

Notes on Rural housing trends in Pennsylvania

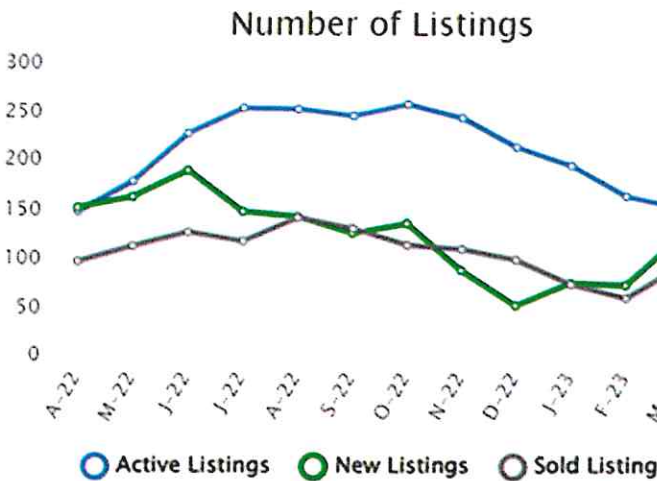
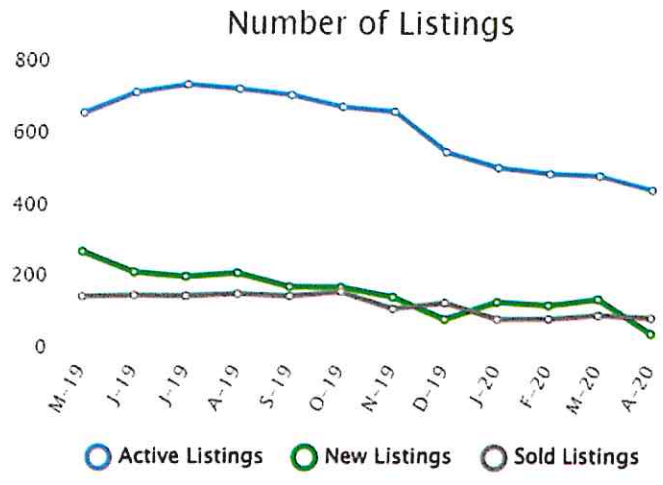
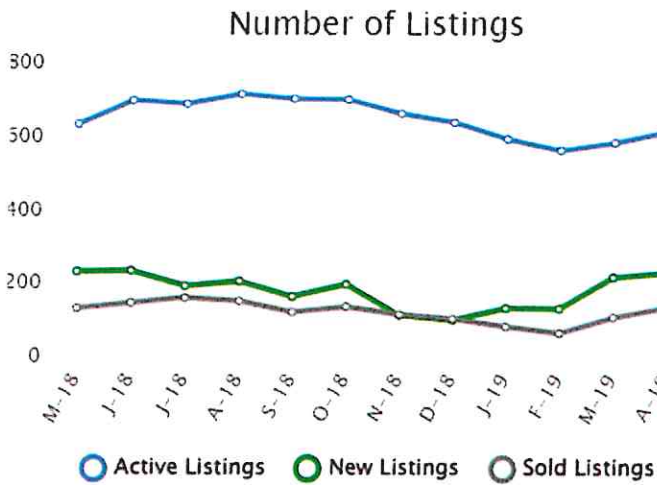
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- Active and pending listings were in the low 700's as of January 2019. As of April 2023, that number was roughly 150. Roughly 78% decline.
- Difficult to track new housing starts, but other than a small number of high-end custom homes new residential construction is very slow and non-existent in some sectors.
- Lycoming County has had several economic development windfalls recently which has created new jobs (Digger, Shop Vac, Primus, JW, Amazon, etc.)
- Existing companies have numerous (good) jobs available. Evidenced by recent job fairs or contacting any regional manufacturing, distributing, service companies, healthcare, education, etc.
- So while we already have jobs and are creating new ones we don't have the housing. The lack of it will become a deterrent to economic development efforts.
- To further exacerbate this issue:
 - We have "price ceilings" in this market unlike others. Buyers can and will only pay so much for a lot or house prices will not escalate like other markets.
 - The cost of construction materials is the same here as other average higher-priced markets.
 - Infrastructure and regulatory issues / costs (stormwater, water-sewer, road bonding, road construction) are high for a rural market.
- Thereby our issue here is unique (worse) compared to other markets. Our costs are similar, but we can't pass through those costs to the consumer like in other areas.

Due to the above reasons, we will continue to see no new construction in the near future. With employers hiring, people relocating to our area in general (covid, remote work, etc.) and new companies coming with hiring needs this overall issue will get worse.

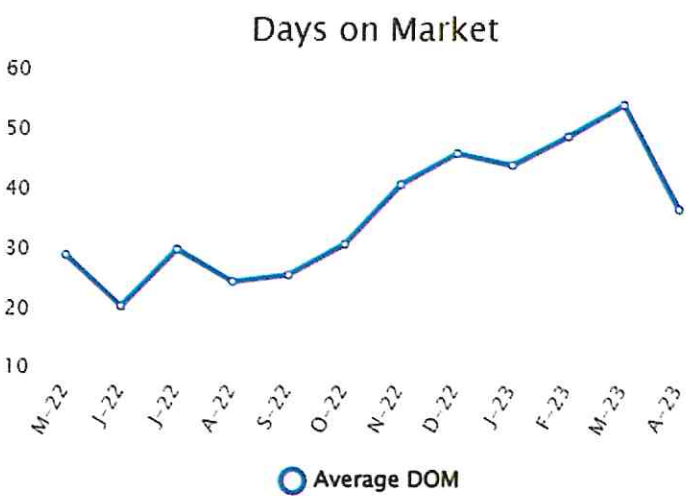
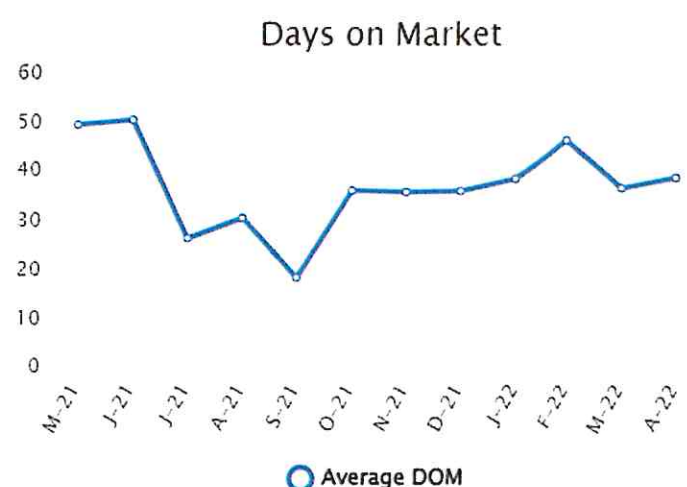
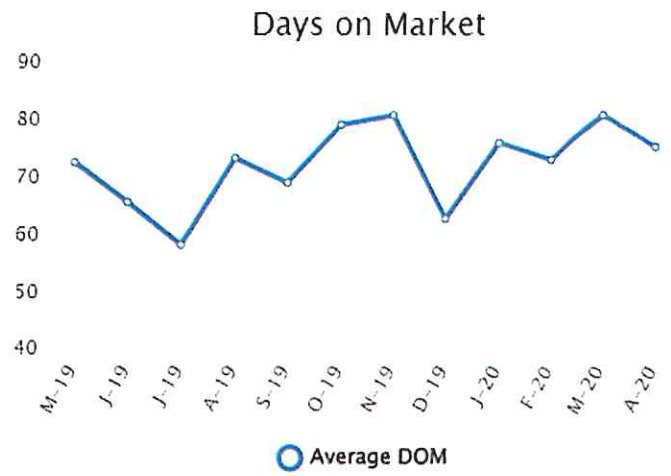
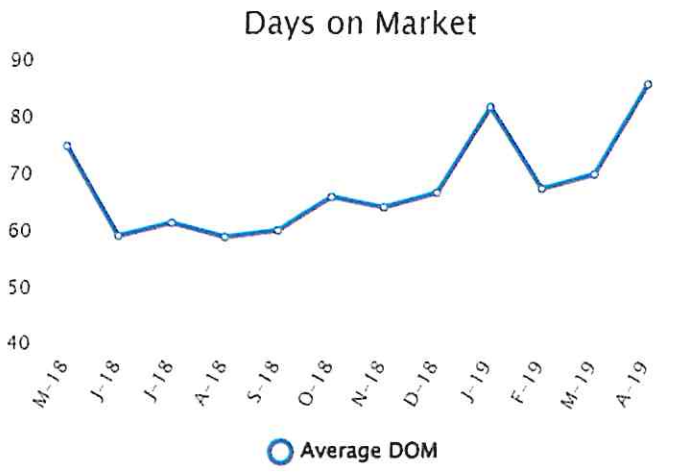
Solution idea: Incentivize developers, landowners, home builders, etc. with infrastructure grants. Offset their costs so it is actually feasible for them to develop lots, build homes, etc. You are creating public infrastructure and tax base. This will measurably enhance the local economic development effort. You will have limited economic development or growth without housing.

LISTING INVENTORY FROM MARCH 2018 – APRIL 2023



What is an Active Listing- a residential home Listed in the MLS until Closed

DAYS ON MARKET TREND FROM MARCH 2018 – APRIL 2023

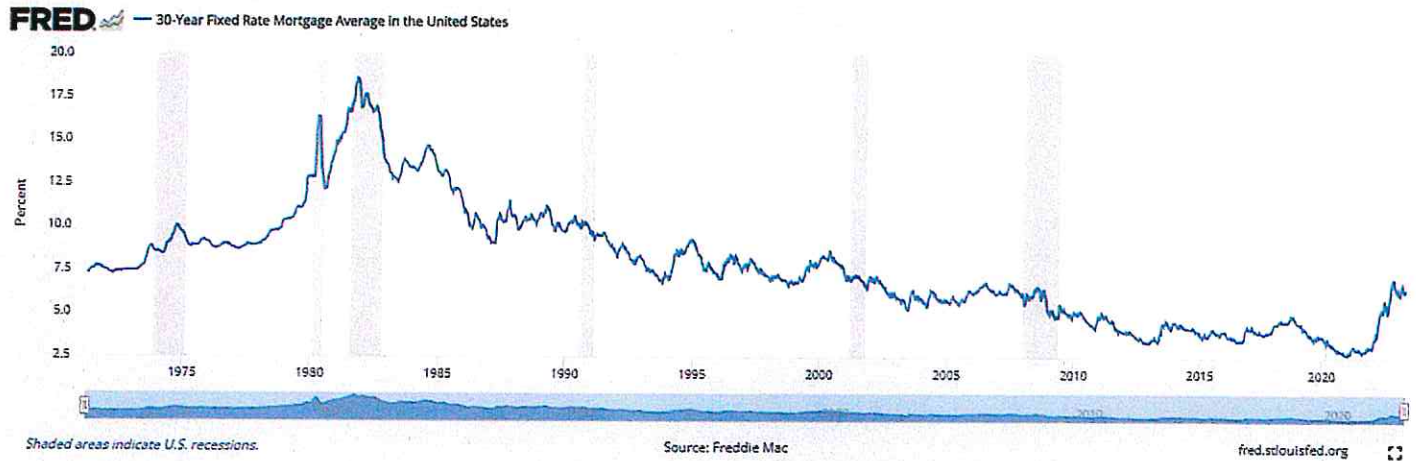


DOM – DAYS ON MARKET IS THE TOTAL OF DAYS FROM LISTING TO SALE, OVER THE YEARS WE CAN SEE THAT IN THE PAST 5 YEARS ITS DROPPED IN HALF.

AVERAGE PRICE PER CALADAR YEAR

YR	\$ Average Price	% Chg
2019	156,091	
2020	178,249	14%
2021	187,519	5%
2022	209,926	12%
2023 ytd	215,397	2%

INTEREST RATE TREND AND HOW THAT AFFECTS THE LOCAL MARKET



INTERST RATES AND PAYMENTS ON \$100,000 LOAN 30 YR FIXED

2019	APRIL	4.20%	\$489.02
2020	APRIL	3.23%	\$434.11
2021	APRIL	3.04%	\$423.76
2022	APRIL	5.11%	\$543.56
2023	APRIL	6.39%	\$624.85