

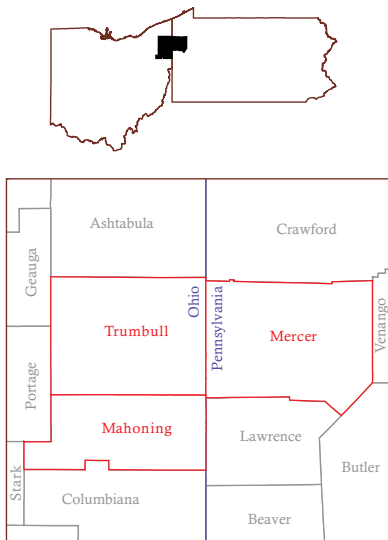


# Youngstown-Warren-Boardman, Ohio-Pennsylvania

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of October 1, 2012



## Housing Market Area



The Youngstown-Warren-Boardman Housing Market Area (HMA) (hereafter, the Youngstown HMA) consists of Mahoning and Trumbull Counties in northeastern Ohio and Mercer County in western Pennsylvania. The estimated population as of October 1, 2012, is 560,200, with 42 percent of the population residing in Mahoning County. Youngstown, the central city of the HMA and the county seat of Mahoning County, is also home to Youngstown State University (YSU).

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## Summary

### Economy

Nonfarm payrolls in the Youngstown HMA averaged 224,000 jobs during the 12 months ending September 2012, up 0.5 percent compared with the number of jobs recorded a year earlier. This increase followed a 1.6-percent decrease during the previous 12-month period. Most of the recent job growth occurred in the leisure and hospitality and the wholesale and retail trade sectors, which grew 2.9 and 1.5 percent, respectively, during the past 12 months. During the next 3 years, job growth is expected to average 0.8 percent annually.

### Sales Market

The home sales market in the HMA is soft, although prices and sales volume have both increased recently. The average sales price of new and existing homes during the 12 months ending September 2012 was \$109,900, a 12-percent increase from the preceding 12-month period. During this same period, the number of home sales increased 4 percent, largely because of lower interest rates. After accounting for current excess supply, no demand is anticipated for additional homes during the forecast period (Table 1).

### Rental Market

The rental housing market is soft in the HMA, with a 10.5-percent vacancy rate, an improvement from the 11.1-percent rate recorded a year earlier. Apartment rents in the HMA in the third quarter of 2012 averaged \$510, a nearly 2-percent increase from the same quarter in 2011. During the next 3 years, the current excess supply of vacant available units will satisfy the demand for rental units; additional rental units should not be constructed (Table 1).

**Table 1. Housing Demand in the Youngstown HMA,\* 3-Year Forecast, October 1, 2012, to October 1, 2015**

	Youngstown HMA*	
	Sales Units	Rental Units
Total Demand	0	0
Under Construction	110	0

\*Youngstown-Warren-Boardman HMA.  
 Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of October 1, 2012. A portion of the estimated 17,000 other vacant units in the HMA will likely satisfy some of the forecast demand.  
 Source: Estimates by analyst

# Economic Conditions

The economy of the Youngstown HMA has struggled since 2000. Nonfarm payrolls declined by an average of 3,375 jobs, or 1.3 percent, annually from 2001 through 2004, and decreased by 6,200 jobs, or 2.6 percent, annually from 2006 through 2009, when the national and regional economies slowed. Job losses during the latter period were led by the manufacturing, wholesale and retail trade, and leisure and hospitality sectors, which lost an average of 3,600, 1,200, and 400 jobs a year, annual decreases of 7.6, 2.9, and 1.7 percent, respectively.

Despite the recent downturn, economic conditions appear to be improving. Nonfarm payroll growth turned positive during the 12 months ending September 2012, with payrolls increasing by 1,100 jobs, or 0.5 percent, to 224,000 jobs compared with the number of jobs recorded during the 12 months ending September 2011 (Table 2). Improved economic growth in the HMA was led by the leisure and hospitality sector, up 2.8 percent, or 600 jobs, reflecting increased hiring at hotels and restaurants in the HMA. Job gains were also strong in the wholesale and retail trade sector, which grew by 600 jobs, or 1.6 percent, because of increased retail trade. The manufacturing sector recorded a gain of 300 jobs, or 1.0 percent. The growth in this sector is attributed to a \$70 million investment in the HMA by the National Additive Manufacturing Innovation Institute (NAMII), a consortium of the Department of Defense and other public and private entities. The education and health services sector, which accounts for 20 percent of nonfarm payrolls in the HMA (Figure 1), increased by approximately 300 jobs, or 0.7 percent. This increase was partly a result of expansion at a number of area hospitals, including a \$104 million expansion at the St. Elizabeth Health Center, the largest of three hospitals operated by the Humility of Mary Health Partners (HMHP). In addition, the Diocese of Youngstown spearheaded the creation of new private schools in the HMA. The largest employers in the area are HMHP, General Motors Company, and ValleyCare Health System. Table 3 provides additional information about leading employers in the HMA. YSU employs approximately 1,200 faculty and staff and reports a budget expenditure of \$159 million a year.

**Table 2.** 12-Month Average Nonfarm Payroll Jobs in the Youngstown HMA,\* by Sector

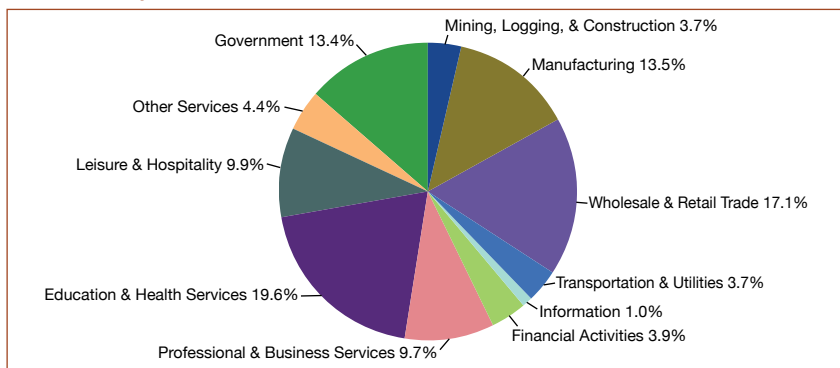
	12 Months Ending September 2011	12 Months Ending September 2012	Percent Change
Total Nonfarm Payroll Jobs	222,900	224,000	0.5
Goods Producing	38,400	38,500	0.3
Mining, Logging, & Construction	8,500	8,300	-2.4
Manufacturing	29,900	30,200	1.0
Service Providing	184,500	185,500	0.5
Wholesale & Retail Trade	37,800	38,400	1.6
Transportation & Utilities	8,300	8,300	0.0
Information	2,300	2,300	0.0
Financial Activities	8,800	8,800	0.0
Professional & Business Services	21,700	21,700	0.0
Education & Health Services	43,700	44,000	0.7
Leisure & Hospitality	21,700	22,300	2.8
Other Services	9,900	9,900	0.0
Government	30,400	30,000	-1.3

\*Youngstown-Warren-Boardman HMA.

Notes: Based on 12-month averages through September 2011 and September 2012. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

**Figure 1.** Current Nonfarm Payroll Jobs in the Youngstown HMA,\* by Sector



\*Youngstown-Warren-Boardman HMA.

Note: Based on 12-month averages through September 2012.

Source: U.S. Bureau of Labor Statistics

**Table 3. Major Employers in the Youngstown HMA\***

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Humility of Mary Health Partners	Education & Health Services	5,300
General Motors Company	Manufacturing	4,500
ValleyCare Health System	Education & Health Services	3,400
Youngstown Air Reserve Station	Government	2,125
Sharon Regional Health System	Education & Health Services	1,750
Windsor House, Inc.	Education & Health Services	1,500
Roman Catholic Diocese of Youngstown	Other Services	1,400
UPMC Horizon: Shenango Valley	Education & Health Services	1,245
Youngstown State University	Government	1,200
InfoCision Management Corporation	Professional & Business Services	1,050

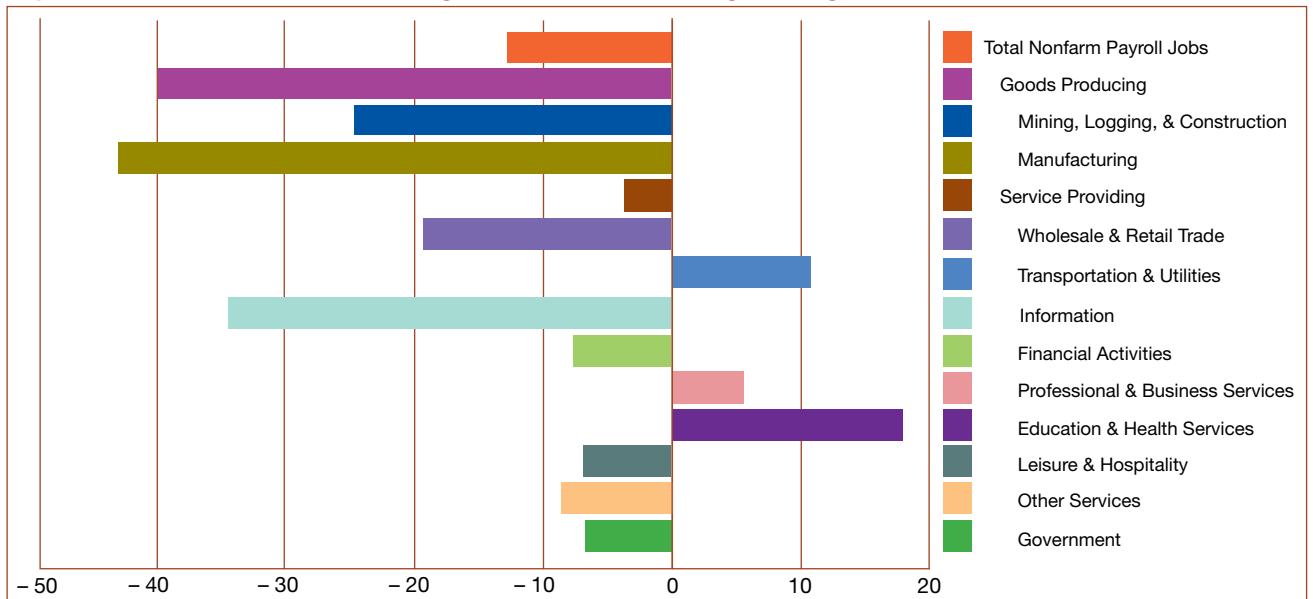
\*Youngstown-Warren-Boardman HMA.

Note: Excludes local school districts.

Source: Youngstown/Warren Regional Chamber of Commerce

During the 12 months ending September 2012, several nonfarm payroll sectors recorded job losses, despite the overall job growth. During this period, the government sector declined by 400 jobs, or 1.3 percent, mainly because of losses in the local government subsector. This trend is expected to persist during the forecast period, as local governments continue to experience budget constraints. The mining, logging, and construction sector lost about 200 jobs, a 2.4-percent decrease, during the past 12 months because of declines in the construction subsector, a result

of decreased homebuilding activity. With the recent employment growth, however, the unemployment rate for the Youngstown HMA decreased from a 9.9-percent average for the 12 months ending September 2011 to an 8.3-percent average for the 12 months ending September 2012. By comparison, from 2005 through 2008 the unemployment rate averaged 6.5 percent. Figure 2 shows nonfarm payroll growth by sector from 2000 to the current date, and Figure 3 shows historical trends in the labor force, resident employment, and the unemployment rate.

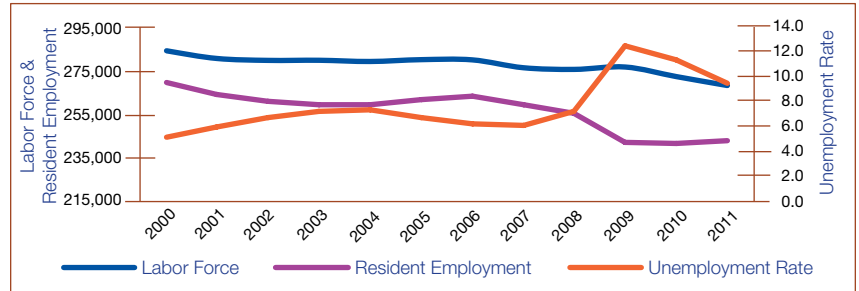
**Figure 2. Sector Growth in the Youngstown HMA,\* Percentage Change, 2000 to Current**

\*Youngstown-Warren-Boardman HMA.

Note: Current is based on 12-month averages through September 2012.

Source: U.S. Bureau of Labor Statistics

**Figure 3.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the Youngstown HMA,\* 2000 Through 2011



\*Youngstown-Warren-Boardman HMA.  
Source: U.S. Bureau of Labor Statistics

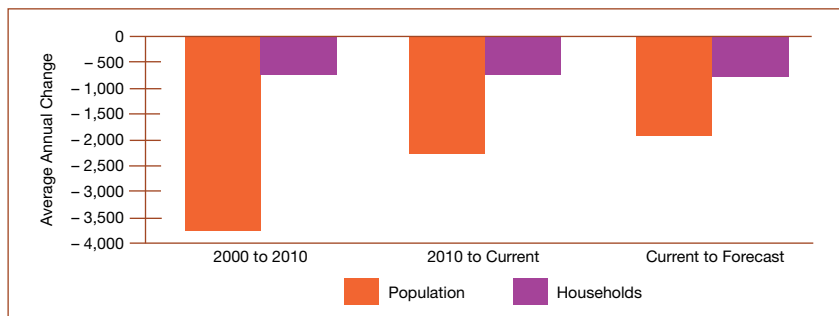
Nonfarm payrolls are expected to increase an average of 0.8 percent annually during the next 3 years, with job growth expected to increase from a rate of 0.7 percent in the first year to 0.9 percent in the third year of the forecast period. The education and health services sector is expected to continue growing. HMHP announced a \$203 million expansion of its three hospitals, including \$64.9 million

in upgrades beginning in 2014, to expand services and increase the number of private patient rooms at the city of Youngstown campus. Employment opportunities are expected to increase in the manufacturing sector as well during the next 3 years, as NAMII provides the infrastructure needed to support new manufacturing technology.

## Population and Households

The current population of the Youngstown HMA is estimated at 560,200, an average annual decrease of about 2,225, or 0.4 percent, since the April 2010 Census, when the population was 565,773. From 2000 to 2010,

**Figure 4.** Population and Household Growth in the Youngstown HMA,\* 2000 to Forecast

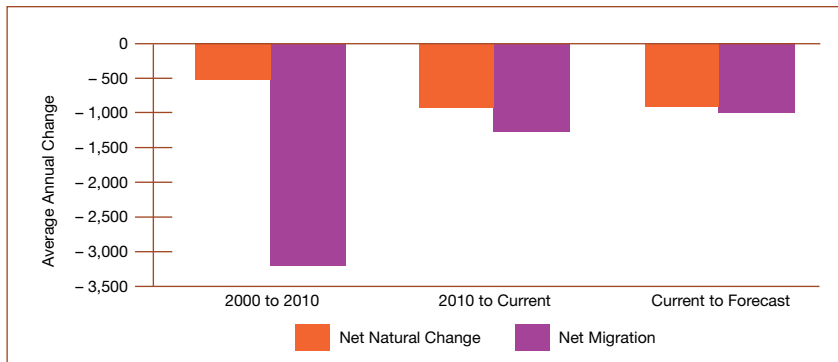


\*Youngstown-Warren-Boardman HMA.  
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

the population declined by an average of 3,725, or 0.6 percent, annually (Figure 4). Net out-migration accounted for approximately 60 percent of the population decline in the HMA during the decade, while net natural change (resident births minus resident deaths) was negative, and accounted for the other 40 percent of the loss. Out-migration from the HMA was strongest from 2004 to 2008, when the population decreased by an average of 4,200, or 0.7 percent, annually. The largest decline occurred in 2007, when net out-migration totaled about 4,900 people. Since 2010, as the economy has grown and job opportunities began to expand, net out-migration has slowed

to an average of 710 people, or 0.3 percent, annually. Figure 5 shows the components of population change in the HMA from 2000 through the forecast period.

**Figure 5.** Components of Population Change in the Youngstown HMA,\* 2000 to Forecast



\*Youngstown-Warren-Boardman HMA.

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

**Figure 6.** Number of Households by Tenure in the Youngstown HMA,\* 2000 to Current



\*Youngstown-Warren-Boardman HMA.

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

An estimated 229,350 households currently reside in the HMA, reflecting an average annual decrease of 710 households, or 0.3 percent, since 2010. By comparison, from 2000 to 2010, the number of households decreased at an average annual rate of 720, or 0.3 percent. An estimated 162,800 households, or 71 percent of the total, are owner households and the remaining 66,550 are renter households. Since 2010, the homeownership rate has declined from 71.8 to 71.0 percent because of the weak sales housing market. Figure 6 displays the number of households by tenure in the HMA from 2000 to current. Table DP-1 at the end of this report provides additional demographic information about the HMA.

During the next 3 years, the population of the HMA is expected to decline at an annual rate of 0.3 percent, or 1,900, to 554,500 people as of October 1, 2015. The rate of household decline in the HMA is expected to mirror population declines, decreasing 0.3 percent, or by 770 households, annually, to 227,100 households at the end of the 3-year forecast period.

## Housing Market Trends

### Sales Market

The sales housing market in the Youngstown HMA is currently soft, with a 2.4-percent sales vacancy rate, unchanged from that recorded in April 2010. Home prices and sales volume have both increased recently,

however. According to Hanley Wood, LLC, the average home sales price in the HMA was \$109,900 for the 12 months ending September 2012, up 12 percent compared with the average price recorded during the previous

12 months. The average home sales price declined from \$108,600 in 2005 to \$98,200 in 2009, or an annual decrease of more than 2 percent. Home sales prices increased recently, in part, because of a decline in the percentage of REO (Real Estate Owned) sales. During the 12 months ending September 2012, approximately 5,400 new and existing homes sold, 4 percent more than the 5,175 homes sold during the previous 12-month period but less than the average of 5,975 homes sold annually from 2007 through 2009.

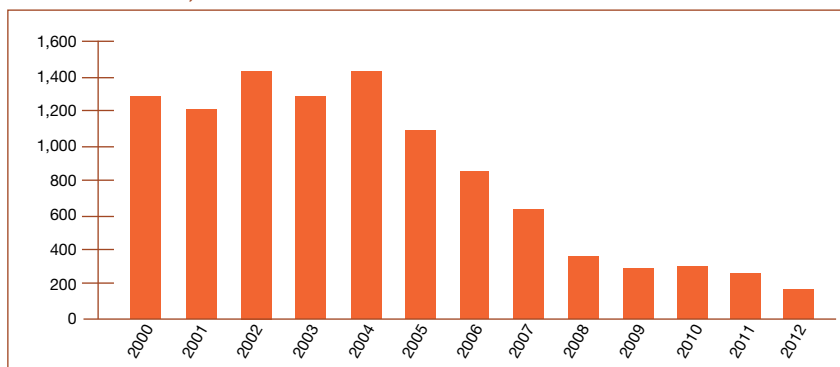
The percentage of distressed mortgages in the HMA increased during the past year. According to LPS Applied Analytics, 11.1 percent of home loans in the HMA were 90 or more days delinquent, were in foreclosure, or transitioned into REO as of September 2012, up 0.4 percentage points from September 2011.

According to Hanley Wood, LLC, the average sales price for REO properties was \$70,100 during the 12 months ending September 2012. During the same time, REO sales accounted for 30 percent of all existing home sales; down from 42 percent a year earlier.

In response to soft sales housing market conditions, developers decreased new home construction activity, as measured by the number of single-family homes permitted. According to preliminary data, during the 12 months ending September 2012, building permits were issued for approximately 180 single-family homes, down 6 percent from the previous 12 months. Single-family home construction activity in the metropolitan area remains significantly below the average for 2000 through 2004, when 1,325 homes were permitted annually, and the average for 2005 through 2009, when 640 homes were permitted annually, as shown in Figure 7. As of October 1, 2012, an estimated 110 homes are under construction, with new development occurring as infill in existing subdivisions throughout the HMA. New homes in these subdivisions start at \$100,000.

To allow for homes currently under construction and the supply of excess vacant available homes to be absorbed, no additional homes should be constructed during the forecast period. Any additional new homes would prolong the current soft sales housing market conditions.

**Figure 7. Single-Family Building Permits Issued in the Youngstown HMA,\* 2000 to 2012**



\*Youngstown-Warren-Boardman HMA.

Notes: Includes townhomes. Includes data through September 2012.

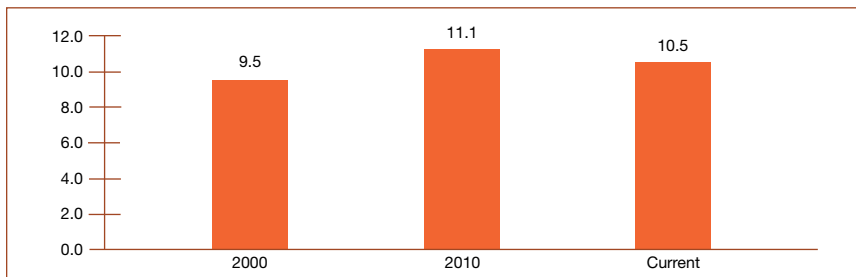
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Rental Market

Rental housing market conditions in the Youngstown HMA have improved since 2010, but remain soft. The overall rental vacancy rate is estimated at 10.5 percent as of October 1, 2012, down from 11.1 percent in April 1, 2010 (Figure 8). According to data from Reis, Inc., the apartment market is also soft, with a vacancy rate of 6.8 percent during the third quarter of 2012, down from 9.0 percent a year earlier. As of the third quarter of 2012, market-rate apartment rents in the HMA averaged \$460 for a one-bedroom unit, \$560 for a two-bedroom unit, and \$690 for a three-bedroom unit, increases of 1, nearly 2, and 5 percent, respectively, compared with average rents a year earlier.

Multifamily construction activity, as measured by the number of units permitted, declined in the latter half of the past decade in the HMA. From 2005 through 2010, the pace of multifamily construction averaged 120 units annually, well below the annual average of 210 units permitted from 2000 through 2004. Multifamily construction, which consisted entirely of rental apartment units, totaled 5 units during the 12-month period ending September 2012, based on preliminary data, and no units were permitted during the 12-month period ending September 2011. Currently, no apartments units are under construction. Figure 9 illustrates the number of multifamily units permitted in the HMA from 2000 to the current date.

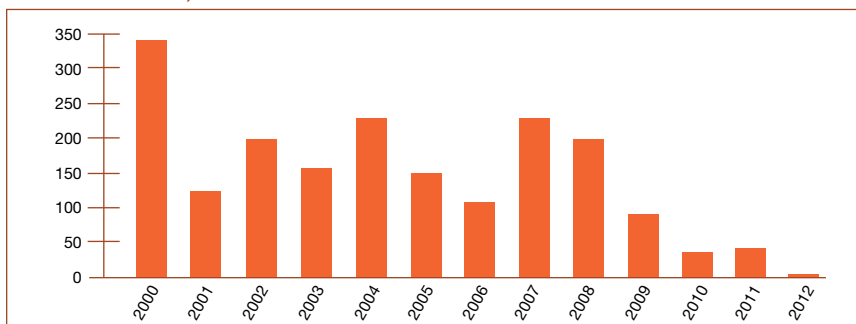
**Figure 8.** Rental Vacancy Rates in the Youngstown HMA,\* 2000 to Current



\*Youngstown-Warren-Boardman HMA.

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

**Figure 9.** Multifamily Building Permits Issued in the Youngstown HMA,\* 2000 to 2012



\*Youngstown-Warren-Boardman HMA.

Notes: Excludes townhomes. Includes data through September 2012.

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

Enrollment at YSU totals 13,800, which represents 2.5 percent of the HMA population. About 7,750 students are estimated to live off campus in the private rental housing market. As of the Fall 2011 semester, the university housed an estimated 900 students in on-campus housing. On-campus student housing includes two apartment complexes, where single-room fees start at \$875 a semester.

Approximately 65 percent of all rental households reside in single-family and mobile homes, and the remaining 35 percent live in apartments. In downtown Youngstown, Erie Terminal Place is a recently renovated 40-unit luxury apartment complex that opened in June 2012 and is currently in lease up. The rents start at \$850, \$1,300, and \$1,875 for one-, two-, and three-bedroom units, respectively. The Village at Arlington, which consists of 120 low-income rental units, is currently under

construction on the former site of a 218-unit public housing property. The Village at Arlington is expected to be complete in mid-2013, with rents for the income-restricted units starting at \$370, \$440, and \$510 for one-, two-, and three-bedroom units, respectively.

To allow for the current excess supply of vacant available units to be absorbed, no additional new market-rate rental units should be constructed in the HMA during the forecast period.

## Data Profile

**Table DP-1.** Youngstown HMA\* Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Resident Employment	270,154	241,211	244,100	- 1.1	0.7
Unemployment Rate	5.0%	11.4%	8.3%		
Nonfarm Payroll Jobs	256,600	220,300	224,000	- 1.5	1.0
Total Population	602,964	565,773	560,200	- 0.6	- 0.4
Total Households	238,319	231,165	229,350	- 0.3	- 0.3
Owner Households	176,405	166,026	162,800	- 0.6	- 0.8
Percent Owner	74.0%	71.8%	71.0%		
Renter Households	61,914	65,139	66,550	0.5	0.9
Percent Renter	26.0%	28.2%	29.0%		
Total Housing Units	256,738	259,729	258,200	0.1	- 0.2
Owner Vacancy Rate	1.7%	2.4%	2.4%		
Rental Vacancy Rate	9.5%	11.1%	10.5%		
Median Family Income	\$42,500	\$54,300	\$54,900	2.5	0.6

\*Youngstown-Warren-Boardman HMA.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through September 2012. Median family incomes are for 1999, 2009, and 2011.

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: 10/01/2012—Analyst’s estimates  
Forecast period: 10/01/2012–10/01/2015—  
Analyst’s estimates

**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 the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, 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 [www.huduser.org/publications/pdf/CMARtables\\_Youngstown-Warren-BoardmanOH-PA\\_13.pdf](http://www.huduser.org/publications/pdf/CMARtables_Youngstown-Warren-BoardmanOH-PA_13.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 HUD’s Economic and Market Analysis Division. 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  
[www.huduser.org/publications/econdev/mkt\\_analysis.html](http://www.huduser.org/publications/econdev/mkt_analysis.html).