



JUNE 22, 2011, 9:45 AM ET

## Philly Shows Love for Upscale Homes



Associated Press

Home values in Philadelphia depreciated 1.3%, compared with 3.9% in the suburbs in the first quarter.

Philadelphia's real-estate market is going upscale.

[Today's Wall Street Journal reports](#) that the City of Brotherly Love exemplifies a nationwide trend in housing: The [opposite ends](#) of the spectrum are doing better than the vast middle tier. Case in point: Last April, the \$12.5 million sale of a penthouse at [1706 Rittenhouse Square Street](#) set a record for Philadelphia residential deals. And the area around the luxury condos is getting more glamorous as a result.

Eugene's Tailor Shop just moved to its new location on N. 17th Street in Center City two months ago. Its storefront promises "luxury clothes" within.

"We chose this location because of the high-end clientele," said shop owner Eugene Tailor, an immigrant from Ukraine who changed his last name to match his profession (and, more importantly, to go easier on American customers' tongues). "We already have seen some improvements in business and are getting some clientele from this new building."

Indeed, on a recent afternoon, 1706 Rittenhouse was a picture of luxury. The doorman helped a resident wheel his things into the elevator; the bottom of the cart balanced a fur coat. The parking garage allows residents to park on a platform and exit the car. Vehicles are then automatically slid onto a shelf-like system and automatically parked; it's a "parking system the Jetsons would love," according to a recent headline in the Philadelphia Business Journal.

““What used to be the American dream home in the suburbs,” says developer Tom Scannapieco, “is now a high-end condo in the city.”

Indeed, home values in Philadelphia depreciated 1.3%, compared with 3.9% in the suburbs in the first quarter, according to Kevin C. Gillen, vice president of of Econsult Corp. His explanation for the success of luxury units: “Eds and meds,” he said, explaining why Philadelphia was not as hard hit by the recession.

Indeed, contrary to popular belief, the buyers of Philadelphia's multimillion-dollar properties are not all New Yorkers seeking deals.

They tend to be people like Daniel R. Deducsin, a real-estate developer himself who saw a 4,500-square-foot unit and “fell in love with it.” He and his wife were looking to downsize from their nearby 7,000 square-foot townhouse and were among the first to sign a contract at 1706 Rittenhouse.

“The space I have now, I use every inch of it,” he said.

Copyright 2008 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit [www.djreprints.com](http://www.djreprints.com)