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Turning Information into Insight

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Introduction

Northeastern Pennsylvania, like communities across the United States, is experiencing a housing crisis shaped by longstanding structural challenges and intensified by recent demographic, economic, and market pressures. Even before the COVID-19 pandemic, the region faced a shortage of available and affordable homes; in-migration, rising construction costs, and a stagnant supply of new units have since deepened those conditions. As a result, renters and homeowners across income levels are confronting escalating prices, limited options, and increasing instability.

The effects of this crisis extend far beyond the real estate market. Housing is deeply interconnected with nearly every aspect of individual and community well-being. When households struggle to secure stable, safe, and affordable homes, the impacts ripple outward – affecting public health, academic performance, workforce participation, family stability, economic mobility, and overall quality of life. Unaffordable housing can force families to sacrifice basic needs such as healthcare, transportation, or nutritious food; frequent moves and unsafe living conditions can disrupt students’ attendance and learning; and workers facing long commutes or unstable housing often experience reduced productivity and increased stress. Together, these consequences highlight the central role of housing as a foundation for thriving communities.

Compounding these challenges are the myths and misconceptions that shape public understanding of housing issues. For example, misunderstandings about what constitutes ‘affordable housing,’ who it serves, and how housing policy works can hinder effective problem-solving. It is frequently conflated with low-income or subsidized housing, though it pertains to housing that costs no more than 30 percent of a household’s income – an issue relevant to moderate-income workers, young families, and older adults alike. Some community members may also assume that increasing housing supply automatically harms neighborhood character, even though housing types such as accessory dwelling units, mixed-use buildings, and infill development can be seamlessly integrated into existing communities. Other myths persist about manufactured or modular homes being lower quality than site-built homes, despite modern construction standards that often exceed traditional building requirements.

These misconceptions can further obscure the underlying structural barriers facing the region. The limited growth in new housing, for instance, is due in part to restrictive and fragmented zoning regulations. Pennsylvania allows each municipality to set its own zoning rules, creating inconsistencies that slow development and limit the types of housing that can be built. As a result, Pennsylvania ranks 44th in the nation for housing production between 2017 and 2023, and without policy changes to reduce barriers to diverse housing types, prices will continue to rise across the existing stock.ⁱ

In turn, the shortage of stable and affordable housing influences multiple social and economic outcomes. Secure housing has been shown to be a key determinant of academic success, yet students experiencing eviction, frequent moves, or poor housing quality face additional obstacles to learning and are less likely to graduate on time. Housing insecurity also affects labor force participation; long distances between home and work, unreliable transportation, and unstable living conditions can limit employment opportunities and undermine long-term financial stability. These interconnected and compounding

effects underscore the urgency of addressing not only the housing shortage itself but also the underlying policies, perceptions, and structural challenges that shape it.

Commonly Used Terminology

Understanding key housing terminology is important for interpreting trends in the real estate market and making informed decisions about property ownership, investment, and community development. Although it is not exhaustive, the following list contains key terms as identified by The Institute's research team and Housing Task Force, comprised of industry professionals.

Accessory Dwelling Units (ADUs) – Small-scale infill housing units built on the same property as an existing home. ADUs may provide rental income for the homeowner or serve as housing for an older parent, relative, or young adult. When accessible from an alley, they may also be referred to as *alley homes*.

Affordability – A measure of the amount a household can comfortably spend on housing. Experts generally consider housing affordable when it costs no more than 30 percent of a household's income. Affordability takes into account income, down payment, and monthly expenses.

Affordable Housing – Housing is considered affordable when rent or mortgage payments total 30 percent or less of a household's income. Affordability assessments incorporate income, down payment, and monthly expenses.

Aging in Place – The ability to live safely, independently, and comfortably in one's own home regardless of age, income, or ability level. Accommodations for aging in place may include installation of grab bars, ramps, etc.

Cost-Burdened Homeowners (or Renters) – Homeowners (or renters) who spend more than 30 percent of their incomes on housing costs.

Housing Density – The number of housing or dwelling units that can be built within a defined area of land. Density is set by local municipalities or counties and specifies minimums and maximums.

Housing Insecurity – A lack of stable, safe, and affordable housing caused by factors such as high housing costs, poor housing quality, or overcrowding. Individuals experiencing housing insecurity may be at risk of homelessness and face impacts on health, stability, and overall well-being.

Infill Housing – Housing developed by repurposing vacant or underutilized land or buildings. Examples include converting offices, warehouses, or schools into apartments or townhouses. Larger parcels may also be redeveloped into communities of manufactured or modular homes.

Low-Income/Subsidized Housing – Housing for individuals earning 60 percent to 80 percent below the area median income, supported through government subsidies. Subsidies may include down payment assistance, interest rate reductions, deferred loans for developers, and tax credits to encourage investment in low- and moderate-income housing. Examples in the region include public housing and Section 8.

Manufactured Housing – Housing units built entirely in a factory and aligned with HUD national standards, then delivered and installed on-site according to manufacturer specifications. Modern manufactured homes can be permanently installed and built to high standards, offering more customization than older ‘mobile homes.’

Mixed-Use Development – Buildings or complexes that combine two or more property uses. This model is common on local main streets where businesses or restaurants occupy ground floors and residential units are located above them.

Modular Housing – Factory-built homes assembled on site. Modular homes differ from manufactured homes in their building codes, financing options, and appearance, and are typically placed on permanent foundations, classifying them as site-built. Furthermore, PA Uniform Construction Codes have been updated to allow three-story and four-story construction, depending on site conditions and circumstances.

Residential Density – The number of people living within a defined land area. This term often applies to townhouses or rowhomes due to their close proximity and smaller associated land areas.

Senior Housing – Senior or assisted living facilities designed for older adults who require regular assistance or cannot safely age in place. An assisted living community may include meal provision, medication management, and mobility support. Though sometimes costly, these options may be more feasible than modifying an existing home and can offer greater safety and social engagement.

Shared Equity Housing – A model that creates permanently affordable homeownership opportunities while allowing families to build wealth. Ownership is shared between the homeowner and a nonprofit representing the community, a group of homeowners, or a public entity that preserves affordability across generations.

Site Preparation (Site Prep) – All activities required to create a safe and stable environment before construction or home installation. Activities include testing, inspecting, clearing, leveling, and marking the property for boundaries and utilities.

Stick-Built Homes – Traditional homes constructed on-site using wood framing. This construction style offers greater design flexibility but may cost more and take longer to build than modular or manufactured homes.

Transit-Oriented Housing – Housing strategically located near public transit, allowing residents convenient access to work, services, and retail. In Northeastern Pennsylvania, this typically refers to housing near bus routes and is generally located within one mile of transit access.

Transitional Housing – Facilities or units that provide temporary housing for individuals leaving institutions, recently experiencing homelessness, or transitioning off public assistance. Examples include apartments or shared living arrangements, often with defined lengths of stay. Halfway or group homes offer additional supervision or treatment.

Workforce Housing – Housing for middle- or moderate-income individuals or households earning 60 percent to 120 percent of the area median income. These developments are typically located near employment centers and transportation options.

Zoning – Local government regulations that designate how land may be used. Common zoning categories include residential, commercial, industrial, and agricultural.

Contributing Factors to the Housing Shortage

The housing shortage in Northeastern Pennsylvania (NEPA) is the result of multiple interconnected structural, economic, and demographic challenges. These factors reduce the availability of affordable and adequate housing for both renters and homeowners.

Aging and Deteriorating Housing Stock

Much of Northeastern Pennsylvania’s housing stock was constructed before 1980. In Lackawanna and Luzerne Counties, approximately one-third of the housing stock was built prior to 1940 – making these homes nearly 90 years or older. The age of these homes presents significant challenges for both residents and the region’s overall housing stability. Many older units require substantial repairs or modernization, such as updated electrical systems, roof replacements, improved insulation, or new heating and plumbing, to remain safe and habitable. Without these investments, properties can quickly fall into disrepair.

These aging homes also create accessibility barriers, particularly for older adults who wish to age in place but may struggle with steep stairs, narrow doorways, outdated bathrooms, or uneven flooring. As maintenance needs accumulate and costs rise, homeowners with limited financial resources are more likely to delay essential repairs. Over time, deferred maintenance contributes to deterioration, making homes less energy-efficient, more hazardous, and increasingly vulnerable to blight. Entire neighborhoods can be affected as neglected properties reduce surrounding home values and accelerate broader decline.

Homes by Year Built - 2024										
Year Built	Lackawanna		Luzerne		Wayne		Wyoming		Pennsylvania	
Built 2020 or later	574	0.6%	849	0.6%	215	0.7%	74	0.6%	57,704	1.0%
Built 2010-2019	3,786	3.8%	4,538	3.0%	1,520	4.7%	565	4.4%	298,876	5.1%
Built 2000 - 2009	5,743	5.7%	9,848	6.5%	3,589	11.2%	1,303	10.1%	471,924	8.1%
Built 1990 - 1999	6,710	6.7%	11,073	7.3%	4,318	13.4%	1,470	11.4%	514,535	8.9%
Built 1980 - 1989	7,754	7.7%	12,363	8.2%	6,425	20.0%	1,663	12.9%	559,898	9.6%
Built 1970 - 1979	11,938	11.9%	24,274	16.0%	5,526	17.2%	2,266	17.6%	717,278	12.4%
Built 1960 - 1969	8,857	8.8%	13,182	8.7%	2,080	6.5%	965	7.5%	577,475	9.9%
Built 1950 - 1959	9,222	9.2%	15,660	10.4%	1,905	5.9%	871	6.8%	754,049	13.0%
Built 1940 - 1949	9,431	9.4%	13,646	9.0%	897	2.8%	402	3.1%	404,460	7.0%
Built 1939 or earlier	36,162	36.1%	45,854	30.3%	5,696	17.7%	3,317	25.7%	1,450,253	25.0%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates

Insufficient New Home Construction

Pennsylvania is one of the lowest-performing states in terms of new housing production. From 2017 to 2023, the state expanded its housing stock by 3.4 percent – less than half the national growth rate of 7.5 percent. In Northeastern Pennsylvania, this challenge is compounded by population growth that has exceeded the pace of new construction, widening the gap between available housing and the needs of current and future residents.

Issues such as the acquisition of land parcels containing essential infrastructure (electric, sewer, gas, etc.) limit development. This lack of infrastructure readiness can prevent projects from moving forward, leading otherwise interested developers to shift their investments to other regions – even where costs are higher and expected profit margins are lower.

Restrictive and Fragmented Zoning Regulations

Local governments throughout the region maintain zoning codes that are often inconsistent and, in many cases, restrictive. These variations limit the density, type, and location of new housing, slowing construction and complicating efforts to plan effectively across municipal boundaries. Although each municipality has the option to adopt its county's zoning regulations, many choose instead to create or modify their own in order to retain control over what types of housing can be built within their jurisdictions. The result is a patchwork of requirements that vary widely from one community to the next. This fragmentation increases costs and uncertainty for developers and ultimately inhibits the production of new housing at the scale needed to address the region's shortage.

In addition to regulatory fragmentation, Pennsylvania lacks a consistent framework for zoning terminology and development methodology across municipalities. Definitions of housing types, density classifications, and approval processes often vary significantly from one jurisdiction to another. This inconsistency creates unnecessary complexity for developers, limits scalability of housing solutions, and increases project risk and cost.

Fragmented Building Code Enforcement

Building codes outline minimum standards for building design, construction, and maintenance in order to ensure safety, structural integrity, and habitability. Building codes govern technical aspects such as fire protection, structural loads, electrical, plumbing, mechanical systems, and safe means of egress. Although Pennsylvania has adopted and administers the Uniform Construction Code (UCC) as the statewide standard, interpretation and enforcement remain decentralized and are handled on a municipality-by-municipality basis, creating ongoing challenges for architects, engineers, and developers.

More specifically, differences in how provisions are applied, reviewed, and approved create uncertainty and inconsistency across jurisdictions. This fragmentation increases project risk, adds time and cost, and makes it difficult for architects, engineers, and developers to efficiently replicate or scale projects across multiple communities.

Rising Construction Costs and Limited Buildable Land

Developers face steadily rising costs at nearly every stage of the building process, from land preparation to construction materials to site development. Preparing a site often requires extensive grading, utility installation, soil testing, environmental remediation, or stormwater management, each of which adds significant expense before construction can even begin. At the same time, the cost of materials such as lumber, concrete, and essential components like electrical and plumbing supplies has increased in recent years, further driving up overall project budgets.

The National Association of Home Builders (NAHB) reports that tariffs on building materials raise housing costs by increasing the price of essential inputs, with builders estimating recent tariffs added about \$10,900 per home on average.ⁱⁱ Economic studies confirm measurable cost impacts. The Brookings Institution estimates that current U.S. tariffs will add roughly \$30 billion to the cost of residential construction investment, with about 90 percent of the impact falling on new home and apartment construction. Their analysis concludes that tariffs materially increase construction costs and risk worsening housing shortages.ⁱⁱⁱ Other causes of cost increases include inflation, labor shortages, supply chain disruptions, and high demand.

Compounding these challenges is the limited availability of land that is both suitable and affordable for development. Many remaining parcels lack necessary infrastructure, require costly remediation, or are constrained by topography that limits what can be built. As a result, opportunities to construct new single-family and multifamily units are increasingly scarce. These combined pressures make it more difficult for developers to deliver new housing at prices that are attainable for most households, further contributing to the region's housing shortage.

Shrinking Supply of Affordable Rental Units

Across Pennsylvania, the supply of low-cost rental units continues to decline, creating increasing pressure on households with limited incomes. At the same time, newly developed rental units, including those created through adaptive reuse of former commercial or institutional buildings, typically enter the market at higher price points. These projects often involve substantial renovation costs, modern amenities, or updated building systems, which raise rents beyond what many low- and moderate-income households can afford. As newer units command higher prices, overall market rents are pulled upward, further limiting the availability of truly low-cost options.

Rapid Increase in Rental Prices

Rental prices in NEPA have increased sharply in recent years, by as much as 48 percent between 2018 and 2024 when looking at the typical market rent. This escalation has outpaced local wage growth. As rents consume larger shares of monthly incomes, many renters struggle to cover essential expenses. The mismatch between rent growth and income also limits upward mobility; renters have fewer opportunities to build savings or improve credit, making future homeownership increasingly out of reach. Over time, these pressures contribute to rising housing insecurity, greater vulnerability to displacement, and reduced economic resilience throughout the region.

Typical Market Rent							
	2018	2019	2020	2021	2022	2023	2024
Scranton/ Wilkes-Barre/ Hazleton	\$847	\$882	\$926	\$1,052	\$1,172	\$1,213	\$1,252
United States	\$1,484	\$1,544	\$1,574	\$1,709	\$1,934	\$1,943	\$2,082

Source: Zillow Research ZORI (Zillow Observed Rent Index). Each value is the average of all available monthly data. Prior data has been revised.

Escalating Home Values and Low For-Sale Inventory

The number of homes listed for sale statewide fell by 60 percent between 2017 and 2023.^{iv} From 2019 to 2024, typical home values in NEPA rose between 71 percent and 90 percent. Together, these trends have created a competitive seller’s market, where limited inventory drives prices higher and reduces options for prospective buyers. First-time buyers and lower-income households are especially disadvantaged, because they face fewer affordable listings, increased bidding pressure, and greater difficulty securing financing in a market where homes often sell quickly and above asking price. This tightening of the for-sale market further constrains mobility within the region and reinforces the broader housing affordability challenges facing NEPA.

Typical Home Value									
	2000	2010	2018	2019	2020	2021	2022	2023	2024
Lackawanna County	ND	\$102,698	\$115,280	\$119,822	\$129,001	\$149,093	\$164,233	\$203,867	\$204,772
Luzerne County	\$63,709	\$94,211	\$100,433	\$107,104	\$116,572	\$135,887	\$152,159	\$188,290	\$203,988
Wayne County	\$80,325	\$138,351	\$152,086	\$157,473	\$168,725	\$215,943	\$259,437	\$273,682	\$284,843
Pennsylvania	\$89,287	\$143,806	\$164,746	\$172,531	\$185,421	\$210,854	\$232,218	\$253,762	\$265,565
United States	\$113,743	\$155,117	\$214,851	\$226,476	\$241,516	\$279,263	\$323,117	\$342,941	\$356,585

Source: Zillow Research ZHVI (Zillow Home Value Index). Each value is the average of all available monthly data. Prior data has been revised.

Widespread Housing Cost Burden

A significant share of households in the Scranton/Wilkes-Barre area are considered cost-burdened, meaning they spend more than 30 percent of their income on housing expenses. Approximately 32 percent of homeowners and 52 percent of renters fall into this category, reflecting a widespread affordability challenge across the region. When such a large portion of income is devoted to housing, households have less financial flexibility to cover other essential needs, such as healthcare, transportation, childcare, or savings. This reduces economic mobility, limits opportunities to build wealth, and constrains housing turnover, as fewer residents are able to move into homeownership or transition to housing that better fits their needs.

Deferred Maintenance and Insufficient Resources for Repairs

A large number of low-income homeowners are unable to afford the repairs necessary to keep their homes safe and in good condition. Statewide, approximately 26 percent of owner-occupied homes are owned by households earning under \$50,000 per year, and many of these residents struggle to cover the cost of essential maintenance. As repairs are postponed or skipped entirely, housing quality deteriorates,

leading to issues such as leaking roofs, outdated electrical systems, and failing heating or plumbing. Over time, widespread deferred maintenance contributes not only to declining individual properties but also to neighborhood-level blight, as clusters of aging or deteriorating homes undermine community stability and property values.

Demographic Shifts: Aging Population and Declining Workforce

NEPA is experiencing significant demographic shifts, marked by a growing older population and a shrinking working-age population. As more residents age, many remain in larger single-family homes longer than in previous decades, often because suitable downsizing options are limited or unavailable. This trend reduces the turnover of existing homes and increases demand for smaller, accessible, or low-maintenance units – housing types that the current market has not produced at the scale needed. The mismatch between demographic trends and available housing options places additional strain on the region’s supply, making it more difficult for older adults seeking appropriate living arrangements and younger households trying to enter the market.

Housing Challenges and Their Implications

The housing shortage in Northeastern Pennsylvania (NEPA) produces far-reaching consequences across individual well-being, community stability, economic development, and public systems. These impacts span the five domains of the Social Determinants of Health (SDOH) – economic stability, neighborhood and built environment, health and healthcare access, education, and social/community context – while also creating additional regional and statewide challenges that affect employers, local governments, and long-term competitiveness.

Impacts on the Social Determinants of Health (SDOH)

Economic Stability

Rents and home values in NEPA have risen far faster than wages; this cost pressure reduces disposable income and heightens economic insecurity for households already on the margin. Fewer resources are available for other essential expenses such as food, transportation, medical care, childcare, and savings. Households become increasingly vulnerable to unexpected expenses or income disruptions. This erosion of financial stability makes it more difficult for households to plan for the future, build assets, or move toward long-term goals like homeownership.

At the same time, many lower-income homeowners cannot afford critical repairs. When homeowners cannot maintain their properties, deterioration accelerates and repair needs become more costly over time. Deferred maintenance may lead to unsafe living conditions, higher energy bills, loss of home equity, and greater financial strain. In severe cases, homeowners may face displacement or foreclosure, both of which can have long-lasting effects on a household’s financial trajectory. The cumulative impact

of aging homes, unaffordable repairs, and rising housing costs reduces economic mobility and limits opportunities for wealth building—key components of economic stability.

Neighborhood and Built Environment

Older homes – many built before 1980 – often contain hazards such as mold, lead paint, poor insulation, structural deficiencies, and outdated heating systems. These conditions directly affect the health and safety of residents, increasing exposure to respiratory illness, injury risks, and temperature-related stress. When these hazards are widespread within a neighborhood, they diminish the overall quality of the built environment, contributing to higher rates of environmental health concerns and reducing the livability of surrounding areas.

Blighted or deteriorating properties have broader community impacts. Vacant, neglected, or visibly deteriorated homes undermine neighborhood safety and aesthetics, discouraging outdoor activity and reducing residents' sense of security. Over time, clusters of deteriorating structures can depress nearby property values, deter new investment, and accelerate physical decline. These conditions weaken the neighborhood fabric, limit opportunities for revitalization, and contribute to long-term disinvestment.

Together, aging housing hazards and deteriorating properties create a built environment that is less healthy, less walkable, and less supportive of community well-being. They also place additional strain on local governments, which must manage increased code enforcement, remediation needs, and infrastructure challenges.

Health and Health Care Access

When housing costs exceed 30 percent of household income – as is the case for 32 percent of homeowners and 52 percent of renters in the Scranton/Wilkes-Barre area – families are often forced to make difficult financial trade-offs. High housing cost burdens frequently lead households to delay preventive care, skip medications, or avoid medical visits altogether. These decisions increase the likelihood of unmanaged chronic conditions, higher rates of illness, and worse long-term health outcomes. Over time, limited access to routine care contributes to greater emergency department use, placing additional strain on both families and the region's healthcare system.

The physical condition of housing directly influences health as well. Repair and weatherization programs have demonstrated measurable health benefits by addressing hazards such as drafts, mold, poor insulation, and inadequate heating systems. Homes that receive repairs and energy-efficiency upgrades often experience reduced emergency medical use, improved respiratory health, and greater overall stability for residents. These improvements highlight the strong connection between safe, healthy housing and a household's ability to access and benefit from healthcare. When living conditions improve, families face fewer health-related disruptions and are better able to prioritize ongoing medical needs.

Education Access and Quality

Housing instability, including frequent moves, overcrowding, and unsafe living conditions, directly disrupts students' ability to access and benefit from education. When families are forced to relocate repeatedly due to rising rents, eviction risk, or inadequate housing, children experience interruptions in

school enrollment, inconsistent classroom instruction, and lost instructional time. These disruptions weaken academic continuity and make it more difficult for students to keep pace with grade-level expectations, build relationships with teachers, or engage fully in learning.

Social and Community Context

Unaffordable or deteriorating housing undermines the social and community fabric of neighborhoods by weakening the everyday connections that allow residents to feel supported, engaged, and rooted in their communities. The stress associated with unstable or poor-quality housing also reduces the emotional bandwidth individuals need to maintain relationships, engage with neighbors, and contribute to collective well-being.

NEPA's aging population faces additional challenges. Many older adults are aging in place in homes that are no longer safe or accessible, increasing fall risk and limiting mobility. As mobility decreases, opportunities for social interaction also decline, leading to greater isolation and reduced participation in community life. This isolation not only affects individual well-being but also weakens broader community cohesion. Fewer residents are able to take part in neighborhood activities, serve in leadership roles, or support civic initiatives – all of which are essential for building strong, resilient communities.

Physical and Mental Health Impacts

Physical Health

As referenced above, unsafe housing conditions – particularly in homes built before 1980 – expose residents to mold, lead, inadequate insulation, structural hazards, and outdated heating systems. These issues are linked to asthma, respiratory illnesses, fall-related injuries, and temperature-related health problems. Substandard environments and overcrowding further heighten the risk of asthma and COPD flare-ups, as well as the spread of infectious diseases. Exposure to extreme indoor temperatures and poor air quality also increases cardiovascular strain.

High housing cost burdens force many households to delay routine or preventive medical care, or to skip medications altogether. These choices worsen health outcomes over time and contribute to increased emergency department use—an especially acute issue in the Scranton/Wilkes-Barre area.

Conversely, home repair and weatherization programs have been shown to improve health outcomes by addressing hazards and improving energy efficiency. These interventions often reduce emergency medical use, demonstrating a clear return on investment.

Mental Health

Rapid rent increases create persistent financial stress that can lead to anxiety, sleep disruption, and other stress-related health conditions. Deteriorated or overcrowded homes and unsafe neighborhood environments further reduce community participation and contribute to social isolation and depression, particularly among older adults living in homes that are no longer accessible or safe.

Housing instability, including frequent moves, overcrowding, and exposure to unsafe living conditions, also heightens emotional and behavioral challenges within households. These disruptions undermine daily routines that are essential for mental well-being, with especially significant impacts on children. Rising housing insecurity increases the likelihood of trauma exposure, mental health challenges, and substance-use risks, as families face chronic instability and barriers to accessing needed care.

Impacts on Children

Children are especially vulnerable to the effects of housing instability and poor-quality living conditions. Exposure to environmental hazards commonly found in older homes (such as lead paint, mold, pest infestations, and poor indoor air quality) has documented links to cognitive and developmental delays, reduced academic functioning, and behavioral challenges. Lead exposure, in particular, is associated with lasting neurodevelopmental harm that can affect learning, attention, and impulse control.

Overcrowded or unsafe housing environments heighten stress, anxiety, and sleep disturbances, which can interfere with emotional regulation and healthy development. Frequent moves disrupt school continuity, peer relationships, and daily routines, compounding academic and social difficulties. Children living in households facing significant financial strain or the threat of displacement also experience heightened stress within the family environment. Caregivers coping with housing instability often have reduced capacity for consistent supervision, emotional support, and stress management – conditions that children may internalize, amplifying behavioral or emotional issues.

Regional and Economic Impacts

Increased Homelessness and Housing Insecurity

The combination of rising rents, an aging housing stock, and a shrinking supply of affordable units directly increases both housing insecurity and the risk of homelessness in Northeastern Pennsylvania. As rents rise faster than wages, more households become cost-burdened and struggle to keep up with monthly payments. Families that were once stable may find themselves one unexpected expense – or one rent increase – away from losing their housing.

As previously mentioned, aging homes often require costly repairs that many low-income homeowners cannot afford. When essential maintenance is delayed, homes may become unsafe or uninhabitable, forcing residents to leave even if they wish to remain.

The shortage of affordable units also means that once individuals or families lose their housing, it becomes far more difficult to secure a new, stable home. Competition for lower-cost units is high, and waitlists for subsidized or income-restricted housing are long. As a result, people experiencing temporary instability are more likely to fall into chronic homelessness, and those experiencing homelessness face prolonged periods without stable shelter.

Together, these conditions create a cycle in which the lack of affordable, safe, and stable housing fuels higher rates of housing insecurity, increases the likelihood of eviction or displacement, and places

additional strain on emergency shelters, social service agencies, and crisis response systems across the region.

Workforce Availability and Employer Constraints

Insufficient housing – particularly near major employment centers – has a direct and measurable impact on workforce availability. When workers cannot find housing that is affordable, safe, or located within a reasonable commuting distance, employers struggle to attract and retain talent. Prospective employees may decline job offers due to long travel times, high housing costs, or the absence of suitable rental or ownership options. Existing employees may also leave the region in search of more stable or affordable housing elsewhere. This reduces the size of the labor pool, weakens regional competitiveness, and limits employers' ability to fill essential roles.

Furthermore, when workers must commute long distances because they cannot find nearby housing, absenteeism rises, transportation barriers increase, and productivity declines. Employers face higher turnover, recruitment challenges, and increased operational costs as they attempt to adjust to an unstable labor force. The Pennsylvania Housing Action Plan identifies access to housing as a direct barrier to workforce participation, underscoring that economic development cannot be achieved without addressing housing availability.^v

Slowed Economic Growth and Regional Competitiveness

A housing shortage has significant implications for economic growth and long-term competitiveness. When housing supply fails to keep pace with population and workforce needs, regions experience slower job growth, reduced business investment, and diminished economic dynamism. Employers are less likely to expand operations – or may choose not to locate in the state at all – if workers cannot find housing that is affordable, accessible, and located near employment centers. This constrains the labor pool and limits the region's ability to attract the industries necessary for sustained economic advancement.

Additionally, inadequate housing supply affects broader economic indicators such as consumer spending, tax revenues, and infrastructure investment. When households spend a disproportionate share of their income on housing, they have less disposable income to circulate in the local economy, slowing growth in retail, services, and other sectors. Local governments may also struggle to generate sufficient revenue to maintain public services or invest in improvements that attract new residents and businesses.

In combination, these factors create a reinforcing cycle; limited housing supply suppresses economic growth, and slower economic growth reduces the resources available to expand housing opportunities. Without significant improvements in production and affordability, Pennsylvania risks falling further behind competing regions in workforce capacity, business attraction, and long-term economic resilience.

Reduced Market Turnover and Neighborhood Stagnation

When older adults wish to downsize but cannot find suitable, affordable, or accessible housing options, they are more likely to remain in larger single-family homes that no longer match their needs. This creates a bottleneck in the local housing market.

Lower turnover has several effects. Young families looking for entry-level homes face limited inventory, higher prices, and increased competition. This delays their ability to put down roots, build equity, and participate fully in community life. Neighborhoods with slow turnover also tend to experience reduced reinvestment, as fewer new households move in to renovate properties, modernize homes, or stimulate market activity. Over time, this can lead to aging housing stock, deferred maintenance, and a gradual decline in neighborhood vibrancy.

For communities, limited downsizing options also mean a less diverse mix of ages, incomes, and household types. Fewer families moving in can result in declining school enrollments, a reduced customer base for local businesses, and fewer residents available to participate in civic organizations or volunteer roles. These conditions contribute to slower neighborhood renewal and long-term stagnation as the natural cycle of household transitions is disrupted.

It should be noted that limited housing turnover, like other housing market impacts, does not affect all areas of the region uniformly. In some communities, recent market dynamics diverge from broader regional trends. Over the past several years, certain areas have experienced increased housing demand driven by the arrival of new residents and household growth, contributing to rising home values. In these communities, there has also been significant reinvestment in the existing housing stock, with many properties undergoing renovations, additions, and other improvements after long periods of stagnation.

Strain on Local Government and Public Services

Substandard and deteriorating properties place significant strain on local governments and the public systems responsible for maintaining safe and healthy communities. Homes with maintenance issues such as structural hazards, lead or mold contamination, failing heating systems, or code violations require increased attention from code enforcement officers, building inspectors, and municipal health departments. As the number of unsafe or deteriorating units grows, municipalities must allocate more staff time and resources to inspections, compliance monitoring, and enforcement actions. These responsibilities increase operational costs and can stretch already limited local budgets.

Local governments also face rising demand for remediation and environmental health interventions. Addressing issues such as lead abatement, mold removal, pest control, or unsafe electrical systems often requires coordination among multiple departments – housing, public health, and public works – further increasing workload and expenditures. Neighborhood blight linked to deferred maintenance may also prompt additional public spending on demolition, property stabilization, or nuisance abatement.

As more households experience instability caused by unsafe housing or rising rents, local homelessness and crisis-response services face heightened pressure. Emergency shelters, transitional housing programs, and social service agencies see increased demand for assistance, often exceeding existing capacity. They may be required to expand shelter space, fund hotel placements, or increase staffing for outreach, case management, and eviction prevention programs.

Declining Community Stability and Social Cohesion

Displacement, high residential turnover, and neighborhood decline weaken the social fabric that allows communities to thrive. When residents move frequently – whether due to rising housing costs, unsafe conditions, or limited housing options – neighborhoods lose the continuity and long-term relationships that foster trust, mutual support, and a shared sense of responsibility. Individuals who do not expect to remain in a community for long are less likely to form strong ties with neighbors, participate in civic activities, or invest time and energy into local improvements.

High turnover also disrupts school stability, making it harder for children to develop consistent peer relationships and for families to build connections with teachers, community organizations, and local networks. Schools often serve as central pillars of community life, and frequent student movement weakens this foundation, reducing opportunities for collaboration and shared engagement among families.

Neighborhood decline further erodes social cohesion. When properties deteriorate, vacancy rises, or blight becomes visible, residents often feel less safe and less proud of their surroundings. This can discourage outdoor activity, weaken informal social monitoring, and reduce the everyday interactions that strengthen community ties. Over time, these conditions diminish residents' sense of belonging and contribute to isolation, disengagement, and reduced participation in community initiatives.

Environmental and Infrastructure Stress

Aging homes with outdated or inefficient systems place significant stress on both the environment and local infrastructure. Older housing often lacks adequate insulation, functioning ventilation, modern heating systems, or energy-efficient appliances. As a result, these homes consume more electricity, heating oil, or natural gas than newer or upgraded units. Higher energy consumption at the household level increases community-wide demand on aging utility grids, which can lead to higher peak loads, additional maintenance requirements, and rising utility costs for both providers and consumers. Families living in these older homes face elevated energy bills, and communities experience greater greenhouse-gas emissions and reduced progress toward sustainability goals.

In addition to energy inefficiency, aging housing stock frequently contains environmental hazards such as mold, lead paint, asbestos, and outdated plumbing or electrical systems. These hazards not only threaten resident health but also increase long-term environmental remediation needs. Homes with chronic moisture problems, failing roofs, or compromised foundations contribute to poor indoor air quality and may allow untreated wastewater or runoff to enter local ecosystems. Over time, these issues can contribute to increased demand on public health systems, environmental protection agencies, and municipal code enforcement.

Vacancies further amplify environmental and infrastructure stress. Long-term vacant properties often fall into significant disrepair, leading to structural damage, overgrown lots, and compromised building envelopes. Blighted homes can become sources of stormwater intrusion, illegal dumping, or pest infestations (each of which requires municipal intervention). As vacant structures deteriorate, they may

also pose fire hazards or require demolition, placing additional burdens on municipal budgets, generates construction waste, and increases the demand on waste-management systems.

Vacant land and unused structures reduce the efficiency of land use as well. When properties remain empty rather than redeveloped, the community loses opportunities for infill development, energy-efficient construction, and infrastructure optimization. This can impede sustainable redevelopment strategies, including walkable community planning, transit-oriented development, and the installation of modern infrastructure such as green stormwater systems or renewable-energy upgrades.

Synthesis and Conclusion

The housing challenges facing Northeastern Pennsylvania reflect a complex and deeply interconnected system of economic, demographic, and structural pressures that have intensified over time. As this report demonstrates, the region's growing population, aging housing stock, limited new construction, fragmented zoning regulations and building code enforcement, and rapidly rising housing costs collectively contribute to a widening gap between supply and demand. These conditions strain households across all income levels and directly affect broader community well-being, from workforce stability and educational outcomes to health, neighborhood vitality, and long-term regional competitiveness.

The impacts extend far beyond the real estate market. Housing is a foundational determinant of health, influencing everything from access to preventive care to exposure to environmental hazards. When individuals and families are cost-burdened or forced to live in unsafe or unstable conditions, the repercussions ripple outward – undermining academic performance, increasing physical and mental health risks, reducing economic mobility, and eroding social cohesion. Employers face difficulty attracting and retaining workers, local governments incur rising costs for code enforcement and public safety, and communities experience slower growth and reduced investment. These interconnected outcomes underscore that housing is not merely a market sector, but a critical component of economic stability and community resilience.

The challenges highlighted in this report also point to clear areas for strategic intervention:

Expanding housing production through modernized zoning. Zoning actions can increase housing density by revising single-family-only districts to permit ADUs, duplexes, and multifamily units. Portland, Oregon provides a clear example of housing production enabled by modernized zoning: after allowing duplexes, triplexes, fourplexes, and ADUs in formerly single-family neighborhoods, the city permitted more than 1,400 new middle-housing units between 2021 and 2024, with these housing types accounting for the majority of new residential construction in those areas.^{vi}

Furthermore, a more coordinated, statewide approach – such as establishing standardized baseline definitions, model zoning language, and consistent development review processes – could improve predictability while still preserving local control over land use decisions. By reducing variability in how

housing is defined and regulated, municipalities can maintain autonomy while participating in a more efficient and transparent statewide housing system.

Improving consistency in building code enforcement. Strategies for improving consistency in building code interpretation and enforcement across municipalities may include centralized or standardized enforcement models, including the use of shared code interpretation guidance, regional code enforcement collaborations, and expanded training requirements for inspectors and plan reviewers. Such efforts could enhance the efficiency of housing production without compromising building safety or local oversight. Comparable models in states such as New Jersey^{vii} and New York^{viii} demonstrate that regional or centralized support structures, shared interpretation guidance, and standardized training can improve consistency in building code enforcement while preserving local control and maintaining building safety.

Encouraging diverse housing types, including infill, modular, manufactured, and missing middle solutions. In Minneapolis, zoning reforms adopted through the Minneapolis 2040 Plan enabled small-scale infill and missing-middle development, including a public housing initiative that delivered 84 new affordable units across 16 sites using modular construction – demonstrating how zoning flexibility paired with modular housing can rapidly expand diverse, neighborhood-compatible housing options.^{ix}

Identifying and implementing targeted solutions to infrastructure expansion. The suburbs of Charlotte, North Carolina provide a well-documented example of how coordinated, large-scale investments in water, sewer, and transportation infrastructure can support substantial housing development and sustained regional economic growth. Long-term capital planning and utility expansion across the Charlotte metropolitan area have enabled rapid suburban housing production, population growth, and employer expansion, illustrating the critical role of infrastructure readiness in facilitating residential development.^x

Strengthening partnerships among municipalities, developers, community organizations. Lancaster, Pennsylvania demonstrates how strengthening partnerships among municipalities, developers, and community organizations can improve housing outcomes, as local leaders, nonprofit housing providers, and private developers collaborate to align public funding, redevelopment efforts, and community priorities to stabilize neighborhoods and expand affordable housing opportunities.^{xi}

Preserving affordability. San Francisco's Small Sites Program preserves housing affordability by enabling nonprofit organizations to acquire and rehabilitate at-risk, rent-controlled apartment buildings, converting them into permanently affordable housing and preventing displacement in neighborhoods facing market pressures. The program prioritizes tenant stability by keeping residents in place during rehabilitation and removing properties from speculative real-estate markets through long-term nonprofit ownership. By focusing on preservation rather than replacement, the Small Sites Program demonstrates that protecting existing affordable units can be faster, more cost-effective, and less disruptive than new construction alone.^{xii}

Evaluating vacant spaces and unused buildings in walkable areas or close proximity to transportation. Pittsburgh demonstrates how mid-sized U.S. cities can evaluate vacant and underused office buildings in

walkable, transit-served downtown areas and convert them into housing through a targeted public program. The City's Pittsburgh Downtown Conversion Program focuses on vacant commercial buildings in the Central Business District—an area served by transit and existing infrastructure—and supports their adaptive reuse as residential units, helping reduce office vacancies while adding affordable and market-rate housing downtown.^{xiii}

Using options such as Tax Increment Financing (TIF) strategically to close financing gaps for housing projects that advance community priorities such as adaptive reuse, downtown revitalization, and long-term affordability. When applied in targeted, walkable areas – particularly those with vacant or underused buildings and existing infrastructure – TIF can help fund rehabilitation costs, public improvements, and extraordinary expenses that would otherwise prevent projects from moving forward. Best practices emphasize pairing TIF with clear public benefit requirements, including affordability commitments and strong oversight, to ensure that captured tax revenue supports housing stability and reinvestment rather than displacement.^{xiv}

Continuing to invest in repair and weatherization programs. Pennsylvania's Weatherization Assistance Program demonstrates how sustained public investment in home repair and energy-efficiency upgrades can improve housing safety, reduce utility costs, and help low-income households remain stably housed while extending the life of the existing housing stock.^{xv} Additionally, Pennsylvania's Whole-Home Repairs Program represents an innovative investment in housing stability by funding comprehensive home repairs, energy and water efficiency upgrades, and accessibility improvements through a single, flexible program. By allowing up to \$50,000 per unit and supporting both homeowners and small landlords, the program addresses structural deficiencies that often prevent participation in traditional weatherization efforts while preserving affordability. Its county-led implementation and required workforce development component further link housing repair to local economic growth.^{xvi}

Ultimately, addressing NEPA's housing shortage requires a comprehensive, coordinated approach that recognizes housing as central to quality of life, economic opportunity, and equitable community development. By taking proactive steps through policy reform, targeted investment, and community engagement, the region can foster a healthier, more stable, and more prosperous future. The path forward demands collaboration and long-term commitment, but the benefits are far-reaching stronger neighborhoods, a more resilient workforce, improved health outcomes, and a housing market capable of supporting the region's continued growth and vitality.

Endnotes

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