

WESTERN REGION

CONNEAUT LAKE SUBMARKET

EAST FALLOWFIELD-GREENWOOD SUBMARKET

LINESVILLE SUBMARKET

SHENANGO SUBMARKET

SPRINGBORO-CONNEAUTVILLE SUBMARKET

THE LINESVILLE SUBMARKET

Located halfway between Chicago and New York City and sitting squarely on the western edge of Crawford County, the Linesville Submarket contains three municipalities including Conneaut and Pine townships and the Borough of Linesville. The Linesville Submarket is adjacent to the Shenango, Conneaut Lake, and Springboro-Conneautville submarkets within Crawford County and shares its western border with Astabula County, in Ohio.

A HOUSING ECOSYSTEM ANALYSIS OF THE LINESVILLE 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.

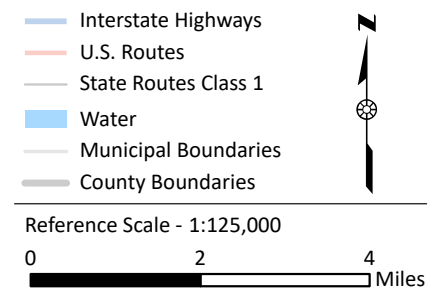
Drivers are those forces that directly propel the need for housing units or development. Drivers are designated by this icon (⚡). Our analysis identifies three major drivers: job growth, population growth, and housing stock growth. The pushing and pulling of these driving forces with each other creates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

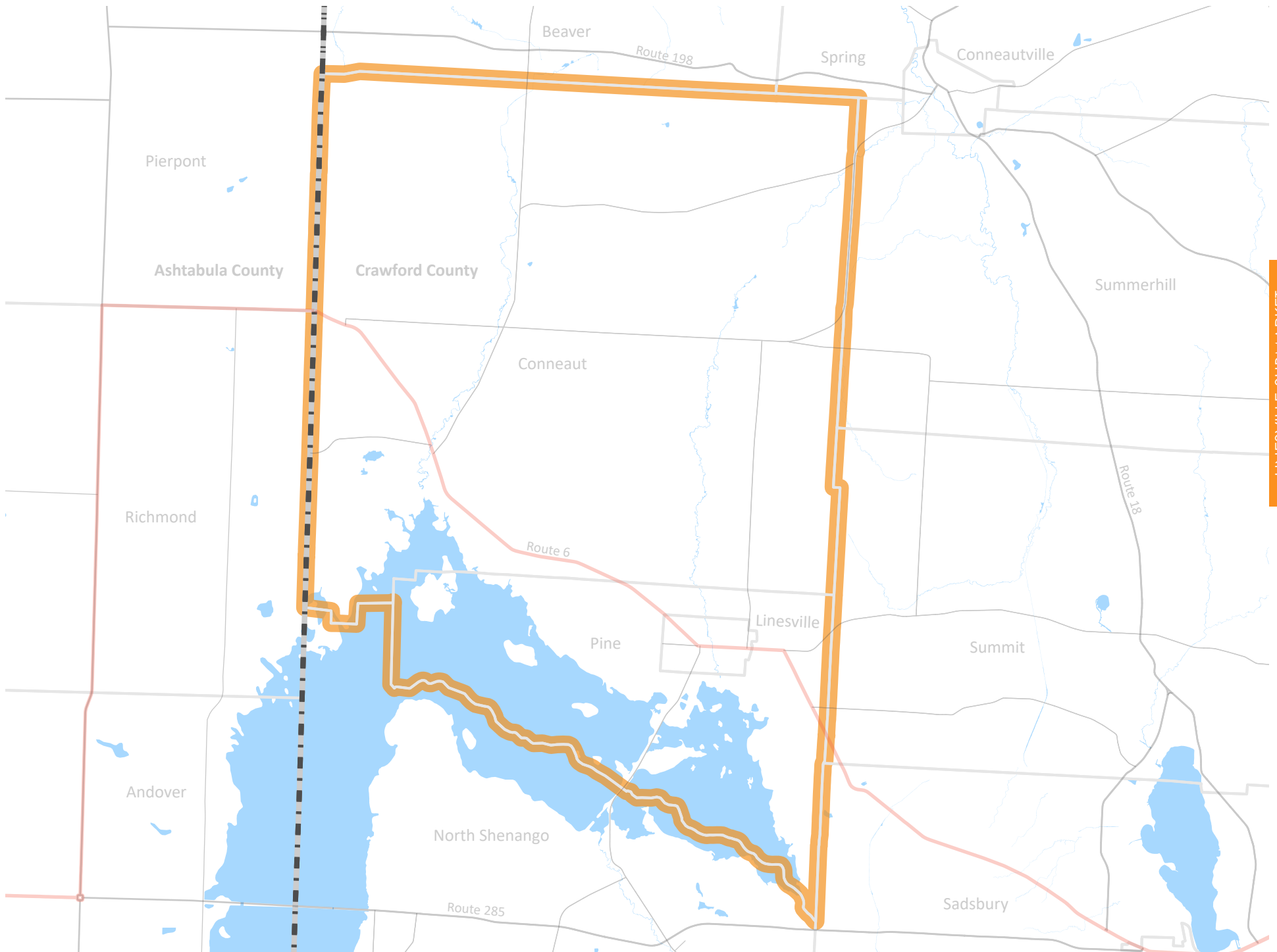
Indicators are metrics useful for providing further insight but are not assumed to produce wider impacts on their own. Indicators have this icon (🍷). These indicators generally gauge how well parts of the market are responding to each other or how people are being accommodated by the housing market.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



LINESVILLE 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 Linesville Submarket.

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

The map on the next page uses dots to represent where residents living within the Linesville Submarket work. From this map, it is apparent that many Submarket residents find work along the U.S. Highway 322 corridor with a considerable number commuting all the way to the Meadville area to reach work. 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 Linesville Submarket produces a job-to-housing ratio of 0.59, which lies below the beneficial range and potentially indicates instability.

The radar graph on the bottom left displays the distance and direction of where Linesville Submarket residents work. The dark orange wedges of the graph demonstrate those commuting less than ten miles; however, a larger share of residents travel beyond ten miles to reach work. Consistent with the Submarket's job-to-housing ratio, live-work observations demonstrate that most residents treat the Linesville Submarket as a bedroom community and commute to work elsewhere. The radar graph also shows a clear eastward commuter pattern which highlights the importance of the U.S. Highway 322 corridor and the Meadville area in the lives of Submarket residents.

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

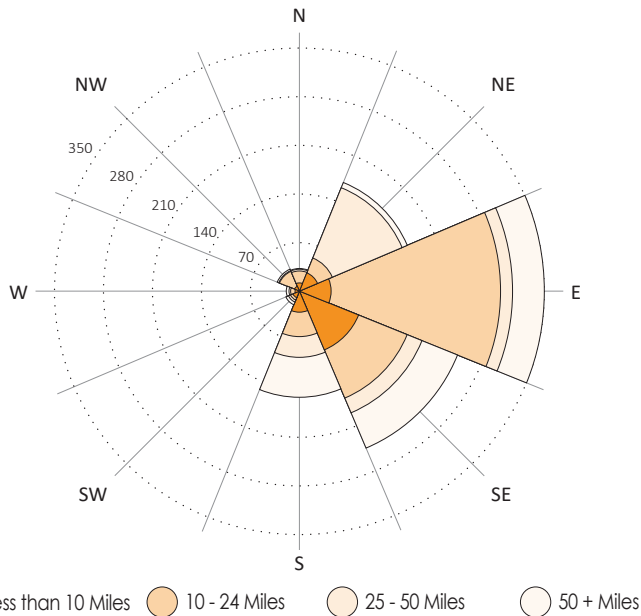


Reference Scale - 1:750,000

0 10 20 Miles

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

WHERE LINESVILLE SUBMARKET RESIDENTS WORK



12.6%

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

56.3%

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

43.7%

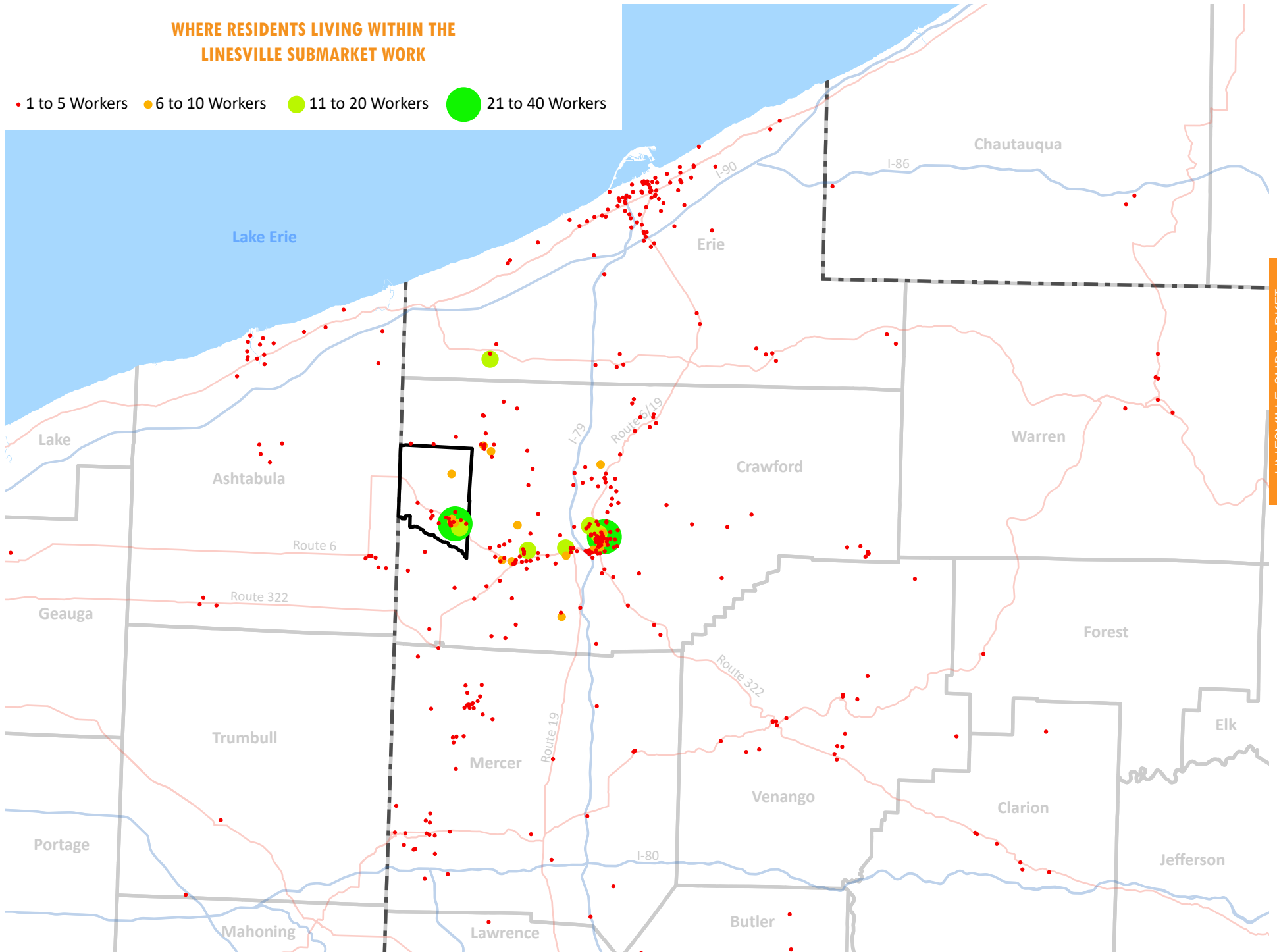
of Linesville Submarket residents work outside **Crawford County.**

-  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

WHERE RESIDENTS LIVING WITHIN THE LINESVILLE SUBMARKET WORK

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



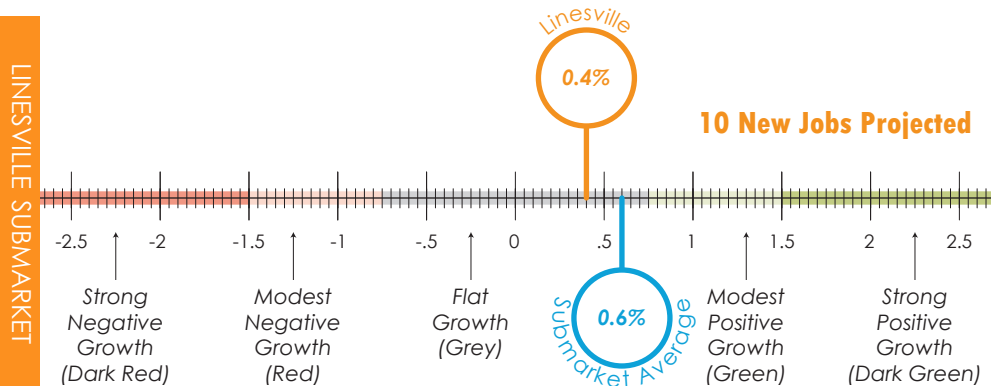
LINESVILLE SUBMARKET

JOB GROWTH ANALYSIS:

☀️ JOB GROWTH —

From the graph below, the Linesville Submarket's 0.4% projected annual job growth rate is just below the submarket average of 0.6% and lies within the "flat growth" range. Recognizing this, it is unlikely that projected job growth within the Submarket will provide workers the extra employment options which can be leveraged to encourage an increase in wages.

ANNUALIZED PROJECTED JOB GROWTH RATE (2017-2022)



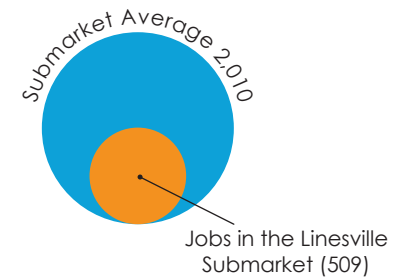
Source: Esri; PA CWIA; 4ward Planning, Inc., Retrieved 2018

🏠 HOUSEHOLD INCOME CHANGE —

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

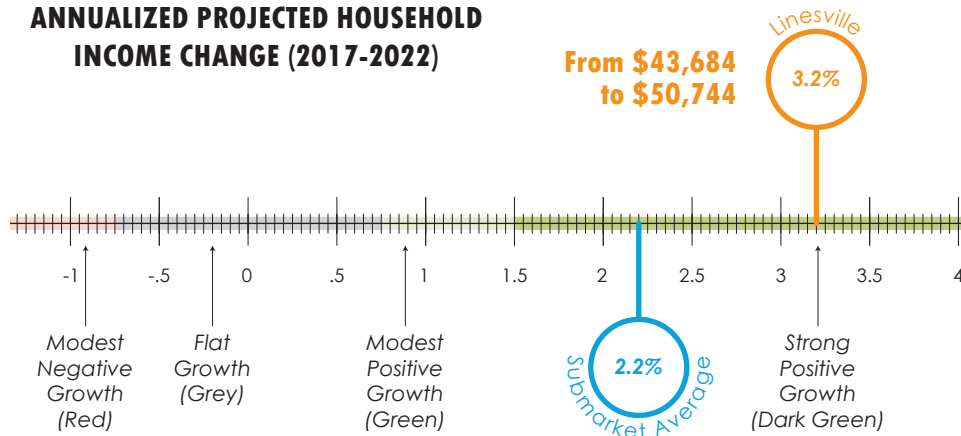
📊 TOTAL JOBS —

To explore the magnitude of the Linesville 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 Linesville Submarket contains fewer jobs than the submarket average. This finding aligns with our earlier conclusion that the Linesville Submarket is a bedroom community and not a job center. Although jobs within the Submarket provide important opportunities for local residents, the Linesville Submarket is currently more reliant on the growth and stability of nearby job centers.



Source: U.S. Census 2011-2015 ACS

ANNUALIZED PROJECTED HOUSEHOLD INCOME CHANGE (2017-2022)

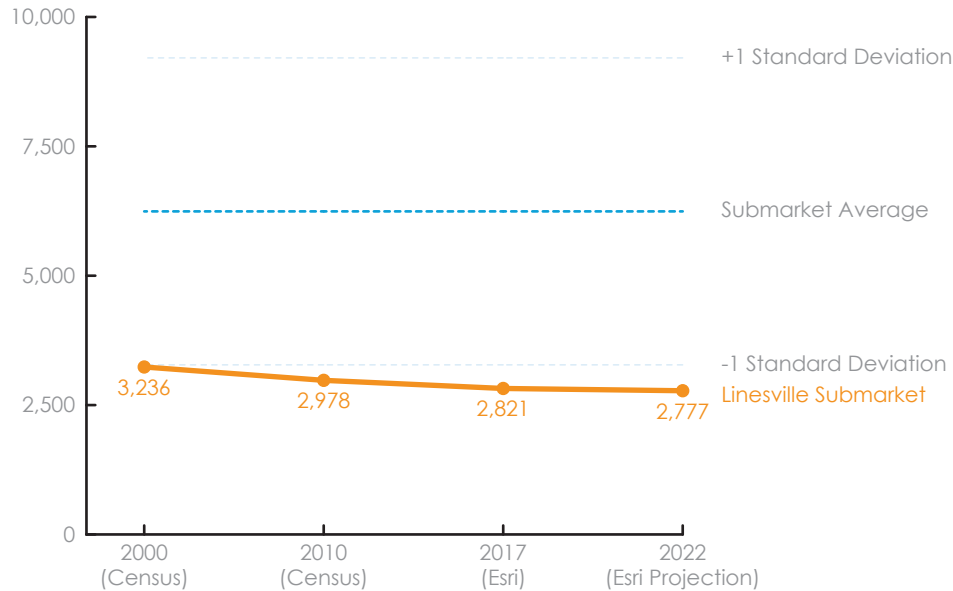


Source: 2010 ACS 5-Year Estimates; BLS., Esri, Retrieved 2018

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

POPULATION GROWTH ANALYSIS:

LINESVILLE 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 Linesville Submarket would directly lead to household formation and increase housing demand. Stagnant population growth may make it more difficult for homeowners to sell their homes when transitioning into other housing segments.

POPULATION GROWTH —

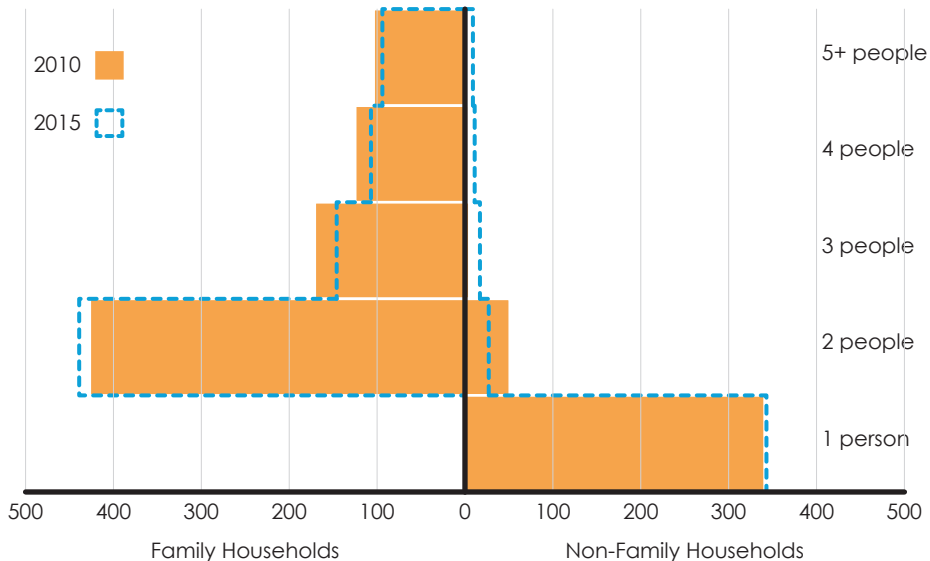
An increase in population will increase the local demand for housing. As demonstrated within the graph on the left, the population of the Linesville Submarket has declined since 2000. This decline suggests that population growth is not driving the demand for housing within the Submarket.

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.

LINESVILLE 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 Linesville Submarket households by size between 2010 and 2015. One-person non-family households remained stable while those composed of two people have declined. Interestingly, non-family households comprised of three-or-more-people have increased in number. For family households, those composed of two people have increased while all of those comprised of at least three people have declined in number.

Household formation trends observed within the Linesville Submarket suggest stable demand for rental units, increasing demand for starter and downsizing homes, and a drop in demand for move-up housing.

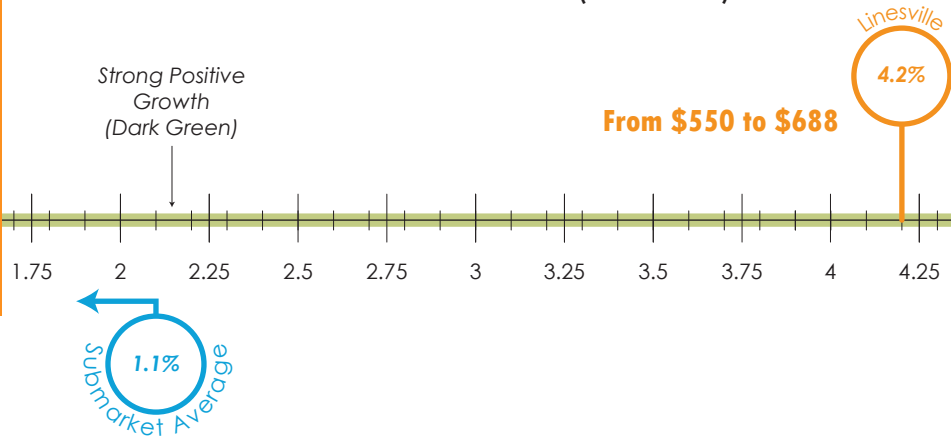
Source: U.S. Census

POPULATION GROWTH ANALYSIS:

RENT PRICE & HOME VALUE CHANGES —

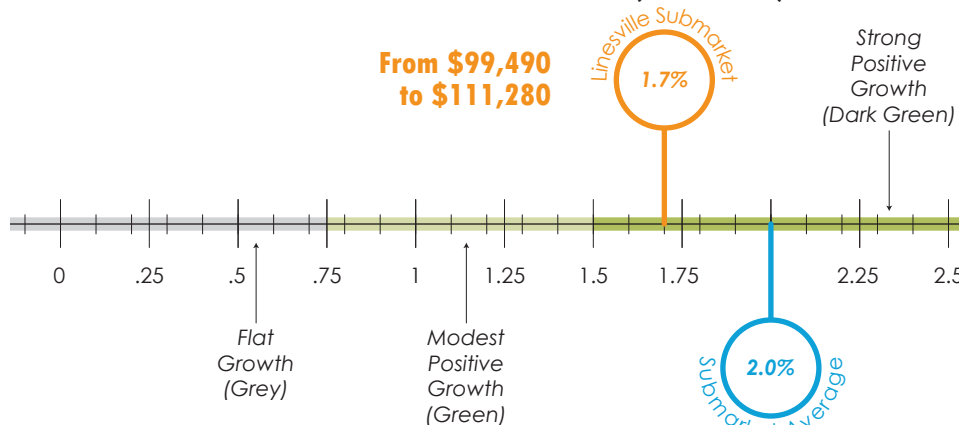
An increase in median rents or home values may delay individuals from forming new households and thus ease housing demand. Conversely, declines in these values may encourage household formation as the ability to move into your own unit becomes more attainable. The line graphs below demonstrate how the Linesville Submarket's median rent prices and median home values have changed compared to the corresponding submarket averages. Rents have seen very strong growth while home values have also grown at a strong 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 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 Linesville Submarket with comparisons to Crawford County and the submarket average. We see that renter households within the Linesville Submarket are more cost-burdened overall than the submarket average with a rate faring worse even than Crawford County as a whole.

RENTERS PAYING MORE THAN 30% OF INCOME ON HOUSING



43.5% of Linesville Submarket Renters
(103 Households)

41.3% of Crawford County Renters

34.3% Submarket Average

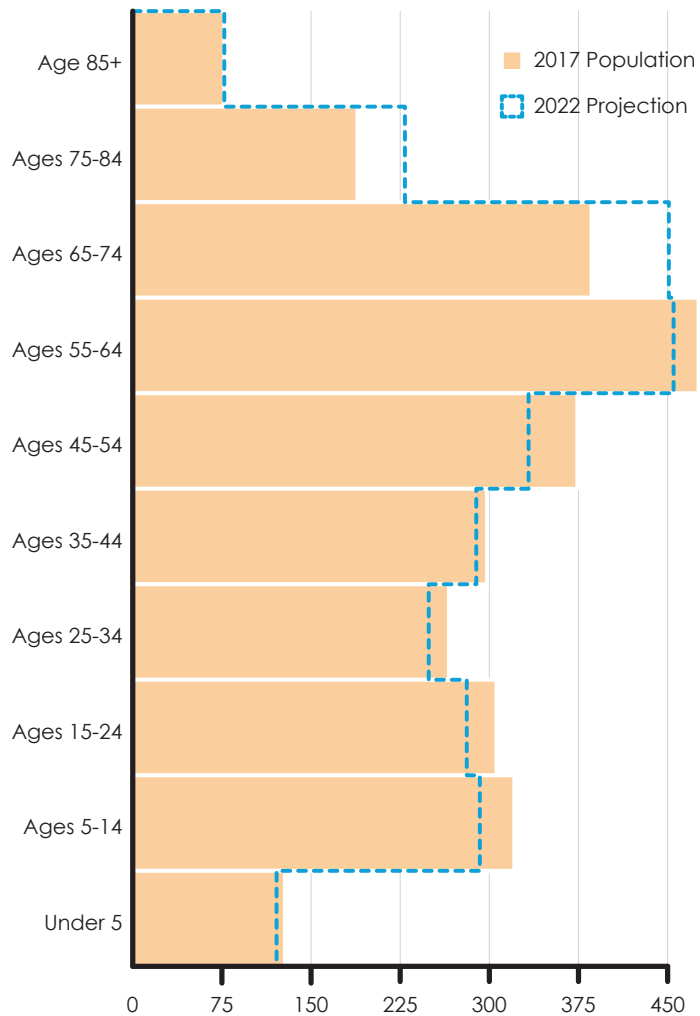
Source: U.S. Census 2011-2015 ACS

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 Linesville Submarket represents a population center by comparing its population to the average population living within a Crawford County submarket. From the graphic shown on the right, it is clear that the Linesville Submarket contains less population than the submarket average. By this standard, the Linesville Submarket is considered a rural population area. Although there must be some housing demand created by the cycling of households between different homes within the community, such demand may not exist at a

LINESVILLE SUBMARKET POPULATION PYRAMID & PROJECTION



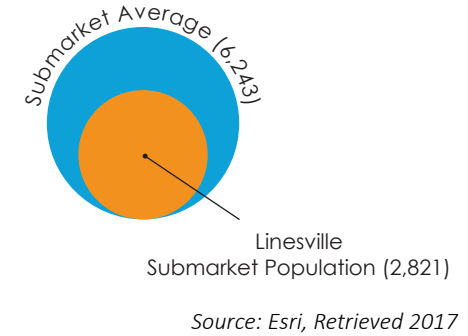
Source: Esri, Retrieved 2018

magnitude large enough to drastically transform individual neighborhoods based on the shifting preferences of local consumers alone. Additionally, from the Submarket’s relative population size, it can be assumed that the Linesville 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 on the left demonstrates the age composition of the Linesville Submarket in 2017 with a projection to 2022. Demographic projections within the Linesville Submarket forecast an overall decline in the population of individuals within the youth and working age brackets which comprise people between the ages of 15 and 64. Despite projected declines across the youth and working age brackets, the population of individuals over the age of 65 is forecasted to increase.

Population projections within the Linesville Submarket suggest a decline in the demand for rental units, starter homes, and move-up housing while also suggesting an increase in the demand for downsizing homes and senior living accommodations.



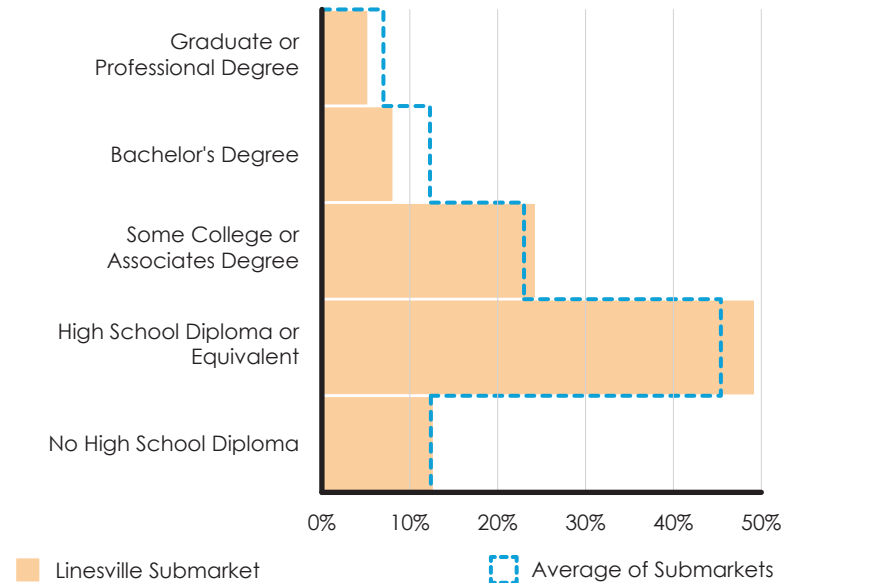
POPULATION GROWTH ANALYSIS:

The combination of demographic projections and household formation trends addressed earlier both suggest an increase in the demand for downsizing homes while sending mixed signals over the other housing segments. Such trends are inconsistent with observations of changes in rent prices and home values which have seen strong 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 Linesville Submarket with a comparison to the submarket average. From this graph, it appears that the Linesville Submarket is less educated than the submarket average specifically in that it contains a smaller overall proportion of individuals holding some level of a college degree. The Submarket's lower level of educational attainment may make it less economically competitive over the long run.

LINESVILLE SUBMARKET EDUCATIONAL ATTAINMENT (2017)



Source: Esri, Retrieved 2018

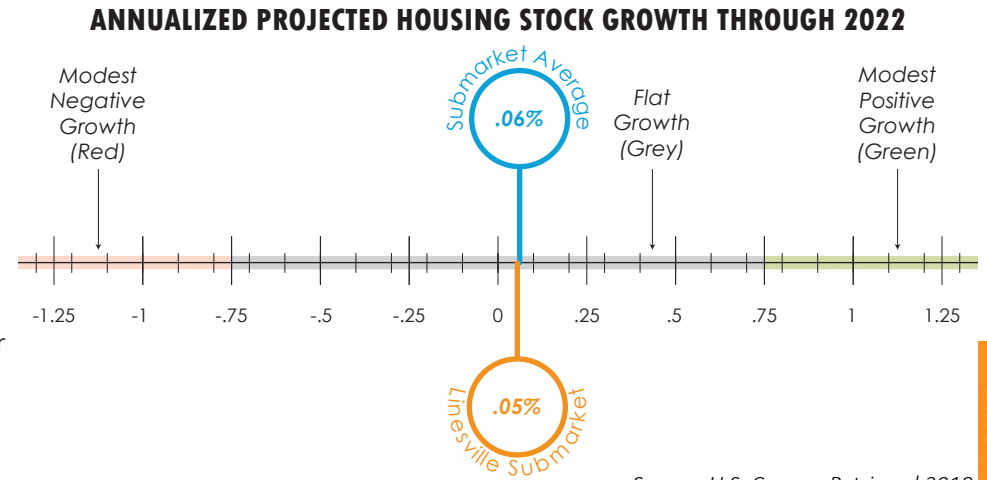
In summary, the Linesville Submarket is a rural population area and its population has declined since 2000. Although household formation trends show that the overall number of non-family households has remained stable, the composition of such households by size has shifted towards a larger number of unrelated roomers per home. Two-person family households have slightly increased within the Submarket while those containing three-or-more people have declined. Demographic projections forecast that the population of individuals within the Submarket's youth and working age brackets will decline while its number of senior citizens will increase. Rent prices have increased at a very strong rate even while non-family household formation appears mostly stagnant. In addition to strong rent price growth, home values have increased at a strong rate as well though not as quickly as rents. Renter households within the Linesville Submarket are more burdened overall by the cost of housing than the submarket average and even Crawford County on the whole. In terms of educational attainment, the Linesville Submarket is less educated than the submarket average with a lesser overall proportion of adults holding some level of a college degree.

HOUSING STOCK GROWTH ANALYSIS:

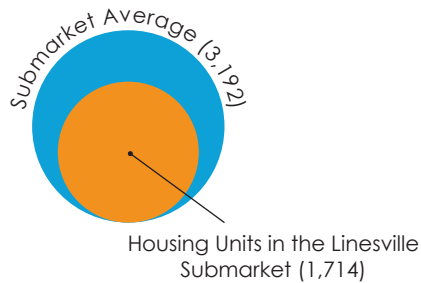
This section of our analysis explores housing stock growth as a driver and relationships between its influencers leading to the outcome of the total housing stock. A stable and growing housing stock, balanced with population and job growth, is essential for sustaining a healthy housing market. A healthy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



Source: U.S. Census, Retrieved 2018



Source: Esri, Retrieved 2018

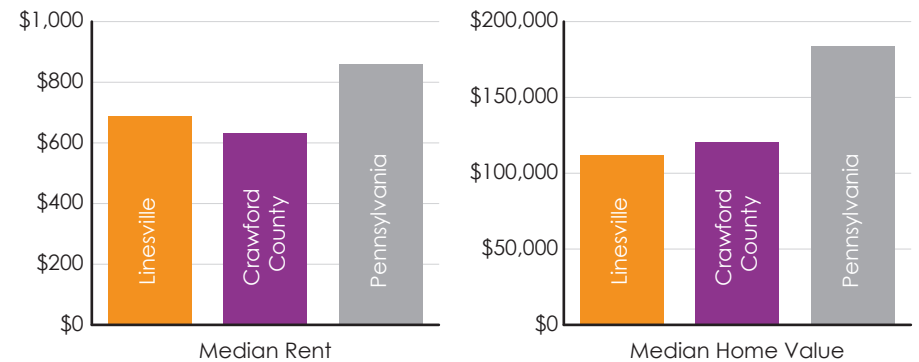
TOTAL HOUSING STOCK —

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

MEDIAN RENT & HOME VALUES —

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

LINESVILLE 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 just over one quarter of the Linesville 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 Linesville 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.

LINESVILLE SUBMARKET HOUSING UNITS BUILT PRE-1940

25.9%



Homes Built Pre-1940

74.1%



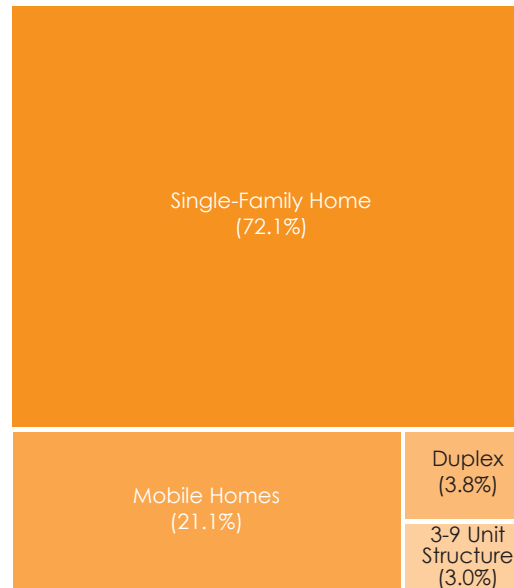
Homes Built Post 1940

Source: U.S. Census, Retrieved 2018

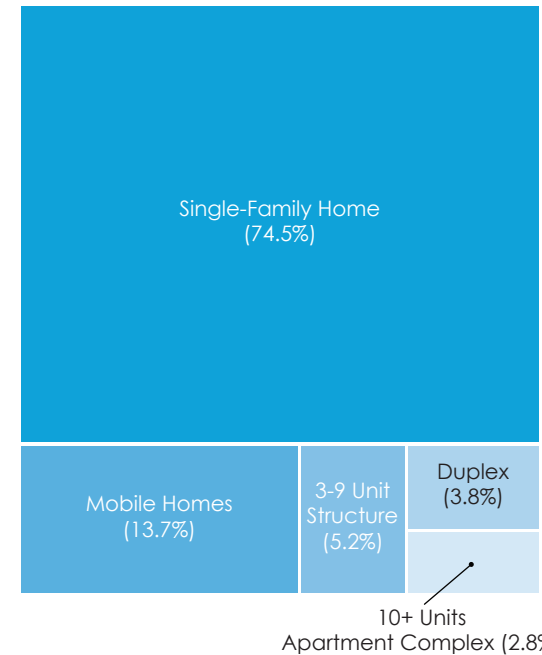
HOUSING BUILDING TYPES –

The graphic on the right divides housing structures into five categories of common forms: single-family homes, duplexes, three-to-nine unit structures and complexes, ten-or-more unit structures and complexes (apartment complexes) and mobile homes. In terms of building types, the Linesville Submarket is somewhat comparable to the submarket average in that single-family and mobile homes dominate its housing building stock. However, the Submarket contains a much larger share of mobile homes than the submarket average. The combination of single-family and mobile homes comprise just over 93% of the Linesville Submarket's housing building stock. Conversely, multi-unit structures constitute a smaller portion of the Submarket's housing building stock than the submarket average.

LINESVILLE SUBMARKET



SUBMARKET AVERAGE

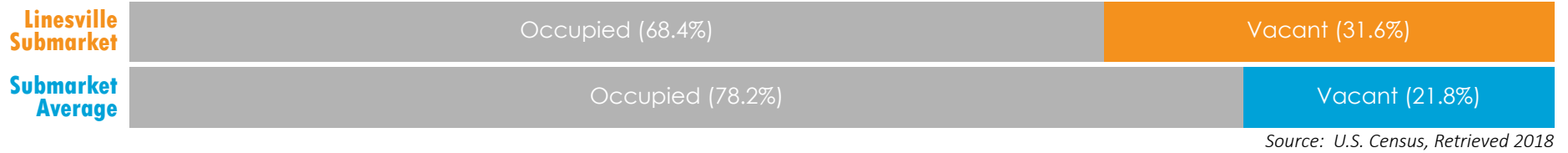


Source: U.S. Census, Retrieved 2018

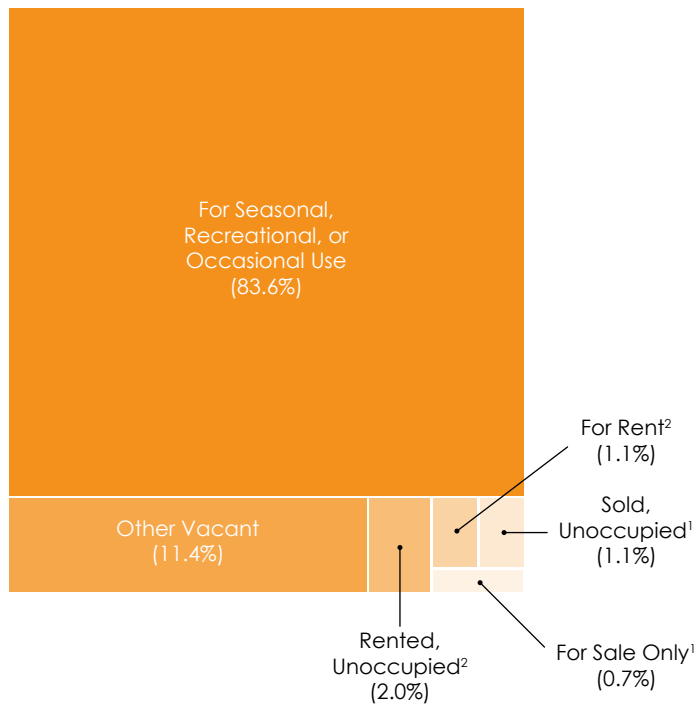
HOUSING STOCK GROWTH ANALYSIS:

🍷 OVERALL VACANCY & VACANCY BY TYPE —

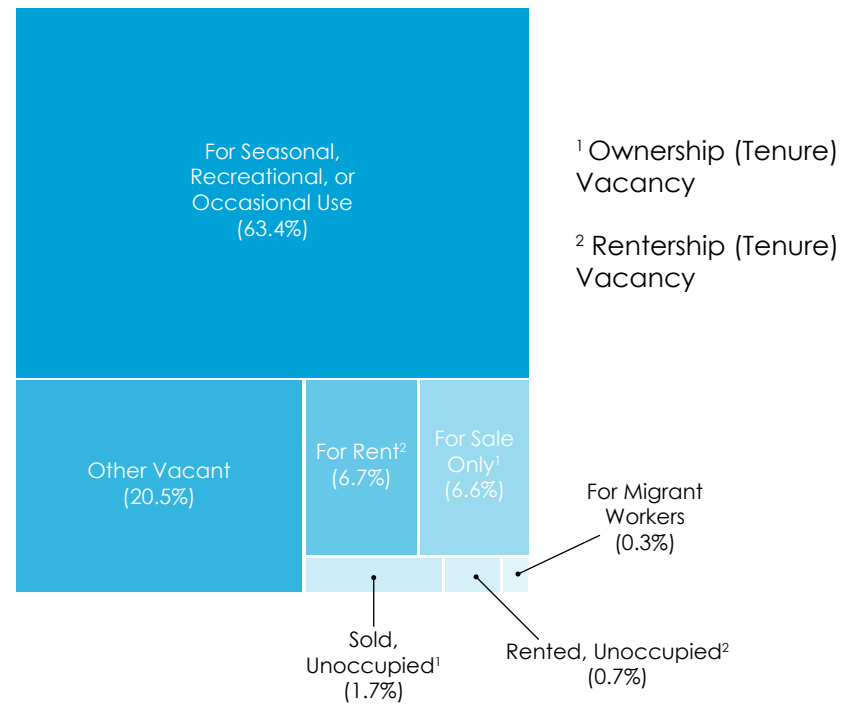
The overall rate and type of vacancy is an important indicator of the stability of a submarket’s housing market. The bar graphs below display the Linesville Submarket’s recorded vacancy rate in 2016 with a comparison to the submarket average. The Linesville Submarket’s vacancy rate is well above the submarket average. However, this startling finding is mitigated by observations of the composition or nature of vacancy within the Submarket. More than four-fifths of all vacancy within the Linesville Submarket can be attributed to housing units used for seasonal, recreational, or occasional use purposes. All other vacancy types within the Linesville Submarket are smaller in proportion when compared against the submarket average. Vacancy attributable to seasonal, recreational, or occasional reasons is the least concerning type of vacancy, but too much of this vacancy can lead to other non-housing related community concerns.



LINESVILLE SUBMARKET



SUBMARKET AVERAGE



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

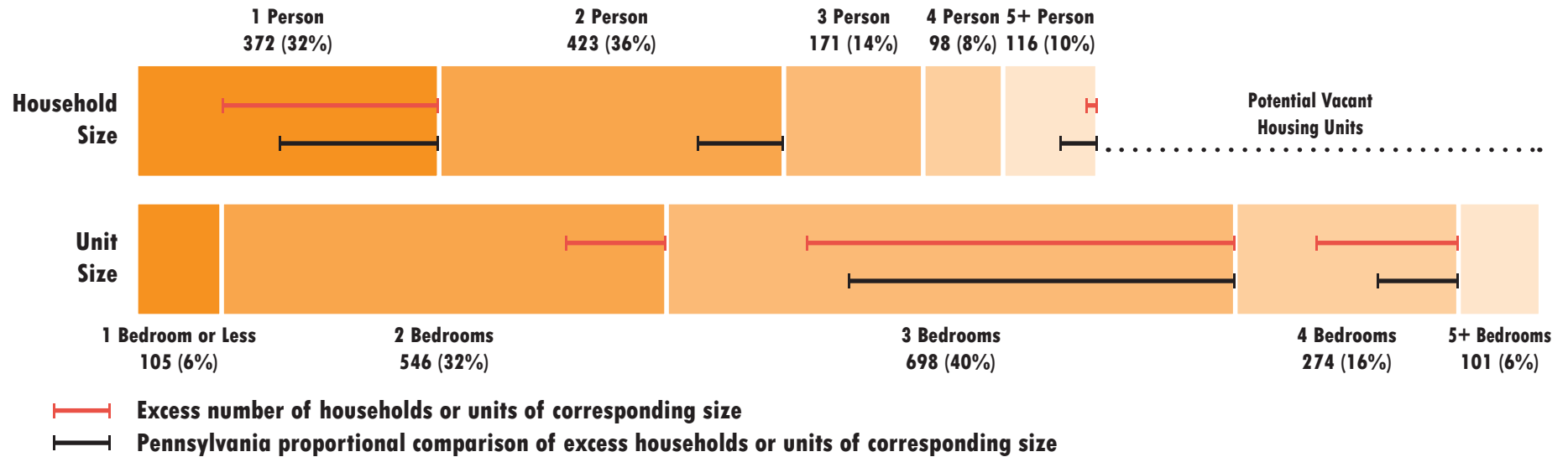
Source: U.S. Census, Retrieved 2018

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 Linesville 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 Linesville Submarket exhibits a shortage of one-bedroom housing units, however, relative surpluses are present for two-, three-, four-, and five-or-more-bedroom homes. The mismatch is particularly notable for two-bedroom housing units, as the corresponding proportional statewide mismatch or surplus for units of that size is actually on the side of households. For the Linesville Submarket to have a surplus of two-bedroom housing units is a substantial departure from statewide trends. Such observations are likely attributable to the Submarket's abundant supply of seasonal, recreational, and occasional use homes.

LINESVILLE SUBMARKET

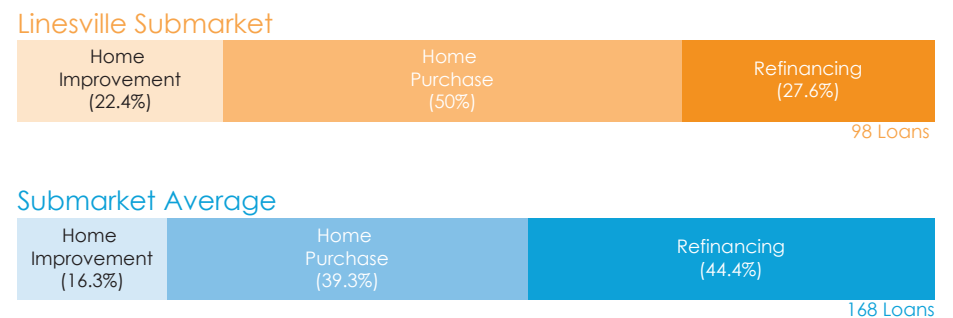


Source: U.S. Census, Retrieved 2018

🍷 THE PURPOSE OF LOAN ORIGINATIONS —

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

LINESVILLE SUBMARKET LOANS BY PURPOSE (2016)



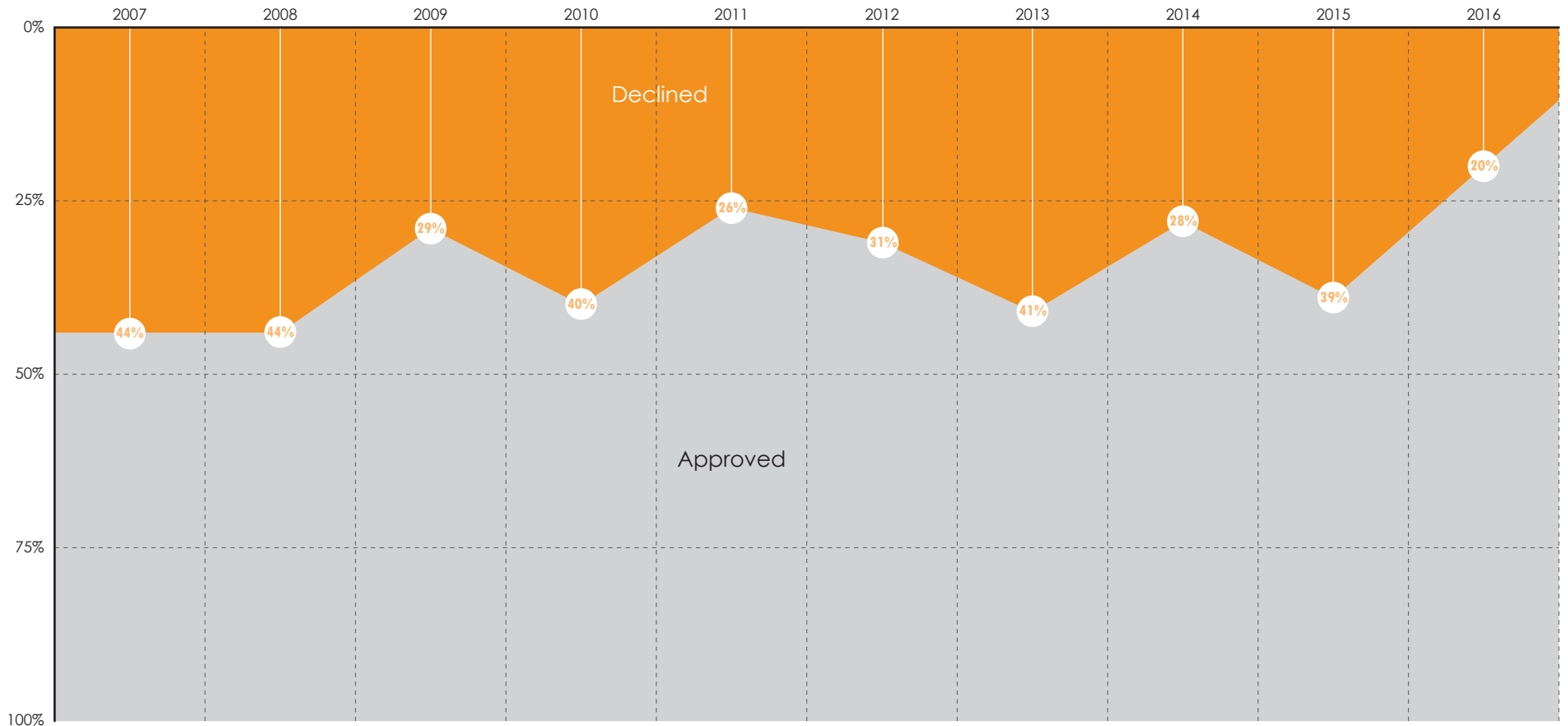
Source: Consumer Financial Protection Bureau, Retrieved 2018

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 Linesville Submarket, the rate of declined loans has hovered in the mid-thirties in recent years (see below) and appears to show slight improvement only very recently.

LINESVILLE SUBMARKET DECLINED HOUSING LOANS (2007-2016)



Source: Consumer Financial Protection Bureau, Retrieved 2018

In summary, the Linesville Submarket's housing stock contains fewer housing units than the submarket average and new construction is projected to be flat. Consistent with flat housing growth projections, median home values lag below the county's figure. Median rent prices are well above county-wide figures. Lacking recent construction, more than a quarter of the Submarket's housing stock was built prior to 1940. The Submarket's stock of older homes may present challenges for the Linesville Submarket's aging population down the road. The building types which comprise the Submarket's housing stock are similar in quantity to the submarket average except that mobile homes make up a larger share. With an overall vacancy rate well above the submarket average, many of the Linesville Submarket's housing structures are unused. The composition of such vacancy includes a much higher portion attributed to seasonal homes which is generally non-problematic. Comparisons between the composition of households and housing units by size suggest that the Submarket lacks one-bedroom units while having an abundance of all units containing two-or-more bedrooms. Real-estate loan originations have been much more investment oriented than the submarket average but the approval rate for such loans has not been improving.

OVERALL STATUS OF THE LINESVILLE SUBMARKET:

AN ECONOMIC OVERVIEW —

Observations of live-work trends within the Linesville Submarket suggest that most of its residents treat it as a bedroom community. The Submarket's job-to-housing ratio of 0.59, which lies below the beneficial range, supports this conclusion. This finding can also be observed through commuter trends showing that many of the Submarket's residents travel to the Meadville area or locations along the U.S. Highway 322 corridor to reach work. The combination of these live-work, job-to-housing, and commuter trends are consistent with our analysis that showed that the Linesville Submarket is not a job center. This observation is unlikely to change in the near future given projections showing that the Submarket will experience a flat job growth rate. Despite forecasts showing flat job growth on the horizon, household income within the Submarket is projected to see strong growth. Educational attainment figures show that the Submarket is less educated on the whole than the submarket average which suggests that its labor force might present a less competitive environment for attracting certain kinds of employers. Real estate loan activity within the Linesville Submarket has been more investment oriented than the submarket average overall with especially higher proportions of activity for home purchases and improvements. Recent loan originations have been approved at around a 68% success rate, which has not improved considerably since 2009.

POPULATION TRENDS —

Based on its number of residents, the Linesville Submarket is a rural population area. The Submarket's population has declined since 2000, leaving much of its housing demand to the cycling of existing residents. However, the Linesville Submarket's ability to attract vacation or recreational home dwellers should be recognized. Household formation trends for single-person non-family households have been stable. However, two-person non-family households have declined in number while all of those comprised of at least three people have increased. For family households, those comprised of two people have increased in number while all of those comprised of at least three people have declined. Demographic projections forecast an overall decline in the population of individuals comprising the youth and working age brackets while the number of senior citizens within the Submarket is projected to increase. The combination of these trends indicates an increase in the demand for downsizing homes and potentially even larger rental units to accommodate non-family households comprised of at least three members.

THE HOUSING MARKET GENERALLY —

The Linesville Submarket has a lower concentration of housing development than the submarket average and development projections forecast that its housing stock will not grow considerably in the coming years.

The Linesville Submarket's overall increase in non-family households as well as family households comprised of two people may be driving rent prices which have grown at a strong rate over recent years. Partially due to this observation, median rent prices within the Submarket sit above the county's figure. However, strong rent price growth may be encumbering many renter households as the Submarket's overall renter cost-burdened rate is well above the submarket average as well as the county-wide rate. Despite stagnant overall family household formation trends, home values have also experienced strong growth, yet median home prices within the Submarket sit below the county's figure.

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

THE LINESVILLE SUBMARKET'S HOUSING ECOSYSTEM:

HOUSING MARKET ECOSYSTEM —

The graphic on the next spread demonstrates the housing market ecosystem for the Linesville 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 Linesville 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 Linesville Submarket's new household market will likely be negatively impacted by stagnant household formation trends for non-family households. This trend is accompanied by demographic projections which forecast a decline in the population of all individuals between the ages of 15 and 34. A decline in the population of individuals within this age range is problematic for the new household market as these residents are mostly likely to participate in this consumer segment. As a result, the combination of household formation trends and demographic projections suggests that the consumer demand within the new household housing market is stagnant.

Projections that forecast that household income will increase at a strong rate provide a sign of stability for the new household market. Comparisons between the composition of households and housing units by size suggests that the Linesville Submarket has a shortage of housing units composed of one-bedroom or less. Although such finding may be beneficial for landlords holding such units, this observation likely places stress on housing consumers within the new household market. Fortunately, some participants within the new household market will be able to comfortably consume two-bedroom homes, which are in abundant supply in the Submarket. However, the Linesville 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 above those observed county-wide along with the strong growth of such prices both provide positive signs for the Linesville Submarket's new household market. However, the Submarket's overall rate of cost-burdened renter households is well above the already relatively high submarket average which suggests that many renters are struggling to afford housing. Such observation provides a sign of instability within the Submarket's new household marketplace.

Overall, the Linesville Submarket's new household market is considered inadequate largely due to a combination of household formation trends and demographic projections suggesting stagnant consumer demand which may begin to decline if projections hold true. Additionally, the ability of a household participating in the Submarket's new household consumer segment to transition into the starter home segment is also considered inadequate because of the Submarket's relative high rate of cost-burdened renter households.

STARTER HOME & DOWNSIZING MARKETS —

The Linesville Submarket's starter and downsizing markets will likely be positively impacted by household formation trends which show an increase in the overall number of two-person family households. This trend is accompanied by demographic projections which forecast an overall decline in the population of all individuals between the ages of 15-to-34 but an increase in the number of those over age 65. A decline in the population of those between the ages of 15 and 34 is problematic for the starter home market as these residents are mostly likely to participate in this consumer segment. However, an increase in the population of those over age 65 is a good sign for consumer demand in the downsizing market.

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

THE LINESVILLE SUBMARKET'S HOUSING ECOSYSTEM:

old housing stock, of which just over one-quarter was built prior to 1940. This significant concentration of older homes could present either financial or physical burdens on younger and older buyers alike.

Projections that forecast that household income will increase at a strong rate provides a sign for consumer stability within both the starter and downsizing markets. Less assuring for landlords, the Submarket's median home value continues to rest below the county's figure despite trends showing strong appreciation over recent years. Strong household income growth projections may be reflected in real-estate loan origination activity across the Linesville Submarket, which is comprised in part of a much larger proportion of loans intended for home purchases with overall originations being far more investment oriented.

Overall, the Linesville Submarket's starter home market is considered adequate largely due to household formation trends showing an increase in the number of two-person family households. However, if demographic projections hold true, starter home demand could decline with dwindling numbers of individuals between the ages of 15 and 34. Additionally, the combination of projections showing an increase in household income paired with median home values aligned with county-wide figures suggests that the ability of a household participating in the Submarket's starter home market to transition into the move-up segment may also be adequate. Household formation trends also suggest an increase in the demand for downsizing homes, which could become even stronger in the future if demographic projections hold true. As a result, the Submarket's downsizing market is adequate with the ability of consumers participating within this segment to transition into a senior living accommodation as adequate for similar reasons as those households in the starter home market.

MOVE-UP MARKET —

The move-up housing market within the Linesville Submarket will likely be negatively impacted by household formation trends that show a decrease in the 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 is problematic for the move-up market as these residents are mostly likely to participate in this consumer segment. The combination of household formation trends and population projections suggest that the demand for move-up housing will decrease.

Similar to the Submarket's starter and downsizing segments, the move-up market may be positively affected by projections showing strong increases in both household income and home value appreciation. However, median home values within the East Fallowfield-Greenwood Submarket sit below county-wide figures. Despite relatively low median home values, loan originations are much more investment oriented than the submarket average with a much greater showing of activity related to home purchases. This last finding likely presents an obvious positive sign for the Submarket's move-up housing segment. Comparisons between the composition of households and housing units by size suggest that the Submarket has an abundance of homes containing at least three bedrooms, which will likely support the needs of most consumers within the move-up market segment. However, such consumers face the Submarket's relatively old housing stock of which just over one-quarter was built prior to 1940.

Overall, the Linesville Submarket's move-up market is considered inadequate largely due to a combination of household formation trends and demographic projections that suggest an increase in consumer demand. Despite signs of a fertile investment climate, relatively low median home values 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.

THE LINESVILLE SUBMARKET'S HOUSING ECOSYSTEM:

