

Single-Family Homes, Apartments and Warehouses Drive LV Development Scene

Apartments and warehouses continued their reshaping of the Lehigh Valley development landscape, but for the first time in a decade they're joined by an old favorite.

The single-family detached home has re-emerged, as developers look to restock the housing inventory that dipped to its lowest level in nearly two decades, according to the BuildLV: 2018 Annual Development Report released Thursday by the Lehigh Valley Planning Commission.

"Housing construction, coupled with commercial development is a great indicator of a healthy economy," said LVPC Executive Director Becky Bradley.

Since 1972, the LVPC has produced an annual development report for the region. What is now called BuildLV has become an integral tool for developers, investors, planners and municipal leaders looking to track development trends across the Lehigh Valley.

Residential

In the latest report, the strengthening residential building market is reflected in the 1,438 housing units that were approved in 2018, continuing a six-year incline since the Great Recession. Perhaps most notable is the 523 single-family homes approved – the most since 2007.

It's not a surprise to many analysts, after listed home inventories that peaked at more than 5,000 in 2010 had dipped to less than 1,700 by the beginning of 2019, according to the Greater Lehigh Valley Realtors Association.

That's not to suggest that the shift toward more apartment living has ended. Nearly 600 apartments were approved, continuing an urban migration that's bringing downtown revitalization in the Valley's three cities. In South Bethlehem, a collaboration between the City and Lehigh University has produced several infill and adaptive reuse projects, while developers build hundreds of new apartments to meet demand in Center City Allentown, and Easton continues to support reuse projects at the former Simon Silk Mill.

"The variety of housing types and price points proposed last year show demand across the board," Bradley said. "Meeting need as the population grows by more than 4,000 residents a year is critical."

But unlike the last housing boom more than a decade ago - when large homes were often built on one-acre lots - dwindling developable land and a consumer preference shift to more walkable communities have given way to denser housing developments. Last year, 1,438 housing units were approved for 361.5 acres – an average of roughly four units per acre.

Non-Residential

But even as residential development rebounds, the warehouse boom continues as a new retail economy emerges, with people ordering goods on their smartphones and expecting delivery to come – usually by truck – within two days. While brick and mortar retail shops struggle to compete with online giants such as Amazon, EBay and Apple, large warehouses now dot the region's development landscape. Over the past two years, local governments have approved more than 7 million square feet of warehouse space and another 10 million square feet has been proposed, but not yet approved. Nearly 40 million square feet of new warehouse space has been proposed since 2013. With a quarter of that still awaiting approval, it suggests that warehouse building will continue, at least for the near future, as companies tread further into the region's townships to compete for developable land.

In 2018, industrial development made up 73% of all non-residential approvals, while new retail approvals accounted for less than 1%.

As the official planning agency for Lehigh and Northampton counties, the LVPC reviews all subdivision and land development plans to determine whether they are consistent with The Comprehensive Plan: The Lehigh Valley ... 2030, which serves as a blueprint for future growth.

Overall, in 2018, the LVPC reviewed 412 subdivision and land development plans. Approved acreage contained within all final plans rose by 40%, from 1,335 acres in 2017 to 1,867 acres in 2018. Keeping with historic trends, the cities of Allentown and Bethlehem had the most activity, while smaller boroughs and more rural townships generally had the lowest activity.

Through a process that is required by the Pennsylvania Municipalities Planning Code, the LVPC tracks all plan activity filed in every municipality to collect important data needed to identify trends in the regional economy and changes to its physical landscape. All of the data collected is sent monthly to stakeholders across the region and is made publically available online.

That data is key to managing future growth and will be invaluable as the LVPC drafts FutureLV: The Regional Plan, the comprehensive plan and long-range transportation plan update that will carry the region through 2045.

The 2018 BuildLV Report, along with monthly development snapshots, can be found LVPC.org.