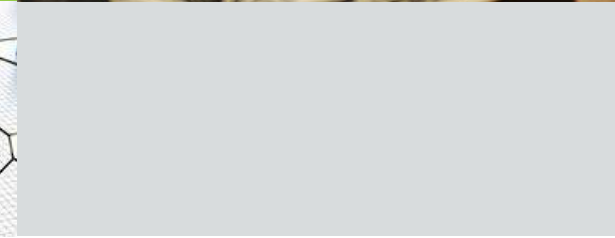
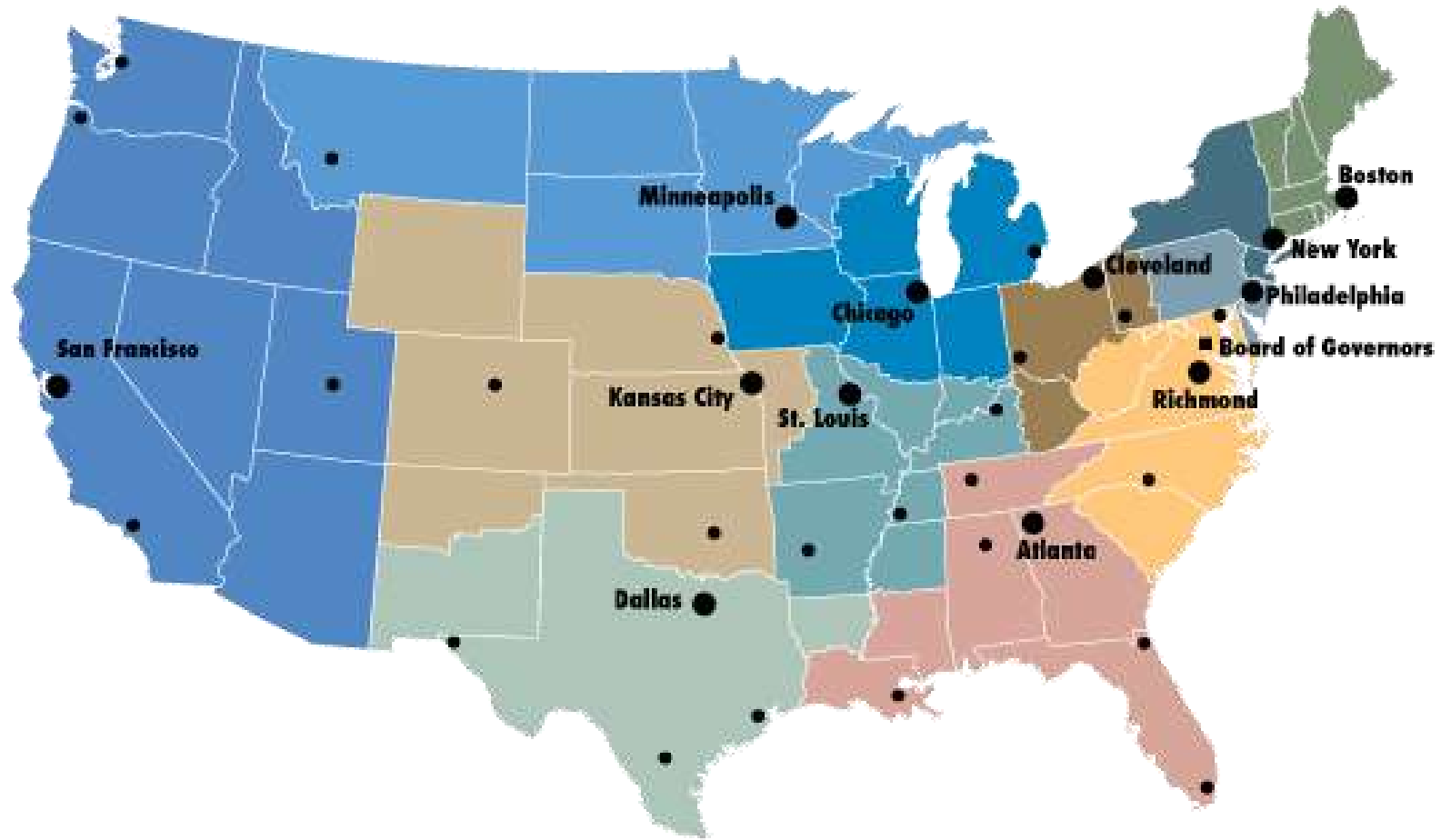


# Rural Housing: A Snapshot



*The views expressed here are the presenters and do not necessarily reflect the views of the Federal Reserve Bank of Richmond or the Federal Reserve System.*



Map: FRBRSL

# District Map

# Who are we?

- **The Fifth District**
- **Includes**
  - Maryland
  - North Carolina
  - South Carolina
  - Virginia
  - Washington D.C.
  - (most of) West Virginia



# Rural Housing at the Richmond Fed

Understanding rural housing conditions, challenges, and opportunities is a focal part of our Small Town and Rural Initiative. We build our knowledge through community engagement and original research.

Through our work we:

- Analyze market conditions and resident outcomes related to housing
- Create space for conversation and collaboration among community leaders and professionals working to address rural housing needs
- Showcase innovative housing policy solutions
- Explore how housing fits into the larger network of infrastructure and community resources



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# ECON FOCUS

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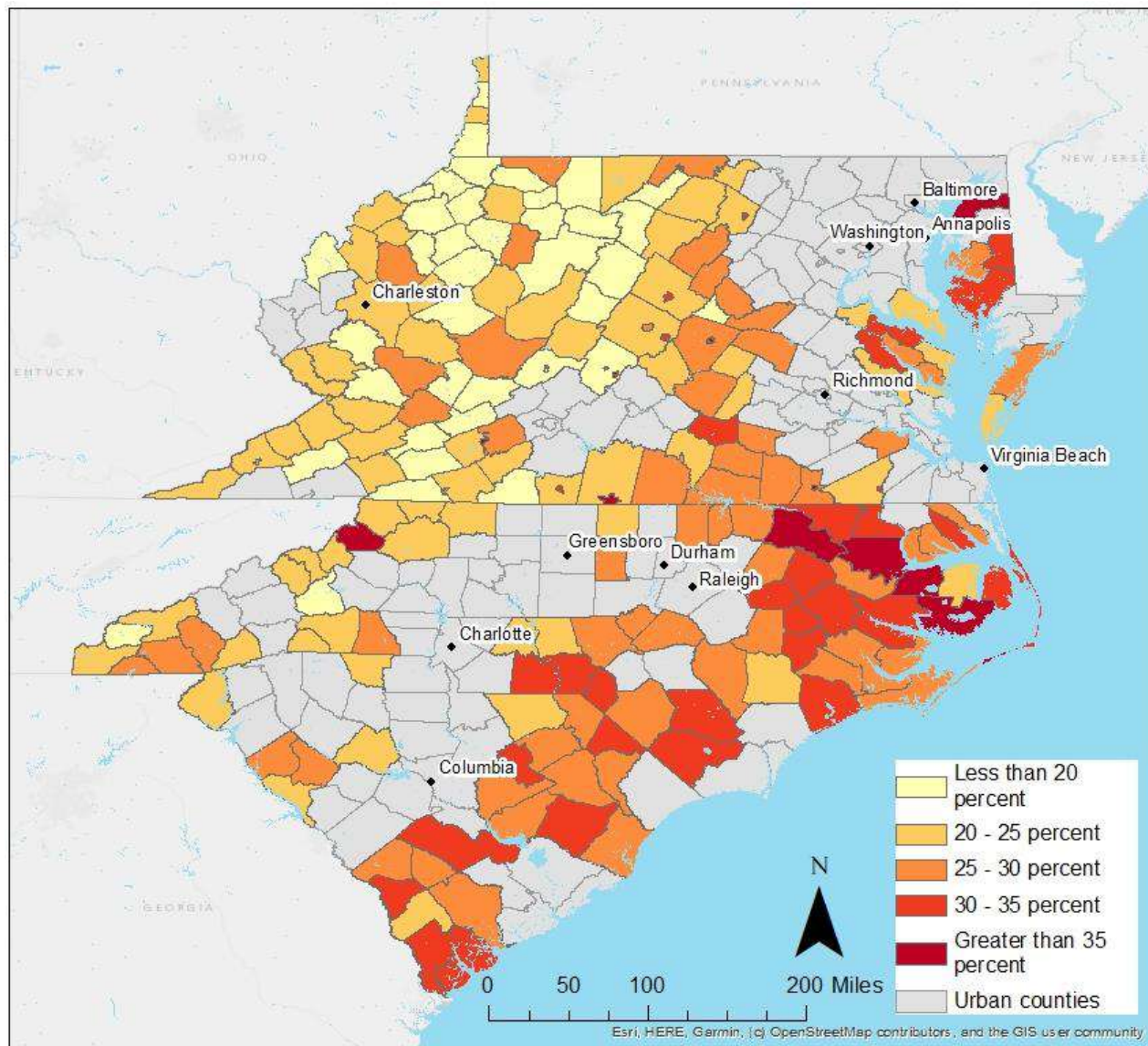
## Housing the Workforce in the Rural Fifth District

Typically, the terms "affordable housing" and "workforce housing" are used to refer to housing that is affordable to low- and middle-income households, respectively. This article and presentation uses the term "low- to middle-income housing" to refer to both — that is, all housing affordable to low- to middle-income households earning up to 120 percent of the area median income (AMI).

Article and Research by Sierra Latham

## Housing Cost Burden, by County

Share of housing cost burdened households



When housing practitioners think about the affordability of housing expense, they consider households to be "cost burdened" if rent or ownership costs account for more than 30 percent of gross income.

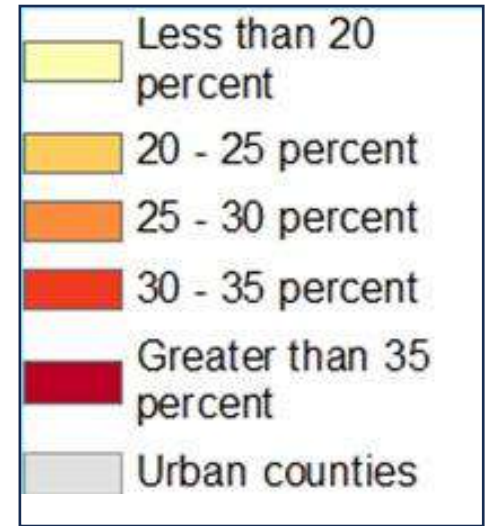
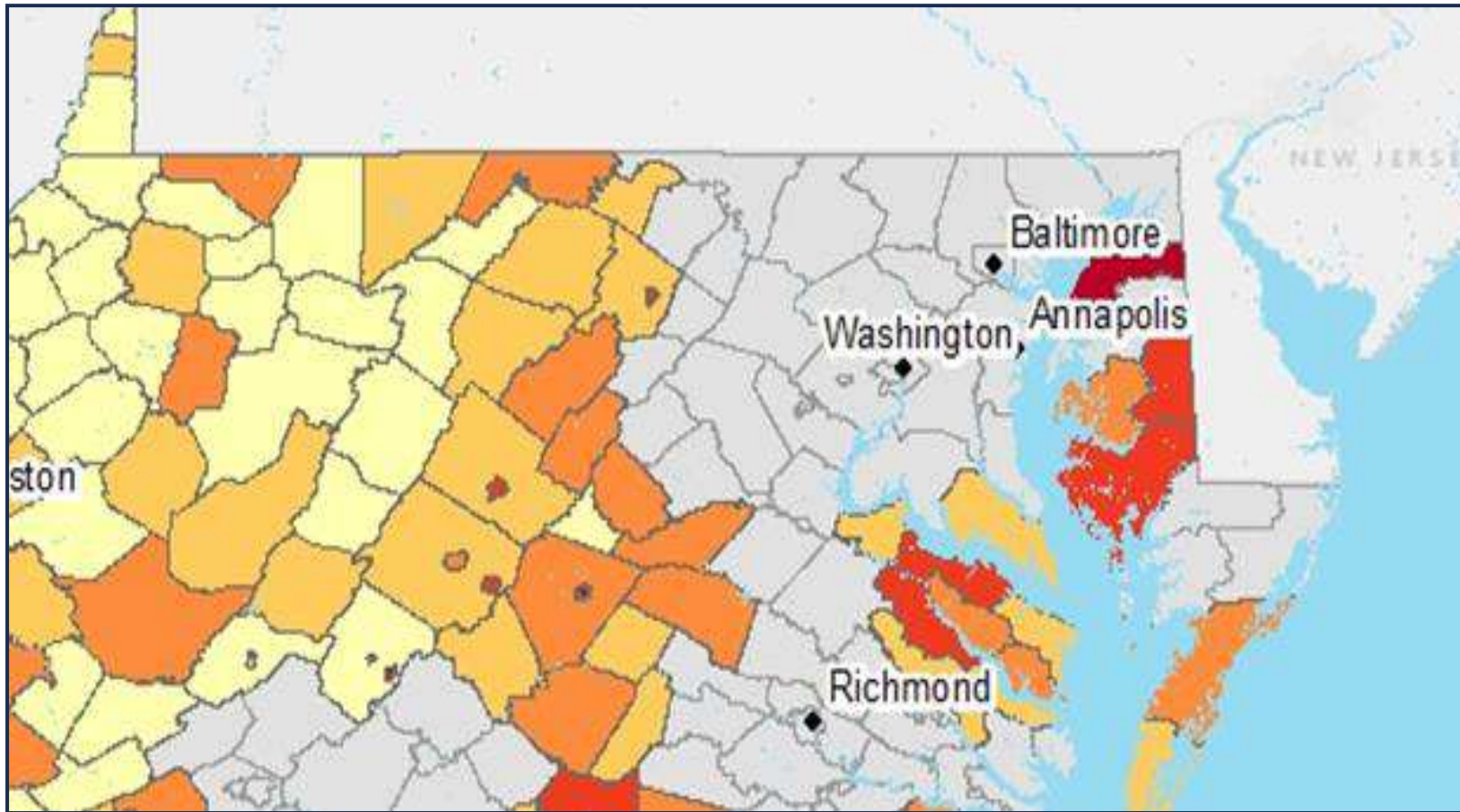
In the Fifth District, 27 percent of rural households at all income levels are housing cost burdened, versus 29 percent of urban households.

Housing cost burden is often thought of in urban contexts where property values and rent costs are relatively high. In rural areas, lower incomes are often the driving forces behind housing cost burden levels.

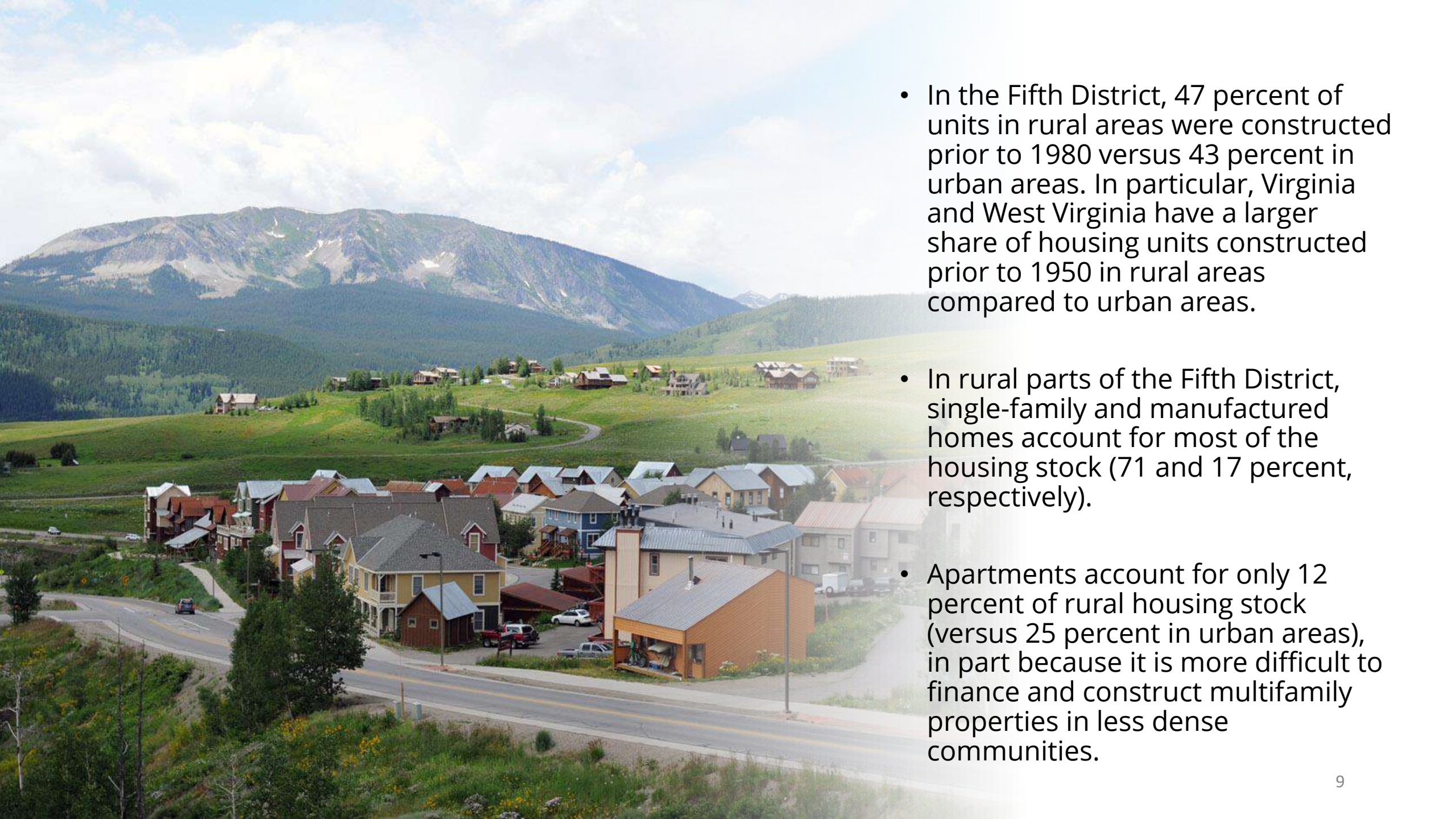
[https://www.richmondfed.org/publications/research/econ\\_focus/2022/q1\\_district\\_digest](https://www.richmondfed.org/publications/research/econ_focus/2022/q1_district_digest)

# Housing Cost Burden, by County

Share of housing cost burdened households







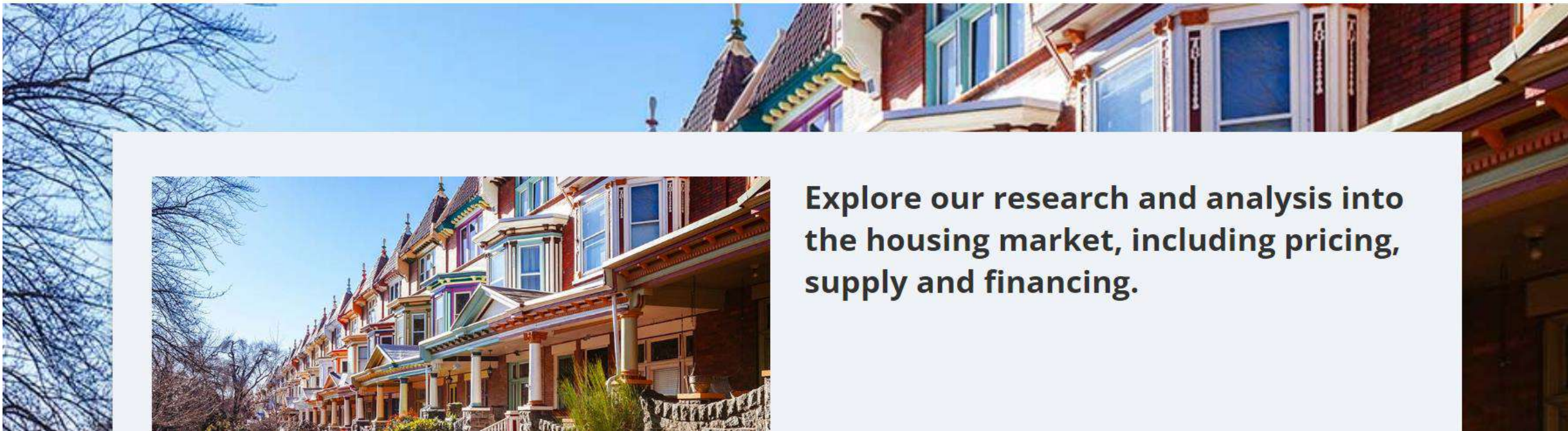
- In the Fifth District, 47 percent of units in rural areas were constructed prior to 1980 versus 43 percent in urban areas. In particular, Virginia and West Virginia have a larger share of housing units constructed prior to 1950 in rural areas compared to urban areas.
- In rural parts of the Fifth District, single-family and manufactured homes account for most of the housing stock (71 and 17 percent, respectively).
- Apartments account for only 12 percent of rural housing stock (versus 25 percent in urban areas), in part because it is more difficult to finance and construct multifamily properties in less dense communities.





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## Housing and Housing Finance



**Explore our research and analysis into the housing market, including pricing, supply and financing.**

# Barriers

## ***Lack of Community Alignment***

- Bureaucratic Bottlenecks
- NIMBYism
- Restrictive Zoning and Land Use
- Perception and Bias

## ***Supply Deficits***

- Developers
- Trades and Construction
- Infrastructure and buildable homesites

# Possible Solutions

## ***Community Alignment***

- Regionalism
- “Smart” Zoning
- Density
- Employer housing
- Financial Incentives
- State Infrastructure Banks
- Land Reuse Authorities
- Community Land Trusts
- Manufactured & Modular Housing



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### Research Recap

EPISODE 85

Speaking of the  
**ECONOMY**

A Podcast Series by the Richmond Fed

#### New Podcast: Inflation and the Fed's Response

Richmond Fed President Tom Barkin visits our *Speaking of the Economy* podcast to discuss the state of inflation and the monetary policy response of the Federal Reserve, as well as his outlook on the national economy.

[Listen Now](#)

#### Related Research: Fed Balance Sheet Normalization and the Minimum Level of Ample Reserves

By allowing the securities in its portfolio to mature, the Fed could reach a normalized size of its balance sheet in two to three years.

#### Our Latest Research: Examining Today's Economy

Visit [RichmondFed.org/Research](https://RichmondFed.org/Research) for a full listing of the research and thought leadership coming from the Richmond Fed or explore the three recent efforts highlighted below.

### Around Our District

Let's look Around Our District — a snapshot of the Richmond Fed's latest analysis, news and events on economic issues that affect our region's communities.

#### In Our Communities

##### Recent Trends in Fifth District Housing Market Indicators

Following two years of tight housing market conditions in the Fifth District, indicators suggest that markets are cooling although affordability remains an issue.

##### Interested in More Housing Indicators?

Our *Snapshot* is regularly updated and includes data on housing permits and home prices at the state and MSA level.

#### Data from the District

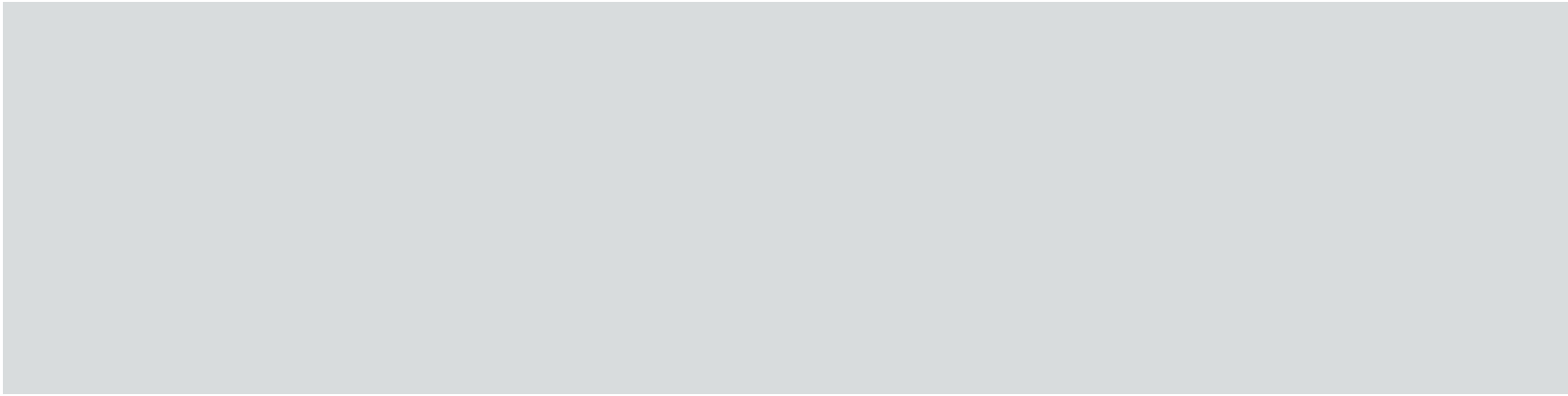
##### The Latest from Our Business Surveys:

Manufacturing	Fifth District manufacturing firms reported deteriorating business conditions and remained pessimistic in February.
Service Sector	In February, service sector activity in our District improved slightly, with firms expected to continue hiring and increasing wages.

# Sources

Latham, Sierra:

[https://www.richmondfed.org/publications/research/econ\\_focus/2022/q1\\_district\\_digest](https://www.richmondfed.org/publications/research/econ_focus/2022/q1_district_digest)



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