

Central Virginia Planning District Regional Housing Study

Executive Summary

March 2024



About HousingForward Virginia



This report was written by HousingForward Virginia, the Commonwealth's trusted resource for affordable housing data and actionable insights.

Advocates, planners, developers, and mission aligned organizations rely on us to help them build connections and advance their work. With our support, they're able to better identify needs, influence decision makers, and ultimately increase access to affordable housing for all.

HousingForward Virginia is a 501(c)3 nonprofit organization based in Richmond, Virginia.

For more information, visit: housingforwardva.org

What led to this study

This *Central Virginia Planning District Regional Housing Study* was completed to provide the region with a clear understanding of housing affordability in the region, along with recommendations for addressing the identified challenges.

The study was completed thanks to funding from Virginia Housing's Community Impact Grant.



Study goals

1. Engage local partners to begin (and grow) conversations about region's housing goals
2. Determine how well the region's housing market is meeting current and future needs of residents
3. Design regional and local solutions to address challenges via policy, programs, and other initiatives

Study process



Who did we hear from?

More than **50**

policymakers, practitioners, experts, and advocates provided input that contributed to the results and recommendations found in this study.

Local government staff

Representing planning, economic development, social services, community development departments

Real estate and listing agents

Housing and service providers

Homebuilders and developers

Major institutional and private sector employers

Housing demand, supply, and affordability

How demographic and economic forces shape housing opportunity

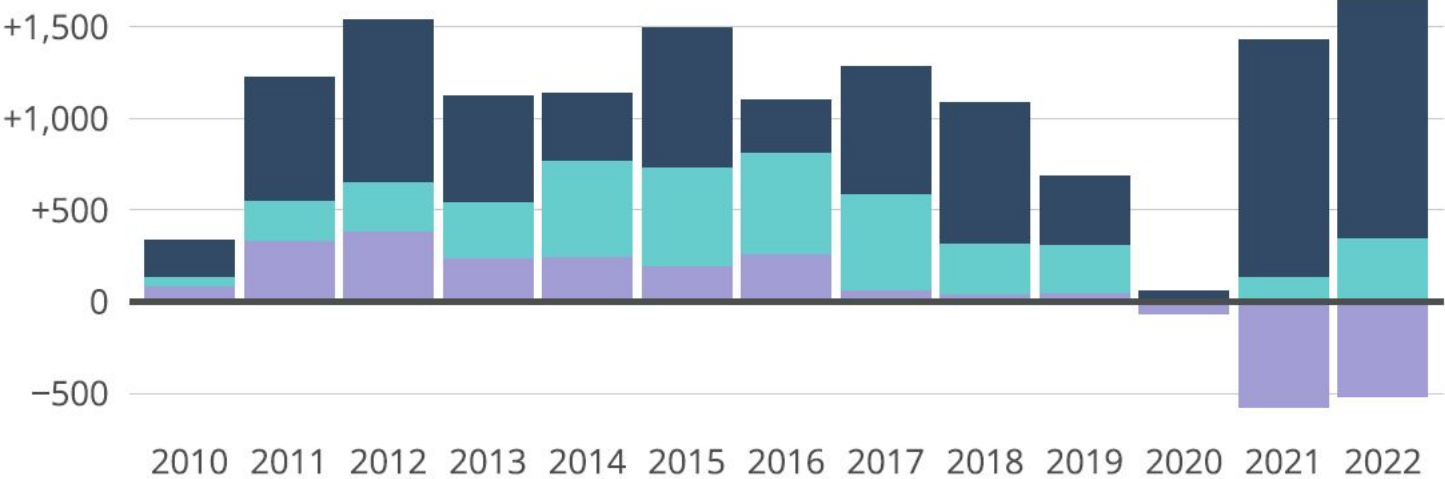


How is the region changing?

- Recent population growth is the direct result of people moving into the region.
- Most new households rent their home. The number of homeowners in the region has remained steady for the past decade.
- The average household is becoming older and smaller.
- Inflation and rising housing costs are zeroing out income gains, especially among lower-wage workers.

Components of population change

Net **domestic migration**, **international migration**, and **natural increase (or decrease)**

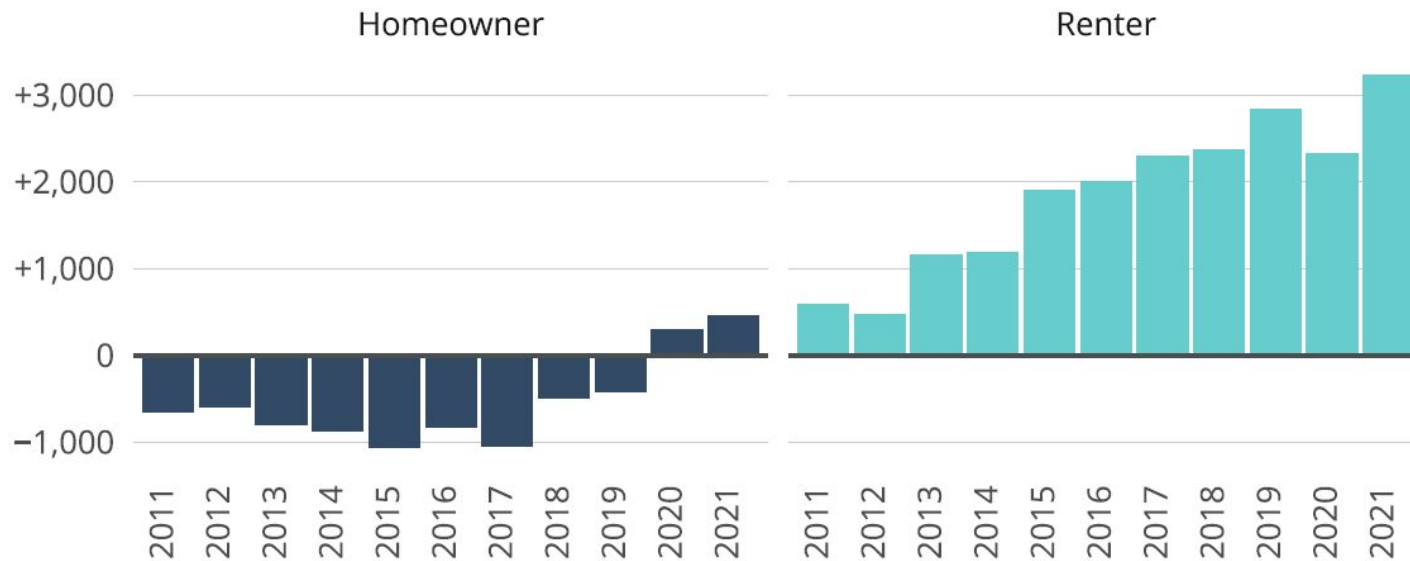


Source: U.S. Census Bureau, Population Estimates Program.

Note: Natural increase (or decrease) defined as births minus deaths.

Cumulative change in households by tenure

From 2010 to 2021



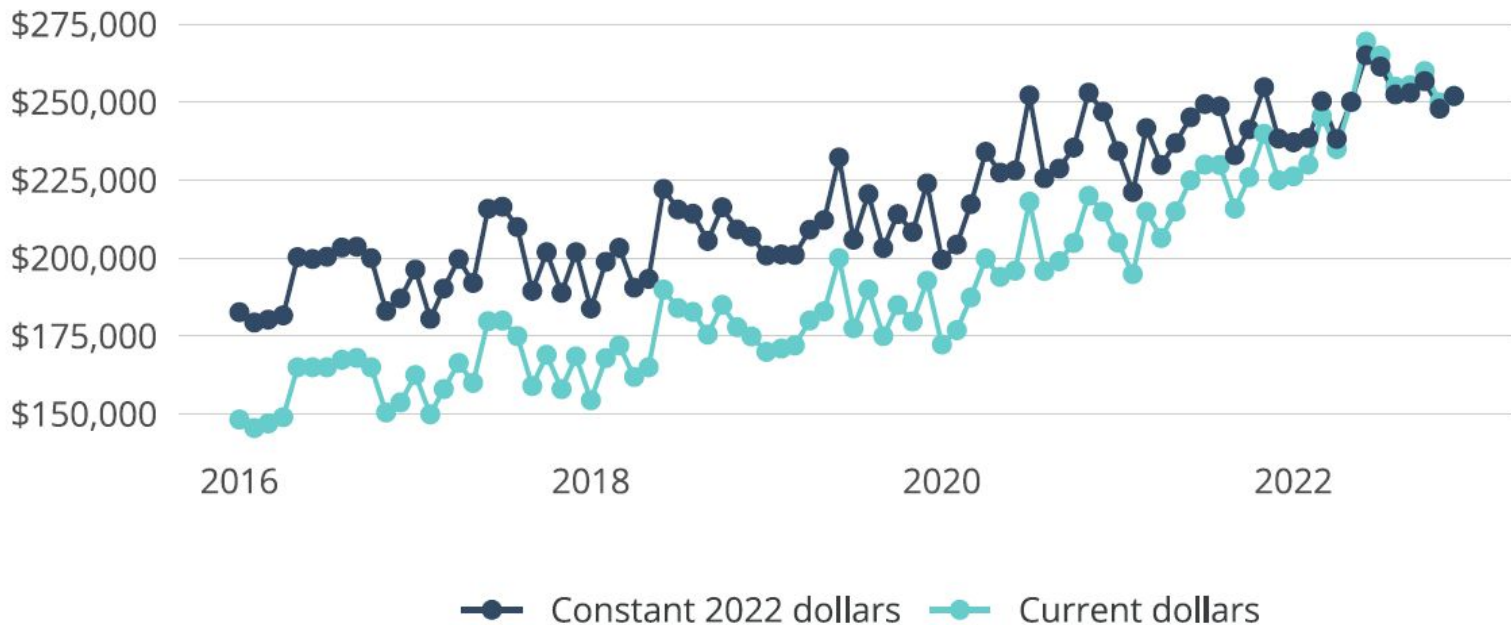
Source: U.S. Census Bureau, American Community Survey, 5-year estimates, Table B25003.

How is the housing market changing?

- Production of new homes remains a fraction of pre-2008 levels.
- Modest starter homes—ideal for first-time homebuyers and smaller households—have become rare prizes.
- The recent era of low interest rates helped accelerate demand. Without a commensurate increase in supply, housing prices climbed significantly.
- A very tight rental market poses challenging for both current and prospective tenants.
- Housing cost burden is not improving for households who earn less than half of the regional average, especially seniors with fixed incomes.

Median residential sales price by month

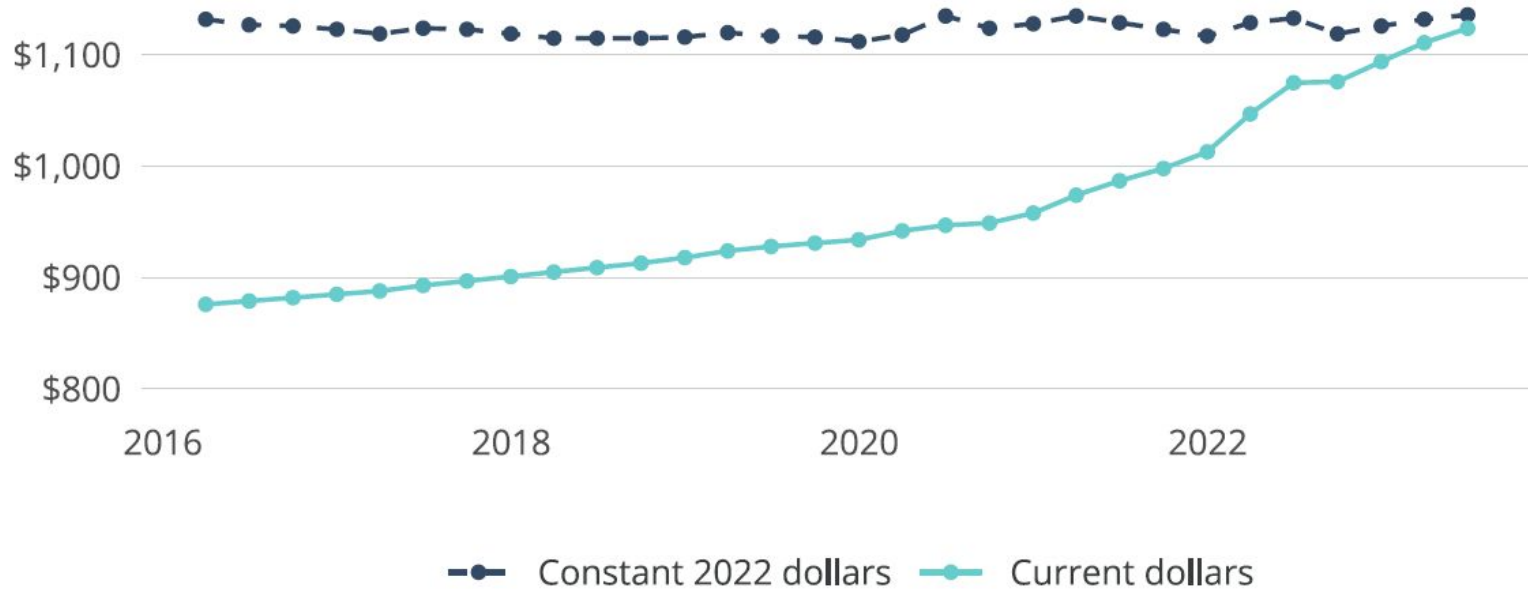
January 2016 to December 2022



Source: Lynchburg Association of REALTORS®.

Average market asking rent by quarter

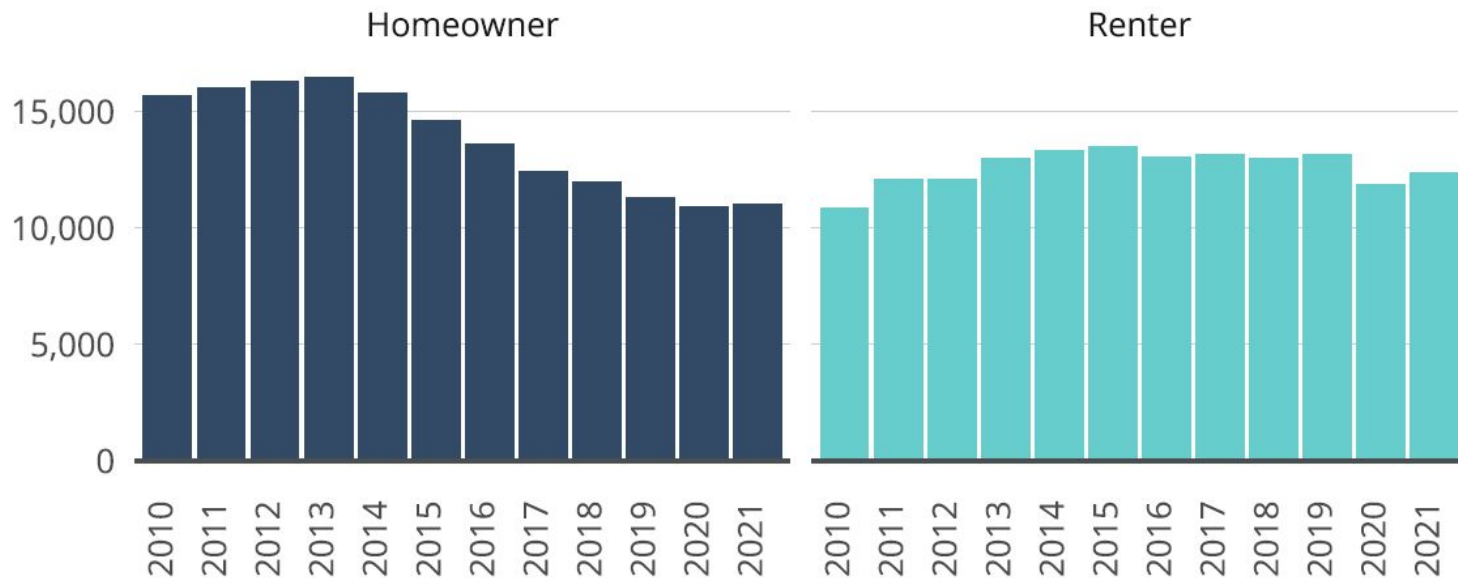
All multifamily properties in CVPDC region



Source: CoStar Group, Inc.

Cost-burdened households by tenure

From 2010 to 2021



Source: U.S. Census Bureau, American Community Survey, 5-year estimates, Table B25106.

Rating current housing efforts

Identify and examine 17 different policy and program efforts across region



Evaluate successes, challenges, and opportunities to determine whether each initiative should:

Continue,

Reevaluate, or

Stop.



FINDINGS

- All efforts should either **continue** or be **reevaluated**; none are counterproductive
- Successful programs should find ways to expand or be replicated
- Policy improvements include eliminating inefficiencies, coordinating planning, and aligning to national best practices

Highlighted effort

Altavista ARS Program (Acquire, Renovate, Sell)

Altavista uses the ARS program to develop homes themselves, leveraging philanthropic funds to buy, renovate, and sell homes.

Net proceeds from the sales have remained in the town as program income to re-invest in local, affordable housing efforts, like main street revitalization efforts, or to be used to build greater staffing capacity.

Recommendation: Continue

This has been a successful program in Altavista for recapturing old and vacant properties while generating modest proceeds to pay for local staff and other housing initiatives.

This program could be an ideal fit in other parts of the region struggling to address blight and vacancies of single-family homes.



Solutions

REGIONAL

Address common issues and require high-level coordination across all localities

PARTNERSHIPS

Involve a subset of localities addressing a more focused challenge

LOCAL

Tailored to particular jurisdictions to address specific needs in their community

Iterative feedback with stakeholders to ensure alignment with their:

- Policy and planning priorities,
- Staff and operational capacity, and
- Policymaker and citizen interests

Quality of detail instead of *quantity* of options:

- “Primary” vs “secondary”
- Actionable next steps
- Clearly assigned roles and responsibilities
- Funding and capacity building opportunities

Per CVPDC and stakeholder input, recommendations for towns are generalized in “Local” category

Regional solutions

PRIMARY

- Create a regional housing education campaign
- Maintain the PDC's role in regional housing goals

SECONDARY

- Evaluate opportunities for regional consistency for short-term rental regulations

Partnership solutions

Amherst, Appomattox, and Campbell counties

- Invest in homebuyer readiness programs

Amherst and Appomattox counties

- Identify sustainable approaches for manufactured homes

Bedford and Campbell counties

- Address common challenges in manufactured home communities

Local solutions (examples)

City of Lynchburg

- Preserve the existing affordable housing rental inventory

Amherst County

- Provide support for the aging population

Appomattox County

- Attract and incentivize developers to build lower-cost homes and increase housing diversity

Bedford County

- Increase capacity and impact of Bedford Housing Coalition

Campbell County

- Attract and retain public sector talent with housing assistance

Towns

- Tackle housing vacancy and address blight

Key takeaways

- Lower cost-of-living, diverse job opportunities, and natural amenities make CVPDC region highly attractive
- Important economic and familial connections will degrade without proactive steps to increase availability and affordability of housing options
- Many opportunities to expand ongoing successes *and* begin new strategic initiatives

