

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,

Ariel Goldring
President

Table of Contents

- Introduction.....4
- Section I: Wythe County Setting Analysis.....7
- Section II: Wythe County Economic Overview and Demographic Analysis10
 - Economic Overview10
 - At-Place Jobs.....10
 - Employment and Labor Force.....14
 - COVID-19 Pandemic and Employment.....15
 - Economic Development Activity16
 - Regional Job Growth18
 - Wythe County Demographic Analysis24
 - Group Quarters Population.....25
 - Households25
 - Owner Households26
 - Owner Households by Income.....26
 - Renter Households27
 - Renter Households by Income27
 - Senior Population and Households.....29
 - Active Senior Population and Households, by Income30
 - Housing Unit Trends.....32
 - Prevalence of Occupied Substandard Homes.....33
- Section III: Wythe County Housing Market.....35
 - For-Sale Housing Market36
 - New Construction Single-Family Home Market.....36
 - Patio Home Market.....43
 - Trends in Residential Building Permits45
 - Mobile, Modular and Manufactured Home Market49
 - For-Sale Housing Pipeline51
 - For-Sale Housing Summary51
 - Rental Housing Market53
 - Affordable Apartment Market54
 - Market Rate Apartment Market.....63
 - Apartment Pipeline Proposals67
 - Vacant and Underutilized Parcels with Residential Development Potential69
 - Barker Property73
 - Cassell Property74
 - Compass Property.....75
 - Fairfield Glade Property76
 - Fort Chiswell Outlets Property77
 - Pres Jackson Property.....78
 - Country Club Drive Properties.....79
 - W Ridge Road Properties.....80
- Section V: Housing Analysis Conclusions81
 - Initial Conclusions.....81
 - Additional Recommendations.....85
 - Wythe County Land Use Regulations.....85
 - Town of Wytheville Land Use Regulations.....87
 - Town of Rural Retreat Land Use Regulations.....89
 - Final Thoughts.....89

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.

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.

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.

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

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.

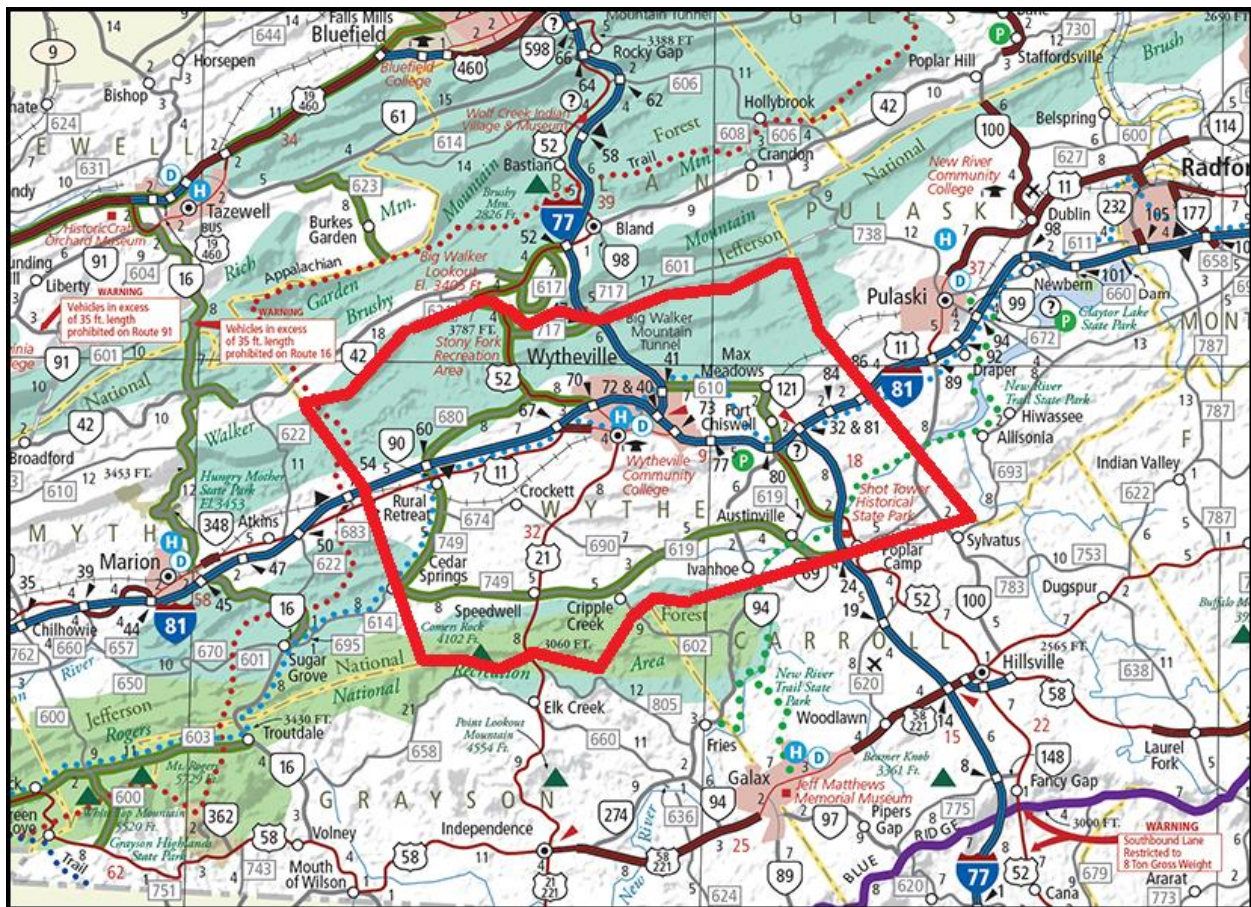
Wythe County is surrounded by predominantly rural areas with pockets of job growth. To the north lies Bland County, a predominantly rural community with limited job and population growth. Most economic activity in Bland County is concentrated along the I-77 corridor.

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.

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

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

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

Industry	2015	2016	2017	2018	2019	Net Change
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
Total	11,588	11,697	11,608	11,443	11,275	-313

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.

Table 2: Change in Total At-Place Employment, Wythe County, Virginia, 2019-2020

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Net Change</u>
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>
Total	11,275	10,799	11,076	-199

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.

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

	<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%
Net Change	-178	11	-189	-1.4%

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%
Net Change	1,062	1,215	-153	-1.3%

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

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

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.

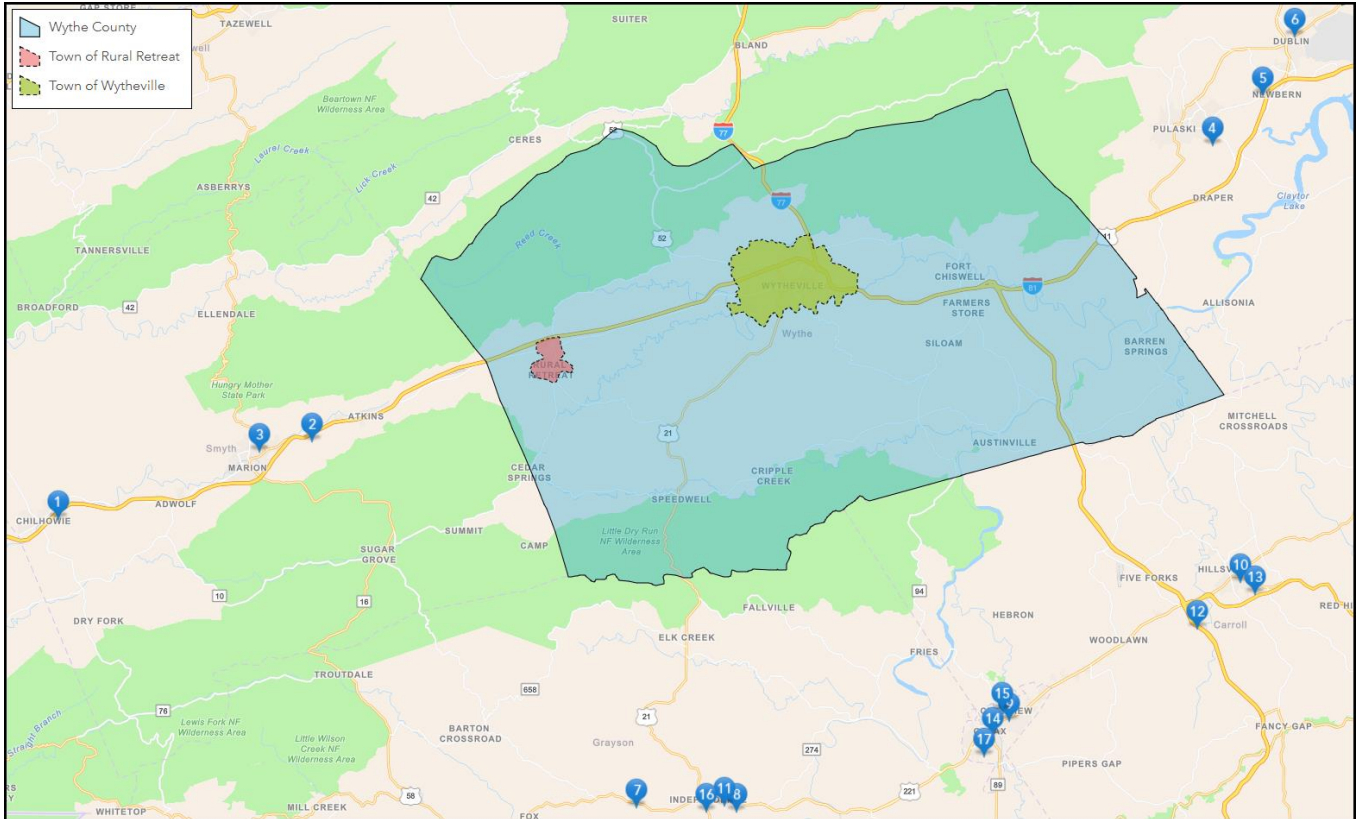
Table 5: Regional Job Growth, January, 2023

	<u>Map B Key</u>	<u>New Jobs</u>
<u>Smyth County</u>		
Scholle IPN Packaging	1	75
Woodgrain Millwork	2	80
Emory & Henry College	3	<u>25</u>
(Subtotal)		(180)
<u>Pulaski County</u>		
Xaloy Holdings	4	35
The Volvo Group	5	600
The Patton Logistics Group	6	<u>63</u>
(Subtotal)		(699)
<u>Galax/ Carroll County/ Grayson County</u>		
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)
Total		<u>1,263</u>

Notes: 1/ Estimate

Source: S. Patz & 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.

-
- **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

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.

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.

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

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/

	1990	2000	2010	2021
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%
<u>\$40,000-\$80,000</u>				
Total Households	1,610	1,810	1,830	1,560
Percent of Owner Households	21.2%	20.3%	19.9%	17.9%
<u>Above \$80,000</u>				
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).

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.

	1990	2000	2010	2021
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%
<u>Under \$20,000</u>				
Total Households	720	730	820	840
Percent of Renter Households	31.9%	28.0%	25.1%	24.9%
<u>\$20,000-\$34,999</u>				
Total Households	410	530	670	690
Percent of Renter Households	18.1%	20.3%	20.4%	20.5%
<u>\$35,000-\$49,999</u>				
Total Households	320	350	530	580
Percent of Renter Households	14.2%	13.4%	16.2%	17.2%
<u>\$50,000-\$74,999</u>				
Total Households	300	410	540	570
Percent of Renter Households	13.2%	15.7%	16.5%	16.9%
<u>Above \$75,000</u>				
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.

Table 9: Trends of Senior Population and Households, Wythe County, Virginia, 1990-2021				
	1990	2000	2010	2021
Wythe County Population	25,470	27,600	29,240	28,020
Wythe County Households	9,850	11,510	12,470	12,070
<u>Active Senior Population and Households (62-79)</u>				
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
<u>Older Senior Population and Households (80+)</u>				
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 1/

	1990	2000	2010	2021
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%
<u>Under \$20,000</u>				
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%
<u>\$20,000-\$34,999</u>				
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%
<u>\$35,000-\$49,999</u>				
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%
<u>\$50,000-\$74,999</u>				
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%
<u>Above \$75,000</u>				
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.

	2010	2020	Net Change	Percent Change
Wythe County	14,079	13,990	-89	-0.6%
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%
Mount Rogers Planning District	96,181	95,040	-1,141	-1.2%

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.

Table 12: Net Change in Housing Units, Wythe County, Virginia, 2020		
	<u>Number of Homes</u>	<u>Percent of Homes</u>
Occupied Housing Units	12,393	100.0%
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.

Table 13: <u>Occupied Housing Units by Complete Facilities, Wythe County, Virginia, 2020</u>		
	<u>Number</u>	<u>Percent</u>
Occupied Housing Units	12,393	100.0%
<u>Plumbing Facilities</u>		
Complete Plumbing Facilities	12,337	99.5%
Lacking Complete Plumbing Facilities	56	0.5%
<u>Kitchen Facilities</u>		
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		

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.

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,

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.

-
- 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.

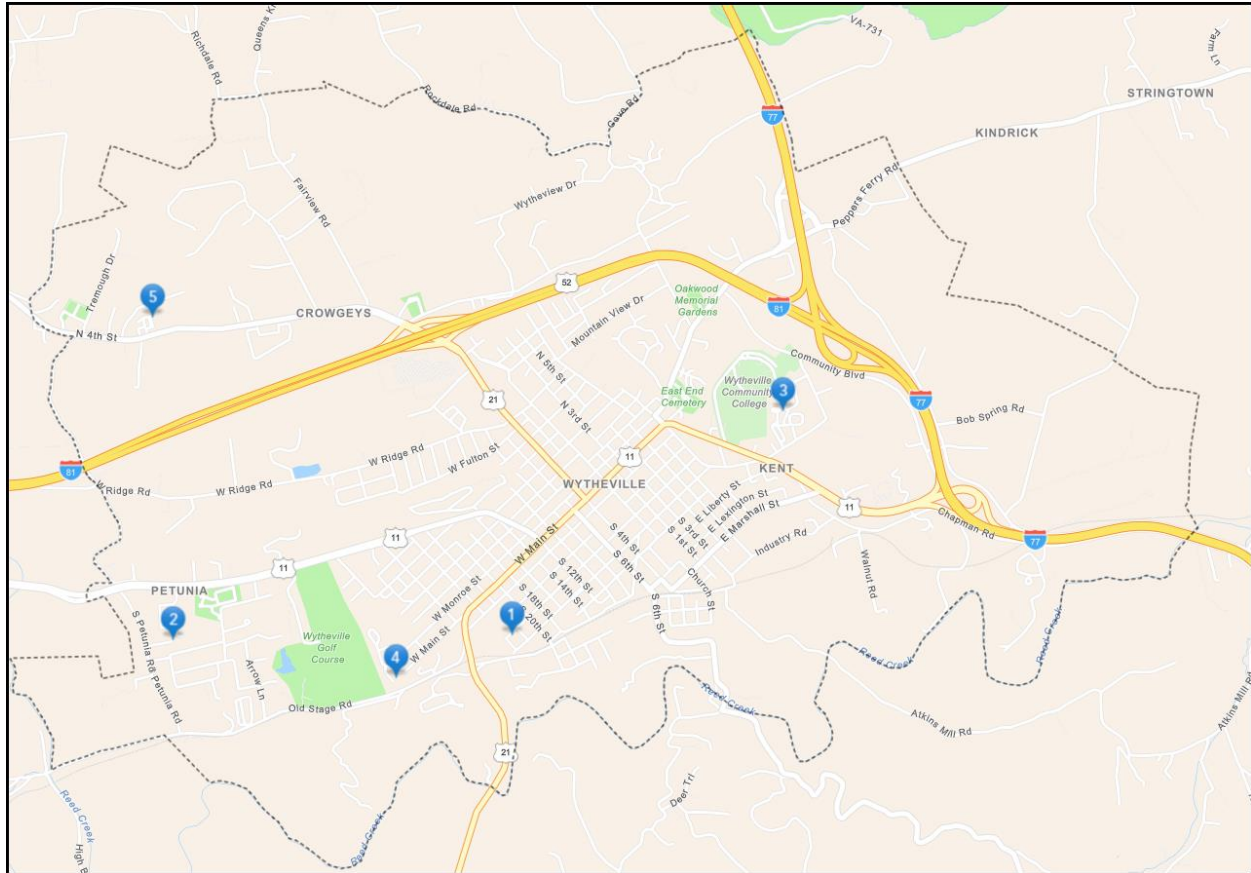
Of note is that most activity in these subdivisions consists of lot purchases and owner-built homes. Based on interviews with multiple local realtors, it is estimated that approximately 15 percent of new homes sold in these subdivisions were built speculatively over the past five years. Furthermore, 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>
<u>Single-Family Homes</u>					
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)
<u>Attached Homes</u>					
Fairfield Glade	5	2016	\$176,000	12	4
Washington Commons 1/	1	2008	\$198,000	16	4
(Total/ Average)			(\$187,000)	(28)	(8)
Total Average			\$249,460	158	56
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

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.

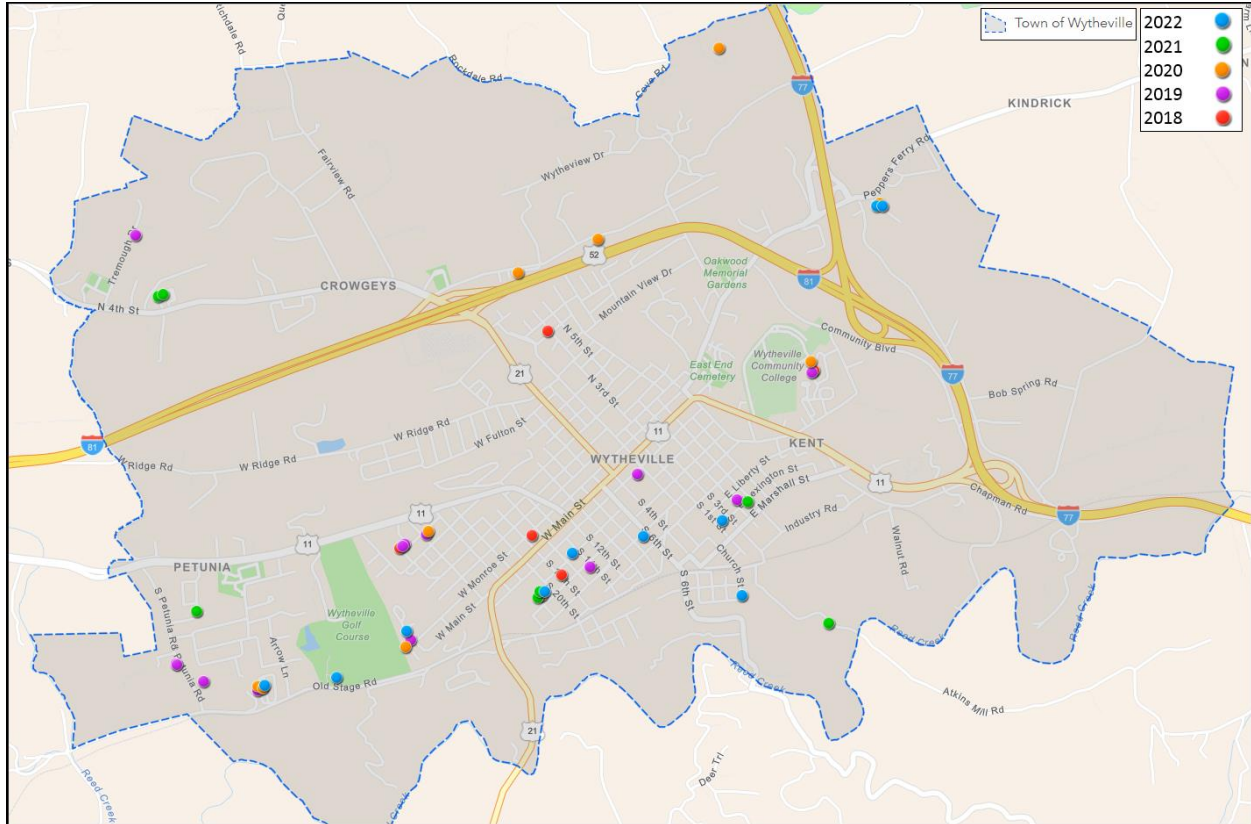
Table 15: Trends in Building Permits for New Homes, Town of Wytheville, Virginia, 2012-2022 1/

	<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>
Total	56	28	22	106
Percent of Total	52.8%	26.4%	20.8%	100.0%

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/

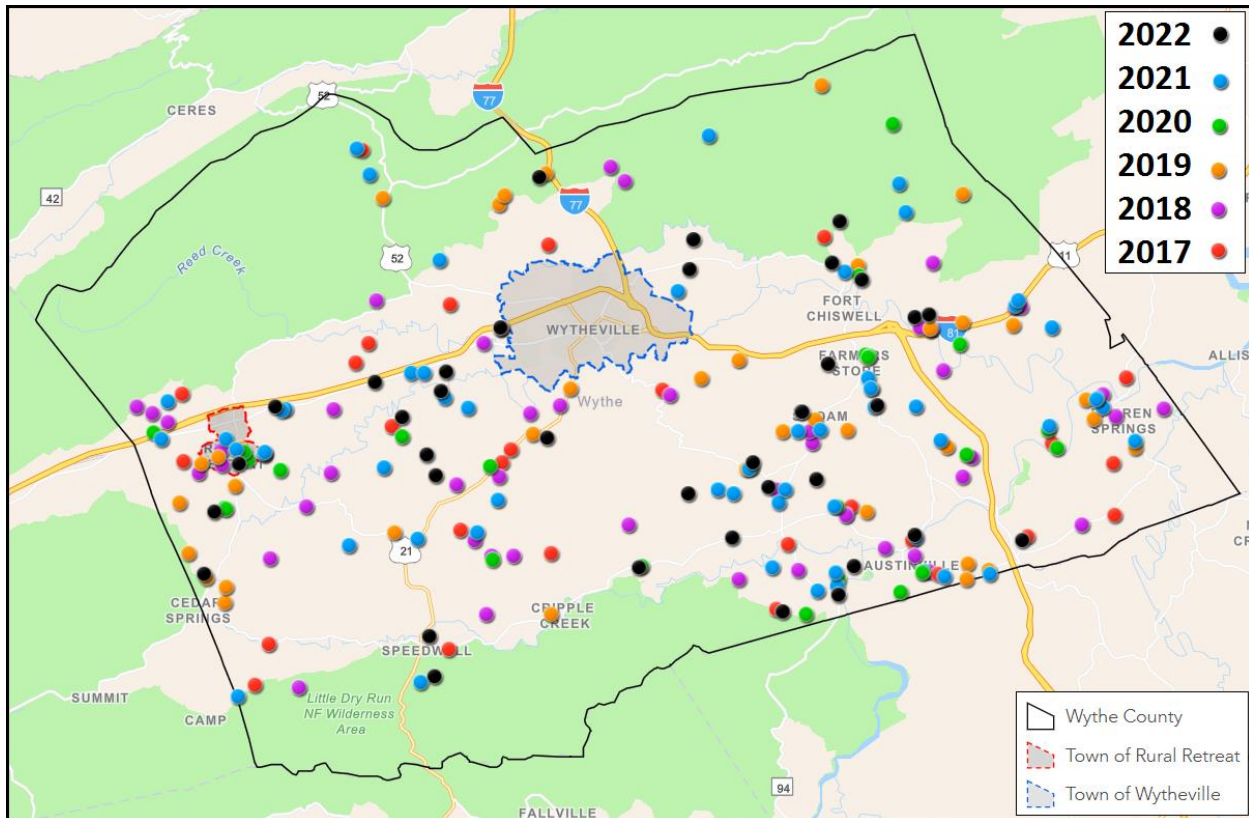
	<u>Single-Family</u>	<u>Manufactured/ Modular</u>	<u>Duplex/ Townhome</u>	<u>Total</u>
2012	28	45	0	73
2013	24	45	0	69
2014	32	44	0	76
2015	17	52	0	69
2016	28	55	0	83
2017	30	39	0	69
2018	30	40	0	70
2019	32	41	0	73
2020	30	41	0	71
2021	29	50	0	79
2022 2/	<u>25</u>	33	0	58
Total	305	485	0	790
Percent of Total	38.6%	61.4%	0.0%	100.0%

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

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.

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

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

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

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>
Total			146	5
Vacancy Rate				3.4%

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.

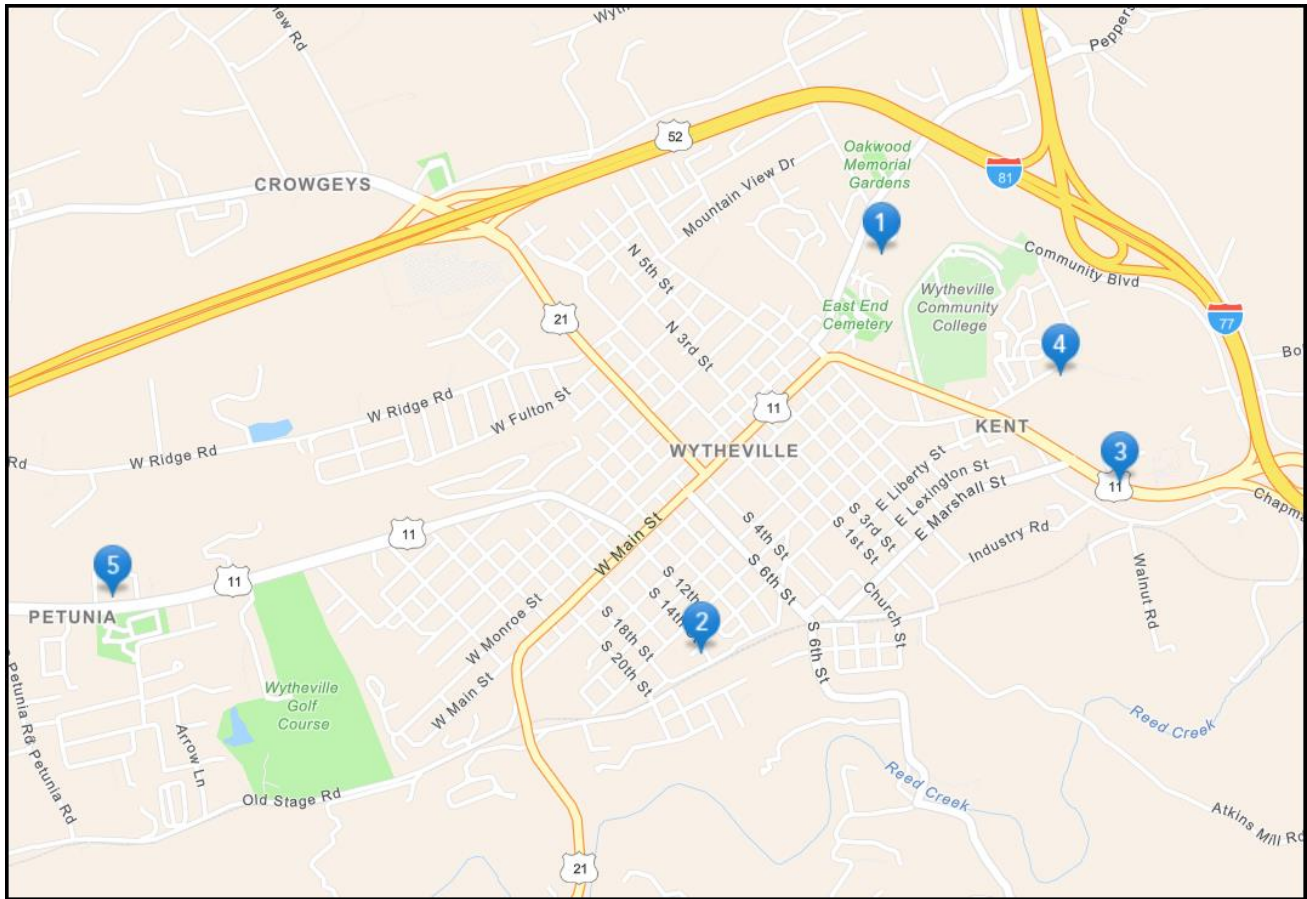
**Table 18: Characteristics of Apartments with Deep Rent Subsidies,
Wythe County, Virginia, January, 2023**

	<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>
Total				514	0
Vacancy Rate					0.0%

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 12th 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.

	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Utilities</u>
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
Average	\$436	\$533	\$585	

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.

	<u>Location</u>	<u>Year Built</u>	<u>Total Units</u>	<u>Vacant Units</u>
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
Total			172	0
Vacancy Rate				0.0%

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,

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.

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.

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.

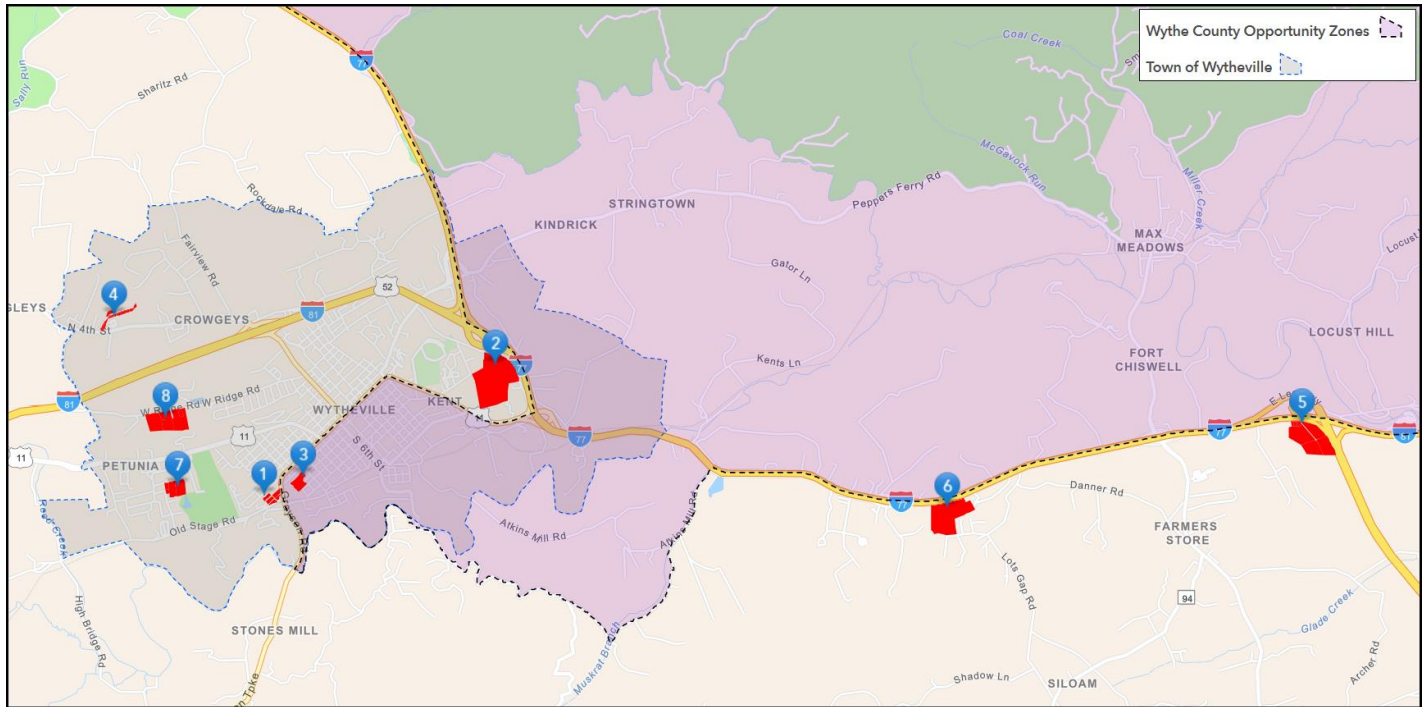
These properties have a wide range of sizes, varying from just under eight acres to nearly 90 acres. The large size of many of these properties allows for the potential development of a mix of housing types on one property. Most of the properties are zoned for low-density residential and would need to 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/

	Map G Key	Tax ID	Acres	Zoning	Opportunity Zone
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	--	○
Country Club Drive Properties	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	○
W Ridge Road Properties	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.



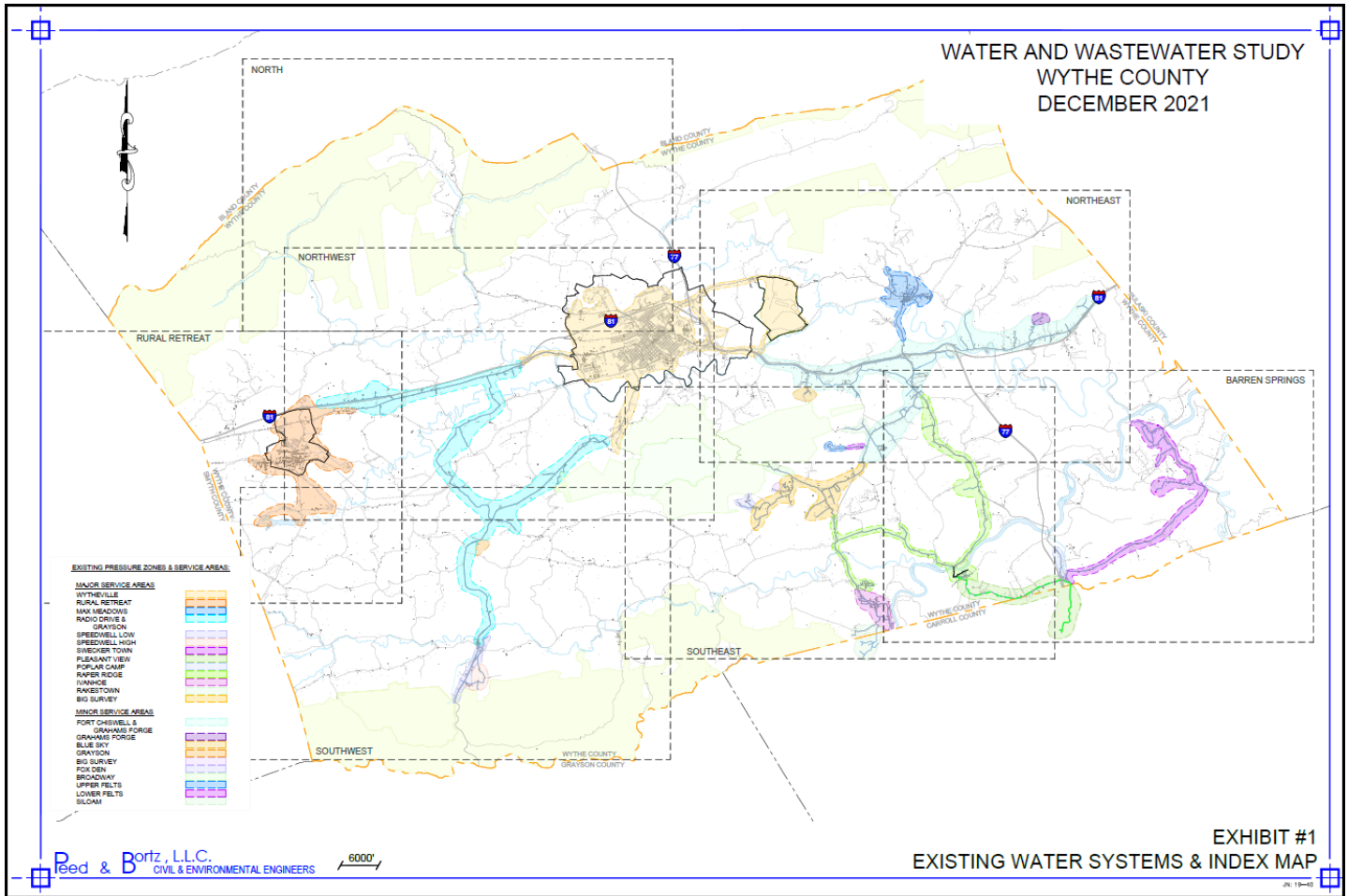
Map G - Locations of Vacant Properties with Residential Development Potential

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.



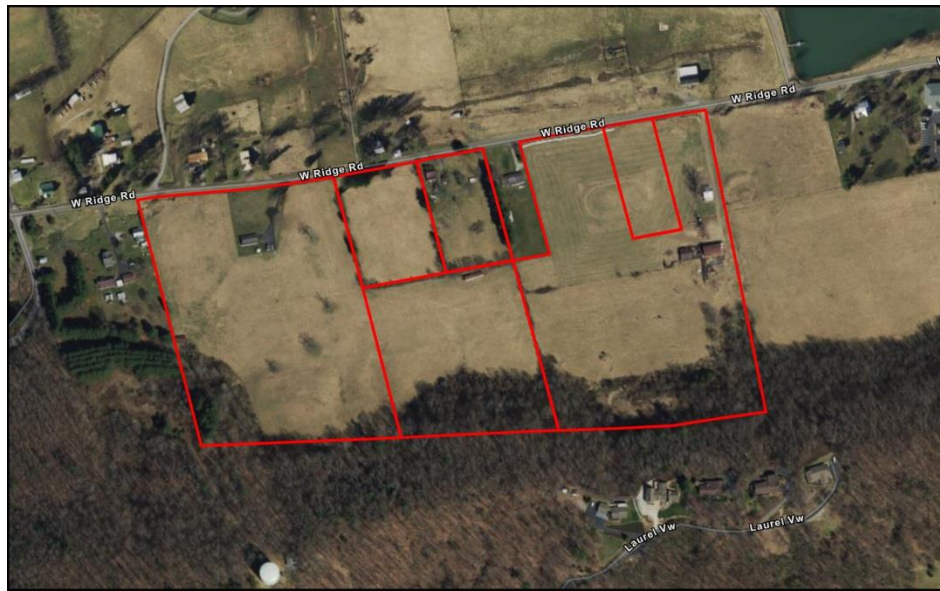
Map O - Country Club Drive Properties Location



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

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

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

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.

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.

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.

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-

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.

-
- **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

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.