It’s all about economics

Perhaps no other building illustrates Pottstown’s real estate quandary better than 323-325 King Street.

The building was probably constructed as two single family houses in the 19th century, but by the 1940s it had been turned into apartments.

In recent years, both sides of the building became vacant, and squatters moved in. It was offered free to the adjacent YWCA, which accepted ownership of the building in 2015.

Stacey Woodland, executive director of the YWCA, says the Y is willing to work with any government entity or non-profit to restore the building in the public interest.

The first problem is taxes. The building is tens of thousands of dollars in arrears for both real estate taxes and unpaid utility bills.

The borough, school district, and county would have to waive their right to collect.

The next is economics. At my request, a historic preservation architect, Mary DeNadai, toured both sides of the building to determine whether it was beyond repair, and if not, to provide a ballpark estimate of renovation costs.

DeNadai said the building was structurally sound, but would need to be gutted for restoration. Of particular concern is the failed roof, which is allowing a great deal of rainwater into the building. Not just the roof, but the roof structure would need to be replaced. Her estimate, without a detailed investigation, was $400,000 to restore both sides as single homes.

If it was restored for offices or apartments, it could qualify for a 20 percent federal tax credit, but the total cost might still be $400,000, depending on codes and the number of kitchens and bathrooms needed.

Meanwhile, at the behest of Pottstown Councilor Sheryl Miller, Marianne Lynch of Habitat for Humanity also toured the building. Habitat, of course, focuses on home ownership. She concluded that restoring 323-325 King Street would be far more challenging than anything Habitat has ever undertaken, and even so, the restored homes would be much larger than any Habitat family would want.

She suggested tearing down the entire building and replacing it with two smaller twins. Estimated demolition cost would be $60,000, not including environmental remediation, which could be up to $35,000 or more.

Building new twins would cost $100,000 to $120,000 each.

Given the building’s location, neither option—restoration or replacement — is economically viable. And as owner of the building, the YWCA would have to approve whatever is done.

Could Pottstown force the YWCA to spend money it doesn’t have to resolve the situation? Not likely. Until property values rise, Pottstown’s problems with languishing buildings can’t be solved simply through code enforcement.