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Does Ending Homelessness Increase Property Values?

Project H.O.M.E. releases report completed by Econsult and Wharton real estate economist Kevin Gillen showing that neighborhoods around Project H.O.M.E. facilities have better-than-average house price appreciation.

Philadelphia, PA. (January 31, 2008) – Project H.O.M.E. today formally released a new report, “Project H.O.M.E.’s Economic and Fiscal Impact on Philadelphia Neighborhoods,” which illustrates a link between neighborhoods in which Project H.O.M.E. is located and property price appreciation of 6.8 percent annually – 1.8 percent better than the City’s historical average. In an effort to ensure that the research was done with the utmost of integrity, Project H.O.M.E. enlisted Econsult Corporation to perform this analysis.

Today, Kevin Gillen presented his methodology, findings, and conclusions. S. Mary Scullion, Executive Director of Project H.O.M.E., and Joan Dawson McConnon, Associate Executive Director, spoke about why we undertook this inquiry and what we have learned. “We believe that ending homelessness is good for everyone in a community, and that working together to bring an appropriate project – in this case, one that helps people regain their lives – into a neighborhood strengthens it,” noted S. Mary Scullion. The study shows that Project H.O.M.E.’s presence is correlated with a \$31,000 increase in housing wealth to neighbors and a \$8.5 million revenue boost to the City to fund services.

According to the Center for Urban Community Services, Philadelphia lacks more than 10,000 units of housing to meet the needs of people who are homeless. There is a real need to reduce community opposition while building political will and funding resources to bring new projects to fruition.

“The data strongly indicate that the presence of a Project H.O.M.E. facility does not adversely affect property values,” said Econsult’s Gillen. “To the contrary, the reduction in the incidence of homelessness and the investment in real estate by Project H.O.M.E. is actually correlated with increases in neighborhood house values over time.” NIMBY, or “Not-In-My-Back-Yard,” is a major obstacle to siting new facilities in localities all over the country, precipitating the National Alliance to End Homelessness to create trainings on combating NIMBY and the National Law Center on Homelessness and Poverty to undertake a major anti-NIMBY campaign this year. A

similar analysis, conducted by Arthur Andersen in 2002 to examine the impact of supportive housing programs throughout the state of Connecticut, also found a beneficial impact of supportive housing programs on their surrounding communities.

“Our motto is that ‘None of us are home until all of us are home,’” said Sister Mary Scullion, Executive Director of Project H.O.M.E. “and when all of us are home, good things happen.”

About Project H.O.M.E

Since 1989, Project H.O.M.E. has helped more than 7,000 people break the cycle of homelessness and poverty by providing a continuum of care that includes street outreach, supportive housing and comprehensive services that focus on health care, education and employment. We also work to prevent homelessness and poverty through comprehensive neighborhood revitalization in North Philadelphia. These efforts include the renovation of vacant or deteriorated houses which are then sold to first-time homebuyers, economic reinvestment along the Ridge Avenue Corridor, greening of vacant lots, adult and youth education and enrichment programs at the Honickman Learning Center and Comcast Technology Labs and community-based health care services.

About Econsult

Econsult Corporation was founded in Philadelphia in 1979 for the purpose of providing high quality economic research and statistical & econometric analysis in support of litigation. Today our practice has expanded beyond litigation to include economic consulting services to assist business and public policy decision-makers. Econsult's academically distinguished consultants and affiliates combine quantitative expertise and experience with customized approaches designed to meet client's needs. The firm brings unrivaled expertise in estimating economic impacts, quantifying and evaluating real estate market trends, performing financial-feasibility assessments and financing options, and planning and implementing varying development strategies.

To read the report or for more information, go to www.projecthome.org or contact Laura Weinbaum, Director of Public Policy for Project H.O.M.E. at 215-232-7272 or lweinbaum@projecthome.org.