Housing the Future Workforce in the Hampton Roads Region

July 17, 2014

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National Housing Conference
How is economic growth in Hampton Roads related to the region’s housing supply?
What Helps Regions Grow

Goals of the Study

• To analyze the \textit{employment-driven} demand for housing in Hampton Roads over the next 20 years

• To explicitly link housing needs and economic growth

• To broaden the discussion of the need for affordable housing in the region
What this study IS

• A look at the housing needed to accommodate the region’s net new workers based on certain assumptions

What this study IS NOT

• A comprehensive forecast of housing needs throughout the region

What we exclude

• Future housing need associated with
  • Self-employed and some part-time workers
  • Replacement workers
  • Households not in the labor force

• Seasonal housing
• Frictional vacancy
• Current supply-demand gap
Methodology
Future Jobs → Housing Demand

2009-11 American Community Survey

- Adjusted age distribution by sector
- Household type distribution by age group
- Average no. of workers by household type
- Median wages by sector
- Distribution of unit type by household type and income

IHS Global Insight / GMU

- Net new jobs by sector
- New workers by age group and sector
- New workers by household type, age group and sector
- Households by type and sector
- Households by type and income group
- Housing units by unit type and income group

Step 1
Step 2
Step 3
Step 4
Step 5
Step 6
Linking Housing & Regional Economic Growth

• **How much** housing will be needed to accommodate new workers?

• **Where** should this housing be located?

• What **types** of housing units will be needed?

• What **prices and rents** will new workers be able to afford?
# Net New Job Growth, 2013-2033

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Net New Jobs</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Beach</td>
<td>24,661</td>
<td>14.1%</td>
</tr>
<tr>
<td>Norfolk</td>
<td>13,061</td>
<td>8.9%</td>
</tr>
<tr>
<td>Newport News</td>
<td>5,930</td>
<td>5.8%</td>
</tr>
<tr>
<td>Chesapeake</td>
<td>20,868</td>
<td>20.5%</td>
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<tr>
<td>Hampton</td>
<td>2,698</td>
<td>4.7%</td>
</tr>
<tr>
<td>Portsmouth</td>
<td>1,675</td>
<td>3.6%</td>
</tr>
<tr>
<td>Williamsburg/James City</td>
<td>23,707</td>
<td>54.4%</td>
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<tr>
<td>Suffolk</td>
<td>19,245</td>
<td>66.2%</td>
</tr>
<tr>
<td>Remainder of Region</td>
<td>12,511</td>
<td>22.5%</td>
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<tr>
<td>Hampton Roads Region</td>
<td>124,356</td>
<td>16.4%</td>
</tr>
</tbody>
</table>
Housing Demand Associated with Net New Job Growth, 2013-2033

124,356 net new jobs

86,098 housing units
Estimates of Housing Demand for Net New Workers: By Type

Current Housing Stock

- Single-Family: 65.5%
- Multi-Family: 34.5%

Source: 2009-2011 American Community Survey

Housing Needed for Net New Workers

- Single-Family: 60.3%
- Multi-Family: 39.7%
Estimates of Housing Demand for Net New Workers: By Rent/Own

Current Housing Stock

- Owner, 63.6%
- Renter, 36.4%

Source: 2009-2011 American Community Survey

Housing Needed for Net New Workers

- Renter, 46.5%
- Owner, 53.5%
Estimates of Housing Demand for Net New Workers: Home Prices

Current Housing Stock

- <$100k: 5.8%
- $100k-$199k: 27.6%
- $200k-$299k: 33.6%
- $300k-$399k: 16.6%
- $400k+: 16.4%

Source: 2009-2011 American Community Survey

Housing Needed for Net New Workers

- <$100k: 5.2%
- $100k-$199k: 40.2%
- $200k-$299k: 30.9%
- $300k-$399k: 14.7%
- $400k+: 9.0%

Agenda Item #3
Estimates of Housing Demand for Net New Workers: Rents

Current Housing Stock

- <$625: 12.3%
- $625 - $1,249: 56.9%
- $1,250 - $1,314: 4.3%
- $1,315+: 26.5%

Housing Needed for Net New Workers

- <$625: 14.2%
- $625 - $1,249: 58.6%
- $1,250 - $1,314: 20.7%
- $1,315+: 6.6%

Source: 2009-2011 American Community Survey
What about the rest of the housing demand over the 2013-2033 period?
Housing & Economic Growth
Implications of Study Results

- Housing should be part of a regional economic development strategy
- Townhouse and multi-family housing, rental housing and housing affordable to low- and moderate-income workers will be in demand
- The market will provide some of the new housing, but housing for low wage workers will require preservation and public investment
- Without sufficient housing, traffic congestion and quality of life will worsen, and the region’s economic development potential may not be realized
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