Housing Market Report

Released December 2015
Lehigh Valley Planning Commission

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DECEMBER 2015

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Purchasing a home for many is a personal and emotional experience, taking into account desired location, housing type, amenities, and most importantly, how much one can afford. This report is a look back at housing sales that occurred in Lehigh and Northampton counties between 2010 and 2014. The data is provided at the region, county, municipal and school district levels for all five years. Housing sales are important data in analyzing housing demand and can provide a clear picture about the health of the housing market, and to a lesser degree, the regional economy from year to year. This report is the continuation of two previous reports titled Home Buying during Economic Uncertainty: Housing Sales in the Lehigh Valley, PA 2008-2012 and Housing in the Lehigh Valley published by the Lehigh Valley Planning Commission (LVPC) in 2014 and 2009, respectively.

The Lehigh Valley region (Lehigh and Northampton counties) is located in the central-eastern portion of Pennsylvania and is within 300 miles of major metropolitan areas of the eastern United States. Over the past several decades, both Lehigh and Northampton counties have experienced a strong migration of people into the area, which has substantially influenced the local housing market. The Lehigh Valley will continue to grow in the future, with the LVPC projecting the region’s population will increase by 226,722 people from 2010 to 2040, or by 35% over three decades. This projected increase in population represents faster growth than experienced over the previous 30 years (1980-2010), during which the population increased by 30%.

The region’s housing market is not solely influenced by population growth, but national events as well. The United States was in economic recession from 2007-2009, which led to rises in regional and national unemployment rates. Higher unemployment rates directly and indirectly affected the housing market, decreasing demand and increasing the supply of real estate. Taken together, these two factors affected housing sales at the beginning of the five-year study period. Further, the downturn in the economy prompted recovery programs from the federal government to boost the housing market, which occurred during portions of the study period.

Some of the key findings from this report include:

- Fifty-seven percent of total housing sales from 2010-2014 occurred in Lehigh County.
- Total housing sales in the Lehigh Valley increased from 2011-2013.
- The Lehigh Valley’s median sales price was the lowest in 2012.
- Nazareth Area, Parkland and Southern Lehigh School Districts’ median sales price exceeded 125% of the Lehigh Valley median sales price from 2010-2014.
- Five school districts accounted for nearly 65% of total housing sales from 2010-2014: Allentown, Bethlehem Area, East Penn, Parkland and Easton Area.
- The median sales price of five municipalities exceeded 150% of the Lehigh Valley median sales price for five consecutive years: Bushkill, Hanover (NC), Lower Nazareth, Weisenberg and Williams.
- The median sales price of six municipalities was below 80% of the Lehigh Valley median sales price for five consecutive years: Allentown, Catasauqua, Easton, Fountain Hill, Slattington and Wilson.
2010-2014 Regional Housing Sales Activity

57% Sales
14,644 Units
$2.76B Transactions
$165,000 Median

43% Sales
11,008 Units
$2.38B Transactions
$189,000 Median
OVERVIEW

GEOGRAPHY

The Lehigh Valley consists of Lehigh and Northampton counties and is a 725-square mile region in eastern Pennsylvania. The Valley is located about 80 miles west of New York City and 50 miles north of Philadelphia. There are 62 municipalities in the Lehigh Valley, including three cities (Allentown, Bethlehem and Easton), 27 boroughs, five townships of the first class and 27 townships of the second class. In addition, there are 17 school districts.

METHODOLOGY

The housing sales data in this report was gathered from the Geographic Information System (GIS) and Assessment departments of Lehigh County and Northampton County. The data analyzed includes only valid housing sales. A valid sale is a typical open market sale and is not other type sales, such as forced sales (e.g., sheriff’s sales) or “dollar” deed sales. Sales for every municipality are presented in the data set; however, for analyzing median sales price by municipality, areas with less than ten sales were excluded to reduce bias in observations. The housing market can be broken down into two components: for-sale housing and rental units. This report analyzes sales market data by municipality for different housing types (single family attached and detached, condominiums, multifamily and mobile homes) and for new versus existing construction. Yearly comparisons are made on the housing data. This report does not examine rental housing. The reader interested in data and analysis related to rental housing is directed to the Regional Housing Plan (2014), which provides an in-depth evaluation of rental and ownership housing in the area. The data analyzed in this report differs from building permit data. Data collection based on building permits picks up a particular unit before recordation. The lag time between building permits and sales data is based on the actual construction of units, the occupancy of the units and the entry of the final assessment.

PREVIOUS STUDIES

This housing information document is an update to a previous report titled Home Buying during Economic Uncertainty: Housing Sales in the Lehigh Valley, PA 2008-2012, the first report of its kind published that provided comparative annual information about the housing market in the Lehigh Valley region over a five-year period. In the past, a series of similar reports were published annually known as the Housing Information Package (1973-1999), and more current reports on housing include An Affordable Housing Assessment of the Lehigh Valley in Pennsylvania (2007) and Housing in the Lehigh Valley (2009). The Housing Information Package reports were comprehensive and included New Housing Construction, Conversions, Housing Demolitions, Change in Housing Stock, Development Activity, Apartment Vacancy Survey, Apartment Complexes and Mobile Home Parks. An Affordable Housing Assessment of the Lehigh Valley in Pennsylvania (2007) included Economic Profile, Housing Profile, Housing Affordability Analysis, Evaluation of Market Pressures in Selected Municipalities, Non-Housing Factors Influencing the Housing Market and the Affordable Housing Market in the Lehigh Valley. The Housing in the Lehigh Valley (2009) report included Housing Sales Characteristics of single family attached, single family detached, condominium and mobile homes; Total Sales; New Construction Sales; Housing Affordability; Housing Price Index and Housing Vacancies.

IMPACT ON ASSESSMENTS

The assessed value of homes was not used to measure sales value since sales data was available from both counties. Also, the assessed value of a home is not necessarily representative of the market value since the last countywide reassessment in Lehigh and Northampton counties at the time of data collection (2008-2014) had been done in 1991 and 1995, respectively. Lehigh County underwent a countywide reassessment on January 1, 2012, which took effect in 2013.
NEW CONSTRUCTION SALES AND THE HOUSING MARKET

The construction of new houses is a significant contributor to the regional economy, accounting for 16.5% of regional consumption and 3.9% of regional gross domestic product in 2010. It is also one of the most volatile industries, subject to disruptions such as rising unemployment, fluctuating interest rates, business confidence and taxes. A decline in new housing construction slows the economy. Similarly, an increase in housing activity can trigger economic growth. New construction housing includes several housing types found in the region: single family detached, single family attached and condominiums. For the purpose of this report, new construction housing sales are defined as units built and sold within the same calendar year. New construction housing sales increased significantly in the Lehigh Valley from 2011-2013. There were 906 total new construction housing sales in the Lehigh Valley from 2010-2014. The total sales over the five-year period were 30% less than the total sales in 2008 of 1,291 new construction housing sales in the Lehigh Valley.

The median sales price of new construction housing in the Lehigh Valley steadily declined from 2010-2013, with an increase of nearly 45% in the median sales price from 2013 to 2014. Due to the small number of new construction sales, the sales have not been broken out by housing type and median sales price. The median sales price peaked during 2014, and the lowest median sales price was in 2013.

A review of both the number of single family housing units constructed and building permits issued helps to provide context for new construction housing sales. The decline in the sales of new construction housing is reflective of the decreased inventory of units. The decline in new housing units constructed began prior to the regional economic downturn in 2008. Based on data from Lehigh and Northampton County GIS and Assessment departments, during the period spanning 2000-2014, new housing construction peaked in 2005 with 3,033 units and steadily declined every year afterward until 2013 when there was a nearly 80% increase over the previous year. The number of units decreased from 2013 to 2014 by nearly 17%. The number of new construction houses in 2010 at 662 units was 105% greater than the number of units built in 2012. The lowest number of new housing units constructed was during 2012 with 323 units. It should be noted that the new construction numbers include rebuilt homes, existing homes issued new certificates of occupancy due to significant improvements and homes that were never on the sales market. Condominiums have been excluded due to reporting inconsistencies.

Historically, new construction has an extremely high correlation with the regional unemployment rate. Regardless of mortgage rates, low unemployment, changing demographics and access to credit are key ingredients for increasing demand in housing. New housing construction was low during periods when unemployment was higher. New housing construction was strong in the mid-1980s as the middle and later years of the baby boom generation (people born from 1946 and 1964) were starting families and buying homes.
NEW CONSTRUCTION HOUSING SALES IN THE LEHIGH VALLEY

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
NEW CONSTRUCTION HOUSING MEDIAN SALES PRICE IN THE LEHIGH VALLEY 2010-2014

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
From 2010-2011 and 2012-2014, new construction housing sales and building permits showed similar patterns of increases and decreases. From 2011-2012, building permits decreased, while new construction housing sales increased during the period. The number of residential building permits issued by Lehigh Valley municipalities from 2010-2014 was 4,298, and the number of new construction housing sales was 906.

There were two reasons that building permit activity remained at a relatively high level despite the declining economy:

1. Pennsylvania has a statewide building code known as the Uniform Construction Code (UCC). The state adopted the International Code Council (ICC) family of codes. The UCC was updated automatically as the ICC was updated. The updates included the 2009 International Residential Code that required all newly constructed townhouses to have a residential fire sprinkler system effective January 1, 2010 and in all newly constructed single family and twin homes effective January 1, 2011. Fearing the cost of installing those sprinkler systems, homeowners, builders and developers “pulled” their building permits before that deadline. Governor Tom Corbett repealed the requirement in April 2011. As part of that repealing legislation, the state going forward will no longer automatically adopt all of the recommendations put forward by the International Code Council. The state Uniform Construction Code Review and Advisory Council was created to review potential amendments to the UCC, and the Council will need a 2/3rds vote to approve any new building requirements or updates to the UCC.

2. Under the UCC, building permits have a life of two years once the permit has been “pulled”. On July 6, 2010 the Pennsylvania General Assembly passed Act 46, which automatically extended the expiration date by an additional three years for certain types of approvals, permits, decisions, agreements and other authorizations or decisions that were in effect, or issued, after December 31, 2008 by local and state governments. With the signing of Senate Bill 1263 on June 30, 2012, the General Assembly extended that period for approvals and permits for an additional three years, through July 2, 2016. With the extension in place, there is no penalty for pulling building permits since the construction deadline has been effectively extended.
COMPARISON OF REGIONAL UNEMPLOYMENT RATE TO TOTAL SINGLE FAMILY HOUSING NEW CONSTRUCTION
1973-2014
LEHIGH VALLEY

Source: LVPC Housing Information Package Reports–1973-1999; Lehigh and Northampton County GIS and Assessment Departments; Pennsylvania Department of Labor and Industry PA Workstats, Regional Unemployment Rates for 1973-2014
COMPARISON OF REGIONAL UNEMPLOYMENT TO RESIDENTIAL BUILDING PERMITS AND NEW CONSTRUCTION HOUSING SALES IN THE LEHIGH VALLEY
2010-2014

Source: U.S. Census Bureau; Lehigh and Northampton County GIS and Assessment Departments; LVPC
In the Lehigh Valley, there were a total of 25,692 housing sales from 2010-2014. Over 40% of all housing sales over this five-year period occurred in the following municipalities: Allentown (4,136), Bethlehem City (2,394), Lower Macungie (1,823), Palmer (1,157) and South Whitehall (1,035). The five school districts with the most housing sales serve these municipalities.

There were more sales in Lehigh County than Northampton County every year from 2010-2014. Fifty-seven percent of total housing sales during 2010-2014 occurred in Lehigh County. It should be noted that there were nearly 20% more housing units in Lehigh County than Northampton County. The additional supply of housing contributes to the increased number of housing sales. Further analysis of the housing supply by type occurs later in the report.

Housing sales increased steadily from 2011-2013 in both Lehigh County and Northampton County.

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
2010-2014 Regional Housing Sales Activity

57% Sales
14,644 Units
$2.76B Transactions
$165,000 Median

43% Sales
11,008 Units
$2.38B Transactions
$189,000 Median
TOTAL HOUSING SALES IN THE LEHIGH VALLEY 2010-2014

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
A large increase in sales occurred from 2012-2013 for both Lehigh and Northampton counties, with increases of 30% and 49%, respectively. The largest decrease in housing sales occurred from 2010-2011 for both Lehigh and Northampton counties, with 20% and 31.5%, respectively. Housing sales in Northampton County increased by 66% from 2011-2012. The significant increase in total housing sales in Northampton County during 2012 can be attributed to increases in housing sales in the following communities: Northampton with 265.4% (from 26 to 95 sales), Bethlehem City (NC) with 231% (from 106 to 351 sales), Hanover (NC) with 104.7% (from 64 to 131 sales), Palmer with 84% (from 144 to 265 sales), and Forks with 109.3% (from 75 to 157 sales). There were 14 subdivisions in Northampton County with ten sales or more during 2012.

Median sales price is the value at which the number of homes sold above and below that price is equal. Median housing sales price by municipality was compared in relation to the percentage of the Lehigh Valley median sales price to standardize the comparison process. A municipality with a median sales price above the Lehigh Valley median sales price is more expensive. A municipality with a median sales price below the Lehigh Valley median sales price is less expensive. There were five municipalities with sales prices above 150% of the Lehigh Valley median sales price every year from 2010-2014. These municipalities were Bushkill, Hanover (NC), Lower Nazareth, Weisenberg and Williams. These municipalities combined accounted for nearly 6.5% of sales in the Lehigh Valley from 2010-2014. Both Bushkill and Lower Nazareth are within the Nazareth school district, whose median sales price was above 125% of the Lehigh Valley every year from 2010-2014.

There were nine municipalities with sales prices above 125% and below 150% of the Lehigh Valley median sales price every year from 2010-2014. These municipalities were Bethlehem, Lower Macungie, Lower Milford, Lower Saucon, Upper Macungie, Upper Milford, Upper Nazareth, Upper Saucon and Washington (NC). These municipalities combined accounted for nearly 23% of sales in the Lehigh Valley from 2010-2014. Upper Macungie, Lower Milford and Upper Nazareth are within school districts with median sales prices above 125% of the Lehigh Valley median every year from 2010-2014. Nazareth Area, Parkland and Southern Lehigh School districts’ median sales prices were above 125% of the Lehigh Valley median every year from 2010-2014.

There were six municipalities with sales prices below 80% of the Lehigh Valley median sales price every year from 2010-2014. These municipalities were Allentown, Catasauqua, Easton, Fountain Hill, Slatington and Wilson. These municipalities combined accounted for nearly 23% of sales in the Lehigh Valley from 2010-2014. Allentown, Catasauqua and Slatington are within school districts at or below 80% of the Lehigh Valley median sales price. Allentown, Catasauqua and Northern Lehigh School districts’ median sales prices were at or below 80% of the Lehigh Valley median every year from 2010-2014.
$262,500 150% Median Sales Price

$218,750 125% Median Sales Price

25,652 units of housing sold 2010-2014

$175,000 100% Median Sales Price

$140,000 80% Median Sales Price
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<td>$284,500</td>
<td>76</td>
<td>$280,000</td>
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**MEDIAN SALES PRICE ABOVE 125% OF LV MEDIAN**

**MEDIAN SALES PRICE ABOVE 150% OF LV MEDIAN**

**MEDIAN SALES PRICE BELOW 80% OF LV MEDIAN**

**LEHIGH VALLEY MEDIAN**

<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2010-2014</th>
</tr>
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<td>$177,000</td>
<td>$176,000</td>
<td>$173,000</td>
<td>$175,000</td>
<td>$175,000</td>
<td>$175,000</td>
</tr>
</tbody>
</table>

| 80% OF LV MEDIAN | $141,600 | $140,800 | $138,400 | $140,000 | $140,000 |

| 125% OF LV MEDIAN | $221,250 | $220,000 | $216,250 | $218,750 | $218,750 |

| 150% OF LV MEDIAN | $265,500 | $264,000 | $259,500 | $262,500 | $262,500 |
|------------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|------------------------- |
The unemployment rate in the Lehigh Valley peaked during 2010 at 9.3%; however, the total number of sales declined significantly from 2010-2011 by 24.4% and again from 2013-2014 by 2.4%. The median housing sales price in the Lehigh Valley declined from 2010-2012, with declines of 0.6% from 2010-2011 and 1.7% from 2011-2012. The median housing sales price in the Lehigh Valley region as a whole declined during 2010-2012, with an increase of 1.2% from 2012 to 2013 and no change in 2014.

The median sales price decreased from 2011-2012 in both counties. During 2012-2014, the median sales price in Lehigh County increased, while the median sales price in Northampton County decreased; however, during 2010-2011, the median sales price was stable for both counties with no change in median price from the prior year. The largest decrease in median sales price occurred from 2011-2012 for both Lehigh and Northampton counties, with reductions of 2.3% and 6.3%, respectively. Reasons for the decrease in total housing sales and median sales prices are correlated to stricter mortgage underwriting requirements, a weaker economy and an excess of available housing units.

The sales data was aggregated from 2010-2014, and the median sales price was calculated for each municipality and the region. The Lehigh Valley median sales price for 2010-2014 was $175,000. This is the same median price as 2013 and 2014. The highest Lehigh Valley median sales price was in 2010 with $177,000. Including every housing sale over the five-year period in a municipality’s median sales price produced the following results:

- There were 14 municipalities below 80% of the Lehigh Valley median sales price of $140,000: Allentown ($99,900), Easton ($100,000), Glendon (101,250), Wilson ($104,000), Slatington ($106,400), Hanover (LC) ($117,000), Fountain Hill ($117,898), Catasauqua ($124,400), West Easton ($128,500), Walnutport ($131,000), Pen Argyll ($132,950), Bangor ($133,042), Freemansburg ($134,288) and Roseto ($135,000).

- There were 13 municipalities greater than 125% of the Lehigh Valley median sales price of $218,750: Allen ($220,950), Upper Mt. Bethel ($225,250), Moore ($229,398), Washington (NC) ($230,000), Bethlehem ($233,250), North Whitehall ($235,000), Lower Macungie ($237,000), Forks ($239,900), Lowhill ($250,000), Upper Milford ($250,100), Upper Saucon ($253,000), Upper Macungie ($253,058) and Lower Milford ($261,750).

- There were seven municipalities greater than 150% of the Lehigh Valley median sales price of $262,500: Upper Nazareth ($265,000), Bushkill ($285,000), Lower Saucon ($285,000), Weisenteng ($289,950), Williams ($291,000), Hanover (NC) ($295,780) and Lower Nazareth ($318,500).
MEDIAN HOUSING SALES PRICE IN THE LEHIGH VALLEY
2010-2014

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
Median Housing Sales Price by Municipality
Lehigh Valley Median Sales Price = $175,000

- less than $140,000
- $140,000 - $175,000
- $175,001 - $219,000
- $219,001 - $263,000
- greater than $263,000
INCREASING HOUSING SALES WITH RELATIVELY FLAT MEDIAN SALES PRICE

Over the course of the five-year period, the median sales price in the Lehigh Valley ranged from $173,000 to $177,000, while over the same period, the number of annual housing sales for the region ranged from 3,693 to 6,341. The largest increase in sales was from 2012-2013, with the greater housing sales being sustained throughout 2014. The significant increase in housing sales while the median remained flat can be the result of a significant increase in both higher end and lower end housing sales, simultaneously resulting in little change in the median. It could also be the result of an increase of housing sales around the Lehigh Valley median, resulting in minimal if any change in the median sales price. The relatively small increase in the median sales price doesn’t speak to the quality of the housing being sold. Comparisons can be made on the median sales price of new construction units, by housing type and county, for further evaluation of where there may be greater shifts of the median sales price at a smaller scale. Over the five-year period, the median sales price in Lehigh County ranged from $161,250 to $167,500, while the median sales price in Northampton County ranged from $184,500 to $200,000. There was greater movement in the median sales price of Northampton County. There was also movement in the median sales price of new construction housing sales over the five-year period, ranging from $249,900 to $361,019. There was large movement in the median sales price of single family detached and condominiums, ranging from $200,000 to $220,000 and $186,208 to $208,000, respectively.
Housing prices are stagnant, declining 1% between 2010-2014

Housing sales are strong, increasing 27% between 2010-2014
Sales in the Nazareth Area, Parkland and Southern Lehigh school districts exceeded 125% of the Lehigh Valley median sales price every year from 2010-2014. Combined, these school districts accounted for just fewer than 19% of all housing sales in the Lehigh Valley from 2010-2014 with 4,849 sales. Sales in the Allentown, Catasauqua Area and Northern Lehigh school districts were at or below 80% of the Lehigh Valley median sales price every year from 2010-2014. Combined, these school districts accounted for 19% of all housing sales in the Lehigh Valley from 2010-2014 with 4,878 sales.

The Allentown School District had the lowest median sales price every year from 2010-2014 and accounted for over 15% of all housing sales in the Lehigh Valley. The school district covers Allentown, a municipality which had the second largest number of home sales in the Lehigh Valley from 2010-2014. The Nazareth Area, Parkland and Southern Lehigh school districts cover several municipalities, which have significantly higher median sales prices than the Lehigh Valley as a whole. In the Lehigh Valley, five of the 17 total school districts across the Lehigh Valley accounted for nearly 65% of total housing sales from 2010-2014 with 16,635 sales. These school districts were: Bethlehem Area (4,190), Allentown (4,021), East Penn (3,042), Easton Area (2,738) and Parkland (2,644). The five municipalities with the most housing sales are located within the four school districts with the most sales.
## MEDIAN SALES PRICE BY SCHOOL DISTRICT 2010-2014

<table>
<thead>
<tr>
<th>SCHOOL DISTRICT</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2010-2014</th>
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<td>$95,000</td>
<td>$99,900</td>
<td>$94,950</td>
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<tr>
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<tr>
<td>125% OF LV MEDIAN</td>
<td>$221,250</td>
<td>$220,000</td>
<td>$216,250</td>
<td>$218,750</td>
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<td>150% OF LV MEDIAN</td>
<td>$265,500</td>
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TOTAL HOUSING SALES BY SCHOOL DISTRICT IN THE LEHIGH VALLEY
2010-2014

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
The origins of the housing sales report dates back to 2008 as a follow up to a housing affordability analysis. The purpose was to evaluate housing sales for affordability across the region. Many factors make up the sales price of a housing unit such as location, age, condition, square footage, and importantly, housing type. Housing sales from 2010-2014 were evaluated by type across the region. Single family detached housing comprised 65.9% of all housing in the Lehigh Valley, while single family detached comprised 24.8%, condominiums comprised 4.2%, and multifamily (2-4 units) and mobile homes combined comprised 5.1%. While single family detached was a large portion of housing sales, it also had the highest median sales price. The next largest housing type was single family attached, which made up the second largest share of housing in the region, with a median sales price that was significantly less than condominiums but higher than the median of other housing types.

**Single Family Detached (SFD)** – is a housing type that does not share an interior wall with another dwelling unit and is occupied by one household. Examples of this type of housing include ranch, colonial, bungalow and various others.

**Single Family Attached (SFA)** – is a housing type which shares one or more interior walls with another dwelling unit and is occupied by one household. Examples of this type of housing include townhouse, twin and rowhouse.

**Condominium** – is a type of housing ownership in which a building or development contains individually-owned apartments, detached or attached units. Each housing unit in a condominium has joint ownership of any common grounds and passageways. Examples of this type of housing include apartments, townhomes and single family detached structures.

**Multifamily (2-4 units)** – is a housing type that can consist of both single family attached and single family detached. Each housing unit can be stacked with one or two units on each floor as well as units sharing a common interior wall. This housing type provides an opportunity for multigenerational housing as well as additional income for an owner occupant through rent. While it is believed that owner-occupied multifamily housing has value for the buyer through rental income, this was not reflected in a higher sales price. There are several factors that could contribute to this such as age, condition and location of this type of housing.

**Mobile Home (Owned Lot)** – is a housing type that includes various mobile home types in which the buyer purchases the unit in addition to the land which it sits on. Ownership of mobile homes in mobile home parks was not included in this report due to variations in land lease pricing not captured in the sale of the unit.

A key point to note is that nearly 63% of the single family attached housing in the Lehigh Valley was in Lehigh County. This is due to Allentown and portions of Bethlehem City, which had large amounts of this housing type. Interestingly, Northampton County had over 57% of the condominiums in the Lehigh Valley, which may be the result of buyers from the New York/New Jersey markets that are used to this form of ownership due to lack of developable land. Northampton County had slightly more single family detached housing units than Lehigh County.
LEHIGH VALLEY HOUSING SALES BY HOUSING TYPE

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
LEHIGH VALLEY MEDIAN SALES PRICE BY HOUSING TYPE

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
**SINGLE FAMILY DETACHED**

Single family detached (SFD) is a housing type that does not share an interior wall with another dwelling unit and is occupied by one household.

This is the most popular type of housing in the Lehigh Valley based on sales. There were 15,961 SFD housing sales in the Lehigh Valley during 2010-2014, over 62% of total housing sales. Nearly 34% of all single family detached housing sales over this five-year period occurred in the following municipalities: Allentown (1,492), Bethlehem City (1,327), Lower Macungie (989), Palmer (737) and South Whitehall (823).

**Housing Sales Price Points**

Salisbury Township

$27,000

(Low)
Hellertown Borough
$206,000
(Median)

Lower Saucon Township
$875,000
(High)
During 2010-2014, there were more sales in Lehigh County than Northampton County every year; however, during 2010 and 2011, the number of sales were in excess of the percentages of housing stock differences between the two counties. Lehigh County sales accounted for 59.7% and 64.2% of Lehigh Valley single family detached housing sales for 2010 and 2011, respectively. Fifty-five percent of single family detached housing sales from the period 2010-2014 occurred in Lehigh County. Single family detached housing sales fluctuated from 2010-2014 in both Lehigh and Northampton County. It should be noted that Northampton County had slightly more single family detached housing than Lehigh County, with 70,749 (50.9%) and 68,116 (49.1%) units, respectively.

The largest decrease in sales occurred from 2010-2011 for both Lehigh and Northampton counties, with reductions of 11.8% and 27.5%, respectively. The largest increase in housing sales occurred from 2011-2012 for Northampton County with 58.2% and from 2012-2013 for Lehigh County with 28.7%. The significant increase in SFD housing sales in Northampton County during 2012 can be attributed to increases in housing sales in the following communities: Northampton with 270% (from ten sales to 37
TOTAL SALES FOR SINGLE FAMILY DETACHED HOUSING IN THE LEHIGH VALLEY 2010-2014

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
Hanover (NC) with 146.4% (from 28 sales to 69 sales), Palmer with 111.7% (from 77 sales to 163 sales), Forks with 72.5% (from 51 sales to 88 sales) and Bethlehem City with 220% (from 58 sales to 187 sales).

Single family detached housing had the highest median sales price of all housing types in the Lehigh Valley. The median sales price of SFD housing in the Lehigh Valley declined from 2010-2012 and from 2013-2014; however, there was an increase in median sales price from 2012-2013. The median sales price of single family detached housing in Lehigh County decreased from 2010-2012 and increased 2012-2014; however, the median sales price of single family detached in Northampton County decreased 2010-2012, with no change from 2012-2013 and a subsequent decrease from 2013-2014. Northampton County had significantly less single family detached housing sales than Lehigh County for a few years; however, the median sales price for this housing type had been consistently higher in Northampton County than Lehigh County. The median sales price for this housing type ranged from $193,500 to 213,850 in Lehigh County and $205,000 to $230,000 in Northampton County.
Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
SINGLE FAMILY ATTACHED

Single family attached (SFA) is a housing type which shares one or more interior walls with another dwelling unit and is occupied by one household. Examples of this type of housing include twins, rowhomes and townhomes.

This was the second most popular type of housing in the Lehigh Valley based on sales. There were 7,148 SFA housing sales in the Lehigh Valley during 2010-2014, 28% of total housing sales. Nearly 58.6% of all single family attached housing sales over this five-year period occurred in the following municipalities: Allentown (2,243), Bethlehem City (835), Lower Macungie (488), Easton (407) and Whitehall (247).

City of Easton
$14,500
(Low)
Emmaus Borough
$119,000
(Median)

City of Bethlehem
$815,000
(High)
During 2010-2014, there were more sales in Lehigh County than Northampton County every year. Over 65% of single family attached housing sales occurred in Lehigh County. It should be noted that 62.7% of the Lehigh Valley single family attached housing was located in Lehigh County. Lehigh County’s greater share of housing sales was in alignment with the county having a greater share of single family attached housing.

Single family attached housing sales in the Lehigh Valley had the largest decrease from 2010-2011 with 38.3%, while the largest increase in sales occurred from 2012-2013 with 35.5%. Housing sales increased steadily from 2011-2014 in Lehigh County, while sales in Northampton County increased from 2011-2013.

The decrease in sales occurred from 2010-2011 for both Lehigh and Northampton counties, with reductions of 33.9% and 50.2%, respectively.
TOTAL SALES FOR SINGLE FAMILY ATTACHED HOUSING IN THE LEHIGH VALLEY
2010-2014

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
Both counties experienced an increase in SFA housing sales from 2011-2013: Lehigh County with 6.5% and 17.5% and Northampton County with 107.2% and 69.2%. The significant increase in SFA housing sales in Northampton County during 2012 can be attributed to increases in housing sales in the following communities: Forks with 250% (from 14 sales to 49 sales), Northampton with 246% (from 15 sales to 52 sales), Palmer with 131.3% (from 16 sales to 37 sales), Bethlehem City with 242.9% (from 35 sales to 120 sales) and Wilson with 80% (from 15 sales to 27 sales).

The single family attached housing median sales price is less than both single family detached and condominiums in the Lehigh Valley. The median sales price of SFA housing in the Lehigh Valley declined from 2012-2014; however, there was an increase in median sales price from 2010-2011. The median sales price decreased from 2010-2014 in Northampton County, while Lehigh County’s median sales price fluctuated, decreasing from 2011-2013 and increasing from 2010-2011 and 2013-2014.
MEDIAN SALES PRICE FOR SINGLE FAMILY ATTACHED HOUSING IN THE LEHIGH VALLEY
2010-2014

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC

YEAR
2010 2011 2012 2013 2014
LEHIGH COUNTY NORTHAMPTON COUNTY LEHIGH VALLEY

MEDIAN SALES PRICE
$100,000 $105,000 $110,000 $115,000 $120,000 $125,000 $130,000 $135,000

$112,000 $118,720 $118,316 $120,000 $120,250 $118,000 $117,500
$118,720 $118,316 $120,000 $120,250 $118,000 $117,500
$120,000 $131,000 $130,000 $122,000 $120,000 $118,000 $117,500
$132,000 $131,000 $130,000 $130,000 $118,000 $117,500

$132,000 $131,000 $130,000 $122,000 $120,250 $118,000 $117,500

Source: Lehigh and Northampton County GIS and Assessment Departments: LVPC
CONDOMINIUM

Condominium is a type of housing ownership in which a building or development contains individually-owned apartments, detached or attached units. Each housing unit in a condominium has joint ownership of any common grounds and passageways. Examples of this type of housing include apartments, townhomes and single family detached structures.

This type of housing had the second highest median sales price in the Lehigh Valley based on sales. There were 1,825 condominium housing sales in the Lehigh Valley during 2010-2014, 7.1% of total housing sales. Nearly 70.5% of all condominium housing sales over this five-year period occurred in the following municipalities: Lower Macungie (369), Hanover (NC) (286), Palmer (242), Bethlehem City (175), Bethlehem (107) and Lower Saucon (107).
Lower Macungie Township
$196,500
(Median)

Hanover Township (Northampton County)
$448,217
(High)
During 2010-2014, there were more sales in Northampton County than Lehigh County every year. Over 63% of condominium housing sales occurred in Northampton County. Northampton County has 57.4% of the condominium units in the Lehigh Valley.

Condominium housing sales in the Lehigh Valley had the largest decrease from 2011-2012 with 5.5%, while the largest increase in sales occurred from 2012-2013 with 78.2%. Housing sales declined from 2011-2012 in Lehigh County, while sales in Northampton County declined from 2010-2011 and 2013-2014, but had a 46% and 23.9% increase from 2011-2012 and 2012-2013. The largest increase in sales occurred from 2012-2013 for Lehigh County and from 2011-2012 in Northampton County. The largest
TOTAL SALES FOR CONDOMINIUM HOUSING IN THE LEHIGH VALLEY
2010-2014

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
decrease in housing sales occurred from 2011-2012 for Lehigh County with 71.1% and from 2010-2011 in Northampton County with 3%. The significant increase in condominium housing sales in Lehigh County during 2013 can be attributed to increases in condominium sales in the following communities: Lower Macungie (from 25 sales to 107 sales) and Upper Macungie (from 0 sales to 27 sales).

The median sales price of condominium housing in the Lehigh Valley fluctuated from 2010-2014; however, there was an increase in median sales price from 2011-2012 and 2013-2014. The median sales price fluctuated in both counties.
MEDIAN SALES PRICE FOR CONDOMINIUM HOUSING IN THE LEHIGH VALLEY
2010-2014

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
OTHER HOUSING TYPES - MOBILE HOME

Mobile homes on resident-owned land is a housing type that includes various mobile home types in which the buyer purchases the unit in addition to the land which it sits on. Ownership of mobile homes in mobile home parks was not included in this report due to the variations in land lease pricing not captured in the sale of the unit.

Lehigh Township
$25,000
(Low)
Walnutport Borough
$80,500
(Median)

Lehigh Township
$174,900
(High)
**OTHER HOUSING TYPES - MULTIFAMILY**

Multifamily housing (between 2-4 units) is a housing type in which multiple separate housing units are contained within one building. Examples of this housing type are duplexes, triplexes and quadruplexes.

**City of Allentown**

$20,000

(Low)
City of Allentown
$107,000
(Median)

City of Bethlehem
$1,300,000
(High)
There were 68 sales of mobile homes on resident-owned land over the five-year period of 2010-2014. Mobile homes on resident-owned land median sales price ranged from $92,000 in 2011 to $67,700 in 2012. Mobile homes on owned land accounted for less than 10% of other housing type sales over the five-year period.

Multifamily housing provides an opportunity for multigenerational housing as well as additional income for an owner occupant through rent. While it is believed that owner-occupied multifamily housing has value for the buyer through rental income, this was not reflected in a higher sales price. There are several factors that could contribute to this such as age, condition and location of this type of housing.
TOTAL SALES FOR OTHER HOUSING TYPES IN THE LEHIGH VALLEY 2010-2014

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
Multifamily housing (2-4 units) and mobile homes combined made up nearly 3% of total housing sales in the Lehigh Valley from 2010-2014 with 720 sales. Since sales of other types of housing were just a fraction of total housing sales in the Lehigh Valley, the year to year percentage change in total sales and median sales price was not calculated. Multifamily housing and mobile homes in the Lehigh Valley had a lower median sales price than condominiums, single family detached and attached housing. Five municipalities accounted for nearly 73% of other housing type sales: Allentown (371), Bethlehem City (57), Easton (51), Emmaus (23) and Lehigh (23). Allentown accounted for almost 52% of other housing type sales.
MEDIAN SALES PRICE FOR OTHER HOUSING TYPES IN THE LEHIGH VALLEY
2010-2014

Source: Lehigh and Northampton County GIS and Assessment Departments; LVPC
**FINAL CONCLUSIONS**

**THE NUMBER OF HOUSING SALES WILL CONTINUE TO INCREASE FASTER THAN THE MEDIAN SALES PRICE**

Housing sales in the Lehigh Valley increased significantly from 2011 to 2013. From 2011-2012, housing sales increased 23%, and from 2012 to 2013, housing sales increased 39.6%, with a modest decline in housing sales from 2013 to 2014 of 2.3%. The median sales price for the Lehigh Valley increased a modest 1.2% from 2012 to 2013. All other years revealed either no change in the median price or a decline in the median price. An increase in the amount of available inventory, as well as alternatives, will continue to suppress the median sales price.

**APARTMENTS AS AN ALTERNATIVE**

The growth of apartment construction in the Lehigh Valley provides an alternative to purchasing a home for consumers looking for newer amenities/features, highly ranked school districts and low maintenance living. Such growth has been occurring within and outside of the three cities. Many of the developments offer amenities such as clubhouses, pools, garage parking, recreational facilities, walking trails, as well as finishes such as granite, hardwood floors and multiple bathrooms. The rise in the availability of new construction alternatives coincides with national trends of rental housing. Potential homebuyers are partly apprehensive about obtaining a mortgage, as well as not qualifying for mortgages in their desired price range, due to various factors such as length of employment, student loan debt, underemployment, no or low down payment and a host of credit related issues.
MUNICIPALITIES WITH HIGH MEDIAN SALES PRICES

Five municipalities in the Lehigh Valley had annual median sales prices of 150% or more of the region’s median for five consecutive years. The municipalities were Bushkill, Hanover (NC), Lower Nazareth, Weisenberg and Williams. The price range over the five years for 150% of the Lehigh Valley median was $259,500 to $265,000. There were nine municipalities with median sales prices of 125% or more of the Lehigh Valley median. The municipalities were Bethlehem, Lower Macungie, Lower Milford, Lower Saucon, Upper Macungie, Upper Milford, Upper Nazareth, Upper Saucon and Washington (NC). The price range over the five years for 125% of the Lehigh Valley median was $216,250 to $221,250. The median is the middle value, which means half the homes sold for more than and the other half of the homes sold for less than the middle value. Mapping of housing sales across the Lehigh Valley with a sales price greater than 150% of the median reveals a pattern of clusters, with portions of municipalities more represented than others in housing sales of that value. The high value of housing units in portions of municipalities and select communities will lead to wealthy enclaves supported by desirable amenities such as large lots, quality schools and easy access to major highways.
The work of the Lehigh Valley Planning Commission relates to housing in many ways, from reviewing residential land development plans to analyzing demographics at both the municipal and regional level and providing population projection statistics for the region. The organization’s work on understanding the housing market dates back to 1973 with the publication of the Housing Information Package (HIP). The report, published annually until 1999, featured information on housing growth, demolition, development activity dating back to 1966, apartments and mobile home parks. Since the last HIP report, the LVPC has released several housing related documents: *An Affordable Housing Assessment of the Lehigh Valley in Pennsylvania* (2007), *Housing in the Lehigh Valley* (2009), *Home Buying during Economic Uncertainty: Housing Sales in the Lehigh Valley, PA 2008-2012* (2014). The latter two reports were on housing sales in the region. These efforts culminated in the *Regional Housing Plan* (2014), the most comprehensive look at housing released in the two-county region.

The *Regional Housing Plan* articulates four overarching concerns: Housing Affordability (A), Variety (V), Distribution (D) and Condition (C), which all drew upon data available to the LVPC and helped the Plan articulate its final goals, policies and implementation strategies. The data from the *Home Buying* report address two of the four overarching concerns of the *Regional Housing Plan*: affordability and variety of housing sales price in the region.

**HOUSING AFFORDABILITY**

The *Regional Housing Plan* defines housing affordability as an individual household’s reasonable ability to pay for housing. Ownership affordability is based on United States Housing & Urban Development (HUD) requirements (up to 30% of income for housing costs) and current, local lending practices for Federal Housing Administration (FHA) and conventional loans and the requirements related to those loan packages. The variations in maximum sales price between the mortgage types are due to the differing down payment requirements. Actual housing sales data help to evaluate whether there is opportunity to purchase a home at various income ranges. Utilizing information from the *Regional Housing Plan*, housing sales in the Lehigh Valley have been accounted for by the income ranges and corresponding maximum sales price. The income ranges were calculated as a percentage of $58,700, which was the Area Median Income for a 2-person household in 2012. Thus, this affordability assessment links various income levels in the region with the quantity of housing available to that income level based on the categories of price points. A look at the number of actual housing sales shows that there is opportunity at each income level, with the greatest number of sales varying for both conventional and FHA mortgage financing. The greatest number of sales for conventional mortgages occurred for homes that sold for $104,500 to $167,199, which is affordable to purchasers earning $29,350 to $46,959. The greatest number of sales for FHA mortgages occurred for homes that sold for $211,600 or more, which is affordable to purchasers in the highest income range ($70,440 or more). Less than 8% of all housing sales for the five-year period were condominiums. Condominium sales have been omitted due to the small number of sales relative to fee simple sales.
Housing sale price variety refers to the variety of price options available to a potential home buyer. Could buyers searching for a home at any price point in a municipality have options available to them, or does a municipality's housing stock consist exclusively of homes at a single, narrow price range?

The median housing sales price in the Lehigh Valley across the span from 2010-2014 was $175,000. A housing sales price variety index was created by evaluating all municipal housing sales based on a percentage of the region's median sales price for the five-year period. There were five categories created:

- Below 80% of Median Sales Price (Less than $140,000)
- 80% to 100% of Median Sales Price ($140,000 to $175,000)
- 101% to 125% of Median Sales Price ($176,750 to $218,750)
- 126% to 150% of Median Sales Price ($220,500 to $262,500)
- Greater than 150% of Median Sales Price (Over $262,500)

The variety index measures the variation of housing sales prices within a municipality. A municipality with sales across a range of many different prices points will have a High Variety Index. This suggests a more even distribution of sales across all of the sales price bands. By comparison, a municipality with sales across a small range of price points will have a Low Variety Index. This suggests that housing sales prices in that municipality are likely concentrated in one of the sales price bands. Examples of municipalities with a high variety of sales across all of the sales price categories include South Whitehall, Salisbury and Plainfield. The Lehigh Valley as a whole has high variety. Thirty three percent of all housing sales were less than $140,000.
### 2010-2014 Regional Housing Affordability
Conventional Mortgage

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