

Preservation **Phoenix**

S T Y L E

**A Study of the Impacts of
Historic Preservation in Phoenix**
Executive Summary | October 2021
Completed by PlaceEconomics

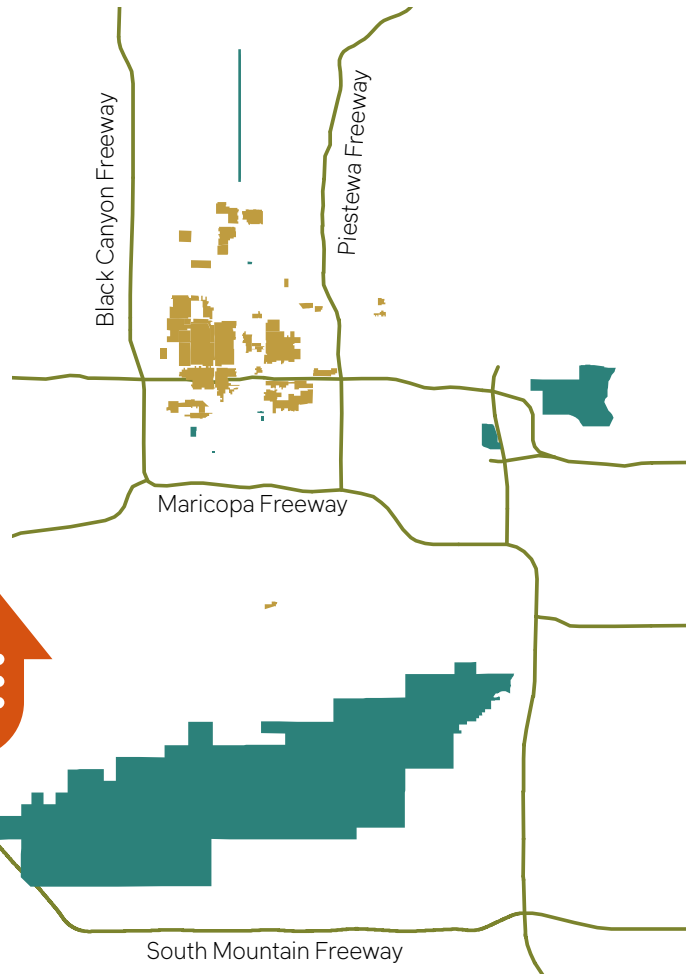


Executive Summary

Preservation Phoenix Style has paid dividends for the citizens of Phoenix—dividends measured economically, socially, culturally, and environmentally. The findings of this report demonstrate in numbers, pictures, and words those dividends. Preservation Phoenix Style has advanced established public goals including Prosperity, Connectivity, Sustainability, and Diversity.

LAND AREA

Collectively, local historic districts make up just under 30 square miles, or 6%, of Phoenix's land area. However, a large percentage of that land area comprises South Mountain Park Historic District, a 25.5 square mile natural land preserve. When South Mountain Park Historic District is excluded, the land area coverage of Phoenix Historic Districts shrinks to just over 1%. These historic districts are home to just over 1% of Phoenix's population.



PHOENIX'S LOCAL HISTORIC DISTRICTS COVER JUST OVER 1% OF THE LAND AREA, MEANING 99% OF THE CITY IS NOT SUBJECT TO HISTORIC PRESERVATION COMMISSION REGULATION.

POPULATION DENSITY

The historic neighborhoods of Phoenix are dense, home to 1,000 more people per square mile than residential neighborhoods in the rest of the City.



Historic Districts

4,965 people per square mile



Rest of Phoenix

3,970 people per square mile

Legend

- Residential Historic Districts
- Non-Residential Historic Districts
- Freeways

Prosperity

20% OF ALL JOBS IN ARTS, ENTERTAINMENT, AND RECREATION ARE IN THESE HERITAGE COMMERCIAL AREAS.

HERITAGE COMMERCIAL AREAS

This study looked at undesignated commercial areas with a concentration of older buildings. These areas experienced greater job growth than the rest of the city between 2010 and 2018 in key creative class and knowledge sector industries.



Jobs in Arts, Entertainment, and Recreation increased by 94%, compared to only 12% in the rest of the city.



Jobs in Accommodations and Food Services increased by 71%, compared to only 14% in the rest of the city.



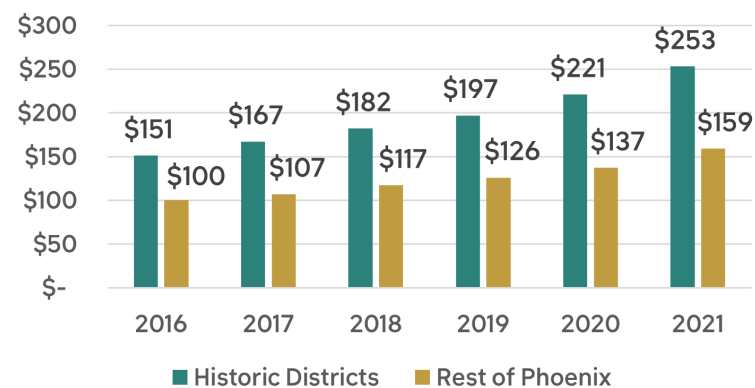
Jobs in Information increased by 32%, compared to only 2% in the rest of the city.

PROPERTY VALUES

Even during the last five years of a boom cycle in real estate, property values in historic districts have outperformed the city as a whole.

AVERAGE VALUE PER SQUARE FOOT

Homes in Local Historic Districts vs Rest of Phoenix



Connectivity

PROXIMITY

Proximity to parks, businesses, transit, and cultural amenities improves quality of life, is more environmentally sustainable, and supports the efficient use of infrastructure.



Historic districts have an average Walk Score of 64, which is 23 points higher than the city average.



Historic districts also have significantly higher Bike and Transit Scores than neighborhoods in the rest of the city.



91% of historic district residents live within walking distance of a park, compared to 49% of residents in the rest of the city.

FORECLOSURES

During the real estate crisis which accompanied the Great Recession, foreclosure rates in historic neighborhoods were measurably lower than the rest of the city, a pattern that has continued in every year since.

FORECLOSURES PER 1000 SINGLE FAMILY HOUSES

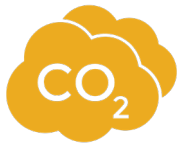
(2009-2012 Crash)



Sustainability

TREE COVER BENEFITS

Phoenix's Tree Keeper program demonstrates that historic neighborhoods have 7 times as many trees per acre as the rest of the city. These trees provide benefits such as shade to temper the urban heat island effect, enhanced biodiversity, energy savings, and carbon sequestration.



Trees in historic districts sequester **71 lbs of CO₂ per acre**, compared to 14 lbs per acre in the rest of the city.



Trees in historic districts save **742 gallons of water per acre**, compared to 144 gallons per acre in the rest of the city.



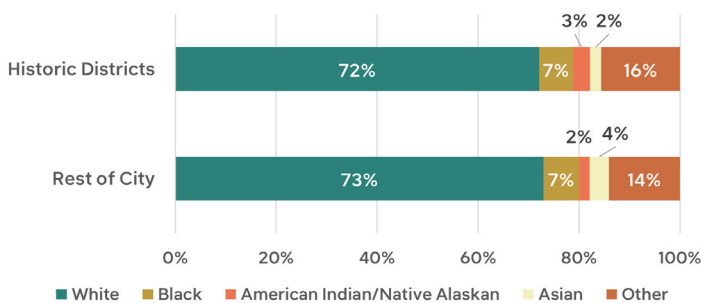
Trees in historic districts save **144 kWh of energy per acre**, compared to 23 kWh per acre in the rest of the city.

Diversity

DEMOGRAPHIC AND HOUSING DIVERSITY

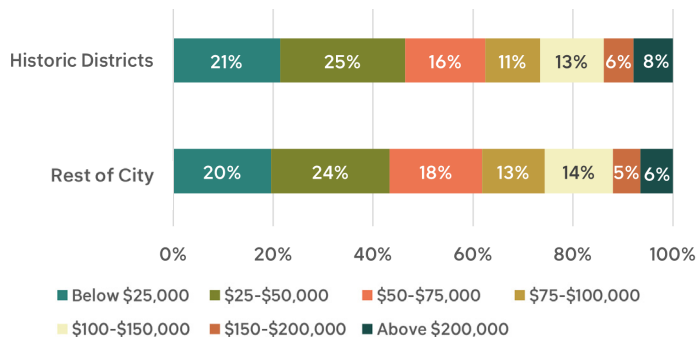
There is a persistent misconception that historic districts are only home to wealthy white people in big homes. However, historic districts in Phoenix mirror the diversity of the city as a whole. Far from being exclusive, they offer a variety of housing options that support neighborhood diversity.

RACE IN HISTORIC DISTRICTS VS REST OF CITY (2019)



DESPITE MAKING UP ONLY 1% OF THE LAND AREA, HISTORIC DISTRICTS ACCOUNT FOR 15% OF ALL PARCELS WITH 2 HOUSING UNITS, LIKE THIS DUPLEX.

HOUSEHOLD INCOME IN HISTORIC DISTRICTS VS REST OF CITY (2019)

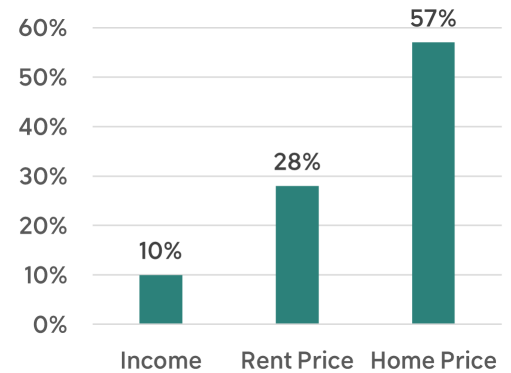


Older Housing and Affordability

Older housing stock plays an important and often overlooked role in providing unsubsidized affordable housing. In Phoenix, older neighborhoods have a **greater share of housing units affordable to low- and moderate-income households**. Demographic analysis shows that these neighborhoods provide housing for moderate-income, long-term, Hispanic homeowner households.

A city cannot be truly prosperous without an adequate supply of affordable housing for people of all incomes—and Phoenix is in a housing affordability crisis. Forty-six percent of Phoenix households are considered low income, very low income, or extremely low income. Both rents and home prices have risen faster than wages since 2010, making it increasingly burdensome for low-income households to live and work in the city. With nearly half the population considered “low income,” Phoenix cannot build itself out of this crisis. Therefore, the preservation of existing affordable housing must be a key strategy.

HOME COSTS RISING FASTER THAN INCOME (2010-2018)



Source: Housing Phoenix Report, American Community Survey, US Census Bureau (2018)

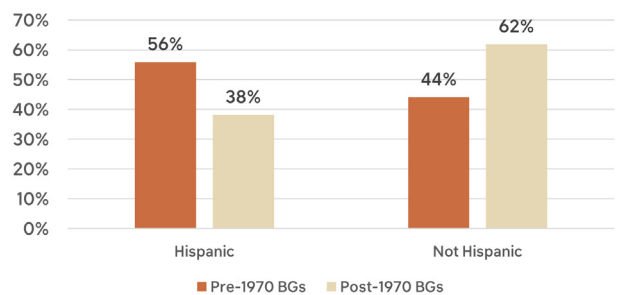
Phoenix's inventory of older housing stock is providing affordable housing largely without subsidy, likely due to its age, condition, and smaller unit size. While new construction must be part of the affordable housing solution, that will be neither cheap nor sufficient. It is critical that older affordable housing be maintained.

In order to get a general understanding of the patterns of older housing in Phoenix, this analysis selected census block groups where 50% or more of the housing units were built prior to 1970. Of the 967 block groups in Phoenix, 254 met that test. Only 14.5% of the City's land area is covered by these block groups. 70% of housing units in these block groups were built prior to 1970, but these areas are largely undesignated - historic districts cover only 5% of the land area in these study block groups.

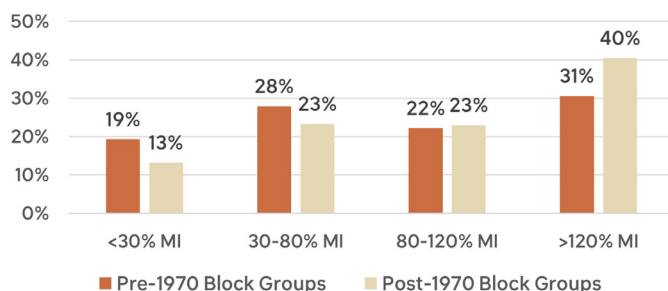
DEMOGRAPHIC CHARACTERISTICS OF PRE-1970 BLOCK GROUPS

When looking at demographic characteristics of Pre-1970 block groups, it is clear that older neighborhoods are housing low-to-moderate income, long-term, Hispanic homeowner households.

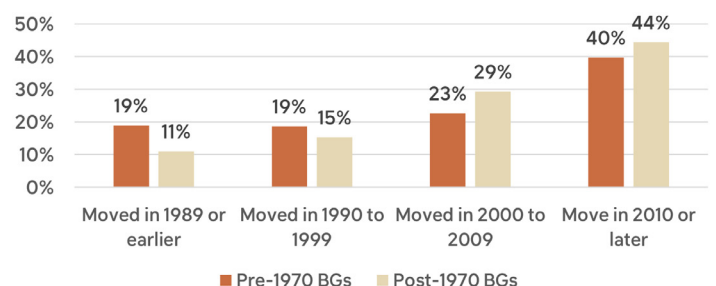
ETHNICITY



HOUSEHOLD INCOME

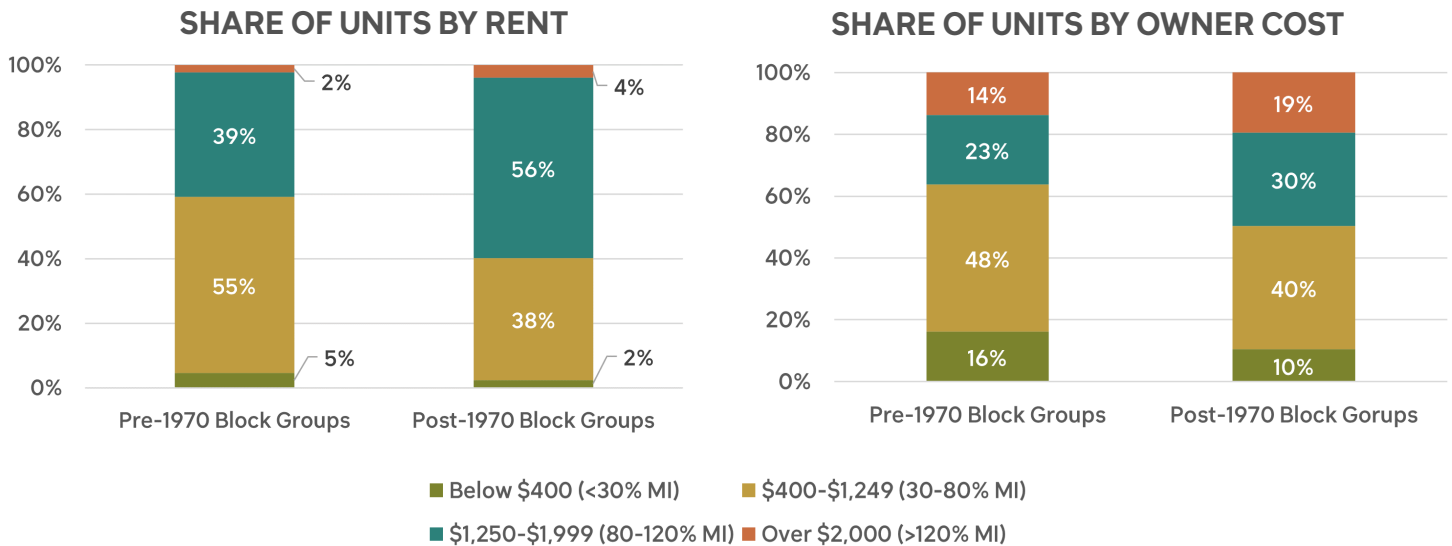


OWNER - LENGTH OF RESIDENCY



HOUSING COSTS IN PRE-1970 BLOCK GROUPS

The best indicator of housing affordability is housing cost, specifically the number of units available at a price point that is affordable to lower income households. An analysis of monthly rents and owner costs in these pre-1970 block groups reveals that older neighborhoods offer units at a diverse range of price points. Moreover, it reveals that areas with a concentration of older housing have a greater share of housing affordable to both low-and-moderate income households than the rest of the city.



HOUSING COST BURDEN

Households are considered housing cost burdened if they spend more than 30% of their monthly income on housing costs. Overall, 33% of Phoenix households are cost burdened, 25% of which live in block groups with a concentration of older housing. Within those block groups with a concentration of older housing, 26% of homeowners and 47% of renters are housing cost burdened. This is just slightly more than the share of cost burdened homeowners and renters in the rest of the city. Even though there are more lower-income households in these areas, they are not significantly more cost-burdened, likely due to the lower rents and monthly owner costs demonstrated above. There being little statistical difference in cost-burden between pre- and post-1970 block groups suggests that housing costs in these older areas are proportional to the incomes of households that live there. Simply put, lower income households choose to live in the older neighborhoods, where costs are lower, because it puts less burden on their monthly income. It is worth noting, that in both pre- and post-1970 block groups, renters are significantly more likely to be cost burdened than homeowners.

Even though there are more lower-income households in these areas, they are not significantly more cost-burdened, likely due to the lower rents and monthly owner costs demonstrated above.

SHARE OF RESIDENTS THAT ARE COST BURDENED

