

2012
Pennsylvania Tax Credit
Rental Housing Survey



Summary of Statewide Research

Bowen National Research conducted a statewide survey of approximately 65% of Tax Credit rental housing properties between August and September of 2012 throughout the state of Pennsylvania. We identified and attempted to survey rental product in each of the counties in the state that has Tax Credit product (65 counties). In the majority of the counties, we were able to survey 70% or more of the identified Tax Credit rental projects.

This survey, conducted by telephone, includes only properties that operate with Low-Income Housing Tax Credits (both 4% and 9%). Some of these projects also operate with a project-based subsidy, such as Section 8 or Rural Development 515, and/or have market rate units. While this survey does not include all Tax Credit rental housing projects, it encompasses approximately 65% of the published Tax Credit rental housing alternatives in the state and provides a good representation of affordable rental housing market conditions.

This report includes aggregate occupancy and rental data, overall demographic growth trends, low-income household growth trends, and general economic data. As part of our rental housing survey, we also collected details on unit mixes, rents, rent concessions, vacancies, unit sizes (square feet), amenities, program types, utilities, year built, and other individual property information. Detailed project information is not provided in this report but can be obtained by contacting us directly.

The intent of the survey and the corresponding demographic and economic data is not to provide conclusions as to the strength or weakness of a market, but instead to provide research information to real estate professionals, government entities, and others that can serve as an overview of market conditions.



Our firm surveyed 634 rental projects comprising 29,666 Tax Credit units in the state. There were 304 vacant Tax Credit units, yielding an overall occupancy rate of 99.0%. Note that our housing data is segmented between non-subsidized Tax Credit units and Tax Credit units that operate with a concurrent subsidy. The occupancy rate among the non-subsidized Tax Credit units was 98.6%, while the occupancy rate among the Tax Credit/Government-Subsidized units was 99.5%. Our occupancy data represents physical vacancies (vacant units that are currently available for rent), as opposed to economic vacancies (empty units that are not ready to rent due to maintenance or repair needs, for example).

Among the 67 counties, 34 counties had overall occupancy rates at 100.0%. Only three of the counties had an occupancy rate below 90.0%: Forest (89.3%), Greene (88.2%) and Warren (87.5%). However, these three counties only have one or two Tax Credit projects, with minimal vacancies at each project. Note: A list with all counties and their occupancy rates is included later in this section, as well as a thematic map of the percent of projects we were able to survey within each county.

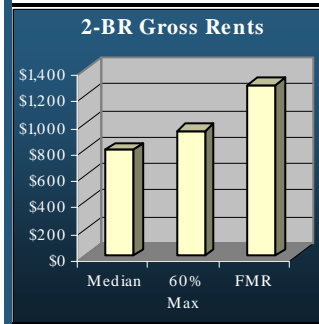
The overall Tax Credit median gross rents (collected rent plus estimated cost for tenant-paid utilities) for the state are \$536 for studio units, \$626 for one-bedroom units, \$796 for two-bedroom units, \$942 for three-bedroom units, and \$1,090 for the four-bedroom units.

RESEARCH HIGHLIGHTS	
Projects Surveyed	634
Affordable Units Surveyed	29,666
Statewide Occupancy	
Overall Statewide Occupancy Rate	99.0%
Tax Credit/Non-Subsidized	98.6%
Total Units	18,023
Vacant Units	248
Tax Credit/Government Subsidized	99.5%
Total Units	11,643
Vacant Units	56
Counties With Occupancy Below 90.0%	
Forest	89.3%
Greene	88.2%
Warren	87.5%
Counties with Occupancy at 100.0% (with 200+ Units)	
Adams	Mercer
Franklin	Monroe
Luzerne	Montgomery
Lycoming	Washington
Median Tax Credit Gross Rental Rates	
Studio	\$536
One-Bedroom	\$626
Two-Bedroom	\$796
Three-Bedroom	\$942
Four-Bedroom	\$1,090

Source: Bowen National Research

The following pages include aggregate statewide data followed by thematic maps and individual county summaries.

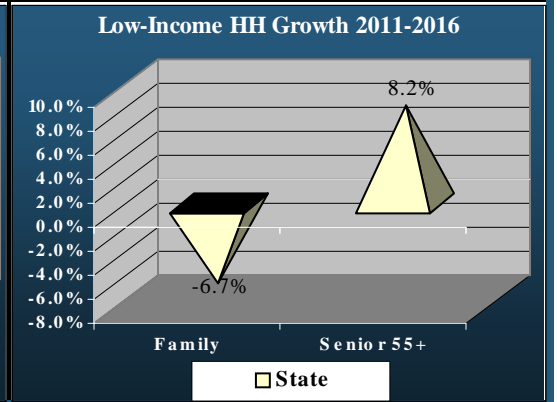
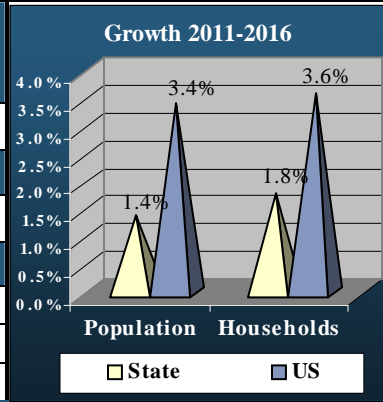
Total Tax Credit Properties	Occupancy Rates	Occupancy Rate 	
634	Overall		
Total Tax Credit Units Surveyed	99.0%		
	Market-Rate		
29,666	N/A		
	Tax Credit		
	98.6%		
	Tax/Subsidized		
	99.5%		



Unit Type	Total Tax Credit Units	Total Vacant (%)	Gross Rent Comparisons		
			Median Tax Credit	60% Max. Allowable	Fair Market Rent
Studio	573	10 (1.7%)	\$536	\$624-\$844	\$345-\$557
One-Bedroom	9,050	283 (3.1%)	\$626	\$668-\$904	\$401-\$602
Two-Bedroom	13,861	489 (3.5%)	\$796	\$801-\$1,084	\$534-\$751
Three-Bedroom	6,511	186 (2.9%)	\$942	\$925-\$1,253	\$637-\$1,075
Four+-Bedroom	1,312	39 (3.0%)	\$1,090	\$1,032-\$1,398	\$656-\$1,258

Statewide Demographics				
US Census, ESRI & Claritas Estimates	Population	Households (HH)	Family Renters \$10k-\$40k (HH)	Senior 55+ Renters \$10k-\$30k (HH)
2000 Census	12,281,094	4,776,948	499,349	183,399
2010 Census	12,702,510	5,018,977	-	-
Change 2000-2010	421,416	242,029	-	-
Percent Change 2000-2010	3.4%	5.1%	-	-
2011 Estimated	12,736,257	5,032,180	436,253	202,931
Change 2010-2011	33,747	13,203	-	-
Percent Change 2010-2011	0.3%	0.3%	-	-
2016 Projected	12,916,337	5,121,244	407,086	219,522
Change 2011-2016	180,080	89,064	-29,167	16,591
Percent Change 2011-2016	1.4%	1.8%	-6.7%	8.2%

2011 Statewide Unemployment
7.9%
Employment Change (2010-2011)
30,224 (0.5%)
Top Three Industry Sectors
1. Healthcare (15.9%)
2. Retail Trade (11.9%)
3. Education (11.2%)



County Comparison

Below is a county-by-county summary of the Tax Credit projects surveyed and each county's occupancy rates.

County	Number of Projects*	Number of Units*	Occupancy		
			Tax Credit/Non-Subsidized	Tax Credit/Government Subsidized	Overall
Adams	7	223	100.0%	100.0%	100.0%
Allegheny	65	3,462	99.6%	99.9%	99.8%
Armstrong	9	175	100.0%	94.9%	97.7%
Beaver	9	186	100.0%	100.0%	100.0%
Bedford	1	18	-	100.0%	100.0%
Berks	22	1,271	99.5%	100.0%	99.8%
Blair	6	263	100.0%	94.9%	97.7%
Bradford	6	135	100.0%	-	100.0%
Bucks	11	857	98.7%	100.0%	99.3%
Butler	7	324	98.6%	98.3%	98.5%
Cambria	4	141	100.0%	100.0%	100.0%
Cameron	1	32	-	100.0%	100.0%
Carbon	1	34	100.0%	-	100.0%
Centre	15	912	99.9%	100.0%	99.9%
Chester	14	698	100.0%	94.8%	99.1%
Clarion	3	85	-	100.0%	100.0%
Clearfield	4	132	100.0%	100.0%	100.0%
Clinton	4	111	100.0%	100.0%	100.0%
Columbia	13	340	99.4%	100.0%	99.4%
Crawford	3	89	100.0%	100.0%	100.0%
Cumberland	14	546	99.8%	100.0%	99.8%
Dauphin	16	1,294	99.4%	100.0%	99.5%
Delaware	21	1,208	97.1%	100.0%	98.5%
Elk	3	60	95.8%	91.7%	93.3%
Erie	16	696	98.6%	100.0%	99.1%
Fayette	11	474	99.6%	100.0%	99.8%
Forest	2	56	-	89.3%	89.3%
Franklin	10	422	100.0%	100.0%	100.0%
Fulton	1	59	-	100.0%	100.0%
Greene	1	34	-	88.2%	88.2%
Huntingdon	2	77	-	100.0%	100.0%
Indiana	14	414	99.1%	99.5%	99.3%
Jefferson	3	99	100.0%	-	100.0%
Juniata	3	76	-	98.7%	98.7%
Lackawanna	13	827	99.6%	100.0%	99.9%
Lancaster	24	1,049	94.3%	98.6%	94.9%
Lawrence	1	50	100.0%	-	100.0%
Lebanon	6	145	100.0%	-	100.0%
Lehigh	19	971	99.7%	100.0%	99.8%
Luzerne	12	742	100.0%	100.0%	100.0%
Lycoming	8	234	100.0%	100.0%	100.0%
McKean	1	23	-	100.0%	100.0%
Mercer	5	226	100.0%	100.0%	100.0%
Mifflin	6	153	-	100.0%	100.0%
Monroe	6	349	100.0%	-	100.0%

*Number surveyed

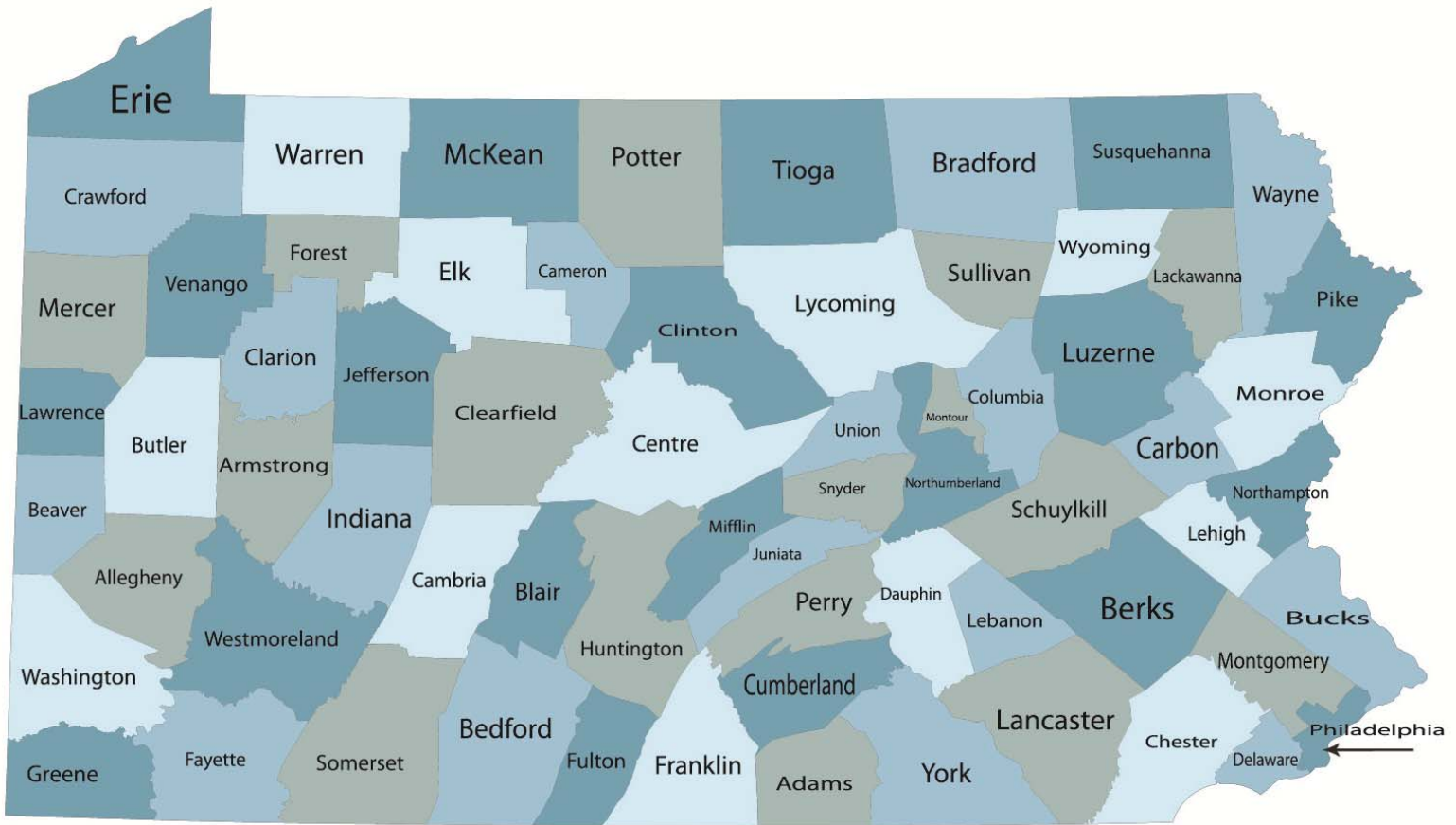
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County	Number of Projects*	Number of Units*	Occupancy		
			Tax Credit/Non-Subsidized	Tax Credit/Government Subsidized	Overall
Montgomery	8	470	100.0%	-	100.0%
Montour	2	72	100.0%	100.0%	100.0%
Northampton	26	940	98.3%	100.0%	98.5%
Northumberland	5	144	98.6%	100.0%	99.3%
Perry	4	84	100.0%	100.0%	100.0%
Philadelphia	75	4,889	98.9%	99.8%	99.4%
Pike	2	126	100.0%	-	100.0%
Potter	-	-	-	-	-
Schuylkill	13	270	85.3%	100.0%	98.1%
Snyder	3	54	100.0%	100.0%	100.0%
Somerset	9	209	98.9%	91.7%	94.7%
Sullivan	-	-	-	-	-
Susquehanna	3	47	100.0%	100.0%	100.0%
Tioga	1	24	-	100.0%	100.0%
Union	3	100	100.0%	-	100.0%
Venango	2	56	91.7%	100.0%	96.4%
Warren	1	24	87.5%	-	87.5%
Washington	7	275	100.0%	100.0%	100.0%
Wayne	3	112	-	100.0%	100.0%
Westmoreland	18	656	98.8%	99.1%	98.9%
Wyoming	1	15	-	100.0%	100.0%
York	27	1,367	93.8%	-	93.8%

*Number surveyed

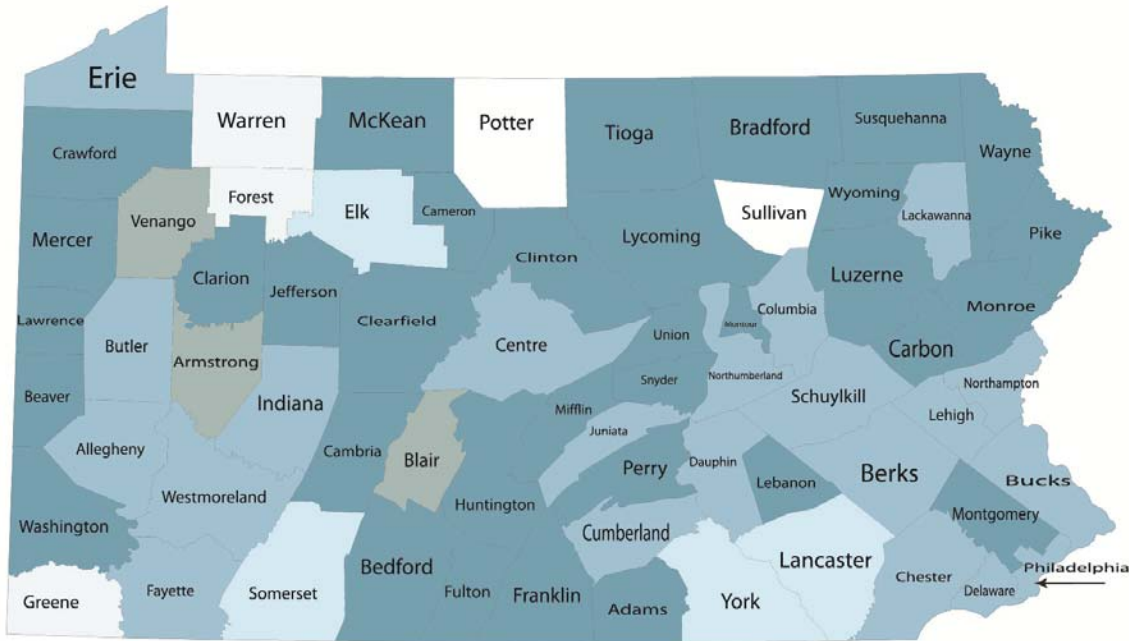
Link to County-by-County Profile Sheets

For electronic users: click on the county name in the listing to get detailed county-specific rental housing data.

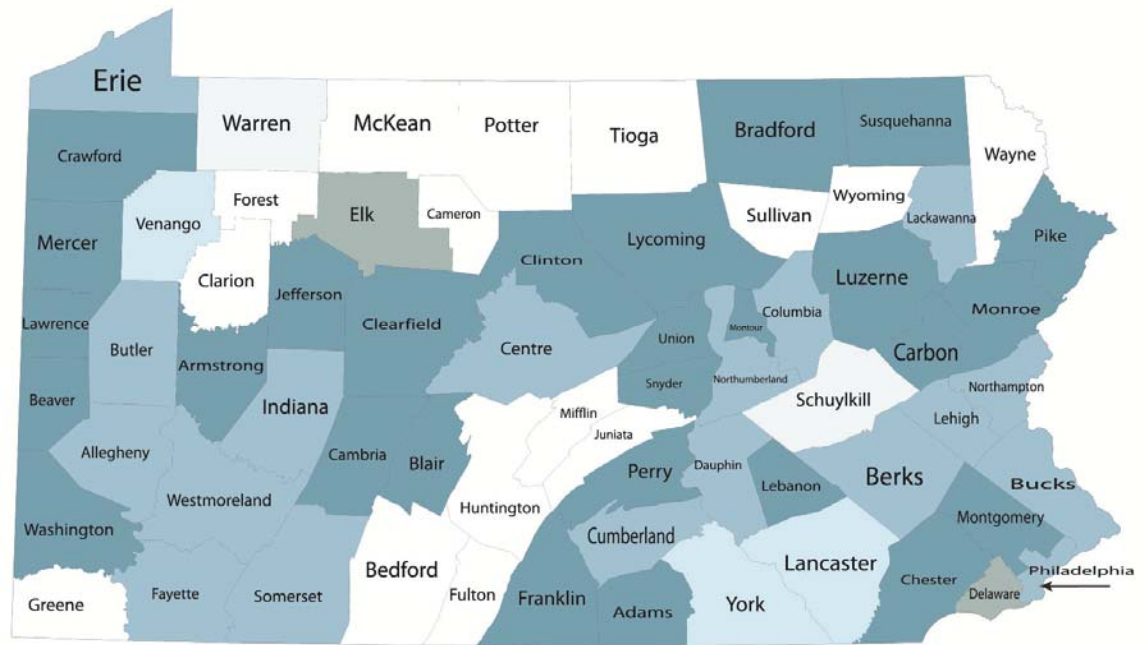


- | | | | |
|-------------------|-------------------|-----------------------|---------------------|
| <i>Adams</i> | <i>Clinton</i> | <i>Lackawanna</i> | <i>Philadelphia</i> |
| <i>Allegheny</i> | <i>Crawford</i> | <i>Lancaster</i> | <i>Pike</i> |
| <i>Armstrong</i> | <i>Cumberland</i> | <i>Lawrence</i> | <i>Potter</i> |
| <i>Beaver</i> | <i>Dauphin</i> | <i>Lebanon</i> | <i>Schuylkill</i> |
| <i>Bedford</i> | <i>Delaware</i> | <i>Lehigh</i> | <i>Snyder</i> |
| <i>Berks</i> | <i>Elk</i> | <i>Luzerne</i> | <i>Somerset</i> |
| <i>Blair</i> | <i>Erie</i> | <i>Lycoming</i> | <i>Sullivan</i> |
| <i>Bradford</i> | <i>Fayette</i> | <i>McKean</i> | <i>Susquehanna</i> |
| <i>Bucks</i> | <i>Forest</i> | <i>Mercer</i> | <i>Tioga</i> |
| <i>Butler</i> | <i>Franklin</i> | <i>Mifflin</i> | <i>Union</i> |
| <i>Cambria</i> | <i>Fulton</i> | <i>Monroe</i> | <i>Venango</i> |
| <i>Cameron</i> | <i>Greene</i> | <i>Montgomery</i> | <i>Warren</i> |
| <i>Carbon</i> | <i>Huntingdon</i> | <i>Montour</i> | <i>Washington</i> |
| <i>Centre</i> | <i>Indiana</i> | <i>Northampton</i> | <i>Wayne</i> |
| <i>Chester</i> | <i>Jefferson</i> | <i>Northumberland</i> | <i>Westmoreland</i> |
| <i>Clarion</i> | <i>Juniata</i> | <i>Perry</i> | <i>Wyoming</i> |
| <i>Clearfield</i> | | | <i>York</i> |

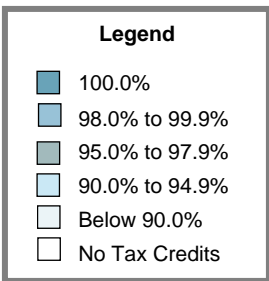
Tax Credit Occupancy by County



All Tax Credit Projects

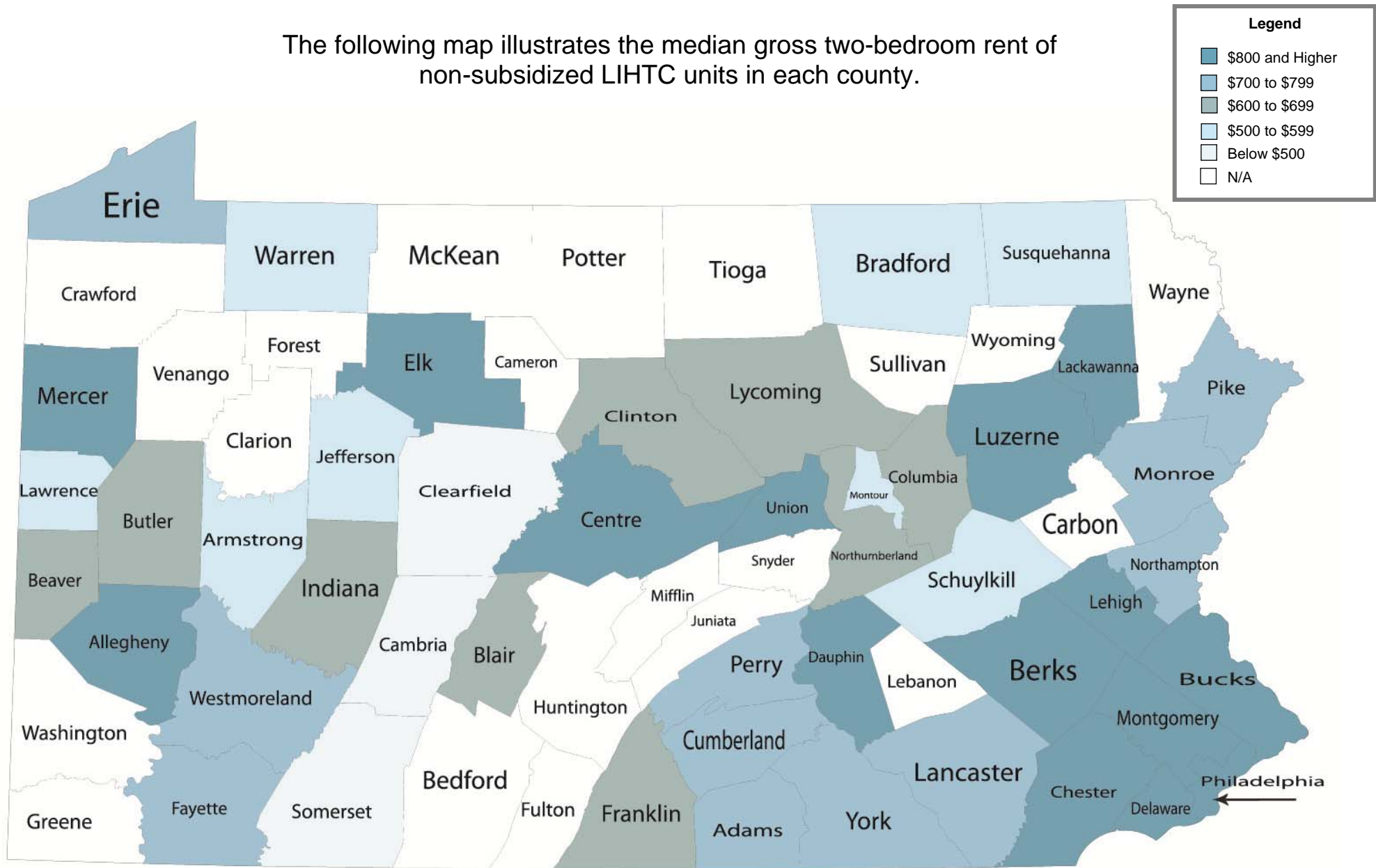


Non-Subsidized Tax Credit Projects

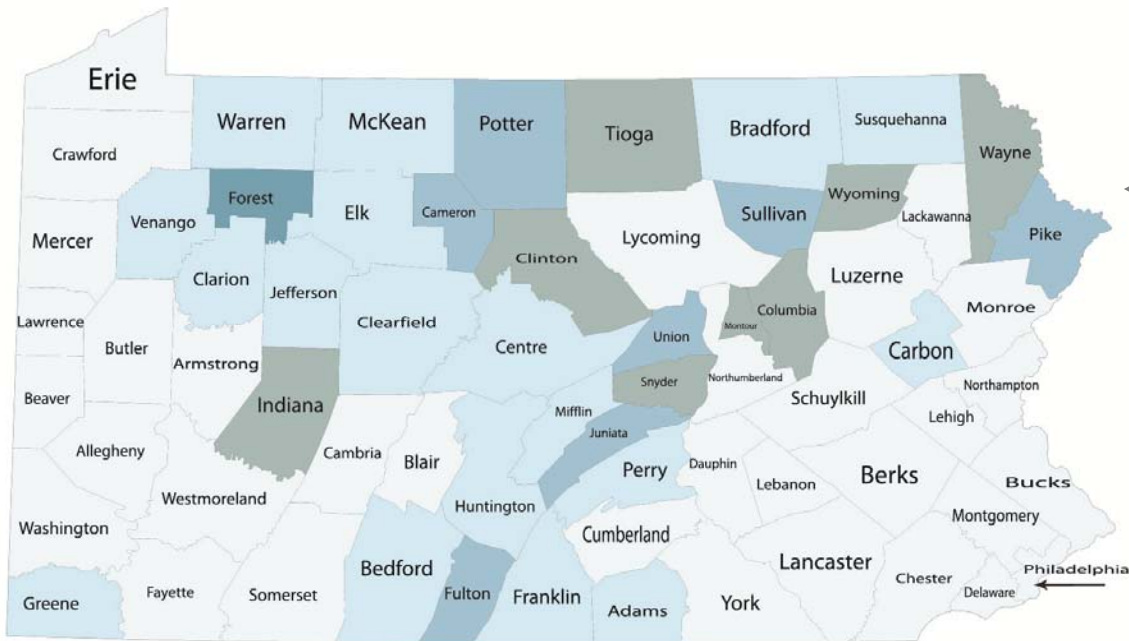


Median Two-Bedroom Gross Rents by County

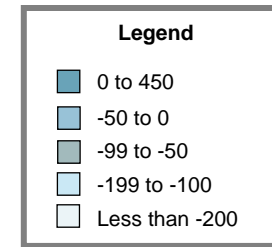
The following map illustrates the median gross two-bedroom rent of non-subsidized LIHTC units in each county.



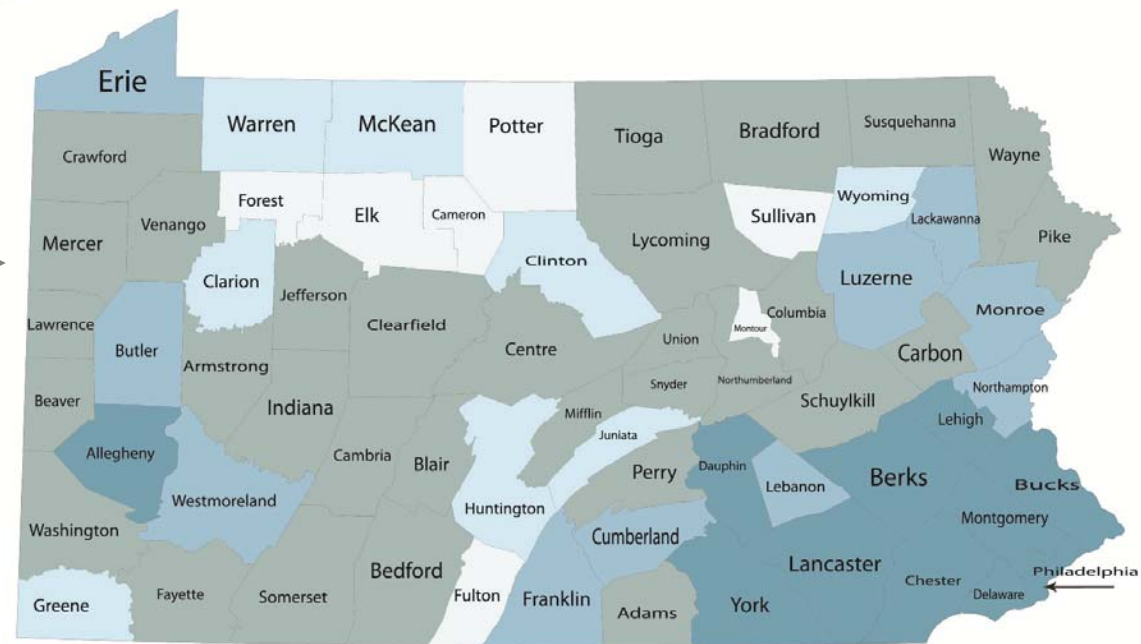
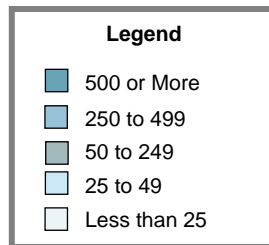
Low-Income Renter Growth (2011-2016)



*Family Renter Household Growth
Incomes of \$10,000 - \$40,000*



*Senior Renter Household Growth
Incomes of \$10,000 - \$30,000*



About Bowen National Research

Bowen National Research, a member of the National Council of Housing Market Analysts (NCHMA) is a national real estate research and consulting firm specializing in market feasibility evaluations for a variety of development alternatives. With experience in markets throughout the United States, Canada and Puerto Rico, Bowen National Research is prepared to meet the needs of state agencies, developers, investors and syndicators. The staff at Bowen National Research has evaluated market conditions for nearly every type of real estate alternative. Each staff member has hands-on experience evaluating housing stock, analyzing market characteristics and trends, and providing realistic recommendations and conclusions.



Bowen National Research is on the Pennsylvania Housing Finance Agency's Approved Market Analyst List

Bowen National Research has provided dozens of market studies for past Tax Credit applications and is very knowledgeable of PHFA's market study requirements.

Given the amount of research we recently completed for this statewide rental housing survey, we are able to expedite any requests for market studies for PHFA's upcoming November 2012 and February 2013 application deadlines.

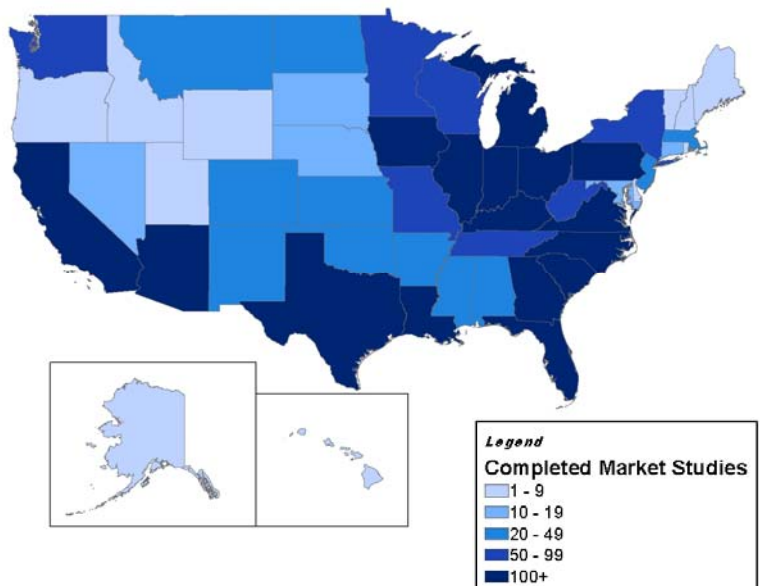
Types of Studies

Bowen National Research provides overall needs assessments and site-specific market research for the following types of development:

- Low-Income Housing Tax Credit
- Market-Rate
- Government-Subsidized
- HUD 221(d)(3) and (d)(4)
- HUD 202
- Student Housing
- Senior Facilities
- Indian Housing
- Farmlabor Housing (USDA 514/516)
- For-Sale Housing
- Retail/Office/Commercial Space
- Neighborhood Revitalization
- Housing Authority Portfolios
- City, County and Statewide Housing Needs Assessments

Nationwide Experience

The staff of Bowen National Research has completed market studies in every state in the nation and in Canada and Puerto Rico. The map below shows the number of studies completed within each state.



Disclaimers



The intent of this report is to provide general housing, demographic and economic data on a county level basis for each of the 67 counties within the state of Pennsylvania, as well as statewide aggregate data. This report does not draw conclusions as to the performance of the housing markets, demographic trends, or economic conditions. Instead, this report is meant to provide summary data that may serve as a baseline for developers, investors, government entities and other real estate professionals to make their own assessments of each county and the market opportunities they may present. Additional analysis is recommended prior to any definitive conclusions being drawn for any of the subject counties.

Bowen National Research makes the following additional disclaimers:

- We surveyed approximately 65% of all Tax Credit rental housing properties we were able to identify in the state. We believe this survey to be an adequate sampling of the Tax Credit rental housing stock to reveal certain characteristics and trends of such housing. We excluded all other types of rental housing from our survey.
- Some properties contained market-rate and/or government subsidized (non Tax Credit) units. These units have been excluded from all total and aggregate numbers of each county profile.
- Rental housing data was provided by property managers and leasing agents for the individual properties we surveyed between August and September 2012. Bowen National Research is not responsible for incorrect information provided by these secondary sources.
- The maximum allowable Tax Credit rents are those that were in affect as of December 1, 2011 and does not account for HERA Special and Hold Harmless rent and income restrictions, nor were these rents adjusted for being in “rural markets” as defined in section 520 of the Housing Act of 1949.
- Gross rents shown in the report represent the collected/tenant-paid rents plus the estimated value of tenant-paid utilities. It is important to note that some Tax Credit rents shown in the report may exceed maximum allowable rents under the Tax Credit program. This rent differential is due to a variety of factors including the actual utility estimates used by individual property management companies or special HUD-adjusted rents for such things as HERA and Hold Harmless areas, or areas defined as “rural” by HUD.
- Fair Market Rents are from HUD’s 2012 limits.
- The 2011 unemployment rate reported for each county is the annualized unemployment rate of that year.
- Because we were unable to contact all properties in some counties, it is likely that overall occupancy levels in some counties are different than those we reported.

Please contact Patrick Bowen at Bowen National Research for any questions or clarifications regarding the research methods used or the data presented in this report at the following:

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