

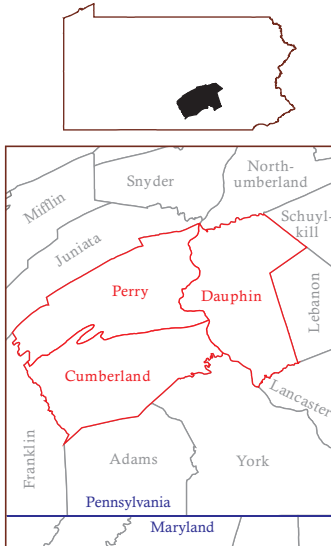


Harrisburg-Carlisle, Pennsylvania

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of December 1, 2011



Housing Market Area



The Harrisburg-Carlisle Housing Market Area (HMA), coterminous with the Harrisburg-Carlisle, PA Metropolitan Statistical Area, includes Cumberland, Dauphin, and Perry Counties. Located 100 miles west of Philadelphia, the HMA is divided into two submarkets: the Dauphin County submarket and the Cumberland/Perry Counties submarket. The Dauphin County submarket is home to the state capital of Pennsylvania, Harrisburg, and The Hershey Company.

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Summary

Economy

During the 12 months ending November 2011, average nonfarm payrolls in the Harrisburg-Carlisle HMA were relatively unchanged at 318,400 jobs, after declining by 3,900 jobs, or 1 percent, during the previous 12 months. The government and the education and health services sectors are the primary drivers of the HMA economy. The largest employers include the Commonwealth of Pennsylvania, The Hershey Company, and the Penn State Milton S. Hershey Medical Center. During the 3-year forecast period, nonfarm payrolls are expected to increase by an average of 0.8 percent annually.

Sales Market

The sales housing market in the HMA currently is soft, with an estimated

vacancy rate of 2 percent. During the next 3 years, demand is forecast for 4,375 new homes, including 300 mobile homes (Table 1). The 180 homes currently under construction and a portion of the 9,700 other vacant units that may reenter the market will likely satisfy some of the forecast demand.

Rental Market

The rental housing market in the HMA currently is slightly soft, with an estimated rental vacancy rate of 7.6 percent compared with the 7.9-percent rate recorded in April 2010. The average monthly rent in the HMA is nearly \$800. During the 3-year forecast period, demand is expected for 550 new rental units (Table 1). Approximately 140 rental units are currently under construction and will satisfy a portion of the forecast demand.

Table 1. Housing Demand in the Harrisburg-Carlisle HMA, 3-Year Forecast, December 1, 2011 to December 1, 2014

	Harrisburg-Carlisle HMA		Dauphin County Submarket		Cumberland/Perry Counties Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total Demand	4,375	550	1,975	310	2,400	240
Under Construction	180	140	60	40	120	100

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of December 1, 2011. A portion of the estimated 9,700 other vacant units in the HMA will likely satisfy some of the forecast demand. Includes an estimated demand for 100 mobile homes in the Dauphin County submarket and 200 mobile homes in the Cumberland/Perry Counties submarket.

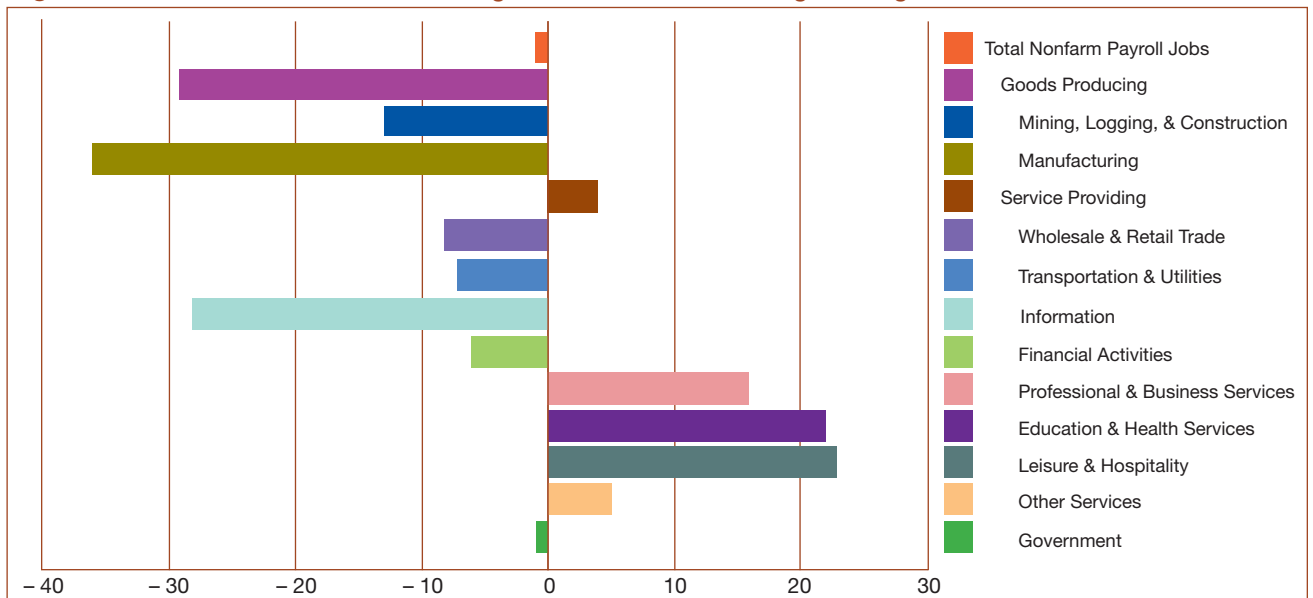
Source: Estimates by analyst

The economy in the Harrisburg-Carlisle HMA currently is weak. During the 12 months ending November 2011, average nonfarm payrolls, at 318,400 jobs, were relatively unchanged from the previous 12 months. Nonfarm payroll growth from 2004 through 2008 averaged 2,200 jobs, or 0.7 percent, annually. During this period, payrolls in the professional and business services sector increased by an average of 1,400 jobs, or 4 percent, annually. Payrolls in the leisure and hospitality and the education and health services sectors increased by an average annual rate of 700 jobs each, or 2.4 and 1.7 percent, respectively, from 2004 through 2008. In 2009, however, nonfarm payrolls declined by 9,700 jobs, or 2.9 percent, the largest decline in nonfarm payrolls during the past decade. The decline continued into 2010; nonfarm payrolls decreased by 3,900 jobs, or 1.2 percent, during the 12 months ending November 2010. From 2009 through 2010, payrolls in the manufacturing sector declined by an average of 1,900 jobs, or 8.2 percent, a year,

and the financial activities sector, wholesale trade subsector, and retail trade subsector each declined by an average of 900 jobs a year, or 3.5, 6.6, and 2.9 percent, respectively, annually. Figure 1 shows nonfarm payroll growth by sector in the HMA from 2000 to the current date.

During the 12 months ending November 2011, employment in the government sector, the largest in the HMA, declined by 1,000 jobs, or 1.7 percent (Table 2). The greatest losses occurred in the local government subsector, which declined by 800 jobs, or 3.6 percent, because of cuts in teaching positions. Payrolls in the state government subsector were relatively unchanged at nearly 31,600 jobs during the 12 months ending November 2011. In addition to job losses in the government sector, the retail trade subsector declined by 400 jobs, or 1.3 percent, and the financial activities and the transportation and utilities sectors each declined by 300 jobs, or 1.2 and 1.4 percent, respectively. During the

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



Note: Current is based on 12-month averages through November 2011.

Source: U.S. Bureau of Labor Statistics

12 months ending November 2011, the unemployment rate averaged 7.2 percent, down from the 7.8-percent average of the previous 12 months, primarily because of a decline in the

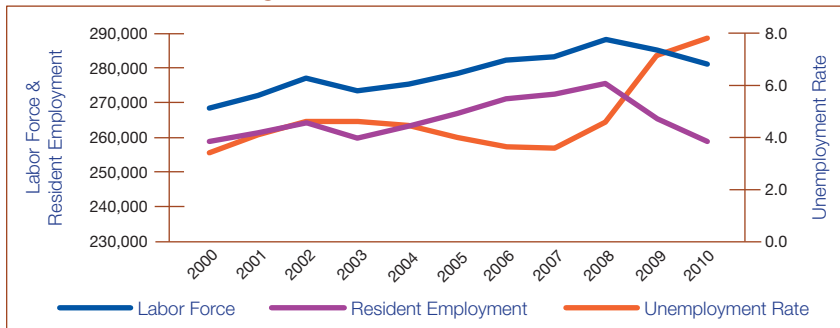
Table 2. 12-Month Average Nonfarm Payroll Jobs in the Harrisburg-Carlisle HMA, by Sector

	12 Months Ending November 2010	12 Months Ending November 2011	Percent Change
Total Nonfarm Payroll Jobs	318,800	318,400	-0.1
Goods Producing	30,900	30,950	0.1
Mining, Logging, & Construction	10,900	10,900	-0.1
Manufacturing	20,050	20,050	0.1
Service Providing	287,900	287,500	-0.2
Wholesale & Retail Trade	43,600	43,550	-0.1
Transportation & Utilities	21,350	21,050	-1.4
Information	5,675	5,500	-3.1
Financial Activities	22,950	22,650	-1.2
Professional & Business Services	38,400	38,400	-0.1
Education & Health Services	48,450	49,750	2.7
Leisure & Hospitality	29,850	29,700	-0.5
Other Services	16,100	16,350	1.5
Government	61,500	60,500	-1.7

Notes: Based on 12-month averages through November 2010 and November 2011. Numbers may not add to totals because of rounding.

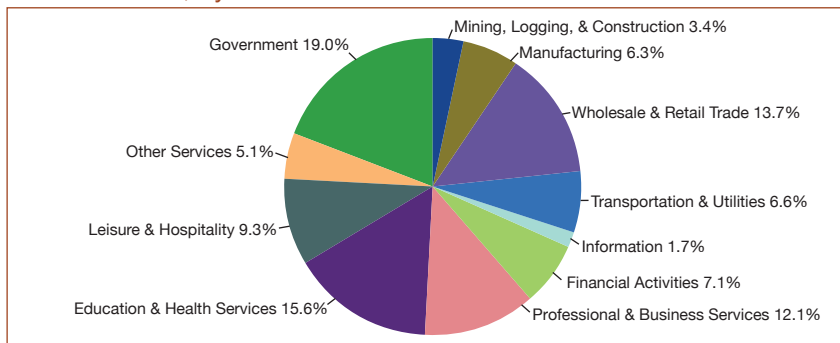
Source: U.S. Bureau of Labor Statistics

Figure 2. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Harrisburg-Carlisle HMA, 2000 Through 2010



Source: U.S. Bureau of Labor Statistics

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



Note: Based on 12-month averages through November 2011.

Source: U.S. Bureau of Labor Statistics

labor force. Figure 2 shows labor force, resident employment, and unemployment rate trends in the HMA from 2000 through 2010. Figure 3 shows the share of nonfarm payroll jobs by sector.

Offsetting the job losses, the education and health services sector grew by 1,300 jobs, or 2.7 percent, during the 12 months ending November 2011. The healthcare and social assistance subsector added 1,700 jobs, a 2-percent increase, which more than offset minor declines in other subsectors within the education and health services sector. Penn State Milton S. Hershey Medical Center, the third largest employer in the HMA with 8,850 employees (Table 3), is currently expanding its facilities. Construction is under way on a new 252,000-square-foot Penn State Hershey Children's Hospital, which is expected to open in the fall of 2012 and add approximately 1,200 permanent jobs and 300 construction jobs.

Additional job increases from 2012 through 2014 are expected to occur in the transportation and utilities and the manufacturing sectors. In 2012, Norfolk Southern Corp. will begin a \$60.5 million expansion at the Rutherford Intermodal Facility in Dauphin County, which is expected to add 48 full-time jobs when construction is complete in 2014. In the manufacturing sector, Volvo Construction Equipment is planning to invest \$100 million at its Shippensburg facility and begin production of heavy construction equipment in North America. The company is also planning to construct a new office building for 220 employees who will relocate from Asheville, North Carolina. Also in the manufacturing sector, The Hershey Company invested

\$250 million to modernize its West Hershey chocolate plant in Derry Township. The facility, which is scheduled to begin operations in mid- to late 2012, will add no new permanent jobs, but the company estimates the project will add nearly 500 construction jobs during the expansion.

During the 3-year forecast period, non-farm payrolls are expected to increase

by 2,675 jobs, or 0.8 percent, annually. The education and health services sector and the wholesale trade and transportation subsectors are expected to increase as expansions currently under construction become fully operational. Possible layoffs in the state government subsector, however, could result in slower nonfarm payroll growth during the forecast period.

Table 3. Major Employers in the Harrisburg-Carlisle HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Commonwealth of Pennsylvania	Government	21,900
Giant Food Stores, LLC	Wholesale & Retail Trade	8,900
Penn State Milton S. Hershey Medical Center	Education & Health Services	8,850
Hershey Entertainment & Resorts Company	Leisure & Hospitality	7,500
The Hershey Company	Manufacturing	6,500
Wal-Mart Stores, Inc.	Wholesale & Retail Trade	6,500
JFC Staffing Companies	Professional & Business Services	6,050
Highmark Inc.	Professional & Business Services	5,200
Tyco Electronics Corporation	Manufacturing	4,700
Naval Support Activity	Government	4,300

Note: Excludes local school districts.

Source: Harrisburg Regional Chamber & CREDC

Population and Households

As of December 1, 2011, the population of the Harrisburg-Carlisle HMA is estimated at 553,600. The population in the HMA is divided approximately in half, with 283,800 in the Cumberland/Perry Counties submarket and 269,800 in the Dauphin County submarket. From 2000 through 2010, the population of the HMA increased by an average of 4,050, or 0.8 percent, annually, with net in-migration accounting for 67 percent of total growth. The Cumberland/Perry Counties submarket had the faster population growth, increasing by an average of 2,400 people, or 0.9 percent, annually, with net

in-migration accounting for approximately 82 percent of total growth. During the period of strongest job creation, from 2005 through 2007, the HMA population increased by an average of 5,125, or 1 percent, a year. As job growth slowed in 2008, population growth decreased to average 3,425 people, or 0.6 percent, a year from 2008 to the current date. Figure 4 shows the components of population change from 2000 to the forecast date. Tables DP-1 through DP-3 at the end of this report contain information on population and household growth for the HMA and for both submarkets from 2000 to the current date.

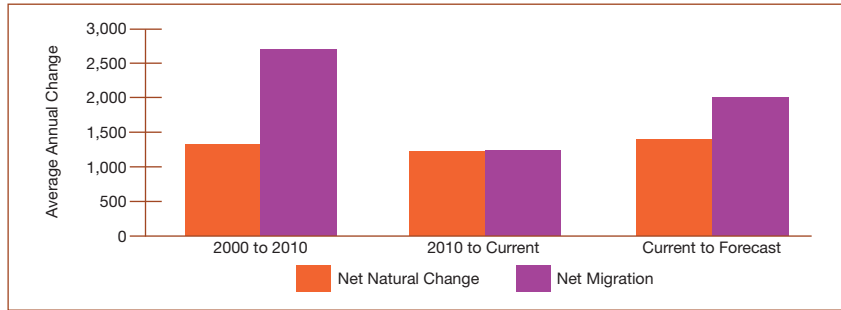
With the economy expected to improve during the forecast period, the rate of net in-migration to the HMA is expected to increase, whereas the rate of net natural change is expected

to remain stable. During the 3-year forecast period, net in-migration is expected to average 2,400 people a year compared with an estimated 1,250 people during the 12 months ending November 2011, and net natural change is expected to average 1,400 people a year. The population of the HMA is expected to increase by nearly 3,400, or 0.6 percent, annually during the next 3 years.

As of December 1, 2011, an estimated 225,000 households reside in the HMA. From 2000 through 2010, the number of households increased by an average of 2,000, or 0.9 percent, annually. From 2010 to the current date, as a result of slower population growth in response to the weak economy, the number of households increased by 1,575, or 0.7 percent, annually. Figure 5 shows household growth in the HMA from 2000 to the forecast period. The Cumberland/Perry Counties submarket had the larger household growth, increasing by 1,225 households, or 1.2 percent, annually from 2000 to 2010 and by 1,050 households, or 0.9 percent, annually from 2010 to the current date.

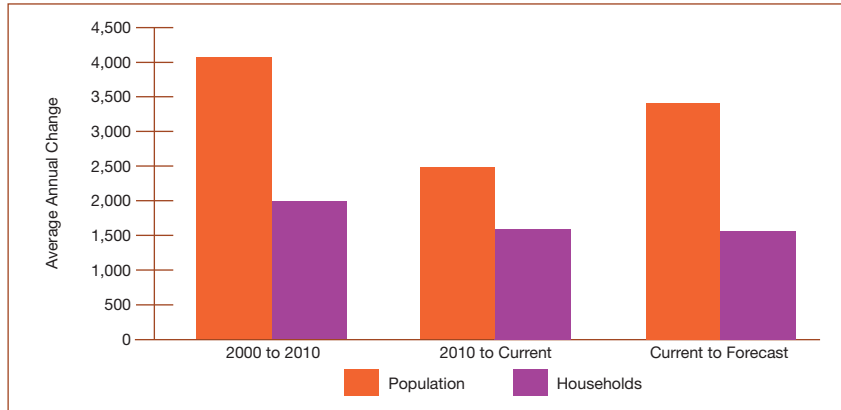
Approximately 82,500, or 73 percent, of the current households in the submarket are homeowners and the remaining 31,150 are renters (Figure 6). The Dauphin County submarket currently has 111,300 households, an increase of 780 households, or 0.7 percent, annually from 2000 to 2010 and of 500 households, or 0.5 percent, annually from 2010 through the current date. The Dauphin County submarket has the higher proportion (36 percent) of renter households (Figure 7), which currently total 39,700.

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



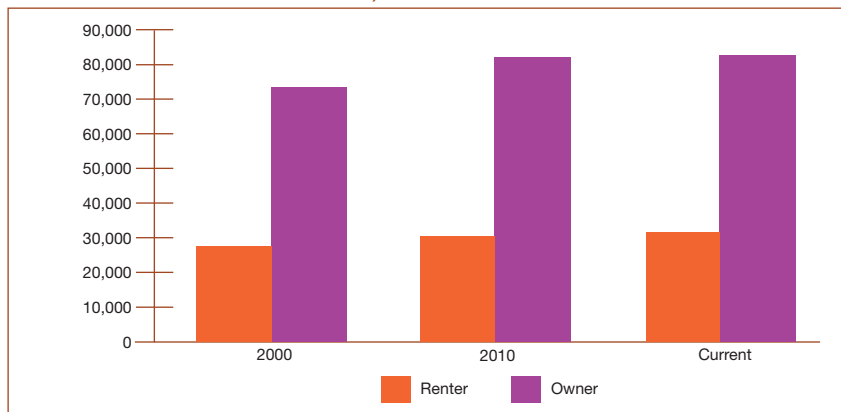
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

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



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

Figure 6. Number of Households by Tenure in the Cumberland/Perry Counties Submarket, 2000 to Current

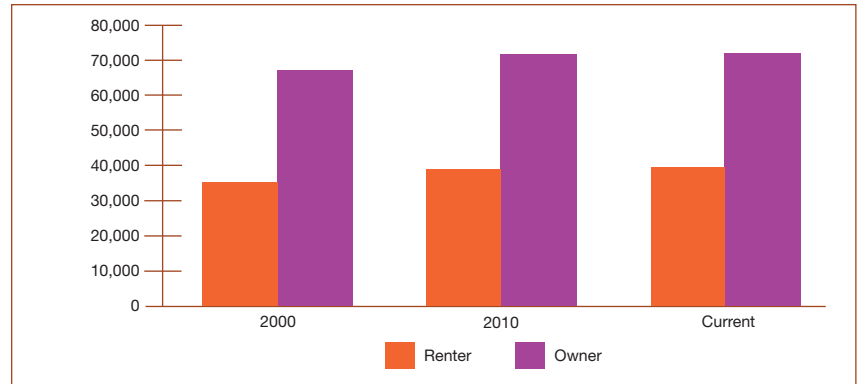


Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

During the 3-year forecast period, the total number of households in the HMA is expected to increase by an average of 1,500, or 0.7 percent, annually. The number of households in the Cumberland/Perry Counties

submarket is expected to increase by an average of 830, or 0.7 percent, annually, and the number of households in the Dauphin County submarket is expected to increase by an average of 700, or 0.6 percent, annually.

Figure 7. Number of Households by Tenure in the Dauphin County Submarket, 2000 to Current



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

Housing Market Trends

Sales Market—Dauphin County Submarket

As a result of the weak economy and stringent mortgage-lending standards, the sales housing market in the Dauphin County submarket currently is soft.

The sales vacancy rate in the submarket is estimated at 2.5 percent, relatively unchanged from the 2.4-percent rate recorded in April 2010. Based on data from Hanley Wood, LLC, during the 12 months ending November 2011, approximately 1,400 existing single-family homes sold in the submarket, a decline of nearly 130 homes, or 9 percent, compared with the number of existing single-family homes sold during the previous 12 months. These totals do not include homes sold as a result of foreclosure or that were in REO (Real Estate Owned). From 2007 through 2009, an average of

2,150 existing single-family homes sold annually. Excluding REO and foreclosure sales, during the 12 months ending November 2011, the average price for existing single-family homes sold declined 2 percent, to \$174,500, compared with existing home sales prices in the previous 12-month period. From 2007 through 2009, the average sales price for existing single-family homes was \$170,000.

Sales of existing condominiums and townhomes, which accounted for 25 percent of total existing home sales in the submarket during the 12 months ending November 2011, declined 16 percent to 410 sales. From 2007 through 2009, an average of 800 existing condominiums and townhomes

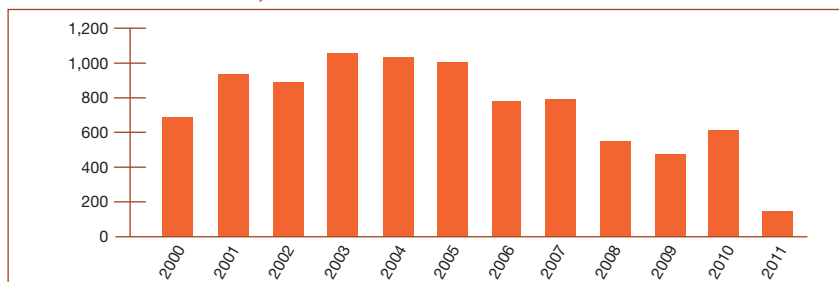
sold annually. During the 12 months ending November 2011, the average sales price for existing condominiums and townhomes increased nearly 4 percent, to \$142,400 compared with prices during the previous 12 months. From 2007 through 2009, the average sales price for existing condominiums and townhomes was \$132,600.

According to data from LPS Applied Analytics, in November 2011, the number of home loans that were 90 or more days delinquent, in foreclosure, or in REO represented 5.4 percent of all outstanding home loans in Dauphin County, up from 5.1 percent a year earlier. Although this rate is lower than the 6.1-percent rate in Pennsylvania and the 7.5-percent rate nationwide, the number of sales of foreclosed and REO homes in the submarket are high. Based on data from Hanley Wood, LLC, during the 12 months ending November 2011, foreclosed and REO home sales accounted for 30 percent of all existing homes sold compared with 32 percent during the previous 12-month period. By comparison, from 2007 through 2009, foreclosed and REO home sales accounted for an average of 18 percent of all existing homes sold annually. REO homes were priced, on average, approximately \$88,000 less than other existing homes for sale in the submarket during the 12 months ending November 2011.

Homebuilding in the submarket has declined as a result of soft sales market conditions. Based on preliminary data, during the 12 months ending November 2011, approximately 200 single-family homes were permitted in the submarket compared with nearly 280 single-family homes permitted during the previous 12-month period, a 28-percent decrease. The number of single-family homes permitted averaged 1,025 homes a year from 2003 through 2005 before declining to average 640 homes permitted annually from 2006 through 2010 (Figure 8). New single-family home sales prices begin at \$200,000. Newly constructed subdivisions in the submarket include the 137-home Spring Hill development, which offers three- and four-bedroom homes starting at \$220,000 and \$234,000, respectively, and the 70-home Southpoint Meadows development, which offers four-bedroom homes starting at \$330,000. According to data from Hanley Wood, LLC, during the 12 months ending November 2011, 195 new single-family homes sold in the submarket compared with 245 sold during the previous 12-month period, a 20-percent decrease. The average sales price for new single-family homes increased 2 percent, to \$268,400, during the 12 months ending November 2011. During the same period, 50 new condominiums and townhomes sold compared with 95 sold during the previous 12-month period. According to Hanley Wood, LLC, the average sales price for new condominiums and townhomes decreased 1 percent to \$203,200 during the 12 months ending November 2011.

During the 3-year forecast period, demand is expected for 1,975 new homes in the submarket, including 100 mobile homes. The 60 homes

Figure 8. Single-Family Building Permits Issued in the Dauphin County Submarket, 2000 to 2011



Notes: Includes townhomes. Includes data through November 2011.

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

Housing Market Trends

Sales Market—Dauphin County Submarket *Continued*

currently under construction will meet a portion of the demand, and some of the estimated 4,800 other vacant units in the submarket may reenter the market and satisfy a portion of the forecast demand (Table 1).

Approximately 30 percent of demand is expected for homes priced between \$250,000 and \$350,000. Table 4 shows estimated demand by price range for new market-rate sales housing during the forecast period.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Dauphin County Submarket, December 1, 2011 to December 1, 2014

Price Range (\$)		Units of Demand	Percent of Total
From	To		
150,000	249,999	280	15.0
250,000	349,999	470	25.0
350,000	449,999	660	35.0
450,000	and higher	470	25.0

Notes: The 60 homes currently under construction and a portion of the estimated 4,800 other vacant units in the submarket will likely satisfy some of the forecast demand. Excludes mobile homes.

Source: Estimates by analyst

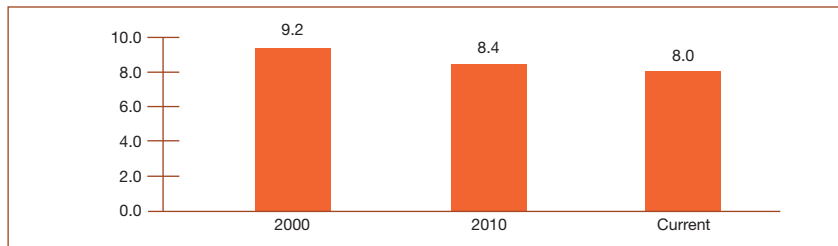
Rental Market—Dauphin County Submarket

The rental housing market in the Dauphin County submarket currently is slightly soft, with an 8-percent estimated vacancy rate down from the 8.4-percent rate recorded in April 2010.

Figure 9 shows the rental vacancy rate in the submarket from 2000 to the current date. Current average apartment rents in the submarket are estimated at \$650 for one-bedroom, \$800 for two-bedroom, and \$950 for three-bedroom units. Some apartment projects are currently offering incentives, including upgraded appliance packages.

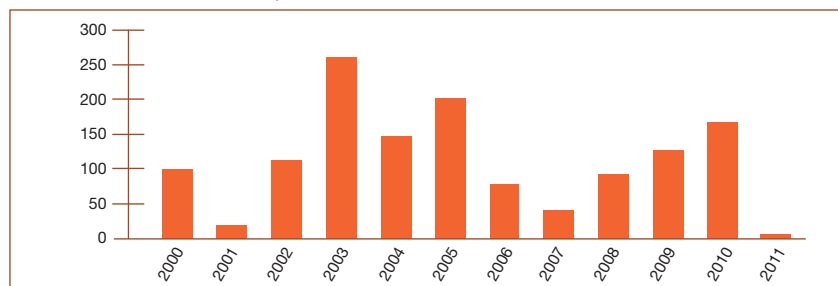
Multifamily homebuilding in the submarket has declined from its peak from 2003 through 2005. Based on preliminary data, during the 12 months ending November 2011, approximately 40 multifamily units were permitted in the submarket, down from 80 units permitted during the previous 12 months. From 2003 through 2005, the number of multifamily permits issued in the submarket averaged 200 units a year compared with an average of 100 units permitted annually from 2006 through 2010 (Figure 10). No new condominiums were permitted in Dauphin County from 2008

Figure 9. Rental Vacancy Rates in the Dauphin County Submarket, 2000 to Current



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

Figure 10. Multifamily Building Permits Issued in the Dauphin County Submarket, 2000 to 2011



Notes: Excludes townhomes. Includes data through November 2011.

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

Housing Market Trends

Rental Market—Dauphin County Submarket *Continued*

through the current date. Multifamily construction is concentrated in the suburbs outside Harrisburg, including Susquehanna and Lower Swatara Townships. High Pointe Overlook Apartments, with 104 units recently completed in Susquehanna Township, consists of one-, two-, and three-bedroom units with monthly rents that range from \$950 for a one-bedroom unit to \$1,475 for a three-bedroom unit. At the 148-unit Emerald Pointe, a rental townhome community in Harrisburg, rents start at \$1,200 for a two-bedroom unit and nearly \$1,225 for a three-bedroom unit.

During the 3-year forecast period, demand is expected for 310 new

market-rate rental housing units. The 40 units currently under construction and nearly 310 units in the pipeline will satisfy all of the demand during the forecast period (Table 1). Construction on the 24-unit Furlow Building in Harrisburg is expected to start in early 2012. The 192-unit phase IV of Ivy Ridge in Swatara Township is expected to start construction in the spring of 2012, and construction at the 92-unit Encore at Laurel Ridge in Lower Paxton Township is expected to start in late 2012. Table 5 provides estimated demand by rent level for new market-rate rental housing in the submarket during the forecast period.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Dauphin County Submarket, December 1, 2011 to December 1, 2014

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
850 to 1,049	20	950 to 1,149	50	1,100 to 1,299	20
1,050 to 1,249	30	1,150 to 1,349	60	1,300 to 1,499	30
1,250 or more	20	1,350 or more	50	1,500 or more	20
Total	70	Total	160	Total	70

Notes: The 40 units currently under construction will satisfy some of the estimated demand. Numbers may not add to totals because of rounding.

Source: Estimates by analyst

Sales Market—Cumberland/Perry Counties Submarket

The sales housing market in the Cumberland/Perry Counties submarket currently is slightly soft. The 1.5-percent estimated sales vacancy rate is down from the 1.8-percent rate recorded in April 2010. Based on data from Hanley Wood, LLC, during the 12 months ending November 2011, approximately 2,025 existing single-family homes sold in the submarket, a decline of nearly 500 homes, or 20 percent, compared with the number of homes sold during the previous 12 months. These totals do not include

foreclosure and REO sales. During the 12 months ending November 2011, the average price for existing single-family homes sold declined 5 percent, to \$180,600, from the previous 12-month period. From 2006 through 2008, an average of 2,550 existing single-family homes sold annually, and the average price was \$181,700.

According to data from LPS Applied Analytics, in November 2011, home loans that were 90 or more days delinquent, in foreclosure, or in REO

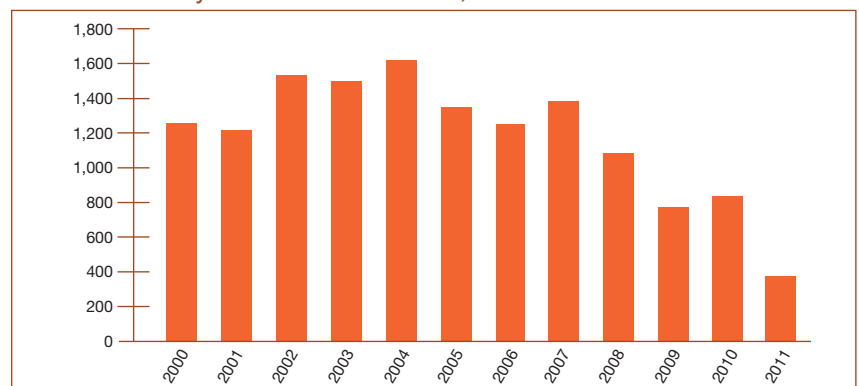
represented 4.0 percent of all outstanding home loans in the submarket, up from 3.5 percent as of November 2010. Although this rate is lower than the 6.1-percent rate in Pennsylvania and the 7.5-percent rate nationwide, the number of foreclosed and REO home sales in the submarket is high. According to data from Hanley Wood, LLC, during the 12 months ending November 2011, foreclosed and REO home sales accounted for approximately 12 percent of all existing homes sold compared with 9 percent during the previous 12 months. From 2007 through 2009, foreclosed and REO home sales accounted for an average of 4 percent of all existing homes sold in the submarket annually. REO homes were priced, on average, approximately \$68,400 less than other existing homes for sale in the submarket during the 12 months ending November 2011.

As a result of the soft sales market, homebuilding in the submarket has declined. Based on preliminary data, during the 12 months ending November 2011, approximately 410 single-family homes were permitted in the submarket compared with 470 during the previous 12 months, a 12-percent decrease. From 2003 through 2005, the number of single-family homes

permitted averaged 1,475 homes a year before declining to average 1,075 homes permitted annually from 2006 through 2010 (Figure 11). Sales prices begin at \$240,000 for new single-family homes and \$210,000 for new townhomes. New subdivisions in the submarket include Rivendell and Walden. The 104-home Rivendell subdivision contains three- and four-bedroom homes with prices starting at \$260,000 and is expected to be complete in late 2012. The 700-lot Walden development will consist of 344 single-family homes and 354 townhomes, with prices for three- and four-bedroom single-family homes starting at \$230,000 and \$240,000, respectively, and prices for townhomes starting at \$170,000. According to data from Hanley Wood, LLC, during the 12 months ending November 2011, 170 new single-family homes sold in the submarket, a decline of 150 homes, or 47 percent, from the previous year. The average new single-family home sales price increased 2 percent, to \$300,800, compared with the average price during the previous 12 months.

During the 3-year forecast period, demand is expected for 2,400 new homes, including 200 mobile homes. The 120 homes currently under

Figure 11. Single-Family Building Permits Issued in the Cumberland/Perry Counties Submarket, 2000 to 2011



Notes: Includes townhomes. Includes data through November 2011.

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

Housing Market Trends

Sales Market—Cumberland/Perry Counties Submarket *Continued*

construction will meet a portion of the demand, and some of the estimated 4,900 other vacant units in the submarket may reenter the market and satisfy a portion of the forecast demand (Table 1). Approximately

50 percent of demand is expected for homes priced between \$250,000 and \$350,000. Table 6 provides the estimated demand by price range for new market-rate sales housing during the forecast period.

Table 6. Estimated Demand for New Market-Rate Sales Housing in the Cumberland/Perry Counties Submarket, December 1, 2011 to December 1, 2014

Price Range (\$)		Units of Demand	Percent of Total
From	To		
150,000	199,999	110	5.0
200,000	249,999	330	15.0
250,000	299,999	440	20.0
300,000	349,999	660	30.0
350,000	399,999	440	20.0
400,000	and higher	220	10.0

Notes: The 120 homes currently under construction and a portion of the estimated 4,900 other vacant units in the submarket will likely satisfy some of the forecast demand. Excludes mobile homes.

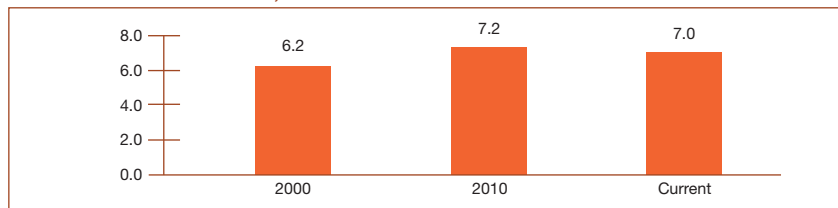
Source: Estimates by analyst

Rental Market—Cumberland/Perry Counties Submarket

The rental housing market in the Cumberland/Perry Counties submarket currently is slightly soft, with

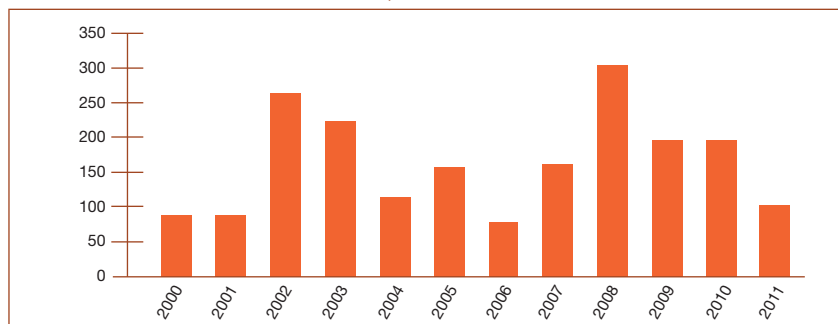
an estimated 7-percent vacancy rate, down from the 7.2-percent rate recorded in April 2010. Figure 12 shows the rental vacancy rate in the submarket from 2000 to the current date. Current average apartment rents in the submarket are estimated at \$600 for one-bedroom, \$750 for two-bedroom, and \$900 for three-bedroom units. Some recently completed projects are currently offering concessions of \$100 off the monthly rent.

Figure 12. Rental Vacancy Rates in the Cumberland/Perry Counties Submarket, 2000 to Current



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

Figure 13. Multifamily Building Permits Issued in the Cumberland/Perry Counties Submarket, 2000 to 2011



Notes: Excludes townhomes. Includes data through November 2011.

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

Multifamily building activity, as measured by the number of units permitted, increased during the 12 months ending November 2011. Based on preliminary data, approximately 100 multifamily units were permitted in the submarket, up from 45 units permitted during the previous 12-month period. From 2007 through 2009, the number of multifamily permits issued in the submarket averaged nearly 220 units annually (Figure 13). From 2000 through 2006,

the number of multifamily permits issued averaged 140 units annually. Approximately 95 percent of new multifamily construction is concentrated in Cumberland County. The 328-unit Deerfield Commons in Southampton Township is currently in the final stages of lease up after two new buildings came on line during the summer of 2011. Rents at Deerfield Commons start at \$800 for a one-bedroom, \$950 for a two-bedroom, and \$1,225 for a three-bedroom unit. The 165-unit Residences at Seven Gables in Carlisle completed construction in mid-2011 and offers rents of \$950 and \$1,250 for one- and two-bedroom units, respectively. Keystone Arms, a 150-unit rental townhome community adjacent to the United States Army War College in Carlisle, currently has completed 130 units, and the remaining 20 units are expected to be complete by late 2012. Rents

at Keystone Arms start at \$895 for a one-bedroom unit and \$1,095 for two- and three-bedroom units, which measure the same square footage.

During the 3-year forecast period, demand is expected for 240 new market-rate rental housing units. The 100 units currently under construction and 475 units in the pipeline will satisfy all of the demand during the forecast period (Table 1). Of the 100 units under construction, 96 are part of the first phase of the planned 288-unit The Overlook apartment community located in East Pennsboro Township. Construction on the remaining 192 units at The Overlook is expected to start during the 3-year forecast period, and construction at the 288-unit Meridian on the West Shore is expected to start during 2012. Table 7 shows estimated demand by rent level for new market-rate rental housing in the submarket during the forecast period.

Table 7. Estimated Demand for New Market-Rate Rental Housing in the Cumberland/Perry Counties Submarket, December 1, 2011 to December 1, 2014

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
900 to 1,099	15	1,000 to 1,199	35	1,200 to 1,399	20
1,100 to 1,299	20	1,200 to 1,399	50	1,400 to 1,599	30
1,300 or more	15	1,400 or more	35	1,600 or more	20
Total	50	Total	120	Total	70

Notes: The 100 units currently under construction will satisfy some of the estimated demand. Numbers may not add to totals because of rounding.

Source: Estimates by analyst

Data Profiles

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

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Resident Employment	259,264	259,609	260,100	0.0	0.2
Unemployment Rate	3.4%	7.8%	7.2%		
Nonfarm Payroll Jobs	320,600	318,700	318,400	- 0.1	- 0.1
Total Population	509,074	549,475	553,600	0.8	0.4
Total Households	202,380	222,281	225,000	0.9	0.7
Owner Households	141,107	153,307	154,100	0.8	0.3
Percent Owner	69.7%	69.0%	68.5%		
Renter Households	61,273	68,974	70,850	1.2	1.6
Percent Renter	30.3%	31.0%	31.5%		
Total Housing Units	217,025	240,818	243,500	1.0	0.7
Owner Vacancy Rate	1.8%	2.1%	2.0%		
Rental Vacancy Rate	7.9%	7.9%	7.6%		
Median Family Income	NA	\$66,935	\$66,619	NA	- 0.5

NA = data not available.

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

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

Table DP-2. Dauphin County Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Population	251,798	268,100	269,800	0.6	0.4
Total Households	102,670	110,435	111,300	0.7	0.5
Owner Households	67,136	71,491	71,600	0.6	0.1
Percent Owner	65.4%	64.7%	64.3%		
Rental Households	35,534	38,944	39,700	0.9	1.2
Percent Renter	34.6%	35.3%	35.7%		
Total Housing Units	111,133	120,406	121,400	0.8	0.5
Owner Vacancy Rate	2.1%	2.4%	2.5%		
Rental Vacancy Rate	9.2%	8.4%	8.0%		

Note: Numbers may not add to totals because of rounding.

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

Table DP-3. Cumberland/Perry Counties Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Population	257,276	281,375	283,800	0.9	0.5
Total Households	99,710	111,846	113,700	1.2	1.0
Owner Households	73,971	81,816	82,500	1.0	0.5
Percent Owner	74.2%	73.2%	72.6%		
Rental Households	25,739	30,030	31,150	1.6	2.2
Percent Renter	25.8%	26.8%	27.4%		
Total Housing Units	105,892	120,412	122,100	1.3	0.8
Owner Vacancy Rate	1.5%	1.8%	1.5%		
Rental Vacancy Rate	6.2%	7.2%	7.0%		

Note: Numbers may not add to totals because of rounding.

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: 12/1/2011—Analyst's estimates

Forecast period: 12/1/2011–12/1/2014—
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_Harrisburg-CarlislePA_12.pdf.

Contact Information

Timothy D. McNally, Economist
Philadelphia HUD Regional Office
215-430-6677
timothy.d.mcnally@hud.gov

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.