



July 2, 2020

Ms. Karen Brown
County of Franklin
1255 Franklin Street, Suite 111
Rocky Mount, Virginia 24151

Re: Ferrum, Virginia Housing Needs Assessment & Housing Plan

Dear Ms. Brown,

Bowen National Research completed the attached Housing Needs Assessment and Housing Plan for Ferrum, Virginia.

This report includes a variety of data sets related to demographics, economics and housing of Ferrum, Virginia and to a lesser degree, the surrounding area. It includes housing gap estimates for rental housing at various income levels and provides housing plan recommendations that we believe will address housing issues and enable your community to effectively plan for the future.

We hope you find this information and analysis helpful. Please let us know if you have any questions.

Respectfully,

A handwritten signature in blue ink that reads "Patrick M. Bowen".

Patrick M. Bowen
President/Market Analyst

Enc:

Housing Needs Assessment & Housing Plan

Housing Needs Assessment of Ferrum, Virginia

Prepared For

Ms. Karen Brown
County of Franklin
1255 Franklin Street, Suite 111
Rocky Mount, Virginia 24151

Effective Date

July 2, 2020

Job Reference Number

20-226 (Patrick Bowen)



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 Addendum A – Telephone Survey of Multifamily Rentals

 Addendum B – Demographic Theme Maps

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Note: For-Sale housing data may be provided upon request

HOUSING NEEDS ANALYSIS & HOUSING PLAN

A. INTRODUCTION & SCOPE OF WORK

Ferrum, Virginia is a census-designated place (CPD) located within the Roanoke Metropolitan Statistical Area. Ferrum is primarily located in the southwestern portion of Franklin County, approximately 35 miles south of the city of Roanoke, Virginia and 55 miles northeast of Mount Airy, North Carolina. Ferrum is located 9.4 miles southwest of the town of Rocky Mount, the county seat of Franklin County. As of 2020, Ferrum is estimated to have just under 2,000 people, with the majority consisting of college students. The primary arterial roadways serving the area are County Route 40 (intersects Ferrum), State Route 220 (in Rocky Mount) and Interstate 81 (north of Roanoke). Overall, Ferrum encompasses approximately 9.2 square miles. Once the county's primary shipping and receiving center, Ferrum is now primarily known for the Blue Ridge Folklife Festival and Ferrum College, which is listed on the National Register of Historic Places. The Ferrum community is conveniently located in between attractions such as the Blue Ridge Mountains, Blue Ridge Parkway, Pigg River, and Philpott Lake.

The purpose of this Housing Needs Assessment and Housing Plan is to provide data and analysis regarding the demographics, economics, and housing inventory of Ferrum, Virginia and the surrounding area that impacts Ferrum. The findings of this report are then used to provide a recommended housing plan that should be considered for implementation in order to address the housing needs of the community.

The scope of work that comprise this report includes:

- A housing survey and/or inventory of rental housing alternatives. This may include multifamily projects operating as market-rate or under the Tax Credit program or with a government subsidy. Non-conventional rentals, such as single-family homes, duplexes, mobile homes, etc., were also evaluated.
- Identification and evaluation of residential units in the development pipeline.
- An inventory and evaluation of the local for-sale housing market, including both recent sales and currently available for-sale product.
- An evaluation of numerous demographic and economic trends and characteristics of Ferrum and the surrounding area was completed. Data is presented for the population, households and incomes for the area with an emphasis on 2010, 2020 (estimated) and 2025 (projected).
- An assessment of the marketability of an undeveloped 82-acre site in Ferrum to support new residential development.

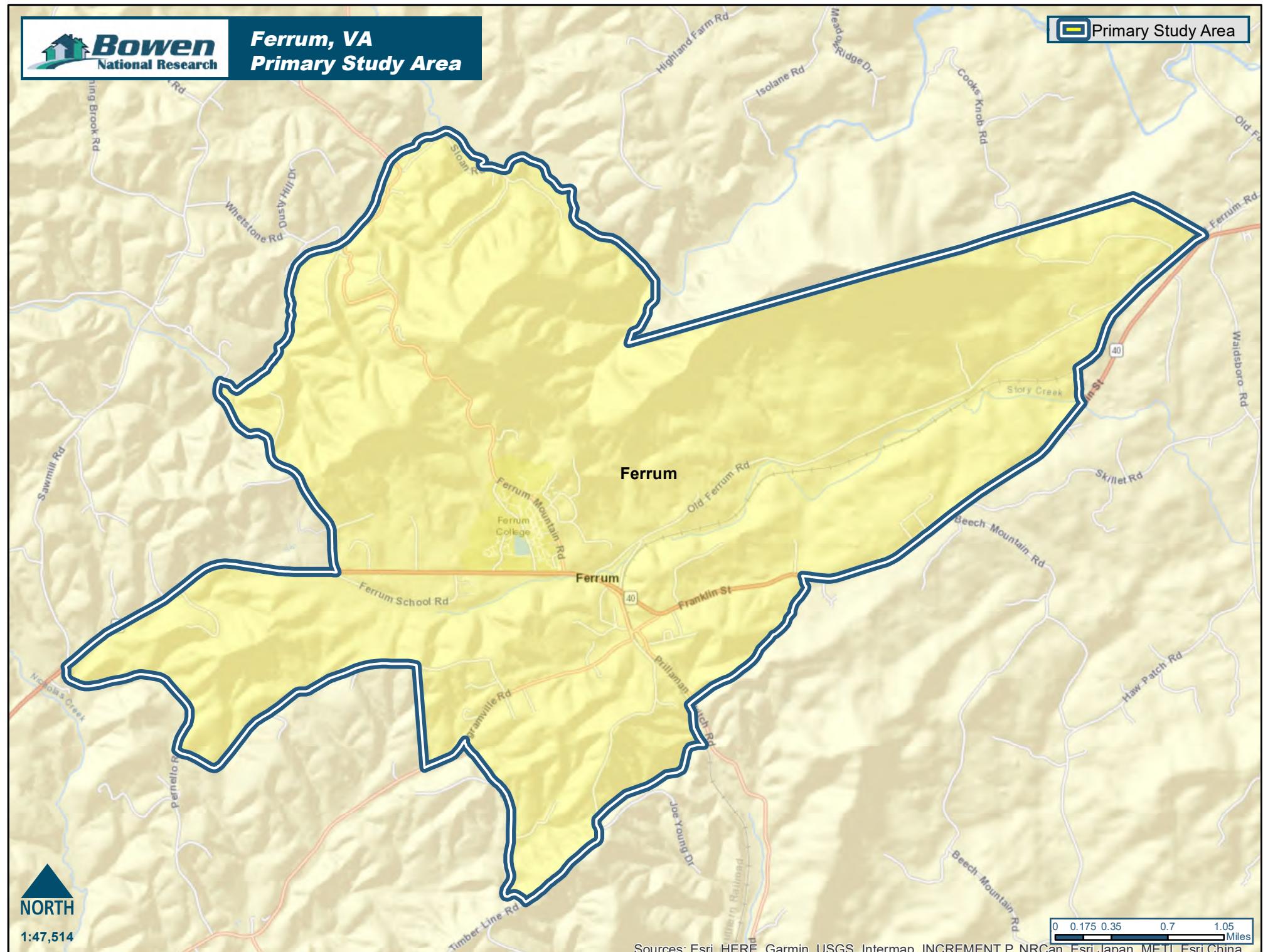
- Housing gap estimates for rental and for-sale housing at various rents/price points and corresponding household income levels for the town are provided.
- We provided recommendations for a Housing Plan that summarizes key priorities that should be considered to address the housing needs of Ferrum, as well as recommendations for possible residential product types that could be developed on a vacant 82-acre parcel in Ferrum.

For the purposes of this analysis, we have established and evaluated a Primary Study Area (PSA) which consists of Ferrum and a Secondary Study Area (SSA) which consists of the balance of Franklin County. Maps illustrating these areas are shown on the following pages.



Ferrum, VA Primary Study Area

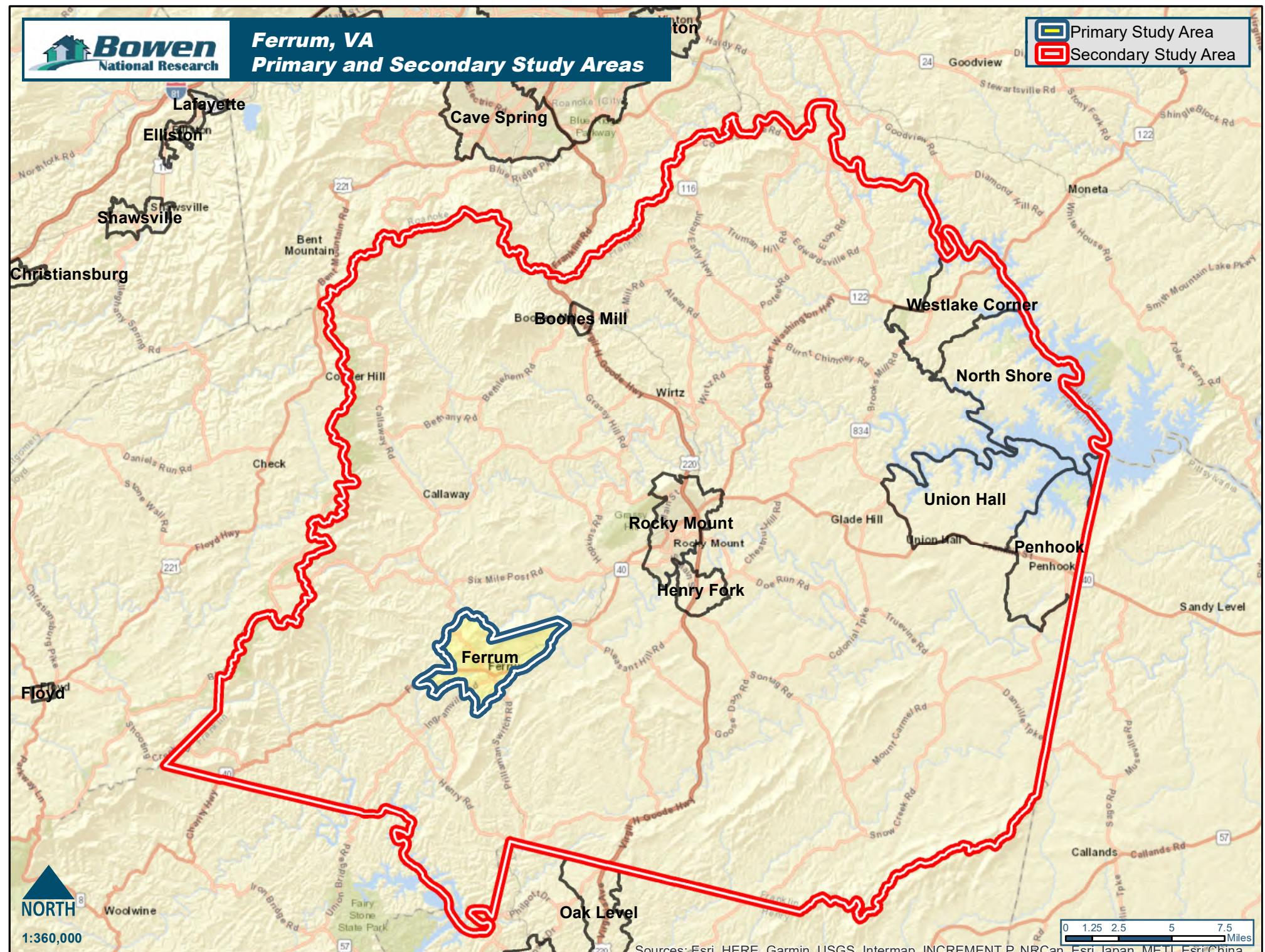
Primary Study Area





Ferrum, VA Primary and Secondary Study Areas

Primary Study Area
 Secondary Study Area



1:360,000

0 1.25 2.5 5 7.5
Miles

Sources: Esri, HFRE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

B. HOUSING PLAN RECOMMENDATIONS

While numerous housing issues and opportunities exist in Ferrum, we have provided a summary of recommendations and priorities to address the primary housing needs of Ferrum. Although not all of these recommendations need to be implemented or conducted simultaneously, they should serve as the framework for developing a housing plan for the subject market. The first set of recommendations address the overall town of Ferrum, while the second set address the market opportunities of an unimproved 82-acre parcel owned by the county.

Town Recommendations

The Housing Needs of the County are Broad and Future Residential Initiatives Should Address the Entire Spectrum of Affordability and Product Types – The existing housing inventory shows very limited availability among the rental and for-sale housing supply, regardless of affordability level. The housing gap estimates shown in this report (see pages 7 and 87), reveal that there is a shortage of both rental and for-sale housing at varying affordability levels. As such, efforts to address housing needs should be supportive of product at a variety of price points and rent levels. This includes housing for low-, moderate- and high-income households. Product types needed range from multifamily (multi-story and single-story) apartments and condominiums, as well as single-family homes.

Local Governments and Stakeholders Should Adopt a Regional Approach to Address Housing Issues in the Area – The town of Ferrum is influenced by the overall Franklin County area, in terms of economics, culture and housing. Many of the housing challenges of availability, affordability and quality exist throughout the county. Therefore, efforts to address housing (both existing and future product) should be coordinated between the town of Ferrum and the county whenever possible. This would include incentives, restrictions and overall plans and goals.

Efforts Should be Made to Attract Commuters from Outside the County to Move to Ferrum – Approximately 6,803 people commute into Franklin County for work on a daily basis. While a large majority of these commuters would not move to Ferrum, we believe that there is an opportunity to attract some portion of these commuters to Ferrum as a place of residence. It is recommended that local employers, the chamber of commerce, economic development officials, and real estate professionals work to identify such commuters and market cultural, and housing opportunities within the Ferrum area. It will be important that adequate housing is developed to meet the needs of these potential residents. This will likely include housing for young professionals, college faculty/staff, recent college graduates, and working families, as well as empty nesters and retirees seeking to downsize from their current housing.

Encourage and Support Residential Development of Vacant Land and Adaptive Reuse of Existing Vacant Structures within Ferrum – Ferrum contains a relatively large parcel (approximately 82 acres) of undeveloped land in the western portion of the town that is a focus of this report. This site could serve as an ideal location for new residential development that should be explored (See “Site-Specific

Recommendations" starting on page 8 of this report for specific recommendations). While it was not a focus of this report to identify or inventory vacant structures, our on-site evaluation of the market revealed several buildings of notable size that could be converted into residential product. Local government entities may want to develop an inventory of such properties and make such a listing available for prospective developers. The redevelopment or repurposing of such structures could help to resolve some blight issues, increase taxable revenues and solve housing issues at the same time.

Efforts to Address Housing Issues and Needs Should Also be Developed with Economic Initiatives and Plans – Ferrum is a rural community with limited job opportunities and minimal community services such as restaurants, shopping and entertainment venues. In order to create greater interest in prospective residents wanting to live in Ferrum, it will be important that local officials consider efforts to address housing and economic conditions concurrently, as each segment impacts the other. Economic and residential development could mutually benefit each other and help to build some synergy in the community.

Efforts Should be Made to Support the Preservation of Existing Housing Structures in the County – Ferrum has a relatively large inventory of housing built prior to 1980. More than 100 occupied residential units are overcrowded and/or lack complete kitchens or indoor plumbing, which are considered substandard. Based on the age of much of the housing product, the substandard housing conditions cited in this report, and our personal observations of many homes showing evidence of exterior disrepair in the market, there are some housing units that appear to be suffering from neglect or have reached a point of functional obsolescence. The local governments should explore securing/offering grants and other financial resources that they can make available to homeowners and landlords of smaller properties to assist them with home repairs, to get properties to meet code, or to assist in the removal of blight.

Support Efforts to Develop New Single-Family Housing and Assistance to Enable First-Time Homebuyers to Purchase Homes – Ferrum is dominated by owner-occupied housing, primarily consisting of single-family home structures, which appear to be the choice of preference for housing. As shown in this report, the three homes available for purchase in Ferrum represent an availability/vacancy rate of just 0.9%. Within the balance of the county, this rate is just 1.7%. Typically, in healthy, well-balanced markets, approximately 2% to 3% of the for-sale housing stock should be available for purchase to allow for inner-market mobility and to enable the market to attract households. As such, the focus of Ferrum and the overall county appear to have a low number of housing units available to purchase, indicating that there may be underserved segments in the market. This may represent development opportunities for new single-family home product in Ferrum and elsewhere in the county. Such product is needed at a variety of price points, though assistance for lower income, first-time home buyers would serve the greatest need in the area. First-time homebuyer programs or a "sweat equity" program offered should be promoted in some form in Ferrum.

The Development of Housing that Enables Seniors to Downsize Should be Supported – The county has a large base of seniors that is projected to grow over the next several years. Considering this projected senior growth along with the lack of senior-specific product in the county, the market’s deficiency of senior housing stock is expected to become more pronounced in the years ahead. The development of additional senior-oriented housing, including single-story or elevator-equipped product, will enable seniors to downsize and transition into housing that can better accommodate their needs. This will include both rental and for-sale product, such as apartments and condominiums, that offer more maintenance-free living. Enabling area seniors to downsize from their current residences will free up their homes for others to move into, which will help solve other housing shortages.

Encourage and Support the Development and Preservation of Rental Housing that Serves Low-income/Workforce Households – As shown in this Housing Needs Assessment, there are limited rental options available for low-income households (generally earning up to \$34,000/year) and typical workforce households (generally earning up to \$54,000/year) in Ferrum, yet the housing gap for these income segments are the largest. As such, Ferrum would benefit from the development of additional rental housing that will serve such households. Supporting projects developed through such funding sources as the Low-Income Housing Tax Credit (LIHTC) program and various HUD programs would increase the likelihood that such projects could be developed. Support could be in the form of local gap financing assistance, waived or reduced government fees, predevelopment assistance (e.g. site preparation, utility access, etc.), etc. Programs like this would help support the development of much needed housing in the area.

The table below summarizes the approximate potential number of new residential units that could be supported in Ferrum over the next few years.

Ferrum Housing Needs Estimates (2020 to 2025)			
Housing Segment		Number of Units*	Priority
Rentals	Low-Income Rental Housing (<\$849/Month Rent)	34	Moderate
	Affordable Workforce Rental Housing (\$850-\$1,350/Month Rent)	34	Moderate
	Market-rate Rental Housing (\$1,351+/Month Rent)	17	Low
For-Sale	Entry-Level For-Sale Homes (<\$127K Price Points)	31	Moderate
	Moderate-Income For-Sale Homes (\$128K-\$202K Price Points)	33	Moderate
	High-Income For-Sale Homes (\$203K+ Price Points)	11	Low

*Number of units assumes product is marketable, affordable and in an appropriate location. Variations of product types will impact the actual number of units that can be supported. Additionally, incentives and/or government policy changes could encourage support for additional units that exceed the preceding projections.

The preceding estimates are based on current government policies and incentives, recent and projected demographic trends, current and anticipated economic trends, and available and planned residential units. Numerous factors impact a market’s ability to support new housing product. This is particularly true of individual housing projects or units. Certain design elements, pricing structures, target market segments (e.g.

seniors, workforce, families, etc.), product quality and location all influence the actual number of units that can be supported. The estimates shown in the preceding table provide the approximate number of units that could potentially be supported. As such, the preceding estimates should be used as a guideline for establishing housing priorities and goals for Ferrum. Demand estimates could exceed those shown in the preceding table if the community changes policies or offers incentives to encourage people to move into the market or for developers to develop new housing product.

Site-Specific Recommendations

One of the objectives of this report is to assess the market potential for an existing 82-acre parcel located in Ferrum. This parcel (#0800006500) is located in the western portion of the town, just north of State Route 40 (Franklin Street). Direct access to the site is provided from West Franklin Drive. A map of this parcel is included on page 83. The following is a summary of our key findings and recommendations as it relates specifically to this site.

The Site will need to Overcome the Lack of Community Services in the Immediate Area; The Addition of Commercial and Employment Opportunities in Ferrum would Increase the Site's Appeal to Prospective Residents – Generally, the subject site's attributes (e.g. surrounding land uses, access, and visibility) are conducive to support residential development, but the limited amount of community services in the immediate area will likely diminish its appeal to prospective renters/homeowners. Although we expect some prospective residents will be attracted to the rural nature of the area, we also believe a notable portion of the market will be deterred from living at the site due to the lack of certain community services (large grocer, restaurants, etc.). Therefore, the introduction or expansion of common community services in the town of Ferrum could expand the base of potential support for the subject site. Given the lack of various community services in the immediate area and the relatively large size of the subject site, some consideration should be given to developing a mixed-use community that offers both residential and commercial product.

The Small Base of Potential Support for New Residential Product will Require an Approach that Considers Diverse Product Types or Phased-in/Long-Term Development Plans for the Site – As shown in our housing gap estimates, no individual housing segment by affordability and tenure (renter vs. owner) can support more than 34 units in Ferrum. Therefore, to develop the entire 82-acre parcel, several approaches should be considered. Offering several small projects in which each serve a specific segment of the market would enable the overall site to serve a broad range of household types (ages, incomes, sizes, etc.). Therefore, the overall parcel could be split up and developed by different developers or a single developer could introduce multiple product types that ultimately could be part of a multigenerational, mixed-income and mixed-product development. The first project developed on the site could serve as the foundation for future projects and or phases of projects that are part of a long-term plan for the entire parcel.

The Town/County should seek Area Development Partners to Develop the Site –
Because the subject site will likely require multiple product types and target a variety of household segments in order to be successful, it is recommended that the town/county governments identify development partners to work together to develop out the site. This may include private developers, non-profit groups, supportive service organizations, larger employers and Ferrum College. Such groups could develop individual projects and share in infrastructure costs and development risks. Broadening the participants of the project would increase the likelihood for success.

The Town/County may want to Encourage Residential Development through Incentives – While this study has established that there is some level of housing need that could be addressed through the development of new residential units at the site, some developers may be hesitant to develop due to the rural nature of the area, the limited community services in the area, and/or the lack of modern product developed in the area. The local government should consider incentivizing development through such things as selling the land at a discount or donating it to developers, assisting in pre-development costs with loans or grants, waiving or discounting government fees associated with development, or providing some level of assistance with infrastructure. Given that a notable portion of the housing gap estimates show a need for housing that is affordable to low-income households, incentives that help keep development costs down will increase the likelihood that affordable rentals can be developed.

Some of the Site's Land could be used for Green Space and other Outdoor Amenities – Given the relatively large size of the subject site and the small number of units that can be supported in Ferrum, it is recommended that some of the site be used for outdoor recreational space. This may include large common area green space, walking/biking trails, nature preserve, outdoor performance art stage/venue, or public park. Such uses would add to the appeal of both Ferrum and the site.

C. DEMOGRAPHICS

This section includes detailed demographic data for Ferrum and the surrounding area, along with statewide data. Data sources used in this demographic analysis include ESRI, 2000 and 2010 U.S. Census, American Community Survey, Urban Decision Group and Bowen National Research. The data was illustrated for various points in time and include 2000, 2010, 2020 (estimated) and 2025 (projected).

Demographic characteristics and trends considered in this analysis include:

- Total Population
- Population by Age
- Population by Race
- Population by Marital Status
- Educational Attainment
- Population by Poverty Status
- Population by Migration
- Population Density
- Total Households
- Households by Age
- Households by Tenure
- Household Size
- Households by Cost Burden
- Overcrowded Housing
- Units without Complete Plumbing/Kitchen
- Households by Income & Tenure

1. POPULATION TRENDS

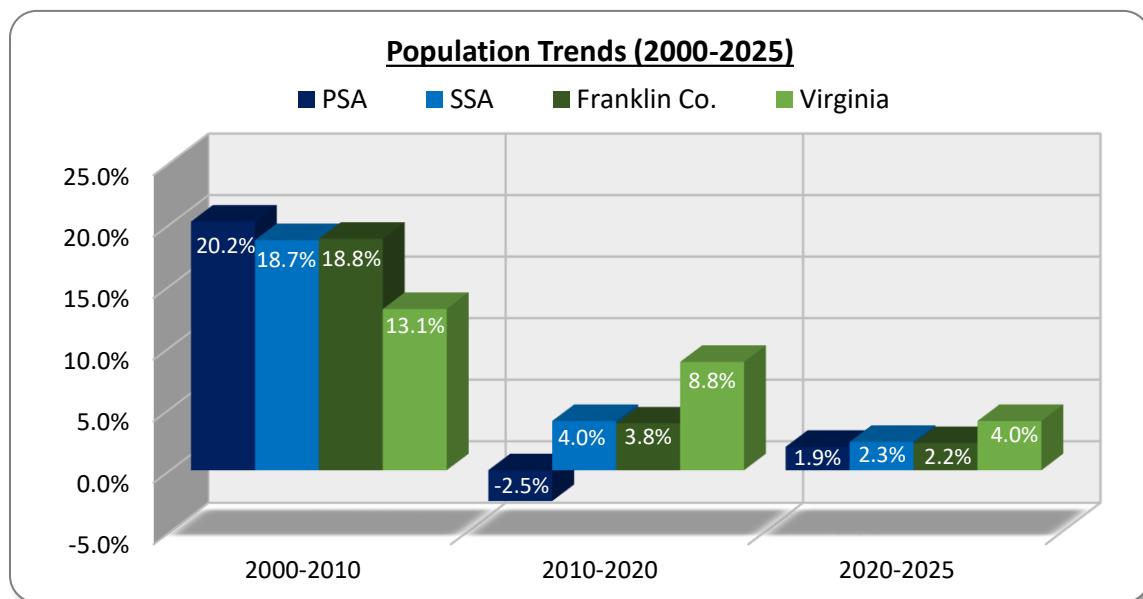
Population by numbers and percent change (growth or decline) for selected years is shown in the following table:

	Total Population									
	2000 Census	2010 Census	Change 2000-2010		2020 Estimated	Change 2010-2020		2025 Projected	Change 2020-2025	
			Number	Percent		Number	Percent		Number	Percent
PSA (Ferrum)	1,699	2,043	344	20.2%	1,993	-50	-2.5%	2,031	38	1.9%
SSA	45,587	54,116	8,529	18.7%	56,276	2,160	4.0%	57,546	1,270	2.3%
Franklin County	47,286	56,159	8,873	18.8%	58,269	2,110	3.8%	59,577	1,308	2.2%
Virginia	7,077,189	8,000,897	923,708	13.1%	8,702,063	701,166	8.8%	9,051,986	349,923	4.0%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

From 2000 to 2010, the PSA (Ferrum) population increased by 344, or by 20.2%, while the SSA (Balance of County) increased by 8,529, or by 18.7%. During this same time, the state of Virginia increased by 13.1%. The percent change in the PSA population was greater than that of the SSA and the overall state of Virginia. Over the past decade (2010 to 2020), the PSA population base declined by 50 people, or by 2.5%. At the same time, the SSA grew by 4.0% and the population statewide increased by 8.8%. Between 2020 and 2025, it is projected that the PSA population base will expand by 1.9% (an increase of 38 people), which will be slightly slower than the population growth in the SSA (2.3%) and statewide (3.9%).

The following graph compares percent change in population (growth) for various time periods for the PSA, SSA, Franklin County and the state of Virginia:



Population by age cohorts for selected years is shown in the following table:

		Population by Age							
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+	Median Age
PSA (Ferrum)	2010	974 (47.7%)	171 (8.4%)	213 (10.4%)	244 (11.9%)	224 (11.0%)	127 (6.2%)	90 (4.4%)	27.8
	2020	837 (42.0%)	206 (10.4%)	194 (9.7%)	216 (10.8%)	236 (11.8%)	196 (9.8%)	108 (5.4%)	32.4
	2025	847 (41.7%)	168 (8.3%)	219 (10.8%)	204 (10.0%)	241 (11.9%)	209 (10.3%)	143 (7.0%)	34.5
	Change 2020-2025	10 (1.2%)	-38 (-18.4%)	25 (12.9%)	-12 (-5.6%)	5 (2.1%)	13 (6.6%)	35 (32.4%)	N/A
SSA	2010	15,562 (28.8%)	5,151 (9.5%)	6,753 (12.5%)	8,621 (15.9%)	8,369 (15.5%)	5,849 (10.8%)	3,811 (7.0%)	44.4
	2020	14,559 (25.9%)	5,931 (10.5%)	5,952 (10.6%)	7,269 (12.9%)	9,151 (16.3%)	8,363 (14.9%)	5,051 (9.0%)	47.2
	2025	14,726 (25.6%)	5,295 (9.2%)	6,398 (11.1%)	6,686 (11.6%)	8,770 (15.2%)	9,186 (16.0%)	6,485 (11.3%)	48.6
	Change 2020-2025	167 (1.1%)	-636 (-10.7%)	446 (7.5%)	-583 (-8.0%)	-381 (-4.2%)	823 (9.8%)	1,434 (28.4%)	N/A
Franklin County	2010	16,536 (29.4%)	5,322 (9.5%)	6,966 (12.4%)	8,865 (15.8%)	8,593 (15.3%)	5,976 (10.6%)	3,901 (6.9%)	44.0
	2020	15,396 (26.4%)	6,137 (10.5%)	6,146 (10.5%)	7,485 (12.8%)	9,387 (16.1%)	8,558 (14.7%)	5,159 (8.9%)	46.8
	2025	15,573 (26.1%)	5,463 (9.2%)	6,617 (11.1%)	6,890 (11.6%)	9,011 (15.1%)	9,394 (15.8%)	6,628 (11.1%)	48.1
	Change 2020-2025	177 (1.1%)	-674 (-11.0%)	471 (7.7%)	-595 (-7.9%)	-376 (-4.0%)	836 (9.8%)	1,469 (28.5%)	N/A
Virginia	2010	2,655,740 (33.2%)	1,090,408 (13.6%)	1,108,912 (13.9%)	1,213,977 (15.2%)	954,943 (11.9%)	549,792 (6.9%)	427,125 (5.3%)	37.4
	2020	2,675,968 (30.8%)	1,201,616 (13.8%)	1,141,913 (13.1%)	1,113,034 (12.8%)	1,147,370 (13.2%)	851,623 (9.8%)	570,539 (6.6%)	38.8
	2025	2,717,474 (30.0%)	1,207,944 (13.3%)	1,246,513 (13.8%)	1,082,346 (12.0%)	1,128,626 (12.5%)	965,551 (10.7%)	703,532 (7.8%)	39.6
	Change 2020-2025	41,506 (1.6%)	6,328 (0.5%)	104,600 (9.2%)	-30,688 (-2.8%)	-18,744 (-1.6%)	113,928 (13.4%)	132,993 (23.3%)	N/A

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

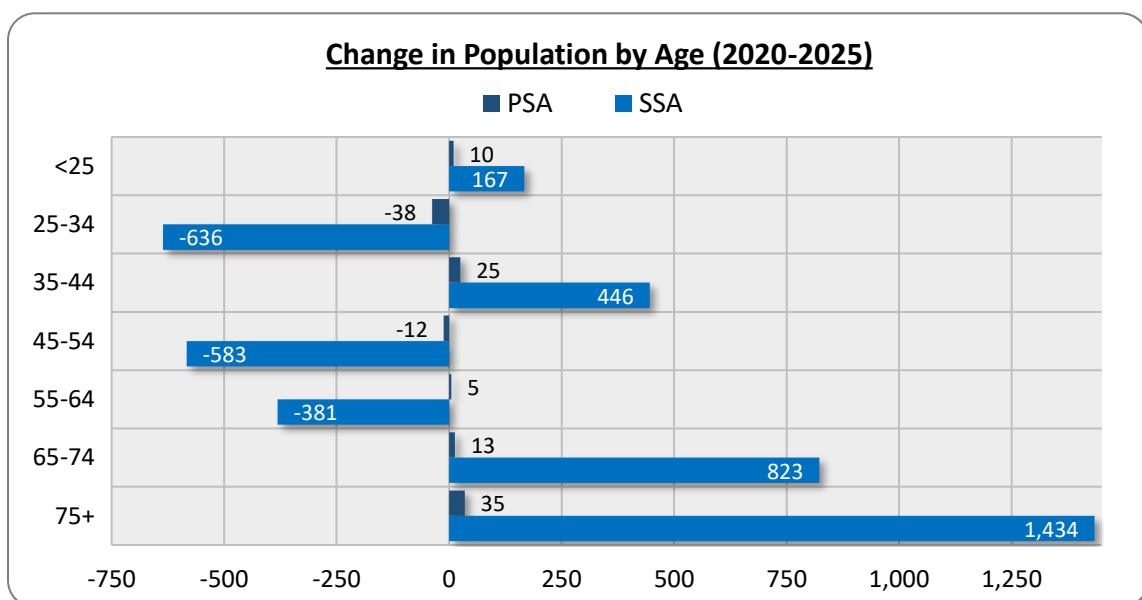
N/A – Not Applicable

Noteworthy observations from the preceding table include:

- The median age (32.4) for the PSA's population in 2020 is significantly younger than that of both the SSA (47.2) and the overall state of Virginia (38.8). The younger population in Ferrum is primarily the result of the presence of Ferrum College. It is projected that the PSA's median age will increase by roughly two years by 2025, which is slightly faster than the SSA and state of Virginia.

- In 2020, the PSA has a much higher share (42.0%) of people under the age of 25 than the SSA (25.9%) and the state of Virginia (30.8%). Excluding the cohorts under the age of 25, the largest share of the PSA population in 2020 falls between the ages of 55 and 64, which comprise 11.8% of the population. Overall, the working-age population (age 25 to 64) comprise 42.7% of the population, while seniors (age 65 or older) comprise 15.2% of the population, indicating a need for both family and senior housing within the PSA.
- The greatest projected changes in population by age within the PSA between 2020 and 2025 include a 32.4% increase among persons age 75 and older combined with a 18.4% decline among the PSA population between the ages of 25 and 34, representing 35 and 38 people, respectively. The increase in seniors age 75 and older is likely people aging place.

The following graph compares the projected change in population by age for the PSA (Ferrum) and SSA (Balance of County) from 2020 to 2025:



Population by race is summarized below:

Population by Race						
	White Alone	Black or African American Alone	Asian Alone	Some Other Race Alone	Two or More Races	Total
PSA (Ferrum)	Number	1,714	225	8	85	12
	Percent	83.9%	11.0%	0.4%	4.2%	0.6%
SSA	Number	47,985	4,350	244	861	675
	Percent	88.7%	8.0%	0.5%	1.6%	1.2%
Franklin County	Number	49,699	4,575	252	946	687
	Percent	88.5%	8.1%	0.4%	1.7%	1.2%
Virginia	Number	5,486,742	1,551,390	439,885	289,482	233,398
	Percent	68.6%	19.4%	5.5%	3.6%	2.9%
8,000,897 100.0%						

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

While over four-fifths (83.9%) of the PSA's population is categorized as White Alone, the PSA has a high share (16.1%) of minorities compared to the SSA (11.3%). Minorities represent 31.4% of the state of Virginia total population.

Population by marital status for 2020 is shown in the following table:

Population by Marital Status					
	Not Married			Married	Total
	Never Married	Divorced	Widowed		
PSA (Ferrum)	Number	871	91	83	676
	Percent	50.6%	5.3%	4.8%	39.2%
SSA	Number	10,885	4,867	3,419	28,255
	Percent	23.0%	10.3%	7.2%	59.6%
Franklin County	Number	11,757	4,958	3,503	28,930
	Percent	23.9%	10.1%	7.1%	58.9%
Virginia	Number	2,315,289	705,620	381,830	3,744,745
	Percent	32.4%	9.9%	5.3%	52.4%
7,147,484 100.0%					

Source: ESRI; Urban Decision Group; Bowen National Research

The PSA has a large share (60.8%) of unmarried people, as compared to the SSA (40.4%) and Virginia statewide (47.6%). Further, most unmarried people in the PSA have never been married, which is influenced by the area's large college student population.

Population by highest educational attainment for 2020 is shown below:

Population by Educational Attainment								
	No High School Diploma	High School Graduate	Some College, No Degree	Associate Degree	Bachelor Degree	Graduate Degree	Total	
PSA (Ferrum)	Number	198	399	200	78	161	119	1,156
	Percent	17.1%	34.6%	17.3%	6.8%	13.9%	10.3%	100.0%
SSA	Number	5,185	13,705	9,308	4,253	5,513	3,752	41,717
	Percent	12.4%	32.9%	22.3%	10.2%	13.2%	9.0%	100.0%
Franklin County	Number	5,383	14,104	9,508	4,332	5,674	3,870	42,872
	Percent	12.6%	32.9%	22.2%	10.1%	13.2%	9.0%	100.0%
Virginia	Number	597,052	1,450,369	1,121,976	485,011	1,343,719	1,027,967	6,026,094
	Percent	9.9%	24.1%	18.6%	8.0%	22.3%	17.1%	100.0%

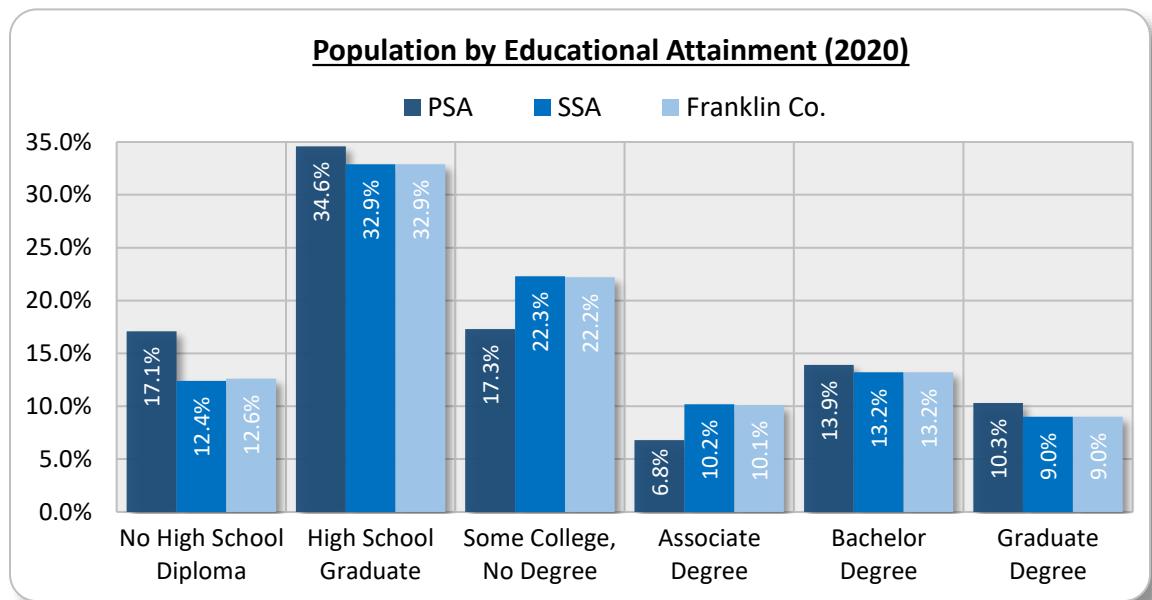
Source: ESRI; Urban Decision Group; Bowen National Research

The PSA (Ferrum) has a much higher share (17.1%) of people without high school diplomas than the SSA (12.4%) and Virginia statewide (9.9%). The roughly 200 adults within the PSA without a high school diploma may struggle more in terms of economic status, likely indicating a continued need for affordable housing.

Nearly one-third (31.0%) of PSA residents received a college degree, which is comparable to the share (32.4%) of the population with a college degree in the SSA (Balance of County), while both shares are lower than the statewide share (47.4%). It should be noted that the PSA's shares of people with Bachelor and Graduate Degrees are slightly higher than the SSA.

The diverse mix of education levels of people in the PSA likely contributes to a wide range of income levels and a corresponding broad need of housing by affordability levels.

The following graph compares educational attainment for 2020:



Population by poverty status is shown in the following table:

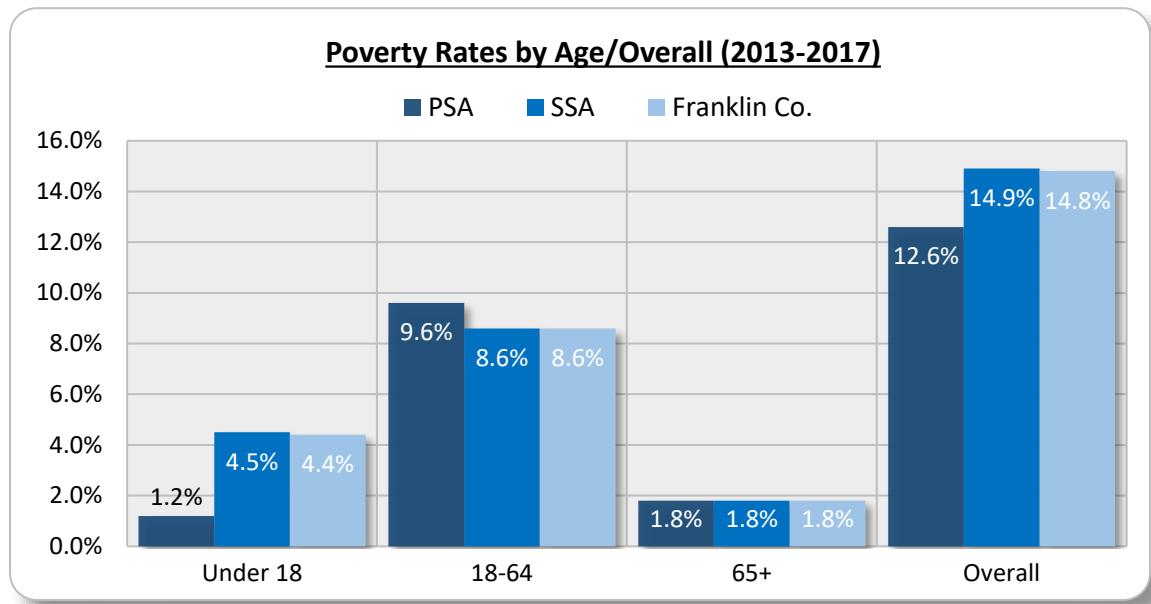
Population by Poverty Status							
	Income below poverty level:			Income at or above poverty level:			Total
	<18	18 to 64	65+	<18	18 to 64	65+	
	Number	19	156	29	284	849	1,621
PSA (Ferrum)	Percent	1.2%	9.6%	1.8%	17.5%	52.4%	17.5% 100.0%
	Number	2,402	4,562	938	8,076	26,444	10,591 53,013
SSA	Percent	4.5%	8.6%	1.8%	15.2%	49.9%	20.0% 100.0%
	Number	2,421	4,718	967	8,360	27,293	10,875 54,634
Franklin County	Percent	4.4%	8.6%	1.8%	15.3%	50.0%	19.9% 100.0%
	Number	273,962	547,038	85,838	1,564,758	4,568,905	1,075,525 8,116,026
Virginia	Percent	3.4%	6.7%	1.1%	19.3%	56.3%	13.3% 100.0%

Source: U.S. Census Bureau, 2013-2017 American Community Survey; Urban Decision Group; Bowen National Research

The PSA (Ferrum) has a slightly lower share (12.6%) of people living below the poverty level than the SSA (14.9%). Still, both shares are above the 11.2% share statewide. Additionally, the PSA's share (15.5%) of working age adults (between the ages of 18 and 64) who are living in poverty is slightly higher than that of the SSA (14.7%).

The PSA has a relatively low share of children (6.3%) and seniors (9.3%) living below the poverty level, compared to the 22.9% share of children and 8.1% share of seniors in the SSA. While representing relatively small shares, the fact that there are over 200 persons living in poverty within the PSA indicates a continued need for affordable housing options.

The following graph compares poverty rates by age and overall for each geographic area:



Population by migration (previous residence one year prior to survey) for years 2013-2017 is shown in the following table

Population by Migration						
		Same House	Different House in Same County	Different County In Same State	Different State	Moved from Abroad
PSA (Ferrum)	Number	1,659	124	90	47	3
	Percent	86.3%	6.4%	4.7%	2.4%	0.2%
SSA	Number	47,401	3,505	2,170	753	15
	Percent	88.0%	6.5%	4.0%	1.4%	0.0%
Franklin County	Number	49,060	3,629	2,260	800	18
	Percent	88.0%	6.5%	4.1%	1.4%	0.0%
Virginia	Number	6,971,952	547,007	415,460	260,796	71,569
	Percent	84.3%	6.6%	5.0%	3.2%	0.9%
Total						

Source: U.S. Census Bureau, 2013-2017 American Community Survey; ESRI; Urban Decision Group; Bowen National Research

With an estimated 13.7% of PSA (Ferrum) residents changing residences annually, the population in the PSA is slightly more transient as compared to surrounding areas. This is likely influenced by the transient nature and short-term residency of college students. The PSA's population is less transient as compared to the overall state. Of the small number of PSA residents who had changed residences over the preceding year, most moved from within the county.

Population densities for selected years are shown in the following table:

		Population Densities			
		Year			
		2000	2010	2020	2025
PSA (Ferrum)	Population	1,699	2,043	1,993	2,031
	Area in Square Miles	9.16	9.16	9.16	9.16
	Density	185.4	223.0	217.5	221.6
SSA	Population	45,587	54,116	56,276	57,546
	Area in Square Miles	702.45	702.45	702.45	702.45
	Density	64.9	77.0	80.1	81.9
Franklin County	Population	47,286	56,159	58,269	59,577
	Area in Square Miles	711.62	711.62	711.62	711.62
	Density	66.4	78.9	81.9	83.7
Virginia	Population	7,077,189	8,000,897	8,702,063	9,051,986
	Area in Square Miles	40,014.85	40,014.85	40,014.85	40,014.85
	Density	176.9	199.9	217.5	226.2

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As of 2020, the PSA (Ferrum) population density of 217.5 people per square mile is greater than the SSA (Balance of County) density of 80.1 and is identical to that of the state of Virginia average.

2. HOUSEHOLD TRENDS

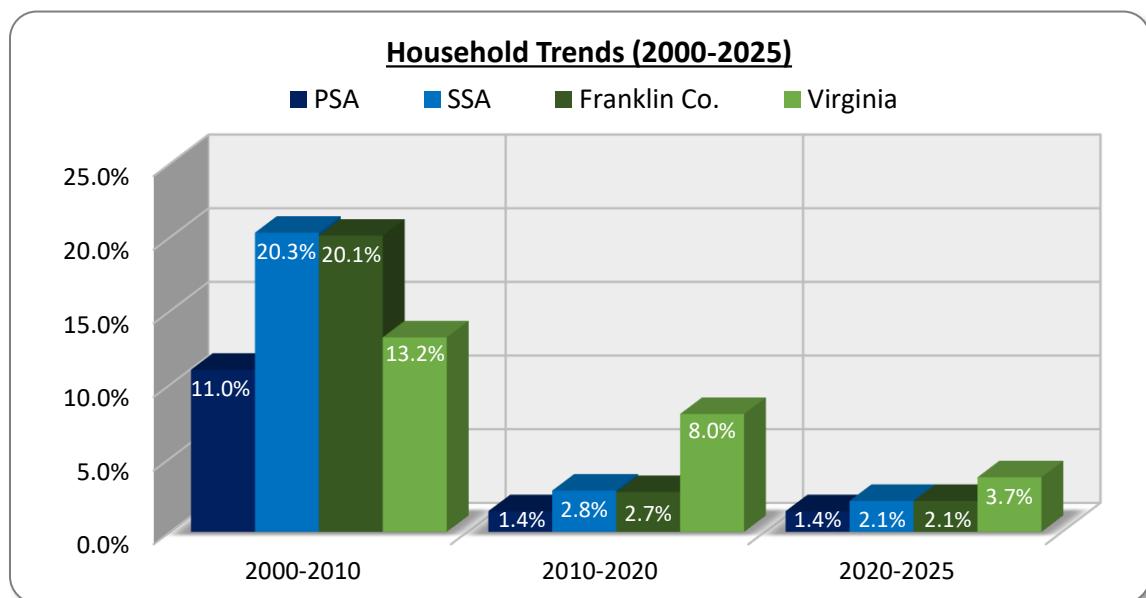
Household trends for 2000, 2010, 2020 (estimated), and 2025 (projected) are summarized as follows:

	Total Households									
	2000 Census	2010 Census	Change 2000-2010		2020 Estimated	Change 2010-2020		2025 Projected	Change 2020-2025	
			Number	Percent		Number	Percent		Number	Percent
PSA (Ferrum)	390	433	43	11.0%	439	6	1.4%	445	6	1.4%
SSA	18,573	22,347	3,774	20.3%	22,962	615	2.8%	23,443	481	2.1%
Franklin County	18,963	22,780	3,817	20.1%	23,401	621	2.7%	23,888	487	2.1%
Virginia	2,698,516	3,056,004	357,488	13.2%	3,300,781	244,777	8.0%	3,423,517	122,736	3.7%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

From 2000 to 2010, the number of households in the PSA (Ferrum) increased by 43. This resulted in a growth rate of 11.0%, which was nearly half the growth rate (20.3%) of the SSA (Balance of County) and comparable to the growth rate (13.2%) of the state of Virginia. While the number of households within the PSA remained virtually unchanged over the past 10 years (increasing by 6 households or by 1.4%), the SSA and state grew by 2.8% and 8.0%, respectively. Note that PSA *households* increased moderately during this time, even while the PSA lost 50 *people*. Between 2020 and 2025, the number of households in the PSA is expected to virtually remain unchanged (increasing by 6), while the surrounding SSA is projected to experience notable growth (481 households, 2.1%) during this time. The household growth in the surrounding SSA could add to the demand for housing in and around the Ferrum area.

The following graph compares percent change in households (growth) for various time periods for the PSA, SSA, Franklin County and the state of Virginia:



Household heads by age cohorts for selected years are shown in the following table:

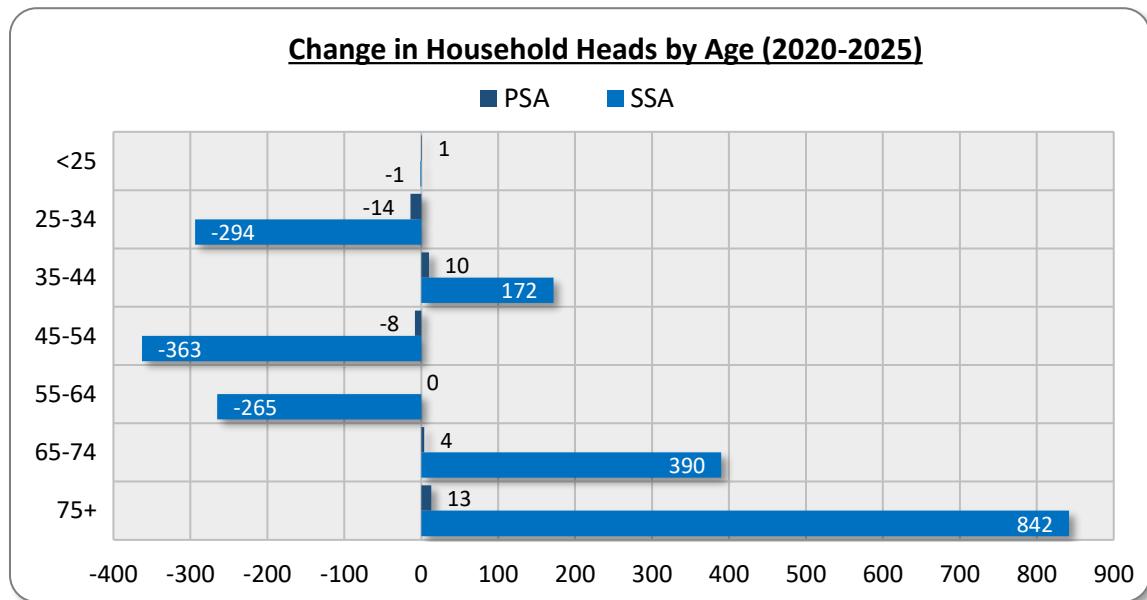
		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
PSA (Ferrum)	2010	22 (5.1%)	47 (10.9%)	73 (16.9%)	98 (22.6%)	89 (20.6%)	59 (13.6%)	45 (10.4%)
	2020	18 (4.1%)	58 (13.3%)	63 (14.3%)	76 (17.4%)	94 (21.4%)	81 (18.4%)	49 (11.1%)
	2025	19 (4.3%)	44 (9.9%)	73 (16.4%)	68 (15.4%)	94 (21.1%)	85 (19.0%)	62 (13.8%)
	Change 2020-2025	1 (5.5%)	-14 (-24.1%)	10 (15.9%)	-8 (-10.5%)	0 (0.0%)	4 (5.0%)	13 (26.7%)
SSA	2010	693 (3.1%)	2,264 (10.1%)	3,536 (15.8%)	4,819 (21.6%)	4,866 (21.8%)	3,643 (16.3%)	2,526 (11.3%)
	2020	571 (2.5%)	2,476 (10.8%)	2,943 (12.8%)	3,848 (16.8%)	5,034 (21.9%)	4,903 (21.4%)	3,186 (13.9%)
	2025	570 (2.4%)	2,182 (9.3%)	3,115 (13.3%)	3,485 (14.9%)	4,769 (20.3%)	5,293 (22.6%)	4,028 (17.2%)
	Change 2020-2025	-1 (-0.2%)	-294 (-11.9%)	172 (5.8%)	-363 (-9.4%)	-265 (-5.3%)	390 (8.0%)	842 (26.4%)
Franklin County	2010	713 (3.1%)	2,312 (10.1%)	3,608 (15.8%)	4,919 (21.6%)	4,954 (21.7%)	3,703 (16.3%)	2,571 (11.3%)
	2020	589 (2.5%)	2,534 (10.8%)	3,006 (12.8%)	3,925 (16.8%)	5,128 (21.9%)	4,984 (21.3%)	3,235 (13.8%)
	2025	589 (2.5%)	2,226 (9.3%)	3,188 (13.3%)	3,554 (14.9%)	4,863 (20.4%)	5,378 (22.5%)	4,090 (17.1%)
	Change 2020-2025	0 (0.0%)	-308 (-12.2%)	182 (6.1%)	-371 (-9.5%)	-265 (-5.2%)	394 (7.9%)	855 (26.4%)
Virginia	2010	139,257 (4.6%)	481,044 (15.7%)	575,641 (18.8%)	673,637 (22.0%)	557,852 (18.3%)	342,758 (11.2%)	285,815 (9.4%)
	2020	127,542 (3.9%)	505,262 (15.3%)	573,878 (17.4%)	592,293 (17.9%)	637,776 (19.3%)	503,016 (15.2%)	361,015 (10.9%)
	2025	131,098 (3.8%)	501,505 (14.6%)	615,298 (18.0%)	567,946 (16.6%)	614,765 (18.0%)	557,986 (16.3%)	434,920 (12.7%)
	Change 2020-2025	3,556 (2.8%)	-3,757 (-0.7%)	41,420 (7.2%)	-24,347 (-4.1%)	-23,011 (-3.6%)	54,970 (10.9%)	73,905 (20.5%)

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The largest share (21.4%) of households by age in the PSA (Ferrum) in 2020 is among those between the ages of 55 and 64. The second and third largest shares by age fall within 10 years both above and below this age cohort.
- While the change in the number of households within the PSA between 2020 and 2025 will be nominal among the different age groups, the largest increase (13) in households is projected to be among those age 75 and older, which is likely attributed to seniors aging in place.
- Similar trends are projected for the SSA (Balance of County) and overall state, with households over age 65 and between the ages of 35 and 45 projected to grow over the next five years.

The following graph compares the projected change in household heads by age for the PSA (Ferrum) and SSA (Balance of County) from 2020 to 2025:



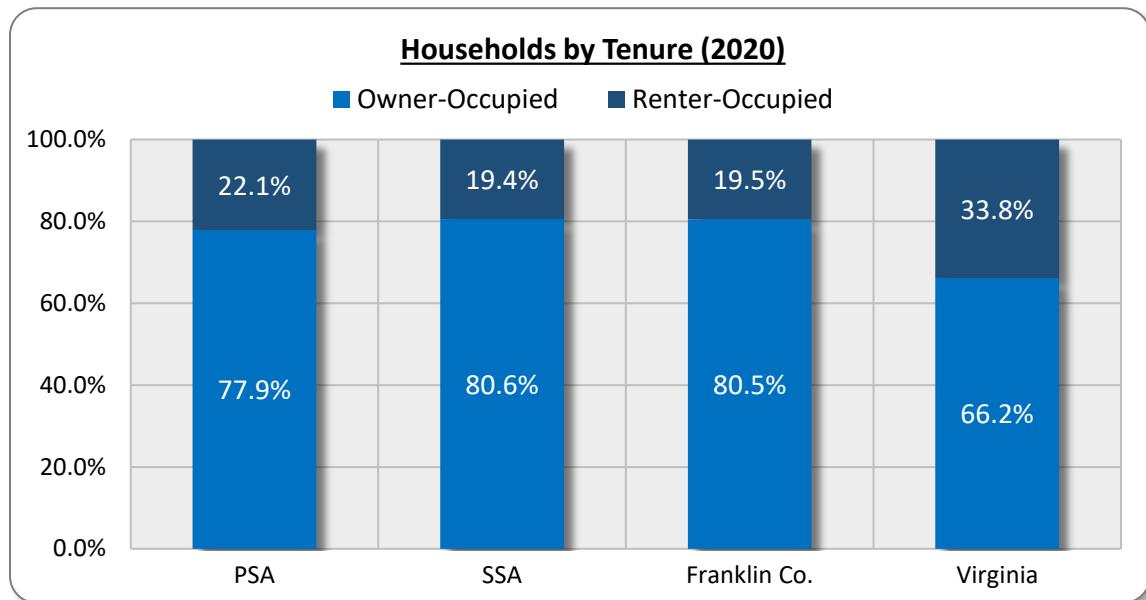
Households by tenure for each study area are distributed as follows:

Household Type	Households by Tenure								
	2000		2010		2020		2025		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
PSA (Ferrum)	Owner-Occupied	314	80.5%	332	76.7%	342	77.9%	350	78.5%
	Renter-Occupied	76	19.5%	101	23.3%	97	22.1%	96	21.5%
	Total	390	100.0%	433	100.0%	438	100.0%	445	100.0%
SSA	Owner-Occupied	15,072	81.2%	17,542	78.5%	18,506	80.6%	19,049	81.3%
	Renter-Occupied	3,501	18.8%	4,805	21.5%	4,457	19.4%	4,394	18.7%
	Total	18,573	100.0%	22,347	100.0%	22,963	100.0%	23,443	100.0%
Franklin County	Owner-Occupied	15,386	81.1%	17,874	78.5%	18,847	80.5%	19,398	81.2%
	Renter-Occupied	3,577	18.9%	4,906	21.5%	4,554	19.5%	4,490	18.8%
	Total	18,963	100.0%	22,780	100.0%	23,401	100.0%	23,888	100.0%
Virginia	Owner-Occupied	1,837,793	68.1%	2,055,138	67.2%	2,184,723	66.2%	2,294,251	67.0%
	Renter-Occupied	860,723	31.9%	1,000,866	32.8%	1,116,059	33.8%	1,129,267	33.0%
	Total	2,698,516	100.0%	3,056,004	100.0%	3,300,781	100.0%	3,423,517	100.0%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As of 2020, the share of renter households in the PSA (22.1%) is comparable to the SSA (19.4%), while both are much less than the share (33.8%) in the state of Virginia. This share (22.1%) of renter households in the PSA (Ferrum) represents a modest increase over 2000 levels and is projected to remain virtually unchanged through 2025. This is not unusual for a small town that does not experience much new housing development.

The graph below illustrates the share of owner- and renter-occupied households within the PSA (Ferrum), SSA (Balance of County), Franklin County and the state of Virginia for 2020:



Renter households by size for selected years are shown in the following table (Note: Due to the rural nature of Ferrum and the surrounding SSA by itself, the margin of error for the distribution of households by size is large. Therefore, we have only included county and state level data):

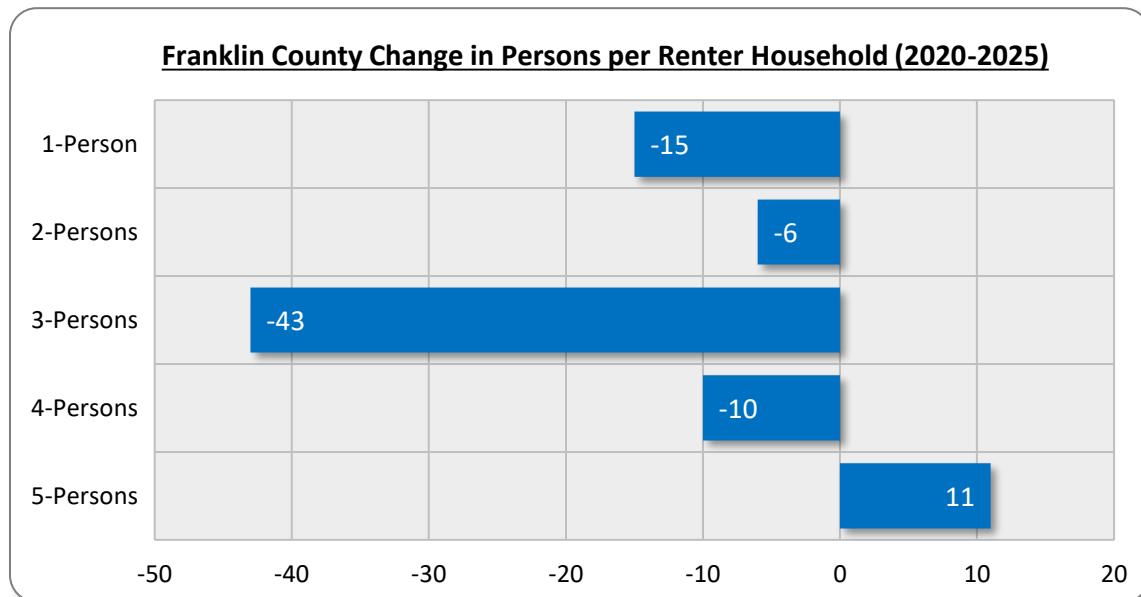
		Persons Per Renter Household						Average H.H. Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Franklin County	2010	1,882 (38.4%)	1,290 (26.3%)	787 (16.0%)	553 (11.3%)	393 (8.0%)	4,906 (100.0%)	2.24
	2020	1,846 (40.5%)	1,288 (28.3%)	474 (10.4%)	511 (11.2%)	435 (9.6%)	4,554 (100.0%)	2.21
	2025	1,831 (40.8%)	1,282 (28.6%)	431 (9.6%)	501 (11.1%)	446 (9.9%)	4,490 (100.0%)	2.21
Virginia	2010	358,410 (35.8%)	281,343 (28.1%)	160,038 (16.0%)	116,000 (11.6%)	85,074 (8.5%)	1,000,866 (100.0%)	2.29
	2020	391,861 (35.1%)	312,917 (28.0%)	177,163 (15.9%)	134,719 (12.1%)	99,398 (8.9%)	1,116,059 (100.0%)	2.32
	2025	394,891 (35.0%)	316,494 (28.0%)	178,926 (15.8%)	137,480 (12.2%)	101,476 (9.0%)	1,129,267 (100.0%)	2.32

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As of 2020, the largest share (40.5%) of *renter* households in Franklin County is among one-person households, while two-person households represent the second largest share (28.3%) of households. These shares are comparable to the state. While these shares are projected to remain virtually unchanged through 2025, the average household size in the county is expected to decline slightly over the same time period.

Larger renter households with four persons or more in Franklin County are less prevalent, representing roughly one-fifth (20.8%) of all county renter households in 2020. This is comparable to the state of Virginia (21.0%). As such, multi-generational housing in overcrowded housing situations is not expected to be widespread within the county.

The following graph shows the projected change in persons per renter household in Franklin County from 2020 to 2025:



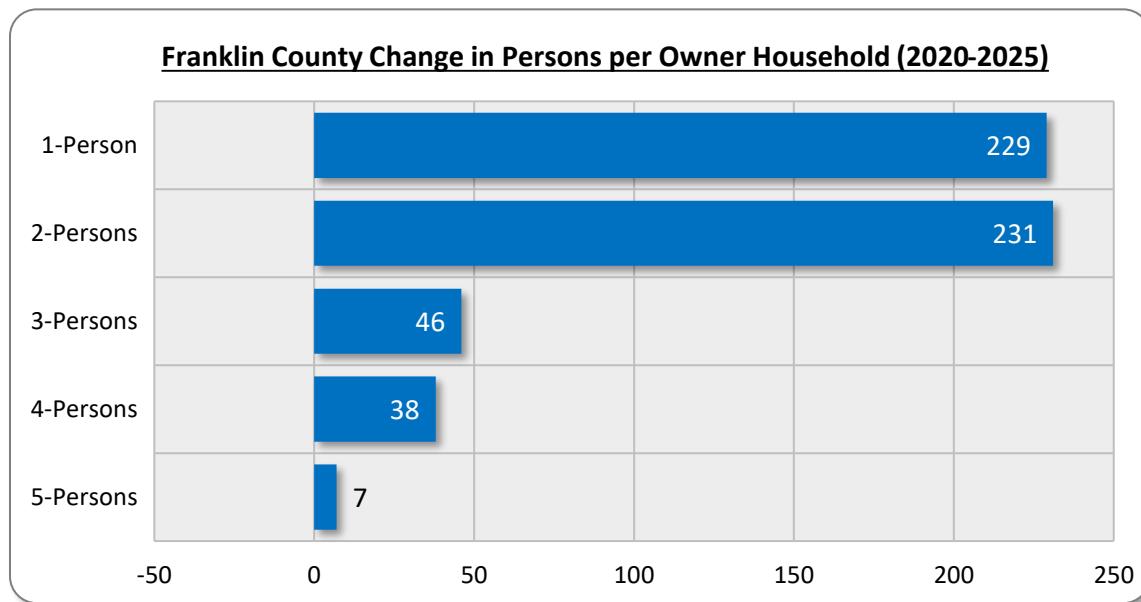
Owner households by size for selected years are shown on the following table (Note: Due to the rural nature of Ferrum and the surrounding SSA by itself, the margin of error for the distribution of households by size is large. Therefore, we have only included county and state level data):

		Persons Per Owner Household						
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	Average H.H. Size
Franklin County	2010	3,789 (21.2%)	7,580 (42.4%)	2,989 (16.7%)	2,327 (13.0%)	1,189 (6.7%)	17,874 (100.0%)	2.42
	2020	4,473 (23.7%)	8,019 (42.5%)	2,941 (15.6%)	2,299 (12.2%)	1,115 (5.9%)	18,847 (100.0%)	2.34
	2025	4,702 (24.2%)	8,250 (42.5%)	2,987 (15.4%)	2,337 (12.0%)	1,122 (5.8%)	19,398 (100.0%)	2.33
Virginia	2010	452,336 (22.0%)	762,251 (37.1%)	354,100 (17.2%)	303,749 (14.8%)	182,702 (8.9%)	2,055,138 (100.0%)	2.51
	2020	491,572 (22.5%)	815,738 (37.3%)	369,625 (16.9%)	312,640 (14.3%)	195,148 (8.9%)	2,184,723 (100.0%)	2.50
	2025	518,423 (22.6%)	857,531 (37.4%)	386,926 (16.9%)	326,183 (14.2%)	205,188 (8.9%)	2,294,251 (100.0%)	2.50

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

One- and two-person *owner* households represent over three-fifths (63.7%) of all Franklin County owner households in 2020. While the average household size has been declining since 2010, the composition of household size in the county is not expected to change much over the next five years.

The following graph shows the projected change in persons per owner household in Franklin County from 2020 to 2025:



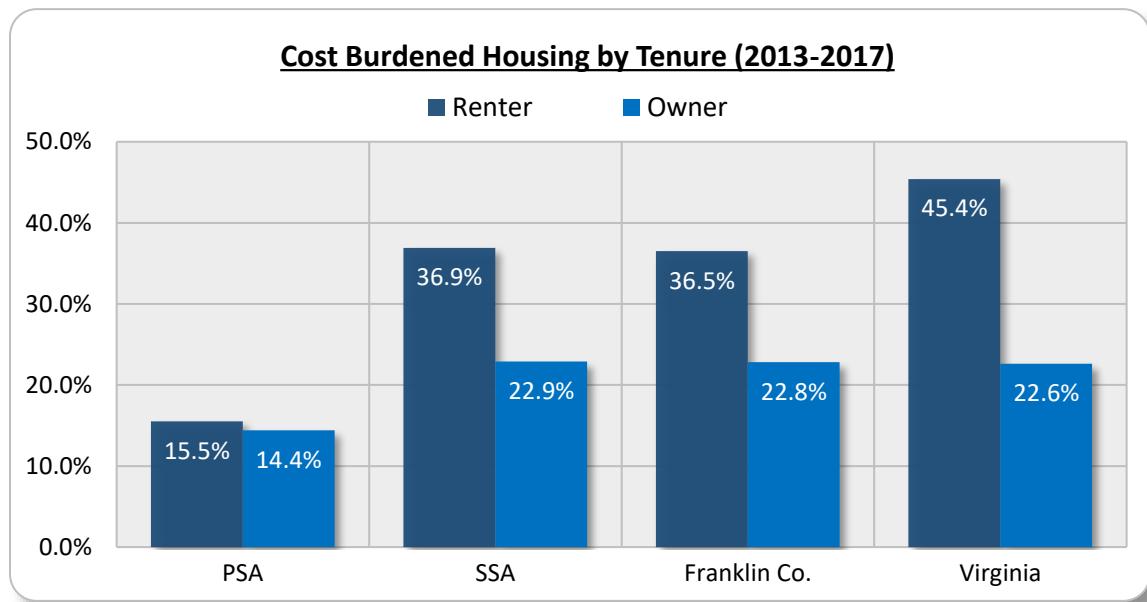
Cost burdened households are those paying over 30% of their income toward housing costs. The following table illustrates the cost burdened households for the various study areas.

Occupied Housing by Percent of Income Paid Toward Rent											
	Renter					Owner					
	< 20%	20%-30%	30% +	Unknown	Total	< 20%	20%-30%	30% +	Unknown	Total	
PSA (Ferrum)	Number	47	7	15	28	97	189	65	44	8	306
	Percent	48.5%	7.2%	15.5%	28.9%	100.0%	61.8%	21.2%	14.4%	2.6%	100.0%
SSA	Number	1,434	799	1,739	741	4,713	10,424	3,393	4,147	123	18,087
	Percent	30.4%	17.0%	36.9%	15.7%	100.0%	57.6%	18.8%	22.9%	0.7%	100.0%
Franklin County	Number	1,481	806	1,754	769	4,810	10,613	3,458	4,191	131	18,393
	Percent	30.8%	16.8%	36.5%	16.0%	100.0%	57.7%	18.8%	22.8%	0.7%	100.0%
Virginia	Number	244,766	253,886	477,379	74,526	1,050,557	1,112,273	463,982	465,042	13,736	2,055,033
	Percent	23.3%	24.2%	45.4%	7.1%	100.0%	54.1%	22.6%	22.6%	0.7%	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

An estimated 15.5% of *renter*-occupied households in the PSA (Ferrum) are paying more than 30% of their income toward rent. This is considered a low share of rent burdened households when compared with the SSA (36.9%) and Virginia (45.4%). An estimated 14.4% of *owner*-occupied households in the PSA (Ferrum) are paying more than 30% of their income toward housing costs. This is also considered a fairly low share of cost burdened households when compared with the SSA (22.9%) and Virginia (22.6%). Overall, nearly 60 total households in the county are cost burdened and could benefit from affordable housing and/or financial assistance.

The graph below illustrates the cost burdened shares by tenure (renter vs. owner) for the PSA (Ferrum), SSA (Balance of County), Franklin County and the state of Virginia:



The following table illustrates the percentage of households that are living in crowded quarters by tenure, as defined by the presence of 1.01 or more occupants per room.

		Occupied Housing by Household Size (Occupants Per Room)					
		Renter			Owner		
		<u>≤ 1.0</u>	1.01+	Total	<u>≤ 1.0</u>	1.01+	Total
PSA (Ferrum)	Number	85	12	97	304	1	305
	Percent	87.6%	12.4%	100.0%	99.7%	0.3%	100.0%
SSA	Number	4,396	317	4,713	17,983	105	18,088
	Percent	93.3%	6.7%	100.0%	99.4%	0.6%	100.0%
Franklin County	Number	4,481	329	4,810	18,287	106	18,393
	Percent	93.2%	6.8%	100.0%	99.4%	0.6%	100.0%
Virginia	Number	1,007,072	43,486	1,050,558	2,037,030	18,004	2,055,034
	Percent	95.9%	4.1%	100.0%	99.1%	0.9%	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

With just 12 overcrowded renter-occupied housing units in the PSA (Ferrum), overcrowded housing does not appear to be a significant problem. Meanwhile, the surrounding SSA (Balance of County) has a notable number of housing units (both renter- and owner-occupied) that are overcrowded. It should be noted that the PSA's 12.4% share of overcrowded renter-occupied housing units exceeds the share of overcrowded rental housing in the SSA (6.7%) and overall state (4.1%).

The following tables demonstrate the share of substandard housing found in the study areas, based on the presence or absence of kitchen and plumbing facilities:

		Renter Occupied Housing by Kitchen & Bathroom Characteristics					
		Kitchens			Plumbing		
		Complete	Incomplete	Total	Complete	Incomplete	Total
PSA (Ferrum)	Number	87	10	97	97	0	97
	Percent	89.7%	10.3%	100.0%	100.0%	0.0%	100.0%
SSA	Number	4,660	53	4,713	4,695	18	4,713
	Percent	98.9%	1.1%	100.0%	99.6%	0.4%	100.0%
Franklin County	Number	4,747	63	4,810	4,792	18	4,810
	Percent	98.7%	1.3%	100.0%	99.6%	0.4%	100.0%
Virginia	Number	1,036,345	14,213	1,050,558	1,045,208	5,350	1,050,558
	Percent	98.6%	1.4%	100.0%	99.5%	0.5%	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

		Owner Occupied Housing by Kitchen & Bathroom Characteristics					
		Kitchens			Plumbing		
		Complete	Incomplete	Total	Complete	Incomplete	Total
PSA (Ferrum)	Number	303	2	305	302	3	305
	Percent	99.3%	0.7%	100.0%	99.0%	1.0%	100.0%
SSA	Number	18,075	13	18,088	18,052	36	18,088
	Percent	99.9%	0.1%	100.0%	99.8%	0.2%	100.0%
Franklin County	Number	18,378	15	18,393	18,354	39	18,393
	Percent	99.9%	0.1%	100.0%	99.8%	0.2%	100.0%
Virginia	Number	2,050,283	4,750	2,055,033	2,050,124	4,909	2,055,033
	Percent	99.8%	0.2%	100.0%	99.8%	0.2%	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

While just 10 rental housing units representing 10.3% of renter households are considered substandard (lacking complete indoor plumbing or kitchens) in the PSA (Ferrum), this is a much higher share than both the SSA (Balance of County) and the state.

Regardless, this data suggests that while there are some lower quality housing units in the market that require substantial modernization or removal from the market, substandard housing does not appear to be a significant issue in the PSA. Owner-occupied housing units which lack complete kitchen or bathroom facilities comprise only 1.7% of all owner-occupied housing units in the PSA (Ferrum), which is higher than the SSA's share (0.3%) and the statewide share (0.4%). However, this is reflective of just five units in the PSA.

3. INCOME TRENDS

Median household income for selected years is shown in the following table:

	Median Household Income				
	2010 Census	2020 Estimated	% Change 2010-2020	2025 Projected	% Change 2020-2025
PSA (Ferrum)	\$40,104	\$46,171	15.1%	\$46,951	1.7%
SSA	\$44,365	\$55,647	25.4%	\$57,065	2.5%
Franklin County	\$44,337	\$55,443	25.0%	\$56,867	2.6%
Virginia	\$59,915	\$74,883	25.0%	\$80,315	7.3%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The PSA (Ferrum) has historically had and is projected to have a lower median household income as compared to both the SSA (Balance of County) and state. The 2020 PSA median household income is \$46,171, representing a 15.1% increase over 2010 levels. The increase in median income in the last decade was even more pronounced in the SSA and state of Virginia and, as such, was likely influenced by several factors including national economic growth and new household formations. It is projected that median household income will continue to increase, though at a much slower pace of 1.7%, reaching \$46,951 by 2025.

The distribution of *renter* households by income within the study areas is summarized as follows:

		Renter Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
PSA (Ferrum)	2010	20 (19.6%)	22 (21.6%)	14 (14.3%)	15 (14.5%)	10 (9.8%)	6 (6.4%)	12 (11.7%)	2 (2.1%)
	2020	12 (12.6%)	18 (18.7%)	16 (16.9%)	13 (13.5%)	13 (13.2%)	6 (5.8%)	13 (13.4%)	6 (5.9%)
	2025	12 (12.3%)	18 (18.6%)	15 (15.8%)	13 (13.2%)	13 (13.3%)	5 (5.5%)	13 (13.0%)	8 (8.2%)
	Change 2020-2025	0 (-3.1%)	0 (-1.7%)	-1 (-7.9%)	0 (-3.3%)	0 (0.1%)	0 (-5.4%)	0 (-3.7%)	2 (38.0%)
SSA	2010	833 (17.3%)	1,051 (21.9%)	645 (13.4%)	684 (14.2%)	537 (11.2%)	293 (6.1%)	619 (12.9%)	142 (3.0%)
	2020	622 (14.0%)	799 (17.9%)	657 (14.7%)	522 (11.7%)	474 (10.6%)	300 (6.7%)	712 (16.0%)	372 (8.4%)
	2025	579 (13.2%)	748 (17.0%)	623 (14.2%)	480 (10.9%)	484 (11.0%)	291 (6.6%)	673 (15.3%)	517 (11.8%)
	Change 2020-2025	-43 (-6.9%)	-51 (-6.4%)	-33 (-5.1%)	-42 (-8.0%)	10 (2.1%)	-10 (-3.2%)	-39 (-5.5%)	145 (38.8%)
Franklin County	2010	848 (17.3%)	1,071 (21.8%)	661 (13.5%)	701 (14.3%)	547 (11.2%)	300 (6.1%)	633 (12.9%)	145 (2.9%)
	2020	634 (13.9%)	817 (17.9%)	674 (14.8%)	535 (11.8%)	485 (10.7%)	306 (6.7%)	725 (15.9%)	378 (8.3%)
	2025	590 (13.1%)	764 (17.0%)	640 (14.2%)	493 (11.0%)	496 (11.0%)	297 (6.6%)	686 (15.3%)	525 (11.7%)
	Change 2020-2025	-44 (-7.0%)	-52 (-6.4%)	-34 (-5.0%)	-42 (-7.9%)	10 (2.1%)	-9 (-3.0%)	-39 (-5.4%)	147 (38.8%)
Virginia	2010	112,495 (11.2%)	146,305 (14.6%)	126,239 (12.6%)	120,717 (12.1%)	112,445 (11.2%)	79,077 (7.9%)	191,219 (19.1%)	112,369 (11.2%)
	2020	105,504 (9.5%)	136,607 (12.2%)	119,217 (10.7%)	110,265 (9.9%)	102,946 (9.2%)	86,232 (7.7%)	242,055 (21.7%)	213,234 (19.1%)
	2025	99,468 (8.8%)	127,311 (11.3%)	110,644 (9.8%)	103,697 (9.2%)	96,737 (8.6%)	86,096 (7.6%)	253,690 (22.5%)	251,623 (22.3%)
	Change 2020-2025	-6,036 (-5.7%)	-9,296 (-6.8%)	-8,573 (-7.2%)	-6,568 (-6.0%)	-6,209 (-6.0%)	-135 (-0.2%)	11,635 (4.8%)	38,389 (18.0%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- As of 2020, 31.3% of renter households in the PSA (Ferrum) are low-income (earning below \$20,000), 43.6% are middle-income (\$20,000 to \$49,999), 19.2% are upper middle-income (\$50,000 to \$99,999), and just 5.9% are considered affluent (\$100,000+). Combined, low- to middle-income renter households (earning less than \$50,000) represent nearly three quarters (74.9%) of the renter households in the PSA in 2020. This is more than the 68.9% share of these low- to middle-income renter households for the SSA (Balance of County) and the 51.5% share statewide. Generally, monthly rents less than \$1,250 are affordable to these households.

- The income levels of renter households within the PSA is not expected to change much between 2020 and 2025, with a projected increase of just two affluent renter households. In the surrounding SSA, the greatest projected *change* will be a 145-household increase among affluent renter households, while the largest *number* of renter households will still be among those making between \$10,000 and \$19,999. These characteristics and trends indicate both a continued need for residential rental units that will appeal to the low- to middle-income households as well as an increase in higher end rental product, at least on the broader SSA level.

The distribution of *owner* households by income is included below:

		Owner Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
PSA (Ferrum)	2010	25 (7.6%)	38 (11.5%)	37 (11.0%)	45 (13.7%)	38 (11.5%)	34 (10.1%)	72 (21.7%)	43 (12.9%)
	2020	18 (5.3%)	32 (9.4%)	39 (11.4%)	37 (10.8%)	41 (12.0%)	27 (8.0%)	82 (24.1%)	65 (18.9%)
	2025	21 (5.9%)	35 (9.9%)	37 (10.7%)	36 (10.3%)	40 (11.5%)	26 (7.6%)	85 (24.3%)	70 (19.9%)
	Change 2020-2025	2 (13.0%)	2 (7.2%)	-2 (-4.4%)	-1 (-1.6%)	-1 (-2.5%)	-1 (-2.6%)	2 (3.0%)	5 (7.5%)
SSA	2010	1,080 (6.2%)	1,882 (10.7%)	1,671 (9.5%)	2,170 (12.4%)	2,115 (12.1%)	1,562 (8.9%)	4,096 (23.3%)	2,967 (16.9%)
	2020	991 (5.4%)	1,513 (8.2%)	1,665 (9.0%)	1,566 (8.5%)	1,629 (8.8%)	1,552 (8.4%)	4,950 (26.7%)	4,642 (25.1%)
	2025	1,096 (5.8%)	1,573 (8.3%)	1,669 (8.8%)	1,495 (7.8%)	1,652 (8.7%)	1,580 (8.3%)	5,097 (26.8%)	4,885 (25.6%)
	Change 2020-2025	105 (10.6%)	60 (4.0%)	4 (0.3%)	-70 (-4.5%)	23 (1.4%)	29 (1.8%)	147 (3.0%)	243 (5.2%)
Franklin County	2010	1,097 (6.1%)	1,913 (10.7%)	1,709 (9.6%)	2,219 (12.4%)	2,153 (12.0%)	1,596 (8.9%)	4,173 (23.3%)	3,014 (16.9%)
	2020	1,009 (5.4%)	1,544 (8.2%)	1,706 (9.0%)	1,604 (8.5%)	1,667 (8.8%)	1,579 (8.4%)	5,032 (26.7%)	4,706 (25.0%)
	2025	1,115 (5.7%)	1,605 (8.3%)	1,710 (8.8%)	1,531 (7.9%)	1,690 (8.7%)	1,610 (8.3%)	5,183 (26.7%)	4,953 (25.5%)
	Change 2020-2025	106 (10.5%)	61 (4.0%)	5 (0.3%)	-73 (-4.5%)	23 (1.4%)	31 (2.0%)	150 (3.0%)	247 (5.2%)
Virginia	2010	73,860 (3.6%)	119,626 (5.8%)	140,224 (6.8%)	162,370 (7.9%)	167,595 (8.2%)	169,149 (8.2%)	505,638 (24.6%)	716,676 (34.9%)
	2020	60,508 (2.8%)	97,047 (4.4%)	113,269 (5.2%)	126,515 (5.8%)	131,992 (6.0%)	151,370 (6.9%)	510,567 (23.4%)	993,455 (45.5%)
	2025	60,152 (2.6%)	95,161 (4.1%)	109,648 (4.8%)	123,804 (5.4%)	129,652 (5.7%)	153,689 (6.7%)	531,326 (23.2%)	1,090,817 (47.5%)
	Change 2020-2025	-356 (-0.6%)	-1,886 (-1.9%)	-3,620 (-3.2%)	-2,711 (-2.1%)	-2,339 (-1.8%)	2,319 (1.5%)	20,759 (4.1%)	97,363 (9.8%)

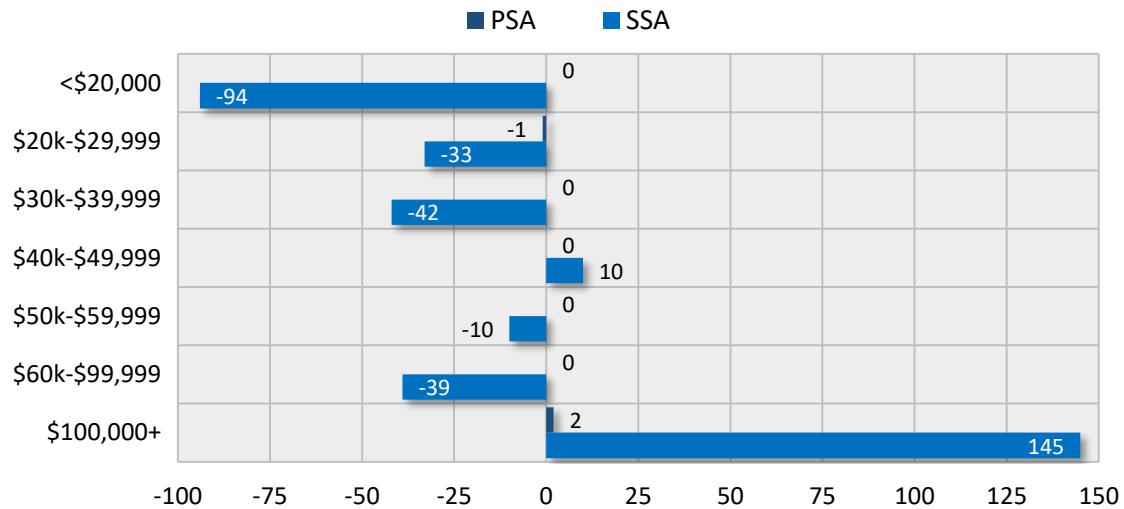
Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As of 2020, 14.7% of owner households in the PSA (Ferrum) are low-income (earning below \$20,000), 34.2% are middle-income (\$20,000 to \$49,999), 32.1% are upper middle-income (\$50,000 to \$99,999), and 18.9% are affluent (\$100,000+). Combined, low- to middle-income owner households represent nearly half (48.9%) of the owner households in the PSA in 2020, more than the 39.9% share in the SSA (Balance of County) and statewide (24.2%). Homes priced below \$120,000 are generally affordable to these households.

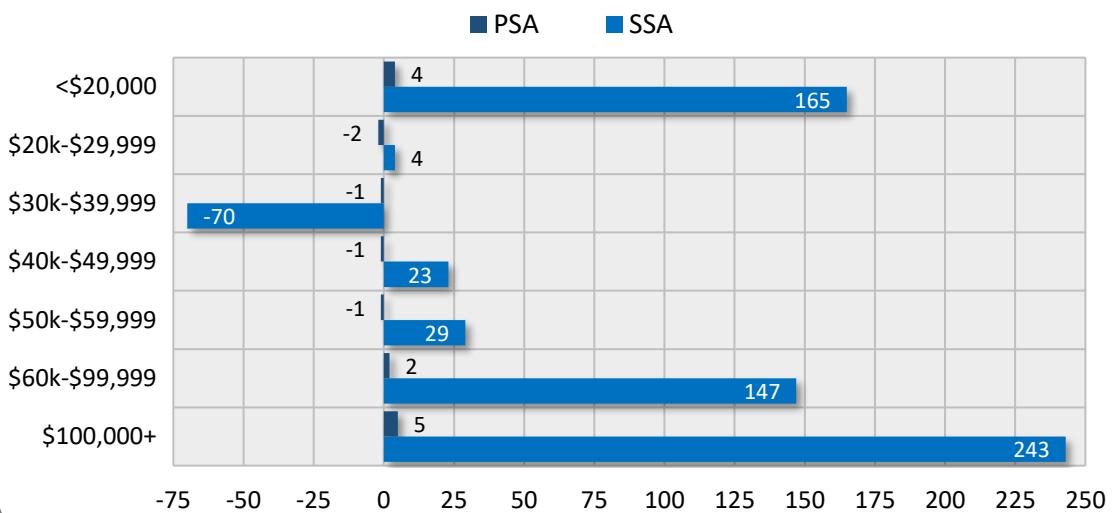
In the PSA between 2020 and 2025, there will be slight increases among households making both over \$60,000 and under \$20,000 annually. Within the surrounding SSA, the greatest *growth* between 2020 and 2025 is projected to occur among owner households making less than \$10,000, while the greatest increase in the *number* of households will be among those making over \$100,000 annually.

The following graphs illustrate the projected change in the number of households by income and tenure for the PSA (Ferrum) and SSA (Balance of County) between 2020 and 2025:

Change in Renter Households by Income (2020-2025)



Change in Owner Households by Income (2020-2025)



Various demographic theme maps are included in Addendum B of this report.

D. ECONOMICS

This section of the report addresses key economic trends such as employment growth and unemployment rates for Ferrum and Franklin County and compares them with state and national characteristics and trends. We also include a summary of notable economic activity in Franklin County.

Employment by Industry

The distribution of employment by industry sector in the PSA (Ferrum), SSA (Balance of County), Franklin County and the state of Virginia is distributed as follows:

NAICS Group	Employment by Industry							
	PSA (Ferrum)		SSA		Franklin County		Virginia	
	Employees	Percent	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	5	1.3%	159	1.0%	164	1.0%	10,301	0.3%
Mining	0	0.0%	20	0.1%	20	0.1%	7,096	0.2%
Utilities	0	0.0%	26	0.2%	26	0.2%	18,448	0.5%
Construction	25	6.4%	1,091	6.6%	1,116	6.6%	194,560	5.0%
Manufacturing	11	2.8%	2,466	14.9%	2,477	14.6%	259,963	6.6%
Wholesale Trade	4	1.0%	933	5.6%	937	5.5%	137,613	3.5%
Retail Trade	42	10.7%	2,333	14.1%	2,375	14.0%	514,136	13.1%
Transportation & Warehousing	4	1.0%	280	1.7%	284	1.7%	71,830	1.8%
Information	1	0.3%	209	1.3%	210	1.2%	111,913	2.9%
Finance & Insurance	13	3.3%	412	2.5%	425	2.5%	125,665	3.2%
Real Estate & Rental & Leasing	1	0.3%	309	1.9%	310	1.8%	108,432	2.8%
Professional, Scientific & Technical Services	9	2.3%	501	3.0%	510	3.0%	354,177	9.0%
Management of Companies & Enterprises	0	0.0%	0	0.0%	0	0.0%	4,970	0.1%
Administrative, Support, Waste Management & Remediation Services	4	1.0%	509	3.1%	513	3.0%	101,713	2.6%
Educational Services	146	37.2%	1,501	9.0%	1,647	9.7%	384,536	9.8%
Health Care & Social Assistance	13	3.3%	2,162	13.0%	2,175	12.8%	553,449	14.1%
Arts, Entertainment & Recreation	28	7.1%	294	1.8%	322	1.9%	81,759	2.1%
Accommodation & Food Services	46	11.7%	1,186	7.1%	1,232	7.3%	363,769	9.3%
Other Services (Except Public Administration)	23	5.9%	1,119	6.7%	1,142	6.7%	243,423	6.2%
Public Administration	17	4.3%	1,011	6.1%	1,028	6.1%	229,873	5.9%
Non-classifiable	0	0.0%	67	0.4%	67	0.4%	41,702	1.1%
Total	392	100.0%	16,588	100.0%	16,980	100.0%	3,919,328	100.0%

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

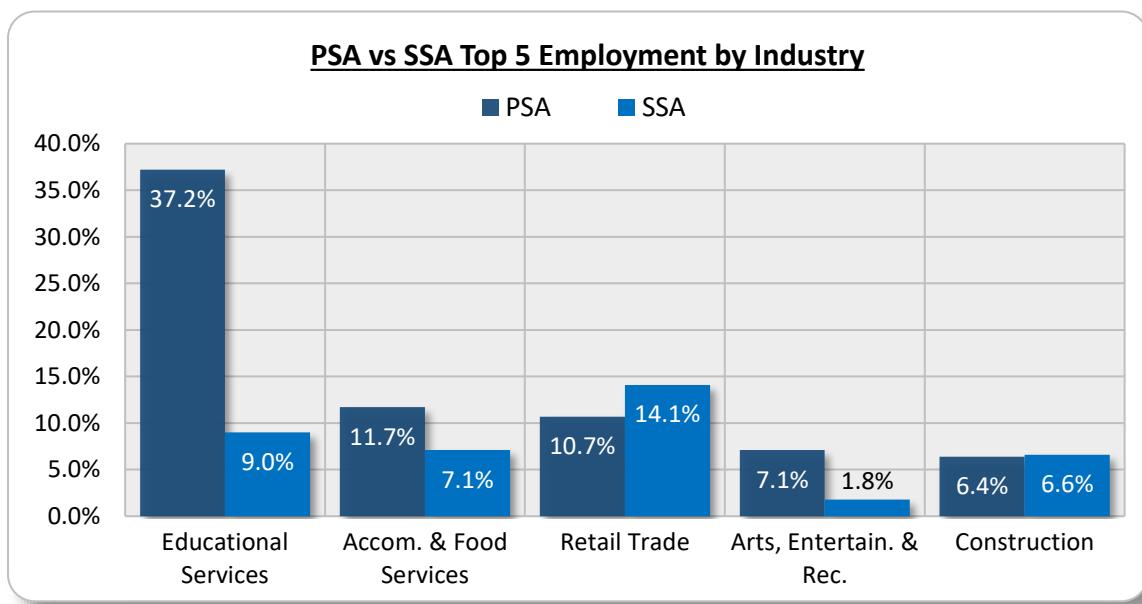
E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the study area. These employees, however, are included in our labor force calculations because their places of employment are located within the study area.

The labor force within the PSA (Ferrum) is based primarily in Educational Services (37.2%). This is primarily attributed to Ferrum College. The large base of jobs in the Educational Services sector add to the stability of the local economy, as it is less susceptible to significant fluctuations in employment. Accommodation & Food Services (11.7%), Retail Trade (10.7%), Arts, Entertainment and Recreation (7.1%), and Construction (6.4%) also comprise notable shares of the PSA's employment base. The concentration of over half of the PSA's employment base within just three jobs sectors is not surprising given the size (geographic and population) of Ferrum. This narrow grouping of jobs limits Ferrum's ability to provide employment opportunities to meet the diverse skill sets and employment interests of all of the PSA's residents. However, many of the PSA's residents are employed in the nearby communities, which comprise the SSA.

The labor force within the surrounding SSA is more diversified, though is based primarily in Manufacturing (14.9%), Retail Trade (14.1%), and Health Care & Social Assistance (13.0%). No other employment sector in the surrounding SSA represents more than 9.0% of the employment base.

The following graph illustrates the distribution of employment by job sector for the five largest employment sectors in the PSA compared to the SSA by the share they represent of their overall respective markets:



The biggest disparity in PSA (Ferrum) employment by employment sector, compared to the SSA (Balance of County), is within Manufacturing (2.8% vs. 14.9%) and in Health Care & Social Services (3.3% vs. 13.0%). Conversely, the PSA has a comparatively large share of employment in Educational Services (37.2% vs. 9.0%) and in Arts, Entertainment & Recreation (7.1% vs. 1.8%).

Ferrum is located in the Southside Virginia Nonmetropolitan Area. Typical wages by job category for the Southside Virginia Nonmetropolitan Area are compared with those of Virginia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Southside Virginia Nonmetropolitan Area	Virginia
Management Occupations	\$98,230	\$140,300
Business and Financial Occupations	\$64,610	\$85,110
Computer and Mathematical Occupations	\$72,230	\$102,430
Architecture and Engineering Occupations	\$81,830	\$90,700
Community and Social Service Occupations	\$44,580	\$50,570
Art, Design, Entertainment and Sports Medicine Occupations	\$39,790	\$59,950
Healthcare Practitioners and Technical Occupations	\$68,800	\$81,840
Healthcare Support Occupations	\$27,110	\$32,680
Protective Service Occupations	\$41,190	\$47,880
Food Preparation and Serving Related Occupations	\$21,820	\$24,280
Building and Grounds Cleaning and Maintenance Occupations	\$22,400	\$28,060
Personal Care and Service Occupations	\$21,830	\$27,580
Sales and Related Occupations	\$31,400	\$41,140
Office and Administrative Support Occupations	\$32,650	\$39,030
Construction and Extraction Occupations	\$39,690	\$45,530
Installation, Maintenance and Repair Occupations	\$45,280	\$50,540
Production Occupations	\$35,830	\$38,390
Transportation and Moving Occupations	\$33,190	\$38,200

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

Most annual blue-collar salaries range from \$21,820 to \$45,280 within the Southside Virginia Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management, and medicine, have an average salary of \$77,140. It is important to note that most occupational types within the Southside Virginia Nonmetropolitan Area have lower typical wages than the state of Virginia's typical wages. Regardless, the broad employment base and wages contribute to the PSA's diverse housing needs.

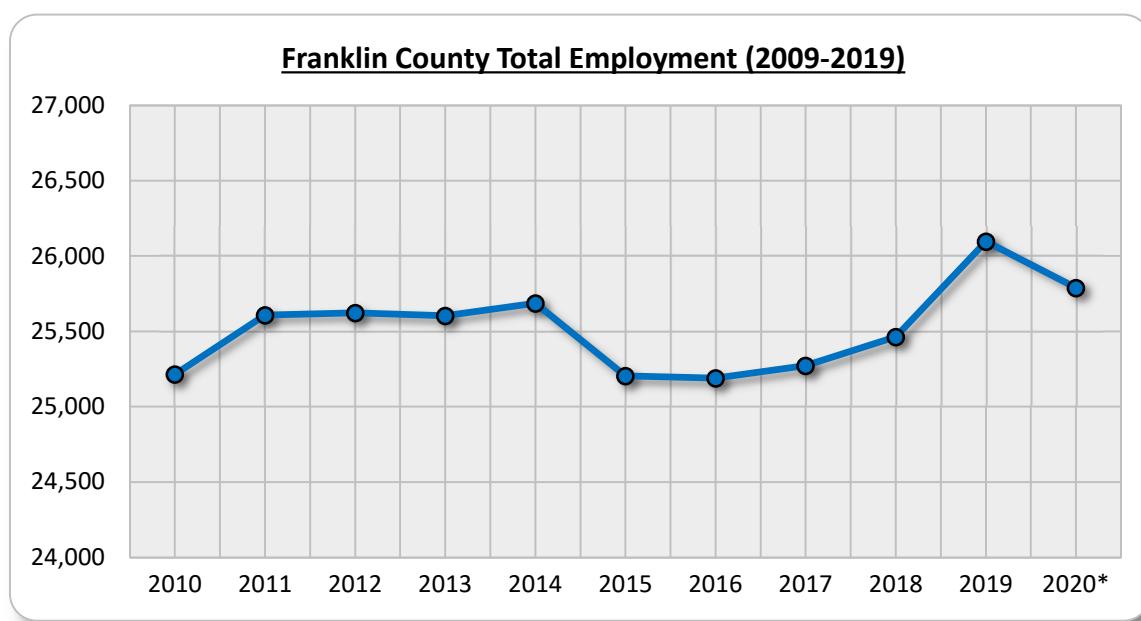
Employment Base and Unemployment Rates

Total employment reflects the number of employed persons who live within the county. Ferrum is located in Franklin County. The following illustrates the total employment base for Franklin County, the state of Virginia and the United States.

Year	Franklin County		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2010	25,216	-	3,860,386	-	140,469,139	-
2011	25,608	1.6%	3,934,326	1.9%	141,791,255	0.9%
2012	25,623	0.1%	3,967,987	0.9%	143,621,634	1.3%
2013	25,604	-0.1%	3,995,182	0.7%	145,017,562	1.0%
2014	25,687	0.3%	4,019,470	0.6%	147,313,048	1.6%
2015	25,205	-1.9%	4,028,801	0.2%	149,500,941	1.5%
2016	25,190	-0.1%	4,069,395	1.0%	151,887,366	1.6%
2017	25,272	0.3%	4,151,746	2.0%	154,160,937	1.5%
2018	25,464	0.8%	4,209,651	1.4%	156,081,212	1.2%
2019	26,096	2.5%	4,289,132	1.9%	158,102,439	1.3%
2020*	25,788	-1.2%	4,306,774	0.4%	157,927,470	-0.1%

Source: Department of Labor; Bureau of Labor Statistics

*Through January



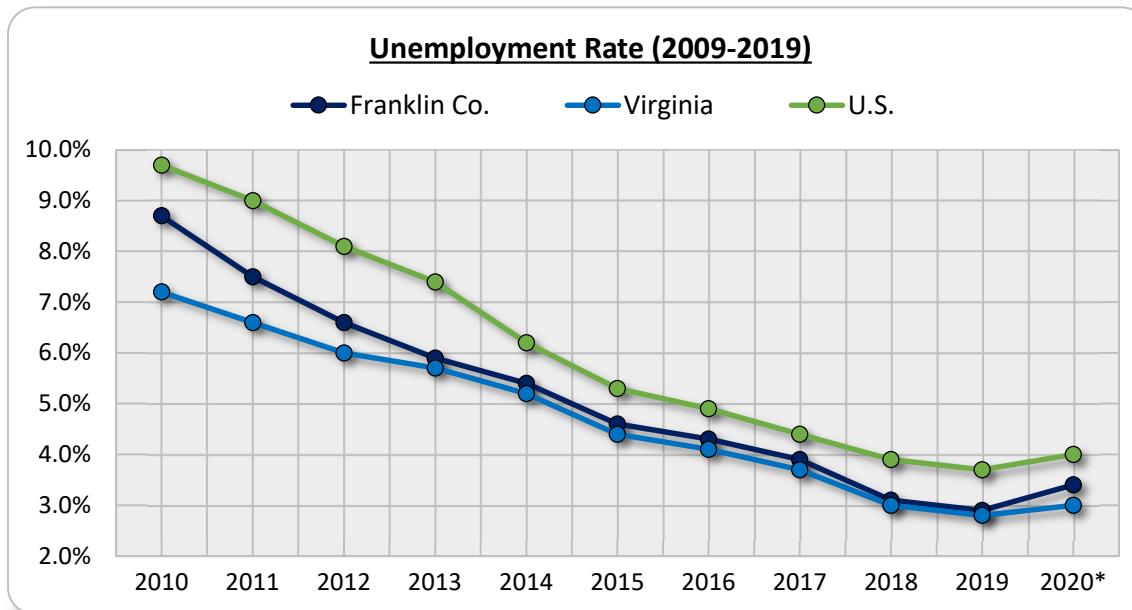
Between 2010 and 2019, the employment base in Franklin County increased by 880 jobs, or by 3.5%. This is less than the 11.1% increase experienced in the overall state during this same time period. The county's economy began to expand modestly in 2017 and 2018, after declining in most previous years between 2013 to 2016. The 2.5% rate of growth in 2019 was unprecedented during the last 10 years, outpacing the state and nation. In January of 2020, Franklin County experienced a modest decline of 308 jobs, or 1.2% of the employment base. As there have been no reported closures in the last 18 months, it is conceivable that this decline is attributed to post holiday/seasonality employment factors.

Unemployment rates for Franklin County, the state of Virginia and the United States are illustrated as follows:

Year	Unemployment Rate		
	Franklin County	Virginia	United States
2010	8.7%	7.2%	9.7%
2011	7.5%	6.6%	9.0%
2012	6.6%	6.0%	8.1%
2013	5.9%	5.7%	7.4%
2014	5.4%	5.2%	6.2%
2015	4.6%	4.4%	5.3%
2016	4.3%	4.1%	4.9%
2017	3.9%	3.7%	4.4%
2018	3.1%	3.0%	3.9%
2019	2.9%	2.8%	3.7%
2020*	3.4%	3.0%	4.0%

Source: Department of Labor, Bureau of Labor Statistics

*Through January



The unemployment rate in Franklin County has ranged between 2.9% and 8.7% and has remained consistently slightly higher than the state average but lower than the national average since 2010. The county's unemployment rate has steadily declined in each full year since 2010. The 2019 unemployment rate of 2.9% represents a 10-year low.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Franklin County.

In-Place Employment Franklin County			
Year	Employment	Change	Percent Change
2009	12,963	-	-
2010	12,761	-202	-1.6%
2011	13,006	245	1.9%
2012	13,409	403	3.1%
2013	14,094	685	5.1%
2014	14,567	473	3.4%
2015	14,572	5	0.0%
2016	14,689	117	0.8%
2017	15,072	383	2.6%
2018	15,227	155	1.0%
2019*	15,037	-190	-1.2%

Source: Department of Labor, Bureau of Labor Statistics

*Through September

Data for 2018, the most recent year that year-end figures are available, indicates in-place employment in Franklin County to be 59.8% of the total Franklin County employment. This likely means that Franklin County has more employed persons leaving the county for daytime employment than those who work in the county. In-place employment growth has been positive between 2010 and 2018, a positive indication of actual job creation in the county.

The ten largest employers within the Franklin County area are summarized in the following table:

Employer Name	Business Type
Franklin County School Board	Education
MW Manufacturers, Inc.	Manufacturer
ProAmpac (Formerly Trinity Packaging Corporation)	Packaging Solutions
Ferrum College	Education
Walmart Associates, Inc.	Retail/Grocery
Carilion Franklin Memorial Hospital	Healthcare
ContinuumHR of Florida, LLC	Human Resource Solutions
The Uttermost Company	Home Furnishings
Fleetwood Homes, Inc.	Manufacturer
Medical Facility of America, Inc.	Healthcare

Source: Franklin County Office of Economic Development; 2020

According to a representative with the Franklin County Office of Economic Development, the Franklin County economy is stagnant, but prior to COVID-19 the county's economy was improving. They stated that currently the manufacturing sector is generally stable, and the retail sector is struggling. The representative went on to say the county's economic base, due to COVID-19, has had mixed impacts. The largest employers, mainly the manufacturing sector, have seen some increase in sales and employment levels. Unfortunately, the county's hospitality and tourist-related businesses have taken a hard hit, such as restaurants, hotels, and small retail. The full impact of this sector will likely not be known until the end of the summer along with the lifting of current restrictions.

The representative went on to say business development along the US 220 corridor between Rocky Mount and Boones Mill is popular and South Mountain Lake along with Westlake remain strong for business success. The Summit View Business Park, located in Rocky Mount, is also seeing a lot of construction at this time. The 550-acre business park will include pavilions, athletic fields, festival, and tourist areas including trails along with business and industrial sites.

Other notable economic activity is cited below:

- Also, under construction in the Summit View Business Park is **Stik-Pak**, a contract packaging company. The company broke ground in October 2019 on a 50,000 square foot facility and is investing \$14.3 million. This phase is to be completed mid-2020 and plans call for the facility to expand by another 50,000 square feet within the next six years. Approximately 60 new jobs will be created by that time with an average yearly salary of \$45,706.
- In December 2019, natural gas began to run through the **Summit View Business Park** from the Mountain Valley Pipeline, which is a 303-mile natural gas transmission line that is scheduled for completion in 2021. The pipeline will run through four miles of Rocky Mount and is expected to save residents, commercial, and municipal sectors up to \$1.0 million annually. The pipeline project has created almost 4,400 jobs for the state of Virginia.
- In 2019, **ValleyStar Credit Union**, a full-service financial institution, began construction on a new \$7 million administrative campus building in Summit View Business Park. The 19,000 square-foot building will sit on eight acres and phase I is expected to be completed in the first quarter of 2021. Forty new jobs will be created with the average salary around \$65,000. Phase II is still in the planning stages.
- **Traditional Medicinals**, the leading seller of organic herbal wellness tea, announced in January 2020 it would be constructing a facility in the Summit View Business Park. The \$29.7 million manufacturing plant will bring 56 new jobs to Franklin County and consist of 125,000 square feet on 30 acres.

- In July 2019, the town of Ferrum approved the **Ferrum Area Plan**, which will serve as a guide for any growth or development in the future. The plan calls for creating an event space that would be within walking distance of the town, incorporation of local history with art and infrastructure possibly utilizing building facades, creating a group that would meet regularly to discuss economic goals, additional housing for seniors, and increasing broadband access.
- In February 2020, the new \$6 million **Tri-Area Community Health Center** opened in Ferrum. The 17,000 square-foot center consists of 15 patient rooms, two treatment rooms, X-ray capabilities and a pharmacy.
- The Southern Association of College and Schools Commission on Colleges approved Ferrum College to start offering graduate programs for students in fall 2020. The program will offer advanced education in the areas of psychology and teacher education.

Notable infrastructure projects are cited below:

- Construction on the pedestrian bridge in Ferrum, that will connect the sidewalk leading from Ferrum College campus to the edge of the Dollar General parking lot on State Route 40, has temporarily been halted due to matters the Virginia Department of Transportation is evaluating. Both county and college officials felt the bridge needed to be built for the safety of pedestrians due to the curved roadway at Sheriff Shively Memorial Bridge. Additional benefits of the bridge include the college will now be connected to the Ferrum town center and planned streetscaping will enhance the visual appeal of the town. The project is estimated at \$1.35 million, and Virginia Department of Transportation is funding 50% of the cost while Ferrum College will pick up 25% and the county will pay the remaining 25%. Prior to the project being temporarily shut down, it was only three weeks from its completed date of May 2020. No estimated completion date is available currently.
- Currently in the design phase, improvements for State Route 834 (Brooks Mill Road) and State Route 670 (Burnt Chimney Road), is a new roundabout to help reduce the risk of collisions, minimize the risk of vehicles that fail to stop, and improve traffic to move more efficiently through the intersection. This intersection is north east of Ferrum near Westlake Corner in Franklin County and is expected to begin in spring 2022. Another roundabout in the Westlake area was approved in April 2020 and will be located at Route 636 (Hardy Road) and Route 122 (Booker T. Washington Highway). The project budget is \$1.6 million and could start construction early 2021.
- The Town of Rocky Mount began construction in 2019 on a new bridge that will run along North Main Street near Franklin Street and over the Blackwater River. The bridge will be eight feet wider than the current bridge, which was built in 1942 and is known as Angle Bridge. The \$7.8 million project is expected to be completed in November 2020.

- Several projects will be coming to the Westlake area and include turning lanes to be added at Route 122 (Booker T. Washington Highway) and Lost Mountain Road at the entrance of Booker T. Washington National Monument along with a walking path. This project is due to the number of crashes at this intersection between 2013 and 2017. Construction is not to begin until December 2027.
- I-73, which has been in the making for several years, has been approved. The reason for the highway is to improve the safety of Route 220 south of Roanoke (Roanoke County) and continue down into Franklin County. The 66.5-mile-long route is estimated at \$4 billion (as of 2019) and no timeline has been set regarding construction.

WARN (layoff notices):

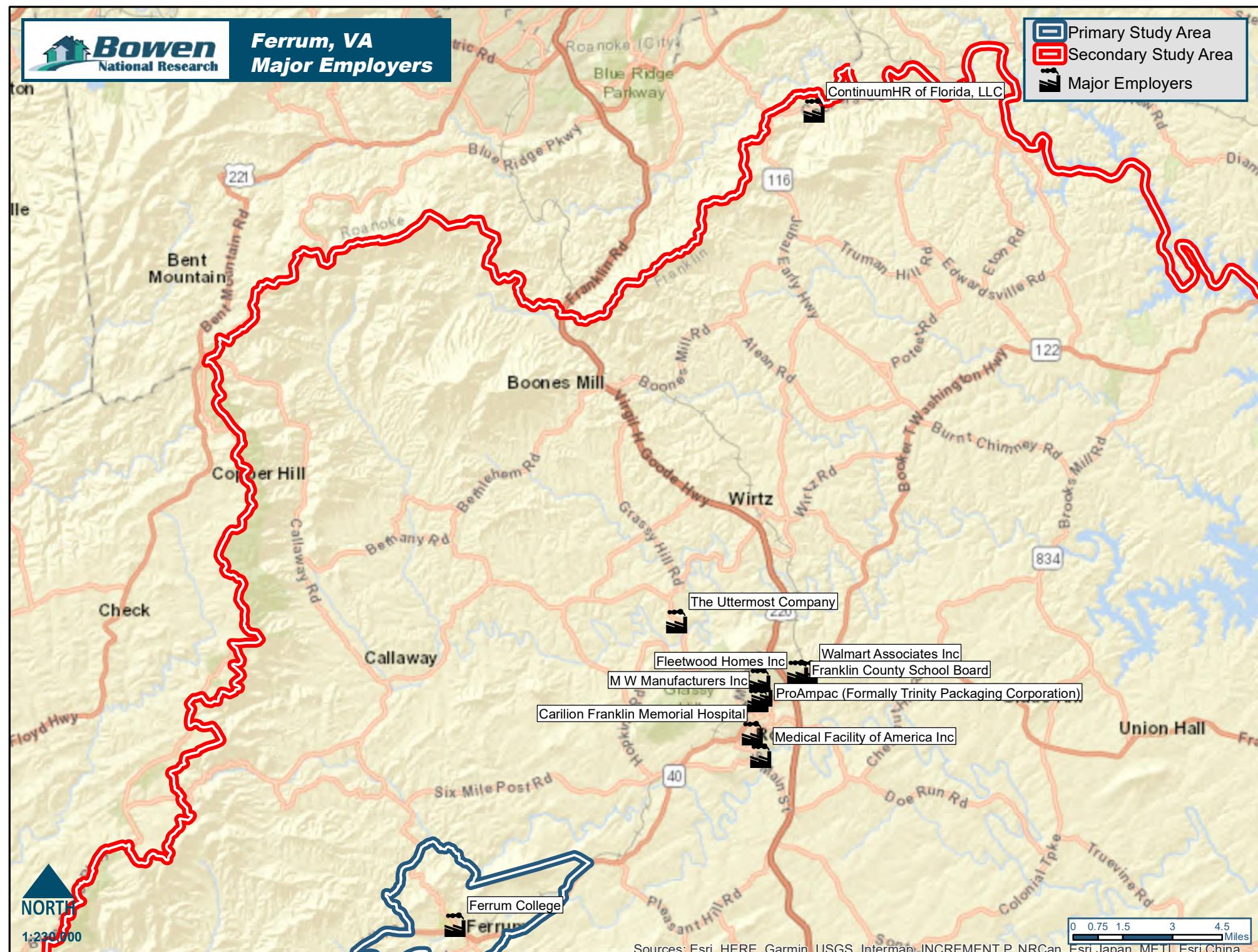
WARN Notices of large-scale layoffs or business closures were reviewed on May 26, 2020. According to the Virginia Employment Commission there have been no WARN notices reported for Franklin County over the past 18 months.

A map of Franklin County's largest employers is shown on the following page.



Ferrum, VA Major Employers

-  Primary Study Area
-  Secondary Study Area
-  Major Employers



E. HOUSING SUPPLY ANALYSIS

1. INTRODUCTION AND OVERVIEW

This housing supply analysis considers both rental and for-sale housing. Understanding the market performance, characteristics, composition, and current housing choices within the study areas provide critical information as to current market conditions and future housing potential.

For the purposes of this analysis, the focus of this housing supply information is of Ferrum, the Primary Study Area (PSA), though information on the surrounding Secondary Study Area (SSA) is also provided and evaluated. This analysis includes secondary Census housing data and Bowen National Research's survey of area rental alternatives. Information was also obtained from Source: Roanoke Valley Association of REALTORS.

Based on the 2013-2017 American Community Survey data (the latest data available), the following is a distribution of all *renter*-occupied housing units in each study area by year of construction.

		Renter-Occupied Housing by Year Built								
		2014 or Later	2010 to 2013	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1950 to 1969	1949 or Earlier	Total
PSA (Ferrum)	Number	0	0	16	28	16	9	7	20	96
	Percent	0.0%	0.0%	16.7%	29.2%	16.7%	9.4%	7.3%	20.8%	100.0%
SSA	Number	37	75	618	911	735	706	898	734	4,714
	Percent	0.8%	1.6%	13.1%	19.3%	15.6%	15.0%	19.0%	15.6%	100.0%
Franklin County	Number	37	75	634	939	751	715	905	754	4,810
	Percent	0.8%	1.6%	13.2%	19.5%	15.6%	14.9%	18.8%	15.7%	100.0%
Virginia	Number	10,151	34,625	140,216	159,769	172,669	186,661	214,622	131,846	1,050,559
	Percent	1.0%	3.3%	13.3%	15.2%	16.4%	17.8%	20.4%	12.6%	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

While small in numbers, the PSA (Ferrum) has a relatively well-balanced distribution of renter-occupied housing by age, with over three-fifths of product built since 1980. As illustrated above, the largest share (29.2%) of rental housing supply in the PSA was built between 1990 and 1999, while the second largest share (20.8%) was built before 1950. Most (54.2%) of the PSA's housing has been constructed prior to 1990, which is less than the 65.2% share of such product existing in the surrounding SSA (Balance of County). Regardless, with the majority of the PSA's rental product over 30 years old, it appears that some of the homes are reaching a stage that requires repairs and/or modernization. This may also represent a development opportunity for new rental product to be added to the PSA.

Based on the 2013-2017 American Community Survey data, the following is a distribution of all *owner-occupied* housing units in each study area by year of construction.

		Owner-Occupied Housing by Year Built								
		2014 or Later	2010 to 2013	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1950 to 1969	1949 or Earlier	Total
PSA (Ferrum)	Number	3	9	38	61	51	38	50	54	304
	Percent	1.0%	3.0%	12.5%	20.1%	16.8%	12.5%	16.4%	17.8%	100.0%
SSA	Number	78	325	3,883	4,104	2,791	2,726	2,451	1,731	18,089
	Percent	0.4%	1.8%	21.5%	22.7%	15.4%	15.1%	13.5%	9.6%	100.0%
Franklin County	Number	81	334	3,921	4,165	2,842	2,764	2,501	1,785	18,393
	Percent	0.4%	1.8%	21.3%	22.6%	15.5%	15.0%	13.6%	9.7%	100.0%
Virginia	Number	18,217	58,723	356,667	349,246	347,171	311,598	396,660	216,751	2,055,033
	Percent	0.9%	2.9%	17.4%	17.0%	16.9%	15.2%	19.3%	10.5%	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

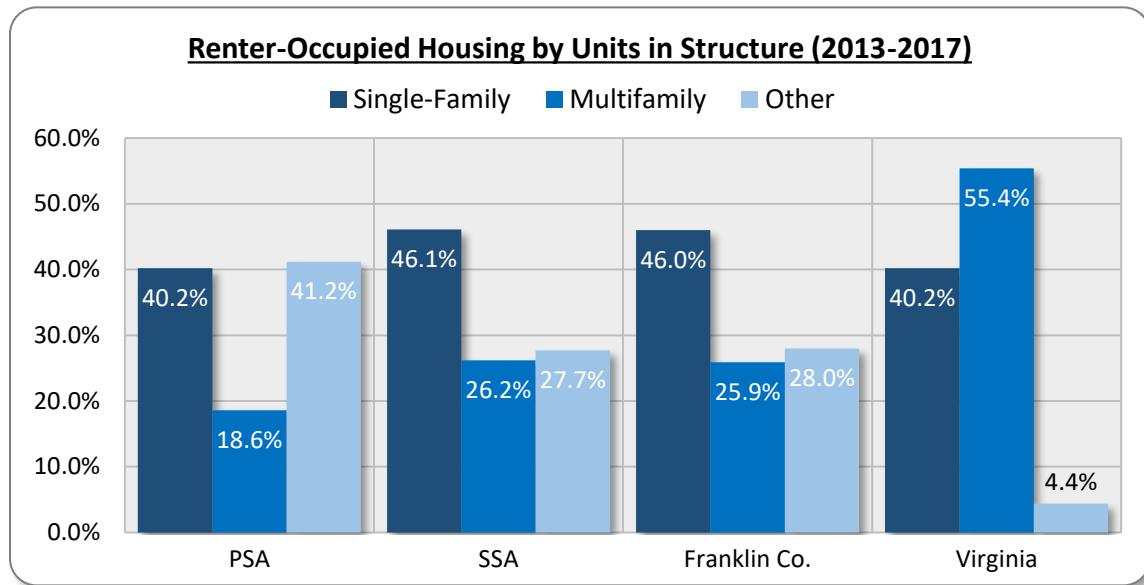
Nearly half (45.7%) of the owner-occupied housing stock in the PSA was constructed before 1980, as compared to 38.2% of such product in the surrounding SSA and 45.0% in the state. The data also indicates that over 16% of the owner-occupied housing stock in the PSA was constructed since 2000. Based on this analysis, the PSA has a well-balanced mix of product by age, though it is generally older than such product in the SSA. It should be noted that the SOCDS building permits database shows that approximately 1,148 units within single-family structures (more likely to be owner-occupied) were constructed in the county since 2010, indicating that the most recent reported data for the PSA and SSA may be underestimated.

Based on the 2013-2017 American Community Survey data, the following is a distribution of all *renter-occupied* housing by units in structure for each study area.

		Renter-Occupied Housing by Units in Structure									
		1; Detached	1; Attached	2 to 4	5 to 9	10 to 19	20 to 49	50+	Mobile Homes	Boat, RV, Vans	Total
PSA (Ferrum)	Number	39	0	5	3	0	10	0	40	0	97
	Percent	40.2%	0.0%	5.2%	3.1%	0.0%	10.3%	0.0%	41.2%	0.0%	100.0%
SSA	Number	2,116	58	497	408	135	84	108	1,307	0	4,713
	Percent	44.9%	1.2%	10.5%	8.7%	2.9%	1.8%	2.3%	27.7%	0.0%	100.0%
Franklin County	Number	2,155	58	502	411	135	94	108	1,347	0	4,810
	Percent	44.8%	1.2%	10.4%	8.5%	2.8%	2.0%	2.2%	28.0%	0.0%	100.0%
Virginia	Number	296,534	125,972	118,617	124,877	157,129	50,870	130,605	45,274	680	1,050,558
	Percent	28.2%	12.0%	11.3%	11.9%	15.0%	4.8%	12.4%	4.3%	0.1%	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

Nearly half (45.4%) of the rental units in the PSA (Ferrum) are within structures of four units or less, while 41.2% consist of mobile homes. The remaining 13.4% of renter units are comprised of traditional larger complexes. The high share of non-conventional rentals (structures of four units or less) is not unusual given the rural nature of the PSA. The share of mobile homes is much higher than the SSA and state of Virginia. The inventory of renter housing in the PSA is discussed in greater detail in the following pages of this section.



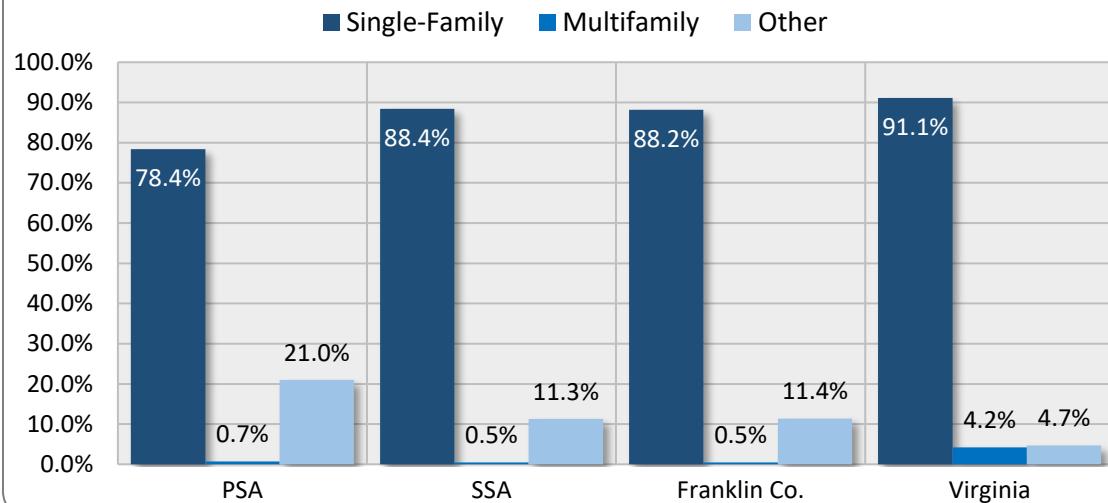
Based on the 2013-2017 American Community Survey data, the following is a distribution of all *owner*-occupied housing by units in structure for each study area.

Owner-Occupied Housing by Units in Structure										
	1; Detached	1; Attached	2 to 4	5 to 9	10 to 19	20 to 49	50+	Mobile Homes	Boat, RV, Vans	Total
PSA (Ferrum)	Number	233	6	2	0	0	0	64	0	305
	Percent	76.4%	2.0%	0.7%	0.0%	0.0%	0.0%	21.0%	0.0%	100.0%
SSA	Number	15,767	211	31	13	17	15	0	2,020	18,088
	Percent	87.2%	1.2%	0.2%	0.1%	0.1%	0.1%	0.0%	11.2%	100.0%
Franklin County	Number	16,000	217	33	13	17	15	0	2,084	18,393
	Percent	87.0%	1.2%	0.2%	0.1%	0.1%	0.1%	0.0%	11.3%	100.0%
Virginia	Number	1,640,816	232,014	13,926	16,376	18,192	7,911	28,348	96,955	2,055,034
	Percent	79.8%	11.3%	0.7%	0.8%	0.9%	0.4%	1.4%	4.7%	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

Over three-quarters of the owner-occupied housing stock in the PSA (Ferrum) consists of single-family homes, with mobile homes representing most of the remaining quarter. The PSA has a relatively larger share of mobile homes compared to the surrounding SSA and the state of Virginia. While the ACS data indicates that there are no condominiums units in the PSA, the SSA has a 0.3% share of owner-occupied housing in units with five or more units (likely condominiums).

Owner-Occupied Housing by Units in Structure (2013-2017)



2. MULTIFAMILY MARKET-RATE RENTAL HOUSING

Overall, a total of nine conventional multifamily properties were identified within the county and surveyed by telephone by Bowen National Research. These rentals, which contain a total of 299 units, have a combined occupancy rate of 99.3%, a high rate for rental housing. These properties were surveyed to establish the overall strength and trends of the area's multifamily rental housing market. It is important to point out that none of these properties are located in Ferrum, as virtually all of Ferrum's rental supply consists of either single-family homes or mobile homes. Regardless, analyzing multifamily rentals in the county provides insight on market norms and alternatives available to area renters. While these surveyed properties do not represent all multifamily rental properties in the county, this survey of properties provides insight as to the performance, rents, condition, features, age and other attributes of the area's multifamily rental housing supply.

Three different housing affordability segments were identified in the county, including market-rate, Low-Income Housing Tax Credit (LIHTC) and government subsidized. Market-rate housing is generally considered rental housing that does not have any government assistance or programmatic restrictions on the rents that can be charged or the maximum income limits on residency. Tax Credit housing is developed under the LIHTC program, which typically restricts residency to households with incomes of up to 80% of the Area Median Household Income (AMHI). Government-subsidized housing commonly restricts income to 50% of AMHI and often restricts rents to 30% of a household's income.

The distribution of surveyed multifamily rental housing supply within Franklin County by *program type* is illustrated in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	4	93	2	97.8%
Tax Credit/Government-Subsidized	1	60	0	100.0%
Government-Subsidized	4	146	0	100.0%
Total	9	299	2	99.3%

Among the nine total projects, four are market-rate projects, containing 93 units which are 97.8% occupied. The remaining five projects contain 206 government-subsidized units, which are 100.0% occupied. Overall, the surveyed multifamily rentals in the county have relatively limited availability, as evidenced by the 99.3% occupancy rate. Typically, well-balanced markets have occupancy rates generally between 94.0% and 96.0% to allow for inner-market mobility and to enable the market to accommodate new residents. Overall, there were only two vacant units identified in the county. As such, households seeking multifamily rental housing have limited choices available to them, regardless of project type. This represents both a challenge and opportunity.

The following table summarizes the multifamily market-rate rental units by bedroom/bathroom configuration within the county. It is important to note that the Median Rents are “collected,” which includes only the asking rent and does not consider the estimated costs of tenant-paid utilities.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Collected Rent
One-Bedroom	1.0	32	34.4%	1	3.1%	\$435
Two-Bedroom	1.0	59	63.4%	1	1.7%	\$575
Three-Bedroom	2.0	2	2.2%	0	0.0%	\$650
Total Market-rate		93	100.0%	2	2.2%	-

The 93 surveyed market-rate units in the county are mostly comprised of one- and two-bedroom units, with just two three-bedroom units. While median collected rents range from \$435 for a one-bedroom/one-bathroom unit to \$650 for a three-bedroom/two-bathroom unit, it is important to point out that the existing market-rate projects in the county have primarily been built in the 1970’s. As such, it is expected that more modern market-rate product could command a premium in the market.

A total of five surveyed projects within the county operate under a government subsidy. Generally, these properties have few amenities, are older and offer small unit sizes (square feet). All 146 surveyed government-subsidized apartments in the county are fully occupied, further evidence of the strong level of demand for rental housing alternatives in the area.

The government-subsidized units (both with and without Tax Credits) in the county are summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	4	6.7%	0	0.0%
Two-Bedroom	1.0	48	80.0%	0	0.0%
Three-Bedroom	1.0	8	13.3%	0	0.0%
Total Subsidized Tax Credit		60	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	96	65.8%	0	0.0%
Two-Bedroom	1.0	43	29.5%	0	0.0%
Three-Bedroom	1.0	7	4.8%	0	0.0%
Total Subsidized		146	100.0%	0	0.0%

All of the surveyed subsidized projects are 100.0% occupied and the single government-subsidized project (without Tax Credits) containing nearly half of the subsidized units maintains a wait list with 45 households. As such, very low-income renter households have very limited options *available* and likely must choose from either the non-subsidized multifamily housing options or the non-conventional housing options, such as single-family homes and duplexes.

Based on our survey of rental alternatives in Franklin County operating with a government subsidy, approximately 95% of the product was built prior to 1980, while just six units have been added since 2010. As such, the government-subsidized housing stock also has a notable share of older, lower quality product that will either need substantially renovated/modernized or replaced in the years ahead.

A total of six properties in the county operate as a subsidized project under a current HUD contract. All properties are located in Rocky Mount. Because these contracts have a designated renewal date, it is important to understand if any of these projects are at risk of an expiring contract in the near future that could result in the reduction of affordable rental housing stock within the county. Additionally, four of the following projects had contracts that were scheduled to expire in the past year and may have been renewed. These six properties are summarized in the following table.

Franklin County				
Property Name	Assisted Units	Total Units	Program Type	Renewal Date
Candlewood Apartments	72	72	Section 8 Prop. Disp.	9/30/2034
Mountainview Apartments	60	60	Section 8/515 FmHA	1/31/2022
Scuffling Hill Road Group Home	6	6	PRAC Section 811	6/30/2019
Maynor Street Group Home	6	6	PRAC Section 811	12/31/2019
West Church Street	6	6	PRAC Section 811	5/31/2019
Lillie's Leaseure	44	44	PRAC Section 202	8/31/2019

Source: HUDUser.gov Assistance & Section 8 Contracts Database; Bowen National Research

While all HUD supported projects are subject to annual appropriations by the federal government, it appears that one project has a renewal date within the next five years (by 2025) and is at *potential* risk of losing its government assistance a few years from now. It will be important for the county's low-income residents that the projects with pending expiring HUD contracts be preserved in order to continue to house some of the market's most economically vulnerable residents. Otherwise, other affordable housing or housing assistance will need to be provided.

Information regarding the age, unit count, occupancy, wait list, and target market for all surveyed properties in the county is summarized as follows:

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Waiting List	Target Market
1	Candlewood Apts. – GSS	1972	72	100.0%	45 HH	Families; Section 8
2	Grassy Hill Apts. – MRR	1982	4	100.0%	None	General Occupancy
3	Knob Apts. – MRR	1970	29	100.0%	1 HH	General Occupancy
4	Meadows – MRR	1976	48	95.8%	None	General Occupancy
5	Mountain View – TGS	1980 / 2005	60	100.0%	6 Months	Families; 50% AMHI & RD 515 & Section 8
6	Scuffling Hill Road Group Home – GSS	2005	2	100.0%	None	Special Needs; Section 8
7	South Garden Apts. – MRR	1975	12	100.0%	4 HH	General Occupancy
8	Tanyard Village Apts. – GSS	1979	66	100.0%	None	Seniors 62+; RD 515
9	West Church Street – GSS	2010	6	100.0%	None	Special Needs; Section 811 PRAC

OCC. – Occupancy

HH – Households

MRR – Market-rate

TGS – Tax Credit/Government Subsidized

GSS – Government Subsidized

With up to 45 households waiting up to six months for a subsidized unit, there appears to be demand for this product type. However, even among market-rate product, there were just two available units. As a result, regardless of affordability level, there appears to be a lack of available multifamily rental units. This is clear evidence of a housing need in the county.

The collected rents and number of units by vacancies by bedroom type for the selected apartment properties are listed in the following table:

Map I.D.	Project Name	Collected Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.		
2	Grassy Hill Apts. – MRR	\$575 (1/0)	\$550-\$575 (3/0)	-	-	None
3	Knob Apts. – MRR	\$500-\$575 (12/0)	\$650-\$725 (17/0)	-	-	None
4	Meadows – MRR	\$435 (18/1)	\$550 (28/1)	\$650 (2/0)	-	None
5	Mountain View – TGS	\$486/50% (4/0)	\$580/50% (48/0)	\$720/50% (8/0)	-	None
7	South Garden Apts. – MRR	\$495 (1/0)	\$575 (11/0)	-	-	None

MRR – Market-rate

TGS – Tax Credit/Government Subsidized

The surveyed market-rate properties (designated in the table with “MRR”) rent for \$435 to \$575 for a one-bedroom unit, between \$550 and \$725 for a two-bedroom unit, and \$650 for a three-bedroom unit. None of these properties offer a rent discount. While numerous factors affect the achievable rents for new rental product, the preceding rents should be used to help developers establish a baseline for potential rents for future product development in the county. It is expected that new, well-designed and marketable product developed in the area should be able to achieve a premium over these older market-rate rentals in the county.

Additional design elements, i.e. unit sizes (square footage) and number of bathrooms, are provided in the following tables:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
1	Candlewood Apts. – GSS	675	725	900
2	Grassy Hill Apts. – MRR	675	750	-
3	Knob Apts. – MRR	580 - 625	725	-
4	Meadows – MRR	600	939	1,156
5	Mountain View – TGS	711	864	1,322
6	Scuffling Hill Road Group Home – GSS	625	-	-
7	South Garden Apts. – MRR	675	800	-
8	Tanyard Village Apts. – GSS	590	-	-
9	West Church Street – GSS	675	-	-

MRR – Market-rate

TGS – Tax Credit/Government Subsidized

GSS – Government Subsidized

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
1	Candlewood Apts. – GSS	1.0	1.0	1.0
2	Grassy Hill Apts. – MRR	1.0	1.0	-
3	Knob Apts. – MRR	1.0	1.0	-
4	Meadows – MRR	1.0	1.0	2.0
5	Mountain View – TGS	1.0	1.0	1.0
6	Scuffling Hill Road Group Home – GSS	1.0	-	-
7	South Garden Apts. – MRR	1.0	1.0	-
8	Tanyard Village Apts. – GSS	1.0	-	-
9	West Church Street – GSS	1.0	-	-

MRR – Market-rate

TGS – Tax Credit/Government Subsidized

GSS – Government Subsidized

As the preceding tables illustrate, the unit sizes (square feet) vary somewhat among each bedroom type. The *average* square footage is approximately 644 square feet for a one-bedroom unit, 812 square feet for a two-bedroom unit, and 1,109 square feet for a three-bedroom unit. One full bathroom is included in one- and two-bedroom units. Similar square footages and bathroom configurations in newly developed product in the county should enable such product to be marketable and to be able to achieve a premium in the market. A map of all surveyed multifamily properties in Franklin County is on the following page.



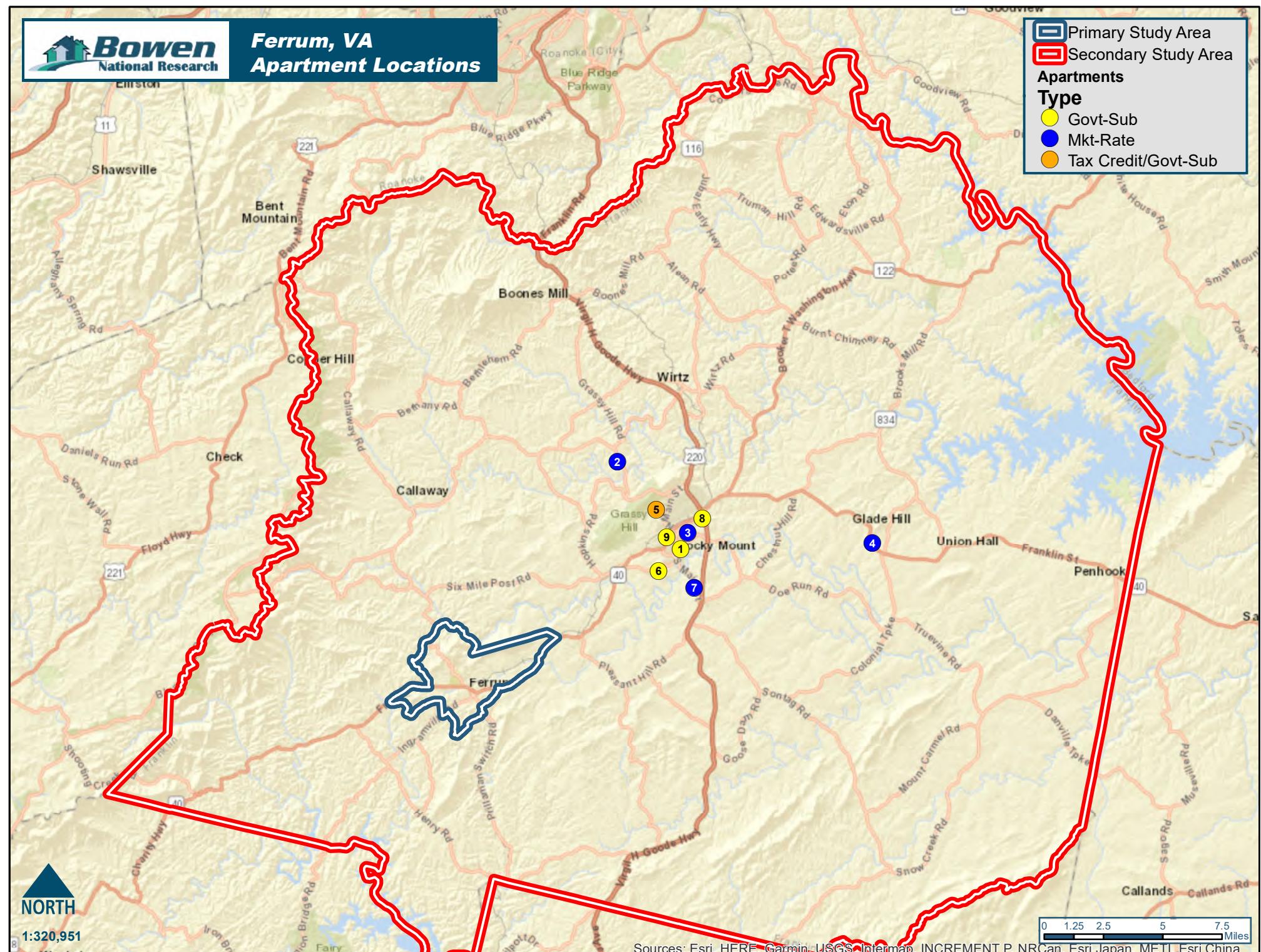
Ferrum, VA Apartment Locations

-  Primary Study Area
-  Secondary Study Area

Apartments

Type

-  Govt-Sub
-  Mkt-Rate
-  Tax Credit/Govt-Sub



Non-Conventional Rental Housing

Non-conventional rentals are considered rental units typically consisting of single-family homes, duplexes, units over store fronts, mobile homes, etc. For the purposes of this analysis, we have assumed that rental properties consisting of four or less units are non-conventional rentals. Non-conventional rentals comprise a notable portion of the rental housing stock in the PSA (Ferrum), as evidenced by the fact that renter-occupied units within structures with one to four units represent more than 45.0% of all renter-occupied units, while more than 41.0% of PSA rental units are mobile homes. Over 80% of the renter-occupied housing stock in the surrounding SSA consists of non-conventional units as well.

The following table summarizes the distribution of renter-occupied units by the number of units in a structure for each study area.

Renter-Occupied Housing by Units in Structure				
Units in Structure	PSA (Ferrum)		SSA (Balance of County)	
	Total Units	Percent	Total Units	Percent
1 to 4 Units	44	45.4%	2,671	56.7%
5 or More Units	13	13.4%	735	15.6%
Mobile Homes	40	41.2%	1,307	27.7%
Total	778	100.0%	4,713	100.0%

Source: American Community Survey (2013-2017)

With a large portion of the area's rental units consisting of non-conventional rentals, it is clear that this segment is significant and warrants additional analysis.

The following table summarizes monthly gross rents for area rental alternatives based on American Community Survey estimates. These rents are for all rental product types including apartments, non-conventional rentals, and mobile homes. Since more than four out of five of all rentals in the county are considered non-conventional rentals, the rents below provide insight as to likely rents for non-conventional rentals in the PSA and surrounding SSA.

Gross Rent	Gross Rents of Renter-Occupied Housing			
	PSA (Ferrum)		SSA (Balance of County)	
	Number of Units	Percent of Units	Number of Units	Percent of Units
Less than \$300	17	17.7%	445	9.4%
\$300 to \$500	24	25.0%	484	10.3%
\$500 to \$750	14	14.6%	1,815	38.5%
\$750 to \$1,000	16	16.7%	1,044	22.1%
\$1,000+	0	-	275	5.8%
No Cash Rent	25	26.0%	651	13.8%
Total Paying Rent	96	100.0%	4,714	100.0%

Source: ACS 2013-2017 Estimates; Bowen National Research

As the preceding table illustrates, the largest share (25.0%) of rental units in the PSA (Ferrum) have rents that fall between \$300 and \$500, while the second largest share (17.7%) of PSA rental units have rents of less than \$300. None of the rentals in the PSA have rents above \$1,000. Conversely, over 80.0% of rental units in the surrounding area of Franklin County have gross rents of \$500 or higher.

In an effort to further evaluate the non-conventional rental housing inventory, we identified single-family homes, duplexes, and mobile homes available for rent. We used online resources and interviewed local real estate professionals to collect information on the rents, number of bedrooms, number of bathrooms, and square footages of such rentals. Bowen National Research identified 45 non-conventional rentals within the county that were listed as *available* for rent. Just three of these units were within Ferrum. While these rentals do not represent all non-conventional rentals, these units are representative of common characteristics of the various non-conventional rental alternatives available in the market. As a result, these rentals provide a good baseline to evaluate the attributes of non-conventional rentals. The tables below summarize the available non-conventional rentals identified in Franklin County, both within and outside of Ferrum.

PSA (Ferrum)							
Bedroom Type	Units	Average Number of Baths	Average Year Built	Average Square Feet	Rent Range	Average Rent	Average Rent Per Square Foot
Three-Bedroom	3	1	1975	1,930	\$750-\$900	\$813	\$0.42
SSA (Balance of County)							
Bedroom Type	Units	Average Number of Baths	Average Year Built	Average Square Feet	Rent Range	Average Rent	Average Rent Per Square Foot
One-Bedroom	4	1	1962	700	\$325-\$500	\$417	\$0.60
Two-Bedroom	20	1.29	1962	1,112	\$450-\$2,000	\$797	\$0.72
Three-Bedroom	15	1.83	1984	1,306	\$500-\$1,585	\$999	\$0.76
Four-Bedroom	2	2.25	1980	1,654	\$995-\$1,600	\$1,198	\$0.72
Total	42	1.51	1970	1,247	\$325-\$2,000	\$884	\$0.71

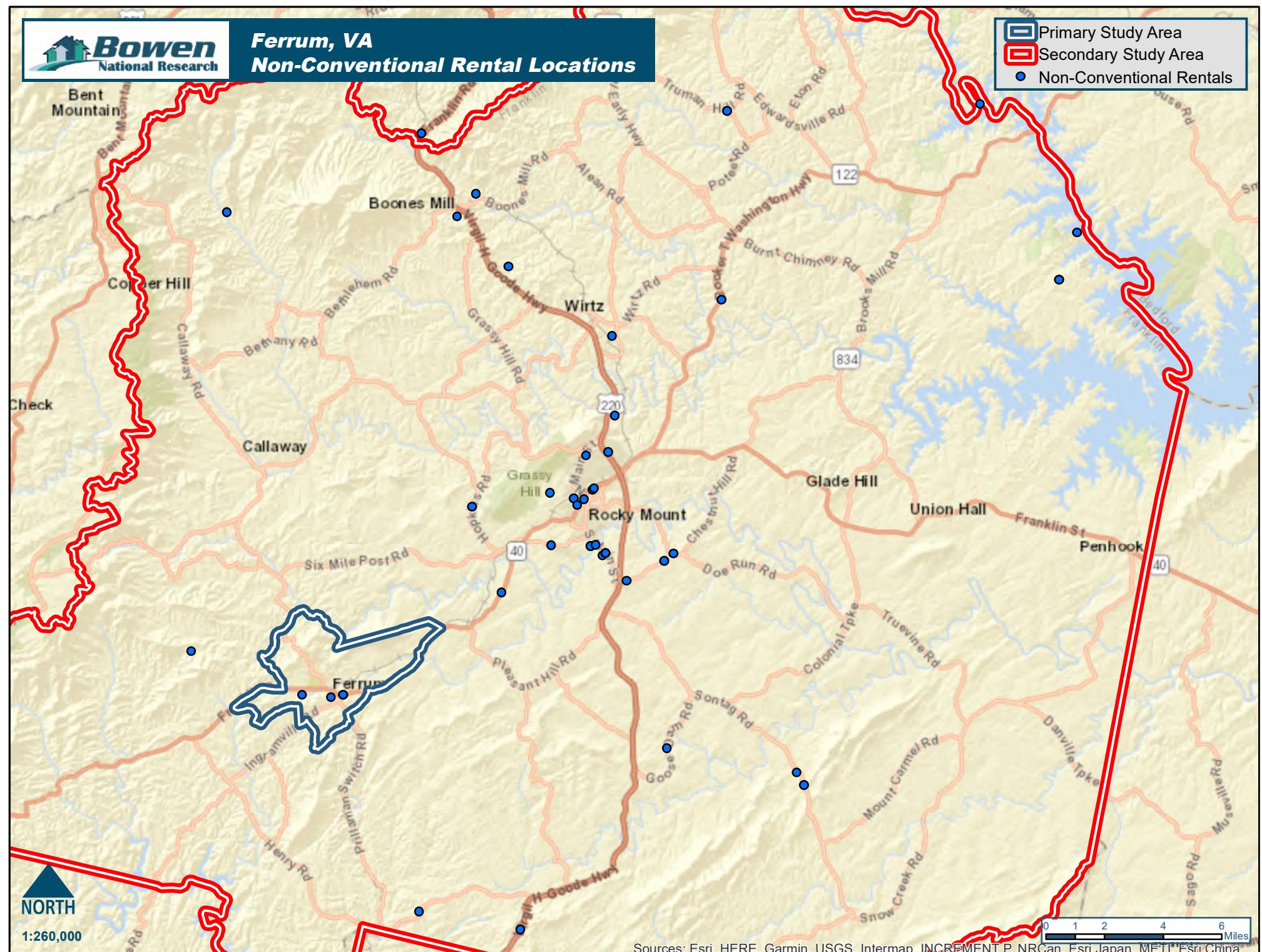
Overall, the average collected rent for a three-bedroom in the PSA (Ferrum) is \$813, which is slightly less than the same unit type in the surrounding SSA. When typical tenant utility costs are also considered, the inventoried non-conventional units in the PSA have *gross* rents generally higher than many of the conventional apartments surveyed in the area. With most surveyed *available* non-conventional rentals renting for over \$800 per month, it is unlikely that many low-income residents (earning less than \$30,000 per year) would be able to afford non-conventional rental housing in the area. It is worth noting that none of the identified non-conventional rentals are located within the PSA. Two-fifths of the non-conventional product was built prior to 1970, while all surveyed multifamily projects have been built in 1970 or later. These factors combined with the fact that the amenity packages among most non-conventional rentals are relatively limited, it would appear the non-conventional rentals represent less of a value than most multifamily apartments in the market. However, given the relatively limited number of vacant units among the multifamily apartments, many low-income households are likely forced to choose from the non-conventional housing alternatives.

A map delineating the location of identified non-conventional rentals in the county is as follows.



Ferrum, VA Non-Conventional Rental Locations

- Primary Study Area
- Secondary Study Area
- Non-Conventional Rentals



3. FOR-SALE HOUSING SUPPLY

Introduction

Bowen National Research obtained for-sale housing data from the Roanoke Valley Association of REALTORS. This included historical for-sale residential data and currently available for-sale housing stock. While this sales data does not include all for-sale residential transactions or available supply in the county, it does consist of the majority of such product and therefore, it is representative of market norms for for-sale housing product.

The following table summarizes the available and recently sold (between January 2016 and mid-April 2020) housing stock for the PSA (Ferrum) and the SSA (Balance of County).

Sold/Currently Available For-Sale Housing Supply		
PSA (Ferrum)		
Status	Homes	Median Price
Sold*	43	\$147,500
Available**	3	\$189,000
SSA (Balance of County)		
Status	Homes	Median Price
Sold*	2,968	\$237,363
Available**	316	\$387,475

Source: Roanoke Valley Association of REALTORS

*Sales from January 1, 2016 to April 10, 2020

**As of April 14, 2020

Within the PSA (Ferrum), the available for-sale housing stock consists of just three units with a median asking price of \$189,000, while the historical sales consist of 43 homes with a median sales price of \$147,500. When compared with the overall 342 owner-occupied units in the PSA (Ferrum), the three available units represent a vacancy/availability rate of 0.9%. This is an extremely low rate and a likely indication of a shortage of for-sale housing. Normally, well-balanced for-sale/owner-occupied markets have a vacancy/availability rate of around 2.0% to 3.0%. While there are over 300 homes available for purchase in the surrounding SSA (Balance of County), the vacancy/availability rate in the SSA is also slightly low, at 1.7%. This is evidence of a countywide shortage of available for-sale housing and represents a potential development opportunity.

Historical For-Sale Analysis

The following table illustrates the annual sales activity for homes sold between 2016 and 2020 for the PSA (Ferrum) and SSA (Balance of County).

PSA (Ferrum)				
Sales History by Year (2016 through 2019)				
Year	Number Sold	Percent Change	Median Sales Price	Percent Change
2016	10	-	\$140,750	-
2017	12	20.0%	\$146,750	4.3%
2018	10	-16.7%	\$143,475	-2.2%
2019	8	-20.0%	\$141,500	-1.4%
SSA (Balance of County)				
Year	Number Sold	Percent Change	Median Sales Price	Percent Change
2016	683	-	\$210,500	-
2017	690	1.0%	\$239,250	13.7%
2018	667	-3.3%	\$229,900	-3.9%
2019	763	14.4%	\$264,900	15.2%

Source: Roanoke Valley Association of REALTORS

As the preceding table illustrates, home sales by price point within the PSA have declined in each of the past two years, at an average rate of 18.4%. However, this is a reflection of a decrease of just two homes annually. It is worth pointing out the median sales price has remained generally stable over the past two years. Meanwhile, the median sales price within the SSA (Balance of County) was \$264,900 in 2019, increasing by 15.2% over the preceding year.

The distribution of homes recently sold between January 2016 and April 2020 by *price* for the PSA (Ferrum) and SSA (Balance of County) is summarized in the following table:

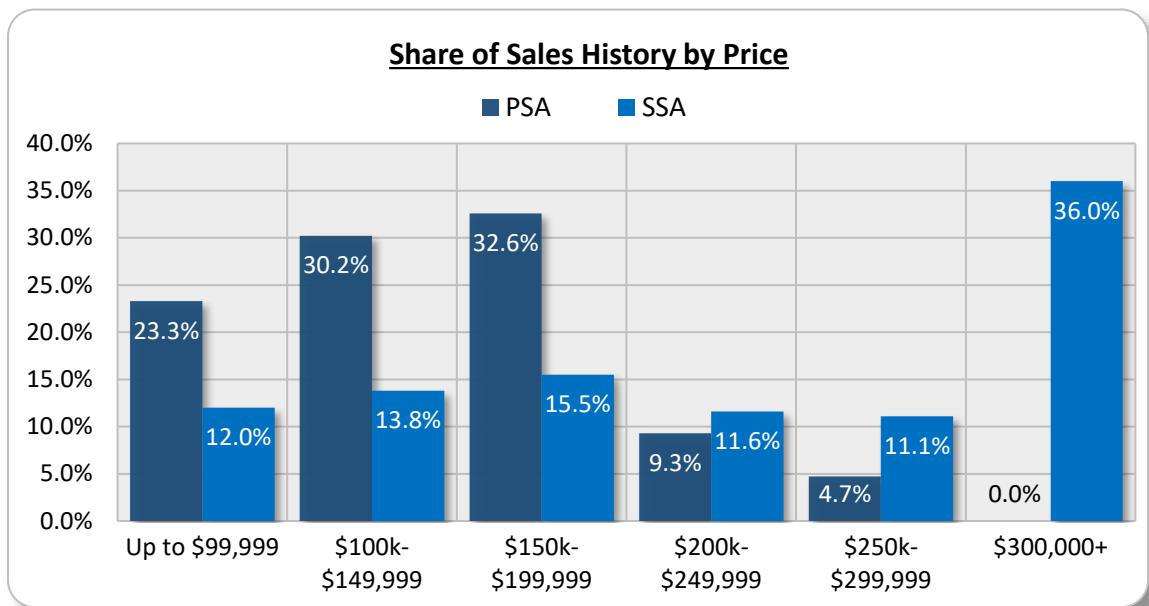
Sale Price	Sales History by Price (January 1, 2016 to April 10, 2020)					
	PSA (Ferrum)			SSA (Balance of County)		
	Number Sold	Percent of Supply	Average Days on Market	Number Sold	Percent of Supply	Average Days on Market
Up to \$99,999	10	23.3%	79	357	12.0%	92
\$100,000 to \$149,999	13	30.2%	100	411	13.8%	73
\$150,000 to \$199,999	14	32.6%	72	460	15.5%	98
\$200,000 to \$249,999	4	9.3%	71	343	11.6%	112
\$250,000 to \$299,999	2	4.7%	323	330	11.1%	108
\$300,000+	0	0.0%	-	1,067	36.0%	183
Total	43	100.0%	94	2,968	100.0%	127

Source: Roanoke Valley Association of REALTORS

As the preceding table illustrates, slightly more than half of all home sales by price point within the PSA (Ferrum) over the past four years were primarily concentrated among product priced below \$150,000, while nearly one-third of the remaining of product sold was priced between \$150,000 and \$200,000. Regardless of price, homes are selling relatively quickly at virtually all price ranges in the PSA, with all but the highest price segment (\$250,000+) having an average number of days on market (the number of days a home is listed on a market before it is sold) of 100 or less. Therefore, there appears to be a good level of demand for for-sale product within the PSA.

In the surrounding SSA, the majority of home sales were primarily concentrated among product priced above \$200,000, which have relatively short sales periods (less than 100 days).

The share of recent home sales in the PSA (Ferrum) and SSA (Balance of County) by *price point* are illustrated in the following graph:



A map illustrating the location of all homes sold over the past four years within the PSA and SSA is included on the following page.



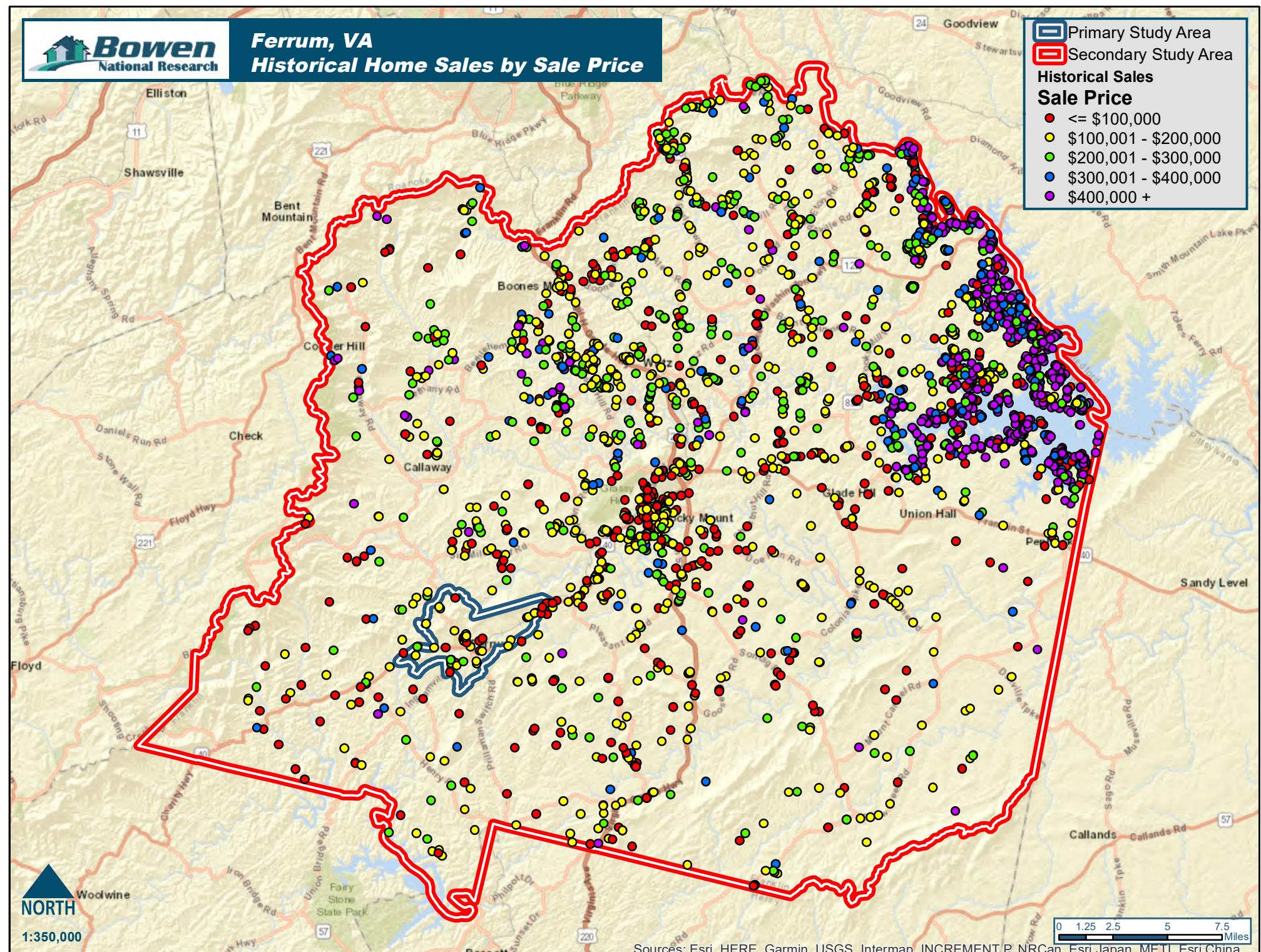
Ferrum, VA **Historical Home Sales by Sale Price**

-  Primary Study Area
-  Secondary Study Area

Historical Sales

Sale Price

- <= \$100,000
- \$100,001 - \$200,000
- \$200,001 - \$300,000
- \$300,001 - \$400,000
- \$400,000 +



Available For-Sale Housing Supply

Through Multiple Listing Services provided by the Roanoke Valley Association of REALTORS, we identified three housing units within the PSA (Ferrum) and another 316 units in the SSA (Balance of County) that were listed as *available* for purchase as of early April 2020. All of the product we evaluated included single-family home listings, both attached and detached. While there are likely some other for-sale residential units available for purchase, such homes were not identified during our research due to the method of advertisement or simply because the product was not actively marketed. Regardless, the available inventory of for-sale product identified in this analysis provides a good baseline for evaluating the for-sale housing alternatives offered in the market.

The available for-sale data we collected and analyzed includes the following:

- Distribution of Housing by Bedrooms
- Distribution of Housing by Price Point
- Distribution of Housing by Year Built

The available for-sale housing by *bedroom* type in the PSA (Ferrum) and SSA (Balance of County) is summarized in the following table.

Available For-Sale Housing by Bedrooms (As of April 14, 2020)								
PSA (Ferrum)								
Bedrooms	Number Available	Average Baths	Average Square Feet	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Three-Br.	1	1.0	2,251	1825	\$134,500	\$134,500	\$59.75	21
Four-Br.	2	2.5	2,324	1945	\$189,000 - \$282,900	\$235,950	\$107.30	311
Total	3	2.0	2,299	1905	\$134,500 - \$282,900	\$189,000	\$90.59	214
SSA (Balance of County)								
Bedrooms	Number Available	Average Baths	Average Square Feet	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	14	1.0	606	1985	\$79,000 - \$193,900	\$123,750	\$234.59	138
Two-Br.	33	2.0	1,480	1992	\$74,900 - \$599,900	\$280,000	\$177.48	272
Three-Br.	124	2.5	2,232	1993	\$64,900 - \$1,100,000	\$329,900	\$150.49	176
Four-Br.	103	3.5	3,625	1998	\$109,900 - \$3,200,000	\$549,999	\$166.23	158
Five+-Br.	42	4.75	5,316	1994	\$299,000 - \$8,950,000	\$819,475	\$182.44	259
Total	316	3.0	2,945	1994	\$64,900 - \$8,950,000	\$387,475	\$163.00	189

Source: Roanoke Valley Association of REALTORS

Overall, the median list price of available product in the PSA (consisting of just three homes in Ferrum) is \$189,900, which is well below the median list price in the surrounding SSA of \$329,900 for a three-bedroom and \$549,999 for a four-bedroom. The median price per-square-foot in the PSA (\$90.59) is significantly lower than SSA (\$163.00). The average number of days on market (the number of days a home is listed before it sells) in the PSA is relatively high (at 214 days), and is notably higher than the 158 to 176 days on the same bedroom types in the SSA. As such, the PSA appears to be at a total inventory and pricing disadvantage

with the surrounding region. However, considering that the average year built for the PSA's available homes is 1905, it is believed that newer for-sale product could sell at a premium in the market.

The share of available homes by *bedroom type* in the PSA and SSA is shown in the following graph:



The tables below summarize the distribution of available for-sale residential units by *price point* for the PSA (Ferrum) and SSA (Balance of County):

Available For-Sale Housing by Price (As of April 14, 2020)			
PSA (Ferrum)			
List Price	Number Available	Percent of Supply	Average Days on Market
Up to \$99,999	0	0.0%	-
\$100,000 to \$149,999	1	33.3%	21
\$150,000 to \$199,999	1	33.3%	597
\$200,000 to \$249,999	0	0.0%	-
\$250,000 to \$299,999	1	33.3%	25
\$300,000+	0	0.0%	-
Total	3	100.0%	214
SSA (Balance of County)			
List Price	Number Available	Percent of Supply	Average Days on Market
Up to \$99,999	12	3.8%	163
\$100,000 to \$149,999	25	7.9%	61
\$150,000 to \$199,999	22	7.0%	62
\$200,000 to \$249,999	22	7.0%	79
\$250,000 to \$299,999	37	11.7%	165
\$300,000+	198	62.7%	238
Total	316	100.0%	189

Source: Roanoke Valley Association of REALTORS

Two of the three available homes in the PSA are priced between \$134,500 and \$189,000, with the remaining available home priced at \$282,900. Conversely, 62.7% of the available supply the SSA is priced at \$300,000 or higher. While there appears to be a shortage of for-sale housing in the PSA at all price points, the lack of available homes priced over \$200,000 represents a significant challenge to the community in its ability to attract and retain higher income households that may seek higher priced, larger and more modern for-sale housing.

The share of available homes in the PSA and SSA by *price point* are illustrated in the following graph.



The distribution of available homes by *year built* for the PSA (Ferrum) and SSA (Balance of County) is summarized in the following tables:

Available For-Sale Housing by Year Built (As of April 14, 2020)							
PSA (Ferrum)							
Year Built	Number Available	Average Beds/Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	2	4/1.0	1,888	\$134,500 - \$189,000	\$161,750	\$91.88	309
1950 to 1959	0	-	-	-	-	-	-
1960 to 1969	0	-	-	-	-	-	-
1970 to 1979	1	4/4.0	3,123	\$282,900	\$282,900	\$90.59	25
1980 to 1989	0	-	-	-	-	-	-
1990 to 1999	0	-	-	-	-	-	-
2000 to 2009	0	-	-	-	-	-	-
2010 to present	0	-	-	-	-	-	-
Total	3	4/2.0	2,299	\$134,500 - \$282,900	\$189,000	\$90.59	214

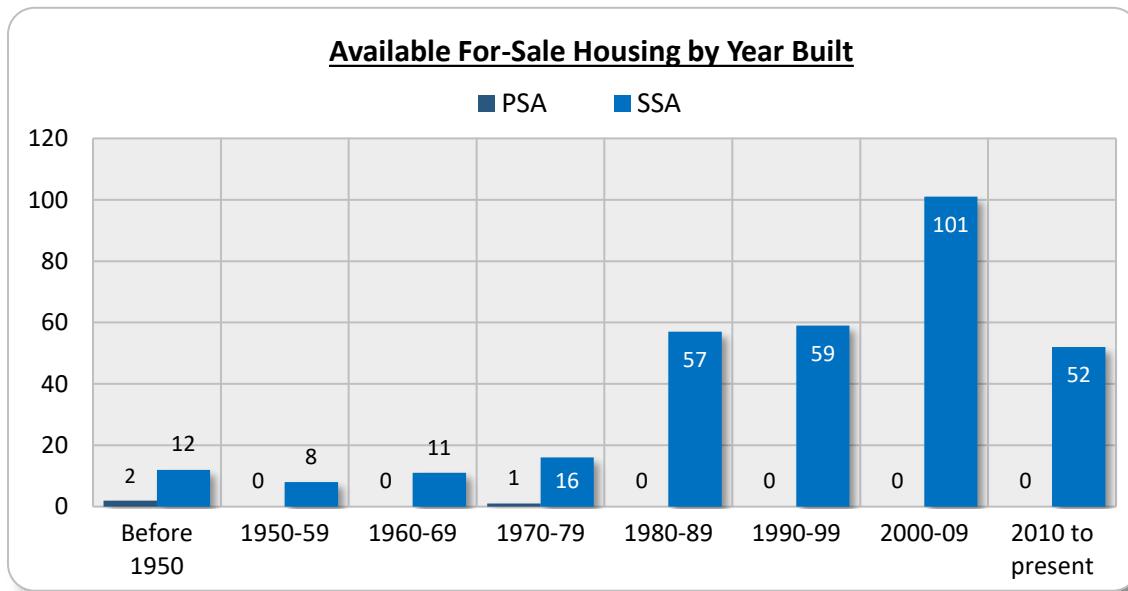
SSA (Balance of County)							
Year Built	Number Available	Average Beds/Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	12	3/1.75	1,777	\$74,900 - \$679,000	\$133,925	\$87.77	82
1950 to 1959	8	3/2.0	2,281	\$165,000 - \$975,000	\$292,450	\$110.99	198
1960 to 1969	11	3/1.75	1,622	\$147,000 - \$425,000	\$204,900	\$141.35	73
1970 to 1979	16	4/2.5	2,293	\$64,900 - \$689,900	\$229,950	\$116.23	96
1980 to 1989	57	3/2.5	2,053	\$79,000 - \$1,585,000	\$295,000	\$211.01	135
1990 to 1999	59	4/3.25	3,368	\$111,500 - \$2,895,000	\$499,000	\$182.91	147
2000 to 2009	101	4/3.5	3,604	\$107,000 - \$8,950,000	\$564,000	\$160.48	206
2010 to present	52	3/3.0	3,018	\$89,900 - \$3,500,000	\$372,450	\$163.36	342
Total	316	3/3.0	2,945	\$64,900 - \$8,950,000	\$387,475	\$163.00	189

Source: Roanoke Valley Association of REALTORS

Within the PSA (Ferrum), two of the available homes were built prior to 1950, while only one available unit was built in the 1970's. The single home available for purchase in the PSA that was built in the 1970's is priced at \$282,900, resulting in a price per-square-foot of \$90.59. While homes in the PSA represent the more affordable segment of the county's for-sale housing market, given their age, many of these homes may have additional costs associated with modernization, repairs, and accessibility issues.

In the surrounding SSA, the price-per-square-foot is much higher for homes built since 1950. Given that all homes in the PSA and just over half of the homes in the SSA are more than 20 years old, it is expected that modern, well-designed homes developed in the PSA and SSA could achieve a premium over the most modern units available in the market.

The share of available homes by *year built* is shown in the graph below:



A map illustrating the location of *available* for-sale homes in the PSA and SSA is included on the following page.



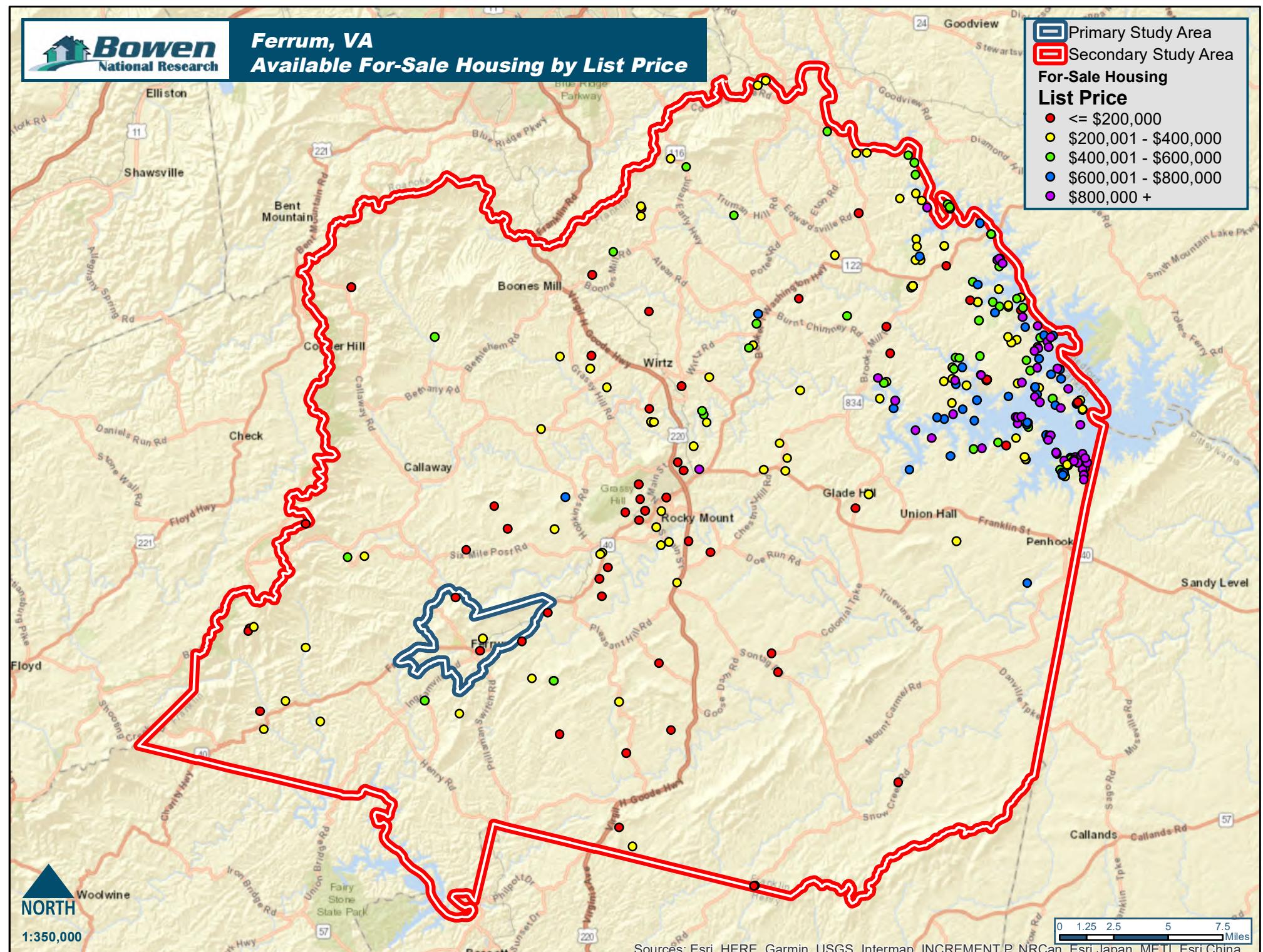
Ferrum, VA Available For-Sale Housing by List Price

-  Primary Study Area
-  Secondary Study Area

For-Sale Housing

List Price

-  <= \$200,000
-  \$200,001 - \$400,000
-  \$400,001 - \$600,000
-  \$600,001 - \$800,000
-  \$800,000 +



4. DEVELOPMENT PIPELINE AND & FORECLOSURES

Planned and Proposed Residential Development

In order to assess housing development potential, we evaluated recent residential building permit activity and identified residential projects in the development pipeline within the county. Understanding the number of residential units and the type of housing being considered for development in the market can assist in determining how these projects are expected to meet the housing needs of the county.

The following table illustrates single-family and multifamily residential building permits issued in the past ten years within Franklin County.

Housing Unit Building Permits for Franklin County, Virginia:										
Permits	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Multifamily Permits	119	115	114	95	111	112	138	4	11	18
Single-Family Permits	0	2	0	36	0	0	4	113	119	122
Total Units	119	117	114	131	111	112	142	117	119	122

Source: SOCDS Building Permits Database at <http://socds.huduser.org/permits/index.html>

As the preceding table illustrates, residential permit activity in Franklin County has declined over each of the past three years since the decade-high record 142 units permitted in 2015. The majority of the residential building permit activity since 2015 has involved single-family homes. Franklin County permit activity has exceeded 110 units a year every year since 2009.

Multifamily Rental Housing

Based on our interviews with planning representative, it was determined that there is one rental housing project either under construction or planned within Franklin County limits. This development is summarized as follows:

Franklin County				
Project Name & Address	Type	Units	Developer	Status/Details
Westlake Apartments Village Springs Drive	Market-rate	Up to 250	Westlake Holdings LLC	Approved in 2018; No construction as of June 2020; To include swimming pool and clubhouse; Will be built in phases

For-Sale Housing-Single Family Home, Condominiums, and Townhomes

There are currently two confirmed for-sale housing projects planned and/or under construction within Franklin County limits. These projects are summarized in the table that follows:

Franklin County				
Subdivision	Units/ Lots	Product Type	Developer	Status/ Details
Red Barn 105 Red Barn Lane Wirtz, VA 24184	99 Lots	Single-Family Home	N/A	Approved
N/A	25	Patio Homes	N/A	To be located along Parkcrest Drive in Westlake Corner; No construction as of June 2020

N/A – Not Available

Residential Foreclosures

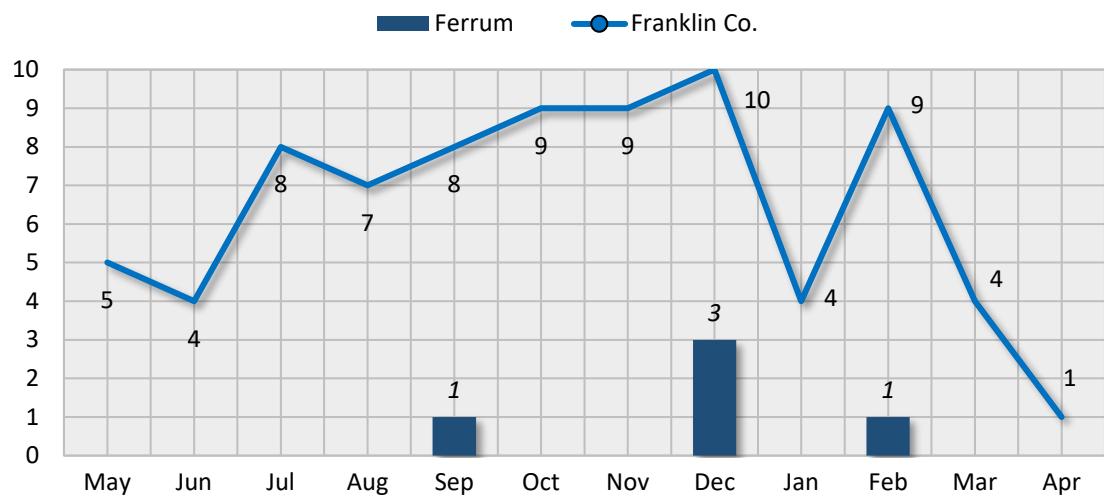
The foreclosure of residential structures became prominent in markets throughout the United States during the national recession starting in 2008. The increase in foreclosures resulted from loss of jobs, declining household incomes, predatory lending practices, and other factors that prohibited homeowners from paying their monthly mortgage. Given recent and potential impacts of the COVID-19 outbreak, it will be important to track foreclosure activity in the local market, as it is an indicator of housing market health. The following table summarizes monthly residential foreclosure activity from May 2019 through April 2020 within Franklin County.

Residential Foreclosure Filings – Franklin County		
Month	Filings	Monthly Change
May	5	-
June	4	-1
July	8	+4
August	7	-1
September	8 (1)	+1
October	9	+1
November	9	-
December	10 (3)	+1
January	4	-6
February	9 (1)	+5
March	4	-5
April	1	-3
Total Foreclosures	78 (5)	-
Avg. Monthly	6.5	-

Source: RealtyTrac.com

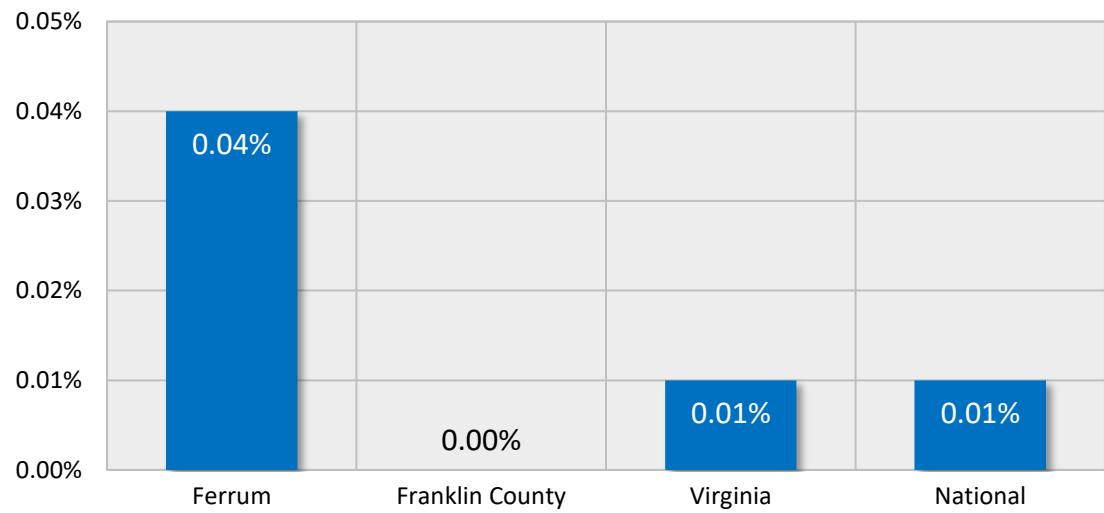
Note: The number of monthly filings is approximated

Ferrum/Franklin Co. Residential Foreclosures (May 2019 to Apr. 2020)



Between May 2019 and April 2020, there were a total of 78 residential foreclosure filings in Franklin County, with an average of 6.5 foreclosures per month. Just five of these filings were in Ferrum, resulting in a foreclosure rate of 0.04%. While this is higher than the county, state and national averages, it should be noted that national foreclosure rates are the lowest they have been since the last financial crisis. It appears that foreclosure activity has had a minimal impact on the Ferrum housing market in the past year. However, it will be important to monitor such activity over the near future, particularly given the recent economic impact COVID-19 has had on markets around the United States. The overall foreclosure rates over the past 12 months for the PSA (Ferrum), Franklin County, the state of Virginia, and the United States are compared in the following graph.

Annual Foreclosure Rates (Past 12 Months)



F. OTHER HOUSING FACTORS

1. INTRODUCTION

Factors other than demography, employment, and supply (analyzed earlier in this study) can affect the strength or weakness of a given housing market. The following additional factors influence a housing market's performance:

- Personal Mobility
- Crime Risk
- Community Attributes
- Elementary School Quality
- Ferrum College

2. PERSONAL MOBILITY

The ability of a person or household to travel easily, quickly, safely, and affordably throughout a market influences the desirability of a housing market. If traffic jams create long commuting times or public transit service is not available for carless people, their quality of life is diminished. Factors that lower resident satisfaction weaken housing markets. Typically, people travel frequently outside of their residences for three reasons: 1) to commute to work, 2) to run errands or 3) recreation.

The following tables show two commuting pattern attributes (mode and time) for each study:

		Commuting Mode						
		Drove Alone	Carpooled	Public Transit	Walked	Other Means	Worked at Home	Total
PSA (Ferrum)	Number	613	103	10	97	0	81	904
	Percent	67.8%	11.4%	1.1%	10.7%	0.0%	9.0%	100.0%
SSA	Number	19,379	2,427	123	424	383	1,527	24,263
	Percent	79.9%	10.0%	0.5%	1.7%	1.6%	6.3%	100.0%
Franklin County	Number	19,992	2,530	133	521	383	1,608	25,167
	Percent	79.4%	10.1%	0.5%	2.1%	1.5%	6.4%	100.0%
Virginia	Number	3,183,208	381,320	182,233	100,758	70,754	197,485	4,115,758
	Percent	77.3%	9.3%	4.4%	2.4%	1.7%	4.8%	100.0%

Source: U.S. Census Bureau, 2013-2017 American Community Survey

		Commuting Time						
		Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes	Worked at Home	Total
PSA (Ferrum)	Number	227	296	114	90	96	81	904
	Percent	25.1%	32.7%	12.6%	10.0%	10.6%	9.0%	100.0%
SSA	Number	5,022	6,576	5,490	3,094	2,554	1,527	24,263
	Percent	20.7%	27.1%	22.6%	12.8%	10.5%	6.3%	100.0%
Franklin County	Number	5,249	6,872	5,604	3,184	2,650	1,608	25,167
	Percent	20.9%	27.3%	22.3%	12.7%	10.5%	6.4%	100.0%
Virginia	Number	874,878	1,420,524	855,199	364,034	403,638	197,485	4,115,758
	Percent	21.3%	34.5%	20.8%	8.8%	9.8%	4.8%	100.0%

Source: U.S. Census Bureau, 2013-2017 American Community Survey

The share (79.2%) of commuters in the PSA (Ferrum) that either drive alone or carpool is less than the share (89.9%) of the same commuting modes in the surrounding SSA. Generally, commute times to work in the PSA are shorter than they are in the SSA. Over 25% of PSA commuters have travel times of less than 15 minutes, compared to 20.7% of SSA commuters. Notably, the SSA's share of commuters who drive 30 or more minutes to work is higher than the state. It should also be pointed out that 9.0% of PSA residents work from home and 10.7% walked to work. Therefore, nearly one-fifth of PSA workers do not drive to work.

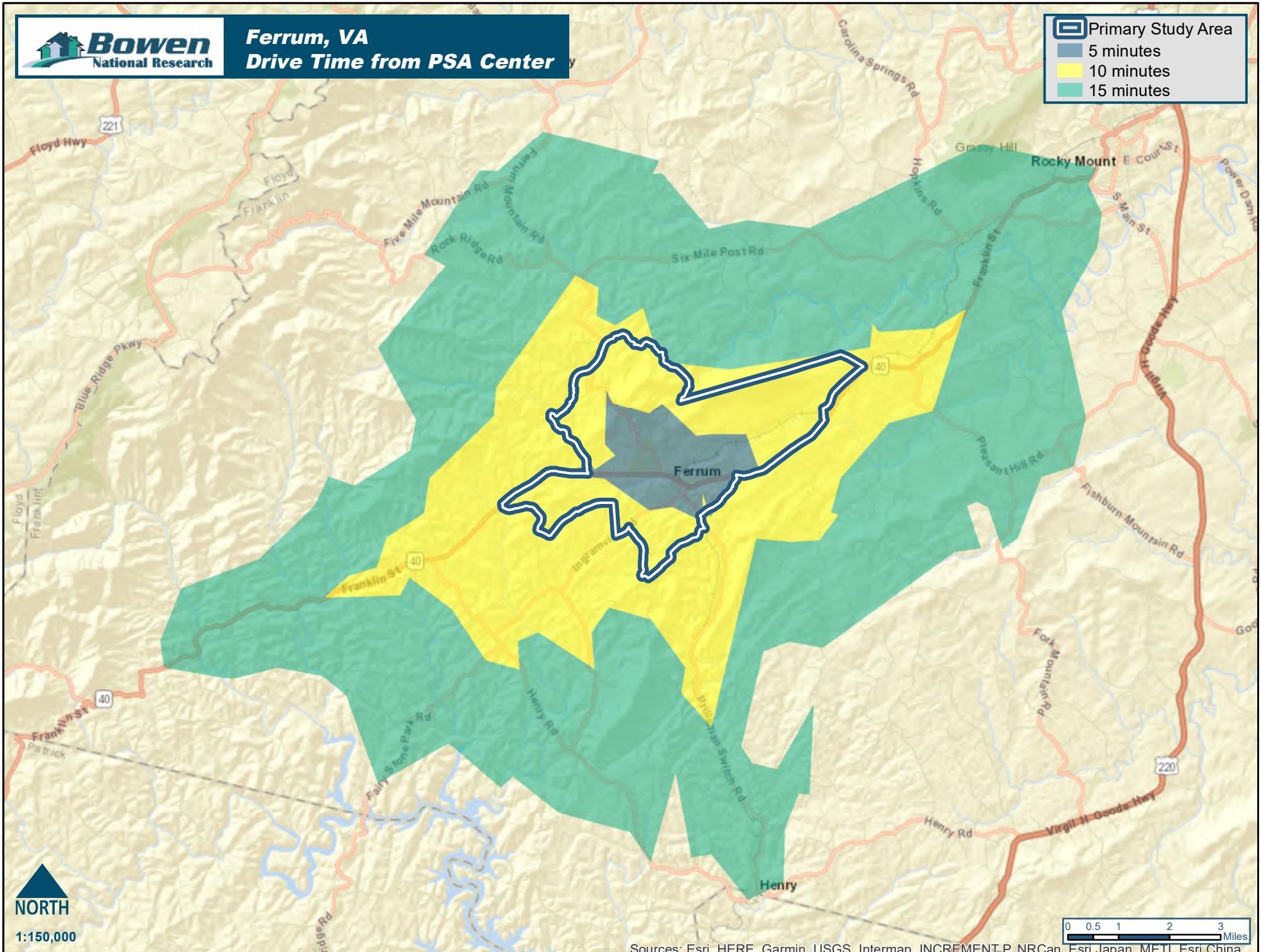
Based on the preceding analysis, it is clear that a high share of Ferrum's residents have relatively short drives and that they rely on their own vehicles or carpools to commute to work. Additionally, it appears that most residents do not have abnormally long drive times and, as a result, should not have abnormally high transit costs that would notably influence housing choices.

A drive-time map showing travel times from the geographic center of the PSA (Ferrum) follows this page.



Ferrum, VA Drive Time from PSA Center

- Primary Study Area
- 5 minutes
- 10 minutes
- 15 minutes

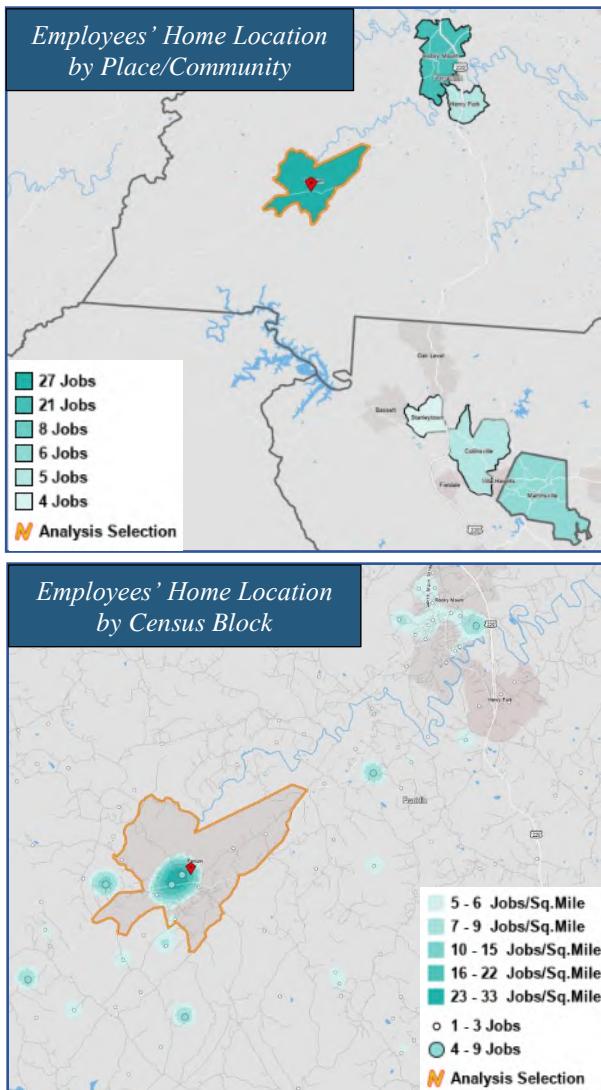


1:150,000

0 0.5 1 2 3 Miles

Sources: Esri, HFRF, Garmin, USGS, Intermap, INCREMENT, NRC, Esri Japan, MFTI, Esri China

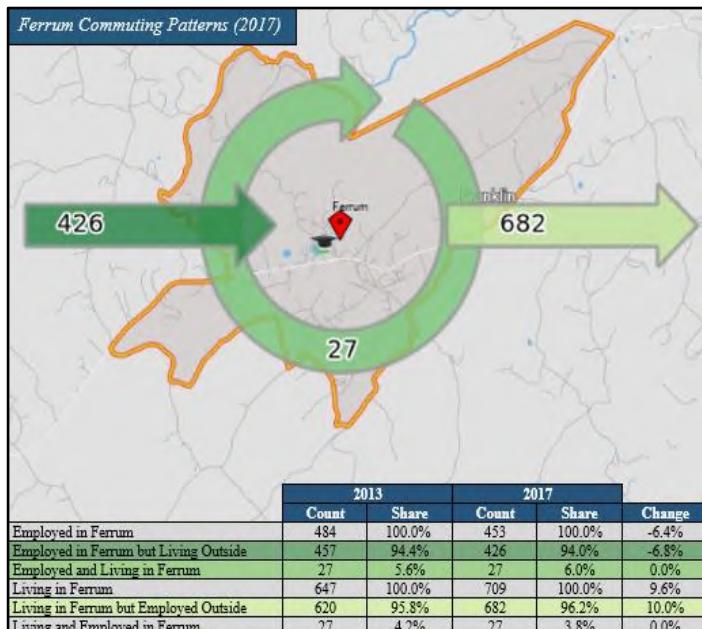
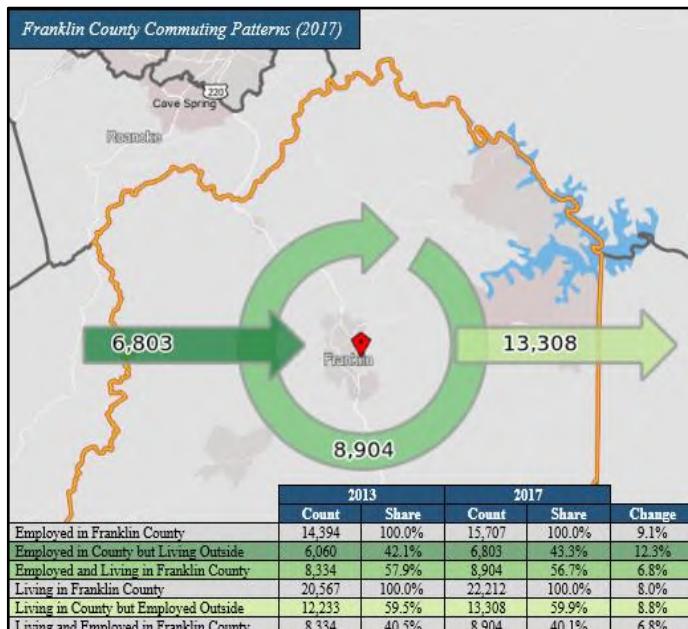
The following maps illustrate the physical location of Ferrum workers' home location. The first map illustrates the place/community from which they commute, while the second map shows the more specific Census Blocks from which they commute.



PSA (Ferrum) Job Counts Where Workers Live - All Jobs		
	Count	Share
All Places (Cities, CDPs, Etc.)	453	100.0%
Ferrum, VA	27	6.0%
Rocky Mount, VA	21	4.6%
Cave Spring, VA	8	1.8%
Martinsville, VA	6	1.3%
Roanoke, VA	6	1.3%
Collinsville, VA	5	1.1%
Henry Fork, VA	5	1.1%
Penhook, VA	4	0.9%
Salem, VA	4	0.9%
Stanleytown, VA	4	0.9%
Radford, VA	3	0.7 %
Eden, NC	2	0.4%
Greensboro, NC	2	0.4%
Basset, VA	2	0.4%
Danville, VA	2	0.4%
Hollins, VA	2	0.4%
North Shore, VA	2	0.4%
Oak Level, VA	2	0.4%
Stuart, VA	2	0.4%
Timberlake, VA	2	0.4%
Union Hall, VA	2	0.4%
Westlake Corner, VA	2	0.4%
Berkeley, CA	2	0.2%
Livermore, KY	1	0.2%
Levittown, NY	1	0.2%
All Other Locations	335	74.0%

As illustrated in the maps and table above, just 6.0% of Ferrum's total 453 employees also live in Ferrum. While the largest number (21 or 4.6%) of people commuting into Ferrum for work come from the nearby town of Rocky Mount, a notable amount come from Henry County, located southeast of Ferrum. Since most Ferrum College students are required to live on-campus, the high share of commuters from outside the county may largely be attributed to the college's staff and faculty, many of whom are likely not living in the town of Ferrum or Franklin County. According to representatives, staff and faculty often commute from Roanoke, though some staff and faculty commute from Blacksburg and Greensboro.

The maps and data below illustrate the inflow and outflow of the daily workforce traveling in and out of Franklin County and Ferrum.



Note: Overlay arrows do not indicate directionality of worker flow between home and employment locations.

Franklin County. As shown in the preceding map and table, a total of 13,308 workers leave Franklin County for employment during the day, while 6,803 people that work in Franklin County commute from outside of the area. Between 2013 and 2017, the inflow of workers into the county increased by 12.3% (743 people), while the outflow of residents employed elsewhere has increased by 8.8% (1,075 people). During this time, the number of people who both live and work in the county has increased by 6.8% (570 people). As such, the county experienced a net gain of just over 200 employees who work in the county, regardless of their origination.

Ferrum. A total of 682 workers leave the town for employment during the day, while 426 people that work in Ferrum commute from outside of the town. Between 2013 and 2017, the inflow of workers into Ferrum declined by 6.8% (31 people), while the outflow of residents employed outside of Ferrum has increased by 10.0% (62 people). Despite these changes, the number of people who both live and work in Ferrum has remained unchanged. Regardless, the inflow of 426 workers (94.0% of Ferrum's employment base) represents an opportunity for Ferrum to retain such commuters as permanent residents.

It is anticipated that as additional housing is added to Franklin County, including to the town of Ferrum, the market has a greater chance of attracting these commuters to the area.

3. CRIME RISK

Crime risk, whether perceived or real, can influence a person's decision to move to, leave, or remain at, a particular location. Existing and potential residents constantly monitor crime risk, both on a "personal" and "property" basis. Stronger housing markets normally enjoy low or decreasing crime rates, while weaker housing markets usually suffer from high or increasing crime rates.

For this study, the FBI Uniform Crime Report (UCR) was used. The FBI collects data from roughly 16,000 separate law enforcement agencies across the country and compiles it into the UCR. The most recent data shows a 95% coverage rate of all jurisdictions nationwide.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model seven crime types for specific geographic areas. Risk indexes are standardized based on national averages. A Risk Index value of 100 for a particular crime type in a certain area means that the probability of the risk is consistent with the national average. It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and a murder is no more significant statistically than petty theft. Therefore, caution should be exercised when using them.

The following table compares the UCR crime risk probabilities for the selected geographies in this study:

Total Crime	Personal Crime					Property Crime				
	Murder	Rape	Robbery	Assault	Total	Burglary	Larceny	Vehicular Theft	Total	
PSA (Ferrum)										
Zip Code 24088	33	117	61	18	48	42	41	32	7	32
SSA (Balance of County)										
Zip Code 24055	46	134	82	22	58	52	55	47	14	45
Zip Code 24059	28	21	35	4	17	16	35	32	11	31
Zip Code 24065	24	52	48	7	28	25	31	23	15	24
Zip Code 24067	20	60	42	4	33	26	29	18	5	19
Zip Code 24088	33	117	61	18	48	42	41	32	7	32
Zip Code 24091	43	58	58	7	43	35	35	50	12	44
Zip Code 24092	44	108	28	35	41	39	46	46	35	45
Zip Code 24101	40	55	77	4	29	27	38	48	7	42
Zip Code 24102	40	200	32	43	67	58	58	35	8	37
Zip Code 24112	79	148	72	36	70	62	67	90	42	81
Zip Code 24121	68	173	89	38	46	50	62	80	23	71
Zip Code 24137	41	160	46	21	49	43	55	39	23	41
Zip Code 24151	74	132	98	40	67	64	55	87	33	76
Zip Code 24176	56	176	29	29	40	38	72	57	37	58
Zip Code 24184	37	51	47	15	25	25	41	43	11	40

Source: Applied Geographic Solutions

(Continued)

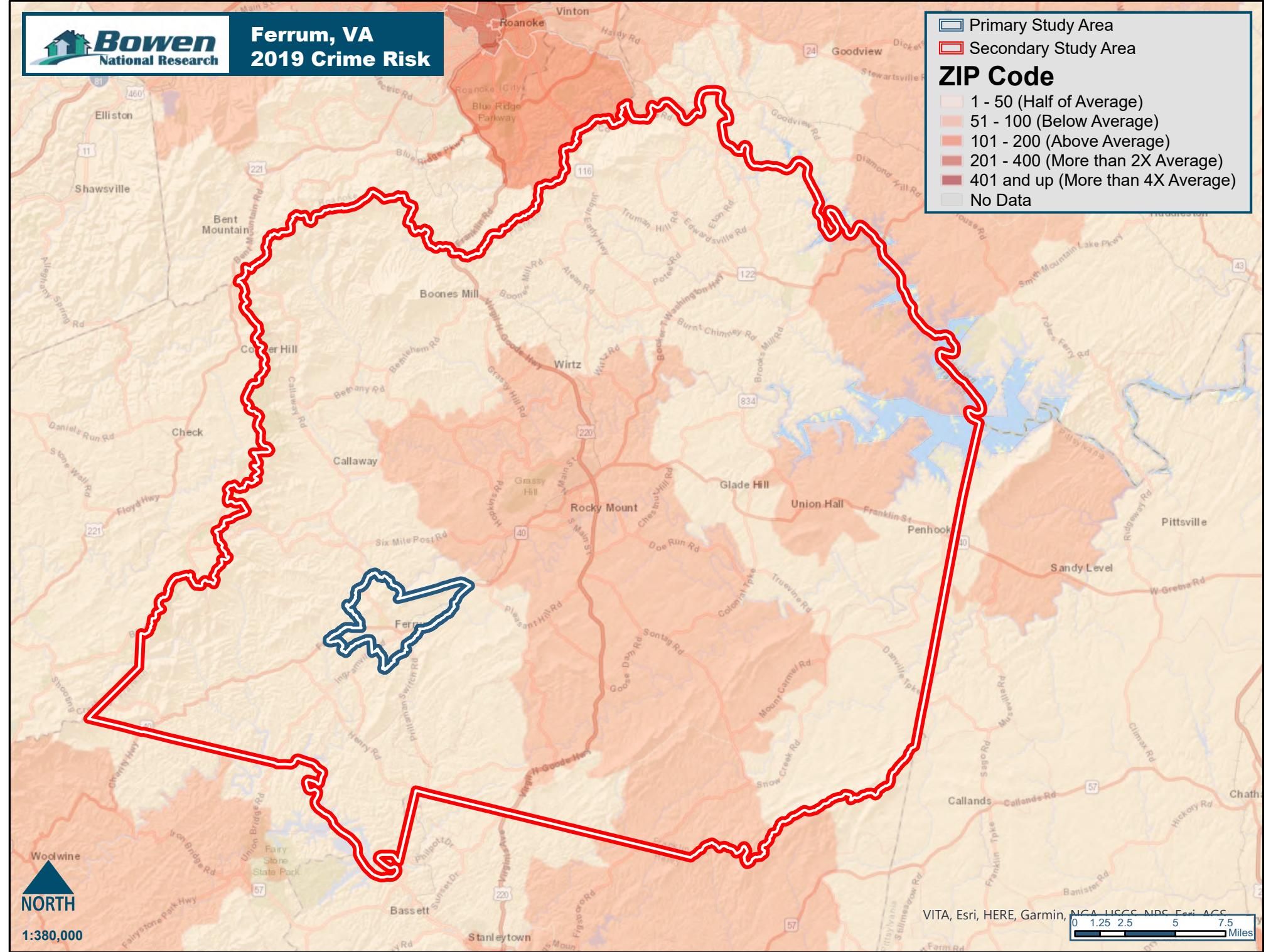
Total Crime	Personal Crime					Property Crime				
	Murder	Rape	Robbery	Assault	Total	Burglary	Larceny	Vehicular Theft	Total	
Franklin County										
Franklin County	52	106	69	24	47	44	49	58	19	53
Virginia										
Virginia	73	97	76	54	48	53	53	86	49	76

Source: Applied Geographic Solutions

The overall crime index for the PSA (Ferrum) is 33, which is well below the surrounding SSA in all instances and is below the national (100) and state (73) indices. Based on this preceding crime data, it appears that actual crime frequency for the surrounding area (SSA) is generally lower than the state average (73). Therefore, it is believed that the low crime rates may contribute to the appeal of Ferrum and Franklin County overall. A map on the following page illustrates crime risk within Franklin County.



Ferrum, VA 2019 Crime Risk



4. COMMUNITY ATTRIBUTES

The location, type, and number of community attributes (both services and amenities) significantly impact housing market performance and the ability of a market to support existing and future residential development. Holding all other factors constant, a geographic area served by an abundance of amenities and services should be more desirable than one with minimal offerings, and its housing market should perform better accordingly. As a result, community attributes of Ferrum were examined.

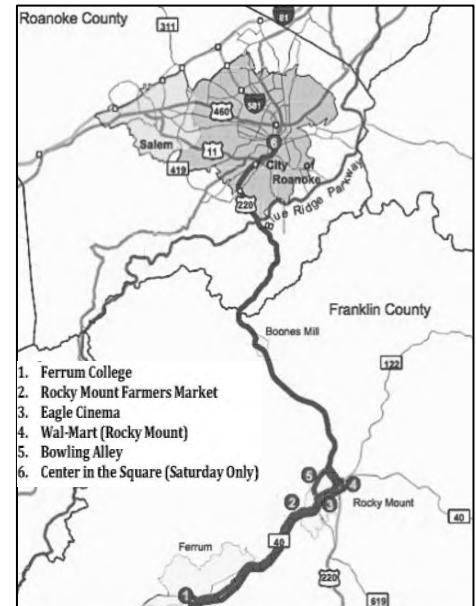
State Route 40 is the primary state highway in the southern part of Virginia and serves as Ferrum's major thoroughfare. State Route 220 is accessible within 11.0 miles east of Ferrum and Interstate 81 is located north of Roanoke, 45.0 miles from Ferrum. Ferrum is predominantly residential, with eight distinct residential neighborhoods. Commercial and industrial land uses occupy small shares of the community, with some retail in the town center and at least two industrial sites. The nearest airport, located in Roanoke and roughly 39 miles north of Ferrum, offers commercial flights, flight school, and charter services.

Overall, Ferrum is served by most key community services, with a college, an elementary school, a medical center and pharmacy, two restaurants in addition to sub, pizza, and coffee shops on campus, a bank, churches, an auto shop, a second-hand shop, a post office, a car dealer, a fire rescue squad, a barber shop, a Dollar General, and a gas station located within the area limits. These amenities are generally located in the town center along State Route 40, though some are relatively dispersed throughout the community. Walk Scores measure the proximity, number and diversity of community services. The Ferrum area overall has a Walk Score of 24 out of 100, indicating that almost all errands require a car.

Ferrum College occupies the largest footprint in the community and offers area residents multiple amenities, such as a museum, a cafeteria which is open to the public, a YMCA, walking trails, non-emergency police, a bookstore, a library, the Tri-Area Community Health Center and events. The college's theater offers programs to the general public. The W.B. Adams Stadium seats 5,500 people and serves as home to the Ferrum College football team as well as the school's recently founded men's lacrosse team. The college's Lifelong Learning Institute targets people not currently enrolled in college. While Carilion Franklin Memorial Hospital in Rocky Mount is the closest hospital, the Tri-Area Community Health Center opened its new facility in February 2020 across the street from Ferrum College to better serve the local community. The clinic is a Federally Qualified Health Center (FQHC) capable of managing most acute and chronic medical issues. Family medicine services include regular preventative health care for all ages, minor surgeries, x-ray capabilities, routine laboratory testing, women's health services and an on-site pharmacy.

Ferrum is located on the Crooked Road Music Trail, a 330-mile driving trail that runs through southwest Virginia. Ferrum is also home to the Blue Ridge Institute & Museum, which was designated in 1896 as the state center for Blue Ridge Folklore. The Blue Ridge Institute coordinates the Blue Ridge Folklife Festival each October and seasonally opens a living-history farm museum. The festival is a major venue on the Crooked Road, Virginia's Heritage Music Trail.

Ferrum is located 9.4 miles southwest of Rocky Mount, the largest town in Franklin County. As such, the area is close to additional employment opportunities, including restaurants, banks, and specialty shops in the Rocky Mount downtown area. Rocky Mount's restaurants, pharmacies, grocery stores, small shopping plazas, fitness facilities, hotels, and the nearest high school are accessible via the Ferrum Express, a free bus service operated by Ferrum College that runs Thursdays and Fridays every hour into Rocky Mount from 5:00 pm to 11:00 pm, and Saturdays every two hours into Roanoke from 1:00 pm to 11:00 pm. The bus makes the following stops in the round trip to and from Ferrum campus: Rocky Mount Farmers' Market, Eagle Cinema, Rocky Mount Walmart, a bowling alley, and Campbell Court in downtown Roanoke. The Ferrum Express is open to the public, but only runs when the college is in session.



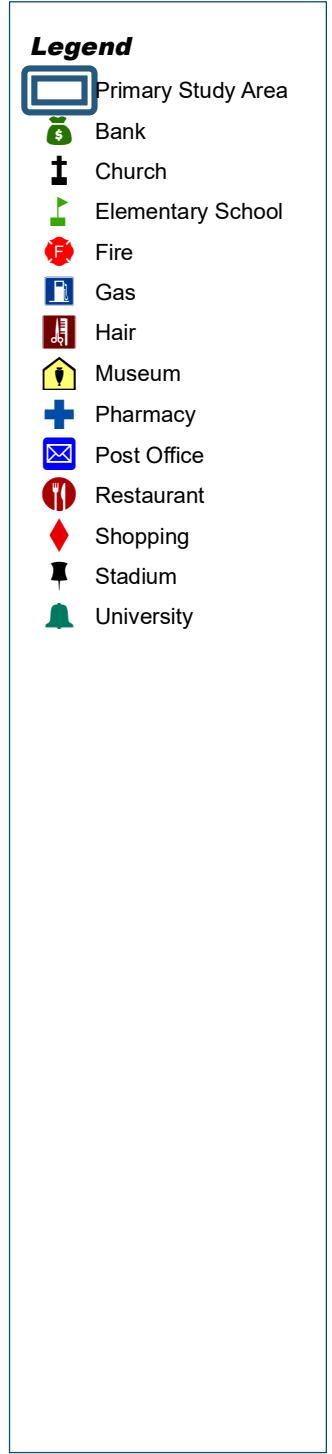
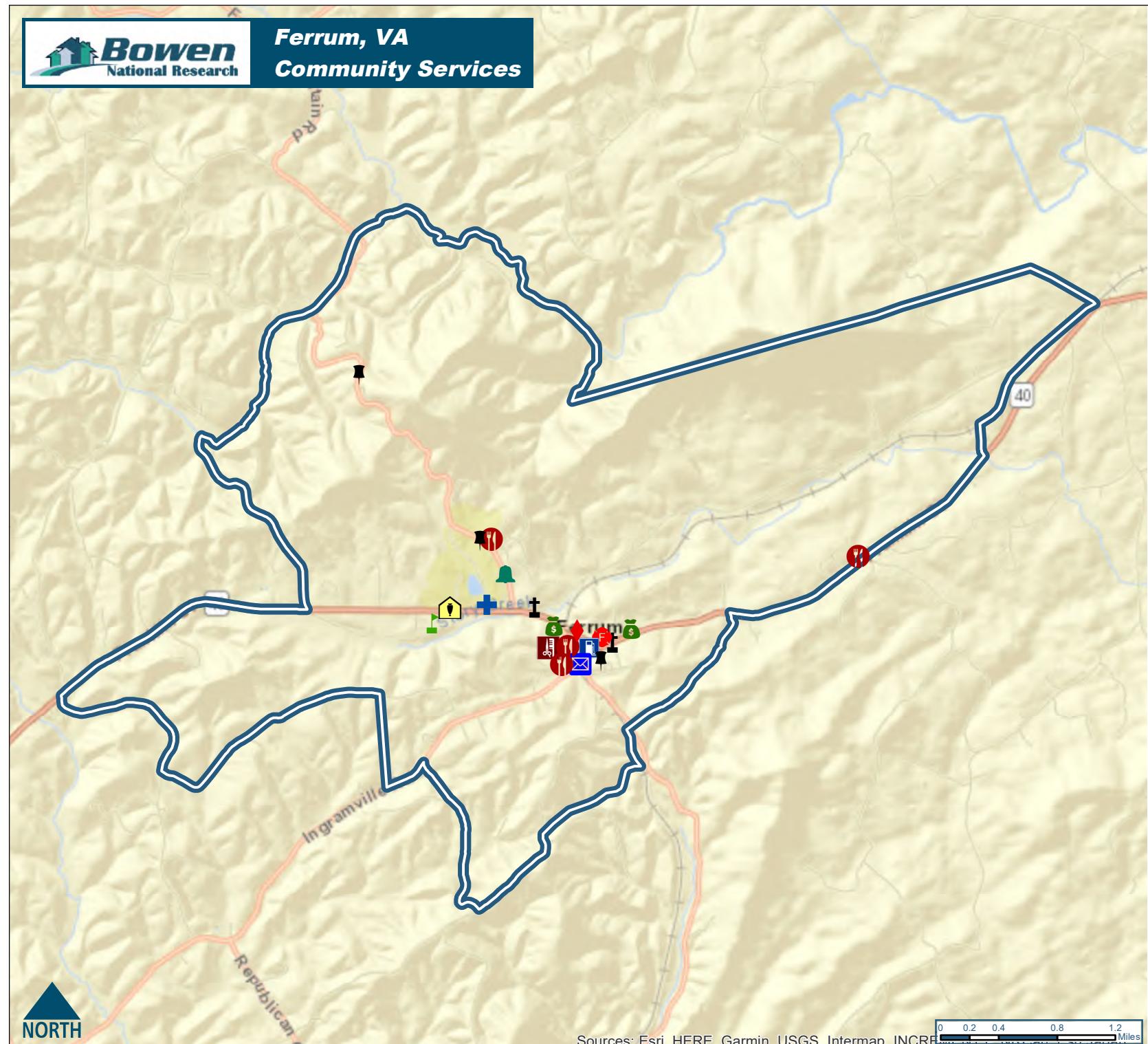
The Essig Recreation Center (senior center), Grassy Hill Natural Area Preserve, Rocky Mount Bowling Center, Lynch Park and Gilly's Park are located in Rocky Mount. Since 2014, an Annual Agricultural Fair has been held each September at Franklin County Recreation Park, a 150-acre park within 14.0 miles east of Ferrum. Waid Recreation Park, located 9.9 miles northeast, offers seven miles of trails along Pigg River, covered picnic shelters, grills, pavilions, playgrounds, fishing, canoeing, kayaking, soccer, baseball and softball fields. Smith Mountain Lake is situated 28.1 miles northeast of Ferrum. Antioch Community Park located 14 miles north, features picnic shelters, a playground, tennis courts, hiking trails, horseshoe pits and basketball courts. Runnett Bag Park at Philpott Lake is located 11.4 miles southwest of Ferrum, halfway to Fairy Stone State Park. Smart View Recreation Area, 16.9 miles southwest offers hiking trails and picnic areas, with views of the Virginia Piedmont (i.e. rolling hills and numerous ridges near the boundary with the Blue Ridge Mountains). Many of these parks surrounding Ferrum serve as regional eco-tourism destinations. Various recreational activities exist in and around Roanoke, including but not limited to, Mill Mountain Zoo, Splash Valley Water Park, Harbortown Mini Golf, Cravens Cove Natural Reserve and Read Mountain Preserve.

Overall, Ferrum is well served by most key community services, with a new medical center and pharmacy, a couple of restaurants, a post office, a YMCA, banks, churches, and public services (i.e. police and fire) located within the town limits. The area is close to employment opportunities ranging from service industry jobs to professional employment. Notable shopping areas in Rocky Mount include staple stores such as Food Lion, Kroger, Walmart, Lowe's, Dollar General and CVS. The nearest full-service shopping mall appears to be located in Roanoke. Additionally, while we did not identify any parks outside of the college, there is a walking trail available to the public on-campus and numerous recreational activities in Rocky Mount. In addition to the grocery stores in Rocky Mount, the Franklin County area contains a sizable inventory of farms which sell fresh produce, including to the campus cafeteria. Considering that Ferrum is 9.2 square miles, these community services and employment opportunities are believed to conveniently serve the residents in Ferrum. Further, many community attributes, both in Ferrum and in the surrounding region, add to the quality of life for area residents. The types, number and location of community services have been considered in our assessment of housing needs.

The map on the following page illustrates the location of various community services.



Ferrum, VA Community Services

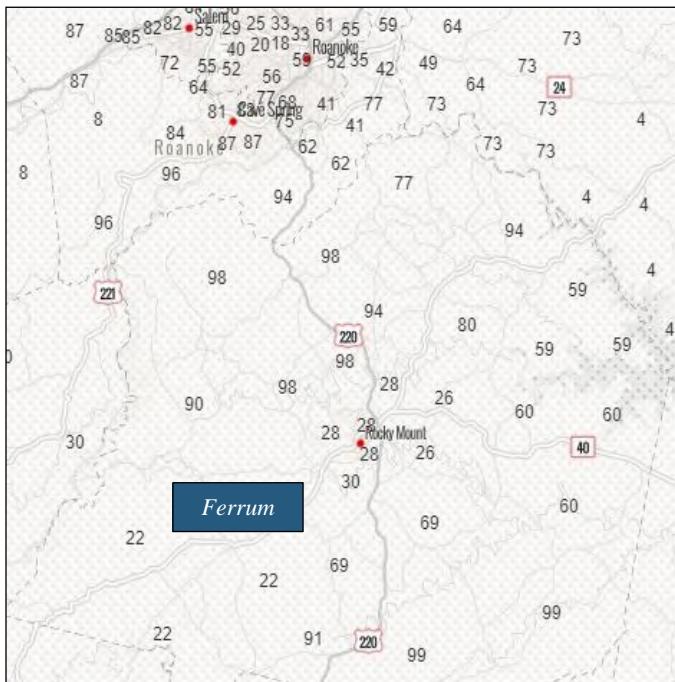


Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENTUM, © 2024 Esri

1:57,351

5. ELEMENTARY SCHOOL QUALITY

The school proficiency index uses school-level data on the performance of 4th grade students on state exams to describe which neighborhoods have high-performing elementary schools nearby and which are near lower performing elementary schools, based on a range of zero to 100. Based on the school proficiency index illustrated to the right, the schools both in and immediately surrounding Ferrum generally had lower scores (22) compared to the surrounding region, indicating a relatively lower school system quality is in these neighborhoods. As such, area schools may limit Ferrum's appeal to families with school-age children.



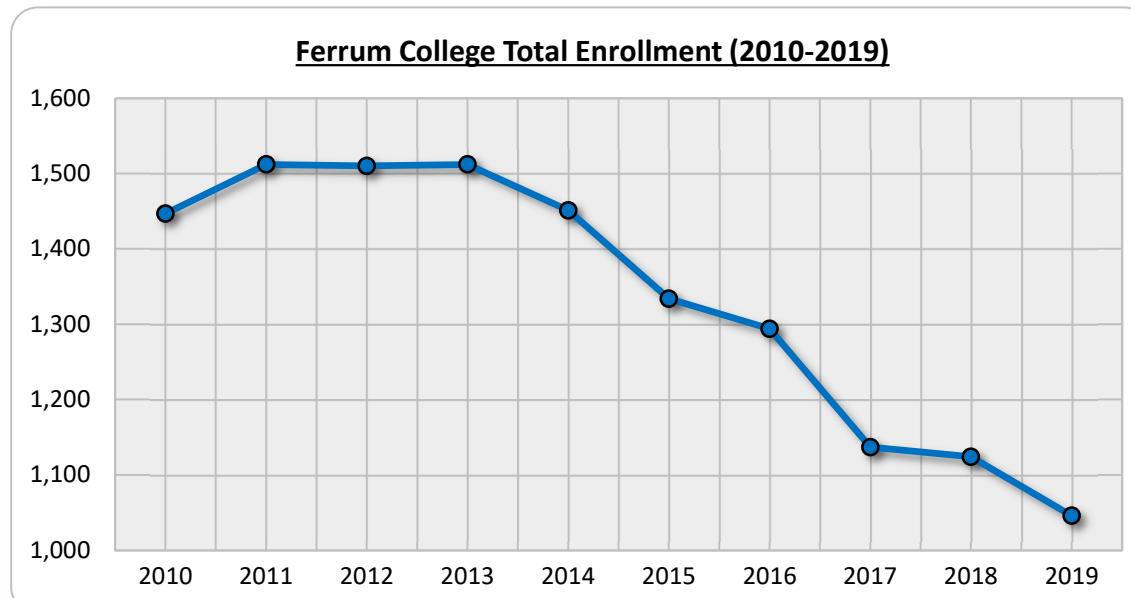
Source: US HUD (Proficiency Data 2013-14)

6. FERRUM COLLEGE

Ferrum College, a private, non-profit, four-year university located in Ferrum was established in 1913 and is listed on the National Register of Historic Places. Through the Ferrum Promise program, Ferrum offers free tuition for transfer students with an associate degree from one of Virginia's 26 community colleges. As of fall 2019, just 103 students representing 9.8% of total enrollment originated from within Franklin County, though representing the greatest share of any one county. In the fall 2019 semester, there were students attending Ferrum from over 80% of all counties in the state of Virginia. The economic impact on the local economy was estimated to be \$93 million in 2012 (The Roanoke Star). As demonstrated in the following table, the student population of Ferrum College has been trending downward since 2013.

Undergraduate Enrollment in Four-Year, Private, Non-Profit Institutions				
Fall Term	Ferrum College		Virginia	
	Total	% Change	Total	% Change
2010	1,447	-	73,806	9.2%
2011	1,512	+4.5%	81,003	-9.8%
2012	1,510	-0.1%	85,974	6.1%
2013	1,512	+0.1%	86,344	-0.4%
2014	1,451	-0.4%	88,203	2.5%
2015	1,334	-8.1%	88,536	0.4%
2016	1,294	-3.0%	86,713	-2.1%
2017	1,137	-12.1%	86,221	-0.6%
2018	1,124	-1.1%	86,208	-
2019	1,046	-4.1%	85,475	-0.9%

Source: Ferrum College Common Data Sets available for 2013-2018; State Council of Higher Education for Virginia (used for 2010-2012, 2019 Ferrum data and statewide data)



Ferrum's enrollment has steadily declined since the 1,512 head count in 2013, which is partially attributed to a decline in enrolled first-year students. In fall 2019, there were 1,046 students enrolled, representing a 4.1% decline from 2018 levels. This is higher than the 0.9% decline in Virginia and the 1.0% decline nationally in undergraduate enrollment over the same period. Between 2016 and 2019, the *national* enrollment in four-year non-profit institutions has not declined by more than 1.1% in any single year, and even increased by 1.0% in 2018. While a representative expects enrollment to remain around 1,000 students in the coming years, it is not expected to return to its record-setting level of 1,500 students in the near future. Starting in fall 2020, Ferrum College will offer two new online graduate programs, including a Specialist in Education in Teacher Leadership and Coaching and a Master of Science in Psychology.

With a bed capacity of 1,500, and a typical enrollment of approximately 1,000 students, the housing needs of students are met, according to a representative. There is no waitlist for student housing. Due to the four-year residency requirement and various requirements to obtain "commuter status," very few students live off campus. College-owned or -affiliated housing includes dorms, apartments for married students, special housing for disabled students and international students, theme and wellness housing, as well as faculty and staff housing. Room and board as of the 2018-2019 semester was \$12,445 for students. The cost of housing for students varies by residence hall and can vary based on the configuration of the room (double or single).

Faculty and staff housing are also considered to be very affordable compared to the alternatives and there are rarely any vacancies. The 11 on-campus faculty and staff apartments were built in the 1950's or 1960's and rent for between \$400 and \$565. The apartments consist of five (5) one-bedrooms, three (3) two-bedrooms, and three (3) three-bedrooms. The college may have a few faculty or staff on a wait list at any point in time. As such, it appears that rental housing for faculty and staff may represent a development opportunity.

G. DEVELOPMENT OPPORTUNITY SITE ANALYSIS

1. LOCATION

The subject site is located to the north of State Route 40 (West Franklin Street) and along State Route 1058 (Franklin Drive). State Route 40 is the primary state highway in the southern part of Virginia. The site is set back approximately 300 feet from the West Franklin Street/Franklin Drive intersection, which is approximately 1.2 miles from the Ferrum town center. Specifically, the site consists of approximately 82.0 acres of undeveloped forested land located within the town of Ferrum, just southwest of Ferrum College. Ferrum is approximately 10 miles southwest of the town of Rocky Mount and approximately 35 miles south of Roanoke, Virginia. The subject site was inspected in-person by an employee of Bowen National Research in early February 2020.

2. SURROUNDING LAND USES

The site is located within a primarily forested and residential area in the western portion of Ferrum. The immediate neighborhood is predominately comprised of heavily forested lands to the north, south and west, which are considered aesthetically appealing and allows for privacy. Wooded land extends north up to and beyond the Ferrum town boundary. Beyond the forest to the west of the site, there are some single-family dwellings in good condition, an auto repair shop and Timberland Mulch and Tree Farm. Beyond the forest to the east, is the Blue Ridge Institute and Museum, located on Ferrum College's campus. Single-family dwellings considered to be in good condition border the site to the south, along Franklin Street. Continuing south is an industrial shop (Shively & Carter Cabinets), surrounded by forested land, and Ferrum Elementary School. No noise was audible at the time of the site visit. Note that Ferrum town center and the nearest community services are located approximately 1.2-miles east of the subject site. Overall, the surrounding land uses are expected to contribute to its marketability.

3. VISIBILITY AND ACCESS

Access to the subject site is derived primarily from Franklin Street/State Route 40, a lightly traveled two-lane arterial roadway which is setback from the site by around 300 feet. This allows for convenient ingress and egress, with clear lines of sight provided in both directions of travel. There is not a significant amount of bicycle or pedestrian traffic in either direction due to the lack of sidewalks. Additionally, traffic increases during weekday business hours and seasonally due to the site's proximity to Ferrum College and Ferrum Elementary School. Access to the site is considered good, as there is direct access to State Route 40. U.S. Interstate Highway 81 can be accessed within 45.0 miles. Additionally, a bus stop operated by Ferrum College is within 1.0 mile of the site.

The site is located in a partially developed area of Ferrum. Parcels of wooded land are situated adjacent north, east and west of the site, therefore, limiting visibility from these directions. Depending on the exact location of the site within the wooded area, passerby traffic along Franklin Street may have clear visibility, unimpeded by trees. Due to the site's setback from Franklin Street, signage along this roadway is expected to increase the site's visibility. Regardless, the limited visibility is not expected to adversely impact the site's marketability due to the rural nature of the area.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The nearest shopping, dining, recreational facilities, educational opportunities, public safety services and medical facility are within 1.6 miles of the subject site. These area services are located along, or easily accessible from, State Route 40, which is adjacent to the site to the south. Additional essential community services are located in either Rocky Mount, which is approximately 10 miles northeast of the site, or in Roanoke, which is approximately 25 miles northwest of Rocky Mount. The Ferrum Express provides residents with a free alternative mode of transportation every hour to employment and shopping opportunities in Rocky Mount on Thursdays and Fridays, and to community services that are located in Roanoke every two hours on Saturdays.

Franklin County Public Schools serves the subject site and all applicable schools are within 14.0 miles of the site. Notably, the Ferrum Elementary School is within walking distance of the site. Safety services such as the Police and Fire non-emergency departments are within 1.6 miles of the site. The nearest full-service hospital with emergency services, Carilion Franklin Memorial Hospital, a department of Carilion Roanoke Memorial Hospital, is located approximately 10.6 miles from the site. However, the Tri-Area Community Health Center, located in Ferrum, accepts walk-in and emergency patients. The Southern Area Agency on Aging provides in-home services to the elderly across the county, while the Department of Aging Services provides senior citizens with transportation to medical care facilities, shopping destinations, and other needed services.

Most key community services are located within walking distance of the site, including an elementary school, two restaurants, a bank, churches, a second-hand shop, a post office, a car dealer, a barber shop and a Dollar General. Ferrum College offers area residents multiple amenities, such as walking trails, a YMCA, sub, pizza, and coffee shops, a museum, a cafeteria, non-emergency police, a bookstore, a library, a new medical center and pharmacy, sports events at the stadium, theater productions, and courses for kids and adults not currently enrolled in college. Notably, the campus cafeteria, which is open to the public, serves fresh produce from local farms.

Outside of Ferrum College and the town center, Rocky Mount's downtown area, approximately 11.0 miles northeast of the site, provides the closest employment opportunities, including restaurants, banks, specialty shops, pharmacies, grocery stores, small shopping plazas, fitness facilities, and staple stores, such as Food Lion, Kroger, Walmart, Lowe's, Dollar General and CVS. The Essig Recreation Center, which functions as a senior center, is also located in Rocky Mount. Parks in the Rocky Mount area include Waid Recreation Park (11.0 miles northeast), Lynch Park and Gilly's parks (each within 13.0 miles), Antioch Community Park (15.0 miles north), Franklin County Recreation Park (14.0 miles east), Grassy Hill Natural Area Preserve (12.0 miles northeast). Additionally, Runnett Bag Park at Philpott Lake is located 12.5 miles southwest of the site, halfway to Fairy Stone State Park, and Smith Mountain Lake is situated 29.0 miles northeast of the site.

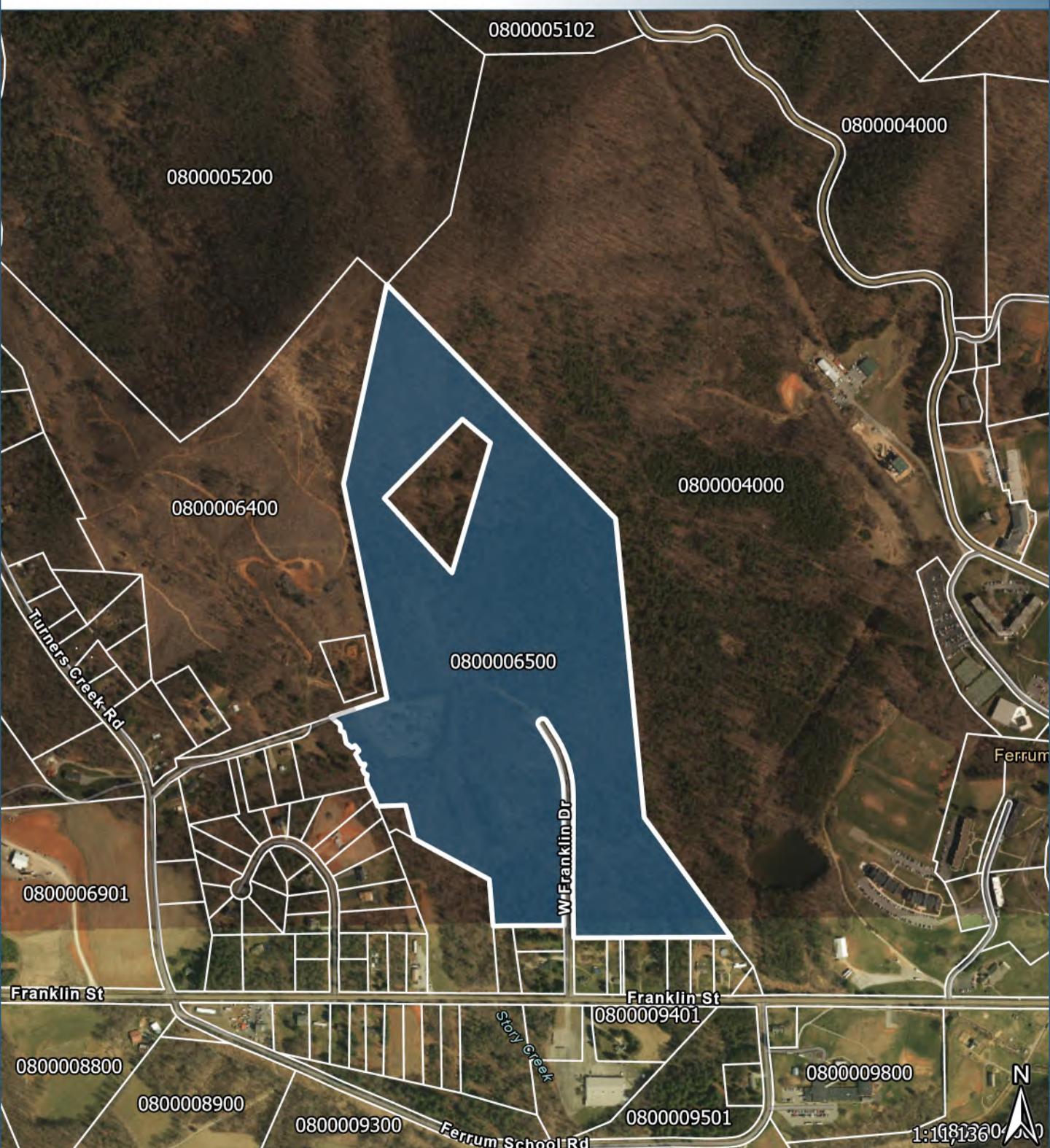
5. OVERALL SITE EVALUATION

The subject site is located within the town limits of Ferrum, adjacent southwest of Ferrum College. The immediate neighborhood is predominately comprised of forested lands, with convenient access to Ferrum Elementary School, Ferrum College, and Ferrum's town center. Basic community services including a medical clinic, a pharmacy, a convenience store, a clothing store, a barber shop, restaurants, a post office, a bank, a library, a YMCA, a walking trail, safety services and basic medical needs are all located within 1.2 miles of site. A hospital, a senior center, grocery stores, specialty shops, restaurants, recreational facilities, parks and staple stores are located within 11.0 miles north of the site. The Ferrum Express bus pick-up location is located approximately 1.0 mile east of the site, at the campus, and provides transportation services to the neighboring Rocky Mount area at no cost to the riders.

Surrounding land uses include primarily wooded land, as well as single-family homes in good to excellent condition. The wooded land neighboring the site should be considered aesthetically pleasing. Site access is considered good, due to light area traffic patterns that allow for easy ingress and egress, proximity to an arterial roadway and the location of a university-operated bus stop that is within walking distance. While site visibility is limited due to adjacent wooded land and single-family homes in the site area, signage along this roadway should increase the site's visibility. Further, limited visibility is not expected to have any adverse impact on its marketability due to the rural nature of the area.

Overall, the surrounding land uses are generally expected to benefit the marketability of the site. The lack of a full-service hospital may limit the appeal of a senior-oriented project, particularly projects that attract older seniors with health issues. Additionally, the limited amount of community services (large-scale grocer, pharmacy, restaurants, etc.) may limit the appeal of living in Ferrum for some prospective residents.

A map of the subject parcel is on the following page.



0 0.06 0.11 0.17 0.22
Miles

Map Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community, Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

H. STAKEHOLDER SURVEY SUMMARY

Associates of Bowen National Research obtained input from 13 stakeholders within Franklin County regarding the local housing market. Input from stakeholders was provided in the form of an online survey, conducted between April and May of 2020. The 13 total respondents represent a wide range of industries that deal with housing issues, including local government officials, various local government departments, the real estate industry, local education institutions, local businesses, and various neighborhood and social service organizations. The purpose of these stakeholder surveys is to gather input regarding the need for specific types and styles of housing, identify the income segments housing should target, identify housing issues in the market, and establish potential solutions to address housing within Ferrum. **IMPORTANT: Some combined results for a specific topic could exceed 100% due to the fact that respondents had the option to select more than one answer.** The following is a summary of key input gathered:

Housing Needs & Issues

- Stakeholders were asked to indicate the degree of overall housing demand within Ferrum for various housing types by **population served**. The housing needs which received at least 50% of the vote for being high priorities included the following; family housing (2+ bedrooms) (76.9%), senior care facilities (69.2%), senior apartments (independent living) (61.5%), off-campus student apartments (61.5%), and single-person studios/one-bedrooms (53.9%). Additionally, more than half of the respondents indicated that there is minimal need for rentals that accept Vouchers (61.5%), live/work housing (i.e. artists) (58.3%), and communal housing (53.9%). As such, most respondents indicated that family housing and senior apartments and senior care facilities are high priorities, followed by student/single-person housing.
- Stakeholders were asked to indicate the degree of overall housing demand within Ferrum for housing by tenure (renter vs. owner) and **price point/rent level**. The majority of respondents indicated that the greatest need was for affordable rental and for-sale housing, with 92.3% indicating a high need for rental housing with rents less than \$500/month and 76.9% indicating a need for for-sale housing priced under \$150,000. In fact, over half of respondents indicated that there is *no need* for rental housing with rents over \$1,500/month, while over half indicated minimal need for for-sale housing over \$250,000. It should be noted that 61.5% of respondents felt that there is a high need for rental housing priced between \$500 and \$999, while 69.2% indicated a minimal need for rental housing priced between \$1,000 and \$1,499.

- Stakeholders were asked to rank the level of demand for the following **housing styles**: apartments, duplex/triplex/townhomes, condominiums, ranch homes/patio homes/single floor plan units, traditional two-story single-family homes, low cost fixer-uppers (single-family homes), and accessory dwelling units (above garage, income suite, etc.). The highest share of respondents (76.9%) indicated that there is a high need for ranch homes/single floor plan units, followed by apartments (66.6%), and duplex/triplex/townhomes (53.9%). Additionally, 69.2% of respondents indicated a minimal need for low cost fixer-uppers and accessory dwelling units. Traditional two-story single-family homes also received over half (53.9%) of the vote under the *minimal need* category. Over one-fifth (23.1%) of respondents indicated that there is *no need* for condominiums. Based on these results, most respondents felt that ranch homes/single floor plan units, apartments, and duplex/triplex/townhomes are the housing styles most needed in Ferrum.
- Stakeholders were asked to what degree specific **housing issues** are experienced in Ferrum, choosing from the following options: Not at All, Somewhat, or Often. The issues that received the greatest response (over 50%) from the respondents, under the category of issues *often* experienced by residents, were lack of nearby community services (grocery, doctor, etc.) (76.9%), lack of access to public transportation (61.5%), home purchase affordability (61.5%), lack of a down payment for purchase (61.5%), and rent affordability (53.9%). Categories that received “somewhat” for issues facing residents included foreclosure (100%), high cost of renovation (76.9%), lack of rental deposit or first/last month rent (69.2%), substandard housing (69.2%), and high cost of maintenance/upkeep (69.2%). While the highest share of residents indicated that lack of nearby community services is the highest priority housing issue, it should be noted that 23.1% of respondents disagreed. Besides the availability of community services and public transportation, many of the greatest issues facing residents are associated with finances, whether it’s the affordability of renting or buying.
- Stakeholders were asked to select all the applicable **community services** in Ferrum that prevent the town from attracting new residents. All 13 respondents agreed that entertainment venues are lacking. The remaining community services believed to be lacking are as follows: restaurants and bars/pubs (92.3%), a grocery store (84.6%), recreation venues (playgrounds, parks, trails, etc.) (76.9%), a farmers market (76.9%), public transportation (76.9%), boutique shops/retailers (bookstore, craft store, salon, etc.) (53.9%), and a department store (38.5%).

Housing Programs & Resident Assistance

- Stakeholders were asked to prioritize the following types of incentives or assistance that should be considered for the town: Tax abatement, reduce/waive development fees, clear/donate land, assistance with infrastructure, access to utilities/utility assistance, low cost loans or grants to repair homes, and down payment assistance. Over three-fifths (61.5%) of respondents ranked the following as high priorities: Assistance with infrastructure, low cost loans or grants to repair homes, and down payment assistance. The only other incentive receiving a majority vote as being a high priority was utility assistance, garnering 53.9% of the vote. Tax abatement was the only incentive to elicit a majority vote under the *moderate priority* category, garnering 53.9% of the vote. It was clear that infrastructure assistance, homeowner assistance for housing repairs, and down payment assistance were believed to be among the highest priorities for the area's residents.
- Stakeholders were asked to prioritize the following **development types**: New construction, renovation of existing homes, conversion of unused buildings, the use of upper floors of commercial space into housing, clear blighted/unused structures to create land for new development, low cost loans or grants to repair homes, and energy efficiency. The conversion of unused buildings received the greatest share (76.9%) of the high priority vote. A total of 69.2% of respondents ranked the following as high priorities: New construction, renovation of existing homes, and clear blighted/unused structures to create land for new development. The only other development type receiving a majority vote as being a high priority was the use of upper floors of commercial space into housing, garnering 53.9% of the vote. Low cost loans or grants to repair homes was the only incentive to elicit a majority vote under the *moderate priority* category, garnering 53.9% of the vote. It was clear that the conversion of unused buildings, including upper floors of commercial space, the renovation of existing homes, and the clearing of blighted/unused structures to create land for new development, as well as new construction were believed to be among the highest priorities for the area's residents.

Barriers to Housing Development

- Stakeholders were also asked what the top three barriers or obstacles are in Ferrum that limit residential development. The top three barriers/obstacles were lack of community services (53.9%), lack of transportation (46.2%), and lack of jobs/employment opportunities (38.5%). Barriers cited by three respondents (23.1%) included the availability of land, community support, financing, and low rent/price potential developers. Just two residents (15.4%) believed that the cost of labor/materials, the lack of infrastructure, the condition/blight of existing homes, and low potential for property values to appreciate are other barriers existing in Ferrum.

- A total of 6 respondents provided open-ended responses as to how they believed obstacles or barriers to development could be reduced or eliminated.
 - Two respondents indicated that the development of a county-owned 82-acre parcel adjacent to Ferrum College could help eliminate barriers, possibly providing senior living options in a mixed use development with a package of services resulting from partnerships with Ferrum College, Tri-Area Health Center and the YMCA.
 - One respondent suggested zoning controls for decreasing the risk of potential conflicts, thereby attracting outside investment.
 - One respondent suggested encouraging new retail options in the Ferrum Town to help promote others to move to Ferrum, as well as addressing transportation.
 - One respondent suggested focusing on stabilizing the costs of housing development. For example, authorities might consider offering affordable rural housing loans for larger properties. Additionally, this stakeholder stressed the importance of the availability of high-speed reliable internet.
 - One respondent suggested encouraging the development of employment opportunities by implementing tax abatements or other incentives for potential job-creating entities, focusing on regional themes such as farming, forestry, distilling and brewing, recreation, and outdoor adventuring.

I. HOUSING GAP ESTIMATES

Bowen National Research conducted housing gap/needs analyses for rental and for-sale housing for the town of Ferrum. This analysis takes into consideration new and existing households, the currently available housing supply, product in the development pipeline and other sources of demand.

Our estimates consider three income stratifications. These income stratifications were established by using the income limits that correspond to various affordable housing programs. For example, the lowest rental stratification used the approximate four-person HUD income limit of 50% of Area Median Household Income (AMHI) that corresponds to typical government-subsidized programs, while the middle-income limit used the approximate 80% AMHI limit published by HUD that corresponds to product developed under the Low-Income Housing Tax Credit program. For the purposes of this analysis, higher income households are considered those that earn above 80% of AMHI. While in reality there may be overlap between the various income levels implemented by property management, we have established stand-alone income bands to eliminate double counting of potential demand. The table below summarizes the level of AMHI and corresponding income levels used in our analysis.

Household Income Stratifications	
AMHI	Household Income
50%	Less than \$34,000
Between 51% and 80%	Between \$34,000 and \$54,000
Greater than 80%	Above \$54,000

AMHI – Area Median Household Income

Primary drivers of housing needs include household growth, units required for a balanced market, replacement of substandard or functionally obsolete housing, commuter support and step-down support (households choosing lower priced housing, despite the fact they can afford a higher priced product). It is important to point out that given the rural nature and small population base of Ferrum, any new residential product developed in the town will require support from other areas of Franklin County and support from people from outside the county. Therefore, we have accounted for potential support from overall Franklin County, as well as support from daily commuters from outside of the county in our housing gap estimates. In order for any residential product to be successful in Ferrum, it will be critical that developers market the project to prospective renters or homebuyers throughout the county and region.

The demand components included in the housing gap estimates are listed as follows:

Housing Gap Analysis Components	
Renter Housing	Owner Housing
• Renter Household Growth	• Owner Household Growth
• Units Required for a Balanced Market	• Units Required for a Balanced Market
• Replacement of Substandard Housing	• Replacement of Substandard Housing
• Commuter/External Market Support	• Commuter/External Market Support
• Step-Down Support	• Step-Down Support

The demand factors for each housing affordability segment are combined to yield an overall housing gap. Any product confirmed to be in the development pipeline for which sufficient details exist is deducted from the various demand estimates. Because we used county-level statistics in our estimates, we apportioned a 10% to 20% share of the overall county's housing needs to reflect Ferrum's anticipated share of demand. These estimates represent the number of housing units that are required to meet the housing needs of Ferrum.

The tables below illustrate the housing gaps by household income level and corresponding rent/sales price level (Note: County level statistics were used in our calculations):

Rental Housing Gap Estimates – Ferrum, VA			
Demand Component	Household Income (Rent)		
	<\$34,000 (<\$849)	\$34,000-\$54,000 (\$850-\$1,350)	\$54,001+ (\$1,351+)
New Households (2020-2025)	-148	-17	102
Units Required for Balanced Market	96	29	31
Replacement of Substandard Housing	159	32	22
Commuter/External Market Support	34	13	19
Net Step-Down Support	29	115	-87
Less Pipeline Product	0	0	0
Total County Gap	170	172	87
Times Ferrum Capture Rate	20%	20%	20%
Total Ferrum Housing Gap	34	34	17

For-Sale Housing Gap Estimates – Ferrum, VA			
Demand Component	Household Income (Sales Price)		
	<\$34,000 (<\$127,500)	\$34,000-\$54,000 (\$127,501-\$202,500)	\$54,001+ (\$202,501+)
New Households (2020-2025)	141	-8	417
Units Required for Balanced Market	74	28	-44
Replacement of Substandard Housing	29	10	11
Commuter/External Market Support	28	19	62
Net Step-Down Support	37	298	-335
Less Pipeline Product	0	0	0
Total County Gap	309	329	111
Times Ferrum Capture Rate	10%	10%	10%
Total Ferrum Housing Gap	31	33	11

Based on the preceding analysis, the overall five-year housing gap in Ferrum is 85 units of *rental* housing and 75 units of *for-sale* housing. However, these estimates assume a variety of price points and product types are developed. In reality, it is unlikely a single developer would develop product that would cover the entire spectrum of affordability and product types. Additionally, there are many factors that ultimately drive the level of demand for certain product, including design, value and location considerations. As such, these housing gap estimates should serve as a guide for establishing housing priorities and plans within Ferrum.

As the data on the preceding page illustrates, most of the rental and for-sale housing needs in Ferrum appear to be for product that is affordable to households earning up to 80% of AMHI or \$54,000 a year. While an individual product could serve a wider income segment than those used in this analysis, it is likely that any single project developed in Ferrum likely could not exceed 40 units due to demand limitations, though some exceptions could exist. Although the senior household base is large and growing, given the relatively small number of overall units that could be supported in Ferrum, it is likely that a project specifically targeting just seniors would have to be relatively small (less than 30 units).

It is our opinion, given the relatively small numbers of support for each income segment derived in this analysis, that any product developed in Ferrum would need to either serve a broad segment of the market (in terms of affordability, bedroom types, and designs) or have several small developments each serving different market segments to adequately serve the diverse needs of the town. This would include projects offering different bedroom types (e.g. one-, two-, and/or three-bedroom units), product designs (single-story ranch units or patio homes, traditional multifamily apartments, attached townhome units, etc.), target markets (seniors/empty nesters, working families, college faculty/employees, etc.) and pricing structures that are affordable to low-, middle and higher income households. Without such an approach, no product of notable scale could be supported in Ferrum. With this in mind, the community may want to consider a multi-generational housing community that offers mixed-income, mixed-tenure (rental and for-sale), and diverse design product. The 82-acre parcel that is a focus of this report could be designed and developed to serve the broad needs of the town, with the overall parcel split off and sold to individual developers, unless an individual developer is willing to take on a project with multiple product types or build product in phases.

ADDENDUM A:

TELEPHONE SURVEY OF
MULTIFAMILY RENTALS



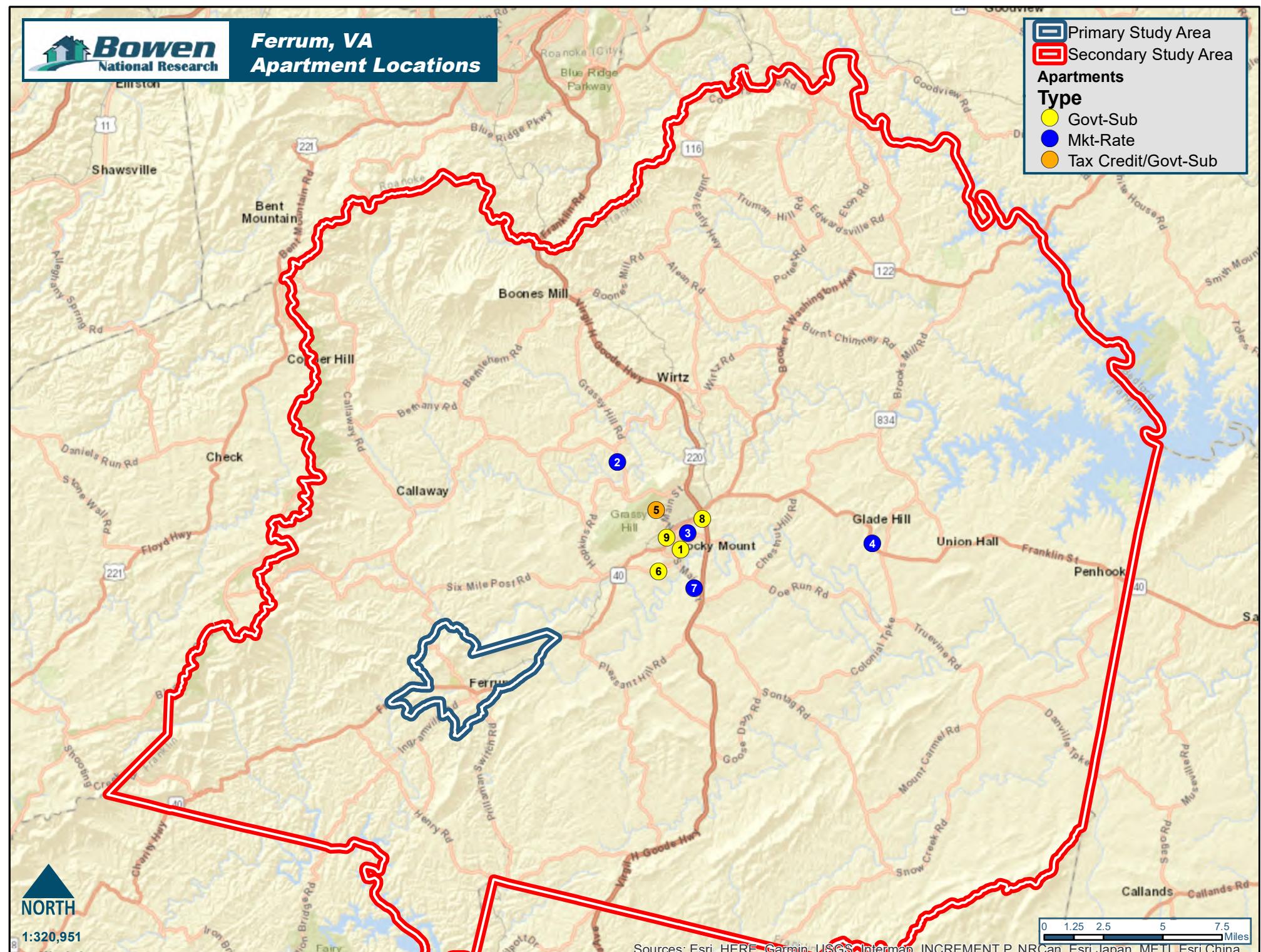
Ferrum, VA Apartment Locations

-  Primary Study Area
-  Secondary Study Area

Apartments

Type

-  Govt-Sub
-  Mkt-Rate
-  Tax Credit/Govt-Sub



Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate
✓ 1	Candlewood Apts.	GSS	-	1972	72	0	100.0%
✓ 2	Grassy Hill Apts.	MRR	-	1982	4	0	100.0%
✓ 3	Knob Apts.	MRR	-	1970	29	0	100.0%
✓ 4	Meadows	MRR	-	1976	48	2	95.8%
✓ 5	Mountain View	TGS	-	1980	60	0	100.0%
✓ 6	Scuffling Hill Road Group Home	GSS	-	2005	2	0	100.0%
✓ 7	South Garden Apts.	MRR	-	1975	12	0	100.0%
◆ ✓ 8	Tanyard Village Apts.	GSS	-	1979	66	0	100.0%
✓ 9	West Church Street	GSS	-	2010	6	0	100.0%

*Drive distance in miles

✓ Comparable Property	(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
◆ Senior Restricted	(TAX) Tax Credit	(INR) Income Restricted (not LIHTC)
■ (MRR) Market-Rate	(TGS) Tax Credit & Govt Subsidized	(ING) Income Restricted (not LIHTC) & Govt Subsidized
■ (MRT) Market-Rate & Tax Credit	(TIN) Tax Credit & Income Restricted (not LIHTC)	(GSS) Govt Subsidized
■ (MRG) Market-Rate & Govt Subsidized	(TMG) Tax Credit, Market-Rate & Govt Subsidized	(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
■ (MIN) Market-Rate & Income Restricted (not LIHTC)		



1	Candlewood Apts. 340 E Court St, Rocky Mount, VA 24151					Contact: Anna Phone: (844) 516-6479
	Picture Not Available	Total Units: 72 BR: 1, 2, 3	UC: 0 Target Population: Family Rent Special: Notes: HUD Section 8	Occupancy: 100.0% Vacant Units: 0	Stories: 3 Waitlist: 45 HH;	Year Built: 1972 AR Year: Yr Renovated:
2	Grassy Hill Apts. 3378 Grassy Hill Rd, Rocky Mount, VA 24151					Contact: Lori Phone: (540) 835-5600
	Picture Not Available	Total Units: 4 BR: 1, 2	UC: 0 Target Population: Family Rent Special: Notes: Accepts HCV (0 currently)	Occupancy: 100.0% Vacant Units: 0	Stories: 1.5 Waitlist:	Year Built: 1982 AR Year: Yr Renovated:
3	Knob Apts. 392 Donald Ave, Rocky Mount, VA 24151					Contact: Anna Phone: (844) 516-6479
	Picture Not Available	Total Units: 29 BR: 1, 2	UC: 0 Target Population: Family Rent Special: Notes: HCV (1 unit)	Occupancy: 100.0% Vacant Units: 0	Stories: 3 Waitlist: 1 HH;	Year Built: 1970 AR Year: Yr Renovated:
4	Meadows 6775 Old Franklin Turnpike, Glade Hill, VA 24092					Contact: Chrissy Phone: (540) 576-3436
	Picture Not Available	Total Units: 48 BR: 1, 2, 3	UC: 0 Target Population: Family Rent Special: Notes: Does not accept HCV	Occupancy: 95.8% Vacant Units: 2	Stories: 2 Waitlist:	Year Built: 1976 AR Year: Yr Renovated:
5	Mountain View 195 Windy Ln, Rocky Mount, VA 24151					Contact: Barry Phone: (540) 989-3623
	Picture Not Available	Total Units: 60 BR: 1, 2, 3	UC: 0 Target Population: Family Rent Special: Notes: Tax Credit; RD 515, no RA & HUD Section 8	Occupancy: 100.0% Vacant Units: 0	Stories: 2.5 Waitlist: 6 mos;	Year Built: 1980 AR Year: Yr Renovated: 2005

	Comparable Property					
	Senior Restricted					
	(MRR) Market-Rate		(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized			
	(MRT) Market-Rate & Tax Credit		(TAX) Tax Credit			
	(MRG) Market-Rate & Govt Subsidized		(TGS) Tax Credit & Govt Subsidized			
	(MIN) Market-Rate & Income Restricted (not LIHTC)		(TIN) Tax Credit & Income Restricted (not LIHTC)		(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized	
			(TMG) Tax Credit, Market-Rate & Govt Subsidized		(INR) Income Restricted (not LIHTC)	
					(ING) Income Restricted (not LIHTC) & Govt Subsidized	
					(GSS) Govt Subsidized	
					(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted	

Properties Surveyed — Ferrum, Virginia

Survey Date: May 2020



Comparable Property

• Senior Restricted

(MRR) Market-Rate

(MRT) Market-Rate & Tax Credit

(MRG) Market-Rate & Govt Subsidized
(MIN) Market-Rate & Income Restricted (not LIHTC)

1

(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized

(TAX) Tax Credit

(TGS) Tax Credit & Govt Subsidized

(TIN) Tax Credit & Income Restricted (not LIHTC)

(TMG) Tax Credit, Market-Rate & Govt Subsidized

1

(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized

(INR) Income Restricted (not LIHTC)

(ING) Income Restricted (not LIHTC) & Govt Subsidized

(GSS) Govt Subsidized

(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted

Source: Virginia Housing Development Authority

Effective: 07/2019

Monthly Dollar Allowances

		Garden					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	9	13	16	20	25	28
	+Base Charge						
	Bottled Gas	48	67	86	105	133	153
	Electric	20	27	35	43	55	62
	Heat Pump						
Cooking	Oil	40	56	71	87	110	126
	Natural Gas	2	2	3	3	4	5
	Bottled Gas	8	11	14	18	22	26
	Electric	3	4	5	7	8	10
	Other Electric	11	15	20	24	31	35
Water Heating	+Base Charge						
	Air Conditioning	5	7	9	12	15	17
	Natural Gas	4	6	7	9	11	13
	Bottled Gas	20	28	36	44	56	64
	Electric	10	13	17	21	27	30
	Oil						
	Water	16	22	29	35	45	51
	Sewer	20	27	35	43	55	62
	Trash Collection	11	11	11	11	11	11
Internet*		20	20	20	20	20	20
Cable*		20	20	20	20	20	20
Alarm Monitoring*							

Townhome							
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR		
9	13	16	20	25	28		
48	67	86	105	133	153		
20	27	35	43	55	62		
40	56	71	87	110	126		
2	2	3	3	4	5		
8	11	14	18	22	26		
3	4	5	7	8	10		
11	15	20	24	31	35		
5	7	9	12	15	17		
4	6	7	9	11	13		
20	28	36	44	56	64		
10	13	17	21	27	30		
16	22	29	35	45	51		
20	27	35	43	55	62		
11	11	11	11	11	11		
20	20	20	20	20	20		
20	20	20	20	20	20		

* Estimated- not from source

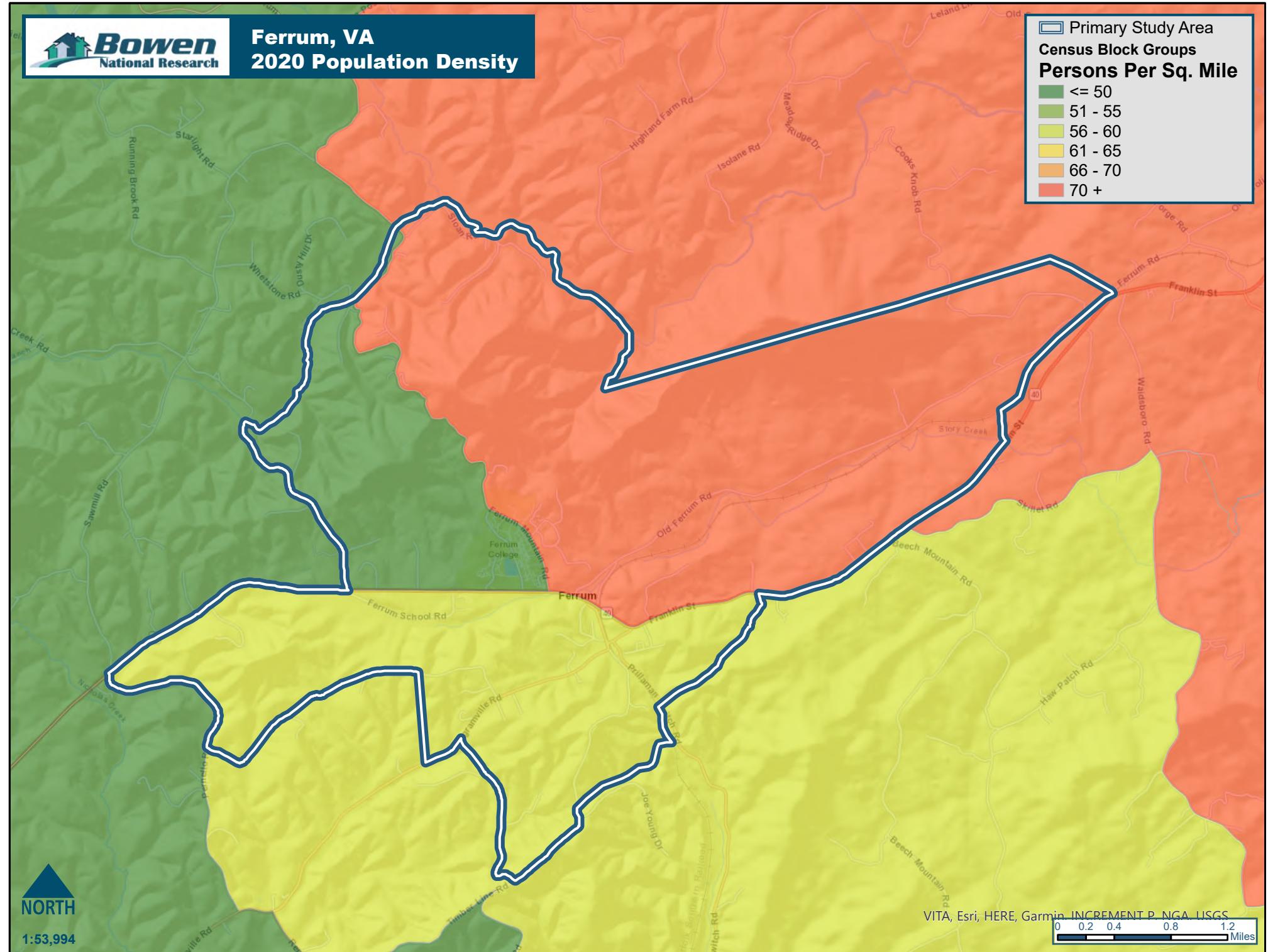
ADDENDUM B:

DEMOGRAPHIC THEME MAPS



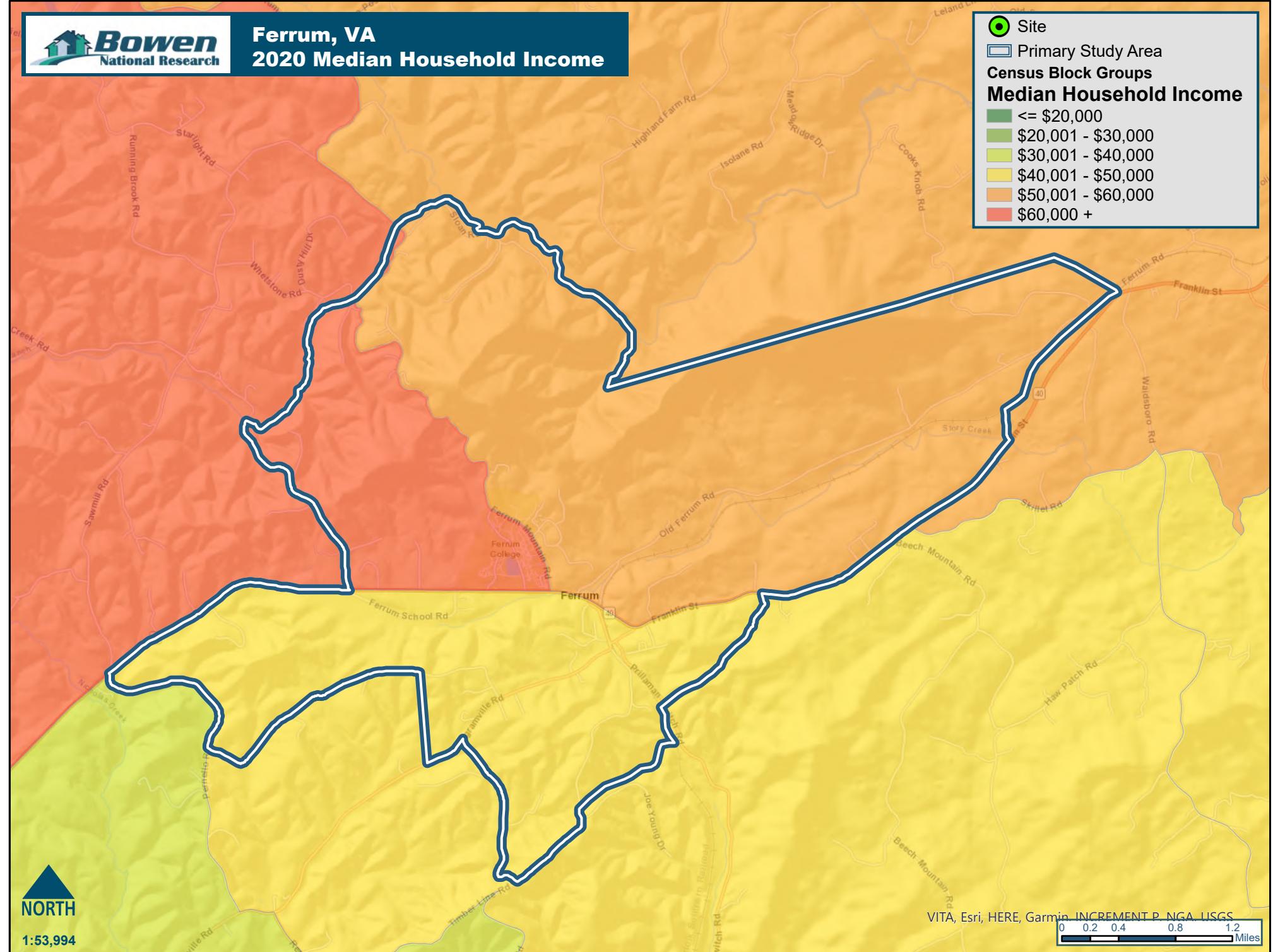
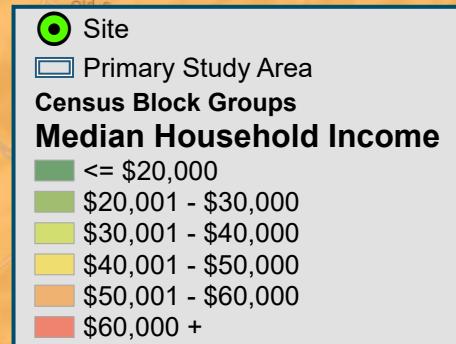
Ferrum, VA 2020 Population Density

	Primary Study Area
	Census Block Groups
	Persons Per Sq. Mile
	<= 50
	51 - 55
	56 - 60
	61 - 65
	66 - 70
	70 +





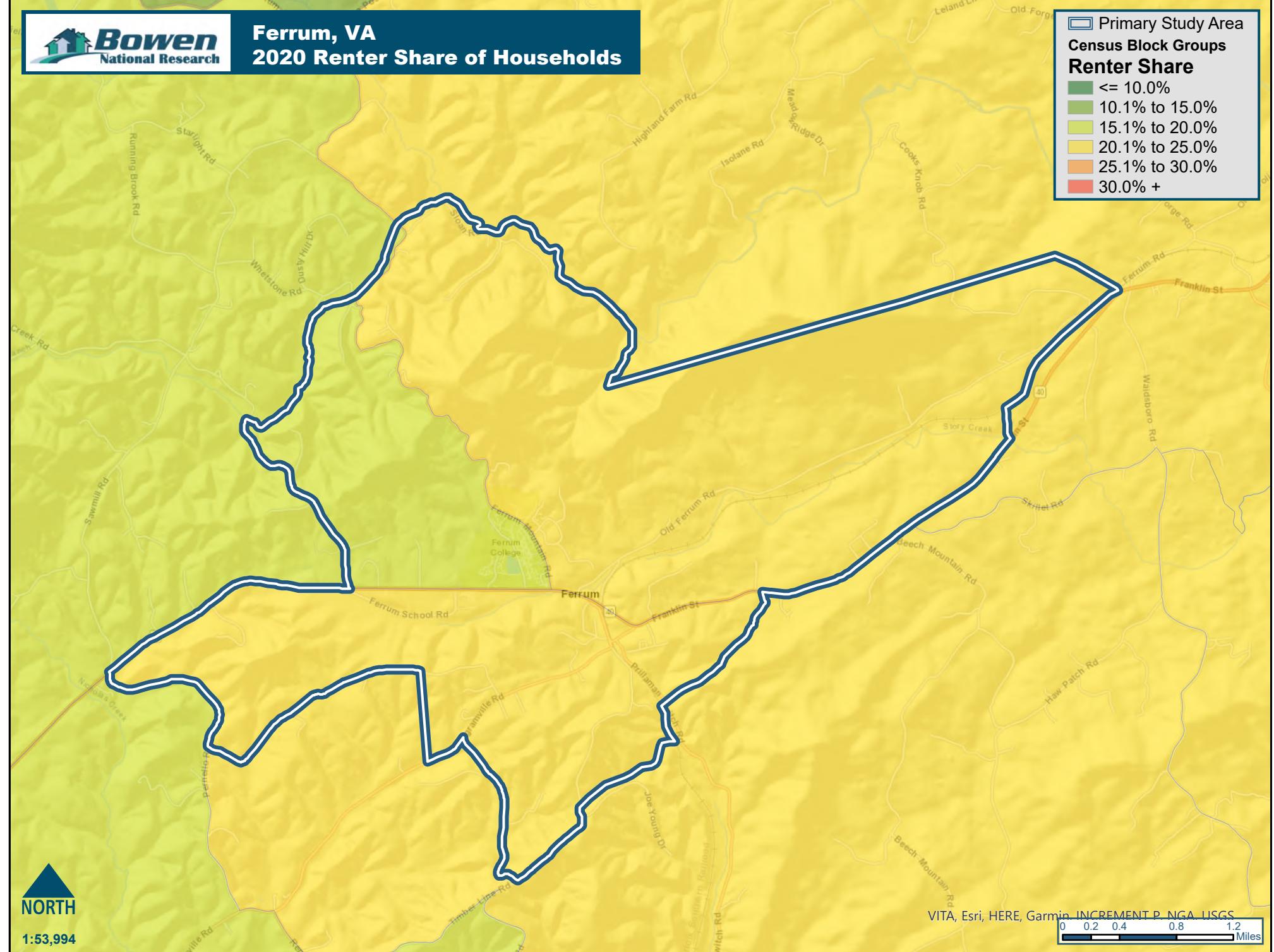
Ferrum, VA 2020 Median Household Income





Ferrum, VA 2020 Renter Share of Households

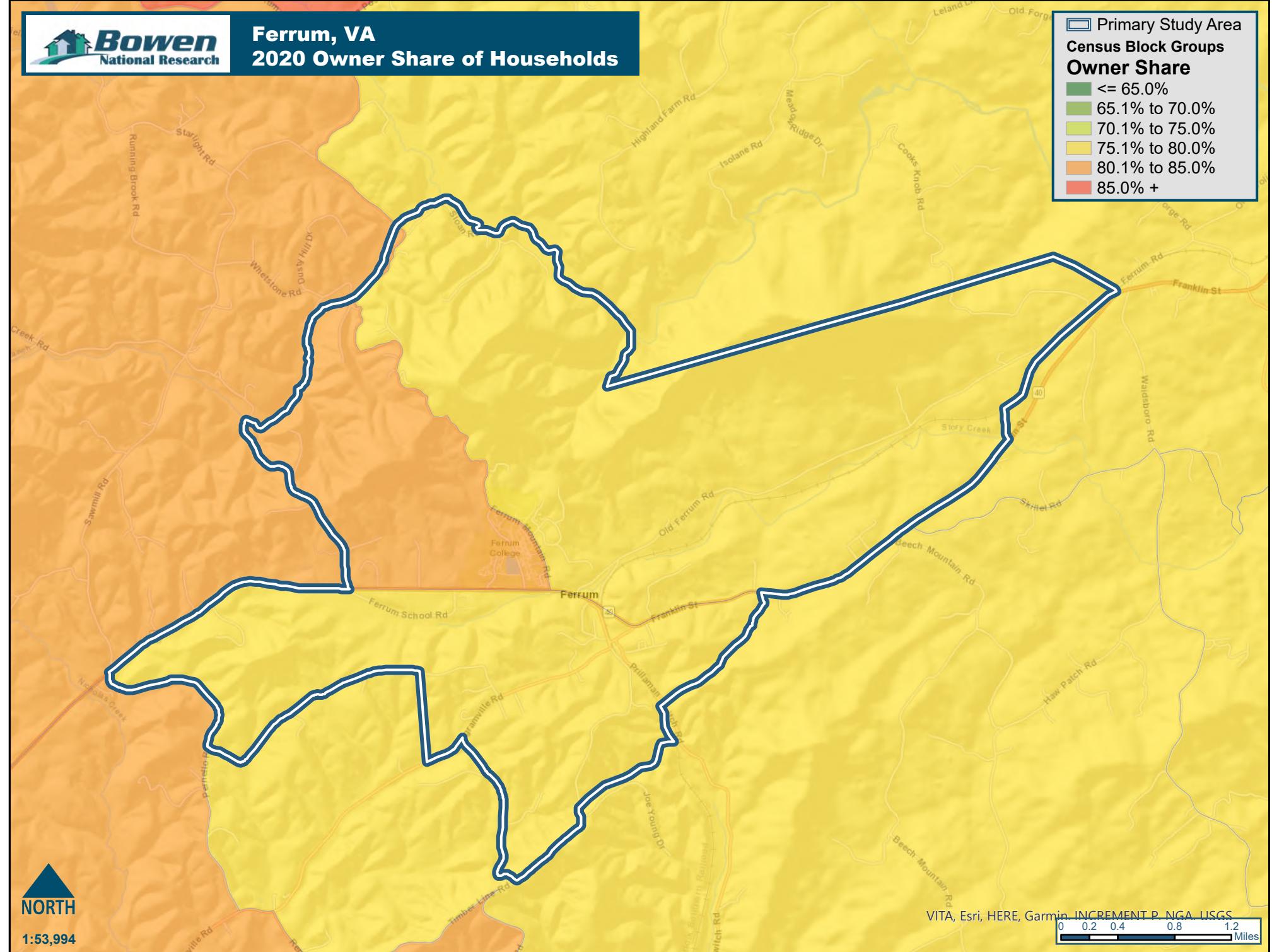
	Primary Study Area
	Census Block Groups
	Renter Share
	<= 10.0%
	10.1% to 15.0%
	15.1% to 20.0%
	20.1% to 25.0%
	25.1% to 30.0%
	30.0% +





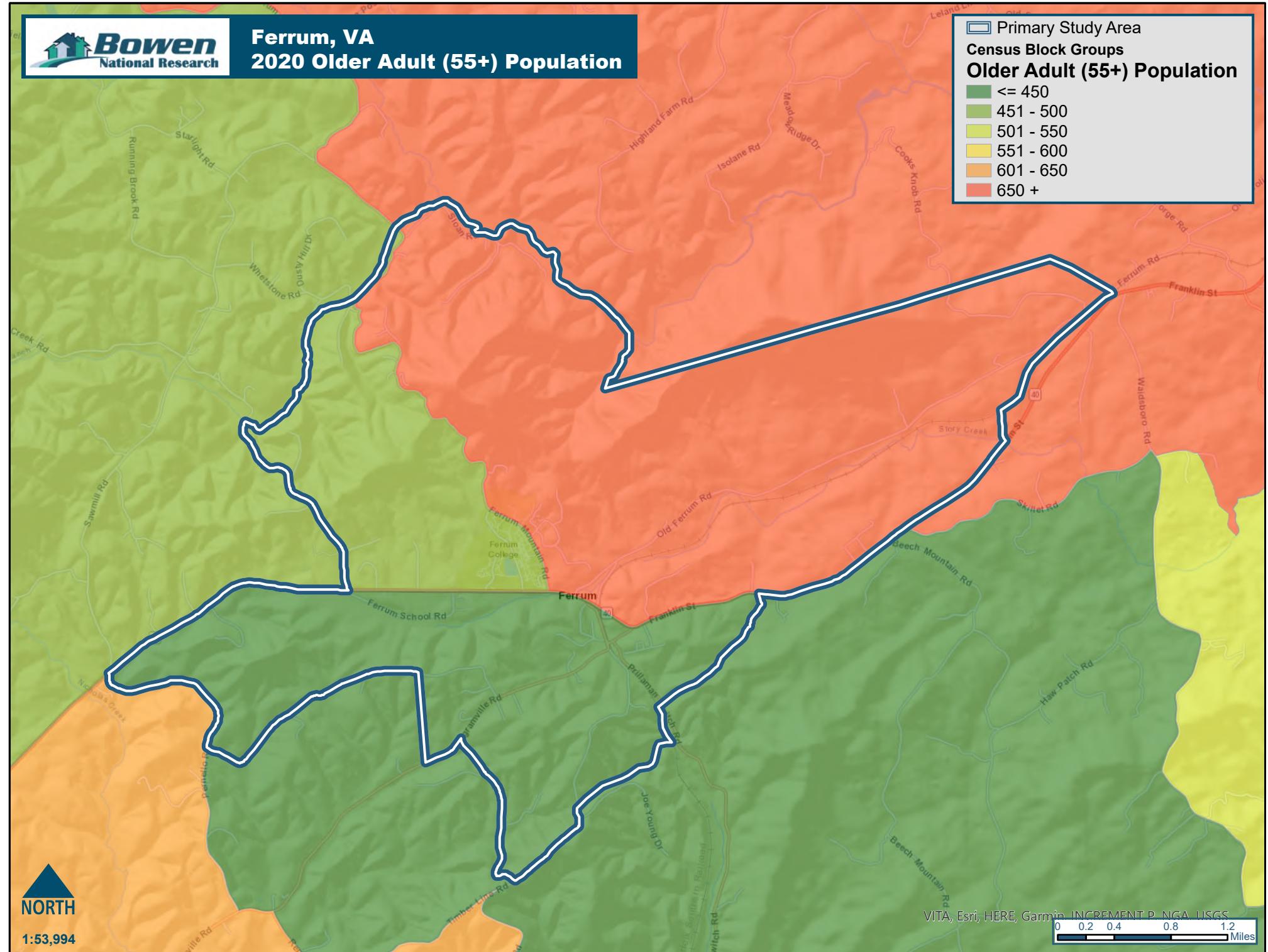
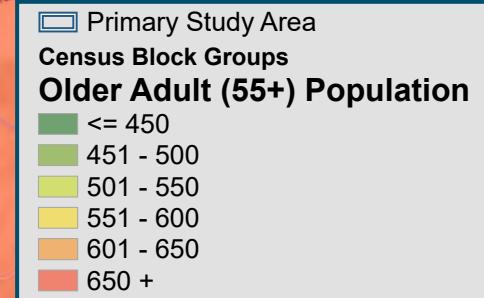
Ferrum, VA 2020 Owner Share of Households

	Primary Study Area
	Census Block Groups
	Owner Share
	<= 65.0%
	65.1% to 70.0%
	70.1% to 75.0%
	75.1% to 80.0%
	80.1% to 85.0%
	85.0% +





Ferrum, VA 2020 Older Adult (55+) Population



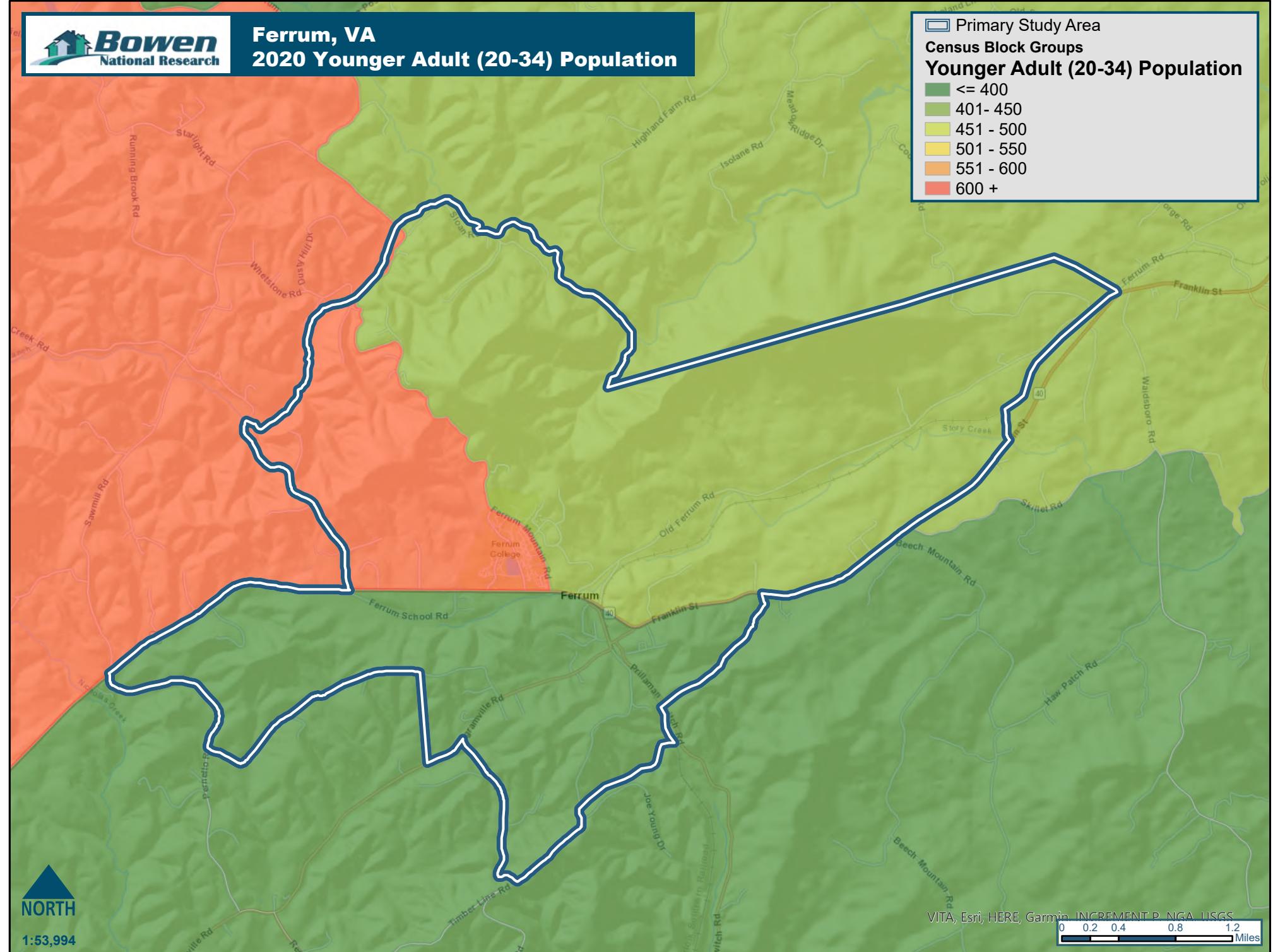
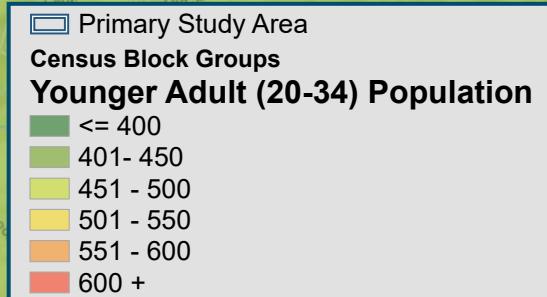
1:53,994

VITA, Esri, HERE, Garmin, INCREMENT P, NGA, USGS

0 0.2 0.4 0.8 1.2 Miles



Ferrum, VA 2020 Younger Adult (20-34) Population



ADDENDUM C:
NON-CONVENTIONAL RENTALS

Address	City	State	Zip	Bed	Bath	SF	Rent	Year Built	Number of units	Source
289-303 Nolens Hill Rd	Ferrum	VA	24088	0,2,3	N/A	N/A	N/A	1965	5	Apts.com
9565 Old Craft Ford Shop Rd Unit A	Ferrum	VA	24088	3	1	1,638	\$800	1964	1	Hotpads
9565 Old Craft Ford Shop Rd Unit B	Ferrum	VA	24088	3	1	1,600	\$750	1964	1	Zillow
600 Ferrum School Rd	Ferrum	VA	24088	3	1	2,552	\$900	1997	1	Trulia
921 Bridgewater Lane	Ferrum	VA	24088	2	1	960	\$700	1870	1	Homes.com
653 Old Fort Rd	Rocky Mount	VA	24151	3	2.5	1,616	\$1,200	2016	1	Zillow
400 Old Fort Rd	Rocky Mount	VA	24151	4	2.5	1,408	\$1,400	2020	1	Realtor.com
39 Hunters Valley Ln	Rocky Mount	VA	24151	3	2	1,269	\$1,585	2010	1	Trulia
43 Sunrise Rd	Rocky Mount	VA	24151	2	1	969	\$650	1980	1	Rent.com
41 Sunrise Rd	Rocky Mount	VA	24151	2	1.5	950	\$625	1980	1	Rent.com
57 Sunrise Rd	Rocky Mount	VA	24151	2	1	969	\$650	1980	1	Trulia
137 Sunrise Rd	Rocky Mount	VA	24151	3	2	1,146	\$925	1969	1	Trulia
5110 Booker T Washington Hwy	Rocky Mount	VA	24151	2	1	1,245	\$1,100	1954	1	Trulia
75 Sink Dr	Rocky Mount	VA	24151	2	1	960	\$650	1983	1	Trulia
120 Claiborne Ave	Rocky Mount	VA	24151	1	1	N/A	\$500	1947	1	Hotpads
320 Pell Ave	Rocky Mount	VA	24151	4	2	1,900	\$995	1940	1	Homes.com
3824 Goose Dam Rd	Rocky Mount	VA	24151	3	2	1,248	\$850	2007	1	Trulia
4074 Franklin St	Rocky Mount	VA	24151	3	2	N/A	\$950	N/A	1	Rent.com
1265 Scuffling Hill Rd	Rocky Mount	VA	24151	2	1	896	\$850	1954	1	Zillow
150 Diamond Ave	Rocky Mount	VA	24151	2	1	2,260	\$875	1925	1	Zillow
1235 Diamond Ave	Rocky Mount	VA	24141	3	1	984	\$950	1974	1	Rent.com
44 Loop Rd	Rocky Mount	VA	24151	3	1	886	\$775	1979	1	Trulia
1564 Hopkins Rd	Rocky Mount	VA	24151	3	2	N/A	\$900	1997	1	Homes.com
45 Lakeview Dr	Rocky Mount	VA	24151	2	1	812	\$650	1968	1	Rent.com
2038 S Main St #304	Rocky Mount	VA	24151	1	1	N/A	\$425	1980	1	Homes.com
Not Available	Rocky Mount	VA	24151	2	3	N/A	\$1,100	N/A	1	Facebook
72 Toms Knob Rd	Rocky Mount	VA	24151	2	1	900	\$750	1950	1	Rent.com
40 Oak St	Rocky Mount	VA	24151	1	1	700	\$325	1925	1	Zillow
25 Donald Ave	Rocky Mount	VA	24151	2	1	1,187	\$895	1930	1	Apts.com
469 Wooddale Dr	Rocky Mount	VA	24151	3	2	1,836	\$900	1996	1	Trulia
6171 Virgil H Goode Hwy	Rocky Mount	VA	24151	3	2	N/A	\$500	N/A	1	Zillow

(Continued)

Address	City	State	Zip	Bed	Bath	SF	Rent	Year Built	Number of units	Source
1803 Doe Run Rd	Rocky Mount	VA	24151	2	2	N/A	\$550	N/A	1	Apts.com
1490 Doe Run Rd	Rocky Mount	VA	24151	2	1	1,080	\$800	1966	1	Zillow
328 Doe Run Rd	Rocky Mount	VA	24151	2	1	672	\$450	1945	1	Apts.com
1808 Windlass Rd #2B	Moneta	VA	24121	2	2	1,088	\$2,000	1982	1	Trulia
Long Island Dr	Moneta	VA	24121	3	2	1,360	\$1,500	N/A	1	Zillow
2711 Bluewater Dr	Moneta	VA	24121	1	1	N/A	N/A	1995	13 (total property)	Apts.com
2711 Bluewater Dr	Moneta	VA	24121	2	2	N/A	N/A	1995	13 (total property)	Apts.com
320 Dogwood Hill Rd	Boones Mill	VA	24121	3	2	1,300	\$1,000	1945	1	Realtor.com
210 Primrose Rd	Boones Mill	VA	24065	3	2	1,100	\$750	N/A	1	Zillow
7965 Franklin Rd	Boones Mill	VA	24065	N/A	N/A	2,300	\$1,600	1965	1	Homes.com
350 Taylors Rd	Boones Mill	VA	24065	3	2	1,798	\$1,300	1979	1	Rent.com
Not Available	Glade Hill	VA	24092	2	N/A	N/A	\$550	N/A	1	Facebook
4634 Dillons Mill Rd	Callaway	VA	24067	2	1	1,728	\$650	1992	1	Trulia
70 Scout Dr	Henry	VA	24102	2	1	N/A	\$650	1998	1	Zillow
95 Grove Ln	Hardy	VA	24101	3	1	1,127	\$900	1955	1	Apt Home Living

Addendum D: Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study includes the highest standards. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has national experience and knowledge to assist in evaluating a variety of product types and markets.

Primary Contact and Report Author



Patrick Bowen, President of Bowen National Research, has conducted numerous housing needs assessments and provided consulting services to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing, and retail development opportunities. He has also prepared and supervised thousands of market feasibility studies for all types of real estate products, including housing, retail, office, industrial and mixed-use developments, since 1996. Mr. Bowen has worked closely with many state and federal housing

agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida and currently serves as Co-Chair on the Standards Committee of the National Council of Housing Market Analysts (NCHMA).

Housing Needs Assessment Experience

Citywide Comprehensive Housing Market Study – Rock Island, IL	Housing Study & Needs Assessment – Zanesville, OH
Housing Market Analysis – Bowling Green, KY	Housing Needs Assessment Survey – Dublin, GA
Countywide Housing Needs Assessment – Beaufort County, SC	Preliminary Housing Needs Assessment – Harrisburg, PA
Downtown Housing Needs Analysis – Springfield, IL	Preliminary Housing Needs Assessment – Canonsburg, PA
Downtown Residential Feasibility Study – Morgantown, WV	Housing Needs Assessment – Preble County, OH
Downtown Residential Feasibility Study – Charleston, WV	Hill District Housing Needs Assessment – Pittsburgh, PA
Housing Market Study & Tornado Impact Analysis – Joplin, MO	Tribal Housing Needs Assessment – Spokane Reservation, WA
Housing Market Study – Fort Wayne (Southeast Quadrant), IN	Town Housing Needs Assessment – Nederland, CO
Statewide and County Level Housing Needs Assessments – Vermont	Citywide Housing Needs Assessment – Evansville, IN
Regional Housing Needs Assessment – Asheville, NC Region	Housing Study & Needs Assessment – St. Johnsbury, VT
East District Rental Housing Needs Assessment – New Orleans, LA	Housing Needs Assessment – Yellow Springs, OH
Employer Survey & Housing Needs Assessment – Greene County, PA	Housing Needs Assessment – Penobscot Nation, ME
Preliminary Employee & Housing Needs Assessment – W. Liberty, KY	Countywide Housing Needs Assessment – Preble County, OH
Statewide Rural and Farm Labor Housing Needs Analysis – Texas	Affordable Housing Market Analysis – Jacksonville, NC
Countywide Rental Housing Needs Analysis & Hurricane Dolly Housing Impact Analysis – Hidalgo County, TX	Preliminary Downtown Housing Market Analysis - Cleveland, OH

The following individuals provided research and analysis assistance:

Christopher T. Bunch, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

June Davis, Office Manager of Bowen National Research, has 31 years of experience in market feasibility research. Ms. Davis has overseen production on over 25,000 market studies for projects throughout the United States.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Ambrose Lester, Market Analyst, has conducted detailed research and analysis on a variety of residential alternatives, including rental and for-sale housing. She has conducted on-site research of buildable sites, surveyed existing rental and for-sale housing and conducted numerous stakeholder interviews. She has also conducted research on unique housing issues such as accessory dwelling units, government policy and programs and numerous special needs populations. Ms. Lester has a degree in Economics from Franciscan University of Steubenville.

Jody LaCava, Market Analyst, has researched housing trends throughout the United States since 2012. She is knowledgeable of various rental housing programs and for-sale housing development. In addition, she is able to analyze economic trends and pipeline data, as well as conduct in-depth interviews with local stakeholders and property managers.

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Stephanie Viren is the Research & Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

In-House Researchers – Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices and chambers of commerce, housing authorities and residents.

No subconsultants were used as part of this assessment.

ADDENDUM E:
STAKEHOLDER SURVEY

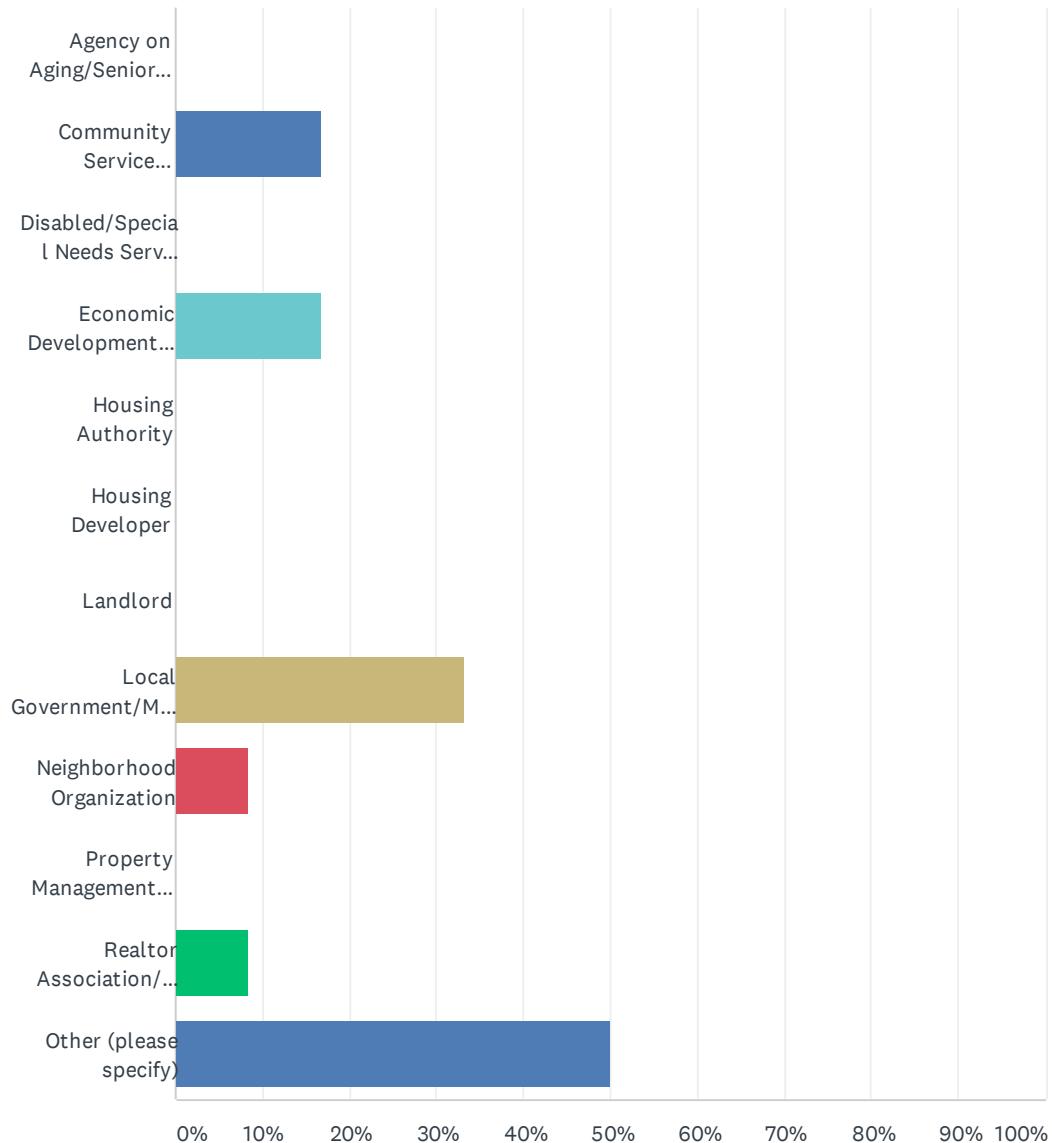
Q1 Please provide your contact information, should we need to follow-up with this response.

Answered: 12 Skipped: 1

ANSWER CHOICES	RESPONSES	
Name	100.00%	12
Organization	100.00%	12
Email Address	100.00%	12
Phone Number	91.67%	11

Q2 What type of organization do you represent (select all that apply)?

Answered: 12 Skipped: 1

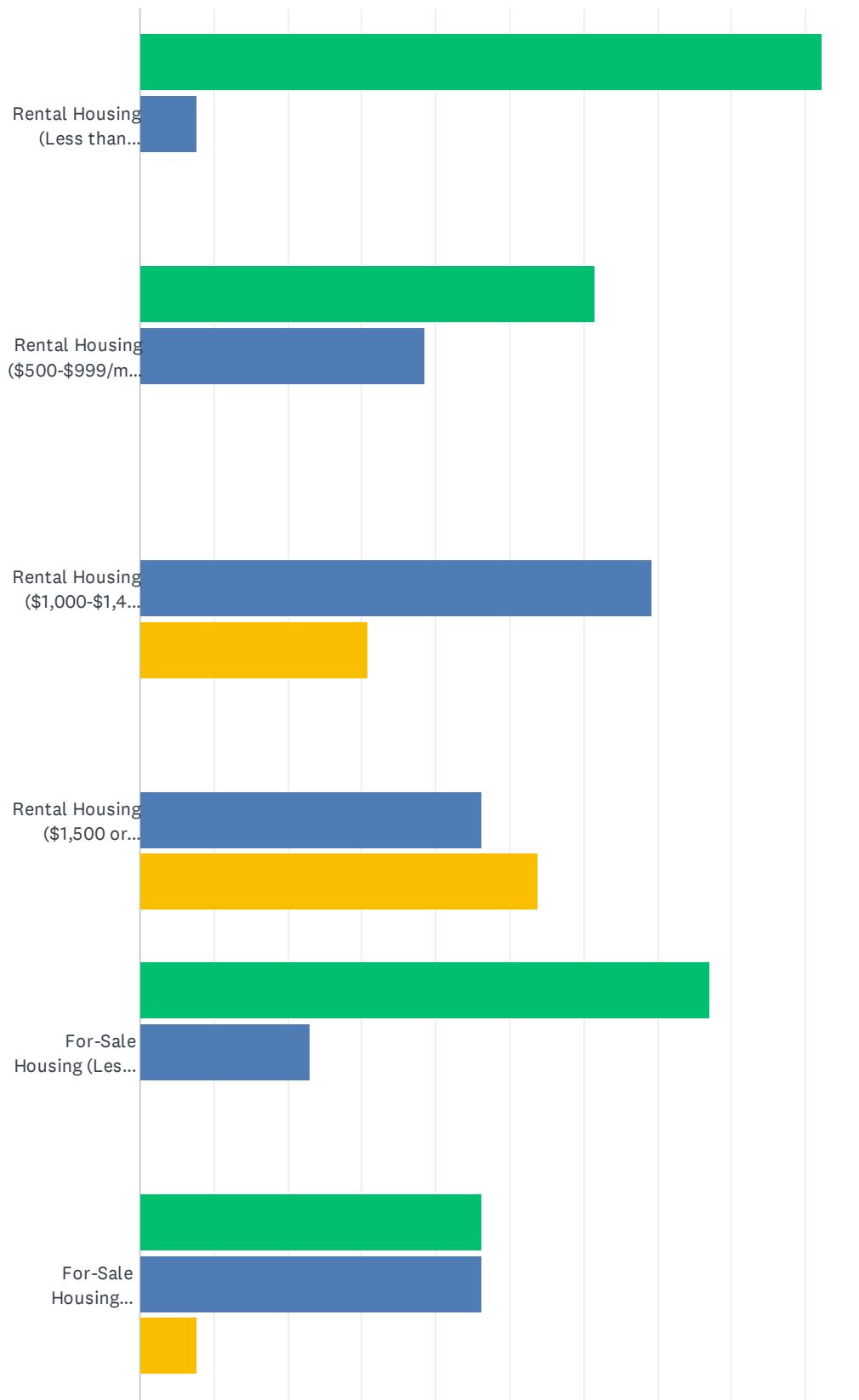


Ferrum, Virginia Housing Needs Assessment Stakeholder Survey

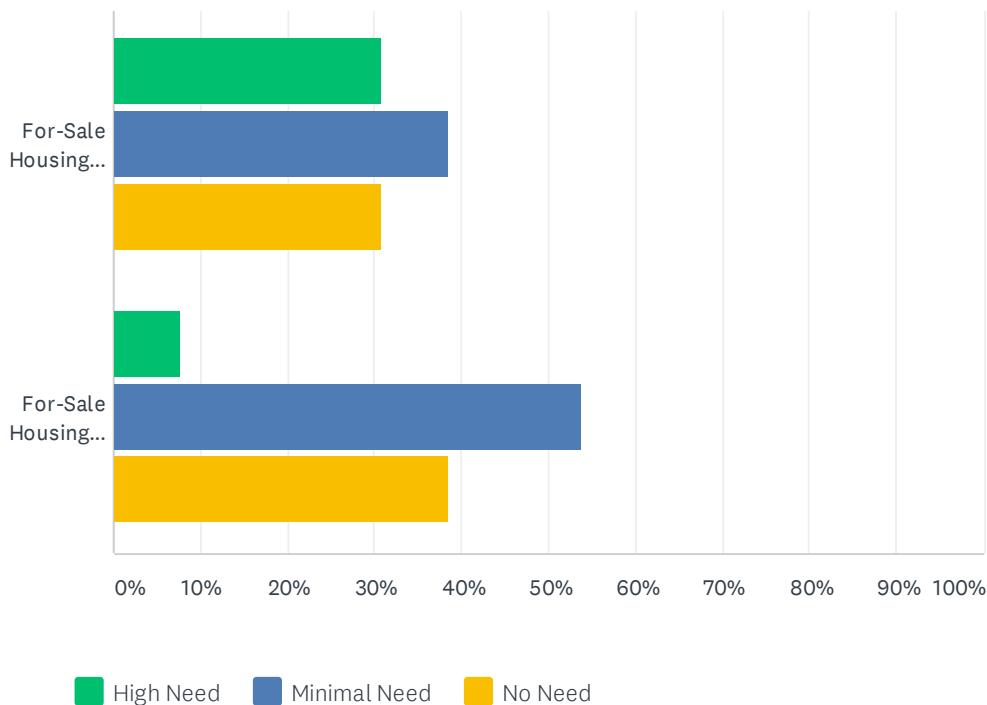
ANSWER CHOICES	RESPONSES
Agency on Aging/Senior Services	0.00% 0
Community Service Organization	16.67% 2
Disabled/Special Needs Service Provider	0.00% 0
Economic Development Organizations	16.67% 2
Housing Authority	0.00% 0
Housing Developer	0.00% 0
Landlord	0.00% 0
Local Government/Municipal Official	33.33% 4
Neighborhood Organization	8.33% 1
Property Management Company	0.00% 0
Realtor Association/Board of Realtors	8.33% 1
Other (please specify)	50.00% 6
Total Respondents: 12	

Q3 To what degree are each of the following housing types needed by price point in Ferrum.

Answered: 13 Skipped: 0



Ferrum, Virginia Housing Needs Assessment Stakeholder Survey

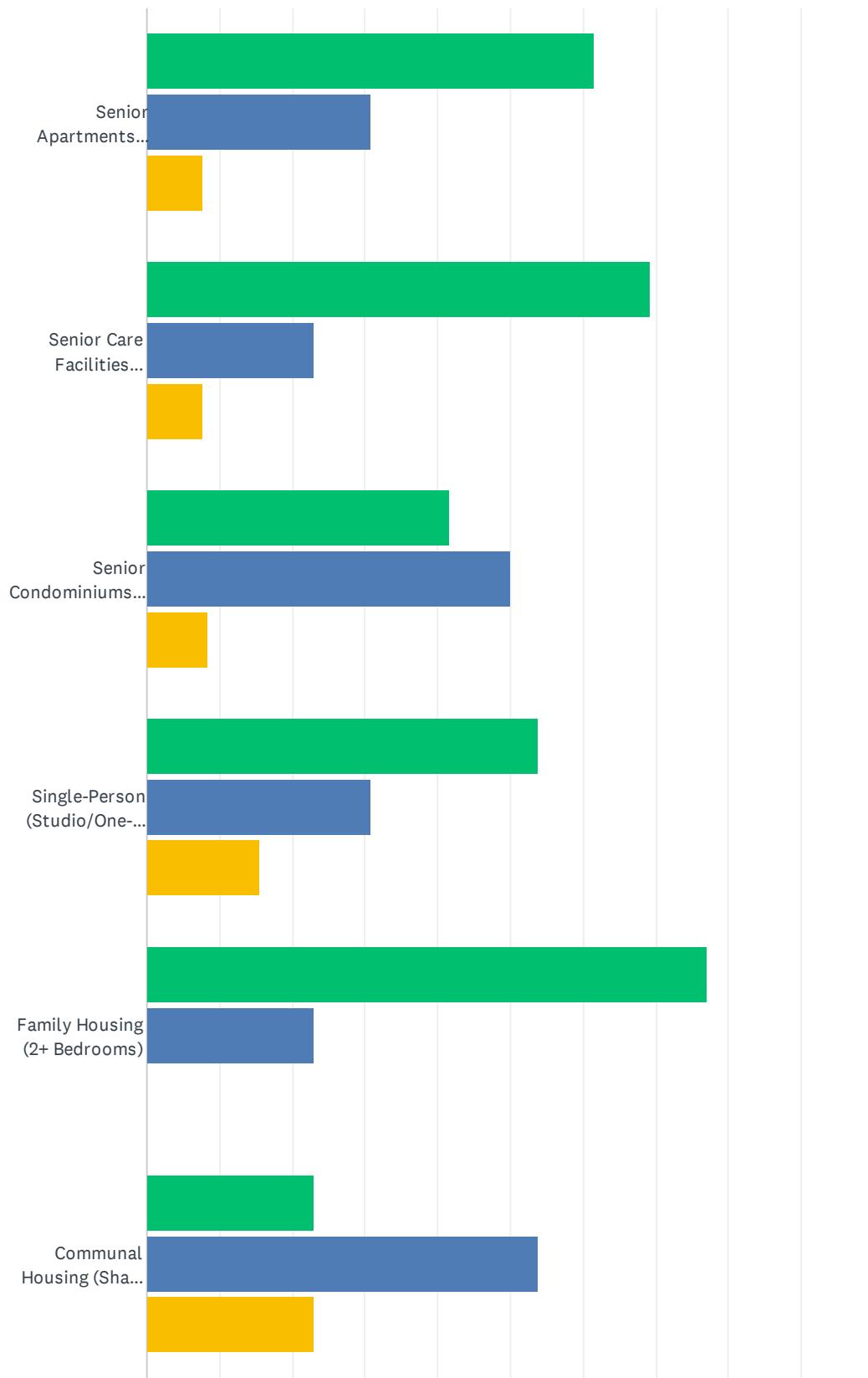


High Need Minimal Need No Need

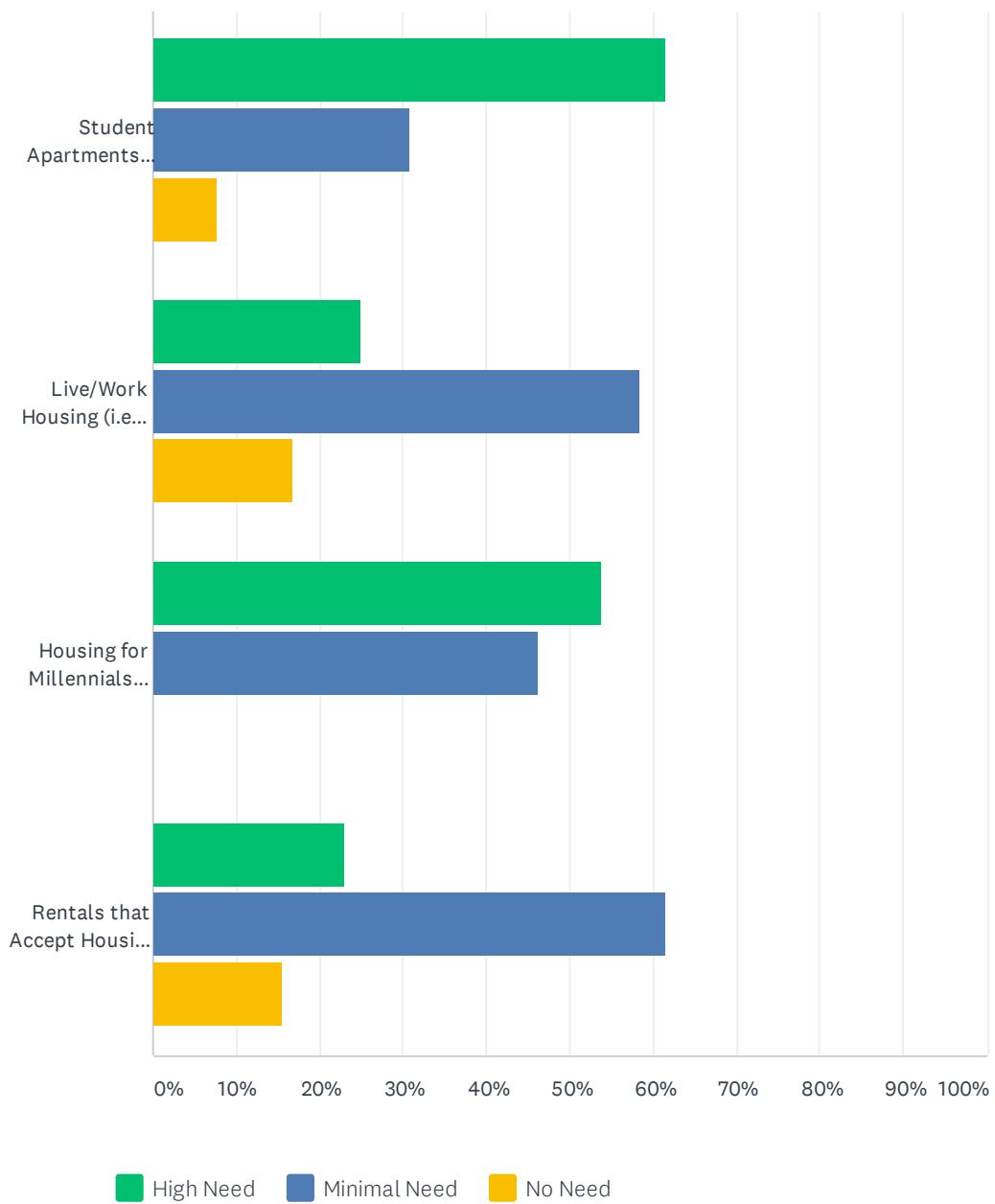
	HIGH NEED	MINIMAL NEED	NO NEED	TOTAL	WEIGHTED AVERAGE
Rental Housing (Less than \$500/month)	92.31% 12	7.69% 1	0.00% 0	13	1.08
Rental Housing (\$500-\$999/month)	61.54% 8	38.46% 5	0.00% 0	13	1.38
Rental Housing (\$1,000-\$1,499/month)	0.00% 0	69.23% 9	30.77% 4	13	2.31
Rental Housing (\$1,500 or more/month)	0.00% 0	46.15% 6	53.85% 7	13	2.54
For-Sale Housing (Less than \$150,000)	76.92% 10	23.08% 3	0.00% 0	13	1.23
For-Sale Housing (\$150,000-\$199,999)	46.15% 6	46.15% 6	7.69% 1	13	1.62
For-Sale Housing (\$200,000-\$249,999)	30.77% 4	38.46% 5	30.77% 4	13	2.00
For-Sale Housing (\$250,000 or more)	7.69% 1	53.85% 7	38.46% 5	13	2.31

Q4 To what degree are each of the following housing types needed by population served in Ferrum.

Answered: 13 Skipped: 0



Ferrum, Virginia Housing Needs Assessment Stakeholder Survey

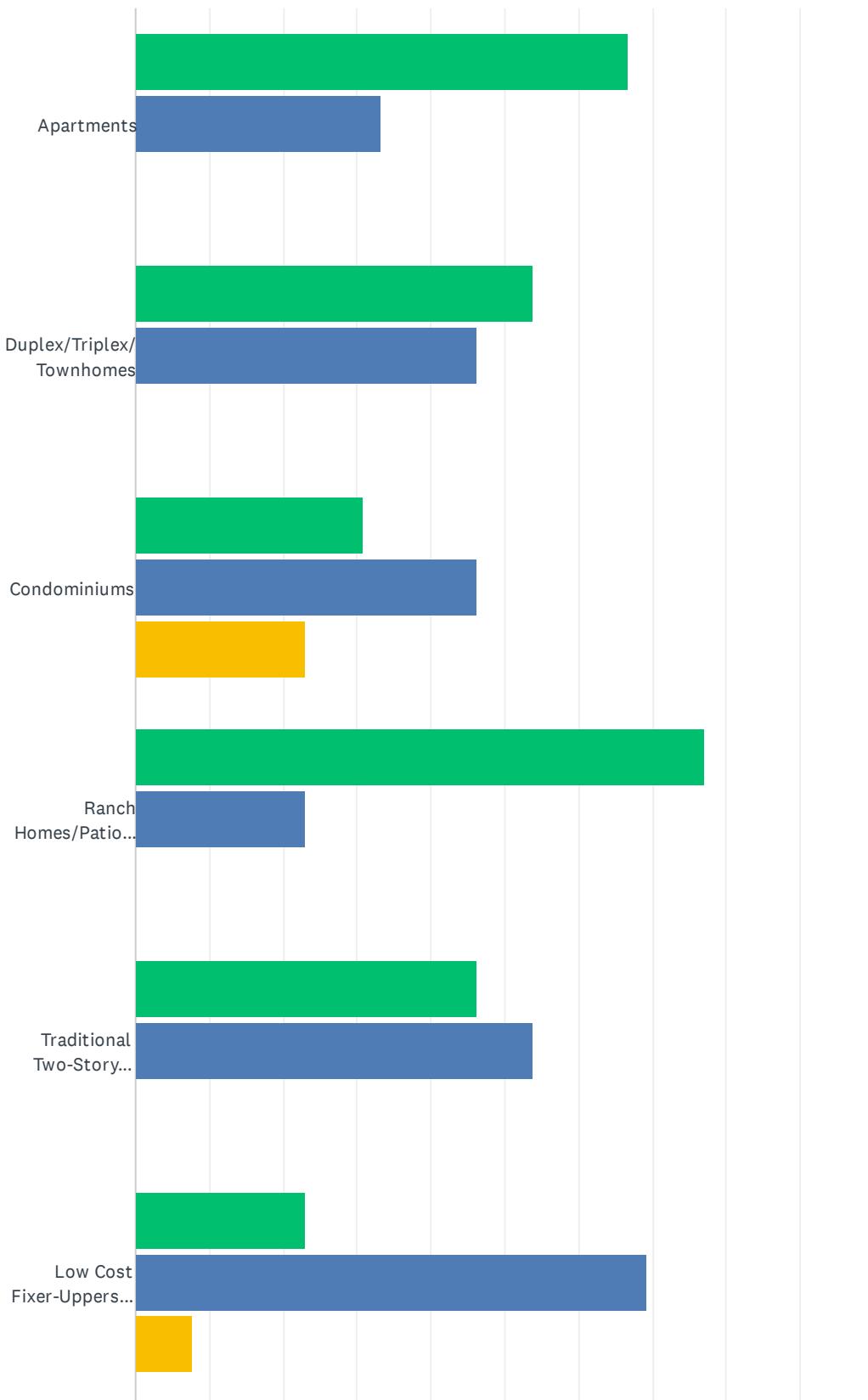


Ferrum, Virginia Housing Needs Assessment Stakeholder Survey

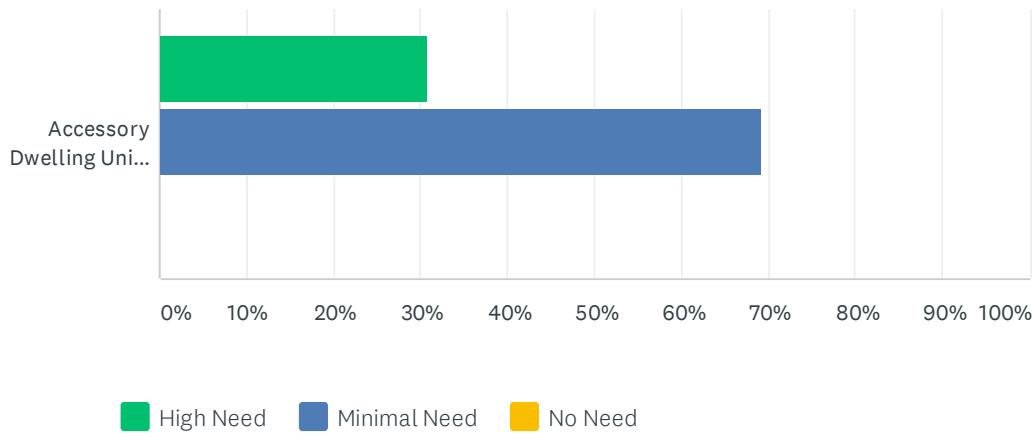
	HIGH NEED	MINIMAL NEED	NO NEED	TOTAL	WEIGHTED AVERAGE
Senior Apartments (Independent Living)	61.54% 8	30.77% 4	7.69% 1	13	1.46
Senior Care Facilities (Assisted and Nursing Home)	69.23% 9	23.08% 3	7.69% 1	13	1.38
Senior Condominiums (For-Sale Housing)	41.67% 5	50.00% 6	8.33% 1	12	1.67
Single-Person (Studio/One-Bedroom)	53.85% 7	30.77% 4	15.38% 2	13	1.62
Family Housing (2+ Bedrooms)	76.92% 10	23.08% 3	0.00% 0	13	1.23
Communal Housing (Shared Living Space)	23.08% 3	53.85% 7	23.08% 3	13	2.00
Student Apartments (Off-Campus)	61.54% 8	30.77% 4	7.69% 1	13	1.46
Live/Work Housing (i.e. Artists)	25.00% 3	58.33% 7	16.67% 2	12	1.92
Housing for Millennials (Ages 25-39)	53.85% 7	46.15% 6	0.00% 0	13	1.46
Rentals that Accept Housing Choice Voucher Holders	23.08% 3	61.54% 8	15.38% 2	13	1.92

Q5 To what degree are each of the following housing styles needed in Ferrum.

Answered: 13 Skipped: 0



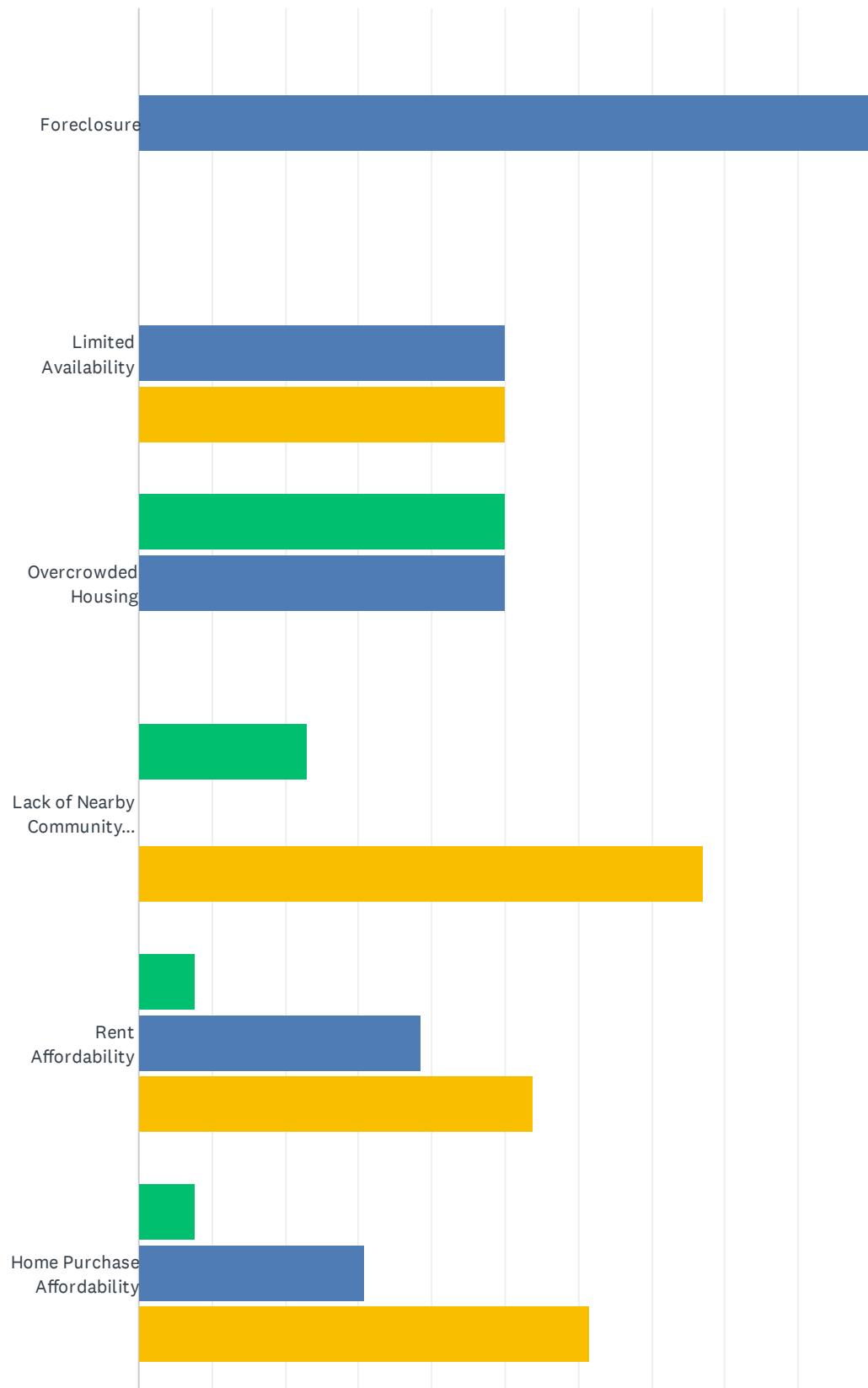
Ferrum, Virginia Housing Needs Assessment Stakeholder Survey



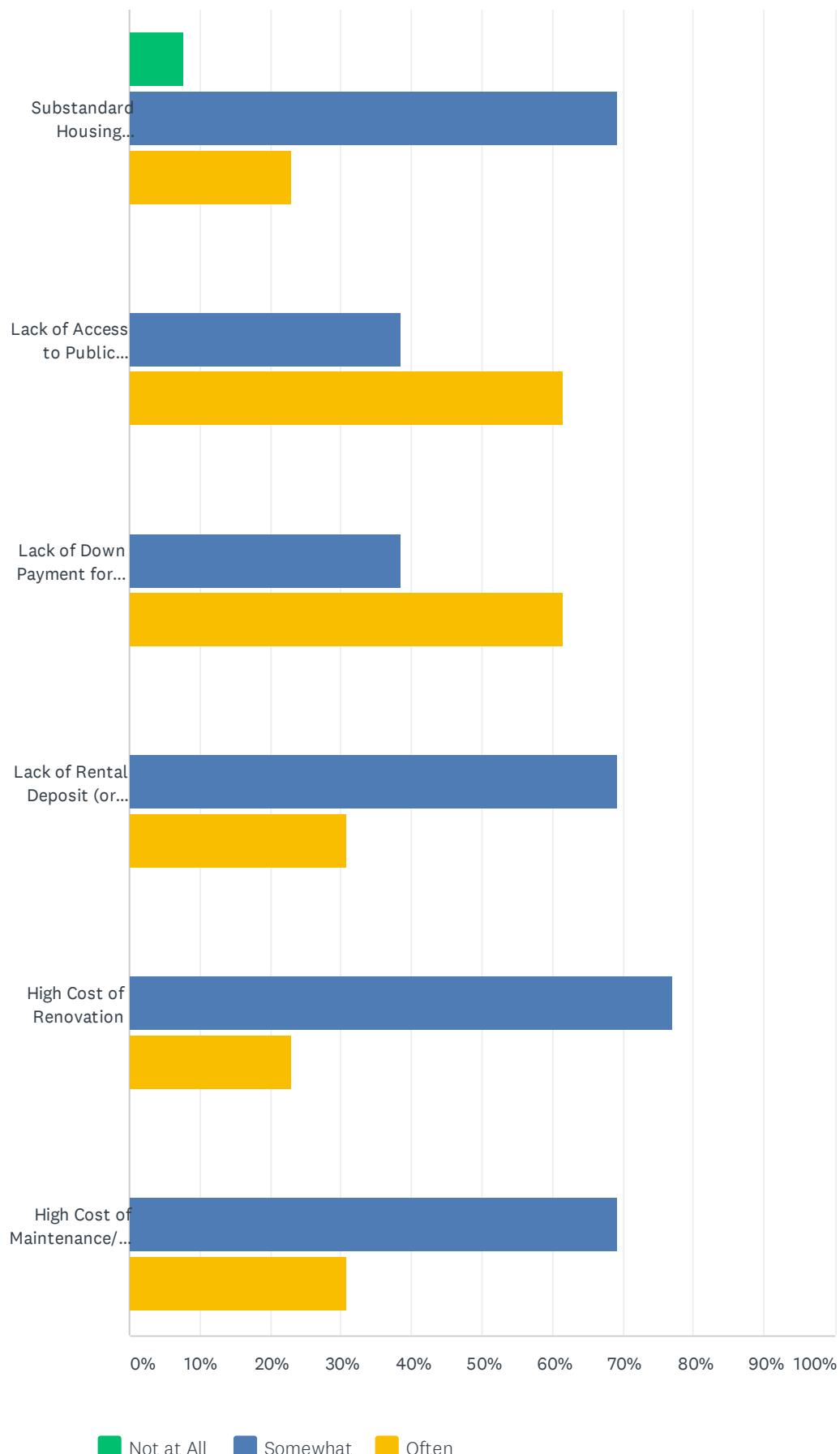
	HIGH NEED	MINIMAL NEED	NO NEED	TOTAL	WEIGHTED AVERAGE
Apartments	66.67% 8	33.33% 4	0.00% 0	12	1.33
Duplex/Triplex/Townhomes	53.85% 7	46.15% 6	0.00% 0	13	1.46
Condominiums	30.77% 4	46.15% 6	23.08% 3	13	1.92
Ranch Homes/Patio Homes/Single Floor Plan Units	76.92% 10	23.08% 3	0.00% 0	13	1.23
Traditional Two-Story Single-Family Homes	46.15% 6	53.85% 7	0.00% 0	13	1.54
Low Cost Fixer-Uppers (single-family homes)	23.08% 3	69.23% 9	7.69% 1	13	1.85
Accessory Dwelling Unit (above garage, income suite, etc.)	30.77% 4	69.23% 9	0.00% 0	13	1.69

Q6 To what extent are each of the following housing issues experienced in Ferrum.

Answered: 13 Skipped: 0



Ferrum, Virginia Housing Needs Assessment Stakeholder Survey

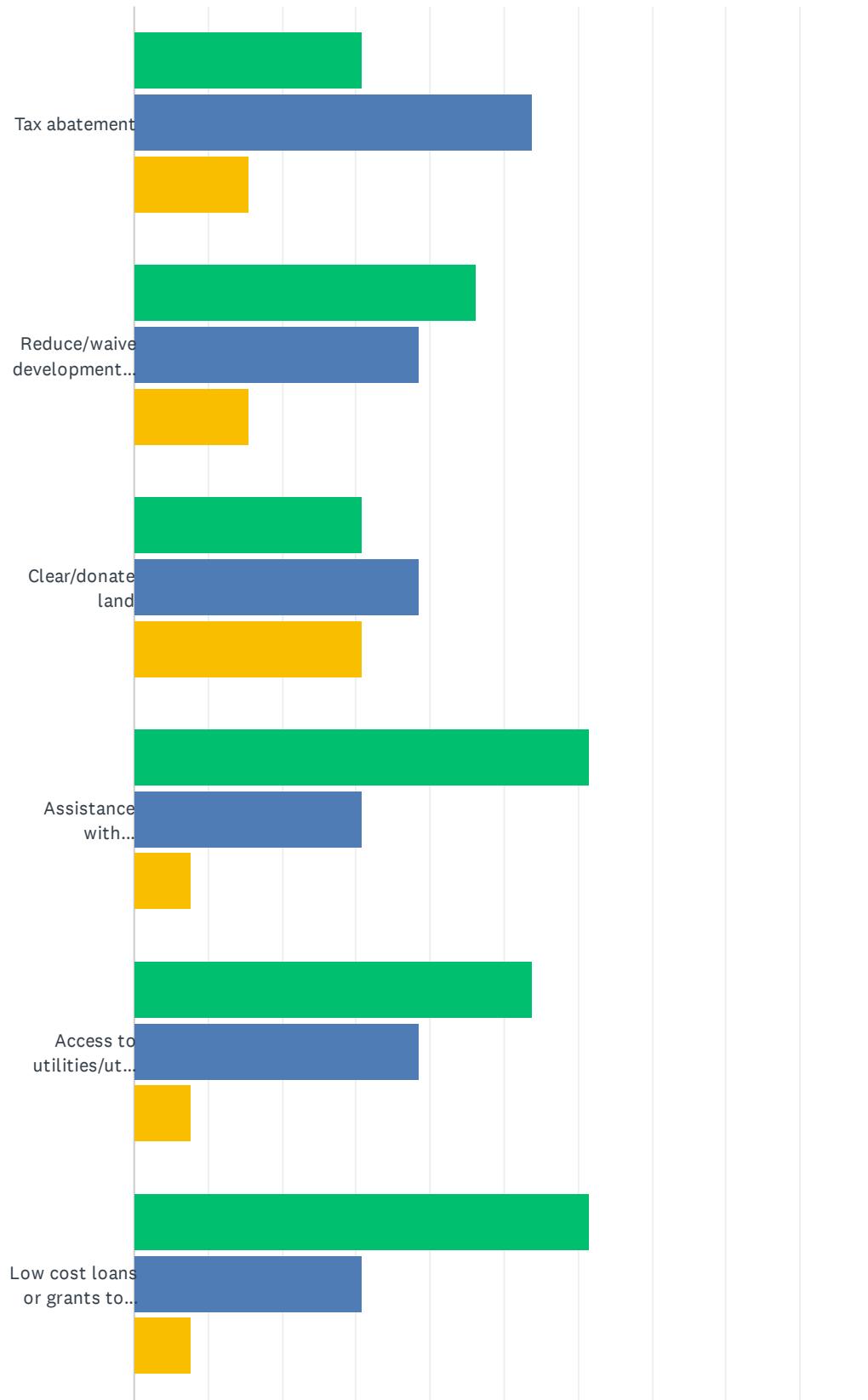


Ferrum, Virginia Housing Needs Assessment Stakeholder Survey

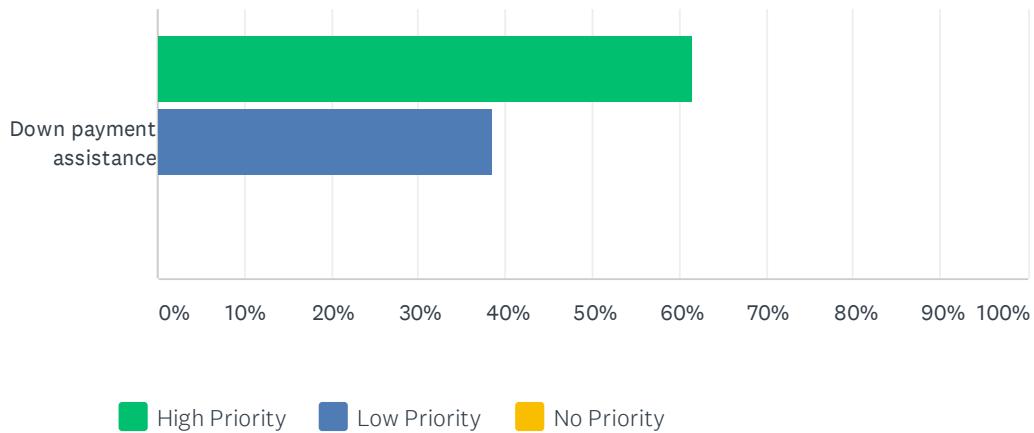
	NOT AT ALL	SOMEWHAT	OFTEN	TOTAL	WEIGHTED AVERAGE
Foreclosure	0.00% 0	100.00% 12	0.00% 0	12	2.00
Limited Availability	0.00% 0	50.00% 6	50.00% 6	12	2.50
Overcrowded Housing	50.00% 6	50.00% 6	0.00% 0	12	1.50
Lack of Nearby Community Services (grocery, doctor, etc.)	23.08% 3	0.00% 0	76.92% 10	13	2.54
Rent Affordability	7.69% 1	38.46% 5	53.85% 7	13	2.46
Home Purchase Affordability	7.69% 1	30.77% 4	61.54% 8	13	2.54
Substandard Housing (quality/condition)	7.69% 1	69.23% 9	23.08% 3	13	2.15
Lack of Access to Public Transportation	0.00% 0	38.46% 5	61.54% 8	13	2.62
Lack of Down Payment for Purchase	0.00% 0	38.46% 5	61.54% 8	13	2.62
Lack of Rental Deposit (or First/Last Month Rent)	0.00% 0	69.23% 9	30.77% 4	13	2.31
High Cost of Renovation	0.00% 0	76.92% 10	23.08% 3	13	2.23
High Cost of Maintenance/Upkeep	0.00% 0	69.23% 9	30.77% 4	13	2.31

Q7 What priority should be given to the following incentives or assistance that could be used to address housing issues?

Answered: 13 Skipped: 0



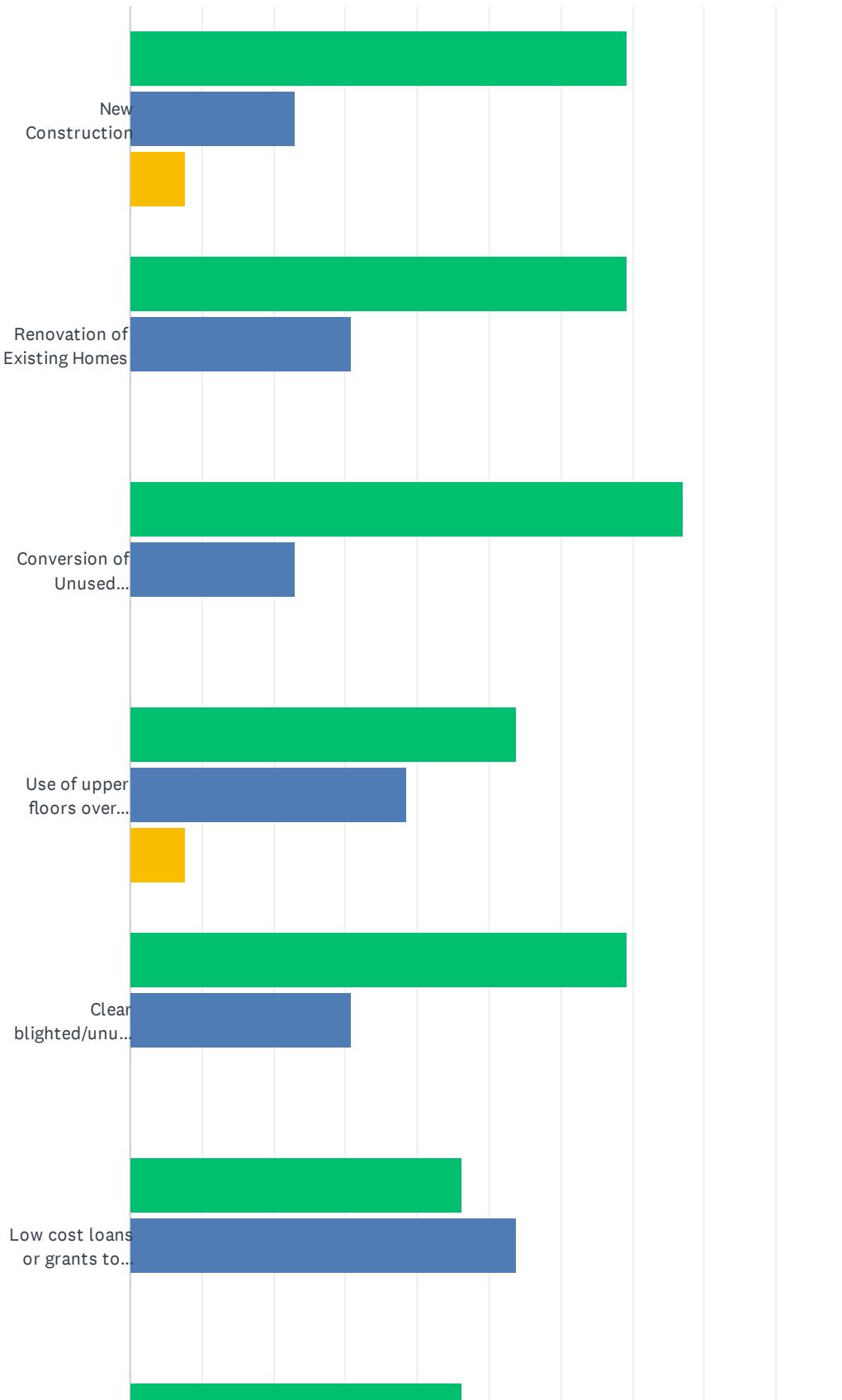
Ferrum, Virginia Housing Needs Assessment Stakeholder Survey



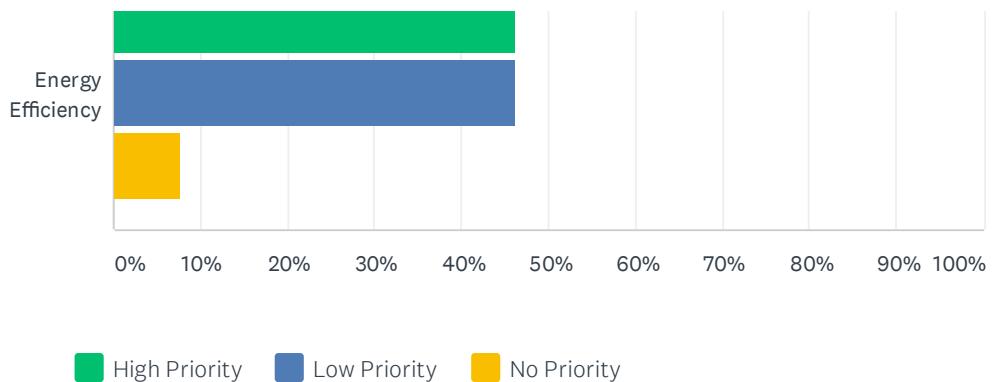
	HIGH PRIORITY	LOW PRIORITY	NO PRIORITY	TOTAL	WEIGHTED AVERAGE
Tax abatement	30.77% 4	53.85% 7	15.38% 2	13	1.85
Reduce/waive development fees	46.15% 6	38.46% 5	15.38% 2	13	1.69
Clear/donate land	30.77% 4	38.46% 5	30.77% 4	13	2.00
Assistance with infrastructure	61.54% 8	30.77% 4	7.69% 1	13	1.46
Access to utilities/utility assistance	53.85% 7	38.46% 5	7.69% 1	13	1.54
Low cost loans or grants to repair homes	61.54% 8	30.77% 4	7.69% 1	13	1.46
Down payment assistance	61.54% 8	38.46% 5	0.00% 0	13	1.38

Q8 What priority should be given to the following development types?

Answered: 13 Skipped: 0



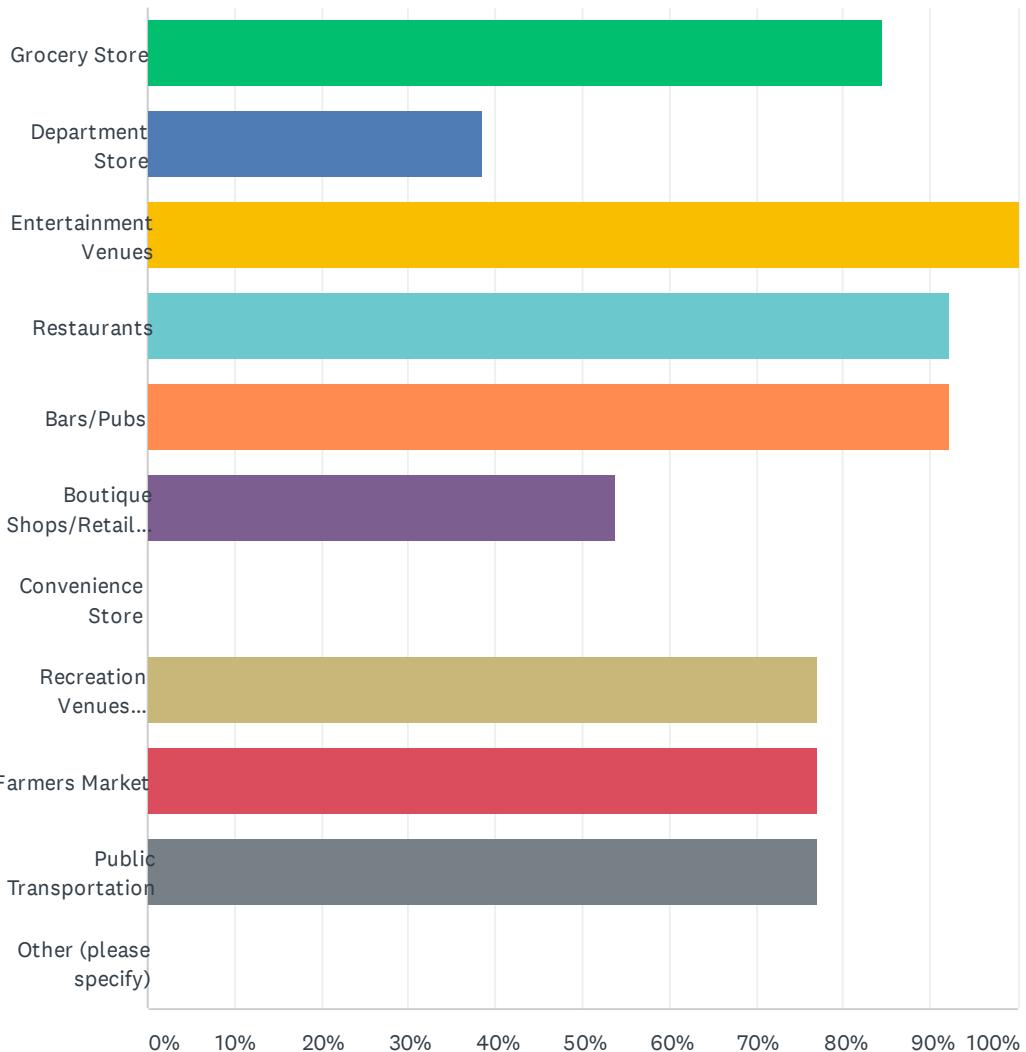
Ferrum, Virginia Housing Needs Assessment Stakeholder Survey



	HIGH PRIORITY	LOW PRIORITY	NO PRIORITY	TOTAL	WEIGHTED AVERAGE
New Construction	69.23% 9	23.08% 3	7.69% 1	13	1.38
Renovation of Existing Homes	69.23% 9	30.77% 4	0.00% 0	13	1.31
Conversion of Unused Buildings (old offices, warehouses, etc.)	76.92% 10	23.08% 3	0.00% 0	13	1.23
Use of upper floors over commercial space into housing	53.85% 7	38.46% 5	7.69% 1	13	1.54
Clear blighted/unused structures to create land for new development	69.23% 9	30.77% 4	0.00% 0	13	1.31
Low cost loans or grants to repair homes	46.15% 6	53.85% 7	0.00% 0	13	1.54
Energy Efficiency	46.15% 6	46.15% 6	7.69% 1	13	1.62

Q9 Are there specific community services that are lacking in Ferrum that prevent the village from attracting new residents? (select all that apply)

Answered: 13 Skipped: 0

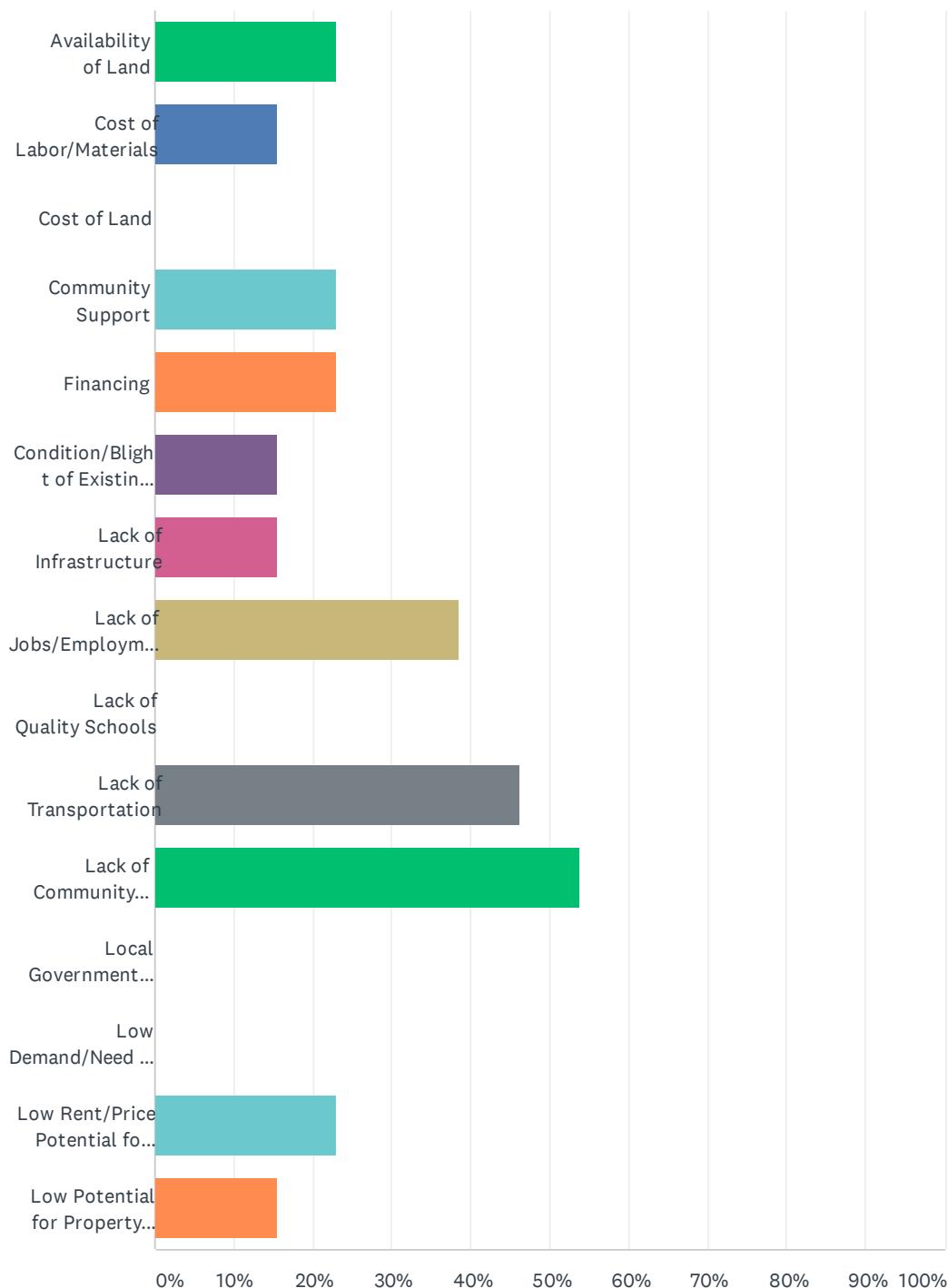


Ferrum, Virginia Housing Needs Assessment Stakeholder Survey

ANSWER CHOICES	RESPONSES
Grocery Store	84.62% 11
Department Store	38.46% 5
Entertainment Venues	100.00% 13
Restaurants	92.31% 12
Bars/Pubs	92.31% 12
Boutique Shops/Retailers (bookstore, craft store, salon, etc.)	53.85% 7
Convenience Store	0.00% 0
Recreation Venues (playground, parks, trails, etc.)	76.92% 10
Farmers Market	76.92% 10
Public Transportation	76.92% 10
Other (please specify)	0.00% 0
Total Respondents: 13	

Q10 In your opinion, what are the top three barriers or obstacles that exist in Ferrum that you believe limit residential development? (you can select up to three answers)

Answered: 13 Skipped: 0



Ferrum, Virginia Housing Needs Assessment Stakeholder Survey

ANSWER CHOICES	RESPONSES
Availability of Land	23.08% 3
Cost of Labor/Materials	15.38% 2
Cost of Land	0.00% 0
Community Support	23.08% 3
Financing	23.08% 3
Condition/Blight of Existing Housing	15.38% 2
Lack of Infrastructure	15.38% 2
Lack of Jobs/Employment Opportunities	38.46% 5
Lack of Quality Schools	0.00% 0
Lack of Transportation	46.15% 6
Lack of Community Services	53.85% 7
Local Government Regulations ("red tape")	0.00% 0
Low Demand/Need for Housing	0.00% 0
Low Rent/Price Potential for Developers	23.08% 3
Low Potential for Property Values to Appreciate	15.38% 2
Total Respondents: 13	

Q11 How do you believe these obstacles/barriers could be reduced or eliminated? (Responses will be limited to 500 characters)

Answered: 6 Skipped: 7