

Introduction

In this Market Snapshot, **FORVIS** outlines independent living (IL) trends in Virginia (VA), including a summary of demographics, inventory, and demand across five VA core-based statistical areas.



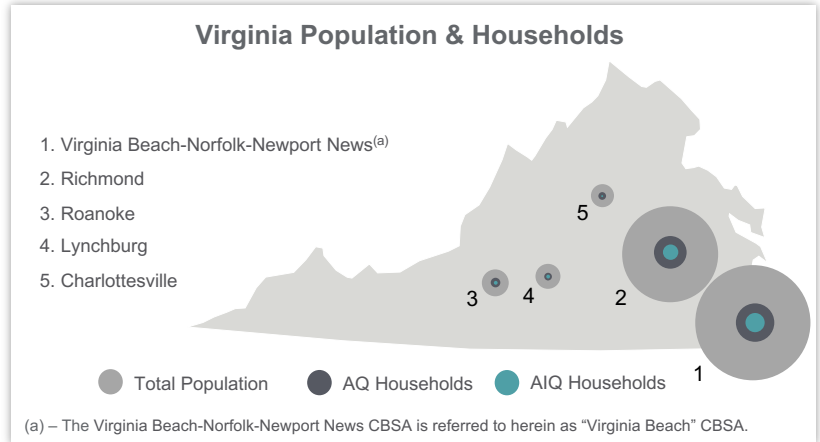
A core-based statistical area (CBSA) is a geographic area comprised of metropolitan and micropolitan areas. The five profiled CBSAs in VA include approximately 45% of the total state population.⁽¹⁾

Demographics

Two indicators of a strong market for senior living are overall population and senior population growth. VA's total population in 2023 is approximately 8,700,000.⁽¹⁾

By 2028, the total population in VA is projected to be 2.6% higher than the current population.⁽¹⁾

The map (right) shows total population, age-qualified (AQ), and age- and income-qualified (AIQ) households in the five profiled VA CBSAs. The table below compares these demographics to VA and the U.S.



2023	Virginia Beach	Richmond	Roanoke	Lynchburg	Charlottesville	VA	U.S.
Total Population	1,813,777	1,340,458	315,037	263,429	226,375	8,715,522	334,500,069
Age 75+ Population ^(a)	121,769 6.7%	92,412 6.9%	28,035 8.9%	22,748 8.6%	18,210 8.0%	609,517 7.0%	24,379,591 7.3%
AQ Households ^(b)	79,924	59,211	18,684	15,164	11,557	389,663	15,552,426
AIQ Households ^(b, c)	40,279 50.4%	27,486 46.4%	7,775 41.6%	6,111 40.3%	6,522 56.4%	191,169 49.1%	6,534,035 42.0%

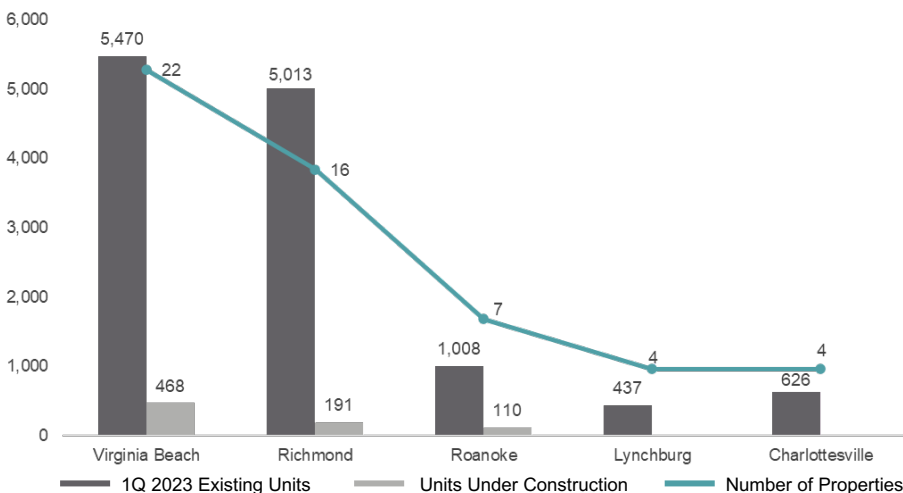
(a) – Age 75+ population is shown as a percentage of total population in 2023.

(b) – For purposes of this Market Snapshot, FORVIS defines AQ households as those 75 years of age or older and AIQ households as AQ households with an annual income \$50,000 and above.

(c) – AIQ Households are shown as a percentage of AQ Households in 2023.

Of the markets profiled, Roanoke has the highest percentage of 75+ population (8.9%), followed by Lynchburg (8.6%). Overall, Virginia Beach has the greatest number of AQ households, and one of the highest percentages of AIQ households (50.4%), behind Charlottesville (56.4%).⁽¹⁾ By 2028, Virginia Beach and Richmond have the highest projected growth in AIQ households, both at 22.0%.⁽¹⁾

Virginia Inventory & Growth⁽²⁾



Inventory & Growth

Inventory is an important indicator of market depth. When measuring market depth, it is important to consider comparable products using factors such as services offered, amenities, and price points.

The graph to the left shows the total number of existing IL units and IL units under construction for each CBSA in 1Q 2023 and compares the number of communities with IL units in each market.

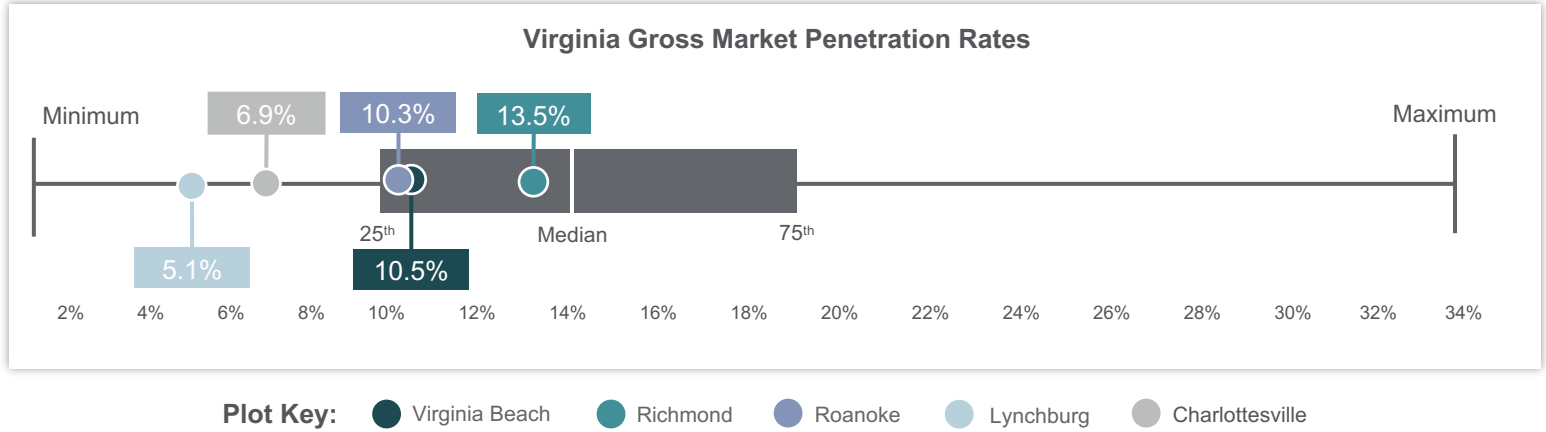
Among the markets profiled, Virginia Beach has the greatest number of both existing IL units and IL units under construction, followed by Richmond and Roanoke.

As a percentage of all units (existing and under construction), the Roanoke market (9.8%) has the most IL units under construction.

Demand

Penetration rates demonstrate the degree to which a market is underserved or oversaturated. The Gross Market Penetration Rate (GMPR) is the percentage of AIQ households the total market area must absorb for the entire market to achieve stabilized occupancy.

The box and whisker plot below illustrates the GMPR for the \$50,000 income qualification according to the FORVIS proprietary IL database, which includes over 200 senior housing projects across 35 states.⁽³⁾ Each dot plotted on the graph represents the 2023 GMPR for the five specified CBSAs.



In the plot above, the minimum and maximum GMPRs are denoted by the lines on the far left and far right, respectively. The 25th and 75th quartiles are denoted by the left side and right side, respectively, of the inner gray box. The white bar in the middle indicates the median.

The VA Gross Market Penetration Rates for the five specified CBSAs are all below the median benchmark, an indication of potential senior housing growth opportunity in each of these markets. Penetration rates are an indicator of market demand and should be supplemented with consideration of occupancy levels, proposed projects, unit designs, community spaces, contracts, marketing plans, demographic trends, local economic conditions, awareness and acceptability of the product, and velocity of pre-sales at projects.

Conclusion

While the senior living industry still faces challenges post-pandemic, many of the markets in VA are experiencing growing demand with limited new product entering the marketplace. These trends may indicate opportunities for providers to explore additional service offerings across markets in VA.

About FORVIS

FORVIS, LLP is a professional services firm providing assurance, tax, and advisory services. Created by the merger of equals of BKD, LLP and Dixon Hughes Goodman LLP (DHG), FORVIS is driven by the commitment to use our forward vision to deliver an **Unmatched Client Experience®**. Ranked among the top 10 public accounting firms in the country, FORVIS has 5,700 dedicated professionals who serve clients in all 50 states as well as across the globe. FORVIS is built upon the strong legacies of BKD and DHG, which are reflected in a name that comprises partner initials and represents our unique focus on preparing our clients for what is next. Visit forvis.com for additional information.

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Sources

- (1). Claritas, Inc. (2023, May). Senior Life Report.
- (2). NIC MAP Vision Q1 2023.
- (3). FORVIS. (2023, June). Independent Living Penetration Rate Database.