

THE SHENANGO SUBMARKET

Squaring off the southwestern corner of Crawford County, the Shenango Submarket consists of three municipalities which include North Shenango, South Shenango, and West Shenango townships. The Shenango Submarket is adjacent to the East Fallowfield-Greenwood, Conneaut Lake, and Linesville submarkets within Crawford County and shares its southern boarder with Mercer County and its western border between Trumbull and Ashtabula counties in Ohio.

A HOUSING ECOSYSTEM ANALYSIS OF THE SHENANGO 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.

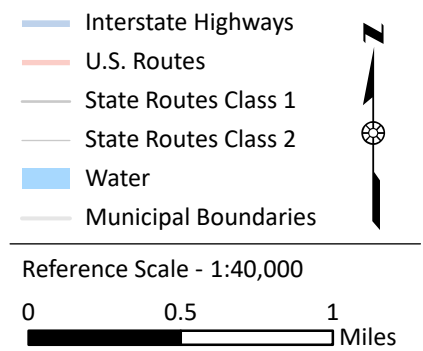
Drivers are those forces that directly propel the need for housing units or development. Drivers are designated by this icon (⚡). Our analysis identifies three major drivers: job growth, population growth, and housing stock growth. The pushing and pulling of these driving forces with each other creates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

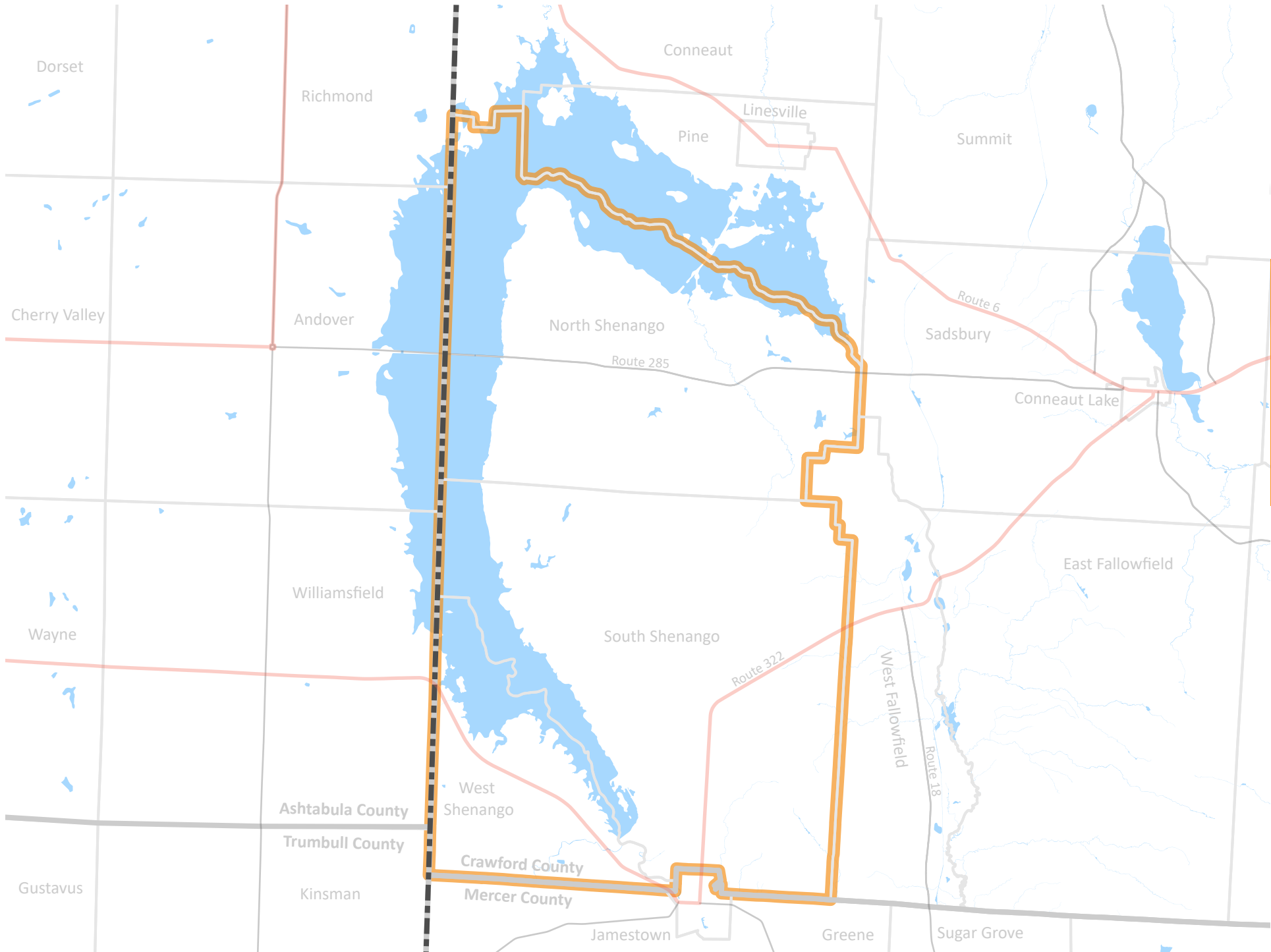
Indicators are metrics useful for providing further insight but are not assumed to produce wider impacts on their own. Indicators have this icon (🍷). These indicators generally gauge how well parts of the market are responding to each other or how well people are being accommodated by the housing market.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



SHENANGO 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 for Shenango Submarket residents.

LIVE-WORK TRENDS OF SHENANGO SUBMARKET RESIDENTS —

The map on the next page uses dots to represent where residents living within the Shenango Submarket work. From this map, it is apparent that many Submarket residents find work along the U.S. Highway 322 corridor, within the Meadville area, and down in Mercer County. 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 Shenango Submarket produces a job-to-housing ratio of 0.12, which lies well below the beneficial range and potentially indicates instability.

The radar graph on the bottom left displays the distance and direction of where Shenango Submarket residents work. The dark orange wedges of the graph demonstrate those commuting less than ten miles; however, the vast majority of residents travel beyond ten miles to reach work. Consistent with the Submarket's job-to-housing ratio, live-work observations demonstrate that most residents treat the Shenango Submarket as a bedroom community and commute to work elsewhere. The radar graph also shows clear eastern and southeastern commuter patterns highlighting the importance of the U.S. Highway 322 corridor and routes leading to job centers in Mercer County.

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

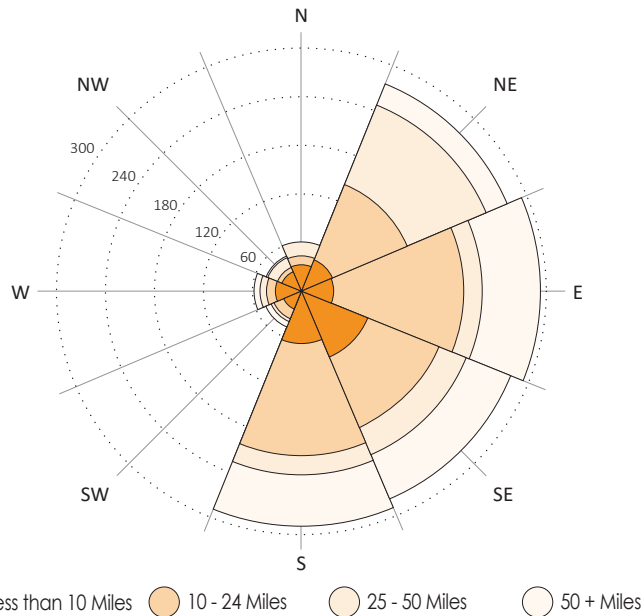


Reference Scale - 1:750,000

0 10 20 Miles

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

WHERE SHENANGO SUBMARKET RESIDENTS WORK



7.5%
32.6%
67.4%

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

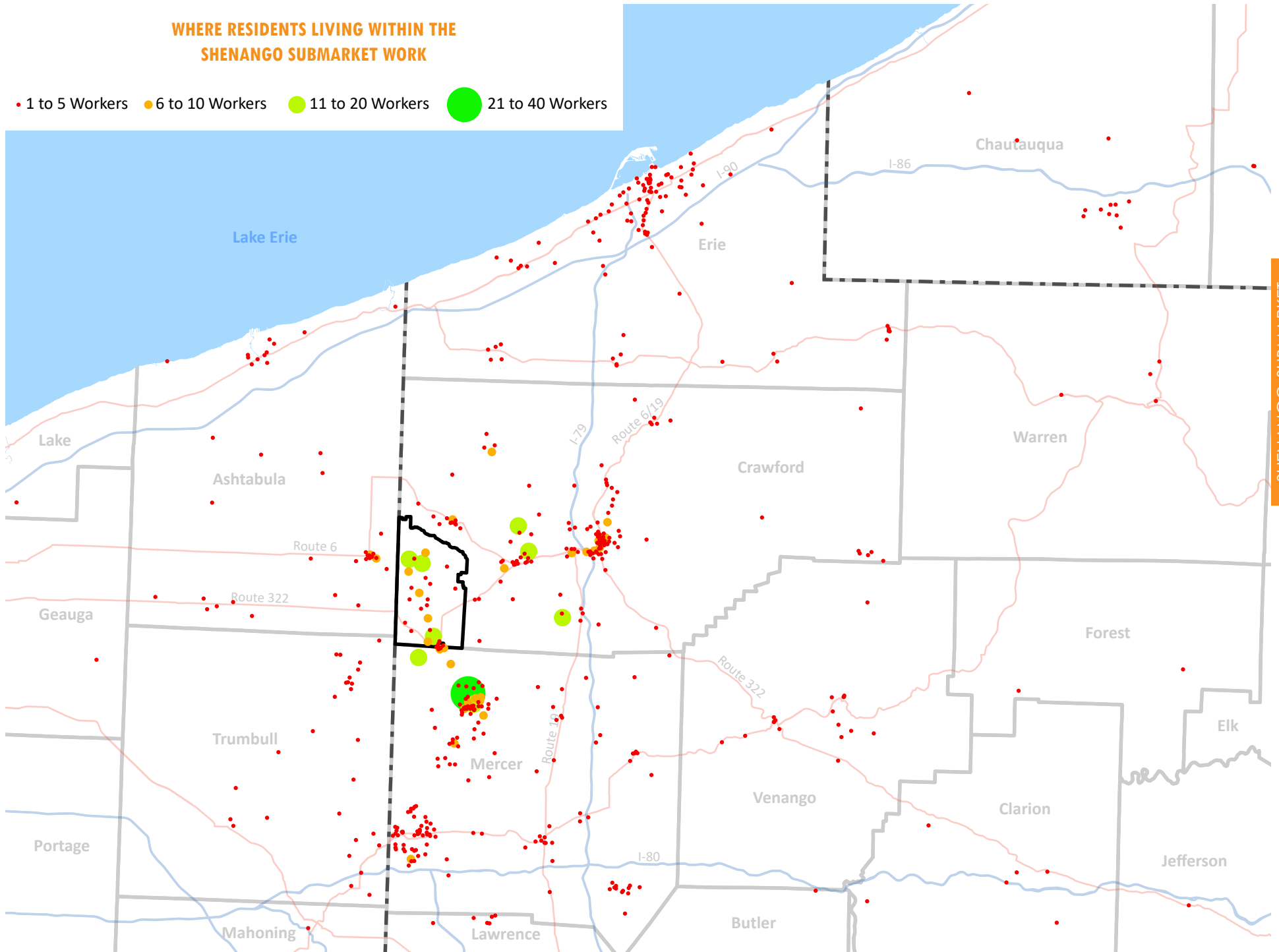
of Shenango Submarket residents work inside **Crawford County.**

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

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

WHERE RESIDENTS LIVING WITHIN THE SHENANGO SUBMARKET WORK

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



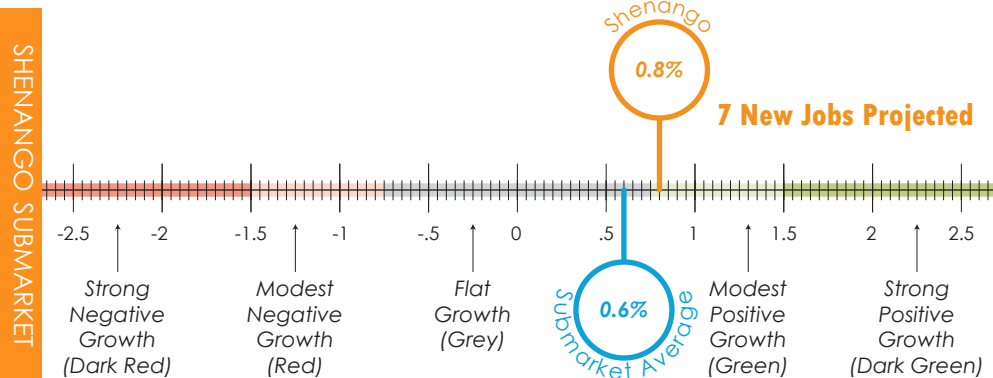
SHENANGO SUBMARKET

JOB GROWTH ANALYSIS:

JOB GROWTH —

From the graph below, the Shenango Submarket's 0.8% projected annual job growth rate is just above the submarket average of 0.6% and represents modest growth. Though beneficial, job growth alone likely isn't occurring at a magnitude that could provide workers with enough extra employment options which can be leveraged to encourage an increase in wages.

ANNUALIZED PROJECTED JOB GROWTH RATE (2017-2022)



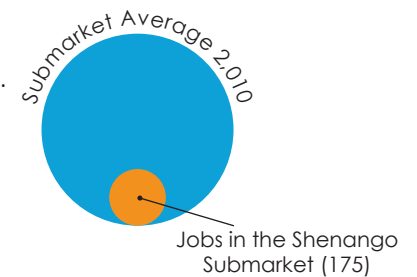
Source: Esri; PA CWIA; 4ward Planning, Inc., Retrieved 2018

HOUSEHOLD INCOME CHANGE —

Building upon modest job growth projections, from the graph on the bottom left, household income within the Shenango 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.

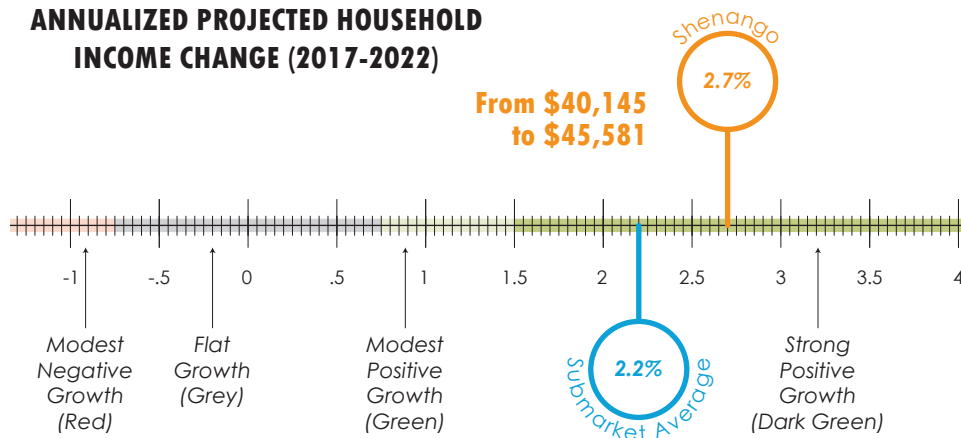
TOTAL JOBS —

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



Source: U.S. Census 2011-2015 ACS

ANNUALIZED PROJECTED HOUSEHOLD INCOME CHANGE (2017-2022)

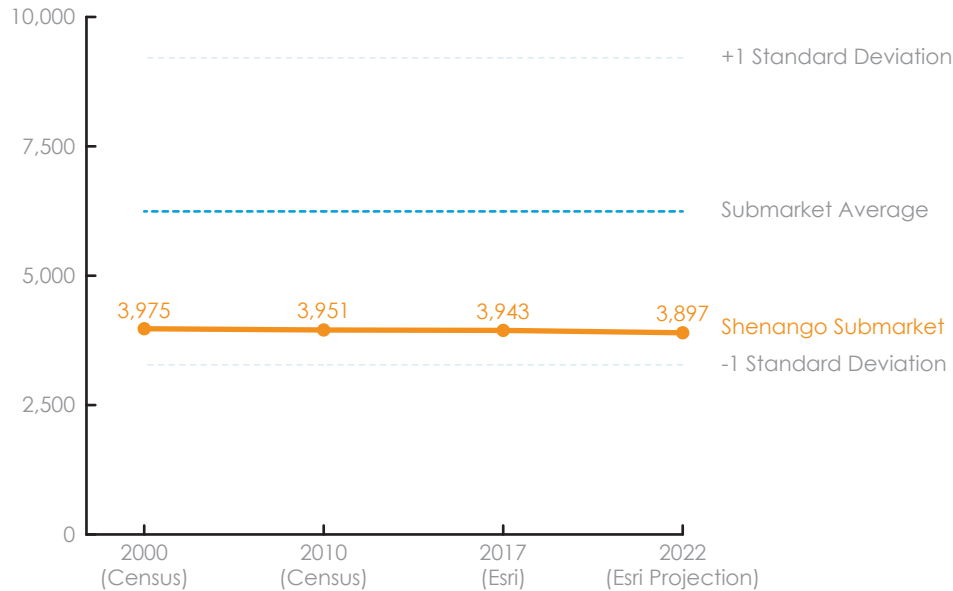


Source: 2010 ACS 5-Year Estimates; BLS., Esri, Retrieved 2018

In summary, the Shenango Submarket is projected to experience modest job growth and strong household income growth. Such growth in job opportunities and household income may bolster housing market stability. However, at present, the submarket is more of a bedroom community than a job center and therefore relies significantly on the productivity and growth of its surrounding region.

POPULATION GROWTH ANALYSIS:

SHENANGO 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 Shenango 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 —

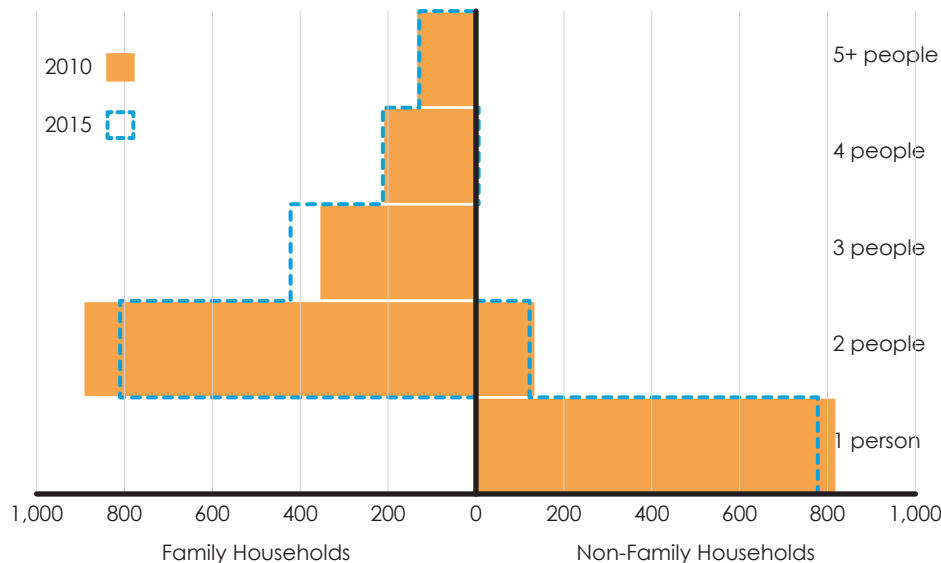
An increase in population will increase the local demand for housing. As demonstrated within the graph on the left, the population of the Shenango Submarket has remained flat since 2000. Stagnant population numbers likely suggest that housing demand is relatively flat.

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.

SHENANGO 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 Shenango Submarket households by size between 2010 and 2015. One- and two-person non-family households declined slightly during this time frame. Family households composed of two members have declined while those with three members have increased in number. Both four- and five-or-more person family households remained stable in number.

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

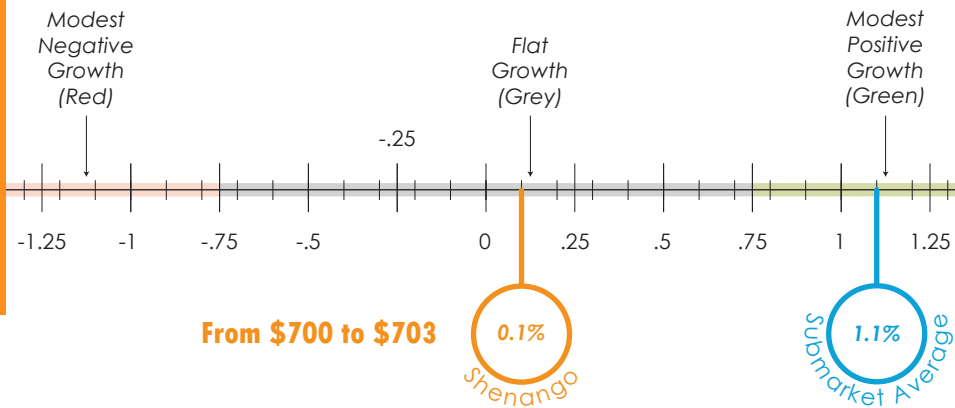
Source: U.S. Census

POPULATION GROWTH ANALYSIS:

🔗 RENT PRICE & HOME VALUE CHANGES —

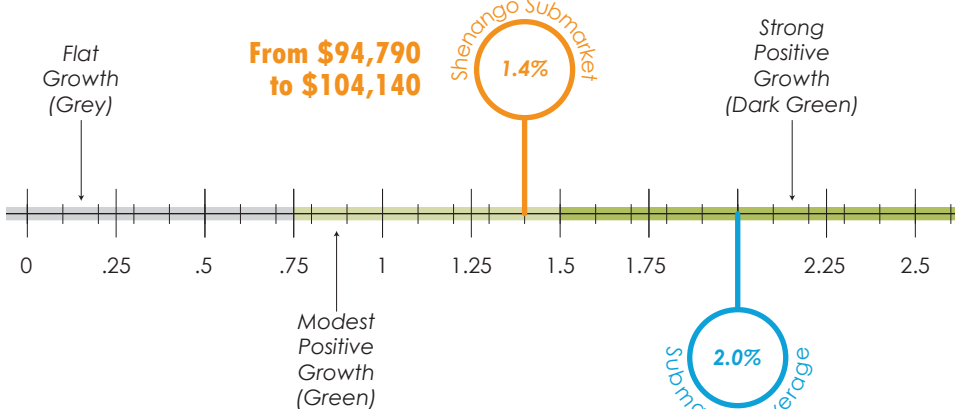
An increase in median rents or home values may delay individuals from forming new households and thus ease housing demand. Conversely, declines in these values may encourage household formation as the ability to move into your own unit becomes more attainable. The line graphs below demonstrate how the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

ANNUALIZED RENT CHANGE (2010-2016)



Source: U.S. Census

ANNUALIZED HOME VALUE CHANGE (2010-2017)



Source: U.S. Census (inflation adjusted)

🏠 RENTAL COST BURDEN —

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

In general, housing for which the occupant(s) is/are paying no more than 30% 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 Shenango Submarket with comparisons to Crawford County and the submarket average. We see that renter households within the Shenango Submarket are about as cost-burdened overall as the submarket average.

RENTERS PAYING MORE THAN 30% OF INCOME ON HOUSING



32% of Shenango Submarket Renters
(74 Households)

41.3% of Crawford County Renters

34.3% Submarket Average

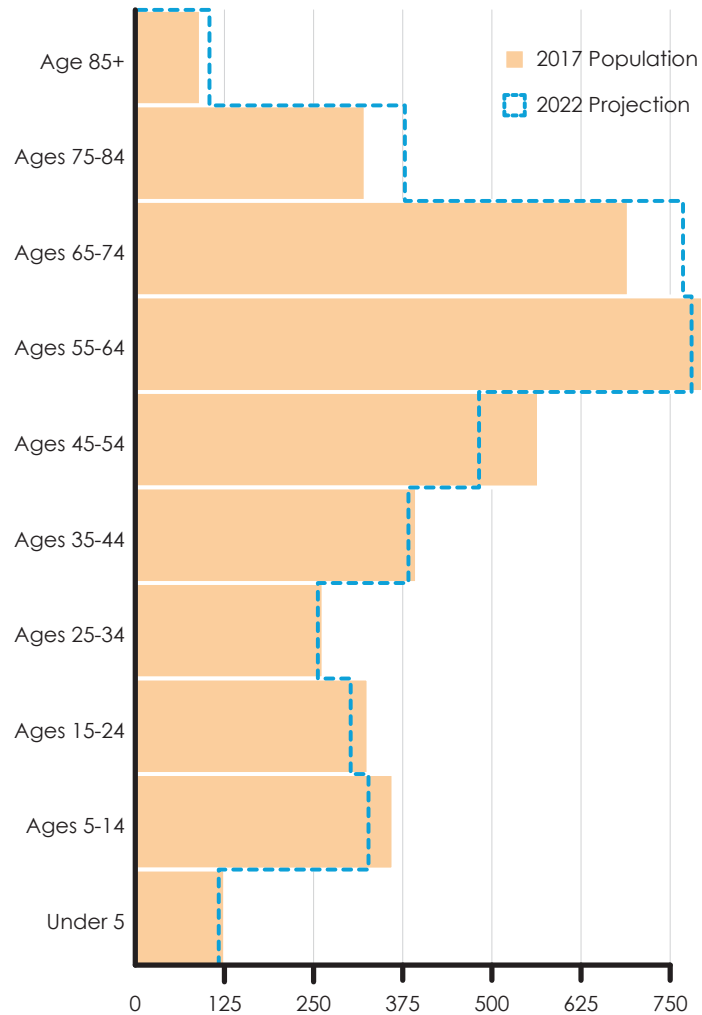
Source: U.S. Census 2011-2015 ACS

POPULATION GROWTH ANALYSIS:

POPULATION GROWTH ANALYSIS –

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 Shenango Submarket represents a population center by comparing its population to the average population living within a Crawford County submarket. From the graphic shown on the right, it is clear that the Shenango Submarket contains less population than even the submarket average. By this standard, the Shenango Submarket is considered a rural population area. 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

SHENANGO SUBMARKET POPULATION PYRAMID & PROJECTION

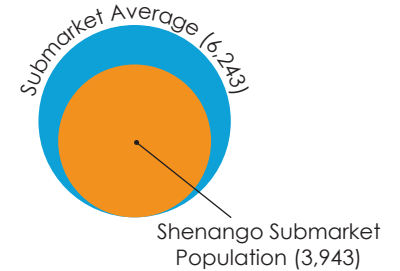


Source: Esri, Retrieved 2018

magnitude large enough to drastically transform individual neighborhoods based on the shifting preferences of local consumers alone. However, the Shenango Submarket does appear to be a popular destination for retirees and those simply looking to own a vacation home. This can be observed through the Submarket’s relatively top heavy population pyramid.

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 Shenango Submarket in 2017 with a projection to 2022. Demographic projections within the Shenango Submarket forecast an overall decline in the population of individuals within the youth and working age brackets which comprise people between the ages of 15 and 64. Despite projected declines across the youth and working age brackets, the population of individuals over the age of 65 is forecasted to increase. Population projections within the Shenango Submarket suggest a decline in the demand for rental units, starter homes, and move-up housing while also suggesting an increase in the demand for downsizing homes and senior living accommodations.



Source: Esri, Retrieved 2017

POPULATION GROWTH ANALYSIS:

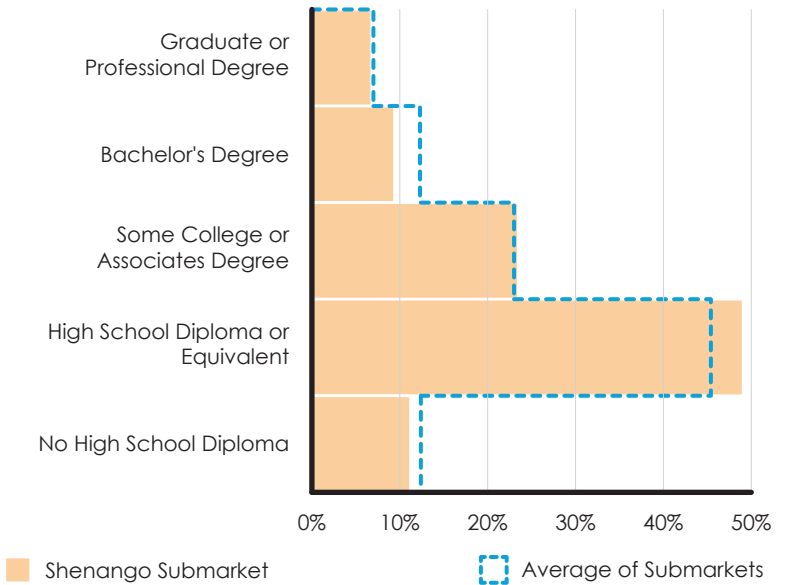
The household formation trends addressed earlier suggest increased local pressure on the market for move-up homes. However, such demand could wane in the future if demographic projections hold true. If such event does occur, the Shenango Submarket might experience an increase in demand for downsizing homes.

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 Shenango Submarket with a comparison to the submarket average. From this graph, it appears that the Shenango Submarket is slightly less educated than the submarket average specifically in that it contains a smaller overall proportion of individuals holding bachelor's degrees. The Submarket's lower level of educational attainment may make it less economically competitive over the long run.

In summary, the Shenango Submarket is a rural population area and its population has remained stable since 2000. Household formation trends show a decline in the number of non-family households. Two-person family households have declined in number within the Submarket while three-person households have increased with those comprised of four and five-or-more people holding steady. Demographic projections forecast that the population of individuals within the Submarket's youth and working age brackets will decline while its number of senior citizens will increase. Consistent with a decline in the number of non-family households, rent prices have seen flat growth. However, home values have increased at a modest rate during the same time. Renter households within the Shenango Submarket are about as burdened overall by the cost of housing as the submarket average. In terms of educational attainment, the Shenango Submarket is less educated than the submarket average with a lesser overall proportion of adults holding bachelor's degrees.

SHENANGO SUBMARKET EDUCATIONAL ATTAINMENT (2017)



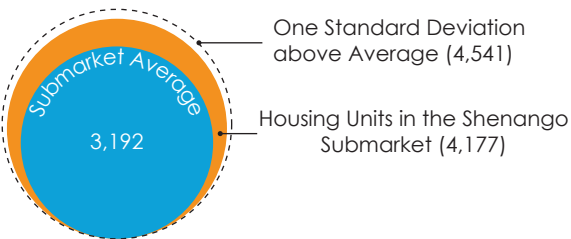
Source: Esri, Retrieved 2018

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 Shenango Submarket. Although within the flat growth range, the Submarket's rate is

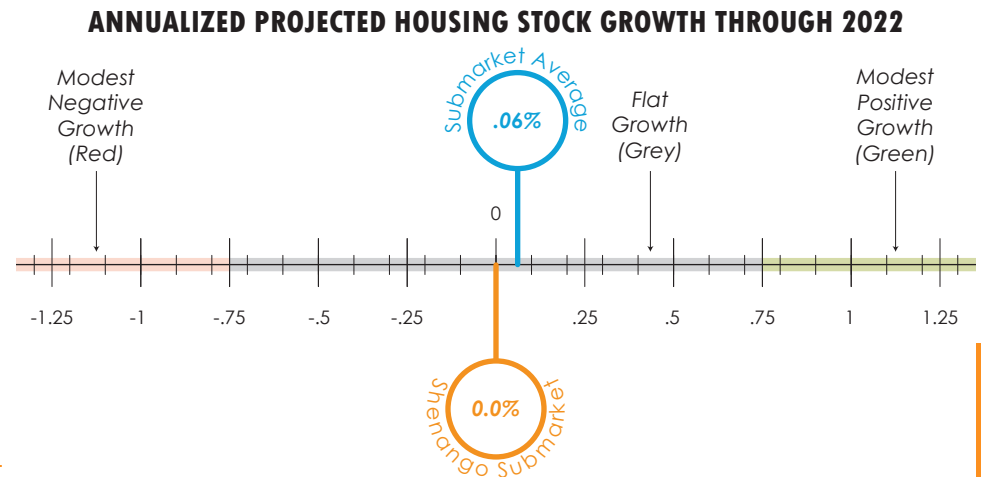


Source: Esri, Retrieved 2018

similar to the submarket average.

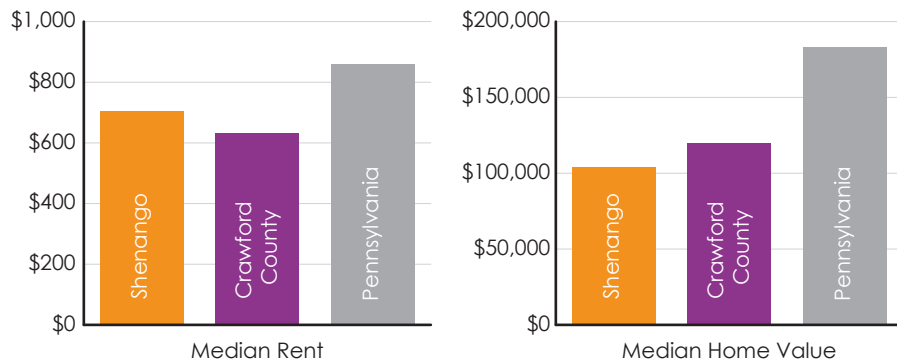
TOTAL HOUSING STOCK —

It can be assumed that larger communities are more likely to attract speculative real estate investment than smaller communities where developers may more strictly adhere to the fundamentals of supply and demand. A larger housing stock may indicate the presence of niche investment opportunities for housing developers. To study the relative size of the Shenango Submarket's housing stock, we compared the number of housing units located within the Submarket to the average number of housing units within a Crawford County submarket. The standard deviation was applied to measure the average difference from the average number of housing units within a submarket. From the graphic on the left, we see that the Shenango Submarket has more housing units than the submarket average but does not deviate significantly above the average. However, when considering that the Submarket's supply of housing units is significantly greater than the submarket average whereas its population is less than the submarket average, it is apparent that housing development within the Shenango Submarket is not purely



Source: U.S. Census, Retrieved 2018

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



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

based on responses to demand resulting from household formation. Though not necessarily speculative in nature, the demand for seasonal homes has driven much of the new housing investment within the Submarket.

MEDIAN RENT & HOME VALUES —

High median rent prices and home values may encourage the development of additional housing units as developers look to capitalize on greater and more reliable profit margins. From the graphs on the left, the Shenango Submarket has a median rent price above that for all of Crawford County but below Pennsylvania on the whole. The Shenango Submarket's median home value is below the county's figure and well below Pennsylvania's median. Such figures suggest that rental activity within the Submarket may be more promising than the development of new homes for sale.

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 less than one-fifth of the Shenango 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. However, the Shenango Submarket does not seem burdened with an over-sized portion of older residences.

SHENANGO SUBMARKET HOUSING UNITS BUILT PRE-1940

13.9%



Homes Built Pre-1940

86.1%



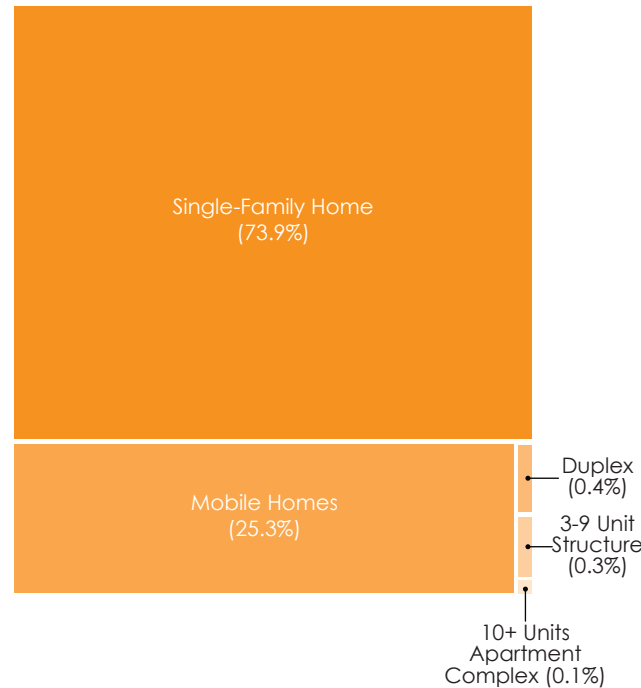
Homes Built Post 1940

Source: U.S. Census, Retrieved 2018

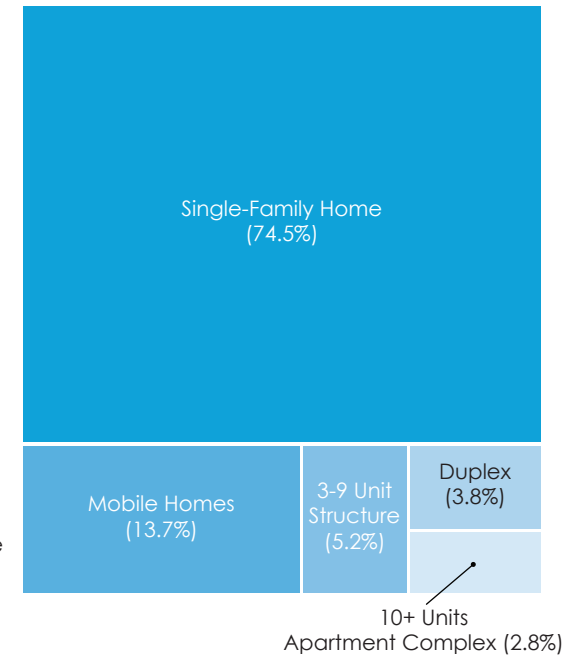
HOUSING BUILDING TYPES —

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 (apartment complexes) and mobile homes. In terms of building types, the Shenango Submarket is somewhat comparable to the submarket average in that single-family and mobile homes dominate its housing building stock. However, the Submarket contains a much larger share of mobile homes than the submarket average. The combination of single-family and mobile homes comprises just over 99% of the Shenango Submarket's housing building stock. Conversely, multi-unit structures constitute a smaller portion of the Submarket's housing building stock than the submarket average.

SHENANGO SUBMARKET



SUBMARKET AVERAGE

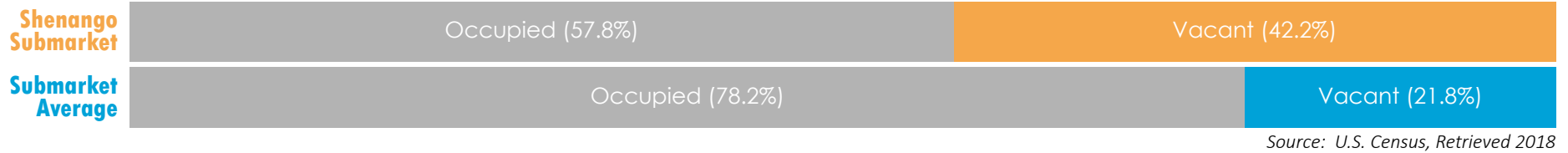


Source: U.S. Census, Retrieved 2018

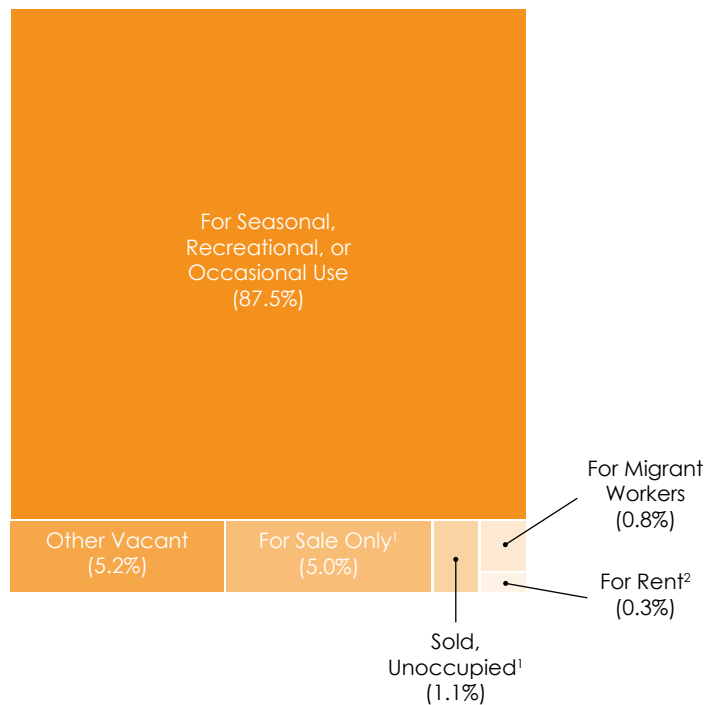
HOUSING STOCK GROWTH ANALYSIS:

🍷 OVERALL VACANCY & VACANCY BY TYPE —

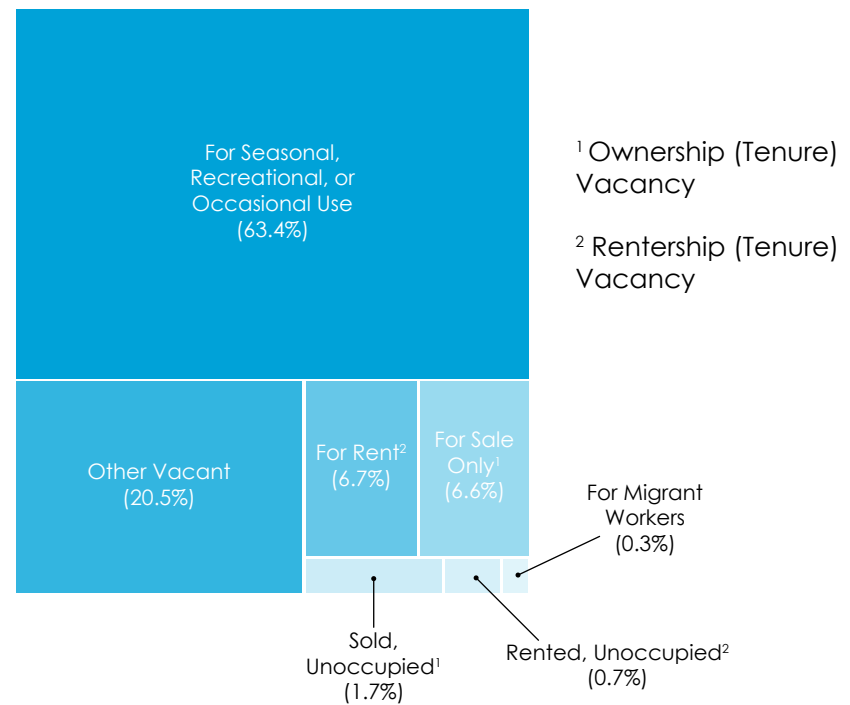
The overall rate and type of vacancy is an important indicator of the stability of a submarket’s housing market. The bar graphs below display the Shenango Submarket’s recorded vacancy rate in 2016 with a comparison to the submarket average. The Shenango Submarket’s vacancy rate is well above the submarket average. However, this startling finding is mitigated by observations of the composition or nature of vacancy within the Submarket. Nearly nine-tenths of all vacancy within the Shenango Submarket can be attributed to housing units used for seasonal, recreational, or occasional use purposes. All other vacancy types within the Shenango Submarket are smaller in proportion when compared against the submarket average. However, with an overall vacancy rate nearly double the submarket average, the Submarket’s proportion of vacant homes listed as “for sale only” may be concerning. Otherwise, vacancy from seasonal, recreational, or occasional reasons is the least concerning type of vacancy, but too much of this vacancy can lead to other non-housing related community concerns.



SHENANGO SUBMARKET



SUBMARKET AVERAGE



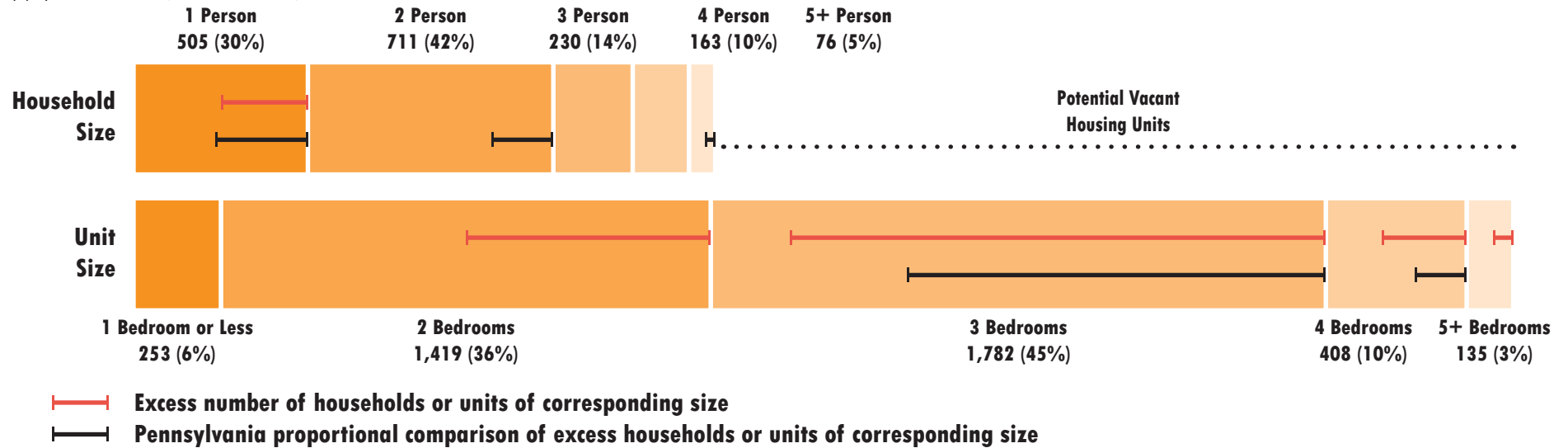
¹ Ownership (Tenure) Vacancy
² Rentership (Tenure) Vacancy

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 Shenango 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's figures for comparison purposes. The Shenango Submarket exhibits a surplus of homes comprised of all sizes. The mismatch is particularly notable for two- and five-or-more-bedroom housing units as the corresponding proportional statewide mismatch or surplus for units of those sizes is actually on the side of households. For the Shenango Submarket to have a surplus of two- and five-or-more-bedroom housing units is a substantial departure from statewide trends. Such observations are likely attributable to the Submarket's abundant supply of seasonal, recreational, and occasional use homes.

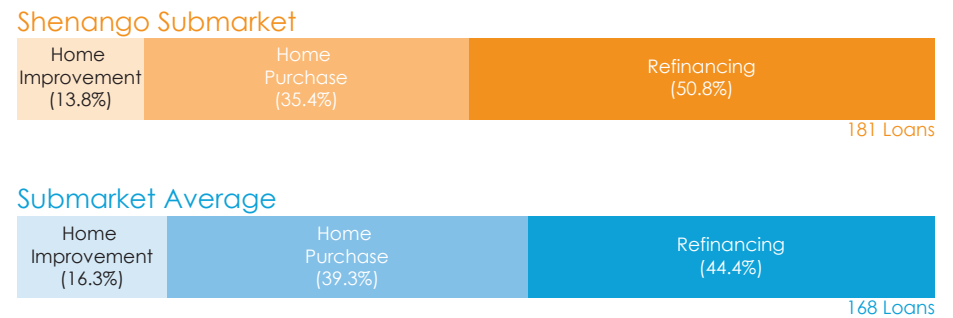


Source: U.S. Census, Retrieved 2018

🍷 THE PURPOSE OF LOAN ORIGINATIONS —

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

SHENANGO SUBMARKET LOANS BY PURPOSE (2016)



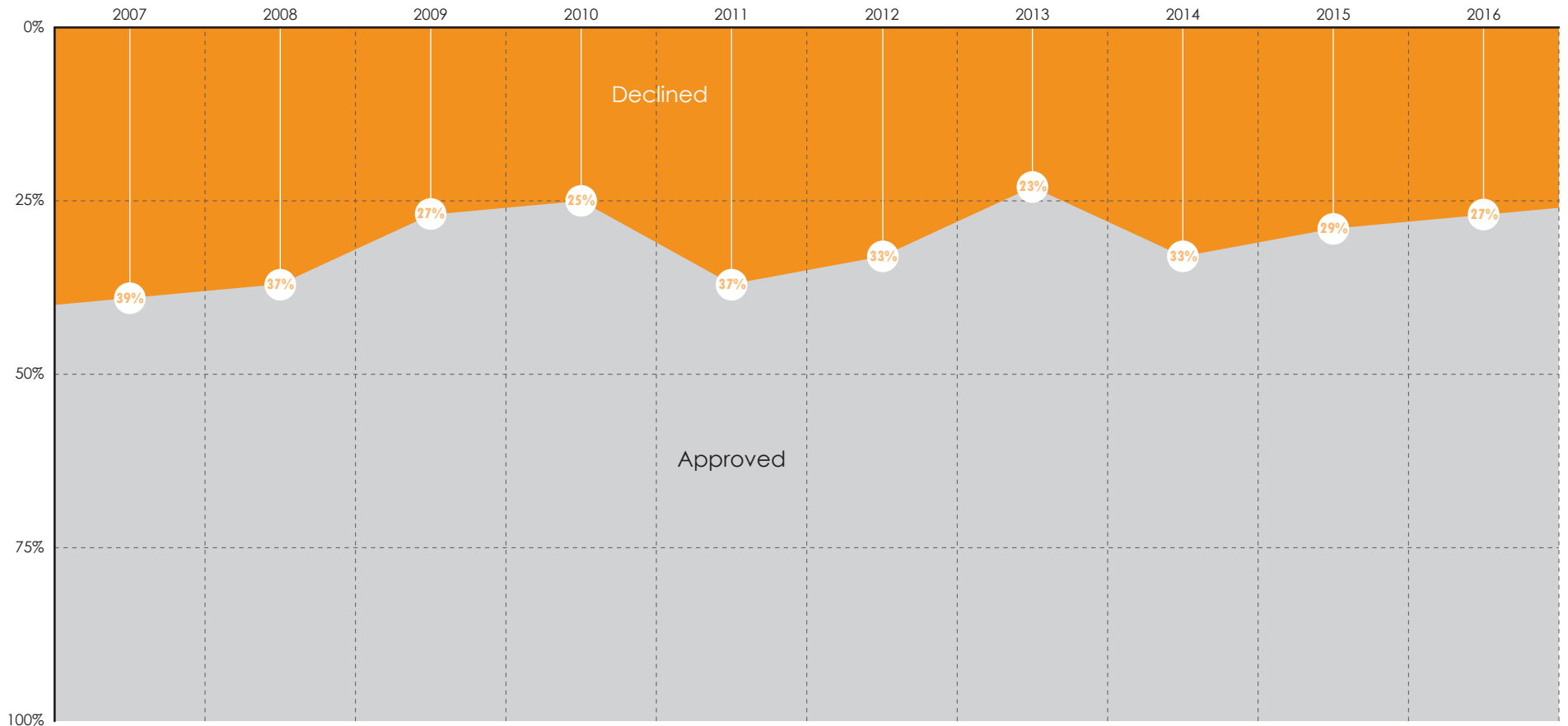
Source: Consumer Financial Protection Bureau, Retrieved 2018

HOUSING STOCK GROWTH ANALYSIS:

RATE OF DECLINED LOANS —

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

SHENANGO SUBMARKET DECLINED HOUSING LOANS (2007-2016)



Source: Consumer Financial Protection Bureau, Retrieved 2018

In summary, the Shenango Submarket contains a higher number of housing units than the submarket average despite being a submarket of less than average population. Its housing stock has seen flat growth over recent years. Despite limited construction activity, median rent prices sit comfortably above county-wide figures whereas the Submarket's median home value is noticeably below the county's median. Less than one-fifth of the homes within the Shenango Submarket were built prior to 1940 and a much higher proportion of the Submarket's housing stock is comprised of single-family structures and mobile homes than the submarket average. Even though the Submarket's overall housing vacancy rate is nearly double the submarket average, around 88% of its vacancy is composed of units vacant for seasonal, recreational, or occasional use purposes. Outside of vacancy related to seasonal and occasional uses, homes currently listed for sale only may be concentrated enough within the Submarket to be cause for concern. Comparisons between the composition of households and housing units by size suggests that the Submarket has a surplus of housing units of all sizes. Real-estate loans have been less investment oriented overall with approval rates showing mild improvement since 2007.

OVERALL STATUS OF THE SHENANGO SUBMARKET:

AN ECONOMIC OVERVIEW —

Observations of live-work trends within the Shenango Submarket suggest that most of its residents treat it as a bedroom community. The Submarket's job-to-housing ratio of 0.12, which lies well below the beneficial range, supports this conclusion. This finding can also be observed through commuter trends showing that many of the Submarket's residents travel to locations along the U.S. Highway 322 corridor as well as into Mercer County to reach work. The combination of these live-work, job-to-housing, and commuter trends are consistent with our analysis which showed that the Shenango Submarket is not a job center. This observation is unlikely to change in the near future given projections showing that the Submarket will experience a modest job growth rate. Despite forecasts showing modest job growth on the horizon, household income within the Submarket is projected to see strong growth. Educational attainment figures show that the Submarket is less educated on the whole than the submarket average which suggests that its labor force might present a less competitive environment for attracting certain kinds of employers. Real estate loan activity within the Shenango Submarket has been less investment oriented than the submarket average overall. Recent loan originations have been approved at around a 73% success rate, which has not improved since 2009.

POPULATION TRENDS —

Based on its number of residents, the Shenango Submarket is a rural population area. The Submarket's population has held stable since 2000, leaving much of its housing demand to the cycling of existing residents. However, the Shenango Submarket's ability to attract vacation or recreational home dwellers must be recognized. Household formation trends show a decline in the number of one- and two-person non-family households. For family households, those comprised of two people have declined in number while those with three people have increased with four- and five-or-more-person households remaining stable. Demographic projections forecast an overall decline in the population of individuals comprising the youth and working age brackets while the number of senior citizens within the Submarket is projected to increase. The combination of these trends potentially indicates that demand for downsizing homes could rise in the near future. Additionally, growth in the number of three-person family households suggests an increase in the demand for move-up housing despite demographic projections suggesting a drop in the population that usually participates in that consumer segment.

THE HOUSING MARKET GENERALLY —

The Shenango Submarket has a greater concentration of housing development than the submarket average even though recent projections forecast that the Submarket's housing stock will not grow considerably in the coming years.

Consistent with the observation that non-family households have declined in number, rent prices within the Shenango Submarket have remained flat but its median rent price still sits comfortably above that observed for the county. Flat rent price growth may provide relief for some renter households since the Submarket's overall renter cost-burdened rate is similar to the submarket average, which is relatively high. Despite stagnant overall family household formation trends, home values have experienced modest growth, yet median home prices within the Submarket sit below the county's figure.

Consumers of housing within the Shenango Submarket will benefit from a relatively new housing stock which is particularly a good sign when considering that the Submarket's senior age population is projected to increase. For non-renter households, consumers will benefit from an abundance of single-family structures and mobile homes, which are proportionally more plentiful in the Submarket than the submarket average. The Shenango Submarket housing stock exhibits an overall vacancy rate well above the submarket average, however, this observation is primarily due to its concentration of seasonal housing and doesn't present considerable alarm as a result. When examining how well the size of the Submarket's composition of housing units by size meets the needs of its households, the Shenango Submarket appears to have an adequate supply of one-bedroom units but a surplus of all units that are two-bedrooms or larger.

THE SHENANGO SUBMARKET'S HOUSING ECOSYSTEM:

HOUSING MARKET ECOSYSTEM —

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

NEW HOUSEHOLD MARKET —

The Shenango Submarket's new household market will likely be negatively impacted by household formation trends which show a decline in the overall number of non-family households. This trend is accompanied by demographic projections which forecast a slight 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 strong rate provide a sign of stability for the new household market. Comparisons between the composition of households and housing units by size suggest that the Shenango Submarket has a surplus of both one- and two-bedroom housing units, which often accommodate the needs of consumers within the new household market. However, the Shenango Submarket contains a lesser share of multi-unit housing structures when compared to the submarket average. The lack of multi-unit housing structures may place stress on the Submarket's new household market as such buildings are often more accommodating to the needs of those participating within this consumer segment.

Although median rent prices are above those observed county-wide, rent price growth has been flat. It is possible that stagnant consumer demand paired with an oversupply of housing units could be placing downward pressure on rent prices. Despite flat rent price growth, the Submarket's overall rate of cost-burdened renter households is near the relatively high submarket average which suggests that many renters are struggling to afford housing. Such observation provides a sign of instability within the Submarket's new household marketplace.

Overall, the Shenango 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. 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 relative high rate of cost-burdened renter households.

STARTER HOME & DOWNSIZING MARKETS —

The Shenango Submarket's starter and downsizing markets will likely be negatively impacted by household formation trends that show a decrease 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 is problematic for the starter home market as these residents are mostly likely to participate in this consumer segment. However, an increase in the population of those over age 65 is a good sign for consumer demand in the downsizing market.

The healthy composition of single-family homes within the Shenango Submarket will benefit both the starter and downsizing markets since participants in these consumer segments are often in the market for this type of home. However, many senior couples looking to downsize may find accessible multi-unit structures attractive of which the Submarket has few. Comparisons between the composition of households and housing units by size suggests that the Submarket has an abundance of two- and three-bedroom homes, which will likely support the needs of most consumers within the starter and downsizing market segments.

THE SHENANGO SUBMARKET'S HOUSING ECOSYSTEM:

Projections which forecast that household income will increase at a strong rate provides a sign for consumer stability within both the starter and downsizing markets. Less assuring for landlords, the Submarket's median home value continues to rest below the county's figure despite trends showing modest appreciation over recent years. However, strong household income growth projections have not shifted real-estate loan activity in a more investment-oriented direction.

Overall, the Shenango Submarket's starter home market is considered inadequate largely due to household formation trends and demographic projections that show a decline in the number of two-person family households. Despite observations which suggest a decline in demand for starter homes, the significant concentration of seasonal homes within the Submarket may indicate that many homeowners are capable of marketing their property as a seasonal residence. This potential opportunity may make the difference for many households and the ability to transition out of the starter home consumer segment is considered adequate as a result. Household formation trends also suggest a decline in the demand for downsizing homes. However, this could turn around in the future if demographic projections hold true. For now, the Submarket's downsizing market segment is inadequate, but the ability to transition from this segment and into a senior living accommodation is adequate in large part because of the versatility of the Submarket's housing stock in catering to vacation home buyers.

MOVE-UP MARKET —

The move-up housing market within the Shenango Submarket will likely be positively impacted by household formation trends which 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. For now, household formation trends suggest that the demand for move-up housing will increase. However, such demand could wane if population projections hold true.

Similar to the Submarket's starter and downsizing segments, the move-up market may be positively affected by projections showing strong increases in both household income and home value appreciation. However, median home values within the Shenango Submarket sit below county-wide figures. When considering that the Submarket's overall vacancy rate is nearly double the submarket average, it appears to have a higher proportion of vacant homes that are currently for sale when factoring out seasonal vacancy. Such observation may be a sign of sluggish home sales within the Submarket. This potential finding is consistent with loan origination activity with the Shenango Submarket which has been less investment oriented. In terms of housing stock suitability, comparisons between the composition of households and housing units by size suggests that the Submarket has an abundance of homes containing at least three bedrooms, which will likely support the needs of most consumers within the move-up market segment.

Overall, the Shenango Submarket's move-up market is considered adequate largely due to a combination of household formation trends which suggest an increase in consumer demand. However, signs of sluggish home sales, relatively low median home values, and demographic projections which show a decline in the working age population all suggest that the ability of a household currently participating in the move-up market to transition into the downsizing segment may be inhibited and therefore inadequate.

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

THE SHENANGO SUBMARKET'S HOUSING ECOSYSTEM:

