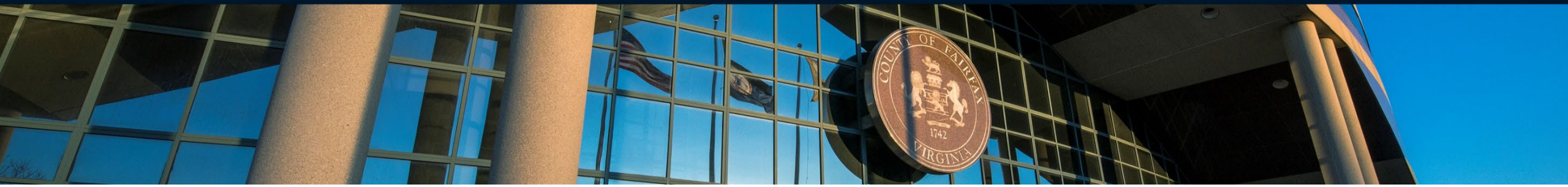
FAIRFAX COUNTY
VIRGINIA



Housing Needs Assessment: Highlights and Housing Initiatives Progress

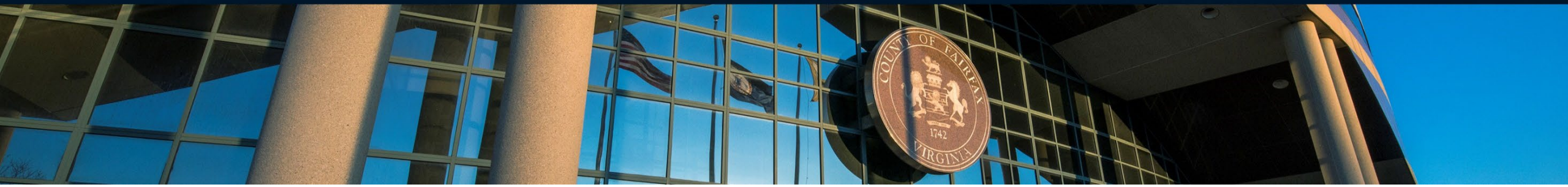
Supervisor Rachna Sizemore Heizer, Chair
Tom Fleetwood, Director, HCD

February 10, 2026

Today's Agenda

- Highlights of Housing Needs Assessment
- Housing Initiatives Progress:
  - Progress on 10,000 Units by 2034
  - Inclusionary Housing
  - Market Affordable Survey
  - Housing Task Force





Housing Needs Assessment: Highlights

Where We Stand

- National and statewide housing crisis is **acute** in Fairfax County
- Fairfax County needs more housing. Period.
- Housing for all income levels is essential to our sustained economic competitiveness and affordability.
  - Job creation and retention
  - Success for low- and moderate-income families
  - Expanded tax base
- Failure to provide for a range of housing needed in our economy may lead to an out-migration of jobs.

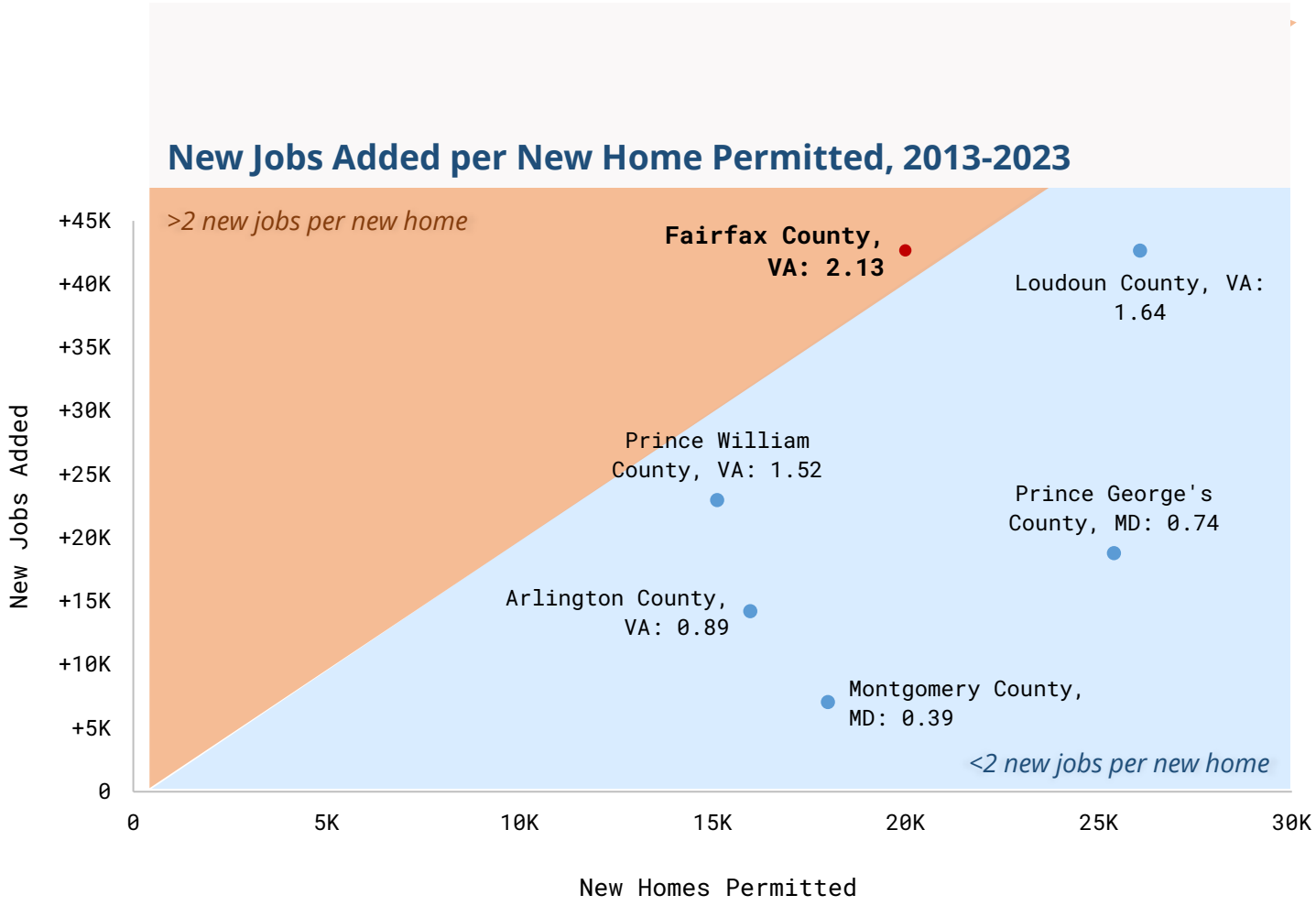
Key Takeaways

- Two housing markets: homeownership and rental
  - *Neither work for low- and moderate-income working households in Fairfax County.*
  - *Insufficient supply for both low-and moderate-income working households in Fairfax County.*
- Homeownership is **out of reach** for moderate income households, including young professionals

JOB DEMAND EXCEEDS HOME PRODUCTION

From 2013-2023, Fairfax added 43K jobs and permitted 20K homes – adding 2.13 new jobs per new home. The recommended ratio for a healthy market is 1.5 jobs per home. This ratio indicates **housing supply is not keeping pace with demand related to job growth and has contributed to the County's housing shortage.**

Fairfax County was the only county that created more than 2 new jobs per new home compared to its peers.

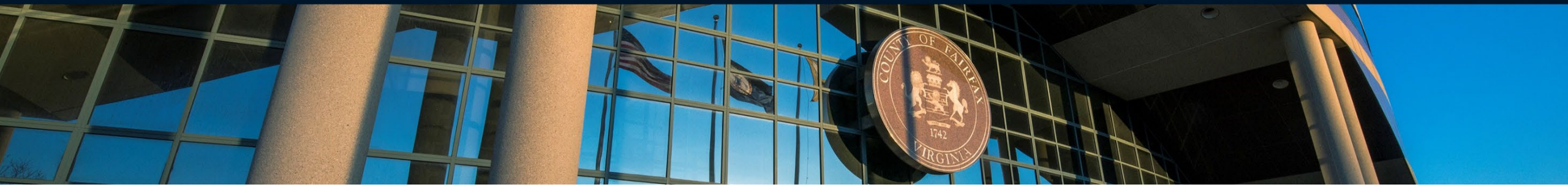


Sources: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW), and U.S. Department of Housing and Urban Development (HUD), State of the Cities Data Systems (SOCDS), Building Permits Survey (BPS).

Note: BPS data accounts for all housing permits and does not indicate which permits are rental homes and which are for-sale homes.

Key Takeaways

- The market is not fixing the supply issue; Fairfax County continues to deliver two jobs for every new housing unit.
- Rental housing market currently has a **major** gap for 60% AMI and below. Critical shortage of housing for lower income residents – extreme cost burdens with few housing choices.
  - *Other than the affordable homes delivered by FCRHA, the market is not delivering homes to address this gap.*
- The FCRHA and the Board of Supervisors are taking aggressive steps to address the broad range of affordability challenges.



Housing Needs Assessment: Homeownership Market

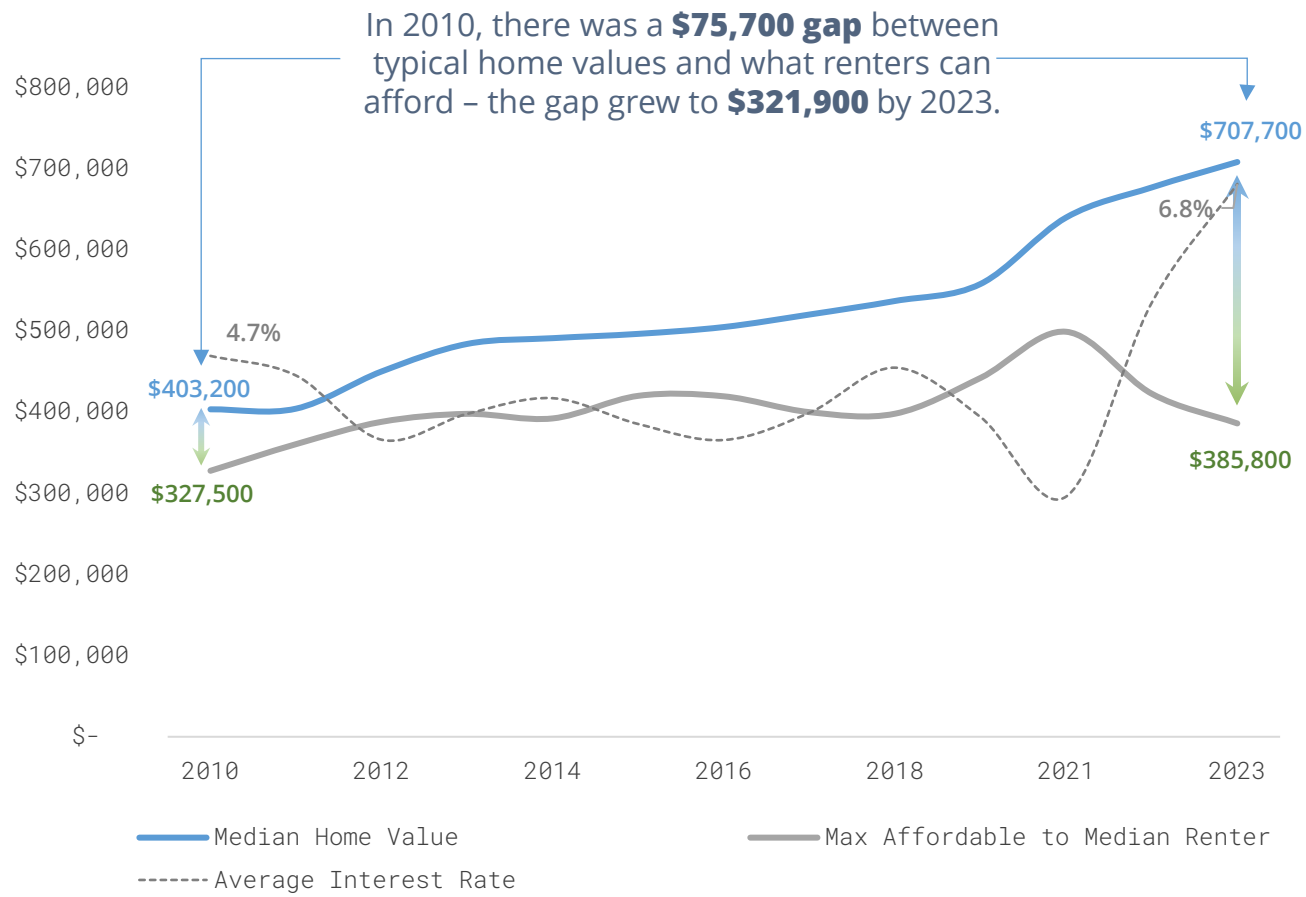
HOMEOWNERSHIP AFFORDABILITY GAP WIDENING

Renters aspiring to buy a home have a harder time doing so in today's economy.

The difference between the County's median home value and the maximum price a renter household can afford **is over 3 times higher in 2023 than it was in 2010.**

Purchasing power is further dampened by **interest rates, which remain above pre-2020 averages.**

Home Value v. Interest Rates v. Max Affordability by Tenure, 2010-2023



Sources: Zillow Research, Zillow Home Value Index (ZHVI), All Homes Time Series; FRED, MORTGAGE30US; U.S. Census Bureau, American Community Survey (ACS), 1 Year Estimates.
Notes: To align with ACS data, Zillow home values are the December value for each year; the ACS did not produce 1 Year Estimates for 2020. HR&A has calculated the affordable home price based on 30% of the annual median renter household income from the ACS, accounting for the national annual average 30-year fixed mortgage rate from Freddie Mac provided by the Federal Reserve Bank of St. Louis (FRED); effective property tax rates calculated from ACS median property taxes and median home values; and an assumed 20% down payment.

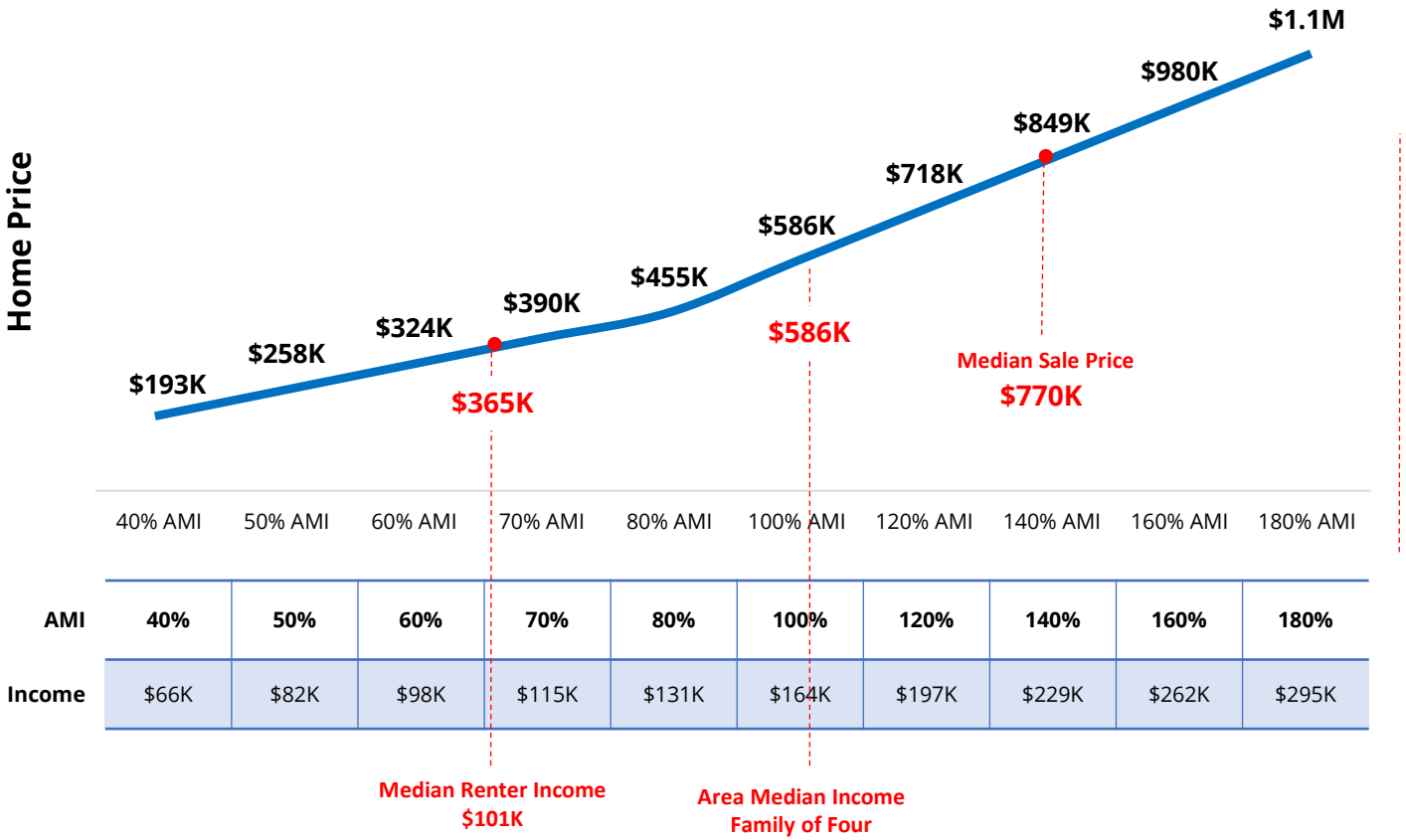
RISING HOME PRICES CONSTRAINED PURCHASING POWER

In 2024, the median **home sales price in Fairfax County was $770,000.** A family of four would **need a household income of at least $230K** to afford the median home.

By contrast, the **median income of a family of four who rents is $101K**. This household could **only affordable a home priced $365K**.

Of all sales in Fairfax County since 2022, **the median renter household** of four can only afford to **purchase less than 20% of all homes sold.**

What is the maximum home price a 4-person household can afford in Fairfax County?



AMI	40%	50%	60%	70%	80%	100%	120%	140%	160%	180%
Income	$66K	$82K	$98K	$115K	$131K	$164K	$197K	$229K	$262K	$295K

Source: Fairfax County WDU Program Income Limits, HR&A Calculation
Maximum affordable home price rounded to nearest hundredth. Price assumes 10% downpayment, 1.12% property tax rate, and 30-year fixed mortgage at 6.35%. Assumes $108/month in homeowners' insurance and with a $400/month condo/HOA fee based on comparable homes listed on Zillow as of September 2025. Home burden ratio of 35% in alignment with Affordable Dwelling Unit program terms.

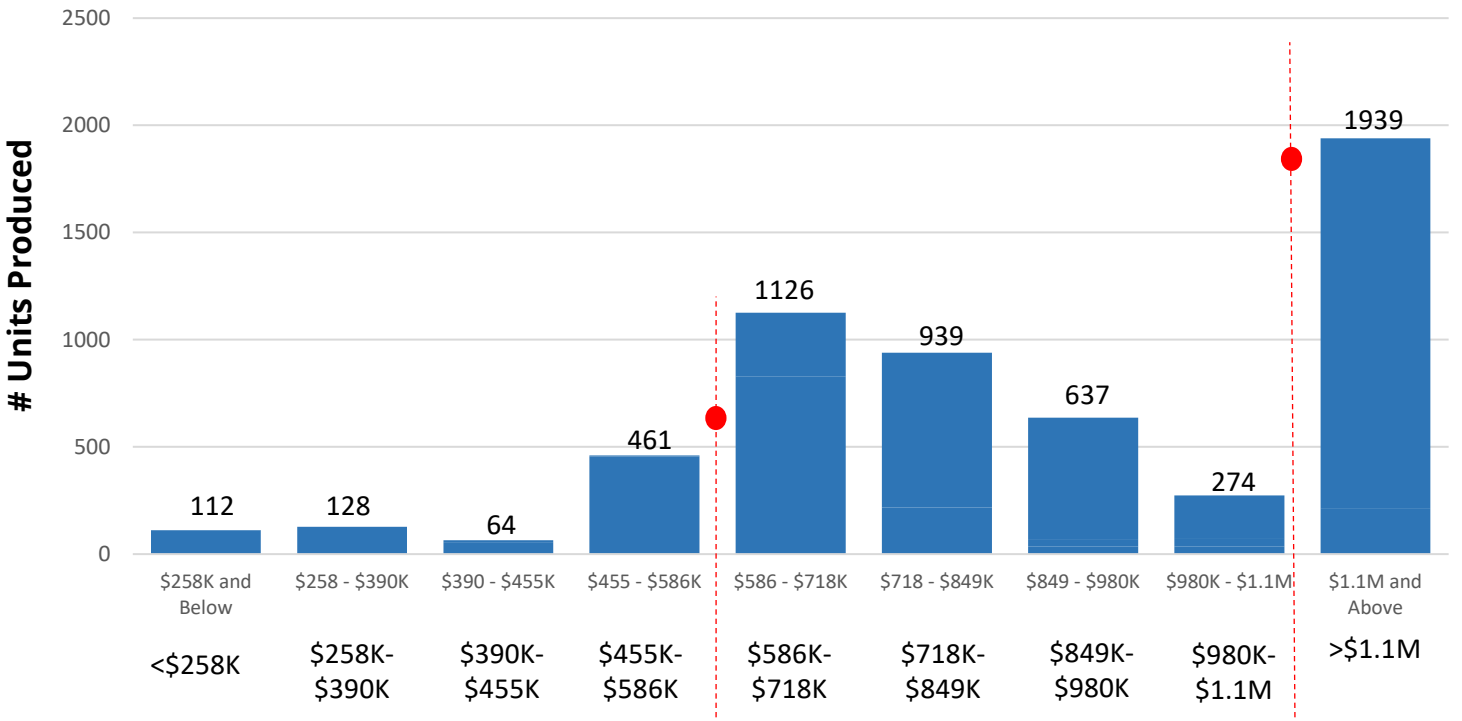
NEW HOME CONSTRUCTION NOT MEETING KEY DEMAND AREAS

Only 13% of units produced were affordable to families makes less than 100% AMI.

More than **1/3 of all new homes sold for over $1.1M**.

Every single-family detached home built in 2025 sold for **more than $1.1M.**

2021-2025 New Homes Production: 5,680
Purchase Price Point Information



13%
Of Units Produced Affordable to Families Making Less than 100% of AMI

34%
Of Homes Sold for Over $1.1 M

Source: Fairfax County Department of Tax Administration – Sale of New Homes 2021-2025

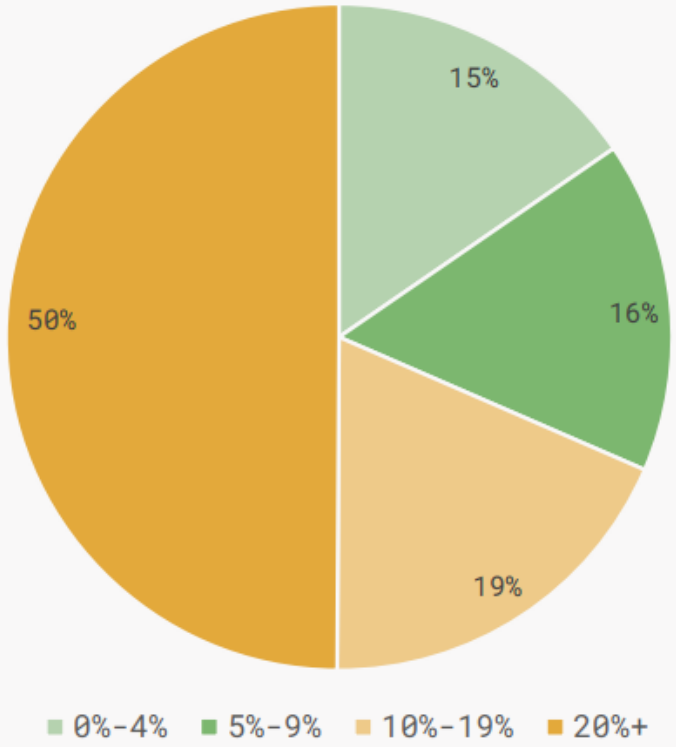
BUYING IN FAIRFAX REQUIRES HIGH UPFRONT COSTS

About **half of homebuyers in Fairfax County are putting 20% of the purchase price toward their down payment—** typically well over $100,000 for the down payment alone, not including additional closing costs.

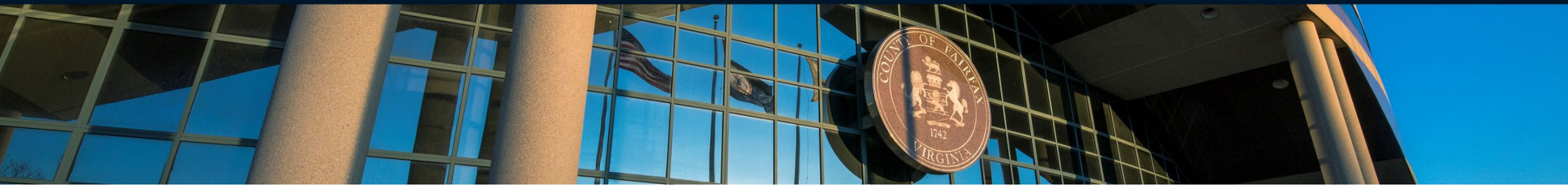
For the median renter household, a competitive down payment of 20% of the typical home price would require saving 10% of their annual pre-tax income for 15 years in a simple savings account with no interest.

The median renter would have to save for 15 years to have a competitive 20% downpayment.

Down Payment Percentages for Home-Purchase Mortgages (2022-2024)



Source: HMDA (2022-2024); Zillow (2024); American Community Survey (ACS), 2023 1-Year Estimates, US Census Bureau.
Note: Home purchase mortgages are restricted to single-family (1-4 unit), site-built first-lien, owner-occupied, non-reverse, non-open-end, and non-commercial loan originations. Down payment amounts are based on the December 2024 typical Zillow home values to align with American Community Survey (ACS) data.



Housing Needs Assessment: Rental Market

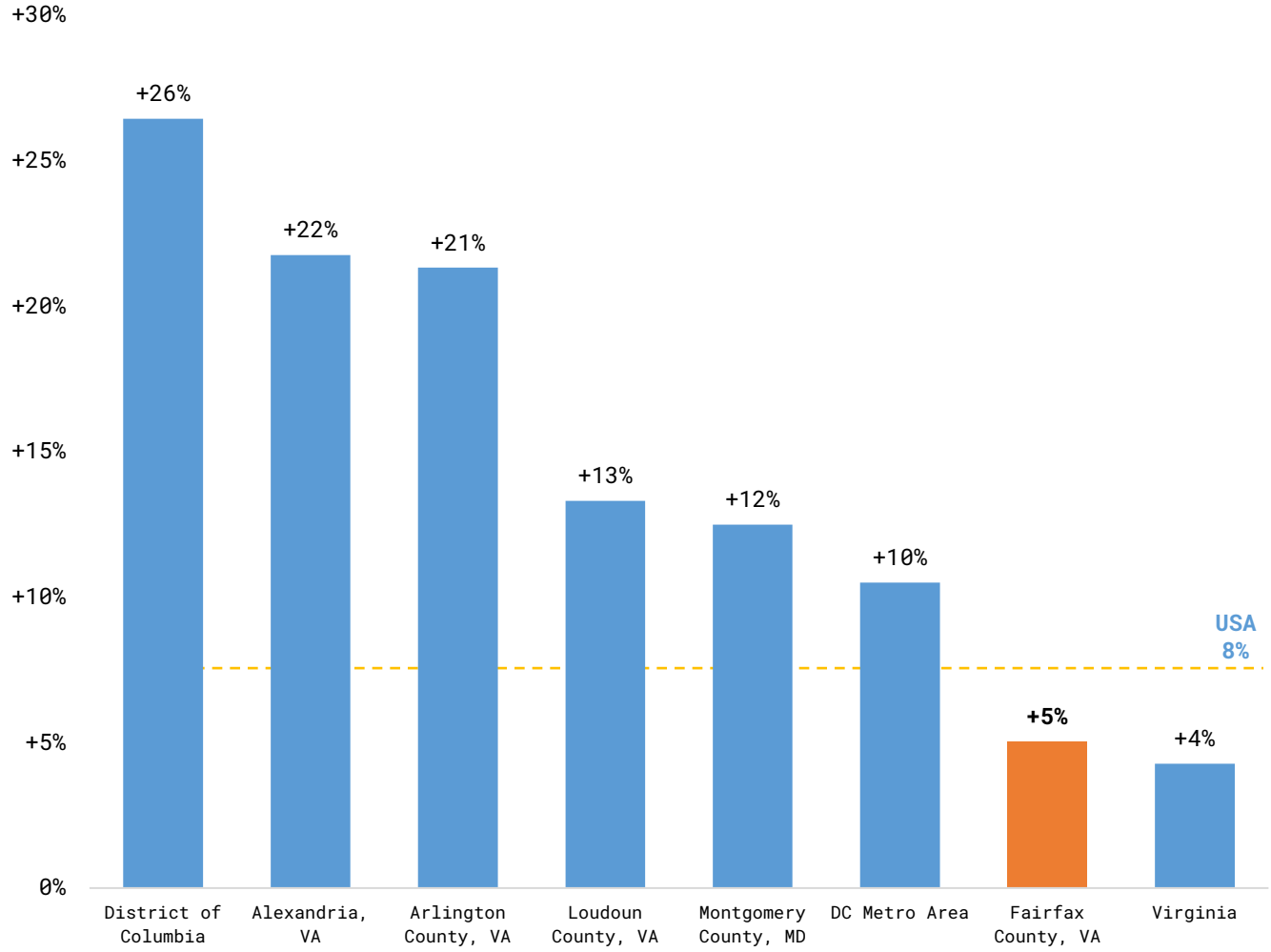
RENTAL HOUSING PRODUCTION LAGS REGIONAL NEIGHBORS

Fairfax County's new rental housing production has lagged behind its peers, contributing to higher rents.

Between 2013 to 2023, **Fairfax rental housing supply grew only 5%.** By comparison, Arlington County's renter-occupied home supply grew by 21% and D.C.'s grew by 26%.

A low rate of new renter homes has ripple effects across the housing market, leading to surging rental costs for fewer units which only higher-income households can afford.

Percent Change in Renter-Occupied Homes, 2013-2023



Source: U.S. Census Bureau, American Community Survey (ACS), 1-Year Estimates.

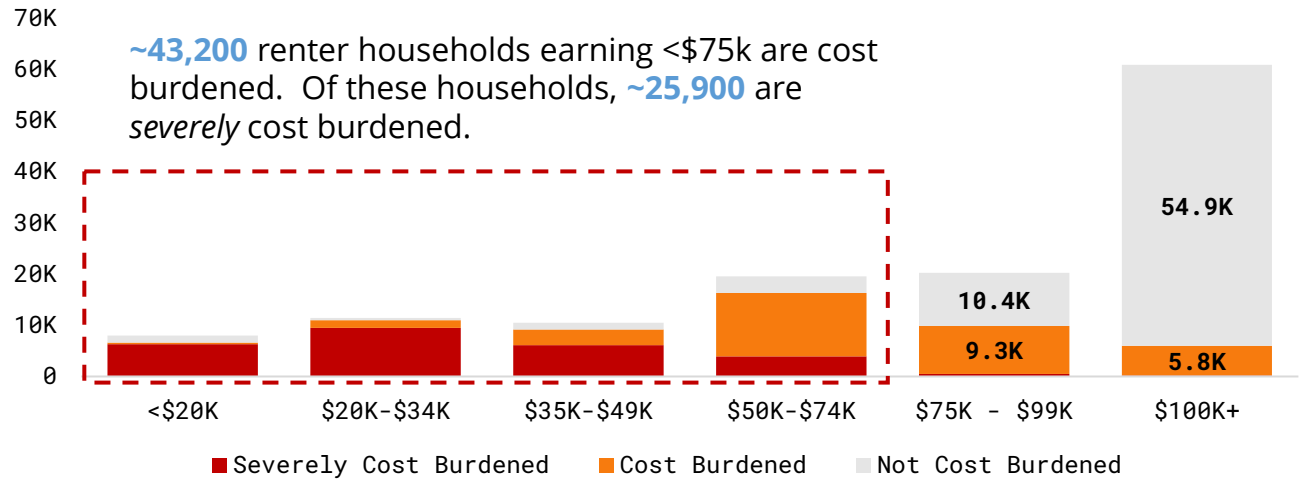
MAJORITY OF LOWER-INCOME HOUSEHOLDS ARE COST BURDENED

Fairfax County has 59,000 cost-burdened renter households spending more than 30% of their income on rent and utilities – for an **overall cost-burden rate of 45%**.

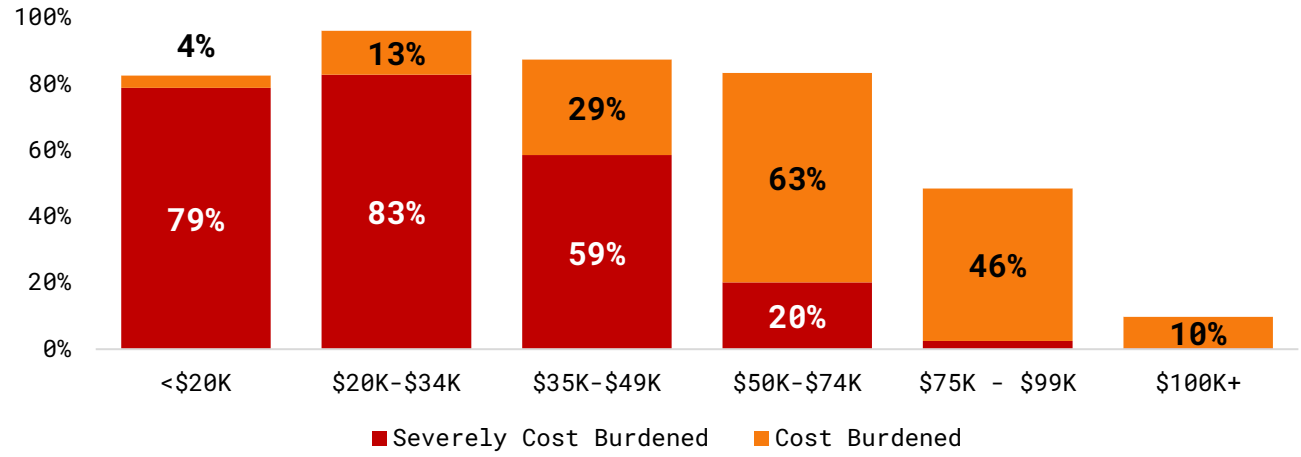
But **lower-income households are disproportionately impacted**: among renters earning less than $75,000 per year, 87% are cost-burdened and spend at least 30% of their income on rent and utilities.

Further, 52% of households earning under $75,000 spent over 50% of their income on rent and utilities, making them severely cost-burdened.

Renter Households by Household Income and Cost Burden Status



Renter Cost Burden Rate by Household Income

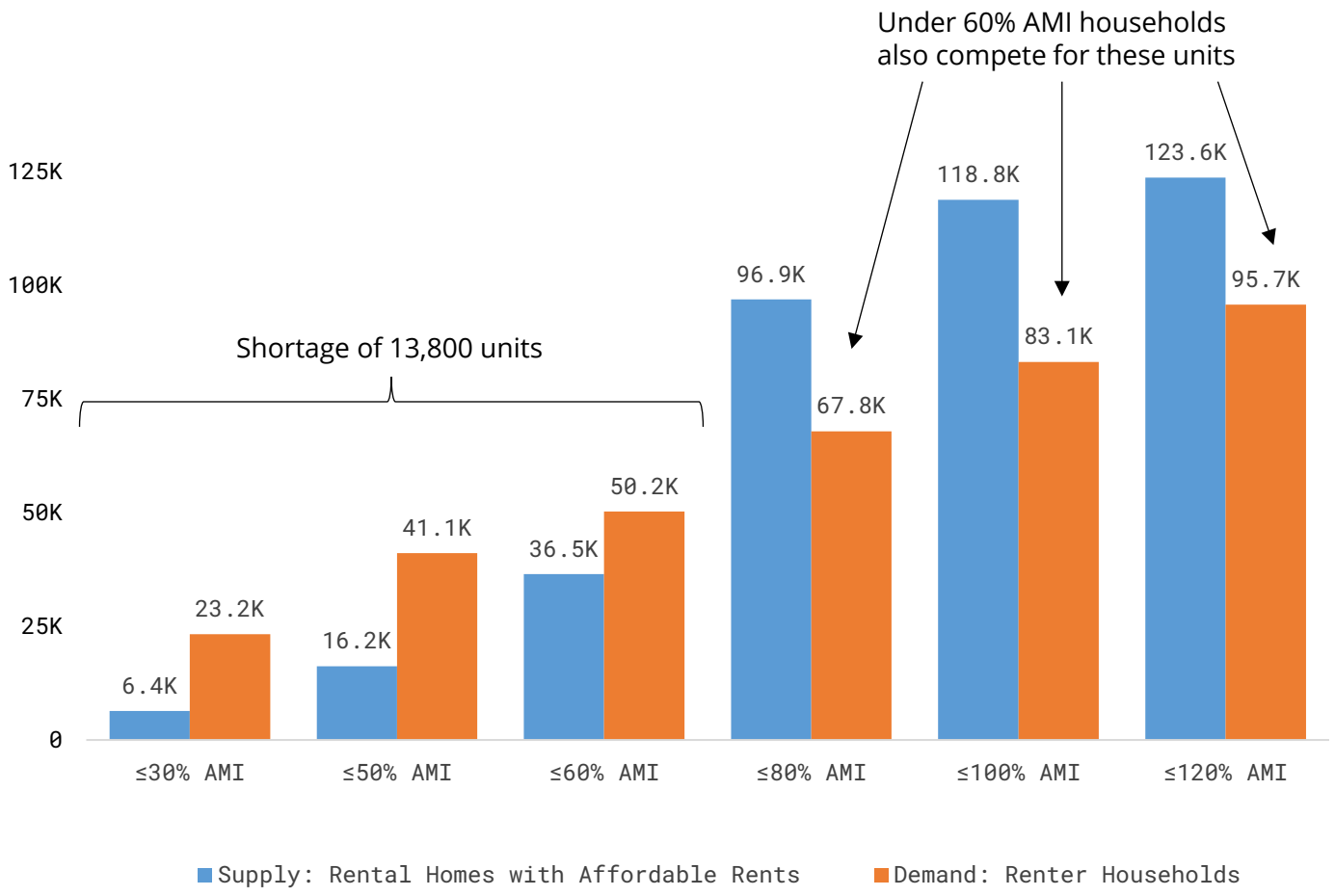


Source: U.S. Census Bureau, American Community Survey (ACS), 1-Year Estimates.
Note: Renters with no income and rent data are excluded from calculations.

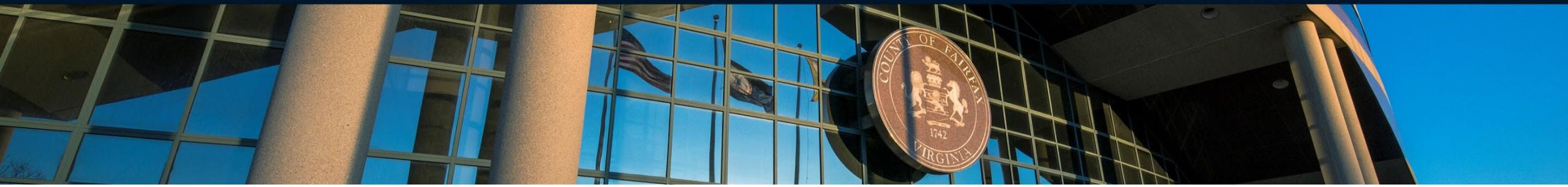
SHORTAGE OF AFFORDABLE HOMES FOR ≤60% AMI HOUSEHOLDS

The County is **short an estimated 13,800 rental homes affordable for 60% AMI households** ($98,350 for a 4-person household or $78,700 for 2-person household). The lack of affordable rental homes often drives lower AMI households to homes out of their price range, creating cost burden, and increased competition for units across the income spectrum, even though the market has enough units to serve higher-AMI households.

Supply and Demand for Rental Homes by Household Income Relative to Area Median Income (AMI)



Source: U.S. Census Bureau, American Community Survey (ACS), 1-Year Estimates.



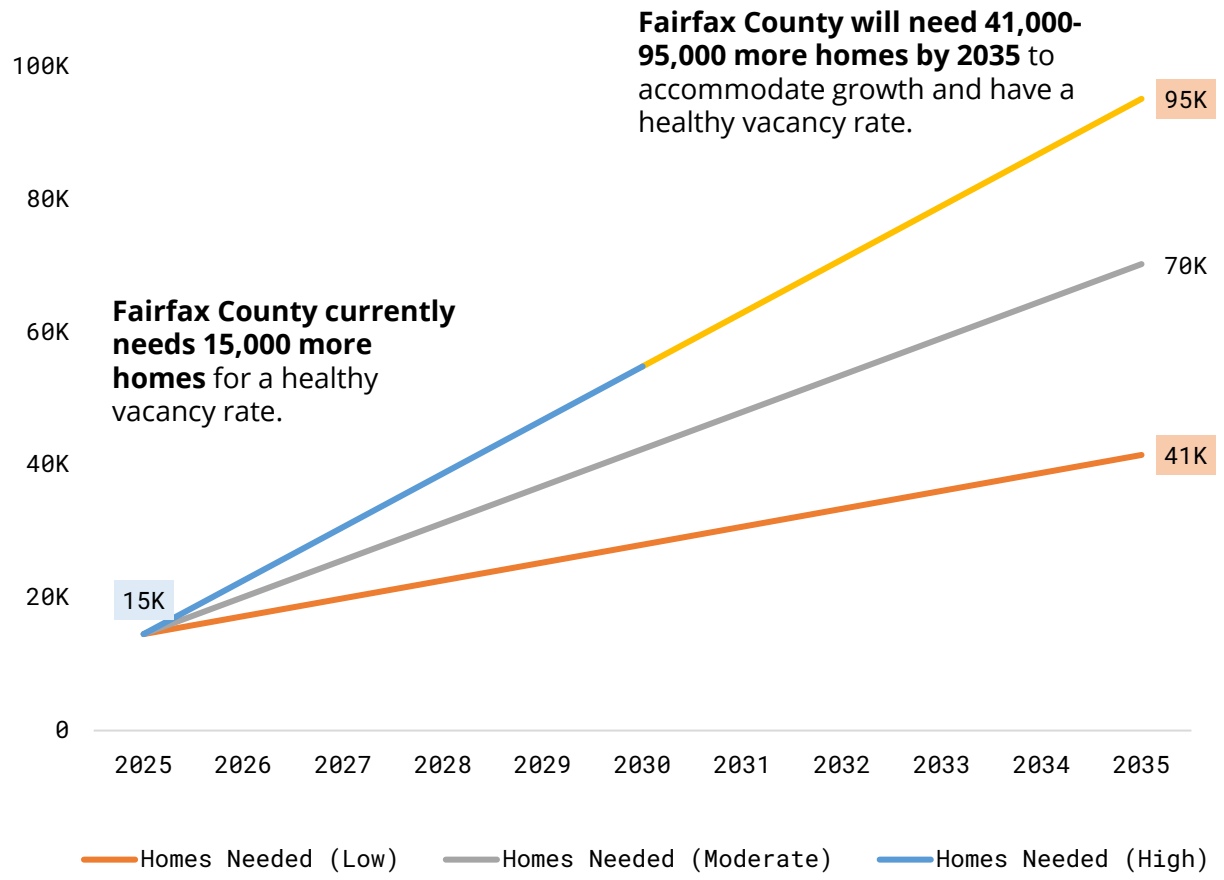
Housing Needs Assessment: Looking to the Future

FAIRFAX COUNTY WILL NEED 41K-95K NEW HOMES BY 2035

A healthy housing market needs about 5% of all homes to be vacant and available. These available homes allow households to move for jobs, start families, or otherwise relocate. At present, **Fairfax County needs 15K more homes to achieve a healthy 5% vacancy rate.**

To account for projected demand from new households, **Fairfax County will require 41K-95K total new homes by 2035**, including current need and accounting for a 5% target vacancy rate for projected future households.

New Homes Needed by 2035



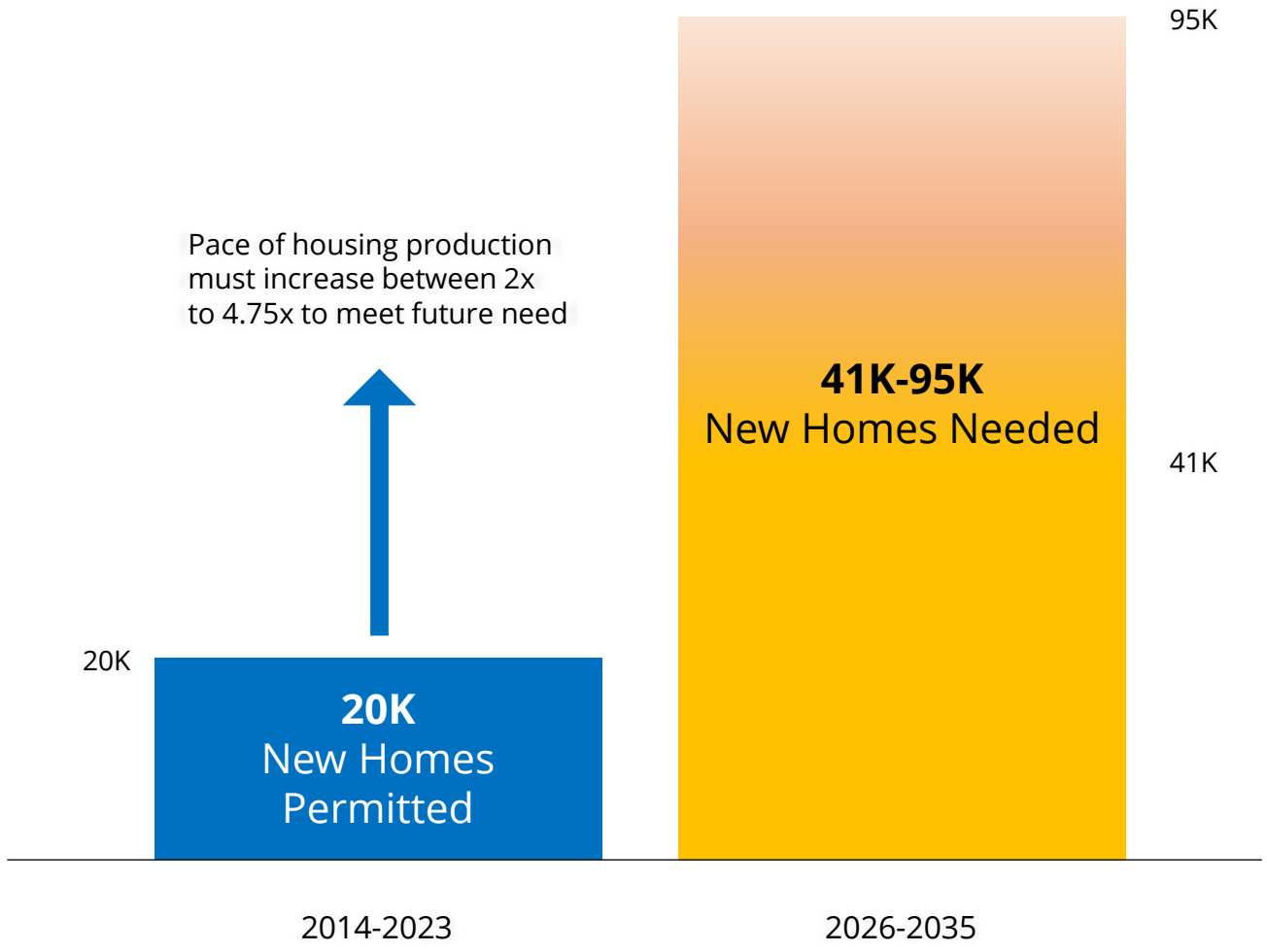
Sources: HR&A analysis of American Community Survey (ACS) 1-Year Estimates and HR&A household projections based on analysis of Cooper Center and HR&A population projections.

Note: Assumes a target vacant availability rate of 5%. The new homes needed are the additional homes needed so that vacant and available (i.e., for rent and for sale) homes equal 5% of the sum of occupied homes (i.e., total households o projected total households) plus vacant and available homes.

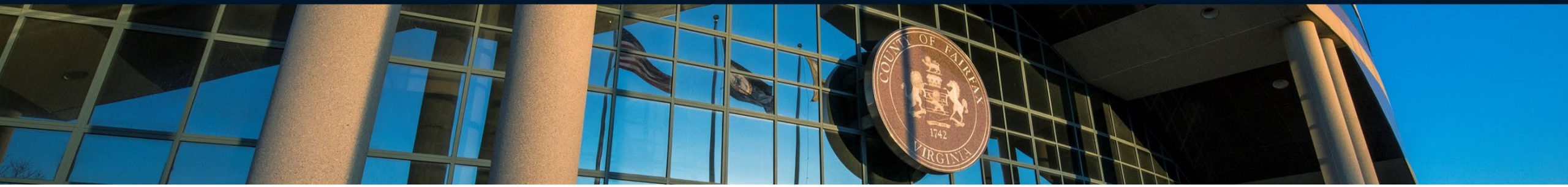
PRODUCTION MUST DOUBLE IN FAIRFAX COUNTY TO MEET FUTURE NEED

20K new homes were permitted in Fairfax County from 2014 through 2023. **Production needs to double its pace in Fairfax County to build the 41K to 95K new homes needed by 2035.**

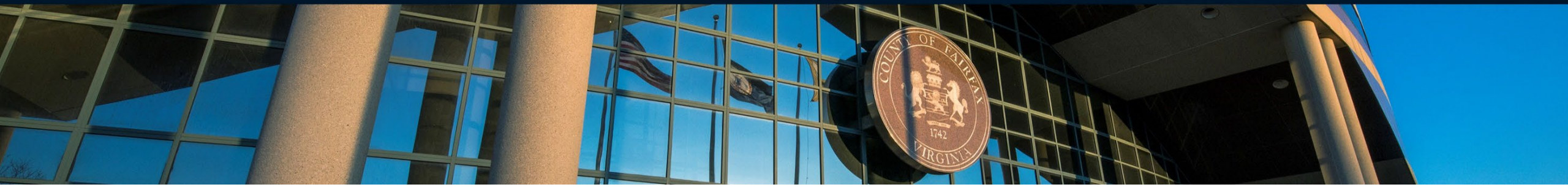
Failing to increase new home production could inhibit economic growth in Fairfax County and cause rents and home prices to continue rising faster than households can afford to pay, forcing more households to be burdened by housing costs or leave.



Sources: Building Permits Survey (BPS) accessed via the State of the Cities Data Systems (SOCDS), and HR&A analysis of household projections.
Note: The total homes needed by 2035 assumes a target vacant availability rate of 5% relative to projected total households.

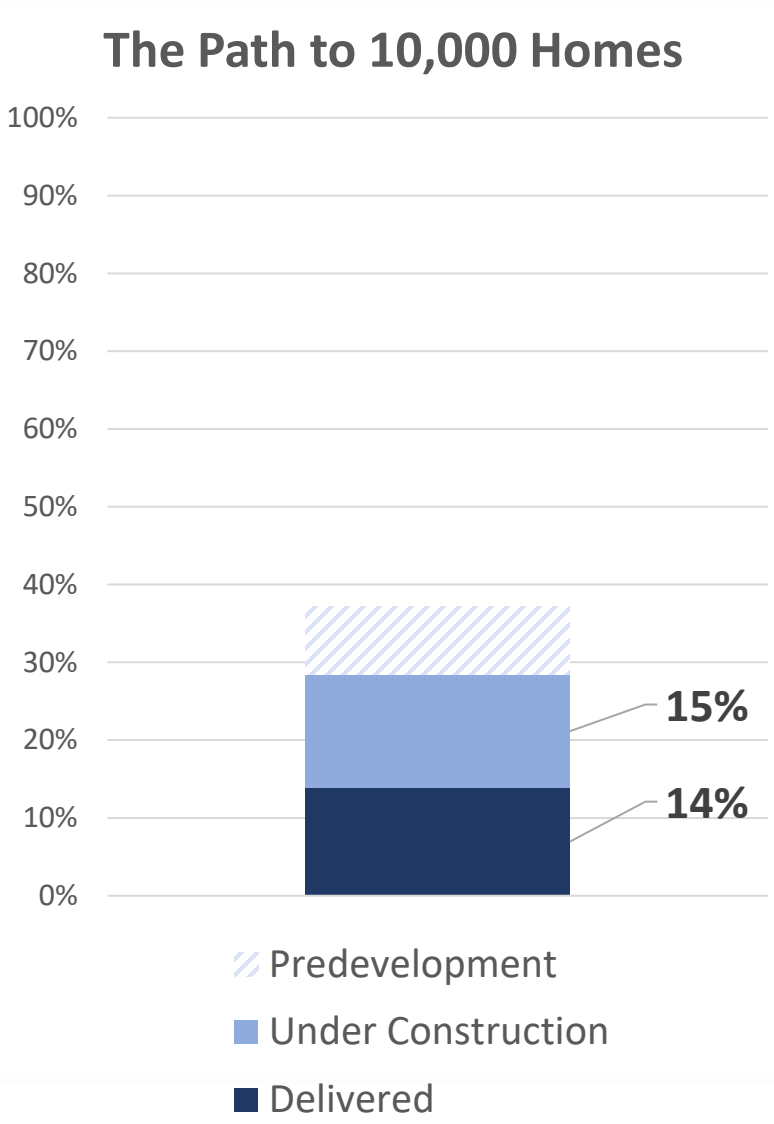


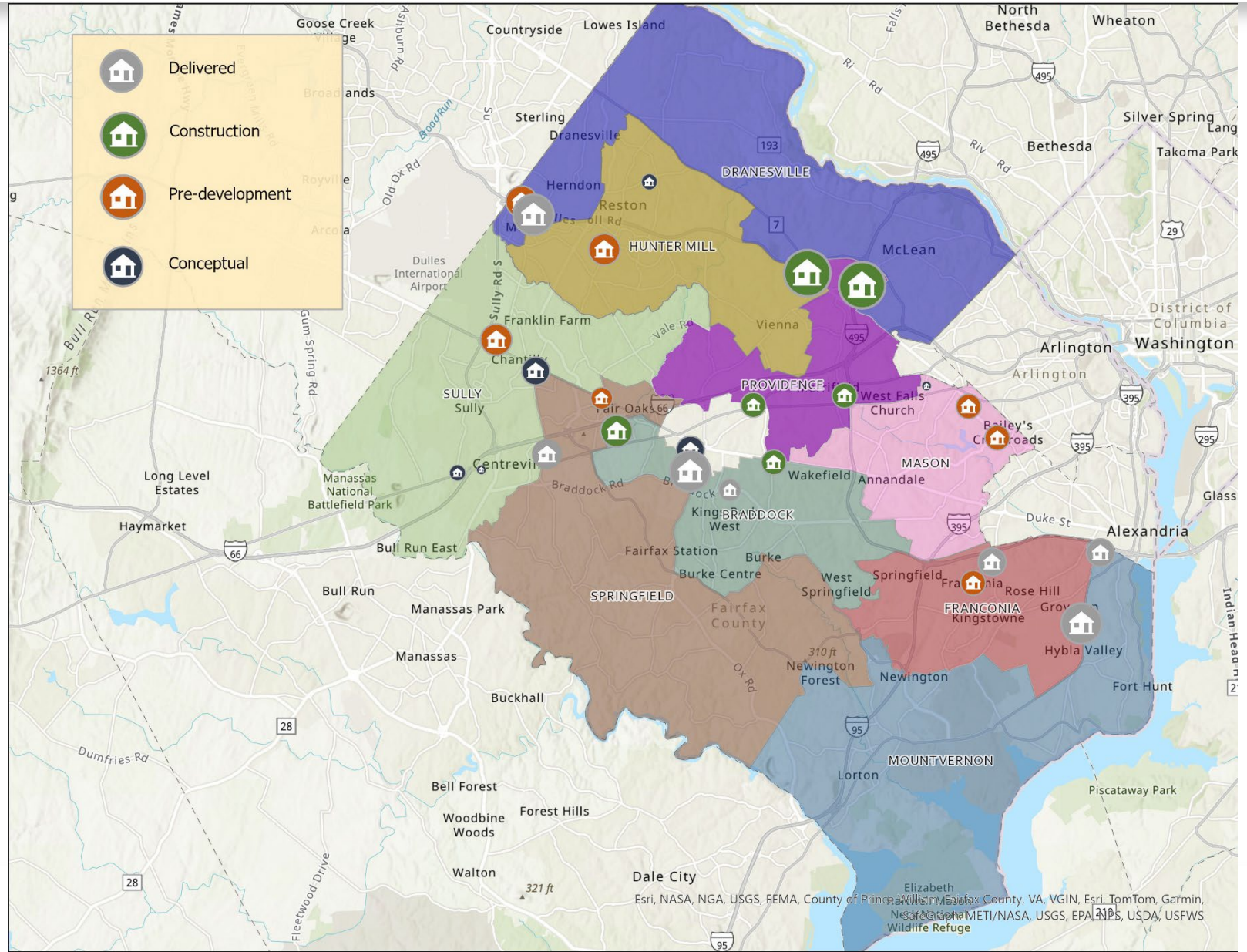
Questions/Comments



Housing Initiatives Progress

Affordable Housing Development Pipeline as of January 2026

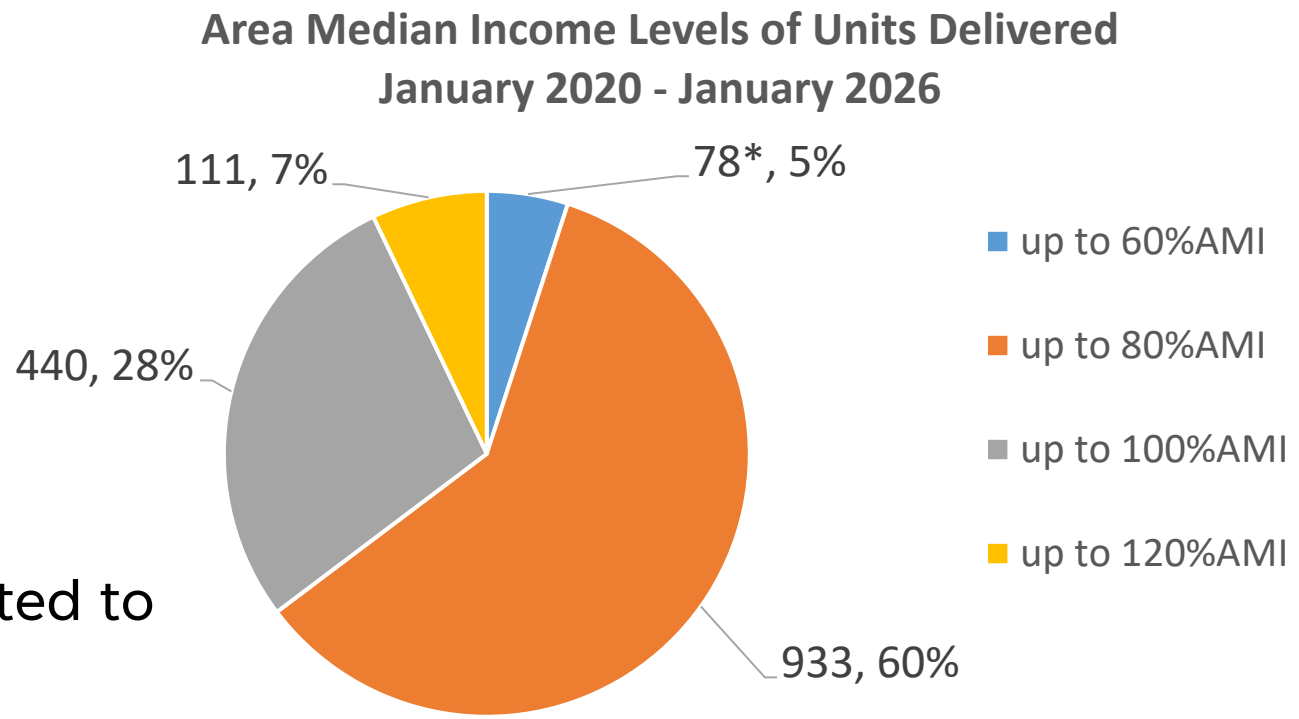




Housing Supply Strategies: Inclusionary Housing

In total, 1,562 new ADU and WDU units have been delivered since January 2020, including:

- ***1,125 new rental units***
- ***437 new for-sale units***



In total, $8,656,780 has been contributed to the County's Housing Trust Fund since January 2020:

- ***$2,551,078 Countywide Fund***
- ***$1,321,837 CCF Fund***
- ***$4,783,865 Tysons Fund***

78 Inclusionary Housing units contribute to the 10,000 unit goal

Fairfax REACH Homeownership Loans

In partnership with Virginia Housing, FCRHA will deploy **$7.5 million** in new loan funds in a variety of ways that support new homeownership for **moderate-income households:**

- **Priority:** Enhanced Homebuyer Assistance (downpayment assistance, mortgage buy-downs, and closing costs)
- Other uses, if funding allows:
  - ✓ WDU Pricing adjustments
  - ✓ Manufactured Housing
  - ✓ Small-scale Homeownership Development opportunities

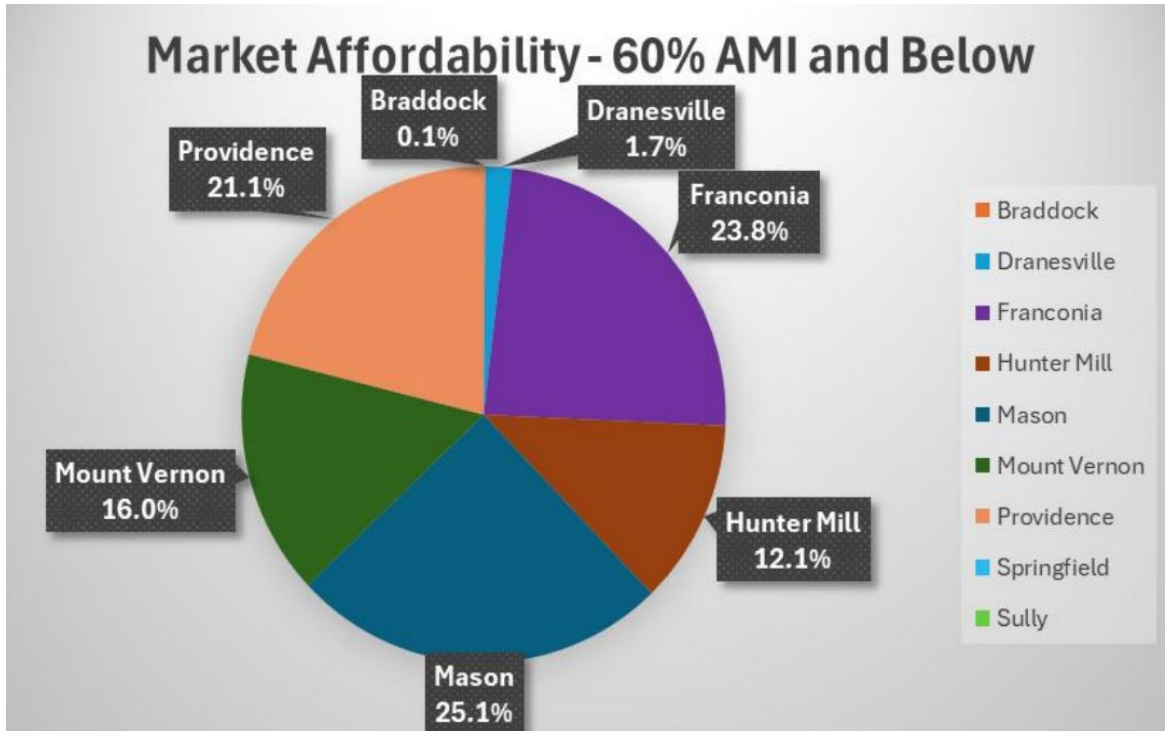
Anticipated Program Launch – Spring 2026

Market Affordable Housing Snapshot

HCD conducts a point-in-time, biennial market affordable, multifamily rental (4+ units) housing survey to support the "no net loss" goal:

Survey conducted by JLL:

- Nearly 6,700 "market-affordable" units for households earning at or below 60% AMI
  - Most units built between 1950-1970 (57%)
  - Most units 1 Bedroom (37%) and 2 Bedroom (51%)
- Approximately 37,700 units affordable between 61% and 80% AMI
- Subsequent review of Costar data show significant fluctuation in the total number of units at or below the 60% AMI threshold



Housing Supply: FCRHA Owned

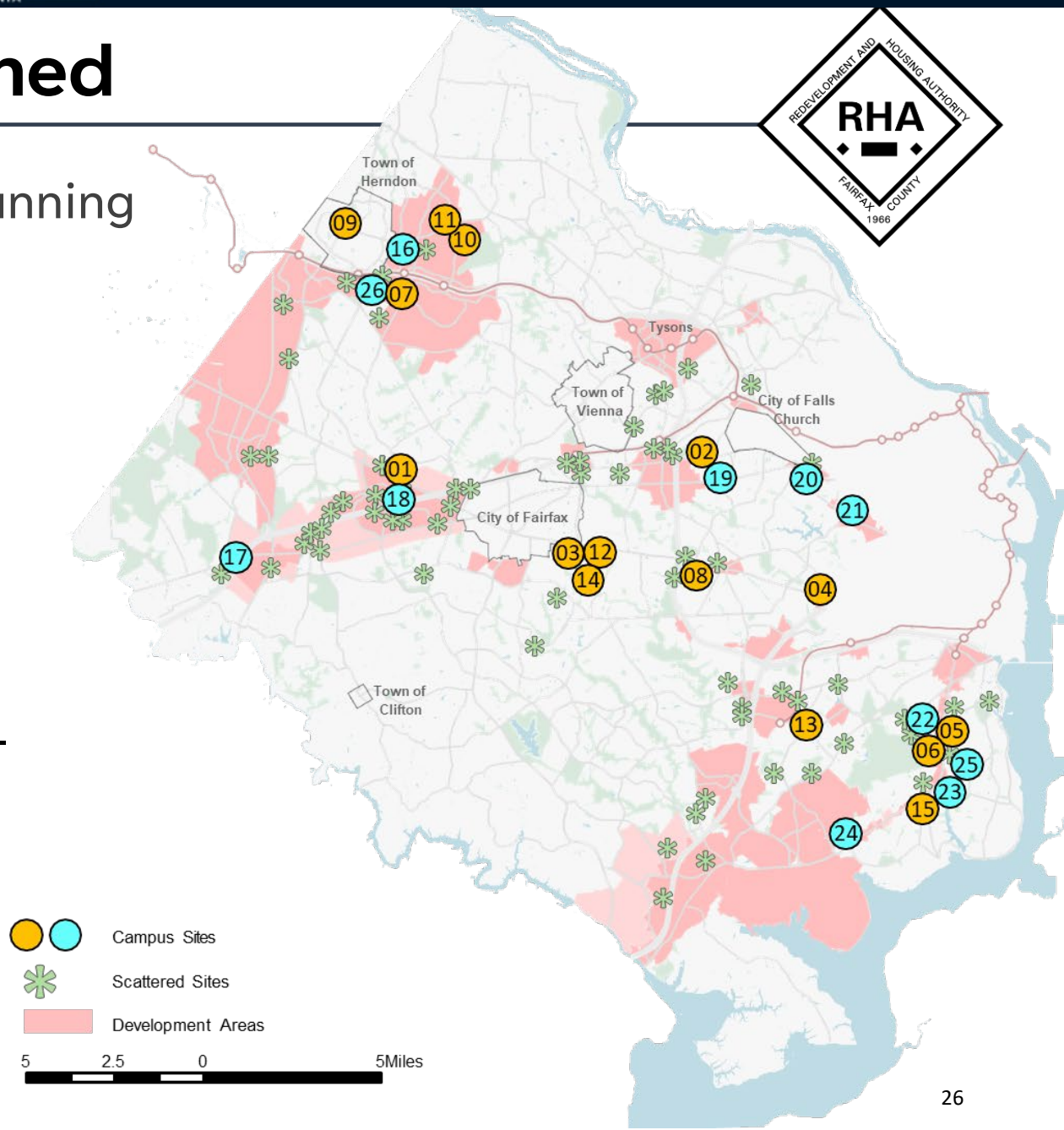
HCD staff oversees the operations and planning of long-term capital needs for the FCRHA's portfolio

The FCRHA serves:

- HCV/RAD Portfolio: 14% AMI
- FCRP Portfolio: 34% AMI

The FCRHA owns/operates:

- 3,061 multifamily units, including federally-subsidized units formerly known as “Public Housing”
- 482 senior housing units
- 112 licensed assisted living beds
- 224 units/beds of specialized housing



Interagency Housing Task Force

- Led by DCE Jen Miller, an unprecedented all-of-government effort to address housing production across the continuum
- Rethinking and building on traditional approaches, embracing innovation, and activating every available lever to expand housing supply and affordability.
- The Housing Task Force will present a myriad of new initiatives, informed by outreach to the community, this spring. The Action Plan will include implementation timelines, metrics, and quarterly updates.

Timeline

September 9, 2025
Board Matter Released

Leadership identified

Task-Force Kickoff Meeting mobilized 50 staff across 13 agencies

October 2025
(8) Sub-Group Meetings held to identify initiatives and refine themes

Task Force Leads Attend NVRC Housing Symposium to understand regional support and challenges

November 2025
Task Force socializes initial scope and initiative concepts with Chairman and Vice Chair — (2) meetings

(5) Sub-Group Meetings

(2) Task Force Lead Status Sessions

December 2025
Engagement with NVBIA/NAIOP

(7) Sub-Group Meetings

(1) Task Force Lead Status Session

Kickoff with Project Consultant

ALU Standards Initiative brought to LUPC

Workforce Housing Topic at Council on Economic Opportunity

January 2026
(January 8) Chairman's Housing Roundtable

Develop Index of Initiatives Under Consideration

(January 30) Follow-up with NVBIA/NAIOP

Draft Survey for March Outreach

February 2026
(Feb 5) Housing Developer Forum

Finalize List of Initiatives Under Consideration

(Feb 10) Housing Update Brought to HC

(Feb 27) Draft Initiatives Presented to Executive Sponsors

March 2026
(March 19) Stakeholder Engagement / Survey Release

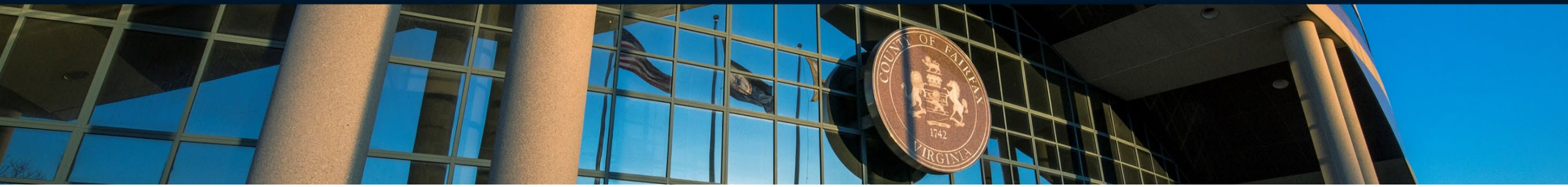
Analyze feedback and make refinements

April 2026
Complete and Release Draft Roadmap and Action Plan

May 12, 2026
Economic Competitiveness; Housing; and Land Use Policy Committees to consider next steps and provide direction

Ongoing -
Quarterly Action Plan Status updates

Deliverables to Board of Supervisors



Questions/Comments