

# **MOUNT ROGERS**

## **REGIONAL HOUSING STUDY**

**2023**



**MOUNT  
ROGERS**

PLANNING DISTRICT COMMISSION

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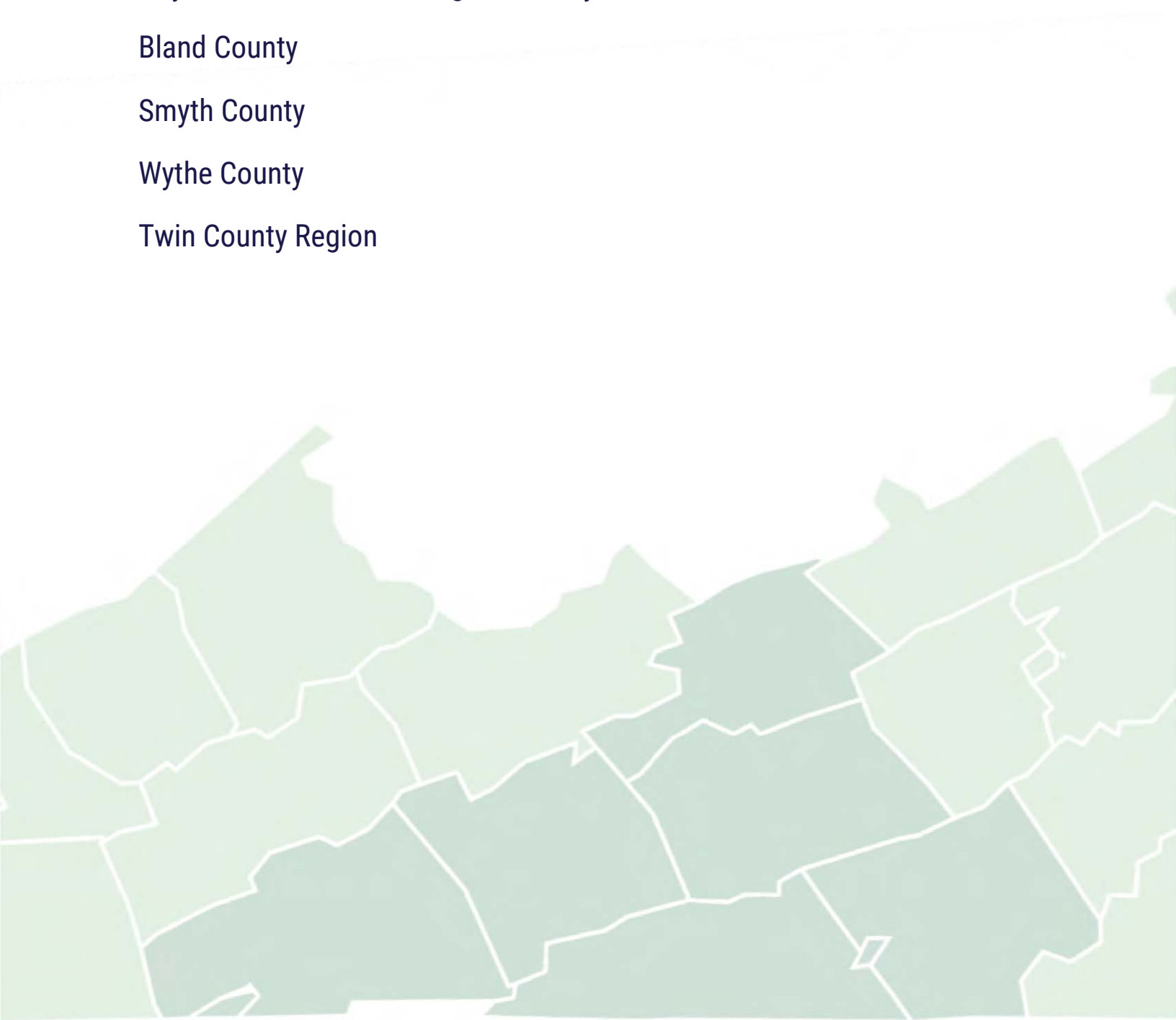
    City of Bristol and Washington County

    Bland County

    Smyth County

    Wythe County

    Twin County Region



# INTRODUCTION

A lack of available housing has become increasingly problematic in the United States due to insufficient amount of new construction following the 2008 housing crisis, an issue that has only compounded with the formation of more and more new households each year. As a result of this trend, the localities that comprise the Mount Rogers Planning District have identified the lack of available housing as a need and have set out to identify the current/forecasted conditions of its housing stock as well as its economic and population trends. On behalf of its member localities, the Mount Rogers Planning District Commission has enrolled the help of S. Patz and Associates, Inc., and the New River Valley Regional Commission to develop a comprehensive regional housing study that will identify and address the needs of each of its housing markets.

This report provides a comprehensive evaluation of the present and future market for new housing in the region. The aim of this study is to provide a detailed analysis of the regional economy and various housing markets and aid in the development of a realistic strategy to address the shortage of new homes for the current and future population. This housing study is intended to serve as a foundational basis for informed decision-making and action. As has already been witnessed by many of the localities that are within the District, Housing availability and an available workforce are two categories that current and future economic development is extremely reliant upon. Addressing those concerns and developing a plan to accommodate future growth will allow our region to continue to secure and retain public/private investment.

At the conclusion of this study, each of the identified housing markets will have the information needed for developers to deem where investment is viable and can best be made. Any gaps in need that are not filled by private investment can be supplemented through grant funded programs such as housing development funds for new construction provided by Virginia Housing, and housing rehabilitation funds for pre-existing units provided by the Virginia Department of Housing and Community Development. In addition to support from state and federal partners, local governing bodies have indicated a strong desire to pursue this initiative and have already begun making investments into the planning process, necessary infrastructure, and housing development.





# REGIONAL ECONOMIC DEVELOPMENT ANALYSIS



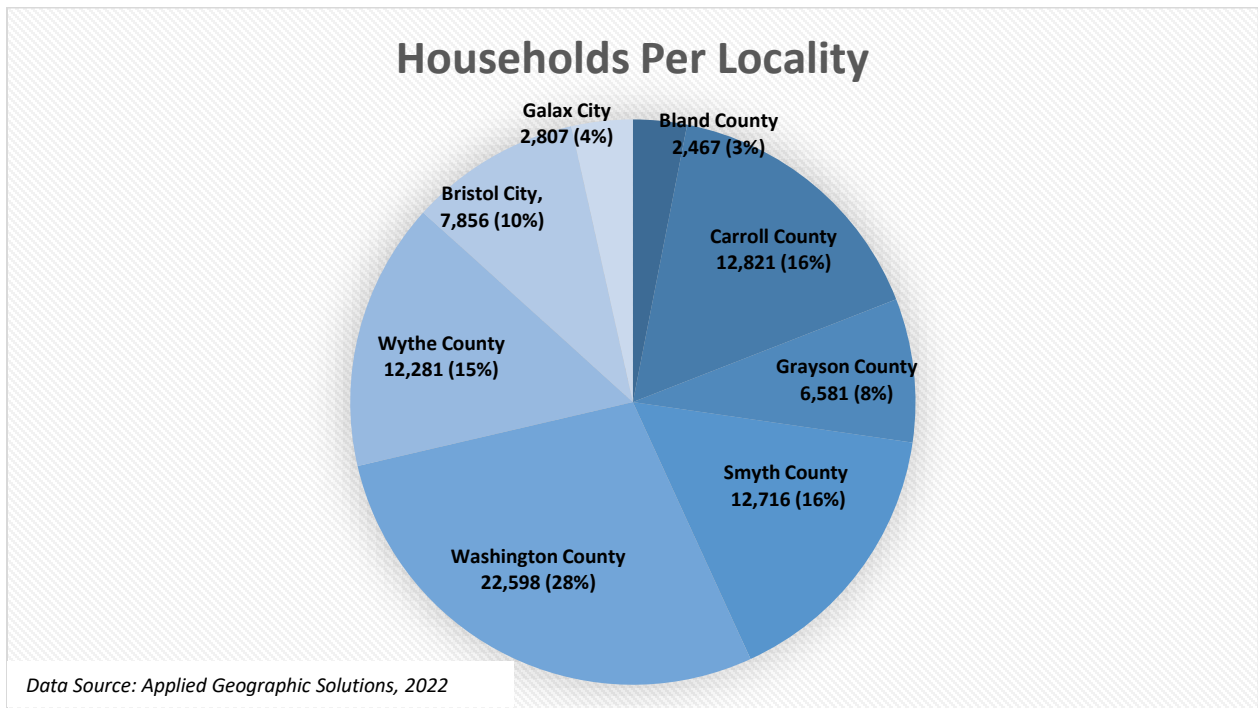
## Mount Rogers Regional Economic Development Analysis

The Mount Rogers region is at a pivotal point for economic growth. With the announcement of a significant number of new job opportunities throughout the region, the development of available homes is crucial to the continued success of the regional economy. Access to housing increases employment and provides revenue for local governments. Furthermore, the regional economy could be at a disadvantage without a sufficient supply of housing to attract and retain employment. The following section reviews the impact of income, employment, transportation, and housing on the regional economy.

### The Mount Rogers Region

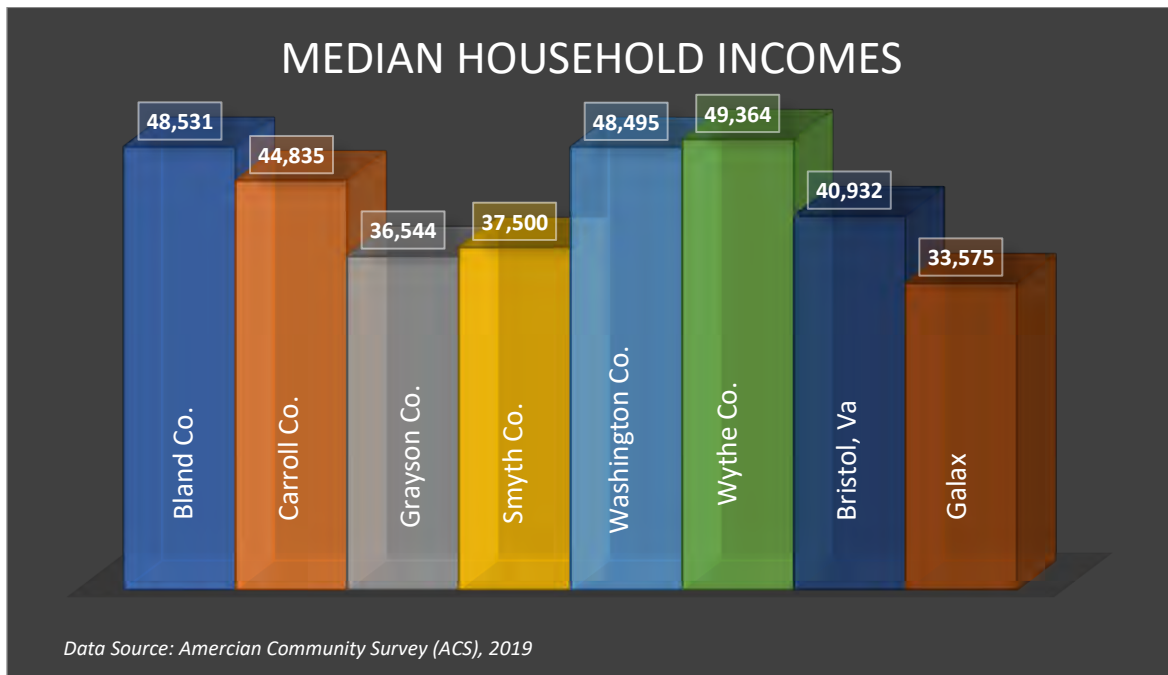
The Mount Rogers Region includes two cities, Bristol, and Galax; six counties, Bland, Carroll, Grayson, Smyth, Washington, and Wythe; and the towns located within those counties. The region also borders three states, Kentucky, Tennessee, and North Carolina. The Mount Rogers Region is the crossroads of two major interstates, I-81 and I-77, and serves as a prime location for current and future residents, visitors, and businesses.

The Mount Rogers population is 196,722 and comprises 80,127 households. The historic trend has been a declining population in the region, while increasing employment opportunities. The most populated community is Washington County with 28% of the region's households. Carroll County, Smyth County, and Wythe County each consist of 16% of the region's households. The City of Bristol is the largest city in the region with 10% of households, while the City of Galax has 3% of households. Fewer households live in Grayson County (8%) and Bland County (3%).



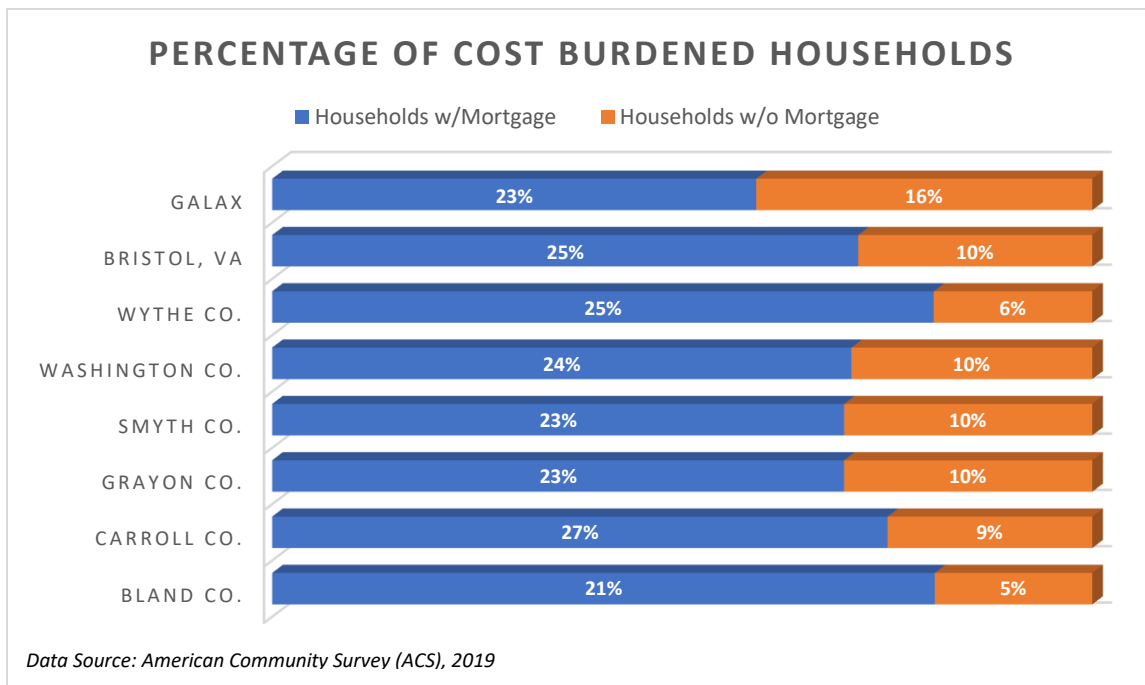
## MEDIAN INCOMES

Household incomes play a significant role in the regional economy. Income determines the ability for residents to locate housing that is affordable and available to them. Household incomes can also influence housing prices when higher income households enter or leave the market. As shown below, the median household income varies across the region. Evaluation and analysis of the median household incomes with the region's housing costs is needed to ensure alignment with low- and middle-income households. With median incomes considered lower than most across the state, home buying becomes a challenge or even impractical. The median income also influences whether developers are able to construct affordable homes.



## **COST BURDENED HOUSEHOLDS**

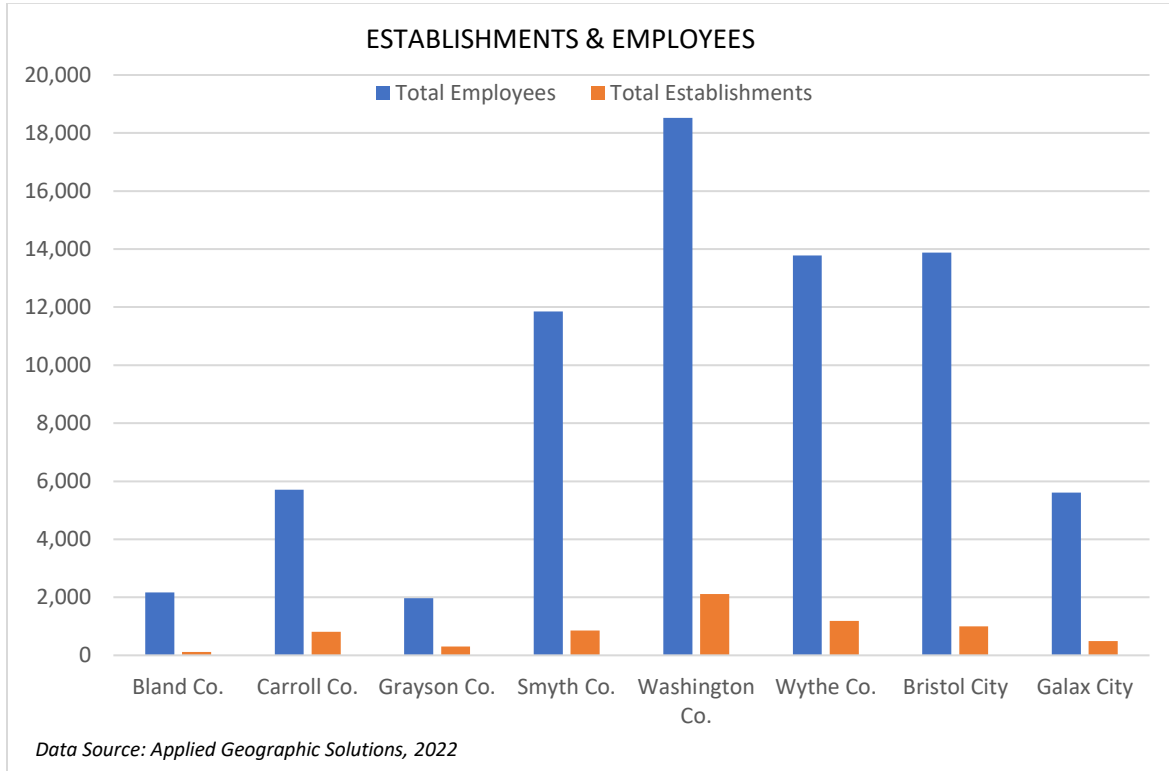
When households are paying more than 30% of their income towards housing costs, either as a homeowner or as a renter, expendable or disposable funds become less available for necessities such as food and healthcare. The cost burden trickles into the regional economy, having further impact on support industries. Based on the 2019 American Community Survey, 5,995 households with mortgages are expending more than 30% of their household incomes on housing costs. 2,915 households without mortgages reported expending more than 30% of their household incomes on housing costs. Historically, households without mortgages would hold a higher percentage compared to households with mortgages. There are assumptions as to why this is not the case in the Mount Rogers region. First, the region does have fewer opportunities for rental units and the rents often include utilities, helping to reduce housing costs. Additionally, homeowner costs are affected by mortgage interest rates, increased construction costs, and local taxation. Ideally, the goal of the region is to increase homeownership at an affordable rate.



## **REGIONAL ESTABLISHMENTS AND EMPLOYEES**

The U.S. Bureau of Labor Statistics defines an establishment “as an economic unit that produces goods or services, usually at a single location, and is engaged in one type of economic activity.” Establishments can include industries, educational institutions, entertainment and recreation, government organizations and financial institutions. The more densely populated communities appear to have the highest number of establishments, but not necessarily the highest number of employees. Bland County has 122 establishments, accounting for 2,167 employees. Carroll County has 814 establishments, with

5,703 employees. Grayson County has 304 establishments, with 1,967 employees. Smyth County has 853 establishments, with 11,853 employees. Washington County has 2,112 establishments, with 18,523 employees. Wythe County has 1,183 establishments, with 13,775 employees. Bristol has 994 establishments, with 13, 878 employees. Galax has 495 establishments, with 5,607 employees.



## **TRANSPORTATION**

Availability of reliable transportation has an impact on where individuals decide to work and live. The rural character of the Mount Rogers region provides a challenge to access to public transportation because communities are large and spread out. Mountain Lynx Transit provides bus transit service to Mount Rogers localities, however, routes and schedules are limited. The Town of Abingdon, located in Washington County, and the Town of Wytheville in Wythe County do have service Monday to Friday, from 8 a.m. to 5 p.m. within the town limits. The City of Bristol s operates its own transit service. Other communities in Mount Rogers are limited to weekly service. The transit systems of the region do not connect to major employers, accommodate the hours of shift work, and do not connect communities, making use of the systems a challenge. Employees commute long distances for employment, even if that means commuting to a community they do not live in. Working directly with employers to find a solution for employees to have reliable transportation to and from work is a consideration.

Land use regulations also have an impact on development. Each locality has different regulations relating to zoning and subdivision of property. Some localities do not have zoning but may have land use regulations. A thorough review of each community’s Comprehensive Plan, Zoning Ordinance, and



Subdivision Ordinance may be conducted to determine the future path for residential development. The individual housing market analysis chapters provides a framework for consideration.

Infrastructure has an additional impact on housing, especially the development of new residences. The localities of Mount Rogers may not have the ability to finance and fund large infrastructure projects to attract housing development. If a private developer is required to construct the infrastructure, the affordability of the housing decreases. The jurisdictions may explore the option of a private/public partnership to construct housing developments based on the return on investment over time.

### **REGIONAL HOUSING OPPORTUNITIES**

Based on the individual locality analysis, the region can accommodate a range of housing types. Neighborhoods and housing developments with diverse housing types promote a healthy community and regional economy. Diverse housing developments incorporate various housing types and sizes in a range of housing prices. The diversity of housing enables employers to attract and retain staff. Reviewing the recommendations provided in the individual locality analysis, there is an opportunity to add over 500 additional units for homeownership and over 2,000 residential units in the region. The addition of the units has a direct impact on the regional economy from attracting a workforce for new employment opportunities to increase the tax base of the region.

<b>Regional Housing Opportunities</b>	
<b>Housing Types</b>	<b># of Units</b>
<b>Market Rate Apartments</b>	1,380
<b>Affordable Apartments</b>	310
<b>Affordable Age Restricted Residences</b>	200
<b>Patio Homes</b>	180
<b>Townhomes/Single-Family</b>	310
<b>TOTAL:</b>	<b>2,380</b>

### **IMMEDIATE IMPACT OF HOUSING ON THE REGIONAL ECONOMY**

#### **❖ New Construction**

The Mount Rogers region has announced nearly 9,500 net new jobs over the next 5-6 years, and a sufficient supply of housing must be available to ensure that such employment growth can continue. As noted in the housing market analyses, the lack of availability housing is a challenge. New housing units need to be available in the correct locations, be the correct types, and be affordable for homeowners and renters alike.

Construction of new housing has direct impact on job creation during and after construction. The National Association of Home Builders most recent report “The Economic Impact of Home Building in a Typical Local Area”, dated April 2015, utilizes a model to estimate the local economic impacts of building 100 single-family homes and 100 rental apartments. The report is based on the national averages of key data such as homes being built, impact fees, and property taxes per dollar of new construction. The local government revenue data points were derived from the latest Census of

Governments. While the report needs updating, the data is still useful to demonstrate the economic impact of new housing construction across the region.

- **Single-Family Construction**
  - The estimated one-year impacts of building 100 single-family homes in a typical local area:
    - \$28.7 million in local income
    - \$3.6 million in taxes and other revenue for local governments
    - 394 local jobs
  - The additional, annually recurring impacts of building 100 single-family homes:
    - \$4.1 million in local income
    - \$1.0 million in taxes and other revenue for local governments
    - 69 local jobs
- **Multi-Family Construction**
  - The estimated one-year impacts of building 100 rental apartments in a typical local area:
    - \$11.7 million in local income
    - \$2.2 million in taxes and other revenue for local governments
    - 161 local jobs
  - The additional, annually recurring impacts of building 100 apartments:
    - \$2.6 million in local income
    - \$503,000 in taxes and other revenue for local governments
    - 44 local jobs

### **New Housing Unit Development Program**

Understanding the impact of affordable housing on a community's vibrancy, ability to attract industry, and ensure continued economic growth, Mount Rogers PDC has partnered with Virginia Housing to develop new housing units across the region. MRPDC developed a program that capitalizes on a long-standing network of regional housing providers, service providers, developers, and residents to close affordable housing gaps by increasing housing production in both the rental and new single-family home markets.

The New Housing Unit Development Program has aided in the development of 81 units across the MRPDC Region. A portion of these units is developed through loans provided through the program. These loans are repaid upon the sale of the homes. The repayment funds have been recommitted to the development of additional housing units, with partner agreements in place to build an additional 30 units.

### **❖ Housing Rehabilitation**

The Mount Rogers Planning District Commission has set the example in being proactive to improve housing availability by implementing a housing rehabilitation program, leveraging funding from a variety of grant funders. Through this program, 43 housing units have been rehabilitated in the last two years. Rehabilitation of existing housing stock has an immediate impact on the economy. Based on the

National Association of Homebuilders (NAHB) 2015 report, residential remodel has the following impacts:

- The estimated one-year local impacts of \$1 million spent on residential remodeling in a typical local area:
  - \$841,000 in local income
  - \$71,000 in taxes and other revenue for local governments
  - 11.5 local jobs
- Although certain remodeling jobs may be extensive enough to render otherwise uninhabitable units fit for occupancy (thereby allowing the local area to retain extra households and trigger ongoing impacts analogous to the ones for new construction), the NAHB local impact model uses a conservative default assumption that this is not the case. The ongoing, annual economic benefits to the local economy are therefore limited to
  - \$11,000 in residential property taxes.

### **IMPACT OF HOUSING TO ATTRACT AND RETAIN EMPLOYEES**

The availability of affordable housing near jobs has been recognized by both employers and workers as an important asset. While few studies have directly measured the role of affordable housing on employee attraction and retention, formal and informal surveys consistently demonstrate its perceived role in a vibrant economy.

- In a national survey of more than 300 companies conducted by Harris Interactive, more than half (55 percent) of the largest companies (with more than 100 employees) acknowledged an insufficient level of affordable housing in their proximity. Two-thirds of these respondents believed that the shortage “is having a negative impact on retaining qualified entry-level and mid-level employees” and most attribute some level of employee turnover to the resulting long commutes (Urban Land Institute 2007).
- In the same survey, more than half (57 percent) of the more than 1,200 workers polled say that would consider moving closer to work if they could find affordable housing near their workplace. This figure jumps to 67 percent for households with annual incomes less than \$50,000 and 76 percent for respondents between the ages of 18 and 34 (Urban Land Institute 2007).

A potential solution is the use of employer-assisted housing (EAH) as an incentive for employees. Employers offer a down payment assistance program for qualifying employees. This upfront investment has the potential of saving an employer money by cutting the rate of employee turnover and all the costs associated with turnover. The EAH program has models utilized throughout the U.S. and is easily replicated to encourage homeownership and employment attraction/retention.

In 2019 and 2021, Virginia was named the Top State for Business by CNBC. While the scoring methodology included 10 varying categories, it is important to note Virginia out-ranked 47 other states

in the access to a skilled workforce. However, with a low unemployment rate and a population decline in the Mount Rogers region, filling new employment opportunities is a challenge.

The rural nature of the Mount Rogers Region equates to longer commutes to major employers, which make it more difficult to attract and retain employees. Location decisions can influence the labor supply and wages demanded by workers to compensate for their commuting costs, negatively affecting business as well as the employee's personal quality of life. The location of affordable housing in relation to employment may result in longer travel times, increasing the costs of production for firms and decreasing the downtime for the employee.



# COMMUNITY ENGAGEMENT



Mount Rogers Planning District Commission partnered with the New River Valley Regional Commission to facilitate community engagement activities focused on housing and present its findings.



# COMMUNITY ENGAGEMENT

The Mount Rogers region includes the counties of Bland, Carroll, Grayson, Smyth, Washington, and Wythe and the independent cities of Bristol and Galax. To support housing development efforts serving the needs of its residents, Mount Rogers Planning District Commission (MRPDC) launched a multi-faceted community engagement and outreach effort to share major housing market findings and to gather insight from both industry experts and the general public around their housing experiences, challenges, and needs. This outreach effort included an online community survey, focus groups with industry experts, and public input sessions.

MRPDC heard many recurring themes from survey responses and focus groups, confirming data identified in the market analysis reports. Lack of housing supply across all housing types and price points, with emphasis on rental housing, smaller-footprint homes for homeownership, and housing for the region’s aging population were all identified during the engagement process.



HIGHEST SURVEY RESPONSE RATES FROM:

**SMYTH COUNTY**

**WASHINGTON COUNTY**

**WYTHE COUNTY**

+ Towns of Abingdon, Marion, Wytheville



**OVER 400 VISITS**

TO THE HOUSING STUDY WEBSITE



# COMMUNITY SURVEY RESULTS

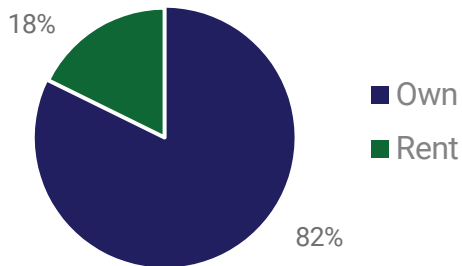
MRPDC offered an online public survey between July 2022 and February 2023 and received responses from residents across the region. The survey prompted respondents to share their experiences searching for housing within the region.

Of those actively searching for new housing (25%), the majority (72%) indicated that they were searching within their existing locality, and approximately 80% intended to purchase a home versus renting.

Several survey respondents shared that when searching for a home, those within their price range required substantial repairs or were outdated and needed a large investment in renovation.



## CURRENT OWNERS VS. RENTERS



## BEST CHARACTERISTICS OF THEIR HOME:

- RURAL ATMOSPHERE
- QUALITY CONSTRUCTION
- GOOD COMMUTE
- ACCESS TO AMENITIES



### HOMEBUYERS

What are they looking for in their next home purchase?

- 1,000 – 2,000 square feet
- Less than \$250,000
- Close to amenities

Those looking to buy a home stated they have been shopping for 6 months to 2 years.

93% stated they have not worked with a realtor.

68% stated they were not pre-qualified for a mortgage.



### RENTERS

What are they looking for in their next rental home?

- 3 bedroom/2 bathroom
- Less than \$1000/month

Those wanting to rent experience limited availability and long waiting lists due to low turnover.

Some consider renting a long-term housing choice.

# 21%

OF SURVEY RESPONDENTS BELIEVE THEIR CURRENT HOUSING SITUATION IS UNAFFORDABLE.

# FOCUS GROUPS

It is important to ground quantitative data with the lived experiences of practitioners in the field. This provides critical context and insight into the data and better documents the complexities of the housing market. Further, establishing relationships with stakeholders across key housing intersections provides a means of connecting these partners towards action-based solutions.

MRPDC conducted four focus groups with local Employers, Realtors, Lenders, and Builders, giving these groups a voice to share their experiences with how housing is impacting their employees, their clients, and them personally. Participants met in person to discuss the housing trends, barriers, and opportunities they saw. The table on the following page represents the key findings from those conversations. Comprehensive meeting notes can be found in the Appendix.

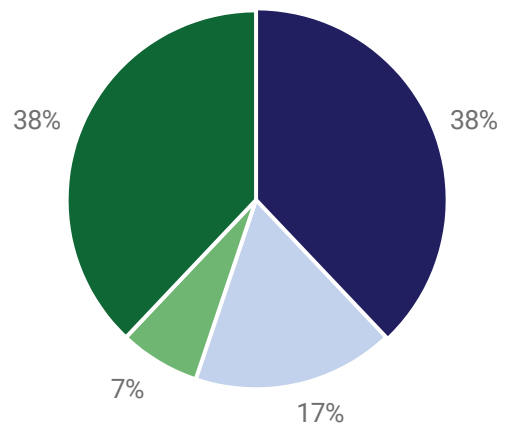


***“We plan to be a long-term employer in the region. Housing will be important in retaining people to stay in the region so that we are able to maintain appropriate staffing levels.”***

***– Focus Group Participant***



FOCUS GROUP PARTICIPANTS



- Builders/Developers
- Realtors
- Lenders
- Employers



# KEY THEMES



SMALLER HOMES DESIRED



DEMAND FOR DIVERSE HOUSING TYPES



OVERALL RISING HOUSING COSTS

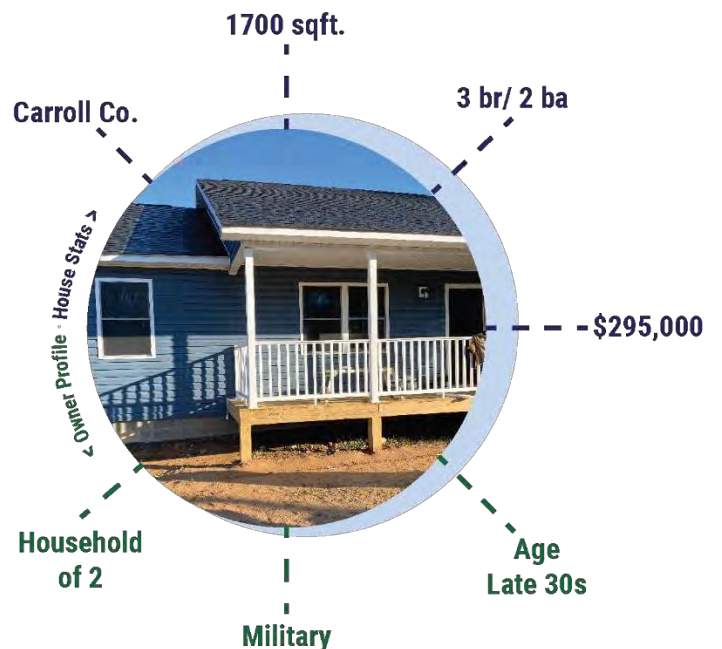
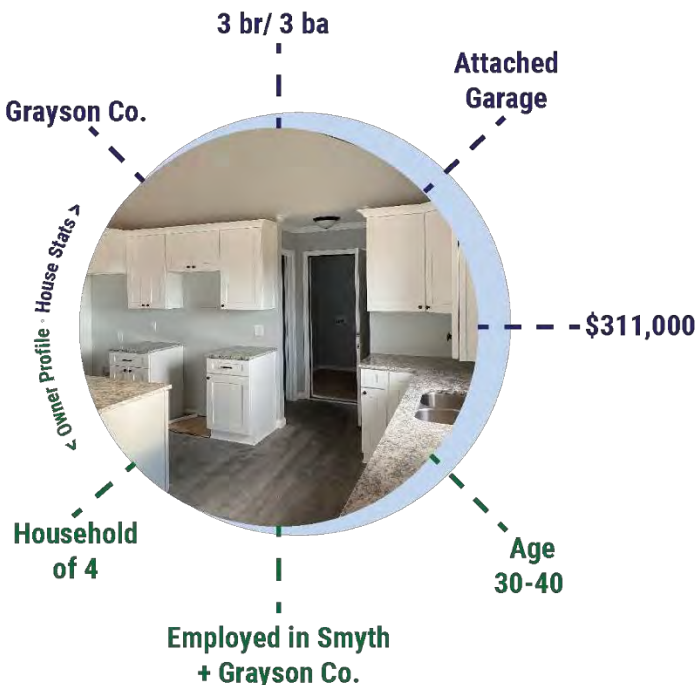
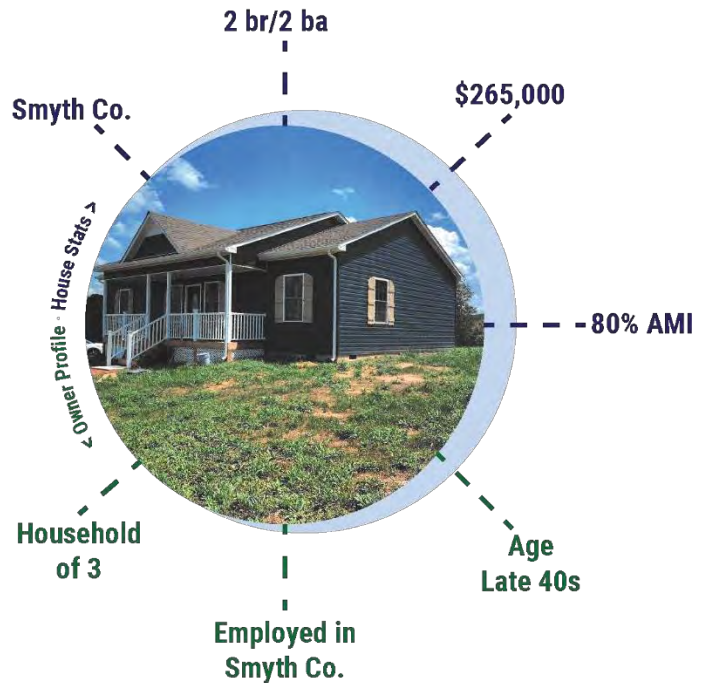
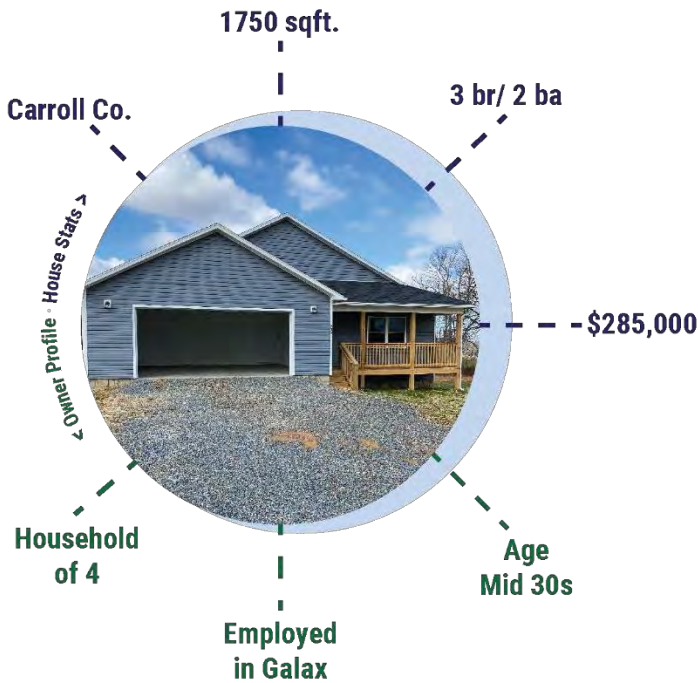


NEED FOR SKILLED LABOR

<p><b>BUILDERS/DEVELOPERS</b></p>	<p><b>TRENDS</b></p> <ul style="list-style-type: none"> <li>• High demand for smaller single-family detached homes – 3 bedroom/2 bathroom, 1,500 sq. ft.</li> <li>• Groups looking for housing in the area include college students, first-time homebuyers, and seniors</li> </ul> <p><b>BARRIERS</b></p> <ul style="list-style-type: none"> <li>• Rising cost of construction materials and labor</li> <li>• Lengthy process of navigating statewide regulations and receiving permits</li> <li>• Lack of skilled tradespeople/workforce, builders at full capacity</li> </ul> <p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Public and private partnerships in building infrastructure</li> <li>• “Holistic development” in communities that create a livable area with amenities</li> <li>• Promote mixed-use development in downtown areas</li> </ul>
<p><b>REALTORS</b></p>	<p><b>TRENDS</b></p> <ul style="list-style-type: none"> <li>• Homebuyers attracted to the natural beauty and outdoor recreation available in the region and want to stay in a rural community</li> <li>• Most do not want a “fixer-upper”, prefer to not have to renovate when buying a home</li> <li>• More people working from home places more importance on broadband infrastructure/ availability of high-speed internet</li> </ul> <p><b>BARRIERS</b></p> <ul style="list-style-type: none"> <li>• Contractors at full capacity</li> <li>• Interest rate hikes deter new homeowners</li> </ul> <p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Demand for all types of housing at all price points</li> </ul>
<p><b>LENDERS</b></p>	<p><b>TRENDS</b></p> <ul style="list-style-type: none"> <li>• Prospective homebuyers pay more attention to monthly payment than overall sale price; desired monthly payment is around \$1,200</li> <li>• Homeowners using home equity to cover cost of renovations on older homes</li> </ul> <p><b>BARRIERS</b></p> <ul style="list-style-type: none"> <li>• High interest rates push potential buyers out of the market</li> <li>• Down payments and closing costs can be prohibitive</li> </ul> <p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Improve financial literacy of new prospective homeowners to ensure the process doesn’t stall</li> <li>• Offer credit repair programs to help customer qualify for mortgages</li> </ul>
<p><b>EMPLOYERS</b></p>	<p><b>TRENDS</b></p> <ul style="list-style-type: none"> <li>• “White collar” employees live within region, “blue collar” employees tend to commute from other areas</li> <li>• Many employees prefer to live closer to urban centers for access to amenities</li> <li>• Many employees looking for housing for their family – 3 bedroom/2 bathroom homes desired</li> <li>• Few employers currently offer housing assistance for new employees</li> </ul> <p><b>BARRIERS</b></p> <ul style="list-style-type: none"> <li>• Lack of housing stock makes recruitment and retention more difficult</li> <li>• Sale prices not aligning with home value; much of housing stock is aging or in poor condition</li> <li>• Limited inventory for employees who prefer renting</li> </ul> <p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Improve broadband infrastructure to improve quality of life for employees moving into the region</li> <li>• Increased housing stock would ensure growing businesses could successfully expand while remaining in the region</li> </ul>

# HOUSING DEVELOPMENT IN PROGRESS

In complement to this regional housing market analysis, MRPDC received grant funding from Virginia Housing and the Virginia Department of Housing and Community Development for the development of at least 20 affordable housing units within the region over the next three years. The New Housing Unit Development Program has aided in the development of 81 units across the region, with a portion of these units developed through a revolving loan fund provided by the program. Upon the sale of the homes, the loan is paid back into the fund for the development of additional housing units. The images below provide a snapshot of the loan-assisted housing development to date and the households served.





# BRISTOL REGION

## COMPREHENSIVE HOUSING ANALYSIS

**Comprehensive Housing Analysis**  
**City of Bristol and Washington County, Virginia**

**Prepared for:**

**James Moss**  
**Mount Rogers Planning District Commission**

**March, 2023**

**S. Patz and Associates, Inc.**  
**21010 South Bank Street, #370**  
**Potomac Falls, VA 20165**



▪ S. PATZ & ASSOCIATES, INC. ▪  
▪ REAL ESTATE CONSULTANTS ▪

March 8, 2023

James Moss  
Housing Director  
Mount Rogers Planning District Commission  
1021 Terrace Drive  
Marion, Virginia 24354

Jimmy,

We are pleased to present our housing study for the Bristol Region of Virginia, encompassing the City of Bristol and Washington County. This report provides a comprehensive evaluation of the present and future market for new housing in the region. The aim of this study is to provide a detailed analysis of the regional economy and various housing markets. This housing study is intended to serve as a foundational basis for informed decision-making and action.

A secondary study goal is to identify new housing opportunities for the substantial number of employees who are expected to secure jobs in the region in the coming years. Notably, this includes individuals who will be employed at the new Hard Rock Hotel & Casino in Bristol. Our research indicates that there are at least 1,800 publicly announced new jobs in the region, though a sizable number of these positions have already been filled. This is a sharp increase over past trends. As such, the study to follow recognizes the pressing need for new housing options to accommodate employment growth.

The primary housing study conclusion is that the lack of new housing unit development in the region is primarily a supply issue, rather than a demand issue. Our research indicates that a market for new housing exists within the region, yet the local housing development community is not meeting demand. This is particularly true for the construction of apartment units and homes for sale at more modest price points.

A second study conclusion is that there are several viable sites within the region that could support the construction of new housing of various types. While many of these properties are available for development, many would need to be rezoned to support higher density development.

The attached report provides a detailed analysis of these market study conclusions, along with our estimate of potential new housing demand. As job growth is already underway, it is crucial to take prompt action to address the growing demand for housing in the region. We remain available to continue to assist you with this effort as you proceed with the goal of expanding housing opportunities in the Bristol Region.

Sincerely,

*Ariel Goldring*

Ariel Goldring  
President

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## Introduction

The City of Bristol and Washington County, including the Towns of Abingdon, Damascus, Glade Spring and Saltville, have identified housing availability as a pressing concern, particularly given recent job growth in the region, notably the Hard Rock Hotel & Casino that is set to generate over 1,200 direct jobs by 2024. Public officials, employers, property managers and realtors have noted that the lack of diverse and quality housing options is a major obstacle hindering the area's potential for growth.

Local employment is projected to expand by over six percent over the next two to three years, a departure from recent trends in a region that has lost over 1,200 jobs since 2015. However, the limited expansion of the housing stock has made it difficult for new employees to find adequate housing locally, thereby forcing many to commute from long distances, including out of state. To capitalize on this job growth, it is essential to expand the housing supply to ensure that new and existing employees can reside locally in desirable homes.

In addition to the employment growth that is supporting demand for new housing, attention should also be given to the expanding active adult population, which represents another major demographic factor. Despite the construction of a small number of for-sale homes over the past two decades to cater to this cohort, these homes have not been sufficient to meet demand.

This report therefore focuses on employment growth and retention, along with the aging population, as the primary drivers of demand for new housing units. As outlined in the report, the most pressing housing concern is the need to provide suitable housing options for the expected arrival of new employees in the coming years.

The following study offers a comprehensive analysis of the Bristol Region of Virginia, which encompasses the City of Bristol and Washington County, as well as the towns of Abingdon, Damascus, Glade Spring and western portions of Saltville. This report is the fifth in a series conducted by S. Patz & Associates on the housing markets that make up the Mount Rogers Planning District, following analyses of the Smyth County, Wythe County, Bland County and

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Twin County Region housing markets. The purpose of these analyses is to identify strategies that promote the development of new housing in the area, as opportunities exist.

The study is divided into five sections. The first section, the Bristol Region Setting Analysis, explores the region's location along the I-81 corridor. The second section, the Economic Overview Analysis, presents trends in at-place jobs and employment, including an analysis of the employment impacts of the COVID-19 pandemic. This section also addresses the projected employment growth in the Bristol Region, as well as surrounding areas within the Mount Rogers Planning District and other nearby communities.

The second part of the Economic Overview is the demographic analysis of the City of Bristol and Washington County, which examines population and household trends, with a focus on trends in household income, tenure and age. In a market with negative growth trends, demographic projections can be challenging, as trend data indicate a population decline. However, with the anticipated growth in employment in the near-term, past demographic trends are not fully relevant. The key market finding is how to reverse recent trends.

The third section of the study analyzes the various housing markets in the Bristol Region in terms of new additions, tenure, home prices and rents. This section analyzes both the for-sale and rental housing markets. The for-sale market has been dominated by resales and lot sales, as there have been very few homes speculatively built since the Great Recession. There has been some growth in the rental market over the past two decades, with net expansions in the rental housing stock primarily consisting of conversions of homes that were originally built to be sold. However, these efforts have not adequately satisfied demand.

Apart from one low-income apartment complex with fewer than 50 rental units and four mature rental properties with deep rent subsidies, there is no identified senior-related housing product in the region. There are no market-rate, age-restricted apartment units for rent or homes for sale in the region. The ability to establish such a market will be studied, as demographic trends show a sizable and well-established older adult population.



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The fourth section of the report provides an analysis of the available development sites in the region. The availability of multiple viable sites for new housing unit development provides excellent opportunities to address the identified housing challenges.

The fifth and final section presents the Conclusions, which offer a strategy for new housing development. These strategies are presented in general terms as a guide to attract homebuyers and renters. The conclusions provide a comprehensive overview of the opportunities and challenges facing the housing market in the Bristol Region and offer guidance on how to address these challenges and capitalize on opportunities.

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## **Section I: Bristol Region Setting Analysis**

The Bristol Region of Virginia, consisting of the City of Bristol and adjacent Washington County, encompasses a large geographical area. However, apart from the Bristol and Abingdon areas, much of the region is rural with limited new housing or commercial activity. The area is considered a distinct housing market within Virginia and is set apart from the housing markets to the north and other locations along the I-81 corridor.

Map A depicts that the Bristol Region is primarily connected through the east-west direction of I-81, a major north-south highway that runs through the Appalachian Mountains of Northeast Tennessee and Southwest Virginia. It spans approximately 855 miles, starting in Dandridge, Tennessee, and ending in Fisher’s Landing, New York. The highway provides easy access to numerous attractions in the area, including the Appalachian Trail and the Blue Ridge Mountains. It also provides access to nearby locations of employment growth, notably the greater Wytheville area.

The City of Bristol is a small geographic area located in the southwestern edge of the region where it shares a border with Tennessee. Encompassing less than 14 square miles, the City is the “twin city” of Bristol, Tennessee, with the state line extending through the middle of its main street, State Street. The region’s largest concentration of retail and entertainment can be found in Bristol, with many establishments situated in and around its historic downtown. The City also offers a diverse mix of cultural attractions, restaurants, service uses and niche retailers.

Additionally, Bristol is home to the Hard Rock Hotel & Casino Bristol, a significant job-generating development that is currently operating in a temporary location, with plans to open a full resort in the summer of 2024 with approximately 1,200 employees. This development represents one of the largest job growth announcements in the region in decades and is expected to have a significant impact on the local and regional economy.

Washington County is an expansive, somewhat rural community that envelops Bristol within Virginia, stretching over an area of roughly 561 square miles. The County is adjacent to

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several other counties, including Smyth County to the northeast, Grayson County to the east-southeast, Scott County to the west, Russell County to the northwest and two Tennessee counties - Johnson County to the south-southeast and Sullivan County to the southwest, as well as the independent City of Bristol to the southwest.

Data from the U.S. Department of Agriculture show that Washington County houses over 1,500 operational farms that span more than 176,000 acres, indicating that over 60 percent of the County's land has an agricultural zoning designation. The County also contains extensive forests and open spaces, including parts of the Jefferson National Forest, Mount Rogers National Recreation Area, the Hidden Wildlife Management Area, Clinch Mountain Wildlife Recreation Area and Channels State Forest, amongst others, which altogether account for nearly 43,000 acres.

Washington County is also home to several incorporated towns, each with their own unique character and history. These towns, and surrounding areas, are the locations of much of the County's economic activity and housing stock. Each of these towns is briefly described in the paragraphs below.

- **Abingdon.** The county seat of Washington County, Abingdon is one of the oldest and most historic towns in the region. It is known for its well-preserved historic buildings, including several 18<sup>th</sup> and 19<sup>th</sup> century homes, as well as its vibrant arts and cultural scene. The town, and surrounding areas, are the location of much of the County's commercial and residential activity. Most of the region's apartment properties are located within the Town limits.

Abingdon is served by several major roadways, including I-81, which runs along the eastern side of the town. U.S. Route 11 also runs through the town and provides a more direct route through Abingdon's downtown area. Additionally, U.S. Route 19 provides a major north-south route through the area, connecting Abingdon to other nearby communities.

- **Damascus.** Damascus is a small town located in the southern part of Washington County and is known for its scenic beauty. The town is a popular destination for outdoor enthusiasts, with many opportunities for hiking, camping and fishing in the nearby national forest. It has largely mature housing stock.

Damascus is located at the convergence of several major highways, including U.S. Route 58 and Virginia State Route 91. U.S. Route 58, which runs east to west, connects Damascus

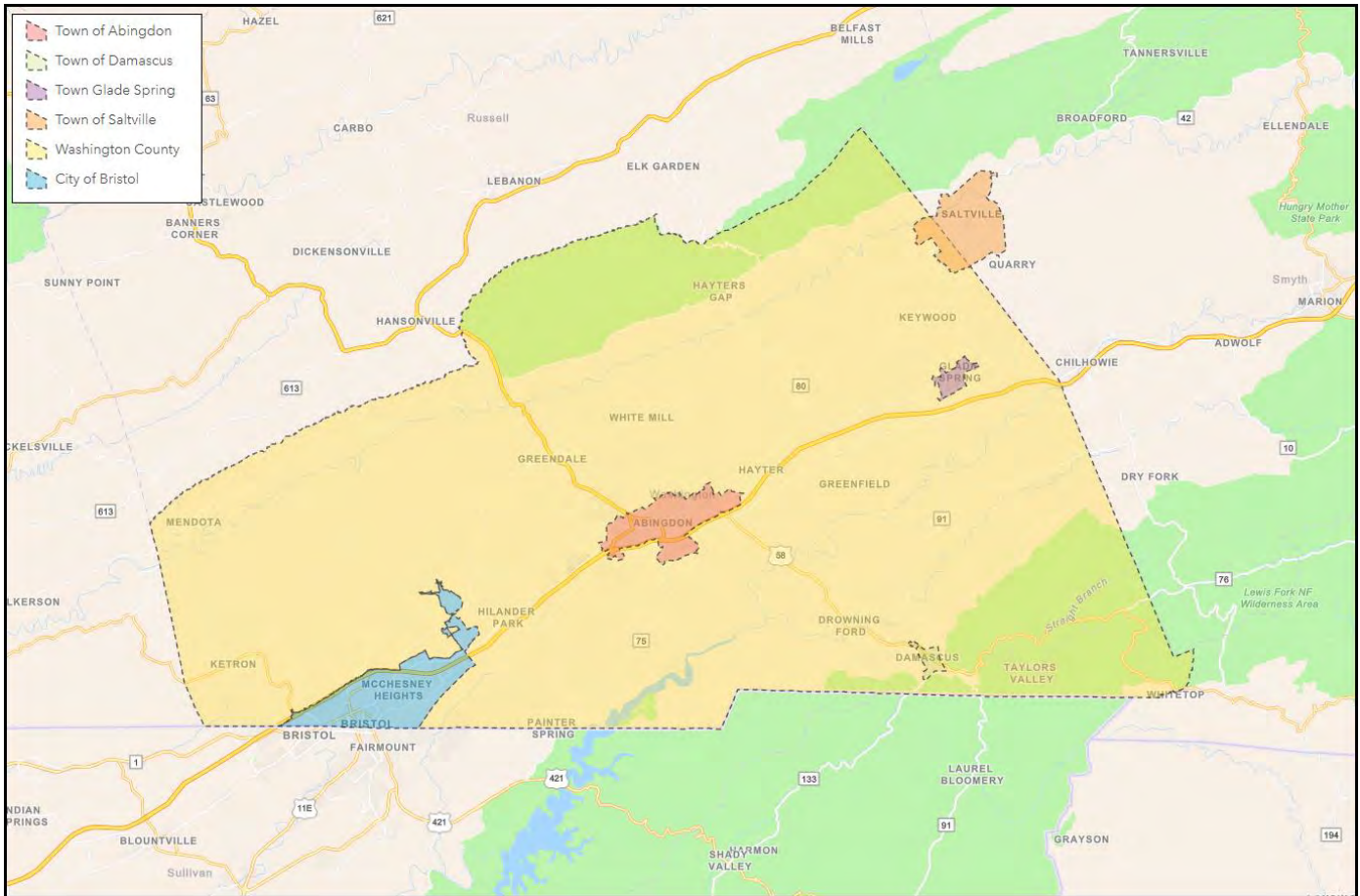
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to the communities of Bristol and Abingdon to the west and to the town of Independence to the east. Route 91 runs north to south and connects Damascus to Mountain City, Tennessee to the south and to the town of Glade Spring to the north.

- **Glade Spring.** Glade Spring is a small town located in the northern part of Washington County. It is known for its historic downtown area, which is lined with 19<sup>th</sup> century buildings and homes, as well as its scenic beauty. The town is surrounded by rolling hills and farmland and is a popular destination for those seeking a rural lifestyle.

Glade Spring is served by several major roadways. I-81 runs along the eastern edge of the town. US Route 11 passes through the center of town and connects to nearby towns including Marion and Abingdon. State Route 91 runs along the western edge of Glade Spring and connects to Damascus the south.

- **Saltville.** This small town is located in both Smyth County in the east and Washington County in the west. Most commercial and residential development is situated in the Smyth County side of the Town. Saltville is primarily served by Route 91 and Route 107. Route 91 runs north-south through the town, while Route 107 runs east-west. Additionally, I-81 is located approximately 10 miles west of Saltville.



**Map A –Bristol Region of Virginia**

Map B illustrates the regional setting of the Bristol Region, with I-81 serving as the main transportation artery that bisects the area. In Bristol, the interstate traverses the northern part of the City, while in Washington County, it runs through the central section of the County in a northeast-southwest direction. As a vital component of the transportation network, I-81 plays a crucial role in linking the local community with the wider region, facilitating the movement of goods, services and people.

The map also shows that Washington County has a well-developed primary and secondary road network. Major roadways in the County include U.S. Route 11, U.S. Route 58 and Alternate U.S. Route 58.

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U.S. Route 58 runs in an east-west direction through Washington County, with Alternate U.S. Route 58 splitting off from U.S. Route 58 at Abingdon, looping northward, and rejoining Route 58 at Jonesville in Lee County. U.S. Route 58 provides direct access to the Town of Damascus, approximately 14 miles southeast of Abingdon.

U.S. Route 11 runs through the central portion of the County, passing through the communities of Abingdon, Emory and Meadowview. U.S. Route 11 is a critical transportation artery for the region, providing access to the County's major employers and economic centers. The road connects the area to other major highways and interstates, making it an important part of the regional transportation network.

Overall, the transportation network in the Bristol Region is robust and offers convenient access to local amenities and nearby cities and states. This well-developed road network plays a critical role in the local housing market, providing residents with easy access to work, shopping and other daily needs.



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## **Section II: Bristol Region Economic Overview and Demographic Analysis**

The following subsection provides an in-depth economic overview of at-place jobs and employment trends in the Bristol Region. It also presents data on the anticipated level of future job growth in the region and surrounding communities, including elsewhere within the Mount Rogers Planning District. As will be documented in this report, recent job announcements in the region have exceeded past trends.

Additionally, this section of the report presents a comprehensive demographic analysis of the Bristol Region, which includes the towns of Abingdon, Glade Spring, Damascus and western portions of Saltville. The analysis examines population and household data, with a focus on tenure, age and income, which provides a detailed understanding of the current and future housing needs of the region.

### **Economic Overview**

This section of the market analysis provides a comprehensive economic overview of the Bristol Region in terms of at-place job and employment growth. The primary objective of this analysis is to document the current and projected levels and types of job growth within the region. To achieve this, three key economic factors have been considered: (1) at-place job trends, (2) employment and labor force trends, and (3) active development plans that are expected to result in a net increase in jobs. It is important to note that job growth is the key driver of population and household growth, and therefore, a significant factor in determining the demand for housing new units.

The demand for new housing in the region is expected to be initially supported by a combination of pent-up demand and an accelerated pace of job growth compared to past trends. Moreover, the employment growth in nearby communities is anticipated to also contribute to this demand. Overall, the outlook for housing demand in the region is positive, with strong employment prospects both locally and surrounding areas.



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## At-Place Jobs

At-place jobs are defined as jobs that are physically located within a specific geographic area, in this case, the City of Bristol and Washington County. According to data from 2019, prior to the pandemic, the region had a total of 29,140± at-place jobs. Of these jobs, nearly 70 percent were located in Washington County, with the remaining jobs situated in the City of Bristol.

As shown in Table 1, the City of Bristol has several data disclosure issues due to the limited number of employers within the City. This challenge is often encountered in rural, sparsely populated communities where data confidentiality is a primary concern, and the number of employers is low.

The data show a steady loss of employment between 2015 to 2019. On average, the region eliminated around 270 jobs per year during that period, leading to a net reduction of approximately 1,100 at-place jobs by the end of 2019. Mass layoffs in both Bristol and Washington County played a significant role in triggering these employment losses. Thus, the region already faced employment challenges in the years preceding the pandemic.

In Bristol, major layoffs during this period included the closure of an Office Depot customer service center, resulting in the loss of 143 jobs, the closure of Ball Corporation's beverage packaging facility, eliminating 200 jobs, and the closure of Sandvik's mineral ground tool product manufacturing facility, resulting in the loss of 49 jobs. In Washington County, significant job losses were also recorded, including 158 jobs cut by Range Resources-Pine Mountain in 2015 and three rounds of layoffs by Bristol Compressors International, which eliminated 650 jobs between 2016 and 2018. These mass layoffs accounted for most of the job losses in the region between 2015 and 2019.

As of 2019, the Retail Trade sector is the largest employment sector in the region, with nearly 4,800 jobs. The majority of local retail jobs are situated in Washington County, primarily in and around Bristol and Abingdon. A significant share of these jobs are located in multiple shopping centers in these areas, including as The Shops at Bristol Commons, The Highlands

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Shopping Center, Old Dominion Marketplace and Abingdon Town Center. Between 2015 and 2019, total retail employment in the region expanded by over 200, with net growth occurring in Washington County. Bristol recorded a modest loss of retail jobs during this period.

The Manufacturing sector is also a significant contributor to the region's employment landscape, employing roughly 4,340 individuals, or approximately 15 percent of the region's total jobs. Nevertheless, this figure represents a decline from the 17 percent of regional jobs that the Manufacturing sector supported in 2015. This trend implies that the region has gradually shifted away from relying on Manufacturing employment in recent years.

In the intervening period between 2015 and 2019, the region saw a reduction of almost 900 Manufacturing jobs. Notwithstanding this decline, some of Bristol's most prominent employers remain in the Manufacturing sector, such as Electro Mechanical Corp., Shearer's and Strongwell. Within Washington County, most Manufacturing employment is concentrated within the County's six industrial parks, which play a critical role in the County's economic development strategy. It is evident that the Manufacturing sector continues to represent a vital component of the regional economy.

Despite past job losses, the Health Care sector also plays a critical role in the local economy, accounting for approximately 11 percent of total employment in the region. A significant proportion of these jobs are associated with the 116-bed Johnston Memorial Hospital, located just off Lee Highway and to the east of Abingdon. This 309,170± square foot hospital was constructed in 2011 and features a four-story patient tower and large single-story ancillary area. Additionally, the facility includes an adjacent three-story, 115,600± square foot medical office building. The facility replaced an aging medical center in Downtown Abingdon.

Overall, Table 1 shows that there were few employment sectors with net job growth between 2015 and 2019 and prior to the pandemic. Apart from the Retail Trade sector, only six other employment sectors recorded net job growth during this period, namely Administrative/Waste Services, Other Services, Local Government, Finance/Insurance,

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Information and the Federal Government. It is worth noting that the growth figures for these sectors were modest, with a range of between ten and 180 new jobs created.

Conversely, 11 employment sectors suffered job losses during this period, including the Manufacturing and Health Care sectors. The Accommodations/ Food Services sector recorded the highest number of job losses, with approximately 120 jobs eliminated. Additionally, the Management of Companies sector lost just over 100 jobs. Other sectors with net job losses had an impact on total layoffs.

It is crucial to recognize that these employment trends occurred before the pandemic, which has since caused disruptions across various industries. Moreover, these trends occurred prior to several major job announcements in the region that will be detailed further below.

**Table 1: Trends in Average At-Place Employment, Bristol Region, Virginia, 2015-2019**

Industry	2015		2016		2017		2018		2019		Net Change	
	Wash.	Bristol	Wash.	Bristol	Wash.	Bristol	Wash.	Bristol	Wash.	Bristol	Wash.	Bristol
Agriculture	136	ND	144	ND	141	ND	138	ND	148	ND	12	--
Mining	162	ND	97	ND	70	ND	57	ND	42	ND	-120	--
Utilities	79	ND	83	ND	41	ND	40	ND	42	ND	37	--
Construction	535	ND	513	ND	566	ND	550	ND	563	ND	28	--
Manufacturing	3,806	1,436	3,692	1,235	3,502	1,087	3,568	1,069	3,245	1,098	-561	-338
Wholesale Trade	646	ND	600	ND	625	ND	626	ND	633	ND	-13	--
Retail Trade	2,989	1,597	3,182	1,679	3,419	1,533	3,376	1,531	3,351	1,444	362	-153
Transport./Warehousing	979	ND	1,035	ND	980	ND	949	ND	915	366	-64	--
Information	145	213	145	206	142	180	140	172	148	165	3	20
Finance/Insurance	405	268	389	298	396	309	397	314	412	303	7	35
Real Estate	160	45	159	50	144	51	143	30	149	25	-11	-20
Professional/Technical	586	168	528	162	586	137	611	134	600	142	14	-26
Mgmt. of Companies	522	272	526	213	476	159	539	159	623	66	101	-206
Administrative/Waste	404	165	521	153	567	168	586	146	521	226	117	61
Education	427	67	425	67	434	63	444	65	419	68	-8	1
Health Care	2,755	742	2,821	762	2,601	846	2,498	836	2,435	862	-320	120
Arts/Entertainment	272	40	265	23	287	19	301	9	297	8	25	-32
Accommodations/Food	1,723	1,818	1,725	1,764	1,758	1,710	1,778	17,16	1,718	1,701	-5	-117
Other Services	415	375	464	377	652	336	665	326	596	288	181	-87
Local Government	2,389	1,139	2,392	1,168	2,373	1,190	2,365	1,205	2,322	1,249	-67	110
State Government	882	276	890	279	790	293	747	301	733	300	-38	24
Federal Government	119	103	116	103	117	103	113	108	117	111	-2	8
<b>Total</b>	<b>20,431</b>	<b>9,776</b>	<b>20,645</b>	<b>9,498</b>	<b>20,706</b>	<b>9,085</b>	<b>20,684</b>	<b>9,082</b>	<b>20,106</b>	<b>9,034</b>	<b>-325</b>	<b>-742</b>
<b>Total (Combined)</b>	<b>30,207</b>		<b>30,143</b>		<b>29,791</b>		<b>29,766</b>		<b>29,140</b>		<b>-1,067</b>	

Notes: ND = Data do not meet BLS or State agency disclosure standards.

Source: United States Department of Labor, Bureau of Labor Statistics

Table 2 depicts the significant deviations in employment that occurred in 2020 and 2021 due to the impact of the COVID-19 pandemic on the local economy. The data highlight a considerable loss of jobs in 2020, with employment contracting by over 1,800 or 6.4 percent.

Most of these job losses occurred in Washington County, with the City of Bristol experiencing fewer than 20 job losses in 2020. The Retail Trade, Manufacturing and Accommodations/ Food Services sectors were the hardest hit by job losses in 2020, consistent with trends observed elsewhere Virginia. The data suggest that most of the job losses during this period impacted employees with modest wages. However, the Manufacturing sector in Bristol experienced a net increase of nearly 280 jobs in 2020, while Retail employment in the City expanded by approximately 130 jobs.

Data for 2021 show an economic recovery, with at-place jobs increasing by approximately 560 and job growth occurring in both Washington County and the City of Bristol. Despite this

recent job growth, total employment in 2021 remained over 1,300 below the pre-pandemic level. It is worth noting that the job losses in 2020 did not reduce demand in any segments of the local housing market. Future job announcements are expected to offset most recent job losses.

**Table 2: Trends in Average At-Place Employment, Bristol Region, Virginia, 2019-2021**

Industry	2019		2020		2021		Net Change	
	Wash.	Bristol	Wash.	Bristol	Wash.	Bristol	Wash.	Bristol
Agriculture	148	ND	154	ND	175	ND	27	--
Mining	42	ND	41	ND	41	ND	-1	--
Utilities	42	ND	45	ND	43	ND	1	--
Construction	563	ND	589	ND	585	ND	22	--
Manufacturing	3,245	1,098	2,339	1,373	2,499	1,343	-746	245
Wholesale Trade	633	ND	561	312	547	293	-86	--
Retail Trade	3,351	1,444	2,948	1,574	2,997	1,640	-354	196
Transport./Warehousing	915	366	1,024	ND	1,072	ND	157	--
Information	148	165	114	138	94	ND	-54	--
Finance/Insurance	412	303	410	243	396	231	-16	-72
Real Estate	149	25	119	21	108	29	-41	3
Professional/Technical	600	142	568	174	567	194	-33	52
Management of Companies	623	66	616	66	611	69	-12	3
Administrative/Waste	521	226	539	197	585	184	64	-42
Education	419	68	372	74	502	87	83	19
Health Care	2,435	862	2,415	840	2,378	892	-57	30
Arts/Entertainment	297	8	216	15	233	17	-64	9
Accommodations/Food	1,718	1,701	1,440	1,433	1,584	1,431	-134	-270
Other Services	596	288	599	259	612	261	16	-27
Local Government	2,322	1,249	2,175	1,181	2,170	1,187	-152	-62
State Government	733	300	750	300	725	300	-8	0
Federal Government	117	111	127	107	123	105	6	-6
<b>Total</b>	<b>20,106</b>	<b>9,034</b>	<b>18,250</b>	<b>9,018</b>	<b>18,722</b>	<b>9,108</b>	<b>-1,384</b>	<b>74</b>
<b>Total (Combined)</b>	<b>29,140</b>		<b>27,268</b>		<b>27,830</b>		<b>-1,310</b>	

Notes: ND = Data do not meet BLS or State agency disclosure standards.  
Source: United States Department of Labor, Bureau of Labor Statistics

Year-end at-place jobs data are not yet available. However, preliminary data show that the total number of at-place jobs in the has risen to 29,000± as of June, 2022. This suggests that nearly all jobs lost during the pandemic have been recovered. Given the level of future job growth anticipated in the region, which will be detailed further below, it is likely that at-place jobs will exceed past peaks by year-end 2022 or 2023. Notably, the current level of at-place jobs in the City of Bristol is at its highest level since 2016.

## At-Place Jobs (Northeast Tennessee)

Table 3 provides trends in at-place job in Northeast Tennessee for comparison purposes. The data show that despite the pandemic, this region added over 1,100 new jobs between 2015 and 2021, representing an increase of approximately 0.8 percent. As of June, 2022, the date for which the most recent data are available, there are an estimated 147,060 at-place jobs in this neighboring region in Tennessee. This is significantly higher than pre-pandemic levels and represents an increase of over 4,200 new jobs since 2015.

Sullivan County has made a particularly strong recovery, with over 68,000 at-place jobs as of June, 2022 - the highest level of employment in the County since 2015 - after losing nearly 1,500 jobs between 2015 and 2021. Similarly, Washington County (TN)'s at-place employment total has reached its highest level in at least two decades. In comparison, the Bristol Region of Virginia experienced a decline of 1,200 at-place jobs during that same period.

**Table 3: Trends in Average At-Place Employment, Northeast Tennessee, 2015-2021**

	<u>Carter County</u>	<u>Johnson County</u>	<u>Sullivan County</u>	<u>Washington County</u>	<u>Northeast Tennessee</u>
2015	10,581	4,108	67,748	60,342	142,779
2016	10,921	4,277	68,221	60,837	144,256
2017	11,017	4,289	67,963	61,442	144,711
2018	11,145	4,238	68,399	61,447	145,229
2019	11,357	4,255	68,327	61,243	145,182
2020	11,273	4,250	65,957	59,261	140,741
2021	<u>11,629</u>	<u>4,312</u>	<u>66,266</u>	<u>61,682</u>	<u>143,889</u>
<b>Net Change</b>	<b>1,048</b>	<b>204</b>	<b>-1,482</b>	<b>1,340</b>	<b>1,110</b>

Source: United States Department of Labor, Bureau of Labor Statistics

The discrepancy in the employment landscape between Northeast Tennessee and the Bristol Region of Virginia is a contributing factor to the contrasting levels of residential development in the two areas. In particular, the number of at-place jobs, which is considerably larger in Northeast Tennessee, plays a critical role in supporting demand for new housing. Additionally, the more rapid pace of employment growth in Northeast Tennessee provides a greater level of demand for new housing. These differences indicate that Northeast Tennessee is currently better positioned to support new housing.

## Employment and Labor Force

At-place jobs refer to jobs that are physically located within the region, while employment refers to the number of residents who are employed, regardless of where their job is located. As shown in Table 4, employment in the region declined by approximately 60 between 2015 and 2019, reflecting the job loss data presented in Table 1. The fact that employment declined at a slower pace than at-place jobs denotes that many of the jobs that were lost during this period were not held by residents of Bristol or Washington County.

The data for 2020 show significant employment losses, attributed almost entirely to the pandemic's impact on the local economy. Total employment declined by over 1,400 in 2020, pushing the unemployment rate up from a low of 3.4 percent in 2019 to 6.2 percent, the highest rate since 2013. As with at-place jobs, many of these losses are expected to be temporary. Data for 2021 show a further, albeit modest decline in employment, reducing by 150±. Although the unemployment rate in 2021 fell to 3.8 percent, its lowest rate since 2000, this is primarily a function of the shrinking labor force, which contracted by nearly 1,000 people in 2021.

	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Percent Unemployed</u>
2015	34,624	32,947	1,677	4.8%
2016	34,336	32,771	1,565	4.6%
2017	34,496	33,064	1,432	4.2%
2018	34,176	33,005	1,171	3.4%
2019	34,045	32,888	1,157	3.4%
2020	33,532	31,462	2,070	6.2%
2021	32,559	31,310	1,249	3.8%
<b>Net Change</b>	<b>-2,065</b>	<b>-1,637</b>	<b>-428</b>	<b>-1.0%</b>

Source: United States Department of Labor, Bureau of Labor Statistics

## COVID-19 Pandemic and Employment

Table 5 illustrates the impact of the COVID-19 pandemic on the local labor market, presenting monthly employment trends up to October, 2022, the most recent data available. The data indicate that employment decreased by over 900 since January, 2020, with the number of unemployed individuals increasing by nearly 300. Furthermore, the labor force has contracted by

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over 1,200, suggesting that many individuals have either stopped seeking employment or have retired.

Despite these declines, the data also show significant improvement in employment since the start of the pandemic, with over 1,700 jobs recovered since April, 2020. The current unemployment rate of 2.9 percent is 0.7 percent lower than the pre-pandemic rate of 3.6 percent. This marks the lowest unemployment rate in several decades, with fewer than 1,000 unemployed individuals across the entire region. This trend may require attracting new residents to fill the vacant employment positions.



**Table 5: Trends in Employment and Unemployment, Bristol Region, Virginia, 2020-2022**

	<b>Labor Force</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Percent Unemployed</b>
January, 2020	34,239	32,991	1,248	3.6%
February, 2020	34,347	33,209	1,138	3.3%
March, 2020	34,176	32,960	1,216	3.6%
April, 2020	34,363	30,333	4,030	11.7%
May, 2020	33,080	30,098	2,982	9.0%
June, 2020	34,012	30,905	3,107	9.1%
July, 2020	33,584	30,862	2,722	8.1%
August, 2020	33,355	31,162	2,193	6.6%
September, 2020	32,850	31,054	1,796	5.5%
October, 2020	32,980	31,465	1,515	4.6%
November, 2020	32,726	31,276	1,450	4.4%
December, 2020	32,668	31,230	1,438	4.4%
January, 2021	32,343	30,773	1,570	4.9%
February, 2021	32,539	31,047	1,492	4.6%
March, 2021	32,739	31,291	1,448	4.4%
April, 2021	32,464	31,220	1,244	3.8%
May, 2021	32,449	31,106	1,343	4.1%
June, 2021	32,665	31,137	1,528	4.7%
July, 2021	32,614	31,227	1,387	4.3%
August, 2021	32,491	31,265	1,226	3.8%
September, 2021	32,431	31,365	1,066	3.3%
October, 2021	32,613	31,654	959	2.9%
November, 2021	32,727	31,803	924	2.8%
December, 2021	32,612	31,820	792	2.4%
January, 2022	32,974	31,829	1,145	3.5%
February, 2022	32,984	32,012	972	2.9%
March, 2022	33,161	32,244	917	2.8%
April, 2022	32,907	32,050	857	2.6%
May, 2022	33,196	32,163	1,033	3.1%
June, 2022	33,009	31,949	1,060	3.2%
July, 2022	33,120	32,093	1,027	3.1%
August, 2022	33,116	32,027	1,089	3.3%
September, 2022	32,841	31,989	852	2.6%
October, 2022	33,036	32,085	951	2.9%
<b>Net Change</b>	<b>-1,203</b>	<b>-906</b>	<b>-297</b>	<b>-0.7%</b>

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

**Economic Development Activity**

The following paragraphs offer detailed descriptions of new economic development announcements in the City of Bristol and Washington County that are expected to generate net job growth. These announcements are estimated to support at least 1,800 new jobs, representing a significant expansion over past trends. It is likely that nearly half of these jobs have already been filled.

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- **Hard Rock Hotel & Casino Bristol**. Ground was broken in January, 2023 on a new 300,000± square foot casino facility in the City of Bristol. The facility, slated to open in the summer of 2024, is planned to include 2,700 slot machines, 100 table games and a 300-room hotel with amenities to include a spa, gym and swimming pool. The development will also include an entertainment venue with 1,800 seats and a general admission capacity of approximately 2,000 people. The new facility will replace a temporary casino with 30,000 square feet of gaming space that opened in mid-2022 at 500 Gate City Highway. Approximately 600 people are employed at the temporary facility, and an additional 600 will be hired once the permanent facility is operational. The annual wages will range from about \$38,000 to \$75,000. Approximately half of the employees will earn above \$50,000.
  - **Amazon** opened a 72,000± square foot delivery station in an existing building at 103 Thomas Road in Bristol in September, 2021. The facility employs approximately 200 people with wages starting at \$16.50 per hour.
  - **1901 Group**, a managed IT services provider, announced in March, 2020 that it would establish its third Virginia operations center in the Virginia Highlands Small business Incubator in Abingdon in Washington County where it would employ 150 people. Approximately 30 employees have been hired to date.
  - **Marriott** plans to build a 107-room hotel within the Falls development in Bristol.
  - **FedEx**. Site work began in July, 2022 on a new 251,000± square foot FedEx distribution facility just outside of Bristol in Washington County. The facility is expected to open in 2023 and employ 250 people on a site along Coronet Drive and adjacent to the 72,000± square foot Amazon fulfillment center that opened in September, 2021.

The above-mentioned announcements likely underestimate the potential for future job growth, as they are based solely on public announcements and do not account for organic employment growth that is not tracked by local, regional or state economic development agencies. Furthermore, the list excludes several retail openings throughout the region. It also does not account for the anticipated level of spin-off employment expected from the Hard Rock Hotel & Casino.

Additionally, the Washington County Industrial Development Authority announced in January, 2023 that it would donate land in the Oak Park Center for Business and Industry as a prospective site for a new inland port, which refers to an intermodal location where freight is

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transferred between trucks and trains or vice versa. A feasibility study conducted in 2022 by the Virginia Economic Development Partnership and Port of Virginia determined that the region satisfies “enough market-driven and physical conditions to warrant additional assessment.” Upon completion, the port is expected to generate 1,370 new permanent jobs, with 675 jobs directly at the inland port and 695 indirect jobs. However, there is currently no set timeline for this development.

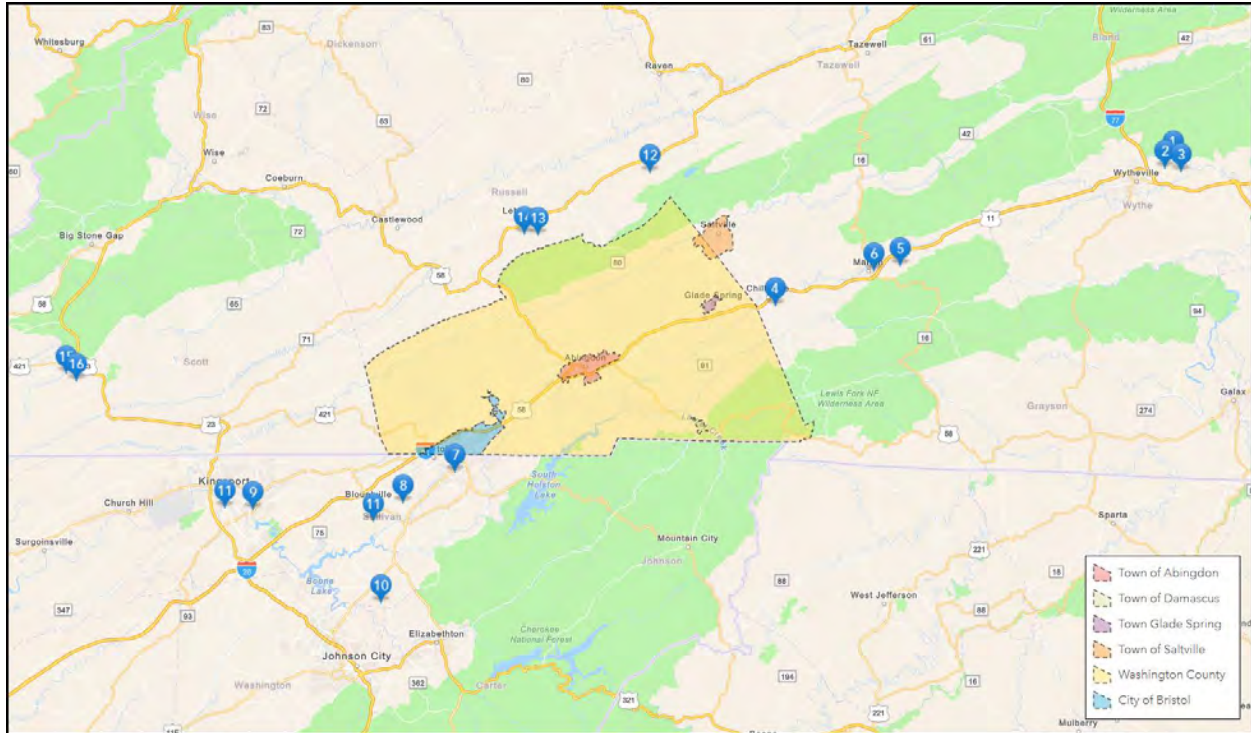
In addition to the above developments, multiple local businesses are actively filling vacant positions in Bristol and Washington County. Bureau of Labor Statistics data from October, 2022 show that there were fewer than 1,000 unemployed residents in the region, while there were nearly 1,500 job listings on the job search platform Indeed for the area. It is important to note that this figure likely underestimates the total job availability as some businesses may choose to advertise job openings on their own websites or through other channels instead of using job search platforms. Additionally, certain job openings may not be widely advertised or may be filled through referrals or other means, rather than being posted publicly. Given the disparity between the number of unemployed residents and the number of vacant local jobs, it is likely that new residents will be needed to fulfill local demand for employment.

### **Regional Job Growth**

Alongside the recent job announcements in Bristol and Washington County, there are also ongoing and upcoming employment opportunities in neighboring regions in Southwest Virginia and Northeast Tennessee that are easily commutable from the Bristol Region. Table 6 provides details on these new job announcements, with the majority of the positions being in the manufacturing sector and offering starting annual wages of around \$35,000. These employers are expected to create more than 4,000 new jobs in nearby communities, including rural areas that are also experiencing a housing shortage, particularly for the workforce population.

<b>Table 6: <u>Regional Job Growth, March, 2023</u></b>		
	<b><u>Map B Key</u></b>	<b><u>New Jobs</u></b>
<b><u>Wythe County</u></b>		
Blue Star NBR	1	2,464
STS Group AG	2	120
Traeger Grills	3	<u>115</u>
<i>(Subtotal)</i>		<i>(2,699)</i>
<b><u>Smyth County</u></b>		
Scholle IPN Packaging	4	75
Woodgrain Millwork	5	80
Emory & Henry College	6	<u>25</u>
<i>(Subtotal)</i>		<i>(180)</i>
<b><u>Sullivan County (TN)</u></b>		
Tennessee Hills Distillery	7	45
Tri-Cities Extrusion Inc.	8	51
Robinette Company	9	70
Kreekside Behavioral Health	10	40
Advanced Call Center Technologies	11	<u>650</u>
<i>(Subtotal)</i>		<i>(856)</i>
<b><u>Russell County</u></b>		
Bates Family Farm	12	35
Polycap	13	39
Ceccato USA Corp	14	<u>50</u>
<i>(Subtotal)</i>		<i>(124)</i>
<b><u>Scott County</u></b>		
eHealth Technologies	15	160
Tempur Sealy International	16	<u>25</u>
<i>(Subtotal)</i>		<i>(185)</i>
<b>Total</b>		<b><u>4,044</u></b>
Source: S. Patz & Associates, Inc.		

Map B displays the 16 job announcements mentioned in Table 5 and their respective locations. Most of these employers are within an hour’s drive from Bristol, with the majority of new jobs located along the I-81 corridor. Census data on commuting patterns in the region indicate that many residents already commute long distances for work, particularly to areas where these employers are actively adding new jobs.



**Map B - Locations of Regional Employment Growth**

The paragraphs below detail each of the job announcements that were listed in Table 5, most of which are for manufacturing-related positions. Excluded are retail, temporary construction, spin-off and smaller job announcements that are not tracked by any local, regional or state economic development agencies.

- **Blue Star NBR.** In October 2021, Blue Star NBR announced plans to build multiple manufacturing facilities in Wythe County’s Progress Park, located less than five miles east of the Town of Wytheville on the south side of Peppers Ferry Road, where the company will produce nitrile rubber medical gloves. This is the largest manufacturing job announcement in Virginia in nearly three decades.

The facilities will occupy the 233-acre rail-served Lot 24 in the industrial park and are expected to generate 2,464 jobs by 2028, excluding construction workers and spin-off jobs. This equates to approximately 490 new positions added per year on average between 2023 and 2028.

The first facility to open will be a nitrile butadiene rubber manufacturing facility, followed by six planned nitrile glove facilities. Construction on this facility began in early 2022 and is expected to open by mid-2023. The remaining five facilities are scheduled to open between 2023 and early 2028. Once the facilities reach full operating capacity, Blue Star

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NBR will manufacture more than 60 billion nitrile gloves per year, or approximately 18 percent of the country's current supply.

Limited hiring has already begun at the chemical plant portion of the facility, which will generate annual salaries of approximately \$70,000. The bulk of the remaining hiring will occur as the glove facilities begin to operate, with positions paying annual salaries of approximately \$37,000.

- **STS Group AG**, a German auto parts manufacturer, announced in April, 2021 that it would establish its first U.S. manufacturing operation in Wythe County's Progress Park industrial park, creating 120 jobs. The new facility will operate as a subsidiary of STS Group North America and will supply Volvo Trucks in Pulaski County and other truck and automotive facilities throughout the Midwest and southeastern U.S. markets.
- **Traeger Grills**, the manufacturer of the world's top-selling wood pellet grill, announced in April, 2021 that it would build a new grill pellet manufacturing operation in Wythe County and create 15 jobs.
- **Scholle IPN Packaging Inc.**, a manufacturer that operates a large sustainable packaging solutions facility along Deer Valley Road in Chilhowie, announced in June, 2022 that it would expand that facility by 73,000± square feet and hire 75 new employees. This follows 42 new hires with average wages of \$43,800± in 2020 and 2021.
- **Woodgrain Millwork**, a manufacturer of wood molding and trim, announced in August, 2021 that it would expand its Marion facility, located at 4615 Lee Highway, and hire 80 new employees. Hiring is expected to begin in early-2023 with pay expected to average \$16 per hour.
- **Emory & Henry College**. The Health Sciences campus in Marion is expected to add between five and 25 new employees by 2027 as the College expands its course offerings and student enrollment.
- **Tennessee Hills Distillery** announced in July, 2022 that it would add a Bristol, Tennessee location to serve as the company's new headquarters. The 34,000± square foot project is expected to create 45 new jobs by 2027.
- **Tri-City Extrusion Inc.**, an aluminum extrusion company, announced in May, 2022 that it would expand its Bristol, Tennessee location with the construction of a 120,500± square foot facility at the Bristol Business Park. The expansion will result in the creation of 51 new jobs.
- **Creekside Behavioral Health**. Ground was broken in January, 2023 on a new 24-bed unit at this senior facility in Kingsport. The project will open in 2023 and employ 40 people.

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- **Robinette Company**, a paper printing company, announced in February, 2023 that it would construct a new 100,000± square foot facility in Piney Flats that will create 70 new production jobs.
  - **Advanced Call Center Technologies** announced two major job expansions in July, 2022. One is a call center in the former Agero building in Bristol, which will house 300 employees. A second operation in Kingsport will provide 350 jobs.
  - **Bates Family Farm**, which manufactures goat lotions and soaps, announced in July, 2022 that it would expand its facility in Cedar Bluff and hire 35 new employees.
  - **Polycap**, a manufacturer of specialty caps and closures, announced in June, 2022 that it would expand its facility in Lebanon. The company currently employs 41 people, with 80 full-time workers expected within four years, with an average full-time wage of \$46,000.
  - **Ceccato USA Corp.** announced in September, 2021 that it would bring 50 new jobs to Lebanon within three to five years and will be located in 51,830± square feet of the Russell Place building. Initially, the plant will assemble and sell car wash units and manufacture truck wash units, sourcing items needed to manufacture those from U.S. companies.
  - **eHealth Technologies**, a provider of medical record and image retrieval and clinical intelligence services, announced in December, 2020 that it would establish a new customer support center in Scott County that would employ 160 people by 2025.
  - **Tempur Sealy International**, the bedding company known for its Tempur-Pedic, Posturepedic and Stearns & Foster mattresses, announced in October, 2021 that it would expand its Duffield facility in Scott County. 25 new jobs are expected to be added by the end of 2023.

Also of note is that a new industrial park called Pathway Park is planned to be built at the former site of the American Furniture factory in Chillhowie. Over the past year, the Smyth County Economic Development Authority was awarded two \$600,000 grants from the Growth and Opportunity for Virginia (GO Virginia) and the Virginia Tobacco Regional Revitalization Commissions to fund infrastructure improvements at the county-owned park. These funds will be used to install 2,000 feet of eight-inch water line and 1,600 feet of sewer line. Site work could begin imminently. Although there have been no job announcements at the park, it could ultimately support up to 400 jobs.

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The above announcements in neighboring areas represent a significant departure from previous trends in the region. Economic development officials attribute this growth to a combination of factors, including pent-up demand for the products being manufactured, state and local incentives that make new and expanding jobs attractive, and the ability of employers to offer competitive wages. However, a key challenge that must be addressed to support this growth is the availability of housing for these employees.

### **Bristol Region Demographic Analysis**

Demographic trend data show that the Bristol Region has experienced a net population increase of approximately 6,210 people since 1990, with Washington County driving net growth. Between 1990 and 1999, the region had a net population increase of nearly 4,200 people, concentrated primarily in unincorporated areas of Washington County and resulting in an annualized population growth rate of about 620 people. In contrast, the City of Bristol experienced a contraction of over 1,000 people during the 1990's. Population growth in the region was primarily attributed to job expansions in the industrial sectors, with companies such as CAMAC Corp, Belvins, Sandvick Rock Tools, General Engineering Company, Bristol Compressors International and Paramount Manufacturing generating a significant number of new jobs during this period.

The region's population continued to expand during the 2000's, albeit at a slower pace. The population increased by over 4,200 people during this period, or an average annualized rate of approximately 420. As with the 1990's, this growth was driven by new job opportunities in the region, primarily in industrial employment sectors. However, unlike the previous decade, the City of Bristol recorded a population increase during the 2000's.

As of 2022, the combined populations of Bristol and Washington County are estimated to have decreased to approximately 70,520, based on data from the Weldon Cooper Center for Public Service. This represents a decrease of 2,190± people since 2010, or an average rate of over 180 people per year. This population decline can be primarily attributed to job losses and the lingering



effects of the Great Recession. The total number of jobs in the region fell by nearly 2,500 between 2019 and June, 2022, which is the most recent data available.

**Table 7: Trends of Population and Households, by Tenure, City of Bristol and Washington County, Virginia, 1990-2022**

	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2022</b>
Regional Population	64,310	68,470	72,710	70,520
City of Bristol	18,430	17,370	17,840	16,800
Washington County	45,890	51,100	54,880	53,720
Town of Abingdon	7,000	7,780	8,190	8,320
Town of Damascus	920	980	810	790
Town of Glade Spring	1,440	1,370	1,460	1,360
Unincorporated/ Saltville Portion	36,530	40,970	44,420	43,250
Group Quarters Population	2,010	1,970	2,060	2,060
Household Population	62,300	66,500	70,650	68,460
Person Per Household	2.49	2.32	2.29	2.27
Households	25,070	28,730	30,720	30,160
Owner Households	18,280	21,250	21,830	20,960
Percent of Total Households	72.9%	74.0%	71.0%	69.5%
Renter Households	6,800	7,480	8,900	9,200
Percent of Total Households	27.1%	26.0%	29.0%	30.5%

Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce  
Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.

**Group Quarters Population**

The Group Quarters population in the Bristol Region refers to individuals who reside in communal settings, such as nursing homes, group homes and student residence halls. This population accounts for approximately 2.9 percent of the total population in the region, or just over 2,000 people. The Group Quarters population is primarily comprised of seniors living in assisted living and nursing facilities, inmates in correctional institutions and students residing in on-campus housing at Emory & Henry College.

Approximately 90 percent of Emory & Henry College students reside in 19 on-campus residence halls. The Group Quarters population is expected to increase as Emory & Henry College is currently constructing a new 96-bed residence hall that is set to open by 2024.

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When determining housing unit demand, the Group Quarters population is excluded from the total population to calculate the household population, which forms the basis for analyzing housing unit demand. Despite the increasing senior population in the area, there has been essentially no growth in the Group Quarters population. This could be attributed to seniors relocating from the region upon retirement.

### **Households**

The Bristol Region saw a significant increase in the number of occupied housing units during the 1990's, expanding by over 3,600 households. This expansion was attributed to the region's population growth during that period alongside a significant decline in the average household size, from 2.49 in 1990 to 2.32 in 2000. The average household size has continued to shrink, primarily due to the aging population in the region, and as of 2022, it has reached a low of 2.27.

As of 2010, the region had approximately 30,720± households, which increased by 1,990± compared to the 2000's. However, based on current population estimates and the ongoing reduction in average household size, the estimated number of households for 2022 is 30,160±, indicating a decline of approximately 560 households compared to 2010. This trend is a contributing factor to the slow growth in the new home market.

### **Owner Households**

The data presented in Table 7 show that the region has historically maintained a high percentage of homeowners, ranging from 72.9 percent in 1990 to 69.5 percent in 2022. This rate is higher than the recent state and national averages of 67.3 percent and 65.1 percent, respectively. The high ownership rate may be attributed to the limited availability of new rental housing in the region and historically affordable home prices.

The estimated number of homeowners in the region was 21,830± in 2010, and it is projected to have decreased to 20,960± as of 2022. This suggests that recent population losses were

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primarily driven by homeowners, particularly those with more modest incomes. Meanwhile, the number of renter households has increased since 2010.

### **Owner Households by Income**

Data presented in Table 8 reveal a decline in the total number of homeowners in the region since 2010. This trend contrasts with the period between 1990 and 2010, when job growth and an elevated pace of new home construction led to an increase in the number of homeowners in the region.

The data are segmented into two income categories: homeowners earning annual incomes between \$40,000 and \$80,000, and those earning over \$80,000. The former category has experienced a modest increase since the 2000's, representing 24.6 percent of owner households in 2022. The latter category, which constitutes the potential market for new home sales, includes over 32 percent of owner households in the region.

There has been modest net growth in both income categories since 2010. The slow pace of growth is attributable to a number of factors, including limited new housing inventory, slow job growth for households at these income levels and the prolonged impacts of the Great Recession.

**Table 8: Trends of Owner Households, by Income,  
City of Bristol and Washington County, Virginia, 1990-2022 1/**

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2022</u>
Households	25,070	28,730	30,720	30,160
Owner Households	18,280	21,250	21,830	20,960
Percent of Total Households	72.9%	74.0%	71.0%	69.5%
<b><u>\$40,000-\$80,000</u></b>				
Total Households	4,370	5,070	5,220	5,150
Percent of Owner Households	23.9%	23.9%	23.9%	24.6%
<b><u>Above \$80,000</u></b>				
Total Households	4,700	6,260	6,690	6,720
Percent of Owner Households	25.7%	29.5%	30.6%	32.1%
Notes: 1/ Reported in constant 2022 dollars.				
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

### **Renter Households**

Data from 2022 show that the region had a total of 3,920± renter households, representing a 300-household increase from the 2010 total. This still represents a relatively low percentage of total households, at less than 31 percent. Despite the small number of new apartment units constructed in the region during this period, the modest growth of renter households suggests that some owner-occupied homes were converted into rental units.

### **Renter Households by Income**

Table 9 presents trends in the number of renter households in the region by income category. The data identify a significant number of low- and moderate-income renter households, which can be attributed to the large number of housing units supported by deep rent subsidies as well as the approximately 360 housing choice vouchers issued by the Bristol Redevelopment and Housing Authority and just over 120 housing choice vouchers administered by the Abingdon Redevelopment and Housing Authority.

As of 2022, an estimated 2,280 renter households in the region earn annual incomes below \$20,000, while almost 1,900 renter households have annual incomes between \$20,000 and \$35,000. This means that over 45 percent of renter households in the region earn annual incomes below

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\$35,000. Most of these renters reside in income-restricted properties and older market rate properties.

Renter households earning between \$35,000 and \$50,000 generally represent the workforce housing population in the Bristol Region. As of 2022, this income bracket totaled approximately 1,550 households, which is a slight increase since 2010. However, the vast majority of apartment properties that serve this sector of the rental market are mature. Future job growth, as documented above, is likely to expand this cohort.

As of 2022, there were approximately 1,740 renter households earning annual incomes between \$50,000 and \$75,000, representing 18.9 percent of renter households in the region. This is an increase of approximately 110 households over the 2010 level. Additionally, nearly 1,600 renter households earned annual incomes exceeding \$75,000 in 2022. As there are essentially no upscale apartment properties in the region, these higher-income renters primarily rent larger townhomes and single-family homes. Many of these require upkeep such as lawn maintenance that is not desirable to all renters.

The data indicate steady, albeit modest, growth of renter households in nearly all income categories over the past decade. This growth was constrained by limited housing supply and potential renters “doubling up” or leaving the region in search of adequate housing elsewhere.

<b>Table 9: Trends of Renter Households, by Income, City of Bristol and Washington County, Virginia, 1990-2022 1/</b>				
	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2022</b>
Households	25,070	28,730	30,720	30,160
Renter Households	6,800	7,480	8,900	9,200
Percent of Total Households	27.1%	26.0%	29.0%	30.5%
<b><u>Under \$20,000</u></b>				
Total Households	2,010	2,050	2,260	2,280
Percent of Renter Households	29.6%	27.4%	25.4%	24.8%
<b><u>\$20,000-\$34,999</u></b>				
Total Households	1,240	1,530	1,830	1,870
Percent of Renter Households	18.2%	20.5%	20.6%	20.3%
<b><u>\$35,000-\$49,999</u></b>				
Total Households	1,020	1,070	1,390	1,550
Percent of Renter Households	15.0%	14.3%	15.6%	16.8%
<b><u>\$50,000-\$74,999</u></b>				
Total Households	1,100	1,330	1,630	1,740
Percent of Renter Households	16.2%	17.8%	18.3%	18.9%
<b><u>Above \$75,000</u></b>				
Total Households	930	1,220	1,510	1,580
Percent of Renter Households	13.7%	16.3%	17.0%	17.2%
Notes: 1/ Reported in constant 2022 dollars.				
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

## **Senior Population and Households**

Table 10 provides data on the net growth of the older adult population in the Bristol Region, which is divided into two demographic cohorts: (1) the active senior population, defined as adults between the ages of 62 and 79, and (2) the older senior population, defined as adults who are 80 and older. The active senior population represents the sector of the housing market most likely to consider downsizing to smaller homes without maintenance requirements, while the population above the age of 79 represents the potential market for assisted living or nursing care.

Employers in the area report a significant number of retirees each year, indicating a potential demand for age-restricted housing. This is supported by feedback from local real estate agents, who report strong demand from seniors looking to downsize, but with few attractive options available. Patio homes, designed specifically for seniors, have historically sold well in the region.

In 2010, the active senior population in the Bristol Region totaled approximately 12,810, or 17.6 percent of the total regional population. This is higher than state and national averages. Over the 2000's, a period in which the general population grew by approximately 4,240, the net growth of the 62 to 79 age group was 2,060±. Much of the net population growth of active seniors since 1990 can be attributed to residents aging in place rather than an influx of seniors moving to the region. The 2022 active adult population totals approximately 14,030 people, representing an increase of 1,220± over the 2010 level.

<b>Table 10: Trends of Senior Population and Households, City of Bristol and Washington County, Virginia, 1990-2022</b>				
	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2022</b>
Total Population	64,310	68,470	72,710	70,520
Total Households	25,070	28,730	30,720	30,160
<b><u>Active Senior Population and Households (62-79)</u></b>				
Senior Population	9,780	10,750	12,810	14,030
Percent of Total Population	15.2%	15.7%	17.6%	19.9%
Senior Households	6,260	7,080	8,120	8,880
Percent of Total Households	25.0%	24.6%	26.4%	29.4%
Average Senior Household Size	1.56	1.52	1.58	1.58
<b><u>Older Senior Population and Households (80+)</u></b>				
Senior Population	2,230	2,820	3,250	3,510
Percent of Total Population	3.6%	4.1%	4.5%	5.0%
Senior Households	1,480	1,940	2,710	2,930
Percent of Total Households	5.9%	6.8%	8.8%	9.7%
Average Senior Household Size	1.51	1.45	1.20	1.20
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

### **Active Senior Population and Households, by Income**

Table 11 presents trends on senior households by income category in the Bristol Region between 1990 and 2022. As of 2022, approximately 3,280 senior-headed households, or nearly 37 percent of senior-headed households, earned annual incomes below \$35,000, when reported in constant 2022 dollars.

The data show recent growth among modest- and higher-income senior-headed households since 2010. The growth total for the \$35,000 to \$49,999, \$50,000 to \$74,999, and \$75,000 and above income categories ranged between 190 and 250 households since 2010. No senior

housing was built in the region during this period, although several single-level homes without age restrictions were constructed during this period. This growth was driven by seniors aging in place rather than older residents moving to the Bristol Region.

<b>Table 11: Trends of Active Senior Households, by Income, City of Bristol and Washington County, Virginia, 1990-2022 1/</b>				
	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2022</b>
Households	25,070	28,730	30,720	30,160
Senior Households (62-79)	6,260	7,080	8,120	8,880
Percent of Total Households	25.0%	24.6%	26.4%	29.4%
<b><u>Under \$20,000</u></b>				
Total Households	1,960	1,630	1,660	1,700
Percent of Senior Households	31.3%	23.0%	20.4%	19.1%
Percent of Total Households	7.8%	5.7%	5.4%	5.6%
<b><u>\$20,000-\$34,999</u></b>				
Total Households	1,390	1,440	1,500	1,580
Percent of Senior Households	22.2%	20.3%	18.5%	17.8%
Percent of Total Households	5.5%	5.0%	4.9%	5.2%
<b><u>\$35,000-\$49,999</u></b>				
Total Households	800	1,160	1,420	1,610
Percent of Senior Households	12.8%	16.4%	17.5%	18.1%
Percent of Total Households	3.2%	4.0%	4.6%	5.3%
<b><u>\$50,000-\$74,999</u></b>				
Total Households	910	1,100	1,420	1,620
Percent of Senior Households	14.5%	15.5%	17.5%	18.2%
Percent of Total Households	3.6%	4.0%	4.6%	5.4%
<b><u>Above \$75,000</u></b>				
Total Households	1,160	1,670	2,040	2,290
Percent of Senior Households	18.5%	23.6%	25.1%	25.8%
Percent of Total Households	4.6%	5.8%	6.6%	7.6%
Notes: 1/ Reported in constant 2022 dollars.				
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

### **Housing Unit Trends**

This subsection analyzes the overall housing unit inventory in the Bristol Region, including new additions to the market and the ages of homes. Table 11 presents census data on total housing units in 2010 and 2020. For comparison purposes, data is also shown for the other jurisdictions within the Mount Rogers Planning District.



The data indicate that the Bristol Region had approximately 390 fewer housing units in 2020 compared to 2010, representing a decline of 1.0 percent. This trend is similar to most of the neighboring communities in the Mount Rogers Planning District, where the total number of housing units decreased by over 1,100, or 1.2 percent, since 2010. The only exception is Carroll County, where the housing stock expanded by only ten units.

Table 12 highlights the fact that there has been no net growth in the local or regional housing stock since 2010. The data show that there were essentially no net new housing additions anywhere in the Mount Rogers Planning District during this time. As a result, there are limited housing options available, even for those who are willing to undertake long commutes.

This does not mean that no new homes were built during this period. Rather, the data likely reflect a situation in which a larger number of older homes were demolished over the past decade compared to the number of newer homes that were constructed.

<b>Table 12: <u>Net Change in Housing Units,</u> <u>Bristol Region, Virginia and Mount Rogers Planning District, 2010-2020</u></b>				
	<b>2010</b>	<b>2020</b>	<b>Net Change</b>	<b>Percent Change</b>
Bristol City	8,795	8,670	-125	-1.4%
Washington County	<u>25,637</u>	<u>25,424</u>	<u>-213</u>	<u>-0.8%</u>
(Subtotal)	(34,432)	(34,094)	(-338)	(-1.0%)
Wythe County	14,079	13,990	-89	-0.6%
Bland County	3,265	3,200	-65	-2.0%
Carroll County	16,569	16,579	10	0.1%
Galax City	3,252	3,156	-96	-3.0%
Grayson County	9,158	8,924	-234	-2.6%
Smyth County	15,426	15,097	-329	-2.1%
<b>Mount Rogers Planning District</b>	<b>96,181</b>	<b>95,040</b>	<b>-1,141</b>	<b>-1.2%</b>
Source: 2010-2020 Census, U.S. Census Bureau, U.S. Department of Commerce				

Table 13 presents data on the periods during which new occupied homes were built in the Bristol Region. The data shows that just over 13,000 homes have been built since 2010, representing fewer than five percent of occupied housing units. While the region did add over 3,600 new homes during the 2000's and over 4,500 during the 1990's, there has been a steady decline in the pace of new home additions since the 1990's.

The key conclusion is that the housing stock in the region is aging, with nearly 54 percent of households living in homes that were built prior to 1980 and nearly 14 percent households living in homes that are at least 80 years old.

**Table 13: Occupied Housing Units by Year Structure Built, City of Bristol and Washington County, Virginia, 2020**

	<u>Washington County</u>		<u>City of Bristol</u>		<u>Region</u>	
<b>Occupied Housing Units</b>	<b>21,845</b>	<b>100.0%</b>	<b>7,347</b>	<b>100.0%</b>	<b>29,192</b>	<b>100.0%</b>
Built 2020 or Later	16	0.1%	0	0.0%	16	0.1%
Built 2010 to 2019	1,213	5.6%	154	2.1%	1,367	4.7%
Built 2000 to 2009	2,900	13.3%	686	9.3%	3,586	12.3%
Built 1990 to 1999	4,163	19.1%	362	4.9%	4,525	15.5%
Built 1980 to 1989	3,127	14.3%	892	12.1%	4,019	13.8%
Built 1970 to 1979	4,256	19.5%	1,223	16.7%	5,479	18.8%
Built 1960 to 1969	2,168	9.9%	1,259	17.1%	3,427	11.7%
Built 1950 to 1959	1,550	7.1%	1,223	16.7%	2,773	9.5%
Built 1940 to 1949	820	3.8%	436	5.9%	1,256	4.3%
Built 1939 or Earlier	1,632	7.5%	1,112	15.1%	2,744	9.4%

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates

### Prevalence of Occupied Substandard Homes

The final aspect of the census data on the Bristol Region housing market pertains to the number of substandard housing units, specifically occupied homes with incomplete plumbing or kitchen facilities. Table 14 indicates that only 35 occupied homes lack complete plumbing facilities, and 71 occupied homes lack complete kitchen facilities in the region, all located in Washington County. These data from the American Community Survey reveal that these substandard housing units account for less than one percent of total occupied homes.

It should be noted that no analysis was conducted for homes without telephone connection, as it is no longer considered a relevant measure of home quality. While there may be a significant number of blighted vacant homes in the region, the number of blighted occupied homes is relatively small.

**Table 14: Occupied Housing Units by Complete Facilities,  
City of Bristol and Washington County, Virginia, 2020**

	<b><u>Washington County</u></b>		<b><u>City of Bristol</u></b>		<b><u>Bristol Region</u></b>	
Occupied Housing Units	<b>21,845</b>	<b>100.0%</b>	<b>7,347</b>	<b>100.0%</b>	<b>29,192</b>	<b>100.0%</b>
<b><u>Plumbing Facilities</u></b>						
Complete Plumbing Facilities	21,810	99.8%	7,347	100.0%	29,157	99.9%
Lacking Complete Plumbing Facilities	35	0.2%	0	0.0%	35	0.1%
<b><u>Kitchen Facilities</u></b>						
Complete Kitchen Facilities	21,774	99.7%	7,347	100.0%	29,121	99.8%
Lacking Complete Kitchen Facilities	71	0.3%	0	0.0%	71	0.2%

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates

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### **Section III: Bristol Region Housing Market**

The following subsection provides a detailed analysis of the various components that comprise the Bristol Region housing market. The analysis of the for-sale housing market is based on home type, including single-family homes, townhomes, factory-built homes and patio homes. The data reveal that the for-sale housing market is dominated by resales, as very few new homes have been built speculatively since the Great Recession. The majority of newer homes in the region are single-family homes, although some townhomes and patio homes have been successfully sold in the past. It is important to note that there are no age-restricted subdivisions in the region. Additionally, most active subdivisions market vacant lots rather than new homes.

This subsection also includes a comprehensive analysis of the rental market, including both affordable and market rate rental properties. The market rate properties in the region are primarily mature and managed by local and regional investors and property managers. There are very few professionally managed, market-rate apartment communities with amenities or on-site management. Most are small properties.

The affordable rental housing stock in the region is sizable and well maintained. The region is home to two housing authorities, the Bristol Redevelopment and Housing Authority and the Abingdon Redevelopment and Housing Authority. The majority of rental units owned and managed by these two organizations serve households earning less than 30 percent of the Area Median Income (AMI). The affordable apartment properties in the region are typically at full occupancy and maintain extensive waitlists.

#### **For-Sale Housing Market**

##### **New Construction Home Market**

There are currently only five subdivisions in the Bristol Region with recent new home sales activity and unbuilt lots for sale. All of these subdivisions are located in Washington County and are detailed in Table 15. The Commons at Willow Run is the only active subdivision located

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in the Town of Abingdon, while the remaining four are in unincorporated parts of Washington County. Each of these subdivisions is briefly described in the following paragraphs.

- **The Commons at Willow Run.** This subdivision is located in Abingdon and consists of 18 approved patio home lots in four building clusters along Weeping Willow Drive, adjacent to the Willow Run Apartments. This is the only active subdivision within the Town limits. The initial set of homes began sales in 2009, and it is one of the few speculatively built subdivisions in the region. Five new homes in a single cluster were most recently built and are listed in the upper-\$200,000's, with two of the newer homes having sold to date. All of the newer homes are 1,600 square foot, three-bedroom/2.5-bathroom homes with a single car garage. These homes are particularly marketable to seniors, as they offer a ground level master bedroom. The HOA fee, which is \$45 per month, includes lawn care and snow removal.
- **Olde South Estates** is one of the newer active subdivisions in the Bristol Region. Comprising of 15 lots, including ten adjacent to the Virginia Creeper Trail, this small subdivision is situated along Old S Way, south of Watuga Road, approximately six miles southeast of the Town of Abingdon. These lots became available for purchase in November, 2022 and are being marketed solely for lot sales as no speculative homes have been built. Lot sizes range from 0.692 to 0.948 acres, with prices listed between \$100,000 and \$110,000. The covenants impose restrictions on new home construction to be no larger than 1,800 square feet and require all utility lines to be installed from underground service connections. One lot has been sold to date.
- **The Heritage** is an 80-acre subdivision located off I-81's Exit 14, just south of Abingdon. The subdivision is comprised of lots ranging in size between 0.7 and 1.7 acres. Lot prices vary from \$75,000 to \$112,500, based on size. The covenants require all homes to be two-story structures of at least 2,800 square feet. Manufactured and mobile homes are prohibited in this subdivision. As of present, 39 lots have sold, with the first new home being built in 2015. Notably, six homes were built in 2021, two in 2019 and one in 2022. The average home value stands in the upper-\$300,000's, although some homes are priced higher. Currently, one home is under construction.
- **Olde Homestead**, one of the largest subdivisions in the region, is situated along Old Homestead Way, near the Virginia Highlands Airport, and just west of the Town of Abingdon. The subdivision was granted approval for 120 homes in 2009, but development has been slow since that time. Only five single-family homes have been constructed to date, with one in 2009, one in 2011, one in 2012, one in 2020 and one in 2021. Most homes in this subdivision are valued in the mid- to upper-\$500,000 range. All current listings are limited to vacant lots. There are no homes under construction in this subdivision.
- **Deer Run Estates** is an established subdivision situated south of the Town of Abingdon on Meadowbrook Road, Deer Run Drive, and Bonnycastle Drive, offering a mix of townhomes and single-family homes. The development features townhomes and single-

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family homes with attached two-car garages. The townhome designs are particularly attractive to seniors due to their single-level designs. Most resales are priced modestly, with townhome units ranging from the upper-\$100,000's to the low-\$200,000's. Additionally, several units are reportedly occupied by renters, with rents ranging between \$1,600 and \$2,000.

Since home construction began in 1997, a total of 122 homes have been constructed in the community. During the 1990's, 28 homes were built, while 72 homes were built in the 2000's. Since 2010, 21 homes have been built, though no new homes have been constructed since 2020. Notably, the newest section in the development features only single-family homes. At present, there are no homes under construction in this subdivision.

Table 15 presents the following key points:

- 1) The region has a small number of active subdivisions with available lots suitable for new home construction. Specifically, five subdivisions located in Washington County collectively offer a total of 398 lots, with only 182 of them sold, leaving 216 lots available for new homes.
- 2) Most subdivision activity is for lot sales, and not for the sale of speculatively built homes. This generally makes selling homes at more modest prices infeasible. The Commons at Willow Run is the exception.
- 3) Among the five subdivisions, Deer Run Estates is the sole subdivision offering a mix of home types, though the newest homes are all single-family homes. The Commons at Willow Run is the only community with new patio homes designed for seniors.
- 4) None of these subdivisions sell speculative homes at more affordable prices, below \$250,000.
- 5) None of the subdivisions offer amenities such as a clubhouse, walking paths or swimming pool. This is partly due to the small number of lots.
- 6) In addition to the available lots in these subdivisions, there are multiple vacant lots throughout the region that offer development potential. However, some of these lots adjoin homes in varying states of disrepair, which limits their marketability and appeal for new home development.

**Table 15: Characteristics of Greater Bristol Region, Virginia Subdivisions, March, 2023** 1/

	<u>Map C</u>	<u>Year</u>	<u>Home Type</u>	<u>Lots</u>	<u>Lots</u>
	<u>Key</u>	<u>Started</u>		<u>Approved</u>	<u>Sold</u>
The Commons at Willow Run 2/	1	2009/23	Townhome	18	15
Olde South Estates	2	2022	SFH	15	1
The Heritage	3	2015	SFH	75	39
Olde Homestead	4	2009	SFH	120	5
Deer Run Estates	5	1997	Townhome/ SFH	170	122
<b>Total</b>				<b>398</b>	<b>182</b>

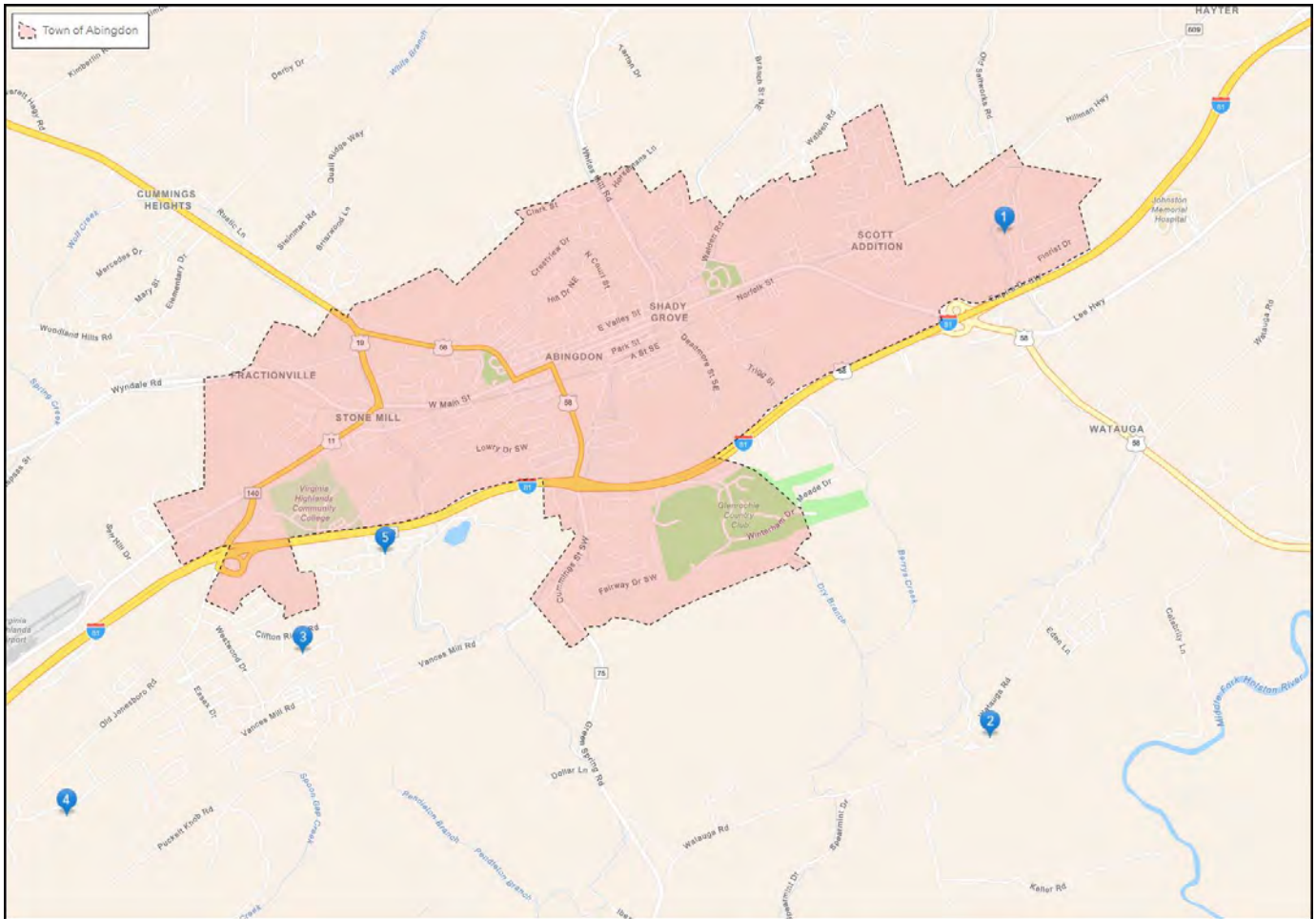
Notes: 1/ Excludes The Virginian, with high-priced custom homes and lot sales. Includes subdivisions with ten or more lots only.

2/ Also known as Stoneybrook Phase V.

Source: Washington County, VA

Local realtors indicate that demand exists for homes priced between \$250,000 and \$600,000 in the region. However, most prospective homebuyers can only afford homes priced between \$175,000 and \$250,000, with a reduced demand for homes priced above \$250,000. The subdivisions listed in Table 15 do not adequately meet the needs of most potential homebuyers, as only a limited quantity of speculative homes have been built at prices that are affordable to this segment of the market. While homes in the region are available in the \$175,000 to \$250,000 price range, most are older properties that may require upfront repairs and upgrades, which may deter many buyers.

Map C depicts the locations of the five subdivisions mentioned above. The map indicates that, except for the Commons at Willow Run, located at the eastern edge of Abingdon, all of these subdivisions are situated in unincorporated parts of Washington County, to the south of I-81. Notably, there are no active subdivisions within the City of Bristol.



**Map C - Locations of Active Subdivisions**

The photos below illustrate typical homes in the five subdivisions outlined in Table 14. Notably, no new home construction has occurred in Olde South Estates. The Commons at Willow Run features patio home designs, with ground-level master bedrooms particularly appealing to seniors. The Heritage and Olde Homestead offer relatively spacious single-family homes on large lots. Deer Run Estates is the only subdivision with a mix of home designs. Most of the newer homes in this subdivision are single-family homes, while the older homes are single-level duplex units with patio home designs.





**The Commons at Willow Run**



**Olde South Estates (No Homes Built to Date)**



**The Heritage**



**Olde Homestead**



**(Patio Homes)**



**(Single-Family Home)**

**Deer Run Estates**

### **Lot Sales and Speculative Home Sales**

The data in Table 15 and Table 16 suggest that most new home construction activity in the region involves the sale of unbuilt residential lots, rather than the construction of speculative homes. Historically, and as is often the case rural localities, this has been due to the perceived high risk and uncertainty associated with speculative home construction in rural areas where demand for homes may be lower and financing may be more difficult to secure. As a result, developers in the region are more likely to purchase land and subdivide it into lots for sale to individual buyers.

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However, this trend has resulted in a shortage of housing options that are affordable to first-time homebuyers and those with more modest incomes as the process of purchasing a lot and constructing a home can be prohibitively expensive and complicated. Additionally, difficulties in financing, unexpected expenses during the construction process and navigating the building and permitting process can make it even more challenging for those with limited financial resources.

In contrast, purchasing a speculatively built home offers numerous advantages for first-time homebuyers and those with more modest incomes. Speculative homes are often available for immediate occupancy, eliminating the need for buyers to navigate the complex and expensive process of designing and building a new home from scratch. Furthermore, speculative homes are typically constructed by experienced home builders, providing buyers with greater confidence in the quality of construction and reliability of the builder.

To summarize, it is evident that the sale of unbuilt residential lots is the dominant form of subdivision activity in the Bristol Region, but it has predominantly served the more affluent sectors of the housing market. As a result, there is a limited supply of affordable housing options for homebuyers at modest incomes levels. For these homebuyers, purchasing a speculative home is a more viable and convenient option. The region, however, offers few such options.

### **Trends in New Home Construction**

Table 16 provides an overview of recent trends in new home construction in the region, highlighting the prevalence of small-scale, scattered lot development. Since 2012, a total of 842 new homes have been constructed, with the majority being custom-built rather than speculative. This averages to fewer than 80 new homes per year, indicating a relatively slow pace of development. Of the homes constructed during this period, only 81 were built in the City of Bristol, accounting for less than 10 percent of new construction. The remaining 90.1 percent of new homes were built in Washington County. Notably, of the 765 homes constructed in Washington County since 2012, 643 (84.1 percent) were connected to public water infrastructure,

while only 231 (30.1 percent) had access to public sewer. This suggests that most new residential construction is situated in rural settings outside of the incorporated towns.

	<u>Washington County</u>	<u>City of Bristol</u>	<u>Total</u>	<u>Change</u>
2022	45	0	45	-40.8%
2021	74	2	76	-24.0%
2020	98	2	100	+29.9%
2019	72	5	77	+24.2%
2018	50	12	62	-17.3%
2017	71	4	75	-10.7%
2016	69	15	84	+6.3%
2015	76	3	79	+1.3%
2014	78	4	78	+30.0%
2013	54	6	60	-43.4%
2012	<u>78</u>	<u>28</u>	<u>106</u>	=
<b>Total</b>	<b><u>765</u></b>	<b><u>81</u></b>	<b><u>842</u></b>	

Source: Washington County, VA; City of Bristol, VA

### Trends in Regional Home Sales and Prices

Data from Table 17 show the trends in home sales across the Bristol Region from 2016 to 2022. Over this six-year period, more than 3,400 homes were sold, with nearly 85 percent of the transactions taking place in Washington County. The overwhelming majority of these transactions involved re-sales. Regionwide, home sales increased every year between 2016 and 2019, despite coinciding with a period of an approximately 0.5 basis point increase in average 30-year fixed mortgage rates in the state.

Total home sales declined moderately in 2020, due to pandemic-related uncertainties leading to fewer listings compared to normal circumstances. This decline in sales occurred despite a reduction of nearly .09 basis points in average 30-year fixed mortgage rates.

The pace of home sales rebounded in 2021 in both Bristol and Washington County, supported by historically low mortgage interest rates and increased inventory compared to earlier periods of the pandemic. While the number of home sales declined in 2022, this was largely

a function of limited supply and mortgage interest rates that rose to the highest rate in several years. Nonetheless, home sales in 2022 remained at a level similar to that of 2017.

<b>Table 17: Trends in Home Sales, Bristol Region, Virginia, 2016-2022</b>								
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
City of Bristol	42	70	76	84	67	92	83	<b>514</b>
Washington County	<u>393</u>	<u>381</u>	<u>425</u>	<u>437</u>	<u>441</u>	<u>463</u>	<u>369</u>	<b>2,909</b>
<b>Regional Total</b>	<b>435</b>	<b>451</b>	<b>501</b>	<b>521</b>	<b>508</b>	<b>555</b>	<b>452</b>	<b>3,423</b>
Source: Virginia Realtors								

Presented in Table 18 are the trends in home sales prices over the same period. The data identify a decline in home sales prices between 2016 and 2017. However, since 2017, average home sales prices have steadily increased, growing by an average of over 73 percent. In Washington County, average home sales prices exceeded \$200,000 for the first time in 2021.

The most pronounced increase in home sales prices occurred between 2019 and 2021, just before and during the pandemic. Despite the sharp rise in home prices during this period, the pace of home sales in the region remained robust.

<b>Table 18: Trend in Home Sales Prices, Bristol Region, Virginia, 2016-2022</b>			
	<u>City of Bristol</u>	<u>Washington County</u>	<u>Regional Average</u>
2016	\$128,285	\$161,161	<b>\$144,723</b>
2017	\$96,000	\$149,518	<b>\$122,759</b>
2018	\$123,248	\$158,096	<b>\$140,672</b>
2019	\$110,136	\$171,774	<b>\$140,955</b>
2020	\$108,379	\$193,503	<b>\$150,941</b>
2021	\$153,796	\$224,071	<b>\$188,933</b>
2022	\$177,231	\$247,783	<b>\$212,507</b>
<b>Average</b>	<b>\$128,154</b>	<b>\$186,558</b>	<b>\$157,356</b>
Source: Virginia Realtors			

## **Townhome Market**

It is worth noting that the region has seen limited construction of for-sale townhomes in recent years, with most existing options being mature properties. Moreover, the subdivisions listed in Table 15 have limited two-level townhome designs available for sale. Encouraging the

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development of this housing type is recommended, as it can provide an affordable option for young couples and families with modest incomes.

The success of two townhome developments located along the I-81 corridor provides a potential prototype for the Bristol Region. Roanoke-based R. P. Fralin recently built and sold these townhomes, priced in the upper-\$100,000's and low-\$200,000's, and designed as "starter homes." The townhomes are two-level, with brick and/or vinyl exteriors and single-car garages. Most units have three-bedroom floorplans with 2.5 bathrooms. Given comparable land costs in the area, it may be possible to build and sell similar townhomes in the Bristol Region.



**Village Green**



**Faircrest**

### **Patio Home Market**

The data presented in Table 9 demonstrate the expanding senior population in the Bristol Region. The region has a large and growing senior population, many of whom have home equity and retirement savings, as well as a desire to remain locally if adequate housing is available. However, most existing homes in the region are not designed for seniors to age in place, as they are often too large, have upper-level bathrooms or require significant maintenance.

There is a growing market for patio homes in Virginia and nationwide. Patio homes are a type of single-level attached housing that typically consists of a single-family dwelling with a small yard or patio. These homes are often part of a larger development or community and may be grouped together in a cluster or row. The size of patio homes can vary depending on the

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location and design of the development, but they are typically smaller than traditional single-family homes. This is because they are designed to be low-maintenance and energy-efficient, and therefore do not require as much space.

Patio homes typically range in size from around 800 to 1,500 square feet, with two or three bedrooms and one or two bathrooms. They offer a convenient and manageable living option for people who are looking for a low-maintenance, energy-efficient dwelling. Apart from the small number of homes at the Commons at Willow Run, very few new patio homes have been built in the region since the mid-2010's.

This type of home design is recommended. It can be within an age-restricted community or for general occupancy, as the one-story concept is equally appealing to the empty nester market. Depending on size and features, these homes can be priced in the low-\$200,000's to low-\$300,000's within the Bristol Region marketplace. Photos of newer patio homes built elsewhere along the I-81 corridor are shown below.



**Berkley Commons**



**Medallion Hills**

**Typical Botetourt County Patio Homes**

**Factory-Built Homes**

The region has a sizable number of mobile, modular, and manufactured homes, though many of these homes are mature. These are types of factory-built homes that are constructed off-

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site and then transported to their final location. However, there are some key differences between these three types of homes.

Manufactured homes, also known as “trailer homes” or “prefabricated homes,” are built to a federal building code known as the HUD code. These homes are built in a factory and then transported to their final location on a trailer, where they are placed on a permanent foundation. Manufactured homes are typically considered to be less expensive and less durable than other types of factory-built homes.

Mobile homes, also known as “single-wide” or “double-wide” homes, are a type of manufactured home that is built in a factory and then transported to its final location on a trailer. Unlike manufactured homes, mobile homes are not required to meet the HUD code and are therefore not subject to the same construction standards. Mobile homes are generally considered to be lower-quality and less durable than other types of factory-built homes. These types of homes are no longer built and sold.

Modular homes, on the other hand, are built to the same building codes as site-built homes and are constructed in a factory in sections, or modules. These modules are then transported to the building site and assembled on a permanent foundation. Modular homes are generally considered to be higher-quality and more durable than manufactured or mobile homes and are often indistinguishable from site-built homes once they are completed.

According to census data, nearly 10 percent of residents in the Bristol Region live in factory-built homes of various types. Of the approximately 2,920 occupied factory-built homes in the region, over 98 percent are located in Washington County, with fewer than 300 situated within Washington County’s towns.

Of the nearly 6,800 individuals living in these types of homes, over 70 percent are homeowners, while the rest are renters. The data show that there are 2,070± owner-occupied factory-built homes and 860± renter-occupied homes, at an average household size of 2.29 for



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owner-occupied homes and 2.35 for renter-occupied homes. This indicates that a large number of these homes are occupied by families with children.

The census data also show that around 25 percent or approximately 960 of the nearly 3,900 factory-built homes in the region are vacant, mostly due to the age of the units. A substantial number of these older homes are likely to be uninhabitable. The cost of disposing or relocating an old, factory-built home varies and depends on several factors, such as the size of the home, its condition, the distance it needs to be transported and any local regulations or fees that may apply. In general, disposing of a factory-built home can cost a few hundred to several thousand dollars.

### **For-Sale Housing Pipeline**

Several small subdivisions are in various stages of planning in the region, none of which have started selling homes or lots. These proposed subdivisions are outlined below and are expected to add a modest number of new townhome and single-family homes. Among these developments are plans for 12 townhomes in the City of Bristol and 47 single-family homes in Washington County.

- **Wildflower Ridge**. Construction is ongoing on this small set of four patio homes along Honeysuckle Lane in the City of Bristol. This is being marketed as the region’s first “Solar-Smart Home Technology Community.” Features include hardy plank siding, 2x6 exterior walls, spray on insulation, smart home technology, Pella windows, tankless water heater and gas option for all appliances. Sales have not yet begun.
- **Primrose Lane Townhomes**. This is a proposal for eight, two-level townhomes to be built along Primrose Lane in the City of Bristol. The townhomes will have a ground level living and dining area, kitchen, master bedroom laundry room and powder room. The upper level will consist of two bedrooms with a full bathroom. Building permits have been issued but construction has not yet begun.
- **Century Village**. This is a proposed new subdivision of 41 single-family home lots along Berry Creek Drive in Washington County. Century Village is likely to be approved soon, but staff has not yet received a final plat from the sponsor.
- **Alice King**. This is a proposed new subdivision to consist of six single-family homes along Green Spring Road in Washington County. Alice King has been signed off on by County zoning officials, but county staff do not have confirmation if the plat has been recorded.

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Shown next is a photo of Wildflower Ridge, the one pipeline proposal that is in development. The photo shows that construction is well underway.



**Wildflower Ridge**

### **For-Sale Housing Summary**

Area realtors report that the new home sales market in the region has remained stagnant since the Great Recession, with the majority of new home construction over the past decade not involving speculative construction. This is largely attributed to past trends of slow job growth in the region, as depicted in Table 1 and Table 2, as well as the more recent increased costs of land, labor and building materials. High interest rates have also made new home construction challenging.

Another issue to consider is competition from the Tennessee side of the area. Homebuying may be more attractive to some potential buyers in Tennessee, which presents a challenge for development in Virginia. One significant difference between the two states is their tax structures. Tennessee has no state income tax and a 7.0 percent sales tax rate, while Virginia has a state income tax but a lower sales tax rate of 5.3 percent. Virginia's individual income tax is graduated, with rates ranging from 2.0 percent to 5.75 percent. The vast majority of prospective homebuyers fall under the 5.75 percent rate.

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Of note is that residents of Virginia who work in Tennessee are subject to Virginia state taxes on their wages, which incentivizes employees to reside in Tennessee. These tax considerations can significantly impact homebuyers' decision-making process, as the absence of a state income tax in Tennessee may make it a more attractive option for some, while the lower sales tax rate in Virginia may appeal to others.

Another reason for the quicker pace of housing development in Northeast Tennessee is the stronger job growth in the area compared to the Bristol Region of Virginia. This job growth has attracted more building activity in the Tennessee housing market, resulting in the construction of new subdivisions by multiple local builders alongside national builders such as D.R. Horton. There are currently no large-scale homebuilders active in Bristol or Washington County.

Finally, local realtors and members of the development community have identified various land use regulations that may make new residential development more expensive, time-consuming and uncertain. These will be analyzed in the conclusions of this report.

Overall, the new home market is largely untested in the Bristol Region, as the for-sale housing market primarily consists of re-sales, most of which are for older homes, and lot sales. Under current conditions, first-time homebuyers are largely priced out of the for-sale housing market unless they are willing to purchase older homes that may require some initial investments.

Excluding homes with contingencies, the current real estate market in the Bristol Region offers a limited selection of newer homes for sale. There are only eight homes listed for sale that were constructed over the past decade. Of these, only one home is located in the City of Bristol and is listed for nearly \$900,000, while the remaining seven are located in Washington County, primarily in and around Abingdon. It is worth noting that there are only three available homes priced under \$300,000, and all three are patio homes. No new homes are listed for sale in the low- or mid-\$200,000's. The absence of newer homes at modest price points makes it difficult for first-

time homebuyers to enter the market and could potentially lead to a loss of residents who are seeking more affordable housing options. This may also strain the rental market.

**Table 19: Characteristics of Newer Home Listings, Bristol Region, VA, March, 2023**

	<u>Year Built</u>	<u>Price</u>	<u>Size</u>
<b><u>Washington County</u></b>			
22381 Virginia Trl, Bristol	2017	\$3,995,000	7,420
17500 Bridle Dr, Abingdon	2014	\$369,900	2,187
112 Weeping Willow Dr, Abingdon	2022	\$289,900	1,600
103 Holly Ridge Rd, Glade Spring	2022	\$579,900	3,788
18521 Woodland Hills Rd, Abingdon	2015	\$389,900	1,568
114 Weeping Will Dr, Abingdon	2022	\$289,900	1,600
110 Weeping Will Dr, Abingdon	2022	\$295,900	1,600
<b><u>City of Bristol</u></b>			
305 Booher Springs Rd, Bristol	2017	\$874,900	7,812

Source: MLS Listings

Photos of these homes are presented next. All are attractive and well-maintained, but most are priced at the top of the market and are unaffordable to many prospective homebuyers.



**17500 Bridle Dr**



**103 Holly Ridge**



**18521 Woodland Hills Rd**



**22381 Virginia Tr**



**114 Weeping Willow Dr**



**305 Booher Springs Rd**

Real estate professionals in the region report a steady demand for new homes, but a limited supply. Homes in the \$175,000 to \$250,000 price range are deemed the most marketable, however, constructing new homes at those price points, particularly under \$200,000, presents significant challenges. These are the home prices most affordable to area seniors and first-time homebuyers.

Furthermore, there appears to be a market for townhomes at more affordable prices, especially for young families, while patio homes also remain in demand, particularly among seniors. However, elevated mortgage interest rates may reduce demand for new homes, with demand potentially shifting towards rental properties. Overall, affordability remains a critical factor in the current market.

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## **Rental Housing Market**

The following is an analysis of the market rate and affordable rental housing markets in the Bristol Region. The market rate rental market primarily consists of small rental properties owned and managed by regional investors and property management companies. There are few professionally managed apartment complexes in the region with on-site management that offer market rate rental units. As will be shown, most are mature.

The affordable rental market refers to apartment properties with income restrictions in place. Most of these properties consist of low-income apartment units where tenants pay 30 percent of their income towards rent. The region also has nine affordable rental properties that support households with modest incomes at the 40%, 50% and 60% of Area Median Income (AMI) categories.

There is only one affordable, age-restricted apartment property in the region without significant rent subsidies, and none of the market rate properties have age restrictions in place.

### **Market Rate Apartment Market**

Table 20 provides an overview of the market rate rental market in the Bristol Region, analyzing data from 44 apartment communities. While this sample size may not be exhaustive, it represents the majority of rental properties in the region, excluding only smaller properties with fewer than five rental units.

The study reviewed a total of 1,119 rental units, predominantly located in the Town of Abingdon. The data reveal a remarkably low vacancy rate of only 1.7 percent, with just 19 vacant units. While estimated occupancy rates were used for some of the smaller properties, the lack of public listings for most of these communities, combined with past research, led to the conclusion that they are currently fully occupied. Notably, the data show that Willow Run Apartments is the only property with significant vacancies, but this is due to several units being offline for renovations. This property is typically fully occupied.

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Table 20 also highlights the age of the rental properties in the region, with over 72 percent of the surveyed market rate apartment units being built before 2000. It is noteworthy that no new apartment communities have been constructed over the past decade, with only seven units at Wolf Creek Villas and 16 units at Glade Terrace being exceptions. Despite the aging of the rental stock, there are essentially no vacancies, indicating an underserved rental market.

Of note is that most of the apartment communities in the region do not offer amenities or on-site management, and nearly all are small. Willow Run Apartments is the only exception, with 192 apartment units. Apart from Downtown Plaza Apartments and Lee Garden Apartments, all of the other apartment communities in the region have fewer than 50 units.

In summary, Table 20 shows the challenges that renters in the Bristol Region face due to the sluggish growth of the housing stock. The shortage of available apartment units leaves renters with few choices, potentially forcing them to settle for less-than-ideal housing options. Even renters with qualifying incomes may encounter difficulties in locating suitable housing.

**Table 20: Characteristics of Market Rate Apartment Communities, Bristol Region, Virginia, March, 2023**

	<u>Map D Key</u>	<u>Year Built</u>	<u>Total Units</u>	<u>Vacant Units</u>
<b><u>2000-2022</u></b>				
Wolf Creek Villas	1	2019	7	0
Glade Terrace I & II	2	2012/13	16	0
Kelker Court	3	2008	18	0
Willow Run Apartments	4	2008	192	19 1/
Hallock Drive Townhomes	5	2003	38	0
Wyndale Court Condominiums	6	2003	16	0
Village Green	7	2000	<u>26</u>	<u>0</u>
(Subtotal)			(313)	(19)
<b><u>1990's</u></b>				
Academy Apartments	8	1998	23	0
Colonial East Apartments	9	1997	32	0
Sweetland Apartments	10	1997	12	0
Whites Mill Road Apartments	11	1996	16	0
Nicholas Apartments	12	1996-98	20	0
Aston Ridge	13	1994	24	0
Gray Palace	14	1992	15	0
Meadowgreen Apartments	15	1992	15	0
Colonial Road Apartments	16	1990	7	0
Promise Landing Apartments	17	1990	<u>86</u>	<u>0</u>
(Subtotal)			(250)	(0)
<b><u>1980's</u></b>				
Eastside Apartments	1	1989	8	0
Cedar Ridge Apartments	2	1989/15	39	0
Manchester 242	3	1987-97	20	0
Brentwood Towns Apartments	4	1987-89	31	0
Pinehedge Condominiums	5	1985/09	30	0
Edgement Apartments	6	1984	24	0
Morningside Village	7	1984	16	0
Greenway Apartments	8	1981	9	0
Stonemill Road Apartments	9	1981	<u>10</u>	<u>0</u>
(Subtotal)			(187)	(0)
<b><u>Pre-1980's</u></b>				
Brookside Apartments	1	1979	14	0
Village Square Apartments	2	1979	10	0
Aspen Ridge	3	1979-84	18	0
Trigg Street Apartments	4	1979-81	4	0
Millway Apartments	5	1979	33	0
Edgemont Townhouses	6	1978	7	0
Wilson Apartments	7	1978-80	6	0
Mountain Empire Apartments	8	1978-94	37	0
The Village at Riley Pointe	9	1977	26	0
Rolling Hills	10	1976	8	0
Stonewall Apartments	11	1974	14	0
Clinchview Terrace	12	1974	9	0
Heath Townhomes	13	1971	8	0
Cedar Creek	14	1970	16	0
Gray Drive Apartmenets	15	1969	14	0
Downtown Plaza Apartments	16	1968	76	0
Lee Garden Apartments	17	1950	52	0
Parthenon Apartments	18	1916	<u>17</u>	<u>0</u>
(Subtotal)			(369)	(0)
<b>Total</b>			<b>1,119</b>	<b>19</b>
<b>Vacancy Rate</b>				<b>1.7%</b>

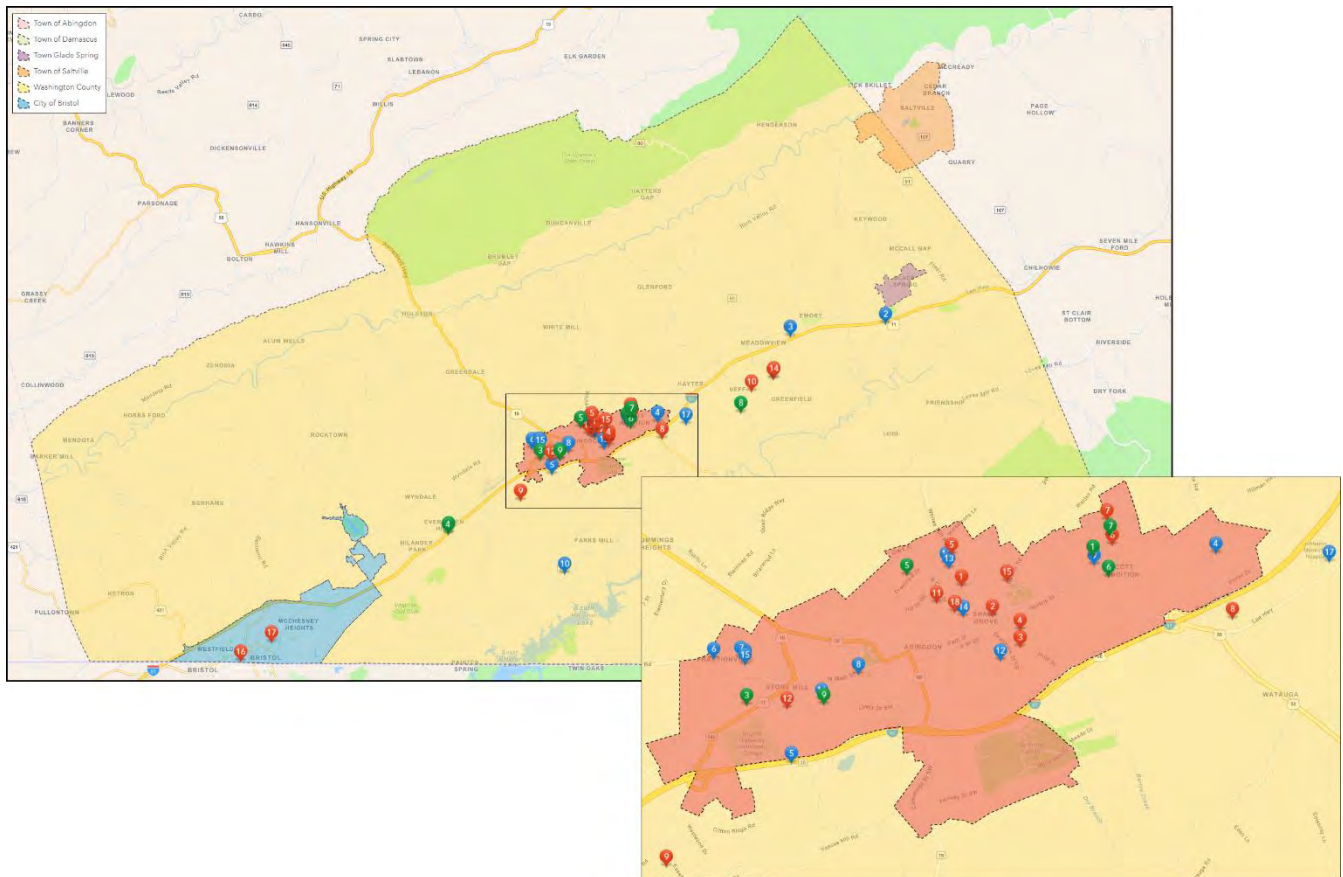
Notes: 1/ Several units offline for renovations.

Source: S. Patz &amp; Associates, Inc.



In addition to the apartments listed above are several dozen loft units situated in the Historic Downtown District of Bristol, spanning both the Tennessee and Virginia sides. There are fewer than 70 residential units, some of which are owner-occupied. Approximately one-quarter of these units are estimated to be managed as short-term rentals on platforms such as Airbnb. These lofts primarily consist of smaller one- and two-bedroom units.

Map D identifies the locations of the 44 market rate apartment properties that were surveyed. The map shows that nearly all are situated along I-81 corridor. Two of the oldest rental properties – Downtown Plaza Apartments and Lee Garden Apartments – are located in the City of Bristol. Most of the remaining rental properties are in the Town of Abingdon.



**Map D - Locations of Market Rate Apartments**

Attached are photographs of most of the apartment buildings listed above. The designs of most properties reflect the period in which they were built. Nevertheless, most are well-

maintained and free of any blighting features. The photos show a mix of designs, though most offer traditional garden apartment and townhome designs. None have contemporary designs and very few are amenitized.



**Aspen Ridge**



**Aston Ridge**



**Brookside Apartments**



**Cedar Creek**



**Cedar Ridge**



**Clinchview Terrace**



**Colonial Road Apartments**



**Downtown Plaza Apartments**



**Edgemont Apartments**



**Glade Terrace**



**Gray Place**



**Greenway Apartments**



**Hallock Drive Townhomes**



**Heath Townhomes**



**Kelker Court**



**Lee Garden Apartments**



**Manchester 242**



**Meadowgreen Apartments**



**Millway Apartments**



**Mountain Empire Apartments**



**Nicholas Apartments**



**Pinehedge Condominiums**



**Promise Landing Apartments**



**Rolling Hills**



**Stonemill Road Apartments**



**Stonewall Apartments**



**The Village at Riley Point**



**Village Green**



**Village Square**



**Whites Mill Road Apartments**



**Willow Run Apartments**



**Wyndale Court Condominiums**



**Wolf Creek Villas**

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Market rents in the Bristol Region vary widely, reflecting the age, features and conditions of the rental units. However, collecting rent data in a market where small properties are typically at full occupancy presents a challenge.

Our research suggests that newer rental properties typically generate one-bedroom rents of between \$700 and \$900, two-bedroom rents of between \$900 and \$1,150 and three-bedroom rents of between \$1,200 and \$1,400. In contrast, older rental communities generate lower rents that may be more comparable to some of the region's affordable apartment communities.

Despite the variations in rents, the limited supply of rental properties in the region has contributed to an increase in demand. As noted earlier, the market area vacancy rate is a low 1.7 percent, suggesting that renters face significant competition for available units. Most property managers report rent increases over the past two years.

It should be noted that many of the two- and three-bedroom rental units in the region have outdated designs compared to more recently built properties in Virginia and Northeast Tennessee, often featuring only 1.0 or 1.5 bathrooms. This is due to the age of these properties and design trends that were prevalent during the periods in which they were built.

Table 21 provides census data on the monthly housing costs in the region. The U.S. Census Bureau defines this as the total amount of money a household spends each month on housing-related expenses, including rent payments, property insurance, utilities and any other related expenses. The data show that over 32 percent of renters pay less than \$650 per month toward housing, with a significant number of these households residing in older or subsidized apartment units. Approximately 39 percent of renters pay between \$650 and \$1,000 per month, while over 18 percent pay more than \$1,000.

Over 11 percent of renters fall into the "No Cash Rent" category, which includes housing units occupied by people who live rent-free or have a non-monetary arrangement for their housing. Among the nearly 88.6 percent of renter households that do pay rent, 33 percent are



considered rent overburdened, meaning they spend more than 30 percent of their income on housing costs.

In Bristol, over 42 percent of renters are rent overburdened, while over 28 percent of renters in Washington County face the same situation. These data indicate a pent-up demand for affordable housing in the area.

**Table 21: Monthly Housing Costs, Renter-Occupied Units, Bristol Region, VA, 2021**

	<u>Washington County</u>		<u>City of Bristol</u>		<u>Bristol Region</u>	
	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>
Total:	5,300	100.0%	2,752	100.0%	8,052	100.0%
With Cash Rent:	4,505	85.0%	2,630	95.6%	7,135	88.6%
Less Than \$100	23	0.4%	83	3.0%	106	1.3%
\$100 To \$149	8	0.2%	9	0.3%	17	0.2%
\$150 To \$199	12	0.2%	8	0.3%	20	0.3%
\$200 To \$249	47	0.9%	108	3.9%	155	1.9%
\$250 To \$299	43	0.8%	134	4.9%	177	2.2%
\$300 To \$349	49	0.9%	150	5.5%	199	2.5%
\$350 To \$399	78	1.5%	89	3.2%	167	2.1%
\$400 To \$449	97	1.8%	20	0.7%	117	1.5%
\$450 To \$499	257	4.9%	54	2.0%	311	3.9%
\$500 To \$549	145	2.7%	73	2.7%	218	2.7%
\$550 To \$599	352	6.6%	80	2.9%	432	5.4%
\$600 To \$649	432	8.2%	227	8.3%	659	8.2%
\$650 To \$699	307	5.8%	56	2.0%	363	4.5%
\$700 To \$749	545	10.3%	299	10.9%	844	10.5%
\$750 To \$799	323	6.1%	334	12.1%	657	8.2%
\$800 To \$899	653	12.3%	158	5.7%	811	10.1%
\$900 To \$999	282	5.3%	145	5.3%	427	5.3%
\$1,000 To \$1,249	564	10.6%	468	17.0%	1,032	12.8%
\$1,250 To \$1,499	182	3.4%	64	2.3%	246	3.1%
\$1,500 To \$1,999	69	1.3%	39	1.4%	108	1.3%
\$2,000 To \$2,499	26	0.5%	20	0.7%	46	0.6%
\$2,500 To \$2,999	11	0.2%	12	0.4%	23	0.3%
\$3,000 To \$3,499	0	0.0%	0	0.0%	0	0.0%
\$3,500 Or More	0	0.0%	0	0.0%	0	0.0%
No Cash Rent	795	15.0%	122	4.4%	917	11.4%

Source: U.S. Census Bureau; ACS 2021 (5-Year Estimates)

Table 22 presents median gross rents by bedroom count. The data show relatively uniform rents in both Bristol and Washington County, with one- and two-bedroom rents slightly higher in Bristol and three- and four-bedroom rents slightly higher in Washington County. It is worth noting that there are very few rental properties offering three and four-bedroom floor plans in

Bristol. In Washington County, most units with more than two bedrooms are townhomes or single-family homes that were initially constructed for homeownership but later converted into rental units by owners or investors. The median gross rent for the region is \$737.

<b>Table 22: Median Gross Rent by Bedroom Count, Bristol Region, VA, 2021</b>		
	<b><u>Washington County</u></b>	<b><u>City of Bristol</u></b>
One-Bedroom	\$485	\$498
Two-Bedroom	\$726	\$735
Three-Bedroom	\$898	\$764
Four-Bedroom	\$1,083	\$924
Source: U.S. Census Bureau; ACS 2021 (5-Year Estimates)		

### **Affordable Apartment Market**

Table 23 presents data on the nine affordable apartment communities in the region that cater to households with modest incomes and do not offer deep rent subsidies. Deep rent subsidies are intended to provide financial assistance to low-income renters, typically defined as earning less than 30 percent of the area median income.

The table details the affordable apartment communities that were financed through the Low-Income Housing Tax Credit (LIHTC) program. This program, administered by the Internal Revenue Service (IRS), provides financial incentives to developers and investors who build or rehabilitate affordable rental housing for low- and moderate-income households. The LIHTC program is the largest source of new affordable apartment units in the state and country, offering tax credits to developers and investors for each low-income unit they build or rehabilitate.

The LIHTC apartment communities in the region are relatively small, ranging in size between 20 and 72 units and totaling 337 apartment and townhome units. They are designed to serve households earning annual incomes at or below 60% of the Area Median Income (AMI) for the Kingsport-Bristol, TN-VA MSA. The following paragraphs provide a brief description of each of these communities.

- 
- **The Village Oakview** is the newest affordable apartment community in the region, having opened in 2019 with 48 affordable quadplex units situated along Oakview Avenue in the City of Bristol. The community offers two- and three-bedroom floorplans, with a total of six units restricted to 40% of AMI, 34 units restricted to 50% of AMI and eight units restricted to 60% of AMI. The two-bedroom units have 1.5 bathrooms and measure 810 square feet, while the three-bedroom units each have two full bathrooms and measure 1,202 square feet. Several units are handicap accessible. The community currently has three vacancies that are part of normal turnover, and management maintains a waitlist of over 590 households. There are no on-site amenities in this community. Notably, the Village Oakview is the only affordable apartment community built over the past decade in the region. Depending on the income restriction, one-bedroom rents range between \$504 and \$603 while two-bedroom rents range between \$580 and \$709.
  
  - **Sweetbriar**. This is an affordable apartment community with 20 units located along Elementary Drive near Abingdon. The community is comprised entirely of three-bedroom, 2.5-bathroom two-story duplex units with garages, all equipped with washers and dryers. Half of the units are restricted to 50% of the AMI (\$555), while the other half are restricted to 60% of AMI (\$615). The community is fully occupied with a waitlist of 60 households. There are no on-site amenities in this community. A second phase of construction, which will add 22 units, is currently underway and will be detailed further below.
  
  - **Ridgecrest Town Apartments** is the largest affordable apartment community in the region, with 72 units located on Heritage Drive in Bristol. The community is composed of townhome units, including eight units that are restricted to 40% of AMI, 35 units that are restricted to 50% of AMI, and 29 units that are restricted to 60% of AMI. On-site amenities include a fitness center, playground, computer room, laundry facility and community room. The community is typically fully occupied.
  
  - **White's Mill Point** is a small affordable apartment community consisting of 32 units that opened in 2007 along White's Mill Road and just north of the Town of Abingdon. The community is comprised of two, two-story garden apartment buildings. All units have two bedrooms and 1.5 bathrooms with rents restricted to 50% and 60% of AMI. Rents range from \$450 to \$500. The community is fully occupied with a waitlist of 111 households. There are no on-site amenities in this apartment complex.
  
  - **Sapling Grove** is an affordable apartment community located along Oakview Avenue in Bristol, near Village at Oakview. It consists of 26 garden-style duplex units, each equipped with a washer and dryer. All units are restricted to 60% of AMI and are currently occupied. Two-bedroom units rent for \$603 while three-bedroom units rent for \$709. The community has two vacancies at this time, although management maintains a waitlist of nearly 600 households. Sapling Grove has been open since 2007.
  
  - **Douglas School Apartments** is the only LIHTC apartment community in the region with age restrictions. Located at 711 Oakview Avenue in Bristol, the community consists of 41

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affordable one- and two-bedroom units in a rehabilitated school building. Of these, 25 units are restricted to 50% of AMI and 16 units are restricted to 60% of AMI. Amenities include on-site laundry facilities. The community opened in 2006.

- **Harbor Landing**, a 32-unit affordable apartment community located at 800 Dixie Street in Bristol, opened in 2004 to provide housing for households with annual incomes below 50% of AMI. The complex features single level attached units and amenities including a clubhouse, playground, laundry facility and outdoor grilling area. Currently, the complex is fully occupied, with a waitlist ranging from six to nine months, depending on the floorplan. One-bedroom units rent for \$612 while two-bedroom units rent for \$701.
- **Riverside Place** is the only LIHTC apartment community in the Town of Damascus. It opened in 1990 and underwent renovations in 2012. Riverside Place is comprised of 22 units that are restricted to 50% of AMI, offering a mix of one- (\$357), two- (\$470) and three-bedroom (\$525) floorplans. Although there are three vacancies, management maintains a waitlist of 30 households.
- **Highland View** is the oldest LIHTC community in the region, having opened in 1983 on Lowry Drive in Abingdon. Following its renovation in 2013, this community continues to be in high demand as it is fully occupied with an 87-household waitlist. Comprising multiple garden-style apartment buildings, Highland View offers a mix of one-, two- and three-bedroom floorplans, with five units restricted to 40% of AMI and the remainder restricted to 50% of AMI. Rents range between \$493 for the one-bedroom floorplans and \$803 for the three-bedroom floorplans.

The affordable apartment properties in the Bristol Region maintain a low vacancy rate of only 2.4 percent. This is reflected in the high occupancy rates across all affordable properties in the region, with most maintaining lengthy waitlists. Property managers at multiple affordable apartment complexes report minimal tenant turnover, given the scarcity of alternative options in the region.

**Table 23: Characteristics of LIHTC Apartments, Bristol Region, Virginia, March, 2023**

	<u>Map E Key</u>	<u>Year Built</u>	<u>Income Restrictions</u>	<u>Total Units</u>	<u>Vacant Units</u>
Village at Oakview	1	2019	40%/50%/60%	48	3
Sweetbriar	2	2009	50%/60%	20	0
Ridgecrest Town Apartments	3	2008	40%/50%/60%	72	0
White's Mill Point	4	2007	50%/60%	32	0
Sapling Grove	5	2007	60%	26	2
Douglas School Apartments 1/	6	2006	50%/60%	41	0
Harbor Landing	7	2004	50%	32	0
Riverside Place	8	1990/12	50%	22	3
Highland View	9	1983/13	40%/50%	44	0
<b>Total</b>				<b>337</b>	<b>8</b>
<b>Vacancy Rate</b>					<b>2.4%</b>

Notes: 1/ Age-restricted apartment community.  
Source: S. Patz & Associates, Inc.

In addition to the LIHTC apartment properties detailed in Table 23 are 18 rental communities in the region with deep rent subsidies, where tenants pay 30 percent of their income toward rent. These 18 properties, with a total of 1,195 apartment units, are listed in Table 24. Of these, nine apartment properties with 346 units are located in Washington County, with 143 of these units having age restrictions. There are nine subsidized apartment properties in the City of Bristol. Apart from the 30-unit Thomas Jefferson Seniors, none of these are age-restricted properties. Most of the properties listed in Table 24 are mature, having been built prior to 2000 and essentially all full with waitlists.

The Bristol Redevelopment and Housing Authority manages 362 of the units listed in Table 24. In addition, the housing authority issues 307 regular Housing Choice Vouchers, 15 Emergency Housing Choice Vouchers and 39 Mainstream Housing Choice Vouchers. The housing authority also maintains an extensive waitlist for their public housing units of 398 households. Furthermore, there is a waitlist of 429 households for regular vouchers and seven for emergency vouchers.

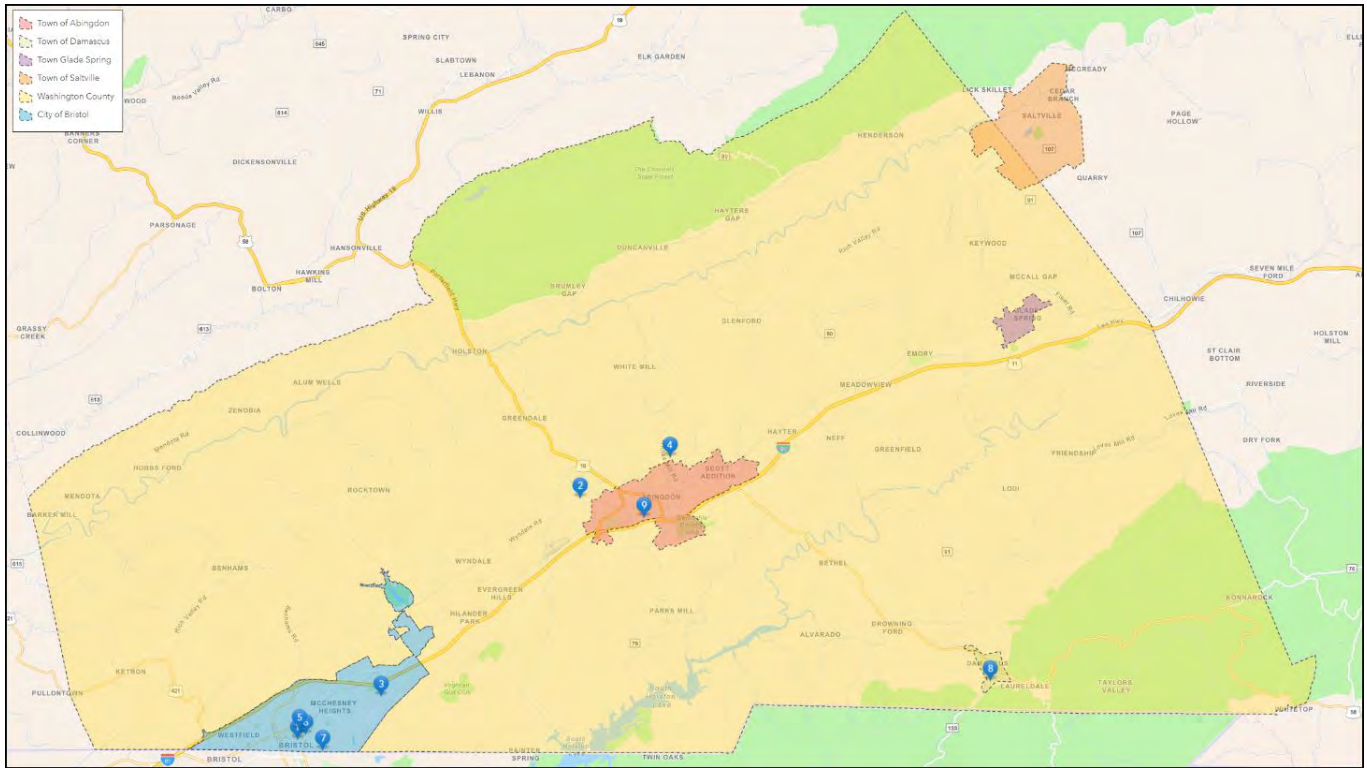
The Abingdon Redevelopment and Housing Authority manages 28 public housing units within Kings Mountain Apartments, which was built in 1989. The housing authority currently administers 121 vouchers through HUD's Housing Choice Voucher Program, with 143 pending applications awaiting a housing choice voucher and 139 applications for public housing.

**Table 24: Characteristics of Apartments with Deep Rent Subsidies, Bristol Region, Virginia, March, 2023**

	<u>Type</u>	<u>Total Units</u>
<b><u>Washington County</u></b>		
Abingdon Green	Senior	32
Abingdon Terrace	Senior	32
Abingdon Village	Family	44
Kings Mountain	Family	28
Oak Knoll	Family	21
Ridgefield Court	Family	48
Settlers Point	Family	62
Washington Court	Senior	39
Woods Landing	Senior	40
(Subtotal)		(346)
<b><u>City of Bristol</u></b>		
Eastridge Apartments	Family	96
Johnson Court	Family	60
Jones Manor	Family	100
Leisure Park Towers	Family	151
Mosby Homes	Family	40
Rice Terrace	Family	136
Stant Hall	Family	100
Thomas Jefferson Seniors	Senior	30
Woodlands at Bristol	Family	136
(Subtotal)		(849)
<b>Total</b>		<b>1,195</b>
Source: S. Patz & Associates, Inc.		

As was depicted in Table 7, there are approximately 9,200 occupied rental housing units in the Bristol Region. The preceding analysis identified a total of 2,020± subsidized units, which includes LIHTC units, voucher holding households and units with deep rent subsidies. Thus, nearly 22 percent of renter households in the region benefit from some form of rental assistance.

Map E shows the locations of the affordable apartment properties without deep rent subsidies that were detailed in Table 23. The map shows that four properties are located in the City of Bristol, three are located in and around the Town of Abingdon and one is located in the Town of Damascus. This contrasts with the locations of the market rate apartment properties that are primarily concentrated in and around Abingdon.



**Map E - Locations of LIHTC Apartment Properties**

The photos below depict each of the affordable apartment properties detailed in Table 23. Village at Oakview, Sweetbriar, Ridgcrest Town Apartments and Sapling Grove offer townhome designs, while White’s Mill Point, Harbor Landing and Highland View have garden apartment designs. Douglas School Apartments and Riverside Place are adaptive-reuse projects of former school buildings. These properties all appear to be well-maintained and free of any blighting features or deterred maintenance.



**Village at Oakview**



**Sweetbriar**



**Ridgecrest Town Apartments**



**White's Mill Point**



**Sapling Grove**



**Douglas School Apartments**





**Harbor Landing**



**Riverside Place**



**Highland View**

Presented next are some of the apartment properties with deep rent subsidies that were listed in Table 23. The photos show a variety of building type and ages. Most properties are well maintained.



**Abingdon Terrace**



**Jones Manor**



**Ridgfield Court**



**Thomas Jefferson Seniors**



**Mosby Homes**



**Rice Terrace**



**Washington Court**

### **Apartment Pipeline Proposals**

There are several apartments in various stages of planning at this time, including two small market rate apartment communities (59 units), an expansion to an existing affordable apartment community (22 units) and new apartments for students at the Emory & Henry College (96 beds). Each of these developments are briefly detailed in the paragraphs below.

- **Emory & Henry College Apartments.** Construction is ongoing on a new student housing complex on the northwest site of College Drive near the College's Lynch Links golf course. The community will consist of a three-story garden apartment building with 96 beds. The apartments will each measure 1,200 square feet and each have two bedrooms and two full bathrooms. Each unit will also be equipped with a full kitchen.
- **Sweetbrier II.** Construction is ongoing on the second phase of Sweetbrier Apartments in Abingdon. Expected to be completed in mid-2023, the second phase will consist of 22 three-bedroom/ two-bathroom duplex units. Five of the units will offer permanent supportive housing services for households with intellectual and developmental disabilities. The units will have rents restricted to 40%, 50% and 60% of AMI. Funding for the \$7.2 million project comes from a mixture of private and public financing sources, including \$600,000 from the Virginia Housing Trust Fund and \$517,000 from Housing Innovations in Energy Efficiency Funding. Pre-leasing has begun, and eight units are leased, though there are 60 people on a waitlist.
- **Bristol View Drive Apartments.** Construction is ongoing 29 apartment units along Bristol View Drive in the City of Bristol. The community will be comprised of four, two-story apartment buildings. All units will have market rents.

- **Randolph and Maple Street Apartments.** This is a proposal for 30 apartment units on a vacant property at the intersection of Randolph Street and Monroe Street in the City of Bristol. The proposal was granted a special use permit to construct multi-family in a General Business District by the City Council in November, 2022. The City has not received any drawings from the developer to date. All units will have market rents.

Presented next are photos of the two non-student apartment proposals that are under construction. Construction is shown to be well underway at Sweetbriar II. Construction is still in its initial stages at Bristol View Drive Apartments.



**Sweetbriar II**



**Bristol View Drive Apartments**

In addition to the above is a dormant proposal for a 180-unit apartment community called The Falls Apartments on approximately 10 acres in within The Falls development at I-81's Exit 5 in Bristol. The community would be fully amenitized with a clubhouse, fitness center and outdoor swimming pool. The proposal was approved by a Special Use Permit in July, 2022. The developer, Blackwater Resources, has put the proposal on hold because they have not yet received necessary approvals from adjacent landowners. Thus, there is no set start date for this proposal.

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## **Section IV: Potential Development Sites**

This section of the housing analysis identifies available sites recognized by local officials as being suitable for new residential development. All of these sites have access to, or are located near, public water and sewer services. This is a necessary condition for attracting developers, as building in locations without public water and sewer can be more costly due to the need for private water and sewer systems or on-site septic systems.

### **Vacant Parcels with Residential Development Potential**

Table 25, Table 26, Table 27, Table 28 and Table 29 present data on multiple vacant parcels in the City of Bristol and Washington County that offer potential for new residential development. The survey focuses on larger properties exceeding five acres in size that could attract homebuilders from outside of the region. Smaller parcels and those with major development constraints such as topographic issues, difficult access and flood-prone areas were excluded from the analysis. All of the properties listed in these tables have direct or nearby access to public water and sewer.

The tables below are categorized by geography, with Table 25 featuring properties in the Bristol area of Washington County, Table 26 featuring properties in the Hillman Highway area of Washington County, Table 27 featuring properties in the Abingdon area of Washington County, Table 28 featuring properties in the Emory and Glade Spring areas of Washington County and Table 29 featuring properties within the City of Bristol.

The tables indicate that the Bristol Region has an abundance of large parcels available for residential development. A total of 327 vacant parcels meeting the criteria were identified, with 37 parcels in Bristol and 290 parcels in Washington County. These properties range in size from five to almost 300 acres, providing the potential to develop a mix of housing types on a single property. Many of these properties are zoned for low-density residential or agricultural uses and would require rezoning for higher density residential development. Some properties have commercial or industrial zoning designations that may make them unsuitable for residential development. Only a few of the identified properties are actively marketed for sale.

The key point is that the region has sufficient land for residential development. Land scarcity is not a significant obstacle to new residential development in the region.

<b>Table 25: Characteristics of Vacant Properties with Residential Development Potential, Bristol Area of Washington County, Virginia, March, 2023</b>			
<b>Parcel Number</b>	<b>Description</b>	<b>Acreage</b>	<b>Zoning</b>
142-A-23B	BOUNDARY ADJ PROP OF	5.4	B2
142-A-31	LOT 3 CAMPBELL PROP	5.7	B2
163-A-5A	LOT 2 PT TWO LOT DIV OF	6.2	A2
163-A-25	TRACT 2 PT SUBD OF	6.5	R2
123-A-15A	TRACT A JEAN B PAYNE LAND	7.2	A2
163-A-2	GIBSON LAND ACR 7.4	7.4	A2
163-A-10C	LOT 1 PT OF THE PROP OF	7.7	A2
183-A-34	CARMACK LD ACR 7.731	7.7	A2
123-A-98	TRACT 1 DIV OF THE	9.3	R2,A2,B2
163A-A-13	SINKING CREEK ACR 9.46	9.5	A2
142-A-24D	ELIZABETH P FARRIS EST	11.5	A2
163-A-7B	SINKING CREEK	11.8	A2,R2
123-A-98A	TRACT 2 DIV OF THE	13.3	B2
162-A-24A	TRACT NO 2 J C FORGEY	14.6	R2
142-A-48	GREENFIELDS MOBILE HOME	15.3	A2,B2
123A-1-36	TR 36 TO 39 INC	16.8	A2
163-A-3	SINKING CREEK ACR 17.24	17.2	A2
163-A-10B	PT PROPERTY OF DANIEL E	17.4	A2
141-A-34	WALLACE ACR 18.324	18.3	A2,P1
141-A-34C	PT PLAT OF TWO LOT SUBD	20.8	A2
123-A-156C	PT OF THE C T FLEENOR	20.9	A2
163-A-10A	DANIEL E & JUDY A DUTTON	36.1	A2
123-A-153A5A	REPLAT OF A PORTION OF	39.7	<Null>
141-4-1	TR 1 CLARA CLENDENEN EST	47.0	A2
123-A-97	PT W B NOONKESTER PROP	47.7	R2,A2
183-A-35	FORGY ACR 50.5	50.5	A2
163-A-1	PROP OF HENRY DONALD	60.3	A2
102-A-78A	DOROTHY R FISER PROP	81.6	A2
141-A-32	TRACT A WILLIAM A LAMBERT	84.8	A2
162-A-23	SINKING CREEK ACR 87.97	88.0	A2
122-A-27	BRISTOL INDUSTRIAL PARK	89.5	M2
122-2-A	KIRBY SMITH LD ACR 103	103.0	M2
123-A-153A7	TRACT 7 PT BOUNDARY ADJ	171.9	M1
141-A-1	WALLACE ACR 284.83	284.8	A2

Source: Washington County Service Authority

<b>Table 26: Characteristics of Vacant Properties with Residential Development Potential, Hillman Highway Area of Washington County, Virginia, March, 2023</b>			
<b>Parcel Number</b>	<b>Description</b>	<b>Acreage</b>	<b>Zoning</b>
086-A-33	PT S W WILKINSON LD	5.4	M1
086-3-1B	LOT 3 PT A DIV OF THE	6.9	M1
086-2-4	TR 4 CORA JONES LD	7.0	M1
085-2-23A	TR A REPLAT ACR 7.05	7.1	A2
086-A-43	PT TRACT 1-B PAUL & MABEL	8.6	M1
086-A-35	PT GALLIHER LAND	9.5	M1
086-A-43A	TRACT 1-A PAUL & MABEL	15.5	M1
086-A-44A	TRACT 2A WALLACE HAGY	16.8	M1
086-A-3	LEE HWY ACR 17.59	17.6	A2
086-1-11	GALLIHER LAND ACR 19.5	19.5	A2
086-A-45	TR 3 JONES LD	22.2	M1
086-5-8	TRS 8 TO 13 INC PT 14	23.6	A2
085-A-77	PT J W WILLIE PEAK LD	25.3	A2

Source: Washington County Service Authority

**Table 27: Characteristics of Vacant Properties with Residential Development Potential,  
Abingdon Area of Washington County, Virginia, March, 2023**

<u>Parcel Number</u>	<u>Description</u>	<u>Acreage</u>	<u>Zoning</u>
104-1-8A	PT TR 8 & ALL 9	5.0	R2
106B-1-A-1	SOUTHVIEW ESTATES SUBD	5.0	ABINGDON
124-A-69	IRESON LD ACR 5	5.0	R1
124A2-A-5	JONESBORO RD ACR 5.00	5.0	R1
106-6-2	EARL W BLEVINS LD	5.1	ABINGDON
010-1-33A	PT BOUNDARY ADJ OF PROP	5.2	
084C2-1-46	46 & 47 KINZEL LD	5.2	ABINGDON
104-A-20A	PT LEE ROY DUNFORD	5.3	B2,R1
104-10-6	TR 6 FINAL PLAT STONE	5.3	ABINGDON
124-15-16	TRACT NO 6 PT DIV OF	5.3	R2
018-6-30	PT LTS 30 & 31 S F HURT	5.4	ABINGDON
104-A-20	PT BOUNDARY LINE ADJ	5.4	B2
123-21-6	TR 6 MARTHA CAMPBELL	5.5	B2,A2
124-A-46E	PT A BOUNDARY LINE ADJ	5.5	R2
107-A-11	PT ROSEDALE ACR 5.54	5.5	A2
007-2-8	WASHINGTON COUNTY SCHOOL BOARD	5.6	ABINGDON
103A4-6-10	PT BOUNDARY ADJ OF THE	5.6	A2
104-A-23	TRS 9-10 20-21 31-32	5.6	B2
084-A-12	PATRICK LD ACR 5.625	5.6	R1
104F-1-154	DEER RUN ESTATES LOT 154	5.7	R2
124A2-13-1	TR 1 R V DAVIS EST	5.7	R1
104-1-3	TRS 3 & 4 PT OF MRS	5.7	B2,R1
104-A-64	BRISTOL RD TRS 2	5.8	ABINGDON
104-A-59	PT TR A ACR 5.78	5.8	ABINGDON
106B-1-A-31	SOUTHVIEW ESTATES SUBD	5.9	ABINGDON
124-15-14	TRACT NO 14 PT DIV OF	5.9	R2
005-1-2	KINZEL LD ACR 5.931	5.9	ABINGDON
084C2-A-4	NEAR ABINGDON ACR 6	6.0	R2
106-7-31H	PT TR 31 R B KREGER LD	6.0	M2
014-1-35	PROP OF PATTY R ATKINS	6.1	ABINGDON
104-11-9	LOT 9 PT A BOUNDARY	6.1	ABINGDON
015-1-4	HUMES LAND ACR 6.15	6.2	ABINGDON
106-A-3C	W J HAGY LD ACR 6.179	6.2	ABINGDON
104-10-5	LOT 5 FINAL PLAT	6.3	ABINGDON
105-A-32	FAIRGROUND ACR 6.4	6.4	ABINGDON
123-A-123	TR 12 PT OF 11	6.4	B2,A2
084C1-A-14	DYER LD ACR 6.466	6.5	ABINGDON
105-10-6	FAIRWAY OAKS LOT 6	6.5	R2
104-7-5	PARCEL 5	6.5	ABINGDON
106-A-54	PT PROP OF CLARICE E	6.6	A2
104-5-7A	PT TR 7 C C SUTTON LD	7.0	A2
124-A-71	IRESON LD ACR 7.00	7.0	R1
106-3-10	TR 10 TINA CAMPBELL EST	7.1	A2
016-1-1	PT BOUNDARY RETRACEMENT	7.5	ABINGDON
084-9-1	PT TR 1 HAROLD D MITCHELL	7.5	MHR
084C1-A-20	PT TR 4	7.6	R1
106-A-20	KING HAGY LD ACR 7.6	7.6	ABINGDON
086-12-4	LOT 4 HARMONY HILLS	7.6	R2
125-1-18	LTS 18 TO 31 INC	7.6	A2
085-14-29	PT STONEYBROOK PHASE 3	7.7	ABINGDON
084-9-2	HAROLD D & ROSE M	7.7	A2
105C-1-G	PARCEL G- FAIRWAY 10	7.7	ABINGDON
084-2-14A	PT TRS 14 & 25 ACR 7.77	7.8	A2,R2
105E-2-4	PT PROP OF CHARLES M	7.9	R2
105C-1-F	PARCEL F- FAIRWAY 3	7.9	ABINGDON,A2
124-A-74	ROPP LAND ACR 8	8.0	R1
104-10-13	LOT 13 FINAL PLAT	8.0	ABINGDON
015-1-2	TR 23 ACR 8.09	8.1	ABINGDON
083-7-4	J A BROWN PROP ACR 8.195	8.2	R2
104-A-24	TRS 6-7-8 17-18-19	8.4	B2
084-10-1	TR 1 PROP OF A DIV OF	8.4	R1
106A2-3-302	302 & 303 C H SCOTT	8.5	ABINGDON
084-A-20B	DENNISON LD ACR 8.513	8.5	R2
124-A-44	PT A DIV OF THE SEVEN	8.5	R2,B2
124-15-17	TRACT NO 17 PT DIV OF	8.6	R2
126-A-2	MEADOWS- CAMP GLENROCHIE	8.7	ABINGDON
107-A-11C	PT DEWEY SKEENS PROP	8.9	A2
104-10-11	LOT 11 FINAL PLAT	8.9	ABINGDON
104-A-35B	LOT 2 PT OF BOUNDARY	9.0	ABINGDON
103-5-9	LOT 1 TWO LOT DIV OF	9.0	A1,R2
104-10-1	LOT 1 FINAL PLAT	9.3	ABINGDON
123-A-144	PT LESTER LD ACR 9.348	9.3	B2,A2
105-A-37	MEADOWS ACR 9.50	9.5	ABINGDON
084C1-A-33	PT TR 1 PERKINS LD	9.9	ABINGDON,R1

<u>Parcel Number</u>	<u>Description</u>	<u>Acreage</u>	<u>Zoning</u>
106A2-3-254	254 TO 263 INC 270 TO 278	10.0	ABINGDON
104-A-36	N&WRR ACR 10.238	10.2	ABINGDON
105-A-43	MEADOWS ACR 10.33	10.3	ABINGDON
105-A-50A	PT MARTIN M CAMPBELL PROP	10.4	R2
106-7-31K	PT TR 31 R B KREGER LD	10.7	B2
104-15-3	TRACT NO 3 JOHN T PHIPPS	10.9	A2
123-22-15	NEW LOT 15 INDUSTRIAL	11.7	M1
104-A-22	PT BOUNDARY LINE ADJ OF	11.8	B2,R1
020-1-20	PT J H HASSINGER EST	12.2	ABINGDON
107-1-134	PT TR 134 R F BARKER LD	12.3	B2
104-15-2	TRACT NO 2 JOHN T PHIPPS	12.7	A2
103A4-6-21	TR 21 RATCLIFF LD	13.4	A2,R2
084-10-2	PT BOUNDARY LINE ADJ OF	13.8	A2
125-3-1	PT TR 1 ACR 14.272	14.3	ABINGDON
104-A-33	PT LOT 2 DIV CATHERINE	14.9	ABINGDON
105C-1-C	PARCEL C-FAIRWAY 8 & 9	15.0	ABINGDON
105E-2-1	TR 1 CHARLES M MEADE LD	15.0	R2
106-5-4	PT TRS 1-2-3-4-5 RAMSEY	15.3	ABINGDON
124A1-A-2	THE JEANETTE JOHNSTON	15.3	R1
124A1-A-2A	THE JEANETTE JOHNSTON	15.3	R1
105-A-17	HUMES LAND ACR 15.64	15.6	ABINGDON
104-15-1	TRACT NO 1 JOHN T PHIPPS	15.8	A2
106-A-23A	PT BOUNDARY LINE ADJ OF	17.6	B2,A2
085-A-39	PT TR 1 W J HAGY LD	18.0	ABINGDON
104-A-19	CUMMINGS LD ACR 18.665	18.7	B2,R1
085-A-38	PT TR 1 W J HAGY LD	19.5	ABINGDON
086-8-5	TR 5 OLLIE C WRIGHT	19.5	A2
105-A-46A1	PT THE REPLAT OF THE	19.5	A2
106-7-27	PT TR 27 R B KREGER LAND-FARM 2	19.5	R2,A2
084-A-15	NEAR ABINGDON ACR 19.71	19.7	R2
084-5-B	PT TR B ACR 19.95	20.0	R2
125-2-3	ABINGDON STOCKYARD	20.7	A2
084-A-22A	PT DENNISON LD	20.9	ABINGDON,R2
084-A-9	ELLER LD ACR 22.481	22.5	R1
084-A-20	DENNISON LD ACR 22.619	22.6	R2
105E-2-5	TR 5 CHARLES M MEADE LD	23.0	R2
107-1-152	PT TR 152 R F BARKER LD	23.9	A1
086-12-5	LOT 5 HARMONY HILLS	24.2	R2
106-A-17A	TRACT 2 THE ALPINE MOTEL	24.5	ABINGDON
103A2-12-8	PROP OF JEAN SUMMERS	24.8	R1
104-5-9	PT TRS 8 & 9	25.1	ABINGDON
106-13-4	PT CLARK LD ACR 25.19	25.2	A2
104-A-65	WOLF CREEK-SUTTON	25.3	R2,R1
105-A-1	HIGH HOPES FARM AND	25.5	ABINGDON
124-A-45	PT BRISTOL ROAD	26.2	R2,B2
084-A-1	HAWKINS LD ACR 26.375	26.4	R2,A2
086-A-8	PT BOUNDARY LINE ADJ OF	27.2	R2,A2
124-A-50	SPRING CREEK ACR 27.45	27.5	A2
105-A-34	JOINS BOOKER N HWY 81	27.6	ABINGDON
106-8-5	RE-PLAT OF THE FINAL	27.7	A2
124-A-65	CHARLES S CAMPBELL ESTATE	27.8	R1
105-8-2	PT TR B THE GRAHAM	28.5	ABINGDON,A2
085-4-2	HAYTERS BRIDGE	29.7	ABINGDON
104-A-29	PT REEDY CREEK RD	29.8	R1
124-A-24	PT BRISTOL RD	30.5	B2
103A1-A-1	POOR VALLEY ACR 31.769	31.8	A2
106-A-4B	LEE HWY ACR 32.10	32.1	ABINGDON
104-2-1	PT TRS 1 THRU 8	33.0	ABINGDON
104-A-39	PT TR 4 L R JOHNSON EST	33.5	ABINGDON
084-A-24	ALICE M CALDWELL PROP	33.6	R2,A2
105-8-1	PT TR A & STRIP	35.4	ABINGDON,A2
105-A-20	HUMES LD ACR 35.48	35.5	ABINGDON
106-A-2	PT PROP OF JAMES D	35.7	ABINGDON
106A1-5-1	TRACTS 1-2-3-4 & 8	36.6	ABINGDON,R2
126-2-23	MARY HOPE KELLY EST	38.7	ABINGDON,A2
085-4-3E	ROBERT & SUE COX LD	40.5	A2
125-1-32	TRS 32 TO 37 INC	41.0	A2,M1
083-A-52	NEAR ABINGDON ACR 43.213	43.2	R1
104-7-2	PARCEL 2 & PT OF PARCEL	47.8	ABINGDON
103A1-1-4	TRS 4 & 5 C N WHITAKER LD	48.8	A2
104-3-1	RIDDLE LAND ACR 49.681	49.7	ABINGDON,A2
105-8-3	TR C ACR 51.125	51.1	ABINGDON,A2
106-7-31	PT TR 31 R B KREGER LD	57.2	M1,A2
104-A-83A	NEAR ABINGDON ACR 57.77	57.8	ABINGDON
106-2-8	ACKLAND ACR 62.33	62.3	ABINGDON
126-A-60	MEADOWS ACR 81.51	81.5	ABINGDON,A2
085-A-43	SALTVILLE RD ACR 100.14	100.1	A2



<u>Parcel Number</u>	<u>Description</u>	<u>Acreage</u>	<u>Zoning</u>
105-A-46C	REPLAT OF THE RIDGES	100.8	ABINGDON,A2
124-A-64	PT CHARLES G CAMPBELL	102.6	R1,R2
104-5-7	PT TRS 7A-7-8-8A-9	104.1	A2
125-4-2	TR 1A ACR 107.55	107.6	A2
104-A-10A1	PT BOUNDARY LINE ADJ OF	110.4	R2
125-2-6	TOWN OF ABINGDON	143.3	A2
125-A-37	PT KNOBS ACR 146.72	146.7	A1
124-A-55M	PT BOUNDARY LINE ADJ &	151.0	R1
106-13-5	PROP OF KENNETH O &	280.4	R2,A2
083-1-B1	ROBERTS LD ACR 298.069	298.1	A1

Source: Washington County Service Authority

**Table 28: Characteristics of Vacant Properties with Residential Development Potential,  
Emory/ Glade Spring Area of Washington County, Virginia, March, 2023**

<u>Parcel Number</u>	<u>Description</u>	<u>Acreage</u>	<u>Zoning</u>
052A2-A-17	1 PARCEL ACR 5	5.0	GLADE SPRING
070A-2-1	PT TR 1 MCNEW RYBURN	5.1	GLADE SPRING,R2
067-9-1	TR 1 MCKINNEY-BOWYER LD	5.3	R2
067-A-35A	TR A KENDRICK LD	5.4	R2
052A2-14-80	LOT 80 JAS K DEBUSK SUBD	5.4	GLADE SPRING
067-9-8	TR 8 MCKINNEY-BOWYER LD	5.6	R2
069-A-22	LEE HWY ACR 5.68	5.7	A1
069-7-4	TR 4 PT GLADE-HIGHLANDS	5.7	M2
052A3-1-2	TRACT 2	5.8	GLADE SPRING
069-7-1	TR 1 PT GLADE-HIGHLANDS	5.8	M2
052A4-A-2A	GLADE SPRING ACR 5.856	5.9	GLADE SPRING
067-A-30A	U PARCEL	5.9	A2
067-A-43	CORNETT LD ACR 6	6.0	A2,R2
067-12-14	PROPERTY OF R P CULLOP	6.0	A2
052-A-13B	PT TRS 14 & 15 COBB LD	6.1	A2
070A-4-12	TR 12 MAP 2 ACR 6.3	6.3	B2
067-12-22	PT LTS 22 & 23	6.3	A2,V
067-9-10	TR 10 MCKINNEY-BOWYER LD	6.4	R2
052A1-A-15	NEAR GLADE SPRING-	6.4	GLADE SPRING,R1
069-A-20	LEE HWY ACR 6.40	6.4	A1
052A1-A-16	NEAR G S-JENNIE P CLARK	6.5	R1,GLADE SPRING
069-7-2	TR 2 PT GLADE-HIGHLANDS	6.7	M2
070A-2-3	PT TR 3 BEN MCNEW RYBURN	6.8	R2
068-5-3	TR 3 W E RECTOR EST	6.9	R2
052A4-1-32	PT LTS 32 TO 46	6.9	GLADE SPRING
069B-1-1	EARL B CLARK EST ACR 7.05	7.1	A2
052A2-14-79	PT TR 79	7.2	GLADE SPRING
069-5-4A	PT PROP OF PATTON T &	7.3	A2
069-A-42	PT TR 2 J P MASON LD	7.6	B2
067-A-44	CORNETT LD ACR 7.88	7.9	A2
067-12-13	PATSY C CRENSHAW ET AL	8.5	A2
069-A-19	LEE HWY ACR 8.48	8.5	A2,A1
067-9-12	TR 12 MCKINNEY-BOWYER LD	8.9	R2
067A3-A-124A	PT 4 TRS DALLAS PHILLIPS	8.9	A2,V
052A2-A-146	GLADE SPRING ACR 9.61	9.6	R1,GLADE SPRING
068-1-35	PT TR 35	10.3	V
067-9-11	TR 11 MCKINNEY-BOWYER LD	10.8	R2
069B-A-1	GLADE SPRING PRESBYTERIAN MANCE	10.9	A2
067A3-A-144	WILEY DARNELL PROPERTY	11.0	A2
069-7-7	TR 7 PT GLADE-HIGHLANDS	11.6	M2
068A5-A-3	PETERS 1D ACR 11.669	11.7	V
070-A-1	GLADE SPRING ACR 11.95	12.0	GLADE SPRING,R2
067-A-36B	PT A DIV OF THE PROP OF	12.3	A2
068A2-2-33	PT TRS 15 & ALL 31 & 33	12.5	A2
069-7-6	TR 6 PT GLADE-HIGHLANDS	12.7	M2
069-A-58	OLD GLADE ACR 13.472	13.5	A2
052-A-7	ALLISON LD ACR 13.75	13.8	GLADE SPRING,R1
068-1-13	TR 13 MCKINNEY-BOWYER LD	14.5	R2
067-7-8B	TRS 7 & 7A ACR 15.556	15.6	A2
069-A-53A	BYARS CREEK ACR 16.1	16.1	<Null>
069-2-4	TRS 4-5-6 E B CLARK LD	17.0	A2
069-A-38	PT OLD GLADE ACR 17.13	17.1	A2
067A2-3-2	PT V D KENDRICK ET AL	17.4	R2
069-A-27	PT A TWO-LOT DIV OF THE	18.5	A2,A1
069-A-18	BYARS LAND ACR 18.57	18.6	A1,A2,R2
069-A-32A	BYARS CREEK ACR 19.26	19.3	A2
069-A-16C	PT BYARS CREEK	19.3	A1,A2,R2
067-A-36	PT BOUNDARY LINE ADJ OF	19.6	A2

<u>Parcel Number</u>	<u>Description</u>	<u>Acreage</u>	<u>Zoning</u>
069-A-17	BYARS LAND ACR 20.57	20.6	R2,A2
088-A-39	BOUNDARY RETRACEMENT OF	21.0	A1
069B-1-32	EARL B CLARK EST	21.4	A2
067-A-37	BROWNING LAND ACR 21.593	21.6	A2
069-A-34	TRACTS 1 THRU 5	22.4	A2
067-11-29	ASTON LD ACR 22.5	22.5	A2
069-A-32	BYARS CREEK ACR 24.85	24.9	A2
069-5-3	TR 3 BEATTIE LD ACR 29.86	29.9	A2
068-A-11	W E RECTOR LAD ACR 30.1	30.1	A2
069-8-6	PT TRACT NO 6 FINAL PLAT	31.1	A2
052-A-8	JEAN M JACKSON PROP	39.4	GLADE SPRING,R1,A1
069-A-51	OLD GLADE ACR 44.329	44.3	A2
070-A-5	NEAR OLD GLADE ACR 52.60	52.6	R2,A2
052B-2-61	PARCEL B PT PROPERTY OF	69.3	R2,A1
051-3-16	TRACTS A AND A-1	70.7	GLADE SPRING,A1,R2
052-A-11	PARCEL B EDMAR A	75.2	A1,GLADE SPRING
051-A-12B	PT 6 TRS BEATTIE LAND	81.0	A1,A2
069-A-53	L A & JULIA B ROBINSON	86.3	A2,A1
052-A-13	PT ALLISON M PENNELL &	94.9	A2
068-A-10	TRACT 3 JOHN A BLAKEMORE	100.4	B2,A2
068-A-25A	NORTH OF 81 ACR 125.30	125.3	A2
069-A-9	BYARS CREEK ACR 130.95	131.0	MHR,A2
089-A-54	BYARS CREEK ACR 163	163.0	A1
052-3-26	PT TR 26 JAS E CLARK LD	168.0	A1
069-A-8	SOUTHWEST VA RESEARCH STAT VPI	210.0	A2

Source: Washington County Service Authority

**Table 29: Characteristics of Vacant Properties with Residential Development Potential,  
City of Bristol, Virginia, March, 2023**

<u>Parcel Number</u>	<u>Description</u>	<u>Acreage</u>	<u>Zoning</u>
18-1-16	ELLER HERMAN B & FRANCES	5.2	R-3
385-A-3	WORLEY EUGENE E & KATIE MARIE	5.3	R-2
344-A-9	CARRIER CECIL R & VIRGINIA LOUISE	5.3	R-1
13-1-5	CAMPBELL - HOLLOWAY PROPERTY	5.8	R-2
384-A-3	MEADOWS POINT SUBDIVISION	5.8	R-1
384-2-7	LAMBERT DENVER JACK II	5.9	R-2
25-4-5A-4	TURNER DON ET ALS TRUSTEES	6.1	R-2
186-A-2A	YOUNG KEVIN J	6.1	R-1
22-1-2	ADAMS PEGGY L	6.1	R-2
413-2-6-3	GEORGIA HARR SUBDIVISION	6.3	R-2
385-A-20	SONNER STEPHEN LEE & PATRICIA	6.5	R-2
222-A-3	FLEENOR GRACE H TRUSTEE OF THE	6.8	R-1A
413-2-6-2	GEORGIA HARR SUBDIVISION	7.0	R-2
387-A-6	RAINERO JAMES HAWKINS JR & Rainey F	7.1	R-2
385-A-5	WORLEY EUGENE E & KATIE MARIE	7.4	R-2
1-2-26-1A	JOHN F CLARK PROPERTY SUBD	7.4	R-1A
186-A-32	DENTON, DAVIDSON, WHITE PROPERTY	7.8	R-1
186-3-1	HOBBS, CARTER, WEATHERLY SUBDIVISION	7.8	R-1
186-3-3	HOBBS, CARTER, WEATHERLY SUBDIVISION	8.0	R-1
384-1-1	SHAKESVILLE RD RELOCATION	8.2	R-2
386-2-6	MOORE JAMES THOMAS III	8.7	R-2
306-A-1	WHITT MICHAEL BERT & REGINA B	9.5	R-1
463-4-1	DANIEL INVESTMENT COMPANY PLAT	10.3	R-3C
5/1/2010	UNITED COMPANY THE	10.4	R-1A
423-5-2	GRUBB ZACHARY DAVID	11.3	R-2
412-A-1	STEELE CREEK 237 LLC	11.9	R-3
376-A-19	JACKSON JACK	12.7	R-2
191-A-1	MOSS PAUL & LISA	13.1	R-1
465-A-3	BOOHER RD PROPERTIES LLC	13.9	R-2
413-A-1	PENSINGER LOGAN	14.5	R-2
344-A-2	BRISTOL BROADCASTING CO	16.5	R-1
344-A-10	HIGHLAND GROVE SUBDIVISION	18.7	R-2
266-4-B	City of Bristol	19.4	R-1
262-A-2	CLARK BROS INVESTMENTS LLC	27.2	R-1A
230-6-1	CLARENCE DISHMAN PROPERTY	32.7	R-1
384-A-12	Whitten Hill	33.4	R-2
30-13-1	DANIEL INVESTMENT COMPANY PLAT	40.3	R-3C

Source: Washington County Service Authority

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## Vacant Buildings with Residential Development Potential

In addition to the vacant parcels listed above are two properties that could potentially be rehabbed into new housing. Each is briefly described in the paragraphs below.

- **Southern States Co-Op Building (Abingdon)**. This is a single-story brick building located at 517 W Main Street in the Town of Abingdon. It was previously used as a Southern States warehouse location, but it has been vacant since 2017. Built in 1972, the building covers an area of 40,540± square feet. There is no on-site parking available, but the adjacent parcels to the east and west are owned by the same entity and could be utilized for parking if the property were to be converted into housing units. This building could potentially be rehabilitated into an apartment building.
- **Red Carpet Inn Building**. This former two-story, 60-room motel located at 15589 Lee Highway, with a Bristol address but located east of the City limits in Washington County, was built in 1962 and includes an outdoor swimming pool and small management office. The property was listed for sale in March, 2021 for \$1.8 million but was never sold, and the listing was removed in January, 2022. With its layout and features, the motel presents an excellent opportunity for conversion into apartments, especially considering the success of similar conversions such as Southridge Apartments, a former motel in Wytheville that was converted into a small affordable apartment community by the Wytheville Redevelopment and Housing Authority.

The following photos depict the Red Carpet Inn and Southern States Co-Op properties. The Red Carpet Inn building, in particular, presents an excellent opportunity for conversion into apartment units, with affordable housing representing the potential highest and best use.



**Southern States Co-Op Building**



**Red Carpet Inn**

Added to the two above properties is the expansive Virginia Intermont College campus along Moore Street in the City of Bristol. This is a unique property as it is a former private college campus that shuttered in May, 2014 after 130 years of operation due to financial challenges, a loss of accreditation and reduced enrollment. The 27 parcels that comprise the campus were sold at an auction in 2016 to U.S. Magis International Education Center. There were formerly plans to establish a “Virginia Business College” at the campus, but those plans were stalled during the pandemic and remain uncertain.

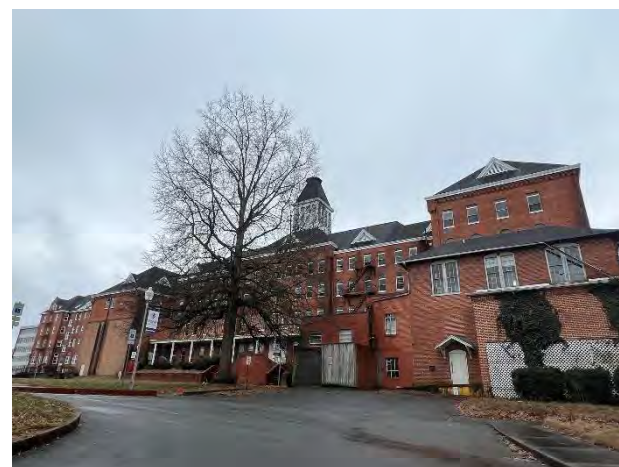
The property has several historic buildings that could be attractively converted into new housing, either affordable or market rate, and utilize historic tax credits to reduce costs and make residential development efforts more feasible. At the moment, none of the buildings are available for sale. Photos of some of the larger vacant buildings at the shuttered campus are shown below.



**Virginia Intermont College**



**Virginia Intermont College**



**Virginia Intermont College**

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## Section V: Housing Analysis Conclusions

### Initial Conclusions

The market conclusions are as follows:

- The City of Bristol and Washington County are generating housing demand, driven primarily by local employers. This trend underscores the potential market support for new housing unit development of various types. Several factors underpin this trend, which are detailed below:
  - Local employers have announced over 1,800 new jobs that are expected to be filled over the next two to three years. The majority of these employers are actively hiring, highlighting the urgent need for housing to accommodate this anticipated growth. This level of employment growth, primarily attributed to the Hard Rock Casino in Bristol, represents a sharp increase over past trends.
  - As of October, 2022, the latest date for which data are available, the Bristol Region reported a low unemployment rate of only 2.9 percent, representing a 0.7 percent decrease from the pre-pandemic rate in January, 2020. This low unemployment rate presents a challenge, as the region will require new residents to fill vacant and forthcoming positions at various area employers. However, the current housing supply is insufficient to support this growth, potentially compelling future employees to seek accommodation elsewhere and commute.
  - The regional economy has experienced a relatively modest impact from the pandemic, particularly with respect to employment and job losses. Notably, the rental market has remained unscathed, with no adverse effects on occupancy or rents. Occupancy rates have remained high, and rents have increased over the course of the pandemic. The region has recovered over 1,700 jobs since April, 2020 and has reduced its unemployment rate to 2.9 percent. These factors reflect the region's economic resilience in the face of the pandemic.
  - The level of future job growth in neighboring localities is substantial, representing a significant increase over past trends. Over 4,000 new jobs have been announced in neighboring cities and counties, with many of these located in areas that are also grappling with housing shortages. This could potentially result in supplementary demand for new housing in the region.
  - Based on interviews with area property managers and realtors, a considerable number of existing employees in the region, along with commuters who travel to the region daily for work, have expressed a preference for alternative housing options. However, many of these individuals are faced with limited or no viable alternatives, particularly among renters and first-time homebuyers.

- 
- Though the general population of the region declined by approximately 2,200 people since 2010, the senior population has steadily grown, with the active adult population expanding by over 1,200 people. There are very few newly built homes in the region that are designed for seniors, such as single-level homes with low maintenance requirements. Furthermore, only a negligible number of new homes at affordable prices are being marketed toward this segment of the housing market, leaving many seniors with few options. Local realtors report that many seniors would be willing to sell their existing homes and relocate locally if more viable housing options were available to them.
  - The market rate apartment market has expanded modestly in recent years, largely driven by the conversion of older single-family homes and townhomes into rental units. Of the 1,119 market rate units identified, only 23 units, or roughly 2.0 percent, were constructed over the past decade. Consequently, the region's market rate apartment supply is mostly mature, with vacancies being rare and often failing to meet the expectations of potential renters. The majority of the "better" rental properties are scattered units managed by various property management firms or private investors, many of which are not comparable to newer apartment properties built elsewhere in the state. One of the reasons for the sluggish pace of apartment unit development is historically low rents in the region.
  - The affordable rental housing stock is generally mature, fully occupied and mainly caters to low-income households. The nine LIHTC apartment communities that serve more moderate-income households are currently at full capacity with extensive waitlists. Age-restricted affordable apartment communities in the area are scarce, with only one such community that does not offer deep rent subsidies.
  - The existing housing market is stronger for rental housing than for-sale housing, primarily attributed to area wages, a slow pace of new home construction and the impact of rising mortgage interest rates. These factors make it increasingly difficult for most prospective homebuyers to afford homes, thereby driving up demand for rental housing. This trend could potentially persist as mortgage interest rates are anticipated to remain elevated in the foreseeable future.
  - The for-sale housing market is dominated by re-sales and lot sales, with only a small number of newly built homes constructed for sale on a speculative basis over the past decade. Lot sales typically involve more significant financial commitments than moderately priced speculatively built homes and cater to higher-income segments of the market. The vast majority of homes listed for sale under \$250,000 are older units. Most homebuyers prefer move-in-ready homes rather than homes that require significant improvements prior to occupancy. Area builders report challenges to building homes priced below \$250,000.
  - Job growth in Northeast Tennessee has outpaced that of the Bristol Region of Virginia, prior to and throughout the pandemic. Thus, housing development in Tennessee has outpaced housing development in Virginia. The fact that Tennessee residents are not required to pay state income tax has incentivized those employed in Tennessee to reside within the state rather than cross the state line to Virginia.

- Section IV of the report highlights that the region has a substantial number of vacant parcels with potential for residential development. Some of these larger parcels may need to be subdivided to support various housing types, and most would require a rezoning to be used for higher-density residential development. Given the number of potentially suitable properties, land availability is not identified as an issue for new residential development.

Based on the above analysis, it is evident that the Bristol Region’s existing housing stock does not sufficiently meet demand. Due to the level and type of future job growth, alongside elevated mortgage interest rates, the greatest immediate housing need is for market rate rental housing. The analysis also finds that the current new home sales market in the region is small and does not provide home prices that are affordable to most prospective homebuyers. Furthermore, the senior population is underserved. In light of these findings, the initial recommended housing needs for the region are as follows:

	<u>Units</u>
Market Rate Apartments	400±
Affordable General Occupancy Apartments	130±
Affordable Age-Restricted Apartments	80±
Patio Homes for Sale	60±
Single-Family/Townhomes for Sale	150±

The recommendations outlined above call for the construction of more than 800 new housing units, including a for-sale and rental homes, affordable and market-rate units, and general occupancy and age-restricted communities. However, it is important to note that not all of these homes would be built simultaneously or in the same location. There is likely to be demand for future phases, particularly the apartment units and modestly priced for-sale homes, but the recommendations presented above focus on the initial development needs that are most feasible. The development pace should be guided by the level of employment growth over the next two to three years.

Each of the above recommendations are detailed in the paragraphs below.

- **Market Rate Apartments.** There are multiple sites available for the development of market rate apartment units in the region that would serve employees in region, including those currently employed locally but who commute. Garden apartment designs are recommended, based on the types of rents that could be generated. The majority of new



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apartment units should have two-bedroom floorplans with two full bathrooms. Rents would be commensurate with new jobs that are expected. Based on pent-up demand and expected area job growth in the near term, it is estimated that at least 400 market rate apartment units should be supported initially. This could be an undercount, however there are no lease-up trends in the region to study.

- **Affordable Apartments.** It is recommended to pursue the development of general occupancy and age-restricted affordable apartment units through the Low-Income Housing Tax Credit (LIHTC) program. There is a strong demand for affordable rental housing at various income levels in the area, as evidenced by the success of existing affordable apartment communities in region, lengthy waitlists at nearly all local affordable apartment properties and other factors. It is unlikely that affordable apartment units will be developed outside of the LIHTC framework at this time.
- **Patio Homes for Sale.** The region is likely to support approximately 60 two- and three-bedroom patio homes for sale. These are recommended to be two- and three-bedroom units listed in the low- to upper-\$200,000's to serve the empty-nester and active adult population.
- **Single-Family Homes and Townhomes for Sale.** Approximately 150 single-family homes and townhomes for sale are recommended, priced between \$175,000 and \$250,000. These should be designed as “starter” homes. Manufactured homes should be considered, as these can reduce pricing. Many new employees at the Hard Rock Hotel & Casino would qualify to purchase homes in this price range.

Based on the limited level of past apartment unit absorption and new home sales trends, the estimates presented above are conservative. As previously noted, the development of apartment units is the most pressing housing need and is expected to present the most feasible opportunity to attract development. This type of housing is expected to be the most affordable option for new hires in the region, particularly under current market conditions where high mortgage interest rates make it challenging to secure traditional home ownership loans.

### **Recommendations**

Officials in Bristol and Washington County could take various measures to attract new housing development. Local officials may consider providing non-financial support for the acquisition of a development site. Homebuilders who may be attracted to the region will require a “shovel-ready” site for new home construction or, at the very least, a site that is already

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improved with utilities. As noted earlier, there are several suitable options, but it may be necessary to narrow down the list to a few target sites.

In addition to the above, S. Patz & Associates conducted a thorough review of land use regulations in the City of Bristol and Washington County, including the town of Abingdon, to understand the potential impact on new residential development. This review was initiated in response to concerns raised by multiple members of the local real estate community who noted that existing regulations may discourage some forms of housing investments.

The analysis begins with a review of land use regulations in the City of Bristol, followed by an evaluation of land use regulations in Washington County and the Town of Abingdon. Included in these analyses are recommendations for each locality.

### **City of Bristol Land Use Regulations**

The City of Bristol's Ordinance permits accessory dwellings, indicating that the City is already committed to allowing new housing, however, City staff could consider other changes to further encourage residential development. Identification and analysis of possible changes are as follows.

- **Allow Varied Residential Development in All Zones.** Significant portions of the City are zoned exclusively for single-family residential development. Staff could consider allowing higher density residential development in these areas. To do this, staff could consider eliminating minimum lot size and width requirements and listing two-family, townhouse and multifamily dwellings as permitted uses in all zones. To preserve the character of these areas, bulk and open space requirements such as lot coverage, height, setbacks should be retained.
- **Allow Greater Flexibility for Residential Development in Commercial Zones.** The Zoning Ordinance limits residential uses in its commercial zones. For example, in the B-1 district, only single and two-family dwellings are allowed. These dwellings must be located on parcels that meet residential lot requirement and must be approved by the City's Planning Commission. The B-1 district does not specify minimum lot requirements for commercial uses so it is likely that many existing lots would not meet the minimum lot requirements needed for residential uses. Therefore, commercial to residential conversion in the B-1 district is likely quite limited. Staff could consider allowing by-right conversion of existing commercial buildings to residential uses in all zones without regard to residential lot requirements.

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Furthermore, while the B-2 district permits residential uses, these uses must be located above the first floor or in the rear of the building. Requirements such as these are meant to promote pedestrian traffic by requiring commercial uses on the first floor. In some areas, there may not be enough pedestrian traffic or market demand to justify mandating first floor commercial. Given the changing demand for commercial space, staff should analyze if any areas of the B-2 district could be appropriate for first floor residential uses.

### **Washington County Land Use Regulations**

Washington County's Zoning Ordinance primarily allows single-family dwellings on large lots. It establishes definitions for denser residential development types (manufactured, two-family, townhouses and multifamily) but severely limits where these are permitted. Its ordinance could be amended in several ways to ease restrictions on residential development. Suggested amendments and brief analyses are detailed below.

- **Study Minimum Lot Area Requirements.** The Zoning Ordinance generally requires a one-acre lot size minimum for residential development. Smaller lot sizes are permitted if a site has access to public water or sewer. While the public water system in the County is relatively extensive, its public sewer system covers a very small portion of the County. Therefore, the smaller lot size requirements are essentially not available for individual property owners or small-scale developers due to the prohibitive cost of expanding the public water and/or sewer system.

Interestingly, the B-2 zoning district allows up to ten dwelling units to share a private well and septic system. This calls into question the necessity for the Zoning Ordinance to require such large lot sizes for properties without public water or sewer in other zoning districts. County staff should ensure that the Zoning Ordinance does not require unnecessarily large lot sizes for residential development. Because large minimum lot requirements ultimately increase the cost of housing, staff could eliminate the lot size requirement entirely and leave lot size requirements based on public water and sewer considerations up to health and environmental codes.

- **Varied Residential Development Types in All Zoning Districts.** Significant portions of the County are zoned exclusively for single-family residential development. Staff could consider allowing higher density residential development in these areas. To do this, staff could consider eliminating minimum lot size and width requirements and listing two-family, townhouse and multifamily dwellings as permitted uses in all zones. To preserve the character of these areas, bulk and open space requirements such as height and setbacks could be retained.

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Furthermore, staff could amend the commercial zoning districts to allow residential uses more broadly. Currently, in the B-1 and B-2 commercial zoning districts, only one dwelling unit is permitted in conjunction with a commercial use. The dwelling unit must be occupied by the business owner.

- **Allow Accessory Buildings to be Used as Residences.** The Zoning Ordinance currently prohibits the use of an accessory building as a residence (accessory dwelling) in all zones. Eliminating the prohibition of the use of an accessory building as a residence could introduce smaller, more affordable homes into the market. Given their small sizes, these accessory dwellings tend to rent for less than a traditionally sized homes in the same neighborhood. Several jurisdictions in Virginia already allow for this type of residential land use. County staff could model an accessory dwelling policy after these jurisdictions' ordinances.
- **Increase Predictability and Reduce Costs in Approval Processes.** All residential development, within reason, should be permitted "by-right." Many higher density and lower cost residential development types currently require special exception approval. Special exceptions are heard by the County's Planning Commission and Board of Supervisors at public hearings. The Zoning Ordinance grants broad discretion to the Board of Supervisors in approving these requests. The discretionary approval process increases unpredictability and expense for developers. Where feasible, County staff should eliminate the special exception approval process for residential development.

### **Town of Abingdon Land Use Regulations**

The Town of Abingdon's Zoning Ordinance is unique in that it permits a wide range of residential development types throughout its various zoning districts. There are some minor changes Town staff could consider to the Zoning Ordinance to attract new residential development. These recommendations are detailed in the paragraphs below.

- **Allow All Residential Development Types in All Residential Zoning Districts.** There are portions of Abingdon where only single-family residential development is permitted. Wherever any type of residential development is permitted, for example, single-family dwellings, staff should consider also allowing all other residential development types (two-family, townhouse and multifamily) without special approvals. To do this, Town staff could consider eliminating minimum lot size and frontage requirements and listing single, two-family, townhouse and multifamily dwellings as permitted uses in all zones. To preserve the character of these areas, bulk and open space requirements such as setbacks, yards and height regulations should be retained. It appears that accessory

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apartments are also permitted in most zoning districts, but the Zoning Ordinance could be amended to increase clarity on this point.

- **Allow Greater Flexibility for Residential Development in Commercial Zoning Districts.** Town staff could consider reviewing the Town’s commercial and mixed-use zoning districts for opportunities to create additional flexibility for residential housing development. For example, single- and two-family dwellings are permitted in the B-1 Limited Business District, but they must meet the residential area, setback, frontage, yard and height regulations for the R-3 Residential District. Other non-residential uses are not subject to these requirements. Therefore, existing non-residential buildings constructed in compliance with the B-1 district regulations could likely not be converted by-right to single- or two-family dwellings because the building would not comply with the R-3 Residential District requirements. It is likely that commercial to residential conversion in the B-1 district would be limited without special approvals. Staff could consider making requirements for dwellings in commercial and mixed-use districts the same as those existing for non-residential uses. Similar to the recommendation for residential zones, above, staff could also consider allowing all residential development types in Abingdon’s commercial and mixed-use zones.
- **Consider Non-Traditional Family Arrangements.** Abingdon’s Zoning Ordinance, like many others in the Commonwealth of Virginia, defines a “family” or a “housekeeping unit” generally as people related by blood, marriage, adoption, etc. plus a specified number of unrelated persons. Town staff should consider modernizing this definition to allow for more flexible housing arrangements. In some jurisdictions across the country, officials have amended their definitions of family or housekeeping unit to make them more inclusive. For example, Minneapolis, Minnesota’s code defines a family as “...an individual or two or more persons, intending upon living and residing together as a single household and housekeeping unit...”



# **BLAND COUNTY**

**COMPREHENSIVE HOUSING ANALYSIS**

**Comprehensive Housing Analysis**  
**Bland County, Virginia**

**Prepared for:**

**James Moss**  
**Mount Rogers Planning District Commission**

**January, 2023**

**S. Patz and Associates, Inc.**  
**46175 Westlake Drive, Suite 400**  
**Potomac Falls, Virginia 20165**



▪ S. PATZ & ASSOCIATES, INC. ▪  
▪ REAL ESTATE CONSULTANTS ▪

January 31, 2023

James Moss  
Housing Director  
Mount Rogers Planning District Commission  
1021 Terrace Drive  
Marion, Virginia 24354

Jimmy,

We are proud to present our comprehensive housing study for Bland County. The aim of this study is to provide a detailed evaluation of the current and potential housing market in the County. The secondary objective of this report is to identify existing housing gaps and to recommend actions that the County can take to address them.

The key finding is that Bland County is not experiencing significant job or population growth, resulting in a lack of sufficient demand to attract new large-scale residential development. Nonetheless, the study has determined that there are multiple viable sites that could support new housing developments of varying types, in the event of a shift in economic conditions.

Despite the challenges posed by limited population and economic growth, the study identifies opportunities for new housing, albeit at a small scale. New residential development could be carried out by local and regional investors, rather than large-scale developers from outside of the region. To support such developments, the study proposes several modifications to the County's ordinances to facilitate small-scale housing initiatives.

We were pleased to be able to assist local officials in Bland County and the Mount Rogers Planning District Commission on this study and remain available to assist for future planning.

Sincerely,

*Ariel Goldring*

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Ariel Goldring  
President



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## Introduction

The following study provides a comprehensive analysis of the Bland County housing market. This report is the fourth in a series conducted by S. Patz & Associates on the housing markets that comprise the Mount Rogers Planning District, following analyses of the Smyth County, Wythe County and Twin County Region housing markets. The purpose of these analyses is to identify strategies to promote the development of new housing in the region, as opportunities exist.

This report to follow will provide a thorough analysis of the economic and demographic trends in Bland County, with a particular focus on job growth and housing demand. Our findings indicate that the County is not generating new job growth, and its population has remained relatively stagnant for the past two decades. In contrast, neighboring counties are projected to experience significant levels of job growth, which may generate some housing demand locally. However, most demand is likely to be concentrated in the proximity of the new job opportunities, at least initially. Furthermore, the only growth area in Bland County has been among the County's senior population. This modest expansion has been primarily driven by seniors aging in place, rather than by an influx of retirees relocating to the County. Based on these findings, the report concludes that the level of demand for new housing in Bland County is relatively low. This report will provide a detailed examination of the data supporting these conclusions.

The study is divided into four sections. The first section, the Bland County Setting Analysis, examines the County's location along the Interstate-77 corridor. The second section, the Economic Overview Analysis, presents trends in at-place jobs and employment, and includes an analysis of the employment impacts of the COVID-19 pandemic. This section also addresses the significant projected employment growth in surrounding areas within the Mount Rogers Planning District and other nearby communities.

The demographic analysis of Bland County, which constitutes the second part of the Economic Overview, is a comprehensive examination of population and household trends in the County. Emphasis is placed on analyzing trends in household income, tenure and age. Due to the

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negative growth trends exhibited by Bland County, making projections can prove to be difficult. The trend data suggests a decline in population, which is further exacerbated by the lack of new or expanding businesses in the County. As a result, it is not anticipated that the population of the County will experience growth in the near- or mid-term.

The third section of the study analyzes the various housing markets in Bland County in terms of new additions, tenure, home prices and rents. This section analyzes both the for-sale and rental housing markets. The for-sale market has been dominated by resales, as there have been very few homes built speculatively to be sold over the past few decades. The rental market is also stagnant, as Bland County has no professionally managed apartment complexes. Renters in Bland County exclusively reside in scattered single-family homes, townhomes, mobile homes and small multi-tenant buildings of four or fewer units. There are no income-restricted apartment units in the County. Many prospective renters who work locally reside outside of Bland County and commute.

The fourth section of the report is a thorough analysis of the available development sites in Bland County. While there are multiple attractive sites available for new housing unit development, the sluggish growth of the local economy has not generated sufficient demand to support the development of large-scale housing projects, either for rent or for sale. Thus, most of the available properties are too large to attract new development. Additionally, the report highlights various other challenges that hinder the development of these sites, such as their proximity to public schools and limited local amenities. Bland County is home to only one public elementary and one public high school. This necessitates long drives for many students. There are no full-service grocery stores in Bland County.

The fifth and final section presents the Conclusions. The conclusions provide a comprehensive overview of the opportunities and challenges facing the housing market in Bland County and offer guidance on how to address these challenges and capitalize on opportunities.

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## Section I: Bland County Setting Analysis

Bland County is located along the I-77 corridor in the eastern part of the Mount Rogers Planning District in Southwest Virginia. It is situated approximately midway between the cities of Roanoke and Bristol and just north of a major interchange with I-81 that bisects Wythe County to the south. This stretch of highway is a major transportation artery for Southwest Virginia, connecting the growing communities of Bristol, Wytheville and Roanoke and accessing a range of economic and recreational opportunities in Southwest Virginia.

The County is situated in a mountainous area, with the Appalachian Trail passing through it. It is home to a number of state parks and forests, including the Jefferson National Forest and the Spearhead Trail System, which offer a wide range of outdoor recreational opportunities. The County is also home to the Wolf Creek Indian Village, an historic Native American site. Due in part to its small population, Bland County is one of a few counties in Virginia with no incorporated towns.

A topographic analysis of Bland County reveals that a significant portion of the land, approximately 75 percent, has a slope of 20 percent or greater. This challenging topography presents several difficulties for the provision of essential public services, such as water and sewage, and may also limit the feasibility of utilizing septic tanks for sewage treatment. Additionally, this topography can also necessitate additional cost considerations for erosion and sediment control during and after construction. These factors must be considered when planning for new residential development in the County.

The majority of Bland County's population resides along the I-77 corridor, which serves as a major transportation artery for the region. This corridor, running in a north-south direction, bisects the County and is a key driver of economic activity. The I-77 corridor extends for 67 miles within the state of Virginia, connecting Bland County to the neighboring states of West Virginia and North Carolina. It traverses several population centers in the County including Hicksville, Bastian and Bland. This interstate highway plays a vital role in shaping the built environment and socio-economic dynamics of the County.

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In addition to the major north-south transportation corridor provided by I-77, Bland County is served by three other major roadways:

- **U.S. Route 52.** This is a major east-west highway that runs through the center of Bland County. It is a two-lane highway that is used for both local and long-distance travel. US-52 begins in New Orleans, Louisiana and runs north through Tennessee, Kentucky, West Virginia and Virginia, terminating in the Winchester area. Along its route, U.S. Route 52 passes through a number of towns and cities, including Tazewell, Bland and Wytheville. There are a number of gas stations, restaurants, and other amenities located along the route for travelers to use. The roadway also provides access to a number of nearby employers.
- **SR 42.** This is a north-south state highway that runs through Bland County, generally parallel to I-81. The highway consists of three sections, with gaps filled by secondary routes in between. Some of SR 42 lies along the old Fincastle Turnpike, while another section, from near Clifton Forge to Buffalo Gap, parallels the old Virginia Central Railroad. Within Bland County, the roadway accesses the communities of Bland and Ceres in the central and western portions of the County. It also provides direct access to Smyth County in the west and Giles County in the east.
- **SR 61.** This is an east-west state highway that runs through the northern part of Bland County. The highway runs for nearly 50 miles from SR 16 in Tazewell, east to U.S. Route 460 in Narrows in Giles County. SR 61 passes through several narrow creek valleys as it parallels the West Virginia state line through Tazewell, Bland and Giles counties. The only population concentration between the highway's endpoints is the small community of Rocky Gap, where the highway intersects with U.S. Route 52 and I-77.

The Southwest Virginia region, including Bland County, is primarily composed of rural areas. However, there are notable pockets of economic growth in neighboring counties. Among them, Wythe County to the south of Bland County stands out as experiencing the most significant increase in job opportunities. Over 2,600 new jobs are expected to be created over the next five years in Wythe County, which averages to more than 500 new jobs per year. This represents a substantial increase compared to historical job growth trends in the region. The construction of new Blue Star NBR facilities near Wytheville is identified as the primary driver of this growth. Many Bland County residents currently commute to Wythe County for employment, and the influx of new job opportunities is likely to attract even more workers from the surrounding area.

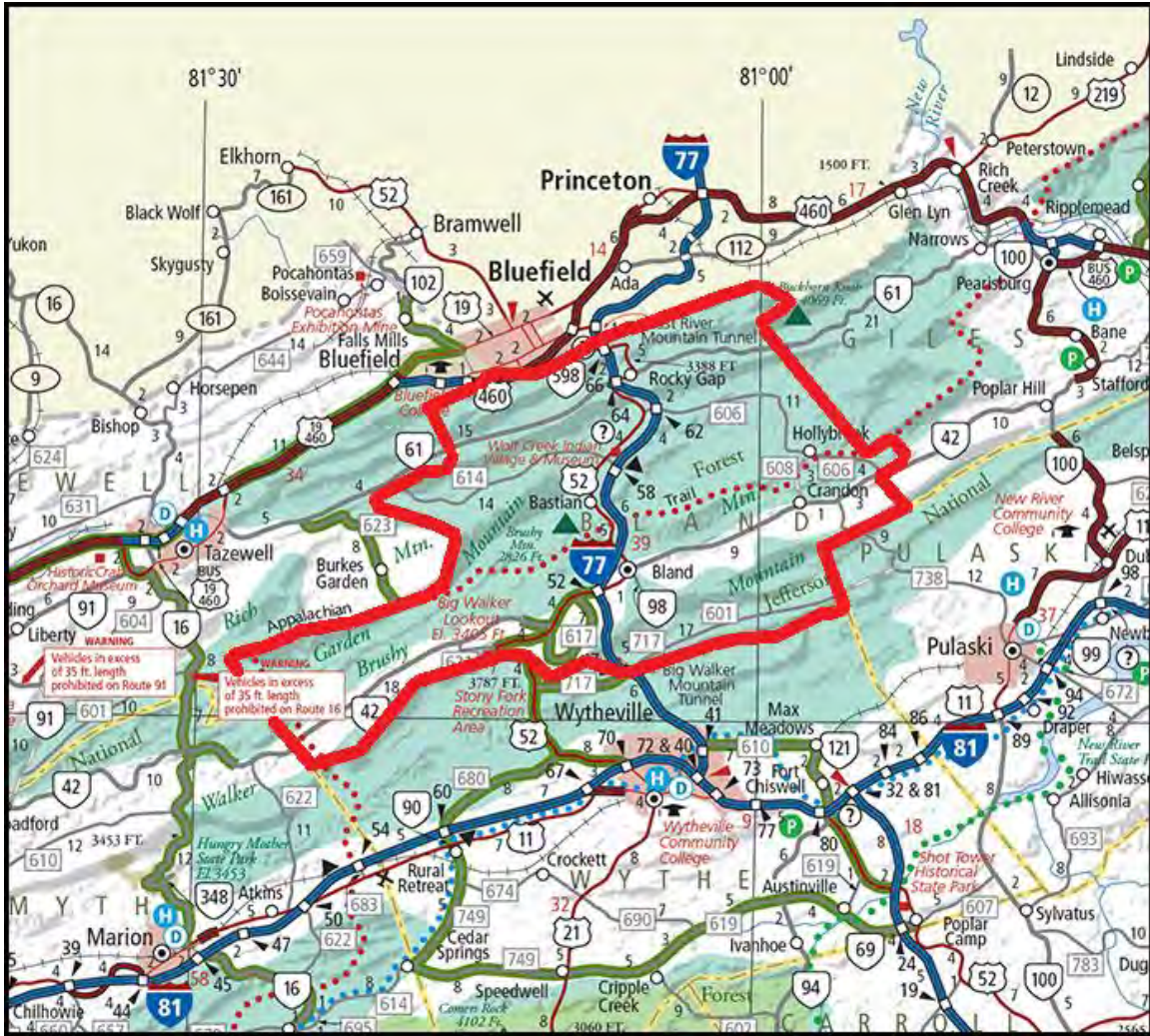
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Bland County is situated in proximity to several other communities that are also experiencing job growth, albeit at a more modest pace. To the west of Bland County, Smyth County is home to Emory & Henry College's School of Health Sciences, which is expected to expand its enrollment and staff in the near term, thus creating additional demand for housing. Additionally, major job expansions by Scholle IPN Packaging and Woodgrain Millwork in Smyth County are anticipated to add nearly 160 new jobs in the short term.

Similarly, Tazewell County, also located west of Bland County, is experiencing moderate job growth, with expansions by Pure Salmon, Ronald Mark Associates, Appalachian Millworks & Cabinetry, Signco and AMR PEMCO, which are expected to add nearly 290 new jobs. This county is a destination for many Bland County residents who commute for work, primarily to the Bluefield area.

To the north of Bland County is Mercer County, West Virginia, which is experiencing limited economic growth particularly in Princeton and Bluefield. Omnis Building Technologies recently announced plans to hire between 150 and 300 new employees at a new manufacturing facility in Bluefield.

Pulaski County and Giles County, located to the east of Bland County, are also witnessing job growth, particularly in the central part of Pulaski County, in and around the towns of Pulaski and Dublin. Notable job announcements in the area include Xaloy Holdings (40± new jobs), The Volvo Group (600± new jobs) and The Patton Logistics Group (60± new jobs). These job growth projections are expected to result in an increase in housing development proposals in the area. Pulaski County in particular has several new proposals for rental housing.



Map A - Regional Setting

To summarize, Bland County is a primarily rural area that is easily accessible through the regional transportation network, which includes the I-77 and I-81 interstates. The County's location along I-77, in particular, provides convenient access to neighboring communities, including the Wytheville area, which are currently experiencing a significant increase in job opportunities. However, this growth in employment is also anticipated to result in a shortage of housing in the region.



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## **Section II: Bland County Economic Overview and Demographic Analysis**

The following section presents a comprehensive analysis of the economic landscape and employment trends in Bland County. It includes an examination of the current level of at-place jobs within the County and projections for future job growth in Bland County as well as within the Mount Rogers Planning District and surrounding areas. The data presented in this section illustrate that recent job announcements in the region have greatly exceeded recent trends.

Additionally, this section of the report includes a demographic analysis of Bland County. The analysis provides a detailed examination of the population and households within the County, including data on tenure, age and income. This data serves to provide an understanding of the demographic composition of the County and its potential impact on economic and employment trends.

### **Economic Overview**

This section of the market analysis presents an economic overview of Bland County with a specific focus on at-place job and employment growth. The objective of this analysis is to thoroughly document the current and projected levels and types of job growth within the County. The analysis includes three key economic factors: (1) trends in at-place jobs, (2) employment and labor force trends and (3) active development plans that are anticipated to result in an overall increase in jobs.

It is important to note that job growth is closely linked to population and household growth, which in turn impacts the demand for housing units. The data presented in this section indicates that job growth in Bland County is currently limited.

### **At-Place Jobs**

At-place jobs refers to the jobs that are physically situated within the geographical boundaries of Bland County. As of 2019, prior to the outbreak of the COVID-19 pandemic, the County had a total of 1,960± at-place jobs. A comparison with the data from 2015 shows a slight

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increase of fewer than 40 jobs, indicating a relatively stable employment landscape in the years leading up to the pandemic.

Data in Table 1 show that Bland County has many data disclosure issues in relation to employment data. This is due to several factors, including the need to maintain the confidentiality of the data collected by the BLS. To protect the privacy of individuals and businesses, the BLS may need to suppress or aggregate data to prevent the identification of specific individuals or firms. This can result in data disclosure issues if the data is not granular enough to provide a complete and accurate picture of the labor market. This is a common issue in rural, sparsely populated communities where data confidentiality is a concern and the number of employers is limited.

The Manufacturing sector is the dominant employment sector in Bland County, accounting for over 31 percent of local employment. This sector expanded by 50 jobs since 2015, driving the modest level of employment growth during that period. Several of the larger industrial employers in the County are located in the Bastian Commerce Park along U.S. Route 52, including Melvin Enterprises and Virginia Steel & Fabrication.

Hitachi Energy is the largest private employer in Bland County, with a workforce that accounts for over half of the employees within the local manufacturing sector. The company operates a 120,000± square foot facility situated along Industry Drive in Bland. This facility specializes in the design and production of medium-voltage transformers. Recently, in late-2021, the facility underwent an expansion that augmented its production capacity and introduced new capabilities, resulting in the addition of 40 new employees to its workforce. This facility has been in operation since 1972, making it a long-standing and vital contributor to the local manufacturing sector.

It is likely that local and state government entities constitute a substantial share of employment in Bland County, although specific data are not available due to disclosure issues. Given the County's small population, it can be inferred that the proportion of public sector employment in Bland County is higher compared to other locations in the state of Virginia. The

Bland County School Board, County of Bland and the Bland Correction Center are among the largest employers in the County. The latter, a medium-security prison, occupies an area of approximately 400,000 square feet and is home to approximately 650 adult male inmates. The average salary for corrections officers at this facility is estimated to be around \$42,000.

<b>Industry</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Net Change</b>
Agriculture	ND	ND	ND	ND	ND	--
Mining	ND	ND	ND	ND	ND	--
Utilities	ND	ND	ND	ND	ND	--
Construction	51	54	66	57	57	--
Manufacturing	552	512	511	570	602	50
Wholesale Trade	188	187	ND	ND	ND	--
Retail Trade	ND	ND	ND	101	125	--
Transportation/Warehousing	ND	ND	ND	ND	ND	--
Information	ND	ND	ND	ND	ND	--
Finance/Insurance	ND	ND	ND	ND	ND	--
Real Estate	ND	ND	ND	ND	ND	--
Professional/Technical	ND	14	16	17	ND	--
Management of Companies	ND	ND	ND	ND	ND	--
Administrative/Waste	30	ND	ND	ND	ND	--
Education	ND	ND	ND	ND	ND	--
Health Care	ND	ND	ND	ND	ND	--
Arts/Entertainment/Recreation	ND	ND	ND	ND	ND	--
Accommodations/Food	ND	ND	ND	ND	ND	--
Other Services	15	15	18	16	ND	--
Local Government	ND	ND	ND	ND	ND	--
State Government	ND	ND	ND	ND	ND	--
Federal Government	13	14	15	14	14	1
<b>Total</b>	<b>1,924</b>	<b>1,907</b>	<b>1,924</b>	<b>1,961</b>	<b>1,961</b>	<b>37</b>

Notes: ND = Data do not meet BLS or State agency disclosure standards.  
Source: United States Department of Labor, Bureau of Labor Statistics

As illustrated in Table 2, the employment changes that took place in 2020 and 2021 were substantial deviations from the norm, owing to the impact of the COVID-19 pandemic on the local economy. The data presented in the table pertains to sectors that do not have any disclosure limitations.

The data reveal that there was a significant decrease in employment in 2020, totaling approximately 120 jobs, representing a decline of 5.9 percent. Due to data disclosure limitations, it is not possible to identify which sectors were most affected by these job losses. Nevertheless, it is probable that the majority of the job losses occurred in the Retail Trade, Accommodations/Food

Services and Local Government sectors, a trend that is consistent with other nearby regions in the state. Additionally, the Manufacturing sector also experienced a decrease of almost 80 jobs in 2020. The data for 2021 do not indicate an economic recovery, with on-site jobs declining by nearly 20. However, local realtors have reported that these job losses have not had a significant impact on the local housing market.

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Net Change</b>
Construction	57	55	ND	--
Manufacturing	602	527	534	-68
Wholesale Trade	ND	174	ND	--
Retail Trade	125	ND	ND	--
Finance/Insurance	ND	ND	18	--
Arts/Entertainment/Recreation	ND	14	ND	--
Federal Government	<u>14</u>	<u>14</u>	<u>12</u>	<u>-2</u>
<b>Total</b>	<b>1,961</b>	<b>1,845</b>	<b>1,829</b>	<b>-132</b>

Notes: ND = Data do not meet BLS or State agency disclosure standards.  
Source: U.S. Department of Labor

### **Employment and Labor Force**

At-place jobs refer to employment positions that are physically located within Bland County, while employment refers to the number of county residents who are employed, regardless of the location of their job. Table 3 shows that employment in Bland County increased by approximately 160 between 2015 and 2019. In 2019, approximately 2,800 residents of Bland County were employed, while only 1,960 at-place jobs were located in the County. This suggests that a substantial number of Bland County residents commute for work, primarily to Wythe County and the greater Bluefield area to the north.

The data for 2020 indicate a significant decrease in employment, mirroring the decline in at-place jobs that can be attributed to the impact of the COVID-19 pandemic. Total employment in 2020 decreased by approximately 150, resulting in an increase in the unemployment rate from a low of 2.7 percent in 2019 to 5.6 percent. This is the highest unemployment rate since 2015. Similar to at-place jobs, it is anticipated that many of these job losses will be temporary.

The data for 2021 do not show any improvements, with employment decreasing by nearly 30. It is worth noting that the labor force declined by 5.5 percent since 2019, indicating that many individuals have retired, stopped searching for work or relocated from the County. The 2021 unemployment rate of 3.4 percent is low, but this is partially due to the smaller labor force.

	<b>Labor Force</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Percent Unemployed</b>
2015	2,792	2,635	157	5.6%
2016	2,742	2,601	141	5.1%
2017	2,894	2,777	117	4.0%
2018	2,862	2,772	90	3.1%
2019	2,877	2,798	79	2.7%
2020	2,811	2,653	158	5.6%
2021	2,720	2,627	93	3.4%
<b>Net Change</b>	<b>-72</b>	<b>-8</b>	<b>-64</b>	<b>-2.2%</b>

Source: United States Department of Labor, Bureau of Labor Statistics

### **COVID-19 Pandemic and Employment**

Table 4 presents a detailed analysis of monthly employment trends up to October, 2022, which is the most recent data available, to demonstrate the impact of the COVID-19 pandemic on the local economy of Bland County. The data reveal that since January, 2020, employment has increased by nearly 60, resulting in a decrease in the number of unemployed individuals by fewer than ten people. Additionally, the labor force has expanded by 50 people, indicating that an increasing proportion of Bland County residents are optimistic about finding employment opportunities. This is a positive economic indicator.

An analysis of the data reveals a significant recovery in employment since the onset of the COVID-19 pandemic. Specifically, there has been a resurgence of over 200 jobs since April, 2020, when the unemployment rate reached its peak of 11.9 percent, the highest level in over three decades. Despite an expansion of the labor force to its largest size since 2017, the current unemployment rate of 2.4 percent is 0.3 percent lower than the pre-pandemic rate recorded in January, 2020. This is indicative of a sustained improvement in employment and represents the lowest unemployment rate in over 30 years, with fewer than 70 unemployed individuals in the entire county.

**Table 4: Trends in Employment and Unemployment, Bland County, Virginia, 2020-2022**

	<b>Labor Force</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Percent Unemployed</b>
January, 2020	2,830	2,755	75	2.7%
February, 2020	2,866	2,780	86	3.0%
March, 2020	2,857	2,754	103	3.6%
April, 2020	2,950	2,599	351	11.9%
May, 2020	2,762	2,519	243	8.8%
June, 2020	2,782	2,559	223	8.0%
July, 2020	2,817	2,621	196	7.0%
August, 2020	2,815	2,639	176	6.3%
September, 2020	2,793	2,669	124	4.4%
October, 2020	2,777	2,675	102	3.7%
November, 2020	2,754	2,641	113	4.1%
December, 2020	2,724	2,622	102	3.7%
January, 2021	2,729	2,599	130	4.8%
February, 2021	2,778	2,661	117	4.2%
March, 2021	2,773	2,668	105	3.8%
April, 2021	2,718	2,628	90	3.3%
May, 2021	2,712	2,610	102	3.8%
June, 2021	2,708	2,593	115	4.2%
July, 2021	2,720	2,619	101	3.7%
August, 2021	2,681	2,596	85	3.2%
September, 2021	2,652	2,578	74	2.8%
October, 2021	2,700	2,633	67	2.5%
November, 2021	2,723	2,663	60	2.2%
December, 2021	2,745	2,672	73	2.7%
January, 2022	2,753	2,662	91	3.3%
February, 2022	2,792	2,715	77	2.8%
March, 2022	2,810	2,736	74	2.6%
April, 2022	2,834	2,768	66	2.3%
May, 2022	2,831	2,755	76	2.7%
June, 2022	2,827	2,749	78	2.8%
July, 2022	2,839	2,761	78	2.7%
August, 2022	2,818	2,738	80	2.8%
September, 2022	2,873	2,809	64	2.2%
October, 2022	2,883	2,814	69	2.4%
<b>Net Change</b>	<b>53</b>	<b>59</b>	<b>-6</b>	<b>-0.3%</b>

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

### Commuting Patterns

Table 5 provides data on the commuting patterns of employed individuals aged 16 and over who reside in Bland County. The table lists the top ten employment locations for County residents. It is noteworthy that the majority of the workforce is employed outside of Bland County, with only 36.8 percent of County residents working and living in the County. Approximately 24 percent of county residents commute south to Wythe County, while 15.5

percent commute north to Mercer County, West Virginia. Additionally, more than 10 percent of county residents work in Tazewell County.

**Table 5: Residence to Workplace Commuting Flows, Bland County, VA**

<u>State</u>	<u>County</u>	<u>Percent Commuters</u>
Virginia	Bland County	36.8%
Virginia	Wythe County	24.3%
West Virginia	Mercer County	15.5%
Virginia	Tazewell County	10.3%
Virginia	Pulaski County	4.0%
Virginia	Montgomery County	1.8%
Virginia	Roanoke City	1.8%
Virginia	Radford City	1.7%
West Virginia	McDowell County	1.1%
Virginia	Smyth County	0.9%

Source: U.S. Census Bureau, 2011-2015 5-Year ACS Commuting Flows

Table 6 shows the locations where the Bland County workforce resides. The data indicates that over 46 percent of employees in Bland County also live in the County, while 20.4 percent of employees commute from Mercer County, West Virginia. Approximately 16 percent of employees who work in Bland County reside in Wythe County. Fewer than five percent of employees in Bland County commute from Tazewell County.

**Table 6: Workplace to Residence Commuting Flows, Bland County, VA**

<u>State</u>	<u>County</u>	<u>Percent Commuters</u>
Virginia	Bland County	46.5%
West Virginia	Mercer County	20.4%
Virginia	Wythe County	15.8%
Virginia	Tazewell County	4.5%
Virginia	Montgomery County	2.4%
Virginia	Giles County	2.4%
Virginia	Carroll County	1.5%
West Virginia	Raleigh County	1.4%
Virginia	Pulaski County	1.1%
West Virginia	Wyoming County	1.1%

Source: U.S. Census Bureau, 2011-2015 5-Year ACS Commuting Flows

### **Economic Development Activity**

Interviews with economic development agencies at the local, regional and state levels did not reveal any companies that have made major public announcements regarding job growth.

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However, one notable development is the expansion of Titus Trucking, a commercial interstate trucking company operating in the Bastian Industrial Park. The company announced in November, 2022 plans to construct a new office and truck parking location, with the intent to hire an additional five drivers in 2023. Additionally, the opening of the Downshift Diner in April, 2022 along Indian Village Trail in Bastian represents another modest economic development within the County.

Also of note is that several businesses are actively filling vacant positions in Bland County. According to data from the Bureau of Labor Statistics presented in Table 4, there were fewer than 70 unemployed residents of Bland County as of October, 2022. In comparison, there are over 50 job listings on Indeed in Bland County at this time, which undercounts total job availability. Some companies may prefer to advertise job openings on their own websites or through other channels, rather than using a job search platform like Indeed. Additionally, some job openings may not be widely advertised or may be filled through referrals or other means, rather than being posted publicly.

This discrepancy between the number of unemployed residents in the County and the number of job openings may suggest a potential need for new residents to fill the available positions. However, most of these vacancies are not identified as representing net job growth.

### **Regional Job Growth**

While job growth within Bland County is limited, neighboring counties are experiencing a significant level of ongoing and future expansions in employment growth. Many of these job opportunities are located in areas that are easily accessible from Bland County and already attract a large number of commuters from the County. These announcements are listed in Table 7. Most of these new jobs will be in the manufacturing sector, with annual wages starting at around \$35,000. In total, these employers will add nearly 4,300 new jobs in neighboring communities. Many of these communities are located in rural areas and are experiencing a shortage of housing, particularly for the workforce population.



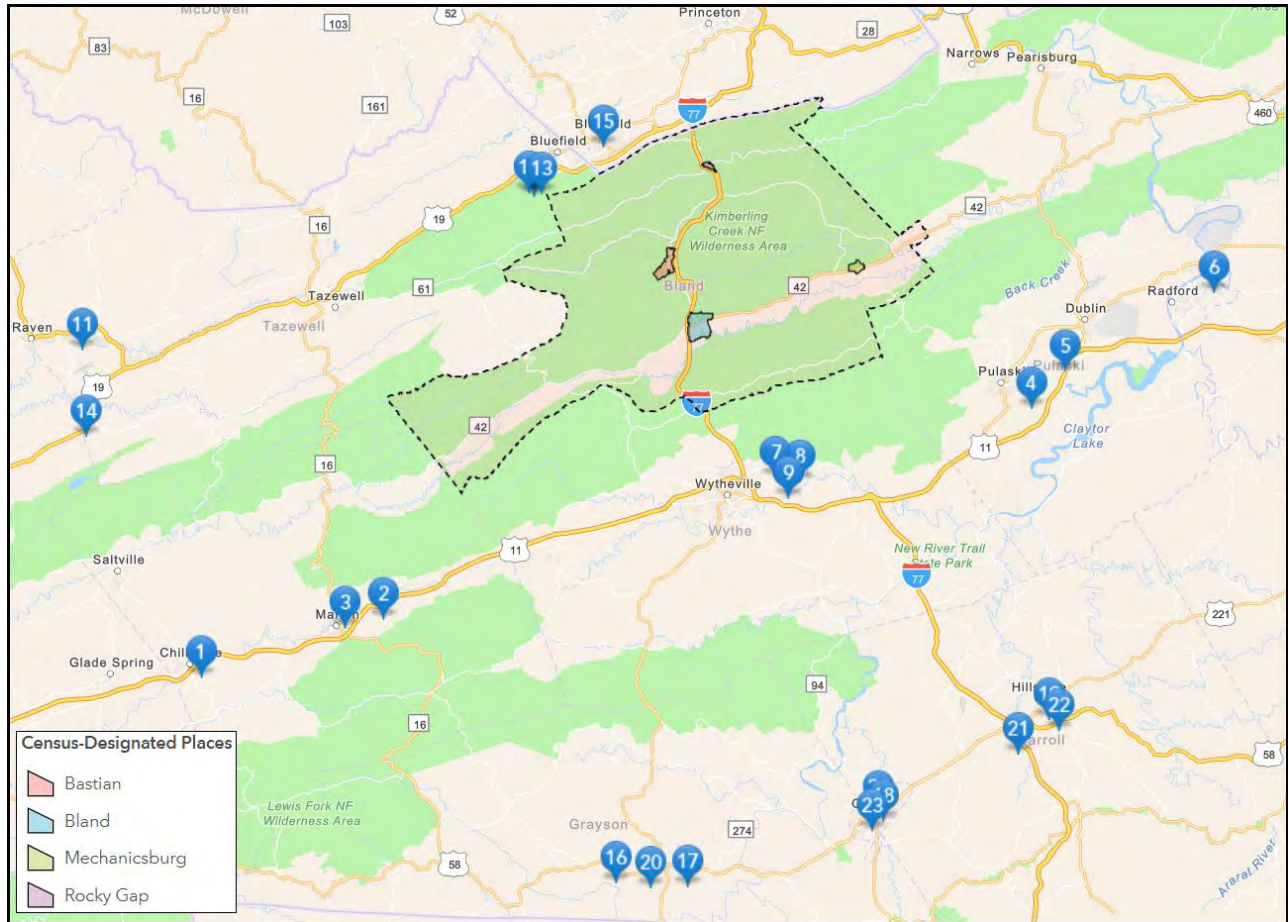
**Table 7: Regional Job Growth, January, 2023**

	<u>Map B Key</u>	<u>New Jobs</u>
<b><u>Smyth County</u></b>		
Scholle IPN Packaging	1	75
Woodgrain Millwork	2	80
Emory & Henry College	3	<u>25</u>
(Subtotal)		(180)
<b><u>Pulaski County</u></b>		
Xaloy Holdings	4	35
The Volvo Group	5	600
The Patton Logistics Group	6	<u>63</u>
(Subtotal)		(699)
<b><u>Wythe County</u></b>		
Blue Star NBR	7	2,464
STS Group AG	8	120
Traeger	9	<u>15</u>
(Subtotal)		(2,599)
<b><u>Tazewell County</u></b>		
Ronald Mark Associates	10	29
Appalachian Millworks & Cabinetry	11	15
Signco	12	19
AMR PEMCO	13	<u>20</u>
Pure Salmon	14	<u>200</u>
(Subtotal)		(283)
<b><u>Mercer County (WV)</u></b>		
Omnis Building Technologies	15	150-300
<b><u>Galax/ Carroll County/ Grayson County</u></b>		
Woodgrain	16	100
Grayson Natural Farms	17	40
Galax Health & Rehab	18	15 1/
Mohawk Industries	19	35
Metalworx	20	59
New River Polymers	21	50
Blue Ridge Eye Care	22	30
Twin County Regional Health Care	23	20
Albany Industries	24	15
(Subtotal)		(364)
<b>Total</b>		<b>4,275-4,425</b>

Notes: 1/ Estimate

Source: S. Patz &amp; Associates, Inc.

Map B illustrates the locations of the 24 job announcements listed in Table 7. Many of these employers are within a 45-minute drive of Bland County, and most of the new jobs will be located along the I-81 and I-77 corridors. Census data on local commuting patterns suggest that many Wythe County residents already commute long distances for work, particularly to locations where these employers are actively adding new jobs. The Blue Star NBR facilities are a 15-minute drive from the center of Bland County.



**Map B - Locations of Regional Employment Growth**

The paragraphs below detail each of the job announcements that were listed in Table 7, most of which are for manufacturing-related positions. Excluded are retail, temporary construction, spin-off and smaller job announcements that are not tracked by any local, regional or state economic development agencies.

- **Scholle IPN Packaging Inc.**, a manufacturer that operates a large sustainable packaging solutions facility along Deer Valley Road in Chilhowie, announced in June, 2022 that it would expand that facility by 73,000± square feet and hire 75 new employees. This follows 42 new hires with average wages of \$43,800± in 2020 and 2021.
- **Woodgrain Millwork**, a manufacturer of wood molding and trim, announced in August, 2021 that it would expand its Marion facility, located at 4615 Lee Highway, and hire 80 new employees. Hiring is expected to begin in early-2023 with pay expected to average \$16 per hour.

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- **Emory & Henry College**. The Health Sciences campus in Marion is expected to add between five and 25 new employees by 2027 as the College expands its course offerings and student enrollment.
  - **Xaloy Holdings LLC**, a plastics industry equipment manufacturer, announced in July, 2021 that it would move its barrel manufacturing operation from Ohio back to Virginia, reopening its former facility in Pulaski County that closed in 2016. Xaloy will operate its 100,000± square foot, 30-acre site at 102 Xaloy Way in Pulaski to produce bimetallic barrels, which are formed by bonding metal linings to the insides of steel tubes, for use in the plastics manufacturing industry. The move is expected to create 35 jobs.
  - **The Volvo Group**, which operates a major truck manufacturing facility near Dublin, is in the midst of a major investment for advanced technology upgrades, site expansion and preparation for future products, including the innovative Volvo VNR Electric truck, slated for the serial production that involve adding approximately 600 new jobs in 2021 and 2022.
  - **The Patton Logistics Group** announced in August, 2021 that it would expand its trucking, logistics and warehousing operation in the New River Valley Commerce Park in Pulaski County, creating 63 jobs. The company will add 150,000± square feet to its 250,000± square foot logistics center. The expansion will include a trucking operations and maintenance center that will provide the infrastructure to support a future investment in electric trucks. The company will add 150,000± square feet to its 250,000± square foot logistics center that opened in August, 2021 and employs 33 people.
  - **Blue Star NBR**. In October 2021, Blue Star NBR announced plans to build multiple manufacturing facilities in Wythe County's Progress Park, located less than five miles east of the Town of Wytheville on the south side of Peppers Ferry Road, where the company will produce nitrile rubber medical gloves. This is the largest manufacturing job announcement in Virginia in nearly three decades.

The facilities will occupy the 233-acre rail-served Lot 24 in the industrial park and are expected to generate 2,464 jobs by 2028, excluding construction workers and spin-off jobs. This equates to approximately 490 new positions added per year on average between 2023 and 2028.

The first facility to open will be a nitrile butadiene rubber manufacturing facility, followed by six planned nitrile glove facilities. Construction on this facility began in early 2022 and is expected to open by mid-2023. The remaining five facilities are scheduled to open between 2023 and early 2028. Once the facilities reach full operating capacity, Blue Star NBR will manufacture more than 60 billion nitrile gloves per year, or approximately 18 percent of the country's current supply.

Limited hiring has already begun at the chemical plant portion of the facility, which will generate annual salaries of approximately \$70,000. The bulk of the remaining hiring will

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occur as the glove facilities begin to operate, with positions paying annual salaries of approximately \$37,000.

- **STS Group AG**, a German auto parts manufacturer, announced in April, 2021 that it would establish its first U.S. manufacturing operation in Wythe County's Progress Park industrial park, creating 120 jobs. The new facility will operate as a subsidiary of STS Group North America and will supply Volvo Trucks in Pulaski County and other truck and automotive facilities throughout the Midwest and southeastern U.S. markets.
- **Traeger Grills**, the manufacturer of the world's top-selling wood pellet grill, announced in April, 2021 that it would build a new grill pellet manufacturing operation in Wythe County and create 15 jobs.
- **Ronald Mark Associates**, a New Jersey-based custom resin and vinyl manufacturer, announced in November, 2022 that it would establish a manufacturing operation in Tazewell County, a project expected to create 29 jobs. The company will occupy the former Komatsu Mining Corp. facility at 1081 Hockman Pike in Bluefield.
- **Appalachian Millworks & Cabinetry** is expanding by relocating to the former 49,500± square foot Magic Mart Building at 1809 Third Street in Richlands and hiring 15 new employees. The company is known for its custom cabinetry, trim, flooring and other millwork. The new facility is expected to open in early-2023.
- **Signco**, a custom sign manufacturer, announced in March, 2022 that it would occupy the former MC Signs facility at 334 Industrial Park Road in Bluefield. The facility will employ 19 people.
- **AMR PEMCO**, which designs and manufactures products including dry-type transformers, power distribution equipment and industrial control enclosures and buildings, announced in December, 2022 that it would expand its facility at 1960 Valley Dale Street in Bluefield. The company currently has 88 full-time employees at the Bluefield facility, but projects that number will increase to 108 by 2025.
- **Pure Salmon**, an international aquaculture company based in Abu Dhabi, plans to begin construction in early-2023 on a 750,000± square foot aquaculture facility on about 200 acres besides Southwest Virginia Community College. The facility, which will produce 20,000± tons of salmon per year, is expected to employ more than 200 people. The facility is expected to open by the end of 2024.
- **Omnis Building Technologies** announced in February, 2022 that it would build a 150,000± square foot manufacturing plant in Bluefield, WV to manufacture housing materials. The facility is expected to employ between 150 and 300 people. Building Technologies is a manufacturer of energy-efficient, pre-engineered, home building systems made up of Concrete Insulated Building Units (CIBU) that are shipped and then

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assembled on-site to make pre-designed homes. The company is relocating from California to West Virginia.

- **Woodgrain**, one of the largest millwork companies in the world, announced in August, 2021 that it would purchase and expand the former Independence Lumber sawmill in Grayson County, adding 100 new jobs. Independence Lumber is Grayson County's largest private employer, and when the sawmill upgrades are complete, it will become the primary supplier for Woodgrain's Smyth County operation. Hiring has not yet begun.
- **Grayson Natural Farms**, an organic meat snack brand, announced in December, 2020 that it would expand its Grayson County operation by 35,000± square feet, creating 40 jobs. Grayson Natural Farms produces Landcrafted Food, which are grass-fed, organic meat snacks. Its smokehouse and production operations are currently located at 226 Industrial Lane in Independence. The company first opened its facility in 2017. Construction on the expansion is now underway.
- **Galax Health and Rehab**, which is located at 836 Glendale Road in Galax, opened a new memory care unit in September, 2022. The facility has a capacity for 18 residents.
- **Mohawk Industries**, a flooring manufacturer, announced in January, 2021 that it would expand its Carroll County operation, creating 35 jobs. Mohawk Industries will add 19,000± square feet to its 351 Floyd Pike facility in Hillsville and install new equipment to increase its production speed. Construction should begin soon.
- **Metalworx**, a manufacturer of highly-engineered and precision-manufactured components, assemblies and products for industrial uses, announced in June, 2020 that it would relocate its headquarters and manufacturing operations from South Carolina to the former Core Fitness Complex in Grayson County. The move will create 59 new jobs. Approximately 16 jobs have been filled to date.
- **New River Polymers**, a Hillsville-based manufacturer of plastic pellets from industrial scrap of medical gowns and face masks, announced in December, 2020 that it would expand its location in the Carroll County Industrial Park by roughly twice its size, while adding approximately 50 new employees by 2025.
- **Blue Ridge Eye Care**. Family Vision Care at 1022 E Stuart Drive and Blue Ridge Eye Care at 1102 E Stuart Drive combined to form a new practice in March, 2021 at newly built office at 800 E Stuart Drive in Galax. The facility employs approximately 30 people.
- **Twin County Regional Healthcare**. The 141-bed hospital at 200 Hospital Drive in Galax opened in 1973 and is the only full-service medical facility in the region. With approximately 350 employees (including about 100 physicians), this hospital is among the

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largest private employers in Galax. The hospital is actively trying to fill approximately vacant positions at this time and expects to add between 20 and 50 staff members by 2026, including a mix of doctors and nurses. There are currently approximately 20 vacancies, primarily for nursing positions.

- **Albany Industries**, which operates an upholstery manufacturing facility at 626 Creekview Drive in Galax, is actively hiring approximately 15 new employees. These positions typically pay between \$13 and \$14 an hour.

Also of note is that a new industrial park called Pathway Park is planned to be built at the former site of the American Furniture factory in Chilhowie. Over the past year, the Smyth County Economic Development Authority was awarded two \$600,000 grants from the Growth and Opportunity for Virginia (GO Virginia) and the Virginia Tobacco Regional Revitalization Commissions to fund infrastructure improvements at the County-owned park. These funds will be used to install 2,000 feet of eight-inch water line and 1,600 feet of sewer line. Site work could begin imminently. Although there have been no job announcements at the park, it could ultimately support up to 400 jobs.

The above announcements in neighboring areas represent a significant departure from previous trends in the region. Economic development officials attribute this growth to a combination of factors, including pent-up demand for the products being manufactured, state and local incentives that make new and expanding jobs attractive, and the ability of employers to offer competitive wages. However, a key challenge that must be addressed to support this growth is the availability of housing for these employees.

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## **Bland County Demographic Analysis**

Demographic trend data indicate a net population decrease in Bland County since 1990, with an approximate loss of 300 individuals. The decade of the 1990's, however, saw a net population increase of approximately 360 people, which can be attributed to expansions in the manufacturing sector by companies such as Henry Schien, ABB and Bland Sportswear leading to job growth and a modest influx of new residents.

However, in the 2000's, the population trend in Bland County reversed, with a decline of approximately 50 individuals during that decade. This population decrease occurred despite several moderate job expansions during the period, including by Appalachian Leasing and ABB. The closure of a large Tutlex Corp. fleece outerwear manufacturing facility in 1999, which resulted in the loss of 125 jobs, may have contributed to the population decline. This facility closure was the only major layoff in the County during that period.

As of 2021, population estimates for Bland County slightly exceed 6,200, according to data from the Weldon Cooper Center for Public Service. This represents a decrease of 610± people between 2010 and 2021, or an average annual rate of nearly 60 people per year. This population decline can be attributed to a combination of job losses and the ongoing effects of the Great Recession, as the total number of jobs in Bland County decreased by 5.6 percent during this period. It is noteworthy that there were no mass layoffs in the County over the past decade.

**Table 8: Trends of Population and Households, by Tenure, Bland County, Virginia, 1990-2021**

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2021</u>
Bland County Population	6,510	6,870	6,820	6,210
Group Quarters Population	570	640	690	690
Household Population	5,940	6,230	6,130	5,520
Person Per Household	2.65	2.42	2.39	2.37
Households	2,240	2,570	2,570	2,330
Owner Households	1,900	2,210	2,160	1,930
Percent of Total Households	84.8%	86.1%	84.3%	82.8%
Renter Households	340	360	400	400
Percent of Total Households	15.2%	13.9%	15.7%	17.2%

Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce; Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.

According to projections released by the Weldon Cooper Center for Public Service in July, 2022, the population of Bland County is expected to experience a reduction, falling to a total of 5,630± individuals by the end of the decade. This represents a decline of 580± people in comparison to current population levels.

### Group Quarters Population

The Group Quarters population in Bland County, which includes individuals residing in communal settings such as correctional facilities, nursing homes, or group homes, accounts for a significant portion of the County’s total population, at approximately 10.1 percent, or 690± people. This proportion is relatively high compared to most housing markets, particularly those without a significant presence of university students.

The majority of the Group Quarters population in Bland County is composed of inmates at the Bland Correctional Center, which houses an estimated 650 prisoners. A smaller proportion of the Group Quarters population consists of seniors residing in the 57-bed Bland County Nursing & Rehab facility in Bastian, which opened in 1989.

When analyzing housing unit demand, the Group Quarters population is subtracted from the total population to calculate the household population. The household population is the basis for the analysis of housing unit demand. Despite the increasing senior population in the area,



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there has been no significant growth in the Group Quarters population, which may be due to seniors moving away from the area upon retirement.

### **Households**

The 1990's saw an increase in the number of households in Bland County, with occupied housing units growing by approximately 330. This growth can be attributed to both an increase in population during that period and a significant decline in the average household size, from 2.65 in 1990 to 2.42 in 2000. The average household size has continued to decrease, primarily due to the County's aging population, reaching a low of 2.37 as of 2021.

In 2010, Bland County had an estimated 2,570± households, which is consistent with the number in 2000. Based on current population estimates and the ongoing reduction in average household size, the estimated number of households for 2021 is 2,330±, representing a decline of approximately 240 households. This decrease in households is a contributing factor to the slow growth in the new home market.

### **Owner Households**

The data presented in Table 8 demonstrate that Bland County has consistently had a high percentage of homeownership, ranging from 84.8 percent in 1990 to 82.8 percent in 2021. This is significantly higher than recent state and national averages of 67.3 percent and 65.1 percent, respectively. The high ownership rate can likely be attributed to the limited availability of new rental housing in the County, coupled with traditionally low home prices that has made homeownership more achievable. In 2010, there were an estimated 2,570± homeowners in Bland County. This number is estimated to have declined to 1,930± as of 2021, suggesting that recent population losses have primarily been among homeowners. Conversely, the number of renter households has remained consistent since 2010.

## Owner Households by Income

The analysis of data in Table 9 reveals a decline in the total number of homeowners in Bland County since the year 2000. This trend is in contrast to the period between 1990 and 2010, during which the number of homeowners in the County increased by over 300, driven by job growth in the area.

The data are further divided into two income categories, with homeowners earning annual incomes between \$40,000 and \$80,000 constituting the first category, and those earning over \$80,000 comprising the second category. A modest decline in the first category has been observed since the 2000's, with this income level representing 9.3 percent of owner households in 2021. The second category, which represents the potential market for new home sales, includes nearly 18.1 percent of owner households in Bland County. However, the number of households within this income range has also decreased since 2000.

There has been no net growth in either income category since 2010, which aligns with the overall decline in the number of homeowners in the County. This decline can be attributed to a combination of factors, including limited new housing inventory, slow job growth for households at these income levels during this period and the lingering effects of the Great Recession.

**Table 9: Trends of Owner Households, by Income, Bland County, Virginia, 1990-2021** <sup>1/</sup>

	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Households	2,240	2,570	2,570	2,330
Owner Households	1,900	2,210	2,160	1,930
Percent of Total Households	84.8%	86.1%	84.3%	82.8%
<b><u>\$40,000-\$80,000</u></b>				
Total Households	30	260	230	180
Percent of Owner Households	1.6%	11.8%	10.7%	9.3%
<b><u>Above \$80,000</u></b>				
Total Households	310	380	370	350
Percent of Owner Households	16.3%	17.2%	17.1%	18.1%

Notes: 1/ Reported in constant 2022 dollars.

Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce; Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.

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## **Renter Households**

Data from 2021 show that the number of renter households in Bland County has remained relatively stagnant, with a total of 400± households. This figure is consistent with the total recorded in 2010 and represents a minimal proportion of the overall number of households in the County, estimated to be less than 18 percent. Notably, the County lacks any professionally-managed multi-family apartment communities. Although a small proportion of duplexes and townhomes are occupied by renters, the majority of rental properties in the County consist of single-family homes that were originally constructed for home ownership.

## **Renter Households by Income**

Table 10 illustrates the trends in the distribution of renter households in Bland County by income category. The data suggest a significant presence of low- and moderate-income renter households, yet none of these households hold housing vouchers as no housing authorities operate within Bland County.

As of 2021, it is estimated that approximately 120 renter households in Bland County have annual incomes below \$20,000, while nearly 50 renter households have annual incomes between \$20,000 and \$35,000. This implies that over 42 percent of renter households in Bland County have annual incomes below \$35,000. Notably, there are no income-restricted properties in the County, thus these lower-income renter households primarily reside in older homes of varying quality.

Renter households earning between \$35,000 and \$50,000 constitute the workforce housing population in Bland County. As of 2021, this income bracket totaled approximately 60 households, representing a slight increase since 2010. However, there are no apartment properties catering to this sector of the rental market, resulting in many who work in the County and earn incomes within this range to reside outside of the County and commute.

In 2021, there were approximately 60 renter households earning annual incomes of between \$50,000 and \$75,000, representing 15.0 percent of Bland County renter households. This

is an increase of approximately ten households over the 2010 level. Additionally, there were nearly 70 renter households that earned annual incomes exceeding \$75,000 in 2021. As there are no upscale apartment properties in Bland County, these higher-income renters typically rent larger single-family homes scattered throughout the County, mostly with three-bedroom floorplans.

The data indicate a minimal level of growth among renter households in nearly all income categories over the past decade. This can be partially attributed to the scarcity of available housing units as well as limited job growth in the County.

<b>Table 10: Trends of Renter Households, by Income, Bland County, Virginia, 1990-2021</b> <sup>1/</sup>				
	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Households	2,240	2,570	2,570	2,330
Renter Households	340	360	400	400
Percent of Total Households	15.2%	13.9%	15.7%	17.2%
<b><u>Under \$20,000</u></b>				
Total Households	70	110	120	120
Percent of Renter Households	20.6%	30.6%	30.0%	30.0%
<b><u>\$20,000-\$34,999</u></b>				
Total Households	50	40	50	50
Percent of Renter Households	14.7%	11.1%	12.5%	12.5%
<b><u>\$35,000-\$49,999</u></b>				
Total Households	40	50	60	60
Percent of Renter Households	11.8%	13.9%	15.0%	15.0%
<b><u>\$50,000-\$74,999</u></b>				
Total Households	50	50	60	60
Percent of Renter Households	14.7%	13.9%	15.0%	15.0%
<b><u>Above \$75,000</u></b>				
Total Households	40	70	70	70
Percent of Renter Households	11.8%	19.4%	17.5%	17.5%
Notes: <sup>1/</sup> Reported in constant 2022 dollars.				
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce; Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

### **Senior Population and Households**

Table 11 presents data on the net growth of the older adult population in Bland County, which is analyzed based on two demographic cohorts: (1) the active senior population, defined as adults aged between 62 and 79, and (2) the older senior population, defined as adults who are 80 years and older. The 62 to 79 age group is considered “active adults” and represents the sector

of the housing market that is most likely to consider a “buy-down” home, meaning a smaller home without maintenance requirements. The population above the age of 79 represents the potential market for assisted living or nursing care facilities.

In 2010, the active senior population (adults aged 62 to 79) in Bland County totaled approximately 1,230, or 18.0 percent of the total county population. This proportion is higher than state and national averages, which are closer to 12 percent. Over the 2000’s, a period in which the general population in Bland County fell by approximately 50 people, the net growth of the 62 to 79 age group was 260±. This indicates that the senior population expanded during a period in which the general population declined.

The majority of the net population growth of active seniors since 1990 can be attributed to residents aging in place rather than an influx of seniors moving to the County. As of 2021, the active adult population totals approximately 1,380 people, an increase of approximately 150 people over the 2010 level.

<b>Table 11: Trends of Senior Population and Households, Bland County, Virginia, 1990-2021</b>				
	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Bland County Population	6,510	6,870	6,820	6,210
Bland County Households	2,240	2,570	2,570	2,330
<b><u>Active Senior Population and Households (62-79)</u></b>				
Senior Population	890	970	1,230	1,380
Percent of Total Population	13.7%	14.1%	18.0%	22.3%
Senior Households	620	640	750	840
Percent of Total Households	27.7%	24.9%	29.2%	36.1%
Average Senior Household Size	1.44	1.52	1.64	1.64
<b><u>Older Senior Population and Households (80+)</u></b>				
Senior Population	200	240	260	260
Percent of Total Population	3.1%	3.5%	3.8%	4.2%
Senior Households	120	160	200	200
Percent of Total Households	5.4%	6.2%	7.8%	8.6%
Average Senior Household Size	1.67	1.50	1.30	1.30
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce; Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

## Active Senior Population and Households, by Income

Table 13 presents trends on senior households by income category in Bland County between 1990 and 2021. As of 2021, approximately senior-headed households, or over 39 percent of senior-headed households, earned annual incomes below \$35,000 when reported in constant 2022 dollars. This accounts for over 14 percent of total households in Bland County.

The data show recent growth among modest- and high-income senior-headed households since 2010. The growth total for the \$35,000 to \$49,999, \$50,000 to \$74,999, and \$75,000 and above income categories ranged between ten and 30± households since 2010. No senior housing was built in Bland County during this period. This growth can largely be attributed to seniors aging in place rather than any significant influx of new, older residents to Bland County.

<b>Table 13: Trends of Active Senior Households, by Income, Bland County, Virginia, 1990-2021 1/</b>				
	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Households	2,240	2,570	2,570	2,330
Senior Households (62-79)	620	640	750	840
Percent of Total Households	26.3%	24.9%	29.2%	36.1%
<b><u>Under \$20,000</u></b>				
Total Households	200	160	180	180
Percent of Senior Households	32.3%	25.0%	24.0%	21.4%
Percent of Total Households	8.9%	6.2%	7.0%	7.7%
<b><u>\$20,000-\$34,999</u></b>				
Total Households	170	120	140	150
Percent of Senior Households	27.4%	18.8%	18.7%	17.9%
Percent of Total Households	7.6%	4.7%	5.5%	6.4%
<b><u>\$35,000-\$49,999</u></b>				
Total Households	80	130	150	170
Percent of Senior Households	12.9%	20.3%	20.0%	20.2%
Percent of Total Households	3.6%	5.1%	5.8%	7.3%
<b><u>\$50,000-\$74,999</u></b>				
Total Households	90	100	130	160
Percent of Senior Households	14.5%	15.6%	17.3%	19.0%
Percent of Total Households	4.0%	3.9%	5.1%	6.9%
<b><u>Above \$75,000</u></b>				
Total Households	80	120	150	180
Percent of Senior Households	12.9%	18.8%	20.0%	21.4%
Percent of Total Households	3.6%	4.7%	5.8%	7.7%
Notes: 1/ Reported in constant 2022 dollars.				
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce; Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

## Housing Unit Trends

This subsection analyzes the overall housing unit inventory in Bland County, including new additions to the market and the ages of homes. Table 14 presents census data on total housing units in 2010 and 2020. For comparison purposes, data is shown for Bland County as well as for the other jurisdictions within the Mount Rogers Planning District.

The data indicate that Bland County had nearly 70 fewer housing units in 2020 compared to 2010, representing a decline of 2.0 percent. This trend is similar to that in most of the neighboring communities in the Mount Rogers Planning District, where the total number of housing units decreased by over 1,100, or 1.2 percent, since 2010. The only exception is Carroll County, where the housing stock expanded by only ten units.

Table 14 highlights the fact that there has been no net growth in the local or regional housing stock since 2010. Data show that there were essentially no net new housing additions in the Mount Rogers Planning District during this time. As a result, there are limited housing options available, even for those who are willing to undertake long commutes.

This does not mean that no new homes were built during this period. Rather, the data likely reflect a condition in which a larger number of older homes were demolished over the past decade compared to the number of newer homes that were constructed.

<b>Table 14: <u>Net Change in Housing Units,</u> <u>Bland County, Virginia and Mount Rogers Planning District, 2010-2020</u></b>				
	<b><u>2010</u></b>	<b><u>2020</u></b>	<b><u>Net Change</u></b>	<b><u>Percent Change</u></b>
<b>Bland County</b>	3,265	3,200	-65	-2.0%
Bristol City	8,795	8,670	-125	-1.4%
Carroll County	16,569	16,579	10	0.1%
Galax City	3,252	3,156	-96	-3.0%
Grayson County	9,158	8,924	-234	-2.6%
Smyth County	15,426	15,097	-329	-2.1%
Washington County	25,637	25,424	-213	-0.8%
Wythe County	<u>14,079</u>	<u>13,990</u>	<u>-89</u>	<u>-0.6%</u>
<b>Mount Rogers Planning District</b>	<b>96,181</b>	<b>95,040</b>	<b>-1,141</b>	<b>-1.2%</b>
Source: 2010-2020 Census, U.S. Census Bureau, U.S. Department of Commerce				

According to Table 15, the number of newly occupied homes constructed in Bland County has declined in recent years. In fact, only 5.9 percent of occupied homes, or 130±, have been built since 2010. This represents a departure from past trends, as between 350 and 510 new homes were built and occupied in the County every decade between the 1980's and 2000's.

A significant proportion of occupied homes in Bland County were built prior to 1980, with nearly 40 percent falling into this category. Additionally, nearly 10 percent of occupied homes in the County were built prior to 1940. These data suggest that the housing market in Bland County has experienced a slowdown in new construction in recent decades, and that a significant portion of the housing stock is older.

<b>Table 15: Net Change in Occupied Housing Units, Bland County, Virginia, 2020</b>		
	<b><u>Number of Homes</u></b>	<b><u>Percent of Homes</u></b>
<b>Occupied Housing Units</b>	<b>2,260</b>	<b>100.0%</b>
Built 2020 or Later	6	0.3%
Built 2010 to 2019	126	5.6%
Built 2000 to 2009	350	15.5%
Built 1990 to 1999	372	16.5%
Built 1980 to 1989	506	22.4%
Built 1970 to 1979	278	12.3%
Built 1960 to 1969	151	6.7%
Built 1950 to 1959	160	7.1%
Built 1940 to 1949	88	3.9%
Built 1939 or Earlier	223	9.9%
Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates		

### **Prevalence of Occupied Substandard Homes**

The final aspect of census data on the Bland County housing market is the number of substandard housing units, in this case defined as occupied homes with incomplete plumbing or kitchen facilities. Table 16 indicates that there are no occupied homes without complete plumbing facilities and complete kitchen facilities in Bland County. An analysis was not performed for homes without telephone connection, as this is no longer a relevant measure of home quality.



Overall, there are likely to be a significant number of blighted vacant homes, but the number of blighted occupied homes is small. It is worth noting that nearly 30 percent of occupied homes in Bland County were built prior to 1970.

<b>Table 16: <u>Occupied Housing Units by Complete Facilities,</u> <u>Bland County, Virginia, 2020</u></b>		
	<b><u>Number</u></b>	<b><u>Percent</u></b>
Occupied Housing Units	2,260	100.0%
<b><u>Plumbing Facilities</u></b>		
Complete Plumbing Facilities	2,260	100.0%
Lacking Complete Plumbing Facilities	0	0.0%
<b><u>Kitchen Facilities</u></b>		
Complete Kitchen Facilities	2,260	100.0%
Lacking Complete Kitchen Facilities	0	0.0%
Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates		

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### **Section III: Bland County Housing Market**

The following analysis studies the various components that comprise the housing market in Bland County. An in-depth examination of the for-sale housing market is conducted, including an analysis of single-family homes, townhomes and patio homes. The data suggest that the for-sale housing market in Bland County is entirely composed of resale properties, as new construction of homes has been minimal in recent decades. The vast majority of new residential construction in the County is undertaken by private lot owners. This trend is consistent with the demographic data presented in Table 8, which illustrates a decline in the County's population over the past two decades.

In terms of the types of homes available in Bland County, single-family homes constitute the majority of residential properties, although a limited number of townhomes have also been built in the past. The majority of townhomes in the County are mature properties, with a significant percentage being occupied by renters. Notably, there are no age-restricted subdivisions in the County, and no new homes with single-level floor plans or ground-level master bedrooms have been constructed speculatively to cater to the senior market.

Furthermore, this analysis also includes an examination of the rental housing market, including both affordable and market-rate properties. Similar to the for-sale housing market, the rental market in Bland County is relatively modest, with Census Bureau data indicating that it houses only 400± households. There are no affordable apartment units or professionally managed, market-rate apartment communities in the County. The rental housing stock primarily consists of small multi-family units built before 2000, mobile homes, scattered single-family homes and townhomes that were originally intended for homeownership.

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## For-Sale Housing Market

### New Construction Single-Family Home Market

The for-sale housing market in Bland County is primarily made up of existing properties, with essentially no speculative construction of new homes observed in recent decades. The only exception to this trend is the Rolling Meadows subdivision, which is located along Big Bend Drive on the south side of U.S. Route 52. Comprised of 44 lots, the development offers a range of lot sizes from 0.75 to 6.0 acres, with 13 lots having been purchased and only eight developed with single-family homes. It should be noted that no new construction has taken place in Rolling Meadows for several years.

The available lots in Rolling Meadows are currently listed for sale, with prices generally ranging between \$9,000 and \$10,000 per acre. All of the lots are zoned AG. Data analysis reveals that only one home has been sold within the development in the past five years, which was a resale of a home that was built in 2007 and sold for \$100,000 in 2020.

All homes within Rolling Meadows are single-family homes, with valuations generally ranging from the mid-\$100,000's to the low-\$200,000 range. Photos of these homes are provided for reference below.



**Rolling Meadows**

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## **Patio Home Market**

The data presented in Table 11 demonstrate the expanding senior population in Bland County. The County has a large and growing senior population, many of whom have home equity and retirement savings, as well as a desire to remain locally if adequate housing is available. However, the majority of existing homes in Bland County are not designed for seniors to age in place, as they are often too large, have upper-level bathrooms or require significant maintenance.

There is a growing market for patio homes in Virginia and nationwide. Patio homes are a type of single-level attached housing that typically consists of a single-family dwelling with a small yard or patio. These homes are often part of a larger development or community and may be grouped together in a cluster or row. The size of patio homes can vary depending on the location and design of the development, but they are typically smaller than traditional single-family homes. This is because they are designed to be low-maintenance and energy-efficient, and therefore do not require as much space.

Patio homes typically range in size from around 800 to 1,500 square feet, with two or three bedrooms and one or two bathrooms. They offer a convenient and manageable living option for people who are looking for a low-maintenance, energy-efficient dwelling. No patio homes have ever been built in Bland County.

Although there is limited demand due to the small population, this type of home design is recommended at a small scale. Depending on size and features, these homes can be priced in the low- to upper-\$200,000's within the Bland County marketplace. Photos of newer patio homes built elsewhere along the I-81 corridor are shown below.



**Berkley Commons**



**Medallion Hills**

**Typical Botetourt County Patio Homes**

**Mobile, Modular and Manufactured Home Market**

Bland County has a large number of mobile, modular, and manufactured homes, though many of these homes are mature. The residential building permit data to be presented in Table 17 show a significant number of permits issued for this type of home construction. Nearly 73 percent of residential building permits issued in Bland County since 2019 were for these types of homes.

Manufactured homes, mobile homes, and modular homes are all types of factory-built homes that are constructed off-site and then transported to their final location. However, there are some key differences between these three types of homes.

Manufactured homes, also known as “trailer homes” or “prefabricated homes,” are built to a federal building code known as the HUD code. These homes are built in a factory and then transported to their final location on a trailer, where they are placed on a permanent foundation. Manufactured homes are typically considered to be less expensive and less durable than other types of factory-built homes.

Mobile homes, also known as “single-wide” or “double-wide” homes, are a type of manufactured home that is built in a factory and then transported to its final location on a trailer.

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Unlike manufactured homes, mobile homes are not required to meet the HUD code, and are therefore not subject to the same construction standards. Mobile homes are generally considered to be lower-quality and less durable than other types of factory-built homes.

Modular homes, on the other hand, are built to the same building codes as site-built homes and are constructed in a factory in sections, or modules. These modules are then transported to the building site and assembled on a permanent foundation. Modular homes are generally considered to be higher-quality and more durable than manufactured or mobile homes and are often indistinguishable from site-built homes once they are completed.

According to census data, approximately 30.9 percent of Bland County residents live in manufactured, modular or mobile homes. There are approximately 640 occupied homes of this type in Bland County. These homes are primarily mature, as over 65 percent of occupied manufactured, modular or mobile homes in the County were built prior to 2000.

Of the approximately 1,650 people living in these types of homes, just over 71 percent are homeowners, while the remainder rent their units. There are 530± owner-occupied manufactured homes and 100± renter-occupied homes. Census data show that many of these homes are occupied by families with children, particularly the renter-occupied units.

Census data also show that of the 860± manufactured homes in Bland County, approximately 220 units, or over 26 percent, are vacant. Most of these vacancies are due to the age of the units. A large number of these older homes are likely uninhabitable. The cost to dispose of or relocate an old, manufactured home depends on a number of factors, including the size of the home, its condition, the distance it needs to be transported and any local regulations or fees that may apply. In general, the cost to dispose of a manufactured home can range from a few hundred to several thousand dollars.

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## **Townhome Market**

The for-sale townhome market in Bland County is characterized by a scarcity of attached units, with a significant share of these properties being occupied by renters. This type of housing is typically considered an entry-level option for young couples and families with limited financial resources. The limited availability of this housing type in the County can be attributed to an interplay of factors, including zoning restrictions and a preference for larger, more spacious living environments within the rural setting of Bland County. Given local market dynamics, such as the limited scope of employment growth and recent increases in mortgage interest rates, it is unlikely that the demand for this housing type will experience significant growth in the near future.

## **Trends in Residential Building Permits**

Table 17 presents an analysis of the trends in the number of residential building permits issued by Bland County over the past five years. The data indicate that the County has only issued 117 residential building permits between 2018 and 2022, averaging approximately 23 permits per year.

All of these permits were for the construction of homes on scattered lots throughout the County, with essentially none of these permits issued for the construction of new homes to be sold speculatively. Additionally, a portion of these building permits were also issued for the replacement of older homes that were destroyed by natural disasters or fires.

It is important to note that over 70 percent of residential building permits issued during this period were for manufactured and modular homes, many of which were older units that were relocated to new homesites. In contrast, only 32 permits were issued for stick-built homes between 2018 and 2022.

**Table 17: Trends in Building Permits for New Homes,  
Bland County, Virginia, 2018-2022**

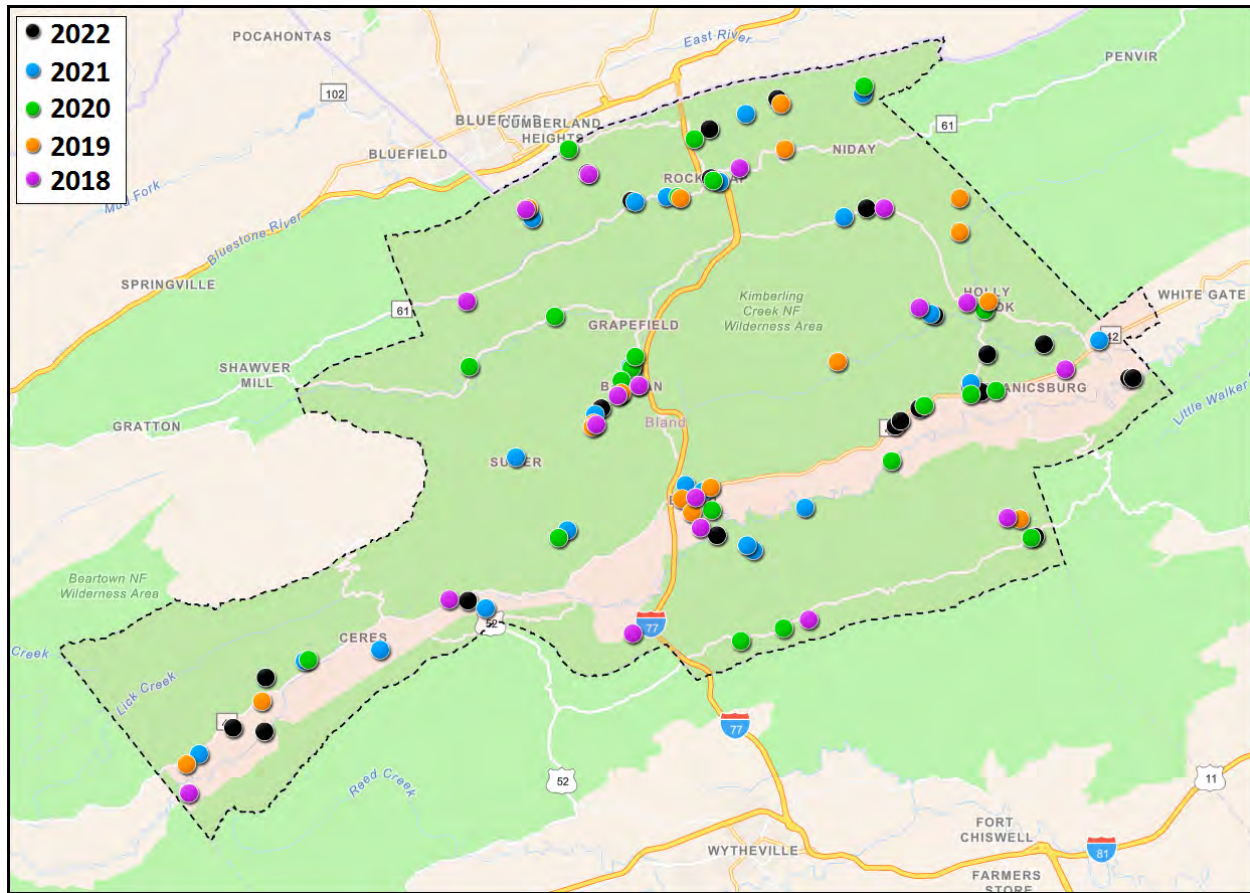
	<u>Single-Family</u>	<u>Mobile/ Modular</u> 1/	<u>Duplex/ Townhome</u>	<u>Total</u>
2018	5	21	0	26
2019	8	18	0	26
2020	7	15	0	22
2021	2	16	0	18
2022	<u>10</u>	<u>15</u>	<u>0</u>	25
<b>Total</b>	<b>32</b>	<b>85</b>	<b>0</b>	<b>117</b>
<b>Percent of Total</b>	<b>27.4%</b>	<b>72.7%</b>	<b>0.0%</b>	<b>100.0%</b>

Notes: 1/ 45.9% single-wide, 44.7% double-wide and 9.4% modular.

Source: Bland County, VA

An analysis of the residential building permits issued by Bland County over the past five years, as presented in Map C, illustrates a dispersed distribution of development. The data indicate that there were no significant clusters of new home construction, as active subdivisions with speculative home building are absent in the County. The majority of the building permits were concentrated along the I-77 corridor, with a smaller number of permits issued in the western and eastern parts of the County, specifically in the Ceres and Mechanicsburg areas respectively.





**Map C - Locations of Residential Building Permits in Bland County**

### Trends in Home Sales

Table 18 presents an analysis of the trends in the home sales market in Bland County over the period of 2018 to 2022. The data indicate that only 199 homes were sold during this five-year period, with an annual range of 24 to 52 home sales. The majority of these sales were for mature homes, with an average age of nearly 50 years at the time of purchase. Additionally, the data show that the average sales price for these homes was under \$160,000.

A more detailed analysis of the construction year of the homes that were sold reveals that none of the homes that were sold during this period were built speculatively. Furthermore, fewer than ten of these homes were constructed after 2010, and nearly 80 percent of the homes sold since 2018 were built prior to 2000. This data highlight that the majority of the homes sold in the County in recent years were older properties, which suggests that the market in Bland County is

primarily driven by the demand for older, more established homes rather than new construction. This is partly due to supply constraints. Overall, the data suggest that the residential real estate market in Bland County is relatively stable, but not growing.

	<b><u>Homes Sold</u></b>	<b><u>Average Age (Years)</u></b>	<b><u>Average Sales Price</u></b>
2018	24	55	\$100,512
2019	32	53	\$104,376
2020	52	45	\$133,618
2021	40	46	\$235,315
2022	<u>51</u>	50	\$189,567
<b>Total/Average</b>	<b>199</b>	<b>49</b>	<b>\$159,704</b>
Source: Redfin			

### **For-Sale Housing Pipeline**

There are currently no for-sale subdivisions in active planning in Bland County.

### **For-Sale Housing Summary**

The new home sales market in Bland County has been stagnant for several decades, as evidenced by local home sales data. Over the past five years, there have been no instances of speculative home construction and sales. This can be attributed to several factors, including the rising cost of building materials and the more recent high mortgage interest rates, which make new home construction financially challenging. Additionally, limited demand for new homes in the County has made large-scale speculative construction infeasible.

Despite the presence of available homesites within the Rolling Meadows subdivision and other scattered lots that could potentially be developed with new homes, area homebuilders have shown reluctance to engage in speculative home construction. The County has yet to attract major residential investments from outside of the region, and county staff have not reported any inquiries from prospective homebuilders.

Furthermore, local realtors and members of the development community have identified various land use regulations that make new residential development more expensive, time-consuming and uncertain. These factors will be analyzed in the conclusions of this report. It is worth noting that the new home market in Bland County is largely untested, as the for-sale housing market primarily consists of re-sales, primarily for older homes.

Excluding homes with contingencies, there are currently only eight homes listed for sale in Bland County. This is compared to 3,210± housing units in the County, according to the most recent census estimates. The majority of these available homes are mature properties, having been built between 1933 and 1993, with the exception of two homes that were constructed in 2007 and 2010 and are priced at \$750,000 and \$580,000, respectively. Additionally, only three of these listings are priced under \$200,000. A large number of vacant homes are not listed for sale.

**Table 19: Homes List for Sale, Bland County, Virginia, January, 2023**

	<u>Year Built</u>	<u>Days on Market</u>	<u>Listing Price</u>	<u>Bedroom/ Bathroom</u>
8306 Wilderness Rd (Bland)	2007	160	\$875,000	3/3.0
7647 S Scenic Hwy (Bland)	1993	775	\$750,000	5/3.5
5700 Laurel Fork Rd (Rocky Gap)	2010	145	\$580,000	2/2.0
273 MI Thompson Dr (Rocky Gap)	1978	258	\$375,000	3/2.5
15 Winter Place Ln (Rocky Gap)	1933	71	\$300,000	3/2.0
3793 Railroad Trl (Bastian)	1968	56	\$169,000	3/2.0
4288 Railroad Trl (Bastian)	1961	265	\$115,000	3/1.0
2920 Waddletown Rd (Bland)	1955	26	\$100,000	2/1.0

Source: S Patz & Associates, Inc.

Shown next are photos of each of the homes that are listed for sale in Bland County. Most have three-bedroom floorplans and are unaffordable to most local homebuyers.



**8306 Wilderness Rd (Bland)**



**7647 S Scenic Hwy (Bland)**



**5700 Laurel Fork Rd (Rocky Gap)**



**273 MI Thompson Dr (Rocky Gap)**



**15 Winter Place Ln (Rocky Gap)**



**3793 Railroad Trl (Bastian)**



**4288 Railroad Trl (Bastian)**



**2920 Waddletown Rd (Bland)**

Local real estate agents in the area have noted limited demand for new homes, and not enough demand to attract large-scale, speculative housing development. They note better opportunities in surrounding counties where job growth is more pronounced. Homes in the low-\$100,000 to low-\$200,000 price range are most marketable, but it is difficult to build new homes at those prices under current conditions.

### **Rental Housing Market**

The analysis to follow examines the composition of the rental housing market in Bland County, specifically focusing on the market rate and affordable segments. The market rate rental market is characterized by a preponderance of small-scale rental units, primarily owned and managed by private investors and property management companies. Notably, there are no professionally managed apartment communities in the County.

### **Affordable Apartment Market**

A comprehensive analysis of the housing market in Bland County reveals a lack of options for low-income families and seniors. Specifically, there are currently no income-restricted apartments available within the County. Despite this, a portion of older market-rate rental units, although not subject to income restrictions, may be considered affordable to households that

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would qualify for such units, if they were available. These units offer modest, cost-effective rental options, primarily due to their age and condition.

Furthermore, no public housing agencies operate in Bland County, and therefore there are no local entities that allocate housing vouchers. The closest clusters of affordable rental housing are located in the Town of Wytheville to the south and the greater Bluefield area to the north. Both areas have a limited supply of affordable housing units. Most affordable rental properties in these locations are typically at full occupancy with extensive waitlists.

### **Market Rate Apartment Market**

Bland County has no professionally managed apartment communities. Instead, the majority of rental units in the County are scattered townhomes and single-family homes that were originally built for sale but have since been converted into rental units. Additionally, a significant portion of the rental housing stock includes older mobile homes, which often do not meet the needs and preferences of prospective tenants. Census data presented in Table 8 shows that there are only approximately 400 renter households in Bland County. Nearly 85 percent of renter occupied housing units were built prior to 2000. There are seldom any vacancies among the County's rental units.

Nearly 57 percent of renter occupied housing units in Bland County are single-family detached homes. Most offer two- and three-bedroom floorplans, though few have two or more bathrooms. An additional 27.5 percent of renter occupied housing units are mobile or manufactured homes. The remaining homes that are occupied by renters are townhomes and small multi-family structures of four or fewer units.

Our research identified only eight multi-family, renter-occupied structures in the County. These buildings, with 27 units in total, primarily have duplex and townhome designs, with some featuring single-level homes and others with two levels. Most of these buildings are mature, having been built in the 1970's and 1980's. Most offer one- or two-bedroom floorplans with one

full bathroom. Despite their age, all of these units are currently occupied, which is typical for the County.

Attached are photographs of each of the rental buildings that were identified during this research. The designs of most buildings reflect the period in which they were constructed. Nevertheless, all of these structures are well-maintained and free of any blighting features.



**63 High Chaparral Lane (2 units)**



**93 High Chaparral Lane (2 units)**



**145 Fairview Street (4 units)**



**165 Fairview Street (2 units)**



**170 Valley View Ln (2 Units)**



**258 Valley View Ln (6 units)**



**1318 East Blue Grass Trail (4 units)**



**8738 S Scenic Hwy (4 units)**

Surveying these properties for rents was difficult, as is often the case in rural communities that seldom have rental vacancies. Census data presented in Table 20 show that most renters (44 percent) pay between \$500 and \$799 per month for housing costs. Approximately 14 percent pay between \$800 and \$999. The median gross rent Bland County is approximately \$700.

Of note is that over 32 percent of renters fall into the “No Cash Rent” category, which refers to a specific category of housing units that are not occupied by renters who pay cash for their housing. This could include housing units that are occupied by people who live rent-free or have a non-monetary arrangement for their housing, such as bartering or trading services for housing. Of the nearly 68 percent of renter households that do pay rent, 20 percent are defined as rent overburdened, meaning they spend more than 30 percent of income on housing costs.



**Table 20: Monthly Housing Costs,  
Renter-Occupied Units, Bland County, VA, 2021**

	<b><u>Total</u></b>	<b><u>Percent of Total</u></b>
Less than \$300	0	0.0%
\$300 to \$499	12	3.2%
\$500 to \$799	165	44.0%
\$800 to \$999	53	14.1%
\$1,000 to \$1,499	19	5.1%
\$1,500+	5	1.3%
No Cash Rent	121	32.3%

Source: U.S. Census Bureau; ACS 2021 (5-Year Estimates)

### **Apartment Pipeline Proposals**

There are no apartments in planning or under construction at this time in Bland County.

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## **Section IV: Available Residential Development Sites**

This section of the housing analysis identifies and evaluates available sites recognized by Bland County officials as being suitable for new residential development. All of these sites have access to, or are located near, public water and sewer services. This is a necessary condition for attracting new development as building in locations without public water and sewer can be more costly due to the need for private water and sewer systems or on-site septic systems. All of these sites are privately owned. County staff did not identify any vacant buildings with potential for rehabilitation into apartment or condominium units.

### **Vacant and Underutilized Parcels with Residential Development Potential**

Table 21 presents the multiple vacant and underutilized properties in Bland County that offer the most potential for new residential development. The survey was limited to larger properties that could potentially attract homebuilders from outside the region, so smaller parcels and those with major development constraints, such as topographic issues, difficult access, and properties prone to flooding, were excluded from this analysis. All of the properties listed in Table 21 have access to public water and sewer. Fifteen properties were identified as having the most potential for residential development. All of these properties are privately owned and none are located within Opportunity Zones.

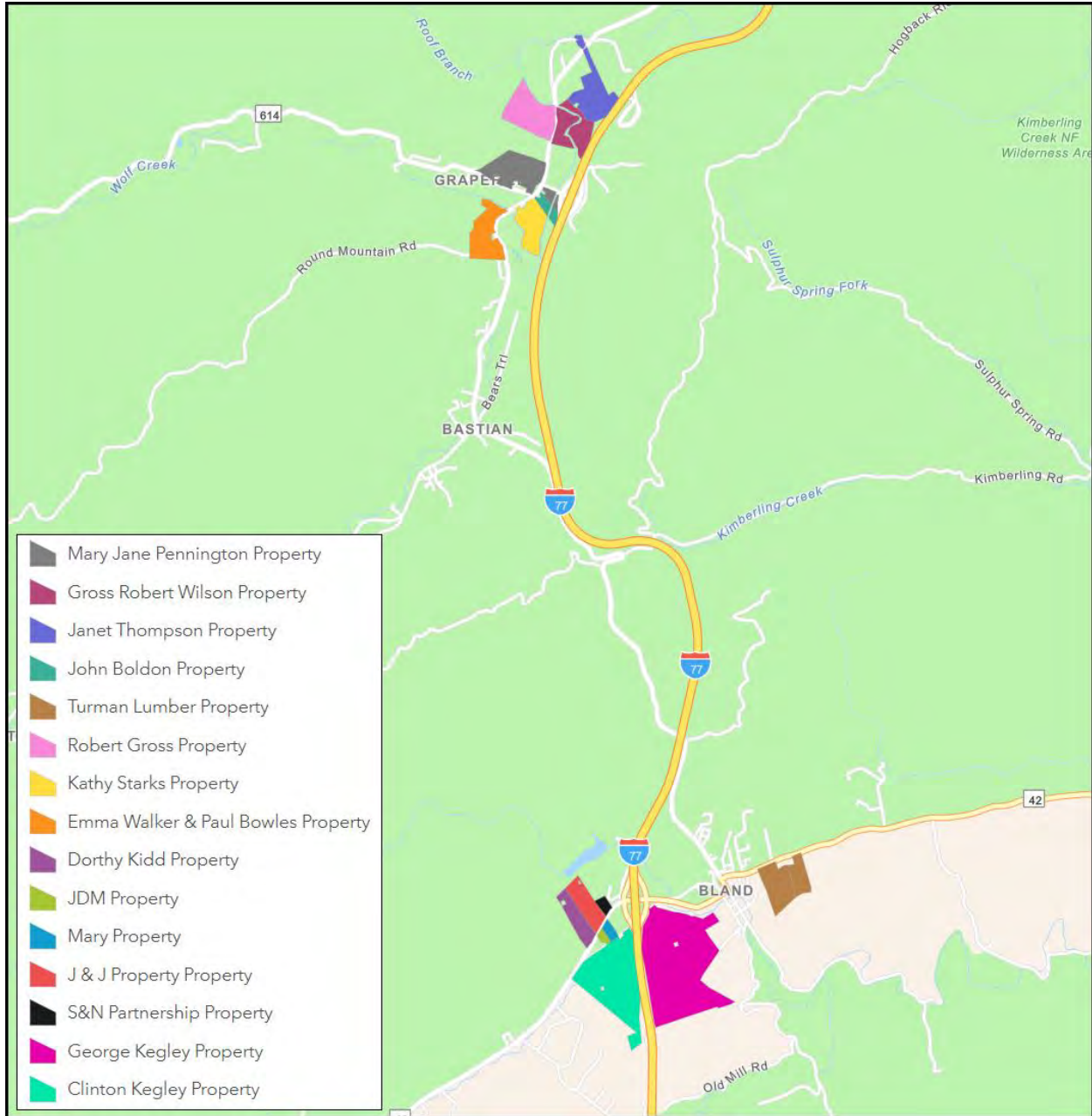
These properties have a wide range of sizes, varying from just under five acres to nearly 290 acres. The large size of many of these properties allows for the potential development of a mix of housing types on one property. All but one of these properties has an AG zoning designation.

**Table 21: Characteristics of Properties with Residential Development Potential, Bland County, Virginia, January, 2023** <sup>1/</sup>

	<u>Parcel ID</u>	<u>Acres</u>	<u>Zoning</u>
George Kegley Property	91-A-9	289.0	AG
Clinton Kegley Property	91-A-9C	123.8	AG
Robert Gross Property	34-A-9	63.7	AG
Mary Jane Pennington Property	49-A-3	59.1	CUP
Emma Walker & Paul Bowles Property	48-A-34	55.9	AG
Kathy Starks Property	48-A-104	53.8	AG
Gross Robert Wilson Property	34-A-10	52.6	AG
Turman Lumber Property	77-A-33	39.1	AG
Janet Thompson Property	34-A-11	38.8	AG
J&J Properties Property	91-A-3B	29.1	AG
Dorothy Kidd Property	91-A-2	27.0	AG
John Boldon Property	49-A-7	6.0	AG
S&N Partnership Property	91-A-4	5.4	AG
Mary Property	91-A-3A	4.8	AG
JDM Property	91-A-3	4.7	AG

Source: Bland County, VA

Map D shows the 15 potential development sites listed in Table 21, which are located along the I-77 corridor. These sites are easily accessible and have good visibility. The locations along I-77 are due to the availability of public utilities. The map shows that eight of the available properties are located in the Bland area while seven are located in the Bastian area.

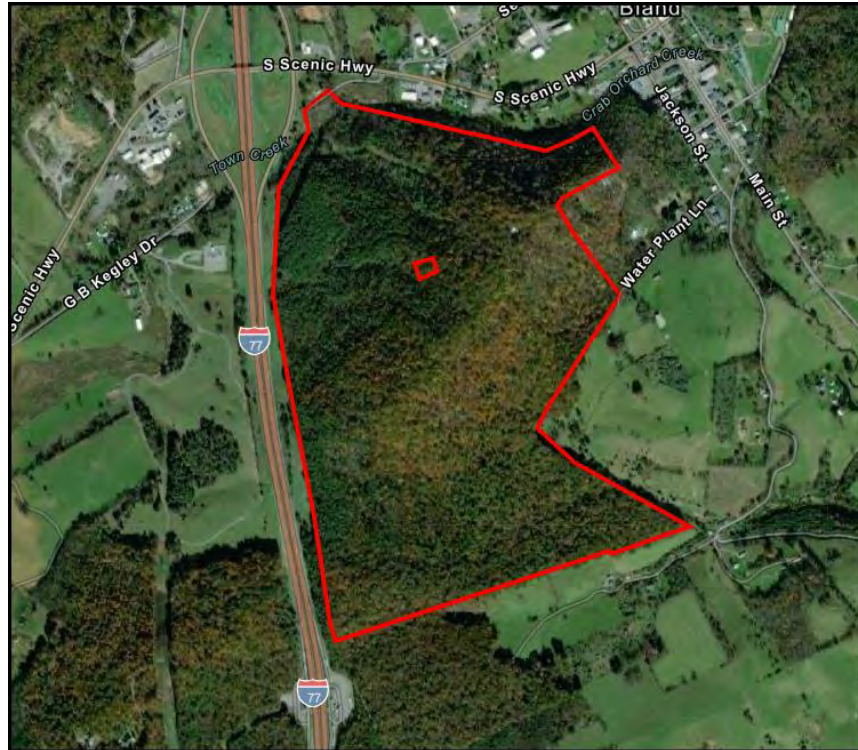


**Map D - Locations of Vacant Properties with Residential Development Potential**

The following section presents brief descriptions, photos and maps of the potential residential development sites that were identified in Table 21.

## George Kegley Property

The George Kegley Property is located near the southeastern intersection of I-77 and S Scenic Highway in Bland. This is a large property of 239 acres that is essentially entirely wooded alongside some topographic challenges. The property is currently only accessible from Short Run Drive in the north and Water Plant Lane in the east. The property is zoned AG.



**Map E - George Kegley Property Location**



**George Kegley Property**

## Clinton Kegley Property

The Clinton Kegley Property is located near the George Kegley Property, on the west side of I-77 and south of G B Kegley Drive. This is a 123.8-acre property that is zoned AG. It is largely flat and contains a mix of cleared and wooded areas.



**Map F - Clinton Kegley Property Location**



**Clinton Kegley Property**

## Robert Gross Property

The Robert Gross Property is an irregularly shaped, 63.7-acre property located on the west side of U.S. Route 52 in the Bastian area. The property, which is zoned AG, is partially improved with agricultural structures. The western half of the property is wooded.



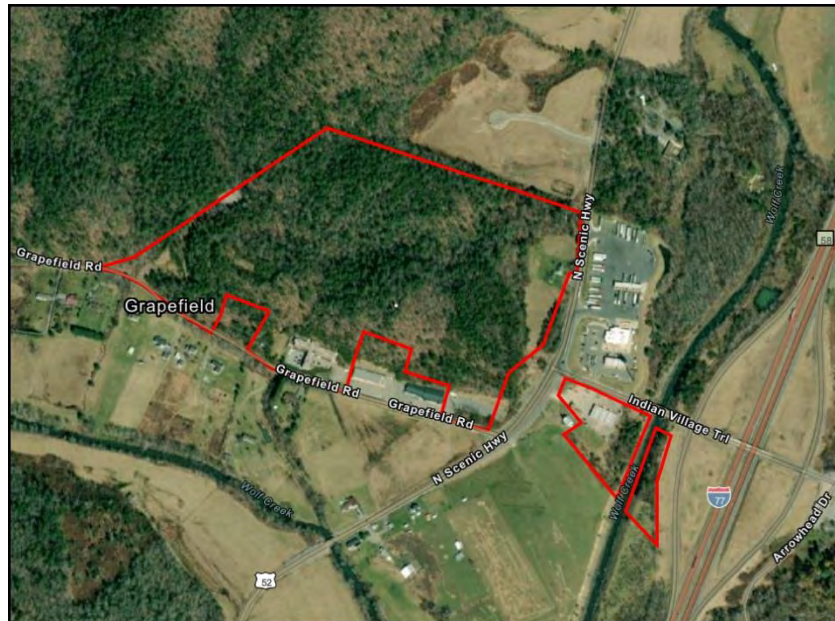
**Map G - Robert Gross Property Location**



**Robert Gross Property**

## Mary Jane Pennington Property

The 59.1-acre Mary Jane Pennington Property is a largely wooded and slightly hilly property primarily located on the north side of Grapefield Road and west side of U.S. Route 52 in the Bastian area of Bland County. Its immediate setting is one of the more commercialized parts of the County, as it is adjacent to some retailers and the Bland County Nursing & Rehab facility. The size is zoned CUP and is the only available property that is no zoned AG.



**Map H - Mary Jane Pennington Property Location**



**Mary Jane Pennington Property**



## Emma Walker & Paul Bowles Property

The Emma Walker & Paul Bowles Property is an irregularly shaped parcel located on the west side of U.S. Route 52 in the Bastian area. This is a vacant property. The northern part of the property is cleared of trees while the southern side is wooded. Round Mountain Road runs through a small portion of the southern part of the property. Its northern boundary is Wolf Creek.



**Map I - Emma Walker & Paul Bowels Property Location**



**Emma Walker & Paul Bowels Property**

## Kathy Starks Property

The Kathy Starks Property is located on the south side of U.S. Route 52 in the Bastian area. This is a largely cleared site that is bound to the south by Wolf Creek. There are a handful of small structures on the site. It has a generally flat topography. The property measures 53.8 acres and is zoned AG.



**Map J - Kathy Starks Property Location**



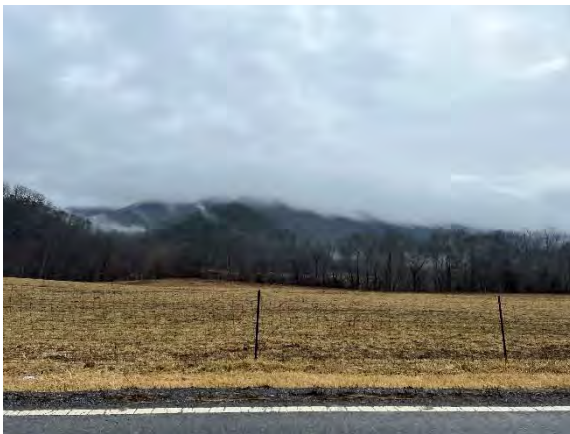
**Kathy Starks Property**

## Gross Robert Wilson Property

The Gross Robert Wilson Property is unique in that it is bisected by Wolf Creek through the center. The 52.6-acre property has a mix of cleared and wooded areas and is located on the eastern side of U.S. Route 52 in the Bastian area. There does not appear to be vehicular access to the eastern portion of the property. This property is zoned AG.



**Map K - Gross Robert Wilson Property Location**



**Gross Robert Wilson Property**

## Truman Lumber Property

The Truman Lumber Property consists of two adjacent parcels measuring 39.1 acres on the south side of E Blue Grass Trail in Bland. The western parcel is fully wooded while the eastern parcel has one small structure fronting a large, wooded area. This property is zoned AG.



**Map L - Truman Lumber Property Location**



**Truman Lumber Property**

## Janet Thompson Property

The Janet Thompson Property flanks the northern and southern sides of U.S. Route 52 in the Bastian area. Most of the property is located on the south side of U.S. Route 52. This is a largely vacant and flat 38.8-acre property that is zoned AG.



**Map M - Janet Thompson Property Location**



**Janet Thompson Property**

## J&J Properties Property

The J&J Properties Property is a triangular shaped parcel located on the northern side of S Scenic Highway in the Bastian area, just west of I-77. The property is slightly hilly. The rear section is fully wooded. The property spans 29.1 acres and is zoned AG.



**Map N - J&J Properties Property Location**



**J&J Properties Property**

## Dorothy Kidd Property

The Dorothy Kid Property is located directly west of the J&J Properties Property. This too is a rectangular-shaped property located on the north side of S Scenic Highway. This is a largely vacant and flat property. It measures 27.0 acres and is zoned AG.



**Map O - Dorothy Kidd Property Location**



**Dorothy Kidd Property**

## John Boldon Property

The John Boldon Property is located between U.S. Route 52 in the west and I-77, just south of Indian Village Trail in the Bastian area of the County. This 6.0-acre property is generally flat but is bisected by the Wolf Creek in its eastern portion. It is zoned AG.



**Map P - John Boldon Property Location**



**John Boldon Property**



## S&N Partnership Property

The S&N Partnership Property is one of three identified potential development sites that is smaller than six acres. This is a rectangular shaped property located on the northern side of S Scenic Highway in Bland, just west of its interchange with I-77. This 5.4-acre property is largely wooded and zoned AG.



**Map Q - S&N Partnership Property Location**



**S&N Partnership Property**

## Mary Property

The Mary Property measures 4.8 acres and is situated between S Scenic Highway in the north and G B Kegley Drive in the south in Bland. The south side is wooded while the north side is covered in gravel. This property is zoned AG.



**Map R - Mary Property Location**



**Mary Property**

## JDM Property

At 4.7-acres, the JDM Property is the smallest potential development site that was identified by County staff. This is an irregularly shaped, partially improved parcel that is bounded by S Scenic Highway in the north and G B Kegley Drive in the south. The JDP Property is zoned AG.



**Map S - JDM Location**



**JDM Property**

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## Section V: Housing Analysis Conclusions

### Conclusions

The market conclusions are as follows:

- 1) Bland County is generating only a modest level of housing demand locally primarily from area employers and seniors aging in place. Apart from a small announcement by Titus Trucking that it would hire five new drivers in 2023, there are essentially no business that have active plans to add new employees in Bland County. Job growth supports new housing unit demand, and Bland County is not currently adding enough new jobs to attract any large-scale housing developers.
- 2) The impact of the COVID-19 pandemic on the Bland County economy has been relatively limited, as evidenced by the stability of the employment market and the absence of significant disruptions in the housing market. The data indicate that the number of jobs in the County has modestly surpassed pre-pandemic levels, with an increase of over 60 jobs. This could be attributed to recent hirings at Hitachi Energy. This suggests that the County's economy has demonstrated a degree of resiliency in the face of the challenges posed by the pandemic. The current unemployment rate of 2.4 percent is 0.3 percent lower than the rate recorded in January, 2020, prior to the outbreak of the pandemic.
- 3) The analysis of future job growth in neighboring localities outside of Bland County reveals a substantial increase in comparison to past trends. Nearly 4,300 new jobs have been announced in neighboring counties and cities, with many of these located in areas that also face housing shortages. Notably, a large proportion of these new job opportunities, approximately 2,500, are associated with Blue Star NBR in neighboring Wythe County. This could potentially result in increased demand for housing in Bland County in the future. The lack of local amenities, such as a grocery store and proximity to public schools, is a challenge for new development.
- 4) Bland County has seen a steady population decline since 2000 with a reduction in population by 660 people over the past 21 years. As there are essentially no new or expanding businesses in the County, Bland County is not likely to have a net growth in population in the near- or mid-term. The Weldon Cooper Center for Public service estimates that Bland County's population will decline to 5,630± by the end of the decade. This represents a decline of approximately 580 people over the current total.
- 5) While the general population of Bland County has declined by over 600 since 2010, the senior population has grown modestly. There are very few homes in the County that are designed specifically for seniors, such as single-level homes with low maintenance requirements. Essentially no new homes are being marketed toward this sector of the housing market, leaving many seniors with limited options. While modestly growing, the

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senior population remains small and is not expanding at a pace that is likely to attract development from outside of the region.

- 6) The rental market in Bland County is small, as only 400± households are estimated to be renters. There are no professional managed apartment complexes of any type in the County, including both market rate and affordable properties. All rentals are scattered single-family homes, townhomes, mobile homes or small multi-family structures with four or fewer units. Given that local job growth is not expected in the near term, the level of demand from renters should remain stable.
- 7) The for-sale home market in Bland County is dominated by re-sales, with essentially no new homes being built speculatively for sale in several decades. The market is comprised primarily of single-family and manufactured homes, with few other options available.
- 8) Section IV of the report indicates that Bland County has multiple vacant and underutilized parcels with potential for residential development. The list in Table 21 is not exhaustive, but it provides an indication of the scale of available properties. Some of these larger parcels would need to be subdivided to support various housing types. Nevertheless, sufficient demand does not currently exist for any large-scale residential development of. New housing development is more likely to occur on small, scattered lots. Such efforts are not likely to be undertaken by any of the larger developers from outside of the region.

### **Recommendations**

Based on the preceding analysis, it is clear that demand in Bland County is insufficient for attracting large-scale residential development. Yet, small-scale opportunities exist, particularly for the scattered development of modestly priced single-family and patio homes. Easing local land use regulations, rather than seeking regional or national developers, could increase the viability of small-scale development and stimulate new residential construction efforts in the County.

Bland County's zoning ordinance contains only four zoning districts. It establishes definitions for varied housing types (manufactured, single, two-family, townhouses and multifamily) but permits manufactured, single-family, townhouse, and multifamily dwellings in its Agricultural District (AG) zone only. Amending the ordinance to ease restrictions on residential development is recommended. Suggested amendments with brief analysis are provided below.

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- **Permit Residential Development in the Commercial District.** Currently, accessory dwellings are permitted in its Commercial District (C) zone only with a conditional use permit. The zoning ordinance defines an accessory dwelling as “...a dwelling unit located within a structure in which the principal activity is a commercial, professional or general personal service.” Conditional use permits must be approved by the County’s Board of Supervisors at a public hearing. In general, public hearings can create unpredictability in the approval process and add both expense and time to residential development projects.

Residential development is generally compatible with and complimentary to commercial uses. Higher-intensity residential development is particularly successful if co-located with neighborhood serving retail. The County should consider allowing residential development without special approval in its Commercial District. Further, residential development in the Commercial District should not be subject to minimum lot sizes nor widths. This way, existing commercial lots could be used for residential development without special approvals.

- **Expand Permissiveness of Accessory Manufactured Homes.** Accessory manufactured homes, defined as “...a manufactured home that is a subordinate residential use to a principal dwelling...” are allowed with conditional use permits in the Agricultural District (AG) only. In addition to needing special approval, these accessory manufactured homes can only be occupied by the property owner, their immediate family or their employees. The zoning ordinance does not allow an unrelated person to occupy the accessory manufactured home.

The County should consider eliminating both the conditional use permit requirement and the limitations on who can reside in the unit. The land use impacts of an occupied accessory unit are the same, regardless of how the persons who reside in it are related to the primary property owner. The County could consider adding use standards to limit the impact of accessory units including maximum sizes/heights and minimum setbacks. These accessory units would likely rent for less than traditional housing types. They also create an opportunity for property owners to build wealth from rental income.

- **Allow Duplexes and Two-Family Dwellings in the AG and C Districts.** Confusingly, duplexes and two-family dwellings are not listed as a permitted use in any zone, though they are defined within section 62-1. Further section 62-171 requires site plan approval for these types of homes. The County should consider listing these dwelling types in the AG and C districts.
- **Modify Lot Size and Frontage Requirements.** The County code requires all lots to have frontage on public streets. The amount of frontage varies depending on whether the subdivided lots have public water and sewer access. It also establishes a minimum lot size that also depends on such access. These regulations establish the maximum number of lots that can be created within a tract of land. The County could consider smaller lot requirements which would allow for higher density within a tract. Lower requirements

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could be appropriate in certain areas of the County, especially in the potential growth areas identified by the Comprehensive Plan.

- **Eliminate Public Street Requirement.** Because the County is largely rural, it also lacks a comprehensive street network and centralized sewer or water supply system. As a result, most new subdivisions would require the construction of public streets and water and sewer infrastructure. The County could modify the public street requirement to encourage residential development. In a rural county such as Bland County, private streets may be acceptable, particularly in areas with little to no anticipated pedestrian activity.
- **Eliminate Arbitrary Lot Shape and Arrangement Requirements.** The County code generally requires newly created lots to be regularly shaped and not configured uniquely for the purpose of meeting lot frontage requirements. While it may seem intuitive that subdivided land should follow a regular development or grid pattern with rectangular or square shaped lots, ultimately this is a relatively arbitrary requirement that lacks a specific land use purpose.



# **SMYTH COUNTY**

**COMPREHENSIVE HOUSING ANALYSIS**



**Comprehensive Housing Analysis**  
**Smyth County, Virginia**

**Prepared for:**

**James Moss**  
**Mount Rogers Planning District Commission**

**August, 2022**

**S. Patz and Associates, Inc.**  
**46175 Westlake Drive, Suite 400**  
**Potomac Falls, Virginia 20165**



August 29, 2022

James Moss  
Housing Director  
Mount Rogers Planning District Commission  
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Jimmy,

Attached is our comprehensive housing study for Smyth County. The report is designed to analyze the current and potential market for new homes within Smyth County, including the towns of Marion, Chilhowie and Saltville. The report is intended to provide detailed market data on the Smyth County economy and various housing markets, with the study results intended as a realistic strategy to reverse the current trends that have provided an insufficient number of new homes for the current and future population.

The primary housing study conclusion is that the lack of new housing unit development is not a “demand” issue, but a “supply” one. A potential market for new housing exists within Smyth County, but the local housing development community is not meeting current and future demand. This is a result of the Great Recession and a generally stagnant economy in the recent past.

These past trends are now changing with an increase in area job growth and continued enrollment expansions at Emory & Henry College’s Marion campus. This will generate supplementary housing unit demand in the near term. The small number of new apartment units that have been built more recently in Marion have largely served the growing student population. These housing additions have not satisfied demand. Furthermore, no new speculative homes for sale have been built in several years.

A second study conclusion is that several viable sites exist to support new housing of various types. Many of these properties are readily available for development but would need to be rezoned or would require Special Use Permits to accommodate the types of housing most in demand. Many of the available development sites may also need to be subdivided to support the type of housing recommended in this report, as many are large. Local officials must recognize that homebuilders may not come to Smyth County if sites are not “shovel ready,” so “team effort” may be required. This finding is paramount for positive results related to new housing development.

All of these market study conclusions are fully described in the attached report, along with our estimate of potential new housing demand. In conclusion, with a concerted effort from

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public officials and area employers, the pent-up demand for new and better housing can be supported over time.

We were pleased to be able to assist local officials in Smyth County and the Mount Rogers Planning District Commission on this study and remain available to assist for future planning. We were especially pleased with the extensive help provided by local and regional officials and believe that the expertise and commitments required to implement our study conclusions are sufficient for future success in attracting homebuilders for new housing unit development.

Sincerely,

*Ariel Goldring*

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Ariel Goldring  
Vice President

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## Introduction

Officials in Smyth County, including the towns of Marion, Saltville and Chilhowie, have recognized a longstanding problem related to housing availability of various types. This has become an acute problem across the Mount Rogers Planning District, where Smyth County is situated, and is an especially pressing issue given the future level of regional employment growth, ongoing enrollment expansions at the Emory & Henry School of Health Sciences in Marion, and a steady expansion of the local senior population. Public officials and area employers universally report challenges in attracting new residents due to housing availability, diversity, and quality.

Given evolving market conditions, alongside the availability of multiple attractive sites ripe for housing development, local officials want to understand why more new housing is not being built within Smyth County and what steps can be taken to reverse this trend.

Smyth County is an attractive setting for new residents, offering outdoor amenities such as the 2,980-acre Hungry Mother State Park as well as low-cost housing opportunities. While these represent viable attributes, they are not unique to Smyth County and are not sufficient to attract new housing unit demand. Thus, the following report concentrates on job growth/retention, student demand and aging demographics as the initial basis to generate new housing unit demand.

The study to follow provides a comprehensive analysis of Smyth County, including its three towns (Chilhowie, Marion and Saltville). This report is the first in a series of market analyses that S. Patz & Associates will undertake for each city and county that comprise the Mount Rogers Planning District. The purpose of these analyses is to identify strategies to generate “brick and mortar” results. Opportunities exist, and local public officials are committed to providing support as they have echoed the business community’s desire for new housing.

The study to follow is divided into four sections. The first section is the Smyth County Setting Analysis, which analyzes the location of Smyth County along the Interstate-81 Corridor and its proximity to major employers and highway interchanges.

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Presented next is an Economic Overview Analysis that describes trends in at-place jobs and employment. This section also documents the level of future job growth in Smyth County and the Mount Rogers Planning District, which is significant and a shift from past trends. Also included in this section is an analysis of Emory Henry's satellite campus in Marion (School of Health Sciences), as this is one of the prime generators of rental housing demand in Smyth County. An analysis of the economic impacts of the COVID-19 pandemic is also included in this subsection.

A second part of the Economic Overview is the demographic analysis of Smyth County, which analyzes population and household trends, with particular attention related to trends in household income, tenure and age. Within a negative growth marketplace such as Smyth County, studies of this type present challenges for demographic projections. These are difficult to establish, as trend data show population declines. The key market finding is how to change these recent trends.

The third section analyzes the various housing markets in Smyth County in terms of new additions, tenure, home prices and rents. This section analyzes both the for-sale and rental markets. There is no identified senior-related housing market in Smyth County at this time, as there are no age-restricted apartments for rent or homes for sale. The ability to establish such a market will be fully studied, as demographic trends show a sizable and well-established older adult population.

The fourth section of the report is an analysis of the available buildings and development sites in Smyth County. As will be shown, Smyth County has a large number of attractive properties that are available for development.

The fifth and final section is the Conclusions, which provide a strategy for new housing development in terms of: (1) site location(s), (2) sales prices and rental rates, (3) housing types and (4) target markets. These are presented in general terms as a guide to attract homebuyers and renters.

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## **Section I: Smyth County Setting Analysis**

Smyth County is located along the Interstate-81 Corridor within the central portion of the Mount Rogers Planning District in Southwest Virginia. I-81 bisects the County in an east-west direction for approximately 21 miles. This is a major interstate system that extends from near Knoxville (TN), where it connects with I-40, to upstate New York. It is a major transportation corridor and accesses nearby areas that are experiencing considerable employment growth, most notably the Bristol and Wytheville areas.

The majority of the County's population and economic activity is clustered along the I-81 Corridor, mainly in and around the Towns of Marion and Chilhowie. A secondary population cluster is the Town of Saltville, located to the northwest of Chilhowie. A small area within the western side of Saltville extends into neighboring Washington County. There are also a handful of smaller unincorporated population centers elsewhere along the I-81 Corridor that include Adwolfe and Atkins. The vast majority of employment in Smyth County is centered along the I-81 Corridor, in and around Marion, Chilhowie and Atkins.

Map A shows that Smyth County is served by five primary roadways. U.S. Route 11 runs parallel to I-81 and is a major commercial corridor in both Marion and Chilhowie. A mix of residential, commercial and industrial land uses flank this roadway outside of the two towns. Other major roadways include SR 107, which connects Chilhowie and Saltville.

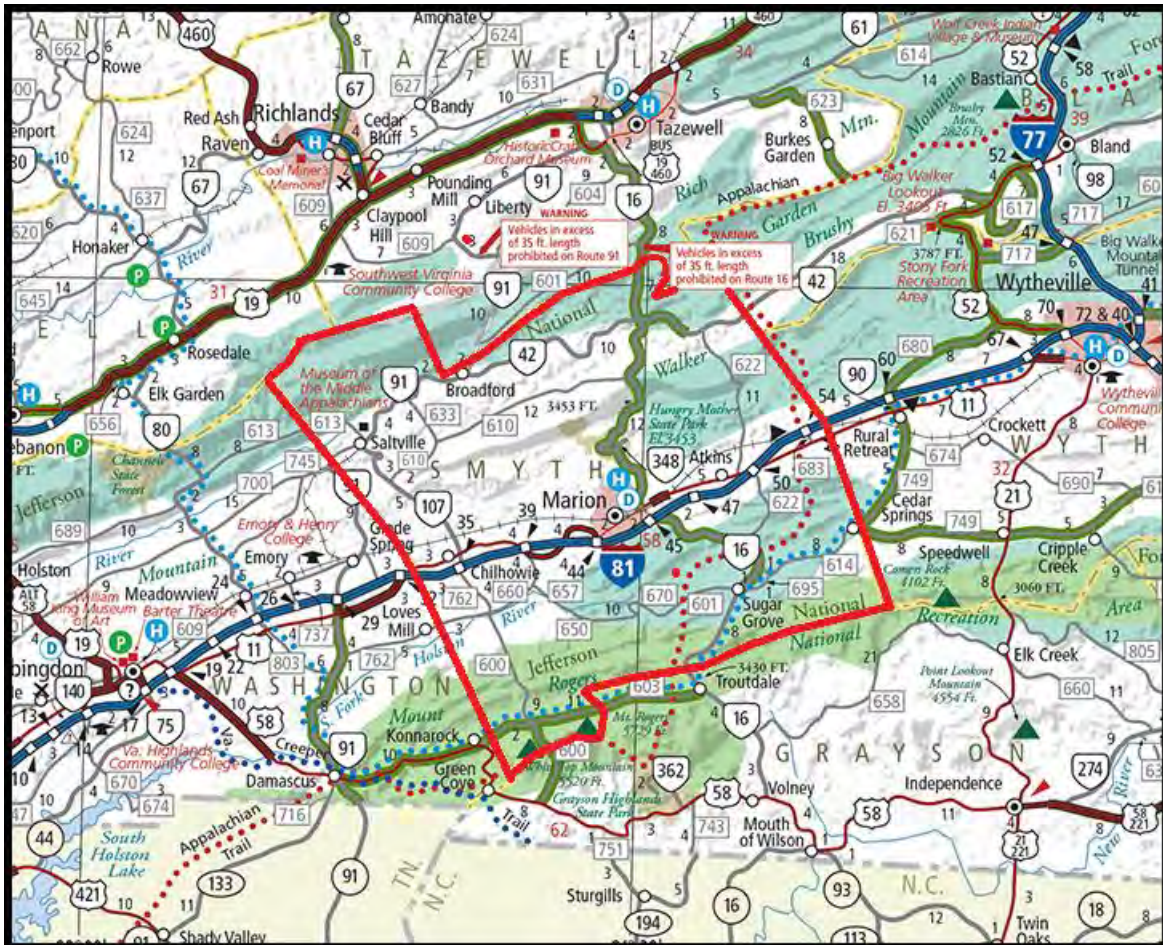
Much of Smyth County is comprised of forest and wildlife resources. Over 178,000 acres, or approximately 61 percent of the County, is comprised of woodlands. Within this total is nearly 88,000 acres of publicly owned land. Most of this land is owned by the USDA Forest Service and reserved for recreational purposes as well as to timber harvest and sales.

Municipalities surrounding Smyth County are largely rural, but with pockets of job growth. Tazewell County is located to the north of Smyth County. This is a rural community with most economic activity occurring in Bluefield, near its border with West Virginia, and in Richlands. Grayson County, to the south, is also rural, though four employers have recently announced plans to add 200 new jobs in the County. West of Smyth County is Washington



County and the City of Bristol, two areas that are generating considerable employment growth. Bristol is the location of the Hard Rock Hotel and Casino Bristol. A temporary casino opened in mid-2022 and the full resort is slated to open in the summer of 2024. The casino is expected to employ 2,000 people within its first year of operation and reach 5,200 employees within seven years.

Wythe County is located to the east of Smyth County and is also generating considerable new employment growth, most notably by Blue Star NBR LLC, which is expected to generate over 2,400 new jobs by 2026 at a new manufacturing facility that will produce rubber medical gloves.



Map A - Regional Setting

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The area highway system allows relatively easy east-west access within Smyth County, and between the neighboring communities along I-81 that are generating job growth. Bristol, on the border with Tennessee, is 40± minutes to the west. Wytheville is less than a half hour drive to the east and is the location of the I-81/ I-77 interchange. I-77 bisects Bland County and extends to the Princeton and Bluefield areas of West Virginia to the north. The interstate also extends south toward Woodland and Hillsville in Carroll County.

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## **Section II: Smyth County Economic Overview and Demographic Analysis**

The subsection to follow begins with an economic overview that describes trends in at-place jobs and employment in Smyth County. This section also documents the level of future job growth in Smyth County and the Mount Rogers Planning District. As will be shown, recent job announcements in the County and Region have greatly outpaced past trends. In addition, this section provides an analysis of the Emory & Henry School of Health Sciences, as this is one of the prime generators of rental housing demand in Smyth County and in Marion in particular.

This section of the report also presents the demographic analysis of Smyth County, which analyzes population and household trends, by tenure, age and income.

### **Economic Overview**

This part of the market analysis presents an economic overview of Smyth County in terms of at-place job and employment growth. The purpose of the analysis to follow is to document the level and type of ongoing and potential job growth in the County. Three economic factors are presented in this analysis: (1) at-place job trends, (2) employment and labor force trends, and (3) active development plans that are expected to generate a net increase in jobs. These three economic factors are analyzed in the paragraphs to follow. Key to this analysis is that job growth supports growth in population and households, and therefore, housing unit demand.

For Smyth County, new housing demand will initially be supported by a pent-up demand, new area job growth and enrollment growth at Emory & Henry College. Some housing demand is also expected from employment growth in nearby communities, particularly in the greater Wytheville and Bristol areas. These nearby cities are expected to generate substantial new job growth in the near term despite also face housing shortages.

### **At-Place Jobs**

At-place jobs refer to the number of jobs that are physically located within Smyth County, which includes the towns of Marion, Chilhowie and the majority of Saltville. As of year-end 2019, and prior to the pandemic-induced job losses of 2020, the total number of at-place jobs in the

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County reached 12,140±, which is a decline of over 200 jobs compared to 2015. As shown in Table 1, Smyth County has many data disclosure issues due to the small number of local employers. This is often the case in more rural, sparsely populated communities.

Data in Table 1 show that at-place jobs increased between 2015 and 2016 by 440±. Several expansions in the Manufacturing sector during that period drove this growth. Major expansion in 2015 and 2016 included Utility Trailer Manufacturing (200± new jobs), Woodgrain Millwork (20± new jobs), TRW Automotive (60± new jobs) and Innovative Millwork (20± new jobs).

Despite this uptick, total at-place jobs declined in 2017 by nearly 600. Some of these losses were associated with the closure of the Titan Wheel facility in Saltville, which resulted in approximately 40 layoffs. This was the only mass layoff in 2017. At-place job totals have remained essentially flat since 2017, declining by 30± in 2018 and 2019. There were no mas layoffs during this period.

Data in Table 1 show that industrial employment sectors dominate local private sector employment. Manufacturing employment accounts for over 25 percent of total employment in Smyth County, while employment in the Administrative/ Waste sector accounts for an additional 12.1 percent of total employment. Although employment in the Manufacturing sector has declined by 570± since 2015, employment in the Administrative/ Waste sector expanded by 550± during that same period.

Most industrial employment is concentrated in the County's three industrial parks, which are briefly detailed in the paragraphs below.

- **Mountain Empire Industrial Park.** This is the largest industrial park in Smyth County and is located on the south side of I-81 along Nicks Creek Road in Atkins. Major employers include Utility Trailer Manufacturing, Mayville Engineering, Jaco Manufacturing, Smyth County Machine & Welding and ZF TRW. Also within the park is the Smyth County Education Center, which provides training and employment services for persons with mental or physical disabilities. The most recent expansion in this park was by Smyth County Machine & Welding, which added 35 new employees in 2019.

- 
- **Deer Valley Industrial Park.** This is a small industrial park along Deer Valley Road and just north of I-81 in the Town of Chilhowie. Tenants include Scholle Packaging Corporation and Innovative Millwork Technologies. Scholle expanded by 42 new employees in 2019 and more recently announced plans to expand with 75 new employees. Innovative Millwork expanded by 20 employees in 2016.
  - **Battleground Industrial Park.** This is a small industrial park along Battleground Avenue in the Town of Saltville. Tenants include Reline America, Inc.

The second largest private employment sector in Smyth County is the Retail Trade sector, accounting for over 1,100 jobs as of year-end 2019, or 9.4 percent of countywide employment. Employment in this sector has been flat since 2015, declining by nearly 90 jobs. Many of these employees work in the downtown business districts of the three towns or in the County's shopping centers. The largest shopping center is the 168,450± square foot Walmart and Ingles-anchored Smyth Valley Crossing Shopping Center in Marion. Other major retail employers include Food Lion, Food Country and Food City.

Although data are not available due to disclose issues, the Health Care sector also accounts for a significant number of local jobs. Smyth County Community Hospital (SCCH), a 44-bed acute care hospital with a 109-bed nursing facility, is located at 245 Medical Park Drive just outside Marion. This is Smyth County's primary provider of medical care services. The hospital employs approximately 400 people, including over 50 physicians. Other major Health Care providers include Ballad Health Outpatient Rehabilitation. In addition are two large long-term care nursing facilities: the 180-bed Valley Rehabilitation and Nursing Center in Chilhowie and 112-bed Francis Marion Manor in Marion. There are three assisted living facilities with nearly 140 beds in Smyth County.

The public sector is also shown to account for a large number of at-place jobs. Although there are few Federal employees in Smyth County, Local and State Government employment account for nearly a quarter of all local jobs. Many of these jobs are associated with the 172-bed Southwestern Virginia Mental Health Institute in Marion or with Smyth County Public Schools.

Overall, data in Table 1 show a somewhat stable economy. Job growth was recorded for the Administrative/ Waste, State Government and Wholesale Trade sectors. Job losses in other sectors offset these gains.

<b>Industry</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Net Change</b>
Agriculture	ND	ND	ND	ND	ND	--
Mining	ND	ND	ND	ND	ND	--
Utilities	ND	ND	ND	ND	ND	--
Construction	441	462	455	474	400	-41
Manufacturing	3,651	3,585	3,157	3,088	3,081	-570
Wholesale Trade	277	243	269	287	295	18
Retail Trade	1,233	1,243	1,199	1,152	1,145	-88
Transport./ Wareh.	ND	ND	ND	ND	ND	--
Information	62	58	44	41	37	-25
Finance/Insurance	162	155	146	138	129	-33
Real Estate	53	49	45	39	35	-18
Prof./Tech.	208	188	ND	ND	ND	--
Mgmt of Co.s	64	65	ND	ND	ND	--
Admin./Waste	922	1,420	1,350	1,291	1,471	549
Education	ND	ND	ND	ND	ND	--
Health Care	ND	ND	ND	ND	ND	--
Arts/Enter./Rec.	ND	ND	54	55	51	--
Accom./Food	ND	ND	696	734	703	--
Other Services	175	194	240	267	180	5
Local Gov.	1,867	1,859	1,851	1,883	1,859	-8
State Gov.	1,013	1,018	1,035	1,042	1,057	44
Federal Gov.	<u>75</u>	<u>72</u>	<u>70</u>	<u>69</u>	<u>74</u>	<u>-1</u>
<b>Total</b>	<b>12,351</b>	<b>12,793</b>	<b>12,197</b>	<b>12,169</b>	<b>12,137</b>	<b>-214</b>

Notes: ND = Data do not meet BLS or State agency disclosure standards.  
Source: United States Department of Labor, Bureau of Labor Statistics

Next shown, in Table 2, are the employment changes that occurred in 2020, which was an outlier year given the impact of the COVID-19 pandemic. Data for 2021 are not yet available. Data show a significant loss of jobs, with a reduction in employment of nearly 800, or by 6.4 percent. These losses occurred across essentially all employment sectors, with the heaviest job losses impacting the Administrative/ Waste (320± jobs lost), Local Government (120± jobs lost) and Manufacturing (110± jobs lost) sectors.

Although these losses were severe, a significant number of these layoffs are expected to be temporary and will likely be recovered once 2021 employment data are released. Area realtors and property managers do not report any decline in housing demand due to the pandemic.

	<b>2019</b>	<b>2020</b>	<b>Net Change</b>
Construction	400	341	-59
Manufacturing	3,081	2,970	-111
Wholesale Trade	295	220	-75
Retail Trade	1,145	1,163	18
Information	37	38	1
Finance/Insurance	129	123	-6
Real Estate	35	38	3
Admin./Waste	1,471	1,158	-313
Arts/Enter./Rec.	51	ND	--
Accom./Food	703	ND	--
Other Services	180	176	-4
Local Gov.	1,859	1,736	-123
State Gov.	1,057	1,009	-48
Federal Gov.	74	85	11
<b>Total</b>	<b>12,137</b>	<b>11,359</b>	<b>-778</b>

Source: U.S. Department of Labor

### Employment and Labor Force

At-place jobs refer to jobs physically located in Smyth County. Employment refers to the number of County residents who are employed, no matter where that job is located. At-place job totals are lower compared with employment, which means that some net out-commuting occurs into neighboring counties and cities, particularly to the Bristol and Wytheville areas.

Table 3 provides employment trends in Smyth County. Employment grew by 730± between 2015 and 2019. The fact that employment grew by an annual average of over 180 jobs during a period in which at-place jobs declined by an annual average of approximately 50 jobs denotes that many Smyth County residents work outside of the County.

Data show that apart from 2018, total employment increased every year between 2015 and 2019. This is clearly a positive sign. Employment grew by 1,030± in 2018 and by 1,350± in 2019, a period in which at- grew place jobs declined. Almost all of this employment growth was supported by job expansions outside of Smyth County.

Data for 2020 show heavy employment losses, mirroring the declines in at-place jobs. This is fully attributable to the impact of the COVID-19 pandemic. Total employment in 2020 declined

by 800±, pushing the unemployment rate up from a low 3.7 percent in 2019 to 6.4 percent, the highest unemployment rate since 2015. As with at-place jobs, many of these losses are expected to be temporary.

Data for 2021 show significant improvements, with employment expanding by 420± and the number of unemployed declining by nearly 320. As of year-end 2021, total employment exceeds the 2015 total by 340±. The current unemployment rate of 4.0 percent is below the 2015 unemployment level by 2.4 percent.

**Table 3: Trends in Employment and Unemployment, Smyth County, Virginia, 2015-2021**

	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Percent Unemployed</u>
2015	13,509	12,641	868	6.4%
2016	13,691	12,909	782	5.7%
2017	14,009	13,317	692	4.9%
2018	13,794	13,251	543	3.9%
2019	13,876	13,366	510	3.7%
2020	13,425	12,562	863	6.4%
2021	13,524	12,977	547	4.0%
<b>Net Change</b>	<b>15</b>	<b>336</b>	<b>-321</b>	<b>-2.4%</b>

Source: United States Department of Labor, Bureau of Labor Statistics

### COVID-19 and Employment

Table 4 presents monthly employment trends up to March, 2022 to illustrate the impact of the COVID-19 pandemic. This is the date for which the most recent data are available. Trend data show that since January, 2020, employment has increased by nearly 1,100, with the number of unemployed shrinking by 180. The labor force has also expanded by over 900 people. This is a key measure of economic health, as it denotes that an increasing share of Smyth County residents expect to find employment.

To summarize, the data show significant improvements since the pandemic began, with over 1,800 jobs recovered since April, 2020. The current unemployment rate of 2.7 percent is 1.5 percent below the pre-pandemic, January, 2020 unemployment rate. This is despite the expansion of the labor force to its largest size since 2009. The current unemployment rate is the lowest it has been in over three decades.



**Table 4: Trends in Employment and Unemployment, Smyth County, Virginia, 2020-2022**

	<b>Labor Force</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Percent Unemployed</b>
January, 2020	13,656	13,084	572	4.2%
February, 2020	13,616	13,095	521	3.8%
March, 2020	13,519	12,947	572	4.2%
April, 2020	13,872	12,378	1,494	10.8%
May, 2020	13,329	12,077	1,252	9.4%
June, 2020	13,573	12,258	1,315	9.7%
July, 2020	13,375	12,212	1,163	8.7%
August, 2020	13,292	12,368	924	7.0%
September, 2020	13,093	12,366	727	5.6%
October, 2020	13,305	12,678	627	4.7%
November, 2020	13,225	12,636	589	4.5%
December, 2020	13,240	12,643	597	4.5%
January, 2021	13,174	12,506	668	5.1%
February, 2021	13,310	12,652	658	4.9%
March, 2021	13,278	12,651	627	4.7%
April, 2021	13,157	12,613	544	4.1%
May, 2021	13,104	12,510	594	4.5%
June, 2021	13,300	12,652	648	4.9%
July, 2021	13,354	12,758	596	4.5%
August, 2021	13,405	12,848	557	4.2%
September, 2021	13,744	13,256	488	3.6%
October, 2021	13,962	13,534	428	3.1%
November, 2021	14,214	13,825	389	2.7%
December, 2021	14,281	13,919	362	2.5%
January, 2022	14,418	13,913	505	3.5%
February, 2022	14,398	13,962	436	3.0%
March, 2022 1/	14,572	14,180	392	2.7%
<b>Net Change</b>	<b>916</b>	<b>1,096</b>	<b>-180</b>	<b>-1.5%</b>

Notes: 1/ Preliminary. Subject to change.

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

### **Economic Development Activity**

The paragraphs below detail the new economic development announcements in Smyth County that are expected to generate net job growth. As shown, the majority are small retailers. Overall, and excluding retail and service sector jobs, these announcements are expected to generate approximately 170 new jobs. This is a reversal of past trends.

- **Scholle IPN Packaging Inc**, a manufacturer that operates a large sustainable packaging solutions facility along Deer Valley Road in Chilhowie, announced in June, 2022 that it would expand that facility by 73,000± square feet and hire 75 new employees. This follows 42 new hires with average wages of \$43,800± in 2020 and 2021.
- **Woodgrain Millwork**, a manufacturer of wood molding and trim, announced in August, 2021 that it would expand its Marion facility, located at 4615 Lee Highway, and hire 80

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new employees. Hiring is expected to begin in early-2023 with pay expected to average \$16 per hour.

- **Emory & Henry College**. The Health Sciences campus in Marion is expected to add between five and 25 new employees by 2027 as the College expands its course offerings and student enrollment.
- **Soni Holdings LLC**. Plans were submitted in early-2022 for this truck stop, truck wash, restrooms, truck repair center, travel center and four possible out parcels for land near that adjoins 416 Chestnut Ridge Road near Exit 39 in Marion. The developer has confirmed that Circle K, Wendy's and Subway would locate to the development. The proposal was approved by Smyth supervisors in March, 2022. The project would be built in two phases, with the first allowing the facility to accommodate about 200 tractor-trailers and the second phase allowing the facility to accommodate 500 tractor-trailers. Construction could begin by the end of 2022 or early-2023.
- **JWM Enterprises** plans on building a truck terminal, contractor storage yard and a mining, quarrying, mineral expansion and processing operations on nearly 14 acres at 2312-2340 Lee Highway in Marion. County supervisors approved the rezoning and special use permit for the proposal in February, 2022. The proposal involves consolidating an excavation business and trucking company onto a single tract of land.
- **Mount Rogers PACE**, a patient-centered program for clients who are over 55 years of age, is planning to open in the former Marion Police Department building at 555 South Main Street. The building, which is being renovated and expanded, will provide staff for staff office space, a medical clinic, physical and occupational therapy areas, a kitchen, bathrooms and a spacious day room for participants. The facility will employ a center manager, clinic nurse practitioner, clinic RN and home care coordinator, social worker, and activity coordinator in addition to personal care aides, homemakers and drivers.
- **Starbucks**. Construction was completed in the summer of 2022 on a 2,500± square foot retail building fully occupied by Starbucks at 1209 N Main Street in Marion.
- **T-Mobile**. The former Bojangles restaurant at 1408 N Main Street was converted into a T-Mobile store in early-2022.
- **Poe's Pulled Pork**. This new restaurant opened at 1041 E Lee Highway in the Town of Chilhowie in April, 2022.
- **His Grace**, a retailer that sells Christian gifts, apparel, jewelry, books and bibles, opened in April, 2022 at 141 Palmer Avenue in Saltville.
- **Marion Outdoors**, an outdoor clothing and equipment retailer, opened in April, 2022 at 208 E Main Street in Marion.

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- **Community Connection Support Service**, a Galax-based nonprofit, announced in the summer of 2022 that it plans on opening a support center for individuals with developmental disabilities in Marion. The facility would be located on a 4.5-acre property at houses Highway 16 that currently houses a Jehovah’s Witness Kingdom Hall. The facility would be licensed by the Virginia Department of Behavioral Health and Developmental Services.
  - **Lincoln Theatre**, a historic theater building located at 117 E Main Street, is planned to be expanded to offer digital shows and films. This project will create 3.5 full-time equivalent positions, as well as include additional training opportunities for part-time staff and regional students to obtain jobs in technology, digital media and/or film sectors. The proposal also features an upgrade for the theatre’s Main Street marquee.

Also of note is that a new industrial park called Pathway Park is planned to be built at the former 70-acre site of the demolished American Furniture factory in Chilhowie. Over the past year, the Smyth County Economic Development Authority was awarded two \$600,000 grants from the Growth and Opportunity for Virginia (GO Virginia) and the Virginia Tobacco Regional Revitalization Commissions to spend toward infrastructure improvements at the County-owned Park. These funds will be used to install 2,000 feet of eight-inch water line and 1,600 feet of sewer line to the park. Site work could begin by the end of 2022. Although there have been no job announcements at the park, it could ultimately accommodate up to three businesses supporting 600± jobs.

In addition to the above are several businesses that are actively filling vacant positions in Smyth County. Data from the Bureau of Labor Statistics presented in Table 4 showed that there were fewer than 400 unemployed residents of Smyth County as of March, 2022. For comparison, there are over 430 job listings on Indeed for Smyth County at this time, and this almost certainly undercounts total job availability. This mismatch will require new residents for Smyth County.

### **Emory & Henry School of Health Sciences**

Emory & Henry College opened its 15-acre School of Health Sciences in 2014 on the site of the former Smyth County Community Hospital at 565 Radio Hill Road in Marion. The hospital relocated to a new location, just outside the Town limits.

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To date, the College has completed two renovation phases to repurpose the former hospital building to provide over 100,000 square feet of instructional space for the School of Health Sciences and School of Nursing academic programs, awarding both masters and doctoral degrees. The College does not provide on-campus housing for any of its students in Marion, and college staff have noted challenges with securing housing for both staff and students since opening. This has been echoed by area real estate professionals.

Key points related to the campus are as follows:

- The Marion campus currently employs 54 faculty and staff. Total employment is expected to grow by between five and 25 people by 2027. Approximately one third of current employees live in Marion, but this is due to the lack of housing inventory and not due to preference. Many employees began searching for housing in Marion but were unsuccessful and thus commute to Marion daily for work.
- There are 280 students enrolled at the campus for the 2021-2022 academic year. College staff expect total enrollment to grow by at least 20 to reach 300 students in the spring and summer of 2023. Total enrollment is projected to grow by an additional 30 to 40 students by 2026. College staff note that enrollment may grow at a quicker pace, depending on program offerings by 2026, though some of this additional growth could be in online rather than on-campus students.
- The College does not offer any on-campus housing for students at this time. The majority of students live in Marion, although a small number may leave during their final year if their clinical rotations are out of the area.
- College staff note that they have had previous discussions with housing developers about building on-campus housing, but they are in the “exploratory phases” and have no timeline or sites identified for future development.

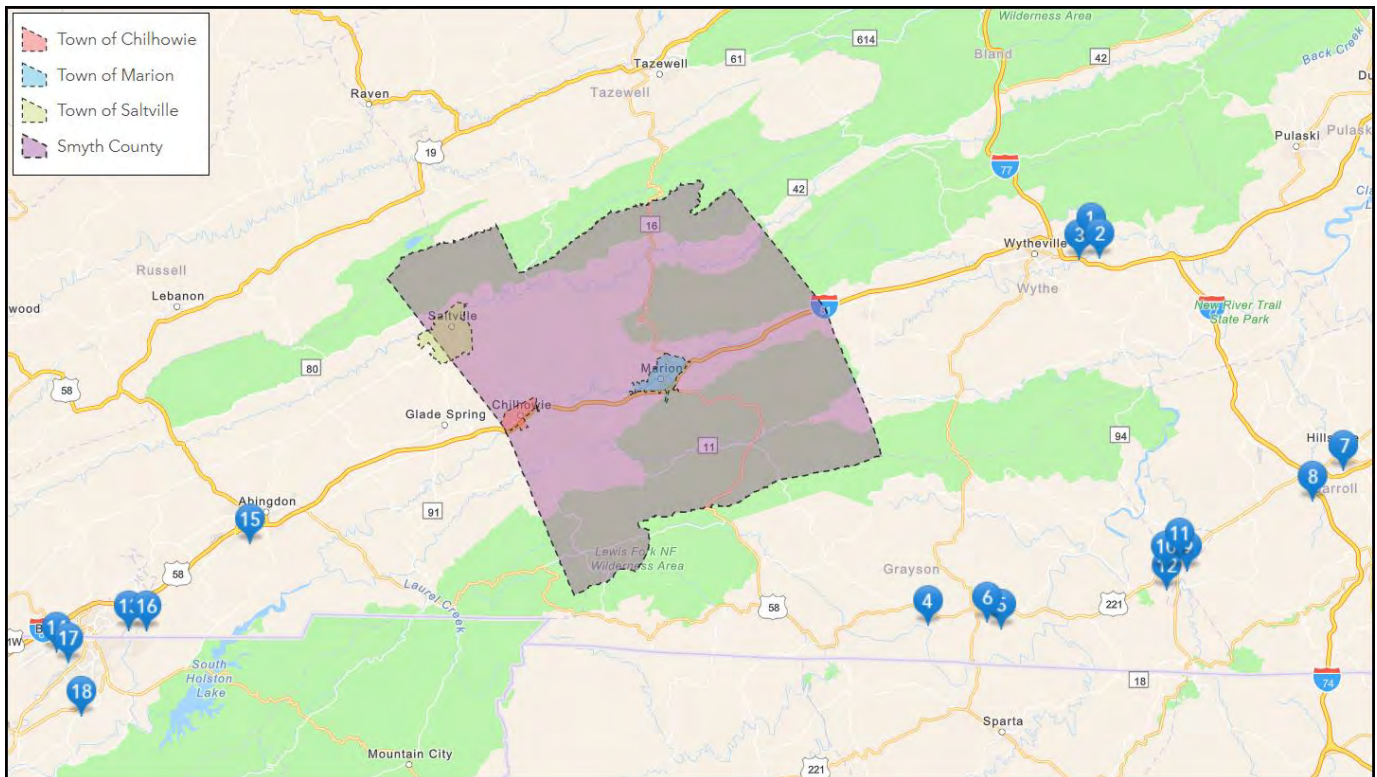
To summarize, Emory & Henry’s Marion campus has brought 280± students and over 50 employees to Marion during a period in which developers built or rehabbed only 120± new apartment units in Smyth County. Thus, enrollment growth has considerably outpaced apartment unit deliveries, constraining an already tight housing market and crowding out the non-student market. Future enrollment growth at the College’s Marion campus, which could total up to 60 new students by 2026, will support additional housing unit demand.

## Regional Job Growth (Mount Rogers Planning District)

Apart from the new job announcements within Smyth County is a substantial level of future employment growth in neighboring counties and cities, elsewhere in the Mount Rogers Planning District. These announcements are listed in Table 5 below and represent a shift from past, slow growth trends. Most are for manufacturing positions with annual wages starting at approximately \$35,000. In total, these employers will add over 8,800 new jobs to neighboring counties and cities. Most of these are located in rural areas that are also facing housing shortages and should be filled within the next two to three years.

	<u>Map B Key</u>	<u>New Jobs</u>
<b><u>Wythe County</u></b>		
Blue Star NBR	1	2,464
STS Group AG	2	120
Trager Grills	3	<u>15</u>
(Subtotal)		(2,599)
<b><u>Grayson County</u></b>		
Woodgrain	4	100
Grayson Natural Farms	5	40
Metalworx	6	<u>59</u>
(Subtotal)		(199)
<b><u>Carroll County</u></b>		
Mohawk Industries	7	35
New River Polymers	8	<u>50</u>
(Subtotal)		(85)
<b><u>City of Galax</u></b>		
Blue Ridge Eye Care	9	30
Twin County Regional Health Care	10	20
Albany Industries	11	15
First Choice Health Care	12	<u>10</u>
(Subtotal)		(75)
<b><u>Washington County/ Bristol</u></b>		
Amazon	13	200
Hard Rock Hotel and Casino Bristol	14	5,200 1/
1901 Group	15	150
FedEx	16	250
Tennessee Hills Distillery (TN)	17	45
Tri-City Extrusion Inc. (TN)	18	<u>51</u>
(Subtotal)		(5,896)
<b>Total</b>		<b>8,854</b>
Notes: 1/ 2,000 employees in first year. 5,200 within seven years.		
Source: S. Patz & Associates, Inc.		

Map B shows the locations of the 18 job announcements listed in Table 5. Most of these employers are within a 45± minute drive of Smyth County. Census data on local commuting patterns suggest that many Smyth County residents already commute long distances for work, particularly to locations where these employers will add new jobs. Thus, these job announcements may supplement housing demand in Smyth County.



**Map B - Locations of Regional Employment Growth**

The paragraphs below detail each of the above job announcements, most of which are for manufacturing-related positions. The exception is a significant number of higher paying positions at Blue Star NBR LLC as well as a large number of hospitality and service sector jobs associated with the Hard Rock Hotel and Casino Bristol. Excluded are retail, temporary construction and smaller job announcements that are not tracked by any local, regional or state economic development agencies.

- **Blue Star NBR LLC** announced in October, 2021 that it would build a manufacturing facility in Wythe County’s Progress Park for producing rubber medical gloves. It is expected to produce up to 60 billion medical gloves each year from nitrile butadiene

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rubber (NBR) – an oil-resistant, synthetic rubber – at the manufacturing plant in the County’s industrial park. The operation is anticipated to occupy more than 200 acres and will have the potential to triple in size in future phases. It is expected to generate 2,464 jobs by 2026, excluding construction workers. 200 people are expected to be hired by the fall of 2022 to staff the chemical plant portion and at salaries of \$70,000. Hiring for the next phase, to begin in 2024, will be for positions paying \$37,000 a year. About 100 of these positions will be filled initially. Construction began in January, 2022.

- **STS Group AG**, a German auto parts manufacturer announced in April, 2021 that it would establish its first U.S. manufacturing operation in Wythe County’s Progress Park industrial park, creating 120 jobs.
- **Traeger Grills**, the manufacturer of the world’s top-selling wood pellet grill, announced in April, 2021 that it would build a new grill pellet manufacturing operation in Wythe County and create 15 jobs.
- **Woodgrain**, one of the largest millwork companies in the world, announced in August, 2021 that it would purchase and expand the former Independent Lumber sawmill in Grayson County, adding 100 new jobs. Independence Lumber is Grayson County’s largest private employer, and when the sawmill upgrades are complete, it will become the primary supplier for Woodgrain’s Smyth County operation. Hiring has not yet begun.
- **Grayson Natural Farms**, an organic meat snack brand, announced in December, 2020 that it would expand its Grayson County operation by 35,000± square feet, creating 40 jobs. Grayson Natural Farms produces Landcrafted Food, which are grass-fed, organic meat snacks. Its smokehouse and production operations are currently located at 226 Industrial Lane in Independence. The company first opened its facility in 2017. Construction on the expansion is now underway.
- **Metalworx**, a manufacturer of highly-engineered and precision-manufactured components, assemblies and products for industrial uses, announced in June, 2020 that it would relocate its headquarters and manufacturing operations from South Carolina to the former Core Fitness Complex in Grayson County. The move will create 59 new jobs. Approximately 16 jobs have been filled to date.
- **Mohawk Industries**, a flooring manufacturer, announced in January, 2021 that it would expand its Carroll County operation, creating 35 jobs. Mohawk Industries will add 19,000± square feet to its 351 Floyd Pike facility in Hillsville and install new equipment to increase its production speed. Construction should begin soon.
- **New River Polymers**, a Hillsville-based manufacturer of plastic pellets from industrial scrap of medical gowns and face masks, announced in December, 2020 that it would expand its location in the Carroll County Industrial Park by roughly twice its size, while adding approximately 50 new employees by 2025.

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- **Blue Ridge Eye Care**. Family Vision Care at 1022 E Stuart Drive and Blue Ridge Eye Care at 1102 E Stuart Drive combined to form a new practice in March, 2021 at newly built office at 800 E Stuart Drive in Galax. The facility employs approximately 30 people.
  - **Twin County Regional Healthcare**. The 141-bed hospital at 200 Hospital Drive in Galax opened in 1973 and is the only full-service medical facility in the region. With approximately 350 employees (including about 100 physicians), this hospital is among the largest private employers in Galax. The hospital is actively trying to fill approximately vacant positions at this time and expects to add between 20 and 50 staff members by 2026, including a mix of doctors and nurses. There are currently approximately 20 vacancies, primarily for nursing positions.
  - **Albany Industries**, which operates an upholstery manufacturing facility at 626 Creekview Drive in Galax, is actively hiring approximately 15 new employees. These positions typically pay between \$13 and \$14 an hour.
  - **First Choice Health Care** opened a medical practice at 812 W Stuart Drive in Galax in March, 2021. Approximately ten people work at the facility.
  - **Amazon** opened a 72,000± square foot delivery station in an existing building at 103 Thomas Road in Bristol in September, 2021. The facility employs approximately 200 people and has starting wages of \$16.50 per hour.
  - **Hard Rock Hotel and Casino Bristol**. This is a proposed hotel and casino designed to include 2,700 slot machines and 100 table games as well as a 300-room hotel, seven restaurants, four bars, a 3,200-seat live performance venue, an outdoor performance venue with a capacity of 20,000 along with retail and convention space. A temporary casino with 30,000 square feet of gaming space, featuring approximately 900 gaming slots and 20 tables, opened in mid-2022 at 500 Gate City Highway in Bristol and will employ 600 people. The casino facility, to open in the summer of 2024, is expected to employ 2,000 people within a year 5,200 people within seven years.
  - **1901 Group**, a managed IT services provider, announced in March, 2020 that it would establish its third Virginia operations center in the Virginia Highlands Small business Incubator in Abingdon in Washington County where it would employ 150 people. Approximately 30 employees have been hired to date.
  - **FedEx**. Site work began in July, 2022 on a new 251,000± square foot FedEx distribution facility just outside of Bristol in Washington County. The facility is expected to open in 2023 and employ 250 people on a site along Coronet Drive and adjacent to the 72,000± square foot Amazon fulfillment center that opened in September, 2021.



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- **Tennessee Hills Distillery** announced in July, 2022 that it would add a Bristol, Tennessee location to serve as the company's new headquarters. The project is expected to create 45 new jobs by 2027.
  - **Tri-City Extrusion Inc.**, an aluminum extrusion company, announced in May, 2022 that it would expand its Bristol, Tennessee location with the construction of a 120,500± square foot facility at the Bristol Business Park. The expansion will result in the creation of 51 new jobs.

This is a significant level of employment growth and a departure from recent trends in a region that has not recorded net job growth over the past few decades. The casino investment in Bristol and Blue Star NBR facility in Wytheville are among the largest job-generating announcements in the state.

Economic development officials identify several reasons for this accelerated level of job regional job growth. One is the pent-up demand for the products manufactured by these firms. Second are state and local incentives that make new and expanding jobs attractive to the region. Third are the wages that these employers can pay for the "quality" of the local workforce. Employers and local officials report that a key challenge to support this growth is housing availability.

### **Demographic Analysis**

Demographic trend data show population declines in Smyth County since 1990 across its three towns and its larger unincorporated areas. The County's population increased by just over 700 people during the 1990's, almost entirely outside of the three towns. Job expansions, particularly in the manufacturing sector, drove the modest level of population growth during this period. This was a period in which Lea Industries, T.D. Wheel Co., Derby Apparel, Sure-Wood Dimension and Scholle Corp. added a substantial number of new jobs across the County, primarily near I-81.

The population gains of the 1990's were fully offset by population losses between 2000 and 2010, a period in which the County's population declined by 870±. Over 30 percent of the County's population losses during this period occurred in the Town of Marion. Population

declines between 2000 and 2010 were primarily a function of area job losses. There were over 25 mass layoffs during this period, including several major layoffs early in the decade by Virginia House Furniture (749 jobs lost in 2001 and 2002), American of Martinsville (249 jobs lost in 2002), Spring Ford Knitting Co. (118 jobs lost in 2002), Lea Industries (175 jobs lost in 2001), Titan Wheel Corp. (150 jobs lost in 2001) and Utility Trailer Manufacturing (117 jobs lost in 2001).

As of 2021, the population in Smyth County is estimated to total 29,520±, based on the most recent data prepared by the Weldon Cooper Center for Public Service. Thus, Smyth County’s population contracted by an additional 2,690± people between 2010 and 2021, or an average rate of nearly 245 people each year. This is compared to an average annual population decline of nearly 90 during the 2000’s.

Job losses, alongside the lingering impacts of the Great Recession, were the prime contributors to Smyth County’s population decline since 2010. There were four mass layoffs in the County during this period, all of which occurred prior to 2017. The largest was the closure of two Merillat Industries kitchen cabinet panel manufacturing plants in Atkins in 2013. These closures resulted in the loss of 261 hourly and 19 salaried positions.

<b>Table 6: Trends of Population and Households, by Tenure, Smyth County, Virginia, 1990-2021</b>				
	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Smyth County Population	32,370	33,080	32,210	29,520
Town of Chilhowie	1,970	1,830	1,780	1,640
Town of Marion	6,630	6,350	5,970	5,720
Town of Saltville 1/	2,300	2,200	2,080	1,800
Group Quarters Population	1,200	1,090	770	770
Household Population	31,170	31,990	31,440	28,750
Person Per Household	2.55	2.37	2.36	2.34
Households	12,230	13,490	13,320	12,290
Owner Households	9,090	10,000	9,520	8,350
Percent of Total Households	74.3%	74.1%	71.5%	67.9%
Renter Households	3,140	3,500	3,800	3,940
Percent of Total Households	25.7%	25.9%	28.6%	32.1%
Notes: 1/ Partly in Washington County.				
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

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## **Group Quarters Population**

The Group Quarters population is outside of the traditional housing market. It includes persons in hospitals, nursing homes, jails, group homes and dormitories. Smyth County has a small Group Quarters population that totals approximately 770 people, or 2.6 percent of the total population. The Group Quarters population in Smyth County is primarily comprised of seniors at Francis Marion Manor Health & Rehabilitation in Marion and Valley Rehabilitation and Nursing Center in Chilhowie as well as inmates at the Marion Correctional Treatment Center.

The Group Quarters population is subtracted from total population to determine household population. Household population is the basis for determining housing unit demand. There is no growth in the Group Quarters Population in spite of a growing senior population, likely due to seniors moving from the area at retirement. There are only three assisted living facilities in Smyth County, and two are small with fewer than 30 beds.

## **Households**

During the 1990's, the number of households in Smyth County, i.e., occupied housing units, increased more rapidly than the population. This was a reflection of a sizable decline in the market area's average household size, from 2.55 in 1990 to 2.37 in 2000. Driven largely by an aging population, the average household size has continued to fall, albeit at a slower pace, and has reached 2.34 as of 2021.

In 2010, Smyth County had approximately 13,320± households, based on the census count of that year. That is 170± fewer households than in 2000. Based on current population estimates and the continued reduction in average household size, the 2021 estimate for total households is 12,290±. The fact that the total number of households has declined is one reason for a stagnant new home market.

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## **Owner Households**

Smyth County has traditionally had a high percentage of homeowners, ranging between 74.3 percent in 2000 and 71.5 percent in 2010. This is compared with recent state and national average of 67.3 to 65.1 percent, respectively. The high ownership rate during this period was due to limited new rental housing being built. There were 9,520± owner households in Smyth County in 2010. This total is estimated to have fallen to 8,350±, as of 2021. Thus, recent population losses were primarily among homeowners, as the number of renter households has increased since 2010.

## **Owner Households by Income**

Trends in the number of owner households, delineated by income, are presented in Table 7. As previously noted, there has been a decline in the total number of homeowners since 2000 and among most income groups.

The owner household data are delineated into two income categories. First presented is the number of homeowners earning annual incomes between \$40,000 and \$80,000, when reported in constant 2022 dollars. There has been modest decline in this demographic cohort since the 1990's. In 2021, that income category equaled 22.6 percent of total households. This reflects the incomes of most of the employees at the area manufacturing and warehousing facilities. Most of these residents would be unable to purchase a new home under current market conditions.

The second income category under study is owner households earning over \$80,000, when reported in constant 2022 dollars. This represents the potential market for new home sales in the Smyth County marketplace. Nearly a quarter of Smyth County owner households earned incomes at this level in 2021.

Of note is that there has not been growth among owner households in both income categories since 2000, alongside an overall decline in the number of homeowners in Smyth County. This is partly due to limited new housing inventory. The decline in overall homeownership has have been most concentrated among homeowners with lower incomes.

**Table 7: Trends of Owner Households, by Income, Smyth County, Virginia, 1990-2021** 1/

	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Households	12,230	13,490	13,320	12,290
Owner Households	9,090	10,000	9,520	8,350
Percent of Total Households	74.3%	74.1%	71.5%	67.9%
<b><u>\$40,000-\$80,000</u></b>				
Total Households	2,110	2,240	2,130	1,890
Percent of Owner Households	23.2%	22.4%	22.4%	22.6%
<b><u>Above \$80,000</u></b>				
Total Households	1,890	2,470	2,350	2,070
Percent of Owner Households	20.8%	24.7%	24.7%	24.8%

Notes: 1/ Reported in constant 2022 dollars.

Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.

Recent trends show no growth in the owner household market, due in part to slow job growth, but also due to a modest number of newly-built homes for sale. Very few homes over the past decade were financed by developers or contractors and built speculatively. Most new homes were built by lot owners.

### **Renter Households**

The market area had only 3,800± renter households as of 2010, a 300-household increase over the 2000 renter household total. This represents fewer than 30 percent of total households. The modest expansion in the number of renters was despite the fact that essentially no new apartment units were built in Smyth County during this period. This suggests that this growth was driven by the conversion of some owner-occupied homes into renter-occupied homes.

The delivery of over 120 new apartment units since 2010 in Marion has increased the total number of renter households to 3,940±, or 32.1 percent of total households. Thus, much of the population loss detailed in Table 6 has been among homeowners, particularly those with modest incomes.

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## Renter Households by Income

Table 8 details trends in renter households by income in Smyth County. The data show a considerable number of low- and moderate-income renter households, which reflects the County's 390 apartment units with deep rent subsidies alongside the Marion Redevelopment & Housing Authority's 246 housing vouchers. As of 2021, nearly 1,000 renter households earn annual incomes below \$20,000 and nearly 850 renter households earn annual incomes between \$20,000 and \$35,000, when reported in constant 2022 dollars. Many Emory & Henry students, who may have low or no incomes, potentially contributed to the more recent growth of this demographic cohort. Nearly half of Smyth County renters earn annual incomes below \$35,000.

Renter households earning between \$35,000 and \$50,000 generally represent the workforce housing population. As of 2021, these income brackets totaled 740± households, which is a slight increase since 2010. As will be shown, there are only a handful of professionally managed apartment properties serving this sector of the apartment market.

There were 760± renter households earning annual incomes of between \$50,000 and \$75,000 in 2021, representing 18.8 percent of market area renter households. This is an increase of approximately 20 households over the 2010 level. In addition were over 500± renter households that earned annual incomes exceeding \$75,000 in 2021. There has been essentially no growth among high income renter household since 2000 and a decline since the 1990's. There are no upscale apartment properties in Smyth County. These higher-income renters primarily rent larger single-family homes.

Apart from households with low and moderate income, only modest growth has occurred in the renter household market since 2010, due in part to limited job growth but also to a limited expansion of the rental housing stock. Most of the new apartment units that opened since 2010 have served the student market.

	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Households	12,230	13,490	13,320	12,290
Renter Households	3,140	3,500	3,800	3,940
Percent of Total Households	25.7%	25.9%	28.6%	32.1%
<b><u>Under \$20,000</u></b>				
Total Households	940	900	960	990
Percent of Renter Households	29.9%	25.7%	25.3%	25.1%
<b><u>\$20,000-\$34,999</u></b>				
Total Households	420	690	800	840
Percent of Renter Households	13.4%	19.7%	21.1%	21.3%
<b><u>\$35,000-\$49,999</u></b>				
Total Households	610	620	690	740
Percent of Renter Households	19.4%	17.7%	18.2%	18.8%
<b><u>\$50,000-\$74,999</u></b>				
Total Households	520	690	740	760
Percent of Renter Households	16.6%	19.9%	19.5%	19.3%
<b><u>Above \$75,000</u></b>				
Total Households	620	510	520	520
Percent of Renter Households	19.8%	14.6%	13.7%	13.2%
Notes: 1/ Constant 2022 dollars.				
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

### **Senior Population and Households**

Data in Table 9 show net growth among the Smyth County older adult population. The analysis was delineated into two demographic cohorts: (1) The active senior population, defined as adults between the ages 62 and 79, and (2) the older senior population, defined as adults who are 80 and older. The 62 to 79 aged population is defined as “active adults” and represent the sector of the market most likely to consider a “buy-down” home, i.e., a smaller home without maintenance. The population above the age of 79 represents the potential “market” for assisted living or nursing care.

Area employers report that there are a number of retirees each year and a possible demand for age-restricted housing. This has been confirmed by area realtors who report strong demand from seniors looking to downsize but fail to find adequate housing options locally.

In 2010, the active senior population (persons 62 to 79 years of age) in Smyth County totaled 5,640±, or 17.5 percent of the total County population. That percentage is high compared with state and national percentages, which are closer to 12 percent. Over the 2000 decade, a period

in which the general population fell in Smyth County, the net growth of the 62 to 79 age population was 510±. This is compared with a net increase of 280± persons in this age group during the 1990's, accounting for nearly 40 percent of the population growth in Smyth County during that period. Essentially all of the net population growth of active seniors since 1990 was due to persons aging in place and not new seniors moving to Smyth County. The 2021 active adult population totals 5,820±, an increase of 180± over the 2010 level.

Data in Table 9 also show the growth in the number of households with the household head aged 62 to 79 years. In 2010, Smyth County had 3,500± active senior-headed households. By 2021, the total number of households with the head in this age category is estimated to have reached 3,610± households, or 29.4 percent of total households.

As of 2021, the average household size of active senior headed households is 1.61, which is slightly below normal. That difference is due to a large number of single-person senior households in Smyth County.

<b>Table 9: Trends of Senior Population and Households, Smyth County, Virginia, 1990-2021</b> <sup>1/</sup>				
	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Smyth County Population	32,370	33,080	32,210	29,520
Smyth County Households	12,230	13,490	13,320	12,290
<b><u>Active Senior Population and Households (62-79)</u></b>				
Senior Population	4,850	5,130	5,640	5,820
Percent of Total Population	15.0%	15.5%	17.5%	19.7%
Senior Households	3,110	3,320	3,500	3,610
Percent of Total Households	25.4%	24.6%	26.3%	29.4%
Average Senior Household Size	1.56	1.55	1.61	1.61
<b><u>Older Senior Population and Households (80+)</u></b>				
Senior Population	1,080	1,360	1,500	1,590
Percent of Total Population	3.3%	4.1%	4.7%	5.4%
Senior Households	690	890	1,110	1,180
Percent of Total Households	5.6%	6.6%	8.3%	9.6%
Average Senior Household Size	1.57	1.53	1.35	1.35
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				



## Active Senior Population and Households, by Income

Table 10 details trends in senior households by income category in Smyth County between 1990 and 2021. As of 2021, over 1,500 households, or nearly 43 percent of senior-headed households, earned annual incomes below \$35,000, when reported in constant 2022 dollars. This total has declined since the 1990's and remained steady since the 2000's largely due to a lack of housing inventory affordable to this sector of the housing market.

The data show recent growth among modest- and high-income senior-head households since 2010. The growth total for the \$35,000 to \$49,999, \$50,000 to \$74,999 and the \$75,000+ income categories ranged between 30± and 40± households since 2010. No senior housing was built in Smyth County during this period. This growth as almost entirely attributed to seniors aging in place rather than any influx of new seniors to Smyth County.

**Table 10: Trends of Active Senior Households, by Income,  
Smyth County, Virginia, 1990-2021**

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2021</u>
Households	12,230	13,490	13,320	12,290
Senior Households (62-79)	3,110	3,320	3,500	3,610
Percent of Total Households	25.4%	24.6%	26.3%	29.4%
<b><u>Under \$20,000</u></b>				
Total Households	960	740	750	750
Percent of Senior Households	30.9%	22.3%	21.4%	20.8%
Percent of Total Households	7.9%	5.5%	5.6%	6.1%
<b><u>\$20,000-\$34,999</u></b>				
Total Households	750	780	790	790
Percent of Senior Households	24.1%	23.5%	22.6%	21.9%
Percent of Total Households	6.1%	5.8%	5.9%	6.4%
<b><u>\$35,000-\$49,999</u></b>				
Total Households	440	560	610	640
Percent of Senior Households	14.2%	16.9%	17.4%	17.7%
Percent of Total Households	3.6%	4.2%	4.6%	5.2%
<b><u>\$50,000-\$74,999</u></b>				
Total Households	520	570	630	670
Percent of Senior Households	16.7%	17.2%	18.0%	18.6%
Percent of Total Households	4.3%	4.2%	4.7%	5.5%
<b><u>Above \$75,000</u></b>				
Total Households	440	670	720	760
Percent of Senior Households	14.2%	20.2%	20.6%	21.1%
Percent of Total Households	3.6%	5.0%	5.4%	6.2%
Notes: 1/ Constant 2022 dollars.				
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

## Housing Unit Trends

This subsection analyzes the overall housing unit inventory in Smyth County as related to new additions to the market and ages of homes. Table 11 shows census data on total housing units in 2010 and 2020. For comparison purposes, data are shown for Smyth County as well as for the other jurisdictions within the Mount Rogers Planning District. The data show that Smyth County had nearly 330 fewer housing units in 2020 compared to 2010, a decline of 2.1 percent. This mirrors trends in nearly all of the neighboring communities in the Mount Rogers Planning District where the total number of housing units was reduced by over 1,100, or 1.2 percent since 2010. Carroll County is the one jurisdiction that expanded its housing stock, albeit by only ten units.

The key point shown in Table 11 is that there is no net growth in the local or regional housing stock. Since 2010, there was essentially no net new housing additions in the Mount Rogers Planning District. Thus, there are limited housing options even for those who are willing to undertake long commutes.

This is not to say that no new homes were built during this period. The data likely reflect a condition in which a larger number of older homes were demolished over the past decade compared to newer homes that were built.

	<u>2010</u>	<u>2020</u>	<u>Net Change</u>	<u>Percent Change</u>
<b>Smyth County</b>	<b>15,426</b>	<b>15,097</b>	<b>-329</b>	<b>-2.1%</b>
Bland County	3,265	3,200	-65	-2.0%
Bristol City	8,795	8,670	-125	-1.4%
Carroll County	16,569	16,579	10	0.1%
Galax City	3,252	3,156	-96	-3.0%
Grayson County	9,158	8,924	-234	-2.6%
Washington County	25,637	25,424	-213	-0.8%
Wythe County	14,079	13,990	-89	-0.6%
<b>Mount Rogers Planning District</b>	<b>96,181</b>	<b>95,040</b>	<b>-1,141</b>	<b>-1.2%</b>

Source: 2010-2020 Census, U.S. Census Bureau, U.S. Department of Commerce

Table 12 shows the periods when new occupied homes were built in Smyth County. Just over 200 homes were built since 2014, with an additional 239 homes built between 2010 and 2013.

Smyth County did realize the addition of 800± new homes during the 2000's and over 2,000 during the 1990's. However, there has been a steady decrease in new home additions since the 1990's. The key point is that the housing stock is mature, with over 60 percent of Smyth County households residing in that were built prior to 1980.

<b>Table 12: <u>Net Change in Housing Units,</u> <u>Smyth County, Virginia 2020</u></b>		
	<b><u>Number of Homes</u></b>	<b><u>Percent of Homes</u></b>
<b>Occupied Housing Units</b>	<b>12,694</b>	<b>100.0%</b>
Built 2014 or Later	204	1.6%
Built 2010 to 2013	239	1.9%
Built 2000 to 2009	799	6.3%
Built 1990 to 1999	2,020	15.9%
Built 1980 to 1989	1,690	13.3%
Built 1970 to 1979	2,137	16.8%
Built 1960 to 1969	1,967	15.5%
Built 1950 to 1959	1,575	12.4%
Built 1940 to 1949	746	5.9%
Built 1939 or Earlier	1,320	10.4%
Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates		

### **Prevalence of Occupied Substandard Homes**

The final issue related to census data on the Smyth County housing market is the number of substandard housing units. Shown in Table 13 is that there are only 84 occupied homes without complete plumbing facilities and 95 occupied homes without complete kitchen facilities in Smyth County. Combined, these data from the American Community Survey represent less than two percent of total occupied homes. An analysis was not undertaken for homes without telephone connection, as this is no longer a relevant measure of home quality.

Overall, there are likely to be a considerable number of blighted vacant homes, but the number of blighted occupied homes is small. Of note is that over 40 percent of occupied homes in Smyth County were built prior to 1970.

<b>Table 13: Occupied Housing Units by Complete Facilities, Smyth County, Virginia 2020</b>		
	<b><u>Number</u></b>	<b><u>Percent</u></b>
Occupied Housing Units	12,694	
<b><u>Plumbing Facilities</u></b>		
Complete Plumbing Facilities	12,610	99.3%
Lacking Complete Plumbing Facilities	84	0.7%
<b><u>Kitchen Facilities</u></b>		
Complete Kitchen Facilities	12,599	99.3%
Lacking Complete Kitchen Facilities	95	0.8%
Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates		

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### **Section III: Smyth County Housing Market**

The subsection to follow provides a full analysis of the various components that comprise the Smyth County housing market. The for-sale housing market is fully analyzed by home type, including single-family homes, townhomes and patio homes. As will be documented, the for-sale housing market in Smyth County is dominated by the re-sale market, as very few new homes have been built to be sold since the Great Recession. The vast majority of newer homes in Smyth County are single-family homes. Very few townhomes have been built to date and no subdivisions offer patio home designs. There are no age-restricted subdivisions in Smyth County.

Also included in this subsection is a full analysis of the rental market, including both the affordable and market rate rental market. The affordable housing stock is shown to be mature, but generally well-maintained. Although the affordable apartment units target low- and moderate-income households, the majority of these units target low-income households. The affordable apartment properties are typically at full occupancy with extensive waitlists.

There are several market rate apartment properties in Smyth County, though most are small. Since 2016, and following the opening of the Emory & Henry School of Health Sciences, there has been a steady string of new apartment deliveries, including several rehabbed buildings in Downtown Marion. Most of these, however, have been small and have not adequately satisfied demand.

#### **For-Sale Housing Market**

##### **Single-Family Home Market**

Table 14 shows that Smyth County has only four existing subdivisions with unbuilt lots. The only subdivision to start new home or lot sales over the past decade is the 43-lot Hungry Mother Estates, of which only five lots have been sold and only two homes have been built to date. Some of the lots were development with other land uses, including a small apartment building and commercial space. This is the only subdivision listed in Table 14 within the Town of Marion. Home values in this subdivision are in the low-\$300,000's, though all of the homes were lot sales.

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The remaining three subdivisions are located in the Chilhowie area in the western portion of Smyth County. All are mature and were started prior to the Great Recession. The newest subdivision in this part of Smyth County is St. Johns Crossing. Home values in this subdivision are generally in the upper-\$200,000's. Only six of 33 lots have been sold to date. In addition are two older subdivisions—Chestnutwood II and Windhaven—that opened in the early-1990's. These two subdivisions total 71 lots, of which only 32 have been sold.

The key points in Table 14 are as follows:

- Smyth County has only four subdivisions with lots available for new housing unit development. These subdivisions total 147 lots, of which only 43 lots have been sold and 104 lots remain available for new housing unit development. Many of the available lots are situated in the Chilhowie area, but outside of the Town limits.
- All of these subdivisions are comprised of single-family homes, some on large lots. None offer townhome units or patio homes, though some have single-level home designs.
- Development at these subdivisions has been stagnant in recent years.
- None of the subdivisions offer any amenities such as a clubhouse, walking paths or swimming pool. None are served by sidewalks. This is due to the small number of lots.
- The two subdivisions within the towns, Hungry Mother Estates and Windhaven, generate that highest home values. Only five lots have been sold at Hungry Mother Estates since 2018, and only two of these lots were developed with single-family homes. Both of these were lot sales for homes that were built in 2022.
- Lot prices for Hungry Mother Estates average approximately \$40,000. Lot prices for Chestnutwood II and St. Johns Crossing are less expensive, averaging approximately \$20,000 and \$35,000, respectively.
- There is very minimal level of marketing for any of these subdivisions. This is largely because no new, speculative homes are being built and sold.

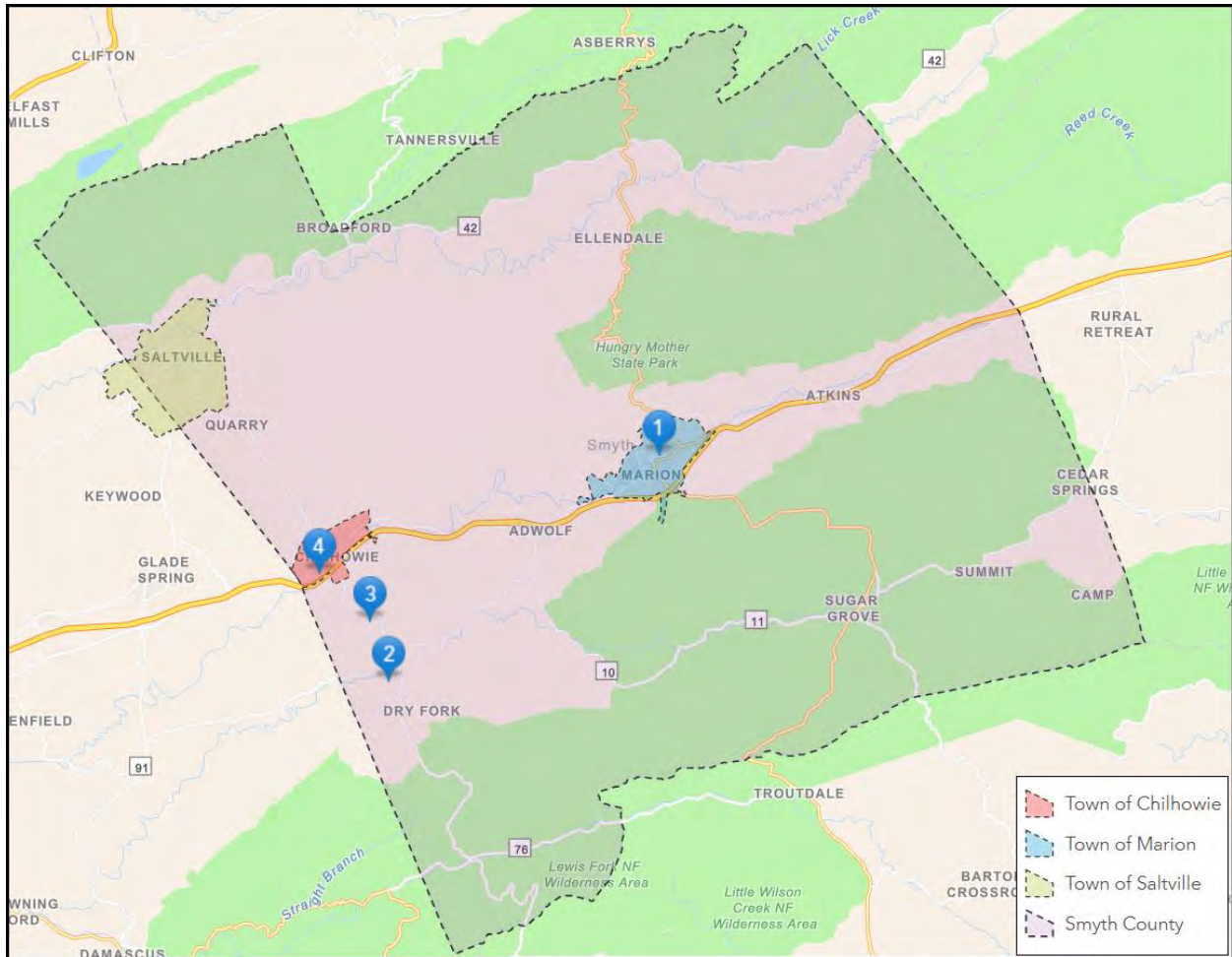
Of note is that the vast majority of activity at these subdivisions consist of lot purchases and owner-built homes. With few exceptions, area contractors and developers have not financed the construction of new homes to be sold at any of these subdivisions for years. Additionally, most of the newer homes in these subdivisions have been valued in the upper-\$200,000's to the

low-\$300,000's, which is more expensive than what most prospective homebuyers can afford at this time. This is partly a function of lot sizes.

Local realtors report that most prospective buyers can afford homes in the \$180,000 to \$200,000 price range, with demand weakening considerably for homes priced above \$200,000. Most prospective buyers in Smyth County are looking for “entry-level or “buy-down” homes. Apart from a handful of exceptions, these subdivisions do not serve these needs.

<b>Table 14: Characteristics of Smyth County, Virginia Subdivisions, August, 2022</b>					
	<b><u>Map C</u></b>	<b><u>Year</u></b>	<b><u>Average</u></b>	<b><u>Lots</u></b>	<b><u>Lots</u></b>
	<b><u>Key</u></b>	<b><u>Started</u></b>	<b><u>Home Value</u></b>	<b><u>Approved</u></b>	<b><u>Sold</u></b>
<b><u>Marion Address</u></b>					
Hungry Mother Estates	1	2018	\$300,000	43	5
<b><u>Chilhowie Address</u></b>					
St. Johns Crossing 2/	2	2005	\$265,000	33	6
Chestnutwood II 2/	3	1994	\$165,000	47	15
Windhaven	4	1993	\$300,000	<u>24</u>	<u>17</u>
<b>Total</b>				<b>147</b>	<b>43</b>
Notes: 1/ Includes only subdivisions with ten or more lots. 2/ Outside Town limits.					
Source: Smyth County, VA GIS Office					

Map C shows the locations of the above four subdivisions. Hungry Mother Estates is located in the Town of Marion and near the Emory & Henry’s Marion campus at the intersection of Callan Drive and Prater Lane. Windhaven is the one subdivision in the Town of Chilhowie. It is located along Haynes Avenue to the west of SR 107 in the north side of the Town. St. Johns Crossing and Chestnutwood II are located south of Chilhowie in unincorporated rural areas of the County to the south of I-81. None of the above subdivisions are in the Saltville area.



**Map C - Locations of Smyth County Subdivisions**

Shown next are photos of typical homes in these subdivisions. The homes at Hungry Mother Estates have upscale designs with attached garages. They are among the most attractive homes in this part of the region. St. Johns Crossing also has large, attractive homes with attached garages. Homes at these two subdivisions, which offer the newest homes in the County, are situated on relatively large lots that average 0.8 acres.





**Hungry Mother Estates**



**St. Johns Crossing**

The homes at Chestnutwood II and Windhaven are generally smaller and with more modest designs. Most are older, as these subdivisions started sales in the early-1990's. All have attached garages. They offer a mix single- and multi-story home designs. All of the homes are well-maintained.



**Chestnutwood II**



**Windhaven**

### **Townhome Market**

There are very few for-sale townhomes in Smyth County. None of the subdivisions listed above in Table 14 offer any townhome units. This is a housing type that should be encouraged in Smyth County, as it provides a “starter home” for young couples and families with more modest incomes.

Smyth County does have one small townhome subdivision in the Town of Marion called Royal Oak Townhomes, though it does not offer traditional townhome designs. This small community has only three buildings (six units) that were constructed in 2019 and 2020 on the south side of N Church Street just north of Downtown Marion. The site had previously housed a factory that produced wagons and farm equipment. They are essentially townhomes in name

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only, as the design is of a three- or four-bedroom home with an attached one-bedroom apartment over a garage with a private entrance. All of the apartment units are occupied at this time and rent for approximately \$800.

Shown next are photos of typical homes at Royal Oak Townhomes. All units have board-and-batten/brick exterior, hipped roofs, oak floors and a two-car garage. There are no steps on the first floor.

These three- and four-bedroom homes sold between the upper-\$300,000's to the low-\$400,000's, including the attached one-bedroom apartment units. These sales prices place these homes at the top of the market. The inclusion of the attached apartment unit over the garage has priced out most prospective homebuyers. One of the homes is listed for sale and has been on the market for over 300 days.



**Royal Oak Townhomes**

Apart from a five-unit single-level townhome community in Abingdon called The Cottages at Willow Run Ph I, no new townhomes are being marketed at this time anywhere in the Mount Rogers Planning District. All homes in this community have three-bedrooms and 2.5 bathrooms. They are listed in the upper-\$200,000's

Two examples of townhome developments at modest price points that are being sold along the I-81 Corridor are shown below. These townhomes, which were recently built and sold by Roanoke-based R. Fralin Homes, could be a successful prototype for Smyth County. The recently

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sold out townhomes shown below are located in Roanoke County and priced in the upper-\$100,000's and low-\$200,000's and are defined as "starter homes." These could likely be built and sold at reduced prices locally as land costs are lower. They are two-level townhomes with brick and/or vinyl exterior and each offering a single-car garage. Nearly all offer three-bedroom floor plans with 2.5 bathrooms.



**Village Green**



**Faircrest**

### **Patio Home Market**

Data presented in Table 9 above documented an expanding senior population. Smyth County has a large and growing senior population, one with home equity and retirement savings, as well as a desire to remain locally if adequate housing was available. Most existing homes in the County, however, are not designed for seniors to age in place, as many are too large, have upper-level bathrooms or require considerable maintenance.

There is a growing market for patio homes in Virginia and nationwide. No patio homes have been built in Smyth County or elsewhere in the Mount Rogers Planning District to date. Patio homes are defined as modestly priced, single-story attached homes with garages. These homes typically range in size from 1,250 square feet to 1,800 square feet. They require a flat development site and can offer a design with fronts of 30 to 40 feet. Patio homes are popular options for senior homebuyers as they have ground level bedrooms and require little or no exterior maintenance.

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This type of home design is fully recommended. It can be within an age-restricted community or for general occupancy, as the one-story concept is equally marketable for the empty nester market. Depending on size and features, these homes can be priced in the low-\$200,000's within the Smyth County marketplace. Photos of newer patio homes built elsewhere along the I-81 Corridor are shown below.



**Berkley Commons**



**Medallion Hills**

**Typical Botetourt County Patio Homes**

**Trends in Building Permits**

Table 15 shows the trends in the number of building permits Smyth County has issued for new homes over the past decade. This total excludes manufactured mobile, and modular homes, which will be evaluated separately.

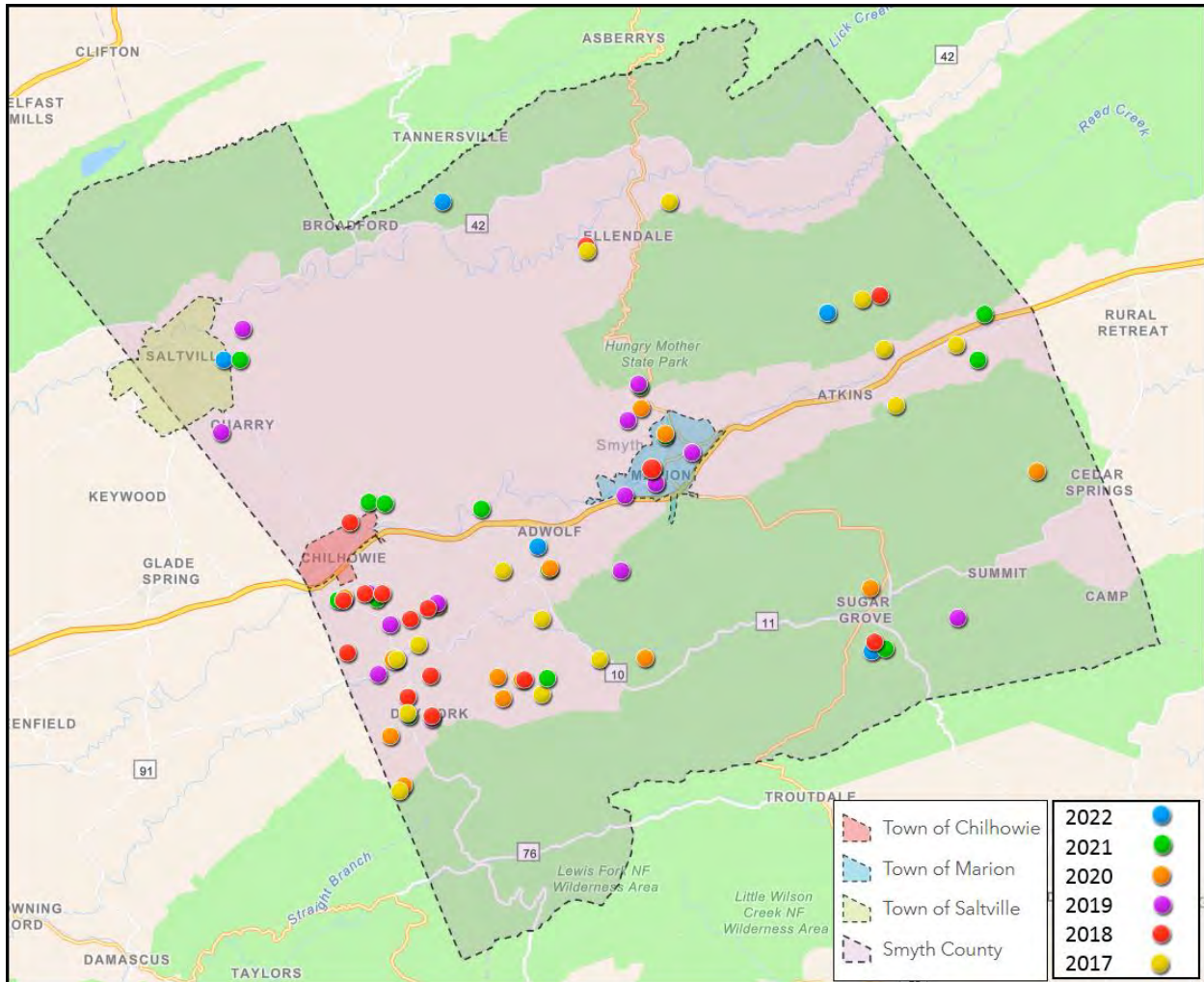
The data show that Smyth County only issued 172 building permits since 2012, or an average of 17 building permits each year. Nearly all of these building permits were for homes that were built on scattered lots throughout the County and outside of the four subdivisions listed in Table 14. Only a small number of these building permits were issued to developers who financed the cost of construction to build new homes to be sold, as most were issued to lot owners. Some of these building permits were for the replacement of older homes, homes burned by fires or homes destroyed by other natural disasters.

	<b><u>Building Permits</u></b>	<b><u>Percent Change</u></b>
2012	13	--
2013	25	+92.3%
2014	19	-24.0%
2015	18	-5.3%
2016	16	-11.1%
2017	14	-12.5%
2018	17	+21.4%
2019	14	-17.6%
2020	16	+14.3%
2021	14	-12.5%
2022 YTD	<u>6</u>	-57.1%
<b>Total</b>	<b>172</b>	

Source: Smyth County, VA GIS Office

Map D shows where the building permits were issued since 2017. The map shows that the majority of these building permits were in rural settings to the south of Chilhowie and in the Marion area. Only four building permits were issued during this period in the Saltville area, and all but one of these permits were for lots outside of the Town limits. None of the recent building permits were issued in the Town of Chilhowie.

Fewer than ten building permits were issued in the Town of Marion, three of which were for Royal Oak Townhomes and two of which were for the two new homes at Hungry Mother Estates. Thus, the majority of the building permits were issued for homesites in rural locations outside of the County's three towns. Very few of these building permits were issued for the speculatively built homes.



**Map D - Locations of New Building Permits (2017-2022 YTD)**

**Mobile/Modular/Manufactured Home Market**

Smyth County has a large number of mobile, modular and manufactured homes, though most of these homes are mature. Manufactured homes and mobile homes are regulated by the Department of Housing and Urban Development (HUD). According to HUD, a factory-built home prior to June, 1976 is a mobile home and one built after June, 1976 is a manufactured home. This is the only difference between the two. Manufactured and mobile homes are prefabricated homes that were built in factories. Modular homes, on the other hand, are also built in a factory but are built in pieces and later assembled at the homesite.

Census data show that the 2,700 homes of this type account for nearly 18 percent of Smyth County’s housing stock. Census data also suggest that at least a quarter of these homes are vacant, and this is likely due to their age. Disposing of or relocating old manufactured homes can be expensive, costing several thousand dollars. 650, or approximately a quarter of occupied manufactured homes in Smyth County, are rented. This represents over 16 percent of occupied rental units in the County.

Table 16 shows recent trends in the number of manufactured home permits that were issued over the past five years. Excluded from the total are several home relocations within Smyth County and a large number of permits that were revoked due to the abandonment of the permit.

Since 2017, permits were issued for 127 manufactured homes in Smyth County, though 51 of these (40.2 percent) involved replacing older or dilapidated homes. Some of these homesites were located in manufactured home parks where tenants own their home and rent the land it sits on. Others were located in scattered lots across the County.

<b>Table 16: Trends in Manufactured Home Permits, Smyth County, Virginia, 2017-2022 1/</b>		
	<b><u>Permits</u></b>	<b><u>Permits (Excluding Rebuilds)</u></b>
2017	31	21
2018	6	4
2019	12	8
2020	25	11
2021	33	15
2022 YTD	20	17
<b>Total</b>	<b>127</b>	<b>76</b>
Notes: 1/ Excludes relocations and revoked permits. Source: Smyth County, VA GIS Office		

For comparison purposes, there were 81 new permits for single-family homes during this period.

**For-Sale Housing Pipeline**

There are no subdivisions in active planning at this time and no properties being studied for new, for-sale housing.



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## For-Sale Housing Summary

Area realtors report that the new home sales market has been dormant since the Great Recession, with essentially all home sales being re-sales. Although there are available lots within subdivisions that could be developed with speculative homes, area homebuilders have shied away from speculative construction as many are still “spooked” by the Great Recession when they were unable to sell homes that they built during that period. Moreover, many of these subdivisions have large lots that necessitate homes that price out most prospective homebuyers. Smyth County has not yet attracted homebuilders from outside of the region.

Many existing homes in Smyth County have outdated designs and require substantial costs to renovate prior to move in. This has deterred some potential homebuyers who prefer move-in ready homes. Most homes that were built new since the Great Recession were not constructed to be sold but were instead built following lot sales. This has been the trend at the four subdivisions listed in Table 14 where lots remain available for new housing unit development.

The new home market is largely untested in Smyth County, as the for-sale housing market is comprised entirely of re-sales, and most of these are for older homes. There are currently only two homes listed for sale in Smyth County that were constructed over the past decade and three that were constructed over the past two decades. Two of these listings exceed \$400,000 and are at the top of the market. Photos of these homes are presented below.



**3BR/ 2BA - \$259,900 (2010)**



**4BR/ 3BA + 1BR/1BA - \$449,000 (2019)**



**4BR/ 3.5BA - \$690,000 (2014)**

Local realtors report that there is strong demand for new homes, but no supply. They report that excluding some out-of-town prospects with higher incomes, the majority of those looking to buy a home are first-time homebuyers. Homes in the \$180,000 to \$200,000 price range are most marketable, based on income, but contractors have reported challenges in building new single-family homes at these prices.

Area realtors report a likely market for townhomes in this price range, particularly for young families, as well as for patio homes, which are most attractive to seniors. As interest rates continue to rise, demand for these homes may soften and transfer to rental demand. Homes priced over \$200,000 are reportedly difficult to sell, particularly to first time homebuyers. Affordability is a key theme.

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## **Rental Housing Market**

To follow is an analysis of the market rate and affordable rental housing markets in Smyth County. As will be documented below, the market rate rental market heavily influenced by students from Emory & Henry College, where enrollment has grown to 280± over the past eight years and is projected to continue expanding until at least 2026. This level of enrollment growth, during a period in which far fewer apartment units were added to the market, has constrained an already tight rental housing market.

The “affordable” rental market is defined as apartment properties with income restrictions in place. The affordable apartment market contains primarily low-income apartment units in which tenants pay 30% of income toward rent. The vast majority of these apartment units are managed by the Marion Redevelopment and Housing Authority. This sector of the housing market is mature, as no new affordable apartment units have been built since the mid-1980’s.

There are no age-restricted apartments in Smyth County, either with market rents or with income restrictions.

### **Market Rate Apartment Market**

Table 17 presents data on the market rate apartment properties in Smyth County. There are a handful of additional smaller and older apartment buildings that were excluded from this list, but these are primarily low-rent apartments properties where data was unavailable or scattered rental units that are individually managed.

The data show that 15 small apartment properties opened in Smyth County since 2006 with a total of 132 apartment units. All but one of these apartment units occupied at this time. Full occupancy is the norm for these rental properties. Some estimates were made in Table 17 regarding unit totals and opening dates, as data was not made readily available by some property managers. However, these are likely to be “in the ballpark.” The vast majority of newer apartment buildings that opened most recently are adaptive-reuse buildings in Downtown Marion. Callan

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Drive Apartments is the one better multi-level apartment building in the County, and it is routinely fully occupied.

In addition are five older apartment properties that were built between the 1910's and 1980's with a total of 176 apartment units. Four of these apartment units are vacant, though most vacancies are due to recent move-outs and are expected to be filled quickly.

The key points in Table 17 are as follows:

- The Smyth County market rate apartment market as at full occupancy. Management at newer and older apartment properties universally report that vacant apartment units fill up quickly.
- Nearly 60 percent the market rate apartment properties are now over four decades old, yet these remain filled despite their age. This is due to the level of pent-up demand.
- None of these apartment units are designed for seniors and none offer community amenities apart from on-site laundry facilities. Some of the Downtown adaptive-reuse buildings do have elevators.
- Over 120 of the 130 newer apartment units delivered since 2016 with an average absorption pace of 20± apartment units per year. This was a period of modest employment growth. The principal driver of new apartment unit demand since 2016 was the opening of the Emory & Henry School of Health Sciences in Marion.
- No new apartments were built between 1982 and 2005.
- All of the new apartment properties are small, with fewer than 20 apartment units. Most offer in-unit washers and dryers.
- These are primarily small one- and two-bedroom apartment units. Very few apartments are designed for families with children.

The historic lack of apartment availability has driven many area employees to commute from outside of Smyth County for adequate housing, generally in neighboring communities along the I-81 Corridor. These are long commutes and in some cases for apartment units with higher rents compared to those in Smyth County.

**Table 17: Characteristics of Market Rate Apartment Properties, Smyth County, Virginia, August, 2022**

	<u>Map E Key</u>	<u>Type</u>	<u>Year Opened</u>	<u>Total Units</u>	<u>Vacant Units</u>
<b><u>Newer Apartments</u></b>					
137 East Main Street	1	Adaptive-Reuse	2020 1/	10 2/	1
Callan Drive Apartments	2	New Construction	2019	12	0
Royal Oak Townhomes	3	New Construction	2019	3	0
Campus View Apartments	4	Adaptive-Reuse	2019	3	0
Center Building Apartments	5	Adaptive-Reuse	2018	19	0
Ford Building Apartments	6	Adaptive-Reuse	2018	4	0
Harwood Apartments	7	Adaptive-Reuse	2017	15	0
Herb House Apartments	8	Adaptive-Reuse	2017	15	0
109 Pendleton	9	Adaptive-Reuse	2017	3	0
Terrace Drive Apartments	10	Adaptive-Reuse	2017	8	0
Francis Apartments	11	Adaptive-Reuse	2016	18	0
College Hill Apartments	12	Adaptive-Reuse	2016	8	0
Radio Hill Apartments	13	New Construction	2016	4	0
Broad Street Loft Apartments	14	Adaptive-Reuse	2008 1/	4	0
703 North Apartments	15	New Construction	2006	<u>4</u>	<u>0</u>
<i>(Subtotal)</i>				<i>(130)</i>	<i>(1)</i>
<b><u>Mature Apartments</u></b>					
Park Terrace Apartments	16	New Construction	1981	98	1
Heatherwood Apartments	17	New Construction	1975	32	3
Presidential Apartments	18	New Construction	1966	18	0
White Hall Apartments	19	New Construction	1960	16	<u>0</u>
Royal Oak Apartments	20	New Construction	1913	<u>12</u>	<u>0</u>
<i>(Subtotal)</i>				<i>(176)</i>	<i>(4)</i>
<b>Total</b>				<b>306</b>	<b>5</b>
<b>Vacancy Rate</b>					<b>1.6%</b>

Notes: 1/ Estimated opening year.

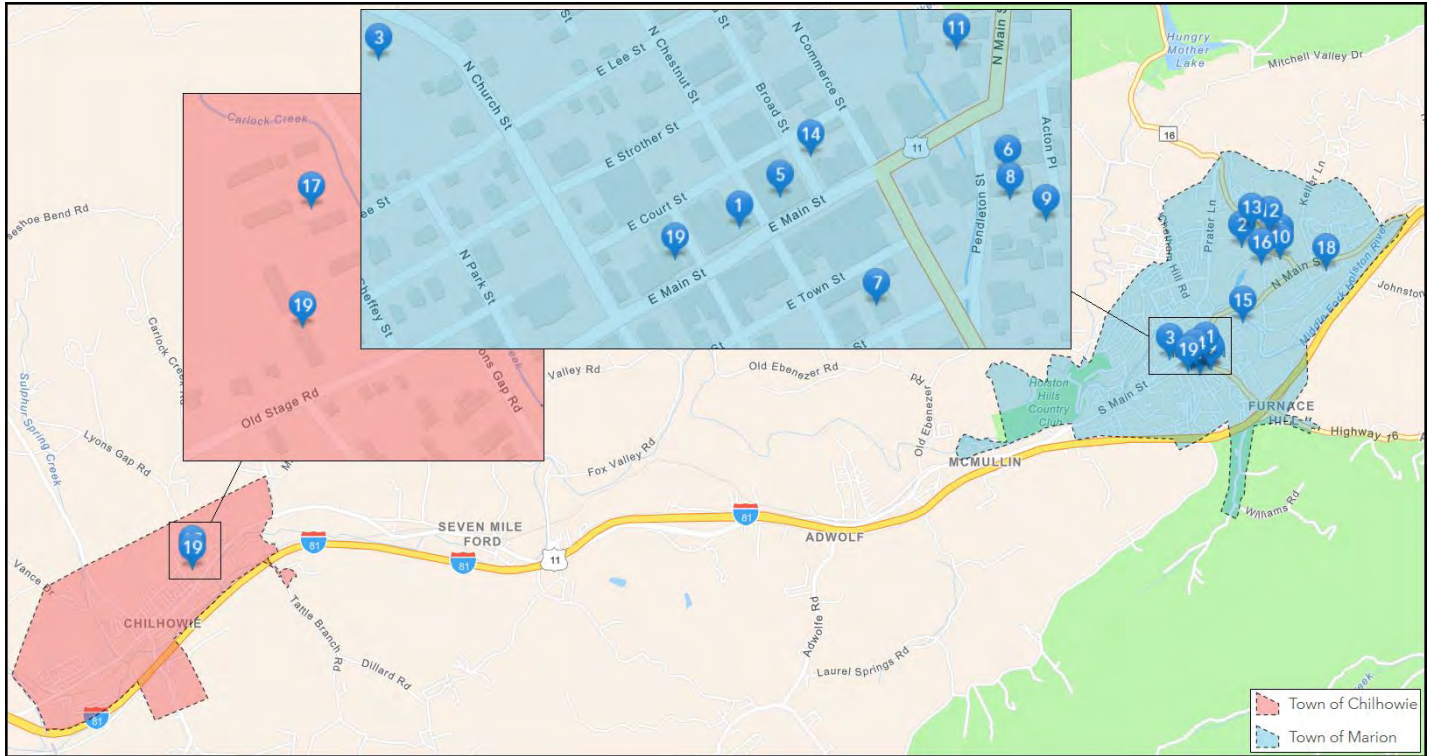
2/ Estimated unit total.

3/ Recently renovated.

Source: S. Patz & Associates, Inc.

Map E identifies the locations of the 20 market rate apartment communities under study. All are shown to be located within the Town limits of Chilhowie and Marion. None are located in the Saltville area. The two Chilhowie apartments under study are located in the east side of the Town and are among the oldest market rate apartment communities in Smyth County. Despite their age, both are typically at or near full occupancy.

The remaining apartment properties are located in the central and eastern portions of the Town of Marion. Ten are located in the Downtown area with the remaining generally located along SR 16 and U.S. Route 11, closer to the Emory & Henry School of Health Sciences.



**Map E - Locations of Market Rate Apartment Properties**

Shown next are photos of the newer apartment buildings in the market that were built since 2006. All are located in Marion, and most are located within its historic district. The majority of these apartment communities are the adaptive reuse of historic buildings, some in mixed-use buildings.

Three apartment buildings are conversions from office space. College Hill Apartments is the conversion of the former Snider Street Medical Arts Building. Campus View Apartments is the conversion of a doctor’s office into three apartment units. The top floor of this building is a child advocacy center. Terrace Drive Apartments is the conversion of the former Smyth County Family Physicians building into student apartments.

Only three of the newer apartment communities were newly built. This includes the two-story Callan Drive Apartments. Royal Oak Townhomes contains three one-bedroom apartments over a garage within a small for-sale subdivision. 703 North Apartments was built new but is maturing.



**137 E Main Street**



**Callan Drive Apartments**



**Royal Oak Townhomes**



**Center Building Apartments**



**Ford Building Apartments**



**Harwood Apartments**



**Herb House Apartments**



**109 Pendleton**



**Terrace Drive Apartments**



**Francis Apartments**



**Broad Street Loft Apartments**



**703 North Apartments**





**College Hill Apartments**



**Radio Hill Apartments**

Shown next are the older apartment communities in Smyth County. Royal Oak Apartments (not shown) is the only older, Downtown Marion building. None of the others are adaptive-reuse and most have standard garden or townhome designs.



**Park Terrace Apartments**



**Heatherwood Apartments**



**White Hall Apartments**



**Presidential Apartments**

Data in Table 18 list the rents at apartment properties under study, when they were made available by on-site management. Nearly all of the apartments include the costs of water, sewage and trash within the base rental structure, with several also offering electricity and internet at no additional cost.

In general, the newer one-bedroom apartment units generate rents of between \$600 and \$800. The newer two-bedroom apartment units generate rents of between \$800 and \$1,200. There are very few three-bedroom rents in the County, and most exceed \$1,000. The older apartment properties, which primarily have one-bedroom units, generate considerably lower rents.

**Table 18: Rental Rates of Market Rate Apartment Properties, Smyth County, Virginia, August, 2022**

	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Utilities 1/</u>
<b><u>Newer Apartments</u></b>				
137 East Main Street	\$750	--	--	W/S/T E
Royal Oak Townhomes	\$800	--	--	W/S/T E
Campus View Apartments	\$650	\$900	--	W/S/T I
Center Building Apartments	\$700-\$750	\$800-\$850	--	W/S/T/ I
Harwood Apartments	\$750	\$1,000	--	--
Herb House Apartments	\$750	\$900-\$1,200	\$1,300	W/S/T E
Terrace Drive Apartments	\$675	--	--	W/S/T I E
Francis Apartments	\$600-\$800	\$800-\$1,000	\$975-\$1,025	W/S/T I
College Hill Apartments	\$600-\$800	\$800-\$1,000	\$975-\$1,050	W/S/T I
Broad Street Loft Apartments	\$650	--	--	W/S/T
703 North Apartments	\$650	\$825	--	W/S/T
<b><u>Mature Apartments</u></b>				
Park Terrace Apartments	\$400	--	--	W/S/T
Heatherwood Apartments	\$450	--	--	W/S/T
Presidential Apartments	\$550	\$650	--	W/S/T
Royal Oak Apartments	\$600	\$700	--	W/S/T

Notes: 1/ W = Water; S = Sewage; T = Trash; E = Electricity; I = Internet  
Source: S. Patz & Associates, Inc.

The market for new market rate, rental housing clearly relies on students from Emory & Henry College as well as from area employers. A large proportion of newly built apartment units have served the student market, which has been the source of most new demand growth in recent years.

### **Affordable Apartment Market**

Table 19 lists the affordable apartment complexes in Smyth County. All are general occupancy rental communities with no age restrictions in place. Thus, they are primarily designed for families. Of note is that only Marion Manor targets moderate income households at the 40%, 50% and 60% of Area Median Income (AMI) income levels. The remaining apartment properties, including nearly 240 apartment units managed by the Marion Redevelopment & Housing Authority (MRHA), serve low-income households with tenants paying 30 percent of income toward rent.

The paragraphs below detail each of the affordable apartment communities in Smyth County. All are at or near full occupancy and most maintain waitlists.

- 
- **Marion Manor.** This apartment complex, formerly a HUD Section 236 project called Country Club Crossing, is the largest LIHTC apartment community in Smyth County. The 91-unit apartment community contains a mix of five one-bedroom, 64 two-bedroom and 22 three-bedroom apartment units, all with incomes restricted to 40%, 50% and 60% of the Area Median Income (AMI). The community, comprised of seven two-story buildings, opened in the early-1970's and was renovated with Low-Income Housing Tax Credits in 2018. Amenities include an on-site management office, laundry facility and playground. Multiple attempts to reach on-site management were unsuccessful, but this is often the case with fully-occupied apartments.
  - **North Fork Manor.** This is a 56-unit apartment community that opened in 1982 in Saltville. It contains a mix of 22 two-bedroom, 24 three-bedroom apartment units and ten four-bedroom apartment units. The two-bedroom apartment units measure 794 square feet, and each have a single bathroom. The three-bedroom apartment units, with 1.5 bathrooms, measure 1,145 square feet. The four-bedroom apartment units are slightly larger, at 1,242 square feet. Each four-bedroom apartment units has two full bathrooms. All units have project-based vouchers with tenants paying 30% of income toward rent. Amenities include a community room, playground and laundry facility.
  - **Southview.** This apartment complex, which was constructed in 1982, is comprised of five three-story walk-up and two two-story townhouse apartment buildings with a total of 72 apartment units. The complex offers a mix of 46 two-bedroom and 26 three-bedroom apartment units. The two-bedroom apartment units, each with one full bathroom, range in size between 941 and 1,067 square feet. The three-bedroom apartment units have 1.5 bathrooms and range in size between 1,163 and 1,347 square feet. The complex, which is typically at full occupancy with a waitlist, was renovated in 2016. All units have project-based vouchers. Amenities are located in a single-story building that includes a leasing office, community room, laundry room and maintenance area. The community also has a playground. A basketball court was removed during the recent rehabilitation of the apartment property.
  - **Battleground Apartments.** This is a small apartment community in Saltville with 24 apartment units, including four one-bedroom and 20 two-bedroom apartment units. All floor plans have one full bathroom, with the one-bedroom units measures 600 square feet and the two-bedroom units measure 750 square feet. This is a Rural Development (RD) community with all tenants paying 30% of their income toward rent. This the only RD property in Smyth County. There are no on-site amenities at this apartment complex. The community is fully occupied with five households on the waitlist for a one-bedroom apartment units and 18 households on the waitlist for a two-bedroom apartment unit.
  - **The Marion Redevelopment & Housing Authority (MRHA).** This agency owns and manages 238 apartment units across eight different properties in Marion. Apart from five apartment units that are offline due to excessive damages, all units are occupied with a waitlist that extends between six months and year, depending on unit preferences. The apartment units range in size between one and five bedrooms. MRHA manages a diverse mix of unit types, including garden apartments, duplex units and an elevator-served apartment building. All tenants pay a percentage of their income toward rent.

In addition to the above, MRHA issues 246 housing choice vouchers, of which ten are project-based but not at properties owned or managed by MRHA. The waitlist for these vouchers typically lasts a year or longer.

The key points in Table 19 are that (1) Smyth County does not currently offer any affordable apartment properties specifically designed for seniors, (2) Over 80 percent of the affordable apartment units target low-income rather than moderate-income households, (3) nearly all of the affordable apartment units are fully occupied and most maintain waitlists.

**Table 19: Characteristics of Affordable Apartments, Smyth County, Virginia, August, 2022**

	<u>Location</u>	<u>Year Built</u>	<u>Total Units</u>	<u>Vacant Units</u>
<b>LIHTC</b>				
Marion Manor	Marion	1970-1971/18	91	0 5/
<b>Public Housing/ RD/ Sec. 8</b>				
North Fork Manor	Saltville	1982	56	0
Southview	Marion	1982/16	72	0 3/
Battleground Apartments	Saltville	1977	24	0 4/
MRHA Properties 1/	Marion	1982-1986	238	5 2/
(Subtotal)			<u>(390)</u>	<u>(5)</u>
<b>Total</b>			<b>481</b>	<b>5</b>
<b>Vacancy Rate</b>				<b>1.0%</b>

Notes: 1/ Includes multiple properties in Marion on eight scattered sites. Includes Holston View, Severt Hills, Severt Annex, Hume Place, Hamlet Street, Orchard Towers and Millwood. New split system HVAC units and new windows are being installed in all units except Orchard Towers. Siding and roofs have been done on an “as affordable” basis.  
 2/ All vacancies are due to excessive damages and are being filled as they become habitable. MRHA maintains a waitlist that extends between six months and one year, depending on unit type.  
 3/ Waitlist with three households.  
 4/ Waitlist of 23 households.  
 5/ Estimate. Multiple attempts to reach management were unsuccessful.

Source: S. Patz & Associates, Inc.

Shown next are photos of each of the affordable apartment communities in Smyth County. Most have standard garden or townhome designs. The MRHA properties offer a diversity of designs, including garden apartments, duplex units and an elevator-served apartment building. All of these apartment communities are well maintained, and none have any noticeable deferred maintenance issues.



**Marion Manor**



**North Fork Manor**



**Southview**



**Battleground Apartments**



**Holston View**



**Orchard Towers**

**Typical MRHA Properties**



**Hume Place**



**Millerwood**

**Typical MRHA Properties**

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## Apartment Pipeline Proposals

There is currently one small rental building under construction along Snider Street and within walking distance of the Emory & Henry College campus in Marion. It will contain four one-bedroom rental units, all of which have already been leased for \$650± per month. Photos of this building are shown below. The photos show that construction is nearly completed.



**Snider Street Apartments**

In addition to the above is a proposed apartment building by Dr. Ramzi Humsi on Terrace Drive. The proposal calls for six apartment units, which are expected to be occupied by students. Building permits were recently issued.



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#### **Section IV: Available Development Sites**

This section of the housing analysis identifies and evaluates the available sites and buildings that area officials have recognized as most suitable for possible residential development. All have access (or nearby access) to public water and sewer. This is a necessary condition to attract developers from outside of the region. Nearly all of these sites are privately owned. Some of the buildings under study in Marion are located in historic districts, but do not have historic designations. At this time, none of the available properties are being actively studied for new development.

One of the vacant buildings and seven of the available sites are situated within an Opportunity Zone. This provides tax benefits to investors with capital gains designed to encourage long-term private investment in low-income urban, suburban and rural census tracts.

First presented are the available development sites. This is followed by an analysis of available buildings available for adaptive-reuse development.

#### **Vacant and Underutilized Parcels with Residential Potential**

Table 20 lists the multiple vacant and underdeveloped properties in Smyth County that have the most potential for future residential development. The survey was limited to include larger properties exceeding five acres in size that could potentially attract homebuilders from outside of the region. Thus, smaller parcels and those with major development constraints such as topographic issues, difficult access, and properties prone to flooding, were excluded from this analysis.

Nineteen properties were identified as having the most potential for residential development. All of these properties are privately owned and have access to public water. All have direct or close access to public sewer. Seven of these properties are located within Smyth County's two Opportunity Zones.

These properties have a wide range of sizes, ranging from just over five acres on the small end to nearly 350 acres on the large end. Given the large size of many of these properties, there is a potential for a mix of housing types on one property. Most of the properties are zoned for low-density residential uses and would either need to be rezoned or would require a Special Use Permit for most residential development to occur, particularly of the type most in demand.

Most of these properties are located outside of the three towns in unincorporated portions of Smyth County. This is due to the fact that most of the larger parcels in Chilhowie and Marion in particular are improved.

**Table 20: Characteristics of Better Properties with Residential Development Potential, Smyth County, Virginia, August, 2022** 1/

	<u>Map F</u> <u>Key</u>	<u>Tax ID</u>	<u>Location</u>	<u>Acres</u>	<u>Zoning</u>	<u>Water</u>	<u>Sewer</u>
Brown Property	1	46-A-36	Unincorporated	46	Agricultural/Rural (A/R)	●	●
Callan Drive Investments Property	2	170-63-31D	Marion	52	Residential District	●	●
Clark Boundary Property	3	28A8-A-7	Saltville	348	A-1 (Agricultural)	●	●
Duty Farm Property	4	28A13-A-9	Saltville	44	R-1 (Single-Family Residential)	●	Near
GHR Property	5	28A4-A-3B	Saltville	118	A-1 (Agricultural)	●	●
Goodrich Property 2/	6	56-A-11	Unincorporated	214	Agricultural/Rural (A/R)	●	●
Greer Property	7	47-A-16-17B	Unincorporated	115	Agricultural/Rural (A/R)	●	Near
Hawkins Property 2/	8	64-A-24	Unincorporated	107	Agricultural/Rural (A/R)	●	●
Laura Copenhaver Ind. Property	9	46-A-52F	Unincorporated	66	Agricultural/Rural (A/R)	●	●
Marion Land Company Property 2/	10	53-A-35	Unincorporated	280	Agricultural/Rural (A/R)	●	●
Martin Property 2/	11	56C-6-85	Unincorporated	75	Residential (R)	●	●
McNeil Property	12	48-3-2A	Unincorporated	15	Residential (R)	●	●
Miller Property	13	57-1-1	Unincorporated	100+	Agricultural/Rural (A/R)	●	Near
Mowbray Property	14	130-1-2	Marion	20	Residential Zone	●	●
Musick Property	15	46-A-80	Unincorporated	38	Agricultural/Rural (A/R)	●	●
Richardson Property 2/	16	188-153-1	Marion	5.5	Residential Zone	●	●
Sturgill Property 2/	17	53-2-3	Unincorporated	192	Agricultural/Rural (A/R)	●	●
Trammell Property	18	169-51-3B	Marion	5	Residential District	●	●
Whitt Property 2/	19	65-A-15B & 15C	Unincorporated	23	Agricultural/Rural (A/R)	●	●

Notes: 1/ Excludes parcels smaller than five acres.

2/ Located in an Opportunity Zone.

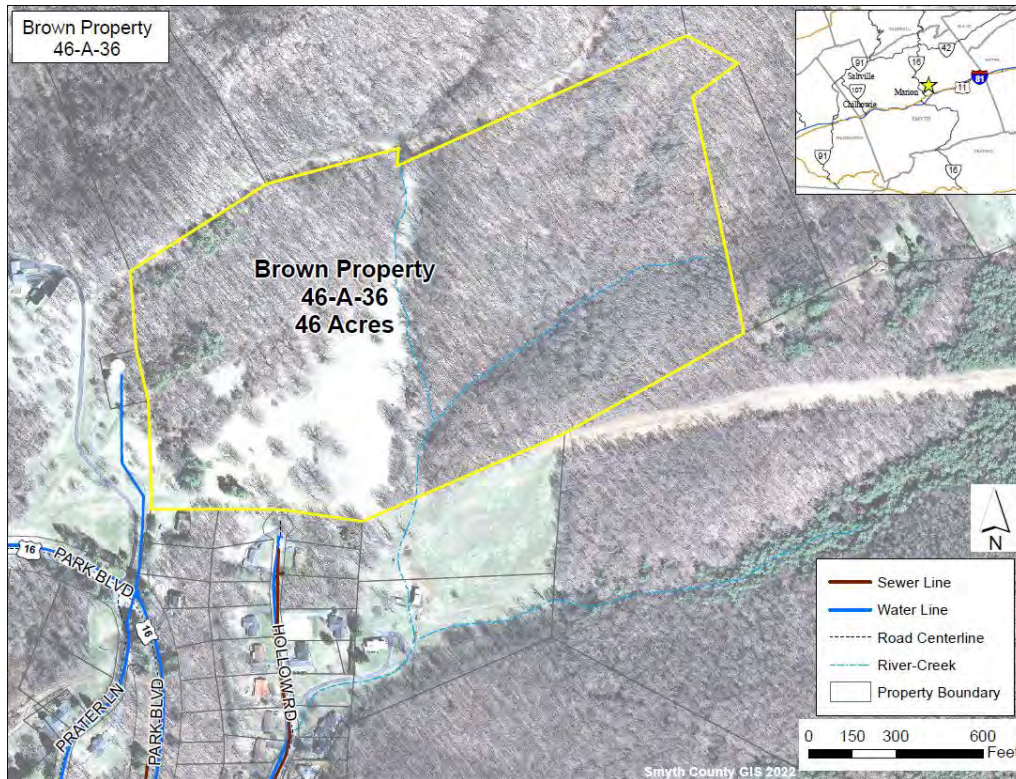
Source: Smyth County, VA; Town of Saltville, VA; Town of Marion, VA; Town of Chilhowie, VA

Map F shows the location of the 19 potential development sites listed in Table 20. Three sites are located in the Town of Saltville. The remaining development sites are located along I-81, primarily around the Town of Chilhowie and Town of Marion. None of the development sites are located within the Chilhowie town limits. Four potential development sites are located in the Town of Marion. All are easily accessible and most have good visibility.



## Brown Property

The Brown Property is a 46-acre, irregularly shaped parcel that is bisected by a stream and is largely wooded. It is located to the north of Hollow Road's dead end, to the immediate north of the Town of Marion in an unincorporated portion of Smyth County. For-sale homes would be the most ideal uses for this large property.



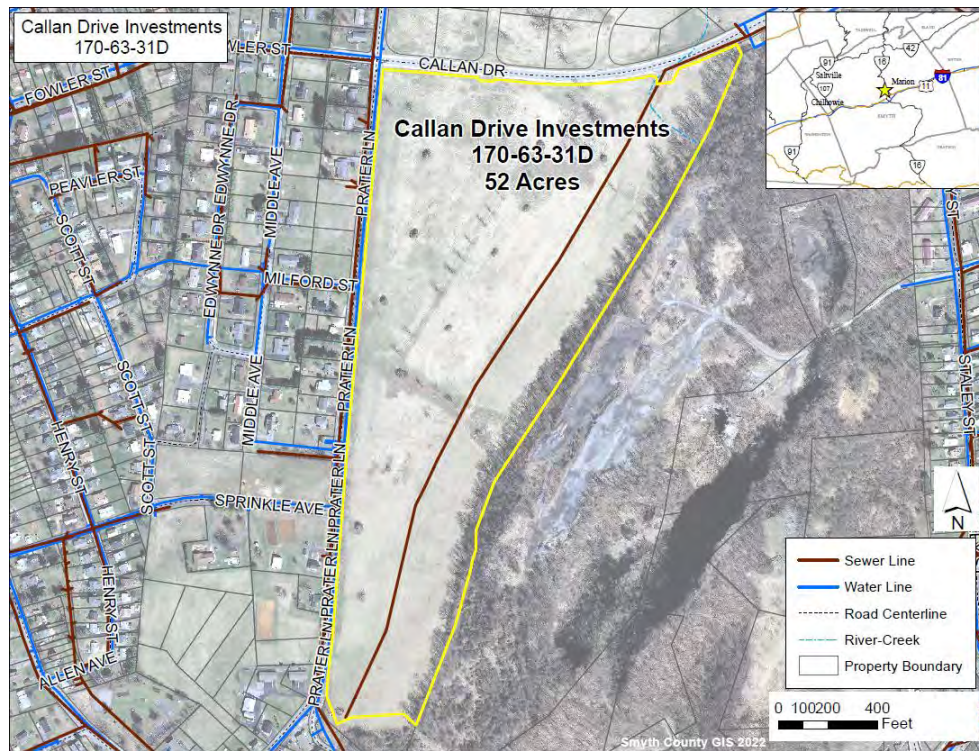
**Map G - Brown Property Location**



**Existing Conditions of Brown Property**

## Callan Drive Investments Property

The Callan Drive Investments property is located south of Callan Drive and east of Prater Lane near the Emory & Henry campus in Marion. This is a sizeable, largely cleared 52-acre property with excellent visibility. It is relatively flat and would be an ideal location for a mix of residential types. This is amongst the most attractive properties available for residential development in the County.



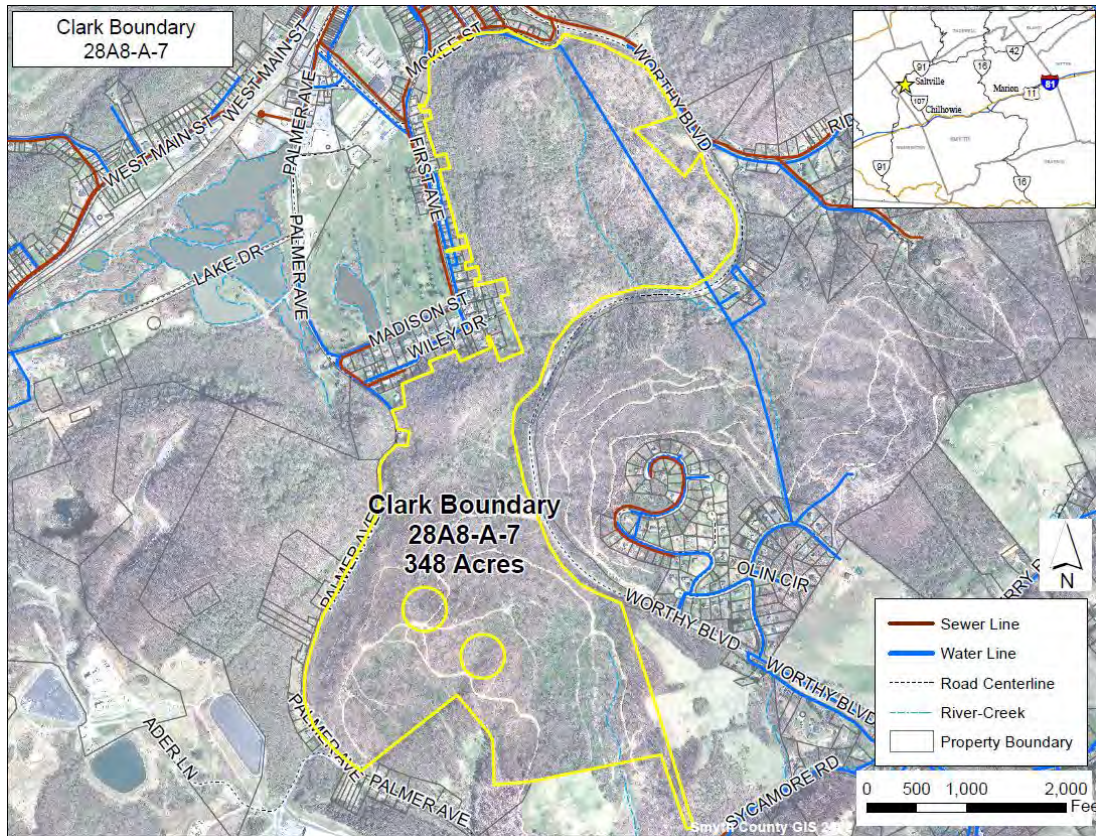
**Map H - Callan Drive Investments Property Location**



**Existing Conditions of Callan Drive Investments**

## Clark Boundary Property

This is a large 348-acre property located on the south side of the Town of Saltville, generally between Worthy Boulevard in the east and Palmer Avenue in the west. It is largely wooded with some topographic challenges.



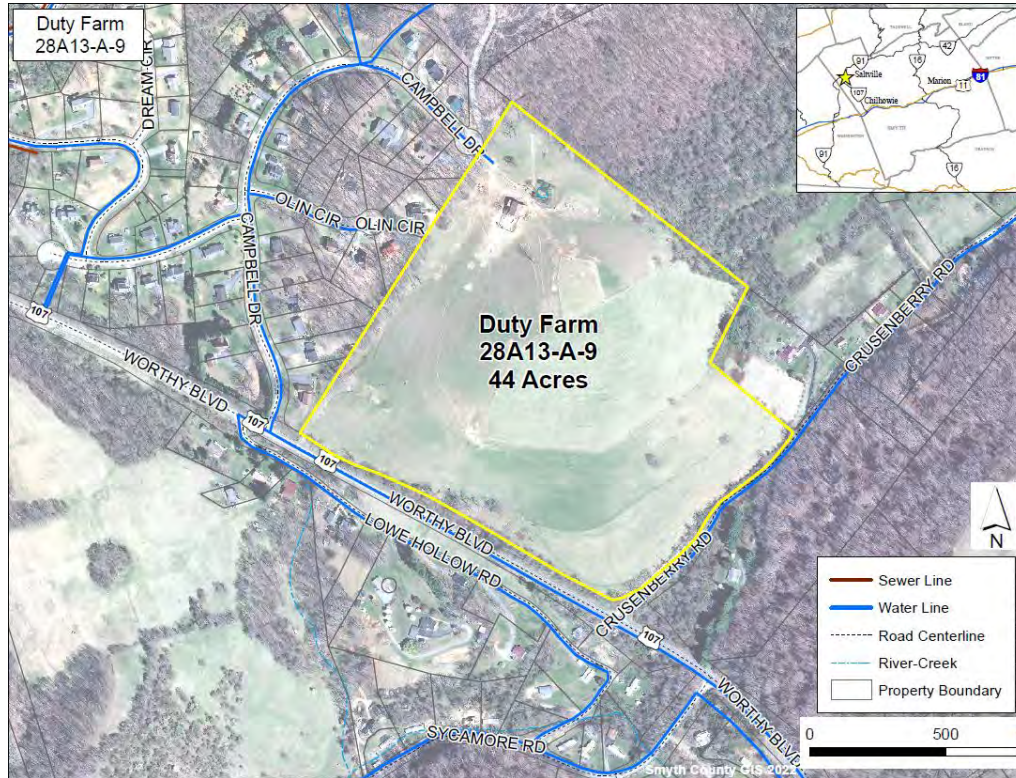
**Map I - Clark Boundary Property Location**



**Existing Conditions of Clark Boundary Property**

## Duty Farm Property

This is an irregularly-shaped underutilized parcel that is largely cleared and located at the northern intersection of Worthy Boulevard and Crusenberry Road in the southern portion of the Town of Saltville. The property is large enough for a variety of residential uses. Although the property has access to water, it is not directly served by sewer (which is available nearby).



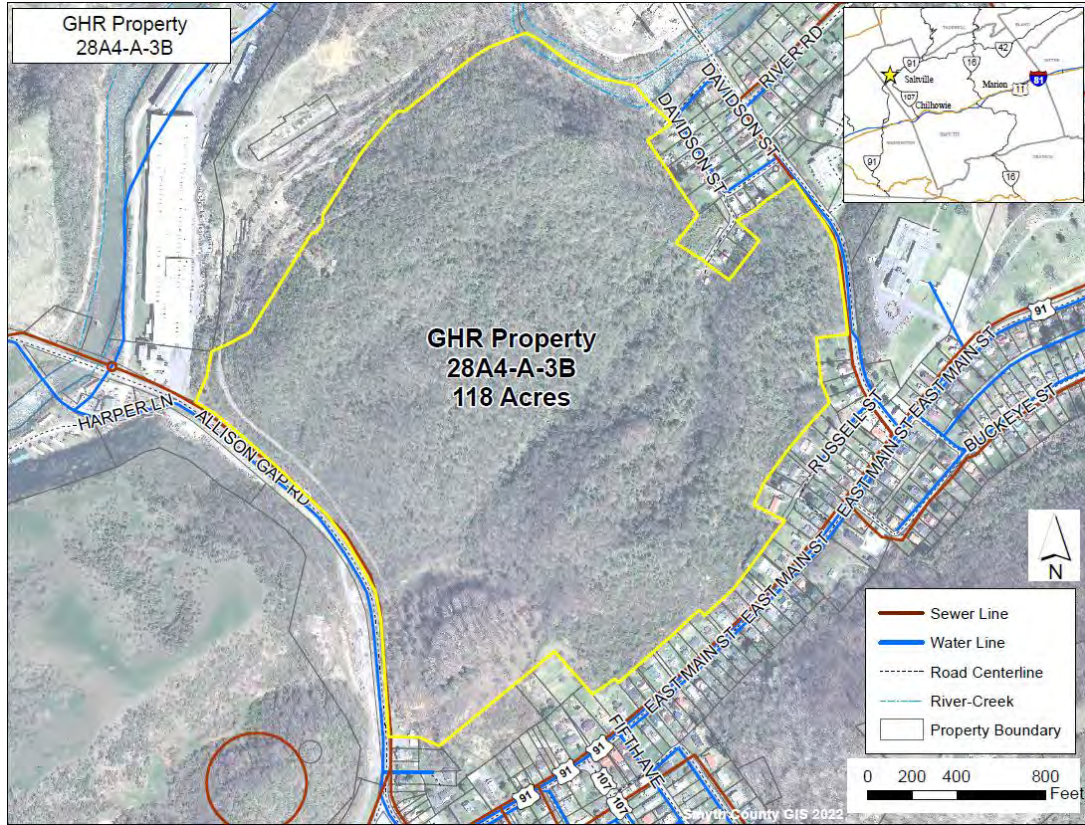
**Map J- Duty Farm Property Location**



**Existing Conditions of Duty Farm Property**

## GHR Property

This large property is located just north of Downtown Saltville on the east side of Allison Gap Road. It is fully wooded and appears to have some topographic constraints.



**Map K - GHR Property Location**

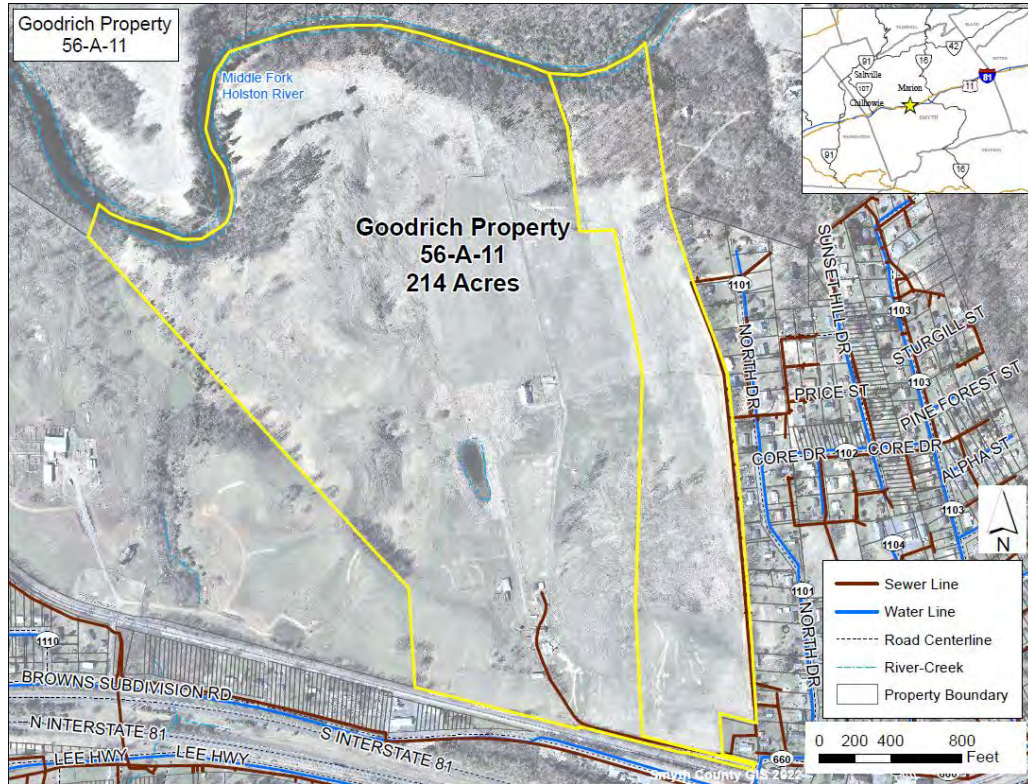


**Existing Conditions of GHR Property**



## Goodrich Property

The Goodrich Property consists of two adjoining parcels spanning 214 acres to the north of Railroad Drive in the Atkins area of the County, just west of Marion. This is a large agricultural property that is bounded in the north by the Middle Fork Holston River. The property is large enough to accommodate multiple residential land uses.



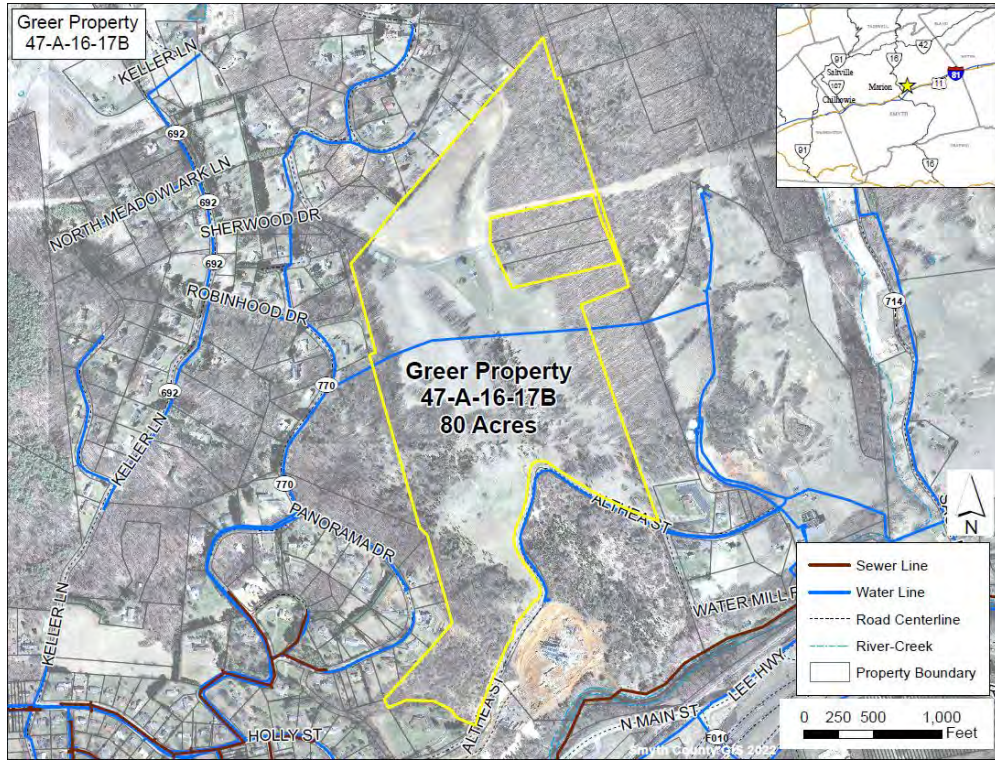
**Map L - Goodrich Property Location**



**Existing Conditions of Goodrich Property**

## Greer Property

This property, which spans 80 acres, is located just northeast of the Marion town limits and north of the Smyth County Community Hospital. The property is irregularly shaped and has a mix of wooded and cleared areas. This property is not directly served by sewer, which is available nearby.



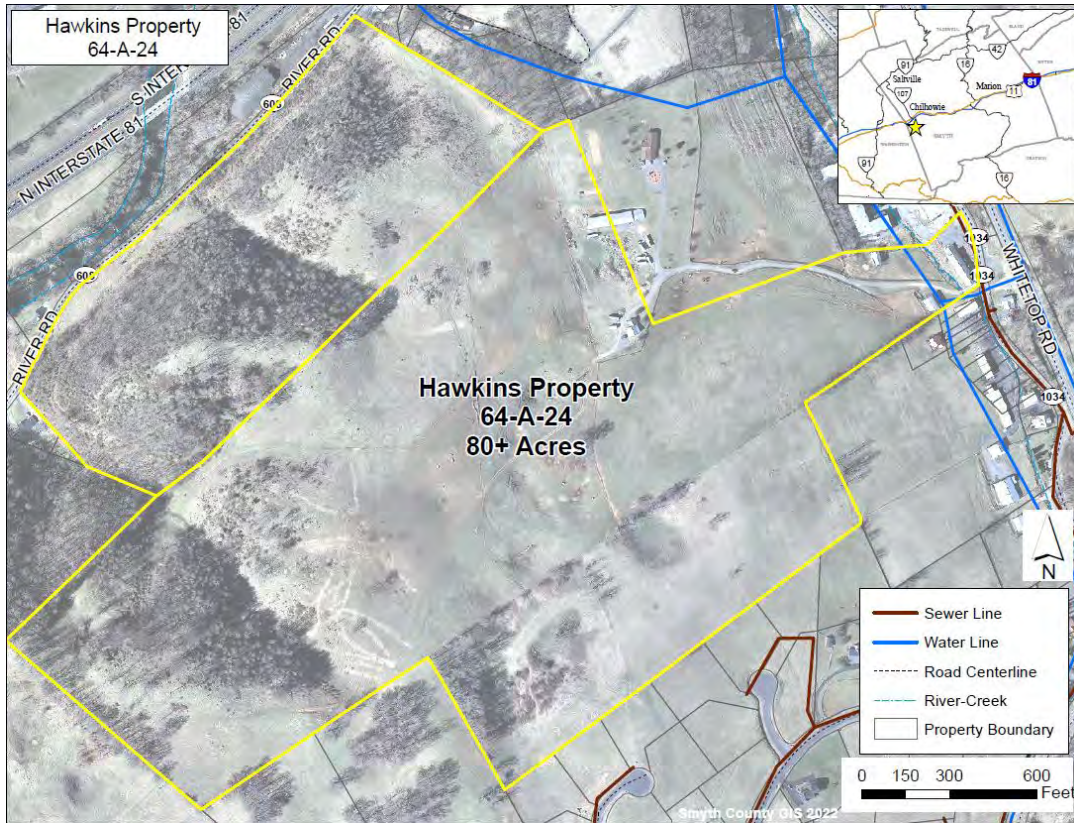
**Map - M Greer Property Location**



**Existing Conditions of Greer Property**

## Hawkins Property

This partially-wooded property of approximately 80 acres is comprised of two adjoining parcels on the south side of River Road near Chilhowie and just south of I-81. It is large enough to accommodate multiple housing types.



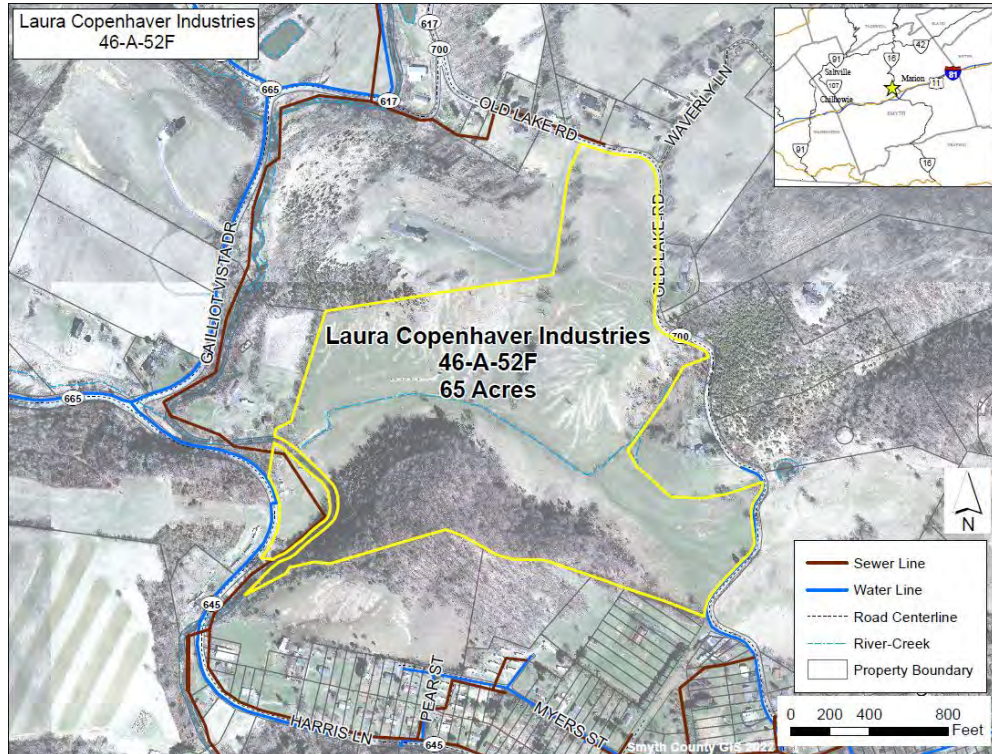
**Map N - Hawkins Property Location**



**Existing Conditions of Hawkins Property**

## Laura Copenhaver Industries Property

This is a 65-acre property located in an unincorporated part of Smyth County just northwest of Marion and to the west of Old Lake Road. It is partially wooded with some topography. The site would best accommodate for-sale homes, though it is large enough for multiple residential land uses.



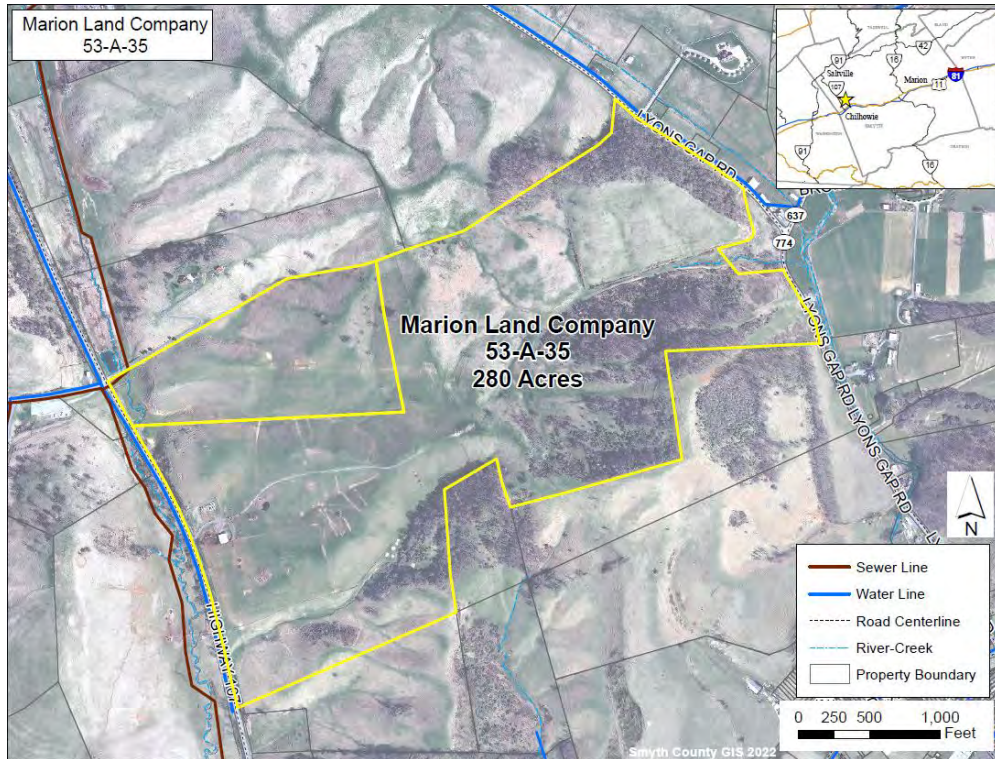
**Map O - Laura Copenhaver Industries Property Location**



**Existing Conditions of Laura Copenhaver Industries Property**

## Marion Land Company Property

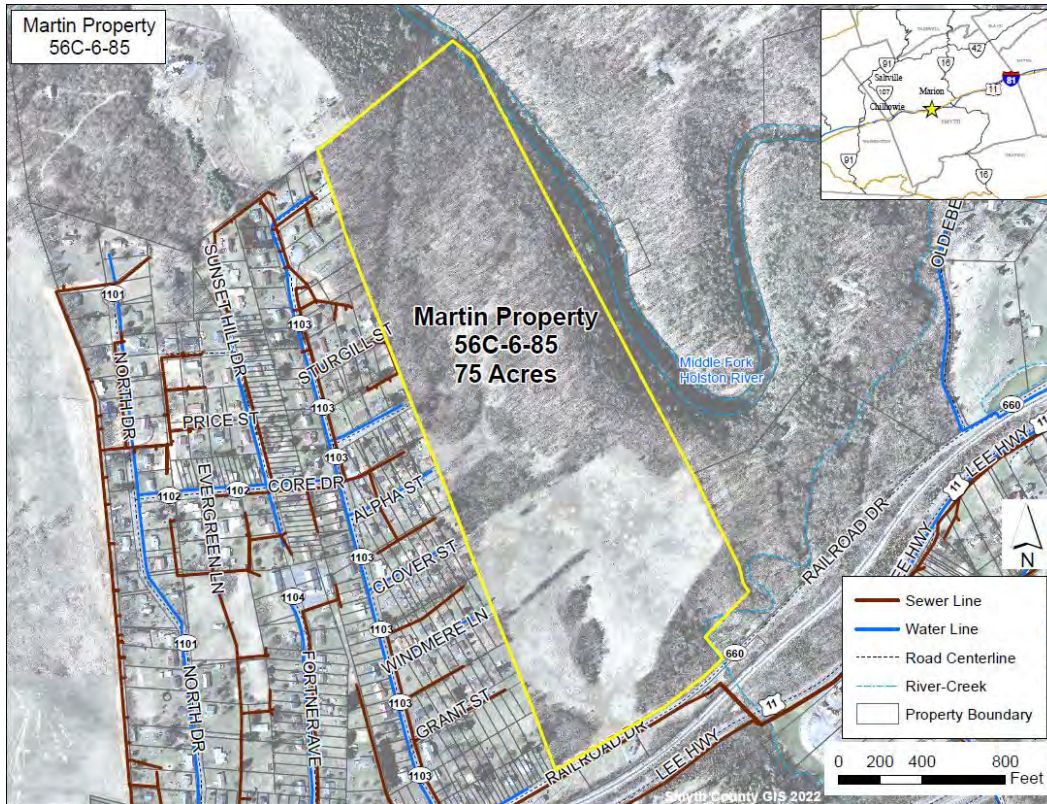
The Marion Land Company Property is comprised of two parcels totaling 280 acres between Lyons Gap Road in the east and SR 107 just north of the Town of Chilhowie. This is an attractive property that is partially wooded and could accommodate various housing types, including patio homes.



**Existing Conditions of Marion Land Company Property**

## Martin Property

The Martin Property is located near the Goodrich Property to the north of Railroad Drive in the Atkins area of the County, just west of Marion. This is a 75 acre, partially wooded property that is large enough to accommodate multiple residential land uses.



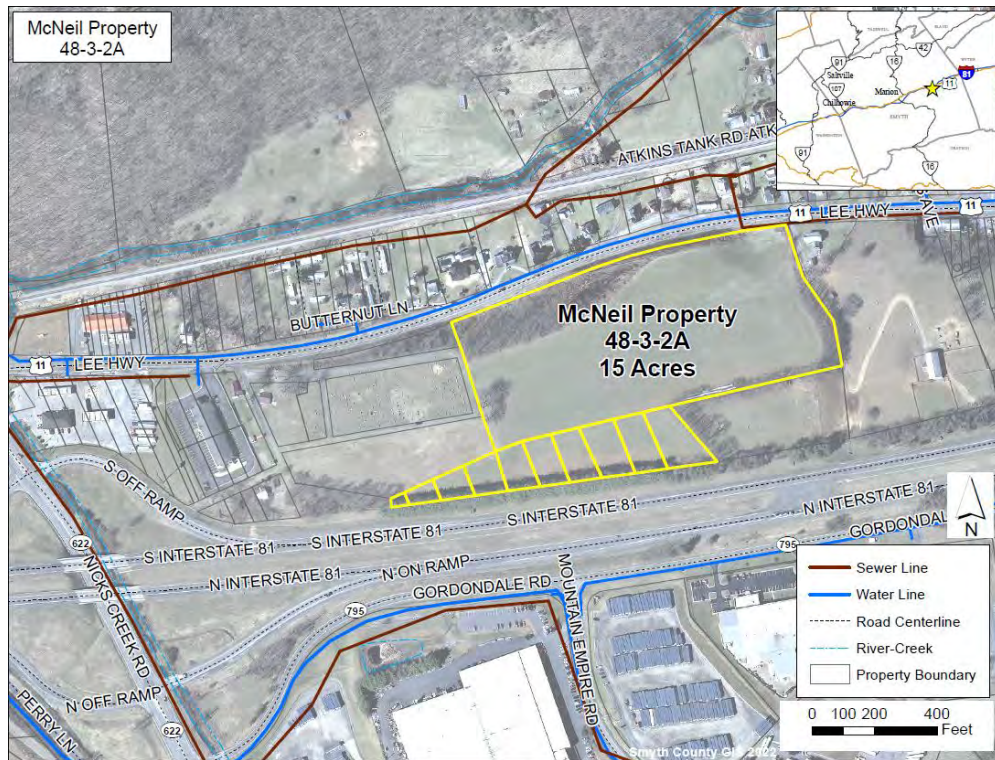
**Map Q - Martin Property Location**



**Existing Conditions of Martin Property**

## McNeil Property

The McNeil Property contains multiple parcels spanning 15-acre on a largely cleared parcel between Lee Highway in the north and I-81 in the south near Atkins' industrial cluster. This could be viable location for apartment unit development.



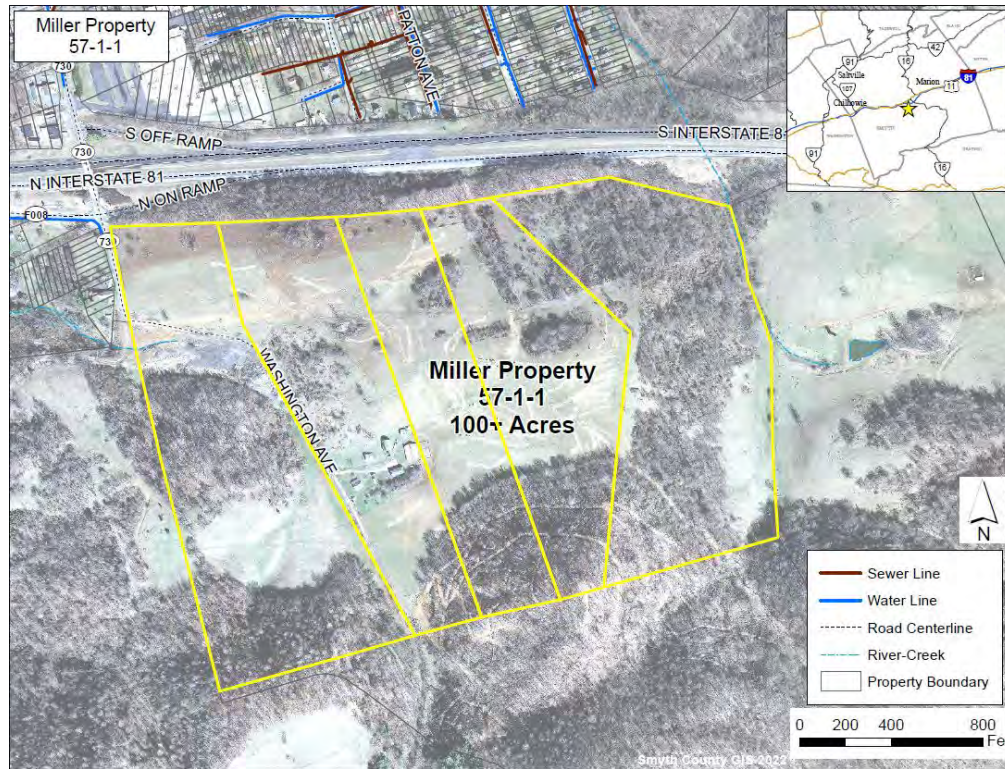
Map R - McNeil Property Location



Existing Conditions of McNeil Property

## Miller Property

The Miller Property is located just south of Marion and I-81, on the east side of Washington Avenue. It is comprised of five adjoining, partially wooded parcels spanning over 100 acres. The property does not have direct access to sewer, though sewer lines are located nearby.



**Map S - Miller Property Location**

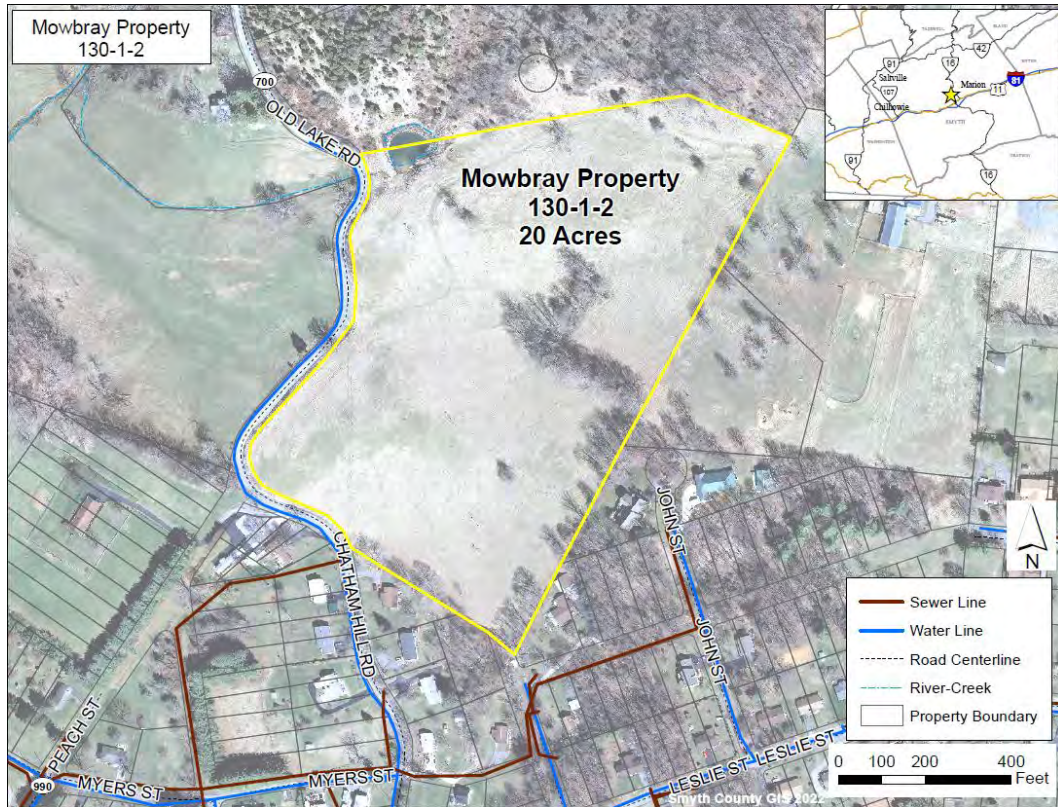


**Existing Conditions of Miller Property**



## Mowbray Property

The Mowbray Property is located at the northwestern edge of the Town of Marion, to the east of Chatham Hill Road. It is largely cleared, generally flat and spans approximately 20 acres. This could be a viable location for for-sale homes, particularly patio homes.



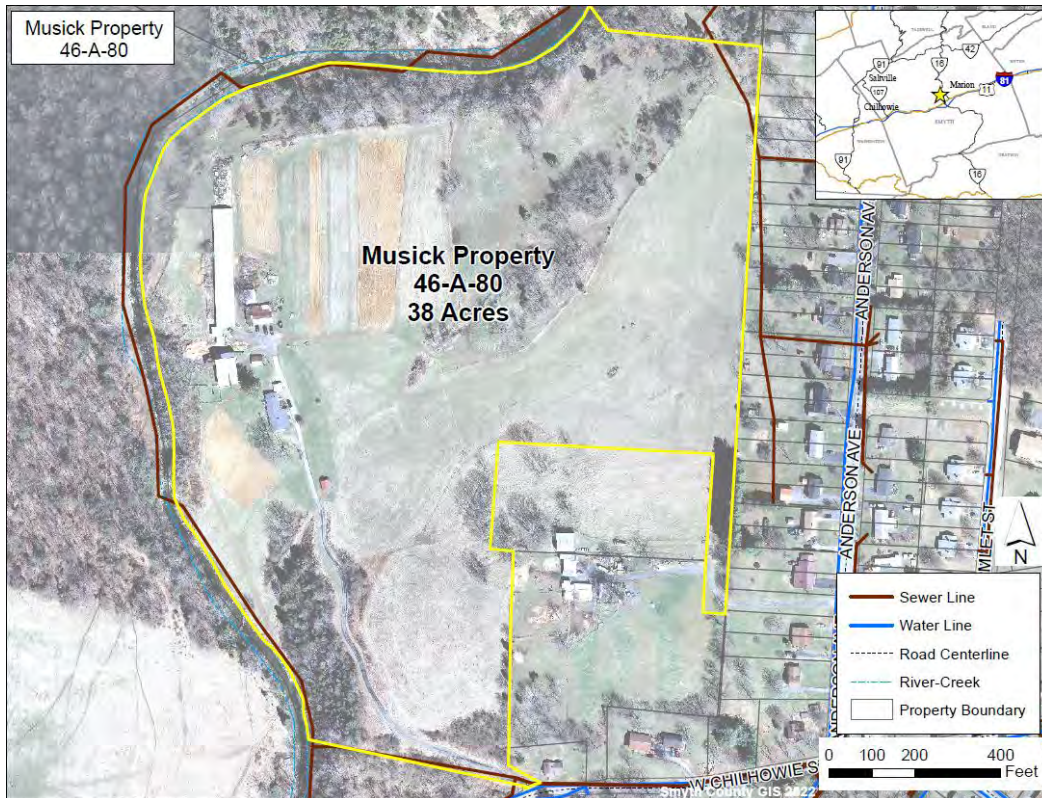
**Map T - Mowbray Property Location**



**Existing Conditions of Mowbray Property**

## Musick Property

This is a 38-acre, underutilized property located just west of the Town of Marion on the north side of W Chilhowie Street. The property was most recently used for agricultural uses and is largely cleared of trees.



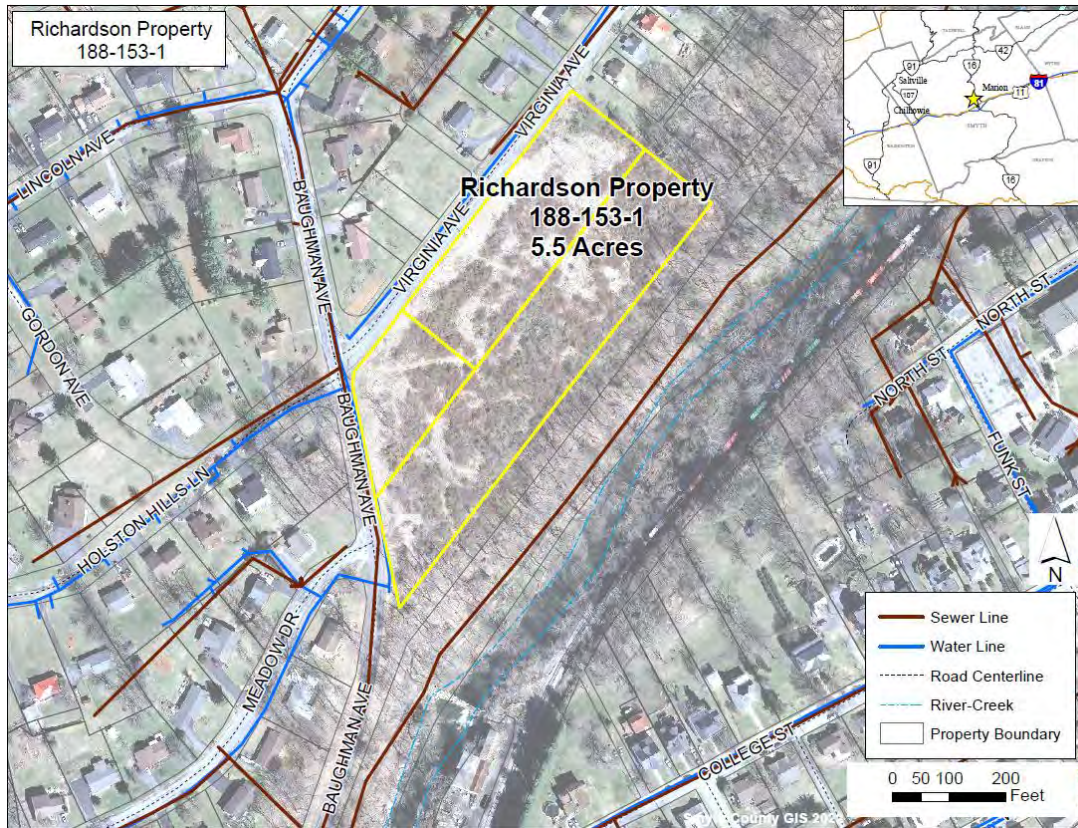
**Map U - Musick Property Location**



**Existing Conditions of Musick Property**

## Richardson Property

The Richardson Property contains 5.5 acres in three parcels at the southeastern intersection of Virginia Avenue and Bauchman Avenue just west of Downtown Marion. The property is largely wooded but could be a viable location for new apartment unit development.



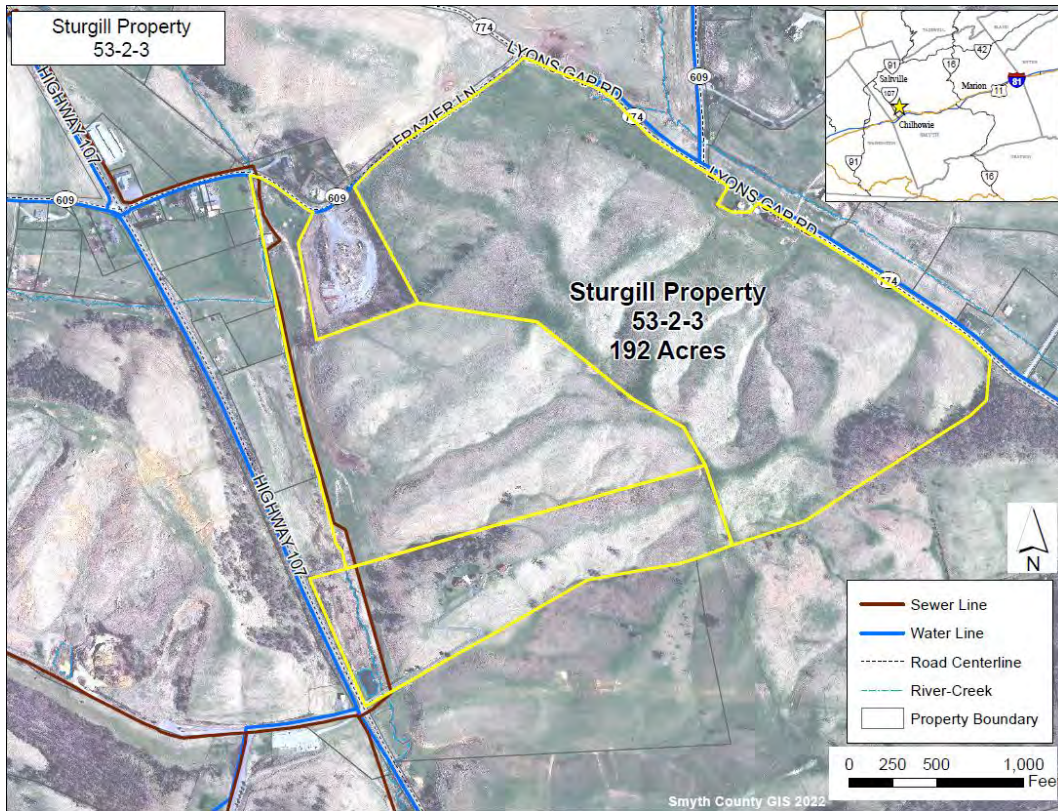
**Map V - Richardson Property Location**



**Existing Conditions of Richardson Property**

## Sturgill Property

The Sturgill Property is large, at over 190 acres, and is located north of Chilhowie, generally between SR 107 in the west and Lyons Gap Road in the east. It is largely cleared and could accommodate various housing types.



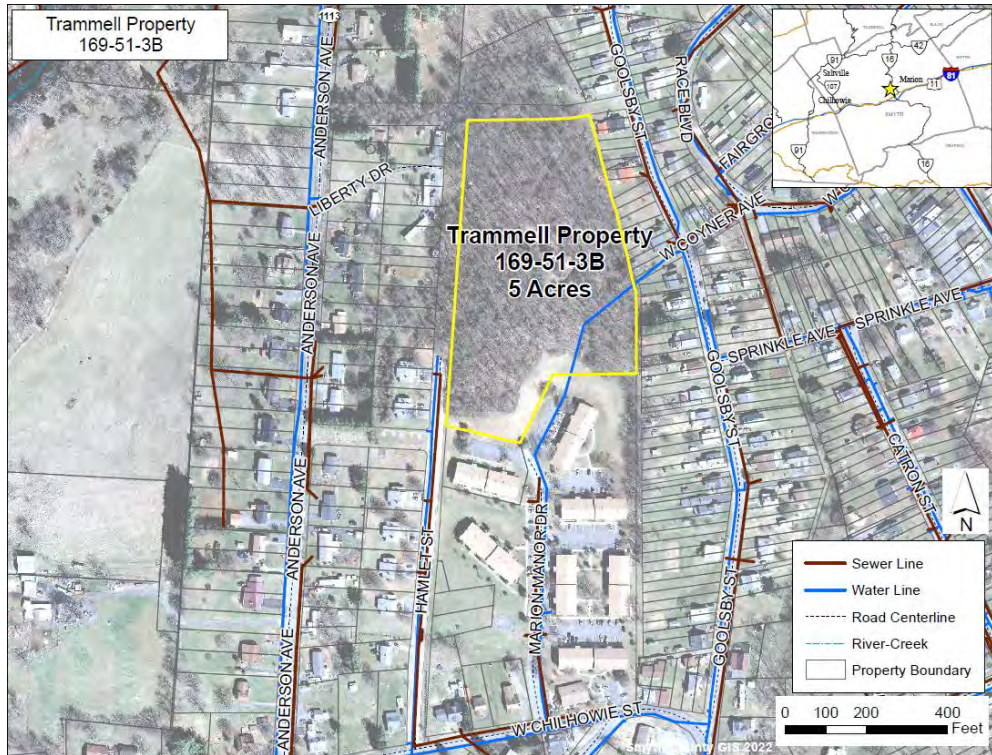
**Map W - Sturgill Property Location**



**Existing Conditions of Sturgill Property**

## Trammell Property

The Trammell Property measures approximately five acres and is located just north of affordable Marion Manor Apartments in the northwestern portion of the Town of Marion. The site is fully wooded and could accommodate apartment unit development, including affordable apartments for families or seniors.



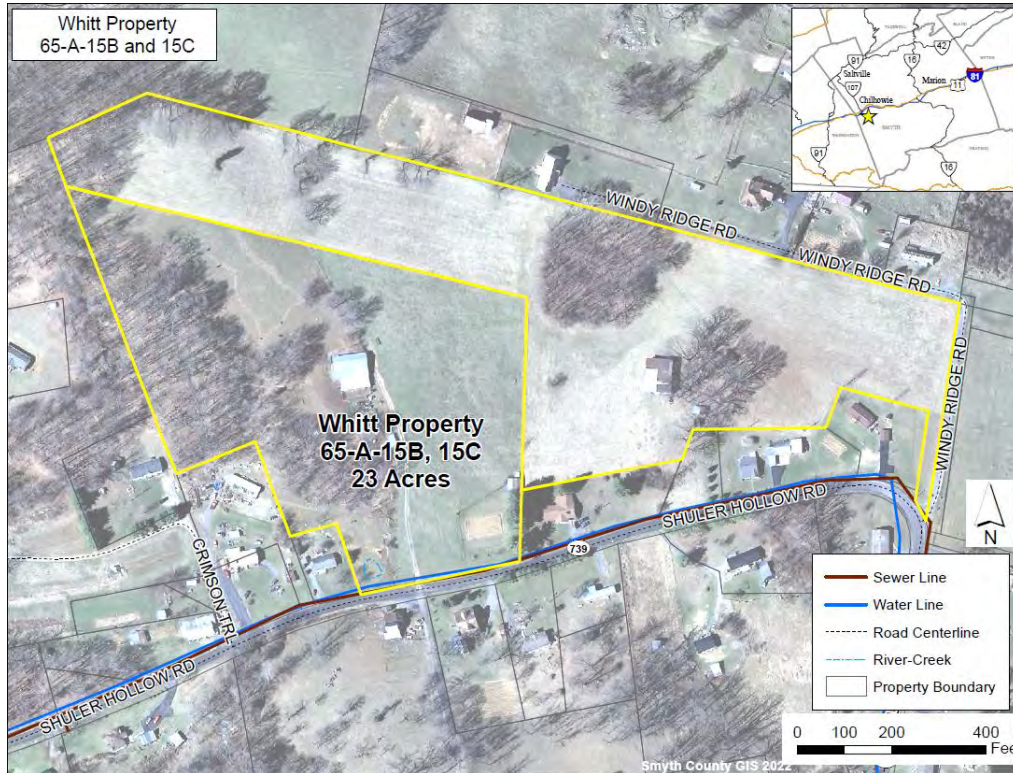
**Map X - Trammell Property Location**



**Existing Conditions of Trammell Property**

## Whitt Property

This is a large, off-centered property containing two parcels between Windy Ridge Road in the north and Shuler Hollow Road in the south of Chilhowie on the south side of I-81. The site has some existing buildings, but it is mostly cleared with some wooded areas on east western side. It would be most suitable for for-sale housing.



**Map Y - Whitt Property Location**



**Existing Conditions of Whitt Property**

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## Vacant Buildings with Residential Potential

Table 21 lists ten vacant buildings in Smyth County that have been identified for potential residential development. Three of these buildings are located within historic districts and most likely qualify for historic designation, if applications are submitted on their behalf. Although there has been some interest in rehabbing some of these buildings in the past, none of these proposals are active at this time or have been financed to date.

Of note is that apart from the Buster Brown Building, these are generally small buildings, all under 15,000 square feet. Thus, these buildings could only accommodate a small number of apartment units which could be a deterrent for some developers, particularly those who are located outside of the region. Apart from the US Solutions/ Dewberry and Former Home Care building that were commercial spaces built in the 1970's, all of these are older structures that were built between 1908 and 1949.

One of these buildings—the Buster Brown Building—is owned by the Town of Marion. This presents an opportunity to reduce costs for new housing development. This is a former shoe manufacturing plant that was built in 1936 that sits on a four-acre property in a residential setting. The facility, which formerly employed over 300 people, is the one larger building, spanning over 41,000 square feet. It does not have historic designation and is outside of any historic district.

Marion's Comprehensive Infrastructure Replacement Program (CIRP) is currently based in the building. The Town expects to continue using the building in a similar manor for the next decade. Once the CIRP program is substantially completed, the Town will make the building available for rehab or redevelopment. Whether renovated or demolished, the site would be an attractive location for new housing.

The key point related to the available buildings is that most are too small to attract developers from outside of the region.

**Table 21: Characteristics of Better Vacant Buildings with Residential Development Potential, Smyth County, VA, August, 2022**

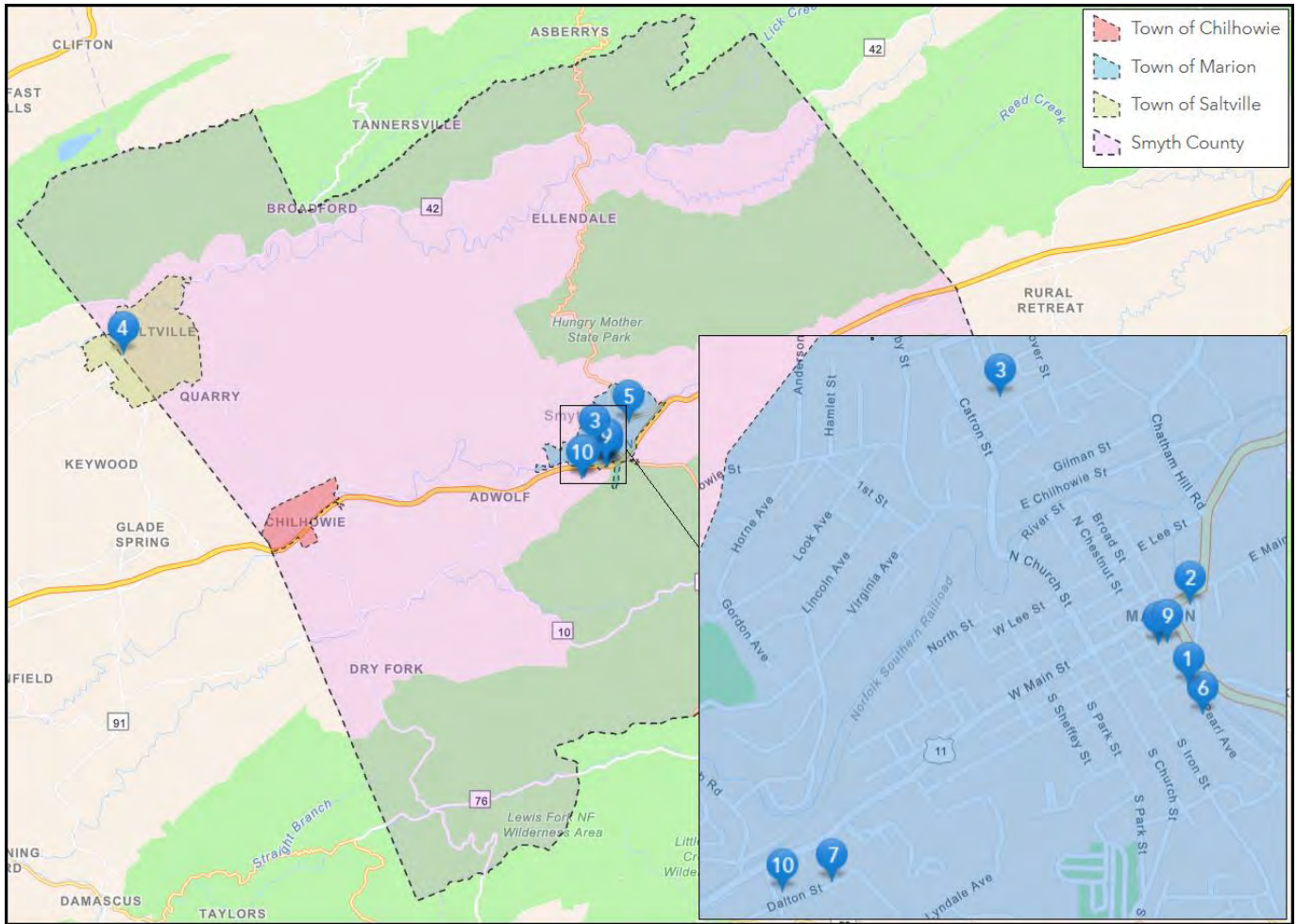
	<u>Map Z Key</u>	<u>Location</u>	<u>Historic District</u>	<u>Year Built</u>	<u>Building Size (Sq. Ft.)</u>
Ace Land Co.	1	Marion	○	1930	14,189
Beside Florist 3/	2	Marion	●	1913	7,760
Buster Brown Building 4/	3	Marion	○	1936	41,133
DeBusk Building	4	Saltville	○	1949	6,620
Former Home Care	5	Marion	○	1976	7,140
Gwyn Distributing	6	Marion	○	1949	14,805
Hull Buildings 2/	7	Marion	○	1925/45	13,600
Mike's TV	8	Marion	●	1908	12,300
Past Time Antiques 1/	9	Marion	●	1908	6,156
US Solutions/ Dewberry	10	Marion	○	1976	10,796

Notes: 1/ Damaged in a fire in October, 2021.  
2/ Two buildings (11,536 and 2,064 square feet).  
3/ Located in an Opportunity Zone.  
4/ Not vacant.

Source: Smyth County, VA; Town of Saltville, VA; Town of Marion, VA; Town of Chilhowie, VA

Map Z shows the locations of each of the buildings listed in Table 19. One is located in the Town of Saltville and the remaining are located in the Town of Marion. Most of the Marion buildings are located in Downtown area, the two (Hull Building and US Solutions/ Dewberry) located in the western part of the Town while one building (Former Home Care) is located near the Emory & Henry School of Health Sciences.





**Map Z - Location of Vacant Buildings with Rehab Potential**

Photos of each of the vacant buildings are shown next. The buildings are in various states of disrepair. The Past Times Antiques building was severely damaged in a fire in October, 2021. Several of the buildings are multi-level structures with brick exteriors. The US Solutions/ Dewberry and the former home care buildings are relatively newer office structures without historic designs. The Buster Brown building offers unique design exteriors, as this is a former industrial building.



**Ace Land Co.**



**Beside Florist**



**Buster Brown Building**



**DeBusk Building**



**Former Home Care**



**Gwyn Distributing**



**Hull Buildings**



**Mike's TV**



**Past Time Antiques**



US Solutions/ Dewberry

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## Section V: Housing Analysis Conclusions

### Initial Conclusions

The market conclusions are as follows:

- 1) Smyth County is generating housing demand locally, primarily from students at the Emory & Henry School of Health Sciences but also from employment growth by some of the larger area employers. There is potential market support for new housing unit development of various types, based on the following:
  - Excluding retail and service sector jobs, employers in Smyth County have announced approximately 170 new jobs. The County's very low unemployment rate of 2.4 percent will require new residents to fill many of these vacancies. This is the lowest unemployment rate in over three decades. Adequate housing is not currently available to serve this growth.
  - Over 8,800 new jobs have been announced in neighboring counties and cities. Most of these are located in areas that are also facing housing shortages and is a sharp departure from past trends.
  - There are likely to be existing employees in Smyth County looking for better housing.
  - On-campus enrollment at the Emory & Henry campus in Marion is set to increase from 280 students to 300 students by 2023 (20 student increase) and reach to between 330 and 340 students by 2026. This represents an increase of up to 60 students during a period in which there are only ten pipeline apartment units in planning or under construction in Smyth County.
- 2) Smyth County has an expanding senior population, and no new homes are being marketed toward this sector of the market. Many seniors could afford to purchase new, smaller homes that require less maintenance, but simply have no options.
- 3) The market rate apartment market has expanded modestly in recent years, adding over 120 new apartment units since 2016. There are seldom any vacancies for these units, which have not adequately met demand.
- 4) There have been some new adaptive-reuse developments in Marion in recent years, but these have not provided a sufficient number of rental units and only serve one part of the housing market. Not all households are likely to be attracted to adaptive-reuse properties, as most apartments of this type are small.

- 5) The affordable rental housing stock is mature, at full occupancy and primarily targets low- rather than moderate-income households. There are no age-restricted affordable apartments in Smyth County.
- 6) The current housing market is stronger for rental housing than for for-sale housing due to the type and wage levels of new employment, as well as student demand. Additionally, the ongoing interest rate hikes are likely to soften demand for home ownership, particularly among potential first-time homebuyers with more modest incomes.
- 7) The for-sale home market is dominated by re-sales and comprised almost entirely of single-family homes. Very few new homes have been sold since the Great Recession and this is attributed to homebuilders being unable or unwilling to secure financing. Area realtors report that seniors and first-time homebuyers are the largest cohorts searching for new housing in Smyth County. The first-time homebuyers are especially price sensitive. There are no new, for-sale subdivisions in planning in Smyth County at this time.
- 8) Smyth County has an abundance of available vacant/ underutilized parcels and buildings with potential for residential development. Not all of the available buildings are large enough to attract developers from outside of the region. Some of the larger available parcels may need to be subdivided but are large enough to support various housing types. Most would require a rezoning or Special Use Permit.

Based on the above, it is evident that Smyth County is ripe for new housing unit development, as multiple sectors of the housing market are underserved. The most pressing needs at this time are to address the housing impacts of the continued growth at Emory & Henry's Marion campus as well as regional job growth. Additionally, this analysis finds that the current new home market in Smyth County is not providing affordable housing. That will need to come from the rental housing market.

Based on the above, the initial recommended needs for Smyth County are as follows:

	<u>Apartments/ Homes</u>
Market Rate Apartments	80± units
Affordable General Occupancy Apartments	50± units
Affordable Age-Restricted Apartments	40± units
Patio Homes for Sale	30-40 homes
Townhomes for Sale	30-40 homes

The above recommendations include a large number of new homes, as it totals up to 250 housing units. However, the total includes (1) for-sale and rental homes, (2) market rent and

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affordable homes and (3) general occupancy and age-restricted homes. Not all of these homes will be built simultaneously. There is likely to be demand for future phases, particularly the apartment units, but the above are recommendations for initial development needs that are most feasible.

Each of the above recommendations are detailed in the paragraphs below.

- **Market Rate Apartments.** New construction, garden apartment buildings are likely the easiest to market, in terms of attracting new developers to Smyth County. These would serve the new employees and students that move to the area. The majority of the apartment units should have two bedrooms with two full bathrooms. Three-bedroom/two-bathroom apartment units could also be considered, given the number of students in the market. One-bedroom rents of \$850±, two-bedroom rents of \$1,050± and three-bedroom rents of \$1,250± should be feasible, depending on unit finishes and community features.
- **Affordable Apartments.** General occupancy affordable apartments development supported by Low-Income Housing Tax Credits (LIHTC) are recommended, as are affordable age-restricted apartments. There is ample demand for affordable housing at various income levels. Adding affordable apartment units outside of the LIHTC system is unlikely for Smyth County at this time.
- **Patio Homes.** Between 30 and 40 patio homes for sale are recommended in the \$180,000 to \$220,000 price range to serve the empty-nester and senior population.
- **Townhomes for Sale.** Between 30 and 40 new townhomes for sale are recommended, priced between \$180,000 and \$200,000. These would be “starter” homes. If Smyth County fails to provide the needed housing, those employed in the County will be forced to seek housing that they can afford elsewhere. This has been an ongoing trend. There is also an opportunity for Smyth County to attract new homeowners who work or will work elsewhere in the Mount Rogers Planning District.

Again, the initial focus should be on apartment unit development, as this will address the most pressing housing needs in Smyth County and provides the best opportunities to attract developers from outside of the region.

As noted above, there are multiple sites available for new housing development in Smyth County, and this is a key advantage. Many are large and may need to be subdivided and most would need to be rezoned or issued Special User Permits for high density development that is permitted by right. Most area job growth and the Emory & Henry College campus are located



near I-81, around Marion and Chilhowie, so these should be the focus areas for new housing as they represent the most viable locations for new investments. Other sites can be studied in the future.

The 52-acre Callan Drive Investments Property, at the intersection of Callan Drive and Prater Lane near the Emory & Henry campus in Marion is probably as good of a site as any for new housing unit development. The aerial to follow shows that the property is large enough to be developed with a mix of housing types, i.e., townhomes and apartments. The market “requires” a mix of housing units and this site should allow for sufficient land for various housing types. This property should be given the highest priority.



**Callan Drive Investments Property**

Future development on the Callan Drive Investments Property could be built in phases, depending upon demand. It will not require bringing utilities to the site, so the development period could be immediate.

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Apart from the Callan Drive Investments Property are several other available properties in and around Marion and Chilhowie with excellent potential. The five-acre Trammell Property in Marion, to the rear of the affordable Marion Manor Apartments, could be a viable location for new affordable apartments, for seniors or families.

Several properties around Chilhowie, most notably the Hawkins Property, Marion Land Company Property and the Sturgill Property, could be viable locations for for-sale homes, though all are large enough to accommodate various housing types. These properties, as well as the Goodrich Property and Martin Property in Adwolfe, are also attractive locations for for-sale or rental homes.

Adaptive-reuse proposals are likely to be built without much public support, as most are small, privately-owned buildings. This has been the source of much of the limited new housing over the past decade. The one large building, Buster Brown Building, is owned by the Town of Marion but will not likely be available for at least ten years. Town staff report that given its condition, the property may be better suited for a teardown rather than a rehab. If demolished, this could be an excellent location for patio homes. The building does not hold any historic designations.

### **Additional Recommendations**

It should be clear that new housing development is dependent upon employment growth and support from area employers, including Emory & Henry College. These employers need to understand that new housing developments are an investment, in terms of attracting and maintaining quality employees, staff and students.

Area employers can do several things to increase the potential for new home development:

- With the assistance of County and Town officials, prepare a brochure that advertises new housing opportunities. This should be available at area Human Resources offices and for mail-outs to prospective new employees.

- 
- Any active role that Emory & Henry College can play would be beneficial to attract new housing, particularly rental housing. College staff have held discussions with housing developers in the past, and this should be encouraged. Commitments to occupy a certain number of apartment units (10± percent) could be one tool attract new developers as it will assist with financing.
  - Meet with homebuilders to determine what issues they have and whether there are opportunities to assist in homebuilding.

There are several steps that Smyth County officials can take to attract new housing development. Officials may need to assist (non-financial) with the purchase of a site. Homebuilders who can be attracted to Smyth County will require a “shovel ready” site for new home construction, or at least a site already improved with utilities. As noted above, there are several viable options. In spite of the clear demand demonstrated in this report, the only way to attract developers is if sites are ready or easy to develop. Most of the available properties would require a rezoning or Special Use Permit to be developed with townhomes, patio homes or apartments. Additionally, many of the available properties are too large and would need to be subdivided to attract development. Local leadership should be proactive related to these issues.



# WYTHE COUNTY

COMPREHENSIVE HOUSING ANALYSIS

**Comprehensive Housing Analysis**  
**Wythe County, Virginia**

**Prepared for:**

**James Moss**  
**Mount Rogers Planning District Commission**

**January, 2023**

**S. Patz and Associates, Inc.**  
**46175 Westlake Drive, Suite 400**  
**Potomac Falls, Virginia 20165**



▪ S. PATZ & ASSOCIATES, INC ▪  
▪ REAL ESTATE CONSULTANTS ▪

January 2, 2023

James Moss  
Housing Director  
Mount Rogers Planning District Commission  
1021 Terrace Drive  
Marion, Virginia 24354

Jimmy,

We are pleased to present our comprehensive housing study for Wythe County. This report is designed to evaluate the current and potential market for new housing in Wythe County, including the towns of Wytheville and Rural Retreat. It offers a thorough analysis of the Wythe County economy and various housing markets, with the goal of developing a realistic strategy to address the shortage of new homes for the current and future population. The study results are intended to serve as a basis for informed decision-making and action.

A secondary study goal is to identify new housing opportunities for the significant number of new employees who are expected to work in Wythe County over the next five years, primarily at multiple new manufacturing facilities to be constructed by Blue Star NBR.

A key study finding is that most of the projected salaries for new employees in Wythe County will fall within the \$37,000 range. Given these incomes and current mortgage interest rates, it is likely that a significant portion of these employees will require rental housing. However, there is a shortage of quality rental options in Wythe County to accommodate these future employees. Without the construction of new apartment units, the imbalance between the supply and demand for rental housing in the County is expected to worsen as Blue Star NBR continues to expand.

A second study conclusion is that there are several viable sites that could support new housing of various types. While many of these properties are readily available for development, some may need to be rezoned to support the type of housing units that are most in demand. Additionally, existing land use regulations may make it cost-prohibitive and time-consuming to attract developers from outside of the region. Local officials must recognize that homebuilders may be hesitant to invest in Wythe County if sites are not “shovel ready” and easy to develop.

The attached report provides a detailed analysis of these market study conclusions, along with our estimate of potential new housing demand. It is essential that action be taken promptly as job growth is already underway. We remain available to continue to assist you with this effort as you proceed with the goal of expanding housing opportunities in Wythe County.

Sincerely,

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Ariel Goldring  
President

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## Introduction

Officials in Wythe County, including the towns of Wytheville and Rural Retreat, have identified a longstanding issue related to housing availability of various types. This concern has been brought into even sharper focus by the recent announcement that Blue Star NBR plans to construct multiple medical glove manufacturing facilities near Wytheville that will provide employment for nearly 2,500 people by 2028. This is one of the most significant employment announcements to date in Virginia and the largest in the history of Wythe County. Public officials, employers, property managers and realtors universally report challenges in attracting new residents due to the lack of available, diverse and quality housing options.

As will be fully documented in this report, future job growth in Wythe County will greatly outpace past trends. Local job growth is projected to expand by approximately 25 percent by 2028. This is an unprecedented level of growth for a County that has lost nearly 500 at-place jobs over the past decade. Hiring has already begun, straining a housing market that has experienced only modest growth in recent years. To ensure that these new jobs can be filled, and that existing and new employees can live locally, it is critical that Wythe County increases its housing supply.

In addition to the demand for housing generated by the growth in employment, there is also a steady increase in the active adult population that is not being adequately served with housing options. While a small number of for-sale homes have been constructed over the past two decades to cater to this demographic, they have not been sufficient to meet the demand.

This report therefore concentrates on job growth and retention, alongside the aging population, as the main drivers of demand for new housing units. As will be documented in this report, the most pressing housing issue is the need to provide housing for the new employees that will be added over the next five years.

The following study provides a comprehensive analysis of Wythe County, including the towns of Wytheville and Rural Retreat, as well as several smaller unincorporated areas such as Fort Chiswell, Ivanhoe and Max Meadows. This report is the third in a series conducted by S.



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Patz & Associates on the housing markets that comprise the Mount Rogers Planning District, following analyses of the Smyth County and Twin County Region housing markets. The purpose of these analyses is to identify strategies to promote the development of new housing in the area, as opportunities exist.

The study is divided into four sections. The first section, the Wythe County Setting Analysis, examines the County's location along the Interstate-81 and Interstate-77 corridors. The second section, the Economic Overview Analysis, presents trends in at-place jobs and employment, and includes an analysis of the employment impacts of the COVID-19 pandemic. This section also addresses the significant projected employment growth in Wythe County and surrounding areas within the Mount Rogers Planning District and other nearby communities.

The second part of the Economic Overview is the demographic analysis of Wythe County, which examines population and household trends, with a focus on trends in household income, tenure and age. In a market with negative growth trends such as Wythe County, projections of this type can be challenging, as trend data indicate a population decline. However, with the significant projected growth in employment in the near- and mid-term, past demographic trends are fully relevant. The key market finding is how to reverse recent trends.

The third section of the study analyzes the various housing markets in Wythe County in terms of new additions, tenure, home prices and rents. This section analyzes both the for-sale and rental housing markets. The for-sale market has been dominated by resales, as there have been very few homes built speculatively to be sold since the Great Recession. There has been some growth in the rental market over the past two decades, with net expansions in the rental housing stock primarily consisting of conversions of homes that were originally built to be sold.

Apart from one low-income apartment complex with deep rent subsidies, there is no identified senior-related housing market in Wythe County at this time. There are no market rate age-restricted apartment units for rent or homes for sale in the County. The ability to establish such a market will be fully studied, as demographic trends show a sizable and well-established older adult population.

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The fourth section of the report is an analysis of the available development sites in Wythe County. The availability of multiple attractive sites for new housing unit development provides excellent opportunities to address the identified housing challenges. One property is publicly owned, which presents an added opportunity for new development.

The fifth and final section presents the Conclusions, which offer a strategy for new housing development in terms of site locations, sales prices and rental rates, housing types and target markets. These strategies are presented in general terms as a guide to attract homebuyers and renters. The conclusions provide a comprehensive overview of the opportunities and challenges facing the housing market in Wythe County and offer guidance on how to address these challenges and capitalize on opportunities.

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## **Section I: Wythe County Setting Analysis**

Wythe County is located along the I-81 corridor in the eastern part of the Mount Rogers Planning District in Southwest Virginia. It is situated approximately midway between the cities of Roanoke and Bristol, with I-81 bisecting the County for approximately 30 miles. This stretch of highway is a major transportation artery for Southwest Virginia, connecting the growing communities of Bristol, Wytheville and Roanoke.

The I-81 corridor is a significant economic and transportation hub for Southwest Virginia, serving as a major route for commercial trucks, as well as local and regional traffic. This highway is also an essential link for people and goods moving between the Mid-Atlantic and Southeast regions of the United States. In addition, the I-81 corridor is known for its heavy truck traffic and has been the subject of various infrastructure improvement projects in recent years to address safety concerns and traffic congestion.

Most of Wythe County's population and economic activity is concentrated along the I-81 corridor, primarily in and around the Town of Wytheville. There are also secondary population clusters in the town of Rural Retreat and several smaller unincorporated communities such as Fort Chiswell, Ivanhoe, Max Meadows, Austinville, Cripple Creek, Crockett and Speedwell.

Map A, on Page 9, shows that I-81 and I-77 intersect and overlap for nine miles near the Town of Wytheville. I-77 begins at the West Virginia border, near the Town of Bluefield, and extends south through Wytheville and Hillsville, before crossing into North Carolina. The highway passes through several industrial and manufacturing centers.

Apart from these two major interstate corridors, Wythe County is also served by three major roadways: U.S. Route 21, U.S. Route 11, and SR 90. U.S. Route 21 is a major north-south highway that runs for 394 miles between Hunting Island State Park in South Carolina in the south and Wytheville in the north. At its northern terminus, it intersects with I-81 and U.S. Route 52, providing access to the Town of Independence in Grayson County. SR 90 is a primary state highway that runs for approximately 1.73 miles from SR 616 and SR 749 in Rural Retreat to I-81

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at the western end of Wythe County. This road connects Rural Retreat with I-81 and U.S. Route 11.

U.S. Route 11 is a major roadway within the state of Virginia, running for approximately 340 miles between Bristol in the southwest and the West Virginia state line in the northeast. In Wythe County, it generally runs parallel to I-81 and serves both the Town of Wytheville and the Town of Rural Retreat. It is a major transportation route for both commercial and personal travel and serves as an important connection between Wythe County and the surrounding region.

Much of Wythe County is composed of forest and wildlife resources, covering approximately 465 square miles. This includes over 55,000 acres of the Jefferson National Forest and the 8,300-acre Big Survey Wildlife Management Area south of Wytheville. This area encompasses Stuart Mountain, Lick Mountain, Sand Mountain, and Swecker Mountain, and supports a diverse array of native wildlife. Wythe County also has approximately 175,000 acres of farmland, with roughly a quarter of this land being used for crop cultivation. Thus, significant portions of the County are not available for large scale residential development.

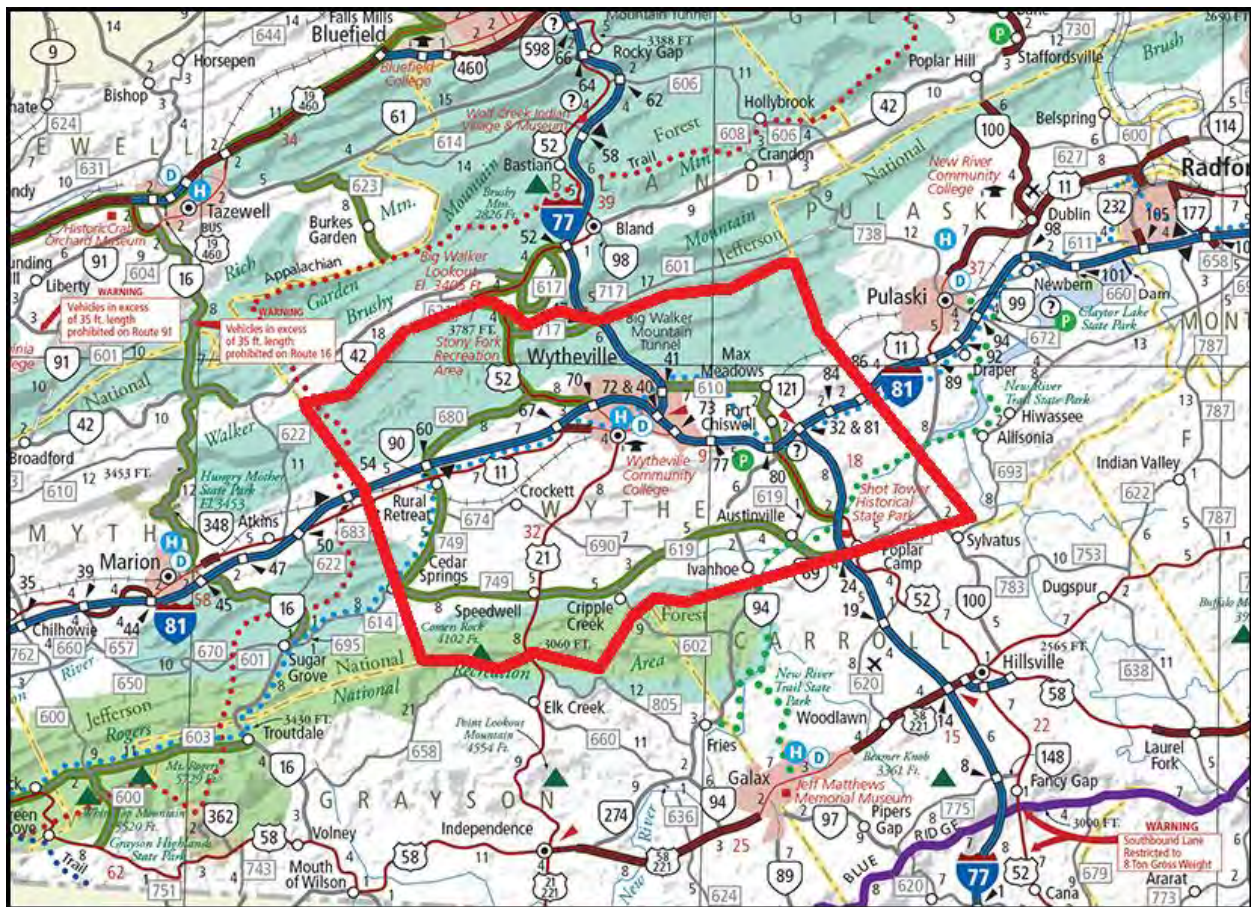
Wythe County is surrounded by predominantly rural areas with pockets of job growth. To the north lies Bland County, a predominantly rural community with limited job and population growth. Most economic activity in Bland County is concentrated along the I-77 corridor.

To the west of Wythe County is Smyth County, which is home to Emory & Henry College's School of Health Sciences. This institution generates housing demand locally and is expected to expand enrollment and staff in the near term. Smyth County is also the site of major job expansions by Scholle IPN Packaging and Woodgrain Millwork, which will add nearly 160 new jobs in the near term.

The Twin County Region, comprising the City of Galax, Carroll County, and Grayson County, is situated directly south of Wythe County. This region is also experiencing job growth, with sixteen employers announcing plans to launch or expand operations, creating nearly 440

new jobs. Most of these new positions will be located in and around Galax, Independence and Hillsville.

Pulaski County is situated directly east of Wythe County. Most economic activity is concentrated in the central part of the County, in and around the towns of Pulaski and Dublin. Major recent job announcements in the area include Xaloy Holdings (40± new jobs), The Volvo Group (600± new jobs), and The Patton Logistics Group (60± new jobs). Several new housing proposals at various stages of planning are intended to support this job growth.



Map A - Regional Setting

The area highway system provides convenient access to neighboring communities along I-81 and I-77, which are experiencing job growth. Many of the surrounding counties and cities are projected to continue adding new jobs in the near and mid-term, but also face housing shortages.

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## **Section II: Wythe County Economic Overview and Demographic Analysis**

The subsection to follow provides an economic overview of at-place jobs and employment trends in Wythe County. It also presents data on the anticipated level of future job growth in the County and surrounding communities, including within the Mount Rogers Planning District. As will be demonstrated, recent job announcements in the region have greatly exceeded previous trends.

This section of the report also presents a demographic analysis of Wythe County, including the towns of Wytheville and Rural Retreat. The analysis includes population and household data, delineated by tenure, age and income.

### **Economic Overview**

This section of the market analysis presents an economic overview of Wythe County in terms of at-place job and employment growth. The aim of this analysis is to document the current and projected level and type of job growth in the County. Three economic factors are considered in this analysis: (1) at-place job trends, (2) employment and labor force trends and (3) active development plans that are expected to result in a net increase in jobs. It is important to note that job growth drives population and household growth, and therefore, demand for housing units.

In Wythe County, the demand for new housing is expected to be initially supported by a combination of pent-up demand and significant job growth that departs from previous trends. Additionally, the employment growth in nearby communities is anticipated to drive some of this demand. Overall, the outlook for housing demand in Wythe County is positive, with strong employment prospects in both the County and surrounding regions.

### **At-Place Jobs**

At-place jobs refer to the number of jobs that are physically located within Wythe County, including the towns of Wytheville and Rural Retreat. As of 2019, and prior to the pandemic, there

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were 11,280± at-place jobs in Wythe County. This represents a decline of over 300 jobs compared to 2015.

As shown in Table 1, Wythe County has many data disclosure issues due to the small number of employers in the County. This is a common occurrence in rural, sparsely populated communities where data confidentiality is a concern and the number of employers is limited.

Data from Table 1 indicate that at-place jobs in Wythe County increased by 110± between 2015 and 2016, driven primarily by expansions in the Manufacturing sector. Job growth was also observed in the Health Care sector, likely at the Wythe County Community Hospital. Despite this increase, total at-place jobs declined by approximately 420± between 2016 and 2019, with the majority of job losses concentrated in the Accommodations/Food Services and Wholesale Trade sectors.

Data in Table 1 also show that industrial employment sectors dominate private sector employment in Wythe County. Manufacturing accounts for over 20 percent of total employment and has been the fastest growing employment sector since 2015, adding over 60 new jobs. Most of these jobs are located within the County's four industrial parks: Fairview Park, Ivanhoe Park, Progress Park and Rural Retreat Park. These parks are key drivers of the County's economic growth and provide job opportunities for local residents.

Apart from Progress Park, these industrial parks are either fully or nearly fully built out. Progress Park, located east of Wytheville on Peppers Ferry Road, spans over 1,200 acres and has availability for new employers. This will be the location of the new Blue Star NBR facilities that will be detailed further below. Major existing employers in Progress Park include Wytheville Technologies and Brewer Automotive Components, which are Japanese automotive parts suppliers, and Pepsico, a producer of Gatorade and other sports drinks. These are some of the largest private employers in Wythe County.

The second largest private employment sector in Wythe County is the Retail Trade sector, which accounted for over 1,800 jobs as of year-end 2019. This represents 16.1 percent of total

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countywide employment. Employment in this sector has been relatively stagnant since 2015, declining by just over 80 jobs. Many of these employees work in the downtown business district of Wytheville as well as multiple multi-tenant shopping centers in Wytheville and Rural Retreat. Major retail employers in the County include Walmart, Food City, Food Country and Food Lion.

Due to its convenient access to both I-81 and I-77, Wythe County has attracted a significant number of hotels and restaurants. As a result, employment in the Accommodations/Food Services sector accounts for 11.5 percent of total employment, which is a higher share than most communities in the region and state. The most recent hotel to open is the 94-unit Tru by Hilton, which opened in the summer of 2019 in Wytheville.

The Health Care sector is also a significant contributor to local employment. As of year-end 2019, there were 1,200 jobs in this sector, representing 10.8 percent of local employment. The majority of these jobs are associated with the 100-bed Wythe County Community Hospital (WCCH), which has been in operation since 1972 and employs over 350 full-time personnel and is staffed by over 80 physicians. The hospital offers 24-hour emergency care and a range of health care services. Other major sources of Health Care employment in the County include one assisted living facility, the 193-bed Carrington Place at Wytheville-Birdmont Center, and a 120-bed nursing home called Rural Retreat Care Center. Employment in the Health Care sector has remained stable in recent years.

The public sector also plays a significant role in local at-place employment. While there are few Federal employees in the County, Local and State Government employment accounts for over 20 percent of all local jobs. Many of these jobs are associated with Wythe County Public Schools and Wytheville Community College.

Overall, data from Table 1 suggest that the economy of Wythe County was relatively stable prior to the pandemic. Between 2015 and 2019, job growth was recorded in the Manufacturing, Construction, Other Services, Local Government, Mining and Federal Government sectors. However, job losses in other sectors offset these gains.



**Table 1: Trends in Average At-Place Employment, Wythe County, Virginia, 2015-2019**

<b>Industry</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Net Change</b>
Agriculture	77	68	62	56	50	-27
Mining	104	101	113	115	115	11
Utilities	ND	ND	ND	ND	ND	--
Construction	379	368	390	375	419	40
Manufacturing	2,238	2,264	2,298	2,281	2,302	64
Wholesale Trade	257	249	240	ND	188	-69
Retail Trade	1,896	1,897	1,882	1,864	1,813	-83
Transportation/Warehousing	179	201	188	217	ND	--
Information	60	60	56	46	46	-14
Finance/Insurance	241	248	226	222	215	-26
Real Estate	75	69	71	78	74	-1
Professional/Technical	182	ND	172	ND	ND	--
Management of Companies	18	ND	17	ND	ND	--
Administrative/Waste	432	475	477	369	433	1
Education	55	55	49	48	54	-1
Health Care	1,230	1,286	1,280	1,270	1,218	-12
Arts/Entertainment/Recreation	99	96	95	93	97	-2
Accommodations/Food	1,483	1,472	1,406	1,373	1,299	-184
Other Services	227	247	272	283	242	15
Local Government	1,646	1,679	1,609	1,625	1,660	14
State Government	630	598	610	618	604	-26
Federal Government	74	73	73	76	81	7
<b>Total</b>	<b>11,588</b>	<b>11,697</b>	<b>11,608</b>	<b>11,443</b>	<b>11,275</b>	<b>-313</b>

Notes: ND = Data do not meet BLS or State agency disclosure standards.

Source: United States Department of Labor, Bureau of Labor Statistics

As depicted in Table 2, the employment changes that occurred in 2020 and 2021 were significant deviations due to the impact of the COVID-19 pandemic on the local economy. Data is presented only for sectors without disclosure issues.

The data show a significant loss of jobs in 2020, with employment shrinking by nearly 480, or 4.2 percent. These losses occurred across almost all employment sectors, with the heaviest job losses impacting the Retail Trade, Accommodations/ Food Services and Local Government sectors. These trends align with those observed in other parts of Virginia. The data suggest that most job losses during this period impacted employees with more modest wages. Notably, employment in the Manufacturing sector increased by 20± in 2020.

Data for 2021 show an economic recovery, with at-place jobs expanding by nearly 280. Despite this recent growth, total employment at year-end 2021 remains below the pre-pandemic level by nearly 200. It is worth noting that the job losses in 2020 did not negatively impact any

sectors of the local housing market. Future job announcements are expected to offset all recent job losses.

	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>Net Change</u></b>
Agriculture	50	47	47	-3
Mining	115	113	129	14
Utilities	ND	ND	ND	--
Construction	419	403	397	-22
Manufacturing	2,302	2,325	2,460	158
Wholesale Trade	188	166	149	-39
Retail Trade	1,813	1,783	1,861	48
Information	46	50	42	-4
Finance/Insurance	215	215	212	-3
Real Estate	74	77	65	-9
Administrative/Waste	433	423	409	-24
Arts/Entertainment/Recreation	97	74	86	-11
Accommodations/Food	1,299	1,095	1,142	-157
Other Services	242	245	246	4
Local Government	1,660	1,542	1,587	-73
State Government	604	563	549	-55
Federal Government	<u>81</u>	<u>85</u>	<u>79</u>	<u>-2</u>
<b>Total</b>	<b>11,275</b>	<b>10,799</b>	<b>11,076</b>	<b>-199</b>

Source: U.S. Department of Labor

### **Employment and Labor Force**

At-place jobs refer to jobs physically located in Wythe County, whereas employment refers to the number of County residents who are employed, regardless of where their job is located. As shown in Table 3, employment in Wythe County grew by 450± between 2015 and 2019. The fact that employment grew by an annual average of over 110 jobs during a period in which at-place jobs declined by an annual average of approximately 80 jobs indicates that many Wythe County residents work outside of the County.

Data in Table 3 show that, with the exception of 2018, total employment increased every year between 2015 and 2019. This is a positive sign. However, it should be noted that almost all of this employment growth was supported by job expansions outside of Wythe County, as the number of jobs within the County declined during this period.

Data for 2020 show significant employment losses, reflecting the declines in at-place jobs. This is attributed to the impact of the pandemic. Total employment in 2020 declined by 620±, pushing the unemployment rate up from a low of 3.5 percent in 2019 to 7.7 percent, the highest unemployment rate since 2011. Similar to at-place jobs, many of these losses are expected to be temporary.

Data for 2021 show improvements, with employment expanding by 180± and the number of unemployed declining by nearly 530. As of year-end 2021, total employment exceeds the 2015 total by 10±. The 2021 unemployment rate of 4.0 percent is lower than the 2015 unemployment level by 1.4 percent.

	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Percent Unemployed</u>
2015	13,694	12,961	733	5.4%
2016	13,673	12,905	768	5.6%
2017	14,162	13,457	705	5.0%
2018	13,861	13,350	511	3.7%
2019	13,902	13,410	492	3.5%
2020	13,859	12,790	1,069	7.7%
2021	13,516	12,972	544	4.0%
<b>Net Change</b>	<b>-178</b>	<b>11</b>	<b>-189</b>	<b>-1.4%</b>

Source: United States Department of Labor, Bureau of Labor Statistics

### **COVID-19 Pandemic and Employment**

Table 4 presents monthly employment trends up to September, 2022, the most recent data available, to illustrate the impact of the COVID-19 pandemic on the local economy. The data show that since January 2020, employment has increased by over 1,200, with the number of unemployed shrinking by approximately 150 people. The labor force has also expanded by over 1,000 people, indicating that an increasing share of Wythe County residents expect to find employment. This is a positive economic indicator.

The data show a notable improvement in employment since the onset of the pandemic, with nearly 2,400 jobs recovered since April, 2020. The current unemployment rate of 2.3 percent is 1.3 percent lower than the pre-pandemic unemployment rate in January, 2020. This is despite

the expansion of the labor force to its largest size since 2009. The current unemployment rate is the lowest it has been in over three decades, with fewer than 350 unemployed people across the entire County.

**Table 4: Trends in Employment and Unemployment, Wythe County, Virginia, 2020-2022**

	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Percent Unemployed</u>
January, 2020	13,827	13,326	501	3.6%
February, 2020	14,082	13,506	576	4.1%
March, 2020	13,971	13,348	623	4.5%
April, 2020	14,846	12,176	2,670	18.0%
May, 2020	13,720	11,991	1,729	12.6%
June, 2020	13,799	12,300	1,499	10.9%
July, 2020	13,832	12,562	1,270	9.2%
August, 2020	13,876	12,721	1,155	8.3%
September, 2020	13,644	12,782	862	6.3%
October, 2020	13,763	13,095	668	4.9%
November, 2020	13,524	12,893	631	4.7%
December, 2020	13,422	12,774	648	4.8%
January, 2021	13,232	12,517	715	5.4%
February, 2021	13,203	12,510	693	5.2%
March, 2021	13,256	12,627	629	4.7%
April, 2021	13,273	12,743	530	4.0%
May, 2021	13,245	12,663	582	4.4%
June, 2021	13,489	12,875	614	4.6%
July, 2021	13,659	13,086	573	4.2%
August, 2021	13,468	12,918	550	4.1%
September, 2021	13,564	13,086	478	3.5%
October, 2021	13,847	13,417	430	3.1%
November, 2021	13,917	13,545	372	2.7%
December, 2021	14,038	13,676	362	2.6%
January, 2022	14,019	13,553	466	3.3%
February, 2022	14,009	13,574	435	3.1%
March, 2022	14,246	13,824	422	3.0%
April, 2022	14,466	14,124	342	2.4%
May, 2022	14,536	14,117	419	2.9%
June, 2022	14,835	14,401	434	2.9%
July, 2022	15,011	14,597	414	2.8%
August, 2022	14,834	14,395	439	3.0%
September, 2022 1/	14,889	14,541	348	2.3%
<b>Net Change</b>	<b>1,062</b>	<b>1,215</b>	<b>-153</b>	<b>-1.3%</b>

Notes: 1/ Preliminary. Subject to change.  
Source: U.S. Department of Labor, Bureau of Labor Statistics

### Economic Development Activity

The following paragraphs provide details on new economic development announcements in Wythe County that are expected to generate net job growth. These announcements are

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estimated to result in the addition of over 2,600 new jobs to the local employment base, representing a significant expansion over past trends. If these projections are realized, the total number of jobs in Wythe County will increase by approximately 25 percent over the year-end 2021 employment total.

- **Blue Star NBR.** In October 2021, Blue Star NBR announced plans to build multiple manufacturing facilities in Wythe County's Progress Park, located less than five miles east of the Town of Wytheville on the south side of Peppers Ferry Road, where the company will produce nitrile rubber medical gloves. This is the largest manufacturing job announcement in Virginia in nearly three decades.

The facilities will occupy the 233-acre rail-served Lot 24 in the industrial park and are expected to generate 2,464 jobs by 2028, excluding construction workers and spin-off jobs. This equates to approximately 490 new positions added per year on average between 2023 and 2028.

The first facility to open will be a nitrile butadiene rubber manufacturing facility, followed by six planned nitrile glove facilities. Construction on this facility began in early 2022 and is expected to open by mid-2023. The remaining five facilities are scheduled to open between 2023 and early 2028. Once the facilities reach full operating capacity, Blue Star NBR will manufacture more than 60 billion nitrile gloves per year, or approximately 18 percent of the country's current supply.

Limited hiring has already begun at the chemical plant portion of the facility, which will generate annual salaries of approximately \$70,000. The bulk of the remaining hiring will occur as the glove facilities begin to operate, with positions paying annual salaries of approximately \$37,000.

- **STS Group AG,** a German auto parts manufacturer, announced in April, 2021 that it would establish its first U.S. manufacturing operation in Wythe County's Progress Park industrial park, creating 120 jobs. The new facility will operate as a subsidiary of STS Group North America and will supply Volvo Trucks in Pulaski County and other truck and automotive facilities throughout the Midwest and southeastern U.S. markets.
- **Traeger Grills,** the manufacturer of the world's top-selling wood pellet grill, announced in April, 2021 that it would build a new grill pellet manufacturing operation in Wythe County and create 15 jobs.
- **Bank of the James** opened a 7,370± square foot branch at 570 W Main Street in Wytheville in September, 2022.
- **Millwald Theatre.** This historic theater, which was built in 1928 at 205 W. Main Street in Downtown Wytheville, was renovated and reopened in December, 2022. The main floor

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has 515 seats, including 190 balcony seats. The upgraded space includes classrooms for art education and mentorship programs.

The announcements documented above likely underestimate future job growth, as they only include public announcements and do not account for organic employment growth that is not tracked by local, regional or state economic development agencies. The above list also excludes several retail openings in Wythe County over the past year, including Ghetti's Café, Mami's Café, The Grind and Petals Wine Bar.

In addition to the above are several businesses that are actively filling vacant positions in Wythe County. According to data from the Bureau of Labor Statistics presented in Table 4, there were fewer than 350 unemployed residents of Wythe County as of September, 2022. In comparison, there are over 650 job listings on Indeed for Wythe County at this time, which undercounts total job availability. Some companies may prefer to advertise job openings on their own websites or through other channels, rather than using a job search platform like Indeed. Additionally, some job openings may not be widely advertised or may be filled through referrals or other means, rather than being posted publicly. The disparity between the number of unemployed Wythe County residents and the number of vacant local jobs will require new residents for the County.

### **Regional Job Growth**

In addition to the new job announcements in Wythe County is a considerable amount of ongoing and future employment growth in neighboring locations, elsewhere in Southwest Virginia, and within easy commuting distance from Wythe County. These announcements are listed in Table 5. Most of these new jobs will be for manufacturing positions with annual wages starting at around \$35,000. In total, these employers will add nearly 1,300 new jobs in neighboring communities. Most of these communities are located in rural areas that also face acute housing shortages, particularly for the workforce population.

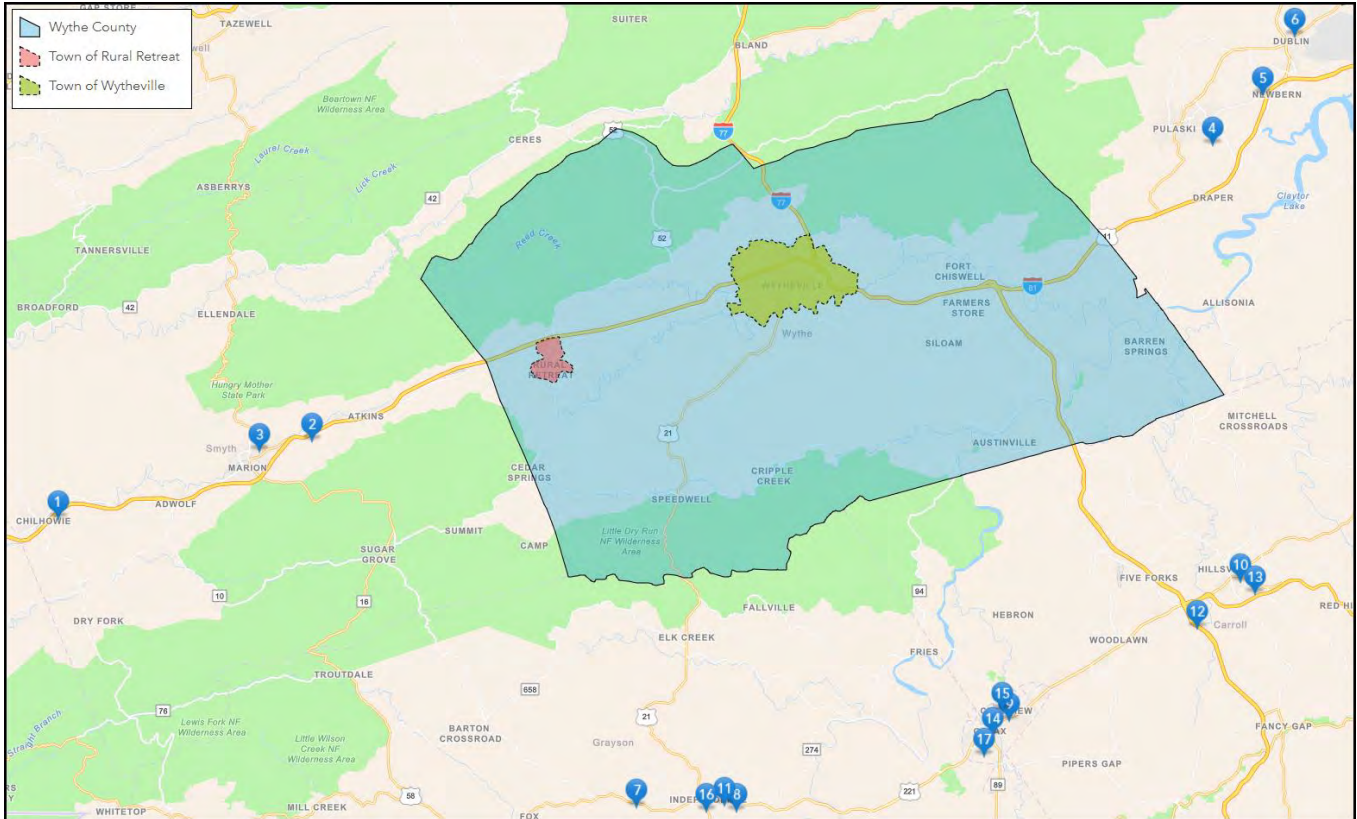
**Table 5: Regional Job Growth, January, 2023**

	<u>Map B Key</u>	<u>New Jobs</u>
<b><u>Smyth County</u></b>		
Scholle IPN Packaging	1	75
Woodgrain Millwork	2	80
Emory & Henry College	3	<u>25</u>
(Subtotal)		(180)
<b><u>Pulaski County</u></b>		
Xaloy Holdings	4	35
The Volvo Group	5	600
The Patton Logistics Group	6	<u>63</u>
(Subtotal)		(699)
<b><u>Galax/ Carroll County/ Grayson County</u></b>		
Woodgrain	7	100
Grayson Natural Farms	8	40
Galax Health & Rehab	9	15 1/
Mohawk Industries	10	35
Metalworx	11	59
New River Polymers	12	50
Blue Ridge Eye Care	13	30
Twin County Regional Health Care	14	20
Albany Industries	15	15
Edward Jones	16	10
First Choice Health Care	17	<u>10</u>
(Subtotal)		(384)
<b>Total</b>		<b><u>1,263</u></b>

Notes: 1/ Estimate

Source: S. Patz &amp; Associates, Inc.

Map B illustrates the locations of the 17 job announcements listed in Table 5. Many of these employers are within a 45-minute drive of Wytheville, and most of the new jobs will be located along the I-81 and I-77 corridors. Census data on local commuting patterns suggest that many Wythe County residents already commute long distances for work, particularly to locations where these employers are actively adding new jobs.



**Map B - Locations of Regional Employment Growth**

The paragraphs below detail each of the job announcements that were listed in Table 5, most of which are for manufacturing-related positions. Excluded are retail, temporary construction, spin-off and smaller job announcements that are not tracked by any local, regional or state economic development agencies.

- **Scholle IPN Packaging Inc**, a manufacturer that operates a large sustainable packaging solutions facility along Deer Valley Road in Chilhowie, announced in June, 2022 that it would expand that facility by 73,000± square feet and hire 75 new employees. This follows 42 new hires with average wages of \$43,800± in 2020 and 2021.
- **Woodgrain Millwork**, a manufacturer of wood molding and trim, announced in August, 2021 that it would expand its Marion facility, located at 4615 Lee Highway, and hire 80 new employees. Hiring is expected to begin in early-2023 with pay expected to average \$16 per hour.
- **Emory & Henry College**. The Health Sciences campus in Marion is expected to add between five and 25 new employees by 2027 as the College expands its course offerings and student enrollment.



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- **Xaloy Holdings LLC**, a plastics industry equipment manufacturer, announced in July, 2021 that it would move its barrel manufacturing operation from Ohio back to Virginia, reopening its former facility in Pulaski County that closed in 2016. Xaloy will operate its 100,000± square foot, 30-acre site at 102 Xaloy Way in Pulaski to produce bimetallic barrels, which are formed by bonding metal linings to the insides of steel tubes, for use in the plastics manufacturing industry. The move is expected to create 35 jobs.
  - **The Volvo Group**, which operates a major truck manufacturing facility near Dublin, is in the midst of a major investment for advanced technology upgrades, site expansion and preparation for future products, including the innovative Volvo VNR Electric truck, slated for the serial production that involve adding approximately 600 new jobs in 2021 and 2022.
  - **The Patton Logistics Group** announced in August, 2021 that it would expand its trucking, logistics and warehousing operation in the New River Valley Commerce Park in Pulaski County, creating 63 jobs. The company will add 150,000± square feet to its 250,000± square foot logistics center. The expansion will include a trucking operations and maintenance center that will provide the infrastructure to support a future investment in electric trucks. The company will add 150,000± square feet to its 250,000± square foot logistics center that opened in August, 2021 and employs 33 people.
  - **Woodgrain**, one of the largest millwork companies in the world, announced in August, 2021 that it would purchase and expand the former Independent Lumber sawmill in Grayson County, adding 100 new jobs. Independence Lumber is Grayson County’s largest private employer, and when the sawmill upgrades are complete, it will become the primary supplier for Woodgrain’s Smyth County operation. Hiring has not yet begun.
  - **Grayson Natural Farms**, an organic meat snack brand, announced in December, 2020 that it would expand its Grayson County operation by 35,000± square feet, creating 40 jobs. Grayson Natural Farms produces Landcrafted Food, which are grass-fed, organic meat snacks. Its smokehouse and production operations are currently located at 226 Industrial Lane in Independence. The company first opened its facility in 2017. Construction on the expansion is now underway.
  - **Galax Health and Rehab**, which is located at 836 Glendale Road in Galax, opened a new memory care unit in September, 2022. The facility has a capacity for 18 residents.
  - **Mohawk Industries**, a flooring manufacturer, announced in January, 2021 that it would expand its Carroll County operation, creating 35 jobs. Mohawk Industries will add 19,000± square feet to its 351 Floyd Pike facility in Hillsville and install new equipment to increase its production speed. Construction should begin soon.
  - **Metalworx**, a manufacturer of highly-engineered and precision-manufactured components, assemblies and products for industrial uses, announced in June, 2020 that it would relocate its headquarters and manufacturing operations from South Carolina to the

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former Core Fitness Complex in Grayson County. The move will create 59 new jobs. Approximately 16 jobs have been filled to date.

- **New River Polymers**, a Hillsville-based manufacturer of plastic pellets from industrial scrap of medical gowns and face masks, announced in December, 2020 that it would expand its location in the Carroll County Industrial Park by roughly twice its size, while adding approximately 50 new employees by 2025.
- **Blue Ridge Eye Care**. Family Vision Care at 1022 E Stuart Drive and Blue Ridge Eye Care at 1102 E Stuart Drive combined to form a new practice in March, 2021 at newly built office at 800 E Stuart Drive in Galax. The facility employs approximately 30 people.
- **Twin County Regional Healthcare**. The 141-bed hospital at 200 Hospital Drive in Galax opened in 1973 and is the only full-service medical facility in the region. With approximately 350 employees (including about 100 physicians), this hospital is among the largest private employers in Galax. The hospital is actively trying to fill approximately vacant positions at this time and expects to add between 20 and 50 staff members by 2026, including a mix of doctors and nurses. There are currently approximately 20 vacancies, primarily for nursing positions.
- **Albany Industries**, which operates an upholstery manufacturing facility at 626 Creekview Drive in Galax, is actively hiring approximately 15 new employees. These positions typically pay between \$13 and \$14 an hour.
- **Edward Jones** opened a new office at 111 West Main Street in Independence in November, 2021. The office employs approximately 10 people.
- **First Choice Health Care** opened a medical practice at 812 W Stuart Drive in Galax in March, 2021. Approximately ten people work at the facility.

Also of note is that a new industrial park called Pathway Park is planned to be built at the former site of the American Furniture factory in Chillhowie. Over the past year, the Smyth County Economic Development Authority was awarded two \$600,000 grants from the Growth and Opportunity for Virginia (GO Virginia) and the Virginia Tobacco Regional Revitalization Commissions to fund infrastructure improvements at the County-owned park. These funds will be used to install 2,000 feet of eight-inch water line and 1,600 feet of sewer line. Site work could begin imminently. Although there have been no job announcements at the park, it could ultimately support up to 400 jobs.

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The above announcements in Wythe County and neighboring areas represent a significant departure from previous trends in the region. Economic development officials attribute this growth to a combination of factors, including pent-up demand for the products being manufactured, state and local incentives that make new and expanding jobs attractive, and the ability of employers to offer competitive wages. However, a key challenge that must be addressed to support this growth is the availability of housing for these employees.

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## Wythe County Demographic Analysis

Demographic trend data show a net population increase in Wythe County since 1990 of approximately 2,550 people. Between 1990 and 1999, Wythe County experienced a net population increase of over 2,100 people, with the majority of this growth occurring outside of the County's two towns. This population growth was largely driven by job expansions in the manufacturing sector, as companies such as Hutchinson Sealing Systems, Cross Creek Apparel, R.H. Sheppard Co. and Longwood Elastomers added new jobs during this period.

Wythe County's population continued to grow during the 2000's, albeit at a slower pace. The population increased by 1,640 people, or an average annualized rate of approximately 160. This growth was also driven by new job opportunities in the region.

As of 2021, the population of Wythe County is estimated to be just over 28,000, based on data from the Weldon Cooper Center for Public Service. This represents a decrease of 1,220± people between 2010 and 2021, or an average annual rate of 110 people per year. This population decline can be attributed to job losses and the lingering effects of the Great Recession. The total number of jobs in Wythe County fell by 260 during this period, although there were no mass layoffs.

**Table 6: Trends of Population and Households, by Tenure,  
Wythe County, Virginia, 1990-2021**

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2021</u>
Wythe County Population	25,470	27,600	29,240	28,020
Town of Wytheville	8,040	7,800	8,210	8,240
Town of Rural Retreat	970	1,350	1,480	1,530
Unincorporated	16,460	18,450	19,550	18,250
Group Quarters Population	340	410	260	260
Household Population	25,130	27,190	28,980	27,760
Person Per Household	2.55	2.36	2.32	2.30
Households	9,850	11,510	12,470	12,070
Owner Households	7,600	8,900	9,210	8,700
Percent of Total Households	77.1%	77.3%	73.8%	72.1%
Renter Households	2,260	2,610	3,270	3,370
Percent of Total Households	22.9%	22.7%	26.2%	27.9%
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

### Group Quarters Population

The Group Quarters population in Wythe County refers to individuals who live in communal settings, such as nursing homes or group homes. This population accounts for approximately 260 people, or less than one percent of the total population in the County. The Group Quarters population in Wythe County is primarily made up of seniors living in assisted living and nursing facilities, including Carrington Place at Wytheville-Birdmont Center and the Rural Retreat Care Center.

When determining housing unit demand, the Group Quarters population is subtracted from the total population to calculate the household population. Household Population is the basis for the analysis of housing unit demand. There has been essentially no growth in the Group Quarters population, even with the increasing senior population in the area. This may be due to seniors moving away from the area upon retirement.

### Households

The 1990's saw an increase in the number of households in Wythe County, with occupied housing units growing by 1,660. This growth was due to both an increase in population during

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that period as well as a significant decline in the average household size in Wythe County, from 2.55 in 1990 to 2.36 in 2000. The average household size has continued to fall due principally to the County's aging population, reaching a low of 2.30 as of 2021.

In 2010, Wythe County had approximately 12,470± households, 960± more than in 2000. Based on current population estimates and the ongoing reduction in average household size, the estimated number of households for 2021 is 12,070±, a decline of approximately 400 households. This decrease in households is one of the reasons for the slow growth in the new home market.

### **Owner Households**

The data in Table 6 show that Wythe County has traditionally had a high percentage of homeowners, ranging from 77.1 percent in 1990 to 72.1 percent in 2021. This is higher than recent state and national averages of 67.3 percent and 65.1 percent, respectively. The high ownership rate is likely due to the limited availability of new rental housing in the County. In 2010, there were an estimated 9,210± homeowners in Wythe County. This number is estimated to have declined to 8,700± as of 2021, indicating that recent population losses have primarily been among homeowners. Meanwhile, the number of renter households has increased since 2010.

### **Owner Households by Income**

Data in Table 7 show that there has been a decline in the total number of homeowners in Wythe County since 2010. This is in contrast to the trends between 1990 and 2010, when the number of homeowners increased due to job growth in the area.

The data are divided into two income categories: homeowners earning annual incomes between \$40,000 and \$80,000, and those earning over \$80,000. There has been a modest decline in the first category since the 2000's, with this income level represents 17.9 percent of owner households in 2021. The second category, which represents the potential market for new home sales, includes nearly 27 percent of owner households in Wythe County.

There has not been any net growth in either income category since 2010, which coincides with the overall decline in the number of homeowners in the County. This decline is due in part to limited new housing inventory, slow job growth for households at these income levels during this period and the lingering impacts of the Great Recession.

**Table 7: Trends of Owner Households, by Income, Wythe County, Virginia, 1990-2021** 1/

	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Households	9,850	11,510	12,470	12,070
Owner Households	7,600	8,900	9,210	8,700
Percent of Total Households	77.1%	77.3%	73.8%	72.1%
<b><u>\$40,000-\$80,000</u></b>				
Total Households	1,610	1,810	1,830	1,560
Percent of Owner Households	21.2%	20.3%	19.9%	17.9%
<b><u>Above \$80,000</u></b>				
Total Households	1,620	2,270	2,570	2,330
Percent of Owner Households	21.3%	25.5%	27.9%	26.8%
Notes: 1/ Reported in constant 2022 dollars.				
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

### **Renter Households**

Data from 2021 show that Wythe County had a total of 3,370± renter households, representing a 100-household increase from the 2010 total. This represents a relatively low percentage of total households, at less than 30 percent. Despite the lack of new apartment construction in Wythe County during this period, the modest growth in the number of renters indicates that some owner-occupied homes were converted into rental units.

### **Renter Households by Income**

Table 8 presents trends in the number of renter households in Wythe County by income category. The data show a significant number of low- and moderate-income renter households, which can be attributed to the sizable number of housing units with deep rent subsidies as well as the approximately 160 housing choice vouchers issued by the Wytheville Redevelopment & Housing Authority (WRHA).

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As of 2021, approximately 840 renter households in Wythe County are estimated to earn annual incomes below \$20,000, while nearly 690 renter households have annual incomes between \$20,000 and \$35,000. This means that over 45 percent of renter households in Wythe County earn annual incomes below \$35,000. The majority of these renters reside in income-restricted properties and older market rate properties, including several hundred in mature mobile homes of varying quality.

Renter households earning between \$35,000 and \$50,000 represent the workforce housing population in Wythe County. As of 2021, this income bracket totaled approximately 580 households, representing a slight increase since 2010. Essentially no professionally managed apartment properties serve this sector of the rental market. Future job growth, as documented above, is likely to expand this cohort significantly.

In 2021, there were approximately 570 renter households earning annual incomes of between \$50,000 and \$75,000, representing 16.9 percent of Wythe County renter households. This is an increase of approximately 30 households over the 2010 level. Additionally, there were nearly 600 renter households that earned annual incomes exceeding \$75,000 in 2021. As there are no upscale apartment properties in Wythe County, these higher-income renters primarily rent larger single-family homes scattered throughout the County.

The data indicate steady, albeit modest, growth of renter households in nearly all income categories over the past decade. This growth was constrained by the lack of available housing units and potential renters leaving the County in search of adequate housing elsewhere. However, this trend contrasts with the data presented in Table 7 related to recent trends among owner households.



	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Households	9,850	11,510	12,470	12,070
Renter Households	2,260	2,610	3,270	3,370
Percent of Total Households	22.9%	22.7%	26.2%	27.9%
<b><u>Under \$20,000</u></b>				
Total Households	720	730	820	840
Percent of Renter Households	31.9%	28.0%	25.1%	24.9%
<b><u>\$20,000-\$34,999</u></b>				
Total Households	410	530	670	690
Percent of Renter Households	18.1%	20.3%	20.4%	20.5%
<b><u>\$35,000-\$49,999</u></b>				
Total Households	320	350	530	580
Percent of Renter Households	14.2%	13.4%	16.2%	17.2%
<b><u>\$50,000-\$74,999</u></b>				
Total Households	300	410	540	570
Percent of Renter Households	13.2%	15.7%	16.5%	16.9%
<b><u>Above \$75,000</u></b>				
Total Households	310	490	610	590
Percent of Renter Households	13.7%	18.8%	18.7%	17.5%
Notes: 1/ Reported in constant 2022 dollars.				
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

### **Senior Population and Households**

Table 9 presents data on the net growth of the older adult population in Wythe County. The analysis is divided into two demographic cohorts: (1) the active senior population, defined as adults between the ages of 62 and 79, and (2) the older senior population, defined as adults who are 80 and older. The 62 to 79 age group is considered “active adults” and represents the sector of the housing market most likely to consider a “buy-down” home, i.e., a smaller home without maintenance requirements. The population above the age of 79 represents the potential market for assisted living or nursing care.

Area employers report that there is a significant number of retirees each year, which may indicate a demand for age-restricted housing. This is supported by feedback from local real estate agents, who report strong demand from seniors looking to downsize but with few attractive options. In the past, homes designed for seniors, such as patio homes, have sold well in Wytheville.

In 2010, the active senior population (adults aged 62 to 79) in Wythe County totaled approximately 5,030, or 17.2 percent of the total county population. This percentage is higher than state and national averages, which are closer to 12 percent. Over the 2000's, a period in which the general population in Wythe County grew by approximately 1,640, the net growth of the 62 to 79 age group was 1,010±. This means that the expansion of the senior population accounted for nearly 62 percent of the population growth in Wythe County during that period. The majority of the net population growth of active seniors since 1990 can be attributed to residents aging in place rather than an influx of seniors moving to the County. The 2021 active adult population totals approximately 6,140 people, an increase of 1,110 over the 2010 level.

As of 2021, the average household size of active senior-headed households is 1.54, which is slightly below the norm. This difference can be attributed to a high number of single-person senior households in Wythe County.

<b>Table 9: Trends of Senior Population and Households, Wythe County, Virginia, 1990-2021</b>				
	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Wythe County Population	25,470	27,600	29,240	28,020
Wythe County Households	9,850	11,510	12,470	12,070
<b><u>Active Senior Population and Households (62-79)</u></b>				
Senior Population	3,800	4,020	5,030	6,140
Percent of Total Population	14.9%	14.6%	17.2%	21.9%
Senior Households	2,530	2,600	3,240	3,990
Percent of Total Households	25.7%	22.6%	26.0%	33.1%
Average Senior Household Size	1.50	1.55	1.55	1.54
<b><u>Older Senior Population and Households (80+)</u></b>				
Senior Population	900	1,120	1,340	1,570
Percent of Total Population	3.5%	4.1%	4.6%	5.6%
Senior Households	610	750	1,010	1,190
Percent of Total Households	6.2%	6.5%	8.1%	9.9%
Average Senior Household Size	1.48	1.49	1.33	1.32
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

### **Active Senior Population and Households, by Income**

Table 10 presents trends on senior households by income category in Wythe County between 1990 and 2021. As of 2021, nearly 1,500 senior-headed households, or approximately 36.8

percent of senior-headed households, earned annual incomes below \$35,000 when reported in constant 2022 dollars.

The data show recent growth among modest- and high-income senior-headed households since 2010. The growth total for the \$35,000 to \$49,999, \$50,000 to \$74,999, and \$75,000 and above income categories ranged between 90 and 260 households since 2010. No senior housing was built in Wythe County during this period, although several single-level homes without age restrictions were constructed during this period. This growth can largely be attributed to seniors aging in place rather than any significant influx of new, older residents to Wythe County.

**Table 10: Trends of Active Senior Households, by Income,  
Wythe County, Virginia, 1990-2021 <sup>1/</sup>**

	<b><u>1990</u></b>	<b><u>2000</u></b>	<b><u>2010</u></b>	<b><u>2021</u></b>
Households	9,850	11,510	12,470	12,070
Senior Households (62-79)	2,530	2,600	3,240	3,990
Percent of Total Households	25.7%	22.6%	26.0%	33.1%
<b><u>Under \$20,000</u></b>				
Total Households	720	560	640	740
Percent of Senior Households	28.5%	21.5%	19.8%	18.5%
Percent of Total Households	7.3%	4.9%	5.1%	6.1%
<b><u>\$20,000-\$34,999</u></b>				
Total Households	570	570	640	730
Percent of Senior Households	22.5%	21.9%	19.8%	18.3%
Percent of Total Households	5.8%	5.0%	5.1%	6.0%
<b><u>\$35,000-\$49,999</u></b>				
Total Households	400	380	470	590
Percent of Senior Households	15.8%	14.6%	14.5%	14.8%
Percent of Total Households	4.1%	3.3%	3.8%	4.9%
<b><u>\$50,000-\$74,999</u></b>				
Total Households	380	440	590	770
Percent of Senior Households	15.0%	16.9%	18.2%	19.3%
Percent of Total Households	3.9%	3.8%	4.7%	6.4%
<b><u>Above \$75,000</u></b>				
Total Households	460	640	870	1,130
Percent of Senior Households	18.2%	24.6%	26.9%	28.3%
Percent of Total Households	4.7%	5.6%	7.0%	9.4%
Notes: 1/ Reported in constant 2022 dollars.				
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

## Housing Unit Trends

This subsection analyzes the overall housing unit inventory in Wythe County, including new additions to the market and the ages of homes. Table 11 presents census data on total housing units in 2010 and 2020. For comparison purposes, data is shown for Wythe County as well as for the other jurisdictions within the Mount Rogers Planning District.

The data indicate that Wythe County had approximately 90 fewer housing units in 2020 compared to 2010, representing a decline of 0.6 percent. This trend is similar to that in most of the neighboring communities in the Mount Rogers Planning District, where the total number of housing units decreased by over 1,100, or 1.2 percent, since 2010. The only exception is Carroll County, where the housing stock expanded by only ten units.

Table 11 highlights the fact that there has been no net growth in the local or regional housing stock since 2010. Data show that there were essentially no net new housing additions in the Mount Rogers Planning District during this time. As a result, there are limited housing options available, even for those who are willing to undertake long commutes.

This does not mean that no new homes were built during this period. Rather, the data likely reflect a condition in which a larger number of older homes were demolished over the past decade compared to the number of newer homes that were constructed.

	<b>2010</b>	<b>2020</b>	<b>Net Change</b>	<b>Percent Change</b>
<b>Wythe County</b>	<b>14,079</b>	<b>13,990</b>	<b>-89</b>	<b>-0.6%</b>
Bland County	3,265	3,200	-65	-2.0%
Bristol City	8,795	8,670	-125	-1.4%
Carroll County	16,569	16,579	10	0.1%
Galax City	3,252	3,156	-96	-3.0%
Grayson County	9,158	8,924	-234	-2.6%
Smyth County	15,426	15,097	-329	-2.1%
Washington County	25,637	25,424	-213	-0.8%
<b>Mount Rogers Planning District</b>	<b>96,181</b>	<b>95,040</b>	<b>-1,141</b>	<b>-1.2%</b>

Source: 2010-2020 Census, U.S. Census Bureau, U.S. Department of Commerce

Table 12 presents the periods in which new occupied homes were built in Wythe County. Only 300 new homes were built since 2014, with an additional 163 homes constructed between 2010 and 2013. Wythe County did add approximately 2,230 new homes during the 2000's and over 2,000 during the 1990's. However, there has been a sharp decline in new home additions since the 2000's.

The key point is that the housing stock is mature, with over 60 percent of Wythe County households living in homes that were built prior to 1980. Over 20 percent of occupied homes in Wythe County were built prior to 1940. Fewer than four percent of occupied homes were built since 2010.

<b>Table 12: Net Change in Housing Units, Wythe County, Virginia, 2020</b>		
	<b><u>Number of Homes</u></b>	<b><u>Percent of Homes</u></b>
<b>Occupied Housing Units</b>	<b>12,393</b>	<b>100.0%</b>
Built 2014 or Later	300	2.4%
Built 2010 to 2013	163	1.3%
Built 2000 to 2009	2,225	18.0%
Built 1990 to 1999	2,081	16.8%
Built 1980 to 1989	1,257	10.1%
Built 1970 to 1979	1,870	15.1%
Built 1960 to 1969	1,118	9.0%
Built 1950 to 1959	849	6.9%
Built 1940 to 1949	907	7.3%
Built 1939 or Earlier	1,623	13.1%
Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates		

### **Prevalence of Occupied Substandard Homes**

The final aspect of census data on the Wythe County housing market is the number of substandard housing units, in this case defined as occupied homes with incomplete plumbing or kitchen facilities. Table 13 indicates that there are only 56 occupied homes without complete plumbing facilities and 51 occupied homes without complete kitchen facilities in Wythe County. Combined, these data from the American Community Survey represent less than one percent of total occupied homes. An analysis was not performed for homes without telephone connection, as this is no longer a relevant measure of home quality.

Overall, there are likely to be a significant number of blighted vacant homes, but the number of blighted occupied homes is small. It is worth noting that over half of occupied homes in Wythe County were built prior to 1970.

<b>Table 13: <u>Occupied Housing Units by Complete Facilities, Wythe County, Virginia, 2020</u></b>		
	<b><u>Number</u></b>	<b><u>Percent</u></b>
Occupied Housing Units	12,393	100.0%
<b><u>Plumbing Facilities</u></b>		
Complete Plumbing Facilities	12,337	99.5%
Lacking Complete Plumbing Facilities	56	0.5%
<b><u>Kitchen Facilities</u></b>		
Complete Kitchen Facilities	12,342	99.6%
Lacking Complete Kitchen Facilities	51	0.4%
Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates		

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### **Section III: Wythe County Housing Market**

The following subsection provides a detailed analysis of the various components that comprise the Wythe County housing market. The for-sale housing market is fully analyzed by home type, including single-family homes, townhomes and patio homes. As will be shown, the for-sale housing market in Wythe County is dominated by the resale market, as very few new homes have been built speculatively for sale since the Great Recession. The vast majority of newer homes in Wythe County are single-family homes, although some townhomes and patio homes have been built and successfully sold in the past. There are no age-restricted subdivisions in Wythe County, although new homes have been built for seniors, particularly with single-level floor plans or ground-level master bedrooms.

This subsection also includes a comprehensive analysis of the rental market, including both affordable and market rate rental properties. The market rate properties are primarily mature and owned/ managed by local and regional investors and property managers. There are no professionally managed, market rate apartment communities with amenities or on-site management in Wythe County. The rental housing stock consists of small multi-family units that were largely built before 2000, mobile homes, scattered single-family homes and scattered townhomes that were originally intended for homeownership.

The affordable rental housing stock is shown to be of high quality for this part of Virginia, partly due to the active local housing authority, the Wytheville Redevelopment & Housing Authority (WRHA). Although the affordable apartment units target both low- and moderate-income households, the majority of these units serve households earning less than 30 percent of the Area Median Income (AMI). The affordable apartment properties are typically at full occupancy and maintain extensive waitlists. This will be fully documented in the sections to follow.

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## For-Sale Housing Market

### New Construction Single-Family Home Market

Currently, there are only five subdivisions in Wythe County with recent new home sales activity and unbuilt lots that are available. All of these subdivisions are located in the Town of Wytheville and are detailed in Table 14. Each of these subdivisions is briefly described in the following paragraphs.

- **Washington Commons**. This is a small subdivision located along Oak Grove Drive, several blocks south of W Main Street in Wytheville. The community was approved for a mix of 21 single-family homes and 16 townhomes. To date, only five single-family homes were built between 2014 and 2022 at an average value of approximately \$214,000. Four townhomes were built in 2016 and are valued at approximately \$176,000.

The townhomes offer single-level patio home designs. Two of the interior townhome units are 1,409 square foot homes with two bedrooms and a single-car garage. The two end units measure 1,980 square feet and have three bedrooms. These larger units have two-car garages. The single-family homes are larger, but also offer single-level designs with two-car garages.

The remaining lots in this subdivision must be created through final subdivision approval. Additional street, water, and sanitary sewer infrastructure must be installed by the developer before any additional lots are approved. There are currently no active plans to develop the rest of the property. There are no homes listed for sale in this subdivision at this time.

- **Deerfield Phase II**. This subdivision is located on the south side of W Lee Highway and near its intersection with S Petunia Road on the western edge of the Town of Wytheville. The first phase of this subdivision included 18 single-family homes that were built between 2005 and 2010. The second phase is approved for 13 single-family homes, 11 of which were built during the 2010 to 2021 period. These newer homes have an average value of just over \$200,000. They are primarily single-level homes with two-car garages. Only two lots remain available for development. There are no homes listed for sale in this subdivision at this time.
- **College Park**. This is among the most expensive subdivisions in Wytheville, with home values averaging approximately \$312,000. This subdivision has 15 approved lots, with 12 homes sold during the 2007 to 2021 period. It is located southeast of Wytheville Community College and just west of Cassell Road. These are attractive two- and three-bedroom single-level homes with two-car garages. They were marketed as patio homes, but do not meet the traditional definition of patio homes, which are attached. One home,



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which was built in 2021, is currently under contract for \$345,000. No other homes are currently listed for sale in this subdivision.

- **King Hills**. King Hills is located west of George Wythe High School, north of Old Stage Road and east of the Wytheville Golf Club. This is the largest active subdivision in the Town of Wytheville and generates among the highest sales prices.

48 lots have been approved, excluding two lots that are reserved for a stormwater basin. 20 homes were sold between 2006 and 2021. Homes in this subdivision have an average assessed value of approximately \$407,000, which is at the top of the market for the Wytheville marketplace. One home is currently under construction. Thus, the subdivision has been active for 15 years with just over one new home built each of those years, on average.

The development was initially intended to offer upscale housing, with most homes listed at prices above \$400,000. This high price point excluded a significant portion of potential homebuyers from the market. Additionally, lot prices in the subdivision have been perceived as above market value for the area, at around \$50,000. The slow development pace of the subdivision may also be partly attributed to deed restrictions requiring a minimum square footage for new homes.

- **Fairfield Glade**. This subdivision is located along the north side of North 4th Street, about a quarter mile east of the intersection of North 4th Street and W Ridge Road. The subdivision has been approved for 33 single-family homes, two multi-family lots, and 12 townhome lots. To date, only one single-family home has been built, valued in the low-\$200,000s. This home was built in 2010. Additionally, four 1,200± square foot single-level, two-bedroom/two-bathroom townhomes were built in 2016. These homes, which each have a single-car garage, were not sold and have been leased by the builder. Current rent for these homes is \$1,050. This means that 32 single-family lots and eight townhome lots remain available for development. These lots are currently listed for sale, though they have been on the market for several years and some have topographic challenges. Most are 0.30 acre lots and are listed starting at \$26,800.

The key points in Table 14 are as follows:

- Wythe County has only a small number of active subdivisions with available lots for new housing unit development. These five subdivisions are all located in the Town of Wytheville and include a total of 158 lots. Out of these, only 56 lots have been sold, leaving 102 lots available for new homes.
- Two of these subdivisions – Fairfield Glade and Washington Commons – offer a mix of housing types: single-family homes and townhomes. The townhomes have patio home designs.

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- There has been minimal new home sales activity in these subdivisions in recent years.
  - None of the subdivisions offer any amenities such as a clubhouse, walking paths or swimming pool. None are served by sidewalks. This is partly due to the small number of lots.
  - In addition to the available lots in these subdivisions are multiple vacant lots scattered throughout Wytheville with development potential. However, several of these lots adjoin homes in various states of disrepair which limits their marketability and appeal for new home development.

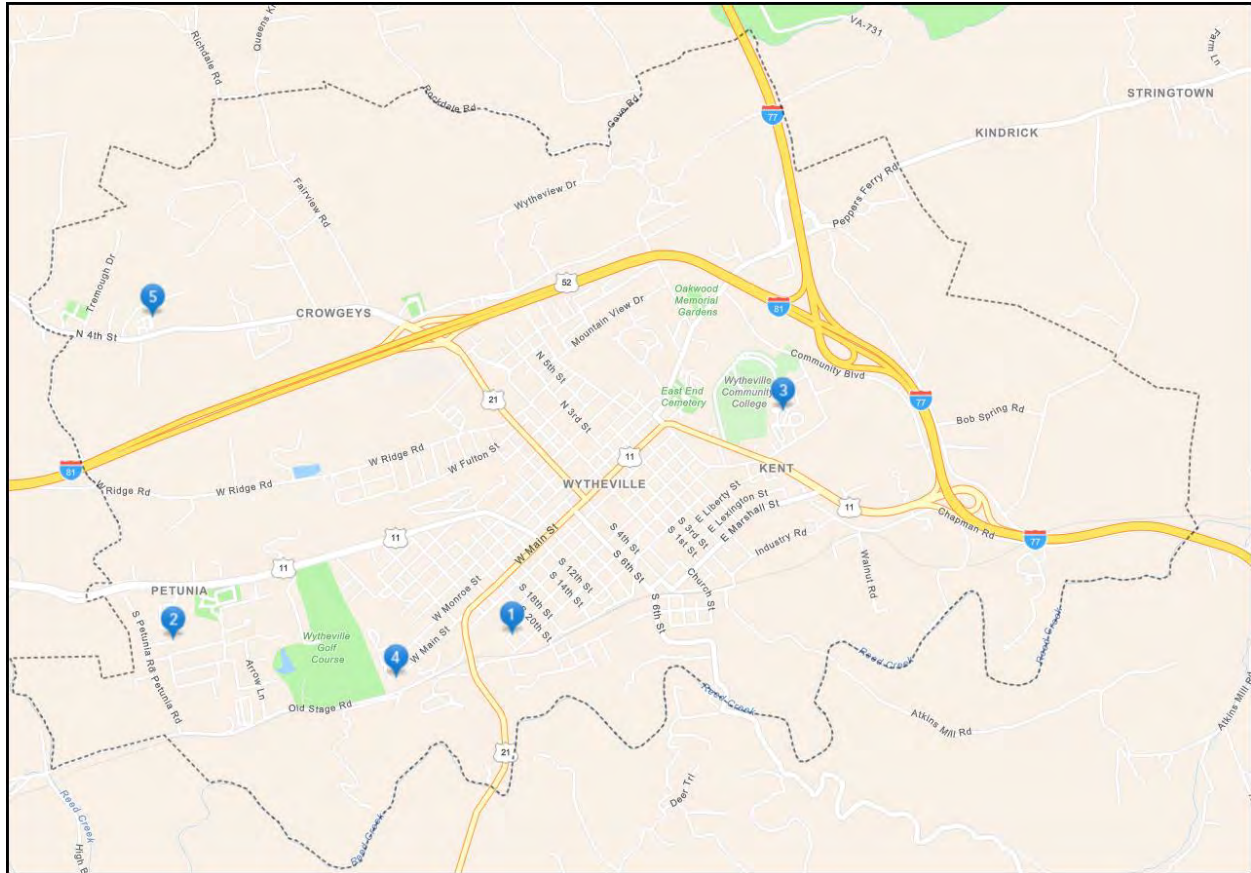
Of note is that most activity in these subdivisions consists of lot purchases and owner-built homes. Based on interviews with multiple local realtors, it is estimated that approximately 15 percent of new homes sold in these subdivisions were built speculatively over the past five years. Furthermore, many of the newer homes in these subdivisions, particularly in King Hill, were valued in the mid-\$300,000 to low-\$400,000 range, making them unaffordable to most prospective homebuyers at this time.

Local realtors report demand for homes priced above \$250,000, and up to \$500,000. However, most prospective homebuyers can only afford homes in the \$175,000 to \$250,000 price range, with demand weakening for homes priced above \$250,000. These subdivisions do not adequately serve this need, as very few speculative homes have been built in recent years. Many of these subdivisions do not offer homes at price points that are affordable to the majority of prospective homebuyers.

**Table 14: Characteristics of Wythe County, Virginia Subdivisions, January, 2023**

	<u>Map C</u> <u>Key</u>	<u>Years Built</u>	<u>Average</u> <u>Home Value</u>	<u>Lots</u> <u>Approved</u>	<u>Lots</u> <u>Sold</u>
<b><u>Single-Family Homes</u></b>					
Washington Commons 1/	1	2014-2022	\$214,000	21	5
Deerfield Ph II 3/	2	2010-2021	\$203,000	13	11
College Park 4/	3	2007-2021	\$312,000	15	12
King Hills	4	2006-2021	\$407,000	48 2/	20
Fairfield Glade	5	2010	\$236,200	33	1
(Total/ Average)			(\$274,440)	(130)	(49)
<b><u>Attached Homes</u></b>					
Fairfield Glade	5	2016	\$176,000	12	4
Washington Commons 1/	1	2008	\$198,000	16	4
(Total/ Average)			(\$187,000)	(28)	(8)
<b>Total Average</b>			<b>\$249,460</b>	<b>158</b>	<b>56</b>
Notes: 1/ Remaining lots at Washington Commons must be created through final subdivision approval. Additional street, water and sanitary sewer is required to be installed by the developer prior to approval of any additional lots.					
2/ Excludes two lots reserved for stormwater basin.					
3/ Phase I is built out with 18 single-family homes that were constructed between 2005 and 2010 at an average value of \$198,000 per home.					
4/ Detached patio home designs.					
Source: Town of Wytheville					

Map C illustrates the locations of the five aforementioned subdivisions. The map shows that, with the exception of College Park, which is located near Wytheville Community College, all of these subdivisions are situated in the western part of the Town of Wytheville.



**Map C - Locations of Wytheville Subdivisions**

The following photos show typical homes in the five subdivisions detailed in Table 14. The townhomes at Washington Commons and Fairfield Glade have patio home designs that are appealing to seniors. However, the four townhomes at Fairfield Glade are currently occupied by renters. The single-family homes at King Hills are more upscale and feature multi-level designs, as reflected in their sales prices. The remaining homes in these subdivisions are primarily comprised of single-level, single-family homes.



**Washington Commons (Townhomes)**



**Washington Commons (Single-Family Homes)**



**Deerfield Phase II**



**College Park**



**King Hills**



**(Townhomes – Renter Occupied)**

**(Single-Family Home)**

**Fairfield Glade**

It is worth noting that there are very few for-sale townhomes in Wythe County, with the majority located within the Town of Wytheville and being mature. None of the subdivisions listed in Table 14 offer two-level townhome designs. This is a housing type that should be encouraged, as it provides a cost-effective “starter home” option for young couples and families with more modest incomes.

Two examples of townhome developments at modest price points that have been successful along the I-81 corridor are shown below. These townhomes, which were recently built and sold by Roanoke-based R. Fralin Homes, could serve as a successful prototype for Wythe County. These recently sold-out townhomes are located in Roanoke County and are priced in the upper-\$100,000’s and low-\$200,000’s, making them suitable as “starter homes.” These townhomes could potentially be built and sold at reduced prices locally, as land costs are lower in the area. They are two-level townhomes with brick and/or vinyl exteriors, and each offers a single-car garage. Most of these townhomes feature three-bedroom floorplans with 2.5 bathrooms.



**Village Green**



**Faircrest**

### **Patio Home Market**

The data presented in Table 9 demonstrate the expanding senior population in Wythe County. The County has a large and growing senior population, many of whom have home equity and retirement savings, as well as a desire to remain locally if adequate housing is available. However, the majority of existing homes in Wythe County are not designed for seniors

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to age in place, as they are often too large, have upper-level bathrooms or require significant maintenance.

There is a growing market for patio homes in Virginia and nationwide. Patio homes are a type of single-level attached housing that typically consists of a single-family dwelling with a small yard or patio. These homes are often part of a larger development or community and may be grouped together in a cluster or row. The size of patio homes can vary depending on the location and design of the development, but they are typically smaller than traditional single-family homes. This is because they are designed to be low-maintenance and energy-efficient, and therefore do not require as much space.

Patio homes typically range in size from around 800 to 1,500 square feet, with two or three bedrooms and one or two bathrooms. They offer a convenient and manageable living option for people who are looking for a low-maintenance, energy-efficient dwelling. Apart from the small number of renter-occupied patio homes in Fairfield Glade that were built in 2016, no patio homes have been built in Wythe County since the early-2000's.

This type of home design is recommended. It can be within an age-restricted community or for general occupancy, as the one-story concept is equally appealing to the empty nester market. Depending on size and features, these homes can be priced in the low-\$200,000's to low-\$300,000's within the Wythe County marketplace. Photos of newer patio homes built elsewhere along the I-81 corridor are shown below.





**Berkley Commons**



**Medallion Hills**

**Typical Botetourt County Patio Homes**

**Trends in Residential Building Permits**

Table 15 shows the trends in the number of residential building permits issued by the Town of Wytheville for new homes over the past decade. The data indicate that the Town of Wytheville has only issued 106 residential building permits since 2012, or an average of approximately 11 permits per year.

Some of these permits were for homes that were built on scattered lots throughout the Town, while others were built within the five subdivisions listed in Table 14. Only a small number of these permits were issued to developers who financed the construction of new homes to be sold, as most were issued to private lot owners. Some of these building permits were for the replacement of older homes that were destroyed by fires or other natural disasters. Of note is that over 26 percent of building permits were issued for manufactured and modular homes, many of which were older units that were moved to new homesites.

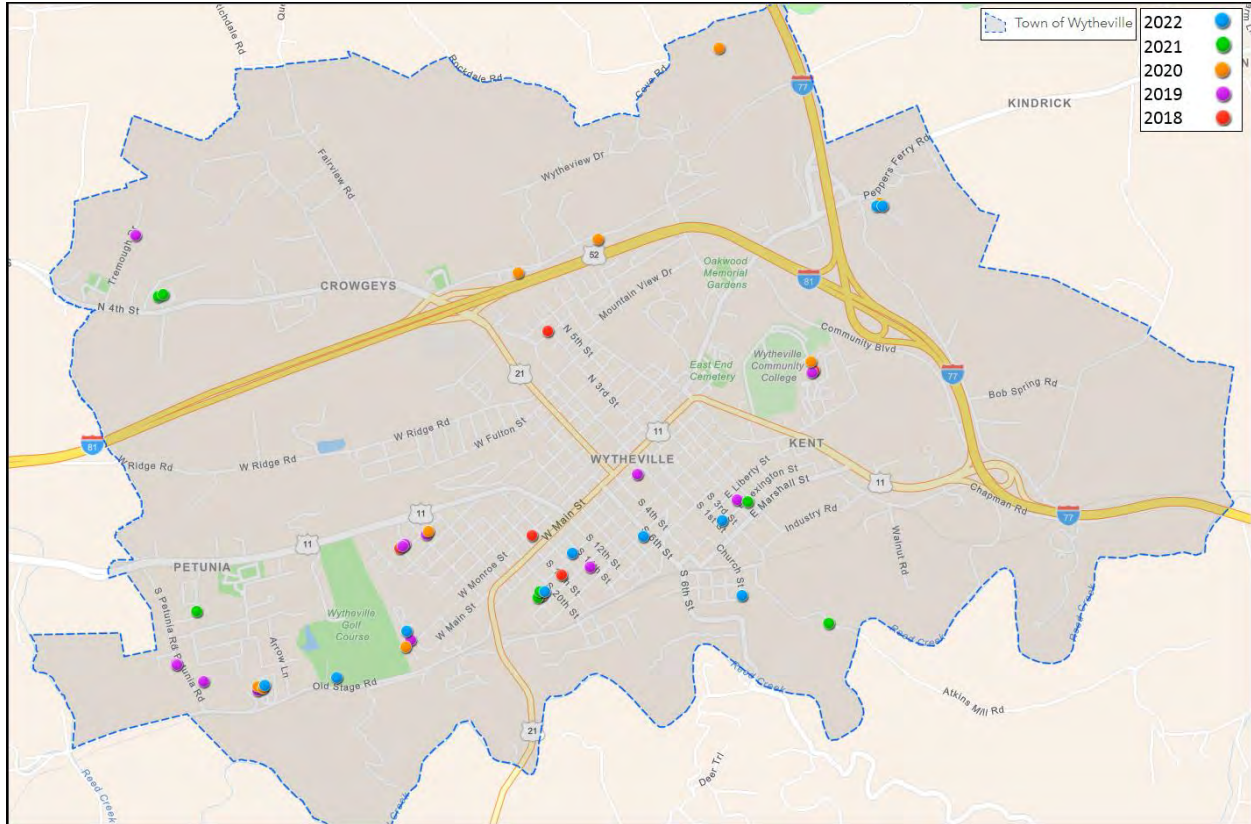
**Table 15: Trends in Building Permits for New Homes,  
Town of Wytheville, Virginia, 2012-2022 1/**

	<u>Single-Family</u>	<u>Manufactured/ Modular</u>	<u>Duplex/ Townhome</u>	<u>Total</u>
2012	5	3	0	8
2013	7	1	6	14
2014	4	4	2	10
2015	7	1	6	14
2016	2	2	4	8
2017	2	3	2	7
2018	4	2	0	6
2019	6	4	2	12
2020	6	5	0	11
2021	4	2	0	6
2022 2/	<u>9</u>	<u>1</u>	<u>0</u>	<u>10</u>
<b>Total</b>	<b>56</b>	<b>28</b>	<b>22</b>	<b>106</b>
<b>Percent of Total</b>	<b>52.8%</b>	<b>26.4%</b>	<b>20.8%</b>	<b>100.0%</b>

Notes: 1/ Excludes apartments.  
2/ January until October, 2022.

Source: Town of Wytheville, VA

Map D shows the locations of the residential building permits issued in the Town of Wytheville since 2018. The map indicates that only ten homes, or fewer than 10 percent of new homes, were built in the subdivisions listed in Table 14. This includes three homes built in the College Park subdivision, four homes built in the Washington Commons subdivision, and three homes built in the King Hills subdivision. The remaining homes were essentially all built on scattered lots throughout the Town, primarily in the southern, more densely populated portions of Wytheville.



**Map D - Locations of Residential Building Permits in Town of Wytheville (2018-2022)**

Table 16 shows the trends in residential building permits issued within Wythe County and outside of the Town of Wytheville over the past decade. The data indicate that 790 permits were issued over the past decade, of which over 60 percent were for manufactured homes and the remainder were for stick-built, single-family homes. No building permits were issued for any duplex or townhome units during this period.

The data show a relatively consistent number of building permits issued annually, with a slight decline in 2022. There were no years in which the number of building permits issued for stick-built homes exceeded the number of building permits issued for manufactured homes.

**Table 16: Trends in Building Permits for New Homes,  
Wythe County, Virginia, 2012-2022** 1/

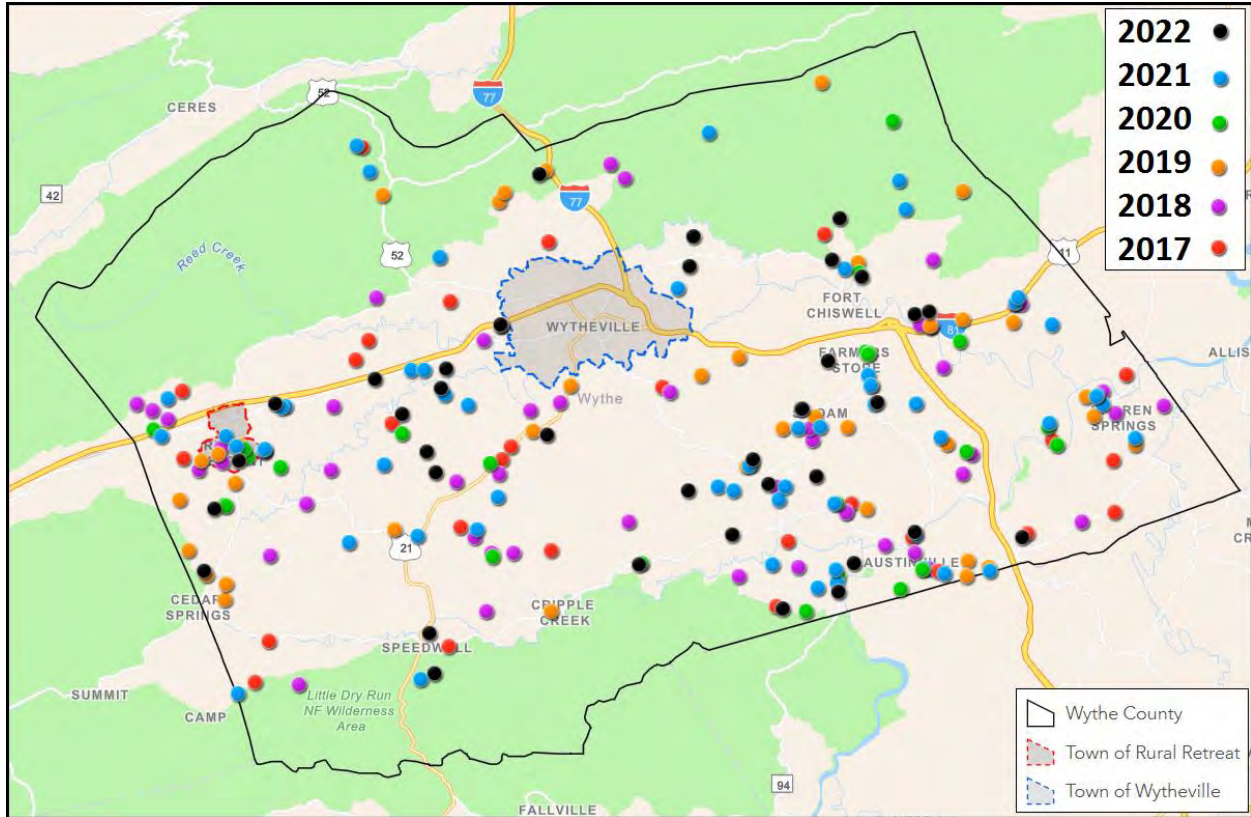
	<u>Single-Family</u>	<u>Manufactured/ Modular</u>	<u>Duplex/ Townhome</u>	<u>Total</u>
2012	28	45	0	73
2013	24	45	0	69
2014	32	44	0	76
2015	17	52	0	69
2016	28	55	0	83
2017	30	39	0	69
2018	30	40	0	70
2019	32	41	0	73
2020	30	41	0	71
2021	29	50	0	79
2022 2/	25	33	0	58
<b>Total</b>	<b>305</b>	<b>485</b>	<b>0</b>	<b>790</b>
<b>Percent of Total</b>	<b>38.6%</b>	<b>61.4%</b>	<b>0.0%</b>	<b>100.0%</b>

Notes: 1/ Excludes Town of Wytheville

2/ Until December 9, 2022.

Source: Wythe County, VA

Map E illustrates the locations of the residential building permits issued in Wythe County and outside of the Town of Wytheville. A small number of permits were not included on the map due to the lack of available addresses for the data that could be accessed publicly. The map shows that the majority of these building permits were issued for properties south of I-81. Concentrations of residential development occurred in and around the Town of Rural Retreat, as well as the Ivanhoe and Austinville areas in the southern parts of Wythe County.



**Map E - Locations of Residential Building Permits in Wythe County - Excluding Wytheville (2017-2022)**

**Mobile, Modular and Manufactured Home Market**

Wythe County has a large number of mobile, modular, and manufactured homes, though many of these homes are mature. The residential building permit data presented in Table 15 and Table 16 show a significant number of permits issued for this type of home construction. Over 26 percent of residential building permits issued in the Town of Wytheville and over 61 percent of building permits issued outside of the Town over the past decade were for these types of homes.

Manufactured homes, mobile homes, and modular homes are all types of factory-built homes that are constructed off-site and then transported to their final location. However, there are some key differences between these three types of homes.

Manufactured homes, also known as “trailer homes” or “prefabricated homes,” are built to a federal building code known as the HUD code. These homes are built in a factory and then

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transported to their final location on a trailer, where they are placed on a permanent foundation. Manufactured homes are typically considered to be less expensive and less durable than other types of factory-built homes.

Mobile homes, also known as “single-wide” or “double-wide” homes, are a type of manufactured home that is built in a factory and then transported to its final location on a trailer. Unlike manufactured homes, mobile homes are not required to meet the HUD code, and are therefore not subject to the same construction standards. Mobile homes are generally considered to be lower-quality and less durable than other types of factory-built homes.

Modular homes, on the other hand, are built to the same building codes as site-built homes and are constructed in a factory in sections, or modules. These modules are then transported to the building site and assembled on a permanent foundation. Modular homes are generally considered to be higher-quality and more durable than manufactured or mobile homes and are often indistinguishable from site-built homes once they are completed.

According to census data, approximately 20 percent of Wythe County residents live in manufactured, modular or mobile homes. There are approximately 2,050 occupied homes of this type in Wythe County, of which less than seven percent are located in Wytheville and approximately three percent are located in Rural Retreat. These homes are primarily mature, as over 86 percent of occupied manufactured, modular or mobile homes in the County were built prior to 2000.

Of the approximately 5,590 people living in these types of homes, just over 86 percent are homeowners, while the remainder rent their units. There are 1,730± owner-occupied manufactured homes and 320± renter-occupied homes. This means that the average household size for owner-occupied manufactured homes is 2.77, while the rate for renter-occupied homes is 2.42. This indicates that many of these homes are occupied by families with children, particularly the owner-occupied units.

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Census data also show that of the 2,810± manufactured homes in Wythe County, approximately 760 units, or nearly 27 percent, are vacant. Most of these vacancies are due to the age of the units. A large number of these older homes are likely uninhabitable. The cost to dispose of or relocate an old, manufactured home depends on a number of factors, including the size of the home, its condition, the distance it needs to be transported and any local regulations or fees that may apply. In general, the cost to dispose of a manufactured home can range from a few hundred to several thousand dollars.

### **For-Sale Housing Pipeline**

There are currently no for-sale subdivisions in active planning in Wythe County. Several prospective developers have approached staff in the Town of Wytheville to study potential areas for development, but none have submitted any plans. There are a few scattered single-family homes being built and planned, but no major concentrations. The vacant Cassell Property, located on the western side of Community Boulevard, is reportedly being studied for a mix of housing types, but there are no set plans at this time.

### **For-Sale Housing Summary**

Area realtors report that the new home sales market has been dormant since the Great Recession. Based on local home sales data, fewer than 20 homes are estimated to have been built speculatively and sold over the past five years, an average of less than four homes per year. The increased cost of building materials and high mortgage interest rates have made new home construction more challenging.

Although there are available lots within subdivisions that could be developed with speculative homes, area homebuilders have shied away from speculative construction, as many are still “spooked” by the Great Recession when they were unable to sell homes they built during that period. Wythe County has not yet attracted major residential investments from outside of the region, though staff from the Town of Wytheville do report some interest from outside

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homebuilders in light of the significant level of job growth anticipated over the next few years. There are no large-scale homebuilders who are active in Wythe County.

In addition, local realtors and members of the development community have identified various land use regulations that make new residential development more expensive, time-consuming and uncertain. These will be analyzed in the conclusions of this report.

Overall, the new home market is largely untested in Wythe County, as the for-sale housing market primarily consists of re-sales and most of these are for older homes. The local housing market is not adequately serving first-time homebuyers and is losing people who want to retire locally. Under current conditions, first-time homebuyers are largely priced out of the for-sale housing market.

Excluding homes that have contingencies, there are currently only two homes listed for sale that were built over the past decade. One is a three-bedroom, three-bathroom home located in a rural setting north of the Town of Wytheville. This home, which was built in 2013, has been on the market for over 200 days and is listed for sale at \$480,000. The price of the home was reduced by \$5,000 in July, 2022, but it last sold for \$268,000 in June, 2018. The second listing is a four-bedroom, 3.5-bathroom home located at 324 E Buck Avenue in the Town of Rural Retreat. This home, which has never been previously owned, is listed for \$345,000 and has been on the market for over 200 days. It was listed for sale before its construction was completed.

Photos of these two homes are presented next. These homes are attractive and well-maintained, but both are priced at the top of the market and are unaffordable to many first-time homebuyers. The location of the first home, in a off-centered setting, may also be a factor for some prospective buyers.





**1814 Rockdale Road (Wytheville)**



**324 E Buck Avenue (Rural Retreat)**

Real estate agents in the area have noted a high demand for new homes, but a limited supply. The largest segment of potential homebuyers are a mix of seniors and first-time buyers. Homes in the \$175,000 to \$250,000 price range are most marketable, but it is difficult to build new homes at those prices, particularly under \$200,000.

Additionally, there is likely to be a market for townhomes at more modest prices, especially for young families. Patio homes are also in high demand, particularly among seniors. However, as mortgage interest rates remain elevated, demand for new homes may decrease and shift towards rental demand. Demand for homes priced over \$250,000 is lower than under that price point. Overall, affordability is a key factor in the current market.

### **Rental Housing Market**

The following is an analysis of the market rate and affordable rental housing markets in Wythe County. The market rate rental market consists primarily of small rental units that are owned and managed by local and regional investors and property management companies. There are no professionally managed apartment complexes with on-site management in Wythe County that offer market rate rental units.

The affordable rental market refers to apartment properties with income restrictions in place. These properties typically consist of low-income apartment units where tenants pay 30

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percent of their income towards rent. Wythe County does have a few affordable rental properties that target households with modest incomes at the 50 percent and 60 percent of Area Median Income (AMI) categories. The majority of these units are managed by the Wytheville Redevelopment & Housing Authority (WRHA) and are located in the town of Wytheville.

There are no affordable, age-restricted apartment properties without significant rent subsidies. None of the market rate properties have age restrictions in place.

### **Affordable Apartment Market**

Table 17 lists the six affordable apartment communities in Wythe County that do not offer deep rent subsidies and provide housing for households with modest incomes. Deep rent subsidies provide financial assistance to low-income renters to help them afford housing. These subsidies often target households with very low incomes, such as those earning less than 30 percent of the area median income.

The table details the six affordable apartment communities in Wythe County that were financed through the Low-Income Housing Tax Credit (LIHTC) program. This program, administered by the Internal Revenue Service (IRS), provides financial incentives to developers and investors who build or rehabilitate affordable rental housing for low-income households. The LIHTC program is the largest source of new affordable apartment units in the state and country, offering tax credits to developers and investors for each low-income unit they build or rehabilitate.

The LIHTC apartment communities in Wytheville are all small, totaling only 146 rental units. Each of these communities is briefly described in the following paragraphs.

- **Freedom Lane** is the newest apartment complex in Wythe County, having opened in August, 2017. The complex offers 24 units in multiple single-level townhomes and was fully leased within one month of opening. Priority for occupancy is given to veterans. The complex offers a mix of 10 one-bedroom (765 to 769 square feet) and 14 two-bedroom (968 square feet) apartment units. All of the one-bedroom units are currently occupied, and there is one vacancy for a two-bedroom unit. The complex features a clubhouse and an

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on-site laundry facility. Due to high demand, there are currently 180 people on the waitlist for this property, so the vacant unit is expected to be filled imminently.

- **Jefferson Union**. This is a 24-unit affordable apartment community with a townhome design that was built in 2012. Twelve of the units are designed for persons with disabilities. The community offers a mix of eight one-bedroom and 16 two-bedroom units, all of which are currently occupied. Management maintains an extensive waitlist of 160 households.
- **High Meadows** is the largest LIHTC apartment property in Wythe County, with 60 units. The complex offers a mix of 10 one-bedroom (777 square feet), 20 two-bedroom (1,122 square feet), and 30 three-bedroom (1,320 square feet) apartment units. Southbridge also offers a small number of three-bedroom units, but High Meadows is the only affordable apartment complex in the area to offer such units on a large scale. The community opened in 2007 and is currently fully occupied.
- **Cassell Pines** is an 18-unit affordable apartment community that opened in 2006. The complex offers a mix of six one-bedroom (550 square feet) and 12 two-bedroom (700 square feet) apartment units. Five of the units are designed for individuals with physical and/or mental disabilities. The small apartment complex is fully occupied and has a waitlist of 200 applicants.
- **Southridge** is a unique rental community comprising a former (Johnston Motel) that was converted into apartment units and eight three-bedroom single-family homes, for a total of 20 rental units. The motel building, originally constructed in 1950, consists of 12 one-bedroom apartment units, created by combining the 24 original motel rooms in the structure. The conversion took place in 1999 and 2000, and the metal roof was installed in 2016. The apartments are served by approximately 15 surface parking spaces, and the community has a small laundry room.

The eight three-bedroom single-family homes were constructed in 1999 and 2000, and new appliances and flooring have been installed as needed. The homes are single-story wood frame structures with a mix of vinyl and brick siding, and do not have garages but have private driveways for car parking. The units are generally 1,200 square feet, with three full bathrooms, patios, and open floor plans featuring an open kitchen and combined living and dining room area. Flooring is a mix of vinyl and carpeting.

Currently, there is one vacancy at the Southridge motel building and two vacant single-family homes, though these homes are offline for renovations. There are approximately 120 households on the waitlist for Southridge, so these vacancies are expected to be filled quickly.

Overall, the Wythe County market has a very low vacancy rate of only 3.4 percent. Two of the vacancies are for units that are offline at Southridge, and the remaining vacancies are at

properties with extensive waitlists that are expected to be filled in the near term. The WRHA, which manages Southridge Apartments, Freedom Lane, Jefferson Union, and Cassell Pines, maintains various waitlists totaling approximately 660 people, although there may be some overlap. Management at these properties report very little turnover, as there are few alternatives locally.

	<u>Map F Key</u>	<u>Year Built</u>	<u>Total Units</u>	<u>Vacant Units</u>
Freedom Lane	1	Aug-17	24	1
Jefferson Union	2	2012	24	0
High Meadows	3	2007	60	0
Cassell Pines	4	2006	18	1
Southridge Motel Units	5	1999/00/22	12	1
Southridge Single-Family Home 1/	6	1999/00/22	<u>8</u>	<u>2</u>
<b>Total</b>			<b>146</b>	<b>5</b>
<b>Vacancy Rate</b>				<b>3.4%</b>

Notes: 1/ Typically fully occupied. Vacant units are being renovated.  
Source: S. Patz & Associates, Inc.

In addition to the LIHTC apartment properties detailed in Table 17 are 17 rental communities with deep rent subsidies, in which tenants pay 30 percent of their income toward rent. These properties, with a total of 514 apartment units, are listed in Table 18 below. All are located in the Town of Wytheville and are fully occupied with extensive waitlists. Households in these properties typically earn incomes below the wages of the region’s expanding employers. Apart from the 14-unit Rolling Hills Blue Sky, all of these communities were built in the 1980’s and 1990’s.

The WRHA manages 220 of these apartment units in nine rental properties, including 110 one-bedroom units at Hedgefield and 110 one-, two-, three-, four- and five-bedroom units in various scattered sites throughout Wytheville. There are currently 600 households on waitlists for apartment units in these properties. In addition, the WRHA issues 135 housing choice vouchers, 25 mainstream vouchers and 16 project-based vouchers locally. There are 500 applicants on the waitlist for these vouchers.

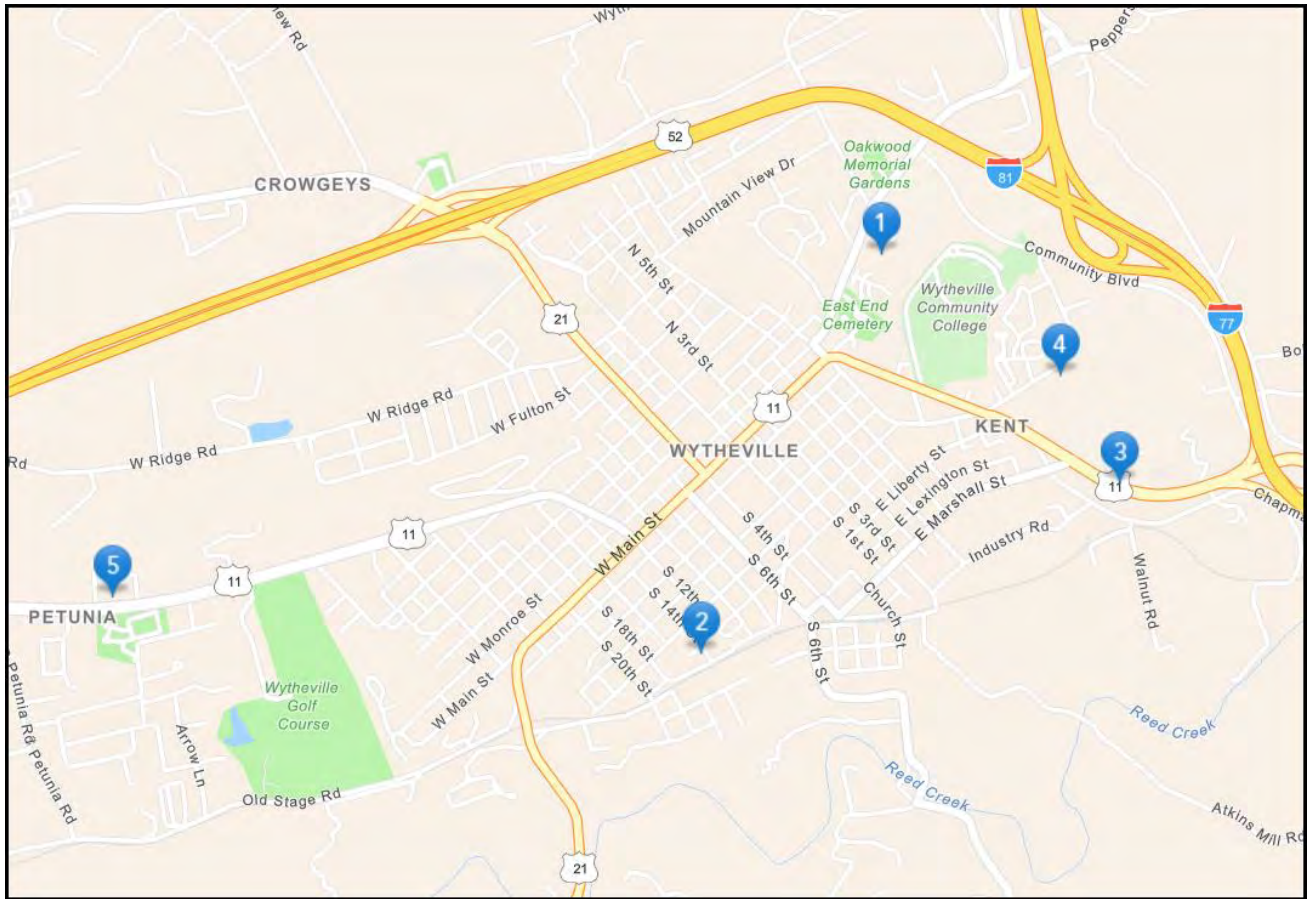
**Table 18: Characteristics of Apartments with Deep Rent Subsidies,  
Wythe County, Virginia, January, 2023**

	<u>Location</u>	<u>Type</u>	<u>Year Built</u>	<u>Total Units</u>	<u>Vacant Units</u>
Rolling Hills Blue Sky	Wytheville	Family	2005	14	0
Autumn Lane Apartments	Wytheville	Family	1995	8	0
Village Square Apartments	Wytheville	Family	1995	28	0
Wytheville Community Apartments	Wytheville	Family	1993	10	0
Longview Village	Wytheville	Seniors	1991	44	0
Pleasant Haven Apartments	Wytheville	Family	1990	8	0
Blue Springs Apartments	Wytheville	Family	1990	14	0
Longview Apartments	Wytheville	Family	1984	46	0
Hedgefield Apartments	Wytheville	Family	1983	110	0
Crab Apple Square Apartments	Wytheville	Family	1980	12	0
Harmony Apartments	Wytheville	Family	1980	4	0
Shady Pine Apartments	Wytheville	Family	1980	24	0
Garden View Apartments	Wytheville	Family	1980	12	0
Northwinds	Wytheville	Family	1978	144	0
Westwood Apartments	Wytheville	Family	1976	<u>36</u>	<u>0</u>
<b>Total</b>				<b>514</b>	<b>0</b>
<b>Vacancy Rate</b>					<b>0.0%</b>

Source: S. Patz & Associates, Inc.

As was shown in Table 6, there are approximately 3,370 occupied rental housing units in Wythe County. Thus, about a quarter of these units are occupied by households supported by rental assistance, either through housing choice vouchers or LIHTC support.

Map F shows the locations of the affordable apartment properties without deep rent subsidies that were detailed in Table 17. All are located in the Town of Wytheville. Three of these communities – Freedom Lane, High Meadows and Cassell Pines – are located in the eastern side of the town near Wytheville Community College. Jefferson Union is located along S 12<sup>th</sup> Street, south of Downtown Wytheville. Southridge is located on the north side of U.S. Route 11 at the far western edge of Wytheville.



**Map F - Locations of LIHTC Apartment Properties**

The following photos show each of the affordable apartment properties listed in Table 17. Freedom Lane has an attractive single-level duplex design, while High Meadows has a two-level townhome design. Cassell Pines offers a mix of garden apartments and single-level townhome designs, and Jefferson Union has single-level townhome designs. Southridge is unique among LIHTC properties as it includes a converted motel and single-family homes. Overall, the affordable housing stock in Wytheville is attractive and well-maintained.



**Freedom Lane**



**Jefferson Union**



**High Meadows**



**Cassell Pines (Townhomes)**



**Southridge (Motel)**



**Southridge (Single-Family Homes)**



The following photos show some of the apartment properties with deep rent subsidies in Wythe County, which offer a variety of housing types. These properties are well-maintained and have extensive waitlists. As previously noted, these lower-rent properties make up the majority of income-restricted units in Wythe County. Most are owned and managed by the WRHA.



**Hedgefield Apartments**



**Longview Apartments**



**Longview Village Apartments (Seniors)**



**Northwinds**



**Crab Apple Square**



**Autumn Lake**



**Westwood Apartments**



**Pleasant Haven Apartments**

Table 19 lists the rents at each of the affordable apartment properties under study. The base rents at these properties, with the exception of the single-family home units at Southridge, include cold water, sewage, and trash collection.

The data show a general consistency in rents across all unit types, as most of these apartment properties were built during the same period and are owned by the same entity, the WRHA. Some of the rent ranges are due to different income restrictions (50% versus 60% of AMI).

One-bedroom rents range between \$393 at Cassell Pines and \$480 at Southridge. On average, one-bedroom apartment units rent for \$436. Two-bedroom apartment units rent for

between \$506 at Jefferson Union and \$580 at Freedom Lane, with an average rent of \$533. The three-bedroom single-family homes at Southridge rent for \$585, though this rate excludes utilities.

	<b><u>One-Bedroom</u></b>	<b><u>Two-Bedroom</u></b>	<b><u>Three-Bedroom</u></b>	<b><u>Utilities</u></b>
Freedom Lane	\$450	\$580	--	W/S/T
Jefferson Union	\$420	\$506	--	W/S/T
High Meadows 2/	--	--	--	--
Cassell Pines	\$393	\$512	--	W/S/T
Southridge Motel Units	\$480	--	--	W/S/T
Southridge Single-Family Home	--	--	\$585	None
<b>Average</b>	<b>\$436</b>	<b>\$533</b>	<b>\$585</b>	

Notes: 1/ W = Cold Water; S = Sewage; T = Trash.  
 2/ Data not provided by on-site management.  
 Source: S. Patz & Associates, Inc.

All of these rents are being readily accepted, though a considerable number of voucher holders rent units at these apartment properties.

### **Market Rate Apartment Market**

The analysis above showed that Wythe County has multiple professionally managed affordable apartment communities, some with on-site management. In contrast, the vast majority of market rate rental units are small, single-unit properties that are dispersed throughout the County. These are primarily concentrated in and around the Town of Wytheville, with a smaller presence in the Rural Retreat, Fort Chiswell and Max Meadows areas.

Most of these are townhomes and single-family homes that were originally built for sale but were later converted into rental units. The rental housing stock also includes several older multi-family structures, primarily with 15 or fewer units, and in various states of upkeep. A significant portion of the market rate rental housing stock also includes older mobile homes. Many of these older homes are mature and often do not match the needs of prospective tenants. However, there are rarely any vacant units, which leads potential renters to search outside of the region, often in the greater Galax area or as far as Radford.

The persistent lack of rental housing availability has caused some units to be priced higher than their market value. According to local property managers, there is a large number of renters who could afford higher rents but do not have any available options. Additionally, many renters are reportedly living in substandard housing or with family and friends due to the shortage of available units. These renters often have the means to pay market rents but struggle to find suitable housing options.

Table 20 lists the five largest apartment buildings in Wythe County. The East End Condos, consisting of nearly 40 rental units, are the newest addition to the County, built in phases in 2002 and 2020. The buildings are located on the north and south sides of Bob Spring Road, on the eastern edge of Wytheville. The remaining four larger apartment buildings, which have been open since the 1970’s and 1980’s, are smaller properties with between 15 and 60 rental units. All of the rental units in these buildings are currently occupied.

<b>Table 20: Larger Apartment Buildings, Wythe County, Virginia, January, 2023</b>				
	<b><u>Location</u></b>	<b><u>Year Built</u></b>	<b><u>Total Units</u></b>	<b><u>Vacant Units</u></b>
East End Condos	Wytheville	2002/2020	38	0
Birchwood Apartments	Wytheville	1981	60	0
S & K Apartments	Wytheville	1977	23	0
S & K Apartments	Rural Retreat	1977	15	0
Ron Hughes Apartments	Max Meadows	1970	36	0
<b>Total</b>			<b>172</b>	<b>0</b>
<b>Vacancy Rate</b>				<b>0.0%</b>
Notes: 1/ Two buildings, built in two phases.				
Source: S. Patz & Associates, Inc.				

Attached are photographs of each of the apartment buildings listed above. The designs of most buildings reflect the period in which they were built. Nevertheless, all are well-maintained and free of any blighting features.



**East End Condos**



**Birchwood Apartments**



**S & K Apartments (Wytheville)**



**S & K Apartments (Rural Retreat)**



**Ron Hughes Apartments**

Rental rates for market rate units in Wythe County vary, but there is an abundance of mature rental units of varying quality. One-bedroom units typically range from \$450 to \$800, with the less expensive units often being single-wide mobile homes. Some of mobile homes, however,

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are rented above market rates due to limited availability, with prices as high as \$650. Two-bedroom units generally range from \$700 to \$900, with the more expensive options being larger townhomes in Wytheville. Most single-family homes, which offer three- and four-bedroom units, generate rental rates of between \$850 and \$1,000, though some upscale homes may rent in the \$1,200 to \$1,600 range.

It should be noted that many of the two- and three-bedroom rental units in Wythe County have outdated designs compared to more recently built properties in Virginia, often featuring only 1.0 or 1.5 bathrooms. This is due to the age of these properties. Additionally, some of the scattered rental units require tenant upkeep, such as lawn maintenance, which is not desirable for all renters.

Shown next is a sample of scattered rental units in Wythe County. The photos show a wide mix of housing types, but most are mature.



**Typical Scattered Rental Units**



**Typical Scattered Rental Units**



**Typical Scattered Rental Units**

### **Apartment Pipeline Proposals**

The only site currently being studied for apartment unit development in Wythe County is located on the north side of W Lee Highway and to the east of N Petunia Road at the western edge of Wytheville. This 12.25-acre property is being studied by Crockett Development for the construction of approximately 300 garden-style apartment units in ten buildings. These units are intended to be more upscale than existing rentals in Wythe County. Town staff has only received preliminary plans for the proposal, which were submitted in early-2022. There is currently no set timeline for the development.

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In addition, the vacant Cassell Property, located on the western side of Community Boulevard, is reportedly being studied for a mix of housing types, but there are no set plans at this time. There are no apartment communities in planning or under construction in the Town of Rural Retreat or in unincorporated parts of Wythe County.



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## **Section IV: Available Development Sites**

This section of the housing analysis identifies and evaluates available sites recognized by local officials as being suitable for new residential development. All of these sites have access to, or are located near, public water and sewer services. This is a necessary condition for attracting developers from outside the region, as building in locations without public water and sewer can be more costly due to the need for private water and sewer systems or on-site septic systems.

Most of these sites are privately owned. Staff from Wythe County, the Town of Wytheville and the Town of Rural Retreat did not identify any vacant buildings with potential for rehabilitation into apartment units, though there are likely to be a handful of small available buildings.

### **Vacant and Underutilized Parcels with Residential Development Potential**

Table 20 presents the multiple vacant and underutilized properties in Wythe County that offer the most potential for new residential development. The survey was limited to larger properties that could potentially attract homebuilders from outside the region, so smaller parcels and those with major development constraints, such as topographic issues, difficult access, and properties prone to flooding, were excluded from this analysis. All of the properties listed in Table 20 have access to public water and sewer.

Eight properties, including two clusters with multiple owners, were identified as having the most potential for residential development. Except for the Pres Jackson Property, which is owned by Wythe County, all of these properties are privately owned. The Pres Jackson Property and the Fort Chiswell Outlets Property are the only two properties that are located in unincorporated parts of Wythe County, while the remaining properties are located in the Town of Wytheville. Only the Compass Property is located within an Opportunity Zone, which provides tax benefits to investors with capital gains designed to encourage long-term private investment in low-income urban, suburban, and rural census tracts. Two of the identified sites, Country Club Drive Properties and W Ridge Road, have multiple owners.

These properties have a wide range of sizes, varying from just under eight acres to nearly 90 acres. The large size of many of these properties allows for the potential development of a mix of housing types on one property. Most of the properties are zoned for low-density residential and would need to be rezoned for most residential development to occur, particularly of the type most in demand. A limited number of these properties are being actively marketed for sale.

**Table 20: Characteristics of Better Properties with Residential Development Potential, Wythe County, Virginia, January, 2023** 1/

	<b>Map G Key</b>	<b>Tax ID</b>	<b>Acres</b>	<b>Zoning</b>	<b>Opportunity Zone</b>
Barker Property 1/	1	41A-7-61-1	12.0	M1 & R3	○
Cassell Property 2/	2	41A-1-131	89.7	B2 & A1	○
Compass Property 3/	3	41A-88-37 & 41A-88-10	8.8	R3	●
Fairfield Glade Property 4/	4	24D-1-(3 thru 35) & 24D-1-(2A thru 2L)	7.9	R3	○
Fort Chiswell Outlets Property	5	44-2-(2 thru 10)	56.8	--	○
Pres Jackson Property 5/	6	43-26 & 43-26N	45.3	--	○
<b>Country Club Drive Properties</b>	7		14.8	R1	○
Butt Property 6/	--	40-1-38	7.0	R1	○
Huff Property	--	40-1-38A & 40-1-38I	6.9	R1	○
Loomis Property	--	40-1-38J	0.9	R1	○
<b>W Ridge Road Properties</b>	8		74.2	R3 & A1	○
Irvin Property	--	40-21 & 40-33A	22.5	R3 & A1	○
Burnett Property	--	40-22	3.0	R3 & A1	○
P&Z Rentals Property	--	40-23	2.0	R3 & A1	○
Russell Property	--	40-33B	1.0	R3 & A1	○
Shuler Property	--	40-33,40-33C &40-32	45.7	R3 & A1	○

Notes: 1/ Remaining part of originally approved 86-lot PUD from 1997. Some water and sewer lines have been installed within the remaining acreage, but would need to be evaluated.  
 2/ Currently under contract for a preliminary design with civil engineering firm.  
 3/ Part of existing subdivision (Washington Commons). Currently has approved development plan for 21 single-family lots & 16 townhome lots.  
 4/ Unbuilt lots that are part of existing subdivision (Fairfield Glade). Includes 32 single-family lots, eight townhome lots and one partially developable 2.3-acre parcel.  
 5/ Publicly owned (Wythe County).  
 6/ A town-maintained pump station is located at the lowest point of this property.

Source: Wythe County, VA; Town of Wytheville, VA

Map G shows the eight potential development sites listed in Table 20, which are located along the I-81 corridor. These sites are easily accessible and have good visibility. The Fort Chiswell Outlets Property is located at the southwestern intersection of I-81 and I-77, east of Wytheville. The Pres Jackson Property is located east of Wytheville, south of I-77, between Pres Jackson Road in the south and Chapman Road in the north. The remaining six properties are located in the Town of Wytheville, primarily in the western part of the Town.



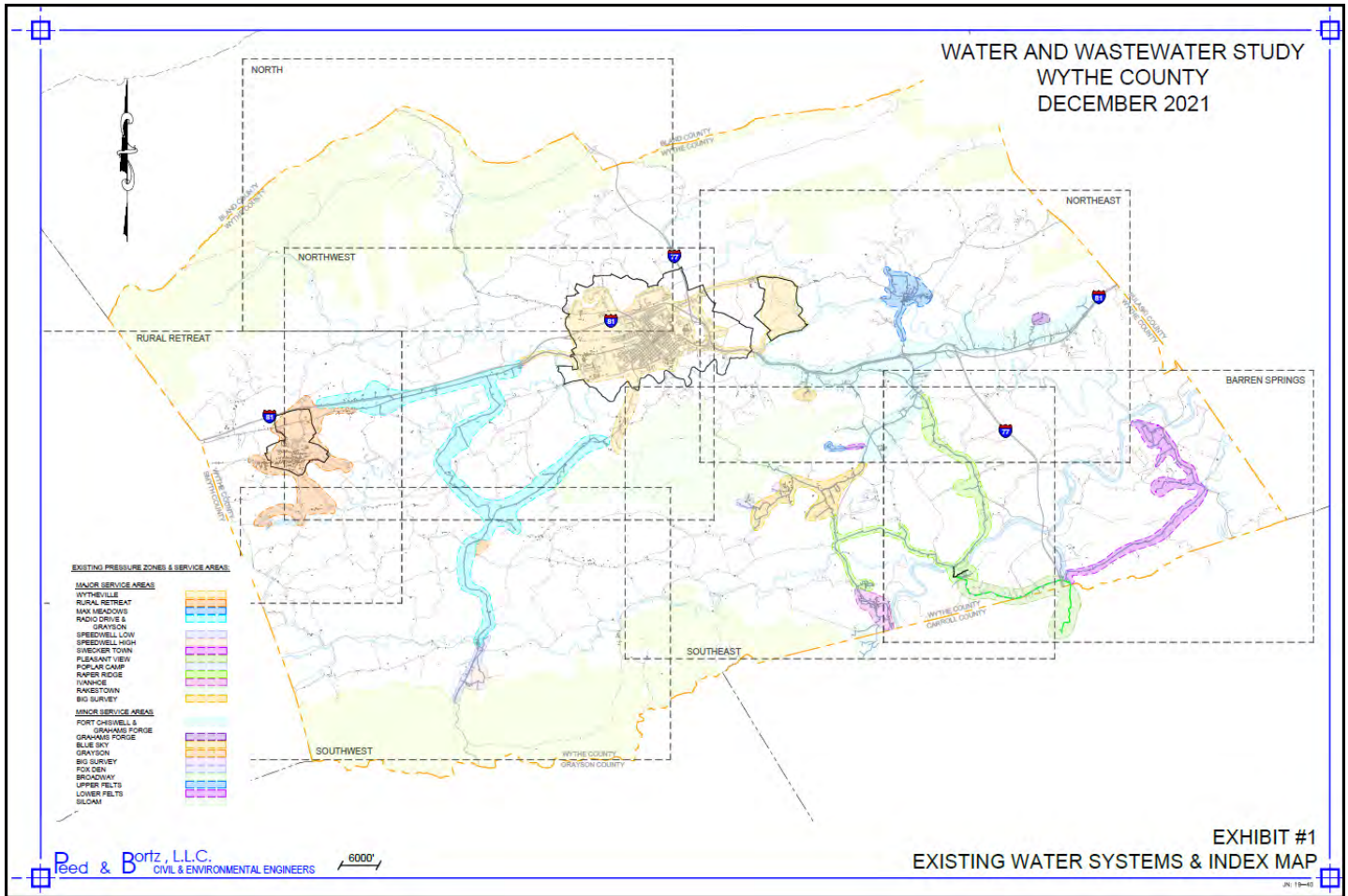
**Map G - Locations of Vacant Properties with Residential Development Potential**

In addition to the above, several areas along the northern side of I-81 in unincorporated parts of Wythe County have access to water and sewer services and are available for residential development. In particular, the I-77 Exit 24 area in Poplar Camp has a relatively new sewer system that was installed over the past five years. There are several properties in this area that could potentially be developed with housing, some of which may require sewer extensions. This area is in close proximity to the New River Trail State Park and Foster Falls Recreation Area, which could be attractive to potential homebuyers.

Wythe County is currently planning an extension of sanitary sewer services to serve an area approximately one mile south of Fort Chiswell High School on U.S. Route 52. This extension will also provide a main force main and expanded gravity sewer on open lands west of U.S. Route 52, providing public sewer services to many of the existing residents along SR 94.

While none of the parcels in these areas are currently being studied for new housing or have been identified by County staff as future residential development areas, it is important to note that there are additional sites that are available for housing development.

Map H illustrates the locations of the existing water and sewer lines in Wythe County. The map shows that the largest sewer system outside of Wytheville and Rural Retreat is located along the I-81 and I-77 corridors, generally between Exit 77 and Exit 86 of I-81. The south side of I-81, from mile marker 84 to 86, is not served by public water or sewer.



**Map H - Existing Wythe County Water and Sewer Lines**

The following section presents brief descriptions, photos and maps of the potential residential development sites that were identified in Table 20.

## **Barker Property**

The Barker Property is a vacant, 12-acre, irregularly shaped property located on the north side of Old Stage Road and just west of Grayson Road in the southwestern part of Wytheville. This property is the remaining part of an 86-lot PUD that was originally approved in 1997. The subdivision includes nine patio homes, consisting of two buildings with two units each and one building with three units. These single-level homes have attached garages and average approximately 1,700 square feet in size, with assessed values in the low- to mid-\$200,000 range. These homes were built between the late 1990's and mid-2000's, prior to the Great Recession. Development on the subdivision ceased after the developer reportedly went into foreclosure. The existing homes that were built have re-sold quickly when available, though there is minimal turnover. Some water and sewer lines have been installed within the remaining acreage, but these would need to be evaluated prior to any development. This property could be an excellent site for new patio homes or garden apartments.



**Map I - Barker Property Location**



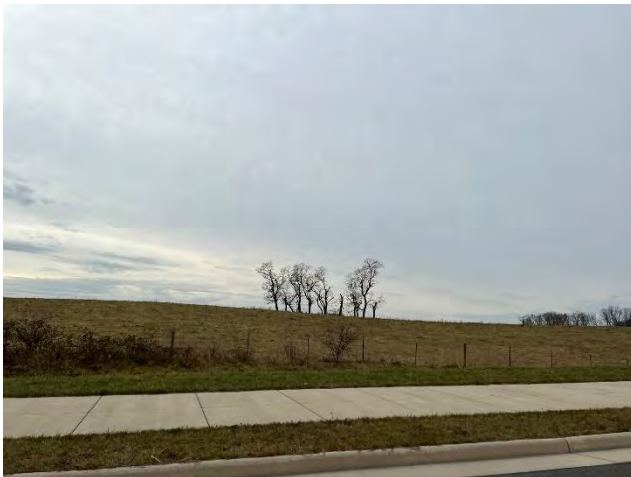
**Existing Conditions of Barker Property**

## Cassell Property

The Cassell Property is one of the most attractive available properties in Wytheville. At nearly 90 acres, it is the largest vacant property with residential potential in Wytheville and is large enough to accommodate a variety of housing types. However, any residential development on the site would require a rezoning. The property is currently vacant, as the single-family home that previously occupied the site was demolished. The property is reportedly under contract for preliminary design with a civil engineering firm to support a mix of land uses, but no rezoning application has been submitted to Town staff. Potential plans for the property could involve a mixed-use development consisting of commercial space fronting Community Boulevard and transitioning to a mix of single-family and multi-family housing toward the rear.



**Map J - Cassell Property Location**



**Existing Conditions of Cassell Property**

## Compass Property

The Compass Property is the remaining part of the Washington Commons subdivision, which currently includes five single-family homes and four single-level townhomes along Oak Grove Lane. The property spans approximately 8.8 acres. The remaining lots in this subdivision include 16 single-family and 12 townhome lots that must be created through final subdivision approval. The developer is required to install additional street, water and sewer infrastructure prior to approval of any additional lots. This could be an attractive location for a patio homes, single-family homes or townhomes for sale.



**Map K - Compass Property Location**



**Existing Conditions of Compass Property**

## Fairfield Glade Property

The Fairfield Glade property consists of the remaining lots in the stalled Fairfield Glade subdivision, which includes one single-family home that was built and sold in 2010 and four single-level townhomes that were built as rentals in 2012. The remaining parcels include 32 single-family lots, eight townhome lots, and one partially developable 2.4-acre parcel. Lot prices start at \$26,800, and most of the vacant lots are approximately 0.30 acres.



**Map L - Fairfield Glade Property Location**



**Existing Conditions of Fairfield Glade Property**



## **Fort Chiswell Outlets Property**

The Fort Chiswell Outlets Property is the site of the demolished Merchants' Factory Outlet Mall at the southwestern intersection of I-81 and I-77, approximately ten miles east of Wytheville. The vacant 175,580± square foot outlet mall was demolished in 2020 after it had been largely destroyed by fire. The nearly 57-acre property is large enough to accommodate a variety of housing types. This could be an attractive location for new garden apartment buildings.



**Map M - Fort Chiswell Outlets Property Location**



**Existing Conditions of Fort Chiswell Outlets Property**

## Pres Jackson Property

The Pres Jackson Property is the only publicly-owned property that was identified as a potential residential development site. The site is located on the north side of Pres Jackson Road and south of U.S. Route 11, just east of the 5,330-seat, 90,000± square foot Appalachian Exposition (Apex) Center that opened in 2019. The property is largely wooded and, at over 45 acres, could accommodate a large number of new homes of various types.



**Map N - Pres Jackson Property Location**



**Existing Conditions of Pres Jackson Property**

## Country Club Drive Properties

The Country Club Drive Properties consist of four parcels at the eastern edge of Country Club Drive that have various owners but have been identified by Town staff as having potential for residential development. The property is partially improved with homes, but is largely vacant. In total, these four parcels span nearly 15 acres. This would be an attractive location for for-sale homes of various types, including patio homes.



**Map O - Country Club Drive Properties Location**



**Existing Conditions of Country Club Drive Property**

## W Ridge Road Properties

The W Ridge Road properties consist of five parcels spanning over 74 acres with various owners along the south side of W Ridge Road. Some of the parcels are vacant and some are improved with mature single-family homes. These properties have been identified by Town staff as having potential for redevelopment. They are largely clear and have flat topography, making them attractive for various housing types.



**Map P - W Ridge Road Properties Location**



**Existing Conditions of W Ridge Road Property**

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## Section V: Housing Analysis Conclusions

### Initial Conclusions

The market conclusions are as follows:

- 1) Wythe County is generating housing demand locally primarily from area employers, indicating potential market support for new housing unit development of various types. This is supported by the following factors:
  - Employers in Wythe County have announced over 2,600 new jobs that are expected to be filled over the next five years, equating to an average of over 500 new jobs annually. This represents a significant increase over past trends, with the majority of these new positions to be associated with new Blue Star NBR facilities to be built near Wytheville.
  - As of September, 2022, the date for which the most recent data are available, Wythe County has a low unemployment rate of only 2.3 percent, which is 1.3 percent lower than the pre-pandemic rate in January, 2020. This low unemployment rate will require a steady influx of new residents to fill vacant and future positions at multiple area businesses. However, the current housing supply is inadequate to accommodate this growth. This could lead future employees to reside elsewhere and commute.
- b
  - The pandemic has had minimal impacts on the County's economy, as related to employment and job losses. It has not had any significant effects on the rental market in terms of occupancy or rents. In fact, total employment in Wythe County has exceeded the pre-pandemic level by over 1,200 jobs, or by 9.1 percent. This indicates that the County's economy has remained resilient despite the challenges posed by the pandemic.
  - The level of future job growth in neighboring localities outside of Wythe County is substantial, representing a significant increase over past trends. Over 1,200 new jobs have been announced in neighboring counties and cities, with many of these located in areas that also face housing shortages. This could potentially lead to supplement demand for new housing in Wythe County.
  - Based to interviews with area property managers and realtors, a significant number of existing employees in Wythe County prefer alternative housing but have limited or no options available to them. These interviews also confirm that many local employees will leave the region after a few years due to this issue. This could potentially have negative impacts on the local economy and workforce.
- 2) While the general population of Wythe County has declined by over 1,200 since 2010, the senior population has steadily grown. There are very few homes in the County that are designed specifically for seniors, such as single-level homes with low maintenance requirements. Essentially no new homes are being marketed toward this sector of the housing

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market, leaving many seniors with limited options. Local realtors report that many seniors would sell their existing homes to relocate locally if more housing options were available to them.

- 3) The market rate apartment market has expanded modestly in recent years, with much of this growth driven by the conversion of older single-family and manufactured homes into rental units. However, this has not sufficiently met the demand for housing and is not appealing to many prospective renters. Wythe County's market rate apartment supply is mature, with vacancies being rare and often not meeting the preferences of prospective renters. Most of the "better" rental properties in the area are scattered units managed by various property management firms or private investors, many of which are not comparable to newer apartment units built elsewhere in Virginia. This has led to tenants moving outside of the County in search of housing.
- 4) The affordable rental housing stock is generally mature, fully occupied and primarily serves low-income households. Nearly all affordable rental properties maintain waitlists, with fewer than 150 apartment properties targeting households with moderate incomes. There are no age-restricted affordable apartment properties without deep rent subsidies in Wythe County.
- 5) The existing housing market is stronger for rental housing than for for-sale housing, due in part to the wages of new employees and the effects of rising mortgage interest rates. Higher mortgage interest rates are making it more challenging for potential first-time homebuyers with more modest incomes to afford a home, leading to increased demand for rental housing. This trend could potentially continue as mortgage interest rates remain elevated for the foreseeable future.
- 6) The for-sale home market in Wythe County is dominated by re-sales, with only a small number of new homes being built speculatively for sale over the past decade. The market is comprised primarily of single-family and manufactured homes, with few other options available.
- 7) Section IV of the report indicates that Wythe County has multiple vacant and underutilized parcels with potential for residential development. The list in Table 20 is not exhaustive, but it provides an indication of the scale of available properties. Some of these larger parcels may need to be subdivided to support various housing types, and most would require a rezoning to be used for higher-density residential development. Given the level of demand for new housing, additional available properties would likely need to be identified in the future.

Based on the above analysis, it is evident that Wythe County's existing housing stock does not sufficiently meet current demand. Simply put, the level of future job growth is a sharp increase over past trends. Due to the level and type of future job growth, the greatest immediate housing need is for market rate rental housing. The analysis also finds that the current new home sales market in Wythe County is small and does not provide home prices that are affordable to

most prospective homebuyers. Moreover, the senior population is underserved. Thus, the initial recommended housing needs for Wythe County are as follows:

	<u>Units</u>
Market Rate Apartments	800±
Affordable General Occupancy Apartments	80±
Affordable Age-Restricted Apartments	40±
Patio Homes for Sale	50±
Single-Family/Townhomes for Sale	100±

The above recommendations involve the construction of a large number of new homes, totaling over 1,000 housing units. However, the total includes a mix of for-sale and rental homes, market-rate and affordable homes, and homes suitable for general occupancy or age-restricted communities. It is not expected that all of these homes would be built simultaneously. There is likely to be demand for future phases, particularly the apartment units and modestly priced for-sale homes, but the recommendations presented above focus on the initial development needs that are most feasible. The development pace should be guided by the hiring pace at Blue Star NBR, which is anticipated to average approximately 490 new hires per year between 2023 and 2028.

Each of the above recommendations are detailed in the paragraphs below.

- **Market Rate Apartments.** There are multiple sites available for the development of market rate apartment units in Wythe County that would serve employees moving to the region, including those currently employed locally but commute. Garden apartment designs are recommended. It is expected that a significant number of these apartment units would eventually be occupied by Blue Star NBR employees. The majority of new apartment units should have two-bedroom floorplans with two full bathrooms. Rents would be commensurate with new jobs that are expected.

Based on pent-up demand and expected hiring by Blue Star NBR in the near term, it is estimated that at least 800 market rate apartment units should be supported initially. There will almost certainly be ample demand for additional phases of apartment unit development in the future, as Blue Star NBR continues to expand, with the pace of development to reflect by the lease-up pace of new apartment units that may open. The 800 unit figure is large, however even under optimistic circumstances, new apartment units would not likely come onto the market until mid- or late-2024. Based on the analysis on Page 17, new and expanding employers in Wythe County could add nearly 1,000 new

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jobs by the end of 2024. The number of new apartment units that the market could absorb should be reevaluated as Blue Star NBR's hiring pace becomes clearer.

- **Affordable Apartments.** It is recommended to pursue the development of general occupancy and age-restricted affordable apartment units through the Low-Income Housing Tax Credit (LIHTC) program. There is a strong demand for affordable rental housing at various income levels in the area, as evidenced by the success of existing affordable apartment communities in Wythe County, lengthy waitlists at nearly all local affordable apartment properties and other factors. At this time, it is unlikely that affordable apartment units will be developed outside of the LIHTC framework in Wythe County. Based on expected incomes, most new employees at Blue Star NBR would not qualify for this type of housing.
- **Patio Homes for Sale.** Wythe County is likely to support approximately 50 two- and three-bedroom patio homes for sale. These are recommended to be two- and three-bedroom units listed in the \$225,000 to \$300,000 price range to serve the empty-nester and active adult population.
- **Single-Family Homes and Townhomes for Sale.** Approximately 100 new single-family homes and townhomes for sale are recommended, priced between \$180,000 and \$250,000. These should be designed as "starter" homes. There will likely be additional demand for future phases as Blue Star NBR continues to expand locally, however most new employees are likely to be renters.

The above figures are conservative estimates, as there are no past apartment absorption or new homes sales trends that would be relevant. To reiterate, the initial focus should be on apartment unit development, as rental housing will address the most pressing housing needs in Wythe County and provide the best opportunities to attract developers from outside of the region. This type of housing is expected to be the most feasible and affordable option for new hires at Blue Star NBR, particularly in the current market where high mortgage interest rates may make it more challenging to secure traditional home ownership loans.

As noted in Table 20, there are multiple available sites in Wythe County that could potentially be utilized for the development of new housing. These sites are located in close proximity to both the future Blue Star NBR facilities and various community amenities in Wytheville, making them attractive options for development. Additionally, all of the sites have access to public water and sewer, and several are large enough to accommodate a range of housing types. This presents a number of opportunities for the development of new housing in Wythe County.



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## Additional Recommendations

In addition to the above analysis, S. Patz & Associates conducted a thorough review of land use regulations in Wythe County, including the towns of Wytheville and Rural Retreat, to understand the potential impact on new residential development. This review was initiated in response to concerns raised by multiple members of the local real estate community who noted that existing regulations may increase the cost of development and discourage new housing investments.

The analysis begins with a review of land use regulations in Wythe County, followed by an evaluation of land use regulations in the towns of Wytheville and Rural Retreat. Included in these analyses are recommendations for each locality.

### Wythe County Land Use Regulations

Wythe County has relatively permissive residential land use regulations. Property owners are subject to few regulations regarding the use and development of their land. The County's Comprehensive Plan sets general goals and objectives but does not have a consolidated county code or zoning ordinance that establishes specific regulations for developers to follow. These goals and objectives should guide County administrators in making land use decisions and may influence amendments to the County's ordinances, but do not establish mandatory regulations for developers. As a result, the use of existing lots for residential purposes is not significantly impeded by County rules.

Legal divisions of land, or subdivisions, are subject to land use regulations as established in the County's Subdivision Ordinance. This ordinance requires minimum dimensions for newly created lots and specifies how they should be configured in terms of orientation, frontage on public streets and access to water and sewer infrastructure. To construct new single-family homes, townhomes or apartment buildings on newly subdivided land, a residential developer must apply for and receive approval for a subdivision in compliance with the County's Subdivision Ordinance.

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The Subdivision Ordinance in Wythe County allows for flexibility in residential development. However, County staff may consider some modifications to make the County a more attractive location for new residential development. These recommendations are presented below.

- **Modify Lot Size and Frontage Requirements.** The Subdivision Ordinance requires any subdivided lot to have frontage on a public street (Section 4.4). The minimum frontage length varies depending on a lot's access to public water and sewer and whether it is located on a state-maintained road. The ordinance also sets a minimum lot size depending on these same factors. Together, these regulations establish the maximum number of lots that can be created within a tract of land. Smaller lot requirements would allow for more homes within a specific tract. Lower requirements could be appropriate in certain areas of the County, especially if they are located near highways, commercial corridors or large employers.
- **Eliminate Arbitrary Lot Requirements.** The Subdivision Ordinance prohibits developers from configuring lots to meet frontage requirements (Section 5.3.2). This section also prohibits lots with a frontage that is less than 25 percent of its total depth. In other words, if the minimum lot (100 feet) is met, a lot could not be deeper than 400 feet. While it may seem intuitive that subdivided land would follow a regular development or grid pattern with rectangular or square shaped lots, ultimately this is a relatively arbitrary requirement that lacks a specific land use purpose. Allowing uniquely shaped lots that meet frontage requirements or have disproportionate widths and depths would not result in incompatible or undesirable development.
- **Consider Eliminating Public Street Requirement.** Like other jurisdictions in Virginia, Wythe County's Subdivision Ordinance requires the applicant for a subdivision to bear the cost of constructing required improvements (streets, water, sewer infrastructure, etc.). As a result, many new subdivisions would require the construction of public streets alongside water and sewer infrastructure. Wythe County could modify the public street requirement to encourage residential development. In a rural county, private streets may be acceptable, particularly in areas with little to no anticipated pedestrian activity. Private streets may be less expensive to build and maintain than public streets. Private streets offer developers more control over their design and maintenance, as they are not subject to the same regulations and oversight as public streets.
- **Increase Predictability and Reduce Approval Process Costs.** Subdivisions containing more than five lots or townhomes require approval by the County's Planning Commission at a public hearing. Public hearings can increase expenses and unpredictability for developers. Because the County lacks a zoning ordinance or development code, the Subdivision Ordinance grants the Planning Commission relatively broad discretion in approving subdivision requests. The Subdivision Ordinance grants the Planning Commission the authority to deny a subdivision request based on land use considerations.

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Even if a proposed subdivision's lots met all technical requirements, the Planning Commission still has the discretion to deny a request (Section 4.1.1).

Applications for subdivisions of land for residential development that are within one mile of Wytheville or Rural Retreat's town limits are also provided to their review. It is unclear what effect their comments would have on the County's approval, but this creates another uncertainty in the approval process. The County could eliminate the need for Planning Commission review of subdivision requests that meet certain criteria. Further, the Subdivision Ordinance should outline specific standards for approval rather than rely on discretionary considerations.

### **Town of Wytheville Land Use Regulations**

The Town of Wytheville has a modern Zoning Ordinance, considering both its modest population and number of Town staff. The Zoning Ordinance permits multifamily residential development throughout most of its 13 zoning districts with generally reasonable limitations. Town officials could, however, consider minor changes to encourage additional, appropriate residential development. Identification and analysis of these possible changes are as follows.

- **Modify Lot Size and Frontage Requirements.** The Zoning and Subdivision Ordinances require all lots to have frontage on public streets with the amount of frontage varying depending on the zone in which the property is located. The Zoning Ordinance also establishes a minimum lot size that varies depending on the zone. Together, these regulations establish the maximum number of lots that can be created within a tract of land. Smaller lot requirements would allow for more homes within a tract. Lower requirements could be appropriate in certain areas of the Town.

Much of the Town is zoned A-1/Agricultural. While this zone currently allows for expansion of more urban or suburban development into these agricultural areas, the regulations could be relaxed to allow for more creative residential land use. For example, the Zoning and Subdivision Ordinances could suspend the street frontage requirement for large parcels zoned A-1. This would allow a property owner of a large parcel to create lots appropriate for residential development along its street frontage. The property owner could leave the residual of their land unsubdivided and continue agricultural use of it. Under current rules, a subdivision like this could not be approved because the residual land would no longer meet the street frontage requirement.

- **Allow Multifamily Dwellings in All or Most Zones.** Town staff could consider allowing multifamily dwellings up to a certain number of units in all or most zones. For example, the R-1 zone does not currently allow multifamily residential development. Because the properties zoned R-1 comprise a significant portion of all residentially zoned properties within the Town, some of the areas within the R-1 zone could be appropriate for higher-

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density residential development particularly if they are co-located with neighborhood serving retail (grocery stores, pharmacies, etc.).

- **Allow Accessory Buildings to be Used as Residences.** The existing Zoning Ordinance prohibits the use of an accessory building as a residence (accessory dwelling) in all zones except R-1M/Residential. In this zone only, a property owner may seek special exception approval from the Wytheville Board of Zoning Appeals to use an accessory building as a residence. Eliminating the prohibition of the use of an accessory building as a residence could introduce smaller homes into the market. Given their small sizes, these accessory dwellings tend to rent for less and be more affordable than a traditionally sized home in the same neighborhood.

Several jurisdictions in Virginia already allow for this type of residential land use. Town staff could review these jurisdictions' ordinances to see how to craft their own policy. Further, Wytheville could look to its own experience with implementing Zoning Ordinance section 16-19/Small-Lot/Small-Home Overlay zone in crafting an accessory dwelling policy. This section allows for smaller homes on smaller lots than the minimum sizes for each in the traditional zone.

- **Eliminate Minimum Home Sizes.** The Zoning Ordinance establishes minimum single-family dwelling size in terms of footprint and size. For example, the R-1 zone requires a 900 square foot footprint and 1,400 square foot minimum size, respectively. Multifamily dwellings must comply with proportionately larger sizes, depending on the number of units. Although these numbers are generally reasonable, Town officials could consider their elimination to allow for construction of smaller, generally more affordable homes.
- **Eliminate Arbitrary Lot Shape Requirements.** Like Wythe County, the Wytheville Subdivision Ordinance prohibits developers from configuring lots to meet frontage requirements (Section 5-8). While it may seem intuitive that subdivided land would follow a regular development or grid pattern with rectangular or square shaped lots, ultimately this is a relatively arbitrary requirement that lacks a specific land use purpose. Allowing uniquely shaped lots that meet frontage requirements would not result in incompatible or undesirable development.
- **Reduce Construction Costs.** A developer in Wytheville who proposed a subdivision to create new lots for residential development would also be financially responsible for all improvements. For example, streets are a required improvement for newly subdivided lots. The street must meet all Town of Wytheville standards, including that it must have a curb and gutter on both sides. The Subdivision Ordinance (Section 5-22.4) states that these "...improvements are required for flood control and drainage..." Town officials could consider adjusting this requirement to reduce costs for developers where appropriate. In some cases, on-site best management practices for flood control and drainage could reduce the need for curbs and gutters.

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- **Relax Conversion of Commercial to Residential Restrictions.** Most of the zones that permit multifamily residential development in the Town also allow the conversion of an existing building to multifamily residential, provided that the building meets all requirements for multifamily residential uses. The Town should consider eliminating this provision to encourage the adaptive reuse of existing buildings that would not meet the Zoning Ordinance’s multifamily residential requirements.

### **Town of Rural Retreat Land Use Regulations**

The Town of Rural Retreat has a straightforward Zoning Ordinance with seven zones. Of these, only four zones permit residential development. Notably, its C-G/Commercial-General zone, which generally surrounds North Main Street south of East Buck Avenue and along East and West Railroad Avenue, prohibits residential development entirely. Otherwise, the Town’s other zones are generally permissive of residential development. Town officials could, however, consider minor changes to encourage additional, appropriate residential development. Identification and analysis of these possible changes are as follows.

- **Allow Dwellings in More Zones.** Staff should consider allowing residential development in its C-G zone. Adaptive reuse of existing buildings should be encouraged by not instating lot size minimums for residential dwellings in the C-G zone. Existing, vacant commercial buildings could then be used as residential dwellings without special approvals by the Town.
- **Allow Multifamily Residential without Special Approvals.** In the R-1 and R-2 zones, multifamily residential requires approval of a conditional use permit. Apartment units located above commercial uses also requires conditional use permit approval in the C-N/Commercial-Neighborhood zone. These conditional use permits are approved at a public hearing. Public hearings can increase expense and unpredictability for developers.
- **Modify Lot Size and Frontage Requirements.** The Town’s residential zones establish a minimum lot size and frontage of 10,000 square feet and 100 feet, respectively, for single- and two-family homes. The Town’s agricultural zone requires a minimum lot size of five acres for single- and two-family homes. Town officials could consider adjustments to these minimums to allow for smaller, denser development where appropriate.

### **Final Thoughts**

As demonstrated in this report, there is a clear and overwhelming demand for new housing in Wythe County. The level of demand is expected to significantly increase as Blue Star NBR accelerates its hiring pace. Job growth is occurring now, so it is critical that new housing is

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built as soon as possible. However, to attract homebuilders from outside of the County, it is necessary for available properties to be either ready or easy to develop. Several of the properties currently available would require rezoning to accommodate the types of housing recommended in this report, and some may also need to be subdivided to be more attractive to developers. Amending existing land use regulations to facilitate the development of new housing units could make Wythe County more attractive for new residential development.



# TWIN COUNTIES

COMPREHENSIVE HOUSING ANALYSIS

**Comprehensive Housing Analysis**  
**Twin County Region**  
**City of Galax, Carroll County and Grayson County, Virginia**

**Prepared for:**

**James Moss**  
**Mount Rogers Planning District Commission**

**November, 2022**

**S. Patz and Associates, Inc.**  
**46175 Westlake Drive, Suite 400**  
**Potomac Falls, Virginia 20165**





November 9, 2022

James Moss  
Housing Director  
Mount Rogers Planning District Commission  
1021 Terrace Drive  
Marion, Virginia 24354

Jimmy,

Attached is our comprehensive housing study for the Twin County Region, which includes the City of Galax, Carroll County and Grayson County. The report is designed to analyze the current and potential market for new homes within the region. It is intended to provide detailed market data on the Twin County Region economy and its various housing markets. The goal of this report is to provide a realistic strategy to attract new housing to the region.

The primary housing study conclusion is that the current housing market is underserved, old and outdated. The study shows ample demand for new housing unit development, based on (1) sizable local and regional job growth, (2) a loss of population due in part to inadequate housing and (3) steady growth among the region's senior population.

Nearly all new rental units added to the regional housing stock over the past decade involved conversions of older homes into rental properties. These have not satisfied demand, and in many cases, have not provided the housing types that are most sought after. Even with these additions, there are seldom any vacant rental units in the region. Furthermore, almost no new speculative homes for sale have been built in the region in at least a decade. Thus, there has been no new home sales market either for seniors, who require more accessible homes with limited maintenance, or entry-level homebuyers.

In addition is a positive economic outlook for the region. Over 400 new jobs are expected in the Twin County Region over the next few years, with several hundred additional prospective jobs potentially in the pipeline. Moreover, there are over 9,000 new jobs proposed to be added in neighboring jurisdictions that also face housing shortages. This level of job growth is a sharp increase over past trends. With a low unemployment rate of only 2.9 percent, future employment growth will support housing unit demand in the Twin County Region.

A second study conclusion is that several viable development sites exist to support new housing of various types. Most of these properties are readily available for development but would need to be rezoned. Many of the available development sites may also need to be subdivided to support the type of housing recommended in this report, as many are large

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properties. Several of these are City and County-owned properties, which provides a unique opportunity to attract new development.

The above market study conclusions are detailed in the attached report along with our estimate of potential new housing demand. With support from public officials, the pent-up demand for new and better housing can be supported over time.

Sincerely,

*Ariel Goldring*

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Ariel Goldring  
President

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## Introduction

Officials in the Twin County Region, which includes the City of Galax, Carroll County and Grayson County, have recognized a longstanding issue related to housing availability of various types. This has become an acute problem across the Mount Rogers Planning District, where this region is situated, and is an especially pressing concern given the level of future job growth both within the Twin County Region and in neighboring communities that also face housing shortages. Public officials, area employers, property managers and realtors universally report challenges in attracting new residents due to housing availability, diversity, and quality.

As will be fully documented in this report, future job growth in the region exceeds past trends. This has added pressure to a chronically tight housing market that has delivered a modest number of new housing units over the past decade. Filling these jobs and allowing new and existing employees to reside locally depends on the ability of the region to add new housing. To supplement this employment-induced demand is the steady growth in the active adult population, a segment of the housing market that is not currently being served with new or adequate housing. Thus, the following report concentrates on job growth and retention as well as an aging population as the initial bases to generate new housing unit demand.

The study to follow provides a comprehensive analysis of the Twin County Region, which includes the City of Galax, Carroll County and Grayson County. The region also includes four towns: Fries, Independence, Hillsville and Troutdale. This report is the second in a series of market analyses undertaken by S. Patz & Associates for the multiple housing markets that comprises the Mount Rogers Planning District. The purpose of these analyses is to identify strategies to generate “brick and mortar” results. Opportunities exist, and local public officials are committed to providing support as they have echoed the business community’s desire for new housing.

The study to follow is divided into four sections. The first section is the Twin County Region Analysis, which analyzes the location of the Twin County Region to the south of the Interstate-81 corridor and north of the North Carolina state line. Presented next is an Economic Overview Analysis that describes trends in at-place jobs and employment. This section also

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documents the level of future job growth in the Twin County Region, the Mount Rogers Planning District and other neighboring communities. As will be shown, the level of future employment growth in the region and in nearby areas is significant, representing a positive shift over past trends. An analysis of the employment impacts of the COVID-19 pandemic is also included in this subsection.

A second part of the Economic Overview is the demographic analysis of the Twin County Region, which analyzes population and household trends, with particular attention related to trends in household income, tenure and age. Within a negative growth marketplace such as the Twin County Region, studies of this type present challenges for demographic projections. These are difficult to establish, as trend data show a population decline. The key market finding is how to change these recent trends.

The third section analyzes the various housing markets in the Twin County Region in terms of new additions, tenure, home prices and rents. This section analyzes both the for-sale and rental markets. The for-sale market has been dominated by resales and second home sales. There has been no market for new home sales in at least a decade. There has been some growth in the rental market over the past two decades, with net expansions in the rental housing stock primarily consisting of conversions of homes that were originally built to be sold. There is no identified senior-related housing market in the Twin County Region at this time. Apart from a small number of rental units with deep rent subsidized, there are no age-restricted apartment units for rent or homes for sale in the region. The ability to establish such a market will be fully studied, as demographic trends show a sizable and well-established older adult population.

The fourth section of the report is an analysis of the available development sites in the Twin County Region. The availability of multiple attractive sites for new housing unit development, including both vacant land and buildings conducive for adaptive-reuse, provides excellent opportunities to address the identified housing challenges. Several are publicly owned properties, which presents added opportunities for new development.

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The fifth and final section is the Conclusions, which provide a strategy for new housing development in terms of: (1) site locations, (2) sales prices and rental rates, (3) housing types and (4) target markets. These are presented in general terms as a guide to attract homebuyers and renters.

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## **Section I: Twin County Region Setting Analysis**

The Twin County Region is comprised of the City of Galax, Carroll County and Grayson County in the southeastern portion of the Mount Rogers Planning District. This is a large geographic area, but apart from Galax and a handful of small towns, most of the region is rural with limited new housing or commercial activity. As will be documented in this report, the region has regenerated a small number of new housing units for rent or for sale over the past decade. The region is typically defined as a single housing market that is distinct from the housing markets to the north, along the I-81 corridor, and to the south, in North Carolina.

Map A shows that U.S. Route 58 essentially bisects the Twin County Region in an east-west direction, providing direct access to the region's three major population and employment centers: the City of Galax, the Town of Independence and the Town of Hillsville. Most of the area's housing and employers are located along and near this roadway. This is an east-west highway system that runs for over 500 miles from U.S. Route 25E just northwest of Harrogate (TN) to U.S. Route 60 in Virginia Beach (VA). Smaller population clusters in the region include the towns of Fries and Troutdale, which are located north of U.S. Route 58 in Grayson County. Neither of these two towns are generating a significant level of job or population growth at this time.

Galax, situated in the center of the region, is a small city that encompasses approximately 8.2 square miles. Nearly 55 percent of developed land in Galax, or approximately 2,900 acres, is used for residential purposes, with single-family detached homes accounting for roughly 70 percent of the City's housing stock. Over 22 percent of the City's land is undeveloped, though approximately one third of the vacant 1,180± acres are not developable due to various constraints such as topographic issues (sloped terrain) and draining conditions. Several vacant parcels also have environmental issues that would need to be mitigated prior to any new housing unit development. Galax, and adjacent areas, are the largest economic generators in the Twin County Region.

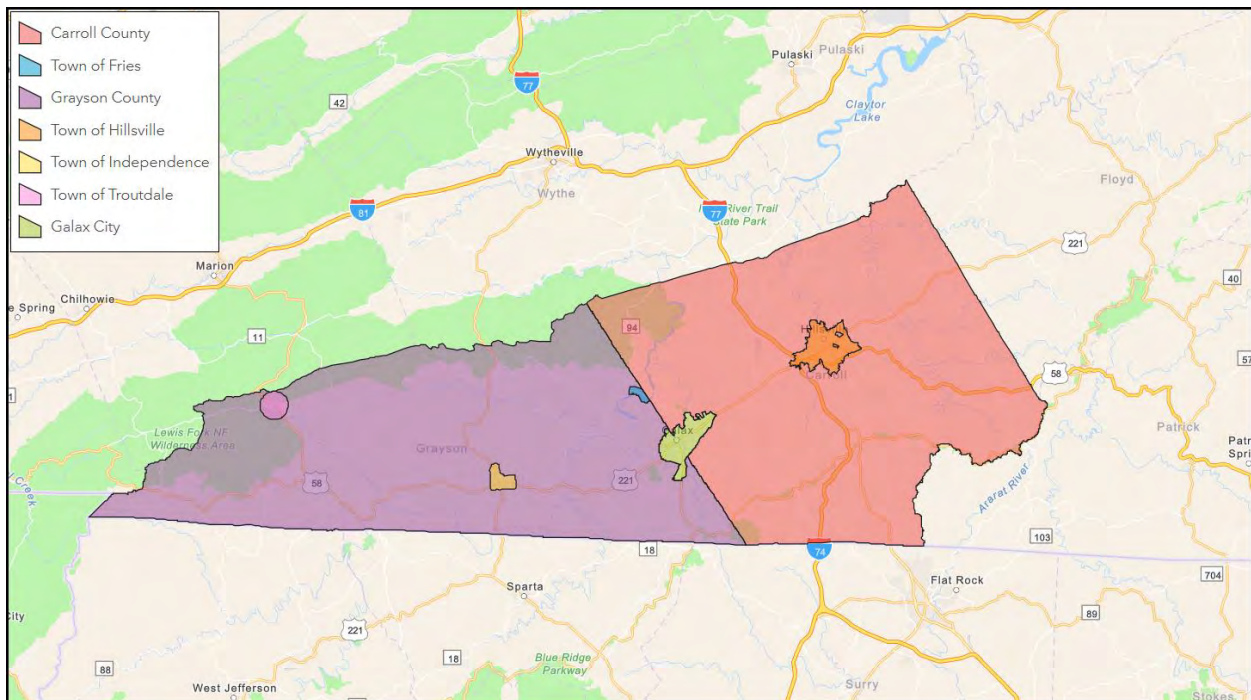
Carroll County, which borders Galax to the east, is a predominately rural area that spans approximately 494 square miles. A small portion of the Jefferson National Forest (the Mount



Rogers National Recreation Area) lies within the northwestern corner of Carroll County. Over half of the County's land is used for agricultural purposes while over 16 percent of the County's land is forested or under conservation. The Town of Hillsville is the County Seat and lies near the geographic center of Carroll County. The vast majority of economic activity in the County is clustered east of Galax and in the Hillsville area.

Grayson County, to the west of Galax, is also a rural locality. The County's predominant land use is farms and forest. Public lands and private conservation easements comprise approximately 17 percent of the County's land area. Most of the public lands, including the Mount Rogers National Recreation Area, Appalachian Trail, and several state parks, serve recreational purposes. Apart from development around Galax, most economic activity in Grayson County is clustered in and around the Town of Independence.

Also shown in Map A is that I- 77 bisects the eastern side of the region through the central part of Carroll County. This interstate accesses some of the larger regional employers north of the Twin County Region along the I-81 corridor and south of the region in North Carolina.



**Map A - Twin County Region**

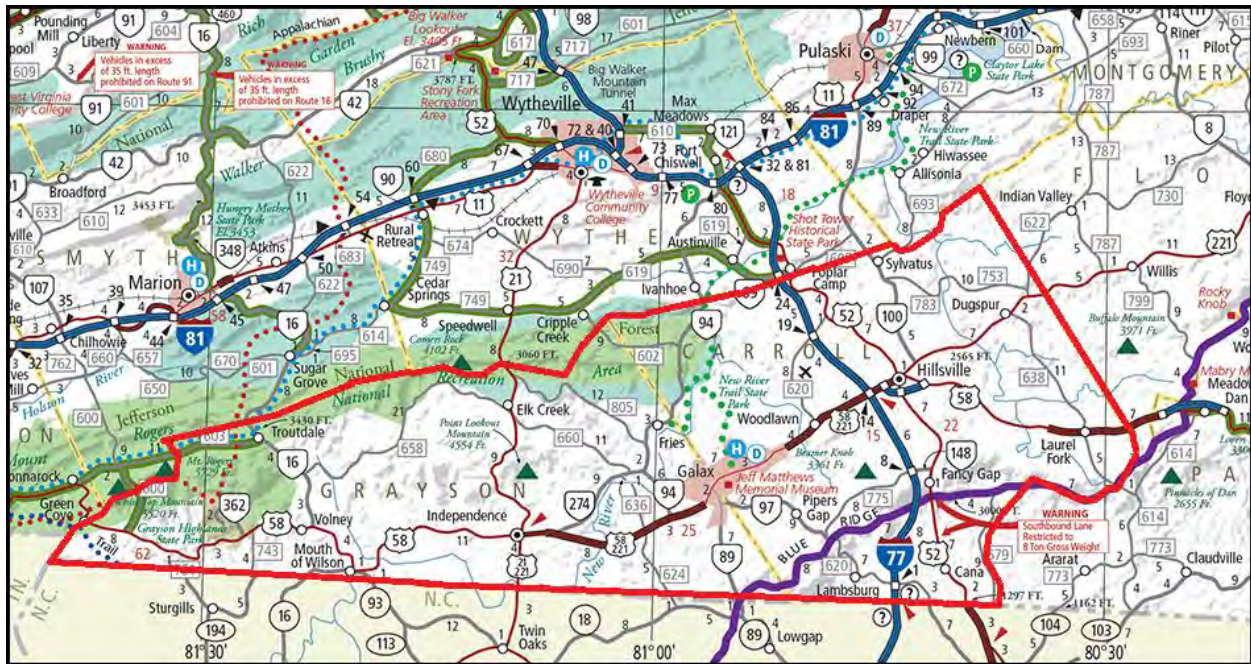
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Shown next, in Map B, is the regional setting of the Twin County Region. I-81 is shown to be located just north of the region. This is a major interstate system that extends from near Knoxville (TN), where it connects with I-40, to upstate New York. It is a major transportation corridor and accesses nearby areas that are experiencing considerable employment growth, most notably the greater Bristol and Wytheville areas.

Neighboring counties to the north that are bisected by I-81 include Smyth County, Wythe County and Pulaski County. All three communities have net expansions in local employment, with the sharpest level of growth occurring in Wythe County where Blue Star NBR LLC is expected to generate over 2,400 new jobs by 2026 at a new manufacturing facility that will produce rubber medical gloves. All three counties are also facing housing shortages, with challenges in producing adequate housing to serve the level of ongoing and future employment growth.

Floyd County and Patrick County are situated to the east of the Twin County Region. Both are sparsely-populated, rural areas with limited employment growth. Washington County is located west of the region and is a location of considerable employment growth. Most of this growth, however, is occurring in the central and western portions of the County and far from the Twin County Region's population centers of Independence, Galax and Hillsville.

To the south of the Twin County Region is Ashe County (NC), Alleghany County (NC) and Surry County (NC). These are also rural communities. Mt. Airy, in Ashe County, is the location of several new job announcements, most notably by Altec (100± new jobs) and Northern Regional Hospital (50± new jobs). Property managers and realtors in the Twin County Region report that the lack of available local housing has pushed prospective renters and homebuyers outside of Virginia to communities in these counties, primarily in and around Sparta, Elkin and Mt. Airy.



**Map B - Twin County Region Regional Setting**

The area highway and interstate system allow relatively easy access within the Twin County Region via U.S. Route 58. I-77 and U.S. Route 21 provide direct access north to the neighboring communities along the I-81 corridor and in North Carolina that are generating significant job growth. Wytheville, along I-81, is 45± minutes to the north of Galax and is the location of the I-81/ I-77 interchange.

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## **Section II: Twin County Region Economic Overview and Demographic Analysis**

The subsection to follow begins with an economic overview that describes trends in at-place jobs and employment in the Twin County Region. This section also documents the level of future job growth in the region and neighboring areas that could impact local housing demand. As will be shown, recent job announcements in the Twin County Region and in nearby areas have greatly outpaced past trends. This section of the report also presents the demographic analysis of Twin County Region, which analyzes population and household trends, by tenure, age and income.

### **Twin County Region Economic Overview**

This part of the market analysis presents an economic overview of the Twin County Region in terms of at-place job and employment growth. The purpose of the analysis to follow is to document the level and type of ongoing and potential job growth in the region. Three economic factors are presented in this analysis: (1) at-place job trends, (2) employment and labor force trends, and (3) active development plans that are expected to generate a net increase in local jobs. These three economic factors are analyzed in the paragraphs to follow. Key to this analysis is that job growth supports growth in population and households, and therefore, housing unit demand.

#### **At-Place Jobs**

At-place jobs refer to the number of jobs physically located within the City of Galax, Carroll County and Grayson County. Data in Table 1 show a total of 15,250± jobs in the region as of year-end 2019 and prior to the pandemic-induced job losses in 2020 and 2021. These data show limited growth in at-place jobs since 2015, with fewer than 150 new jobs added during that period. Approximately 40.8 percent of these jobs are situated in Carroll County. This is compared to 21.1 percent that are located in Grayson County. Just over 38 percent of the region's jobs are located within the City of Galax.

As shown in Table 1, the Twin County Region has many data disclosure issues due to the small number of employers. This is often the case in more rural, sparsely populated communities where data are confidential and where there are a small number of employers.

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The largest employment sector in the region is the Manufacturing sector, accounting for nearly 20 percent of total employment. Approximately 100 jobs were lost in this sector between 2015 and 2019. Of note is that this employment sector is expected to expand in the near term, as will be detailed further below. Most Manufacturing jobs are located in Carroll County and Galax, as fewer than 14 percent of these jobs are situated in Grayson County. Within Carroll County, most of these employees work at the County's two industrial parks, both of which are located in the Hillsville area and with the largest concentration located near the southeastern intersection of Carrollton Pike and I-77.

Employment in the public sector also plays a major role in the local labor force, with over 20 percent jobs associated with Local, State and Federal employers. Most public sector employees work for local governments and most are employed by area public schools.

Also shown is that the Retail Trade sector accounts for over six percent of local employment. Most of this employment is located in and around Galax, Hillsville and Independence. Major retail employers include Walmart Supercenter and Lowe's Home Improvement. Several shopping centers, many with full-service grocery stores, are also located along the U.S. Route 58 corridor and are briefly detailed in the paragraphs below.

- **Galax Plaza.** This is a 109,680± square foot multi-tenant shopping center located on the north side of E Stuart Drive. The shopping center is anchored by 50,250± square foot Roses and 29,960± square foot Grant's IGA Supermarket.

This shopping center is also the location of the Carilion Clinic Family & Internal Medicine, which opened an 18,000± square foot space in February, 2020. The facility replaced the former Galax Family Medicine location at 199 Hospital Drive. The facility is served by 16 physicians and more than 30 staff. It includes 40 exam rooms and three specialty service areas, along with onsite X-rays and laboratory services. Services include internal medicine, family medicine, cardiology and orthopedics.

- **Food City Shopping Center.** This shopping center, located at 955 E Stuart Drive, is anchored by a Food City, Schewels Home, and Harbor Freight Tools. Smaller tenants include Dollar General.

- **Twin County Plaza.** This is a 164,720± square foot shopping center located at 1043-1091 E. Stuart Drive. The shopping center is anchored by a 52,830± square foot Hobby Lobby, 37,800± square foot Big Lots and 32,000± square foot Tractor Supply Co.
- **Cherry Hill Plaza** is a 71,700± square foot shopping center located at 1126-1138 E. Stuart Drive. The shopping center is anchored by an 11,000± square foot Dollar Tree.

Although data are not shown in Table 1 for the Health Care sector due to disclosure issues, this is also a major component of the local labor force and a sector that has generated some job growth in recent years. Nearly 25 percent of all jobs within the City of Galax are in the Health Care sector, most of which are associated with Twin County Regional Healthcare. The 141-bed hospital opened in 1973 and is the only full-service medical facility in the region. With approximately 350 employees (including about 100 physicians), this hospital is among the largest private employers in region. The hospital is actively trying to fill approximately 20 vacant positions at this time and expects to add between 20 and 50 staff members by 2026, including a mix of doctors and nurses.

**Table 1: Trends in Average At-Place Employment, Twin County Region, Virginia, 2015-2019**

<b>Industry</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Net Change</b>
Agriculture	ND	ND	ND	ND	ND	--
Mining	ND	ND	ND	ND	ND	--
Utilities	ND	ND	ND	ND	ND	--
Construction	ND	ND	ND	ND	ND	--
Manufacturing	3,074	2,983	2,979	2,978	2,977	-97
Wholesale Trade	200	ND	282	ND	ND	--
Retail Trade	ND	ND	ND	986	930	--
Transportation/Warehousing	ND	1,344	ND	ND	ND	--
Information	ND	ND	ND	ND	ND	--
Finance/Insurance	294	296	296	294	294	0
Real Estate	101	94	82	86	85	-16
Professional/Technical	ND	ND	ND	ND	ND	--
Management of Companies	ND	ND	ND	ND	ND	--
Administrative/Waste	610	595	ND	ND	ND	--
Education	ND	ND	ND	ND	ND	--
Health Care	ND	ND	ND	ND	ND	--
Arts/Entertainment/Recreation	ND	ND	ND	ND	ND	--
Accommodations/Food	ND	ND	ND	ND	ND	--
Other Services	237	266	339	ND	269	32
Local Government	2,427	2,408	2,393	2,394	2,401	-26
State Government	954	914	857	790	632	-322
Federal Government	122	119	114	117	120	-2
<b>Total</b>	<b>15,102</b>	<b>15,404</b>	<b>15,463</b>	<b>15,243</b>	<b>15,247</b>	<b>145</b>

Notes: ND = Data do not meet BLS or State agency disclosure standards.

Source: United States Department of Labor, Bureau of Labor Statistics

Next shown, in Table 2, are the employment trends that occurred in 2020 and 2021, which are outlier years given the unusual impacts of the pandemic on the local and regional economy. Data are shown only for the sectors without disclosure issues. The data show a significant loss of jobs in 2020, with a reduction in employment of over 900, or by 5.9 percent. These losses occurred across essentially all employment sectors for which data are available.

Data for 2021 show a modest recovery, with at-place jobs expanding by nearly 60. Despite this recent growth, total employment at year-end 2021 remains below the pre-pandemic peak by nearly 850. Of note is that the loss of jobs in 2020 and 2021 did not significantly impact any sectors of the regional housing market, in terms of occupancy or sales.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Net Change</u>
Manufacturing	2,977	2,577	2,623	-354
Finance/Insurance	294	276	271	-23
Real Estate	85	87	87	2
Other Services	269	259	275	6
Local Government	2,401	2,209	2,209	-192
State Government	632	606	578	-54
Federal Government	<u>120</u>	<u>118</u>	<u>104</u>	<u>-16</u>
<b>Total</b>	<b>15,247</b>	<b>14,344</b>	<b>14,401</b>	<b>-846</b>

Source: U.S. Department of Labor

## **Employment and Labor Force**

Employment differs from at-place jobs, as it refers to the number of Twin County Region residents who are employed, no matter where the job is physically located. At-place jobs refer to where the job is located, i.e. the City of Galax, Carroll County or Grayson County. The region realized a net increase in employment of 1,780± jobs over the five-year period between 2015 and 2019, or an average of nearly 360 new jobs each year.

Employment totals are considerably higher than at-place job totals, which means net out-commuting occurs into neighboring counties, primarily to Smyth County and Wythe County along the I-81 corridor to the north, as well as to Alleghany County and Surry County in North

Carolina to the south. Thus, data in Table 3 suggest that regional employment impacts the local housing market.

Data in Table 3 show that the unemployment rate was a low 3.2 percent prior to the pandemic in 2019, down from 5.5 percent in 2015. Total employment declined by 1,440± in 2020, pushing the unemployment rate up from a low 3.3 percent in 2019 to 7.3 percent. As with at-place jobs, many of these losses are expected to be temporary and are fully attributable to the pandemic. Nevertheless, total employment in the region still exceeds the 2016 level as of 2020.

Data in Table 3 show that employment totals increased by approximately 190 in 2021, which greatly exceeds the number of new jobs that were added locally during that period. This denotes that job growth in neighboring areas has increased the number of local residents who are employed and choose to commute. The low unemployment rate of 3.8 percent in 2021 denotes a need to attract new residents to fill vacant jobs. Despite the pandemic, the total number of employed Twin County Region residents exceeds the 2015 total by nearly 670.

	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Percent Unemployed</u>
2015	23,128	21,866	1,262	5.5%
2016	22,913	21,762	1,151	5.0%
2017	24,415	23,390	1,025	4.2%
2018	24,123	23,310	813	3.4%
2019	24,578	23,777	801	3.3%
2020	24,101	22,340	1,761	7.3%
2021	23,432	22,533	899	3.8%
<b>Net Change</b>	<b>304</b>	<b>667</b>	<b>-363</b>	<b>-1.7%</b>

Source: United States Department of Labor, Bureau of Labor Statistics

### **COVID-19 and Employment**

Table 4 presents monthly employment trends up to July, 2022 to illustrate the impact of the pandemic on the local labor market. This is the date for which the most recent data are available. Trend data show that since January, 2020, total employment in the Twin County Region has increased by nearly 1,530, with the number of unemployed shrinking by 160. Thus, the



number of Twin County Region residents who are employed has increased by 6.6 percent since the start of the pandemic.

The current unemployment rate of 2.9 percent is 0.8 percent below the pre-pandemic unemployment rate. Moreover, the labor force has expanded considerably by nearly 1,400 during this same period. This reflects growing confidence among Twin County Region residents that they can find employment. These are positive economic indicators.

	<b>Labor Force</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Percent Unemployed</b>
January, 2020	24,156	23,269	887	3.7%
February, 2020	24,560	23,580	980	4.0%
March, 2020	24,531	23,232	1,299	5.3%
April, 2020	25,047	20,989	4,058	16.2%
May, 2020	23,879	21,244	2,635	11.0%
June, 2020	24,083	21,506	2,577	10.7%
July, 2020	23,685	21,457	2,228	9.4%
August, 2020	24,050	22,193	1,857	7.7%
September, 2020	23,701	22,335	1,366	5.8%
October, 2020	24,114	23,016	1,098	4.6%
November, 2020	23,806	22,728	1,078	4.5%
December, 2020	23,595	22,538	1,057	4.5%
January, 2021	23,253	22,068	1,185	5.1%
February, 2021	23,316	22,217	1,099	4.7%
March, 2021	23,446	22,393	1,053	4.5%
April, 2021	23,098	22,197	901	3.9%
May, 2021	23,116	22,199	917	4.0%
June, 2021	23,378	22,324	1,054	4.5%
July, 2021	23,226	22,265	961	4.1%
August, 2021	22,971	22,090	881	3.8%
September, 2021	23,100	22,328	772	3.3%
October, 2021	23,882	23,169	713	3.0%
November, 2021	24,182	23,519	663	2.7%
December, 2021	24,204	23,614	590	2.4%
January, 2022	24,415	23,569	846	3.5%
February, 2022	24,294	23,524	770	3.2%
March, 2022	24,658	23,945	713	2.9%
April, 2022	25,018	24,387	631	2.5%
May, 2022	25,532	24,790	742	2.9%
June, 2022	25,805	25,049	756	2.9%
July, 2022 1/	25,523	24,795	728	2.9%
<b>Net Change</b>	<b>1,367</b>	<b>1,526</b>	<b>-159</b>	<b>-0.8%</b>

Notes: 1/ Preliminary. Subject to change.  
Source: U.S. Department of Labor, Bureau of Labor Statistics

## Economic Development Activity

Staff from multiple economic development agencies within the Twin County Region note that numerous employers are actively hiring at this time, with several seeking to fill at least 20 open positions. Several of these employers report challenges in finding qualified applicants, with one key impediment to attracting employees being the lack of quality housing. As documented in Table 4 above, the Twin County Region has a very low unemployment rate of only 2.9 percent and with fewer than 730 unemployment people. Some employers are providing sign-on bonuses to attract new hires.

Table 5 lists the 16 new job announcements that are expected to generate job growth in the near term. Most of the non-retail positions pay wages of between \$35,000 and \$45,000 per year, though some of these wages are reported to be increasing given inflationary pressures and challenges with filling vacant positions. Excluding spinoff and temporary construction jobs, these announcements are expected to generate nearly 440 new jobs in the Twin County Region. Most of these are in the manufacturing and health care industries. Some of these jobs have already been filled.

**Table 5: Characteristics of New and Expanding Employers, Twin County Region, November, 2022**

<b>Employer</b>	<b>Location</b>	<b>Industry</b>	<b>New Jobs</b>
Woodgrain	Independence	Lumber	100
Moog	Galax	Circuit Board Manufacturing	3
Grayson Natural Farms	Independence	Food Manufacturing	40
Galax Health & Rehab	Galax	Health Care	15 1/
Health Care Academy of SW Virginia	Galax	Education	10 1/
Massage Therapy, Movement, & Education	Independence	Massage	5 1/
Mohawk Industries	Hillsville	Flooring Manufacturing	35
Metalworx	Independence	Precision Manufacturing	59
New River Polymers	Hillsville	Plastic Pellet Manufacturing	50
Harbor Freight Tools	Galax	Retail	30
Blue Ridge Eye Care	Galax	Health Care	30
Twin County Regional Health Care	Galax	Health Care	20
Albany Industries	Galax	Upholstery Manufacturing	15
Edward Jones	Independence	Finance	10
New River Trail Outfitters	Galax	Retail	5 1/
First Choice Health Care	Galax	Health Care	10
<b>Total</b>			<b>437</b>

Notes: 1/ Estimate

Source: S. Patz & Associates, Inc.

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The data presented in Table 5 likely undercounts future job growth, as the list only includes public announcements and does not account for organic employment growth that is not tracked by any local, regional or state economic development agencies. The paragraphs below detail each of the above new job announcements.

- **Woodgrain**, one of the largest millwork companies in the world, announced in August, 2021 that it would purchase and expand the former Independent Lumber sawmill in Grayson County, adding 100 new jobs. Independence Lumber is Grayson County's largest private employer, and when the sawmill upgrades are complete, it will become the primary supplier for Woodgrain's Smyth County operation. Hiring has not yet begun.
- **Moog** completed construction in September, 2022 on its expanded manufacturing facility in Galax. The 28,700± square foot space is located at 115 Jack Gwynn Drive. The expanded operations include a manufacturing area, lab space, testing environments, engineering and customer support areas. The site manufactures and assembles rigid and flexible printed circuit boards and other proprietary hardware. Moog has three vacant jobs in Galax at this time.
- **Galax Health and Rehab**, which is located at 836 Glendale Road in Galax, opened a new memory care unit in September, 2022. The facility has a capacity for 18 residents.
- **Healthcare Academy of Southwest Virginia**. Construction was completed in September, 2022 on this facility, a division of Senior Home Share, at 967 East Stuart Drive in Galax. The facility trains those interned in the healthcare field with classes about health, wellness, and being a caregiver.
- **Massage Therapy, Movement, & Education** opened a location at 122 N Independence Avenue in Independence in September, 2022. Approximately five people are employed at the facility.
- **Grayson Natural Farms**, an organic meat snack brand, announced in December, 2020 that it would expand its Grayson County operation by 35,000± square feet, creating 40 jobs. Grayson Natural Farms produces Landcrafted Food, which are grass-fed, organic meat snacks. Its smokehouse and production operations are currently located at 226 Industrial Lane in Independence. The company first opened its facility in 2017. Construction on the expansion is now underway.
- **Metalworx**, a manufacturer of highly-engineered and precision-manufactured components, assemblies and products for industrial uses, announced in June, 2020 that it would relocate its headquarters and manufacturing operations from South Carolina to the

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former Core Fitness Complex in Grayson County. The move will create 59 new jobs. Approximately 16 jobs have been filled to date.

- **Mohawk Industries**, a flooring manufacturer, announced in January, 2021 that it would expand its Carroll County operation, creating 35 jobs. Mohawk Industries will add 19,000± square feet to its 351 Floyd Pike facility in Hillsville and install new equipment to increase its production speed. Construction should begin soon.
- **New River Polymers**, a Hillsville-based manufacturer of plastic pellets from industrial scrap of medical gowns and face masks, announced in December, 2020 that it would expand its location in the Carroll County Industrial Park by roughly twice its size, while adding approximately 50 new employees by 2025.
- **Blue Ridge Eye Care**. Family Vision Care at 1022 E Stuart Drive and Blue Ridge Eye Care at 1102 E Stuart Drive combined to form a new practice in March, 2021 at newly built office at 800 E Stuart Drive in Galax. The facility employs approximately 30 people.
- **Twin County Regional Healthcare**. The 141-bed hospital at 200 Hospital Drive in Galax opened in 1973 and is the only full-service medical facility in the region. With approximately 350 employees (including about 100 physicians), this hospital is among the largest private employers in Galax. The hospital is actively trying to fill approximately vacant positions at this time and expects to add between 20 and 50 staff members by 2026, including a mix of doctors and nurses. There are currently approximately 20 vacancies, primarily for nursing positions.
- **Albany Industries**, which operates an upholstery manufacturing facility at 626 Creekview Drive in Galax, is actively hiring approximately 15 new employees. These positions typically pay between \$13 and \$14 an hour.
- **First Choice Health Care** opened a medical practice at 812 W Stuart Drive in Galax in March, 2021. Approximately ten people work at the facility.
- **Harbor Freight Tools**, a California-based hardware and tool store, opened a new location at 949 E Stuart Drive in Galax in October, 2020. The 16,000± square foot store employs approximately 30 people.
- **Food City**. This 42,300± square foot grocery store opened in the Town of Independence in December, 2021. The store, which replaces a smaller, older grocery store, includes a full-service bakery and deli offering fresh baked goods, deli meats, cheeses and salads, a hot food bar, large 40-plus café seating area, salad bar, and pizza oven. The location also includes an in-store Food City Pharmacy, equipped with a private consultation room and GoCart curbside pick-up, along with the existing Food City Gas ‘n Go.

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- **Blue Ridge Eye Care**. Family Vision Care at 1022 E Stuart Drive and Blue Ridge Eye Care at 1102 E Stuart Drive combined to form a new practice in March, 2021 at newly built office at 800 E Stuart Drive in Galax. The facility employs approximately 30 people.
  - **Albany Industries**, which operates an upholstery manufacturing facility at 626 Creekview Drive in Galax, is actively hiring approximately 15 new employees. These positions typically pay between \$13 and \$14 an hour.
  - **Edward Jones** opened a new office at 111 West Main Street in Independence in November, 2021. The office employs approximately 10 people.
  - **New River Trail Outfitters**. This camping store opened at 122 S Main Street in Galax in March, 2021.

In addition to the above, local economic development officials note that they are negotiating with several employers who may potentially add between 100 and 200 new jobs within the region by 2024. These would be in close proximity to Galax but have not been publicly announced or confirmed. Blue Ridge Crossroads, which owns the Wildwood Commerce Park, has also explored the possibility of constructing a 100,000± square foot speculative industrial building at the industrial park, but there is no timeline for this.

Also of note is that several businesses in the Twin County Region are actively filling vacant positions. Data from the Bureau of Labor Statistics presented in Table 4 showed that there were fewer than 730 unemployed residents in the region as of July, 2022. For comparison, there are nearly 500 job listings on Indeed within the Twin County Region at this time, a total that almost certainly undercounts total job vacancies. Most of these job openings are in Galax, Hillsville and Independence. This disparity will require new residents for the Twin County Region.

### **Regional Job Growth**

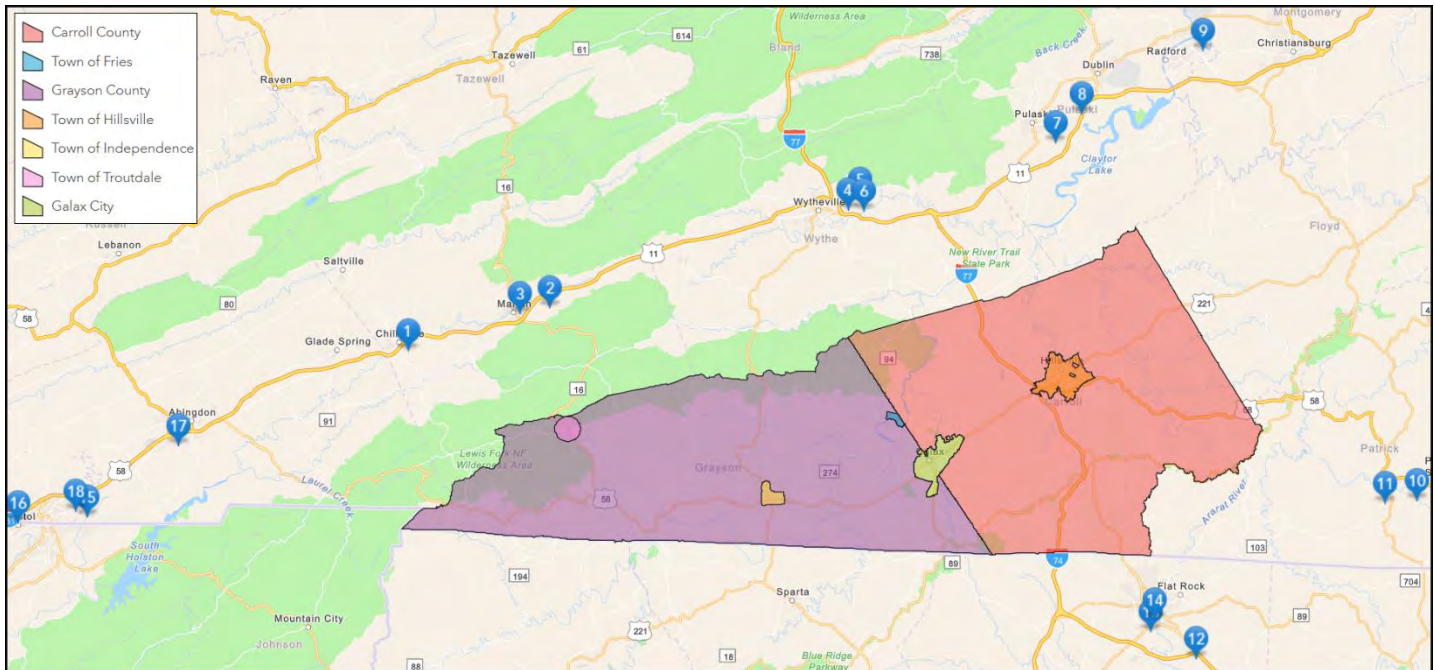
Apart from the new job announcements within the Twin County Region that were listed in Table 5 is a considerable level of employment growth in neighboring counties, elsewhere in Southwest Virginia and in nearby areas of North Carolina. These announcements are listed in Table 6 below. Most of these new jobs will be for manufacturing positions with annual wages

starting at approximately \$35,000. In total, these employers will add over 9,500 new jobs in neighboring communities. Most are situated in rural areas that also face acute housing shortages, particularly for the workforce population.

<b>Table 6: Regional Job Growth, November, 2022</b>		
	<b>Map C Key</b>	<b>New Jobs</b>
<b><u>Smyth County</u></b>		
Scholle IPN Packaging	1	75
Woodgrain Millwork	2	80
Emory & Henry College	3	<u>25</u>
(Subtotal)		(180)
<b><u>Wythe County</u></b>		
Blue Star NBR	4	2,464
STS Group AG	5	120
Trager Grills	6	<u>15</u>
(Subtotal)		(2,599)
<b><u>Pulaski County</u></b>		
Xaloy Holdings	7	35
The Volvo Group	8	600
The Patton Logistics Group	9	<u>63</u>
(Subtotal)		(699)
<b><u>Patrick County</u></b>		
Ten Oaks	10	11
Prolam	11	<u>58</u>
(Subtotal)		(69)
<b><u>North Carolina</u></b>		
Altec	12	100
Northern Regional Hospital	13	50
Kieffer   Starlite	14	<u>15</u>
(Subtotal)		(165)
<b><u>Washington County/ Bristol</u></b>		
Amazon	15	200
Hard Rock Hotel and Casino Bristol	16	5,200 2/
1901 Group	17	150
FedEx	18	250
(Subtotal)		(5,800)
<b>Total</b>		<b>9,512</b>
Notes: 1/ Between 5 and 25 employees.		
2/ 2,000 employees in first year. 5,200 within seven years.		
Source: S. Patz & Associates, Inc.		

Map C shows the locations of the 18 job announcements listed in Table 6. Many of these employers are within a 45± minute drive of Galax, though the Bristol area would be a longer commute. Census data on local commuting patterns suggest that many Twin County Region residents already commute long distances for work, particularly to locations where these employers are actively adding new jobs.

Area realtors report that a significant number of prospective homebuyers select the Twin County Region location for its rural atmosphere and to commute elsewhere for work. Thus, these regional job announcements may supplement local housing demand.



**Map C - Locations of Regional Employment Growth**

The paragraphs below detail each of the above job announcements, most of which are for manufacturing-related positions. The exception is a significant number of higher paying positions at Blue Star NBR LLC as well as a large number of hospitality and service sector jobs associated with the Hard Rock Hotel and Casino Bristol. Excluded are retail, temporary construction and smaller job announcements that are not tracked by any local, regional or state economic development agencies.

- **Scholle IPN Packaging Inc**, a manufacturer that operates a large sustainable packaging solutions facility along Deer Valley Road in Chilhowie, announced in June, 2022 that it would expand that facility by 73,000± square feet and hire 75 new employees. This follows 42 new hires with average wages of \$43,800± in 2020 and 2021.
- **Woodgrain Millwork**, a manufacturer of wood molding and trim, announced in August, 2021 that it would expand its Marion facility, located at 4615 Lee Highway, and hire 80 new employees. Hiring is expected to begin in early-2023 with pay expected to average \$16 per hour.

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- **Emory & Henry College**. The Health Sciences campus in Marion is expected to add between five and 25 new employees by 2027 as the College expands its course offerings and student enrollment.
  - **Blue Star NBR LLC** announced in October, 2021 that it would build a manufacturing facility in Wythe County's Progress Park for producing rubber medical gloves. It is expected to produce up to 60 billion medical gloves each year from nitrile butadiene rubber (NBR) – an oil-resistant, synthetic rubber – at the manufacturing plant in the County's industrial park. The operation is anticipated to occupy more than 200 acres and will have the potential to triple in size in future phases. It is expected to generate 2,464 jobs by 2026, excluding construction workers. 200 people are expected to be hired by the fall of 2022 to staff the chemical plant portion and at salaries of \$70,000. Hiring for the next phase, to begin in 2024, will be for positions paying \$37,000 a year. About 100 of these positions will be filled initially. Construction began in January, 2022.
  - **STS Group AG**, a German auto parts manufacturer announced in April, 2021 that it would establish its first U.S. manufacturing operation in Wythe County's Progress Park industrial park, creating 120 jobs.
  - **Traeger Grills**, the manufacturer of the world's top-selling wood pellet grill, announced in April, 2021 that it would build a new grill pellet manufacturing operation in Wythe County and create 15 jobs.
  - **Xaloy Holdings LLC**, a plastics industry equipment manufacturer, announced in July, 2021 that it would move its barrel manufacturing operation from Ohio back to Virginia, reopening its former facility in Pulaski County that closed in 2016. Xaloy will operate its 100,000± square foot, 30-acre site at 102 Xaloy Way in Pulaski to produce bimetallic barrels, which are formed by bonding metal linings to the insides of steel tubes, for use in the plastics manufacturing industry. The move is expected to create 35 jobs.
  - **The Volvo Group**, which operates a major truck manufacturing facility near Dublin, is in the midst of a major investment for advanced technology upgrades, site expansion and preparation for future products, including the innovative Volvo VNR Electric truck, slated for the serial production that involve adding approximately 600 new jobs in 2021 and 2022.
  - **The Patton Logistics Group** announced in August, 2021 that it would expand its trucking, logistics and warehousing operation in the New River Valley Commerce Park in Pulaski County, creating 63 jobs. The company will add 150,000± square feet to its 250,000± square foot logistics center. The expansion will include a trucking operations and maintenance center that will provide the infrastructure to support a future investment in electric trucks. The company will add 150,000± square feet to its 250,000± square foot logistics center that opened in August, 2021 and employs 33 people.
  - **Ten Oaks, LLC**, a manufacturer of high-quality residential hardwood floors, announced in December, 2021 that it would construct a hardwood sorting and stacking facility in Stuart. The facility will employ 11 people.



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- **Prolam**, a Canadian-based manufacturer of hardwood floors for commercial trucks and dry van trailers, announced in June, 2021 that it would establish a new facility at the former Ten Oaks satellite facility on Dobyns Road. The facility is expected to create 58 new jobs
  - **Altec**, a provider of products and services to the electric utility, telecommunications, tree care, lights and signs, and contractor markets., announced in June, 2021 that it would expand its Mount Airy location by 100,000± square feet. The expansion will result in the creation of 100 new jobs.
  - **Northern Regional Hospital**. Ground was broken in October, 2021 on the 25,000± square foot expansion of Northern Regional Hospital in Mount Airy. The expansion includes the addition of the office building, a parking deck and other facilities that expected to generate 50 new jobs. Construction is expected to be completed in the spring of 2023.
  - **Kieffer | Starlite**, a sign company, announced in June, 2021 that it would expand its Mount Airy location. The firm will actually be consolidating two local facilities, one at 510 Riverside Drive and a second at 609 Junction Street, into one single operation at the Junction Street location. As part of that move, the company will be expanding, building a 21,000± square foot addition to the already existing 80,000± square feet at the Junction Street location. 15 new jobs are expected to be created.
  - **Amazon** opened a 72,000± square foot delivery station in an existing building at 103 Thomas Road in Bristol in September, 2021. The facility employs approximately 200 people and has starting wages of \$16.50 per hour.
  - **Hard Rock Hotel and Casino Bristol**. This is a proposed hotel and casino designed to include 2,700 slot machines and 100 table games as well as a 300-room hotel, seven restaurants, four bars, a 3,200-seat live performance venue, an outdoor performance venue with a capacity of 20,000 along with retail and convention space. A temporary casino with 30,000 square feet of gaming space, featuring approximately 900 gaming slots and 20 tables, opened in mid-2022 at 500 Gate City Highway in Bristol and will employ 600 people. The casino facility, to open in the summer of 2024, is expected to employ 2,000 people within a year 5,200 people within seven years.
  - **1901 Group**, a managed IT services provider, announced in March, 2020 that it would establish its third Virginia operations center in the Virginia Highlands Small business Incubator in Abingdon in Washington County where it would employ 150 people. Approximately 30 employees have been hired to date.
  - **FedEx**. Site work began in July, 2022 on a new 251,000± square foot FedEx distribution facility just outside of Bristol in Washington County. The facility is expected to open in

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2023 and employ 250 people on a site along Coronet Drive and adjacent to the 72,000± square foot Amazon fulfillment center that opened in September, 2021.

Also of note is that a new industrial park called Pathway Park is planned to be built at the former 70-acre site of the demolished American Furniture factory in Chilhowie. Over the past year, the Smyth County Economic Development Authority was awarded two \$600,000 grants from the Growth and Opportunity for Virginia (GO Virginia) and the Virginia Tobacco Regional Revitalization Commissions to spend toward infrastructure improvements at the County-owned Park. These funds will be used to install 2,000 feet of eight-inch water line and 1,600 feet of sewer line to the park. Site work could begin by the end of 2022. Although there have been no job announcements at the park, it could ultimately accommodate up to 400± jobs.

The above announcements describe a significant level of employment growth and a departure from recent trends in a region that has not recorded net job growth over the past few decades. The casino investment in Bristol and the new Blue Star NBR facility in Wytheville are among the largest job-generating announcements in Virginia.

Economic development officials identify several reasons for this accelerated level of regional job growth. One is the pent-up demand for the products manufactured by these firms. Second are state and local incentives that make new and expanding jobs attractive to the region. Third are the wages that these employers can pay for the “quality” of the local workforce. Employers and local officials report that a key challenge to support this growth is housing availability.

### **Twin County Region Demographic Analysis**

Data in Table 7 show that the Twin County Region’s population expanded during the 1990’s, prior to a steady, uninterrupted decline that has continued until 2021. The 1990’s was a period of significant growth when the region’s population increased by just under 4,500 people. The nine percent increase in the population was principally driven by job growth across a wide geographic area.

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Several local businesses launched new or expanded existing operations during the period, most notably Vaughan-Bassett Furniture Company and Moog Components Group, which added 150 new jobs in Galax during the late-1990's. In addition were several large expansions in Carroll County, most notably by Kentucky Derby Hosiery, Parkdale Mills and Wayn-Tex, which added a combined 600 new jobs. Several businesses in Grayson County expanded during the 1990's as well. Apart from 100 new hires by CompAir Lero, most were small expansions with fewer than 30 new employees.

The region's population contracted by nearly 1,400 people during the 2000's, due largely to multiple mass layoffs. Most of these job losses were tied to the furniture and clothing manufacturing sectors, including 700 layoffs by Vaughn Furniture, 460 layoffs by Webb and over 400 layoffs by National Textiles. These larger layoffs all occurred in the City Galax, though several employers shuttered and reduced employment in Carroll County and Grayson County as well. Despite job losses spread across all three jurisdictions, Galax and Carroll County added new residents during the 2000's.

The contraction trends of the 2000's continued into the 2010's. Data from the Weldon Cooper Center for Public Service show that the 2021 population in the Twin County Region numbered 50,810±, which is a decline of over 1,800 people since 2010, or an average annualized rate of approximately 165 people. This is compared to an average annualized population loss of approximately 140 people a decade prior. The population losses since 2010 reflect the ongoing impact of the Great Recession, limited new housing and modest job growth. All three jurisdictions within the Twin County Region have faced population declines since 2010.

**Table 7: Trends of Population and Households, by Tenure,  
Twin County Region, Virginia, 1990-2021**

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2021</u>
Twin County Region Population	49,540	54,000	52,620	50,810
City of Galax	6,670	6,840	7,040	6,750
Carroll County 1/	25,590	29,250	30,040	28,820
Grayson County 2/	16,280	17,920	15,530	15,240
Group Quarters Population	870	1,810	890	950
Household Population	48,670	52,190	51,730	49,860
Person Per Household	2.47	2.33	2.29	2.27
Households	19,680	22,400	22,600	21,960
Owner Households	15,870	17,830	17,110	16,010
Percent of Total Households	80.6%	79.6%	75.7%	72.9%
Renter Households	3,810	4,570	5,490	5,950
Percent of Total Households	19.4%	20.4%	24.3%	27.1%

Notes: 1/ Includes Town of Hillsville.

2/ Includes Town of Independence, Town of Fries and Town of Troutdale.

Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce  
Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.

### Group Quarters Population

The Twin County Region has a modest Group Quarters population, comprised principally of individuals in the 141-bed Twin County Regional Healthcare, the 120-bed Galax Health and Rehab and the 135-bed Waddell Nursing and Rehab Center. The Group Quarters population also includes inmates at the River North Correctional Center, a medium security state prison that is located just east of the Town of Independence in Grayson County. The facility, which employs approximately 350 people, opened in 2013 and typically houses 900± inmates.

A new law requires the U.S. Census Bureau to count prisoners in the areas where they last resided (their last home address) rather than where they are incarcerated. Thus, even though the River North Correctional Facility houses nearly 900 inmates, this did not greatly impact the region's population count. Data from the Virginia Public Access Project show that only 180± out of the current 910± inmates incarcerated at River North remained in the 2020 census count for Grayson County.

The Group Quarters population in 2021 is estimated to total approximately 950 people, or 1.9 percent of the regional population. The subtraction of the Group Quarters population from

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the total population equals Household Population. Household Population is the basis for determining housing unit demand.

### **Households**

Table 7 also presents data on household trends since 1990. The region is estimated to contain 21,960± households, as of 2021. This is a decline of 640± households, or nearly 60 households each year, on average. Also shown in Table 7 is the very small average household size in the region, at 2.27 persons per household in 2021. The average household size decreased by 0.02 during the 2010's compared with 0.04 during the 2000's.

The small average household size is due, in part, to an expanding senior population and mature housing stock. Older homes in these communities do not typically attract young families with children, but rather are occupied by mature single- or two-person households. The aging housing stock has been one barrier to local employers adding staff.

### **Owner Households**

The Twin County Region has traditionally had a high percentage of homeowners, ranging between 80.6 percent in 1990 and 72.9 percent in 2021. This is compared with recent state and national averages of 67.3 to 65.1 percent, respectively. The habitually high ownership rate is due to limited new rental housing that has been built since the 1990's.

Nevertheless, the share of households in the region that are homeowners has steadily declined over the past three decades, despite net growth during the 1990's. The region had 22,600± homeowners in 2010. This total is estimated to have fallen to 21,960± by 2021, which is a decline of 640± households. This is attributed to several reasons including the lingering impacts of the Great Recession, some job losses and those who may have left the region to find adequate housing elsewhere. Thus, the recent population losses reflected in Table 7 were primarily among homeowners, as the number of renter households has gradually increased since 2000.

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### Owner Households, by Income

Trends in the number of owner households, delineated by income, are presented in Table 8. As previously noted, there has been a decline in the total number of homeowners in the Twin County Region since 2000 and among most income groups. This is in contrast to the 1990's, when the total number of homeowners increased due primarily to area job growth.

Owner household data are delineated into two income categories. First presented is the number of homeowners earning annual incomes between \$40,000 and \$80,000, when reported in constant 2022 dollars. There has been modest decline in this demographic cohort since the 2000's. In 2021, that income category equaled 20.9 percent of owner households. This reflects the incomes of most of the employees at the area's larger employers. Most of these residents would be unable to purchase a new home under current market conditions.

The second income category under study is owner households earning annual incomes over \$80,000, when reported in constant 2022 dollars. This represents the potential market for new home sales in the Twin County Region marketplace. Just over 20 percent of owner households in the region earned incomes at this level in 2021.

Of note is that there has not been net growth among owner households in either income categories since 2000, which coincides with the overall decline in the number of homeowners in the region. This is partially a function of limited new housing inventory but also to limited job growth for households at this income level. The decline in overall homeownership rates have been most concentrated among homeowners with more modest incomes.

**Table 8: Trends of Owner Households, by Income, Twin County Region, Virginia, 1990-2021** 1/

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2021</u>
Households	19,680	22,400	22,600	21,960
Owner Households	15,870	17,830	17,110	16,010
Percent of Total Households	80.6%	79.6%	75.7%	72.9%
<b><u>\$40,000-\$80,000</u></b>				
Total Households	3,600	3,640	3,490	3,340
Percent of Owner Households	22.7%	20.4%	20.4%	20.9%
<b><u>Above \$80,000</u></b>				
Total Households	2,340	3,470	3,370	3,220
Percent of Owner Households	14.7%	19.5%	19.7%	20.1%

Notes: 1/ Reported in constant 2022 dollars.

Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.

## **Renter Households**

Renter households represent a small but growing component of the existing regional housing market. In 2021, renter households accounted for only 27.1 percent of total households in the region. That total is up from 24.3 percent in 2010. The percentage of renters is low compared with state and national averages of approximately 35 percent. Total renter households in 2021 numbered 5,950±, which is an increase of 460± over the 2010 total. Most of this growth was driven by households occupying scattered rental units that are not part of any professionally managed apartment complexes.

One key point is that despite the loss of nearly 1,400 residents between 2000 and 2010, the number of market area renter households increased by over 900. Thus, most of the population loss was driven by homeowners of modest incomes. This trend continued for the 2010 to 2021 period.

## **Renter Households, by Income**

Table 9 details trends in renter households by income category in the Twin County Region. The data show a considerable number of low- and moderate-income renter households, which reflects the region’s large number of housing units with rent subsidies as well as the over 300 housing choice vouchers issued by Rooftop of Virginia CAP.

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As of 2021, nearly 1,700 renter households are estimated to earn annual incomes below \$20,000 and nearly 1,400 renter households earn annual incomes between \$20,000 and \$35,000, when reported in constant 2022 dollars. Thus, over 51 percent of renter households in the Twin County Region earn annual incomes below \$35,000. Most of these renters reside in various area income-restricted properties as well as older market rate properties, including several hundred in mature manufactured homes of various quality.

Renter households earning between \$35,000 and \$50,000 generally represent the workforce housing population. As of 2021, this income bracket totaled 980± households, which is a slight increase since 2010. As will be shown, very few professionally managed apartment properties serve this sector of the rental market. Future job growth, documented above, will likely expand this cohort in the near term.

There were 990± renter households earning annual incomes of between \$50,000 and \$75,000 in 2021, representing 16.6 percent of market area renter households. This is an increase of approximately 120 households over the 2010 level. In addition were over 640 renter households that earned annual incomes exceeding \$75,000 in 2021. There are no upscale apartment properties in the Twin County Region. These higher-income renters almost entirely rent larger single-family homes scattered throughout the region.

The data show steady yet modest growth of renter households in essentially all income categories over the past decade. This growth was suppressed due to the lack of inventory and potential renters leaving the region in search for adequate housing. However, it stands in contrast to the data shown in Table 8 related to owner households.



**Table 9: Trends of Renter Households, by Income, Twin County Region, VA, 1990-2021 1/**

	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Households	19,680	22,400	22,600	21,960
Renter Households	3,810	4,570	5,490	5,950
Percent of Total Households	19.4%	20.4%	24.3%	27.1%
<b><u>Under \$20,000</u></b>				
Total Households	1,190	1,420	1,650	1,670
Percent of Renter Households	31.2%	31.1%	30.1%	28.1%
<b><u>\$20,000-\$34,999</u></b>				
Total Households	690	970	1,260	1,370
Percent of Renter Households	18.1%	21.2%	23.0%	23.0%
<b><u>\$35,000-\$49,999</u></b>				
Total Households	550	600	820	990
Percent of Renter Households	14.4%	13.1%	14.8%	16.6%
<b><u>\$50,000-\$74,999</u></b>				
Total Households	570	710	850	970
Percent of Renter Households	15.0%	15.5%	15.5%	16.3%
<b><u>Above \$75,000</u></b>				
Total Households	330	560	600	640
Percent of Renter Households	8.7%	12.3%	11.1%	10.8%

Notes: 1/ Constant 2022 dollars.

Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce  
Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.

### **Senior Population and Households**

Data in Table 10 show net growth among the Twin County Region’s older adult population. The analysis was delineated into two demographic cohorts: (1) the active senior population, defined as adults between the ages 62 and 79, and (2) the older senior population, defined as adults who are 80 and older. The 62 to 79 aged population is defined as “active adults” and represent the sector of the market most likely to consider a “buy-down” home, i.e., a smaller home without maintenance.

The population above the age of 79 represents the potential market for assisted living or nursing care. There are no assisted living facilities in the City of Galax. The only assisted living facility in Carroll County is Commonwealth Senior Living at Hillsville, which is licensed for 78 beds. There are two assisted living facilities in Grayson County, both in Independence. One is Grayson House on Bedwell Street, which is licensed for ten beds, and the second is Hilltop Homes for Adults, with is licensed for 19 beds. The only facility to offer memory care in the region is Commonwealth Senior Living at Hillsville.

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Area employers report that there are a number of retirees each year and a possible demand for age-restricted housing. Local realtors have reaffirmed this observation and have reported some demand from seniors interested in downsizing but with essentially no suitable options locally.

In 2010, the active senior population (persons 62 to 79 years of age) in the Twin County Region totaled 10,020±, or 19.0 percent of the total regional population. That percentage is high compared with state and national rates, which are closer to 12 percent. Over the 2000 decade, a period in which the general population fell by nearly 1,400, the net growth of the 62 to 79 age population was 1,310±, or an average annual increase of 130±. Essentially all of the net population growth of active seniors during this period represent persons aging in place rather than new seniors relocating to the region. The 2021 active adult population totals 11,650±, an increase of 1,330± over the 2010 level. Thus, while regional population declined since 2010, the number of senior headed households has increased.

Data in Table 10 also show the growth in the number of households with the household head aged 62 to 79 years. In 2010, the Twin County Region had 6,210± active senior-headed households. By 2021, the total number of households with the head in this age category is estimated to have reached 7,030± households, or 31.8 percent of total households.

As of 2021, the average household size of active senior headed households is 1.62, which is slightly below normal. That difference is due to a large number of single-person senior headed households in the region.

	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Twin County Region Population	49,540	54,000	52,620	50,810
Twin County Region Households	19,680	22,400	22,600	21,960
<b><u>Active Senior Population and Households (62-79)</u></b>				
Senior Population	8,050	8,710	10,020	11,350
Percent of Total Population	16.3%	16.1%	19.0%	22.2%
Senior Households	5,150	5,820	6,210	7,030
Percent of Total Households	26.2%	26.0%	27.5%	31.8%
Average Senior Household Size	1.56	1.50	1.61	1.62
<b><u>Older Senior Population and Households (80+)</u></b>				
Senior Population	1,960	2,300	2,810	3,350
Percent of Total Population	4.0%	4.3%	5.4%	6.6%
Senior Households	1,290	1,590	2,110	2,520
Percent of Total Households	6.6%	7.1%	9.3%	11.5%
Average Senior Household Size	1.52	1.45	1.33	1.33
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

### **Active Senior Population and Households, by Income**

Table 11 details trends in active senior households by income category in the Twin County Region between 1990 and 2021. As of 2021, over 2,700 households, or 38.8 percent of senior-headed households, earned annual incomes below \$35,000, when reported in constant 2022 dollars. This total has declined since the 1990's largely due to a lack of inventory affordable to this sector of the housing market.

The data show recent growth among modest- and high-income senior-head households since 2010, which corresponds to the general increase in the number of senior-headed households in the region. The growth total for the \$35,000 to \$49,999, \$50,000 to \$74,999 and the \$75,000 and above income categories ranged between 180± and 350± households since 2010. No age-restricted housing was built in the region during this eleven-year period. This growth was almost entirely attributed to seniors aging in place rather than any influx of new, older residents to the Twin County Region.

**Table 11: Trends of Active Senior Households, by Income, Twin County Region, Virginia, 1990-2021 1/**

	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2021</b>
Households	19,680	22,400	22,600	21,960
Senior Households (62-79)	5,150	5,820	6,210	7,030
Percent of Total Households	26.2%	26.0%	27.5%	31.8%
<b><u>Under \$20,000</u></b>				
Total Households	1,740	1,520	1,390	1,210
Percent of Senior Households	33.8%	26.1%	22.4%	17.2%
Percent of Total Households	8.8%	6.8%	6.2%	5.5%
<b><u>\$20,000-\$34,999</u></b>				
Total Households	1,270	1,270	1,340	1,520
Percent of Senior Households	24.7%	21.8%	21.6%	21.6%
Percent of Total Households	6.5%	5.7%	5.9%	6.9%
<b><u>\$35,000-\$49,999</u></b>				
Total Households	680	890	1,090	1,440
Percent of Senior Households	13.2%	15.3%	17.6%	20.5%
Percent of Total Households	3.5%	4.0%	4.8%	6.6%
<b><u>\$50,000-\$74,999</u></b>				
Total Households	770	940	1,100	1,390
Percent of Senior Households	15.0%	16.2%	17.7%	19.8%
Percent of Total Households	3.9%	4.2%	4.9%	6.3%
<b><u>Above \$75,000</u></b>				
Total Households	690	1,210	1,300	1,480
Percent of Senior Households	13.4%	20.8%	20.9%	21.1%
Percent of Total Households	3.5%	5.4%	5.8%	6.7%
Notes: 1/ Constant 2022 dollars.				
Source: 1990-2020 Census, U.S. Census Bureau, U.S. Department of Commerce Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.				

## **Housing Unit Trends**

This subsection analyzes the overall housing unit inventory in the Twin County Region as related to new additions to the market and ages of homes. Table 12 provides census data on total housing units in 2010 and 2020. For comparison purposes, data are shown for the three jurisdictions that comprise the Twin County Region as well as for the other jurisdictions within the Mount Rogers Planning District.

The data show that the Twin County Region had approximately 320 fewer housing units in 2020 compared to 2010, a decline of 1.1 percent. Carroll County had a modest increase of ten homes while Galax had a reduction of nearly 100 homes and Grayson County had 230 fewer homes in 2020 than in 2010. These stagnant trends mirror the neighboring communities in the Mount Rogers Planning District where the total number of housing units was reduced by over

800, or 1.2 percent, since 2010. Carroll County is the one jurisdiction in the Mount Rogers Planning District that expanded its housing stock, albeit by only ten housing units.

The key point shown in Table 12 is that there is no net growth in the local or regional housing stock. Thus, there are limited housing options even for those who are willing to undertake long commutes. This is not to say that no new homes were built during this period. The data instead reflect a condition in which a larger number of older homes were demolished over the past decade compared to newer homes that were built.

<b>Table 12: Net Change in Housing Units, Twin County Region and Mount Rogers Planning District, 2010-2020</b>				
	<b>2010</b>	<b>2020</b>	<b>Net Change</b>	<b>Percent Change</b>
<b>Twin County Region</b>				
Carroll County	16,569	16,579	10	0.1%
Galax City	3,252	3,156	-96	-3.0%
Grayson County	<u>9,158</u>	<u>8,924</u>	-234	-2.6%
<i>(Subtotal)</i>	<i>(28,979)</i>	<i>(28,659)</i>	<i>(-320)</i>	<i>(-1.1%)</i>
<b>Remainder of Mount Rogers Planning District</b>				
Smyth County	15,426	15,097	-329	-2.1%
Bland County	3,265	3,200	-65	-2.0%
Bristol City	8,795	8,670	-125	-1.4%
Washington County	25,637	25,424	-213	-0.8%
Wythe County	<u>14,079</u>	<u>13,990</u>	-89	-0.6%
<i>(Subtotal)</i>	<i>(67,202)</i>	<i>(66,381)</i>	<i>(-821)</i>	<i>(-1.2%)</i>
<b>Mount Rogers Planning District</b>	<b>96,181</b>	<b>95,040</b>	<b>-1,141</b>	<b>-1.2%</b>

Source: 2010-2020 Census, U.S. Census Bureau, U.S. Department of Commerce

Data in Table 13 show the periods when new occupied homes were built in Carroll County, Grayson County and the City of Galax. Just over 500 new homes were built since 2014, almost entirely outside of Galax. An additional 429 homes built between 2010 and 2013, also primarily outside of Galax. The Twin County Region did add 2,340± new homes during the 2000's, but this was a decline compared to the 3,144 new homes that were built a decade prior. The key point is that the housing stock is mature, with over 56 percent of the Twin County Region's households residing in homes that were built prior to 1980.

**Table 13: Net Change in Housing Units, Twin County Region, Virginia, 2020**

	<u>Carroll County</u>		<u>Grayson County</u>		<u>City of Galax</u>		<u>Twin County Region</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<b>Occupied Housing Units</b>	<b>12,134</b>	<b>100.0%</b>	<b>6,388</b>	<b>100.0%</b>	<b>2,614</b>	<b>100.0%</b>	<b>21,136</b>	<b>100.0%</b>
Built 2014 or Later	298	2.5%	204	3.2%	18	0.7%	520	2.5%
Built 2010 to 2013	200	1.7%	205	3.2%	24	0.9%	429	2.0%
Built 2000 to 2009	1,452	12.0%	675	10.6%	212	8.1%	2,339	11.1%
Built 1990 to 1999	1,982	16.3%	859	13.5%	303	11.6%	3,144	14.9%
Built 1980 to 1989	1,792	14.8%	816	12.8%	234	9.0%	2,842	13.5%
Built 1970 to 1979	2,565	21.1%	850	13.3%	599	22.9%	4,014	19.0%
Built 1960 to 1969	1,289	10.6%	810	12.7%	530	20.3%	2,629	12.4%
Built 1950 to 1959	1,155	9.5%	667	10.4%	242	9.3%	2,064	9.8%
Built 1940 to 1949	718	5.9%	353	5.5%	188	7.2%	1,259	6.0%
Built 1939 or Earlier	683	5.6%	949	14.9%	264	10.1%	1,896	9.0%

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

### Prevalence of Occupied Substandard Homes

The final issue related to census data on the Twin County Region housing market is the number of substandard housing units. Data in Table 14 show that there are just over 100 occupied homes without complete plumbing facilities and nearly 80 occupied homes without complete kitchen facilities in the Twin County Region. All of these homes are located in Carroll County and Grayson County.

Combined, these data from the American Community Survey represent less than one percent of total occupied homes. An analysis was not undertaken for homes without telephone connection, as this is no longer a relevant measure of home quality. Overall, there are likely to be a considerable number of blighted vacant homes, but the number of blighted occupied homes is small.

**Table 14: Occupied Housing Units by Complete Facilities, Twin County Region, Virginia, 2020**

	<u>Carroll County</u>		<u>Grayson County</u>		<u>City of Galax</u>		<u>Twin County Region</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Occupied Housing Units	<b>12,134</b>	<b>100.0%</b>	<b>6,388</b>	<b>100.0%</b>	<b>2,614</b>	<b>100.0%</b>	<b>21,136</b>	<b>100.0%</b>
<b><u>Plumbing Facilities</u></b>								
Complete Plumbing Facilities	12,066	99.4%	6,354	99.5%	2,614	100.0%	21,034	99.5%
Lacking Complete Plumbing	68	-0.6%	34	-0.5%	0	0.0%	102	-0.5%
<b><u>Kitchen Facilities</u></b>								
Complete Kitchen Facilities	12,099	99.7%	6,344	99.3%	2,614	100.0%	21,057	99.6%
Lacking Complete Kitchen	35	-0.3%	44	-0.7%	0	0.0%	79	-0.4%

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

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### **Section III: Twin County Region Housing Market**

The subsection to follow provides a full analysis of the various components that comprise the Twin County Region housing market. The for-sale housing market is fully analyzed by home type, including single-family homes, townhomes and patio homes. As will be documented, the for-sale housing market in the Twin County Region is stagnant and has been dominated by the re-sale market for several years, as very few new homes have been built to be sold speculatively for several years. Nearly all newer homes in the region are single-family homes, which is largely a function of existing zoning regulations, but also might reflect local preferences. Very few townhomes have been built to date and no subdivisions offer single-level, patio home designs for seniors. There are no age-restricted subdivisions in the Twin County Region. The new home sales market is essentially untested.

Also included in this subsection is a full analysis of the rental housing market, including both the affordable and market rate rental market. There are several market rate apartment properties in the region, but all are mature and at least two decades old. These are small, non-amenitized properties that have not adequately satisfied demand.

The affordable housing stock is also shown to be mature, but generally well-maintained. One new affordable apartment community – Woodlawn School Apartments – opened in 2022 and is fully occupied with a waitlist. The majority of affordable apartment units in the region target low-income households and do not adequately serve the labor force. All of the affordable apartment properties in the region are fully occupied and most maintain extensive waitlists.

#### **Rental Housing Market**

The analysis to follow studies the four components that comprise the rental housing market in the Twin County Region. These include (1) market rent general occupancy, (2) affordable general occupancy, (3) market rent age-restricted and (4) affordable age-restricted housing.



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## Characteristics of the General Occupancy Apartment Market

Table 15 presents market data on the existing rental properties in the Twin County Region. All are located along the U.S. Route 58 corridor, between Independence and Hillsville. Included in this total are nine small market rate apartment communities with 140 apartment units, 282 scattered rental units managed by three local property management companies, and five affordable apartment communities with 195 apartment units that were financed through the Low-Income Housing Tax Credit (LIHTC) program. As will be shown, rents at some of the affordable apartment properties are comparable to the rents at several of the market rate apartment properties. This is due to the age and features of the existing market rate rental supply.

Excluded from the analysis are several affordable apartment properties with deep rent subsidies where tenants pay 30 percent of income toward rent. All are routinely at full occupancy and most maintain extensive waitlists. Also excluded are the 305 housing choice vouchers managed by Rooftop of Virginia CAP. Holders of these vouchers also pay 30 percent of income toward rent in scattered units throughout the region. The agency maintains a waitlist of approximately 105 low-income households.

The paragraphs below detail each of these three housing segments.

- **Market Rate Apartments.** The Twin County Region contains nine small apartment properties with 140 rental units that are all fully occupied. Full occupancy is the norm and has been the case for several years. Some properties maintain small waitlists, but most report turning away prospective tenants as they rarely have availability. All are small, non-amenitized communities that range in size between four and 39 apartment units.

These are mature properties, with the newest community, Brookstone Court, now over two decades old. Several have undergone some renovations, though these have been minor and have not justified major rent increases. Post renovation rents are typically 15 percent above the non-renovated rents. For the most part, rental units in these small properties offer modest, outdated designs with limited curb appeal. All two-bedroom units have 1.0 or 1.5 bathrooms, for instance. Two full bathrooms have become the norm for newly-built, two-bedroom market rate apartment units.

Based on interviews with area property managers, it is estimated that approximately 80 percent of the apartment units are occupied by working households. An additional 20 percent are occupied by retirees, including those who have moved back to the area after

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living elsewhere. Property managers note a significant number of people rent and then relocate “after a few years” due to the perceived inadequacy of the existing rental housing stock.

- **Scattered Market Rate Units.** Three local property management companies manage approximately 280 scattered rental units across the region. Most are mature single-family homes, and all are fully occupied. Vacancies are infrequent. Staff at these companies report that they regularly “turn people away” due to lack of availability or because inventory does not match their needs. Most of these units have been renovated over the past three or four years, resulting in rent increases of approximately 15 to 20 percent. These rent increases did not impact occupancy partly because rents remained low relative to incomes and partly because tenants have had no competing options.

Staff at these management companies note that they receive approximately 180 inquiries for rentals in a given month, though 20 percent of these have higher incomes and would qualify for the “better” units. Most of these prospective tenants are unable to be accommodated due to lack of availability. Several choose to live outside of the region and commute.

- **Affordable Apartments.** There are five LIHTC apartments in the region that were built between 1973 and 2004. All have rents restricted to 40%, 50% and 60% of the Area Median Income (AMI). Each is briefly described in the paragraphs below.
  - **Woodlawn School Apartments.** With leasing beginning in the spring of 2022, this is the newest apartment community to open in the Twin County Region and the first apartment complex to open in nearly two decades. This is the adaptive reuse of a former school building. The Carroll County Economic Development Authority donated the historic building along with approximately six acres of land to support this project, which combines grants and tax credits provided by Virginia Housing. The building and land were estimated to have a value of \$6.1 million at the time of the donation. Carroll County also waived all building permit fees to reduce development costs. The Carroll County Public Service Authority also waived water and sewer connection fees (Tap Fees). Additionally, the Carroll County Board of Supervisors committed to lease the Woodlawn School Gymnasium Commercial Space from the developer for 30 years at a below-market price of \$100 annually.

The 51-unit community is fully affordable to households earning between 40% and 60% of the Area Median Income (AMI). It includes ten one-bedroom, 26 two-bedroom and 15 three-bedroom apartment units. Amenities include a community room, computers for tenant use, a playground, a picnic area and an exercise area. Unit amenities include washer/dryer hook-ups.

Most tenants are employed in and around Galax and include several working families. Approximately ten percent of units are occupied by senior households. The community is fully leased with approximately 15 households on the waitlist. Management reports to receiving calls from prospective tenants daily.

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- **Melton's Run** is the one apartment property to open during the 2000's. The 48-unit apartment community is comprised of two-story garden apartment buildings that opened in 2004 and are fully occupied. Management notes that they seldom have any vacancies. All units have rents restricted to 50% and 60% of AMI. The community is designed for families, as it offers no one-bedroom units and an even mix of two- and three-bedroom floorplans. The two-bedroom units are evenly split between 50% and 60% of AMI income restrictions. Nineteen three-bedroom units have 50% rents while five have 60% rents. This is an amenitized community with a clubhouse, playground and laundry facility.
  - **Galax Community Apartments**. This is a small apartment community of eight one- and two-bedroom apartments units that opened in 1982. All units are restricted to 60% of AMI. It is routinely at full occupancy. There are currently 33 households on the waitlist, 18 for the one-bedroom and 15 for the two-bedroom units.
  - **Hillcrest Apartments** opened in 1979 with 14 apartment units within two-story garden apartment buildings. The community is fully occupied and seldom has vacancies. This was originally a market rate community that was rehabbed in 2013 with tax credits.
  - **Northway Apartments** is the largest affordable apartment community under study, with 72 apartment units. It is also the oldest area apartment complex, having been constructed in 1973 with a mix of 12 one-bedroom, 48 two-bedroom 12 three-bedroom apartment units. The complex underwent some renovations in 2022, but it is currently being fully renovated for a second time. There are 17 vacant units at this time, but all vacancies are units that are temporarily offline due to these renovations. Management maintains an extensive waitlist of 178 households, including 97 for the one-bedroom, 60 for the two-bedroom and 21 for the three-bedroom apartment units. Amenities include a clubhouse, playground and on-site laundry.

The key point in Table 15 is that all market rate and affordable apartment units in the Twin County Region are fully occupied, excluding units that are offline for renovations at Northway Apartments. Several properties maintain waitlists and several turn away prospective tenants regularly due to the chronic lack of availability. Apart from Woodlawn School Apartments, all have mature units, and many do not fit the needs of area renters, particularly those looking for newer, more upscale features.

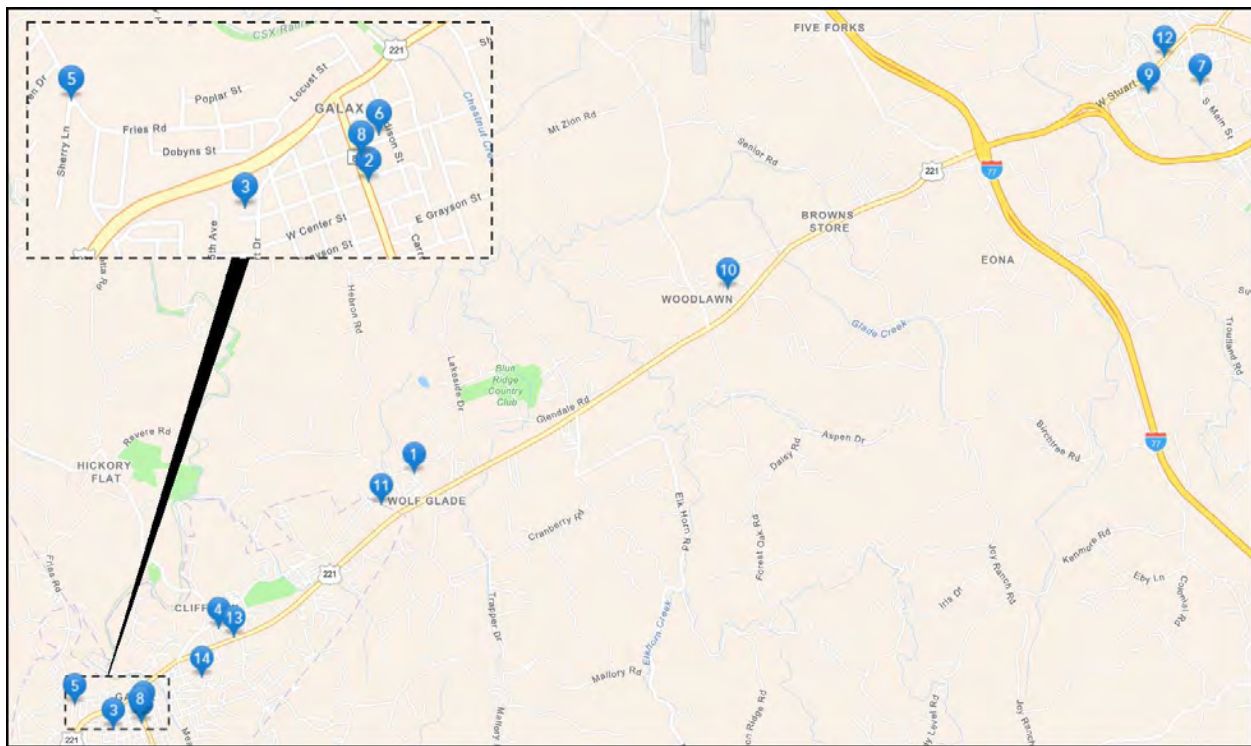
Amenities are only offered at two of these properties, both of which are affordable apartment complexes. Apart from Woodlawn School Apartments, which recently opened, the newest affordable apartment community is now nearly 20 years old. No new market rate apartment properties have been built in over two decades.

The lack of quantity and diversity of apartment units has forced many area employees to commute outside of the region for adequate housing, including as far as the I-81 corridor to the north or communities in North Carolina such as Sparta, Elkin and Mount Airy to the south. These are long commutes and in many cases are for properties with far higher rents compared to the local market.

<b>Table 15: Characteristics of General Occupancy Apartment Communities, Twin County Region, November, 2022</b>				
	<b>Map D Key</b>	<b>Year Built</b>	<b>Total Units</b>	<b>Vacant Units</b>
<b><u>Market Rate Apartments</u></b>				
Brookstone Court	1	1999/17	39	0
Chestnut Apartments	2	1997	30	0
Ivywood Apartments	3	1988/13	10	0
Larkspur Apartments 3/	4	1987/09/19	18	0
Walnut Hill Apartments 4/	5	1975/07/17	10	0
Madison Street Apartments	6	1971/12	12	0
Colonial Heights Apartments 5/	7	1991/15	6	0
Courtyard Commons	8	1949	11	0
Stuart Drive Apartments	9	1994	4	0
(Subtotal)			(140)	(0)
<b><u>Scattered Market Rate Units</u></b>				
Property Management Solutions	--	--	250	0
Kyle Realty, Inc.	--	--	10	0
Jireh Properties	--	--	22	0
(Subtotal)			(282)	(0)
<b><u>Affordable Apartments 1/</u></b>				
Woodlawn School Apartments	10	2022	51	0
Melton's Run	11	2004	48	0
Galax Community Apartments	12	1982	10	0
Hillcrest Apartments 6/	13	1979/13	14	0
Northway Apartments	14	1973/04/22	72	0 2/
(Subtotal)			(195)	(0)
<b>Total</b>			<b>617</b>	<b>0</b>
<b>Vacancy Rate</b>				<b>0.0%</b>
Notes: 1/ Excludes properties with all or majority voucher holders.				
2/ Excludes 17 units offline for renovations. Renovations include new roofing, parking lots, landscaping, appliances, cabinets, HVAC systems and tile repair/ replacement. Completion is expected by early-2023.				
3/ Two-bedroom units built in 1986. Three-bedroom units built in 2009. 2BR units must pay all utilities including water/sewer/trash. The 3BR units include water/sewer/trash are included in rent. The 3BR units were built in 2009. the Two-bedroom units were renovated between 2017 and 2019.				
4/ 2007, new roofs were added along with windows. One unit renovated in 2016 due to flooding. 2017 renovation include new metal roofs and a repaved/ stripped parking lot. Three unit interiors renovated in 2017.				
5/ New roofs and flooring in most of the townhomes installed in 2015.				
6/ HOPE purchased this former market rate property and rehabbed in 2013 into LIHTC.				
Source: S. Patz and Associates, Inc.				

As it relates to the market rate housing market, all of the existing apartments are old, generate low rents and would not fully compete with a new, quality apartment community. None are comparable to new apartments that are being built elsewhere in the state, including in rural communities.

Map D shows the locations of the 14 apartment communities under study. All are located along the U.S. Route 58 corridor. Three apartment communities – Colonial Heights Apartments, Stuart Drive Apartments and Hillcrest Apartments – are located in Hillsville. Woodlawn School Apartments is the one rental property in Woodlawn, between Galax and Hillsville. The remaining are located in the Galax area. Chestnut Hill, Madison Street Apartments and Courtyard Commons are within walking distance of Downtown Galax.



**Map D - Locations of Market Area Apartments**

Presented next are photos of the 14 apartment communities under study. Woodlawn School Apartments is the one adaptive-reuse property. Most have two-story townhome designs with private entryways. Two of the affordable communities – Northway Apartments and

Melton's Run—have standard garden deigns. Chestnut Apartments appears to have been originally designed as a hotel. The photos show the properties to have modest designs.



**Woodlawn School Apartments**



**Brookstone Court**



**Chestnut Apartments**



**Ivywood Apartments**



**Larkspur Apartments**



**Walnut Hill Apartments**



**Madison Street Apartments**



**Colonial Heights Apartments**



**Courtyard Commons**



**Stuart Drive Apartments**



**Melton's Run**



**Galax Community Apartments**



**Hillcrest Apartments**



**Northway Apartments**

### **Net Rental Rates**

Table 16 lists the net rents at each of the apartment properties under study. Rents were adjusted to exclude utility costs for the sake of consistency. Rent data show that none of the properties provide in-unit washers and dryers, apart from Courtyard Commons. Most do have washer and dryer connections and a handful offer on-site laundry facilities for tenant use.

Only three of the market rate properties offer one-bedroom units. Chestnut Apartments rents these units for \$660 while Courtyard Commons rents them from between \$575 and \$650, depending on the level of renovations. One-bedroom rents at Stuart Drive Apartments are low, at \$450, which is comparable to the one-bedroom rents at some of the income-restricted properties.



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The scattered rental units managed by Property Management Solutions rent at comparable ranges, for between \$550 and \$650. Kyle Realty rents one-bedroom units for approximately \$450. The four affordable complexes that offer one-bedroom units generate rents of between \$335 at Hillcrest Apartments and \$551 at Galax Community Apartments. The wide range in rents at Woodlawn School Apartments is due to it offering units restricted to various income levels, between 40% and 60% of AMI.

All of the area apartment properties offer two-bedroom units. Apart from Melton's Run, which has two full bathrooms, all two-bedroom floorplans offer either 1.0 or 1.5 bathrooms. This is an outdated design and indicative of the age of the existing apartment properties.

Rents for the two-bedroom units at the market rate properties average \$664, ranging between \$500 and \$750. The higher rents are primarily renovated and larger units. The two-bedroom units managed by Property Management Solutions are similar in rent, ranging between \$650 and \$700. Two-bedroom units managed by Kyle Realty and Jireh Properties generate lower rents of between \$550 and \$600.

Two-bedroom rents at the affordable properties average \$471. Galax Community Apartments and Northway Apartments generate two-bedroom rents of between \$502 and \$572. Two-bedroom rents at Woodlawn School Apartments range between \$390 and \$545, depending on the incomes of the tenants. The market rate two-bedroom rents average \$664. Most two-bedroom market rate units rent in the \$600 to \$700 range. The scattered market rate units generate slightly lower rents.

The market area has very few three-bedroom market rate apartment units. The three market rate properties with three-bedroom units contain only 21 units in total. These units rent for an average of \$832. At the upper end are a handful of \$850 three-bedroom units at Larkspur Apartments and Brookstone Court. The scattered rental units have three-bedroom rents that average \$756. These include several larger single-family homes that require some maintenance and lawn responsibilities and thus are not marketable to some households, particularly seniors.

Woodlawn School Apartments, Melton’s Run and Northway Apartments are the three affordable properties with three-bedroom units. The 24 three-bedroom units at Melton’s Run rent for between \$462 and \$507. The 12 three-bedroom units at Northway Apartments, each with only 1.5 bathrooms, rent for \$674. The 15 three-bedroom units in Woodlawn School Apartments all have two full bathrooms and rent for between \$440 and \$627, depending on income.

<b>Table 16: <u>Net Rental Rates at General Occupancy Apartment Communities,</u> <u>Twin County Region, Virginia, November, 2022</u> 6/</b>			
	<b><u>One-Bedroom</u></b>	<b><u>Two-Bedroom</u></b>	<b><u>Three-Bedroom</u></b>
<b><u>Market Rate Apartments</u></b>			
Brookstone Court 2/	--	\$750	\$850
Chestnut Apartments 1/	\$660	\$700	--
Ivywood Apartments 2/	--	\$675	\$795
Larkspur Apartments 2/	--	\$695	\$850
Walnut Hill Apartments 1/	--	\$675	--
Madison Street Apartments 1/	--	\$625	--
Colonial Heights Apartments 2/	--	\$500-\$650	--
Courtyard Commons 2/ 4/	\$575-\$650	\$600-\$725	--
Stuart Drive Apartments 1/ 5/	\$450	--	--
(Average)	(\$574)	(\$664)	(\$832)
<b><u>Scattered Market Rate Units</u></b>			
Property Management Solutions	\$550-\$650	\$650-\$700	\$750-\$975
Kyle Realty, Inc.	\$450	\$550	--
Jireh Properties	--	\$600	\$600-\$700
(Average)	(\$525)	(\$608)	(\$756)
<b><u>Affordable Apartments</u></b>			
Woodlawn School Apartments 2/	\$335-\$492	\$390-\$545	\$440-\$627
Melton’s Run 5/	--	\$411-\$451	\$462-\$507
Galax Community Apartments 1/	\$551	\$572	--
Hillcrest Apartments 1/	\$342	\$371	--
Northway Apartments 1/ 3/	\$420	\$502-\$524	\$674
(Average)	(\$432)	(\$471)	(\$564)
Notes: 1/ Two-bedroom units have 1.0 bathrooms. 2/ Two-bedroom units have 1.5 bathrooms. 3/ Three-bedroom units have 1.5 bathrooms. 4/ Includes in-unit washer/ dryer. 5/ Estimate. Based on past data. 6/ Rents adjusted to exclude utility costs.			
Source: S. Patz and Associates, Inc.			

## **Apartment Unit Mix**

Data in Table 17 show the apartment unit mix at each of the rental properties under study, when data was made available by management. The majority of market rate units (69.0 percent) have two-bedroom floorplans. This is compared with 14.7 percent of units that have one bedroom

and 16.3 percent of units that have three bedrooms. The affordable apartment units have a somewhat similar unit mix, as the majority are two-bedroom units. The affordable apartment properties have 16.4 percent one-bedroom, 57.4 percent two-bedroom and 26.2 percent three-bedroom apartment units. Galax Community Apartments and Hillcrest Apartments offer no three-bedroom units. Melton’s Run has an even mix of two- and three-bedroom units. Most floorplans at Woodlawn School Apartments and Northway Apartments have two bedrooms.

**Table 17: Apartment Unit Mix at General Occupancy Apartment Communities, Twin County Region, Virginia, October, 2022**

	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Total Units</u>
<b><u>Market Rate Apartments</u></b>				
Brookstone Court	0	29	10	39
Chestnut Apartments	15	15	0	30
Ivywood Apartments	0	8	2	10
Larkspur Apartments	0	9	9	18
Walnut Hill Apartments	0	10	0	10
Madison Street Apartments	0	12	0	12
Colonial Heights Apartments	0	6	0	6
Stuart Drive Apartments	<u>4</u>	<u>0</u>	<u>0</u>	<u>4</u>
(Subtotal)	(19)	(89)	(21)	(129)
(Percent of Total)	(14.7%)	(69.0%)	(16.3%)	(100.0%)
<b><u>Affordable Apartments</u></b>				
Woodlawn School Apartments	10	26	15	51
Melton’s Run	0	24	24	48
Galax Community Apartments	8	2	0	10
Hillcrest Apartments	2	12	0	14
Northway Apartments	<u>12</u>	<u>48</u>	<u>12</u>	<u>72</u>
(Subtotal)	(32)	(112)	(51)	(195)
(Percent of Total)	(16.4%)	(57.4%)	(26.2%)	(100.0%)

Source: S. Patz and Associates, Inc.

### **Community Amenities**

None of the market rate properties offer amenities apart from a few with on-site laundry facilities. Melton’s Run and Northway Apartments have clubhouses and playgrounds. Woodlawn School Apartments offers a community room, computers for tenant use, a playground, a picnic area and an exercise area. This is the most highly amenitized apartment property in the region.

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## **Characteristics of the Age-Restricted Apartment Market**

The Twin County Region contains three modest age-restricted apartment communities that were built in the mid- and late-1980's. These include the 32-unit Grayson Manor, 42-unit Harmony Village and 40-unit Harmony House. Harmony Village and Harmony House are fully occupied with extensive waitlists. One complex, Grayson Manor, has seven vacant units and 17 people on a waitlist. Grayson Manor is scheduled to be fully renovated beginning in January, 2023. The vacancies are due to management not leasing vacated units to allow them to be temporarily used for existing tenants during the renovation period. No tenants are expected to be displaced following these renovations.

These three properties offer deep rent subsidies in which all tenants pay 30 percent of household income toward rent. Thus, rents are extremely low and not competitive with new age-restricted housing that is likely to be financed for new construction in the region. The region does not contain any age-restricted apartments with market rents or affordable rents targeting households with modest incomes.

## **Apartment Pipeline**

There are no rental properties under construction or in active planning in the Twin County Region at this time.

## **Rental Market Summary**

Apart from Woodlawn School Apartments, which recently opened and is now fully occupied with a waitlist, no new apartment communities have opened in the Twin County Region in over two decades. The only net additions to the rental housing stock during this period were scattered units acquired by investors that were originally built for homeownership.

All existing apartment units under study in the market area are fully occupied, and this has been the case for several years. Nearly all are mature, and most are outdated properties. Apart from three affordable communities, none offer any on-site amenities. Most of the "better" area rentals are scattered units managed by local property management firms or private investors.

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Limited availability has resulted in long waitlists and prospective tenants moving outside of the region for suitable housing. None of the existing market rate apartment properties would be comparable with a newly built rental community.

## **For-Sale Housing Market**

### **Single-Family Home Market**

The for-sale housing market in the Twin County Region is almost entirely comprised of resales, as very few new homes have been built speculatively to be sold. There are no active subdivisions with new home construction within the City of Galax, as the last approved residential subdivision occurred in the 1990's. Carroll County also does not have any subdivisions with new home sales, as most new home construction in the County has occurred on scattered lots.

Table 18 details the single-family subdivisions with unbuilt lots in Grayson County, delineated by location. There are five subdivisions with unbuilt lots in the Independence area. These include the 50-lot River Meadows, 14-lot Pine Mountain Estates, 67-lot Point Lookout and 58-lot Hidden Valley Estates. Three of these subdivisions contain multiple sections. Of note is that all of these are mature, non-amenitized subdivisions with stagnant sales paces.

The newest subdivision to begin sales is River Meadows, which started in 2008 and has only recorded three lot sales to date. Pine Mountain Estates started in 2007, with only four sales to date. All of the remaining subdivisions in the Independence area were started between 1987 and 2000. Combined, the Independence area subdivisions total 189 lots, of which only 45 (23.8 percent have sold). Over the past decade, only seven homes were built at these subdivisions.

There is one subdivision in Elk Creek, which is the two sections of Mountain Top Meadows that began sales in 2001 with a combined total of 21 lots. Five lots have been developed to date, including four since 2012. Peaks Mountain Estates, which started in 2010 with 18 lots, has a Galax address but is located in Grayson County. Only two lots have sold in this subdivision, the most recent of which sold in 2014. The only remaining subdivision with unbuilt lots is Bluff

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Mountain in Whitetop. This subdivision was approved in 2002 for 25 lots. Only three lots have sold, though there has been no activity in this subdivision in over a decade.

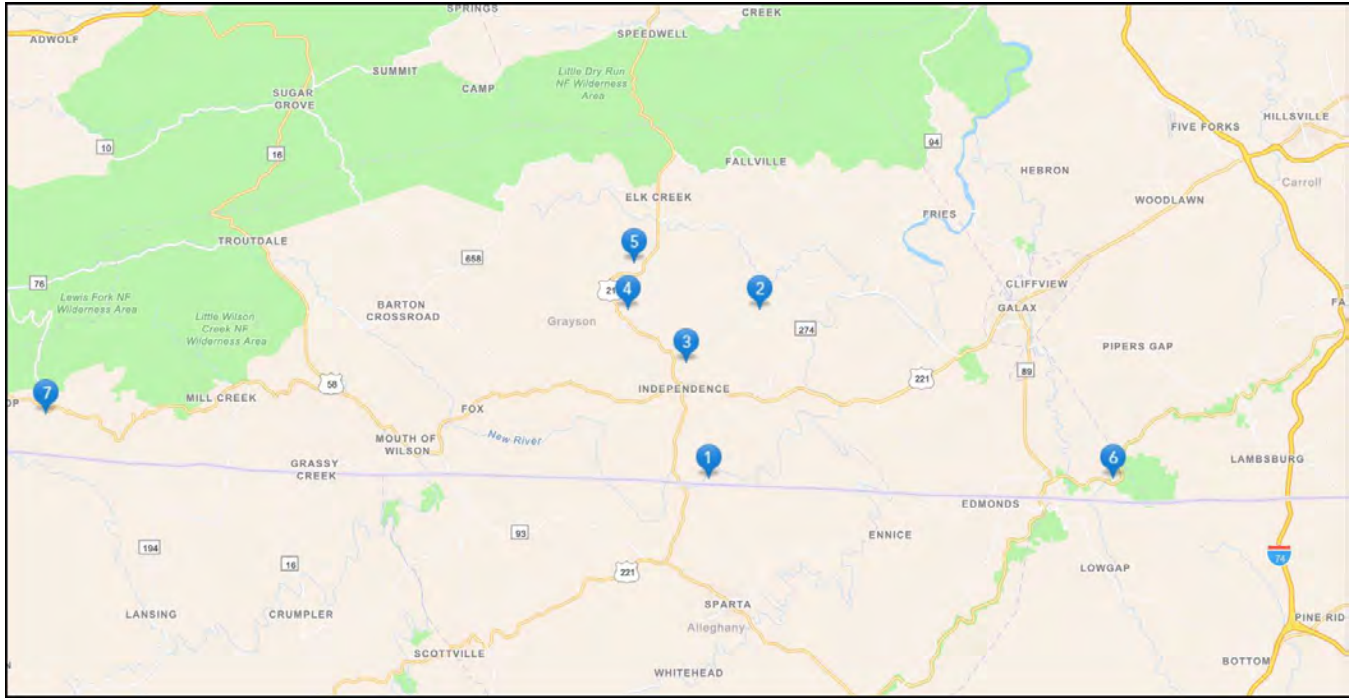
The key points in Table 18 are as follows:

- Grayson County has only seven subdivisions with lots available for new housing unit development. These subdivisions total 253 lots, of which only 55 lots have been sold and 198 lots remain available for new housing unit development. Most of the available lots have Independence addresses.
- None of these subdivisions are located in any of the County's towns.
- 42 lots at River Meadows were listed for sale in July, 2018. The property was sold later in the year to a North Carolina-based buyer for \$2.9 million. The lots range in size between approximately one and seven acres for a combined total of 76.53 acres. Also included in the listing was 26.44 acres of common area with access to the New River. The most recent home sale was in the mid-\$500,000's. Most lots have been listed and sold for approximately \$50,000 per acre.
- All of these subdivisions are comprised of single-family homes, some on large lots. None offer townhome units or patio homes, though some have single-level home designs.
- Development at these subdivisions has been stagnant. Only 12 lots have sold over the past decade.
- None of the subdivisions offer any amenities such as a clubhouse, walking paths or swimming pool. None are served by sidewalks. This is due to the small number of homes, which does not support most amenities.
- There is a very minimal level of marketing for any of these subdivisions. This is because essentially no new, speculative homes are being built and sold.
- None of these subdivisions provide access to County water or sewer, and thus attracting developers from outside of the region is a difficult prospect.
- A large number of homes sold at these subdivisions were priced above affordable levels for most homebuyers, particularly first-time homebuyers.

**Table 18: Characteristics of Grayson County, Virginia, Subdivisions with Unbuilt Lots, November, 2022**

	<u>Map E</u> <u>Key</u>	<u>Year</u> <u>Started</u>	<u>Lots</u> <u>Approved</u>	<u>Lots</u> <u>Sold</u>	<u>Lots Sold</u> <u>Since 2012</u>
<b><u>Independence Address</u></b>					
River Meadows	1	2008	50	3	2
Pine Mountain Estates	2	2007	14	4	1
Point Lookout Sec. 2	3	2000	16	3	0
Point Lookout Sec. 3	3	2000	20	2	0
Hidden Valley Estates Sec. 3	4	1991	12	4	0
Point Lookout Sec. 1	3	1987	31	5	2
Hidden Valley Estates Sec. 1	4	1989	42	22	2
Hidden Valley Estates Sec. 2	4	1989	4	2	0
Point Lookout Sec. 1	3	1987	31	5	2
(Subtotal)			(189)	(45)	(7)
<b><u>Elk Creek Address</u></b>					
Mountain Top Meadow Sec.1	5	2001	12	3	2
Mountain Top Meadow Sec.2	5	2001	<u>9</u>	<u>2</u>	<u>2</u>
(Subtotal)			(21)	(5)	(4)
<b><u>Galax Address</u></b>					
Peaks Mountain Estates	6	2010	18	2	1
<b><u>Whitetop Address</u></b>					
Bluff Mountain	7	2002	<u>25</u>	<u>3</u>	<u>0</u>
<b>Total</b>			<b>253</b>	<b>55</b>	<b>12</b>
Notes: 1/ Only subdivisions with four or more lots.					
Source: Grayson County Director of Planning and Zoning					

Map E shows the locations of the above seven subdivisions. None are located in any of the County’s towns. All are shown to be located in rural settings and somewhat removed from population and employment clusters. Four of these subdivisions are situated north of Independence, generally along U.S. Route 21. Pine Mountain Estates is somewhat off-centered. The remaining three are located near the North Carolina border.



**Map E - Locations of Grayson County Subdivisions**

### **Townhome Market**

There are very few for-sale townhomes in the Twin County Region, as nearly all attached units are renter occupied. Of note is that none of the subdivisions listed above in Table 18 offer townhomes. This is a function of their setting in rural areas of Grayson County and also due to existing zoning. This is a housing type that could be encouraged in the region, as it provides a “starter home” for young couples and families with more modest incomes. No such concept has been tested in the region to date.

Two examples of townhome developments at modest price points that are being sold along the I-81 corridor are shown below. These townhomes, which were recently built and sold by Roanoke-based R. Fralin Homes, could be a successful prototype for the Twin County Region. The recently sold-out townhomes shown below are located in Roanoke County and priced in the upper-\$100,000’s and low-\$200,000’s and are defined as “starter homes.” These could likely be built and sold at reduced prices locally as land costs are lower. They are two-level townhomes with brick and/ or vinyl exterior and each offering a single-car garage. Nearly all offer three-bedroom floorplans with 2.5 bathrooms.





**Village Green**



**Faircrest**

### **Patio Home Market**

Data presented in Table 10 above documented an expanding senior population. As with neighboring communities that also face acute housing shortages, the Twin County Region has a large and expanding older adult population. Many of these seniors have home equity and retirement savings. Many also report the desire to remain locally, if options were available to them

Area realtors report that some seniors who have left the region have since looked to return but have found few suitable options that match their lifestyles. Existing home designs in the region do not sufficiently serve this expanding sector of the housing market, as most existing homes are mature and do not provide designs that are conducive to seniors. Most are too large, have upper-level bathrooms or require considerable maintenance.

There is a growing market for patio homes in Virginia and nationwide. No patio homes have been built in the Twin County Region or elsewhere in the Mount Rogers Planning District to date. Patio homes are defined as modestly priced, single-story attached homes with garages. These homes typically range in size from 1,250 square feet to 1,800 square feet. They require a flat development site and can offer a design with fronts of 30 to 40 feet. Patio homes are popular options for senior homebuyers as they have ground level bedrooms and require little or no exterior maintenance.

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This type of home design is fully recommended. It can be within an age-restricted community or for general occupancy, as the one-story concept is equally marketable for the empty nester market. Depending on size and features, these homes can be priced in the low-to mid-\$200,000's within the Twin County Region marketplace. Photos of newer patio homes built along the I-81 corridor are shown below.



**Berkley Commons**



**Medallion Hills**

**Typical Botetourt County Patio Homes**

**Trends in Residential Building Permits**

As previously noted, there are few subdivisions with unbuilt lots in the Twin County Region, and these subdivisions have generated a marginal level of new home construction over the past decade. Fewer than 15 new homes have been built in these subdivisions since 2012.

Table 19 shows the trends in the number of building permits that the City of Galax has issued for new homes over the past decade. None were for manufactured, mobile or modular homes. Two building permits were for duplex units in 2013 along Waugh Drive. Also included in this total are six duplex units currently under construction along Allen Lane, Glendale Road and Maple Street.

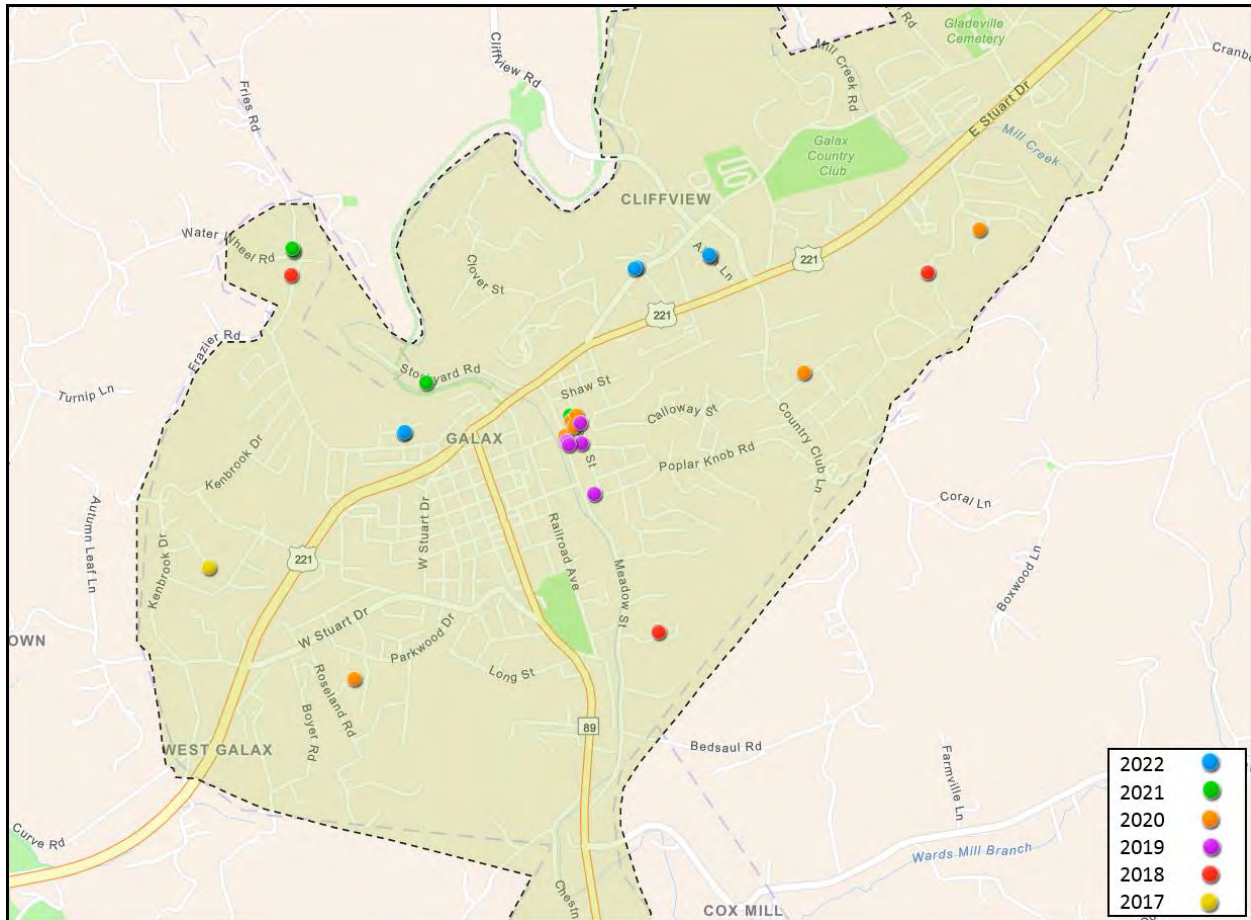
The data show that the City of Galax issued only 45 residential building permits since 2012, or an average of fewer than five building permits each year. All of these were for homes that were built on scattered lots throughout the City and outside of any approved subdivisions.

Sixteen, or just over 35 percent of these building permits, were issued to demolitions and replacements as part of a Community Development Block Grant for the Galax Bottom Area Project that occurred over the 2013 to 2021 period.

	<u>Single-Family</u>	<u>Duplex/ Townhome</u>	<u>Modular/ Manufactured</u>	<u>Total Permits</u>
2012	0	0	0	0
2013	2	2	0	4
2014	4	0	0	4
2015	8	0	0	8
2016	2	0	0	2
2017	1	0	0	1
2018	3	0	0	3
2019	6	0	0	6
2020	7	0	0	7
2021	4	0	0	4
2022 YTD	<u>0</u>	<u>6</u>	<u>0</u>	<u>6</u>
<b>Total</b>	<b>37</b>	<b>8</b>	<b>0</b>	<b>45</b>

Source: City of Galax, Virginia

Map F shows where the residential building permits were issued in the City of Galax since 2017. The map identifies one cluster east of the Downtown and generally along Meadow Street and Givens Street. Most of these building permits were associated with the aforementioned Community Development Block Grant and do not represent net growth in housing units in the City. The remaining permits were issued for scattered lots throughout the City.



**Map F - Locations of New Building Permits (City of Galax)**

Next shown, in Table 20, are the trends in building permits issued in Grayson County over the past decade. The data show that 220 building permits were issued during this period, or an average of approximately 22 new home each year. The majority of these permits were issued for single-family homes, which account for over 91 percent of the building permits issued since 2012. Nineteen building permits were for modular or manufactured homes. None were for attached units.

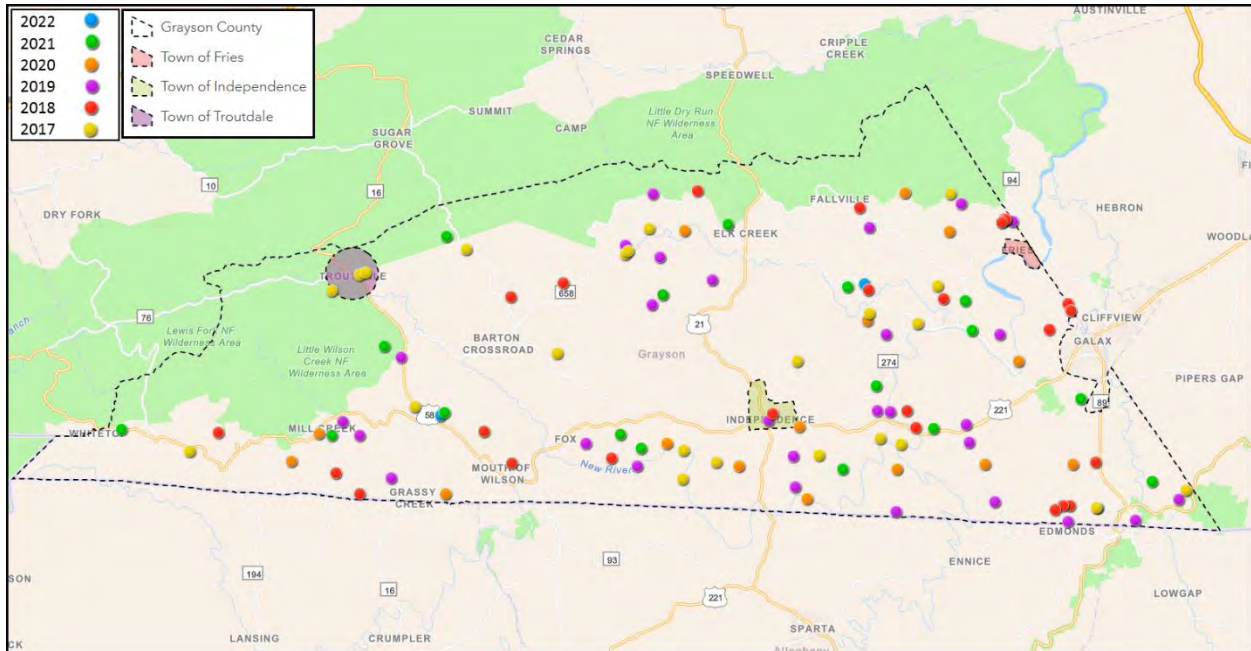
Only a small number of these building permits were issued to developers who financed the cost of construction to build new homes to be sold speculatively, as most were issued to private lot owners. Some of these building permits were for the replacement of older homes, homes burned by fires or homes destroyed by other natural disasters.

	<u>Single-Family</u>	<u>Duplex/ Townhome</u>	<u>Modular/ Manufactured</u>	<u>Total Permits</u>
2012	6	0	1	7
2013	21	0	4	25
2014	24	0	4	28
2015	21	0	3	24
2016	20	0	2	22
2017	22	0	1	23
2018	27	0	1	28
2019	25	0	3	28
2020	14	0	0	14
2021	18	0	0	18
2022 YTD	<u>3</u>	<u>0</u>	<u>0</u>	<u>3</u>
<b>Total</b>	<b>201</b>	<b>0</b>	<b>19</b>	<b>220</b>

Source: Grayson County, Virginia

Map G shows the locations of each of the building permits that were issued in Grayson County over the past five years. The map shows that these buildings permits were geographically spread across most of the County, almost entirely outside of the three towns. Since 2017, only two building permits were issued in the Town of Troutdale and two were issued in the Town of Independence. No building permits were issued in the Town of Fries during this period.

Apart from a concentration of six building permits that were issued along Eagle Bottom Road just north of Fries in 2018, there are no major geographic clusters of residential building permits during this period. This is expected given the stagnant development pace at the County's unfinished subdivisions that were detailed in Table 18 above.



**Map G - Locations of New Building Permits (Grayson County)**

Trend data on building permits issued in Carroll County were only provided by County staff for the 2019 to 2022 period. However, the data does show that far more building permits were issued in Carroll County compared to elsewhere in the Twin County Region. Over 400 building permits were issued in Carroll County since 2019, of which nearly 40 percent were for manufactured or modular homes. All of the remaining building permits were issued for single-family homes. As has been the case in Galax and Grayson County, most of these permits were issued to lot owners and not to investors who built homes speculatively to be sold. Some of these permits were issued to replace older homes.

	<u>Single-Family</u>	<u>Duplex/ Townhome</u>	<u>Modular/ Manufactured</u>	<u>Total Permits</u>
2019	46	0	37	83
2020	69	0	42	111
2021	82	0	47	129
2022	<u>56</u>	<u>0</u>	<u>28</u>	84
<b>Total</b>	<b>253</b>	<b>0</b>	<b>154</b>	<b>407</b>

Source: Carroll County, Virginia

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## Mobile/ Modular/ Manufactured Home Market

The Twin County Region has a large number of mobile, modular and manufactured homes, though most of these homes are mature. Building permit data presented in Table 19, Table 20 and Table 21 show a modest number of permits issued for this type of home construction. Most of the more recent permits for these types of homes were issued for scattered sites in Carroll County.

Manufactured homes and mobile homes are regulated by the Department of Housing and Urban Development (HUD). According to HUD, a factory-built home prior to June, 1976 is a mobile home and one built after June, 1976 is a manufactured home. This is the only difference between the two. Manufactured and mobile homes are prefabricated homes that were built in factories. Modular homes, on the other hand, are also built in a factory but are built in pieces and later assembled at the homesite.

Census data show that approximately 21 percent of Carroll County residents reside in these types of homes. This is compared to approximately 15 percent of Grayson County residents and nearly ten percent of Galax residents who live in manufactured homes of various types. This is consistent with building permit data that show most new manufactured home permits to be issued in Carroll County.

There are approximately 2,700 occupied manufactured homes in Carroll County, with nearly 75 percent of these homes being owner-occupied units. Grayson County has just over 1,000 occupied manufactured homes, of which over 80 percent are owner-occupied. There are fewer than 200 occupied manufactured homes in the City of Galax. Fewer than a quarter of these are being rented.

Census data also show that of the 5,610± manufactured homes in the Twin County Region, approximately 1,700 of these units, or over 30 percent, are vacant. Most of these vacancies are in Carroll County and due to the age of the units. A large number of these older homes are likely uninhabitable. Disposing of or relocating old, manufactured homes can be expensive, costing several thousand dollars.

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## For-Sale Housing Pipeline

There are six duplex units currently under construction in the City of Galax that should be available for occupancy in 2023. All are on scattered lots on Allen Lane, Glendale Road and Maple Street and are being built by local building contractors. These will be small units, primarily under 1,000 square feet. Prices have not been released.

Shown below are photos of these three duplexes. The duplex on Allen Lane is shown to be nearly completed. The other two duplex buildings began construction more recently. None of these homes have been listed for sale yet.



**Allen Lane Duplex**



**Glendale Road Duplex**



**Maple Street Duplex**



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In addition to the above is a proposal by North Carolina-based Bill Norman Construction for a new subdivision on the south side of U.S. Route 58 between Galax and Hillsville. The proposal calls for 38 attached units in 19 buildings. These would be two- and three-bedroom single-level, 1,650± square foot homes with a garage and covered patio. The homes would have a condominium ownership structure and would require no maintenance. These are likely to be priced in the mid- to upper-\$300,000's and are intended to be marketed toward active seniors looking to downsize. The developer is finalizing the site plan and hopes to begin construction on the new homes in the Spring of 2023. Photos of the site are presented below.



**U.S. Route 58 Housing Site**

### **For-Sale Housing Summary**

The new home sales market in the Twin County Region is essentially non-existent, as nearly all home sales in recent years have been resales. This trend is beginning to change slightly, with a small number of duplex units under construction in Galax and a subdivision proposal in Carroll County. Unbuilt lots in area subdivisions listed in Table 18 are not served by public water and sewage, and thus are difficult to market to investors from outside of the region who could make bulk lot purchases for speculative new home construction. Despite the several hundred residential building permits that were issued in the region over the past decade, there has been no net growth in total housing units in the Twin County Region.

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The majority of new home construction activity consists of lot purchases and owner-built homes. With few exceptions, area contractors and developers have not financed the construction of new homes in the region for several years. Additionally, many of the newer homes that have been built have been priced above what most prospective entry-level homebuyers are likely to afford, based on the reported wages at area employers. This is partially due to lot sizes.

Local realtors report demand for new homes, but essentially no supply. Most prospective homebuyers search in the \$180,000 to \$225,000 price range, with demand softening for more expensive homes. Most demand is for the under-\$200,000 price range. Excluding the secondary home market, most prospective homebuyers in the region are employed locally and in search of an “entry level” home. While there are few parcels that are properly zoned to permit townhome unit development, this could be one option to provide affordable homes for sale to young families.

Area realtors also report a likely market for patio homes, which are most attractive to seniors. These could be priced somewhat higher, in the \$250,000 to \$300,000 range. Based on demographic data presented in Table 11, this is the quickest growing segment of the for-sale housing market, due principally to seniors aging in place and with home equity. The key for any new housing development, whether for families or seniors, would be affordability.

A pattern has emerged in the Mount Rogers Planning District in which area homebuilders have shied away from speculative construction as many are still “spooked” by the Great Recession when they were unable to sell homes that were built during that volatile period. Many existing homes in the Twin County Region offer outdated designs that would require substantial costs to renovate prior to move in. This has deterred some potential homebuyers who prefer move-in ready homes.

The bottom line is that the new home sales market is largely untested in the Twin County Region. Of the 13 homes listed for sale in the City of Galax, none were built over the past decade and all are single-family homes. The most recently-built home for sale in the City was constructed in 2003 at 103 Magnolia Court. This is a three-bedroom/ three-bathroom 2,461 square foot single-

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family home with an attached single-car garage. At a listing price of \$339,000, this home is at the top of the market for the region. This custom-built home has been on the market for over four months and was originally listed for \$374,000. The seller has since reduced the listing price four times. It most recently sold for nearly \$320,000 in 2022, still below the amended listing price. All of the remaining inventory in Galax was constructed in the 1980's or earlier. Photos of this attractive brick home are shown below.



**103 Magnolia Court (City of Galax)**

Grayson County has a slightly larger level of available inventory, with 38 homes listed for sale. All are either single-family homes or manufactured homes. Only two available homes in Grayson County were built over the past decade, and both are listed for well over \$1.0 million. Clearly, these home prices do not serve the vast majority of prospective homebuyers in the region. One home, on over 200 acres in Mouth of Wilson, was built in 2014 and is listed for \$1.9 million. The second, with an Independence address but not located in the Town, was built in 2012 and is also listed for \$1.9 million. Both homes have been on the market for over three months. Photos of these homes are presented below.



**1148 Old Buck (Independence)**



**2353 Low Gap Road (Mouth of Wilson)**

Only three homes are listed for sale in Grayson County that were built over the past two decades, all in 2003 and 2004. One is a three-bedroom doublewide manufactured home with a Galax address that was recently listed for sale of \$162,000. The remaining two available homes were built between 2002 and 2012 and are more expensive, listed for \$359,900 and \$599,999. Both homes, which are at the top of the market in terms of price, have been on the market for over three months.

Carroll County has a slightly larger available inventory, with 58 homes for sale, including five that were built more recently over the past decade. These homes are detailed in Table 22 below. All are scattered lot developments and not concentration within any active subdivision. One of these homes, located near Fancy Gap, is priced at nearly \$900,000 and has been on the market for nearly six months. Another home, located at 4104 Glendale Road, is listed at the top of the market, though at a more modest price of \$399,900.

The remaining three homes are available at more modest prices. One home, along Carroll View Road near Hillsville, is a “tiny home.” It is a 499 square foot one-bedroom/ one-bathroom manufactured home. It is being marketed as a vacation home rather than a primary residence. The home was listed for sale in early-October and had a price reduction of 1.6 percent within a few weeks. The other two available homes are single-level, three-bedroom units that range in price between \$189,900 for a manufactured home and \$219,900 for a stick built single-family home. Both have been on the market for approximately one month.

**Table 22: Homes for Sale, Carroll County, Virginia, October, 2022**

<u>Address</u>	<u>Location</u>	<u>Home Type</u>	<u>Year Built</u>	<u>Listing Price</u>	<u>Bedrooms</u>	<u>Days on Market</u>
47 Crown Lane	Fancy Gap	Single-Family	2014	\$895,000	3	160±
67 Knob Hill Ln	Woodlawn	Manufactured	2021	\$189,900	3	30±
1147 Carroll View Rd	Hillsville	Manufactured	2021	\$179,900	1	30±
4104 Glendale Rd	Galax	Single-Family	2022	\$399,000	5	20±
42 Maplewood Dr	Galax	Single-Family	2022	\$219,900	3	30±

Source: S. Patz & Associates, Inc.

Shown next are photos of the five more recently built homes in Carroll County that are listed for sale. Apart from the more expensive Crown Lane property, all have single-level designs with no garages.



**47 Crown Lane**



**67 Knob Hill Lane**



**1147 Carroll View Road**



**4104 Glendale Road**



**42 Maple Drive**

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## **Section IV: Available Development Sites**

This section of the housing analysis identifies and evaluates some of the available sites and buildings that area officials have recognized as most suitable for possible residential development. All have access (or nearby access) to public water and sewer. This is a necessary condition to attract developers from outside of the region. Most of these sites, particularly those outside of Galax, are privately owned. At this time, only one of these properties is being actively studied for new development. As will be shown, several of these properties, including all in the City of Galax and several in Hillsville and Independence, are located within Opportunity Zones, which provide tax benefits to investors with capital gains designed to encourage long-term private investment in low-income urban, suburban and rural census tracts.

First presented are the vacant buildings that are available for adaptive-reuse development. This is followed by an analysis of vacant or underutilized parcels.

### **Vacant Buildings with Residential Potential**

Table 23 lists the four buildings in the Twin County Region identified as having the most potential to be rehabbed into residential uses, particularly apartment units for rent. This is not a comprehensive list of all vacant buildings in the region, rather the list includes those that are most likely to attract developers from outside of the region who are experienced in these types of building conversions. Thus, smaller buildings and those likely to be demolished were excluded from the analysis to follow. As will be shown, one of the buildings has a historic designation, three are located within Opportunity Zones and one is a County-owned property. Thus, the buildings shown in Table 23 offer unique advantages that could attract developers to the region.

The paragraphs below briefly detail each of the available buildings.

- **Vaughan Furniture Building**. The former furniture factory spans 408,000± square feet and is comprised of eleven contiguous building components, most with brick exteriors. The complex is zoned M-2 (Industrial Heavy), and thus would require a rezoning to be rehabbed for residential uses. The earliest part of the complex was constructed in 1923 with several additions through 1938 to house the Vaughan Furniture Company. More recent additions were added in 1956, 1965, and 1995. The Vaughan Furniture Company

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shuttered in 2015 after over 90 years of operations. The building has been vacant since that time. The wholesale furniture business had 14 employees remaining by the time of its closure. At its peak, the company owned five factories, including two in Galax with approximately 1,800 employees.

The complex's Part 1 Application for Historic Tax Credits has already been approved. It is eligible for Opportunity Zone, Enterprise Zone, and New Markets Tax Credit financing. The project is also eligible for several Virginia grants including a Virginia Tobacco Commission grant, a State Enterprise Zone Real Property Investment Grant, and an Industrial Revitalization Fund grant/loan. Galax extends a Capital Investment grant to key projects and provides a full real estate tax abatement for 12 years associated with major improvements to historic properties. The building has a clean Phase II Environmental Assessment.

The owner of the property is actively studying the site for residential uses and is in preliminary discussions with a developer who may convert a portion of the building into residential uses. Given the size of the building, it would provide ample space for some non-residential uses, including amenity space for future tenant and possibly some commercial space. In terms of capacity, the building could support at least 150 apartment units. No plans have yet been submitted to City officials.

- **Former Bank Building.** This vacant multi-story former bank building sits on a 0.37-acre parcel at the northwestern intersection of W Center Street and N Main Street in Downtown Galax. The western rear portion of the property is improved with a surface parking lot. The 16,250± building, which was constructed in 1965, fronts N Main Street in the east. The property is zoned B2, which allows apartment units as a conditional use. Approval of a conditional use requires submittal of an application with a public hearing by the Planning Commission and approval by City Council.
- **Grayson Garment Building.** This vacant industrial building is located on a 3.16-acre site at the northwestern intersection of E Main Street and Grayson Avenue in the Town of Independence. The property is improved with a 61,390± square foot, single-story brick building that was built in 1963. It was originally constructed as a textile mill and most recently sold in 2020. Although the building does not have historic designation, it is located within an Opportunity Zone.
- **Baywood School Building.** This former school property is owned by Grayson County and shuttered in 2018. The building was constructed in 1953 at 247 Grammar Lane, on a large, irregularly shaped parcel on the south side of Old Baywood Road, between the Town of Independence and City of Galax. It contains a two-story component of 19,064 square feet and a one-story component of 4,368 square feet. The parcel has an agricultural zoning designation, and thus would need to be rezoned for any residential development to proceed. The school building had previously been envisioned to be converted into a multi-use community facility to include a community health clinic, technology programs for local students, culinary arts education classrooms and other multi-use rooms. The effort was scrapped in May, 2022 due to budget shortfalls. It is vacant at this time.

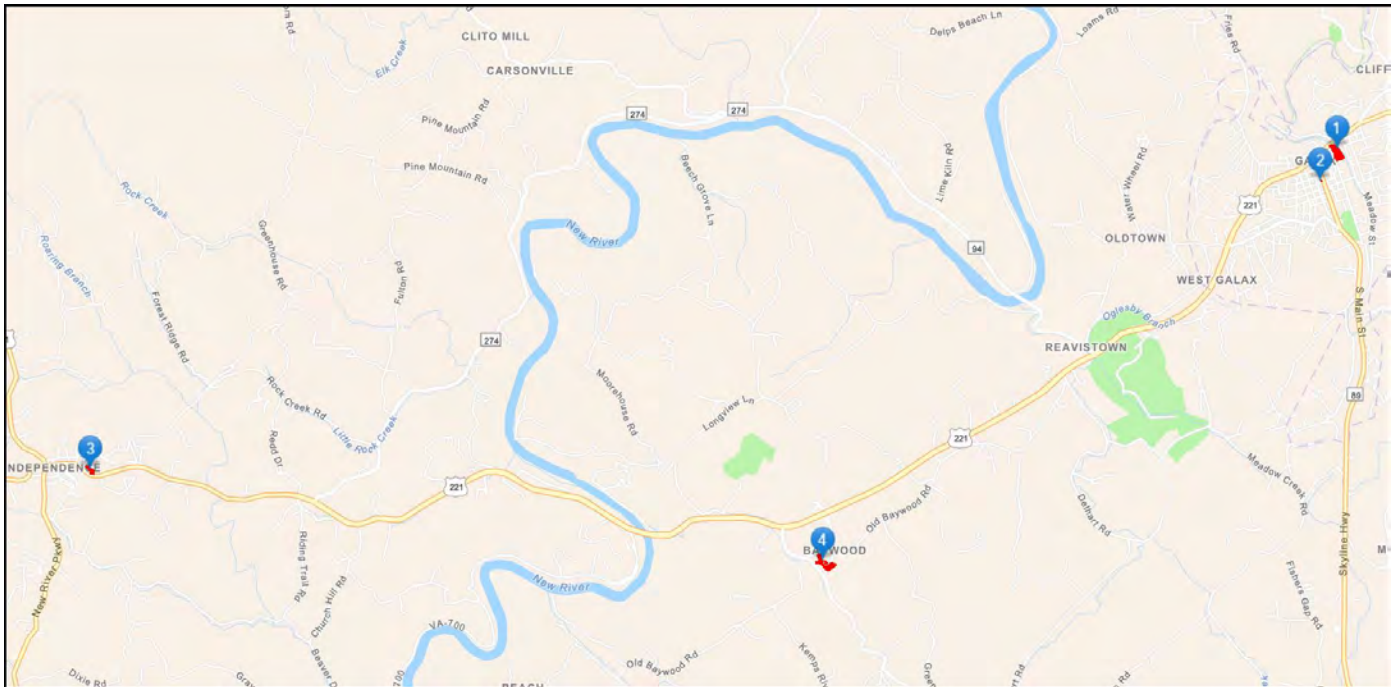


**Table 23: Characteristics of Better Vacant Buildings with Residential Development Potential, Twin County Region, November, 2022**

	<u>Map H Key</u>	<u>PIN/ Tax ID</u>	<u>Historic Designation</u>	<u>Opportunity Zone</u>	<u>City/ County Owned</u>	<u>Year Built</u>	<u>Building Size (Sq. Ft.)</u>
<b>City of Galax</b>							
Vaughan Furniture Building	1	45-66	●	●	○	1923	408,000
Bank Building	2	55-162	○	●	○	1965	16,250
<b>Grayson County</b>							
Grayson Garment Building	3	73A2-A-57	○	●	○	1963	61,390
Baywood School	4	76A-A-12	○	○	●	1953	23,430

Source: City of Galax, VA; Carroll County, VA; Grayson County, VA; Town of Independence, VA; Town of Hillsville, VA

Map H Shows the locations of the four available buildings listed in Table 23. The map shows that the Vaughan Furniture Building and Bank Building are located in the center of the City of Galax, in and around the Downtown. The Grayson Garment Building is located on the eastern end of the Town of Independence. The Baywood School Building is generally located midway between the Town of Independence and the City of Galax.



**Map H - Location of Vacant Buildings with Rehab Potential**

Photos of each of the vacant buildings are shown next. The buildings are in various conditions, but none are blighted. All are shown to be brick buildings. The Vaughan Furniture Building is in good condition, as it has been in continual use until 2015. The Baywood School Building is also in excellent condition, as it closed more recently in 2018.



**Vaughan Furniture Building**



**Former Bank Building**



**Grayson Garment Building**



**Baywood School Building**

In addition to the four buildings listed in Table 23 are a handful of smaller upper-level spaces in the Town of Hillsville that could potentially be converted into apartment units. One challenge for these spaces would be adequate parking. These are small buildings, so it may be difficult to attract developers from outside of the region for investments. However, these are all attractive properties with potential. Photos of these buildings are shown below.



**516 N Main Street**



**522 N Main Street**



**526 N Main Street**



**703 N Main Street**

**Vacant and Underutilized Parcels with Residential Potential**

Table 24 lists the multiple vacant and underdeveloped properties in the Twin County Region identified as having the most potential for future residential development. The survey was limited to include larger properties exceeding four acres that could potentially attract homebuilders from outside of the region. Thus, smaller parcels and those with development constraints such as topographic issues, difficult access, and properties prone to flooding, were excluded from this analysis.

Given the large number of available sites in the region, Table 24 is not intended to provide a comprehensive list of all available properties, rather it identifies some of the properties most ripe for housing development. The key point is that the region has several sites available for

development, and thus limited site availability is not a reason behind the sluggish residential development pace in the past.

Eleven properties were identified as having the most potential for residential development. The Kipling Lane, Galax East Commercial and Hampton Heights properties are all owned by the City of Galax, and are therefore uniquely positioned to be marketed for new residential development. All have or are within close proximity to public water and sewer. All but one of these properties are located in Opportunity Zones.

These properties have a wide range of sizes, ranging from just over four acres on the small end to nearly 190 acres on the large end. Given the large size of many of these properties, there is a potential for a mix of housing types on one property. Most of the properties are zoned for low-density residential uses or non-residential uses. Thus, most of these properties would either need to be rezoned or would require a Special Use Permit for residential development to occur, particularly of the types most in demand. Most of these properties are located in the City of Galax or within the towns of Hillsville and Independence. This is largely due to the availability of public utilities.

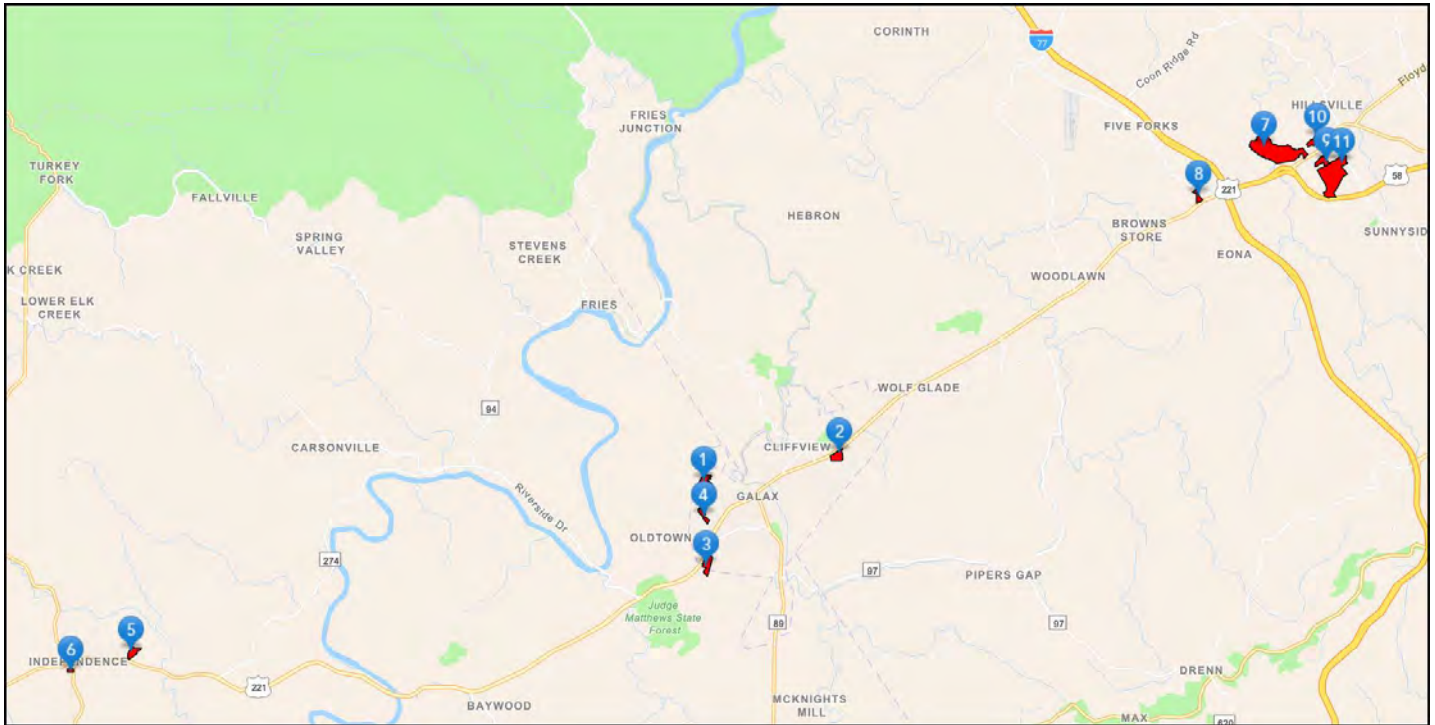
**Table 24: Characteristics of Properties with Residential Development Potential, Twin County Region, Virginia, November, 2022** 1/

	<u>Map I Key</u>	<u>Parcel/Tax ID</u>	<u>Acres</u>	<u>Zoning</u>	<u>Opportunity Zone</u>
Kipling Lane Property	1	42-4	56.4	R1	●
Galax East Commercial Site	2	38-45	20.8	B2	●
Hampton Heights Property	3	69-34	16.9	B3	●
Armory Road Property	4	52-64	7.1	R2	●
Collins Property	5	73A3-A-21	18.7	Town	●
Walker Gentry Property	6	73A5-A-3	4.1	Town	○
Bowman Property	7	340-10-3	184.8	R-1/A1	●
Carrollton Property	8	82-6-2	10.7	C	●
VFW Property	9	340-A-31	17.1	CC	●
Hundley Property	10	340-A-12	31.3	A-1	●
High Country Property	11	341-A-34	142.7	A-1/ I	●

Notes: 1/ Excludes parcels smaller than four acres.

Source: City of Galax, VA; Carroll County, VA; Grayson County, VA; Town of Independence, VA; Town of Hillsville, VA

Shown in Map I are the locations of the eleven vacant properties that were identified in Table 24. The map shows that all lie along the U.S. Route 58 corridor. Three properties are in Galax, two are in Independence and four are in Hillsville.



**Map I - Locations of Vacant Properties with Residential Development Potential**

Next shown are photos, maps and brief descriptions of each of the potential development sites.

## Kipling Lane Property

The Kipling Lane Property is comprised of approximately 56 acres of grassland at the northwestern edge of the City of Galax, just south of Frazier Road. The property is owned by the Galax Industrial Development Authority and is zoned Residential Low-Density (R-1). Thus, existing zoning restrictions require a lot area of 12,000 square feet, or approximately one third of an acre. The property is situated within a residential setting. It is slightly hilly but fully vacant with grassland and some treed areas. Given its size and setting, the Kipling Lane Property could accommodate a wide mix of housing types, which is recommended.



**Map J - Kipling Lane Property Location**



**Existing Conditions of Kipling Lane Property**

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## Galax East Commercial Site

The Galax East Commercial Site spans nearly 21 acres on the south side of U.S. Route 58 and just west of a Food City-anchored shopping center. The property is zoned B2. Apartment units could be permitted as a conditional use through a public hearing and City Council approval. The property has excellent visibility and could be a viable location for apartment unit development.



**Map K - Galax East Commercial Site Location**



**Existing Conditions of Galax East Commercial Site**

## Hampton Heights Property

This is a vacant 16.85-acre property located at south side of the City of Galax and extends south into Carroll County. The property is owned by the Galax Industrial Development Authority and is zoned B3. The site would need to be rezoned prior to any residential development, though it would be a good location for patio homes or townhomes. The site is located near the Turman Hardwood Flooring manufacturing facility.



**Map L - Hampton Heights Property Site Location**



**Existing Conditions of Hampton Heights Property**



## Armory Road Property

This is a partially improved property located on the north side of Armory Road and generally sandwiched between existing single-family homes in the western portion of the City of Galax. The property spans just over seven acres and is zoned R2.



**Map M - Armory Road Site Location**



**Existing Conditions of Armory Road Property**

## Collins Property

This is a large, partially improved property located on the north side of E Main Street in the eastern edge of Independence. A single-family home is located at southern edge of the property, with the remainder being vacant. At nearly 19 acres, this site could accommodate multiple housing types.



**Map N - Collins Property Site Location**



**Existing Conditions of Collins Property**

## Walker Gentry Property

This rectangular-shaped property is located directly north of the Grayson Nursing and Rehabilitation Center on the west side of Route. The 4.1-acre property is fully vacant and has excellent visibility. It would be an attractive location for new apartments.



**Map O - Walker Gentry Property Site Location**



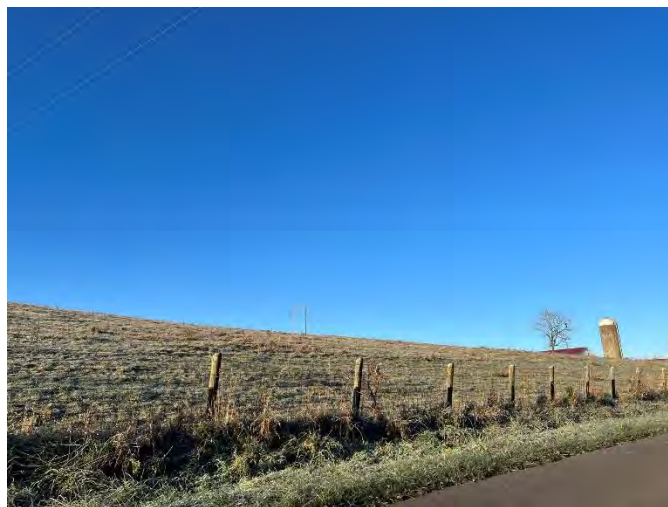
**Existing Conditions of Walker Gentry Property**

## Bowman Property

This is a large property of nearly 185 acres that is partially improved but largely used for agricultural uses. It is located roughly midway between Downtown Hillsville and I-77. Most of the property fronts Old Galax Road, though there is some frontage along W Stuart Drive in the south. The eastern portion of the property is zoned R-1 while the western portion is zoned A-1.



**Map P - Bowman Property Location**



**Existing Conditions of Bowman Property**

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## Carrollwood Property

This is a 10.7-acre commercial property located at the western edge of the Town of Hillsville with excellent frontage along U.S. Route 58. The site would need to be redeveloped prior to any residential development. This would be good location for apartment unit development.



**Map Q - Carrollwood Property Location**



**Existing Conditions of Carrollwood Property**

## VFW Property

This is a vacant L-shaped property that wraps around the north and eastern side of the Westview Terrace Apartments in Hillsville. The 17.1-acre property is vacant, but it would need to be rezoned for any residential uses. The setting has proven viable for apartment unit development.



**Map R - VFW Property Location**



**Existing Conditions of VFW Property**

## Hundley Property

The Hundley Property is a 31.3 acre, agriculturally zoned property that has a generally flat topography and is fully cleared. It is located on the north side of U.S. Route 58 and on the east side of W Grayson Street. This is one of the more attractive available properties in the Town of Hillsville. Various housing types could be built on this property.



**Map S - Hundley Property Location**



**Existing Conditions of Hundley Property**

## High Country Property

The High Country property is a large, irregularly shaped property located on the south side of Westview Terrace in the Town. At over 140 acres, it could accommodate a wide mix of housing types. The property has a mix of zoning types, including Industrial and Agricultural. Thus, it would need to be rezoned prior to any residential development.



**Map T - High Country Property Location**



**Existing Conditions of High Country Property**







**Creekside Small Area Vacant Parcels**

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## Section V: Housing Analysis Conclusions

### Initial Conclusions

The market conclusions are as follows:

- 1) The three jurisdictions that comprise the Twin County Region are generating housing demand locally primarily from area employers. There is potential market support for new housing unit development of various types, based on the following:
  - Employers in the Twin County Region have announced approximately 400 new jobs in the near- and mid-term. As of July, 2022, the date for which the most recent data are available, the Twin County Region has a very low unemployment rate of only 2.9 percent, which is 0.8 percent below the pre-pandemic, January 2020 unemployment rate. This low unemployment rate will require new residents to fill vacant and future positions at multiple area employers. There is an inadequate supply of housing available to serve this growth. Thus, future employees may resort to residing outside of the region and commuting.
  - The pandemic has had minimal impacts on the market area's economy, as related to employment and job losses. It has not affected the rental market in terms of occupancy or rents. Total employment in the Twin County Region exceeds the pre-pandemic level by over 1,500 jobs, or by 6.6 percent.
  - The level of future job growth outside of the Twin County Region and in neighboring localities is substantial, representing a sharp increase over past trends. Over 9,500 new jobs have been announced in neighboring counties and cities. Most of these are located in areas that also face housing shortages.
  - Based on interviews with area property managers and realtors, a sizable number of existing employees in the Twin County Region prefer alternative housing but have few or no options. Interviews confirm that many local employees will leave the region after a few years due to this issue.
- 2) While the general population has declined over the past decade, the senior population has steadily expanded. There are no subdivisions designed for seniors (single-level, low maintenance, etc.). No new homes are being marketed toward this sector of the housing market, though there is one proposal that would be at the top of the market in terms of listing prices. Many seniors could afford to purchase new, smaller homes that require less maintenance, but simply have no options.
- 3) While the market rate apartment market has expanded, essentially all of this growth has been driven by small-scale conversions of older homes into rental units. These have not satisfied demand. The region's market rate apartment supply is mature. Vacancies are rare and often do not meet the preferences of prospective renters. Most

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of the “better” area rentals are scattered units managed by local property management firms or private investors. Many of these are also not comparable with new apartments built elsewhere in Virginia. This has resulted in long waitlists and prospective tenants moving outside of the region in search of housing.

- 4) The affordable rental housing stock is mature, at full occupancy and primarily serves low- rather than moderate-income households. Nearly all affordable rental properties maintain waitlists. Fewer than 200 apartment properties target households with moderate incomes. There are no age-restricted affordable apartment properties without deep rent subsidies in the Twin County Region.
- 5) The current housing market is stronger for rental housing than for for-sale housing due to wages of new employees and the evolving pressures caused by interest rate hikes. Rising interest rates especially impact potential first-time homebuyers with more modest incomes.
- 6) The for-sale home market is dominated by re-sales and comprised almost entirely of single-family homes. Only a small number of new homes have been built speculatively to be sold over the past decade. Apart from secondary home purchasers and high-income households from outside of the region, seniors and first-time homebuyers represent the largest cohorts of prospective homebuyers. First-time homebuyers are especially price sensitive, thus rising interest rates may delay many of them from purchasing new homes. There are no new, for-sale subdivisions with homes being built and sold speculatively anywhere in the Twin County Region.
- 7) Section IV of the report showed that the Twin County Region has an abundance of available parcels and buildings with potential for residential development. The list in Table 24 is an undercount, but shows the scale of available properties. Some of the larger available parcels may need to be subdivided but are large enough to support various housing types. Most would require a rezoning. Several properties are publicly owned, which could reduce costs and make development more viable.

Based on the above, it is evident that the Twin County Region’s existing housing stock is not meeting current demand. Due to the level of future job growth, the greatest existing housing need is for market rate, rental housing. The analysis also finds that the current new home sales market in the Twin County Region is essentially non-existent and is not providing home prices that are affordable to most prospective homebuyers. Moreover, the senior population is underserved. Thus, the initial recommended housing needs for the Twin County Region are as follows:

	<u>Units</u>
Market Rate Apartments	100±
Affordable General Occupancy Apartments	50±
Affordable Age-Restricted Apartments	40±
Patio Homes for Sale	40±
Townhomes for Sale	30-40±

The above recommendations include a large number of new homes, as it totals up to 270 housing units. However, the total includes (1) for-sale and rental homes, (2) market rent and affordable homes and (3) general occupancy and age-restricted homes. Not all of these homes will be built simultaneously. There is likely to be demand for future phases, particularly the apartment units, but the above are recommendations for initial development needs that are most feasible.

Each of the above recommendations are detailed in the paragraphs below.

- **Market Rate Apartments.** The Twin County Region is fortunate to have several vacant industrial/ institutional buildings that could be successfully converted into apartment communities. This would coincide with trends elsewhere in Virginia, the nearest cluster being the Roanoke Region. Utilizing historic tax credits and other existing incentives, this is likely to be a viable approach to generate new apartment units. In addition would be new construction, garden apartment buildings that would also serve the local rental market well. Again, multiple sites for these types of development are available. These would serve the employees that move to the area, including some that are currently employed locally but commute. The majority of the apartment units should have two-bedroom floorplans with two full bathrooms. Rents would be commensurate with new jobs that are expected.
- **Affordable Apartments.** General occupancy and age-restricted affordable apartment development supported by the Low-Income Housing Tax Credit (LIHTC) program is recommended. There is ample demand for affordable rental housing at various income levels, based on the success of Woodlawn School Apartments, sizable waitlists at nearly all area affordable apartment properties and other factors. Adding affordable apartment units outside of the LIHTC framework is unlikely for the Twin County Region at this time.
- **Patio Homes.** The region is likely to support approximately 40 patio homes for sale. These are recommended in the \$250,000 to \$300,000 price range to serve the empty-nester and active adult population.
- **Townhomes for Sale.** Between 30 and 40 new townhomes for sale are recommended, priced between \$180,000 and \$225,000. These should be designed as “starter” homes.

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To reiterate, the initial focus should be on apartment unit development, as this will address the most pressing housing needs in the Twin County Region and provide the best opportunities to attract developers from outside of the region. The region is fortunate to have multiple sites and buildings available for new housing, including several that are publicly owned.

The vacant Vaughan Furniture Building in Galax presents the greatest opportunity in the region, as this is a historic building within an Opportunity Zone that could be developed at relatively modest costs compared to a new construction proposal. It has a motivated owner who is eager to find a viable use for the property. The building owner is holding discussions with prospective developers and reports that progress is being made. The prominent building in the center of the City could be a catalyst for new area development of various types.

In addition are three large City-owned sites in Galax (Kipling Lane Property, Galax East Commercial Site and Hampton Heights Property) that could accommodate a mix of housing types. As the City controls these properties, a below market sales prices could entice developers from outside of the region to enter the market. Based on the recommendations above, these three sites would each need to be rezoned. Development on these three sites would need to be built in phases and based on demand. As all sites have access to City water and sewer, development could begin immediately.

Apart from the above three sites and building are several other available properties in the region that are attractive for new housing development. The Baywood School Building, which is owned by Grayson County, could be a viable location for affordable housing, either with or without age-restrictions. Several of the vacant parcels in Hillsville and Independence would also be attractive locations for new construction garden apartments or homes for sale, though many are large and would likely need to be subdivided.

### **Additional Recommendations**

Officials within the Twin County Region can take several steps to attract new housing development. For one, local officials may need to provide non-financial assistance with the purchase of a development site. Homebuilders who can be attracted to the region will require a

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“shovel ready” site for new home construction, or at least a site already improved with utilities. As noted above, there are several suitable options. The publicly owned properties may be the most viable, as land costs could be reduced.

In spite of the clear demand demonstrated in this report, the only way to attract homebuilders from outside of the region is if sites are ready or easy to develop. Most of the available properties would require a rezoning to be developed with the types of homes recommended in this report. Additionally, many of the available properties would need to be subdivided to attract development. Some members of the local real estate community have noted that development could be easier if the process of subdividing land were to be eased. Staff and leadership must be proactive related to rezoning and density of development.



**MOUNT RODGERS REGIONAL HOUSING STUDY**  
**BRISTOL REGION · BLAND CO · WYTHE CO · SMYTH CO · TWIN COUNTIES**

**2023**

