

Real_estate — Town By Town

Town By Town: Gung-ho in Graduate area

Updated: JULY 6, 2014 — 3:01 AM EDT



Greater St. Matthew's Baptist, being reconstructed into rental apartments. (Viviana Perroti / Staff Photographer)



by Alan J. Heavens, Real Estate Writer @alheavens

One in a continuing series spotlighting real estate markets in the region's communities.



Town By Town: Gung-ho in Graduate area

When Mount Airy native Karrie Gavin moved in 2004 from Bella Vista to a larger rental in the neighborhood then known as Graduate Hospital, she wasn't sure it was the right decision.

"Almost immediately, I started to see drastic changes," says Gavin, who began selling real estate in the area from Broad Street to the Schuylkill, South Street to Washington Avenue, for Eifant Wissahickon Realtors four years ago.

"Older and abandoned houses were rebuilt, vacant lots were filled with new construction, and even the downturn couldn't stop it," she says.

Ten years, a husband, two children, and two houses later - they kept their first home as a rental - the neighborhood Gavin entered "tentatively" is now "a place special unto itself, no longer just an extension of Center City."

Call it what you like - Graduate Hospital, Southwest Center City, G-Ho, South of South, or just Graduate - this part of Philadelphia has gone from bargain to expensive since 2004.

Data collected and analyzed by economist Kevin Gillen, of the Fels Institute of Government at the University of Pennsylvania, show that the median price (half the homes sold for more, half for less) in first-quarter 2004 was \$115,000, or \$84 per square foot, on 130 sales within the boundaries for Southwest Center City generally accepted by agents and builders working there.

In 2014's first quarter, the median price was \$370,000, or \$288 a square foot, on 47 sales, he said.

The 19146 zip code in which Southwest Center City is included also encompasses some of the city's pricier condominiums (Symphony House) to the north of South Street, as well as rowhouses in Point Breeze.

Even during the housing bust that began in August 2007, prices remained relatively stable. The downturn's lowest price per square foot here, \$178, came in first-quarter 2009, which also saw the fewest sales, 32, the data show.

The largest number of sales in any quarter since 2007 was 112 in 2013's third quarter, he says.

The degree to which list price meets sale price and the number of days houses spend on the market attest to this neighborhood's recovery from the downturn, says Jeff Block, of Berkshire Hathaway Home Services Fox & Roach.

In many parts of the region, list vs. sale price averages 92 percent to 94 percent, interviews with real estate agents show.

In "Graduate," as Block calls it, list vs. sales price is 97 percent to 98 percent, "with 99 percent for new construction."

A supply shortage has resulted in multiple bids. Block recently sold a house in the 1900 block of Pemberton Street in three days for \$395,000 - it listed at \$389,000.

The sweet spot is \$300,000 to \$500,000 for resales, \$400,000 to \$600,000 for new homes, with "significant activity above and below that range," Block says.

Mickey Pascarella, of Keller Williams Real Estate, says houses here can sell in "35 to 50 days," with sales up 10 percent over 2012: "It's a one-two punch - this and Passyunk Square."

Pascarella says, and Gavin agrees, that many of their buyers are coming across the new South Street Bridge from jobs at Penn, Drexel University, and Children's Hospital.

"These well-compensated professionals need to spend time off-campus and not around a bunch of college kids," he says.

Southwest Center City is not just a neighborhood of homeowners, but of renters too, Pascarella says, since "a lot of larger homes on Christian Street were diced up into condos during the boom and then into rentals" when sales slowed.

And more rentals are coming on the market. Close to neighborhood game-changers Naval Square and 2400 South, Alon Barzilay is converting the landmark Greater St. Matthew's Baptist Church into Sanctuary Lofts, with 30 loft-style units in the 120-year-old church and eight in the Fitzwater Street rectory.

The project faced opposition over parking and density, residents say.

Monthly rents will range from \$1,300 to "upward of \$2,000," says Barzilay, who grew up at 25th and Spruce Streets, and considers adaptive reuse of churches "an evolving area" and is planning to do more elsewhere.

In the meantime, Brian Emmons, Toll Bros.' City Living division vice president, says all but three of 2400 South's 68 townhouses have been sold "a year ahead of schedule," and half the project's 59 condos sold in eight months.

"And we raised prices several times," says Emmons, adding that Governor's Residence at Naval Square will be sold as six condos, not one, as was planned earlier this year.

Noah Ostroff, a builder and an agent for Coldwell Banker Preferred, says he has watched the neighborhood "change tremendously in the last six years."

"In 2008, people wanted to be as close to South Street as possible," he says. "Then the cutoff became Fitzwater Street, then Carpenter Street." Now, "it's anywhere."

Southwest Center City is shy of vacant land, Ostroff says, and buyers seeking larger homes head south to Washington Avenue and over to Point Breeze.

"The growth area is to the south, where the prices are dramatically lower," says Chris Somers, of Re/Max Access. "New construction and rehabs are doing very well, especially since a lot of buyers today are willing to pay more for move-in condition."

There are plenty of million-dollar houses for sale these days, says Ostroff, offering a tribute to physician-turned-developer Joe Williams, whose Artisan Townhouses at Broad and Bainbridge Streets were the first to command such prices in 2007.

"He changed the gateway to this neighborhood," says Ostroff, who continues to build new here, too.

Town By Town: BY THE NUMBERS

Population: 10,000 (2010 estimate)

Median income: \$56,572 (2009)

Area: 0.391 square mile

Settlements in last three months: 100

Homes for sale: 103

Days on market: 61

Median sale price: \$370,000

Housing stock: A blend of old and new; rehabs, rentals, two- and three-story rowhouses.

School district: Philadelphia

SOURCES: U.S. Census; City-Data.com; Kevin Gillen, Fels Institute at University of Pennsylvania; Jeff Block, Berkshire Hathaway Home Services Fox & Roach; Mickey Pascarella, Keller Williams Realty

POPULAR STORIES

News: Surviving on street with a sign and a lie 6:35 AM



Pa. woman first in US diagnosed with new drug-resistant superbug 1:08 AM



POPULAR STORIES

News: Surviving on street with a sign and a lie 6:35 AM



Pa. woman first in US diagnosed with new drug-resistant superbug 1:08 AM

