RICHMOND REGIONAL
HOUSING FRAMEWORK

2020–2022 DATA UPDATE

January 2023
Prepared by HDAdvisors

PARTNERSHIP for HOUSING AFFORDABILITY

KEY TAKEAWAYS

Steady migration into the region continues to drive demand for housing.

- New residents from elsewhere in the state or country accounted for 64 percent of population growth in 2021, compared to just 42 percent in 2019.
- The region is projected to grow by nearly a third between now and 2050, mostly in Chesterfield and Henrico counties.

The fastest-growing household type are married-couple seniors who own their home.

- This trend is *both* the result of existing homeowners aging past 65 and newcomers who are already empty-nester seniors.
- Overall, the region's household growth is almost exclusively among homeowners. The total number of renters has not changed significantly.
- The only renter households that are more common now are those living alone or with roommates.

Younger adults are more frequently moving out of their parents' homes.

- The number of adults under 35 living with a partner or with roommates increased by 28 percent, compared with just 4 percent for those still living with their parents.
- Still, about one-in-three young adults in the region still live with their parents.

Household incomes are increasing, but little progress is being made to close disparities by race.

- When adjusted for inflation, median household incomes for both homeowners and renters increased around 5 to 10 percent from 2016 to 2020.
- Recently, the fastest wage growth has been among jobs with below-average pay. The lowest-paying 10 percent of jobs in the region increased their wages by over 17 percent from 2019 to 2021.
- Black and Hispanic households continue to have average incomes 20 to 30 percent below white households. This gap has not started to close in any locality.

Renters' wages may be rising, but that extra cash is eaten up by higher rents.

- Despite steady income growth, the number of cost-burdened renters *increased* by almost 1,900, primarily among renters with incomes between $35,000 and $75,000.
- The average apartment in the region went for nearly $1,400 at the beginning of 2022—up $300 from two years prior.
- The steepest rent increases were in the counties, especially among apartments with 2 or 3 bedrooms.
- Many of the most common workers in the region—including office administrators, stockers, and retail and restaurant workers—cannot afford average rents on their own.

Low interest rates and limited supply helped home sales reach historic highs.

- Extremely low inventory—1 month or less since mid-2020—led to fierce competition among buyers, quickly driving up prices.
- The average home price in each locality has remained well above $300,000 since early 2020.
- From 2020 to 2021, the share of homes affordable for a couple earning 80 percent AMI or less declined around 10 percent across the region.

The hot housing market helped create many new homeowners.

- Single-family home production continued at the same pace across the region, except in Chesterfield, where permits have recently accelerated.
- Overall, there are now 15,000 more homeowners in the region.
- The homeownership rate increased slightly in each locality, primarily driven by young buyers under 35.

The homeownership rate for Black households remains more than 25 points below that of white households.

- The Black homeownership rate increased slightly to 49 percent. However, this did not exceed similar increases among white households.
- The Hispanic population was the only group where homeownership declined, albeit just a point to 43 percent.

Homebuyer demand also led many property owners to sell their single-family rentals.

- Almost 2,000 previously-rented single-family homes in Richmond are now owner-occupied, especially in neighborhoods with homes built prior to 1980.
- This trend has contributed to a net regional loss of more than 3,000 2 and 3-bedroom rental homes. This makes it harder for renters with children to find an adequate home.

Older, lower-cost apartments are quickly becoming less of a deal for renters.

- Around 25,000 renters live in market-affordable apartments throughout the region. These communities are traditionally less expensive due to their age, location, and condition.
- These apartments are about $200 less than average—but increased by 10 percent from the start of the pandemic to 2022 Q3.

The region's supply of dedicated affordable rentals is up, but remains far below our current and projected needs.

- Affordable housing providers have created more than 4,300 new below-market apartments since January 2020. However, over 1,600 non-market apartments also saw their subsidies expire over that same time.
- Preservation needs will increase in the coming years: about a quarter of all current LIHTC units are due to expire by 2035.
- The total affordable rental deficit remains significant. To fully eliminate rent burden for low-income renters, almost 39,000 affordable homes are needed.

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About

This report is a data update for the Richmond Regional Housing Framework, which was released by the Partnership for Housing Affordability (PHA) in January 2020. It will support PHA's ongoing efforts to educate both decision-makers and the public at large about the region's housing needs and opportunities. Data in the report will also help PHA continue to monitor, change, and implement the policy solutions outlined in the Framework.

There are four parts in this report:

1. Demographic and socioeconomic changes
2. Housing supply and market changes
3. Gap analysis
4. Local summaries

Part I

PART 1: Demographic and socioeconomic changes

1 Population changes

This chapter covers population changes across the Partnership for Housing Affordability's main coverage area, including the City of Richmond and the counties of Chesterfield, Hanover, and Henrico.

1.1 Total population growth

The Richmond region has continued to grow between 2016 and 2020—adding a net of 41,457 residents across the four major localities. The most populous locality, Chesterfield County, experienced a near eight percent increase in its population during this timeframe.

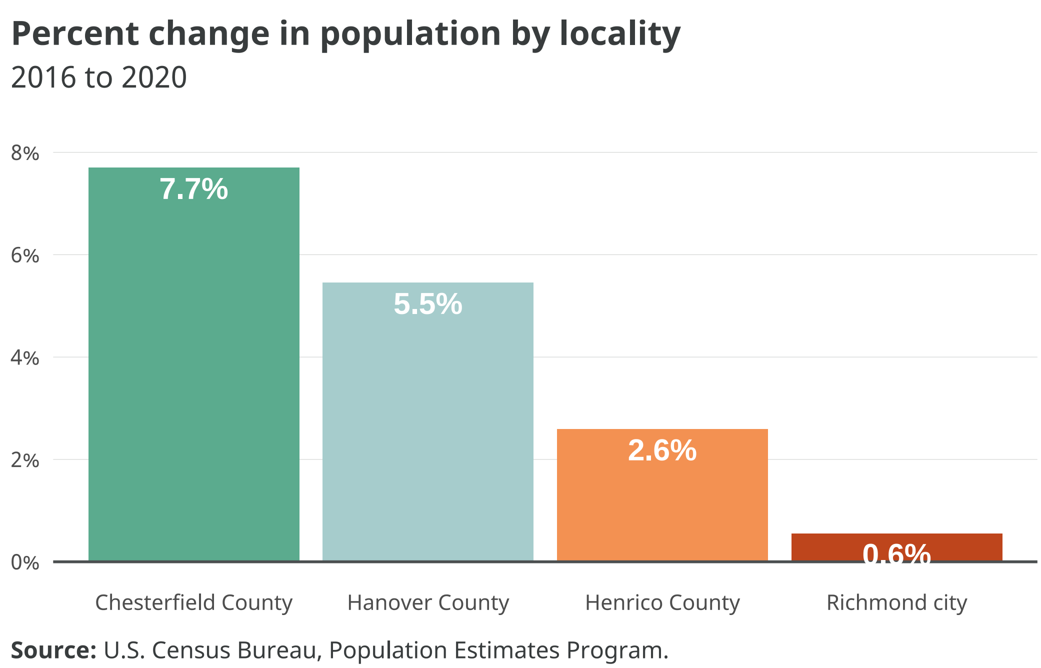


Figure 1.1: Percent change in population by locality

1.2 Components of population change

In recent years, nearly two thirds of growth could be attributed to either domestic or international migration into the region. But between 2020 and 2021, that share increased to over three quarters—reducing the portion of the population growing due to natural increase to only 13 percent.

The region's growth continues to be driven primarily by new people coming from other parts of the state and nation (64 percent of growth between 2020 and 2021).

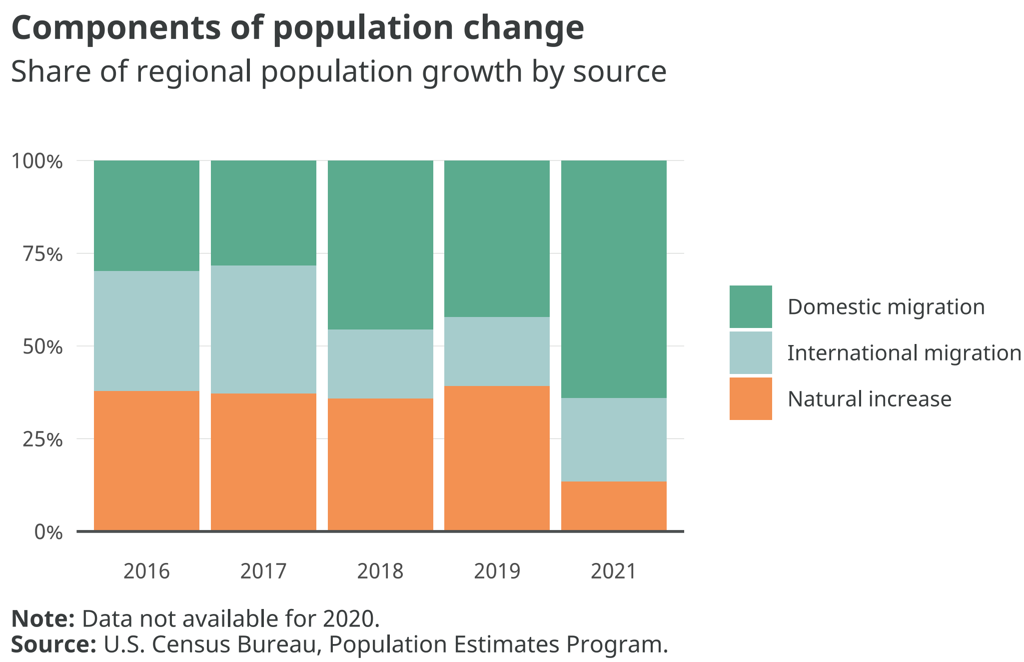


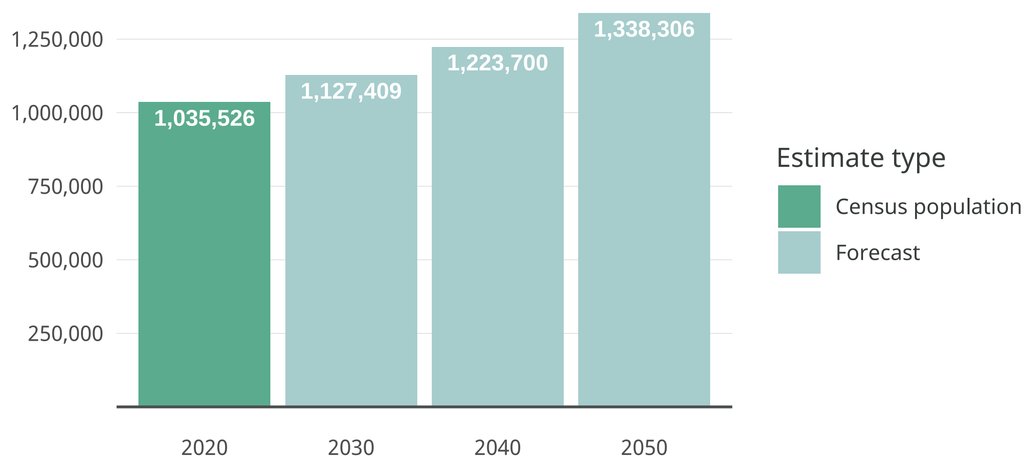
Figure 1.2: Components of population change

1.3 Population projections

Between 2020 and 2050, the region is expected to grow by nearly a third (29 percent)—reaching 1,338,306 residents.

Population projections

Regional population in 2020 and forecast to 2050



Source: University of Virginia Weldon Cooper Center for Public Service.

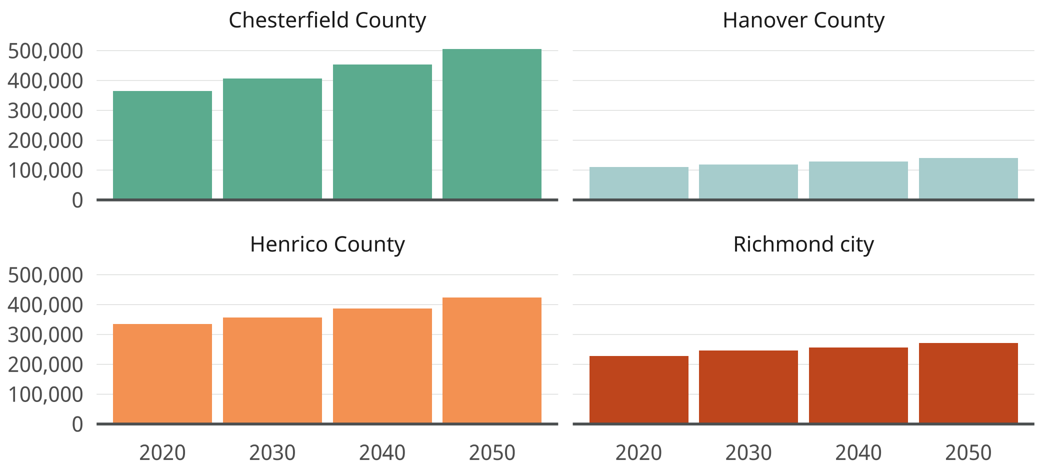
Figure 1.3: Population projections

Over the next 30 years, Chesterfield County will continue to lead growth across the region. By 2050, Chesterfield is expected to surpass half a million residents, growing by 38 percent from the 2020 Census estimates.

Population growth trends will largely continue as they have with Hanover County experiencing the second greatest growth from their 2020 estimates (27 percent increase). Henrico County follows with a 26 percent increase (+88,565), while the City of Richmond will only increase by about a fifth (20 percent) over 30 years.

Population projections by locality

Local population in 2020 and forecast to 2050



Source: University of Virginia Weldon Cooper Center for Public Service.

Figure 1.4: Population projections by locality

2 Household characteristics

This chapter covers the household trends that influence housing demand across the Partnership for Housing Affordability's coverage area, including, but not limited to householder age, household size, and multigenerational households.

2.1 Household formation

According to Census estimates, the region gained more than 15,000 households from 2016 to 2020. This growth was driven entirely by new homeowners (17,436). Renter households, instead, saw much slower increases from 2016 to 2019; from 2019 to 2020, the estimated number of renters dropped more than 2,000 for a net loss of 609 over the full period.

⚠ Pandemic impacts on data reliability

This anomalous data should be treated with caution. Lower American Community Survey response rates during COVID-19 were most common among lower-income and lower-educated households most likely to rent. Across the Richmond region, overall ACS response rates declined nearly 10 percent from the 2015-2019 to 2016-2020 collection period.

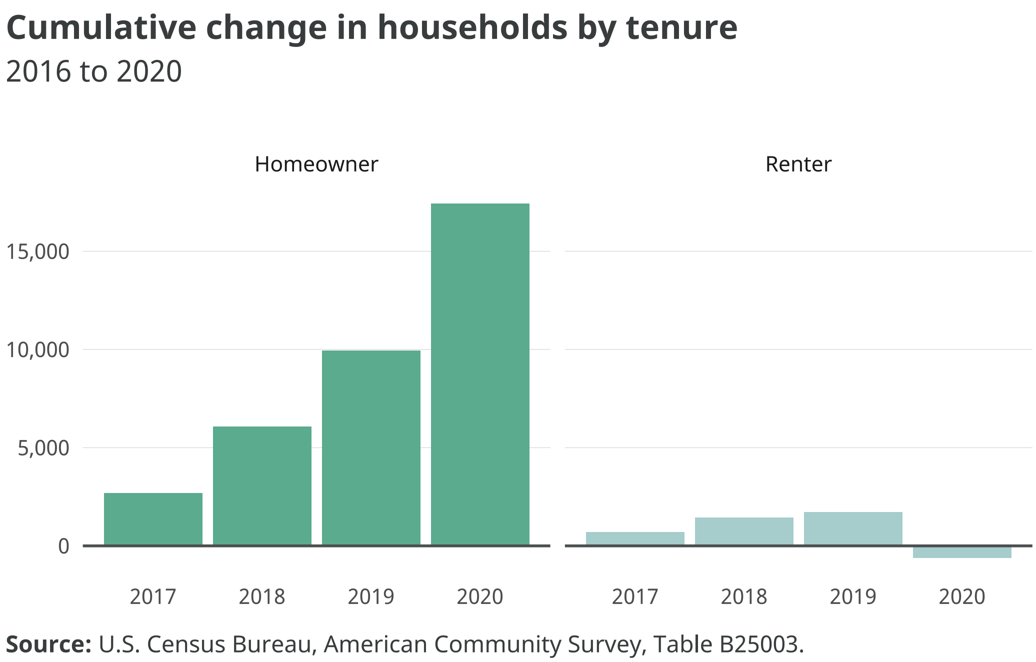


Figure 2.1: Cumulative change in households by tenure

2.2 Households by age

The single largest growing cohort of households across the region are homeowners 65 years and over. Thanks in large part to youngest baby boomers aging into retirement, this group increased by more than 13,000. Younger homeowners saw much smaller gains.

Among renters, most growth occurred in senior householders. The significant decrease of renter households under 25 (more than 3,200) should be treated with caution, as this population likely had much lower ACS response rates during COVID-19.

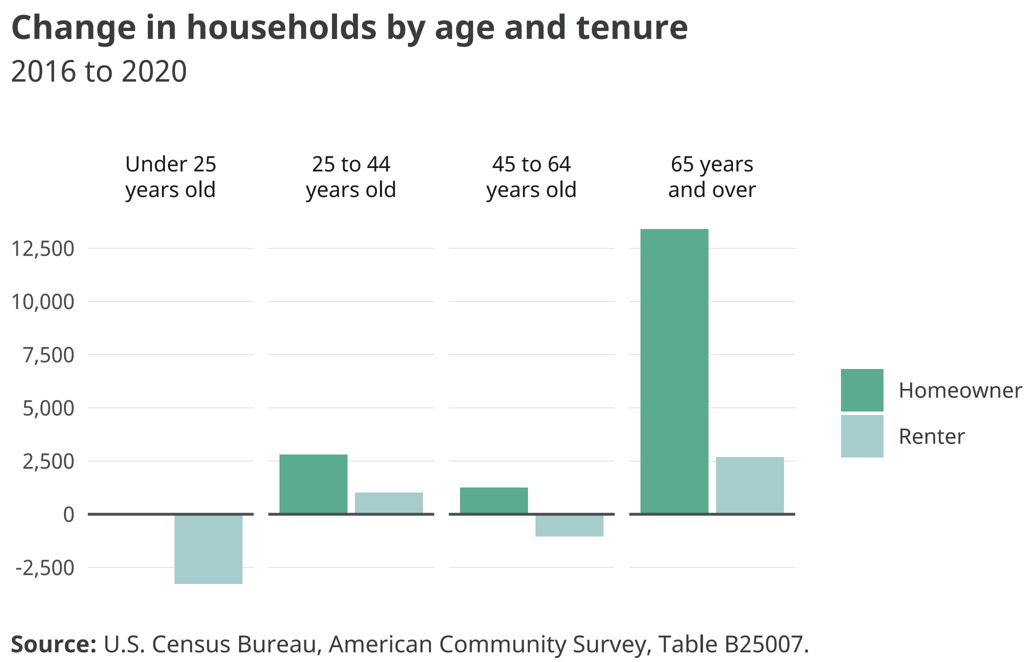
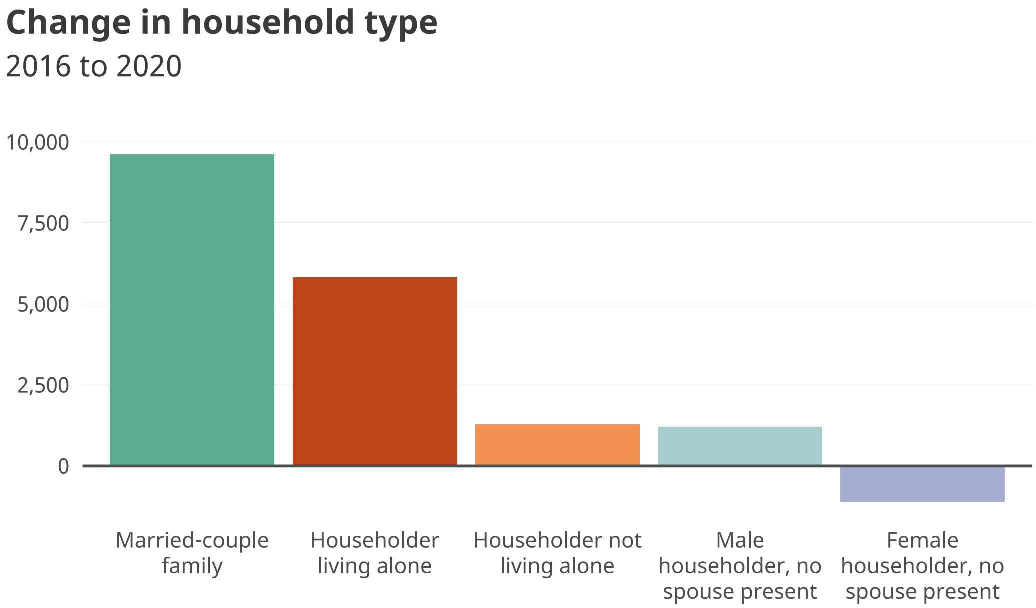


Figure 2.2: Change in households by age and tenure

2.3 Households by type

Married-couple families continued to be the dominant household type in the region, growing by 9,625 from 2016 to 2020. Living alone also become more common, likely the result of seniors increasingly living on their own. Households headed by single females were the only type to decline; however, this could potentially be attributed to lower ACS response rates among those households during COVID-19.



Source: U.S. Census Bureau, American Community Survey, Table B11001.

Figure 2.3: Change in household type

2.4 Households by size

Two-person homeowning households were by and large the fastest-growing cohort among different size households from 2016 to 2020. There was also a significant increase in the number of homeowners living alone, as well as homeowners with four-person households.

Persons living alone were the only size of renter households that grew with any significance over this period. One potential explanation for the notable decreases in the number of three- and four-person renter households is lower ACS response rates among younger adults living with roommates during COVID-19. This population, which does not include college students living in dorms ("group quarters" are not households in Census methodology), was likely to move back home with parents during the initial phases of the pandemic.

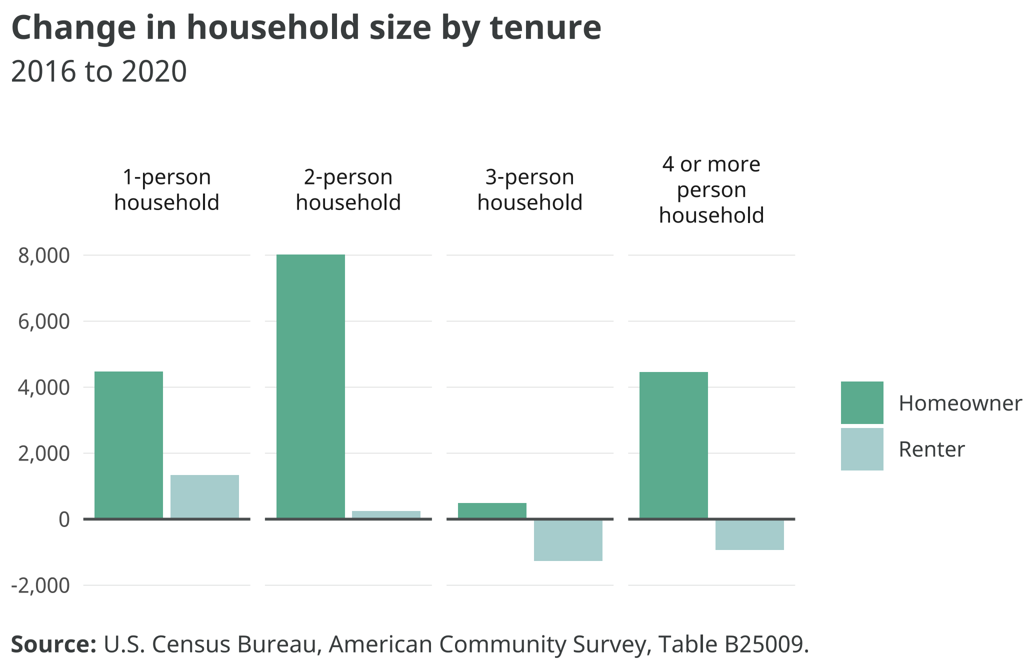


Figure 2.4: Change in household size by tenure

2.5 Households with children

The number of homeowners without children in the region grew significantly (by almost 9,000) from 2016 to 2020. This is likely due in large part to baby boomer parents now living without their children. The number of homeowners in nonfamily households also increased—driven primarily by those now living alone. Families with children were the least common group of homeowners that grew.

The only group of renters that saw significant growth was nonfamily households. This includes both renters that live alone and those that live with non-related roommates. The estimated number of renters with children declined sharply; this may also be a symptom of lower pandemic ACS responses among lower-income working families.

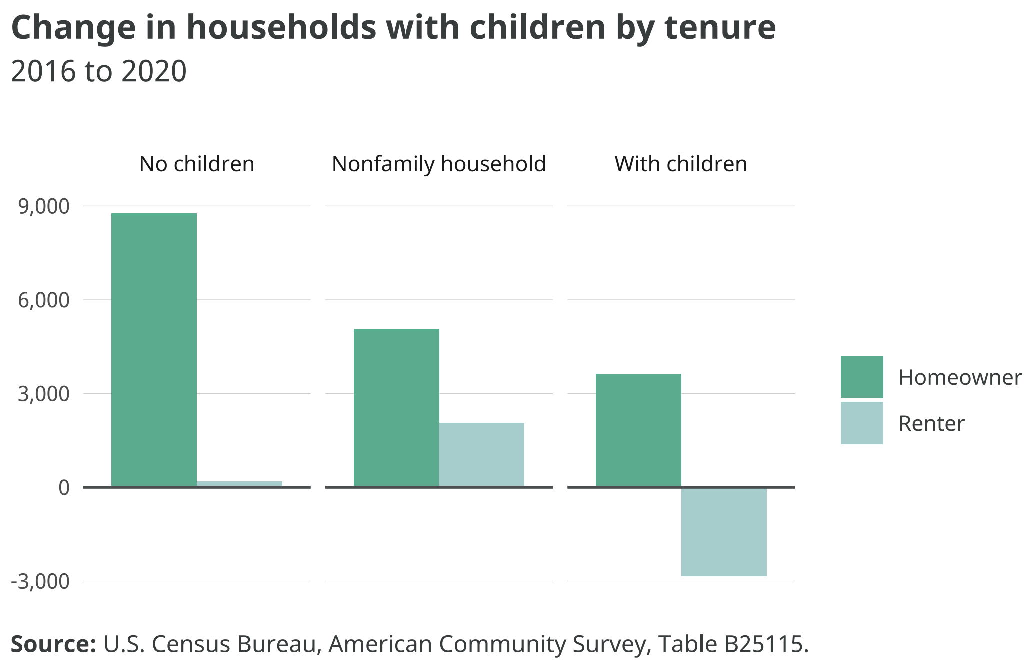


Figure 2.5: Change in households with children by tenure

2.6 Senior living arrangements

Since 2016, the region's senior population increased almost exclusively among three types:

- Seniors who are the head of the household,
- Seniors who are the spouse of the head of the households, and
- Seniors who live alone.

The estimated number of seniors within group quarters (e.g. nursing homes, assisted living facilities) increased by less than 200. This figure should be assessed in context of ACS collection challenges in group quarters settings throughout the COVID-19 pandemic.

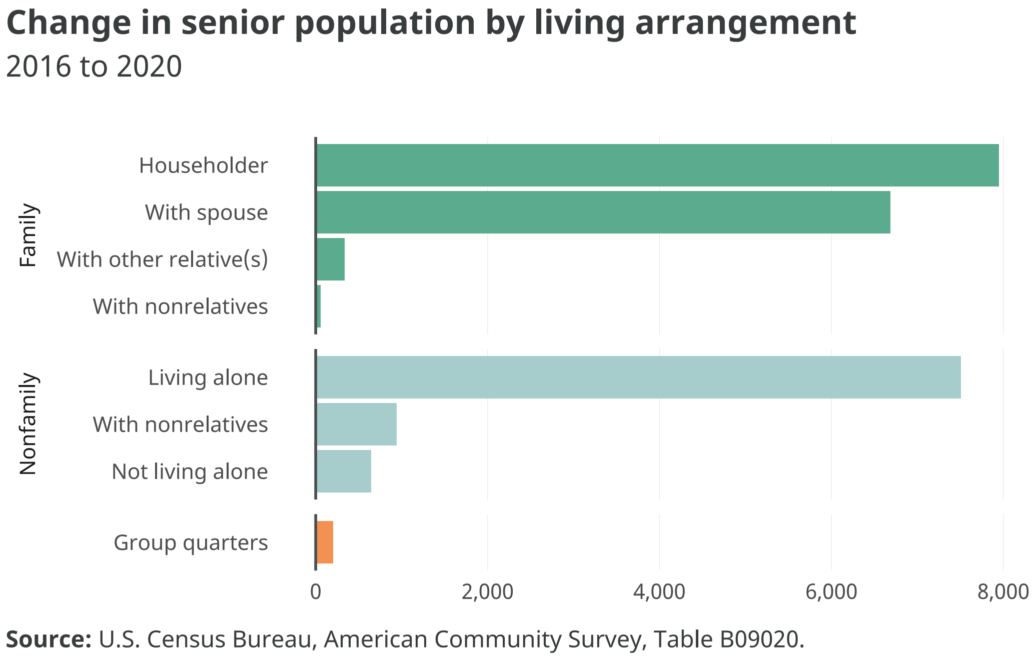


Figure 2.6: Change in senior population by living arrangement

2.7 Subfamilies

The Census Bureau defines a *subfamily* as a group of related individuals who live in the household of someone else. As of 2020, there were approximately 9,850 subfamilies across the region. Two-thirds of those are single mothers living with at least one child of their own. These estimates have remained stable since 2016.

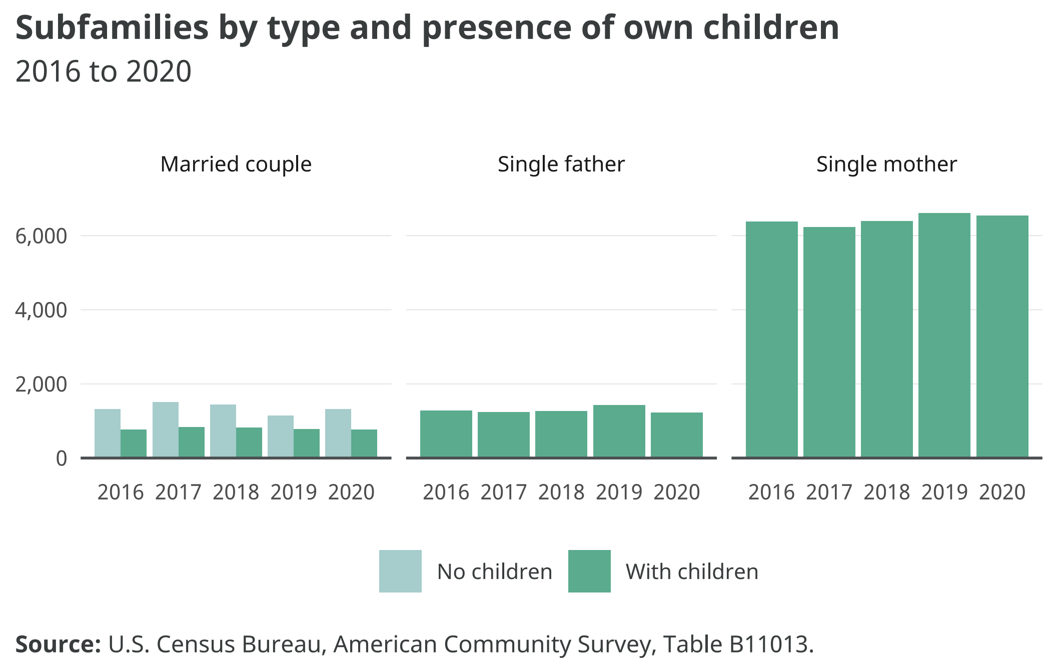


Figure 2.7: Subfamilies by type and presence of own children

2.8 Multigenerational households

The Census Bureau defines *multigenerational* households as those with three or more generations. According to the Pew Research Center, the share of the American population in multigenerational households increased from just 7 percent in 1971 to 18 percent in 2021.

However, multigenerational households in the Richmond region are less common than the national average. As of 2020, the share of persons in multiple generation households across the region has stayed between 7 and 8 percent from 2016 to 2020.

> **Note**
>
> Multigenerational households estimates are not available from the standard ACS tables published by the Census Bureau. The data in this section comes from the Public Use Microdata Sample (PUMS), which are available only by special Public Use Microdata Areas (PUMAs) which contain at least 100,000 people.
> While PUMA boundaries align with Chesterfield County, Henrico County, and Richmond city, the PUMA containing Hanover County also includes Powhatan,

Goochland, New Kent, King William, Charles City counties.

Multigenerational households are slightly more common in the core metro area (Chesterfield, Henrico, and Richmond) than the outlying suburbs. The share of multigenerational households in Chesterfield and Richmond appears to be decreasing slightly, while increasing slightly in the outer counties. The share of Henrico's population in multigenerational households continues to sit around 8 percent.

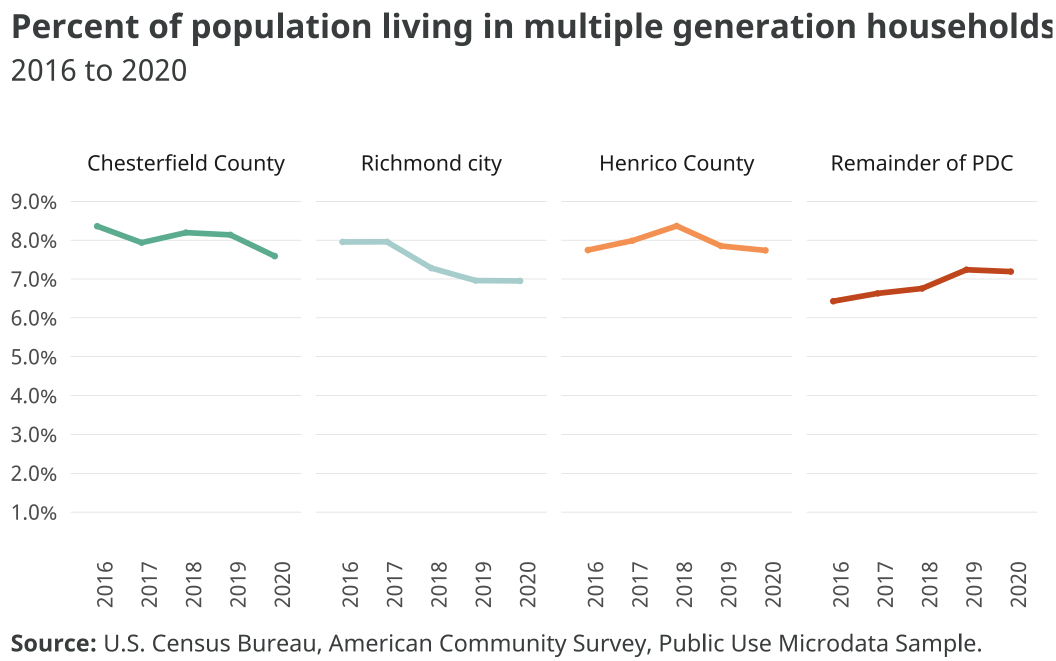


Figure 2.8: Percent of population living in multiple generation households

2.9 Adult children with parents

Over the past decade, a common stereotype has been that of adult millennial child continuing to live with their parents. While this trope is based in real economic challenges faced by young adults, such as increasing housing costs and student debt, its magnitude can often be overstated.

Today, more than 75,800 adults 18 to 34 years old in the region—about one-in-three—live with their parents. This is more than any other arrangement. However, since 2016, the fastest growing living arrangement for young adults has been with an unmarried partner, followed by other nonrelatives (roommates). In fact, the share of young adults now living with a married spouse increased slightly more than the share still living with parents.

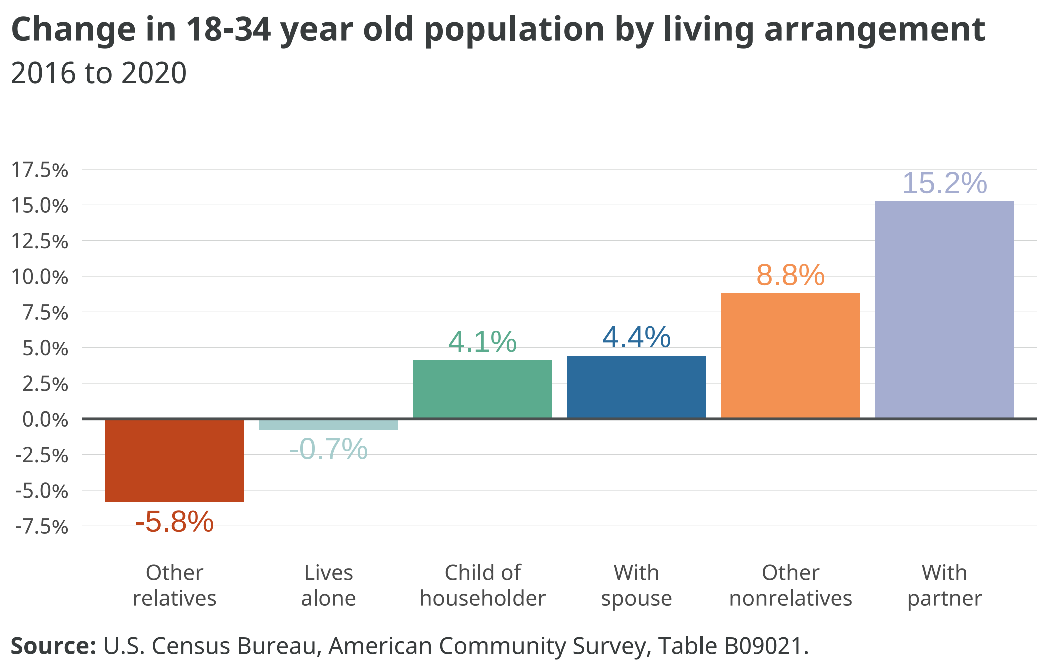


Figure 2.9: Change in 18-34 year old population by living arrangement

3 Incomes and wages

This chapter covers the changes in incomes and wages among households and occupations across the region.

3.1 Household incomes

3.1.1 Incomes by tenure

From 2016 to 2020, the region saw large increases in the number of six-figure income households, particularly among homeowners (well over 25,000), but also renters (almost 6,500). This growth can likely be attributed to both new high-income residents from outside the region, as well as income growth among households already in the region.

There was also a minor increase in the number of middle-income renters earning between $50,000 and $100,000, reflecting continued demand for new market-rate apartments—along with affordable starter homes.

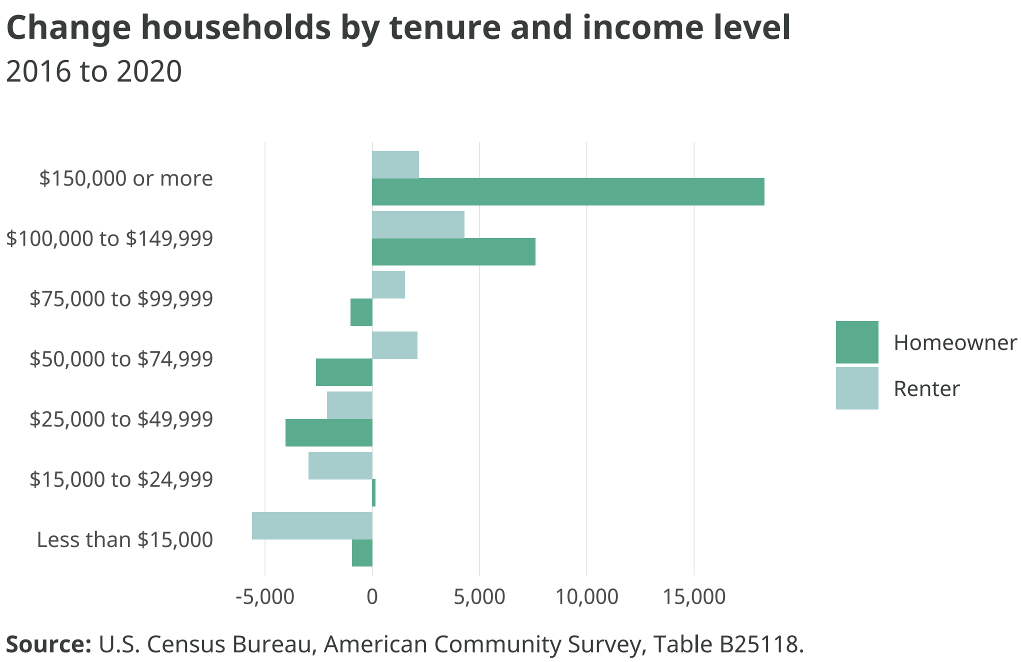


Figure 3.1: Change households by tenure and income level

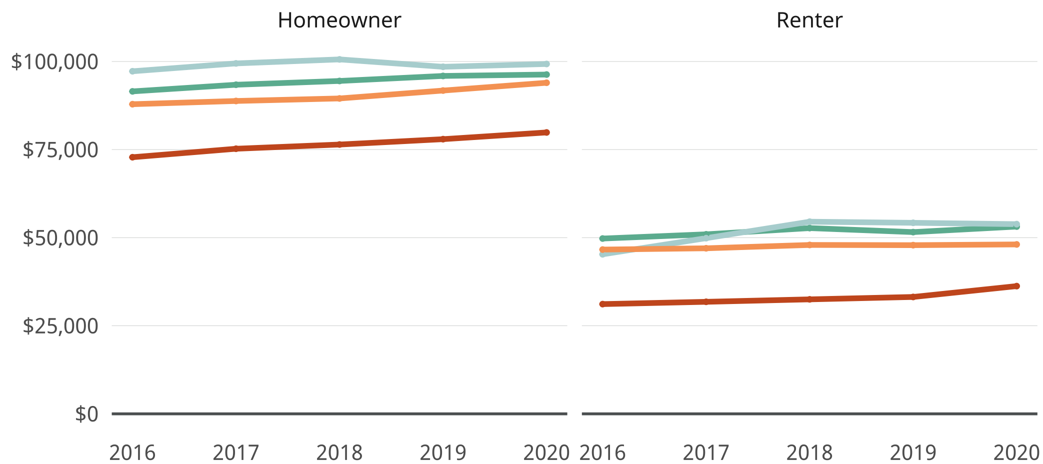
❗ Why use medians

Using medians instead of averages is a standard data analysis practice because it accounts for outliers. An average household income or home sales price would be influenced adversely by one or a few data points at the high end — causing data skewing.

Typical homeowner incomes continue to be well above average renter incomes across the region. When adjusted for inflation, incomes across tenures for each locality show very minor to modest growth. Incomes in the city—for both homeowners and renters—remain significantly below those in the surrounding counties. The median household income for homeowners in the counties is around three times that of renters in Richmond.

Median houshold income by tenure and locality

2016 to 2020 | 2020 inflation-adjusted dollars



Source: U.S. Census Bureau, American Community Survey, Table B25119.

Figure 3.2: Median houshold income by tenure and locality

> **❗ Adjusting for inflation**
>
> When comparing dollar figures at different points in time, it is important to account for the effects of inflation on the dollar value. The value of a dollar in 2020 is not the same as in 2010 because inflation increases
> To accurately compare data like median household incomes across time, we must convert all dollar values to the same timeframe. The Consumer Price Index (CPI) is used to adjust previous dollar figures to the most recent data point.

3.1.2 Incomes by race and ethnicity

Typical incomes in the region remain unequal by race and ethnicity. Households with the highest incomes include Asian and white, non-Hispanic residents in the counties—earning well above $75,000. Black and Hispanic households consistently have the lowest median incomes, along with multiracial households in Henrico and Richmond.

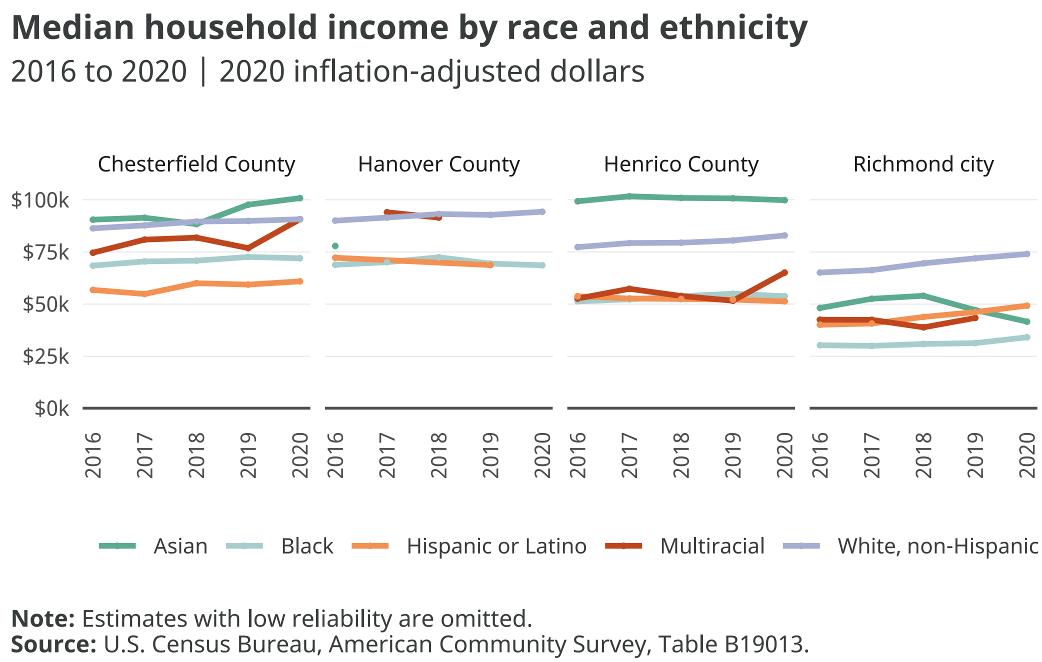
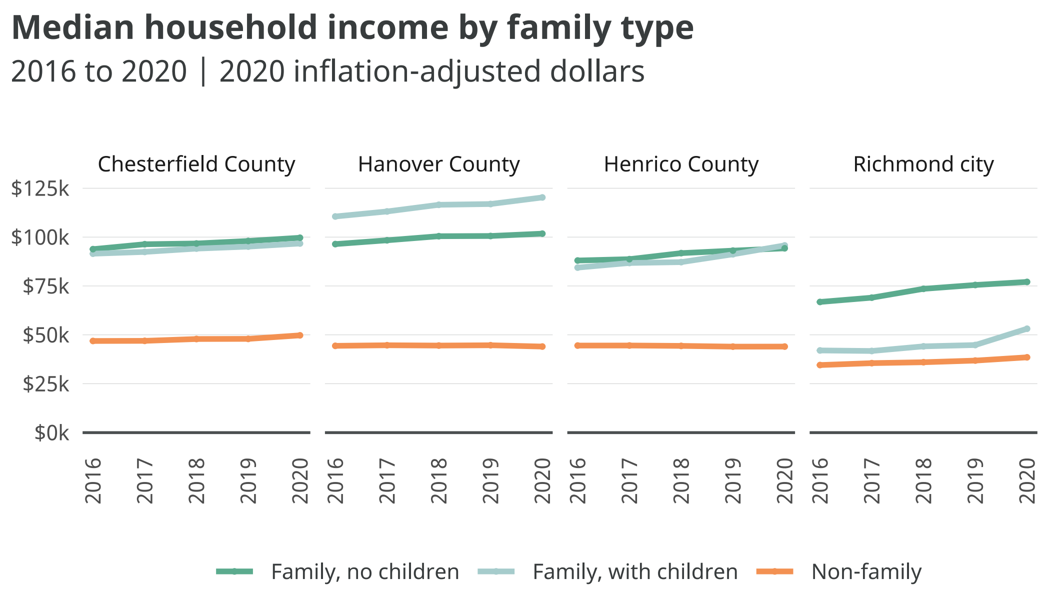


Figure 3.3: Median household income by race and ethnicity

3.1.3 Incomes by family type

Household incomes also vary by the presence of children or other related individuals. Throughout the region, non-family households (i.e., persons living alone or with unrelated persons) consistently have typical incomes below $50,000. In Henrico and Chesterfield counties, families living with and without children under 18 have very similar income levels. This trend is different in Hanover, where families with children have much higher incomes, as well as Richmond, where they have much lower incomes.



Source: U.S. Census Bureau, American Community Survey, Tables B19125 and B19202.

Figure 3.4: Median household income by family type

3.2 Wages

> **Note**
>
> Wage data in this section is sourced from the Occupational Employment and Wage Statistics (OEWS) program of the Bureau of Labor Statistics. OEWS is updated annually, most recently for 2021 data. This dataset provides a rich look into wage distribution by industry and occupation.
> However, OEWS is only available at the national, state, and metro levels. Therefore, the data below covers the full Richmond, Virginia Metropolitan Statistical Area (MSA) rather than the (smaller) PHA region.

3.2.1 Wage change by percentile

While regional wages increased across the board from May 2019 to May 2021, the largest percent increases in average wages were among jobs that paid at and below the median wage. In fact, the largest growth occurred in the lowest 10th percentile of wages, due in large part to state lawmakers adopting incremental increases to Virginia's minimum wage in 2020. The first increase from $7.25 to $9.50 per hour took effect in 2021.

Note

Today, state minimum wage is $11.00 per hour. Under current law, it will increase again to $12.00 in 2023. Lawmakers must reenact the measure by July 2024 to initiative further increases to $15.00 per hour by 2026.

Another factor in this low-end wage growth is likely the increased pay offered by many businesses, especially in the food, retail, and accommodation sectors, to encourage workers to return during the COVID-19 recovery.

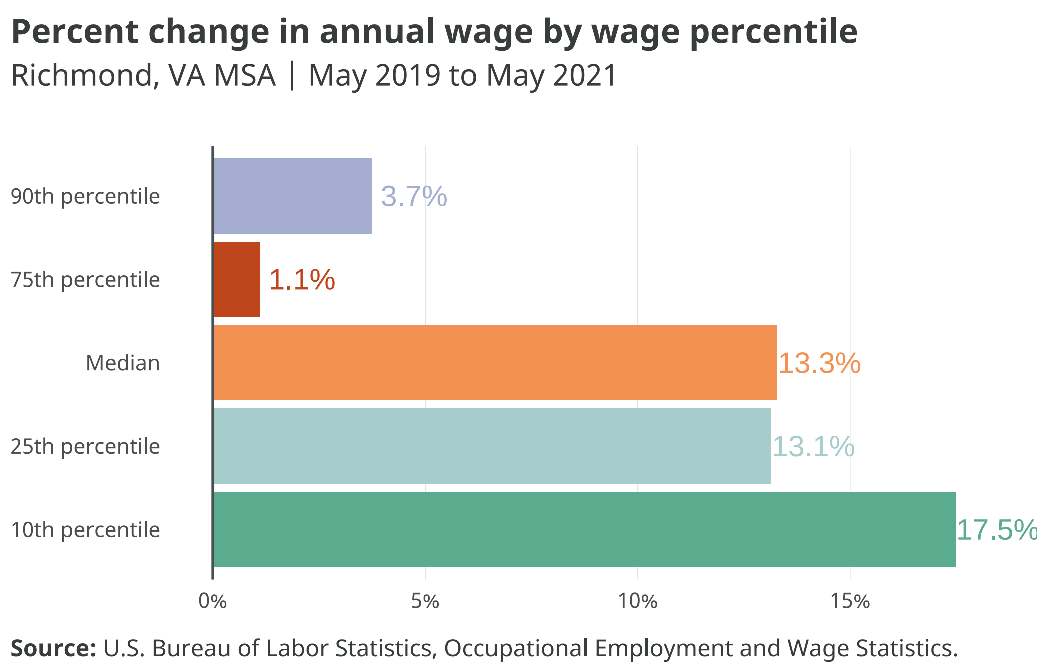


Figure 3.5: Percent change in annual wage in Richmond, VA MSA

3.2.2 Wage change by occupation

Over this same period, wages in the region grew for four of the five most common occupation categories by total employment numbers. Workers in the Transportation and Material Moving sector saw the largest increases—from an average annual salary of $30,250 to $36,370 (over 20 percent).

Jobs in Food Preparation and Serving, Sales, and Business and Financial Operations sectors—totaling more than 162,000 workers in the region as of May 2021—also saw wage growth, but less than the 13.3 percent average increase. Meanwhile, wages among Office and Administrative Support positions remained nearly the same (-0.2 percent) from 2019 to 2021.

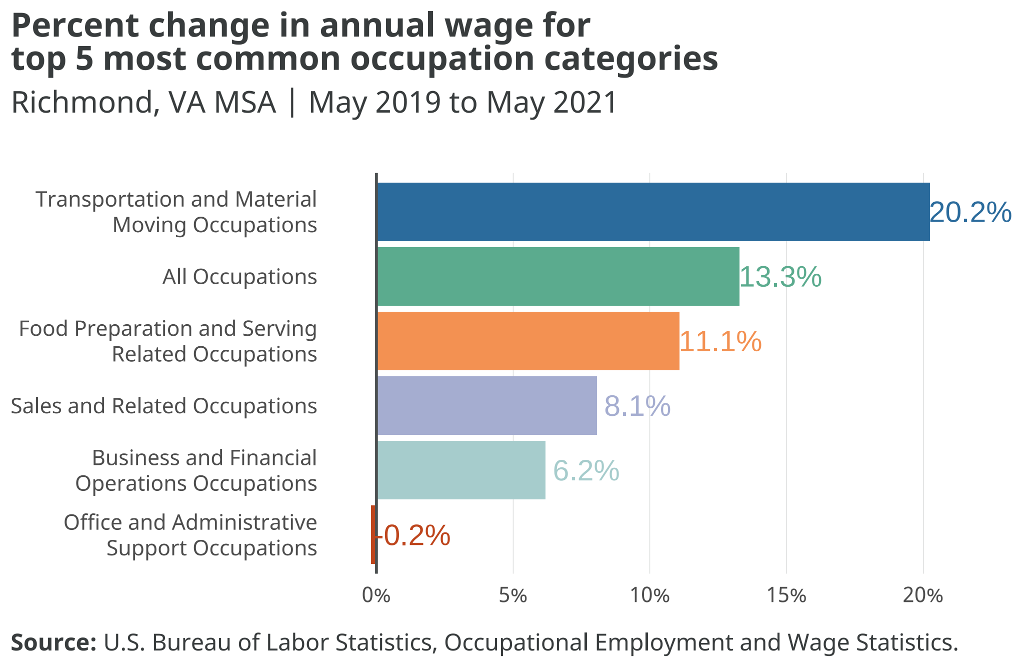


Figure 3.6: Percent change in annual wage for top 5 most common occupation categories

4 Special populations

This chapter covers trends among populations that experience a disability that may impact their ability to access and maintain housing.

4.1 Independent living difficulty

In the American Community Survey (ACS), the Census Bureau collects a range of characteristics to capture the range of different disability types found in the population. One important disability type available in ACS data is *independent living difficulty*, which includes persons who:

> *Because of a physical, mental, or emotional problem, [have] difficulty doing errands alone such as visiting a doctor's office or shopping.*

As a result, persons with these difficulties often face significant housing challenges as well.

4.1.1 By age

From 2016 to 2020, the region added almost 2,600 more persons with independent living difficulties. The largest increases occurred among young adults under 35, as well as "young" seniors between 65 and 74. The latter group will see their needs increase acutely in the next decade as they continue to age and potentially become more dependent on others.

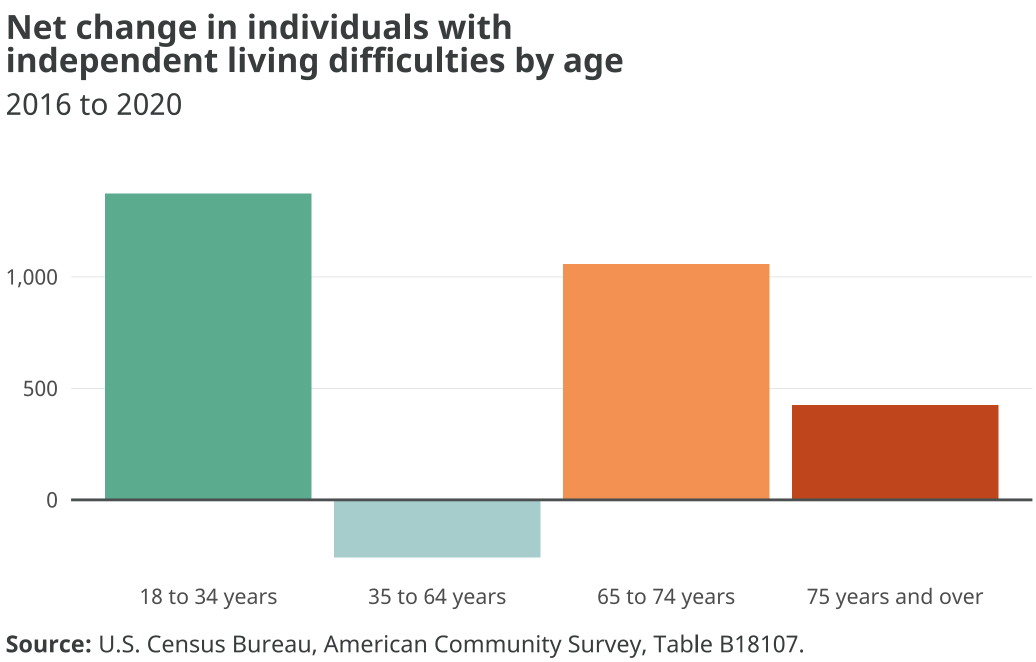


Figure 4.1: Net change in individuals with independent living difficulties by age

4.1.2 By tenure

> **Note**
>
> The detailed estimates for persons with independent living difficulties in this and the next section are not available from the standard ACS tables published by the Census Bureau. The data in these sections come from the Public Use Microdata Sample (PUMS), which are available only by special Public Use Microdata Areas (PUMAs) which contain at least 100,000 people.
> While PUMA boundaries align with Chesterfield County, Henrico County, and Richmond city, the PUMA containing Hanover County also includes Powhatan, Goochland, New Kent, King William, Charles City counties.

Nearly all persons with independent living difficulties throughout the region live in regular homes, and not assisted living facilities or other group quarters. Most are in homes that they own, or in homes owned by another occupant, such as a spouse. This is not the case in Richmond, however, where about half live in rented homes.

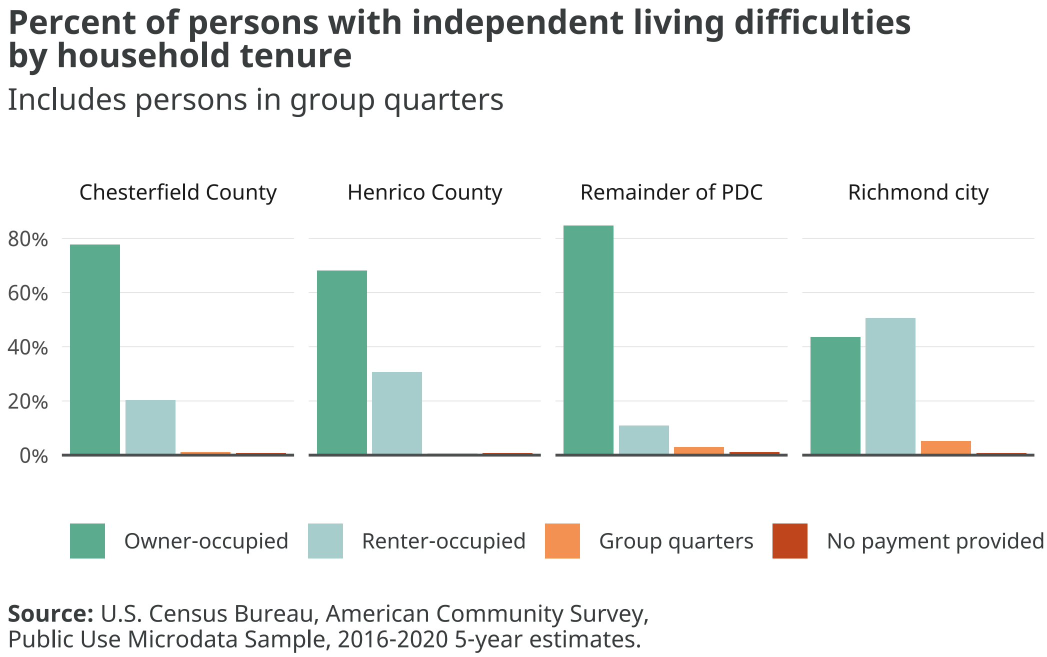


Figure 4.2: Percent of persons with independent living difficulties by household tenure

4.1.3 By household size

Persons with independent living difficulties are most likely to live with one other person in their home. Slightly larger households (3 to 4 persons total) are also common. Still, more than 15 percent live alone—including nearly one-in-four in Richmond. However, based on ACS data collection methods, "living alone" also includes persons residing in group quarters.

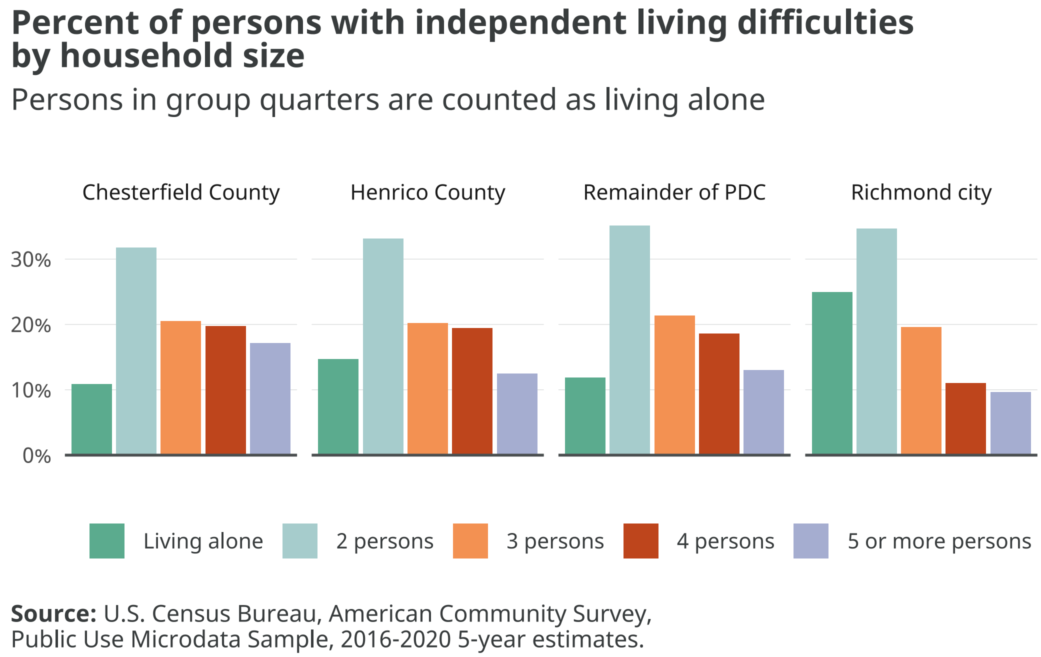


Figure 4.3: Percent of persons with independent living difficulties by household size

4.2 Veterans with disabilities

Veterans of military service have access to a range of Department of Veterans Administration (VA) benefits, including VA home loans. These benefits also include disability payments for veterans with service-connected disabilities.

To award disability benefits, the VA assigns each disabled veteran a rating from zero to 100 percent based on the severity of their disability or disabilities. A higher rating reflects more significant impairments, and accordingly, additional paid benefits to cover lost wages and extra healthcare services.

From 2016 to 2020, the number of veterans in the region with a service-connected disability increased by more than 2,800. A significant majority of this growth occurred among veterans with disability rating of 70 percent or higher, or those with the most severe physical and/or mental health challenges.

Despite the increased benefits level associated with the higher rating, these disabled veterans may be challenged to find accessible and affordable housing options without additional support.

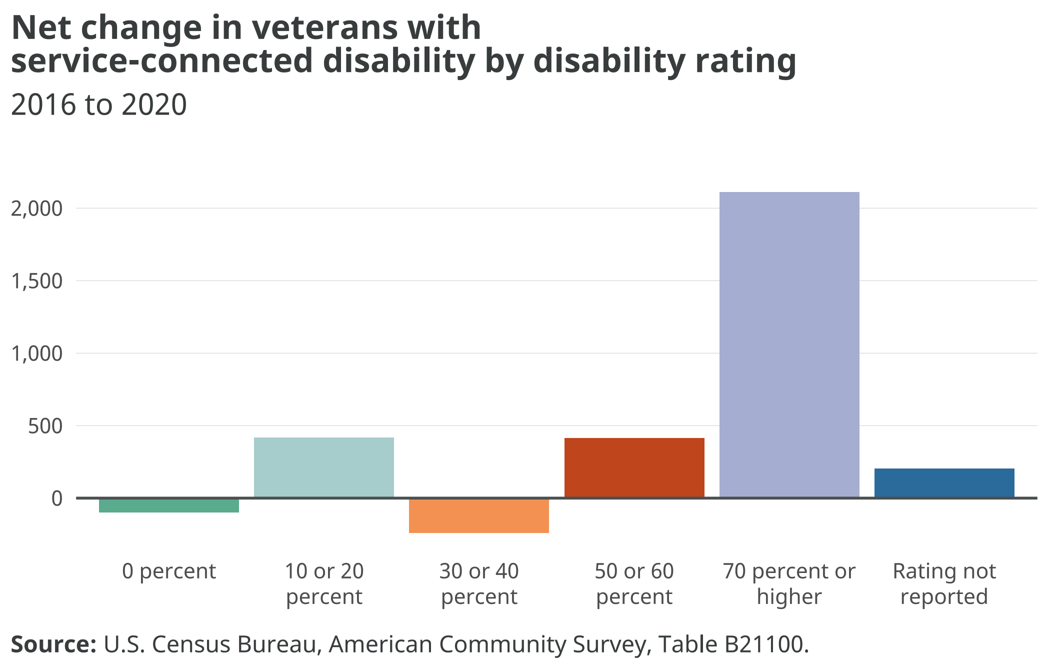


Figure 4.4: Net change in veterans with service-connected disability by disability rating

Part II

PART 2: Housing supply and market changes

5 Homeownership

This chapter covers the trends in the homeownership market across the four main Partnership for Housing Affordability localities, including the City of Richmond and counties of Chesterfield, Hanover, and Henrico.

5.1 Supply

5.1.1 Change in stock

The stock of homeowner housing has been growing across the region. From 2016 to 2020, owner-occupied housing has increased by 17,436—an increase of seven percent. Unsurprisingly, much of that growth (93 percent) has occurred in the single-family home market, including detached and attached homes. The largest share of that single-family home growth has occurred in Chesterfield County, where there was a net gain of 7,184 single-family owner-occupied homes.

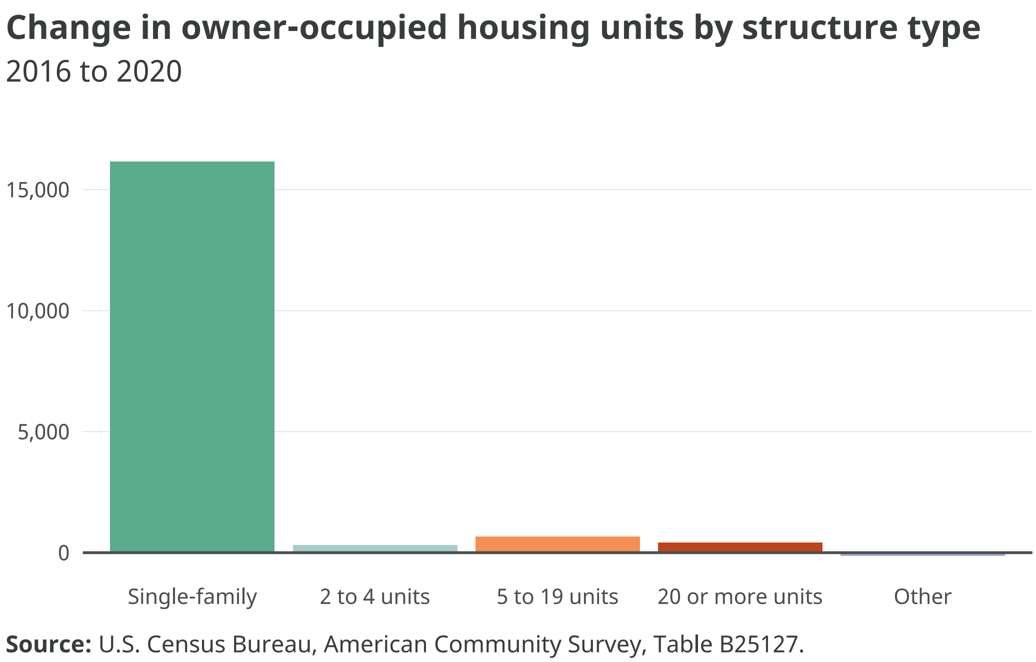


Figure 5.1: Change in owner-occupied housing units by structure type

5.1.2 Age of stock

Between 2016 and 2020, almost all additions to the homeowner-occupied housing stock in the region were, intuitively, homes built in the past decade. However, there have also been thousands of net additions among homes built before 1940 and between 1980 and 2009. These homes were most likely previously occupied by renters and have now been reconverted into homeownership opportunities.

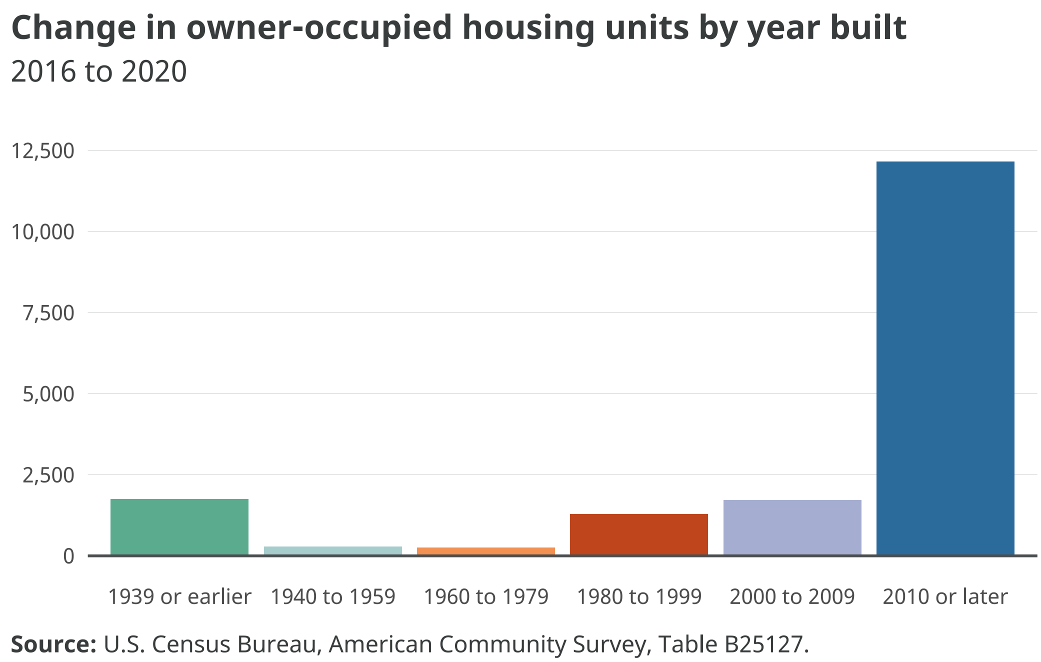


Figure 5.2: Change in owner-occupied housing units by year built

5.1.3 Bedrooms

The majority of new owner-occupied homes in the region have three or more bedrooms, continuing design and size trends prevalent since the mid 20th century. At the same time, homeowner households have become smaller, which creates a surplus of largely unused bedrooms across the market.

Smaller housing options exist largely in the City of Richmond or Henrico County. While single-family homes—or condo units—with one- or two- bedrooms are usually much more affordable, these housing options are often in older, but highly desirable neighborhoods in the City of Richmond (i.e., The Fan and Church Hill).

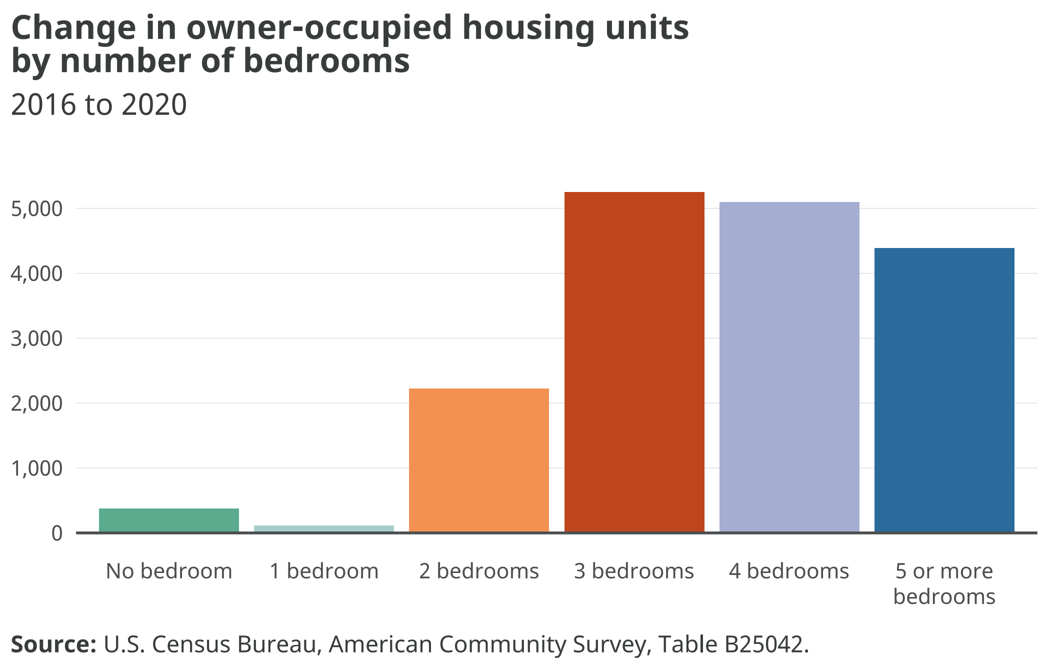


Figure 5.3: Change in owner-occupied housing units by number of bedrooms

5.1.4 Production

All localities in the region experienced single-family construction declines as a result of the Great Recession from late 2007 to early 2012 — especially Chesterfield and Henrico. Recovery has been unevenly distributed, however.

From 2010 onward, every locality has seen increasing single-family home construction, but the steepest increase has been in Chesterfield County. From 2010 to 2020, single-family home construction has gone from 545 units to 2,202 per year in a decade — a 300% increase. Although Chesterfield County was on its way to pre-Recession levels, all other localities are seeing slow growth in the single-family home construction space.

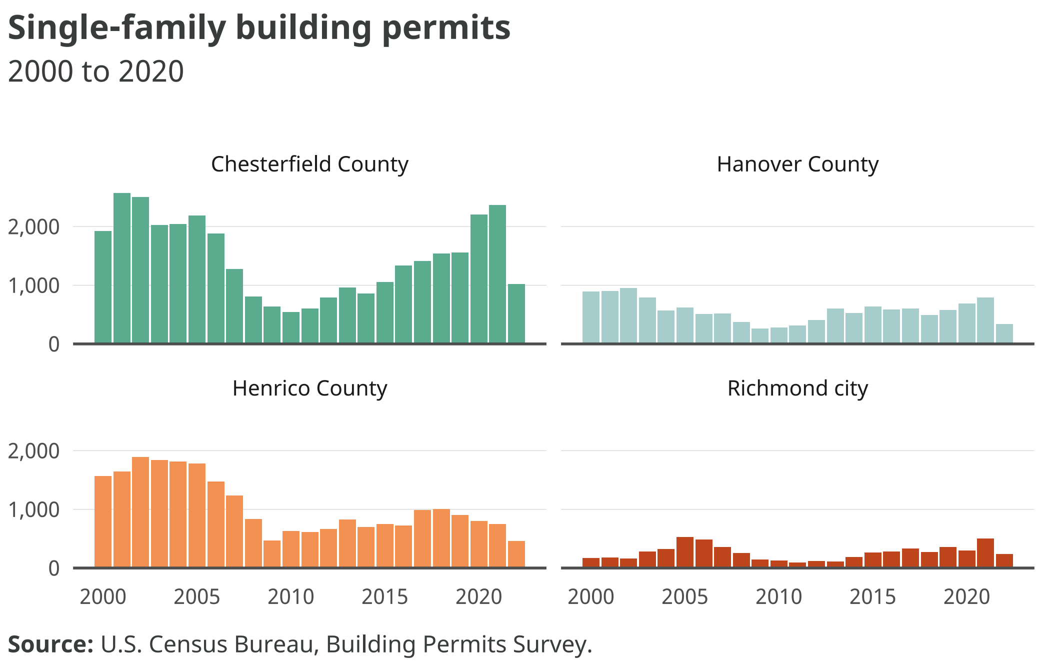


Figure 5.4: Single-family building permits

5.2 Homeownership rate

5.2.1 By locality

Since 2016, overall homeownership rates for localities in the region have increased slightly. This accounts for the net increase in homeowners (over 15,000) and relatively steady number of renters over this time period.

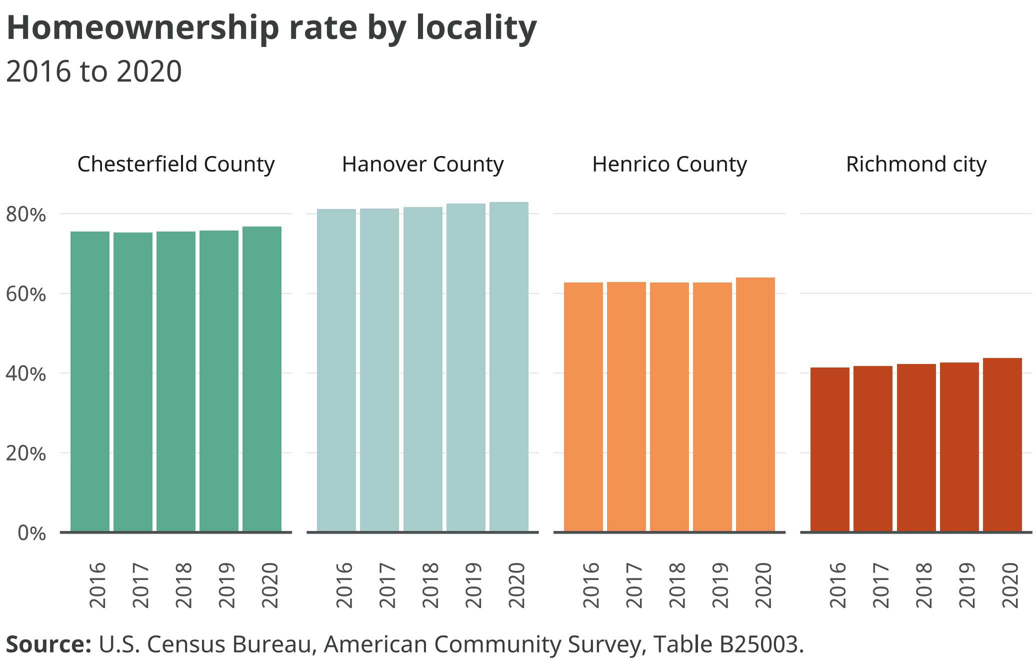


Figure 5.5: Homeownership rate by locality

5.2.2 By age

Despite high rents, high debt, and low inventory, younger households (under 35) have made some progress toward homeownership since 2016. Their homeownership rate across the region increased from 30 to 35 percent. On the other hand, homeownership rates for middle-age and older households remained about the same from 2016 to 2020.

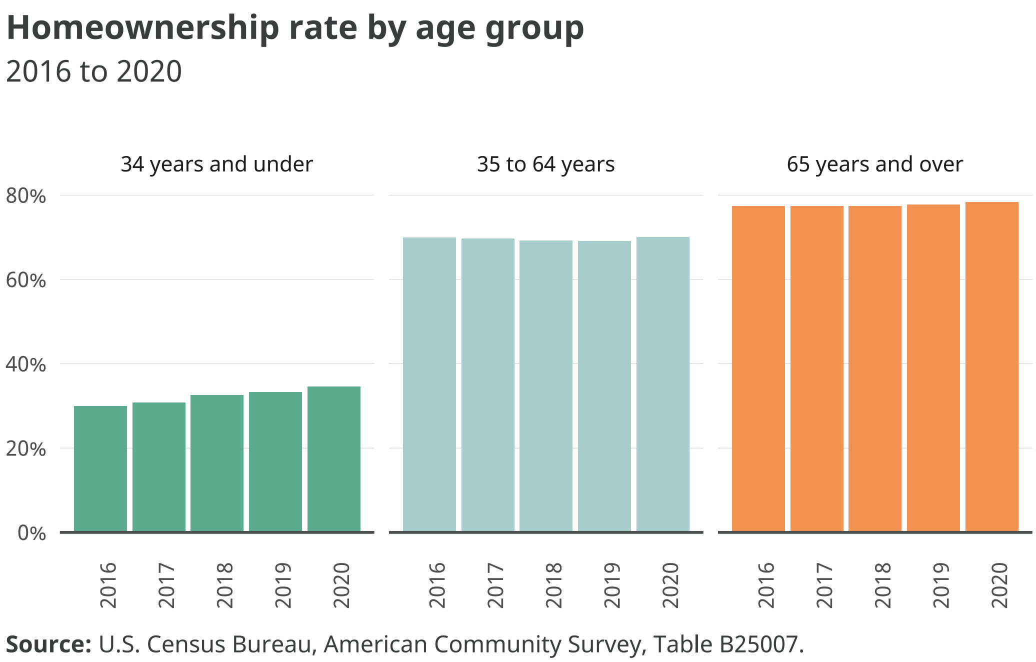


Figure 5.6: Homeownership rate by age group

5.2.3 By race and ethnicity

Across the region, the homeownership gap remains wide between white households and households of color. White households in the Richmond area are the only group with a homeownership rate above 70 percent. However, several other groups—including Asian, multiracial, and Black households—have seen slight increases in their homeownership rates since 2016. At the same time, homeownership rates have fallen slightly for Hispanic or Latino households and those of another race.

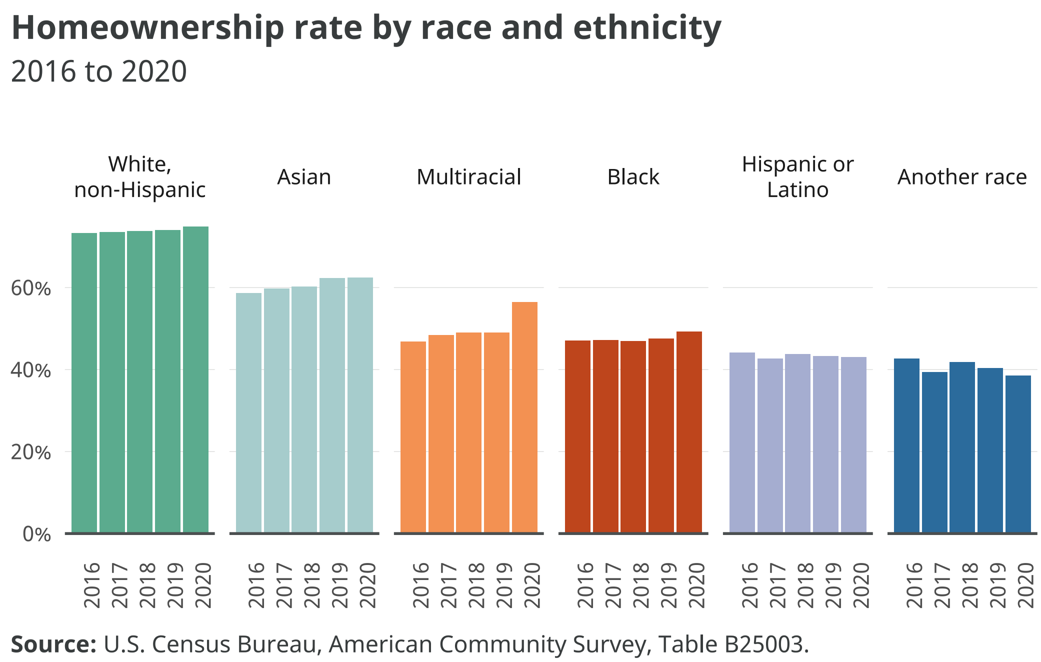


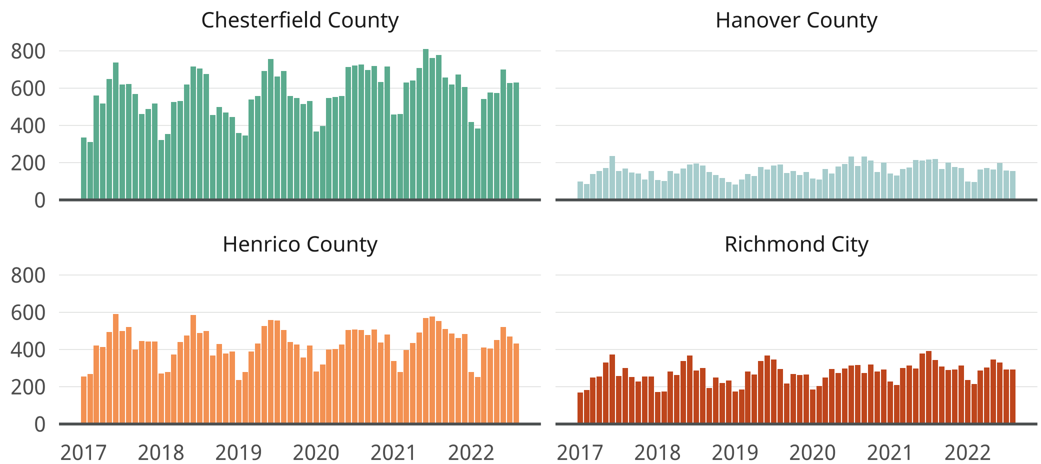
Figure 5.7: Homeownership rate by race and ethnicity

5.3 For-sale market

5.3.1 Closed sales

Home sales in the region continued to follow seasonal patterns during the COVID-19 pandemic. All localities saw reductions in typical sales volumes during early parts of the pandemic (spring to early summer 2020)—no doubt a result of stay-at-home orders. But by 2021, sales volume began to climb back as historically low interest rates incentivized home buying.

Monthly home sales by locality
January 2017 to August 2022



Source: Central Virginia Regional Multiple Listing Service.

Figure 5.8: Monthly home sales by locality

Chesterfield County continued to lead the region in home sales—hitting a monthly peak in June 2021, with a total of 809 sales. In nearly all localities except for Chesterfield County, the average monthly home sales has largely remained the same. Only in Chesterfield County was there a more than 10 percent increase in average monthly home sales between 2019 and 2021.

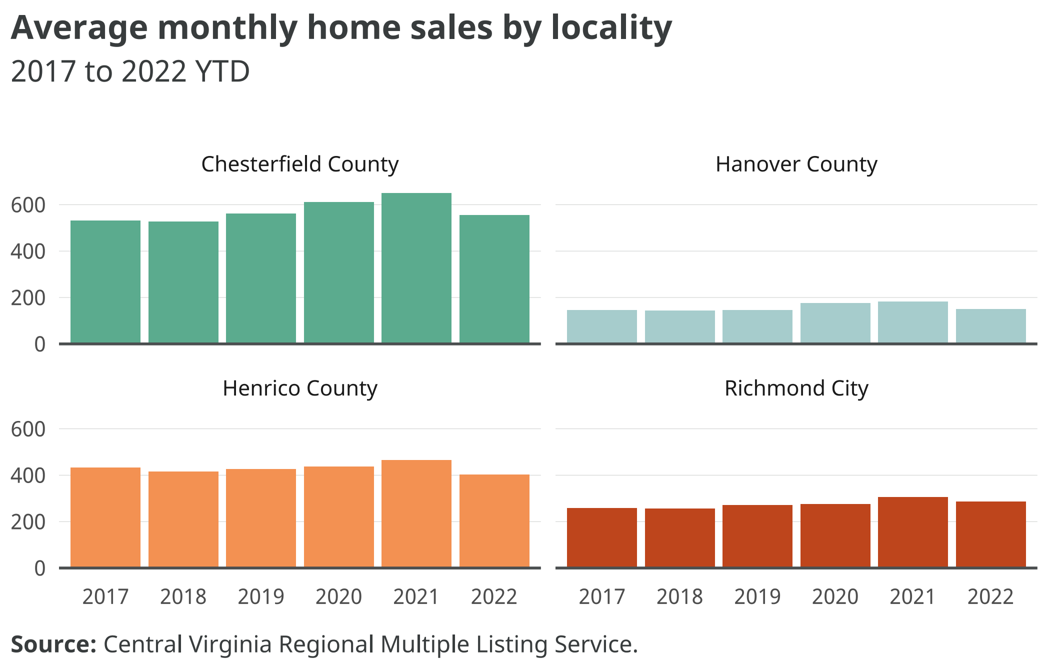


Figure 5.9: Average monthly home sales by locality

5.3.2 Sales price

Median home prices have continued to climb in the Richmond Region—reaching over $300,000 in all four major localities. The greatest price increases have occurred in the City of Richmond during 2022, where the median home price went from $303,941 in February to $389,950 in June, a 28 percent increase. Home prices continue to remain high in spite of rising mortgage interest rates.

Hanover County remains the most expensive locality in the region with a median home price of $423,250 as of September 2022, followed by the Chesterfield County ($371,273), Henrico County ($349,950), and the City of Richmond ($325,500).

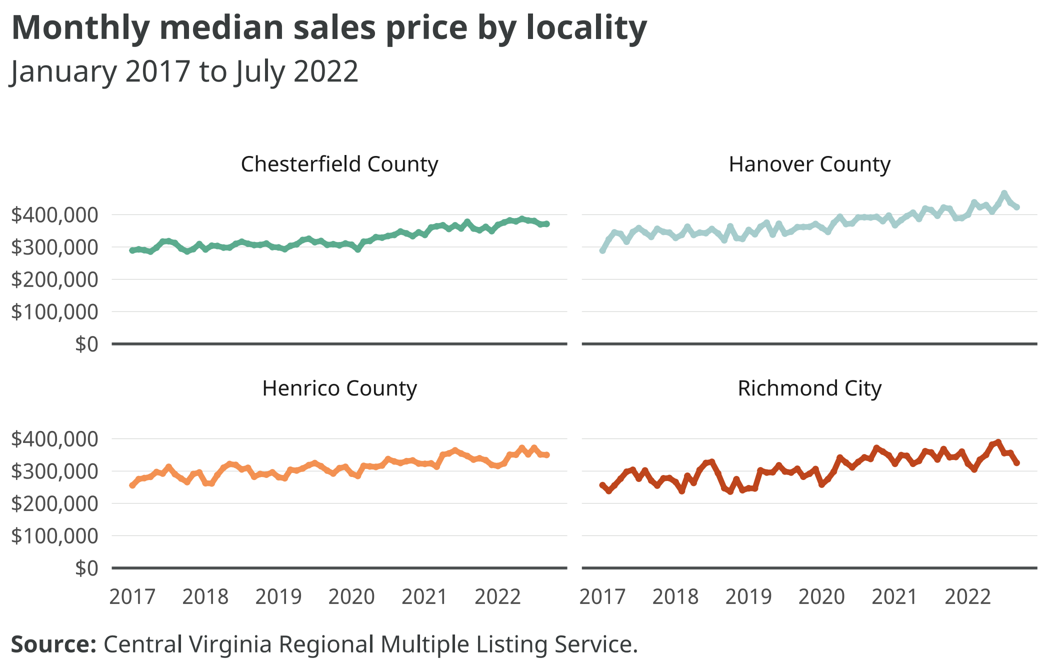


Figure 5.10: Monthly median sales price by locality

5.3.3 Supply

The inventory of for-sale housing before the pandemic typically sat at two months or more—meaning that it would take two or more months to sell at current prices. A healthy level of supply has said to be five or six months worth, but in recent years the region has been below that, which indicates a strong seller's market.

When pandemic began in March 2020, months supply dropped to two months and then by June 2020 hit a low of one month and has sat squarely there ever since. Even amid rising interest rates in 2022 and talks of a housing slump, months supply continues to remain low.

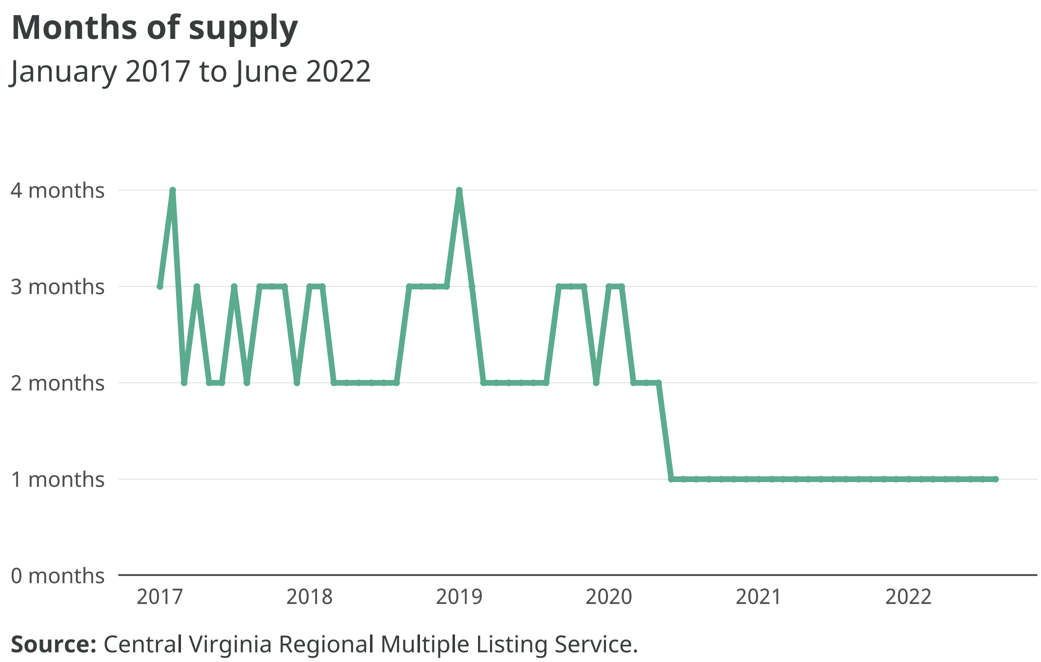


Figure 5.11: Months of supply

5.3.4 Starter homes

Starter homes provide young adults the ability to get on the first rung of the homeownership ladder. This allows many young adults the ability to build equity before their household grows (i.e. marriage and children). But starter homes are becoming more and more scarce. This has largely been the result of starter home opportunities not coming to market. In some cases, older homes occupied by seniors are not hitting the market because senior desire to age-in-place remains high or seniors simply cannot find other affordable options themselves. Starter homes are also ripe for investor flipping, which leaves first-time homebuyers competing with all cash offers.

In addition, smaller homes do not make up a significant share of new construction stock. Smaller homes (two-bedroom or less) are often more desirable among seniors and young adults without children. The lack of this stock prevents the movement of households from different rungs along the homeownership ladder — locking homeowners into homes that often no longer work for them.

In 2021, the Virginia REALTORS® (VAR) conducted an analysis of the number and share of starter homes sold in Virginia from 2013 to mid-2021. This analysis was included in the statewide housing study conducted by HousingForward Virginia as part of HB 854.

To calculate the number and share of starter homes sold, VAR calculated the number of homes sold that would be affordable to a household making 80 percent of AMI.

For the region, the share of starter homes sold has been in a steady decline. The greatest decrease has occurred in Chesterfield County, where the share of starter homes sold has gone from 63 percent to 46 percent. The smallest decrease occurred in Henrico County, a decrease of only 8 percentage points.

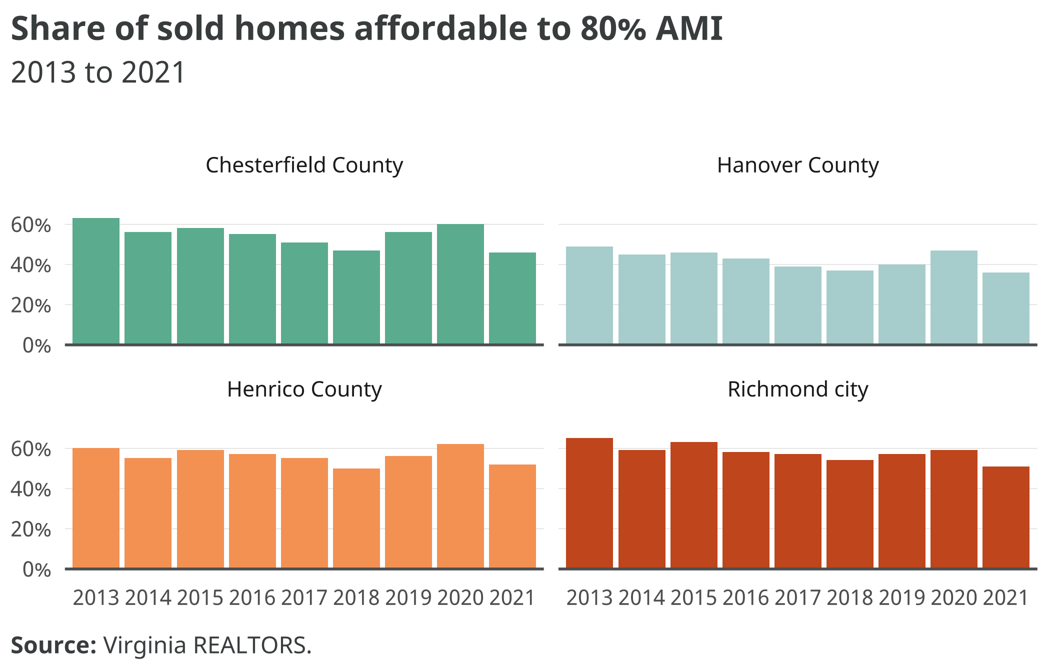


Figure 5.12: Share of sold homes affordable to 80% AMI

5.4 New construction versus resale

5.4.1 Sales price

The affordability of resale homes compared to new construction has often made them the first rung on the homeownership ladder. But since the start of the pandemic, the median resale home price has risen above the $300,000 mark and in June 2022 reached a high of $371,250.

During this timeframe, new construction median home prices have remained above $350,000 and throughout 2022 so far have stayed above $400,000. On average, there is a $89,127 difference between new construction and resale sales price—leaving new construction significantly out of reach for lower income households.

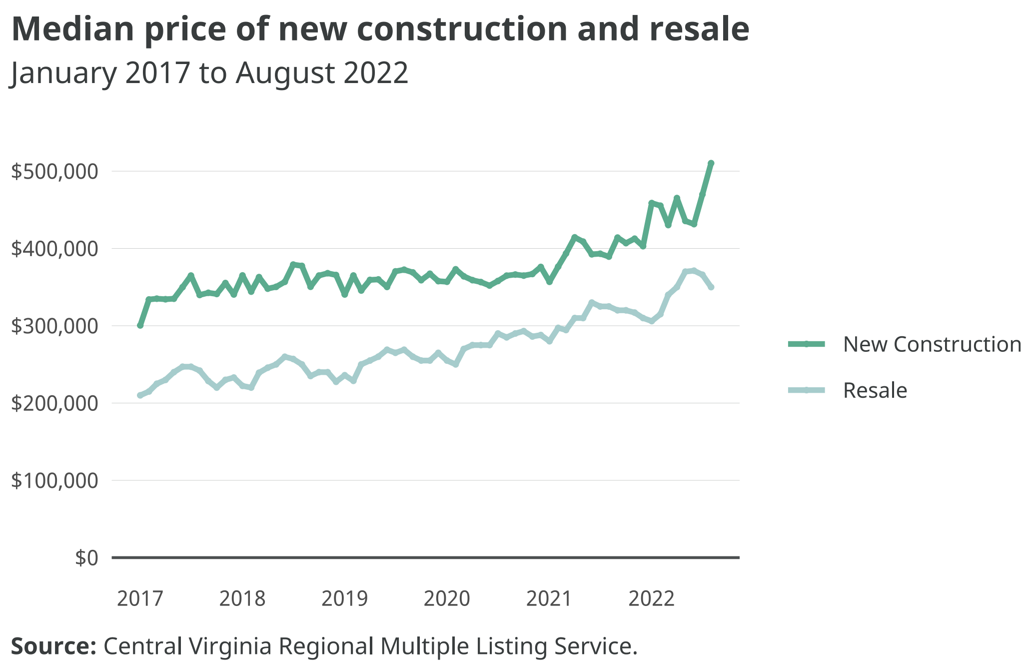


Figure 5.13: Median price of new construction and resale

5.4.2 Bedrooms

The majority of home sales in the region have been for three- and four-bedroom homes — roughly three in four homes sold in the past five years. Nuances exist at either end of the bedroom spectrum.

New construction with one- to two-bedrooms has been increasing — going from six percent of sales in 2017 to nine percent in 2022 YTD. At the other end, new construction of five or more bedroom homes has increased as well with an increase of three percent (15 percent of sales in 2017 to 18 percent in 2022 YTD). For resale homes, the share of homes by bedroom has remained largely unchanged each year.

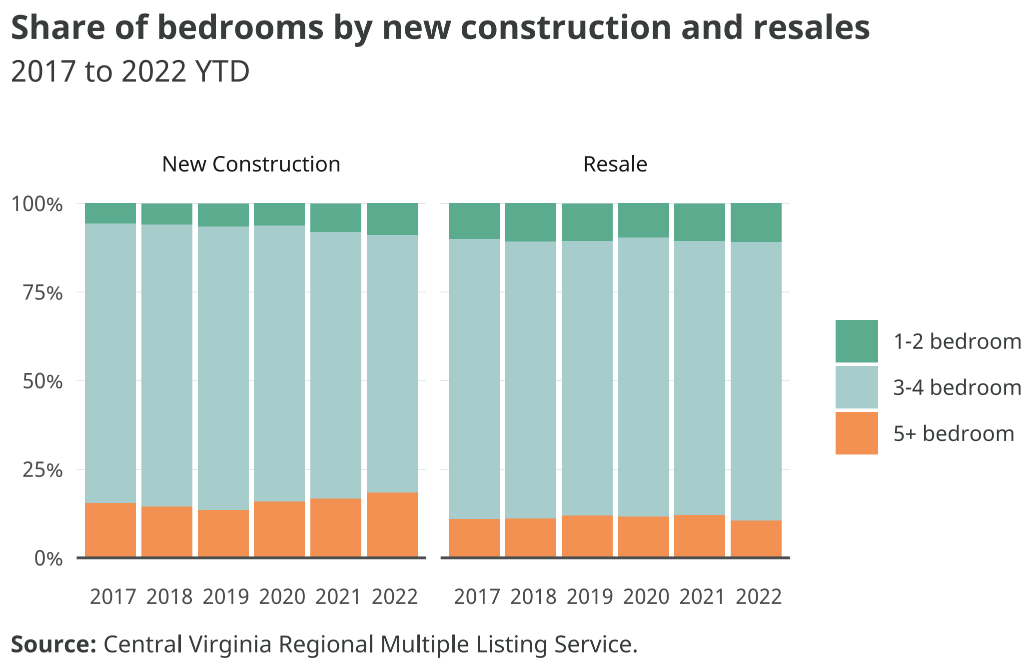


Figure 5.14: Share of bedrooms by new construction and resales

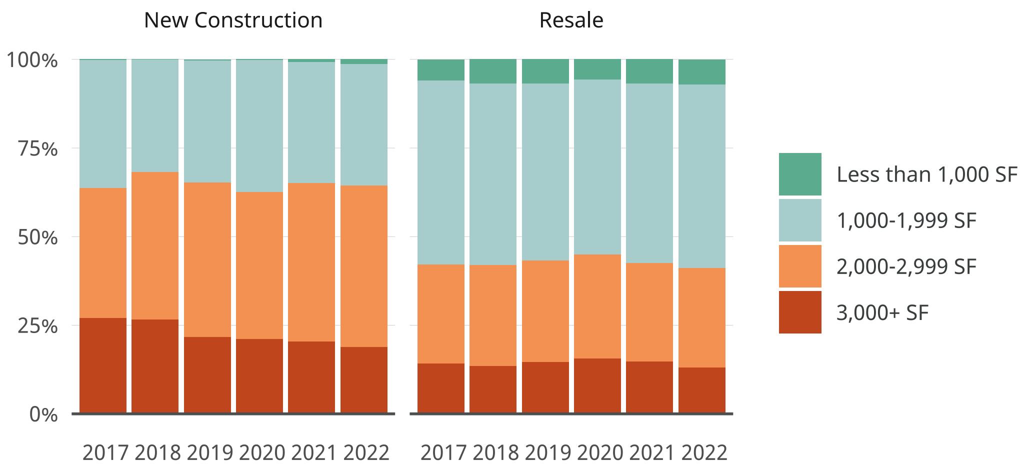
5.4.3 Size

In the past five years, there have been clear differences in new construction and resale sales by square footage. The majority of resale homes have been under 2,000 square feet, while new construction is overwhelmingly over 2,000 square feet. These differences have clear implications on home prices (i.e. more square footage means higher prices). But across the region, minimum requirements set out by localities in zoning ordinances impact these builder decisions.

Building smaller homes is less profitable given the rising cost to develop a single detached home (e.g. rising land, infrastructure, and regulatory costs). In order to maximize profit, home builders need to increase square footage to recoup costs and meet development requirements.

Home size by new construction and resales

2017 to 2022 YTD



Source: Central Virginia Regional Multiple Listing Service.

Figure 5.15: Home size by new construction and resales

6 Rental homes

This chapter covers trends in the rental housing market across the four main Partnership for Housing Affordability localities, including the City of Richmond and counties of Chesterfield, Hanover, and Henrico.

6.1 Supply

6.1.1 Change in stock

While many renters across the region do live in multifamily buildings (with 5 or more units), the second largest share of rental housing is single-family housing (either attached or detached). In 2020, over a third (37 percent) of rental housing in the region consisted of single-family housing, while 49 percent was located in buildings with 5 or more units. There has been little change in these percentages since 2016.

Changes in the shares of rental housing have been small — but those changes have been among rental housing with 20 or more units (17 percent in 2016 to 19 percent in 2020) and 2 to 4 unit buildings (14 percent in 2016 down to 13 percent in 2020).

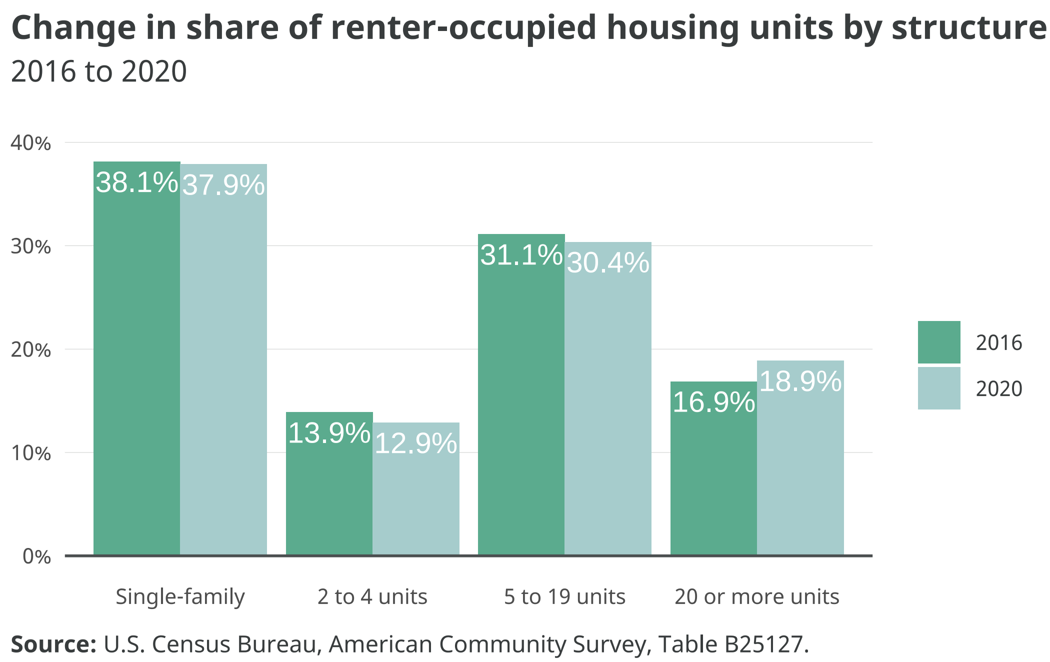


Figure 6.1: Change in share of renter-occupied housing units by structure type

The raw changes in rental housing were most felt in Henrico County and the City of Richmond. In Henrico, there was a 1,930 increase in single-family rental housing and a 1,357 decrease in 2 to 4 unit rental housing (i.e. duplexes, triplexes, and quads).

The City of Richmond saw a contrasting decrease in single-family rentals (-1,921), while also experiencing a 2,134 increase in rental housing located in buildings with 20 or more units. Chesterfield County has seen slight increases in multifamily housing of all types, while Hanover County has not seen much change at all.

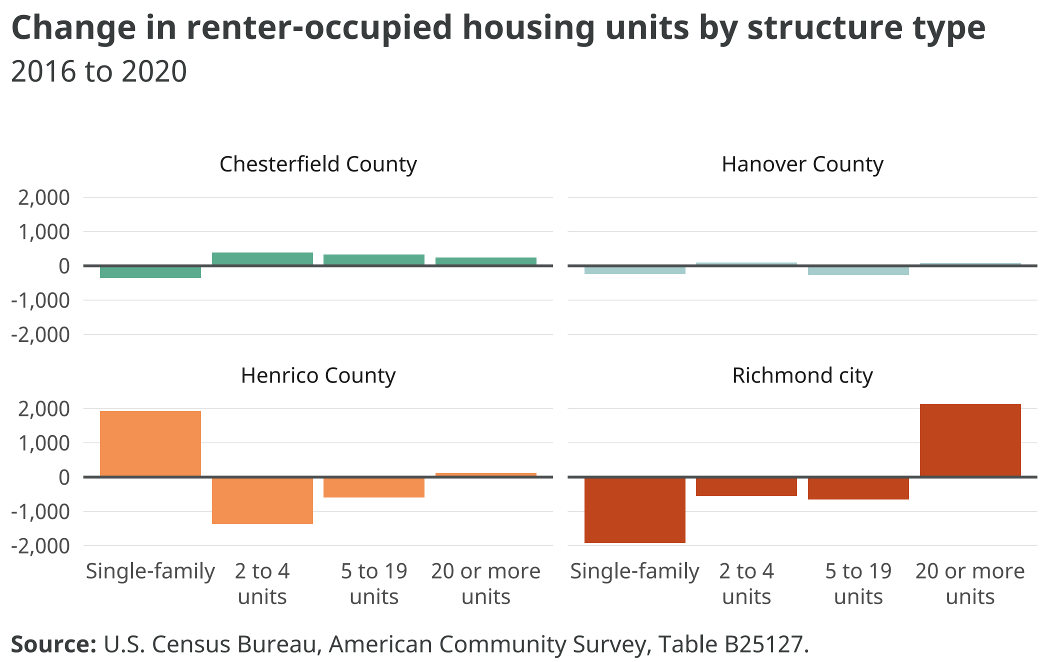


Figure 6.2: Change in renter-occupied housing units by structure type

6.1.2 Age of stock

Since 2016, the region has seen major changes in the age of its rental stock as existing homes transition from being owned to leased out, or vice-versa. Of note, every locality except for Hanover saw significant increases in the number of renter-occupied homes built between 1980 and 1999.

These homes—now over 20 years old—are likely becoming the target of investors purchasing from homeowners, making certain improvements, and renting them out. In Henrico County, this trend was even more prevalent among homes built between 1960 and 1979.

> **ℹ Market Value Analysis (MVA)**
>
> In 2021, Richmond Memorial Health Foundation (RMHF) and PlanRVA commissioned a second Market Value Analysis (MVA) of the Richmond region. The MVA is a "is a data-based, field-validated analysis and mapping of a community's housing market." Richmond's MVA provides fine-grained data analysis of neighborhood changes and trends, including residential vacancy and investor sales.
> Learn more about the MVA here.

Conversely, Chesterfield and Henrico each had over 1,000 homes built between 2000 and 2009 change from renter- to owner-occupied. The largest losses in rental stock, however, occurred in Richmond among homes built prior to 1980. Several factors could explain this decline:

- Actual demolition of very old, low-quality homes,
- Duplexes and triplexes converted into single-family homes, and
- Single-family rentals purchased by buyers who now live in the home.

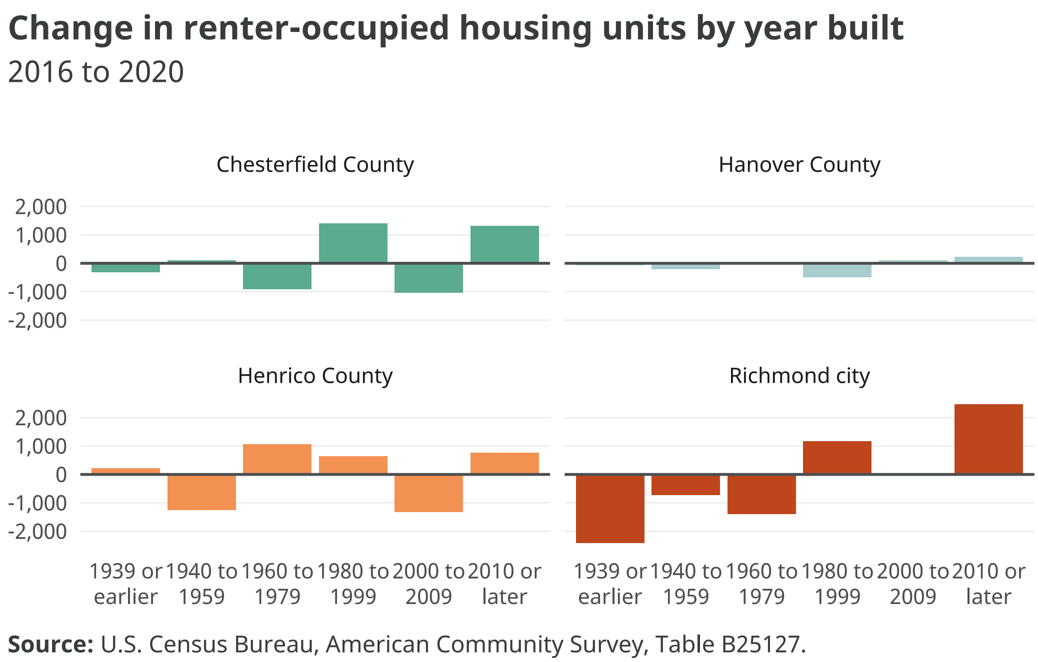


Figure 6.3: Change in renter-occupied housing units by year built

6.1.3 Bedrooms

Rental homes in the Richmond region are most likely to have one or two bedrooms. While the number of one-bedroom apartments has continued to increase (+1,617) from 2016, the number of two-bedroom units has decreased by 2,500.

The increasing supply of one-bedroom apartments coincides with a similar increase in studio apartments—these unit sizes reflect new apartments, largely in Richmond, marketed for college students and other young adults.

The dwindling number of two-bedroom rental homes may reflect small single-family rentals in older neighborhoods transitioning to owner-occupancy, as there is a similar (but much less significant) decline in three-bedroom units.

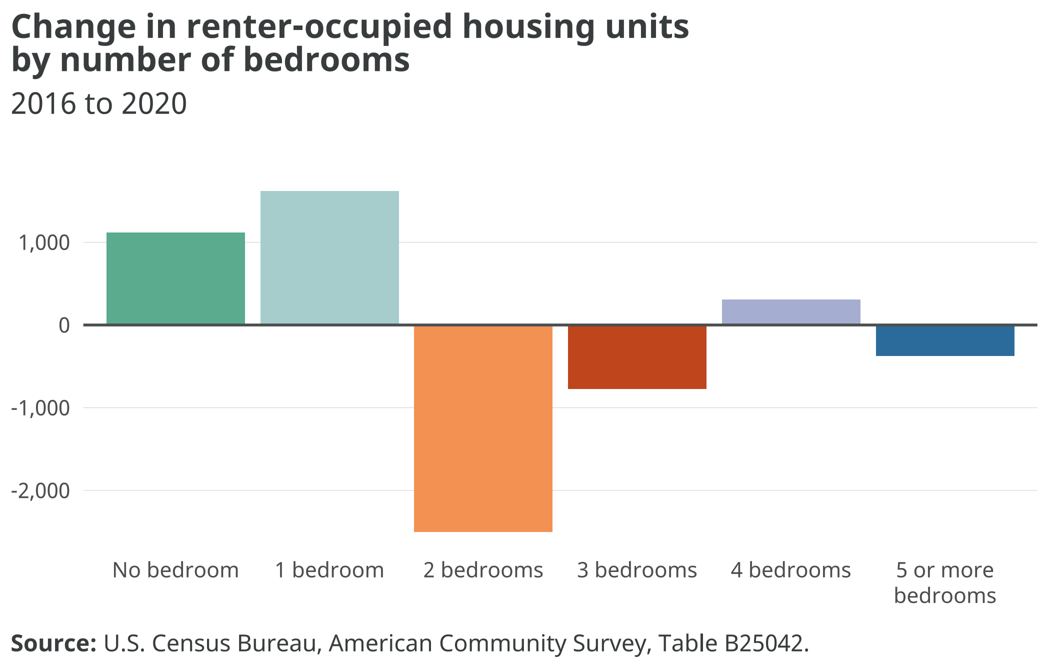


Figure 6.4: Change in renter-occupied housing units by number of bedrooms

6.1.4 Production

Construction of multifamily properties (with 5 units or more) has been sporadic since the end of the Great Recession. In all localities aside from Hanover County, there have been waves and dips in the multifamily building construction. Hanover has seen little to no activity throughout the last two decades, while Chesterfield County and Richmond have seen the bulk of activity.

During the latter half of the last decade, Chesterfield County had a boom in multifamily construction — nearing 1,500 units in 2019. Meanwhile, Richmond's multifamily construction saw dips following the Great Recession and again in 2018, but has largely been up in the last couple years of the 2010s. Although Henrico County had dips in 2016 and 2018, multifamily construction has more often than not been above the 700 unit mark.

6.2 Rental market

6.2.1 Average market asking rent

Rental demand reached a fever pitch amid the ongoing COVID-19 pandemic. With eviction moratoriums and a flow of rental assistance, low supply gave way to historic rent increases. The average market asking rent in the region reached a two-decade high of $1,395 in the first quarter of 2022.

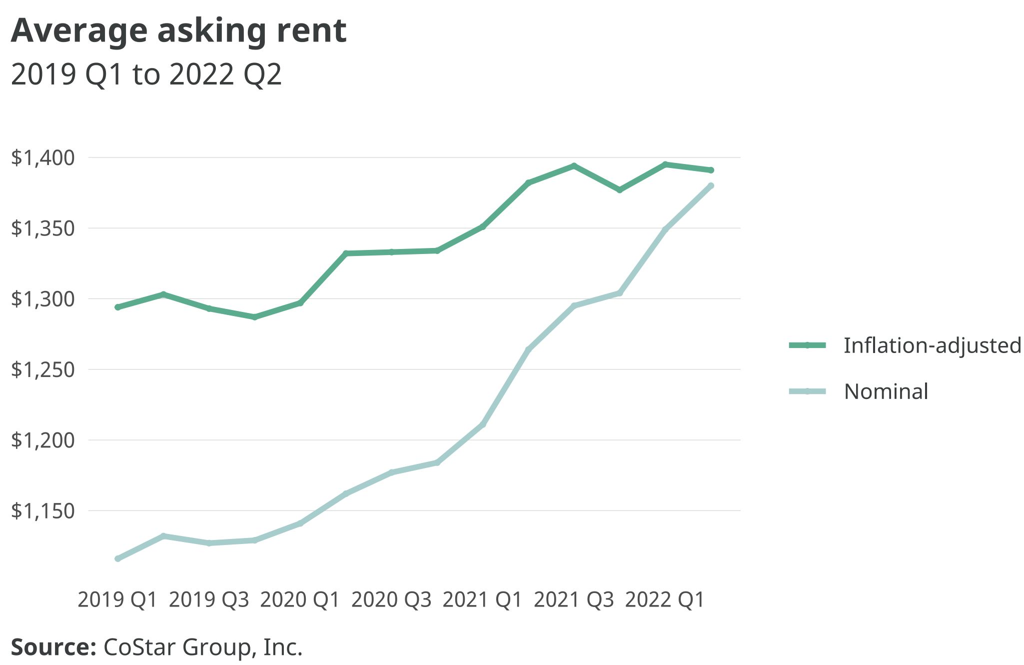
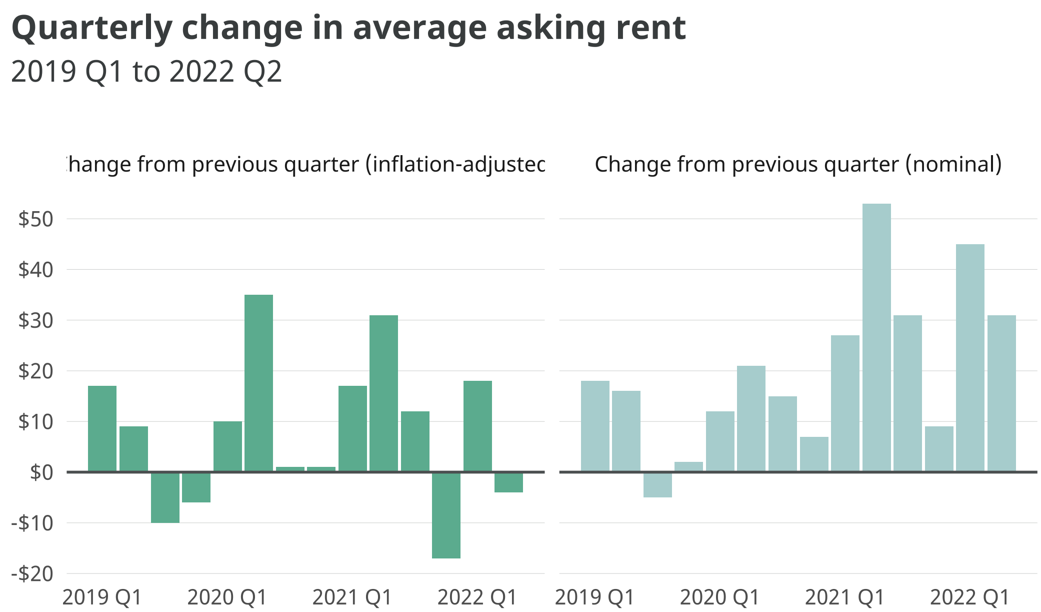


Figure 6.5: Average asking rent

Large quarterly increases in average rents began in early 2021 and have continued to the present. From the first to second quarters of this year, rents increased by $31. However, this relative growth was very near the change in inflation over that same period.



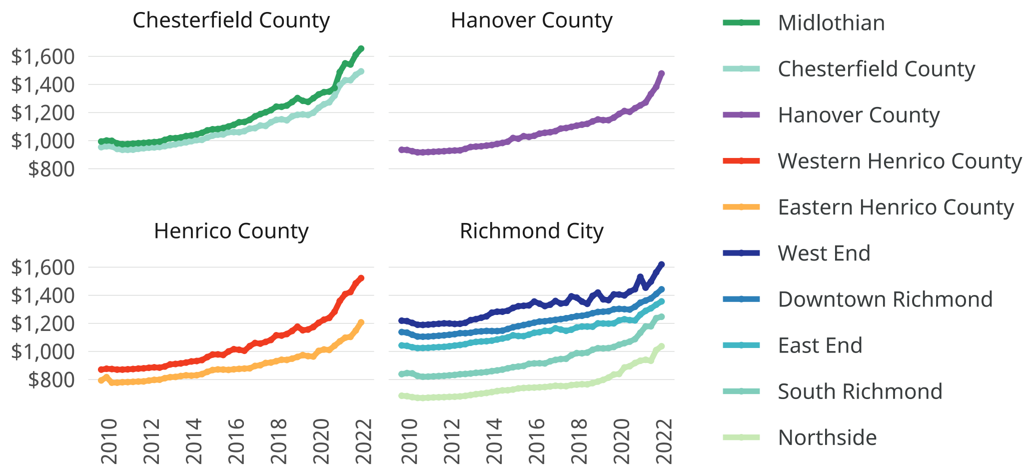
Source: CoStar Group, Inc.

Figure 6.6: Quarterly change in average asking rent

6.2.2 Rents by submarket

Although not adjusted for inflation, rents by submarket show that there are distinct average rents across the region. Since 2010, the steepest increases have occurred in the counties. Northside Richmond remains the least expensive submarket with an average rent of $1,037 in the second quarter of this year, while Midlothian is the most expensive at $1,655.

Average asking rent by submarket
2010 Q1 to 2022 Q2



Source: CoStar Group, Inc.

Figure 6.7: Average asking rent by submarket

6.2.3 Rents by bedrooms

Rents in the region have risen the most among three-bedroom and two-bedroom apartments, reflecting continued demand for units that have actually *declined* in supply since 2016. In contrast, average rents for studio and one-bedroom apartments—which grew by more than 2,700 units since 2016—have increased less than $100 over the last decade when adjusted for inflation.

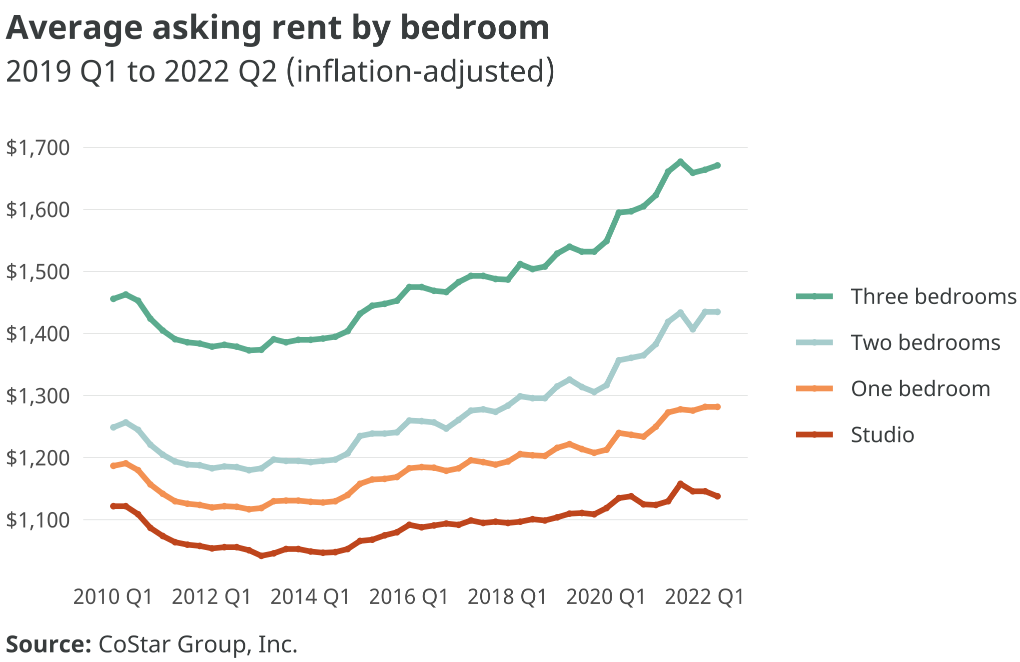


Figure 6.8: Average asking rent by bedroom

6.2.4 Rents by age of units

Recently constructed rental housing (built in 2010 and after) leads average asking rents at $1,614. As expected, rental costs correlate to the period in which they were built — with older rental housing being less expensive. Pre-1980 rental housing is roughly $400 cheaper than more recent rental housing.

In the last decade, more recent rental housing had steady and modest increases; only increasing $80 from Q1 2012 to Q2 2022. But older rental housing had much more dramatic increases; increasing an average of $257 in that same time period.

Rental housing built between 1980 and 2009 had especially steep increases during the height of the pandemic (Q1 2020 to Q3 2021). In this time, the average asking rent increased by over $130, while rent increases for newer rental housing and pre-1980 housing increased by less than $100.

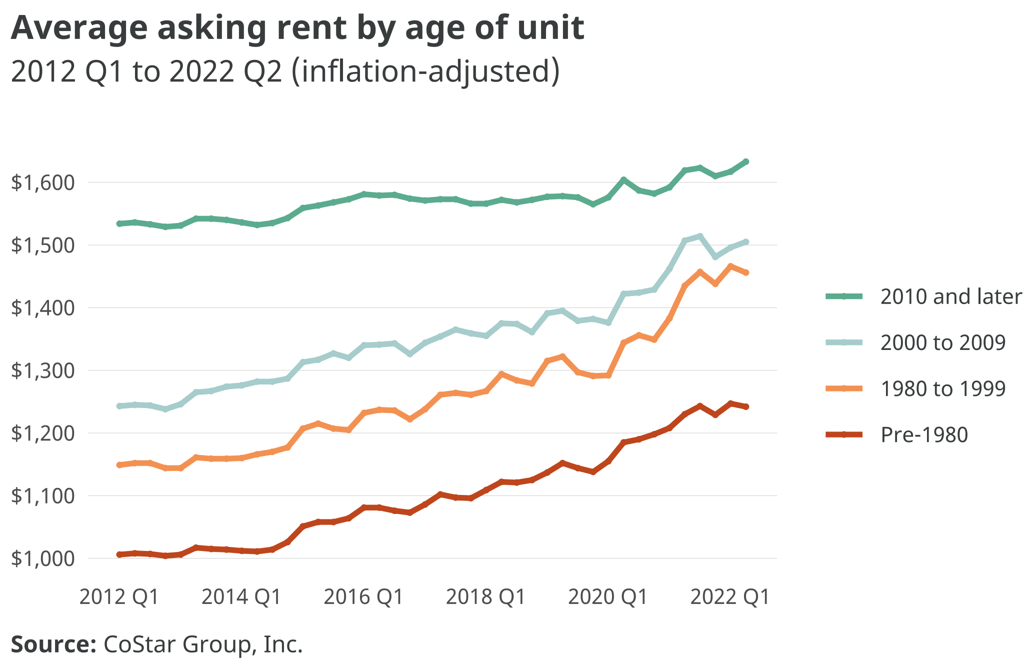


Figure 6.9: Average asking rent by age of unit

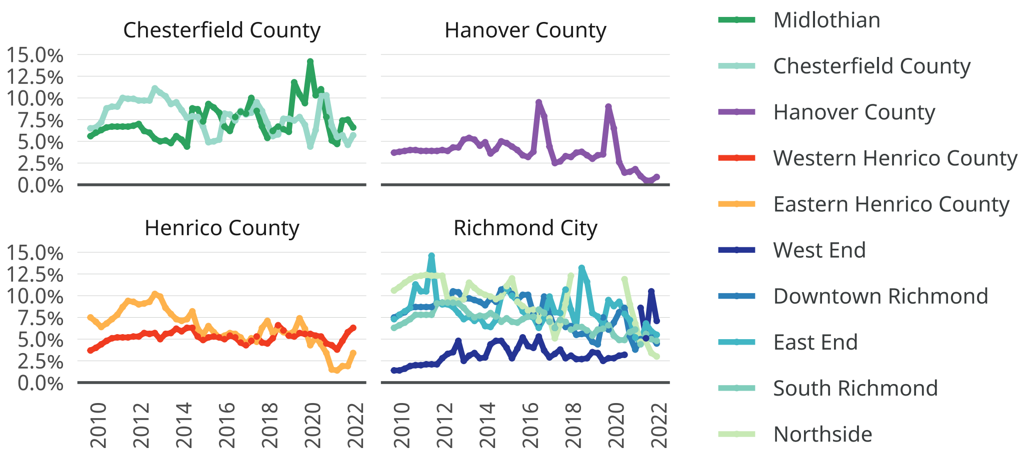
6.3 Rental vacancy

For much of the past two decades, vacancy rates have fluctuated seasonally as new people enter and leave the rental housing market. Across the region, submarkets have largely had vacancy rates below ten percent. In 2022, the regional average vacancy rate to-date was five percent.

However, some submarkets in the region have lower than average vacancy rates; Hanover County (1 percent), Eastern Henrico (3 percent), Northside (3 percent), and East End (4 percent) have significantly lower vacancy rates.

Vacancy rates by submarket

2010 Q1 to 2022 Q2



Source: CoStar Group, Inc.
Note: Outlier values above 15% omitted.

Figure 6.10: Vacancy rates by submarket

7 Housing assistance

This chapter covers the range of housing assistance in the region supported by federal, state, and local programs.

7.1 Affordable rental housing

An array of federal housing assistance programs help low-income residents across the region with rental housing opportunities. Today, there are approximately 25,969 dedicated affordable rental homes found across 240 properties in the Richmond area. These include units both currently occupied and in development.

> Funding sources
>
> In the Richmond region, many affordable rental properties also receive assistance from the Virginia Housing Trust Fund, as well as local sources such as CDBG and HOME grants. The City of Richmond also awards funding to affordable rental projects with its own trust fund. These awards often fill a financing "gap" and do not provide a majority of the total assistance for a development; as a result, they are not specifically reflected in the data.

7.1.1 Subsidy types

Over half (51 percent) of all affordable rental homes in the region rely *solely* on the LIHTC program. Another 31 percent have layered multiple subsidies together, reflecting the capital and funding requirements needed to develop new affordable housing.

The other significant source of dedicated affordable housing continues to be more than 3,600 Public Housing units managed by Richmond Redevelopment and Housing Authority.

> Note
>
> Descriptions of each rental assistance program are available on the NHPD website.

> **! Important**
>
> It is important to note that Section 8 described in this section is not the same as Section 8 Housing Choice Vouchers. Section 8 subsidies described in this section refer to HUD project-based rental assistance — meaning that they are rental assistance that is tied to a specific development, whereas Section 8 Housing Choice Vouchers are tenant-based subsidies that a recipient can take wherever they can find housing.

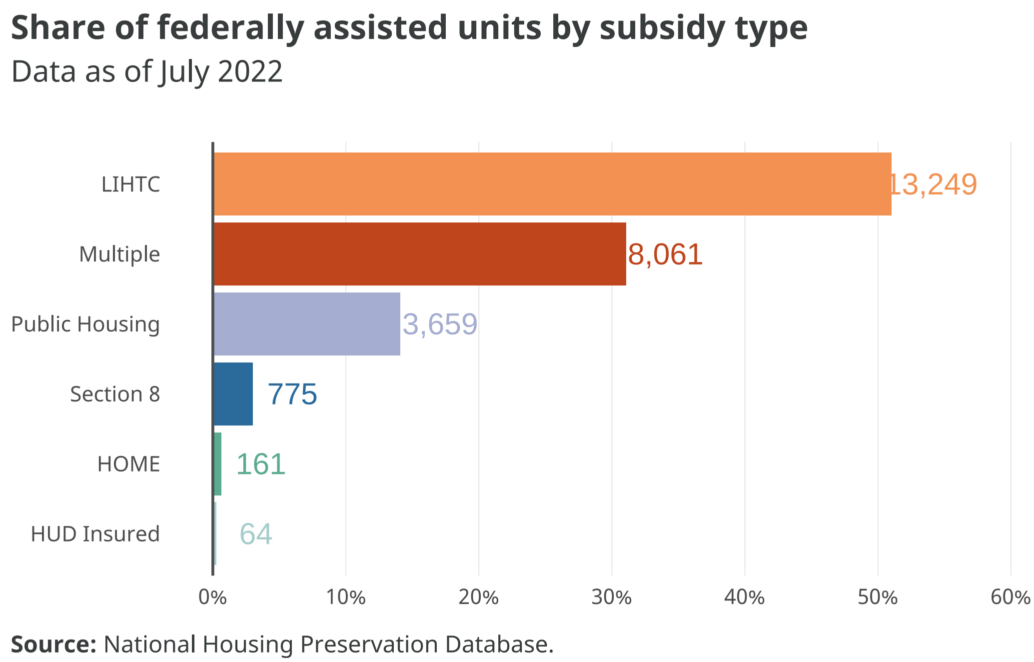


Figure 7.1: Share of federally assisted units by subsidy

7.1.2 Layered subsidies

In an effort to maximize assistance, rental subsidy programs are often layered together into single projects. Among the 8,061 units with multiple subsidies, over half have either a 4% or 9% LIHTC tax credit—or both "twinned" together. Section 8 Housing Finance and Development Agency (HFDA) New Construction and Loan Management Set-Aside (LMSA) programs are also common types.

"Other" subsidies generally include HUD insurance programs and other, less common, Section 8 programs. Still, these minor assistance packages nevertheless provide helping subsidy to almost three-in-four units with multiple affordability contracts.

Table 7.1: Active subsidies in units with mutiple subsidies

Detailed subsidy type	Units with subsidy	Percent of total
LIHTC 4% Tax Credit	4,747	58.9%
LIHTC 9% Tax Credit	4,371	54.2%
Section 8 HFDA/8 NC	1,584	19.7%
Section 8 LMSA	1,173	14.6%
Other	5,880	72.9%

Sources: National Housing Preservation Database and Virginia Housing.

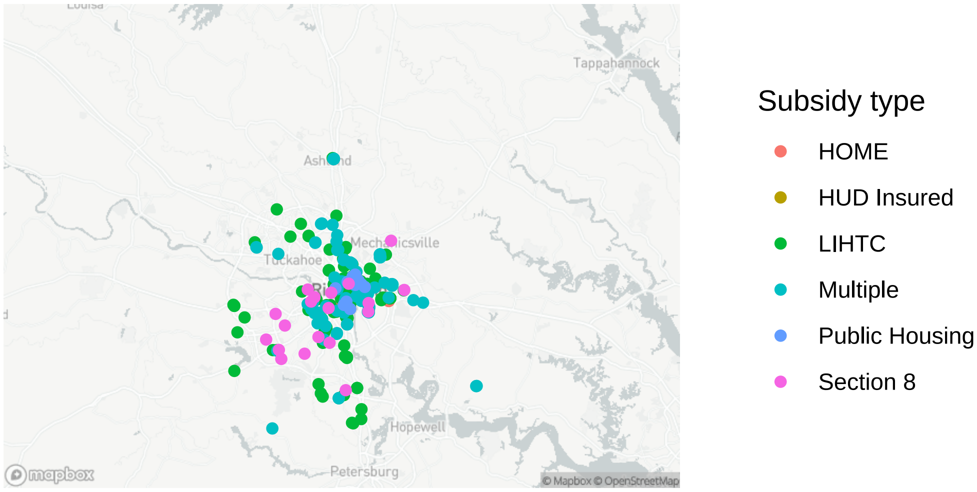
Note

Table totals do not add to 100 percent because units are percent of all 8,061 *units* with multiple subsidies, not the total of all subsidies.

7.1.3 Locations

The map below shows the locations of affordable rental properties in the Richmond region. Each color corresponds to the property's subsidy as recorded in the National Housing Preservation Database, or if multiple subsidies are currently active.

Federally-assisted rental housing properties



Sources: National Housing Preservation Database and Virginia Housing.

Figure 7.2: Federally-assisted rental housing properties

Richmond continues to support the majority of affordable rentals in the region (about 60 percent—more than 15,200). While Chesterfield and Henrico counties both have similar amounts of LIHTC-only units, Henrico has nearly 2,900 additional units supported by multiple subsidies—generally combinations of LIHTC and a Section 8 program.

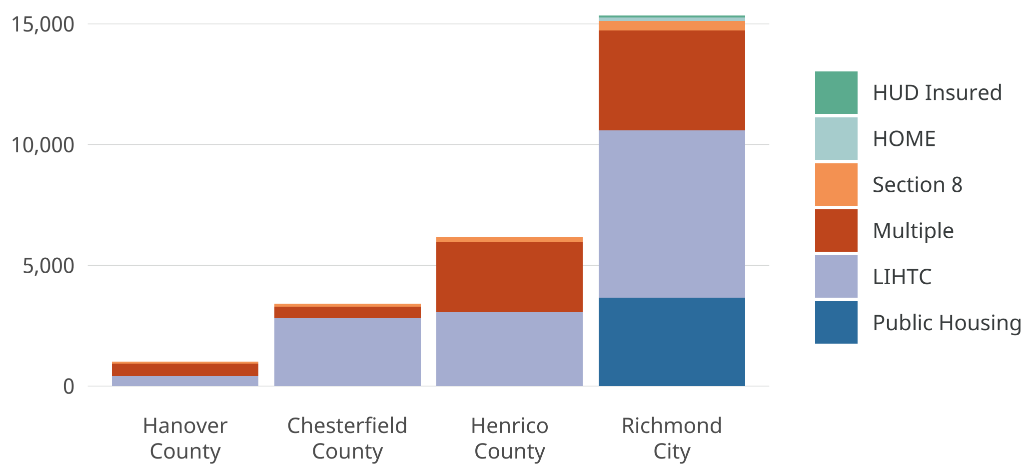
Table 7.2: Added and removed affordable rental contracts since 2020

	Subsidies	Properties affected	Units included
Added	57	53	4,393
Removed	-17	-16	-1,633
Net change	**40**	**37**	**2,760**

Sources: National Housing Preservation Database and Virginia Housing.

Federally assisted units by subsidy type and locality

Data as of July 2022



Source: National Housing Preservation Database.

Figure 7.3: Federally assisted units by subsidy and locality

7.1.4 Changes since 2020

Since January 2020, the region has seen 57 new rental subsidies added, which increased the number of active affordability contracts on units by 4,393. Over that same period, 17 subsidies ended, affecting 1,633 units. Some properties had multiple subsidies either added or expired. In all, there was a net addition of 2,760 rental affordability contracts.

New LIHTC units (net 2,129) comprised the majority of added affordable rentals, followed by Section 8 contracts (net 1,132). Net losses of affordable rental contracts occurred in projects supported by HOME funding and HUD insurance.

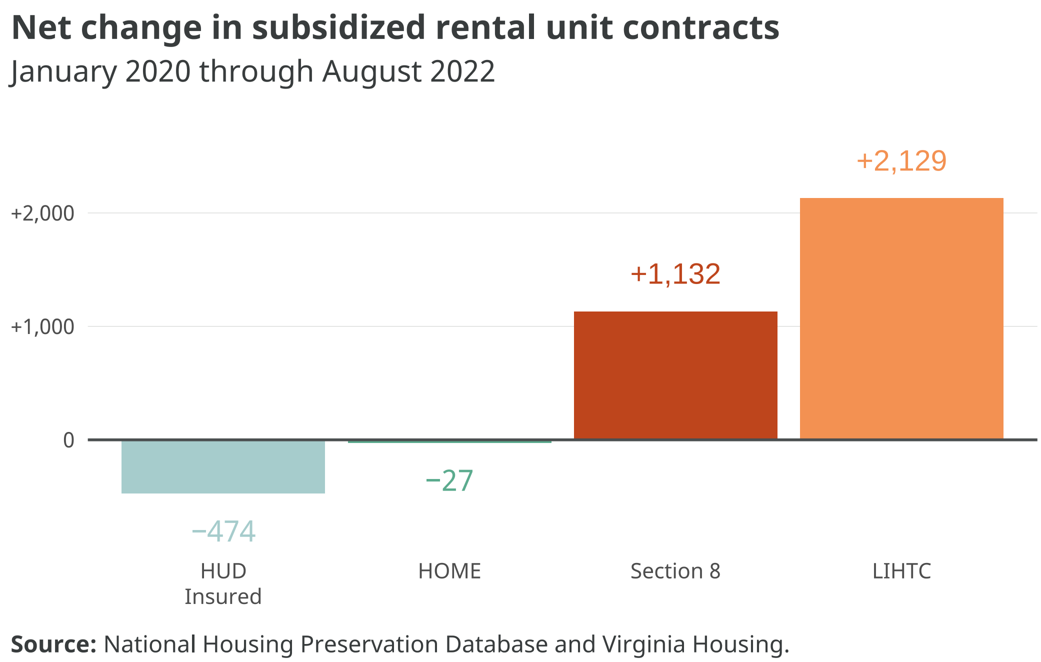


Figure 7.4: Additions and removals of subsidized rental units

While LIHTC additions drove new affordable supply in Richmond and Chesterfield, new (or renewed) Section 8 contracts covered more than 400 units in Henrico. Over 500 units in Richmond and Henrico saw HUD insurance contracts expire; however, many of these are in projects with another form of rental assistance that has not expired.

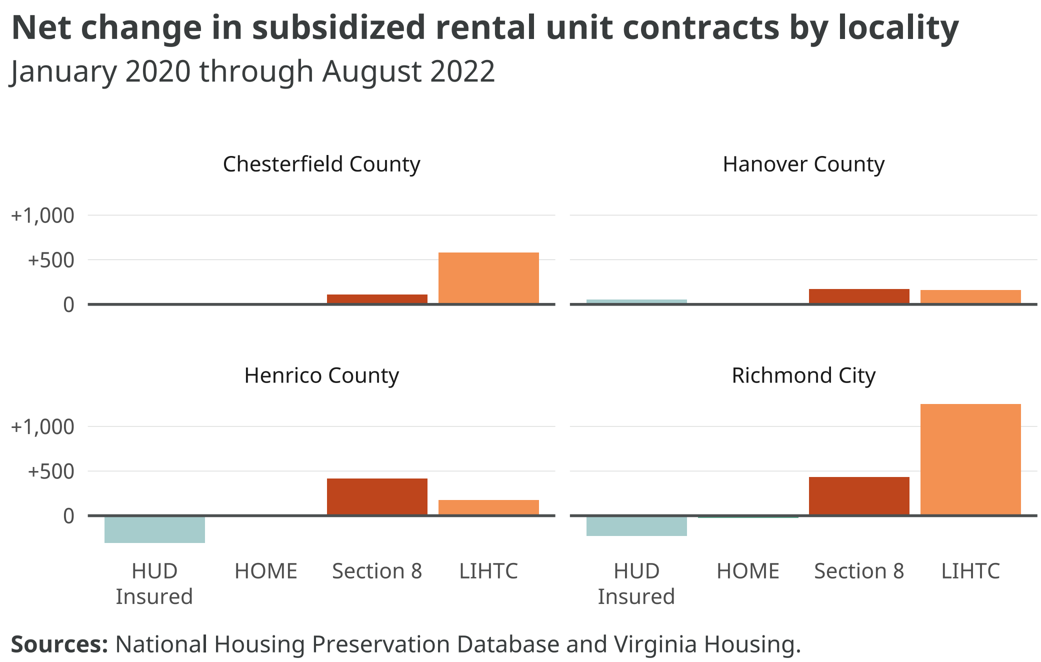


Figure 7.5: Net change in subsidized rental unit contracts by locality

7.1.5 LIHTC preservation

LIHTC properties have a 30 year commitment to affordability, but only a 15 year compliance period, wherein property owners can increase rents. Nonprofit developers will often seek new allocation of tax credits before their commitment period ends, but there is often little incentive for for-profit developers to maintain affordability restrictions past the compliance period.

By 2040, a large portion of active LIHTC units will be outside the 30 year commitment period — even far more will be outside the 15 year compliance period. Just over 13,000 LIHTC units will be beyond the 30 year commitment period by 2040, which accounts for well over half of all active LIHTC units as of early 2022.

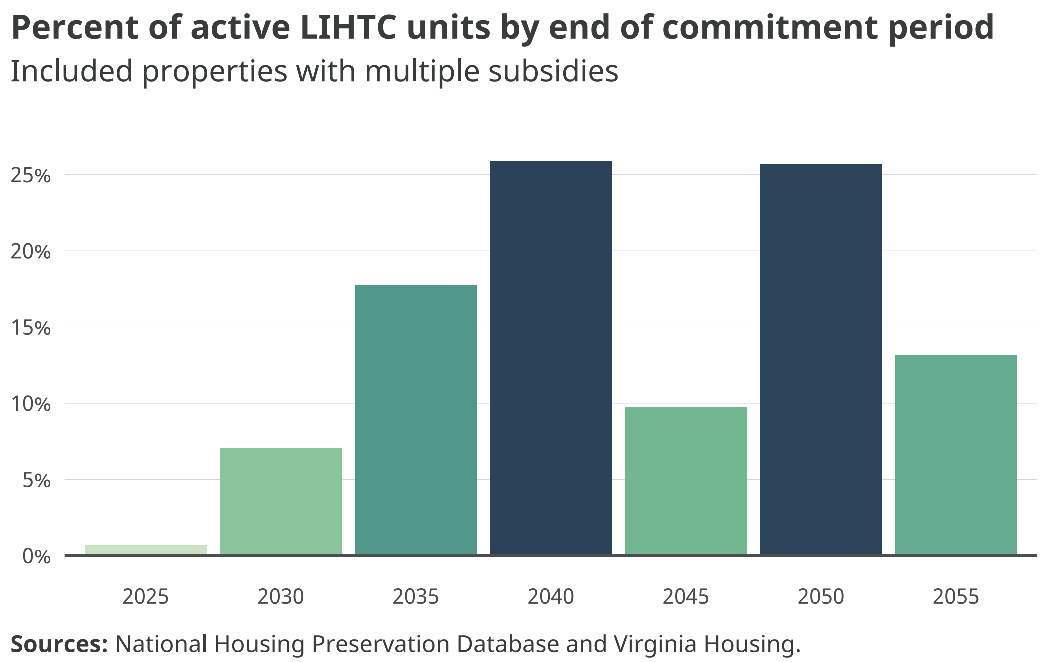


Figure 7.6: Percent of active LIHTC units by end of commitment period

7.1.6 Public Housing

The redevelopment of public housing in the City of Richmond has begun to take shape at the first of the “Big Six” public housing courts — **Creighton Court**. This public housing property located in Richmond’s far East End consisted of 504 public housing units.

As part of their first phase of redevelopment, RRHA has begun demolition of Creighton Court, with plans to develop roughly 700 units of mixed-income housing. Construction on Phase 1 is expected to begin in Winter 2022 with the entire redevelopment process expected to last ten years.

RRHA’s next focus area will be **Gilpin Court**, north of Jackson Ward, where about 780 public housing units reside. In November 2021, RRHA and the City of Richmond were awarded a Choice Neighborhoods Planning Grant by the U.S. Department of Housing and Urban Development for $450,000.

This planning grant is being utilized to facilitate the community planning process around not only Gilpin Court, but the Jackson Ward community — including strategies to undo the negative impacts of interstate development on the historically Black communities of Jackson Ward and North Jackson Ward.

Table 7.3: Net change in units for public housing redevelopment

Public housing community	Original units	Replacement units	Net change
Creighton Court	504	700	+196
Gilpin Court	780	TBD	TBD

Funding for Public Housing redevelopment

Federal housing policy has guided public housing authorities to use newer funding streams to redevelop older public housing communities. For these efforts, RRHA and its partners will use LIHTC, Tenant Protection Vouchers, Project-Based Vouchers, and other federal, state, and local sources.

7.2 Rental assistance

7.2.1 Housing Choice Vouchers

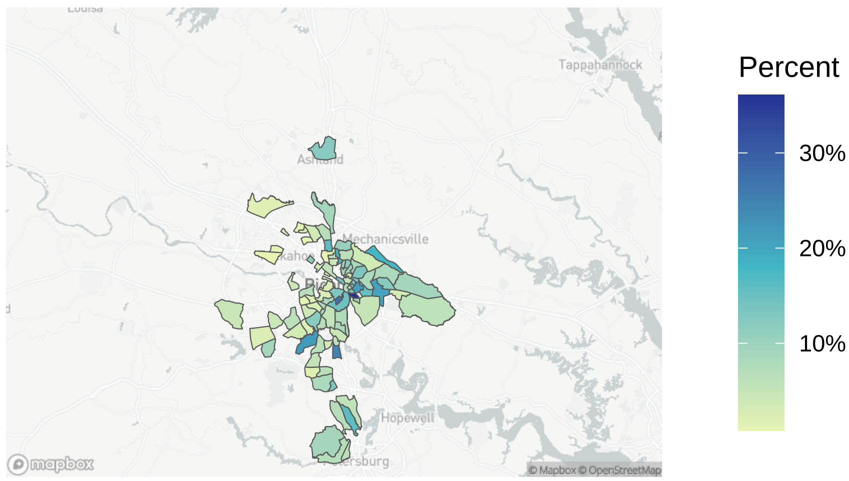
Section 8 Housing Choice Vouchers (HCV) are tenant-based rental assistance that allows recipients to find housing on the open market. This provides household with greater choice in where they want to live, but historically many HCV recipients have faced discrimination from landlords unwilling to accept HCV.

This changed significantly in early 2020, when the Virginia General Assembly passed new fair housing legislation that made it illegal to discriminate based on source of income — defined as:

> *"any source that lawfully provides funds to or on behalf of a renter or buyer of housing, including any assistance, benefit, or subsidy program, whether such program is administered by a governmental or nongovernmental entity."*

HCV utilization across the region is concentrated in the East End and Southside of Richmond, but can also be found throughout the counties, as well as the Town of Ashland. Higher HCV utilization (above 20 percent) is seen in areas near Fulton Hill, Oakwood, Manchester, and Bellwood in Chesterfield County.

Percent of renters
with Housing Choice Vouchers by tract



Source: U.S. Department of Housing and Urban Development.

Figure 7.7: Percent of renters with Housing Choice Vouchers by tract

7.2.2 Rent relief and mortgage relief

In response to the COVID-19 pandemic's impact on renters across the nation, Congress created a $25 billion Emergency Rental Assistance (ERA) program that was funded through the CARES Act in 2021. The program was implemented through the U.S. Treasury Department and resulted in a total of $1 billion being allocated to the Commonwealth of Virginia and eligible local governments.

With this funding, the Virginia Department of Housing and Community Development (DHCD) established the Virginia Rent Relief Program (RRP), while Chesterfield County elected to administer their own rental assistance program through local nonprofit, Area Congregations Together in Service (ACTS).

Through DHCD, a total of 32,029 payments were made to households across Richmond, Henrico, and Hanover. Both Richmond and Henrico saw increasing households receiving rental assistance with slight dips during the early part of 2022. Few households in Hanover County sought rental relief from DHCD.

⚠ All data not available

Data for Chesterfield County's separately-administered rent relief program was not available.

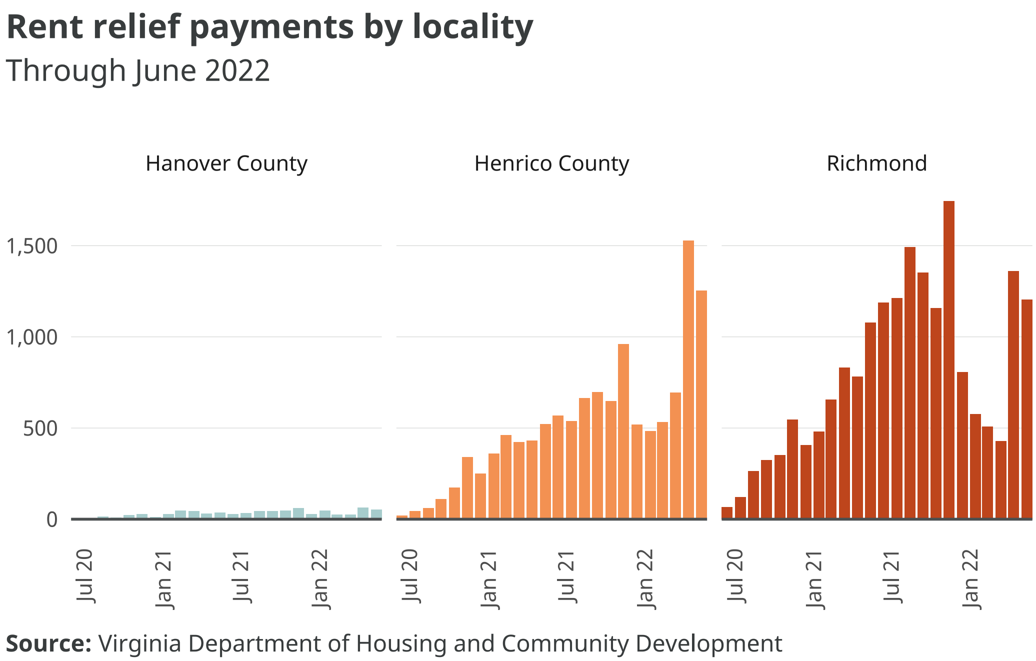


Figure 7.8: Rent relief payments by locality

Average payments per household across the three localities was well above $4,000 for most of the program's duration, with the highest payments being made in Hanover County.

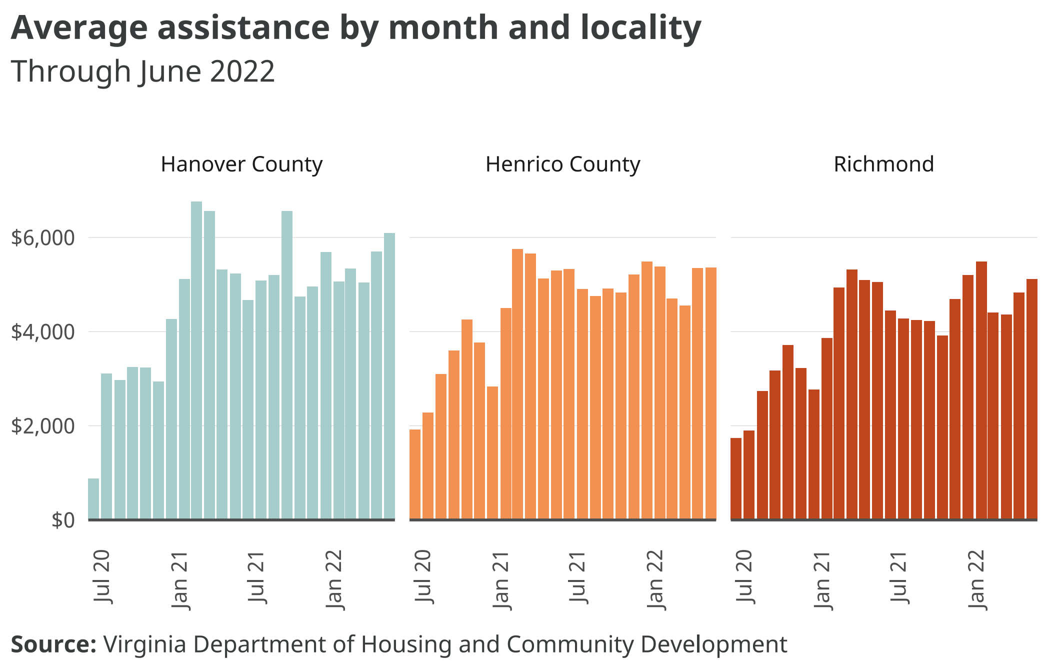


Figure 7.9: Average assistance by month and locality

7.3 Affordable homeownership

Since 2018, nonprofit developers in the region have averaged about 53 affordable homes sold to low-income buyers a year. Most of this production is attributable to Southside Community Development and project:HOMES.

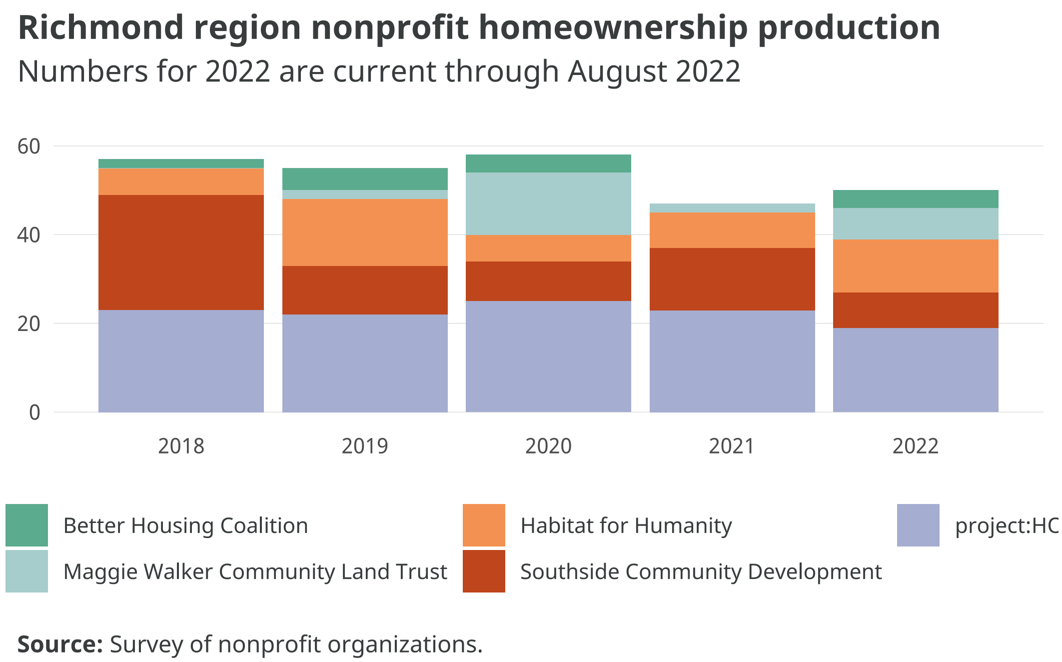


Figure 7.10: Richmond region nonprofit homeownership production

8 Assessment of naturally-occurring affordable housing

This chapter covers trends in naturally-occurring affordable housing (NOAH), or market affordable housing.

8.1 Naturally-occurring affordable housing

Not all affordable housing is supported by public subsidy. In fact, a large share of affordable housing is privately-owned and receives no government assistance. Widely referred to as naturally occurring affordable housing (NOAH), or market-affordable housing, these properties are a growing concern for communities facing housing affordability challenges.

> **Is it really "naturally-occurring"?**
>
> Many experts consider NOAH to be a misnomer because there is nothing "natural" about the affordability of these properties. Some prefer "market-rate affordable". But regardless of the choice of term, this type of housing plays a pivotal, albeit precarious, role in providing localities with a significant amount of affordable housing without government resources.

The preservation of NOAH properties has been a growing strategy to support affordable housing in communities as the ability to quickly develop new units has been stifled by labor shortages, rising land prices, and supply chain issues. NOAH is at great risk of being lost because it often requires greater investment to maintain and more likely to be redeveloped—in turn contributing to a loss of affordable housing units.

> **Defining NOAH**
>
> For analysis purposes, we define NOAH properties as:
>
> - Existing multifamily properties with active leases;
> - Classified as Class B, C, or unclassified;

- No public subsidy, rent caps, or other income-based restrictions;
- *CoStar Building Rating* of two or fewer stars out of five;[a] and
- Built before 2000

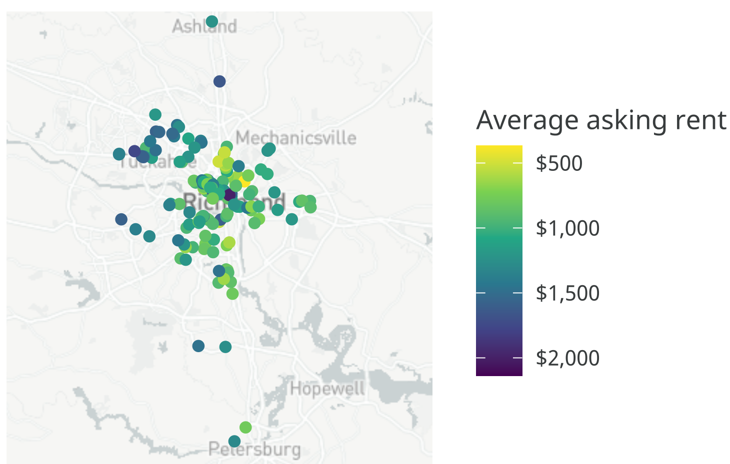
[a] Per CoStar, this is rating for the building relative to other buildings of the same type throughout the country.

8.1.1 Locations

Based on this criteria, NOAH properties are located all across the region, especially in the City of Richmond and along the borders of the city and counties, where older multifamily properties exist.

NOAH properties in Richmond region

Rents as of August 2022



Source: CoStar Group, Inc.

Figure 8.1: NOAH properties in Richmond region

The large share of NOAH is located in the City of Richmond (11,253 units or 45 percent of all NOAH units). This is no doubt due to the large amount of older multifamily properties within city limits — most of which is located in smaller buildings. Henrico County has the second largest share of NOAH in the region with 8,983 units, followed by Chesterfield County at 3,667 and Hanover County below 500 units.

⚠ Additional context for NOAH

It is important to consider that the City of Richmond contains much of the region's older housing stock. This includes many older apartment buildings that are anywhere from two to twenty units in size. While they may fall under the NOAH classification set out in this analysis, their rents may actually be higher due to the overwhelming demand for rental housing among young professionals and students in the city.
Comparably cheaper than new multifamily properties that offer amenities such as pools and fitness centers, these properties are still able to command such high rents due to their proximity to Virginia Commonwealth University and Virginia Union University, as well as other urban amenities like restaurants, bars, and retail.

In total, there are nearly 25,000 NOAH units across 194 properties in the region. This makes up a significant amount of rental inventory, as well as a valuable source of unsubsidized affordable housing. The aging of these properties, as well as the increasing demand for rental housing, puts significant pressure on these properties and their owners. For smaller landlords, the cost to renovate can be far too great — leading to worsening deferred maintenance and pressure to sell, which both can negatively impact renters.

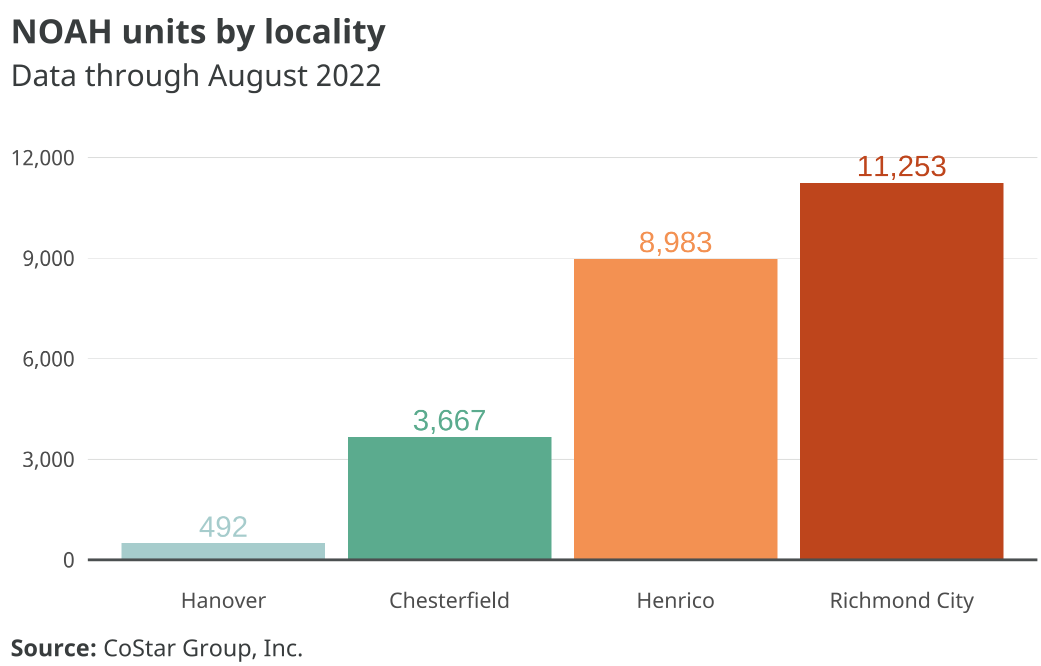


Figure 8.2: NOAH units by locality

8.1.2 Building style

CoStar places buildings into style categories based on the following definitions:

Style	Stories	Buildings
Garden	1-3 Stories	4 or more buildings
Low-Rise	1-3 Stories	1-3 buildings
Mid-Rise	4-14 Stories	1 or more buildings
High Rise	15+ Stories	1 or more buildings

While not traditional multifamily properties, CoStar does track some single-family and townhome rentals that are included in this data.

Roughly four out of five NOAH units are part of garden style properties, which are clusters of smaller one- to three-story buildings. Another 3,200 units in low-rise properties, which have similar but fewer buildings per community, round out nearly all of the NOAH supply in the region.

However, garden style properties have more than 210 units on average, while low-rise properties have just 12. As a result, there more than twice as many low-rise properties (273) than garden properties (95).

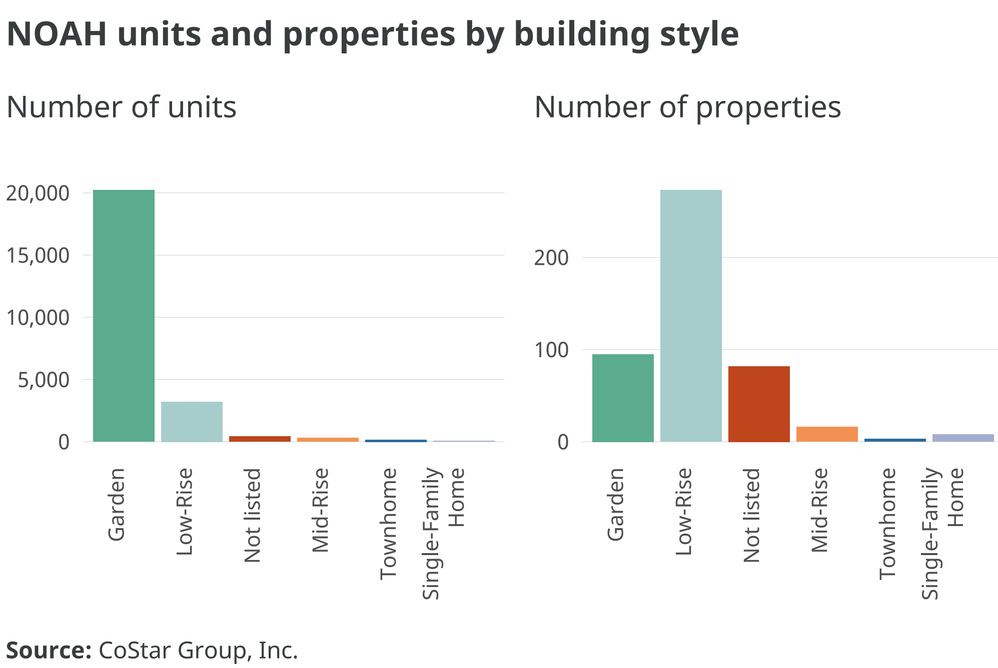


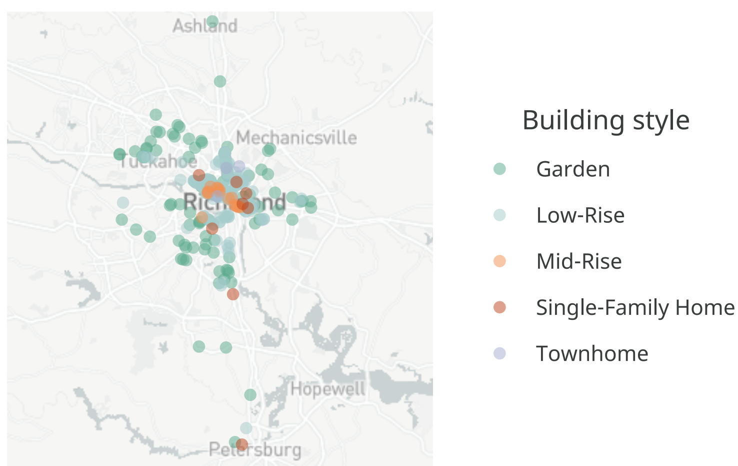
Figure 8.3: NOAH units and properties by building style

The map below shows NOAH properties by building style across the region. Most of the low-rise properties are within Richmond, reflecting the early 20th century small-scale apartment buildings found across many historic neighborhoods in the city—especially the Fan and Museum District.

Garden style properties, on the other hand, are more commonly found in the counties' inner suburbs, and reflect development trends prevalent during those areas' growth in the mid 20th century.

Building style of NOAH properties

Data as of August 2022



Source: CoStar Group, Inc.

Figure 8.4: NOAH properties by building style

8.1.3 Age

With the exception of Richmond's low-rise apartments from the 1910s to 1930s, most of the region's NOAH units were built between 1960 and 1980. CoStar also tracks property renovations, which began for NOAH properties in the 2000s, especially closer to 2020 in Richmond and Chesterfield.

> **Substantial versus minor renovations**
>
> CoStar only marks a property as renovated if it:

> *"...has been completely restored so that the existing space becomes 'new' space again. [...] Minor renovations, such as the improvement of a building's lobby or exterior are not considered full building renovations."*

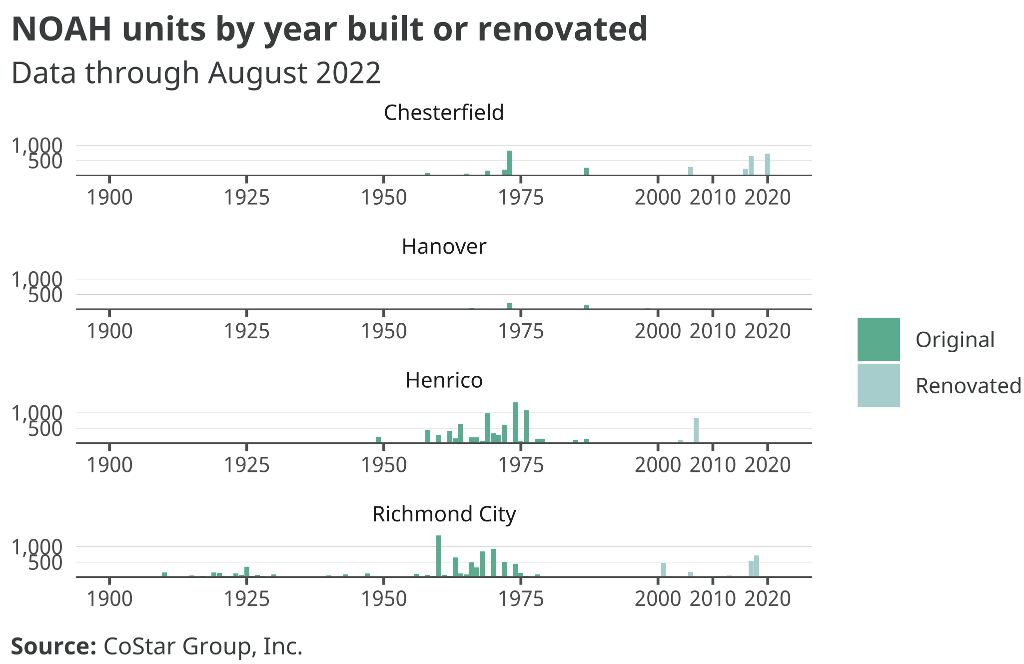


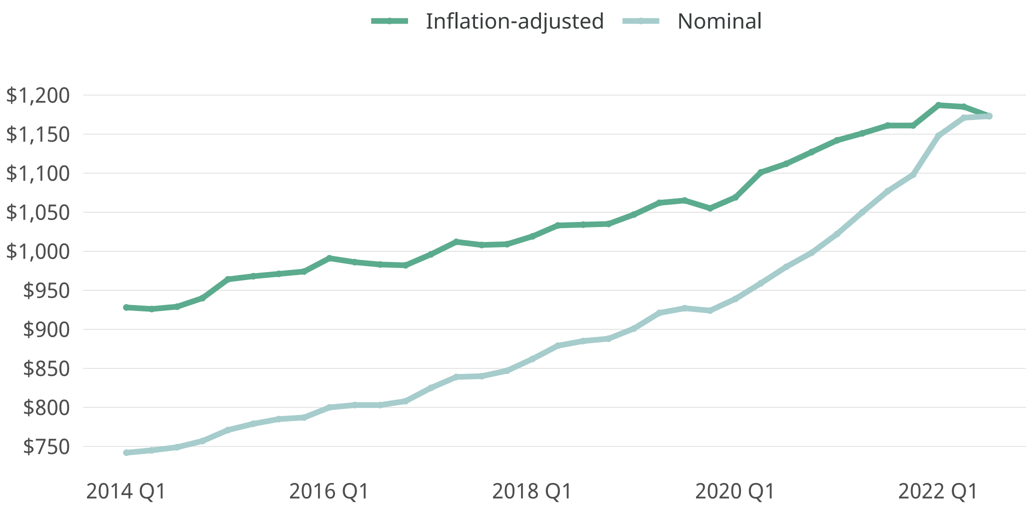
Figure 8.5: NOAH properties by year built

8.1.4 Rents

NOAH properties have not been immune from the rapid rises in rent. As of Q3 2022, the average asking rent for NOAH properties was $1,173. This is about $200 less than the average asking rent across all rental properties. Although this seems like a small difference, an extra $200 a month means more money saved for childcare or transportation costs.

From the beginning of the pandemic to Q3 2022, NOAH rent has increased by $104 — a 10 percent increase.

Average asking rent for market-affordable multifamily
2014 Q1 to 2022 Q3 (to-date)



Source: CoStar Group, Inc.

Figure 8.6: Average asking rent for market-affordable multifamily

8.1.5 Sales

The sale of NOAH properties and ensuing new ownership often leads to rent increases and/or rehabilitation. In some cases, this may take NOAH properties out of market affordability. Over the last five years, NOAH properties have made up well over half of all multifamily property transactions in the region.

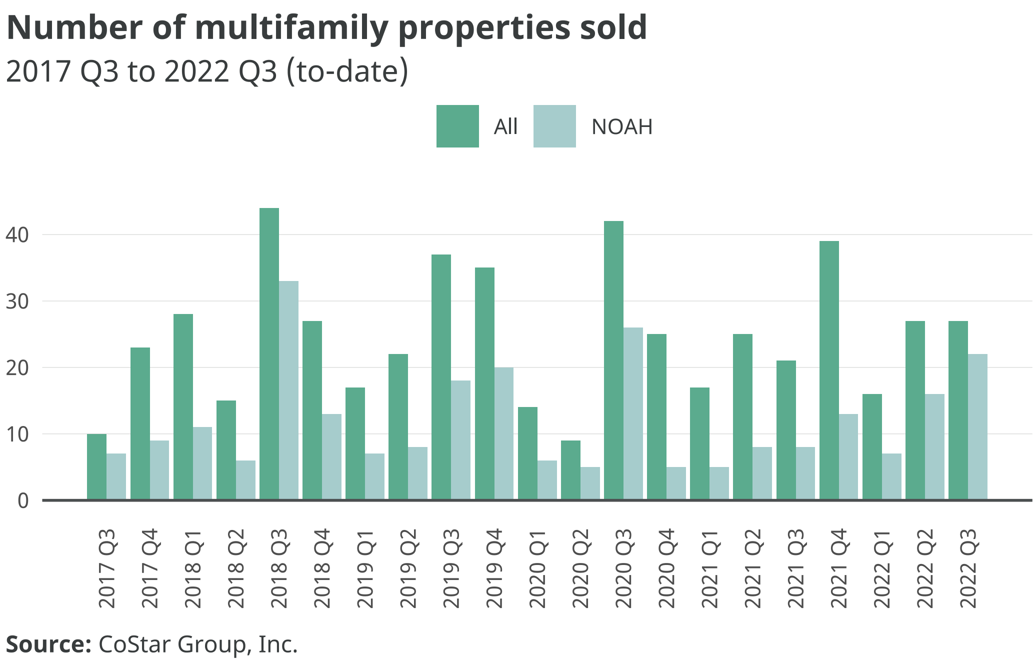


Figure 8.7: Number of multifamily properties sold

However, NOAH transactions represent a smaller share of total units sold—about one-third since 2017 Q3.

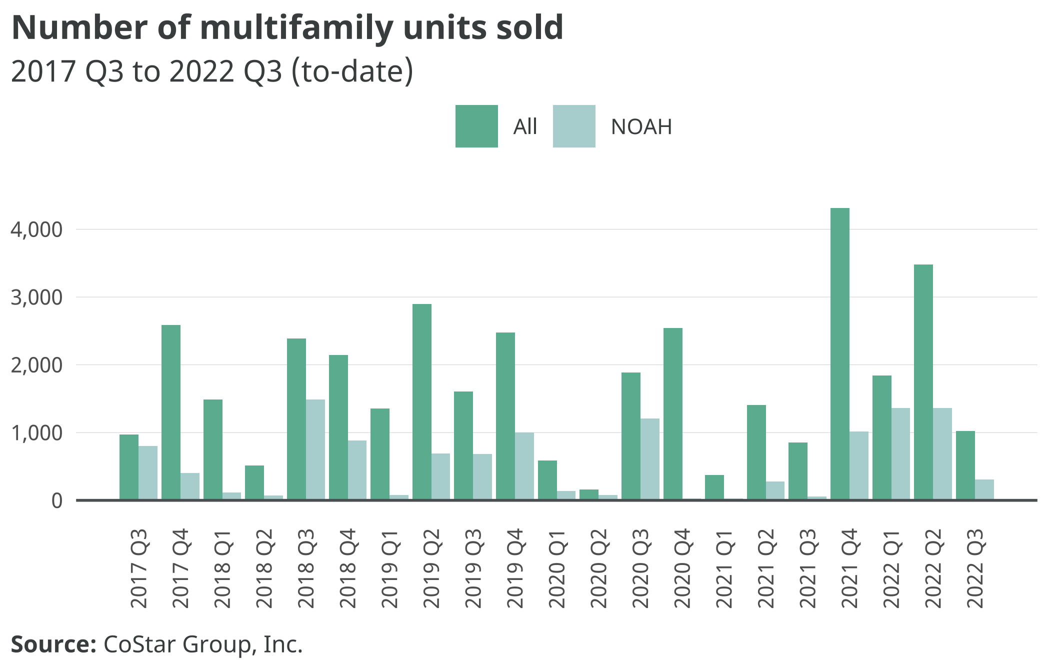
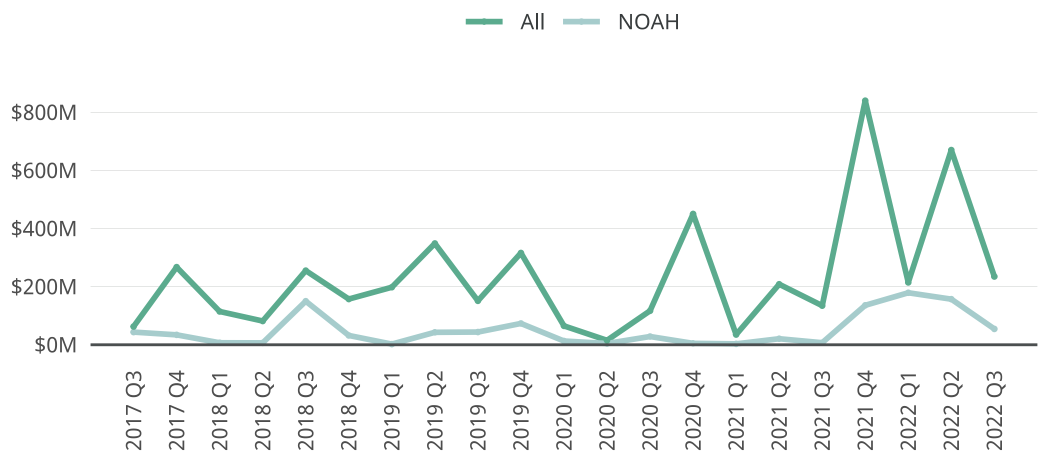


Figure 8.8: Number of multifamily units sold

Sales volume for NOAH properties has, on average, been a small fraction of total volume in the region. However, beginning in 2021 Q4, NOAH sales volume rose above $100 million for the first time since 2018 Q3, which itself was an an outlier. NOAH sales volume hit a new record in 2022 Q1 (over $178 million), stayed at that level the next quarter, and continues to be well above average to-date in 2022 Q3.

Volume of multifamily sales

2017 Q3 to 2022 Q3 (to-date)



Source: CoStar Group, Inc.

Figure 8.9: Volume of multifamily sales

During this timeframe, NOAH properties had an average price per unit below that of all multifamily sales until 2020 Q4. At the end of 2020, the average price per unit of a NOAH property hit a high of $221,534 — over $44,000 more when compared to all multifamily sales. Although both types of sales took a dip following the end of 2020, the higher NOAH price remained until 2021 Q2, when NOAH average price per unit once again went below all sales.

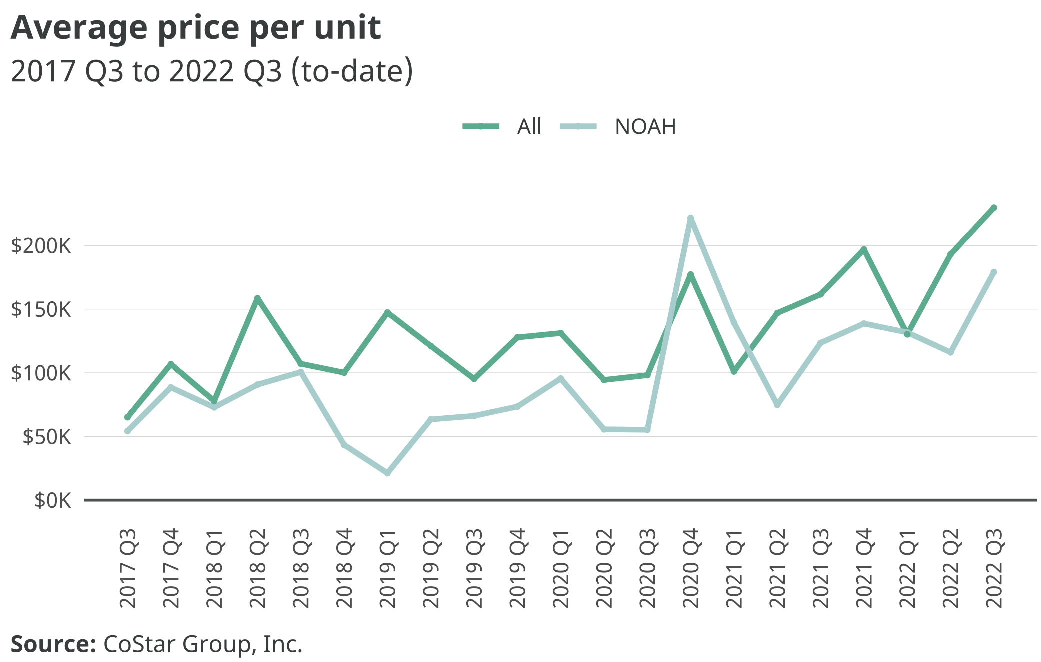


Figure 8.10: Average price per unit

8.2 Manufactured home communities

Manufactured home communities (MHCs) are also a valuable source of NOAH across the region, but are not reliably monitors as traditional multifamily rental housing. As a result, accurate data on supply and rents are more difficult to obtain.

8.2.1 Supply

In 2016, the Manufactured Home Community Coalition of Virginia (MHCCV) conducted an assessment of all manufactured home communities across the Richmond, Virginia Metropolitan Statistical Area (MSA). That report found 4,735 homes across 54 MHCs in the greater region. Within the primary PHA area[1] there are 24 different MHCs, which in all contained at least 2,742 individual manufactured homes.

[1]Chesterfield, Hanover, Henrico, and Richmond.

> **Note**
>
> This data includes homes that may be rented, as well as owned. Regardless, residents in MHCs rent the lot on which their home resides. This leaves many manufactured home community residents who own their homes in a precarious position should a community owner decide to sell or redevelop the property. Manufactured homes are not easily moved once installed, leaving many families forced to abandon their homes and seek new and more expensive housing elsewhere.

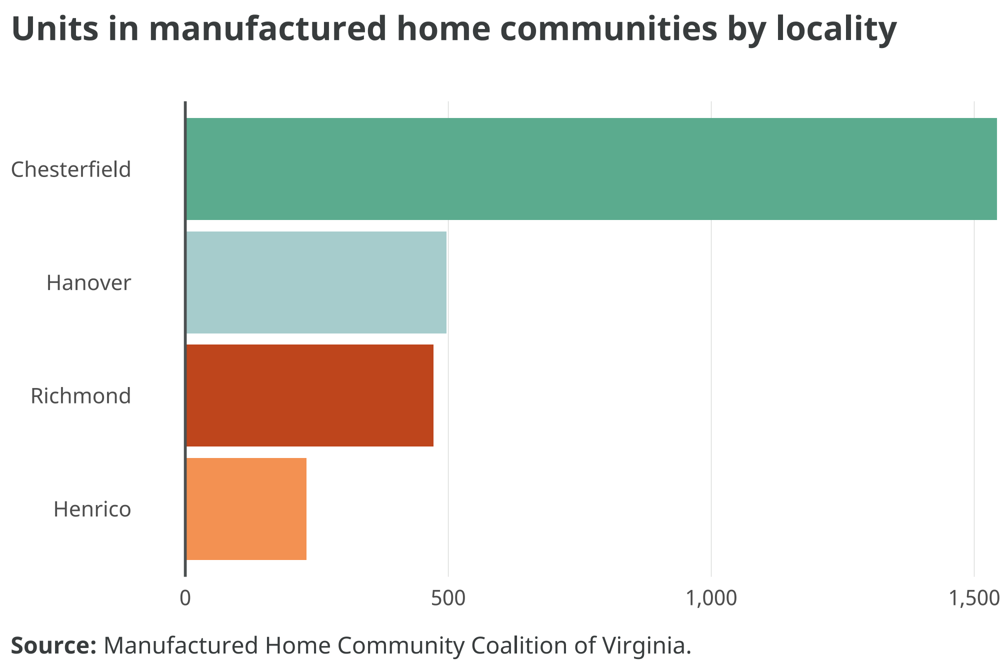


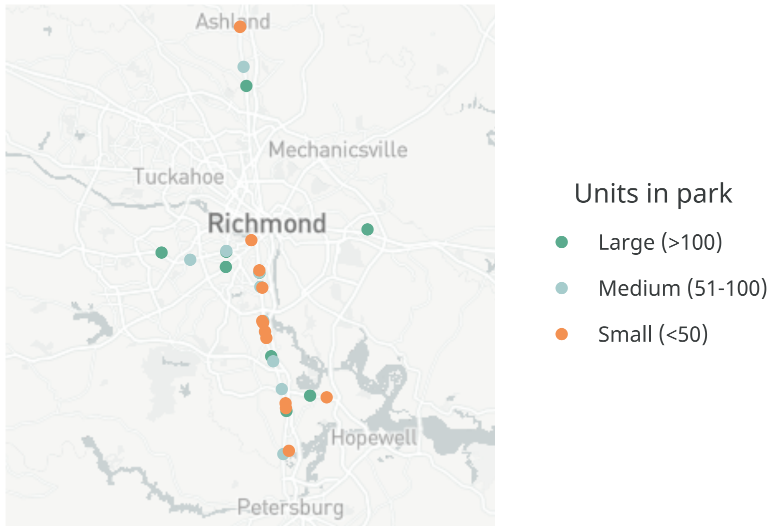
Figure 8.11: Units in manufactured home communities by locality

Chesterfield County has the largest supply of homes in MHCs (1,543), which is about half the total number of subsidized rentals also in the county. Hanover and Richmond both have near 500 units in MHCs, while Henrico only has one MHC with 230 units.

8.2.2 Locations

The majority of manufactured home community units are located along the Route 1 corridor. In areas where commercial and mixed-use development has accelerated, many of these properties are well-positioned for a change to a “higher and better” use. This redevelopment potential, while often in line with broader planning goals, is a threat to the long-term stability of MHCs.

Manufactured housing communities in Richmond regio



Source: Manufactured Home Community Coalition of Virginia.

Figure 8.12: Manufactured housing communities in Richmond region

Notable changes since 2020

In September 2020, project:HOMES, acquired a 52 unit manufactured home community called Bermuda Estates in Chesterfield County. Since acquiring the community, project:HOMES has made significant infrastructure improvements, replaced some units in disrepair, and constructed a community center. The nonprofit plans to continue investments and preserve the park as a high-quality, low-cost neighborhood.
Suburban Village, Chesterfield County's third largest MHC with almost 250 units, was purchased by Maryland-based Horizon Land Management in August 2021 for $22.5 million. The park was previously under the same local ownership since 1986. More than 35 potential buyers expressed interest.
Shady Hill Mobile Home Park, home to more than 100 families, was purchased by a Charlottesville-based development firm for $5.1 million in August 2022. While complete redevelopment is likely, exact plans and timing are not known.

Part III

PART 3: Gap analysis

9 Affordability of current housing supply

This chapter is an analysis of existing housing costs versus the ability of households in the region to afford those housing costs.

9.1 Rental housing gap

Comprehensive Housing Affordability Strategy (CHAS) data provided by the Department of Housing and Urban Development (HUD) allows us to understand the cost of housing in relation to household incomes. For renters making less than 80% AMI across the region, there has been little change in the gap in affordable rental housing.

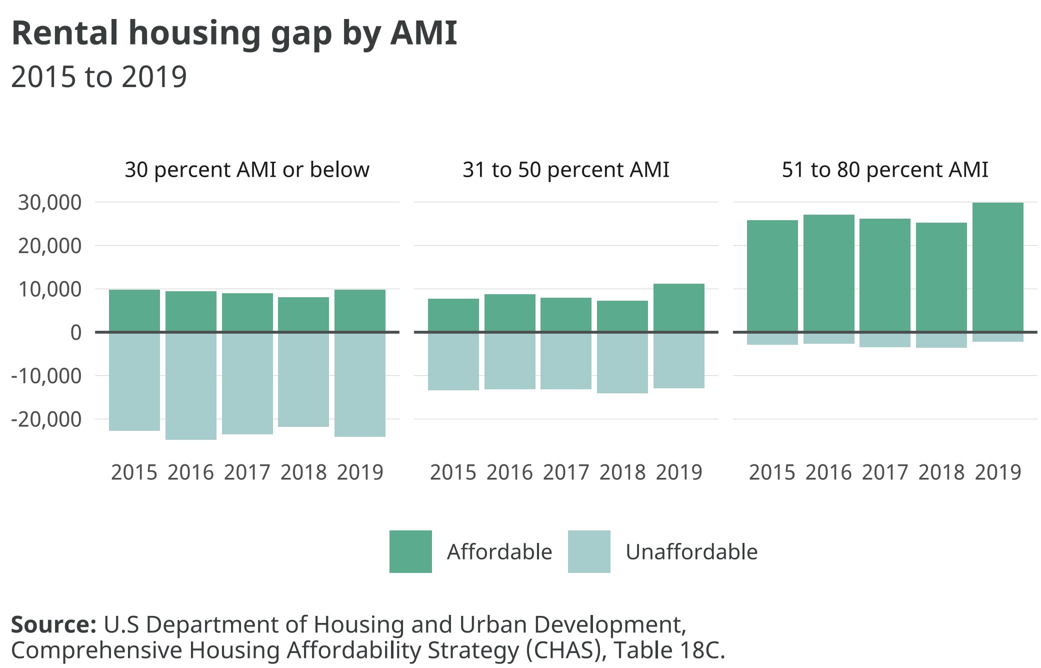


Figure 9.1: Rental housing gap by AMI

In 2015, there was an overall gap of 38,778 rental homes affordable to households making 80% AMI or less. By 2019, that gap had increased by 1,220 homes to reach a total gap of 38,778.

Increases in the gap occurred mainly among housing at 30 percent AMI and below, but it is important to note that a gap in housing across all income levels impacts households of any income. This accentuates the need for new affordable housing at all income levels — but especially for 30% AMI or below households. As of 2018, these extremely low-income renters face a shortage of over 24,000 rental homes.

9.2 Incomes versus housing costs

9.2.1 Overview

Housing costs—both for-sale prices and rents—have steadily accelerated in the region since 2016. Every locality say home prices rise more than 50 percent, with average rents not far behind. Average renter incomes also increased from 2016 to 2020, although those gains were not as steady across all localities.

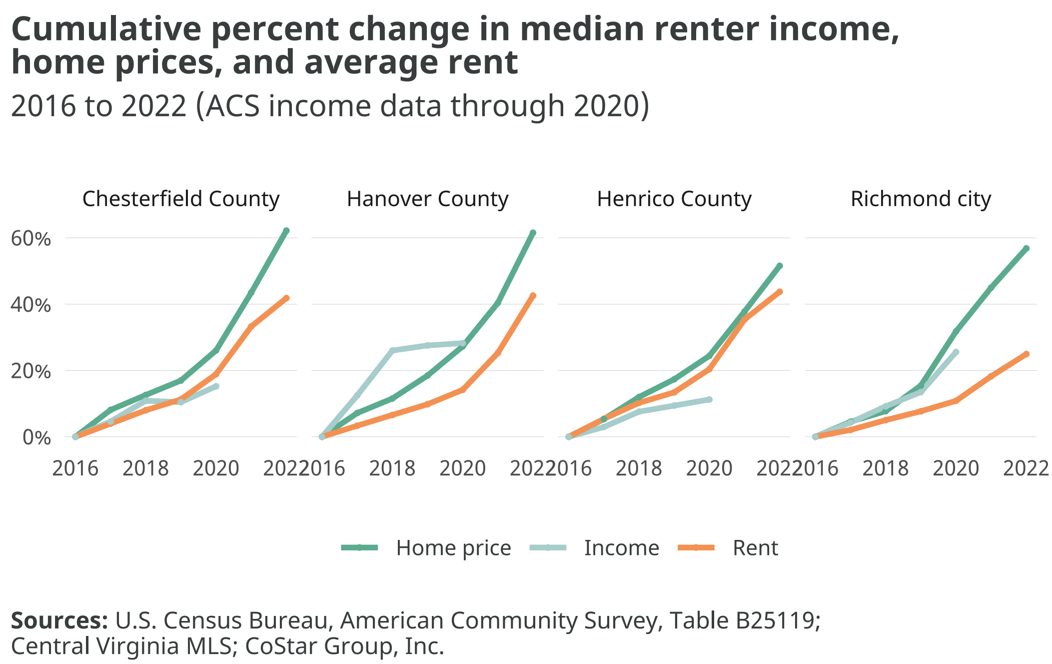


Figure 9.2: Cumulative percent change in median renter income, home prices, and average rent

However, there are two other important takeaways:

1. Average renter income data is currently only available through 2020, while the sharpest housing price increases occurred from then through 2022.
2. Average renter incomes were already below the level necessary to afford the typical apartment or home for sale.

9.2.2 Rental affordability

Market asking rents across the region have been on the incline between 2016. Still, the median incomes for renters in Chesterfield and Henrico—at least from 2016 to 2020—could afford average rents. That was not the case for Henrico and Richmond, where the monthly rental price affordability gaps were $20 and $218, respectively.

> **Calculating rental affordability**
>
> In this chapter, an "affordable rent" is no more than 30 percent of a household's gross monthly income. Any rent amount higher than this level would make the renter cost-burdened.

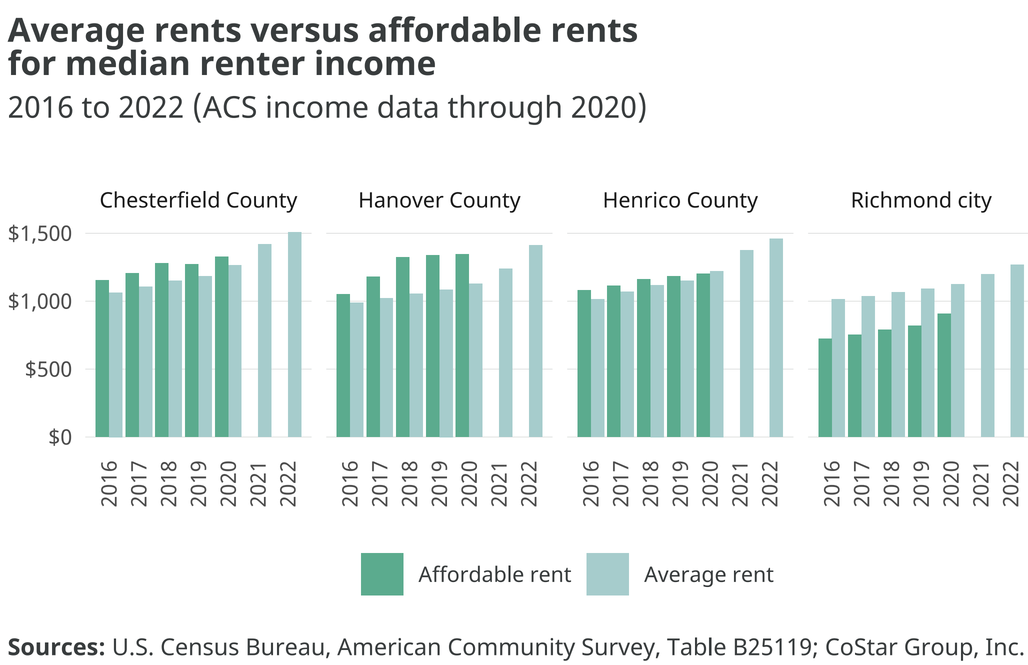


Figure 9.3: Average rents versus affordable rents for median renter income

9.2.3 Homeownership affordability

To determine how affordable homeownership is at the median renter income, we can calculate the maximum home sales price affordable to a buyer with that income. To make these estimates, we make the following simplified assumptions:

- 5 percent down payment
- 1.5 percent in closing costs
- $250 per month for property taxes
- $150 per month for insurance and other costs

For underwriting purposes, we assume that the monthly mortgage payment plus these costs can not exceed 28 percent of the buyer's gross income. For example, a renter earning $50,000 can afford a monthly housing cost no more than $1,166.67.

To determine the maximum principal amount, and the subsequent sales price, we assume a standard 30-year fixed-rate mortgage using the average annual interest rates published by Freddie Mac[1]. The 2022 value is the average through August. The figure below shows these interest rates used for the homeowner affordability analysis.

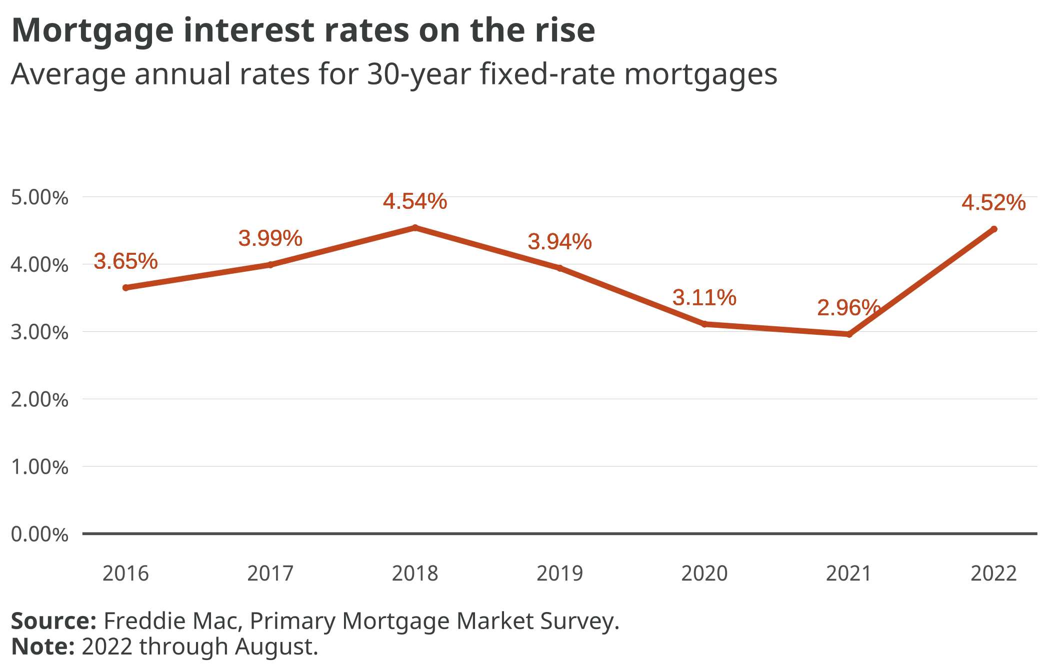


Figure 9.4: Average annual rates for 30-year fixed-rate mortgages

[1] Freddie Mac, 30-Year Fixed-Rate Mortgages Since 1971.

The figure below shows these maximum affordable home sales prices versus actual median sales prices for each locality from 2016 through 2020. Only median sales prices are shown for 2021 and 2022 year-to-date, since renter income estimates from ACS are only available through 2020.

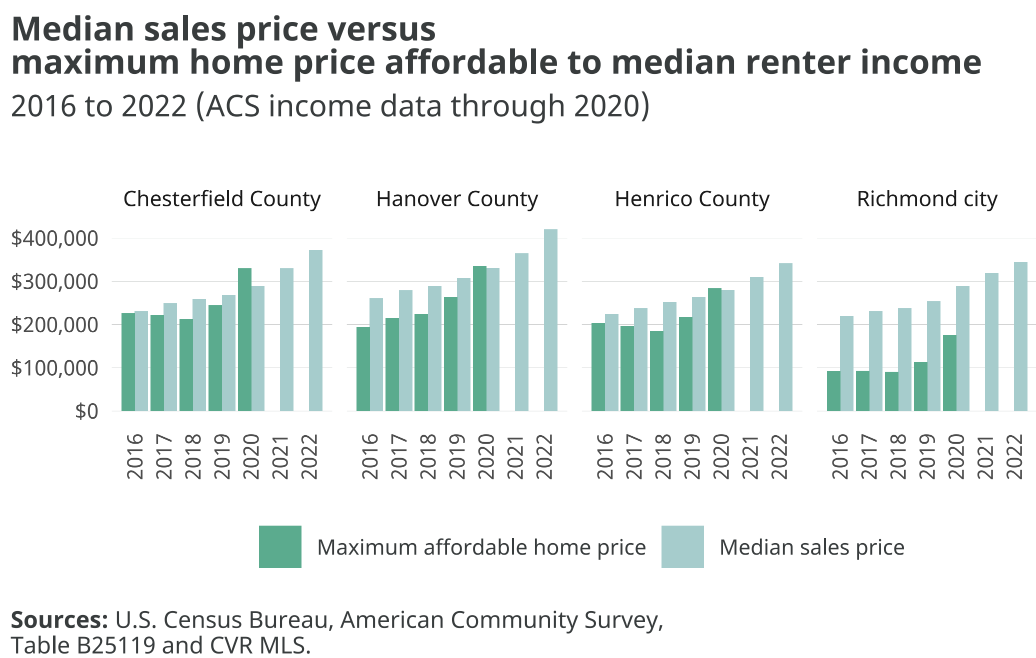


Figure 9.5: Median sales price versus maximum home price affordable to median renter income

In the three counties, median sales prices were generally just out of reach for the average renter's income from 2016 through 2019. Then, historically low interest rates in 2020 increased buyers' purchasing power to put the median-priced home within reach.

The purchase price gap in Richmond, however, has continued—even with lower rates, the average renter could not afford to buy a home more than $200,000 in 2020. By 2021, the median-priced home in the city topped $300,000 for the first time.

9.3 Wage-based affordability

In a previous chapter, the five most common occupation categories in the Richmond MSA were determined from the latest (May 2021) BLS Occupational Employment and Wage Statistics (OEWS) data. These wages are an opportunity to assess the ability of many of the region's workers to afford rent or purchase a home. Annual salary amounts range from $75,800 for workers in Business and Financial Operations, to $23,650 for those in Food Preparation and Serving Related positions.

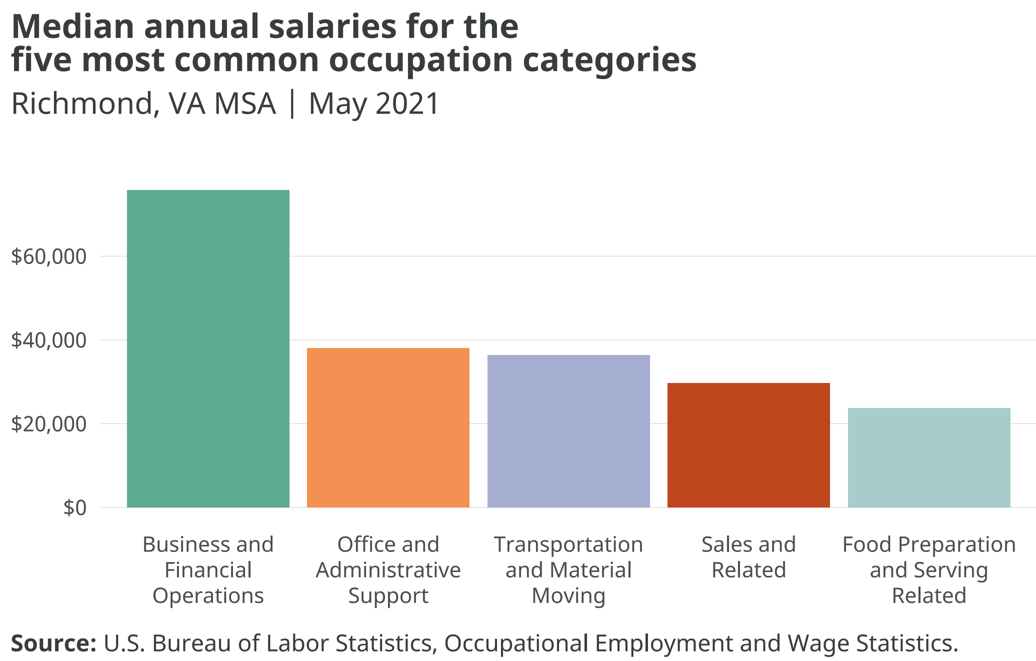


Figure 9.6: Median annual salaries for the five most common occupation categories

9.3.1 Rental affordability

Every occupation except for Business and Financial Operations supports an affordable rent less than $1,000. Apartments in the region for less than this are hard to come by, and average rents across localities are now hundreds of dollars more.

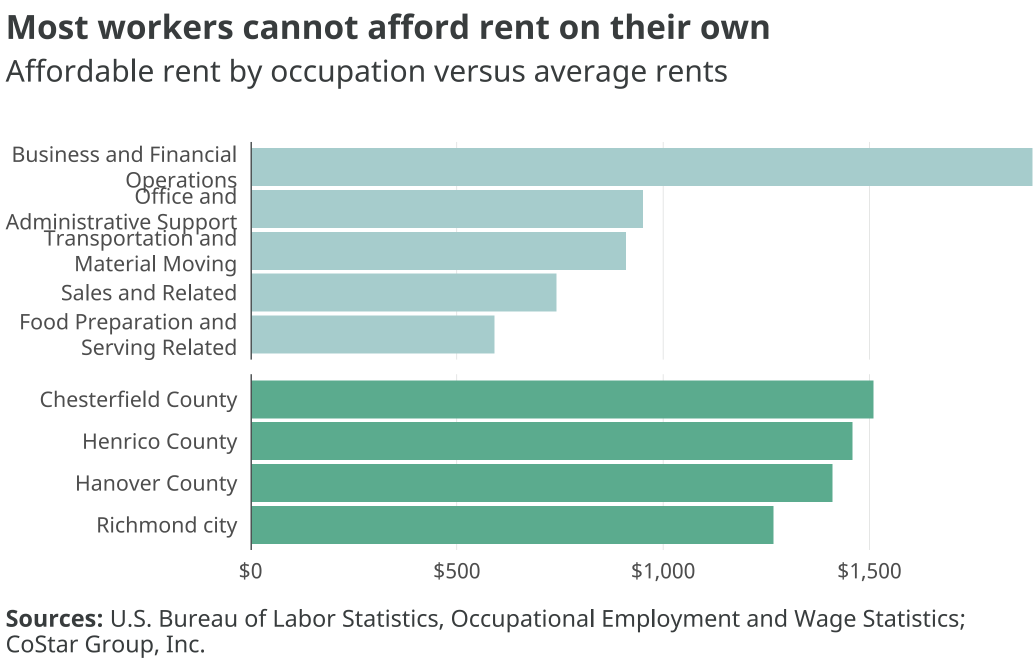


Figure 9.7: Affordable rent by occupation versus average rents

However, these average rents *can* be relatively attainable if households have two earners with annual salaries each above $30,000. Still, even dual-income households where both workers are in retail and/or restaurant jobs would currently struggle to find an affordable apartment anywhere in the region.

9.3.2 Homeownership affordability

Similarly, all occupation categories other than Business and Financial Operations command wages that make homeownership a challenging goal, especially for single-earner households. Most of these common jobs, on their own, would support only home purchases prices below $140,000. This does not even consider related financial barriers often faced by lower-income workers, such as savings for down payments and acceptable credit scores.

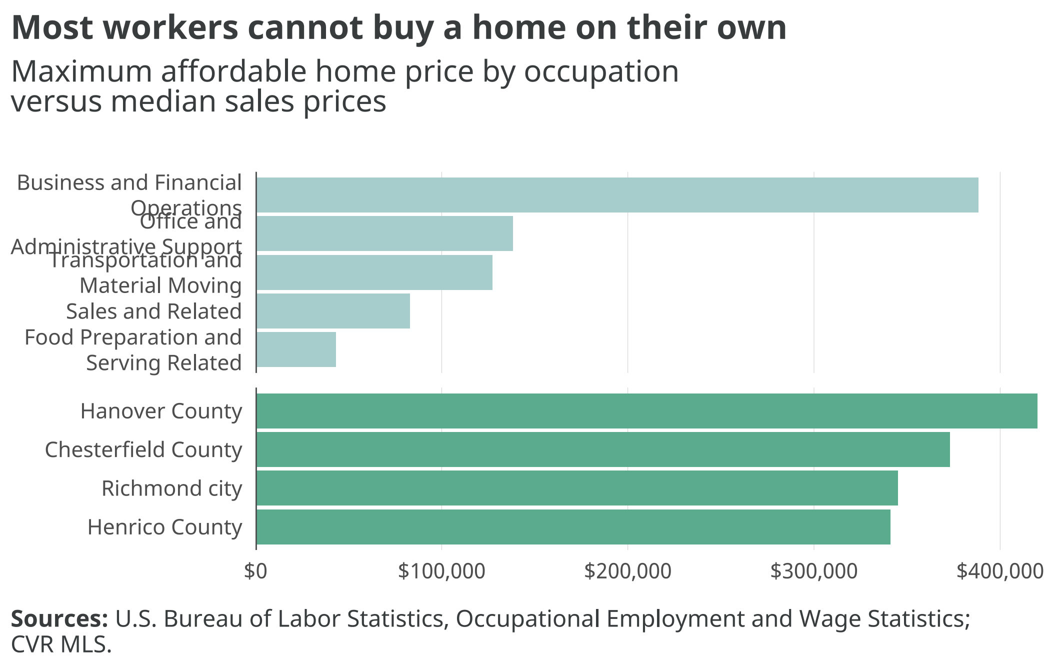


Figure 9.8: Maximum affordable home price by occupation versus median sales prices

10 Impact of housing costs on household budgets

10.1 Cost burden

When incomes don't rise along with housing costs, we can expect an increase in the number of cost-burdened households who pay more than 30 percent of their gross income on basic housing expenses. Since 2015, cost burden levels in the region decreased for some groups, while increased for others.

Data in this section come from the Comprehensive Housing Affordability Strategy (CHAS) dataset published by the U.S. Department of Housing and Urban Development. CHAS estimates are a custom tabulation of American Community Survey responses. As of October 2022, the most recent CHAS data is for the 2015-2019 5-year period.

Unless otherwise noted, all plots on this page combine data from Chesterfield County, Hanover County, Henrico County, and Richmond city.

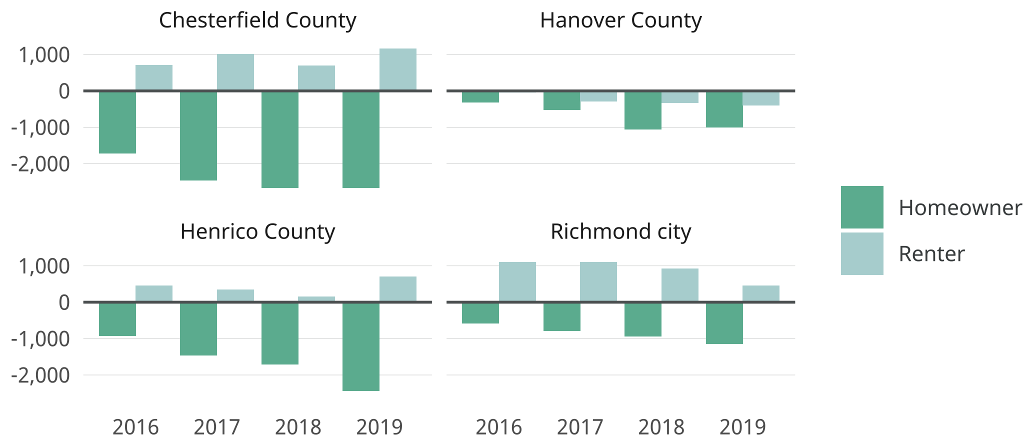
10.1.1 Cost burden by tenure

The number of cost-burdened homeowners across the region has declined significantly since 2015, particularly in Chesterfield and Henrico counties. Hanover County and Richmond city saw smaller decreases, but the total "loss" of cost-burdened homeowners in the region still exceeded 7,200.

Meanwhile, the total number of cost-burdened renter households increased by almost 1,900, with only Hanover County seeing a small decline. Much of this growth in renter cost burden was focused in Chesterfield County and Richmond city.

Cumulative change in cost-burdened households by tenure

2015 to 2019



Source: U.S Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS), Table 7.

Figure 10.1: Cumulative change in cost-burdened households by tenure

10.1.2 Cost burden by income

Homeowners above 80 percent AMI saw the largest declines in cost burden since 2015. This is likely due to rising incomes among homeowners with relatively fixed housing costs. Although renters with higher incomes were seeing growing cost burden from 2015 to 2018, 2019 estimates show an abrupt shift in trends. Renters making less than 50 percent AMI saw an increase in cost burden from 2015 of nearly 4,000 households. The number of households making greater than 50 percent AMI saw an overall decrease in cost burden from 2015 estimates — reversing the increases seen in 2018.

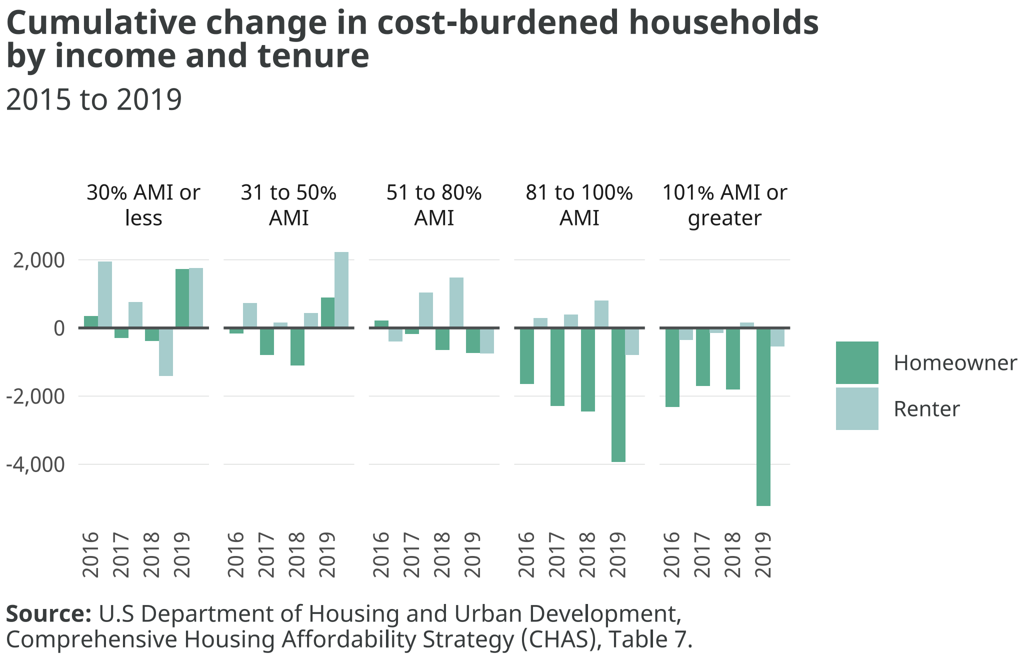


Figure 10.2: Cumulative change in cost-burdened households by income and tenure

However, the significant and unexpected drop among cost-burdened renters below 30 percent AMI from 2017 to 2018 deserves further explanation. The increase in 2019 appears to be more aligned with our sense of the rental housing market over the past few years.

The plot below shows the ACS estimates of renter households by cost burden from 2016 to 2020. There is a steady decline in the number of cost-burdened low-income renters (under $35,000); however, this corresponds to an increasing number of cost-burdened renters with incomes between $35,000 and $75,000.

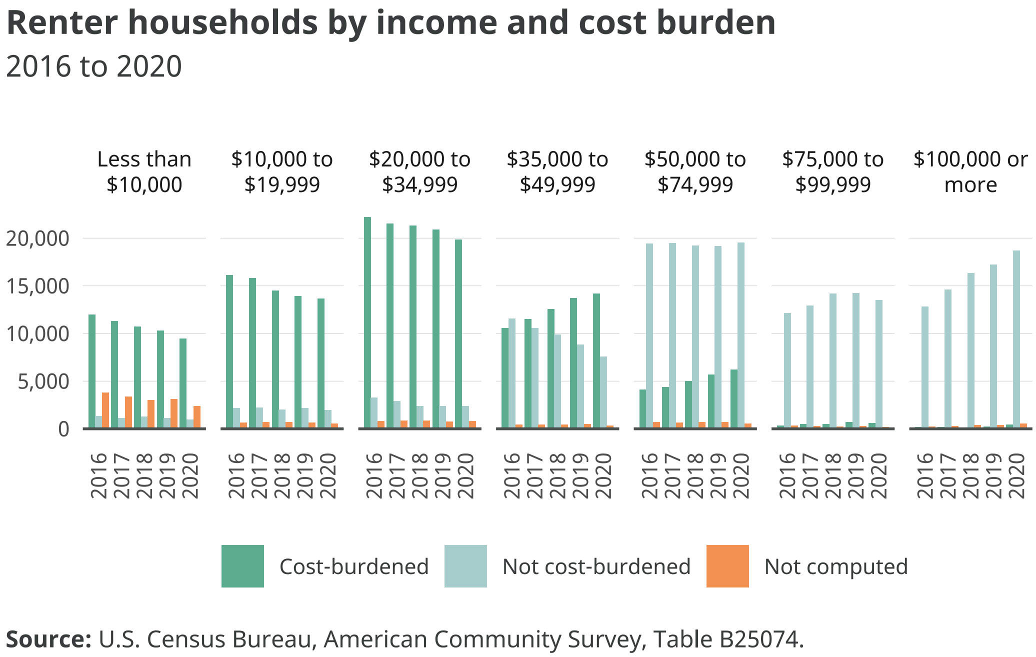


Figure 10.3: Renter households by income and cost burden

Nearly all cost-burdened renter households have incomes below $75,000. Filtering for just those estimates, the plot below shows the net annual change from 2016 to 2020. The significant decrease from 2019 to 2020 (1,057) is well beyond the range from previous changes, and may also be due in part to lower ACS response rates among lower-income households during the COVID-19 pandemic.

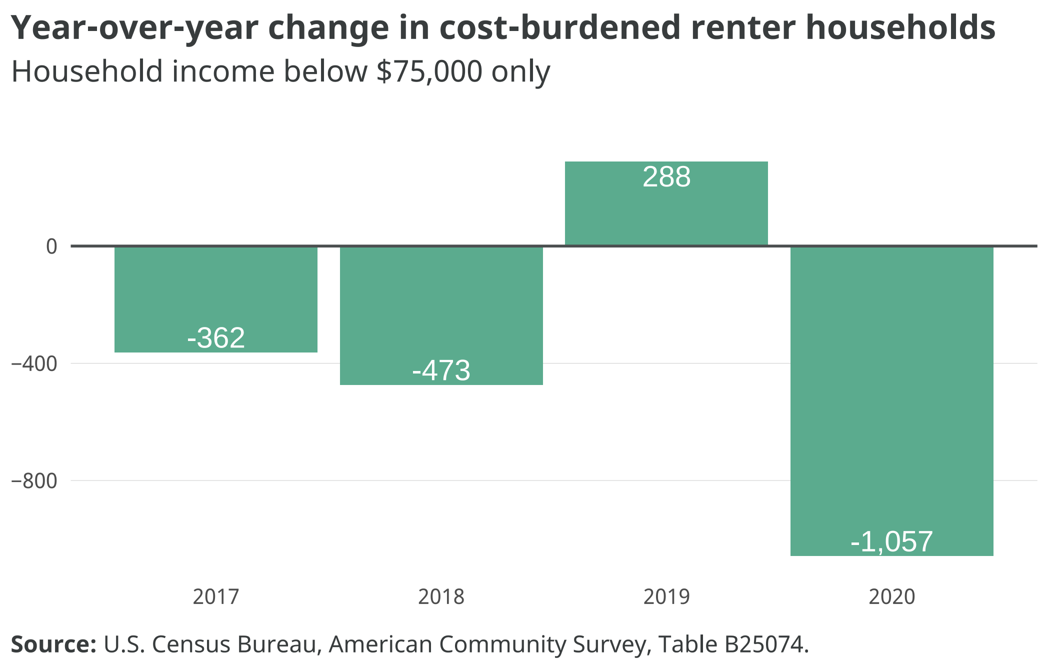


Figure 10.4: Year-over-year change in cost-burdened renter households

In summary, since the *total* number of renter households in the region has not changed significantly from 2016 to 2020, and because the supply of deeply affordable rental housing has not increased, the estimated decline in low-income cost-burdened renters is likely due to a combination of increasing average incomes "re-sorting" households into higher income categories, as well as pandemic data collection challenges.

10.1.3 Cost burden by household type

Small families and non-elderly, non-family homeowner households saw the largest decreases in cost burden across all four localities. Among renters, only small family households are now less likely to be cost-burdened, but this change (-765) is an order of magnitude smaller than the decrease for homeowner small families (-6,525).

Net increases in cost-burden were almost entirely contained to elderly non-family and elderly family households. There are now more than 4,600 additional cost-burdened households in these groups, including both homeowners and renters.

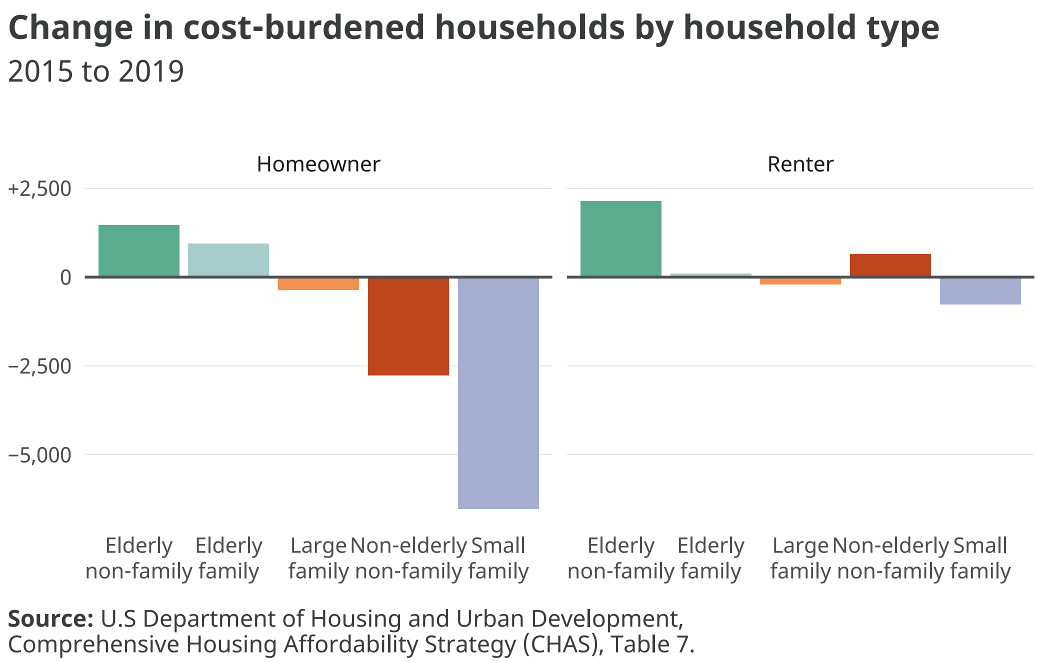


Figure 10.5: Change in cost-burdened households by household type

10.2 Mortgage delinquency and foreclosure

Since the Great Recession, mortgage delinquency of 90 days or more has been on a steady decline across the region —reaching the decade's lowest rates throughout much of 2020 and 2021. Pandemic mortgage relief measures laid out in the CARES Act led to a significant forbearance program, wherein homeowners with federally-backed mortgages could enter into forbearance for a year. The decrease in delinquency can be greatly attributed to these measures which stipulated that loans in forbearance would not be reported as delinquent.

According to some researchers, this program also led to loans in delinquency prior to the pandemic entering into forbearance as well.[1] Interestingly, Hanover County saw a spike in mortgage delinquency during 2018, but has since declined to the lowest rate (0.2 percent) among all localities as of December 2021.

[1] Haughwout, Lee, Scally, and van der Klaauw, 2020. https://libertystreeteconomics.newyorkfed.org/2020/11/following-borrowers-through-forbearance/

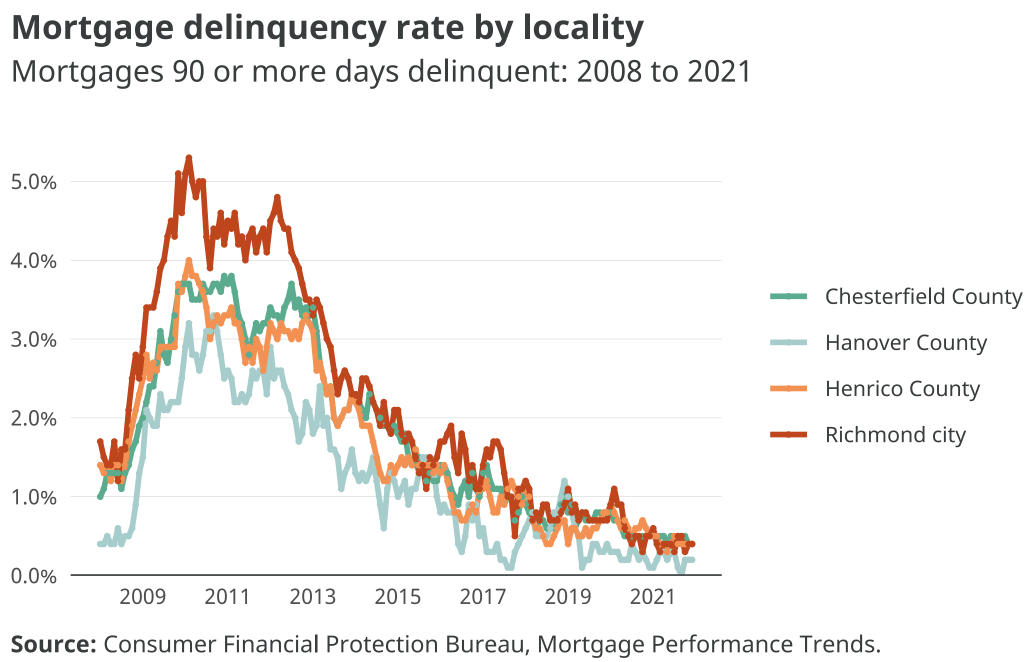


Figure 10.6: Mortgage delinquency rate by locality

With the moratorium on residential foreclosures having come to an end on June 30, 2022, the region may see increasing mortgage delinquency rates in the coming years.

10.3 Eviction filings and judgements

Richmond's elevation to national prominence due to its eviction rate spurred state-level responses to address the eviction crisis across the Commonwealth. From 2017 to 2019, the region saw small declines in the number of eviction filings. The City of Richmond saw a 14 percent decrease in average annual filings, while eviction judgements only decreased by 8 percent.

Defining evictions

For this section, we define eviction *filings* as the number of lawsuits generated by landlords against tenants to begin eviction proceedings. Eviction *judgements* are the subsequent court orders for tenants to vacate their apartment. Not every eviction case results in a judgement, and not every judgement results in a formal eviction carried out by local sheriff's deputies.

The eviction landscape changed dramatically during the COVID-19 pandemic when the Centers for Disease Control imposed a nationwide federal moratorium on residential evictions in September 2020. In Virginia, Governor Northam requested from the state's Supreme Court a stay on evictions preceding the nationwide moratorium several times.

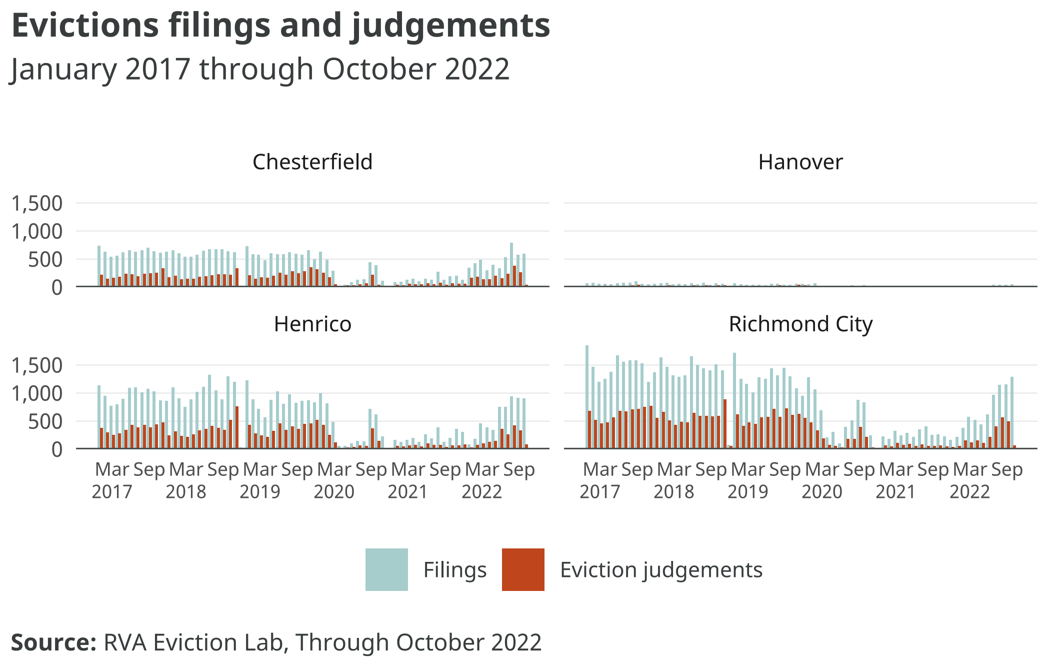


Figure 10.7: Evictions filings and judgements by locality

These measures led to dramatic decreases in both the number of filings and eviction judgements across the region. However, the eviction moratorium's official end in Virginia on June 30, 2022, brings about concerns among advocates and service providers over a potential wave of evictions and homelessness in the coming months. The last quarter of 2022 has already seen major increases in evictions that are well on their way to exceeding pre-pandemic levels.

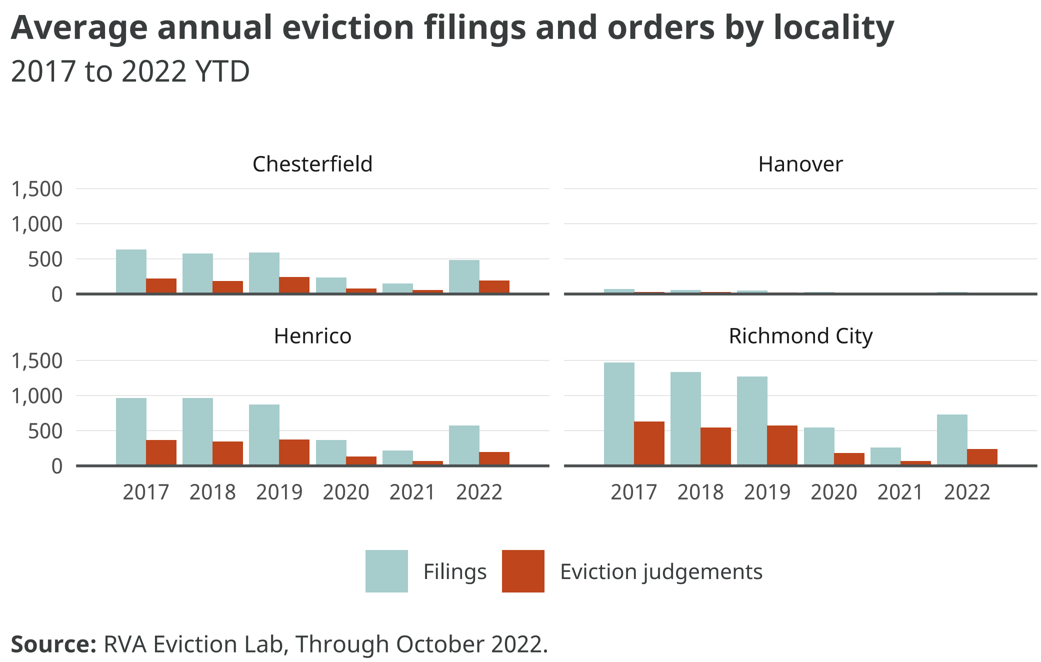


Figure 10.8: Average annual eviction filings and orders by locality

Eviction filings should continue to be monitored over the coming months. The RVA Eviction Lab has been at the forefront of this data collection and analysis, and will continue to be a resource for the region in understanding the increasing risks for renters with renter protections and resources coming to an end.

10.4 Housing Resource Line

On September 1, 2020, PHA launched the Housing Resource Line to help residents across Central Virginia in need of housing. As of November 2022, the hotline has fielded nearly 17,000 calls from people across the region—from rural Goochland County to the City of Richmond.

Call volume has remained steady over since the line's launch. Call volume has not dropped below 500 calls per month since March 2021.

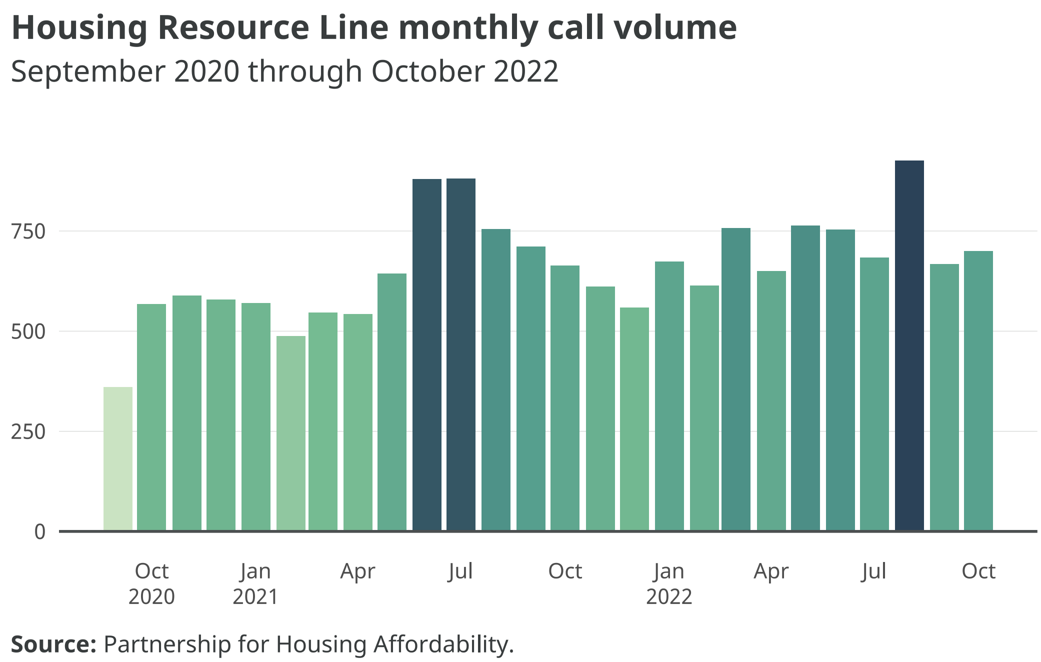


Figure 10.9: Housing Resource Line monthly call volume

The majority of calls were for rental options (36 percent) and financial assistance (21 percent). The two other largest share of calls were for an option not listed (17 percent) and homelessness (12 percent).

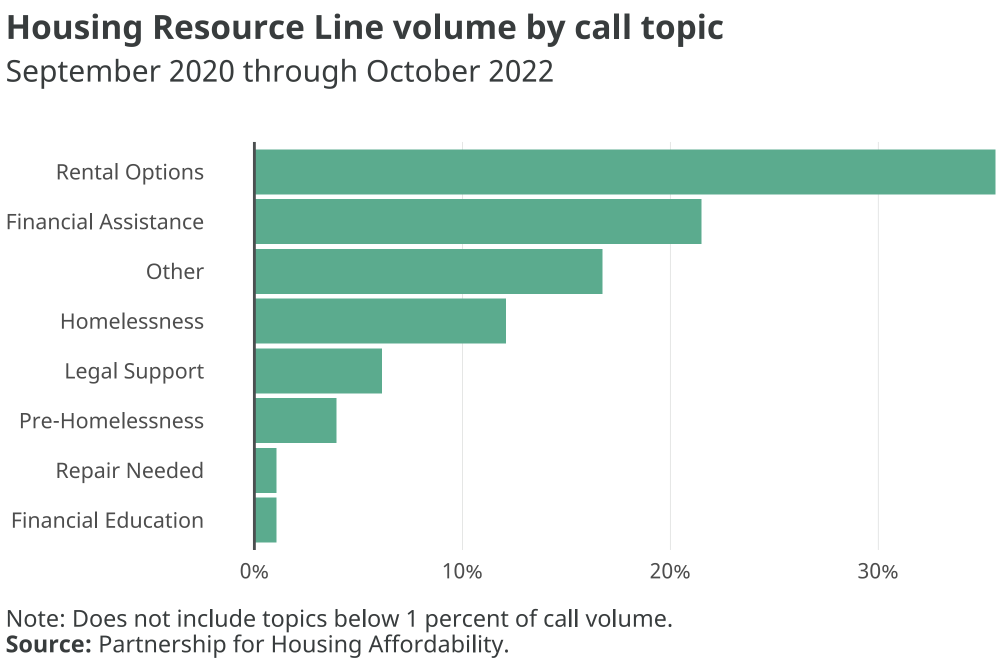


Figure 10.10: Housing Resource Line volume by call topic

Unsurprisingly, there is an increase in homelessness calls during the colder months. PHA staff note that there is an overall increase in calls during the summer months—specifically in regards to people searching for rental options.

This uptick in rental option calls could be directly related to lease non-renewals as landlords sought to increase rents (potentially to recoup losses from the pandemic) and the increasing demand for student rental options ahead of the fall semester.

10.5 Homelessness

10.5.1 Point-in-Time counts

From 2011 to 2019, the overall count of persons experiencing homelessness across the Greater Richmond Continuum of Care (GRCoC) had been in decline.[2]. But when the COVID-19 pandemic hit, the count jumped—going from 497 in 2019 to 834 in 2021, a 68 percent increase.

[2] GRCoC covers City of Richmond, and the counties of Charles City, Chesterfield, Goochland, Hanover (including the town of Ashland), Henrico, New Kent, and Powhatan

The Urban Institute recently highlighted Homeward's (the region's planning and coordinating organization for the GRCoC) efforts to address homelessness during the pandemic. Their response measures served as best practice examples in preventing high transmission rates among people experiencing homelessness as well as direct service staff.

But the challenges of reducing homelessness during the pandemic were laid bare. With an eviction moratorium, rental vacancy rates reached record lows—leaving many seeking rental options with little to none. In addition, providers have also referenced landlords setting high security deposits.

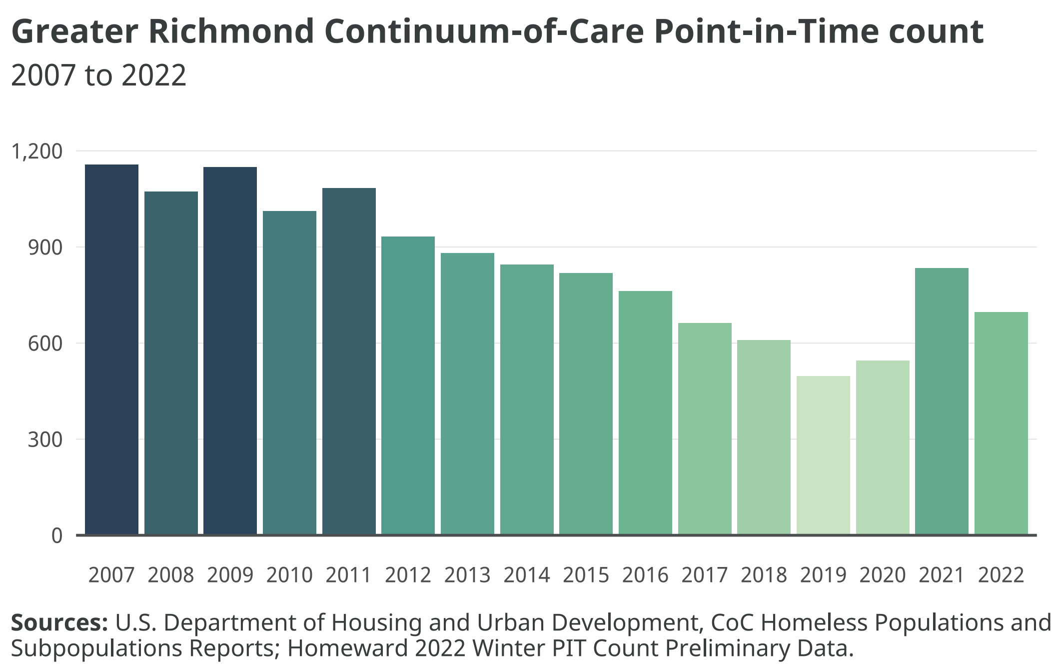


Figure 10.11: Greater Richmond CoC Point-in-Time count

10.5.2 Students experiencing homelessness

The McKinney-Vento Education for Homeless Children and Youth (EHCY) Program collects data on students experiencing homelessness, which often can paint a different picture of homelessness when compared to the Point-in-Time counts. In the region, school divisions have been seeing varying numbers, but between the 2018-2019 and 2019-2020 school years students experiencing homelessness have declined across all school divisions.

Defining student homelessness

Homeless children counted under the McKinney-Vento program are defined as "individuals who lack a fixed, regular, and adequate nighttime residence." This includes children who are doubled-up with another households or living in motels, along with those living in shelters, vehicles, public areas, and other unsuitable places. This is more expansive than the definition used for PIT counts.

The most notable declines in student homelessness have been seen in the Richmond Public School system, where the number of students experiencing homelessness have declined by 40 percent from 2017-2018 to 2019-2020. Given the pandemic and virtual learning environments, upcoming McKinney-Vento data through the 2021-2022 school year may need require extra context.

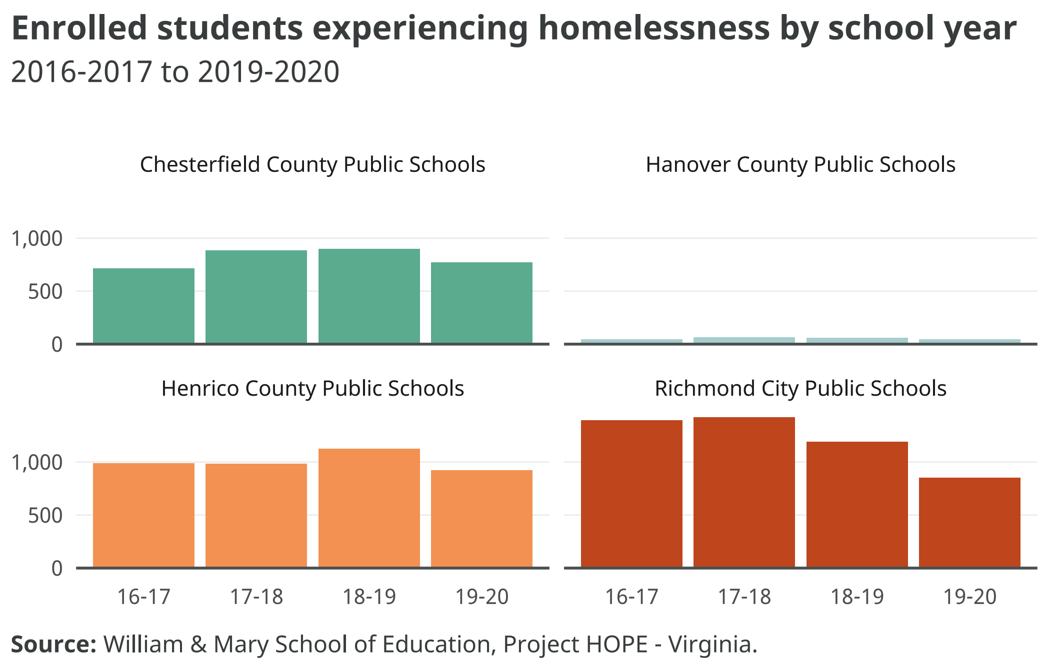


Figure 10.12: Enrolled students experiencing homelessness by school year

Part IV

PART 4: Local summaries

11 Richmond City

This chapter is a summary of the major changes to the City of Richmond's population and housing market in the past five years.

11.1 Takeaways

- The City of Richmond has largely grown as a result of international migration and natural increase (+817 between 2020 and 2021).
- Growth in renter households in the city has been the direct result of nonfamily households — while renters with children have significantly decreased (-2,192).
- Rents across the city have grown substantially, especially the Northside and Southside rental markets (growing by nearly 40 percent, respectively since 2016).
- The typical renter household still has an income unable to afford the average asking rent, as well as the median home price in the city.
- Renter cost burden has increased 1,107 households from 2015 to 2018.
- The greatest need still remains for households making below 30 percent AMI; there was a shortage of nearly 11,000 rental homes for extremely low-income households.

11.2 Demographic and socioeconomic changes

11.2.1 Population changes

Between 2010 and 2020, the U.S. Census Bureau has estimated that the City of Richmond has grown by 11 percent — an increase of 22,396 residents. Throughout much of the decade the city has been on a slow upward trend until 2020. The 2020 Census estimate shows a slight decline from the 2019 estimate — a loss of 3,826 residents. This change could be a result of the difficulties associated with undercounts during the 2020 Census.

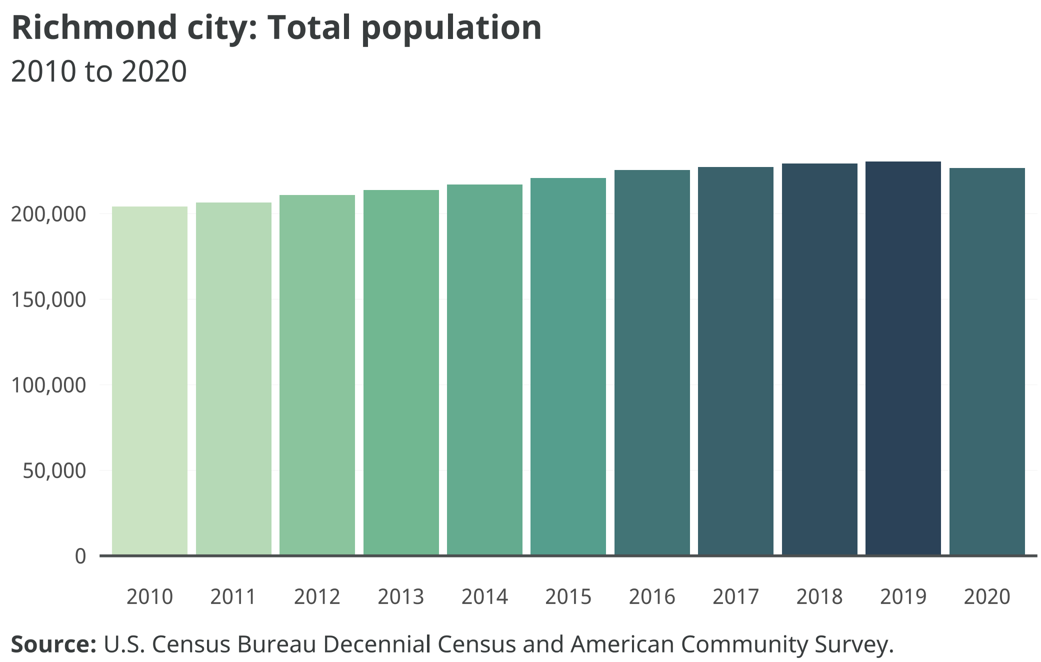


Figure 11.1: Richmond city: Total Population

Census estimates from 2016 show Richmond gaining more than 2,000 net persons that year who moved from somewhere else in the state or country. However, the city has experienced a net loss in domestic migration since then. The majority of the city's population growth over the past five years has been due to migration from abroad along with natural increases through new births.

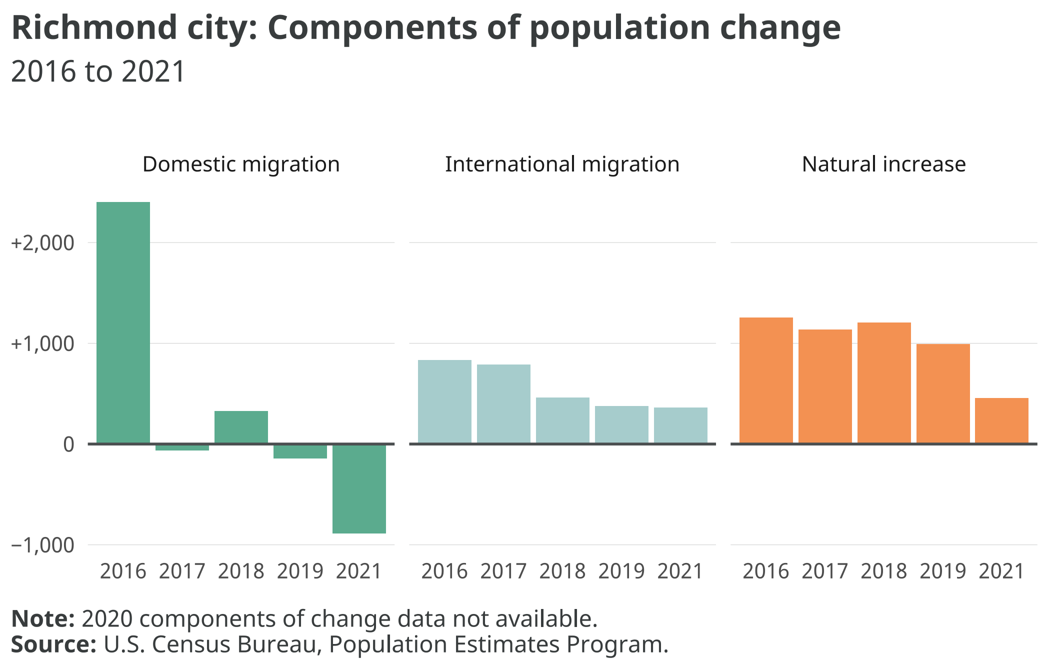


Figure 11.2: Richmond city: Components of population change

11.2.2 Household characteristics

Between 2016 and 2020, there have been distinct changes between homeowner and renter households in the city. The city has seen a 2,555 increase in homeowner households with no children, while the number of renter household with no children has decreased by 607. At the other end of the spectrum, there has been a significant decrease in renter households with children (-2,192), while there are only 162 fewer homeowner households with children in the city. These trends seem to suggest affordability challenges in the homeownership and rental markets of the city.

New homeowners without children (and with fewer financial responsibilities) often find it easier to afford a home, while renters with children are finding it difficulty to afford even a rental — most likely due to lack of larger rental options, as well as increasing costs.

Nonfamily households have seen an increase for both homeowners and renters, but especially for renters (+1,874). This is likely a result of the student population, as well as young professionals, needing additional roommates to afford increasing rents in the city.

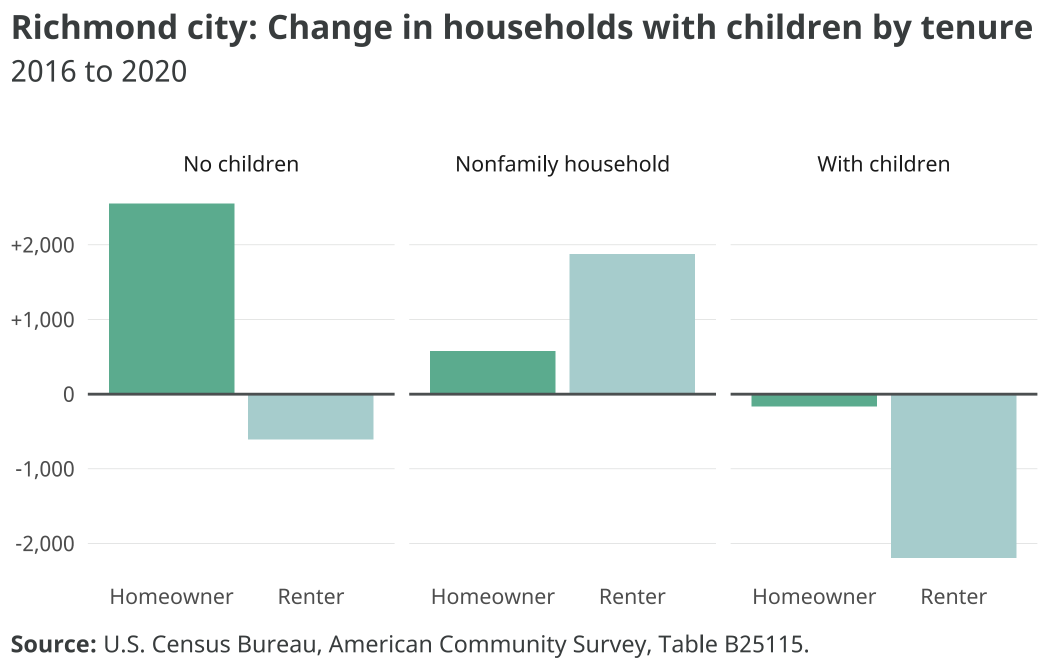


Figure 11.3: Richmond city: Change in households with children by tenure

Since 2016, the number of seniors (65 years and over) has been on the rise in the city — especially among seniors living alone (+1,695). The rise in seniors living alone is a result of the ongoing desire of older adults to age in place. As this trend continues, so do concerns for senior ability to age in place comfortably with ongoing home maintenance needs or rising rent on fixed incomes.

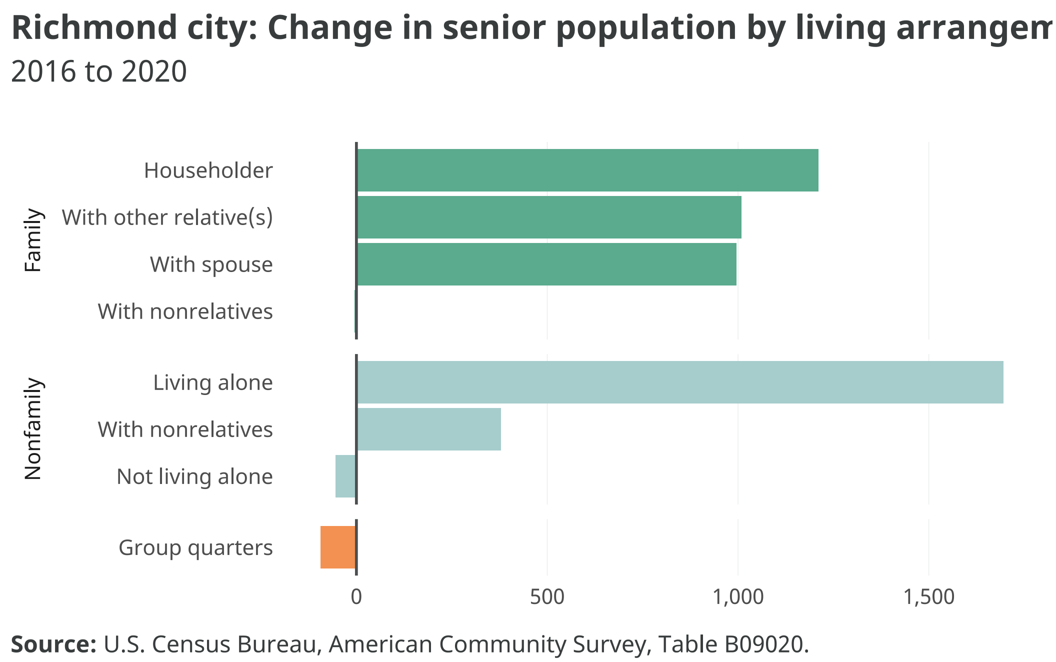


Figure 11.4: Richmond city: Change in senior population by living arrangement

11.2.3 Income and wages

There are wide disparities between homeowner and renter incomes in the City of Richmond. The median homeowner household income ($79,858) is over double that of the median renter household income ($36,249). This gap has been persistent in spite of a 16 percent increase in median household income for renters between 2016 and 2020.

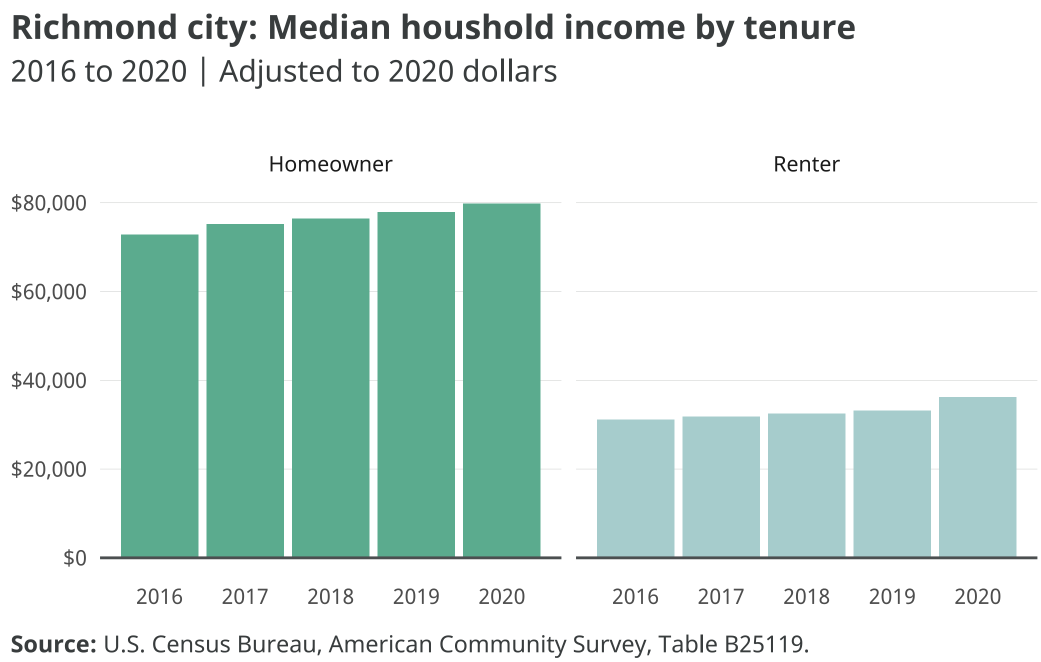


Figure 11.5: Richmond city: Median houshold income by tenure

11.2.4 Persons with disabilities

Independent living difficulties make it necessary for many individuals to seek assisted living facilities or significant modifications to their home to continue to live comfortably. However, both options can be costly — increasing the need for funding of home accessibility rehabilitation or new accessible housing construction.

Since 2016, there are now over 500 more persons in the city with independent living difficulties. This growth has been among younger adults (under 35) and “young” seniors (65 to 74). The latter group’s growth is likely the result of middle-age adults with these difficulties (which saw a large decline) aging into this category in the last five years.

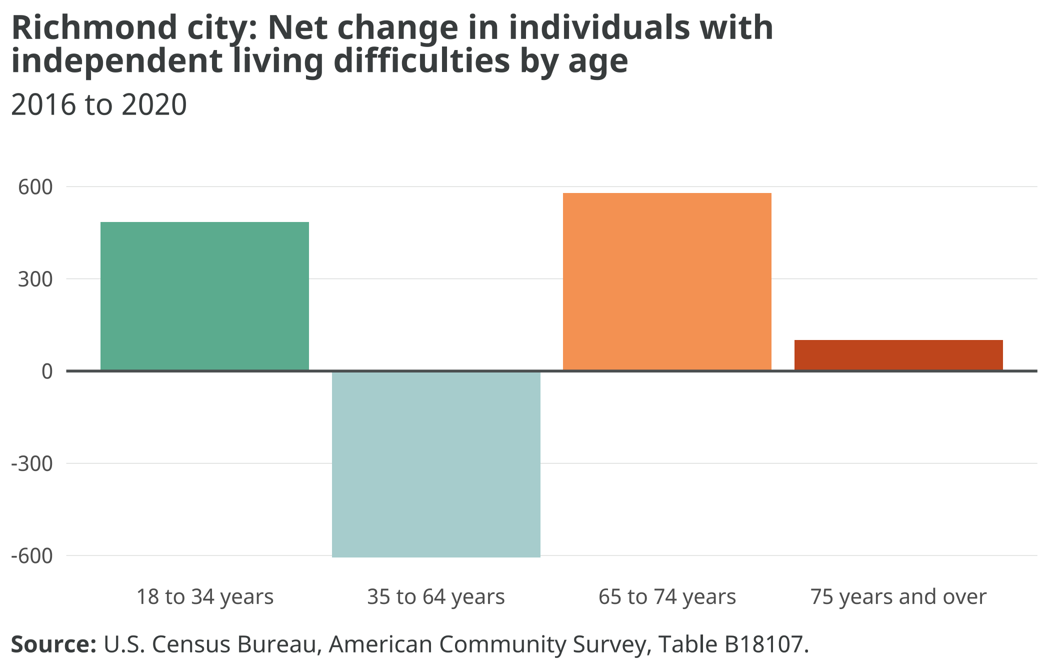


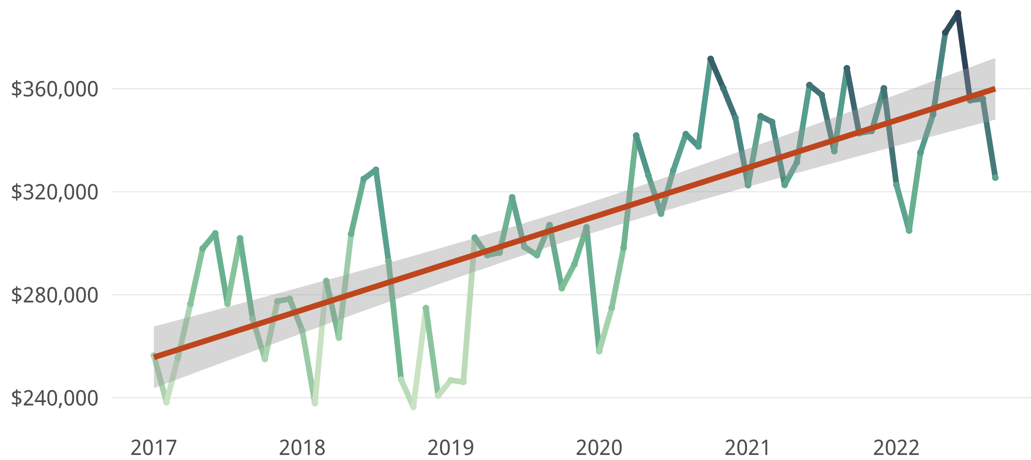
Figure 11.6: Richmond city: Net change in individuals with independent living difficulties by age

11.3 Housing supply and market changes

11.3.1 Homeownership

From the start of 2017 to June 2022, the median home price in the city has increased by 52 percent — going from $256,418 to $389,355. Prices have begun to come down amid a housing slump brought upon by rising interest rates, but still remain high.

Richmond city: Median home sales price
January 2017 to September 2022



Source: Central Virginia Regional Multiple Listing Service.

Figure 11.7: Richmond city: Median home sales price

11.3.2 Rental

Rents across the city have steadily risen over the last ten years, accelerating most rapidly in the pandemic's wake since 2020. This trend is present across all of CoStar's five submarkets for the city, especially for Northside and South Richmond. These submarkets have seen some of the largest average rent increases over time, each growing around 40 percent since 2016.

Table 11.1: Richmond city: Submarket rents

Richmond submarket	2016 Q1 Rent	2022 Q3 Rent	Percent change
Northside	$742	$1,045	41%
South Richmond	$912	$1,268	39%
East End	$1,120	$1,365	22%
Downtown Richmond	$1,196	$1,455	22%
West End	$1,328	$1,611	21%

Note:
2016 Q1 Rent has not been adjusted for inflation

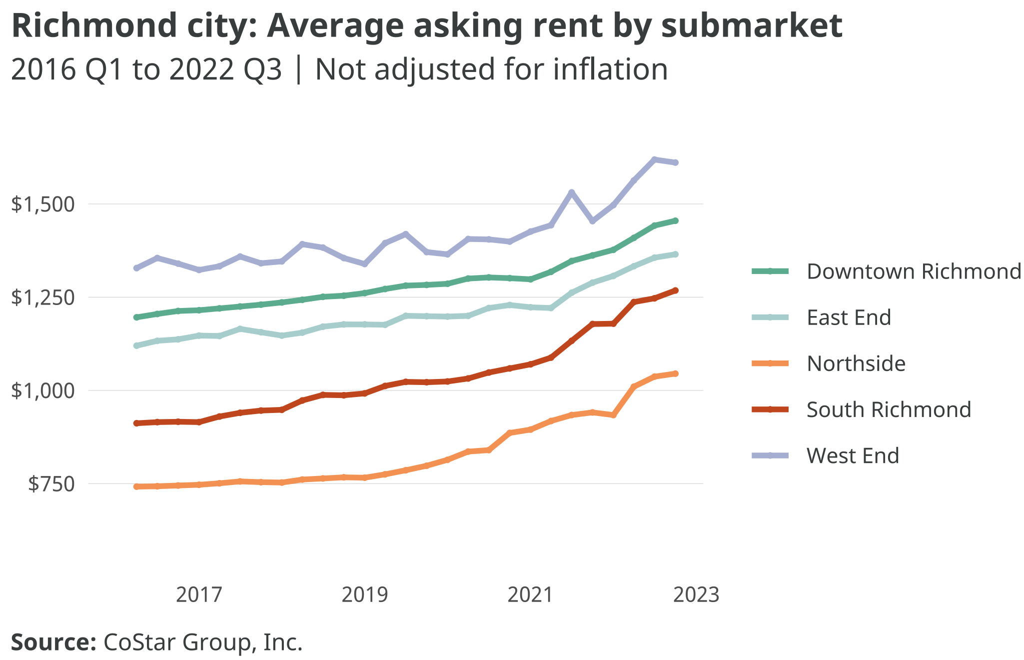


Figure 11.8: Richmond city: Average asking rent by submarket

11.3.3 Housing assistance

Since January 2020, Richmond has seen 23 new rental subsidies added, which increased the number of active affordability contracts on units by 1,869. Over that same period, 10 subsidies ended, affecting 435 units. Some properties had multiple subsidies either added or expired. In all, there was a net addition of 1,434 rental affordability contracts.

Table 11.2: Richmond city: Added and removed affordable rental contracts since 2020

	Subsidies	Properties affected	Units included
Added	23	22	1,869
Removed	-10	-9	-435
Net change	**13**	**13**	**1,434**

Sources: National Housing Preservation Database and Virginia Housing.

11.3.4 Naturally-occurring affordable housing

As defined in this report, there are 128 rental properties in the City of Richmond that qualify as naturally-occurring affordable housing. There are more than 9,100 apartments across these properties, which make up approximately 25 percent of all multi-family (two or more units) rental housing in the city.

Older NOAH properties command slightly higher rents than those built in 1960 and beyond. Most of the pre-1960 properties are located in the city's older neighborhoods north of the river, such as Shockoe Bottom and The Fan, and have average rents between $1,000 and $1,400. "Newer" NOAH units built in the 1960s and afterward are generally located in the Northside and Southside areas of the city and have average rents between $750 and $1,000.

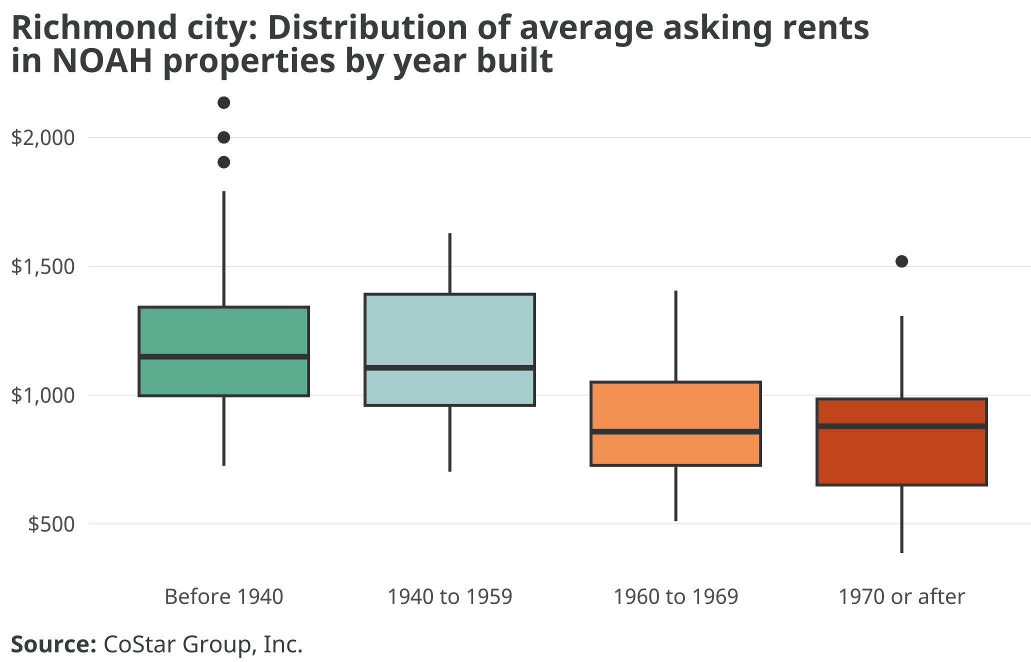


Figure 11.9: Richmond city: Distribution of average asking rents in NOAH properties by year built

11.4 Gap analysis

11.4.1 Affordability of current housing stock

Based on the 2020 median renter income estimate, the affordable rent for an average renting household is around $900. This was several hundred dollars below what the average asking rent for an apartment was in 2020. Although low-end wage growth has increased the purchasing power of working class households, extra take-home pay is likely to be used up for higher costs of goods—and accelerating rents.

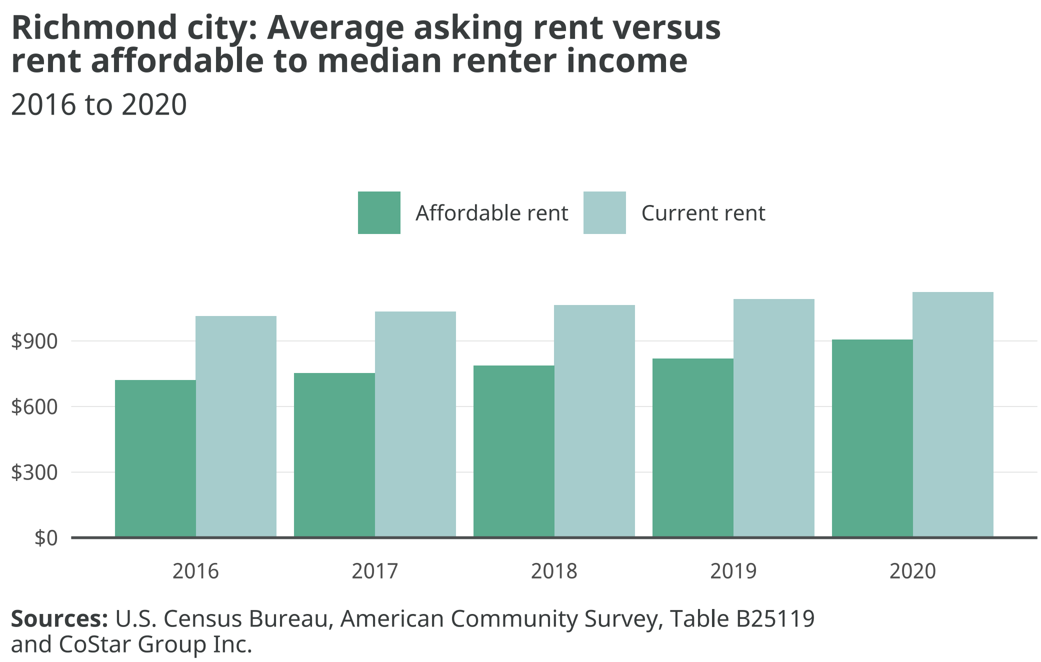


Figure 11.10: Richmond city: Average asking rent versus rent affordable to median renter income

The average renter in the city would also be very challenged to find an affordable home to purchase. This gap does not even factor in downpayment savings, credit worthiness, and other important factors.

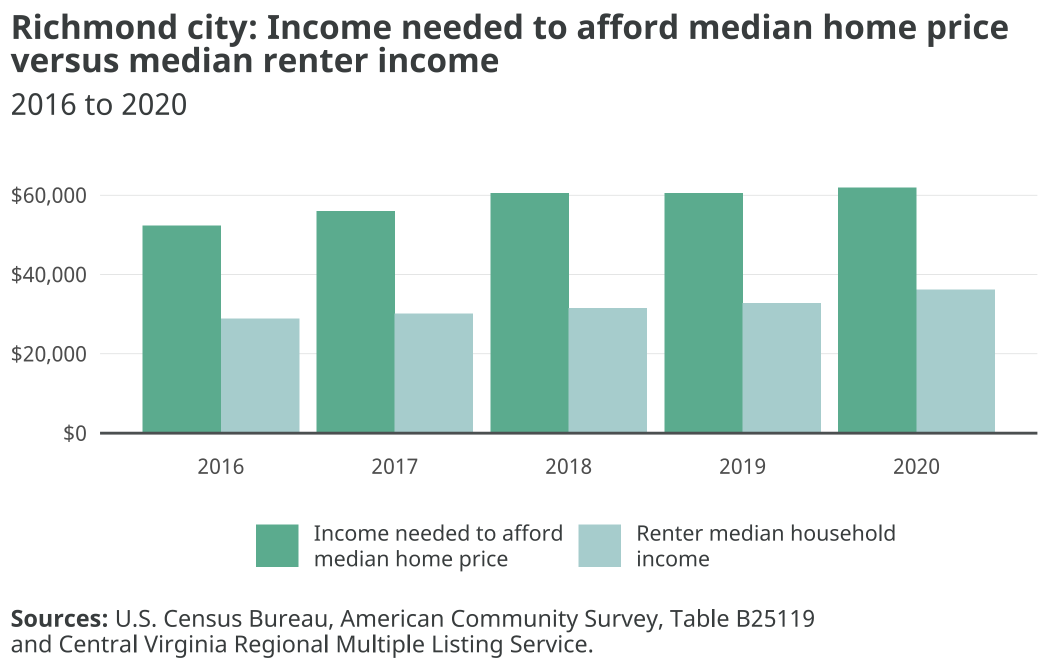


Figure 11.11: Richmond city: Income needed to afford median home price versus median renter income

Based on HUD Comprehensive Housing Affordability Strategy (CHAS) data, there was a shortage of 17,834 rental homes for households making less than 80 percent AMI. This was a deficit increase of 300 homes from 2015 when the shortage was 17,534. The most severe shortage in the City of Richmond is among deeply affordable rentals for households at 30 percent AMI or less.

But there has been a growing shortage among higher income households between 31 and 80 percent AMI.

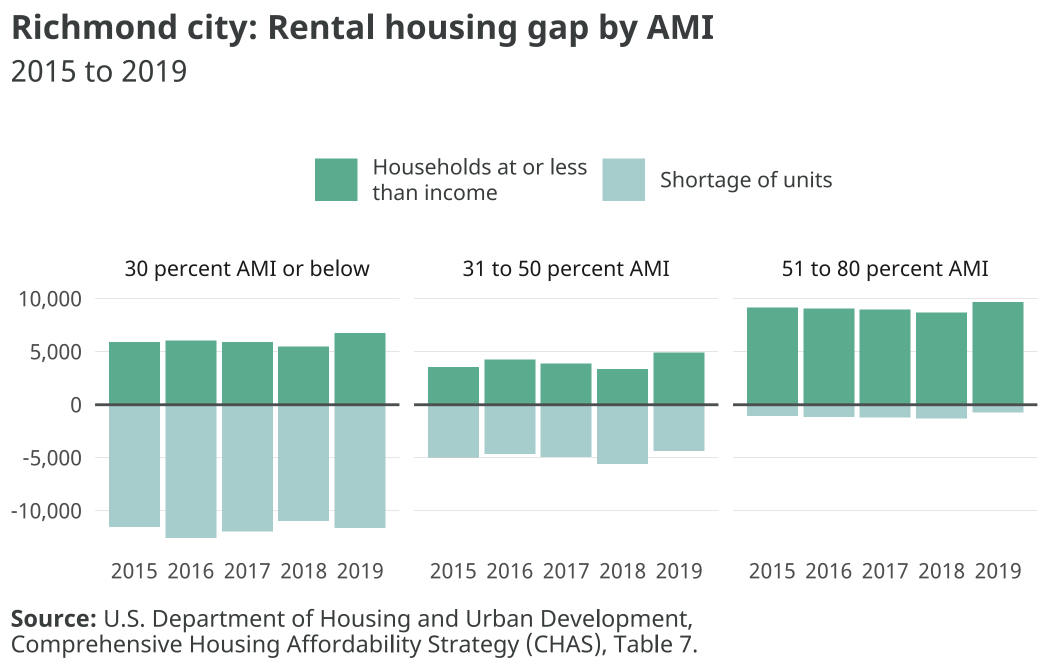


Figure 11.12: Richmond city: Rental housing gap by AMI

11.4.2 Impact of housing costs

Rising rents have continued to increase the number of renters with cost burden in the city, although there are possible signs of decelerating growth. Meanwhile, cost burden among homeowners is become much less common.

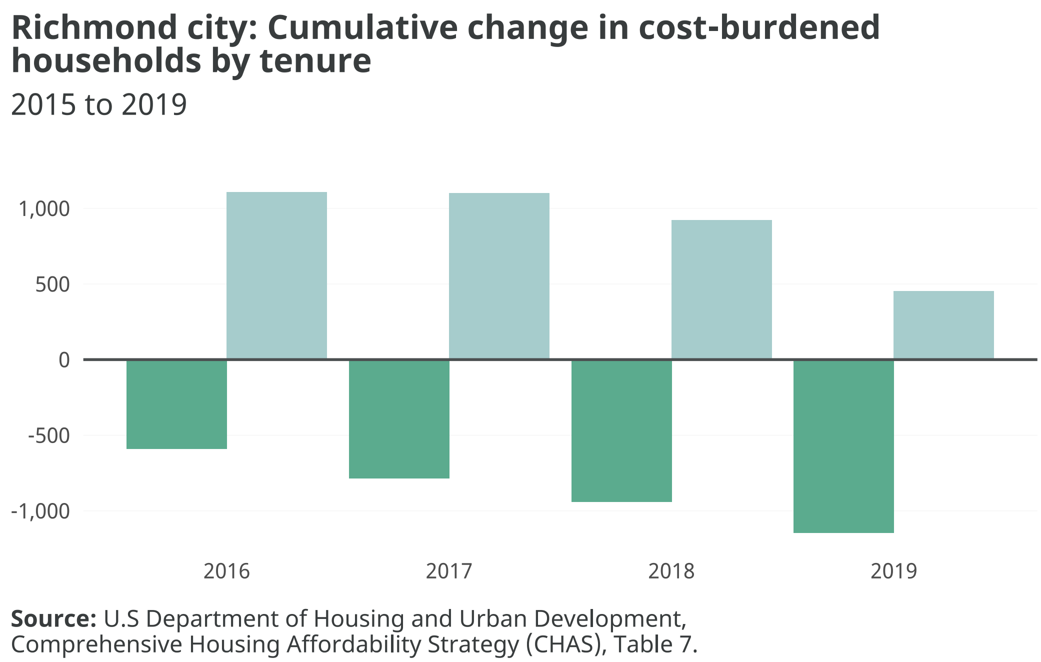


Figure 11.13: Richmond city: Cumulative change in cost-burdened households by tenure

Federal and state eviction protections during the pandemic significantly reduced the number of eviction filings and judgements processed by Richmond City District Court. However, these measures have now expired—along with the state's rent relief program. As the RVA Eviction Lab has cited in their most recent quarterly memo, eviction filings are well on their way to surpassing pre-pandemic levels — especially in the City of Richmond.

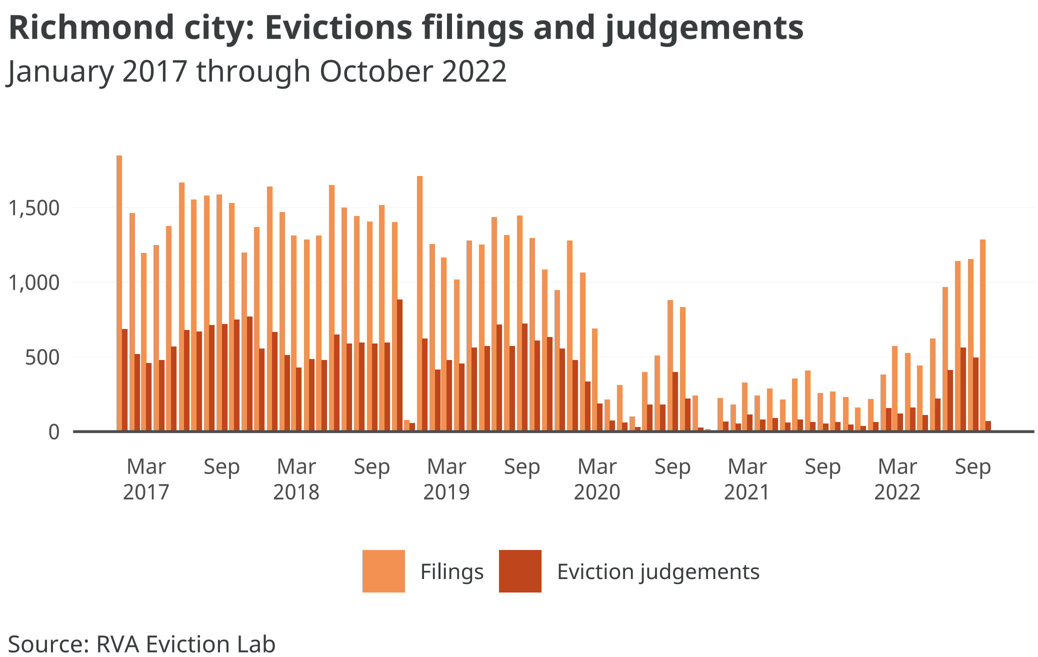


Figure 11.14: Richmond city: Evictions filings and judgements

12 Chesterfield County

This chapter is a summary of the major changes to the Chesterfield County's population and housing market in the past five years.

12.1 Takeaways

- Chesterfield County's residential growth continues to be on par with Northern Virginia localities — increasing demand for housing at all price levels.
- Renters with children are increasingly coming to Chesterfield County — no doubt a result of a strong public school system and limited affordable for-sale housing.
- Younger adults with independent living difficulties are on the rise — increasing the need for housing with wrap around services or additional support for families to take care of adult children (i.e. home modifications, accessory dwelling units, etc.).
- Higher income renters are increasing demand for rentals in the county, but for the typical renter household income, homeownership is still challenging — requiring roughly $62,000 to afford the median home price with modest terms.
- Manufactured home communities serve as a valuable source of naturally-occurring affordable housing, but as of 2022, two of the county's larger communities are at-risk.

12.2 Demographic and socioeconomic changes

12.2.1 Population changes

Chesterfield County's population has been on a continual rise since 2010. Between 2016 and 2020, county population experienced an 8 percent increase — just over 26,000 new residents. As of the 2020 Census, Chesterfield County was the fourth-most populous locality in Virginia — falling only behind the Northern Virginia counties of Fairfax, Prince William, and Loudoun.

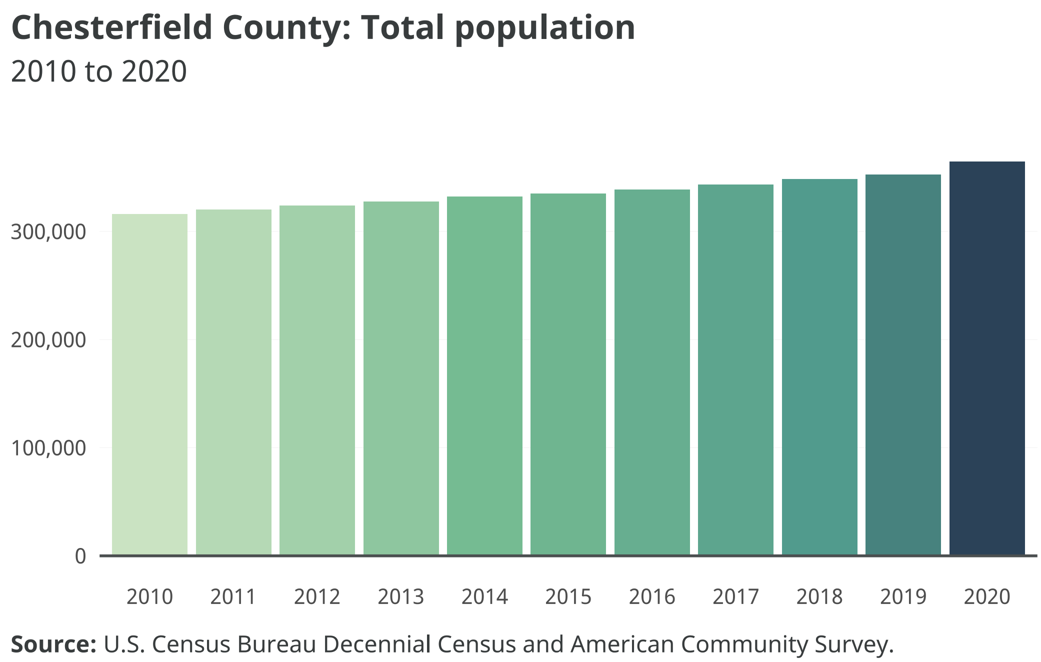


Figure 12.1: Chesterfield County: Total Population

The county's substantial growth in recent years has been directly tied to domestic migration (i.e. people living in the region, state, or nation moving into the county). Between 2020 and 2021, the county increased by 4,402 due to domestic migration. International migration and natural increases pale in comparison and have otherwise been in decline.

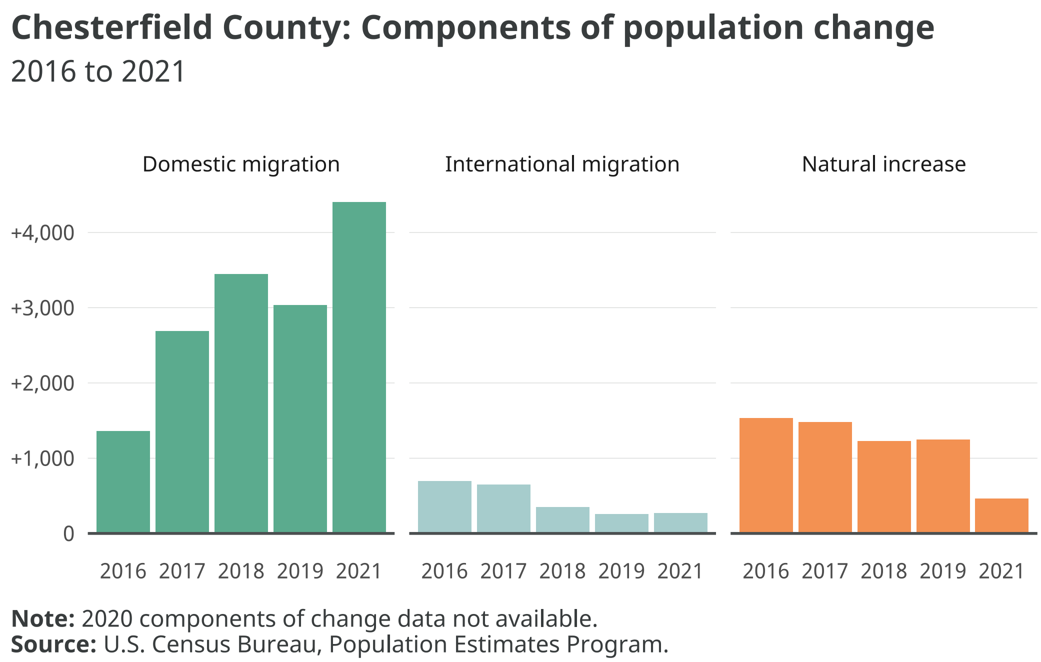


Figure 12.2: Chesterfield County: Components of population change

12.2.2 Household characteristics

The increasing number of homeowners in the county has been outpacing renters since 2016. Homeowner household increases have been across all types of households — especially those with no children (+3,068). On the other hand, renter increases have mainly been among households with children (+617), while the major decrease in households was among nonfamily renter households (-289).

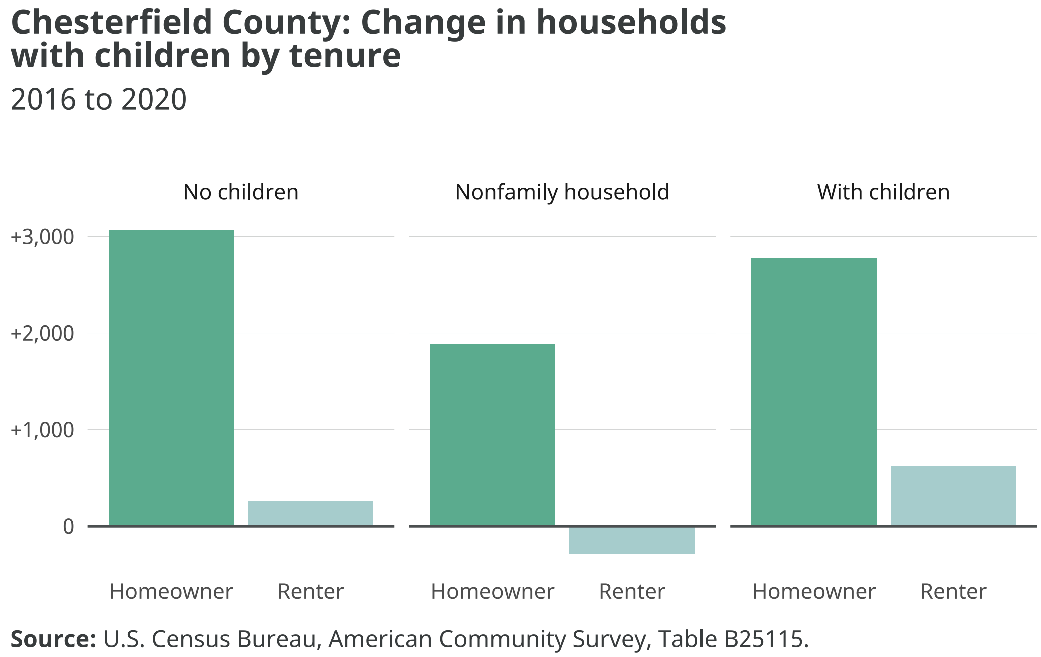


Figure 12.3: Chesterfield County: Change in households with children by tenure

As with much of the region, the senior population in the county has continued to see major growth. In the county, this growth has mainly been among seniors in family households (mainly those living with a spouse or are the head of household) (+6,566). Growth has also been significant among seniors living alone (+2,687). But declines have only been seen among seniors living with other relatives, which could include a child.

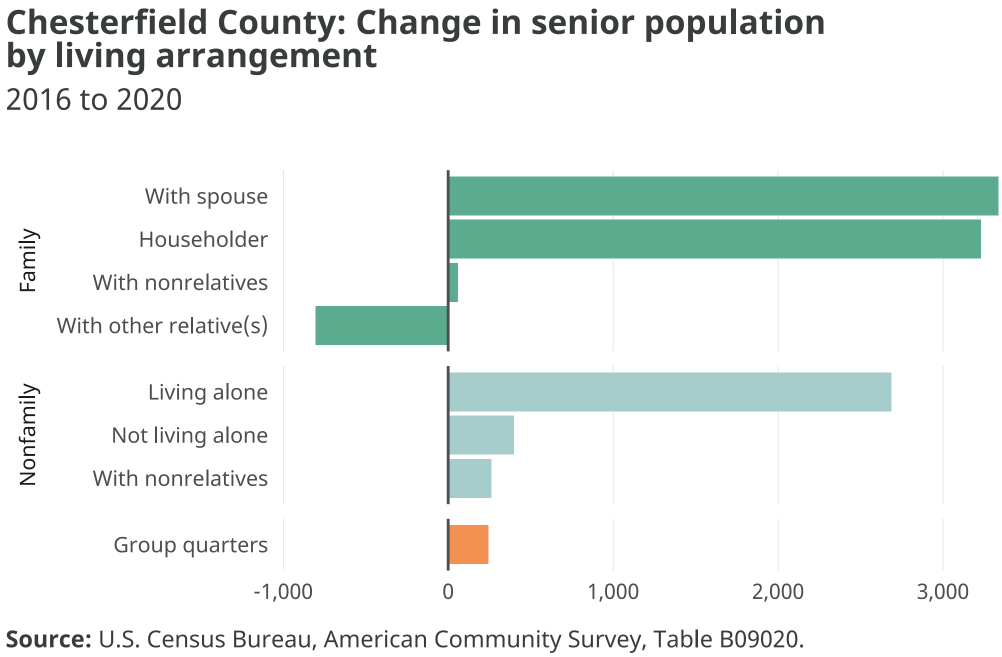


Figure 12.4: Chesterfield County: Change in senior population by living arrangement

12.2.3 Income and wages

Between 2016 and 2020, the median renter household income increased by 7 percent, while the median homeowner household income increased 5 percent. In spite of those gains among the typical renter household in the county, renter incomes are nearly half that of a homeowner. The wide gap between between renter and homeowner incomes continues to speak to not only the greater wealth provided by homeownership, but also the continuing affordability challenges faced by renters seeking homeownership opportunities.

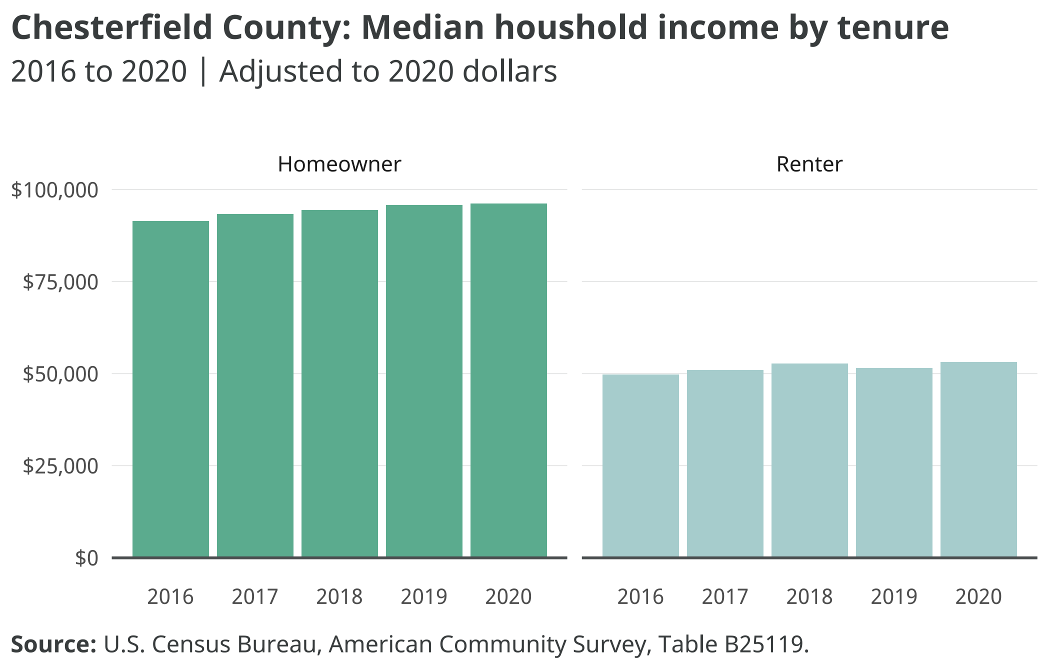


Figure 12.5: Chesterfield County: Median houshold income by tenure

12.2.4 Persons with disabilities

In Chesterfield County, the number of individuals with independent living difficulties has increased largely among the younger age group (18 to 34 years old). While older age groups saw new increases in individuals with living difficulties of less than 100, the 18 to 34 age group had an increase of 744 individuals.

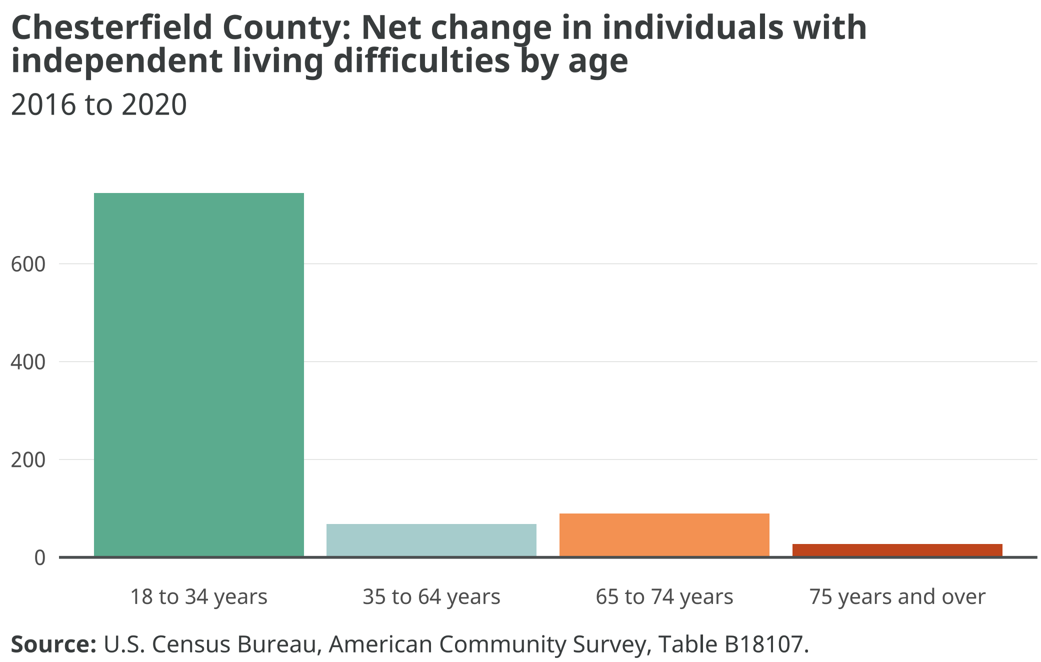


Figure 12.6: Chesterfield County: Net change in individuals with independent living difficulties by age

12.3 Housing supply and market changes

12.3.1 Homeownership

Chesterfield County home prices continue to rise. In 2020, median home price for the county passed the $300,000 mark. In spite of a brief decrease towards the end of 2020, home prices in the county have continued to increase amid the pandemic — getting closer and closer to $400,000.

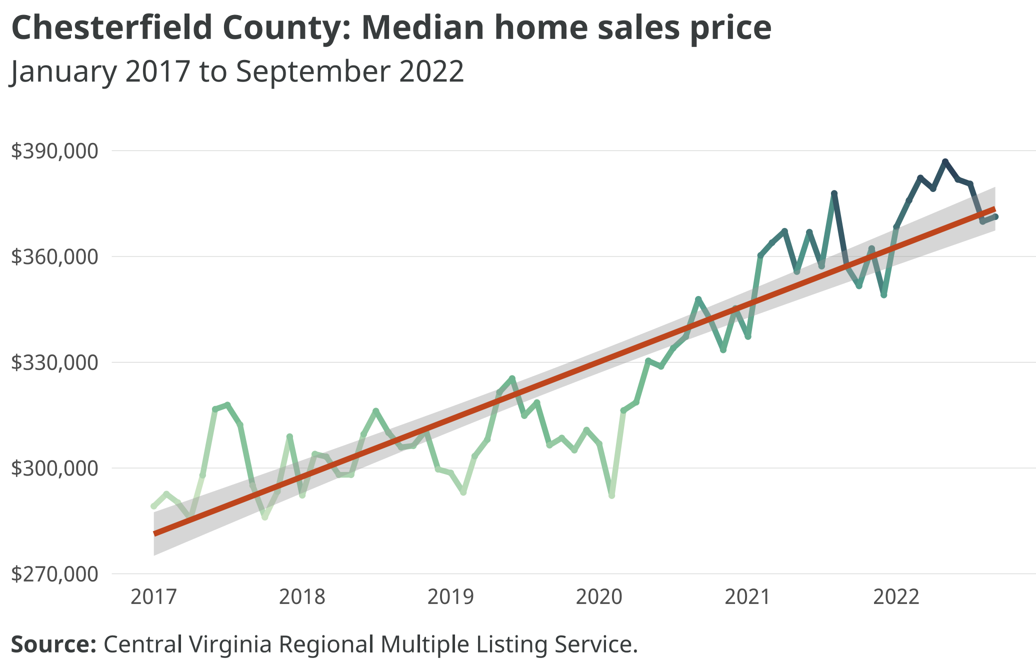


Figure 12.7: Chesterfield County: Median home sales price

12.3.2 Rental

Rental demand has continued to grow over the past five years. As of Q3 2022, the average market asking rent in Chesterfield County was $1,504 — which would require a household to make just over $60,000 to not be cost-burdened. Based on 2020 estimates on median renter household income, this would be a rent affordable to a large swath of the renter population.

Chesterfield County: Average asking rent
2016 Q1 to 2022 Q3

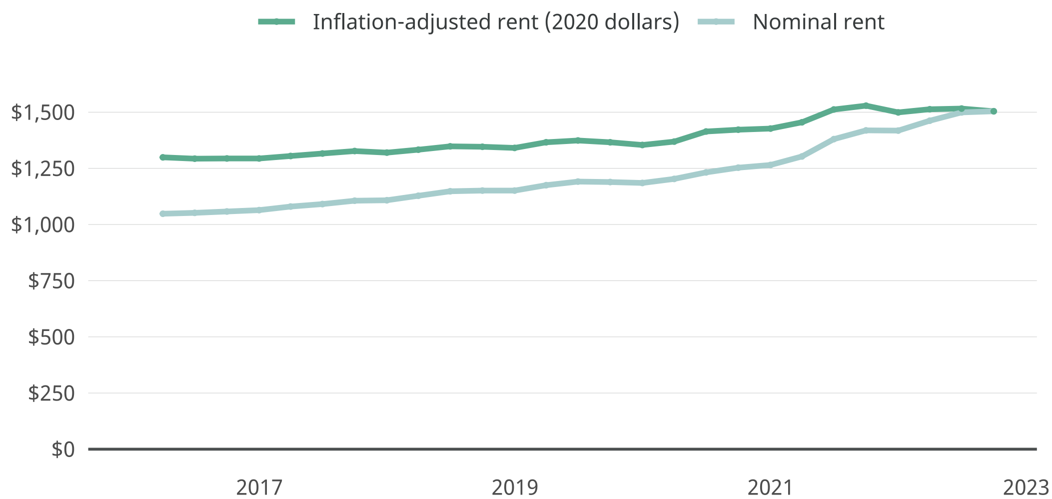


Figure 12.8: Chesterfield County: Average asking rent

Based on CoStar geographic markets, the Midlothian area represents a distinct rental market from the rest of the county. As of Q3 2022 the average market asking rent for Midlothian was $152 more than the rest of the county. The differences in rent can be attributed to the development of several **new** multifamily properties and the highly desirable location. With market rate rental development continuing to target this area, geographic disparities may continue.

Table 12.1: Chesterfield County: Added and removed affordable rental contracts since 2020

	Subsidies	Properties affected	Units included
Added	17	17	833
Removed	-1	-1	-144
Net change	**16**	**16**	**689**

Sources: National Housing Preservation Database and Virginia Housing.

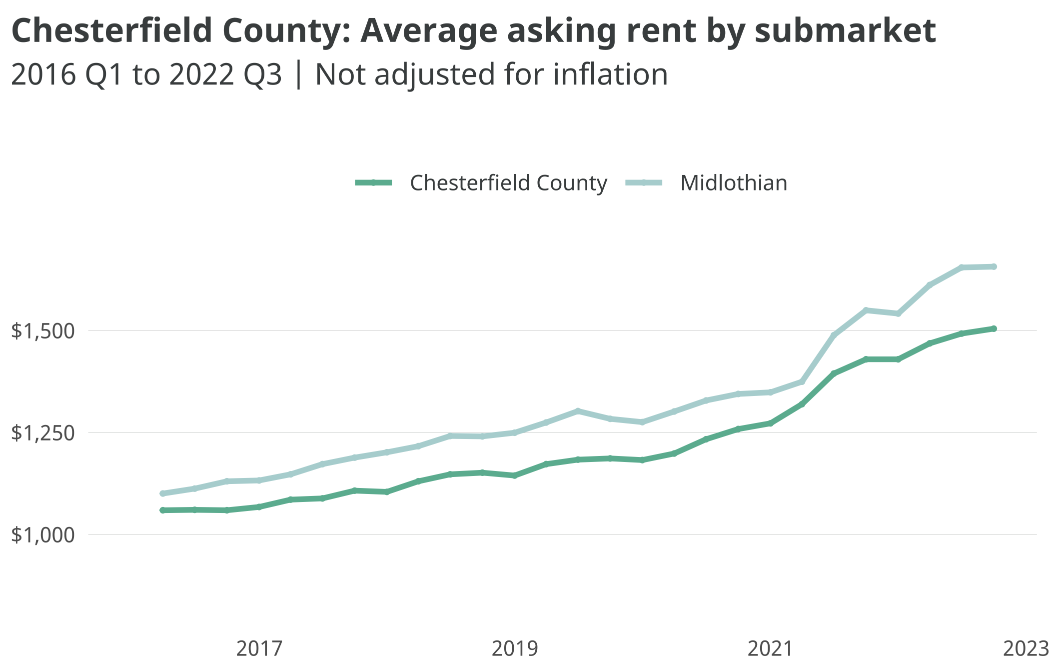


Figure 12.9: Chesterfield County: Average asking rent by submarket

12.3.3 Housing assistance

Over the last two and a half years, more than 800 new affordable rental unit subsidies were added in the county. Another 144 contracts expired (across just one property), leading to a net gain of 689 dedicated affordable rental units.

12.3.4 Naturally-occurring affordable housing

As defined in this report, there are 19 rental properties in the Chesterfield County that qualify as naturally-occurring affordable housing. There are about 3,712 apartments across these properties, which make up approximately 23 percent of all multifamily (two or more units) rental housing in the county.

The majority of these properties were constructed in the 1970s and 1980s. These properties command much higher rents than those built pre-1970.

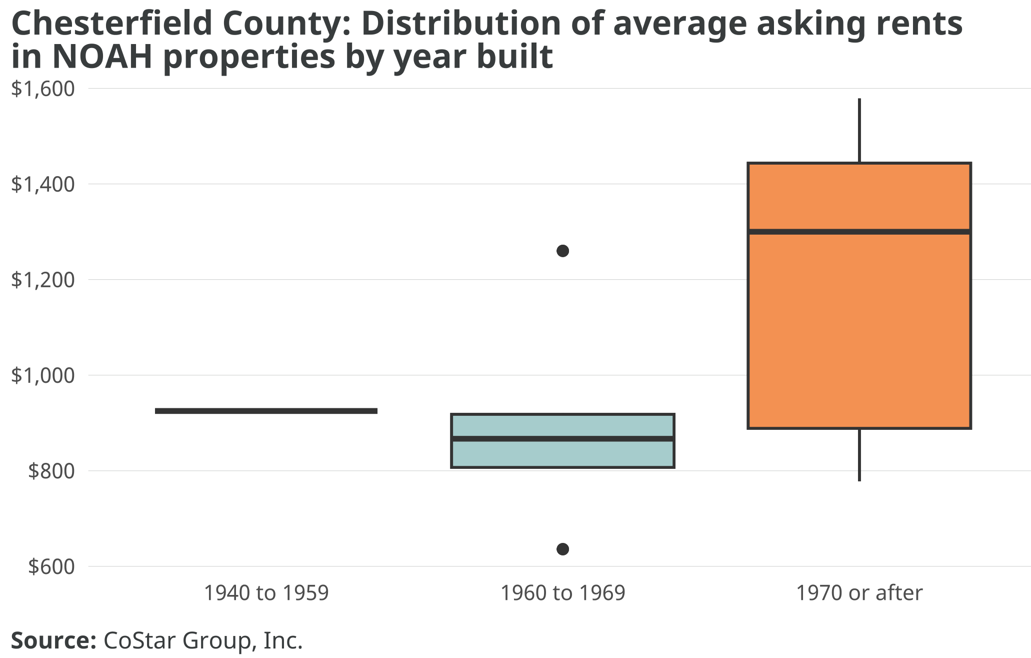


Figure 12.10: Chesterfield County: Distribution of average asking rents in NOAH properties by year built

This estimate does not include manufactured home communities which could also be considered NOAH properties because of their deep affordability without public subsidy. Chesterfield County still remains the region's foremost location for manufactured home communities — with at least 1,543 homes spread out across 13 communities.

Since the release of the Framework, Bermuda Estates, located along the county's Route 1 corridor, was purchased by project:HOMES. This initiative was taken upon by project:HOMES in order to stabilize the community and since the acquisition, they have made significant infrastructure improvements, replaced homes, conducted noteworthy community engagement, and placed a community center.

This stands in contrast to private activity in some of Chesterfield County's largest manufactured home communities, Suburban Village and Shady Hill. Suburban Village was purchased in early 2021 by a real estate investment firm, while Shady Hill Mobile Home Park recently accepted a purchase offer in Summer 2022. Both acquisitions have raised

Table 12.2: Manufactured home communities in Chesterfield County

Community name	Estimated units
Greenleigh Mobile Home Park	502
Harbour East Village	260
Suburban Mobile Village	226
Holiday Mobile Home Park	133
Shady Hill Mobile Home Park	110
El Rancho Trailer Court	55
Conner Homes	54
Plantation Mobile Homes	48
Bellwood Mobile Home Park	41
Falling Creek Mobile Home Park	35
Parkway Trailer Court	28
Ponderosa Mobile Home Park	27
Carneal's Trailer Park	24

concerns among residents and advocates for significant rent increases and potential redevelopment.

12.4 Gap analysis

12.4.1 Affordability of current housing stock

In Chesterfield County, the median renter household income is just enough to afford the average market asking rent. In 2020, the rent affordable based on the median renter household income was $1,328, while the average asking rent was $1,265 — meaning that the typical renter could afford $63 more than the average asking rent.

This difference between affordable rent and asking rent has been shrinking in recent years. From a difference of $89 in 2016 to $63 in 2020.

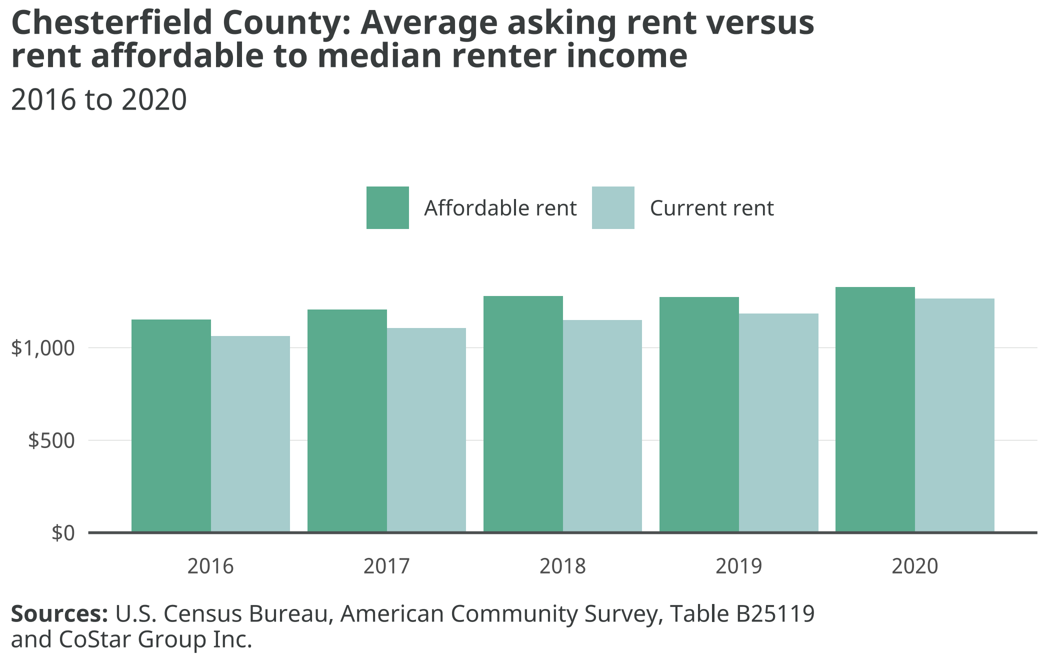


Figure 12.11: Chesterfield County: Average asking rent versus rent affordable to median renter income

Although a typical renter can more easily find an affordable rental, if they are looking to move onto homeownership, they face a wider gap to cross.

In Chesterfield County, median renter household incomes have not been enough to afford the median sales price in the county from 2016 to 2020. In 2020, the gap between renter income and the income needed to afford the median priced home was $8,800. This is an increase of nearly $800 from the gap in 2016.

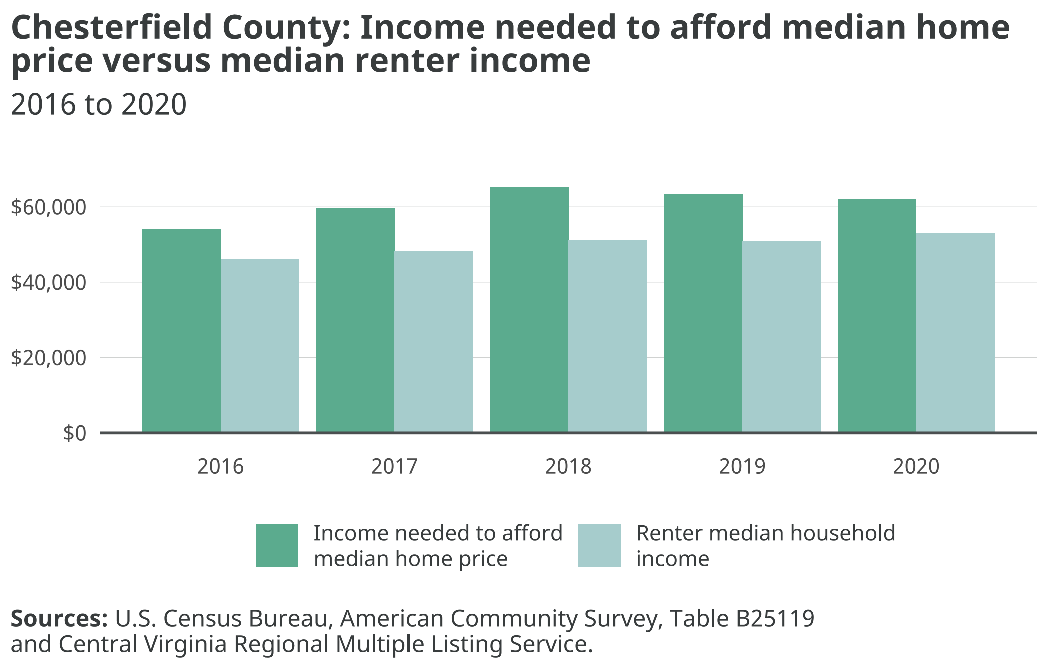


Figure 12.12: Chesterfield County: Income needed to afford median home price versus median renter income

Across renter households with incomes below 80 percent AMI, the gap in affordable housing has increased by 204 units from 2015 to 2018 — for a total shortage of 7,569 rental units affordable to households making 80 percent AMI or less. This estimated gap is based on matching renter income to rental housing affordable to that income and should be considered with some caution.

Household incomes matching housing costs does not necessarily reflect that a household is able to afford housing costs given the numerous other financial responsibilities held by individuals and families. Nonetheless, the estimated gap provides our closest assessment of a gap in housing at specific income-levels.

For Chesterfield County, the gap has increased most significantly for households between 51 and 80 percent AMI — suggesting a growing need for affordable housing for higher income households.

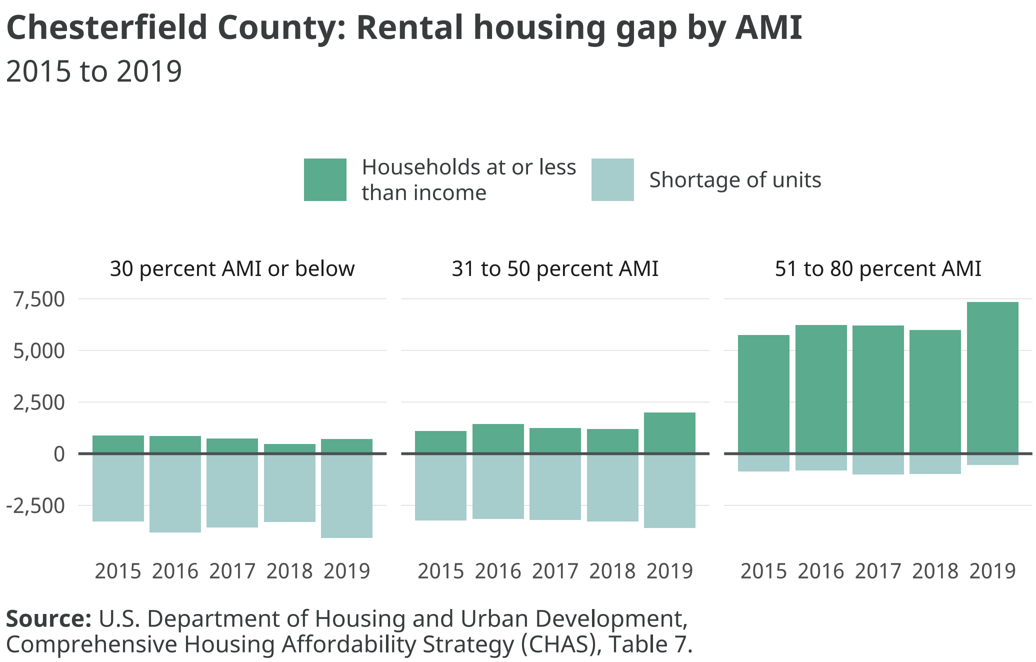


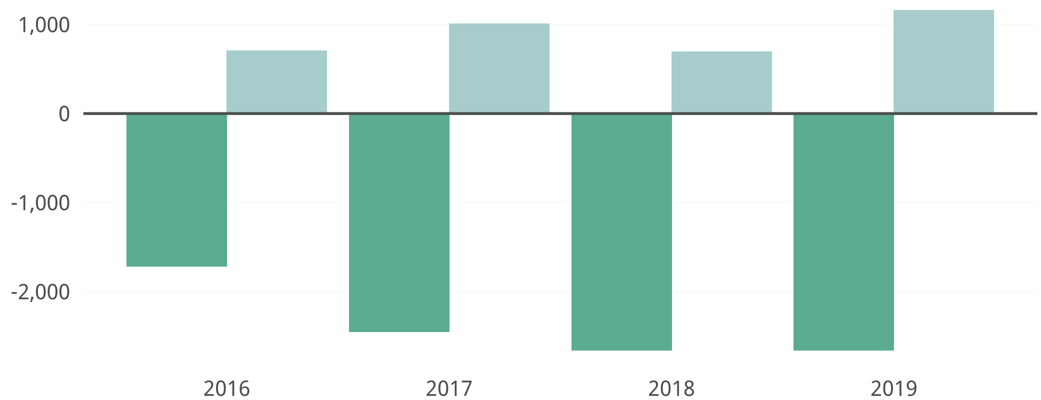
Figure 12.13: Chesterfield County: Rental housing gap by AMI

12.4.2 Impact of housing costs

From 2015 to 2019, the number of cost burden homeowners has been in decline. By 2019, there was a total decline of 2,660 cost-burdened homeowners from 2015 estimates. But during this same timeframe, the number of cost-burdened renters has increased by 1,161. The disparate changes in cost burden in Chesterfield County speak to growing affordability issues for renters and greater stability for existing homeowners.

Chesterfield County: Cumulative change in cost-burdened households by tenure

2015 to 2019



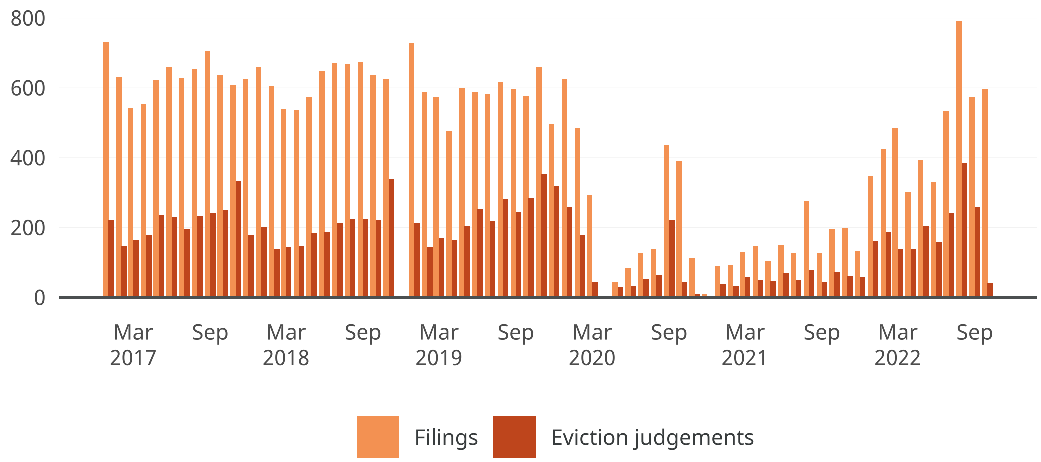
Source: U.S Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS), Table 7.

Figure 12.14: Chesterfield County: Cumulative change in cost-burdened households by tenure

Pre-pandemic eviction filings were typically above 500 each month, while eviction judgements were made were nearly half of those filings. The pandemic protections signficantly decreased filings to nearly a third of pre-pandemic numbers. Eviction judgements remained low throughout much of 2021, but filings and judgements saw increases in the early part of 2022 — signalling the potential for greater renter instability as pandemic renter protections end. Filings are already on their way to surpassing pre-pandemic numbers.

Chesterfield County: Evictions filings and judgements

January 2017 through October 2022



Source: RVA Eviction Lab

Figure 12.15: Chesterfield County: Evictions filings and judgements

13 Henrico County

This chapter is a summary of the major changes to the Henrico County's population and housing market in the past five years.

13.1 Takeaways

- Henrico County continues to grow — largely due to international migration and natural increase (+767 between 2020 and 2021), but the county have consistently seen population loss due to domestic out-migration (-1,552 during that same time period).
- In recent years, renter households with children have been in decline in the county (-1,010).
- Median home prices in the county have surpassed the $300,000 mark as of June 2022 — continuing to leave median renter households further unable to reach homeownership.
- In 2020, there was an over $12,000 difference in the income needed to afford the median home price and the typical renter income.
- There continue to be stark differences between rental markets in Eastern and Western Henrico — with Western Henrico commanding rents several hundred dollars higher.
- In 2018, there still remained a rental shortage of over 12,000 for households making less than 80 percent AMI.

13.2 Demographic and socioeconomic changes

13.2.1 Population changes

From 2010 to 2020, Henrico County has grown by 9 percent — an increase of 27,454 residents. The increase has been greater than Chesterfield County (8 percent), but slightly less than the City (11 percent).

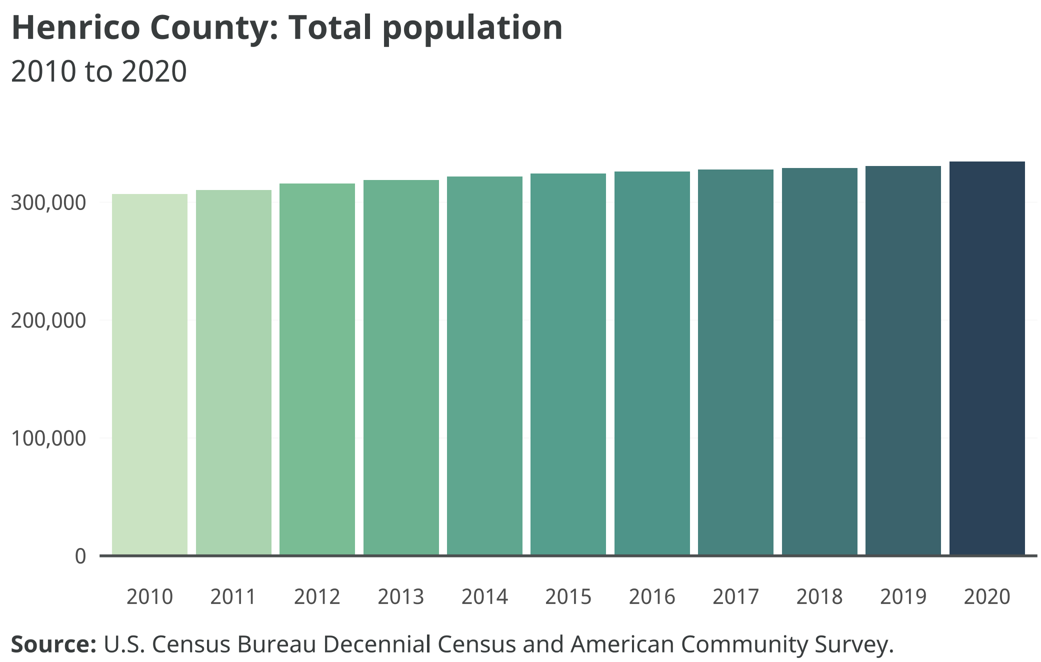


Figure 13.1: Henrico County: Total Population

Population increases in recent years have largely been the result of international migration and natural increases. But declines in the county have consistently been the result of residents moving elsewhere in the country. Domestic out-migration had been declining in the latter half of the 2010s, but between 2020 and 2021, 1,552 Henrico County residents moved elsewhere.

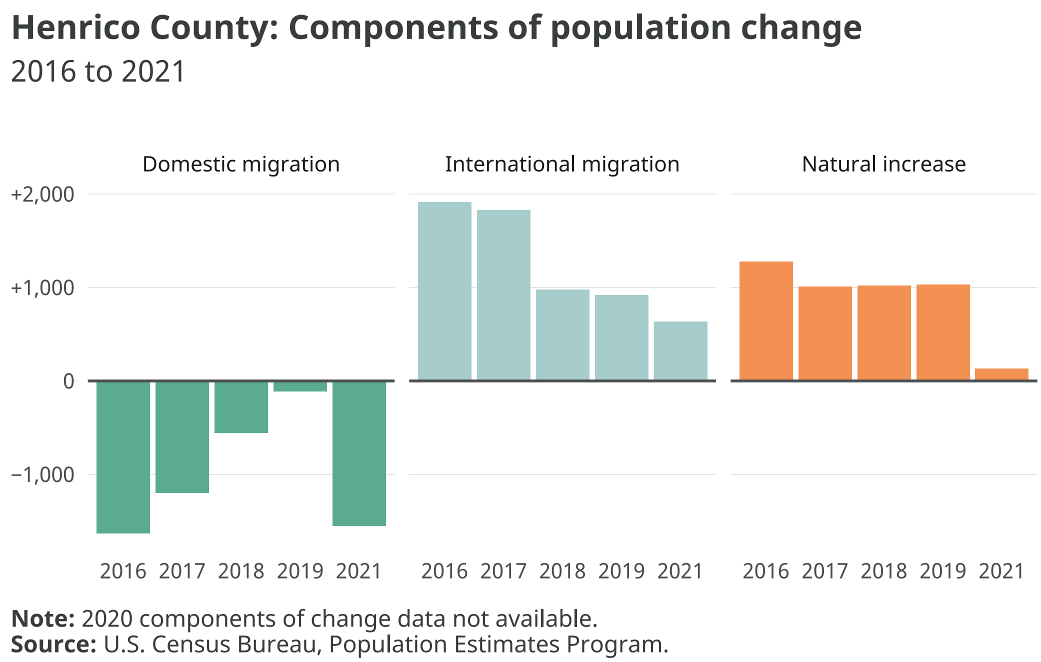


Figure 13.2: Henrico County: Components of population change

13.2.2 Household characteristics

Homeowner households of all types are increasing in the county — especially homeowners without children. Between 2016 and 2020, homeowner households without children saw an increase of 2,061, while homeowner households with children only increased by 1,469. Renter households have seen significantly smaller increases among households without children and nonfamily households (i.e. single adults living alone or with roommates). But Henrico County household decrease between 2016 and 2020 was solely experienced by renter households with children.

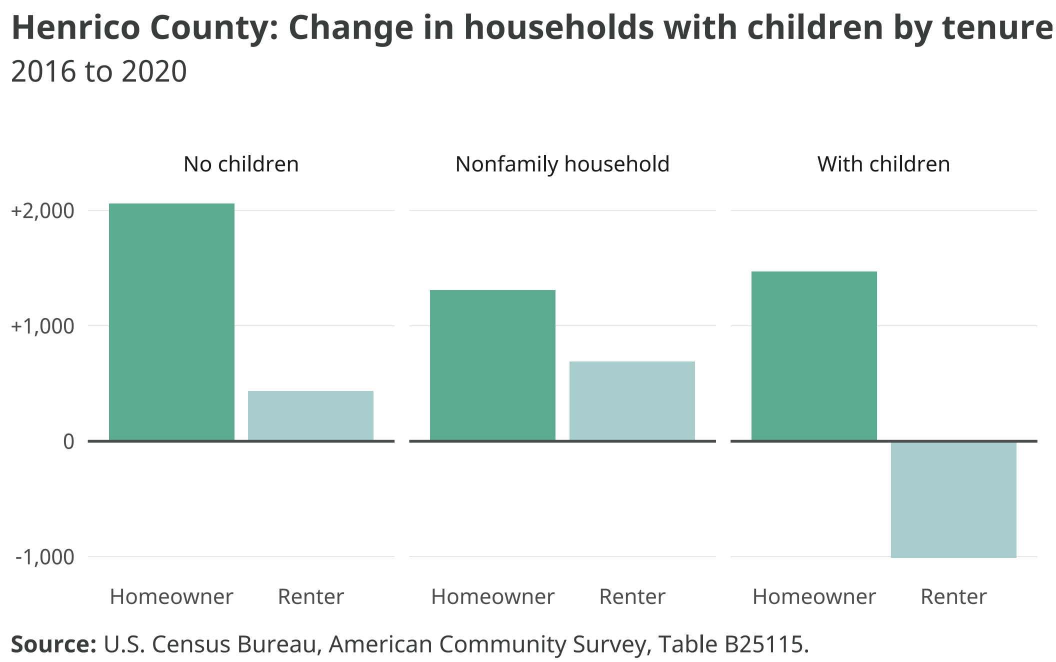


Figure 13.3: Henrico County: Change in households with children by tenure

The Grey Wave continues in Henrico County, where there was a 6,603 increase in the senior population between 2016 and 2020. The majority of this growth was among seniors who were the head of family households (+2,821) and seniors living alone (+2,237).

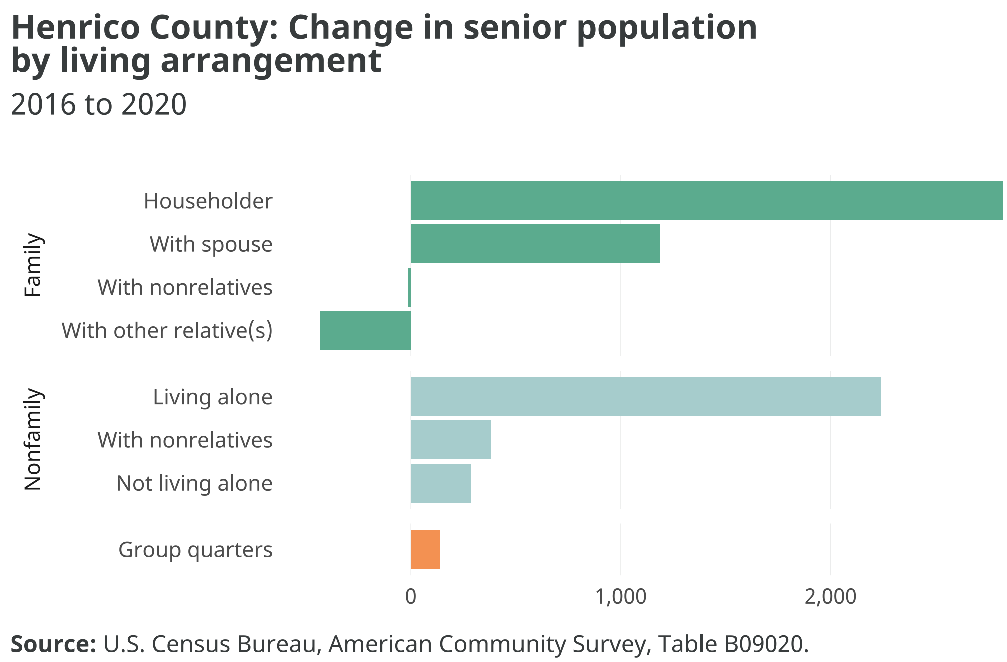


Figure 13.4: Henrico County: Change in senior population by living arrangement

13.2.3 Income and wages

The disparity between homeowner and renter incomes in the county has continued between 2016 and 2020. As of 2020, the median homeowner household income was nearing $100,000 at $93,965. But median renter household income was $48,081 — nearly $46,000 less than homeowners.

During this timeframe, the median homeowner household income increased by 7 percent, while renter income only increased by 3 percent.

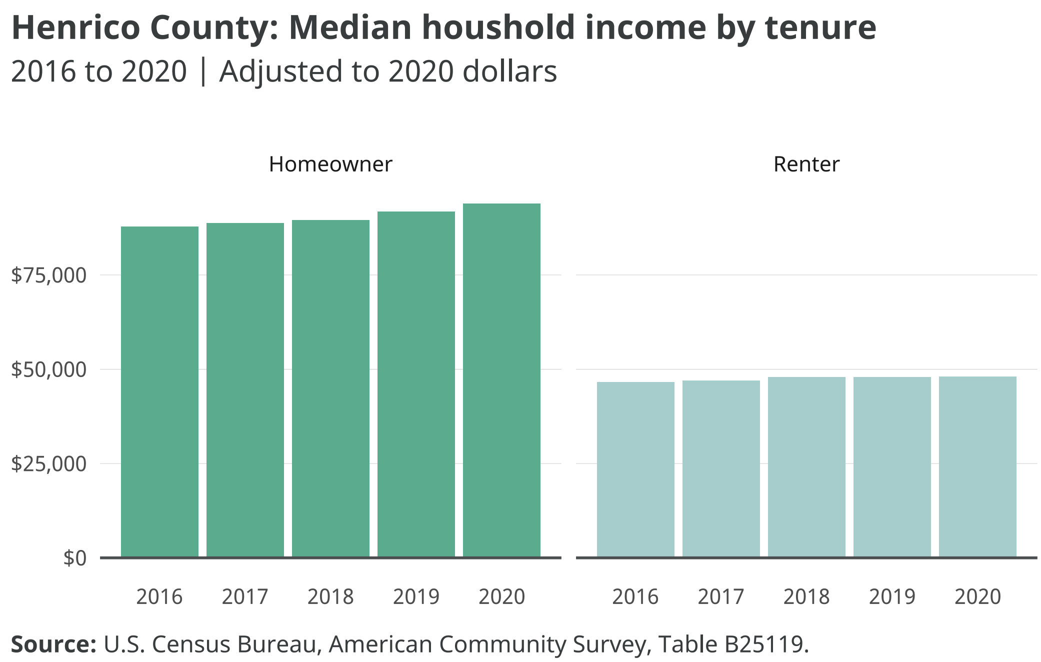


Figure 13.5: Henrico County: Median houshold income by tenure

13.2.4 Persons with disabilities

Henrico County has seen a net increase of 665 individuals with independent living difficulties between 2016 and 2020. Most of this growth (+350) has been among the early senior population (65 to 74 year age group), but the 35 to 64 year age range is also seeing major increases as well (+257).

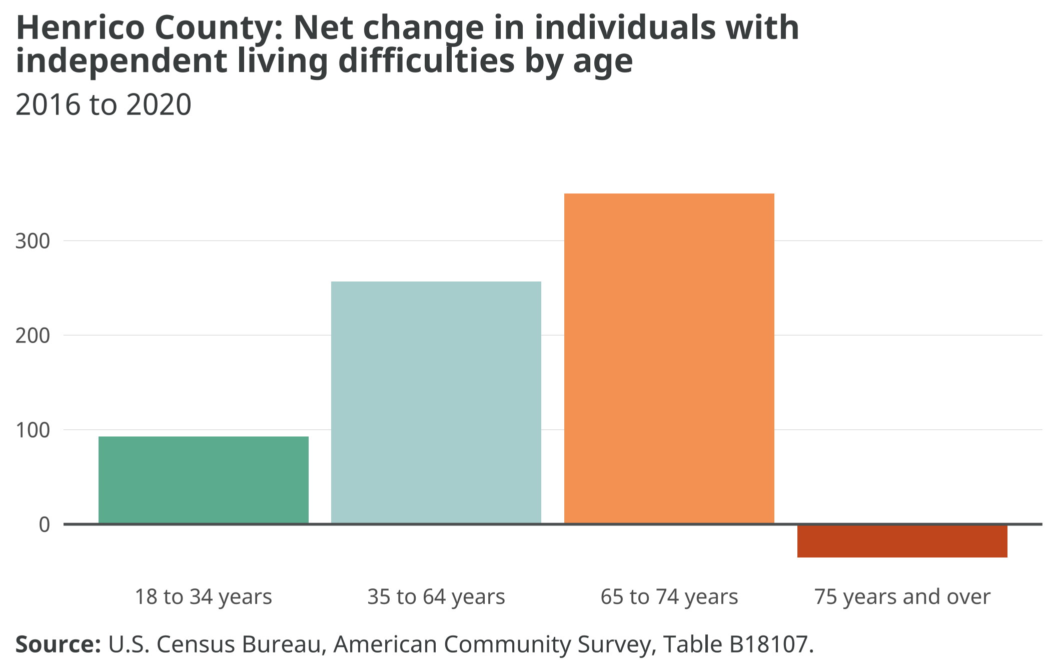


Figure 13.6: Henrico County: Net change in individuals with independent living difficulties by age

13.3 Housing supply and market changes

13.3.1 Homeownership

The median home sales price has steadily been trending upward in Henrico County, and reached a high of $371,867 in July 2022. From January 2017 to September 2022, the median home price in the county increased by 37 percent.[1]

[1] Median home prices have been adjusted to September 2022 dollars.

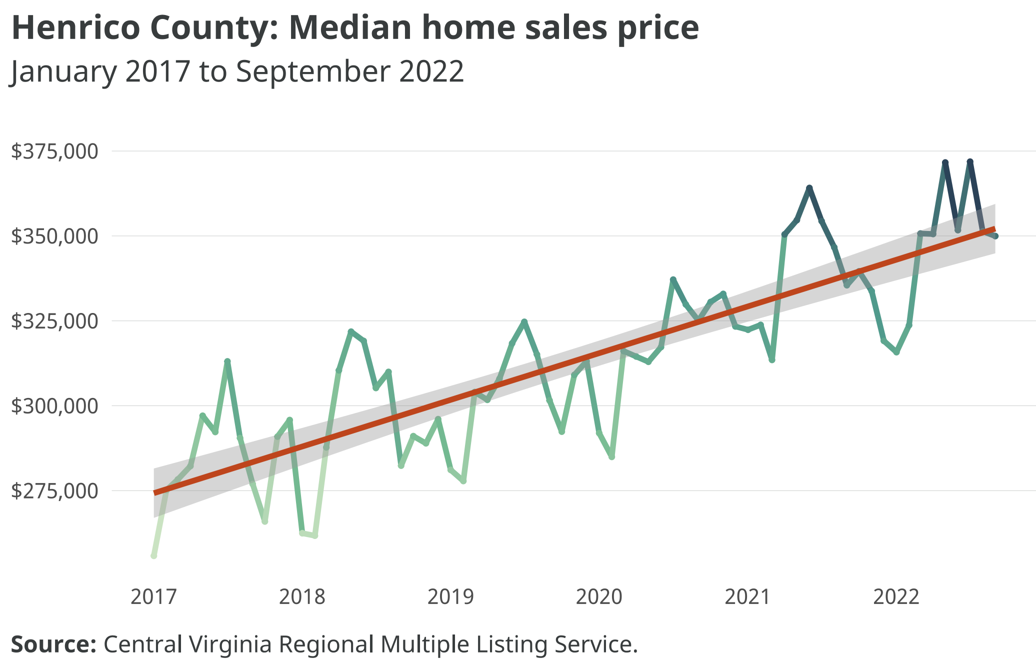


Figure 13.7: Henrico County: Median home sales price

13.3.2 Rental

Based on CoStar multifamily market geographies, Henrico County consists of two distinct rental submarkets: Eastern and Western Henrico County.

As of Q3 2022, the average asking rent for Western Henrico ($1,327) was $302 greater than that of Eastern Henrico ($1,225). Regardless of these differences, both submarkets experienced significant increases in average asking rent since the start of the pandemic. Eastern Henrico had a 27 percent increase, while Western Henrico had a 30 percent increase in average asking rent.

This major rental increase was no doubt a result of tightening rental market amid pandemic eviction protections, as well as an increasing desire to leave denser urban environments during the height of COVID-19.

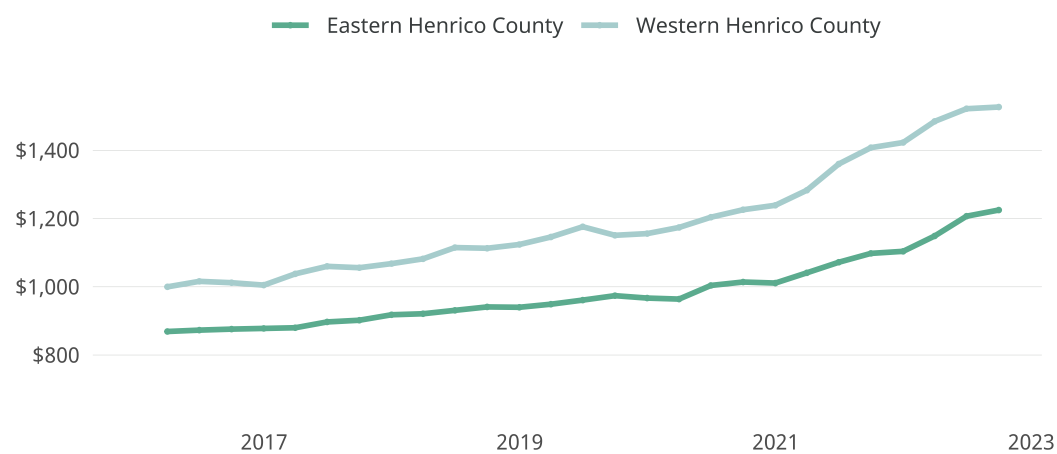
Table 13.1: Henrico County: Added and removed affordable rental contracts since 2020

	Subsidies	Properties affected	Units included
Added	12	10	1,202
Removed	-4	-4	-918
Net change	**8**	**6**	**284**

Sources: National Housing Preservation Database and Virginia Housing.

Henrico County: Average asking rent by submarket

2016 Q1 to 2022 Q3 | Not adjusted for inflation



Source: CoStar Group, Inc.

Figure 13.8: Henrico County: Average asking rent by submarket

13.3.3 Housing assistance

Over the last two and a half years, more than 1,202 new affordable rental unit subsidies were added in the county. However, another 918 contracts expired (across four properties), leading to a net gain of just 284 dedicated affordable rental units.

13.3.4 Naturally-occurring affordable housing

As defined in this report, there are roughly 8,970 units of naturally-occurring affordable housing in Henrico County. These properties are spread out across 42 different buildings within the county. The majority of these properties are garden-style apartments — typical among NOAH properties.

NOAH properties built in the 1960s command slightly higher rents than those built in later decades. These 1960s NOAH properties are largely located in the highly desirable Tuckahoe area of Western Henrico. Pre-1960s NOAH properties are few and only account for three out of the 42 properties.

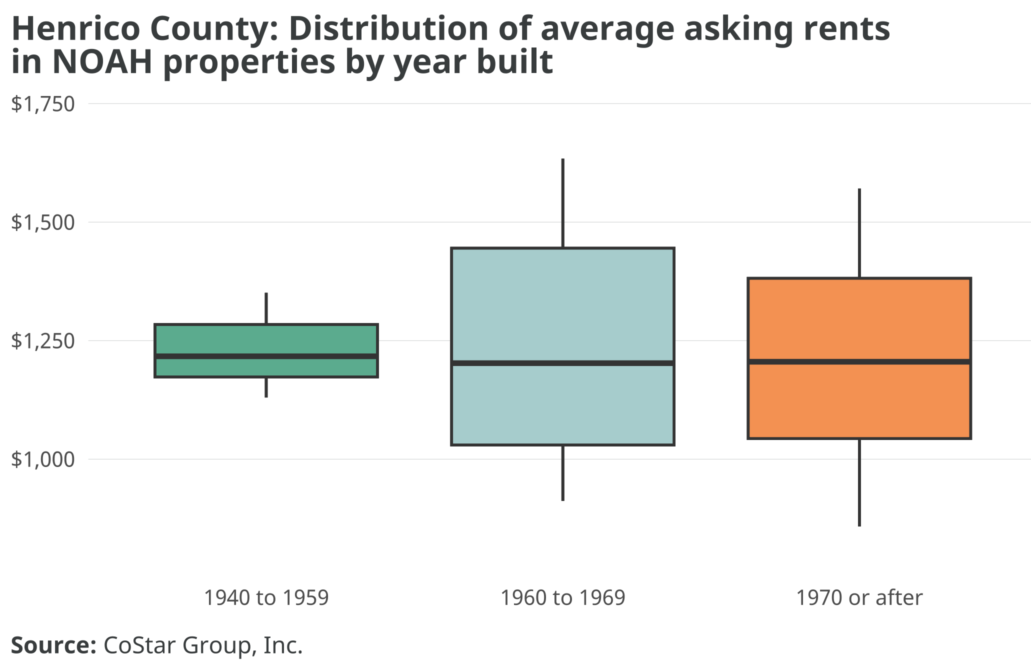


Figure 13.9: Henrico County: Distribution of average asking rents in NOAH properties by year built

13.4 Gap analysis

13.4.1 Affordability of current housing stock

In 2020, the median renter income estimate required a rent of $1,202 to be considered affordable (not more than 30 percent of income). At this point in time, the average asking rent was $1,222 — only $20 more.

The difference between rent affordable to the typical renter and the average rent in the county has been narrowing since 2016 — when the difference was roughly $65.

Although it may seem as Henrico County is becoming more and more affordable to renters, it is increasingly the trend that more and more higher income households are choosing to rent out of necessity or lifestyle preference. As rents continue to rise and wage increases slow, we may soon see that average rents are greater than the median renter household income in Henrico.

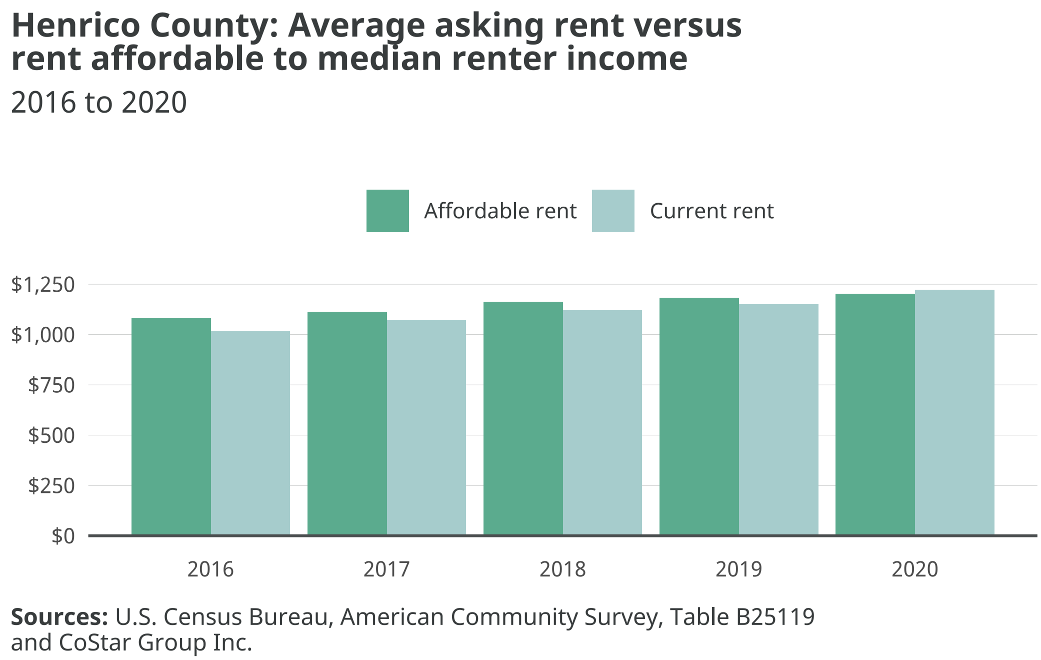
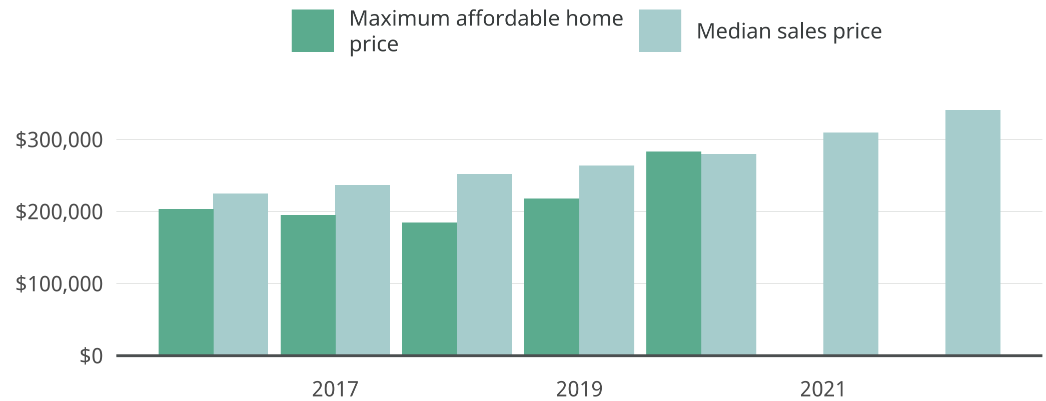


Figure 13.10: Henrico County: Average asking rent versus rent affordable to median renter income

Attaining homeownership has generally been harder with the median renter incomes. Before 2020, average renter incomes were not enough to afford the median-priced home in the county. As rates dropped in 2020, renters could compete more confidently in the market—but this is likely no longer the case as rates (and prices) have risen significantly.

Henrico County: Income needed to afford median home price versus median renter income

2016 to 2020



Sources: U.S. Census Bureau, American Community Survey, Table B25119 and Central Virginia Regional Multiple Listing Service.

Figure 13.11: Henrico County: Median sales price versus maximum home price affordable to median renter income

The shortage of rental housing for households making 80 percent AMI and below has grown between 2015 and 2018 — from 12,030 in 2015 to 12,184 in 2018. This deficit increase by 154 rental homes was largely among rental housing between 31 to 80 percent AMI. However, below 30 percent AMI rental housing remains the largest need in the county.

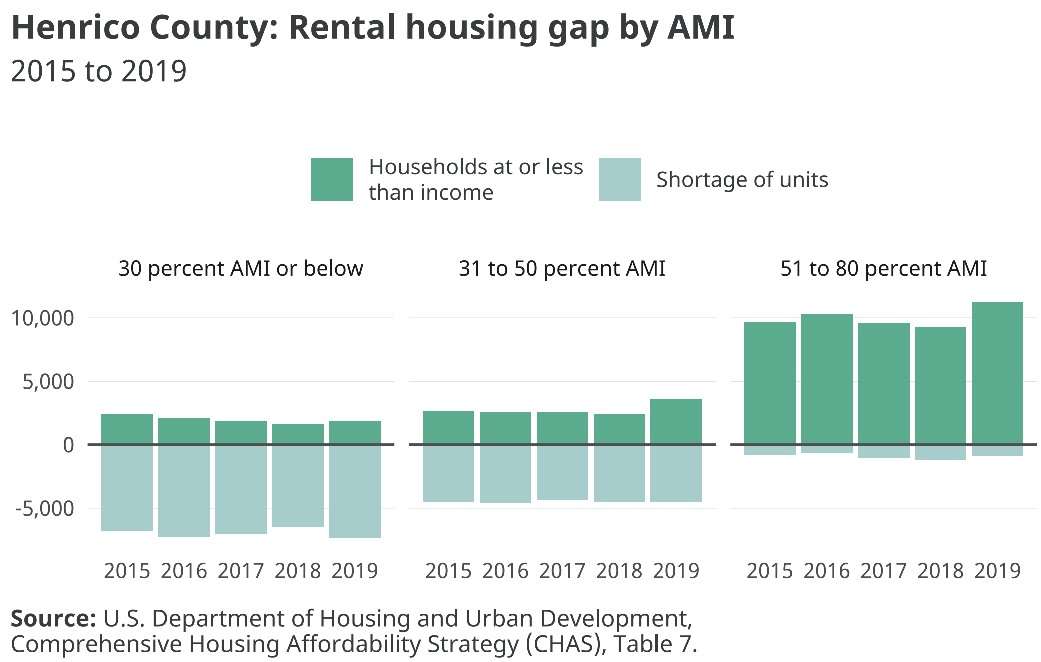


Figure 13.12: Henrico County: Rental housing gap by AMI

13.4.2 Impact of housing costs

From 2015 to 2019, the number of cost burdened homeowners has been on a steady decline — an overall decrease of 2,442 cost burdened homeowners. For renters, there has been an overall increase in cost-burdened renters; a net increase of 700 cost-burdened renters since 2015, a significant gain from when the runing difference was only 163 in 2018.

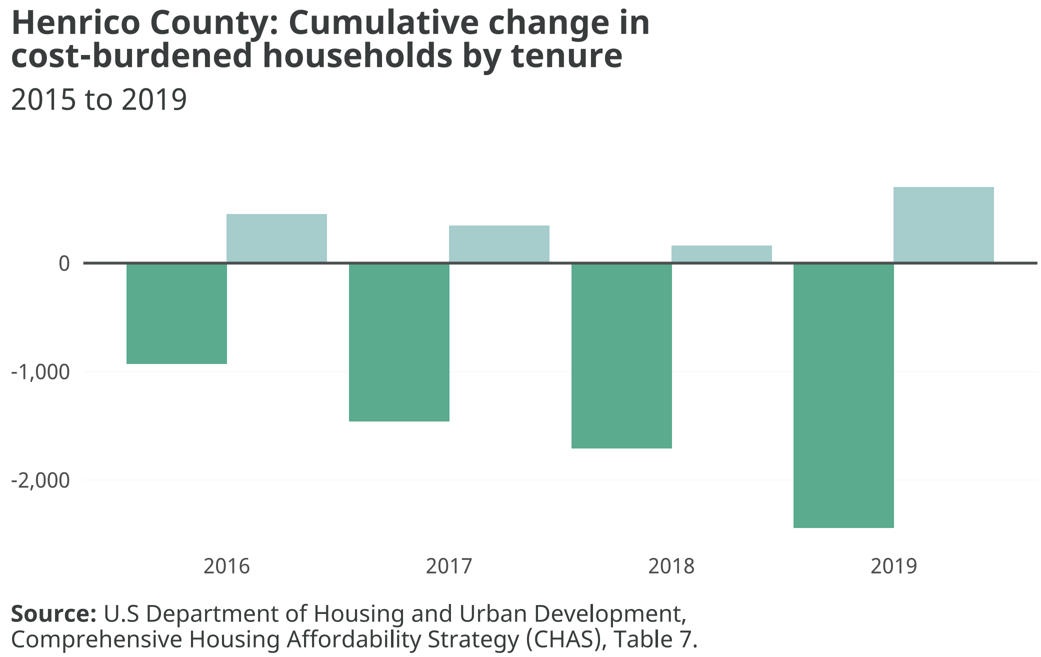


Figure 13.13: Henrico County: Cumulative change in cost-burdened households by tenure

Pre-pandemic eviction filings in Henrico County averaged 933 each month, but since the pandemic eviction filings have dropped to an average of 271 each month. Eviction protections throughout the pandemic led to a 74 percent decrease in the average eviction judgements — from 361 to 93 per month.

Compared to other localities in recent months, Henrico County eviction filings and judgements have remained relatively low, but filings in the county have been trending upwards.

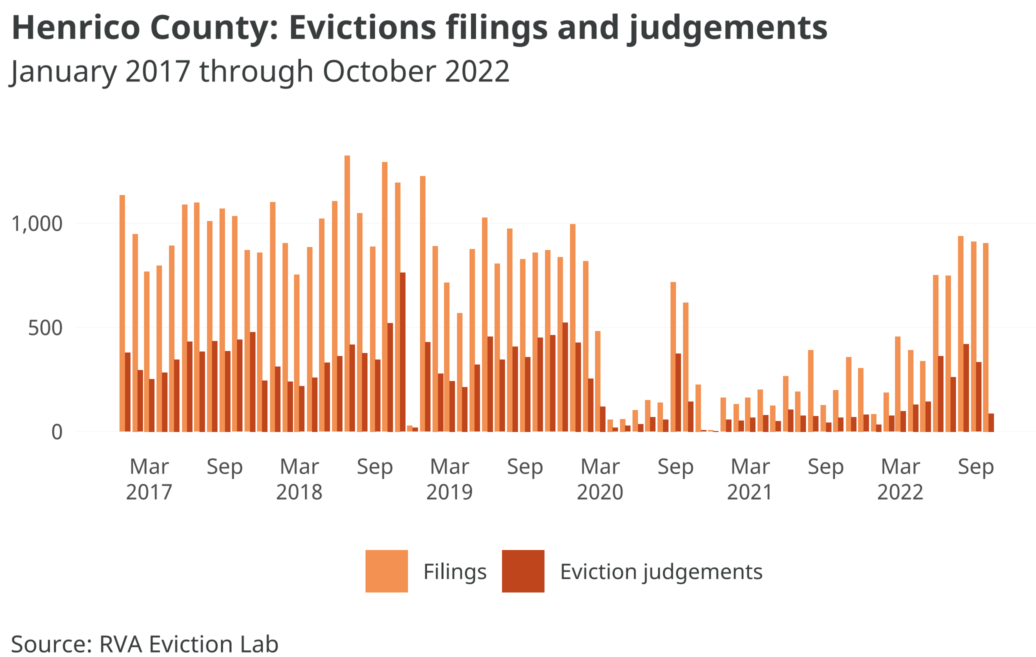


Figure 13.14: Henrico County: Evictions filings and judgements

14 Hanover County

This chapter is a summary of the major changes to the Hanover County's population and housing market in the past five years.

14.1 Takeaways

- More and more people are moving into Hanover County from other parts of the region, state, or nation (+1,747), while deaths are outpacing births (-271) from 2020 to 2021.
- Hanover County is losing households with children — both homeowners and renters (-725 between 2016 and 2020).
- There has been a net decrease in households making less than $100,000 — especially among renters (-950) — suggesting growing unaffordability in the county.
- Median home price in the county has increased to well over $400,000 — becoming one of the most expensive localities in the region.
- Rents in the county rose steeply amid the pandemic and record low vacancy rates.
- A household needs to earn nearly $70,000 to afford the median home price in the county in 2020 — roughly $17,000 more than what the typical renter earns.

14.2 Demographic and socioeconomic changes

14.2.1 Population changes

Between 2011 and 2012, Hanover County passed the 100,000 mark and has continued to grow ever since. From 2010 to 2020, the county has grown by 10 percent — an increase of 10,116 residents.

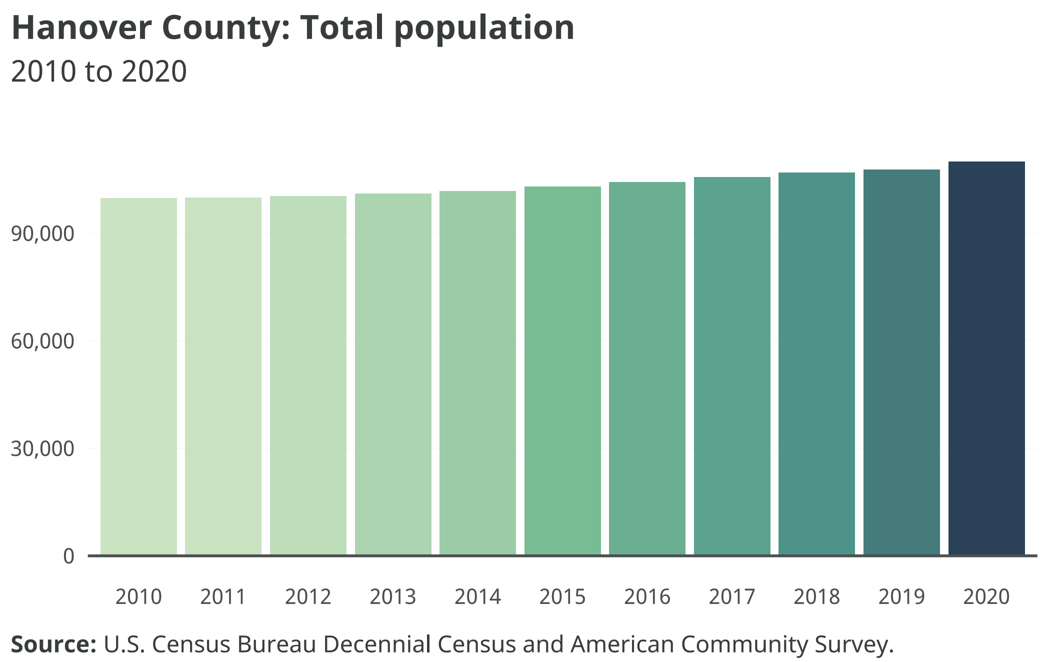


Figure 14.1: Hanover County: Total Population

The overwhelming reason for population increases in the last several years has been due to domestic migration. From 2020 to 2021, 1,747 new residents moved into Hanover County from some other part of the region, state, or country. From 2016 to 2019, international migration and natural increases made up a small portion of change compared to domestic migration. But during the 2020 to 2021 period, Hanover County experienced a loss of 271 due to natural decreases (i.e. deaths outpacing births in the county).

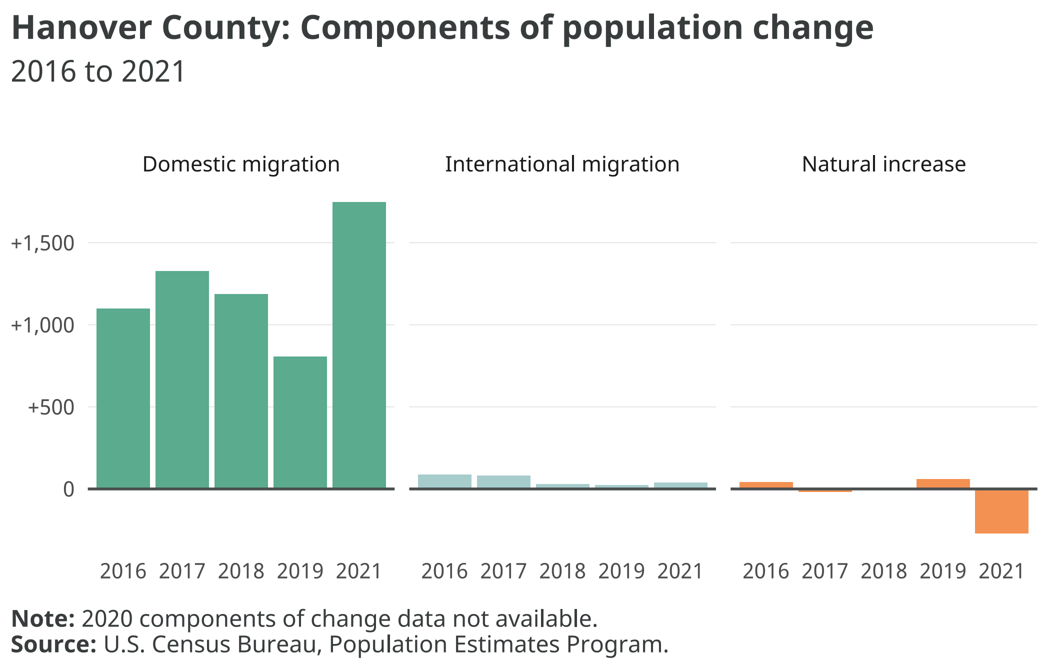


Figure 14.2: Hanover County: Components of population change

14.2.2 Household characteristics

Households with children, both homeowners and renters, have been on the decline in Hanover County. Between 2016 and 2020, there was an overall decrease of 725 households with children. Nonfamily renter households also saw a decline (-226), but nonfamily homeowner households saw the greatest increase of household types during this time period (+1,278).

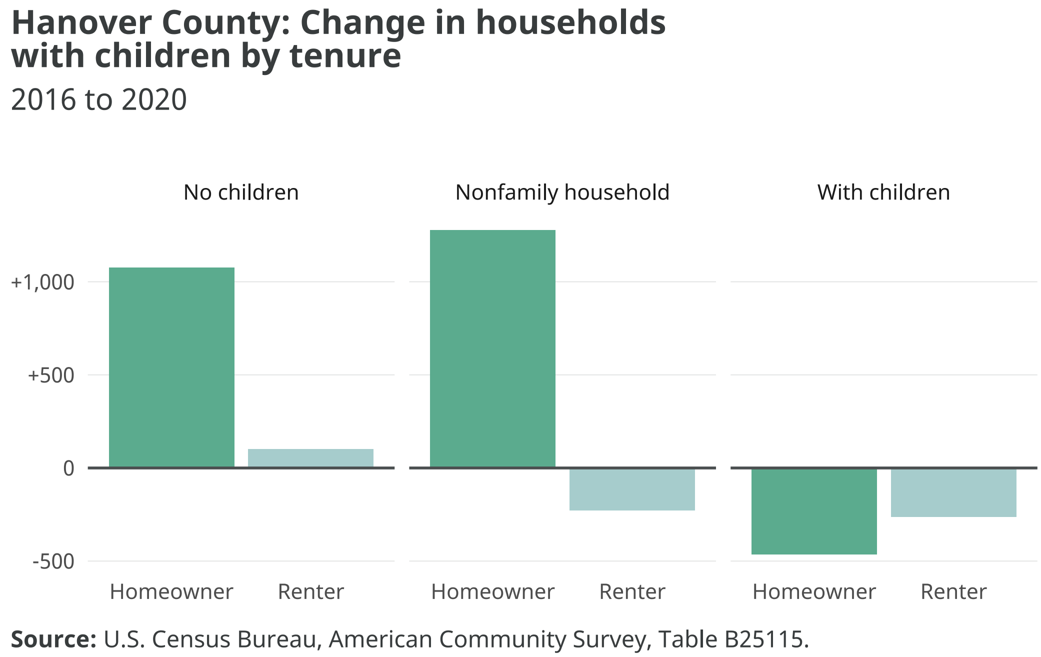


Figure 14.3: Hanover County: Change in households with children by tenure

As with most of the region, the senior population in Hanover County has seen major growth. From 2016 to 2020, the senior population increased by 3,154. Most of this growth has been among seniors living with a spouse (+1,167), followed by seniors living alone (+888).

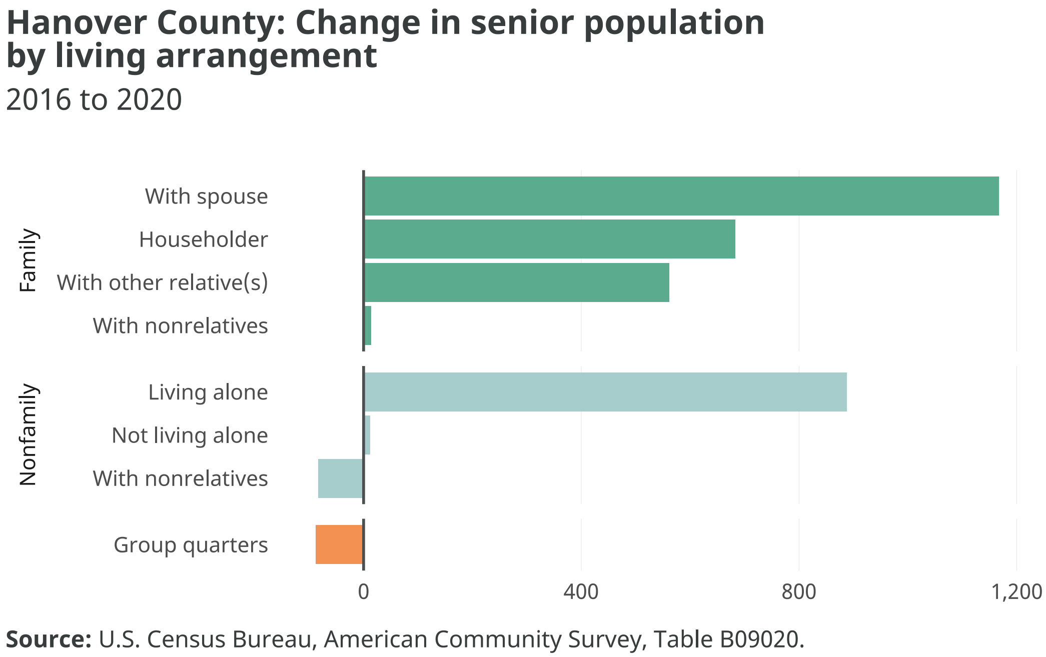


Figure 14.4: Hanover County: Change in senior population by living arrangement

14.2.3 Income and wages

In Hanover County, there was a $45,460 difference between median homeowner household income and renter household income. The disparity in income has remained steady between 2016 and 2020. But in the county, renter median household income has increased by 19 percent from 2016 to 2020, while homeowners income has only increased by 2 percent.

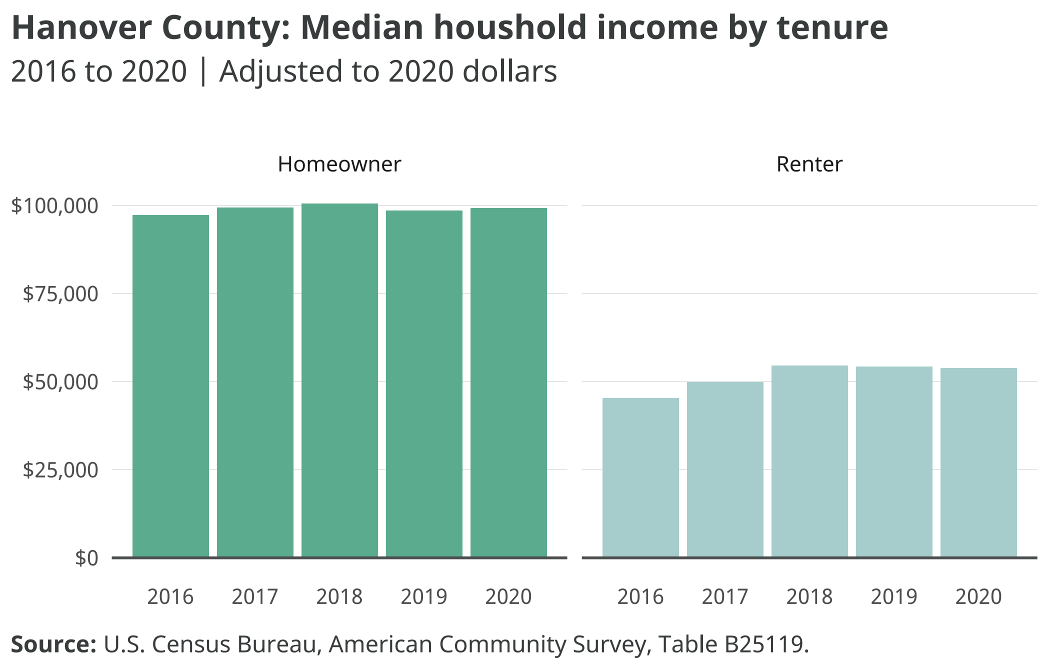


Figure 14.5: Hanover County: Median houshold income by tenure

The growth in median renter household income in the county can be shown to be due to a large decrease in renter households making less than $75,000 and an increase in renters with higher incomes.

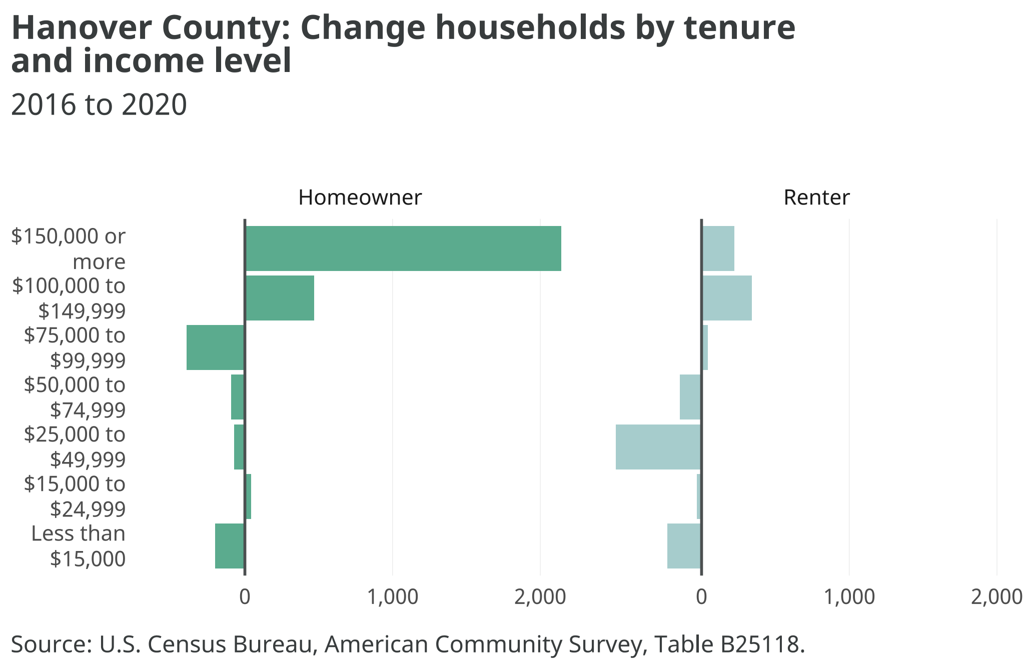


Figure 14.6: Hanover County: Change households by tenure and income level

14.2.4 Persons with disabilities

While other localities have seen significant increases in adults below 65 years old with independent living difficulties, Hanover County has seen the greatest growth among those aged 75 years and older. With a growing number of aging seniors unable to live with comfortably without assistance, there will be a growing need for assisted living facilities and resources to support aging-in-place.

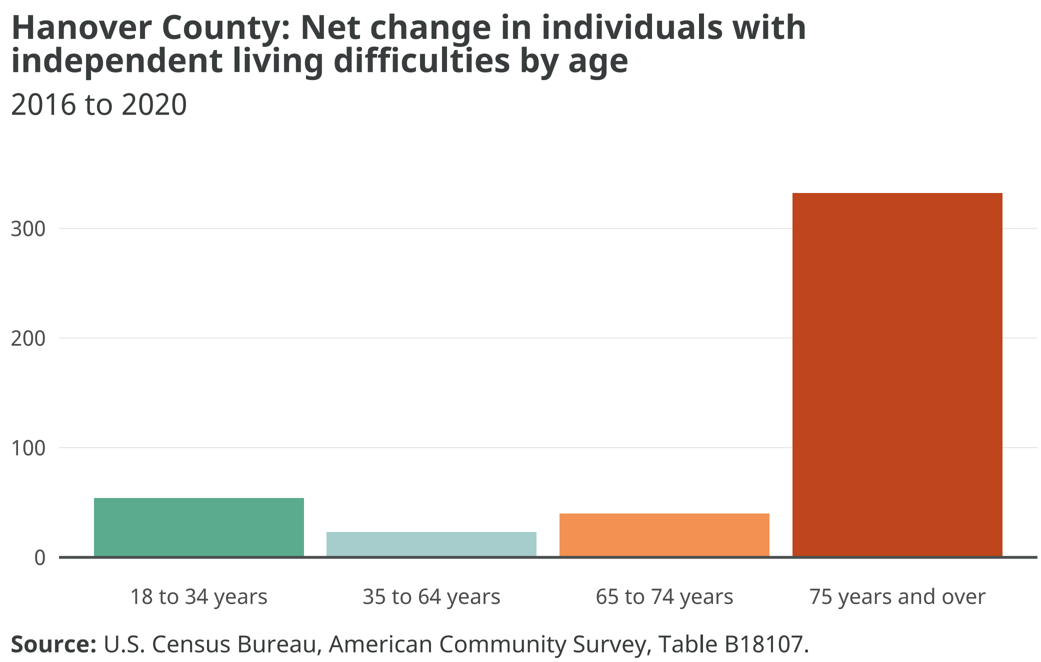


Figure 14.7: Hanover County: Net change in individuals with independent living difficulties by age

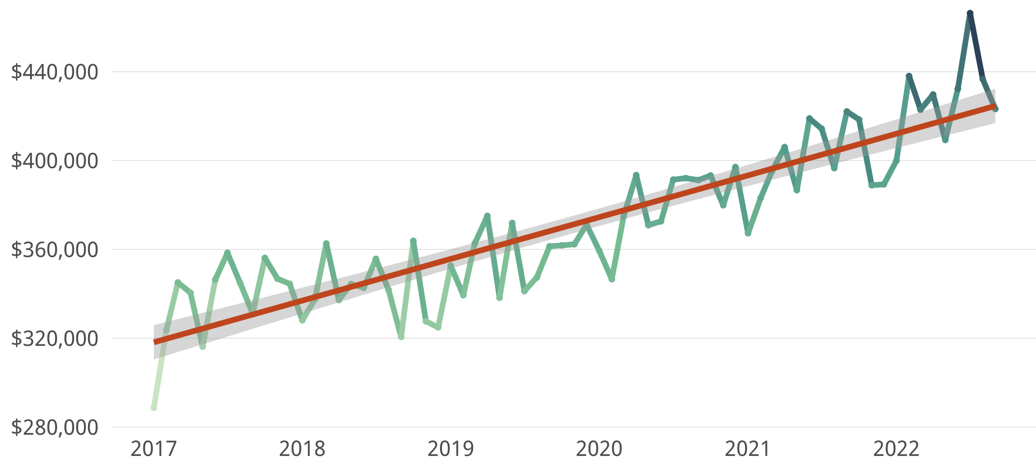
14.3 Housing supply and market changes

14.3.1 Homeownership

During the early part of 2022, median home price in Hanover County passed into the $400,000s. From March 2020 to June 2022, there has been a 32 percent increase in the median home price for the county.

Hanover County: Median home sales price

January 2017 to September 2022



Source: Central Virginia Regional Multiple Listing Service.

Figure 14.8: Hanover County: Median home sales price

14.3.2 Rental

Rental properties across Hanover County are largely located in the Town of Ashland and along the Hanover-Henrico border near Route 1 and Mechanicsville. The Hanover County rental market has been seen continual average asking rent increases since 2016. From the end of Q3 2021 to Q3 2022, rents in Hanover County grew significantly from $1,272 to $1,492 — a 17 percent increase. During this time, the Hanover County rental vacancy rate dropped well-below 1 percent.

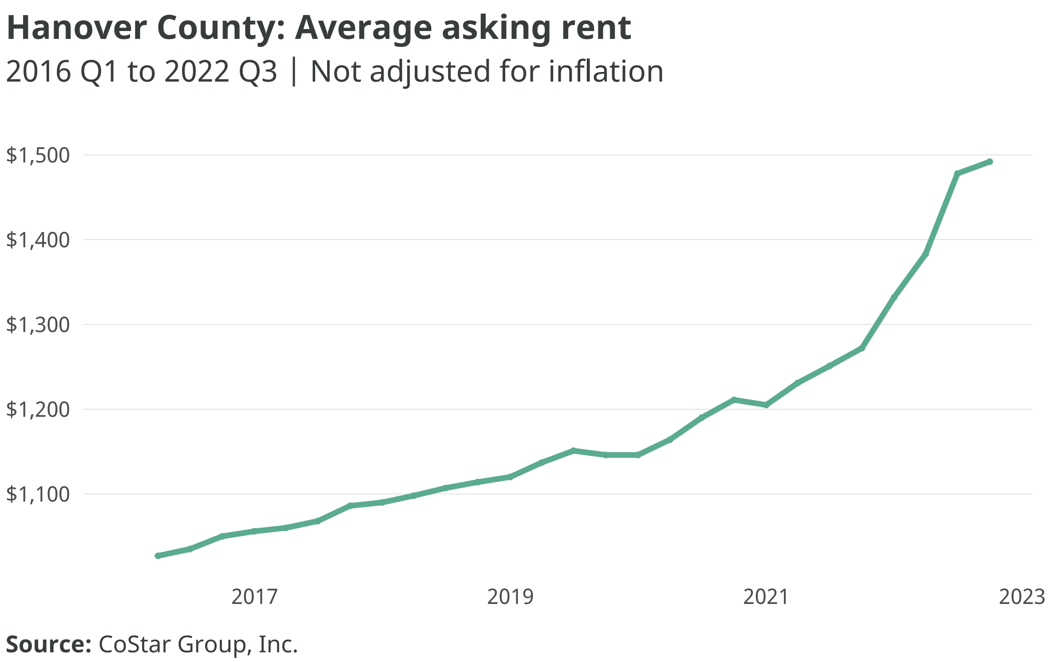


Figure 14.9: Hanover County: Average asking rent by submarket

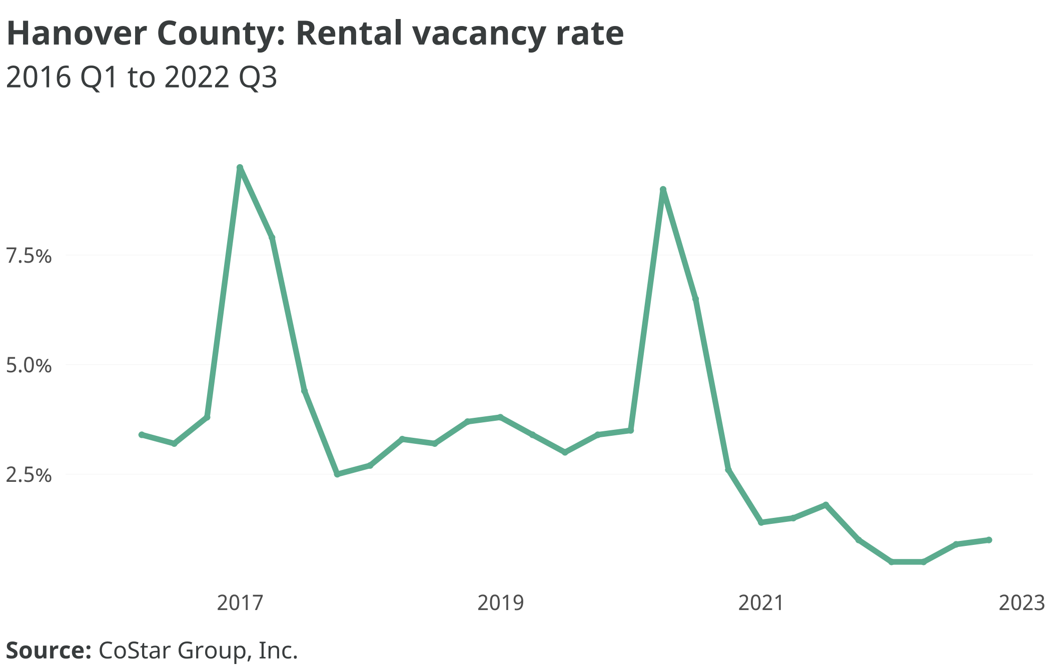


Figure 14.10: Hanover County: Rental vacancy rate

Table 14.1: Hanover County: Added and removed affordable rental contracts since 2020

	Subsidies	Properties affected	Units included
Added	5	4	489
Removed	-1	-1	-100
Net change	**4**	**3**	**389**

Sources: National Housing Preservation Database and Virginia Housing.

Table 14.2: Hanover County: NOAH properties

Property name	Year built	Estimated units
Ashland Towne Square Apartments	1973	218
LakeRidge Square Apartments	1987	156
Signal Hill Apartments	1966	68
Windmill Way Apartments	1987	50

14.3.3 Housing assistance

Over the last two and a half years, almost 500 new affordable rental unit subsidies were added in the county. Another 100 contracts expired (across just one property), leading to a net gain of 389 dedicated affordable rental units—more than Henrico County over that same period.

14.3.4 Naturally-occurring affordable housing

As defined by this report, there are only five NOAH multifamily properties located in Hanover County. Across these five properties there is a total of 492 rental units. NOAH properties in Hanover County were built between 1966 and 1987.

This estimate does not include four manufactured home communities located in the county — which include a total of 497 homes. Based on the Manufactured Home Community Coalition of Virginia's assessment of manufactured home communities in Central Virginia, these four communities are relatively stable.

Table 14.3: Manufactured home communities in Hanover County

Community name	Estimated units
Sedgefield Manufactured Home	247
Colonial Estates	115
Kosmo Village	92
Palm Leaf Mobile Home Park	43

14.4 Gap analysis

14.4.1 Affordability of current housing stock

In 2020, median renter household income was $53,832. A household at this income would need an estimated rent of $1,345 to not be cost-burdened. In comparison to average asking rent in the county, the typical renter could afford the the average rent by more than $200. This could be a reflection of the growing number of higher income renters coming into the county as previously noted.

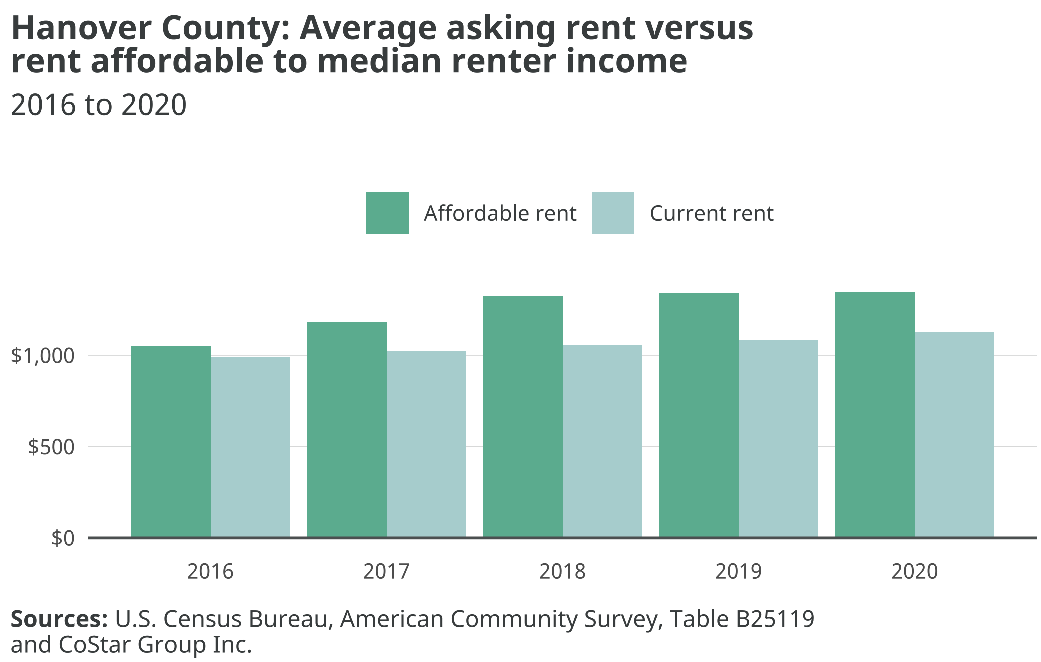


Figure 14.11: Hanover County: Average asking rent versus rent affordable to median renter income

Attaining homeownership has generally been harder with the median renter incomes. Before 2020, average renter incomes were only enough to support home prices that were tens of thousands below the median-priced home in the county. As rates dropped in 2020, renters could compete more confidently in the market—but this is likely no longer the case as rates (and prices) have risen significantly.

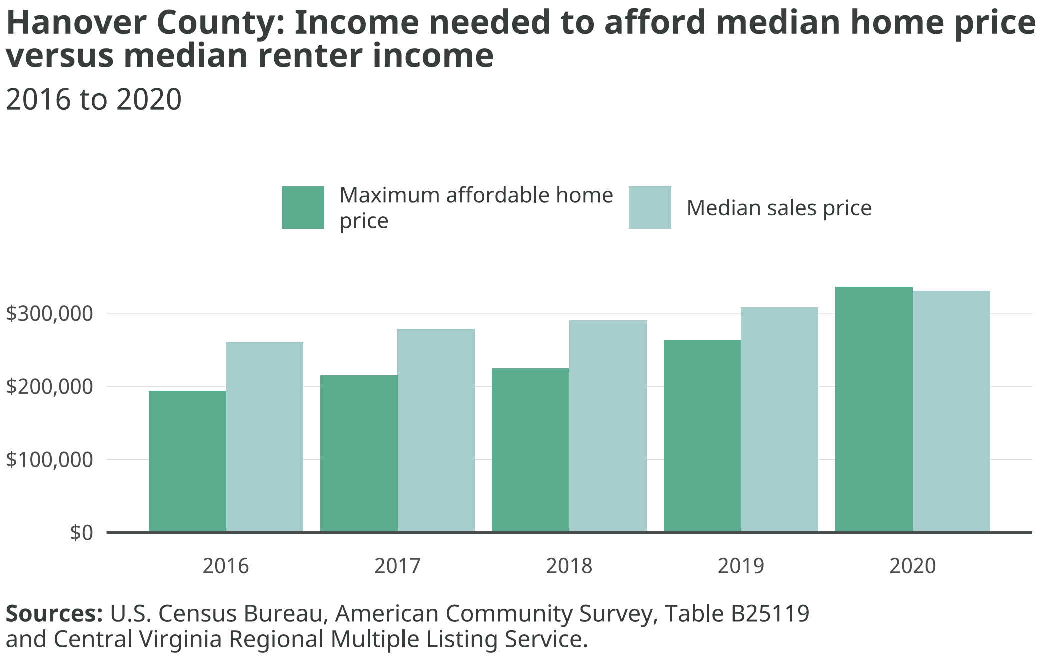


Figure 14.12: Hanover County: Median sales price versus maximum home price affordable to median renter income

In spite of growing income among renters in the county, there was a shortage of 1,705 rental units for households making less than 80 percent AMI. This is a decrease from 2015 when the shortage was 1,840, but still represents a significant number of Hanover renters living in housing that is too expensive for them.

The deficit has decreased across all income levels below 80 percent AMI, but the below 30 percent AMI income group remains the most in need of new affordable rental options.

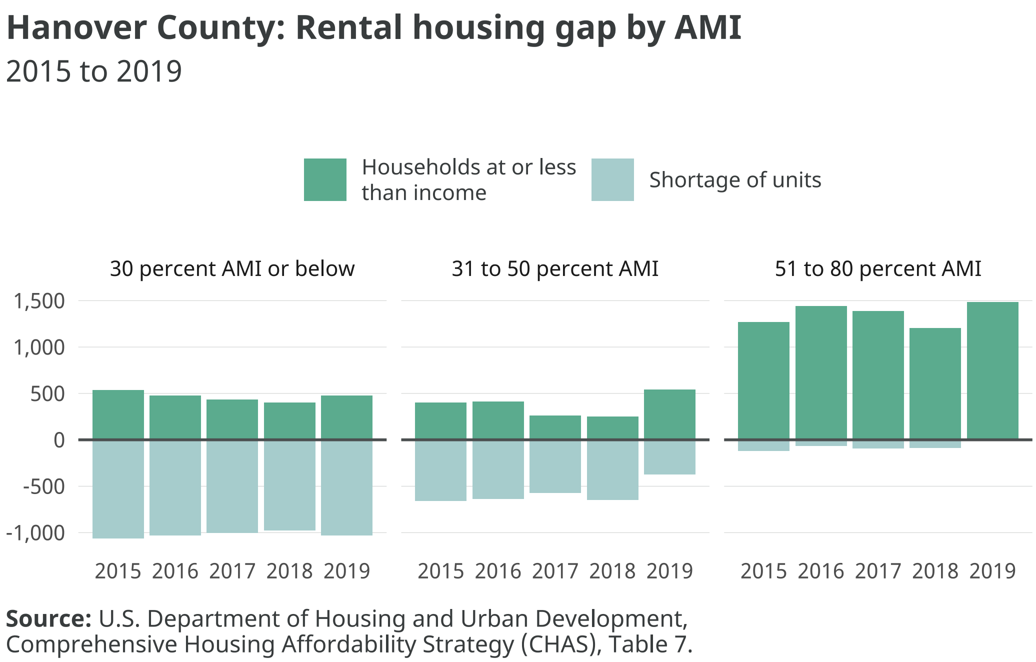


Figure 14.13: Hanover County: Rental housing gap by AMI

14.4.2 Impact of housing costs

In spite of the continuous increase in housing costs in Hanover County, there has been an overall decrease in the number of cost-burdened households from 2015 to 2019. As of 2019, there were 1,004 fewer cost-burdened homeowners and 393 fewer cost-burdened renters.

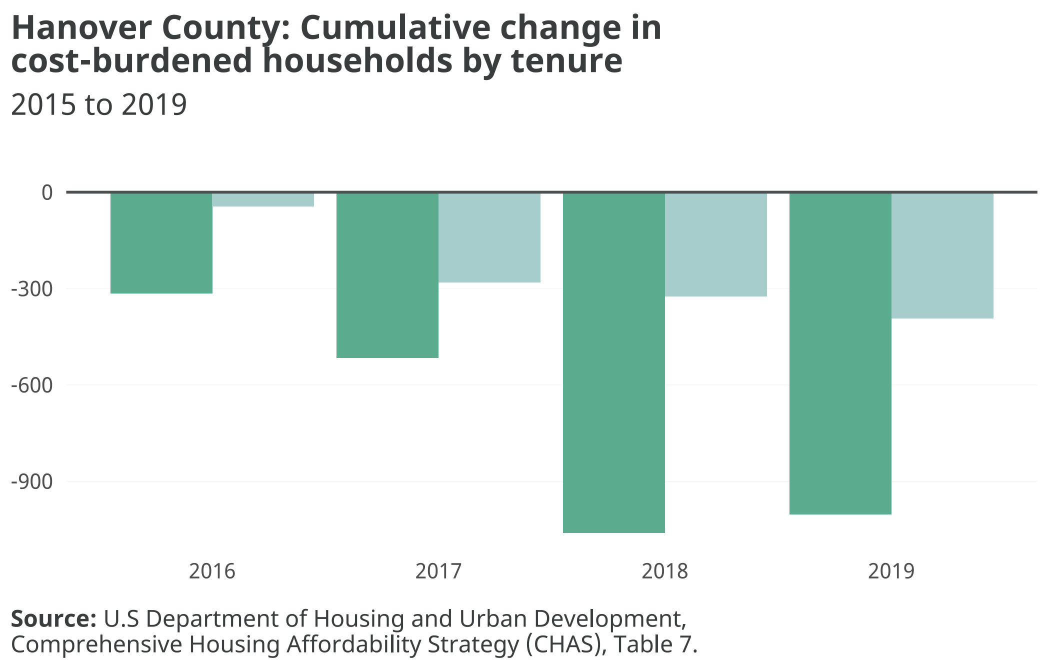
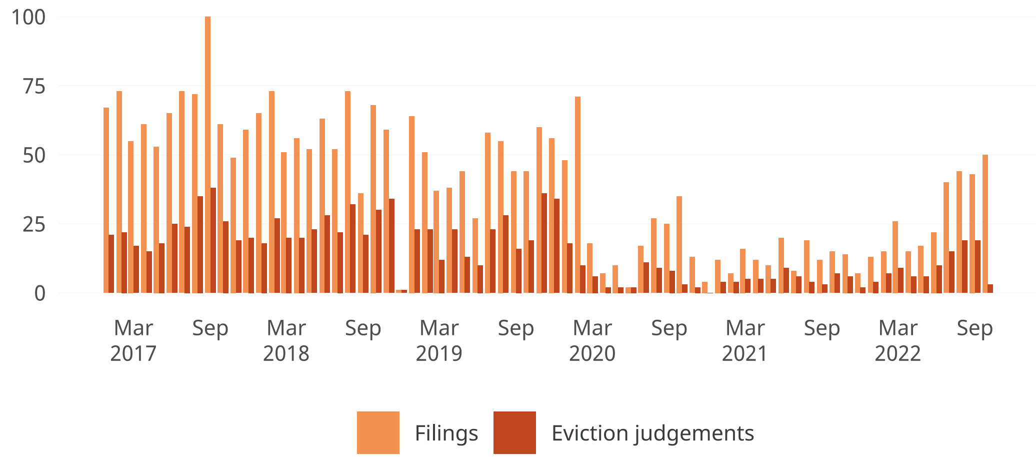


Figure 14.14: Hanover County: Cumulative change in cost-burdened households by tenure

With fewer renters in the county, there have also been fewer eviction filings and judgements preceding the pandemic. Before the pandemic, Hanover County barely saw more than 75 eviction filings in a given month.

During eviction protections of the pandemic, filings dropped below 20 a month, while eviction judgements dropped below 10. Increases have begun in eviction filing as the end of summer began in 2022 and are on trend to increase in the colder months.

Hanover County: Evictions filings and judgements
January 2017 through October 2022



Source: RVA Eviction Lab

Figure 14.15: Hanover County: Evictions filings and judgements

15 Town of Ashland

This chapter is a summary of the major changes to the Town of Ashland's population and housing market in the past five years. Although Ashland resides in Hanover County, the town sees some differences in population and housing trends from the rest of the county.

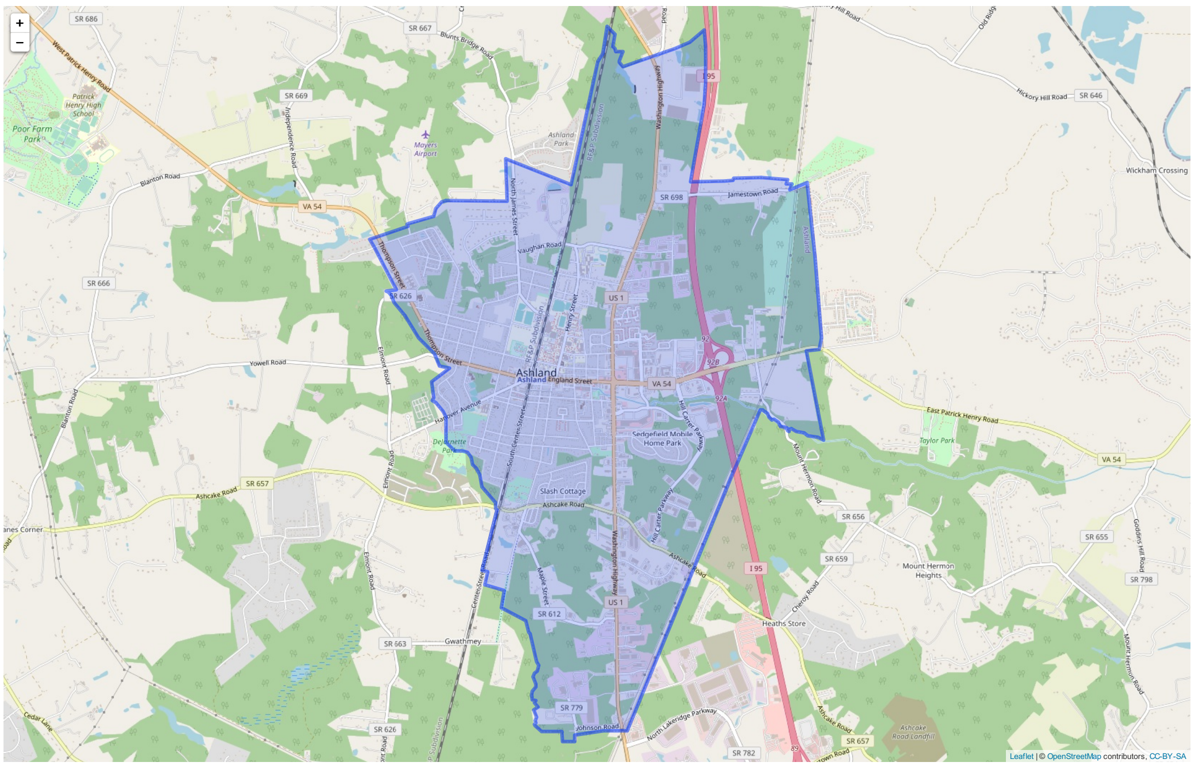


Figure 15.1: Map of Town of Ashland

15.1 Takeaways

- The Town of Ashland saw recent declines in population, but is still expected to grow — reaching nearly 10,000 residents by 2050.

- More and more younger adults are coming to the town; mainly renter households with children and homeowners living alone.
- Home prices and rent continue to rise with the influx of higher earning households — especially higher income renters.
- In contrast to other localities, homeowners are increasingly see cost burden compared to renters who are seeing less.

15.2 Demographic and socioeconomic changes

15.2.1 Population changes

The gradual population growth that Ashland was seeing throughout the last decade took a change in course between 2019 and 2020. Between these years, it was estimated that Ashland's population declined by 310 individuals. This was a greater decrease than the town's last recorded population decrease between 2010 and 2011, when the town population declined by 38. The small population of Ashland may warrant some caution in describing trends between American Community Survey estimates and decennial census counts.

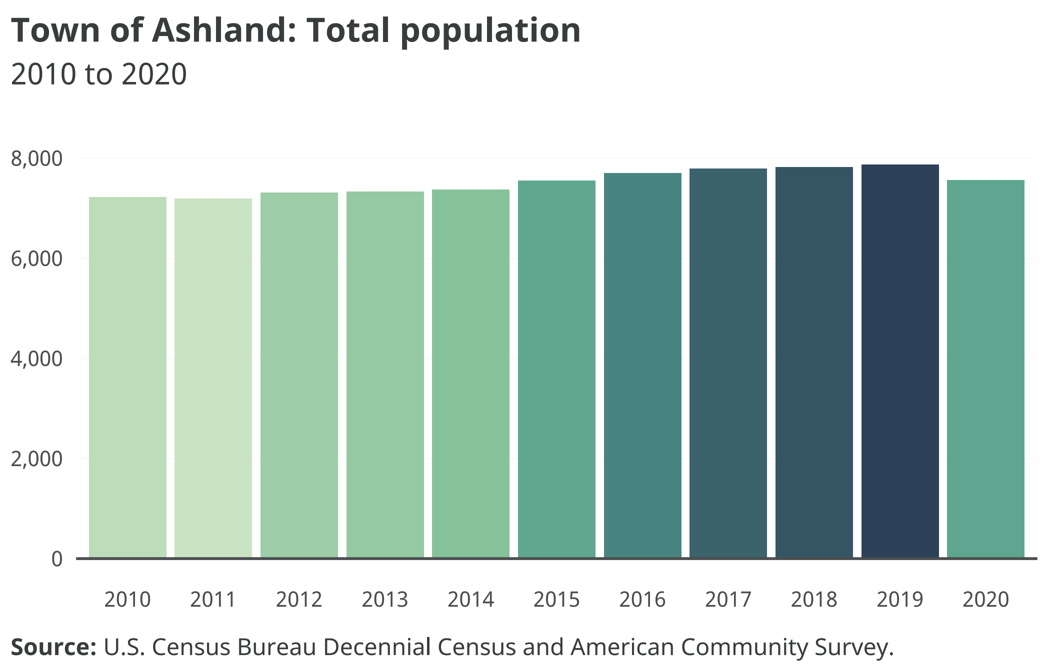


Figure 15.2: Town of Ashland: Total Population

Population projections produced by the University of Virginia's Weldon Cooper Center show that the town will continue to grow over the coming decades. By 2050, the Weldon Cooper Center expects Ashland to approach nearly 10,000 residents — a 27 percent increase over 30 years.

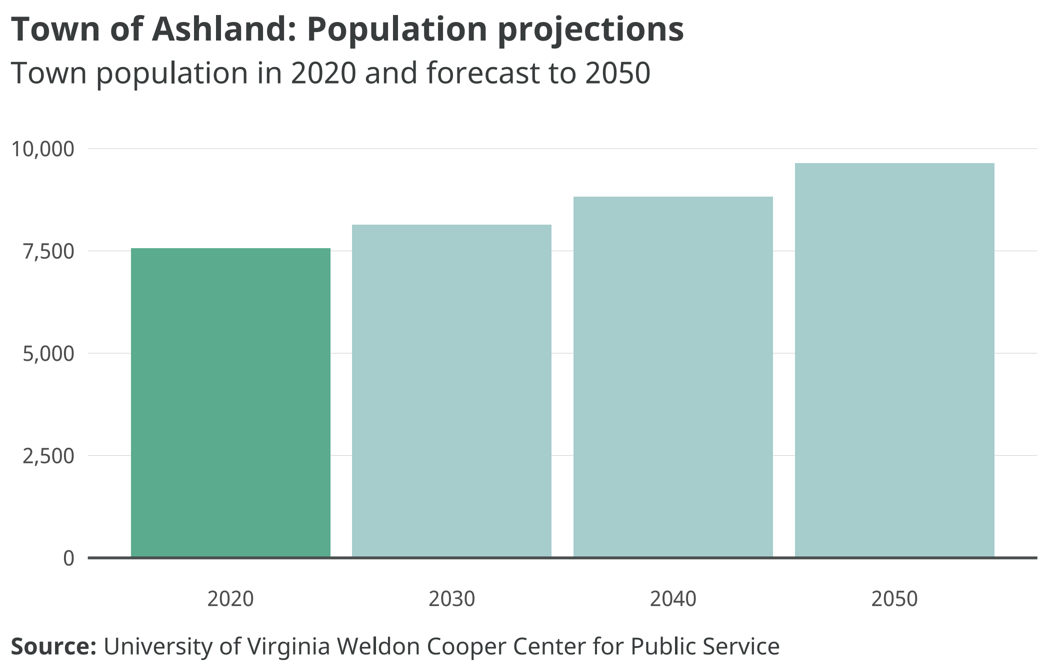


Figure 15.3: Town of Ashland: Population forecast

15.2.2 Household characteristics

From 2016 to 2020, Ashland has seen most of its household growth among homeowners between the ages of 25 and 44 years old (+342). Declines have mainly been among homeowner householders older than 45 years old (-249), while there has been an increase of renter households among this same age group.

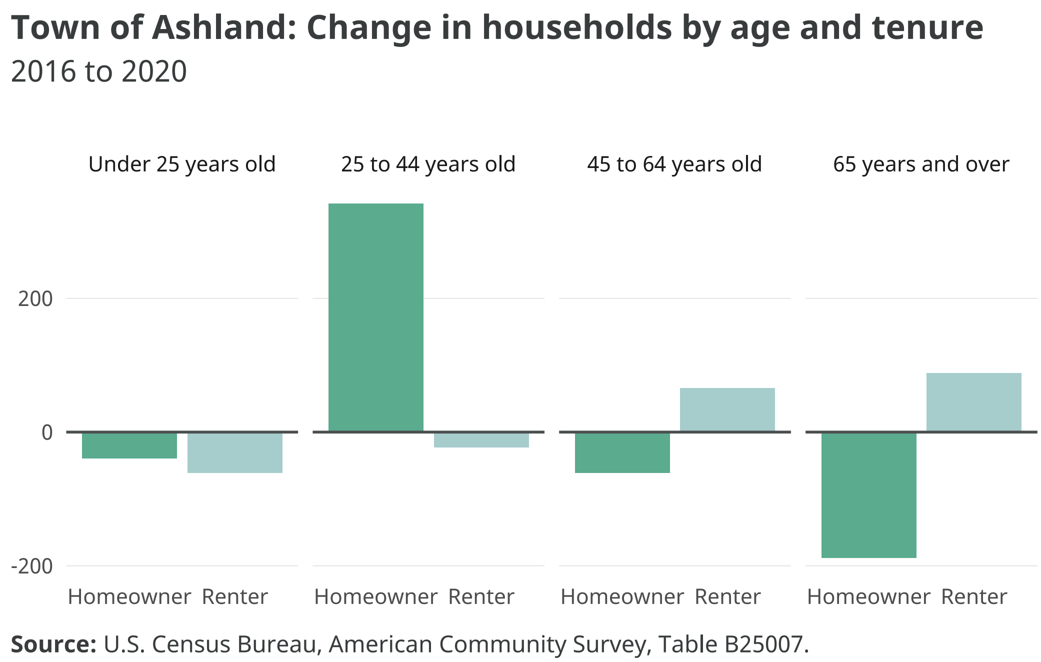
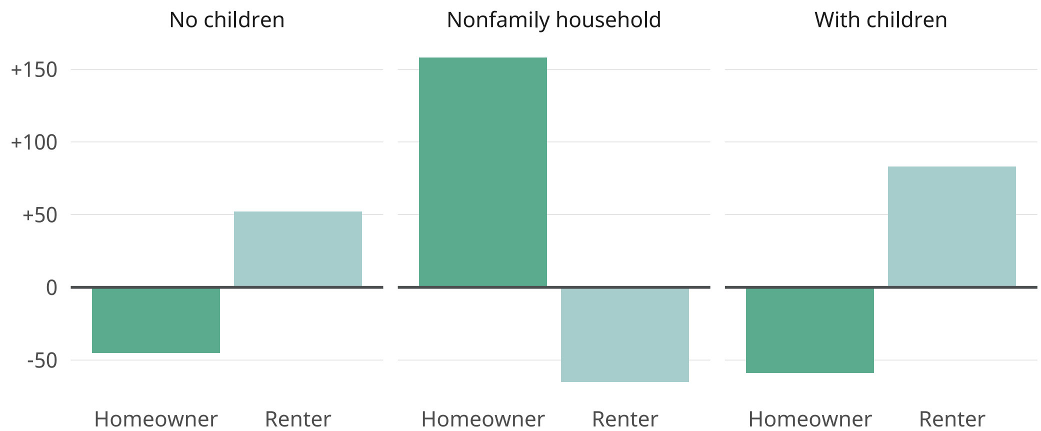


Figure 15.4: Town of Ashland: Change in households by age and tenure

Households with children have only increased among renters in Hanover (+83) from 2016 to 2020 — this is contrast to Hanover County as a whole, which is seeing an overall decrease in households with children. But the greatest household type to see growth in the town has been among nonfamily homeowner households (i.e. individuals living alone or with roommates) — similarly to the county.

Town of Ashland: Change in households with children by tenure

2016 to 2020



Source: U.S. Census Bureau, American Community Survey, Table B25115.

Figure 15.5: Town of Ashland: Change in households with children by tenure

While the senior population has grown overall in Ashland (+107), that growth has been largely among seniors who live with other relatives (+225) or with a spouse (+52). Seniors who are head of households has declined in the town (-87), as well as the number of seniors living in group quarters (-69). Unlike the rest of the county, Ashland is not seeing major increases in seniors living alone.

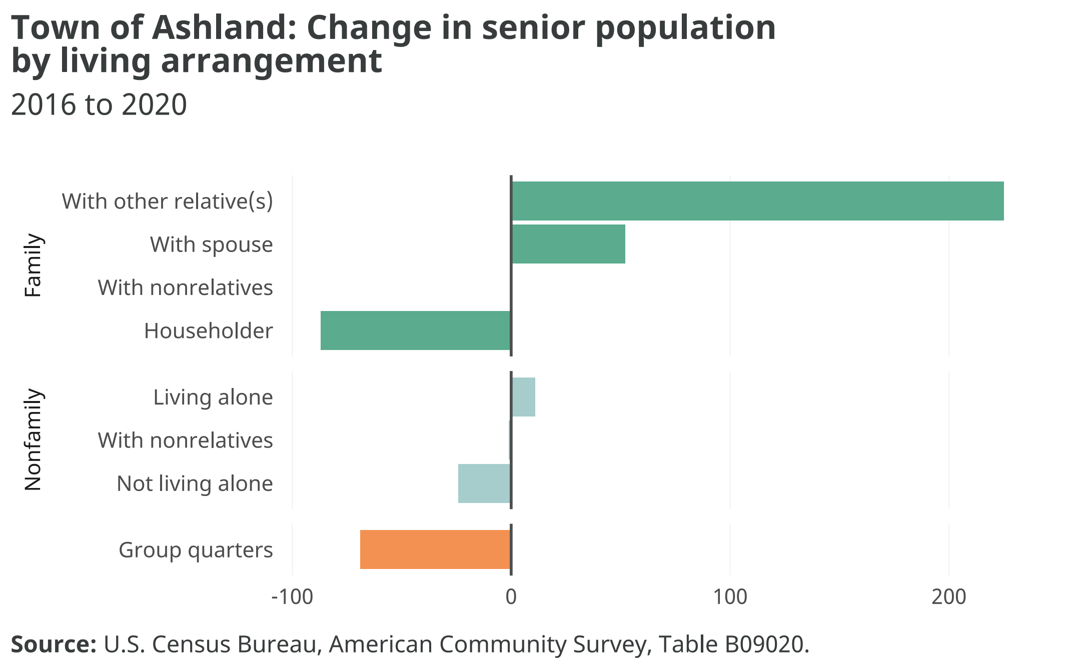


Figure 15.6: Town of Ashland: Change in senior population by living arrangement

15.2.3 Income and wages

Household incomes have also shifted in Ashland. Although there still remains an income gap between the average homeowner and renter households, the gap has been narrowing in recent years. In 2016, there was an over $22,000 difference between homeowner and renter median household incomes. But by 2020, that difference had declined to only $6,364, as homeowner incomes declined and renter incomes increased.

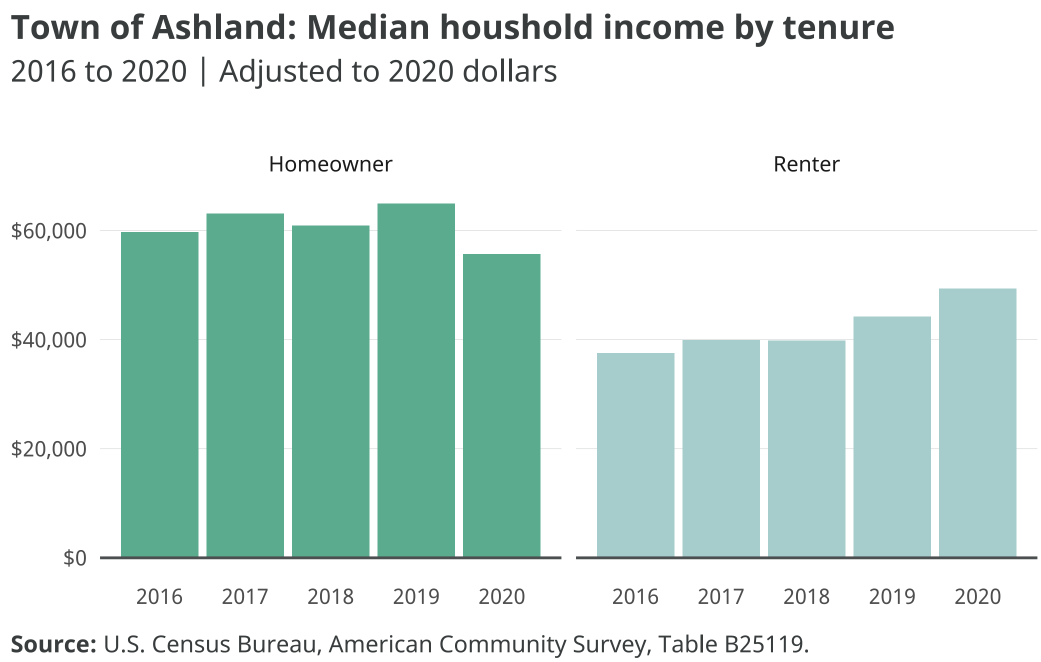


Figure 15.7: Town of Ashland: Median household income by tenure

15.3 Housing supply and market changes

15.3.1 Homeownership

Median home prices in Ashland had crossed into the $400,000 range well before the pandemic, but from 2021 onward, median home price has remained above $400,000 for the majority of the time. Homeownership demand in the town continues to drive prices upwards and the trend is expected to continue.

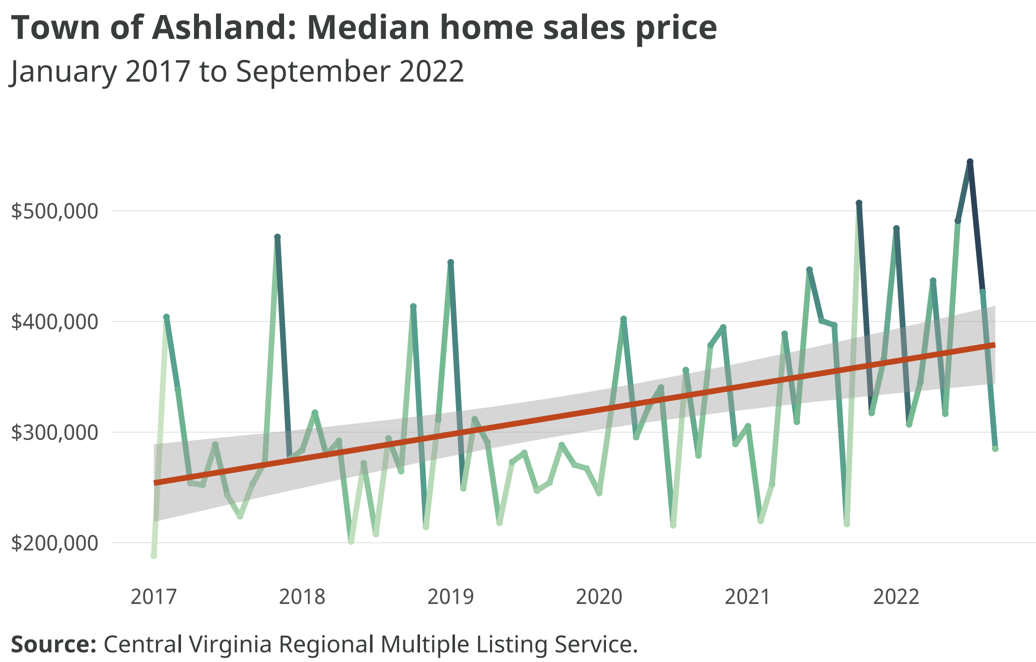


Figure 15.8: Town of Ashland: Monthly median sales price

15.3.2 Rental

From 2016 Q1 to 2021 Q1, average market asking rent in Ashland has been on a gradual increase — just a 7 percent increase during this timeframe. But in 2021 onward, the Ashland rental market has seen a dramatic shift upward. From 2021 Q1 to 2022 Q3, rent growth has doubled to 15 percent in a shorter period of time. The median renter household further points to an increasing number of higher income earners demanding rental options in the town.

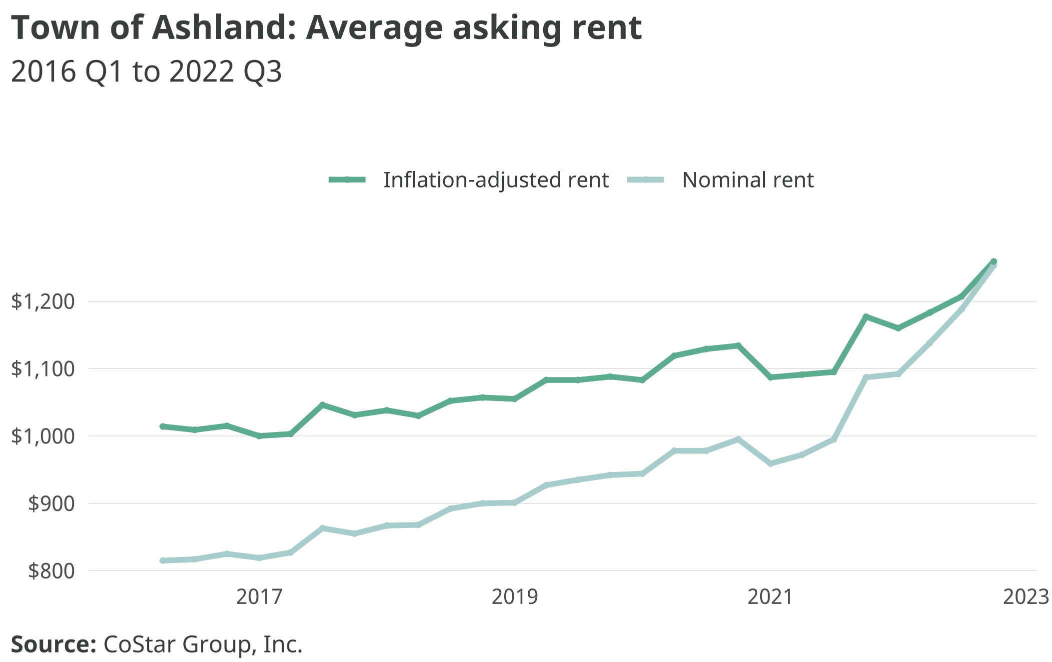


Figure 15.9: Town of Ashland: Average asking rent

15.4 Gap analysis

15.4.1 Affordability of current housing stock

In the Town of Ashland, renter median household incomes have been growing — allowing for the average renter to afford higher rents. In 2020, the typical Ashland renter household could afford a rent of $1,234 without being cost-burdened. This rent is $275 more than what the average asking rent in 2020 was.

Although this suggests that renters in the town are more able to afford rental housing, it could also point to lower income renter households having to move elsewhere in order to afford housing.

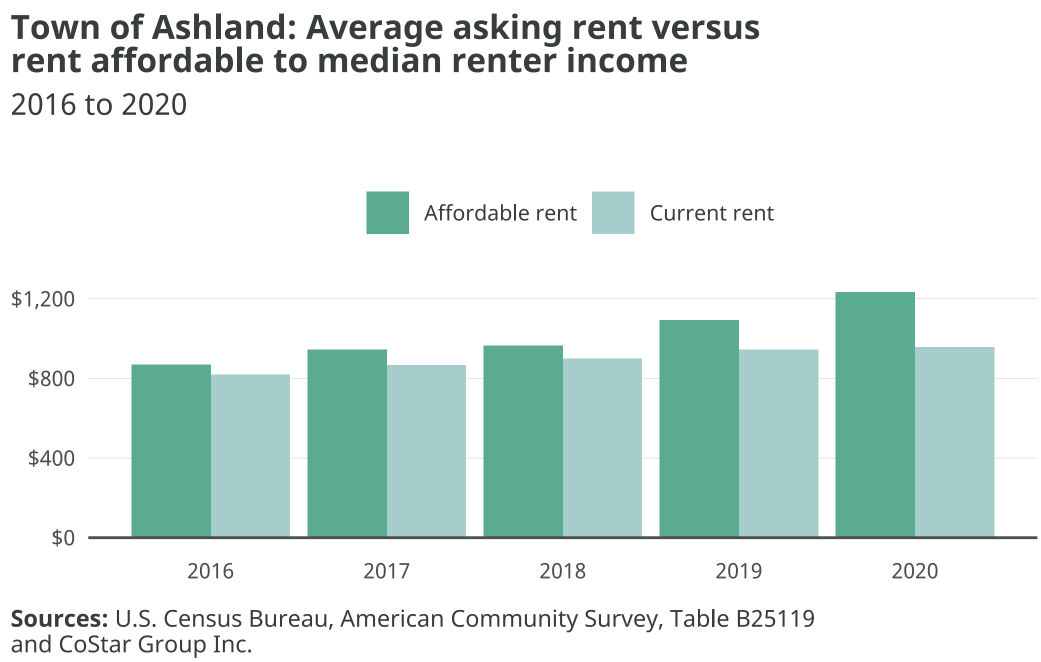


Figure 15.10: Town of Ashland: Rental housing gap

In spite of increasing incomes among renters in the town, the high price of homeownership continues to keep renters from moving to more permanent tenureship. In 2016. the gap between income needed to afford the median home price and the typical renter income was just over $17,000. By 2020, that gap had only decreased by about $2,000 — leaving the typical renter $15,241 away from being able to afford the median home price in 2020 ($305,000).

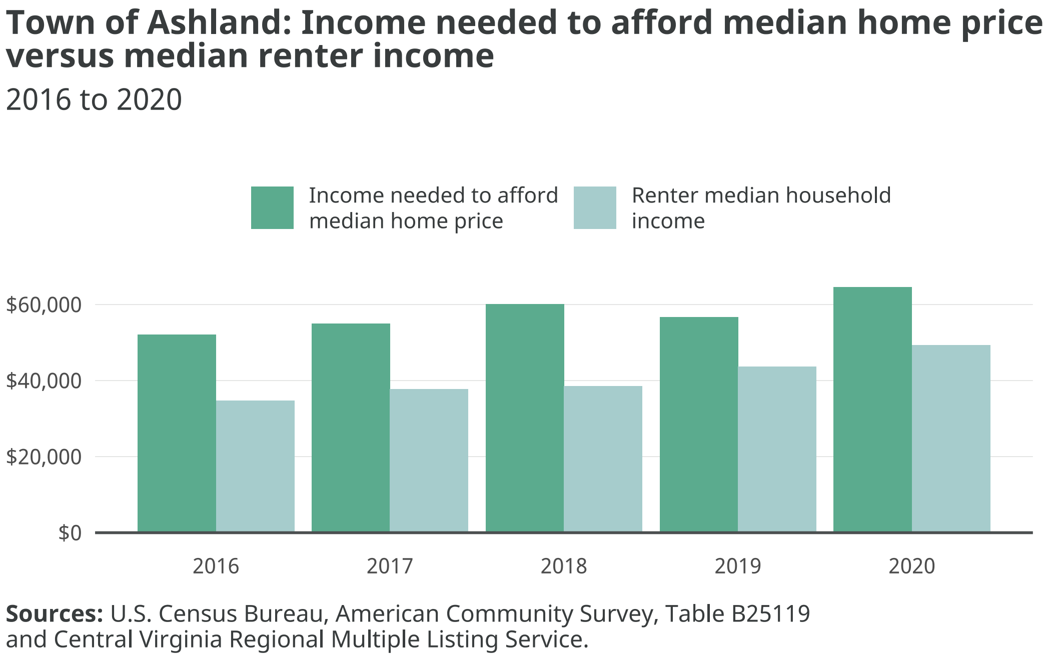


Figure 15.11: Town of Ashland: Income needed to afford median home price versus median renter income

In contrast to other localities, homeowner cost burden has increased in Ashland. From 2015 to 2019, there has been an increase of 57 cost-burdened homeowner households — a 19 percent increase. However, the number of cost-burdened renter households decreased from 690 to 580 — a 16 percent decrease.

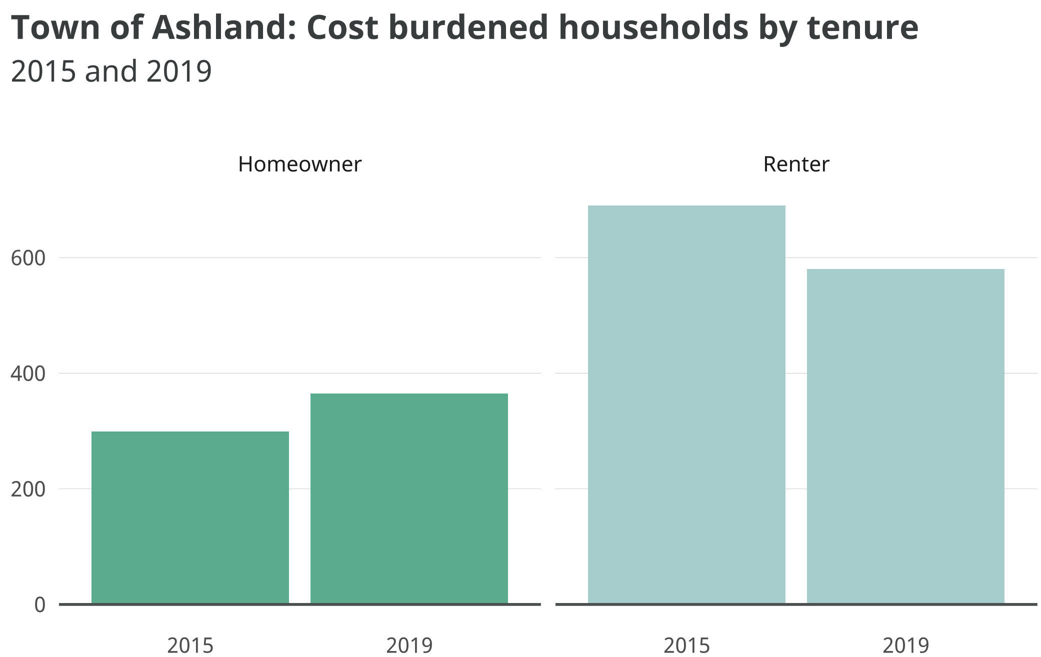


Figure 15.12: Town of Ashland: Cost burdened households by tenure

16 Charles City County

This chapter is a summary of the major changes to the Charles City County's population and housing market in the past five years.

16.1 Takeaways

- Population decline in the last decade in Charles City County has largely been the result of natural decreases.
- Although there are fewer renters in the county than there were in 2016, affordability challenges remain.
- Median renter income has decreased by 22 percent between 2016 and 2020, while the income needed to afford the median home price has only increased.
- There is now a nearly $17,000 gap between the typical renter household income and the income needed to afford the typical home price.

16.2 Demographic and socioeconomic changes

16.2.1 Population changes

In Charles City, population has been decreasing between 2010 and 2020 — going from 7,256 to 6,773, a loss of 483 residents. These changes reflect a trend among many Virginia rural localities as job opportunities leave and fewer and fewer adults have children.

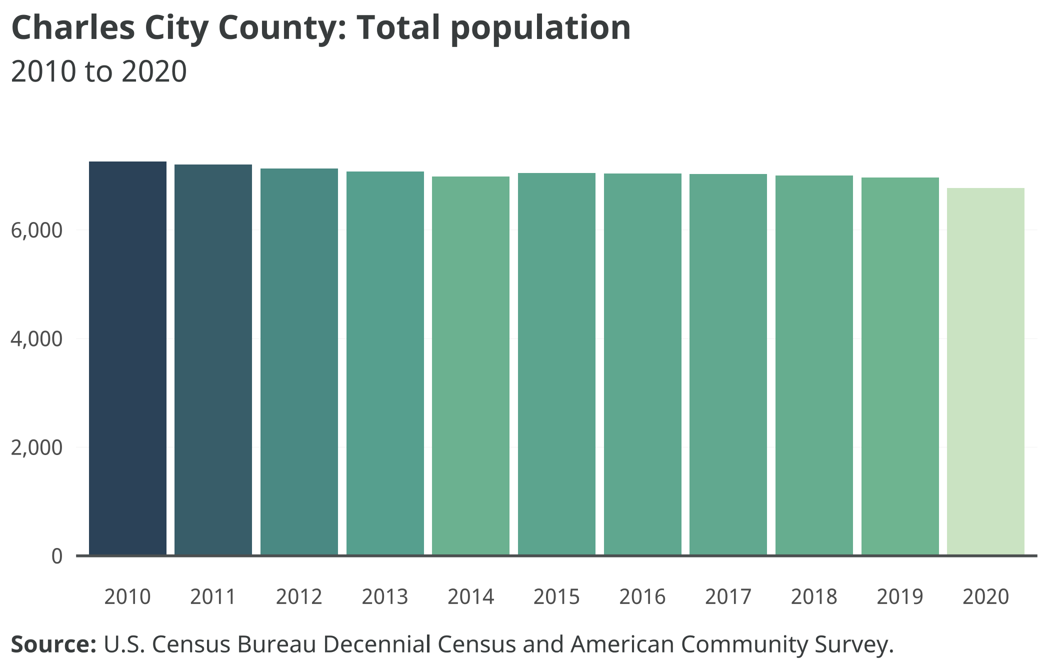


Figure 16.1: Charles City County: Total Population

The components of population change for Charles City County showed that, in 2016 and 2017, people were moving to the county from other parts of the state or country. But natural decreases have consistently outpaced any and all growth within the county until 2021, when domestic migration joined natural decreases in contributing to the county's population loss.

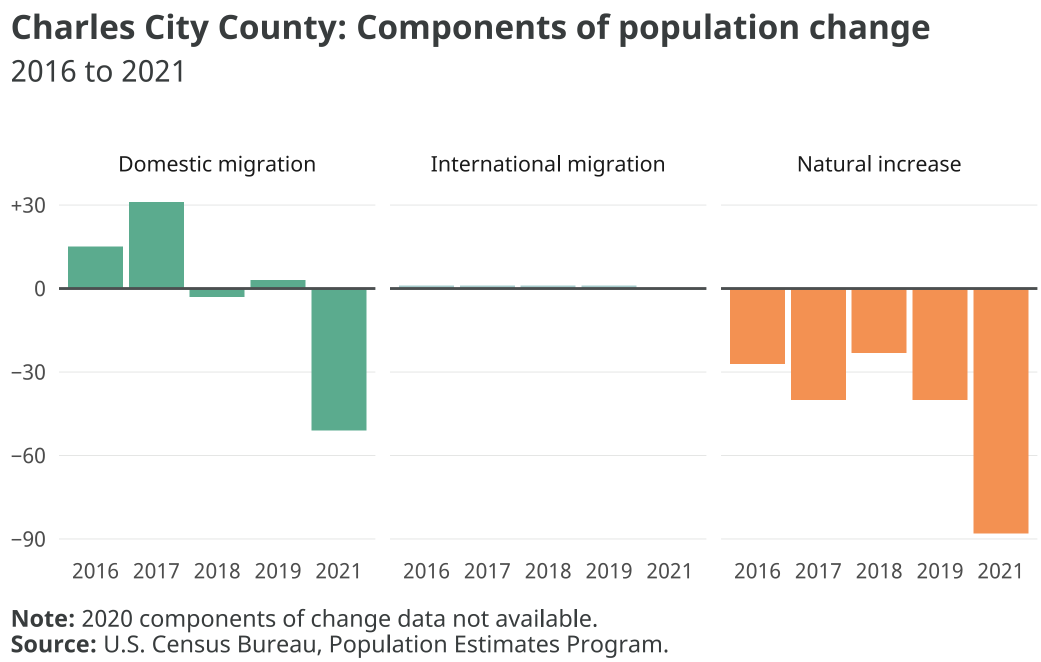


Figure 16.2: Charles City County: Components of population change

16.2.2 Household characteristics

The changes in household types in Charles City County have been only a fraction of the overall population. But from 2016 to 2020, there has been an overall decrease in households with children in the county — both among homeowners and renters (-48). The only major increaes has been among nonfamily homeowner households (+146). This is most likely attributable to an increasing number of seniors living alone.

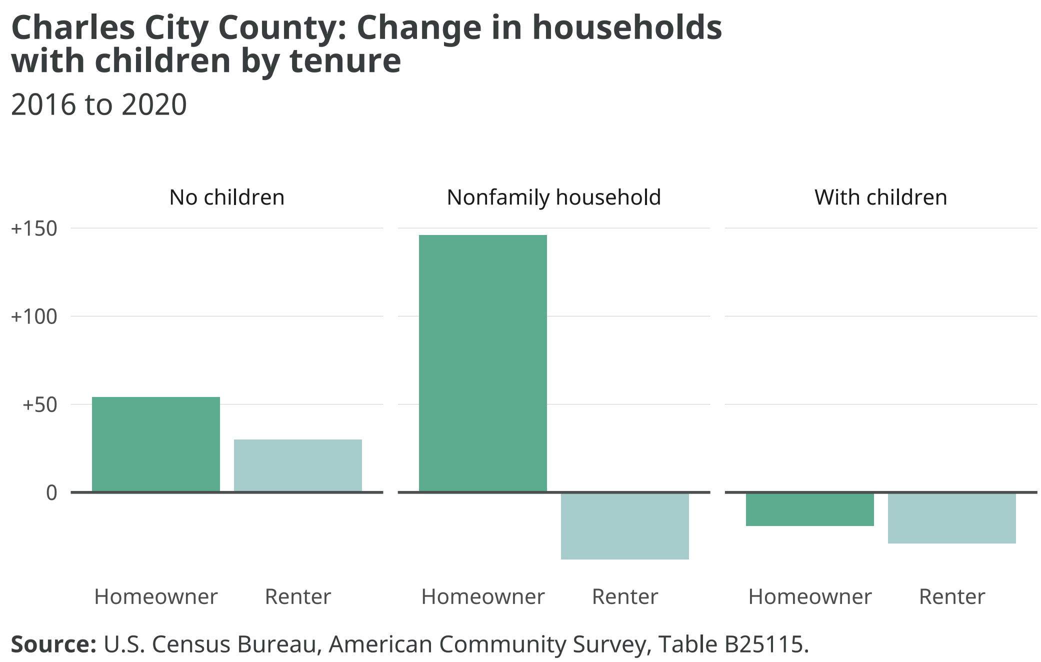


Figure 16.3: Charles City County: Change in households with children by tenure

The senior population in the county increased by 251 between 2016 and 2020. Much of that growth occurred among seniors who were the head of their family household (+130), followed by seniors living alone (+49).

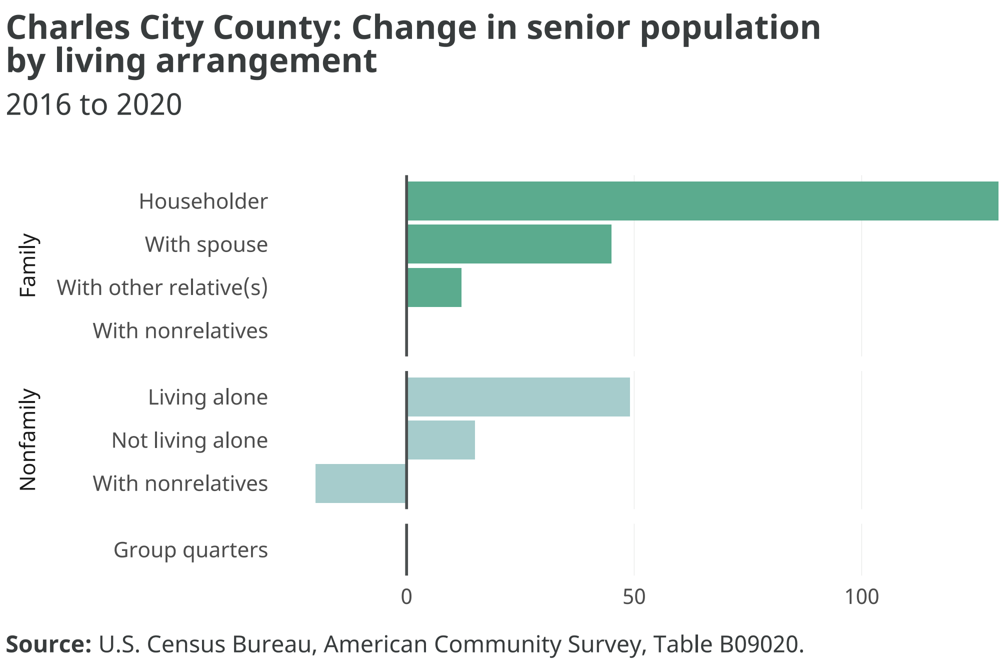


Figure 16.4: Charles City County: Change in senior population by living arrangement

16.2.3 Income and wages

For homeowners in the county, there has been very little change in median household income. When adjusted for inflation, homeowner median household income has only increased by 2 percent — from $65,077 in 2016 to $66,719 in 2020.

Renters in the county have seen a decrease in median household income by 22 percent — falling nearly $10,000 to $33,661 in 2020.

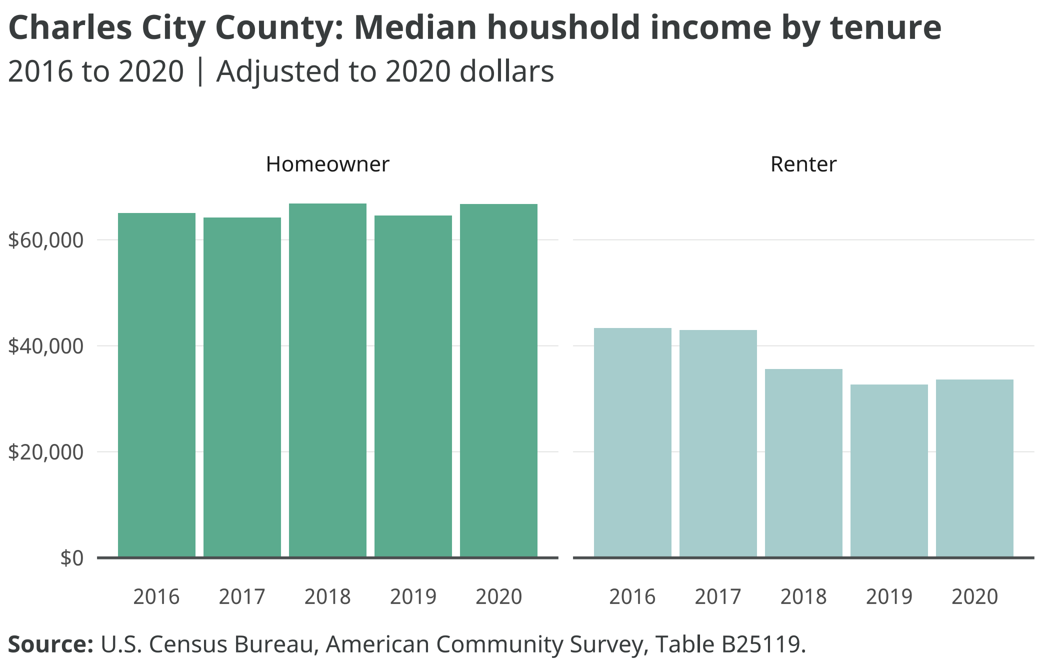


Figure 16.5: Charles City County: Median houshold income by tenure

16.2.4 Persons with disabilities

Individuals with independent living difficulties have increased largely among the 65 year and older age group. In total, there has been an increase of 67 individuals with independent living difficulties at this age between 2016 and 2020. Although this may seem like a small portion of the population, these individuals will increasingly require home aide assistance, accessibility modifcations, or an assisted living facility.

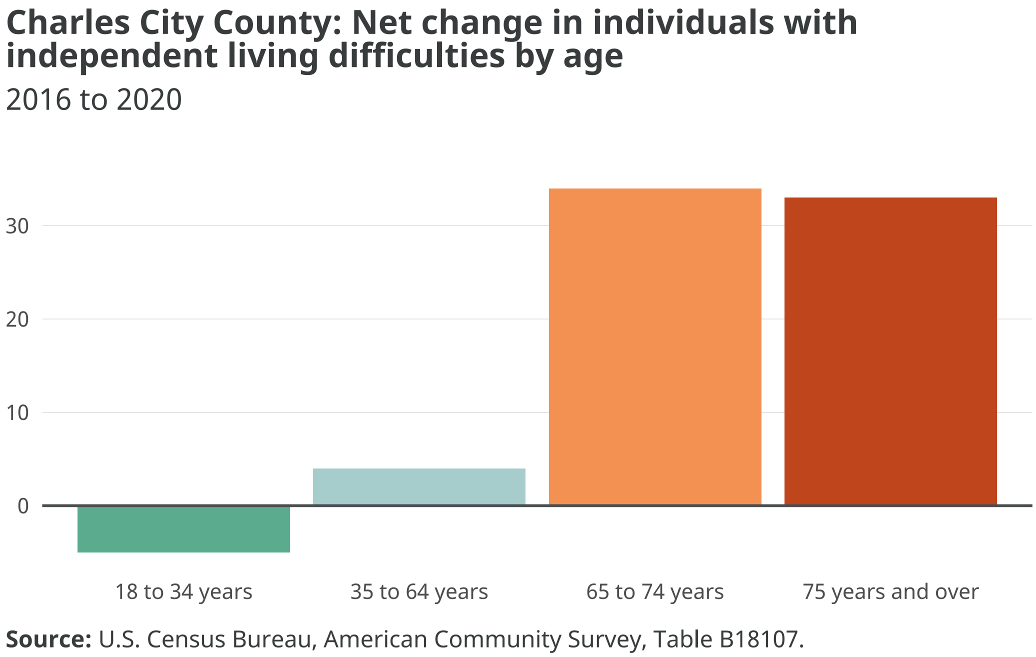


Figure 16.6: Charles City County: Net change in individuals with independent living difficulties by age

16.3 Housing supply and market changes

16.3.1 Homeownership

From 2017 to September 2022, median home price in the county has been on a general increase. In January 2017 the median home price was $172,975 and by August 2022 was $240,926. Between this time, monthly median sales price have fluctuated seasonally. But home sales in the county have not typically numbered beyond ten closed sales during this time frame. In fact, it was only in August 2019 that Charles City County so a five year high of ten total sales. With low sales and lower median prices, the loss of population is generally reflected in the for-sale home market.

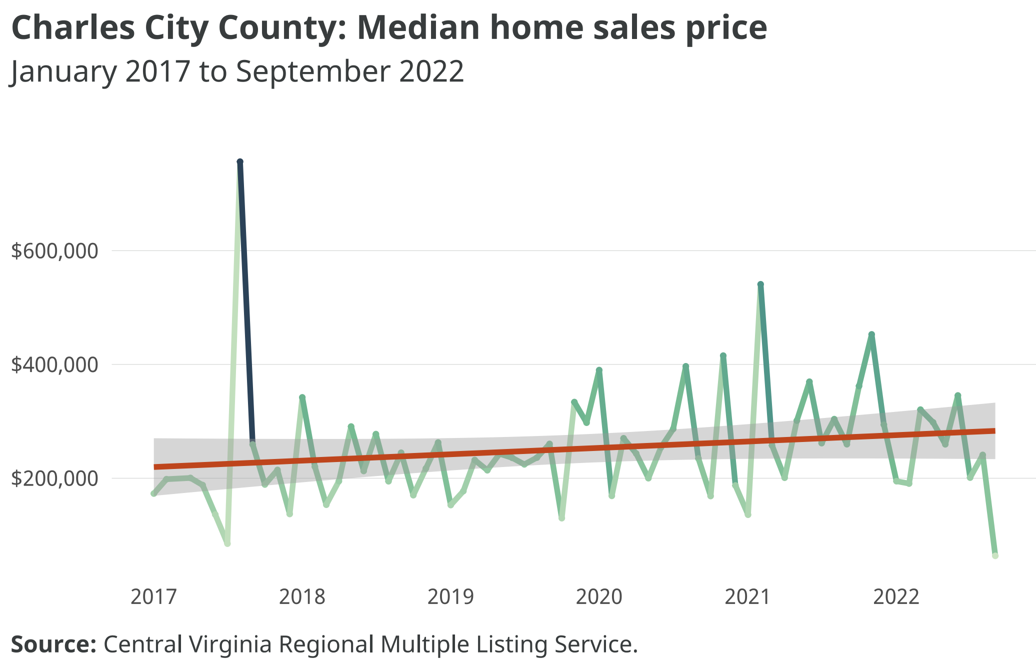


Figure 16.7: Charles City County: Median home sales price

16.3.2 Rental

Less than one in five households in the county are renters as of 2020 (15.6 percent). From 2016 to 2020, renter households have been declining in the county — going from 504 in 2016 to 467 in 2020. With few multifamily properties in the county, there is no doubt a large number of renters who are renting single-family homes across the county.

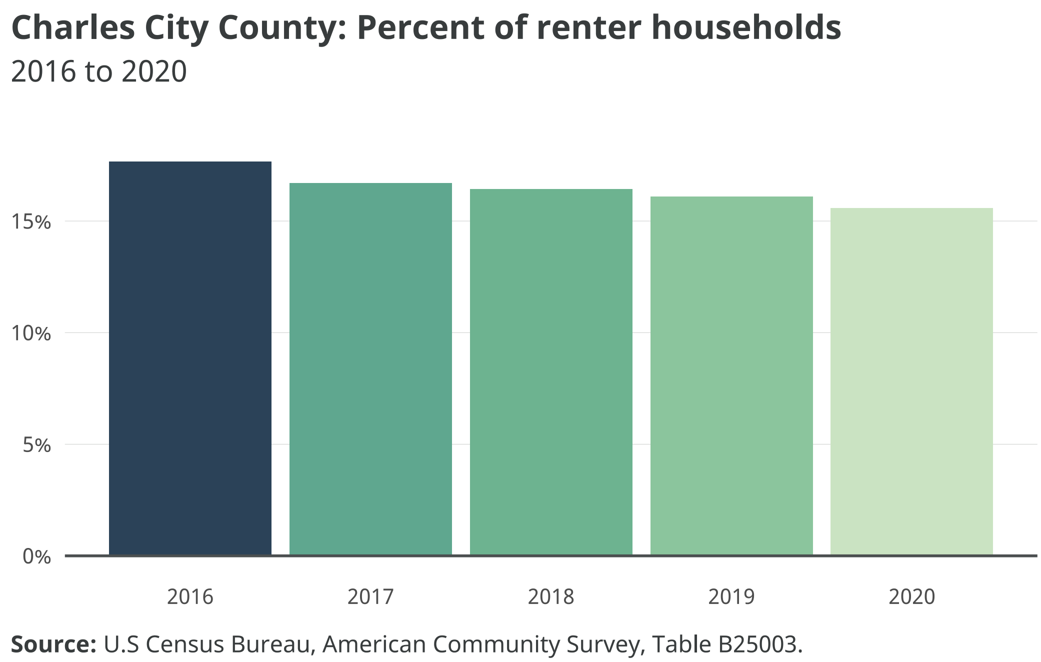


Figure 16.8: Charles City County: Percent of renter households

The rental market in Charles City County is small to non-existent. Apartments.com shows no available rental listings in the county, although CoStar lists at least one multifamily property in the county, Sign Post Estates. This 36 unit apartment complex was built in 1992 utilizing USDA Rural Rental Housing Loans and then utilized 9% Competitive Low-Income Housing Tax Credit program in 2004.

16.4 Gap analysis

16.4.1 Affordability of current housing stock

For the few hundred renters in the county, reaching homeownership has becoming more and more difficult in the county. In 2016, the income needed to afford the median home price was $34,539, while the median renter household income was $40,152. Since 2016, the ability of a renter to afford homeownership has quickly slipped away. By 2017, the median renter household was a few thousand dollars short of being able to afford homeownership. And by 2020, the gap between renter income and income needed had grown to nearly $17,000.

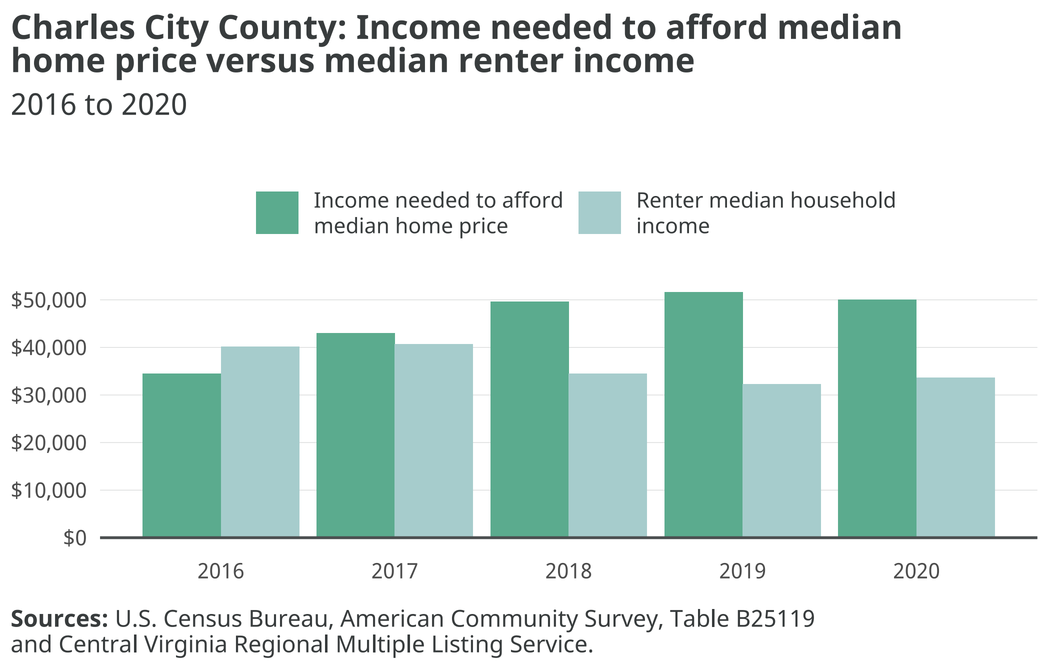


Figure 16.9: Charles City County: Income needed to afford median home price versus median renter income

In spite of the low number of renters in the county, there is still a shortage of affordable rentals for households making less than 80 percent AMI. That shortage has shrunk since 2015, from 104 rental units to 83 in 2018. With the county's declining population, a likely explanation is the departure of lower income renter households to other parts of the region.

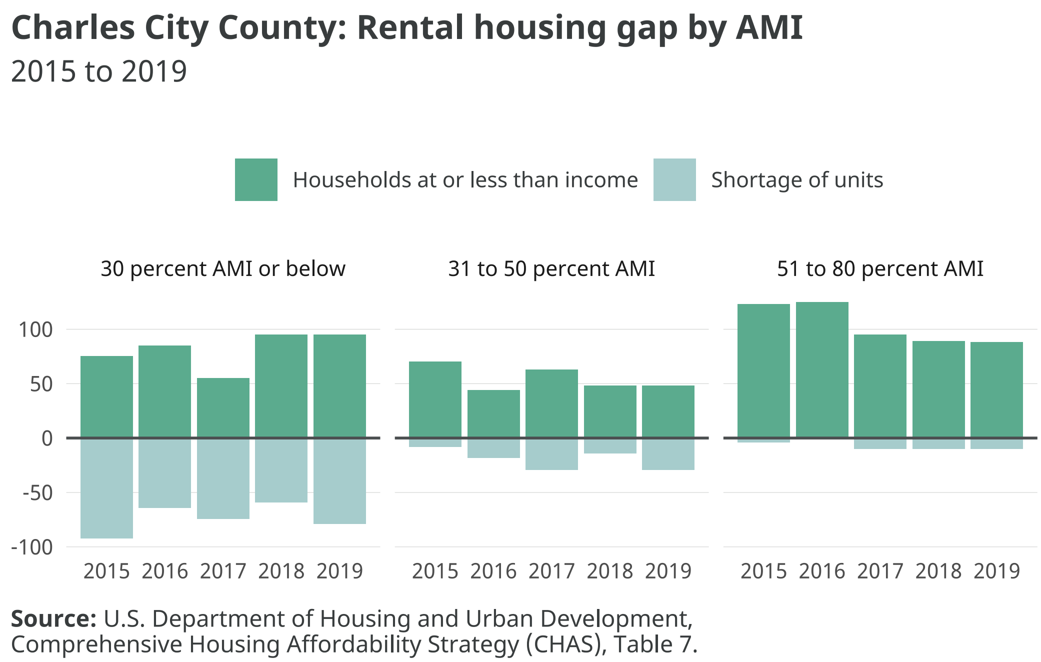


Figure 16.10: Charles City County: Rental housing gap by AMI

16.4.2 Impact of housing costs

From 2015 to 2019, there has been little change in the percent of households experiencing cost burden. Although there has been a slight decline in the number of cost-burdened homeowners, the share of cost-burdened homeowners has remained largely unchanged (24 percent in 2019). For renters, the number of cost-burdened renters has increased to 44 percent.

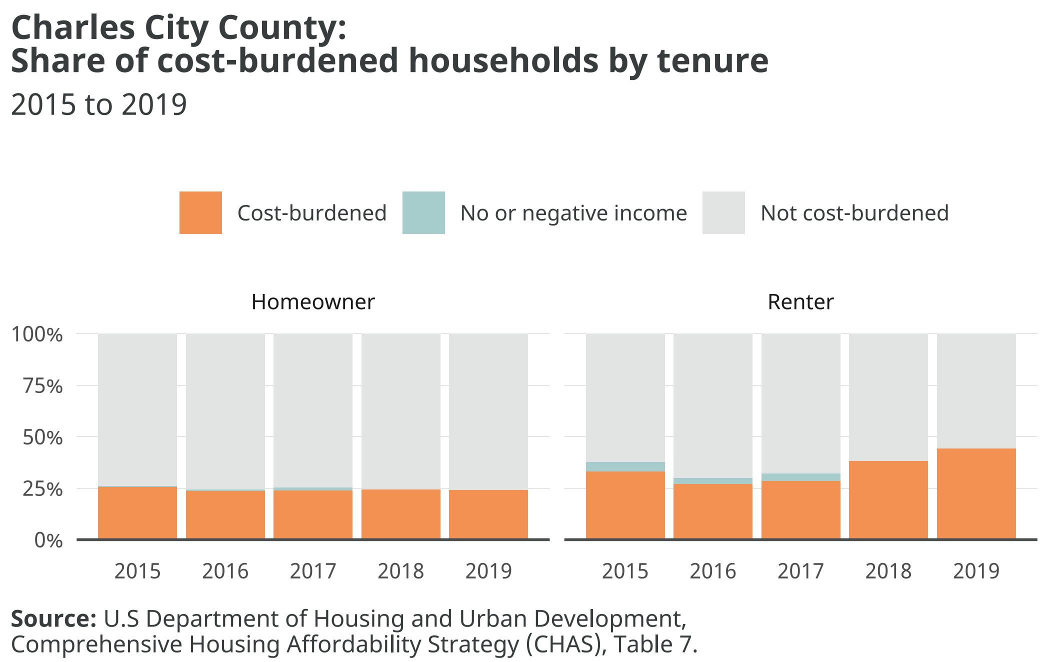
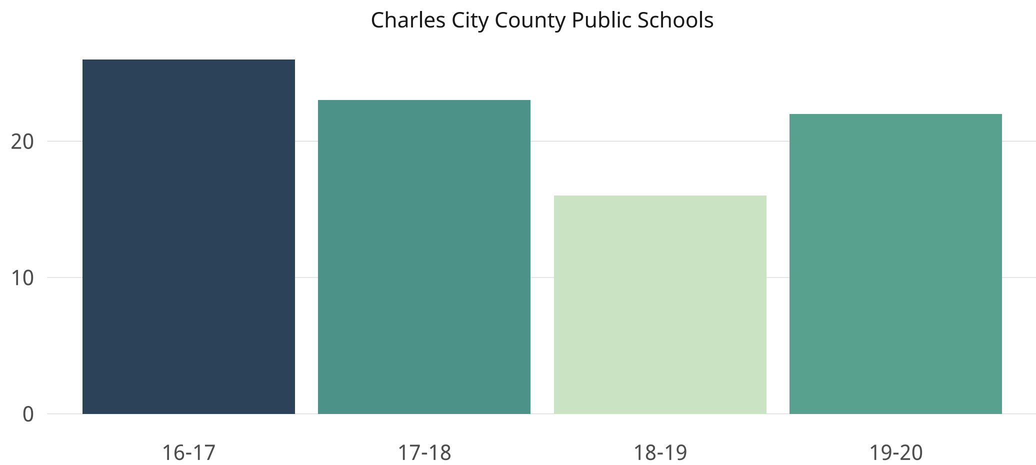


Figure 16.11: Charles City County: Cost-burdened households by tenure

McKinney-Vento Act data provides an estimate of enrolled students who are experiencing homelessness. This data is contrast to HUD Point-in-Time (PIT) counts because it utilizes a different definition of homelessness. In Charles City County, the number of enrolled students has remained below 30 from the 2016-2017 to 2019-2020 school years. During the 2018-2019 school year, Charles City County had a lower count of 16, but experiences a slight increase to 22 in 2019-2020.

Enrolled students experiencing homelessness by school year
2016-2017 to 2019-2020



Source: William & Mary School of Education, Project HOME - Virginia.

Figure 16.12: Charles City CountyEnrolled students experiencing homelessness by school year

17 Goochland County

This chapter is a summary of the major changes to the Goochland County's population and housing market in the past five years.

17.1 Takeaways

- After brief declined in the early 2010s, Goochland County's population has been growing steadily since 2012.
- The majority of population change in the county has been due to domestic migration. Between 2020 and 2021, the county saw 738 new residents from other parts of the region, state, or nation.
- Homeowners have seen increasing median incomes in the county, while renter median renter income gains disappeared by 2020.
- Despite the COVID-19 pandemic demand, median home price in Goochland County has remained relatively flat, but still among the highest in the region — averaging in the $500,00s.
- New rental properties along the eastern border of the county have driven average asking rents well into the $2,000s.
- Cost burden has been in decline for both homeowner and renter households, but nearly one in four renter households in the county remain cost-burdened as of 2018.

17.2 Demographic and socioeconomic changes

17.2.1 Population changes

Despite an initial decline in the early 2010s, Goochland County's population has been on a steady increase since 2012. From 2012 to 2020, the population has increased by 16 percent to reach 24,727 residents. Much of this growth can be tied to development in the eastern part of the county, where development activity Goochland-Henrico border has been increasing.

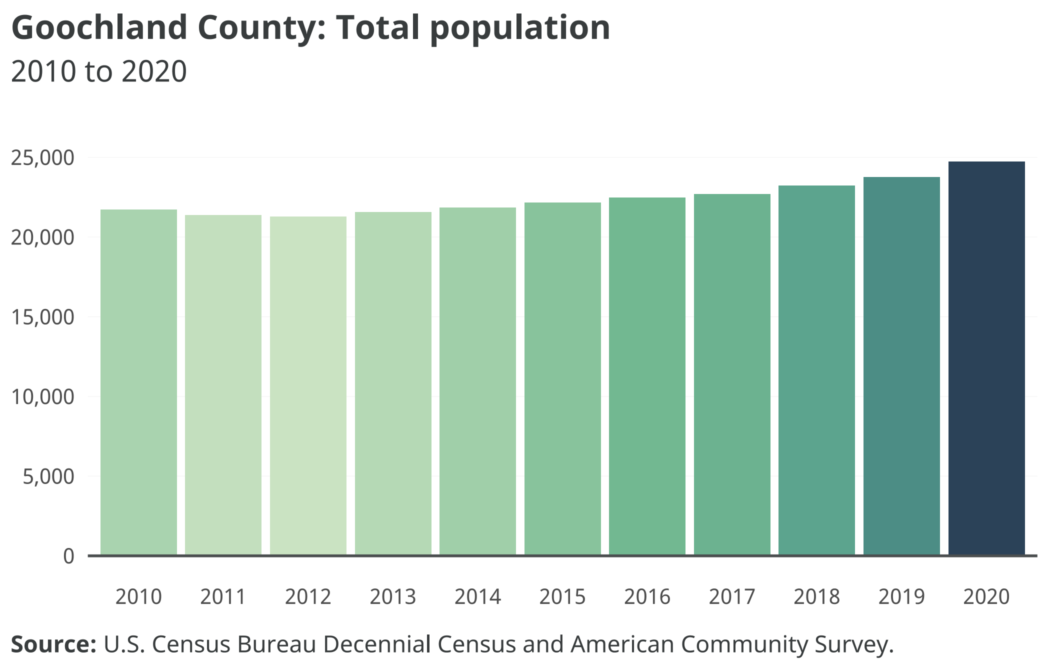


Figure 17.1: Goochland County: Total Population

The growth in population is due in large part to domestic migration. Between 2020 and 2021, 738 new residents arrived in the county from somewhere else in the region, state, or nation.

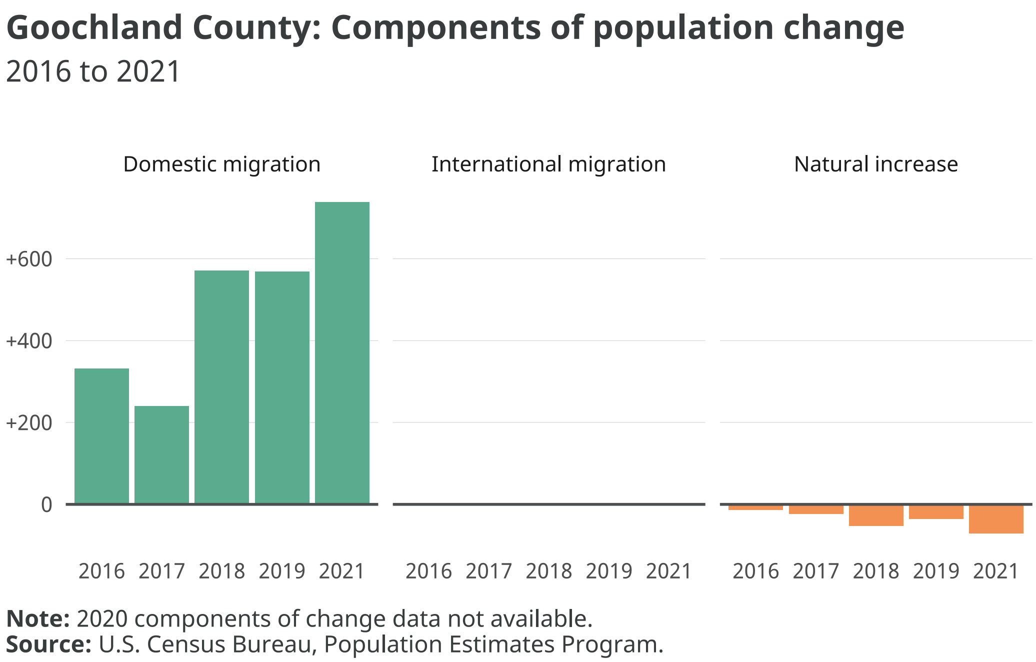


Figure 17.2: Goochland County: Components of population change

17.2.2 Household characteristics

All types of households are seeing an increase in the county — especially homeowner households. Renter households have also seen a net increase in the county between 2016 and 2020, but that growth has mainly been among nonfamily renter households (+119), which typically refers to households that live alone or with a roommate.

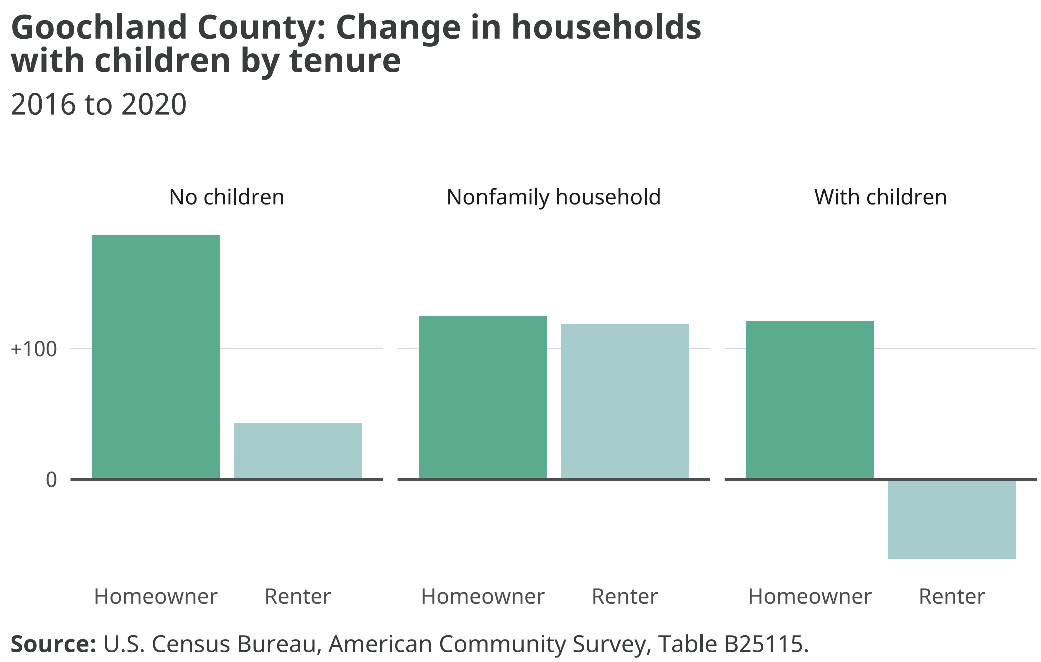


Figure 17.3: Goochland County: Change in households with children by tenure

The senior population has been growing in the county (+996). Although much of that growth has occurred among seniors living with family, 27 percent of the increase was among seniors living alone.

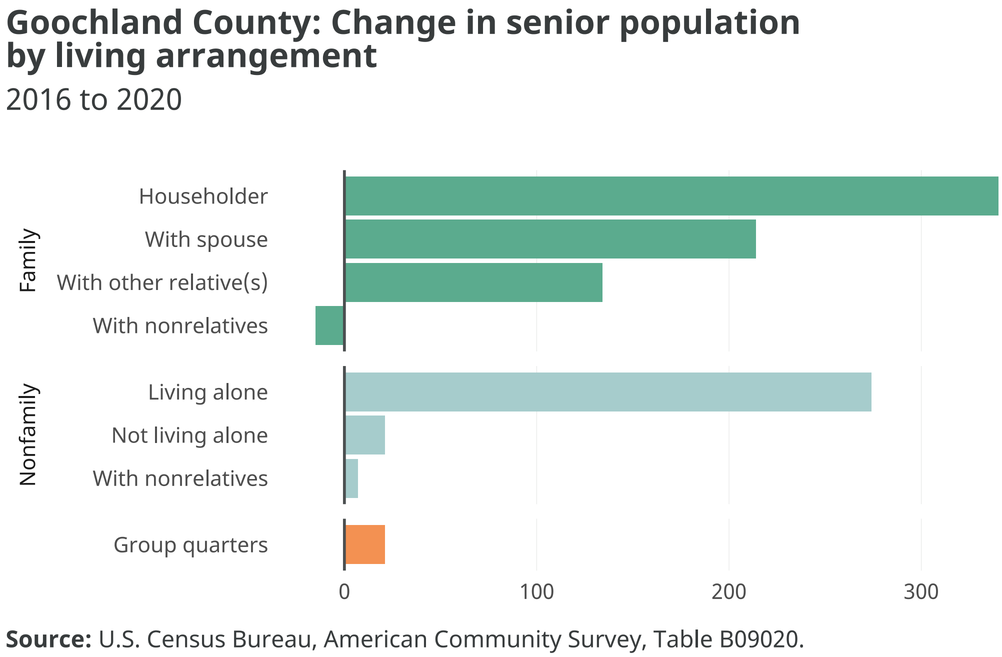


Figure 17.4: Goochland County: Change in senior population by living arrangement

17.2.3 Income and wages

Median homeowner household income has been growing in Goochland County. From 2016 to 2020, the typical homeowner household income increased by 14 percent. Renter households saw some initial increases in median household income from 2016 to 2019, but between 2019 and 2020, median renter household income actually decreased by 18 percent (-$10,291).

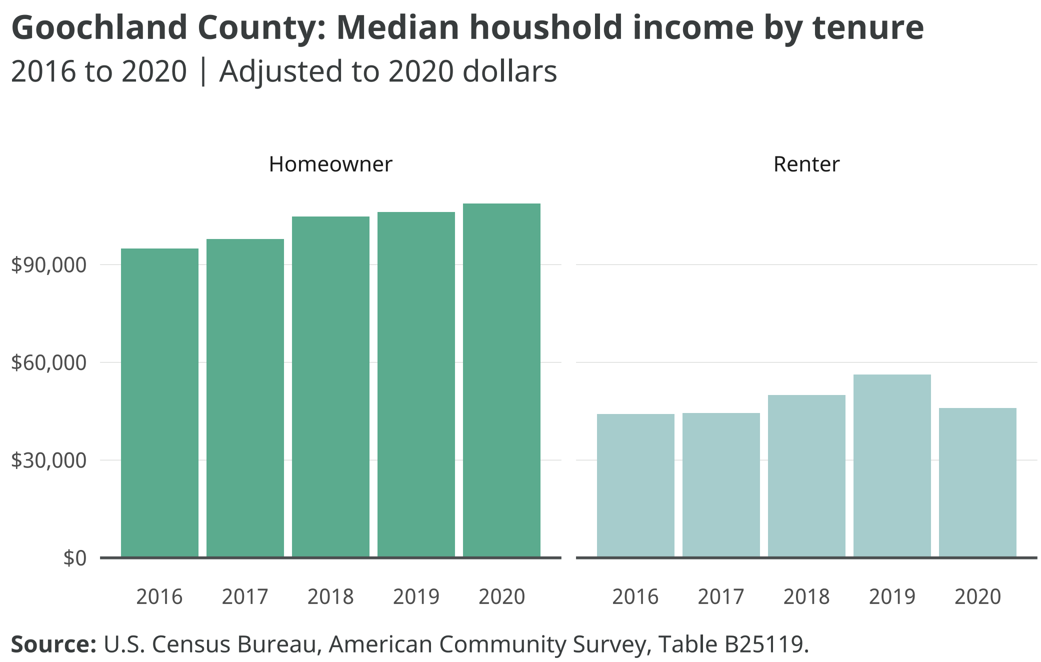


Figure 17.5: Goochland County: Median houshold income by tenure

17.2.4 Persons with disabilities

Individuals with independent living difficulties have generally been decreasing in the county — particularly among individuals under 75 years old. But there has been a slight increase in individuals 75 years old and older with independent living difficulties. The net decrease in individuals with independent living difficulties could be a signal of limited accommodations and resources for adults in the county and subsequent departure of those individuals from the county.

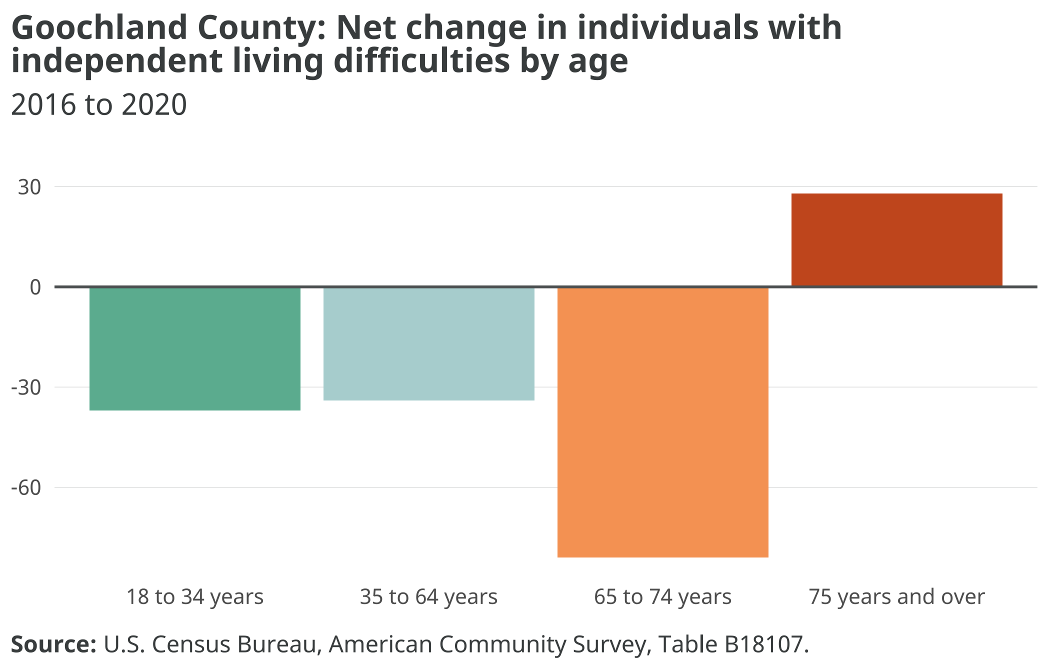


Figure 17.6: Goochland County: Net change in individuals with independent living difficulties by age

17.3 Housing supply and market changes

17.3.1 Homeownership

As with all other localities in the region, home prices in the county have followed seasonal trends. In January 2017, the median home price in the county was $476,293 and by September 2022 reached $567,980 — a 19 percent increase. Goochland County saw some spikes in median home price during the pandemic, but clearly those spikes did not exceed previous trends in the county.

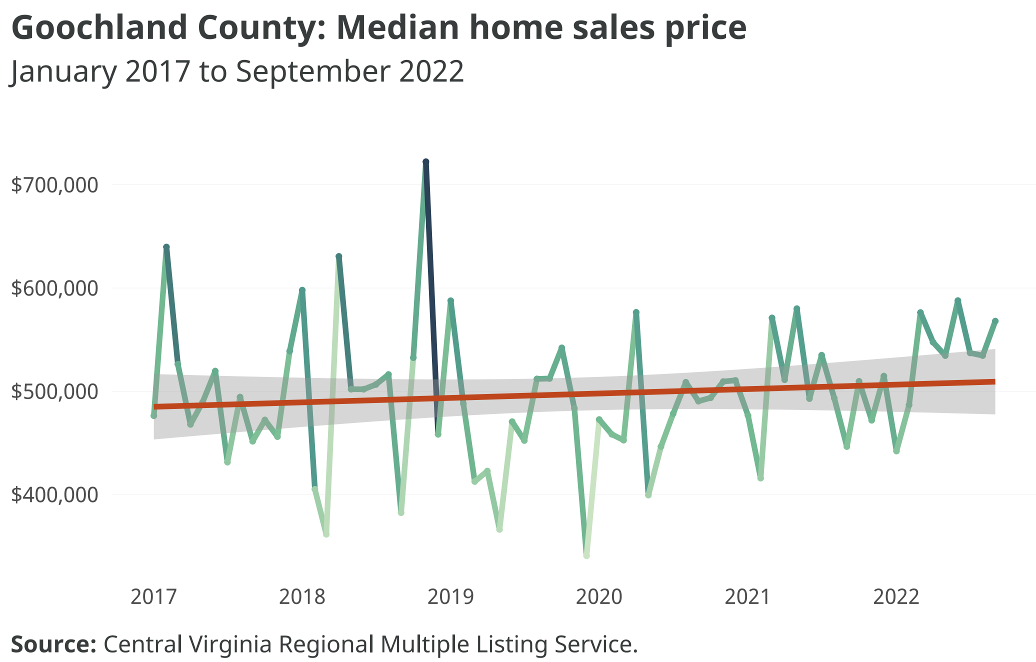


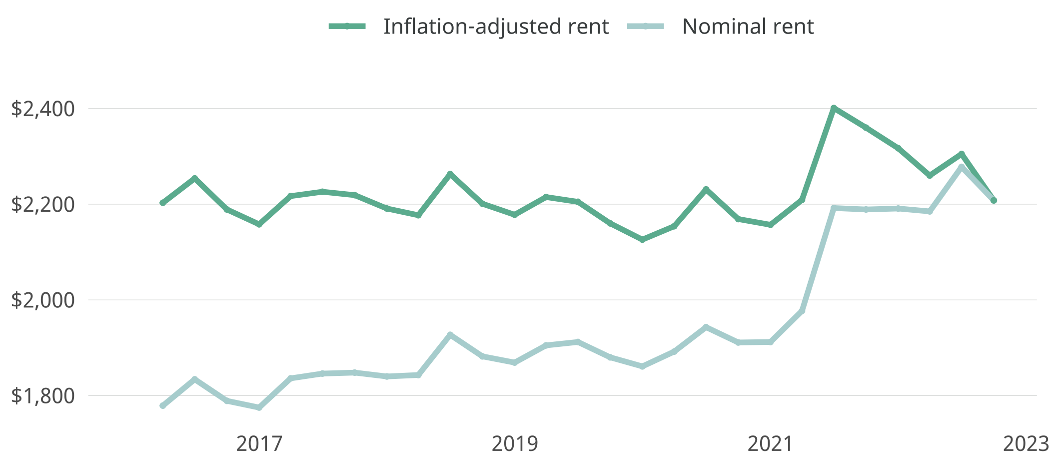
Figure 17.7: Goochland County: Median home sales price

17.3.2 Rental

The rental market in Goochland County has largely grown in the past five years. The development of West Creek Business Park and with it the headquarters for major employers such as CarMax and Capital One has led to increasing demand for housing at the eastern edge of the county. The market has responded with luxury multifamily developments such as The Retreat at West Creek and Tuckahoe Pines and there are at least 1,700 more units on the way.

The increasing rental demand has been apparent in high average asking rent in Goochland County. As of 2022 Q3, average asking rent in the county was $2,208. Adjusting for inflation shows despite what appears to be a 24 percent increase in rent from 2016 Q1 to 2022 Q3, the value of the dollar has changed in such a way that rent then and now has changed very little. Nonetheless, an average asking rent of $2,208 remains a steep price for low- and even moderate-income households.

Goochland County: Average asking rent
2016 Q1 to 2022 Q3



Source: CoStar Group, Inc.

Figure 17.8: Goochland County: Average asking rent

17.3.3 Housing assistance

As of early 2022, there were no federally-assisted rental housing properties located in Goochland County.

17.3.4 Naturally-occurring affordable housing

CoStar does not list any one- or two-star rental properties in Goochland County, therefore the number of NOAH properties in the county is largely unknown. However, the U.S. Census Bureau may provide clues as to where NOAH may be generally located in the county by determining what type of structures renters reside in.

As of 2020, the majority of renters reside in single-family homes (71 percent). The share of renters residing single-family homes has decreased as the number of multifamily properties has increased, but there has also been a raw decrease in single-family renters (from 935 in 2016 to 838 in 2020). The large share of single-family rentals could potentially be a large source of NOAH in the county.

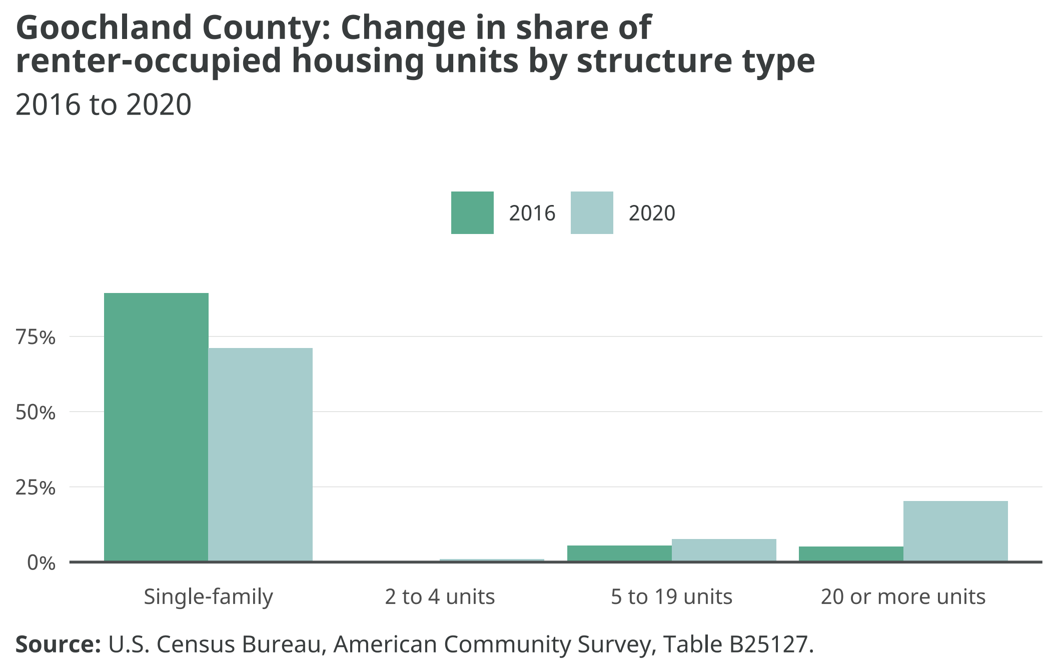


Figure 17.9: Goochland County: Change in share of renter-occupied housing units by structure type

17.4 Gap analysis

17.4.1 Affordability of current housing stock

When comparing renter income to the average asking rent in a year, Goochland County has seen a persistent gap between what is on the market and what is affordable to the typical renter. The gap between median renter household income and average asking rent in 2016 was $752. By 2020, that gap had increased by $10 — continuing to leave the typical renter hundreds of dollars short of affording the typical rent.

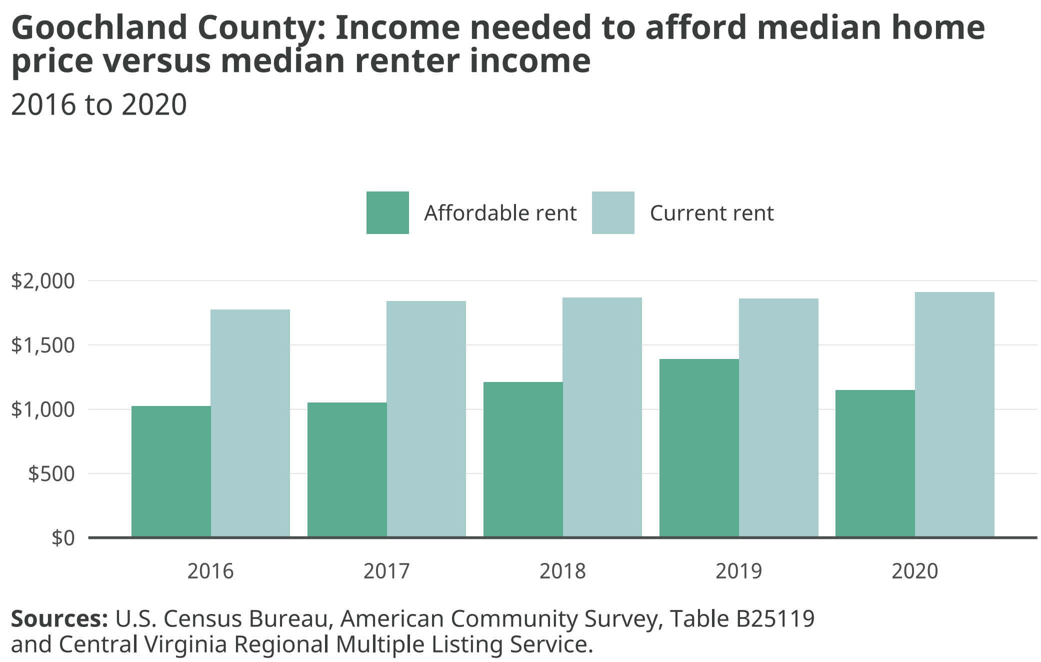


Figure 17.10: Goochland County: Average asking rent versus rent affordable to median renter income

. For renters to afford homeownership, the income needed to afford the the median priced home is a steep economic climb. In 2016, a household needed to make roughly $87,483 to afford the median sales price, but a renter's median household income was only $40,915. By 2020, the gap had only narrowed slightly to $39,448.

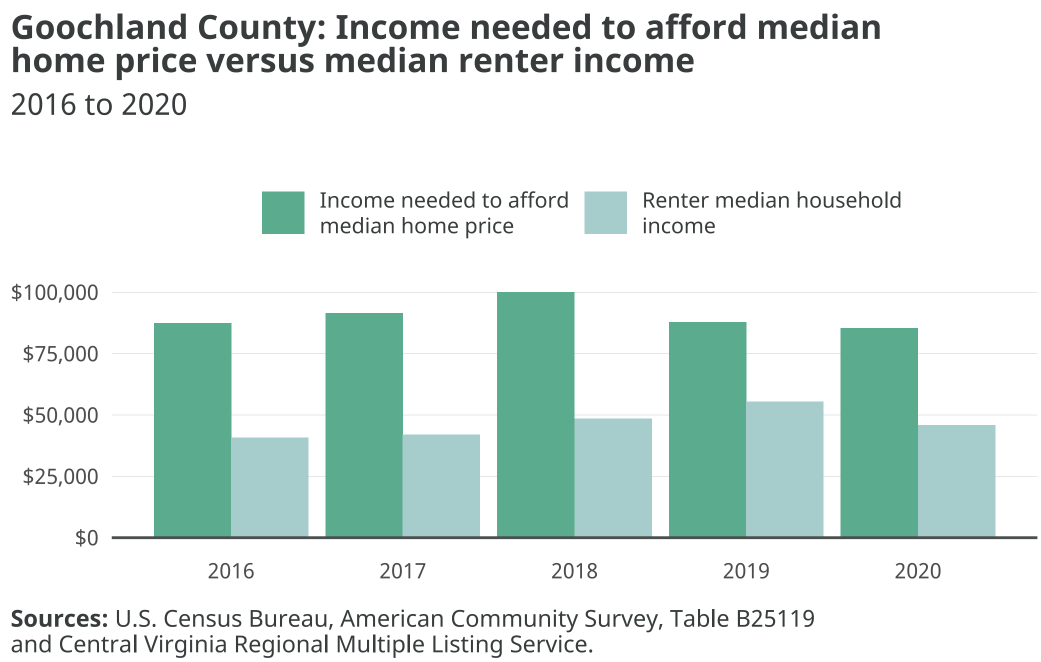


Figure 17.11: Goochland County: Income needed to afford median home price versus median renter income

The latest data from HUD shows that there was a shortage of 160 rental homes affordable to households making less than 80 percent AMI in 2018. This was a deficit decrease from 2015 when the shortage was 274. For Goochland County, the shortage among renters below 30 percent AMI has been declining slightly. But the major shortage exists among renters between 31 and 50 percent AMI.

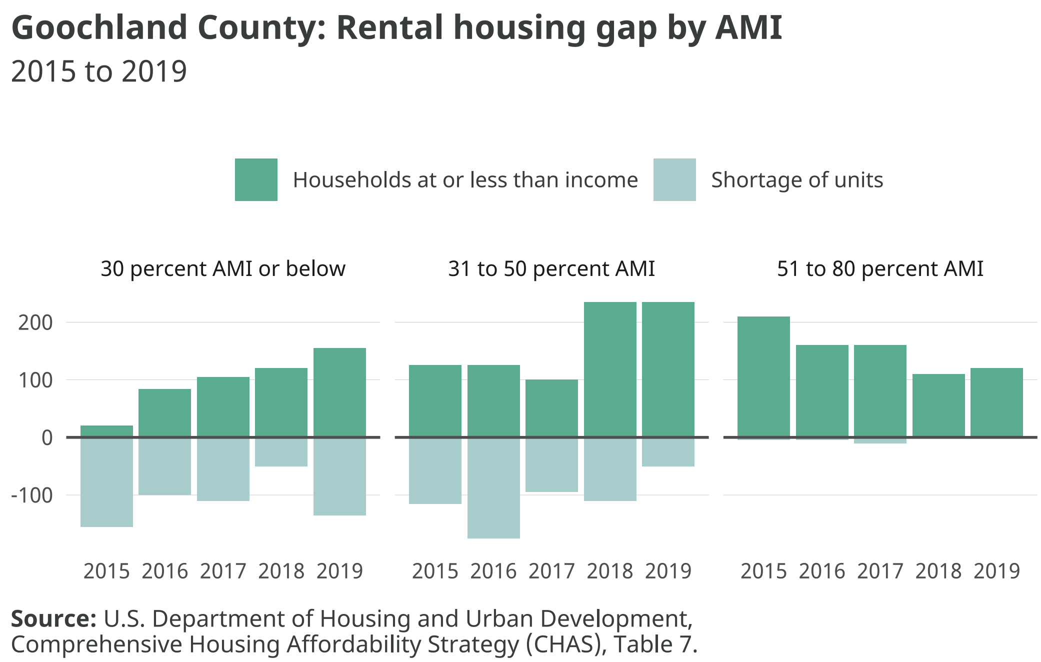


Figure 17.12: Goochland County: Rental housing gap by AMI

17.4.2 Impact of housing costs

Cost burden in the county has declined in the county for both homeowners and renters. In 2015, 22 percent of homeowners were cost-burdened, but by 2019 that estimate had declined to 17 percent. Renters also saw declines — from roughly 32 percent to 27 percent during this same time period.

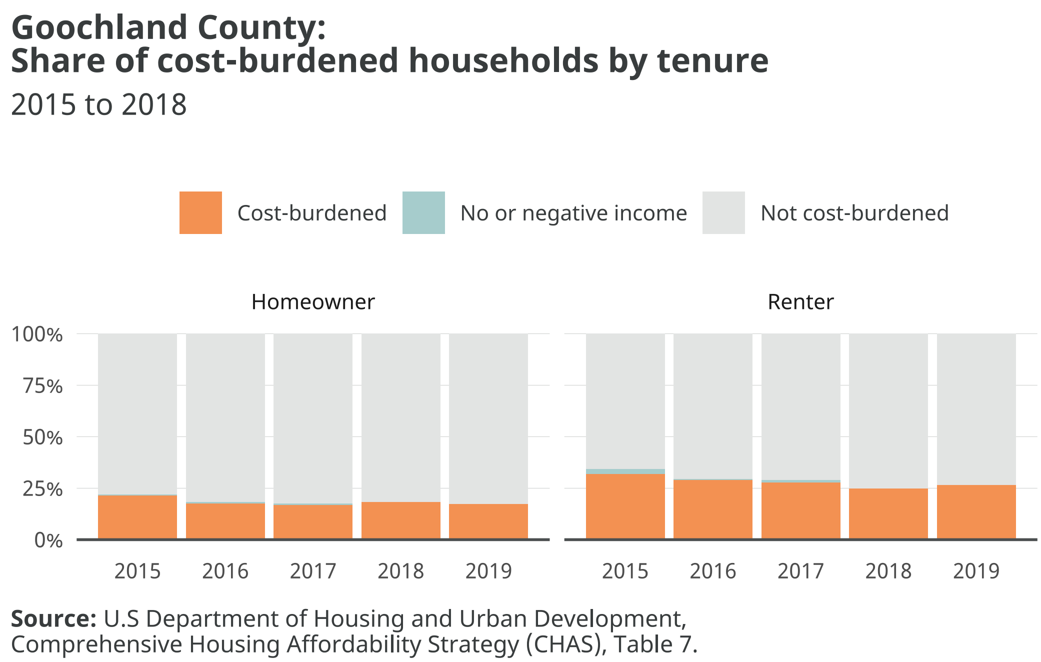
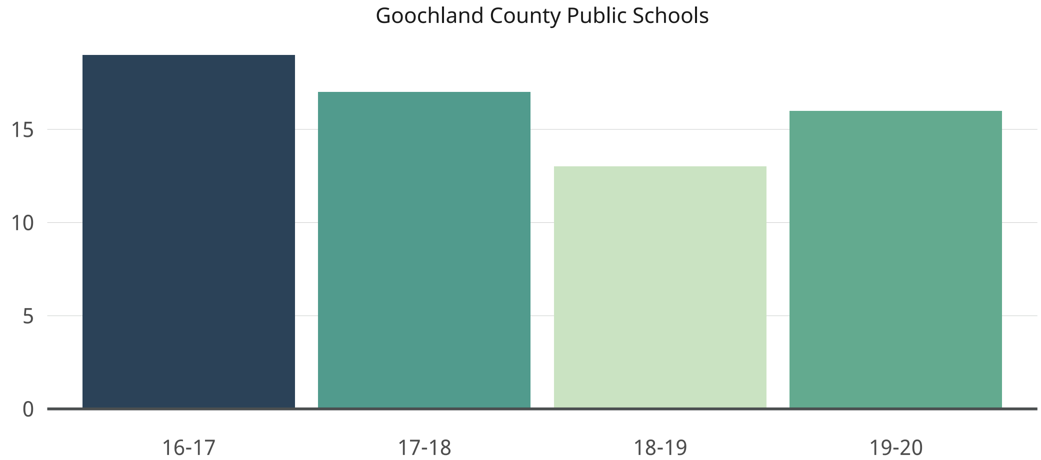


Figure 17.13: Goochland County: Cost-burdened households by tenure

McKinney-Vento Act data shows small changes in the number of enrolled students experiencing homelessness. Although there was a decline from the 2016-2017 school year, the number of students experiencing homelessness increased in the most recent year of 2019-2020. In rural communities like Goochland County, homelessness can often be invisible and difficult to assess. In some cases, substandard housing is a just as critical issue for those extremely low-income individuals and households.

Enrolled students experiencing homelessness by school year
2016-2017 to 2019-2020



Source: William & Mary School of Education, Project HOME - Virginia.

Figure 17.14: Goochland CountyEnrolled students experiencing homelessness by school year

18 New Kent County

This chapter is a summary of the major changes to the New Kent County's population and housing market in the past five years.

18.1 Takeaways

- The county has grown by 24 percent since 2010 — reaching a population of 22,945 as of 2020.
- Much of the population growth in recent years has been a result of domestic migration.
- Renters are exiting the county, while more and more new homeowners are setting up permanent residence in the county — especially homeowners with children (+463 households between 2016 and 2020).
- If home sales trends continue, median home price in the county is well on its way to $400,000.
- Few rental options in the county leave lower income households having to rent single-family detached homes or simply leave the county.
- Those renters that remain in the county are seeing increasing cost burden.

18.2 Demographic and socioeconomic changes

18.2.1 Population changes

Since 2010, New Kent County's population has been growing slowly — by a few hundred residents each year. But by 2020, the population experienced a slight decline of 146 residents from 2019's population of 23,091.

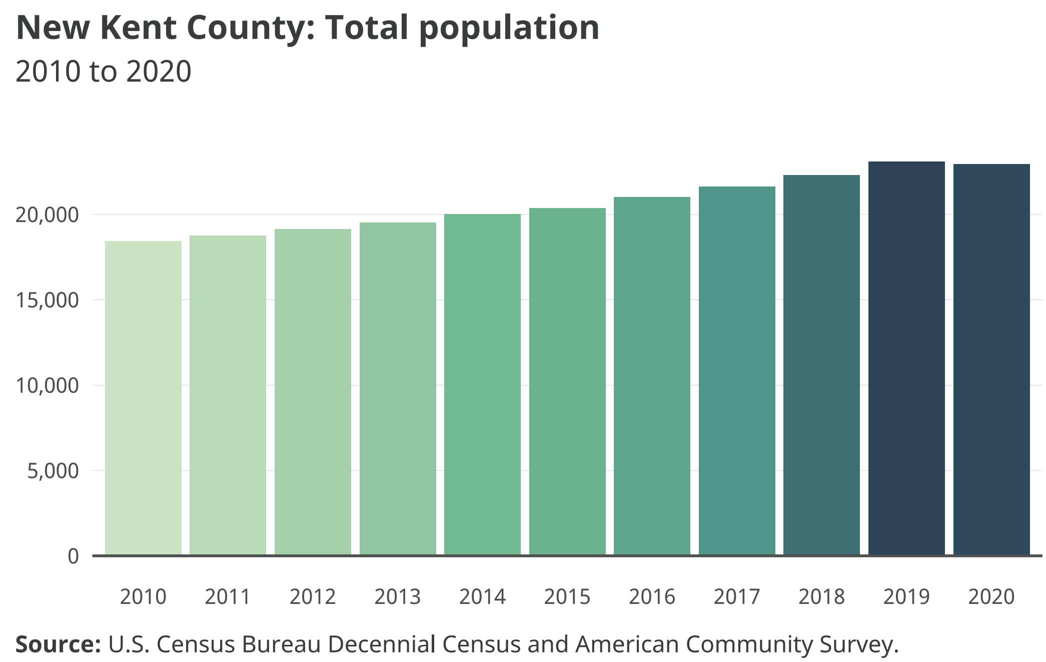


Figure 18.1: New Kent County: Total Population

New Kent County's population change has been driven largely by domestic migration. Between 2020 and 2021, the population was estimated to have increased by 845 residents due to people moving into the county.

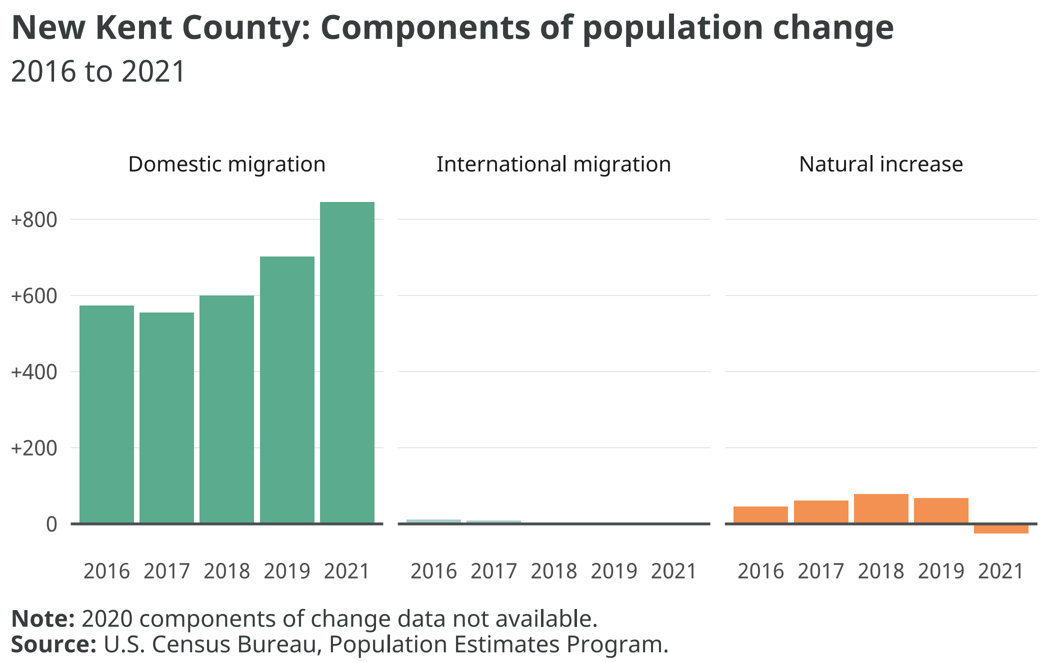


Figure 18.2: New Kent County: Components of population change

18.2.2 Household characteristics

The county has seen a decreasing number of renter households across the board. But homeowners continue to come to the county — especially homeowner households with children. Between 2016 and 2020, there was an increase of 463 homeowners with children.

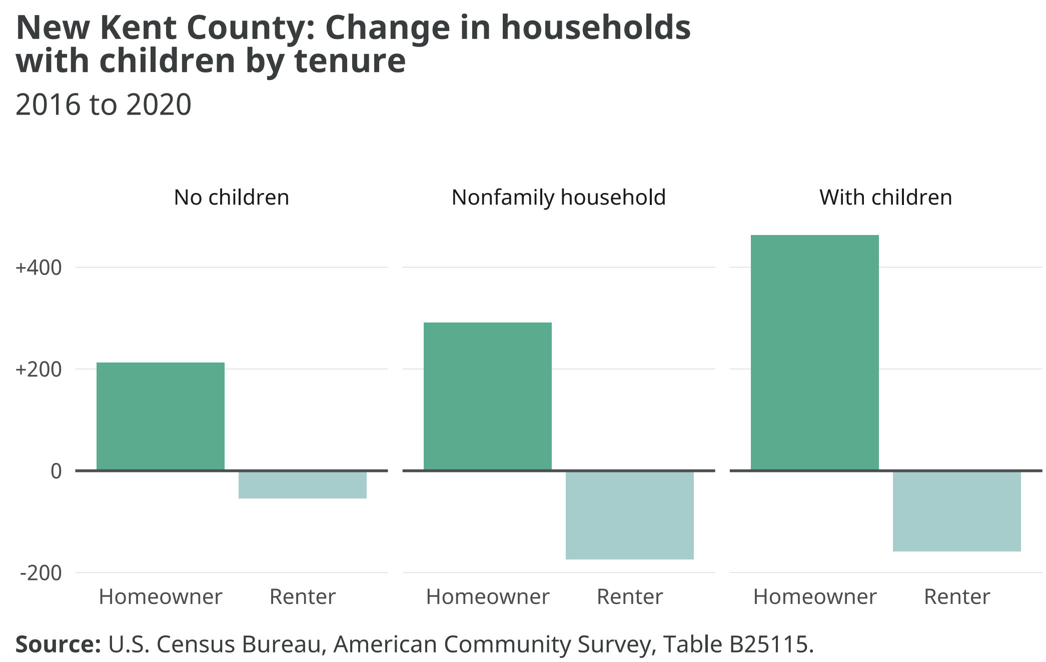


Figure 18.3: New Kent County: Change in households with children by tenure

The greatest increases in the senior population in the county have been among seniors living with a spouse (+498). In contrast to other localities, New Kent County is not seeing a large increase in seniors living alone — suggesting that senior families are choosing to stay or move to New Kent County.

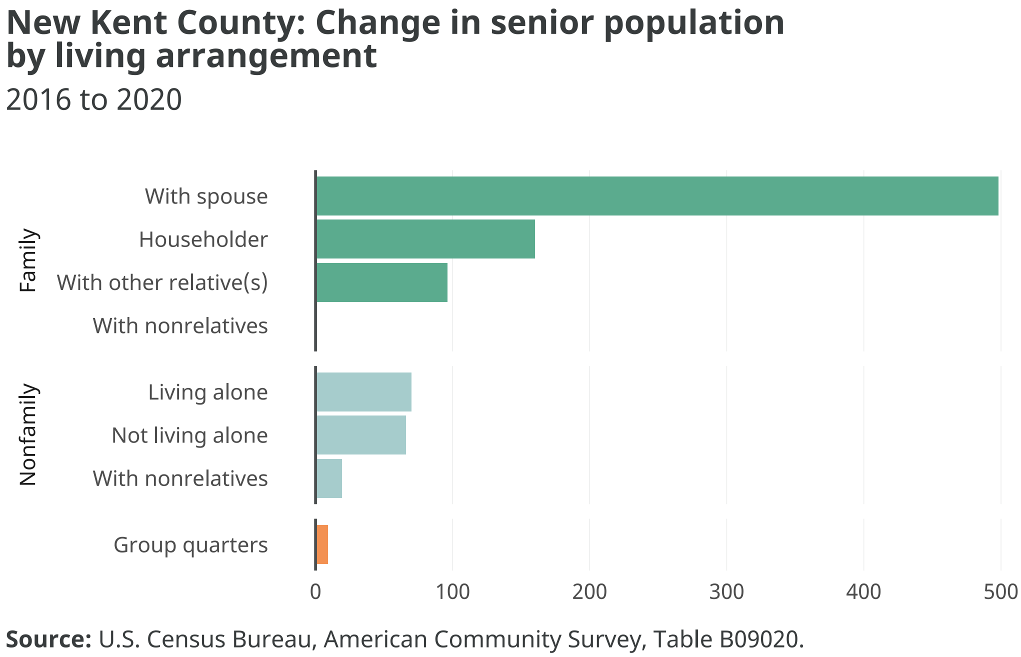


Figure 18.4: New Kent County: Change in senior population by living arrangement

18.2.3 Income and wages

Homeowner median household income has been on the incline from 2016 to 2020 — going from $92,651 in 2016 to $104,545 in 2020, a 14 percent increase. Although renter median household income was on its way up from 2016 to 2017, median renter household income has been on decline since a high of $60,440 in 2017.

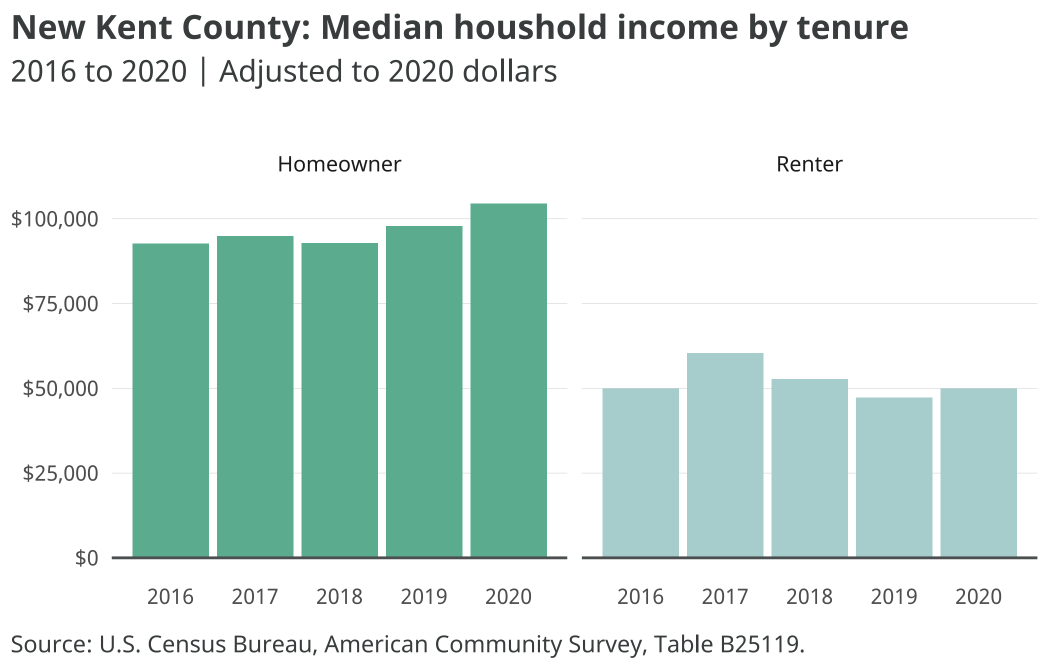


Figure 18.5: New Kent County: Median houshold income by tenure

18.2.4 Persons with disabilities

Adults under 75 with independent living difficulties have increased across the county since 2016, but decreased for those 75 and over. This is likely the result of the county's elderly population naturally declining, while "younger" seniors and adults making up most new household growth.

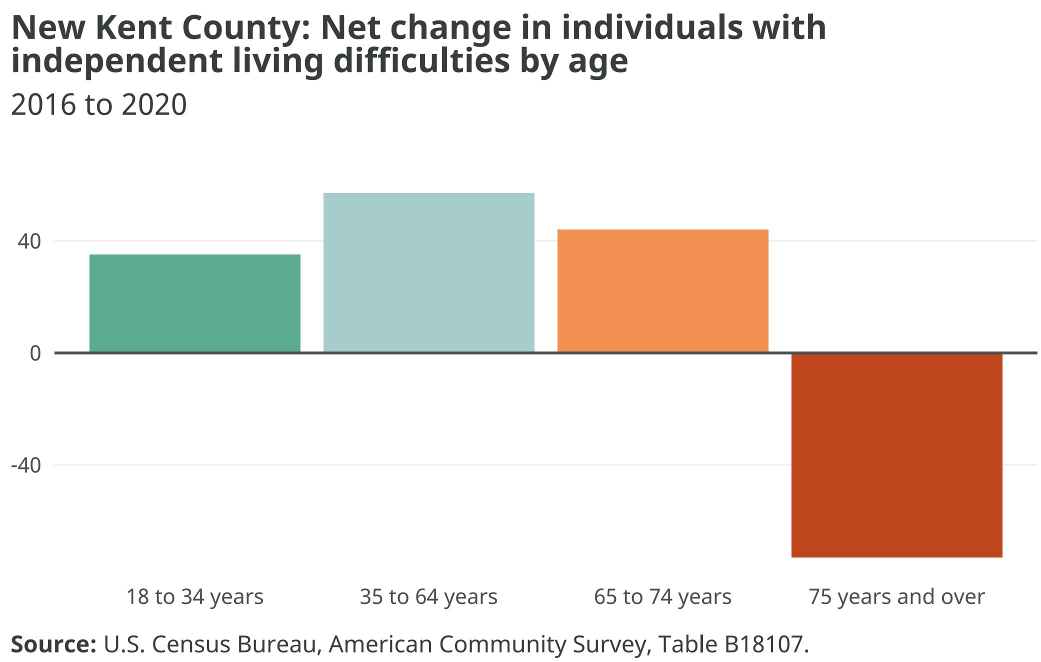


Figure 18.6: New Kent County: Net change in individuals with independent living difficulties by age

18.3 Housing supply and market changes

18.3.1 Homeownership

New Kent County median home price has been increasing in recent years. From a low of $296,207 in September 2017 to a high of $409,286 in May 2022, median home price in the county has increased nearly 40 percent.

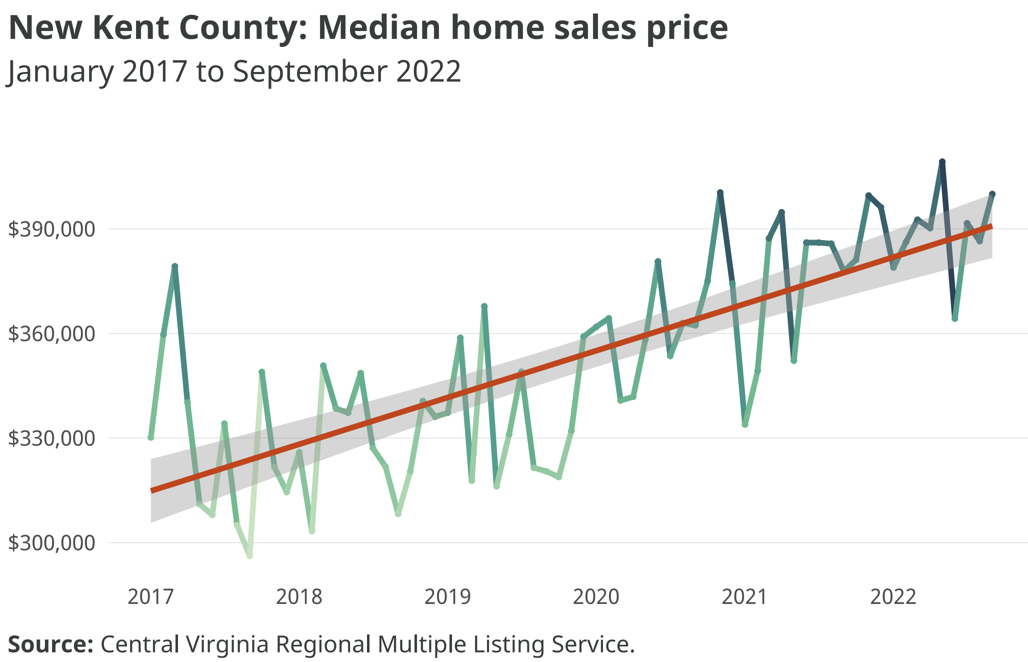


Figure 18.7: New Kent County: Median home sales price

18.3.2 Rental

CoStar does not list any multifamily properties in New Kent County. However in 2020, there was an estimated 815 renters in the county. This was a decrease from 2016 when there were 1,202 renters (16 percent of total households). Based on U.S. Census Bureau estimates the majority (89 percent) of those 815 renter households in the county live in single-family detached homes.

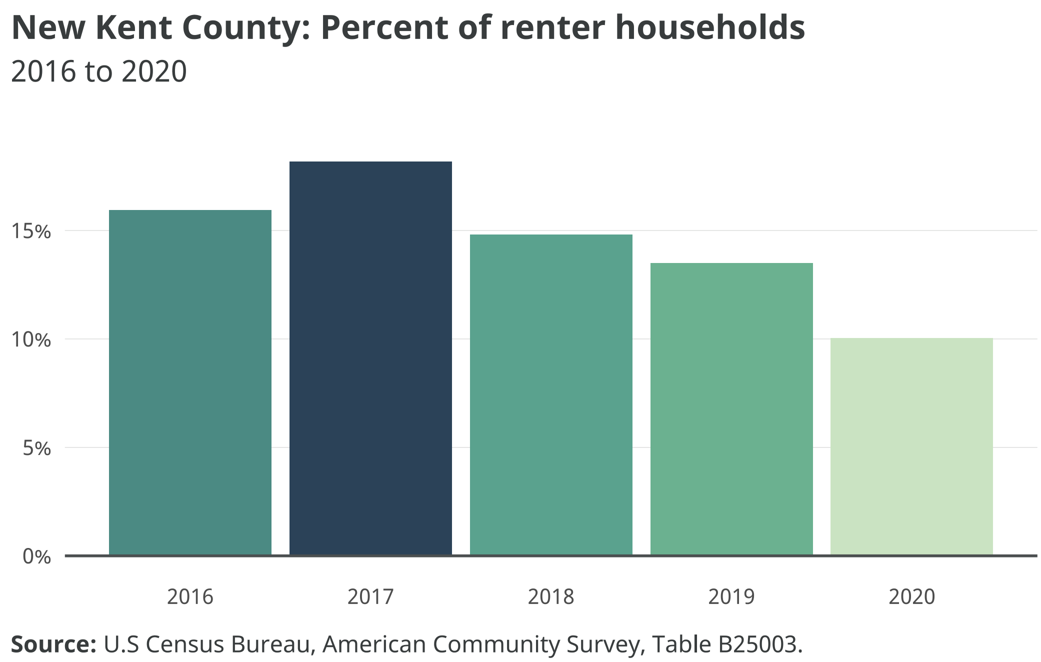


Figure 18.8: New Kent County: Percent of renter households

18.3.3 Housing assistance

The National Housing Preservation Database lists no federally-assisted housing properties in New Kent County.

18.3.4 Naturally-occurring affordable housing

CoStar does not list any properties that can be defined as naturally-occurring affordable housing within New Kent County. However, there are at least three manufactured home communities located in the county. These communities represent a small but important source of affordability in the county.

Putze's Mobile Home Park located in Quinton is an 11 unit community and Long Acres Mobile Home Park is a 24 unit community located in Providence Forge.

Rockahock Park is a combination manufactured home community and RV campground with an indeterminate amount of lots.

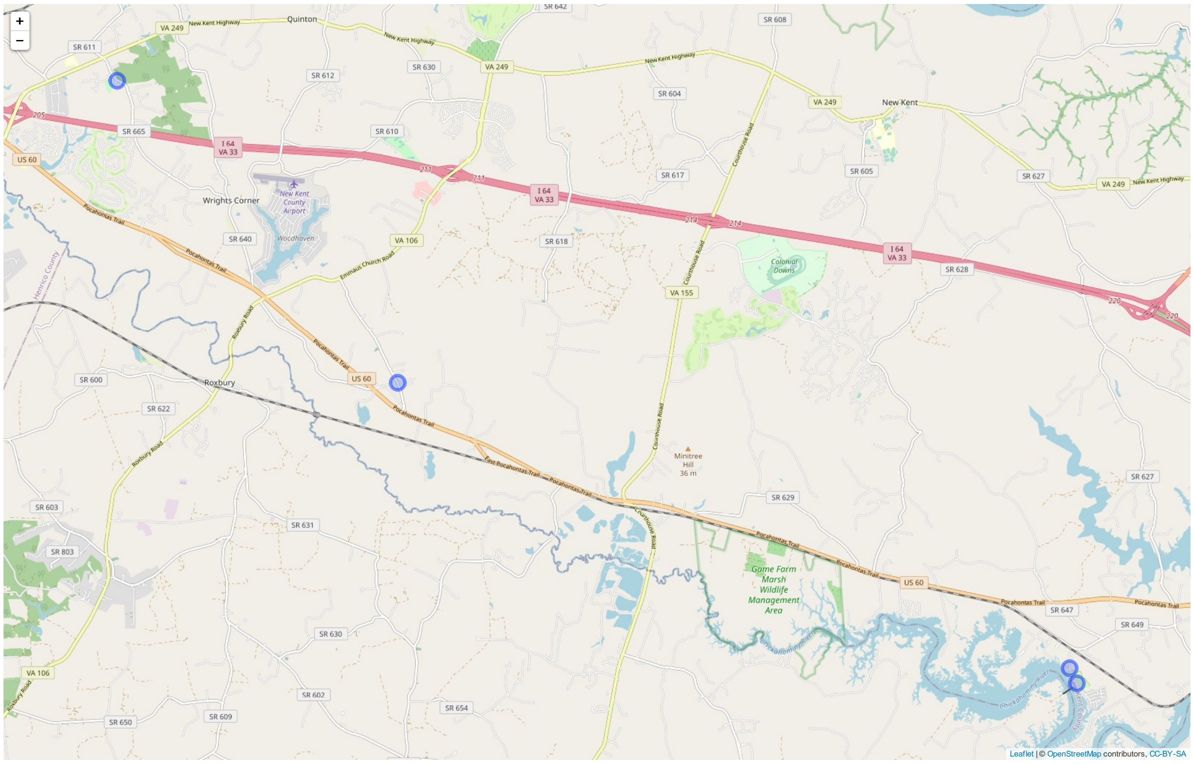


Figure 18.9: New Kent County: Manufactured home communities

18.4 Gap analysis

18.4.1 Affordability of current housing stock

A lack of diverse rental options leave lower income households with few housing options in the county aside from renting a single-family home. To purchase a single-family home, the typical renter in the county would need to make at least $17,000 more than they did in 2020.

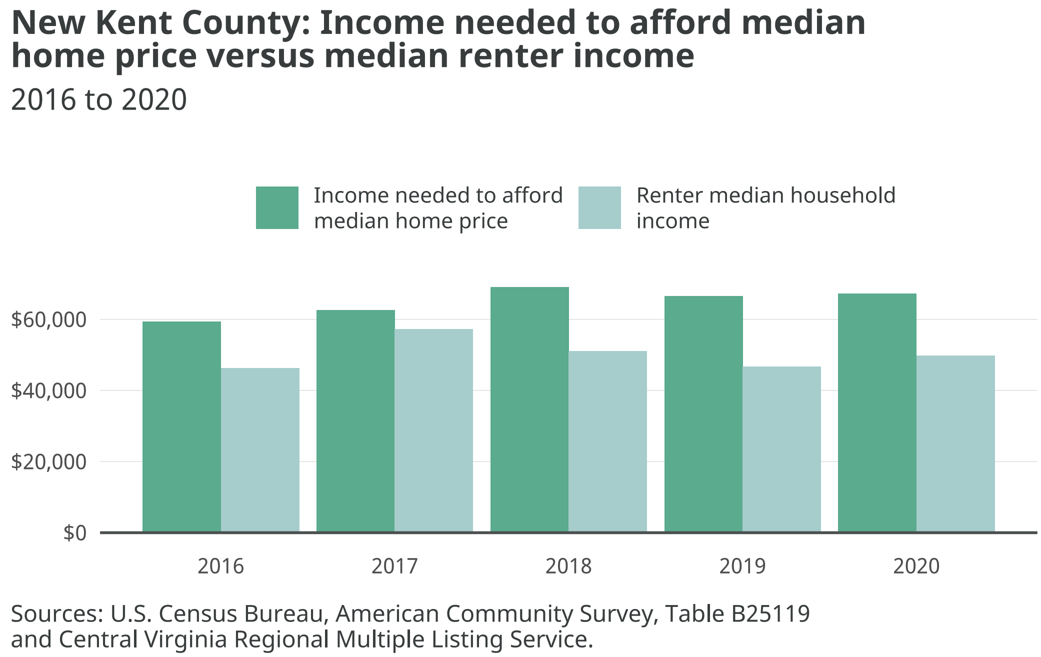


Figure 18.10: New Kent County: Income needed to afford median home price versus median renter income

In spite of a low number of rental housing options in the county, there was still a shortage of 255 rental housing units for households making 80 percent AMI or less in 2018. This shortage is an increase from 2015 when the shortage was 135. The increase in deficit was most significant for households making between 51 and 80 percent AMI — an increase of 75 households from zero.

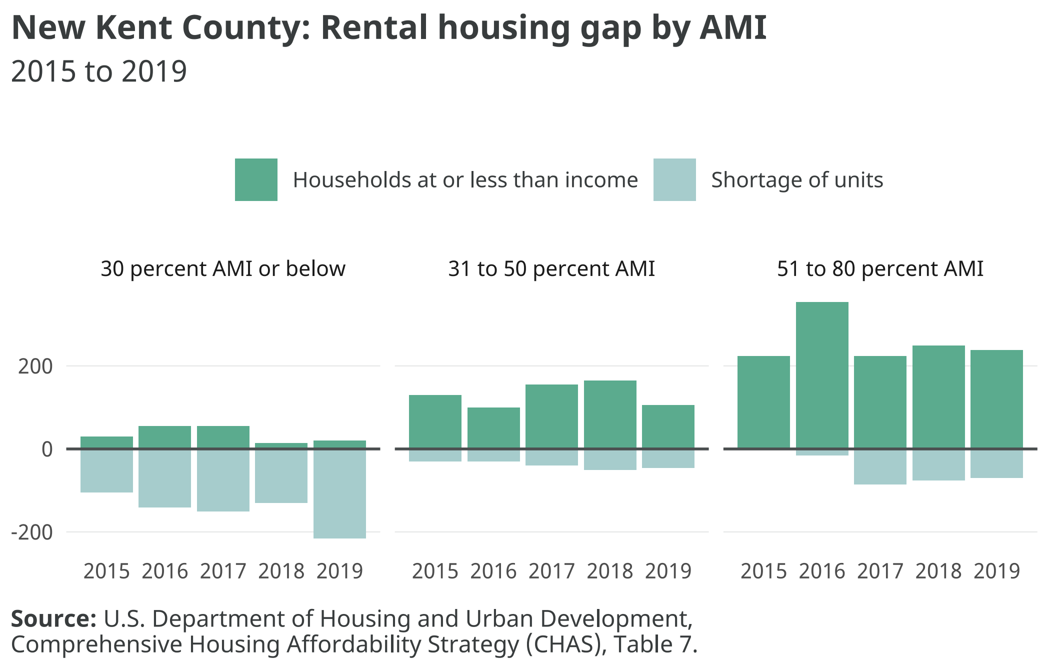


Figure 18.11: New Kent County: Rental housing gap by AMI

18.4.2 Impact of housing costs

Although the number of renter households in the county has been declining, the share of cost-burdened renters has only increased. In 2019, 41 percent of renter households were cost-burdened compared to about 26 percent in 2015. For homeowners, the number of cost-burdened households has remained largely unchanged (1,352 in 2015 and 1,354 in 2019). But as new homeowners come into the county, the share of cost-burdened homeowners has declined from 22 to 20 percent.

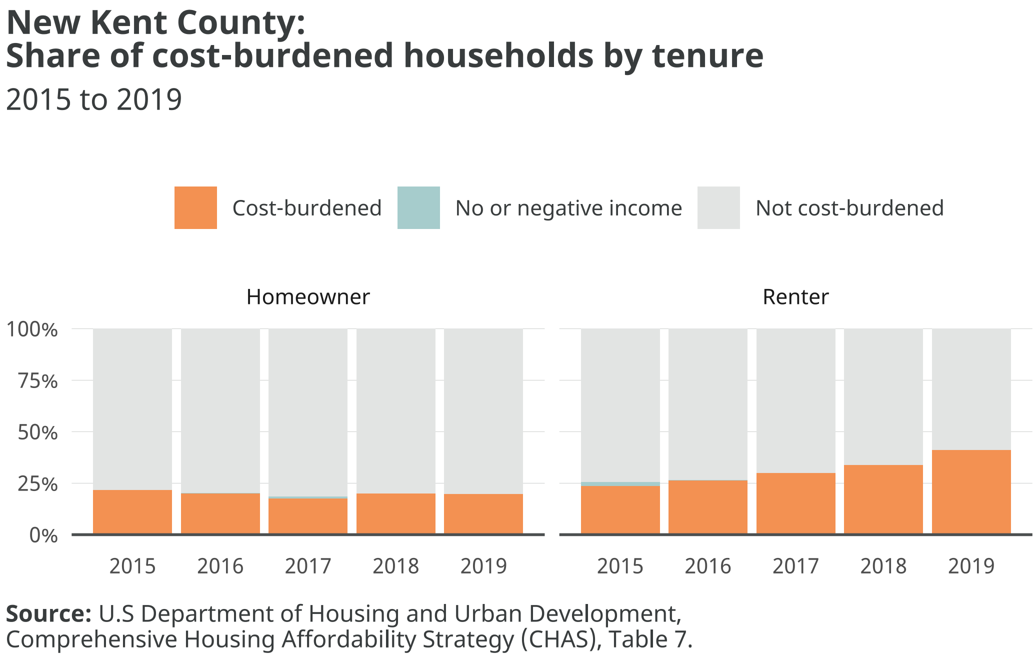
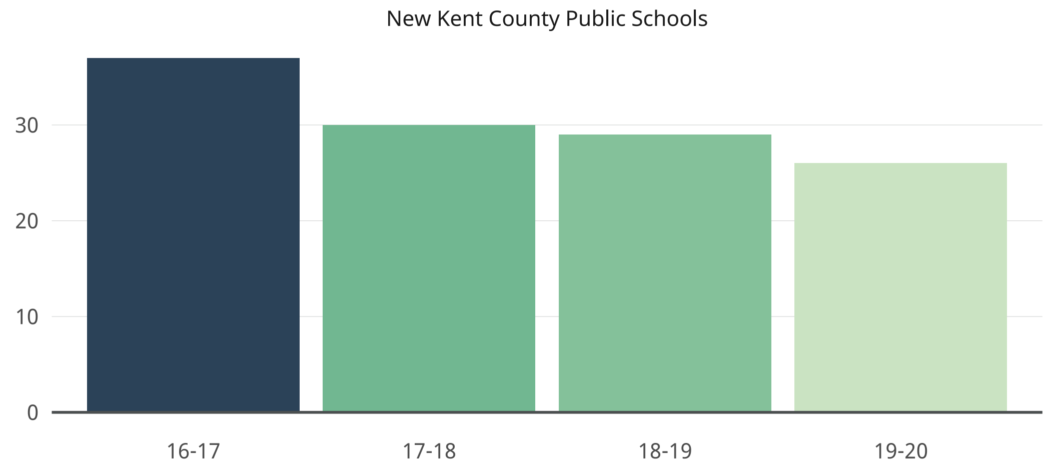


Figure 18.12: New Kent County: Cost-burdened households by tenure

Available data from William and Mary's Project HOPE shows that the number of enrolled students experiencing homelessness in the county has declined in recent years. The county's McKinney-Vento Act data showed that there were 37 students experiencing homeless in the 2016-2017 school year. By the 2019-2020, that number had declined to 26.

Enrolled students experiencing homelessness by school year

2016-2017 to 2019-2020



Source: William & Mary School of Education, Project HOME - Virginia.

Figure 18.13: New Kent CountyEnrolled students experiencing homelessness by school year

19 Powhatan County

This chapter is a summary of the major changes to the Powhatan County's population and housing market in the past five years.

19.1 Takeaways

- Powhatan County is growing like many other parts of the region — passing the 30,000 mark in 2020.
- More and more homeowners without children have been moving into the county — nearly 600 households between 2016 and 2020.
- Unlike other localities, the county saw a decrease of nearly 100 seniors living alone between 2016 and 2020.
- Median renter household income in the county saw a 20 percent increase in recent years, while fewer and fewer renters in the county.
- Although only 29 enrolled students experienced homelessness during the 2019-2020 school year, this was a doubling from 2016-2017 when the count was at 15.

19.2 Demographic and socioeconomic changes

19.2.1 Population changes

Despite a dip in population from 2014 to 2015, Powhatan County has been on an upward trend for the most part. In 2020, the county reached a population of 30,333 — an overall increase of 8 percent since 2010.

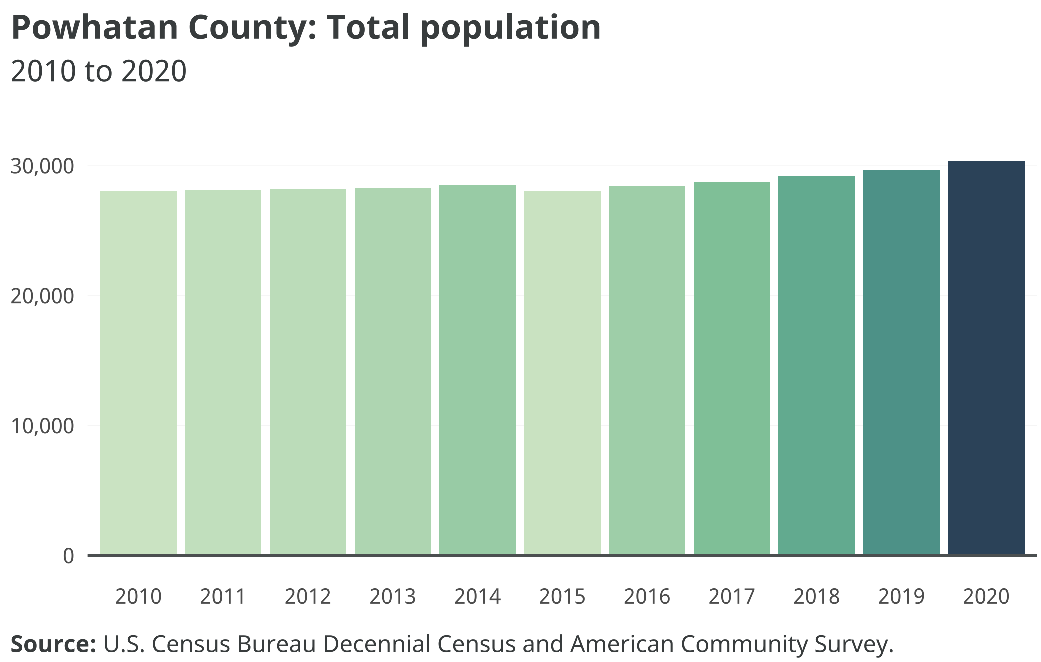


Figure 19.1: Powhatan County: Total Population

Like many other rural counties in the region, Powhatan County's population growth in recent years has been due to domestic migration. Between 2020 and 2021, 772 new residents came to the county from somewhere else within the country.

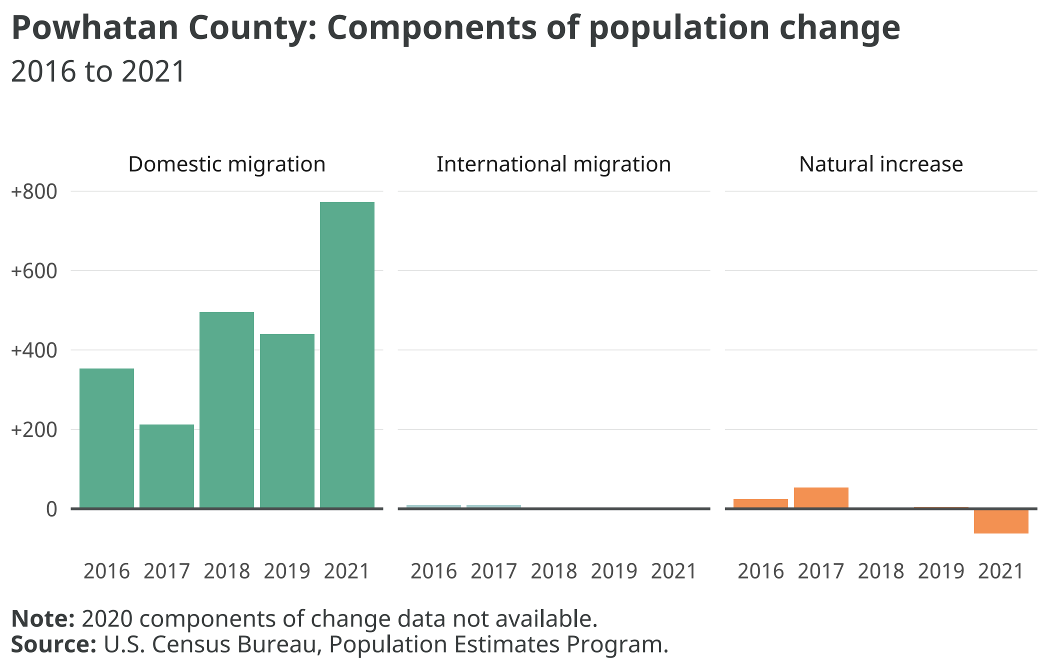


Figure 19.2: Powhatan County: Components of population change

19.2.2 Household characteristics

The county has seen a decreasing number of renter households across the board. But homeowners continue to come to the county — especially homeowner households with no children. By 2020, there was an estimated 590 more homeowners with no children than in 2016.

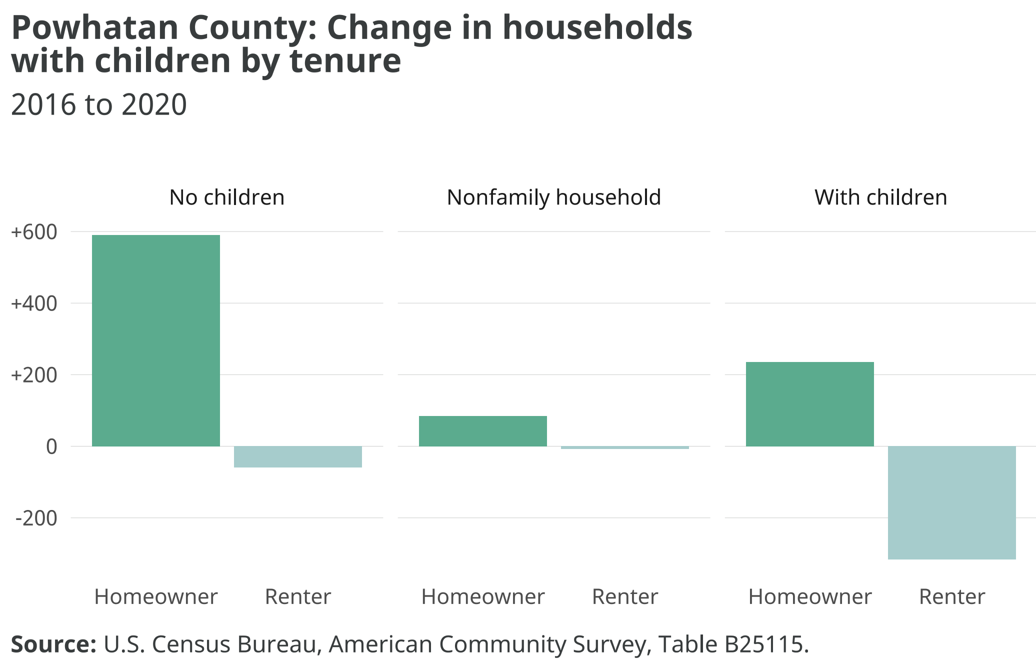


Figure 19.3: Powhatan County: Change in households with children by tenure

The greatest increases in the senior population in the county have been among seniors in family households (either living with a spouse or are the head of household). In contrast to other localities, Powhatan County is seeing a decline in seniors in nonfamily households.

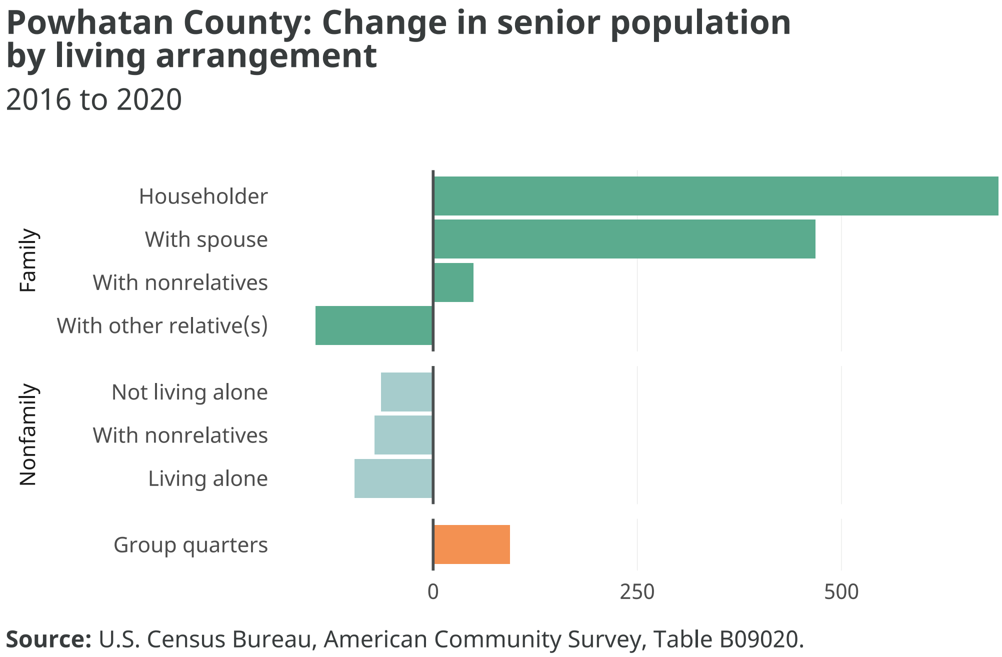


Figure 19.4: Powhatan County: Change in senior population by living arrangement

19.2.3 Income and wages

Both homeowner and renter median household income has been on the incline from 2016 to 2020 in the county. For homeowners, there has been an increase of 8 percent, while renters experienced a 20 percent increase.

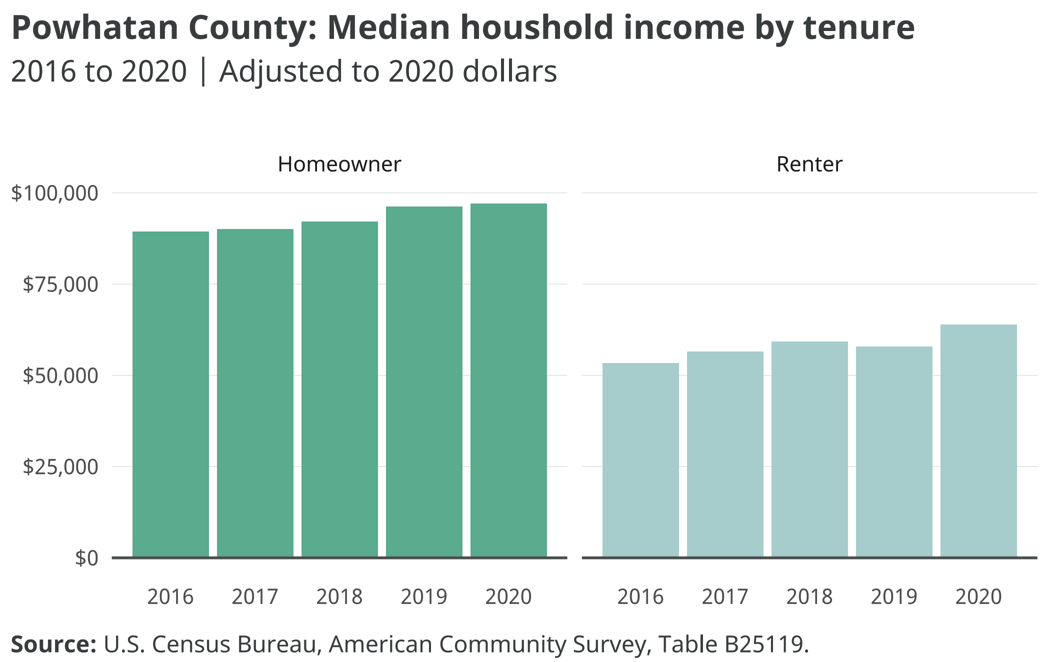


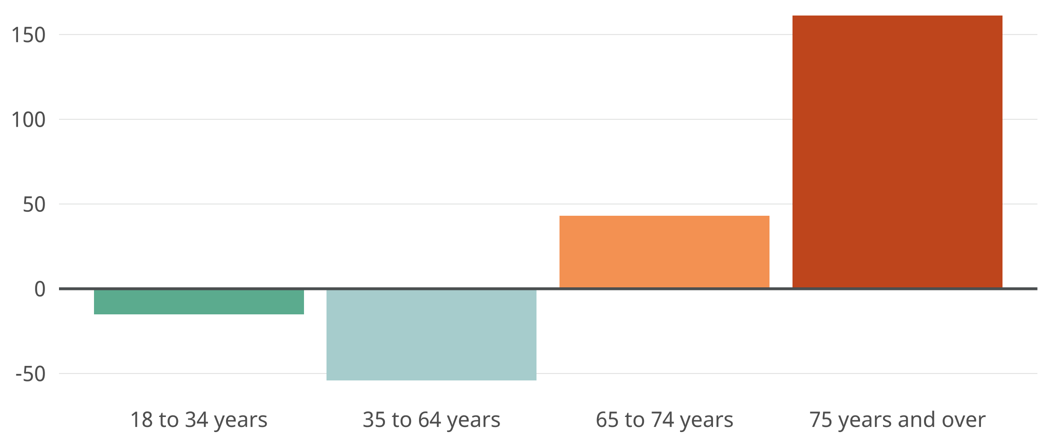
Figure 19.5: Powhatan County: Median houshold income by tenure

19.2.4 Persons with disabilities

In the county, there has been an increase in individuals with independent living difficulties that are 65 years old and older (+204) between 2016 and 2020. For individuals younger than 65, there has been a decline in individuals with independent living difficulties.

Powhatan County: Net change in individuals with independent living difficulties by age

2016 to 2020



Source: U.S. Census Bureau, American Community Survey, Table B18107.

Figure 19.6: Powhatan County: Net change in individuals with independent living difficulties by age

19.3 Housing supply and market changes

19.3.1 Homeownership

Powhatan County median home price has been on the rise. From a low of $283,507 in March 2017 to a high of $522,181 in May 2022, median home price in the county has increased nearly 84 percent. Although the over $500,000 median home price may represent a seasonal spike, median home price has generally been trending upward and likely to stay above $500,000 in the coming years.

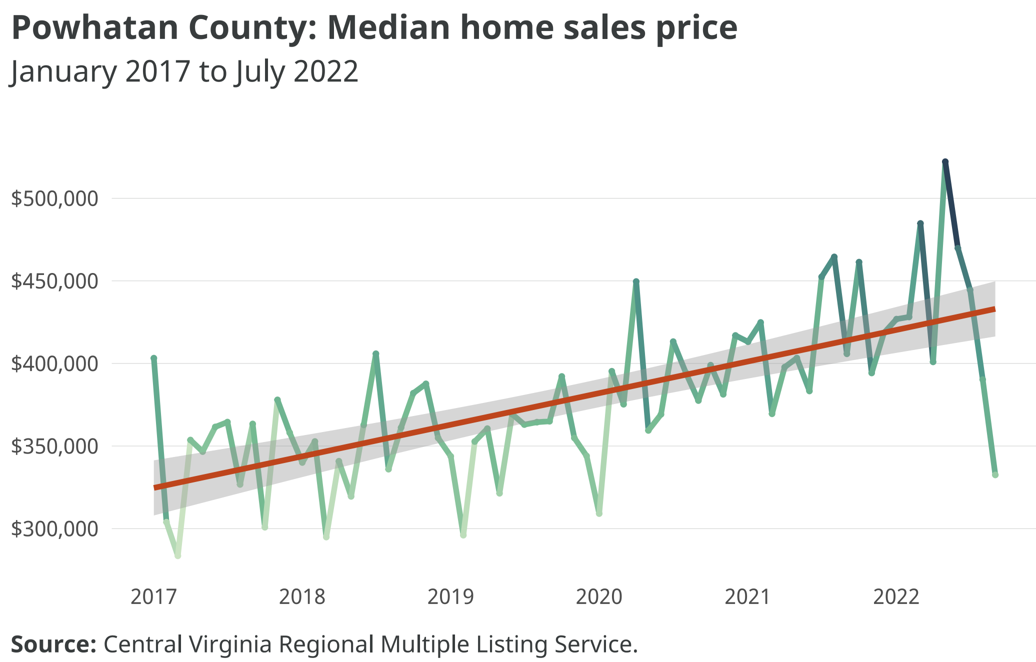


Figure 19.7: Powhatan County: Median home sales price

19.3.2 Rental

Renter households have been in decline since 2016 when roughly one in ten households in the county were renters. This share has dropped by four percentage points down to 7 percent renter household in 2020. Despite the declining number of renter households in the county, 2021 saw the completion of 200 new rental units at the eastern edge of the county.

Table 19.1: Powhatan County: Multifamily properties

Property name	Year built	CoStar rating	Vacancy rate	Units
Artistry at Winterfield	2021	4	7.8%	200
Powhatan Apartments	1982	2	4.6%	11
Powhatan Apartments	1982	3	4.6%	11

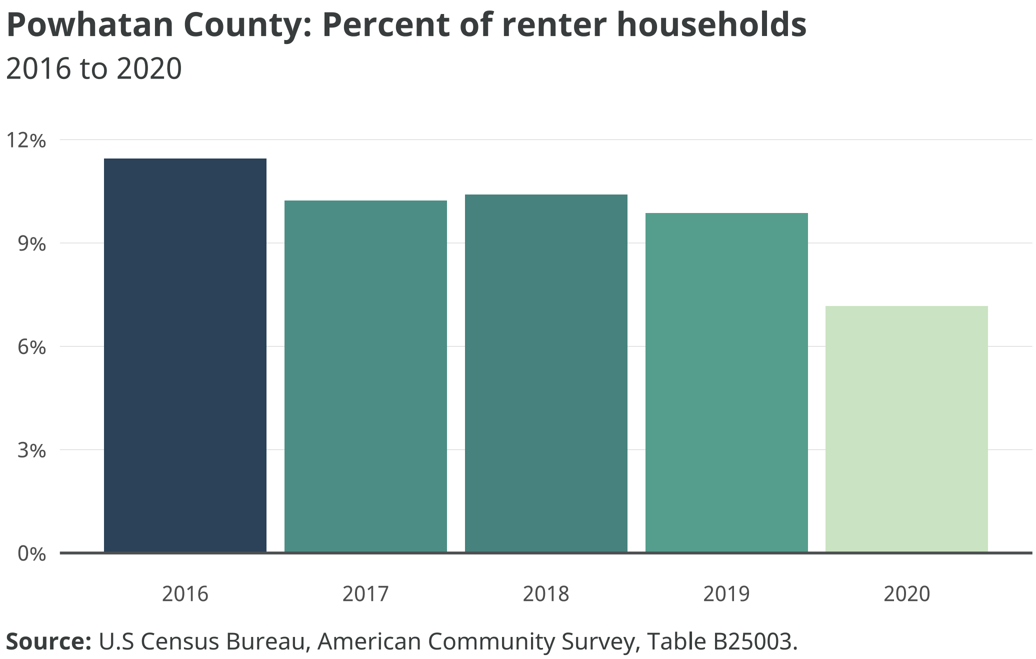


Figure 19.8: Powhatan County: Percent of renter households

CoStar lists three multifamily properties in the county; two are located along Old Buckingham Road near the county seat, while the third is located at the eastern edge of the county near Midlothian. There was a 39 year period between the construction of both Powhatan Apartment buildings and the Artistry.

The development of the Artistry at Winterfield potentially represents growing housing demand from the western edge of Chesterfield County's Midlothian community. This luxury multifamily property has an average asking rent of $1,888.

19.3.3 Housing assistance

The National Housing Preservation Database lists no federally-assisted housing properties in New Kent County.

19.3.4 Naturally-occurring affordable housing

Powhatan Apartments (both locations) represent the county's naturally-occurring affordable housing based on the definition of NOAH outlined in this report. Rent data is unavailable for Powhatan Apartments via CoStar.

In addition to Powhatan Apartments, there is a small manufactured home community located near the cross roads of Maidens Road (US-522) and Huguenot Trail that consists of at least six homes.

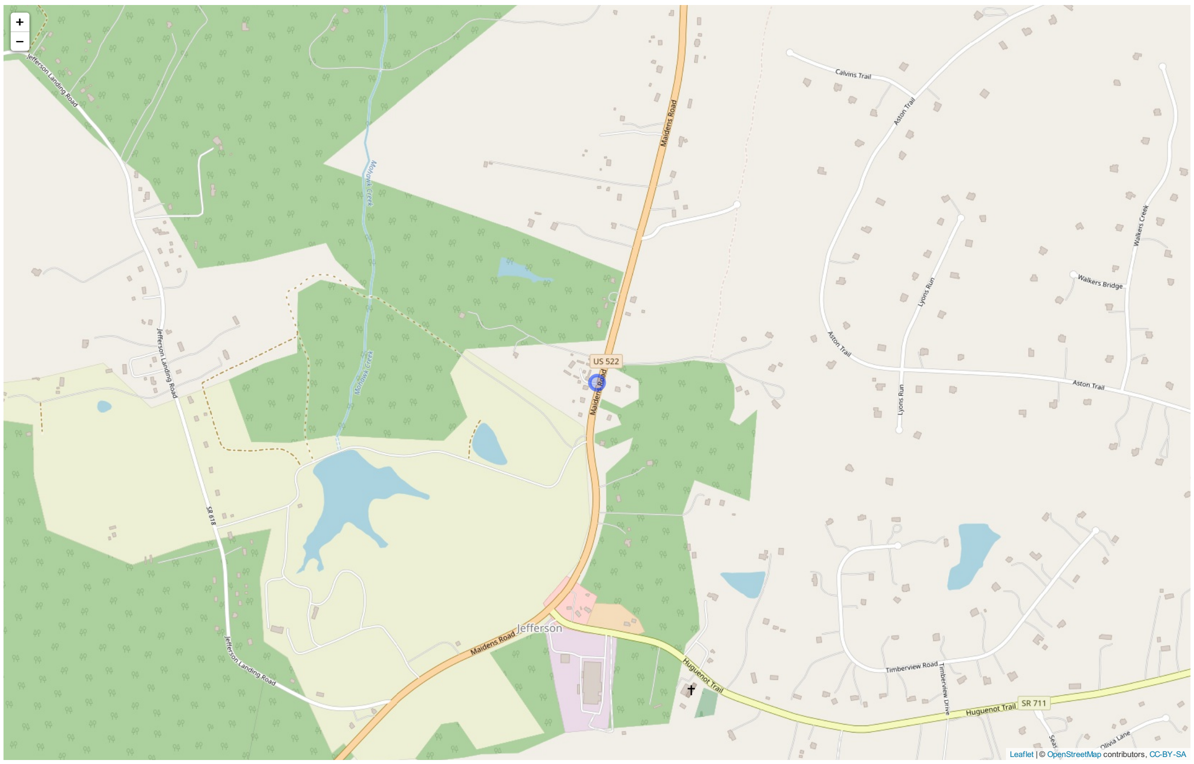


Figure 19.9: Powhatan County: Manufactured home community

19.4 Gap analysis

19.4.1 Affordability of current housing stock

With increasing renter household incomes in the county, the gap between income needed to afford the typical home price and typical renter income has been narrowing.

In 2016, the gap stood at nearly $12,000, but by 2020 the gap had decreased to just below $7,000.

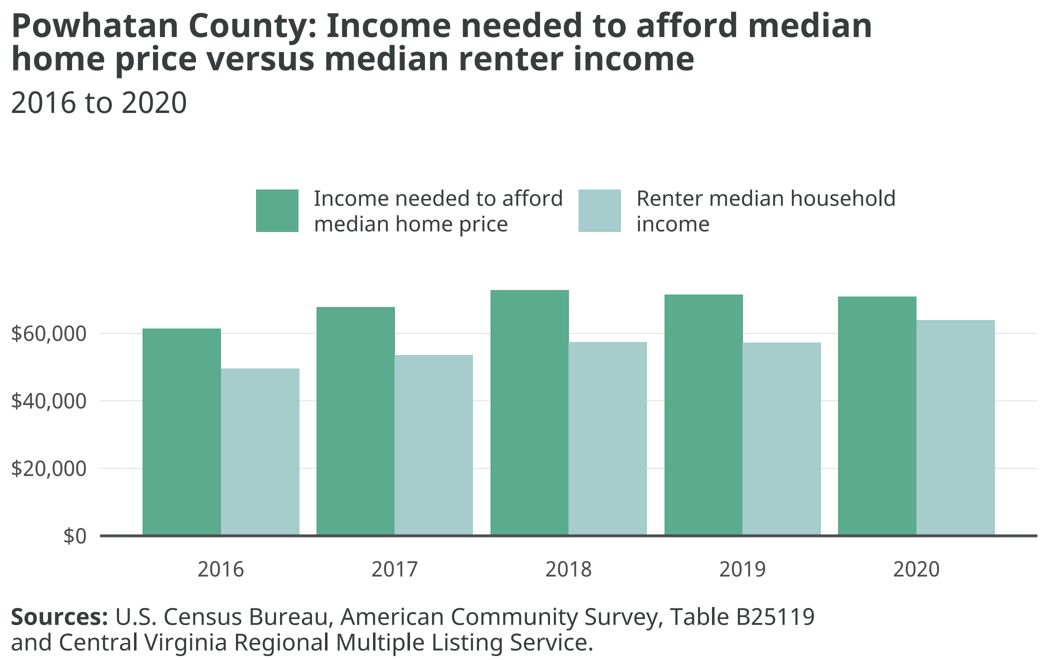


Figure 19.10: Powhatan County: Income needed to afford median home priceversus median renter income

As of 2018, there was a 70 unit rental home shortage for households making less than 80 percent AMI. This was a major decline from 2015 when the shortage was 215 — mainly for 30 percent AMI or less households. The deficit has decreased significantly among extremely and very low-income households, but has increased for higher income households.

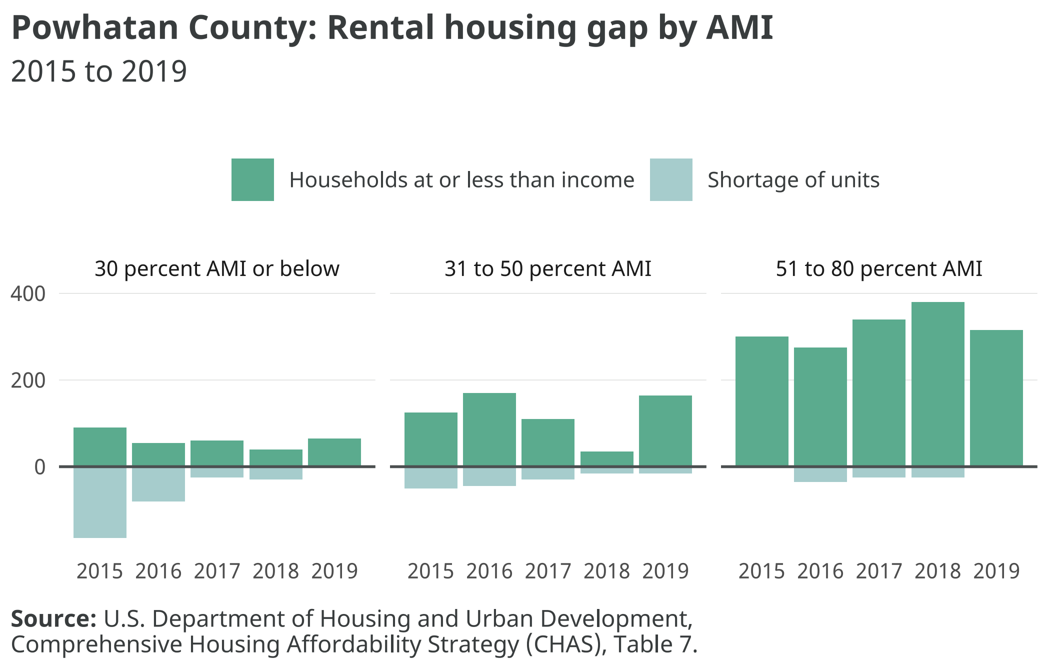
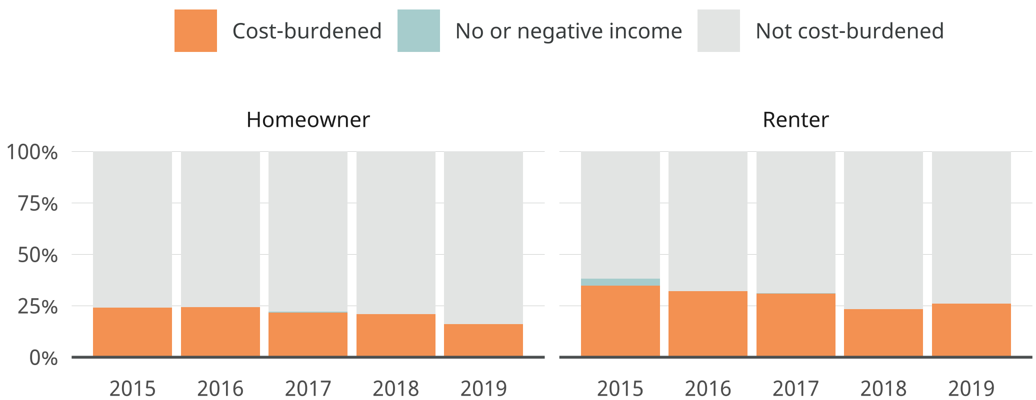


Figure 19.11: Powhatan County: Rental housing gap by AMI

19.4.2 Impact of housing costs

The share of cost-burdened renters has decreased from nearly 38 percent of renter households to 26 percent in a short period. For homeowners, the share of cost-burdened households has decreased by 8 percentage points — going from 24 percent to 16 percent over four years.

Powhatan County:
Share of cost-burdened households by tenure
2015 to 2019



Source: U.S Department of Housing and Urban Development,
Comprehensive Housing Affordability Strategy (CHAS), Table 7.

Figure 19.12: Powhatan County: Share of cost-burdened households by tenure

Available data from William and Mary's Project HOPE shows that the number of enrolled students experiencing homelessness in the county has increased in recent years. The county's McKinney-Vento Act data showed that the number of students experiencing homeless has doubled from the 2016-2017 school year when the number was 15. By the 2019-2020, that number was 29.

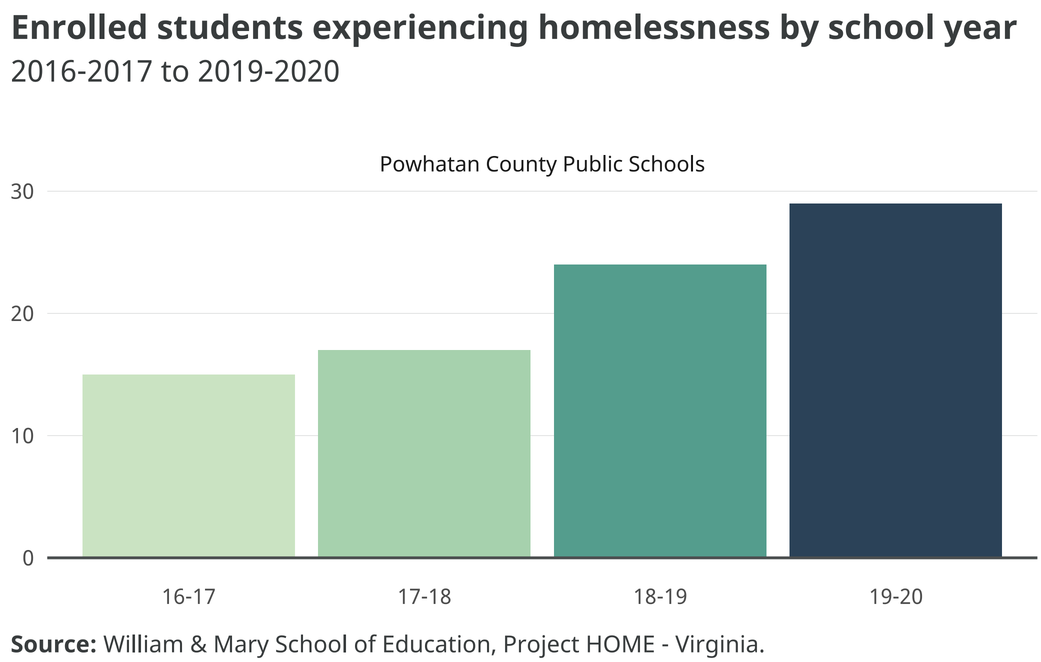


Figure 19.13: Powhatan CountyEnrolled students experiencing homelessness by school year