



# CENTRAL REGION

CAMBRIDGE SPRINGS

COCHRANTON

MEAD

MEADVILLE

SAEGERTOWN

VERNON

# THE SAEGERTOWN SUBMARKET

Due directly north of the Meadville Submarket, the Saegertown Submarket includes four municipalities including Hayfield and Woodcock townships along with Woodcock and Saegertown boroughs. The Saegertown Submarket lies entirely inside Crawford County and is adjacent to the Cambridge Springs, Mead, Meadville, Vernon, Conneaut Lake, and Springboro-Conneautville submarkets.

*A HOUSING ECOSYSTEM ANALYSIS OF THE SAEGERTOWN 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.

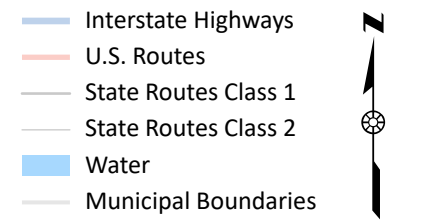
Drivers are those forces that directly propel the need for housing units or development. Drivers are designated by this icon (⚙️). Our analysis identifies three major drivers: job growth, population growth, and housing stock growth. The pushing and pulling of these driving forces with each other creates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

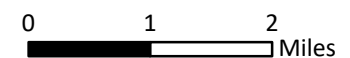
Indicators are metrics useful for providing further insight but are not assumed to produce wider impacts on their own. Indicators have this icon (📊). These indicators generally gauge how well parts of the market are responding to each other or how people are being accommodated by the housing market.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

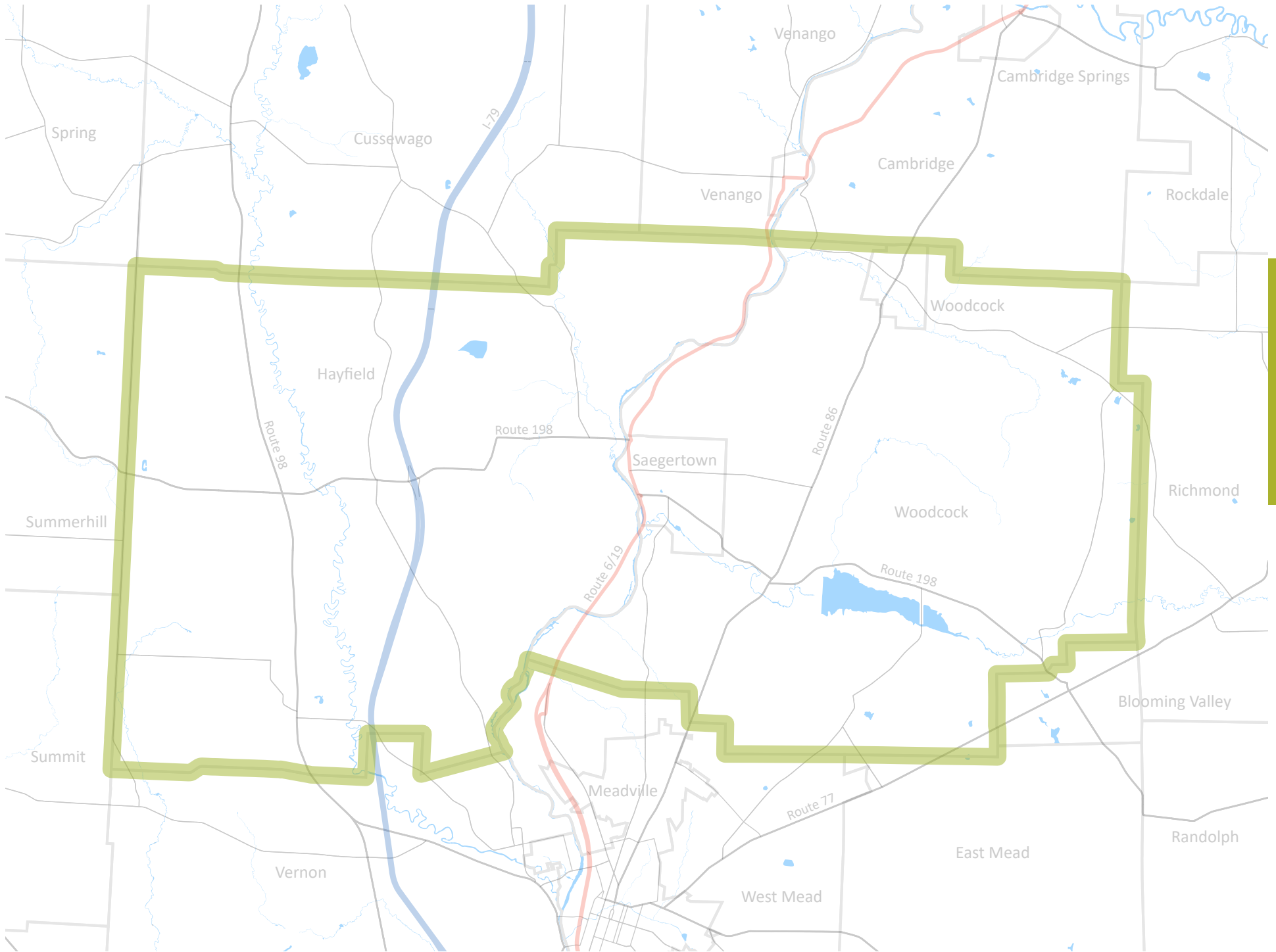
A second premise built into our analysis is that positive growth in terms of jobs, housing units, population, incomes and other characteristics is necessary to sustain a housing market. Not all communities within submarkets may desire to take on significant development. The assumptions inherent within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



Reference Scale - 1:100,000



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



SAEGERTOWN 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 Saegertown Submarket.

### LIVE-WORK TRENDS OF RESIDENTS LIVING WITHIN THE SAEGERTOWN SUBMARKET —

The map on the next page uses dots to represent where residents living within the Saegertown 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 Saegertown Submarket produces a job-to-housing ratio of 0.93, which lies nicely within the beneficial range.

The radar graph on the bottom left displays the distance and direction of where Saegertown 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 just over half of the Submarket's workers. Live-work observations within the Saegertown Submarket demonstrate that although it does contain a healthy share of employment opportunities many of its workers are employed outside the Submarket. The combination of a beneficial job-to-housing ratio and live-work trends showing shorter commutes provide indicators of housing market stability. A break down of such commuter trends is presented on the bottom right.

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

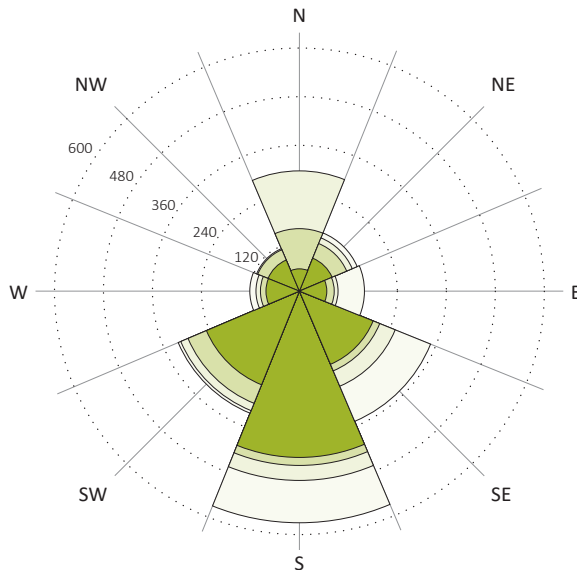


Reference Scale - 1:750,000

0 10 20 Miles

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

### WHERE SAEGERTOWN 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

**18.2%**

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

**65.1%**

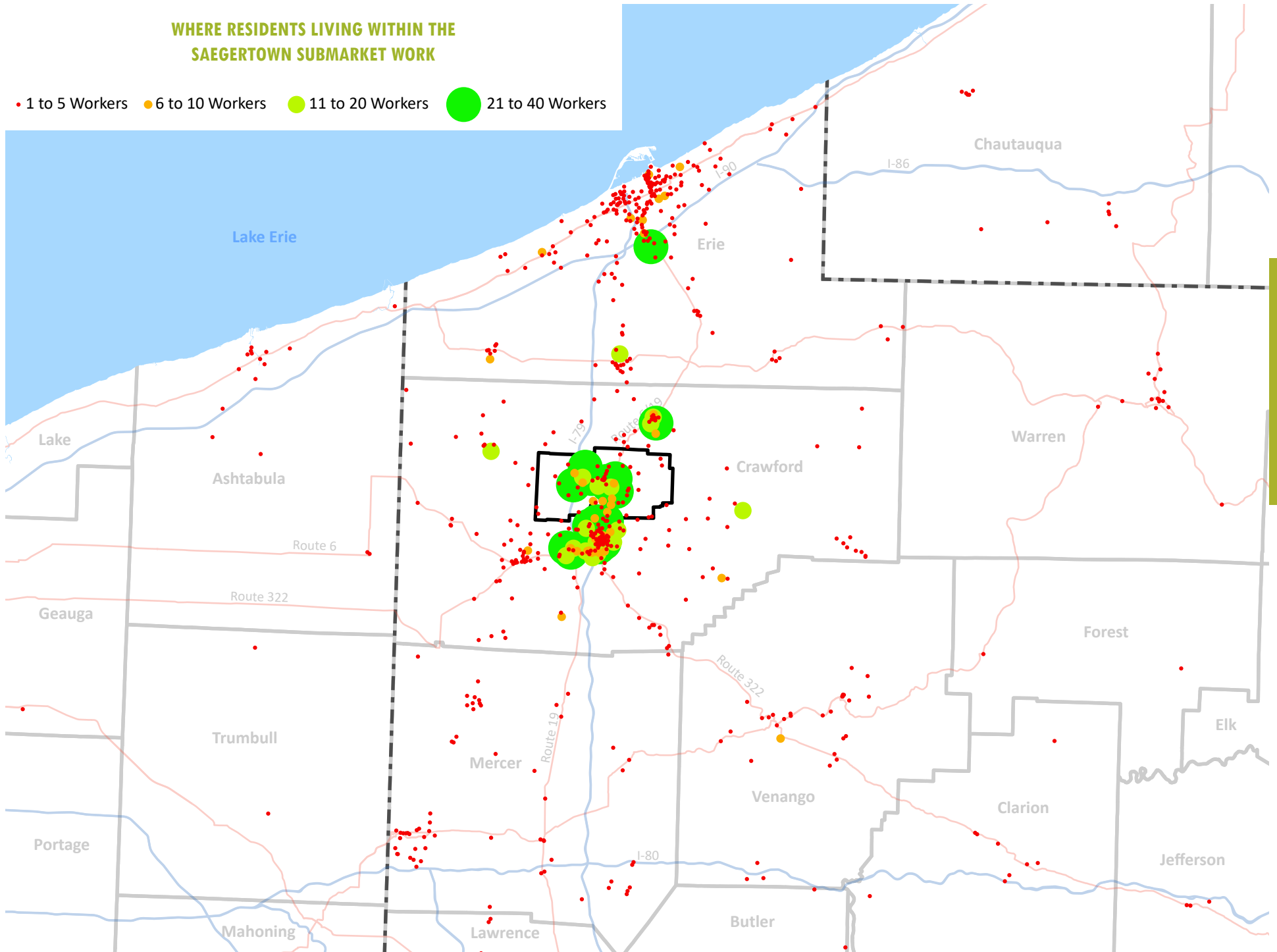
of Saegertown Submarket residents work inside **Crawford County.**

**34.9%**

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

### WHERE RESIDENTS LIVING WITHIN THE SAEGERTOWN SUBMARKET WORK

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



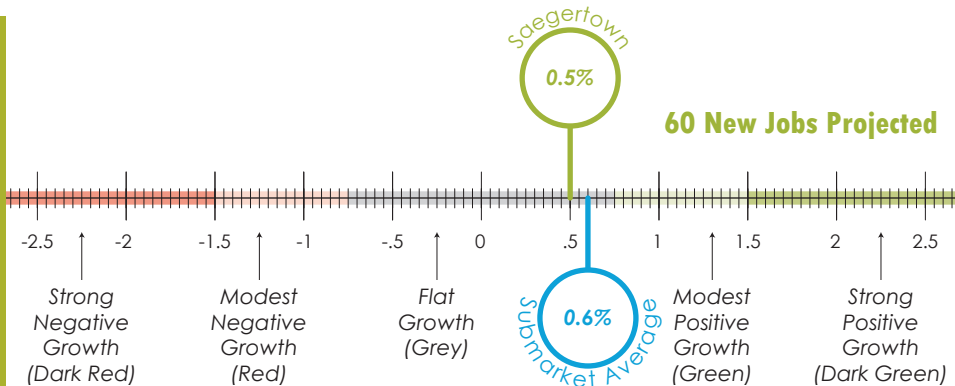
SAEGERTOWN SUBMARKET

## JOB GROWTH ANALYSIS:

### ⚙️ JOB GROWTH —

From the graph below, the Saegertown Submarket's 0.5% projected annual job growth rate is similar to the submarket average of 0.6% and lies within 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)

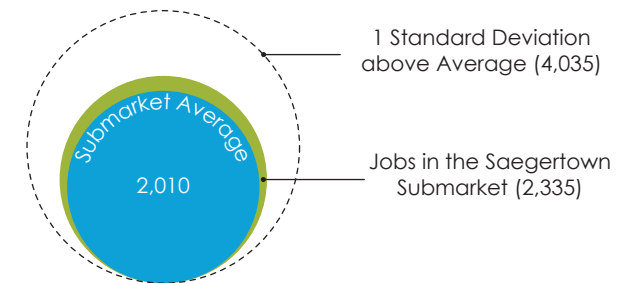


### 👤 HOUSEHOLD INCOME CHANGE —

Despite flat job growth projections, from the graph on the bottom left, household income within the Saegertown 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 accommodations.

### 📊 TOTAL JOBS —

To explore the magnitude of the Saegertown 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

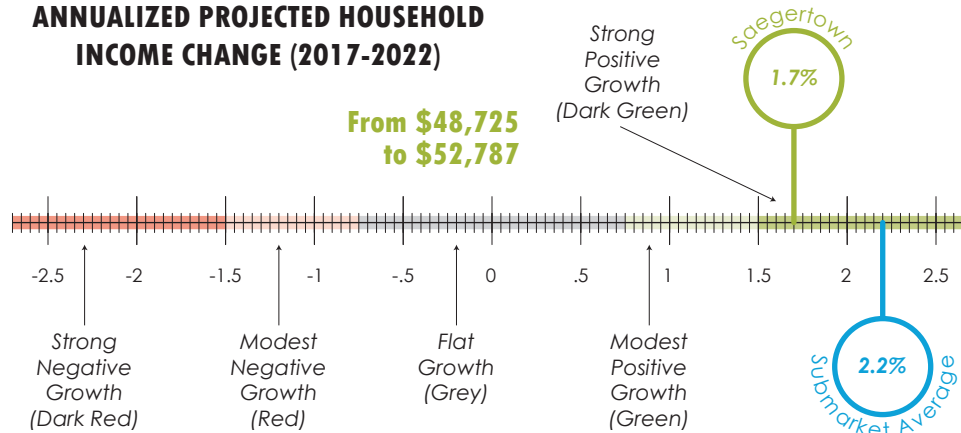


Source: U.S. Census 2011-2015 ACS

difference from the average value of jobs present within a submarket. If the Saegertown Submarket contained more jobs than two standard deviations above the submarket average, then that submarket was considered as a job center. From the graphic above, the Saegertown Submarket contains more jobs than the submarket average but doesn't deviate significantly above the average. This finding aligns with our earlier conclusion that the Saegertown Submarket is more of a bedroom community than a job center. Although jobs within the submarket provide important opportunities for local residents, the Saegertown Submarket is currently more reliant on the growth and stability of nearby job centers.

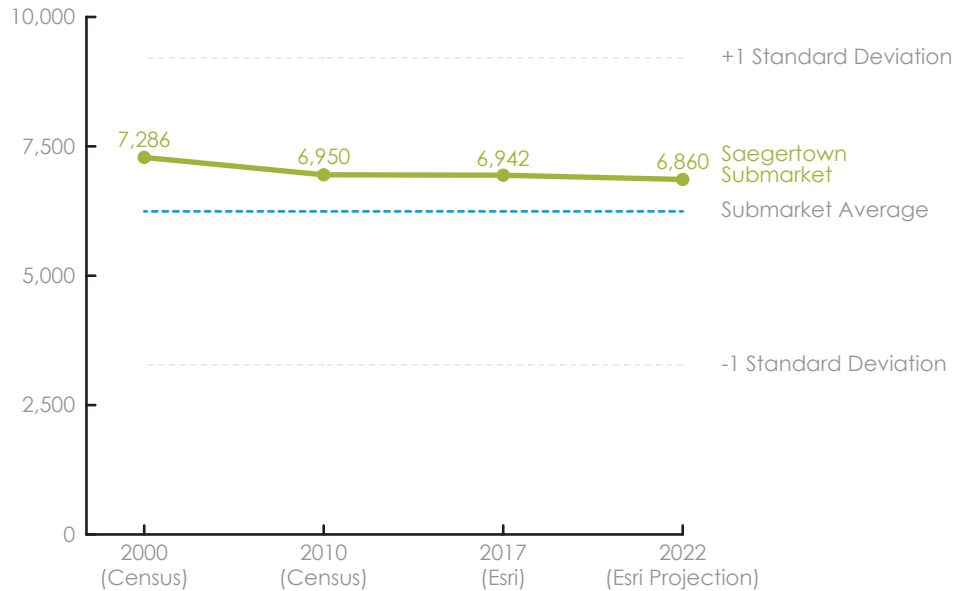
**In summary, despite containing a considerable share of local employment opportunities, many of the residents within the Saegertown Submarket commute to jobs located elsewhere in the region. The Submarket is not quite a bedroom community but also not a job center. Although the Submarket is projected 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)



## POPULATION GROWTH ANALYSIS:

### SAEGERTOWN 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 Saegertown 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 —

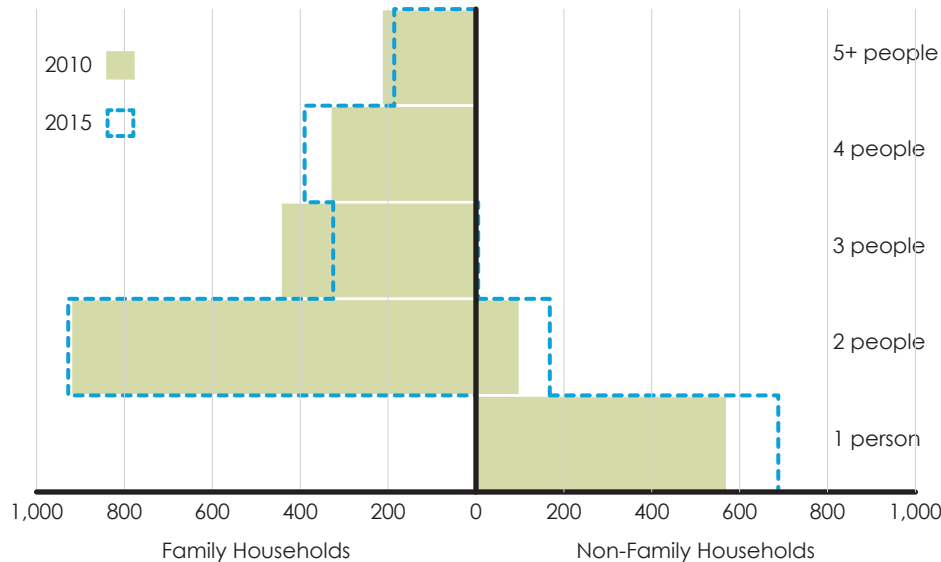
An increase in population will increase the local demand for housing. As demonstrated within the graph on the left, although the Saegertown Submarket's population has declined since 2000, it appears to be leveling off. Despite leveling off more recently, overall population trends and projections suggest that housing demand within the submarket isn't being generated by local population growth.

#### 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.*

### SAEGERTOWN 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 Saegertown Submarket households by size between 2010 and 2015. One- and two-person non-family households have increased substantially within the Submarket. In terms of family households, two-person households held steady while those comprised of three or more people have fluctuated. Specifically, three- and five-or-more person family households have declined while those comprised of four people have increased.

Household formation trends within the Saegertown Submarket suggest an increase in the local demand for rental units, steady internal demand for both starter and downsizing homes and an overall decline in the local demand for move-up housing.

Source: U.S. Census

## POPULATION GROWTH ANALYSIS:

### RENT PRICE & HOME VALUE CHANGES —

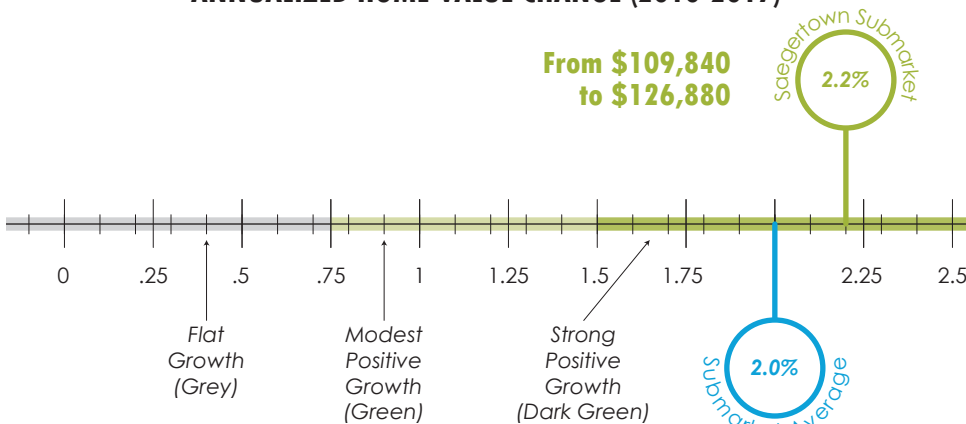
An increase in median rents or home values may delay individuals from forming new households and thus ease housing demand. Conversely, declines in these values may encourage household formation as the ability to move into your own unit becomes more attainable. The line graphs below demonstrate how the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

### 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 Saegertown Submarket with comparisons to Crawford County and the submarket average. We see that renter households within the Saegertown Submarket are less cost-burdened overall than the submarket average and are faring much better than those across Crawford County on the whole.

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



**27%** of Saegertown Submarket Renters  
(105 Households)

**41.3%** of Crawford County Renters

**34.3%** Submarket Average

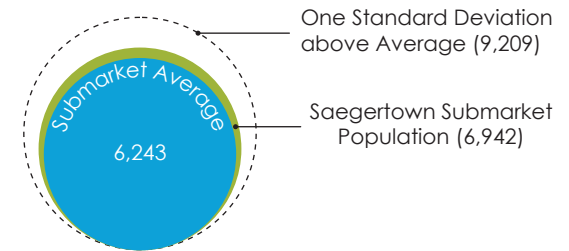
Source: U.S. Census 2011-2015 ACS



## POPULATION GROWTH ANALYSIS:

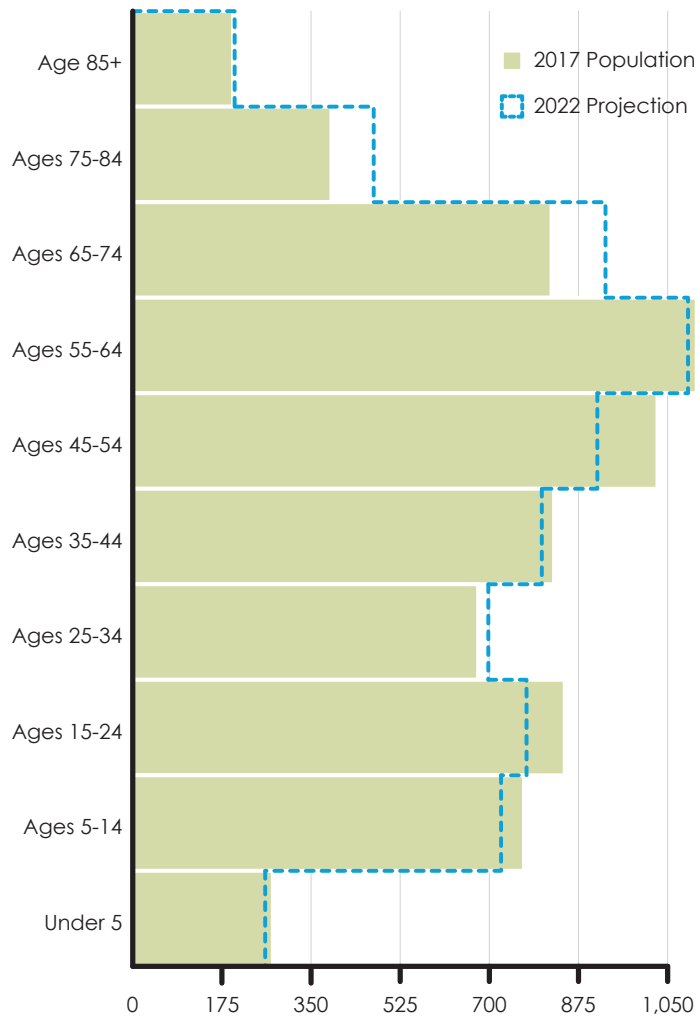
### POPULATION GROWTH ANALYSIS: TOTAL POPULATION –

The cycling of households between different homes creates some of the housing demand within a community. To attempt to understand this type of housing demand, we established whether the Saegertown 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 Saegertown Submarket contained more residents than one standard deviation above the submarket average, then that submarket was considered a regional population



Source: Esri, Retrieved 2017

### SAEGERTOWN SUBMARKET POP. PYRAMID & PROJECTION



Source: Esri, Retrieved 2018

center.

From the graphic shown on the right, although the Saegertown Submarket is more populated than the submarket average, its population is less than one standard deviation above the submarket average. By this standard, the Saegertown Submarket is not a regional population center but a local population center instead. Although there must be some housing demand created by the cycling of households between different homes within the community, such demand may not exist at a magnitude large enough to drastically transform individual neighborhoods based on the shifting preferences of local consumers alone. Additionally, from the submarket's relative population size, it can be assumed that the Saegertown Submarket does not have the gravity to attract new residents on a speculative basis. This assumption infers that those moving into the submarket are likely anchored in some personal manner such as to be close to a recently secured job or to be near family members.

### AGE BRACKET COMPOSITION –

Whether the type or quantity of housing within a community meets the needs of its population is largely influenced by its 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 Saegertown Submarket in 2017 with a projection to 2022. Age cohorts within the Saegertown Submarket are projected to decline across both the youth and working age brackets which together constitute all individuals below the age of 64. However, projections shown an increase in the population ages 25-to-34, which likely constitutes many consumers within the starter home market. Conversely, population is projected to increase across the age brackets comprising individuals ages 65-to-84. Such population projections suggest a decline in the demand for rental units and move-up housing while also suggesting an increase in the demand for starter and downsizing homes along with senior living accommodations.

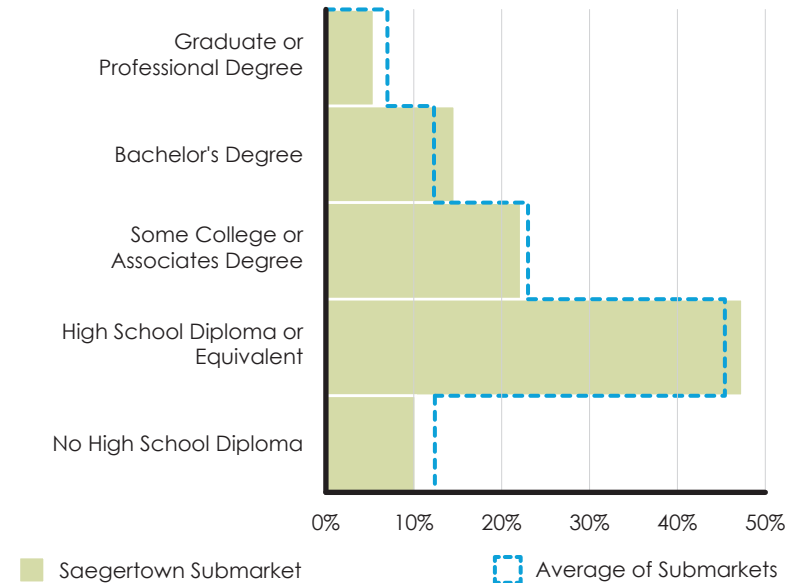
## POPULATION GROWTH ANALYSIS:

The demographic trends and household formation trends addressed earlier suggest a decline in the local demand for rental units and move-up housing. Furthermore, gains in the number of two-person non-family households may be reflected in projections showing an increase in the population ages 25-to-34.

### 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 Saegertown Submarket with a comparison to the average educational attainment of all submarkets across the county. From this graph, it appears that the Saegertown Submarket is a little bit more educated than the submarket average. The Saegertown Submarket has a smaller portion of its population not holding a high school diploma with larger portions holding either high school diplomas or bachelor's degrees. The Submarket's higher level of overall educational attainment may make it more economically competitive over the long run.

### SAEGERTOWN SUBMARKET EDUCATIONAL ATTAINMENT (2017)



Source: Esri, Retrieved 2018

*In summary, the Saegertown Submarket is a local population center within Crawford County. However, the Submarket has experienced a slight population decline which is projected to stabilize into the future.*

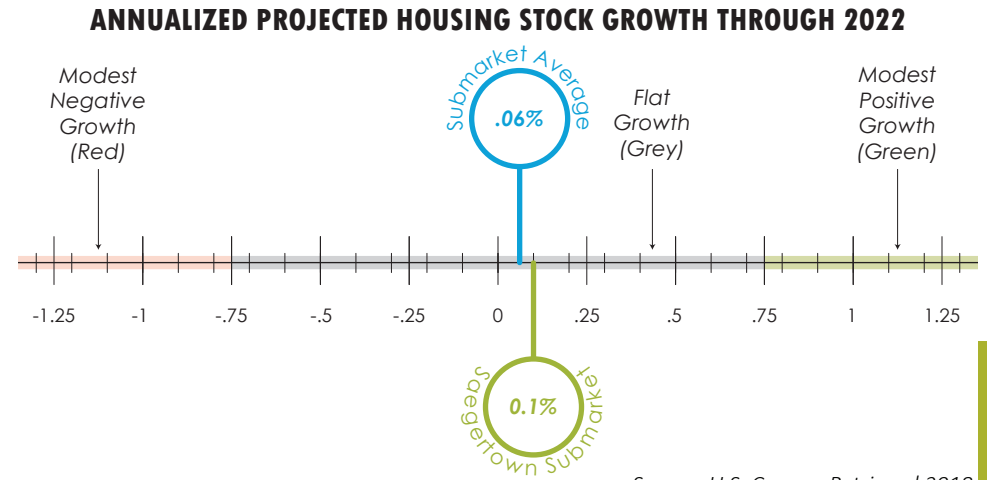
*Such decline suggests that most of the demand for housing within the Saegertown Submarket will come from the cycling of existing households. In terms of household formation trends, non-family households comprised of one to two people have increased considerably. Family household formation trends have varied across the board with those comprised of two people increasing slightly, those with three people declining significantly, those with four people increasing, and five-or-more people family households declining. Despite significant gains in the number of non-family households within the Submarket, rent prices have grown at a modest rate whereas home values have seen strong growth. Even though rents have increased, the Saegertown Submarket has a lower rate of cost burdened renters than the submarket average and Crawford County on the whole. Demographic projections within the Submarket show declines across most youth and working age cohorts while showing an increase in the population of seniors. Notably, the population of individuals between the age of 25-to-34 is projected to increase within the Submarket, a finding which may be a good sign for the starter home marketplace. In terms of educational attainment, the Saegertown Submarket is more educated than the submarket average.*

## HOUSING STOCK GROWTH ANALYSIS:

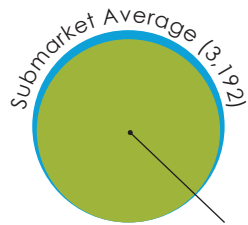
This section of our analysis explores housing stock growth as a driver and relationships between its influencers leading to the outcome of the total housing stock. A stable and growing housing stock, balanced with population and job growth, is essential for sustaining a healthy housing market. A healthy 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 Saegertown Submarket. Although flat, the Submarket's housing stock growth rate is similar to the submarket average.



Source: U.S. Census, Retrieved 2018



Housing Units in the Saegertown Submarket (2,899)

Source: Esri, Retrieved 2018

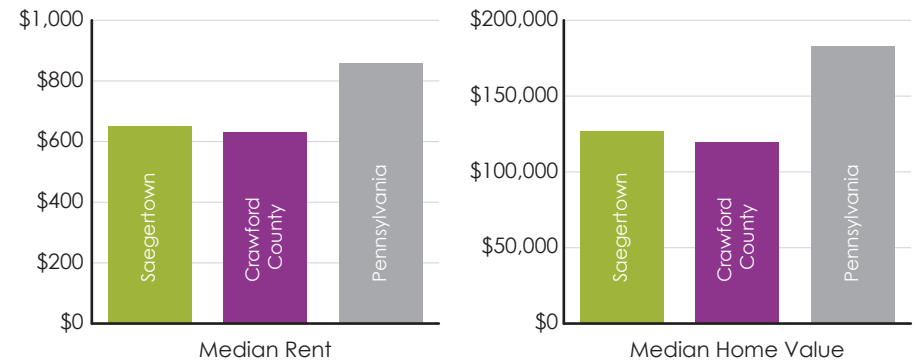
### TOTAL HOUSING STOCK —

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 Saegertown 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. From the graphic on the left, we see that the Saegertown Submarket has fewer housing units than even the submarket average. Based on this analysis, it can be safely assumed that housing development within the Saegertown Submarket is largely a creature of immediate responses to observable market demand rather than along speculative lines.

### 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, both median rent prices and home values within the Saegertown Submarket are slightly above the corresponding figures for all of Crawford County yet well below those observed for Pennsylvania on the whole. However, such figures suggest that the Submarket's rental and home ownership markets are considered desirable within the county.

### SAEGERTOWN 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 nearly one quarter of the Saegertown 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 Saegertown 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.

### SAEGERTOWN SUBMARKET HOUSING UNITS BUILT PRE-1940

22.6%



Homes Built Pre-1940

77.4%



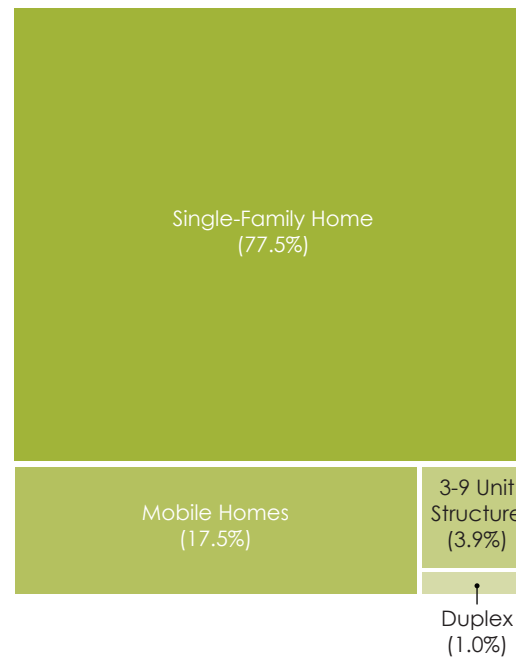
Homes Built Post 1940

Source: U.S. Census, Retrieved 2018

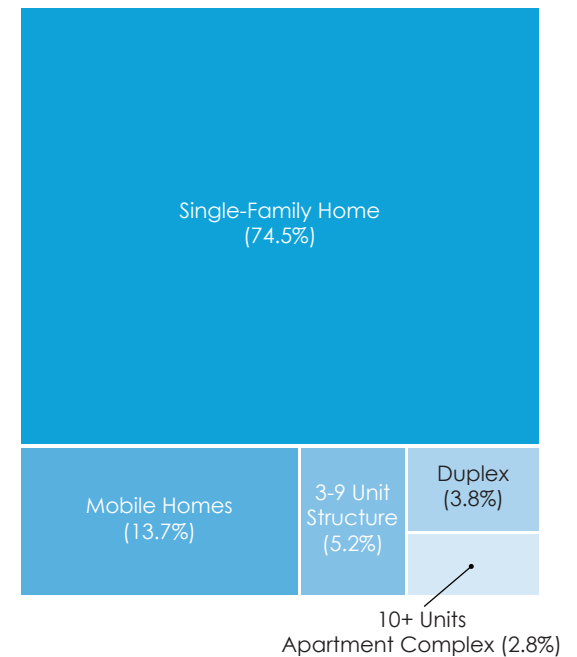
### HOUSING BUILDING TYPES –

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 Saegertown Submarket is somewhat comparable to the submarket average in that single-family and mobile homes dominate its housing building stock. The Submarket contains larger shares of both single-family and mobile homes (more than 95% combined) than the submarket average. Conversely, multi-unit structures constitute a smaller portion of the Saegertown Submarket's housing building stock than the submarket average.

### SAEGERTOWN SUBMARKET



### SUBMARKET AVERAGE

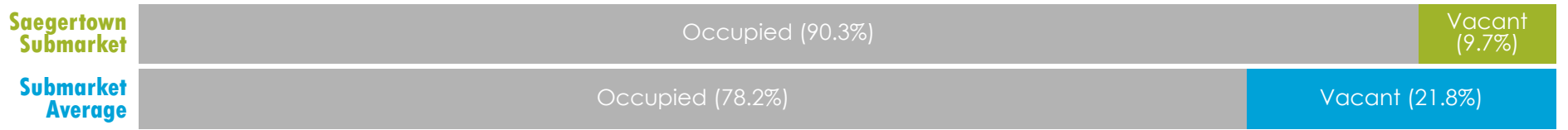


Source: U.S. Census, Retrieved 2018

# 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 Saegertown Submarket’s recorded vacancy rate in 2016 with a comparison to the submarket average. The Saegertown Submarket has an overall vacancy rate 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 (36%) of the Submarket’s vacancy results from “other” reasons. “Other vacant” housing units are likely those which are abandoned, condemned, dilapidated, or off the market. Even though the Saegertown 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 Saegertown Submarket’s housing stock.

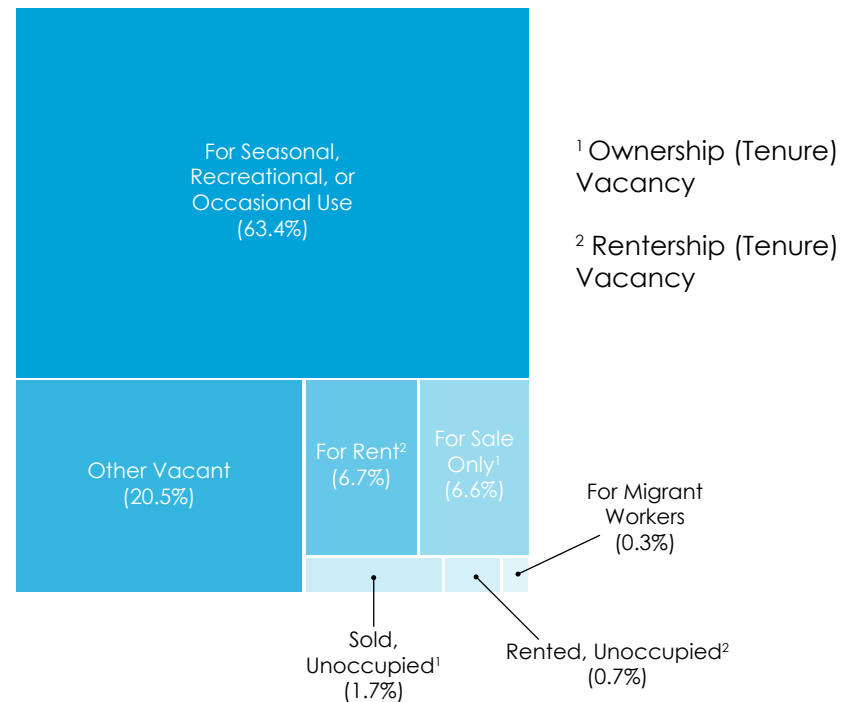


Source: U.S. Census, Retrieved 2018

### SAEGERTOWN SUBMARKET



### SUBMARKET AVERAGE

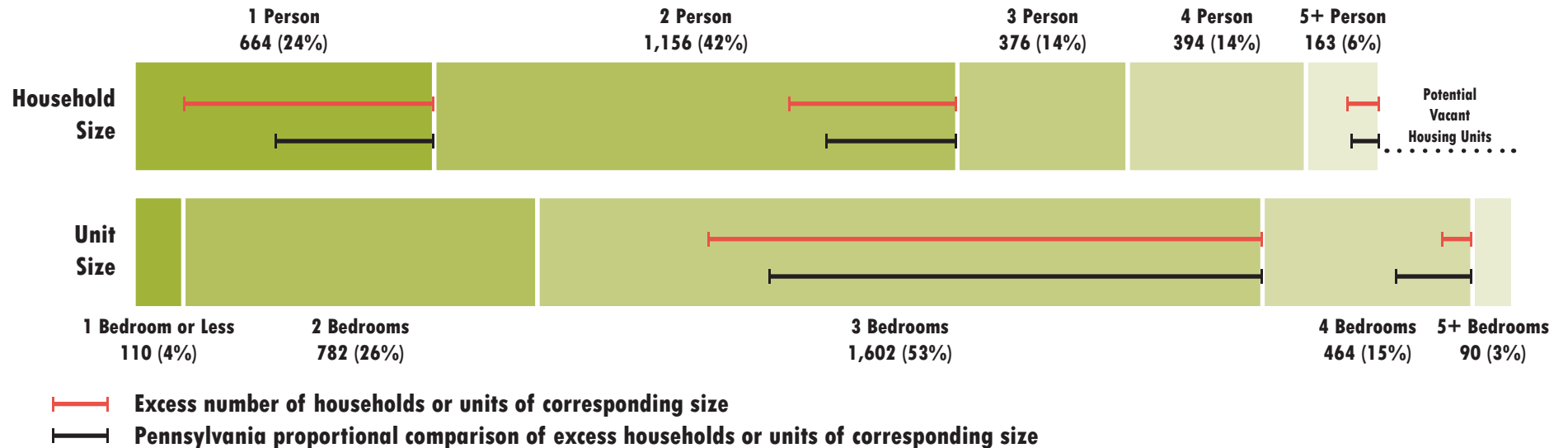


Source: U.S. Census, Retrieved 2018

## 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 Saegertown 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 Saegertown Submarket appears to have a substantial shortage of one- and four-bedroom homes as well as a notable shortage of two-bedroom houses. There appears to be a surplus of three-bedroom homes within the Submarket and the supply of housing structures containing five-or-more bedrooms seems to be in adequate supply.



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 Saegertown Submarket. From these graphs, it appears that loan activity within the Saegertown Submarket has been about as investment-oriented, at least in 2016, as activity reported across the submarket average.

## SAEGERTOWN SUBMARKET LOANS BY PURPOSE (2016)

### Saegertown 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 Saegertown 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.

#### SAEGERTOWN SUBMARKET DECLINED HOUSING LOANS (2007-2016)



Source: Consumer Financial Protection Bureau, Retrieved 2018

*In summary, the Saegertown Submarket contains a lesser 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 rent and home values which are above those observed across Crawford County but below Pennsylvania's figures. The lack of new housing construction leaves around 23% of the Submarket's stock as having been constructed prior to 1940. Single-family structures and mobile homes are proportionally more represented within the Saegertown Submarket than across the submarket average. In terms of vacancy, the Submarket's vacancy rate is much lower than the submarket average, but a larger composition of its vacancy is due to "other" reasons. When assessing how well the Saegertown Submarket's housing stock meets the needs of its residents, it is clear that it doesn't provide many opportunities for one and two person households. 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 SAEGERTOWN HOUSING SUBMARKET:

### *AN ECONOMIC OVERVIEW —*

Observations of live-work trends within the Saegertown Submarket show that most of its workers commute to jobs outside the Submarket with many traveling to jobs in the Meadville area, Cambridge Springs, or Erie. However, despite the dominance of workers commuting to jobs elsewhere, the Saegertown Submarket contains a significant concentration of jobs within its limits. Such finding is observable within the Saegertown Submarket's job-to-housing ratio which, at 0.93, lies within the beneficial range. The combination of these observations suggests that the Saegertown Submarket isn't entirely a bedroom community but also does not represent a job center within Crawford County. The Saegertown Submarket's economic role is unlikely to change in the near future given recent observations of flat job growth. Even in the presence of flat job growth, household income is projected to see a strong increase within the Submarket. In terms of educational attainment, the Saegertown Submarket is about as educated overall as the submarket average. When exploring how economic conditions within the Saegertown Submarket may be impacting real-estate investment activities it was uncovered that loan originations within the Submarket have been less investment oriented. The recent success rate for securing housing related loans is around 78% with this rate showing improvement since 2007.

### *POPULATION TRENDS —*

The Saegertown Submarket represents a local population center within Crawford County. Despite declining in population overall since 2000, such decline has begun to level off as early as 2010. Within the context of stagnant population growth, the Saegertown Submarket has experienced significant growth in the number of one- and two-person non-family households. When considering family households, those composed of two people have remained stable while four-person households have increased and those comprised of either three or five-or-more people have declined. In terms of demographics, the Saegertown Submarket is projected to see a decline in population across all youth and working age brackets except for those ages 25-to-34. Similar to many other submarkets across the county, the senior population within the Saegertown Submarket is projected to increase. Overall, the Saegertown Submarket is aging but to a less exaggerated extent than many other submarkets in the county, and the combination of household formation trends and population projections suggest that demand for rental units, starter homes, and downsizing homes will be stable going into the near future.

### *THE HOUSING MARKET GENERALLY —*

Despite observations showing strong growth in home values and modest increases in rent prices, the overall housing stock within the Saegertown Submarket is not growing at a significant rate. Without the new supply of more accessible housing units, the significant concentration of older homes within the Submarket's housing stock may present physical and financial challenges for both smaller households and older residents. The Saegertown Submarket's overall housing vacancy rate is lower much lower than the submarket average however, vacancy attributable to "other" reasons is more represented. Vacancy for "other" reasons rather than for seasonal use or being current listed for sale is a sign of potential disinvestment issues within the housing stock. Despite the presence of a higher proportion of vacancy for "other" reasons than the submarket average, it should be noted that the Submarket's overall vacancy is still quite low thus minimalizing both the impact and salience of "other" vacancy. When exploring how the composition of housing units by size within the Submarket may be meeting the needs of its residents, it appears that the Saegertown Submarket has a shortage of one- and two-bedroom units. In addition, three bedroom units appears in generous supply while there may be a potential shortage of four-bedroom homes and those with five-or-more bedrooms are adequate in quantity for meeting the demand for Submarket residents.



## THE SAEGERTOWN SUBMARKET'S HOUSING ECOSYSTEM:

### HOUSING MARKET ECOSYSTEM —

The graphic on the next spread demonstrates the housing market ecosystem for the Saegertown 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 Saegertown 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** — Household formation trends showing a substantial increase in the number of one- and two-person non-family households may benefit the Saegertown Submarket's new household market. However, such trends are accompanied by demographic projections showing an overall decline in the population of individuals between the ages of 15 and 34. Despite a forecasted population decline for individuals within this age range, modest rent growth paired with median rent prices above county-wide figures suggest that the market is currently responding to strong non-family household formation within the Saegertown Submarket. Additionally, projections show strong household income growth within the Submarket and observations of overall renter cost-burden rates suggest that lesser proportion of renter households face affordability issues than the submarket average.

Even though economic and demographic conditions generally present positive signs for the Saegertown Submarket's new household consumer segment, comparisons between the composition of households and housing units by size, show that the Submarket lacks one-bedroom housing units. In addition to having a shortage of housing units sized to meet the needs of the many new non-family households, the Submarket appears to lack multi-family structures which could supply necessary units for its new household consumer segment.

Even though the Saegertown Submarket is seeing a significant increase in the number of one- and two-person non-family households, it appears to lack the housing stock necessary to support these new households. As a result, the Submarket's new household market segment is inadequate. However, a low renter cost-burdened rate paired with projections showing strong increases in household income suggests that the ability of a household to transition into the starter home market is adequate.

**STARTER HOME & DOWNSIZING MARKETS** — A very slight increase in the number of two-person family households within the Saegertown Submarket presents a good sign for both its starter and downsizing markets. However, such 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 Saegertown 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 Saegertown Submarket supports median home values above the figure observed county-wide and such values are increasing at a strong rate. Additionally, household income within the Submarket is projected to experience strong growth. These factors lend stability to all consumer segments within the Saegertown Submarket including the starter and downsizing segments. Participants in these consumer segments are also greeted by the appearance of an abundant stock of single-family homes. However, the Submarket's housing stock appears to have a shortage of two-bedroom units but a surplus of homes with three bedrooms. This conclusion arises from observations between the composition of households and housing units by size within the Submarket. Such observations suggest that the Saegertown Submarket's housing stock trends toward larger homes, which may present challenges for those participating in the starter and downsizing home consumer segments. Additionally, nearly a quarter of the Submarket's overall housing stock was built prior to 1940, which may translate into the challenges and renovation issues associated with older homes which can also inhibit the starter and downsizing home consumer segments.

In terms of vacancy, the Saegertown Submarket has an overall vacancy rate that is much lower than the submarket average but the composition of its vacancy attributed to "other" vacant housing units is much higher than the corresponding submarket average. Vacant homes for "other" reasons are often those which have lost their economic value in the marketplace and may contribute to property violations and a blighted environment. The composition of vacant housing

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units that are “sold, unoccupied” within the Saegertown Submarket is also proportionally larger than that observed within the submarket average. Such observations might suggest the presence of real-estate issues which could negatively impact the starter and downsizing home consumer segments within the Submarket. Such a conclusion is consistent with the finding that loan originations within the Saegertown 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 Saegertown Submarket is stable, population projections showing a decline in the number of individuals between the ages of 15 and 34 place serious questions over the well-being of its starter home market. However, the number of two-person family households has grown, albeit very slightly, leaving the starter home consumer segment as adequate for now. The downsizing home consumer segment is considered adequate due to the projected increase in the population of senior citizens. Since both housing consumer segments appear adequate and overall market conditions within the Submarket are performing well, the ability to transition beyond both segments is considered to be adequate as well.

**MOVE-UP MARKET** – The move-up housing market within the Saegertown 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, 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 for “other” reasons may present potential challenges and hardships impacting the move-up market.

Trends showing an overall decrease in the number of family households comprised of three, four, and five-or-more people within the Saegertown Submarket suggest a decline in demand for move-up housing. These 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 contains a proportionately larger share of three-bedroom homes relative to Pennsylvania’s share but a smaller proportion of four and five-or-more bedroom homes. Although the Submarket might lack housing units larger than three-bedrooms in size, household formation trends and projections suggesting a decline in the number of larger families presents should provide some relief.

Overall, since household formation trends show a decrease in the number of family households composed of more than three people, the move-up housing consumer segment is considered to be performing inadequately. Also, because the demand for move-up housing within the Submarket appears somewhat questionable, the ability of a household to transition from this segment into the downsizing home market is also inadequate.

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

# THE SAEGERTOWN SUBMARKET'S HOUSING ECOSYSTEM:

