

# Housing Market Analysis 2013: A Call to Action

Lancaster County, Pennsylvania

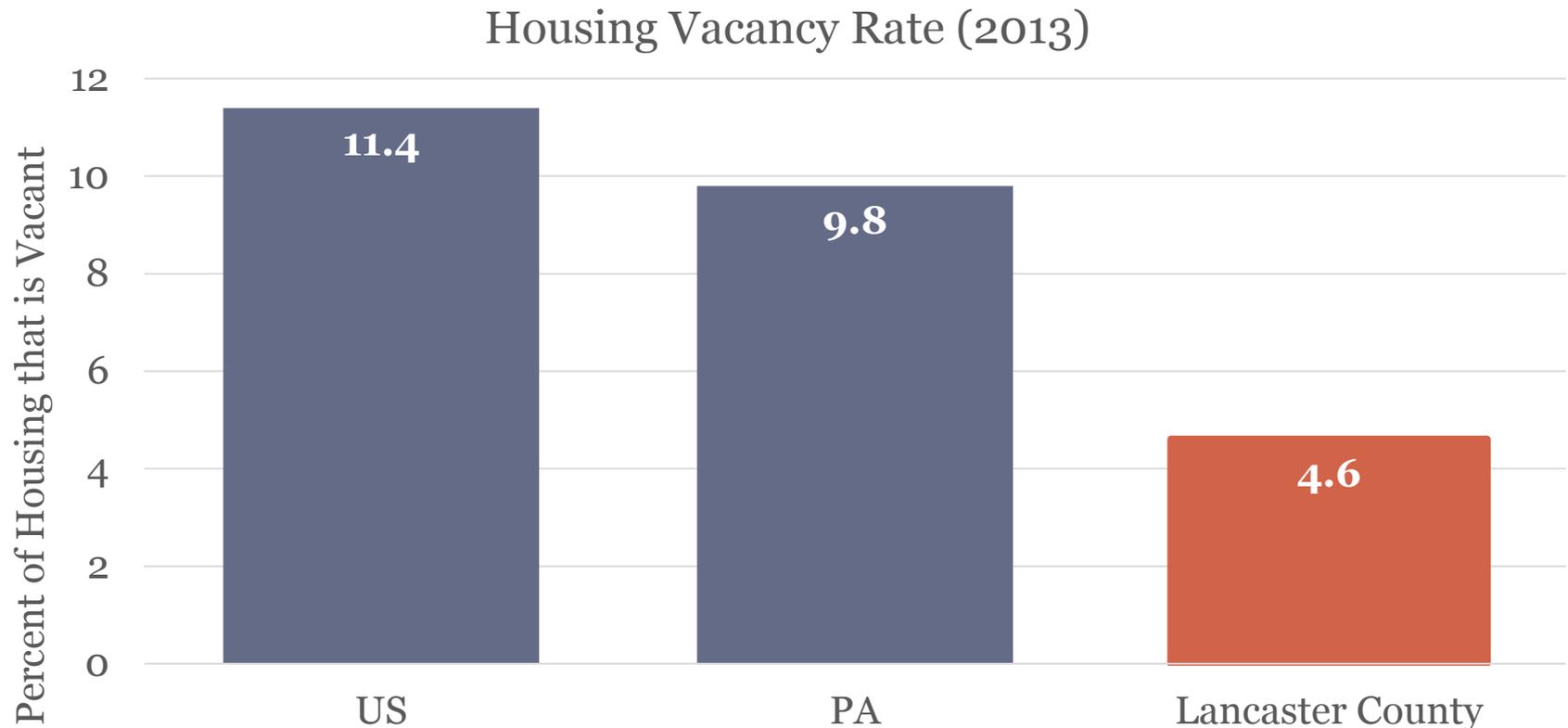


# Current Conditions

## Housing in Lancaster Today:

- Low housing vacancy rates
- Increasing rental rates
- Increasing housing costs & rates of housing cost burden
- Increasing transportation costs due in part to the location of housing
- Mismatch between housing supply and demand
- Older housing stock requires maintenance and reinvestment

The housing vacancy rate in Lancaster County is extremely low; our housing stock is at **functional full capacity.**

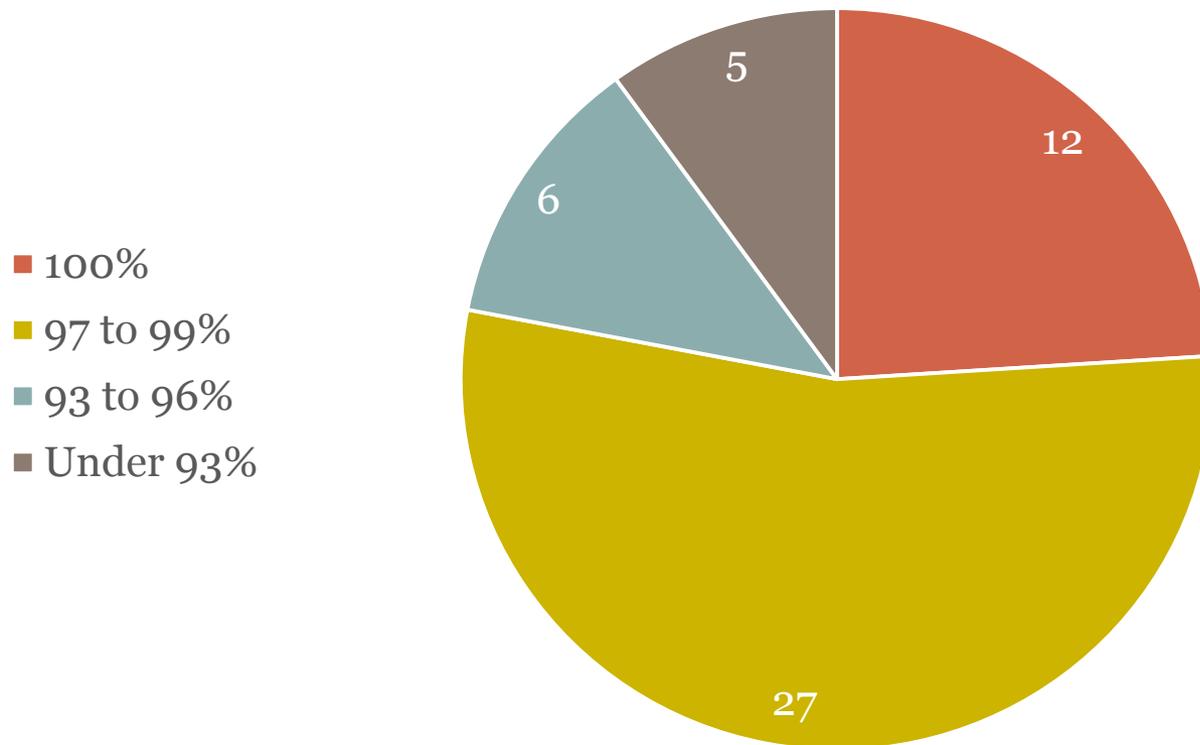


Source of US & PA Data: 2013 Claritas

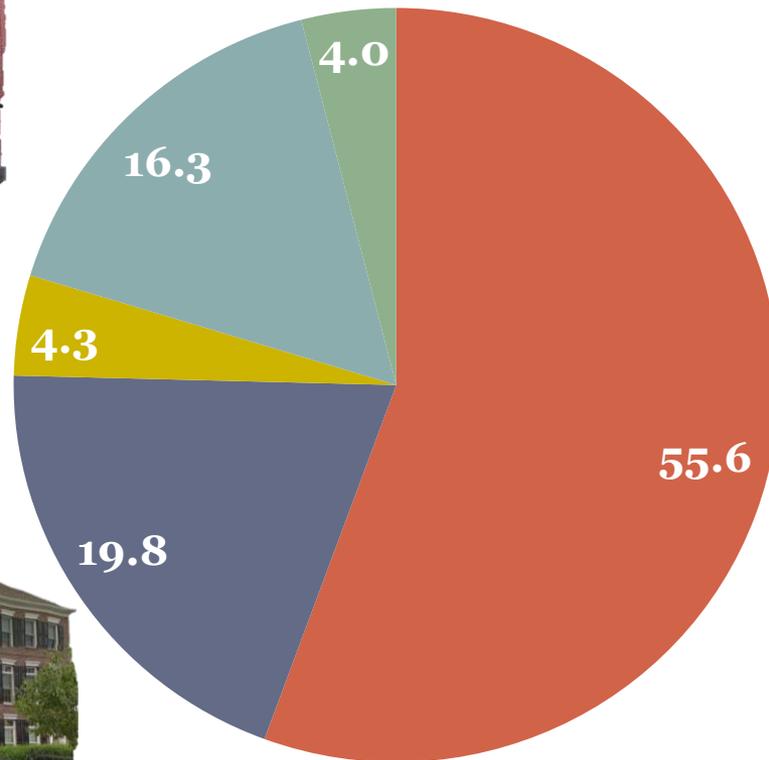
Source of Lancaster Data: 2013 Claritas/HMA 2013 by Zimmerman/Volk Associates

An August, 2013 survey of rental properties in Lancaster County indicated an **occupancy rate of 97.4%.**

Total Surveyed Rental Properties by Occupancy Rate (2013)



We have more single-family detached housing than all other housing types combined.



Housing Type by Units in Structure (2013)

- Single-Family Detached
- Single-Family Attached
- Duplex
- Multi-Family
- Mobile Home

# Lancaster County Today: Age of Housing Stock

- **46%** of housing units in the county were built more than 40 years ago.
- In Lancaster City...that figure is **84%**.
- Older homes require investment in order to keep them in good condition.
- Maintenance costs can quickly add up & overwhelm lower-income homeowners or landlords.

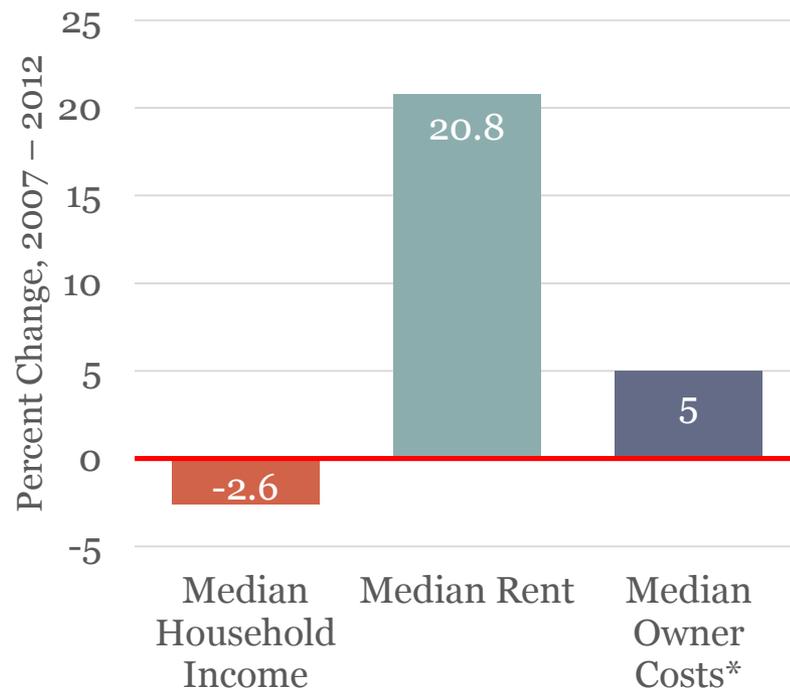


When housing is not maintained, it can become **hazardous** for occupants and whole communities.



# Incomes are not keeping pace with housing costs.

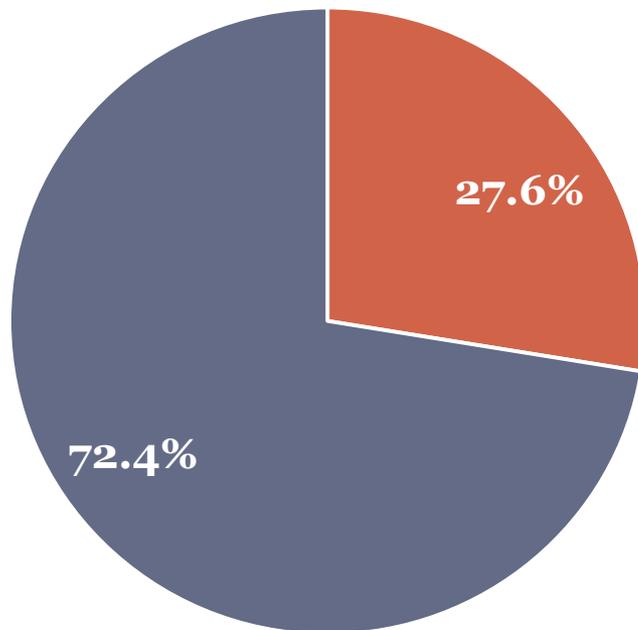
Percent Change in Median Housing Costs and Incomes in Lancaster County, PA, 2007 – 2012



Year	Median Household Income	Median Rent	Median Home-Owner Costs*
2007	\$52,764	\$726	\$1,355
2008	\$55,850	\$786	\$1,431
2009	\$55,673	\$779	\$1,432
2010	\$51,740	\$822	\$1,417
2011	\$53,387	\$834	\$1,471
2012	\$51,371	\$877	\$1,423

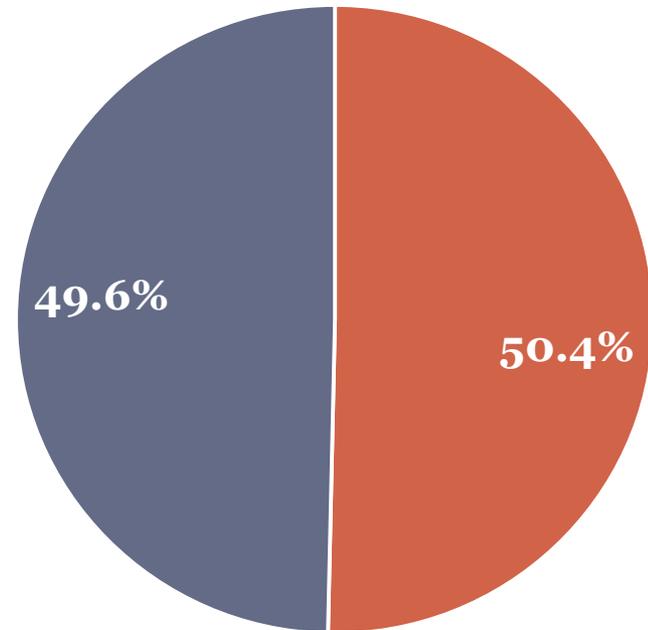
When people spend more than 30% of their income on housing costs, they are **housing cost burdened**.

Owned Housing Units with a Mortgage



■ Cost Burdened ■ Not Cost Burdened

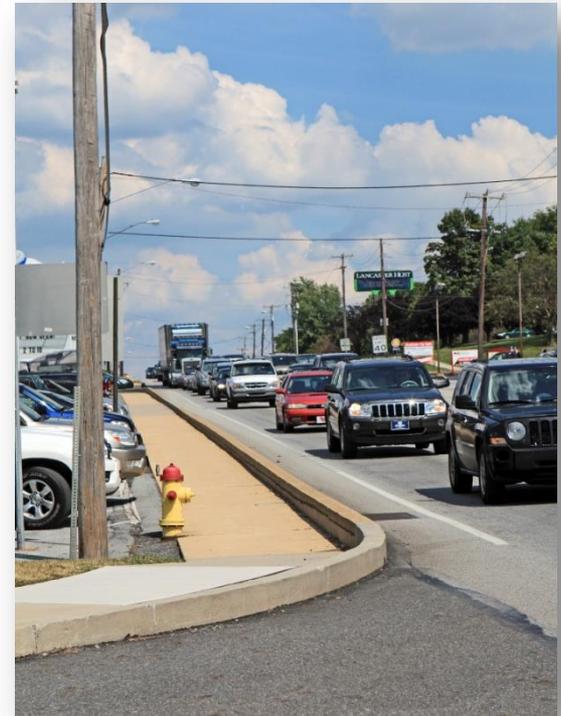
Rented Housing Units



■ Cost Burdened ■ Not Cost Burdened

Homes and jobs continue to be spread out across the county, resulting in traffic congestion, longer commute times, and **higher transportation costs**.

- **72%** of county households have a housing/transportation cost burden of more than 45% of income.



# Lancaster County **Today**: Household Types

Empty-Nesters & Retirees	Families	Younger Singles & Couples
52%	29%	19%



# Future Conditions

## **Housing Market Potential in Lancaster Over the Next 5 Years: 2013 – 2017**

- Younger singles & couples will form the most households
- High demand for rental housing & apartments
- Need for diverse price points

# Lancaster County **Tomorrow**: Households

Market Potential: 2013 through 2017

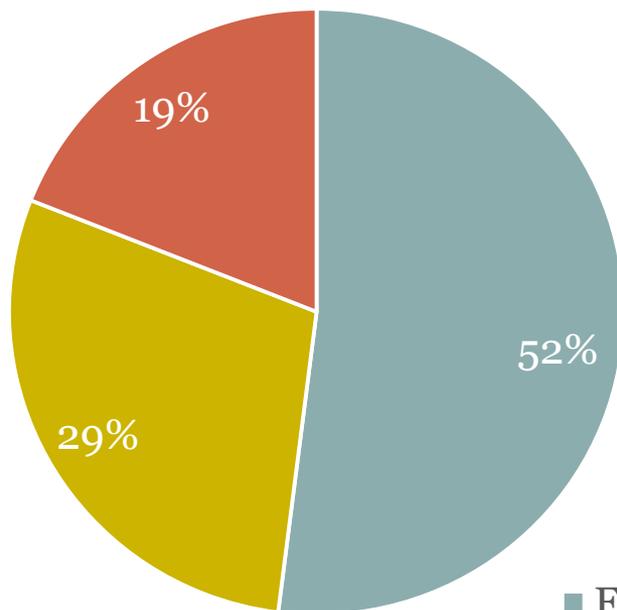
Empty-Nesters & Retirees	Families	Younger Singles & Couples
24%	31%	45%



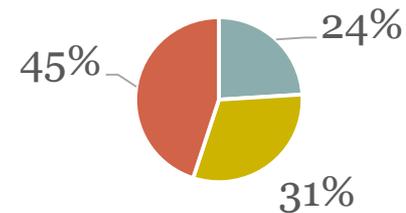
Over the next 5 years,  
**younger singles & couples will dominate**  
the market for new housing.

**Households Today: 197,395**

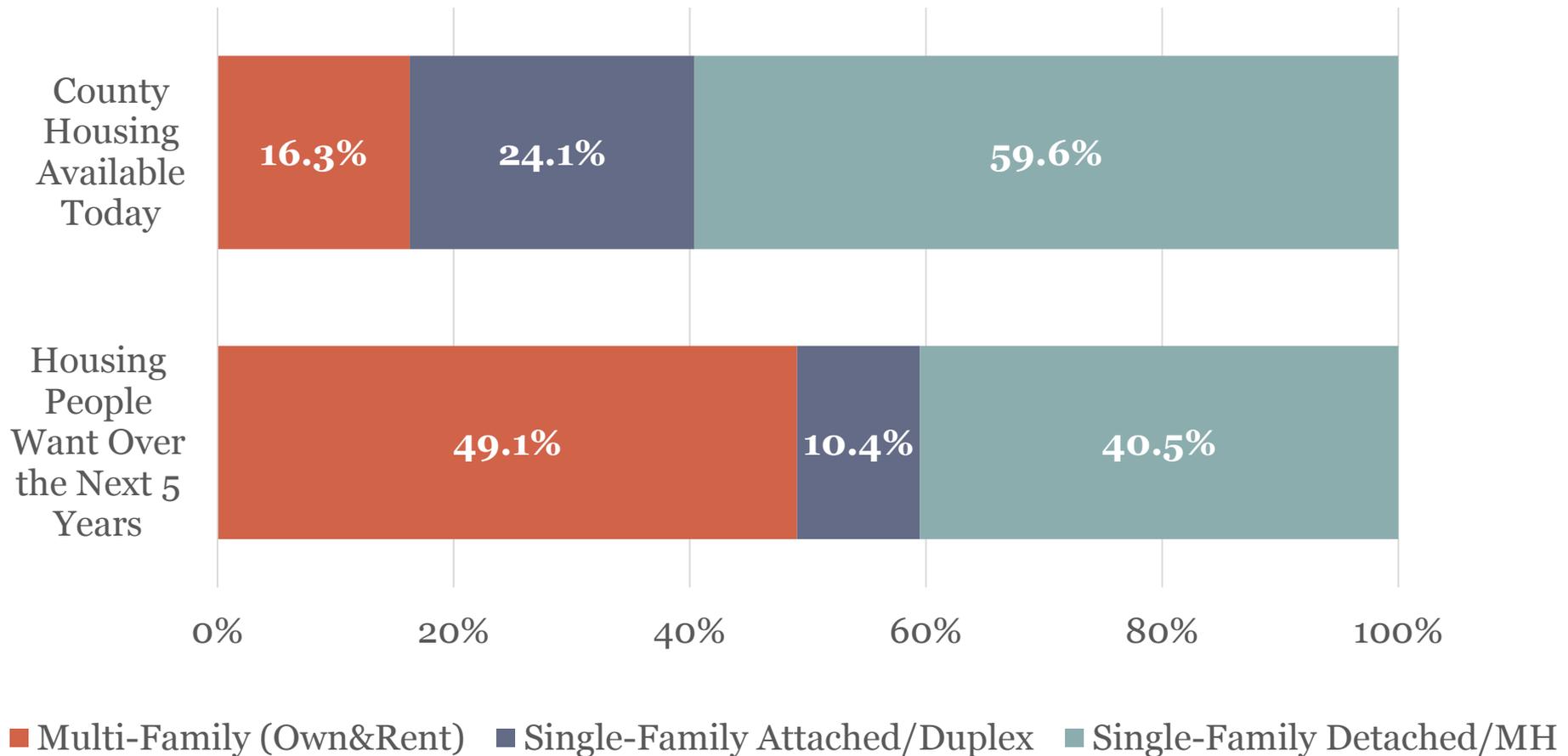
**New Unit Market Potential 2013 – 17:  
8,235 to 14,000**



- Empty-Nesters & Retirees
- Families
- Younger Singles & Couples



Over the next 5 years, people will be looking for far **more multi-family housing** than is currently available.



# Who lives in affordable housing?

HUD Defines “Low Income” as households earning less than...

Family Size	80% of Area Median Income	Hourly Wage for Single-Wage Family	Hourly Wage for Two-Wage Family
1	\$39,200	\$18.85	-
2	\$44,800	\$21.54	\$10.77
3	\$50,400	\$24.23	\$12.12
4	\$56,000	\$26.92	\$13.46
5	\$60,500	\$29.09	\$14.55

HUD also uses additional levels: “very low income” (<50% AMI) and “extremely low income” (<30% AMI) to categorize income.

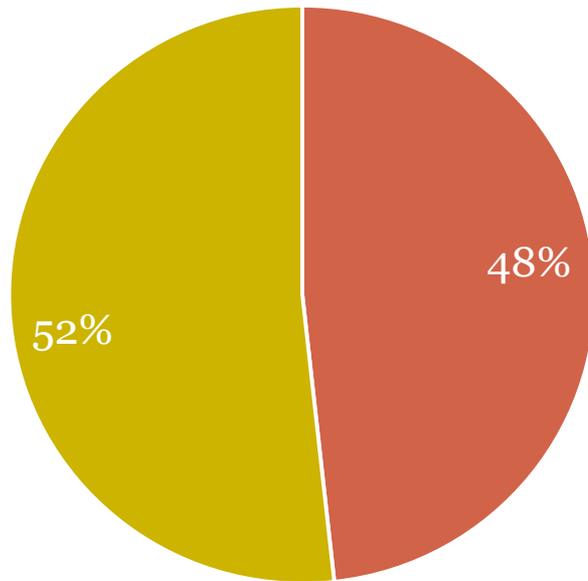
Median Annual Wages in Lancaster County (May, 2014)

- Carpenters - \$37,190
- Roofers - \$33,510
- Preschool Teachers - \$26,440
- Retail Salesperson - \$22,320
- Janitors & Cleaners - \$26,200
- Nursing Assistants - \$28,880
- Security Guards - \$24,390
- Restaurant Cooks - \$23,340

Sources: US Department of Housing & Urban Development  
PA Department of Labor and Industry

# Nearly half of the households looking for housing over the next five years will be “low-income.”

Percent of Households Looking for Housing Over the Next 5 Years by Income



■ Low Income

■ Higher Income

## What is “low income”?

- A household that earns less than 80% of the area median income (AMI).
  - Family of four: \$56,000
  - Single person: \$39,200
- Many people are employed full time at good jobs and are still considered to be “low-income.”

# Key Challenges & Concerns

- Providing enough multi-family/rental housing options.
- Providing housing at a variety of price points.
- Maintaining our aging, existing housing stock.
- Providing housing near jobs, schools, transportation and existing infrastructure.

# Why Housing Matters



- ❖ To maintain a strong economy, we need jobs.
- ❖ To continue to attract good jobs, we need an ample supply of well-educated workers.
- ❖ To get workers to their jobs, we need a diverse, efficient transportation system.
- ❖ None of this happens without quality, affordable housing...the right type, at the right price, in the right place for each household.

## We Envision A Community Where...

- Safe, quality rental housing is viewed as essential infrastructure.
- A wide range of rental housing is available at a variety of prices and in a variety of locations.
- Barriers to development of new rental and mixed-used residential communities are removed.
- Barriers to thoughtful conversion of existing housing into quality rental housing are removed.
- Uniform and reasonable inspection and maintenance requirements are implemented.





- **LHIFT** is a regional revolving loan fund that attracts investment from the community in the form of tax deductible and Community Reinvestment Act (CRA) credit eligible contributions and investment loans.
- **LHIFT** is available to make *flexible, low interest* loans within the 8 county region of south central PA (Adams, Cumberland, Dauphin, Franklin, Lancaster, Lebanon, Perry and York) for affordable housing or mixed-use, mixed income projects.



## What Activities Will LHIFT Finance?

- ***Pre-development costs, bridge loans or gap closing*** to developers seeking tax credits for construction of affordable home ownership and rental housing.
- ***Construction*** of new or rehabilitation of existing structures into affordable multi-family housing.
- ***Physical Improvements*** to buildings and living conditions in mixed-income and potentially mixed-use buildings in downtowns of cities, boroughs, and villages.
- ***Acquisition*** of homes and/or other properties for ***rehabilitation*** and resale for either affordable home ownership or rental opportunities.

# We are asking for a lot of help...

## Municipal Officials

Keep an open mind and remove the regulatory barrier to quality rental housing.

## School District Officials

Recognize the importance of quality rental housing and support its development at the municipal level.

## General Public

Advocate to your neighbors and elected officials for quality rental housing.

## Civic Organizations

Be engaged with us in mutually advocating for the community benefits of quality rental housing.

## Business Community

Be vocal advocates for the economic benefits derived from quality rental housing.

## Builders/Developers

Build more market-driven, mixed- income quality rental housing.

## Coalition for sustainable housing (C4SH).

### WHO WE ARE

A diverse coalition of **60+** concerned people and organizations:

- Municipal officials/governmental agencies
- Non-profit organizations
- Employers/businesses
- Economic development professionals
- 
- 
- **You?**

### OUR GOAL

To accomplish an increase in the supply of rental housing (market rate & affordable) as part of a diverse housing market that contributes to the economic vitality of Lancaster County.

## Coalition for Sustainable Housing (C4SH).

**Key Issues that must be resolved in order to accomplish an increase in multi-family housing to meet market demand:**

- **Lack of Public / Local Gov't Acceptance**
- **Funding / Financing for Multi-Family Housing**
- **Poor Property Conditions and the Disposition of Condemned Properties**
- **Widening Gap Between Income and Housing Costs**

**Work Groups were formed to develop strategies to reduce or eliminate barriers in solving the identified issues. This will form a strategic plan for the Coalition.**

# Thank you!

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