



Policy Development & Research

**Analysis of the
Lynchburg, Virginia
Housing Market**

As of October 1, 2004



ECONOMIC RESEARCH

Foreword

This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of mortgage insurance proposals that may be under consideration in the housing market area.

The factual framework for this analysis follows the guidelines developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the "as-of" date from local and national sources. As such, any findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

The analysis takes into consideration changes in the economic, demographic, and housing inventory characteristics of the market area during three periods: from 1990 to 2000, from 2000 to October 1, 2004, the as-of date of the analysis (Current date), and from the Current date to October 1, 2007 (Forecast date). The analysis presents counts and estimates of employment, population, households, and housing inventory as of the 1990 Census, 2000 Census, Current date, and Forecast date. For purposes of this analysis, the forecast period is 36 months.

The prospective demand expressed in the analysis should not be construed as a forecast of building activity; rather, it presents the prospective housing production that would maintain a reasonable balance in the demand-supply relationship given the market's condition on the as-of date of the analysis. This analysis was prepared by Luke A. Tilley, one of the Division's Field Economists in HUD's Philadelphia Regional Office based on fieldwork conducted in September 2004. Questions regarding the findings and conclusions of the analysis may be addressed to Mr. Tilley at 215-656-0604, Ext. 3029, or at luke_a_tilley@hud.gov.

Housing Market Area

The Lynchburg, Virginia Housing Market Area (HMA) is composed of the independent cities of Lynchburg and Bedford, and the counties of Amherst, Appomattox, Bedford, and Campbell. For purposes of this analysis, the HMA has been divided into three submarkets: the city of Lynchburg; the Bedford area, consisting of the city of Bedford and Bedford County; and the Remainder of the HMA, consisting of Amherst, Appomattox, and Campbell Counties. The HMA is located approximately 115 miles west of Richmond, Virginia, and 175 miles southwest of Washington, D.C. Lynchburg is the central city of the HMA and home to many of the area's leading employers. Bedford County is bordered to the south by Smith Mountain Lake, a popular vacation and retirement location.

Summary

The economy of the Lynchburg HMA grew at a relatively modest pace through the 1990s. The national recession of 2001 negatively affected the local economy, causing overall job losses from 2000 to the Current date. The HMA is projected to add jobs during the 3-year forecast period as the national economy recovers.

The population of the HMA has steadily increased since 1990. Although net out-migration from the city of Lynchburg has slightly reduced its population, those leaving the city are settling in the surrounding counties within the HMA. In the Bedford area and Remainder of the HMA submarkets, in-migration for retirement has been steady while in-migration for jobs has slowed since 2000. Nearly three-quarters of the in-migration to the HMA has been to the Bedford area, where the population has grown by an estimated 2.3 percent annually from 1990 to the Current date.

The sales market in the HMA has been strong. Since 2000, the average number of permits issued annually for new single-family homes has exceeded the annual average issued during the 1990s, with the most significant increases occurring in the city of Lynchburg, despite the out-migration that has occurred. Low interest rates have contributed to increases in both housing sales and prices.

The rental market in the HMA is currently balanced. Since 2000, the number of permits issued annually for multifamily units is more than double the number issued annually during the 1990s. Many rental units in the Smith Mountain Lake region are seasonal and rented primarily during the summer months.

A slight acceleration of in-migration during the forecast period and the resulting household growth is expected to increase the demand for sales and rental housing. Annual demand will be similar to that experienced in the HMA during the 1990s. Development of 3,650 sales units and 650 rental units over the 3-year forecast period will be needed to maintain a balanced market.

Economy of the Area

The economy of the Lynchburg HMA is relatively diverse. Education, tourism, health services, and agriculture are major factors in the local economy. From 1990 to 2000, resident employment and the labor force grew at average annual rates of 0.9 and 0.6 percent, respectively. Because growth in employment outpaced that of the labor force, the unemployment rate declined over the decade from 5.0 percent in 1990 to 1.9 percent in 2000. Since 2000, however, resident employment and the labor force have decreased. The labor force has declined by an estimated 1,700 people, and resident employment has fallen by 4,400 jobs, resulting in the current unemployment rate of 4.5 percent. The trends in employment from 1990 through the Current date are presented in Tables 1 and 2.

From 1990 to 2000, nonfarm employment in the Lynchburg HMA increased at an average annual rate of 1.5 percent, with positive growth in 9 of the 10 years. Since 2000, however, nonfarm employment has decreased by an estimated 5,100 jobs. The reasons for the job losses are both cyclical and structural. The national recession of 2001 affected the economy of the HMA because of its concentration of jobs in the manufacturing sector. In 2000, the year before the recession, manufacturing sector employment accounted for 23.8 percent of local jobs, significantly higher than the national average of 13.1 percent. This sector included leading employers in the long-established textile, furniture, and food industries, as well as relative newcomers in the nuclear technologies and telecommunications equipment subsectors.

The economic downturn quickly decreased demand for manufactured goods and resulted in job losses in the HMA. Other job losses can be attributed to structural changes in the local economy. Manufacturers seeking lower production costs have moved production facilities out of the Lynchburg area to other U.S. locations and overseas. Ericsson, a Swedish telecommunications company, employed 3,000 people in its Lynchburg production facility before the company closed the plant in 2002 and moved operations abroad. The manufacturing sector has lost the most jobs since 2000 but it was not the only sector where employment decreased. The professional and business services sector lost 1,900 jobs, and the information services and financial activities sectors each lost 200 jobs.

Only a few sectors have added jobs since 2000. Increased home construction brought 500 new jobs to the construction and mining sector. The other services sector added 400 jobs and state government added 200 more. Since 2000, the fastest growing employment sector in the HMA has been education and health services, which increased its payrolls by 4,100 jobs, an annual growth rate of 6.6 percent. The relative growth in employment in this sector has been substantial, increasing from 11.0 percent of total employment in 1990 to 16.6 percent currently. The increased employment came primarily from local hospitals that added facilities such as wellness centers and rehabilitation centers.

The next 3 years are expected to be a period of recovery for the Lynchburg HMA economy. Although the manufacturing sector historically has been a volatile one, future

fluctuations will be less damaging to total employment, since the manufacturing sector is becoming relatively less prominent in the area. As of the Current date, the manufacturing sector accounts for 18.4 percent of all jobs, a decline from 25 percent in 1990. That year 69.2 percent of jobs were in the service-providing sector; this proportion increased to 74.6 as of the Current date. Over the forecast period, the labor force is expected to grow at an average annual rate of 0.8 percent, and resident employment will grow by 1.0 percent annually, or 1,100 jobs a year. Nonfarm employment is expected to grow at a 1.0-percent annual rate, or 950 jobs a year.

Household Incomes

HUD's Economic and Market Analysis Division estimates the median family income in the HMA to be \$49,400 as of the Current date. As of the 2000 Census, the city of Bedford had the lowest median income of the four counties and two cities at \$35,023. Bedford County had the highest median income at \$49,303 while the city of Lynchburg's was \$40,844. Between the 1990 and 2000 Censuses, the city of Lynchburg's median income grew the fastest, at an average annual rate of 5.6 percent, or 2.5 percent after adjusting for inflation. The slowest growth came in the city of Bedford, where the median income grew annually by 4.4 percent nominally, or 1.4 percent after adjustment for inflation.

Population

Between 1990 and 2000, the population of the HMA grew at an average annual rate of 1.0 percent or 2,239 people per year. Approximately one-quarter of the growth resulted from natural increase (resident births minus resident deaths), while the remainder was a result of net in-migration. Since 2000, the declining economy caused migration to slow and reduced average annual population growth to 0.8 percent, or 1,950 people annually. The population as of the Current date is estimated to be 237,400. Population trends from 1990 to the Current date and estimates for the Forecast date are presented in Table 3.

Comparing submarkets in the HMA reveals the different factors influencing population growth. Although the city of Lynchburg's household population has decreased in recent years, enrollment increases at Liberty University, whose students are counted in the nonhousehold population, have buttressed growth, leading to a net population increase since 2000. The population in the Bedford area and the Remainder of the HMA submarkets is growing due to retirement in-migration and in-migration for jobs.

From 1990 to 2000, the population of the city of Lynchburg decreased by 780, or 1.2 percent. Although the city's economy was growing during that period, inhabitants increasingly sought housing in the surrounding counties of the HMA. Since the 2000 Census, however, Liberty University has expanded its enrollment and reversed the downward trend of the city's population. Most of the increased student population lives in 19 new dormitories capable of housing 1,460 students.

Population growth in the Bedford area and Remainder of the HMA submarkets has far exceeded that of the city of Lynchburg. Between 1990 and 2000, the Bedford area submarket's population grew at an average annual rate of 2.6 percent, with almost 90 percent of the growth coming from in-migration. Since 2000, the annual growth rate has declined to 1.7 percent as in-migration for jobs has slowed. Much of the growth has occurred in the town of Forest, in the eastern corner of Bedford County outside the city of Lynchburg, where homebuyers are able to find large lots of land and newly constructed housing. The southern portion of Bedford County that borders Smith Mountain Lake is a popular retirement and seasonal area that has continued to fuel population growth since 2000. Although in-migration to the Bedford area submarket for jobs has slowed since 2000, retirement in-migration has remained steady. Between 1990 and 2000, the population of the Remainder of the HMA submarket grew at an average annual rate of 0.9 percent, or 823 people. Since 2000, population growth in this submarket has decreased to 0.5 percent a year, or 490 people.

Population growth is expected to be higher during the forecast period than it has been since 2000. As the economy recovers and retirement in-migration continues, the average annual growth rate is expected to be 1.1 percent. At this rate, the population is estimated to increase by 2,650 people a year, bringing the total population to 245,350 by the Forecast date.

Households

Between 1990 and 2000, the HMA added 1,252 households a year, an average annual growth rate of 1.5 percent. Since the 2000 Census, an estimated 5,500 households have been added, bringing the total number of households to an estimated 95,250. Household trends and estimates for the forecast period are presented in Table 3.

Although the population in the city of Lynchburg decreased during the 1990s, the number of households continued to increase slightly at a rate of 0.1 percent annually. Very few apartments were built in the city during the 1990s; however, several large complexes have been built since 2000. Increased apartment construction has helped to increase household growth and decrease the average household size. Since 2000, the number of households in the city of Lynchburg has increased at an annual rate of 0.7 percent, or 185 a year. In the Bedford area submarket, the number of households grew by a 2.9-percent annual rate from 1990 to 2000, or 659 a year; since 2000, however, that rate has decreased to 2.1 percent. The Remainder of the HMA submarket has undergone a decline in household growth from 559 per year in the 1990s to an estimated 460 per year since 2000.

Based on forecasted population growth, the number of households in the HMA is estimated to increase at an annual rate of 1.4 percent over the 3-year forecast period. Approximately 4,000 households are likely to be added annually, bringing the total number to 99,250.

Housing Inventory

The housing inventory has steadily increased along with population and the number of households. From 1990 to 2000, the total number of housing units in the HMA grew at an average annual rate of 1.6 percent. That rate has slowed slightly since 2000 to 1.5 percent, bringing the current number of housing units in the HMA to an estimated 104,700. More than two-thirds of the inventory change from 1990 to 2000 was in the form of owner occupied housing, increasing the homeownership rate to 74.3 percent from 72.9 percent in 1990. Since 2000, this trend has continued with an estimated 74.9 percent of households currently owning their home.

Building permit activity for single-family homes in the HMA has increased over the past 4 years. From 1990 to 1999, permits were issued at a rate of 1,052 a year; since 2000, the annual rate has been 1,155 permits. The largest increase in permits among submarkets occurred in the city of Lynchburg, where approximately 130 permits were issued annually from 1990 to 1999; since then, that rate has nearly doubled to 250 permits a year. Nearly half the single-family permits issued in the HMA from 2000 to the Current date were issued for the Bedford area submarket.

In recent years, permit activity for multifamily housing units has increased in the HMA from an average of 78 units a year from 1990 to 1999 to 175 units a year from 2000 to the Current date. Three apartment developments with a total of 420 units account for most of the increase. After minimal activity of just 15 units a year from 1990 to 1999, the city of Lynchburg has issued permits for 93 units a year since 1999.

Housing Vacancy

As of the 1990 Census, the sales and rental vacancy rates in the HMA were 1.6 and 7.5 percent, respectively. By the 2000 Census, the sales vacancy rate had changed little at 1.7 percent, but the rental vacancy rate had fallen to 7.0 percent. As of the Current date, the vacancy rates for sales and rental units are estimated to be 1.6 and 7.1 percent, respectively.

The city of Lynchburg submarket currently has relatively high vacancy rates, estimated to be 2.2 percent in the sales market and 7.5 percent in the rental market. The sales market remains soft because many residents are moving to newly constructed housing outside the city limits. The rental inventory includes many older units in the downtown area that are less competitive than the newer development in the HMA. In addition, more than 100 rental units became vacant in 2002 when Ericsson, which had the units under contract, closed its production facility, adding to the already high vacancy rate.

The Bedford area submarket rental market also has a relatively high vacancy rate, currently estimated at 7.3 percent. This number, however, is skewed upward by the stock of rental housing available at Smith Mountain Lake. Primarily a summer vacation destination, the lake has rental inventory available for the entire year, but has high occupancy during the warmer months only. Consequently, the high rental vacancy rate in

this area is less indicative of a soft market than of the presence of a seasonal rental area. The sales and rental vacancy rates in the Remainder of the HMA submarket, at 1.4 and 6.5 percent, respectively, indicate a balanced market.

Sales Market Conditions

The Virginia Association of REALTORS[®] publishes sales market data on the Lynchburg area, although its definition of the area excludes portions of Bedford and Campbell Counties. According to its data, the average sales price for homes sold through the multiple listing service increased from \$114,925 in 2002 to \$120,308 in 2003, a 4.7-percent increase. Through September 2004, the average sales price rose an additional 8.0 percent to \$129,907. The Office of Federal Housing Enterprise Oversight, which produces a quarterly price index of existing homes, reported that the price of an existing home in the Lynchburg HMA increased an average of 5.6 percent from the second quarter of 2003 to the corresponding quarter in 2004.

Two areas with relatively high housing prices in the HMA are Forest in eastern Bedford County and the southern portion of Bedford County that borders Smith Mountain Lake. Several housing developments in Forest contain homes that sell for \$250,000 to \$400,000 or higher, significantly above the HMA average. Prices of existing and new homes at the lake continue to rise as the area is increasingly recognized as a desirable vacation and retirement location.

Rental Market Conditions

The overall rental market in the HMA is currently balanced, with softer conditions in the city of Lynchburg. The newest apartment complexes in the city, built since 2000, are quite successful and have low vacancy rates. The soft market and higher vacancy rates appear to be confined to the older apartment developments in the city and units in downtown Lynchburg. Liberty University's new dormitories are able to house many students who previously may have lived in private apartment complexes, but anticipated increases in enrollment are sufficiently high that the new structures will not adversely affect the rental market.

According to local sources, Ericsson's departure from the HMA left more than 100 units vacant at one of the large complexes; these units have begun to lease up slowly over the past year. The remaining vacant units will be in competition with any newly constructed units with similar characteristics. The HMA currently has 140 rental units under construction and 440 in the planning stages.

Forecast Housing Demand

Taking into consideration forecast household growth over the 3-year forecast period, current market conditions, anticipated losses from the inventory, housing units in the development pipeline, and a continued tenure shift toward homeownership, demand for 4,300 new housing units is expected during the next 3 years. Sale housing is expected to

account for 3,650 units and demand for new rentals is anticipated to total 650 additional units.

Most of the sales housing demand is expected to be met by construction of single-family detached housing and a small amount of townhome construction that is becoming more popular in the HMA. Approximately 1,215 units will be needed annually, a slightly higher rate than has occurred in the HMA since 2000. Approximately half the demand for new sales housing is expected to be in the \$100,000 to \$225,000 price range. Of the total demand, 20 percent will fall in the \$225,000 to \$300,000 price range, and another 20 percent will be priced in excess of \$300,000. In addition to the demand for single-family housing, some of the forecast demand will be for multifamily condominium units in developments like those recently built in Forest and the Smith Mountain Lake area.

The annual demand for new rental units is expected to be slightly higher than that since 2000 and similar to that in the 1990s. As the economy recovers, demand is expected to increase in response to in-migration. It is estimated that approximately 30 percent of the total forecast demand of 650 units will be for one-bedroom units, 50 percent for two-bedroom units, and 20 percent for three-bedroom units. Based on current pipeline activity, between 150 and 200 units are expected to be completed in the first year of the forecast period.

Table 1
Labor Force and Total Employment
Lynchburg HMA
1990 to October 1, 2004

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Previous 12 Mos. ^a	Current 12 Mos. ^b
Labor Force	99,987	103,697	104,660	104,238	104,553	106,441	102,519	101,035	102,896	104,294	106,217	105,902	106,397	104,725	104,984	104,509
Total Employment	94,949	97,470	97,870	99,747	100,324	102,569	98,732	97,234	100,266	102,133	104,224	101,569	100,565	99,397	99,663	99,825
Unemployment	5,038	6,227	6,790	4,491	4,229	3,872	3,787	3,801	2,630	2,161	1,993	4,333	5,832	5,328	5,321	4,684
Rate (%)	5.0	6.0	6.5	4.3	4.0	3.6	3.7	3.8	2.6	2.1	1.9	4.1	5.5	5.1	5.1	4.5

^a Ending September 2003.

^b Ending September 2004.

Source: U.S. Department of Labor, Bureau of Labor Statistics

Table 2
Nonfarm Employment by Industry
Lynchburg HMA
1990 to October 1, 2004

Employment Sector	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Previous 12 Mos. ^a	Current 12 Mos. ^b
Total Employment	90,000	89,300	89,500	92,300	94,500	95,900	96,200	96,900	98,800	102,000	104,000	102,700	100,600	98,700	99,100	98,900
Goods-Producing	27,600	27,200	27,300	28,100	28,400	29,600	30,100	30,200	31,300	31,400	31,200	28,400	26,000	25,200	25,400	25,100
Constr. & Mining	5,200	5,200	4,900	5,300	5,400	6,000	5,800	6,000	6,000	6,100	6,400	6,600	6,600	6,700	6,700	6,900
Manufacturing	22,400	21,900	22,300	22,800	22,900	23,600	24,300	24,100	25,200	25,200	24,700	21,800	19,400	18,500	18,700	18,200
Service-Providing	62,300	62,000	62,100	64,100	66,100	66,200	66,000	66,700	67,400	70,600	72,700	74,300	74,600	73,600	73,700	73,800
Trade	17,800	17,800	17,400	17,700	18,100	17,900	17,800	17,300	15,900	16,100	16,700	16,600	16,100	15,700	15,700	15,400
Information	1,300	1,300	1,300	1,300	1,300	1,300	1,200	1,200	1,300	1,300	1,200	1,200	1,000	1,000	1,000	1,000
Financial Activities	3,600	3,800	3,600	3,700	3,800	3,900	4,000	4,100	4,300	4,300	4,400	4,400	4,200	4,200	4,200	4,200
Prof. & Bus. Svcs.	5,400	5,600	6,100	7,100	7,500	7,600	7,800	8,300	8,400	9,900	10,500	9,000	8,800	8,500	8,700	8,600
Edu. & Health Svcs.	9,900	9,600	9,700	9,900	9,900	10,000	9,800	10,100	11,000	11,700	12,300	15,300	16,200	15,800	15,700	16,400
Leisure & Hospitality	6,000	6,200	6,400	6,300	6,700	7,000	6,800	6,500	6,800	6,800	7,000	7,000	7,100	7,300	7,300	7,100
Other Services	3,000	2,800	2,900	3,000	3,100	3,200	3,400	3,600	4,100	4,400	4,500	4,700	4,900	4,900	4,900	5,000
Government	11,900	11,900	11,600	12,000	12,200	12,100	12,600	12,700	12,800	13,200	13,300	13,200	13,500	13,300	13,300	13,200
Federal	700	700	600	600	700	1,000	1,200	1,200	1,200	1,100	1,000	800	800	800	800	800
State	4,000	3,900	3,700	3,900	3,800	3,400	3,200	3,200	3,200	3,100	3,100	3,200	3,300	3,200	3,200	3,300
Local	7,100	7,300	7,200	7,400	7,700	7,700	8,100	8,300	8,400	8,800	9,100	9,200	9,400	9,300	9,300	9,100

^a Ending September 2003.

^b Ending September 2004.

Source: U.S. Department of Labor, Bureau of Labor Statistics

Table 3
Population and Household Trends
Lynchburg HMA
1990 to October 1, 2007

	April 1, 1990	April 1, 2000	Current Date	Forecast Date	Average Annual Change					
					1990 to 2000		2000 to Current		Current to Forecast	
					Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Population										
Lynchburg HMA	206,226	228,616	237,400	245,350	2,239	1.0	1,950	0.8	2,650	1.1
City of Lynchburg Submarket	66,049	65,269	66,500	67,800	- 78	- 0.1	270	0.4	435	0.7
Bedford Area Submarket	51,729	66,670	72,000	76,250	1,494	2.6	1,190	1.7	1,415	1.9
Remainder of HMA Submarket	88,448	96,677	98,900	101,300	823	0.9	490	0.5	800	0.8
Households										
Lynchburg HMA	77,220	89,736	95,250	99,250	1,252	1.5	1,225	1.3	1,330	1.4
City of Lynchburg Submarket	25,143	25,477	26,300	26,600	33	0.1	185	0.7	95	0.4
Bedford Area Submarket	19,767	26,357	28,975	31,000	659	2.9	580	2.1	675	2.3
Remainder of HMA Submarket	32,310	37,902	39,975	41,650	559	1.6	460	1.2	560	1.4

Notes: Rate of change is calculated on a compound basis.
Numbers may not add to totals due to rounding.

Sources: 1990 and 2000—U.S. Census Bureau
Current and Forecast—Estimates by analyst

Table 4
Housing Inventory, Tenure, and Vacancy
Lynchburg HMA
April 1, 1990 to October 1, 2004

	Lynchburg HMA			City of Lynchburg Submarket			Bedford Area Submarket			Remainder of HMA Submarket		
	1990	2000	Current	1990	2000	Current	1990	2000	Current	1990	2000	Current
Total Housing Inventory	84,018	98,057	104,700	27,233	27,640	28,600	22,266	29,543	32,800	34,519	40,874	43,300
Occupied Units	77,220	89,736	95,230	25,143	25,477	26,300	19,767	26,357	28,970	32,310	37,902	39,960
Owners	56,329	66,664	71,300	14,634	14,914	15,550	16,387	22,156	24,650	25,308	29,594	31,100
%	72.9	74.3	74.9	58.2	58.5	59.1	82.9	84.1	85.1	78.3	78.1	77.8
Renters	20,891	23,072	23,930	10,509	10,563	10,750	3,380	4,201	4,320	7,002	8,308	8,860
%	27.1	25.7	25.1	41.8	41.5	40.9	17.1	15.9	14.9	21.7	21.9	22.2
Vacant Units	6,798	8,321	9,470	2,090	2,163	2,300	2,499	3,186	3,830	2,209	2,972	3,340
Available Units	2,629	2,913	2,995	1,249	1,144	1,225	579	694	715	801	1,075	1,055
For Sale	924	1,167	1,167	325	333	350	298	344	375	301	490	442
Rate (%)	1.6	1.7	1.6	2.2	2.2	2.2	1.8	1.5	1.5	1.2	1.6	1.4
For Rent	1,705	1,746	1,828	924	811	875	281	350	340	500	585	613
Rate (%)	7.5	7.0	7.1	8.1	7.1	7.5	7.7	7.7	7.3	6.7	6.6	6.5
Other Vacant	4,169	5,408	6,475	841	1,019	1,075	1,920	2,492	3,115	1,408	1,897	2,285

Sources: 1990 and 2000—U.S. Census Bureau
Current—Estimates by analyst

Table 5
Residential Building Permit Activity
Lynchburg HMA
1990 to 2003

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Lynchburg HMA														
Total	903	932	1,047	1,194	1,144	1,199	1,229	1,205	1,232	1,204	1,205	1,236	1,458	1,421
Single-family	814	884	1,021	1,136	1,060	1,097	1,169	1,102	1,107	1,121	976	1,050	1,203	1,391
Multifamily	89	48	26	58	84	102	60	103	125	83	229	186	255	30
City of Lynchburg Submarket														
Total	118	110	125	122	134	141	161	167	167	187	364	286	323	395
Single-family	99	104	115	110	130	127	139	143	150	169	152	202	251	393
Multifamily	19	6	10	12	4	14	22	24	17	18	212	84	72	2
Bedford Area Submarket														
Total	435	452	533	607	589	563	572	540	559	569	483	464	555	634
Single-family	403	444	525	605	557	529	550	506	513	529	479	444	545	624
Multifamily	32	8	8	2	32	34	22	34	46	40	4	20	10	10
Remainder of HMA Submarket														
Total	350	370	389	465	421	495	496	498	506	448	358	486	580	392
Single-family	312	336	381	421	373	441	480	453	444	423	345	404	407	374
Multifamily	38	34	8	44	48	54	16	45	62	25	13	82	173	18

Sources: U.S. Census Bureau, C40 Series Construction Reports
U.S. Census Bureau, Building Permits Survey

Table 6
Estimated Qualitative Demand for New Market-Rate Rental Housing
Lynchburg HMA
October 1, 2004 to October 1, 2007

One Bedroom		Two Bedrooms		Three Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
700	180	800	330	900	140
750	160	850	275	950	115
800	145	900	245	1,000	105
850	130	950	210	1,050	95
900	110	1,000	175	1,100	80
950	90	1,050	140	1,150	70
1,000	70	1,100	110	1,200	65
1,100	50	1,200	85	1,300	55
1,200	40	1,300	70	1,400	45
1,300	30	1,400	50	1,500	30
1,400	25	1,500	40	1,600	20
1,500	20	1,600	15	1,700	15
1,600 or more	15	1,700 or more	10	1,800 or more	10

Note: Distribution is noncumulative.

Source: Estimates by analyst

Table 7
Estimated Qualitative Demand for New Market-Rate Sales Housing
Lynchburg HMA
October 1, 2004 to October 1, 2007

Price Range (\$)	Units of Demand
75,000 to 100,000	400
100,000 to 125,000	405
125,000 to 150,000	330
150,000 to 175,000	510
175,000 to 200,000	290
200,000 to 225,000	275
225,000 to 250,000	255
250,000 to 275,000	240
275,000 to 300,000	225
300,000 to 325,000	210
325,000 to 350,000	190
350,000 to 375,000	175
375,000 and above	145
Total	3,650

Source: Estimates by analyst