

A SHIFTING HOUSING MARKET:

BOTETOURT COUNTY HOUSING STUDY

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Purpose of the Study



| Projected Employment Growth | | |
|---------------------------------|---------------------|-----------------|
| | <u>Deliver Year</u> | <u>New Jobs</u> |
| Manufacturing 1/ | | |
| Dynax America Corp. | 2016/17 | 75 |
| Altec Industries | 2017 | 30 |
| Eldor Corp. | 2018 | 100 |
| Eldor Corp. | 2019 | 69 |
| Arkay Packaging | 2019 | 50 |
| Ballast Point Brewing (Brewery) | 2019 | 133 |
| Ballast Point Brewing (Retail) | 2019 | 45 |
| Eldor Corp. | 2020 | 97 |
| Eldor Corp. | 2021 | 84 |
| Eldor Corp. | 2024 | 300 |
| (Subtotal) | | (983) |
| Retail | | |
| Various | 2016-2018 | 95 |
| Other | | |
| Various | 2017-2019 | 250 |
| Total | | 1,328 2/ |

Notes: 1/ Annual salaries between \$40,000 and \$50,000.
2/ Additional growth expected.



Issues

- Employment growth at moderate wages
 - For-sale single-family homes priced at \$300,000+
 - For-sale townhomes priced at \$200,000+
- Very limited land zoned for higher density (i.e. multifamily) in Botetourt County
- Development sites are not readily available
 - Limited land currently zoned for multifamily residential
 - Some lack public utilities/high costs
 - Abundance of small commercial properties
 - Along Route 11
 - With public utilities
 - Hard to make “numbers” work on small sites
 - Limited (prior) interest in adaptive-reuse of former industrial properties
- Additional comprehensive plan and zoning revisions are needed
- Dwindling amount of industrial land

Other Issues

Limited Past At-Place Job Growth

| Trends in Average At-Place Employment, Botetourt County, Virginia 2006-2015 | | | | | | | | | | |
|--|--------------|---------------|---------------|--------------|--------------|--------------|---------------|---------------|---------------|-------------------|
| Industry | 2006 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Net Change |
| Agriculture, Forestry, Fishing | ND | ND | ND | 102 | 94 | ND | ND | ND | ND | -- |
| Mining | ND | ND | ND | 92 | 95 | ND | ND | ND | ND | -- |
| Utilities | 9 | ND | ND | ND | ND | ND | ND | ND | ND | -- |
| Construction | 941 | 941 | 844 | 763 | 783 | 744 | 687 | 695 | 703 | -238 |
| Manufacturing | 2,128 | 2,278 | 1,885 | 1,688 | 1,780 | 1,907 | 1,877 | 1,880 | 1,905 | -223 |
| Wholesale Trade | 884 | 923 | 772 | 702 | 764 | 871 | 959 | 1,034 | 1,060 | 176 |
| Retail Trade | 656 | 1,458 | 1,439 | ND | ND | ND | ND | ND | ND | -- |
| Transport. & Warehousing | 645 | ND | ND | 877 | 944 | 912 | 901 | 850 | 852 | 207 |
| Information | 78 | 71 | 69 | 66 | 63 | 187 | 188 | 180 | 122 | 44 |
| Finance/Insurance | 65 | 69 | 62 | 49 | 42 | 44 | 52 | 59 | 56 | -9 |
| Real Estate | 65 | 69 | 62 | 49 | 42 | 44 | 52 | 59 | 56 | -9 |
| Professional/Tech. Services | 236 | 244 | 228 | 233 | 230 | 219 | 205 | 214 | 186 | -50 |
| Management of Companies | 113 | 120 | 129 | 130 | 127 | 134 | 142 | 142 | 164 | 51 |
| Admin./Waste Services | 354 | 317 | 318 | 312 | 304 | 317 | 689 | 697 | 928 | 574 |
| Educational Services | 44 | 59 | 54 | 44 | 51 | 54 | 53 | 66 | 30 | -14 |
| Health Care | 727 | 898 | 900 | 664 | 670 | 716 | 736 | 771 | 870 | 143 |
| Arts/Enter./Recreation | 113 | 92 | 84 | 78 | 82 | 74 | 72 | 64 | 52 | -61 |
| Accommodations/Food | 742 | 783 | 786 | 794 | 763 | 767 | 788 | 792 | 821 | 79 |
| Other Services | 173 | 199 | 189 | 182 | 175 | 179 | 189 | 188 | 208 | 35 |
| Local Government | 1,046 | 1,160 | 1,237 | 1,248 | 1,258 | 1,263 | 1,258 | 1,266 | 1,300 | 254 |
| State Government | 188 | 200 | 169 | 78 | 74 | 87 | 94 | 102 | 106 | -82 |
| Federal Government | 57 | 56 | 58 | 64 | 51 | 56 | 53 | 53 | 55 | -2 |
| Total | 9,513 | 10,910 | 10,141 | 8,961 | 9,162 | 9,621 | 10,052 | 10,124 | 10,465 | 952 |

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



Other Issues

Out-Commuting

| <u>Trends in Employment and Unemployment, Botetourt County, Virginia 2006-2015</u> | | | | |
|--|--------------------|-------------------|---------------------|---------------------------|
| | <u>Labor Force</u> | <u>Employment</u> | <u>Unemployment</u> | <u>Percent Unemployed</u> |
| 2006 | 17,430 | 16,976 | 454 | 2.6% |
| 2007 | 17,421 | 16,962 | 459 | 2.6% |
| 2008 | 17,759 | 17,180 | 579 | 3.3% |
| 2009 | 17,491 | 16,391 | 1,100 | 6.3% |
| 2010 | 17,700 | 16,559 | 1,141 | 6.4% |
| 2011 | 17,729 | 16,689 | 1,040 | 5.9% |
| 2012 | 17,733 | 16,764 | 969 | 5.5% |
| 2013 | 17,637 | 16,715 | 922 | 5.2% |
| 2014 | 17,754 | 16,890 | 864 | 4.9% |
| 2015 | 17,546 | 16,813 | 733 | 4.2% |
| Net Change | 116 | -163 | 279 | 1.6% |

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

Locations of Development Sites



- Exit 150
 - Turner Property
 - Painter Property
 - Route 11 Corridor
 - Daleville Town Center



- Fincastle
 - Frontier Development Site
 - Cresson Property
 - Moore Property
 - Ellis Patrick Estates

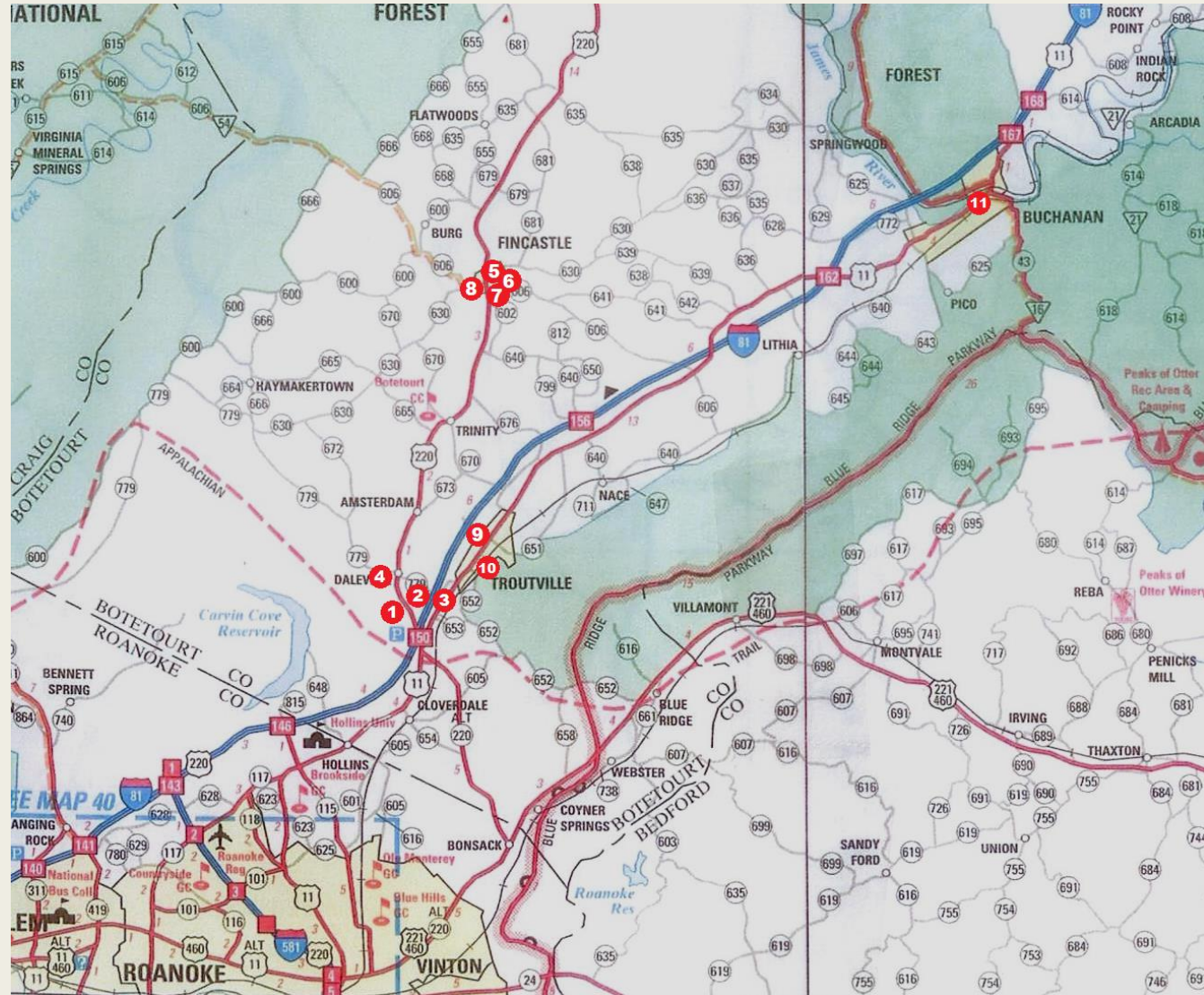


- Troutville
 - Former School Building
 - Small Commercial Sites



- Buchanan
 - Hafleigh Bone Button factory

Locations of Development Sites



Apartment Unit Development Trends



| Trends in Occupancy, Greater Roanoke Region, 2014-10/2016 | | | | | | |
|---|------------|--------------|--------------|-------------|-------------|-------------|
| | Year Built | Total Units | Vacant Units | | | |
| | | | 11/2014 | 07/2015 | 04/2016 | 09/2016 |
| Larger Downtown Adaptive Reuse 1/ | | | | | | |
| Parkway 301 | 2013 | 89 | -- | -- | -- | -- |
| Ponce de Leon | 2014 | 90 | -- | -- | -- | -- |
| The Cotton Mill | 2009 | 108 | -- | -- | -- | -- |
| The Crossings | 2002 | 87 | -- | -- | -- | -- |
| The Hancock Building | 2008 | 59 | -- | -- | -- | -- |
| The Lawson Building | 2009 | 25 | -- | -- | -- | -- |
| The Locker Room Lofts | 09/2015 | 56 | -- | -- | -- | -- |
| The Lofts at West Station | 2012 | 71 | -- | -- | -- | -- |
| The Patrick Henry Hotel | 2011 | 132 | -- | -- | -- | -- |
| The River House | 2012 | 128 | -- | -- | -- | -- |
| Better Smaller Properties | NA | 249 | -- | -- | -- | -- |
| (Subtotal) | | (1,094) | (25) | (27) | (29) | (20) |
| New Construction | | | | | | |
| Daleville Town Center | 2013 | 120 | -- | -- | -- | -- |
| North Point | 2015-2016 | 90 | -- | -- | -- | -- |
| South 16 | 2014 | 157 | -- | -- | -- | -- |
| Westmont | 2014-16 | 48 | -- | -- | -- | -- |
| The Retreat | 06/2016 | 252 | -- | -- | -- | -- |
| (Subtotal) | | (667) | (10) | (24) | (10) | (130) |
| Mature Properties | | | | | | |
| Bent Tree | 1973 | 148 | -- | -- | -- | -- |
| Cedar Point | 1973 3/ | 150 | -- | -- | -- | -- |
| Glade Creek I & II | 1998/01 6/ | 248 | -- | -- | -- | -- |
| Pebble Creek | 1978 2/ | 468 | -- | -- | -- | -- |
| Summit at Roanoke | 1987 | 250 | -- | -- | -- | -- |
| Sunscape | 1997/99 | 264 | -- | -- | -- | -- |
| The Orchard Apartments | 2001 | 240 | -- | -- | -- | -- |
| (Subtotal) | | (1,550) | (81) | (76) | (75) | (45) |
| Total | | 3,311 | 116 | 127 | 114 | 155 |
| Vacancy Rate 1/ | | | 4.3% | 4.3% | 4.1% | 2.3% |

Notes: 1/ Excludes smaller downtown properties and The Retreat, which is still in lease-up.

For-Sale Market



Characteristics of Active Subdivisions, Botetourt County, VA, November, 2016

| | <u>Year Started</u> | <u>Approved Lots</u> | <u>Homes Sold</u> |
|----------------------------|---------------------|----------------------|-------------------|
| Single-Family Homes | | | |
| Altamira | 2009 | 68 | 54 |
| Cottages at Steeplechase | 2016 | 27 | 1 |
| Daleville Town Center | 2012 | 13 | 5 |
| Meadows of Santillane | 2014 | <u>18</u> | <u>10</u> |
| (Subtotal) | | (126) | (70) |
| Attached Homes | | | |
| Village at Tinker Mountain | 2013 | 17 | 7 |
| Villas at Botetourt | 2008 | 19 | 14 |
| Berkley Commons | 2004 | 33 | <u>30</u> |
| (Subtotal) | | (69) | (51) |
| Total | | 195 | 118 |

Planned Subdivisions

| | <u>Status</u> | <u>Homes</u> |
|--------------------------|---------------|--------------------------|
| Westley Road Subdivision | UC | 24 attached |
| Sanderson Ridge | Planned | 59 one/two |
| Moore Property | Active | <u>350 single-family</u> |
| Total | | 433 |

Conclusions

- Apartment unit demand is larger than current supply
- Sites for short-term apartment unit development include:
 - Daleville Town Center with revisions to proffers- 150± units
 - Route 11 corridor with rezoning from commercial - 100± units
 - Troutville former school site with rezoning - 80± units
 - Hafleigh Bone Button Factory with rezoning – 80± units
- Potential sites exist in Fincastle, Gateway Crossing and other locations
- In terms of supply/demand, rental housing market is stronger
- Adequate supply of for-sale lots, but not enough diversity in type and place
- Botetourt County lacks affordable housing/very strong market (let's discuss)
- Botetourt County has quality adaptive-reuse properties that could be very attractive for new housing
- Botetourt County needs further updates to comprehensive plan and zoning density and steady mix of market rent and affordable housing
- Evolving demand for affordable townhomes
- Plans need to be started to ensure that sufficient industrial/business park land exists for new development
- Exit 150 study needs to be further studied for site consolidation
- Housing need is immediate

Questions?

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