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Policy Development & Research

Analysis of the Erie, Pennsylvania Housing Market

As of October 1, 2003



ECONOMIC RESEARCH

U.S. Department of Housing and Urban Development

Foreword

This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any particular mortgage insurance proposals that may be under consideration either in a specific locality or the housing market area.

The factual framework for this analysis follows the guidelines developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based upon information available on the "as-of" date from both local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

This analysis takes into consideration changes in economic, demographic, and housing inventory characteristics of the market area during three periods: from 1990 to 2000, from 2000 to the as-of date of the analysis (Current date), and from the Current date to the Forecast date. The analysis presents counts and estimates of employment, population, households, and housing inventory as of the 1990 Census, 2000 Census, Current date, and Forecast date. For purposes of this analysis, the forecast period is 24 months. Prospective demand expressed in this analysis should not be construed as a forecast of projected residential building activity; rather, it presents the estimated level of housing production that would maintain a reasonable balance in demand-supply relationships given the market's condition on the as-of date of the analysis. This housing market analysis was prepared by William Coyner, the Economic & Market Analysis Division's Supervisory Economist in the Buffalo, New York Field Office, based on fieldwork conducted in June 2003. Questions regarding the findings and conclusions of the analysis may be addressed to Mr. Coyner at 716-551-5755, ext. 5004, and at [William Coyner@hud.gov](mailto:William.Coyner@hud.gov).

Housing Market Area

The Erie, Pennsylvania Housing Market Area (HMA) is defined as Erie County, a small, single-county metropolitan area located in the extreme northwestern part of the state. Erie County consists of more than 813 square miles of land located adjacent to Presque Isle Bay and Lake Erie. The county contains two cities (Erie and Corry), 22 towns, and 14 boroughs. The 2000 Census ranked the City of Erie as the fourth largest place in Pennsylvania.

The Erie HMA lies near several major cities. Buffalo, New York, about 100 miles to the northeast, is accessible by car via the New York State Thruway (Interstate 90). Pittsburgh, Pennsylvania is located about 125 miles south via Interstate 79, and Cleveland, Ohio, is approximately 100 miles due west.

For the purposes of this analysis, the HMA has been divided into two submarkets: the City of Erie and the Remainder of the HMA.

Summary

Currently, housing demand-supply conditions in the Erie housing market range from being balanced to soft. Soft housing market conditions exist in various neighborhoods within the City of Erie; more balanced housing conditions prevail in the Remainder of the HMA. Most new single-family and multifamily housing construction in the HMA has occurred in the Remainder of the HMA, outside the city limits.

The population of the Erie HMA grew at a very slow rate of 1.9 percent between 1990 and 2000.

During the 2-year forecast period, the Erie HMA is projected to exhibit a modest level of economic recovery. Growth is expected to occur in the financial activities, professional and business services, education and health care services, and accommodation and food services sectors.

Through October 1, 2005, the demand for new sales housing is estimated at 690 homes annually. Given the current excess supply of rental housing, demand for additional market rate rentals will be limited to approximately 50 units annually during the forecast period.

Excluding limited new construction on infill lots and housing renovation in the city, it is expected that most of the forecast demand for new homes and apartments will be outside the city, particularly in close-in suburban communities, including Millcreek, Harborcreek, Fairview, McKean, and Summit townships.

Provided that residential mortgage interest rates remain low, both the existing sales and rental housing market conditions are expected to remain favorable.

Economy of the Area

Between 1990 and 2000, total nonfarm employment in the Erie HMA increased from 122,600 to 136,200 persons, or less than 1 percent annually and resident employment increased at a compound annual rate of 0.5-percent to 129,300. The slowdown in the national economy also adversely affected the economy of the Erie HMA. Since 2000, annual average employment in the HMA has declined. Consistent with this trend, the unemployment rate in the HMA after 2000 increased steadily to 7.4 percent by 2002, as the HMA sustained employment losses and out-migration.

During the past 2 years, total nonfarm employment has declined by 1,400 jobs. Significant losses occurred in the area's manufacturing base due to the high proportion of employment in this sector. During the period, the HMA lost almost 2,000 manufacturing jobs, half from the durable goods sector. These figures included the loss in 2002 of an estimated 750 high-wage jobs at International Paper's Hammermill plant in downtown Erie. Service-producing employment gains have partly offset manufacturing losses.

Historically, the economy of the Erie HMA has been heavily dependent on its manufacturing base. In 1990, 29 percent of the area's work force was employed in manufacturing; by 2002, this ratio had declined to approximately 20 percent. As the economy of the Erie HMA has diversified, its reliance upon manufacturing has decreased, but manufacturing still remains a significant component of the local economy. The existence of local government and certain other large employers, including hospitals and colleges have helped to provide some economic stability to the HMA.

The largest employer in the HMA is General Electric Company, which refurbishes locomotives and manufactures motors and generators. The City of Erie also contains two prominent health-care providers: Hamot Medical Center and Saint Vincent Heath Center. Combined, these two large medical centers employ an estimated 5,000 persons. Erie Insurance Group, a nationwide property, casualty, auto, and life insurance company, maintains its corporate headquarters in the city and is a mainstay of the local economy.

Growth is expected to continue in the service-providing, retail and wholesale trade, financial activities, education, and healthcare sectors. Trends in annual average civilian labor force and total employment and nonfarm wage and salary employment by industry sector, from 1990 through the Current date, are presented in Tables 1 and 2, respectively.

Tourism is also an important factor in the local economy. Presque Isle State Park, a 3,200-acre recreational park, which juts into Lake Erie, is a major tourist attraction. The state park attracts an estimated 4 million people to the area annually and offers numerous recreational activities, including swimming, hiking, camping, fishing, and picnicking in the summer and ice fishing, ice-skating, and cross-country skiing in the winter.

A major highway construction project in the City of Erie is under way on the Bayfront Parkway, which extends along the Lake Erie waterfront. When completed, the Eastside Connector project will link Interstate 90 and Interstate 79 to the Bayfront Parkway. Planners anticipate that this development will spur additional investment in the

waterfront area of the city, including the proposed construction of a new convention center and an adjacent hotel. Increased public highway and infrastructure improvements in the area during the past 3 years are also expected to leverage additional private investment.

Household Incomes

According to HUD's Economic and Market Analysis Division, the median family income for the Erie HMA was \$50,600 in 2003, approximately 10 percent lower than the \$56,500 median family income level for the United States. Between 1990 and 2000, median family income in the HMA increased from \$32,145 to \$44,829, or at a compound annual rate of 3.4 percent. Since 2000, the rate of increase in the area's median family income has slowed slightly to approximately 3.1 percent.

Population

As of the Current date, the total population of the Erie HMA was estimated at 282,300 persons, or a negligible 0.4-percent annual increase in population since the 2000 Census. This low rate of growth is slightly higher than the 0.2 percent annual gain, or 527-person average annual increase between 1990 and 2000.

Between 1990 and 2000, the population in the Remainder of the HMA increased to 177,126 persons or an average annual increase of 1,025 persons, or 0.1 percent. A significant part of this net gain was a result of out-migration from the City of Erie. During this period, population in the city declined an average of 500 persons annually or 0.1 percent to 103,717 persons.

A major factor in the low rate of growth in population of the HMA is the result of out-migration associated with employment losses. Between 1990 and 2000, net natural increase (resident births minus resident deaths) in the HMA totaled 11,668 persons, of which 7,222 were in the City of Erie. This increase was tempered by the out-migration of approximately 6,400 persons from the HMA. Both the City of Erie and the Remainder of the HMA exhibited out-migration.

From 2000 to the Current date, net out-migration increased due to significant job losses. Continued out-migration from the HMA is projected through the forecast period ending October 1, 2005. Net natural increase has been estimated at 800 persons annually since 2000 and this level is expected to continue during the 2-year forecast period. Population trends from 1990 through the Forecast date for the HMA and both submarket areas are presented in Table 3.

Considering an anticipated modest level of economic growth during the 2-year forecast period, the population of the HMA is expected to increase slightly. As of the Forecast date, the population of the Erie HMA will total an estimated 282,800 persons, or an average annual increase of 250 persons.

Households

Trends in the number of households in the Erie HMA are consistent with changes in the population during the past 13.5 years. Between 1990 and 2000, the number of households in the HMA increased at an average rate of 500 households per year. An estimated 108,300 households reside in the Erie, HMA as of the Current date. Improving economic conditions in the HMA are expected to result in a reduction in the rate of out-migration during the forecast period and a subsequent increase in population and household formation. During the forecast period, households are expected to increase by 550 annually. Through October 1, 2005, the total number of households in the HMA is projected to increase to 109,400 households, a gain of less than 1 percent. Trends in household change from 1990 through the Forecast date for the HMA and for the two submarket areas are presented in Table 3.

Housing Inventory

The Erie HMA contains a significant inventory of older housing units. More than 50 percent of the total housing stock in the HMA was built before 1959. Owner-occupied housing units increased by approximately 400 units annually and rental units increased an average of 90 units annually between 1990 and 2000.

As of the Current date, the housing inventory in the HMA is estimated to be 116,600 units, or an average increase of 650 units since 2000. Trends in housing inventory, occupancy, and vacancy by tenure from 1990 to the Current date are presented in Table 4. Annual trends in residential building permit activity in the HMA from 1992 to the Current date for both single and multifamily housing are listed in Table 5.

Between 1993 and 2002, residential construction activity in the HMA averaged 790 units a year. Single-family building permit activity accounted for an average of 630 units annually, approximately 80 percent of total construction activity. Consistent with the downturn in the area economy since 2000, residential building permit activity has declined to an average of approximately 640 units annually from 2000 to the Current date. Since 1990 most residential building activity, both single-family and multifamily, in the HMA has occurred in the Remainder of the HMA.

Except for one apartment development of approximately 150 units in 1993, there has been no large-scale multifamily building in the HMA to date. From 1992 through 2002, multifamily construction in the Remainder of the HMA averaged 115 units annually. During 2001 and 2002, however, multifamily building permit activity decreased to an average of 50 units annually. Typical new rental developments in the Remainder of the HMA consist of small apartment complexes of 15 units or less.

Housing Vacancy

As of the 1990 Census, the sales vacancy rate in the HMA was 1.2 percent and the rental vacancy rate was 6.9 percent, both indicative of balanced market. As of 2000, vacancy

rates for owner and renter units increased to 1.6 and 7.9 percent, respectively. The greater increase in the rental vacancy rate reflected the decline in renter demand and households due to slowing economic conditions. As of the Current date, the sales vacancy rate declined to 1.5 percent, while the rental vacancy rate continued to increase to an estimated 8.3 percent.

Sales Market Conditions

The Erie HMA has a substantial inventory of affordable sales housing. In 2000, the median value of an owner-occupied housing unit in the Erie HMA was \$85,300. Despite recent economic declines, the sales market in the HMA has remained relatively strong across all price ranges.

Because of the affordable cost of housing, the Erie HMA has a relatively high incidence of homeownership. In 1990, homeowners made up 68.6 percent of all households. By 2000 the homeownership rate had increased to 69.2 percent. During the 3.5 years from the 2000 Census to the Current date, the rate has increased to an estimated 69.7 percent. This continued tenure shift reflects the impact of continued low mortgage interest rates and a stable population.

A portion of the construction of new sales housing in the HMA consists of multifamily condominium units and single-family attached townhouses. Construction of patio homes and townhouses designed for empty nesters and the elderly is becoming more prevalent. A typical condominium is a two-bedroom/two-bath unit of approximately 1,300 square feet, with a price between \$140,000 and \$160,000.

Rental Market Conditions

Overall conditions in the rental market are balanced in the Erie HMA. However, softer, more competitive conditions exist in some segments of the market, in both the City of Erie and the Remainder of the HMA. Conditions in most of the well-maintained rental properties are balanced. Occupancy rates of 90 to 95 percent are typical for apartment developments throughout the HMA. During the early 1990s, downtown Erie was one of the more active areas of the HMA for moderately priced market-rate rentals. Many of these downtown developments were adaptive-reuse type projects geared toward young professionals and college students.

Gannon University is located in downtown Erie and has a fall 2003 enrollment of 3,500 students. Approximately 1,500 students live on campus at Gannon University. Many of the remaining 2,000 students, however, are in the local rental market. Typically, they reside within three blocks of the campus in the near west side of the city. Off-campus housing usually involves shared living arrangements with two to three students per unit. Individual costs to a student are estimated at \$300 to \$350 per month, plus utilities. A sufficient inventory of available rental housing exists near the university to accommodate off-campus student demand.

As with sales housing, rental housing is also relatively affordable. The rent for a two-bedroom/two-bath unit in recently constructed rental development ranges from \$650 and \$1,000 per month, plus utilities. Rents tend to be lower in the City of Erie, than in the Remainder of the HMA, a reflection of the fact that most of the new construction has been in the suburbs. Overall apartment occupancy is currently estimated to be approximately 90 percent in the City, and above 90 percent in the Remainder of the HMA. Consistent with the balanced, but slightly soft and highly competitive market conditions in many segments, rent increases tend to be small and very limited.

As of the Current date, approximately 2,160 units of public housing are administered by the Housing Authority of the City of Erie. Occupancy is estimated to be approximately 92 percent. The Housing Authority also administers 975 rental units under the Section 8 Housing Choice Voucher and Moderate Rehabilitation programs. Occupancy in these units is effectively 100 percent. The City of Corry, in the southeastern part of the county, also has a public housing agency that administers a small inventory of 75 public housing units.

Housing developments financed with the Low-Income Housing Tax Credit (LIHTC) also represent an important component of the overall assisted rental housing market in the HMA. An estimated 560 units of rental housing financed by tax credits have entered the market during the past 10 years. Recently, however, the absorption of both elderly and general occupancy LIHTC rental properties has slowed and waiting lists in existing properties in both the City of Erie and the Remainder of the HMA have declined.

Recently, the Pennsylvania Housing Finance Agency announced funding for constructing 50 units of affordable new housing to be developed over 2 years in the southeastern part of the City of Erie. This development will involve the construction of two-, three-, and four-bedroom modular homes priced from \$60,000 to \$80,000.

Forecast Housing Demand

The principal factors associated with projected housing demand in the Erie HMA are household growth and housing replacement needs due to either functional obsolescence or housing demolition. This incremental demand for new housing is further adjusted to account for the need of the housing market to absorb any existing excess vacant units in order to maintain a balanced market.

Based on anticipated household growth and current market conditions, it is estimated that there will be a demand for approximately 1,400 new units of sales housing and 100 rental units during the 2-year forecast period ending October 1, 2005. This level of housing production would permit for the absorption of excess rental supply and thus allow for more balanced housing market conditions.

The availability of land suitable for development is not a constraint in terms of future housing construction activity. Sufficient undeveloped property exists in the HMA to support future development needs.

A tabular summary of rental qualitative demand for the HMA in total is presented in Table 6. The distribution of Forecast demand for market-rate rental units by bedroom size was based on the distribution of renter households by size, the distribution of the rental inventory as of the 2000 Census, trends in housing production since the 2000 Census, current pipeline activity, and market conditions.

Table 1
 Labor Force and Total Employment
 Erie HMA
 1992 to October 1, 2003

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | Previous 12 Mos. | Current 12 Mos. |
|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|--------------------|
| Labor Force | 138,500 | 140,000 | 137,900 | 138,800 | 139,400 | 140,600 | 138,800 | 140,500 | 142,800 | 143,400 | 144,400 | 144,200 | 141,300 |
| Employment | 127,800 | 130,100 | 128,700 | 129,900 | 131,300 | 132,300 | 131,600 | 133,500 | 135,800 | 135,000 | 133,700 | 133,800 | 131,200 |
| Unemployment | 10,700 | 9,900 | 9,200 | 8,900 | 8,100 | 8,200 | 7,200 | 7,000 | 7,000 | 8,400 | 10,700 | 10,400 | 10,100 |
| Rate (%) | 7.7 | 7.1 | 6.7 | 6.4 | 5.8 | 5.8 | 5.2 | 5.0 | 4.9 | 5.9 | 7.4 | 7.2 | 7.1 |

Note: Numbers may not add to totals due to rounding.

Sources: Pennsylvania Department of Labor and Industry
 Center for Workforce Information and Analysis

Table 2
 Nonfarm Employment
 Erie HMA
 1992 to October 1, 2003

| Employment Sector | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | Previous 12 Mos. | Current 12 Mos. |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|--------------------|
| Total Nonfarm | 122,100 | 124,400 | 124,900 | 127,400 | 127,600 | 129,200 | 130,900 | 133,900 | 136,200 | 133,500 | 131,300 | 131,500 | 130,100 |
| Goods Producing | 38,400 | 39,000 | 38,300 | 38,400 | 37,400 | 37,400 | 38,000 | 38,600 | 38,400 | 35,800 | 32,900 | 33,400 | 31,500 |
| Manufacturing | 34,200 | 34,800 | 34,800 | 34,200 | 33,200 | 33,100 | 33,500 | 33,700 | 33,400 | 30,800 | 28,000 | 28,500 | 26,600 |
| Durable Goods | 23,900 | 24,400 | 24,200 | 24,500 | 23,800 | 23,600 | 24,000 | 23,800 | 23,400 | 21,300 | 19,200 | 19,500 | 18,400 |
| Nondurable Goods | 10,400 | 10,500 | 10,100 | 9,700 | 9,400 | 9,500 | 9,500 | 9,800 | 10,000 | 9,600 | 8,800 | 9,000 | 8,300 |
| Service Producing | 83,700 | 85,400 | 86,700 | 89,000 | 90,200 | 91,800 | 92,900 | 95,200 | 97,800 | 97,600 | 98,400 | 98,100 | 98,500 |
| Trade, Trans., & Utilities | 19,600 | 19,900 | 20,000 | 20,600 | 21,200 | 21,600 | 21,700 | 22,300 | 23,100 | 22,800 | 22,600 | 22,600 | 22,200 |
| Wholesale Trade | 4,000 | 4,000 | 4,000 | 4,000 | 3,900 | 3,900 | 3,900 | 3,900 | 3,800 | 3,700 | 3,600 | 3,600 | 3,600 |
| Retail Trade | 13,300 | 13,800 | 13,800 | 14,200 | 14,600 | 15,000 | 15,200 | 15,600 | 16,400 | 16,600 | 16,500 | 16,500 | 16,300 |
| Information | 2,200 | 2,200 | 2,200 | 2,400 | 2,600 | 2,700 | 2,600 | 2,700 | 2,700 | 2,700 | 2,400 | 2,400 | 2,400 |
| Financial Activities | 6,000 | 6,000 | 6,200 | 6,200 | 6,100 | 6,100 | 6,100 | 6,100 | 6,200 | 6,500 | 6,600 | 6,500 | 6,700 |
| Prof. & Bus. Services | 7,400 | 7,600 | 8,100 | 8,500 | 8,600 | 9,100 | 9,400 | 10,000 | 10,800 | 10,500 | 10,700 | 10,500 | 11,000 |
| Edu. & Healthcare Svcs. | 19,400 | 19,600 | 19,800 | 20,200 | 20,400 | 20,600 | 20,800 | 20,900 | 21,300 | 21,600 | 22,100 | 22,000 | 22,200 |
| H'lthcare & Soc'l Ass. | 15,900 | 16,100 | 15,900 | 16,100 | 16,200 | 16,200 | 16,300 | 16,400 | 16,700 | 17,200 | 17,600 | 17,600 | 17,800 |
| Leisure & Hospitality | 9,900 | 10,500 | 10,400 | 10,800 | 10,900 | 11,000 | 11,200 | 11,800 | 11,600 | 11,500 | 11,500 | 11,600 | 11,500 |
| Other Services | 5,200 | 5,400 | 5,400 | 5,400 | 5,400 | 5,500 | 5,600 | 5,800 | 6,000 | 6,100 | 6,400 | 6,300 | 6,400 |
| Government | 14,000 | 14,200 | 14,500 | 14,900 | 15,000 | 15,300 | 15,500 | 15,700 | 16,000 | 16,100 | 16,200 | 16,200 | 16,200 |
| Federal Government | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,600 | 1,600 | 1,700 | 1,700 | 15,000 | 1,400 | 1,400 | 1,400 |
| State Government | 3,200 | 3,300 | 3,500 | 3,700 | 3,800 | 4,000 | 4,200 | 4,100 | 4,300 | 4,300 | 4,400 | 4,400 | 4,300 |
| Local Government | 9,300 | 9,400 | 9,500 | 9,700 | 9,700 | 9,700 | 9,700 | 10,000 | 10,100 | 10,200 | 10,400 | 10,300 | 10,500 |

Sources: Pennsylvania Department of Labor and Industry
 Center for Workforce Information and Analysis

Table 3
 Population and Household Trends
 Erie HMA
 April 1, 1990 to September 1, 2005

| | April 1, 1990 | April 1, 2000 | Current Date | Forecast Date | Average Annual Change | | | | | |
|-------------------|---------------|---------------|--------------|---------------|-----------------------|----------|-----------------|----------|---------------------|----------|
| | | | | | 1990 to 2000 | | 2000 to Current | | Current to Forecast | |
| | | | | | Number | Rate (%) | Number | Rate (%) | Number | Rate (%) |
| Population | | | | | | | | | | |
| Erie HMA | 275,572 | 280,843 | 282,300 | 282,800 | 525 | 0.0 | 500 | 0.0 | 250 | 0.0 |
| City of Erie | 108,708 | 103,717 | 102,200 | 101,000 | -500 | -0.1 | -450 | -0.1 | -650 | 0.0 |
| Remainder of HMA | 166,864 | 177,126 | 180,100 | 181,800 | 1,025 | 0.1 | 950 | 0.1 | 900 | 0.0 |
| Households | | | | | | | | | | |
| Erie HMA | 101,564 | 106,507 | 108,300 | 109,400 | 500 | 0.1 | 500 | 0.1 | 550 | 0.0 |
| City of Erie | 42,131 | 40,938 | 40,800 | 40,700 | -120 | -0.0 | -50 | -0.0 | -25 | -0.1 |
| Remainder of HMA | 59,433 | 65,569 | 67,500 | 68,700 | 620 | 0.1 | 550 | 0.1 | 575 | 0.1 |

Sources: U.S. Census Bureau, 1990 and 2000 Censuses
 Current and Forecast: Estimates by analyst

Table 4
Housing Inventory Tenure and Vacancy
Erie HMA
1990 to October 1, 2003

| | Erie HMA | | | City of Erie | | | Remainder of HMA | | |
|--------------------------------|----------|---------|---------|--------------|--------|---------|------------------|--------|---------|
| | 1990 | 2000 | Current | 1990 | 2000 | Current | 1990 | 2000 | Current |
| Total Housing Inventory | 108,585 | 114,322 | 116,600 | 45,424 | 44,973 | 40,800 | 63,161 | 69,349 | 75,800 |
| Occupied Units | 101,564 | 106,507 | 108,300 | 42,131 | 40,892 | 40,800 | 59,433 | 65,615 | 67,500 |
| Owners | 69,705 | 73,729 | 75,500 | 23,838 | 22,944 | 23,000 | 45,867 | 50,785 | 52,500 |
| % | 68.6 | 69.2 | 69.7 | 56.6 | 56.1 | 56.4 | 77.2 | 77.4 | 77.7 |
| Renters | 31,859 | 32,799 | 32,800 | 18,293 | 17,948 | 17,800 | 13,566 | 14,851 | 15,000 |
| % | 31.37 | 30.80 | 30.3 | 43.4 | 43.9 | 43.6 | 22.83 | 22.63 | 22.3 |
| Vacant Units | 7,021 | 7,815 | 8,300 | 3,293 | 4,033 | 2,400 | 3,728 | 3,782 | 5,900 |
| Available Units | 2,895 | 4,288 | 4,200 | 1,798 | 1,635 | 1,675 | 1,097 | 2,653 | 2,525 |
| For Sale | 869 | 1,199 | 1,150 | 407 | 493 | 470 | 462 | 706 | 680 |
| Rate (%) | 1.2 | 1.6 | 1.5 | 1.7 | 2.1 | 2.0 | 1.0 | 1.4 | 1.3 |
| For Rent | 2,364 | 2,812 | 2,950 | 1,391 | 1,905 | 1,950 | 973 | 907 | 1,000 |
| Rate (%) | 6.9 | 7.9 | 8.3 | 7.1 | 9.6 | 9.8 | 6.7 | 5.8 | 6.4 |
| Other Vacant | 3,788 | 3,804 | 4,200 | 3,293 | 1,635 | 1,675 | 495 | 2,169 | 2,550 |

Sources: U.S. Census Bureau, 1990 and 2000 Censuses
Current and Forecast: Estimates by analyst

Table 5
Residential Building Permit Activity
Erie HMA
1992 to October 1, 2003

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003* |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|-------|
| Erie HMA | | | | | | | | | | | | |
| Total | 720 | 982 | 873 | 857 | 808 | 799 | 748 | 775 | 704 | 715 | 643 | 381 |
| Single-family | 663 | 699 | 738 | 638 | 631 | 616 | 559 | 660 | 574 | 600 | 593 | 289 |
| Multifamily | 57 | 283 | 135 | 219 | 177 | 183 | 189 | 115 | 130 | 115 | 50 | 92 |
| City of Erie | | | | | | | | | | | | |
| Total | 38 | 183 | 64 | 94 | 85 | 41 | 37 | 64 | 37 | 75 | 17 | 78 |
| Single-family | 22 | 35 | 22 | 18 | 38 | 21 | 17 | 32 | 32 | 17 | 11 | 30 |
| Multifamily | 16 | 148 | 42 | 76 | 47 | 20 | 20 | 32 | 5 | 58 | 6 | 48 |
| Remainder of HMA | | | | | | | | | | | | |
| Total | 682 | 799 | 809 | 763 | 723 | 758 | 711 | 711 | 667 | 640 | 626 | 303 |
| Single-family | 641 | 664 | 716 | 620 | 593 | 595 | 542 | 628 | 542 | 583 | 582 | 259 |
| Multifamily | 41 | 135 | 93 | 143 | 130 | 163 | 169 | 83 | 125 | 57 | 44 | 44 |

* Permits issued through September 30, 2003.

Source: U.S. Census Bureau, C-40 Construction Series

Table 6
Estimated Qualitative Annual Demand for New Market-Rate Rental Housing
Erie HMA
October 1, 2003 to October 1, 2005

| One Bedroom | | Two Bedrooms | | Three Bedrooms | |
|--------------------|----|---------------------|----|-----------------------|----|
| \$450 | 15 | \$650 | 20 | \$800 | 15 |
| \$500 | 25 | \$700 | 20 | \$850 | 10 |
| \$550 | 25 | \$750 | 15 | \$900 | 10 |
| \$600 | 20 | \$800 | 15 | | |
| \$650 | 20 | \$850 | 10 | | |
| \$700 | 15 | | | | |
| \$750 | 10 | | | | |

Source: Estimates by analyst