

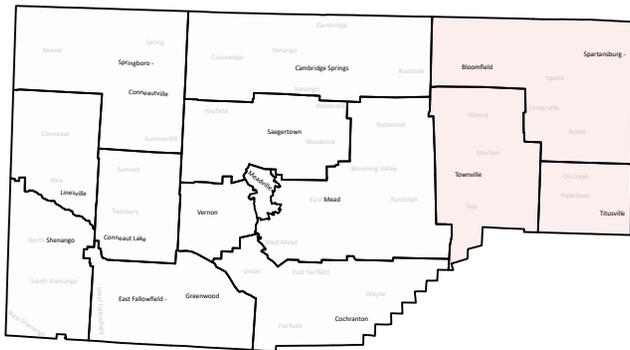


EASTERN REGION

SPARTANSBURG-BLOOMFIELD SUBMARKET

TOWNVILLE SUBMARKET

TITUSVILLE SUBMARKET



THE SPARTANSBURG-BLOOMFIELD SUBMARKET

Comprising the northeastern corner of Crawford County, the Spartansburg-Bloomfield Submarket includes five municipalities – Bloomfield, Sparta, and Rome townships as well as Centerville and Spartansburg Boroughs. The Spartansburg-Bloomfield Submarket is adjacent to the Titusville, Townville, and Cambridge Springs submarkets within Crawford County and shares a border with both Erie and Warren counties.

A HOUSING ECOSYSTEM ANALYSIS OF THE SPARTANSBURG-BLOOMFIELD 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.

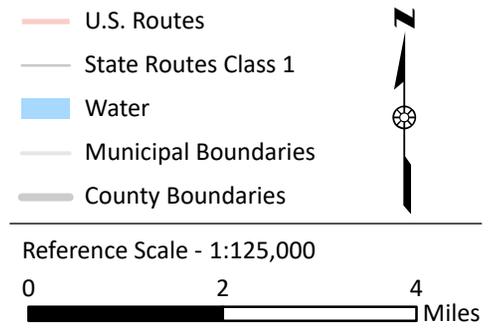
Drivers are those forces that directly propel the need for housing units or development. Drivers are designated by this icon (⚡). Our analysis identifies three major drivers: job growth, population growth, and housing stock growth. The pushing and pulling of these driving forces with each other creates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

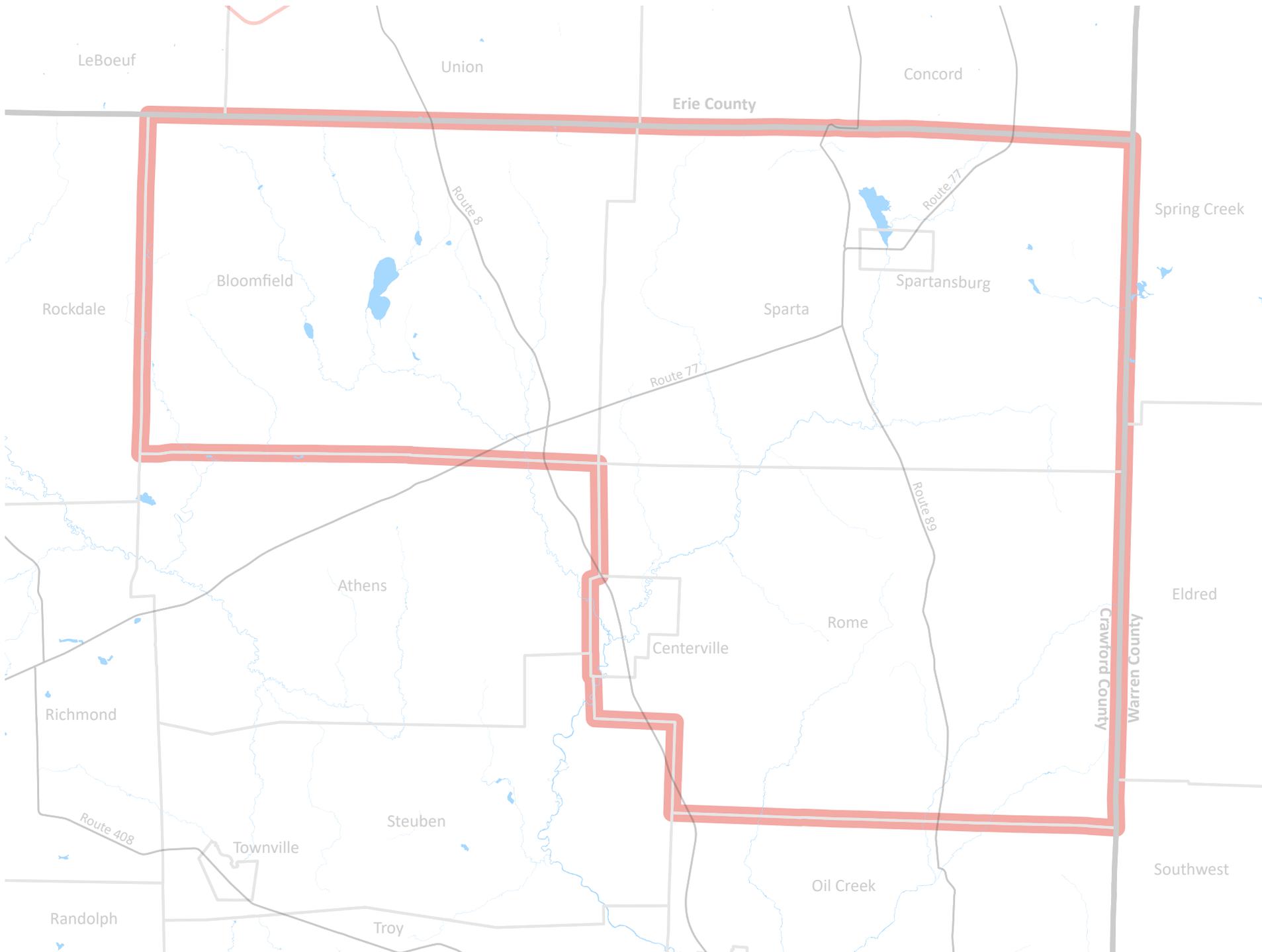
Indicators are metrics useful for providing further insight but are not assumed to produce wider impacts on their own. Indicators have this icon (🍷). These indicators generally gauge how well parts of the market are responding to each other or how people are being accommodated by the housing market.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



**SPARTANSBURG-BLOOMFIELD
SUBMARKET**

JOB GROWTH ANALYSIS:

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

LIVE-WORK TRENDS OF RESIDENTS LIVING WITHIN THE SPARTANSBURG-BLOOMFIELD SUBMARKET —

The map on the next page uses dots to represent where residents living within the Spartansburg-Bloomfield Submarket work. From this map, it is apparent that many Spartansburg-Bloomfield Submarket residents work at locations outside the Submarket. 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 Spartansburg-Bloomfield Submarket produces a job-to-housing ratio of 0.29, well below the beneficial range which may indicate instability in its housing market.

The radar graph on the bottom left displays the distance and direction of where Spartansburg-Bloomfield Submarket residents work. The dark red wedges of the graph demonstrate those commuting less than ten miles; however, a larger share of residents travel beyond ten miles to reach work. Live-work observations within the Spartansburg-Bloomfield Submarket demonstrate that most workers leave the Submarket each day for work. The break down of commuter trends presented on the bottom right paired with the map on the next page demonstrates that many Spartansburg-Bloomfield Submarket residents travel to jobs in Erie County.

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

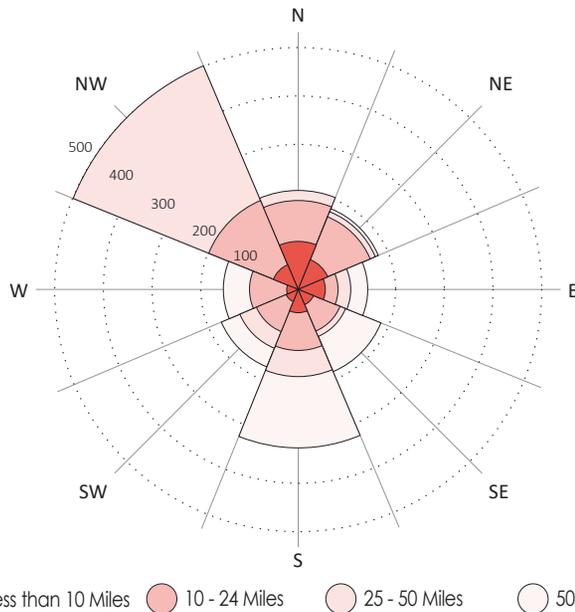


Reference Scale - 1:750,000

0 10 20 Miles

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

WHERE SPARTANSBURG-BLOOMFIELD SUBMARKET RESIDENTS WORK



14.4%

of Spartansburg-Bloomfield Submarket residents work at a location **inside the submarket**.

32%

of Spartansburg-Bloomfield Submarket residents work inside **Crawford County**.

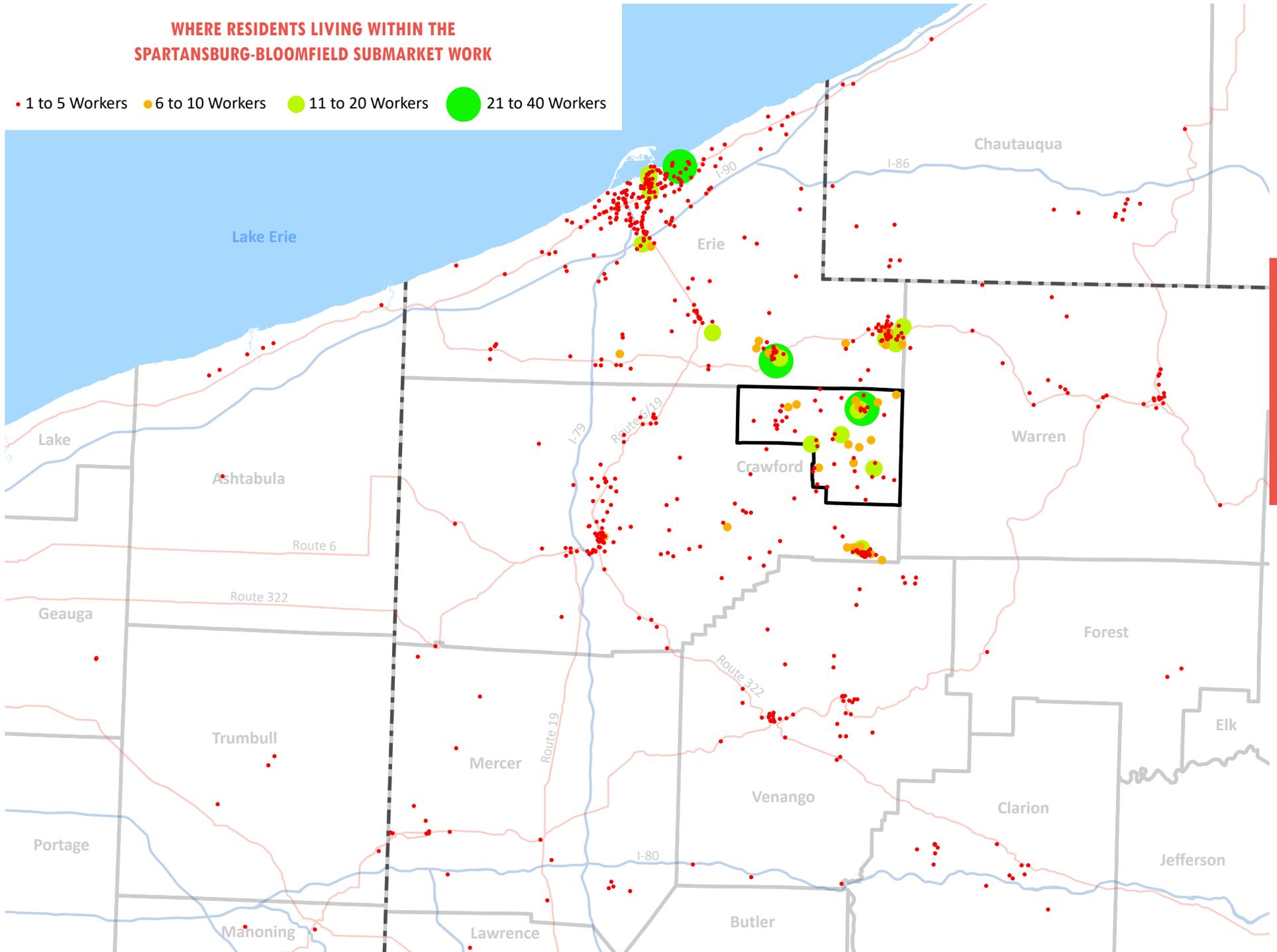
68%

of Spartansburg-Bloomfield Submarket residents work outside **Crawford County**.

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

WHERE RESIDENTS LIVING WITHIN THE SPARTANSBURG-BLOOMFIELD SUBMARKET WORK

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



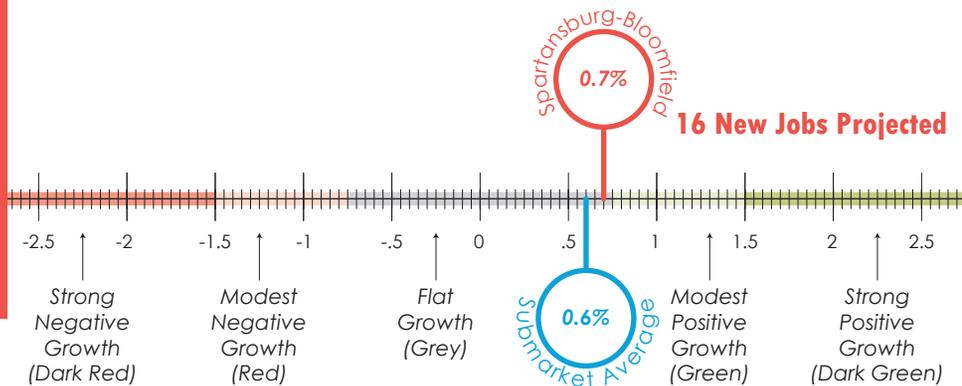
SPARTANSBURG-BLOOMFIELD
SUBMARKET

JOB GROWTH ANALYSIS:

JOB GROWTH —

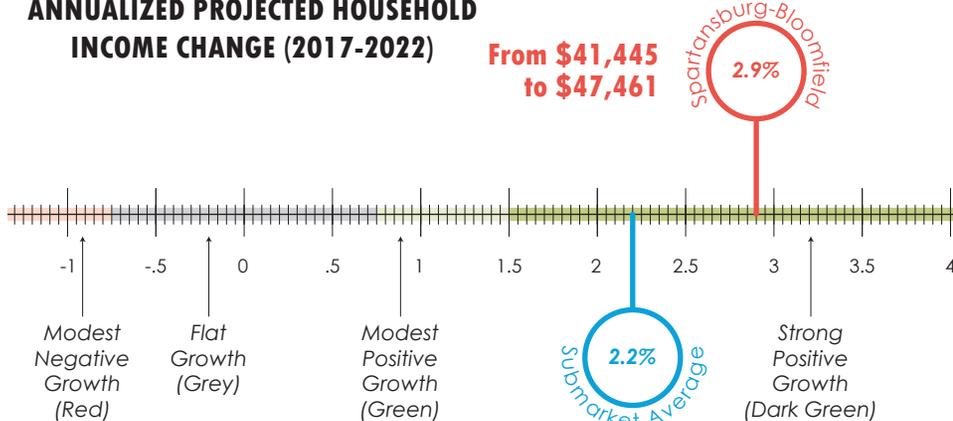
From the graph below, the Spartansburg-Bloomfield Submarket's 0.7% projected annual job growth rate is similar to the submarket average of 0.6%. However, it is important to recognize that this rate lies within the "flat growth" range. Recognizing this, it is likely that projected job growth within the Spartansburg-Bloomfield 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)



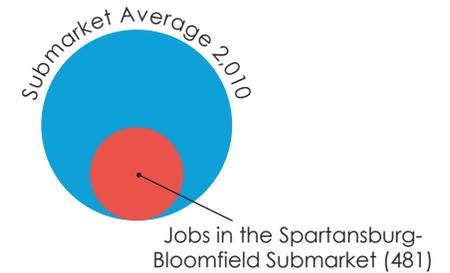
Source: 2010 ACS 5-Year Estimates; BLS., Esri, Retrieved 2018

HOUSEHOLD INCOME CHANGE —

Despite flat job growth trends, from the projected change in household income displayed in the graph on the bottom left, the Spartansburg-Bloomfield Submarket is expected to experience a strong rate of household income growth. An increase in household income may bolster the stability of existing households while opening up new housing opportunities for others.

TOTAL JOBS —

To explore the magnitude of the Spartansburg-Bloomfield 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 Spartansburg-Bloomfield Submarket contained more jobs than two standard deviations above the submarket average, then it is considered as a job center. From the graphic above, the Spartansburg-Bloomfield Submarket is not a job center. Although jobs within the Submarket provide important opportunities for local residents, the Spartansburg-Bloomfield Submarket is currently more reliant on the growth and stability of nearby job centers.

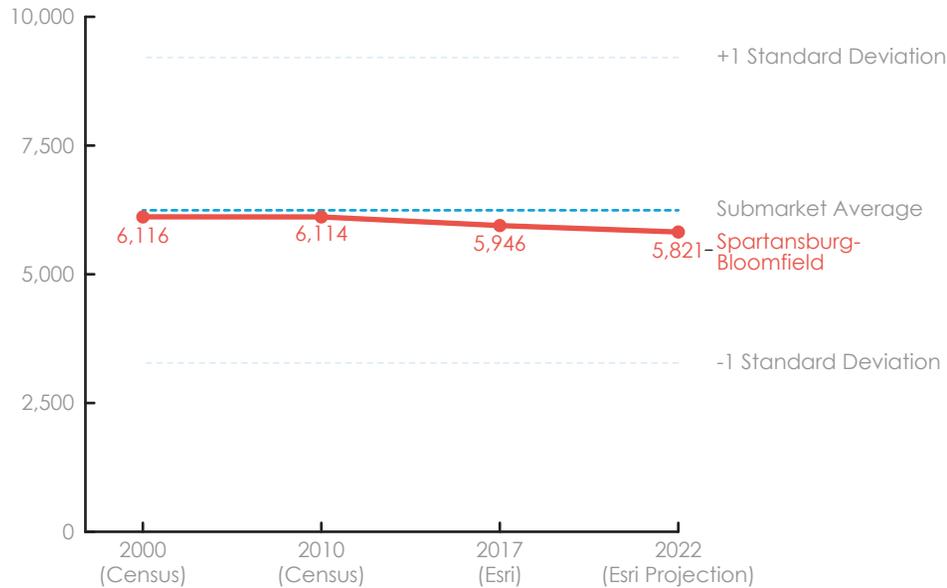


Source: U.S. Census 2011-2015 ACS

In summary, although a flat job growth rate is projected for the Spartansburg-Bloomfield Submarket, household income within the Submarket is expected experience strong growth. Such household income growth may bolster housing market stability. However, at present, the Submarket is a bedroom community and appears to rely on the productivity and growth of its surrounding region.

POPULATION GROWTH ANALYSIS:

SPARTANSBURG-BLOOMFIELD SUBMARKET POPULATION GROWTH



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

POPULATION GROWTH —

Population growth will increase local housing demand. As demonstrated within the graph on the left, the population of the Spartansburg-Bloomfield Submarket has declined since 2000. This decline suggests that population growth is not driving the demand for housing within the Submarket.

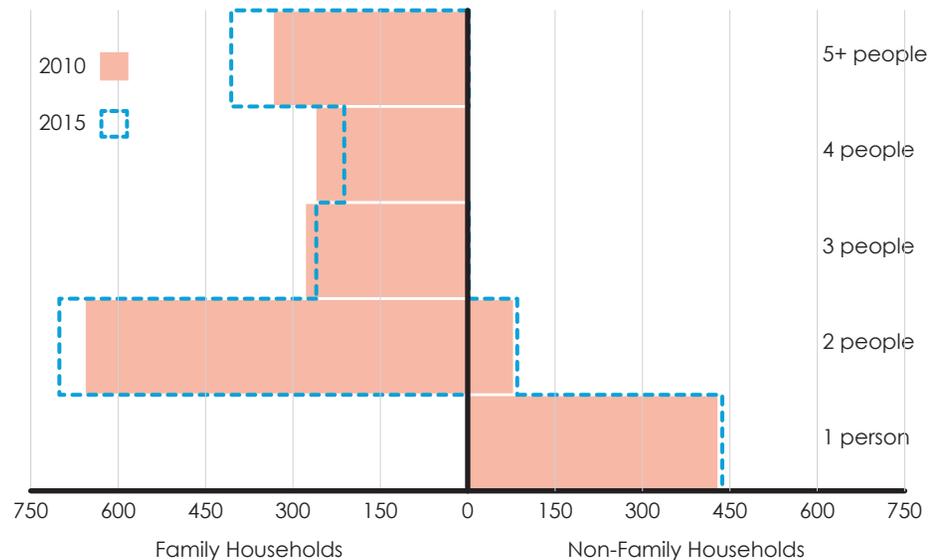
HOUSEHOLD FORMATION —

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

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

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 Spartansburg-Bloomfield Submarket households by size between 2010 and 2015. The Spartansburg-Bloomfield Submarket experienced a decline in three- and four-person family households between 2010 and 2015 while simultaneously seeing an increase in two- and five-plus-person family households. During the same time, non-family households held relatively flat. Such household formation trends suggest an internal increase in the demand for starter homes with a decline in the local demand for move-up housing. Given the Submarket's significant Amish and Old Order Mennonite population, it should be assumed that growth in the number of households comprised of at least five people will be supported by local housing construction and additions to the existing stock rather than conventional real-estate activity.

SPARTANSBURG-BLOOMFIELD SUBMARKET HOUSEHOLD FORMATION TRENDS



Source: U.S. Census

POPULATION GROWTH ANALYSIS:

RENT PRICE & HOME VALUE CHANGES —

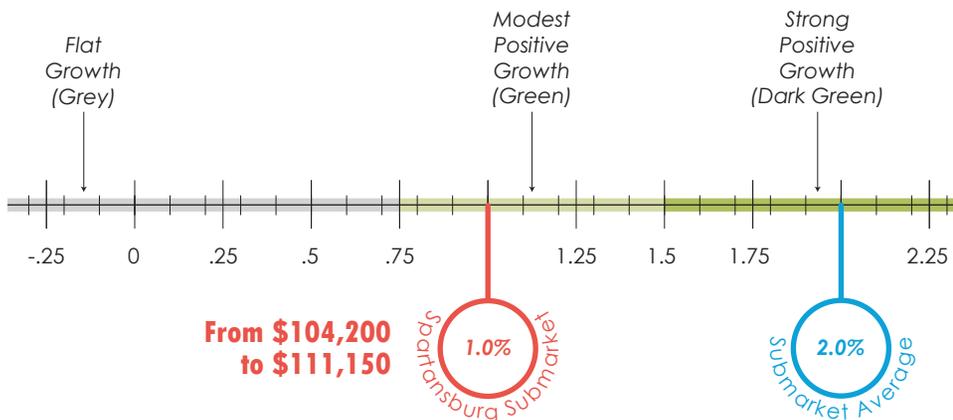
The line graphs below demonstrate how the Spartansburg-Bloomfield Submarket's median rent prices and median home values have changed compared to the corresponding submarket averages. Home values have increased moderately while rent prices have experienced strong growth. An increase in median rents or home values may delay individuals from forming new households and thus ease housing demand. However, increases in rent price and home values may counteract this dynamic by encouraging the new construction of housing units.

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 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 Spartansburg-Bloomfield Submarket with comparisons to Crawford County and the submarket average. Fortunately, the Spartansburg-Bloomfield Submarket fares better than the submarket average and the whole county with a significantly lower portion of cost-burdened renters.

RENTERS PAYING MORE THAN 30% OF INCOME ON HOUSING



29.8% of Spartansburg-Bloomfield Submarket Renters (108 HHs)

41.3% of Crawford County Renters

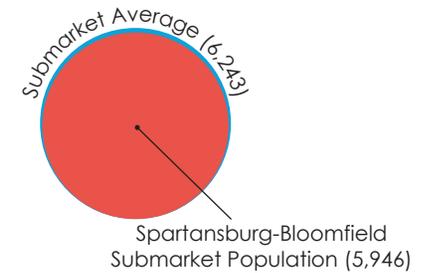
34.3% Submarket Average

Source: U.S. Census 2011-2015 ACS

POPULATION GROWTH ANALYSIS:

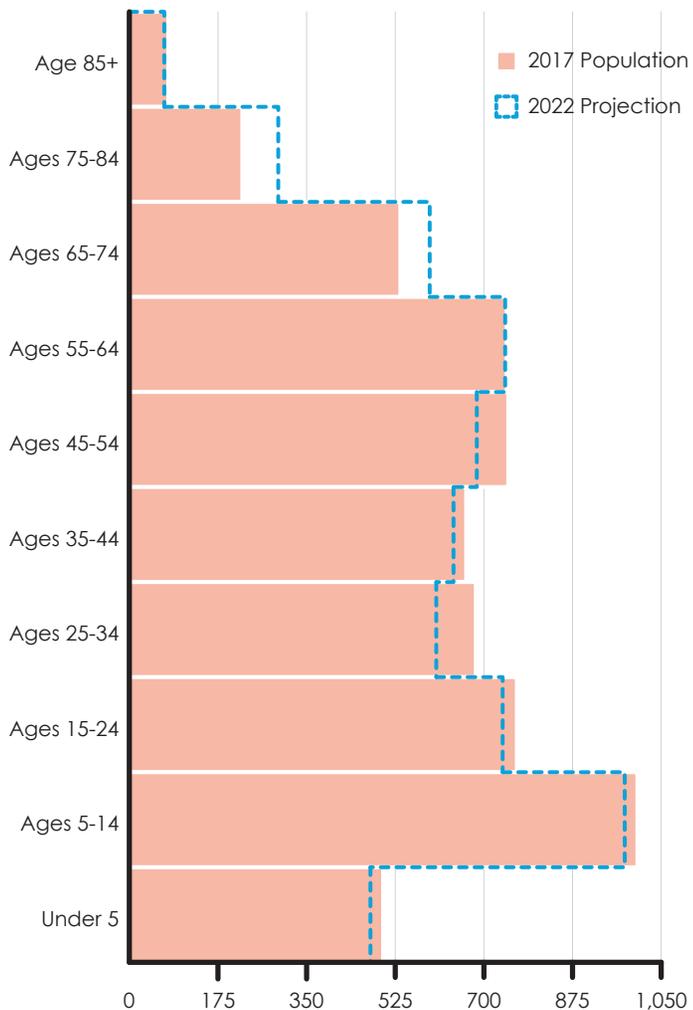
POPULATION GROWTH ANALYSIS: TOTAL POPULATION —

The cycling of households between different homes creates some of the housing demand within a Submarket. Comparing the population of the Spartansburg-Bloomfield Submarket to the average Crawford County submarket population can provide insight into the nature and potential magnitude of such internal housing demand. To benchmark this analysis, if the Spartansburg-Bloomfield Submarket contained more residents than the submarket average it is considered as a local population center. From the graphic shown on the right, the Spartansburg-Bloomfield Submarket is slightly less populated than the submarket average. By this standard, the Spartansburg-Bloomfield Submarket is not a local



Source: Esri, Retrieved 2017

SPARTANSBURG-BLOOMFIELD SUBMARKET POP. PYRAMID



Source: Esri, Retrieved 2018

population center but a rural population area 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 inferred that the Spartansburg-Bloomfield Submarket does not have the gravity to attract new residents on a speculative basis. Such inference implies 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 residents 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 Spartansburg-Bloomfield Submarket in 2017 with a projection to 2022. The population within the Spartansburg-Bloomfield Submarket is projected to decline over both childhood cohorts comprising those ages under 5-to-14 years old and also across the working age brackets consisting of individuals ages 15-to-54 with a somewhat larger drop for those ages 25-to-34 and 45-to-54. These demographic changes may negatively impact the internal demand for smaller rental units (1-2 bedroom rentals- with the exception of senior friendly units), starter homes, and move-up (family-sized- 3-5 bedrooms). However, projected population increases for those ages 65-to-84 may positively influence the locally generated demand for downsizing units and senior living accommodations.

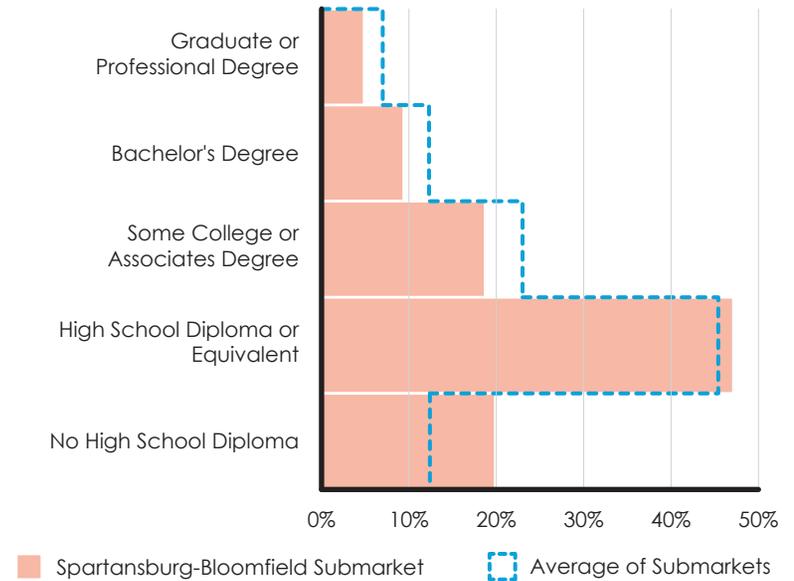
POPULATION GROWTH ANALYSIS:

The combination of demographic trends and household formation trends addressed earlier suggest increased local pressure on the market for both starter and downsizing homes as well as senior living accommodations. This is partially due to growth in older age brackets suggesting that many new two-person family households within the Submarket may be formed by seniors after their children have moved out.

EDUCATIONAL ATTAINMENT —

The educational attainment of residents within a community will influence its potential for job growth. In general, a more educated community creates 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 Spartansburg-Bloomfield Submarket with a comparison to the average educational attainment of all submarkets across the county. From this graph, it appears that the Spartansburg-Bloomfield Submarket is less educated than the submarket average with a higher portion of those not holding a high school diploma and lower portions of those having completed some level of a higher education. The Submarket's lower level of overall educational attainment may make it less economically competitive over the long run.

SPARTANSBURG-BLOOMFIELD SUBMARKET EDUCATIONAL ATTAINMENT (2017)



Source: Esri, Retrieved 2018

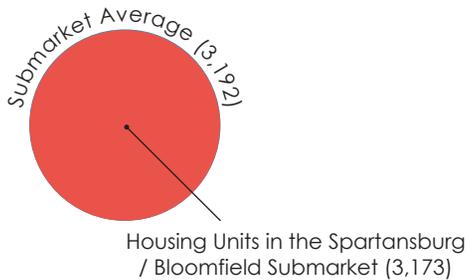
In summary, the Spartansburg-Bloomfield Submarket contains less population than the submarket average and is therefore considered as a rural population area. The Spartansburg-Bloomfield Submarket has been experiencing a decline in population, which is projected to continue into 2022, leaving housing demand largely to the cycling of existing residents. Household formation trends within the Submarket suggest declining local demand for move-up homes, stable local demand for rental units, and an increase in the internal demand for starter homes, downsizing units, and senior living accommodations. However, demographic projections suggest that most new two-person family households will consist of older couples seeking downsizing homes rather than younger couples looking for their first home. Although the Spartansburg-Bloomfield Submarket has seen considerable growth in the number of households comprised of more than five people, such growth is likely contained within the Submarket's Amish and Old Order Mennonite population which often do not consume housing in a conventional manner. Demographic projections forecasting an increase in the population over age 65 resonate with observed household formation trends, which suggest an increase in local demand for downsizing. The same projections show declines across working age cohorts, which may reduce local pressure on the market for starter and move-up homes. Household formation trends and demographic projections within the Spartansburg-Bloomfield Submarket have contributed to moderate gains in home values and strong growth in rent prices. In terms of affordability, Submarket renters are less burdened by the costs of housing than the submarket average as well as those renting across Crawford County.

HOUSING STOCK GROWTH ANALYSIS:

This section of our analysis explores housing stock growth as a driver and the 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 on the right presents the projected housing stock growth rate for the Spartansburg-Bloomfield Submarket. Although flat, the Submarket's rate is similar to the submarket average.

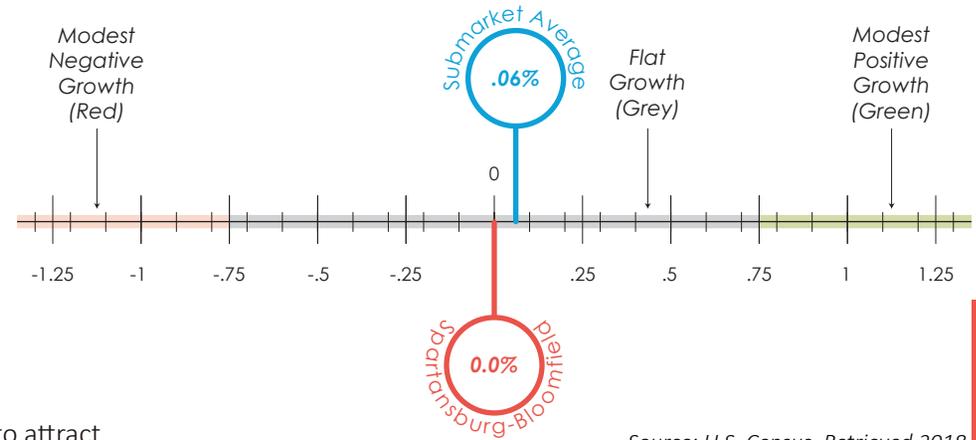


Source: Esri, Retrieved 2018

TOTAL HOUSING STOCK —

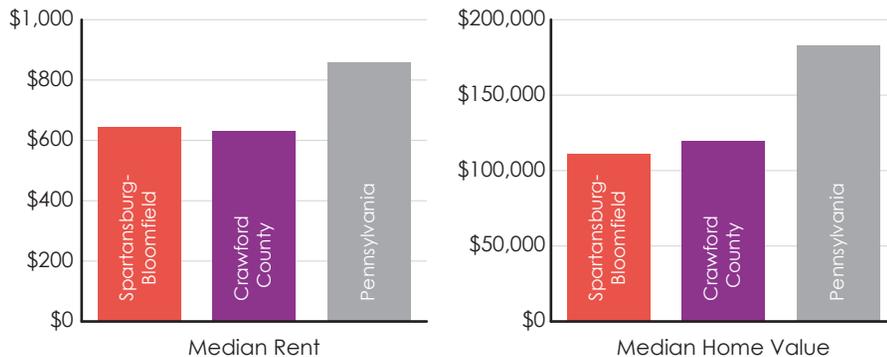
Larger communities are more likely to attract speculative real estate investment than smaller communities where developers may more strictly adhere to the fundamentals of supply and demand. A larger housing stock may indicate the presence of niche investment opportunities for housing developers. To study the relative size of the Spartansburg-Bloomfield 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 Spartansburg-Bloomfield Submarket contains nearly as many housing units as the submarket average. Since the average of the 14 submarkets within Crawford County amounts to a relatively rural environment, it can be safely concluded that any new housing development within the Spartansburg-Bloomfield Submarket is largely a creature of immediate responses to observable market demand rather than along speculative lines.

ANNUALIZED PROJECTED HOUSING STOCK GROWTH THROUGH 2022



Source: U.S. Census, Retrieved 2018

SPARTANSBURG-BLOOMFIELD SUBMARKET MEDIAN RENT (2016) & MEDIAN HOME VALUE (2017)



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

MEDIAN RENT & HOME VALUES —

High median rent prices and home values may encourage the development of additional housing units as developers look to capitalize on greater and more reliable profit margins. From the graphs on the right, the Spartansburg-Bloomfield Submarket has a median rent price similar to Crawford County but much lower than Pennsylvania on the whole. For home values, the median Spartansburg-Bloomfield Submarket home value is slightly below Crawford County but far below the whole of Pennsylvania. Though unlikely to spark interest in new housing development on its own, the Submarket's performance in both rent prices and home values holds up to the rest of Crawford County.

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 just over a quarter of the Spartansburg-Bloomfield Submarket housing stock was built prior to 1940. This demonstrates that the Submarket may carry a good mixture of both older homes as well as newer construction. Some renovation activity will still be necessary to bring older homes, which are often of quality construction but require modern upgrades, into the marketplace for seniors and those with disabilities. The need for such renovations will likely increase in the future as the Submarket's population continues to age.

SPARTANSBURG-BLOOMFIELD SUBMARKET HOUSING UNITS BUILT PRE-1940

26.4%



Homes Built Pre-1940

73.6%



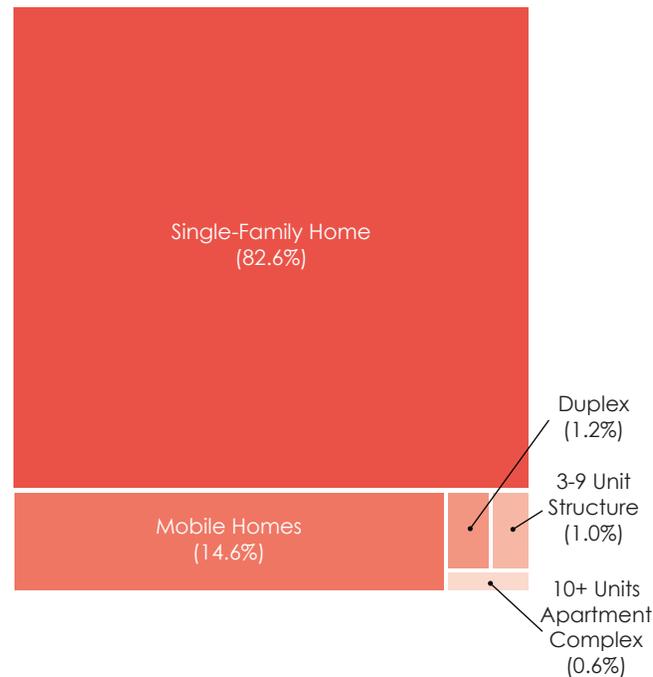
Homes Built Post 1940

Source: U.S. Census, Retrieved 2018

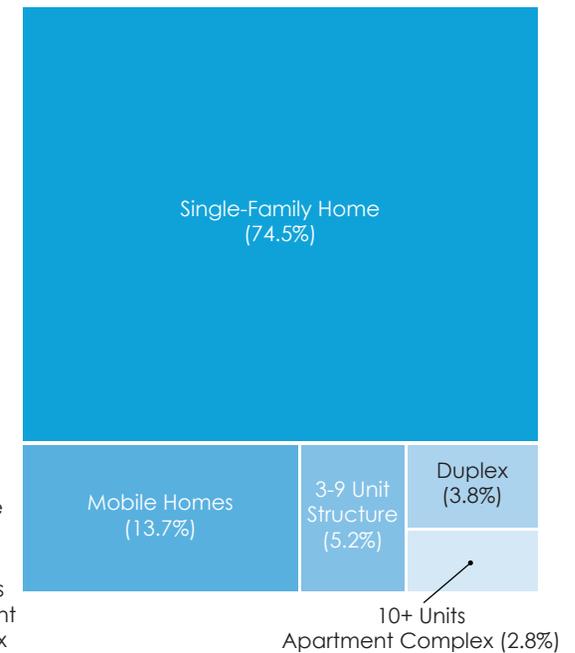
HOUSING BUILDING TYPES —

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 Spartansburg-Bloomfield Submarket contains a higher portion of single-family homes as well as mobile homes than the submarket average. Additionally, the Submarket contains fewer multi-unit structures than the submarket average, a finding which potentially demonstrates that its housing stock may offer less flexibility for accommodating various living arrangements.

SPARTANSBURG-BLOOMFIELD SUBMARKET



SUBMARKET AVERAGE

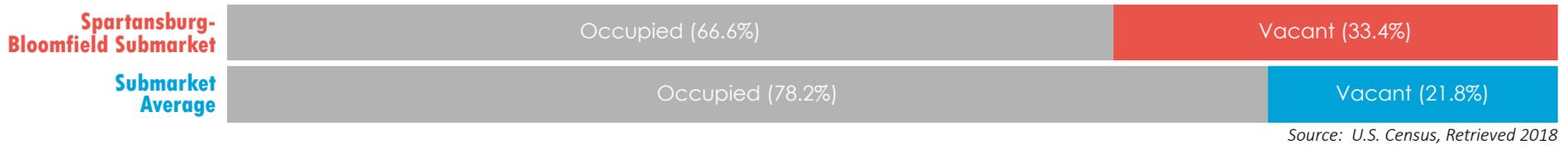


Source: U.S. Census, Retrieved 2018

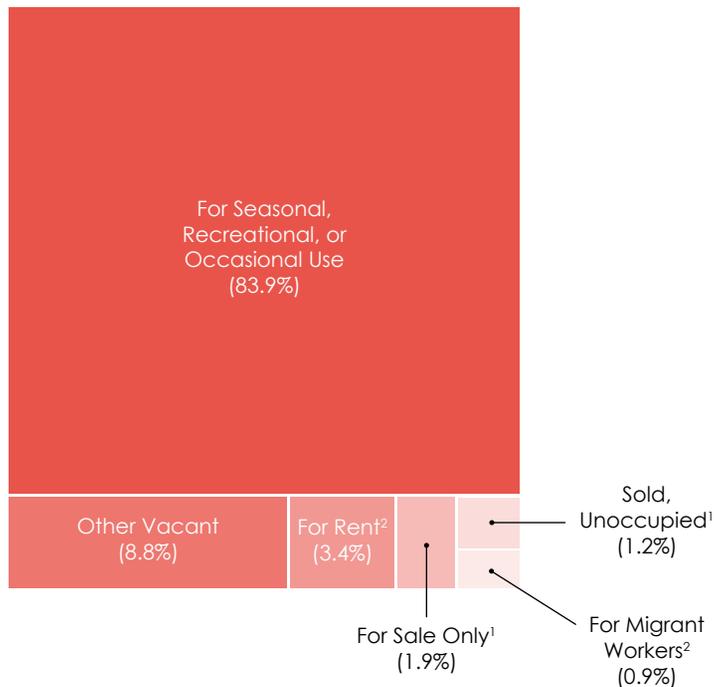
HOUSING STOCK GROWTH ANALYSIS:

OVERALL VACANCY & VACANCY BY TYPE –

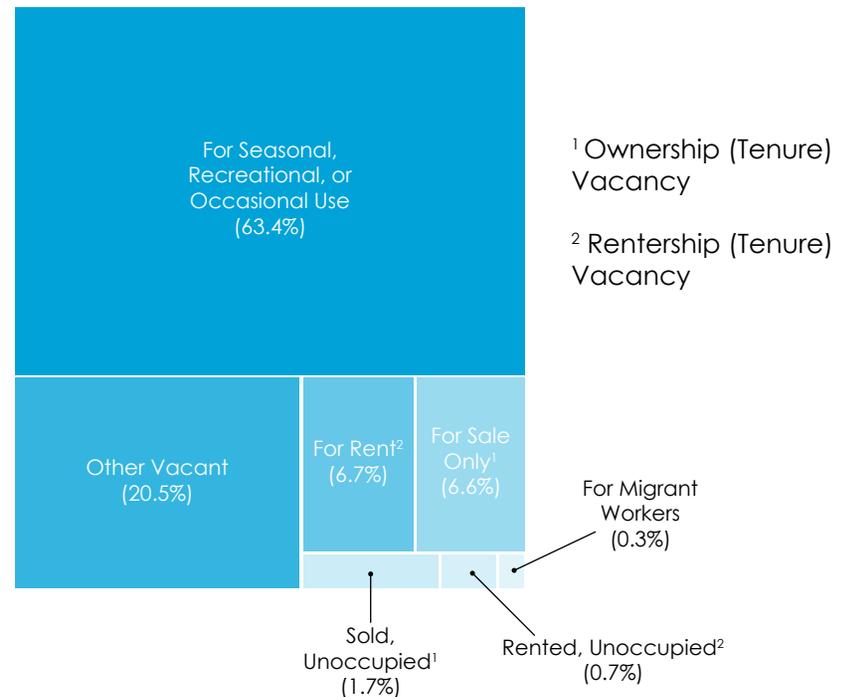
The overall rate and type of vacancy is an important indicator of the stability of a submarket’s housing market. The bar graphs below display the Spartansburg-Bloomfield Submarket’s recorded vacancy rate in 2016 with a comparison to the submarket average. Vacancy within the Spartansburg-Bloomfield Submarket is substantial with one-third of all housing units sitting vacant. Under conventional circumstances, the Submarket’s high vacancy rate would be alarming; however, nearly 84% of all vacancy within the Submarket can be reduced by housing units allocated for seasonal, recreational, or occasional use. Less than 9% of vacancy within the Spartansburg-Bloomfield Submarket arises from “other” reasons which may be an indicator of abandonment, condemnation, dilapidation, or otherwise off-market homes. Vacancy arising from “other” reasons is often unintentional, and a high concentration of such vacancy might indicate substantial problems. However, the Spartansburg-Bloomfield Submarket contains relatively little “other” vacancy with all other vacancy types falling within a healthy range.



SPARTANSBURG-BLOOMFIELD SUBMARKET



SUBMARKET AVERAGE



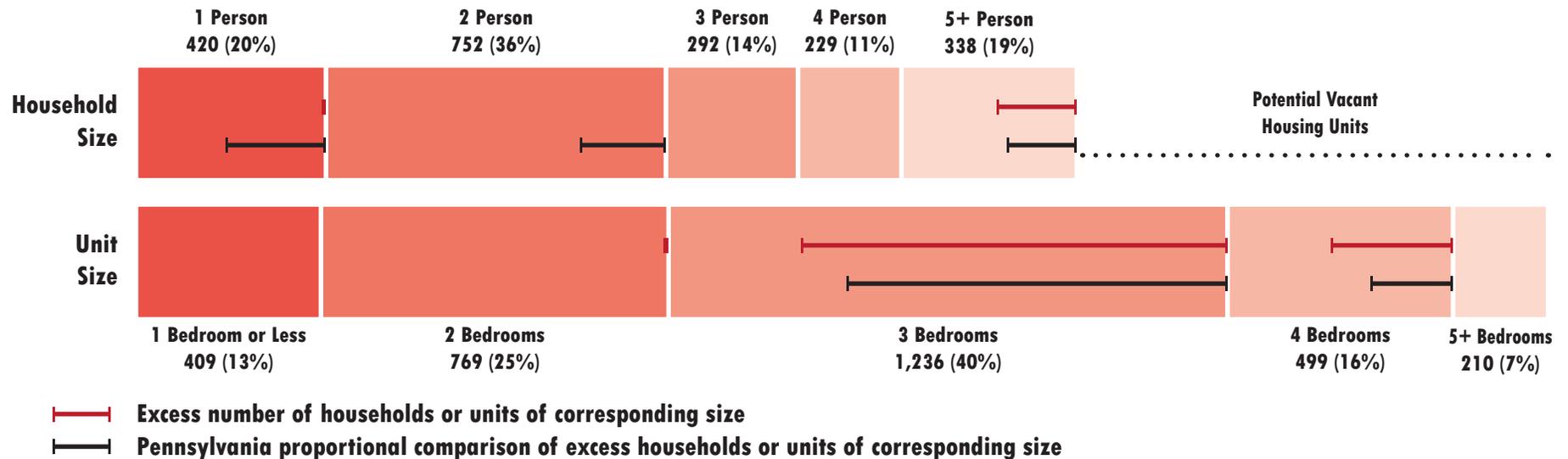
¹ Ownership (Tenure) Vacancy
² Rentership (Tenure) Vacancy

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 Spartansburg-Bloomfield 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 scale down to the size of the Submarket figures for comparison purposes. From comparing these graphs, the Spartansburg-Bloomfield Submarket appears to have a surplus of one-, two-, three-, and four-bedroom housing units but a minor shortage of homes that contain five-or-more bedrooms. This finding likely reflects the Submarket's high concentration of seasonal and recreation 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 graphic on the right demonstrates the purpose of loan activity within the Spartansburg-Bloomfield Submarket. From this graphic, it appears that loan activity within the Spartansburg-Bloomfield Submarket has been more investment oriented in terms of home improvements, at least in 2016, than activity reported across the submarket average. However, home purchase activity during the same year lagged which resulted in the proportion of loans for refinancing activities nearly identical to the submarket average.

SPARTANSBURG-BLOOMFIELD SUBMARKET LOANS BY PURPOSE (2016)

Spartansburg-Bloomfield Submarket



Submarket Average



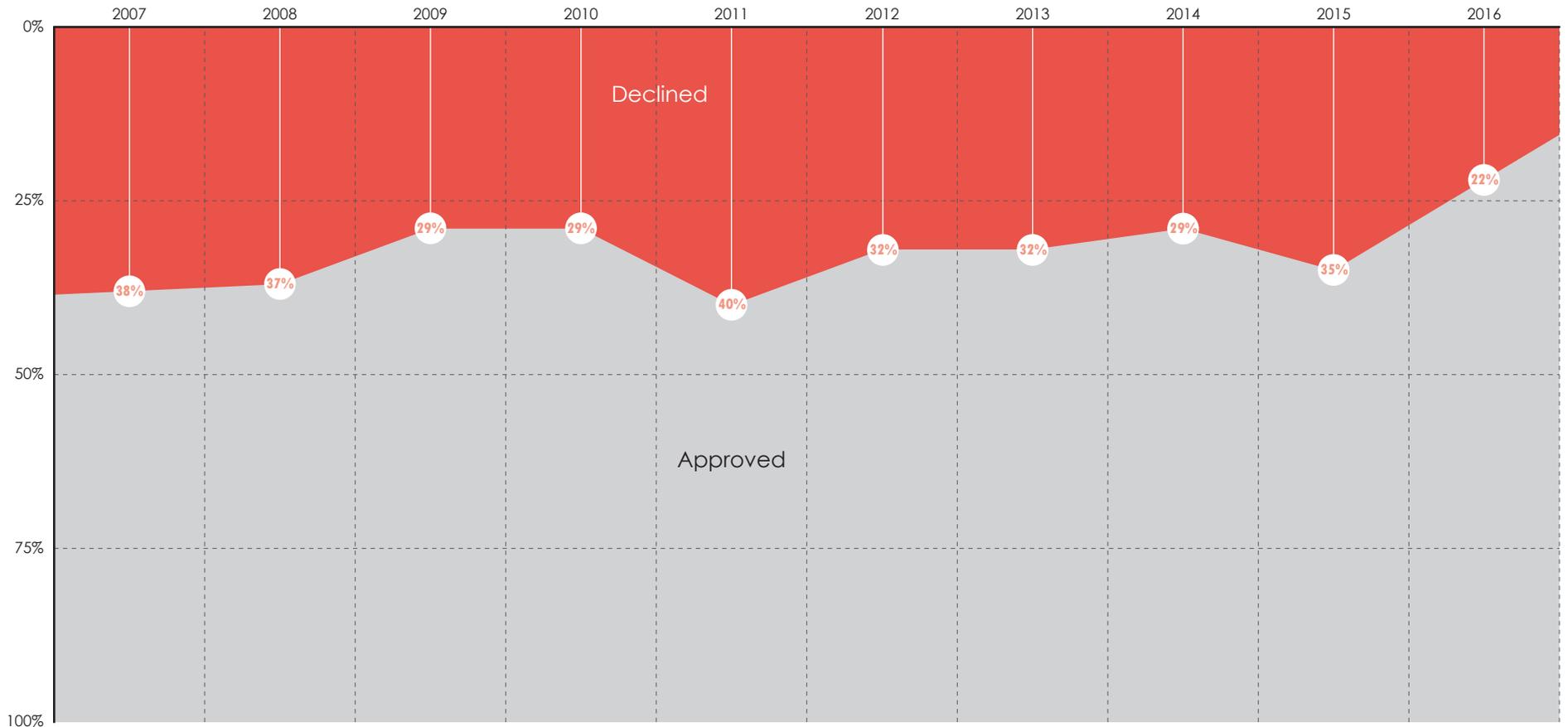
Source: Consumer Financial Protection Bureau, Retrieved 2018

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 Spartansburg-Bloomfield Submarket, the rate of declined loans has hovered in the mid-thirties since 2007 (see below) and appears to show slight improvement only very recently.

SPARTANSBURG-BLOOMFIELD SUBMARKET DECLINED HOUSING LOANS (2007-2016)



Source: Consumer Financial Protection Bureau, Retrieved 2018

In summary, housing stock growth within the Spartansburg-Bloomfield Submarket has been flat. Median rent prices and home values are aligned with Crawford County's figures; however, they may not be a signal for new development. The Spartansburg-Bloomfield Submarket has a modern housing stock with nearly three-quarters of its inventory constructed after 1940. Even though the Spartansburg-Bloomfield Submarket exhibits a much higher vacancy rate than the submarket average, an impressive 84% of its vacancy comes from the presence of seasonal, recreational, or occasional use homes rather than from "other" reasons, which may signify more abandonment and dilapidation. Despite loan originations showing a stronger focus on home improvements when compared to the submarket average, overall originations within the Submarket have not been more investment oriented than the submarket average. The Submarket has a surplus of housing units of most sizes, a finding likely resulting from the presence of seasonal homes.

OVERALL STATUS OF THE SPARTANSBURG-BLOOMFIELD HOUSING SUBMARKET:

AN ECONOMIC OVERVIEW —

The Spartansburg-Bloomfield Submarket is not a job center within Crawford County. Live-work observations show that nearly 86% of the Submarket's workforce relies on employment opportunities in nearby job centers. Specifically, many workers living within the Spartansburg-Bloomfield Submarket commute to jobs located in Erie County. Such observations are unlikely to change in the near future given projections that show flat job growth in the Submarket. Consistent with these observations, the Submarket's 0.29 job-to-housing ratio lies below the beneficial range. This finding suggests that residents within the Spartansburg-Bloomfield Submarket may be more likely to move away in order to relocate closer to their place of employment.

The overall educational attainment of residents living in the Spartansburg-Bloomfield Submarket is below the submarket average. This finding suggests that its labor force the Submarket is less economically competitive than other submarkets within Crawford County. Fortunately, recent projections forecast strong household income growth within the Submarket, which may support housing market stability in the future. However, such projections are not yet reflected in real-estate related loan activity reported within the Submarket, which has been less investment oriented than the submarket average overall despite producing a much higher proportion of originations for home improvements.

POPULATION TRENDS —

The Spartansburg-Bloomfield Submarket is a rural population area within Crawford County and its total population has declined since 2000. Given this observation, it appears that population growth is not driving housing demand. Instead, much of the demand for housing within the Spartansburg-Bloomfield Submarket may come from the cycling of existing households. Within the context of declining population, demographic projections forecast an overall decline in the population of youth and working age individuals within the Submarket but an increase in the population of senior citizens. In terms of household formation, the number of non-family households comprised of either one or two members has held steady. Two-person family households have increased in number, and a slight increase has been observed in the overall number of family households comprised of more than three members.

THE HOUSING MARKET GENERALLY —

The Spartansburg-Bloomfield Submarket contains a similar overall quantity of housing units as the submarket average. Yet, recent projections forecast that the development of new homes will be flat. However, such projections are inconsistent with observations of modest growth in median home values and strong growth in rent prices. Overall, median rent prices within the Spartansburg-Bloomfield Submarket are slightly ahead of those observed county-wide, but median home values are below the county's figure. In terms of affordability, the overall rate of cost-burdened renter households within the Submarket is below the submarket average but still reflects that nearly 30% of renter households pay too much for housing based on their income. This finding suggests that renter households within the Spartansburg-Bloomfield Submarket may have a more difficult time overall putting aside the savings necessary to make a down payment on a starter home.

More than a quarter of the Spartansburg-Bloomfield Submarket's housing stock was built prior to 1940, a finding which may translate into financial and physical challenges for all homeowners. Given the characteristics often associated with old homes, such as expensive renovation needs and limited accessibility for those with disabilities, the Submarket's concentration of older housing units may particularly burden consumers in the starter and downsizing home markets. Comparisons between the composition of households and housing units by size suggest that the Spartansburg-Bloomfield Submarket has a minor shortage of five-or-more-bedroom homes but a surplus of housing units with one-, two-, three, and four-bedrooms. The surplus of homes comprised of less than five bedrooms is likely to due to the presence of many seasonal and recreational homes within the Submarket. Even though the Spartansburg-Bloomfield Submarket's overall vacancy rate is well above the submarket average, nearly 84% of its vacancy results from homes used of seasonal, recreational, or occasional use. Vacancy of this type is less concerning overall, but the presence of too many seasonal homes may present other community problems.

THE SPARTANBURG-BLOOMFIELD SUBMARKET'S HOUSING ECOSYSTEM:

HOUSING MARKET ECOSYSTEM —

The graphic on the next spread demonstrates the housing market ecosystem for the Spartanburg-Bloomfield 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 Spartanburg-Bloomfield 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 — The Spartanburg-Bloomfield Submarket's new household market will benefit from household formation trends that show a stable overall number of non-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 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 for supporting the stability of the new household market. Comparisons between the composition of households and housing units by size suggest that the Spartanburg-Bloomfield Submarket has a surplus of one- and two-bedroom housing units. Although such surplus is encouraging since smaller homes are often best suited for the needs of those within the new household market, it is possible that many of these units could be set aside for seasonal use only. Additionally, the Spartanburg-Bloomfield 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.

Median rent prices just above those observed county-wide along with the strong growth of such prices both provide positive signs for suppliers participating in the Spartanburg-Bloomfield Submarket's new household market. On the consumer end, the Submarket's overall rate of cost-burdened renter households is below the submarket average. Such observations indicate stability within the Submarket's new household marketplace.

Overall, the Spartanburg-Bloomfield Submarket's new household market is considered adequate largely due to a combination of household formation trends and demographic projections suggesting stable 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 considered adequate because of the Submarket's relatively low rate of cost-burdened renter households paired with projections that forecast strong household income growth.

STARTER HOME & DOWNSIZING MARKETS — The Spartanburg-Bloomfield Submarket's starter and downsizing markets will likely be positively impacted by household formation trends that show an increase in the overall number of two-person family households. However, 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 healthy share of single-family homes within the Spartanburg-Bloomfield Submarket will benefit both the starter and downsizing markets since consumers within these segments often prefer this type of home. However, the Submarket lacks accessible multi-unit structures of quality construction, which are also attractive to many senior couples looking to downsize. Comparisons between the composition of households and housing units by size suggests that the Submarket has a surplus of two- and three-bedroom homes. The Submarket's supply of two- and three-bedroom homes is critical for supporting the needs of most consumers within the starter and downsizing market segments. However, consumers within the starter and downsizing home segments will have to be content with the Submarket's relatively old housing stock, of which just over one-quarter was built prior to 1940. This significant concentration of older homes

THE SPARTANSBURG-BLOOMFIELD SUBMARKET'S HOUSING ECOSYSTEM:

could present either financial or physical burdens on younger and older buyers alike.

Projections that forecast household income will increase at a strong rate provide support for consumer stability within both the starter and downsizing markets. Less optimistically, the Submarket's median home value is well below the county-wide figure, but appreciation has occurred at a modest rate over recent years. The combination of relatively low median home values and household income projections does not appear to be reflected in real-estate loan activity across the Spartansburg-Bloomfield Submarket, which has been about as investment oriented overall as a submarket average despite containing a higher portion of originations for home improvements.

Overall, the Spartansburg-Bloomfield Submarket's starter home market is considered adequate largely as the result of household formation trends suggesting an increase in consumer demand. However, if demographic projections hold true, starter home demand could decline with dwindling numbers of individuals between the ages of 15 and 34. Additionally, projections showing an increase in household income paired with relatively low median home values suggest that the ability of a household participating in the Submarket's starter home market to transition into the move-up segment may be adequate. Household formation trends also suggest an increase in the demand for downsizing homes with demographic projections that show gains in the number of senior citizens indicating that future demand for this housing segment may be strong. Therefore, the Submarket's downsizing market segment is adequate, and the ability to transition from this segment and into a senior living accommodation is also adequate.

MOVE-UP MARKET – The move-up housing market within the Spartansburg-Bloomfield Submarket will likely benefit from household formation trends that show stability 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 may translate into reduced consumer demand for move-up homes, as residents within this age block are mostly likely to constitute those within this consumer segment. The combination of household formation trends and population projections suggest that the demand for move-up housing will be stagnant.

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

Overall, the Spartansburg-Bloomfield Submarket's move-up market is considered inadequate largely due to a combination of household formation trends and demographic projections that suggests stagnant consumer demand. Despite real-estate loan origination activity similar to the submarket average, limited consumer demand may make it difficult for households currently participating in the move-up market to transition into the downsizing segment. As a result, this transition is considered inadequate.

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

