



# CENTRAL REGION

CAMBRIDGE SPRINGS

COCHRANTON

MEAD

MEADVILLE

SAEGERTOWN

VERNON

# THE MEADVILLE SUBMARKET

Located in central Crawford County, the Meadville Submarket consists of the City of Meadville along with a portion of West Mead Township and lies adjacent to the Saegertown, Vernon, and Mead Submarkets.

*A HOUSING ECOSYSTEM ANALYSIS OF THE MEADVILLE 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.

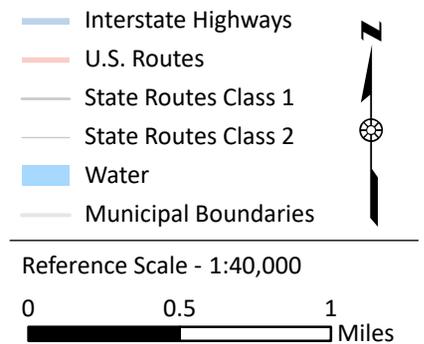
Drivers are those forces that directly propel the need for housing units or development. Drivers are designated by this icon (⚙️). Our analysis identifies three major drivers: job growth, population growth, and housing stock growth. The pushing and pulling of these driving forces with each other creates 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.”

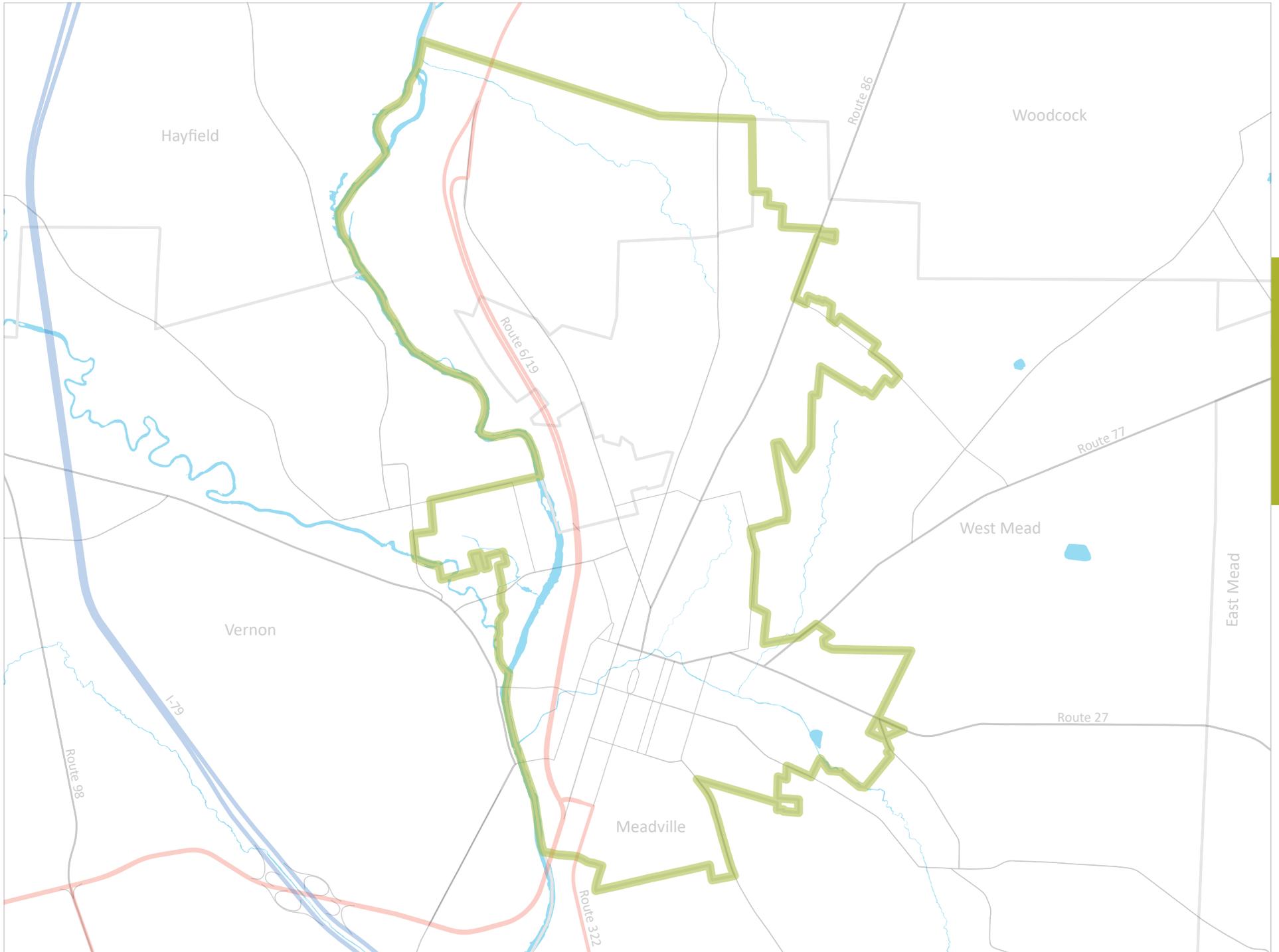
Indicators are metrics useful for providing further insight but are not assumed to produce wider impacts on their own. Indicators have this icon (📊). These indicators generally gauge how well parts of the market are responding to each other or how well people are being accommodated by the housing market. 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 Meadville 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



## 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 for Meadville Submarket residents.

### LIVE-WORK TRENDS OF MEADVILLE SUBMARKET RESIDENTS —

The map on the next page uses dots to represent where residents living within the Meadville Submarket work. 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 Meadville Submarket produces a job-to-housing ratio of 1.70, just above this range, which may indicate that workers prefer to not live within the Submarket.

The radar graph on the bottom left displays the distance and direction of where Meadville Submarket residents work. From the dark green wedges of the graph, we see that 63% of workers commute less than ten miles to work – a finding consistent with expected job center growth patterns. Thirty-one percent (31%) of commuters travel more than 25 miles to reach work particularly going northward towards Erie and southbound either in or near Pittsburgh. An impressive 39% of Meadville Submarket residents also work at jobs inside the Submarket.

- 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 MEADVILLE SUBMARKET RESIDENTS WORK



- Less than 10 Miles
- 10 - 24 Miles
- 25 - 50 Miles
- 50 + Miles

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

**39.3%**

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

**65.7%**

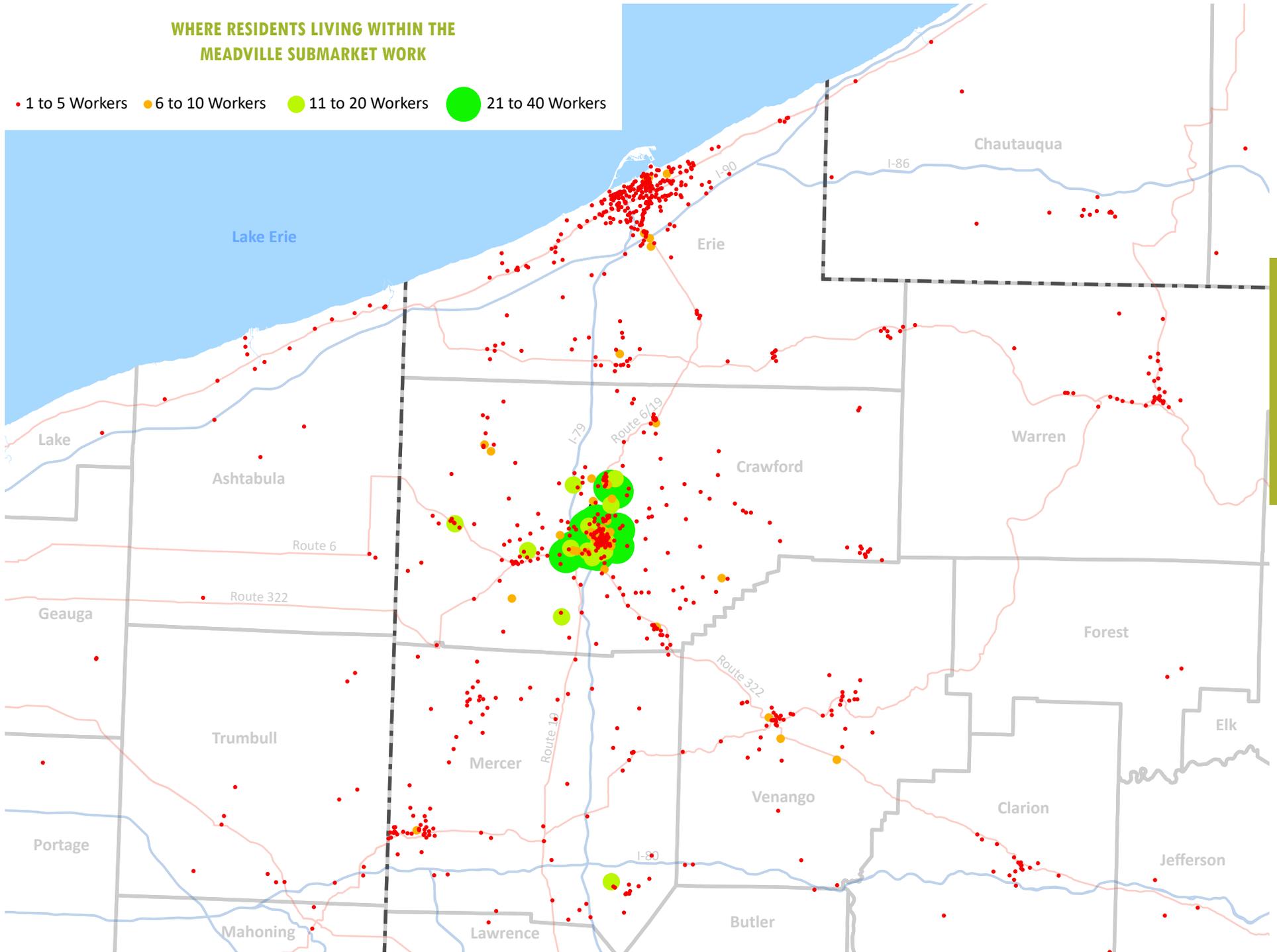
of Meadville Submarket residents work inside **Crawford County.**

**34.3%**

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

### WHERE RESIDENTS LIVING WITHIN THE MEADVILLE SUBMARKET WORK

• 1 to 5 Workers    ● 6 to 10 Workers    ● 11 to 20 Workers    ● 21 to 40 Workers



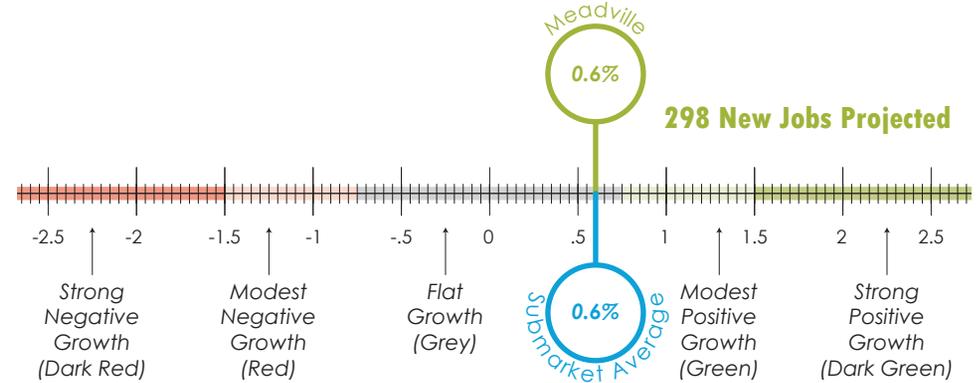
MEADVILLE SUBMARKET

## JOB GROWTH ANALYSIS:

### JOB GROWTH —

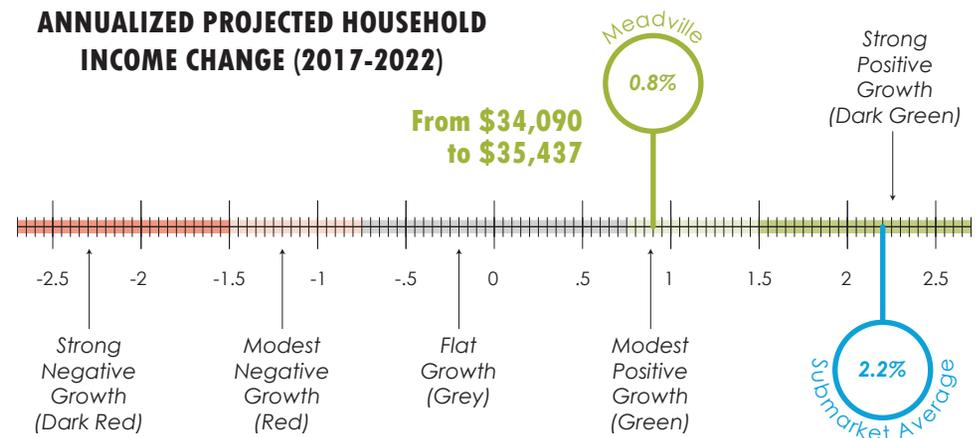
From the graph on the right, the Meadville Submarket's 0.6% projected annual job growth rate is identical to the submarket average. However, this rate lies within the "flat growth" range. Recognizing this, it can be assumed that projected job growth within the Meadville Submarket will not provide workers additional 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

### ANNUALIZED PROJECTED HOUSEHOLD INCOME CHANGE (2017-2022)



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

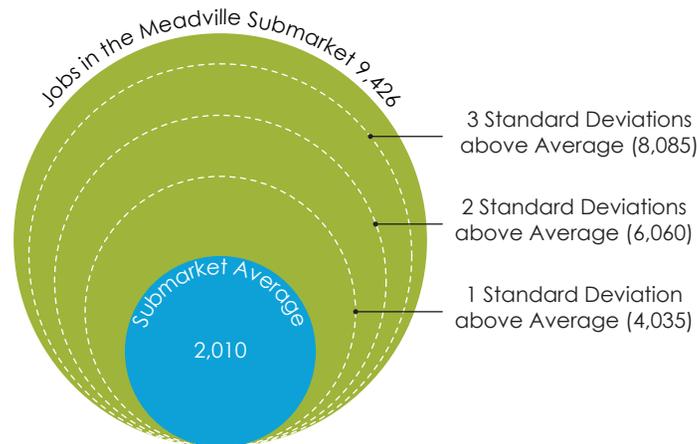
### HOUSEHOLD INCOME CHANGE —

Despite the flat job growth trends observed above, the Meadville Submarket is expected to experience a modest rate of household income growth as shown in the graph on the right. An increase in household income will bolster the stability of existing households while opening up housing opportunities for those seeking new accommodations.

## POPULATION GROWTH ANALYSIS:

### TOTAL JOBS —

To explore the magnitude of the Meadville 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. The standard deviation was applied to measure the average difference from the average value of jobs present within a submarket. If the Meadville Submarket contained more jobs than two standard deviations above the submarket average, then it was considered as a job center. From the graphic below, the number of jobs within the Meadville Submarket is clearly more than two standard deviations above the submarket average. Although our analysis did not have access to enough survey samples (submarkets) to garner statistical confidence in our application of standard deviation as a measure of central tendency, and thus assumes a normal distribution, the size of the discrepancy between the number of jobs within the Meadville Submarket and the submarket average is substantial. From this observation, it can be safely concluded that the Meadville Submarket is a prominent job center within Crawford County. Furthermore, the substantial supply of job opportunities within the Meadville Submarket likely plays an important role in stabilizing other submarkets.

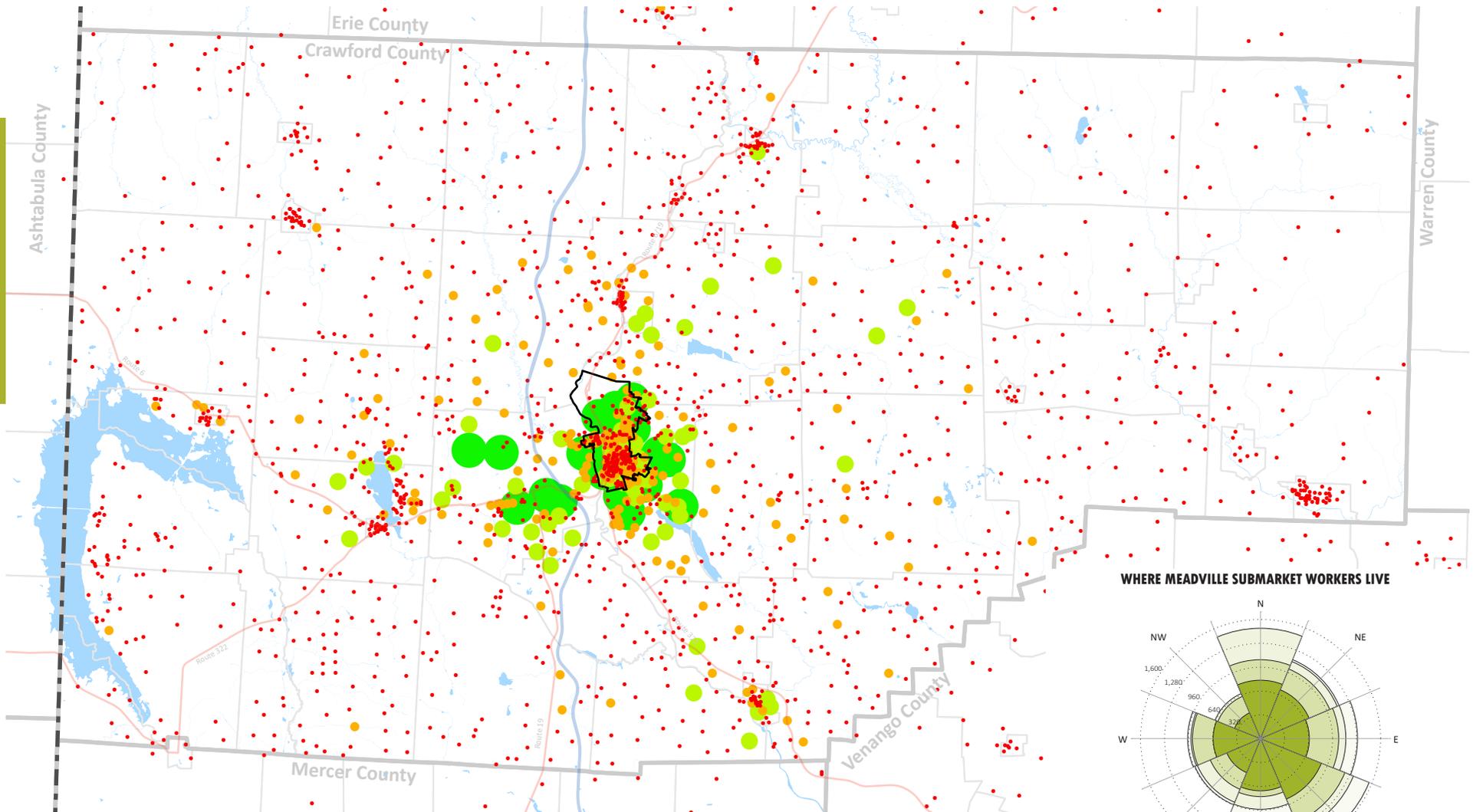


Source: U.S. Census 2011-2015 ACS

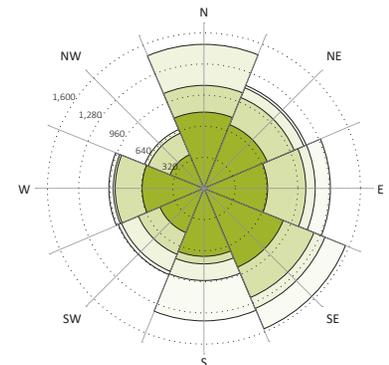
## JOB GROWTH ANALYSIS:

### WHERE MEADVILLE SUBMARKET WORKERS LIVE —

The map below showing where those working within the Meadville Submarket live complements our earlier live-work analysis. About 20% of Meadville Submarket workers also live inside the Submarket with the balance (80%) preferring to live outside it in suburban West Mead and Vernon townships along with the rural stretches of the county. Additionally, many of the Submarket's workers also live outside the county.



WHERE MEADVILLE SUBMARKET WORKERS LIVE



● Less than 10 Miles ● 10 - 24 Miles ○ 25 - 50 Miles ○ 50 + Miles

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

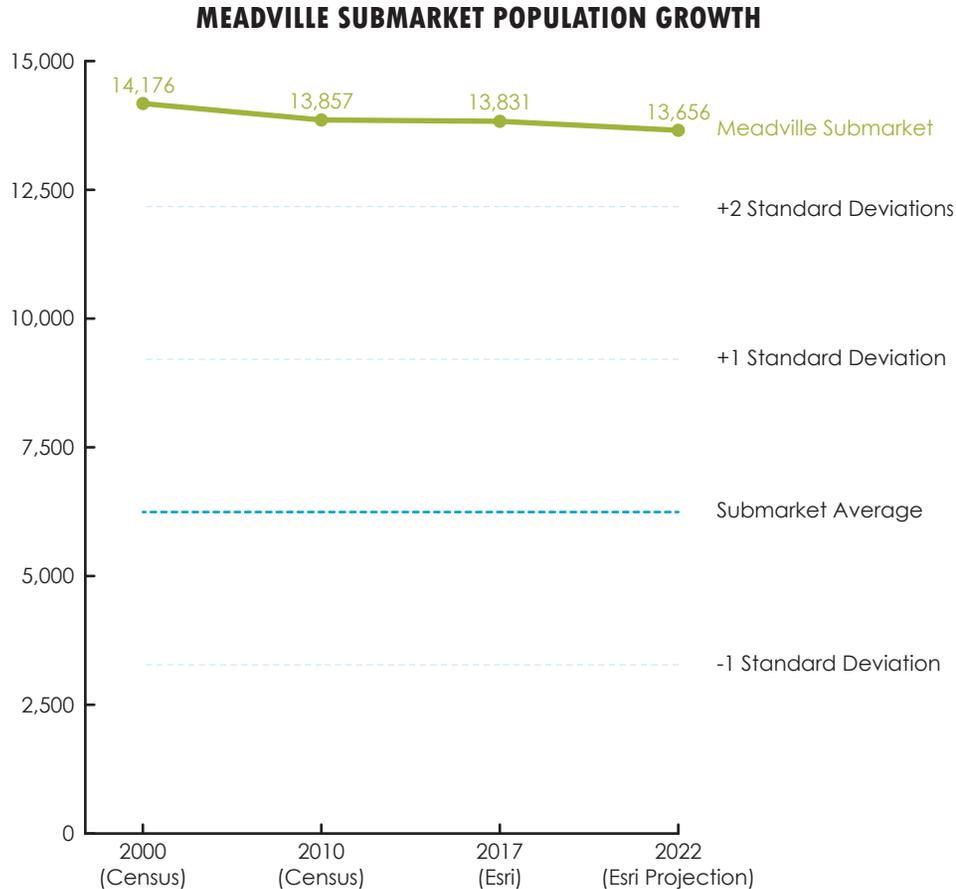
**In summary, the Meadville Submarket is a prominent job center despite flat job growth in recent years. Household income is projected to increase at a modest rate, which may support the stability of the housing market. Additionally, 80% of those working within the Submarket live outside it.**

## POPULATION GROWTH ANALYSIS:

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

### POPULATION GROWTH –

However, from the graph below, the population of the Meadville Submarket has declined just over 2% since 2000 and is projected to decrease into the future. This decline suggests that population growth is not driving the demand for housing within the Submarket.

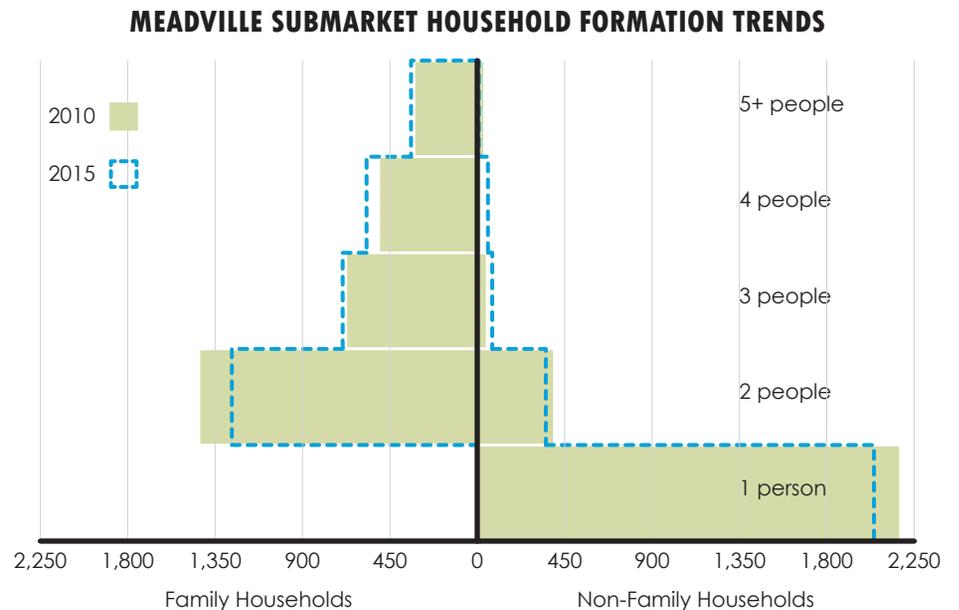


### HOUSEHOLD FORMATION –

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.*

A household must comprise at least one person in a dwelling unit. As more households are formed, demand for housing units increases as individuals, couples, families, and roomers seek living accommodations. The graph below demonstrates the composition of Meadville Submarket households by size between 2010 and 2015. Non-family households comprised of one or two people as well as two-person family households have declined. Interestingly, all other household sizes experienced minor increases. Such household formation trends suggest a decline in the internal demand for rental units<sup>1</sup> with the local demand for larger homes (move-up homes) holding firm.



Source: U.S. Census

<sup>1</sup> – Given the Meadville Submarket's role as a regional population center, the submarket may still exhibit demand for rental units from outside consumers.

## POPULATION GROWTH ANALYSIS:

### RENT PRICE & HOME VALUE CHANGES —

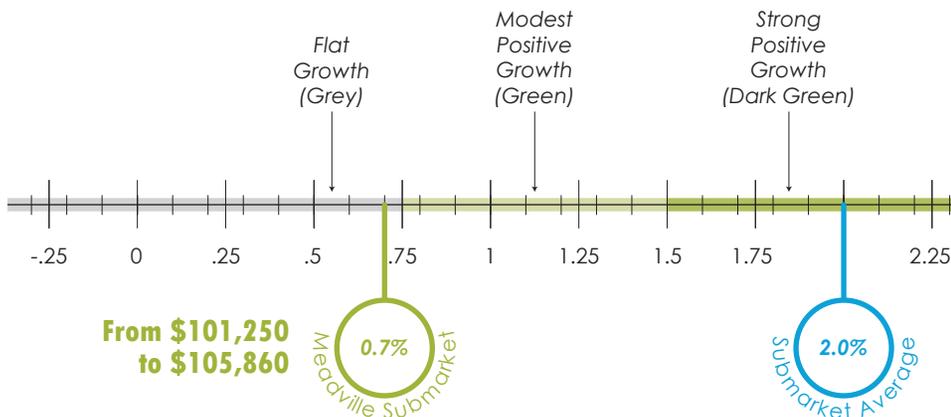
An increase in median rents or home values may delay individuals from forming new households and thus ease housing demand. Conversely, declines in these values may encourage household formation as the ability to move into your own unit becomes more attainable. The line graphs below demonstrate how the Meadville Submarket's median rent prices and median home values have changed compared to the corresponding submarket averages. Rent prices just barely lie within the growth range while home prices are just below this range.

### 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% 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 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 Meadville Submarket with comparisons to Crawford County and the submarket average. We see that the Meadville Submarket struggles with more cost-burdened renter households than other submarkets and the county. In fact, more than half of all renter households within the Meadville Submarket are cost-burdened.

### RENTERS PAYING MORE THAN 30% OF INCOME ON HOUSING



**52.5%** of Meadville Submarket Renters  
(1,538 Households)

**41.3%** of Crawford County Renters

**34.3%** Submarket Average

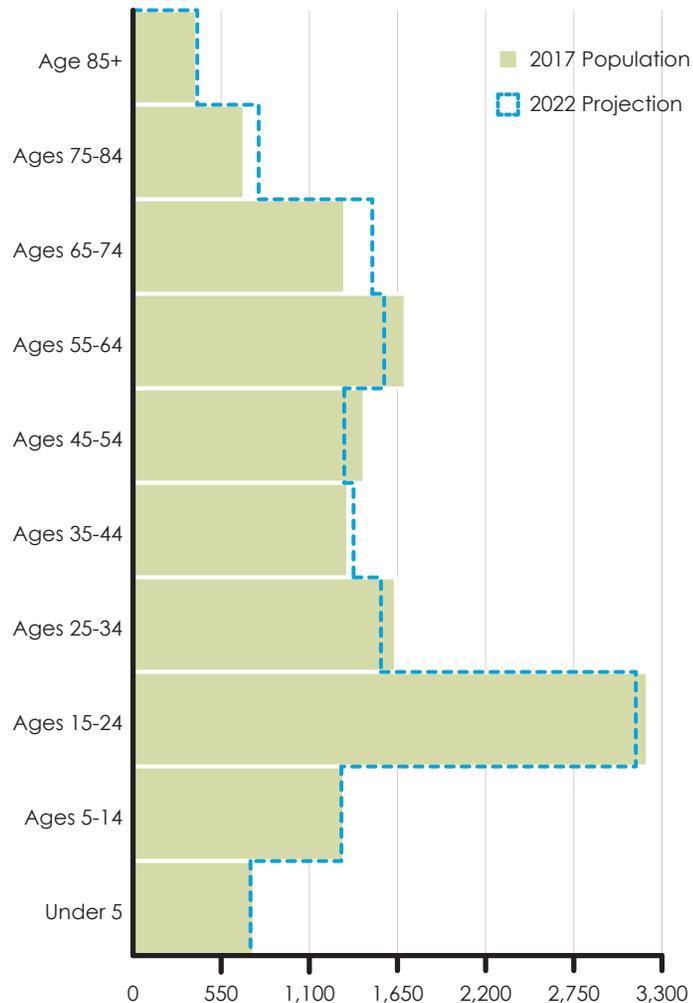
Source: U.S. Census 2011-2015 ACS

## 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 what type of population center is represented by the Meadville Submarket 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 Meadville Submarket contained more residents than one standard deviation above the submarket average,

### MEADVILLE SUBMARKET POPULATION PYRAMID & PROJECTION



Source: Esri, Retrieved 2018

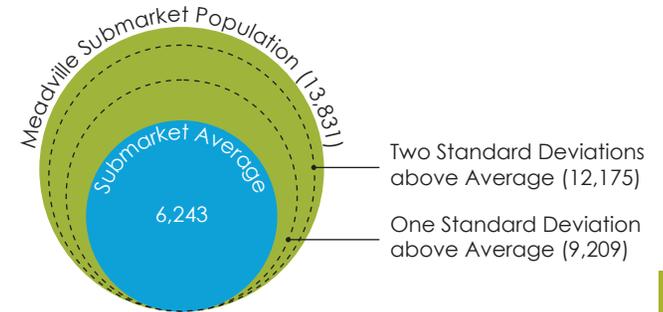
then it was considered a regional population center.

From the graphic shown on the top right, the Meadville Submarket is not only more populated than the submarket average, its population is more than two standard deviations above the submarket average. By this standard, the Meadville 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 Meadville Submarket may have the gravity to attract new residents on a speculative basis.

### 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 Meadville Submarket in 2017 with a projection to 2022. Working age brackets comprising individuals ages 15-to-34 and 45-to-64 are projected to decline. These demographic changes may negatively impact the internally generated consumption of rental units, starter homes, and move-up homes. However, the noticeable increase projected for those ages 65 and up may produce local demand for both downsizing homes and rental units as well as senior living accommodations.

The demographic trends and household formation trends addressed earlier suggest increased local pressure on the market for downsizing and senior housing accommodations.



Source: Esri, Retrieved 2017

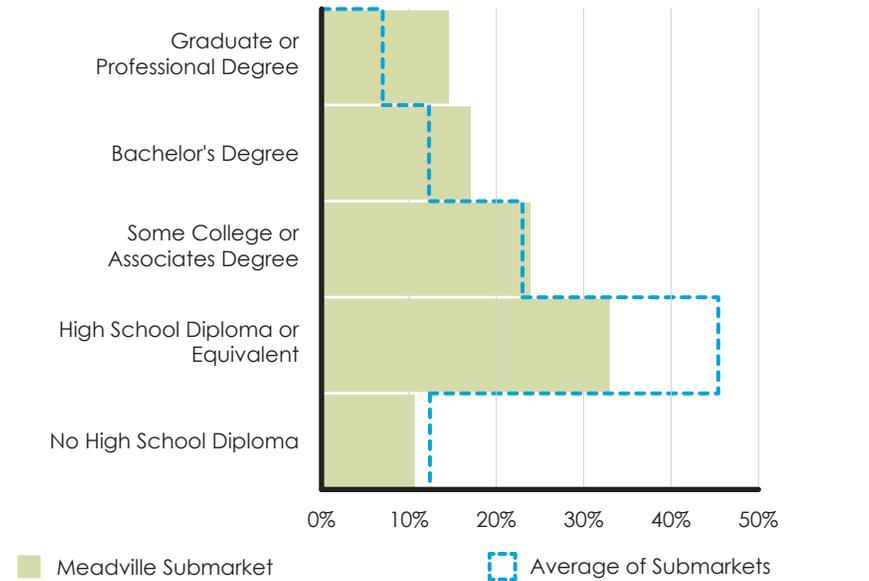
## POPULATION GROWTH ANALYSIS:

Furthermore, projected changes in population age cohorts do not align with current growth trends in the number of households comprised of more than three individuals. However, given that many homes within the Meadville Submarket are renter households<sup>1</sup> combined with the earlier observation that more than half of these households are cost burdened, it is possible that growth in the number of households comprised of more than three people could be encouraged by high rent prices within an environment of limited rental options. This assumption is based on the idea that financial hardships mixed with a tight rental market could be encouraging people to group up in homes or stay with family members.

### 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 Meadville Submarket with a comparison to the average educational attainment of all submarkets across the county. From this graph, it appears that the Meadville Submarket is considerably more educated than the submarket average with a significantly higher portion of people holding bachelor's and graduate/professional degrees. Additionally, when compared with the submarket average, the Meadville Submarket has a much smaller portion of its population only holding a high school diploma and a lessor portion of those with no high school diploma.

### MEADVILLE SUBMARKET EDUCATIONAL ATTAINMENT (2017)



Source: Esri

***In summary, the Meadville Submarket has declined slightly in population since 2000 and is projected to continue to decrease into the near future. The Submarket's population decline aligns with the observation that job growth has been flat. Population decline has translated into a drop in households consisting of either one or two people. However, despite this population decline, both family and non-family households consisting of three or more people have either held steady or increased in number. This unexpected observation may stem from interactions between the needs of the Submarket's population, rent prices, and available rental units. Both rent prices and home values within the Meadville Submarket have experienced near moderate growth in recent years. However, such increases aren't extreme. Despite experiencing a moderate annualized increase in rent prices, more than half of renter households are cost-burdened by housing. This observation may explain recent growth trends for households comprised of more than three people as the ability for individuals to branch out into their own units is inhibited. Demographic projections for the Meadville Submarket forecast growth across ages brackets over 65 may place demand on downsizing and senior housing units in the future while also suggesting overall population decline across age brackets from 15-to-64, which may inhibit the renter, starter home, and move-up markets down the road.***

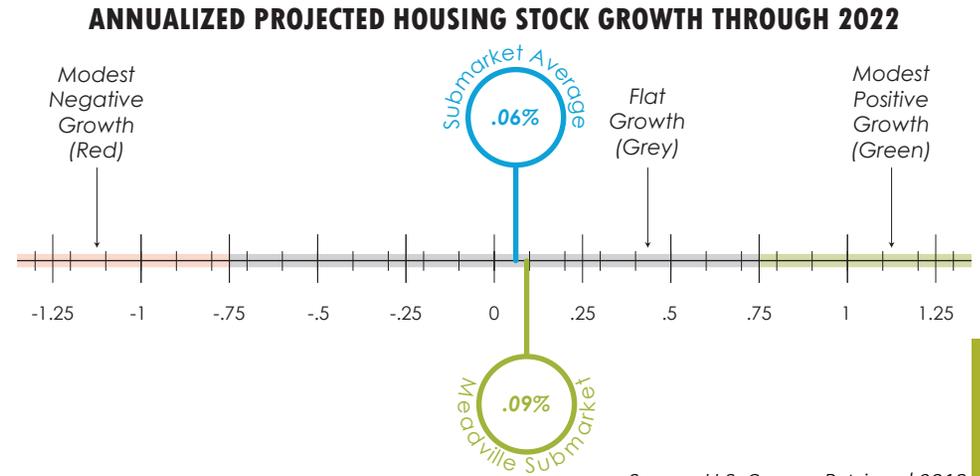
<sup>1</sup> – 59% of all households within the Meadville Submarket are renter occupied with the balance (41%) representing owner occupancy.

## HOUSING STOCK GROWTH ANALYSIS:

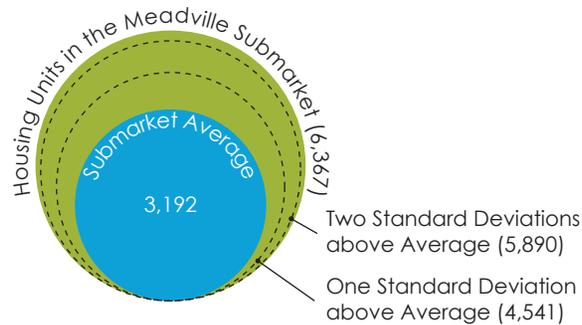
This section of our analysis explores housing stock growth as a driver and relationships between its influencers, which lead to the outcome of the total housing stock. A stable and growing housing stock, balanced with population and job growth, is essential for sustaining a healthy housing market. A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

### HOUSING STOCK GROWTH —

The graph on the right presents the projected housing stock growth rate for the Meadville Submarket. Although within the flat growth range, the Submarket's forecast is similar to the submarket average.

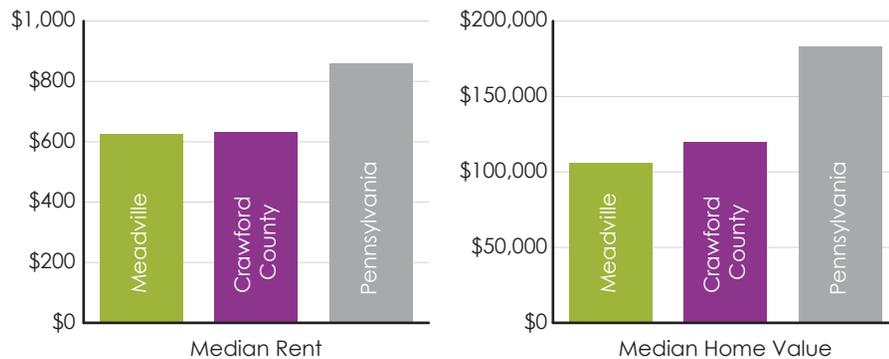


Source: U.S. Census, Retrieved 2018



Source: Esri, Retrieved 2018

### MEADVILLE SUBMARKET MEDIAN RENT (2016) & MEDIAN HOME VALUE (2017)



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

### TOTAL HOUSING STOCK —

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 Meadville 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 at left, we see that the Meadville Submarket has many more housing units than the submarket average. The number of housing units within the Submarket is more than two standard deviations above the submarket average. Based on this analysis, it is more likely that the Meadville Submarket may exhibit more speculative activity than other submarkets.

### 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 at left, the Meadville Submarket has a median rent price similar to Crawford County but much lower than Pennsylvania on the whole. For home values, the Meadville Submarket has lower home values than Crawford County and Pennsylvania. These figures alone likely do not signal for new housing investment in the Submarket.

## 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 at right shows that close to 44% of the Meadville Submarket housing stock was built prior to 1940. Although older homes are often of quality construction and contain fine architectural details, they are usually maintenance intensive and inaccessible for seniors and those with disabilities. This finding is concerning given that the Meadville Submarket is projected to see growth in its population over the age of 65.

### MEADVILLE SUBMARKET HOUSING UNITS BUILT PRE-1940

43.6%



Homes Built Pre-1940

56.4%



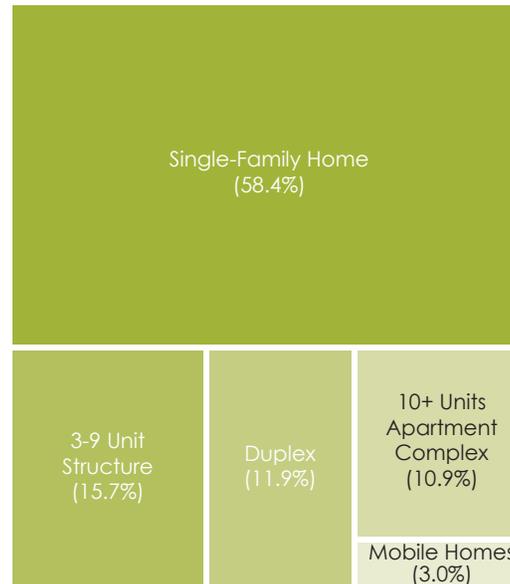
Homes Built Post 1940

Source: U.S. Census, Retrieved 2018

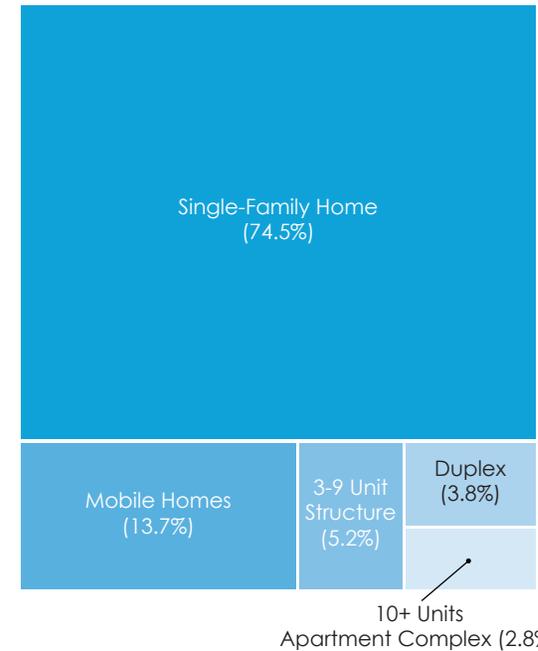
### HOUSING BUILDING TYPES —

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 Meadville Submarket is similar to the submarket average in that single-family homes comprise more than half of all units. However, within the Meadville Submarket, multi-unit structures and complexes are more represented than mobile homes. Although the Meadville Submarket has a few mobile home parks, the higher density nature of this relatively urban Submarket's built form has favored multi-unit structures. Additionally, the Submarket has a higher proportion of renters than the submarket average, which encourages either the construction or conversion into multi-unit housing structures and complexes.

### MEADVILLE 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 Meadville Submarket’s recorded vacancy rate in 2016 with a comparison to the submarket average. The overall vacancy rate for the Meadville Submarket is similar to the submarket average; however, the reasons for such vacancies appear to be more adverse. Forty-three percent (43%) of vacancy within the Meadville Submarket arises from “other” reasons with almost 30% comprised of units actively seeking renters. It should also be noted that nearly 13% of vacant housing units within the Submarket consists of homes that are for sale – double the submarket average for that type of vacancy. “Other vacant” housing units are likely those which are abandoned, condemned, dilapidated, or off the market unintentionally. Such unintentional vacancy may demonstrate a significant cycle of disinvestment as landlords struggle to profit from their properties and owners abandon them.

**Meadville Submarket**

Occupied (79.9%)

Vacant (20.1%)

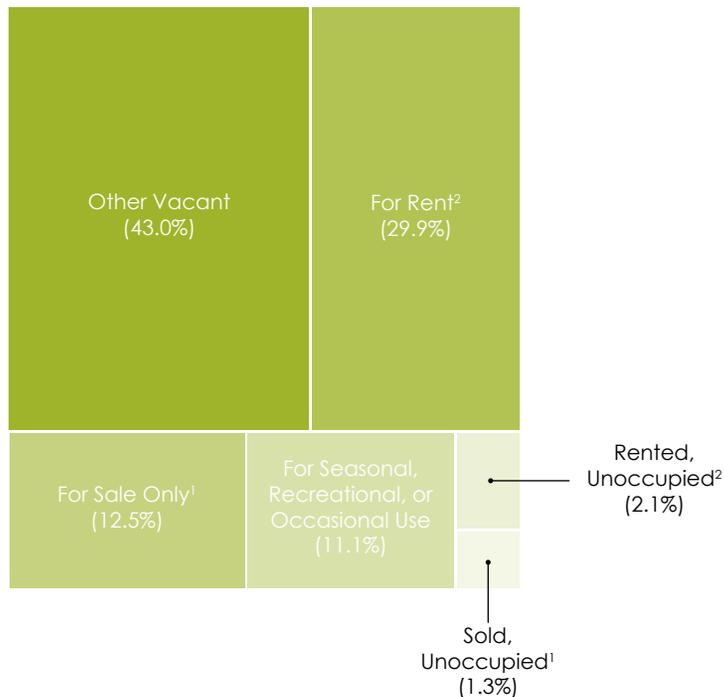
**Submarket Average**

Occupied (78.2%)

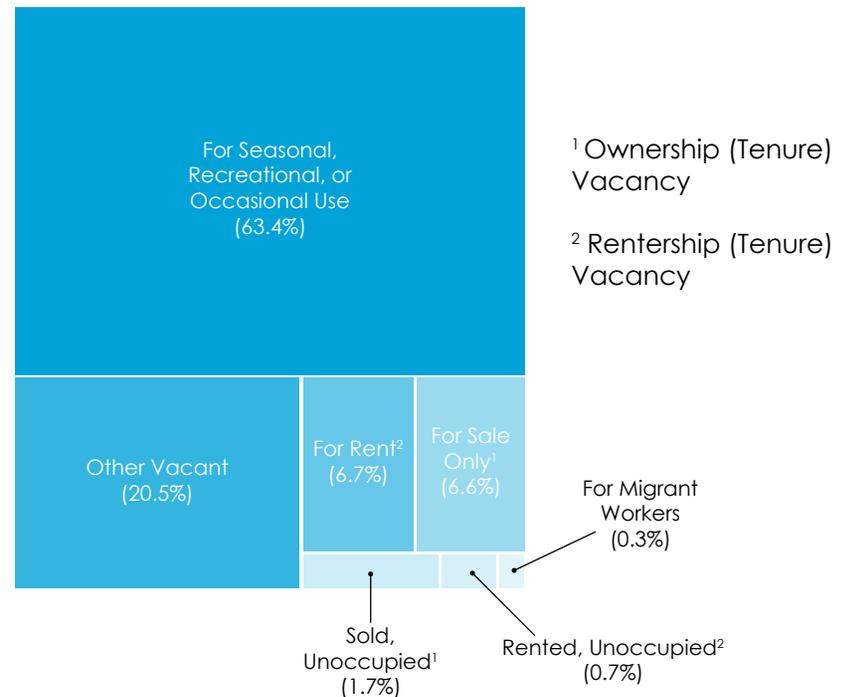
Vacant (21.8%)

Source: U.S. Census, Retrieved 2018

### MEADVILLE SUBMARKET



### SUBMARKET AVERAGE



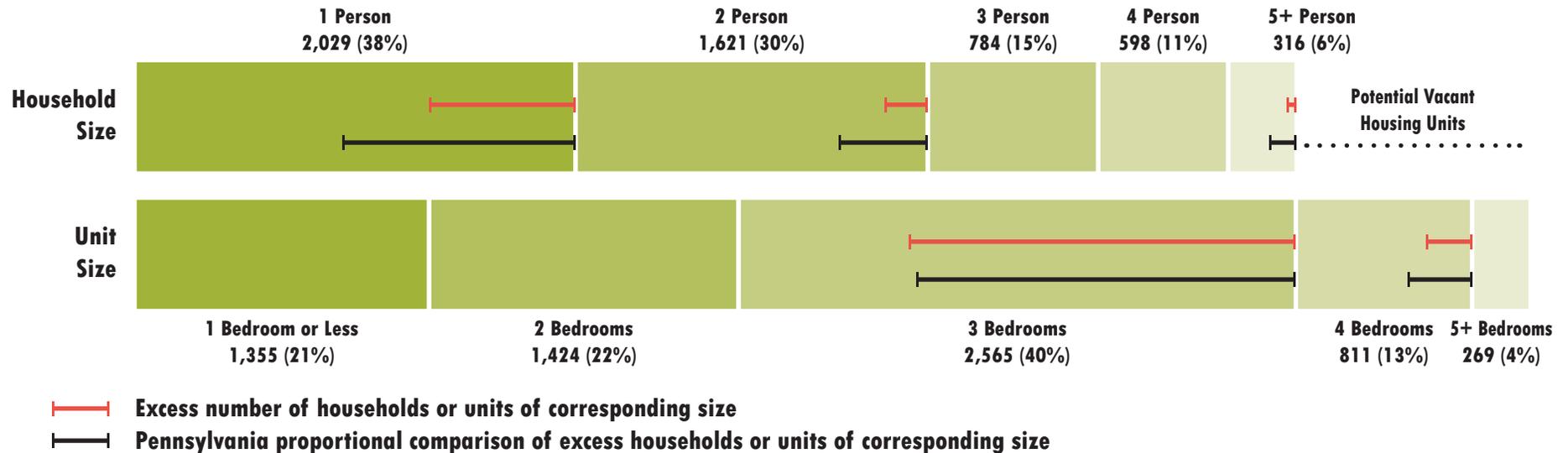
<sup>1</sup> Ownership (Tenure) Vacancy  
<sup>2</sup> Rentership (Tenure) Vacancy

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 Meadville 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 Meadville Submarket appears to have a surplus of one-, two-, and five-or-more-bedroom housing units. The Submarket's stock is three-bedroom homes appears adequate but it seems to have a shortage of four-bedroom houses.



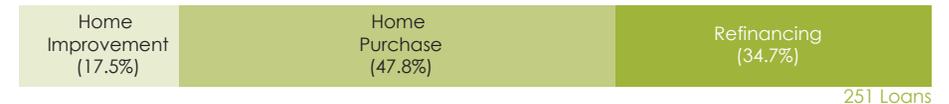
Source: U.S. Census, Retrieved 2018

### 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 graphic on the right demonstrates the purpose of loan activity within the Meadville Submarket. It appears that loan activity within the Meadville Submarket has been more 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 home improvement and purchase activities.

## MEADVILLE SUBMARKET LOANS BY PURPOSE (2016)

### Meadville Submarket



### Submarket Average



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 Meadville Submarket, the rate of declined loans has hovered in the high-teens in recent years (see below) and appears to show slight improvement since 2007.

**MEADVILLE SUBMARKET DECLINED HOUSING LOANS (2007-2016)**



Source: Consumer Financial Protection Bureau, Retrieved 2018

*In summary, the Meadville Submarket contains far more housing units than the submarket average. However, many of the units are older homes, which may present issues for investors, homeowners, and the community's aging population. Furthermore, the Submarket's existing stock appears to contain a surplus of smaller units, one- and two-bedroom homes, and larger homes that contain five-or-more bedrooms. The Submarket's apparent surplus of smaller units could become a significant problem down the road if it continues to see declines in the number of all households comprised of either one or two people. Furthermore, vacancy conditions within the Submarket may compound problems of mismatches within its housing stock. However, despite the apparent surplus of smaller units, rent prices within the Meadville Submarket are aligned with those of Crawford County on the whole. Flat housing stock growth is consistent with the finding that home values lag county-wide figures. Despite the challenges facing the Submarket's housing stock, loan originations were more investment oriented in 2016 when compared to the submarket average, and the rate of declined loans has declined slightly since 2007.*

## OVERALL STATUS OF THE MEADVILLE HOUSING SUBMARKET:

### *AN ECONOMIC OVERVIEW —*

The Meadville Submarket is a prominent job center within Crawford County and will remain so despite projections for flat job growth. Although many of the Submarket's workers also choose to live within the Submarket, nearly 80% of those working within the Meadville Submarket live outside the Submarket. On one hand, this statistic shows that the abundance of employment opportunities within the Submarket support the livelihoods of households throughout the county. On the other hand, the Meadville Submarket seems to struggle to retain its own workforce as residents. This observation is troubling for the Submarket's prospects of improving its own local housing marketplace and may indicate that job growth within the City of Meadville will not easily translate to an improved housing ecosystem without the influence of larger changes in local policy. Also of note, just over 60% of Meadville Submarket residents work outside the Submarket and a sizable portion of the Submarket's population may not participate in the labor force at all, presumably due to the presence of a college and many senior citizen households. For those residing within the Meadville Submarket, household income projections show moderate growth over the next few years, which may support housing market stability and ease cost burdens on some renters. In terms of educational attainment, the Meadville Submarket's labor force is more educated than the submarket average, with a much higher portion of residents holding college degrees.

### *POPULATION TRENDS —*

The Meadville Submarket is a regional population center. However, its population has been in decline since 2000, leaving much of the demand for housing units to the cycling of households within the community. Given the Submarket's size, 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. Whether or not such movement is happening or has already happened remains unclear. In terms of household formation, all one- and two-person households have declined while those with three or more people have either increased slightly in number or held steady. The stagnation in home values and relatively slow growth in rent prices might be partially explained by such household formation trends. However, growth in the number of households comprised of more than three people may stem from interactions between the needs of the Submarket's population, rent prices, and available rental units. Since more than half of renter households are cost burdened, the tendency to either form, in the case of roomers, or retain, in the case of families, larger households may stem from difficulties facing individuals seeking to form their own household.

### *THE HOUSING MARKET GENERALLY —*

The Meadville Submarket contains a much larger housing stock than the submarket average within Crawford County. From the size of the Submarket's housing stock, it is possible that its marketplace is more fertile for speculative real-estate activities in addition to direct investments. However, a spike in real estate investment seems unlikely in the near future, based on observations of home values that lag Crawford County figures and are well below Pennsylvania on the whole. This assumption is backed by projections that show a flat annualized housing stock growth rate. For existing homes, many are of older construction that might present difficulties for home owners, investors, and the community's aging population. Comparisons between the composition of households and housing units by size suggest that the Meadville Submarket has a surplus of homes that contain one-, two-, or five-or-more bedrooms, an adequate supply of three-bedroom homes, and a shortage of four-bedroom units. However, issues arising from household-housing unit size mismatches might be altered by housing stock conditions, particularly the nature of vacancy, within the Submarket. Despite having a similar vacancy rate to the submarket average, 43% of all vacancy is due to "other" reasons, which is a strong indicator of homes sitting in dilapidated or abandoned condition, and another 30% of vacant homes are currently for rent. The high portion of vacant homes for rent may indicate a struggling rental market. Homes listed for sale also appear distressed, as vacancy for such units is twice as represented in the Meadville Submarket as the submarket average. Even so, loan originations within the Meadville Submarket were more investment oriented than the submarket average, with higher portions originating for home purchase and improvement activities and the overall rate of declined loans dropping slightly in recent years.

## THE MEADVILLE SUBMARKET'S HOUSING ECOSYSTEM:

### HOUSING MARKET ECOSYSTEM —

The graphic on the next spread demonstrates the housing market ecosystem for the Meadville 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 Meadville Submarket, the conditions and trends explored within this section are examined at the level of each consumer segment that constitutes a portion of the overall housing ecosystem.

**NEW HOUSEHOLD MARKET —** The Meadville Submarket's new household market will likely be negatively impacted by household formation trends that show a decline in the overall number of non-family households. This trend is accompanied by demographic projections that forecast a decline in the population of all individuals between the ages of 15 and 34. A decline in the population of individuals within this age range is problematic for the new household market as these residents are mostly likely to participate in this consumer segment. As a result, the combination of household formation trends and demographic projections suggests that the consumer demand within the new household housing market is in decline.

Projections that forecast that household income will increase at a modest rate provide a sign for supporting the stability of the new household market. Comparisons between the composition of households and housing units by size suggests that the Meadville Submarket has a surplus of one- and two-bedroom housing units. Such findings may benefit consumers entering the new household market as smaller housing units are typically suitable for those participating in this segment. Fortunately, the Meadville Submarket contains a higher share of multi-unit housing structures when compared to the submarket average. An abundance of multi-unit housing structures will support the Submarket's new household market as such buildings are often more accommodating to the needs of those participating within this consumer segment.

The combination of median rent prices aligned with those observed county-wide along with the modest growth of such prices both provide positive signs for suppliers participating the Meadville Submarket's new household market. However, the Submarket's overall rate of cost-burdened renter households is much higher than the already relatively high submarket average, which suggests that many renters are struggling to afford housing based on their income. Such observation indicates instability within the Submarket's new household marketplace.

Overall, the Meadville Submarket's new household market is considered inadequate largely due to a combination of household formation trends and demographic projections suggesting a decline in consumer demand. However, a niche market for larger renter units may exist based purely on household formation trends. Additionally, the ability of a household participating in the Submarket's new household consumer segment to transition into the starter home segment is also considered inadequate because of the Submarket's relatively high rate of cost-burdened renter households.

### STARTER HOME & DOWNSIZING MARKETS —

The Meadville Submarket's starter and downsizing markets will likely be negatively impacted by household formation trends that show an decline in the overall number of two-person family households. This trend is accompanied by demographic projections that forecast an overall decline in the population of all individuals between the ages of 15-to-34 but an increase in the number of those over age 65. A decline in the population of those between the ages of 15 and 34 may translate into reduced consumer demand for starter homes as residents within this age range are mostly likely to constitute those within this consumer segment. However, an increase in the population of those over age 65 is a sign for growing consumer demand in the downsizing market.

The smaller share of single-family homes within the Meadville Submarket compared to the submarket average will potentially place stress on both the starter and downsizing markets since consumers within these segments often prefer this type of home. However, accessible multi-unit structures of quality construction are also attractive to many downsizing senior couples, of which the Submarket appear to have an abundant supply. Comparisons between the composition of households and housing units by size suggests that the Submarket has a shortage of two-bedroom homes along with a very minor surplus of three-bedroom houses. Two- and three-bedroom homes are important in that they often fit the preferences of most consumers within the starter and downsizing market segments. Additionally, consumers within the starter and downsizing home segments will have to contend with the Submarket's relatively old housing stock, of

## THE MEADVILLE SUBMARKET'S HOUSING ECOSYSTEM:

which close to half was built prior to 1940. This significant concentration of older homes could present either financial or physical burdens on younger and older buyers alike. Another challenge may come from the Meadville Submarket's proportionally larger share of homes vacant from "other" reasons when compared against the submarket average as the presence of such structures may be an indicator of disinvestment issues.

Projections that forecast household income will increase at a modest rate provide support for consumer stability within both the starter and downsizing markets. Less optimistically, the Submarket's median home value is below the county-wide figure and appreciation has been flat over recent years. The combination of relatively low median home values and household income projections may be reflected in real-estate loan activity across the Meadville Submarket which has been more investment oriented than the submarket average overall with higher portions of originations for home improvements and purchases.

Overall, the Meadville Submarket's starter home market is considered inadequate largely as the result of household formation trends suggesting a decrease in consumer demand. Furthermore, if demographic projections hold true, starter home demand could decline more with dwindling numbers of individuals between the ages of 15 and 34. Additionally, the potential for continued declines in consumer demand suggest that the ability of a household participating in the Submarket's starter home market to transition into the move-up segment may be inadequate. Household formation trends also suggest a decrease in the demand for downsizing homes. However, demographic projections that show gains in the number of senior citizens indicates that future demand for this housing segment may be strong. Overall, the downsizing housing segment is inadequate due to trends showing a decline in consumer demand. However, demographic and household income projections suggest that the ability to transition from this segment and into a senior living accommodation is adequate.

**MOVE-UP MARKET** – The move-up housing market within the Meadville Submarket will likely benefit from household formation trends that show an increase in the overall number of family households comprised of at least three members. However, this trend is accompanied by demographic projections that forecast an overall decline in the population of all individuals between the ages of 35 and 64. A decline in the population of individuals within this age range is problematic for the move-up market as these residents are mostly likely to participate in this consumer segment. Overall, household formation trends suggest that the demand for move-up housing will grow.

Similar to the Submarket's starter and downsizing segments, the move-up market may be positively affected by modest gains in household income if such projections hold up. Real-estate loan originations have been more investment oriented overall even as the Submarket's median home value lags behind the county's overall figure. Comparisons between the composition of households and housing units by size suggests that the Submarket has an adequate supply of three-bedroom homes, a shortage of four-bedroom houses, and a surplus of five-or-more-bedroom homes. However, consumers must contend with the Submarket's relatively old housing stock, of which close to half was built prior to 1940.

Overall, the Meadville Submarket's move-up market is considered adequate largely due to a combination of household formation trends that suggest an increase in consumer demand. However, demographic forecasts that show a decline in the population of individuals between the ages of 34 and 64 could lead to reduced demand for move-up housing if such projections hold up. Base upon such projections, the ability for households currently participating in the move-up market to transition into the downsizing segment is considered inadequate.

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

# THE MEADVILLE SUBMARKET'S HOUSING ECOSYSTEM:

