**Vacant/Abandoned Property in Philadelphia**

**Presented at Vacant Property Colloquium**

**UAA Annual Meeting, 2012**

There are four dimensions to this issue in Philadelphia that occasionally, and not automatically intersect. Problematically, there is no single source of information that can be used to definitively determine the exact amounts or parcel information in regard to each of these dimensions. The four dimensions are:

* Vacant land (Openly vacant land is readily apparent; vacant structures range from market-ready to dilapidated. Also, see Cresce, 2012 on how methods affect Census and ACS findings.)
* Empty buildings/demolitions (Truly empty buildings are not the same universe as those ready for demolition; ready for demolition buildings are either imminently dangerous, under an eminent domain order, or can be handled by a private owner seeking to clear or revitalize the land.)
* Tax delinquency (This is the most direct data to obtain, assuming that the city/county has current information that is itself accurate; Philadelphia is in fairly good condition in this respect.)
* Foreclosure (Foreclosures can be measured using several counts: Completed foreclosures, foreclosures in process – using discrete addresses to control for multiple amendments to the same property being foreclosed, or all foreclosure actions, with no controls for unique properties. National estimates of foreclosures tend toward the latter counts, and thus tend to inflate the volume of foreclosures.)

**Background: ·**

Philadelphia is becoming increasingly Dickensian (as in a “tale of two cities”) in its contrasts between housing affluence and shelter poverty. Unlike the region, Philadelphia’s homeownership rate is declining.

2000: 59.3% (Census)

2007‐2009: 55.6% (ACS)

2010: 54.1% (Census)

The housing market has shown an uneven response to the collapse of the housing bubble:

* Between 2006 and 2009, the median home sale price rose from $99,900, peaking at $120,000 in 2008 and then declining to $116,000 in 2009.
* In 2000, 24.2% of homeowners spent 35percent or more of their income on housing. By 2007‐2009, 32.4% of homeowners spent 35 percent or more of their income on housing. (Census / ACS)

**Vacant Land**:

The most recent data (2011) from the Philadelphia Water Department (which supplements is turnoffs with visual verification of vacancy) indicates almost 40,000 vacant lots; this is consistent with earlier estimates from the same source, from a LISC study of abandonment, and from the PlanPhilly/Inquirer “Abandoned Philadelphia” project.

**Empty Buildings**:

The same Water Department data indicates that the overwhelming percentage of empty buildings were residential (91.5%). This is consistent with, but a somewhat larger estimate than offered by LISC and PlanPhilly, both of which used data from 2010.

In 2010, Licenses and Inspections recorded 1,470 “clean and seal” procedures and 479 demolitions. They have 8 emergency building inspectors. A normal row house demolition costs between $10,000 and $15,000. The vacancy estimates for residential real estate range between 20,000 and 40,000; there is some lack of consistency between housing units and residential structures, but it is apparent that the demolition process does not address the volume of empty properties in the city.

**Tax Delinquency**:

According to PlanPhilly (2011) there are between 110,000 and 111,000 tax delinquent properties in Philadelphia, about 19% of all parcels in the city (roughly 590,000). The unpaid tax bill is $472 million; the cumulative delinquency period is 720,000 years (average is 6.5 years behind, and the average amount owed (taxes, interest and penalties) is $4,249.

**Foreclosure**:

There are significant variations in the amount of foreclosures that are derived from different sources. Because the foreclosure process itself generates a variety of “filings”, there can be a wide variety of estimated foreclosure rates. The most commonly cited source used in estimating local foreclosures is obtained by “scraping” county property transactions for any mentions of the term “foreclosure”. While some jurisdictions have relatively transparent records of foreclosures, and differentiate between initiation, revisions, and final dispositions, most do not.

Foreclosure Estimates for Philadelphia

* HUD’s NSP estimated foreclosure starts in Philadelphia in 2008: 14,436 (high estimate probably due to the level of subprime mortgage loans in the city).
* The most recent tabulation of the city’s foreclosure was initiated during an assessment of the Foreclosure Diversion Program, which tracked the flow of foreclosure filings from first initiation to final disposition. When the foreclosures are more carefully counted, and when multiple entries on the same address are controlled for, the following levels are obtained. The third column in the table is the number of all foreclosure actions taken without regard to unique addresses. Thus, a property that enters the foreclosure flow may have multiple adjustments that result in the same foreclosure being counted more than once.

**Estimated Completed Foreclosures, Annually 2003 to 2008**

|  |  |  |
| --- | --- | --- |
| Year | Sheriff Deeds | Foreclosure Filings |
| 2011 | 2452 | 4634 |
| 2010 | 5367 | 7551 |
| 2009 | 7122 | 8398 |
| 2008 | 5576 | 7475 |
| 2007 | 3295 | 6433 |
| 2006 | 3353 | 5336 |
| 2005 | 4135 | 5155 |
| 2004 | 4090 | 5369 |
| 2003 | 4354 | 6361 |

Source: Philadelphia Sheriff’s Department, provided

by The Reinvestment Fund, April 2012.

Links to mortgage loans:

**Percentage of Seriously Delinquent Loans, by Type**

|  |  |  |
| --- | --- | --- |
|  | 2007 (December) | 2010 (December) |
| Prime Fixed | 2.4 | 4.5 |
| Prime ARM | 3.0 | 9.3 |
| Subprime Fixed | 11.6 | 25.5 |
| Subprime ARM | 16.5 | 34.5 |

Source: LPS Analytics; reported in Philadelphia Residential Mortgage Foreclosure Diversion Program: Initial Report of Findings, Philadelphia: The Reinvestment Fund

**Active Organizations/Efforts**:

There is a diverse group of interested participants in determining the scope of the issues involved, as well as strategies to be developed. In no particular order:

* Counting and locating properties: Vacant Land Task Force, Redevelopment Authority, PlanPhilly, local foundations, The Reinvestment Fund
* Foreclosure Support: The Reinvestment Fund, Community Legal Services, Sheriff’s Department
* Land Banking: Vacant Land Task Force, Philadelphia Horticultural Society (Philadelphia Green); PACDC; a partial listing of active organizations includes:

**Centro Pedro Claver, Inc.:** community-basedagency primarily serving low-income residents in the Franklinville section of Eastern NorthPhiladelphia.

**East Park Revitalization Alliance:** (EPRA) is a community-based project in the Strawberry Mansion section of North Philadelphia.

**Community LandCare**: Staffed by 20 part-timers, develop an 8-person crew hired directly from the neighborhoods of Strawberry Mansion and Brewerytown.

**New Kensington CDC:** New Kensington Community Development Corporationwasestablished to revitalize the NewKensington/Fishtown and Port Richmond communities.

**Ready, Willing & Able**: The Philadelphia chapter of Ready, Willing & Able (RWA) is a residential work-training program working in Eastern North Philadelphia.

**Tioga United, Inc.**:Tioga United began as a result of periodic greening projects performed by communityvolunteers, including children. Tioga is an area plagued with creeping blight, including a wave of demolition as part of the NeighborhoodTransformation Initiative.

**SELF, Inc.**:SELF, Inc. works in Philadelphia’s shelter system to develop addiction-free community support networks, partnering with Penn State Cooperative Extension, in North Central Philadelphia and Southwest Philadelphia

**University City District**:UCD seeks to build effective partnerships tomaintain a clean and safe environment and topromote, plan, and advocate for University City’scommunity, namely West Philadelphia, Mantua, and Southwest Philadelphia.

**South Philadelphia Block Association/Universal Companies**

Universal Companies, Inc., under the direction of musician/businessman Kenneth Gamble, concentrates its efforts within the South Central Philadelphia area

**The Village of Arts and Humanities**

The Village of Arts and Humanities is a community-based arts, education, and neighborhood development organization in North Philadelphia.

**Information Sources on Philadelphia Vacant Properties**

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Websites of Interest:

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http://planphilly.com

http://May8Consulting.com