

CENTRAL REGION

CAMBRIDGE SPRINGS

COCHRANTON

MEAD

MEADVILLE

SAEGERTOWN

VERNON

COCHRANTON SUBMARKET

Comprising much of the south portion of central Crawford County, the Cochranon Submarket contains five municipalities including Union, Fairfield, East Fairfield, and Wayne townships along with the Borough of Cochranon. The Cochranon Submarket is adjacent to the Townville, Mead, Vernon, and East Fallowfield-Greenwood submarkets within Crawford County and shares its southern border between Mercer and Venango counties.

A HOUSING ECOSYSTEM ANALYSIS OF THE COCHRANTON 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.

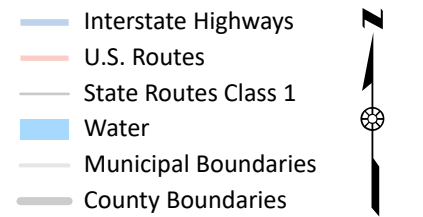
Drivers are those forces that directly propel the need for housing units or development. Drivers are designated by this icon (🌱). Our analysis identifies three major drivers: job growth, population growth, and housing stock growth. The pushing and pulling of these driving forces with each other creates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

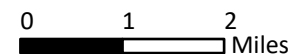
Indicators are metrics useful for providing further insight but are not assumed to produce wider impacts on their own. Indicators have this icon (🍷). These indicators generally gauge how well parts of the market are responding to each other or how people are being accommodated by the housing market.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

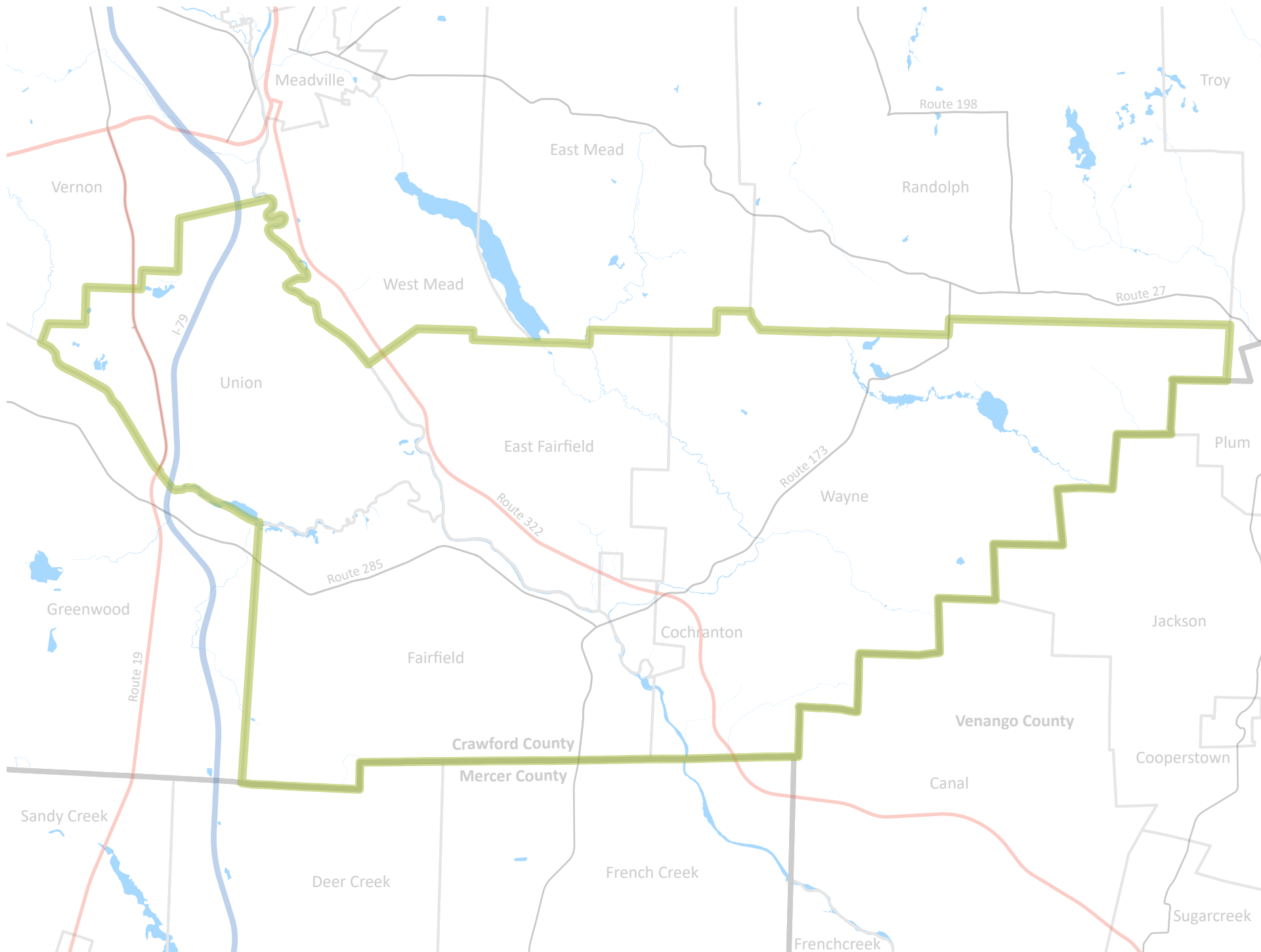
A second premise built into our analysis is that positive growth in terms of jobs, housing units, population, incomes and other characteristics is necessary to sustain a housing market. Not all communities within submarkets may desire to take on significant development. The assumptions inherent within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



Reference Scale - 1:120,000



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



COCHRANTON SUBMARKET

JOB GROWTH ANALYSIS:

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

LIVE-WORK TRENDS OF RESIDENTS LIVING WITHIN THE COCHRANTON SUBMARKET —

The map on the next page uses dots to represent where residents living within the Cochranon Submarket work. From this map, it is apparent that many of the Submarket's residents work in and around the Meadville and Saegertown areas and north outside of Crawford County around Erie. 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 Cochranon Submarket produces a job-to-housing ratio of 0.49, which lies below the beneficial range and potentially indicates instability.

The radar graph on the bottom left displays the distance and direction of where Cochranon Submarket residents work. The dark green wedges of the graph demonstrate those commuting less than ten miles. A large share of residents travel beyond ten miles to reach work. Live-work observations within the Cochranon Submarket demonstrate that it is more of a bedroom community with the vast majority of residents commuting outside the Submarket for work. A breakdown of such commuter trends is presented on the bottom right and the map on the next page shows that Venango and Erie counties are common workplace locations for Cochranon Submarket residents who travel to work outside Crawford County.

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

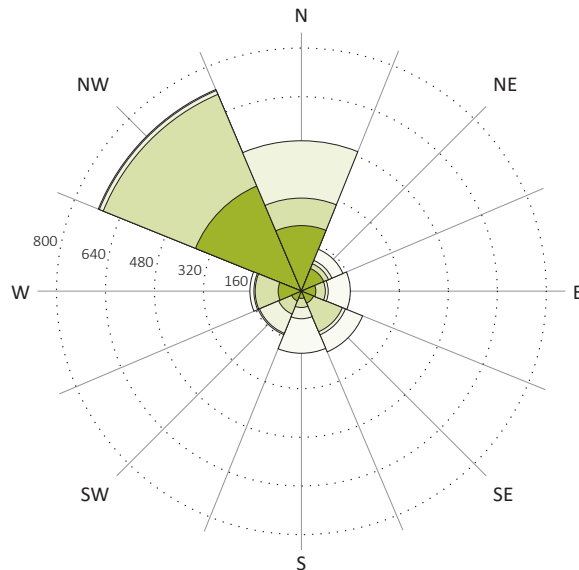


Reference Scale - 1:750,000

0 10 20 Miles

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

WHERE COCHRANTON SUBMARKET RESIDENTS WORK



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

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

12.1%

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

62%

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

38%

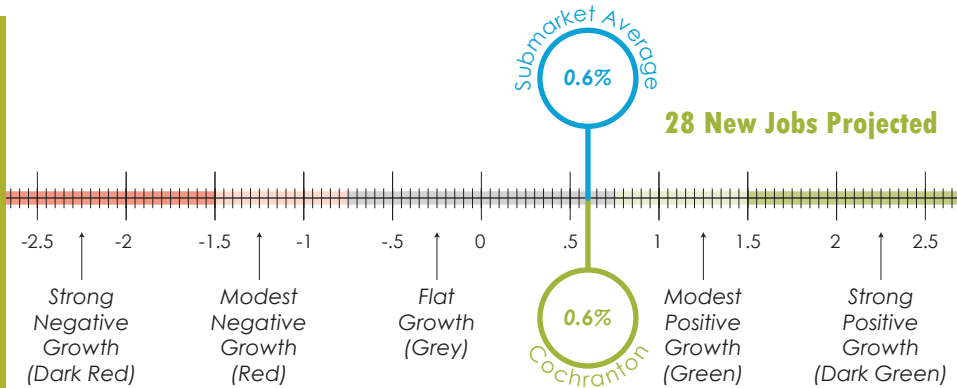
of Cochranon Submarket residents work outside **Crawford County.**

JOB GROWTH ANALYSIS:

⚙️ JOB GROWTH —

From the graph below, the Cochranon Submarket's 0.6% projected annual job growth rate is the same as the submarket average and lies within the "flat growth" range. Recognizing this, it is unlikely that projected job growth within the Submarket will provide workers the extra employment options which can be leveraged to encourage an increase in wages.

ANNUALIZED PROJECTED JOB GROWTH RATE (2017-2022)



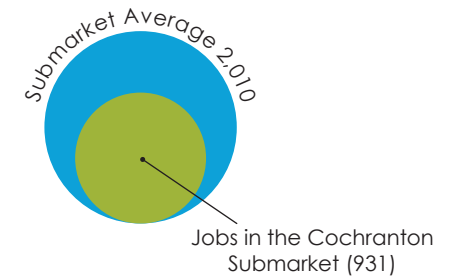
Source: Esri; PA CWIA; 4ward Planning, Inc., Retrieved 2018

👤 HOUSEHOLD INCOME CHANGE —

Despite flat job growth projections, from the graph on the bottom left, household income within the Cochranon Submarket is projected to grow at a modest-to-strong rate. An increase in household income will bolster the stability of existing households while opening up housing opportunities for those seeking new accommodations.

📊 TOTAL JOBS —

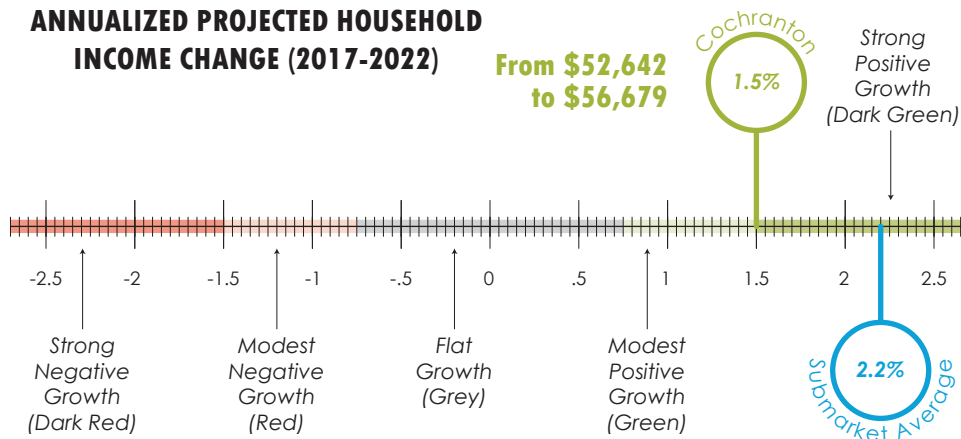
To explore the magnitude of the Cochranon Submarket's employment base, we compared the number of jobs inside the submarket to the average number of jobs located within a Crawford County submarket. From the graphic on the right, the Cochranon Submarket contains fewer jobs than the submarket average. This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



Source: U.S. Census 2011-2015 ACS

In summary, the Cochranon Submarket is generally treated as a bedroom community as many of its residents commute to jobs in other communities throughout the larger region, especially in the Meadville area. Although the Submarket is projected to have a flat job growth rate, it is expected to experience a modest-to-strong household income growth rate. Such household income growth may bolster housing market stability.

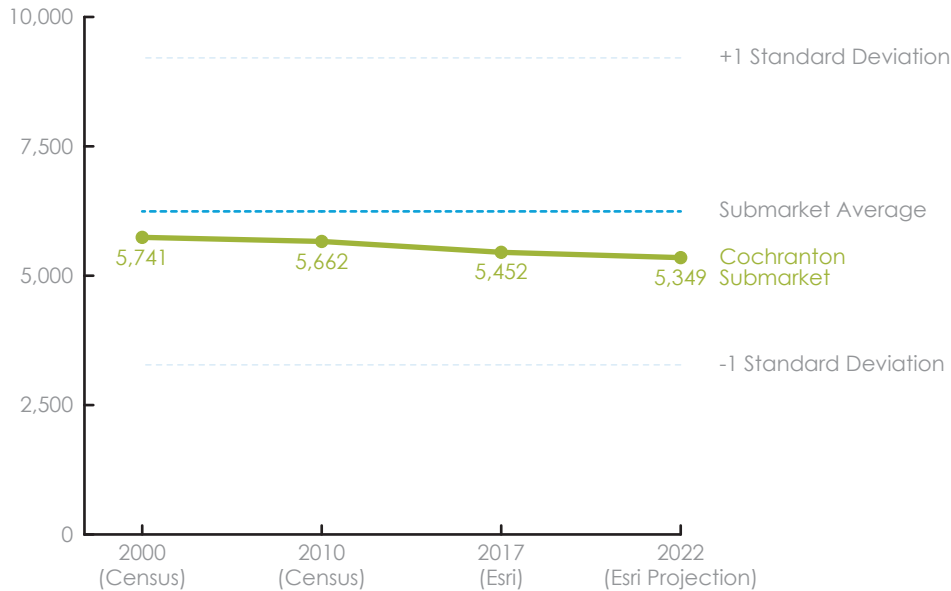
ANNUALIZED PROJECTED HOUSEHOLD INCOME CHANGE (2017-2022)



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

POPULATION GROWTH ANALYSIS:

COCHRANTON SUBMARKET POPULATION GROWTH



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

POPULATION GROWTH —

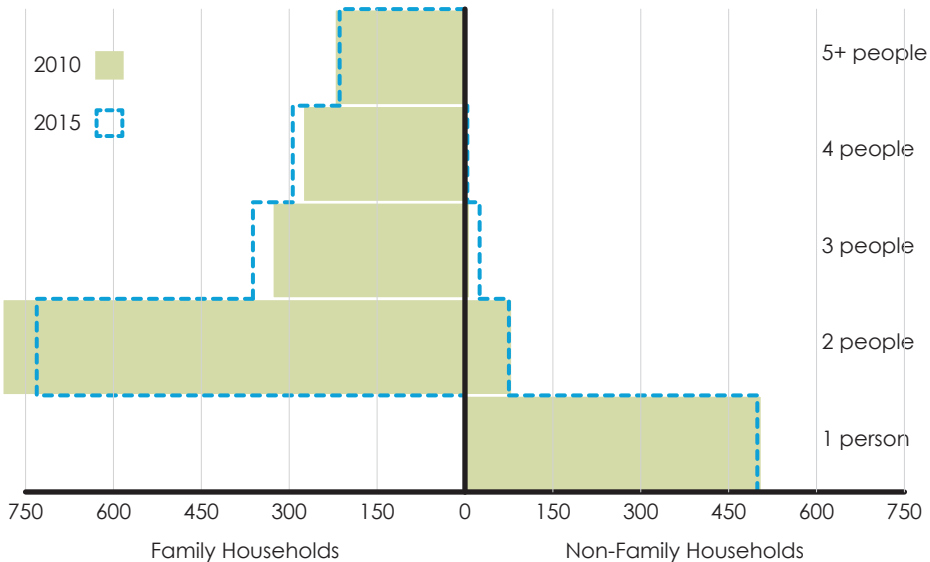
An increase in population will increase the local demand for housing. As demonstrated within the graph on the left, the population of the Cochranon Submarket has declined since 2000. This decline suggests that population growth is not driving the demand for housing within the Submarket.

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.

COCHRANTON 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 Cochranon Submarket households by size between 2010 and 2015. For non-family households, one- and two-person households remained stable while those with three-people increased substantially. In terms of family households, two-person family households declined while those comprised of three or four people increased over the same time frame. Interestingly, family households with five-or-more people have remained stable, an observation which deviates from county-wide trends.

Household formation trends seen within the Cochranon Submarket suggest a stable rental market, decline in local demand for starter and downsizing homes, and an increase in the internal demand for move-up housing.

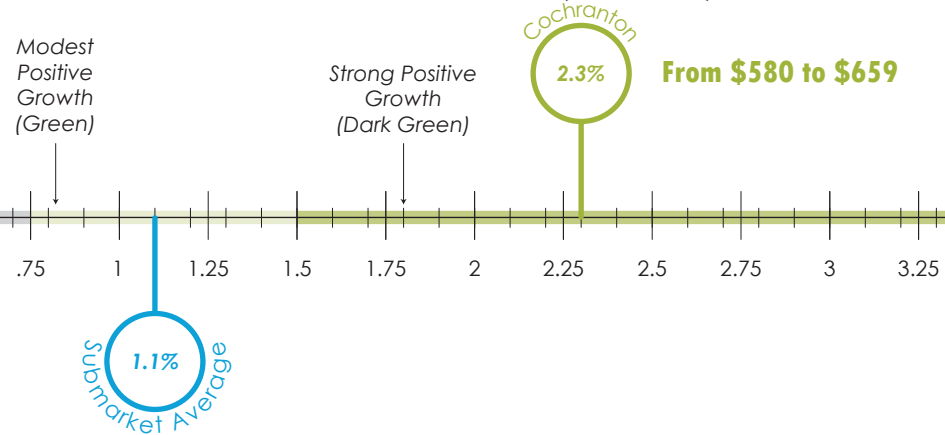
Source: U.S. Census

POPULATION GROWTH ANALYSIS:

🏠 RENT PRICE & HOME VALUE CHANGES —

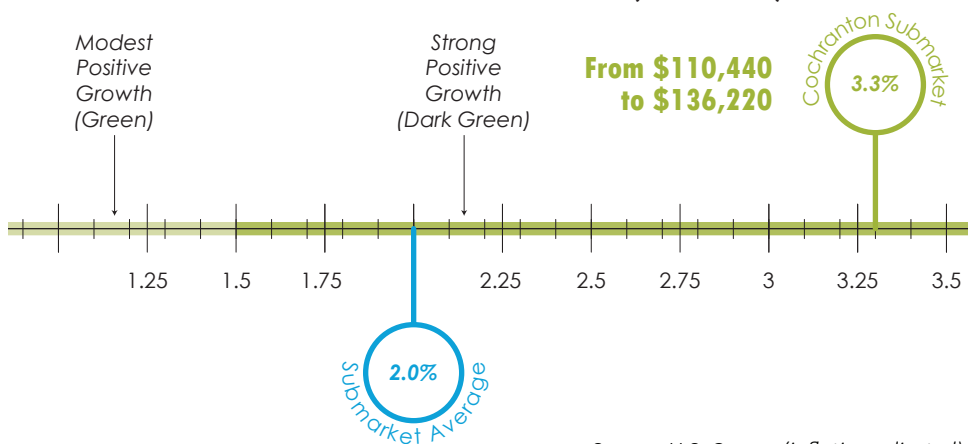
An increase in median rents or home values may delay individuals from forming new households and thus ease housing demand. Conversely, declines in these values may encourage household formation as the ability to move into your own unit becomes more attainable. The line graphs below demonstrate how the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

ANNUALIZED RENT CHANGE (2010-2016)



Source: U.S. Census

ANNUALIZED HOME VALUE CHANGE (2010-2017)



Source: U.S. Census (inflation adjusted)

🏠 RENTAL COST BURDEN —

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

In general, housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities. Please note that some jurisdictions may define affordable housing based on other, locally determined criteria, and that this definition is intended solely as an approximate guideline or general rule of thumb.

A household that is spending more than 30% of its total income on housing, including essential utilities, is considered cost burdened. Cost burdened renter households may have more difficulty saving the money for a down payment on a home. The infographic below demonstrates the percentage of cost burdened rental households within the Cochranon Submarket with comparisons to Crawford County and the submarket average. We see that renter households within the Cochranon Submarket are far less cost-burdened overall than other submarkets and the county.

RENTERS PAYING MORE THAN 30% OF INCOME ON HOUSING



24% of Cochranon Submarket Renters
(93 Households)

41.3% of Crawford County Renters

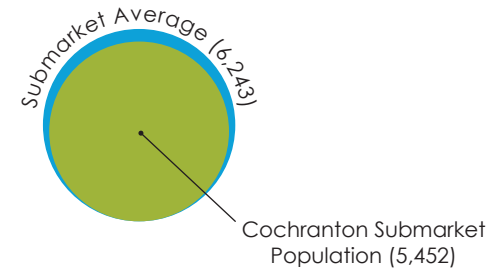
34.3% Submarket Average

Source: U.S. Census 2011-2015 ACS

POPULATION GROWTH ANALYSIS:

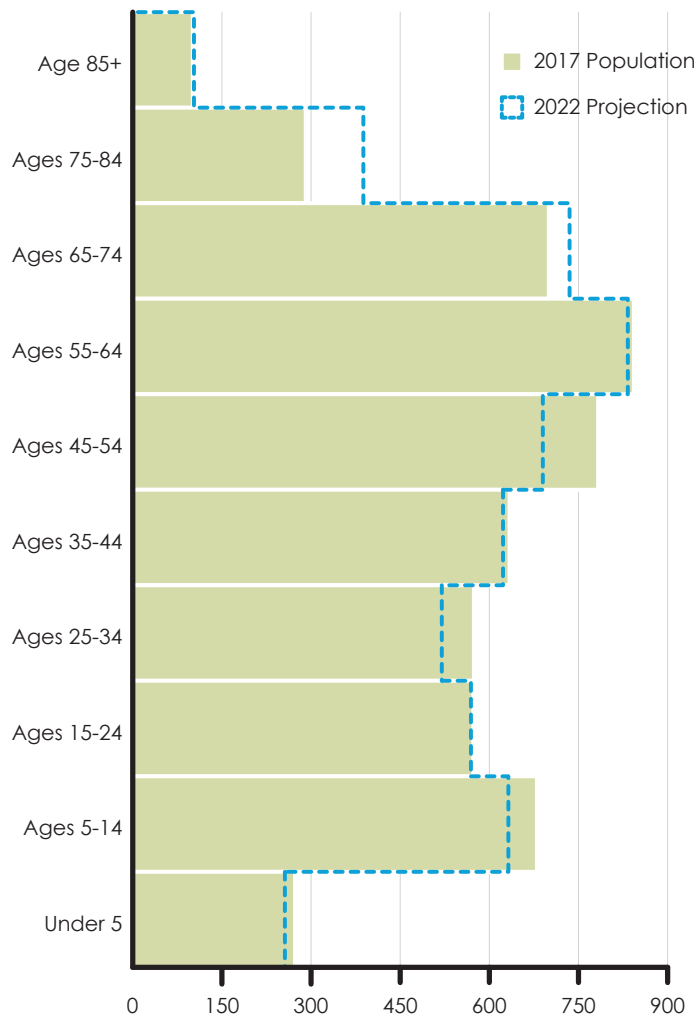
POPULATION GROWTH ANALYSIS: TOTAL POPULATION —

The cycling of households between different homes creates some of the housing demand within a community. To understand this type of housing demand, we established whether the Cochranon 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, the Cochranon Submarket contains less population than the submarket average. By this standard, the Cochranon Submarket is a rural population area. Although there must be some housing demand created by the cycling of households between different homes within the community, such demand may not exist



Source: Esri, Retrieved 2017

COCHRANTON SUBMARKET POP. PYRAMID & PROJECTION



Source: Esri, Retrieved 2018

at a magnitude large enough to drastically transform individual neighborhoods based on the shifting preferences of local consumers alone. Additionally, from the submarket’s relative population size, it can be assumed that the Cochranon Submarket does not have the gravity to attract new residents on a speculative basis. This assumption infers that those moving into the submarket are likely anchored in some personal manner such as to be close to a recently secured job or to be near family members.

AGE BRACKET COMPOSITION —

Whether the type or quantity of housing within a community meets the needs of its population is largely influenced by 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 at left demonstrates the age composition of the Cochranon Submarket in 2017 with a projection to 2022. Age cohorts within the Cochranon Submarket are projected to decline across both the youth and working age brackets which together constitute all individuals under the age of 64. Such projected declines are most pronounced for the 5-to-14, 25-to-34, and 45-to-54 age brackets with other brackets representing those under age 64 holding relatively steady. Conversely, population is projected to increase across the age brackets comprising individuals ages 65-to-84. Such demographic projections suggest a decline in the local demand for rental units, starter homes, and move-up housing while also suggesting an increase in the internal demand for downsizing homes and senior living accommodations.

POPULATION GROWTH ANALYSIS:

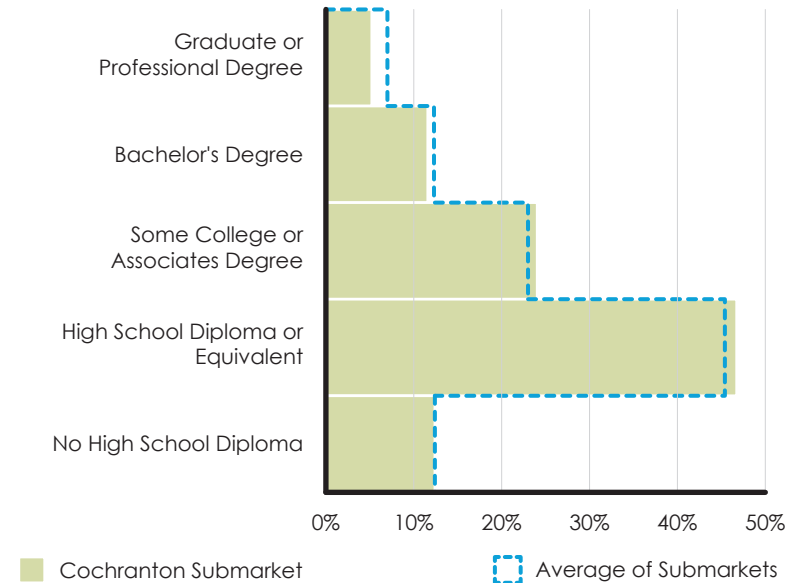
The demographic trends and household formation trends addressed earlier suggest increased pressure on the market for both move-up and downsizing homes. Demographic projections show an increase in the senior population within the Submarket but do not provide clues into trends showing an increase in the number of households comprised of three and four people. Trends suggesting an increase in the local demand for both move-up and downsizing homes are supported by observations of home value growth.

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 Cochranon Submarket with a comparison to the average educational attainment of all submarkets across the county. From this graph, it appears that the Cochranon Submarket is about as educated as the submarket average with the minor exception that the area contains a lesser proportion of those holding a bachelor's degree or higher. The Cochranon Submarket also contains a slightly higher proportion of individuals holding high school diplomas and associate level degrees. Due to the Cochranon Submarket's similar educational attainment to the submarket average, no unique conclusions can be gathered.

In summary, the Cochranon Submarket is not a population center and its population has steadily declined since 2000, which suggests that most of the demand for housing within the Submarket will come from the cycling of existing households. In terms of household formation trends, non-family households comprised of one to two people have remained stable while those with three people have increased. For family households, those composed of two people have declined, three and four person households have increased, and the number of those with five or more people have been stable. Despite population declines, household formation trends appear to have translated into strong gains in both rent prices and home values. Even though rents have increased, the Cochranon Submarket has a much lower rate of cost burdened renters than the submarket average and Crawford County on the whole. Demographic projections within the Submarket show declines across both the youth and working age cohorts while showing an increase in the population of seniors. In terms of educational attainment, the Cochranon Submarket is slightly less educated than the submarket average.

COCHRANTON SUBMARKET EDUCATIONAL ATTAINMENT (2017)



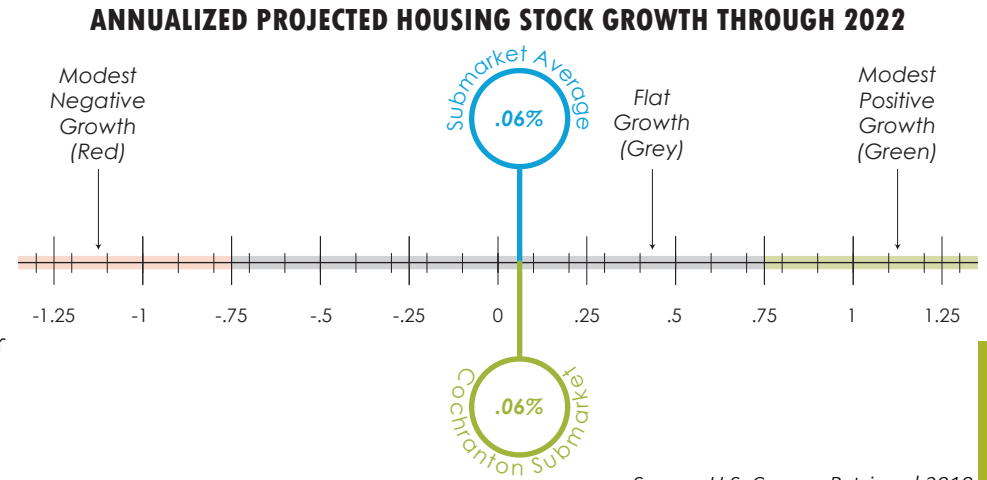
Source: Esri, Retrieved 2018

HOUSING STOCK GROWTH ANALYSIS:

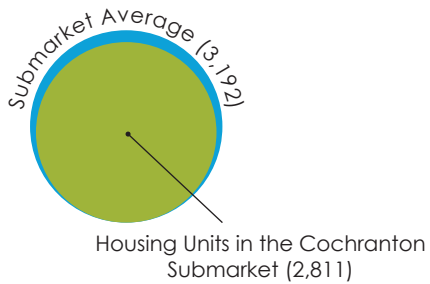
This section of our analysis explores housing stock growth as a driver and relationships between its influencers leading to the outcome of the total housing stock. A stable and growing housing stock, balanced with population and job growth, is essential for sustaining a healthy housing market. A healthy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

HOUSING STOCK GROWTH —

The graph at right presents the housing stock growth rate for the Cochranon Submarket. Although flat, the Submarket's housing stock growth rate is similar to the submarket average.



Source: U.S. Census, Retrieved 2018



TOTAL HOUSING STOCK —

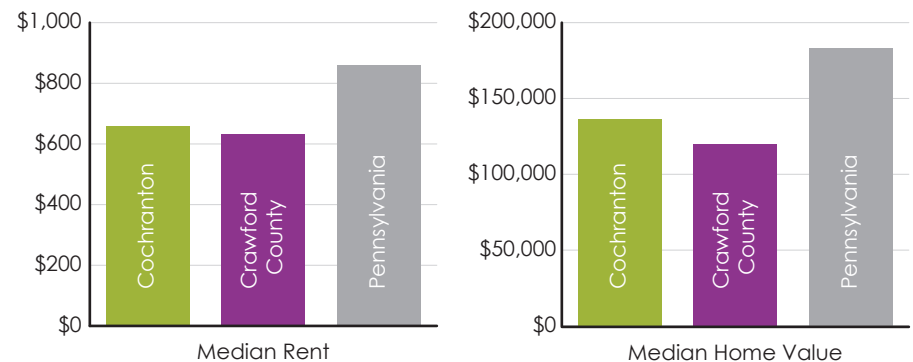
It can be assumed that larger communities are more likely to attract speculative real estate investment than smaller communities where developers may more strictly adhere to the fundamentals of supply and demand. A larger housing stock may indicate the presence of niche investment opportunities for housing developers. To study the relative size of the Cochranon 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 Cochranon Submarket has fewer housing units than even the submarket average. Based on this analysis, it can be safely assumed that housing development within the Cochranon Submarket is largely a creature of immediate responses to observable market demand rather than along speculative lines.

Source: 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 left, the Cochranon Submarket has a median rent price slightly above Crawford County but much lower than Pennsylvania on the whole. For home values, the Cochranon Submarket has higher home values than Crawford County but still lower than Pennsylvania. These figures suggest that both the Submarket's rental home ownership markets show signs of being among the more desirable with the county.

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



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

HOUSING STOCK GROWTH ANALYSIS:

UNITS BUILT PRE-1940 –

A home's age may influence a consumer's or investor's decision to purchase or renovate the property. A submarket with a high proportion of older housing units might encounter extra challenges meeting the needs of its population or attracting reinvestment. The infographic on the right shows that nearly one quarter of the Cochranon 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 Cochranon 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.

COCHRANTON SUBMARKET HOUSING UNITS BUILT PRE-1940

23%



Homes Built Pre-1940

77%



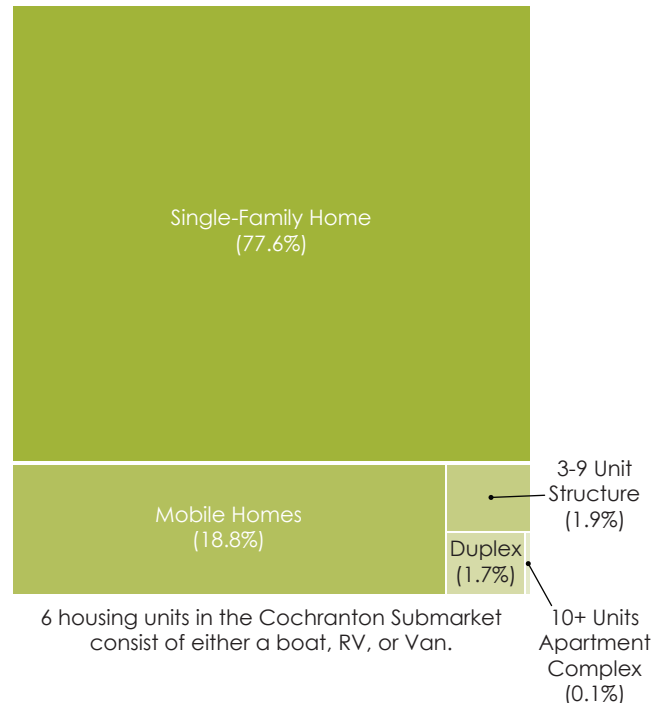
Homes Built Post 1940

Source: U.S. Census, Retrieved 2018

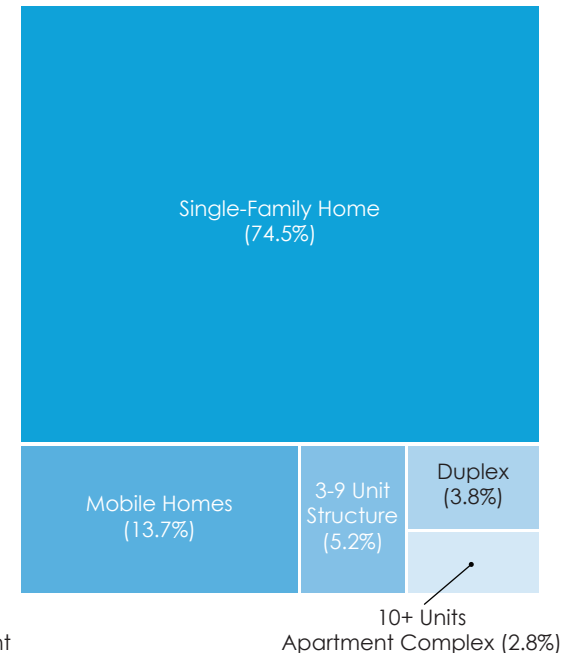
HOUSING BUILDING TYPES –

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 Cochranon Submarket is somewhat comparable to the submarket average in that single-family and mobile homes dominate its housing building stock. The Submarket contains larger shares of both single-family and mobile homes (more than 96% combine) than the submarket average. Conversely, multi-unit structures constitute a smaller portion of the Cochranon Submarket's housing building stock than the submarket average.

COCHRANTON SUBMARKET



SUBMARKET AVERAGE

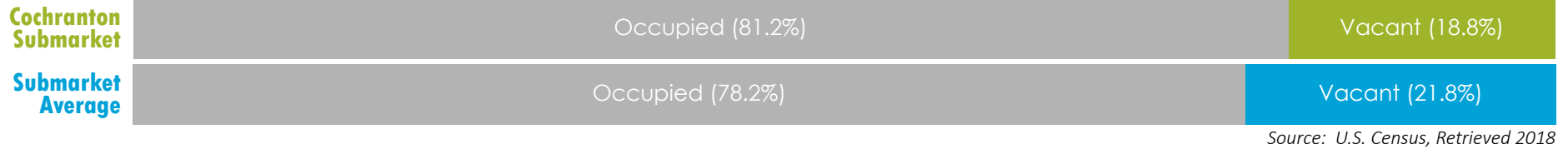


Source: U.S. Census, Retrieved 2018

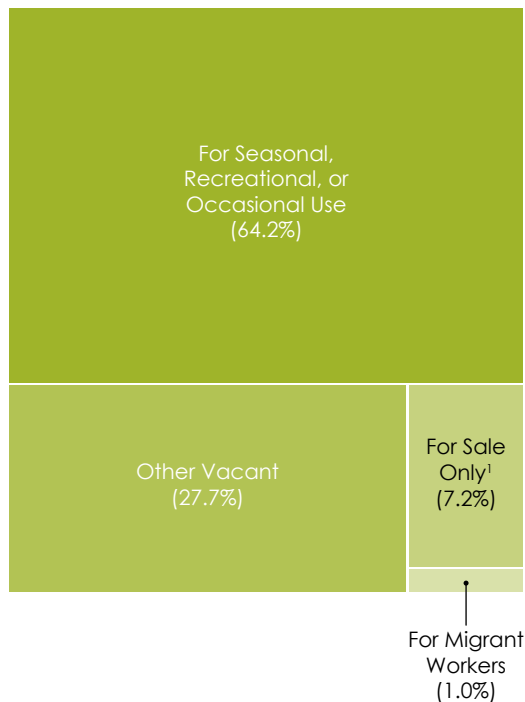
HOUSING STOCK GROWTH ANALYSIS:

OVERALL VACANCY & VACANCY BY TYPE –

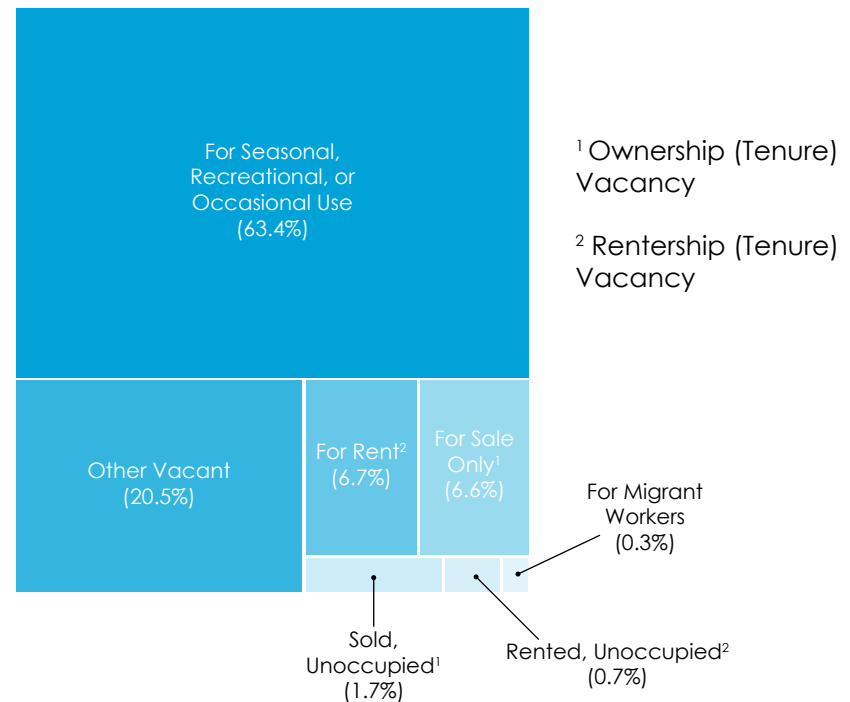
The overall rate and type of vacancy is an important indicator of the stability of a submarket’s housing market. The bar graphs below display the Cochranon Submarket’s recorded vacancy rate in 2016 with a comparison to the submarket average. Although still substantial at nearly 19%, the Cochranon Submarket reported a lower vacancy rate than the submarket average. Despite its lower overall rate, the portion of housing vacancy attributable for “other” reasons is somewhat higher than the submarket average. “Other vacant” housing units are likely those which are abandoned, condemned, dilapidated, or off the market. This observation indicates that the Cochranon Submarket’s housing marketplace may be experiencing problems which can result in unintentional vacancy to a greater extent than most submarkets across Crawford County. Such unintended vacancy may demonstrate a significant cycle of disinvestment as landlords struggle to profit from their properties and owners abandon them.



COCHRANON SUBMARKET



SUBMARKET AVERAGE



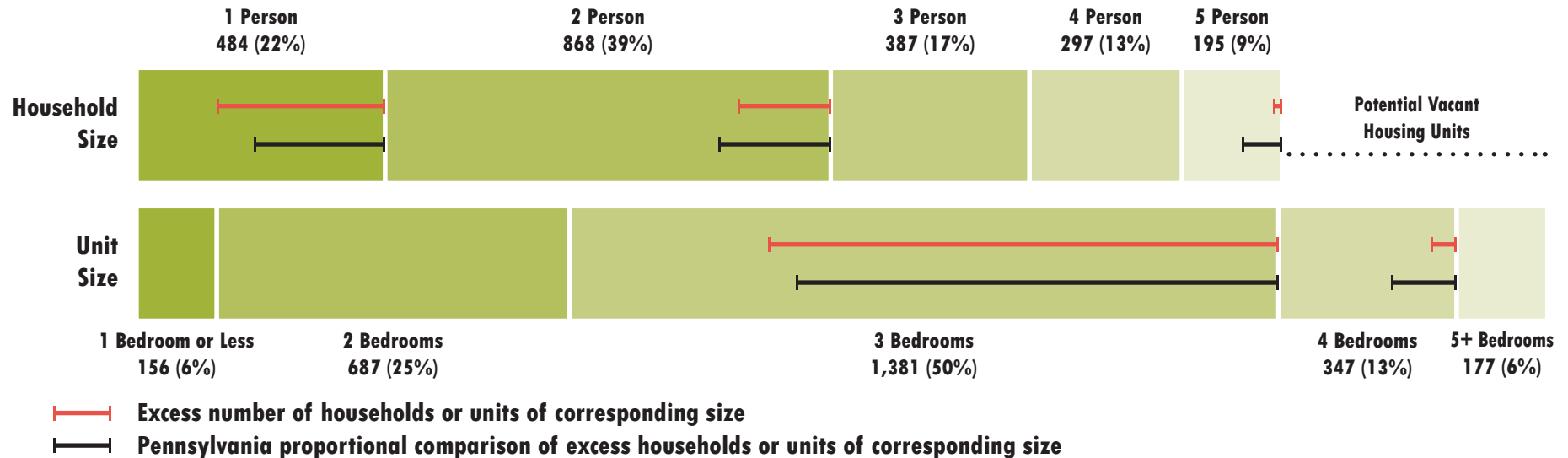
¹ Ownership (Tenure) Vacancy
² Rentership (Tenure) Vacancy

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 Cochranon 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, it is clear that the Cochranon Submarket exhibits a shortage of one- and four-bedroom housing units. Additionally, the Submarket contains a proportionally larger share of two-, three-, and five-or-more-bedroom housing units than Pennsylvania as a whole.

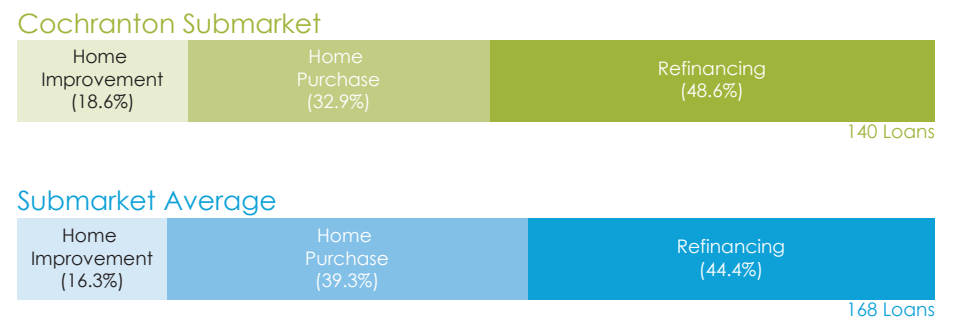


Source: U.S. Census, Retrieved 2018

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 Cochranon Submarket. From these graphs, it appears that loan activity within the Cochranon Submarket has been less investment oriented, at least in 2016, than activity reported across the submarket average. This is apparent from a stronger showing of the portion of loans for refinancing activities.

COCHRANTON SUBMARKET LOANS BY PURPOSE (2016)



Source: Consumer Financial Protection Bureau, Retrieved 2018

HOUSING STOCK GROWTH ANALYSIS:

RATE OF DECLINED LOANS —

The rate of declined loans is an indicator of the ability of potential home buyers to purchase homes. Within the Cochranon Submarket, the rate of declined loans has hovered in the mid-twenties since the end of the Great Recession (see below) without signs of improvement.

COCHRANTON SUBMARKET DECLINED HOUSING LOANS (2007-2016)



Source: Consumer Financial Protection Bureau, Retrieved 2018

In summary, the Cochranon Submarket contains a lesser concentration of housing units than the submarket average and its housing stock isn't growing at a significant rate. This finding is consistent with observations of median rent and home values, which are above those observed across Crawford County but below Pennsylvania's figures. The lack of new housing construction leaves around 23% of the Submarket's stock as having been constructed prior to 1940. Single-family structures and mobile homes are proportionally more represented within the Cochranon Submarket than across the submarket average. In terms of vacancy, the Submarket's vacancy rate is lower than the submarket average, but a larger composition of its vacancy is due to "other" reasons. When assessing how well the Cochranon Submarket's housing stock meets the needs of its residents, it is clear that its current supply of homes are a little bit larger than necessary. Loan activity within the Submarket has been less investment oriented than the submarket average and the rate of approved loans has hovered around 75% and does not appear to be showing much improvement.

OVERALL STATUS OF THE COCHRANTON HOUSING SUBMARKET:

AN ECONOMIC OVERVIEW —

The Cochranon Submarket contains fewer jobs than the submarket average and does not represent a job center when compared to other submarkets within Crawford County. The Submarket currently supports a job-to-housing ratio of 0.49, which indicates that its residents rely heavily on employment opportunities found in job centers throughout the greater northwest Pennsylvania region. Its job-to-housing ratio is also an indicator of potential instability within the Submarket's housing market due to the area's dependence on employment opportunities located elsewhere. Live-work observations of residents within the Cochranon Submarket show that nearly 88% of residents living within the Submarket commute to jobs located outside the Submarket. Our live-work map shows that many of those commuting to jobs outside the Submarket travel northwest towards the Meadville area with others traveling to points further north including Saegertown, Cambridge Springs, and the City of Erie. Current economic conditions within the Cochranon Submarket are unlikely to change drastically into the near future as the Submarket's annualized job growth rate has been flat. Despite having a flat job growth rate, households within the Submarket are projected to experience modest-to-strong household income growth over the next five years. Household income growth may contribute to the stability of the Cochranon Submarket's housing marketplace. The educational attainment of residents within the Submarket is similar to the submarket average but with a smaller portion of those holding college degrees. In terms of real estate related loan originations, financial activity within the Cochranon Submarket was less investment oriented overall in 2016 than the submarket average and the success rate for loan applications has remained stable at around 75%.

POPULATION TRENDS —

The Cochranon Submarket can be considered as a rural population area when compared against other submarkets within Crawford County. This observation is likely to remain unchanged into the foreseeable future as the Submarket's population has been in decline since 2000. Within the context of a declining population, household formation trends showing an increase in the number of households comprised of more members. For non-family households, those within one or two members have remained stable while those comprised of three members have increased. When considering family households, those composed of two people have declined, three or four person households have increased, and five person households have remained stable. Demographic projections for the Cochranon Submarket show an overall decline in population across the youth and working age cohorts while the number of senior citizens is expected to increase. Given the projected increase in the senior citizen population, it is surprising to observe that two-person family households declined between 2010 and 2015 as this figure often rises with the presence of empty nesters. Furthermore, both family and non-family households comprised of three or four people are increasing even though population projections do not suggest gains in the age cohorts most likely to form households of such size.

THE HOUSING MARKET GENERALLY —

The supply of housing units within the Cochranon Submarket is not currently increasing at a significant rate. However, an oncoming development known as Adams Place will soon supply around 40 additional units of senior housing. This development, alone, will increase the Submarket's overall housing stock by 1.4% once the units are supplied. The Adams Place development will target seniors with accessible accommodations which should ease potential complications resulting from the presence of a significant portion of older homes within the Submarket. Observations showing increases in rent prices and home values paired with the Submarket's relatively low rate of cost-burdened renter households suggest that the Cochranon Submarket's housing marketplace isn't as distressed as other submarkets across the county. Despite signs of economic stability, the Submarket has a vacancy rate just slightly below the submarket average and its vacancy is more comprised of that resulting from "other" reasons than the same average. The Submarket's higher presence of vacancy attributed to "other" reasons is a potential indicator of distress or other problems within its housing market. The nature of "other" vacancy within the Cochranon Submarket can't be identified from the observations within this study especially since common sources of "other" vacancy, such as an oversupply of homes which are too large for household consumers, do not seem present within the Submarket. Housing units within the Submarket trend larger, in terms of the number of bedrooms, than the expected statewide proportion, yet four-bedroom homes appear to be in short supply.

THE COCHRANTON SUBMARKET'S HOUSING ECOSYSTEM:

HOUSING MARKET ECOSYSTEM —

The graphic on the next spread demonstrates the housing market ecosystem for the Cochranton 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 Cochranton 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 number of one- and two-person non-family households within the Cochranton Submarket held steady between 2010 and 2015. Additionally, three-person non-family households increased slightly during the same period of time. Such stability is a good sign for the Cochranton Submarket's new household consumer segment since non-family households comprise the vast majority of participants within that market. Unfortunately, demographic projections within the Cochranton Submarket show an overall decline in the population of individuals between the ages of 15 and 34. Since many of the individuals within this age range will form independent households for the first time, the Cochranton Submarket's new household market could lose demand if such projections are correct. Ultimately, it can be concluded that consumer demand within the new household market segment is not growing within the Cochranton Submarket.

Despite signs of flat demand within the new household market segment, observations of rent prices within the Cochranton Submarket show strong price growth. This trend paired with the observation that median rent prices are slightly above the county-wide figure suggests that the Submarket's rental marketplace isn't performing poorly. High median rent prices and strong price growth suggest that landlords on the whole aren't struggling to lease their properties to new tenants which may be a sign that the new household market segment is doing well. This finding paired with the Cochranton Submarket's significantly lower rate of cost-burdened renter households suggests that consumers within the new household segment are living comfortably while property owners seem to be getting by as well.

When comparing the composition of households and housing units by size within the Cochranton Submarket there appears to be a shortage of one-bedroom homes. Since many participants in the new household market may be seeking smaller housing units, this mismatch within the housing stock could present challenges for consumers within this segment. Additionally, despite having an overall vacancy rate similar to the submarket average, vacancy for "other" reasons within the Cochranton Submarket might exist in a manner that could place stress on its new household market. However, since trends and projections presented within this report suggest that demand in the Submarket's new household market has held steady, it may be safe to conclude that vacancy attributed to "other" reasons might not be negatively impacting the new household market.

Given signs showing steady demand within the Cochranton Submarket's new household market, this consumer segment is believed to be performing adequately. Additionally, since household income has increased at a modest-to-strong rate and the overall rate of renter cost-burdened households within the Submarket is relatively low, the ability to transition out of the new household market and into the starter home market is considered to be adequate.

STARTER HOME & DOWNSIZING MARKETS — Both the starter & downsizing home consumer segments within the Cochranton Submarket may be negatively impacted by the Submarket's decline in the number of two-person family households. This may be the case because many of the participants looking for either a starter home or downsizing unit are likely to comprise two-person family households. When considering demographic projections, more information on the nature of the Submarket's declining number of two-person family households seems apparent. Demographic projections show an overall decline in the population of individuals between the ages of 15 and 34, which often comprise those seeking starter homes. However, the same projections show an increase in the population of individuals within the Submarket over the age of 65. Therefore, demographic projections suggest that the decline in the number of two-person family households within the Cochranton Submarket may only negatively impact consumer demand for starter homes but not downsizing units.

The Cochranton Submarket is projected to experience strong growth in household income and the Submarket maintains home values that are well above county-

THE COCHRANTON SUBMARKET'S HOUSING ECOSYSTEM:

wide figures. In addition to already having high median home values, such values have increased at a strong rate over recent years. These trends have been observed despite observations showing that nearly a quarter of the Submarket's housing stock was built prior to 1940 and that real-estate loan originations have been less oriented towards home purchases relative to activity observed across all submarkets in the county.

Comparisons between the composition of households and housing units by size show that the Cochranton Submarket appears to have an adequate supply of both two- and three-bedroom homes for the needs of its population. When considering the building types of housing units present within the Submarket, its abundance of single-family homes relative to the submarket average suggest that participants within the starter home and downsizing consumer segments may have a reasonable number of options.

Trends and projections within the Cochranton Submarket show that the demand for starter homes may be flat or even declining, and the performance of starter home consumer segment is inadequate as a result. However, the same projections show that the demand for downsizing homes may be increasing despite the decline in the number of two-person family households. As a result, the downsizing consumer segment within the Submarket is considered to be performing adequately. For both the starter home and downsizing consumer segments, the ability to transition into either the move-up housing segment or senior housing market is considered to be adequate given the Submarket's relative economic health. The ability to transition into the next housing consumer segment may be best for those living in homes that can cater to both the starter and downsizing housing segments.

MOVE-UP MARKET — Trends showing an increase in the number of both family and non-family households comprised of three or four people suggest that there will be an increase in the demand for move-up housing within the Cochranton Submarket. However, these household formation trends are contradicted by demographic projections showing an overall decline in the population of individuals between the ages of 35 and 64. If such projections hold true, consumer demand for move-up housing could decline as people between the ages of 35 and 64 are likely to constitute households participating in that market segment.

Despite contradictions between household formation trends and demographic projections, modest-to-strong household income growth within the Cochranton Submarket should lend stability to the move-up consumer segment. Providing further stability, modest-to-strong gains in household income have been accompanied by median home values well above county-wide figures which have also seen strong increases in value over recent years.

Participants within the move-up consumer segment have an abundance of housing options in the form of detached single-family homes. Comparisons between the composition of households and housing units by size suggest that the Cochranton Submarket has a lesser proportion of four-bedroom homes and a potential oversupply of five-or-more bedroom homes when compared relatively to statewide proportions. Although there are potential mismatches in the Submarket's supply of move-up housing, the extent of such mismatches does not appear significant enough to cause issues. However, the Cochranton Submarket's higher proportional composition of vacancy attributed to "other" reasons might present problems for the move-up housing market if such vacancy is concentrated among homes commonly considered as part of this consumer segment. Additionally, the Submarket reported a smaller proportion of its overall real-estate loan origination activity for home purchases when compared to the submarket average but a higher proportion of such activity for home improvements. The larger share of loan originations for home improvement activities may suggest that buyers and property owners are more confident in their investments.

The Cochranton Submarket's move-up housing consumer segment is considered adequate due primarily to the Submarket's increase in the number of three- and four-person households. Since home values within the Submarket are well above county-wide figures, its increase in the number of three- and four-person households leaves the ability to transition out of the move-up consumer segment and into a downsizing home as adequate.

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

THE COCHRANTON SUBMARKET'S HOUSING ECOSYSTEM:

