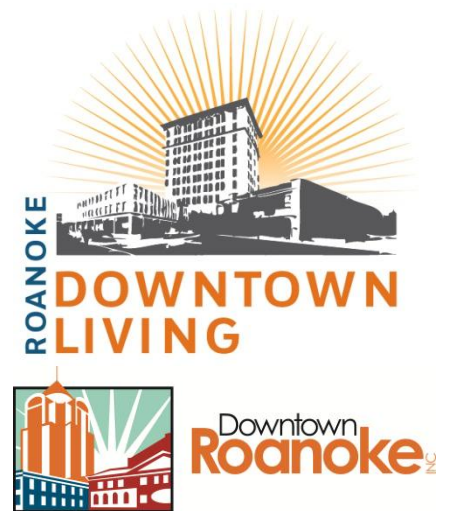


# DOWNTOWN HOUSING IN ROANOKE, VA

---

Presentation for the Virginia Association of  
Assessing Officers

October 7, 2011



# Overview

- Why live Downtown?
- Downtown Living in Roanoke
- Impact of Downtown Living on City Finances

# WHY LIVE DOWNTOWN?

---

What is fueling the national trend towards urban living?

# Changing Popular Culture

Then...



**Suburbs** are the American Dream

Now...



Glamorization of **Urban Living**

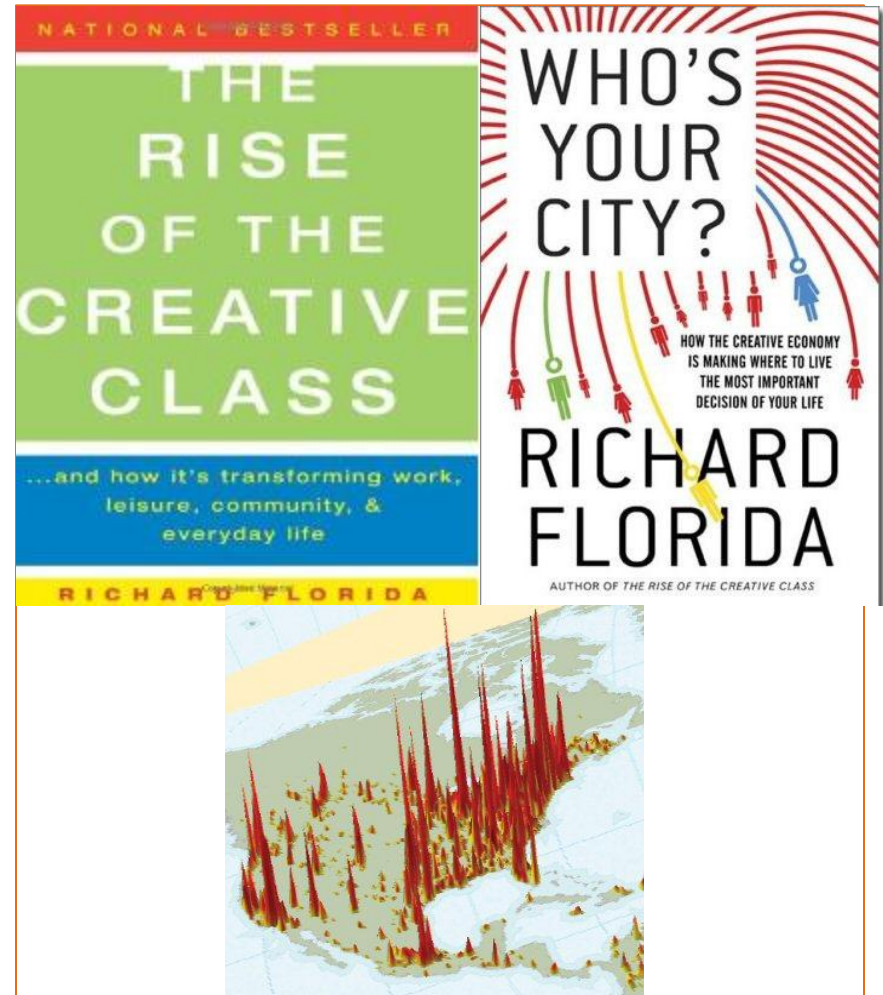


# Sprawl, Traffic, Gas Prices



# Downtown Revitalization Nationally

- “Knowledge Workers” want to work in “hip” locations
- More companies moving back from the suburbs
- Downtowns returning to 24 x 7 vibrancy
- Creating new neighborhoods



Are we witnessing a sociological and demographic shift?

OR

Is Urban Revitalization a fad?

# SUCCESSSES IN ROANOKE

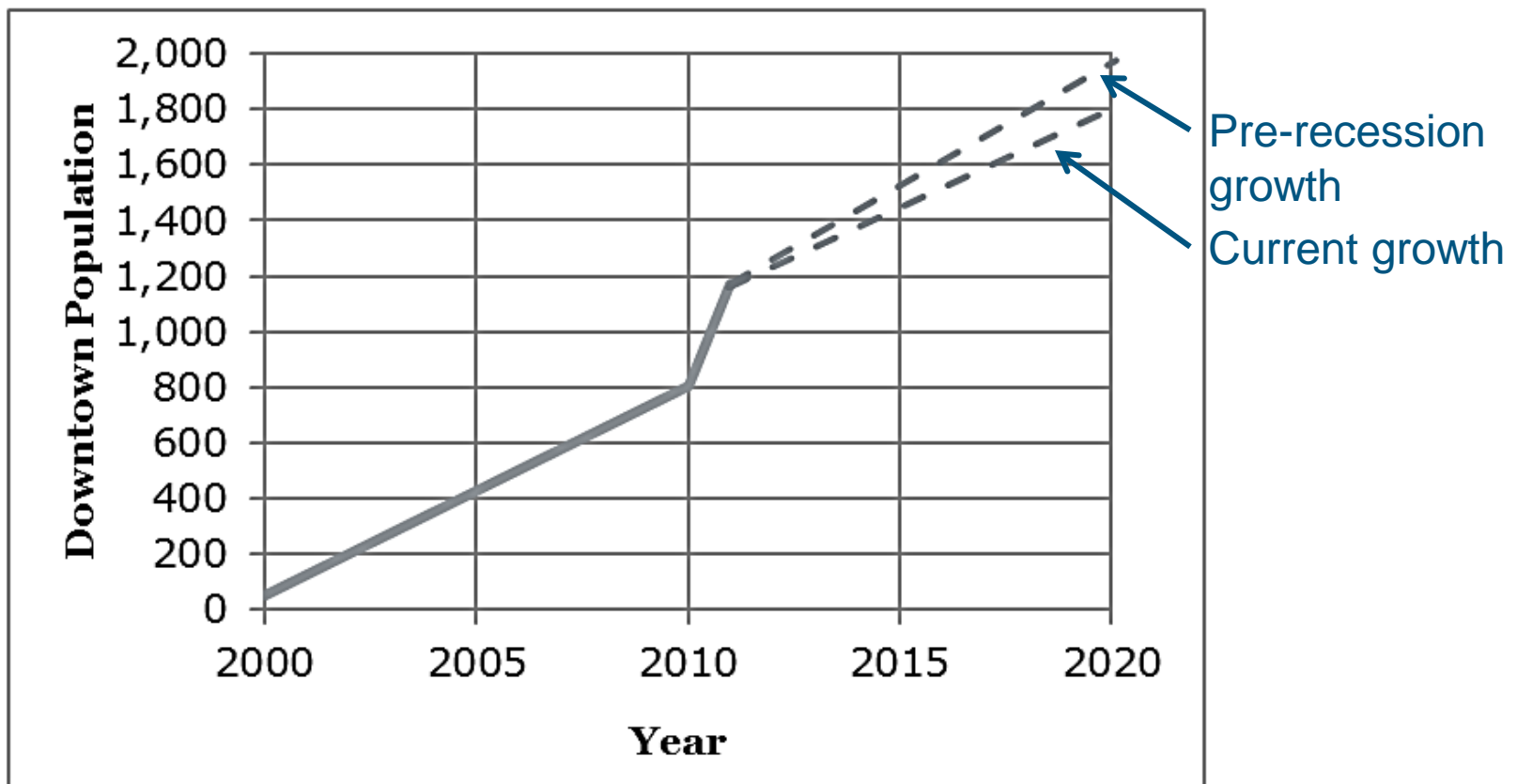
---

Downtown Living and Downtown Revitalization



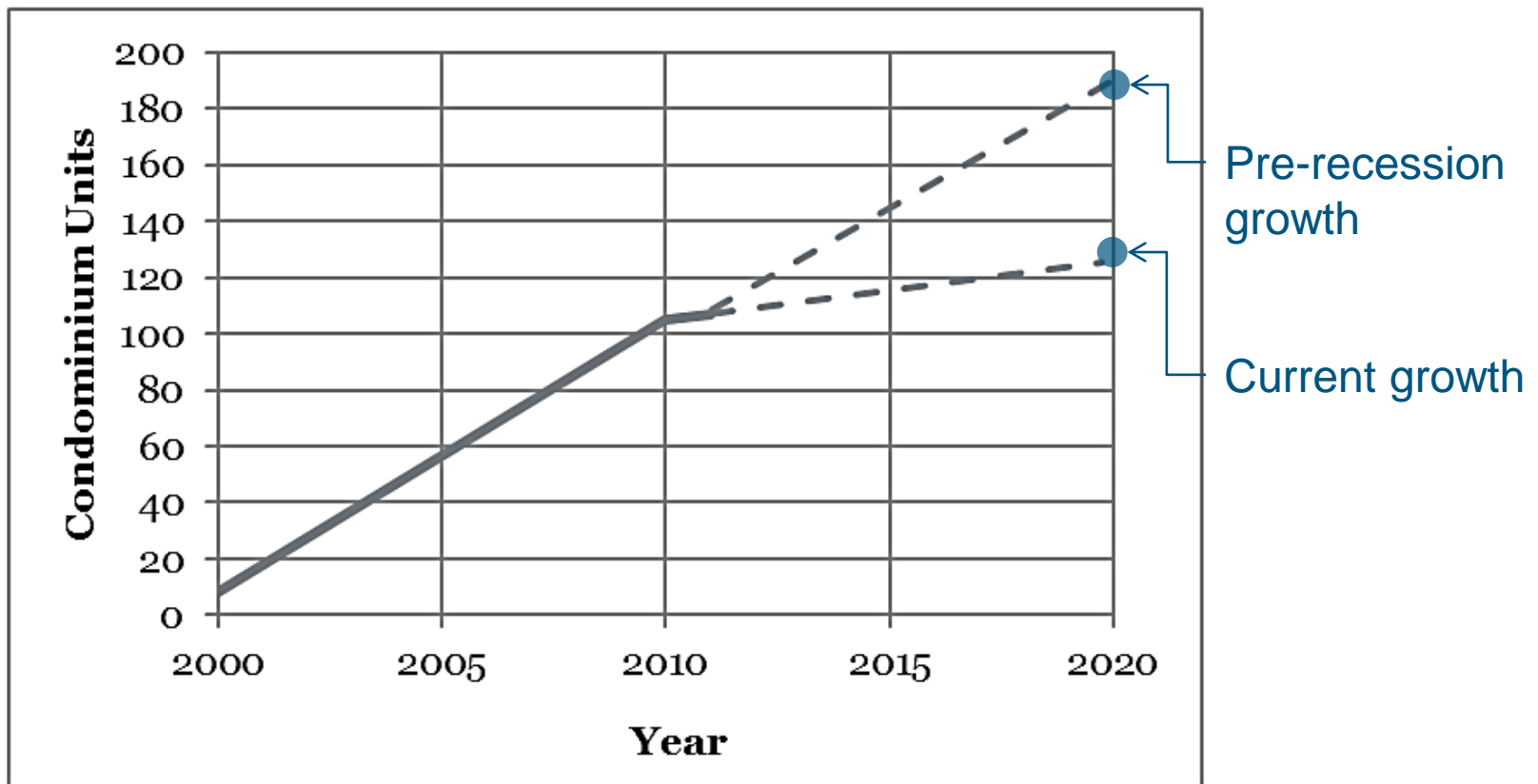
# Downtown Population Growth

- Population growth and projections
  - Projected to be 1,170 by year-end 2011



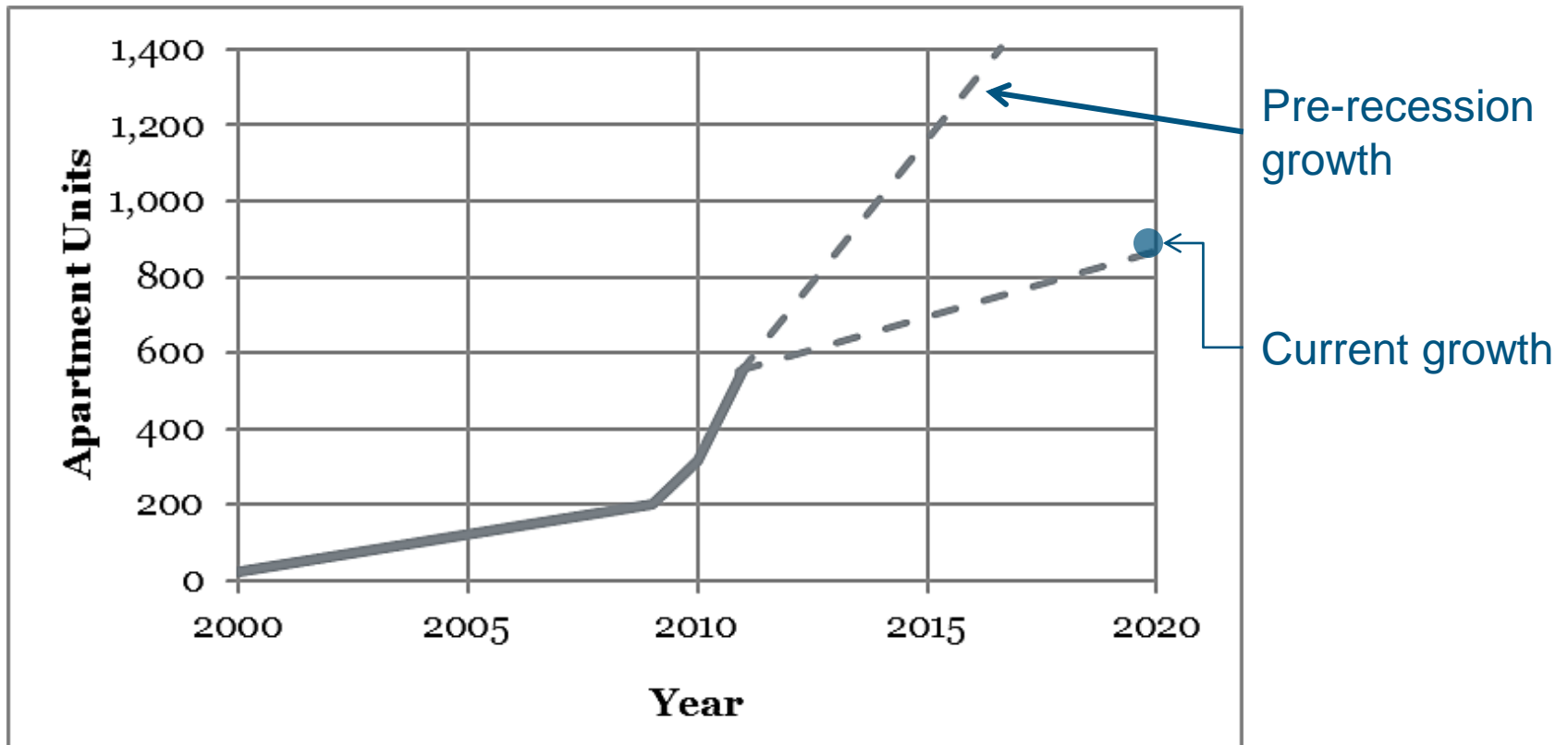
# Condominium Development

- Initial growth followed national trends
- Significant shift in demand



# Apartment (for-rent) Development

- Federal & State Tax credits fuel apartment growth
- National trend away from home ownership

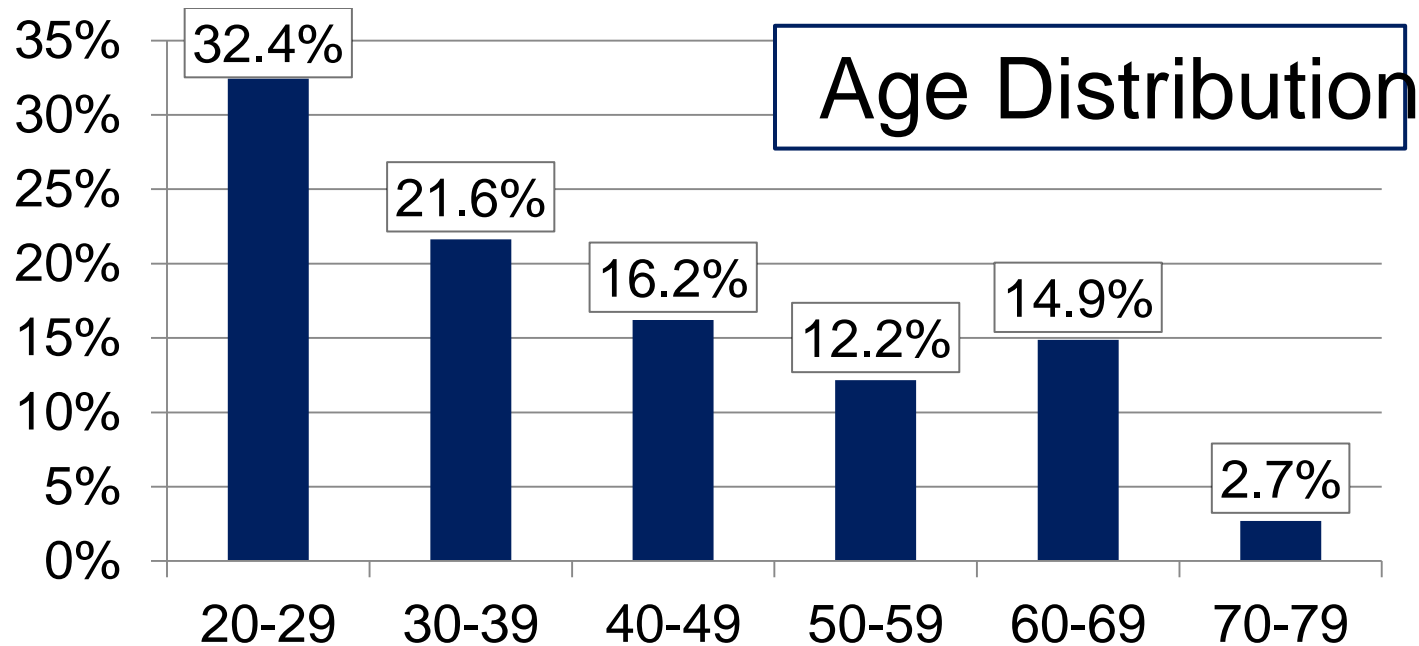


# Survey Results: Housing

- Average rental rate: \$840/month
- Average for-sale price: \$213/ S.F.

# Survey Results: Demographics

- 19.5% response rate
- 60% male
- 96% white
- 34% married
- Average age: 41 years



# Survey Results: Demographics

- Median Household Income: **\$81,000**

vs Roanoke MSA

**\$45,569**

vs City of Roanoke

**\$34,166**



# IMPACT ON FINANCES

---

Good news for Assessors and Treasurers?

# Not Just About Adding Residents

## Facts:

#1 Downtowns represent disproportionate share of property tax revenues

#2 Downtown have historically been heavily dependent on Office Space to fuel growth

#3 Companies are doing more with less employees; office tenants need LESS space to perform the same function

# Not Just About Adding Residents

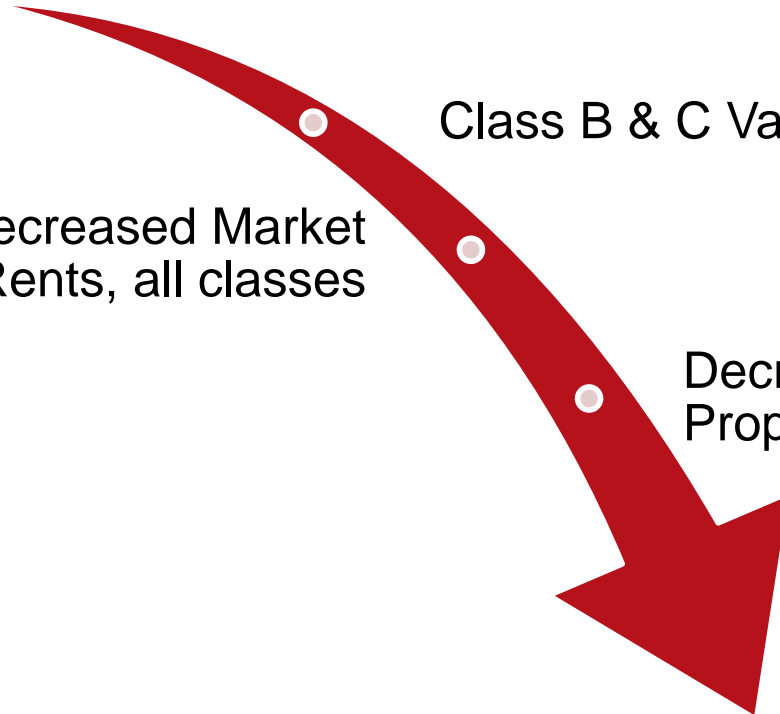
Shifts in Office  
Market

Class B & C Vacancy

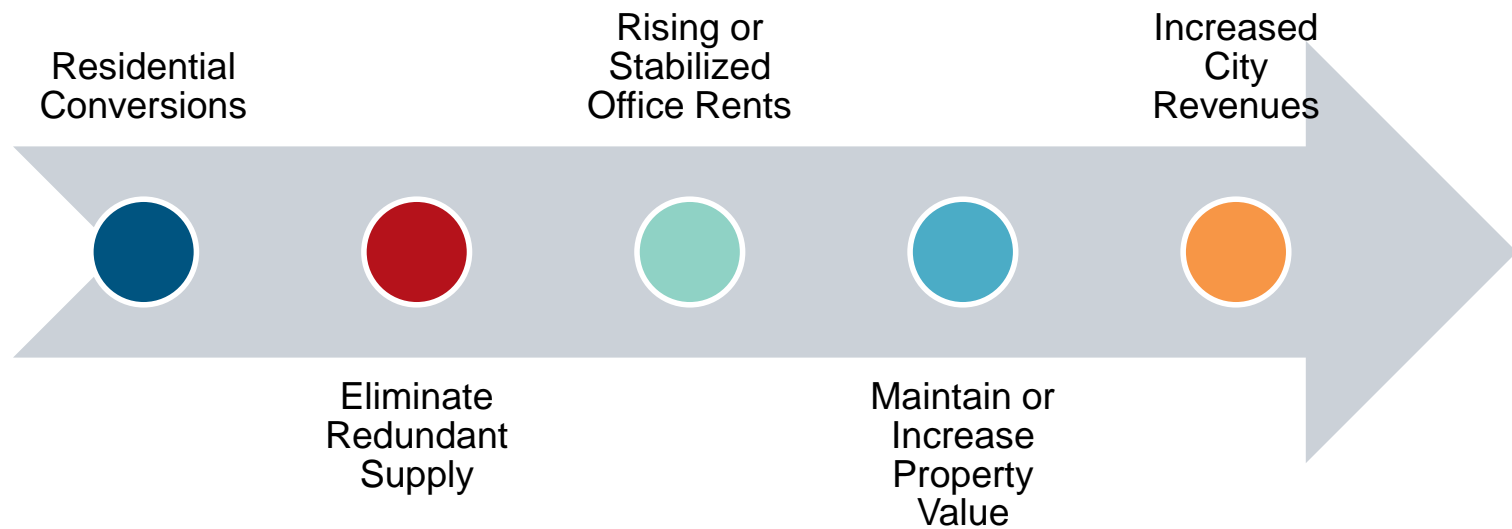
Decreased Market  
Rents, all classes

Decreased  
Property Values

Declining City Revenues



# Not Just About Adding Residents



# But, the Residents Are Nice Too

- Downtown Residents generally have a higher income and a higher disposable income
- Support Downtown Retail and Restaurant
- More People = Perception of Downtown Vibrancy
- Increase Sales, Meals & Drink taxes

# Issues to Consider

- Impact of Enterprise Zone incentives on valuation and revenue projections
  - Qualitative benefits immediately
  - Quantitative benefits delayed
- Differing valuation approach:
  - Condominiums/Townhomes = “Single Family”
  - Apartments = “Income Producing Properties”
  - Are Condos an adequate replacement for Commercial Office Space as Rate Payers?



Questions?

