

FREQUENTLY ASKED QUESTIONS

Are we in fact in a housing crisis? That seems like a rather dramatic statement.

By all accounts, we are in the middle of a housing crisis, both across the country and right here in Lancaster and Lebanon Counties. Home inventory is at an all-time low, while scarcity has pushed home prices to historical highs. Entry-level “starter homes,” the homes that first-time homebuyers seek and can most afford, are the hardest to come by in today’s real estate market. First-time homebuyers who fall within a lower-income bracket simply cannot participate in today’s market.

Statistics show that local homeownership rates are well below what they are on a national scale. According to the U.S. Census Bureau, Lancaster City had just a 46% homeownership rate in 2016-2020, while it was 42.5% in Lebanon City. Both are well below the national average of 64%.

Rentals, the starting point for first-time homebuyers, are equally challenging. There is *nowhere* in the United States where a full-time, minimum-wage worker can afford a market-rate, two-bedroom apartment. Habitat believes that the findings of a 2013 study funded by the Lancaster Housing Opportunity Partnership (or LHOP, now part of Tenfold) have remained a challenge or worsened. LHOP’s study showed 47.8% of renter households are cost-burdened by their housing situation (meaning that they pay more than 30% of their income in rent). The National Low-Income Housing Coalition’s annual Out of Reach Report consistently states the pay rate to afford a two-bedroom apartment in Lancaster and Lebanon Counties is approaching \$20.00 per hour.

What are the present-day challenges that Habitat faces in home construction?

One of the biggest challenges in home construction today is cost. In the early 90s, it cost Habitat \$53,000 to build a new home. Today, it is \$240,000. This is in large part due to the rising expense of building materials, infrastructure requirements (which were in law, but not enforced locally until 15 years ago) and scarce build sites. In response, we have built important partnerships that offer pathways to lower-cost properties, like redevelopment authorities, for organizations like Habitat.

Additionally, strict building and land-use regulations, from minimum lot sizes to road and stormwater standards, have also restricted opportunities for residential construction, as well as slowed the pace at which we can build. While building a home today is quite different than when we started, we are ready to work within this new framework to ensure that homeownership is accessible to all who seek it.

How does Habitat acquire sites for building?

Properties come in various ways. Sometimes, they are donated to us. At times, we compete on the open market. More recently, we have partnered with the Lancaster County Land Bank and local redevelopment authorities to acquire properties that they’ve designated as sites for affordable housing.

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How long does it take to build a Habitat home?

Habitat builds take six months to a year, depending on the necessary work. External factors, like unfavorable weather or a global pandemic, can extend the timeline. Active support from our homebuyers and volunteers on the construction site is critically important for pace. The Campaign will be an important vehicle for growing our volunteer base, which in turn will allow us to build more quickly, and ultimately increase the supply of Habitat homes.

Tell me more about the role of volunteers.

Volunteers are the heartbeat of Habitat. Total volunteer hours on a given build site range from 2500-3500 hours, depending on the project's scope. They keep our building costs low and can set the pace at which we can complete a project. Volunteers also are important to the operation of our Lancaster Habitat ReStore and serve behind the scenes in important leadership roles, like on organizational committees and our board.

A critical, yet often overlooked, role that volunteers play is in the building of community. By coming together to work side-by-side with people who may be quite different from them, yet share a common goal, our volunteers are helping to create understanding, tolerance and appreciation of diversity... all important characteristics of a healthy, strong community.

Do you accept stock gifts?

Yes, and as you may know, if it's a stock you've owned more than one year that has increased in value from the time of purchase, you could avoid the capital gains tax you would owe on any appreciation if you donate the security to Lancaster Lebanon Habitat.

What happens if you don't raise the full amount?

If the full amount isn't reached, we will continue to move forward as quickly as possible towards our 30-home goal, but may need to extend our timeline beyond five years.

How will you use the extra money if you exceed your goal?

We would love to exceed the goal! If we raise more, we can raise the number of homes we build accordingly.

What's the Campaign timeline?

The Quiet Phase is slated to conclude at the end of 2023, when we reach our \$3 million milestone, placing us in the strong position to raise the remaining funds over 2024 during our Public Phase. Once our \$4 million has been achieved, construction related to our 30-home build will continue through 2026 and complete our initiative.