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## Housing Market Pressures in Youngstown during the GM Plant Closure (2016 to 2019)

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# Housing Market Pressures in Youngstown during the GM Plant Closure (2016 to 2019)

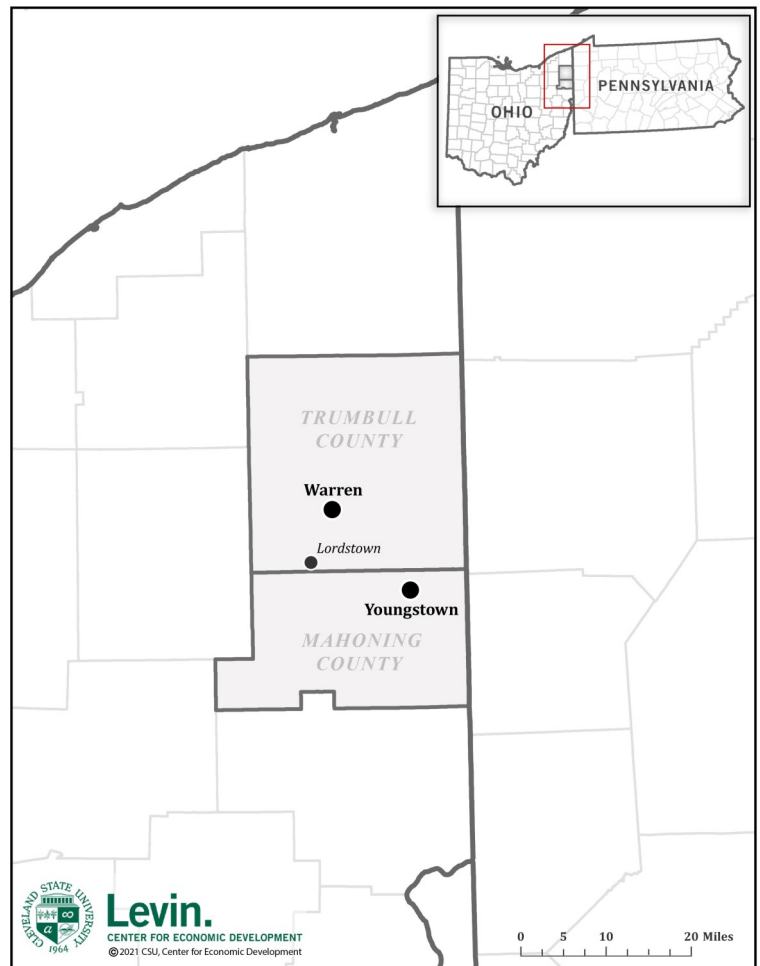
It has been over a decade since the housing crisis began in 2008, and the Youngstown, Ohio region (Mahoning and Trumbull counties) is still struggling with housing issues such as the affordable rental crisis, increased home vacancies, and aging housing stock. Adequate housing infrastructure serve as a backbone for growth and are essential for the creation of new employment opportunities. Understanding and tracking factors such as housing affordability, eviction rates, home values and sales, new home construction, and property tax income can help identify the community's current and future needs.<sup>1</sup>

## Takeaways

- ◆ In Youngstown, the homeownership rate fell to a record low of 51%, down 9% from the rate during the 2008 housing crisis. This suggests higher risks of housing instability in urban areas compared to communities in the Youngstown region with higher homeownership rates.
- ◆ The demand for rental properties increased as shown by a decrease in the renter vacancy rate and the number of vacant units “for rent”.
- ◆ In 2019, both median household income and median home values declined in the Youngstown region. Home values remained substantially lower than in 2005; 24% lower in Trumbull County and 12% lower in Mahoning County.
- ◆ Home sale prices are substantially lower in Youngstown and Warren than in their respective counties; four times lower for Youngstown and two times lower for Warren.
- ◆ Both Trumbull and Mahoning counties have an aging housing stock, with around half of units being built before 1950. The lack of new housing is most stark in Youngstown and Warren, further impacting their ability to attract new residents.
- ◆ A weakened housing market with lower housing values may reduce local government tax revenues. Property tax revenue received by both counties has continued to grow since 2010.

This brief seeks to investigate the changes in the regional housing markets for renters and homeowners in the Youngstown region due to the General Motors Lordstown Assembly closure. Housing is an important part of the regional infrastructure that can attract new people in times when the Youngstown region tries to attract high-tech industries and reinvent its economy. The quality of housing stock determines the amount of property taxes, which help fund local schools as well as city services in Ohio. School districts, cities, and counties rely on property tax revenues to maintain roads, water and sewer systems, and provide other essential services.<sup>2</sup> As properties deteriorate and vacancies increase, local governments see their revenue base decline because more properties become tax delinquent or end up in tax foreclosure.

Map 1. The Youngstown Region



Source: Center for Economic Development (CED)

<sup>1</sup> We examined data from the U.S. Census Bureau’s American Community Survey (ACS), the Supreme Court of Ohio, and comprehensive annual financial reports for Trumbull and Mahoning counties, data provided by local housing agencies (Trumbull Neighborhood Partnership and Youngstown Neighborhood Development Corporation), the Federal Reserve Bank of Cleveland, and Youngstown State University.

<sup>2</sup> Kelsey, Timothy W. (1993). Fiscal Impacts of Population Growth and Decline in Small Communities. *American Journal of Agricultural Economics*, Vol. 75, 1169-1172.

In the past, the General Motors (GM) plant located in the Village of Lordstown in Trumbull County (Map 1), provided good-paying union jobs and attracted workers from nearby Pittsburgh and Cleveland. The gradual closure of the plant from 2017 to 2019 resulted in the loss of an estimated 7,711 jobs and \$1.6 billion in output for the region.<sup>3</sup> Mahoning and Trumbull counties do not have businesses of comparable size and skill level for their residents to find similar employment causing them to accept significantly lower-paying jobs, remain unemployed, or leave the area altogether.

### Renters are Cost Burdened

For many residents in the region, housing is a large portion of their monthly living expenses. When housing costs are at least 30% of a household's income, it limits the household's ability to afford other daily necessities, such as transportation, health care, and unforeseen expenditures. In 2019, nearly half (44%) of renters in Mahoning and Trumbull counties spent 30% or more of their household income on rent and utilities.

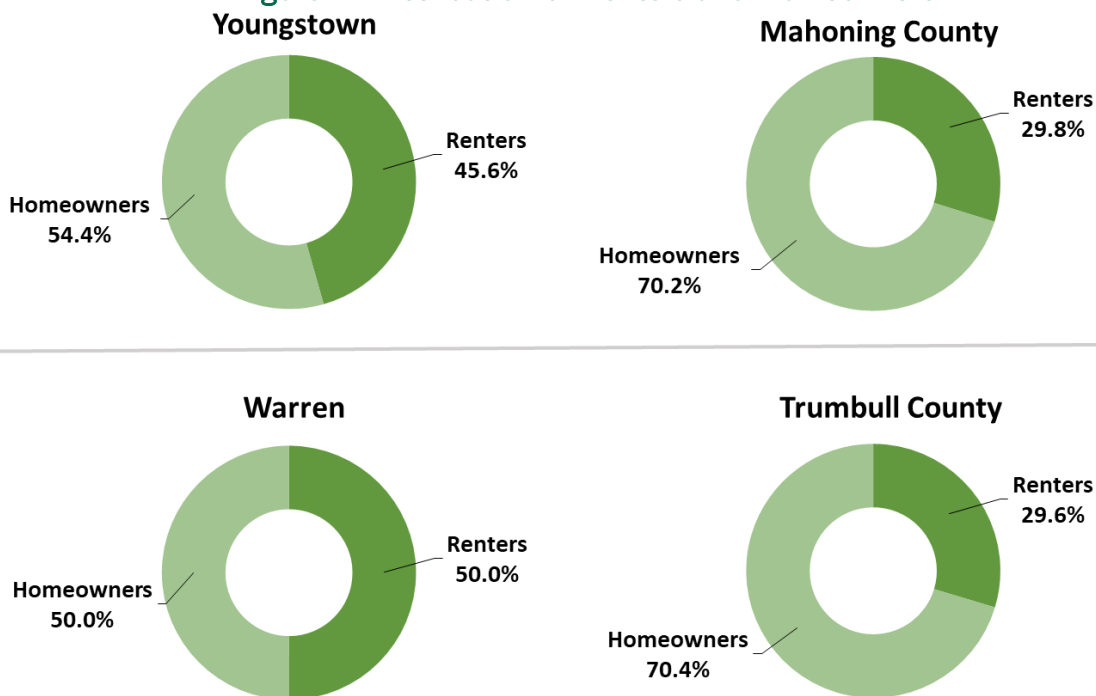
The cities of Youngstown and Warren, in particular, have a higher proportion of renters compared to all residents of Mahoning and Trumbull counties (Figure 1). In 2019, one of every two households in these cities were renters, compared to every third in their respective counties.<sup>4</sup> This suggests higher risks of housing instability and homelessness in urban areas than communities in the Youngstown region with higher homeownership rates.

### High Eviction Rates in Urban Areas

Individuals who fail to pay their rent are at risk of eviction, increasing the likelihood of homelessness and poverty. Eviction is especially detrimental for low-income families who do not have a safety net, e.g., no other places to live and no income resources to support necessary living expenses to rely on after eviction. A September 2020 article in the Youngstown Vindicator indicated that while foreclosures fell following the 2008 crisis, evictions remained steady in the Mahoning Valley.<sup>5</sup>

In the Youngstown region, urban areas experience a higher renter eviction rate compared to their corresponding counties, as shown by eviction filing reports to the Supreme Court of Ohio (Table 1).<sup>6</sup> An eviction filing results from a property owner filing a case in court to remove a tenant from a property. Over the past decade, the average eviction rate in the cities of Warren (9.6%) and Youngstown (10.6%) exceeded the average rate in their respective counties, Trumbull (6.3%) and Mahoning (6.8%), as well as for the entire state of Ohio (7.0%). From 2016 to 2019, the eviction rate in the cities of Youngstown and Warren has fallen, while Mahoning and Trumbull counties saw an increase in the eviction rate (Table 1). This dynamic suggests that the impact of the GM closure had a regional effect reaching far outside of the central cities.

**Figure 1. Distribution of Renters and Homeowners**



Source: ACS 1-Year Estimates, Table S2502

<sup>3</sup> Lendel, I., Piazza, M. & Ellerbrock, M. (2019, March). *Lordstown GM Plant closure economic impact study*. Center for Economic Development at Cleveland State University.

<sup>4</sup> U.S. Census Bureau. (2019). American Community Survey. 1-Year Estimates. Housing. Table ID: S2502.

<sup>5</sup> Fox, R. (2020, Sept 8). *Legal Aid offers help to prevent renter evictions in Valley*. *The Vindicator*.

<sup>6</sup> Eviction rate is calculated based on the annual number of eviction filings and the number of occupied rental units. An eviction filing is the result of a landlord filing a case in court to remove a tenant from a property (Eviction Lab).

**Table 1. Eviction Filings and Rates**

Location	Eviction	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Youngstown	Filings	1,002	1,138	1,136	1,096	1,194	1,243	1,202	1,193	1,191	1,106
	Eviction Rate	9.7%	9.9%	10.6%	9.4%	9.7%	9.3%	10.8%	9.5%	8.8%	8.3%
Warren	Filings	721	811	868	870	846	826	880	866	767	-
	Eviction Rate	10.2%	11.5%	11.7%	11.3%	10.7%	10.2%	10.3%	10.2%	9.1%	-
Mahoning County	Filings	1,824	2,090	2,046	2,146	2,112	2,367	1,986	2,034	2,080	2,089
	Eviction Rate	6.6%	6.8%	6.6%	6.6%	7.0%	7.5%	6.7%	6.4%	6.4%	7.0%
Trumbull County	Filings	1,461	1,530	1,661	1,650	1,515	1,645	1,626	1,655	1,425	1,573
	Eviction Rate	6.3%	6.0%	6.3%	6.5%	5.9%	6.4%	5.9%	6.8%	6.2%	6.3%
Ohio	Filings	107,040	112,153	111,919	113,583	111,344	109,276	106,377	105,513	105,265	104,421
	Eviction Rate	7.5%	7.5%	7.3%	7.3%	7.0%	6.9%	6.6%	6.6%	6.6%	6.5%

Source: CED tabulations of The Supreme Court of Ohio data

### Homeownership Conditions

Every second household in the Youngstown region and in Ohio pays a mortgage to finance its home. The median monthly homeowner cost of a mortgage in Mahoning (\$1,069) and Trumbull (\$1,028) counties is smaller than the median cost across Ohio (\$1,248). Although mortgage costs are lower, the loan denial rate is more than 3% higher in Mahoning (26.5%) and Trumbull (26.7%) counties than across Ohio (23.3%).<sup>7</sup> The higher loan denial rate indicates that fewer residents can buy homes in the region and may become caught in a perpetual cycle of renting. Affordability remains the essential factor when it comes to determining whether to rent or purchase a home. As people lose their income, they lose the opportunity to create wealth. In 2018, the homeownership rate in Youngstown has fallen to a record low since 2005. During the 2008 foreclosure crisis, the city had 17,555 owner-occupied units, out of 29,236 total, a 60% homeownership rate. Throughout the GM closure, from 2016 to 2019, the average homeownership rate was 54.3%, with a record low (51.3%) in 2018.<sup>8</sup>

### Vacancies

Vacant and abandoned properties have a negative spillover effects by reducing surrounding property values, attracting crime, and increasing the public cost of servicing them with police and fire protection. Following the GM plant closure, Warren and Trumbull counties have seen an increase in homeowner vacancy rates. In Warren, the homeowner vacancy rate increased 36% from 2016 to 2019.<sup>9</sup> Further, in both Warren and Trumbull counties, the number of vacant units “for sale” has increased,<sup>10</sup> which reflects a declining trend in the region’s population. On average, five people leave the Youngstown region each day.<sup>11</sup> Looking more deeply into the renter versus homeowner vacancy rates shows a decrease in the renter vacancy rate; the number of

vacant units “for rent” has dramatically declined since 2016. This pattern shows that the GM plant’s closure coincided with an increase in the demand for rentals, indicating that people may be forced from homeownership into renting due to the loss of steady employment.

### Declining Home Values and Household Income

Median household income determines how long it will take home buyers to save for a mortgage down payment and whether they will afford their monthly mortgage payments. In 2019, the median household income and home value in both Trumbull and Mahoning counties declined (Figures 2 and 3). The income of a typical household in Trumbull County dropped to \$47,087, 12% less than 14 years ago after adjusting for inflation (Figure 2). The median home value declined to \$100,400, 24% less, compared to 2005. In Mahoning County, the median household income reached \$48,831 in 2018, 3% higher than in 2005. At the same time, in 2018, the median home value remained 12% below its 2005 level. In 2019, when GM shut down its Lordstown facility altogether, both household income and home value declined in Mahoning County (Figure 3).

### Home Sales

Healthy home price increases, in combination with robust sales, provide a strong tax base for local governments. A comparison of home sales in Youngstown and Warren highlights important differences between the cities compared to their counties. Homes in Mahoning and Trumbull counties are significantly more expensive compared to their central cities. In 2019, the sales price of a typical home in Youngstown (\$21,000) was more than four times lower than the average across Mahoning County (\$86,500); the median sales price for homes in Warren (\$36,000) was over two times lower than in Trumbull County (\$82,500).

<sup>7</sup> FY 2021 Housing Needs Assessment. (2020). Ohio Housing Finance Agency.

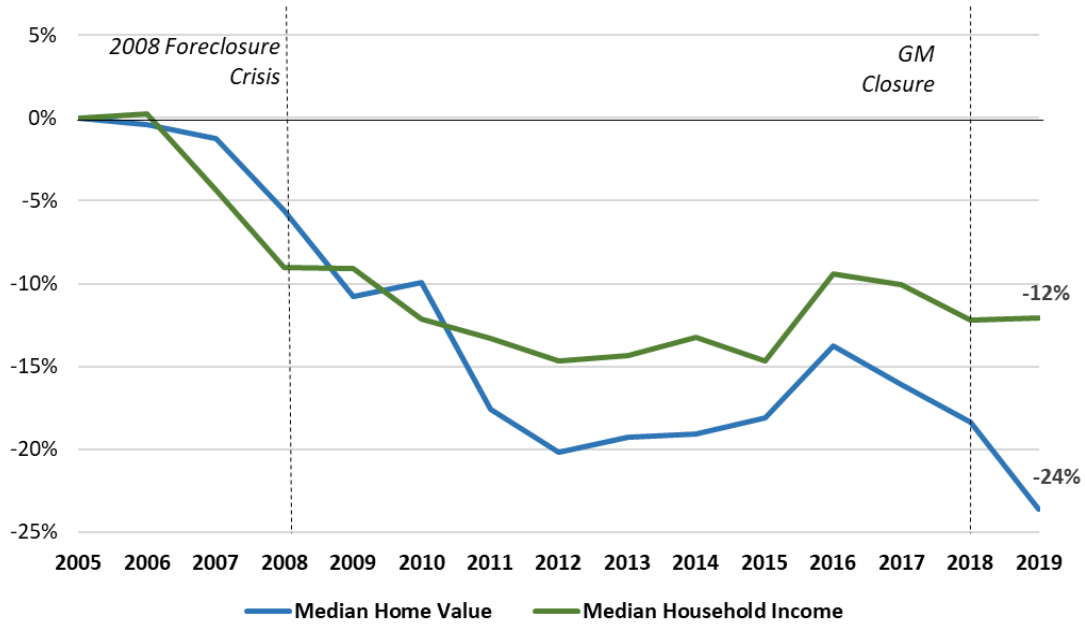
<sup>8</sup> 14,239 owner-occupied units out of 27,783 total. Source: U.S. Census Bureau. (2019). American Community Survey. 1-Year Estimates. Table ID: S2502.

<sup>9</sup> From 1.8% in 2016 to 2.8% in 2019. Source: U.S. Census Bureau. (2010-2019). American Community Survey. 5-Year Estimates. Vacancy Status. Table ID: B25004

<sup>10</sup> U.S. Census Bureau. (2010-2019). American Community Survey. 5-Year Estimates. Selected Housing Characteristics. Table ID: DP04

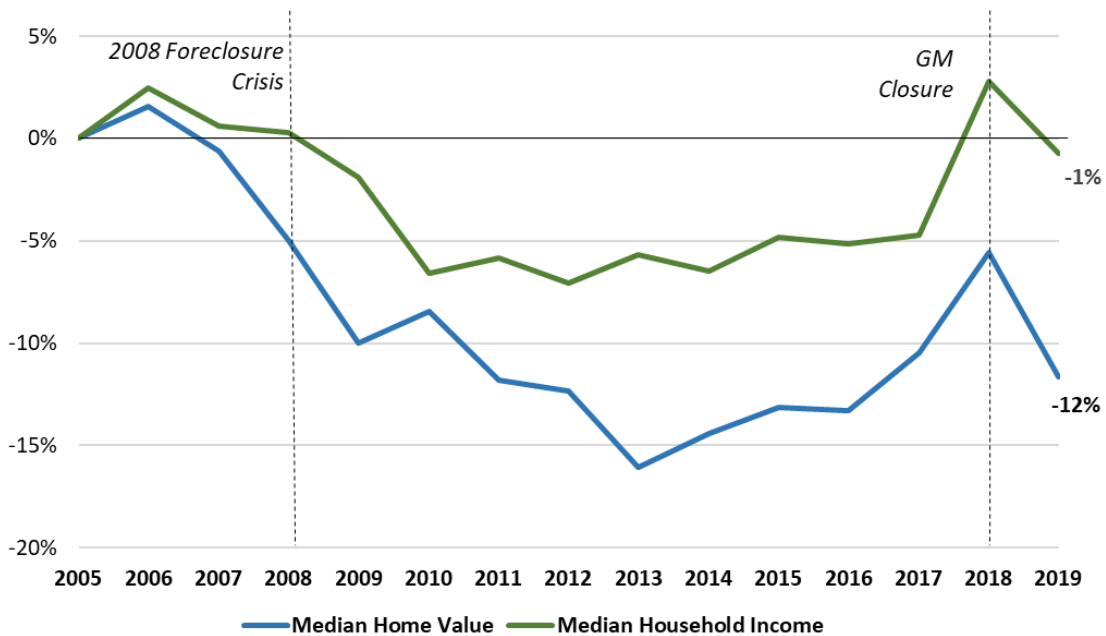
<sup>11</sup> The Youngstown region is losing 1% of its population every year. Sources: (i) U.S. Census Bureau. (1960, 1970, 1980, 1990, 2000, 2010). Ohio Decennial Census. (ii) U.S. Census Bureau. (2011-2019). American Community Survey. 5-Year Estimates.

**Figure 2. Declining Home Value and Household Income in Trumbull County, 2005 to 2019**  
Percent change since 2005, adjusted for inflation



Sources: ACS and CPI for All Urban Consumers from BLS

**Figure 3. Declining Home Value and Household Income in Mahoning County, 2005 to 2019**  
Percent change since 2005, adjusted for inflation



Sources: ACS and CPI for All Urban Consumers from BLS

**Table 2. Age of Housing Units**

Time Period Built	Mahoning	Mahoning %	Trumbull	Trumbull %	Ohio	Ohio %
2010 or later	1,564	1%	1,352	1%	158,295	3%
2000 to 2009	6,033	5%	5,962	6%	494,547	10%
1980 to 1999	15,350	14%	14,423	15%	1,058,996	20%
1960 to 1979	32,555	29%	31,519	33%	1,393,467	27%
1940 to 1950	34,117	31%	24,427	26%	1,052,559	20%
1939 or earlier	21,768	20%	18,063	19%	1,043,837	20%
<b>Total Housing Units</b>	<b>111,387</b>	<b>100%</b>	<b>95,746</b>	<b>100%</b>	<b>5,201,701</b>	<b>100%</b>

Source: ACS 1-year estimates

In 2019, the median home sale price declined in Youngstown and Warren. Compared to 2018, the inflation-adjusted median home sale price dropped by 6% in Youngstown and by 3% in Warren, while the corresponding counties did not experience a decline in home sales prices.

### Deteriorating Housing Quality

Another indicator of housing issues in the region is the aging housing stock. Table 2 shows that 51% of housing units in Mahoning County and 45% of units in Trumbull County were built before 1950. From 2010 to 2019, the housing stock in the Youngstown region has decreased by -0.5%, while in Ohio it has increased by 2%. Healthy housing stock attracts new residents while the aging housing creates a potential financial burden on homeowners related to the upkeep and maintenance of old properties. As a result, homeowners pay increasing prices for old homes and need to address expensive repairs like dilapidated siding and lead paint. Very few new houses have been built in Youngstown and Warren since 2009 (Table 3); as a result, communities outside of the cities may be better positioned to attract new residents.

**Table 3. The Number of New Homes Built in Mahoning and Trumbull Counties**

	Youngstown	The Rest of Mahoning County	Warren	The Rest of Trumbull County
2000-2008	452	4,832	91	2,992
2009-2019	20	1,368	4	760

Source: John Bralich, Youngstown State University

**Table 4. Property Tax Collections in Trumbull and Mahoning Counties**

Year	Trumbull County			Mahoning County		
	Current Property Tax Collections	Change since 2010	Property Tax Reappraisal and Update Years	Current Property Tax Collections	Change since 2010	Property Tax Reappraisal and Update Years
2010	\$29,130,237	100%		\$30,050,792	100%	
2011	\$29,974,206	103%	Reappraisal occurred	\$37,165,602	124%	Reappraisal occurred
2012	\$31,809,976	109%		\$37,637,273	125%	
2013	\$32,874,991	113%		\$38,534,843	128%	
2014	\$33,153,506	114%	Update implemented	\$40,763,828	136%	Update implemented
2015	\$33,354,772	115%		\$42,523,358	142%	
2016	\$34,256,565	118%		\$42,922,237	143%	
2017	\$35,214,497	121%	Reappraisal occurred	\$48,194,626	160%	Reappraisal occurred
2018	\$36,530,475	125%		\$49,850,275	166%	
2019	\$37,508,242	129%		\$53,441,659	178%	

Sources: (i) Biviano, A. 2019 Comprehensive Annual Financial Report. Trumbull County. (ii) Meacham, R. 2019 Comprehensive Annual Financial Report. Mahoning County. (iii) BLS. Consumer Price Index Historical Tables for U.S. City Average. Note: Dollar values are in 2020 dollars

## Property Tax Collections

The quality of housing stock determines the amounts of property taxes, which help fund local schools as well as city services in Ohio. School districts, cities, and counties rely on property tax revenues to maintain roads, water and sewer systems and provide other essential services. As properties deteriorate and vacancies increase, local governments see their revenue base decline because more properties become tax delinquent or end up in tax foreclosure. Alan Mallach and Lavea Brachman, in their report to the Lincoln Institute of Land Policy found that “financially strapped cities lay off housing inspectors, police officers, and firefighters or cut back on maintaining streets and sidewalks, thus further undermining community confidence and raising the risk of further disinvestment and abandonment.”<sup>12</sup>

Using the auditor’s financial reports for both counties, we calculated changes in the amounts of taxes collected for both counties (Table 4).<sup>13</sup> While property tax revenue collected by both counties continued to increase since 2010, Mahoning County has shown significantly higher rates of growth in tax revenue compared to Trumbull County, 178% versus 129%.<sup>14</sup> In 2019, Trumbull and Mahoning counties collected \$38 million and \$53 million in property taxes, respectively. Note that property tax revenue received during 2019 represents collections of 2018 taxes and does not yet reflect the possible full impact from the GM closure.

### Impacts of the COVID-19 Pandemic

The increase in unemployment and other financial hardships due to the COVID-19 pandemic and coinciding shutdowns have aggravated pre-existing housing insecurities across the country, and the Youngstown region has not been immune to these challenges.

<sup>12</sup> Mallach, A., and Brachman, L. (2012). [Finding New Forms for America’s Legacy Cities](#). Lincoln Institute of Land Policy.

<sup>13</sup> In 2019, the share of residential property tax in the total assessed property value accounted for 75% in Trumbull and 70% in Mahoning.

<sup>14</sup> The average tax rate in Mahoning County is higher than in Trumbull County. Sources: [Mahoning County Auditor](#) and [Trumbull County Treasurer](#)

The Youngstown Neighborhood Development Corporation (YNDC) has seen a substantial increase in calls for home repair assistance. Tiffany Sokol, Housing Director at YNDC, says they nearly doubled their typical number of roof repairs at no cost to people in 2020 compared to 2019, in part because more residents were qualified for these services due to the loss of income. In Trumbull County, requests for the emergency home repair quadrupled since March 2020, says Matt Martin, Executive Director at Trumbull Neighborhood Partnership (TNP). Disproportionally more people in low-income Census tracts became qualified for free services from TNP due to decline or loss of their income. Many homeowners have lost their jobs and used up all of their savings to pay for mortgages and now find that they do not have money to properly maintain their houses.

### Concluding Remarks

Damage from the economic distress of the Lordstown GM Assembly closure remains significant in the Youngstown region, and is disproportionately higher in its central cities. The continued monitoring and tracking of the long-term impacts of the GM plant closure should be considered as community organizations and policymakers craft targeted interventions and assistance to the community. In light of expected lost tax revenue due to GM closure and the COVID-induced recession, the local governments need to assess immediate needs and review the budget forecast.

Communities with higher homeownership rates should focus their resources on assisting residents from falling behind on their mortgage payments and engaging with HUD-certified housing counseling agencies that can work with lenders to renegotiate mortgages and prevent foreclosures. Communities with higher rates of renters could investigate organizations such as legal aid societies to assist renters with possible evictions. A permanent solution to the rental affordability problem requires increased federal funding for key affordable housing programs like Housing Choice Vouchers, the national Housing Trust Fund, public housing, and project-based rental assistance. These critical programs serve as a safety net, providing stable, affordable homes for the lowest-income households.

The creation of a countywide rental registry could allow communities to track rental properties and property owners, ensuring they provide safe housing and that rental properties are well-maintained. The registry would provide the ability to better understand the rental population and track evictions. For example, the City of Youngstown has a rental registry and a vacant home registry. However, it does not cover the whole county of Mahoning. A complete picture of the health of the housing market can only be achieved when neighborhood and suburban sub-markets are taken into consideration.

Many of those who own homes in Warren and Youngstown are property owners, rather than homeowners, and consequently are more likely to not maintain their property properly. Monique Winston, president of the Cleveland Realist Association, indicates a recent general increase in out-of-state investors looking to flip homes for a profit.<sup>15</sup> Even across Ohio, there are best practices that the community could explore to better remedy this challenge. For example, the City of Cleveland created a code enforcement database to ensure that all existing and new structures in the city are maintained and constructed in a safe and habitable manner. The Division of Code Enforcement inspects properties, addresses structures which are not in code compliance, and prosecutes code enforcement cases.

Strategies to reoccupy vacant homes depend on the region's ability to retain and attract residents. Vacant properties can become assets in neighborhood revitalization and productive reuse as urban farms, parks, community gardens, and recreation facilities. The pandemic may help to revitalize downtown by attracting people from high cost of living areas. However, in some cases, it might be more appropriate to focus on managing the decline in ways that improve the quality of life for those who remain. Rightsizing is a way to adjust city services and housing stock to suit smaller populations.<sup>16</sup> Rightsized cities are more efficient in allocating limited resources, allowing the city to shunt infrastructure currently serving few residents. ■

<sup>15</sup> [Gap between Black, white homeownership widens during pandemic in spite of record-low rates.](#) (2021, Feb 21). *News5 Cleveland*.

<sup>16</sup> [Vacant and Abandoned Properties: Turning Liabilities Into Assets. Evidence Matters.](#) (Winter 2014). Office of Policy Development and Research. *U.S. Department of Housing and Urban Research*.

Your comments and questions are valued and encouraged. Please share them with:

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