



CENTRAL REGION

CAMBRIDGE SPRINGS

COCHRANTON

MEAD

MEADVILLE

SAEGERTOWN

VERNON

THE MEAD SUBMARKET

Comprising much of central Crawford County just east of Meadville, the Mead Submarket contains five municipalities including most of West Mead, East Mead, Randolph, and Richmond townships along with the Borough of Blooming Valley. The Mead Submarket lies entirely inside Crawford County and is adjacent to the Cambridge Springs, Saegertown, Meadville, Vernon, Cochranon, and Townville submarkets.

A HOUSING ECOSYSTEM ANALYSIS OF THE MEAD SUBMARKET (FOR A VISUALIZATION OF THE TEXT BELOW, SEE PAGE 10) –

We have placed the factors that determine a housing market’s characteristics into three categories: drivers, influencers, and indicators. Analyzing the trends and statistics related to these characteristics can guide local communities towards those housing interventions and strategies that make the most sense for them.

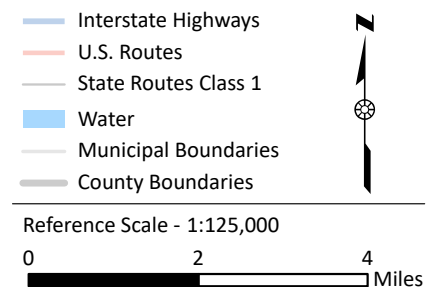
Drivers are those forces that directly propel the need for housing units or development. Drivers are designated by this icon (⚡). Our analysis identifies three major drivers: job growth, population growth, and housing stock growth. The pushing and pulling of these driving forces with each other creates the broad model of the housing market. To simplify, job opportunities attract people to an area, and in reverse, a population already in place may help attract employers. The housing stock of an area is the physical result of these population and economic trends and also drives them in turn, since its attractiveness and contribution to quality of life may attract people, or if in poor condition or unable to meet their needs, may repel them. We can collect the results of these broad forces into broad outcomes, designated by this icon (📊), namely total jobs, total population, and total housing stock.

Within this model, influencers are more specific, measurable aspects of the housing market that reflect these driving forces and, in response, may make an impact elsewhere in the market. Influencers have this icon (🔗). For instance, the influencer “Household Income Change” may be a response to a change in the wages offered from area jobs; in turn, this change in income may influence the choice of the homeowner to make renovations or move to a better home, which impacts the housing stock. We have identified eight influencers. Within Job Growth is the influencer “Household Income Change;” within Population Growth are “Home Value Change,” “Rent Change,” “Household Formation,” “Education,” and “Demographics;” and within Housing Stock Growth are “Building Type” and “Housing Units Built Pre-1940.”

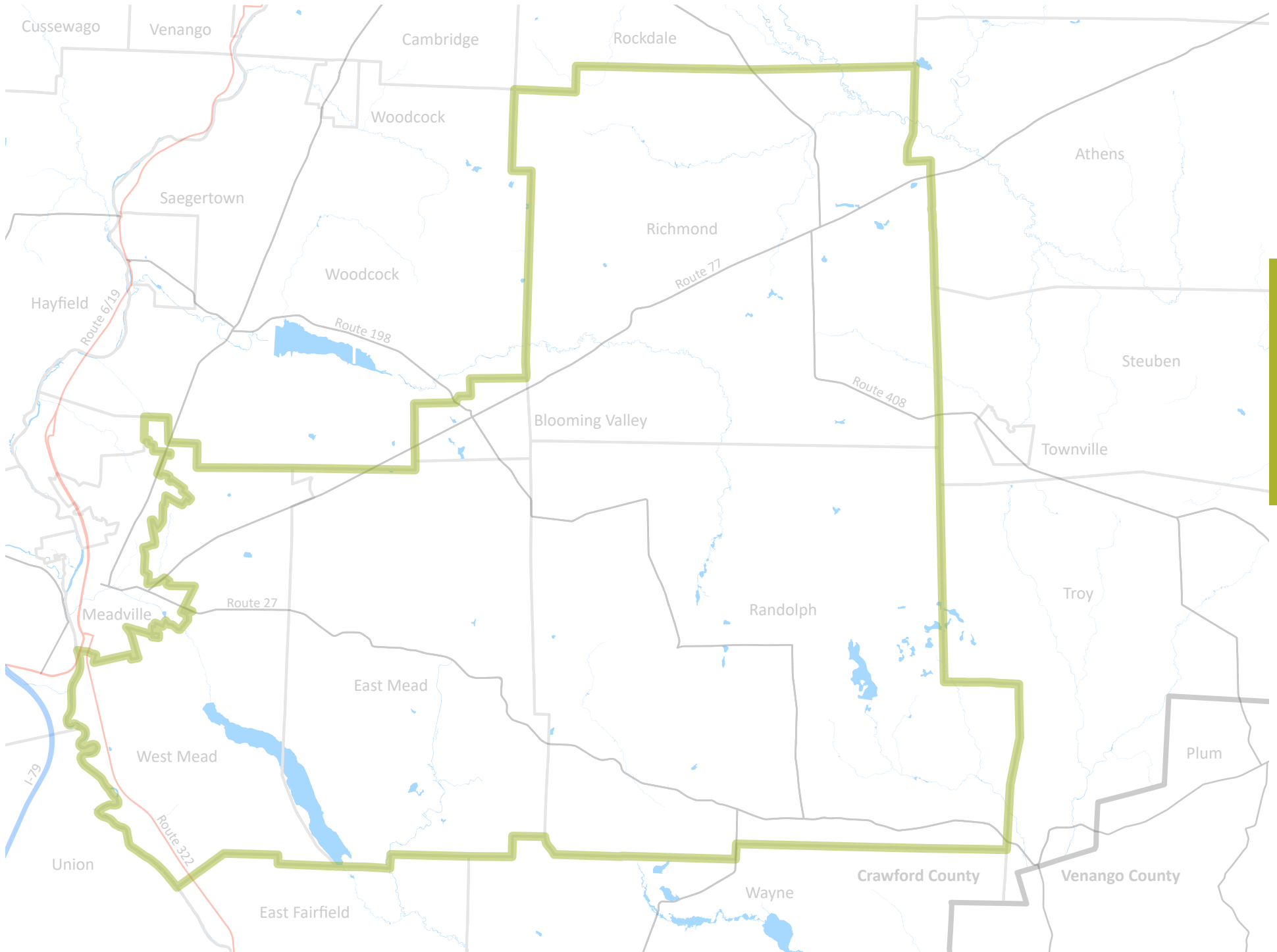
Indicators are metrics useful for providing further insight but are not assumed to produce wider impacts on their own. Indicators have this icon (🍷). These indicators generally gauge how well parts of the market are responding to each other or how people are being accommodated by the housing market. For instance, the indicator “Household Size vs. Unit Size” gauges whether available homes are too big or too small for the families that would occupy them, which indicates inefficiencies that may be harming the community. Useful indicators we have identified are “Vacancy Type,” “Vacancy Tenure,” “Median Home Value,” “Median Rent,” “Household Size vs. Unit Size,” “Loan Approval Rates,” and “Loan Purposes.”

Our analysis of the Mead Submarket is based on the premise that a healthy housing marketplace consists of an environment where households have access to adequate housing and maintain the ability to willingly transition between housing segments in order to meet their needs. The terms “new household market,” “starter home market,” “move-up home market,” “downsizing market,” and “senior housing market” are used to define the stages of housing consumption that exist within a healthy housing market ecosystem. Since these terms are used frequently, please refer to the “glossary of terms” in the appendix for a definition of each.

A second premise built into our analysis is that positive growth in terms of jobs, housing units, population, incomes and other characteristics is necessary to sustain a housing market. Not all communities within submarkets may desire to take on significant development. The assumptions inherent within our analysis should be taken into consideration by municipalities when setting their local objectives and strategies.



Source: Created by the Crawford County Planning Office with data from the U.S. Census Bureau



MEAD SUBMARKET

JOB GROWTH ANALYSIS:

This section explores job growth as a driver and relationships between its influencers, leading to the outcome of total jobs. Before exploring job growth trends, this section provides a study of the live-work trends of residents living within the Mead Submarket.

LIVE-WORK TRENDS OF RESIDENTS LIVING WITHIN THE MEAD SUBMARKET —

The map on the next page uses dots to represent where residents living within the Mead Submarket work. From this map, it is apparent that many Submarket residents find work in and near Meadville with a considerable number commuting north to the Erie area to reach their jobs. Based on analysis from 4ward Planning, a strong concentration of employment opportunities within a submarket is crucial for producing an adequate job-to-housing ratio. A job-to-housing ratio between 0.75 and 1.5 is beneficial for potentially reducing vehicle miles traveled, which in turn promotes housing market stability since a portion of long distance commuters tend to move out of the submarket and closer to their job. The Mead Submarket produces a job-to-housing ratio of 0.60, which lies below the beneficial range and potentially indicates instability.

The radar graph on the bottom left displays the distance and direction of where Mead Submarket residents work. The dark green wedges of the graph demonstrate those commuting less than ten miles which appears to define the commuting distance for about half of the Submarket's workers. Given this observation, the Mead Submarket may be resilient enough to suffice on a lower job-to-housing ratio. However, these live-work observations also show that the Submarket functions as a bedroom community with very few Mead Submarket residents also working inside the area. A breakdown of such commuter trends is presented on the bottom right and the map on the next page shows the spatial distribution of workers leading to the observations shown below.

- Interstate Highways
- U.S. Routes
- County Boundaries
- - - State Boundaries

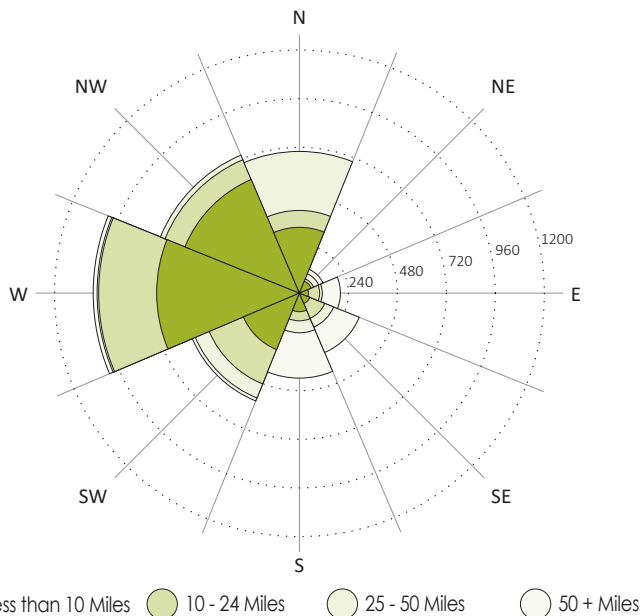


Reference Scale - 1:750,000

0 10 20 Miles

Source: Created by the Crawford County Planning Office with data from the U.S. Census Bureau

WHERE MEAD SUBMARKET RESIDENTS WORK



8.7%
69.4%
30.6%

of Mead Submarket residents work at a location **inside the submarket**.

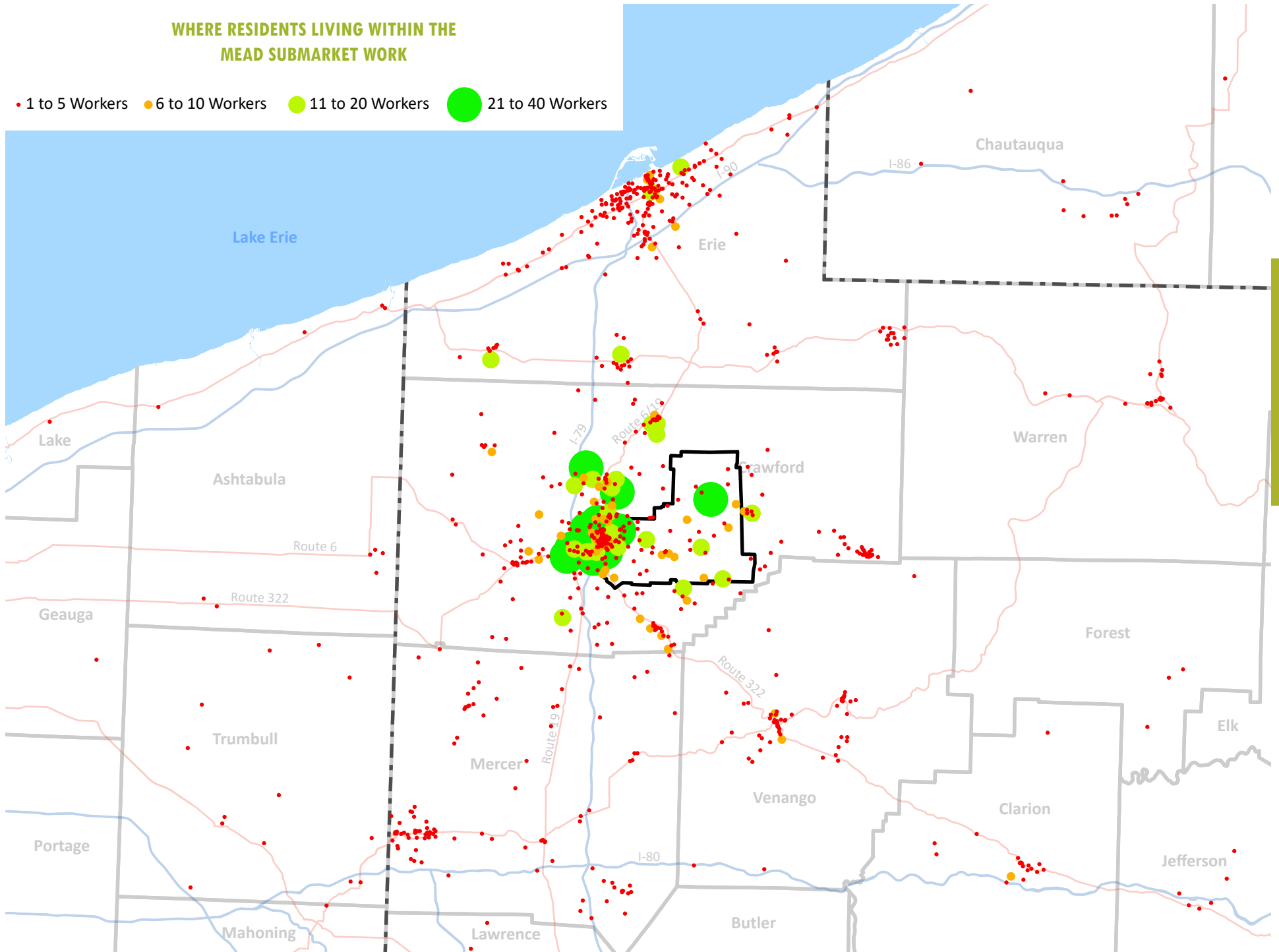
of Mead Submarket residents work inside **Crawford County**.

of Mead Submarket residents work outside **Crawford County**.

Source: U.S. Census Bureau Center for Economic Studies - Local Employment Dynamics Partnership

WHERE RESIDENTS LIVING WITHIN THE MEAD SUBMARKET WORK

- 1 to 5 Workers
- 6 to 10 Workers
- 11 to 20 Workers
- 21 to 40 Workers



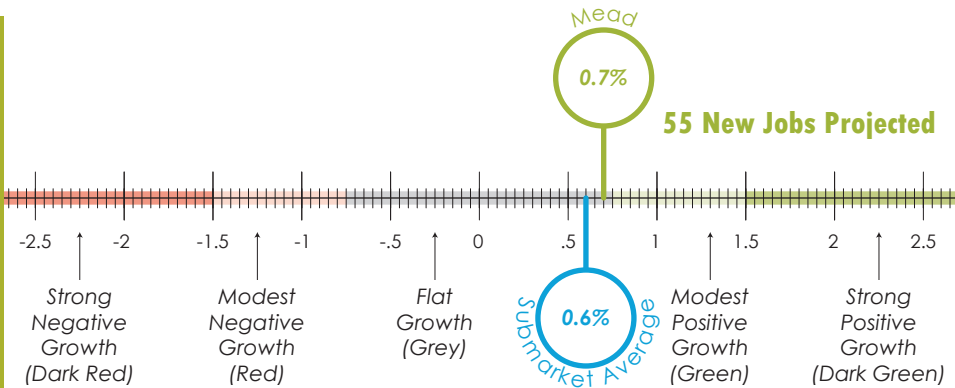
MEAD SUBMARKET

JOB GROWTH ANALYSIS:

☀️ JOB GROWTH —

From the graph below, the Mead Submarket's 0.7% projected annual job growth rate is just above the submarket average of 0.6% and at the upper end of the "flat growth" range. Recognizing this, it is unlikely that projected job growth within the Submarket will provide workers the extra employment options which can be leveraged to encourage an increase in wages.

ANNUALIZED PROJECTED JOB GROWTH RATE (2017-2022)



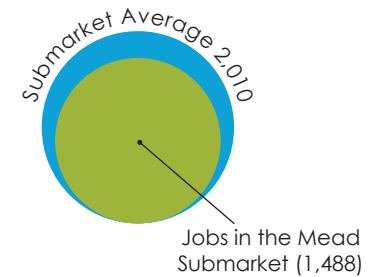
Source: Esri; PA CWIA; 4ward Planning, Inc., Retrieved 2018

🏠 HOUSEHOLD INCOME CHANGE —

Despite flat job growth projections, from the graph on the bottom left, household income within the Mead Submarket is projected to grow at a strong rate. An increase in household income will bolster the stability of existing households while opening up housing opportunities for those seeking new dwellings.

📊 TOTAL JOBS —

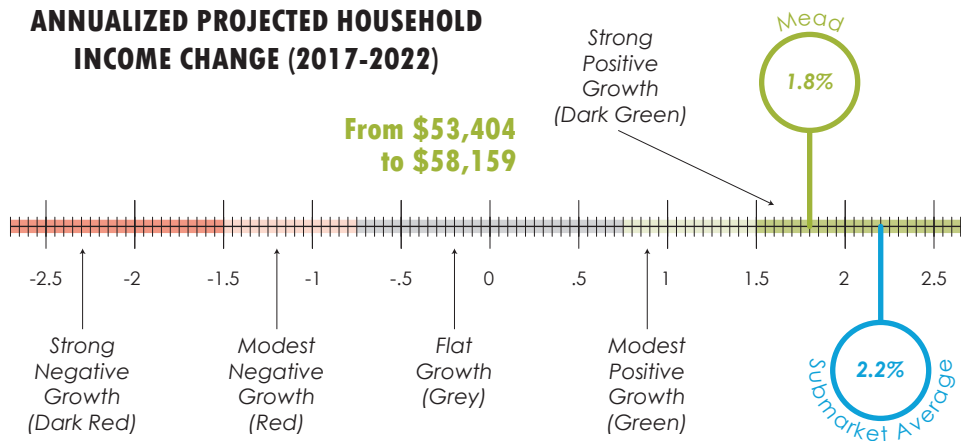
To explore the magnitude of the Mead Submarket's employment base, we compared the number of jobs inside the submarket to the average number of jobs located within a Crawford County submarket. From the graphic below, the Mead Submarket contains fewer jobs than the submarket average. This finding aligns with our earlier conclusion that the Mead Submarket is a bedroom community and not a job center. Although jobs within the submarket provide important opportunities for local residents, the Mead Submarket is currently more reliant on the growth and stability of nearby job centers.



Source: U.S. Census 2011-2015 ACS

In summary, the Mead Submarket functions as a suburban bedroom community as many of its residents commute to jobs located either in Meadville or other accessible job centers. Although the Submarket is projected to have a flat job growth rate, it is expected to experience a strong household income growth rate. Such household income growth may bolster housing market stability.

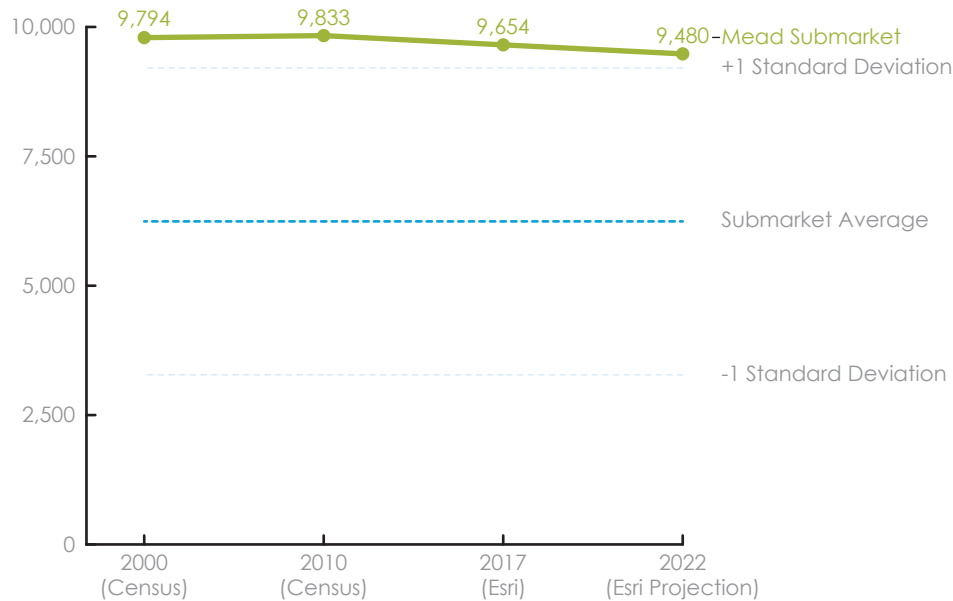
ANNUALIZED PROJECTED HOUSEHOLD INCOME CHANGE (2017-2022)



Source: 2010 ACS 5-Year Estimates; BLS., Esri, Retrieved 2018

POPULATION GROWTH ANALYSIS:

MEAD SUBMARKET POPULATION GROWTH



This section explores population growth as a driver and relationships between its influencers leading to a submarket's total population. Population growth within the Mead Submarket would directly lead to household formation and increased housing demand. Stagnant population growth may make it more difficult for homeowners to sell their homes when transitioning into other housing segments.

POPULATION GROWTH —

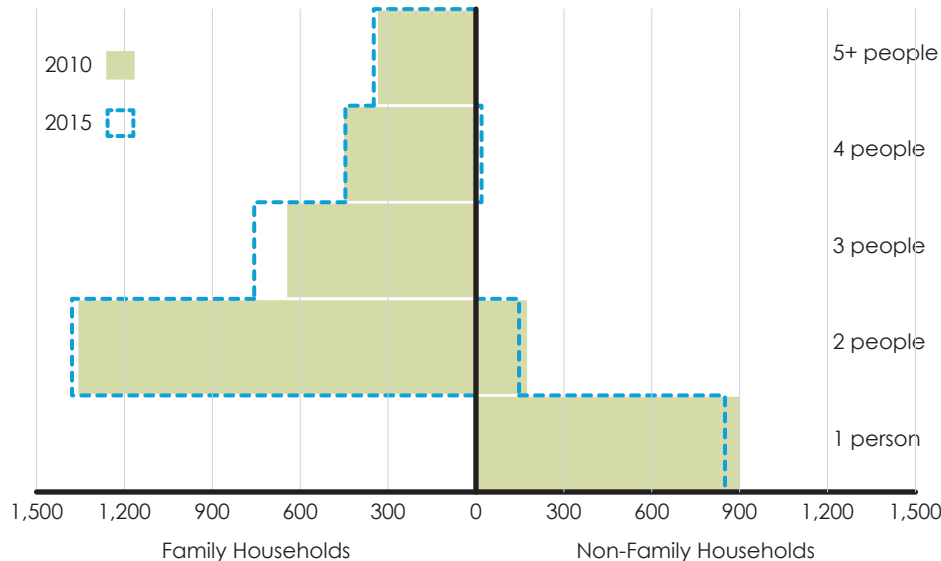
An increase in population will increase the local demand for housing. As demonstrated within the graph on the left, the population of the Mead Submarket has declined slightly since 2000. This decline suggests that population growth is not driving the demand for housing within the Submarket.

HOUSEHOLD FORMATION —

According to the U.S. Department of Housing and Urban Development, a household is:

all the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

MEAD SUBMARKET HOUSEHOLD FORMATION TRENDS



A household must comprise at least one person in a dwelling unit. It is almost impossible to experience population growth without seeing an increase in the number of households within a community. As more households are formed demand for housing units increases as individuals, couples, families, and roomers seek living accommodations. The graph on the left demonstrates the composition of Mead Submarket households by size between 2010 and 2015. One- and two-person non-family households declined slightly during this time frame while those with four people increased marginally. In terms of family households, the Mead Submarket experienced a slight increase in two-person households while seeing a significant gain in the number of family households comprised of three people. Additionally, four- and five-or-more person households remained stable.

Household formation trends observed within the Mead Submarket suggest a decline in the internal demand for rental units, a slight increase in the local demand for starter and downsizing homes, and an increase in the internal demand for move-up homes.

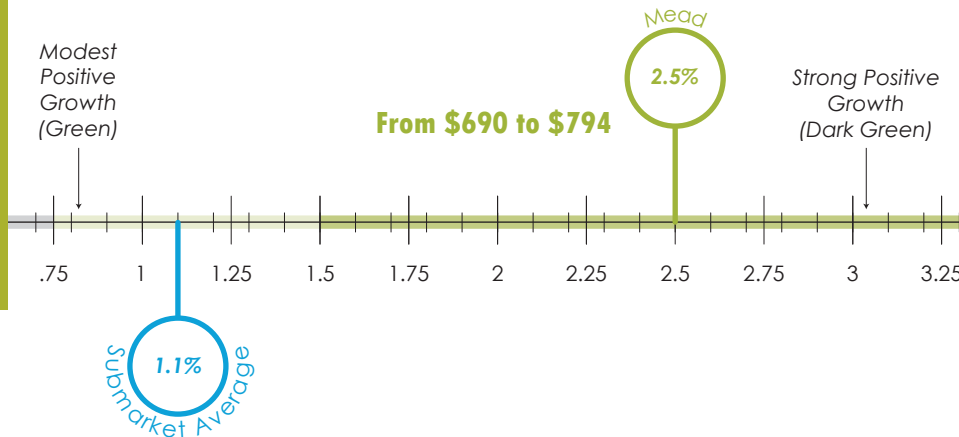
Source: U.S. Census

POPULATION GROWTH ANALYSIS:

RENT PRICE & HOME VALUE CHANGES —

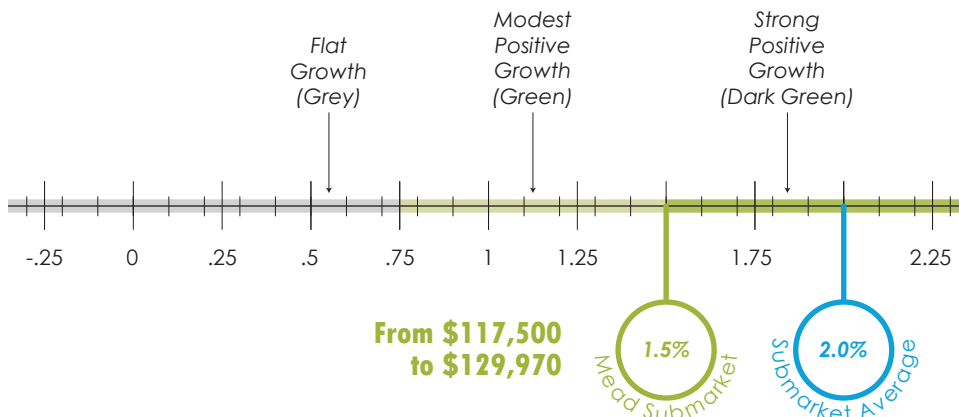
An increase in median rents or home values may delay individuals from forming new households and thus ease housing demand. Conversely, declines in these values may encourage household formation as the ability to move into your own unit becomes more attainable. The line graphs below demonstrate how the Mead Submarket's median rent prices and median home values have changed compared to the corresponding submarket averages. Rents have seen strong growth outpacing the submarket average while home values have increased at a slower, modest-to-strong rate.

ANNUALIZED RENT CHANGE (2010-2016)



Source: U.S. Census

ANNUALIZED HOME VALUE CHANGE (2010-2017)



Source: U.S. Census (inflation adjusted)

RENTAL COST BURDEN —

Rental cost burden or “affordability” is an important indicator of how household income and median rent prices interact. The U.S. Department of Housing and Urban Development defines affordable housing as:

In general, housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities. Please note that some jurisdictions may define affordable housing based on other, locally determined criteria, and that this definition is intended solely as an approximate guideline or general rule of thumb.

A household that is spending more than 30% of its total income on housing, including essential utilities, is considered cost burdened. Cost burdened renter households may have more difficulty saving the money for a down payment on a home. The infographic below demonstrates the percentage of cost burdened rental households within the Mead Submarket with comparisons to Crawford County and the submarket average. We see that renter households within the Mead Submarket are about as cost-burdened overall as the submarket average but faring better than Crawford County as a whole.

RENTERS PAYING MORE THAN 30% OF INCOME ON HOUSING



35.3% of Mead Submarket Renters
(240 Households)

41.3% of Crawford County Renters

34.3% Submarket Average

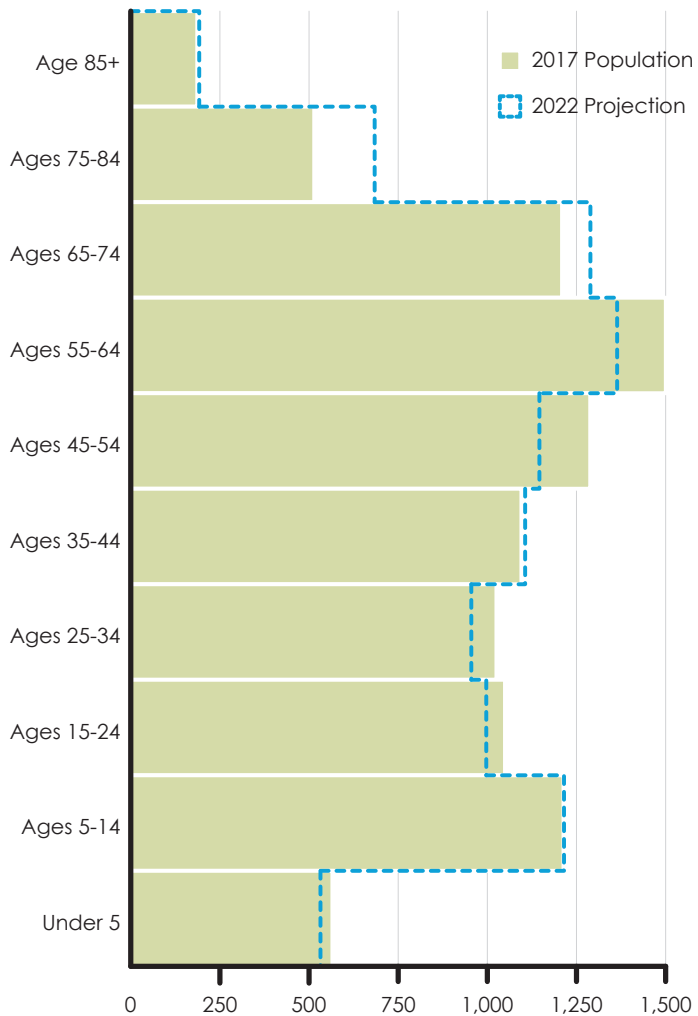
Source: U.S. Census 2011-2015 ACS

POPULATION GROWTH ANALYSIS:

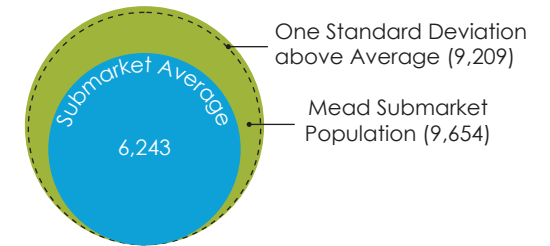
TOTAL POPULATION – The cycling of households between different homes creates some of the housing demand within a community. To understand this type of housing demand, we established whether the Mead Submarket represents a population center by comparing its population to the average population living within a Crawford County submarket. The standard deviation was applied to measure the average difference from the average population living within a submarket. If the Mead Submarket contained more residents than one standard deviation above the submarket average, then that submarket was considered a population center.

From the graphic shown on the right, it is apparent that the Mead Submarket contains more population than one standard deviation above the submarket average.

MEAD SUBMARKET POPULATION PYRAMID & PROJECTION



Source: Esri, Retrieved 2018



Source: Esri, Retrieved 2017

By this standard, the Mead Submarket is a regional population center within Crawford County. It is possible that the housing demand created by the cycling of households between different homes within the community, may exist at a magnitude large enough to drastically transform individual neighborhoods based on the shifting preferences of local consumers. Additionally, from the Submarket's relative population size, the Mead Submarket may have the gravity to attract new residents on a speculative basis. When considering that the Mead Submarket is located near the Meadville and Vernon submarkets the possibility of attracting new residents in a speculative capacity increases to an extent. However, despite the increased possibility of attracting residents for reasons beyond those which personally anchor people, such as moving for a recently secured job or to be closer to family, the scope of our analysis isn't able to determine if such a trend is taking place.

AGE BRACKET COMPOSITION

Whether the type or quantity of housing within a community meets the needs of its population is largely influenced by the population's age composition. For example, a community with a large senior population will likely generate demand for senior living accommodations such as older-age communities and assisted living facilities. Similarly, a community with an emerging population of younger, family age residents will likely produce demand for additional "starter home" housing units. Additionally, significant voids in certain age cohorts comprising a community will produce lopsided demand for certain types of housing. The graph on the left demonstrates the age composition of the Mead Submarket in 2017 with a projection to 2022. Age cohorts within the Mead Submarket are projected to either remain stable or decline across both the youth and working age brackets which together constitute all individuals below age 64. Such declines are most pronounced across both the 45-to-54 and 55-to-64 age brackets. Conversely, the age brackets comprising individuals ages 65-to-74 and 75-to-84 are projected to increase. Population projections within the Mead Submarket suggest a decline in the demand for rental units, starter homes, and move-up housing while also suggesting an increase in the demand for downsizing homes and senior living accommodations.

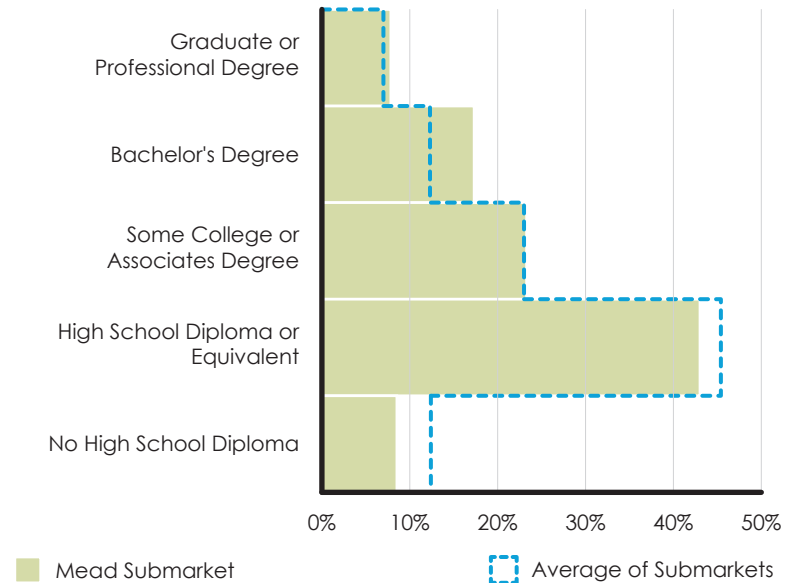
POPULATION GROWTH ANALYSIS:

The demographic trends and household formation trends addressed earlier provide mixed signals concerning the demand for starter homes and move-up housing while suggesting a decrease in the demand for rental units but an increase in the demand for downsizing units. Furthermore, growth in older age brackets suggest that many new two person households within the submarket may be formed by seniors after their children have moved out.

EDUCATIONAL ATTAINMENT —

The educational attainment of residents within a community will influence its potential for job growth. In general, a more educated community presents a more inviting environment for a greater range of potential employers. Similarly, a more educated community will also better encourage existing employers to remain and expand their operations. The graph on the right demonstrates the educational attainment of the Mead Submarket with a comparison to the average educational attainment of all submarkets across the county. From this graph, it appears that the Mead Submarket is more educated than the submarket average specifically in that it contains a much higher portion of individuals holding a bachelors degree. The Submarket's higher level of overall educational attainment may make it more economically competitive over the long run.

MEAD SUBMARKET EDUCATIONAL ATTAINMENT (2017)



Source: Esri, Retrieved 2018

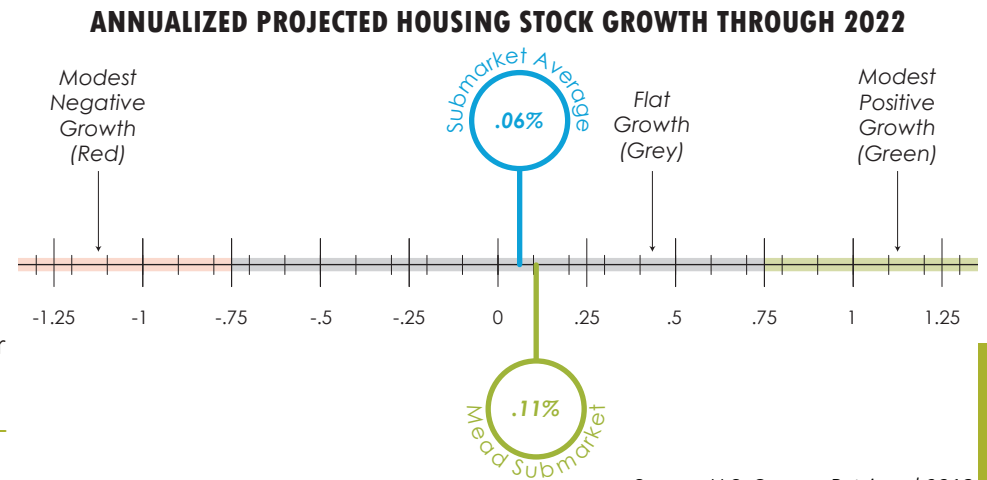
In summary, the Mead Submarket is a regional population center within Crawford County. However, the Submarket has experienced a population decline which is projected to continue into the future. Such decline suggests that most of the demand for housing within the Mead Submarket will come from the cycling of existing households. In terms of household formation trends, non-family households comprised of one to two people have declined while those composed of four people have increased only marginally. Family households of all sizes have increased in number over recent years with a substantial increase observed for those comprised of three people. Despite population declines, household formation trends appear to have translated into gains for both rent prices and home values. Even though rents have increased, the Mead Submarket has a similar rate of cost burdened renters than the submarket average and Crawford County on the whole. Demographic projections within the Submarket show declines across both the youth and working age cohorts while showing an increase in the population of seniors. In terms of educational attainment, the Mead Submarket is more educated than the submarket average.

HOUSING STOCK GROWTH ANALYSIS:

This section of our analysis explores housing stock growth as a driver and relationships between its influencers leading to the outcome of the total housing stock. A stable and growing housing stock, balanced with population and job growth, is essential for sustaining a healthy housing market. A healthy housing market ecosystem provides housing opportunities for individuals and families at every stage.

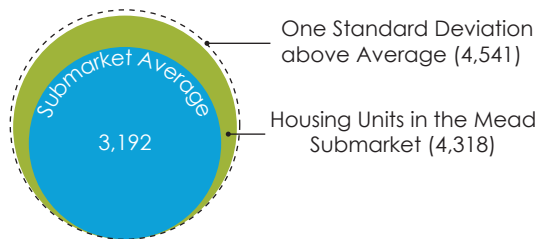
HOUSING STOCK GROWTH —

The graph at right presents the housing stock growth rate for the Mead Submarket. Although flat, the Submarket's housing stock growth rate is similar to the submarket average.



TOTAL HOUSING STOCK —

It can be assumed that larger communities are more likely to attract speculative real estate investment than smaller communities where developers may more strictly adhere to the fundamentals of supply and demand. A larger housing stock may indicate the presence of niche investment opportunities for housing developers. To study the relative size of the Mead Submarket's housing stock, we compared the number of housing units located within the submarket to the average number of housing units within a Crawford County submarket. The standard deviation was applied to measure the average difference from the average number of housing units within a submarket. From the graphic on the left, we see that the Mead Submarket has more housing units than the submarket average but does not deviate significantly above the average. Based on this analysis, it can be safely assumed that housing development within the Mead Submarket is largely a creature of immediate responses to observable market demand rather than along speculative lines.

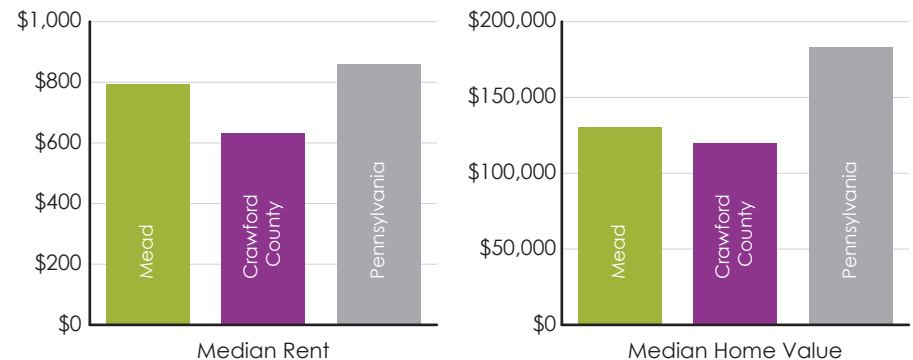


Source: Esri, Retrieved 2018

MEDIAN RENT & HOME VALUES —

High median rent prices and home values may encourage the development of additional housing units as developers look to capitalize on greater and more reliable profit margins. From the graphs on the left, the Mead Submarket has a median rent price well above that for all of Crawford County and similar to Pennsylvania. For home values, the Mead Submarket outperforms the county but is well below Pennsylvania. Such figures suggest that the Submarket's rental and home ownership markets are among the most desirable in the county.

MEAD SUBMARKET MEDIAN RENT (2016) & MEDIAN HOME VALUE (2017)



Source: U.S. Census, Esri - Retrieved 2018

HOUSING STOCK GROWTH ANALYSIS:

UNITS BUILT PRE-1940 –

A home's age may influence a consumer's or investor's decision to purchase or renovate the property. A submarket with a high proportion of older housing units might encounter extra challenges meeting the needs of its population or attracting reinvestment. The infographic on the right shows that one quarter of the Mead Submarket's housing stock was built prior to 1940. Although older homes are often of quality construction and contain fine architectural details, they're usually maintenance intensive and inaccessible for seniors and those with disabilities. From this observation, the Mead Submarket does contain its fair share of historical homes but does not seem burdened with an out-sized portion of such residences. Given the Submarket's aging population, opportunities to encourage accessibility upgrades should be considered from time to time.

MEAD SUBMARKET HOUSING UNITS BUILT PRE-1940

25%



Homes Built Pre-1940

75%



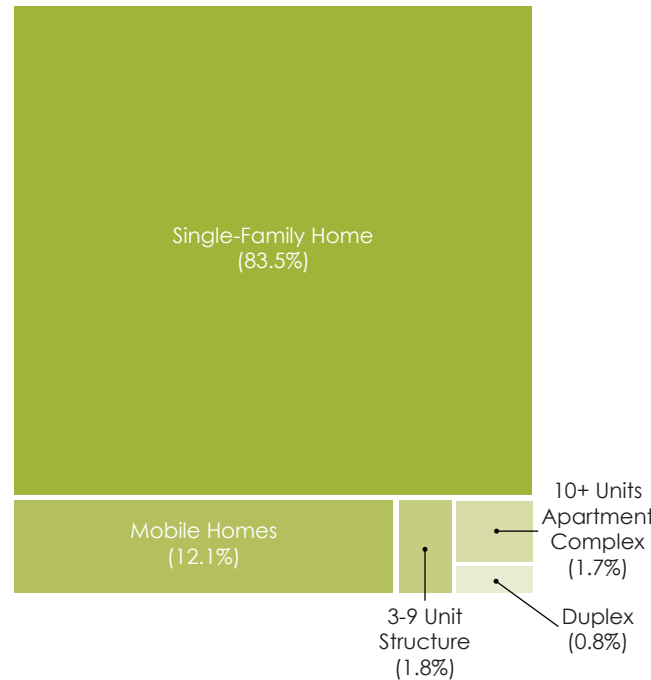
Homes Built Post 1940

Source: U.S. Census, Retrieved 2018

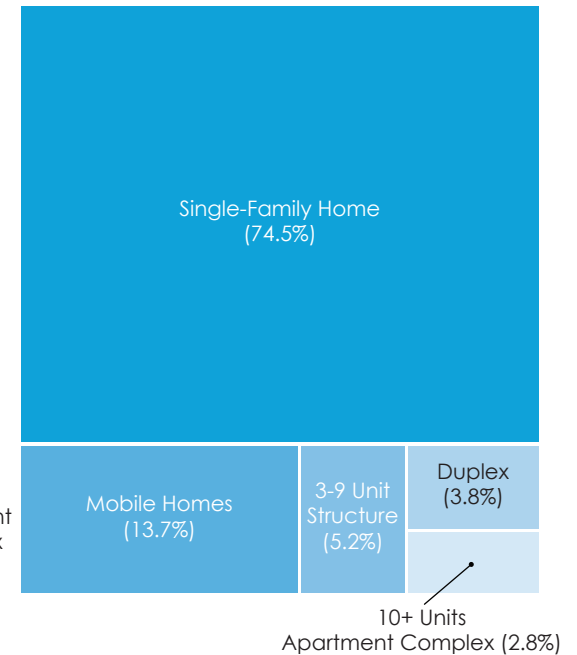
HOUSING BUILDING TYPES –

The graphic on the right divides housing structures into five categories of common forms: single-family homes, duplexes, three-to-nine unit structures and complexes, ten-or-more unit structures and complexes (apartment complexes) and mobile homes. In terms of building types, the Mead Submarket is somewhat comparable to the submarket average in that single-family and mobile homes dominate its housing building stock. However, the Submarket contains a much larger share of single-family homes than the submarket average. The combination of single-family and mobile homes comprise nearly 96% of the Cochran Submarket's housing stock despite the fact that the Submarket contains a lesser portion of mobile homes than the submarket average. Conversely, multi-unit structures constitute a smaller portion of the Cochran Submarket's housing building stock than the submarket average.

MEAD SUBMARKET



SUBMARKET AVERAGE

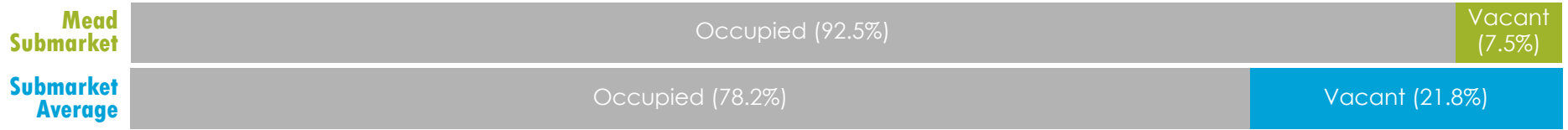


Source: U.S. Census, Retrieved 2018

HOUSING STOCK GROWTH ANALYSIS:

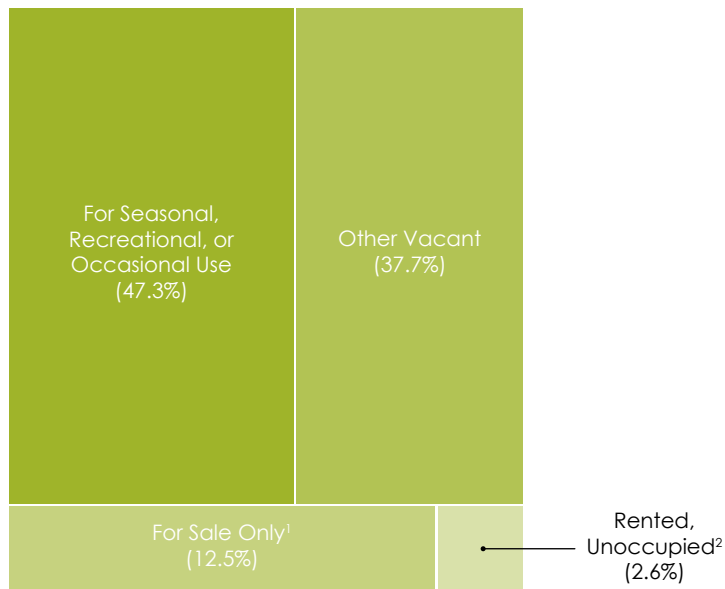
🏠 OVERALL VACANCY & VACANCY BY TYPE —

The overall rate and type of vacancy is an important indicator of the stability of a submarket’s housing market. The bar graphs below display the Mead Submarket’s recorded vacancy rate in 2016 with a comparison to the submarket average. The Mead Submarket has an overall vacancy rate slightly above what is considered the natural range (4% to 7%) by real estate professionals. Despite its much lower overall vacancy rate, more than one-third (38%) of the Submarket’s vacancy results from “other” reasons while another nearly 13% can be reduced from homes that are currently listed for sale. “Other vacant” housing units are likely those which are abandoned, condemned, dilapidated, or off the market. Even though the Mead Submarket has a relatively low vacancy rate, the proportion of vacancy resulting from “other” reasons indicates the existence of serious problems within certain portions of the Mead Submarket’s housing stock.

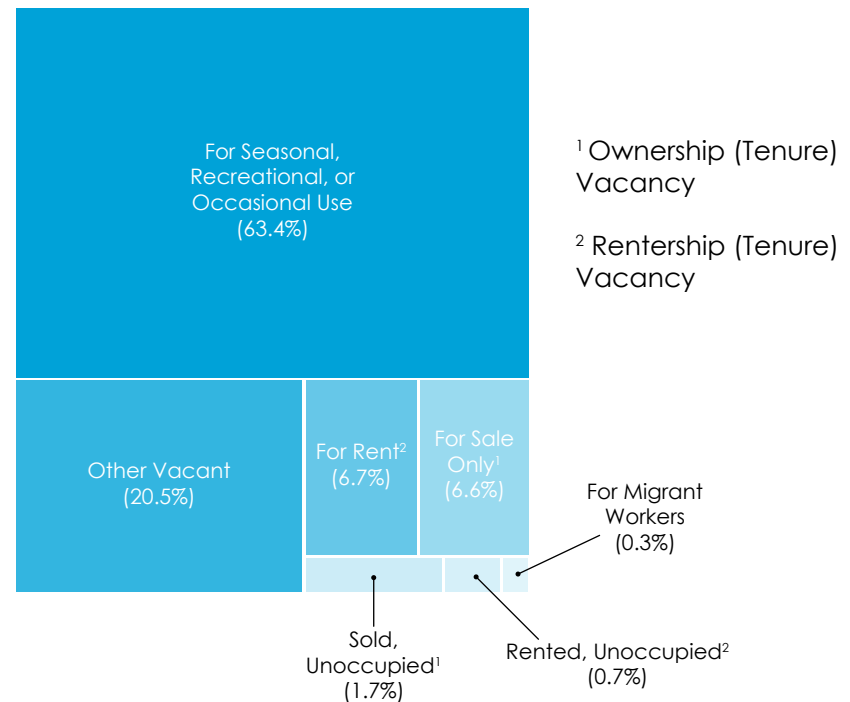


Source: U.S. Census, Retrieved 2018

MEAD SUBMARKET



SUBMARKET AVERAGE

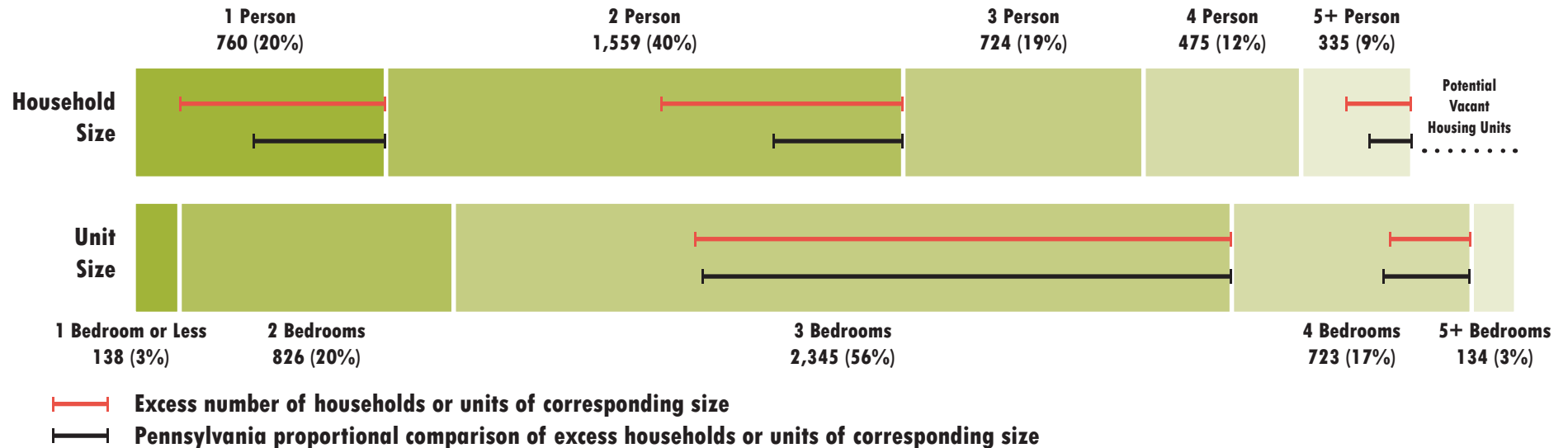


Source: U.S. Census, Retrieved 2018

HOUSING STOCK GROWTH ANALYSIS:

HOUSEHOLD SIZE V. UNIT SIZE —

Exploring the relationship between household and unit sizes can reveal whether there are potential mismatches between a community's available housing stock and the needs of its population. The bar graphs below represent the compositions of households and housing units by size within the Mead Submarket. The red lines within the bars show either the excess of households or housing units of corresponding size within the Submarket while the black lines show the same corresponding mismatch for the whole Commonwealth scaled down to the size of the Submarket figures for comparison purposes. From comparing these graphs, the Mead Submarket exhibits a substantial shortage of one-, two-, and five-or-more-bedroom housing units along with a minor shortage of homes comprised of four bedrooms. When compared against Pennsylvania's proportion, the Mead Submarket appears to have an adequate supply of three-bedroom homes.

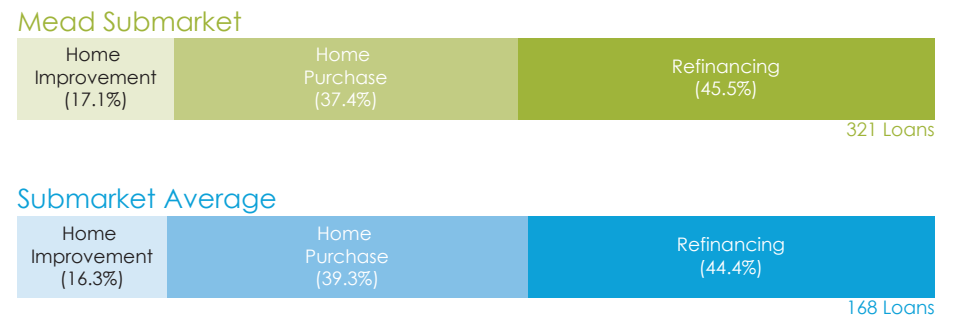


Source: U.S. Census, Retrieved 2018

THE PURPOSE OF LOAN ORIGINATIONS —

The purpose of loan originations is a key indicator of real estate investment. A marketplace experiencing a great deal of loans for new purchases may indicate its desirability for attracting new residents, whereas one with a significant amount of refinancing loans might be experiencing economic difficulties. Along different lines, a submarket exhibiting a great deal of renovation activity might be experiencing the beginnings of an economic resurgence. The bar graphs on the right, demonstrate the purpose of loan activity within the Mead Submarket. From these graphs, it appears that loan activity within the Mead Submarket has been less investment oriented, at least in 2016, than activity reported across the submarket average. This is apparent from a stronger showing of the portion of loans for refinancing activities.

MEAD SUBMARKET LOANS BY PURPOSE (2016)



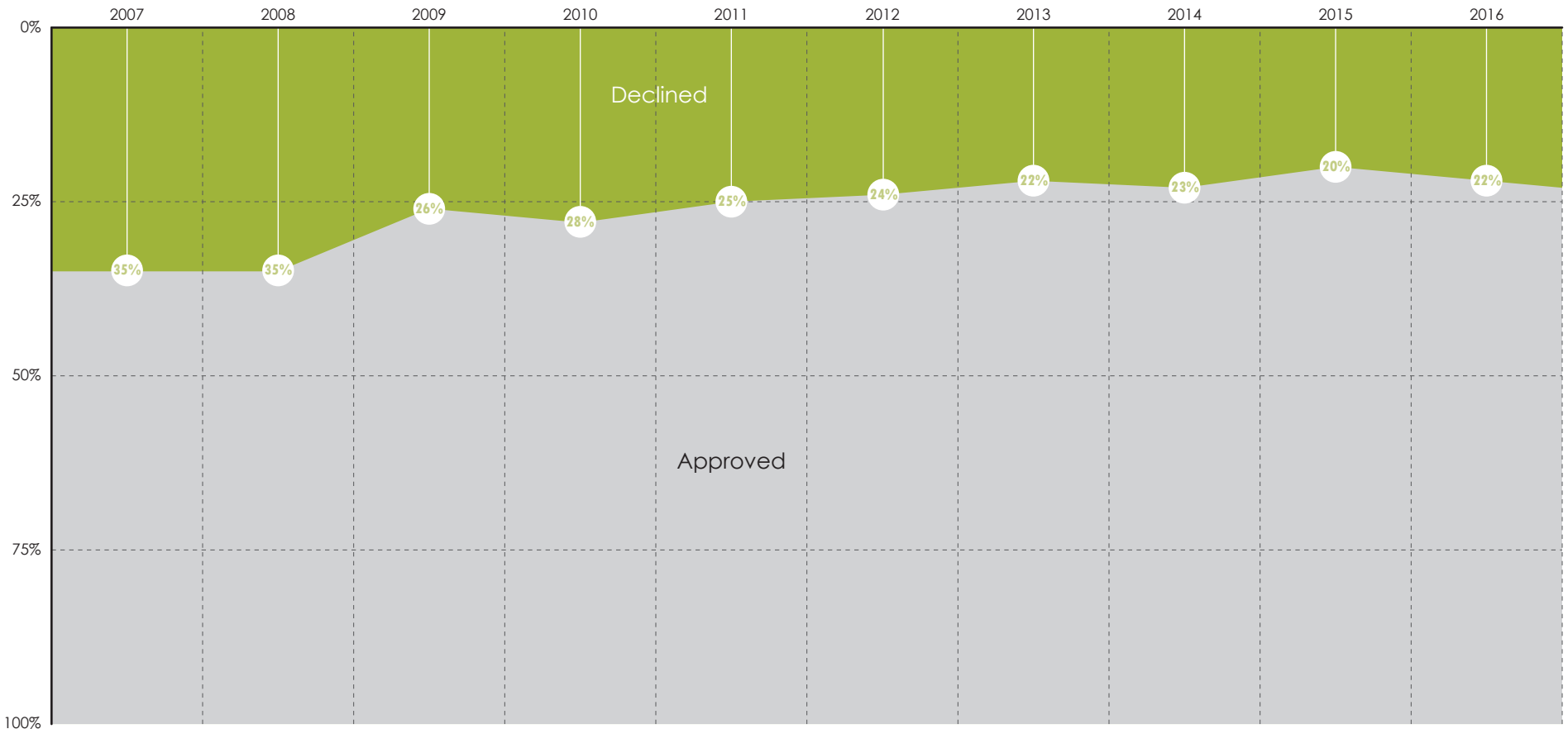
Source: Consumer Financial Protection Bureau, Retrieved 2018

HOUSING STOCK GROWTH ANALYSIS:

RATE OF DECLINED LOANS —

The rate of declined loans is an indicator of the ability of potential home buyers to purchase homes. Within the Mead Submarket, the rate of declined loans has hovered in the mid-twenties in recent years (see below) and appears to show slight improvement since 2007.

MEAD SUBMARKET DECLINED HOUSING LOANS (2007-2016)



Source: Consumer Financial Protection Bureau, Retrieved 2018

In summary, the Mead Submarket contains a greater concentration of housing units than the submarket average and its housing stock isn't growing at a significant rate. This finding is consistent with observations of median home values which are above those observed across Crawford County but below Pennsylvania's figures. However, median rent prices within the Submarket are much higher than those observed across Crawford County and may even signify demand for new rental units. The lack of new housing construction leaves around 25% of the Submarket's stock as having been constructed prior to 1940. Single-family structures are proportionally more represented within the Mead Submarket than across the submarket average. In terms of vacancy, the Submarket's vacancy rate is fairly healthy and much lower than the submarket average, but a larger composition of its vacancy is due to "other" reasons. When assessing how well the Mead Submarket's housing stock meets the needs of its residents, it appears that the Submarket may lack opportunities for single individuals, couples without children, and large family comprised of at least five members. Loan activity within the Submarket has been less investment oriented than the submarket average and the rate of approved loans has hovered around 78% and does not appear to be showing much improvement.

OVERALL STATUS OF THE MEAD HOUSING SUBMARKET:

AN ECONOMIC OVERVIEW –

The Mead Submarket is not a job center in Crawford County and such observation is unlikely to change into the near future given its flat job growth rate. Residents living within the Mead Submarket work at locations outside the Submarket by a ratio of more than nine-to-one. This leaves most of the Submarket's workers commuting to jobs in Meadville or to points further north along the I-79 and State Routes 6 and 19 corridors. Consistent with commuter trends observed within the Mead Submarket, the Submarket has a job-to-housing ratio of 0.60 which lies below the beneficial range discussed within our analysis. The combination of the Submarket's commuter trends and its job-to-housing ratio demonstrate that the Mead Submarket is used as a bedroom community by the vast majority of its residents. In terms of economic stability, the Mead Submarket is largely dependent on the growth and development of nearby job centers throughout the greater region. Despite the Submarket's dependence on neighboring job centers, its median household income is projected to increase which will translate into the stability of its housing market. Further stability may also be attribute to the Submarket's workforce whose overall educational attainment is above the submarket average and likely provides for a more competitive labor force. However, recent observations of loan originations have been less investment oriented than the submarket average despite reporting a greater proportion of loan activity for home improvements. Housing related loan originations have been approved at around a 78% success rate in recent years.

POPULATION TRENDS –

The Mead Submarket is a regional population center within Crawford County. Despite its prominence as a regional population center, the Submarket's population has declined slightly since 2000. Population decline has translated into a drop in the number of one- and two-person non-family households. However, family household formation trends have shown minor growth in the number of two- and three-person households with those comprised of four- and five-or-more people holding steady. Demographic projections for the Submarket provide a forecast similar to many other submarkets across the county with youth and working age population brackets either remaining flat or declining while the population of those over the age of 65 is expected to increase. Overall, the Mead Submarket is aging, but family household formation remains stable.

THE HOUSING MARKET GENERALLY –

The overall supply of new housing units within the Mead Submarket is not increasing at a significant rate. Given the Submarket's aging population, it is possible that senior citizen households may increasingly have to contend with the accessibility challenges presented by older homes. If current trends continue, the Submarket may need more housing units that are senior-friendly. Despite a decline in the number of non-family households, rent prices in the Mead Submarket are increasing at a strong rate. Home values have increased as well albeit at a modest-to-strong growth rate. Observations uncovered within our analysis suggest that the Mead Submarket might lack units to accommodate the demand for rental housing, and the Submarket's rate of cost-burdened renter households is comparable to the submarket average. Such conclusion is derived from observations of potential mismatches between the supply of housing units by size and the composition of households by size within the Submarket that suggest a shortage of one-bedroom homes which are often suitable for renter households. The Mead Submarket also appears to have a shortage of two-bedroom homes, which often provide good opportunities for starter and downsizing home consumers. Furthermore, the Submarket also seems to have a shortage of larger homes which can benefit families composed of more than five members. Overall, the Mead Submarket's vacancy rate is much lower than the submarket average and just above what is considered a healthy rate by real-estate industry standards. However, vacant homes attributed to "other" reasons as well as those listed currently for sale comprise a much larger portion of vacancy within the Mead Submarket than the submarket average.

THE MEAD SUBMARKET'S HOUSING ECOSYSTEM:

HOUSING MARKET ECOSYSTEM —

The graphic on the next spread demonstrates the housing market ecosystem for the Mead Submarket. Consumer housing segments are represented by the arch-like blocks with the ability of households to transition between segments displayed as arrows. All segments are impacted by the economic conditions, population trends, and overall housing market dynamics discussed on the previous page. However, to better understand the Mead Submarket, the conditions and trends explored within this chapter are examined at the level of each housing segment which constitutes a portion of the overall housing ecosystem.

NEW HOUSEHOLD MARKET — Consumer demand for the new household market within the Mead Submarket may decline as a result of a slight drop in the number of non-family households observed within the Submarket. The decline in the number of non-family households has also been accompanied by demographic projections forecasting an overall drop in the population of individuals between the ages of 15 and 34. A demographic decline for the population of individuals between the ages of 15 and 34 will likely have a negative impact on the demand for the new household consumer segment as many of the participants in this segment are within that age group. Overall, household formation trends and demographic projections suggest a decline in consumer demand for the types of housing that support the new household market.

Despite trends and projections which suggest a decline in consumer demand within the new household market, median rent prices are well above those observed county-wide and such prices have increased at a strong rate over recent years. In fact, the Mead Submarket may represent the only place in Crawford County where median rent prices approach the figure observed for such prices for Pennsylvania as a whole. These findings are significant for the new household market since most, if not all, of those participating in this consumer segment will be renters. Strong median rent prices and growth trends are also paired with projections showing strong household income growth. However, despite projections showing strong household income growth, the Mead Submarket's rate of cost-burdened renter households is comparable to the submarket average which is relatively high overall.

Another factor which may be negatively impacting the Mead Submarket's new household market is that multi-family housing structures are limited in supply. A lack of multi-family unit developments may make it more difficult for renter households to find housing that is both suitable for their living needs and affordable. Comparisons between the composition of households and housing units by size suggest that the Mead Submarket severely lacks one-bedroom housing units. A lack of one-bedroom housing units will make it tougher for many new renter households to finding housing and could even lead to circumstances which enable landlords to increase prices.

Despite relatively high median rent prices when compared to Crawford County and projections forecasting strong household income growth, the Mead Submarket's new household consumer segment is inadequate. Even though some of this report's findings suggest that demand within this consumer segment is on the decline, the Submarket's apparent shortage of the types and sizes of housing most suitable for the needs of the new household market may present significant problems. Additionally, relatively high rent prices paired with a high rate of cost-burdened renter households suggest that the ability for a household to transition into the starter home market may be inhibited. As a result, the ability to transition out of the new household market appears inadequate.

STARTER HOME & DOWNSIZING MARKETS — Increases observed in the number of two- and three-person family households within the Mead Submarket are a good sign for both its starter and downsizing markets. However, these household formation trends are contradicted somewhat by demographic projections forecasting an overall decline in the population of individuals between the ages of 15 and 34. While the number of individuals within this age range is decreasing, the population of senior citizens within the Mead Submarket is growing. The combination of household formation trends and demographic projections suggest that demand for starter homes is either stagnant or in decline while the demand for downsizing homes may be increasing.

The Mead Submarket supports median home values above the figure observed county-wide and such values are increasing at a modest-to-strong rate. Additionally, household income within the Submarket is projected to experience strong growth. These factors lend stability to all consumer segments within the Mead Submarket including the starter and downsizing segments. However, comparisons between the composition of households and housing units by size suggest that the Submarket severely lacks two-bedroom homes. Homes of this size are often suitable for the needs of those participating in the starter and

THE MEAD SUBMARKET'S HOUSING ECOSYSTEM:

downsizing segments. Even though the Mead Submarket has an abundant supply of single-family home structures, which often fit the preference of those in the starter and downsizing home segments, around a quarter of its overall housing stock was built prior to 1940 which may present some of the challenges and renovation issues associated with older homes.

Even though the Mead Submarket has one of the lowest housing vacancy rates of all submarkets within the county, the composition of its vacancy attributable to homes currently listed for sale is much higher than the submarket average. This could indicate that home sales within the Submarket are sluggish. Such a conclusion is consistent with the finding that loan originations within the Mead Submarket have been less oriented towards home purchases than the submarket average. However, the success rate for securing real-estate loan related financing has shown steady improvement.

Although many observations within our analysis suggest that the overall housing market within the Mead Submarket is doing okay, population projections showing a decline in the number of individuals between the ages of 15 and 34 place serious question over the well-being of its starter home market. However, the number of two-person family households has continued to grow, albeit very slightly, leaving the starter home consumer segment as adequate for now. The presence of conditions that represent a healthy overall housing market within the Mead Submarket also suggest that the ability to transition from the starter home consumer segment and into the move-up market is adequate.

When the combination of household formation trends and demographic projections which suggest an increase in consumer demand for downsizing homes is paired with the Mead Submarket's apparent lack of two-bedroom housing units, the well-being of its downsizing home market is called into question. Seniors and couples looking to downsize often have specific accessibility needs which can complicate the ability to find a suitable downsizing home when considering the Submarket's limited supply for smaller houses. Questions over whether the Mead Submarket's downsizing housing segment has the supply necessary to accommodate potential demand leaves this segment as inadequate. Although some relief may be provided by the slight abundance of three-bedroom homes in the Submarket, such surplus does not appear large enough to mitigate housing supply concerns for the downsizing market. However, given the Submarket's strong potential demand for downsizing homes, paired with other factors suggesting a healthy overall housing market, the ability to transition from the downsizing segment and into a senior living accommodation is considered to be adequate.

MOVE-UP MARKET – The move-up housing market within the Mead Submarket may benefit from many of the same indicators of overall well-being discussed from the starter and downsizing markets. These include relatively high median home values, modest-to-strong home value growth, strong projected increases in household income, a healthy overall vacancy rate, and an abundance of single-family home structures. Conversely, the presence of a significant concentration of older homes and a disproportionately large share of homes that are vacant because they are currently listed for sale present potential challenges and hardships that may impact the move-up market.

Trends showing an increase in the number of family households comprised of three people within the Mead Submarket while those with four and five-or-more individuals remain stable suggest healthy demand for move-up housing. However, such household formation trends are accompanied by demographic projections showing an overall decline in the population between the ages of 35 and 64. When comparing the compositions of households and housing units by size, it appears that the Submarket's supply of three-bedroom homes is adequate. However, the Submarket appears to have a minor shortage of four-bedroom units and a significant shortage of five-or-more bedroom units. At the moment, housing supplies may meet the needs of the move-up consumer segment but an increase in demand could cause unhealthy mismatches.

Overall, since household formation trends show an increase in the number of family households composed of more than three people, the move-up housing consumer segment is considered to be performing adequately. Also, because the demand for move-up housing within the Submarket appears stable, at least for now, the ability of a household to transition from this segment into the downsizing home market is also adequate.

SENIOR HOUSING MARKET – Please see the chapter on county-wide trends for details regarding the senior housing marketplace.

THE MEAD SUBMARKET'S HOUSING ECOSYSTEM:

