Northern Virginia: Housing Affordability Trends

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Housing Affordability in Northern Virginia:

Background
Largest 15 Employment Metros as % of U.S.

- Base Share in 2000
- Share of 2000-2017 Increase

Jobs: 34.2% (30.7%), 41.9% (39.2%) 
Housing Units: 30.0% (30.0%) 
Personal Income: 30.0% (40.1%)

Sources: U.S. Census Bureau; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; The Stephen S. Fuller Institute at the Schar School, GMU

Distribution of Wages & Income, Washington Region

WAGES

- 90th Percentile
- Median (50th Percentile)
- 10th Percentile

2003 2018

HOUSEHOLD INCOME

- 90th Percentile
- Median (50th Percentile)
- 10th Percentile

1990 2017

Sources: U.S. Bureau of Labor Statistics; U.S.; The Stephen S. Fuller Institute at the Schar School, GMU. NOTE: CPI Adjusted
Labor Force Participation, Washington Region

% of Households With No One in Labor Force

% of Population (16+) Not in Labor Force

Sources: U.S. Census Bureau (1990 Decennial microdata & 2017 ACS microdata); The Stephen S. Fuller Institute at the Schar School, GMU

Population by Age, Washington Region

Sources: U.S. Census Bureau (1970-79 Intercensal Estimates & v2018 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU
Children Per Household by Select Unit Type and Time in Unit, NVTA Region

Sources: U.S. Census Bureau (2015-2017 ACS microdata); The Stephen S. Fuller Institute at the Schar School, GMU

% of Jobs Held By Residents (In-Commuting)

Sources: 2011-2015 ACS; The Stephen S. Fuller Institute at the Schar School, GMU
Housing Affordability in Northern Virginia:
Quantifying the Need

Housing Cost Burden

Guideline of <30% of household income spent on housing:
• >30% = “Housing Cost Burdened”
• >50% = “Extremely Housing Cost Burdened”
• Originated in the 1960s
• Designed to leave enough income leftover for other needs
• “Right” target varies by income, debt, family structure, transportation costs etc
Housing Cost Burdened Households
NVTA region, 2017

Renters: 43% of All Renters

Owners: 24% of All Owners

= 265,500 (30.4%)

Source: U.S. Census (2017 ACS microdata); The Stephen S. Fuller Institute at the Schar School, GMU

Housing Cost Burdened Households
NVTA region, 2017 average

Renters: 43% of All Renters

Owners: 24% of All Owners

Source: U.S. Census (2017 ACS microdata); The Stephen S. Fuller Institute at the Schar School, GMU
Area Median Income (AMI): $117,200 for a Family of Four (FY18)

<table>
<thead>
<tr>
<th></th>
<th>Extremely Low (30% AMI) Limit</th>
<th>Very Low (50% AMI) Limit</th>
<th>Low (80% AMI) Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Person</td>
<td>24,650</td>
<td>41,050</td>
<td>54,250</td>
</tr>
<tr>
<td>2 People</td>
<td>28,150</td>
<td>46,900</td>
<td>62,000</td>
</tr>
<tr>
<td>3 People</td>
<td>31,650</td>
<td>52,750</td>
<td>69,750</td>
</tr>
<tr>
<td>4 People</td>
<td>35,150</td>
<td>58,600</td>
<td>77,450</td>
</tr>
</tbody>
</table>

Sources: HUD; The Stephen S. Fuller Institute at the Schar School, GMU

Median Household Income, 2017

- NVTC
- Washington Region*

<table>
<thead>
<tr>
<th></th>
<th>NVTC</th>
<th>Washington Region*</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Households</td>
<td>116,287</td>
<td>101,119</td>
</tr>
<tr>
<td>All Families</td>
<td>135,904</td>
<td>119,320</td>
</tr>
<tr>
<td>Families: Four People</td>
<td>151,678</td>
<td>140,535</td>
</tr>
</tbody>
</table>

Sources: U.S. Census Bureau; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; The Stephen S. Fuller Institute at the Schar School, GMU

*Washington Region geography differs from the metropolitan area and the HUD definition
Jobs by Median Earnings, 1-Person Household

- **<30% AMI**
  - Cashier
  - Retail Sale
  - Fast Food Cook
- **30-49% AMI**
  - Home Health Aid
  - Medical Assistant
  - Childcare Worker
  - Bank Teller
  - Security Guard
- **50-79% AMI**
  - Dental Assistant
  - Carpenter
  - Bookkeeping, Accounting, and Auditing Clerk
  - Licensed Practical / Licensed Vocational Nurse

Sources: U.S. Bureau of Labor Statistics; The Stephen S. Fuller Institute at the Schar School, GMU

Share of Housing Cost Burdened Households by Tenure & AMI

**NVTA region, 2017**

Renters: 30%+

Owners: 30%+

Sources: U.S. Census Bureau (2017 ACS Microdata); The Stephen S. Fuller Institute at the Schar School, GMU
Households by Tenure & AMI
NVTA region, 2017 (000s)

Renters

<30% AMI: 46
30-49% AMI: 34
50-79% AMI: 28
80-99% AMI: 63
100-119% AMI: 50

Owners

<30% AMI: 23
30-49% AMI: 29
50-79% AMI: 28
80-99% AMI: 81
100-119% AMI: 26

= 108k Renters
80k Owners

Sources: U.S. Census Bureau (2017 ACS Microdata); The Stephen S. Fuller Institute at the Schar School, GMU

Households by Tenure & AMI
NVTA region, 2017 (000s)

Renters: Housing Cost Burdened

<30% AMI: 40
30-49% AMI: 30
50-79% AMI: 22
80-99% AMI: 31
100-119% AMI: 5

Owners: Housing Cost Burdened

<30% AMI: 21
30-49% AMI: 21
50-79% AMI: 16
80-99% AMI: 36
100-119% AMI: 16

= 92k Renters
58k Owners

Sources: U.S. Census Bureau (2017 ACS Microdata); The Stephen S. Fuller Institute at the Schar School, GMU
What is a Housing Forecast?

- Employment – driven demand
- Demographic – driven demand
- Capacity and Pipeline
- Development Cycle

Housing Demand

Supply

Housing Demand

Households by Tenure & AMI
Northern Virginia, 2017 (000s)

<table>
<thead>
<tr>
<th>Tenure &amp; AMI</th>
<th>Renters</th>
<th>Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30% AMI</td>
<td>51</td>
<td>29</td>
</tr>
<tr>
<td>30-49% AMI</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>50-79% AMI</td>
<td>31</td>
<td>35</td>
</tr>
<tr>
<td>80-99% AMI</td>
<td>71</td>
<td>99</td>
</tr>
<tr>
<td>100-119% AMI</td>
<td>28</td>
<td>62</td>
</tr>
</tbody>
</table>

= 122k Renters
100k Owners

Sources: U.S. Census Bureau (2017 ACS Microdata); The Stephen S. Fuller Institute at the Schar School, GMU
Households by Tenure & AMI
Northern Virginia, 2027 (000s)

- Renters
- Owners

<30% AMI: 66 Renters, 39 Owners
30-49% AMI: 51 Renters, 47 Owners
50-79% AMI: 37 Renters, 42 Owners
80-99% AMI: 82 Renters, 127 Owners
100-119% AMI: 35 Renters, 77 Owners

= 154k Renters
128k Owners

Sources: U.S. Census Bureau (2017 ACS Microdata); The Stephen S. Fuller Institute at the Schar School, GMU

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Thank You

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