

King George County

A Profile of Demographic, Economic and Housing Market Conditions

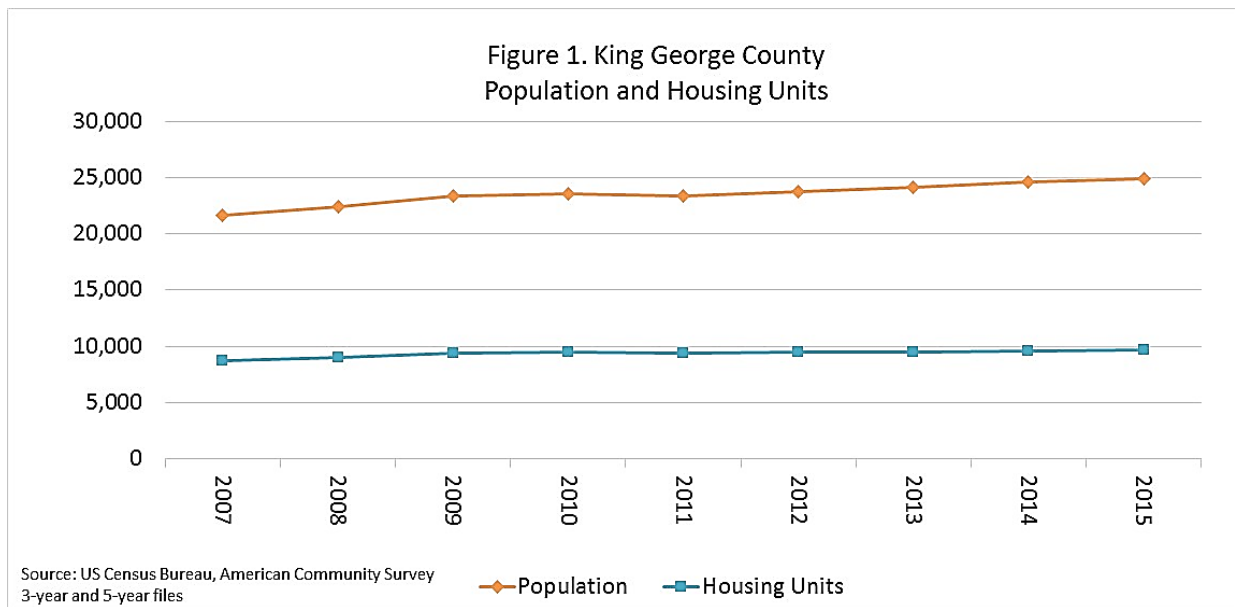
Prepared by Lisa Sturtevant & Associates LLC with support from the
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Profile of King George County

There were 24,933 residents in King George County in 2015, up 5.7 percent since 2010, and up 15.3 percent from 2007 when the County's estimated population was 21,619. The average annual growth rate between 2007 and 2015 was 1.9 percent, slightly higher than the annual growth rate for the Fredericksburg region which was 1.7 percent during the same time period.

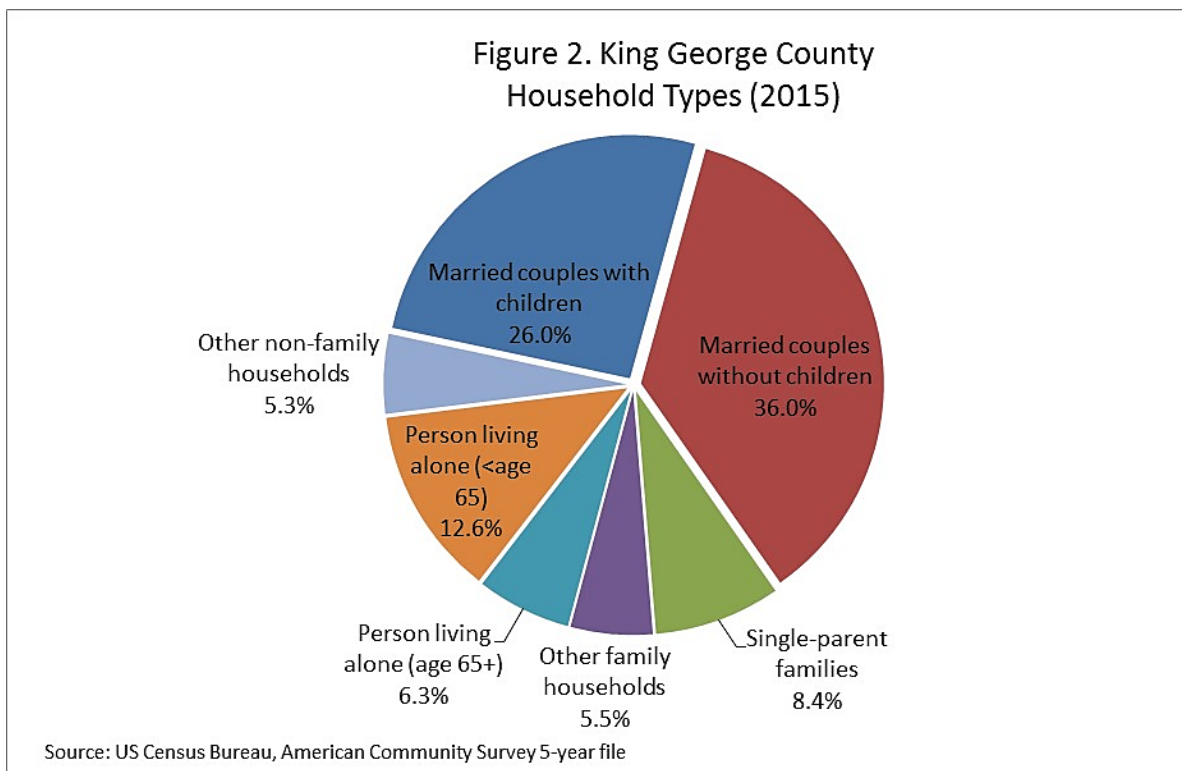
There were approximately 9,706 housing units in the County in 2015, up 11.3 percent since 2007. Housing unit growth has slowed since the recession; only 229 units have been added to the County's housing stock since 2010. The average annual growth rate for housing units was 1.4 percent between 2007 and 2015. While more than 3,300 additional people live in the County in 2015 relative to 2007, the vacancy rate of its housing stock has increased. The vacancy rate was 13.7 percent in 2015, up from 11.8 percent in 2007. Growing population and increasing vacancy can be partially explained by household size trends. The average number of people per household in the County was 3.0 in 2015, up from 2.8 in 2007. Therefore, so on average more people are occupying each housing unit in the County leaving more units vacant than eight years prior.



Household Type

King George County was home to approximately 8,379 households in 2015 most of which were families.¹ About three-quarters of these households (75.8 percent) were family households, and the remaining quarter (24.2 percent) were non-family households. The overall average household size was 3.0 persons per household but the average family size in the County was 3.4 people in 2015.

Married couples without children account for the largest share of household types in King George County (36.0 percent). Married couples with children represent the second largest share at 26.0 percent. Nearly one-fifth of all households in King George County were people living alone (18.9 percent). There were an estimated 705 single-parent families in the County in 2015, about 8.4 percent of all households. Seniors age 65 and older that live alone are a relatively small share of the County's households, accounting for 6.3 percent of all households. Other family households, which can include siblings, cousins or other related people living together account for 5.5 percent of households in the County.

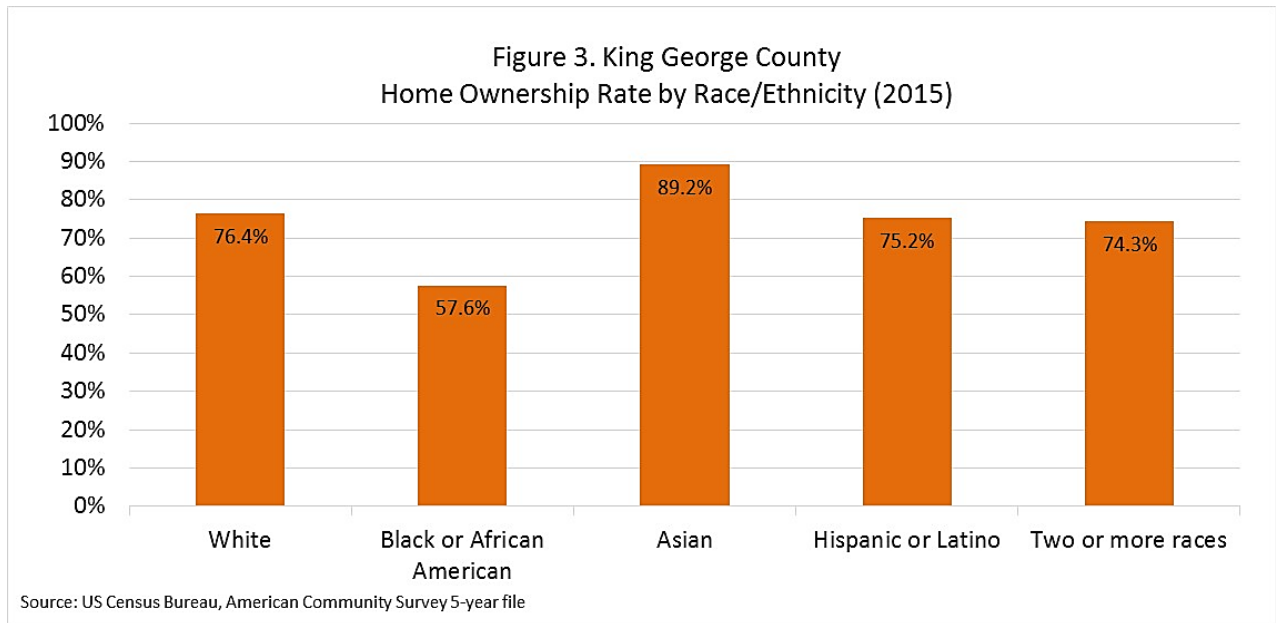


¹ Family households include households with two or more people related by marriage, birth or adoption. Non-family households include households with unrelated people, including people living alone.

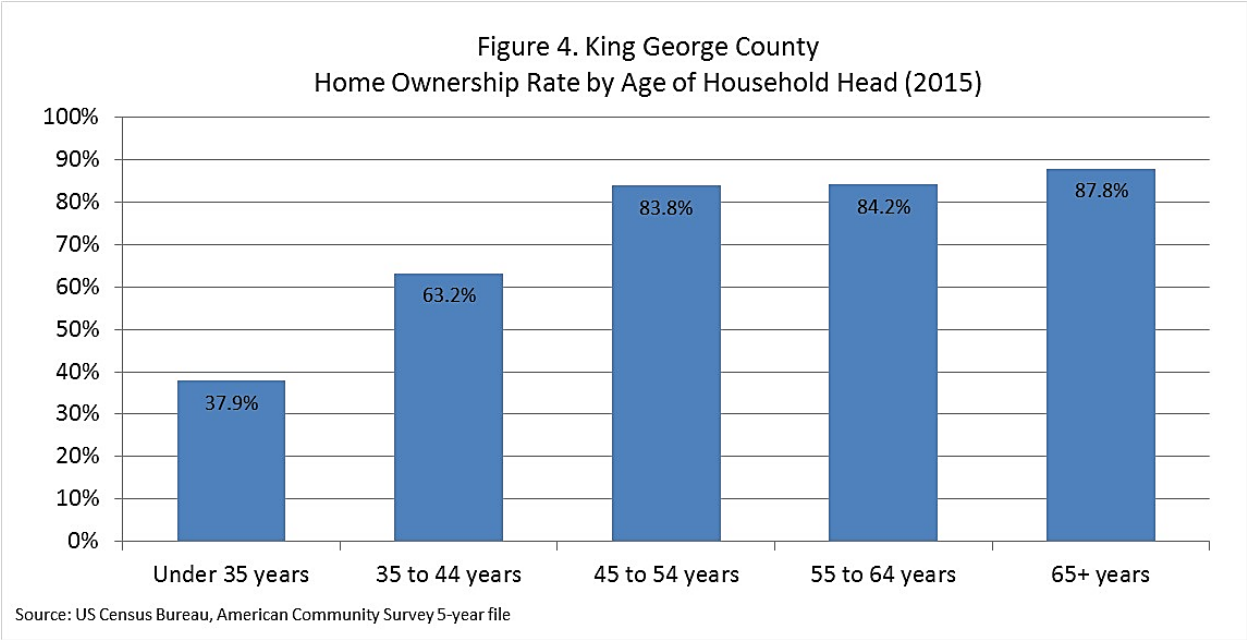
Housing Tenure – Renters and Owners

The home ownership rate in King George County was 73.0 percent in 2015. This rate has been trending down since the peak of the housing market in 2007. At that time the home ownership rate in the County was 77.0 percent. Overall, however, the home ownership rate has increased somewhat since 2000 when it was 71.8 percent.

Home ownership rates in the County vary by the race or ethnicity of the head of the household. Asian-headed households had the highest home ownership rates in King George County, at 89.2 percent, although there are very few Asian households in the County. White and Latino or Hispanic households had similar home ownership rates at 76.4 percent and 75.2 percent, respectively in 2015. The home ownership rate for black or African American households trailed behind at 57.6 percent.



Home ownership rates tend to increase with age. About 37.9 percent of households headed by someone under 35 owned their homes. By contrast, 87.8 percent of household heads age 65 or older owned their homes. Household heads age 45 to 54 years and 55 to 64 years had similar home ownership rates at 83.8 percent and 84.2 percent, respectively. The homeownership rate for households headed by someone age 35 to 44 was 63.2 percent in King George County.



Household Income

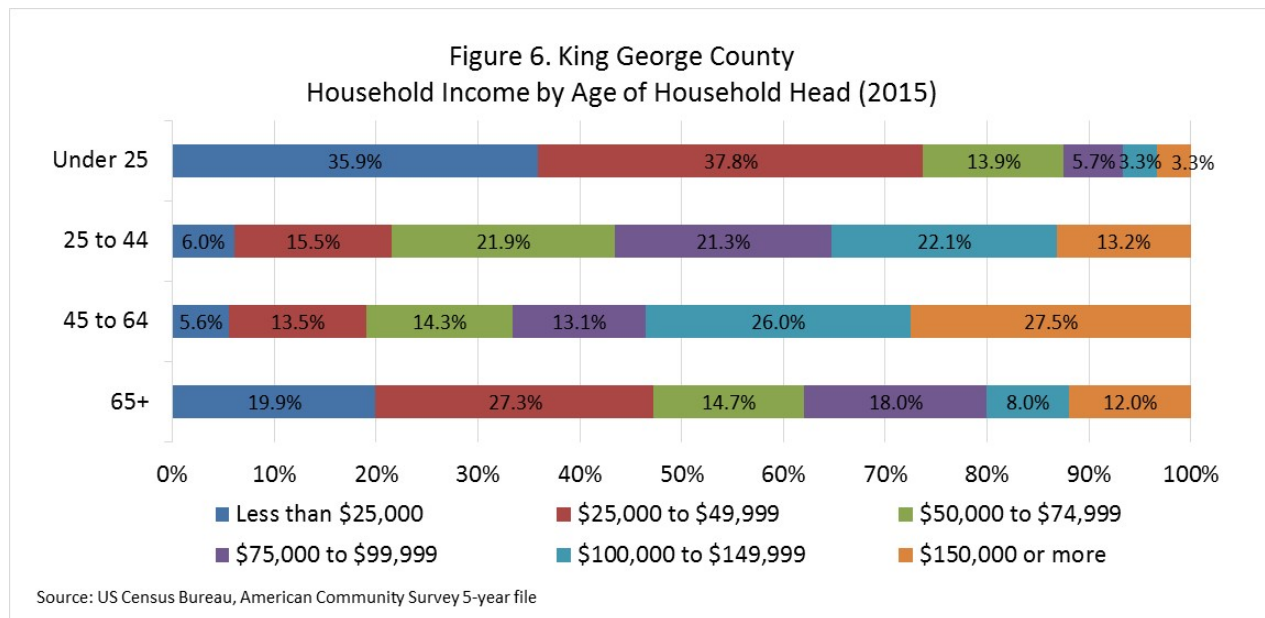
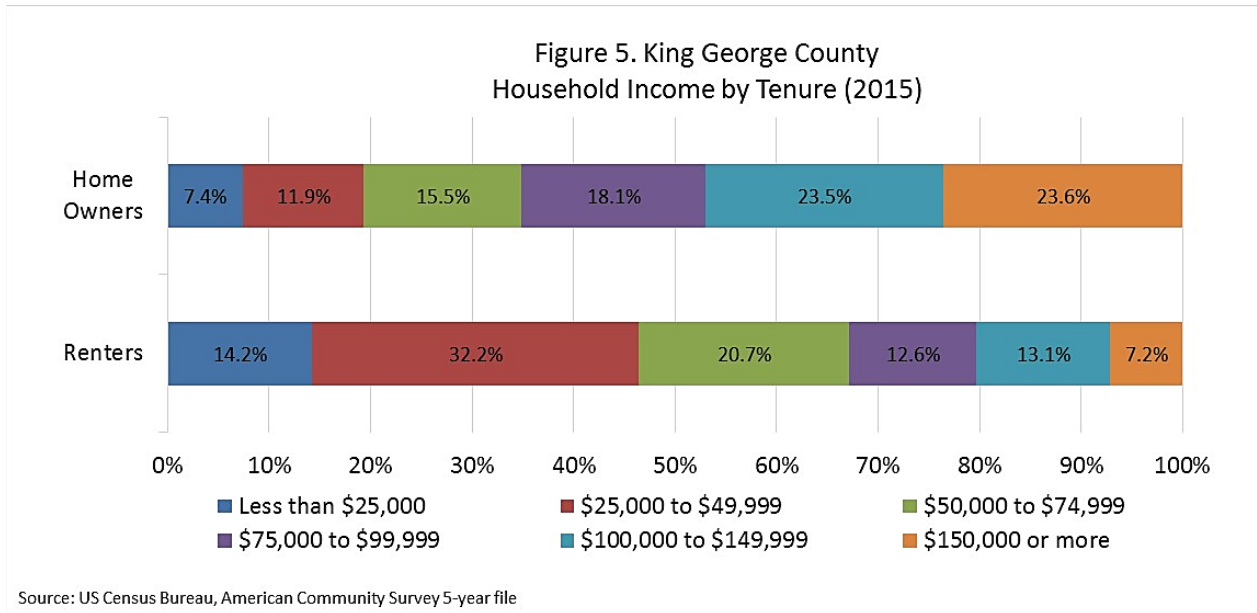
The median household income in King George County was \$81,688 in 2015; however income levels varied significantly for renters and owners. Households renting their homes had a median annual income of \$56,637. By contrast, the median household income for home owners was about 64.5 percent higher at \$93,157.

Home ownership was more common in the County for households with higher incomes. For example, nearly half (47.0 percent) of all households that owned their home had incomes of \$100,000 or more. Only 19.3 percent of home owners had incomes less than \$50,000 in 2015. The inverse was true for renter households. Approximately 46.4 percent of all renter households had incomes less than \$50,000, and only 20.3 percent of renter households had incomes of \$100,000 or more.

Age and income are both important factors in determining homeownership trends. In general, as people work longer and age, their incomes tend to rise. For example, the largest proportion of households in the County making over \$150,000 in 2015 were those headed by someone age 44 to 64 (27.5 percent). The proportion of households earning in this top income bracket declines among younger households. Approximately 13.2 percent of household heads between the ages of 25 and 44 earn more than \$150,000. Only 3.3 percent of household heads under 25 earned over \$150,000 in 2015.

The share of households with lower incomes tend to decline with age and then rise after retirement age. More than one out of every three (35.9 percent) of households headed by

someone under the age of 25 earned less than \$25,000 in 2015. Only 6.0 percent of 25 to 44 year old house holders and 5.6 percent of 45 to 64 year old household heads earned less than \$25,000. This proportion jumps up to 19.9 percent for senior household heads age 65 and older.

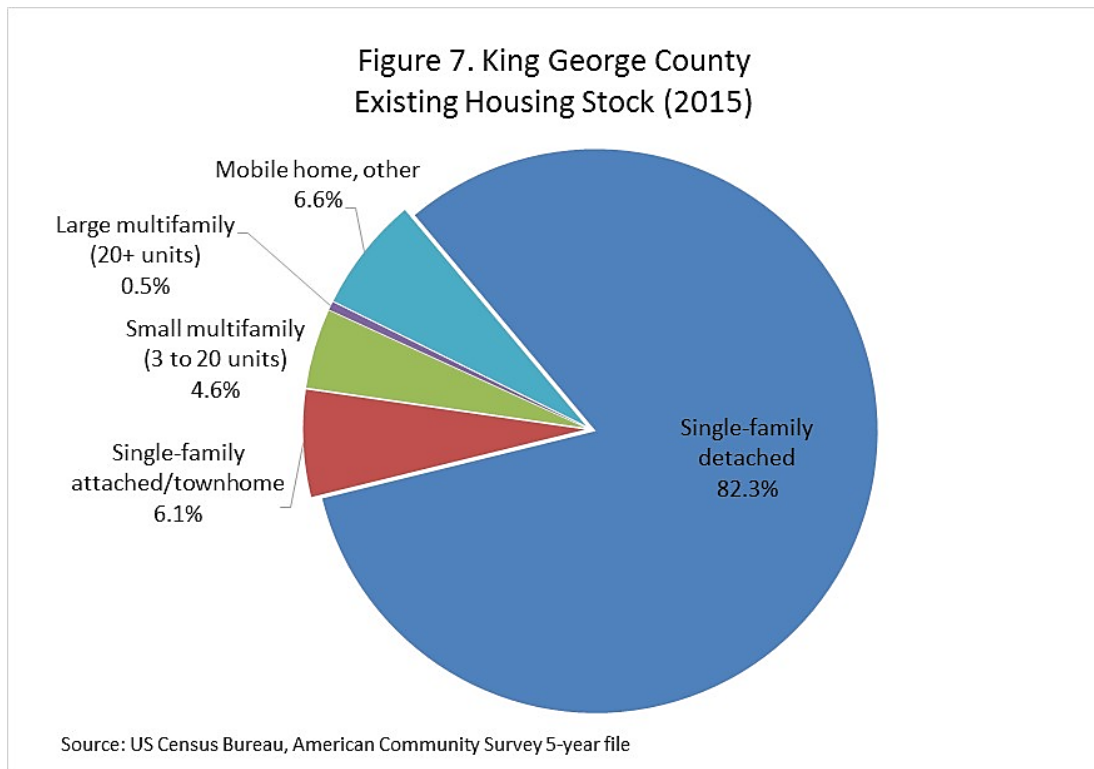


Housing Stock

Housing Type

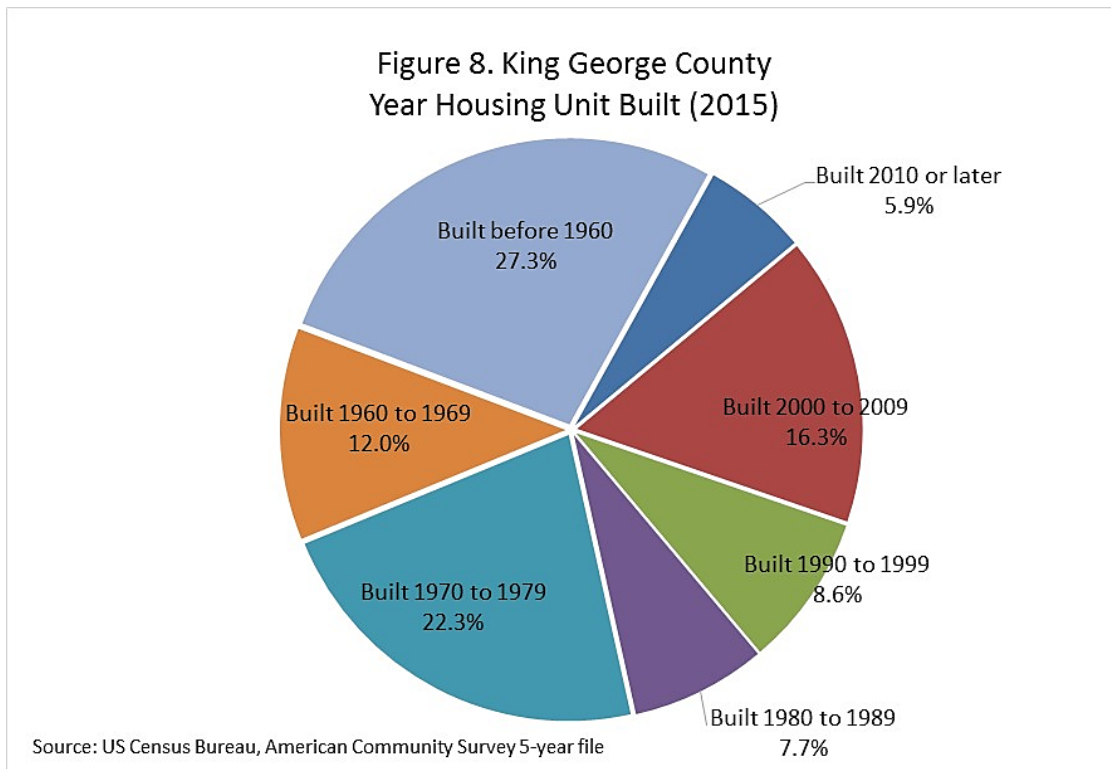
There were an estimated 9,706 housing units in King George County in 2015, including both occupied and vacant units. Most homes in the County are single-family detached homes (82.3 percent). Townhomes and duplexes (single-family attached homes) accounted for 6.1 percent of the County's housing stock in 2015. Therefore, single-family housing, both detached and attached, make up about nine out of every 10 units in the County (88.4 percent). Multifamily housing is not very common in King George County, representing only 5.0 percent of all units in 2015. Approximately 6.6 percent of the County's housing units are mobile homes.

The vast majority of housing for both home owners and renters is single-family housing. Approximately 93.1 percent of the County's 6,120 owner-occupied housing units are single-family detached homes. Less than one percent of the County's home owners live in a townhome or duplex. Approximately 6.0 percent of owners live in mobile homes. Rental units in the County are also primarily single-family detached homes; however there is greater variety in unit type for rentals. Approximately 57.2 percent of the County's 2,259 renter-occupied units are single-family detached homes. An estimated one in five renter households lives in townhomes or duplexes (21.0 percent), and 16.5 percent of renters live in units in multifamily buildings, most of which are small properties (fewer than 20 units). About 5.3 percent of rental units in King George County are mobile homes.



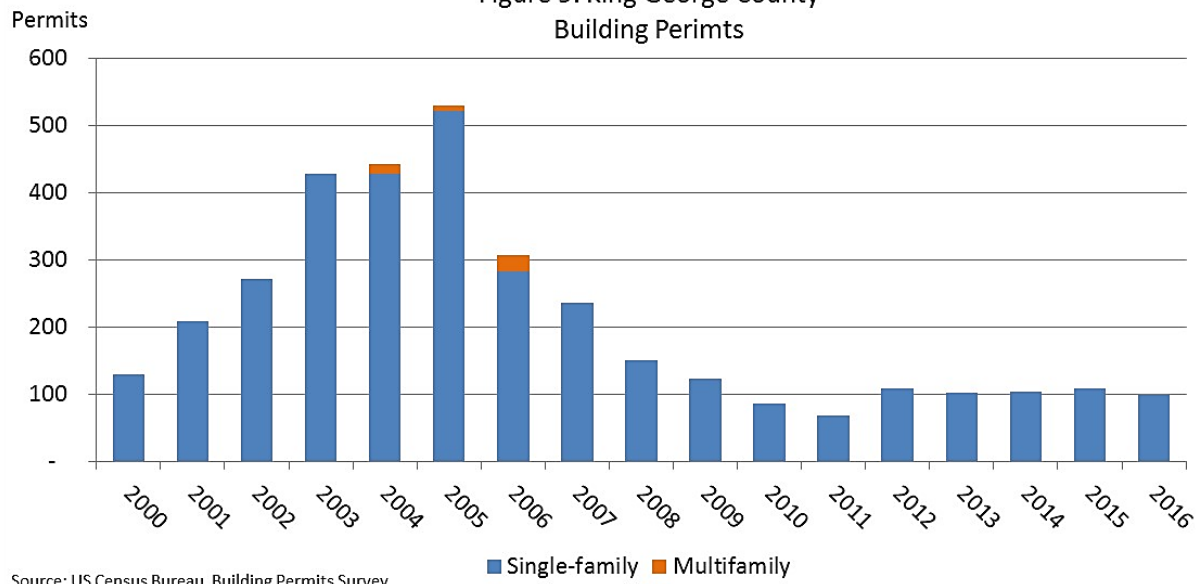
Year Housing Unit Built

At 27.3 percent, the largest share of housing units in King George County were built before 1960. Newer housing units, built since 2000, represent about 22.2 percent of the County's housing stock. Another quarter of the housing units in the County were built in the 1970s (22.3 percent). Housing units built in the 1980s and 1990s represent 7.7 percent and 8.6 percent of the County's housing stock, respectively. Approximately 12.0 percent of the County's housing units were built in the 1960s.



King George County issued on average 206 building permits each year between 2000 and 2016. There was a sharp increase in permits issued between 2002 and 2005, which began to subside in 2006 and fell sharply between 2007 and 2010 as the peak of the housing market ended and the recession was underway. Permit levels have been fairly consistent since 2010 and remain well below the peak years, hovering between 68 and 109 permits for new housing over the past six years. Nearly all residential building permits issued in the County have been for single-family detached homes. Multifamily residential permits account for approximately 1.3 percent of all permits issued in the past 16 years. There were 99 permits issued in 2016, all of which were for single-family detached homes.

Figure 9. King George County
Building Permits

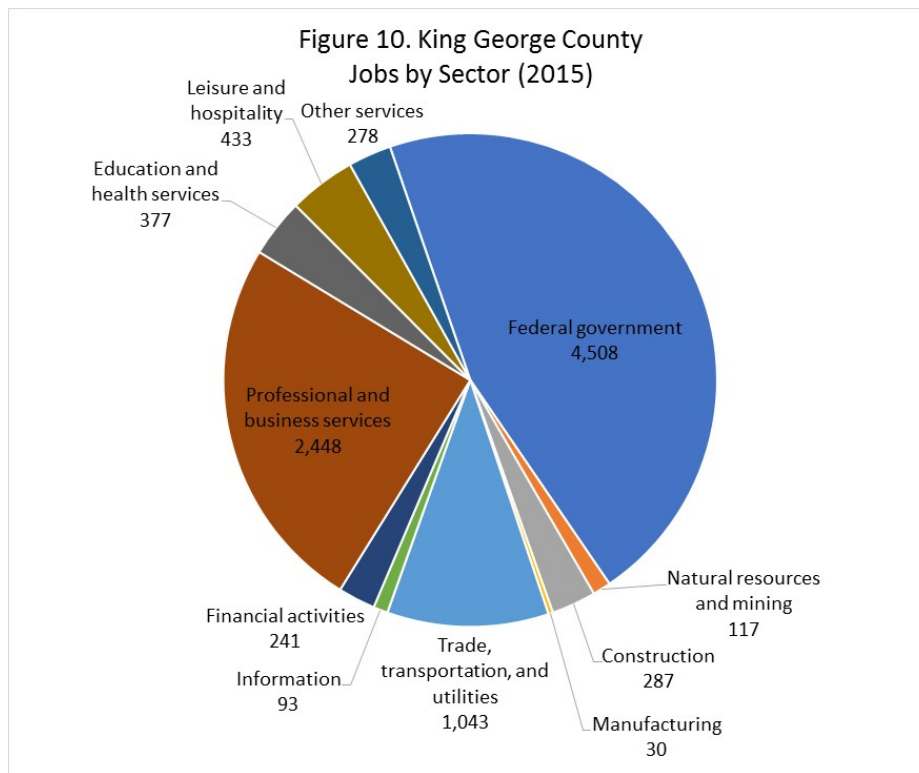


Source: US Census Bureau, Building Permits Survey

Economy

Jobs in King George County

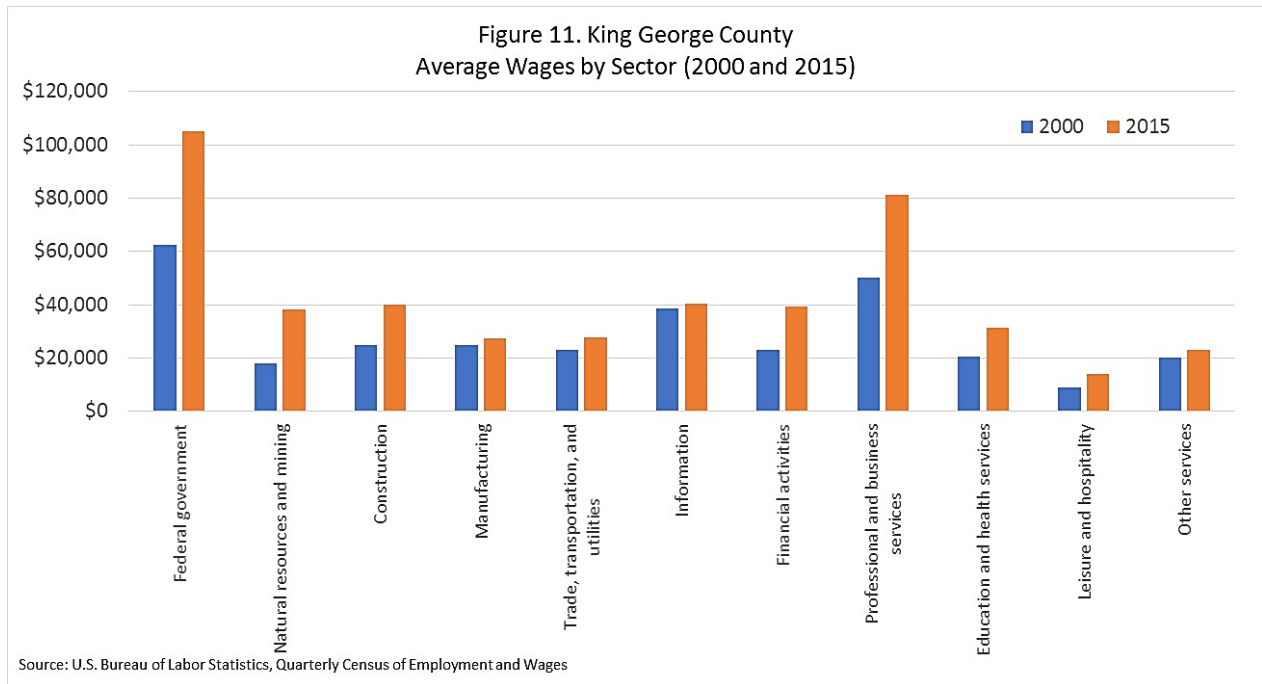
In 2015, there were an estimated 9,855 jobs in King George County.² The County added about 1,340 jobs between 2000 and 2015, reflecting an increase of 15.7 percent. Job growth in King George County has been somewhat slower than for the state as a whole. The County's largest industry sector is the Federal Government sector, which accounts for nearly half of all jobs in King George County (45.7 percent, or an estimated 4,500 jobs). The Professional and Business Services sector is the second largest sector, with about 2,450 jobs. The Trade, Transportation and Utilities sector comprises the third largest sector (1,040 jobs).



The average wage of jobs in King George County was \$42,620 in 2015; however, the largest employment sector, Federal Government, has significantly higher wages (\$105,174 on average). Jobs in the Professional and Business Services sector also had relative high average wages at \$81,137. Jobs in the Trade, Transportation and Utilities sector have an average wage of \$27,879 and likely includes a number of part-time workers. Overall, the average wage in King George

² The employment and wage data are from the U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages and includes full-time and part-time covered jobs, both temporary and permanent jobs. The data exclude some jobs in national security agencies, proprietors, the unincorporated self-employed, unpaid family members, certain farm and domestic workers, and railroad workers covered by the railroad unemployment insurance system.

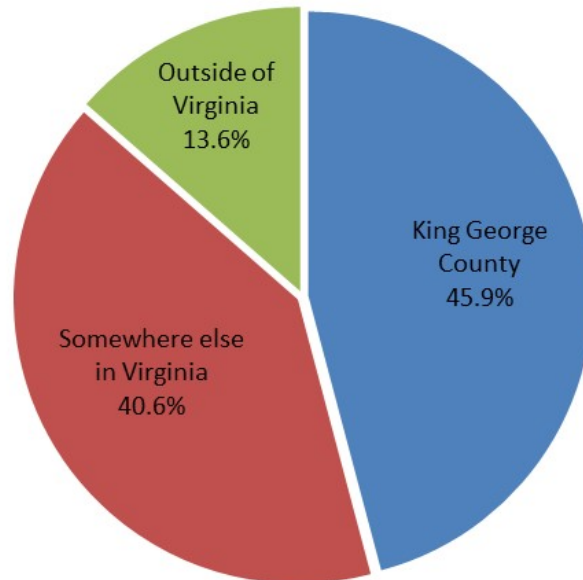
County increase 48.6 percent between 2000 and 2015, about on par with the increase in average wages statewide over this period.



Resident Workers

There were approximately 12,262 resident workers in King George County in 2015. Resident workers are defined as County residents who are employed, working inside or outside of the County. About half (45.9 percent) of King George County residents work in King George County. An estimated 40.6 percent commute to jobs in other places in Virginia outside of King George County, and an estimated 1,663 workers (13.6 percent) commute to jobs outside of Virginia, largely to Maryland and the District of Columbia.

Figure 12. King George County
Place of Work King George County Residents (2015)

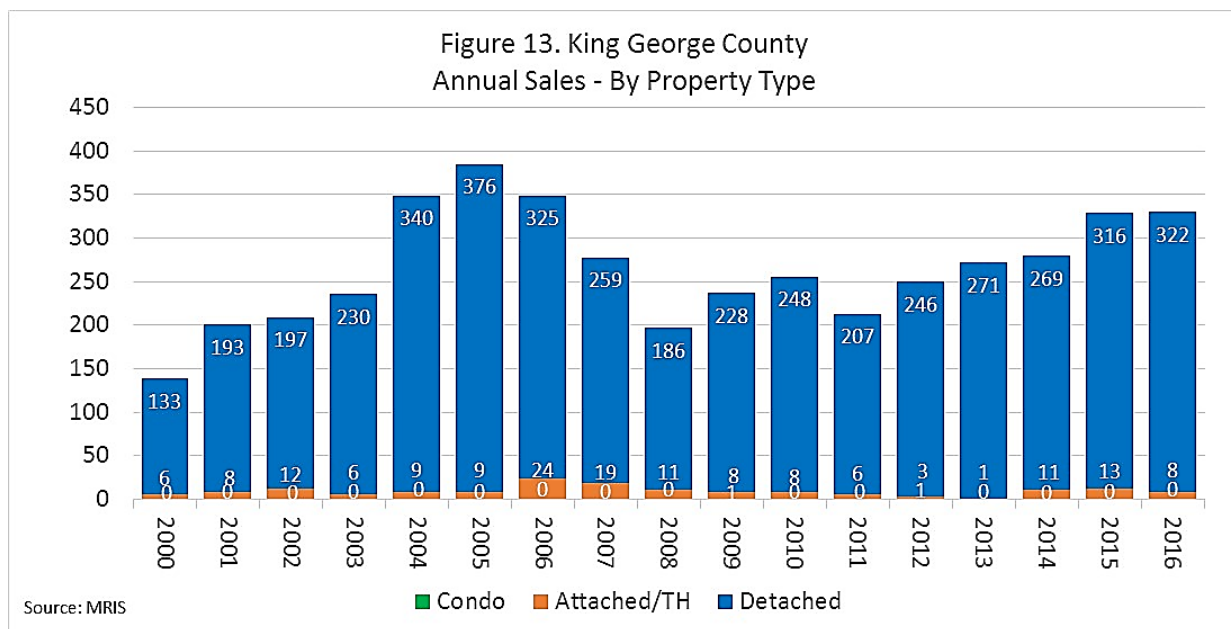


Source: US Census Bureau, American Community Survey 5-year file

Housing Market

Home Sales

Home sales in King George County have followed a similar trend as neighboring jurisdictions over the past 16 years; however the County has fared better with sales following the recession than other jurisdictions. The housing boom of the early to mid-2000s brought rapid growth in the County's housing market. By 2005, homes sales in the County peaked at 385, up 10.3 percent from the year before and nearly double the level seen just a few years prior. Sales activity began to taper off in 2006, declining rapidly over the next two years as the housing crisis and recession occurred. By 2008, there were 197 sales in the County, approximately half of the total seen at the market peak just three years prior.

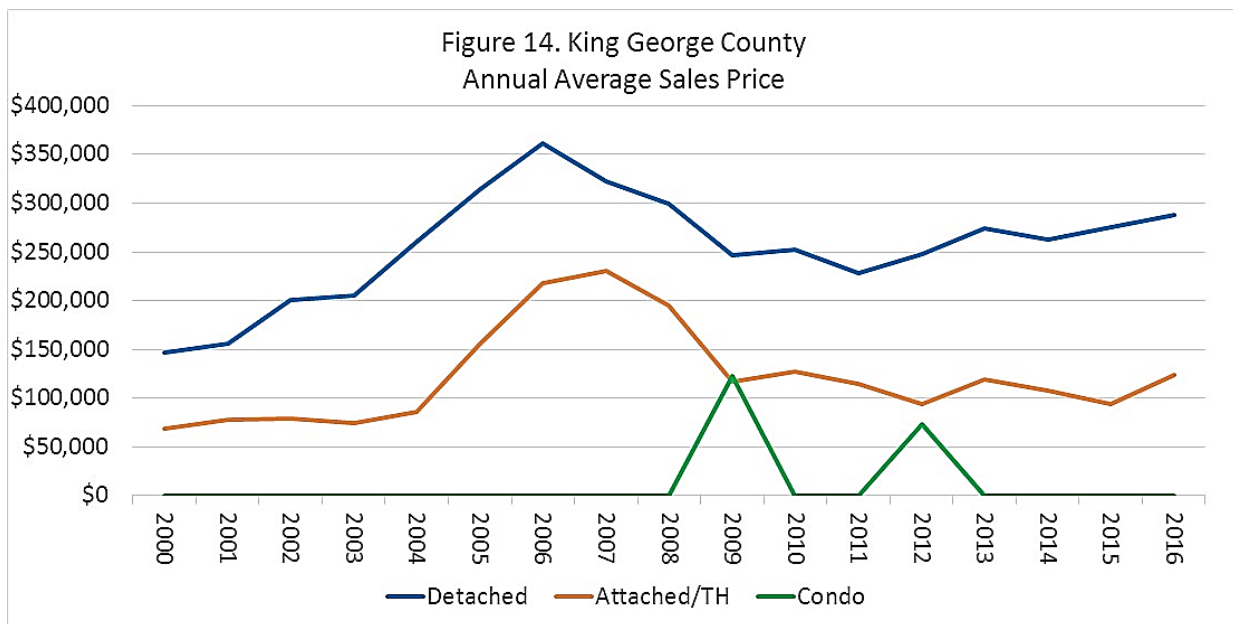


After three years of declining sales, market activity picked up in King George County starting in 2009. There were 237 sales that year, up 20.3 percent from the previous year. Notably, with the exception of a 16.8 percent decline in 2011, home sales in the County have increased every year for the past eight years and are approaching levels seen during the housing boom years. There were 330 sales in 2016.

Virtually all of the home sales in the King George County market are single-family detached units. Since 2000, 96 percent of all homes sold have been single-family detached. Attached/townhome units represent four percent of all home sales since 2000. There are virtually no condominium sales in the County; MRIS reports only two condominium units have been sold since 2000.

Home Prices

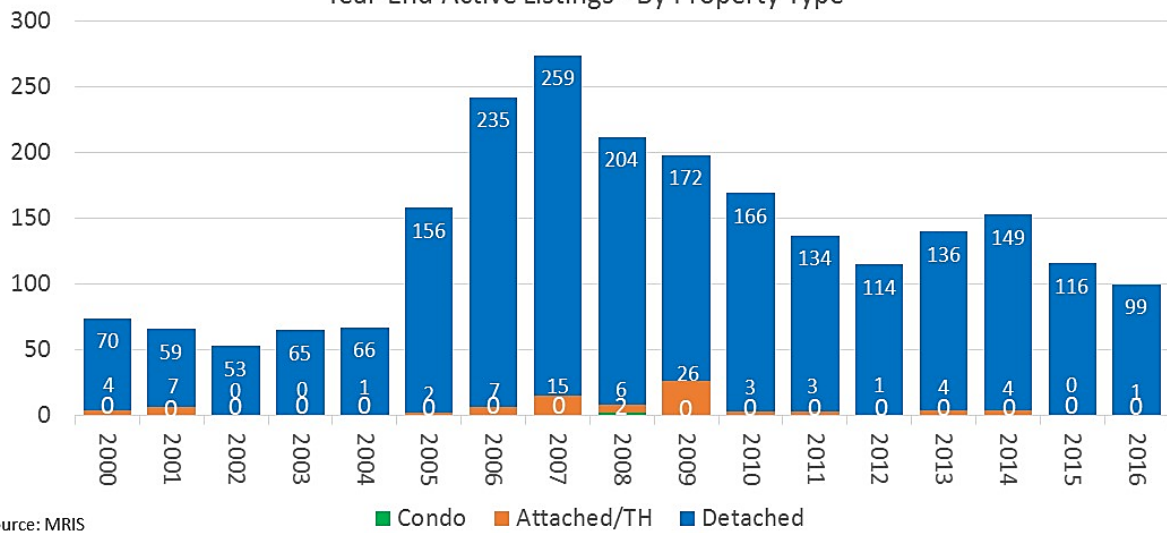
As with many housing markets in the region and around the country, home prices in King George County rose and fell sharply with the housing boom and the recession that followed. The average sales price for single-family detached homes began rising quickly in 2002. Over the next four years the average home price increased over \$161,000. By 2006, the average price for a single-family detached home in the County was \$361,858, up 15.2 percent from the year before, and up 80.2 percent from 2002 when the boom began. As the financial crisis and recession began, prices quickly declined. Between 2006 and 2011, the average price for single-family detached homes in King George County fell over \$133,000, a 37 percent drop. Prices stabilized in 2012, and have been rising steadily since that time. Despite these steady gains, home prices in King George County on average remain well below the peak levels during the housing boom. The average sales price for a detached home was \$287,537 in 2016, 4.3 percent above the previous year.



Active Listings

The inventory of homes for sale in King George County has been declining for nearly a decade. During the early to mid-2000s, the number of active listings hovered between 50 and 70 at the end of each year. Starting in 2005, active listings rose dramatically, more than doubling the total at the end of 2004. By 2007, the number of detached homes for sale at the end of the year peaked at 259; nearly quadruple the amount on the market just three years prior. The number of active listings began declining in 2008, and with the exception of a brief stabilization in 2013 and 2014 has been declining ever since at double-digit rates. By 2016, the number of active listings has fallen to 99, a 61.8 percent drop from peak level nine years earlier.

Figure 15. King George County
Year-End Active Listings - By Property Type



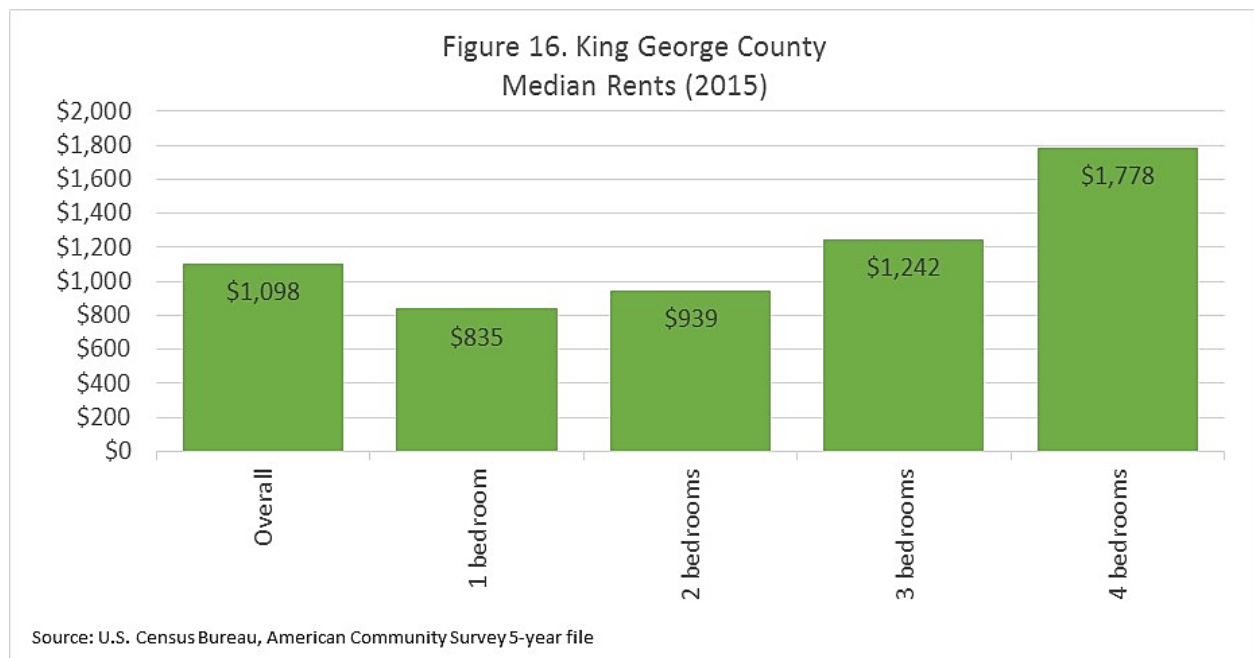
Source: MRIS

Condo Attached/TH Detached

Rents

In 2015, the estimated median rent in King George County was \$1,098 per month. Rents have increased by 76.5 percent since 2000 (\$622). Among the estimated 2,260 renter households in the County, about a third live in two-bedroom units (35.8 percent) and about a third live in three-bedroom units (36.7 percent). The median rents for a two- and three-bedroom rental unit are \$939 and \$1,242, respectively. A one-bedroom rental unit in King George County has a median monthly rent of \$835. Larger rental homes, with four bedrooms, have a median rent of \$1,778.

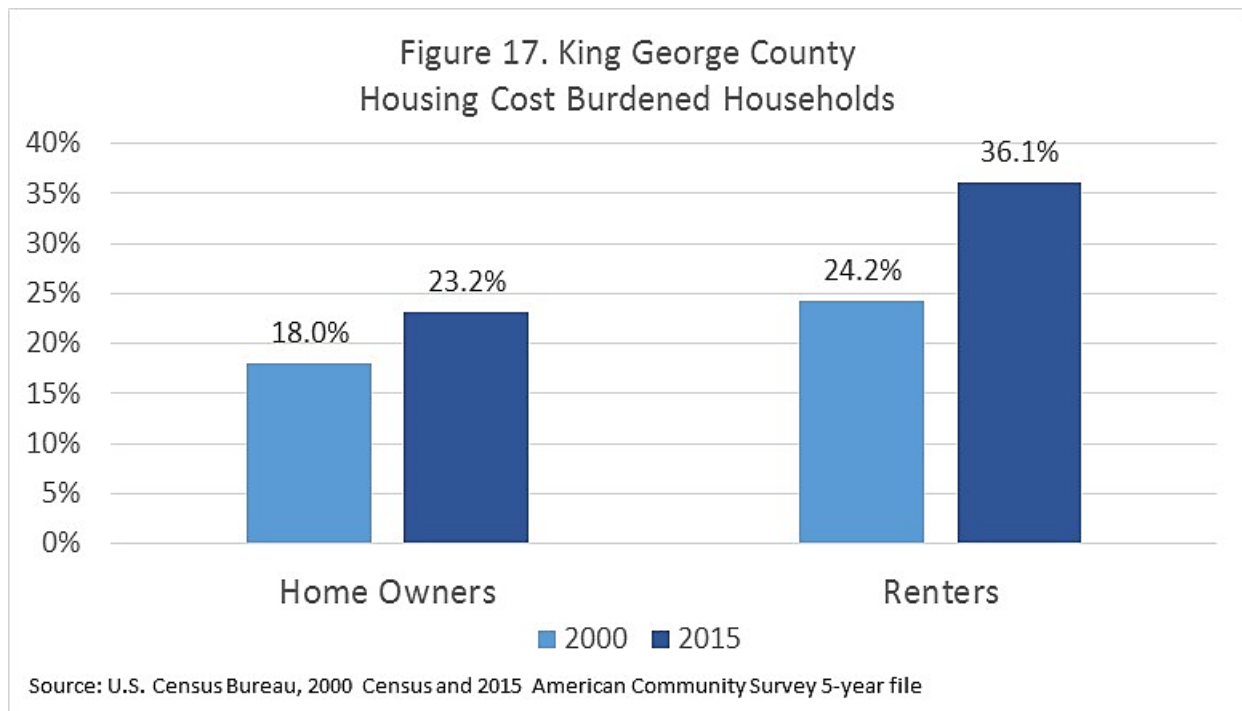
Almost three quarters of the rental homes in King George County are single-family units including 57.2 percent that are single-family detached homes and 21.0 percent that are single-family attached homes/townhomes. There are some multifamily rental buildings in King George County. Approximately 16.5 percent of rental units are in multifamily buildings, distributed mainly in small properties with less than 20 units. About 5.3 percent of rental units are mobile homes.



Housing Affordability

Housing affordability is measured by comparing household incomes to housing costs. Generally, housing is considered “affordable” if it takes up no more than 30 percent of a household’s gross income. Households that spend more than 30 percent of their income on housing costs are called “housing cost burdened.” When households spend a disproportionately high share of their income on housing costs, there is an insufficient amount left over for other necessities, such as health care, food, transportation and education expenses.

Compared to other jurisdictions in the region, King George County has somewhat lower rates of housing cost burden. In 2015, about a quarter of home owners (23.2 percent) in the County was cost burdened, up from 18.0 percent of home owners in 2000. About a third of renters in the County (36.1 percent) are cost burdened, spending 30 percent or more of their income on housing costs. The cost burden rate among renters increased from 24.2 percent in 2000



Forecasts of Housing Needs in King George County

Having a sufficient supply of housing is essential for supporting a vibrant and sustainable local economy. Based on prior forecasts of local housing demand produced by George Mason University³ and household forecasts produced by the George Washington Regional Commission/Fredericksburg Area MPO, along with updates with more recent data on the current housing stock, it is suggested that King George County would need to add 4,358 new housing units over the next 15 years.⁴

The GMU forecasts did not explicitly model housing demand for King George County. However, patterns of estimated housing demand in Spotsylvania and Stafford counties, along with an examination of MPO forecasts, helped inform the forecasts below. The GMU regional forecasts are for the 2012 through 2032 period. The forecasts below use the GMU regional forecasts, forecasts for Spotsylvania and Stafford County, and data on recent housing trends and forecasts from the MPO to prepare estimates of expected housing demand in King George County between the 2017 and 2032 period with separate forecasts for the 2017-2022, 2022-2027, and 2027-2032 periods.

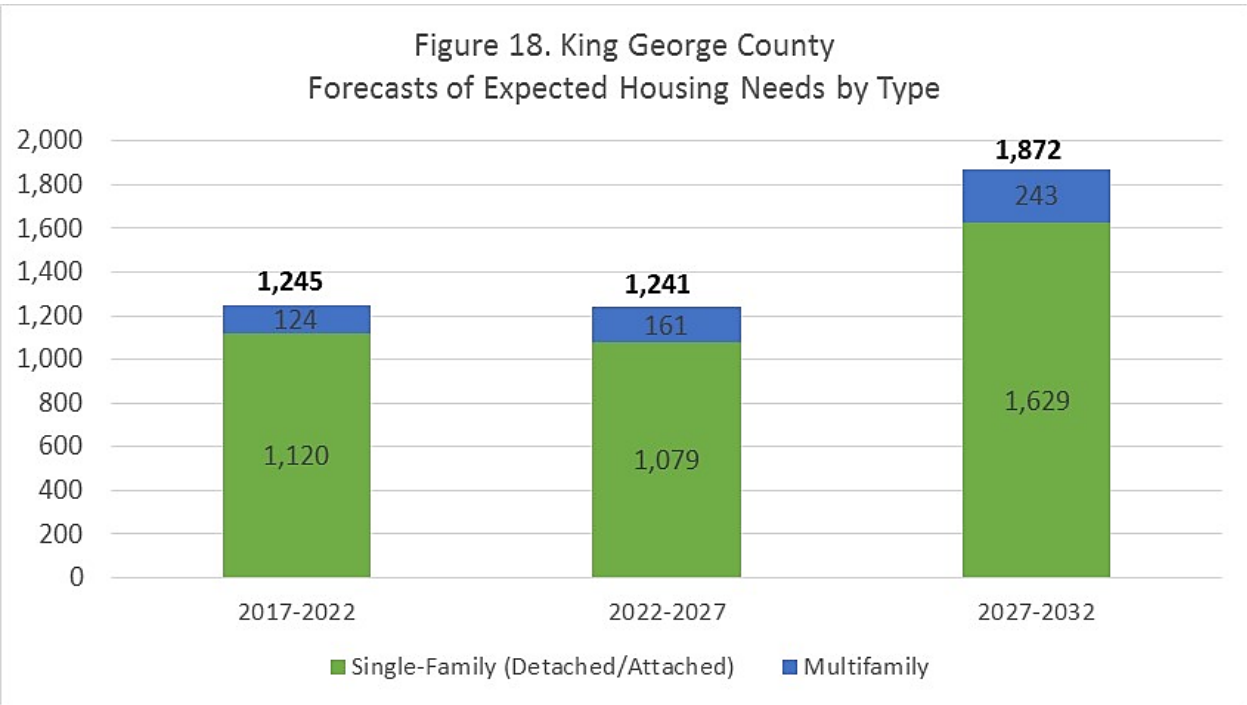
Between 2017 and 2022, these forecasts suggest a need for 1,245 net new housing in King George County. Between 2022 and 2027, there is expected to be demand for 1,241 net new housing units. Finally, in the 2027 to 2032 period, the pace of housing demand is expected to accelerate somewhat with a need for an additional 1,872 housing units over that five-year period.

Between 2017 and 2032, therefore, these housing demand forecasts suggest a need for 291 new units to be built in King George County each year. Over the past five years, the County has issued permits for the construction of an average of only 104 housing units annually. Between 2001 and 2007, however, the County built an average of 346 new housing units each year, so the annual targets suggested by these housing forecasts are not out of line with recent residential construction trends and remain lower than the construction levels during the housing boom.

Given the expected characteristics and incomes of new households in King George County over the next 15 years, it is expected that 87.9 percent (3,828 housing units) will need to be single-family detached or attached homes to meet demand. The remaining 12.1 percent (529 housing units) are forecasted to be multifamily. The demand for multifamily housing is about 35 multifamily units per year for the next 15 years. (Note that multifamily housing includes buildings with three or more units). No new multifamily housing has been constructed in King George County since at least 2006, so this suggests a change in development patterns in the County.

³ Sturtevant, Lisa and Jeannette Chapman. 2013. Housing the Region's Future Workforce, 2012-2032. Arlington, VA: George Mason University Center for Regional Analysis. Online http://cra.gmu.edu/pdfs/studies_reports_presentations/Housing_the_Regions_Future_Workforce_2012.pdf.

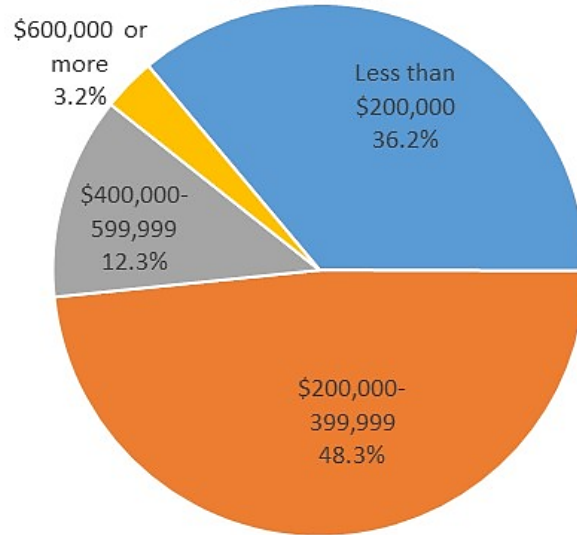
⁴ Job forecasts are based on econometric forecasts prepared by IHS Global Insight. These housing demand forecasts assume that all new workers in the jurisdiction will live in the jurisdiction, thereby assuming that the levels of jurisdiction-to-jurisdiction commuting will not increase. Changes to these assumptions would obviously change the resulting housing need forecasts presented in this report.



These housing demand forecasts suggest that 75.1 percent new housing units that will be needed over the next 15 years in King George County will be owner-occupied and 24.9 percent will be renter-occupied. In 2015, it is estimated that 73.0 percent of the current occupied housing stock is owner-occupied. Therefore, these housing demand forecasts suggest a slight upward shift in the home ownership rate in the County over the next 15 years.

The characteristics and incomes of households in the County will dictate the home prices and rents that will be needed to accommodate the growing working population in King George County. There will be a need for housing at all price points in the years to come. Over the next 15 years, however, based on an assessment of expected household incomes, it is expected that about a third (36.2 percent) of the demand for owner-occupied homes will be for homes that are priced below \$200,000 (i.e. affordable to households earning about \$50,000). About half (48.3 percent) of forecasted owner-occupied homes would need to be priced between \$200,000 and \$399,999 and 12.3 percent would need to be priced between \$400,000 and \$599,999 to meet expected demand. It is estimated that new demand for owner-occupied housing units priced at \$600,000 or above will come from only about 3.2 percent of new owners in King George County over the next 15 years.

Figure 19. King George County
Forecasts of Expected Owner-Occupied Units by Price
(2017-2032)



On the rental side, there will be substantial need for housing affordable to renters earning below \$50,000. Based on these estimates of future housing needs in King George County, about 57.8 percent of rental demand will be from renters that can afford rents at or below \$1,250. It is expected that about 29.7 percent of rental demand will be for homes with rents between \$1,250 and \$1,749. Assessing the incomes of future households in King George County, it is expected that demand for higher-end rental homes will be relatively low, with the suggestion that 7.1 percent of future rental demand will be for units with rents between \$1,750 and \$2,249 and 5.4 percent with rents of \$2,250 or more.

Figure 20. King George County
Forecasts of Expected Renter-Occupied Units by Rent
(2017-2032)

