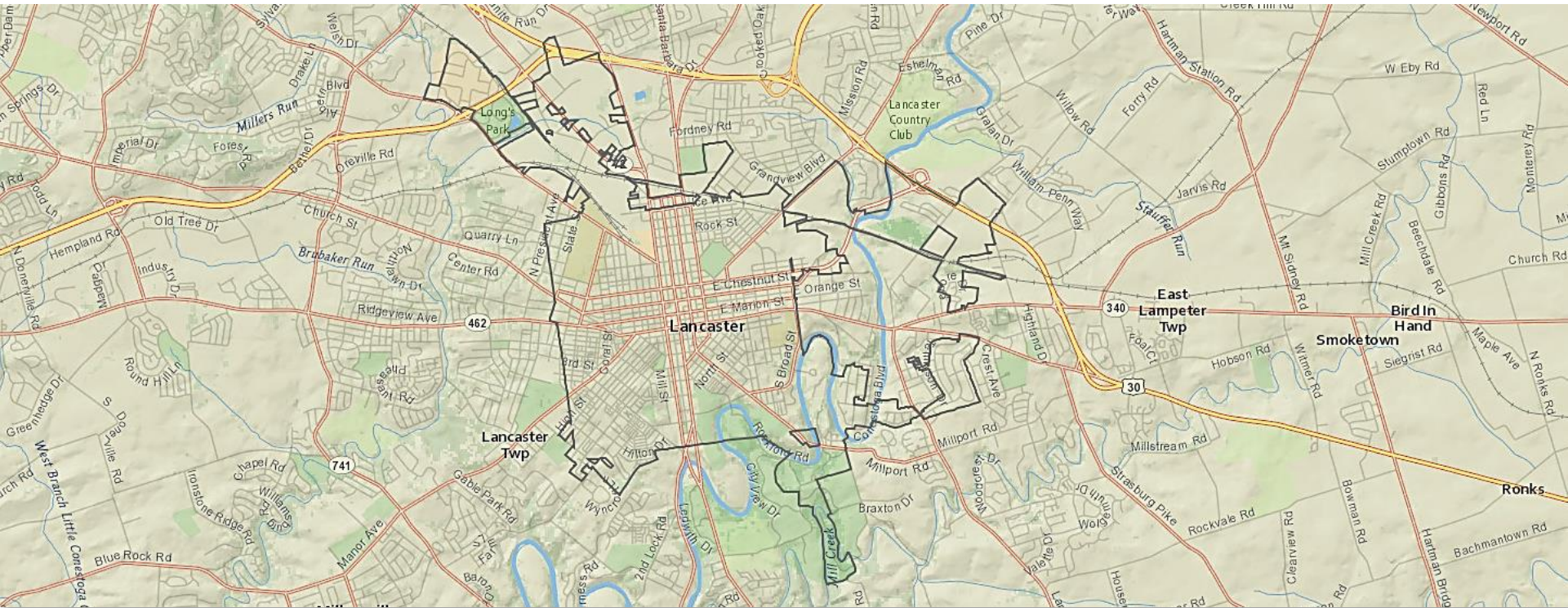




LANCASTER COMPREHENSIVE PLAN

Lancaster City, PA

January 18, 2022



ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™

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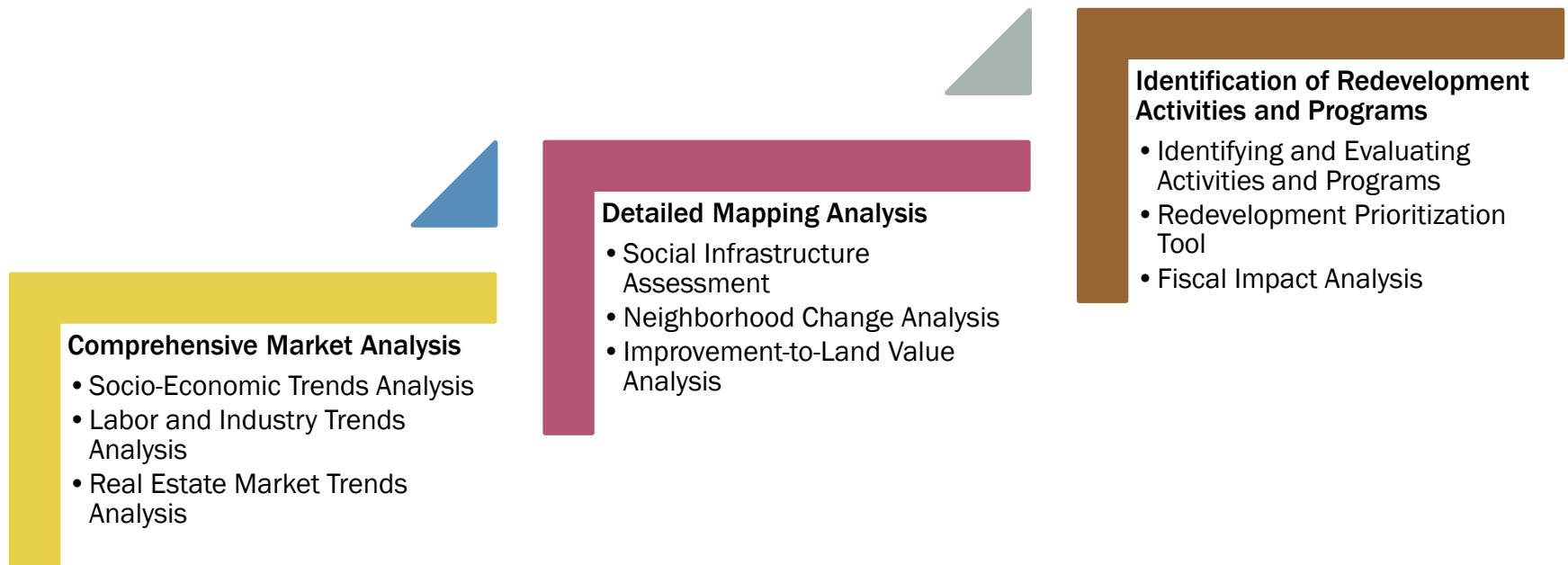
EXECUTIVE SUMMARY

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Project Background: Scope

In support of the City of Lancaster's Comprehensive Plan update, and working as a sub-consultant to Bergman Associates, 4ward Planning was charged with creating an Economic Development Strategic Plan for the city that provides a policy direction for economic growth, builds upon the city's strengths and assets, and identifies strategies, programs, and projects to improve the local economy. As illustrated below, our comprehensive market analysis and outreach facilitates a strong foundation upon which to identify market-viable redevelopment activities and programs for the City of Lancaster.



Key Findings: Comprehensive Market Analysis

The following key findings from our market and real estate analysis are provided below and serve as a basis for identifying market-viable redevelopment activities and programs for the city.

Finding #1. the city's housing market is tight and unit type and households are mismatched.

- Low homeowner and rental vacancy rates signal deeper supply-demand imbalances.
- Relatively high shares of substandard housing and overcrowding are evident.
- There is a slight mismatch between housing unit size and household size.

Finding #2. Pipeline projects have the potential to help meet unmet housing demand from both residents and commuting workers.

- There is a large supply of prospective housing units in the development pipeline.
- There is pent-up demand from in-migration and commuting workers.
- New apartments can help relieve some of the existing housing mismatch.

Finding #3. Affordable housing will continue to be important.

- While market rate rental housing may, generally, be affordable to a large swath of the city's residents, very low- and extremely low-income households will continue to require subsidized housing. This is also an economic development issue, given that many of these very- and extremely-low-income households are headed by service workers employed by local retail and restaurant businesses and need affordable workforce housing.
- The owner-occupancy housing market is largely unaffordable to many households in the city.

Key Findings: Comprehensive Market Analysis (continued)

Finding #4. Need for workforce training.

- The local workforce is dealing with economic hardship due to a transitioning economy and recent job losses.
- The lower educational attainment level exhibited within the city suggests living-wage employment opportunities for many city residents will come from industries such as manufacturing and construction – those needing skilled trades people. Consequently, the city should vigorously support training programs and the promoting of occupations within these industries to local youth.
- Efforts should be made to ensure that lower-skilled workers have low-cost (optimally, no cost) access to job training which leads to living wage employment.

Finding #5. Vulnerable populations likely need better access to workforce training, affordable housing, supermarkets, and childcare services.

- Lower-income Latino households are clustered in southern portions of the city.
- Six census tracts in the city are “food deserts” and could benefit from improved access to healthy and affordable food stores.
- Approximately half of the city is classified as an infant and toddler “childcare desert” and could benefit from improved access to licensed childcare providers.
- As many as 43 percent of renter households in two census tracts pay more than 50 percent of their income on rent (compared to 24 percent in the city, overall).
- Three census tracts exhibit factors which suggesting gentrification; and these tracts may be in most need of displacement intervention (e.g., workforce training, affordable housing, and income subsidy).

Key Findings: Detailed Mapping Analysis

Finding #6. While vacant land in the city is limited, underutilized commercial and industrial sites may provide potential redevelopment opportunities.

- Low-improvement-to-land value (ILV) commercial parcels are relatively small and scattered throughout the city.
- Low-ILV industrial parcels are larger and located in the northern portions of the city.
- Large vacant parcels are most suitable to large-scale mixed-use redevelopment.
- Many surface parking lots provide opportunities for small-scale infill residential redevelopment around the city.

Key Findings: Real Estate Developer Interviews

Finding #7. Multi-family rental development continues to have strong demand and rising rental rates are reflective of this trend.

- All new market rate multi-family rental projects are securing average monthly rent rates above \$2.00 per square foot.
- Much of the market rate rental market is being driven by new residents coming in from other major metros, such as New York, Philadelphia and Baltimore.

Finding #8. Market rate apartment developers are leaving the development of affordable housing units to non-profit affordable housing developers.

- As there are presently no inclusionary zoning requirements in Lancaster City and given the financial drag of incorporating affordable housing units into a market rate residential development project, for profit developers have not directly developed any affordable housing units.
- The majority of affordable housing is currently developed as multi-family rental – either ground up new construction or via adaptive reuse or rehabilitation of existing building structures
- The non-profit builder SACA is the only developer of for-sale affordable units in Lancaster City, and principally targets units to families requiring three- and four-bedroom units.

Key Findings: Real Estate Developer Interviews (continued)

Finding #9. As the cost of development continues to rise, affordable housing development is becoming evermore challenging.

- Despite the prevalence of various state and federal affordable housing development subsidies, such as New Markets Tax Credits, and the HOME Program, the ability to identify and secure ever large shares of private grant funds to close the financial gap in affordable housing development has become extremely difficult as there are fewer funding sources available and greater demand from many more affordable housing developers.

Finding #10. The acquisition of land in Lancaster City may be the biggest challenge to getting more affordable housing developed over the next ten years.

- The demand to develop more residential units in Lancaster City is quickly limiting available suitable development sites for all developers but, in particular, for affordable housing developers. Given no community land trust (CLT) exists, and land banking efforts by the City of Lancaster have yet to take root, the remaining developable land in Lancaster City is more likely than not to wind up in the hands of for-profit developers, given their ability to pay a premium to acquire property.

Finding #11. The City of Lancaster needs to provide more infrastructure assistance

- In addition to assistance with the acquisition of land, affordable housing developers would like to see the City of Lancaster shoulder more of the costs associated with infrastructure improvements (sewer, sidewalks and streets), as these costs make the development of affordable housing all the more difficult, if not impossible.

Key Findings: Real Estate Developer Interviews

Finding #12. There needs to be flexibility to get affordable housing developed.

- Given the rising costs of residential development, generally, and affordable housing, in particular, there needs to be flexibility in local zoning (e.g., on-site parking requirements).

Finding #13. The relatively high property tax rate in Lancaster City makes it hard to develop affordable housing.

- Given the subsidies used to develop affordable housing are limited, the relatively high property tax in Lancaster City, which is a component of the operating cost of a multi-family rental project, often makes finalizing an affordable housing project's financing quite difficult, as the developer needs to demonstrate how the operating costs (inclusive of the taxes) will get covered while still maintaining the property's affordability to low-income resident.

Finding #14. There needs to be more owner-occupied affordable housing in order to create wealth.

- There not nearly enough moderate- and low-income residents (particularly families) who own their residences. If Lancaster City is to remain affordable for a broad swath of incomes, the City of Lancaster must incentivize not just affordable rental projects but also affordable homeownership.

Key Findings: Real Estate Developer Interviews (continued)

Organizations Interviewed

- City Limits Real Estate - *Invited to interview but did not participate*
- Community Basics Inc. - *Affordable Housing Developer (Lisa Greener)*
- Compass Real Estate - *Commercial Real Estate Broker (Deepa Balepur)*
- Habitat for Humanity - *Invited to interview but did not participate*
- Hankin Group - *Market rate housing developer (Neal Fisher)*
- HDC MidAtlantic - *Affordable Housing Developer (Dana Hanchin)*
- SACA - *Affordable Housing Developer (Jose Lopez and Carlos Graupera)*
- SDL Devco LLC - *Market Rate Housing Developer (Ben Leshner)*
- Washington Place Equities - *Market Rate Housing Developer (Dominic Wilker)*

MARKET ANALYSIS

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Socio-Economic Analysis

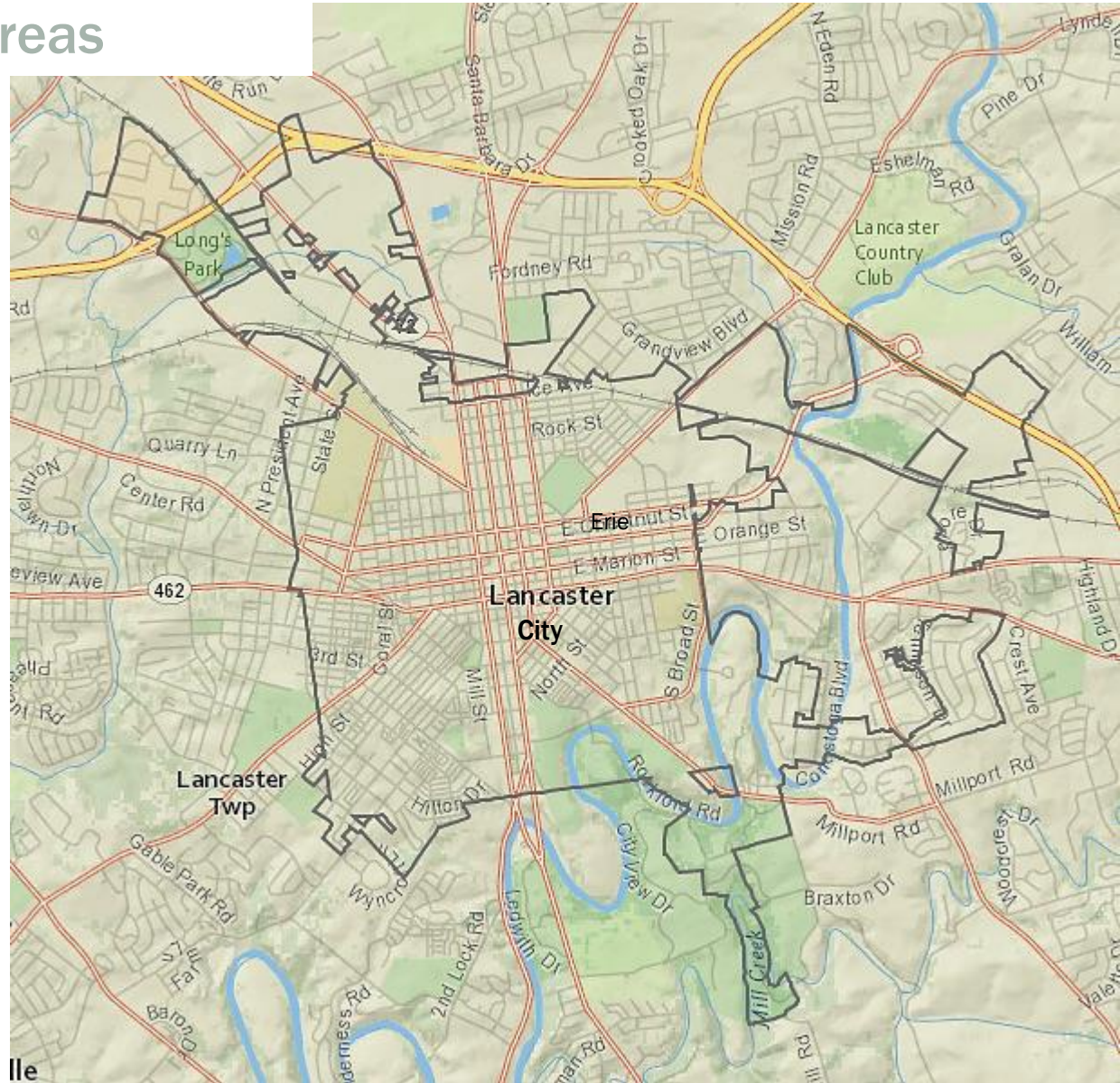
Methodology: Socio-Economic Analysis

Utilizing a combination of published government data (U.S. Census, Bureau of Labor Statistics, and Pennsylvania Department of Labor and Industry) and proprietary analysis software (Esri Community Analyst), 4ward Planning analyzed demographic trends for the Lancaster City, Lancaster County, Pennsylvania and the nation, for comparison purposes. Specifically, demographic trends associated with population, households, age cohorts, and population density were analyzed. Additionally, we analyze income distribution, unemployment and poverty rates, homeownership rates, housing tenure, and consumer expenditure estimates. Demographic data is displayed for 2010, 2021 (estimated) and 2026 (projected).

Socio-economic data in this report is largely based on current-year estimates and five-year projection data provided by Esri, a private supplier of geo-based demographic data. Released in June 2021, Esri adjusted socio-economic projections due to the pandemic, where appropriate (e.g., adjusting household formation, household income, housing tenure, and consumer expenditures, in particular), as these variables are prone to change abruptly following a significant economic shock. Although impacts may take years to transpire, the pandemic is likely to have long-term socio-economic impacts due to shifts such as births, deaths, and population migration.

Methodology: Study Areas

To establish context, socio-economic data for Lancaster City is often compared to Lancaster County (synonymous with the Metropolitan Statistical Area or MSA), the State of Pennsylvania, and the nation.



Key Findings: Socio-Economic Analysis

Positive, but relatively flat, household growth through 2026

Near-term household formation drives housing demand. Lancaster City is expected to continue experiencing positive, but relatively flat household growth through 2026 (changing by 0.4 percent per year), with total households within the city and county projected to increase by approximately 450 and 6,530, respectively, over the next five years.

Latino households are clustered in the southern portions of the city.

The share of Hispanic or Latino persons represents nearly half of all residents (47 percent) in the city and between 60 and 73 percent of residents within the census tracts located in the southern portions of the city. Given relatively low median household incomes within this demographic group (\$35,980), these households are most vulnerable to displacement due to the rise in local and regional housing costs.

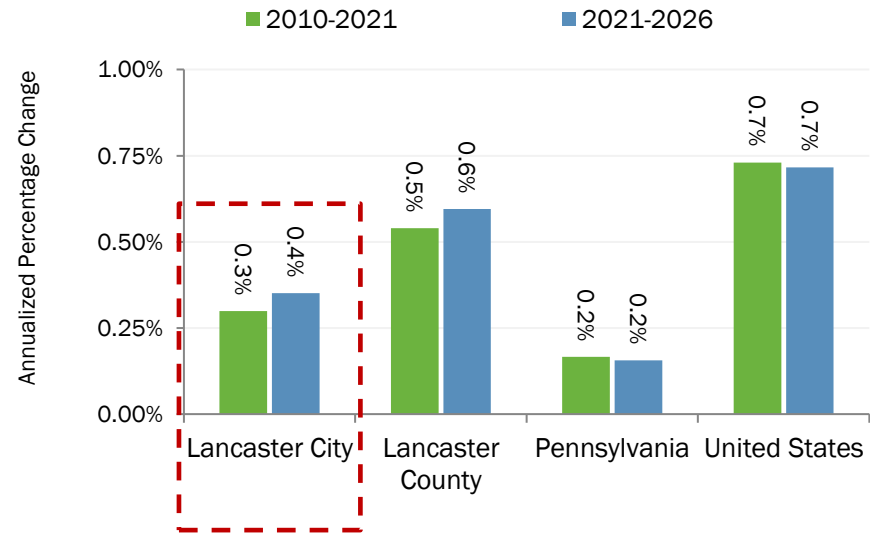
Lower incomes and household expenditures

The city has a 2020 median household income of approximately \$44,400, compared to \$67,230 and \$62,720 in the county and state, respectively. Reflective of lower educational attainment and median household income levels, the average household in the city, spends 30 to 40 percent less than the average national household on a range of goods and services. While households in the city spend less, relative to households in the county, state, and nation, their expenditures likely represent a larger share of their total incomes, as research demonstrates that lower-income households, generally, spend nearly all their monthly incomes on living expenses and discretionary items – leaving little for savings.

Near-Term Population Change

Lancaster City is expected to continue experiencing positive, albeit relatively flat population growth through 2026 (changing by 0.4 percent per year), with total population within the city projected to increase by approximately 1,080 residents (1.8 percent) over the next five years. Total population within the county is expected to increase by approximately 16,410 residents (3.0 percent) over the same period. However, the city projections do not fully capture current and prospective housing development activity, meaning the projection is likely very low.

Annualized Percentage Change, Total Population



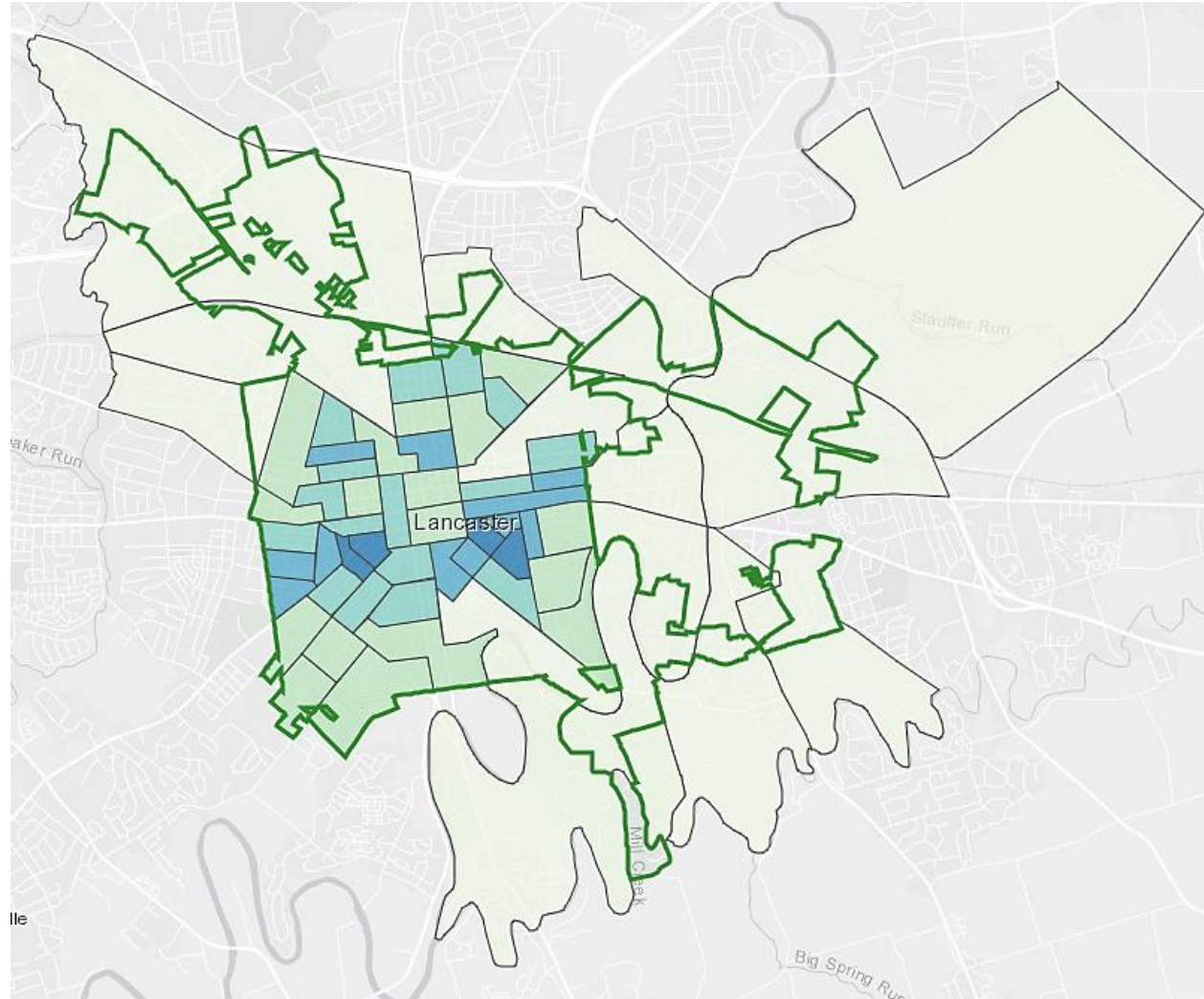
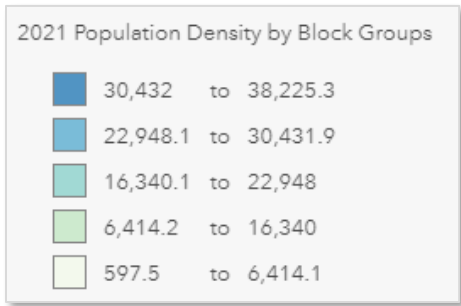
Population by Geography

	2000	2010	2021	2026	Net Change (2021-2026)
Lancaster City	56,356	59,423	61,382	62,460	1,078
Lancaster County	470,658	520,256	551,141	567,551	16,410
Pennsylvania	12,281,054	12,707,425	12,939,709	13,041,085	101,376
United States	281,421,906	309,121,785	333,934,112	345,887,495	11,953,383

Source: US Census Bureau; Esri; 4ward Planning Inc., 2021

Population Density

As illustrated to the right, population density in Lancaster City ranges widely by block group and is highest in central Lancaster City where the population density reaches as high as 38,225 persons per square mile.

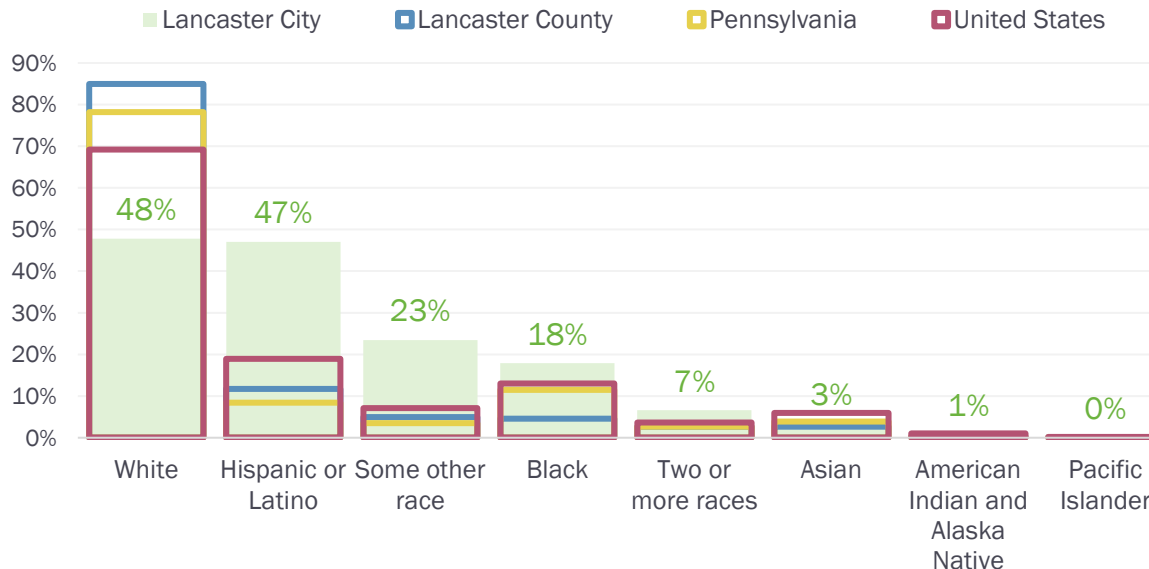


Source: Esri; 4ward Planning Inc., 2021

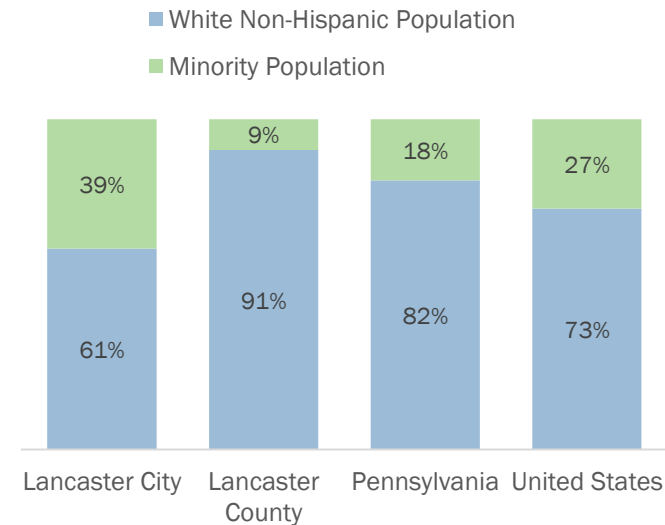
Race & Ethnicity

Compared to all other geographies examined, the city is relatively racially and ethnically diverse. The share of Hispanic or Latino persons represents nearly half of all residents (47 percent). Minority persons (excluding White Non-Hispanic persons) currently make up 39 percent of residents within the city (compared to just nine percent within the county). Lancaster City’s racial and ethnic diversity should be viewed as an asset that can be leveraged to attract private investment across a range of industries and businesses.

Race and Ethnicity, 2021



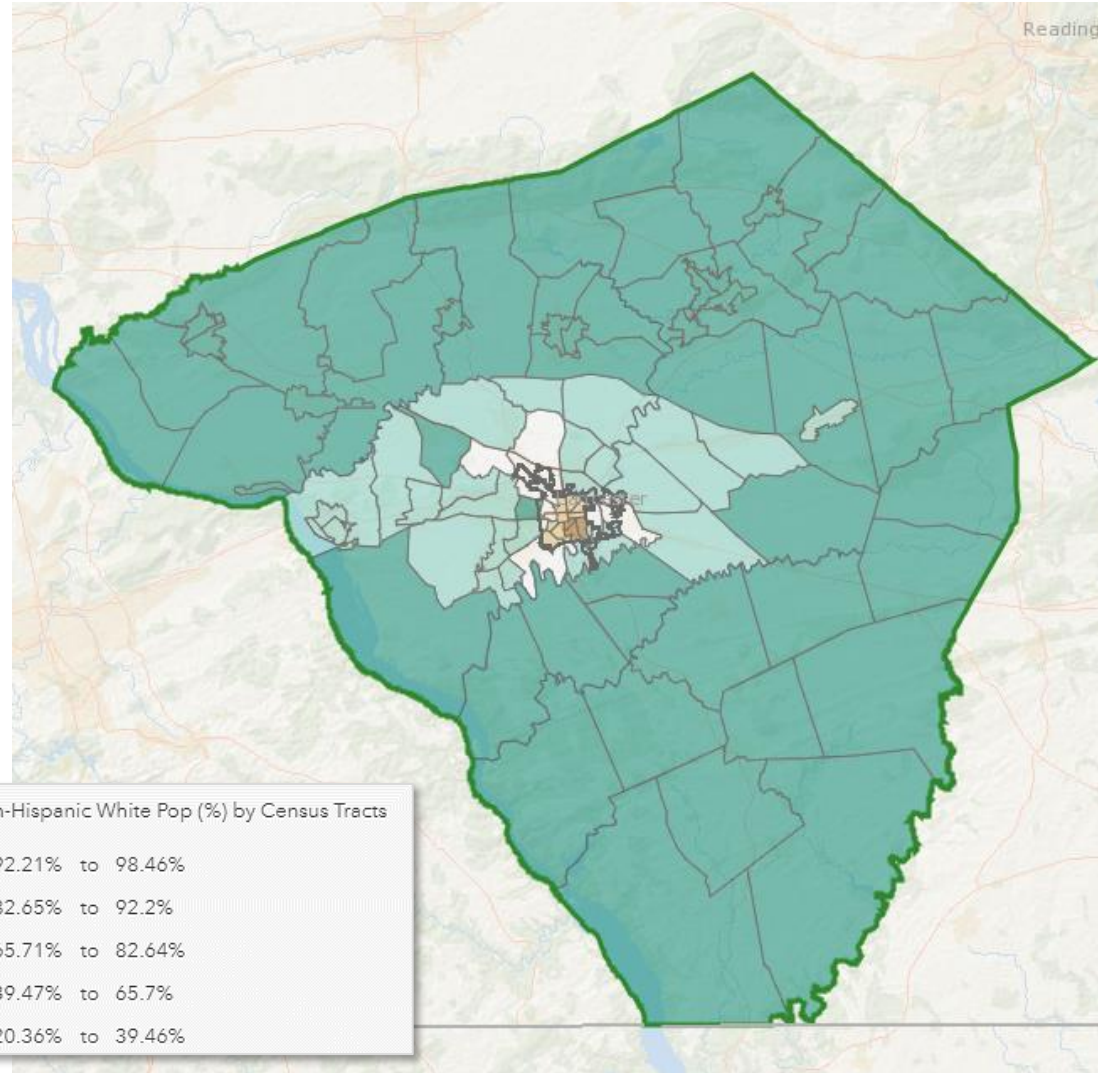
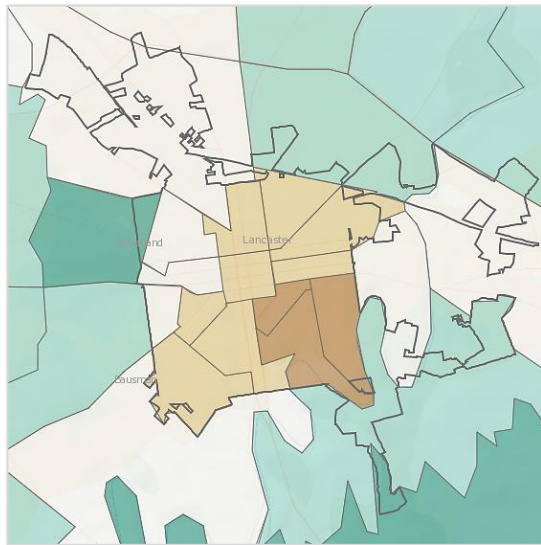
Minority Populations, 2021



Sources: U.S. Census Bureau; Esri; 4ward Planning Inc., 2021

Minority Population

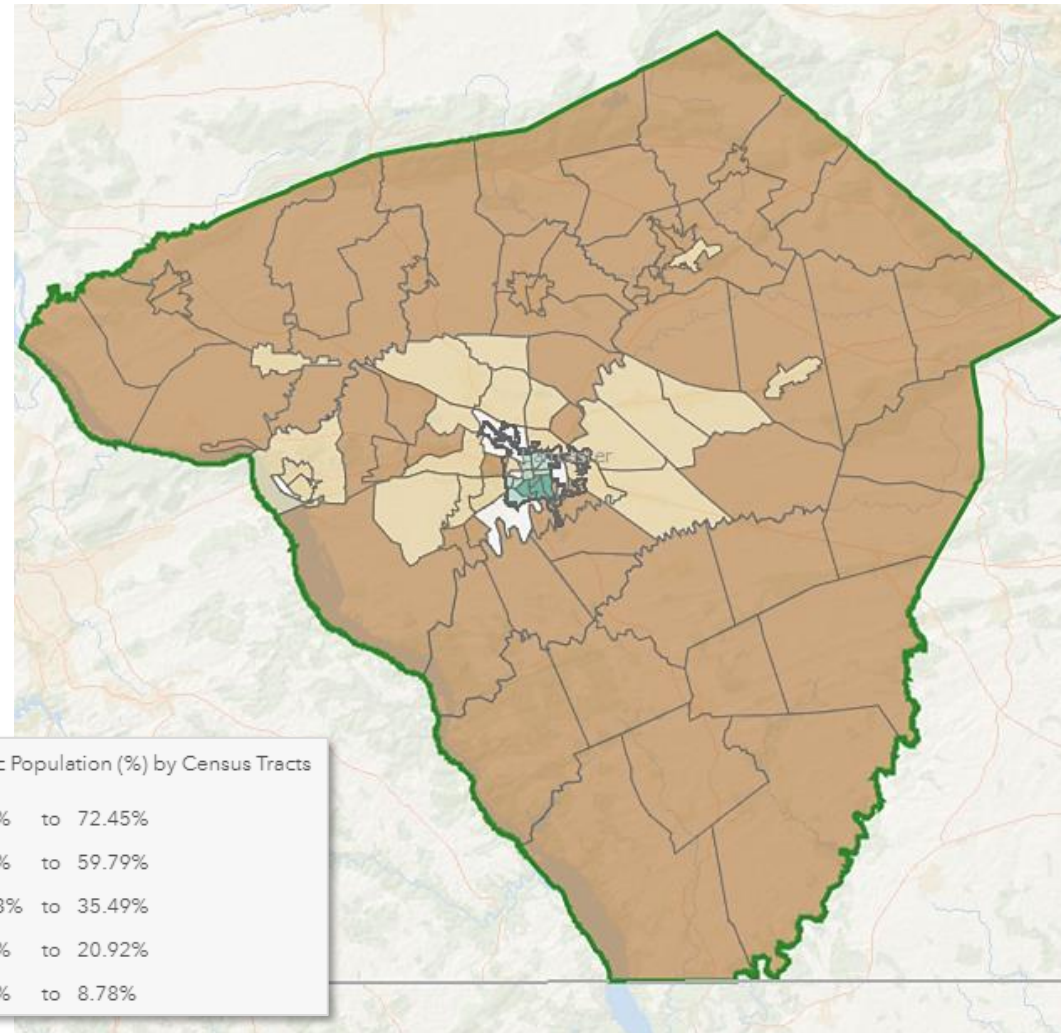
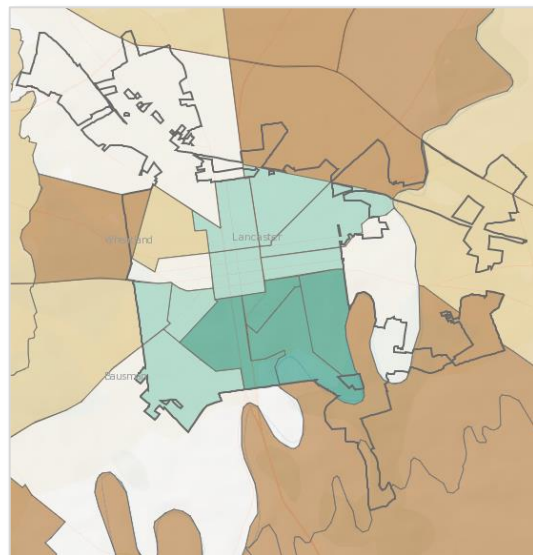
According to 2021 racial makeup data provided by Esri, there are high shares of minority residents (excluding White Non-Hispanic persons) within and around the city. The relatively high concentration of minority residents presents an opportunity to increase retail and service businesses in Lancaster City which cater to multi-cultural consumer tastes.



Source: Esri; 4ward Planning Inc., 2021

Latino Population

According to 2021 racial makeup data provided by Esri, the census tracts with the highest share of Hispanic and Latino residents are located in the southern portions of the city. This area of the city is also where poverty is most concentrated, based on examination of household income data.



Source: Esri; 4ward Planning Inc., 2021

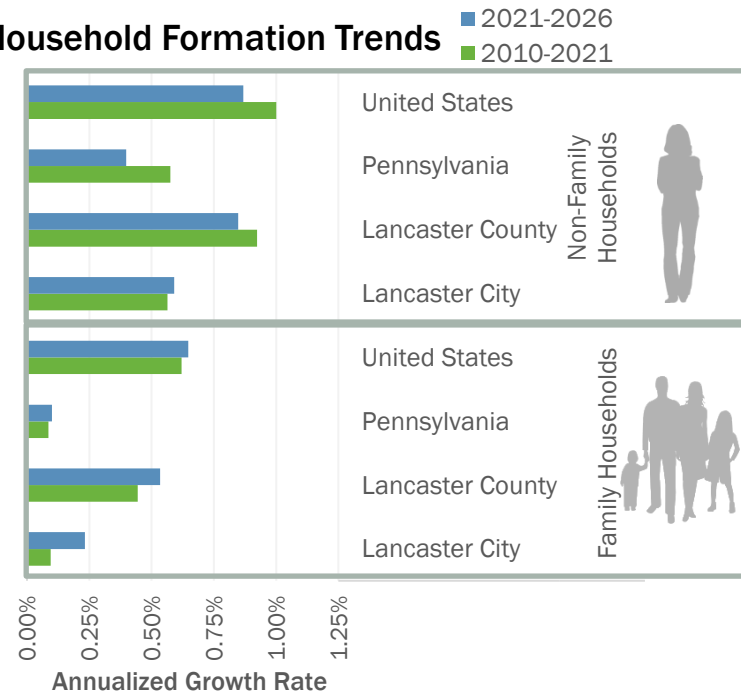
Household Formation

Near-term household formation drives demand for housing. As illustrated in the table below, from 2021 to 2026, the city is projected to continue experiencing positive, but relatively flat, household growth (growing by 0.4 percent per year or by approximately 440 households – it should be noted that the actual figure is likely to be higher, based on proposed residential development projects at the time of this analysis). As illustrated in the chart to the right, Esri expects the increase of non-family household formation (top right) in all geographies to be slightly stronger than the rates of family household growth (bottom right). The county is expected to increase by approximately 6,530 households over the next five years.

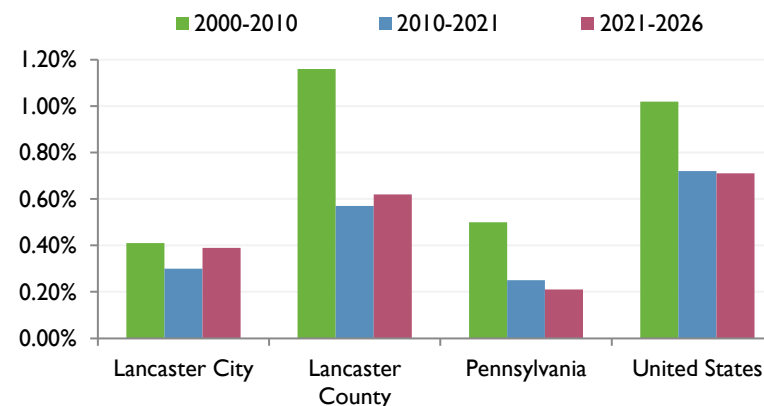
Households by Geography

	2000	2010	2021	2026	Net Change (2021-2026)
Lancaster City	20,912	21,835	22,541	22,980	439
Lancaster County	172,560	193,919	206,493	213,021	6,528
Pennsylvania	4,777,003	5,020,853	5,163,155	5,216,823	53,668

Household Formation Trends



Annualized Household Change

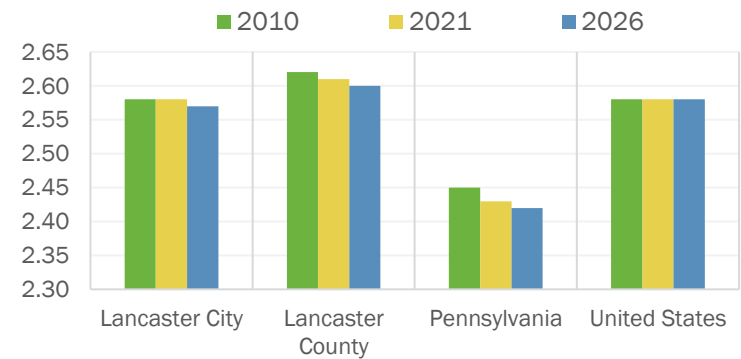


Source: US Census Bureau; Esri; 4ward Planning Inc., 2021

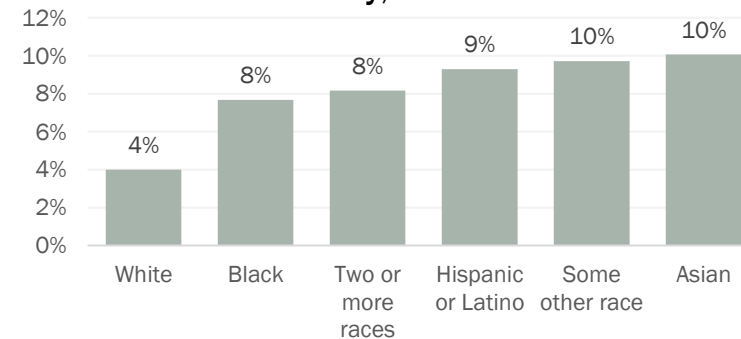
Household Size

As illustrated to the right (top), the average household size in the city is expected to decrease slightly through 2026, partially due to stronger growth in non-family households. As illustrated in the table below, average household size varies by household type, as well as race and ethnicity. For example, in 2010, a Latino family household in the city had an average household size of 3.6 persons, compared to just 3.0 persons for the average White family household. As illustrated to the right, the larger average household size among Latino family households is partially due to the higher share of multigenerational households– defined as including two or more adult generations or including grandparents and grandchildren younger than 25. For example, in 2010, nine percent of Latino households in the city were multigenerational, compared to just four percent of White households. This trend will have influence over the size of housing needed in the city.

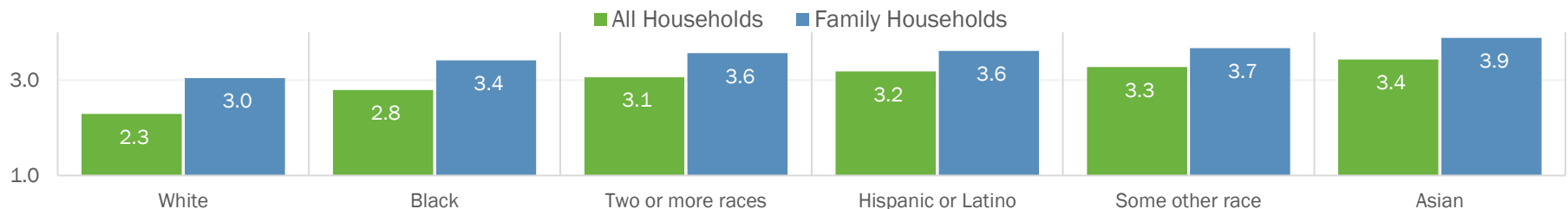
Household Size Trends



Multigenerational Housing: Lancaster City, 2010



Average Household Size: Lancaster City, 2010

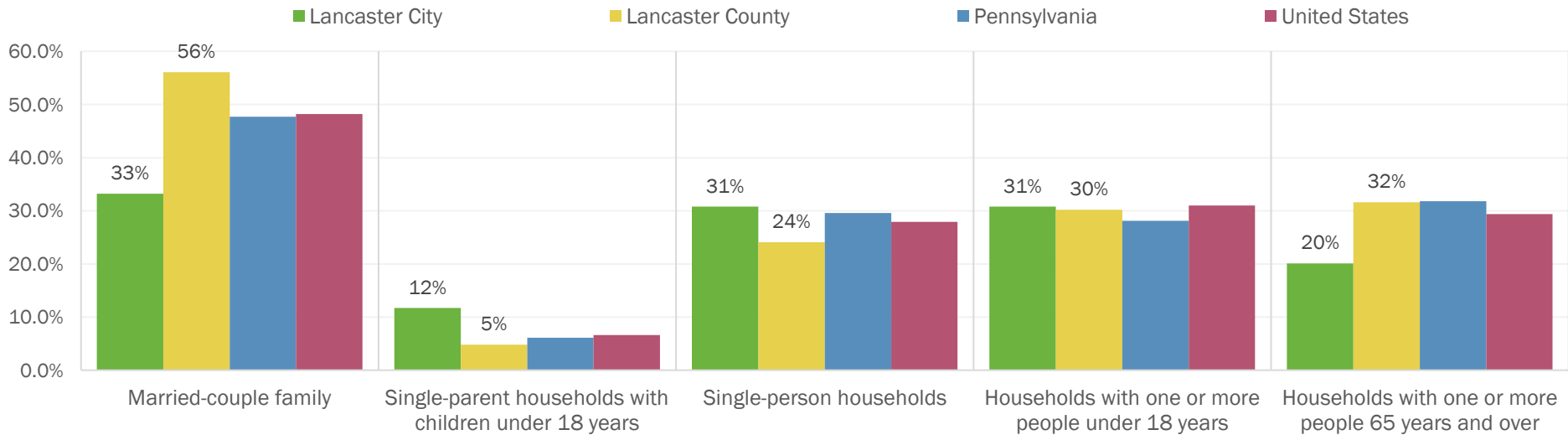


Source: US Census Bureau; Esri; 4ward Planning Inc., 2021

Household Composition

According to 2019 data provided by the American Community Survey, Lancaster City has a lower share of married-couple family households and a higher share of single-parent households with children under 18 years. For example, only 33 percent of households in the city are characteristic of married couples, compared to 56 percent of households in the county. However, nearly 12 percent of households in the city are characteristic of single-parent households with children, compared to five percent of households in the county. This relatively high rate of single-parent households is also a major contributing factor the city’s relatively high poverty rate and will need to be addressed through a combination of public policies and family assistance.

Household Composition, 2019

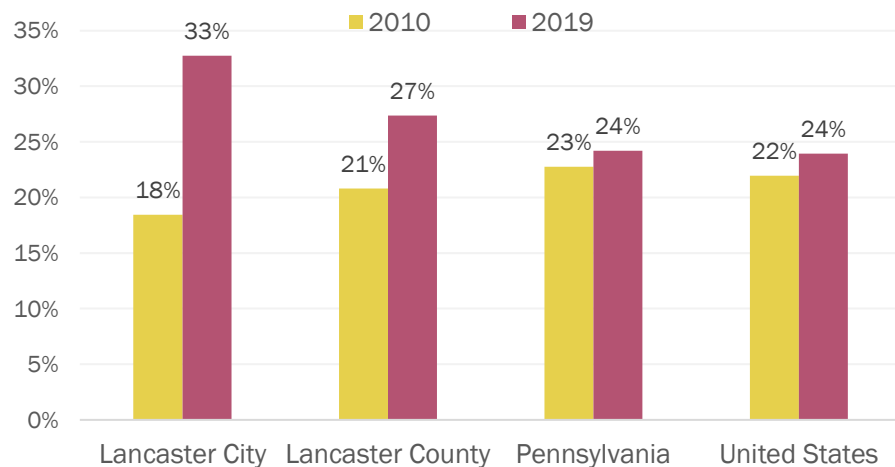


Source: US Census Bureau; American Community Survey, 2019 ACS 5-Year Estimates Data Profiles, DP02

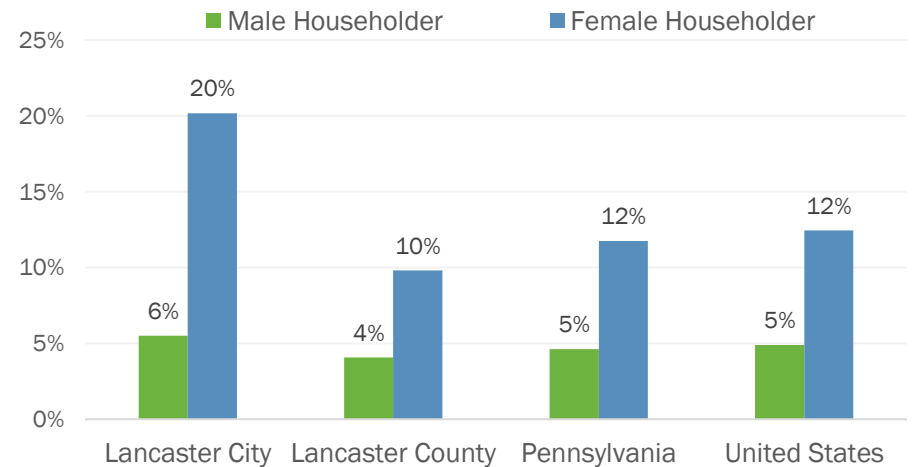
Households and Families: Lancaster City

While the share of children living with a single parent has been rising nationally over the past few decades, driven by an increase in divorce rates and a rise in births outside of marriage, single-parent families typically do not have the same human resources available as two-parent families (e.g., earning or childcare potential) and may be more economically vulnerable. According to data provided by the census data, the share of single parent households with children under six years old in the city increased from 18 to 33 percent from 2010 to 2019. In 2019, 20 percent of households in the city were characteristic of single-parent female-headed households with children, who have, in general, been more negatively impacted by the pandemic than men in terms of income and employment.

Single Parent Households with Children Under 6 Years



Share of Single Parent Households by Head of Household

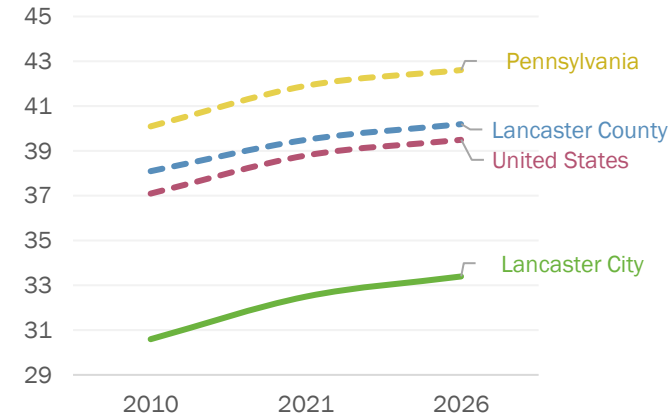


Source: US Census Bureau; American Community Survey, 2010-2019 ACS 5-Year Estimates Data Profiles, S1101

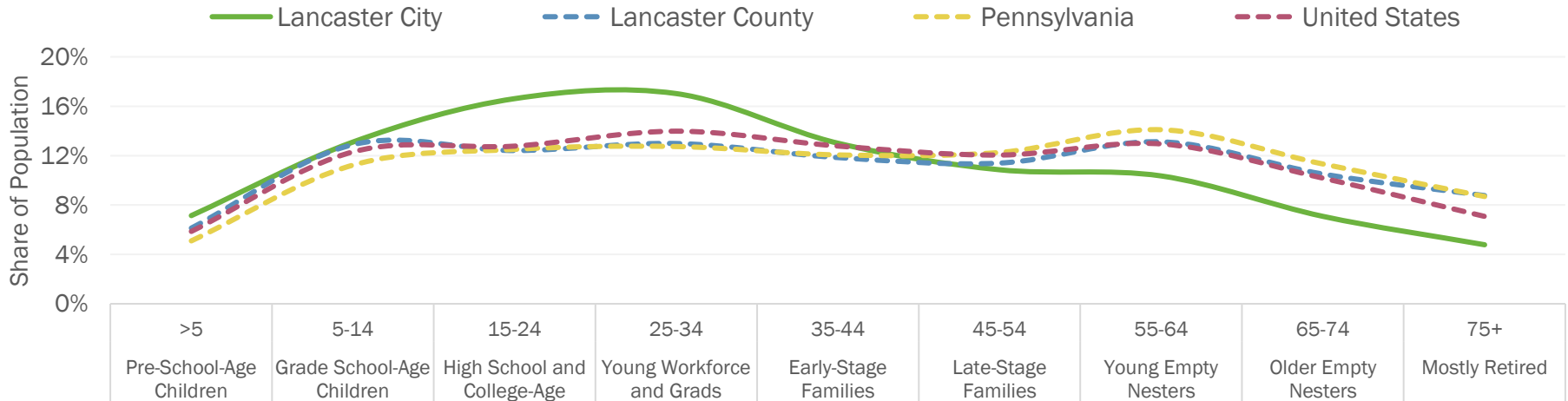
Age Distribution

As illustrated in the chart to the right, the median age in Lancaster City (33 years) is significantly younger than that in the county (40 years) and state (42 years), reflective of the City's relatively young and large minority population and, to a lesser extent, college-age students associated with Franklin and Marshall. The City's relatively large cohort of young persons is favorable for existing or new businesses seeking to hire entry level workers. These younger persons will also seek housing suitable to their needs (e.g., studios, one- and two-bedroom units) and goods and services affordable to their incomes.

Median Age Trends



Age Distribution, 2021

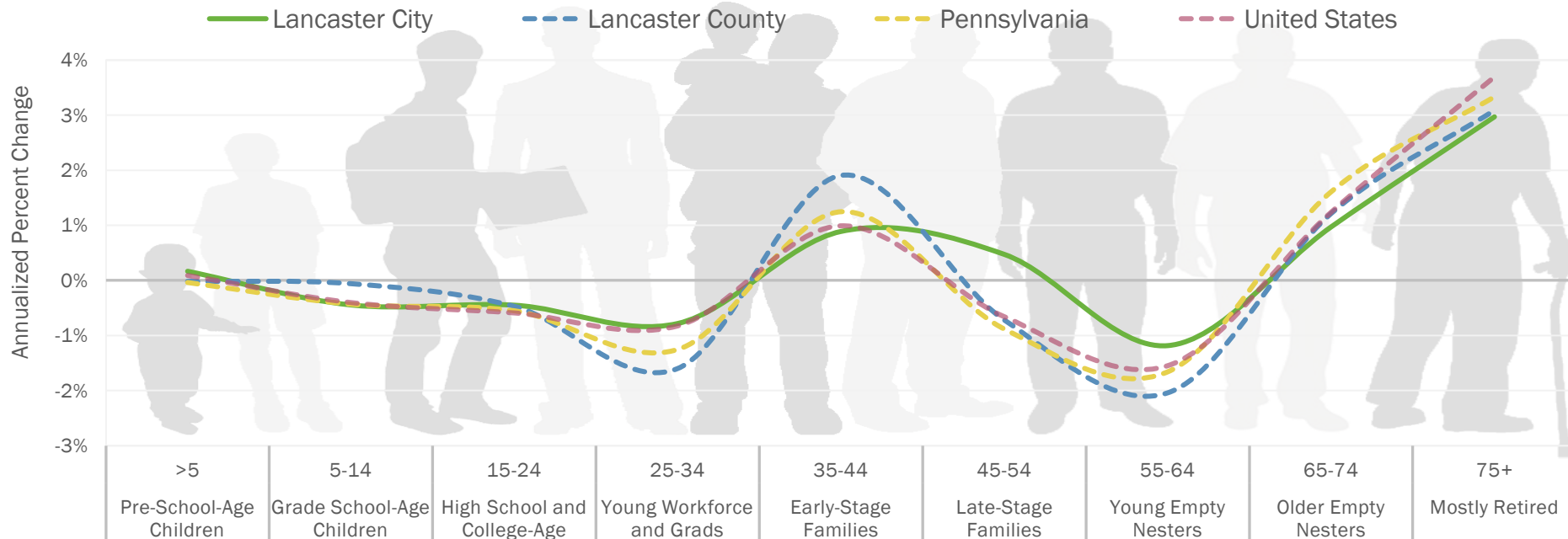


Source: Esri; 4ward Planning Inc., 2021.

Age Cohort Growth Patterns

Notwithstanding its relative youth, when compared to the median ages of the county and U.S., Lancaster City is expected to experience the fastest population growth among adults over 65 and older (an age cohort mostly composed of retired individuals) and, to a lesser degree, adults ages 35 to 44 (the age cohort representing early-stage families). These two age groups, generally, are associated with distinct housing preferences: The 35–44-year-old age cohort will prefer units offering two to four bedrooms, suitable for raising a family. Those within the 65 and older group will generally be satisfied with a studios up to a two-bedroom unit. Consequently, the comprehensive plan and associated zoning policy will need to facilitate such residential unit diversity.

Annualized Age Distribution Change, 2020-2025

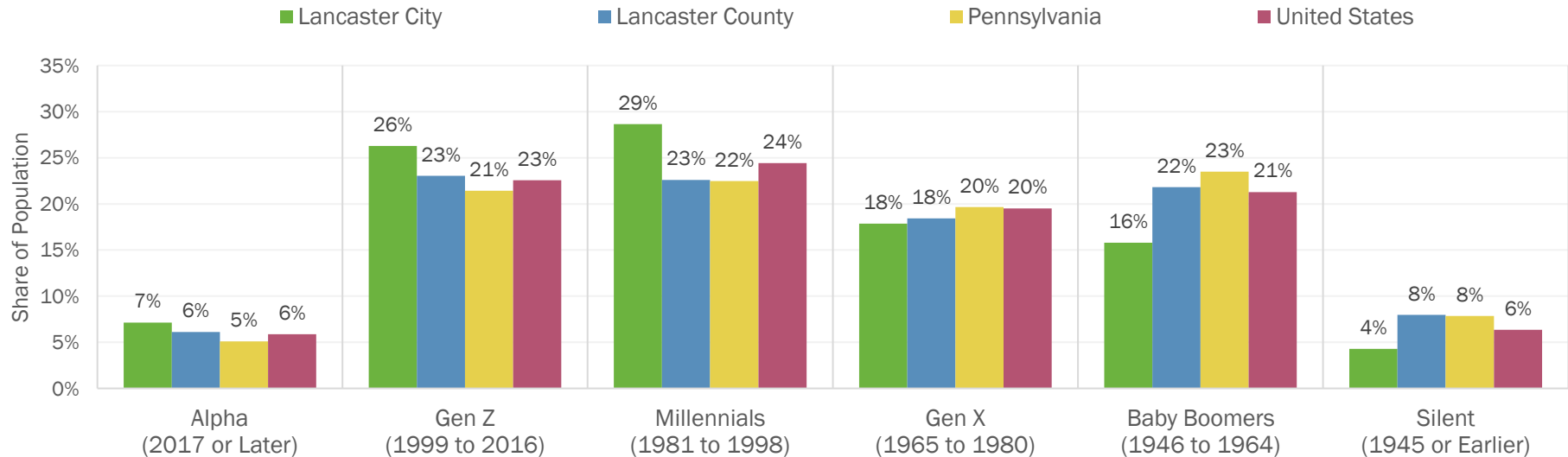


Source: US Census Bureau; Esri; 4ward Planning Inc., 2021.

Population Share by Generation

The chart below illustrates the share of population by selected generation across all geographies. Lancaster City currently has a lower share of baby boomers compared to the county, overall (16 and 22 percent, respectively), while it has a higher share of Gen Z residents (26 and 23 percent, respectively) and millennials residents (29 and 23 percent, respectively). The combined share of Gen Z and millennial residents (serving as a significant demand driver for workforce housing) comprises 55 percent of the city's population.

Age Distribution by Generation, 2021



Sources: U.S. Census Bureau; Esri; 4ward Planning Inc., 2021

Generation Trends

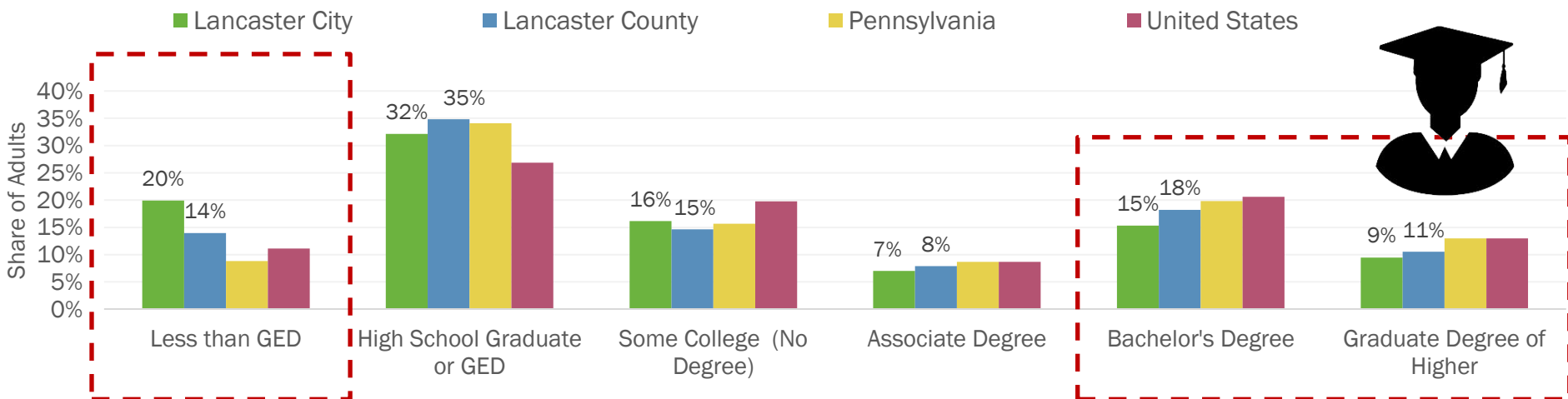
Research shows that each generation can exhibit distinct priorities and attitudes, goals, lifestyle choices, and purchasing behaviors. Understanding shifting purchasing behaviors and preferences is important for predicting changing housing and retail demand.

- **Baby boomers** (those born between 1946 and 1964), the principal driving force of the modern retail shopping center, are now 56 years of age and older (the vast majority of whom are in or approaching retirement). Baby boomers no longer represent the critical demand once relied upon by shopping centers, as they are well beyond the age of raising children, needing to buy new clothes for work, or making major furniture and/or housing-related purchases associated with the purchase or rental of a new home.
- **Generation X** (those born between 1965 and 1980) is that following the baby boom generation. While Gen X is comparatively younger and still making purchases associated with family rearing, employment, and new or renovated housing, it is a much younger generation and never exhibited the same strong consumer spending might of boomers and were, thus, less impactful on the bottom lines of retailers.
- **Millennials** (those born between 1981 and 1998) came of age during the Great Recession and the advent of the Internet and have changed the retail consumer landscape. They do not exhibit the same zest for material goods as their parents or grandparents, and value experiences over purchases. Access to an online world of goods, which can be purchased at lower prices than those found in brick-and-mortar stores, has made the avoidance of visiting shopping centers easy and often preferable to the millennial generation.
- **Generation Z** (those born between 1999 and 2016) is the generation that was in line to inherit a strong economy with record low unemployment, but now peers into an uncertain future, as Covid-19 has reshaped the country's social, political, and economic landscape. This generation is more racially and ethnically diverse than any previous generation and is on track to be the most well-educated generation yet.

Educational Attainment

Educational attainment can be a critical driver of long-term income, job, and population growth for a given area. As illustrated in the chart below, the level of educational attainment in Lancaster City is lower than that in the county. For example, the share of adult city residents 25 and older holding a bachelor’s degree or higher level of education is lower than that in the county (25 vs. 29 percent, respectively), while the share of residents in the city holding a high school degree or lower level of education is higher than that in the county (20 vs. 14 percent, respectively). The lower-educational attainment level exhibited within the city suggests living-wage employment opportunities for many city residents will come from industries such as manufacturing and construction – those needing skilled trades people. Consequently, the city should vigorously support training programs and the promoting of occupations within these industries to local youth.

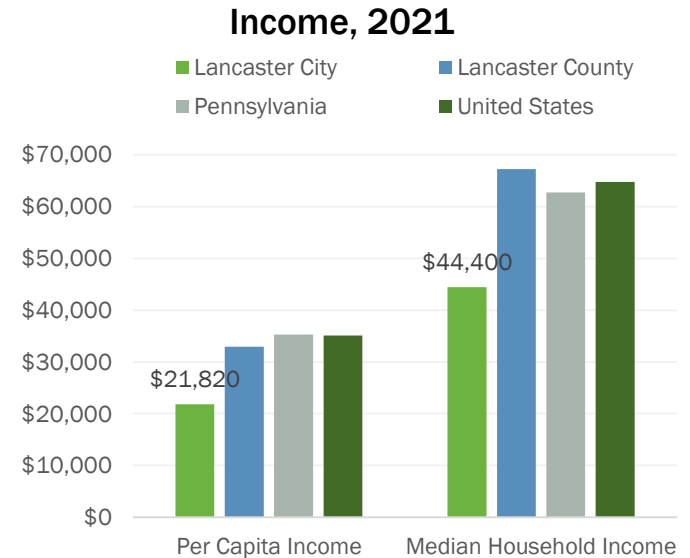
Educational Attainment by Geography, 2021



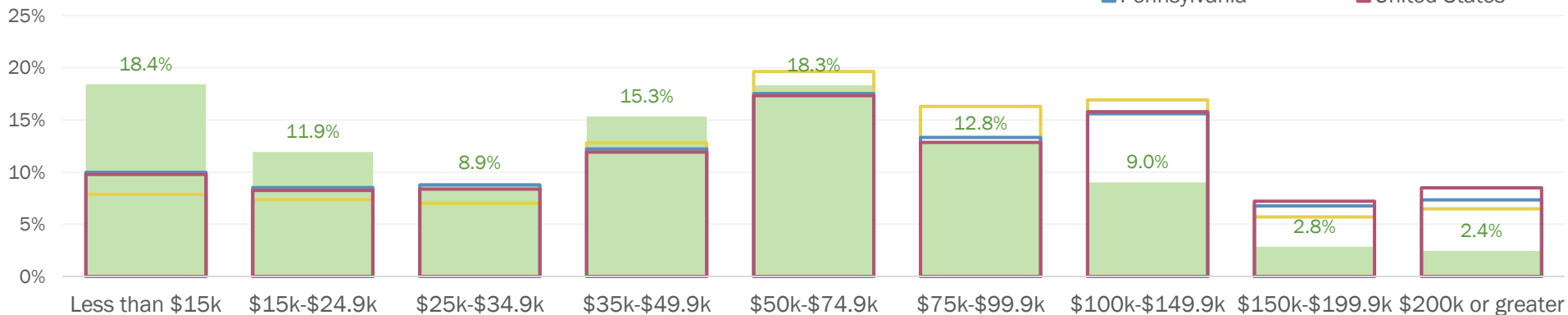
Source: Esri; 4ward Planning Inc., 2021

Median Household Income

Educational attainment is typically strongly and positively correlated with earnings, with households and persons with higher levels of educational attainment associated with higher incomes. Given Lancaster City’s lower levels of educational attainment, it is unsurprising that its median household income is lower than that of the County. As shown in the chart to the right, in 2020, the city has a median household income of approximately \$44,400, compared to \$67,230 and \$62,720 in the county and state, respectively. As illustrated below, over 18 percent of city households have median household income below \$25,000.



Median Household Income, 2021

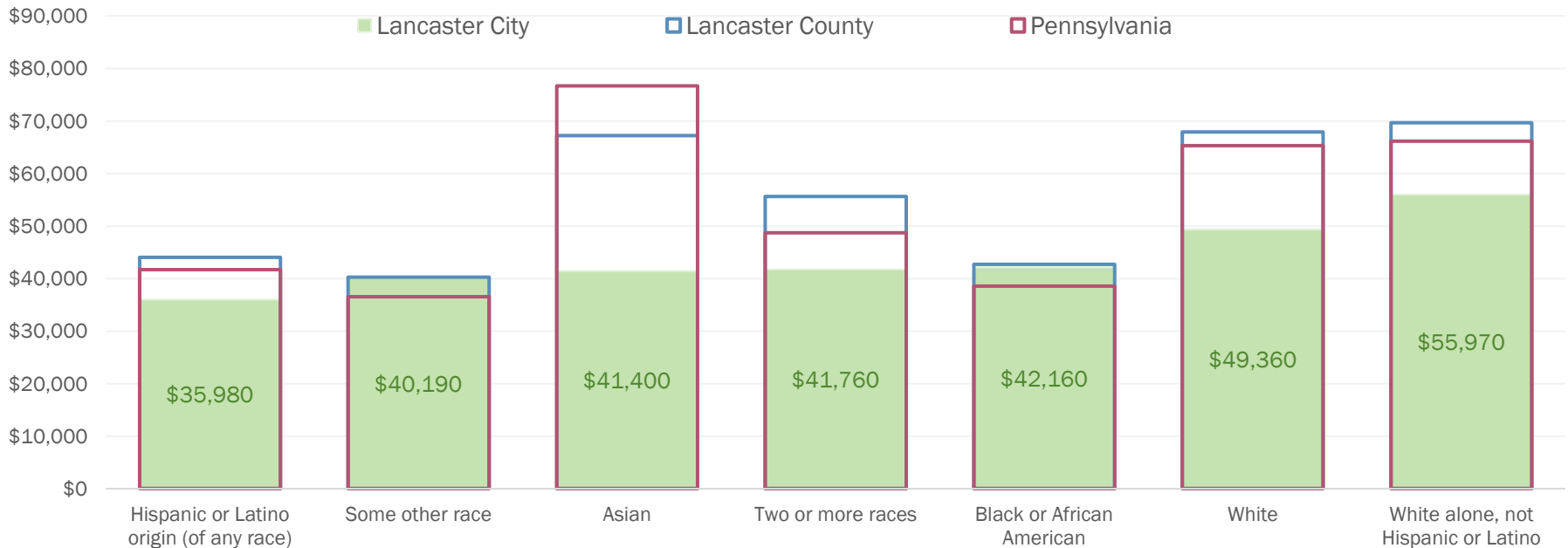


Sources: US Census Bureau; Esri; 4ward Planning Inc., 2021.

Median Household Income: Race & Ethnicity

According to 2019 estimates provided by the American Community Survey, median household incomes in Lancaster City are highest among White, non-Hispanic persons (\$55,970) and lowest among Latino households (\$35,980), a difference of \$19,990. Ensuring that the City’s minority residents realize an affordable lifestyle will require an upgrade in their labor skills and an adequate supply of quality affordable housing sufficient to meet their household needs. Neither effort on its own will ensure an affordable lifestyle for the lowest income households in Lancaster City.

Median Household Income (2019 Inflation-Adjusted Dollars)

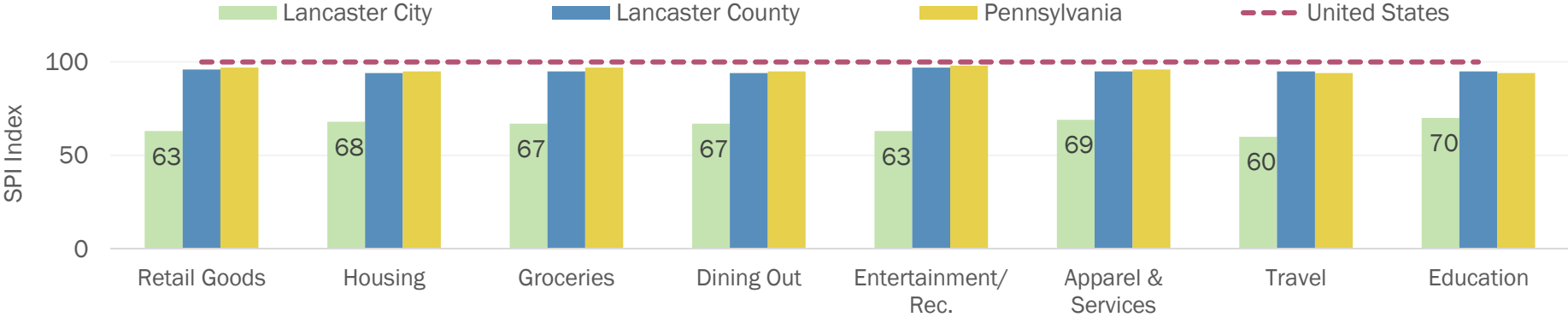


Sources: American Community Survey, S1903, 2019: ACS 5-Year Estimates.

Household Expenditures

Esri combines the latest Consumer Expenditure Surveys from the Bureau of Labor Statistics (BLS) to estimate a current Spending Potential Index (SPI). The SPI compares the average amount spent locally for a product to the average amount spent nationally. An index of 100 reflects the average, while an SPI of 60 means that the area spends 40 percent less than the national average, on that good or service. Reflective of lower median household incomes, average 2020 household expenditures within Lancaster City are relatively low compared to average household expenditures on a range of goods and services in the county and state. According to Esri’s SPI index, the average household in the City, spends 30 to 40 percent less than the average national household on a range of goods and services. While households in the City spend less, relative to households in the county and nationally, their expenditures likely represent a larger share of their total incomes, as research demonstrates that lower-income households, generally, spend nearly all their monthly incomes on living expenses and discretionary items – leaving little for savings.

Household Expenditure Index by Geography, 2021



Source: Esri; 4ward Planning Inc., 2021.

LABOR AND INDUSTRY TRENDS

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Methodology: Labor and Industry Trends

The examination of labor and industry trend data will provide necessary insight into the near-term land use demand for residential, office, industrial, and retail land-uses, which might be in demand over the coming years and prospectively captured within the city. To establish context, labor and industry data for the city is compared to Lancaster County (synonymous with the Metropolitan Statistical Area or MSA) and the State of Pennsylvania, where relevant.

Historic labor force and unemployment trends data is provided by the U.S. Bureau of Labor Statistics (BLS) as of July 2021. Primary job and travel shed analysis data (demonstrating worker commuting patterns to and from the city) is provided by U.S. Census Bureau via their OnTheMap tool for the most recent years available (2002 to 2018). Data on key industries in the county and top employees in the city is provided by the Lancaster County Economic Development Company (EDC). Occupational employment and wage statistics data for the county is based on May 2020 estimates provided by BLS for Lancaster MSA.

Long-term employment projections by industry are based on data published by the Pennsylvania Center for Workforce Information & Analysis for the Lancaster MSA, for the most current years provided (2018-2028). Long-term projections can be used to predict where demand for workers will be in the future, to develop/modify training programs to meet that demand, and to help educate job seekers of both today and tomorrow as to where those opportunities will be. While this data represent the best available portrayal of Lancaster County's growth and development trends, forecast data was published before the onset of the Covid-19 pandemic and does not reflect potential pandemic-related impacts on employment.

Key Findings: Labor and Industry Trends

Health care sector is top sector by employment

As Lancaster General Health Penn Medicine is the city's largest employer with over 5,000 employees, it is not surprising that the health care and social assistance sector is the city's top sector by employment. In general, this sector provides occupations with a range of earning potential such as healthcare practitioners and technical occupations (mean wage of \$79,530) and healthcare support occupations (mean wage of \$31,070).

Manufacturing sector is declining

Seven of the top 14 employers in the city represent manufacturing industries (producing both durable and nondurable goods). While production occupations (those involved in the creation of goods and services via manufacturing) currently have the highest employment location quotient (LQ) (1.63) in the county, suggesting this industry has a local competitive advantage, the manufacturing sector in the city is declining. The manufacturing sector was the top sector by recent employment loss in the city, decreasing by 6,180 jobs from 2002 to 2018.

Transitioning economy and recent job losses.

The recent decline in the size of the city's labor force (7,760 fewer people compared to 2020), the relatively high unemployment rate (average 2021 unemployment rate of 9.7 percent in the city, compared to 6.9 percent in the county), and relatively low educational attainment levels suggests many city residents are likely dealing with economic hardship due to job losses felt before and during the Covid-19 health crisis. Efforts should be made to ensure that lower-skilled workers have low-cost (optimally, no cost) access to job training which leads to living wage employment.

Labor Force Trends

The U.S. Bureau of Labor Statistics (BLS) defines a labor force as all civilians classified as employed and unemployed. According to BLS data, Lancaster City’s labor force reached a peak in 2020 (when it was 27,670 persons). As of July 2021, there have been an average of approximately 27,080 persons (24,460 employed persons and 2,620 unemployed persons) in the city’s labor force (equivalent to 590 less people compared to the average in 2020). The recent decline in the size of the city’s labor force is likely due to the Covid-19 health crisis and the associated challenges (e.g., childcare; fear of contracting the virus and affecting family members, etc.).

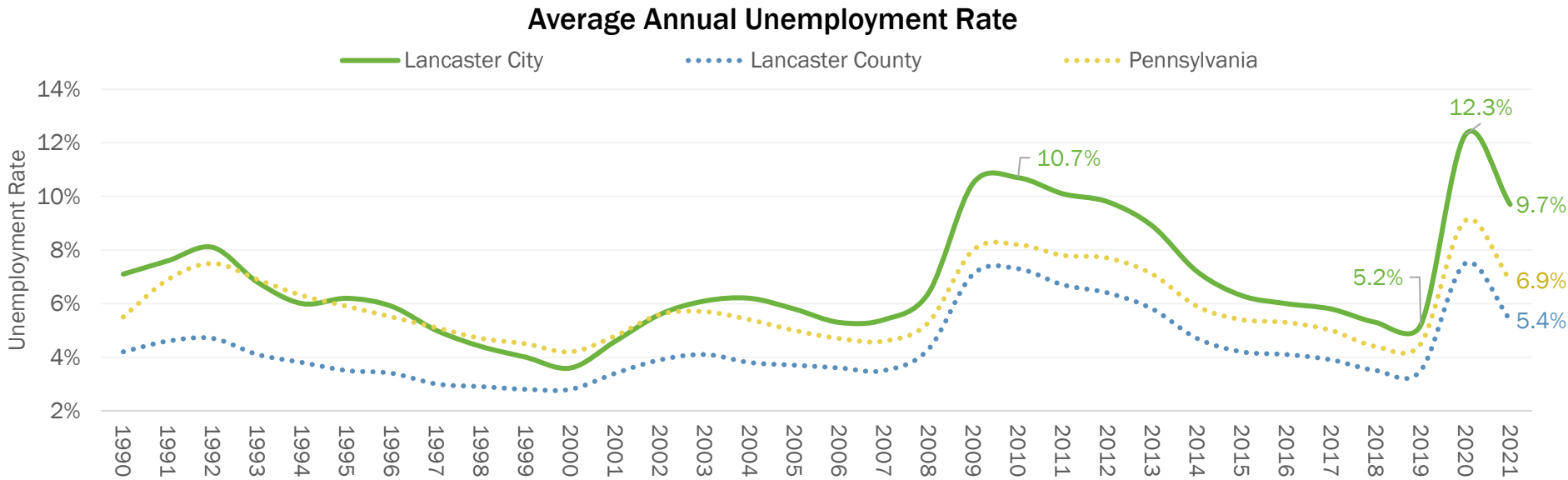
Labor Force Trends: Lancaster City



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, data as of July 2021.

Unemployment Trends

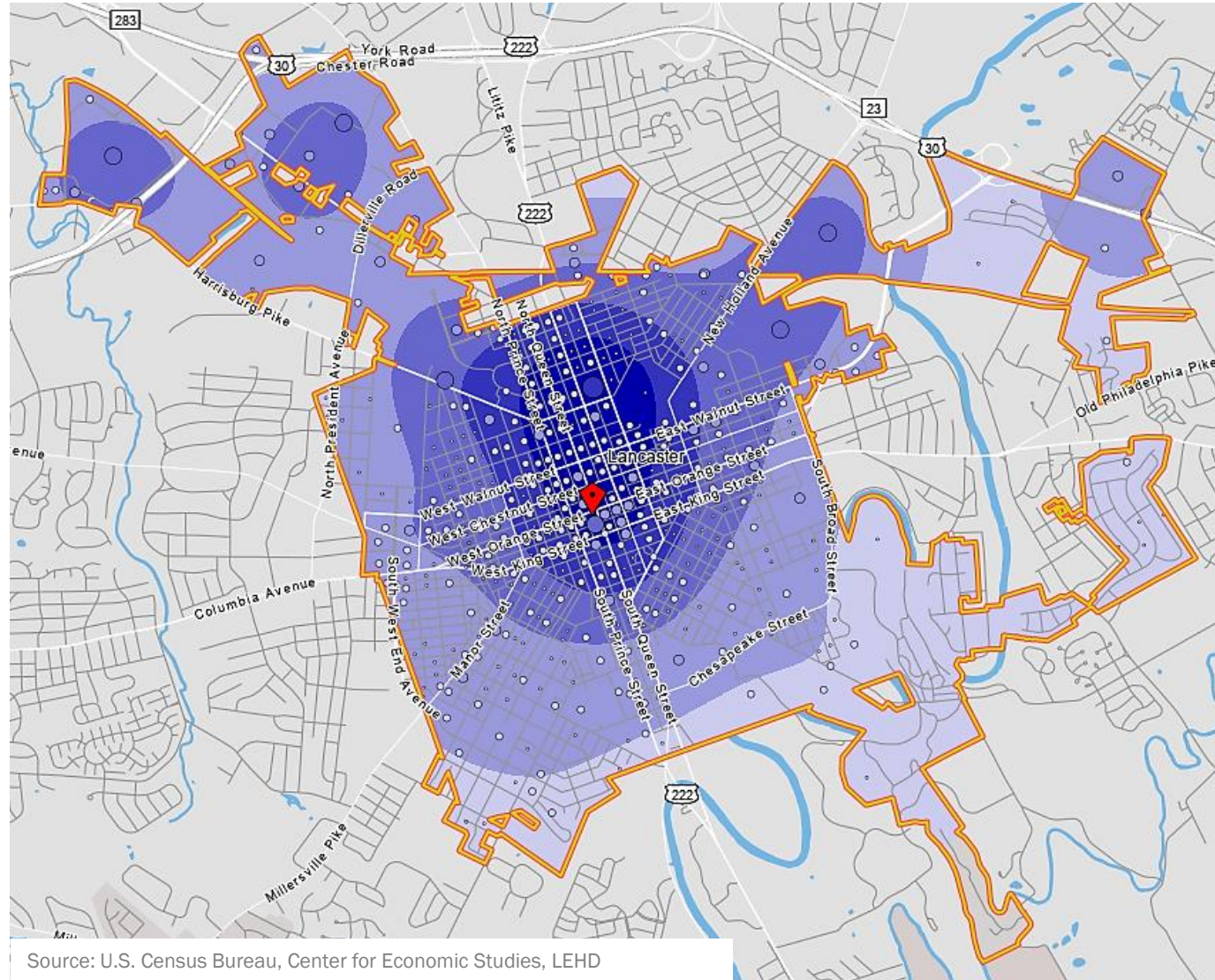
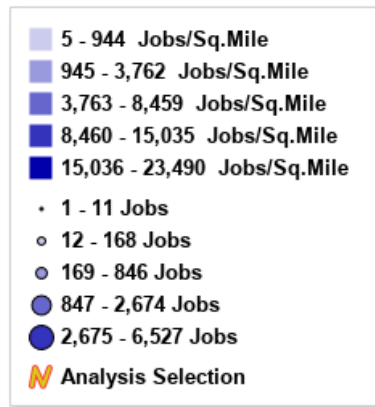
According to data provided by BLS, while the city’s unemployment rate steadily declined from 2010 to 2019 (subsequent the Great recession), it rose significantly in 2020 due to the impacts of Covid-19 health crisis. the city’s average unemployment rate in 2020 (12.3 percent), was a sharp increase from the average unemployment rate experienced in 2019 (5.2 percent) but lower than the city’s average 2021 unemployment rate (9.7 percent). Over the past 20 years, the city’s unemployment rate has been higher than that within the county and state, overall, suggesting that city residents are likely dealing with greater economic hardship. the city’s average 2021 unemployment rate (9.7 percent), is higher than that the average unemployment rate in both the county and state, overall (5.4 percent and 6.9 percent, respectively).



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, data as of July 2021.

Primary Jobs: Lancaster City

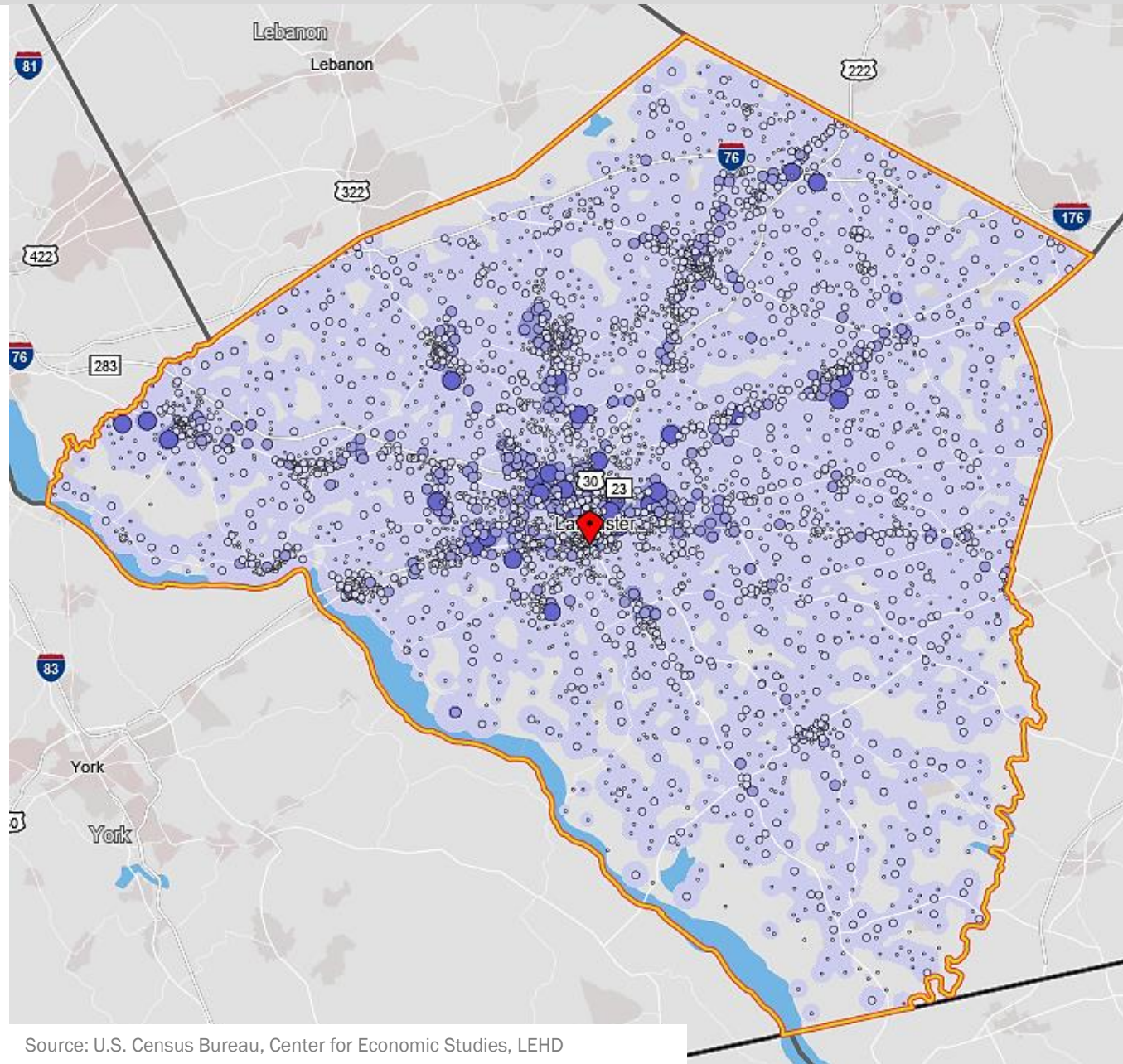
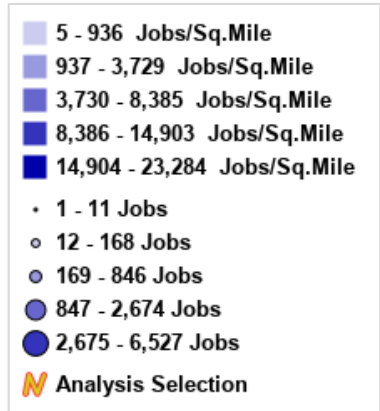
A primary job is the dominant job for an individual, defined as the job earning an individual the most money. The map to the right illustrates primary job clusters in the city, according to 2018 data provided by the U.S. Census Bureau. As can be seen, job density is greatest in the around the central business district.



Source: U.S. Census Bureau, Center for Economic Studies, LEHD

Primary Jobs: Lancaster County

The map to the right illustrates primary jobs in the county, according to 2018 data provided by the U.S. Census Bureau. The greatest job density is found within Lancaster City and around major arterials leading to and from the city.

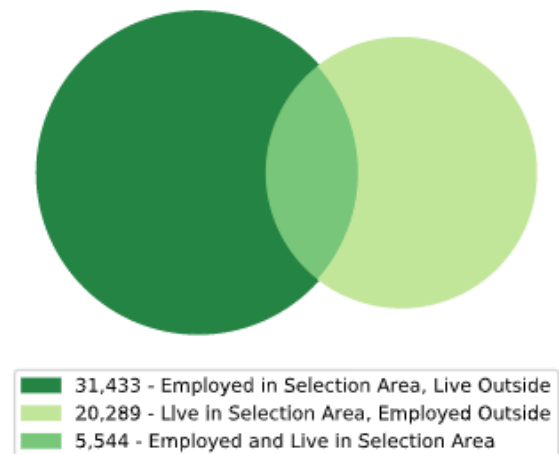


Source: U.S. Census Bureau, Center for Economic Studies, LEHD

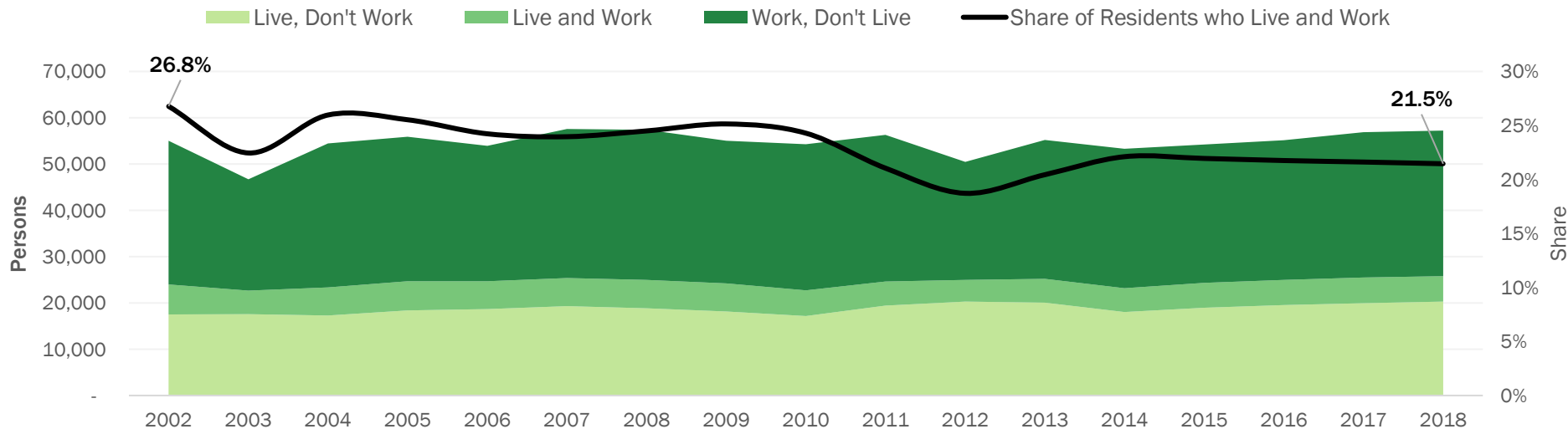
Travel Shed Analysis: Lancaster City

According to primary job data provided by the U.S. Census Bureau, in 2018 (the latest year available), 21.5 percent of Lancaster City residents also worked in the city. Approximately 31,433 workers commuted into the city for work and 20,289 residents commuted outside the city for work. From 2002 to 2018, the share of residents both living and working in the city declined slightly by approximately 5.3 percentage points – a possible indication that an increasing number of fruitful employment opportunities existed outside of the city limits.

**Inflow/Outflow Primary Job Counts:
Lancaster City 2018**



Historic Worker Inflow/Outflow, Lancaster City

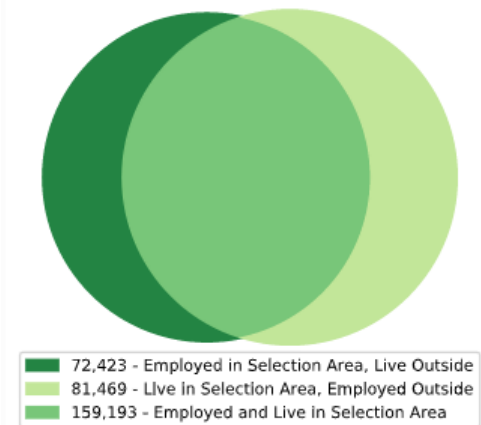


Source: U.S. Census Bureau, Center for Economic Studies, LEHD

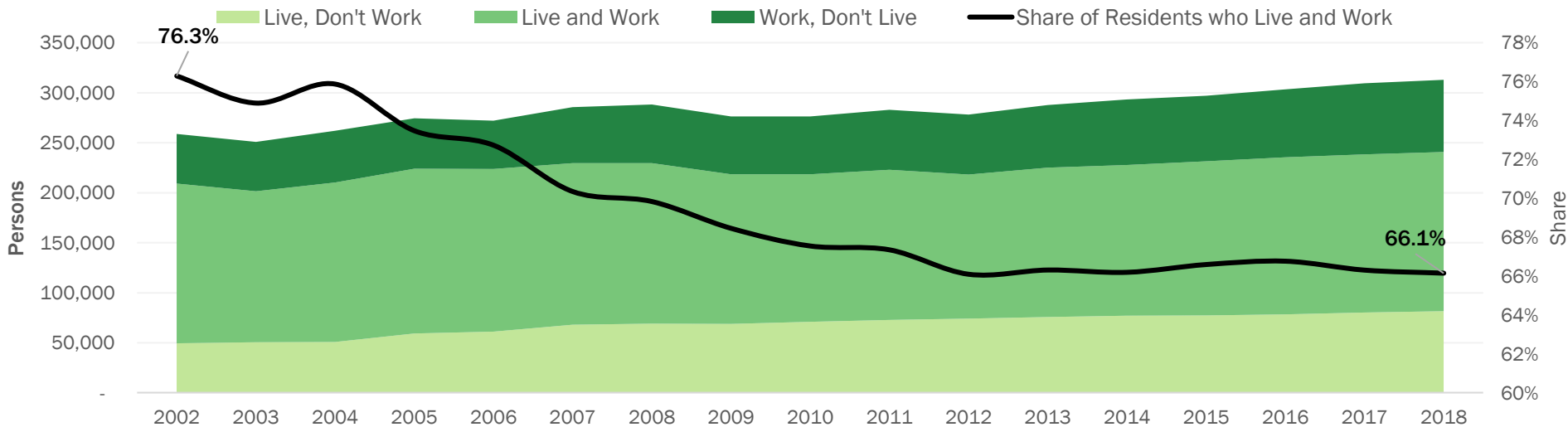
Travel Shed Analysis: Lancaster County

According to primary job data provided by the U.S. Census Bureau, in 2018 (the latest year available), 66 percent of Lancaster County residents also worked in the county. Approximately 72,420 workers commuted into the county for work and 81,470 residents commuted outside the county for work. From 2002 to 2018, the share of residents both living and working in the county declined slightly by approximately 10.2 percentage points.

**Inflow/Outflow Primary Job Counts:
Lancaster County 2018**



Historic Worker Inflow/Outflow, Lancaster County



Source: U.S. Census Bureau, Center for Economic Studies, LEHD

Key Industries: Lancaster County

According to Lancaster County Economic Development Company (EDC), Lancaster County is a hub for the following five industry clusters:

- **Financial & Professional Services:** Lancaster County host company headquarters, service providers and back-office operations for some well-known names in the financial and professional services industry.
- **Live Events/Entertainment Technology:** Lititz is the epicenter of the Live Events cluster and is home to powerhouse companies like Clair Global and Tait Towers.
- **Light Manufacturing:** The manufacturing industry accounts for \$12.5 billion in annual sales and employs 13 percent of the county's workforce, making up a significant portion of the Lancaster County economy.
- **Pharmaceutical Packaging & Distribution:** From medications to mouthwash, Lancaster County is home to pharmaceutical giants like Johnson & Johnson and GlaxoSmithKline.
- **Food Processing & Agribusiness:** Food processing and food distribution are huge parts of the Lancaster County economic engine, with companies such as Tyson, Pepperidge Farm, and Turkey Hill Dairy in the area.

Source: Lancaster County Economic Development Company (EDC)

Top Employers: Lancaster City

The table below presents top 14 employers with over 500 employees in Lancaster City according to data provided by the Lancaster County EDC. Lancaster General Health (Penn Medicine) is the city's largest employer with over 5,000 employees. Seven the top 14 employers represents manufacturing industries (producing both durable and nondurable goods) while four represent health care and social assistance industries.

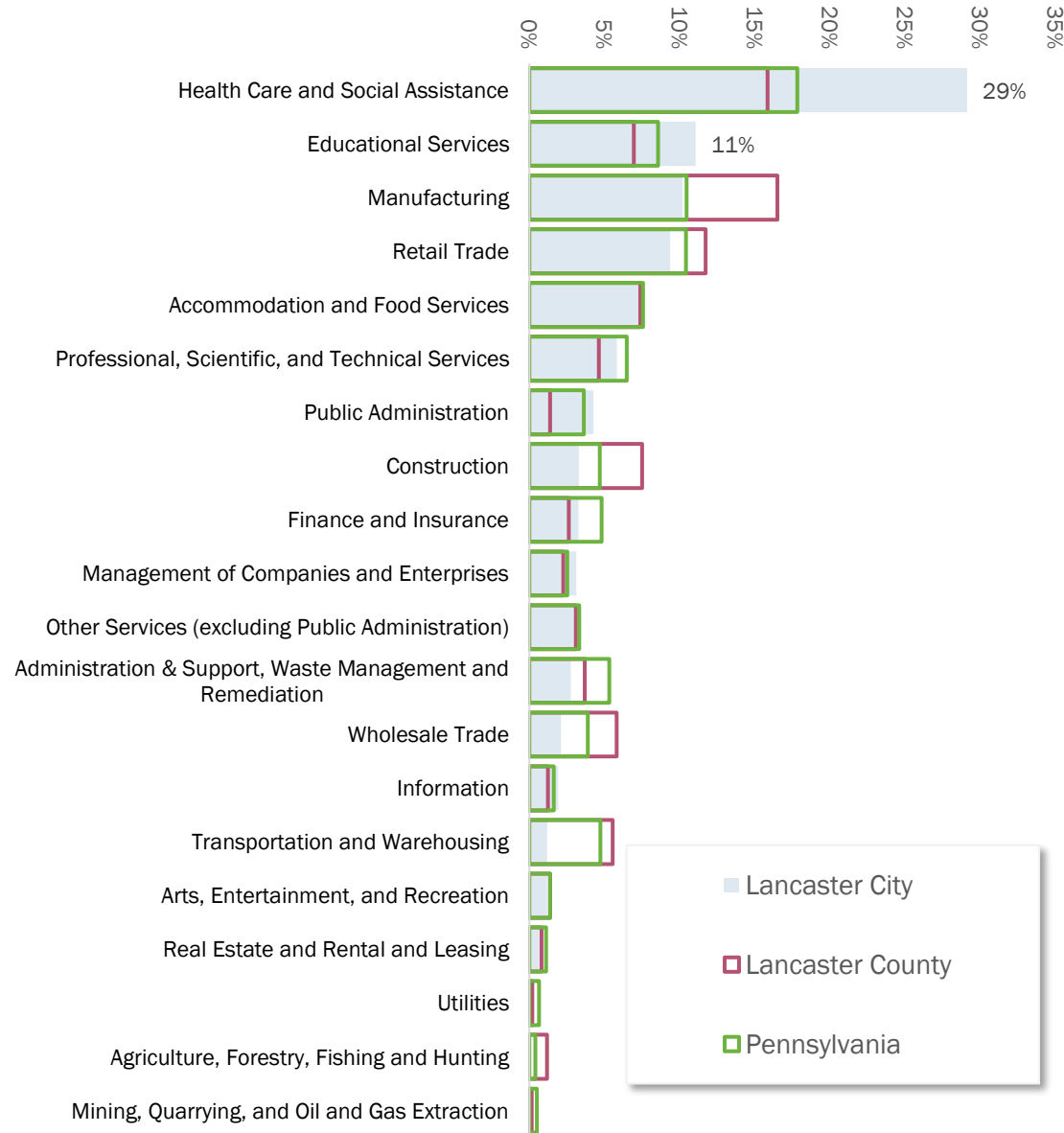
Company Name	Employment Range	Industry Group
Lancaster General Health Penn Medicine	5,000+	Healthcare & Social Assistance
High Companies	1,000 to 2,499	Manufacturing - Durable Goods
LSC Communications	1,000 to 2,499	Manufacturing - Durable Goods
Eurofins Lancaster Laboratories	1,000 to 2,499	Manufacturing - Nondurable Goods
Fulton Financial Corporation	1,000 to 2,499	Finance & Insurance
Arconic	500 to 999	Manufacturing - Durable Goods
Armstrong Flooring	500 to 999	Manufacturing - Durable Goods
Kellogg Company	500 to 999	Manufacturing - Nondurable Goods
Y & S Candies	500 to 999	Manufacturing - Nondurable Goods
Conestoga View Nursing	500 to 999	Healthcare & Social Assistance
Mennonite Home Communities	500 to 999	Healthcare & Social Assistance
Philhaven	500 to 999	Healthcare & Social Assistance
BB&T, now Truist	500 to 999	Finance & Insurance
Steinman Communications	500 to 999	Information

Source: Lancaster County Economic Development Company (EDC)

Employment Share by Industry: Primary Jobs

The chart compares percent primary job employment by industry, based on average 2018 employment data (the latest year provided down to city-level by the U.S. Census Bureau). The health care and social assistance sector is the top industry by employment share within the city, representing 29 percent of total jobs. The relatively high share of retail trade sector employment is likely due to the visitors coming from outside of the County purchasing retail goods and services. The city also has a relatively high share of jobs in the education services sector (11 percent), suggesting there are elements of an “Eds and Meds” cluster within Lancaster City.

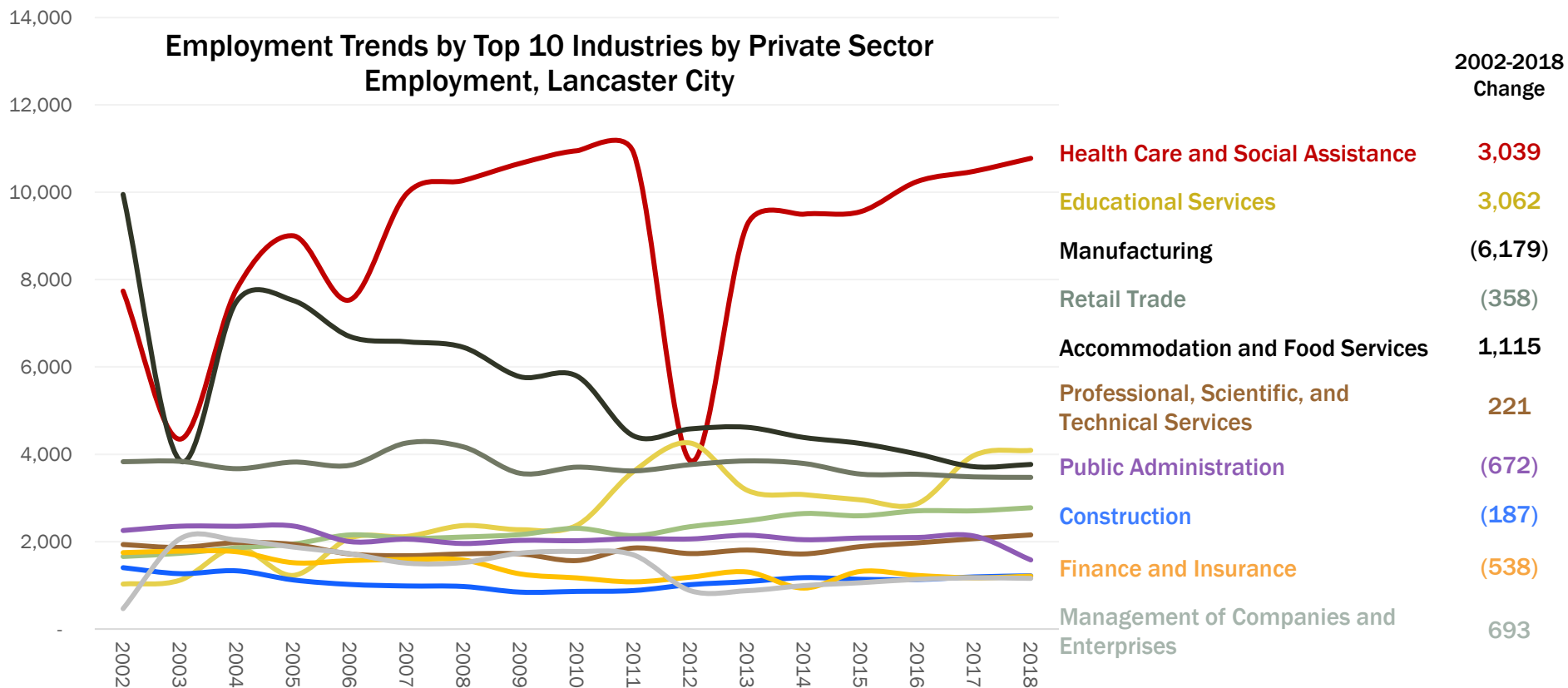
Share of Primary Jobs by Industry, 2018



Source: U.S. Census Bureau, Center for Economic Studies, LEHD

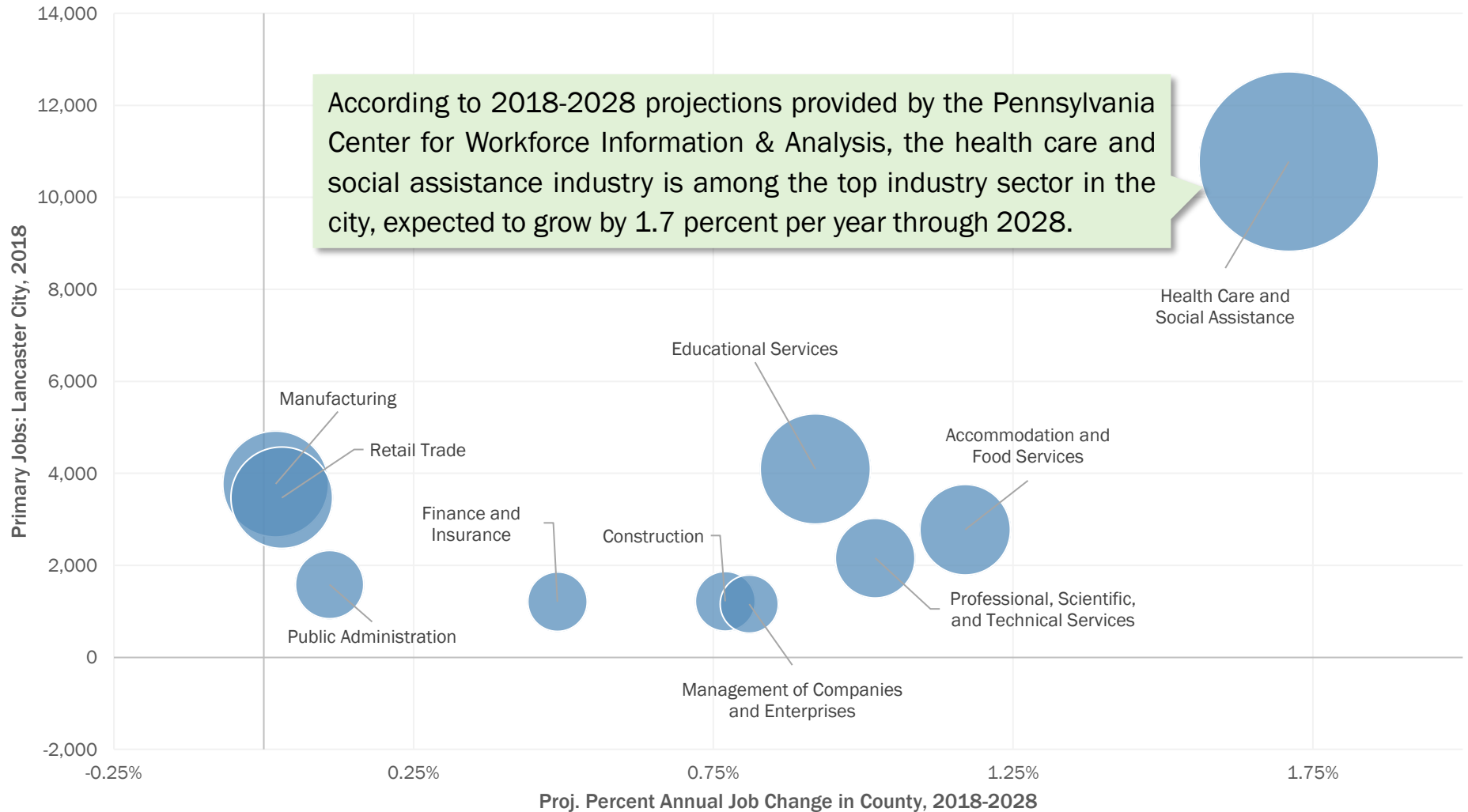
Top 10 Industry Employment Trends: Primary Jobs

The chart below presents primary job trends by the top 10 industries by current employment. The health care and social assistance and educational services sectors are the top two sectors by recent employment growth, increasing by 3,040 and 3,062 jobs from 2002 to 2018, respectively. The manufacturing sector was the top industry by recent employment loss, declining by 6,180 jobs over the same period.



Source: U.S. Census Bureau, Center for Economic Studies, LEHD

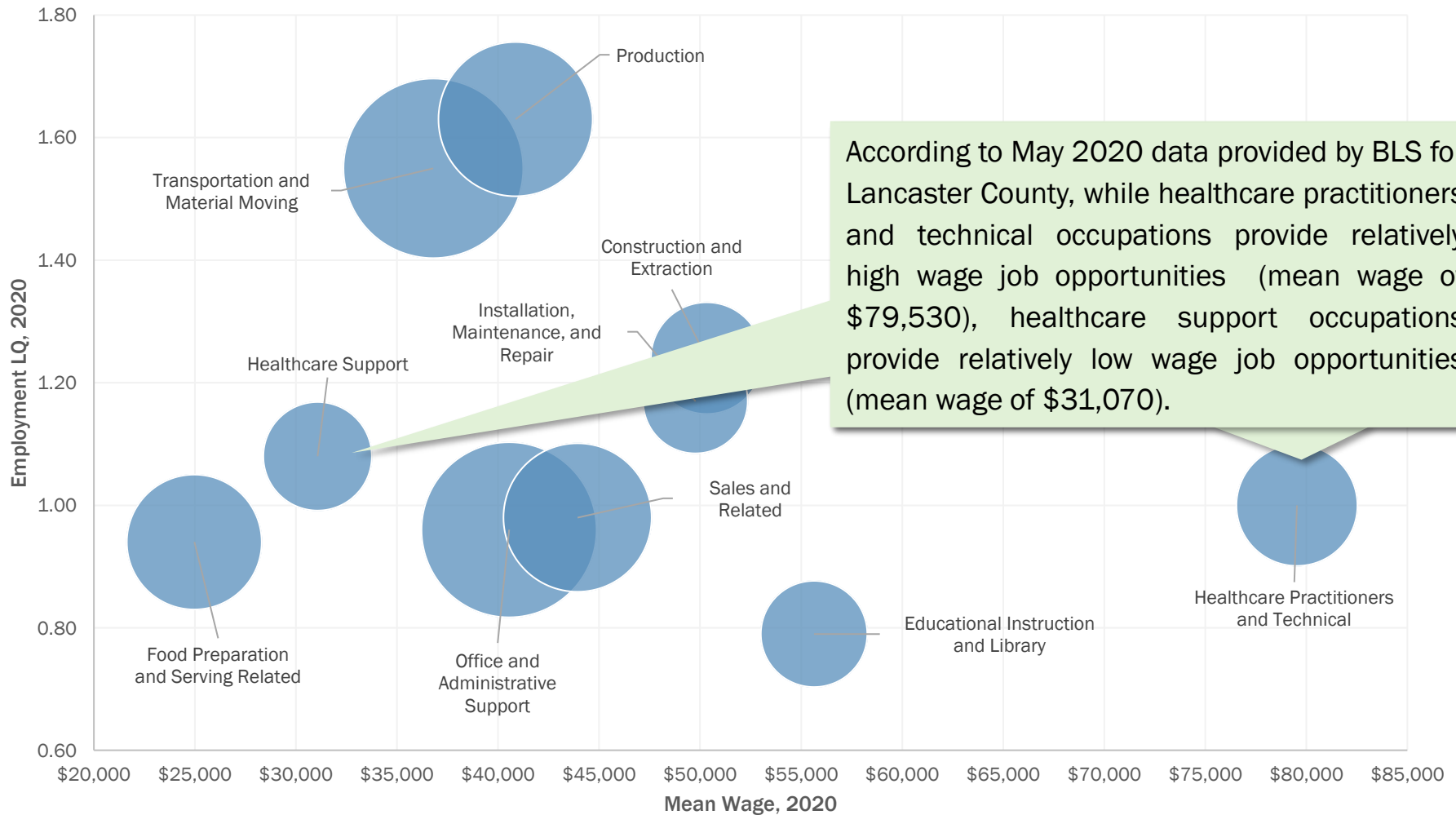
Top 10 Industries by Projected Job Growth: Lancaster City



Note: Bubble size represents total employment in Lancaster City in 2018.

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics; 2018-2028 Long-Term Projections

Top 10 Occupations by Jobs: Lancaster County



Note: Bubble size represents total employment in Lancaster County as of May 2020.

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics

Occupations: Lancaster County

The table below presents occupations by total jobs in the county, along with employment location quotient (LQ) (compared to the nation) and mean wage, based on May 2020 estimates provided by the BLS. Occupations with employment LQs above 1.0 are highlighted in bold.

- *Transportation and Material Moving* occupations are the top occupation by employment in the county, providing a mean wage of \$36,800 and having an employment LQ of 1.55.
- *Production occupations* (those involved in the creation of goods and services via manufacturing) have the highest employment LQs (1.63), suggesting the County likely has a competitive advantage in this industry.
- *Management occupations* provide the highest mean wage at \$110,020.

Major Occupation Category	Total Jobs	Employment LOC	Mean Wage
Transportation and Material Moving	31,410	1.55	\$36,800
Office and Administrative Support	29,840	0.96	\$40,550
Production	23,220	1.63	\$40,870
Sales and Related	21,460	0.98	\$43,940
Food Preparation and Serving Related	17,770	0.94	\$24,970
Healthcare Practitioners and Technical	14,370	1.00	\$79,530
Construction and Extraction	12,260	1.24	\$50,330
Healthcare Support	11,580	1.08	\$31,070
Educational Instruction and Library	11,100	0.79	\$55,640
Installation, Maintenance, and Repair	10,730	1.17	\$49,770
Business and Financial Operations	9,220	0.66	\$71,920
Management	9,210	0.69	\$110,020
Building and Grounds Cleaning and Maintenance	5,960	0.87	\$29,980
Personal Care and Service	4,180	0.93	\$30,260
Architecture and Engineering	4,090	0.97	\$80,090
Computer and Mathematical	3,330	0.43	\$72,870
Community and Social Service	3,270	0.88	\$46,420
Arts, Design, Entertainment, Sports, and Media	2,650	0.85	\$48,770
Protective Service	2,540	0.45	\$51,480
Life, Physical, and Social Science	2,270	1.05	\$54,220
Legal	980	0.51	\$63,680
Farming, Fishing, and Forestry	920	1.15	\$33,360

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2020.

Living Wage: Lancaster County

Based on typical expense data provided by the Massachusetts Institute of Technology's Living Wage Calculator, depending on the number of dependents, households in Lancaster County must make between \$27,590 (for a one-adult household) and \$91,140 per year before taxes (for a 2-adult, 3-child household) to afford the necessities of life (food, child care, medical, housing, transportation, etc.) for their household (considered a "living wage"). Notable, child care is the biggest expense for many parents with young children, ahead of housing and food. Much of the variance between the household categories is due to child care costs.

	1 Adult (Working)				2 Adults (1 Working)				2 Adults (Both Working)			
	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children
Food	\$3,690	\$5,424	\$8,118	\$10,793	\$6,764	\$8,406	\$10,806	\$13,174	\$6,764	\$8,406	\$10,806	\$13,174
Child Care	-	\$7,321	\$14,643	\$21,964	-	-	-	-	-	\$7,321	\$14,643	\$21,964
Medical	\$2,729	\$7,180	\$6,868	\$7,008	\$5,522	\$6,868	\$7,008	\$6,661	\$5,522	\$6,868	\$7,008	\$6,661
Housing	\$8,208	\$12,252	\$12,252	\$15,516	\$9,744	\$12,252	\$12,252	\$15,516	\$9,744	\$12,252	\$12,252	\$15,516
Transportation	\$4,332	\$7,945	\$9,889	\$11,773	\$7,945	\$9,889	\$11,773	\$10,684	\$7,945	\$9,889	\$11,773	\$10,684
Civic	\$1,702	\$3,655	\$3,341	\$3,879	\$3,655	\$3,341	\$3,879	\$3,743	\$3,655	\$3,341	\$3,879	\$3,743
Other	\$3,078	\$5,023	\$5,514	\$6,665	\$5,023	\$5,514	\$6,665	\$6,684	\$5,023	\$5,514	\$6,665	\$6,684
Required annual income after taxes	\$23,739	\$48,800	\$60,624	\$77,598	\$38,654	\$46,269	\$52,383	\$56,463	\$38,654	\$53,590	\$67,026	\$78,427
Annual taxes	\$3,848	\$7,911	\$9,828	\$12,580	\$6,266	\$7,501	\$8,492	\$9,153	\$6,266	\$8,688	\$10,866	\$12,714
Required annual income before taxes	\$27,588	\$56,711	\$70,452	\$90,177	\$44,920	\$53,770	\$60,875	\$65,616	\$44,920	\$62,278	\$77,892	\$91,141

Source: Living Wage Calculator, Massachusetts Institute of Technology; 4ward Planning Inc., 2022.

Living Wage: Lancaster County

Legend

- Represents Living Wage Job
- Does Not Represent Living Wage Job

The table below highlights the top occupations by total existing jobs in the county that can provide a living wage for a single-earner household. Notably, the top four occupations in the county can not provide a living wage for a single-earner household with children.

Top Occupations by Total Existing Jobs	Household Size:		1 Adult (Working)				2 Adults (1 Working)			
			0	1	2	3	0	1	2	3
	Total Jobs	Typical Annual Salary	Required annual income before taxes: \$27,588	\$56,711	\$70,452	\$90,177	\$44,920	\$53,770	\$60,875	\$65,616
Transportation and Material Moving	31,410	\$36,800	■	■	■	■	■	■	■	■
Office & Admin. Support	29,840	\$40,550	■	■	■	■	■	■	■	■
Production	23,220	\$40,870	■	■	■	■	■	■	■	■
Sales & Related	21,460	\$43,940	■	■	■	■	■	■	■	■
Food Preparation & Serving Related	17,770	\$24,970	■	■	■	■	■	■	■	■
Healthcare Practitioners & Technical	14,370	\$79,530	■	■	■	■	■	■	■	■
Construction & Extraction	12,260	\$50,330	■	■	■	■	■	■	■	■
Healthcare Support	11,580	\$31,070	■	■	■	■	■	■	■	■
Educational Instruction & Library	11,100	\$55,640	■	■	■	■	■	■	■	■
Installation, Maintenance, & Repair	10,730	\$49,770	■	■	■	■	■	■	■	■
Business & Financial Operations	9,220	\$71,920	■	■	■	■	■	■	■	■
Management	9,210	\$110,020	■	■	■	■	■	■	■	■
Building, Grounds Cleaning & Maintenance	5,960	\$29,980	■	■	■	■	■	■	■	■
Personal Care & Service	4,180	\$30,260	■	■	■	■	■	■	■	■
Architecture & Engineering	4,090	\$80,090	■	■	■	■	■	■	■	■
Computer & Mathematical	3,330	\$72,870	■	■	■	■	■	■	■	■
Community & Social Service	3,270	\$46,420	■	■	■	■	■	■	■	■
Arts, Design, Entertainment, Sports, & Media	2,650	\$48,770	■	■	■	■	■	■	■	■
Protective Service	2,540	\$51,480	■	■	■	■	■	■	■	■
Life, Physical, & Social Science	2,270	\$54,220	■	■	■	■	■	■	■	■
Legal	980	\$63,680	■	■	■	■	■	■	■	■
Farming, Fishing, & Forestry	920	\$33,360	■	■	■	■	■	■	■	■

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics; Living Wage Calculator, Massachusetts Institute of Technology; 4ward Planning Inc., 2022.

REAL ESTATE ANALYSIS

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Methodology: Real Estate Market Trends Analysis

Our primary objective, here, is to gain an understanding of local supply, demand, occupancy, and pricing factors for existing land uses within the city, inclusive of residential (single-family, town houses, condos and flats) and non-residential (office, industrial, and retail). Using a variety of primary and secondary resources, 4ward Planning examined real estate opportunities for each of the major land-uses in order to begin identifying prospective opportunities and challenges for each land use within Lancaster City. Land use metrics examined include vacancy and absorption rate trends; commercial lease rates, housing rental rates, and residential price points; building permit activity; and land prices. Quantitative analysis was supplemented with active broker and developer interviews, in order to “ground truth” data findings.

Residential data is largely based on estimates provided by either Esri or the American Community Survey. Housing pipeline data is provided by the U.S. Census Bureau’s State of the Cities Data Systems (SOCDS) building permits database for the county, and by Lancaster City for the city. Additional home sales and rents metrics are based on data provided by third party real estate data providers (Redfin, Zumper). Median family income (more generally referred to as area median income (AMI)) is based on data provided by the U.S. Department of Housing and Urban Development (HUD) for Lancaster County.

Office, industrial, and retail data for Lancaster City and Lancaster County is largely based on second quarter 2020 data provided by Rock Commercial Real Estate, a regional commercial real estate service provider. Additional retail metrics are based on data provided by Esri and the Directory of Major Malls (DMM).

Residential

Key Findings: Residential

Low homeowner and rental vacancy rates signal deeper imbalances.

In general, a vacancy rate of between four and seven percent is an indicator of a relatively healthy housing market allowing for natural housing churn or turnover. Although the average housing vacancy rate in the city in 2019 was on the higher side of the healthy range (6.9 percent), this vacancy rate includes seasonal and other vacant units (units which are vacant due to a recent sale or leasing transition, repairs being conducted, or for personal reasons of the owner). The number of "other vacant" units in the city (680) represents 41 percent of all vacant units. After omitting seasonal and other vacant units, the vacancy rate for available owner- and renter-occupied units in the city is extremely tight at 2.2 percent and 2.5 percent, respectively, in 2019. Low owner- and renter-occupied housing vacancy rates in the city are a sign of tight housing market, suggesting there is an acute housing shortage due to pent-up housing demand or need to replace aging, physically obsolescent housing stock.

Relatively high shares of substandard housing and overcrowding.

In 2019, 0.8 percent of occupied housing units lacked complete plumbing, 1.2 percent lacked complete kitchen facilities, and 1.0 percent were considered overcrowded (containing more than 1.51 persons per room), according to ACS data. The share of units lacking basic facilities or service, or considered overcrowded, is more than those found in the county, state, and nation, generally. The city's tight housing market is likely creating incentives for some landlords to defer maintenance repairs, which is resulting in more households living in substandard housing compared to the other geographies.

Key Findings: Residential

There is a slight mismatch between housing unit size and household size.

Over half of the city's housing stock (50 percent) is comprised of single-family housing, with 51 percent of all housing units having three or more bedrooms. While 31 percent of all households in the city are one-person households, just 22 percent of all units in the city are studio and one-bedroom units. In other words, there is a slight mismatch between housing unit size and household size among city households. This misalignment likely also exacerbates the existing housing shortage among more economically vulnerable households with single income earners (nearly 12 percent of households in the city are characteristic of single-parent households with children).

There is a large supply of housing in the development pipeline.

Based on data provided by Esri, from 2010 to 2020, the city gained an average of just 75 new housing units per year, compared to 210 new residents and 100 new households per annum over the same period. New units currently in the pipeline within the city represent a sharp increase from new housing built over the past decade. According to data provided by Lancaster City, there are approximately 2,240 residential units in the development pipeline, largely located in the central and northern portions of the city. A total of 1,360 have been approved or received preliminary approval (including 240 units that have been recently built or are under construction) and 880 of these units are conceptual or planned and have not yet been approved.

Key Findings: Residential

Pent-up near-term housing demand from households and workers.

Lancaster City is expected to continue experiencing positive household and employment growth through 2026 (growing by 0.4 and 0.7 percent per year, respectively). This growth along with existing pent-up demand from commuting workers (85 percent of primary workers in the city commute from outside the city) and replacement of physically obsolescent housing (housing stock gradually wears out over time) will drive near-term housing demand.

New apartments can help relieve some of the existing housing mismatch.

Residential projects in the current development pipeline include a range of housing projects (such as high rise-apartments, co-housing, age-restricted, adaptive reuse, boarding rooms, downtown luxury, owner-occupied affordable housing, and micro unit apartment projects). New rental units that have been recently built or are under construction in the city (Stadium Row, 550 Lofts, Landis Place on King, and 30 N. Water) largely feature smaller units (micro-units, studios, one- bedrooms, and two-bedrooms). While this new inventory of smaller units will help alleviate the city's tight housing market and housing mismatch, more will be needed.

Key Findings: Residential

Very low- and extremely low-income households require subsidized housing.

According to data provided by Zumper (a rental platform that allows landlords to post rental listings), the average monthly rent in the city ranges from \$845 for a studio to \$1,858 for a 4-bedroom apartment. Generally, current average market rents by bedroom are affordable to low-income households (80-percent of AMI) but not affordable to very low-income households (50-percent of AMI). For example, assuming an affordable rent is 30 percent of monthly household income, the average studio rent in the city (\$845) would be affordable to a one-person, low-income household earning \$46,480 (able to afford \$1,163 per month) but not a one-person very low-income household earning \$29,050 (able to afford \$726 per month).

Need for affordable workforce housing is an economic development issue.

Although there are approximately 300 units affordable to low-income households in the residential pipeline within the city (eight affordable rental units are currently under construction at Landis Place on King), efforts should also be made to create new units affordable to very low-income and extremely very low-income households (30 percent of AMI) who cannot afford local market rate rents. This is likely the case for the 18 percent of households in the city with a median household income below \$25,000 who cannot afford a monthly rent over \$625. This is also an economic development issues, given that many of these very- and extremely-low-income households are headed by service workers employed by local retail and restaurant businesses and need affordable workforce housing.

Key Findings: Residential

Owner-occupied housing is largely unaffordable to existing households.

As a general rule, housing is usually considered affordable if the sale price is not more than four times a household's annual income. Following this logic, a home selling for over \$177,600 would be considered unaffordable to a household with the current median household income in the city (\$44,400) and a home selling over \$332,000 would be considered unaffordable to a four-person household with the median family income in the county (\$83,000).

Many local households preferring to own will likely have to rent or move.

According to August 2021 data provided by Redfin, the current median sale price in the city (\$241,000) is equivalent to 5.4 times the median household income in the city and 2.9 times the median family income in the county, making for-sale housing unaffordable to many city households earning at or below the median City household income. While newly built owner-occupied affordable housing like Conestoga North (18 units available at 80 percent of AMI) will help relieve the city's tight owner-occupied housing market, many local households preferring to own will likely have to rent or move.

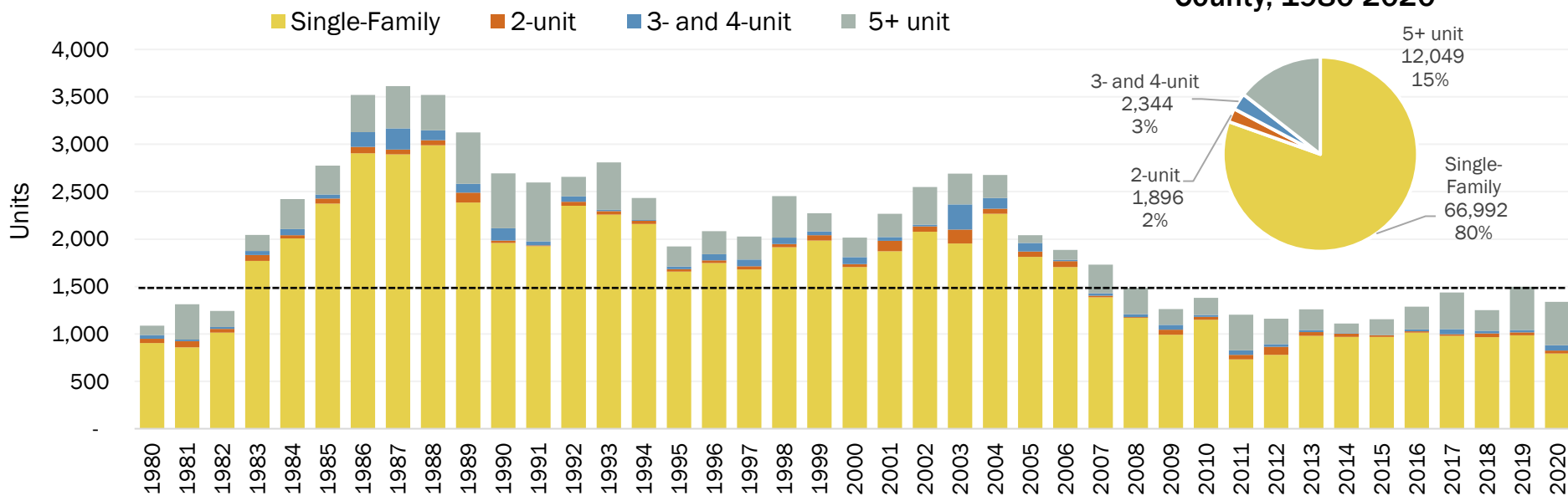
New missing middle infill housing could create greater housing choice.

According to 2019 American Community Survey (ACS) data provided by Esri, 60 percent of the city's housing stock is characteristic of traditional single-family structures (detached and attached) and just 40 percent of units are located in multifamily buildings with more than two units. Promoting the development of "Missing Middle Housing" (such as duplexes, fourplexes, and bungalow courts) in infill areas near existing single-family neighborhoods could provide create greater choice while blending into existing single-family neighborhoods.

Housing Pipeline: Lancaster County

The charts below illustrate housing permit trends for Lancaster County based on data provided by the U.S. Census Bureau. From 1980 to 2020, an average of 2,020 housing units were permitted in the county per year, with 80 percent of these units characteristic of single-family housing. Notably, the number of annual housing permits has remained below 1,500 units per year since 2008, compared to as high as 3,500 units per year in the late 1980s. This decrease in new housing permits is likely partially due to the Great recession and the subsequent housing crisis. It should be noted that not all of units permitted are ultimately built.

Housing Permit Trends: Lancaster County



Source: U.S. Census Bureau, State of the Cities Data Systems (SOCDS) Building Permits Database, 2021.

Housing Choice: Unit Type and Bedroom Size

According to 2019 American Community Survey (ACS) data provided by Esri, the city has low shares of multifamily housing in buildings with more than two units (representing just 40 percent of all housing units). Sixty percent of the city’s housing stock is characteristic of traditional single-family structures (detached and attached). Despite being an urban center, the city has low shares of multi-unit housing types such as duplexes, triplexes, fourplexes, or other multifamily buildings with more than five units – given the increase in demand for multi-generational living, these “missing middle” housing types should be encouraged.

70%

60%

50%

40%

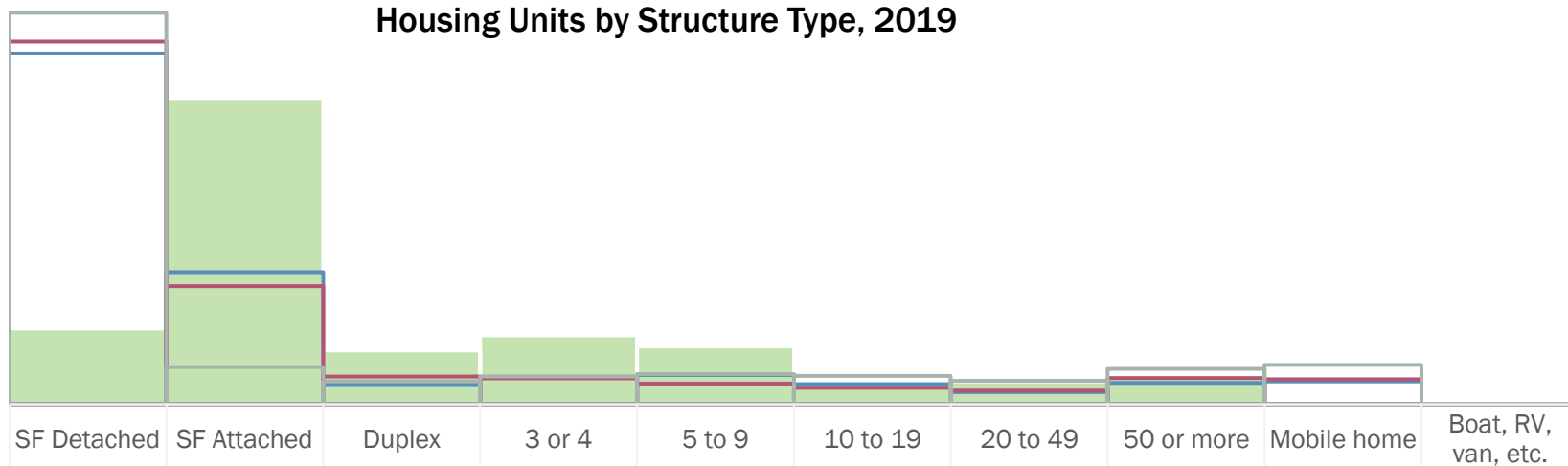
30%

20%

10%

0%

Housing Units by Structure Type, 2019



	SF Detached	SF Attached	Duplex	3 or 4	5 to 9	10 to 19	20 to 49	50 or more	Mobile home	Boat, RV, van, etc.
Lancaster City	12%	48%	8%	11%	9%	3%	4%	4%	0%	0%
Lancaster County	55%	21%	3%	4%	5%	3%	2%	3%	4%	0%
Pennsylvania	57%	19%	4%	4%	3%	3%	2%	4%	4%	0%
United States	62%	6%	4%	4%	5%	4%	4%	6%	6%	0%

Source: U.S. Census Bureau, Esri, 4ward Planning Inc., 2021.

Housing Choice: Missing Middle Housing by Typology

“Missing Middle Housing”* consists of multi-unit housing types (such as duplexes, fourplexes, and bungalow courts) that provide diverse housing choices and generate enough density to support transit and locally-serving commercial amenities. Although many of these are a common feature in pre-war building stocks, these housing types have become much less common (hence the “missing”). Promoting the development of Missing Middle Housing in Lancaster City could help create greater choice, while still blending into existing single-family neighborhoods. Missing middle housing options enable a wider range of families to achieve homeownership by offering a wider range of housing options and prices. These units also allow seniors to downsize without leaving their neighborhood. For example, accessory dwelling units can enable multi-generation households to have privacy while all living on the same property.



*The term was coined by architect and urban planner Daniel Parolek, Principal and Founder of Opticos Design, Inc.
Source: Opticos Design, Inc

Copyright © 2020
Opticos Design, Inc.

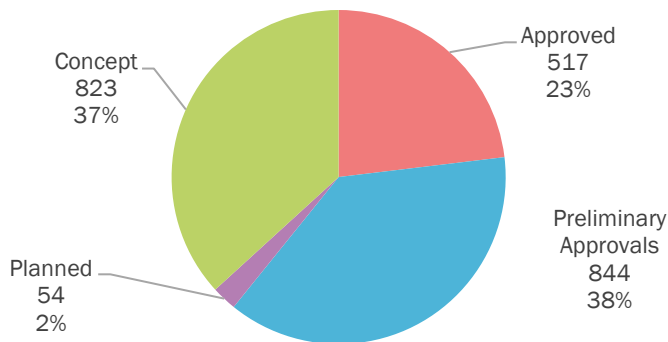


Housing Pipeline: Pending Units

According to 2021 data provided by Lancaster City, there are approximately 2,240 units in the residential pipeline within the city (approximately 300 units are affordable at 80 percent of Area Median Income or AMI). Approximately 240 of the approved units have been recently built or under construction. Pipeline units represent a wide range of residential types including two tower projects (a 20-story age-restricted tower and a 11-story tower), one co-housing project with shared facilities, two adaptive reuse projects (one conversion from office/commercial and one garage building), a boarding room project, a downtown luxury project, and two micro apartment projects (one 400-500 square feet and one 260-465 square feet).

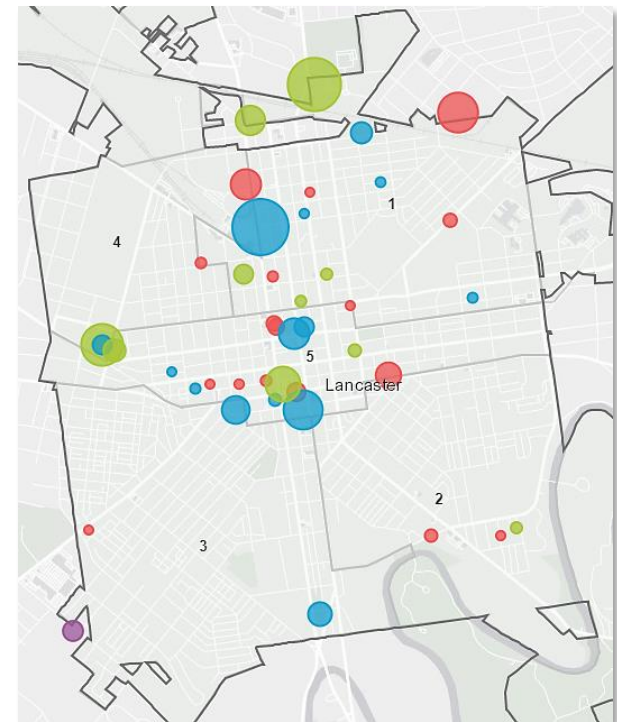
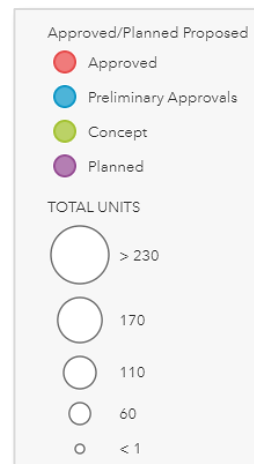
As mapped to the right, these projects are largely located in the central and northern portions of the city.

Residential Pipeline: Lancaster City



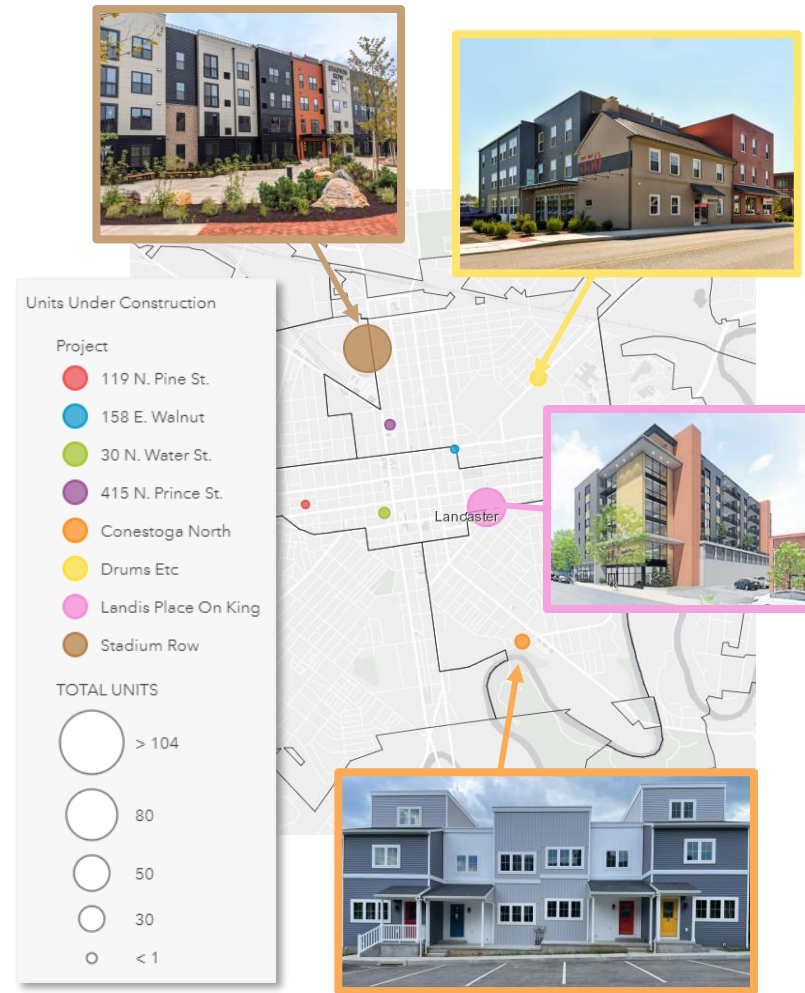
Note: Preliminary Approvals (no LD approval) include approvals from a board, commission, or authority, or a staff level approval. Concept (public or confidential) projects have not submitted for any approvals from local or state bodies (this excludes funding applications).

Source: Lancaster City, Esri, 2021.



Housing Pipeline: Under Construction or Leasing

- The newly built 101-unit Stadium Row project offers studios asking \$1,150 per month, one-bedrooms asking between \$1,400 and \$1,455 per month and two-bedrooms asking between \$1,935 and \$2,020 per month.
- The newly built 22-unit 550 Lofts apartments project (former Drums, Etc. property) offers one-bedrooms asking between \$1,300 and \$1,525.
- The newly built 18-unit Conestoga North owner-occupied affordable housing project offers three-bedroom units available for purchase (ranging between \$175,000 and \$180,000) available to families earning no more than 80 percent of AMI.
- Once complete, the 79-unit Landis Place on King mixed-use 55+ apartment project will offer 30 one-bedroom units starting at \$1,470 per month and 49 two-bedroom units starting between \$2,100 and \$2,640 per month.
- Once complete, the 9-unit project at 30 N. Water will offer micro unit apartments (ranging from 260 to 465 square feet) at \$895 per month.

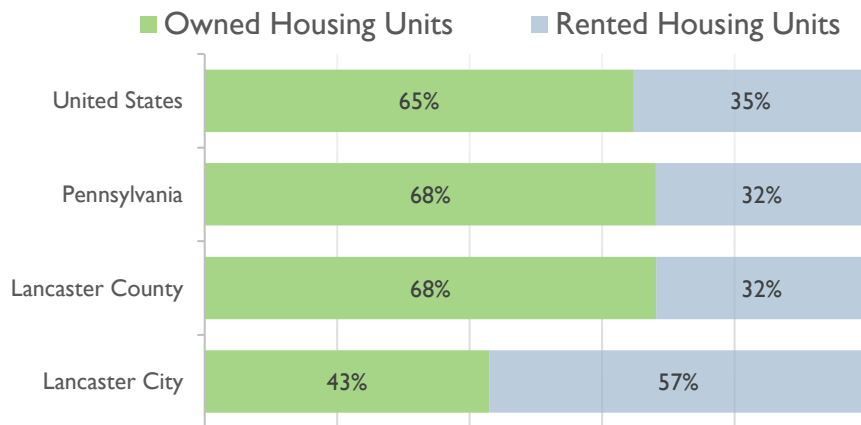


Source: Lancaster City, Esri, 2021.

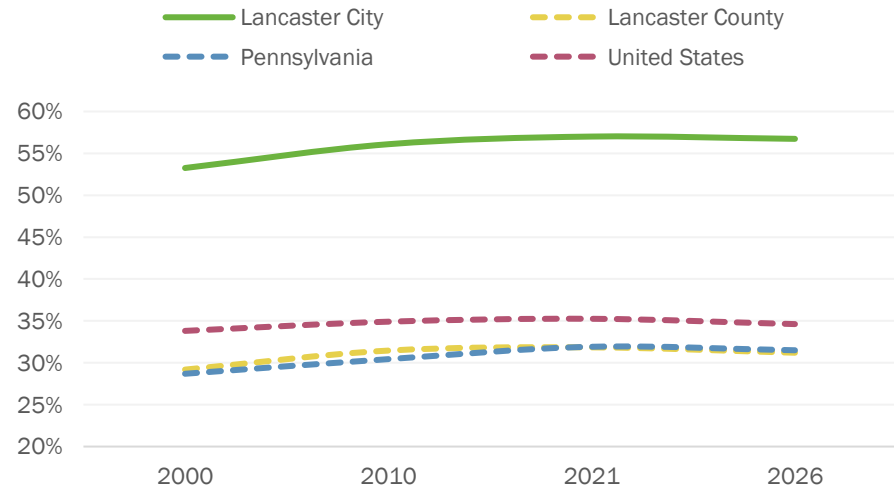
Housing Tenure

Housing tenure refers to whether a housing unit is owner- or renter-occupied. A healthy housing market is one that has a sufficient supply of units to satisfy the needs of households looking to own and rent. As illustrated below, in 2021, 57 percent of all occupied housing units in Lancaster City were renter-occupied, a share which is much higher than those found in both Lancaster County and Pennsylvania (32 percent, respectively). While the share of renter-occupied housing units in all geographies increased from 2000 to 2021, the supply is expected remain relatively flat through 2026. Our interviews with local residential real estate professionals confirms strong demand for both renter- and owner-occupancy units at a variety of price points in the city.

Housing Tenure as Share of Total Occupied Units, 2021



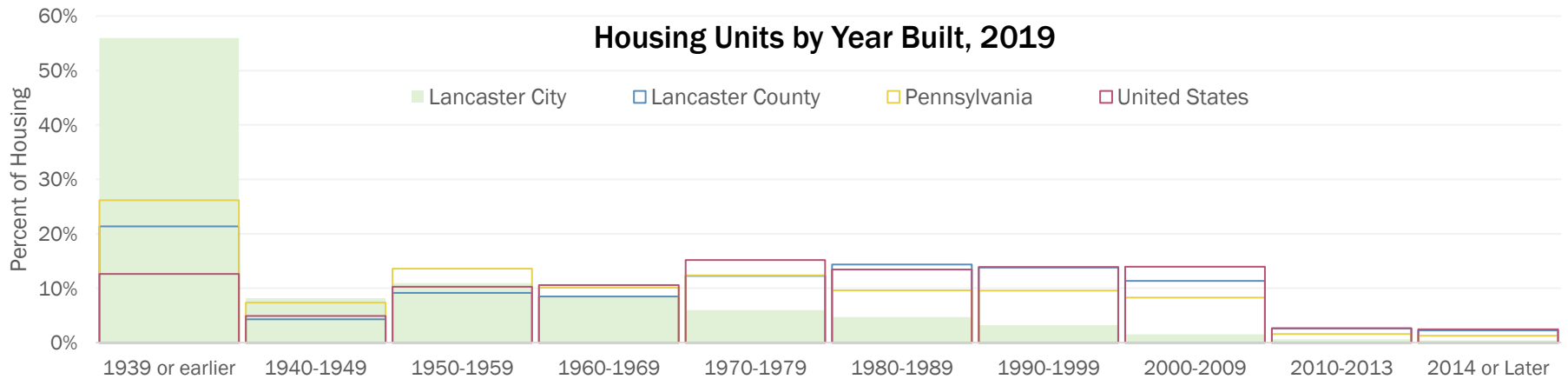
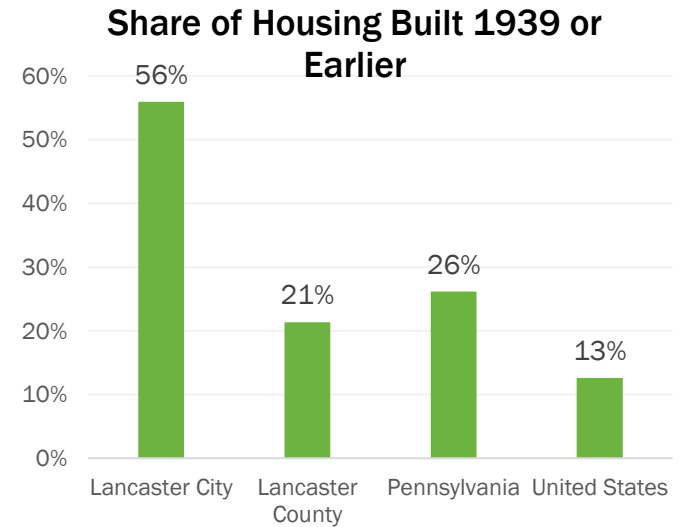
Share Renter-Occupied Housing



Source: Esri; 4ward Planning Inc., 2021.

Housing Stock Characteristics

The age of housing units is used to analyze the condition of housing stock in terms of physical needs and historical significance. While housing built before current building codes may present potential hazards from faulty wiring or lead-based paint, older homes can also indicate historical significance which may lend to desirable community character. Compared to that of the other geographies, Lancaster City’s housing stock is relatively old. For example, within Lancaster City, approximately 56 percent of all housing units were built before 1940 - compared to just 21 percent within the county, overall – suggesting substantial rehabilitation is likely necessary for a large share of the City’s housing stock.

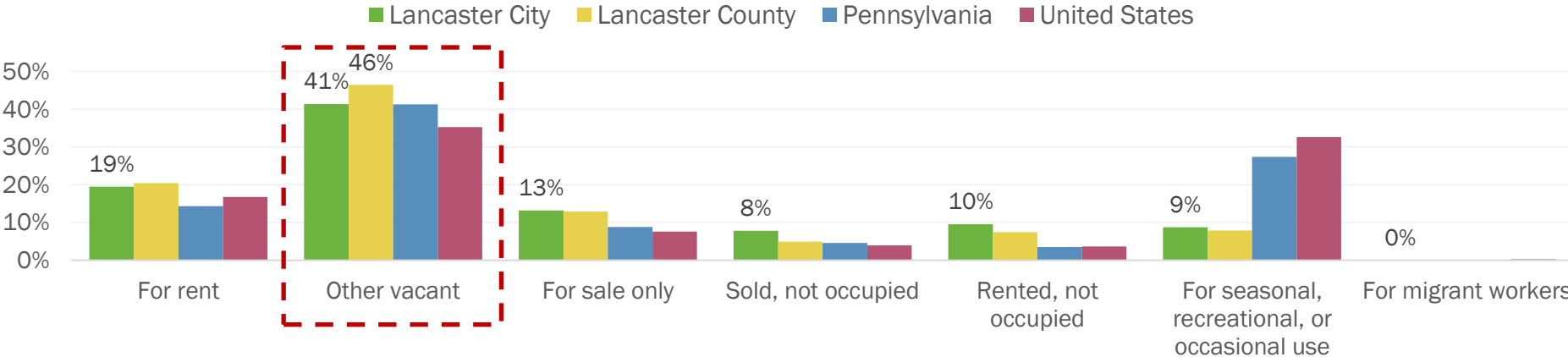


Source: Esri

Detailed Housing Vacancy: Lancaster City

The Census classifies vacant units into housing market classifications. For example, rental units are separated into vacant units offered "for rent," and those "rented, not occupied" (e.g., rent has been paid, but new renter has not moved in). Likewise, for-sale units are separated into vacant units offered "for sale only," and those "sold, not occupied" (e.g., unit has recently been sold but the new owner has not moved in). "For seasonal, recreational, or occasional use" units are vacant units used only in certain seasons or other occasional use. "Migrant units" (none in the city) are vacant units intended for migratory workers. If a vacant unit does not fall into any of the above classifications, it is classified as "other vacant" (e.g., owner that does not want to rent or sell; or house is being used for storage, being foreclosed upon, or being repaired or renovated). The share of "other vacant" in the city (41 percent of all vacant units or 680 units) represents, a share slightly lower than that in the county (46 percent). These "other vacant" units could represent foreclosed or unattended properties.

Detailed Vacancy Status, 2019

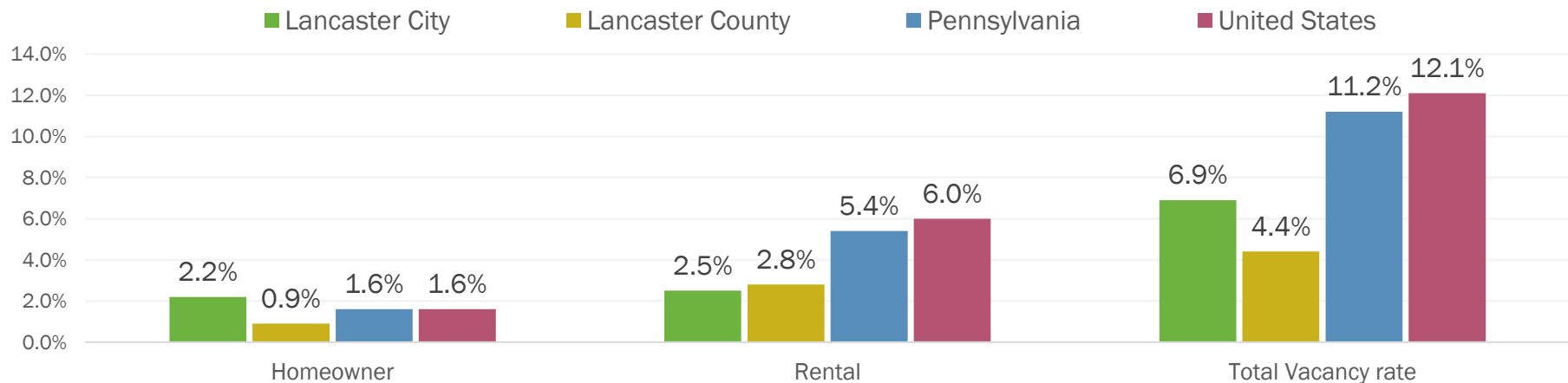


Source: American Community Survey 1-Year Estimates; 4ward Planning Inc., 2021.

Housing Vacancy By Tenure

In general, a vacancy rate of between four- and seven-percent is an indicator of a relatively healthy housing market. Although the average housing vacancy rate in Lancaster City is on the higher side of the healthy range (6.9 percent in 2019), this vacancy rate includes seasonal and other vacant units (units which are vacant due to a sale or leasing transition, repairs being conducted, or for personal reasons of the owner). The vacancy rate for ownership and rental units within Lancaster City was much lower (at 2.2 percent and 2.5 percent, respectively, in 2019). the city’s overall vacancy rate, however, is relatively high, compared to the county. As part of its housing strategy, the Lancaster City should inventory vacant units to determine the share of units needing repair in order to make them marketable for rent or sale. Given the lack of affordable housing in the city, such a strategy could yield a critical number of units at a relatively affordable investment.

Vacancy Rate Trends by Housing Tenure, 2019

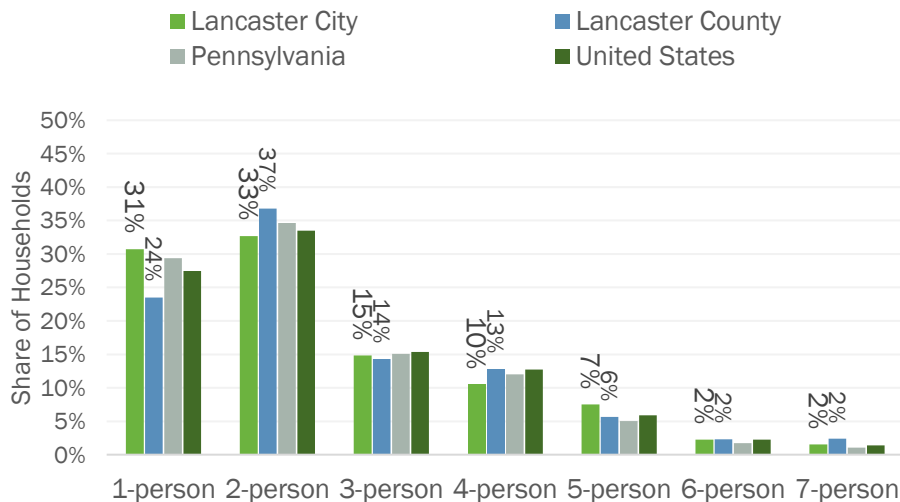


Note: Rental and homeowner vacancy rates do not include "other vacant" or "seasonal" units in the calculation of vacancy rates.
 Source: American Community Survey 1-Year Estimates; 4ward Planning Inc., 2021.

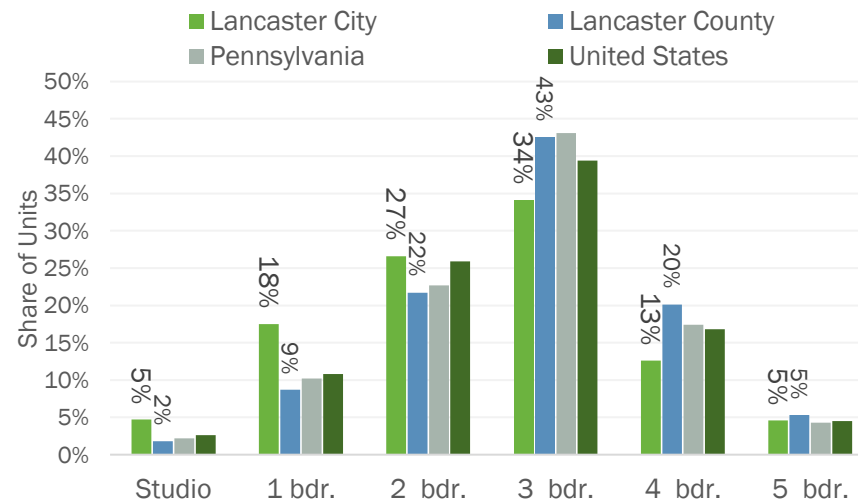
Housing Choice

One way to measure whether the existing housing stock is suited to the local population is to compare household size to the number of bedrooms within dwelling units in the local inventory (unit size). As illustrated below, the city has a higher share of one-person households (31 percent of all households) compared to the county (24 percent of all households). Not surprisingly, the city also has a higher share of studio and one-bedroom units (22 percent of all units, combined) compared to the county (11 percent of all units, combined). However, it should be noted that multi-generational households have been increasing in the U.S. since 2000 and this is particularly the case within non-white Hispanic households; larger three- and four-bedroom single-family attached housing units and duplexes are will remain in demand in the city for the foreseeable future.

Households by Size, 2019



Housing Units by Bedrooms, 2019

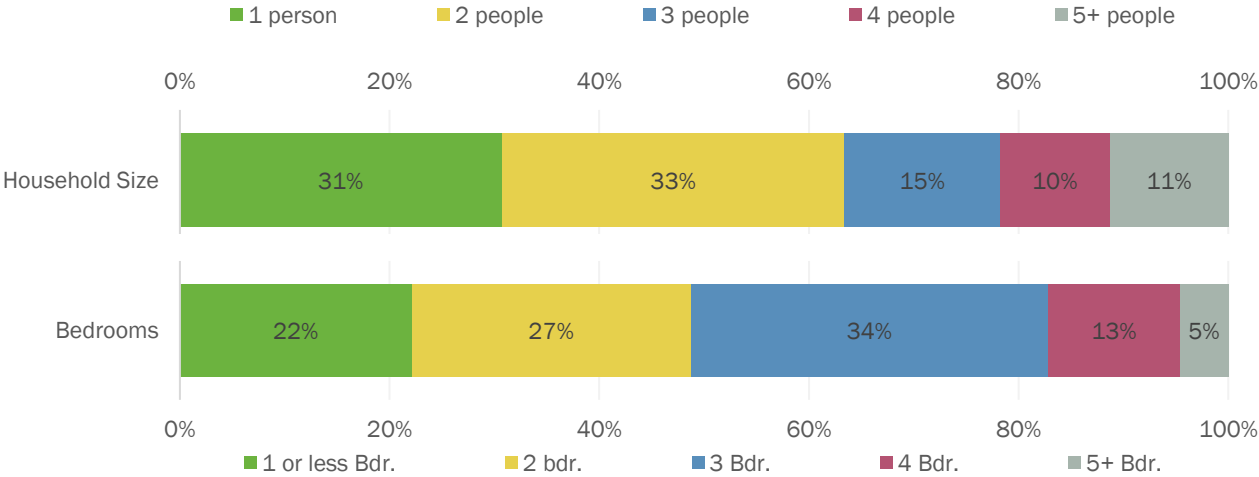


Source: 2019 ACS 1-Year Estimates, B11016; DP04.

Housing Choice: Lancaster City

The share of one- and two-person households in the city combined (64 percent) is larger than the share of studio, and one- and two-bedroom units, combined (49 percent). Conversely, the share of three-person households in the city (15 percent) is much smaller than the share of three-bedroom units (34 percent). In other words, there is a mismatch between housing unit size and household size among city households. Allowing for and encouraging the development of smaller housing units (accessory dwelling units, tiny homes, studio and one-bedroom units) in the city could help relieve the existing shortage of smaller housing units, relative to household size. Our interviews with local developers confirmed there is sustained demand for smaller housing units in Lancaster City, particularly among non-family households (e.g., young unmarried professionals, divorces, and college students).

Household Size vs. Unit Size, 2019

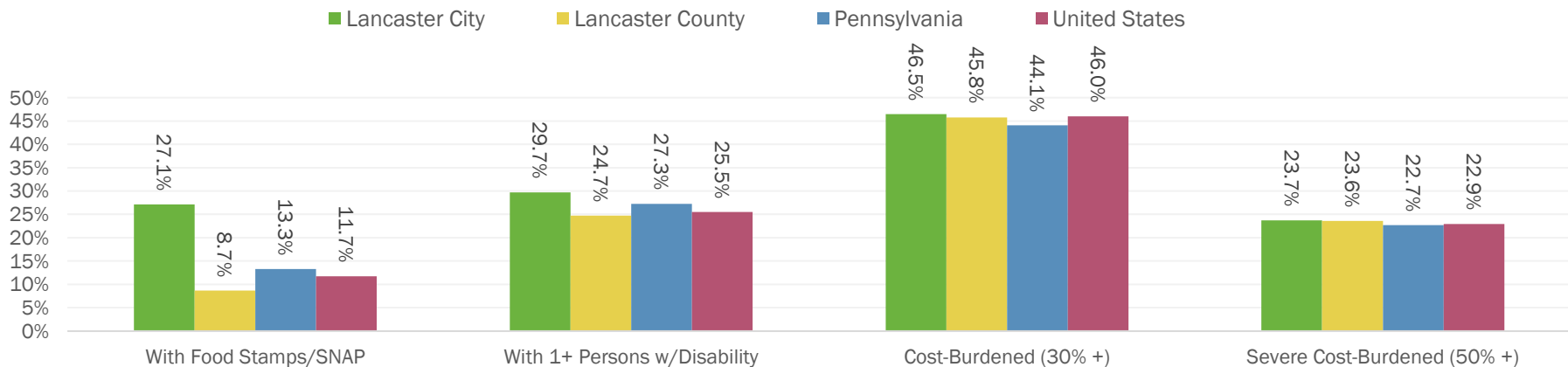


Source: 2019 ACS 1-Year Estimates, B11016; DP04.

Housing Affordability: Vulnerable Households

According to 2019 American Community Survey data provided by Esri, 27 percent of city residents receive nutrition assistance via food stamps/SNAP (Supplemental Nutrition Assistance Program), compared to just nine-percent in the County. Thirty percent of city residents live with one or more persons with a disability, compared to 25 percent in the County. The U.S. Housing and Urban Development Department (HUD) states households that spend more than 30 percent of their incomes on housing are considered “cost-burdened” and may have difficulty affording necessities such as food, clothing, transportation, and medical care. Severe rent cost-burden is defined as paying more than 50 percent of one’s income on rent. According to HUD’s definitions, in 2019, approximately 46 percent of renter households in the city are cost-burdened and 24 percent are severely cost-burdened. While the share of severe cost-burdened households in the city (24 percent) are comparable to those in the county, state, and nation, only a few of the city’s census tracts account for much of these severe cost burdened households.

Share of Vulnerable Households by Geography, 2019

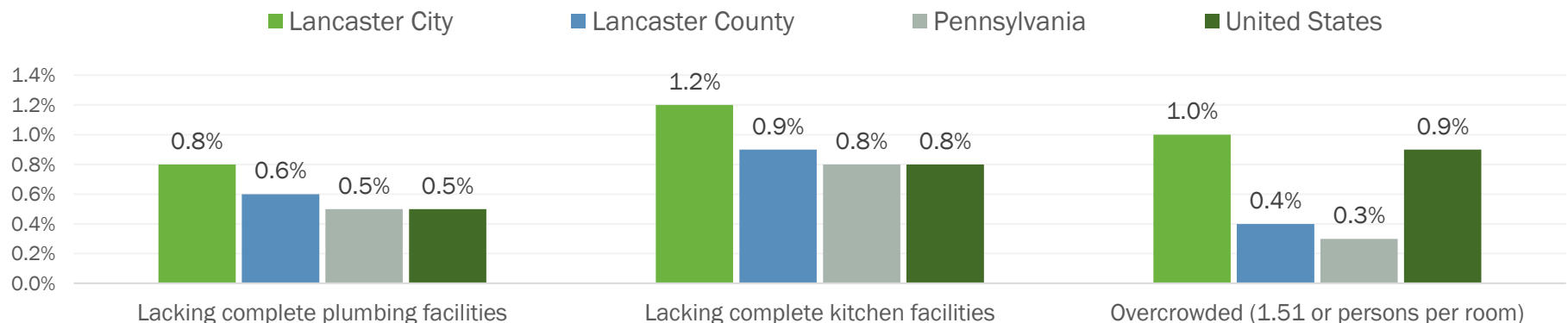


Sources: US Census Bureau; Esri; 4ward Planning Inc., 2021.

Housing Choice: Basic Housing Conditions

City and community agencies can use basic housing condition data to pinpoint census tracts that may need special programs (e.g. Meals On Wheels). According to 2019 estimated provided by the U.S. Census Bureau, in Lancaster City, 0.8 percent of occupied housing units lack complete plumbing, 1.2 percent lack complete kitchen facilities, and 1.0 percent are considered overcrowded (containing more than 1.51 persons per room). The shares of units lacking basic facilities or service, or considered overcrowded, is more than those found in the county, state, and nation, overall, suggesting that there is likely more households living in substandard housing in the city compared to the other geographies. Just as important as constructing new housing units is ensuring existing housing, particularly for income vulnerable households, has sufficient plumbing and heating systems.

Occupied Housing Units Lacking Basic Facilities and Services, 2019

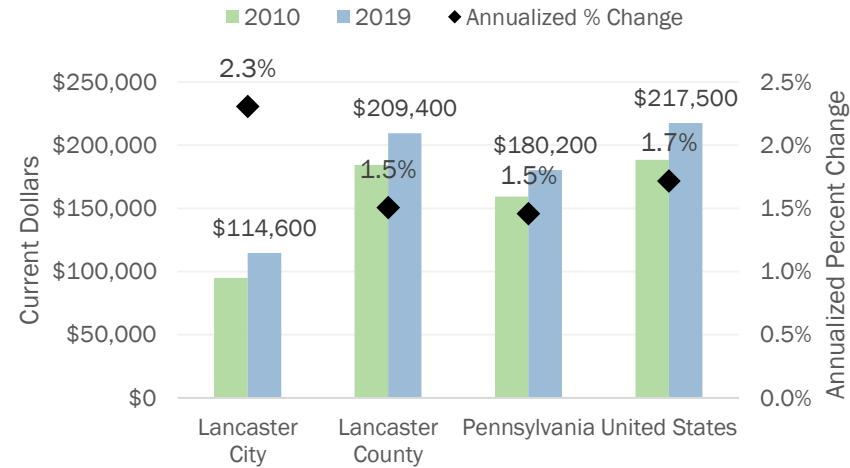


Source: U.S. Census Bureau, 2019 American Community Survey, 2019

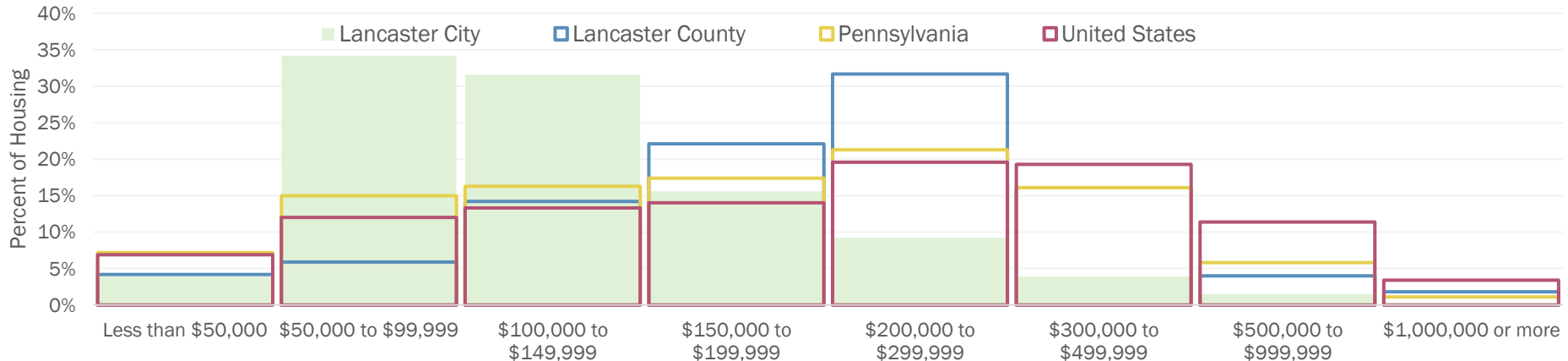
Housing Value

As illustrated in the table to the right, while the city’s 2019 median housing value (\$114,600) was much lower than that within the county (\$209,400), it has been increasing at a faster rate in recent years. From 2010 to 2019, the median housing value in the city increased by 2.3 percent per year, compared to 1.5 percent in the County. Compared to all other geographies, the city has much higher shares of housing units valued between \$50,000 and \$149,000.

Median Housing Value



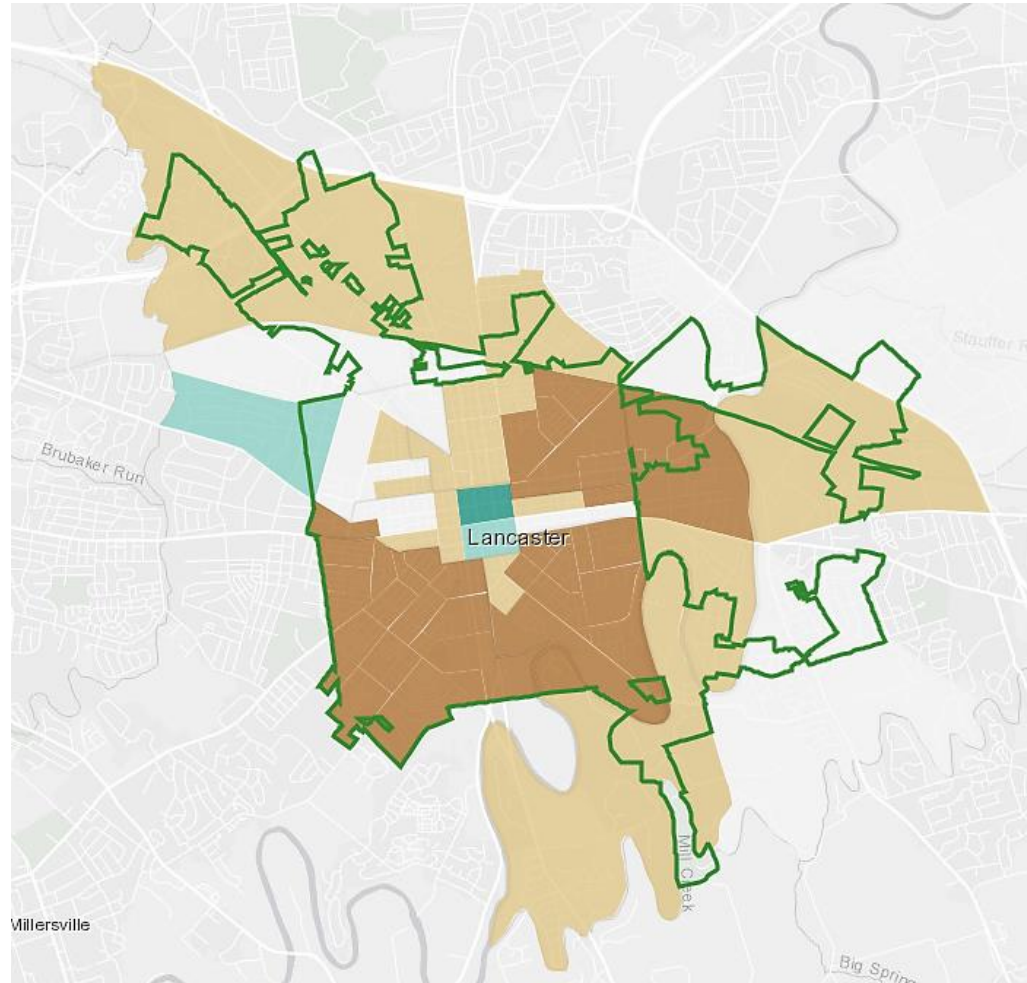
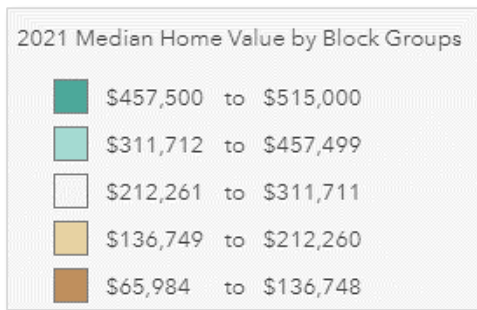
Housing Value of Owner Occupied Units, 2019



Source: 2010 and 2019 ACS 1-Year Estimates, DP04.

Median Home Value

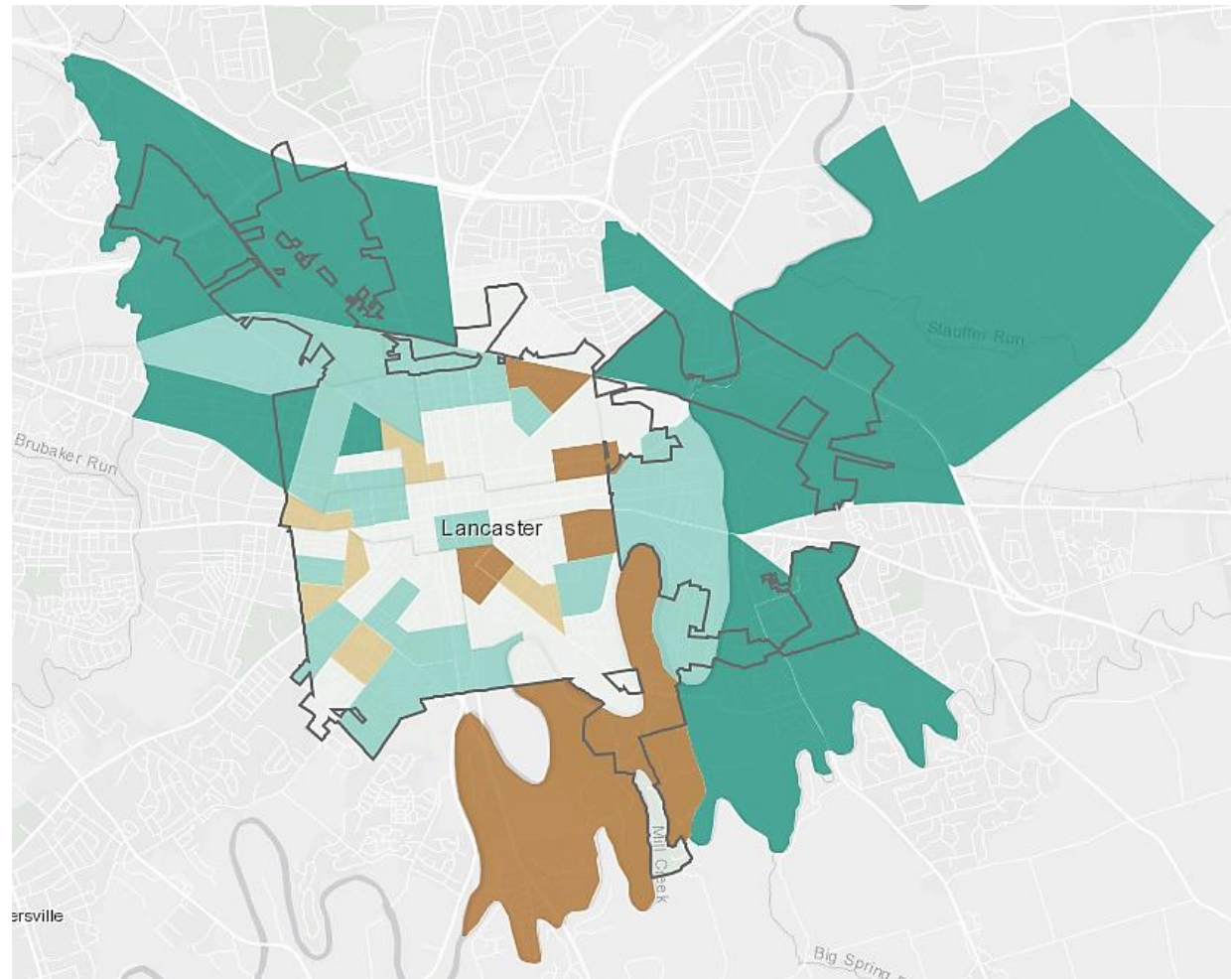
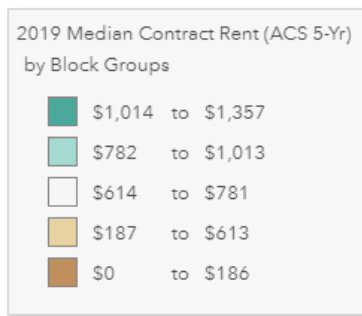
According to 2021 data provided by Esri, median home values are highest in the central are of Lancaster City, where median homes values reach as high as \$515,000 - this is also where the greatest investment in businesses and public infrastructure has occurred over the past ten-years.



Source: Esri, 2021.

Median Contract Rent

According to 2019 data provided by Esri, median contract rents are highest on the fringes of the city, where the median rent reaches as high as \$1,360 per month. Differences in rents are likely partially due to differences in housing age and stock. For example, housing on the fringe of is largely composed of newer suburban single-family housing, with units that are larger in size and bedroom counts.

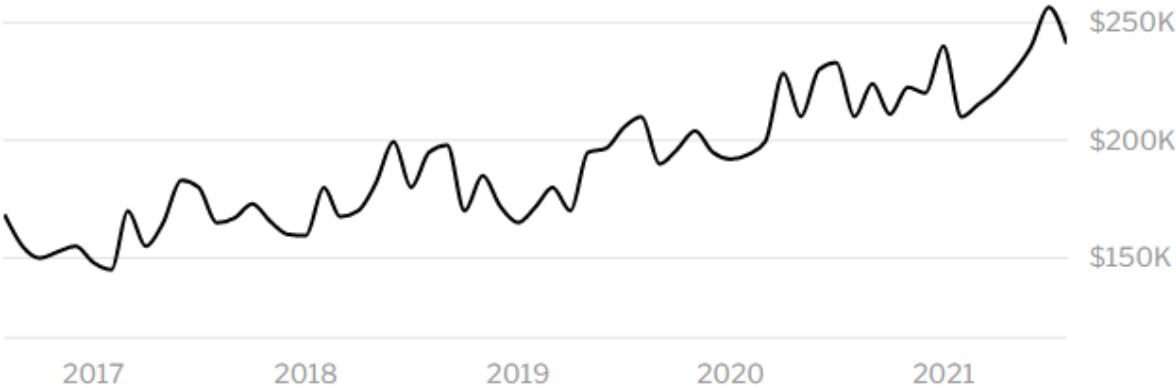


Source: Esri; 2021.

Home Sale Trends: Lancaster City

According to August 2021 data provided by Redfin, a provider of real estate data, Lancaster City home prices were up 14.8 percent compared to the previous year, selling for a median price of \$241,000. On average, homes in Lancaster City sell after just a week on the market compared to nine days in 2020. There were 195 homes sold in August 2021, down from 207 the previous year. Lancaster City’s housing market is very competitive with many homes, receive multiple offers and sell for about one-percent above the asking list price. Fueled by low mortgage rates and positive consumer sentiment as the economy recovers from the COVID-19 health crisis, the city’s real estate market is experiencing unprecedented demand coupled with limited supply. Interviews with local real professionals suggest that the city is seeing a lot of purchase activity from buyers from New York, Philadelphia, and Baltimore. As this buying activity continues, fewer long-time residents of the city will be able to afford to purchase a home.

Median Sale Price Trends



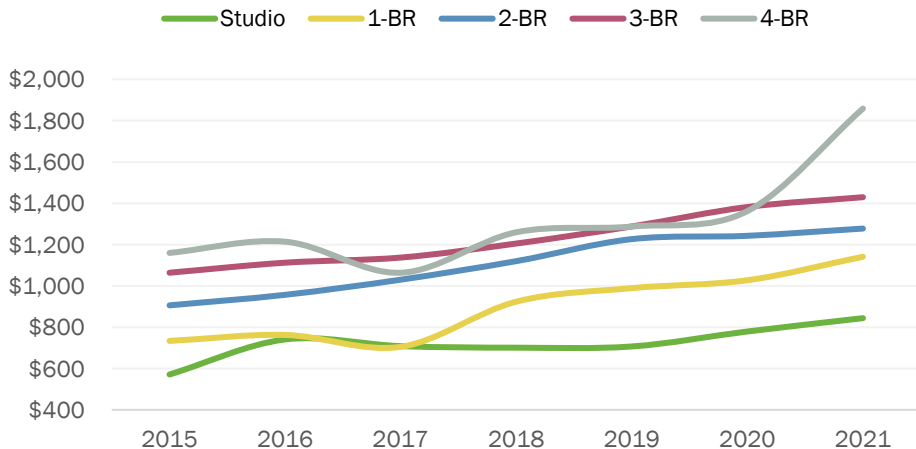
Source: Redfin, as of August 2021

Lancaster City Housing Market Trends	
Median Sale Price	\$241,000
	+14.8% year-over-year
# of Homes Sold	195
	-5.8% year-over-year
Median Days on Market	7
	-17.6% year-over-year

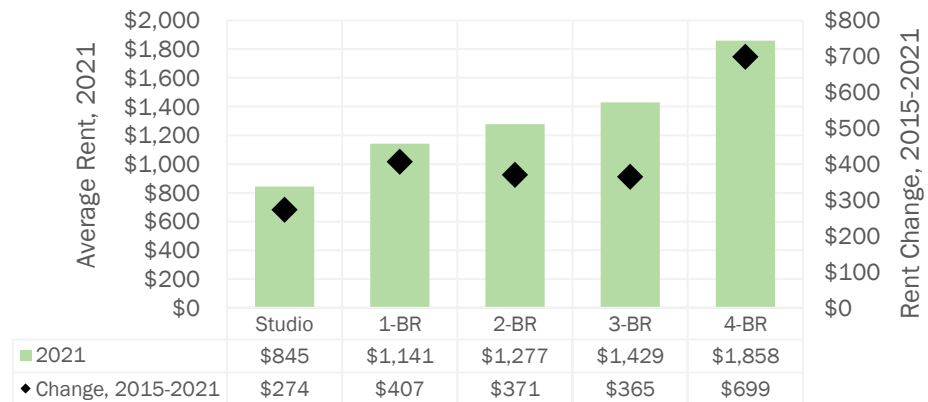
Apartment Rent Trends by Bedroom: Lancaster City

According to data provided by Zumper, a rental platform that allows landlords to post rental listings, the average monthly rent in the city ranges from \$845 for a studio to \$1,858 for a 4-bedroom apartment. From 2015 to 2021, the average rent for a studio increased by \$274 per month; during that same period, 4-bedroom units increased by \$699 per month. It is likely that asking rents for larger apartments in the city experienced the greatest increase in 2020 as a result of the Covid-19 health crisis, with an increase in persons sharing living quarters due to financial hardships associated with disruption to the labor market.

Average Annual Median Apartment Rent Trends: Lancaster City



Average Annual Apartment Rent Trends by Bedroom



Source: Zumper, as of September 2021

Affordable Rents

The table below compares affordable rents by household size for low- and very low-income households in Lancaster City. These figures are based on the U.S. Department of Housing and Urban Development (HUD) estimate for the Fiscal Year 2021 Median Family Income of \$83,000 for the Lancaster County income (more generally referred to as area median income or AMI). Generally, average rents by bedroom (displayed on the previous page) are affordable to low-income households (80-percent of AMI) but not very low-income households (50-percent of AMI). For example, the average studio rent (\$845) in the city would be affordable to a one-person, low-income household (can afford \$1,163 per month) but not a one-person very low-income household (can afford \$726 per month).

80 Percent of Median Household Income (Low-Income)						
	Median Family Income ¹	One Person HH	Two Person HH	Three Person HH	Four Person HH	Five Person HH
Lancaster County, PA	\$83,000	\$46,500	\$53,150	\$59,800	\$66,400	\$71,750
30 Percent of HH Income	\$24,900	\$13,950	\$15,945	\$17,940	\$19,920	\$21,525
Monthly Rent/Mortgage Payment	\$2,075	\$1,163	\$1,329	\$1,495	\$1,660	\$1,794
50 Percent of Median Household Income (Very Low-Income)						
	Median Median Income ¹	One Person HH	Two Person HH	Three Person HH	Four Person HH	Five Person HH
Lancaster County, PA	\$83,000	\$29,050	\$33,200	\$37,350	\$41,500	\$44,850
30 Percent of HH Income	\$24,900	\$8,715	\$9,960	\$11,205	\$12,450	\$13,455
Monthly Rent/Mortgage Payment	\$2,075	\$726	\$830	\$934	\$1,038	\$1,121
Average Rents by Bedroom (2021)						
	Studio	1-BR	2-BR	3-BR	4-BR	
Average Annual Rent in Lancaster City (Zumper)	\$845	\$1,141	\$1,277	\$1,429	\$1,858	

¹ Represents a median household-income for four-person households within Lancaster County, PA

Source: city of Lancaster, *2021 Family Income Guidelines*, based on a family income scale adjustment for FY2021 provided by HUD on April 1, 2021

Summary of Real Estate Developer Interviews

The City of Lancaster provided 4ward Planning with a list of for-profit market rate residential developers and non-profit affordable housing developers for the purpose of conducting interviews. A total of 17 development entities were provided (see the list of those contacted and interviewed following this summary) and of this amount, 4ward Planning contacted nine and ended of securing seven interviews – three affordable housing developers and three market rate developers and one commercial brokerage experienced with residential and commercial space in Lancaster City.

So as to permit candid discussion, interviewees were informed that their responses would not be attributed to them (this is standard practice for all interviews conducted by 4ward Planning).

All interviewed were engaged in one or more housing development projects in the city. Two of the three market rate housing developers interviewed have development projects and properties holdings in many other states; two of the three affordable housing developers were engaged in affordable development projects in the region.

All developers interviewed, but particularly market rate developers, seek greater clarity in the city's development process; specifically, interviewees stated that too often there are multiple and often conflicting directives given by city officials, regarding how projects should proceed or what objectives need be satisfied if approvals are to be granted. According to those interviews, a transparent development process (from planning board review through the pulling of permits) is lacking and there should be but one point of contact for two-way communication.

Summary of Real Estate Developer Interviews

Land acquisition is challenging for all development entities interviewed, but particularly so for affordable housing developers, as they are directly competing with market rate developers for such land and are often outbid by these entities. Further, the rising cost of land (given the dwindling supply of suitable development parcels) is making the development of affordable properties that much more challenging.

All interviewees emphasized that current real property taxes in the city are relatively high and absent a tax abatement or PILOT make achieving a successful development unfeasible. Affordable housing developers, in particular, believe there needs to be some additional incentive program granted for affordable housing units, as the property tax is becoming an increasingly significant component of total operating costs.

Further, affordable housing developers believe the city needs to shoulder more of the costs associated with infrastructure improvements supporting affordable housing projects, given the budget constraints of affordable housing development.

While market rate developers are not keen to see inclusionary zoning instituted in Lancaster City, affordable housing developers would welcome it; there is ambiguity as to whether market rate developers should be required to develop affordable units directly within their projects or be allowed to contribute to a fund for off-site affordable housing development.

Affordable housing developers would like more land acquisition assistance from the city, given that the costs of acquisition is increasing at a rapid pace. Further, there is some sentiment that the city should institute a land bank sooner, rather than later, before all suitable developable parcels are gone.

Summary of Real Estate Developer Interviews

Organizations Interviewed

- City Limits Real Estate - *Invited to interview but did not participate*
- Community Basics Inc. - *Affordable Housing Developer (Lisa Greener)*
- Compass Real Estate - *Commercial Real Estate Broker (Deepa Balepur)*
- Habitat for Humanity - *Invited to interview but did not participate*
- Hankin Group - *Market rate housing developer (Neal Fisher)*
- HDC MidAtlantic - *Affordable Housing Developer (Dana Hanchin)*
- SACA - *Affordable Housing Developer (Jose Lopez and Carlos Graupera)*
- SDL Devco LLC - *Market Rate Housing Developer (Ben Leshner)*
- Washington Place Equities - *Market Rate Housing Developer (Dominic Wilker)*

Non-Residential Real Estate Trends

Key Findings: Non-Residential Trends

Low office vacancy rates continue to buck national trends

Lancaster County and Lancaster City continue to buck national trends of increasing office vacancy rates and declining lease rates. While the national office vacancy rate has risen to 17.2 percent, the office vacancy rate in Lancaster County and Lancaster City sit at 4.39 percent and 5.29 percent, respectively, suggesting there may be unmet demand for certain types of professional and medical office space.

Low industrial vacancy rates have drawn the attention of investors

According to second quarter 2021 data, low industrial vacancy rates in the county (2.64 percent) and favorable lease rates have drawn the attention of investors ready to cash in on near fully leased, buildings such as the Burle Business Park in Lancaster City (sold for \$30 million and was 90 percent leased at time of sale).

New retail centers like East Lancaster Plaza are driving lease rates

The retail vacancy rate in the county peaked in the second quarter of 2020 during the pandemic (at 218,246 square feet) but has trended downward since that time, allowing existing inventory time to be absorbed. The development of new Class A retail centers like East Lancaster Plaza (already 100 percent leased) are driving average lease rates to new heights.

Non-Residential Metrics: Lancaster County

The following presents some key highlighted based on second quarter 2021 data for Lancaster County provided by Rock Commercial Real Estate.

- Office:** While the national office vacancy has risen to 17.2 percent, the office vacancy rate in Lancaster County sits at 4.39 percent. Less space is being vacated since the start of the Pandemic, allowing the market time to absorb the vacant office square feet. Office downsizing will remain a driver for larger corporations, but smaller operations are experiencing success and in need of more office space.
- Industrial:** According to second quarter 2021 data, Lancaster County's average industrial vacancy rate (2.64 percent) has fallen below pre-pandemic levels (2.85 percent in 2019) and trends below the national vacancy (4.5 percent). Vacancy is expected to remain low throughout 2021 as no major speculative developments are expected to be completed until 2022 and demand remains high for warehousing/flex space.
- Retail:** The retail vacancy rate in the county peaked in the second quarter of 2020 during the pandemic (at 218,246 square feet) but has trended downward since that time, allowing existing inventory time to be absorbed. While inflation looms as a threat to consumer confidence and consumer spending, retail development continues to meet pent-up demand including the recent completion of East Lancaster Plaza at 2232 Lincoln Hwy East, located just outside Lancaster City.

Market Indicators: Lancaster County

	Office	Industrial	Retail
Total Inventory (MSF)	16.79	79.87	31.25
Sales (Million)	\$9.98	\$115.04	\$35.63
Sales (SF)	\$114,216	\$1,840,000	\$435,412
Total Vacancy	4.39%	2.64%	4.32%
Total Leased (SF)	42,723	557,909	63,650
Average Rent Change	\$1.18	-\$0.20	\$2.23

Sources: Rock Commercial Real Estate, Market Review, Office, Lancaster County, PA, Q2 2021.

Available Space: Lancaster City

According to data provided by LoopNet, a national provider of real estate data, there is approximately 346,000 square feet of office space, 160,000 square feet of industrial space, 43,000 square feet of retail space, and 40,000 square feet of flex space available for lease within Lancaster City. Approximately 39 percent of this space (approximately 229,290 square feet) is located within the Burle Corporate Park (presented in more detail on a subsequent page). Average asking lease rates are highest for available office space (\$18.25 per square foot per year) and lowest for industrial spaces (\$6.65 per square foot per year). There is also approximately 44,000 square feet of industrial space, 25,000 square feet of office space, 3,000 square feet of flex space, and 2,000 square feet of retail space available for sale within Lancaster City. Average asking sale prices are highest for the one available retail space (\$197 per square foot) and lowest for the three office spaces (\$121 per square foot). There are also two industrial and commercial lots for sale within the city (both under an acre). Located just outside the Lancaster City boundary, there is also a 11.4-acre industrial lot for sale in Stumpf Field. Available space along with recently completed properties (Lancaster Plaza East) are mapped on the following page.

Building Space Available for Lease

Type	Properties	Square Feet	Average Lease Rate per SF/Year
Office	40	346,114	\$18.25
Industrial	7	160,020	\$6.65
Retail	1	43,500	\$12.00
Flex	3	40,626	\$8.57
Total	51	590,260	\$16.15

Building Space Available for Sale

Type	Properties	Square Feet	Average Sale Price	Average Price per SF
Industrial	1	43,672	\$5,750,000	\$132
Office	3	24,847	\$980,000	\$121
Flex	1	3,240	\$489,900	\$151
Retail	1	2,160	\$425,000	\$197
Total	6	73,919	\$1,600,817	\$140

Source: LoopNet, as of October 2021.

Available Space and Notable Properties: Lancaster City



Sources: LoopNet, as of October 2021; Stewart Companies.

Available Space: Burle Corporate Park

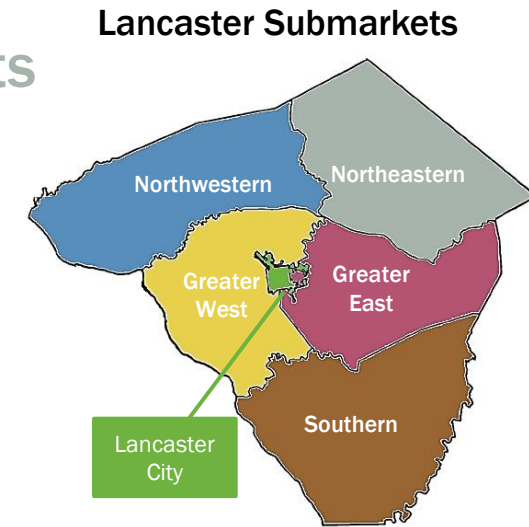
According to LNP | LancasterOnline, a local news source, the Burle Corporate Park (the former Burle Business Park and former RCA Lancaster Tube Plant) on New Holland Avenue has been recently sold to a New Jersey real estate holding company for \$30 million, which was 90 percent occupied at the time of sale. The new owner expects to invest millions of dollars in improvements to upgrade the property's overall "curb appeal" and modernize the building's mechanical systems. The business park is also undergoing a significant change in its tenant mix. Most notably, Lancaster General Health is relocating 840 of its "back office" workers from the business park to new offices in Lititz and East Petersburg. Lancaster Red Rose Credit Union also moved its headquarters from Burle to Leola in late June 2021. Among the sizable remaining tenants are Lancaster-Lebanon Intermediate Unit 13 and Advanced Cooling Technologies. According to LoopNet, approximately 229,290 square feet of industrial, office, and flex space is currently available to lease.



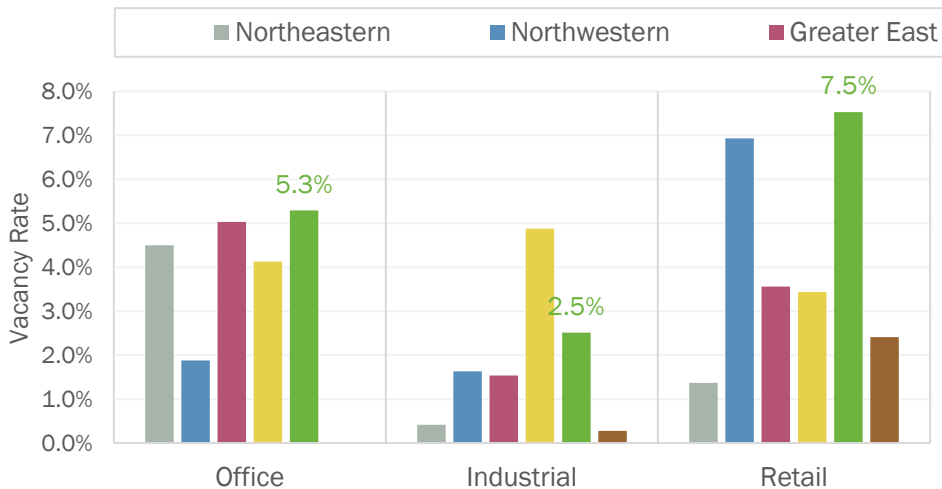
Source: LNP | LancasterOnline, *Burle Business Park sold to NJ investor for \$30M; upgrade planned*, May 13, 2021; LoopNet, as of October 2021.

Non-Residential Metrics: Lancaster Submarkets

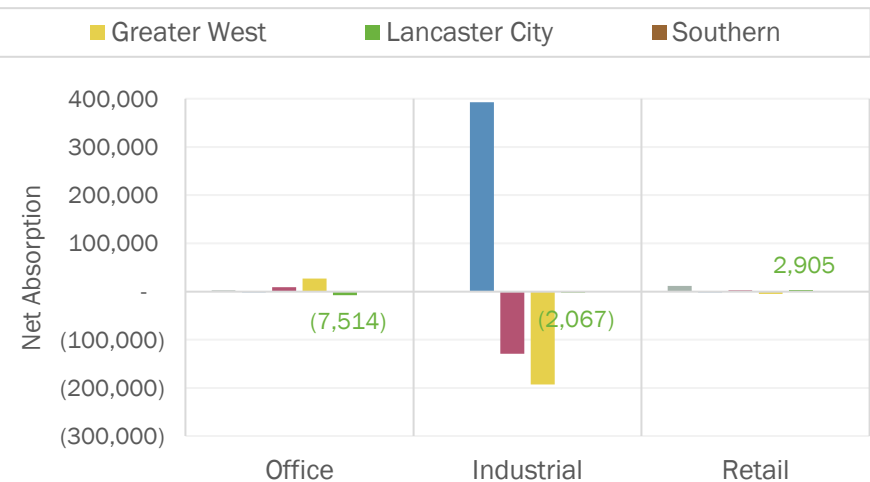
According to second quarter 2021 data provided by Rock Commercial Real Estate, compared to the other submarkets in Lancaster County, Lancaster City (shown in green in the map to the right and in the chart below) has a relatively high retail vacancy rate (7.5 percent) but relatively comparable industrial and office vacancy rates (2.5 and 5.3 percent, respectively). As of second quarter 2021, 7,514 net square feet of office space and 2,067 net square feet of industrial space was released back into the market, and 2,905 net square feet of retail space was absorbed.



Vacancy Rates by Submarket



Net Absorption by Submarket

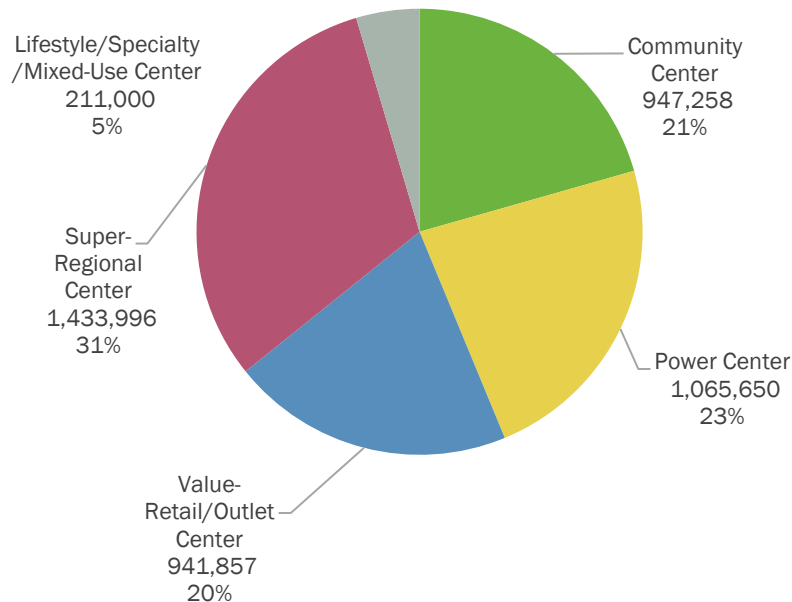


Sources: Rock Commercial Real Estate, Market Review, Office, Lancaster County, PA, Q2 2021.

Major Shopping Centers: Lancaster City

As summarized below and presented in more detail on the following page, according to data provided by the Directory of Major Malls (DMM), there is approximately 4.6 million square feet of major shopping center space in Lancaster City contained within 11 shopping centers.

Major Shopping Centers: Lancaster City



According to DMM, the selected shopping centers are generally classified as follows, although some centers may be defined differently depending on their customer base:

- **Community Center** – 200,000 – 499,999 sq. ft. in size
- **Regional Center** – 500,000-999,999 sq. ft. in size
- **Super-Regional Center** – over 1 million sq. ft. in size
- **Power Center** – usually open-air in design and with 3 or more big-boxes
- **Value Retail** – Tenants are predominantly outlets, discount, off-price retailers
- **Entertainment** – Focus on themed entertainment and restaurants, theaters, attractions, with more limited retail
- **Lifestyle / Specialty / Mixed-Use** – usually open-air & anchor-less with an upscale mix of tenants. May also include mixed-use combination of retail, office, residential

Sources: Directory of Major Malls; Esri, OnTheMap, 2021.

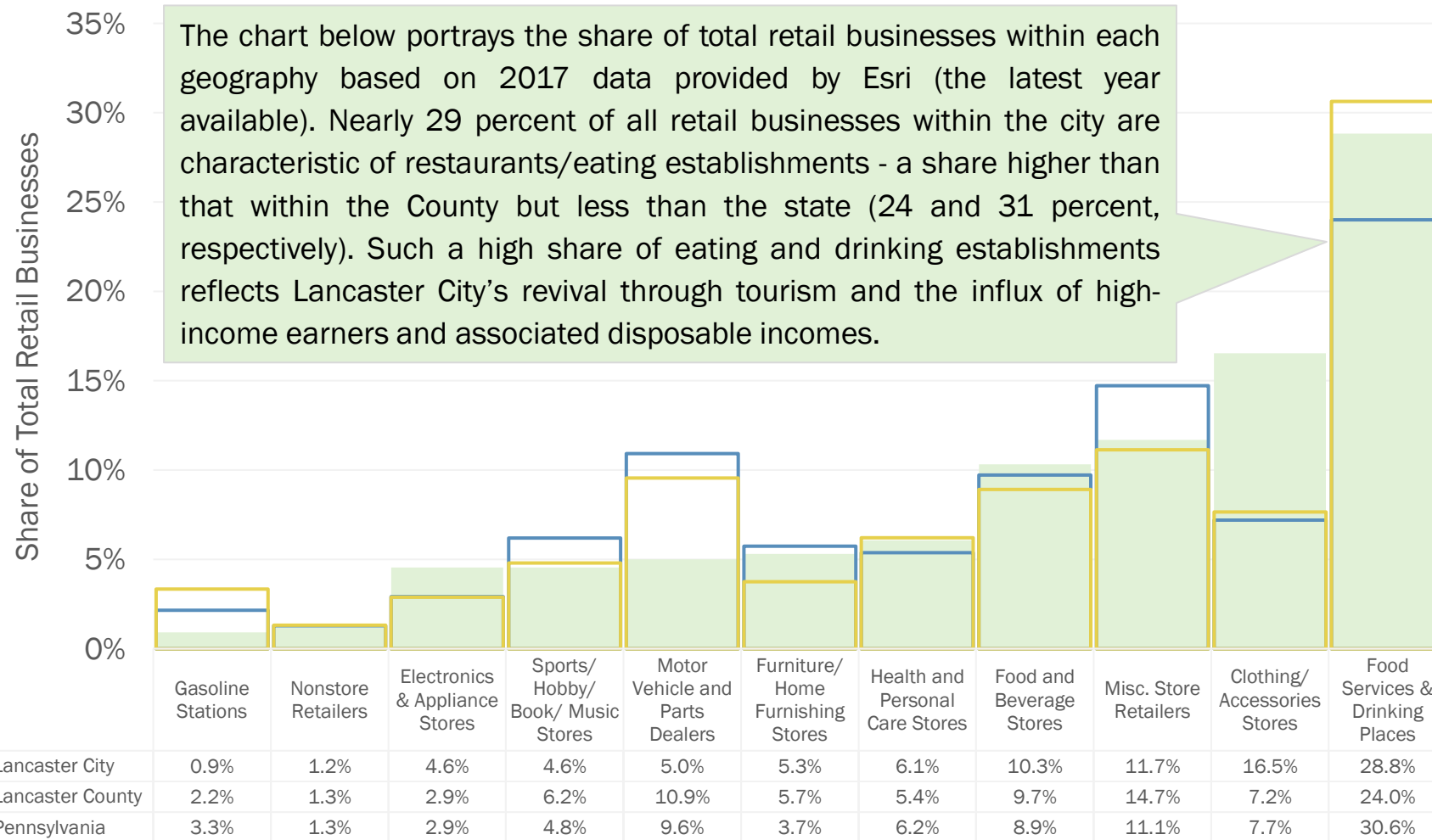
Major Shopping Centers: Lancaster City (continued)

As summarized below, Park City Center is the largest major shopping center in the city, containing approximately 1.4 million square feet of super-regional center shopping space with major anchors including Boscov's, JCPenney, Kohl's, and Round1 Bowling & Amusement, as well as three vacant anchor stores (Babies R Us, Bon-Ton, Sears). According to Wharton Realty Group, due to recent retail closures, the owners of The Shops @ Rockvale (the next largest major shopping center) is considering new mixed-use redevelopment for the property (entertainment, fitness, child care, residential, green space, walking trails, convenience, and eateries).

Center Name	Year Opened	Year Last Renovation	Center Classification	Anchor Stores	GLA (SQFT)
Park City Center	1971	2007	Super-Regional Center	Boscov's, JCPenney, Kohl's, Round1 Bowling & Amusement, Babies R Us (Closed) , Bon-Ton (Closed 2018) , Sears (Closed 2019)	1,433,996
Shops @ Rockvale	1985	1999	Value-Retail/Outlet Center	Cracker Barrel, Olive Garden, Lee Wrangler, Comfort Inn	566,000
Red Rose Commons	1998	1999	Power Center	Barnes & Noble Best Buy, Burlington, HomeGoods, OfficeMax, The Home Depot, Weis Markets	463,042
Tanger Outlet Center	1994	-	Value-Retail/Outlet Center	H&M, Gap Factory, Old Navy Outlet, Nike Factory Store	375,857
East Towne Centre	1974	1998	Power Center	Burlington, Gabe's, Ollie's Bargain Outlet Penn National OTB, Vacant , Vacant 2	317,608
Mill Creek Square	2010	2011	Power Center	ALDI, Bed Bath & Beyond, Christmas Tree Shops, Kohl's, Ross Dress For Less	285,000
Kendig Square	1992		Community Center	Big Kmart, Weis Markets	268,207
Manor Shopping Center	1962	1999	Community Center	Big Lots, Regal Cinemas, Weis Markets	248,567
Lincoln Plaza	1966		Community Center	Community Aid, Lowe's	227,694
The Crossings at Conestoga Creek	2018	2019	Lifestyle/Specialty/Mixed-Use Center	Wegmans	211,000
Golden Triangle	1960	2005	Community Center	LA Fitness, Marshalls, Staples, ALDI (Closed 2019)	202,790
Total					4,599,761

Sources: Directory of Major Malls; Shoprockvale, 2021.

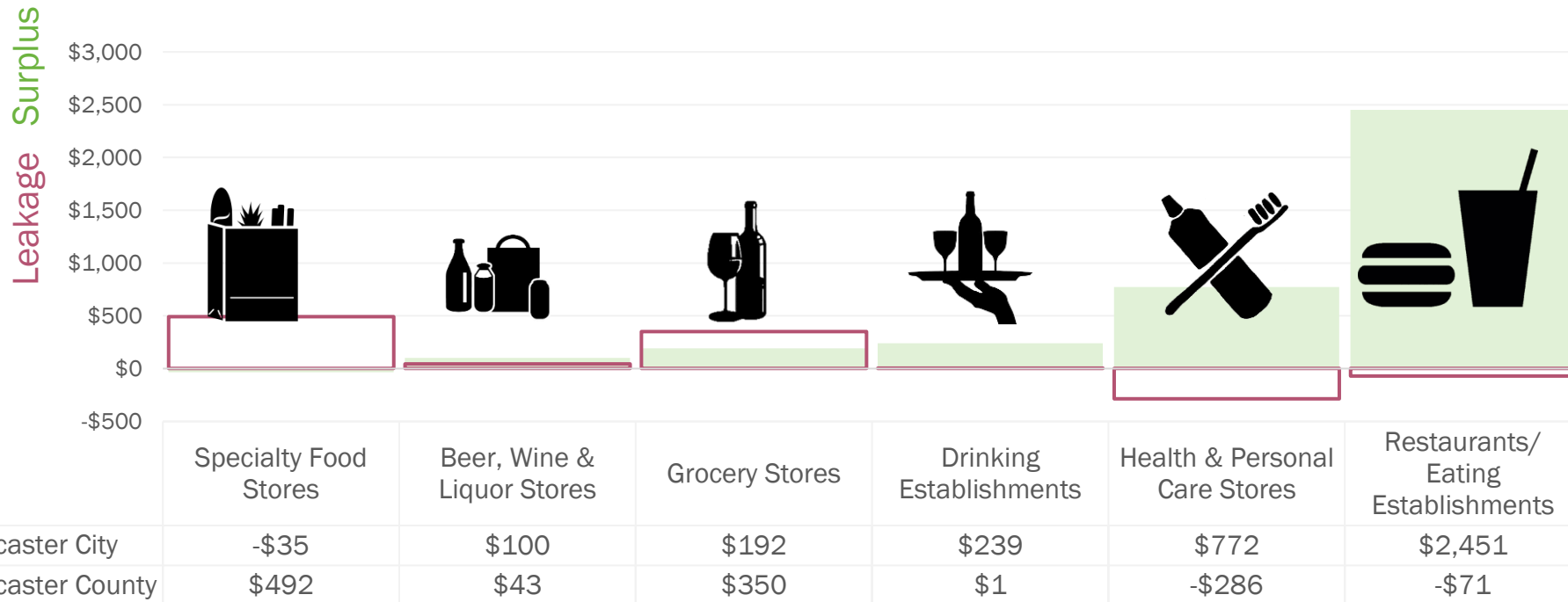
Estimated 2017 Retail Business Mix



Source: Esri, 2021

2017 Retail Gap per Household

Lancaster City is experiencing the greatest “capture” of retail sales in restaurants and health - meaning that either people living outside the City purchase these items inside the city, or people living within the city consume more than would be expected, given their income levels.



Source: Esri, 2021

DETAILED MAPPING ANALYSIS

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Improvement-to-Land Value Analysis

Methodology: Improvement-to-Land Value Analysis

The improvement-to-land value (ILV) ratio analysis is a technique used to identify prospective redevelopment opportunities within a given locality. The technique's underlying assumption is that the value of an improvement (e.g., a house or commercial building), when compared to the value of the underlying land parcel, should yield a ratio greater than one-to-one and, typically, a ratio greater than two-to-one (for example, a property assessed at \$200,000 and the land on which it sits assessed at \$100,000). ILV ratios can and do vary, based on factors such as area real estate market values, degrees of urbanization, and property assessment techniques. However, as a general rule, properties that exhibit low ILV ratios typically reflect economic and/or physical obsolescence (e.g., candidate redevelopment properties). In order to conduct a land valuation analysis for the study area, 4ward Planning used geographic information system (GIS) mapping technology and parcel data to analyze Lancaster City. To better understand ILV ratios particular to the area, 4ward Planning grouped parcels according to land-use category and calculated the ILV ratio statistical median for each of these uses. This was done for commercial and industrial properties only, due to their being better suited for redevelopment. Properties with particularly low ILV ratios - in this case, properties whose ILV values are less than half of the median ILV value - were identified as potential redevelopment sites. LoopNet, a commercial real estate search engine, was utilized to identify current vacancies within the study area.

Key Findings: Improvement-to-Land Value Analysis

Low-ILV commercial parcels are relatively small and scattered.

According to the improvement-to-land values (ILV) analysis there are 190 commercial parcels (totaling 300 acres) in Lancaster City exhibiting low ILV ratios. However, several of the larger parcels are either cemeteries or surface parking lots. Many of the remaining low-ILV commercial parcels are relatively small and scattered throughout the city, suggesting they may provide opportunities for small-scale infill residential redevelopment.

Low-ILV industrial parcels are larger and in the northern portions of the city.

Based on the ILV analysis there are 33 industrial parcels (totaling 157 acres) in the city exhibiting low ILV ratios. The Burle Corporate Park, representing the city's only multi-tenant adaptive reuse commercial and industrial park, provides 85 acres of commercial and industrial land with low ILVs.

A few parcels offer large-scale redevelopment opportunity. There are three low-ILV industrial parcels each larger than ten acres, including one 13.3-acre vacant parcel owned by Franklin & Marshall College. These relatively large parcels offer opportunities to create large-scale redevelopment projects.

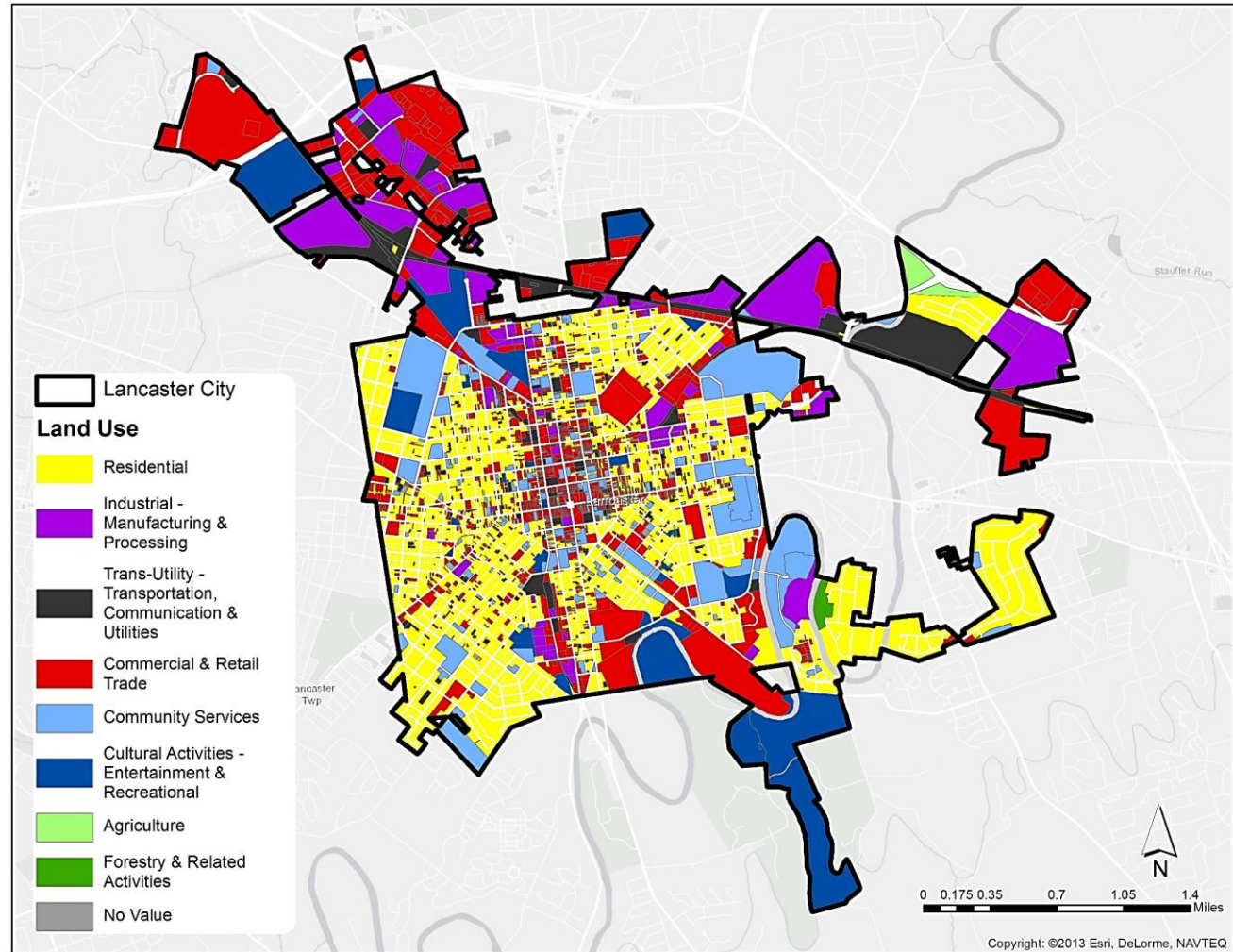
Surface parking lots as potential infill opportunities.

There is 620 acres of land within the city is dedicated to parking space. Some of this parking space, particularly surface parking lots located in the CBD, could be redeveloped as a mixed-use project with structured parking replacing the surface parking, as well as the parking needs of the new uses.

Land Use: Lancaster City

The study area is composed of Lancaster City, shown in the land-use map at right.

Primary land uses in the area include residential, commercial, and industrial. There are also large tracts of land devoted to community services and cultural activities. There is commercial core in the center of the city, surrounded by residential neighborhoods. There are also larger commercial and industrial uses to the north of the city center, in proximity to the railway and Route 30. Some trans-utility uses line the railway, and there is limited land devoted to agriculture and forestry.



Source: Lancaster City; 4ward Planning Inc. 2021

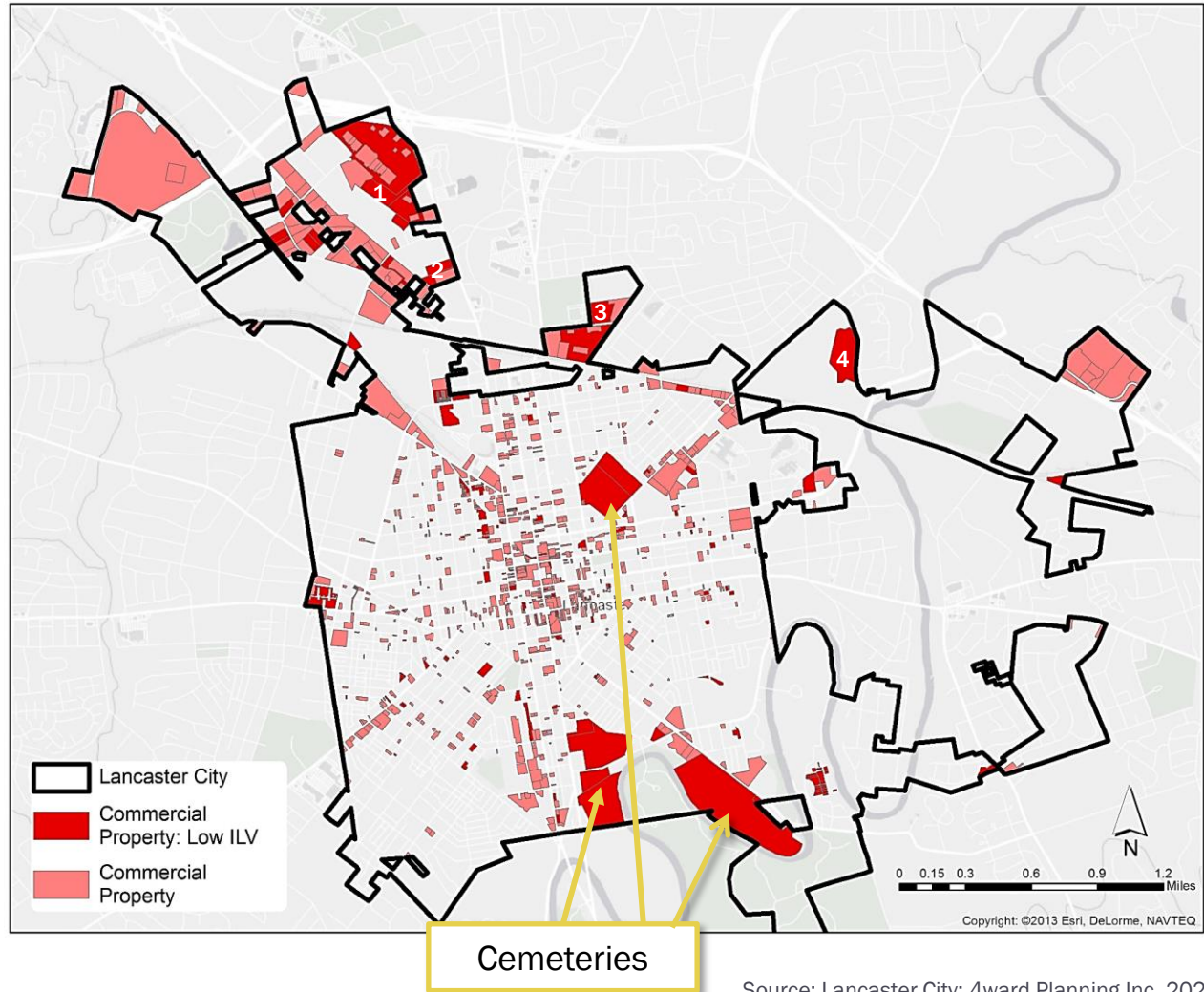
Improvement-to-Land Value Analysis: Commercial

There are 1,144 commercial parcels in Lancaster City, totaling 835 acres.

The median ILV ratio of the commercial parcels in the area is 1.7, making the target ILV ratio 0.85.

Based on this measure, 190 commercial parcels in Lancaster City exhibit low ILV ratios, highlighted in dark red in the map at right. These low-ILV parcels cover 300 acres and are scattered throughout the area.

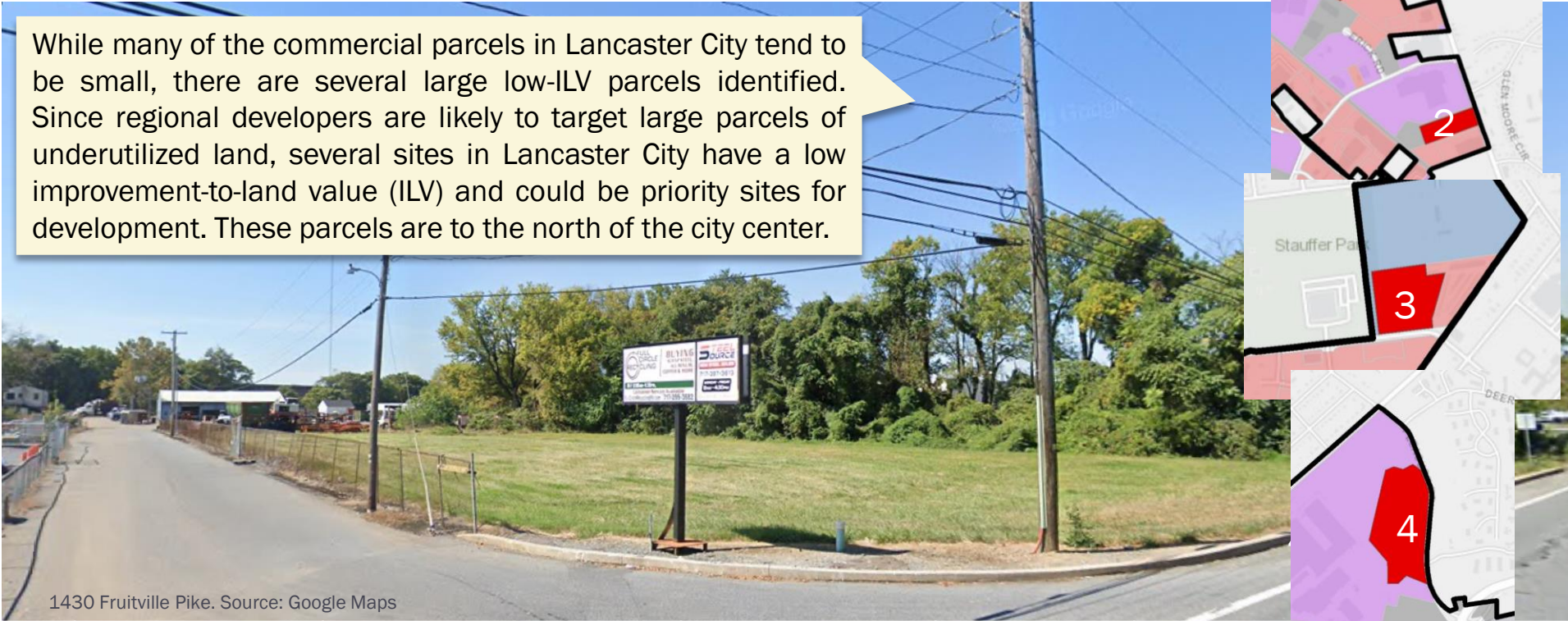
Several large parcels appear to be low-ILV, but are either cemeteries or parking lots, which are assessed separately from the buildings they serve. After further analysis, these parcels were not included in the in-depth discussion on the following slide.



Source: Lancaster City; 4ward Planning Inc. 2021

ILV Analysis: Large Commercial Sites in Lancaster City

While many of the commercial parcels in Lancaster City tend to be small, there are several large low-ILV parcels identified. Since regional developers are likely to target large parcels of underutilized land, several sites in Lancaster City have a low improvement-to-land value (ILV) and could be priority sites for development. These parcels are to the north of the city center.



1430 Fruitville Pike. Source: Google Maps

Site	Address	Owner	Use	Improvement Value	Land Value	Land Area (Acres)	ILV Ratio
1	1660 Fruitville Pike	Aluminum Co. of America	Vacant Commercial	\$0	\$479,100	7.8	0
2	1430 Fruitville Pike	Red Rose Ventures LLC	Storage Warehouse and Distribution	\$79,500	\$378,000	3.2	0.2
3	1209 Marshall Ave.	JA JR & TJ Schwartz Partnership	Other Retail Service – General Merchandise	\$326,600	\$582,000	5.6	0.56
4	1360 Pleasure Rd.	RCA Corp.	Vacant Commercial	\$0	\$1,080,000	14.5	0

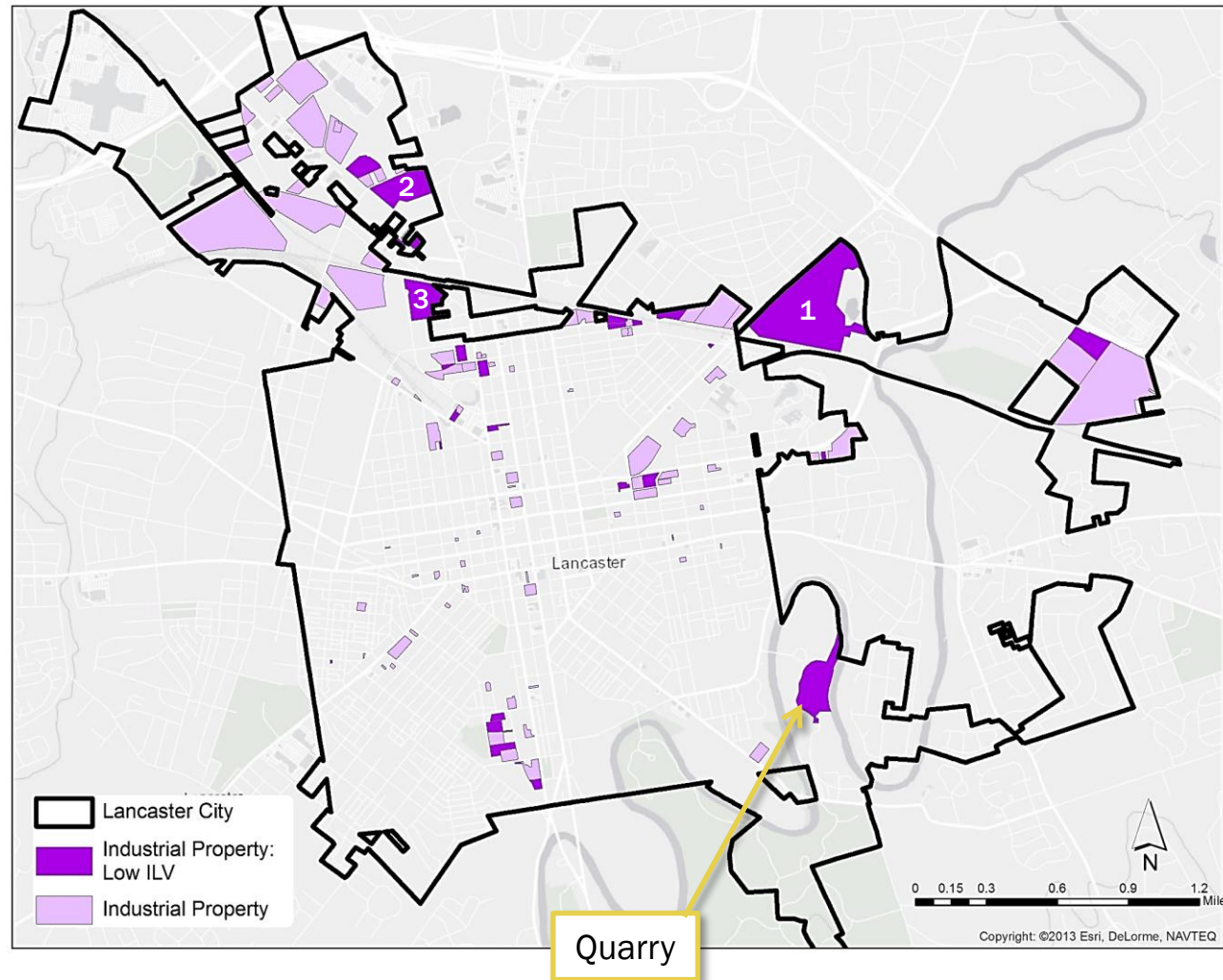
Improvement-to-Land Value Analysis: Industrial

There are 121 industrial parcels in Lancaster City, totaling 468 acres. While there are fewer industrial parcels than commercial ones, the industrial parcels tend to be larger.

The median improvement-to-land value (ILV) ratio of the industrial parcels in the study area is 1.9, making the target ILV ratio 0.95.

Based on this measure, 33 industrial parcels in Lancaster City exhibit a low ILV ratio (e.g., are candidates for redevelopment), for a total of 157 acres.

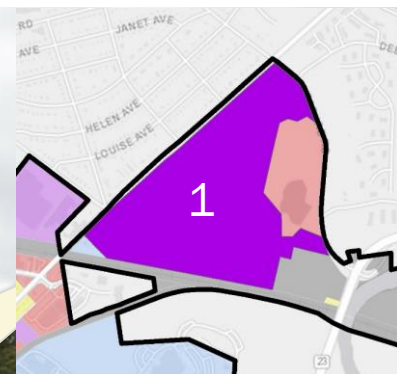
One large lot was not included in the in-depth analysis on the following slide due to its being quarry use, and likely not appropriate for development.



Source: Lancaster City; 4ward Planning Inc. 2021

Improvement-to-Land Value Analysis: Large Industrial Sites

1000 New Holland Avenue. Source: Google Maps



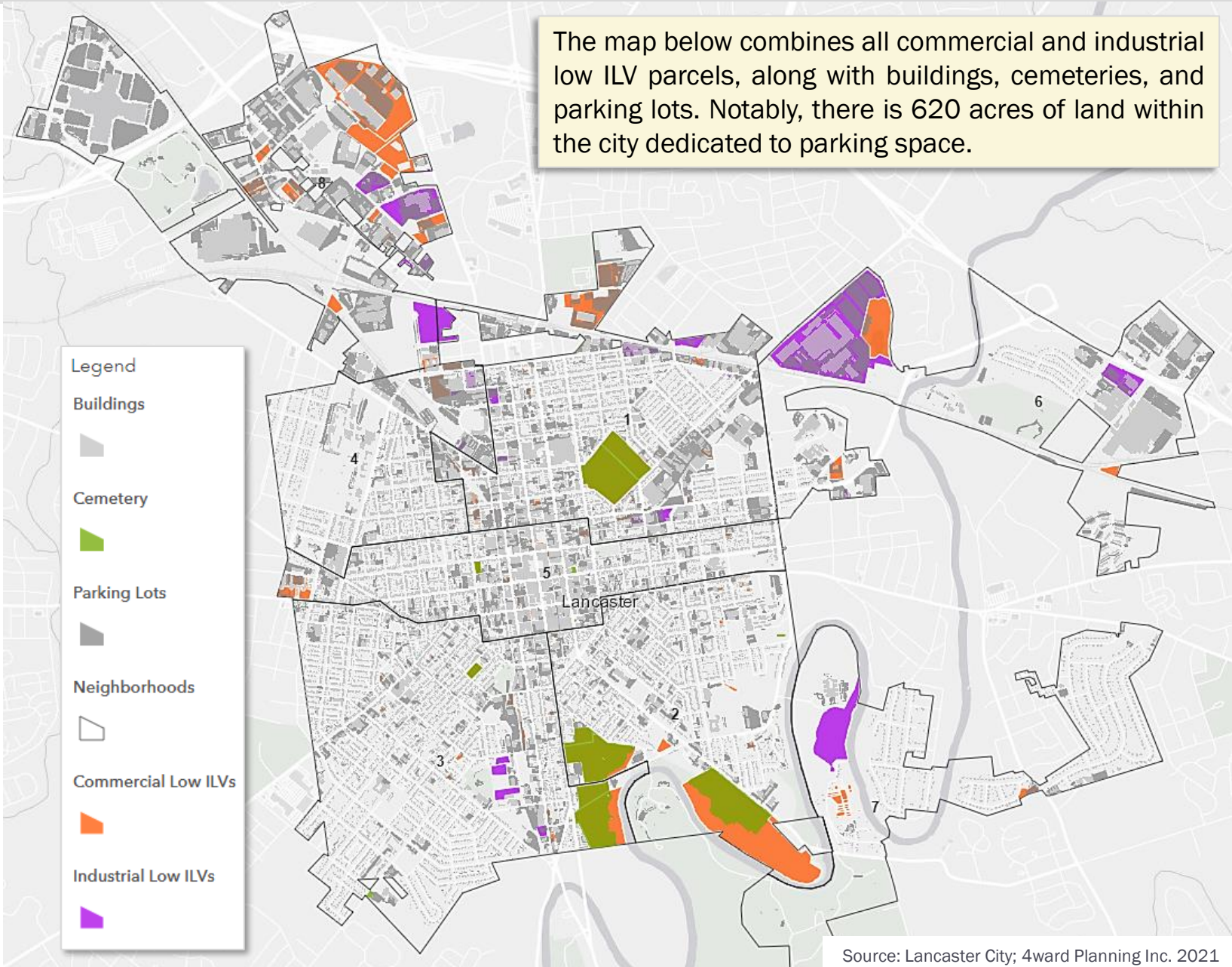
There are several large parcels of underutilized industrial land along Fruitville Pike and New Holland Avenue. Properties larger than 10 acres are highlighted. Additionally, the Burle Corporate Park (formerly the RCA Lancaster Tube Plant and Burle Business Park), representing the city’s only commercial and industrial park, provides over 85 acres of combined commercial and industrial land with low ILVs.

Site	Address	Owner	Use	Improvement Value	Land Value	Land Area (Acres)	ILV Ratio
1	1000 New Holland Ave.	Burle Corporate Park LLC	Light Industrial	\$4,758,200	\$5,688,000	70.7	0.84
2	1530 Fruitville Pike	Packaging Corp of America	Heavy Industrial	\$1,456,600	\$1,647,000	15.2	0.87
3	301 Manheim Ave.	Franklin & Marshall College	Vacant Industrial	\$0	\$1,221,600	13.3	0

Source: Lancaster City; 4ward Planning Inc. 2021

ILV Analysis

The map below combines all commercial and industrial low ILV parcels, along with buildings, cemeteries, and parking lots. Notably, there is 620 acres of land within the city dedicated to parking space.



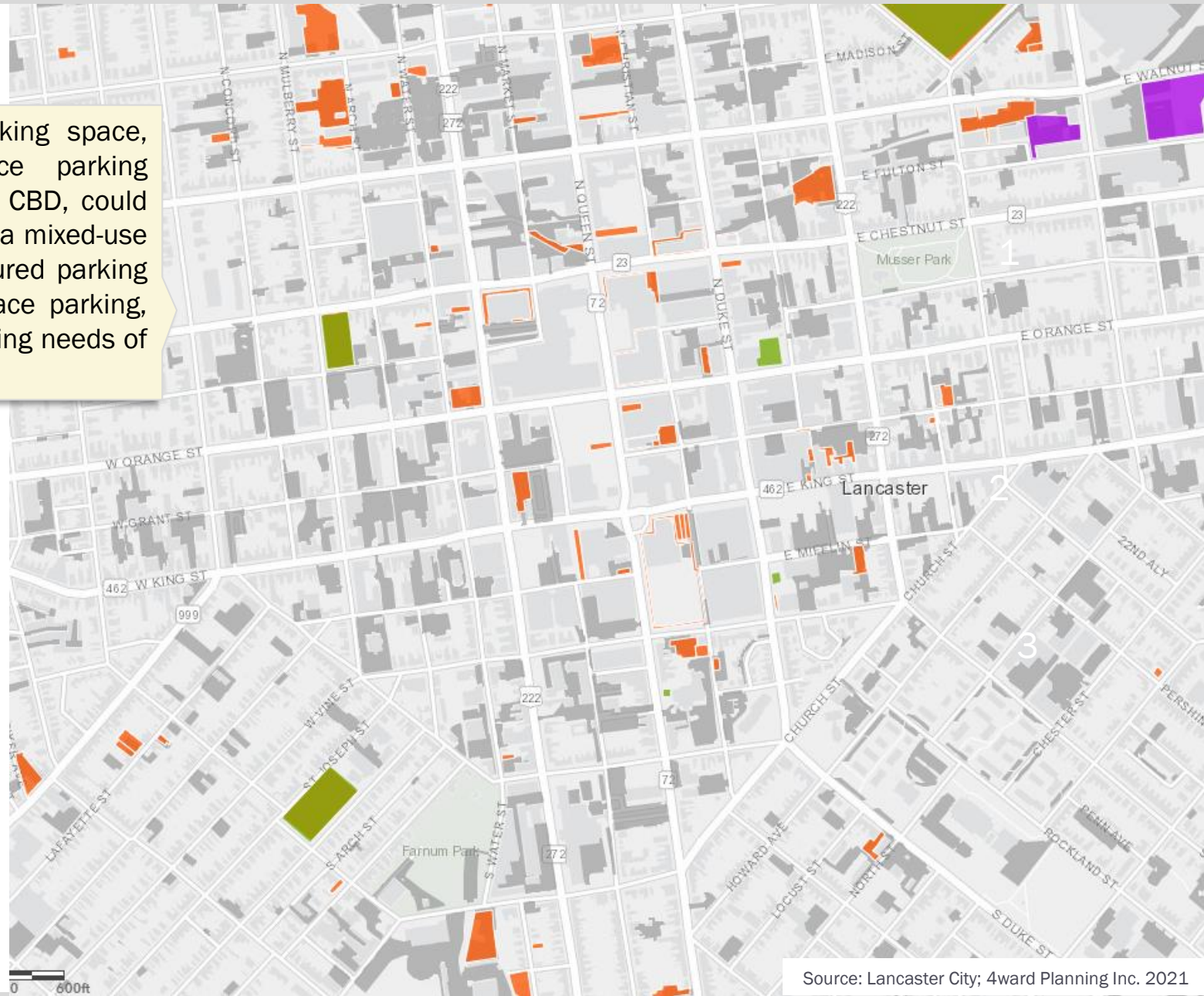
Source: Lancaster City; 4ward Planning Inc. 2021

ILV Analysis

Some of this parking space, particularly surface parking lots located in the CBD, could be redeveloped as a mixed-use project with structured parking replacing the surface parking, as well as the parking needs of the new uses.

Legend

- Buildings**
[Grey polygon symbol]
- Cemetery**
[Green polygon symbol]
- Parking Lots**
[Dark grey polygon symbol]
- Neighborhoods**
[White outline symbol]
- Commercial Low ILVs**
[Orange polygon symbol]
- Industrial Low ILVs**
[Purple polygon symbol]



Source: Lancaster City; 4ward Planning Inc. 2021

Neighborhood Change Analysis

Methodology: Neighborhood Change Analysis

Like many cities around the United States, Lancaster City has struggled with reconciling the advantages of revitalization or investment (e.g., increased property values and government revenue, decreased vacancy rates) with the negative (e.g., displacement, community conflict, loss of affordable housing). Increased investment can attract new middle- and upper-income households into existing lower-income neighborhoods, which are often home to low-income and racial minority populations. Without preventative measures, revitalization or investment can lead to gentrification (the in-migration of middle- and upper-income households), which can increase demand for housing and local rent or home prices resulting in displacement (the out-migration of existing lower income residents and racial minority populations).

The Neighborhood Change analysis explores the following five demographic measures indicative of gentrification using 2000 and 2019 Census TIGER/Line data down to the census tract level (higher margins of error constrain going down to the block group level):

- Median household income
- Median rent
- Average household size
- Share of population 25 and older with a bachelor's degree or higher of education
- Share of non-Hispanic White population

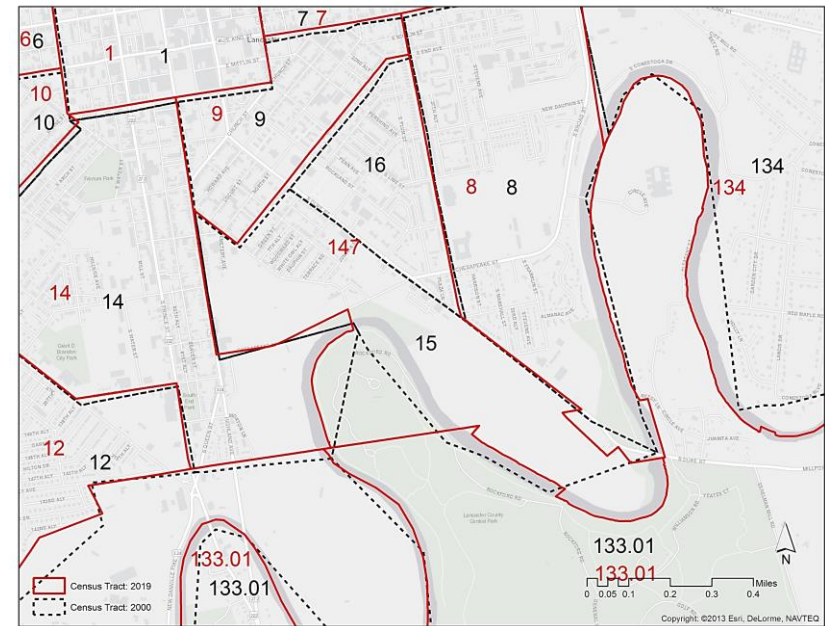
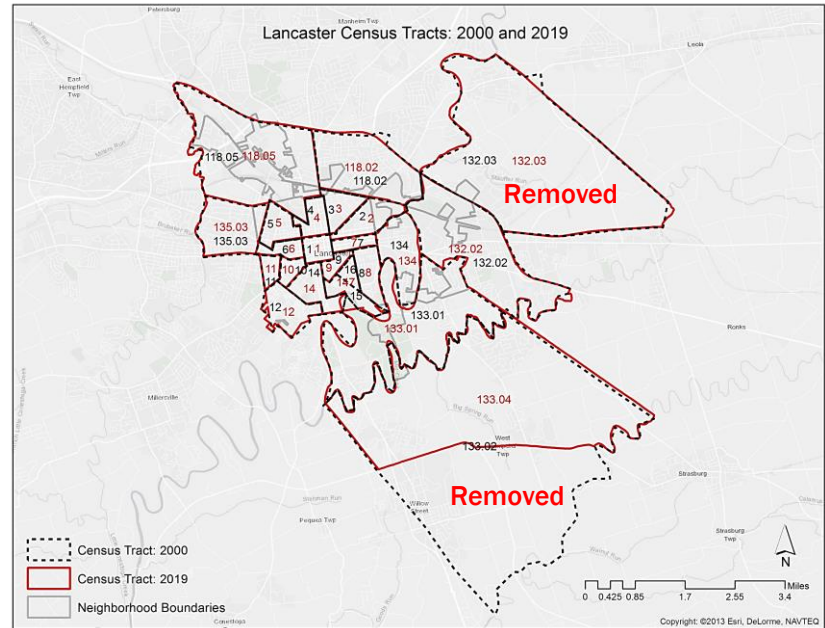
Next, these measures were combined to create an **Index of Neighborhood Change** score table and map, which compares each census tract score to the median for the city, overall. For example, if a given census tract has values that exceed the median value within the city (either higher or lower depending on the indicator) it is given a point. Scores are ranked from low to high, based on the number of indicators exceeded.

Methodology: Census Tract Changes

As presented in the table to the right, 2000 census tracts 15 and 16 became part of 2019 census tract 147, (along with part of old 133.01). To adjust for this change, the analysis compares the median values for 2000 census tracts 15 and 16 with that of 2019 census tract 147.

As indicated on the map, census tract 133.02 boundaries changed significantly from 2000 to 2019. Furthermore, portions of census tracts 132.03 and 133.02 located within Lancaster City boundaries are either commercial or park. As a result, these two census tracts were removed from the analysis.

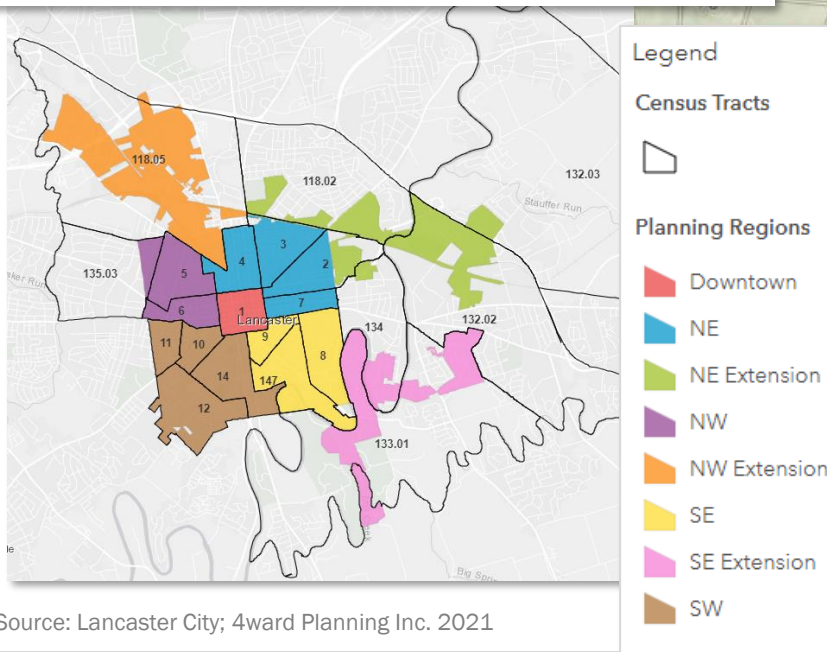
Census Tracts by Year	
2000	2019
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
14	14
15	147
16	
118.02	118.02
118.05	118.05
132.02	132.02
132.03	132.03
133.01	133.01
134	134
135.03	135.03



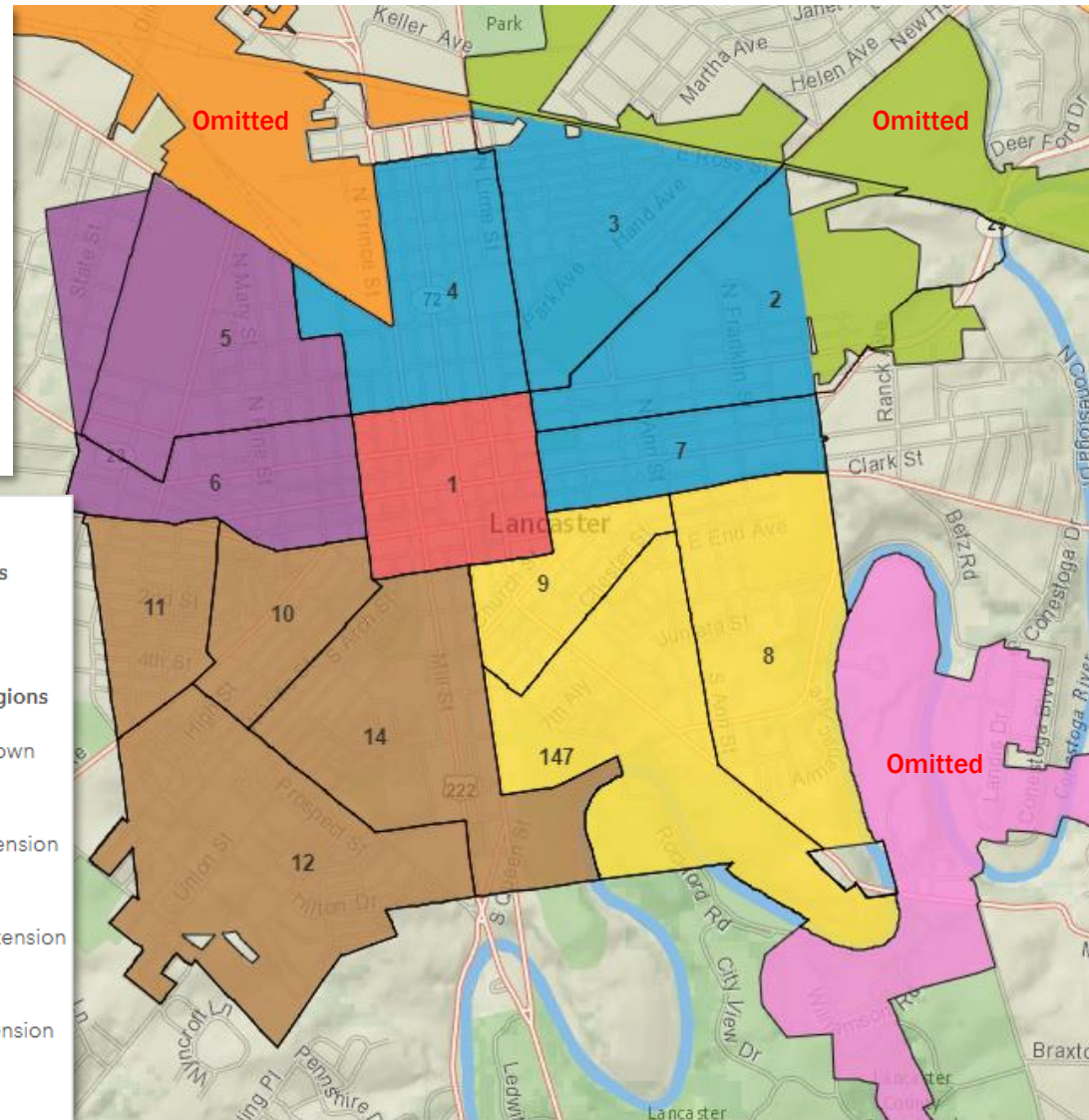
Source: U.S. Census; 4ward Planning Inc. 2021

Methodology: Census Tracts And Planning Regions

The map to the right compares 2019 census tracts and Lancaster City planning regions. For example, census tract 1 largely represents Downtown. In order to focus on central Lancaster City, where census tracts better match planning regions, census tracts in the annex regions (NW Extension, NE Extension and SE Extension planning regions) were omitted from the neighborhood change analysis.



Source: Lancaster City; 4ward Planning Inc. 2021



Key Findings: Neighborhood Change Analysis

Census tract 4 is most at risk

Five measures indicative of gentrification were utilized to identify census tracts likely experiencing recent displacement pressure in the city from 2000 to 2019. These measures were combined to create an Index of Neighborhood Change score, which compares each census tract score to the median score for the city, generally. Scores are ranked from 0 (Low indication of gentrification) to 4 (High indication of gentrification) based on the number of indicators exceeded. Located in the Northeast planning region, census tract 4 exceeds four gentrification indicators, suggesting that it may be in most need of displacement intervention.

Displacement intervention needed

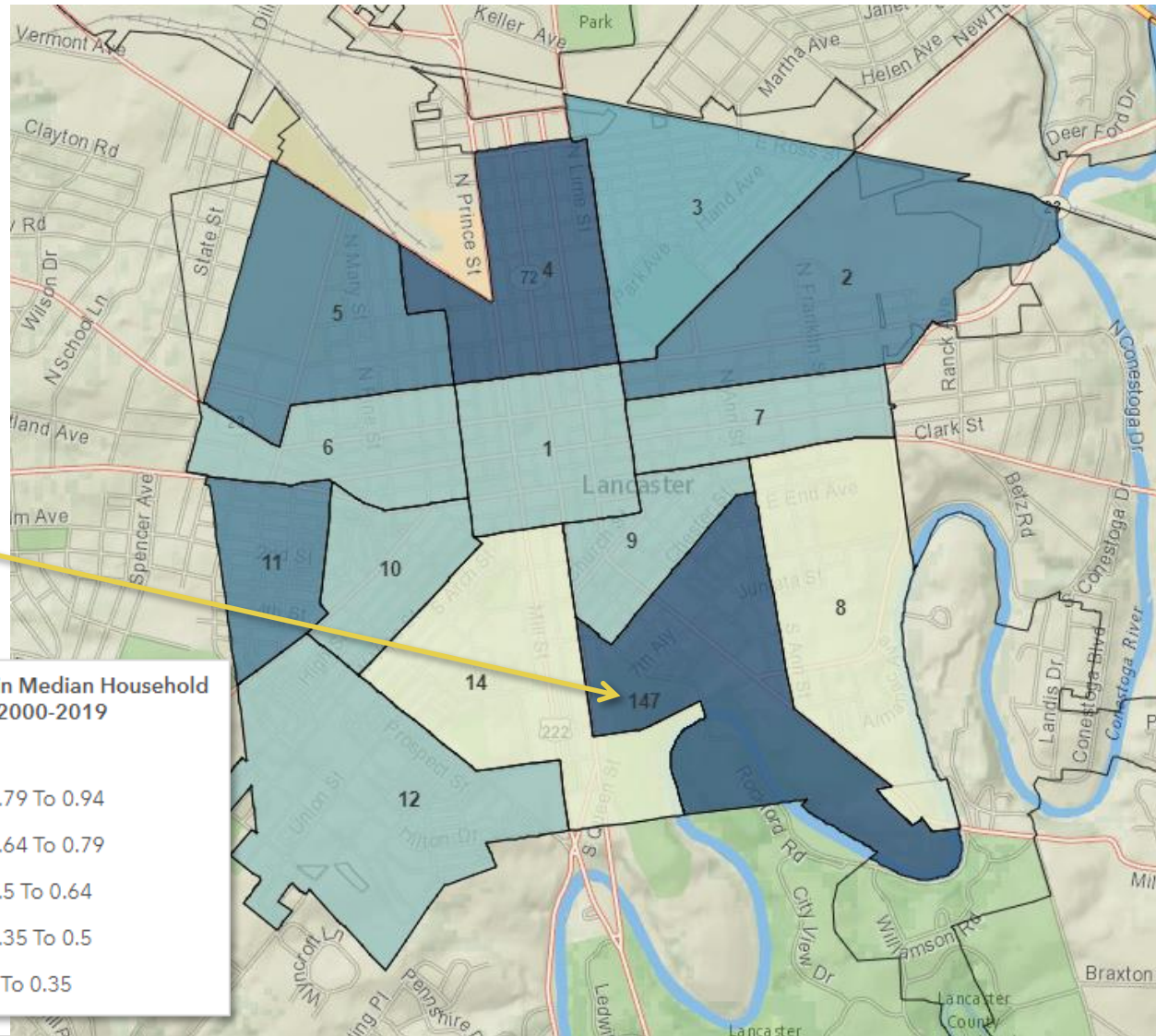
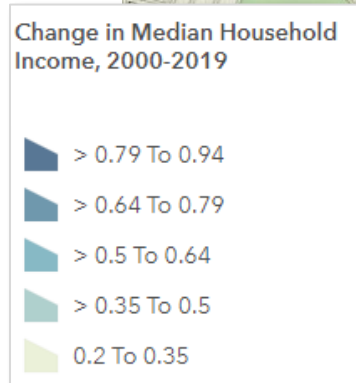
Preventative displacement measures can help existing lower income residents and racial minority populations remain in an area and reap the benefits of revitalization (e.g., rising home values, educational levels and incomes; new small business and job opportunities). For example, cities like Philadelphia have developed preventative displacement measures such as Longtime Owner Occupant Program and other tax deferral/exemption programs.

Planning Region Represented	Census Tract 2019	Neighborhood Change Score	
		Number of Indicators	Potential Risk
Downtown	1	3	Moderate-High
	2	2	Moderate-Low
Northeast	3	3	Moderate-High
	4	4	High
	7	3	Moderate-High
Northwest	5	3	Moderate-High
	6	3	Moderate-High
	8	3	Moderate-High
	9	2	Moderate-Low
	147	3	Moderate-High
Southwest	10	3	Moderate-High
	11	2	Moderate-Low
	12	0	Low
	14	0	Low

Median Household Income

As higher-income households move into a given area, lower-income households can be most vulnerable to displacement due to rising housing costs.

The non-inflation adjusted median household income in census tract 147 increased by \$22,140 from 2000 to 2019 (from \$23,740 to \$45,510 or by approximately 94 percent).

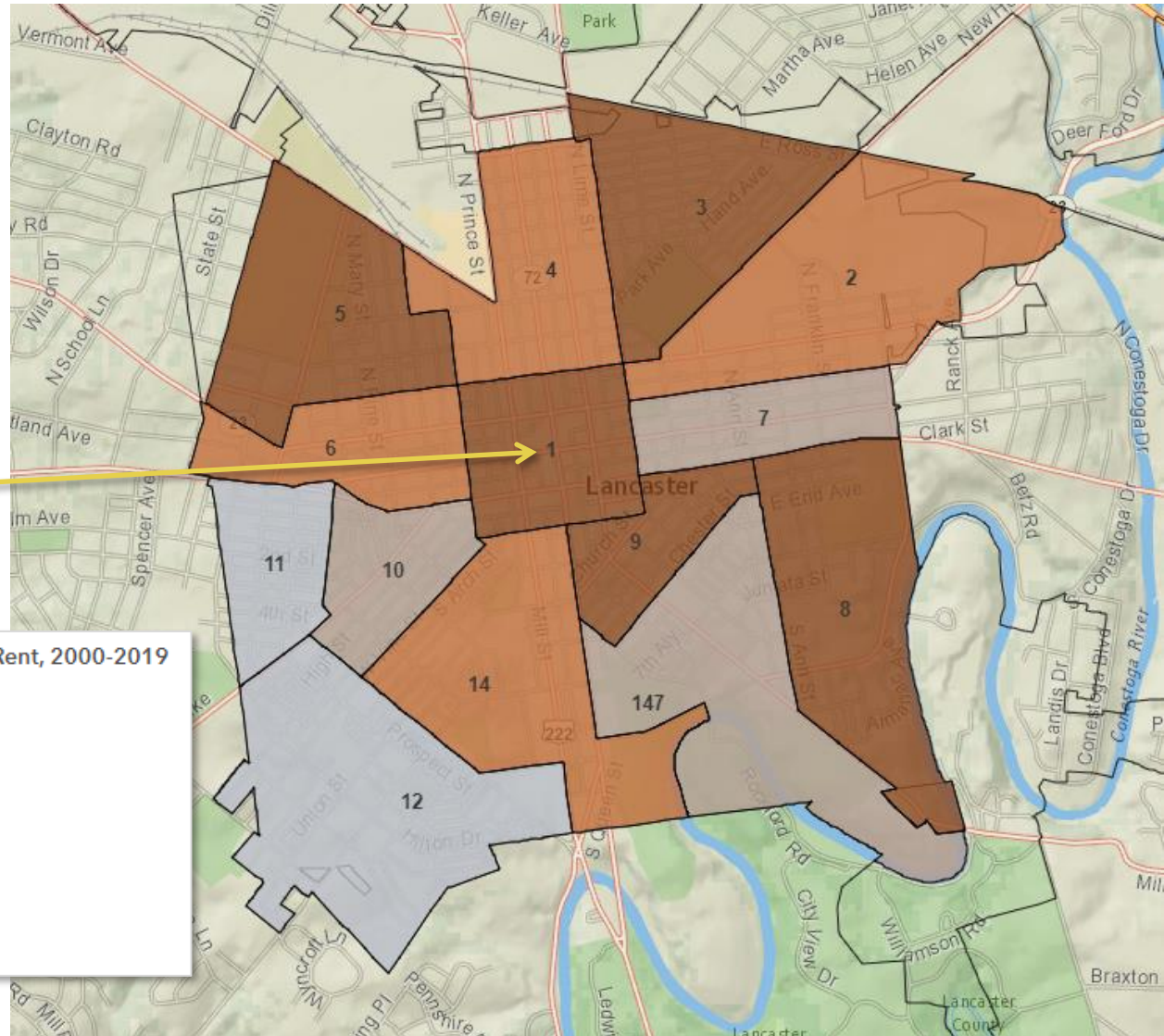
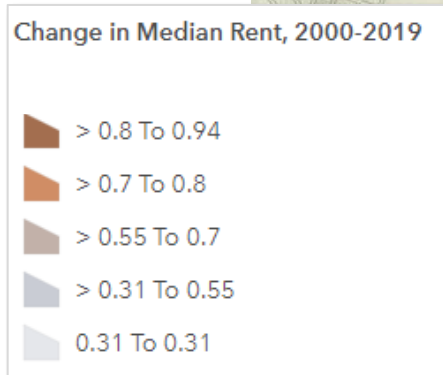


Source: U.S. Census; 4ward Planning Inc. 2021

Median Rent

Rises in rental prices are early indicators that there is increasing demand from higher income households.

The non-inflation adjusted median rent in census tract 1 increased by \$400 from 2000 to 2019 (from \$440 to \$840 or by approximately 90 percent).

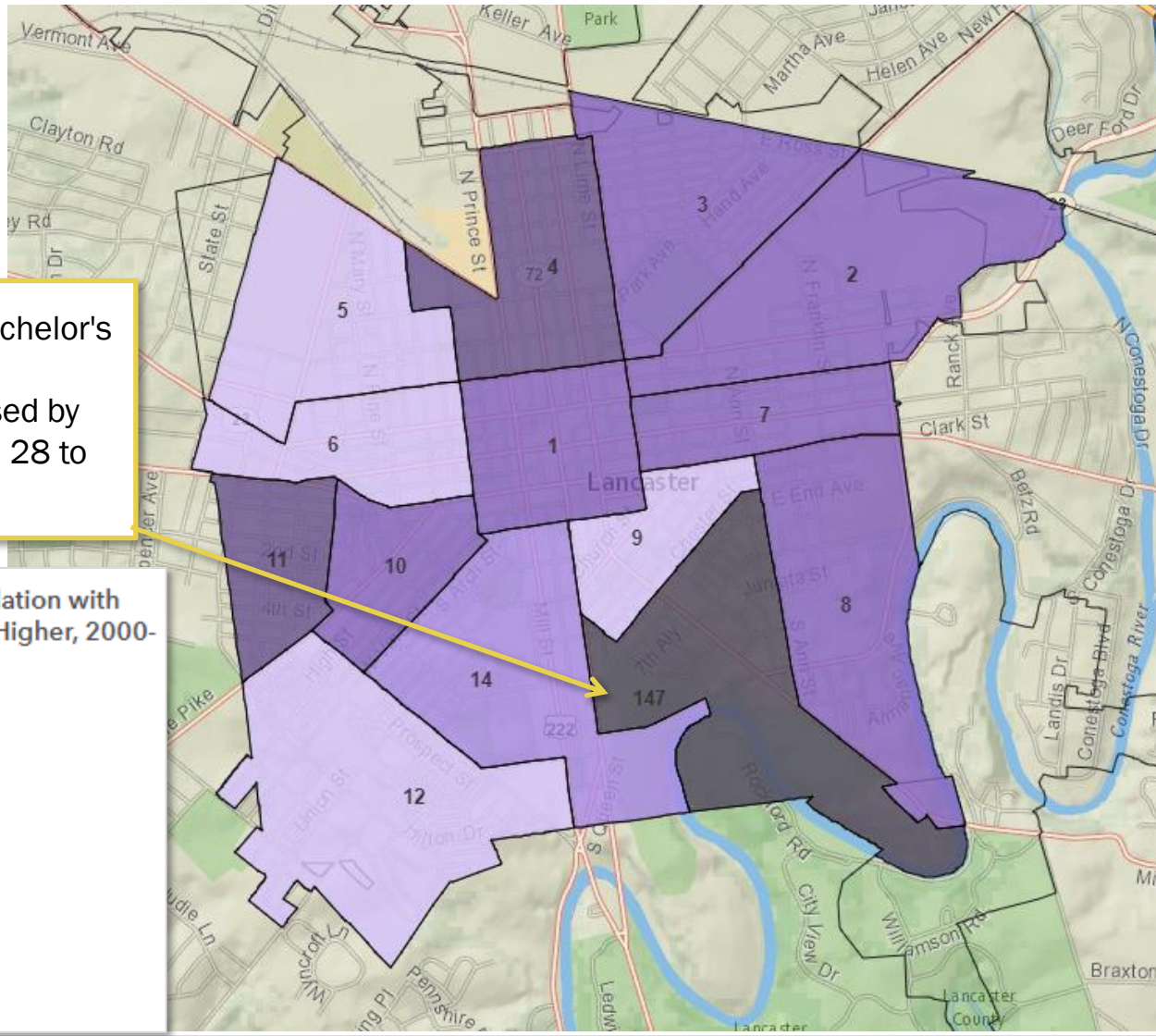
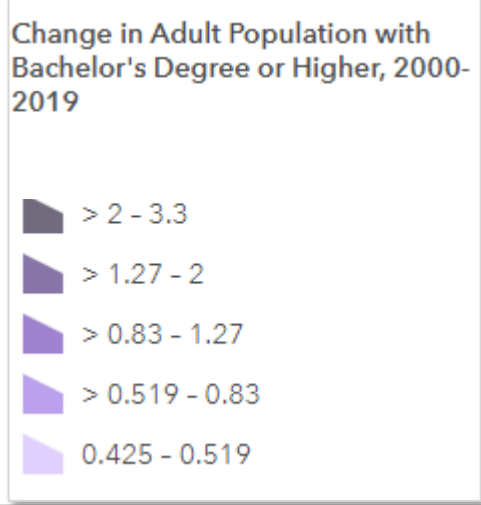


Source: U.S. Census; 4ward Planning Inc. 2021

Educational Attainment

An influx of people with higher levels of formal education usually is correlated with a significant rise in household incomes.

The number of adult persons with a bachelor's degree or higher level of educational attainment in census tract 147 increased by 195 persons from 2000 to 2019 (from 28 to 217 or by approximately 334 percent).

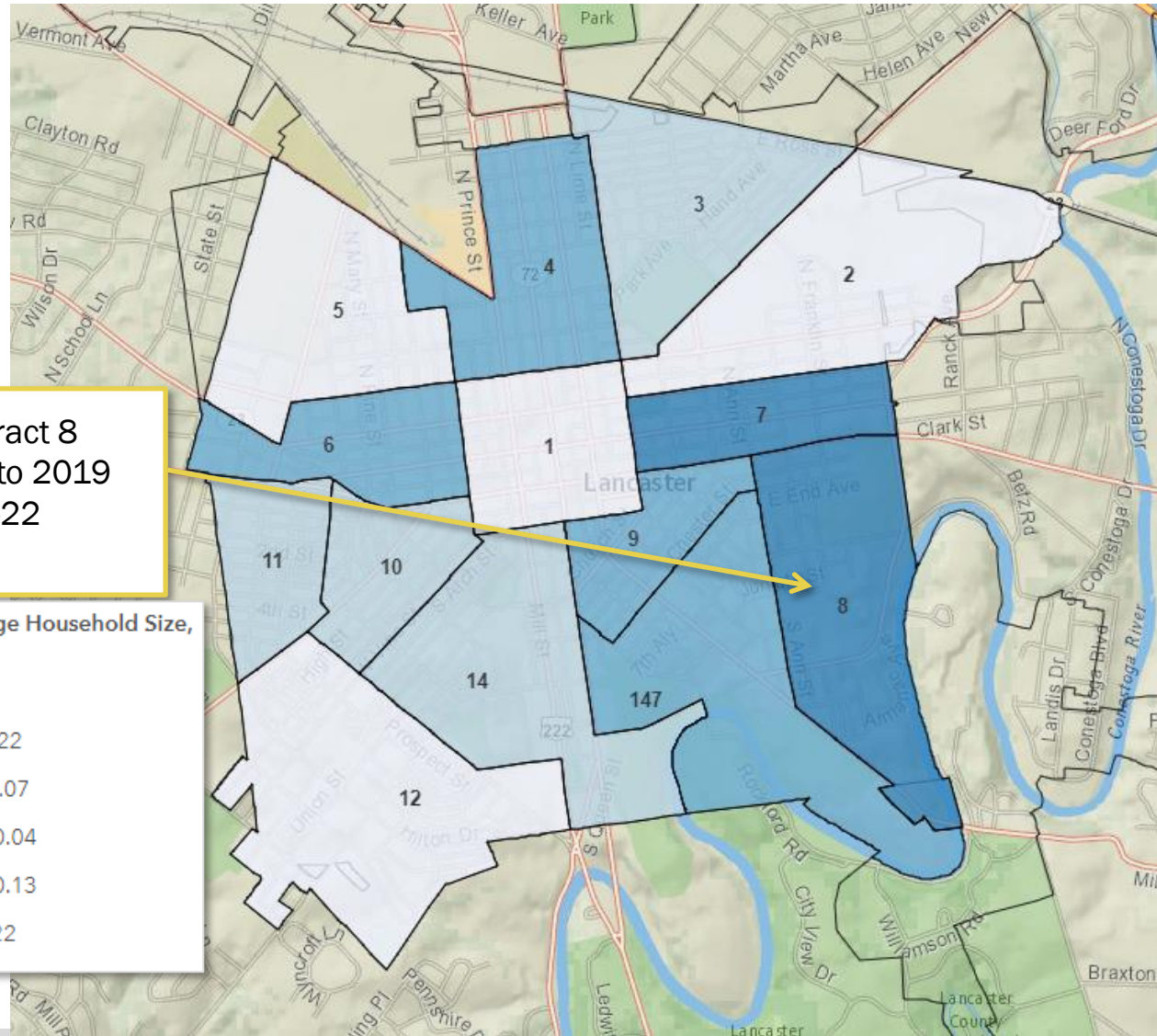
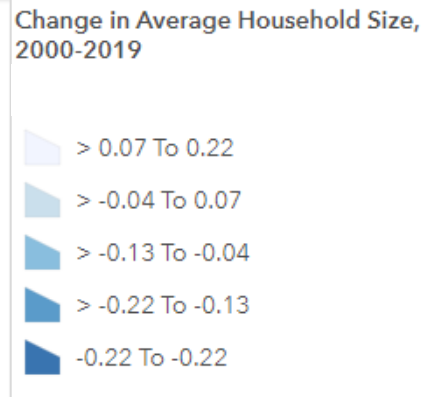


Source: U.S. Census; 4ward Planning Inc. 2021

Average Household Size

The first groups to gentrify an area are thought to often be young, childless, well-educated adults represented by smaller sized households. Decreases in average housing size can help identify census tracts at risk of displacement.

The average household size in census tract 8 decreased by 0.68 persons from 2000 to 2019 (from 3.13 to 2.45 or by approximately -22 percent).

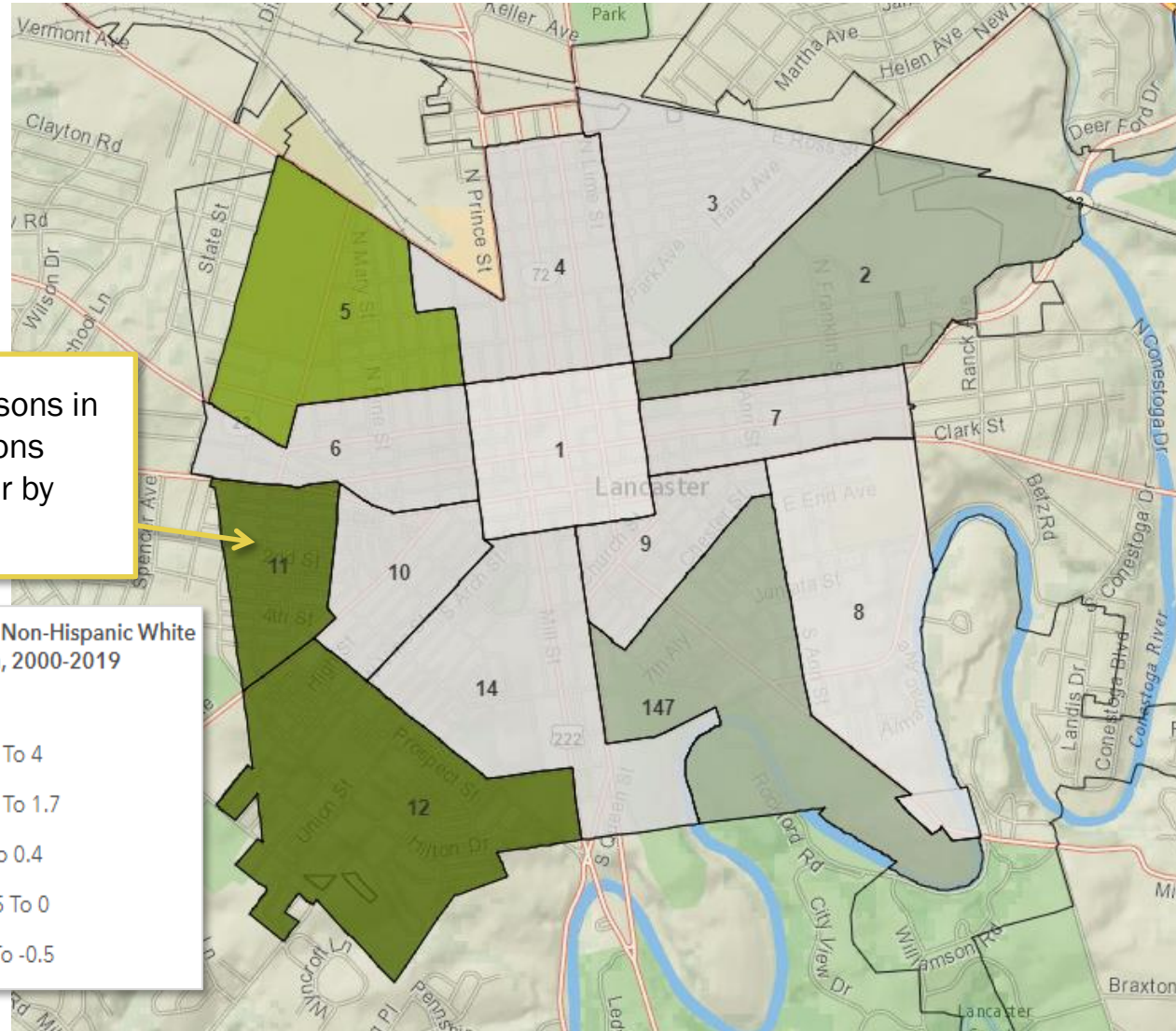
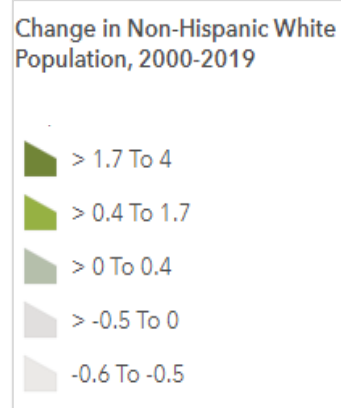


Source: U.S. Census; 4ward Planning Inc. 2021

Non-Hispanic White Populations

Increasing shares of Non-Hispanic White persons can indicate increasing displacement of communities of color, particularly where incomes and educational attainment is also rising.

The number of Non-Hispanic White persons in census tract 11 increased by 765 persons from 2000 to 2019 (from 194 to 959 or by approximately 4 percent).

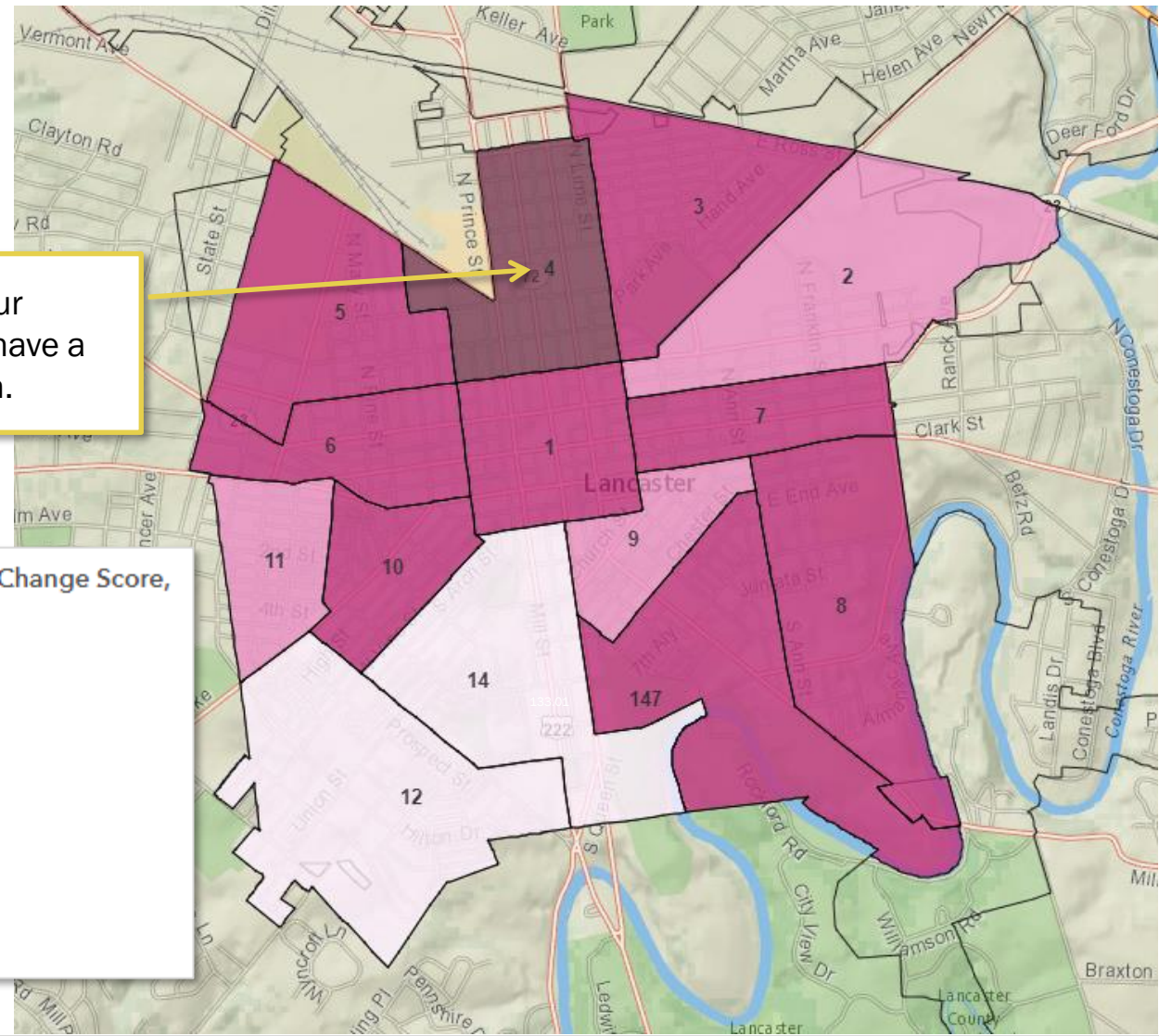
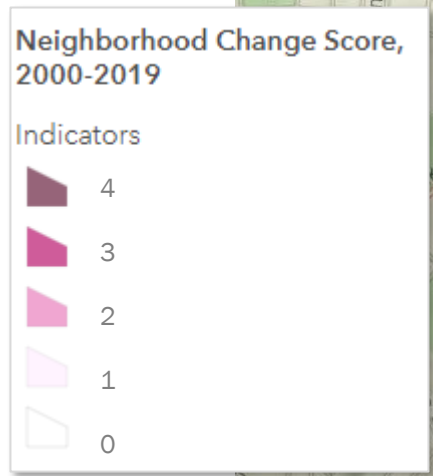


Source: U.S. Census; 4ward Planning Inc. 2021

Neighborhood Change Score: Indicators

Census tracts with higher numbers of neighborhood change indicators may be most in need of displacement intervention.

Most notably, census tract 4 exceed four indicators, suggesting that that it may have a high need of displacement intervention.



Source: U.S. Census; 4ward Planning Inc. 2021

Nighborhood Change Score

The table highlights exceeded indicators by census tract when compared to the city’s median.

Planning Region Represented	Census Tracts by Year		Indicators of Neighborhood Change					Neighborhood Change Score	
	2000	2019	% Change in Adults with Bachelor's Degree or Higher	% Change in Median Household Income	% Change in Median Gross Rent	% Change in Non-Hispanic White Population	% Change in Average Household Size	Number of Indicators	Potential Risk
Downtown	1	1	119.92%	44.21%	89.62%	6.72%	13.54%	3	Moderate-High
Northeast	2	2	113.04%	75.30%	70.49%	-26.98%	21.18%	2	Moderate-Low
	3	3	117.81%	63.71%	80.33%	-27.53%	6.72%	3	Moderate-High
	4	4	201.45%	79.04%	79.14%	-17.67%	-4.41%	4	High
	7	7	109.96%	43.28%	65.52%	-5.59%	-13.14%	3	Moderate-High
Northwest	5	5	51.00%	72.80%	93.44%	-14.94%	7.08%	3	Moderate-High
	6	6	51.98%	45.05%	78.27%	-16.99%	-6.64%	3	Moderate-High
	8	8	114.53%	34.77%	88.33%	-16.19%	-21.73%	3	Moderate-High
	9	9	42.58%	41.46%	87.66%	-34.38%	-8.49%	2	Moderate-Low
	15/16*	147	334.00%	93.78%	65.84%	-15.35%	-6.82%	3	Moderate-High
Southwest	10	10	127.54%	46.29%	68.71%	-44.97%	-3.83%	3	Moderate-High
	11	11	173.01%	66.89%	31.02%	-23.48%	6.88%	2	Moderate-Low
	12	12	50.77%	42.67%	54.62%	-37.78%	17.62%	0	Low
	14	14	83.70%	21.00%	76.71%	-33.53%	3.65%	0	Low
Median Change in Lancaster City:			108.00%	45.00%	78.00%	-15.00%	1.98%		
Indicator of Neighborhood Change:			Higher than Median	Higher than Median	Higher than Median	Higher than Median	Lower than Median		

* Median value for census tracts 15 and 16 used to calculate the percent change from 2000 to 2019.

Source: Lancaster City; 4ward Planning Inc. 2021

Social Infrastructure Assessment

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Methodology: Social Infrastructure Analysis

Utilizing public and proprietary data sets, 4ward Planning assessed the adequacy of existing socio-economic infrastructure within Lancaster City. This study element is particularly important for identifying critical human infrastructure deficiencies which, if left unaddressed, would undermine the long-term sustainability of commercial and residential development and overall economic health of the city.

Accordingly, the following benchmarks were utilized to identify levels of adequacy or deficiency:

- **Food Deserts:** The United States Department of Agriculture (USDA)'s Food Access Research Atlas identifies "food deserts," where low-income (LI) and low-access (LA) urban census tracts are located more than a half mile from a supermarket.
- **Child Care Desert:** According to the Center for American Progress, a "child care desert" is any census tract with more than 50 children under age five that contains either no child care providers or so few options that there are more than three times as many children as licensed child care slots.
- **Park Access:** The Pennsylvania Department of Conservation and Natural Resources (DCNR) identifies census block groups located outside a 10-minute walk of a public park, and weights these areas based on demographic need factors (population density, childhood population density, and the density of low-income households).
- **Severe Rent Burden:** HUD defines "severe rent burden as households who pay more than 50 percent of their income on rent.

Additional metrics were also analyzed in the residential real estate section of this report to better understand the adequacy of housing choice for Lancaster City workers (e.g., affordability, price range, bedroom mix and condition). Housing is examined because it is a critical piece of any economic development strategy.

Key Findings: Social Infrastructure Analysis

Six census tracts are “food deserts”

According to data provided by United States Department of Agriculture (USDA), six census tracts in Lancaster City are “food deserts” and could benefit from improved access to healthy and affordable food stores.

96 percent of residents have access to a public park

According to data provided by the Pennsylvania Department of Conservation and Natural Resources (DCNR), while 96 percent of Lancaster City residents have access to public park space, there are small portions along the fringe of the city that are in high need of improved park access.

Approximately half of Lancaster City is a childcare desert

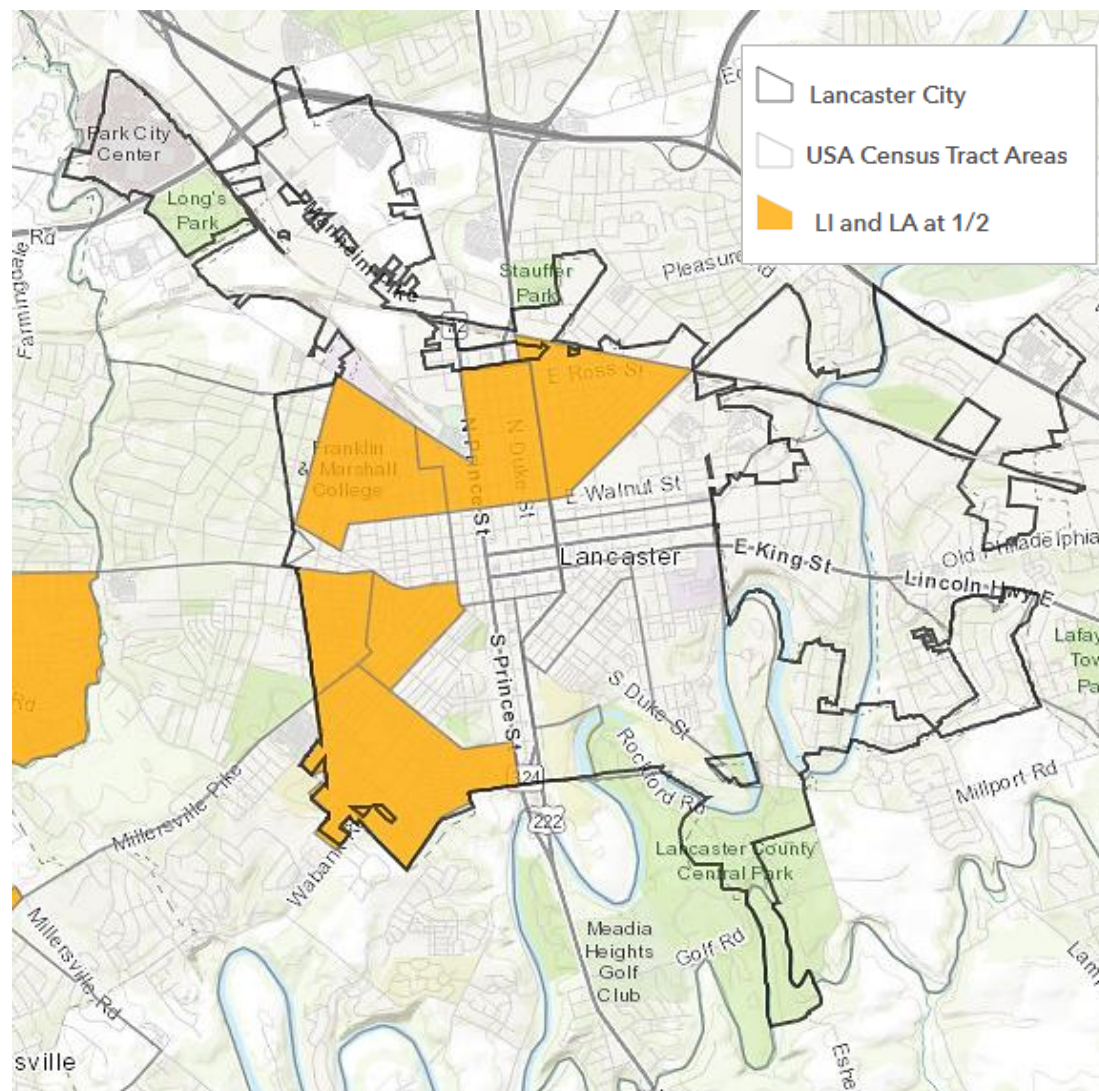
According to data provided by the Center for American Progress, approximately half of census tracts in the city are classified as infant and toddler “child care deserts” and could benefit from improved access to licensed child care providers.

Cost-burdened renter households varies widely by census tract

According to data provided by Esri, the share of severely cost-burdened renter households in the city ranges widely by census tract. As many as 43 percent of renter households in census tracts 147 and 118.05 pay more than 50 percent of their income on rent (compared to 24 percent in the city, overall).

Food Deserts

Limited access to supermarkets, supercenters, grocery stores, or other sources of healthy and affordable food may make it harder for some Americans to eat a healthy diet. The USDA's Food Access Research Atlas identifies "food deserts," where low-income (LI) and low-access (LA) urban census tracts are located more than a half mile from a supermarket. As illustrated in the map to the right, there are six census tracts in Lancaster City that meet this "food deserts" criteria. These census tracts could benefit from improved access to healthy and affordable food stores.



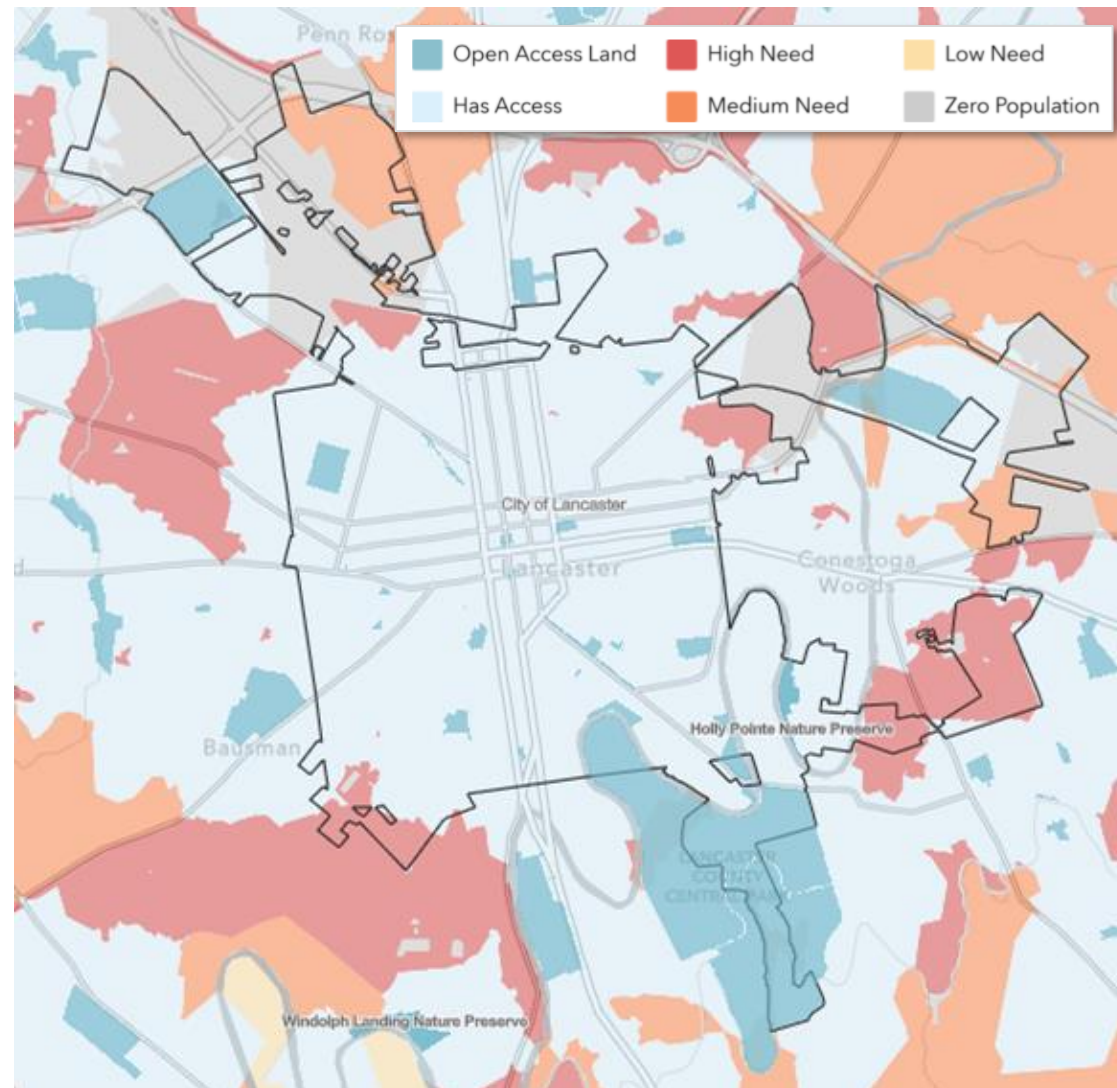
Source: USDA, Food Access Research Atlas, 4ward Planning Inc., 2021

Park Access: 10-Minute Walk Analysis

DCNR identifies census block groups located outside a 10-minute walk of a public park, and weights these areas based on demographic need factors (population density, childhood population density, and low-income household density). While 96 percent of Lancaster City residents have access to public park space, there are small portions along the fringe of the city (shown in red on the map) that are in high need of improved park access.

10-Minute Walk Stats

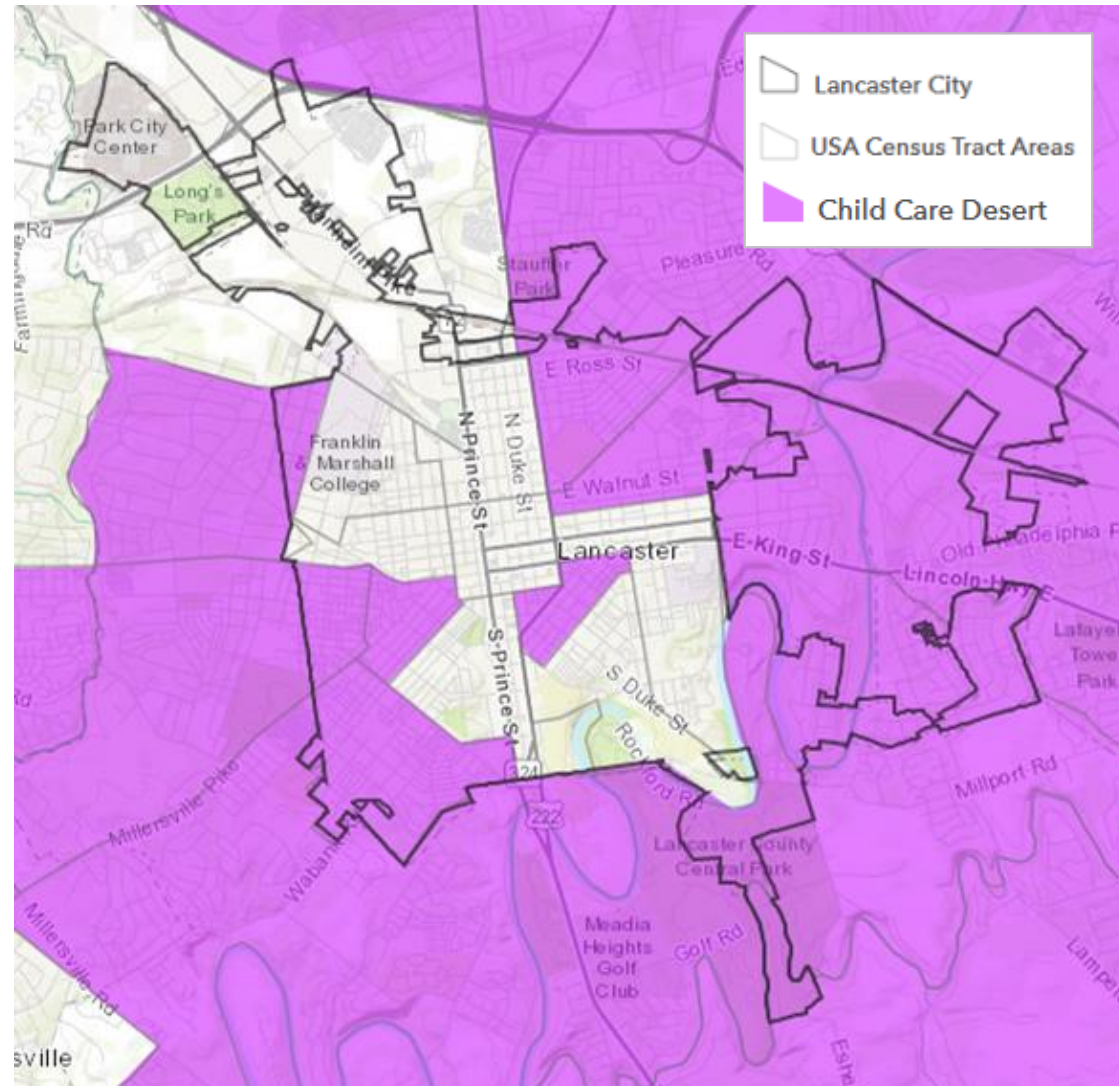
Share of Population Served	Lancaster City	Lancaster County
Total Population	96%	46%
Kids	97%	45%
Adults	96%	48%
Seniors	93%	44%
Low-Income Households	97%	54%
Medium-Income Households	94%	47%
High-Income Households	93%	42%
Whites	94%	43%
Minorities	97%	69%



Source: Pennsylvania Department of Conservation and Natural Resources, 4ward Planning Inc., 2021

Child Care Deserts

According to the Center for American Progress, a child care desert is any census tract with more than 50 children under age five that contains either no child care providers or so few options that there are more than three times as many children as licensed child care slots. Many census tracts in Lancaster City (representing approximately half of land within the city) would be classified as an infant and toddler child care desert. This shortage of licensed child care opportunities can have a significant impact on children and their families. Parents may be forced to make tradeoffs that result in less engaging and reliable child care for their children or that harm their family's economic security. The census tracts shown in purple on the map could benefit from improved access to licensed child care providers.

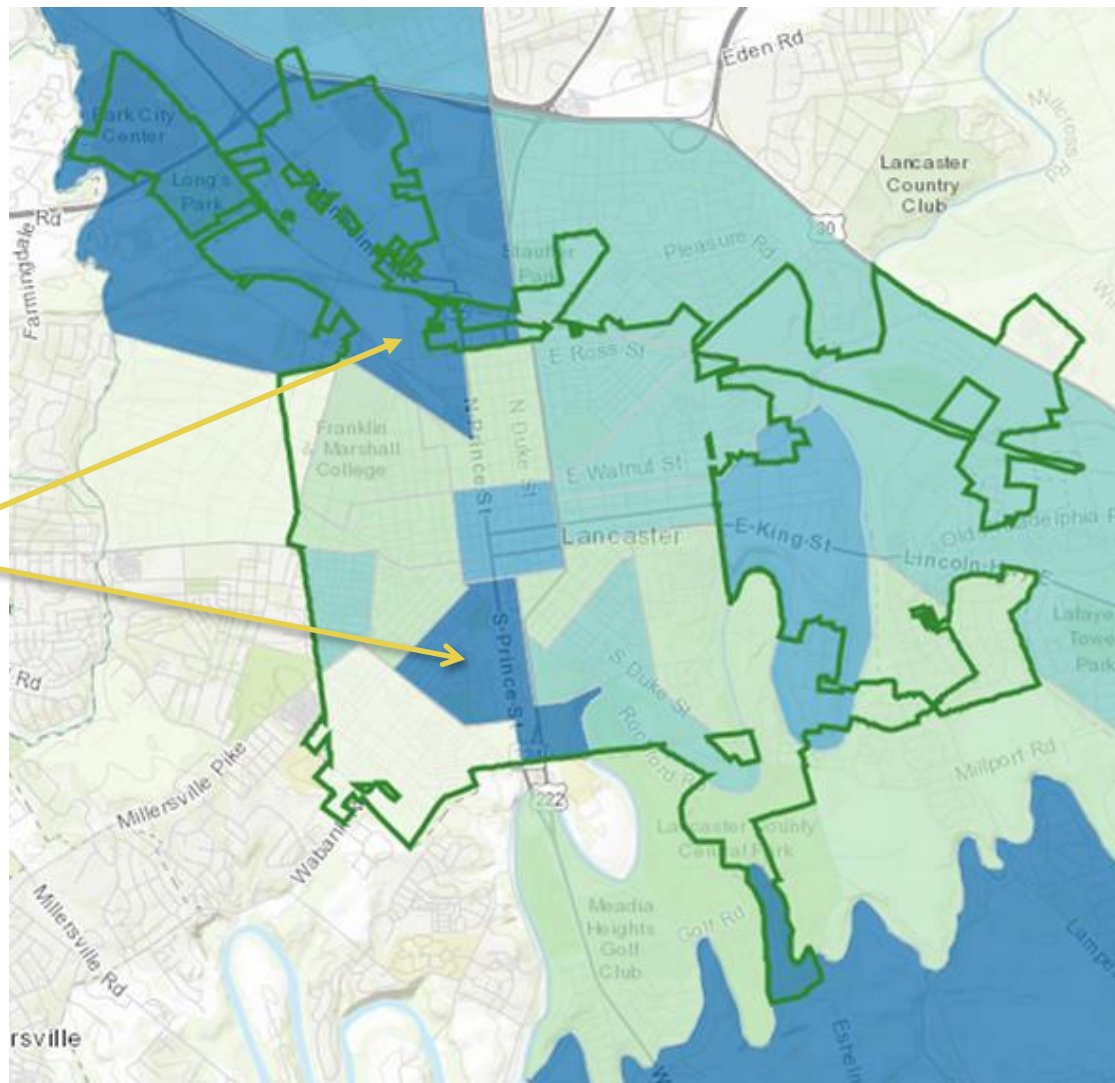
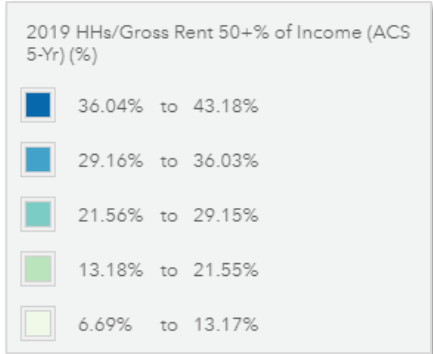


Source: Center for American Progress, 2021

Severe Rent Burden: Renter Households

According to data provided by Esri, the share of severe rent burdened households (more than 50 percent of their income on rent) ranges widely by census tract and reaches as high as nearly 43 percent of renter households (compared to 24 percent in the city, overall).

43 percent of households in census tracts 147 and 118.05 pay more than 50 percent of their income on rent.



Sources: US Census Bureau; Esri; 4ward Planning Inc., 2021.

APPENDIX

Glossary of Terms: Socio Economic & Labor

Displacement: The forced removal or blocked relocation of residents out of or into certain areas that have experienced rent or home price increases and further includes the phenomenon of indirect displacement via social and cultural shifts (Slater 2009).

Empty-Nester Household: A household in which one or more parents live after the children have left home, typically represented by ages 55 through 74.

Family: A family is a group of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people are considered members of one family.

Gentrification: The in-migration of middle- and upper-income households into existing lower income urban neighborhood.

Growth Rates: The chart below outlines how 4ward Planning defines growth rates. For example, flat growth reflects an annualized rate of change between -0.75 and 0.75 percent.

Strong Positive Growth	Greater than	1.50%		annually
Modest Positive Growth	Between	1.50%	and 0.75%	annually
Flat Growth	Between	0.75%	and -0.75%	annually
Modest Negative Growth	Between	-0.75%	and -1.50%	annually
Strong Negative Growth	Less than	-1.50%		annually

Household: A household consists of all the people who occupy a housing unit. A house, apartment, or other group of rooms or a single room, is regarded as a housing unit when occupied or intended for occupancy as a separate living quarter. The count of households excludes group quarters and institutions.

Household Population: Household population, as compared to total population, excludes persons living in dormitories, penal facilities, hospitals, and other institutional settings.

Industry: The industry is the type of activity that occurs at a person’s place of work. Industries are classified through the NAICS.

Non-Family Household: A non-family household consists of a householder living alone (a one-person household) or a householder sharing the home exclusively with people to whom he/she is not related.

Primary Job: A primary job is the dominant job for an individual, defined as the job earning an individual the most money. The number of primary jobs should be equal to the number of workers in a given area.

Urban Revitalization: Often refers to a set of initiatives aimed at reorganizing an existing city structure, particularly in neighborhoods in decline due to economic or social reasons. Urban revitalization initiatives generally include improving features of the urban environment, such as the quality of pavement and the functionality of the sidewalks.



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