

**Loudoun County Board of Supervisors
Business Meeting
March 21, 2019**

**Statement of the
Dulles Area Association of REALTORS®
Presented by
Phyllis Stakem, President, and
Lars Henriksen, Past President**

April is Fair Housing Month and marks the 51st anniversary of the historic 1968 Fair Housing Act. April is also a landmark month in Loudoun County as the Board of Supervisors engage in a vigorous discussion about housing and review the Loudoun 2040 Comprehensive Plan.

As REALTORS® who have lived and worked in this wonderful county for several decades, we see first-hand the struggles many face in the house-hunting process. Every day members of the Dulles Association of REALTORS® (DAAR) work hand-in-hand with people through their emotional ups and downs of finding a room to rent or a home to buy.

There are many Policies, Strategies, and Actions contained in Loudoun 2040 that could increase the availability of housing, which in turn will help increase the affordability of homes for many people earning less than mid-six figures. Several people have asked why? Why is it important that the County be concerned with housing at all and why should a plan to increase housing development be included in Loudoun 2040? DAAR would like to offer a response.

Housing is a key ingredient of our economic prosperity and our quality of life. It is important to provide housing opportunities at all price points in order to have a vibrant, sustainable community. While the County has experienced population and economic growth, the supply of housing has not kept up with demand. In Loudoun County, February 2019 marks the fourth consecutive year in which our inventory level has declined from the previous year.¹

We all have read the reports about the need for increased housing. According to both the 2017 Housing Needs Assessment (HNA) and the 2018 Market Analysis, demand for new residential development will remain high.² The HNA concluded that there will be a need for an additional 18,300 housing units, primarily single-family detached and single-family attached units, by the year 2040³.

¹ DAAR February 2019 Loudoun County Market Trends Report, page 7.

² March 13, 2019 Loudoun 2040 General Plan, Chapter 4-4.

³ 2017 Housing Needs Assessment (HNA), commissioned by Loudoun County and conducted by George Mason University Center for Regional Analysis and Lisa Sturtevant & Associates, LLC. See page 8.

With low inventory levels, housing affordability challenges surface. Every month DAAR releases the housing statistics in Loudoun County. In February 2019, the average home price rose to \$517,858, a 7.32% increase when compared to February 2018⁴. With a median home price at \$468,750, February 2019 saw the highest February median sales price in over a decade.⁵ It is also expensive to rent a place to live in Loudoun County. The median price of renting a two-bedroom apartment is over \$1,500⁶. The month of February continued the trend of increasing home prices in Loudoun County.

The median household income in Loudoun County is \$110,300⁷. A family at this income level could afford to purchase a home priced up to three times their income level – \$330,900⁸, almost \$187,000 less than the average price of a home in Loudoun County last month. In order for someone to actually afford the average price of a home in Loudoun County, their income would need to be greater than \$172,000. According to the Loudoun County Department of Economic Development⁹, “

“... employees working in industries supplying the most jobs in the County—including Retail, Accommodation and Food Services, and Educational Services—do not earn enough to afford the average rent for a one-bedroom apartment in the County. Employees in higher wage sectors face housing affordability challenges as well. For example, newly constructed homes in the County are, on average, not affordable to employees in the Professional, Scientific, and Technical Services sector, which provides more jobs than any other sector in the county.”

Our research showed that, as of March 19, 2019, we have for sale only 16 townhomes and 5 single family homes in all of Loudoun County priced at \$330,000.¹⁰ Additionally, if a family were able to find in Loudoun County a moderately priced home of \$330,000, they would have to come up with a down payment of over \$9,000, pay over \$10,000 in closing costs, and be able to afford to pay over \$2,000 each month.¹¹ DAAR believes that these amounts and the lack of available properties make homebuying difficult for many people, especially those who make the median household income level of \$110,300 or less. The Loudoun 2040 Comprehensive Plan could help relieve the pressure of increasing housing costs by allowing for increased residential development, varied in type and price, and available for both rental and homeownership.

⁴ February 2019 Market Statistics-Detailed Report, 2019 MarketStats by ShowingTime.

⁵ DAAR February 2019 Loudoun County Market Trends Report, page 1.

⁶ March 13, 2019 Loudoun 2040 General Plan, Chapter 4-6.

⁷ Loudoun County Home Improvement Loan Program flyer, <https://www.loudoun.gov/4008/Loudoun-County-Home-Improvement-Program>

⁸ Families who pay more than 30 percent of their income for housing are considered cost burdened. Department of Housing and Urban Development, www.hud.gov/program_offices/comm_planning/affordablehousing

⁹ March 13, 2019 Loudoun 2040 General Plan, Chapter 4-8.

¹⁰ BrightMLS, March 19, 2019.

¹¹ Fidelity Bank cost estimate based on the mortgage loan applicant having a good credit score, providing 3% down payment, and applying for a 30-year fixed mortgage at 4.875% interest rate.

DAAR Past President, Lars Henriksen, served on the Envision Loudoun Stakeholders Committee for over two years. As the DAAR representative, he provided housing expertise to Stakeholders as they helped draft the plan that was forwarded to the Planning Commission. For DAAR, the questions are not just why the County should be concerned about housing and why have a plan for increasing housing development included in Loudoun 2040. The question is how. How should the County plan for growth?

Some have argued that one way to plan for growth is to simply build the homes that are already in the current Plan. As you may know, the County has over 45,000 housing units that could be built under the current Revised General Plan (RGP)¹². This number includes those that are already approved to be built as well as those that might never be built due to environmental and other concerns. This number also includes some 12,000 housing units that could already be built, by right, in the Rural Policy Area¹³.

This is a critical point to make when discussing the future of Loudoun County. There are personal and market pressures on our western landowners to sell their land. Some may want to secure their financial futures by selling some of their parcels. Others would like to build housing for their farmworkers. Still others want to relocate out of the area. Adding to the pressure is the fact that there are limited areas within the County for developers to build homes that will help address the housing shortage and lack of affordability.

Loudoun 2040 includes increased density in the Suburban Policy Area and creates a new Urban Policy Area. These areas are intended to accommodate a large share of the housing needed in the County. However, not everyone will want to live in an apartment or condo near the metro. As our resident's needs change and their families grow, they will want to live in larger homes. DAAR agrees with Loudoun 2040 in identifying an area that could accommodate and address the need for single-family housing – the Transition Policy Area (TPA). The Vision of TPA provides an opportunity to accommodate a development pattern that promotes housing diversity.¹⁴ Loudoun 2040 acknowledges that there are key benefits of permitting targeted development in the TPA. A major benefit is the relief that will be felt in the Rural Policy Area to build more homes.

We all want to preserve rural Loudoun County. We appreciate having the ability to be surrounded by services, amenities, and the vibrant lifestyle in a suburban area. We also appreciate being able to get away from it all and travel into the peaceful, scenic, and beautiful areas in western Loudoun County. The challenge for Loudoun 2040 is how to maintain the balance of trying to address our critical housing needs while retaining the unique qualities in Loudoun County.

¹² Fiscal Impact Analysis Report, February 1, 2019, page 2.

¹³ March 13, 2019 Loudoun 2040 General Plan, Chapter 2-97.

¹⁴ March 13, 2019 Loudoun 2040 General Plan, Chapter 2-68.

Although there is no single factor that contributes to increasing housing prices, the County's land use policies can be particularly impactful on housing affordability. It is important that Loudoun 2040 includes goals and strategies designed to provide a diverse housing stock to meet changing needs, allow for higher residential density in targeted areas, and incentives to increase the availability of housing that is affordable to households all along the income spectrum. We are pleased to see the emphasis on creating and sustaining viable communities that include recreational, natural, commercial, and other uses. Loudoun 2040 provides more of a comprehensive approach to transportation by linking communities together locally and regionally, creating multi-modal transportation networks, and calling for improvements to the mass transit system.

The good news is that people LOVE Loudoun County. They want to work and live here. It is important that Loudoun County "provide housing options that can accommodate a variety of lifestyles, households, ages, cultures, market preferences, incomes, and needs¹⁵."

There are several reasons why someone would become a REALTOR®. For many members of DAAR, it is the look on someone's face when they open the door and fall in love with what they see and especially because of the joy on their faces when they receive the keys to their home. We strongly believe that everyone should have a home to go to in the evening. We believe it is right and fair.

We hope, that as we honor Fair Housing Month, that you agree and will approve a plan to help people live in Loudoun County. Please say Yes! For Homes to help ensure Loudoun County will continue to provide vibrant communities.



¹⁵ March 13, 2019 Loudoun 2040 General Plan, Chapter 4-2.