

# Meeting Housing Needs in Rural Virginia: Trends, Gaps, Needs, Solutions

November 2016



HOUSING VIRGINIA

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



## Housing Virginia's Rural Housing Initiative

Recognizing that rural affordable housing needs vary widely from those faced in urban areas, Housing Virginia launched its Rural Housing Initiative in the fall of 2015. Since then, we have surveyed rural housing and service providers about their needs and gaps and analyzed demographic and housing data for the rural regions around the state. This information, along with best practice research and policy recommendations, have shaped a report that we hope will assist rural providers and improve the lives of their clients.



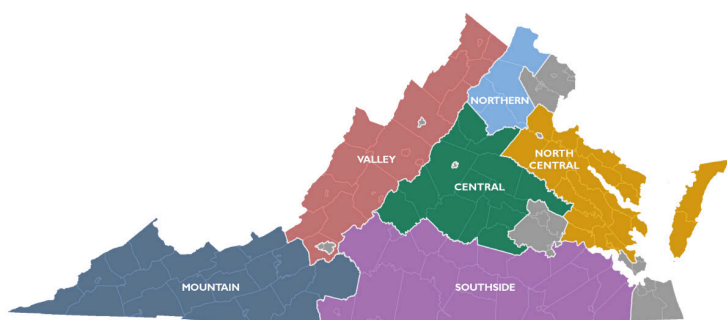
## Why do We Need This Program?

Rural residents face very different demographic, social and housing challenges than their urban counterparts. Virginia's rural housing and service providers understand these unique and growing pressures that their clients are facing, and they are struggling to serve them effectively as resources dwindle. Our survey of rural housing and service providers showed these important needs, gaps, and trends:

Top Needs	Top Gaps	Top Trends
 Rehabilitation of Substandard Housing	 Lack of Affordable Financing	 Increasing Demand for Rental Housing
 Shortage of Affordable Rentals	 Poor Infrastructure (Public Transit, Water/Sewer, etc.)	 Flat/Declining Incomes
 Home Accessibility Modifications for Aging in Place	 Limited Capacity of Providers	 Growing Senior Population



## Rural Regions in the Report



In order to provide some regional analysis in this report, Housing Virginia divided the state into six regions that exclude the metro areas of Washington D.C., Richmond, Hampton Roads, and Roanoke as well as the cities of Charlottesville, Fredericksburg, and Harrisonburg.

The six regions, pictured here, are Northern, North Central, Central, Valley, Mountain, and Southside.

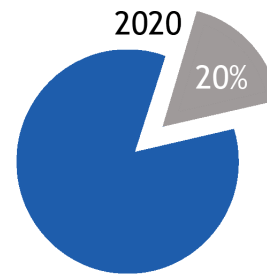
*This report is made possible with the generous support of:*



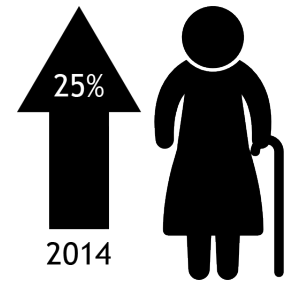
# CURRENT STATE OF HOUSING IN RURAL VIRGINIA

## Population Trends

Between 2000 and 2010, only 6% of Virginia's population growth was in rural areas. In fact, most of Virginia's rural counties have experienced net population losses since 2010. The decline in Virginia's rural population is the result of two major trends: outmigration of Millennials to urban areas and shrinking birth rates as the population ages. As a result, rural Virginia is "greying" faster than urban Virginia.



The rural senior population will grow significantly by 2020



More rural seniors are living alone since 2000

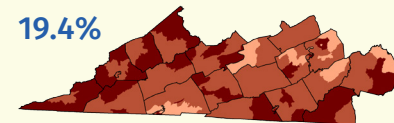
## Socioeconomic Trends

# 32%

of households in rural Virginia make less than \$35,000 a year

Rural Virginia's poverty rates are most concentrated in the Mountain region

# 19.4%



<10% 10-20% >20%

Rural Virginia's unemployment rate is slightly above the state average, but major losses in manufacturing jobs have left the Mountain and Southside regions with unemployment rates still well above 5%. Overall, median household incomes in Virginia's rural counties are less than those in suburban and urban areas. The poverty rate is also higher than the state average. The largest increases in impoverished populations have been in traditionally affluent rural areas (Valley, Northern Regions).

## Housing Trends

The number of rural cost burdened households increased 32% faster than those in urban areas since 2000. The number of rural seniors with a mortgage burden increased 125% in the same time period. In fact, the number of seniors still making a mortgage payment has increased 74% in rural Virginia. One in ten rural families live in manufactured homes. In many areas across the Southside and Mountain regions, mobile homes are over 20% of the housing stock.



homes in rural Virginia do not have adequate indoor plumbing



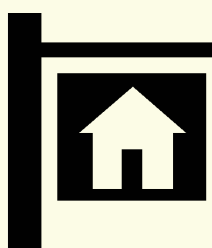
homes in rural Virginia are perpetually vacant and not on the market

## Real Estate Trends

### Median Days on Market

# 47

Virginia



# 97

Rural Areas

The rural homeownership rate fell by 2.2% since 2000. The average sales price for a single-family home in rural Virginia in 2015 was 15% less than the state average. In the Mountain and Southside regions, average sales prices were 45% below the state's. The highest rural home prices were in the Northern and Central regions. Many homes in the Mountain, North Central, and Southside regions stay on the market over 100 days, which is longer than the average for rural Virginia as a whole.

# NEEDS & GAPS: DIRECT PROVIDER FEEDBACK

## Aging Population's Housing Needs

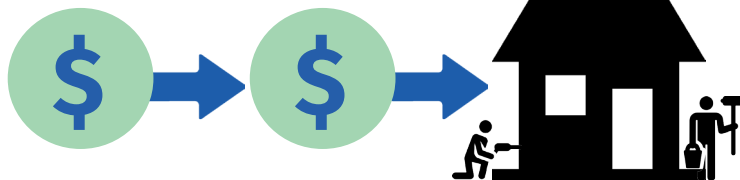
Rural Virginia's seniors are increasingly isolated from caregivers, emergency services, and other amenities. When living alone, they are less able to maintain their homes or make expensive accessibility modifications to safely age in place.



## Condition of Housing Stock

Funding through  
USDA-RD, HOME,  
etc.

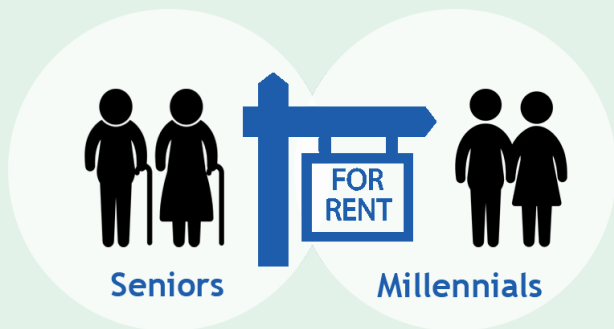
Regional  
nonprofits  
(home repair)



Many rural homes need repairs or more significant upgrades, especially mobile homes. Nonprofits offering emergency repair services struggle with limited capacity and access to funding.

## Rental Housing

There is a serious lack of affordable rental options for rural Virginians. There is not nearly enough subsidized housing available, and wait lists to access those units are extremely long.



## Homeownership

\$500,000



\$125,000



Both seniors and Millennials are seeking smaller “starter homes,” which are lacking in rural areas. Builders often prefer development of larger homes. There are also barriers to accessing credit counseling and homeownership readiness courses by first-time homebuyers.

## Lack of Infrastructure

Rural areas face infrastructure challenges with not only road maintenance and water/sewer access, but also availability of broadband internet and cellular towers.



## Homelessness



Rural homelessness is not as visible as urban homelessness. The lack of emergency shelters and permanent supportive housing make it difficult for rural nonprofits to demonstrate a need for resources.

# NEXT STEPS & POLICY OPTIONS

## The Growing Senior Population

- > Promote programs that provide home rehab, repair, safety and accessibility
- > Develop standard protocols for evaluating home safety and accessibility
- > Create a clearinghouse for home accessibility resources and information
- > Encourage development of new affordable senior rental communities located near services
- > Utilize volunteers to provide housing and social supports with the “Village” model



## Housing Quality

- > Expand housing rehab and repair programs
- > Identify new resources for energy efficiency programs
- > Expand utilization of RD 504 Loans to finance home repairs
- > Promote replacement housing programs, especially for manufactured homes
- > Encourage Habitat / Rebuilding / Appalachian Service Project models that utilize volunteers



## Rental Housing

- > Increase focus on mixed income/mixed use projects in towns
- > Increase utilization of RD 538 and Fannie Mae small rental programs
- > Develop programs to support and incentivize developers to undertake small, rural rentals with LIHTC or other types of assistance

## Homeownership

- > Re-convert rented single family detached homes back to homeownership
- > Better targeting of new housing development to areas where new jobs are being created
- > Support new home development that is high quality and modest in size/cost
- > Improve access to mortgage credit repair and counseling classes

## Manufactured Housing

- > Targeted replacement of older mobile homes with new, high quality models
- > Mobile home park revitalization and infrastructure development
- > Seek improved financing options for MH homebuyers (e.g. GSE Duty to Serve)
- > Facilitate placement of MH on permanent foundations / owned land to allow treatment as real property
- > Lower barriers to titling MH as real property



Housing Virginia also recommends the development of a statewide study group of key players associated with rural housing and support services to explore and adopt policy, funding, and program changes that will address the challenges outlined in this report.