

Housing Market Profile

Mid-Atlantic • HUD Region III



York-Hanover, Pennsylvania

The York-Hanover metropolitan area, coterminous with York County, is located in south-central Pennsylvania, approximately 100 miles west of Philadelphia and 50 miles north of Baltimore, Maryland. The metropolitan area includes the city of York and Hanover Borough, known by many as the snack food capital of the United States because of the large number of snack food manufacturers. As of October 1, 2011, the population of the metropolitan area was estimated at 437,400, which reflects an average annual gain of 1,625, or 0.4 percent, since April 1, 2010, compared with an average annual increase of 6,150, or 1.5 percent, from 2005 to 2010. Leading private employers in the area include York Hospital, BAE Systems Land & Armaments (a defense contractor), and UTZ Quality Foods, Inc., with approximately 7,400, 1,900, and 1,350 employees, respectively.

Economic conditions in the York-Hanover metropolitan area showed signs of recovery during the 12 months ending August 2011, with total nonfarm payrolls increasing by 2,800, or 1.6 percent, to 176,100 jobs. This increase is a marked shift from the loss of 4,100 jobs, or 2.3 percent, during the 12-month period ending August 2010. During the 12 months ending August 2011, the professional and business services sector added 1,100 jobs, or 6.8 percent, which accounted for nearly 40 percent of the job gains in the metropolitan area during the period. The transportation and utilities sector and the education and health services sector each added 500 jobs, or 6.5 and 1.8 percent, respectively. The mining, logging, and construction sector also added 500 jobs, or 5.1 percent, with gains primarily attributed to commercial construction, including Wellspan Health's new 73-bed surgery and rehabilitation hospital. Partially offsetting overall job gains were losses in the manufacturing and government sectors, which lost 400 and 200 jobs, or 1.1 percent each, respectively. Yorktowne Paperboard, a paperboard manufacturer owned by Newark Group, closed mid-October and Yorktowne Cabinetry closed in early summer, resulting in the loss of nearly 200 total jobs. The employment declines in the government sector can be attributed to job losses at the federal level. Despite the overall loss of employment in manufacturing, jobs in the food manufacturing subsector, accounting for nearly 16 percent of all manufacturing

jobs, has remained stable during the past 3 years. During the 12 months ending August 2011, the unemployment rate in the metropolitan area averaged 8 percent, down from the 8.8-percent rate recorded during the previous 12-month period.

The home sales market in the York-Hanover area remains soft as a result of weaker economic conditions during the previous year. According to Hanley Wood, LLC, during the 12 months ending August 2011, the number of existing home sales decreased by nearly 21 percent, to 4,675 homes sold, compared with the 7,075 homes sold during the same period a year earlier. During the 12 months ending August 2011, the median home sales price of existing single-family homes was \$164,850, down \$10,150, or nearly 6 percent. According to LPS Applied Analytics, in August 2011, 6.1 percent of mortgages in the metropolitan area were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), which is relatively unchanged from the 6.0-percent rate recorded in August 2010. According to Hanley Wood, LLC, during the 12 months ending August 2011, sales of foreclosed and REO homes represented 25 percent of total home sales, unchanged from the previous 12-month period.

Hanley Wood, LLC, also reported that, during the 12 months ending August 2011, sales of new single-family homes decreased by 41 percent to 430 homes sold and the median home sales price was down nearly 19 percent to \$221,200. In response to the soft sales housing market, single-family home construction in the metropolitan area remained well below the 2003-to-2006 peak period, when an average of 2,860 homes were permitted annually. Based on preliminary data, during the 12 months ending August 2011, the number of single-family permits issued was unchanged at 520 homes compared with the number issued a year earlier. Jackson Heights is an ongoing development with 127 single-family detached homes and 208 townhomes; prices start at \$129,900 for a three-bedroom townhome and \$225,000 for a three-bedroom detached home. Stonegate at Regents' Glen, a new townhome development in York, has three-bedroom condominium units starting at \$132,900.

The rental housing market conditions in the York-Hanover metropolitan area are slightly soft, with a current estimated rental vacancy rate of 7.1 percent, unchanged from the rate reported in the 2010 Census. Average rents are estimated to be \$700 for a one-bedroom unit, \$800 for a two-bedroom unit, and \$1,050 for a three-bedroom unit. Rents for three- and



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four-bedroom single-family homes average \$1,500. According to the 2009 American Community Survey, single-family homes account for nearly 50 percent of all rental housing units in the metropolitan area. Multifamily construction activity, as measured by the number of units permitted, totaled nearly 150 units permitted during the 12 months ending August 2011, an increase compared with nearly 80 units permitted during the previous 12-month period. Multifamily development

peaked from 2002 through 2003, when an average of 300 units were permitted annually. The newly developed Gable Flats Apartments, a converted tobacco warehouse, with 15 one-bedroom units and rents ranging from \$975 to \$1,025, started leasing in early 2011. Conversion of the former York Casket Company's warehouse into 80 apartments began in the spring of 2011, with 23 apartments expected to come on line in late 2011.