



**CC2020 Presents
A Citizen Planners' Breakfast:**

"Will Millennials Return to Chester County?"

**Thursday July 21st at The Timber Room
Wegman's Malvern**

**Facilitated and report provided by Chester County
2020**

**Sponsored By
D.L. Howell Associates – DNB First – Saul Ewing LLC
- The Hankin Foundation – Wawa**

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I. Overview

Topic: *“Will Millennials Return to Chester County?”*

Sponsors: **D.L. Howell Associates – DNB First – Saul Ewing LLC –
The Hankin Foundation – Wawa**

Attendance: 48

Groups represented:

Arcadia Land Company
Berkshire Hathaway
Chester County 2020
The Chester County Commissioners
Chester County Economic Development Council
Chester County Planning Commission
Christopher Pielli Law
Coatesville 2nd Century Alliance
Community Coalition
Office of State Senator Andrew Dinniman
DNB First
East Goshen Township
Francis Hall Insurance Services
Giresi Design
Glackin Thomas Panzak
Homebuilders Association of Chester & Delaware Counties
The Kennett Paper
Kennett Township
Malvern Borough
McIntyre Associates
McMahon Associates
Nave Newell Inc.
North American Land Trust
NVR Inc.
Pennoni Associates
Riley Riper Hollin & Colagreco
Saul Ewing LLP

Groups Represented, cont.

Swope-Lees Commercial Real Estate LLC
Traffic Management Association of Chester County
Traffic Planning & Design
Tredyffrin Township
Uwchlan Township
Valley Township
Verandas
West Pikeland Township
West Chester University Graduate Center
Willistown Conservation Trust

II. Introduction

Speakers Steve Gallo, Land Manager for NVR, and Jake Michael of the Chester County Planning Commission, addressed two questions:

- **Is there a trend of millennials returning to Chester County?**
- **Does Chester County have housing stock to make it possible for millennials to live in Chester County?**

III. Speakers' Presentations:

NVR Land Manager Steve Gallo: New Housing Stock

NVR produced more than 22 per cent of the Philadelphia metro region's new housing stock in 2015.

Summary of NVR active projects in Chester County

Municipality	Total Units	Type	Approx. Prices in Thousands
East Vincent	135	Single	\$400
		Townhouse	\$285

Active Projects, cont.

East Whiteland	550	Single	\$800
		Twin	\$625
		Carriage	
		Home	\$550
		Townhouse	\$430
Phoenixville	160	Townhouse	\$314
Valley	62	Single	\$300

NVR Chester County Projects opening Fall 2016 – Spring 2017

Municipality	Total Units	Type	Approx. Prices in thousands
East Whiteland	114	Townhouse	From \$299
West Bradford	125	Single	From high \$400s
West Bradford	134	Single	From \$399
		Townhouse	From \$270s
Westtown	50	Single	\$650 - \$750

Only one current project offers a single family home for \$300,000. In upcoming projects single family homes average \$500,000.

The average millennial household in Chester County might be able to afford a \$350,000 house...if student debt is not part of the equation. If the average millennial household has \$500/month in student debt, that household can only afford a \$250,000 house.

NVR is focused on developing single family homes priced for first time home buyers. The closest example is in Dover DE. 89% of buyers have annual income under \$75,000/year (less than average Millennial Chester

County income.) What are obstacles to a single family home project that is affordable for Millennials in Chester County?

High Land Costs, Including:

**Exclusionary Zoning
Increased Regulation
High Infrastructure Costs
High Impact Fees**

Some Possible Solutions:

**Higher Density Zoning
Creative Infrastructure Financing Programs
Modified Open Space Requirements in Selected Areas**

Jake Michael, Chester County Planning Commission: Trends

“Current data do not indicate any consistent trends that could be used to estimate future conditions with a sufficient level of confidence.”

What we do know:

Millenials compared to U.S. population:

- **Millennials (born between 1982 and 2000) are 24.3% of Chester County population in line with the U.S. By 2050 millennials will outnumber prior generations.**
- **Millennials are more diverse (44.2% minority race or ethnic group.)**
- **Half of millennials are renters paying a median rent Of \$925 (not ‘luxury’ rent.)**

Millennials, compared to prior generations...

- **...are the least satisfied with their current community quality of life, with the size/quality of their current home and with the range of housing in their communities, *but not by a wide margin.***
- **...place the highest priority on green space and walkability.**
- **...have lower income *by a wide margin.***
- **...place the highest priority on public transportation and alternative transportation.**
- **...place the highest value on diversity and are most likely to move.**
- **...carry the largest amount of education debt *by a wide margin.***
- **...have significant credit card debt and car debt.**
- **...have relatively low mortgage debt.**
- **More millennials live in our suburban counties (624,134) than in Philadelphia County (513,338.)**

Millennials' aspirations for moving (2013):

- **60% of millennials expect to live in a single-family home.**
- **69% of millennials expect to be renters.**
- **Millennials' desired environments are evenly distributed among the different kinds of urban, suburban and rural communities.**

Chester County renting facts:

- **22.5% of housing units are renter-occupied - second-lowest in the metro region (2012)**
- **Median rent in Chester County is \$1,192 (2014) and has increased 7% in the past 5 years.**
- **Median income in Chester County is 86,093 (2014) and has increased 2.8% in the past 5 years.**

Chester County home sales facts (2005 - 2014):

- **The number of home sales dipped dramatically after 2005 and has rebounded since 2011, but not even half-way to the 2005 numbers.**
- **The median home sale price has been relatively constant since 2005, hanging right around \$300,000**
- **The number of new units sold dipped dramatically after 2005 and has barely rebounded at all – currently at less than half 2005 levels.**
- **New unit prices dipped abruptly after 2007 and are now at about 87% of 2007 prices.**

Long term solutions and what is getting done now:

- **Regional, County and Local planning commissions are working hard on multi-modal transit solutions.**
- **What is getting done includes the Exton train station improvement project; the Paoli train station project; successful mixed-use development in Kennett Square; upgrades including bike racks at the Downtown train station.**

Unpredictable influences:

- **Fluctuating perception of communities and schools**
- **Global economic events (BREXIT; Brazil)**

Final Question:

What must we do to create an environment that will attract the millennials? And make it possible for them to come here?

IV. Open Discussion:

Guest remark:

Millennials who have school age children seem to be choosing Bucks County over Chester County.

Presenters' responses:

Lower Bucks County enjoys lower real estate prices in some places as opposed to Chester County. But they aren't moving to Doylestown, for example. They are moving to Bensalem and other places that have easy transit connections to Philadelphia. Bucks County also provides feasible access to New York and central New Jersey for job shoppers.

There are indications that Malvern, Kennett Square and Media are 'gaining' on other suburbs. Chester County is "train challenged" but there are plans and existing projects to change that.

Guest remark:

Why not build affordable entry-level houses in smaller batches?

Presenters' response:

It's driven by the cost. Any product needs to be built and sold in sufficient volume to be successful. And the smaller less-expensive products can't pay for themselves below a certain number of units.

Guest remark:

**Are alternative energy solutions offered in NVF products?
Is there a demand for alternative energy features from millennials?**

Presenters' response:

Ryan homes include features for energy efficiency - insulation, vapor barriers, quality windows and doors and the like. At this time public utilities provide the energy for our homes.

Guest remark:

Residential development drives school district needs. Commercial development supports school districts' budgets. It's important to have a balance between the two.

Presenters' response:

Residential on top of retail, for example, is hard to make work. The County Planning Commission has created a task force to look at retail areas like Main Street at Exton.

Guest remark:

Is there a demand for new multi-generational products?

Presenters' response:

Planners see a demand for it. Ryan sees it, too, but currently has no product for it.

Guest remark:

Is there a trend towards even smaller products – say, 1200 square feet with only 1 garage?

Presenters' response:

Builders and their accountants think in terms of square feet. Home buyers think in terms of features. Certainly builders can provide what the market wants as long as the numbers make sense and provided the local governments will help make it possible.

Guest remark:

My kids like Hersheys Mill – the way it facilitates interaction with other residents. Are builders looking at co-housing communities?

Presenters' response:

There are some projects that offer those features. They appeal to a rather narrow range of buyers, and are not necessarily affordable the way we define it.

V. Recommendations:

- **The millennials are have *different* priorities from prior generations – status and display mean little to the millennials but quality of life is very important: we ignore them at our peril.**
- **Encourage municipalities to consider measures that will facilitate affordable housing solutions.**
- **Citizens should participate in the upcoming Public Process to update the Chester County Comprehensive Plan**
- **Perception is very important and plans and projects are under way that could ease the housing and transit misgivings of millennials who are considering moving to Chester County. Please share this report with the folks you know who were born between 1982 and 2000.**
- **Chester County has many of the amenities and cultural and recreational resources millennials value. Seek ways to enhance and amplify these attributes, to make the County a ‘Millennial Destination.’**
- **For discussion: The Millennials’ Chester County Report Card**

Subject	Grade
Amenities	A
Public Transportation	B-
Recreational Opportunities	A
Attainable Housing	C
Diversity	B
Cultural Resources	A
Employment Opportunities	B-
Educational Opportunities	A
Average	B+

**Respectfully submitted,
Chester County 2020
info@cc2020.org
484-680-5570
www.cc2020.org**