

# Virginia housing market boom home causes homelessness to rise

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*The market boom has been dubbed the 'Amazon effect'.*



Last year, the multinational tech giant, Amazon, announced plans to build a second headquarters in Virginia, named 'HQ2'.

The subsequent rise in expected demand for housing in the area has caused property prices in the area to skyrocket, which has limited affordable housing options and will push an estimated [14 people into homelessness](#).

Market statistics show that, as of April 2018, home inventory in the area had dropped by 50%, causing a jump in housing prices. As of April 2019, the median housing price had risen by a little over 17% over just six months, from \$640,000 to \$750,000.

These climbing house prices show no signs of stopping. In fact, a report from June this year predicted that homes would rise by another 17.2% by the end of the year. In total, 90% of the county's stock of affordable housing has gone since 2000.

This isn't the first controversy Amazon has faced over their construction plans. The mega-retailer initially announced plans to build a second headquarters in New York in November 2018, but this was met with a huge backlash from locals and politicians in the area, who were concerned about how it could potentially damage the local economy and property prices.

As a result of the backlash, Amazon dropped its plans to build in New York earlier this year, focusing instead on Virginia, where there is an abundance of qualified tech workers and where residents are seemingly much less concerned about their plans.

On the contrary, many locals in Virginia are [excited about the benefits](#) Amazon's new headquarters will bring to the region. It's expected that HQ2 will create hundreds of new jobs to bolster the economy.

Experts also believe it will benefit many SMBs, especially those in the housing industry. Crawl space repair companies such as [Bay Crawl Space](#), for example, may see their profits boosted by an increase in demand for home restoration work by property developers.

Meanwhile, Amazon are attempting to make amends for the property boom by donating millions to homelessness charities in the area. They've announced plans to provide \$3 million to the Arlington Community Foundation in order to assist low-income families with finding affordable housing. They also plan on providing \$5 million to Plymouth Housing, a homelessness charity in Virginia.

To stagger their expansion and minimize the short-term impact to the local economy, Amazon will be initially limiting their growth and hiring just 400 workers. They will slowly expand from there and hire more workers as the economy adjusts.

**Source:** Bay Crawl Space

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