

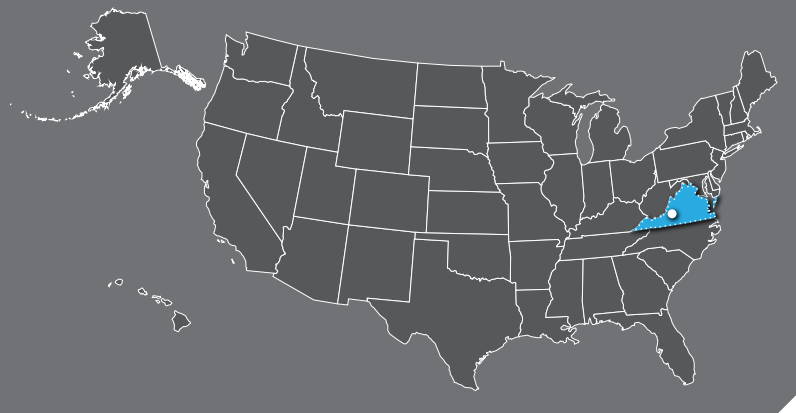
# HUD PD&R Housing Market Profiles

## Roanoke, Virginia



### Quick Facts About Roanoke

- Current sales market conditions: tight
- Current apartment market conditions: tight
- From 2019 through 2023, investments by manufacturing firms totaled \$151 million in the Roanoke metropolitan area (Roanoke Regional Partnership). During that period, 60 percent of net manufacturing job growth in the state of Virginia occurred in the metropolitan area (U.S. Bureau of Labor Statistics).



By [Blandon Su](#) | As of January 1, 2025

### Overview

The Roanoke, VA Metropolitan Statistical Area (hereafter, Roanoke metropolitan area) includes Botetourt, Craig, Franklin, and Roanoke Counties and the independent cities of Roanoke and Salem in the Appalachian Mountains in western Virginia. Roanoke is the principal city of the metropolitan area and the largest city along the Appalachian Trail, and the metropolitan area includes part of Smith Mountain Lake, a destination for outdoor recreational activities. The metropolitan area grew as the railroad industry boomed in the 19th century. The manufacturing sector also had a significant presence in the area historically and has expanded recently with growth in truck parts manufacturing, including the addition of 51 jobs at Mack Trucks, Inc. in 2024. However, the education and health services sector is now the largest nonfarm payroll sector and includes the two largest private employers in the metropolitan area: Carilion Clinic and HCA Healthcare, Inc. The U.S. Department of Veterans Affairs (hereafter, VA) is a significant employer in the government sector, further underscoring the role of healthcare services in the economy.

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- As of January 1, 2025, the population of the metropolitan area is estimated at 316,000, representing an average increase of approximately 210, or 0.1 percent, annually since April 2020 (U.S. Census Bureau decennial census count; estimates by the analyst). Previously, from July 2015 to April 2020, the average increase was 290, or 0.1 percent, annually.
- Population growth in the past 10 years has been solely due to net in-migration, which averaged 1,400 people a year from April 1, 2020, to January 1, 2025, up from an average

of 760 people a year from July 1, 2015, to April 1, 2020. Since April 2020, net natural decline has averaged 1,175 people annually, accelerating from an average decline of 470 people annually from July 1, 2015, to April 1, 2020.

- The presence of an expanding healthcare system, including the VA, makes the metropolitan area a popular location for retirees. In 2023, 22 percent of the population in the metropolitan area was aged 65 years or older, greater than the 18-percent share for the nation (American Community Survey 1-year data).

## Economic Conditions

Economic conditions in the Roanoke metropolitan area are strong, but job growth has moderated slightly recently. The economic expansion began 2 years ago following the recovery from the 2020 COVID-19 pandemic-induced recession.

Nonfarm payrolls averaged 169,800 jobs as of the fourth quarter of 2024, representing an increase of 2,600 jobs, or 1.6 percent, from the same period a year ago, when payrolls rose by 2,700 jobs, or 1.6 percent. By comparison, nonfarm payrolls for the nation grew 1.2 percent year over year as of the fourth quarter of 2024.

As of the fourth quarter of 2024 —

- Education and health services is the largest job sector in the metropolitan area, accounting for 18 percent of nonfarm payrolls, with sector payrolls increasing by 1,200 jobs, or

4.0 percent, from a year earlier. The government and the leisure and hospitality sectors also had notable job growth, adding 1,000 and 500 jobs, or 4.0 and 3.4 percent, respectively.

- The mining, logging, and construction sector had the fastest growth rate of nonfarm payrolls, partly because of increased residential permitting during the past 12 months. Sector payrolls increased 4.1 percent, or by 400 jobs, from a year earlier.
- The transportation and utilities sector lost the most jobs, partially because of the closure of National Express LLC, a school bus service company, which included 194 employee layoffs (Virginia Department of Workforce Development and Advancement). The sector decreased by 300 jobs, or 3.8 percent, from a year earlier.

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### Six nonfarm payroll sectors added jobs in the Roanoke metropolitan area during the past year.

	3 Months Ending		Year-Over-Year Change	
	December 2023 (Thousands)	December 2024 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	167.2	169.8	2.6	1.6
Goods-Producing Sectors	26.8	27.6	0.8	3.0
Mining, Logging, & Construction	9.7	10.1	0.4	4.1
Manufacturing	17.1	17.5	0.4	2.3
Service-Providing Sectors	140.4	142.1	1.7	1.2
Wholesale & Retail Trade	24.3	24.2	-0.1	-0.4
Transportation & Utilities	8.0	7.7	-0.3	-3.8
Information	1.2	1.1	-0.1	-8.3
Financial Activities	7.7	7.5	-0.2	-2.6
Professional & Business Services	22.1	21.9	-0.2	-0.9
Education & Health Services	29.7	30.9	1.2	4.0
Leisure & Hospitality	14.9	15.4	0.5	3.4
Other Services	7.0	7.2	0.2	2.9
Government	25.3	26.3	1.0	4.0
<b>Unemployment Rate</b>	2.6%	2.7%		

Note: Numbers may not add to totals due to rounding.

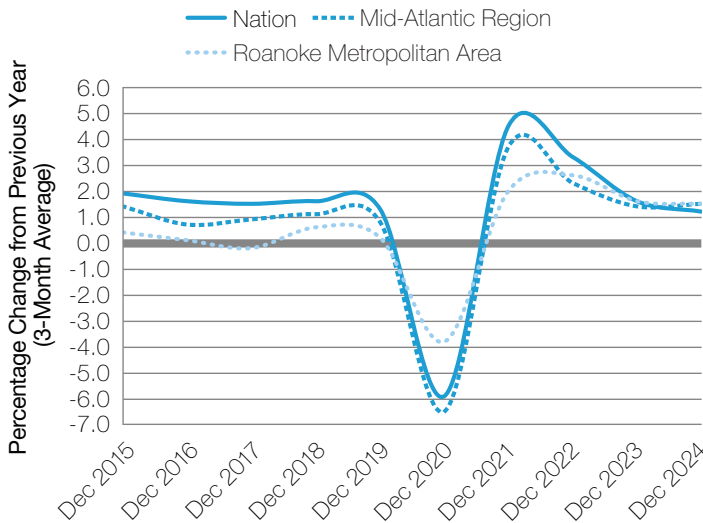
Source: U.S. Bureau of Labor Statistics



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- The unemployment rate averaged 2.7 percent, up from 2.6 percent a year ago. By comparison, the national unemployment rate averaged 3.9 percent, up from 3.5 percent a year ago.

**Job losses during 2020 were less severe in the Roanoke metropolitan area than in the region or the nation, but recovery was slower.**



Source: U.S. Bureau of Labor Statistics

Carilion Clinic is the largest employer, with 13,600 employees in multiple facilities across the metropolitan area, accounting for approximately 8 percent of all nonfarm payrolls. Carilion Clinic had an estimated annual economic impact of \$3.05 billion on the metropolitan area (Weldon Cooper Center for Public Service, 2018 report). Carilion Clinic collaborates with the Fralin Biomedical Research Institute at Virginia Tech and has received a combined \$230 million in research grants since 2010. Major construction projects by Carilion Clinic are underway. The \$500 million Crystal Spring Tower expansion to the Carilion Roanoke Memorial Hospital is expected to finish construction in the summer of 2025, and the new \$100 million Carilion Taubman Cancer Center is projected to open in 2027.

## Largest Employers in the Roanoke Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Carilion Clinic	Education & Health Services	13,600
Commonwealth of Virginia	Government	4,000
HCA Healthcare, Inc.	Education & Health Services	1,000–2,999

Note: Excludes local school districts.

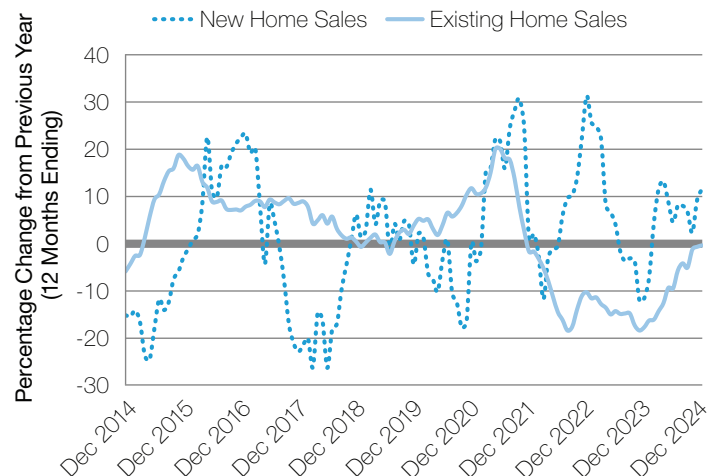
Sources: Carilion Clinic; U.S. Bureau of Labor Statistics; Roanoke Regional Partnership

## Sales Market Conditions

Sales housing market conditions in the Roanoke metropolitan area are tight. The sales vacancy rate is estimated at 1.1 percent, down from 1.5 percent as of April 2020. As of December 2024, the metropolitan area had 2.0 months of available for-sale housing inventory, unchanged from a year earlier but higher than the 1.6 months as of December 2022 (Redfin, a national real estate brokerage). A total of 5,475 new and existing homes were sold during 2024, relatively unchanged from home sales during 2023 (Cotality, with adjustments by the analyst). During 2024, the average home sales price increased 10 percent from a year earlier to \$300,100. By comparison, year-over-year home price growth was 2 percent during 2023.

- During 2024, existing home sales totaled 5,275, reflecting a 1-percent decrease from 2023. The average existing home price rose 11 percent during 2024 to \$297,500.
- New home sales increased 11 percent to 200 homes sold during 2024, and the average new home price increased 1 percent to \$383,000 compared with 2023.
- The percentage of seriously delinquent mortgages and real estate owned properties in the metropolitan area was 0.9 percent in December 2024, unchanged from December 2023 but lower than the 1.1 percent rate in December 2022

**New home sales in the Roanoke metropolitan area increased during the past 24 months, whereas existing home sales declined.**



Note: Data include single-family homes, townhomes, and condominiums.

Source: Cotality, with adjustments by the analyst

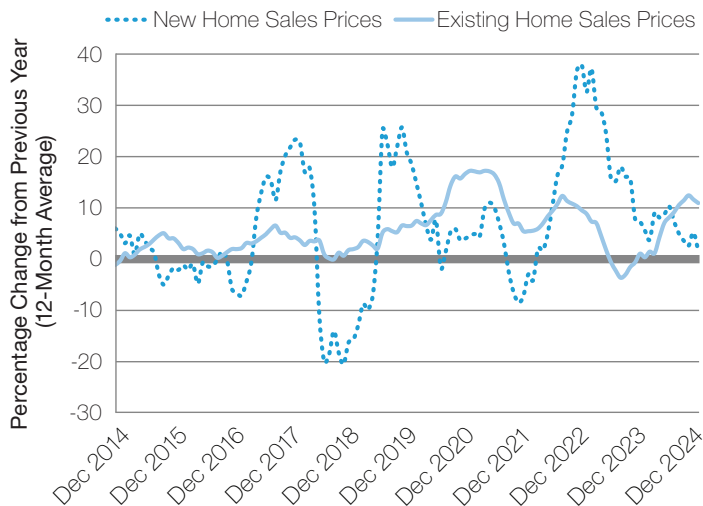
(Cotality). The rate for the metropolitan area was below the 1.1-percent rate for the nation but slightly higher than the 0.8-percent rate for the state of Virginia.

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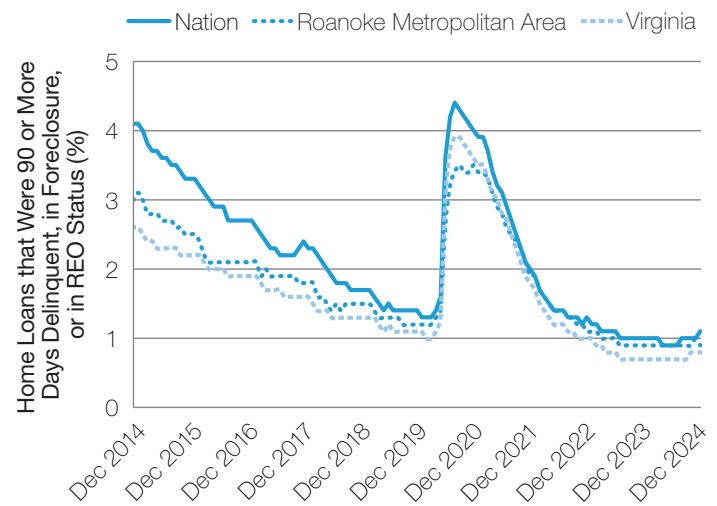
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Prices for both new and existing homes in the Roanoke metropolitan area increased during the past year.



Note: Data include single-family homes, townhomes, and condominiums.  
Source: Cotality, with adjustments by the analyst

The rate of seriously delinquent home loans and REO properties in the Roanoke metropolitan area was low during the past 2 years.

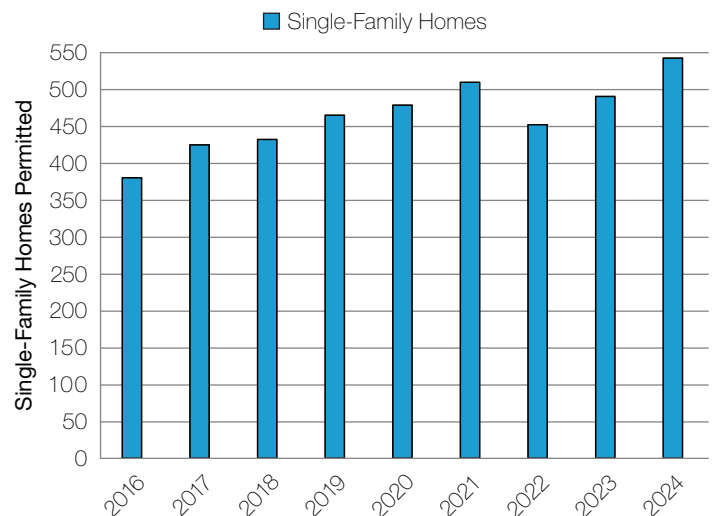


REO = real estate owned.  
Source: Cotality

New single-family home construction, as measured by the number of homes permitted, increased during the past 2 years, when market conditions were tight.

- Approximately 540 single-family homes were permitted during 2024, up more than 10 percent from 490 homes during the previous year (preliminary data, with adjustments by the analyst).
- From 2016 through 2019, single-family home construction averaged 430 homes permitted annually and increased to an average of 480 homes permitted annually from 2020 through 2022.
- During 2024, Franklin County had the most single-family permitting, accounting for 29 percent of all single-family homes permitted in the metropolitan area.
- During 2024, 22 percent of single-family homes in the metropolitan area were permitted in Roanoke County, 21 percent in Botetourt County, 19 percent in the city of Roanoke, 5 percent in Craig County, and 4 percent in the city of Salem.

The number of single-family homes permitted in the Roanoke metropolitan area increased during the past 2 years.



Sources: U.S. Census Bureau, Building Permits Survey; 2016–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

## Apartment Market Conditions

Apartment market conditions are tight in the Roanoke metropolitan area. The apartment vacancy rate was 4.3 percent as of the fourth quarter of 2024, down from 5.2 percent a year earlier and the recent peak of 6.4 percent as of the fourth quarter of 2022 (CoStar Group). The average apartment rent as of the fourth quarter of 2024 was \$1,209, up 3 percent from a year earlier. From the fourth quarter of 2016 to the fourth quarter of 2020, year-over-year rent growth averaged 3 percent annually before spiking to an increase of more than 10 percent as of the fourth quarter of 2021, when apartment market conditions were very tight. After peaking in 2021, year-over-year rent growth averaged 5 percent annually from the fourth quarters of 2022 to 2023. Apartment construction activity has increased recently in response to the strong demand. In 2024, the number of new apartments permitted nearly doubled compared with the average number of units permitted each year from 2019 through 2023.

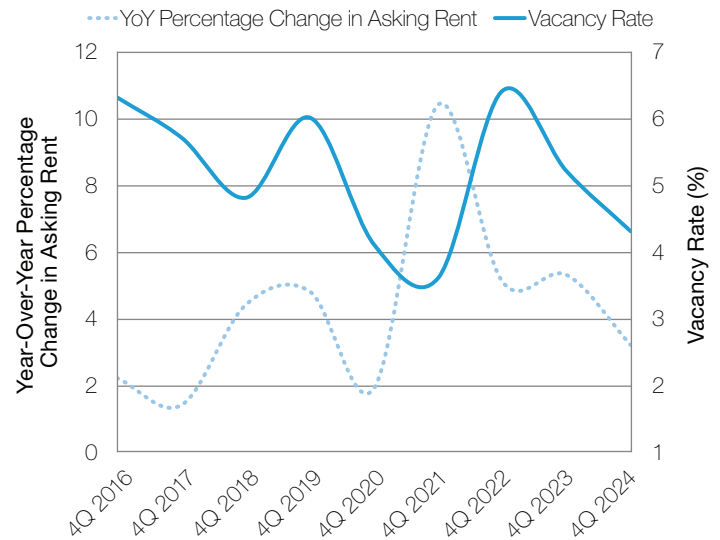
As of the fourth quarter of 2024—

- The apartment supply is mostly concentrated in the city of Roanoke, which has the largest inventory of apartment units, 8,300, accounting for 54 percent of all surveyed apartment units in the metropolitan area (CoStar Group).
- Botetourt County has had the most apartment construction since 2010 and has the highest rents in the metropolitan area, averaging \$1,501 as of the fourth quarter of 2024; however, it is the only county or independent city in the metropolitan area that had no rent growth compared with the fourth quarter of 2023.
- Roanoke County had the fastest year-over-year rent growth, with the average rent increasing 6 percent to \$1,315.
- Apartment vacancy rates in the metropolitan area ranged from a low of 2.5 percent in Franklin County to a high of 5.4 percent in the city of Salem.

Multifamily construction activity, as measured by the number of multifamily units permitted, increased during the past year, reflecting strong demand and tight apartment market conditions.

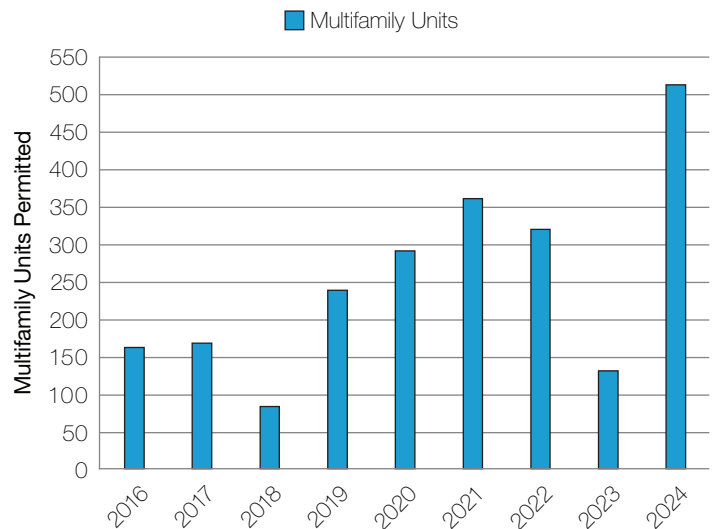
- During 2024, 510 multifamily units were permitted, up nearly fourfold from the 130 units permitted during 2023 (preliminary data, with adjustments by the analyst).
- Multifamily construction averaged 140 units permitted annually from 2016 through 2018, increasing to an average of 300 units permitted annually from 2019 through 2022.
- The 96-unit Fieldstone Place is a recently completed apartment property in the metropolitan area that opened in the city of Daleville in Botetourt County in April 2024. Rents for one- and two-bedroom units are \$1,224 and \$1,475, respectively.

### Apartment market conditions in the Roanoke metropolitan area tightened during the past 2 years.



4Q = fourth quarter. YoY = year-over-year.  
Source: CoStar Group

### The number of multifamily units permitted in the Roanoke metropolitan area increased significantly during 2024.



Sources: U.S. Census Bureau, Building Permits Survey; 2016–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

- In the city of Salem, construction began in December 2023 on the 300-unit Valleydale Apartments, which is preleasing and expected to be complete by December 2025. The announced rents for studio, one-bedroom, two-bedroom, and three-bedroom units are \$1,351, \$1,634, \$2,106, and \$2,378, respectively.

## Terminology Definitions and Notes

### A. Definitions

<b>Absorption</b>	The net change, positive or negative, in the number of occupied units in a given geographic range.
<b>Apartment Vacancy Rate/Average Monthly Rent</b>	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up. A property is stabilized once it reaches an occupancy rate of 90 percent or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.
<b>Building Permits</b>	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
<b>Existing Home Sales</b>	Includes resales, short sales, and REO sales.  Resident births minus resident deaths.
<b>Home Sales/Home Sales Prices</b>	Includes single-family home, townhome, and condominium sales.
<b>Net Natural Decline</b>	Resident deaths are greater than resident births.
<b>Seriously Delinquent Mortgages</b>	Mortgages 90 or more days delinquent or in foreclosure.

### B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	The HUD Mid-Atlantic region includes Delaware, the District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia.