HOUSING

INTRODUCTION

Since the housing needs of the County's residents can be expected to change and because the provision of housing is affected by the actions of the County and Town governments, it is necessary to plan to meet both present and future housing needs. This section considers the housing market in Shenandoah County, the need for housing, and the projected changes in the total housing stock through 2010. When detailed data is available from the 1990 Census, this section should be up-dated.

In the 1973 Plan housing was briefly addressed in Part One, Section Five, and in Part Two, Section Four. There was no examination of the housing market or the needs for various types of housing.

HOUSING MARKET

Shenandoah County is defined as a basic housing market. As of 1980, 75% of its citizens lived and worked in the County. The County is also part of the regional housing market, offering relatively lower-cost housing than Clarke County, Frederick County-Winchester, Rockingham County-Harrisonburg, or Warren County. Further, the County is a sub-market of the Washington, D.C. Metropolitan Area housing market. Because of the access to the metropolitan area afforded by I-81 and I-66, families with their primary income from that area now consider Shenandoah County as a place to live.

This market was studied in the publication Housing Market Analysis: Shenandoah County, developed by the Lord Fairfax Planning District Commission. Much of the information for this section is drawn from that report and the housing element of the District Comprehensive Plan of the Lord Fairfax Planning District Commission. These documents, along with subsequent updates, may be consulted for further information.

Demand For Housing

A major concern for the County is the demand for housing. Based on the Federal Housing Administration market analysis criteria, the major determinants of demand are: 1) the rate of growth in the number of households; 2) income and employment patterns; 3) liquid asset holdings, down payment and mortgage term requirements; and, 4) space, convenience and style requirements.

The household is the basic unit of demand. Each household requires a dwelling unit, or housing. The terms "dwelling unit" and "housing" are used interchangeably. The following definitions apply:

Dwelling unit - A house, manufactured home, apartment, group of rooms, or single room occupied or intended for occupancy as separate living quarters.

Household - All of the persons who occupy a dwelling unit. They may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements, except those in group quarters.

Growth in Households

In 1970, Shenandoah County's average household size was 3.02 compared to 3.14 for the United States. In 1980, the national average was 2.75 persons per household which was again higher than the 2.72 persons per household in the County at that time. The 1990 national average declined to 2.63 persons per household and the County's average declined to 2.50 persons or 95 percent of the national average.

A continued decline in the size of households is predicted through the year 2010. Table 6-A shows the projections of the persons per household and total number of households in Shenandoah County.

The declining household size means that housing units will be required at a higher rate than the population growth. A projected 6.5% increase in population between 1990 and 2000 (to 33,700 persons), combined with a decline in the average household size will generate a 12.8% increase in the number of households. Beyond the year 2000, a projected 8.3% increase in population between 2000 and 2010 (to 36,500 persons) will generate a 14.6% increase in the number of households.

TABLE 6-A
PROJECTIONS OF HOUSEHOLDS

	Actual		Projections	
	1980	1990	2000	2010
Population	27,559	31,636	33,700	36,500
Persons not in Households	261	530	566	613
Person per Household	2.72	2.50	2.36	2.23
Number of Households	10,035	12,452	14,040	16,093

Sources: Projections of Number of Households - Shenandoah County, 1-33-hhproj, Lord Fairfax Planning District Commission, 1990. Summary Tape File 1A, U.S. Bureau of the Census, June 1991.

Income and Employment Patterns

The economic characteristics of the County are discussed in Section 4. This section will consider the distribution of income as it affects the housing market.

The most recent data available is 1989 income tax returns for the State of Virginia. Of major concern to a builder is the price range affordable to new householders. To determine what ranges might exist in the County, the 1989 distribution of married couple Adjusted Gross Income (AGI) was used to project the income of new households. This assumes that married households will represent the majority of new households and that the income distribution among these households will be approximately the same for the near future as that in 1989. The nine income ranges are also divided into three relative levels -- low, moderate, and high income. For the projection period nearing the year 2000, these general categories may be more useful, since the actual income figures are difficult to predict.

Table 6-B on the next page uses this information as follows: Column 1 shows the nine income ranges in three general levels. Column 2 computes the affordable range of housing costs for a household in each income range. Column 3 then computes the affordable total monthly housing cost at 28 percent of the gross monthly income. This figure is an estimate of one week's take-home pay which is an accepted guide for total monthly housing cost. This figure is then multiplied by 75 percent to determine an affordable mortgage or rental payment, shown in Column 4. The remaining 25 percent is to cover utilities, maintenance, taxes, insurance, and other incidental housing costs. Depending upon which costs are included in the rental payment, the rent figure may equal Column 3, total monthly housing costs.

Column 5 shows the 1989 distribution of income for Shenandoah County married households. Column 6 and 7 is the distribution of total anticipated households between 1990 - 2000 and 2000 - 2010, based on the 1989 distribution. Total new households are the same as shown in Table 6-A.

Based on affordable housing costs, most of the lower income households will be unable to find homes that can be purchased on their incomes and will, therefore, probably seek rental units. In order to get adequate housing, these households may have to spend more than 25 percent of their income. Households in all income ranges may be willing to spend more than 25 percent of their incomes for housing. In part, for these projections to occur, the local economy must continue to expand.

TABLE 6-B
SHENANDOAH COUNTY
DISTRIBUTION OF NEW HOUSEHOLDS BY AFFORDABLE HOUSING COSTS

Income $	Affordable Housing Range at 2 and 2-1/2 Times Gross Annual Income ($)	Affordable Total Monthlly Housing at 28% Gross Monthly Income ($)	Affordable Mortgage or Rental Payment at 75% Total Monthly Housing Cost	1989 Distribution of Income for Married Households %	Distribution of New Households 1990-2000*	Distribution of New Households 2000-2010	General Income Level
Less than $ 9,999	to $20,000	$ 233 maximum	$ 175 maximum	10.8%	170	220	Low
$10,000 to $14,999	$ 20,000 to $ 37,000	$ 233 to $ 350	$ 175 to $ 263	8.9%	140	181	
$15,000 to $19,999	$ 30,000 to $ 50,000	$ 350 to $ 467	$ 263 to $ 350	10.6%	167	216	Moderate
$20,000 to $24,999	$ 40,000 to $ 62,500	$ 467 to $ 583	$ 350 to $ 437	11.2%	177	228	
$25,000 to $29,999	$ 50,000 to $ 75,000	$ 583 to $ 700	$ 437 to $ 525	12.0%	189	245	
$30,000 to $39,999	$ 60,000 to $100,000	$ 700 to $ 933	$ 525 to $ 700	21.0%	332	430	High
$40,000 to $39,999	$ 80,000 to $125,000	$ 933 to $1,167	$ 700 to $ 875	12.7%	201	259	
$50,000 to $74,999	$100,000 to $187,500	$1,167 to $1,750	$ 875 to $1,313	9.9%	156	202	
$75,000 or more	$150,000 or more	$1,750 or more	$1,313 or more	3.6%	56	72	
			TOTAL	100.0%	1,588	2,053	

NOTE: Totals have been corrected to account for rounding.

SOURCES: Lord Fairfax Planning District Commission, Data sheet 1-33-hhproj.
Distribution of Virginia Adjusted Gross Income by Income Class and Locality, 1989.

Liquid Asset Holdings and Financing

This category of determinants is difficult to predict. Mortgage interest rates and down payment requirements may become more favorable in the future; however, a sharp drop in interest rates is not anticipated. Down payment requirements for banks are held to a 20 percent minimum by law. Savings and loan associations may go to five percent. Lower down payment loans are offered through the Virginia Housing Development Authority or Farmers Home Administration for low and moderate income households who are first time buyers. The most important figure for the home buyer is the monthly housing payment. Those households with little or no liquid assets will need State and Federal programs to make home ownership within their reach.

Those new households which consist of retirees or out-commuters are likely to have higher assets with which to purchase housing in the local market. Both of these groups either come primarily from or travel to the Washington Metropolitan Area. They may have equity from the sale of property or be earning higher wages relative to the area, and thus be able to afford more costly housing than the typical Shenandoah County family. This may also be true with respect to households in higher income jurisdictions within the Planning District.

Space, Convenience, and Style

As profiled in Table 6-C on page 6-7, the County's housing is primarily single-family, detached, owner-occupied homes. Although most households would prefer such a home, many may not have the resources to buy such a home in the future. There will also be a demand for more rental units to serve the increased number of small households and those families which cannot afford or may not wish to buy a home. These demands are now being met by the sale or rent of townhouse units and by apartments. More apartment construction may be anticipated in the future, along with efforts to convert large single-family homes into apartment units.

HOUSING NEED

If all existing housing units met minimum standards, the housing market would only require the addition of enough units to meet the growth in households with enough surplus to provide an adequate vacancy rate. However, not all housing units meet standards for adequacy, so substandard units must be brought up to standards or new units provided to replace substandard units.

Adequacy of the housing stock was measured only indirectly in the 1980 Census. The two most common indicators of substandard units are overcrowding -- defined as 1.01 or more persons per room -- and a lack of complete plumbing facilities for exclusive use of the household. Since an overcrowded unit may be otherwise adequate, the best available indicator of structural inadequacy is lack of complete plumbing.

In 1980, 951 (9.5 percent) of the occupied housing units lacked one or more plumbing facilities for the exclusive use of the occupants. Plumbing facilities were hot and cold piped water, a flush toilet, and a bath tub or shower. In total, 975 (8.2 percent) of the year-round housing units were considered substandard by this criterion.

Another measure of adequacy has to do with the cost of a unit compared to household income. If the household is paying more than 25 to 30 percent of its gross income for housing, including utilities, then the unit (whether structurally standard or not) may be considered too costly relative to the household income. In some respects this is a measure of the adequacy of the income; however, it also indicates to what degree the market does not provide adequate housing at certain price levels.

The housing conditions of the County's black population were worse than for other County residents in 1980. For blacks, 11.6 percent of their dwelling units lacked complete plumbing compared to 9.5 percent of white-occupied housing units. The average household size in 1980 was 3.23 for blacks, compared to 2.71 for whites. Black ownership of homes was 66.1%, compared to 76.1% for whites in 1980.

Additional data on the 1960, 1970, and 1980 year-round housing stock are shown in Table 6-C. Due to the existence of a second home housing market in the County, there is also a large stock of homes held for occasional use. They are suitable for year round occupancy and therefore, if so utilized, on a wide scale, could result in a rapid increase in population without the construction of more new units.

The housing market is the system which currently allocates housing resources within the County. In simple terms, people buy or rent the kind of housing they can afford on their income. The Virginia Housing Development Authority and Farmers' Home Administration expand the range of choice for low and moderate income households through their loan programs. U.S. Department of Housing and Urban Development Section 236 and Section 8 rental housing program units provide some assistance to renters as does the Farmers Home Administration Section 515 Rural Rental Housing Program.

The County recognizes the need for additional affordable housing, and would support small developments of it dispersed in and around the towns and public service areas. In addition, the existing housing stock should be preserved, and upgraded where necessary. Substandard housing should be brought up to code wherever possible.

TABLE 6-C
SHENANDOAH COUNTY HOUSING STOCK
HISTORICAL, CURRENT ESTIMATE

	1960	% of Total	1970	% of Total	1980	% of Total	1990	% of Total
Total Year-round	7,208	100.0	8,707	100.0	11,861	100.0	15,160	100.0
Vacant - For Sale/Rent	221	3.1	147	1.7	423	3.6	352	2.3
- Not for Sale/Rent	480	6.7	1,034	11.9	371	3.1	507	3.3
- Held for Occasional Use	---	---	---	---	1,032	8.7	1,849	12.2
Total Occupied	6,507	90.2	7,526	86.4	10,035	84.6	12,452	82.1
Owner	4,608	70.8a	5,467a	72.6a	7,622a	76.0a	8,903a	71.5a
Renter	1,899	29.2a	2,059a	27.4a	2,413a	24.0a	3,549a	28.5a
More Than 1.01 Persons per Room	485	7.5a	424a	5.6a	257a	2.6a	210a	1.7a
Lacking Complete Plumbing for Exclusive Use	3,392	47.1b	2,531b	29.1b	975b	8.2b		
Units at Address								
Single Units (incl. Townhouses)	6,590	91.4	7,603	87.3	10,081	85.0	12,088	79.7
2+ Units (Multi-Family)	541	7.5	828	9.5	1,164	9.8	1,881	12.4
Mobile Homes	77	1.1	276	3.2	616	5.2	1,191	7.9
In-Town	---	---	2,722	31.3	3,877	32.7	4,976	32.8
Out-of-Town	---	---	5,985	68.7	7,984	67.3	10,184	67.2

Sources: Census of Housing, 1960, 1970, 1980, U.S. Bureau of the Census
Summary Tape 1A, U.S. Bureau of the Census, June 1991

Notes:
a. As percentage of total occupied.
b. As percentage of total year-round.

Housing Stock Improvement

Substandard housing units should either be brought up to standard by rehabilitation or removed from the housing stock. Due to the high costs of new construction, it is expected that most such units would be rehabilitated. Many homeowners cannot afford to move, and therefore choose to improve their current homes. Some families purchase older but larger and perhaps substandard structures and gradually improve them, which gives them more square footage of living space than they could purchase outright in perfect condition. Other substandard units may have to be replaced.

An objective for the County is for all year-round housing units to meet the standards by the year 2010. This could be achieved by encouraging the elimination of half of the substandard housing units in each of the next two decades. Using lack of complete plumbing as the best available indicator of adequacy, the 1980 substandard housing stock was 975 units, or 8.2% of year-round units. It is possible for the 1990 stock to have been reduced to 487 as a result of homeowner improvements. The balance would be reduced to zero by 2010.

Replacement of Losses

In addition to planned replacement of substandard units, other losses can be expected to occur in the housing stock. Units are lost due to: deterioration to a point where they are unfit for habitation; natural disasters such as fire and flood; man-made changes such as conversion to non-residential uses, or to group quarters, or removal from the site. Based on previous changes, documented by the U. S. Bureau of Census Components of Inventory Change, approximately 6.4 percent of each decade's beginning housing stock is lost. This percentage is applied to the projections in Table 6-E on page 6-11.

Vacancy

The number of vacant units for 1980 and 1990, and the 1990 vacancy rate are shown for each rural Census Tract and for the six incorporated towns in Table 6-D on the following page.

In the some areas of the County there is a very high vacancy rate; the Census Tract which contains the Basye/Bryce Mountain area has a vacancy rate of 47.0 percent, and the Fort Valley area has a vacancy rate of 32.8 percent. Much of this vacant housing stock represents second homes or retirement homes that are held for occasional use. The northern-most section of the County, west of routes 623 and 628, has the lowest vacancy rate of the unincorporated area.

The towns have considerable more moderate vacancy rates, ranging from 3.5 percent in the Town of Toms Brook to 8.5 percent in the Town of Woodstock.

TABLE 6-D
VACANT DWELLING UNITS 1980-1990

	Vacant 1980	Vacant 1990	'80-'90 Change	Tl. DU's 1990	1990 Vacancy Rate
Rural Portion of Census Tract					
401	85	33	-61.2%	819	4.0%
402	778	1456	87.2%	3101	47.0%
403	114	112	-1.8%	1125	10.0%
404	203	331	63.1%	1008	32.8%
405	83	82	-1.2%	1240	6.6%
406	78	76	-2.6%	884	8.6%
407	117	130	11.1%	970	13.4%
408	81	191	135.8%	1037	18.4%
Incorporated Towns:					
Edinburg	32	32	0.0%	427	7.5%
Mount Jackson	47	29	-38.3%	687	4.2%
New Market	41	51	24.4%	694	7.4%
Strasburg	78	57	-26.9%	1604	3.6%
Toms Brook	9	3	-66.7%	87	3.5%
Woodstock	80	125	56.3%	1477	8.5%

Sources: Summary Tape 1A, U.S. Bureau of Censu, June 1991
U.S. Census of Population & Housing, 1980

An adequate vacancy rate should be maintained in the housing market to provide for movement of households and the creation of new households. The Virginia Housing Development Authority in its Statewide Housing Needs Analysis, 1975 identified three recommended levels of vacancy rates based on population growth rates (derived from annual percentage increases.) They are:

A. Areas of slow growth - less than 1% average annual increase
   owner vacancies = 1.0%
   renter vacancies = 4.0%

B. Areas of moderate growth - between 1% and 5% average annual increase
   owner vacancies = 1.25%
   renter vacancies = 5.0%

C. Areas of fast growth - greater than 5% average annual increase
   owner vacancies = 1.75%
   renter vacancies = 7.0%

In 1990, there was a 71.5% - 28.5% split between owner and renter-occupied units. The vacancy rates shown in Table 6-E are based on the assumption that the 1990 percentage of owner-occupied units would be maintained and are applied to the average annual rate of growth on a decade-by-decade basis.

Projections

Table 6-E on the following page shows Shenandoah County's projected Dwelling Unit needs to the year 2010, based on the projected number of households, the projected number of units that must be replaced, and the expected vacancy rate needed for the housing market.

Between 1990 and 2010 an additional 5,623 housing units will be required to meet the County's projected needs. This translates into an annual average of about 281 new units. As with all projections, these projections are based on assumptions about the continuation of recent growth trends into the future, making periodic re-evaluation of the trends and projections necessary for proper planning.

Sorting the 1990 through 2010 projected new and replacement units in terms of the income categories -- low, moderate, and high -- based on 1989 income distribution, results in the following distribution of the total (2,466 + 3,157 = 5,623):

Income Level	Percent of Households	1990-2010
Low	19.6	1,102
Moderate	33.6	1,889
High	46.8	2,632
TOTAL	100.0	5,623

Table 6-E
Dwelling Unit Projections By Decade
Shenandoah County

	1980-1990	1990-2000	2000-2010
Average Annual Growth	1.40%	0.60%	0.80%
Vacancy Rate considered appropriate			
Owner	1.25%	1.0%	1.0%
Renter	5.00%	4.0%	4.0%
Occupied Units, End of Decade	12,452	14,040	16,093
Owner Units (71.5%)	8,903	10,039	11,506
Rental Units (28.5%)	3,549	4,001	4,587
Vacant Units, End of Decade	2,708	2,616	2,654
Owner Units	185	100	115
Renter Units	167	160	183
Other* - Not for sale/rent and/or held for occasional use	2,356	2,356	2,356
Total Units, End of Decade	15,160	16,656	18,747
Total Units, Beginning of Decade	11,861	15,160	16,656
Loss for Decade (6.4%)	-759	-970	-1,066
Net Dwelling Unit Base	11,102	14,190	15,590
New Units in decade	4,058	2,466	3,157
Annual Average	406	247	316

* The 1990 other vacancies is the balance of units after vacant for sale & rent is subtracted from the 1990 vacant unit counts. The total of other vacants is held constant for 2000 and 2010. This other vacant figure is added to the vacant for sale & rent to determine the total vacant units for 2000 and 2010. These other vacant figures could be smaller if the household size declines faster than projected or the County population has been under estimated. Regardless, there has been a large increase in the amount of the housing stock held as second homes.

SUMMARY

Shenandoah County's housing stock is a reflection of the market demand for housing. In addition to serving the needs of natives, it also is a desirable location for other housing buyers within the Lord Fairfax Planning District and the Northern Virginia/Washington, D.C. metropolitan area.

Based on projections of population growth and declining household size, a 13% increase in households can be expected between 1990 and 2000, and an additional 15% increase between 2000 and 2010. The types of housing that are affordable will be dictated by the household income. If current trends continue, low, moderate and high income households will split out at 19.6%, 33.6%, and 46.8% respectively.

The housing stock is primarily single-family, detached, owner-occupied homes. In 1990, the County had a vacancy rate of 18 percent. The County has a large share of second homes which accounted for 68.3 percent of all the vacant units or 12 percent of the 1990 year-round housing stock. As for quality, as of 1980 only 28 percent of those lacking complete plumbing in 1960 remained so, but there were still 975 units so classified. Some improvement is expected to be found when the detailed 1990 data becomes available.

As the County grows, the housing stock will change. Losses will need to be replaced. The vacancy rate will fluctuate with the market demand. Taking into account such dynamic factors, it is projected that 2,466 units may be added from 1990 to 2000 and 3,157 from 2000 to 2010.

A basic objective of the local governments should be to provide for a wide variety of housing opportunities within the County. This is important for the maintenance of a healthy economy. Quality, however, should be a major criteria, both in the maintenance of the existing housing stock and for additions. Additional affordable housing for workers is needed; small developments should be dispersed in and around the towns and public service areas. Substandard housing should be brought up to code wherever possible.

Federal and State programs are available to provide some assistance in the area of affordable housing. Detailed analyses of the housing stock and targeted planning is required to access funds. When complete 1990 census data is available, the County should consider a housing needs analysis.