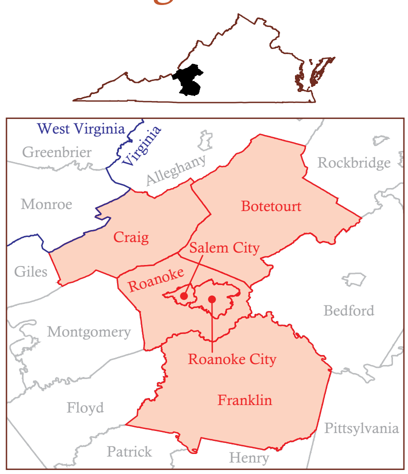
COMPREHENSIVE HOUSING MARKET ANALYSIS

Roanoke, Virginia

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of August 1, 2017

Housing Market Area



The Roanoke Housing Market Area (HMA) is coterminous with the Roanoke, VA Metropolitan Statistical Area and is 180 miles west of Richmond in the Blue Ridge and Allegheny Mountains of southwestern Virginia. The HMA includes the counties of Botetourt, Craig, Franklin, and Roanoke and the cities of Roanoke and Salem. The HMA is a popular retirement destination due to its low cost of living, outdoor recreational activities, and easily accessible healthcare.

Market Details

Summary

Economy

The economy of the Roanoke HMA has been improving since 2011, after contracting by an average of 2,700 jobs, or 1.7 percent, from 2008 through 2010. During the 12 months ending July 2017, nonfarm payrolls increased by 1,700 jobs, or 1.1 percent, from a year earlier, averaging 163,200 jobs. The unemployment rate continues to decline, averaging 3.9 percent, down from an average high of 7.6 percent in 2010. During the next 3 years, nonfarm payrolls are expected to increase an average of 0.6 percent annually.

Sales Market

The sales housing market in the HMA is slightly soft but has improved, with an estimated vacancy rate of 2.2 percent, down from 2.6 percent in 2010. New and existing home sales increased by 200 homes, or 3 percent, to 5,925 homes sold during the 12 months ending May 2017 (CoreLogic, Inc., with adjustments by the analyst). The average price of a home increased 4 percent to $181,500. During the 3-year forecast period, demand is estimated for 1,100 new homes (Table 1). The 120 homes currently under construction and a portion of the 10,400 other vacant units that may reenter the market will satisfy some of the demand.

Rental Market

The rental housing market in the HMA is slightly soft, with an estimated vacancy rate of 7.2 percent, down from 8.8 percent in April 2010. The apartment market is slightly tight with a vacancy rate of 3.6 percent during the second quarter of 2017, down from 3.9 percent during the second quarter of 2016 (Reis, Inc.). During the forecast period, demand is estimated for 690 new market-rate rental units (Table 1). The 430 units currently under construction and 95 units in planning will satisfy a majority of the demand.

Table 1. Housing Demand in the Roanoke HMA During the Forecast Period

	Roanoke HMA	
	Sales Units	Rental Units
Total demand	1,110	690
Under construction	120	430

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of August 1, 2017. A portion of the estimated 10,400 other vacant units in the HMA will likely satisfy some of the forecast demand. Sales demand includes an estimated demand for 50 mobile homes. The forecast period is August 1, 2017, to August 1, 2020.

Source: Estimates by analyst

Economic Conditions

The economy of the Roanoke HMA has steadily improved since 2011, with nonfarm payroll growth averaging 1,200 jobs, or 0.8 percent, annually. During the 12 months ending July 2017, nonfarm payrolls averaged 163,200 (Table 2), an additional 1,700 jobs, or a 1.1-percent increase, from a year ago compared with a 1,400-job, or 0.8-percent, increase during the previous 12 months.

Prior to the Great Recession, the HMA was still recovering from the recession in the early 2000s. During the 12 months ending June 2001, nonfarm payrolls averaged 163,900 before the economy began to lose jobs. The effect of the recession on employment lasted long after the recession ended, with nonfarm payrolls decreasing annually by 2,200 jobs, or 1.4 percent, from 2002 through 2004. After this extended decline in jobs, from 2005 through 2007, nonfarm payrolls increased by an average of 2,200 jobs, or 1.4 percent, a year with 64 percent of job growth in the professional and business services and the education and health services sectors combined.

Table 2. 12-Month Average Nonfarm Payroll Jobs in the Roanoke HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	July 2016	July 2017		
Total nonfarm payroll jobs	161,500	163,200	1,700	1.1
Goods-producing sectors	24,500	24,900	400	1.6
Mining, logging, & construction	8,900	9,400	500	5.6
Manufacturing	15,600	15,500	– 100	– 0.6
Service-providing sectors	137,000	138,300	1,300	0.9
Wholesale & retail trade	25,500	25,600	100	0.4
Transportation & utilities	9,000	9,000	0	0.0
Information	1,500	1,400	– 100	– 6.7
Financial activities	8,200	8,100	– 100	– 1.2
Professional & business services	21,800	22,000	200	0.9
Education & health services	27,000	27,800	800	3.0
Leisure & hospitality	14,300	14,500	200	1.4
Other services	7,800	7,800	0	0.0
Government	21,900	22,200	300	1.4

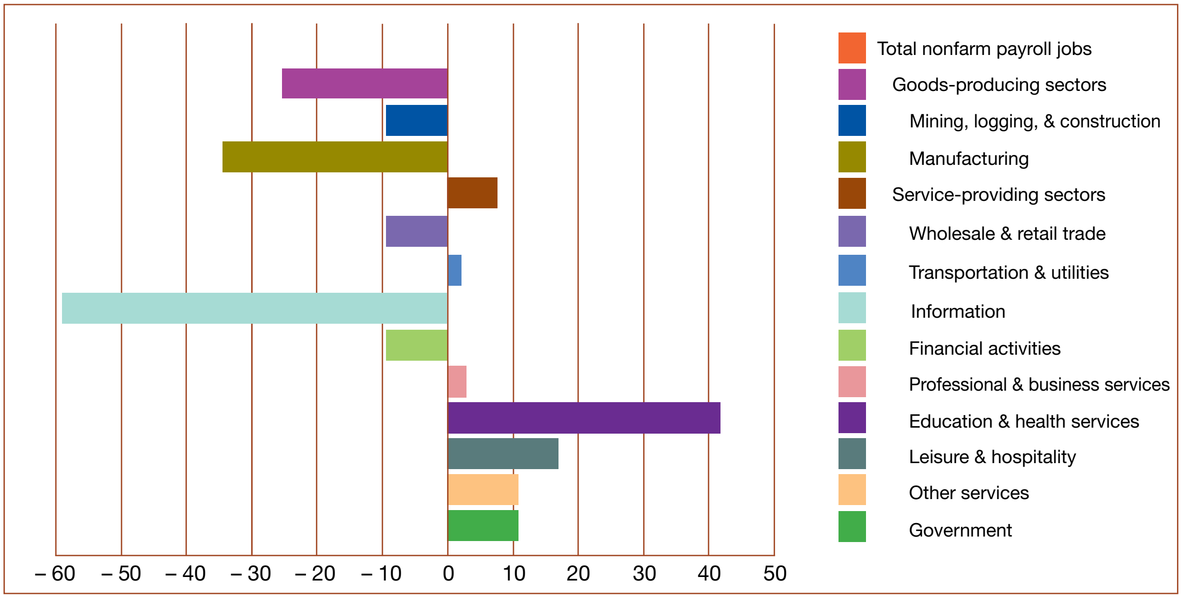
Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through July 2016 and July 2017.

Source: U.S. Bureau of Labor Statistics

Some of the nonfarm payroll additions included UnitedHealth Group Inc. adding 250 jobs to its customer support center in the city of Roanoke in 2005 and Wells Fargo & Co. adding 150 jobs at its customer service center in Roanoke County in 2006. Despite job growth from 2005 through 2007, the economy never fully recovered the jobs lost as a result of the 2001 recession before the economy began to contract again. From 2008 through 2010, payrolls declined by an average of 2,700 jobs, or 1.7 percent, annually. Payrolls in the mining, logging, and construction sector led the decline. Figure 1 shows the total percent change in each sector in the HMA since 2000.

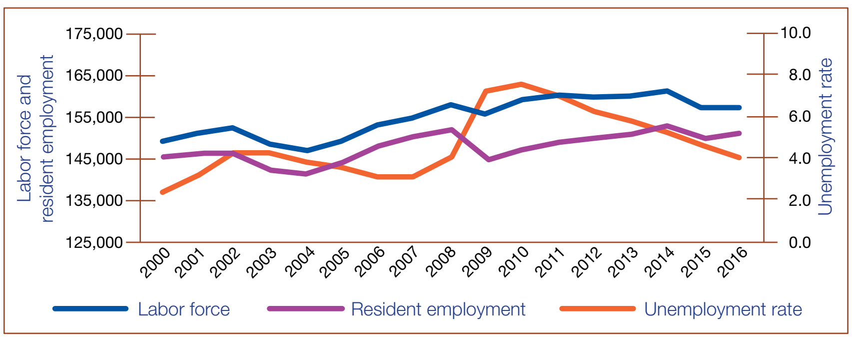
Prior to the economic downturn of the late 2000s, the mining, logging, and construction sector totaled 10,500 in 2007, slightly greater than the previous high of 10,300 in 2001. However, with the recession that followed, the number of jobs in this sector fell precipitously during the next few years. From 2008 through 2010, jobs decreased at an average annual rate of 8.3 percent, an average decline of 800 jobs per year. The professional and business services sector, one of the fastest growing sectors prior to the Great Recession, lost 2,300 jobs during this period, an annual loss of 700 jobs, or 3.1 percent. The highest annual rate of job loss during this period was in the information sector, the smallest sector of the HMA, which declined by 200 jobs, or 9.9 percent, annually. The education and health services sector continued to add jobs, however, albeit at a slower rate of 400 jobs, or 1.7 percent, a year due to the increased demand for health services from the aging population. With the softer economy, the unemployment

Figure 1. Sector Growth in the Roanoke HMA, Percentage Change, 2000 to Current



Notes: Current is based on 12-month averages through July 2017. During this period, total nonfarm payrolls showed no net change.
Source: U.S. Bureau of Labor Statistics

Figure 2. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Roanoke HMA, 2000 Through 2016



Note: Unemployment has been decreasing since 2011.
Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Roanoke HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Carilion Clinic	Education & health services	10,000+
City of Roanoke	Government	1,000–2,499
County of Roanoke	Government	1,000–2,499
HCA Virginia Health System	Education & health services	1,000–2,499
Kroger Co.	Wholesale & retail trade	1,000–2,499
MW Manufacturers, Inc.	Manufacturing	1,000–2,499
U.S. Department of Veterans Affairs	Government	1,000–2,499
Wal-Mart Stores Inc.	Wholesale & retail trade	1,000–2,499
Wells Fargo & Co.	Financial activities	1,000–2,499
United Parcel Service, Inc.	Transportation & utilities	500–999

Notes: Excludes local school districts. Data include military personnel, who are generally not included in nonfarm payroll survey data.
Sources: Virginia Employment Commission; City of Roanoke Department of Economic Development; County of Roanoke Department of Economic Development

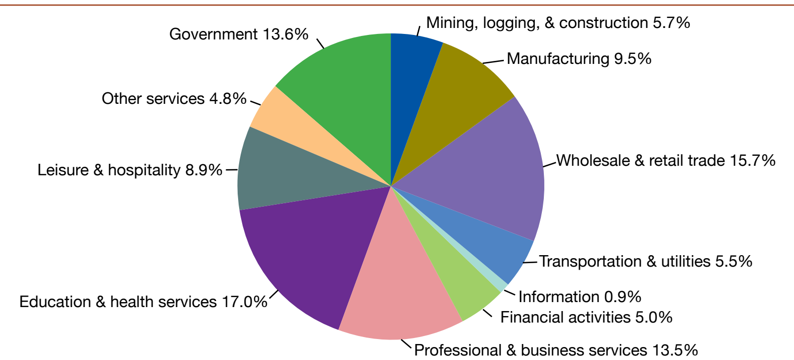
rate rose to an average of 7.6 percent in 2010 from an average of 3.1 percent in 2007 (Figure 2).

Economic conditions in the HMA began to recover in 2011, with job growth led by the education and health services sector. Job growth in this sector accounted for approximately 48 percent of all nonfarm payroll gains since 2011. The education and health services sector remains the fastest growing sector in the HMA, increasing by 800 jobs, or 3.0 percent, during the 12 months ending July 2017, to 27,800 jobs compared with a gain of 700 jobs, or 2.5 percent, in the sector during the same period a year ago. The healthcare and social services industry accounted for 23,100 jobs, or 83 percent, of the jobs in this sector during the 12 months ending July 2017. The largest employer in the HMA, Carilion Clinic (Table 3), continues to expand with a $45 million investment in the Virginia Tech Carilion School of Medicine and Research Institute and expects to create more than 250 jobs by 2019.

Other sectors with significant job additions include the professional and business services sector, which totaled 22,000 jobs, an increase of 200 jobs, or 0.9 percent, from a year earlier, a decline from an increase of 500 jobs, or 2.3 percent, during the previous 12-month period. This job gain is largely due to Wells Fargo expanding its operations and service center in 2015, adding more than 500 jobs. Because the downtown area of the city of Roanoke is expanding, and the HMA is a popular destination for recreational tourism, the leisure and hospitality sector has grown steadily since 2011 at an average annual rate of 200 jobs, or 1.3 percent, each year. As a result of continued economic growth and strengthening labor market conditions, the unemployment rate in the HMA has steadily decreased since the recession and averaged 3.9 percent during the 12 months ending July 2017. Figure 3 shows a breakdown of the proportion of total nonfarm payrolls in the HMA by sector during the 12 months ending July 2017.

Although the total number of jobs in the HMA has increased since 2011, the mining, logging, and construction sector only recently began to add jobs, primarily due to increased levels of multifamily construction. From 2011 through 2014, the average number of jobs remained steady at a low of 7,900 during this period due to the tepid demand for new single-family homes. However, while the level of single-family home construction declined, multifamily development increased. Since 2014, the mining, logging, and construction sector has increased by an average of 400 jobs, or 5.0 percent, annually. During the 12 months ending July 2017, jobs in this sector averaged 9,400, representing an increase of 500 jobs, or 5.6 percent, from a year ago compared with growth of 700 jobs, or 7.8 percent, from 12 months ending July 2015 to July 2016, mirroring the trends in residential construction.

Figure 3. Current Nonfarm Payroll Jobs in the Roanoke HMA, by Sector



Note: Based on 12-month averages through July 2017.
Source: U.S. Bureau of Labor Statistics

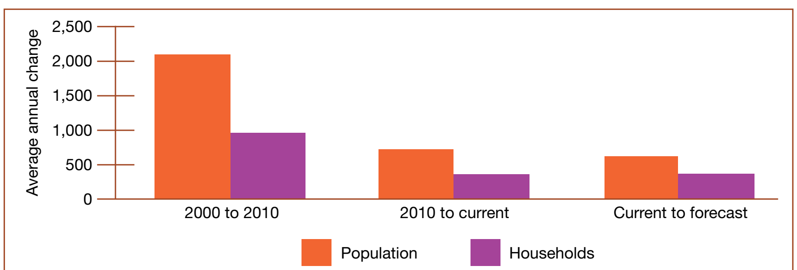
The manufacturing sector accounts for nearly 10 percent of nonfarm payrolls in the HMA, despite declining approximately 33 percent since 2000. The rate of decline recently slowed, however. As of the 12 months ending July 2017, the manufacturing sector declined by 100 jobs, or 0.6 percent, from a year ago, less than the 500 jobs, or 3.0 percent, lost during the previous 12 months. Recent losses in the sector include 350 jobs at FreightCar America, Inc., a rail car manufacturer, in June 2017. In May 2017, LSC Communications Inc., a commercial printing firm, announced that it would begin closing its printing plant in July 2017, leading to the loss of 140 jobs. Recent investments in manufacturing are expected to offset job loss in the sector, however. The Eldor Corporation is investing $75 million in a vehicle ignition manufacturing plant that will create an estimated 350 new jobs within the next 5 years. Deschutes Brewing and Ballast Point Brewing Co. are investing $85 million and $47.8 million, respectively, into new facilities. These expansions are expected to create approximately 300 new jobs during the next 3 years.

During the 3-year forecast period, the education and health services sector is expected to lead job growth in the HMA, while the mining, logging, and construction and the manufacturing sectors are expected to grow because of the construction of the aforementioned manufacturing facilities and subsequent hiring of employees. Even with recent investments in the HMA, nonfarm payrolls are expected to increase at an average rate of 900 jobs, or 0.6 percent, annually during the next 3 years, slightly below the average annual growth rate of 0.7 percent since 2011 due to low growth in the labor force.

Population and Households

The population of the Roanoke HMA is growing but at a slower rate than during the previous period of economic recovery. As of August 1, 2017, the population of the HMA is estimated at 314,400, with an annual population growth of 0.2 percent, or 700 people, since July 2016, slightly below the average population growth of 770 from 2011 to 2016, when the economy began to recover after the Great Recession. By comparison, from 2004 to 2008, when the economy was in recovery after the recession in the early 2000s, population growth averaged 2,850 people, or 1.0 percent, annually. (Weldon Cooper Center population estimates as of July 1). The overall slower rate of population growth since 2011 is due to declines in both annual net in-migration and net natural change (resident births minus resident deaths). Figure 4 shows population and household growth in the HMA from 2000 to the forecast date.

Figure 4. Population and Household Growth in the Roanoke HMA, 2000 to Forecast



Notes: The current date is August 1, 2017. The forecast date is August 1, 2020.
Sources: 2000 and 2010—2000 Census and 2010 Census; Weldon Cooper Center for Public Service population estimates as of July 2016; current and forecast—estimates by analyst

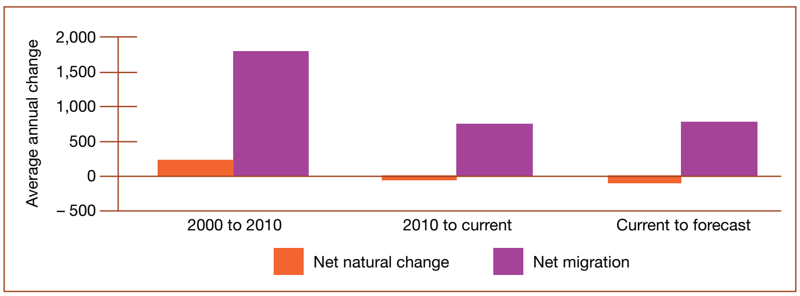
The HMA has historically been a popular destination for retirees because of its relatively low cost of living, rural setting and outdoor offerings, and accessible healthcare. Franklin County, in the southern part of the HMA, is especially attractive among this demographic group with Smith Mountain Lake, a popular outdoor recreational destination. From 2000 to 2010, annual net in-migration into Franklin County averaged 800 people annually. Since 2010, annual net in-migration averaged 120 people, a decline of approximately 85 percent. Whereas the majority of housing developments from 2000 through 2010 were along the coast of Smith Mountain Lake, retirees are increasingly looking for less expensive homes in close proximity to the lake in retirement communities that offer more amenities.

Although fewer retirees are moving into the HMA, the population continues to get older. In 2010, the percent of people aged 65 and older accounted for 16.3 percent of the population. As of July 2015, nearly 19 percent of the population was aged 65 or older, compared with 15 percent of the population aged 65 and older nationally (2015 American Community Survey [ACS] 1-year data). The median age in the HMA was estimated at 41.8 years, higher than the national median of 37.8 years. With the aging population, net natural change has become negative, averaging a decline of 15 people annually since 2010 compared with a positive average of 280 a year from 2000 to 2010. Figure 5 shows the components of the population change in the HMA from 2000 to the forecast date.

The HMA has an estimated 131,000 households, an increase of 350 households, or 0.3 percent, annually since 2010. By comparison, household growth averaged 910, or 0.7 percent, annually from 2000 to 2010. The decline in household growth reflects the overall decline in population growth. The homeownership rate is currently at 65.7 percent, down from 69.9 percent in 2010 because of the tight credit market and high unemployment at the beginning of the decade due to the Great Recession. Figure 6 shows the number of households by tenure in the HMA from 2000 to the current date.

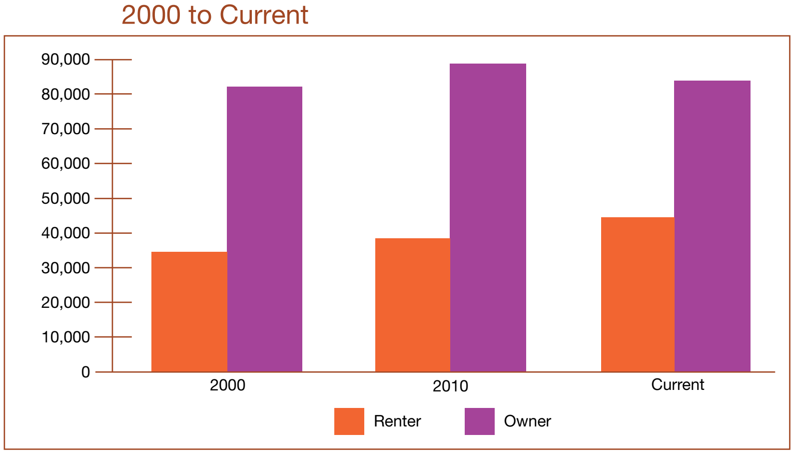
During the 3-year forecast period, the population in the HMA is expected to increase by approximately 730 a year, or 0.2 percent, annually. All of the population growth will be due to net in-migration, because net natural change is expected to be increasingly negative. The number of households in the HMA is expected to increase by an average of 350, or 0.3 percent, annually to approximately 132,100. Growth is expected to be concentrated around Smith Mountain Lake, the downtown districts, and suburban town centers.

Figure 5. Components of Population Change in the Roanoke HMA, 2000 to Forecast



Notes: The current date is August 1, 2017. The forecast date is August 1, 2020.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 6. Number of Households by Tenure in the Roanoke HMA, 2000 to Current



Note: The current date is August 1, 2017.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market

Sales housing market conditions in the Roanoke HMA are slightly soft, with an estimated vacancy rate of 2.2 percent, down from 2.6 percent in April 2010 (Table DP-1 at the end of this report). The decline in vacancies reflects a decrease in new construction and the absorption of excess inventory after the foreclosure crisis. The inventory of homes for sale decreased more than 17 percent, from 2,738 homes listed in May 2016 to 2,258 as of May 2017 (Roanoke Valley Association of Realtors®).

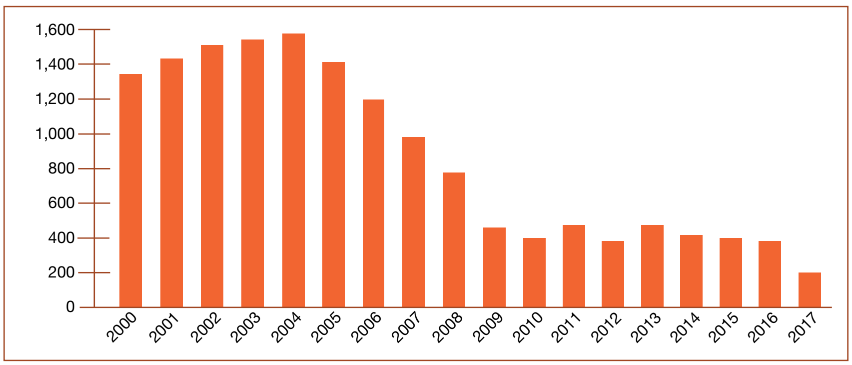
While home sales improve as the economy recovers, the number of homes sold remains well below the prerecession peak. During the 12 months ending May 2017 (the best representative data available), sales of new and existing single-family homes, townhomes, and condominiums increased 3 percent, or by 200 homes, from the previous 12-month period, to 5,925 homes (CoreLogic, Inc., with adjustments by the analyst). By comparison, during the housing boom from 2003 through 2007, existing home sales averaged 8,275 annually. Home sales were at a low from 2008 through 2011, averaging 4,675 annually before the economy entered recovery.

During the 12 months ending May 2017, the average sales price increased 4 percent, or $6,550, to $181,500 compared with an increase of less than 1 percent, or $1,500, during the previous 12-month period. Although home prices rose, the percentage increase was below the national average, partly due to the high volume of real estate owned (REO) sales. A larger than average number of foreclosed homes entered the market during the Great Recession, but absorption of those homes was slow due to a decline in net in-migration. During the 12 months ending May 2017, REO sales accounted for more than 8 percent of total sales, compared with 5 percent nationally, but below the high of 18 percent of home sales during the 12 months ending May 2011. However, the average share of REO sales remains higher than at any time between 2000 and 2009, when REO sales accounted for less than 7 percent of total sales. As of the 12 months ending May 2017, the REO sales price averaged $89,550, less than one-half the average sales price for a regular resale home. Excluding REO sales, the average price of a home was approximately $190,200, or more than 4 percent higher than the average price including REO sales. Despite a relatively higher rate of REO sales, as of May 2017, the rate of home loans in the HMA that were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into REO status was 2.4 percent, below the May 2016 average of 2.7 percent and below the national average of 3.3 percent.

Annual sales of new homes recently increased after declining each year from 2006 through 2014, as the supply of REO properties decreased. Approximately 190 new homes sold during the 12 months ending May 2017, an increase of 3 percent from a year ago. By comparison, new home sales peaked at 410 homes sold in the HMA during the 12 months ending October 2005. Sales of new homes have been increasing since 2015, however, from an average of 150 new homes sold during the 12 months ending May 2015 to the most recent average of 190 homes, an average increase of 30 homes. During the 12 months ending May 2017, new home prices averaged $221,300, an increase of $700, from a year ago. However, this price remains below the recent peak of $231,900 during the 12 months ending May 2015.

Slow population growth has resulted in a decline in new home construction, as measured by the number of homes permitted since 2014, even though economic conditions have improved. During the 12 months ending July 2017, 370 single-family homes were permitted, a decline of nearly 6 percent compared with the same period a year earlier (preliminary data; estimates by the analyst). This annual rate of decline has remained relatively unchanged since 2014. By comparison, single-family homebuilding peaked in 2004 with 1,575 homes permitted (Figure 7), before declining by an average of 200, or 20 percent, annually through 2010. Single-family permitting averaged 450 homes from 2011 through 2013, before declining in 2014. Currently, 120 single-family homes are under construction, 60 percent of which are in Franklin and Roanoke Counties.

Figure 7. Single-Family Homes Permitted in the Roanoke HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through July 2017.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Roanoke HMA During the Forecast Period

Price Range ($)		Units of Demand	Percent of Total
From	To		
120,000	199,999	260	25.0
200,000	249,999	260	25.0
250,000	299,999	160	15.0
300,000	349,999	110	10.0
350,000	and higher	260	25.0

Notes: The 120 homes currently under construction and a portion of the estimated 10,400 other vacant units in the HMA will likely satisfy some of the forecast demand. Demand for 50 mobile homes during the forecast period is excluded from this table. The forecast period is August 1, 2017, to August 1, 2020.
Source: Estimates by analyst

Runk and Pratt at Smith Mountain Lake is a retirement community of single-family cottage-style homes that is currently in its second phase of development in Franklin County. The development is one-half mile from the Westlake Towne Center and 5 miles from Smith Mountain Lake. Fourteen two-bedroom cottage homes were built, with an additional 36 homes planned. Currently, three homes are under construction. Homes are built as they are sold, with a starting price of $279,000.

The Townes at Hidden Valley is a large development of single-family townhomes in Roanoke County about one-half mile from the Hidden Valley Country Club and near the Lewis Gale Medical Center. Currently, 64 homes, out of the planned 86-home development, are complete. The starting price for homes in this development is $350,000.

During the next 3 years, demand is expected for 1,100 new homes in the HMA, including 50 mobile homes (Table 1). The 120 homes currently under construction and some of the estimated 10,400 other vacant units that may return to the market likely will satisfy a portion of the demand. Approximately one-half of the demand will be for new homes priced between $120,000 and $249,999 (Table 4).

Rental Market

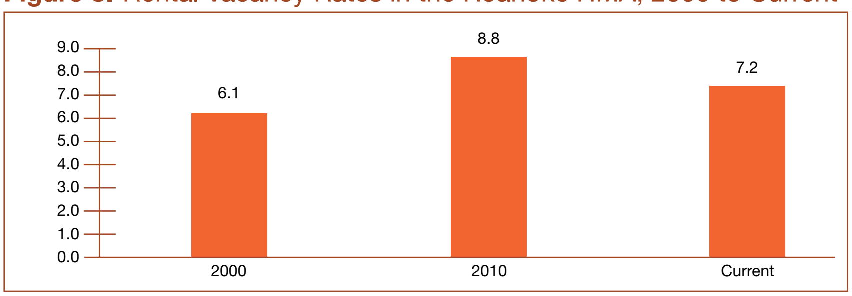
Rental housing market conditions in the Roanoke HMA are currently slightly soft, with an overall rental vacancy rate estimated at 7.2 percent as of August 1, 2017, a decline from the April 2010 rental vacancy rate of 8.8 percent (Figure 8). The proportion of rental units that are single-family homes has increased significantly since 2010, accounting for 43 percent of occupied rental units as of July 2015, compared with 34 percent of occupied rental units from 5 years earlier (2010 and 2015 ACS 1-year data) Despite the growth in occupancy, a large supply of single-family homes remains available for rent due to the soft sales market, low net in-migration, and an increase in apartment construction.

Although the overall rental housing market is slightly soft, the apartment market is currently slightly tight with a vacancy rate of 3.6 percent as of the second quarter of 2017, down from 3.9 percent in the second quarter of 2016 (Reis, Inc.). The current rate is slightly below the 2012 average vacancy rate of 3.8 percent. In 2015, the average vacancy rate rose to 4.7 percent due to an increase in the number of units entering the market and a decline in net in-migration. Rents modestly increased, with apartment rents in the second quarter of 2017 averaging $750, an increase of $23, or 3 percent, from a year ago. Studios, one-, two-, and three-bedroom apartment rents averaged $614, $682, $740, and $896, respectively (Reis, Inc).

The number of multifamily units permitted in the HMA averaged 270 annually from 2012 through 2016, peaking in 2015 at 380 units permitted (Figure 9). This level is slightly lower than multifamily permitting activity in the HMA prior to 2009. From 2000 through 2008, permitting varied dramatically from year to year, ranging from a low of 180 units in 2002 to a peak of 450 units in 2003 before declining to an average annual rate of 120 units from 2009 through 2011 due to limited access to financing and slow population growth.

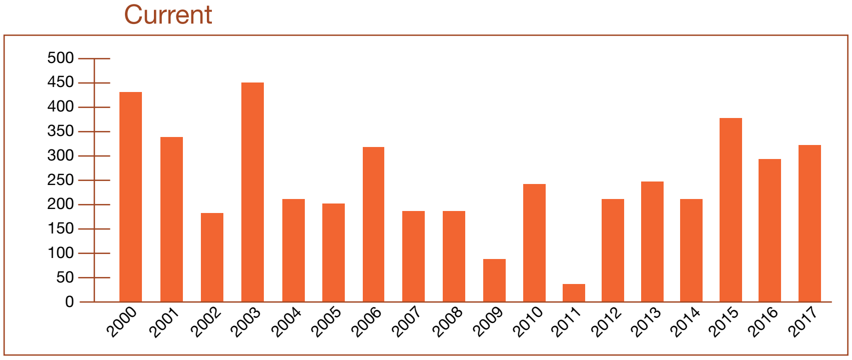
The growth in multifamily building activity during the past few years is predominantly due to an increase in activity in the city of Roanoke. The downtown area of the city, with its many amenities, including numerous bars and restaurants, is appealing to young professionals in and around the HMA, contributing to the recent increase in the demand for apartments. Since 2010, 79 percent of the multifamily units permitted in the HMA were in the city of Roanoke, or an

Figure 8. Rental Vacancy Rates in the Roanoke HMA, 2000 to Current



Note: The current date is August 1, 2017.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 9. Multifamily Units Permitted in the Roanoke HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through July 2017.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

average of 190 units annually. Prior to this period, from 2000 through 2009, an average of 55 units annually were permitted in the city, accounting for 25 percent of all multifamily construction activity in the HMA.

The number of multifamily units permitted recently increased in other parts of the HMA as well, most notably in Roanoke County, which does not include the city of Roanoke. In 2015, 210 units were permitted compared with 70 units in 2014 and 50 units in 2013. Permitting decreased to only 30 units in Roanoke County in 2016 and 2017, as builders allowed time for the completion of an estimated 430 multifamily units that are currently under construction.

The Whitmore, the newest addition to South 16 at the Bridges luxury apartment community in the city of Roanoke, is currently in lease-up (Axiometrics, Inc.). The complex currently comprises 71 one-bedroom, 48 two-bedroom, and 14 three-bedroom apartments. Monthly rents start at $844 for one-bedroom, $1,194 for two-bedroom, and $1,899 for three-bedroom apartments. The property is across the street from the Virginia Tech Carilion School of Medicine and Research Institute and is approximately 1 mile from downtown Roanoke.

The Retreat Apartments in Roanoke County, at the intersection of Interstate 81 and Route 419, is currently in phase one of a two-phase construction plan, with 104 units currently in lease-up and 162 units expected to be complete by 2018. An additional 90 units are planned for phase two. On completion, it will consist of 51 one-bedroom, 153 two-bedroom, and 48 three-bedroom apartments, with rents starting at $999, $1,089, and $1,399, respectively.

During the 3-year forecast period, demand is expected for 690 new market-rate rental units (Table 1). The 430 units currently under construction and the 95 units in planning will satisfy the majority of the total demand. Table 5 shows the total demand by rent level and number of bedrooms for new market-rate rental housing in the HMA.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Roanoke HMA During the Forecast Period

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand
800 to 999	35	975 to 1,174	60	1,350 to 1,549	15
1,000 to 1,199	140	1,175 to 1,374	95	1,550 to 1,749	10
1,200 to 1,399	140	1,375 to 1,574	95	1,750 or more	10
1,400 or more	35	1,575 to 1,774	45		
		1,775 or more	15		
Total	350	Total	310	Total	35

Notes: Monthly rent does not include utilities or concessions. Numbers may not add to totals because of rounding. The 430 units currently under construction will likely satisfy some of the estimated demand. The forecast period is August 1, 2017, to August 1, 2020.

Source: Estimates by analyst

Data Profile

Table DP-1. Roanoke HMA Data Profile, 2000 to Current

				Average Annual Change (%)	
	2000	2010	Current	2000 to 2010	2010 to Current
Total resident employment	145,746	147,091	153,000	0.1	0.6
Unemployment rate	2.2%	7.6%	3.9%		
Nonfarm payroll jobs	163,400	155,100	163,200	– 0.5	0.8
Total population	288,309	308,707	314,400	0.7	0.2
Total households	119,366	128,454	131,050	0.7	0.3
Owner households	84,476	89,832	86,100	0.6	– 0.6
Percent owner	70.8%	69.9%	65.7%		
Renter households	34,890	38,622	44,950	1.0	2.1
Percent renter	29.2%	30.1%	34.3%		
Total housing units	129,623	144,987	146,900	1.1	0.2
Owner vacancy rate	1.5%	2.6%	2.2%		
Rental vacancy rate	6.1%	8.8%	7.2%		
Median Family Income	$47,348	$59,357	$61,719	2.3	0.7

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through July 2017. Median Family Incomes are for 1999, 2009, and 2015. The current date is August 1, 2017.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 8/1/2017—Estimates by the analyst
Forecast period: 8/1/2017–8/1/2020—Estimates by the analyst

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_RoanokeVA_17.pdf.

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.