

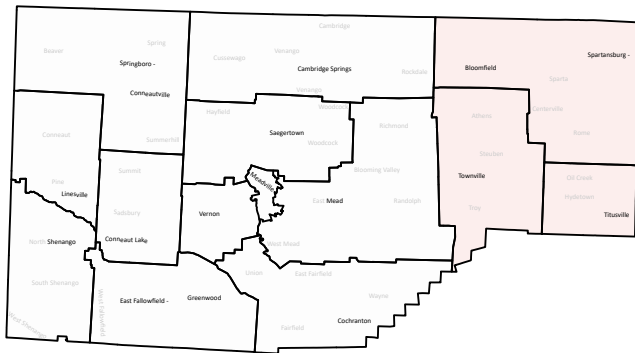


# EASTERN REGION

SPARTANSBURG-BLOOMFIELD SUBMARKET

TOWNVILLE SUBMARKET

TITUSVILLE SUBMARKET



# THE TOWNVILLE SUBMARKET

Introducing travelers coming from the west to eastern Crawford County, the Townville Submarket includes four municipalities – Athens, Steuben, and Troy townships and the Borough of Townville. The Townville Submarket is adjacent to the Cochran, Mead, Cambridge Springs, Spartansburg-Bloomfield, and Titusville submarkets within Crawford County and shares its southern border with Venango County.

*A HOUSING ECOSYSTEM ANALYSIS OF THE TOWNVILLE 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.

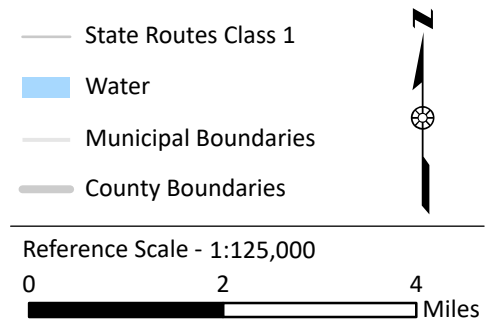
Drivers are those forces that directly propel the need for housing units or development. Drivers are designated by this icon (⚡). Our analysis identifies three major drivers: job growth, population growth, and housing stock growth. The pushing and pulling of these driving forces with each other creates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

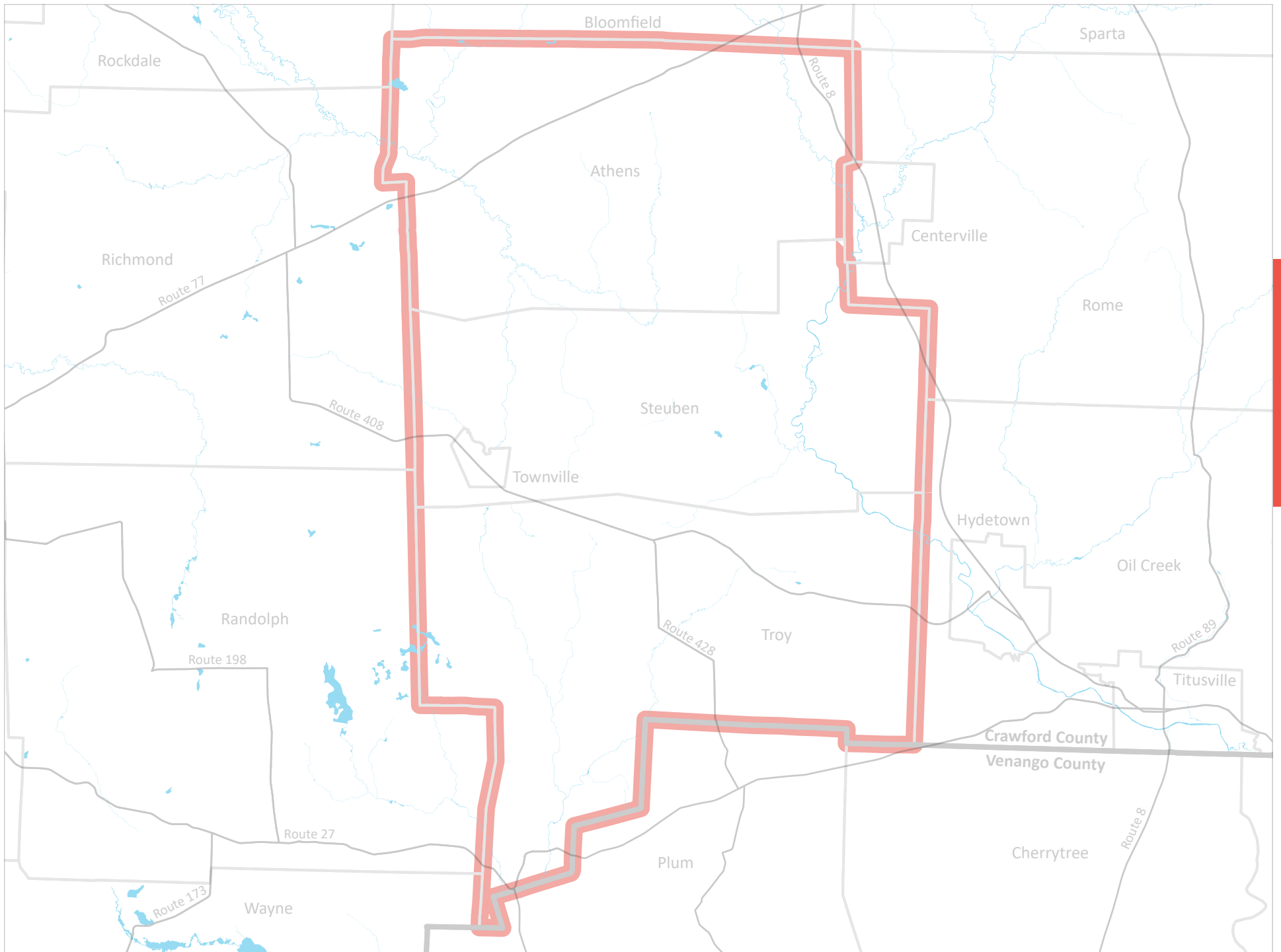
Indicators are metrics useful for providing further insight but are not assumed to produce wider impacts on their own. Indicators have this icon (🍷). These indicators generally gauge how well parts of the market are responding to each other or how people are being accommodated by the housing market. 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 the presence of 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 Townville Submarket is based on the premise that a healthy housing marketplace consists of an environment where households have access to adequate housing and maintain the ability to willingly transition between housing segments in order to meet their needs. The terms “new household market,” “starter home market,” “move-up home market,” “downsizing market,” and “senior housing market” are used to define the stages of housing consumption that exist within a healthy housing market ecosystem. Since these terms are used frequently, please refer to the “glossary of terms” in the appendix for a definition of each.

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



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



## JOB GROWTH ANALYSIS:

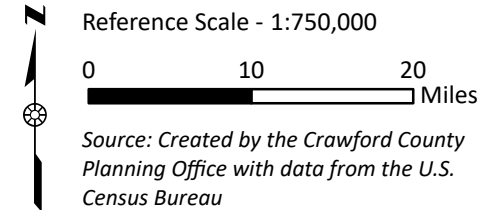
This section explores job growth as a driver and the relationships between its influencers, leading to the outcome of total jobs. Before exploring job growth trends, this section provides a study of the live-work trends for residents living within the Townville Submarket.

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

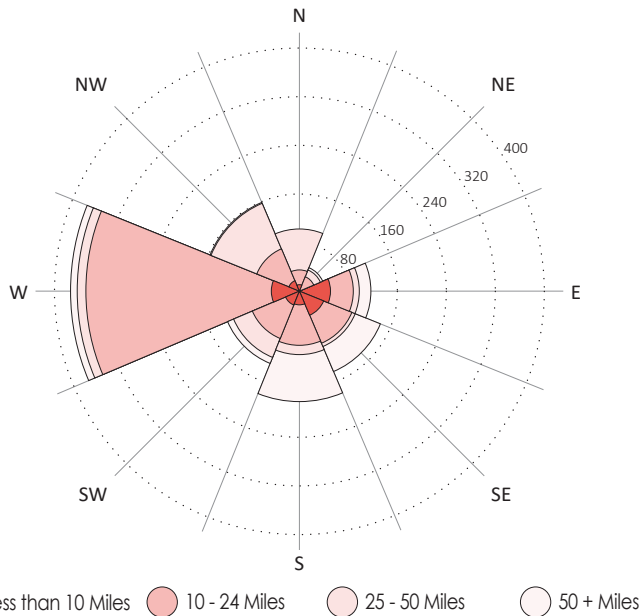
The map on the next page uses dots to represent where residents living within the Townville Submarket work. From this map, it is apparent that the vast majority of Townville Submarket residents work outside the Submarket. Based on analysis from 4ward Planning, a strong concentration of employment opportunities 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 Townville Submarket produces a job-to-housing ratio of 0.35, lying well below the beneficial range.

The radar graph on the bottom left displays the distance and direction of where Townville Submarket residents work. The dark red wedges of the graph demonstrate those commuting less than ten miles; however, a much larger share of residents travel beyond ten miles to reach work. Live-work observations within the Townville Submarket demonstrate that it is a “bedroom community” whereby its residents overwhelmingly commute to jobs located outside the Submarket. A break down of such commuter trends is presented on the bottom right and the map on the next page shows that just over 93% of the Submarket’s residents work elsewhere with a majority occupied inside Crawford County and many commuting to the Meadville area for work.

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



### WHERE TOWNVILLE SUBMARKET RESIDENTS WORK



**6.8%**

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

**56%**

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

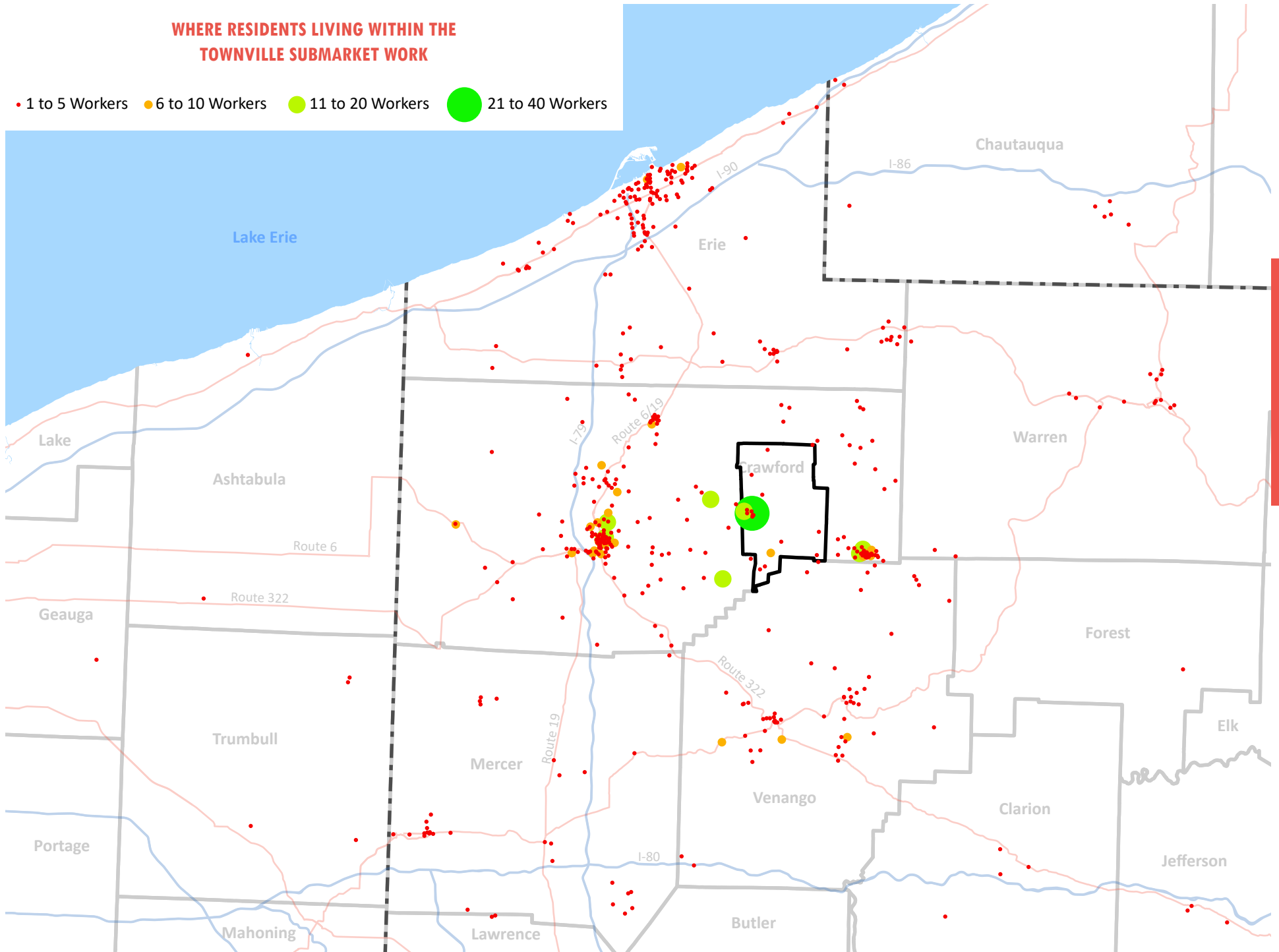
**44%**

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

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

### WHERE RESIDENTS LIVING WITHIN THE TOWNVILLE SUBMARKET WORK

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

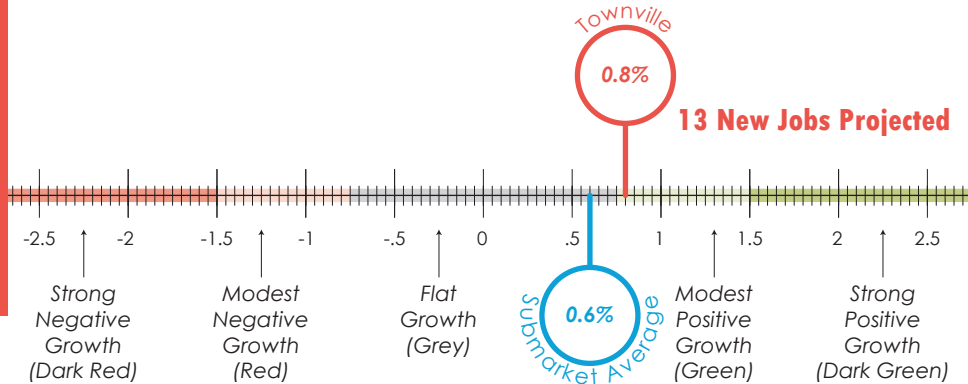


## JOB GROWTH ANALYSIS:

### JOB GROWTH —

From the graph below, the Townville Submarket's 0.8% projected annual job growth rate out-paces the submarket average of 0.6% and lies within the modest positive growth range. Despite the benefits of modest job growth, given the size of the Submarket's job base, such growth is unlikely to provide its workers with the potential employment options necessary to leverage for increased compensation.

#### ANNUALIZED PROJECTED JOB GROWTH RATE (2017-2022)



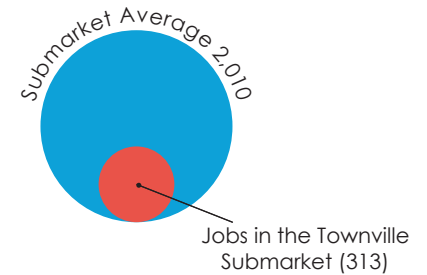
Source: Esri; PA CWIA; 4ward Planning, Inc., Retrieved 2018

### HOUSEHOLD INCOME CHANGE —

Consistent with modest positive job growth trends, from the projected change in household income displayed in the graph on the bottom left, the Townville Submarket is projected to experience a strong rate of household income growth. An increase in household income will bolster the stability of existing households while opening up new housing opportunities for others.

### TOTAL JOBS —

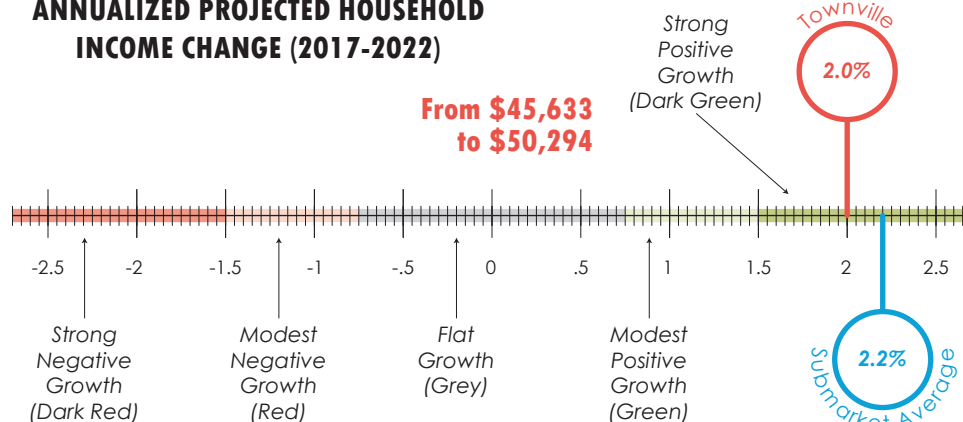
To explore the magnitude of the Townville Submarket's employment base, we compared the number of jobs inside the Submarket to the average number of jobs located within a Crawford County submarket. From the graphic below, the Townville Submarket has far fewer jobs than the submarket average. This finding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



Source: U.S. Census 2011-2015 ACS

**In summary, job growth within the Townville Submarket is projected to grow at a modest rate and household income is projected to increase at a strong rate. Household income growth within the Submarket may bolster housing market stability. The Townville Submarket is a bedroom community with the overwhelming majority of its residents commuting to nearby job centers which play a fundamental role in its economic stability.**

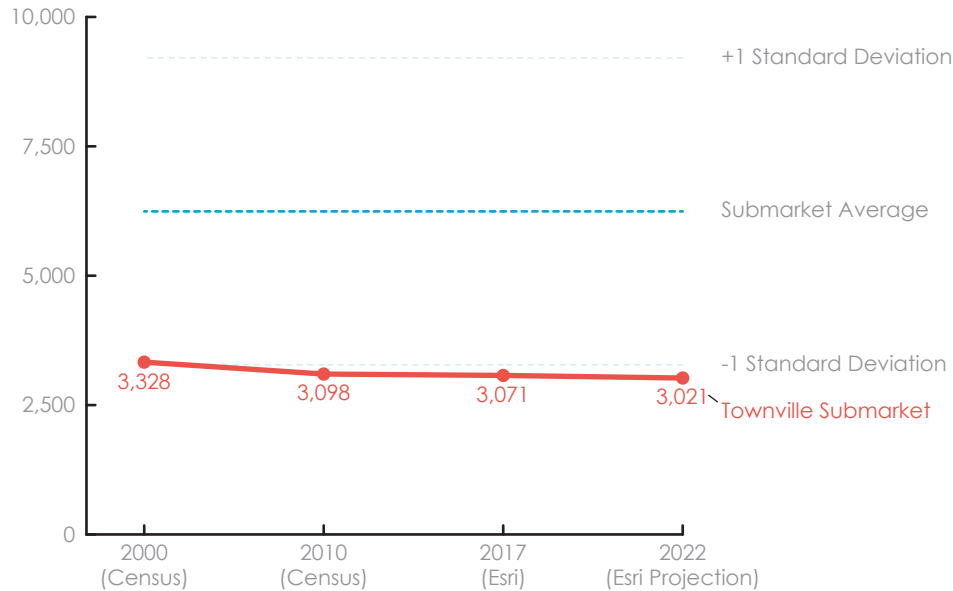
#### ANNUALIZED PROJECTED HOUSEHOLD INCOME CHANGE (2017-2022)



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

# POPULATION GROWTH ANALYSIS:

## TOWNVILLE SUBMARKET POPULATION GROWTH



This section explores population growth as a driver and relationships between its influencers, which leads to a submarket’s total population. Population growth within the Townville 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 —

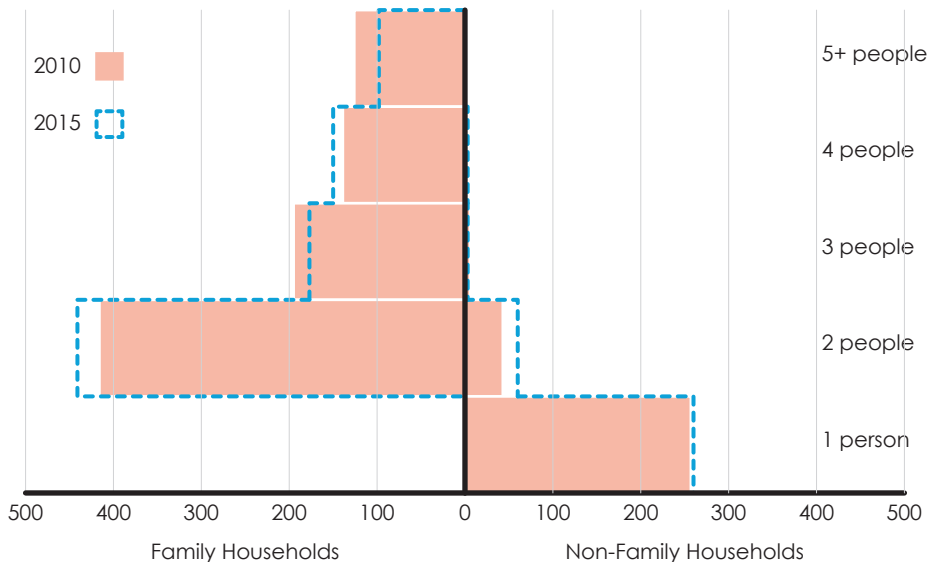
Population growth will increase local housing demand. As demonstrated within the graph on the left, the population of the Townville Submarket has declined since 2000 but is projected to level off. This decline suggests that population growth is not driving the demand for housing within the Submarket.

### 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.*

## TOWNVILLE 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 Townville Submarket households by size between 2010 and 2015. Both family and non-family households comprised of two people within the Townville Submarket increased between 2010 and 2015 along with a simultaneous gain in the number of four-person family households. Conversely, three-person and five-or-more person family households decreased between 2010 and 2015. Such household formation trends suggest an increase in the local demand for starter homes and a potential decline in the internal demand for move-up housing.

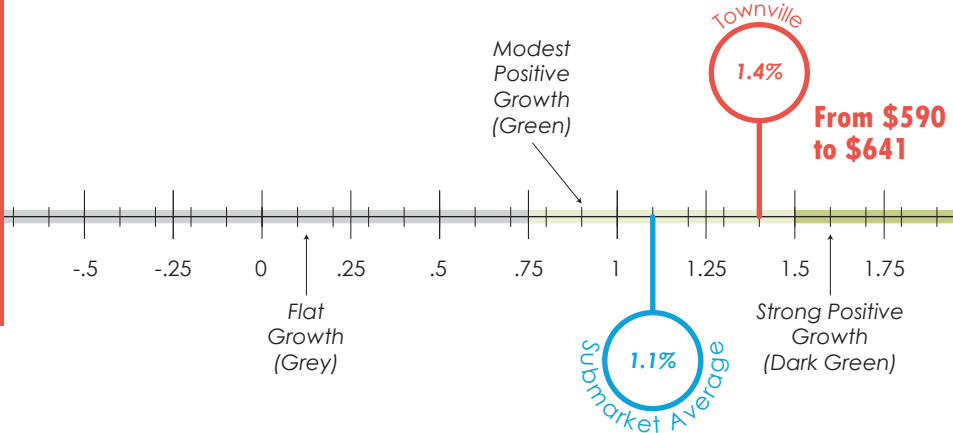
Source: U.S. Census

## POPULATION GROWTH ANALYSIS:

### RENT PRICE & HOME VALUE CHANGES —

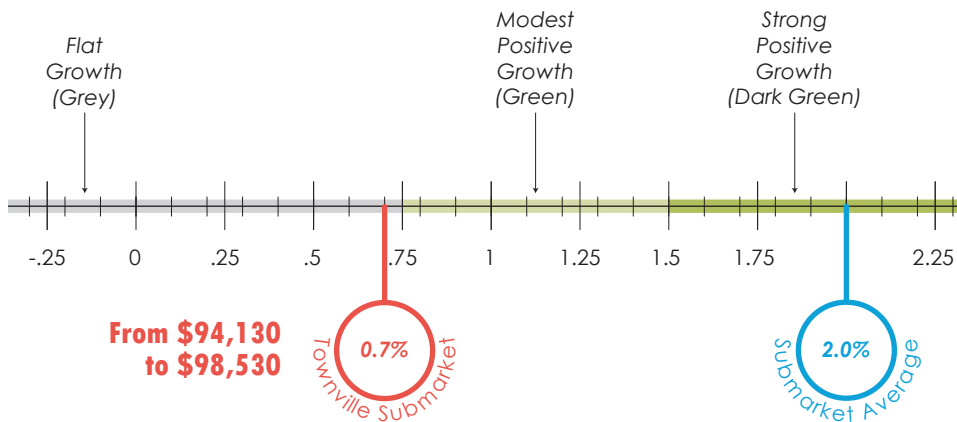
An increase in median rents or home values may delay individuals from forming new households and thus ease housing demand. Conversely, declines in these values may encourage household formation as the ability to move into your own unit becomes more attainable. The line graphs below demonstrate how the Townville Submarket's median rent prices and median home values have changed compared to the corresponding submarket averages. Despite flat home values, rent prices have increased 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 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 Townville Submarket with comparisons to Crawford County and the submarket average. We see that renters within the Townville Submarket are about as cost-burdened as the submarket average but faring better than those across the whole of Crawford County.

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



**34.6%** of Townville Submarket Renters  
(80 Households)

**41.3%** of Crawford County Renters

**34.3%** Submarket Average

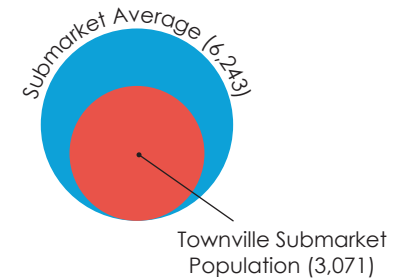
Source: U.S. Census 2011-2015 ACS



## POPULATION GROWTH ANALYSIS:

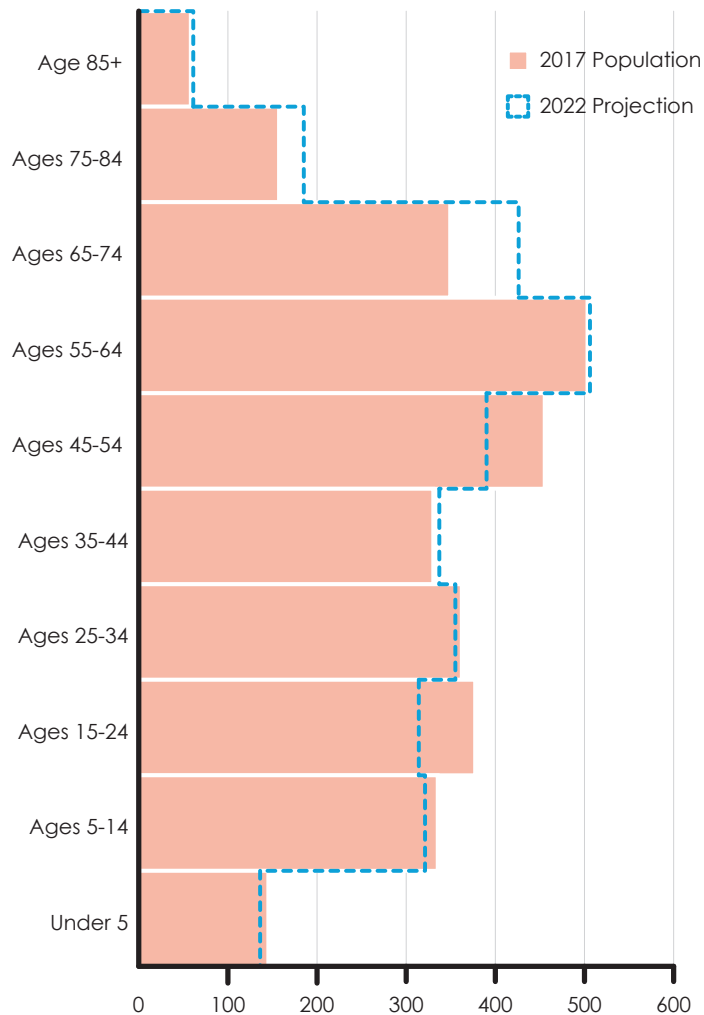
### TOTAL POPULATION –

The cycling of households between different homes creates some of the housing demand within a community. To understand this type of housing demand, we established whether the Townville 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, we see that the Townville Submarket’s population is less than the submarket average. By this standard, the Townville Submarket is a rural population center. 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



Source: Esri, Retrieved 2017

### TOWNVILLE SUBMARKET POPULATION PYRAMID & PROJECTION



Source: Esri, Retrieved 2018

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 Townville 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 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 homes. 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 Townville Submarket in 2017 with a projection to 2022. Age cohorts within the Townville Submarket are projected to decline across the younger brackets comprising individuals below age 34 with a more significant drop for those ages 15 to 24. Additionally, the population of individuals ages 45 to 54 is projected to decline going into 2022. These demographic changes may reduce the internal demand for both move-up (family-sized- 3-5 bedrooms) and smaller rental units (1-2 bedroom rentals- with the exception of senior friendly units). However, significant increases projected among seniors ages 65 to 84 may generate local demand for downsizing homes.

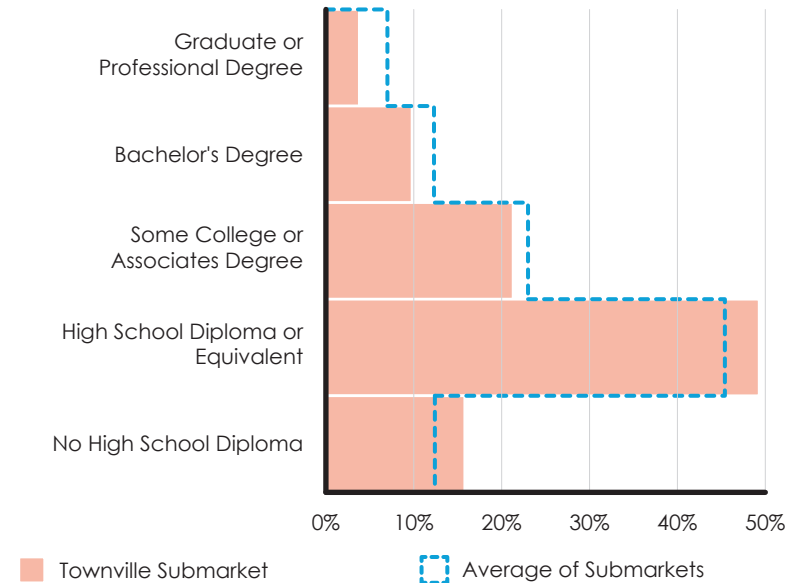
## POPULATION GROWTH ANALYSIS:

The demographic projections and household formation trends addressed earlier suggest increased local pressure on the market for both starter and downsizing homes. Furthermore, growth in older age brackets suggest that many new two person households within the Submarket may be formed by seniors after their children have moved out.

### EDUCATIONAL ATTAINMENT —

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

### TOWNVILLE SUBMARKET EDUCATIONAL ATTAINMENT (2017)



Source: Esri, Retrieved 2018

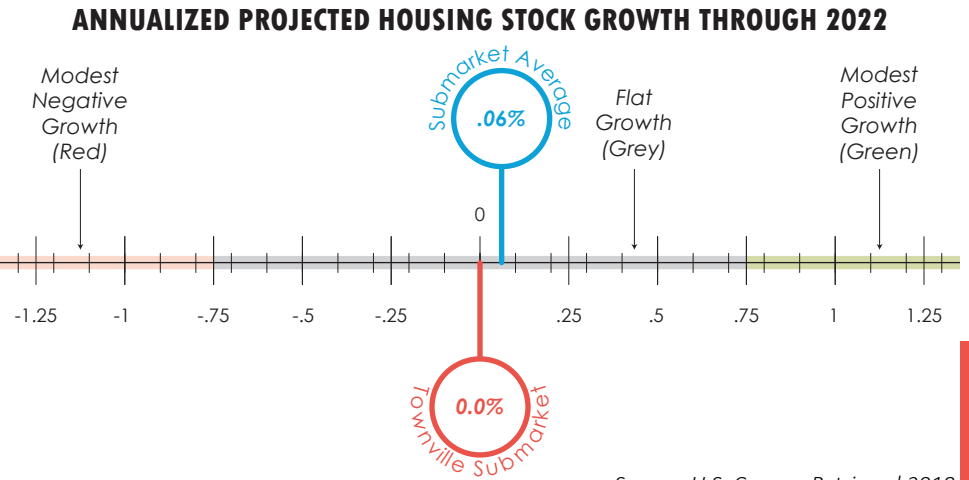
***In summary, the Townville Submarket is a rural population center which is projected to slightly decline into 2022 and thus leaving housing demand largely to the cycling of existing residents. Household formation trends within the Submarket suggest a decline in the demand for move-up homes along with an increase in demand for starter and downsizing units. This trend is also supported by projected variations in age demographics within the Submarket. Rent prices within the Townville Submarket have experienced modest growth while home values have remained flat. Despite observations of increases in rent prices, renters within the Submarket are less cost-burdened, on the whole, than those across Crawford County. Overall, the Townville Submarket is less educated than the average of other submarkets.***

## HOUSING STOCK GROWTH ANALYSIS:

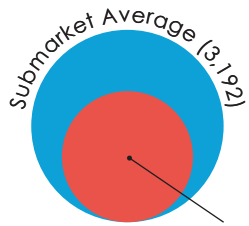
This section of our analysis explores housing stock growth as a driver and the relationships between its influencers, which leads to the outcome of the total housing stock. A stable and growing housing stock, balanced with population and job growth, is essential for sustaining a healthy housing market.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



Source: U.S. Census, Retrieved 2018



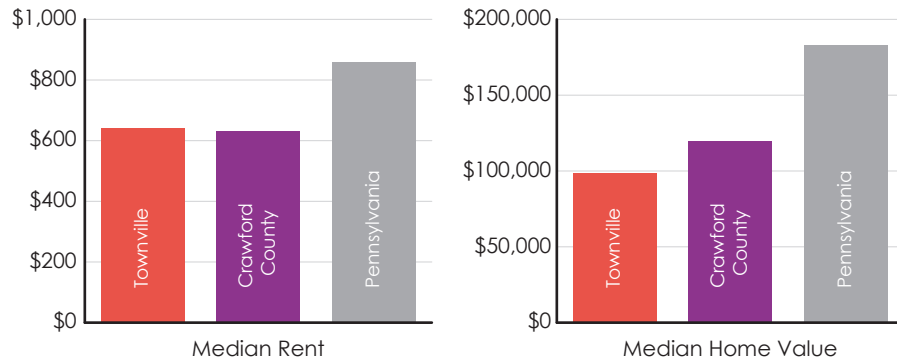
Housing Units in the Townville Submarket (1,482)

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 market demand. To study the relative size of the Townville 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 Townville Submarket has far less housing units than the submarket average. Based on this analysis, it can be safely suggested that housing development within the Townville Submarket is largely a creature of immediate responses to observable market demand rather than along speculative lines.

## TOWNVILLE SUBMARKET MEDIAN RENT (2016) & MEDIAN HOME VALUE (2017) MEDIAN RENT & HOME VALUES —



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

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 Townville Submarket has a median rent price similar to Crawford County but much lower than Pennsylvania on the whole. For home values, the Townville Submarket has lower home values than both Crawford County and Pennsylvania. These figures alone will likely not encourage new housing investment in the Submarket.

## HOUSING STOCK GROWTH ANALYSIS:

### UNITS BUILT PRE-1940 —

A home's age may influence a consumer's or investor's decision to purchase or renovate the property. A submarket with a high proportion of older housing units might encounter extra challenges meeting the needs of its population or attracting reinvestment. The infographic on the right shows that nearly 28% of the Townville Submarket's housing stock was built prior to 1940. Although older homes are often of quality construction and contain fine architectural details, they're usually maintenance intensive and inaccessible for seniors and those with disabilities. From this observation, the Townville Submarket does contain its fair share of historical homes but does not seem burdened with an out-sized portion of such residences. Given the Submarket's aging population, opportunities to encourage accessibility upgrades should be considered from time to time.

### TOWNVILLE SUBMARKET HOUSING UNITS BUILT PRE-1940

27.7%



Homes Built Pre-1940

72.3%



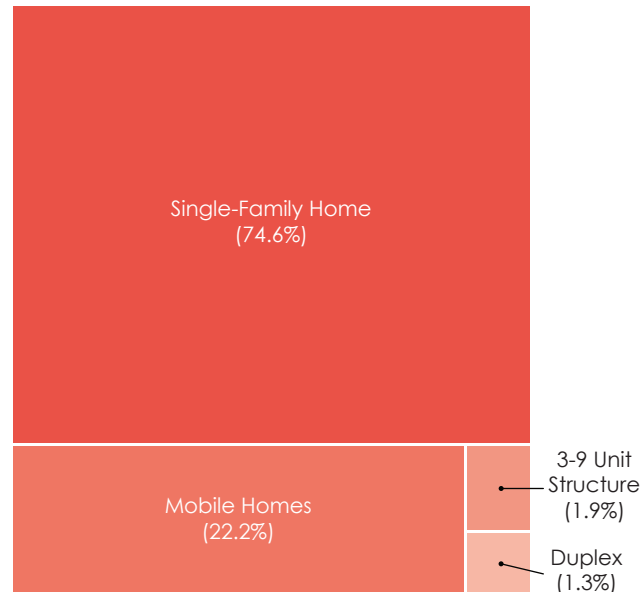
Homes Built Post 1940

Source: U.S. Census, Retrieved 2018

### HOUSING BUILDING TYPES —

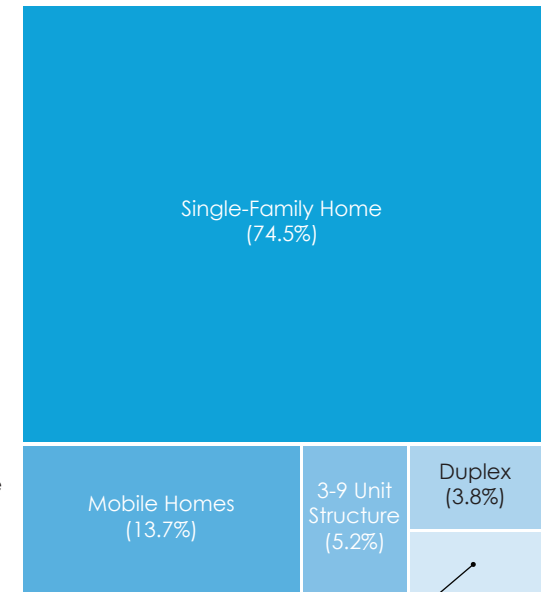
The graphic on the right divides housing structures into five categories of common forms: single-family homes, duplexes, three-to-nine unit structures and complexes, ten-or-more unit structures and complexes (apartment complexes) and mobile homes. In terms of building types, the Townville Submarket varies from the submarket average in that it contains a larger portion of mobile homes and smaller portions of multi-unit structures. Mobile homes comprise close to a quarter of housing structure types within the Submarket and there appear to be no 10-plus unit apartment complexes. Such findings align with our earlier observation that the Townville Submarket is a rural population area.

### TOWNVILLE SUBMARKET



2 housing units in the Townville Submarket consist of either a boat, RV, or Van.

### SUBMARKET AVERAGE



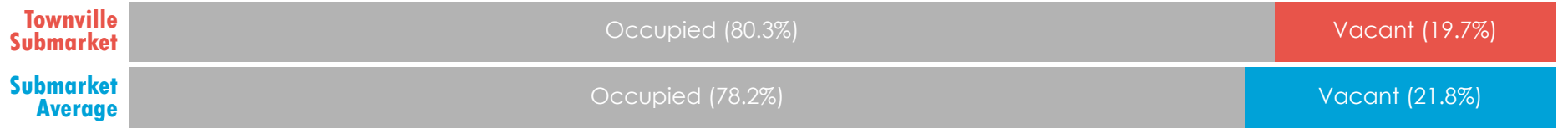
10+ Units Apartment Complex (2.8%)

Source: U.S. Census, Retrieved 2018

# HOUSING STOCK GROWTH ANALYSIS:

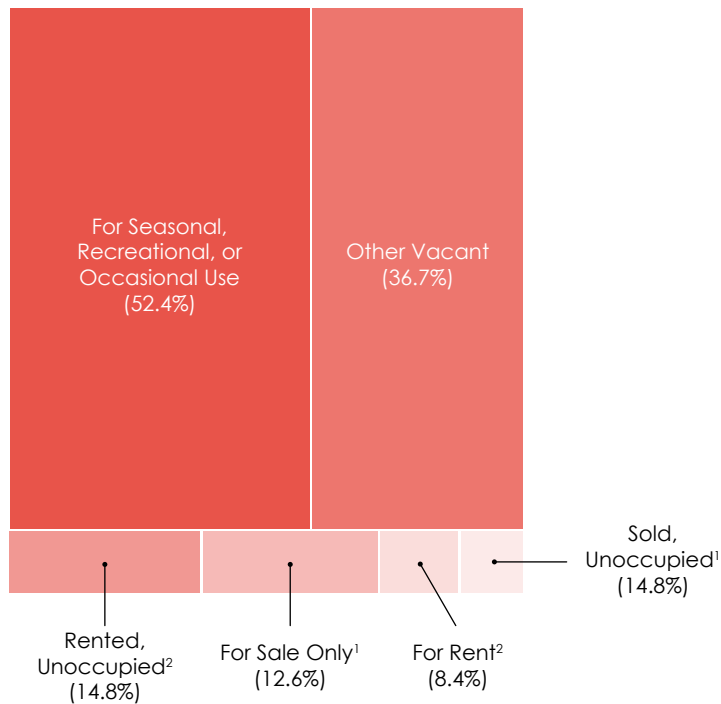
## 🍷 OVERALL VACANCY & VACANCY BY TYPE –

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 Townville Submarket’s recorded vacancy rate in 2016 with a comparison to the submarket average. Although still substantial at nearly 20%, the Townville Submarket reported a lower vacancy rate than the submarket average. However, more than one-third (almost 37%) of the Submarket’s vacancy results from “other” reasons, marking a substantial deviation from the submarket average. “Other vacant” housing units are likely those which are abandoned, condemned, dilapidated, or off the market. Implications stemming from this observation are serious in that an out-sized portion of vacancy within the Townville Submarket is unintentional. Such unintended vacancy may demonstrate a significant cycle of disinvestment as landlords struggle to profit from their properties and owners abandon them.

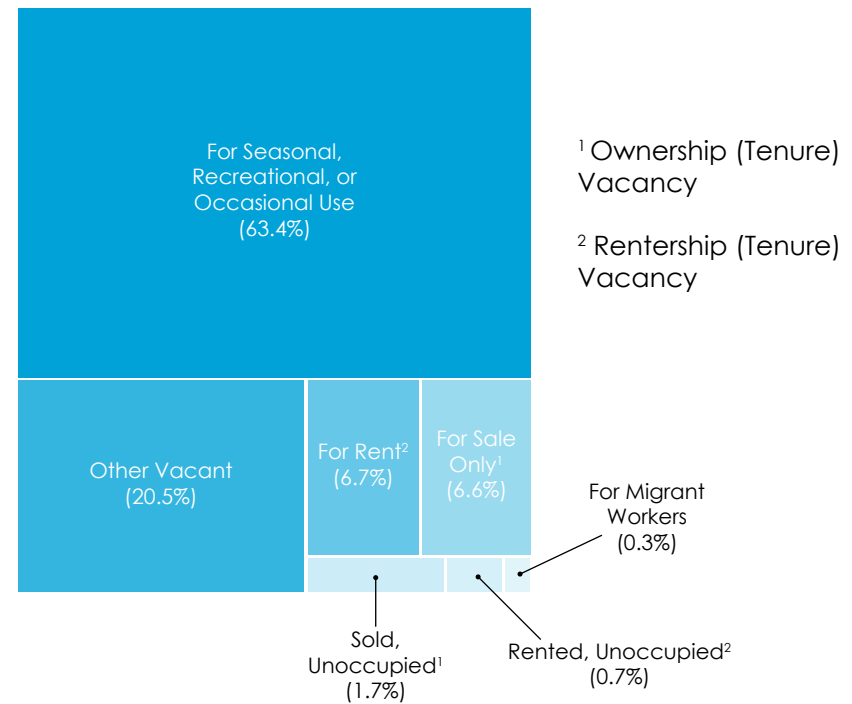


Source: U.S. Census, Retrieved 2018

### TOWNVILLE SUBMARKET



### SUBMARKET AVERAGE

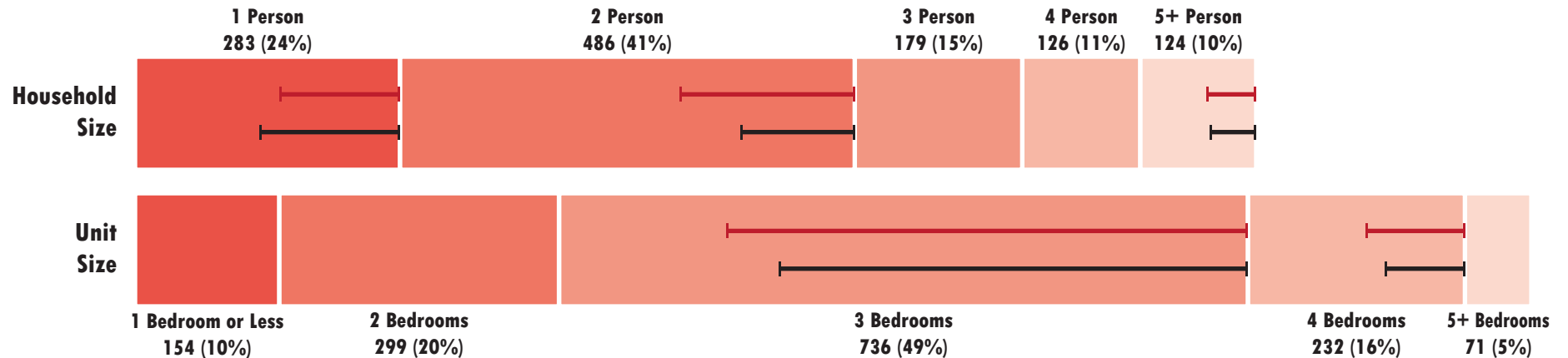


Source: U.S. Census, Retrieved 2018

## HOUSING STOCK GROWTH ANALYSIS:

### HOUSEHOLD SIZE V. UNIT SIZE —

Exploring the relationship between household and unit sizes can reveal whether there are potential mismatches between a community's available housing stock and the needs of its population. The bar graphs below represent the compositions of households and housing units by size within the Townville 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 Townville Submarket exhibits a minor surplus of one-, three-, and four-bedroom housing units, along with a relatively adequate supply of five-or-more-bedroom homes units. However, the Submarket appears to lack two-bedroom homes which is a concern when considering the increase in all two-person households observed within the Townville Submarket.



### 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 Townville Submarket. From this graphic, it appears that loan activity within the Townville Submarket has been more investment oriented, at least in 2016, than activity reported across the submarket average. A very strong showing of loan originations for home purchases builds upon a lesser rate of home improvement activity to produce an overall portion of investment-oriented financial activity that is greater than the submarket average.

### TOWNVILLE SUBMARKET LOANS BY PURPOSE (2016)

#### Townville Submarket



#### Submarket Average



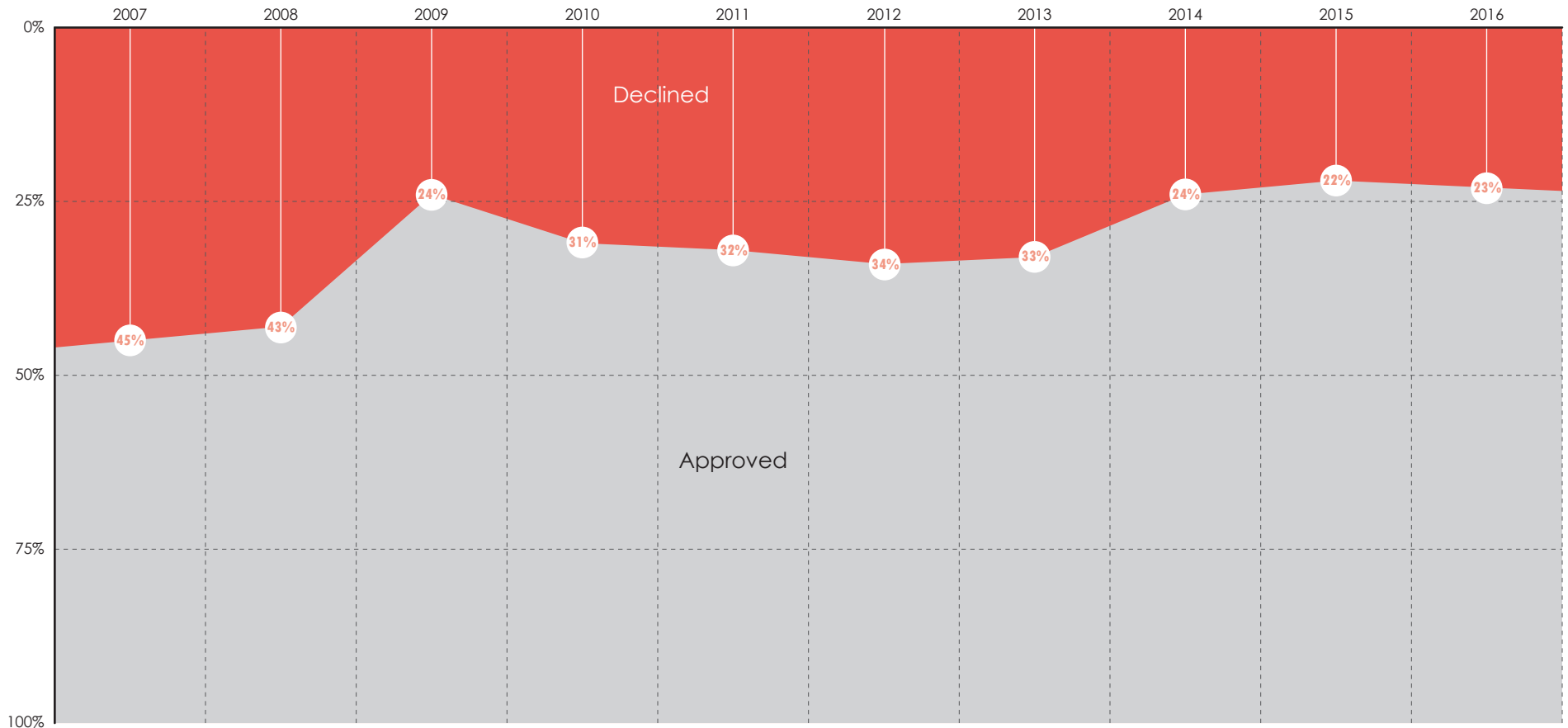
Source: Consumer Financial Protection Bureau, Retrieved 2018

## 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 Townville Submarket, the rate of declined loans has hovered in the mid-twenties in recent years (see below) and appears to show improvement since 2007.

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



Source: Consumer Financial Protection Bureau, Retrieved 2018

*In summary, housing stock growth within the Townville Submarket has been flat. Median rent is generally aligned with Crawford County while home prices lagged behind the county's figures. Both rent prices and home values do not seem to suggest that developers will be particularly motivated to supply new housing units. This observation is backed up by vacancy trends showing that more vacancy within the Submarket is attributable to "other" reasons than the submarket average. Although the Townville Submarket contains many older homes nearly three-quarters of its housing stock was built after 1940. Comparisons between the composition of household and housing unit sizes demonstrate that the Townville Submarket's housing stock may not adequately provide for households comprised of one or two people. Loan origination activity within the Submarket shows a more investment oriented trend than the submarket average and the rate of declined home loans has improved slightly in recent years.*

## OVERALL STATUS OF THE TOWNVILLE HOUSING SUBMARKET:

### *AN ECONOMIC OVERVIEW —*

The Townville Submarket is not a job center within Crawford County. Live-work observations show that around 93% of the Submarket's workforce relies on employment opportunities in nearby job centers. Specifically, many workers living within the Townville Submarket commute to jobs located in the Meadville area. Such observations are unlikely to change in the near future given projections that show job growth in the Submarket will occur at a modest rate. Consistent with these observations, the Submarket's 0.35 job-to-housing ratio lies below the beneficial range. This finding suggests that residents within the Townville 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 Townville Submarket is below the submarket average. Such finding suggests that its labor force may be 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. Such projections may already be playing out on the ground as overall real-estate related loan originations within the Townville Submarket have been more investment oriented than the submarket average with a much higher proportion of originations for home purchases.

### *POPULATION TRENDS —*

The Townville 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 Townville 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, non-family households comprised of either one or two members have increased in number as have two-person family households, but the overall number of family households comprised of more than three members has decreased.

### *THE HOUSING MARKET GENERALLY —*

The Townville Submarket contains a smaller overall quantity of housing units than the submarket average, and recent projections forecast that the development of new homes will be flat. Such projections are consistent with observations that growth in median home values has been flat with rent prices faring better and seeing modest growth. Overall, median rent prices within the Townville Submarket are similar to those observed county-wide, but median home values are well below the county's figure. In terms of affordability, the overall rate of cost-burdened renter households within the Submarket is similar to the submarket average, which shows that just over one-third of renter households pay too much for housing based on their income. This finding suggests that renter households within the Townville 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 Townville 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 Townville Submarket has a shortage of two-bedroom homes but a surplus of housing units with either one-, three- or four-bedrooms. The surplus of one-bedroom units may indicate troubles for the Submarket's rental market while its shortage of two-bedroom housing units may place stress on the market for starter and downsizing homes. Additionally, the surplus of homes containing three- and four-bedrooms could be problematic in the future given the overall decline in the Submarket's number of family households comprised of three-or-more members. Despite having an overall vacancy rate below the submarket average, the share of vacancy related to "other" reasons within the Townville Submarket is disproportionately higher than the submarket average. Other vacancy is often unintentional, and a disproportionate presence of vacancy for other reasons within the Submarket is a sign of disinvestment.



## THE TOWNVILLE SUBMARKET'S HOUSING ECOSYSTEM:

### HOUSING MARKET ECOSYSTEM —

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

**NEW HOUSEHOLD MARKET —** The Townville Submarket's new household market will likely be positively impacted by household formation trends that show an increase in the overall number of non-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 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 suggest that the consumer demand within the new household housing market has increased.

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 suggests that the Townville Submarket has a minor surplus of one-bedroom housing units but a clear shortage of two-bedroom homes. Since household formation trends show that most of the increase in the number of non-family households within the Submarket will come from those comprised of two-people, its existing housing stock mismatches may result in even more stress placed upon consumers in the new household market. Additionally, the Townville 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 modest growth of such prices both provide positive signs for suppliers participating in the Townville Submarket's new household market. Unfortunately similar relief is not observed on the consumer end as the Submarket's overall rate of cost-burdened renter households is similar to the relatively high submarket average. Such observations provide mixed indications over the stability of the Submarket's new household marketplace.

Overall, the Townville Submarket's new household market is considered adequate largely due to a combination of household formation trends and demographic projections suggesting an increase in consumer demand. However, the ability of a household participating in the Submarket's new household consumer segment to transition into the starter home segment is considered inadequate because of the Submarket's relatively high rate of cost-burdened renter households.

**STARTER HOME & DOWNSIZING MARKETS —** The Townville 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 Titusville 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 shortage of two-bedroom homes but an abundance of three-bedroom housing units. 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

## THE TOWNVILLE SUBMARKET'S HOUSING ECOSYSTEM:

older homes could present either financial or physical burdens on younger and older buyers alike. Another challenge may come from the Townville Submarket's proportionally larger share of homes vacant from "other" reasons when compared against the submarket average as the presence of such structures may be a sign of disinvestment issues.

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 and appreciation has been flat over recent years. The combination of relatively low median home values and household income projections may be reflected in real-estate loan activity across the Townville Submarket, which has been more investment oriented than the submarket average overall with higher portion of originations for home purchases.

Overall, the Townville 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 Townville Submarket will likely be negatively impacted from household formation trends that show a decline in overall number of family households comprised of at least three members. 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 decline.

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 more investment oriented overall even as the Submarket's median home value lags behind the county's overall figure. Comparisons between the composition of households and housing units by size suggests that the Submarket has an abundance of three- and four-bedroom homes along with an adequate stock 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 Townville Submarket's move-up market is considered inadequate largely due to a combination of household formation trends and demographic projections that suggest a decline in consumer demand. Despite more investment oriented real-estate loan originations, 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.

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