



# Rural Pennsylvania

A Legislative Agency of the Pennsylvania General Assembly

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## Housing Trends in Rural Pennsylvania

Housing is an integral part of Pennsylvania's infrastructure. To learn more about housing units and housing affordability in rural Pennsylvania<sup>1</sup>, the Center for Rural Pennsylvania explored data from the U.S. Census Bureau and other sources.

### Housing Units

As of Census 2000, there were more than 1.5 million housing units in rural Pennsylvania, 86 percent of which were occupied. One quarter of occupied units were rented, resulting in a rural home ownership rate of 75 percent. The urban homeownership rate was 70 percent. Vacant units were empty for a variety of reasons, the most common of which was seasonal use, such as with hunting cabins. In 28 of rural Pennsylvania's 48 counties, more than half of all housing units were vacant at Census time because they were seasonal use units. In fact, 98 percent of all units in Forest County were vacant seasonal units, the highest rate in the nation.

### Housing growth

The number of housing units in the commonwealth's rural areas has increased significantly over time, growing more than 7 percent since 1990 and 94 percent since 1940. During the same 60 years, the population grew by about 12 percent. In every decade since 1940, the number of housing units grew at a faster rate than the number of people.

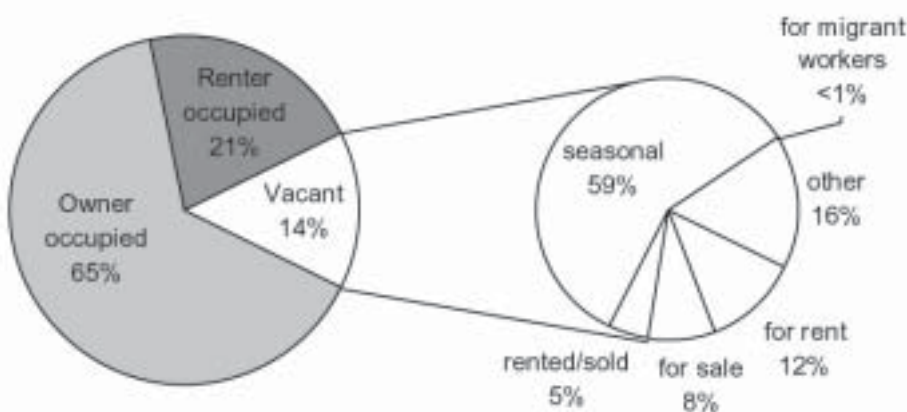
And, until the most recent decade, housing growth far outpaced population growth in raw numbers as well. Even from 1990 to 2000, this was true for half of Pennsylvania's rural counties. In fact, between 1940 and 2000, more than 20 housing units were added for each 10 additional rural residents. Regional differences are great; southeast and south central Pennsylvania gained fewer houses than people, while the southwest part of the state gained more than 300 houses for every 10 people it lost.

Due to the rural population and housing changes, the number of housing units increased from a 1940 average of 2.6 houses for every 10 residents to a 2000 average of 4.5. So, whereas rural Pennsylvanians lived about four to a house 60 years ago, they now live an average of about two to a house<sup>2</sup>.

According to recent estimates by the Census Bureau, housing growth in rural Pennsylvania continues to outpace population growth. Between Census 2000 and July 2003, population is estimated to have grown by less than 1 percent and housing by nearly 3 percent. This amounts to about 15 houses for every 10 additional people.

It is difficult to determine why housing is growing faster than the population but some possible reasons are that older persons are living longer in their own homes, more young people are moving out on their own, and divorced families live in separate homes. Another simple reason is that today's families are smaller than they were in 1940. An increase in second homes seems to account for a small part of the phenomenon. The number of units that were vacant at the time the Census was taken

**Total Housing Units by Occupancy/Vacancy Status in Rural Pennsylvania, 2000**



Data Sources for all graphics and tables: U.S. Census Bureau, 1940-2000 Censuses

<sup>1</sup> The Center for Rural Pennsylvania classifies rural Pennsylvania as the counties in which the Census 2000 population density was less than the statewide figure of 274 persons per square mile.

<sup>2</sup> To give a more accurate picture, these figures would discount persons living in group quarters such as college dorms, prisons, and nursing homes and would consider only occupied housing units. This rough sketch, however, is still very telling of rural housing growth patterns.

## Change in Population and Housing, Pennsylvania Regions 1940-2000

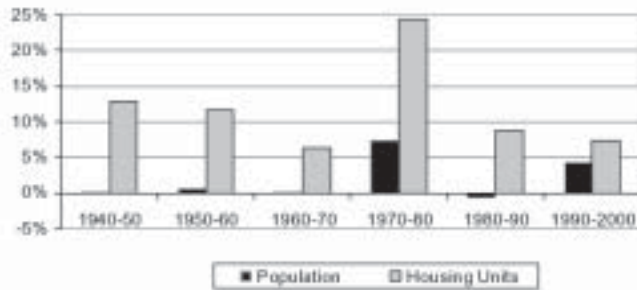
	Population, 1940	Housing units, 1940	Population, 2000	Housing units, 2000	Change in population, 1940-2000	Change in units, 1940-2000	Additional units per 10 additional people, 1940-2000
PA state total	9,900,160	2,618,056	12,281,054	5,249,750	2,360,874	2,631,694	11.1
Rural	3,026,369	792,061	3,393,946	1,537,314	367,557	745,253	20.3
Urban	6,873,791	1,825,995	8,887,108	3,712,436	2,013,317	1,886,441	9.4
Southeast	2,774,676	756,325	3,849,647	1,565,641	1,074,969	809,316	7.5
Northeast	1,632,109	474,536	2,108,196	946,159	276,067	471,621	17.1
South Central	847,409	232,506	1,702,415	692,689	855,006	460,183	5.4
Central	1,006,477	257,570	1,090,732	472,062	85,256	214,492	25.2
Southwest	2,576,757	662,148	2,561,364	1,132,409	-15,393	470,261	-305.5*
Northwest	863,750	234,969	968,700	440,790	104,950	205,821	19.6

\* Note: For every person lost, 30.5 additional units became available.

## Change in Seasonal Housing and Population, Rural Pennsylvania 1940-2000

	1940	2000	Change, 1940-2000	Percent Change, 1940-2000	Additional units per 10 additional people
Total units	792,061	1,537,314	745,253	94%	20
Seasonal use units	13,678	129,096	115,420	844%	
Total units excluding seasonal use	778,383	1,408,216	629,833	81%	17
Population	3,026,389	3,393,946	367,557	12%	

## Percent Change in Rural Housing and Population, 1940-2000



because they are seasonal units increased statewide by more than 120,000 units, most of which were in rural areas. Rural seasonal units grew by more than 800 percent from 1940 to 2000. If these units were discounted, housing units would still have grown faster than the population. There would still be 17 new units for every 10 additional people in rural Pennsylvania, as opposed to the 20 units that were calculated without removing the seasonal factor.

### Types of units

Three out of four of the 1.5 million housing units in rural Pennsylvania are single-family house structures while 14 percent are multi-unit buildings and 11 percent are mobile homes. In urban areas, fewer single-family houses are detached and there are fewer mobile homes.

### Housing values

Of the nearly one million owner-occupied rural units, 42 percent are valued between \$50,000 and \$100,000. About 26 percent are below that level and 36 percent are above. Just 10 percent of owner-occupied units in rural counties have values of \$200,000 or more. Housing values are much higher in urban areas where 22 percent of houses are worth \$200,000 or more, and just 15 percent are valued at less than \$50,000.

Pennsylvania's median housing value<sup>3</sup> of \$94,800 ranks it 29<sup>th</sup> among the states. Hawaii, California, and Massachusetts rank highest, each with median values over \$180,000. Mississippi ranks lowest at \$64,700.

### Amenities and age

Amenities in the home, such as those seen in the table on page 3, vary significantly between owned and rented units, and between rural and urban areas. Owner-occupied housing units in urban areas are the best equipped while rental units in both rural and urban areas lack the most amenities.

One reason for rented housing having fewer amenities could be age. Fifty percent of owned homes in rural Pennsylvania were built before 1960 compared to 56 percent of rented units. The age of all housing units in rural and urban areas is also interesting to examine. Thirty-two percent of

<sup>3</sup> Median housing value refers only to owner-occupied housing units.

## Rural and Urban Amenities in Owned and Rented Homes, 2000

Rural	Owned	Rented	Urban	Owned	Rented
Lack phone service	1.0%	3.5%	Lack phone service	0.6%	2.9%
Lack complete plumbing	0.6%	0.8%	Lack complete plumbing	0.3%	0.8%
Lack complete kitchen	0.4%	1.0%	Lack complete kitchen	0.2%	1.2%

rural units were built before 1940, and 28 percent were built between 1940 and 1970. Thirty percent of urban units were built before 1940 and 39 percent were built between 1940 and 1970. Thirteen percent of units in rural areas and 9 percent of units in urban areas were built since 1990.

## Costs and Affordability

### Renters

Census 2000 data reveals a number of characteristics of housing costs. Average gross rent in rural Pennsylvania is \$413 per month. Gross rent includes contract rent plus estimated utility and fuel costs. Eight percent of rural renters pay less than \$200 while 30 percent pay between \$200 and \$400. On the other hand, nearly 10 percent pay \$700 or more per month. Average urban rent is \$578, with 21 percent paying less than \$400 and 28 percent paying \$700 or more.

### Owners

Average monthly costs for homeowners are divided into two categories: those with a mortgage and those without a mortgage. Rural homeowners with a mortgage represent 61 percent of all rural homeowners and pay an average of \$936 in monthly housing costs – 12 percent pay less than \$500 and 34 percent pay more than \$1,000.

Rural homeowners without a mortgage pay an average of \$293 with nearly 60 percent paying less than \$300 and just 6 percent paying \$500 or more.

The average urban homeowner pays \$1,225 with a mortgage and \$378 without.

## Affordability

Affordable housing is usually understood to be housing that costs no more than 30 percent of household income<sup>4</sup>. In general, housing is more affordable in rural than in urban Pennsylvania. In addition, rural housing has become more affordable between 1990 and 2000.

However, there are still a significant number of rural residents who pay more than affordable rates.

Thirty-three percent of rural Pennsylvania renters do not have affordable housing<sup>5</sup>. Twenty-five percent of homeowners with a mortgage and 10 percent of those without also do not live in affordable housing. This amounts to a total of 254,673 rural households that lack affordable housing, according to the 30-percent-of-income definition. In drawing conclusions using this definition, consideration must be made for household size and total income.

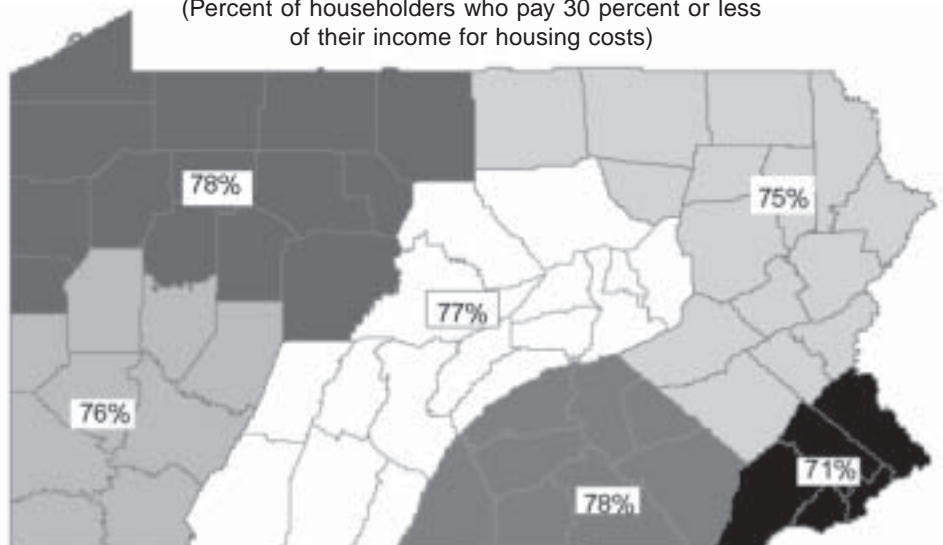
Of rural households without affordable housing, 40 percent, or 100,892 households, pay more than half of their income in housing costs. This accounts for 16 percent of renters, 9 percent of mortgaged homeowners, and 4 percent of homeowners without a mortgage.

But housing in rural Pennsylvania is more affordable than in urban areas. In urban counties, 36 percent of those who rent, 26 percent of those with a mortgage, and 13 percent of owners without a mortgage pay more than 30 percent of household income in housing costs.

Overall, the average rural Pennsylvania renter pays 18 percent of household income for rental costs compared to the urban 21 percent of income. In both rural and urban counties, the average homeowner with a mortgage pays 20 percent of household income for housing costs and the average without a mortgage pays 9 percent. Generally, housing is affordable in Pennsylvania.

## Affordable Housing by Pennsylvania Region, 2000

(Percent of householders who pay 30 percent or less of their income for housing costs)



<sup>4</sup> Numbers computed using this definition are not hard and fast because household size and total household income (which were not considered here for lack of data) in addition to percent of household income are factors in affordability.

<sup>5</sup> Affordability data on renter and most owner households are only available for "specified" units, according to the Census Bureau. Specified owned units exclude mobile homes, homes with a business, those on 10 or more acres, and multi-unit buildings. Specified rental units exclude single-family units on 10 or more acres.

## Regional differences

At the regional level, differences in housing costs and affordability are much more apparent. Average gross rents range from \$400 in the northwest to \$662 in the southeast. The percentage of renters who pay higher than affordable rents (more than 30 percent of household income) ranges from 31 in the south central region to 39 in the southeast. Owner housing costs also show quite a range, from \$285 in the central region to \$416 in the southeast for homeowners without a mortgage, and from \$870 in the northwest to \$1,365 in the southeast for those with a mortgage.

The northwest region was most affordable for owners with a mortgage since 77 percent paid affordable rates, while in the southeast this figure was 72 percent. The most affordable region for those without a mortgage was the south central region, where homeowners paid 9 percent of their income in housing costs. The southeast is again the least affordable since homeowners without a mortgage paid 16 percent of their income in housing costs.

For all households, homeowners in the northwest and south central regions pay the most affordable rates and those in the southeast region pay the least affordable rates. (See the map on page 3)

## Before 2000

Looking back to the 1990 Census, average gross rent in rural areas was \$336 a month. Homeowners with a mortgage paid an average of \$621 in monthly housing costs and those without a mortgage paid \$206. Higher percentages of rural households paid more than 30 percent of their income toward housing in 1990 than in 2000. Thirty-six percent of renters, 19 percent of mortgage owners, and 10 percent of those without a mortgage paid more than the affordable rate.

Another issue in affordable housing is the number of affordable units, usually rental units, available to people who need them. The total number of rental units in the commonwealth, including renter-occupied and vacant units for rent, has grown by 23 percent or nearly 280,000 units between 1950 and 2000. In rural Pennsylvania, the growth was not as strong but still showed an increase of 10 percent or about 31,000 units.

If we discount rental units that are vacant, the number of renter-occupied units in the commonwealth has changed little between 1940 and 2000, growing by less than 1 percent or about 10,000 units over that period. In rural Pennsylvania, the number actually decreased by about 13 percent or nearly 50,000 units.

## Besides the Census

Many organizations have programs to address housing needs in the commonwealth. Two major players are the Pennsylvania Housing Finance Agency<sup>6</sup> (PHFA) and the Homelessness Assistance Program<sup>7</sup> (HAP) through the Pennsylvania Department of Public Welfare's Office of Social Programs.

As of September 2004, PHFA had nearly 23,000 affordable rental housing units in rural Pennsylvania, two-thirds of

which were subsidized. This number includes all current units funded by PHFA, units receiving a tax credit allocation, or those units for which PHFA is listed as Contract Administrator through the federal Department of Housing and Urban Development. These units are located in 450 housing developments, at least one in each rural county. The number of rural PHFA rental units has grown by about 25 percent since 1994<sup>8</sup>.

Data from 2003-2004 show that HAP had more than 36,000 rural clients, which is an increase of 42 percent since 1993-1994.

<sup>6</sup> The Pennsylvania Housing Finance Agency was created by the General Assembly in 1972 to provide more affordable housing for older adults, families of modest means and persons with disabilities.

<sup>7</sup> HAP funds help to provide a variety of prevention services assisting clients to maintain affordable housing and ensure that the homeless can find refuge and care and are assisted in moving toward self-sufficiency.

<sup>8</sup> This percent change is an estimate. It represents the difference based on units that are currently active. Some units that are not currently on PHFA lists would have been on in 1994, but others with no reference dates would not have been there. These two factors should balance out to make the estimate fairly accurate.

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### Additional Center for Rural Pennsylvania reports that address housing:

- *Rural Housing Needs in Pennsylvania: Assessment and Impact, 1994*
- *Pennsylvania's Rural Homeless Reality, November 2000*
- *Exploring Public Housing Use in Rural Pennsylvania, January 2004*