



HOUSING ²⁰¹¹ COUNTDOWN

Ten Facts You Should Know
About Housing in Virginia



HOUSING VIRGINIA

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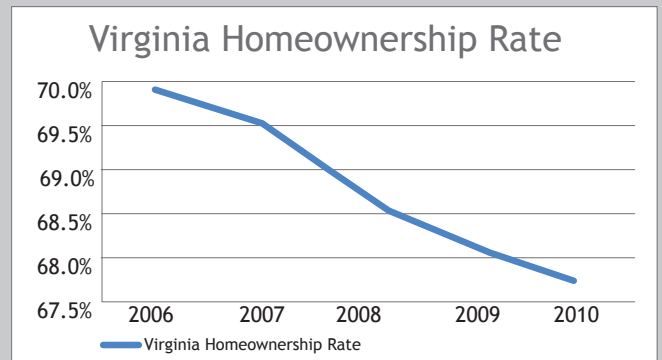
HOUSING COUNTDOWN 2011

Ten Facts You Should Know About Housing in Virginia

10 The rate of homeownership in Virginia continues to decline.

The homeownership rate in Virginia peaked in 2006 at just under 70%. Since then, it has been in decline, dropping more than 3% by 2010. At the start of 2011, the rate stands at 67.7%, the lowest rate in a decade. As homeownership declines, demand for rental housing grows.

Source: US Census ACS data



9 Declining home values the past four years have resulted in record numbers of Virginia homeowners who are “underwater.”

Their home is now worth less than the amount that they owe on their mortgage. In 2011 over 291,000 homes in Virginia were underwater - over 23% of all mortgages. Another 76,000 were “near” negative (within 5% of value) - bringing the total to almost 30% of Virginia’s mortgages.

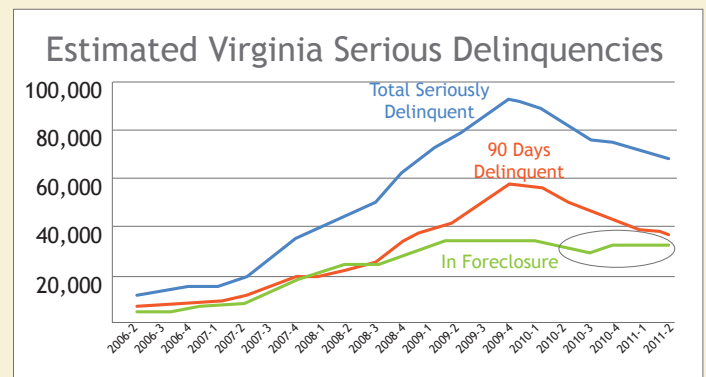
Source: Corelogic



8 The number of Virginia homes in foreclosure is still at record high levels and is likely to remain high in 2011.

The number of “early stage” delinquencies (less than 90 days) increased by 8,100. Over 68,000 homes are seriously delinquent and fewer than half are in foreclosure (31,000).

Source: Mortgage Bankers Association

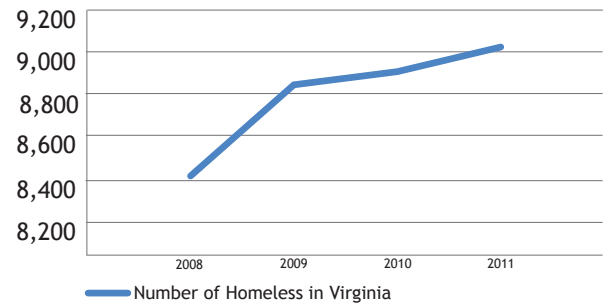


7 Homelessness is once again increasing in Virginia.

In January of 2011, there were 9,025 homeless persons counted during the “point in time” survey. This is a 6.6% increase since 2008 after three years of decline from 2005-2007. Economic conditions combined with a shortage of affordable housing with support services are key factors in the increase.

Source: VCEH “Point in Time Survey”

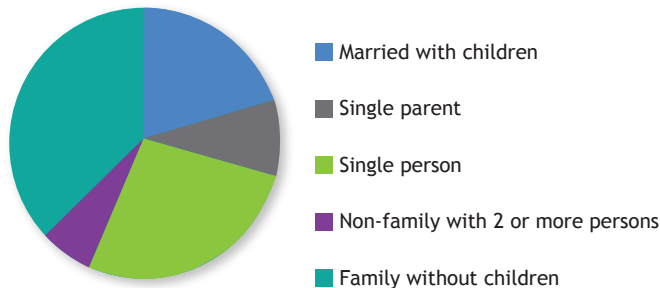
Growth of Virginia Homelessness



6 The growth in households the past ten years has been entirely in single person, single parent and families without children.

This trend points to the fact that housing demands will be changing in the coming years - away from traditional single family detached, suburban homes to smaller, “urban” style homes.

Virginia Household Composition 2011



5 Seniors are the fastest growing component of the population in Virginia, and renters face housing cost challenges.

In 2011, more than 1/3 of all senior renters paid more than 50% of their income for housing, making them severely rent burdened. Many lower income seniors choose between housing, medication, and food.

Source: AARP Policy Institute, State Profiles

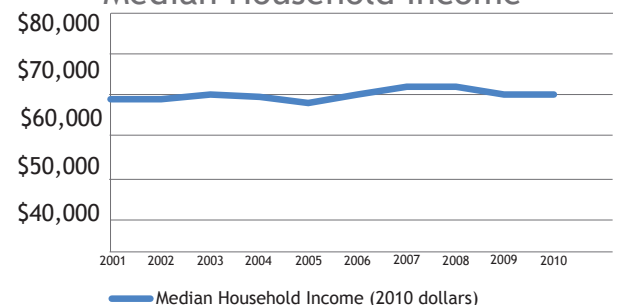


4 Household incomes in Virginia, adjusted for inflation, have remained flat over the past decade.

In the 2000 Census, the median household income was \$46,667. By 2010, measured in 1999 dollars, it had dropped slightly to \$46,367. For wage earners in the 45-54 age category, the situation was even worse - a decline of 3%.

Source: US Census Public Use Microdata

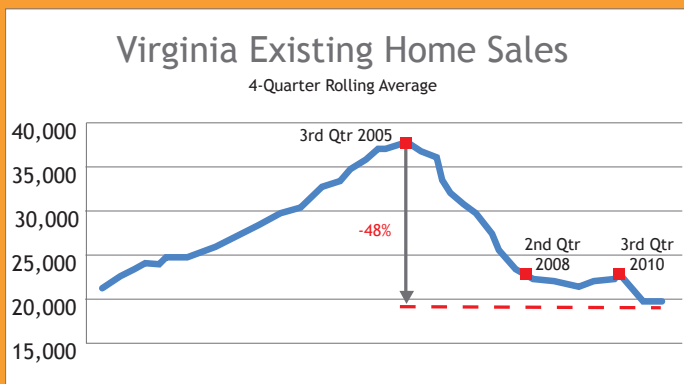
Median Household Income



3 Existing home sales are on pace to be below 20,000 homes - almost 50% below the peak in 2005.

At these levels, the surplus inventory of foreclosed and unsold homes remains high, keeping values depressed. Combined with record low mortgage rates, this makes homeownership more affordable than it has been in decades, but tougher underwriting and uncertainty about the economy continue to limit demand.

Source: Virginia Association of Realtors



2 Rents have increased 14% statewide over the past three years.

As homeownership rates have dropped, there has been increasing demand for rental housing that has not been matched by production. This demand has led to sharp increase in rents that have not been matched by increases in income.

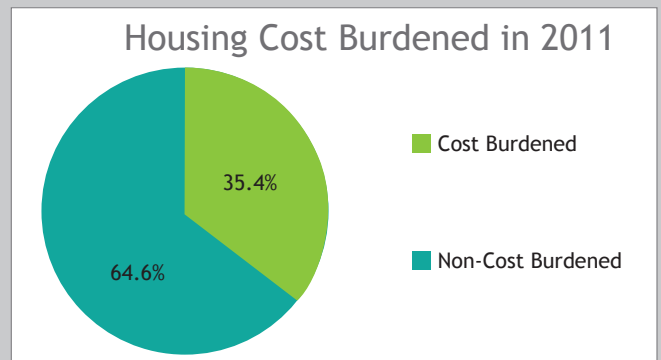
Source: Housing Virginia: SOURCEBOOK



1 Over 1 million households in Virginia are housing cost burdened.

These households pay more than 30% of their income on housing - above the national standard. The number of housing cost burdened households has grown steadily over the past decade. More than a third of all households in Virginia (35.4%) are cost burdened.

Source: Housing Virginia Sourcebook



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