

# The State of Housing in Loudoun County: Findings from the Loudoun County Housing Needs Assessment

Loudoun County Chamber of Commerce

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## Two Objectives of the Housing Needs Assessment

1. Analyze current demographic, economic and housing market conditions in the County
2. Prepare detailed household and housing demand forecasts for the County

# 1. Key Findings from the Analysis of Current Demographic, Economic and Housing Market Conditions

## The County's fast-growing population has grown increasingly diverse

- Loudoun County's population more than doubled between 2000 and 2014
  - Young workers and families have fueled population growth in the County in recent years
    - Families with children **+122%** (overall household growth +96%)
    - 18-24 year olds **+154%** (overall population growth 107%)
- The older adult (65+) population is relatively small but is growing at a faster rate (**+198%**) than the overall population

## Loudoun County is a key driver of the Washington DC area economy

- The number of jobs in Loudoun County grew by 68% between 2000 and 2014
- Fastest growing sectors 2000-2014
  - Professional & Business Services (**+17,437 jobs, +137%**)
  - Education & Health Services (**+9,168 jobs, +210%**)
  - Leisure & Hospitality (**+7,396 jobs, +86%**)

## More than half of all jobs in the County are held by County residents

- Share of **Private Sector** Jobs held by Residents

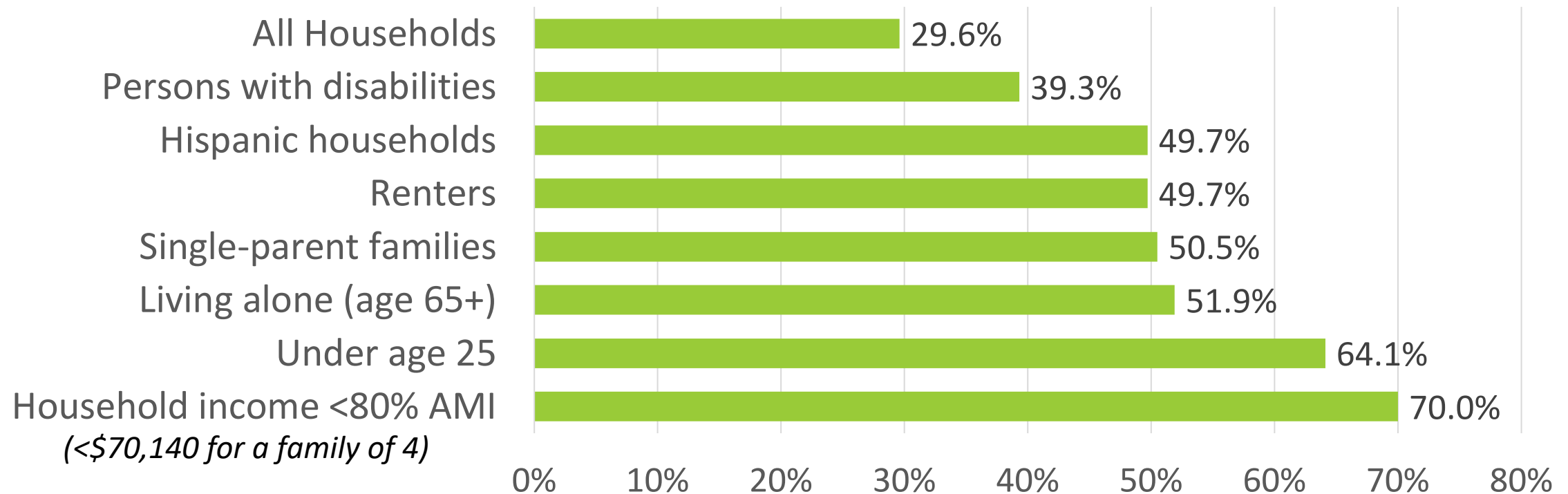
- 56% of Professional & Business Services jobs
- 70% of Retail Trade jobs
- 73% of Leisure & Hospitality jobs
- 30% of Construction jobs

- Share of **Public Sector** Jobs held by Residents

- 57% of County's General Workforce employees
- 77% of County Public School employees
- 49% of Sheriff's Office employees
- 23% of Fire & Rescue employees

# High housing costs, slow-growing wages have led to growing housing affordability challenges for many

Households Paying 30%+ of Monthly Income on Housing Costs  
(Cost Burdened Households)



Income Group (FY 2016) Washington DC Metro Area	What type of household is this?	How much can they afford to spend on housing each month?
<b>0-30 percent AMI</b> <b>Extremely Low Income (ELI)</b> \$0-\$32,600 family of four \$0-\$22,850 single person	People who are unable to work due to disability or age. Seniors on fixed incomes. Low-wage workers, including many retail, restaurant workers and day care workers.	\$0 - \$815 family of four \$0 - \$571 single person
<b>30-50 percent AMI</b> <b>Very Low Income (VLI)</b> \$32,600-\$54,300 family of four \$22,850-\$38,050 single person	One person working as an administrative assistant, electrician, or teacher's aide. Two workers in the retail, restaurant or child care sectors.	\$815 - \$1,358 family of four \$571 - \$951 single person
<b>50-80 percent AMI</b> <b>Low Income (LI)</b> \$54,300-\$70,150 family of four \$38,050-\$49,150 single person	One or two workers in entry-level, including research associates, program managers, nursing aids and nurses (LPNs).	\$1,358 - \$2,172 family of four \$951 - \$1,522 single person
<b>80-100 percent AMI</b> <b>Moderate Income (MI)</b> \$70,150-\$108,600 family of four \$49,150-\$76,100 single person	One or two workers in entry- or mid-level jobs, including police officers, fire fighters, schools teachers and IT support personnel.	\$2,162 - \$2,715 family of four \$1,522 - \$1,903 single person



## 2. Forecasts of Household Growth and Housing Demand in Loudoun County, 2015-2040

# GMU's Approach to Forecasts of Housing Demand

- Analysis of the local and regional economic and demographic forces that likely will drive future demand for housing within the County
  - *How much housing will be needed in Loudoun County to accommodate future workers?*
  - *How much housing will be needed in Loudoun County to accommodate future residents not in the labor force (e.g. retirees)?*

# GMU's Approach to Forecasts of Housing Demand

- **GMU employment-driven housing demand forecasts:** based on analysis of local and regional employment and demographic projections
  - Not constrained by land use capacity, County land use plans, or pipeline development
- ***MWCOG\*/County land use plan-based forecasts:*** based on current land use/zoning and an analysis of residential build-out, as well as pipeline development and expectations about local and regional future market conditions

\*Metropolitan Washington Council of Governments

# GMU's Approach to Forecasts of Housing Demand

## Key Assumptions

- Local and Regional Job Growth
  - Industry sectors, wages
- Commuting Patterns
- Characteristics of Households
  - Age, household size and composition, income
- Housing Preferences

*\*\*Changes to assumptions would result in different household and housing units forecasts\*\**

# Key Findings from GMU's Forecasts of Household Growth and Housing Demand

## Household Growth

- Between 2015 and 2040, the GMU forecasts suggest the County could add **64,355 new households**, including 39,780 households with a job in Loudoun County
- The MWCOCG/County projections indicate growth of only 46,490 households, a difference of 17,865 households

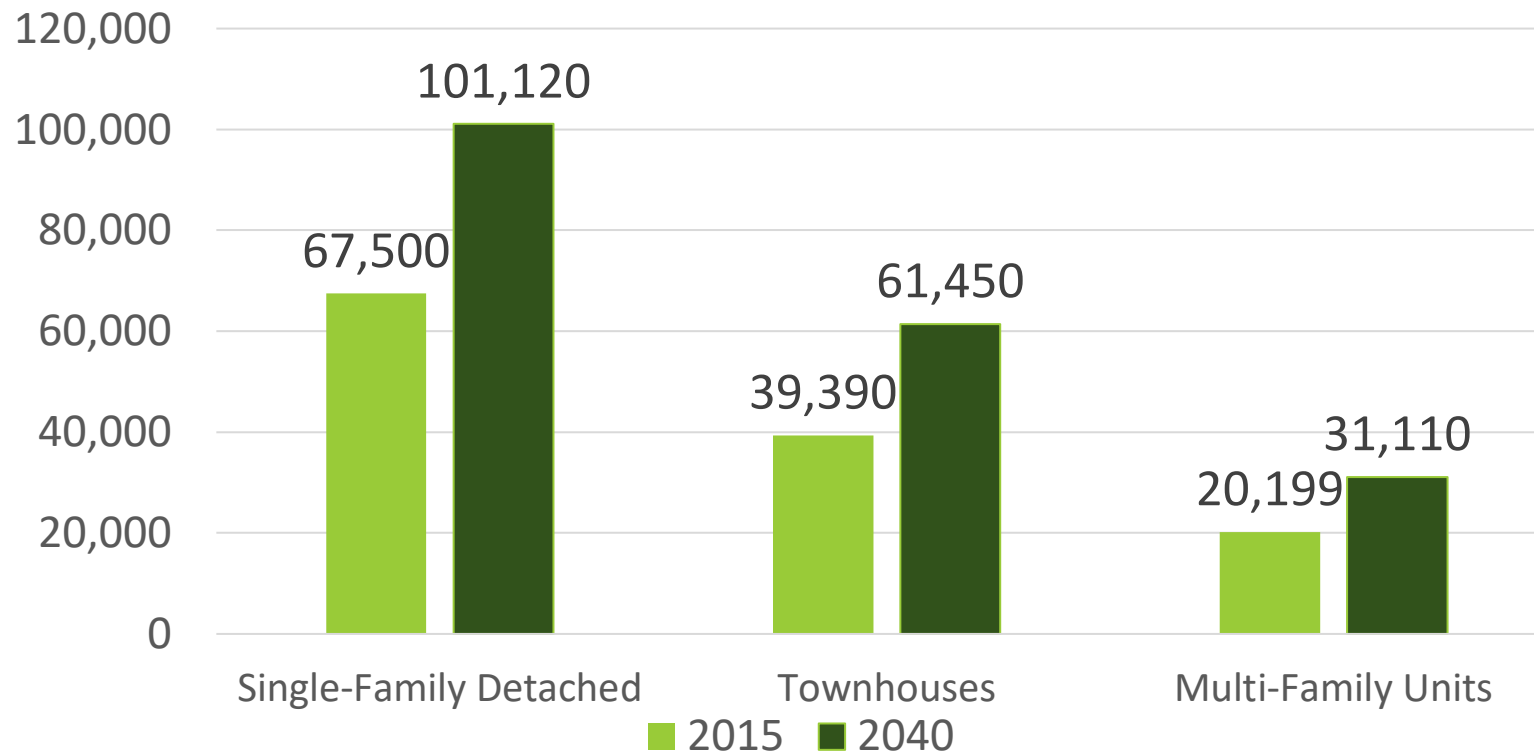
# Key Findings from GMU's Forecasts of Household Growth and Housing Demand

## Housing Units

- Between 2015 and 2040, the GMU forecasts suggest a need for **66,604 net new housing units** to accommodate household growth
  - 33,620 single-family detached homes
  - 22,060 single-family attached homes/townhouses
  - 10,911 homes in multi-family buildings

# Key Findings from GMU's Forecasts of Household Growth and Housing Demand

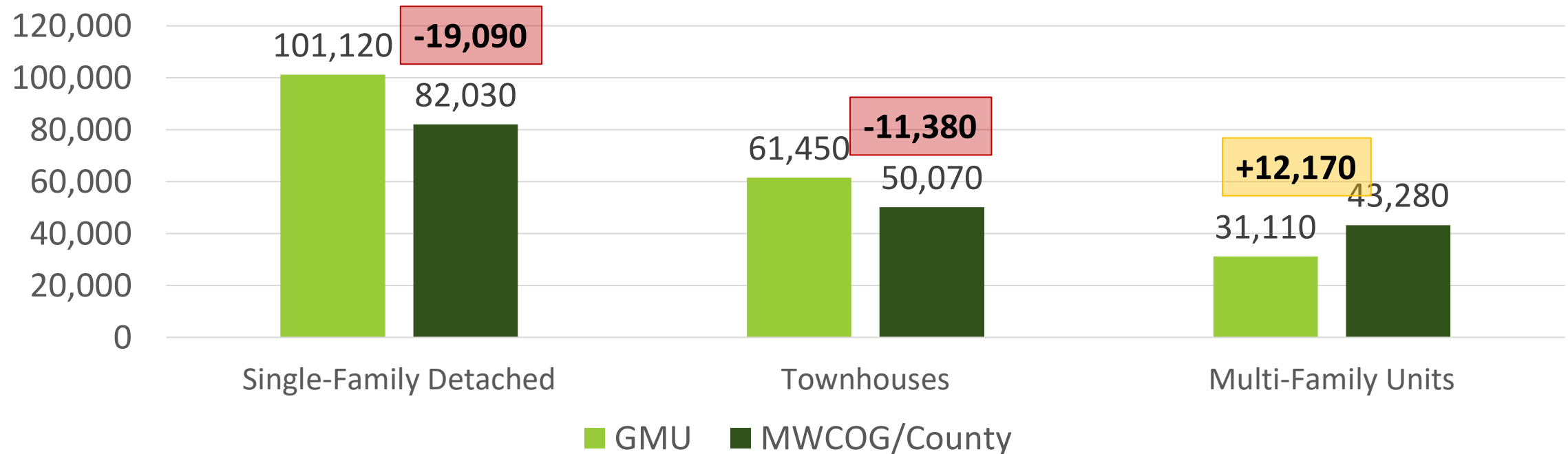
## Housing Units by Type – 2015 and 2040



**2015 figure does not include  
2016 construction:  
2,320 single-family homes  
710 multi-family units**

The GMU forecasts suggest more demand for single-family, less demand for multi-family housing than what is suggested by County plans

Projected Housing Units by Type, 2040  
Difference (MWCOCG/County – GMU)





There is a need for a substantial amount of housing affordable to lower-income working households

Need for housing affordable to households with income below 80% AMI:

- **10,000** homes to meet **current unmet need** (mostly rental)
- **14,500** homes to meet **future demand** (2015-2040)

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**24,500**

Produced over the life of the County's ADU program:

**2,100** ownership and **336** rental homes = **2,436** homes

## Implications of Having an Insufficient Supply of Housing

- People working in jobs in Loudoun County will have fewer options to live in the County.
  - Businesses could see a lack of sufficient housing options as a negative when making decisions about locating or expanding in Loudoun County.
- There are two outcomes if the type of housing available does not meet demand:
  - Households may shift preferences to stay in Loudoun County (e.g. from single-family detached to townhouse/multi-family) .
  - Households may choose not to live in Loudoun County to find the housing they want.

## Implications of Having an Insufficient Supply of Housing

- Limited housing supply will put upward pressure on overall housing prices and rents.
  - Potential first-time home buyers will find it increasingly hard to buy in Loudoun County.
  - Lower-income renters will continued to be severely cost burdened.