



ERIE **nsights**

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ERIE RENTERS BENEFIT OPPOSITE NATIONAL TREND

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ERIE IS A RESEARCH CENTER OF
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THE HOUSING MARKET

WHERE ERIE STANDS COMPARED TO PA & THE U.S.

- Erie, PA is currently ranked 290th (of 300 cities) in real estate market strength¹
- Erie, PA is ranked as the 4th-best city in PA (288th in U.S.) to buy a house¹
- Erie has experienced significant drops in both population² & household owners³
 - Both Pennsylvania & the United States have seen increases in this span
- Erie has recently endured notable increases in total housing units³
 - Has far exceeded both Pennsylvania & the United States
- Erie has seen a substantial increase in median house value over the past decade³
 - Despite minimal increases within Pennsylvania, Erie has nearly matched the significant increase in house value throughout the United States
- Erie's estimated housing market value has increased at a moderate rate recently
 - This has increased much more aggressively than the market for PA as a whole but has seen less-significant growth than that of the nationwide average

CHANGE IN POPULATION			
TIME SPAN	ERIE	PENNSYLVANIA	UNITED STATES
SINCE 2016	-2.4%	0.1%	1.6%
SINCE 2010	-3.9%	0.7%	6.1%

CHANGE IN HOUSEHOLDERS			
TIME SPAN	ERIE	PENNSYLVANIA	UNITED STATES
SINCE 2016	-2.5%	0.3%	1.7%
SINCE 2010	-4.7%	0.8%	6.4%

CHANGE IN HOUSING UNITS			
TIME SPAN	ERIE	PENNSYLVANIA	UNITED STATES
SINCE 2016	2.9%	2.1%	1.5%
SINCE 2010	6.0%	2.9%	2.2%

CHANGE IN MEDIAN HOUSE VALUE			
TIME SPAN	ERIE	PENNSYLVANIA	UNITED STATES
SINCE 2016	17.3%	10.6%	14.2%
SINCE 2010	33.7%	16.4%	22.2%

CHANGE IN ESTIMATED HOUSING MARKET VALUE			
TIME SPAN	ERIE	PENNSYLVANIA	UNITED STATES
SINCE 2016	15.9%	13.0%	20.8%
SINCE 2010	19.5%	11.2%	21.4%

REFERENCES

- 1 MCCANN, ADAM. "BEST REAL-ESTATE MARKETS." WALLETHUB, 24 AUG. 2021, WALLETHUB.COM/EDU/BEST-REAL-ESTATE-MARKETS/14889.
- 2 AMERICAN COMMUNITY SURVEY. "POPULATIONS AND PEOPLE ESTIMATES." UNITED STATES CENSUS BUREAU, TABLE DP04 (2020).
- 3 AMERICAN COMMUNITY SURVEY. "SELECTED HOUSING CHARACTERISTICS." UNITED STATES CENSUS BUREAU, TABLE DP05 (2019).

THE RENTERS' MARKET

THE RENTING ASPECT OF THE HOUSING MARKET

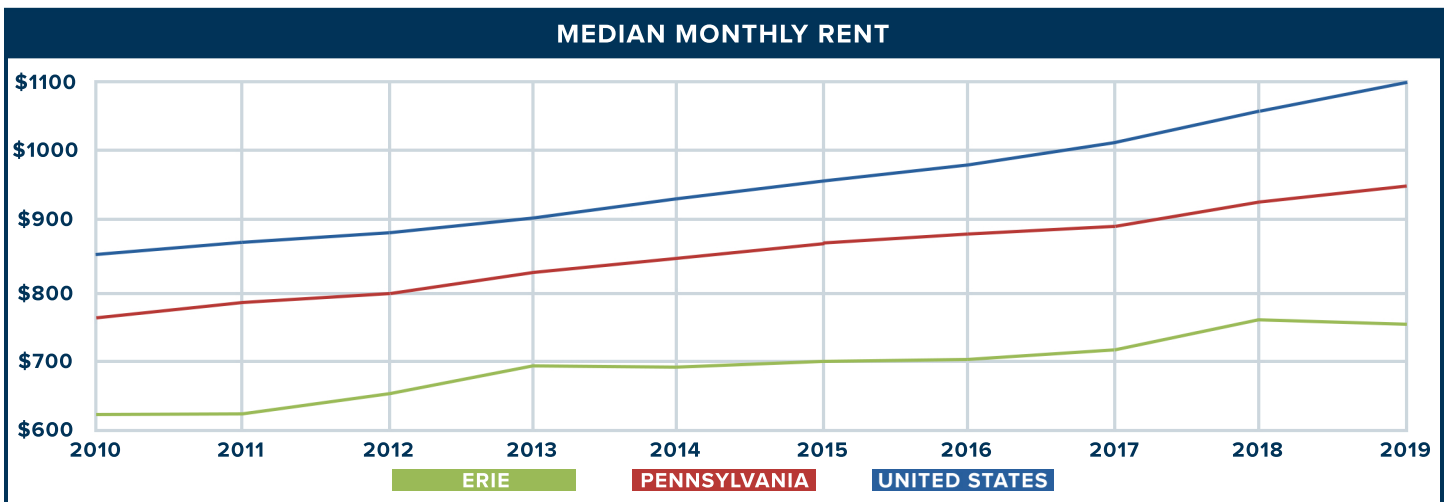
While Erie's overall housing market has failed to match the growth possessed by the national average, the city has seen its renting sector of the housing market flourish, particularly in favor of those opting to rent housing units.

Relative to both the PA & nationwide median prices, monthly rent costs Erie, PA renters a mere fraction of that found across the state & country. This comes even amid an increase in the percentage of people renting while both PA & the U.S. saw decreases in the percent of individuals renting housing units since 2016.³

Due to such a scenario, which opposes a nationwide trend favoring home-buyers relative to home-renters, Erie has seen notable gains in their rent quotient - a metric identifying the proportion of median rent costs relative to the nationwide average. This has resulted in a significant increase in purchasing power for those renting in Erie, PA, relative to typical renters elsewhere in Pennsylvania or the United States.

CHANGE IN RENTING POPULATION			
TIME SPAN	ERIE	PENNSYLVANIA	UNITED STATES
SINCE 2016	1.0%	-0.7%	-3.1%
SINCE 2010	8.9%	7.7%	8.4%

CHANGE IN MEDIAN MONTHLY RENT			
TIME SPAN	ERIE	PENNSYLVANIA	UNITED STATES
SINCE 2016	7.5%	7.9%	11.8%
SINCE 2010	20.8%	24.6%	28.3%



CHANGE IN RENTERS' PURCHASING POWER		
TIME SPAN	ERIE	PENNSYLVANIA
SINCE 2016	4.0%	3.6%
SINCE 2010	6.2%	2.9%

3 AMERICAN COMMUNITY SURVEY. "SELECTED HOUSING CHARACTERISTICS." UNITED STATES CENSUS BUREAU, TABLE DP05 (2019).

ERIE'S HOUSING MARKET

WHAT ITS STRENGTH MEANS FOR ERIE RESIDENTS

Erie's current housing market has been a driving force for the local economy, especially amid the COVID-19 pandemic shutdowns over the past year, limiting significant economic sectors for Erie (i.e. tourism).

With housing prices rising & a coincidental rise in the overall market value, these trends (especially when compared to a nationwide trend) have left locals dealing with housing decisions in a win-win situation: benefit from the rising value of their house/property or exploit a renting market that offers tremendous value relative to Pennsylvania & the United States.

Those entering the Erie housing market (i.e. first-time buyers/renters) may be presented with a different situation in quickly increasing home prices (for buyers) & a more-than-appealing renting situation.

In essence: the current market is a short-term win for renters & a long-term victory for those already owning a home.

LOOKING TO THE FUTURE

POTENTIAL IMPACTS TO THE ERIE HOUSING MARKET

The biggest question regarding the housing market over the next few years is whether or not the current surge in housing prices is a result of a housing bubble (similar to that of 2006) or if rising prices are an indicator of a quickly strengthening nationwide sector. There is no clear answer or indication on whether a housing crash is soon to occur, as experts within the industry are torn on their stance.

Regardless, the Erie housing market is growing more rapidly than both the Pennsylvania & nationwide averages, leaving the area in a more-than-favorable scenario in any economic/industry changes.

Particularly over the next several months, with the increase in vacant housing units (due to eviction moratoriums ending), the Erie renters' market should strengthen for those leasing housing (due to an influx of renters) as well as for those that are renting (due to an influence from inflation, impacting nationwide housing prices disproportionately more than Pennsylvania & Erie, in particular).

ABOUT E.R.I.E.

THE ECONOMIC RESEARCH INSTITUTE OF ERIE

The purpose of the Economic Research Institute of Erie (ERIE) - a research center of the Black School of Business at Penn State Behrend - is to collect, analyze, interpret and disseminate data and information on the Erie regional economy.

ERIE's continuing research program seeks to help the local community better understand the regional economy & its linkages to the national economy. ERIE provides a source of information about the local, national and international economies for local leaders and media.