LEADING INDICATORS SERIES

Status of Housing Ownership in Philadelphia

Research

In this mini report, we explore the distribution of homeownership in Philadelphia, and whether home ownership is a 'good deal' for all Philadelphians.

Date: May 14, 2025

I: Who Owns Homes

Despite two decades of population growth, Philadelphia's housing market remains relatively affordable compared to the national average. The typical home value in Philadelphia is $224,533, reflecting a 3.7 percent increase from the previous year. In comparison, the national typical home value is $361,263, with a 2.1 percent year-over-year increase. While Philadelphia's prices are lower, they are rising at a faster pace than the nation, as per estimates from real estate portals like Zillow. The market is characterized as "somewhat competitive" by real estate analysts, with homes typically going under contract after approximately 26 days on the market, similar to the status at the national level, or with a lag of 5 days as per Redfin. The similar or slightly longer selling timeline suggests a market that, while appreciating in value, is not experiencing the frenzied conditions seen in some other metropolitan areas. According to the US Federal Housing Finance Agency's House Price Index, Philadelphia's housing values have demonstrated consistent growth, reaching 415.86 in Q4 2024 (from the index of 100 in Q1 1991), representing a 2.80% increase from the previous quarter and a more substantial 7.15% increase year-over-year. This steady appreciation pattern indicates a resilient market with sustained demand despite broader economic challenges.

To ensure consistency in this report, we have standardized our housing market data sources by utilizing Zillow's datasets, including the Zillow Home Value Index (ZHVI). Year-on-year trends for housing prices as seen on Zillow have been detailed below.

Figure 1: [Click here to view the full-size interactive graph]

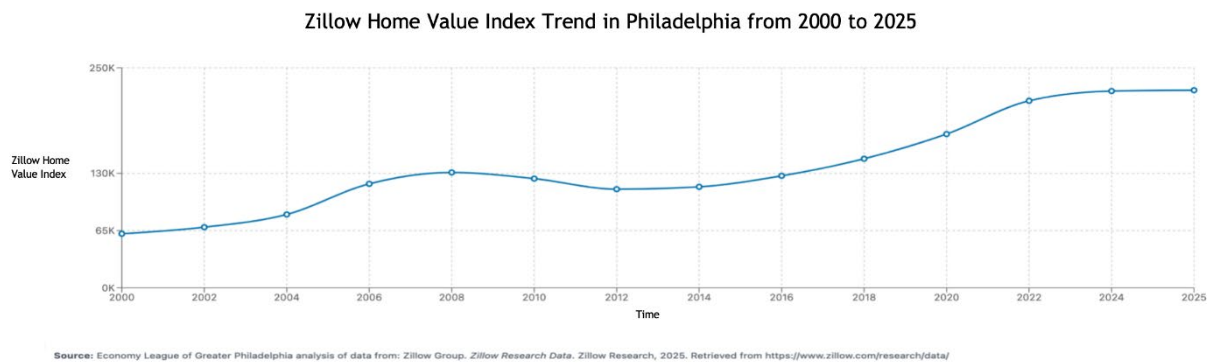
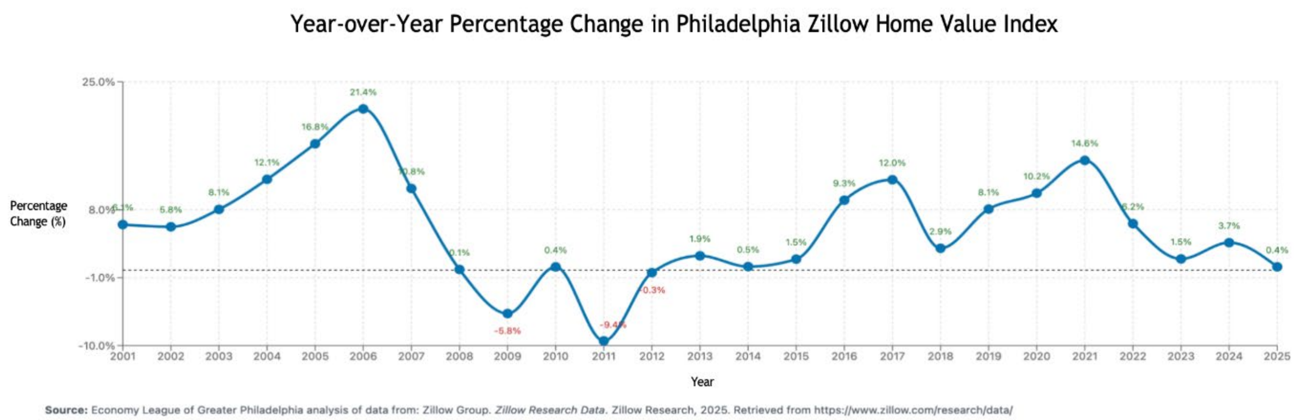


Figure 2: [Click here to view the full-size graph]



II. The Demographic Distribution of Homeownership

Homeownership in the Philadelphia region reflects a diverse demographic landscape shaped by household composition, gender dynamics, and generational trends. Recent analysis shows that prospective homebuyers in Philadelphia need an annual income of around $105,400. An amount that is roughly 41% more than renters need to afford a typical apartment, 2.3 times ($ 45,483) the median income for Black households, and 1.2 times ($84,623) the median income for white households in Philadelphian as of 2023 ACS data.

1. Household Structure

No data are available on household structures specifically for homeowners citywide, so we instead reference Philadelphia's overall household composition as reported by the U.S.

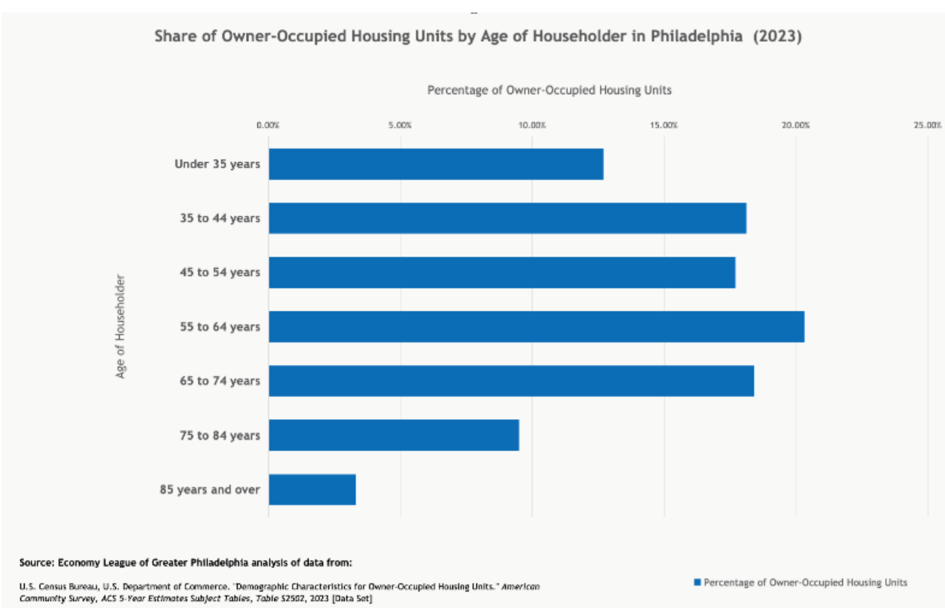
Census. The data shows that -by 2020, a majority of homeowners lived in family households, which constituted 59.7% of all households. Within this group, married-couple families accounted for 32.1%. On the other hand, non-family households **c**onstituted 40.3%, and a significant portion of these—33.8%—were individuals living alone. The trend of multigenerational living is also notable for the current time period, with 14% of buyers in 2024 purchasing homes specifically to accommodate aging parents or adult children. This highlights the evolving needs of modern households.

2. Gender and Marital Status

In 2020, single women were leading the way in overall homeownership across Pennsylvania metropolitan areas, including the Philadelphia-Camden-Wilmington region. In this area, 51.3% of single women own homes, compared to 47.5% of single men. Interestingly, female homeowners tend to be older, with a median age of 67, compared to 57 for their male counterparts. In 2024, married couples dominated the market in terms of new purchases, making up 59% of recent buyers, but single women represent a notable 19%, underscoring their growing presence and purchasing power in the housing market.

3. Age Distribution

Figure 3: Age distribution of home-owners (2023)



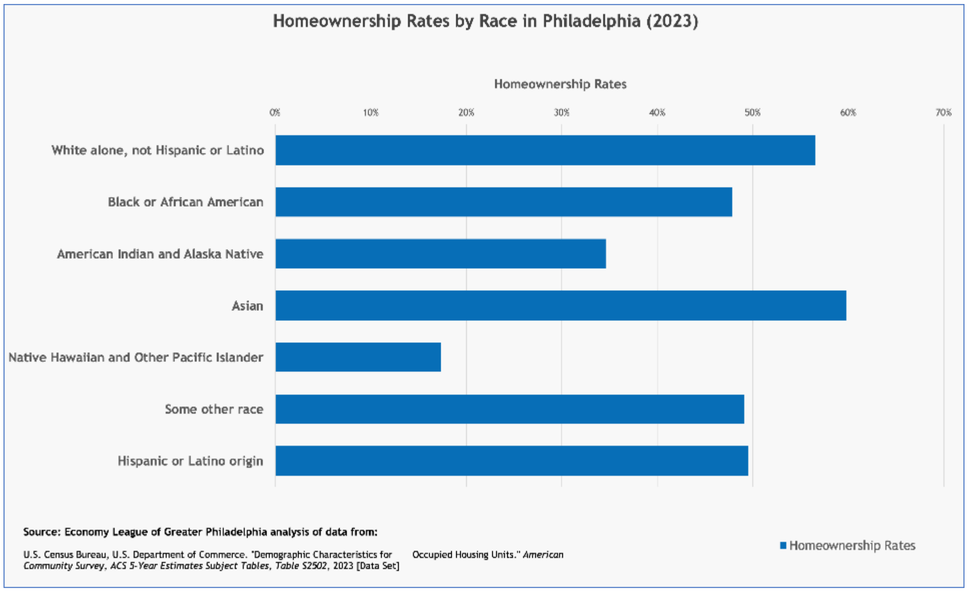
Philadelphia's homeowners reflect the city's overall demographic makeup, with a median homeowner age of 35.1. However, within this median lies a wide range of generational distinctions. Younger Millennials (ages 18–33) dominate the first-time buyer segment, accounting for 75% of this group. Many of them are unmarried, with 19% living as unmarried couples.

Generation X, aged 44 to 58, represents a smaller share of the market at just 4%, yet they hold the second-highest median income among buyers—$126,933. Baby Boomers (ages 59–

77), by contrast, make up a substantial 30% of current homeowners and have demonstrated a strong commitment to long-term homeownership, with a median home tenure of 16 years.

4. Homeownership Gap by Race

Figure 5: Percentage of home-owners across race (2023)



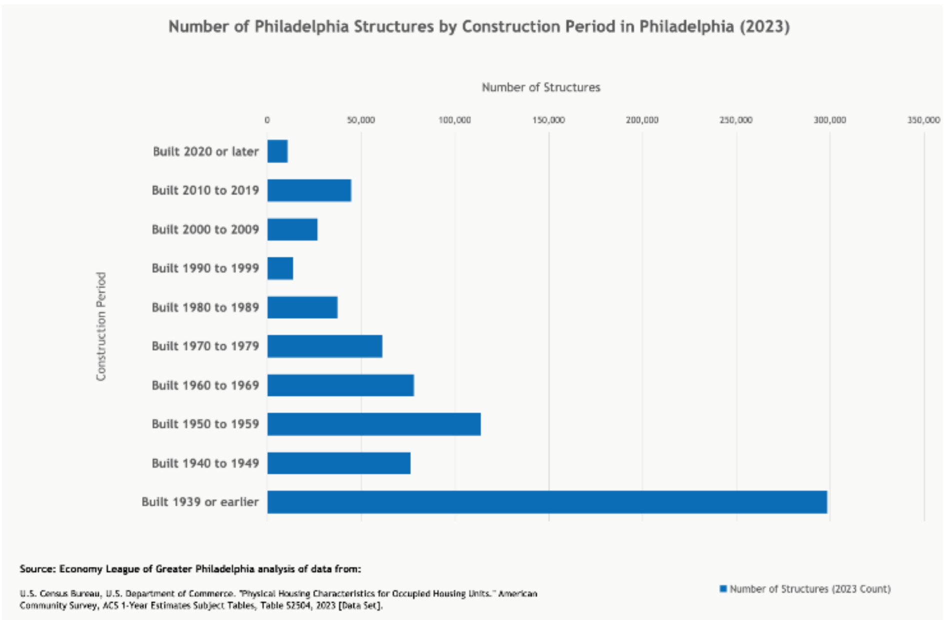
Philadelphia's homeownership landscape reveals stark racial disparities that have remained stubbornly persistent over time. As of 2023, the homeownership rate among white (white alone, not Hispanic or Latino) families in the Philadelphia city stood at 56.54%, in sharp contrast to just 47.84% for Black families. This 8.7-percentage-point gap mirrors national patterns of homeownership disparity and has seen only modest improvement since the 11.4-percentage-point gap in 2012 (white 59.23%, black 47.86%), underscoring entrenched systemic barriers to Black homeownership.

This disparity is particularly troubling given the historical trajectory of Black homeownership in Philadelphia, which has been declining over the past three decades, falling below 50% after 2010 —the first time since 1970. (2010-50.43%, 2011-49.52%). This homeownership disparity is a significant factor in the broader racial wealth gap, as home equity typically constitutes a substantial portion of household wealth for middle-class families.

III: The Costs and Benefits of Homeownership

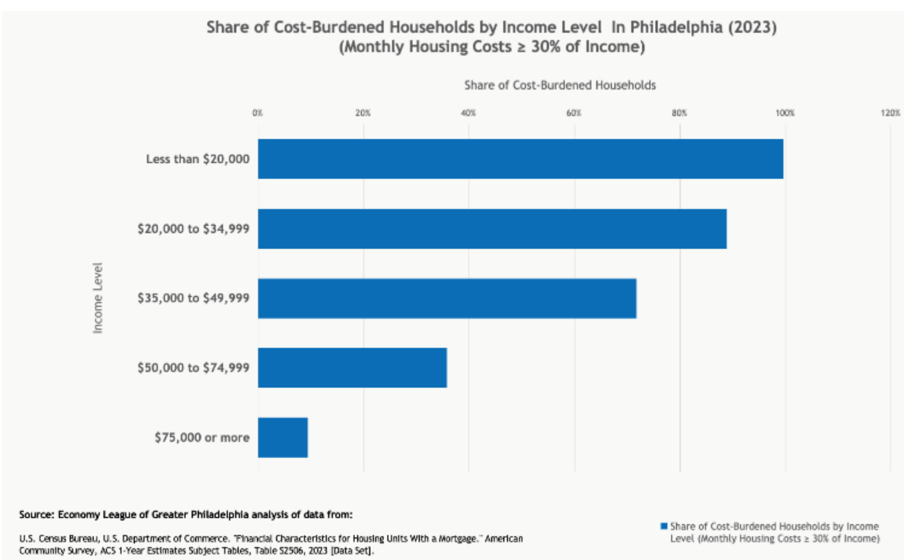
Philadelphia's housing stock presents significant **housing quality and maintenance challenges** that disproportionately affect low-income homeowners, creating financial burdens that threaten housing stability and quality of life.

Figure 5: Age of housing stock in Philadelphia as of 2023



Nearly **40% of Philadelphia's housing stock** was built before 1939, requiring costly repairs (NKCDC, 2024). Homeowners are typically advised to allocate 1% of their home's value annually for maintenance—amounting to $3,000 per year for a $300,000 home (Thumbtack, 2024).

Figure 6: Share of cost-burdened households by income categories (2023)



Unfortunately, due to limited income levels, many low-income households struggle to keep their housing expenses within affordable limits. Census data reveals that **between 89% and 100% of households earning less than $35,000 annually** spend **over 30% of their income on housing costs after purchasing a home**—a clear indicator of the severe affordability burden faced by this segment. Additionally, over **41% of Black**

applicants are denied home improvement loans, compared to **29% of white applicants** (Pew Charitable Trusts, 2024).

As a result, 77% of low- to moderate-income (LMI) homeowners delay essential repairs due to cost. Emergency fixes, such as plumbing or electrical work, can range from $500 to $15,000 (NKCDC, 2024), while major upgrades—like HVAC replacements—typically cost between $4,800 and $12,400 (City of Philadelphia, 2024). These expenses often exceed what many households can reasonably afford.

Consequently, gaps in basic housing infrastructure persist in Philadelphia. As of 2023:

- 3,039 households (0.40%) lacked complete plumbing facilities
- 4,045 households (0.60%) lacked complete kitchen facilities
- 8,100 households (1.20%) had no available telephone service

IV. House Appreciation: Trends and Factors Influencing Them

An analysis of home values across years was undertaken to identify patterns based on their geographic location, race and income.

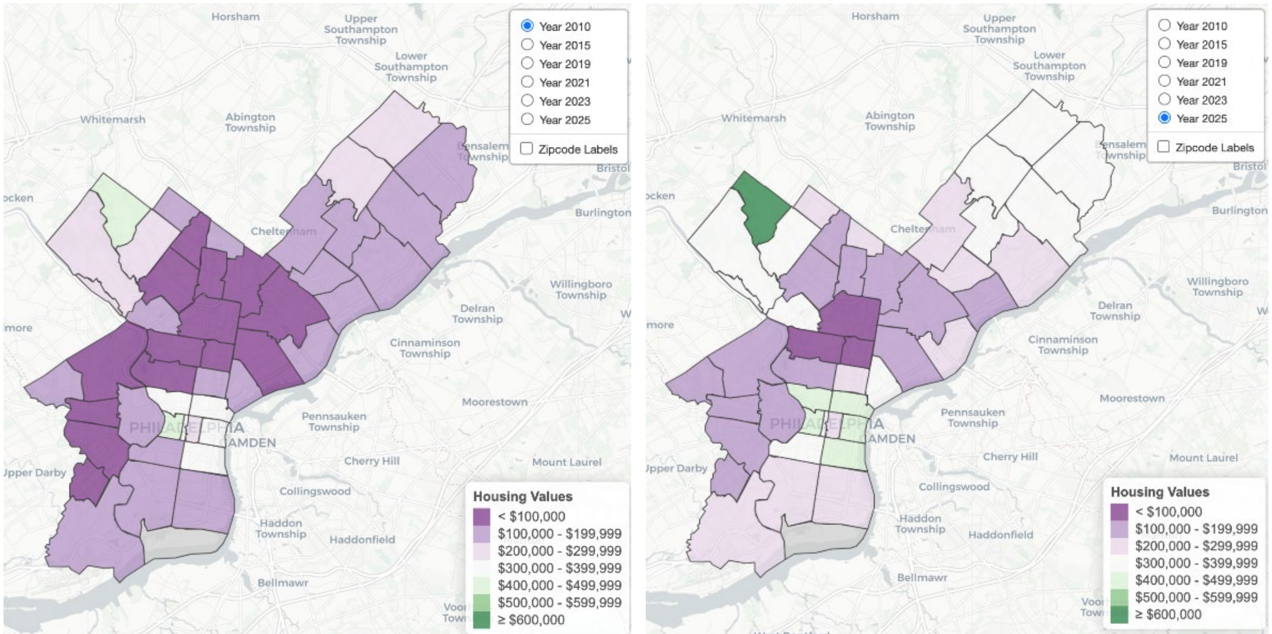
1. Geographic Variations in Home Values

Philadelphia's housing market exhibits dramatic geographical disparities, with home values varying tremendously across different neighborhoods and ZIP codes. The highest property values are concentrated in specific areas, particularly in the southeastern Pennsylvania region, where three ZIP codes report typical home values exceeding $1 million—Gladwyne ($1.39 million), Villanova ($1.3 million), and Haverford (slightly over $1 million). These affluent enclaves stand in stark contrast to lower-valued areas of the city, exemplified by the variation between ZIP code 19118, which boasts an average home value of $690,229, and ZIP code 19132, where the average plummets to just $75,889. This nearly tenfold difference in valuation within the same metropolitan area underscores the extreme segmentation of Philadelphia's housing market. Another high-value example is ZIP code 19130, where the average home value reached $419,807 as of February 2025, showing a modest 1.9% increase over the previous year. These disparities in home values reflect and reinforce patterns of socioeconomic segregation across the metropolitan area, with real estate appreciation occurring disproportionately in already affluent neighborhoods.

2. Home Value Disparities and Wealth Gap

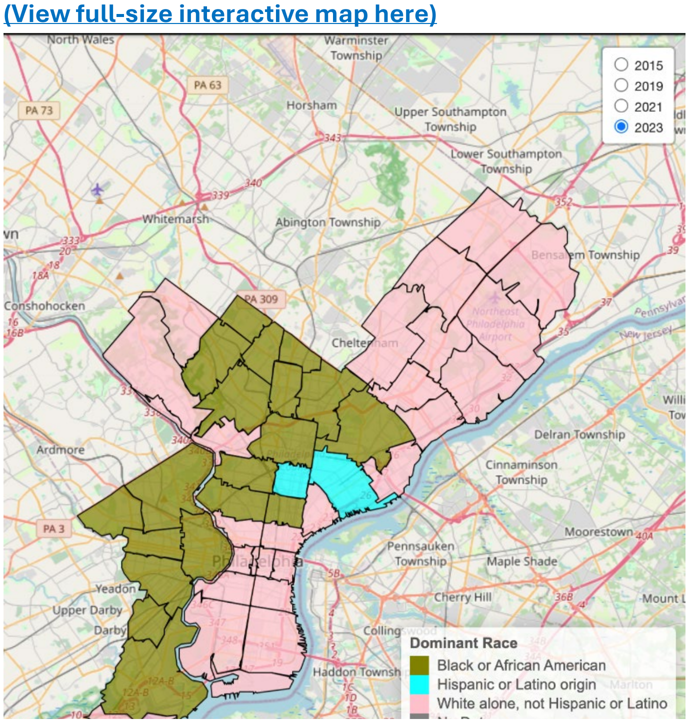
Data analyzed by the Economy League reveals that homes owned by Black Philadelphians are typically valued at 28.3% less than comparable properties owned by white residents costing Black families **$24 billion in lost equity** since 1950. This valuation gap translates to significant differences in absolute terms—the typical Black-owned home in the Philadelphia metro area is worth $261,041, compared to $364,028 for a white-owned home.

Figure 7: Zillow Home Value Index Across Zip Codes for Philadelphia (2010 vs 2025)
[(View full-size interactive map)]



Source: Zillow, 2010-2025

Figure 8: Distribution of Predominant Race across Zip codes in Philadelphia (2023)
[(View full-size interactive map here)]

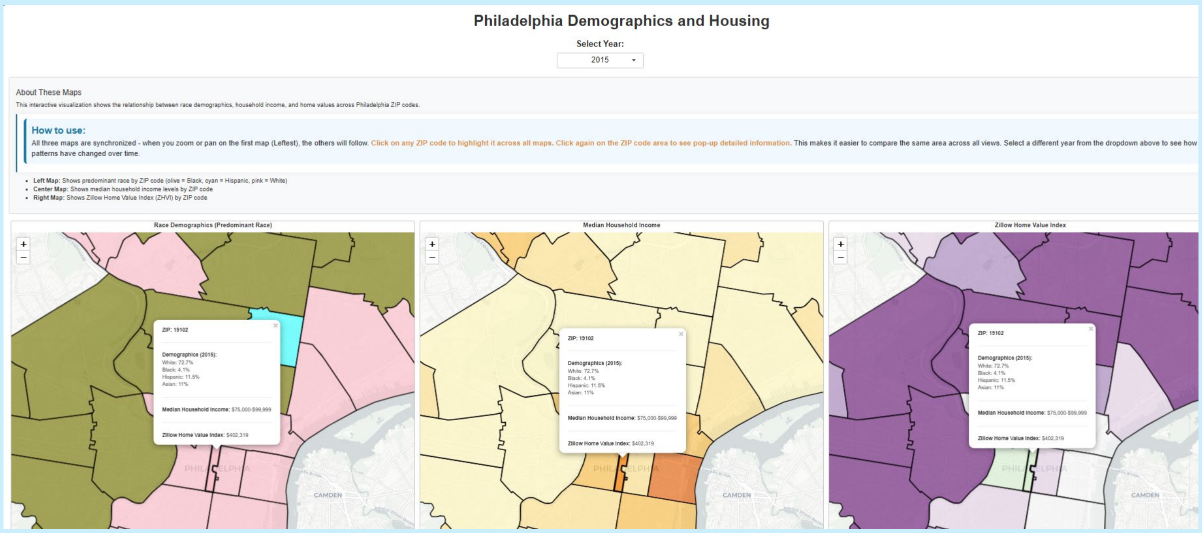


Source: U.S. Census, 2023

These disparities cannot be explained by property characteristics alone, suggesting the presence of systemic factors including appraisal bias, where homes in predominantly Black neighborhoods are routinely undervalued compared to similar properties in majority-white areas. The consequences of these valuation disparities extend far beyond the housing market itself, as home equity represents the primary wealth-building vehicle for many middle-class families. The devaluation of Black-owned homes therefore directly contributes to the racial wealth gap, limiting the ability of Black homeowners to leverage their property assets for education expenses, business investments, retirement security, or intergenerational wealth transfers. Moreover, the pattern of lower home values in predominantly Black neighborhoods creates a self-reinforcing cycle, as reduced property tax revenues lead to underfunded schools and public services, further depressing property values and reinforcing patterns of disinvestment that originated with redlining practices nearly a century ago.

Curious to see how income, race and home values have changed across zip codes for Philadelphia since 2015?

Play with this interactive Shiny app to see clear patterns. This dashboard visualizes the relationship between race demographics, household income, and home values across Philadelphia ZIP codes. Users can explore synchronized maps to compare trends over time and across neighborhoods by selecting a year and clicking on ZIP codes for detailed insights. The data includes predominant race in the area, median household income, and Zillow's Home Value Index (ZHVI).



V. Key causes of Uneven House Value Appreciation

Based on secondary research, we have identified 3 broad key causes that influence the extent to which home values have appreciated in Philadelphia, thereby helping us understand if purchasing homes is indeed a "good deal".

1. Access to Finance: Discriminatory Lending Patterns

Access to mortgage financing remains unequal across racial groups in Philadelphia, with Black applicants facing disproportionate barriers to loan approval. An analysis of race wise mortgage approval patterns shows that - Black mortgage applicants are **2.8 times more likely to be denied** than white applicants, perpetuating inequities (Federal Reserve Bank of Philadelphia, 2021). Income disparities compound this gap: Black homeowners earn a median income of **$47,141**, while white homeowners earn **$77,696** (Pew Charitable Trusts, 2024). This disparity cannot be explained solely by income differences, as the rejection patterns persist across various income levels. The reasons cited for denial reveal potential systemic biases in the lending industry—credit history was cited as a reason for denial for 29% of rejected Black applicants compared to just 16% among denied white applicants.

Figure 10

(Federal Financial Institutions Examination Council, 2023)

Mortgage Rejection Rates by Race and Income Level in Philadelphia (2023)

Rejection Rate (%)

15 20 25 30 35 40 45 50 55

Race	Income Level				
	<50%	50-79%	80-99%	100-119%	≥120%
American Indian or Alaska Native	55.93	53.25	28.21	37.93	38.10
Asian	34.92	25.50	21.84	15.73	14.03
Black or African American	48.79	33.45	29.16	26.34	28.62
Native Hawaiian or Other Pacific Islander	52.46	42.86	32.00	50.00	50.00
White	42.84	24.58	18.06	17.45	13.68

Income Level Legend: (Percentage of MSA/MD Median Income)

<50%: LESS THAN 50% of MSA/MD Median Income **50-79%:** 50-79% of MSA/MD Median Income

80-99%: 80-99% of MSA/MD Median Income **100-119%:** 100-119% of MSA/MD Median Income

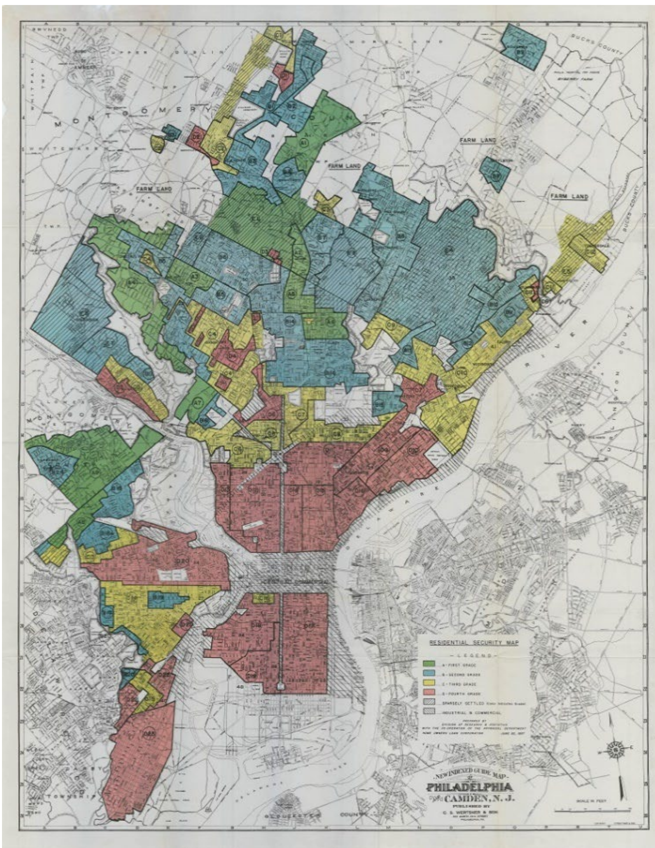
≥120%: 120% OR MORE of MSA/MD Median Income

Source: Federal Financial Institutions Examination Council. "HMDA Data Publication." Consumer Financial Protection Bureau, 2023 [Data Set].

These local patterns mirror national trends, where approximately 17% of Black U.S. mortgage applicants were denied in 2022, compared to only 6.7% of white applicants during the same period. The persistent nature of these lending disparities has caught the attention of regulators, as evidenced by the 2022 settlement with Trident Mortgage Co., which was required to invest $20 million to increase access to credit opportunities in the Philadelphia metropolitan area to resolve lending discrimination claims. This case exemplified how modern redlining practices continue, with the mortgage company accused of concentrating its offices in majority-white neighborhoods and avoiding marketing to neighborhoods of color between 2015 and 2019.

2. Historical Context of Redlining and Ongoing Impact

Figure 11: Home Owners' Loan Corporation's "residential security" map from 1937

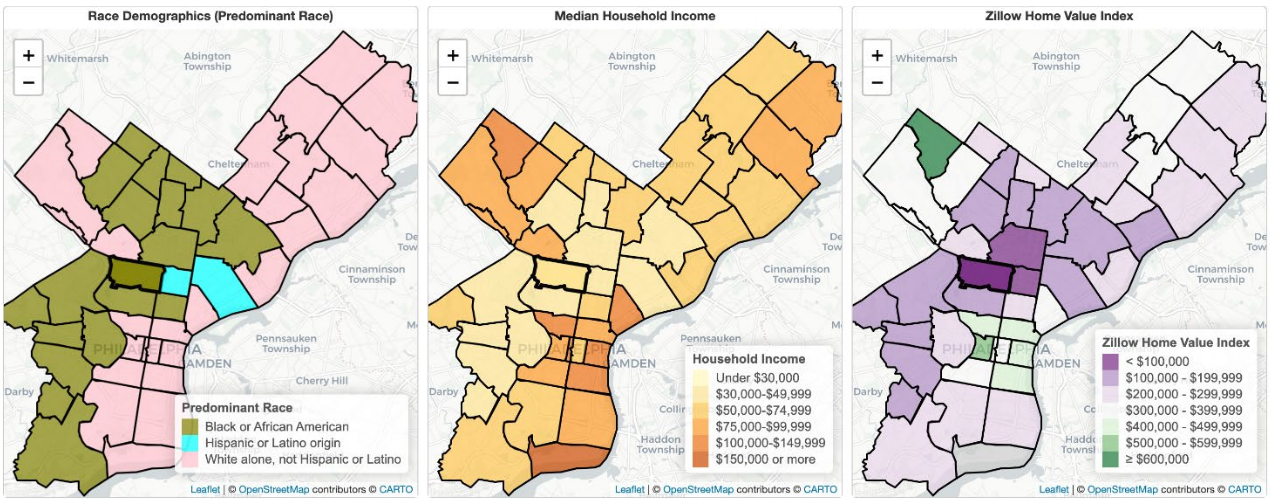


Source: The Encyclopedia of Greater Philadelphia via National Archives

The discriminatory practice of redlining, instituted in the 1930s by the Home Owners' Loan Corporation (HOLC), has cast a long shadow over Philadelphia's development patterns that persists into the 21st century. During this period, the HOLC systematically graded neighborhoods with high Black populations as "hazardous" or at high risk of defaulting on mortgage loans, marking them with red ink on their maps—a practice that effectively denied these communities access to federally backed mortgages and other financial services. Despite being officially outlawed by the Fair Housing Act of 1968, the socioeconomic consequences of this discriminatory policy continue to manifest in contemporary Philadelphia, where residential segregation remains a reality more than eight decades after these redlining maps were drawn. The boundaries of formerly redlined areas no longer precisely align with where communities of color currently live, as demographic shifts and gentrification have altered the city's racial geography over time. However, researchers have established a clear connection between neighborhoods that were redlined in the 1940s and areas that currently experience significant disinvestment and lack of credit access, demonstrating how historical discrimination becomes embedded in the physical and economic infrastructure of a city. This persistent legacy explains why many formerly redlined neighborhoods continue to struggle with higher rates of poverty, limited educational attainment, unemployment, and violent crime compared to areas that received favorable ratings from federal housing authorities.

Ninety years later, a comparison of the maps reveals the lasting impact of redlining and the effects of gentrification.

Figure 12 : Snapshot showing clear patterns between race, household income, and home values across zip-codes for Philadelphia as on 2023. [View the dashboard of full-size interactive maps here.]



Source: Zillow, 2025, U.S. Census, 2023

In 2024, median home values in majority-white **Chestnut Hill** reached **$751,000**, while majority-Black **Upper Kensington** averaged **$144,900** (Star News Philly, 2024). Gentrifying neighborhoods like **Northern Liberties** saw home values rise by **203%** between 2000–2021, displacing long-term residents (Economy League of Greater Philadelphia, 2022). In contrast, historically redlined areas like **Strawberry Mansion** lag in appreciation, reinforcing wealth gaps.

3. *Affordability and Maintenance Challenges:*

Additional neighborhood and city level factors that influence the evaluation of houses:

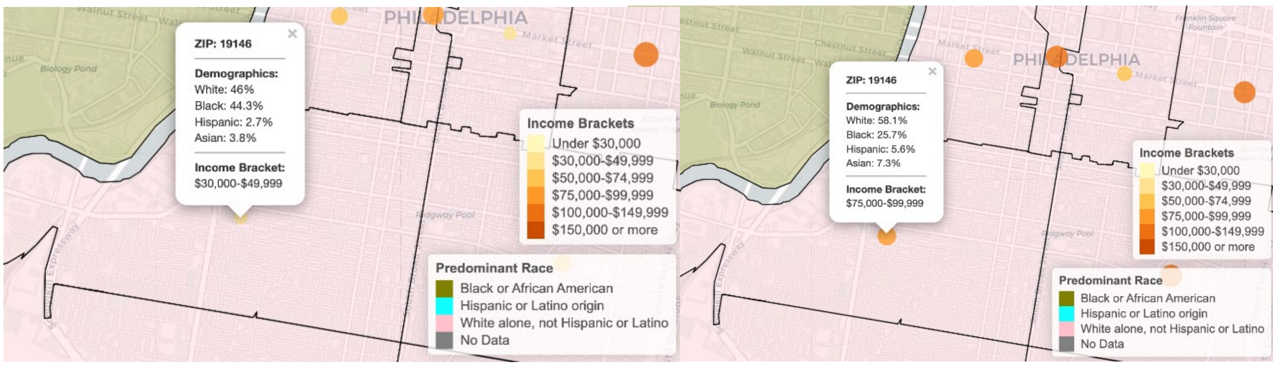
a. **Crime and Vacancy Trends:** While **homicides decreased by 29%** in 2024, disinvested areas like **North Philadelphia** still experience high violent crime rates (Freedom for All Americans, 2024). Vacancy rates average **7.65% citywide** but exceed **15%** in historically redlined neighborhoods, contributing to blight (GREA, 2022).

b. **Environmental and Infrastructure Inequities:** Tree canopy coverage fell from **26% in 2008 to 20% in 2018**, with majority-Black neighborhoods like **Hunting Park** having **40% less coverage** than white areas (Pennsylvania Horticultural Society, 2018).

These neighborhoods also face **5°F higher temperatures** due to urban heat island effects (WHYY, 2024).

c. **Gentrification and Displacement:** Between 2000–2020, **20% of Black residents** were displaced from gentrifying ZIP codes like **19146** (Point Breeze) (National Community Reinvestment Coalition, 2020). The **19125 ZIP code** (Fishtown) saw a **153% increase** in white residents, driven by luxury development (Pew Charitable Trusts, 2024).

Figure 13: Snapshot of gentrification in Philadelphia. [(View full-size interactive maps over time)]



Based on data from the US Census and Zillow, between 2015 and 2023, Philadelphia's ZIP code area 19146 experienced significant demographic and economic shifts indicative of gentrification. The total number of households increased from 16,128 in 2015 to 19,029 in 2023. During this period, White households grew from 7,760 to 11,526, a gain of 3,766 households, while Black households declined from 7,144 to 4,884, a decrease of 2,260 households.

In 2015, ZIP code 19146 had a Black population of 44.3%, with the median household income falling in the $30,000–$49,999 range. By 2023, the percentage of Black residents had dropped to 25.7%, while the median household income had risen to the $75,000–$99,999 bracket.

These figures suggest that the neighborhood's evolution is not solely due to an influx of new residents but also involves the displacement or outmigration of long-standing Black households. Collectively, these demographic and economic trends underscore a pronounced pattern of gentrification in ZIP code 19146, characterized by rising incomes and shifting racial composition.

d. **Zoning and Tax Inequities:** Residential zoning covers **75% of Philadelphia**, limiting density and affordability (Steadily, 2022). The **Actual Value Initiative (AVI)**, implemented in 2013, failed to correct systemic assessment biases: homes in Black neighborhoods are **over-assessed by 10–15%**, while high-income areas like **Chestnut Hill** are under-assessed (Philadelphia Inquirer, 2024).

e. **Revenue Gaps and Policy Solutions:** Undervaluation in Black neighborhoods costs the city **$57 billion in lost revenue** (Axios, 2024). The **2024 Low-Income Tax Freeze** aids homeowners earning under **$33,500**, but only **12% of eligible households** have enrolled (City of Philadelphia, 2024). Community land trusts (CLTs) in **West Philadelphia** have stabilized **150 homes**, though scaling requires state funding (NextCity, 2024).

Conclusion

Philadelphia's homeownership landscape reveals a complex interplay of affordability, demographic shifts, and deep-rooted structural inequities. While the city remains more affordable than many major U.S. metros, rising values and uneven appreciation patterns disproportionately benefit already-wealthy neighborhoods, reinforcing long-standing racial and economic divides.

For some Philadelphians—particularly those in higher-income, appreciating areas—homeownership continues to be a good deal, offering a pathway to generational wealth and financial security. But for many others, especially Black and low-income residents, systemic barriers such as appraisal bias, discriminatory lending, housing cost burdens, and underinvestment make homeownership far less accessible or beneficial. From persistent disparities in loan access and maintenance challenges to the enduring legacy of redlining and exclusionary zoning, homeownership remains both a pathway to stability and a mirror of systemic inequality.

Bridging these gaps will require coordinated efforts—through inclusive policy, investment in historically disinvested communities, and reforms to make homeownership truly accessible for all.

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