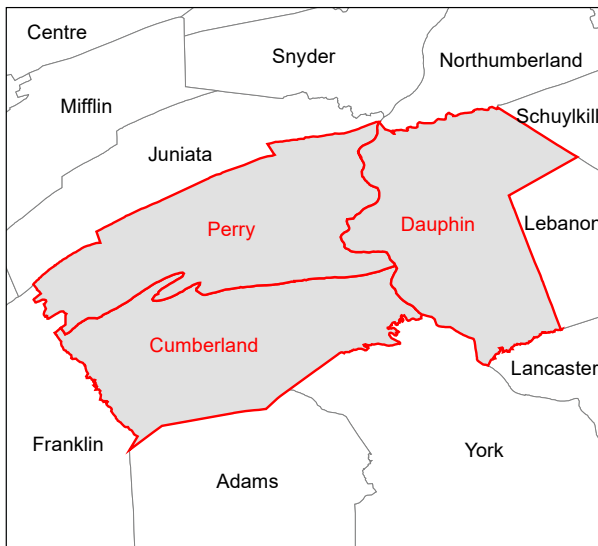
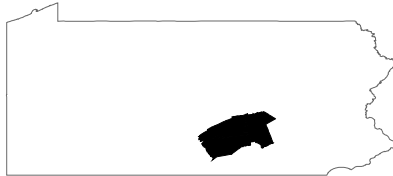




Harrisburg-Carlisle, Pennsylvania

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of May 1, 2018



Housing Market Area

The Harrisburg-Carlisle Housing Market Area (HMA), coterminous with the Harrisburg-Carlisle, PA Metropolitan Statistical Area (MSA), includes Cumberland, Dauphin, and Perry Counties. Nearly 100 miles west of Philadelphia in central Pennsylvania, the HMA is home to the state capital, Harrisburg, and The Hershey Company.

Summary

Economy

Economic conditions in the Harrisburg-Carlisle HMA fully recovered from the latest national recession by 2015, with current average nonfarm payrolls above the previous peak in 2008 by 9,400 jobs, or 2.8 percent. During the 12 months ending April 2018, nonfarm payrolls increased by 2,600, or 0.8 percent, to 342,700. During the

3-year forecast period, nonfarm payrolls are expected to rise an average of 0.6 percent annually.

Sales Market

The sales housing market in the HMA is currently balanced, with an estimated vacancy rate of 1.8 percent, down from 2.1 percent in April 2010. During the 12 months ending April 2018, 9,850 homes were sold, a 2-percent increase from a year earlier, while the average price of a home sold was \$184,600, 4 percent higher than a year earlier. During the forecast period, demand for new homes is estimated at 3,600 (Table 1). Demand is expected to decrease slightly each year during the

forecast period because of slowing net in-migration. The 550 homes under construction will meet a portion of the forecast demand.

Table 1. Housing Demand in the Harrisburg-Carlisle HMA During the Forecast Period

Harrisburg-Carlisle HMA	Sales Units	Rental Units
Total demand	3,600	1,825
Under construction	550	750

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of May 1, 2018. The forecast period is May 1, 2018, to May 1, 2021. Source: Estimates by analyst

Market Details

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Rental Market

The current rental housing market is slightly tight. The overall rental vacancy rate is estimated at 5.3 percent, down from 7.9 percent in April 2010. The apartment market is slightly tight, with a vacancy rate of 4.4 percent during the first quarter of 2018, up from 4.2

percent a year earlier (RealPage, Inc.). The average asking rent in the first quarter of 2018 was \$1,011, a 4-percent increase from a year earlier. During the forecast period, demand is estimated for 1,825 new market-rate rental units (Table 1). The 750 units currently under construction will meet a portion of that demand.

Economic Conditions

The Harrisburg-Carlisle HMA has added jobs every year since 2011, following 2 years of job losses. The HMA lost an average of 6,200 jobs, or 1.9 percent, annually during 2009 and 2010 because of the effects of the national recession in the late 2000s. From 2011 through 2017, nonfarm payrolls rose at an average annual rate of 3,000 jobs, or 0.9 percent. By 2015, the economy recovered the jobs lost in the late 2000s, and nonfarm payrolls are currently 2.8 percent higher than the previous peak that occurred in 2008.

After virtually no nonfarm payroll growth from 2001 through 2003, nonfarm payrolls in the HMA increased every year from 2004 through 2008, prior to the local economic downturn spurred by the national recession. Most of the nonfarm payroll growth during this period occurred during 2005 and 2006, after increasing modestly by 800 jobs, or 0.2 percent, in 2004. During 2005 and 2006, nonfarm payrolls rose by an average of 3,900, or 1.2 percent, annually. The professional and business services sector accounted for most job growth during the period, increasing by an average of 1,800 jobs, or 5.0 percent, annually, in part, because IntelliMark Associates, an information technology services firm, opened an office in May

2006 with 150 employees. In contrast, during 2007 and 2008, job growth in the HMA slowed to an annual increase of 1,100, or 0.3 percent, largely because professional and business services sector job growth decelerated to an average annual increase of 400, or 1.0 percent. When the effects of the national recession started to impact the HMA, nearly every employment sector lost jobs during the 2009-through-2010 period, except for the education and health services sector, which grew by 1,000 jobs, or 2.1 percent, in part, because of the opening of the \$16.0 million expansion of Geisinger Holy Spirit Hospital in 2009, which created about 200 new jobs.

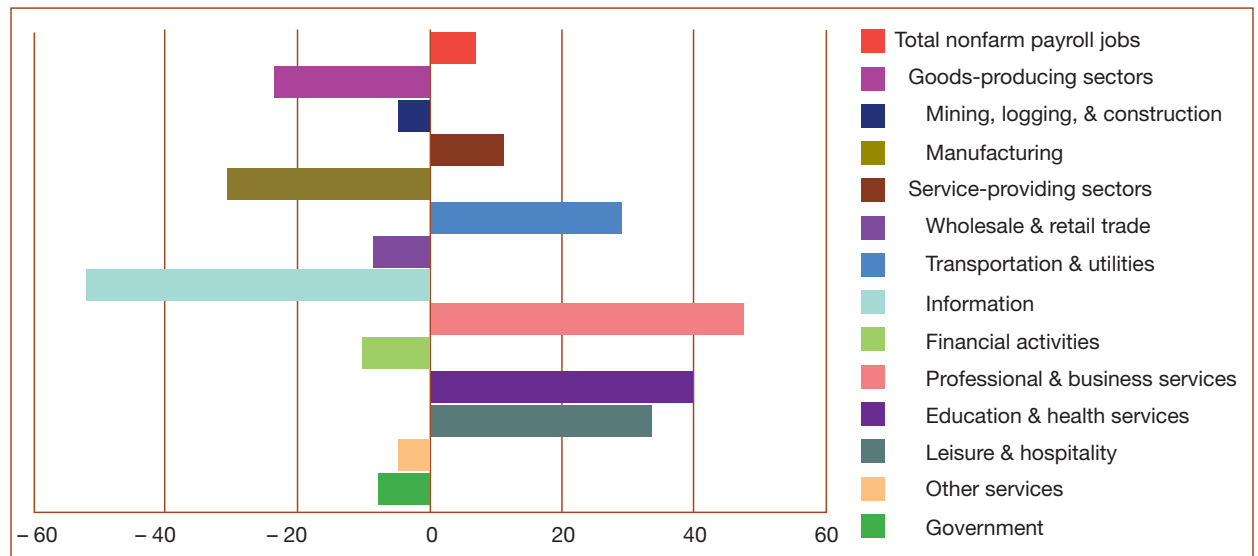
The economy of the Harrisburg-Carlisle HMA began to recover in 2011, albeit modestly. From 2011 through 2013, total nonfarm payrolls rose by an average of 1,200, or 0.4 percent annually. The professional and business services sector again added the most jobs during this period, growing by an average of 1,800, or 4.3 percent, annually. Comcast Corporation opened a call center in April 2013, adding 425 jobs to the HMA. Partially offsetting this growth was a loss of jobs in the information sector, which has had the largest percentage decline of all sectors in the HMA since 2000 (Figure 1), falling by an average

of 300, or 5.1 percent, annually, from 2011 through 2013. The Patriot-News, a newspaper serving the HMA, reduced circulation beginning in 2013, resulting in the loss of nearly 50 jobs. From 2013 through 2017, job gains in the HMA accelerated, rising by an average of 4,300 jobs, or 1.3 percent, annually. The transportation and utilities sector led job growth during the period, accounting for 47 percent of gains, largely because of the addition of more than 1,500 jobs

at two new Amazon.com, Inc. fulfillment centers that opened in 2013 and 2015.

During the 12 months ending April 2018, total nonfarm payrolls in the Harrisburg-Carlisle HMA averaged 342,700, a 2,600-job increase, or 0.8 percent, from a year earlier (Table 2). This year-over-year job growth was lower than the 1.3-percent gain during the 12 months ending April 2017. Nearly one-half of the nonfarm payroll sectors added jobs during

Figure 1. Sector Growth in the Harrisburg-Carlisle HMA, Percentage Change, 2000 to Current



Note: Current is based on 12-month averages through April 2018.

Source: U.S. Bureau of Labor Statistics

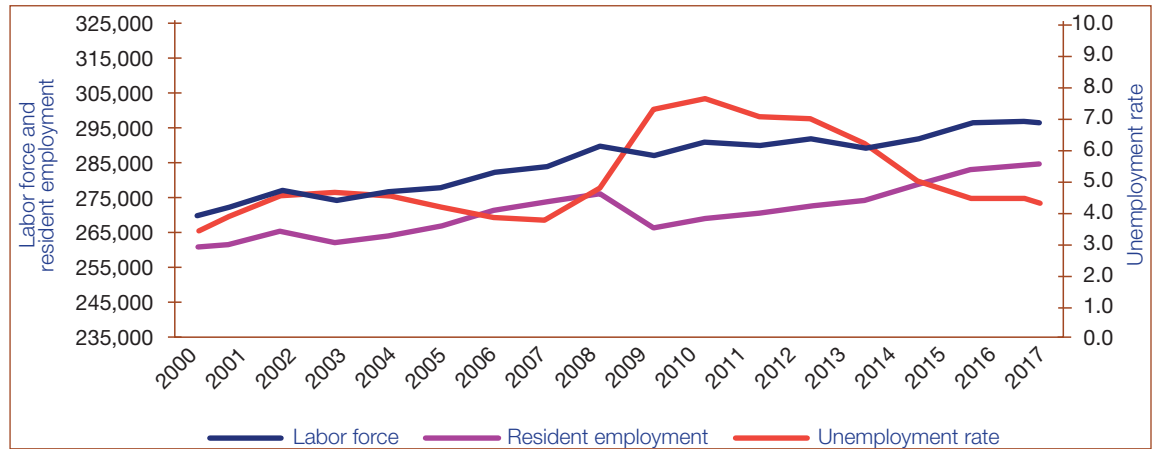
Table 2. 12-Month Average Nonfarm Payroll Jobs in the Harrisburg-Carlisle HMA by Sector

	12 Months Ending		Absolute Change	Percent Change
	April 2017	April 2018		
Total nonfarm payroll jobs	340,100	342,700	2,600	0.8
Goods-producing sectors	32,300	33,600	1,300	4.0
Mining, logging, and construction	10,900	11,900	1,000	9.2
Manufacturing	21,300	21,700	400	1.9
Service-providing sectors	307,800	309,100	1,300	0.4
Wholesale and retail trade	43,900	43,600	-300	-0.7
Transportation and utilities	28,600	29,100	500	1.7
Information	3,900	3,700	-200	-5.1
Financial activities	21,600	21,600	0	0.0
Professional and business services	48,800	48,600	-200	-0.4
Education and health services	55,600	57,200	1,600	2.9
Leisure and hospitality	31,900	32,300	400	1.3
Other services	15,000	14,800	-200	-1.3
Government	58,600	58,300	-300	-0.5

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through April 2017 and April 2018.

Source: U.S. Bureau of Labor Statistics

Figure 2. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Harrisburg-Carlisle HMA, 2000 Through 2017



Source: U.S. Bureau of Labor Statistics

the past year, but most of the job gains were concentrated in two sectors: the education and health services and the mining, logging, and construction sectors. The unemployment rate averaged 4.1 percent during the 12 months ending April 2018, down from 4.4 percent a year earlier. By comparison, the unemployment rate reached a recent peak of 7.5 percent in 2010 and averaged 4.2 percent from 2003 through 2008 (Figure 2).

Because the city of Harrisburg is the state capital of Pennsylvania, the government sector is the largest employment sector in the HMA, accounting for 17 percent of all jobs during the 12 months ending

April 2018 (Figure 3), down from 20 percent in 2000. Despite a period of overall nonfarm payroll recovery and expansion in the HMA since 2011, jobs in the government sector have declined every year by an average of 700, or 1.1 percent, with the local government subsector accounting for nearly one-half of job losses during the period. The city of Harrisburg declared bankruptcy in 2011 and was subsequently placed under financial oversight by the state of Pennsylvania, which led to budget cuts and job losses. During the 12 months ending April 2018, jobs in the government sector averaged 58,300, a decrease of 300 jobs, or 0.5 percent, from a year earlier, largely because of

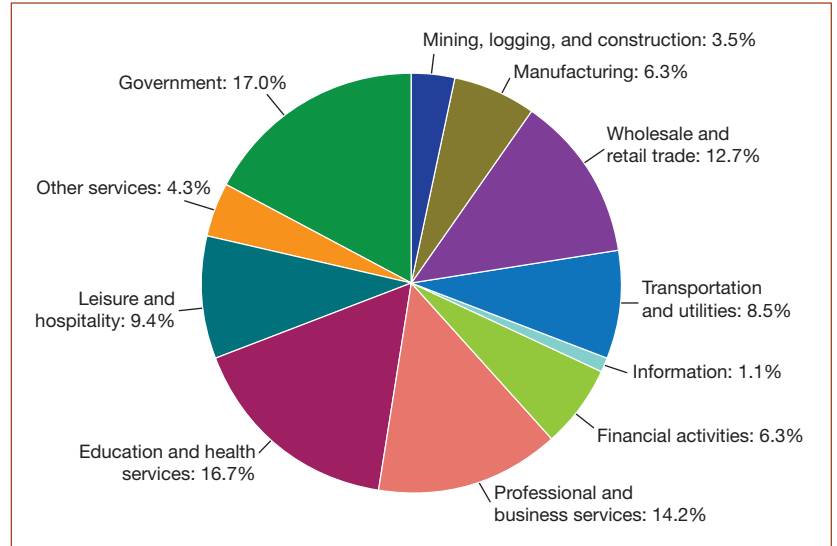
Table 3. Major Employers in the Harrisburg-Carlisle HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Commonwealth of Pennsylvania	Government	20,603
U.S. Government	Government	17,200
Penn State Health Milton S. Hershey Medical Center	Education and health services	11,145
Amazon.com, Inc.	Transportation and utilities	10,000
Giant Food Stores, LLC	Wholesale and retail trade	8,800
Hershey Entertainment and Resorts Company	Leisure and hospitality	7,500
JFC Staffing Associates	Professional and business services	6,695
The Hershey Company	Manufacturing	6,500
Wal-Mart Stores, Inc.	Wholesale and retail trade	6,500
UPMC Pinnacle Health System	Education and health services	5,563

Notes: Excludes local school districts. Data includes military personnel at Carlisle Barracks, U.S. Army War College, and Naval Support Activity Mechanicsburg, who are generally not included in nonfarm payroll survey data.

Source: Capital Region Economic Development Corporation

Figure 3. Current Nonfarm Payroll Jobs in the Harrisburg-Carlisle HMA, by Sector



Note: Based on 12-month averages through April 2018.

Source: U.S. Bureau of Labor Statistics

a loss of 500 jobs, or 1.7 percent, in the state government subsector. During 2017, Pennsylvania, the largest employer in the HMA (Table 3), laid off nearly 600 employees because of ongoing state budget issues.

The education and health services and the mining, logging, and construction sectors accounted for nearly all job gains during the 12 months ending April 2018. During the period, the education and health services sector averaged 57,200 jobs, increasing by 1,600, or 2.9 percent, from the same period a year earlier, including the addition of nearly 50 jobs at the \$5.0 million MedExpress Urgent Care Center that opened in December 2017. The sector is one of the foundations of the economy, comprising nearly 17 percent of all nonfarm payrolls in the HMA, largely because of the presence of several large hospital systems including Penn State Health Milton S. Hershey Medical Center and UPMC Pinnacle Health System. The mining, logging, and construction sector averaged 11,900 jobs during the 12 months ending April 2018,

rising by 1,000, or 9.2 percent, from a year earlier, compared with a 30-job, or 0.3-percent, increase from the 12 months ending April 2016 to the 12 months ending April 2017. The rapid increase in construction jobs during the past 12 months can largely be attributed to several commercial construction projects at Harrisburg International Airport that began in spring 2017, including the building of two adjacent hotels, a corporate aircraft hangar, a new office facility, and runway rehabilitation, creating nearly 600 construction jobs.

The economy in the Harrisburg-Carlisle HMA is expected to continue to expand, with forecast job growth expected to be slightly slower than the rate from 2011 through 2017. Total nonfarm payrolls are expected to rise by an average of 2,100, or 0.6 percent, annually during the 3-year forecast period, slowing each year during the forecast. During the forecast period, the education and health services sector is expected to continue contributing to job growth, in part, because of the aging population. Penn State Health is expected to start

construction of a \$148 million expansion of Hershey Children’s Hospital in May 2018, adding 100 beds and an unspecified number of jobs once completed in late 2020. Additionally, Penn State Health announced plans

to begin construction of a new 108-bed hospital in early 2019, which will create an undetermined number of temporary construction jobs and approximately 1,000 health services jobs when complete in 2022.

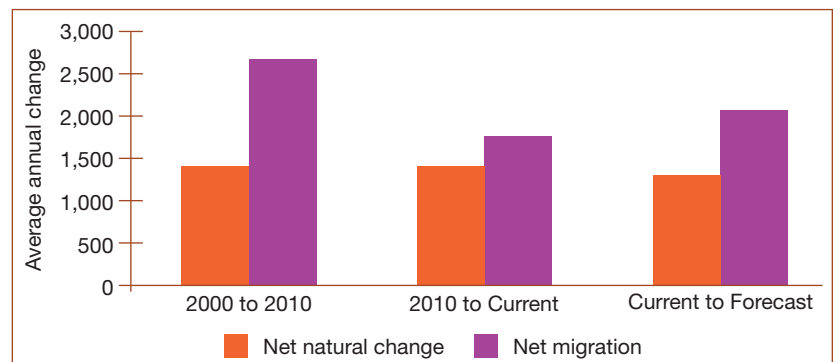
Population and Households

As of May 1, 2018, the population of the Harrisburg-Carlisle HMA is estimated at 575,100, an average annual increase of 0.6 percent, or 3,175, since 2010. Despite relatively strong job growth during this period, the population growth rate is slower than the 0.8-percent annual increase from 2000 to 2010 because of slower net in-migration. Nonetheless, since 2010, the HMA has been the third fastest growing MSA in Pennsylvania and the average net in-migration in the HMA was second behind the Allentown-Bethlehem-Easton, PA-NJ MSA.

From 2000 to 2004, despite virtually no job growth in the HMA, the population rose by an average of 3,100, or 0.6 percent, annually, with net in-migration averaging 2,025 and net natural change (resident births minus resident deaths) averaging 1,075 annually

(U.S. Census Bureau population estimates as of July 1). From 2004 to 2008, when job increases were strong, the population in the HMA rose by an average of 5,100, or 1.0 percent, annually. Net in-migration averaged 3,525, and net-natural change averaged 1,575 annually during this period. Population growth slowed to 3,275, or 0.6 percent, annually, from 2008 to 2011, because of the local economic downturn, with average net in-migration declining to 1,725 and net natural change falling slightly to 1,550. Despite a turnaround in economic conditions beginning in 2011, overall population growth in the HMA has maintained a similar rate, rising by an average of 3,375, or 0.6 percent, a year, with net in-migration rising to an average of 1,975 and net natural change declining to an average of 1,400 annually. Figure 4 shows the components of population change from 2000 to the forecast date.

Figure 4. Components of Population Change in the Harrisburg-Carlisle HMA, 2000 to Forecast



Notes: The current date is May 1, 2018. The forecast date is May 1, 2021.

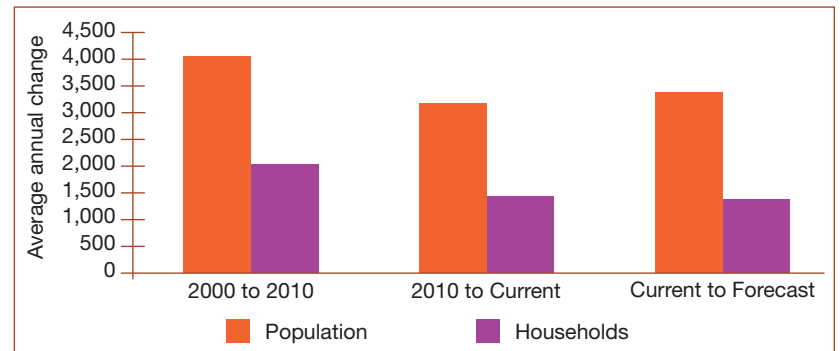
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

The population of the Harrisburg-Carlisle HMA is aging, which has contributed to a decline in net natural change in the HMA. In 2016, 30.8 percent of the population in the HMA was aged 55 years and older, an increase from 27.9 percent in 2010 (American Community Survey [ACS] 1-year data). By comparison, 28.0 percent of the U.S. population was aged 55 and older in 2016, up from 24.9 percent in 2010. The median age in the HMA was 40.1 years in 2016, higher than the national median age of 37.9 years.

An estimated 233,900 households reside in the Harrisburg-Carlisle HMA, reflecting an average annual increase of 1,425, or 0.6 percent,

since 2010. From 2000 to 2010, when population growth was stronger because of higher levels of net-in migration, the number of households grew by an average of 2,000, or 0.9 percent, annually (Figure 5). An estimated 65.8 percent of current households, or 153,900, are homeowners compared with homeownership rates of 69.7 and 69.0 percent in 2000 and 2010, respectively (Table DP-1). The decline in the homeownership rate in the HMA since 2010 reflects the effects of the recession of the late 2000s and subsequent foreclosure crisis, which shifted household preferences toward renting. Figure 6 illustrates the number of households by tenure from 2000 through the current date.

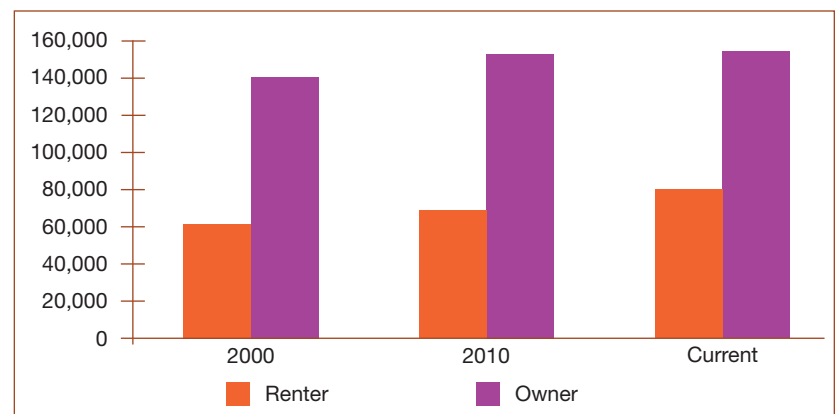
Figure 5. Population and Household Growth in the Harrisburg-Carlisle HMA, 2000 to Forecast



Notes: The current date is May 1, 2018. The forecast date is May 1, 2021.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 6. Number of Households by Tenure in the Harrisburg-Carlisle HMA, 2000 to Current



Notes: The current date is May 1, 2018.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

During the 3-year forecast period, the population of the HMA is expected to grow by an average of 3,375, or 0.6 percent, annually, with 61 percent of growth because of net in-migration. Although the average level of net in-migration during the next 3 years is expected to be higher than the 2010-to-

current period, the trend for this component is expected to slow in each year of the forecast because of decelerating job growth in the HMA. The number of households in the HMA is expected to grow by 1,375, or 0.6 percent, annually during the next 3 years, reaching 238,000 by May 1, 2021.

Housing Market Trends

Sales Market

The sales housing market in the Harrisburg-Carlisle HMA is currently balanced, with an estimated 1.8-percent vacancy rate, down from 2.1 percent in April 2010. Job and population growth since 2010 have contributed to the improvement in the sales market. During the 12 months ending April 2018, the HMA averaged 2.8 months of supply of new and existing homes available for sale, down from 4.2 months a year earlier and a recent peak of 7.6 months of supply during the 12 months ending January 2013 (CoreLogic, Inc.).

Although the foreclosure crisis affected the HMA, it was not to the same degree as the widespread impact in other parts of the state or nation. In April 2018, 1.9 percent of home loans in the HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status, down from 2.3 percent in April 2017 and 2.8 percent in April 2016 (CoreLogic, Inc.). By comparison, 2.6 percent of home loans in Pennsylvania and 2.1 percent of home loans in the nation were seriously delinquent or had transitioned into REO status in April 2018. The percentage of seriously delinquent home loans and REO properties in the HMA reached

a high of 4.7 percent in February 2013; the Pennsylvania rate peaked at 6.2 percent in January 2013, and the national rate peaked at 8.6 percent in February 2010. Despite the decrease in the rate of seriously delinquent home loans and REO properties, the rate in the HMA is still above the average rate of 1.6 percent from 2000 through 2007.

Conditions in the home sales market in the HMA have improved since 2011 because of the growing economy. Total home sales (including new and existing single-family homes, townhomes, and condominiums) increased 2 percent to 9,850 during the 12 months ending April 2018 compared with 3 percent growth during the same period a year earlier (CoreLogic, Inc.). Total home sales have increased an average of 8 percent annually since bottoming out at 6,050 during 2011. From 2004 through 2006, total home sales rose at a rapid rate of 22 percent annually to 10,150 homes sold to meet the demand of the growing population. Home sales subsequently declined an average of 10 percent a year from 2007 through 2011, when more stringent mortgage lending requirements during the foreclosure crisis and weak economic conditions subdued demand for homes. New home sales currently account for approximately 6 percent of total

home sales, down from a recent peak of 9 percent during 2013.

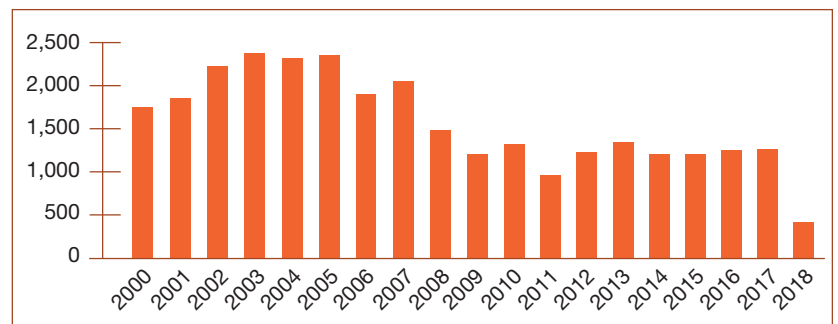
The average home sales price in the HMA has increased modestly since the end of the housing crisis, but the average price has plateaued during the past 24 months. The average home sales price in the HMA was \$184,600 during the 12 months ending April 2018, virtually unchanged from the previous 12 months. The average sales price is currently 15 percent higher than a previous peak of \$161,200 during 2006, after a period of rapid price increase. From 2004 through 2006, the average sales price rose an average of 12 percent annually. The average sales price slowed to an average annual increase of nearly 1 percent from 2007 through 2011 to an average sales price of \$165,300. From 2012 through 2016, the average sales price increased 2 percent annually.

Single-family homebuilding in the HMA has been relatively steady since 2012, in part, because of a consistent rise in home sales (Figure 7). During the 12 months ending April 2018, approximately 1,275 single-family homes were permitted, an increase of 75 homes, or 6 percent, compared with 1,200 single-family homes permitted during the previous

12-month period (preliminary data). Homebuilding activity in the Harrisburg-Carlisle HMA, as measured by the number of homes permitted, averaged 2,075 from 2000 through 2007, peaking at 2,350 homes permitted in 2003, which was the highest level of homes permitted since 1989. From 2008 through 2010, single-family home construction decreased, averaging 1,325 homes permitted annually, when a weakened economy hindered housing demand. Single-family home construction reached a 30-year low in 2011 when 950 homes were permitted, because of a lack of demand for new homes stemming from recent job losses and a slowdown in net in-migration. From 2012 through 2016, single-family home construction increased to an average of 1,225 homes annually.

Since 2011, homebuilding has been concentrated in the townships of Silver Spring, Lower Paxton, Upper Allen, and Hampden, comprising 20, 11, 11, and 10 percent of all single-family homebuilding from 2011 through 2017, respectively. Homebuilding in these townships has occurred because they are adjacent to the city of Harrisburg and borough of Mechanicsburg, two of the largest employment centers in the

Figure 7. Single-Family Homes Permitted in the Harrisburg-Carlisle HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through April 2018.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

HMA. In Upper Allen Township, construction began at the Orchard Glen subdivision in 2012. During the past 12 months, 37 three and four-bedroom homes sold, ranging in price from \$250,000 to \$475,000; in total, approximately 85 percent of the 175 lots in Orchard Glen have sold. Additionally, the aging population of the HMA has led to an increase of a number senior housing developments under construction. Traditions of America at Silver Spring, an active-adult community for people ages 55 and older in Silver Spring Township, is under way. In the 12 months ending April 2018, 51 new homes, consisting of two to four bedrooms, sold, ranging in price from \$250,000 to \$500,000. Since construction in the subdivision began in 2014, nearly 80 percent of the 110 lots in Traditions of

America at Silver Spring have been built and sold.

During the 3-year forecast period, demand is expected for 3,600 new homes, with demand decreasing slightly in the second and third year of the forecast period as net in-migration slows. The 550 homes currently under construction will partially meet demand (Table 1). It is estimated that demand will be strongest for new homes priced at \$400,000 and higher (Table 4).

Rental Market

Overall rental housing market conditions in the Harrisburg-Carlisle HMA are slightly tight, with a rental vacancy rate (including apartments, single-family homes, mobile homes, and other rental units) estimated at 5.3 percent as of May 1, 2018, down from 7.9 percent in April 2010 when rental market conditions were soft (Figure 8). The market for apartments is also slightly tight, with a vacancy rate of 4.4 percent during the first quarter of 2018, up from 4.2 percent in the same quarter a year earlier (RealPage, Inc.).

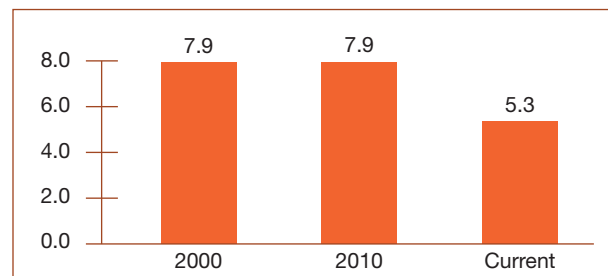
Rising demand for apartments has led to an increase in rents in the HMA. The average asking rent for apartments increased nearly 4 percent to \$1,011 in the first quarter of 2018 from \$977 a year earlier (RealPage, Inc.). After a 3-percent decrease in the average asking rent from \$689 in the first quarter of 2004 to \$670 in the first quarter of 2005, the average asking rent in the HMA has risen continually. The average asking rent increased an average of 4 percent annually from the first quarter of 2005 to \$837 in the first quarter of 2011 because of rising rental demand and a relative lack of apartment construction. Rent growth in the HMA moderated to an average increase of 3 percent

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Harrisburg-Carlisle HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
150,000	199,999	470	13.0
200,000	249,999	540	15.0
250,000	299,999	680	19.0
300,000	349,999	580	16.0
350,000	399,999	540	15.0
400,000	and higher	790	22.0

Notes: Numbers may not add to totals because of rounding. The 550 homes currently under construction in the HMA will likely satisfy some of the forecast demand. The forecast period is May 1, 2018, to May 1, 2021. Source: Estimates by analyst

Figure 8. Rental Vacancy Rates in the Harrisburg-Carlisle HMA, 2000 to Current



Note: The current date is May 1, 2018.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Rental Market *Continued*

annually from the first quarter of 2012 to the first quarter of 2017 despite increased demand for rental housing.

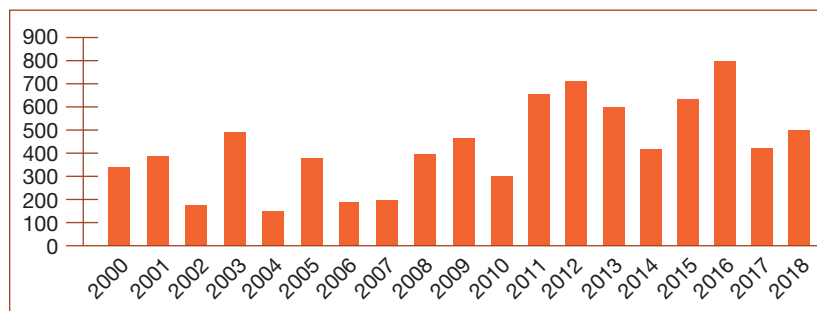
Multifamily construction in the HMA since 2011 has outpaced the number of multifamily units built from 2000 through 2010, largely because of rising demand for apartments (Figure 9). During the 12 months ending April 2018, nearly 760 multifamily units were permitted, doubling the 380 units permitted a year earlier (preliminary data). Multifamily construction activity in the HMA, as measured by the number of units permitted, averaged 290 annually from 2000 through 2007 during a period of strong single-family homebuilding because more households chose to own rather than rent. However, multifamily construction increased to an average of 380 units permitted annually from 2008 through 2010, when single-family homebuilding declined because of weakened economic conditions and the demand for rental housing began to increase. From 2011 through 2016, multifamily construction activity increased further, averaging 630 units annually, with a peak of 790 units in 2016, because of increased rental housing demand.

Nearly 35 percent of multifamily construction in the HMA since 2011 has been concentrated in

East Pennsboro and Lower Allen Townships surrounding the main employment centers of the city of Harrisburg and borough of Mechanicsburg. Recent apartment construction in these municipalities includes Brooks Edge, a 150-unit development in Lower Allen Township completed in 2016. The property includes two-bedroom apartments with rents ranging from \$1,110 to \$1,165. Also, in Lower Allen Township, 282 one- and two-bedroom apartments in the Arcona master planned community are expected to be completed in late 2019; construction of this property began in late 2016. Rents in this development are not yet determined. Additionally, The Overlook in East Pennsboro Township was completed in 2014. The 288-unit property consists of one- and two-bedroom apartments with rents starting at \$1,185 and \$1,385, respectively. In the borough of Hummelstown, where 5 percent of all multifamily construction in the HMA since 2011 has occurred because it is adjacent to Penn State Milton S. Hershey Medical Center, Verde, a 134-unit apartment development, is currently in lease up after opening in early 2018. Rents for one- and two-bedroom apartments at Verde start at \$1,295 and \$1,425, respectively.

During the 3-year forecast period, demand is expected for 1,825 new market-rate rental units, with demand gradually decreasing each year during the forecast, in part, because of decelerating immigration. Approximately 750 units currently under construction are expected to satisfy a portion of that demand (Table 1). Table 5 shows the forecast demand for new market-rate rental housing in the HMA by rent level and number of bedrooms. It is estimated that demand will be strongest for two-bedroom apartments with rents between \$1,350 and \$1,549.

Figure 9. Multifamily Units Permitted in the Harrisburg-Carlisle HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through April 2018.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Housing Market Trends

Rental Market *Continued*

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Harrisburg-Carlisle HMA During the Forecast Period

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand
985 to 1,184	440	1,150 to 1,349	220	1,375 to 1,574	35
1,185 or more	110	1,350 to 1,549	660	1,575 or more	150
		1,550 or more	220		
Total	550	Total	1,100	Total	180

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 750 units currently under construction will likely satisfy some of the estimated demand. The forecast period is May 1, 2018, to May 1, 2021.

Source: Estimates by analyst

Data Profile

Table DP-1. Harrisburg-Carlisle Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	260,317	268,191	282,700	0.3	0.7
Unemployment rate	3.3%	7.5%	4.1%		
Total nonfarm payroll jobs	322,200	320,900	342,700	0.0	0.9
Total population	509,074	549,475	575,100	0.8	0.6
Total households	202,380	222,281	233,900	0.9	0.6
Owner households	141,107	153,307	153,900	0.8	0.0
Percent owner	69.7%	69.0%	65.8%		
Renter households	61,273	68,974	80,000	1.2	1.9
Percent renter	30.3%	31.0%	34.2%		
Total housing units	217,025	240,818	255,300	1.0	0.7
Sales vacancy rate	1.8	2.1	1.8		
Rental vacancy rate	7.9	7.9	5.3		
Median family income	N/A	\$66,935	\$76,289	N/A	1.9

N/A = data not available.

Notes: Median Family Incomes are for 1999, 2009, and 2016. Employment data represent annual averages for 2000, 2010, and the 12 months through April 2018. The current date is May 1, 2018.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census

2010: 4/1/2010—U.S. Decennial Census

Current date: 5/1/2018—Estimates by the analyst

Forecast period: 5/1/2018–5/1/2021—Estimates by the analyst

The metropolitan statistical area definition noted in this report is based upon the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected

in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_Harrisburg_CarlislePA_18.pdf.

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also 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 mortgage insurance proposals that may be under consideration by the Department.

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

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.