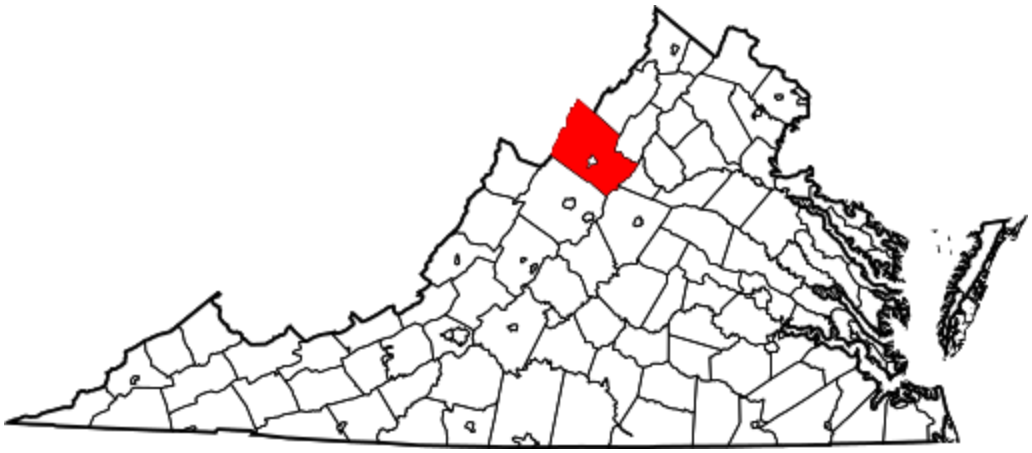


Housing Needs and Market Analysis: Of the Harrisonburg-Rockingham Housing Market Area

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THE MADISON CENTER FOR COMMUNITY DEVELOPMENT

JAMES MADISON UNIVERSITY

Table of Contents

List of Figures and Tables 4
Introduction 7
Methodology 7
Archival Analysis 10
Newspaper Search 10
Market Analysis Citywide Demographic and Housing Analysis Harrisonburg, Virginia 10
Rockingham County Comprehensive Plan for 2020 and Beyond, 2015 Review and Update 11
Results 13
Quantitative 13
Demographic and Migration Profile 13
Population 13
Net Migration 15
Race and Ethnicity 17
Gender 23
Age 27
Educational Attainment 33
Economic Profile 38
Population Income 38
Unemployment 41
Median Household Income 43
Income and Housing Expenses: Homeowners and Renters 45
Housing Profile 48
Housing Occupancy 48
Vacant Housing Units 50
Owner vs. Renter Occupied Housing 52
Housing Cost 54
Mortgages vs. No Mortgages 56
Rockingham County Housing Permits 58
Qualitative 60
Data Collection and Methods 60
Survey Results 60

Conclusions 80
Next Steps 82
Appendices 83
Appendix 1: Sources 84
Appendix 2: Survey 85

List of Figures and Tables

Methodology
Figure 1: Convergence of Evidence 9
Results
Quantitative
Demographic and Migration Profile
Figure 2: Population and Projections 14
Figure 3: Net Migration 16
Figure 4: Harrisonburg City Population Projections by Race/Ethnicity 18
Figure 5: Rockingham County Pop. Projections by Race/Ethnicity 19
Figure 6: MSA Population Projections by Race/Ethnicity 20
Figure 7: MSA Population Percent Change 2010-2040 22
Figure 8: Gender Population and Projections 24
Figure 9: Harrisonburg City and Rockingham County Gender Percent Change 2010-2040 26
Figure 10: Harrisonburg City Population by Age and Projections 28
Figure 11: Rockingham County Population by Age and Projections ... 29
Figure 12: MSA Population by Age and Projections 30
Figure 13: MSA Age Percent Change 2010-2040 32
Table 1: Harrisonburg City, Rockingham County, and MSA Age Percent Change 2010-2040 33
Figure 14: Harrisonburg City Educational Attainment 2009-2014 35
Figure 15: Rockingham County Educational Attainment 2009-2014 ... 36
Figure 16: Harrisonburg City and Rockingham County Educational Attainment 2009-2014 37
Economic Profile
Figure 17: Harrisonburg City and Rockingham County Income by Household 2009-2014 39
Figure 18: MSA Income by Household 2009-2014 40
Figure 19: Unemployment Rate 42
Figure 20: Median Household Income 44
Figure 21: Homeowner Income and Housing Expenses 46
Figure 22: Renter Income and Housing Expenses 47
Housing Profile
Figure 23: Housing Occupancy 49
Figure 24: Vacant Housing Units 51
Figure 25: Owner vs. Renter Occupied Housing 53
Figure 26: Housing Cost 55
Figure 27: Mortgages vs. No Mortgages 57
Figure 28: Housing Permits 59
Qualitative
Survey Results
Figure 29: Survey Question 1 61
Figure 30: Survey Question 23 61
Figure 31: Survey Question 24 62

Figure 32: Survey Question 25 62
Figure 33: Survey Question 26 63
Figure 34: Survey Question 2 63
Figure 35: Survey Question 3 64
Figure 36: Survey Question 4 65
Figure 37: Survey Question 5 66
Figure 38: Survey Question 6 66
Figure 39: Survey Question 7 67
Figure 40: Survey Question 8 68
Figure 41: Survey Question 9 69
Figure 42: Survey Question 10 70
Figure 43: Survey Question 11 71
Figure 44: Survey Question 12 72
Figure 45: Survey Question 13 73
Figure 46: Survey Question 14 74
Figure 47: Survey Question 15 74
Figure 48: Survey Question 16 75
Figure 49: Survey Question 17 76
Figure 50: Survey Question 18 77
Figure 51: Survey Question 19 78
Figure 52: Survey Question 21 79
Figure 53: Survey Question 22 79
Conclusions
Figure 54 82

Introduction

The Madison Center for Community Development (MCCD) seeks to add superior value to organizations, community needs, and operations through various projects and other works. Through this approach, MCCD work is performed in a way to help an organization and/or community maximize both efficiency and effectiveness.

This Housing Needs and Market Analysis was prepared for the Harrisonburg-Rockingham Association of Realtors. Combining the most recent research in regards to Harrisonburg MSA[1] housing as well as new quantitative and qualitative data, this report provides an analysis of key housing data for the City of Harrisonburg, Rockingham County, and the MSA. Analyzing the local housing market through these methods will allow the Harrisonburg MSA to create a portfolio of the current housing market composition and needs, as well as an informed projection of how those needs are likely to evolve. This method will permit the stakeholders within the Harrisonburg MSA to match current housing planning with future market requirements and allow for the creation of a more accurate and responsive Rockingham County Comprehensive Plan, which has not been fully revised since 2006. This data will enhance the Harrisonburg MSA's ability to adapt to housing needs and continue to be a community with a high quality of life, especially as a college and university hub with college and post-collegiate residents. Maintaining an adequate supply of housing inventory and type is critical to attracting and sustaining businesses.

Methodology

We utilized a triangulated approach in order to have a better understanding of the local housing market. Our methodological approach, better known as convergence of evidence,[2] focused on combining data from a variety of sources to ensure that all relevant and important trends and patterns are accounted for, and allows for new analyses when combining these trends and patterns.

The housing needs and market analysis of the Harrisonburg-Rockingham Market Area (HMA) is comprised of four primary components of analysis:

- Quantitative data collection and analysis;
- Qualitative survey;
- Archival analysis; and
- Focus group session.

[1] The housing market area (HMA) described in this report is coterminous with the Harrisonburg-Rockingham, Virginia, Metropolitan Statistical Area (MSA) as defined by the US Census and home to James Madison University, Eastern Mennonite University, and Bridgewater College. The HMA is divided into two submarkets and one overall market to include both submarkets: the independent City of Harrisonburg, VA, and Rockingham County. Rockingham County contains the Towns of Broadway, Timberville, Elkton, Bridgewater, Dayton, Grottoes, and Mount Crawford.

[2] *Case Study Research: Design and Methods, Fourth Edition* by Robert K. Yin, 2009, Chapter 4.

To better understand the context in which the housing market operates, the quantitative analysis examined and provided data on key variables impacting the local housing market, utilizing Census data, Madison Center for Community Development predictions,[3] and data from the U.S. Bureau of Labor Statistics. This included an analysis of:

- Local population and demographic information;
- Economic conditions and factors;
- Housing sales and rental market; and
- Local infrastructure.

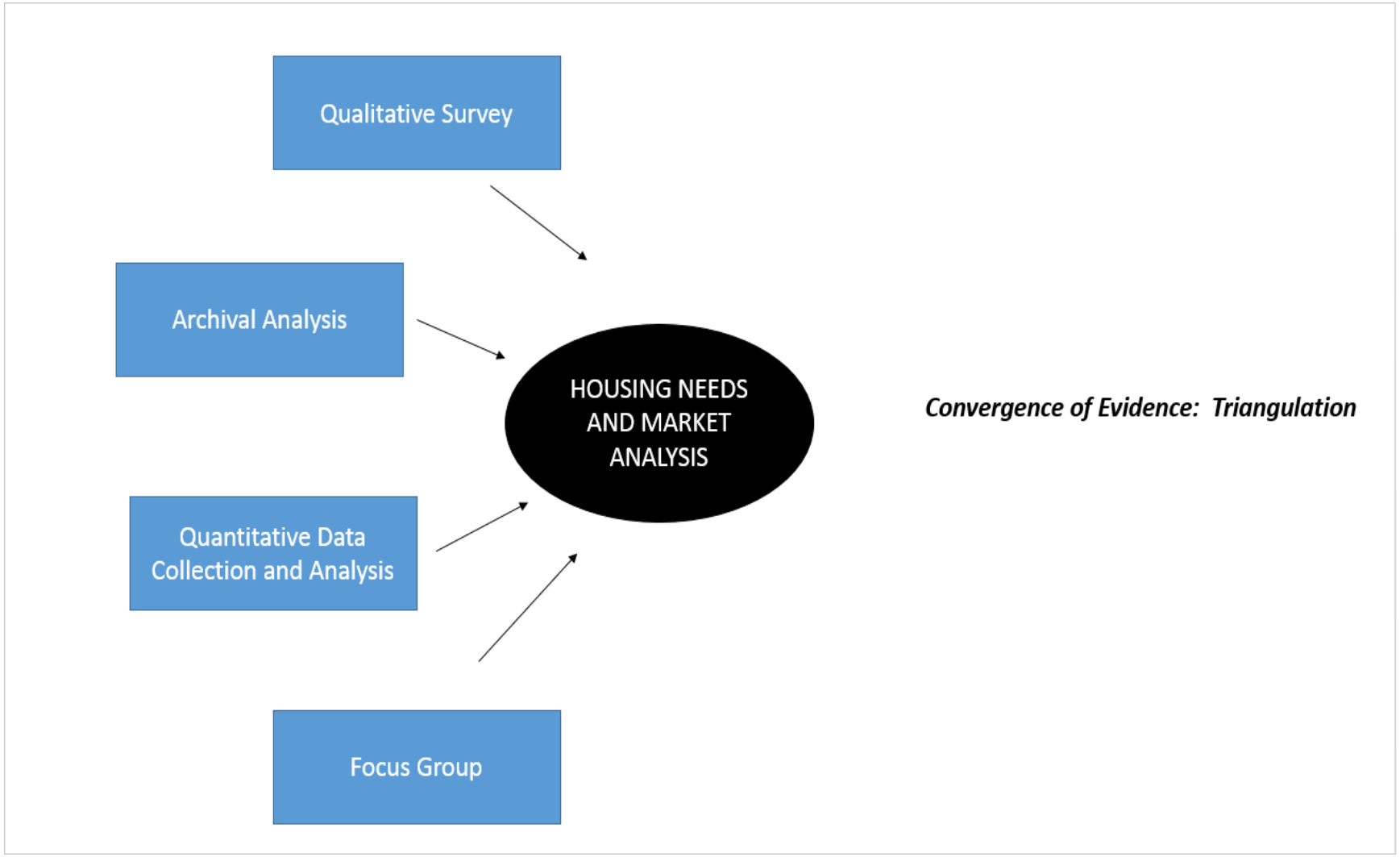
Specific variables examined included population variables such as net in-migration, and population history, current population, and forecasts for age group, income level, educational attainment, gender, and race. Economic variables examined include unemployment rates and median household income. Sales and rental market variables include number and type of building permits issued, number and type of households, vacancy rates, occupancy rates, housing cost, structure usage, owner versus renter occupied, units with mortgages versus those without mortgages, and the share of homeowners at different income levels paying more than 30% of their income for housing. A section on recent transportation projects and their impact is also included.

The Qualitative Survey was a 27-question Qualtrics survey distributed to members of stakeholder groups (Realty, Finance, Nonprofits, Other), containing questions concerning perceived principle housing challenges in the Harrisonburg MSA, what obstacles are present in addressing challenges, and potential solutions to resolve identified challenges. Potential challenges could include credit, community opposition to new developments and housing, low-density development preferences, shortages of land, and/or obstacles preventing the market from responding to demand.

The Archival Analysis consisted of two components, a search of the local newspaper (Daily News Record) over the previous six months for housing trends, and examining previous Harrisonburg MSA housing studies. Convergence of evidence as it applies to this analysis is illustrated in **Figure 1**, which follows.

[3] MCCD predictions were calculated by computing the growth rate present in the time series and extrapolating that rate across the desired time range (time ranges vary by graph).

Figure 1: Convergence of Evidence



Archival Analysis

In the development of this analysis, past research and information was referenced in order to obtain a more complete picture of housing within the Harrisonburg MSA. By referencing other works with different authors, points of view, and areas of focus, commonalities can be identified and the state of Harrisonburg MSA housing is revealed. The archival analysis is comprised of the following sources:

- Daily News Record (DNR) newspaper search;
- Market Analysis Citywide Demographic and Housing Analysis Harrisonburg, Virginia;[4] and
- Rockingham County Comprehensive Plan for 2020 and Beyond, 2015 Update Review.[5]

Newspaper Search

A comprehensive review of newspaper articles from the past six months was conducted in order to gain an understanding of what the local newspaper, the DNR, reported on with respect to the housing market within the Harrisonburg MSA. Major themes were identified for both the City of Harrisonburg and Rockingham County.

For the City of Harrisonburg, these included:

- Increased demand in the rental market and
- Increase in the number and value of home sales.

For Rockingham County, these included:

- Increase in the number of seniors and their housing needs;
- Increase in student housing and rezoning; and
- Overall positive growth with transportation projects fueling some of the projected growth.

Market Analysis Citywide Demographic and Housing Analysis Harrisonburg, Virginia

This housing analysis provided demographic data and housing recommendations that corroborated MCCD conclusions, as well as focused on areas not addressed by other studies, including an in-depth analysis of the

[4] November 2015, "Market Analysis Citywide Demographic and Housing Analysis for Harrisonburg, Virginia," S. Patz and Associates, Inc.: http://www.harrisonburgrha.com/documents/Housing%20Study%202015.pdf.
[5] 2015, "Comprehensive Plan for 2020 and Beyond 2015 Update Review," J. Dean and N. Swartz.

impact of James Madison University on the Harrisonburg MSA and a local affordable housing analysis. It is the fourth of its type completed by S. Patz and Associates Inc., for the Harrisonburg Housing and Redevelopment Authority (HHRA). The primary goal was to examine current issues as identified by the HHRA, including[6]:

> "An evaluation of the need for affordable, for-sale housing and the ability to provide such housing,"
>
> "Determination of the need for workforce housing; this issue connotes rental housing,"
>
> "Analysis of housing needs for older adults, including assisted living (AL), independent living (IL) and affordable housing,"
>
> "Evaluation of the need to upgrade some of the City's older housing stock."

Relevant conclusions are summarized as follows[7]:

> Market support for affordable for-sale housing for Harrisonburg Rockingham Housing Authority (HRHA) clients,
>
> A pent-up demand for new affordable age-restricted housing,
>
> The affordable apartment market is fully occupied, with no new proposals in the City,
>
> An expanding market for new, non-student apartment units,
>
> Limited land available in the City for new multifamily housing,
>
> Job and employment growth is modest,
>
> For-sale housing market is still well below pre-recession levels.

Rockingham County Comprehensive Plan for 2020 and Beyond, 2015 Review and Update

The 2015 Update Review of the Rockingham County Comprehensive Plan adds to the body of research for this analysis by providing both specific and

[6] November 2015, "Market Analysis Citywide Demographic and Housing Analysis for Harrisonburg, Virginia," S. Patz and Associates, Inc.: http://www.harrisonburgrha.com/documents/Housing%20Study%202015.pdf.
[7] November 2015, "Market Analysis Citywide Demographic and Housing Analysis for Harrisonburg, Virginia," S. Patz and Associates, Inc.: http://www.harrisonburgrha.com/documents/Housing%20Study%202015.pdf.

general data for Rockingham County in particular. This data serves to add to the overall Harrisonburg MSA data, and allows for an analysis of housing in this context. The Comprehensive Plan serves as an overall guide for future decisions regarding preservation, development, public facilities, and additional key components of community life. It contains sections with demographic, economic, and housing variables, illustrated through various maps, tables, and figures. No conclusions were made from this review.

Results

Quantitative

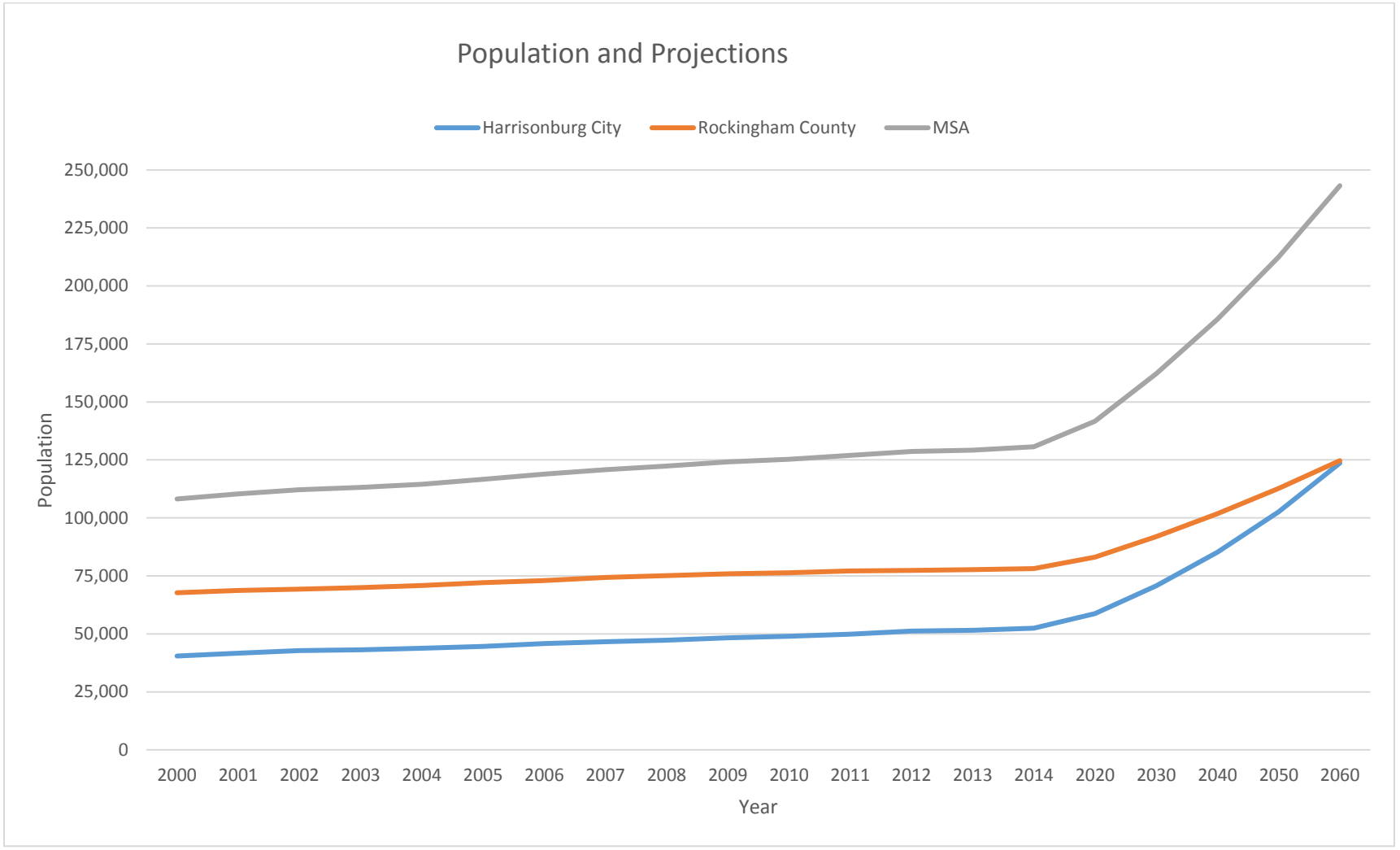
This section examines and provides data on key variables impacting the local housing market, utilizing data from the sources described in the Methodology section. An analysis of the economic, population, and sales and rental market variables is presented below.

Demographic and Migration Profile

Population

According to U.S. Census data and Madison Center for Community Development predictions, the population of Harrisonburg City is projected to increase to 123,614 by 2060, a 206% change since 2000; Rockingham County population is projected to increase to 124,676 by 2060, an 84% change since 2000; and MSA population is projected to increase to 243,203 by 2060, a 125% change since 2000. This reveals a greater and increasing population growth rate in Harrisonburg City than Rockingham County, with the population of Harrisonburg City projected to surpass Rockingham County. This is illustrated in **Figure 2** that follows.

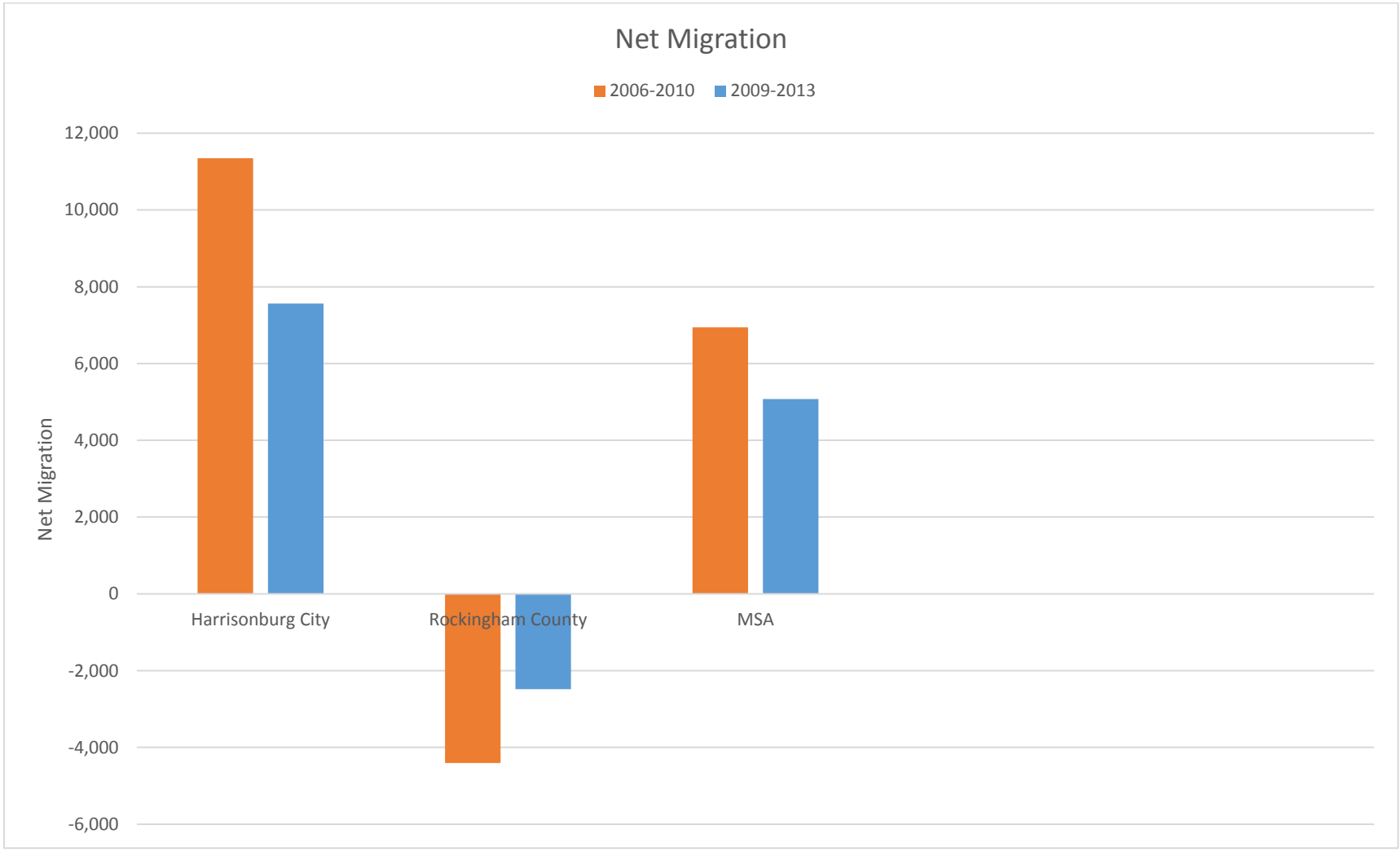
Figure 2: Population and Projections



Net Migration

Figure 3 that follows provides overall net migration for Harrisonburg City, Rockingham County, and the MSA for 2006-2013. Data was obtained from U.S. Census data and represents the difference between immigrants and emigrants of an area. Emigrants are defined as those that have left the MSA to reside elsewhere, and immigrants are those that have come to reside in the MSA. Positive values indicate more people entering the area than leaving it and negative values indicate more people leaving than entering. Harrisonburg City experienced a decrease in net migration from 2006-2013, while Rockingham County increased in overall net migration. The MSA overall experienced a decrease in net migration from 2006-2013.

Figure 3: Net Migration



Race and Ethnicity

Figure 4, **Figure 5**, and **Figure 6** that follow represent population and projections for race and ethnicity for Harrisonburg City, Rockingham County, and the MSA respectively from 2010 to 2040. Data was obtained from the U.S. Census and projections were made by the MCCD. Categories are defined as in the Census data, with "Hispanic or Latino," representing the ethnicity category, and ethnicity is displayed above the shaded blue line. Below the shaded blue line race is displayed, with no division between those that are and are not Hispanic or Latino:

- Of note in **Figure 4** is the growth of minority populations, with an expected 182% growth rate for those identified as Hispanic or Latino, as compared to a 29% rate for those not considered Hispanic or Latino. Projections include a 203% growth rate for Asians, and a 313% growth rate for those identified as "Other."

- **Figure 5** highlights the growth of minority populations, with an expected 283% growth rate for those identified as Hispanic or Latino, as compared to a 13% rate for those not considered Hispanic or Latino. Projections include a 313% growth rate for Asians, and a 570% growth rate for those identified as "Other."

- **Figure 6** highlights the growth of minority populations, with an expected 217% growth rate for those identified as Hispanic or Latino, as compared to a 19% growth rate for those not considered Hispanic or Latino. Projections include a 226% growth rate for Asians, and a 382% growth rate for those identified as "Other."

Figure 4: Harrisonburg City Population Projections by Race/Ethnicity

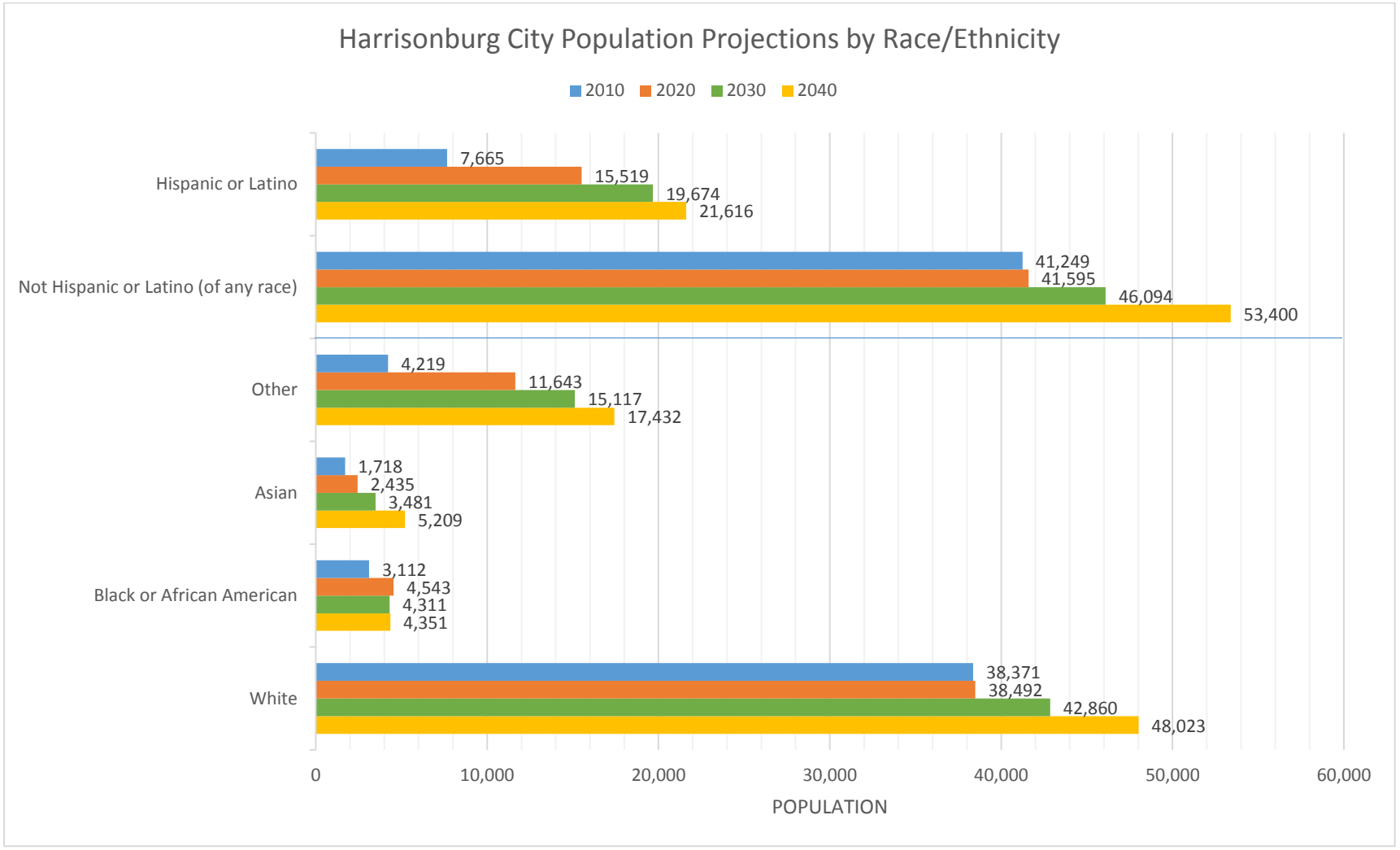


Figure 5: Rockingham County Population Projections by Race/Ethnicity

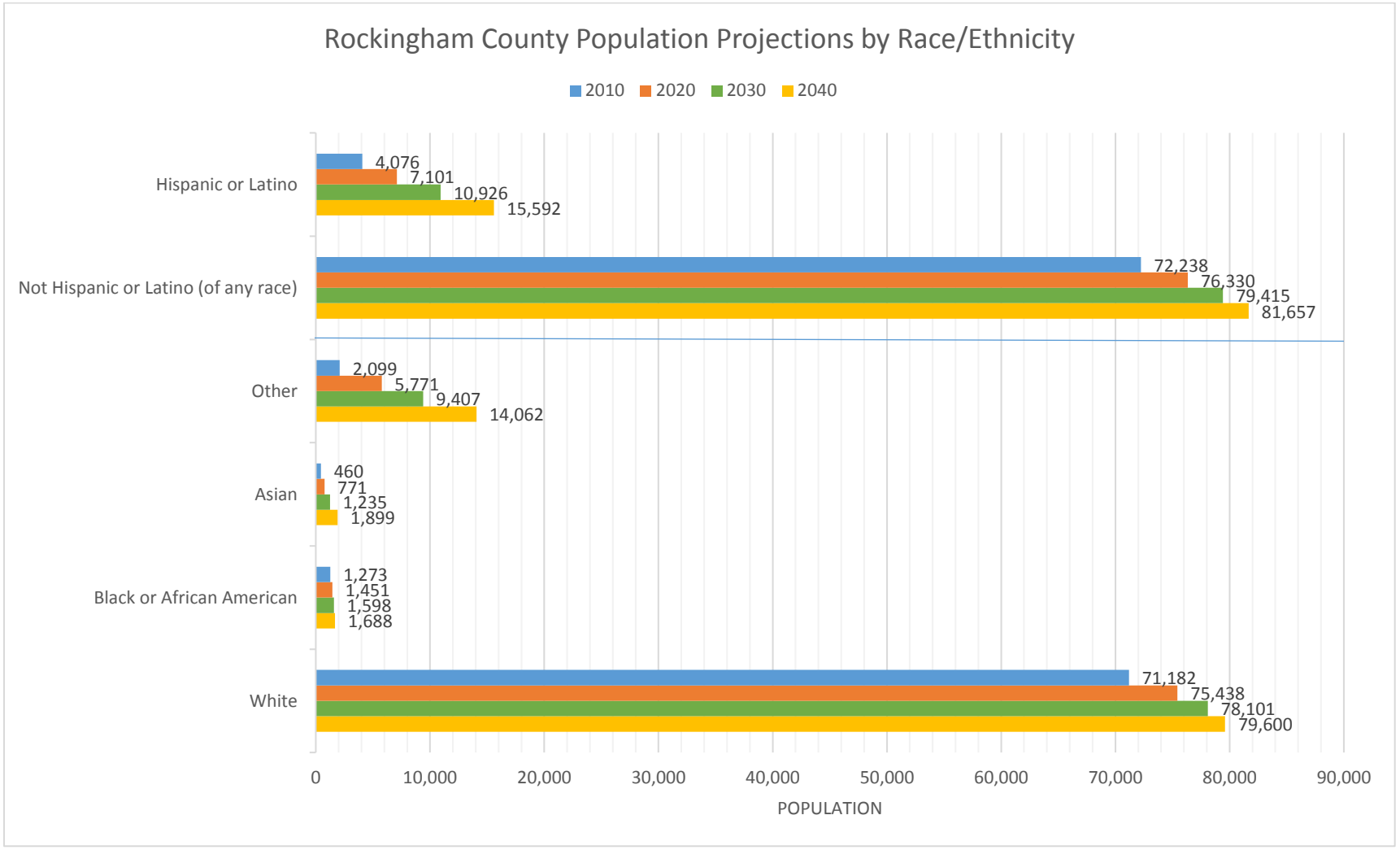


Figure 6: MSA Population Projections by Race/Ethnicity

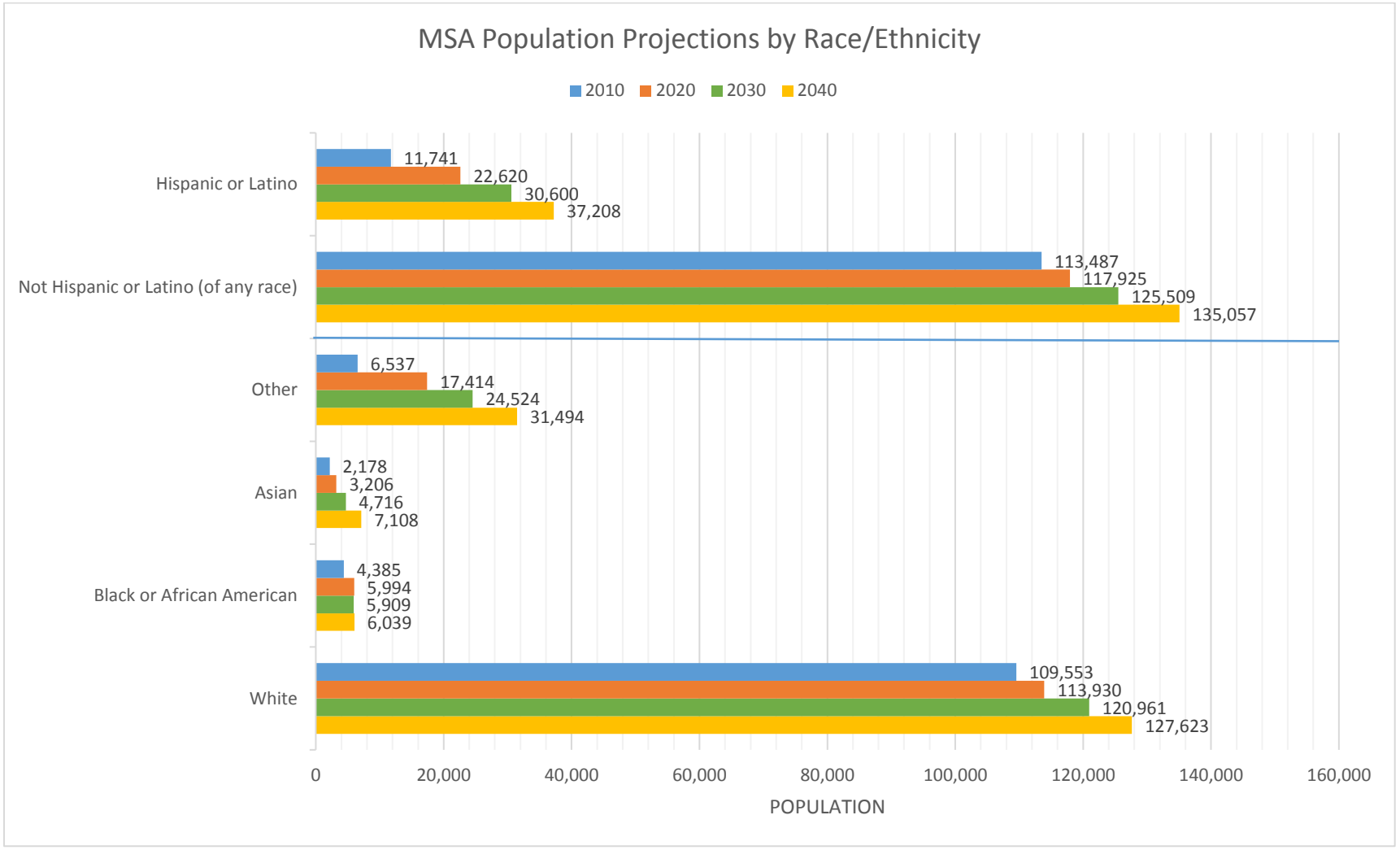
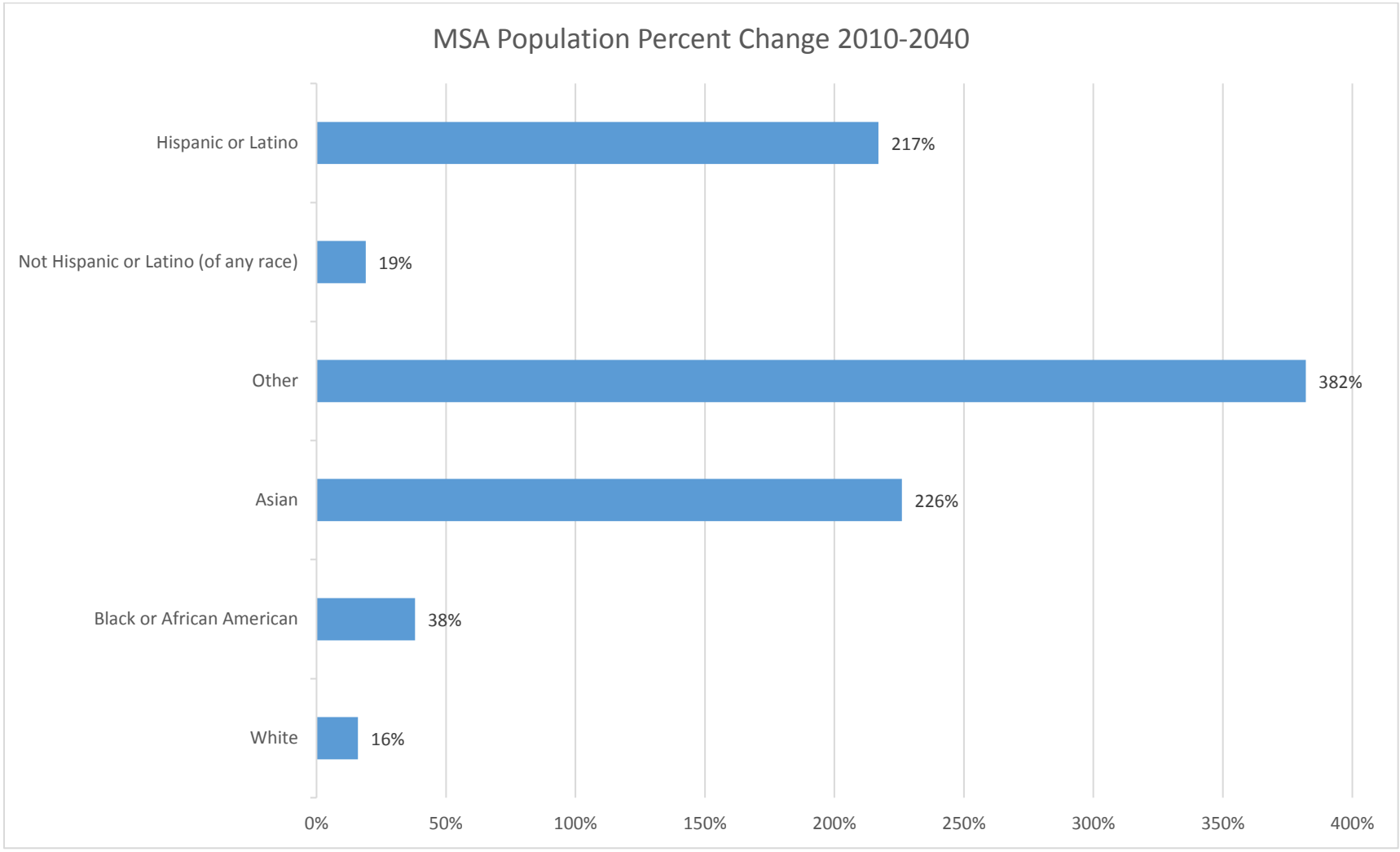


Figure 7 that follows represents the percent change for race and ethnicity in the MSA for 2010-2040. Data was obtained from the 2010 U.S. Census, and projections were made by the MCCD. The highest percent change is seen in the “Other” category, defined as races that do not fall into the other categories, with a value of 382%. The percentage of those who identify as Asian is also increasing at a high rate, with a percent change value of 226%. In regards to ethnicity, there is a 217% percent change for Hispanic or Latino as compared to a 19% percent change for those who are not Hispanic or Latino (regardless of whether they are White, Black, Asian, etc.). Categories are defined as in the Census data, with "Hispanic or Latino" representing ethnicity, and ethnicity is displayed above the shaded blue line. Below the shaded blue line race is displayed, with no division between those that are and are not Hispanic or Latino.

Figure 7: MSA Population Percent Change 2010-2040



Gender

Figure 8 that follows provides population by gender and projections for Harrisonburg City, Rockingham County, and the MSA. Data was obtained from U.S. Census data and projections were made by the MCCD. From 2010-2040, Harrisonburg City is projected to have a 53% increase in the number of females, and a 54% increase in the number of males. Rockingham County is projected to have a 29% increase in the number of females and a 26% increase in the number of males. The MSA is projected to have a 39% increase in females and a 37% increase in males overall.

Figure 8: Gender Population and Projections

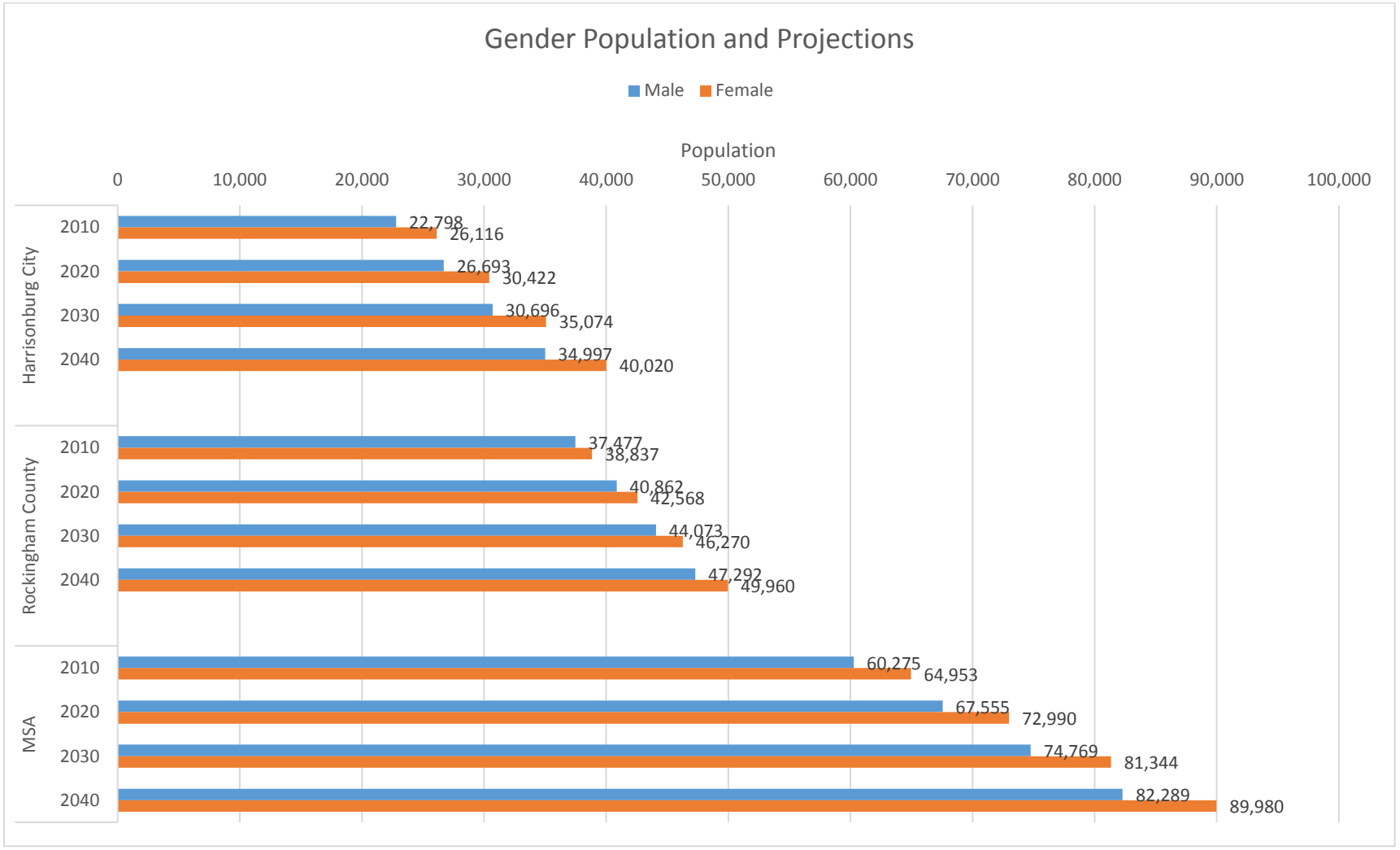
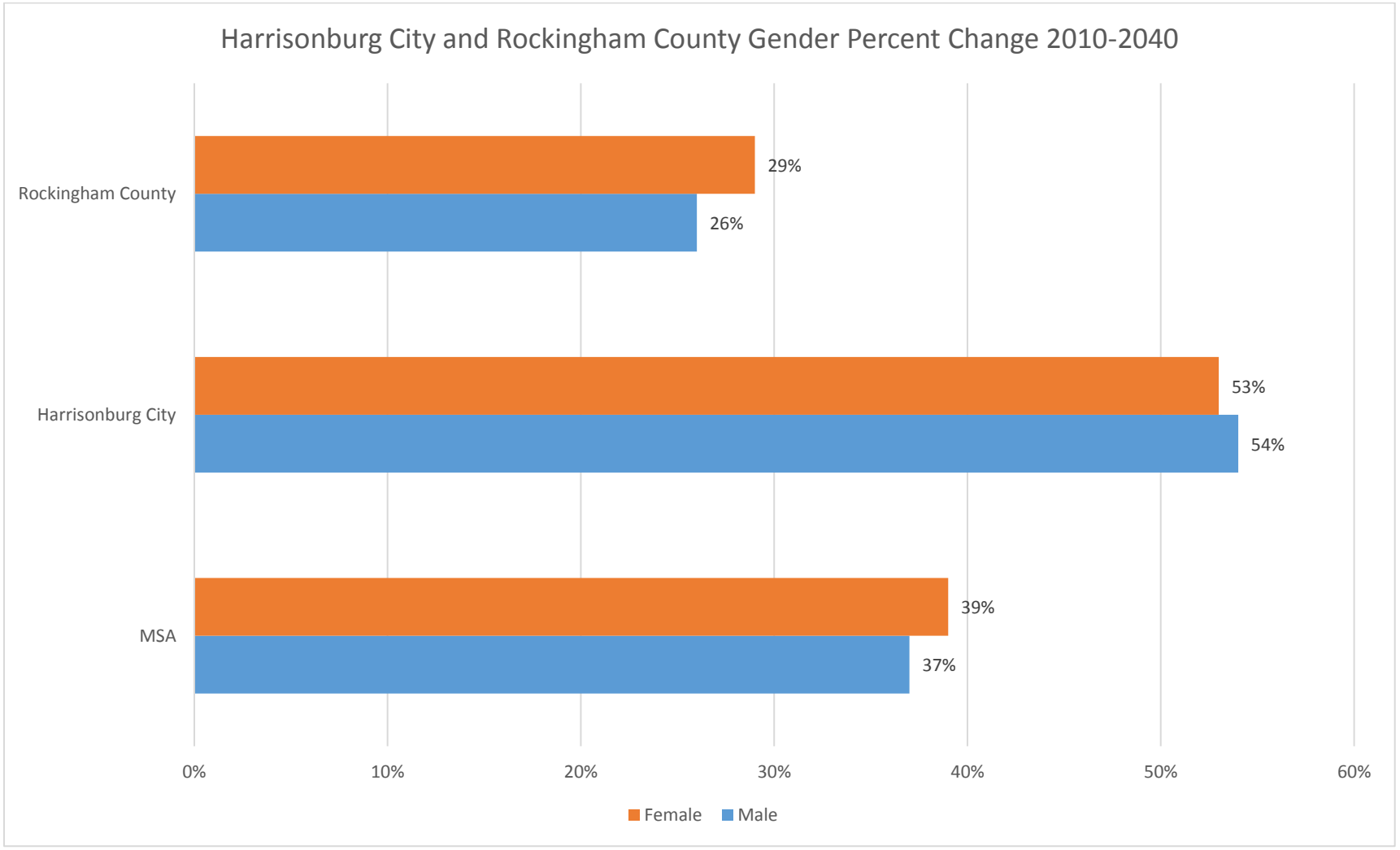


Figure 9 that follows represents gender percent change for Harrisonburg City, Rockingham County, and the MSA from 2010-2040. Data was obtained from U.S. Census data and projections were made by the MCCD. From 2010-2040, Harrisonburg City is projected to have a 53% increase in the number of females, and a 54% increase in the number of males. Rockingham County is projected to have a 29% increase in the number of females and a 26% increase in the number of males. The MSA is projected to have a 39% increase in females and a 37% increase in males overall.

Figure 9: Harrisonburg City and Rockingham County Gender Percent Change 2010-2040



Age

Figure 10, **Figure 11**, and **Figure 12** that follow represent population by age and projections for Harrisonburg City, Rockingham County, and the MSA from 2010-2040. Data was obtained from U.S. Census data and projections were made by the MCCD:

- In Harrisonburg City, the largest population by age category is those 20-24 (13,730 in 2010) and this trend is expected to continue into 2040 as that number increases to 20,437. There are a larger amount of individuals 19 years and younger than there are 25 to 49 years old.

- In Rockingham County, the largest population by age category is those 65 and older (11,964 in 2010) and this trend is expected to continue into 2040 as that number increases to 21,719.

- In the MSA from 2010-2020, the projected largest group of individuals is those 14 and under, in 2030 and 2040 the largest group will be those between the age of 35 to 49. Of note is the rapidly rising number of those age 65 and older.

Figure 10: Harrisonburg City Population by Age and Projections

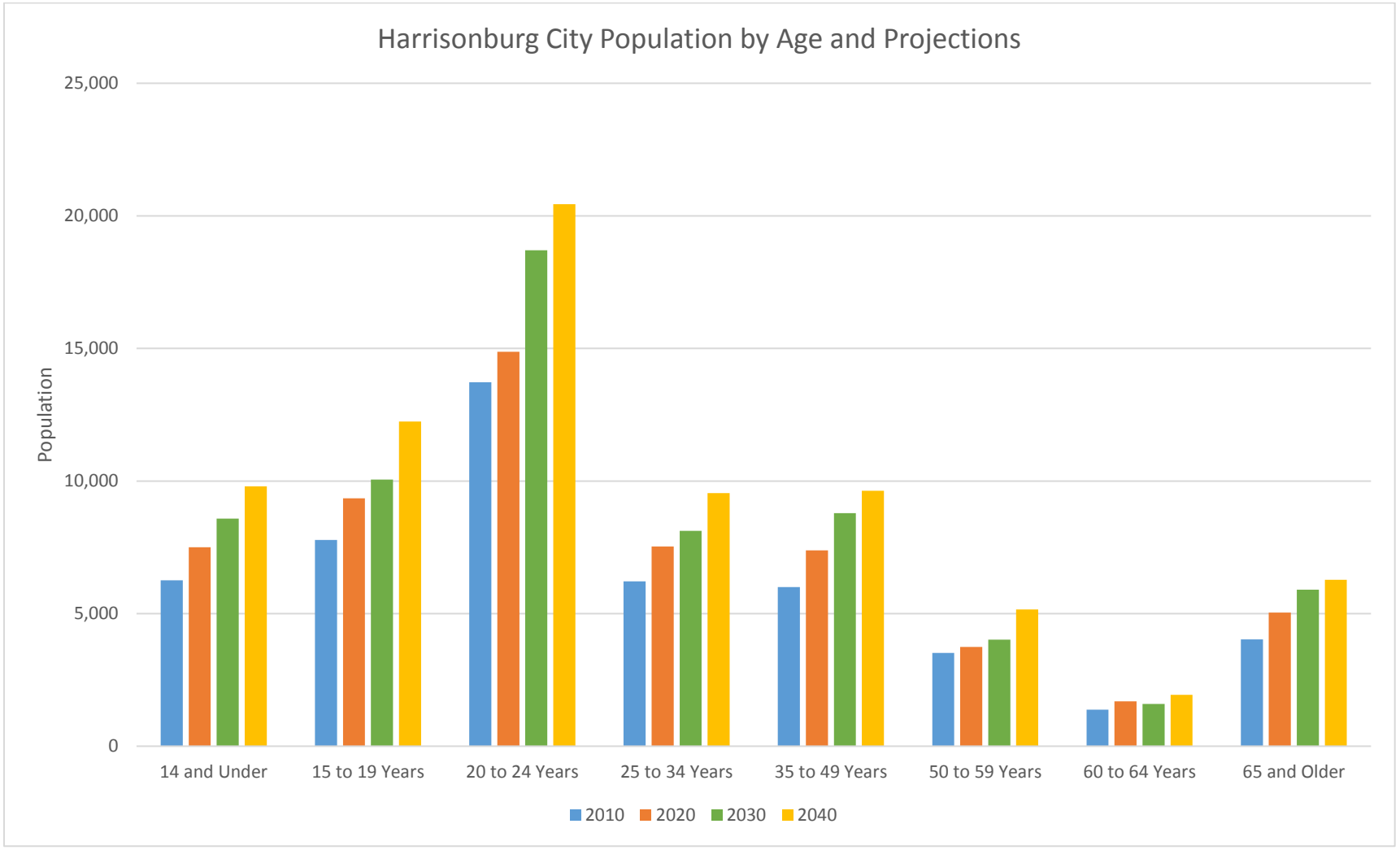


Figure 11: Rockingham County Population by Age and Projections

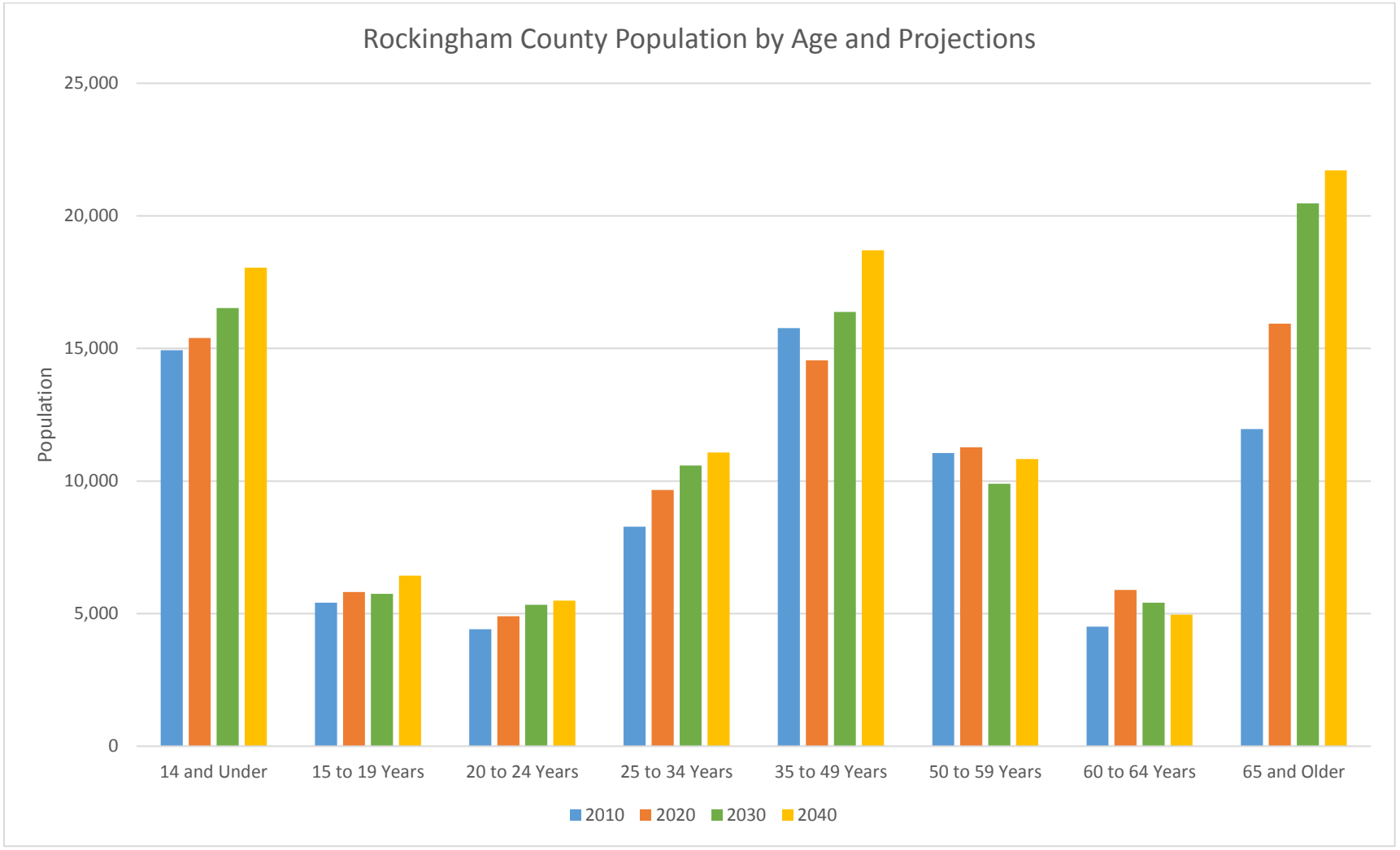


Figure 12: MSA Population by Age and Projections

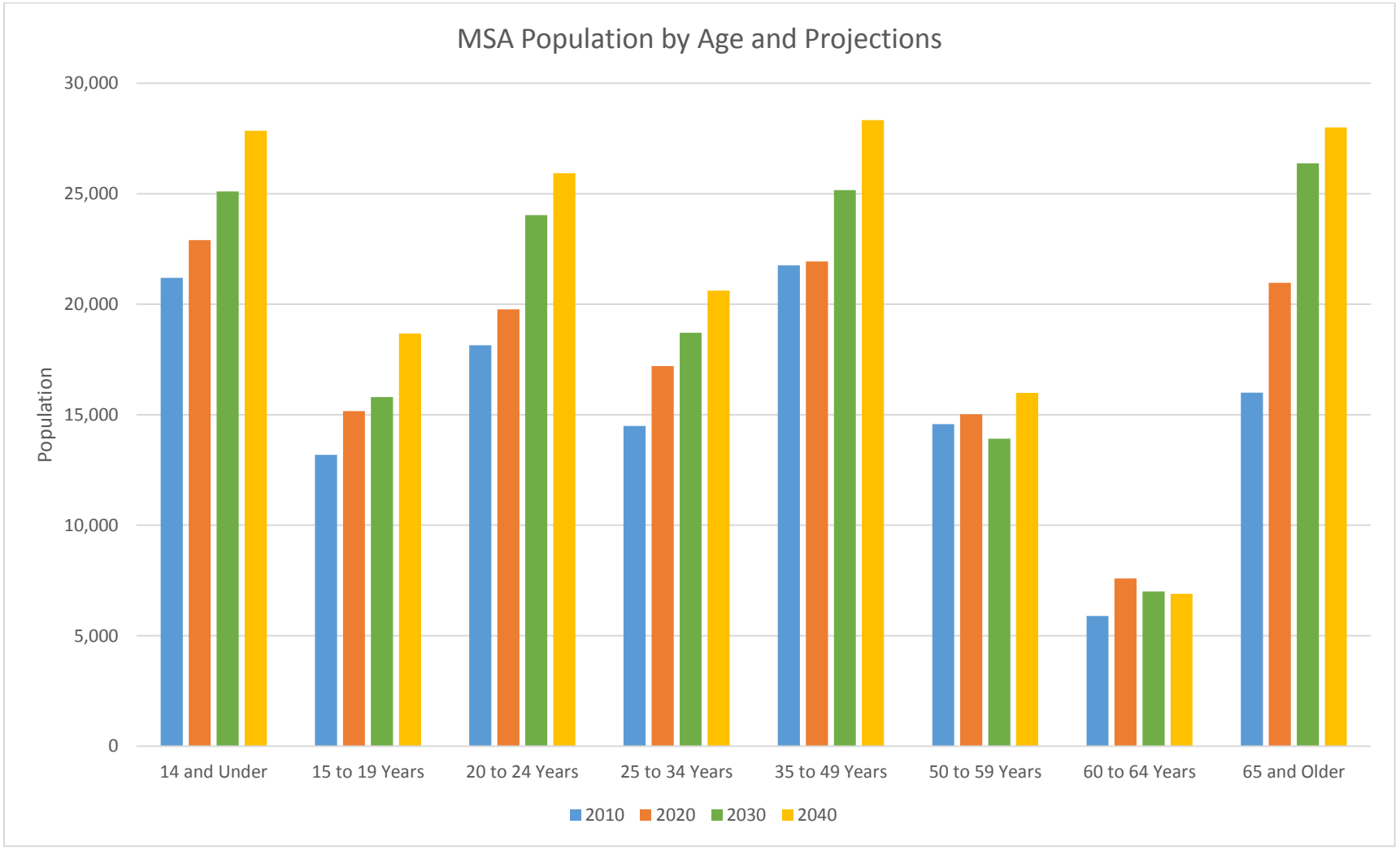


Figure 13 that follows provides the percent change in population by age projections for the MSA. Data was obtained from U.S. Census data and projections were made by the MCCD.

Figure 13: MSA Age Percent Change 2010-2040

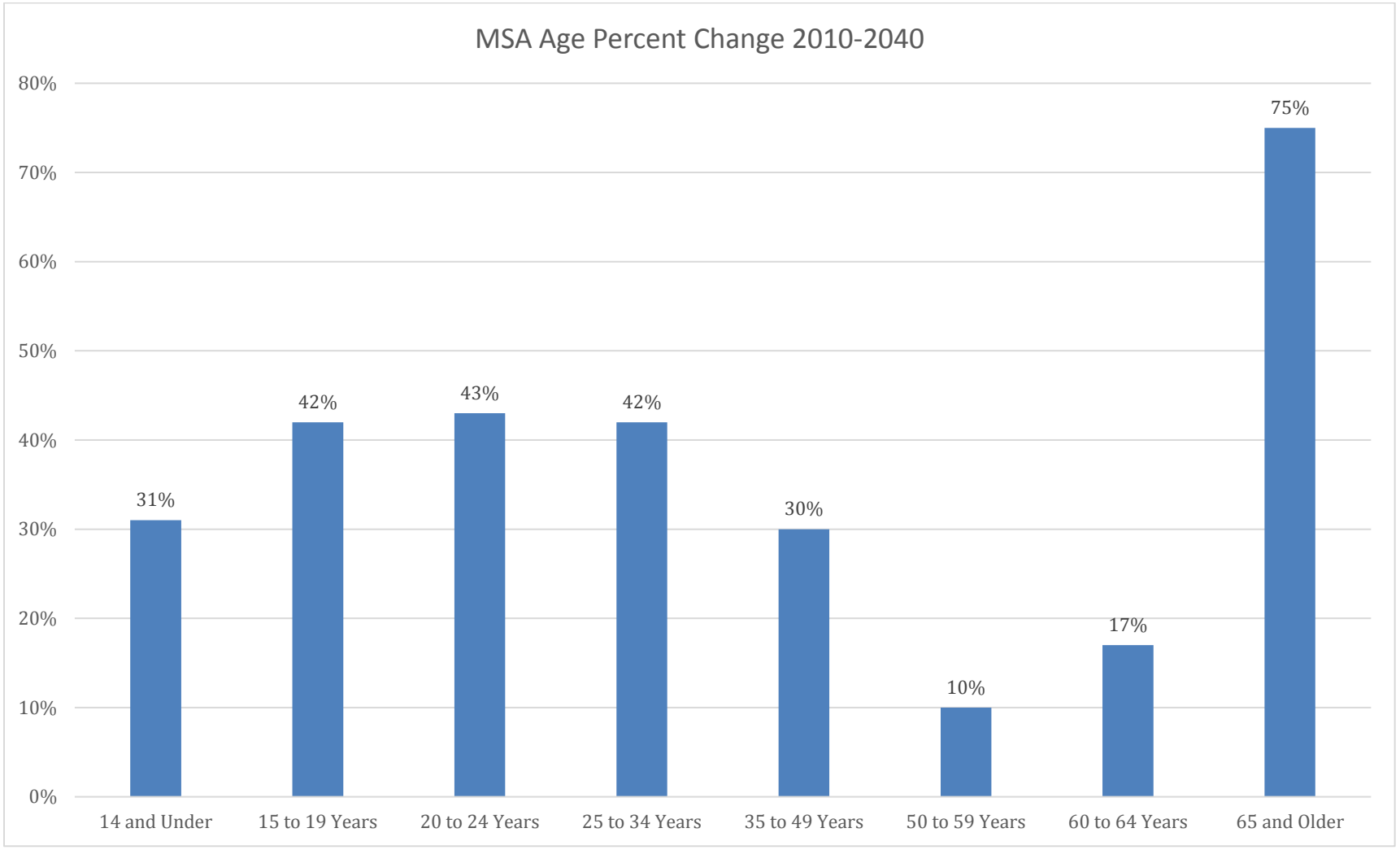


Table 1 that follows reveals the percent change in population growth by age category from 2010-2040 for Harrisonburg City, Rockingham County, and the MSA.

Table 1: Harrisonburg City, Rockingham County, and MSA Age Percent Change 2010-2040

Age	Percent Change		
	Harrisonburg City	Rockingham County	MSA
14 and Under	56%	21%	31%
15 to 19 Years	57%	19%	42%
20 to 24 Years	49%	25%	43%
25 to 34 Years	53%	34%	42%
35 to 49 Years	61%	19%	30%
50 to 59 Years	47%	-2%	10%
60 to 64 Years	40%	10%	17%
65 and Older	56%	82%	75%

Educational Attainment

Figure 14, **Figure 15**, and **Figure 16** that follow represent educational attainment for the population 18 and over in Harrisonburg City, Rockingham County, and the MSA from 2009-2014. Data was obtained from the American Community Survey by the U.S. Census Bureau:

- In Harrisonburg City from 2009 through 2014, an average of 4,981 individuals completed less than high school graduation, an average of 8,489 individuals completed high school, 18,592 individuals on average completed some college or an Associate's degree, and an average of 8,722 residents completed their Bachelor's degree or higher. In 2009, more residents had only completed high school in comparison to those that had earned their Bachelor's degree, however in subsequent years the number of residents that earned their Bachelor's degree or higher surpassed those whose highest education level completed was high school.

- In Rockingham County from 2009 through 2014, an average of 11,488 individuals completed less than high school graduation, an average of 21,390 individuals completed high school, 12,844 individuals on average completed some college or received their Associate's degree, and an average of 12,189 individuals completed their Bachelor's degree or higher. There are trends of a decreasing number of individuals that have completed only some high school, and an increasing number of individuals

that have completed some college or have their Associate's degree, as well as an increasing number of those that have their Bachelor's degree or higher.

- In the MSA from 2009 through 2014, an average of 16,469 individuals completed less than high school graduation, an average of 29,880 individuals completed high school, 31,476 individuals on average completed some college or received their Associate's degree, and an average of 20,911 individuals completed their Bachelor's degree or higher. There are trends of decreasing amounts of those who have earned less than their high school degree, and an increasing number of those who have earned their Bachelor's degree or higher.

Figure 14: Harrisonburg City Educational Attainment 2009-2014

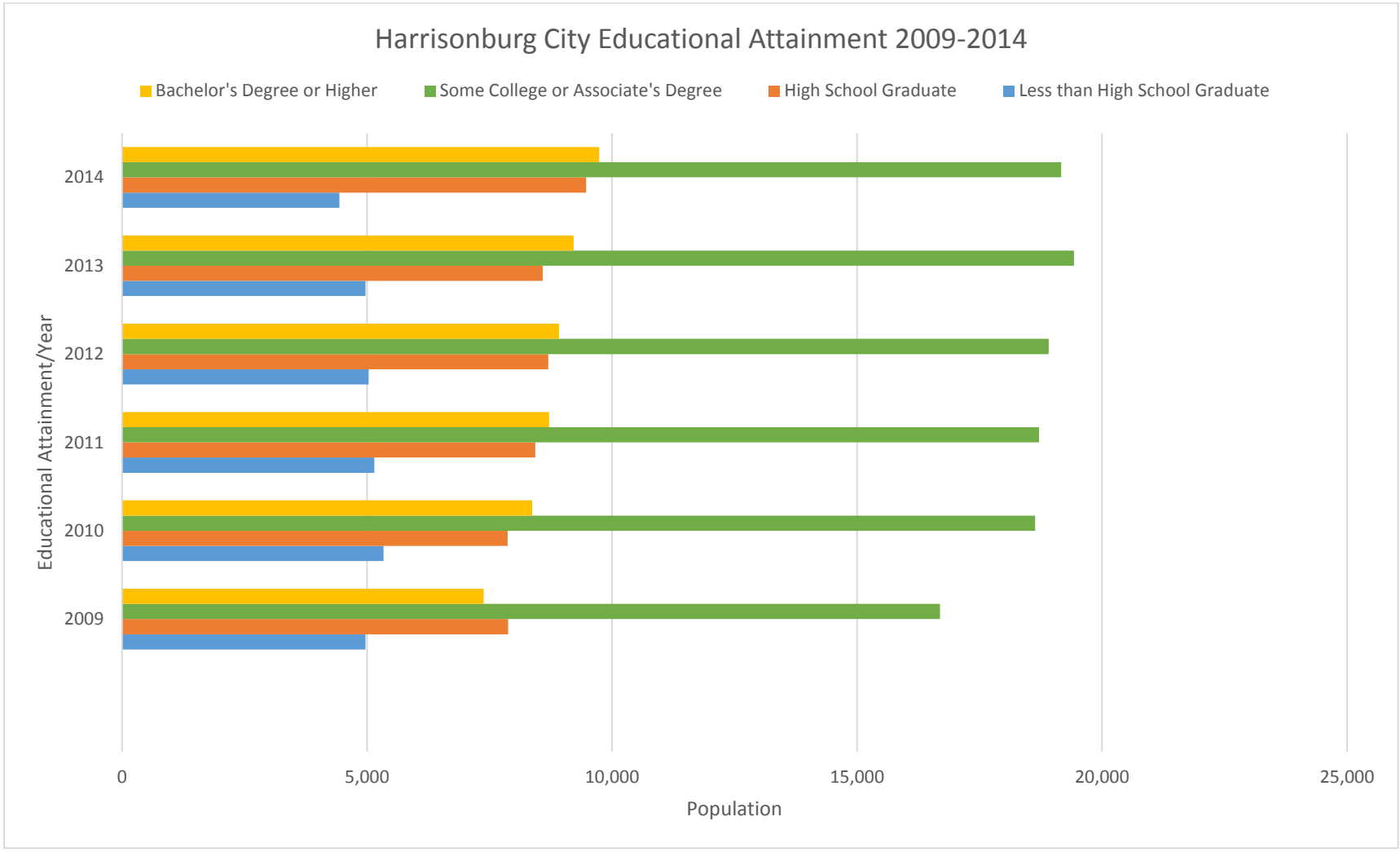


Figure 15: Rockingham County Educational Attainment 2009-2014

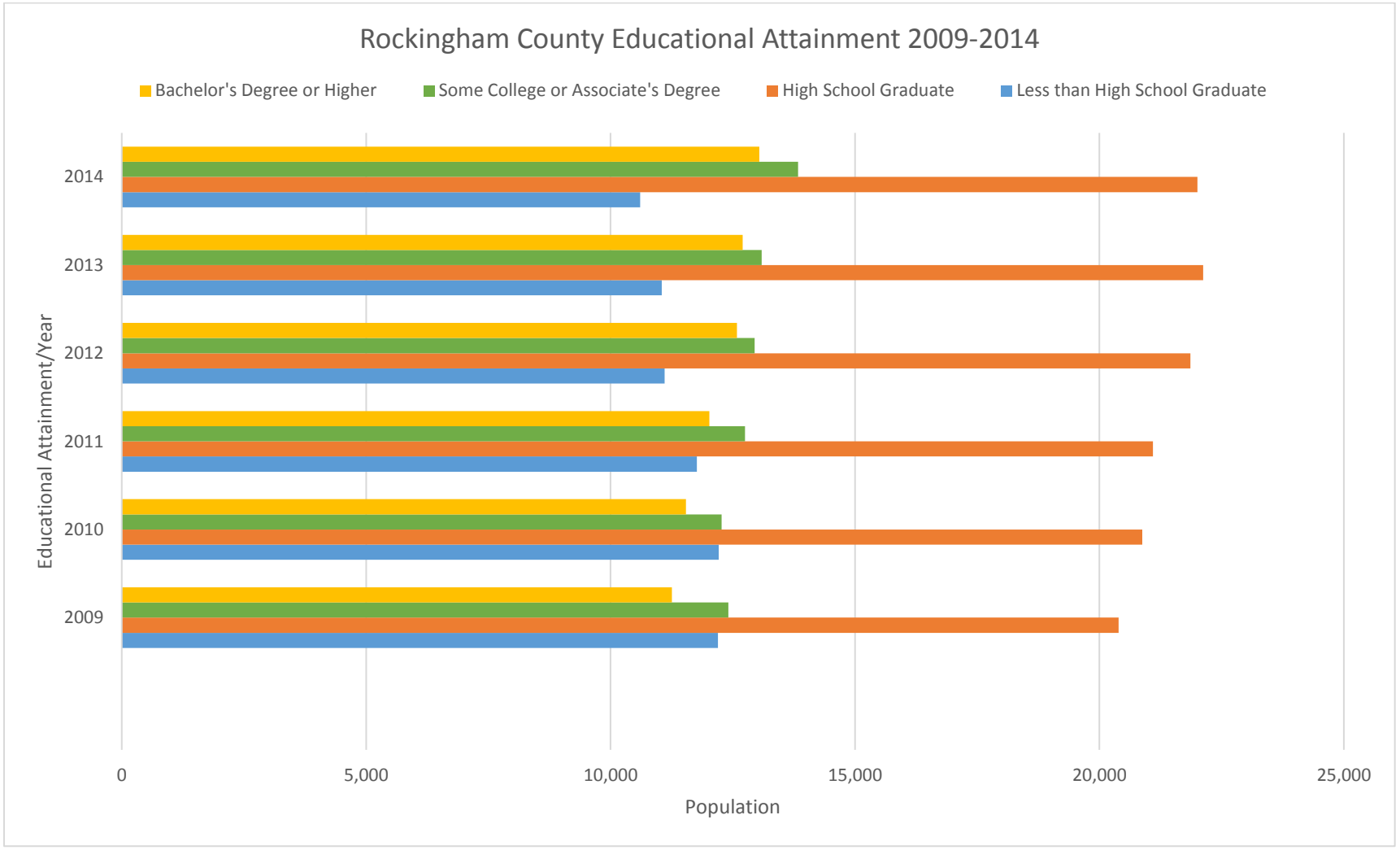
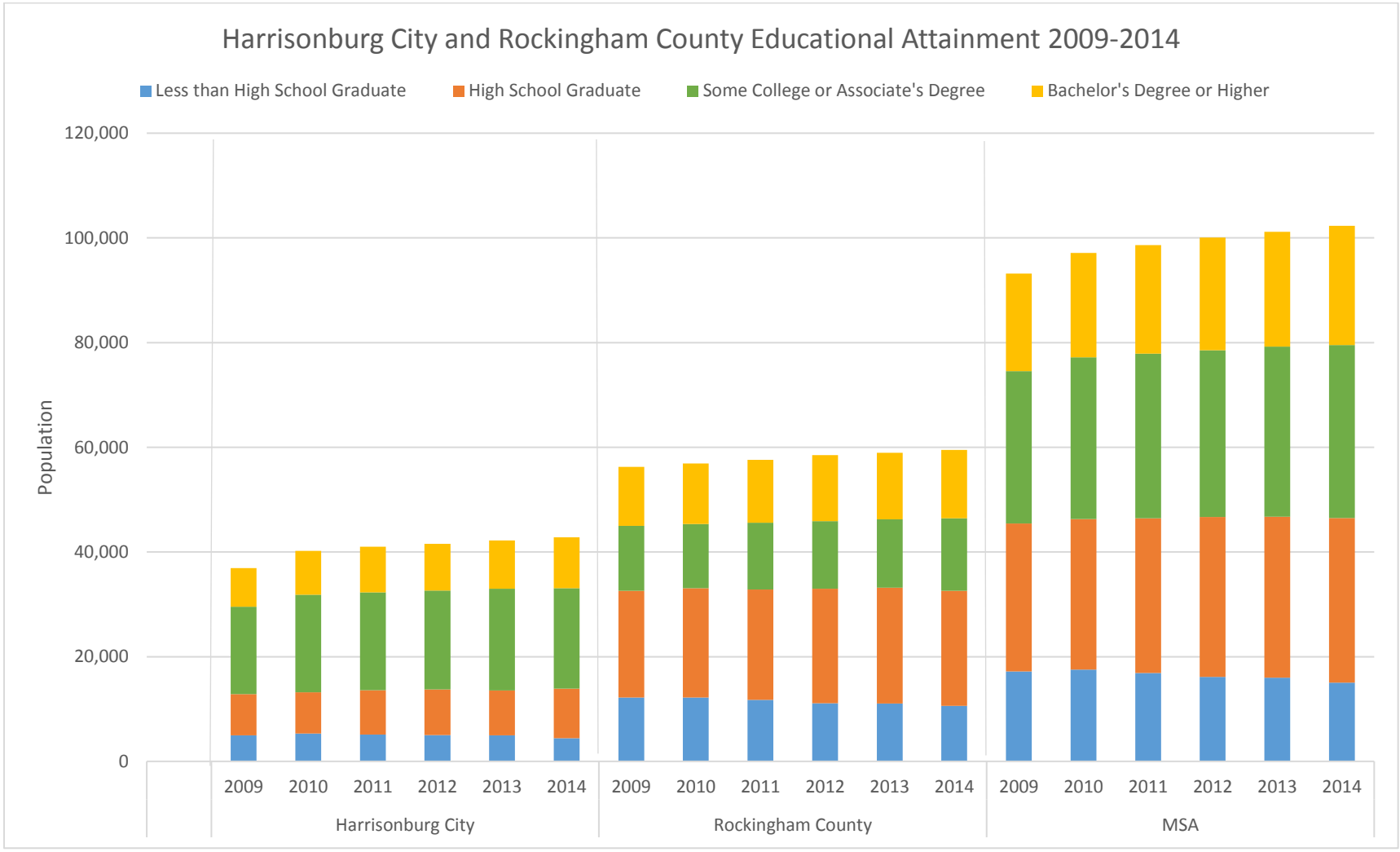


Figure 16: Harrisonburg City and Rockingham County Educational Attainment 2009-2014



Economic Profile

Population Income

Figure 17 and **Figure 18** that follow represent income by household for Harrisonburg City, Rockingham County, and the MSA from 2009-2014. Data was obtained from the American Community Survey by the U.S. Census Bureau. These representations are broken down by the area(s) examined (Harrisonburg City, Rockingham County, and/or the MSA) with a column for each year in the timeframe examined. Within each column, the different colors represent the income categories defined in the legend, and are plotted on the y axis of "Households" based on frequency. The more households in an income category for that year, the larger the color:

- In Harrisonburg City from 2009-2014 cumulative, the largest number of households per income level was 25,793 households with an income of $19,999 or less, with the second largest number of households per income level representing 19,327 households earning $45,000 to $74,999.

- In Rockingham County from 2009-2014 cumulative, the largest number of households per income level was 47,667 households with an income of $45,000 to $74,999, with the second largest number of households per income level representing 30,162 households earning $30,000 to $44,999.

- In the MSA from 2009-2014 cumulative, the largest number of households per income level was 66,994 households with an income level of $45,000 to $74,999, with the second largest number of households per income level representing 53,162 households earning $19,999 or less.

Figure 17: Harrisonburg City and Rockingham County Income by Household 2009-2014

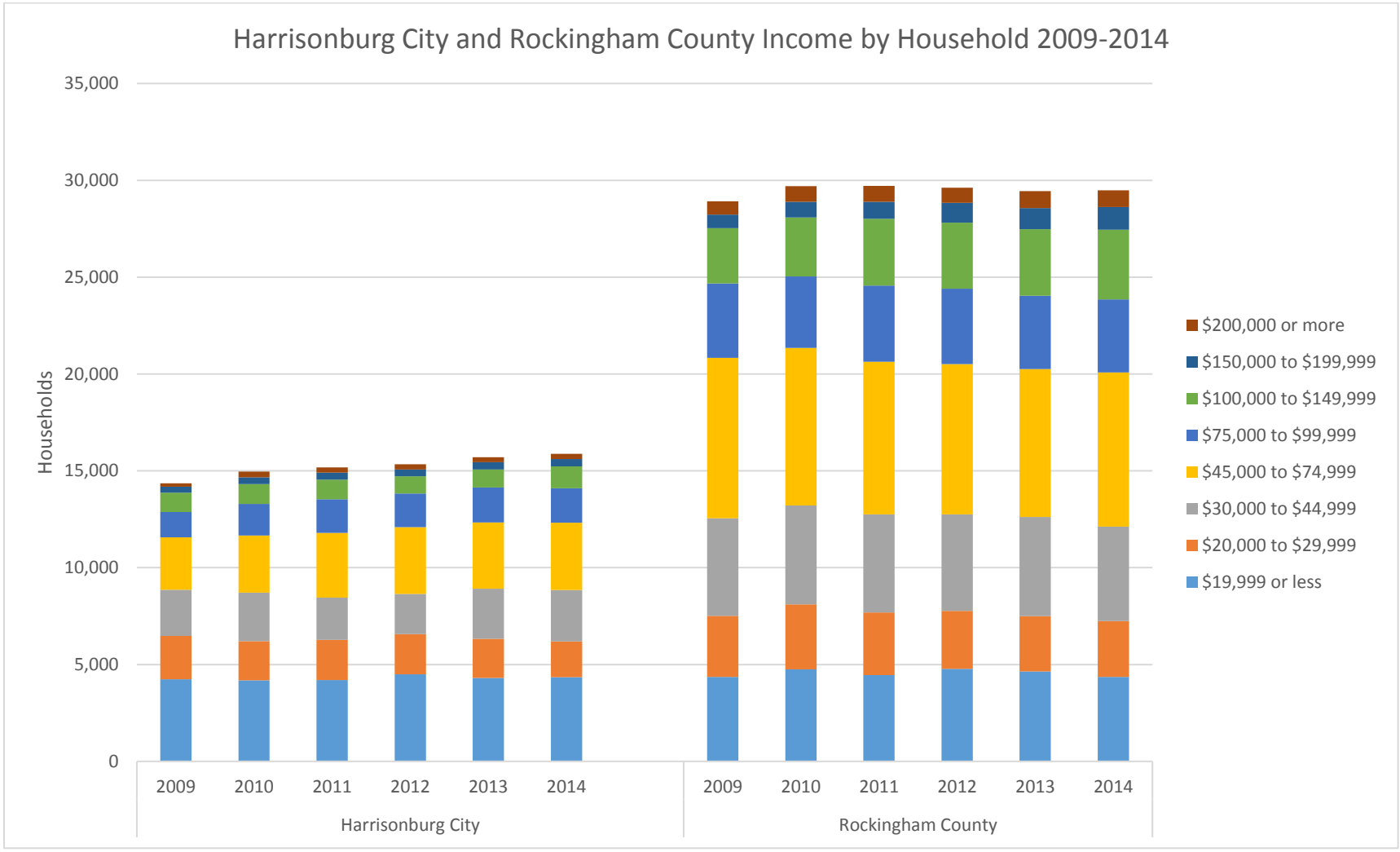
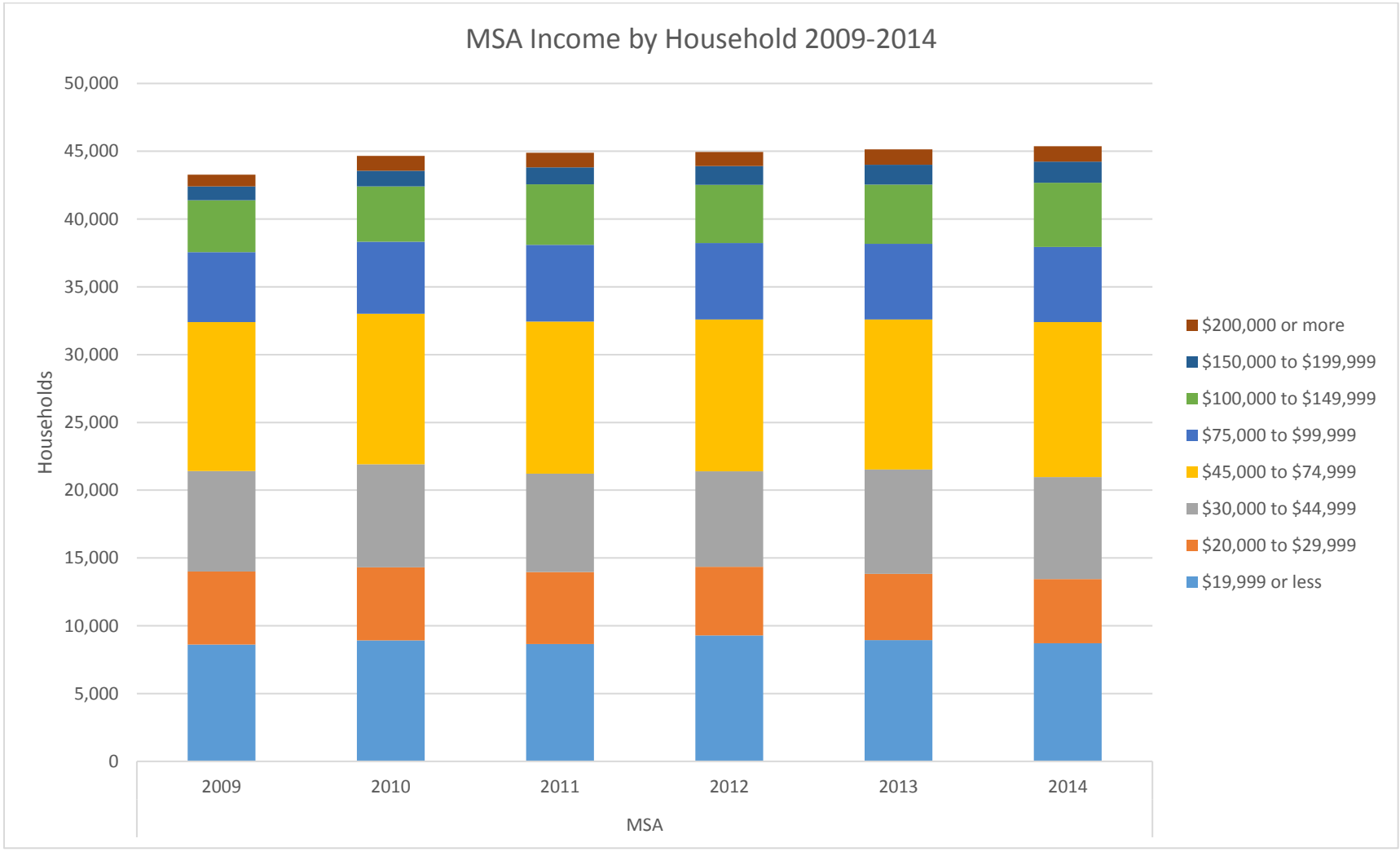


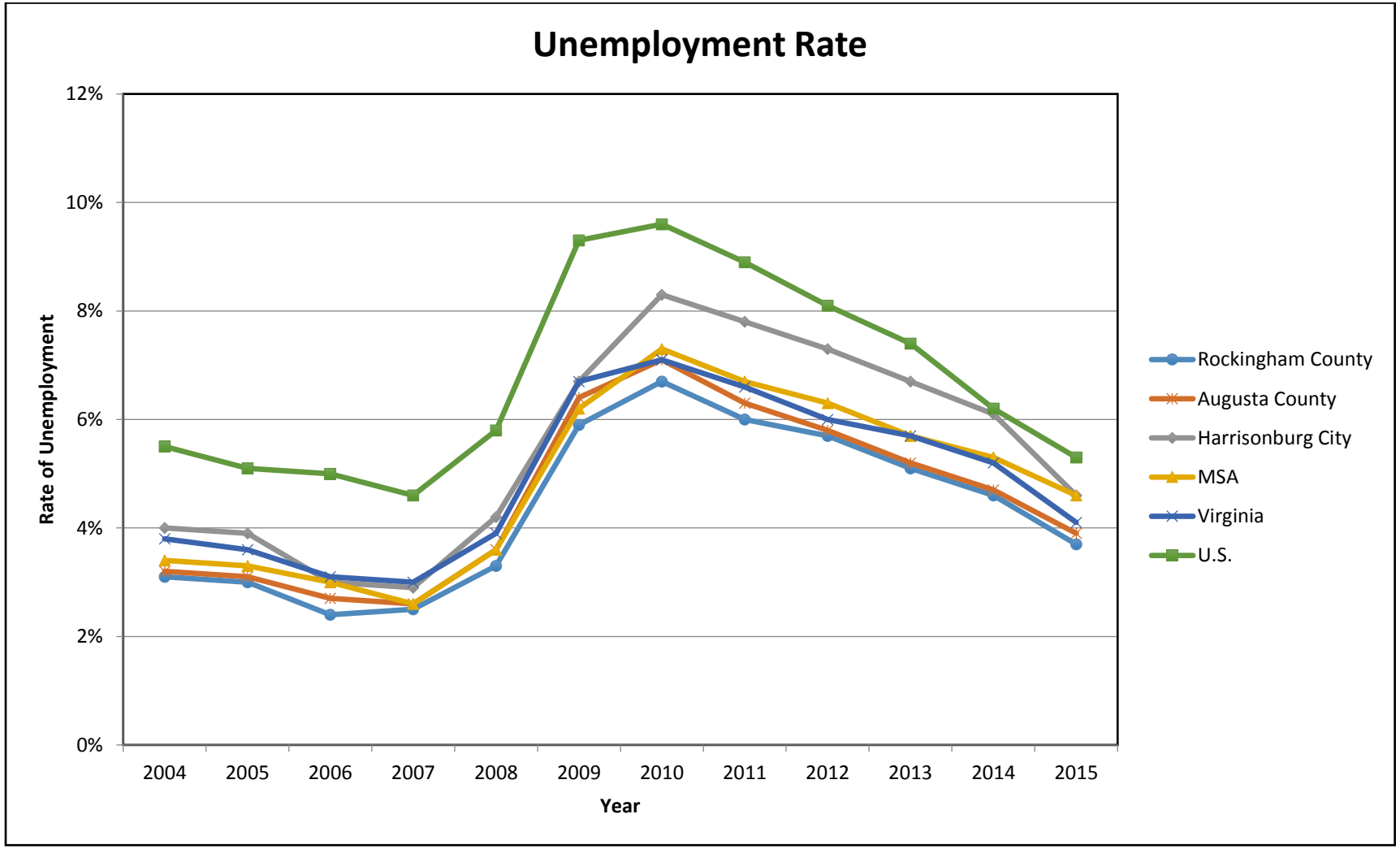
Figure 18: MSA Income by Household 2009-2014



Unemployment

Figure 19 that follows provides unemployment rates for Harrisonburg City, Rockingham County, Augusta County, MSA, Virginia, and the United States from 2004-2015, expressed in percent form. Unemployment in Harrisonburg City and Rockingham County has been consistently lower than the rate for the United States. Harrisonburg City has higher unemployment rates than the state, while Rockingham County has a lower rate of unemployment than the state.

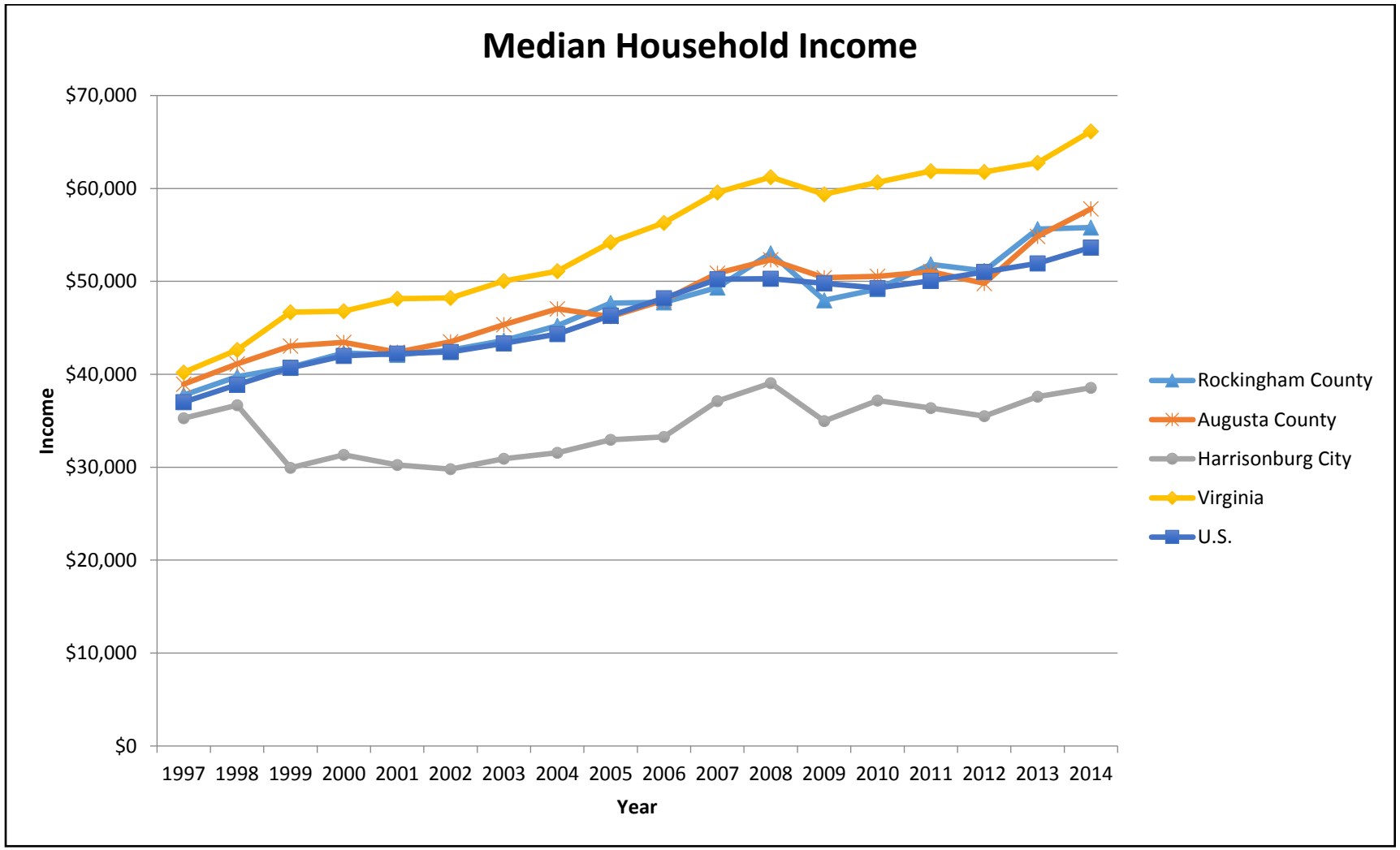
Figure 19: Unemployment Rate



Median Household Income

Figure 20 that follows provides median household income for Rockingham County, Augusta County, Harrisonburg City, Virginia, and the United States from 1997-2014. Harrisonburg City has had a consistently lower median household income by approximately $10,000 as compared to surrounding Counties (Augusta and Rockingham), as well as the U.S. average.

Figure 20: Median Household Income



Income and Housing Expenses: Homeowners and Renters

Figure 21 that follows displays the percentage of homeowners within each income bracket (as divided on the right) that are paying 30% or more of their income on housing expenses.[8] This reveals that those who earn higher incomes spend less of their total income on housing, as compared to those that make $20,000 or less. Notable effects of the recession can be seen in 2008 for those that make $20,000 or less, and in 2009 for those that make $35,000 to $49,000. In 2011, there was an increase in the number of individuals paying 30% or more of their income towards housing, within each income group.

Figure 22 that follows displays the percentage of renters within each income bracket who are paying 30% or more of their income on housing expenses, similar to the graph for homeowners. This reveals that those that earn higher incomes spend less of their total income on housing, as compared with those that make $20,000 or less.

[8] 30% of total household income spent on housing is commonly referred to as the conventional indicator of housing affordability in the United States. A household that uses more than 30% of their income on housing is seen to have an affordability problem. Using a percentage of income to determine housing affordability dates back to the U.S. National Housing Act of 1937 and has not changed from the 30% benchmark set in the 1980's.

Figure 21: Homeowner Income and Housing Expenses

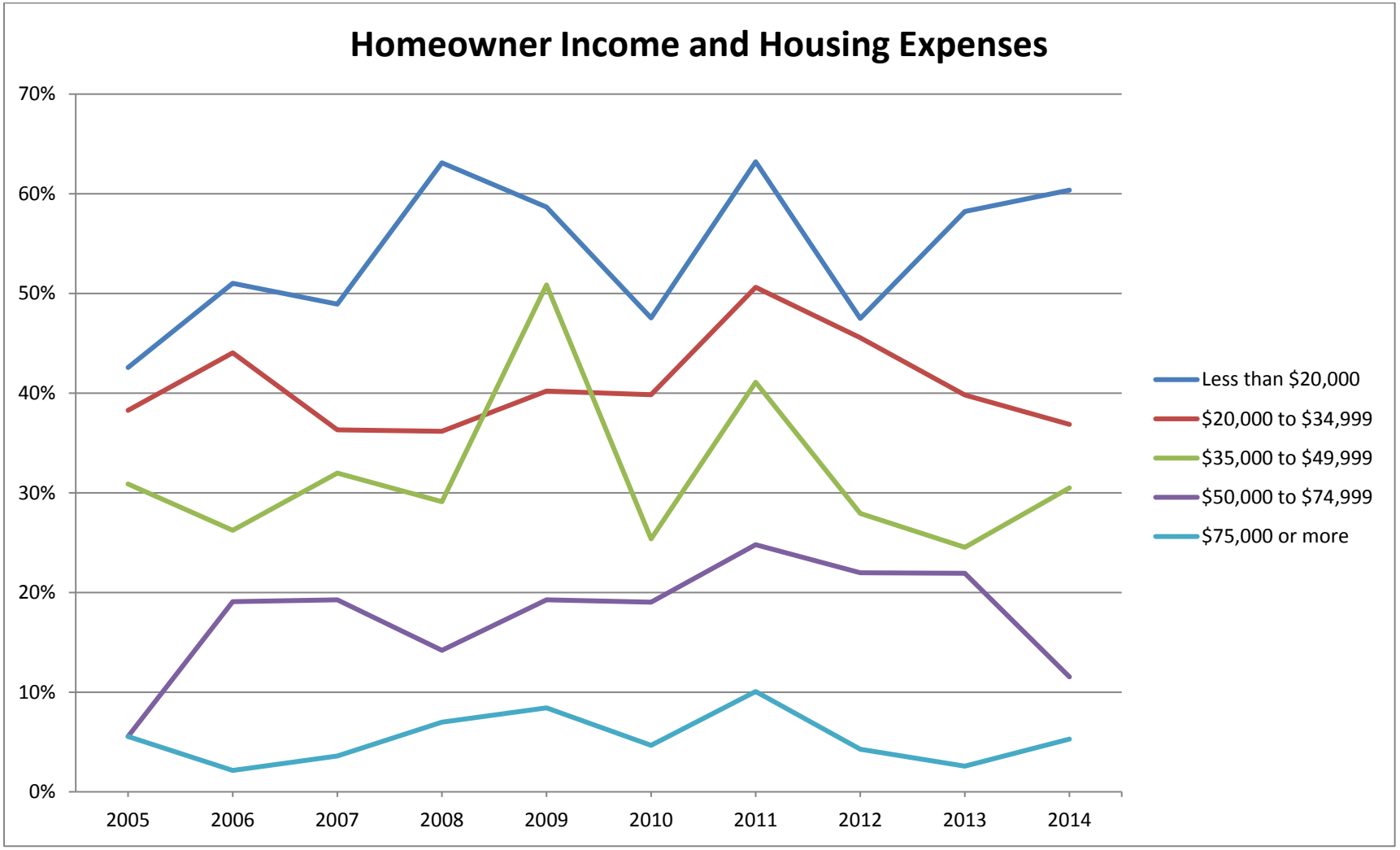
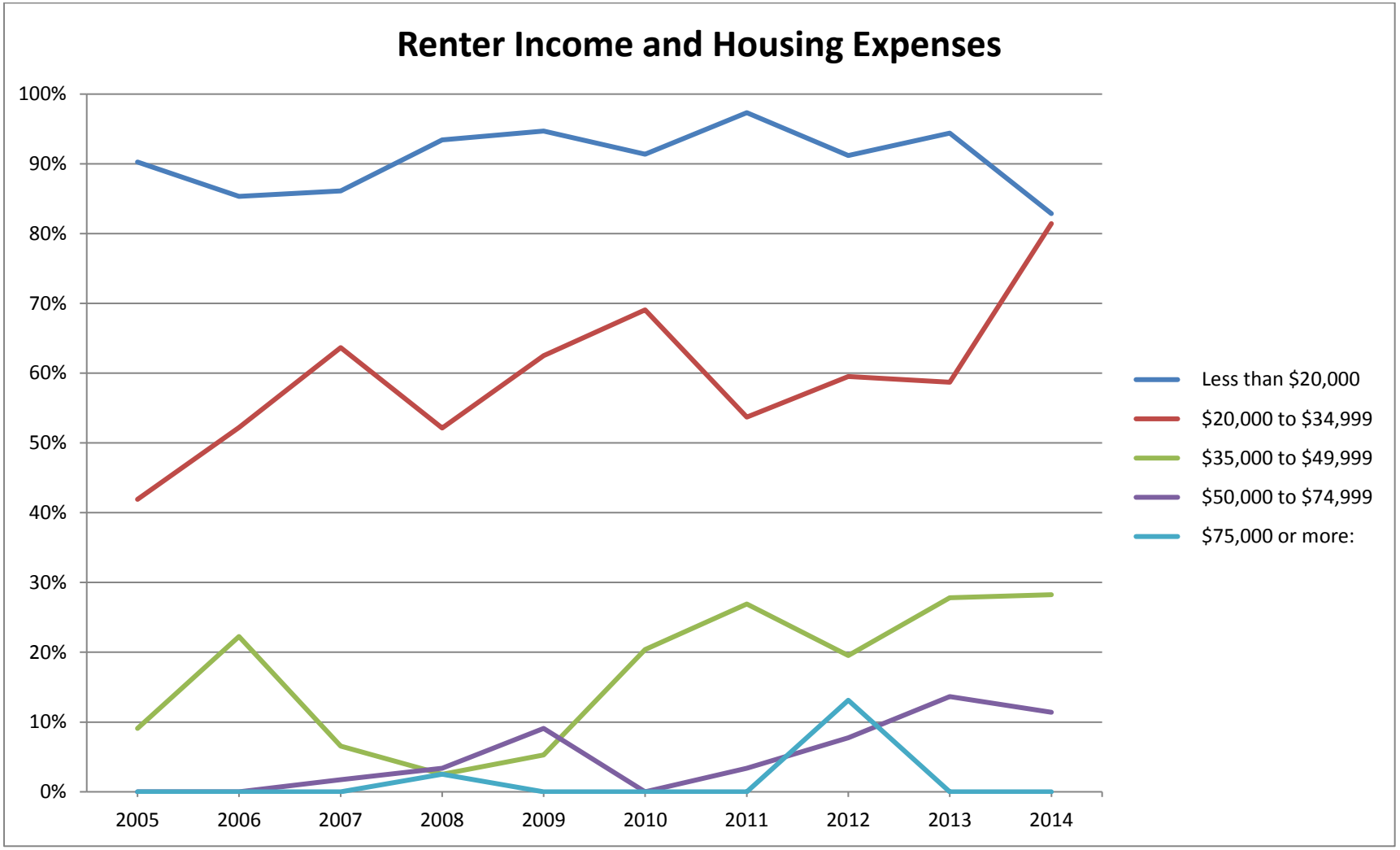


Figure 22: Renter Income and Housing Expenses

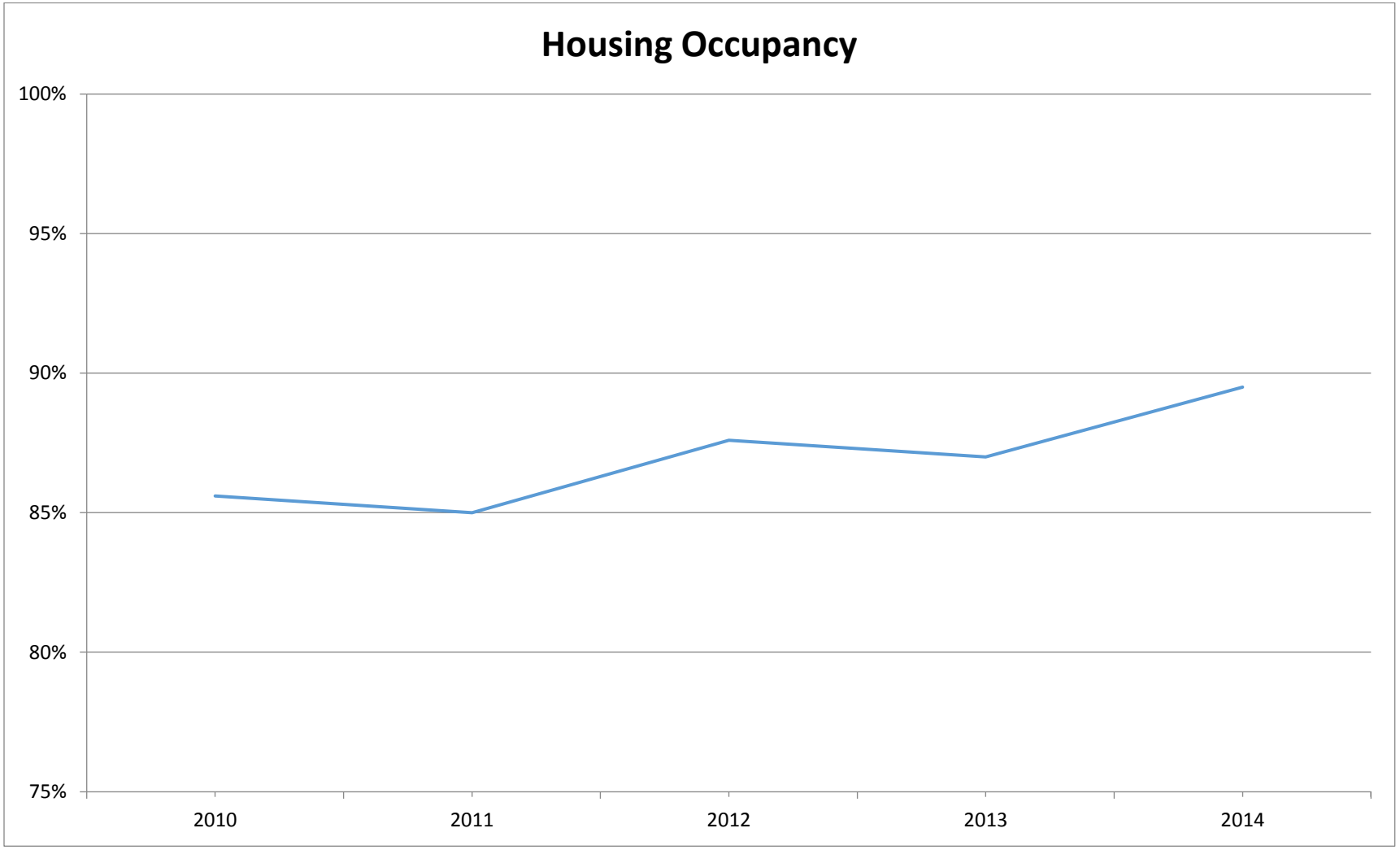


Housing Profile

Housing Occupancy

Figure 23 that follows displays the annual percentage of occupied housing in the MSA for the years 2010 through 2014. Overall since 2010, the housing occupancy rate has risen from just over 85% to just under 90% in 2014.

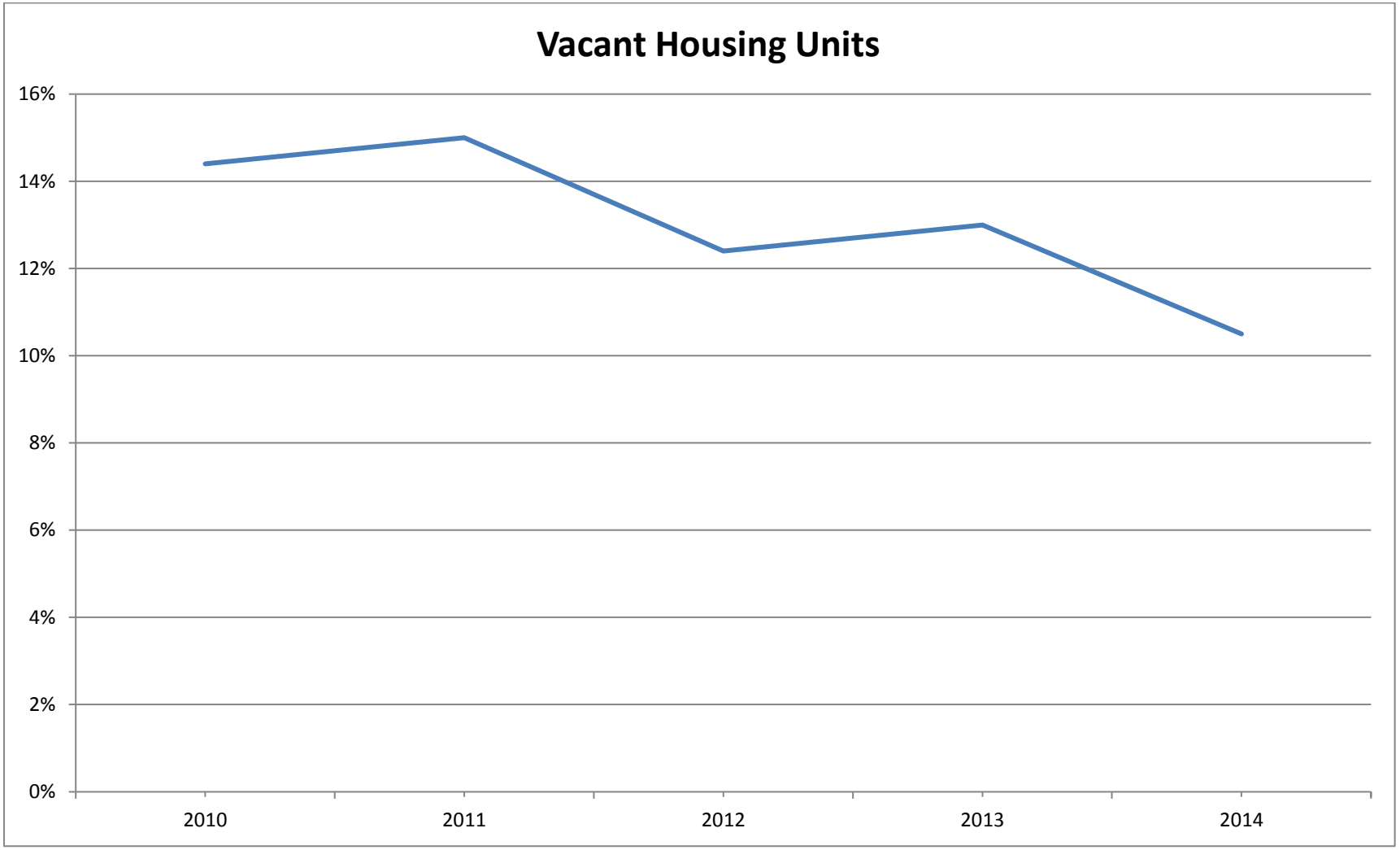
Figure 23: Housing Occupancy



Vacant Housing Units

Figure 24 that follows displays the annual percentage of vacant housing units in the MSA for the years 2010 through 2014. Overall since 2010, there has been a decrease in vacant housing units, with a vacancy rate of just over 14% in 2010, and a vacancy rate of just over 10% in 2014.

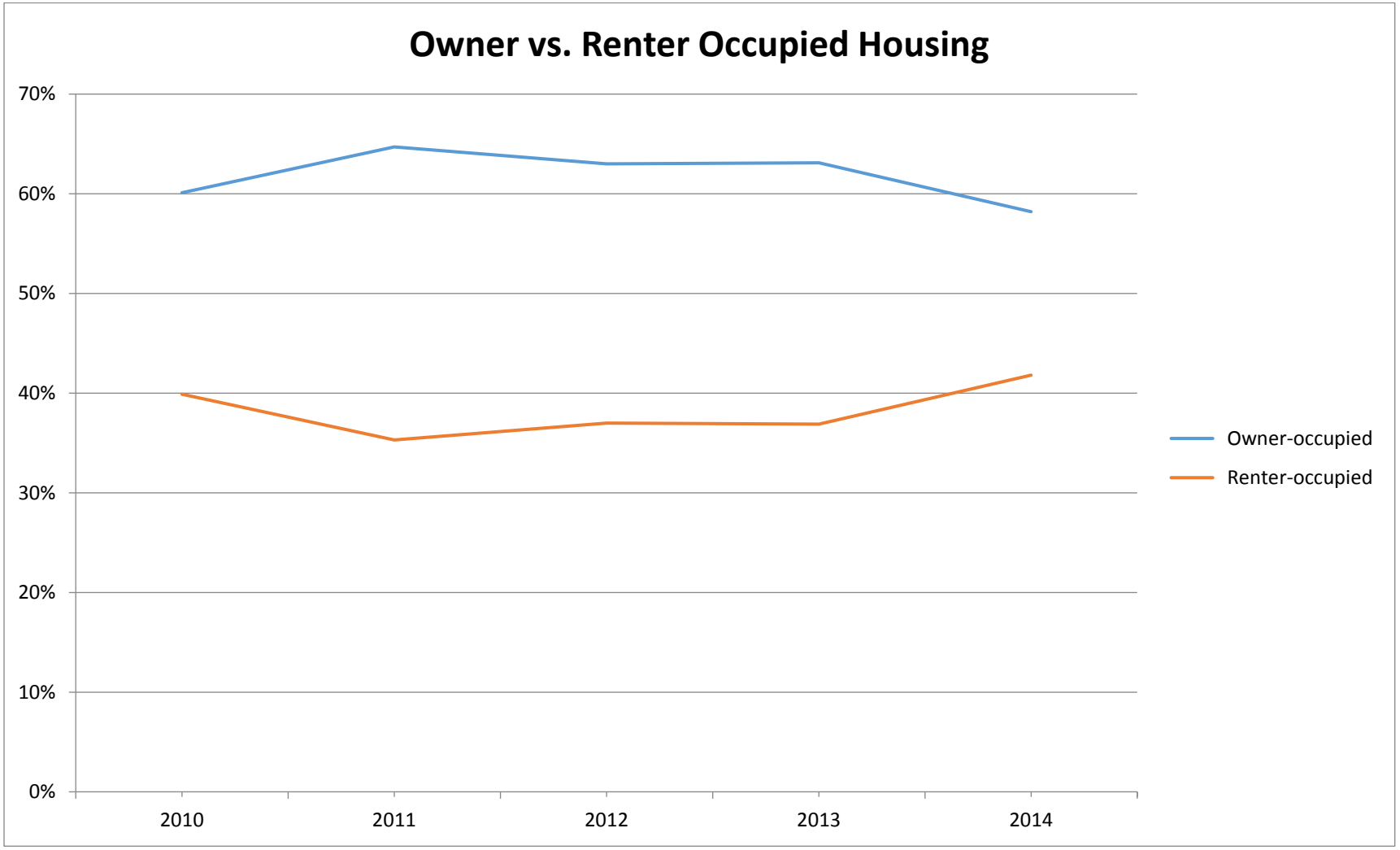
Figure 24: Vacant Housing Units



Owner vs. Renter Occupied Housing

Figure 25 that follows displays the percentage of housing in the MSA that is owner versus renter occupied. Since 2011, there has been a decreasing trend of owner occupied units and an increase in renter occupied units.

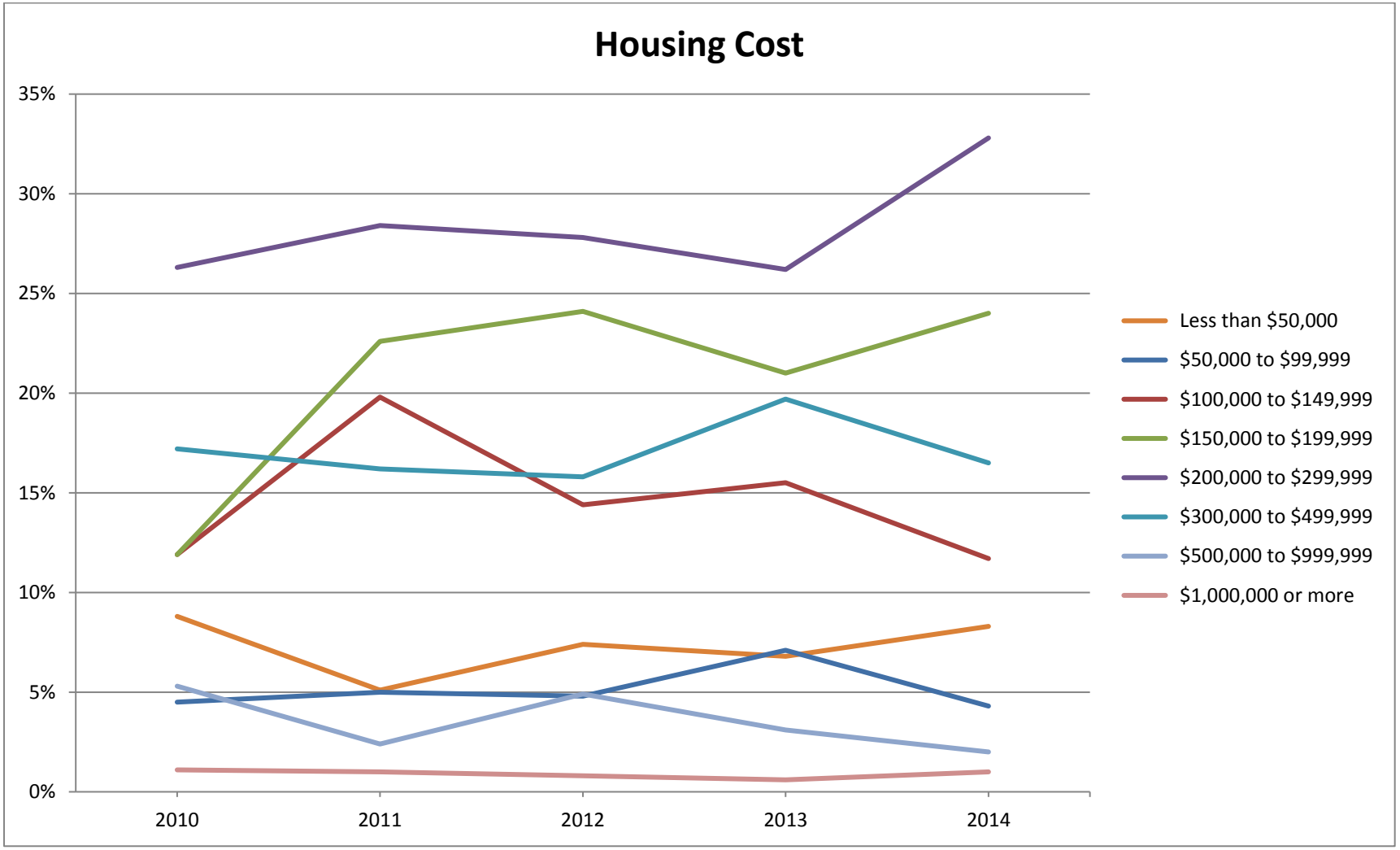
Figure 25: Owner vs. Renter Occupied Housing



Housing Cost

Figure 26 that follows provides housing costs in the MSA as broken down by cost brackets from 2010 through 2014. Trends include an increase in housing priced $150,000 to $299,999 and $1,000,000 or more from 2013 to 2014. Housing in the price ranges of $50,000 to $149,999, and $300,000 to $499,999 have decreased from 2013 to 2014. Overall since 2010, the percentage housing in the $150,000 to $299,999 range has increased.

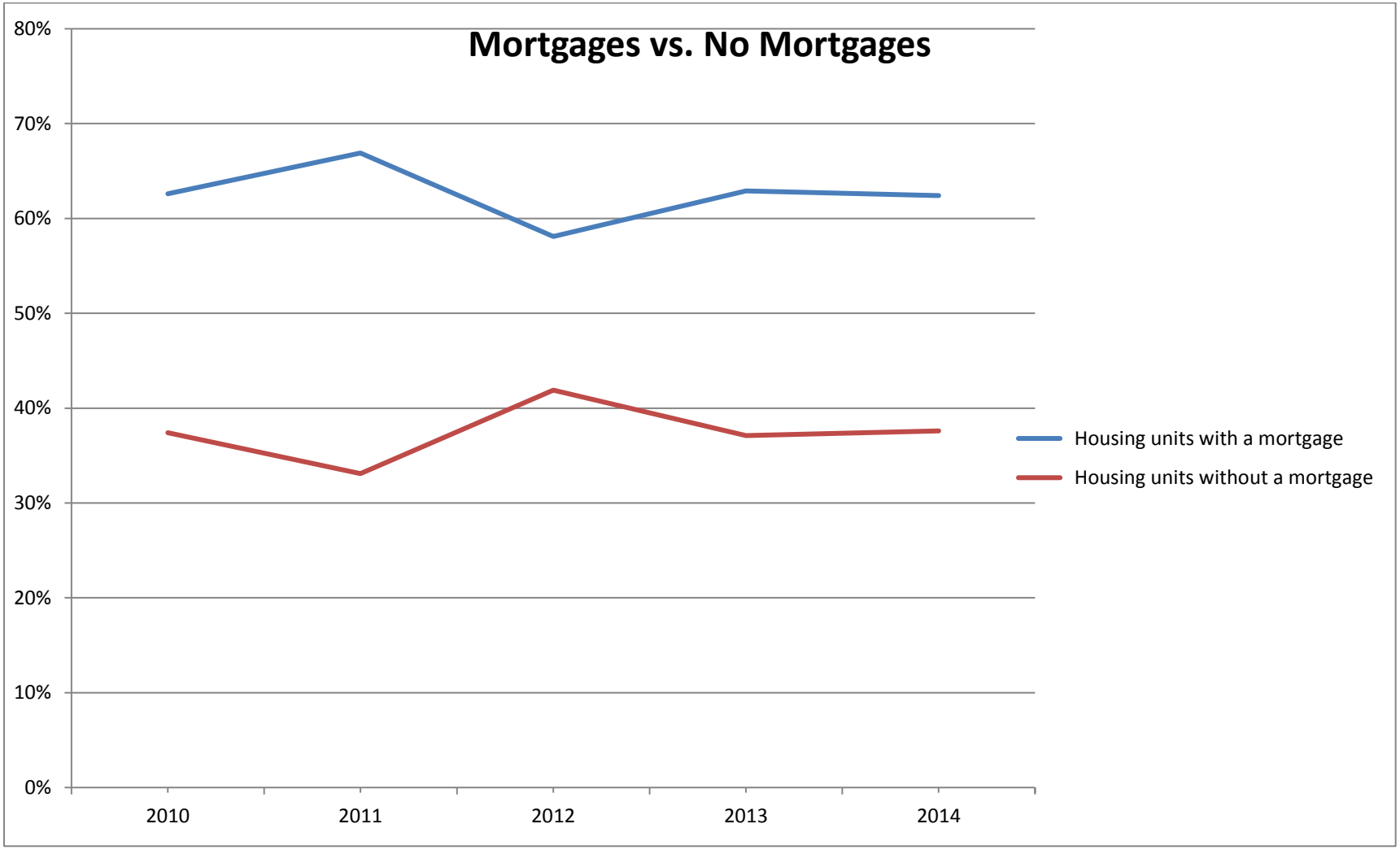
Figure 26: Housing Cost



Mortgages vs. No Mortgages

Figure 27 that follows displays the percentage of MSA housing units that have mortgages versus those that do not from 2010 to 2014. Following a decrease in the number of units without a mortgage in 2011 and a rise in units with a mortgage, the percentage of units with a mortgage has remained consistently above those units that do not have a mortgage by about 25%.

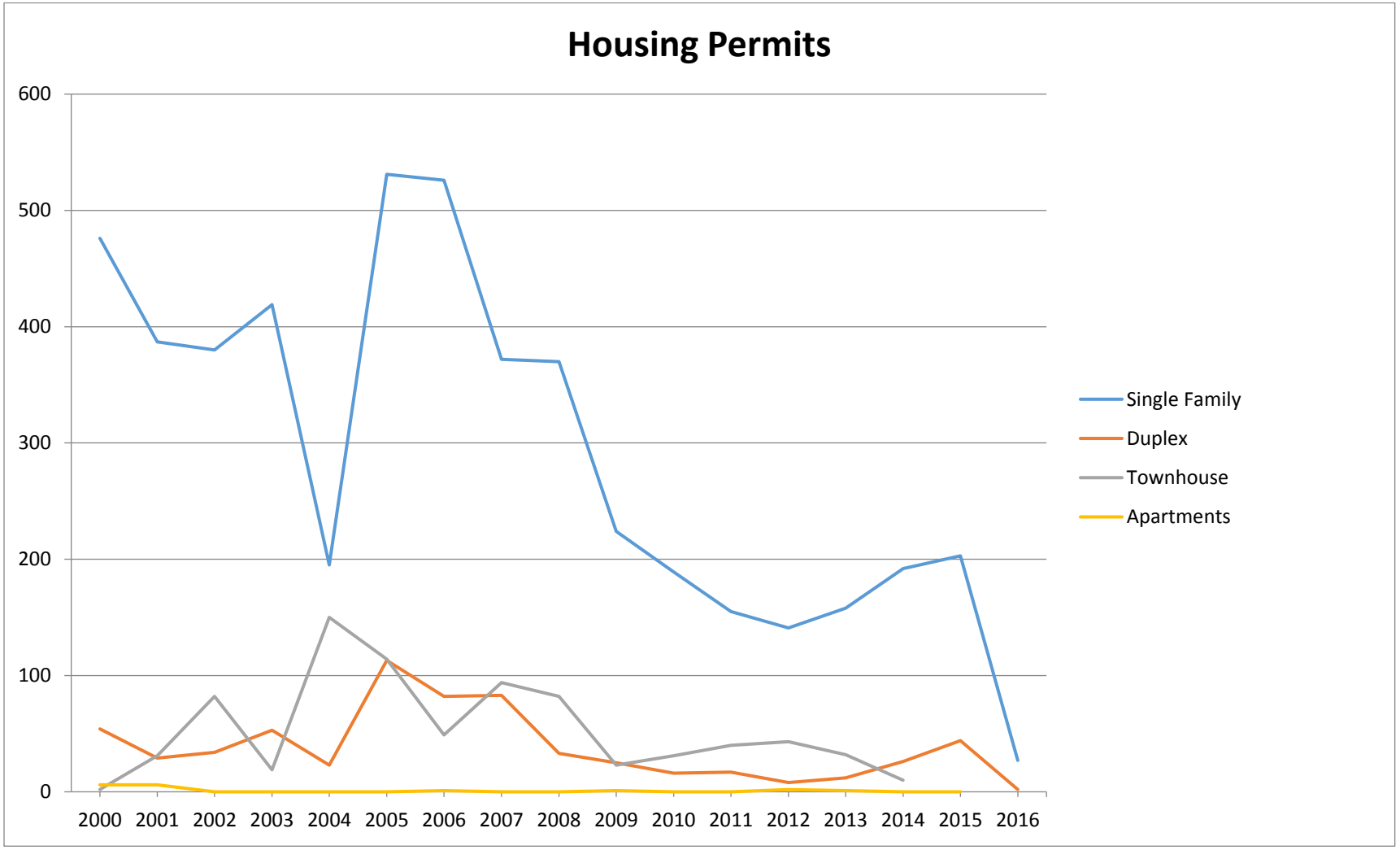
Figure 27: Mortgages vs. No Mortgages



Rockingham County Housing Permits

Figure 28 that follows displays the number of housing permits by type issued within Rockingham County from 2000 to 2016. Since 2005, there has been a decrease in the number of single-family permits, townhouse permits, and duplex permits. Permits for single-family homes have experienced the largest decrease, from 531 permits issued in 2005 to just 27 as of June 2016.

Figure 28: Housing Permits



Qualitative

This section presents the results of a survey distributed to various stakeholders within the Harrisonburg housing market area. Questions were asked concerning perceived principle housing challenges in the area, and potential solutions to resolve identified challenges. The results of this survey are presented below.

Data Collection and Methods

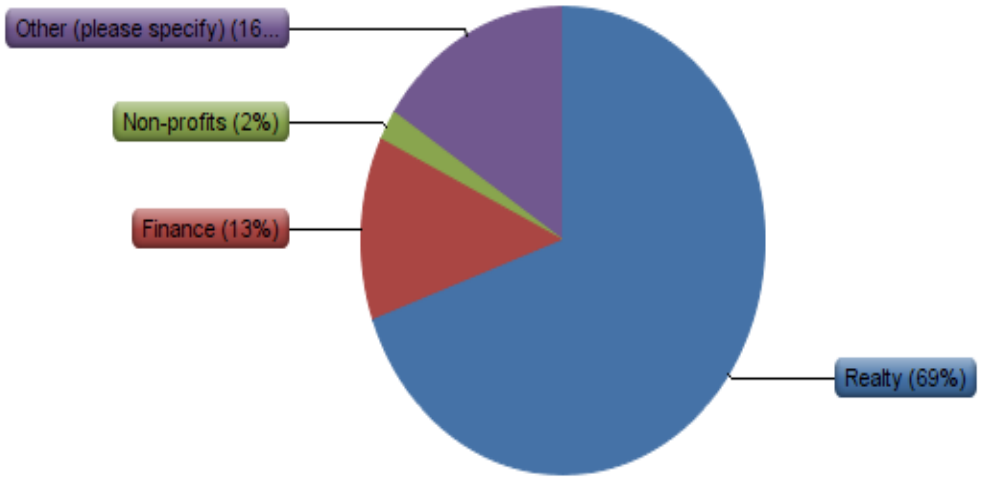
A Qualtrics web-based survey was distributed to members of identified stakeholder groups (Realtors, Finance, Non-profits, Other) on March 21st, 2016, and the survey was closed on April 6th, 2016, 103 survey responses were started. The survey asked questions pertaining to the respondents':

- Client's housing preferences and needs;
- Basic demographic information about the respondents themselves; and
- General housing questions for the Harrisonburg MSA.

Survey Results

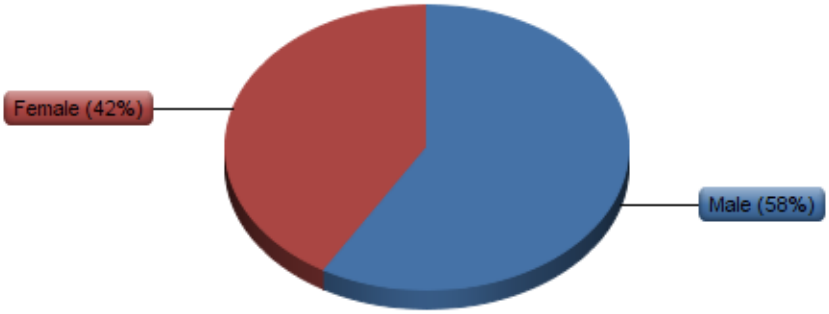
The majority (69%) of respondents were Realtors, with only 2% representing nonprofits. 16% of respondents indicated "Other," with a number of these individuals employed in construction related fields "(Builder developer, Builder, Construction, Development, Construction, Builder, Materials supplier)." (**Figure 29**)

Figure 29 Q1: "Which one of the following stakeholder groups do you best identify with?"



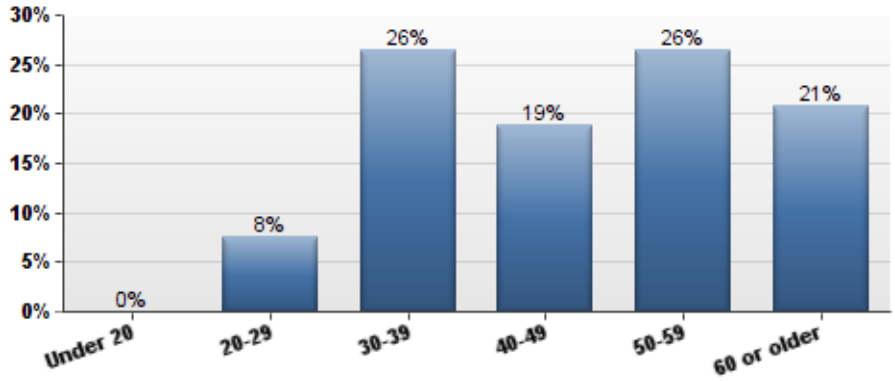
58% of respondents were male and 42% were female.

Figure 30 Q23: "What is your sex?"



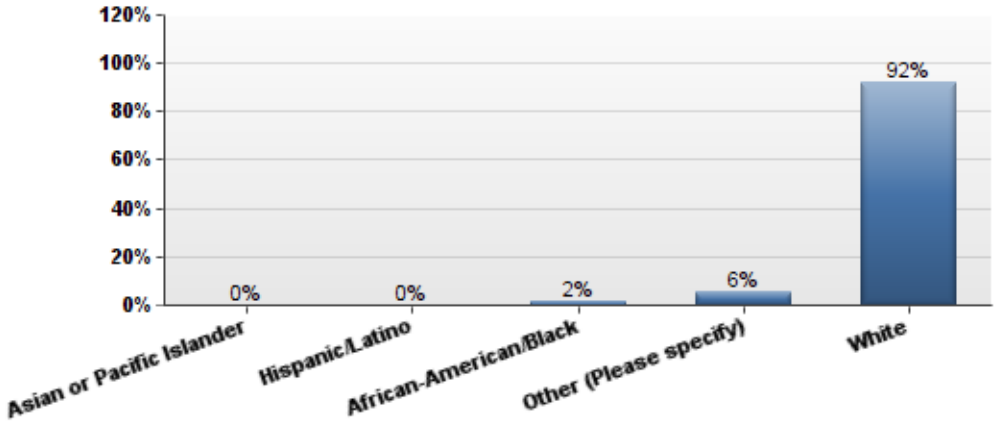
26% of respondents were 50-59, and 26% were 30-39.

Figure 31 Q24: "What is your age?"



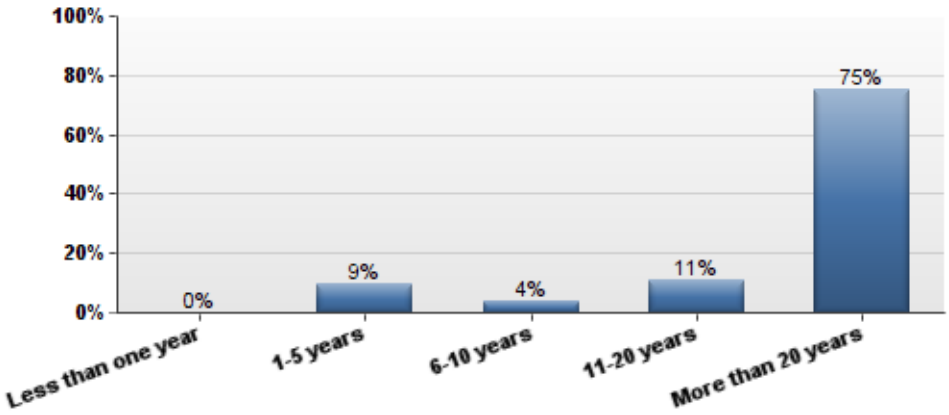
92% of respondents were White.

Figure 32 Q25: "What race do you consider yourself?"



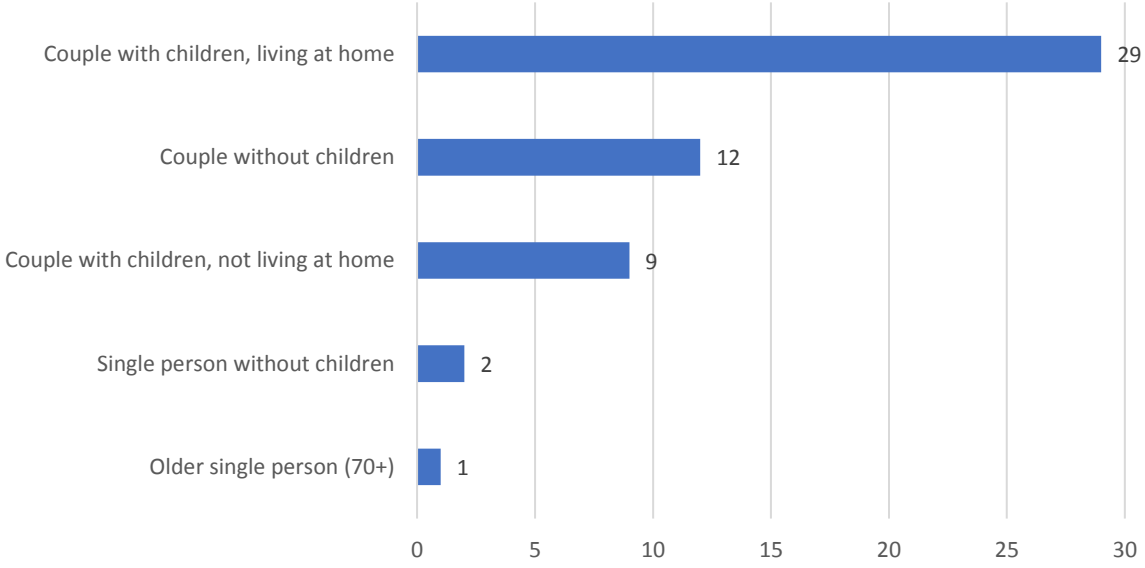
75% of respondents have lived in Harrisonburg City or Rockingham County for more than 20 years, with 9% having lived in the area for one to five years.

Figure 33 Q26: "How long have you lived in Harrisonburg City/Rockingham County?"



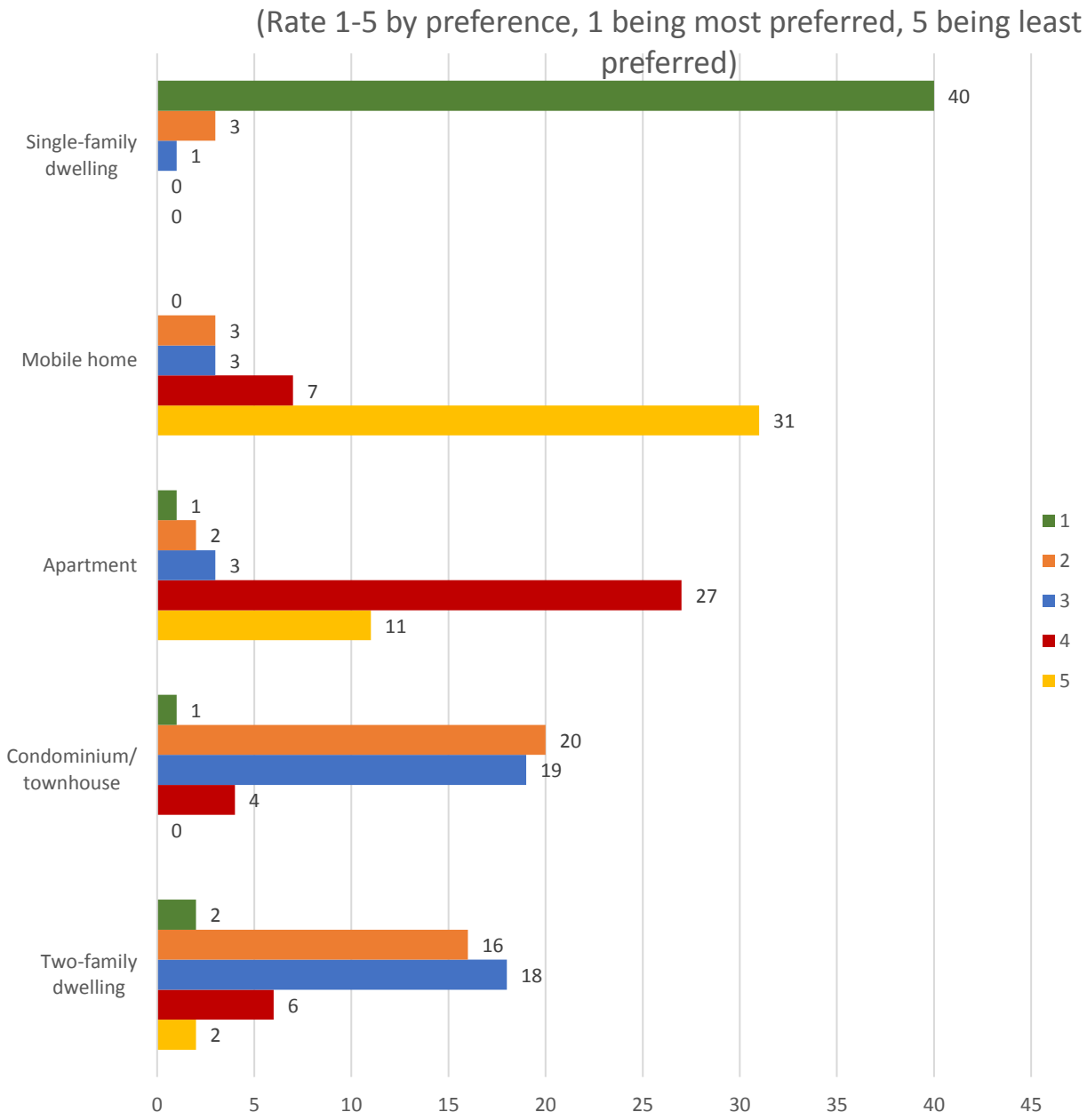
The majority of respondents indicated that the most common client household composition was a couple with children living at home, followed by a couple without children.

Figure 34 Q2: "Which of the following best describes the majority of your clients' household composition?"



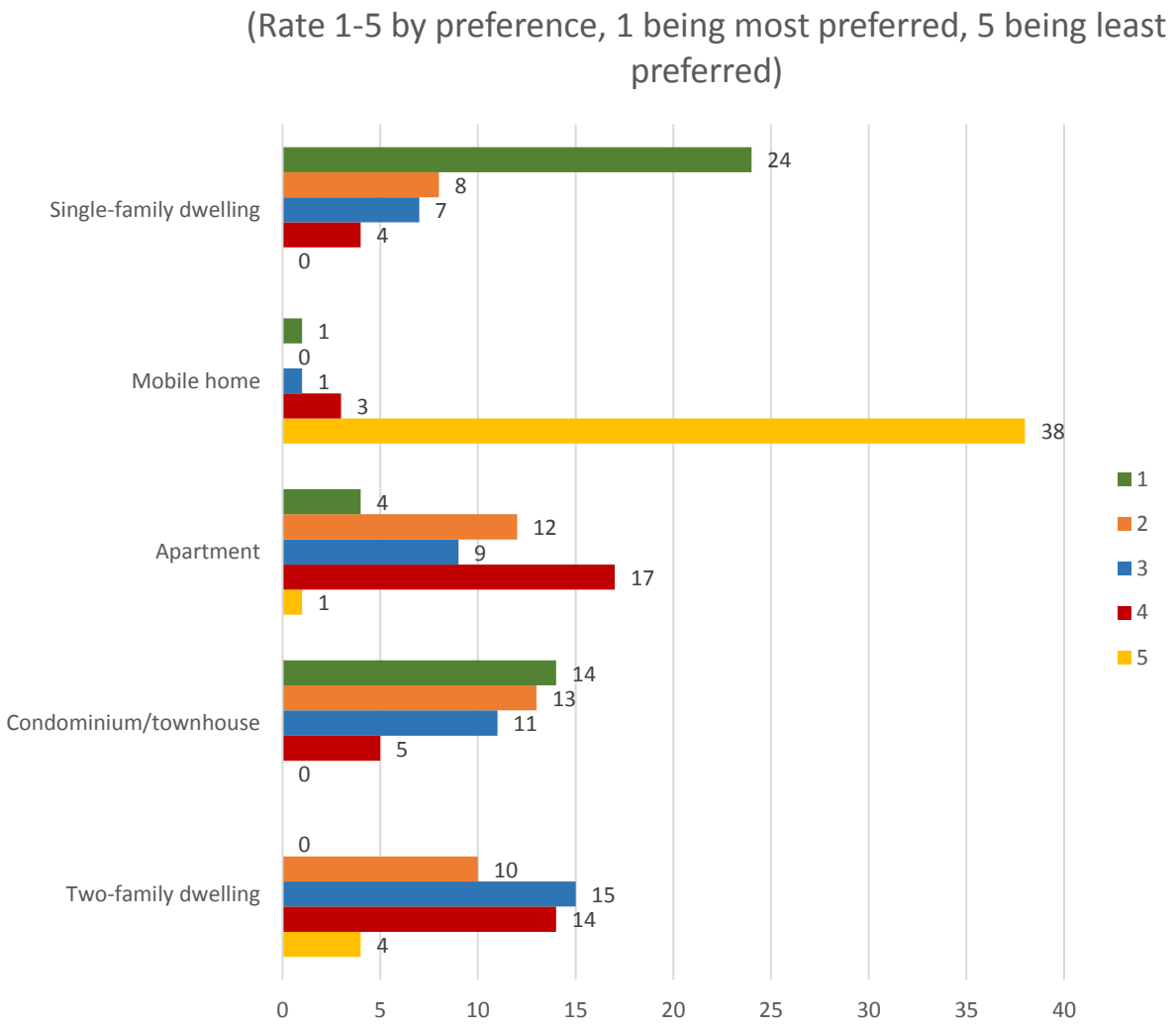
Ranked one through five by preference, one being the most preferred, five being the least preferred, respondents indicated that their clients prefer to own single-family dwellings, with mobile homes being the least preferred option.

Figure 35 Q3: "Which of the following housing types do the majority of your clients prefer to own? (Rate 1-5 by dragging your selections in order of preference, 1 being most preferred, 5 being least preferred)"



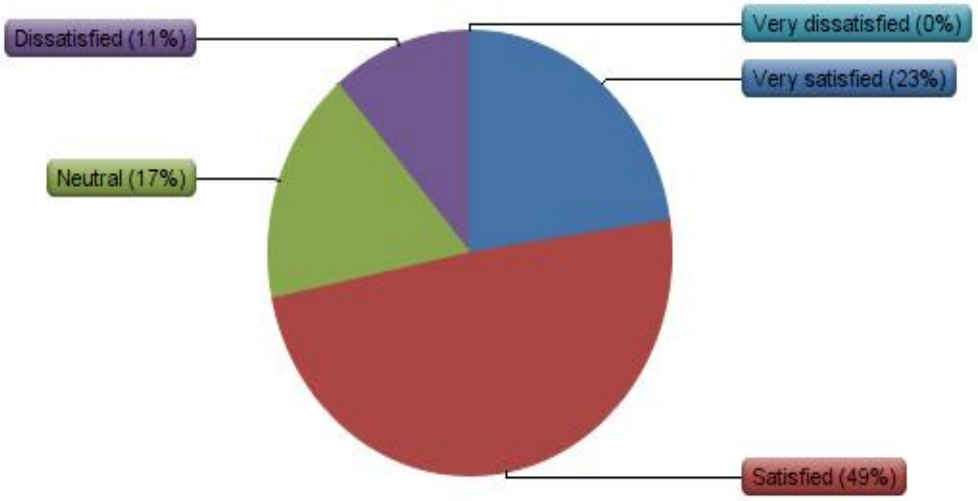
Ranked one through five by preference, one being the most preferred, five being the least preferred, clients preferred to rent single-family dwellings, and mobile homes were the least preferred option, with apartments as a more preferred second option for rental than ownership.

Figure 36 Q4: "Which of the following housing types do the majority of your clients prefer to rent? (Rate 1-5 by dragging your selections in order of preference, 1 being most preferred, 5 being least preferred)"



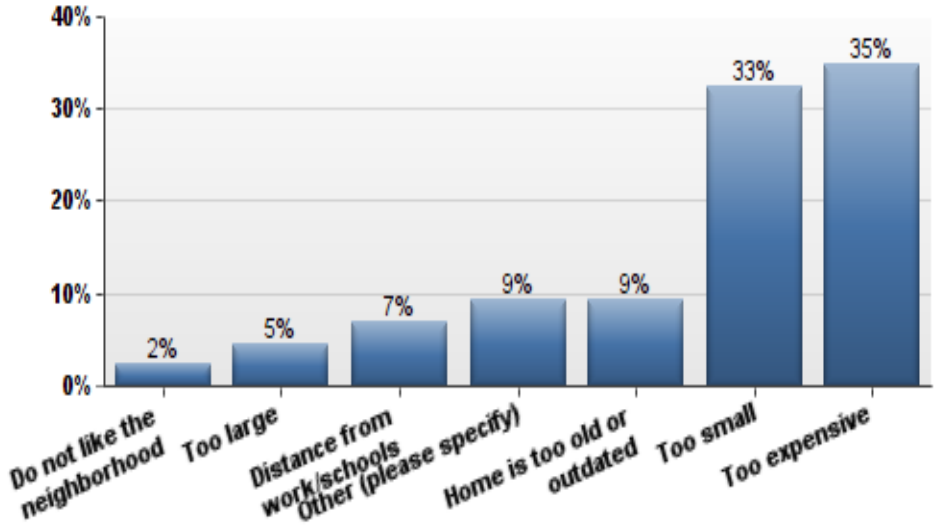
According to the survey, 49% of clients are satisfied with their current housing situation, with 23% being very satisfied, and only 11% dissatisfied.

Figure 37 Q5: "How satisfied are your clients with their current housing?"



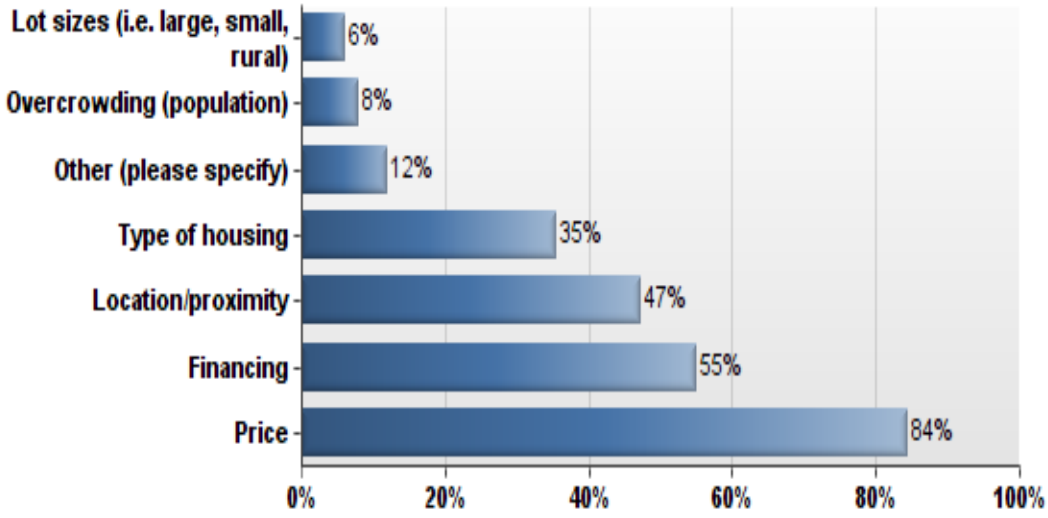
If clients were not satisfied with their current housing, the main reasons were that the property was either too expensive (35%) or too small (33%).

Figure 38 Q6: "If your clients are not satisfied with their current housing, what is the main reason for their dissatisfaction?"



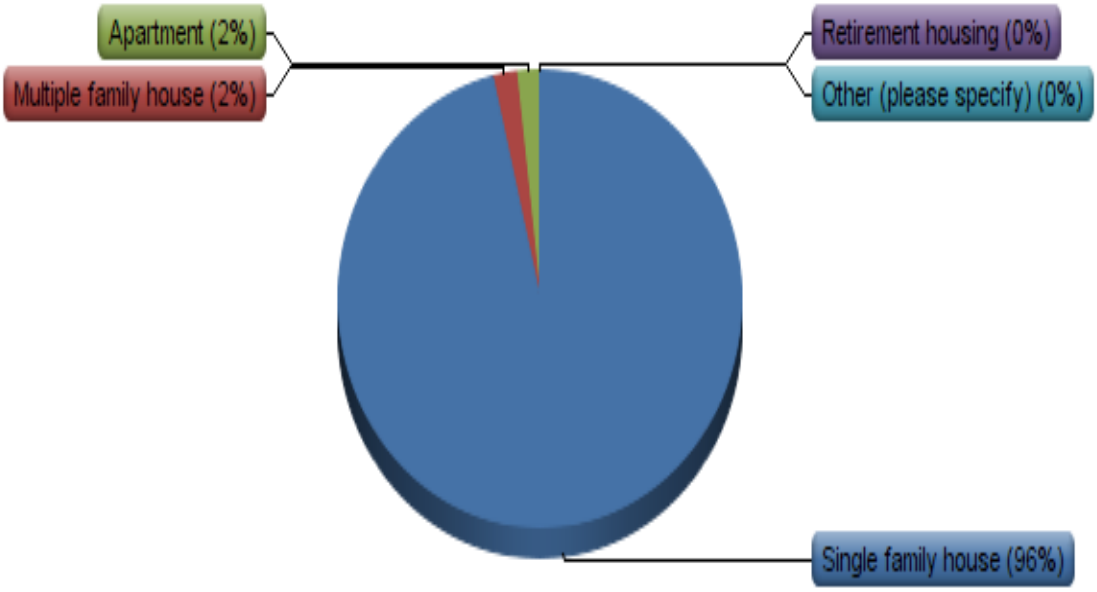
If the clients were not living in their ideal housing arrangement, the main limiting factors preventing them from obtaining their ideal arrangement were price at 84% of responses, and financing at 55% of responses. Other responses included credit history, a difficulty selling their current home, and a lack of inventory.

Figure 39 Q7: "If your clients are not living in their ideal housing arrangement, indicate up to three main limiting factors keeping them from attaining their ideal housing arrangement."



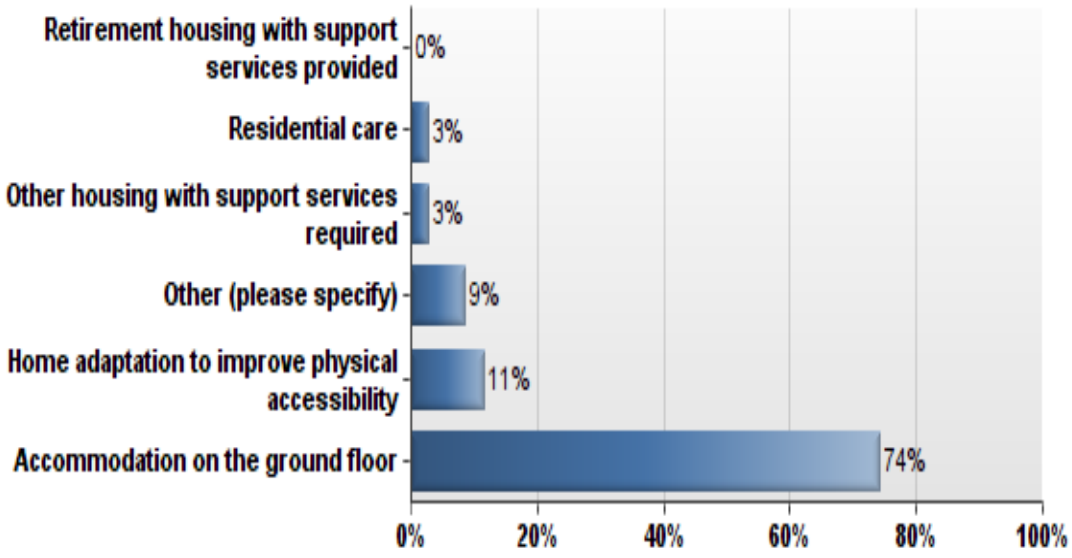
96% of respondents indicated that a single-family house would be the best type of accommodation to meet the majority of their clients' needs, with only 2% indicating apartment and 2% indicating a multiple family house.

Figure 40 Q8: "What type of accommodation would best meet the majority of your clients' needs?"



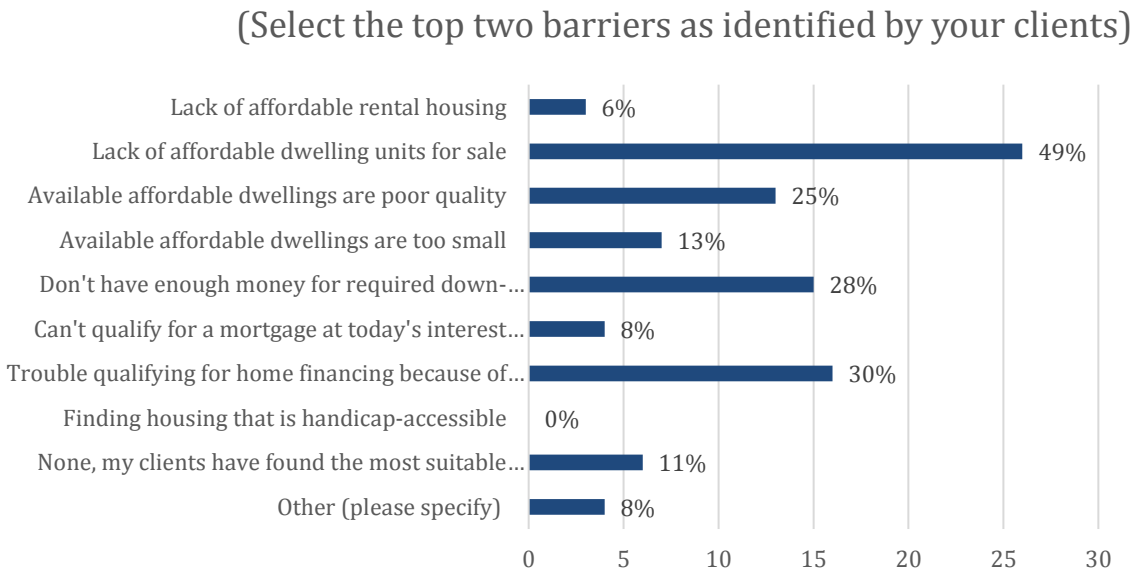
When asked if their clients require any of the special services, 35 responded yes, with 74% of these indicating that their clients require accommodation on the ground floor.

Figure 41 Q9: "Do your clients require any of the following?"



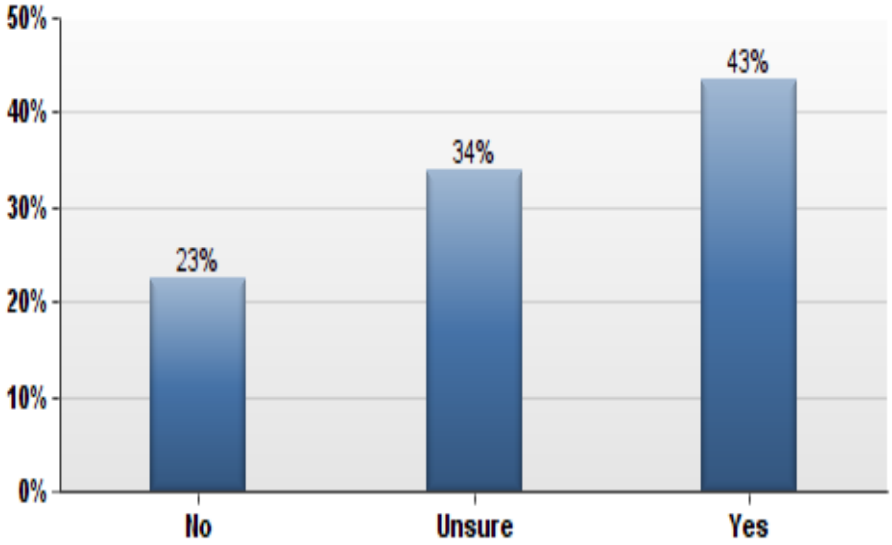
According to the survey, when asked to select up to two of the options presented as the most important barriers when looking for housing, 49% indicated a lack of affordable dwelling units for sale, and 30% indicated trouble financing due to their credit rating.

Figure 42 Q10: "What are the most important barriers your clients have experienced when looking for housing? (Select the top two barriers as identified by your clients)"



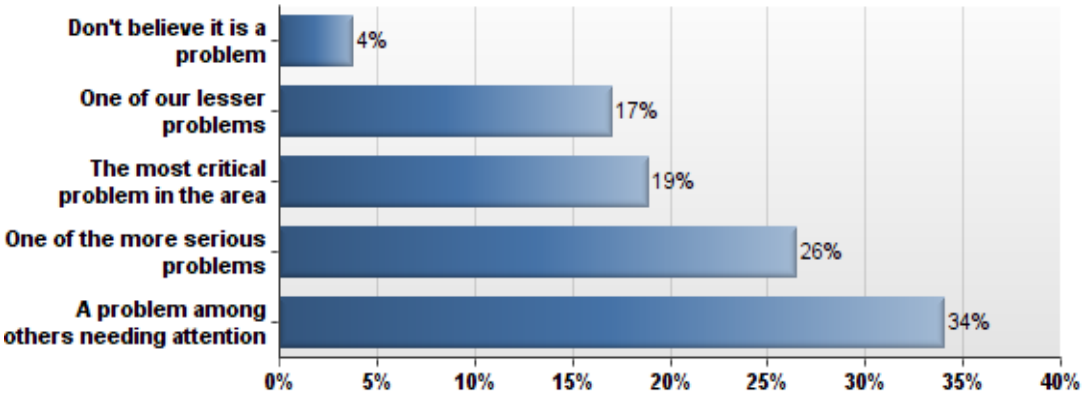
When asked if a significant portion of their clients pay more than 30% of their income on housing, 43% of respondents indicated that their clients do pay more than 30% of their household income after tax on mortgage payments or rent.

Figure 43 Q11: "Do a significant portion of your clients pay more than 30% of their household income, after tax, on mortgage payments or rent?"



When asked if they felt affordable housing is an issue, 34% of respondents believe affordable housing is a problem among others needing attention, and 26% believe it is one of the more serious problems.

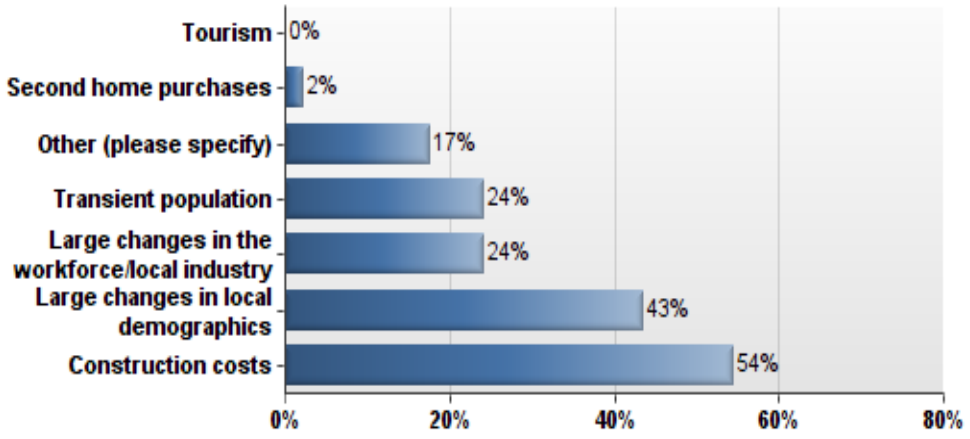
Figure 44 Q12: "How much of an issue do you feel "affordable housing" is for residents of Harrisonburg City/Rockingham County?"



When asked whether they felt there are pressures causing the need for affordable housing, survey respondents indicated that there are a number of pressures for affordable housing in Harrisonburg City and Rockingham County (asked to select up to two). 54% believe construction costs are causing the need, while 43% believe the need is due to large changes in local demographics. Other responses included:

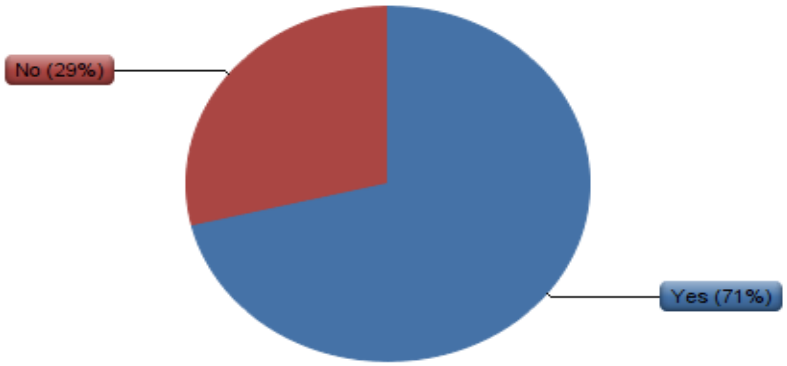
- Low wages at local plants
- James Madison University graduates staying in Harrisonburg to work
- Taxes and fees for development
- Overall development costs

Figure 45 Q13: "Which of the following pressures do you feel are causing the need (if there is one) for affordable housing in Harrisonburg City/Rockingham County? (Select up to two)"



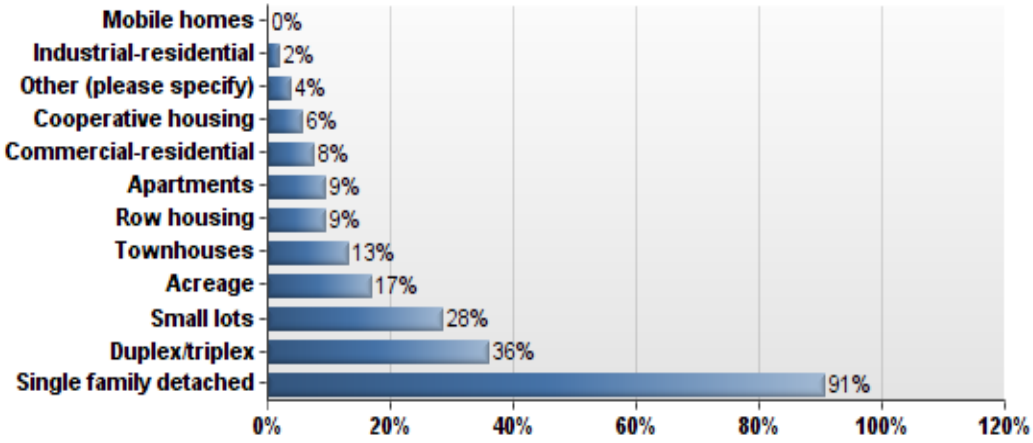
71% of respondents would be in favor of incentives for the development of affordable housing units.

Figure 46 Q14: "Would you be in favor of incentives for the development of affordable housing units in Harrisonburg City/Rockingham County?"



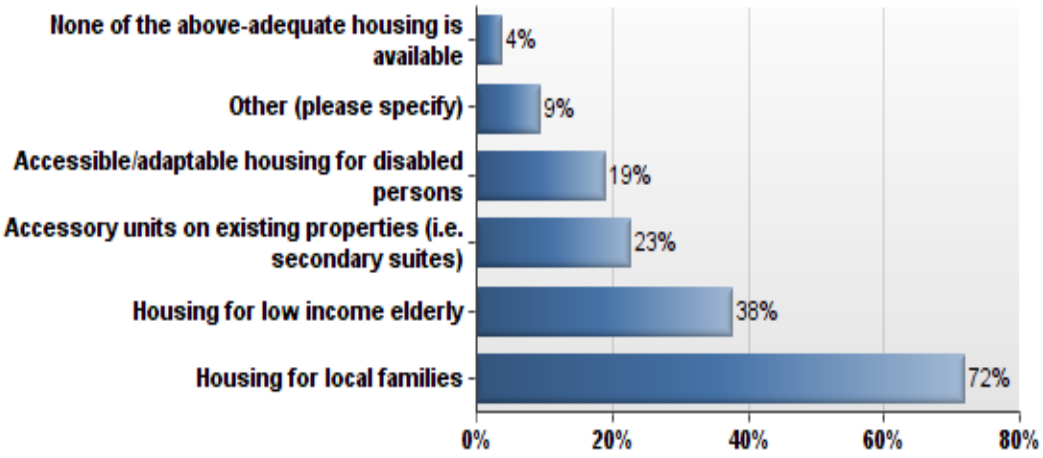
When asked to select the top three types of housing in greatest need, 91% indicated single family detached, with 36% indicating duplex or triplex, and 28% selecting small lots.

Figure 47 Q15: "What types of housing do you feel there is the greatest need for within Harrisonburg City/Rockingham County? (Select the top three)"



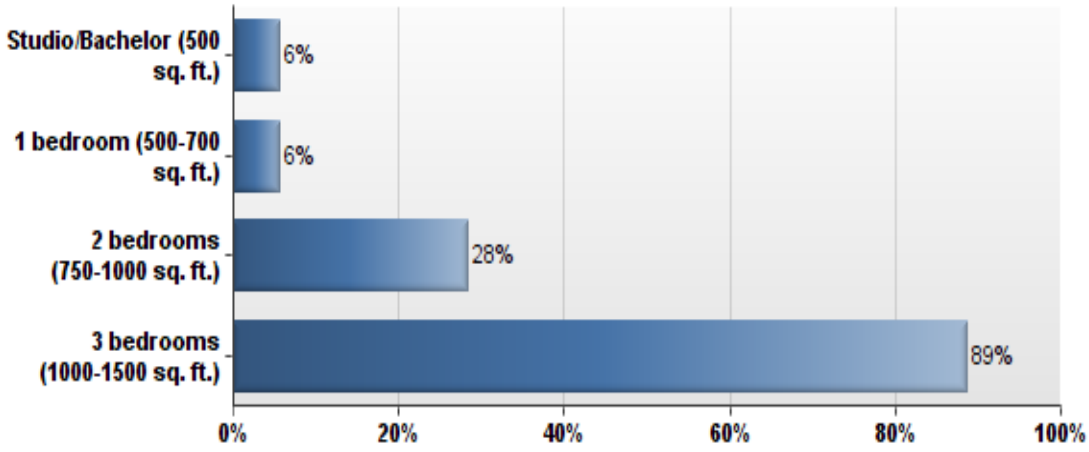
72% of respondents believe our community should encourage more housing for local families, and 38% believe housing for low-income elderly is an issue. Other types of housing that our community should encourage more of included low-income family housing, in-fill development in the city, housing for homeless and former incarcerated felons recently released, and high-density multi-level housing.

Figure 48 Q16: "What kind of affordable housing should our community encourage more of? (Check all that apply)"



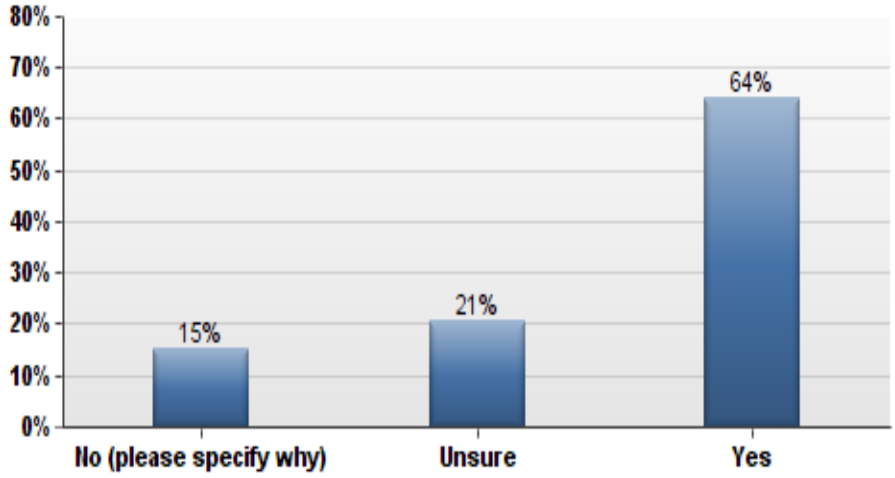
When asked to select all that apply in regards to the size of housing that should be prioritized within Harrisonburg City/Rockingham County, 89% indicated a need to prioritize 3-bedroom housing (housing that is 1000 to 15000 sq. ft.) while 28% indicated a need for 2-bedroom housing (housing that is 750-1000 sq. ft.).

Figure 49 Q17: "What size housing do you feel should be prioritized within Harrisonburg City/Rockingham County? (Check all that apply)"



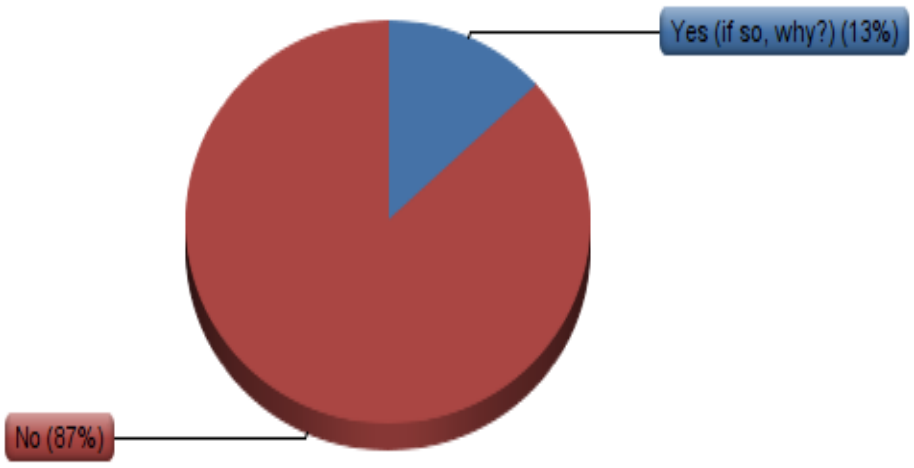
64% of respondents would be in favor of allowing secondary suites to be built in single-family detached units.

Figure 50 Q18: "Are you in support of allowing secondary suites to be built in single-family detached units?"



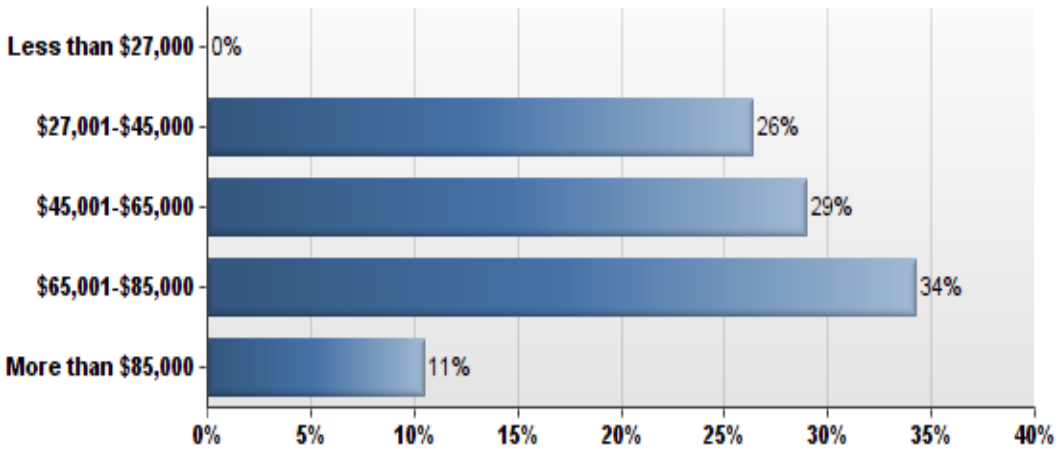
Survey respondents identifying as realtors were asked if their clients have moved away from the area due to the difficulty in finding a home, 87% responded that their clients have not moved away from the area in the past five years due to the difficulty finding a suitable home locally. If their clients had moved away, reasons included the high cost of housing, that the houses were not updated properly for the asking price, and that Augusta County is more affordable.

Figure 51 Q19: "Have any of your clients moved away from the area within the past five years, due to difficulties finding a suitable home locally?"



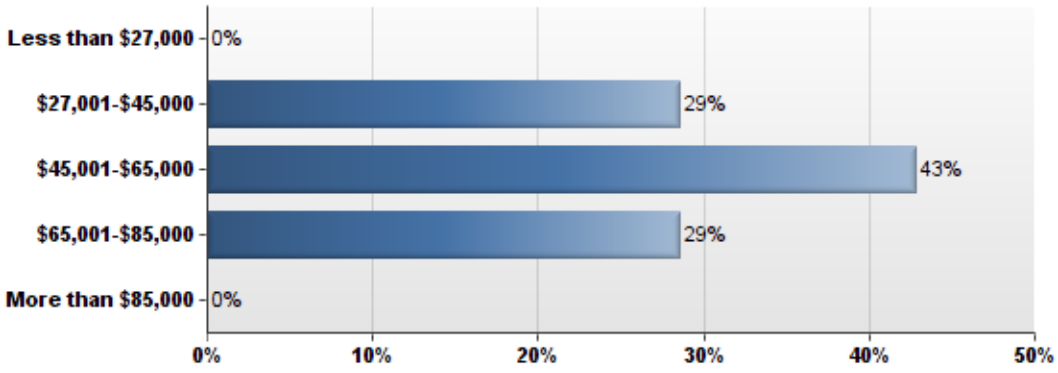
Survey respondents identifying as realtors were asked what their clients' average gross household income was, and 34% responded that it was between $65,001 and $85,000.

Figure 52 Q21: "On average, what are you clients average gross household income?"



Survey respondents identifying as representing the financial sector were asked what their clients' average gross household income was, and 43% responded that it was between $45,001 and $65,000.

Figure 53 Q22: "On average, what are your clients' average gross household income?"



Conclusions

The data presented throughout this report points to a number of trends within Harrisonburg City, Rockingham County, and the MSA that should be addressed from a housing perspective. As the population of both Harrisonburg City and Rockingham County continues to grow at a fast rate, additional housing of all varieties will be needed. It is important to note, however, that these results are potentially influenced by local college students (including James Madison University, Eastern Mennonite University, and Bridgewater College), as students are counted as residents as of the 2010 Census, typically falling in the 15-19 and 20-24 age brackets. The following conclusions represent the main concerns as revealed through our analysis:

- ***Large Projected Increase in Minority Population***
    - The increase in the minority population indicates a need to determine these populations' housing preferences and adapt the housing supply as needed. Harrisonburg City and Rockingham County maintains a large intake of refugees and immigrants that are Census classified as "Other," therefore housing policies and regulations that best serve these populations should be adapted as needed, as well as ensuring an adequate supply of affordable housing options.

- ***Increase in the Number of Seniors and their Quality and Length of Life***
    - Age distribution in the Harrisonburg MSA indicates a need for housing and housing services targeted towards the elderly. This is an opportunity the City of Harrisonburg could capitalize on as most of this growth has occurred within Rockingham County.

- ***Demand for Single-Family Homes***
    - The age distribution in the Harrisonburg MSA demonstrates a need for housing of all varieties, especially in homes targeted towards first-time homebuyers, family housing units, and second-time buyers.
    - Income figures for Rockingham County support demand for housing tailored towards middle class residents and income figures for Harrisonburg City support demand for both middle class residents and affordable housing for low-income residents.
    - Data regarding education indicate that as a whole, the Harrisonburg MSA populace is achieving greater levels of education, which are

typically correlated with higher income and an increase in demand for more affluent housing options.

- ***Demand for Affordable Housing***

    - Unemployment rates in Rockingham County and Harrisonburg City are much lower than the United States. Rockingham County has lower rates than the state level, however Harrisonburg City unemployment rates are higher than the state level. These higher unemployment rates in Harrisonburg City could indicate lower income residents, which establishes a potential need for affordable housing.

    - Median income rates are roughly equivalent for Rockingham County, Augusta County, and the United States, while Harrisonburg City median income rates consistently are approximately $10,000 lower. This indicates a potential need for adequate affordable housing. The local college population is likely having an impact on Harrisonburg City's lower median income.

Transportation

In the fall of 2015, the 'southeast connector' opened for public use and has impacted the Harrisonburg City-Rockingham County traffic and population flow. Per a study prepared for Harrisonburg Redevelopment and Housing Association[9] in the fall of 2015, "The route of the connector road extends over four miles from Route 33 at Boyers Road on the east to CR 42 on the west within the City and just north of the community of Bridgewater" (pg. 27). This connector will facilitate market area changes because it is a bypass of current and congested thoroughfares. In addition to traffic changes, the bypass will blend a development boundary between Harrisonburg City and Rockingham County as – 'Stone Springs Road/Route 240' – will be utilized to connect new Rockingham County developments with city amenities/opportunities (i.e. shopping, dining, and job opportunities). The connector is illustrated in **Figure 54** as follows.

[9] November 2015, "Market Analysis Citywide Demographic and Housing Analysis for Harrisonburg, Virginia," S. Patz and Associates, Inc.: http://www.harrisonburgrha.com/documents/Housing%20Study%202015.pdf.

Figure 54



(November 2015, "Market Analysis: City Demographic and Housing Analysis for Harrisonburg VA", S. Patz and Associates, Inc.)

Next Steps

With these conclusions in mind, the following recommendations are presented (in no particular order):

- *Accessible housing including accommodations on the first floor should be prioritized.*
- *Additional affordable single-family homes should be constructed.*
- *Local government should incentivize the construction of these single-family homes and other affordable housing options.*
- *Available land should be rezoned as needed.*

Appendices

1. Sources
2. Qualitative Survey Instrument

Appendix 1: Sources

Sources

- U.S. Census Bureau (2000 and 2010 Census data) (https://www.census.gov/)
- Madison Center for Community Development Projections
- American Community Survey by the U.S. Census Bureau (https://www.census.gov/)
- U.S. Bureau of Labor Statistics (http://www.bls.gov/)
- "Market Analysis: City Demographic and Housing Analysis for Harrisonburg VA," S. Patz and Associates, Inc. (http://www.harrisonburgrha.com/documents/Housing%20Study%202015.pdf)
- Daily News Record, Harrisonburg, VA
- *Case Study Research: Design and Methods, Fourth Edition* by Robert K. Yin, 2009, Chapter 4
- "Comprehensive Plan for 2020 and Beyond 2015 Update Review," J. Dean and N. Swartz.

Appendix 2: Survey

Harrisonburg City/Rockingham County Housing Analysis Survey

Housing Analysis Survey 2016

To best serve the needs of Harrisonburg City and Rockingham County residents and effectively plan for future growth, knowledge of the existing housing market conditions is required. This survey will help to create an inventory of available housing and identify challenges to housing and obstacles to removing these challenges, as well as potential solutions.

Q1 Which one of the following stakeholder groups do you best identify with?
- ❍ Realty (1)
- ❍ Finance (2)
- ❍ Non-profits (3)
- ❍ Other (please specify) (4) _____

When answering the questions on the next page, think back over last year, from the perspective of your clients.

Q2 Which of the following best describes the majority of your clients' household composition?
- ❍ Single person without children (1)
- ❍ Singe parent with children, living at home (2)
- ❍ Single parent with children, not living at home (3)
- ❍ Couple without children (4)
- ❍ Couple with children, living at home (5)
- ❍ Couple with children, not living at home (6)
- ❍ Older single person (70+) (7)
- ❍ Older couple (70+) (8)
- ❍ Other (please specify) (9) _____

Q3 Which of the following housing types do the majority of your clients prefer to own? (Rate 1-5 by dragging your selections in order of preference, 1 being most preferred, 5 being least preferred)

_____ Single-family dwelling (1)
_____ Two-family dwelling (2)
_____ Condominium/townhouse (3)
_____ Apartment (4)
_____ Mobile home (5)

Q4 Which of the following housing types do the majority of your clients prefer to rent? (Rate 1-5 by dragging your selections in order of preference, 1 being most preferred, 5 being least preferred)

Q5 How satisfied are your clients with their current housing?
- ❍ Very satisfied (1)
- ❍ Satisfied (2)
- ❍ Neutral (3)
- ❍ Dissatisfied (4)
- ❍ Very dissatisfied (5)

Q6 If your clients are not satisfied with their current housing, what is the main reason for their dissatisfaction?
- ❍ Too small (1)
- ❍ Too large (2)
- ❍ Too expensive (3)
- ❍ Distance from work/schools (4)
- ❍ Do not like the neighborhood (5)
- ❍ Home is too old or outdated (6)
- ❍ Other (please specify) (7) _____

Q7 If your clients are not living in their ideal housing arrangement, indicate up to three main limiting factors keeping them from attaining their ideal housing arrangement.
- ❑ Price (1)
- ❑ Type of housing (2)
- ❑ Location/proximity (3)
- ❑ Lot sizes (i.e. large, small, rural) (4)
- ❑ Overcrowding (population) (5)
- ❑ Financing (6)
- ❑ Other (please specify) (7) _____

Q8 What type of accommodation would best meet the majority of your clients' needs?
- ❍ Single family house (1)
- ❍ Multiple family house (2)
- ❍ Apartment (3)
- ❍ Retirement housing (4)
- ❍ Other (please specify) (5) _____

Q9 Do your clients require any of the following?

- ❍ Accommodation on the ground floor (1)
- ❍ Retirement housing with support services provided (2)
- ❍ Other housing with support services required (3)
- ❍ Home adaptation to improve physical accessibility (4)
- ❍ Residential care (5)
- ❍ Other (please specify) (6) _____

Q10 What are the most important barriers your clients have experienced when looking for housing? (Select the top two barriers as identified by your clients)

- ❑ Lack of affordable rental housing (1)
- ❑ Lack of affordable dwelling units for sale (2)
- ❑ Available affordable dwellings are poor quality (3)
- ❑ Available affordable dwellings are too small (4)
- ❑ Don't have enough money for required down-payment on a dwelling unit (5)
- ❑ Can't qualify for a mortgage at today's interest rates and home prices (6)
- ❑ Trouble qualifying for home financing because of credit rating (7)
- ❑ Finding housing that is handicap-accessible (8)
- ❑ None, my clients have found the most suitable housing choices (9)
- ❑ Other (please specify) (10) _____

Q11 Do a significant portion of your clients pay more than 30% of their household income, after tax, on mortgage payments or rent?

- ❍ Yes (1)
- ❍ No (2)
- ❍ Unsure (3)

Q12 How much of an issue do you feel “affordable housing” is for residents of Harrisonburg City/Rockingham County?

- ❍ The most critical problem in the area (1)
- ❍ One of the more serious problems (2)
- ❍ A problem among others needing attention (3)
- ❍ One of our lesser problems (4)
- ❍ Don't believe it is a problem (5)

Q13 Which of the following pressures do you feel are causing the need (if there is one) for affordable housing in Harrisonburg City/Rockingham County? (Select up to two)

- ❑ Transient population (1)
- ❑ Large changes in the workforce/local industry (2)
- ❑ Large changes in local demographics (3)
- ❑ Tourism (4)
- ❑ Second home purchases (5)
- ❑ Construction costs (6)
- ❑ Other (please specify) (7) _____

Q14 Would you be in favor of incentives for the development of affordable housing units in Harrisonburg City/Rockingham County?

- ❍ Yes (1)
- ❍ No (2)

Q15 What types of housing do you feel there is the greatest need for within Harrisonburg City/Rockingham County? (Select the top 3)

- ❑ Single family detached (1)
- ❑ Apartments (2)
- ❑ Duplex/triplex (3)
- ❑ Townhouses (4)
- ❑ Row housing (5)
- ❑ Mobile homes (6)
- ❑ Cooperative housing (7)
- ❑ Commercial-residential (8)
- ❑ Industrial-residential (9)
- ❑ Acreage (10)
- ❑ Small lots (11)
- ❑ Other (please specify) (12) _____

Q16 What kind of affordable housing should our community encourage more of? (Check all that apply)

- ❑ Housing for low income elderly (1)
- ❑ Housing for local families (2)
- ❑ Accessory units on existing properties (i.e. secondary suites) (3)
- ❑ Accessible/adaptable housing for disabled persons (4)
- ❑ None of the above-adequate housing is available (5)
- ❑ Other (please specify) (6) _____

Q17 What size housing do you feel should be prioritized within Harrisonburg City/Rockingham County? (Check all that apply)

- ❑ Studio/Bachelor (500 sq. ft.) (1)
- ❑ 1 bedroom (500-700 sq. ft.) (2)
- ❑ 2 bedrooms (750-1000 sq. ft.) (3)
- ❑ 3 bedrooms (1000-1500 sq. ft.) (4)

Q18 Are you in support of allowing secondary suites to be built in single-family detached units?

- ❍ Yes (1)
- ❍ No (please specify why) (2) _____
- ❍ Unsure (3)

Answer If Which one of the following stakeholder groups are you a part of? Realty Is Selected

Q19 Have any of your clients moved away from the area within the past five years, due to difficulties finding a suitable home locally?

- ❍ Yes (if so, why?) (1) _____
- ❍ No (2)

If No Is Selected, Then Skip To What are your clients average gross h...

Answer If Which one of the following stakeholder groups are you a part of? Realty Is Selected

Q20 What was your client's primary reason for moving?

- ❍ Need larger home (1)
- ❍ Need to set up independent home (2)
- ❍ Need less expensive home (3)
- ❍ Need to be closer to care or dependent (4)
- ❍ Need a more secure (safety) home (5)
- ❍ Need smaller home (present home is difficult to manage) (6)
- ❍ Need physically-adapted home (7)
- ❍ Need to be closer to employment (8)
- ❍ Other (please specify) (9) _____

Answer If Which one of the following stakeholder groups are you a part of? Realty Is Selected

Q21 On average, what are your clients average gross household income?

- ❍ Less than $27,000 (1)
- ❍ $27,001-$45,000 (2)
- ❍ $45,001-$65,000 (3)
- ❍ $65,001-$85,000 (4)
- ❍ More than $85,000 (5)

Answer If Which one of the following stakeholder groups are you a part of? Finance Is Selected

Q22 On average, what are your clients average gross household income?

- ❍ Less than $27,000 (1)
- ❍ $27,001-$45,000 (2)
- ❍ $45,001-$65,000 (3)
- ❍ $65,001-$85,000 (4)
- ❍ More than $85,000 (5)

Q23 What is your sex?

- ❍ Male (1)
- ❍ Female (2)

Q24 What is your age?

- ❍ Under 20 (1)
- ❍ 20-29 (2)
- ❍ 30-39 (3)
- ❍ 40-49 (4)
- ❍ 50-59 (5)
- ❍ 60 or older (6)

Q25 What race do you consider yourself?

- ❍ White (1)
- ❍ African-American/Black (2)
- ❍ Hispanic/Latino (3)
- ❍ Asian or Pacific Islander (4)
- ❍ Other (Please specify) (5) _____

Q26 How long have you lived in Harrisonburg City/Rockingham County?

- ❍ Less than one year (1)
- ❍ 1-5 years (2)
- ❍ 6-10 years (3)
- ❍ 11-20 years (4)
- ❍ More than 20 years (5)

Q27 If you would like to participate in a focus group to further discuss housing in Harrisonburg City/Rockingham County, please include your name, email, and phone number below.