Real estate and rentals

About half the residential properties in Pottstown are rental units, which many citizens think are a major source of Pottstown’s problems. If we just got tougher with code enforcement, the thinking goes, landlords would fix up their properties and attract a better class of tenants.

It’s not that simple.

Pottstown’s historic architecture is beautiful and ornate, but also expensive to maintain. In 1984, as part of a civic movement to fix up Pottstown architecture, I bought 53 King Street for $11,000. It had been a rooming house since the 1920s and abandoned by 1980. It took me more than six months to gut the building, and I spent $120,000 in addition to my sweat equity to turn it into four one-bedroom apartments.

At that time the codes director, Carroll Mattingly, ruled that four apartments would attract fewer people and a better clientele than a rooming house. Because the building contributed to the National Register Historic District in which it was located, and the renovations met historic standards, I qualified for a 25 percent credit on our federal income taxes, which amounted to $30,000.

The building was all new inside when it was finished. Each unit had its own heating and cooling system, the latest appliances and individual washer-dryer units.

But the building had no off-street parking. Most potential tenants loved the building but were leery of the neighborhood. I continued to own the building until 2003, and during those 18 years had 28 tenants. I never had a terrible tenant, but they required frequent attention.

I sold the building in 2003 for $150,000, which meant I didn’t lose any money, but I would have been better off financially if, in 1984, I had simply invested my money in mutual funds. But I loved the restored building and hated to give it up.

Just before I sold it, I had it painted again for nearly $15,000.

The building was sold a second time in 2006 for $275,000. I don’t know the current owners, who live in Chester County, but I do know they couldn’t possibly be making enough money from the rents to break even on the property, much less profit from it.

Moreover, the building desperately needs another paint job, which would probably cost at least $20,000.

With an enormous amount of interior space, but no yard and no off-street parking, 53 King Street could never be practical as a single-family dwelling.

Until property values rise, Pottstown’s problems with languishing buildings can’t be solved simply through code enforcement. We need property owners with financial resources as well.