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Upcoming speaking engagements

[PennTrans Annual Meeting](#)

Keynote speaker -
Chris Leinberger

4:30-6:30pm
September 15, 2011
McCormick & Schmicks
Philadelphia PA

Arcadia Reading Corner

[The Option of Urbanism](#)

by Arcadia partner,
Christopher B. Leinberger.

Americans are voting with their feet to abandon strip malls and suburban sprawl, embracing instead a new type of community where they can live, work, shop, and play within easy walking distance.

[Views of Seaside](#)

by Seaside Institute.

A book about the iconic community of the New Urbanism-- Seaside-- developed by Arcadia partner, Robert Davis.

[Last Harvest](#)

by Witold Ryczynski.

A book about American development told through the lens of Arcadia's New Daleville community in Chester County.

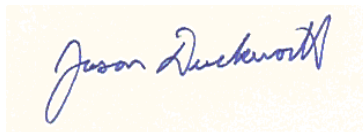
Greetings!

Arcadia is please to announce the debut of our real estate loan mapping service to new bank clients. After a two-year trial with a major mid-Atlantic bank, we are now offering this web-based system called [Arcadia LoanMap](#) to others who wish to understand geographic concentration risks in their real estate portfolios. Please read below.

Have we reached the bottom yet? We recently updated our periodic housing affordability analysis for the Philadelphia MSA. While prices have definitely come off peak highs, price-to-income and price-to-rent ratios suggest that house prices are still at the higher end of historic norms. We find these metrics to be a helpful; I hope you do too.

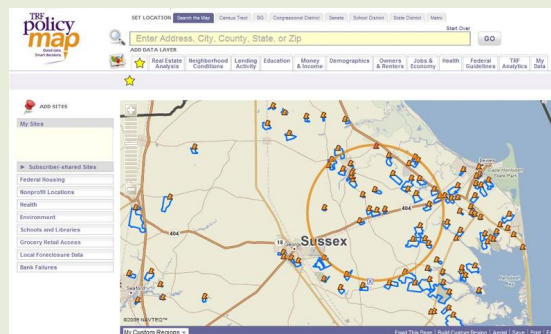
As always, we appreciate your interest and support.

Stay cool,



Jason Duckworth

Arcadia builds RE loan mapping system for major bank: web-based tool for geographic concentration risk.



Banks are under increasing pressure from regulators and shareholders to identify and manage risks in real estate loan portfolios. While many banks already can evaluate loan portfolios for borrower or property-type concentrations, few banks have systems to evaluate geographic concentration. In other words, most banks cannot actually map their commercial real estate loan portfolio.

Arcadia has worked for two years developing such a loan mapping system, called [LoanMap](#), for a major mid-Atlantic bank. This secure web-based system enables the bank to see all loans on residential tracts and to classify those loans by loan status (i.e., REO, workout, performing), product type (i.e. townhouse vs single-family), and other criteria. Now, when a new loan is made, it is clear what other loans the bank has around the location of the proposed loan's collateral.

Our loan mapping system also contains market data and record plans of all surrounding subdivisions so that the market context can literally be seen and understood. Quantitative data such as lot counts, house sales, average home prices, etc. are also in the system, making it easy to determine facts like:

- Total vacant finished lots within a given sub-market;
- Current new home absorption within X miles of a given tract;
- Bank's lot collateral as percentage of lot supply in market.

Arcadia partnered with [PolicyMap](#), a web-based GIS provider associated with the [Reinvestment Fund](#), to build the system. In addition to the market and loan information prepared by Arcadia, PolicyMap provides a rich contextual database including population, incomes, jobs, home sales, and HMDA (Home Mortgage Disclosure Act) data that can improve decisions for new CRE loans and workouts.

Potential applications for the data include: individual home loan portfolios, CRE, and loan categories with significant geographic concentrations (e.g., student housing, industrial).

To learn more about Arcadia's CRE mapping solutions for your institution, please contact Rich Wilson at (610) 659-5400 x26 or rich@arcadialand.com

Are home prices in the Philadelphia metro back within historic ranges of affordability?

Price to rent ratio - Philadelphia MSA

In November 2008, we analyzed home prices in the region to answer the question: are prices affordable yet? We revisit this analysis today to see whether home prices have truly returned to historic ranges relative to rents and household incomes.

While Philadelphia MSA house prices have clearly retreated (FHFA data suggest that the region is off 11% from its 2007 peak), our ratio analysis suggests that prices may still be at the high-end of historic norms.

The ratio of house prices to rents at the end of Q1 2011 was 13.3, still above the range that was typical in the 1990s. Similarly, house prices are still a higher multiple of incomes than in year 2000, a fact that may be as much related to income stagnation as to house price appreciation. A Philadelphia Inquirer article on July 17, 2011 brought the phenomenon of stagnating incomes to life in a story about families in [Willingboro](#), New Jersey.

Until household finances stabilize and improve, house prices will be at risk. The apparent correlation between regions with strong employment trends (e.g., see [Brookings' metro employment analysis](#)) and those with housing market stability is not surprising.

Farmhouse restored at Sadsbury Park.



While site work continues at [Sadsbury Park](#), Arcadia's newest traditional neighborhood development, substantial progress has already been made in the restoration of the property's 18th-century farmhouse. Arcadia partnered with [Earthcare](#), a leading landscape and erosion control services firm based in Honeybrook, PA to ensure that the building would not only remain, but be restored handsomely as an asset to the community. Scott Risbon, Earthcare's owner, deserves immense credit for bringing this sturdy home back to its former glory.

The Sadsbury Township Historical Society recently celebrated the restoration of the farmhouse, a building that was once home to John Pinkerton, a soldier in the American Revolution.