

Year in and year out, North Hills communities are among the most active in construction of new homes in the metropolitan area. Beginning with the September 1989 opening of I-279, also known as the Parkway North, municipalities like Cranberry and Adams Township in southern

Butler County and Pine Township and Franklin Park in northern Allegheny County, have been in the 'Top Five' areas for new construction almost every year. Since the early 1990's the North Hills has been the strongest housing sub-market for new construction in Pittsburgh.

THE NORTH HILLS

Housing Market





The impetus for the construction in the far northern suburbs has been the ease of commuting that resulted from the completion of I-279, but the sustained growth in the North Hills, especially in the smaller southern Butler municipalities, has been the steady development of businesses based in the Cranberry Township to Wexford areas. More than two million square feet of office space and hundreds of thousands of square feet of flex space has been added in Cranberry due to the expansion of businesses there and the relocation of the rapidly growing Westinghouse Electric. And more than one million square feet of retail space, dozens of restaurants and a half-dozen new hotels have been added during the past decade alone.

Pittsburgh's northern suburbs now serve as bedroom communities for commuters in all directions, as thousands

of jobs have been created near the intersection of I-79 and the Pennsylvania Turnpike. The offices Downtown are nearly full and the central business district has spilled over to the North Shore, creating another easy destination for commuters from the north. And with businesses responding to Westinghouse being fully operational in Cranberry Woods, and the natural gas industry making Cranberry its second 'hub', the incentive to locate in the North Hills to be near one's employment has never been greater.

As the economic pain of the recent recession appears to be fading, the North Hills market seems to be poised for another round of increased new construction.

WHY NORTH?

There are so many success stories associated with the new businesses – especially energy related ones – that have located in the office and industrial parks in the north that it is easy to forget that the primary attraction to the North Hills is still its proximity to the city.

“Even after all these years, it’s still about access to the city,” says Chris Cinker, general manager for S & A Homes in Mars (and North Hills native). “Every other success story in the north still rolls off of that. With all the growth that occurred, the North Hills remains so convenient to the regional attractions. I live on the Butler/Allegheny County line and it takes me 25 minutes to get to the stadiums.”

An examination of the infrastructure of the North Hills reveals that the ease of access goes beyond the I-79 and I-279 highways.

While these roads allow for high-speed driving without traffic lights into Downtown and beyond, it is the east-west system of roads that makes getting around so easy. Perhaps no other part of our region benefits so much as the north from the outdated, often ridiculed, roadway belt system. Like in all parts of Pittsburgh, the ‘belts’ wind from one road to another in the north, often requiring 90 degree turns to remain on the same belt. Yet, a driver working his or her way north on Route 8 can turn west on any of the four northernmost belts and within 15 minutes intersect the Parkway North or I-79. This consistency makes for convenient travel and the belts serve as logical spots for commercial businesses and schools to locate.

Follow the Green Belt from Route 8 and you’ll come within a few hundred yards of UPMC Passavant Hospital, LaRoche College, the northern end of the McKnight shopping district and meet I-279 at the Camp Horne Road exit. A few miles to the north, the Yellow Belt takes you past the entrance to Hampton Township’s middle and high school campus, through North Park, past a couple of North Allegheny schools and on to the Mt. Nebo Road exit of I-79. Next up, the Orange Belt winds its way through the heart of the planned residential communities that exploded in the 1990’s in Richland, Pine and Franklin Park, meeting I-79 at the Wexford exit. And the Red Belt meanders past Pine-Richland’s elementary, upper school and high school campus before leading drivers to the Warrendale exit of I-79 and the gateway to Cranberry’s office parks.

Having so many schools along those infamous ‘belts’ is important in the North Hills because those suburban school districts are another reason the northern suburbs are going strong.

Pittsburgh is home to four of the Commonwealth’s top ten school districts, as rated by the PA Department of Education, and two of those – North Allegheny School District and Hampton Township School District – are located in the North Hills. The districts achieved their ranking based on the academic performance of their students, especially in Advanced Placement courses, the investment made per student, and the quality of the teaching faculty. These two, along with up and coming Pine-Richland School District give North Hills residents the choice of three of the state’s most highly regarded school systems.

Municipality	#SFD	#SFA	Total
Pittsburgh	42	116	158
Adams Township	91	57	148
Cranberry Township	66	79	145
Ohio Township	79	52	131
North Huntingdon Township	111	14	125

While the property tax structure in Butler County is lower than in Allegheny, the school districts there have also garnered accolades and invest handsomely in the education of their children. Seneca Valley and Mars Area schools

have shed the perceptions that they are more rural districts, as their students achieved higher results and their teachers received statewide recognition. These districts encompass the fast growing municipalities of Cranberry and Adams Township respectively, and are two of the main reasons that buyers are drawn to southern Butler County.

The marriage of great schools with great employers is another reason why the North Hills has remained a strong market. No matter whether you look at it from the perspective of jobs created or the employment of residents, the North Hills as a submarket is behaving as though no recession happened.

Regional leaders have been justifiably proud of the jobs created in Pittsburgh to help cushion the blow from economic downturns. Pittsburgh’s unemployment rate is 7.6% compared to 8.4% for Pennsylvania or the national 9.4% rate, but it pales in comparison to the communities in the North Hills. Unemployment remains near 5% in Ross Township, McCandless, Franklin Park, Pine Township, and Hampton Township.

Those low levels of unemployment may help explain why the retailers in the North Hills have felt less pain during this recession. In fact, the North Hills’ signature retail space, Ross Park Mall has gone through a renaissance during the past few years,



adding stores that have made the mall their only Pittsburgh location. Retail brands like Tiffany's, Nordstrom's, Crate & Barrel and L. L. Bean have made Ross Park a regional shopping destination.

From the perspective of jobs located in the north, the data is even better. As of January 2010, the new Westinghouse facility has resulted in 4,500 jobs in Cranberry and Marshall Townships, more than half of those were new jobs created. The Turnpike and I-79 junction has also been a magnet for some of the engineering and administration for the booming natural gas industry. Three new buildings have been built exclusively for gas exploration firms in 2010. In fact, the buildings that pack the interstate intersection have virtually no vacancies. Westinghouse's buildings are already overcrowded; Cranberry Business Park has no vacancy; Cranberry Woods is 98 percent occupied and planning another new building in 2011; The Keystone Summit Business Park has less than 10 percent vacancy (after being 50 percent vacant three years ago); and even the original office park, RIDC's Thorn Hill Industrial Park is 97 percent occupied.

That's a lot of employment in one concentrated area and it makes for a steady economic base that goes well beyond supporting the Cranberry shopping district.

Northwood Realty's Mary Anne Gibson believes the strong employment picture supports a strong housing market in the north. "Realtors in the north haven't seen the slowdown that others have; in fact, some Cranberry realtors had very good years in 2010," she says. "I believe we'll have steady growth

and a steady market for new construction. There are factors working against another boom in new housing but the market should be improved over last year."

One of the factors Gibson is talking about is the lot pricing in many parts of the North Hills, which limits the product that can be built. When places like Cranberry and Adams Township were seeing several hundred new homes each year, home prices that were affordable for first-time buyers were an essential part of the mix.

"With lot prices that are \$90,000 in many communities, it has to influence the cost of the home quite a bit upward," she says.

A combination of the higher entry point of new homes, tighter financing and the specific employers in Cranberry area have given an enormous boost to the rental market, however. Apartment and townhouse vacancies are virtually non-existent, and in many cases the rental acts as an entrée into the market that will lead to future sales.

"I can't keep rental units when I have them," says Donna Essey, manager of Adams Ridge, a massive planned community in Adams Township. "If I'm taking back ten units at the end of the month I have eight of them filled before I can even market them."

Asked where the demand is coming from, Essey points to the new businesses entering the local market. "We have a significant number of Westinghouse people here but it's also employees from Marcellus Shale companies drilling the area. We have 20 or so corporate units that are fully furnished – with bedding, towels, everything included – and those are full of Westinghouse and gas company employees."

WHERE CAN YOU BUY?

One significant difference between now and 1999 is in the available lots for new construction. The pace of development has been steady in the North Hills since the 1990's, but very few large-scale new developments have gone through

the approval process. With housing volume down and uncertainty about the economy, homebuilders have not been able to commit to take down schedules of new home lots that make the developments financially viable for developers.

The Westinghouse announcement motivated developers to add somewhat to the approved subdivisions. More than 300 units are planned in Pine Township, and another 450 or so are being reviewed or approved in Cranberry, but none of these have started construction. Approximately 2,500 lots are available from I-79 to Route 8 between Ross Township and Evans City,



... BELLEVUE PARK AND PARK PLACE ...

but 60 percent of those are lots in Cranberry and Adams that are overhanging from the past decade. While that potential lot shortage is worrisome to realtors, who like to see the widest variety in product available, the shorter supply is another factor keeping prices going up.

While lots are more limited, buyers don't actually lack for places to look. At the entry point, new townhouses have been very popular during the past couple of years. Townhomes selling between \$125,000 and \$250,000 are available from Heartland Homes, Ryan Homes, Maronda Homes and Deklewa Home in communities like Foxmoor, Bellevue Park in Cranberry Township, Village at Pine in Pine Township, Kaufman Run in Adams Township, Willow Ridge in Richland Township, Village at Harmony Junction in Jackson Township, Whispering Pines in West Deer, Northtowne Estates in Marshall Township, and Legacy Village in Ohio Township.

Among the more creative developments are two of the first large-scale Traditional Neighborhood Developments (TND) in suburban Pittsburgh. The concept of a TND is a hot development trend in other regions (Celebrations in Florida is an example), and is favored by communities because of the blend of housing and walkable neighborhood retail businesses, and the more human scale of the architecture. The two communities, Bellevue Park and Park Place, are both in Cranberry Township.

The first of these is Park Place, a larger scale community developed by Creative Real Estate that features 779 homes between

\$299,000 and \$700,000. The neighborhood includes a wide range of traditional architecture and home styles, including attached quads, detached single-family traditional homes and estate homes. Park Place will have a handful of parklets sprinkled throughout the neighborhood and will connect by sidewalk to the township's massive new Graham Community Park. Homes are being offered by A. Allen Homes, Deklewa Home, Distinguished Builders, Kaclik Builders and Signature Homes.

Bellevue Park is the other TND currently under construction in Cranberry Township. Developer Weaver Master Builders is building 104 single-family attached housing units that offer no-maintenance, open floor plans. Weaver has also begun construction on 104 detached single-family homes that will appeal to families interested in a more urban style of living with the advantages of North Hills living. Bellevue Park is also home to 81 townhouses built by Ryan Homes.

Another ground-breaking community in Ohio Township is Cobblestone. Like the TND's in Cranberry, Cobblestone offers 300 traditional single-family homes and low-maintenance attached units, but builder S & A Homes is providing a twist: a zero-energy home. S & A Homes is one of the builders, along with Ryan Homes, of the single-family detached homes, but the company is also using Cobblestone as a proving ground for green building. S & A brands its EnergyStar homes as E-Homes and through a partnership with IBACOS (Integrated Building and Construction Solutions) the builder is constructing lab homes with the aim of operating with net zero energy use.



IBACOS is a research consultant dedicated to reducing home energy usage and S & A Homes was interested in pushing the envelope in energy efficient homes by proving that net zero homes were possible on a production scale. The home will be operated for three years to test the engineering and construction.

For buyers interested in a more traditional but energy efficient home, Cobblestone will have the EnergyStar homes built by Ryan Homes and S & A, plus 40 attached homes in the Courtyards at Cobblestone section from builder Hawthorne Partners.

A little further east in Adams Township is the North Hills newest neighborhood, called the Village at Camp Trees. Developed by Weaver Master Builders, the project includes 43 single-family lots in its first phase that began this year. Joining Weaver in the project are custom builders Brennan Builders, Hendolhurst Homes, Primrose Homes and Wellington Homes. Camp Trees straddles the Allegheny/Butler County border and adjoins the Treesdale Country Club's golf course.

Also this past year, the first lots were built in the Woods of Sewickley Hills, a 37-lot neighborhood built off Mud Hollow Road

in Sewickley Hills. Originally planned as an estate home community priced between \$700,000 and \$1,000,000, The Woods is being developed by Frank Pelly to meet the middle market needs. Ryan Homes and S & A Homes will build the homes in The Woods, which is in one of the premium locations in the north, sitting above I-79 and accessible to Mt. Nebo Road within a couple of minutes.

An area to the north on I-79 that has been quiet

the past few years, but may be poised to pop next year is the Zelienople/Harmony area. Located mostly in Lancaster Township between Route 68 and Route 422 in western Butler County, this sub-market was the site of nearly 1,000 lots of planning just a few years ago. The recession took some momentum away but a major infrastructure improvement is about to be started.

"I expect that area to really open up once the interchange is completed at Seneca Valley High School," predicts Bob Brennan, president of Brennan Builders in Evans City.



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The I-79/Route 68 exit is one of those famous two-way interchanges that haunt our region, but the construction of the remaining north/south ramps is to begin in 2011. "We're seeing people looking for nice homes like they can get in Cranberry but who want something more than a one-third acre lot. In Lancaster Township our homes are sitting on one-acre lots. Over the next ten years, I think this [northern 19 corridor] will become what Route 228 corridor has become."

Heartland Homes has fueled its exceptional growth during the past five years by expanding into the North Hills. Once exclusively a South Hills builder, Heartland has committed to building in the north to the extent that many buyers aren't aware the firm still builds half its houses in the south. The company has had great success in its first ventures in Ohio Township, Legacy Village and Heritage Estates. Currently the company is building in Cranberry Township, with only 22 lots unsold in its Orchard Park community, and in Pine Township, where its Stonecrest neighborhood has only a few lots remaining.

"The north has been very good for us," says Heartland CEO Marty Gillespie. "Westinghouse coming to Cranberry is driving demand for new construction in that area. We're looking at another development in Cranberry Township and at creating a new community in Hampton Township."

For buyers looking at the high end of the market, the North Hills still offers a number of neighborhoods on both sides of the county lines. Whether in established subdivisions like The Estates at the Villa in Hampton Township, The Heights of North Park or North Park Manor in Pine, or in newer neighborhoods like Lake MacLeod in Pine or Meredith Glen Estates in Middlesex and Adams Township, the North Hills has options. More options may be a key ingredient that is keeping new construction from going into a higher gear in the north. Neither bank-financed nor self-financed builders have been able or willing to build spec homes in the numbers that helped drive the market during the past two decades. Now that the economy is rebounding, construction of additional spec homes could boost demand.

"It's difficult for buyers to walk through a house of two-by-four framing and visualize what it will look like so builders ought to have several specs to let buyers see what is possible," says Mary Anne Gibson. "I think if there were more spec homes

they would sell right now but getting additional specs financed is very difficult, even for established builders."

Chris Cinker has seen evidence that Gibson is right recently. "We can't keep a spec right now, especially in Butler County," he says. "We typically like to have a couple spec homes in each of our communities but I can't remember finishing a spec anywhere recently except for one in Cobblestone."

The home construction industry must overcome a number of structural hurdles before it can start churning out speculative homes again. Lending standards still have to loosen; buyers have to regain confidence; and new sprinkler regulations in Pennsylvania have to be worked with to gauge what the cost impact is on new construction. One hurdle that isn't present in Pittsburgh's North Hills is a lack of demand.

Buyers are attracted to the North Hills in 2011 for the same reasons as in the past. Today's buyer is a more sophisticated, better informed consumer. Many prospective customers meet their realtor for the first time already armed with research about school districts and comparative pricing, and the North Hills fares well in comparisons of lifestyle amenities and essentials that homeowners want. As has been true for a couple of decades, the North Hills attracts a high number of relocating new residents who are drawn to the high percentage of new construction in the north. And most of the North Hills communities have track records of holding home values that outstrip the norm. For new residents, the ease of access and the track record of quick and profitable resale make North Hills communities too attractive to pass up.

Great schools, rising home values, and low unemployment aren't values that you have to leave Pittsburgh to find. That's the equation for living in the North Hills. [NH](#)