

PENNSYLVANIA GETS IT DONE.

The State of Housing in Pennsylvania.

May 1, 2025

The Pennsylvania Department of Community and Economic Development.



The State of Housing in Pennsylvania

Community and Economic Development Wins.

- ✓ Investing **\$500 million** into commercial and industrial site readiness
- ✓ Tripled the amount of funding available for main street initiatives and launched the **Main Street Matters program**
- ✓ Merged DCED business attraction, retention, marketing, and data teams to create **BusinessPA** to modernize DCED's organizational structure to be more competitive
- ✓ Secured over **\$3.7 billion** in private sector investments

The State of Housing in Pennsylvania

10-Year Economic Development Strategy Goals.



**Invest in Our Economic
Growth
to Compete**



**Make Government
Work at the
Speed of Business**



**Open Doors of
Opportunity for
all Pennsylvanians**



Innovate to Win



**Build Vibrant and
Resilient Regions**

The State of Housing in Pennsylvania

Expand Availability of Housing.

Increase Pennsylvania's housing inventory.

- ✓ Leverage existing state and federal programs such as the Weatherization Assistance Program and work to capitalize new state funding opportunities for residential development
- ✓ Launch a market rate housing task force to study and advise efforts to expand our inventory of market rate housing, combining the resources of state government with the experiences of private industry



The State of Housing in Pennsylvania

Executive Order 2024-03.

Housing Action Plan and Addressing Homelessness

- ✓ Provides for the creation of a Housing Action Plan for Pennsylvania
- ✓ Goals of the Housing Action Plan
 - Determine state and regional housing needs
 - Identify housing goals with measurable outcomes
 - Assess the effectiveness of existing housing programs
 - Recommend initiatives to improve housing outcomes
- ✓ Deadline of September 12, 2025



The State of Housing in Pennsylvania

Primary Areas of Focus.

An “All of the Above” Approach to Housing



**Building new
housing units**



**Preserving existing
housing units**



**Making housing
more affordable**



**Supporting vulnerable
populations**



**Ensuring equity in
housing outcomes**



**Achieving
operational excellence**

The State of Housing in Pennsylvania

State of the Pennsylvania Housing Market.

Housing Demand in Pennsylvania

- ✓ The population of Pennsylvania is expected to grow from 12.9 million in 2020 to 13.2 million by 2040.
- ✓ The number of people per household is projected to decrease further from 2.5 in 2020 to 2.43 in 2040.
- ✓ We anticipate a need to replace 230,000 existing housing units by 2040.
- ✓ While regions vary in their need for new housing construction, all regions need some level of new construction.

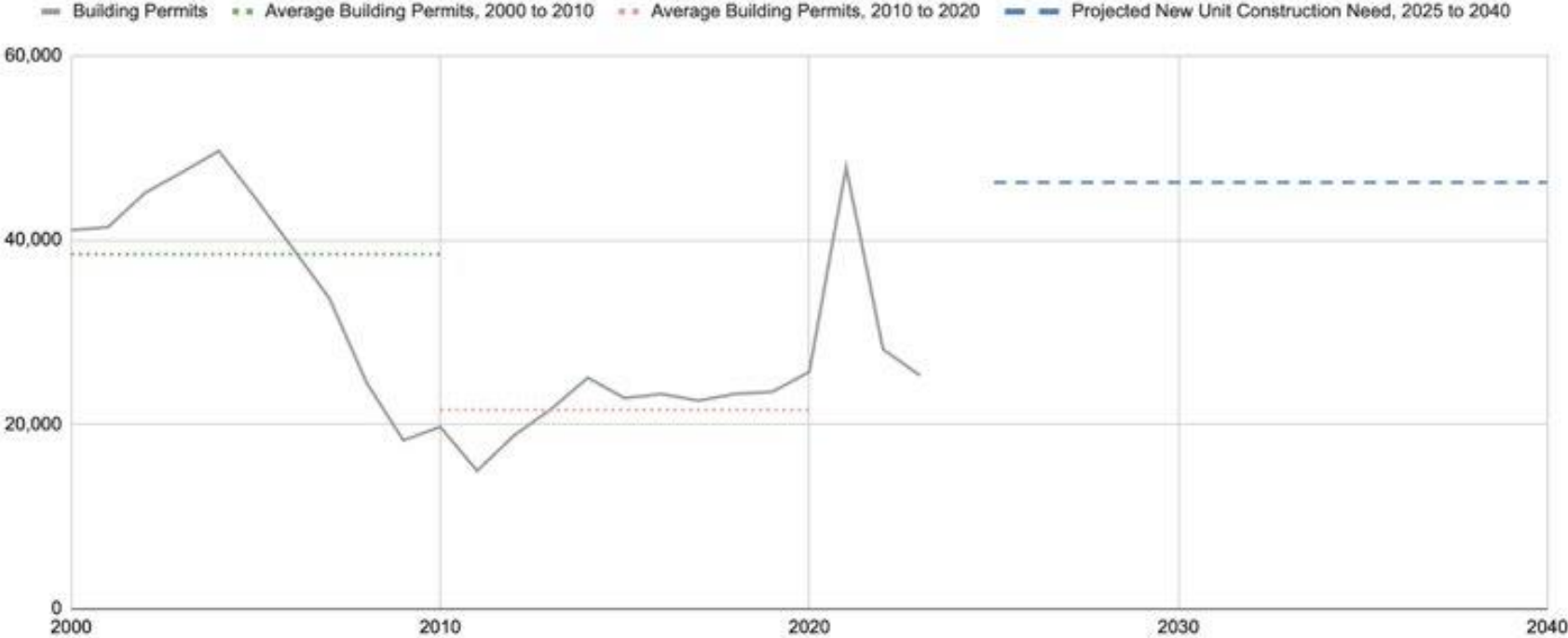


The State of Housing in Pennsylvania

State of the Pennsylvania Housing Market.

Housing Permitting in Pennsylvania

Historical Building Permits vs. Projected New Unit Construction Need



The State of Housing in Pennsylvania

State of the Pennsylvania Housing Market.

Key Construction and Rehabilitation Figures

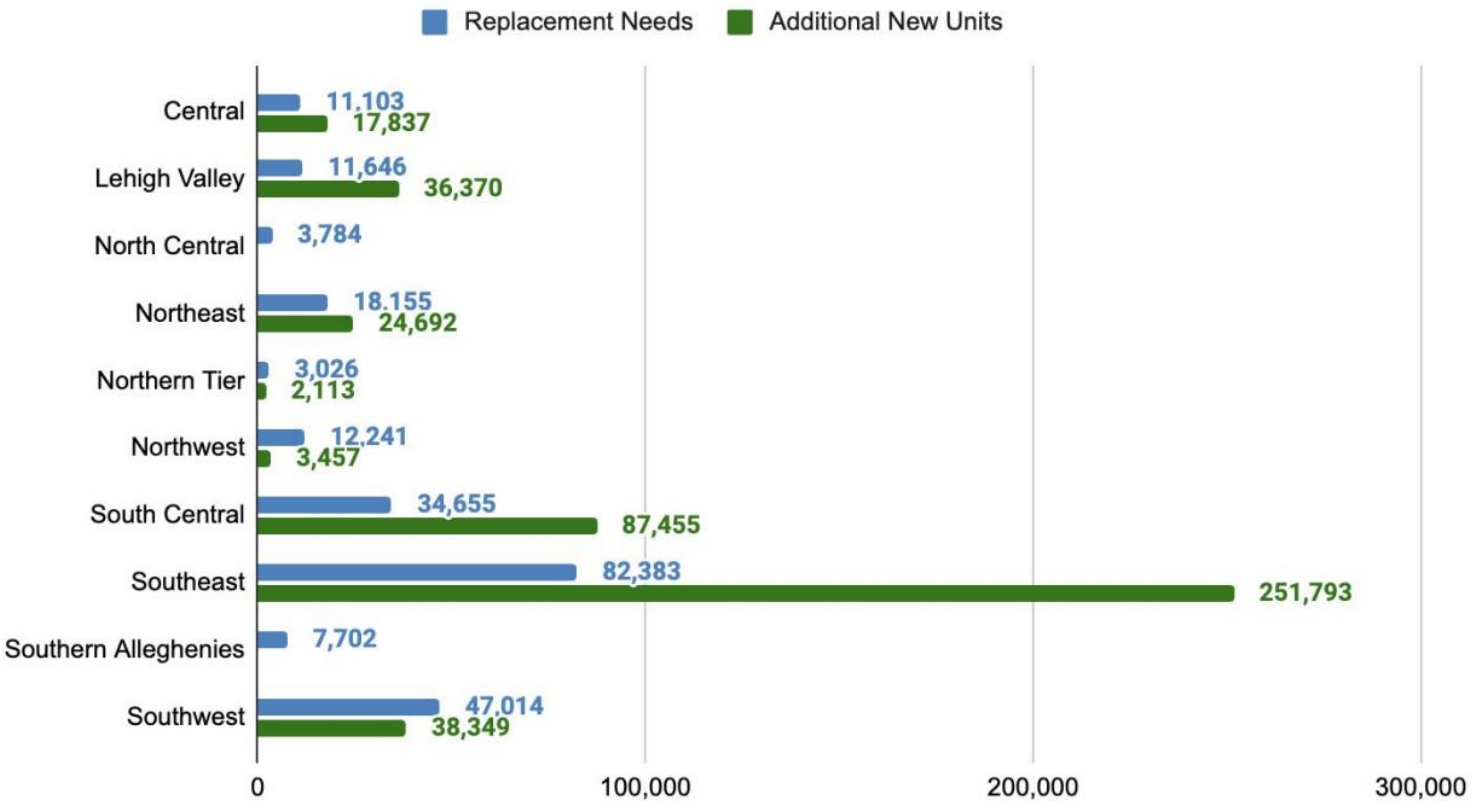
- ✓ Preliminary projections show that Pennsylvania needs to add 460,000 new housing units to its stock and replace 230,000 existing housing units by 2040.
- ✓ This means we have to build 19,500 more units each year than we are currently constructing, or a 73% increase in new housing construction.
- ✓ We also have to keep our existing housing stock in good repair – over 1.4 million units were built before 1940.



The State of Housing in Pennsylvania

State of the Pennsylvania Housing Market.

Housing Demand in Pennsylvania



The State of Housing in Pennsylvania

State of the Pennsylvania Housing Market.

Housing Production Needs in the Tri-County Region

- ✓ The Tri-County Region has a projected need to build 37,682 new housing units by 2040. This amounts to an average of 2,500 new units per year.
- ✓ On average, the region has produced 1,855 units per year over the last five years.
- ✓ The region must work to increase its current production rate by 35% to meet projected housing demand.

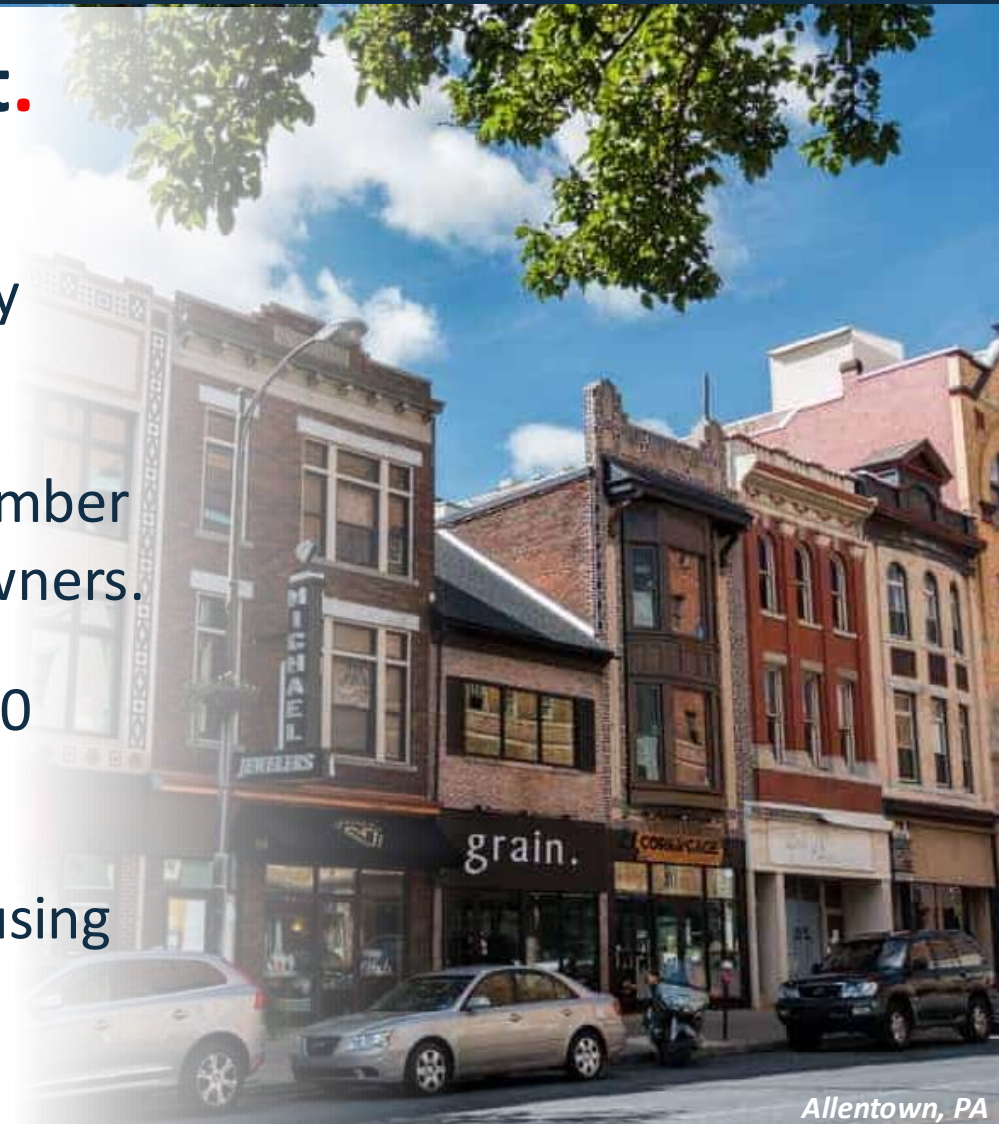


The State of Housing in Pennsylvania

State of the Pennsylvania Housing Market.

Key Affordability Figures

- ✓ 20% of PA homeowners are cost burdened and nearly 50% of PA renters are cost burdened.
- ✓ Pennsylvania ranks 24th in the nation for both the number of cost burdened renters and cost burdened homeowners.
- ✓ Preliminarily, estimates show a deficit of over 122,000 deeply affordable rental units (HHI \leq 30% AMI).
- ✓ Additional shortages are projected for workforce housing (HHI from 80% AMI to 120% AMI).



The State of Housing in Pennsylvania

State of the Pennsylvania Housing Market.

Key Housing Supports Figures

- ✓ 20% of PA residents are over the age of 65, which is 20% higher than the national average.
- ✓ In 2024, Pennsylvania experienced a 46% annual increase in completed foreclosures, one of the steepest rises in the U.S.
- ✓ Approximately 115,000 households face eviction filings annually, or roughly 310 renter households per day.
- ✓ The denial rate for Black residents applying for a conventional mortgage is nearly 300% higher than the denial rate for white residents.

The State of Housing in Pennsylvania

State of the Pennsylvania Housing Market.

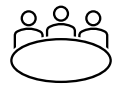
State of Homelessness in Pennsylvania

- ✓ 6.7% increase in Pennsylvania's homeless population from 2019 to 2024.
- ✓ This increase includes a 61.7% rise in unsheltered individuals from 1,630 to 2,635.
- ✓ Current estimates include 2,378 severely mentally ill individuals, 1,431 individuals with substance abuse issues, 819 victims of domestic abuse, and 382 unaccompanied youth.
- ✓ Despite the sharp increase in unsheltered individuals, PA has only added 67 new shelter beds from 2019 to 2024.



The State of Housing in Pennsylvania

Stakeholder Feedback and Survey Responses.



15 regional roundtables hosted including one in the Tri-County Region



Over 2,500 survey responses received from every county in the state



Housing Themes from Regional Roundtables

- Need to upgrade and expand basic infrastructure
- Make it easier to build in Pennsylvania
- Grow local capacity for housing policy and planning



Important Housing Qualities from Survey Responses

- Affordability
- Proximity to public services and amenities
- Commuting distance to work



The State of Housing in Pennsylvania

Governor Shapiro's Proposed 2025-26 Budget.

Early Action on Housing Solutions



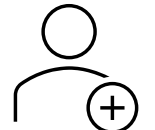
**\$50 million for Housing
Stock Restoration**



**\$10 million for First
Time Homebuyers**



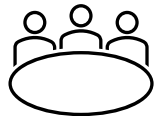
**Continuing the PHARE
Increase to \$110 million**



**Staffing Up the State
Planning Board**



**Sealing
Eviction Records**



**Creating an Interagency
Council on Homelessness**

**PENNSYLVANIA
GETS IT DONE.**

The State of Housing in Pennsylvania.