Creating homes for renters

After decades of growth, the percentage of owner-occupied homes in southeastern Pennsylvania peaked 15 years ago. Since then, there has been a growing demand for rental units.

Millennials, especially, can’t afford a down payment on a home because of student and other debt.

But Pottstown also has a significant population that simply doesn’t have the income and stability to buy and keep up a home.

For years, renters have been considered less desirable than homeowners. And landlords were considered less than respectable.

Meanwhile, Pottstown has a large stock of modest homes — twins and clapboard (now vinyl or stucco) houses — that fall short of today’s suburban dream.

Keith and Christa Costello represent a new breed of landlords that have found ways to economically renovate derelict houses and provide nice homes. Since 2011, they have bought, renovated, and brought 20 residential properties up to code, which they lease.

The Costellos, parents of four, both had good-paying jobs at IBM. But in 2009, Christa was laid off when her entire department was outsourced to India.

Looking for a more stable source of income, and always interested in real estate, the Costellos invested Christa’s severance and savings into purchasing their first rental property in the borough.

“Pottstown had a lot of run-down and vacant homes,” says Keith, who is still employed by IBM and works from home, “but you could tell the town was really cool. We made it our mission to ‘change the face of Pottstown, one home at a time.’”

When they started there were a lot of nay-sayers. “We felt like we were on an island by ourselves.”

They readily found a lot of dilapidated properties that needed a lot of work and turned them into pleasing places for people to rent.

“You have to care about your tenants if you want them to care about your place. We are creating homes for people.”

Today, they have far more prospective tenants than they have vacancies.

Above, some of the 20 Pottstown rental properties renovated since 2011 by Keith and Christa Costello, which they still own. These houses may not be glamorous, but they make for pleasing, affordable homes.