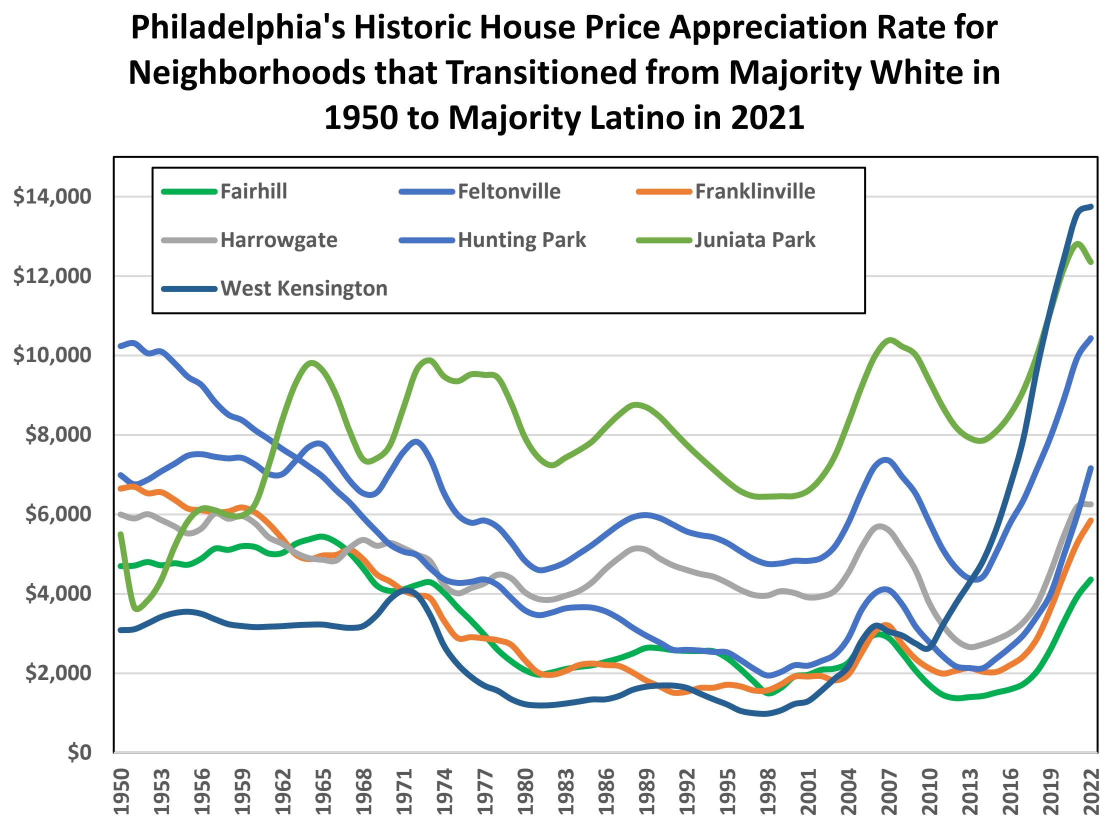


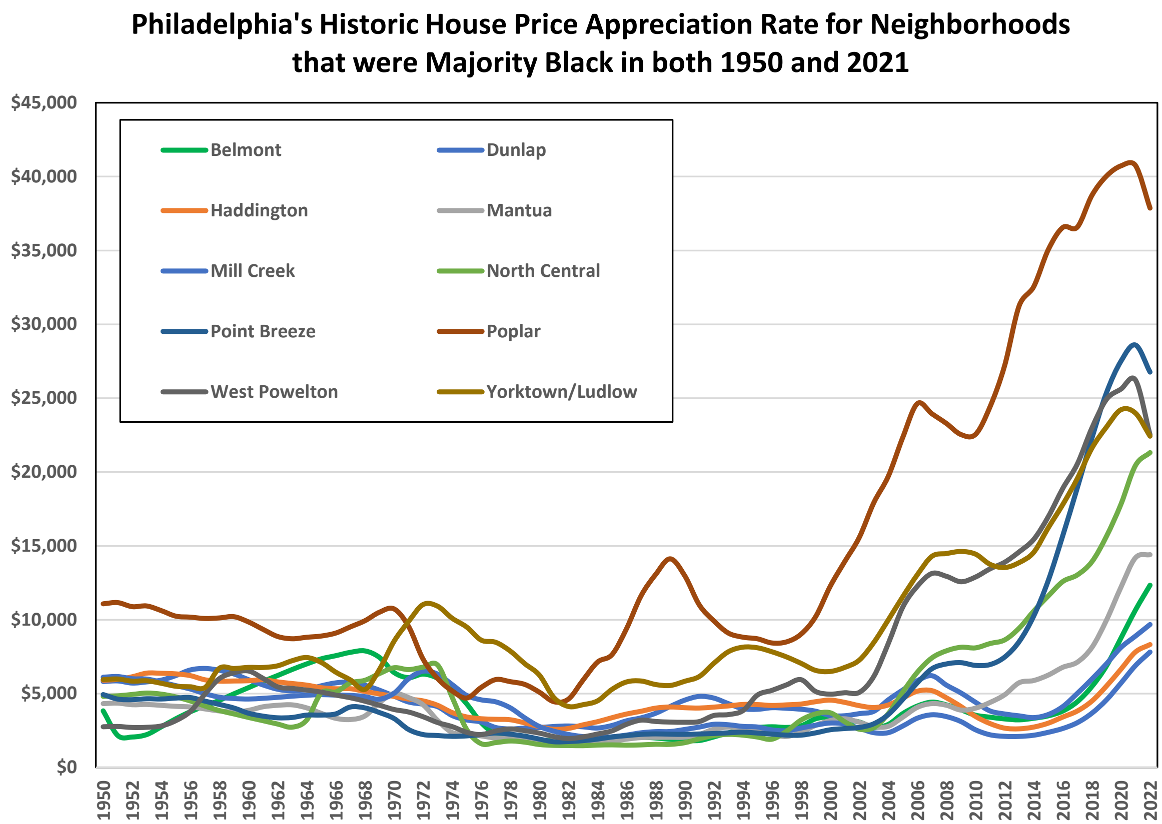
**FIGURE 22**




When broken out by particular neighborhood, areas that are currently majority-Latino—but were previously majority-white—exhibit significantly below-average house price appreciation rates relative to both majority white and majority back neighborhoods, with an average inflation-adjusted price growth rate of 68%--with most of this occurring in the last ten years, as shown in Figure 22.

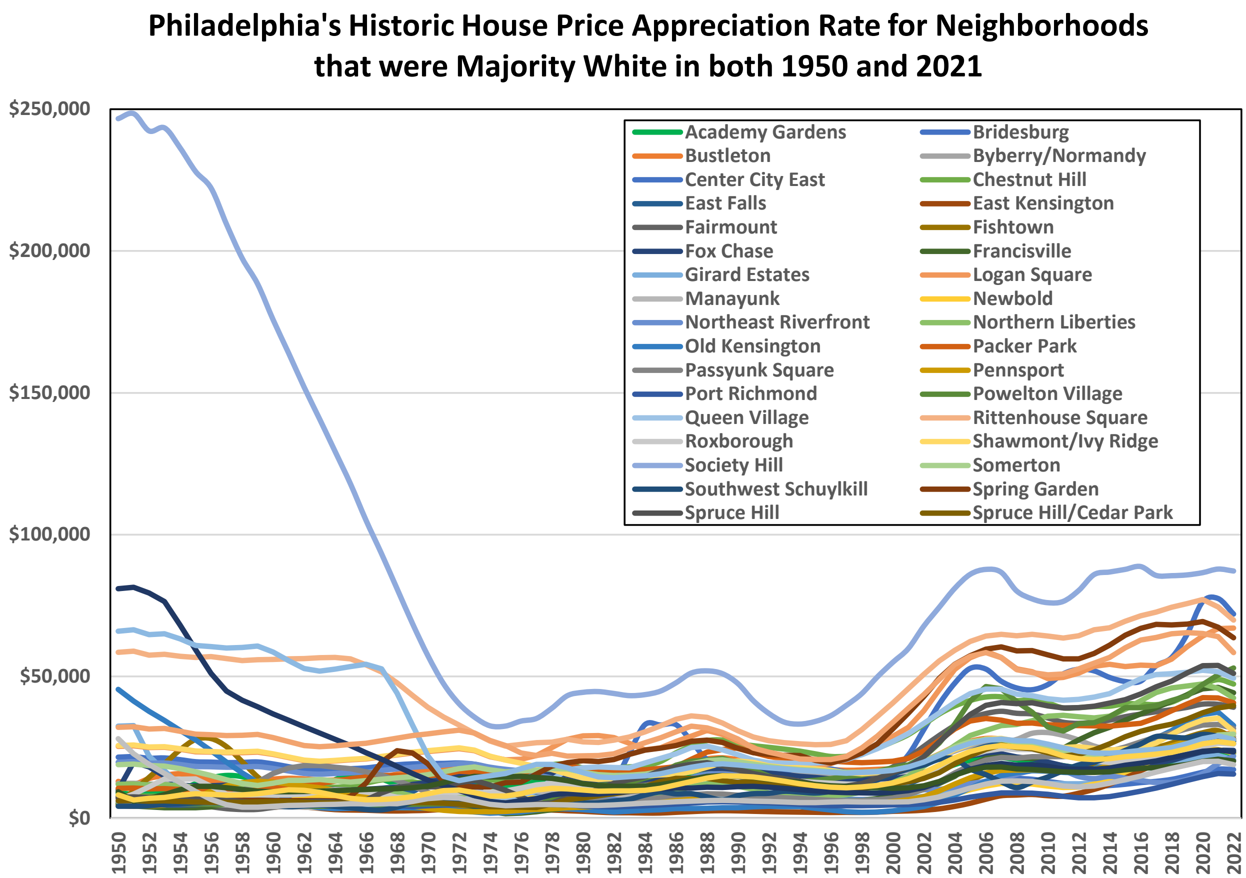
Neighborhoods that have consistently and historically been majority black from 1950 to 2022 also exhibit sub-par house price appreciation rates, as seen in Figure 23. Although the average inflation-adjusted house price growth rate during this period was 261%, this is overwhelmingly driven by the gentrification that has occurred in recent years on the top four appreciating neighborhoods of Poplar, Point Breeze, West Powelton and Yorktown/Ludlow, which all share the commonality of being proximate to Center City and/or being located proximate to major local university campuses. When these neighborhoods are dropped from the sample, the average inflation-adjusted appreciation rate declines from 261% to just 173%. By contrast, neighborhoods that have consistently been historically white grew by 210% during the same period.

**FIGURE 23**




Neighborhoods that have remained majority white show significantly above-average house price appreciation rates, growing by an inflation-adjusted average of 280% since 1950. However, as Figure 24 shows, this number skewed downwards by the presence of Society Hill, which experienced substantial deflation from 1950-1970, before rebounding in the mid-1990s. The removal of this neighborhood from the sample increases the average appreciation rate to 288%, which substantially exceeds the citywide appreciation rate of 165%.

**FIGURE 24**


Philadelphia's Historic House Price Appreciation Rate for Neighborhoods that were Majority White in both 1950 and 2021
$250,000
$200,000
$150,000
$100,000
$50,000
$0
1950
1952
1954
1956
1958
1960
1962
1964
1966
1968
1970
1972
1974
1976
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018
2020
2022
Academy Gardens
Bridesburg
Bustleton
Byberry/Normandy
Center City East
Chestnut Hill
East Falls
East Kensington
Fairmount
Fishtown
Fox Chase
Francisville
Girard Estates
Logan Square
Manayunk
Newbold
Northeast Riverfront
Northern Liberties
Old Kensington
Packer Park
Passyunk Square
Pennsport
Port Richmond
Powelton Village
Queen Village
Rittenhouse Square
Roxborough
Shawmont/Ivy Ridge
Society Hill
Somerton
Southwest Schuylkill
Spring Garden
Spruce Hill
Spruce Hill/Cedar Park

## The Bottom Line…

**FIGURE 25**

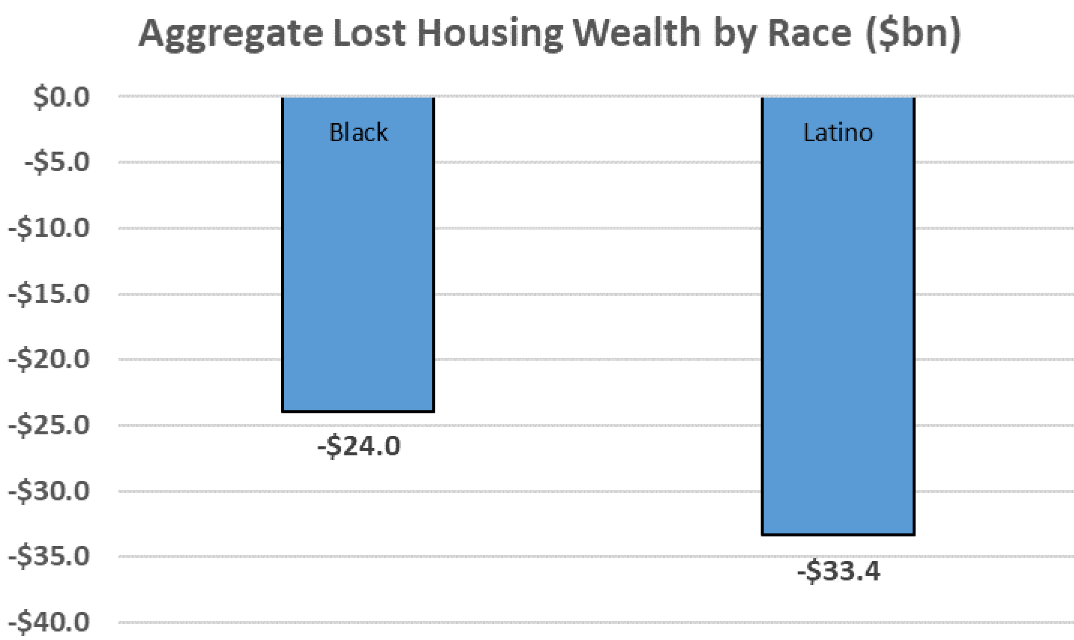
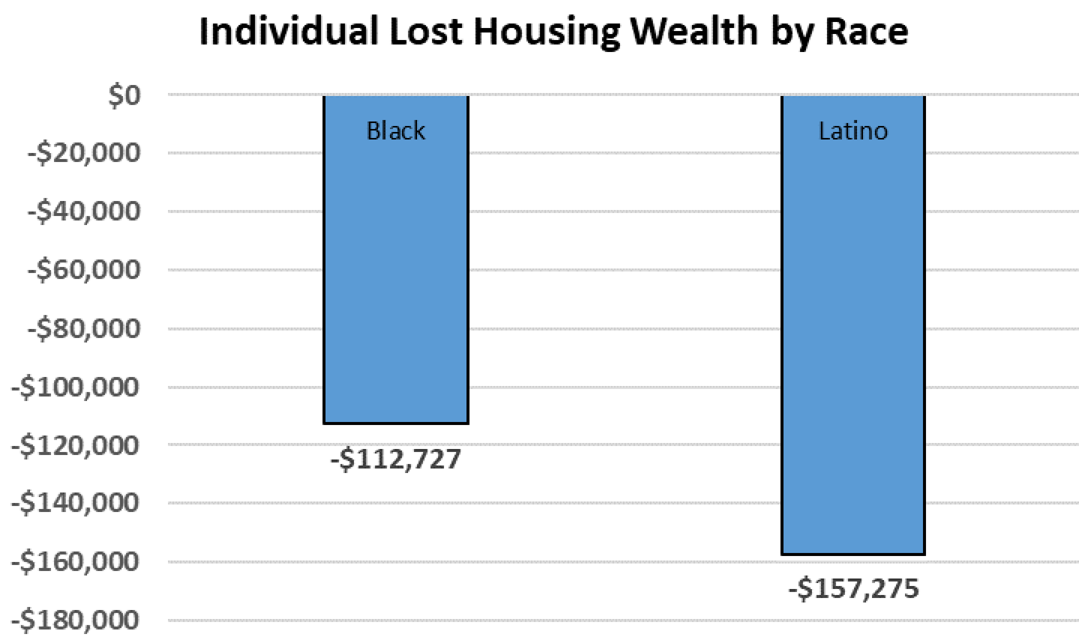



Figure 25 shows the aggregate lost housing wealth (in current $bn) by non-white neighborhood as a result of houses in predominantly non-white neighborhoods appreciating at a much slower rate than houses in white neighborhoods. **Had houses in majority Black neighborhoods appreciated at the same rate as houses in white neighborhoods (after inflation) since 1950, homeowners in Black neighborhoods would collectively have $24bn more in housing wealth, whilehomeowners in Latino neighborhoods would collectively have $33.4bn more in housing wealth.**

To put this in context, the annual budget of the City of Philadelphia is approximately $6.2bn. Had houses in these predominantly nonwhite neighborhoods appreciated at the same rate a those in white neighborhoods, they would currently be generating an additional $66.1m per year in real estate tax revenues. Moreover, this number is also an undercount, as it is post-inflation and also does not account for the city's real estate transfer tax on the sale of properties.

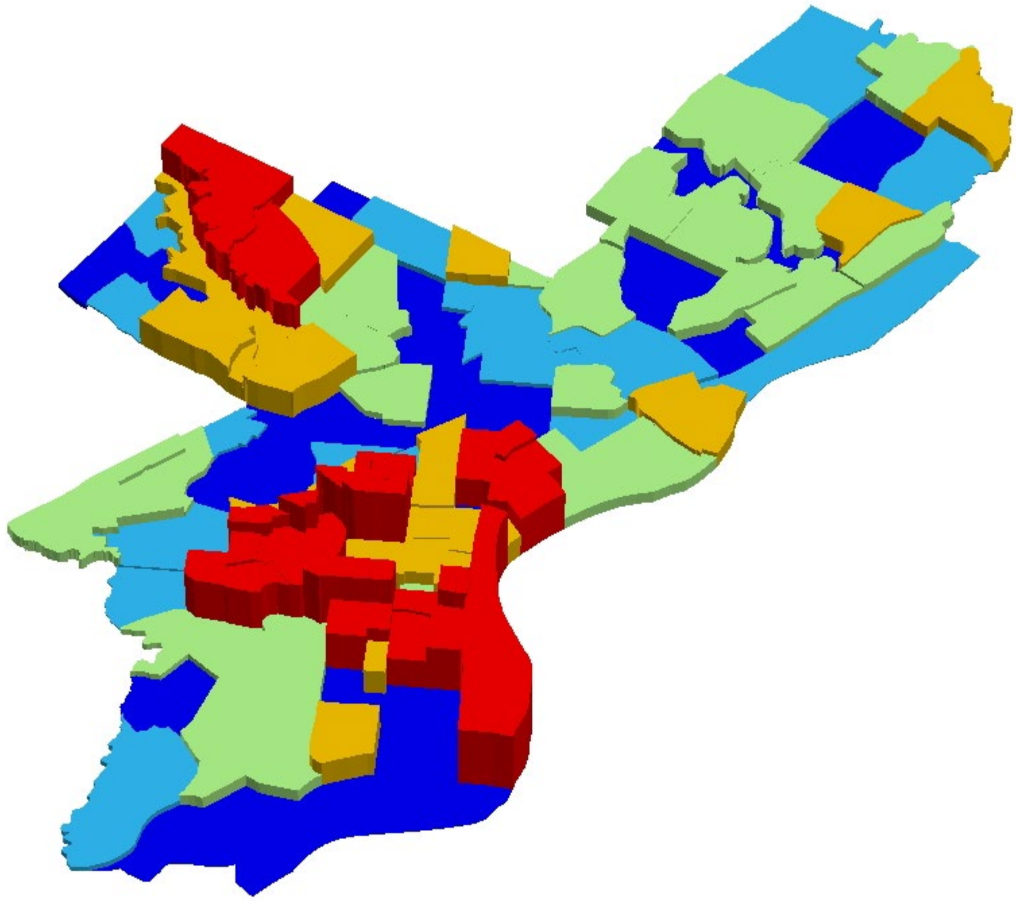
**FIGURE 26**




And finally, to disaggregate these numbers into more personal terms, Figure 26 shows the foregone housing wealth per household. This was obtained by dividing the aggregate lost housing wealth in minority neighborhoods by the number of households in each neighborhood. After adjusting for inflation, the typical Black household would have $112,727 more in housing wealth while the typical Latino household would have $157,275 more in housing wealth had their house price appreciation kept pace with houses in white neighborhoods.

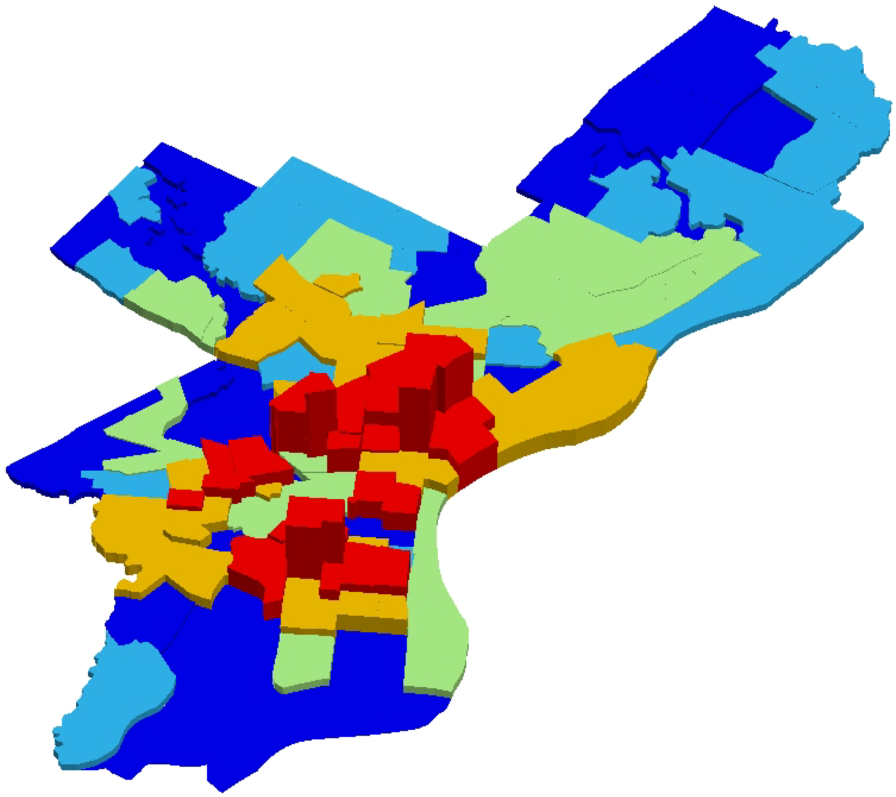
**APPENDIX**

Map 1. Neighborhoods Extruded by Real $Price Appreciation, 1950-2022



Adjacency to Center City and Whiteness/Wealthiness (Chestnut Hill and Mount Airy) are the clear correlates of above-average price appreciation.

Map 2. Neighborhoods Extruded by Real $Price Appreciation, 2000-2022



But since 2000, the story has changed a bit. Wealthy-but-outlying neighborhoods (Chestnut Hill, Mount Airy) have had relatively low rates of appreciation, while gentrification of previously low-priced neighborhoods (North Philly, South Philly, University City) appears to be the main driver of areas with higher price appreciation.